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PROCEEDINGS AND DEBATES OF THE SIXTY-FOURTH CONGRESS, FIRST SESSION.

SENATE.

TUESDAY, *August 15, 1916.*

The Senate met at 11 o'clock a. m.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, may Thy grace be vouchsafed to us this day, that we may discharge the duties that are before us in Thy fear. We pray for Thy grace, for we have come short of Thy glory, and can only look to Thee for Thy guidance and blessing through Thine infinite love, through the riches of Thy grace. We pray that Thou wilt give to us power to perform our duty, courage to be just to our fellow men, and wisdom that we may understand how to adjust the conflicting interests of men, that peace and brotherhood and love may abide with us, a united Nation. For Christ's sake. Amen.

CALLING OF THE ROLL.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hardwick	Myers	Smoot
Bankhead	Hitchcock	Nelson	Sterling
Brady	Hughes	Oliver	Stone
Brandegee	Husting	Overman	Swanson
Bryan	James	Phelan	Taggart
Chamberlain	Johnson, S. Dak.	Pomerene	Thomas
Clarke, Ark.	Jones	Shafroth	Tillman
Culberson	Lane	Sheppard	Wadsworth
Cummins	Lippitt	Sherman	Williams
Curtis	McLean	Simmons	
Fletcher	Martin, Va.	Smith, Ga.	
Gronna	Martine, N. J.	Smith, S. C.	

Mr. CUMMINS. I desire to announce that my colleague [Mr. KENYON] is necessarily absent. I make the announcement for the day.

The VICE PRESIDENT. Forty-five Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. COLT and Mr. VARDAMAN answered to their names when called.

Mr. GALLINGER, Mr. DILLINGHAM, Mr. ROBINSON, Mr. SMITH of Maryland, and Mr. BECKHAM entered the Chamber and answered to their names.

The VICE PRESIDENT. Fifty-two Senators have answered to the roll call. There is a quorum present.

Mr. GALLINGER. Now that there is a quorum, I will state that the conference committee on the District of Columbia appropriation bill is in session, and that is one reason why we were a little tardy.

THE JOURNAL.

The Journal of yesterday's proceedings was read and approved.

ENROLLED BILL SIGNED.

The VICE PRESIDENT announced his signature to the enrolled bill (H. R. 13982) to extend temporarily the time for filing applications and fees and taking action in the United States Patent Office in favor of nations granting reciprocal rights to United States citizens, which had heretofore been signed by the Speaker of the House.

PENSIONS AND INCREASE OF PENSIONS.

The VICE PRESIDENT laid before the Senate the amendments of the House to the bill (S. 6369) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors.

Mr. SMOOT. I move that the Senate disagree to the amendments of the House and request a conference with the House, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to; and the Vice President appointed Mr. HUGHES, Mr. TAGGART, and Mr. SMOOT conferees on the part of the Senate.

PETITIONS AND MEMORIALS.

Mr. GRONNA. I have here a statement of William G. Crocker, chairman of the Millers' National Federation. It is a short statement with reference to the Rainey bill for the repeal of the mixed-flour law. I ask to have it printed in the RECORD without reading.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

MILLERS' NATIONAL FEDERATION,
Minneapolis, Minn., August 12, 1916.

RAINEY BILL (H. R. 9409) FOR THE REPEAL OF THE MIXED-FLOUR LAW.

Hon. A. J. GRONNA,
United States Senate, Washington, D. C.

MY DEAR MR. GRONNA: As you will recall, the hearing on this bill occupied the week ending February 5, 1916. No action has ever been taken by the committee, but we are advised that it has been called for Tuesday, the 15th.

Herewith please find a statement of the writer's testimony before the Ways and Means Committee, which summarizes the whole thing in a nutshell.

This repeal would be most pernicious. Won't you kindly take the time Monday, the 14th, to use your influence with the members of the Ways and Means Committee and vigorously oppose this measure?

Thanking you in advance for your attention,

Respectfully, yours,

WILLIAM G. CROCKER,
Director Millers' National Federation.

STATEMENT OF MR. WILLIAM G. CROCKER, REPRESENTING THE MILLERS' CLUB OF MINNEAPOLIS, MINNEAPOLIS, MINN., BEFORE THE WAYS AND MEANS COMMITTEE, FEBRUARY 5, 1916, IN OPPOSITION TO THE SO-CALLED RAINEY BILL (H. R. 9409) ON MIXED FLOUR.

Mr. RAINEY. Whom do you represent?

Mr. CROCKER. The Millers' Club of Minneapolis, the same association that Mr. Snyder represents.

Mr. RAINEY. How much time do you want?

Mr. CROCKER. A very few minutes.

Mr. RAINEY. Will you be through in 15 minutes if we do not ask you any questions?

Mr. CROCKER. If you do not ask me any questions I will be through in five minutes.

I shall speak of this matter rather from the ethical standpoint than the scientific standpoint.

I have been in the milling business for 34 years, but I am not a chemist nor a practical miller. What I am is an operating miller.

Considerable has been said here about the merits of Michigan wheat and what it has done for various people. I am simply here to represent the northwestern wheat, and I want to take this opportunity to thank our opponents for the high words of praise accorded our flour, and in fact the splendid compliment paid to all flour, namely, that it is too good, and the quality, therefore, from their standpoint should be lowered.

Why repeal the so-called mixed-flour law? Who is asking for its repeal? Is the consumer asking for it; that is, the family or the baker? Is the wheat miller asking for it? Most certainly not; and why not? Because he is producing the cheapest and best food for the price and at the smallest possible margin; because it is an industry that is highly competitive and absolutely free from agreements or combinations; because flour always has been considered the staff of life and as dependable as sterling silver. When the buyer asks for flour, he wants flour, because he knows that it will give him better results than any mixture or compound. He wants the real thing. There is only one real thing in flour, and that is flour.

It seems to me that the ones most interested in this proposed repeal are those who think they would be benefited by its repeal, namely, the maker or seller of the adulterant. The repeal of the present law would bring about most pernicious results and open the way for the lowering of the standard of breadstuffs. This is no flight of the imagination, but an absolute condition confronting this great industry.

Who wants this repeal? If the corn people wish to increase the human consumption of corn products, let them inaugurate a campaign of education. They can not make people eat corn, because the people want flour; and by that I mean wheat flour. Corn, excepting in a small way, is not human food but stock food or feed.

Now, when we come to cornstarch, we find a different condition. We have heard that seven refining companies grind upward of 56,000,000 bushels of corn annually. There is one milling company in Minneapolis which grinds annually upward of 56,000,000 bushels of wheat into the staff of life. The repeal of this bill would mean legalized adulteration or deception.

And I framed those words before I heard Dr. Wiley yesterday.

The people greatly interested are the refineries which wish to find a market for this by-product, cornstarch. All this talk about corn flour and corn meal is all poppy-cock; it all simmers down to cornstarch. This little booklet we have here refers very suavely to corn flour, but the whole meat in the nut is cornstarch.

The inclusion in flour of this product would reduce the quantity of wheat ground in the same amount. It strikes me that the advocates of corn and corn by-products want the millers of wheat flour "to pull their chestnuts out of the fire." Let me assure you, gentlemen, that were this fine corn meal and cornstarch or flourine, or whatever you may call this by-product, secured chemically in the manufacture of glucose, not white in color, this repeal would not be under consideration. Were this stuff pink or gray or blue, or yellow like cottonseed meal, we would not be here to-day. If this stuff is so good, why will the bakers not use it? If these people want to increase their business, why not put up cornstarch in 49-pound sacks or in 24-pound sacks and sell it to the grocers and start a campaign of education? The millers have had to educate the people up to the use of spring wheat against winter wheat. If the public wants cheaper food, why don't they do that? I will tell you why: They won't use it because they know, and know absolutely, that it will not produce satisfactory results. If the people want cheaper flour, they can get it in the low grades, which are perfectly nutritious, but of inferior or darker color.

The man who attempts the exportation of this proposed flour mixed with cornstarch would be a very sorry exporter, because the foreign markets will take nothing but pure flour. Do we want to kill our export flour business of from 15,000,000 to 20,000,000 barrels annually, which means labor for those employed? Do we want to take a step backward? Do we want to make deception easy, for that is what it means Do we want to lower our standards? I do not believe that we do. I do not believe that the people want it. The bakers oppose this repeal and the millers oppose this repeal, because it is vicious and wrong, and the family consumer doesn't know that his daily bread is in jeopardy.

That is all I have to say, and that is the whole meat in the nutshell.

Mr. RAINEY. I thank you very much. That is one of the best statements that has been made, both on account of its intrinsic merit and its brevity.

Mr. OLIVER presented a petition of sundry citizens of West Auburn, Pa., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. PHELAN presented a memorial of sundry citizens of Bakersfield, Cal., remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which was ordered to lie on the table.

He also presented a petition of the Chamber of Commerce of Pomona, Cal., praying for the settlement of the difficulties between the railroads and their employees by the Interstate Commerce Commission, which was referred to the Committee on Interstate Commerce.

REPORTS OF COMMITTEES.

Mr. CULBERSON, from the Committee on the Judiciary, to which was referred the bill (S. 5450) to amend section 108, chapter 5, of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, reported it with an amendment and submitted a report (No. 791) thereon.

Mr. LANE, from the Committee on Indian Affairs, to which was referred the bill (S. 5916) authorizing an investigation to determine the true north and west boundaries of the Warm Springs Reservation, in Oregon, reported it without amendment and submitted a report (No. 792) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WADSWORTH:

A bill (S. 6863) to authorize the appointment of Levin H. Campbell, jr., second lieutenant, Coast Artillery Corps, United States Army, as a first lieutenant in the United States Army; to the Committee on Military Affairs.

By Mr. OWEN:

A bill (S. 6864) providing for the continuance of the Osage Indian School, Oklahoma, for a period of 10 years from January 1, 1917; to the Committee on Indian Affairs.

TARGET PRACTICE IN THE NAVY.

Mr. BRANDEGEE submitted the following resolution (S. Res. 250), which was read, considered by unanimous consent, and agreed to:

Resolved, That the Secretary of the Navy be, and is hereby, directed, if not incompatible with the public interest, to send to the Senate a statement of the number of shots fired and the number of hits made by the Atlantic Battleship Fleet in division practice and battle practice in 1916 as they appeared on the screen target as allowed by the umpire at the time.

EXEMPTIONS FROM CIVIL-SERVICE REQUIREMENTS.

Mr. POMERENE. I desire to submit an amendment intended to be proposed by me to Senate resolution 246, offered by the Senator from Pennsylvania [Mr. PENROSE] yesterday, regarding exemptions from the civil service under Executive order. I ask that the amendment lie on the table and be printed, and that it be printed in the RECORD.

There being no objection, the amendment was ordered to lie on the table and be printed and to be printed in the RECORD, as follows:

Add at the end of the resolution the following:

"Also a similar list of the Executive orders issued during each administration prior thereto, beginning with the first administration of President Cleveland, exempting appointees in the Federal service from civil-service requirements or placing employees under the civil service previously appointed outside of any eligible list prescribed by the Civil Service Commission."

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the bill (S. 5202) to authorize the maintenance and operation of dams across the St. Croix River at Baileyville and Grand Falls, Me., with an amendment, in which it requested the concurrence of the Senate.

ST. CROIX RIVER DAMS.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 5202) to authorize the maintenance and operation of dams across the St. Croix River at Baileyville and Grand Falls, Me., which was to strike out the preamble.

Mr. NELSON. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

COLLECTION OF DISCRIMINATING DUTIES.

Mr. JONES. I submitted Senate resolution 248 yesterday. I desire to call it up.

The VICE PRESIDENT. The Chair lays before the Senate the following resolution, coming over from the preceding day.

The Secretary read Senate resolution 248, submitted yesterday by Mr. JONES, as follows:

Resolved, That the Secretary of the Treasury be directed to furnish the information called for by Senate resolution 133 of March 16, 1916, or report to the Senate promptly why such information can not be furnished.

The resolution was agreed to.

BILLS OF LADING.

Mr. POMERENE. Mr. President, some days ago there was messaged over from the House Senate bill 19, commonly known as the bill of lading bill, which passed the House with certain amendments. I ask that that may be laid before the Senate.

The VICE PRESDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 19) relating to bills of lading in interstate and foreign commerce.

Mr. POMERENE. Mr. President, with perhaps two exceptions, these amendments are of minor importance. After conferring with a number of my colleagues on the Interstate Commerce Committee, I think I express their views as well as my own when I say that we would have preferred to have had the bill in the form that it passed the Senate, but we realized after conferring with Members of the House, particularly with members of the Committee on Interstate and Foreign Commerce of the House, that if we were to disagree to the amendments made in the House it would be next to impossible to have any final legislation upon this subject at the present session. It is our belief, after an exchange of views, that it would be very much better for the Senate to concur in the amendments adopted by the House, and if future experience should indicate that further legislation is desirable we can then introduce other bills anew to remedy what may seem to be the defects in the bill as it passed the House.

I therefore move that the Senate concur in the amendments of the House.

Mr. SMOOT. I will say to the Senator that I have received a great many letters in protest against the amendments offered to the bill in the House. I did not expect the bill to be brought up for action this morning, and I did not bring those letters with me to the Chamber. If the bill is going to be considered now, I should like to have the amendments read and see just what they are. In the meantime perhaps I shall get my correspondence here.

Mr. POMERENE. I think that probably the objections that have been called to the Senator's attention have also been called not only to my attention but to that of other members of the committee. They relate particularly to section 21, the subject matter of which is "shipper's weight, load, and count." I think I would agree with the Senator that we would very much prefer the shipper's load-and-count provision contained in the bill as passed by the Senate, but it is going to be impossible to get a quorum in the other House to consider this matter if it goes to conference, as we are told.

The bill does not take effect by its terms until January 1, 1917, and meanwhile an opportunity will be given everyone to investigate this subject further; and if the objections are well taken, then I, for one, will be very glad to do everything I can to secure additional legislation in harmony with section 21 as it passed the Senate.

This measure is so comprehensive in its terms and involves so many questions that the friends of the measure feel they are now getting practically 98 per cent of what they want; and we

have gotten along so far with it that it would be little short of a calamity to the business public if we did not allow this measure to go through.

I know that our committee labored in season and out of season in order to get this bill perfected, and it has been a matter of serious study by all the business interests of the country, covering a period of 10 years.

Mr. SMOOT. Mr. President, I will say to the Senator that section 21 was one of the provisions of the bill to which there was serious objection on the part of those who have communicated with me.

Mr. POMERENE. I have no doubt the Senator is right as to that.

Mr. SMOOT. There were two or three other provisions of the bill mentioned by my correspondents, but I have not the bill before me and I can not therefore at the moment point them out. I desire, however, to ask the Senator if the Committee on Interstate Commerce has considered the amendments made by the House to the Senate bill and if the committee is a unit in agreeing to the acceptance of the House amendment?

Mr. POMERENE. Mr. President, I can not say that. The committee, as a committee, has not considered the House amendments as they have come over. I have, however, presented the matter, for instance, to the Senator from Iowa [Mr. CUMMINS]; the Senator from Arkansas [Mr. ROBINSON] has also taken the matter into consideration, and my recollection is that I had some little talk with the Senator from Connecticut [Mr. BRANDEGEE] on the subject, although I will not state that as a fact, but so far as I was able to learn, I thought that we were substantially agreed that it would be for the best interests of the public at large if the bill could go through as it passed the House.

Mr. SMOOT. Mr. President, I was very much in favor of the bill as it passed the Senate. I know the necessity for the legislation, and I will ask the Senator from Iowa [Mr. CUMMINS] if the amendments of the House are acceptable to him, as he has given the subject a great deal of attention.

Mr. CUMMINS. Mr. President, I do not think the House amendment as to section 21 is as good as the Senate bill. Has the Senator from Ohio [Mr. POMERENE] stated the difference between them?

Mr. POMERENE. I did not state that specifically, and I will be very glad to have the Senator do so.

Mr. CUMMINS. The difference is this: In the Senate bill it was provided that at any place where goods are loaded and the carrier maintains an agency, the shipper could call upon the carrier to count and weigh the goods, and when that opportunity was given to the carrier, it was made unlawful for the carrier to stamp the bill of lading with the words, "Shipper's weight, load, and count"; and the railroad company would under those circumstances be liable in just the same way as though it had originally weighed, loaded, and counted the goods.

The Senate provision was intended to make the bill of lading a more substantial basis for credit in the markets of the country. The House has excepted from that provision quite a variety of conditions. That is, the House provides—

> That when package freight or bulk freight is loaded by a shipper, and the goods are described in a bill of lading merely by a statement of marks or labels upon them or upon packages containing them, or by a statement that the goods are said to be goods of a certain kind or quantity, or in a certain condition, or it is stated in the bill of lading that packages are said to contain goods of a certain kind or quantity or in a certain condition, or that the contents or condition of the contents of packages are unknown, or words of like purport are contained in the bill of lading, such statements, if true, shall not make liable the carrier issuing the bill of lading, although the goods are not of the kind or quantity or in the condition which the marks or labels upon them indicate, or of the kind or quantity or in the condition they were said to be by the consignor. The carrier may also by inserting in the bill of lading the words "Shipper's weight, load, and count," or other words of like purport, indicate that the goods were loaded by the shipper and the description of them made by him; and if such statement be true—

That is, the statement that the goods were loaded by the shipper—

> the carrier shall not be liable for damages caused by the improper loading or by the nonreceipt or by the misdescription of the goods described in the bill of lading.

Then, this proviso has been inserted:

> *Provided, however,* Where the shipper of bulk freight installs and maintains adequate facilities for weighing such freight, and the same are available to the carrier, then the carrier, upon written request of such shipper and when given a reasonable opportunity so to do, shall ascertain the kind and quantity of bulk freight within a reasonable time after such written request, and the carriers shall not in such cases insert in the bill of lading the words "Shipper's weight," or other words of like purport, and if so inserted contrary to the provisions of this section, said words shall be treated as null and void and as if not inserted therein.

It will be observed that the difference is that the Senate bill provides that, wherever a carrier maintains an agency, the shipper may call upon the carrier to examine the goods, to count them, to weigh them, and when that opportunity is given, the bill of lading can not contain the exception which the law attaches to "shipper's load, weight, and count." The House bill, as will be observed, takes out a great many instances which would fall within the scope of the Senate bill. I do not believe, therefore, that the House bill is as good as the Senate bill. It will not give the bill of lading that authenticity and standing in the markets which the Senate bill would.

But the bill is a part of a codification of the law with regard to bills of lading and is of the greatest importance. It has been composed with the utmost care and has been urged upon Congress for many years by those who are deeply interested in sustaining the credit of bills of lading, and I think it would be vastly better to pass the bill as amended by the House than not to pass it at all, in the belief on my part that when the time comes and this weakening of the bill becomes apparent, it will be easier to amend it than it will be to pass the original measure. I am, therefore, in favor of the motion made by the Senator from Ohio, if he thinks that is a better way of accomplishing the result than to have a conference committee appointed to consider the differences between the two Houses.

Mr. POMERENE. Mr. President, I may say——

Mr. BRANDEGEE. Mr. President——

Mr. POMERENE. I yield to the Senator.

Mr. BRANDEGEE. I did not know the Senator had the floor.

Mr. POMERENE. I will be through in a moment. Apropos of what the Senator from Iowa [Mr. CUMMINS] has said, I would have very much preferred section 21 of the Senate bill on this subject, and was so anxious that we might be able to get that, or nearly that, in the final form that the bill might take, that I took the matter up with Members of the House in whose judgment I had every confidence. It seems, however, that there are certain Members of the House, as I understand, who insist very strenuously upon section 21 as it passed the House and who intimate that if that amendment is not allowed to stand and remain a part of the bill, a point of no quorum will be raised in that body, which, in the present parliamentary situation, would make it utterly impossible to get this legislation through.

It seems to me that if we could get only one provision of this bill passed we ought to waive everything else and let it be passed. I refer to that provision which seeks to correct the rule laid down by the Supreme Court in the so-called Friedlander case. The substance of the holding in that case was that if a freight agent were to issue a bill of lading for goods and did not receive the goods therefor the railroad company would not be held responsible. Because of the doctrine in this case and in previous cases upon that subject, frauds aggregating millions of dollars have been perpetrated upon the public, not only in this country but in our foreign commerce as well.

As the Senator from Iowa has said, this is not a new proposition. It is the outgrowth of probably 10 years' study upon this subject of uniform legislation. First, the American Bar Association took up the subject and prepared the bill of lading to apply to the several States, and up to date that bill has been passed and has become a law in 15 of the leading commercial States of the Union.

Now, this bill is the old State bill, transformed so as to make it applicable to interstate and foreign commerce. I do not think that we would be serving the public if we were to hesitate about having this finally enacted in the form that it comes from the other House, even though we are not entirely satisfied with its provisions. As I feel now on this subject, I so much favor the Senate provision, section 21, that I should be very glad to take that up with those who are interested in the subject, with the view of securing a modification of section 21 later.

Mr. BRANDEGEE. Mr. President, as a member of the Committee on Interstate Commerce, I was very heartily in favor of the bill which the committee prepared, and which passed the Senate; and I very much regret the amendments made by the other House, so far as I am able to understand them, as stated on the floor of the Senate this morning.

The Senator from Ohio is mistaken as to his recollection about having discussed these amendments with me.

Mr. POMERENE. Mr. President, I did not state that as a fact. I stated it merely as an impression; and I think the Senator from Connecticut is perhaps right in his present statement about it.

Mr. BRANDEGEE. I know the Senator from Ohio did not state it as a fact. He stated that he was under the impression that he had discussed the matter with me; but he is mistaken about that. This is the first information I have ever had about the House amendments. However, I care nothing about that feature of it.

I simply want to call attention to this: Here is an amendment made by the other House, to which the Senate committee entirely disagrees, upon a very important bill. I regret very much that the Senator from Ohio, in his anxiety to get through this very meritorious piece of legislation, feels compelled to yield by the fact that there is no quorum in the other House, and that some one who believes in the amendment that the House has made, without any attempt to confer with the Senate conferees, announces in advance that, unless the Senate agrees with an amendment in which it does not believe, he will raise the question of a quorum in the House, and thereby perhaps defeat the whole legislation. I think it is regrettable that, Congress being in session, such a parliamentary situation should exist. I had at first expected, before the Senator made that statement, to ask the Senator to withdraw his motion that the Senate concur in the House amendments, let the Senate disagree to the House amendments, let conferees be appointed, and see if, by force of reason and argument, the Senate conferees could not bring the House conferees to an agreement with the Senate view; and I am not yet entirely persuaded that that course would not be preferable.

I am not going to insist upon it, however, because I realize the Senator from Ohio is the author of this legislation; that he has pressed it diligently for several years, and I do not feel sufficiently accountable to interfere with what he thinks is the best course under the circumstances.

My personal belief is that the intimation that the point of a lack of a quorum might be raised in the other House might not be carried into effect. I think, if the Senate should appoint conferees, that the House would appoint conferees, and that there is a possibility at least, the amount of which I am not able to judge at the present time, that we might agree. Even if we did not agree, Mr. President, this would come back to us when the Senator from Ohio and his fellow conferees decided that there was no hope of having the House recede from its amendments and concur with the bill as it passed the Senate. The Senator from Ohio could then report back to the Senate, recommending that the Senate then agree to the House amendments. Being a conference report, it would always be in order to be made, and being a question upon which there would be no debate and on which the Senate could act then just as well as now—it would not take two minutes—I should think the Senator from Ohio would feel justified in at least making the effort, and I think there would be no reason at all for losing the legislation. The Senator from Ohio would then feel that he had exhausted the last resource in the way of obtaining what he really thinks would be the best legislation.

I shall not oppose the Senator's motion, however, but I had hoped that he could see that it would be worth while to make that effort, and that his view that the legislation would necessarily be imperiled thereby, or possibly be imperiled, might be modified.

Mr. POMERENE. Mr. President, I cheerfully bear witness to the very great interest which the Senator from Connecticut has taken in this measure. We had the benefit of his very large experience and his very great legal ability in shaping it up, and I would feel disposed now to yield the point and to accept his suggestion were it not for the fact that I have satisfied myself, after various interviews with Members of the House and others who have been in conference with them, that it would be impossible for us to get them to yield upon this subject. It is for that reason that I made the motion to concur, and I still feel that it is the best that we can do at this session of Congress.

Mr. SMOOT. Mr. President, after the statement made by the Senator from Ohio I am not going to object to the consideration of the report; but it does seem to me that it is worth while for us to make an effort, at least, to have the House recede on section 21 and one or two of the other minor amendments.

I want to say to the Senator that I have been informed this morning that not only the Democratic Members of the House but the Republican Members of the House have been notified to return to Washington; and as I came to the office this morning at 7.30 a train came in, and I noticed that about 20 or 30 of them arrived here this morning. I will further say that even if the Senate had to yield it would be just as well to yield in conference as to yield here upon the floor without a conference; and I do not believe that if we had conferees appointed it would prevent the passage of the bill at this session of Congress.

Mr. POMERENE. Mr. President, if the Senator will allow me to interrupt, while I do not feel free to quote the Member I have in mind, only yesterday I had a talk with one of the prominent Members of the House who infinitely preferred the Senate provision to this, and he expressed it as his judgment that it would be necessary for the Senate to accept these amendments if we were to have any legislation at this session.

Mr. BRANDEGEE. But, Mr. President, that at best can be only the judgment of one Member of the House.

Mr. POMERENE. Oh, surely.

Mr. BRANDEGEE. And I have known even very obdurate Members to change their minds after matters had been properly laid before them. I do not think the Senator ought to allow that one prominent Member to defeat the effort to accomplish what the Senate believes in, especially when we stand to lose nothing, as the Senator from Utah says. If we have to yield in the end, it is no worse than yielding now. We have nothing to lose, and we may possibly gain something.

Mr. POMERENE. Mr. President, I realize the very laudable purpose that the Senator from Connecticut and others have in mind; and I feel, too, that their request is not an unreasonable one. I do not want to seem to be taking an arbitrary position in this matter—not in the least—because I feel that the Senators, speaking generally, are as much interested in this proposition as I am. I think we all concur in feeling that it is a piece of constructive legislation that is going to be of unusual benefit to the business public, and if the Senators have serious objection to my motion as indicated here I do not know but that I will withdraw that motion.

Mr. GRONNA. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from North Dakota?

Mr. POMERENE. Certainly.

Mr. GRONNA. I want to say to the Senator from Ohio that I am not a member of this committee and I have not had time to give the matter careful study, but from a hurried reading of the amendment as proposed by the House I want to say to the Senator that I have serious objection to it. I can not see where this would benefit the shipper at all.

Mr. POMERENE. Mr. President, if the Senator will carefully study the whole bill, while I think I would agree with him as to his exception to this particular section, I think he will agree with me that, taken as a whole, it is a very great improvement over the present state of the law.

Mr. President, under the circumstances I think I will withdraw the motion to concur in the House amendments. I move that the Senate disagree to the amendments and request a conference with the House and that the Chair appoint the conferees.

The motion was agreed to; and the Vice President appointed Mr. POMERENE, Mr. ROBINSON, and Mr. CUMMINS conferees on the part of the Senate.

The VICE PRESIDENT. Morning business is closed.

THE PHILIPPINE GOVERNMENT—CONFERENCE REPORT.

Mr. HITCHCOCK. I move that the Senate proceed to the consideration of the conference report on the Philippine bill.

Mr. SIMMONS. Mr. President, has the Senator reason to believe that the consideration of this conference report can be concluded during the morning hour? [A pause.] Very well, Mr. President; after a conference with the Senator, I shall not oppose the motion.

The VICE PRESIDENT. The question is on the motion of the Senator from Nebraska.

The motion was agreed to; and the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 381) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands.

COMMITTEES OF CONGRESS—REPLY TO MR. HUGHES.

Mr. HARDWICK. Mr. President, personally I believe that, as a rule, it is neither within the proprieties nor for the best interests of the country for us to indulge in partisan discussions on this floor of pending political contests.

We can not hope to convert each other, and I am afraid that the partisan heat engendered by these discussions and the personal feeling aroused by them sometimes seriously interferes with the conduct of the business of this body and with the interests of the whole country without materially promoting the real interests of any political party. For it must be remembered that on all legislative questions we ought, and on most of these questions we do, put the interests of our country above the apparent and momentary demands of any political party. Therefore, as a rule, I greatly deprecate the injection of bitter partisan debate into the proceedings of this body. Such a discussion does not decide or even materially influence the result of any election; but it does detract, and detract seriously, from both the usefulness and dignity of this body.

It must be conceded, however, that there are rare occasions that constitute the exceptions to this rule, occasions on which a Senator's duty either to the country as a whole or his immediate constituency seems to require that notice be taken here of some current political event or utterance.

It is my belief that a recent utterance of the Republican nominee for President presents such an occasion and justifies the remarks that I am about to make, although I should hesitate very much to undertake to respond here to any ordinary political utterance of that candidate. If we may believe the press reports of Sunday, August 13, 1916, it appears that Mr. Hughes, speaking at Butte, Mont., on August 12, 1916, charged the Democratic Party with sectionalism and read a list of chairmen of the important committees of the National Senate and House to illustrate, as he claimed, that the Government of the United States, and especially all "pork" legislation, as he termed it, is in the control of the Southern States. Let me read briefly from the report of his speech:

> The candidate explained the system of committee work in Congress, dwelling upon the influence of the chairmen.
> He then read the names of the House committee chairmen from Southern States, and added:
> "All estimable gentlemen. I have no personal criticism to make of the honor and respectability and agreeable character of these gentlemen, but I say that an administration under which too many of the committees of the House of Representatives are represented in one section in that manner is a sectional administration. It is not an American administration in the broad and proper sense given to that word."
> Hughes further observed that the chairmen of the two important committees in the Senate and House who pass upon the pork legislation are also Democrats from the South—Senator CLARKE, of Arkansas, chairman of the Committee on Commerce, and Representative SPARKMAN, of Florida, chairman of the Rivers and Harbors Committee. And finally he pointed out that two more southern Democrats, Senator SIMMONS, of North Carolina, and Representative KITCHIN, of the same State, respectively, chairmen of the Finance Committee of the Senate and the Ways and Means Committee of the House, dominate the bodies which pass upon practically all the appropriations made by Congress.

If Mr. Hughes is acquainted with the work of constituting the committees of Congress, and he surely should be since he undertakes to instruct the American people about it, he must know that both the chairmanship and membership of the various committees of both Houses of Congress are not constituted along any sectional lines or for any sectional reasons whatsoever, but that, on the contrary, the rule governing these matters is the seniority rule which obtains in both political parties and which is based on the experience acquired by Members of both Houses of Congress during the period of their service here. All gentlemen who have had experience in either House of Congress are fully acquainted with the fact that no other general rule for the control of this matter can be devised or applied that is so just to the membership of both Houses and so productive of good results in the work of Congress. The best proof of that fact is that all political parties, including the party represented by Mr. Hughes, have adopted and enforced it. If southern Senators and southern Representatives have received many responsible committee assignments under this rule, it is simply and solely because of their long service here, representing constituencies that are consistently and continuously loyal to the Democratic Party, and not because of their residence in any particular section of our country.

If I were disposed to retort in kind to the Republican candidate for President, I might suggest that the Democratic Party is the only real national party in this Republic, having, as it does, representatives in the two Houses of Congress from every section and from almost every State. I might suggest that even a casual examination of the minority representation on the committees would disclose an even more sectional situation than that to which he alludes. For instance, if the Republicans came into power in this body not a single chairmanship of any importance would be held by the South, although it constitutes a large part of the country in population and in wealth and in area. I might retort that if the Republicans should come into power in this body on March 4 next, two of the most important committees of the Senate, namely, Appropriations and the Judiciary, would be headed by two Senators from a single Western State, so small in wealth and population, in comparison with the greater States of this Republic, as to suggest a "pocket borough," and yet I will not descend to that level, because I know full well that if, by the fortunes of war, our Republican friends should unfortunately control this body after March 4 next, that the two distinguished Senators from Wyoming who would succeed to the chairmanships to which I have alluded would not be chosen for those places because of the fact that they represent a small Western State, but because of their long experience and distinguished service in this body. Why the Republican candidate can not be equally candid and equally fair is beyond my comprehension. His failure to do so can be accounted for on one hypothesis alone; he believes that in certain sections of our country he can stir up passion and prejudice by waving the bloody shirt once more and by crying aloud, "The South is in the saddle."

Mr. President, I had thought that the day for this sort of performance, North or South, had passed forever. I know that there was an unfortunate period in the history of our country when the fires of sectional hate burned high and when appeals of that kind were often made and too often controlled the elections, but it had seemed to me that we have at last gotten away from that bitter period and that once more we had a reunited country and a homogeneous people, and that the man who would undertake, in the North or in the South, to relight the smoldering embers of sectional prejudice was not only not a broad-minded American patriot but was an enemy to his country and a foe to its truest interests.

I recall that when the Spanish-American War made its appeal to the patriotism of the country the response came with equal promptness and equal volume from the North, the East, the West, and the South; that in that war the sons of the men who wore the gray in the sixties marched side by side and shoulder to shoulder with the sons of the men who wore the blue, and that the first life offered up in that struggle was the life of a gallant young North Carolina boy. I recall the occasion when the great McKinley, speaking at the close of that war to the legislature of my own State, of which I was then a member, proclaimed the death of sectionalism, the rebirth of a nation, and declared that proud achievements of American valor on both sides of the great civil conflict were the common property of all the American people, and that the time had come in the providence of the Almighty when the Federal Government should assist in the preservation of the graves of Confederate soldiers. I recall that while our people did not fully accept this generous offer, although it was very deeply appreciated, it was only because they felt that in their own land their own loving care would be all sufficient, and I recall that about four years ago a distinguished Senator from the North [Mr. POMERENE of Ohio] proposed and had adopted an amendment to one of the appropriation bills by which the Federal Government undertook to care for the graves of Confederate soldiers who had died in prison at Johnson Island, Ohio.

I recall the many patriotic utterances of both Presidents Roosevelt and Taft on this great question, and I recall the eloquent appeals of our greatest statesmen and truest patriots, both North and South, for the reestablishment of the Union in love and for the eternal abandonment of sectional prejudice and hatred.

Ah, Mr. President, when I recall all of these things, and when I recall the proud-spirited, high-strung, long-suffering people of my own section, anxious to feel that they are in fact at peace forevermore with their brethren and that they are, indeed, welcome back in the house that their fathers built, and when I recall the brave, just, and generous people of every State in the North and West who have extended the olive branch in good faith and who do not approve of these attempts to revive and rekindle sectional hatred, then I can not help but feel that any party that would teach the American people to hate each other is not fit to serve the American people and is not worthy to be trusted by the American people, and I can not help but feel that any presidential candidate who, in his eager hunt for votes, would stoop to appeal to passions and prejudices of this sort is not big enough or brave or broad enough in heart or in mind to be a worthy President of the whole country and of a reunited people.

THE PHILIPPINE GOVERNMENT—CONFERENCE REPORT.

Mr. HITCHCOCK. Mr. President, the conference report now before the Senate involves only four amendments to the Senate bill. The first amendment is practically nothing at all, because it merely strikes out one paragraph and inserts an identical paragraph, a proceeding which was due to the parliamentary situation in the House.

The second amendment is the enlarged amendment which is proposed by the House. The Senate conferees agreed to it with certain amendments, those amendments being provisions which were inserted in the bill by the committee report and agreed to by the Senate.

The third amendment proposed by the House strikes out the so-called Clarke amendment which the Senate inserted in the bill. This amendment was not only stricken out by the House conferees, but it was fortified by a vote of the House instructing the conferees not to consider any proposal such as was involved in the Clarke amendment. This instruction by the House raised a very serious doubt whether the Senate could with proper dignity enter into a conference with the House conferees, limited by such stringent instructions. Finally, however, after consultation on this side with those who were strong proponents of

the Clarke amendment, it was considered advisable to yield to the House in this matter and to enter into a conference, conceding that the Clarke amendment should be eliminated.

The fourth amendment covers the preamble to the bill. The Senate conferees agreed to accept the House preamble to the bill in place of the preamble adopted by the Senate. There is not much difference in the preambles. The difference is largely a matter of phraseology. Each preamble holds out to the people of the Philippine Islands the idea of ultimate independence.

Mr. President, I have stated that amendment No. 2 was accepted by the conferees with certain amendments. Amendment No. 2 covers practically 33 sections of the bill. The amendments which the Senate conferees insisted on and which were ingrafted upon the House amendment make the following changes in the House amendment.

As presented by the House the electorate in the Philippine Islands was to be considerably enlarged, and this enlargement was to take place at the first election as well as at all others. The Senate conferees insisted that the electorate should not be enlarged at the first election, that the first election to be held should take place with the same electorate, with the same qualifications for election as those which had prevailed heretofore, and this the House conferees accepted.

As presented by the House, amendment numbered 2 did not permit American residents in the islands to be voters. The Senate conferees felt that Americans resident in the islands should be voters, and the House conferees yielded on that proposition. They are recognized voters not only at the first election, but at subsequent elections.

As presented by the House, amendment numbered 2 did not provide for the selection of a vice governor. The Senate conferees insisted that there should be appointed by the President an American who should have the position of vice governor of the islands, ready to take the place instantly of the Governor upon his disability or death.

The Senate conferees also insisted that this vice governor should be intrusted with certain important duties: First, the control of the educational system of the islands; second, the control of the sanitation of the islands, thus insisting that the bodily and mental health of the people of the islands should remain for the present under the control of an American appointed by the President. This was conceded by the House conferees.

The House conferees also conceded another amendment which the Senate incorporated in the bill, and that was that an auditor for the islands for the Philippine government, for the provincial governments, and for the municipal governments should be appointed by the President of the United States; that he should have an assistant auditor; and that all the accounts of the Philippine government and its officials, the accounts of the municipal governments and of the provincial governments should pass through the hands of this auditor. This is for the purpose of insuring in the future what has been true of the past, a protection against the possibility of graft or the misappropriation of funds in the islands.

Mr. President, those are the amendments which the Senate conferees insisted on and which the House conferees accepted.

I may say, in conclusion, Mr. President, that there is very little difference between the bill now reported by the conference committee and the bill as originally presented to the Senate by the Committee on the Philippines. The chief change which has been made in the bill as passed by the Senate is the elimination of the Clarke amendment and the elimination of the prohibition amendment, both of which were ingrafted upon the bill in the Senate and both of which have been the subjects of such high controversy that there seemed no possibility of enacting legislation for the Philippine Islands at this session unless they could be eliminated.

Mr. VARDAMAN. Mr. President, will the Senator yield to me?

Mr. HITCHCOCK. I yield to the Senator.

Mr. VARDAMAN. Will the Senator be kind enough to state the difference between the preamble as it was presented and the one agreed upon.

Mr. HITCHCOCK. I will be glad to do so. The Senate preamble read as follows:

Whereas it is desirable to place in the hands of the people of the Philippines such an increasing control of their domestic affairs as can be given them without, in the meantime, impairing the sovereignty of the United States, in order that, by the use and exercise of popular franchise and governmental powers, they may be the better prepared to fully assume the responsibilities and enjoy all the privileges of complete independence, which it is the purpose of the United States to grant when, in the judgment of the United States, it will be to the permanent interest of the people of the Philippine Islands: Therefore—

The House preamble reads as follows:

Whereas it was never the intention of the people of the United States in the incipiency of the War with Spain to make it a war of conquest or for territorial aggrandizement; and

Whereas it is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein; and

Whereas for the speedy accomplishment of such purpose it is desirable to place in the hands of the people of the Philippines as large a control of their domestic affairs as can be given them without, in the meantime, impairing the exercise of the rights of sovereignty by the people of the United States, in order that, by the use and exercise of popular franchise and governmental powers, they may be the better prepared to fully assume the responsibilities and enjoy all the privileges of complete independence: Therefore

Be it enacted, etc.—

So, Mr. President, the two preambles are alike in this respect. They hold out to the people of the Philippine Islands the legislative assurance, the presidential assurance, the governmental assurance of the United States that it is the ultimate purpose of the Government of the United States to give independence to the Philippines when the proper time arrives.

Mr. LANE. The Senator says the preamble holds out hope of liberty and self-government to the Philippine people. It sort of dangles it before their eyes and then grabs it back before they can get hold of it.

Mr. VARDAMAN. I wish the Senator would state the change in the preamble.

Mr. HITCHCOCK. The Senate conferees accepted the House preamble, which practically declares that the Philippines shall be given their independence when they have established a stable government, whereas the Senate preamble declared they were to have their independence when, in the opinion of the United States, it was to their interest to have it.

Mr. VARDAMAN. Really there is no difference between the two.

Mr. HITCHCOCK. It is not an important difference.

Mr. President, let me say in conclusion that this is a bill not for the purpose of legislating for the Philippine people but it is a bill to confer upon the Philippine people a larger power to govern themselves. It changes the form of government slightly. Whereas at the present time the legislative power of the Philippine Islands is vested in a commission appointed by the President and in an assembly elected by the people, the bill now before Congress proposes to vest the legislative power in a legislature composed of a lower house, called the house of representatives, elected by the people, and an upper house, composed of senators, also elected by the people. This legislative body will also have two senators, appointed by the governor, to represent the non-Christian tribes and nine members of the lower house, also appointed by the governor, to represent the non-Christian tribes. So with the two senators and nine representatives selected by the governor and 81 representatives and 24 senators elected by the people the Philippine Islands will have a legislature empowered to pass practically all laws for the control of the islands, with such exceptions as are placed in this bill as a limitation.

Mr. President, I think those exceptions are pretty well understood. The Philippine Legislature can not pass laws on the subject of coinage or immigration without the approval of the President of the United States. It can not pass certain laws with relation to the public domain without the approval of the President of the United States.

Mr. VARDAMAN. Does the Senator think there will be any real self-government given the Philippines under this bill?

Mr. HITCHCOCK. Oh, yes; I have no doubt of it. They have the power——

Mr. VARDAMAN. Does not the Senator understand that their rights are so restricted, so circumscribed, that really it is a mere plaything or make-believe which has been accorded the Filipinos; that they are given no substantial right of self-government?

Mr. HITCHCOCK. At the present time the Philippine Legislature is exercising large governmental power. Only the other day there was received here in the Senate and referred to the Committee on the Philippines the laws passed at the last session of the Philippine Legislature. A certified copy of those laws was sent here for the information of Congress, in order that Congress may exercise the power to repeal them or restrict them if it should disapprove them. But, as a matter of fact, Congress has never exercised that restrictive power, and every act of the Philippine Legislature has gone into force and is a law in the Philippines.

Mr. VARDAMAN. That is true for the reason that the Filipinos under the direction of American citizens resident on the islands, and under the advice and tutelage of Americans, and awed by interests of the American philanthropists who have gone over there and taken the islands by the throat, would not send a measure here that they did not know Congress would approve.

Mr. HITCHCOCK. I think the Senator from Mississippi is misled in that. The restrictions upon the legislative powers of the Philippine Legislature in the past have been considerable, because of the fact that the President has the power to appoint the upper house. But under this legislation, upon which the Senate and the House have now practically reached an agreement, both houses will be composed of Filipinos elected by the people. They have power to pass all laws with relation to taxation; they have power to pass all laws with relation to appropriations; they have power to pass all laws concerning the right of property with a few exceptions, which are ingrafted in the bill, just as Congress and our State legislatures are restrained by certain constitutional limitations.

But while this act is virtually a constitution for the Philippine Islands and places a legitimate limit upon the power of the legislature, it leaves to the Philippine Legislature virtually the power of local government. It gives to the Philippine senate the power to confirm appointments made by the Governor General. It gives to the Philippine Legislature the power to say how high taxes shall be. It gives to the Philippine Legislature the power to say for what appropriations shall be. It gives to the Philippine Legislature the control over the municipalities of the islands, the cities, and the towns. It gives to the Philippine Legislature, with the approval of the President, the disposition of the public domain. It gives to the Philippine Legislature, in short, all of the legitimate power of local self-government and self-taxation, and it is in my opinion a measure wisely planned and carefully planned to increase beyond the point that has heretofore existed these powers of local self-government.

Mr. President, I am willing to make the prediction that under this act there will be a natural and healthy expansion of self-government in the Philippine Islands, that under this act the Philippine people will show themselves capable of self-government, and that it will not be many years before the people of the United States will be willing at least to give fuller and perhaps complete self-government to the Philippine Islands if her people shall desire it.

Mr. JONES. Mr. President, I want to ask the Senator from Nebraska one question about the conference report. I notice in the report agreed upon that the first election under this act is to be held early in October.

Mr. HITCHCOCK. It is.

Mr. JONES. Why did not the committee place that date a little bit later, so that it would give a little more time? The Senator from Nebraska will realize that it takes from 35 to 40 days to get mail from this country to the Philippines. Of course, I suppose we could cable the terms of this act, but it seems to me that an officially certified act ought to be there before they take steps to hold the election.

Mr. HITCHCOCK. The question of the Senator from Washington is a very natural one, I realize, and the explanation is this: This act has been framed in most of its details for many months. Copies of it are in the Philippine Islands and the changes have been cabled over there. Preparation has been made for the election, and, as a matter of fact, the election of the lower house actually occurred in June last. This act and the amendment agreed upon in committee provide that the lower house elected in June shall be the first house of the Philippine Legislature.

Mr. JONES. I had not seen that provision.

Mr. HITCHCOCK. So that there is nothing but the Philippine senate to elect.

Mr. SHAFROTH. Mr. President, let me suggest to the Senator from Washington that Gen. McIntyre, of the War Department, wired to Gov. Gen. Harrison to ascertain whether the date named, the first Tuesday of October, would be satisfactory; and day before yesterday Gov. Gen. Harrison wired that it would be.

Mr. JONES. It seems to me that it gives a very short time to get the notice into those islands, which are great in number, with reference to the election; but I make no objection to it.

Mr. WADSWORTH. Mr. President, will the Senator from Nebraska be kind enough to yield to a question which I desire to ask in order to get some information?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from New York?

Mr. HITCHCOCK. I do.

Mr. WADSWORTH. Will the Senator say what disposition has been made as to the salaries of the supreme court judges of the Philippines?

Mr. HITCHCOCK. They have been placed at $8,000 for the chief justice and at $7,500 for each of the associate justices.

Mr. WADSWORTH. Does that provision take effect immediately?

Mr. HITCHCOCK. It does.

Mr. WADSWORTH. Mr. President, I can not help but think that is a very important result. A reduction of the salaries of the judges of the supreme court from $10,000 to $7,500 may seem very unimportant to us here, but it is an exceedingly important thing as affecting the American section of the judiciary in the islands. I have yet to learn of any demand for the reduction of those salaries, either from the Filipinos or from anyone in our own Government here. It seems to have been done, so far as I can understand, offhand, and perhaps as a drastic illustration of economy at somebody else's expense for the benefit, perhaps, of people who live seven or eight thousand miles away.

If my recollection is correct, Mr. President, the question of the salaries of the judges of the supreme court in the Philippines was very thoroughly gone into by a committee of the House of Representatives several years ago when the first Philippine act was passed or, perhaps, when it was being revised. At that time, if my recollection is correct, the salary was fixed at $7,500. The American judges then serving in the Philippines made out a most clear case, as I remember, before the committee, either by correspondence or in person, to the effect that they could not live in the islands on that salary, and, if my recollection is also correct, one of them felt himself forced to come home. As a result of that investigation Congress placed the salary at $10,000 a year, and it has been at that rate ever since. Now, I understand this bill arbitrarily reduces the salary, to take effect immediately, affecting the sitting judges, to $7,500, which Congress some years ago agreed was an impossible salary upon which a United States judge could live in those islands with a dignity befitting his position.

Mr. HITCHCOCK. Mr. President, the Senator from New York is probably acquainted with the salaries paid to the judges in Porto Rico, in the Hawaiian Islands, and in such Territorial possessions of the United States, and I am sure he will be willing to concede that the salaries of the judges in the Philippine Islands should not be any greater. There is an appeal from the court in the Philippine Islands to the Supreme Court of the United States, and experience with judges who are sent out to such posts is, I think, that the fact that the salary of $10,000 is paid, instead of seven or eight thousand dollars, does not always result in getting better judges. I have no desire to disparage the ability or character of the men upon the bench in the Philippine Islands, but I am advised that it would be possible to replace them with equal talent at $7,500 a year.

Mr. SHAFROTH. Mr. President, I will state to the Senator from Nebraska that the judge of the Federal court in Porto Rico gets $5,000, and that the judges of the Federal court in Hawaii get $6,000 each a year.

Mr. President, I want to call the attention of the Senator from New York to the fact that these salaries have never been fixed, except by the Commission of the Philippine Islands. The organic act of the government of those islands made this provision:

> And the chief justice and associate justices of the supreme court shall hereafter be appointed by the President, by and with the advice and consent of the Senate, and shall receive the compensation heretofore prescribed by the commission until otherwise provided by Congress.

Congress has never otherwise provided. I was in favor, when the suggestion was made, to propose a provision to the bill which would not affect the salaries of the judges who were there, but the House conferees would not consent. In reading this act and finding that those judges have no definite term, finding that the appointment is revocable at will by the President of the United States, it seemed to me that Congress intended that there should be some time when the salaries should be fixed and definite. If it were a term of four, six, or even ten years, I would say their salaries should not be diminished or increased during their term; but where men have been appointed under a provision that Congress shall fix the salary, and where this is the first time we have had an opportunity to fix it, it seems to me that it is not such a great hardship to do so.

Besides, I do not believe that the cost of living in the Philippines is any greater than is the cost in the United States. Servant hire is a great deal less. Not only that, but the houses in which the judges live, being open houses, not houses with stone or concrete walls, not fine structures, must of necessity be cheaper. That must affect the price paid for rent by persons who rent houses in which to live. It seems to me, all things considered, that, while I should like to put in such a provision preserving their salaries for their terms, the House conferees would not consent to it.

In addition to that, in view of the provision of the law I have read, their term of office not being definite, and the President being able to call for the resignation of any one of the judges to-morrow, when his term would be ended, this is not similar

to an instance where a judge is selected for a definite term, and so has a right to rely upon that definite term and upon the salary affixed thereto.

Mr. WADSWORTH. Mr. President, I should feel very much more at ease in the matter if the Senator from Nebraska [Mr. HITCHCOCK] could give the Senate assurance that it was more than possible for us to secure as good judges for the lower salary as we are now securing for the $10,000 salary. What I should like to hear would be an assurance that we were certain to get as good judges under the new rating as we have secured under the old rating.

The Senator from Colorado [Mr. SHAFROTH] says the cost of living is not so high, or is not any higher, in the Philippines than it is, perhaps, in Hawaii or in Porto Rico. All of my information is to the contrary. The Senator makes reference to the apparently low wages and salaries to servants; but, in reply to that, I desire to say that it is well to remember that it takes a great many more servants there to do the same amount of work.

Mr. President, it has always been impressed upon my mind in dealing with this great Philippine problem that the most sacred thing of all in this connection is the judicial branch of that government. It is certainly incumbent upon us to be absolutely certain that the judiciary of the Philippine Islands shall be what American ideals desire in that respect.

The separation of the functions of government into judicial, legislative, and executive branches is in a sense brand new to those people—at least, they have only become familiar with such a system within a very few years—and the most difficult thing to drive into the minds of people who are learning a new form of government is the sacredness of the judiciary. If we are going to enact in this bill any provision which will lower the character or the ability of the American section of the judiciary in the Philippines we shall be doing an evil thing.

My information is to the effect that a judge in the Philippine Islands who desires to live in accordance with the dignity which should accompany his office, and who is entitled to compensation fitting the ability which he brings to the discharge of his duties, can not do so on $7,500 a year. From more than one source I have heard that $10,000 a year is not any too much.

The Senator from Colorado called attention to the organic act, which specifically says that the salaries of those judges shall remain at the figure fixed heretofore by the commission, unless Congress otherwise determines at some later date. That, of course, is implied in any act of Congress, but it was the idea, perhaps, of Congress to fix those salaries at $10,000 a year, and that action was done after investigation, full and complete, of the facts. So far as I have been able to learn, there has been no change in the conditions in the Philippine Islands which would warrant this severe reduction. It is now proposed to take one dollar out of every four given by way of salary to those judges.

Mr. LIPPITT. Mr. President, if I may interrupt the Senator, I will say that there has been no change, except that the price of labor has doubled in the Philippines since the time when that act was passed.

Mr. WADSWORTH. Yes; I have understood that the cost of living has been going up steadily.

Mr. WEEKS. Mr. President, may I suggest to the Senator from New York, in corroboration of his statement, that there have been frequent instances of judges in the islands resigning?

Mr. WADSWORTH. I understand that is true.

Mr. WEEKS. They have been very much more frequent than in the case of other officers in those islands.

Mr. WADSWORTH. Mr. President, it has become increasingly difficult to persuade American judges to remain in the Philippines during their indefinite term of office, to which the Senator from Colorado has referred; and if we are going to have constant changes in the personnel of the American section of the bench out there, it will be an evil and a sad thing for the judiciary as a whole in those islands. To my mind it is a legislative offense to treat an officer as this bill treats the judges of the Philippine Supreme Court, reducing their salaries while they are in the service without giving them any chance to readjust their affairs, and, in a sense, breaking faith with them, in view of the terms of their original appointment.

Mr. BORAH. Mr. President——

Mr. WADSWORTH. I yield to the Senator from Idaho.

Mr. BORAH. Mr. President, is the Senator from New York or anyone else who is connected with this legislation familiar——

Mr. WADSWORTH. I am not connected with this legislation.

Mr. BORAH. Is anyone connected with this legislation familiar with the character, standing, and reputation of the lawyers who have departed from this country to serve as judges in the Philippine Islands?

Mr. WADSWORTH. Mr. President, I happen to know something of a couple, and they are exceptionally able men.

Mr. BORAH. Are they still in the service in the islands?

Mr. WADSWORTH. One is, as I happen to know.

Mr. BORAH. Of course, I ask that question in good faith, because I am not familiar with the attorneys who have taken positions on the bench in the Philippines; but I am familiar with the result of the administration of the judiciary in some of our other possessions, and $7,500 a year is altogether too much for such men. There may be an exception in the Philippines, and, if so, it will make altogether a different proposition in my mind; but in Alaska and in others of our territorial possessions, the men to whom we have given judicial authority, certainly with very few exceptions—there are exceptions, but they are rare—have been utterly unfit to discharge judicial duties.

Mr. WADSWORTH. Mr. President, I am bound to say that I have heard similar complaints as those voiced by the Senator from Idaho with respect to the judges in some of our territorial possessions, but I have never heard that complaint directed against the judges we have sent to the Philippines.

Mr. GRONNA. Mr. President, may I have the attention of the chairman of the committee for just a moment, as I desire to ask him a question? I inquire of the Senator what became of the amendment inserted in the bill in the Senate and found on page 5 of the old bill, prohibiting the sale of intoxicating liquors in the islands?

Mr. HITCHCOCK. I think the Senator was not in his seat when I explained the matter to the Senate.

Mr. GRONNA. No; I was not.

Mr. HITCHCOCK. The House amended the bill in rather a peculiar way. It struck out 33 of the sections of the bill and specifically rejected the thirty-fourth section, so that the Senate conferees were confronted by what was nominally an amendment, but was practically a complete bill in itself, consisting of 33 sections. We also found that the conferees on the part of the House were bound by instructions not to even consider one of the amendments which had been ingrafted upon the bill in the Senate, commonly known as the Clarke amendment, and that by adopting the 33 sections as a single amendment they had wiped out all of the Senate provisions in the bill.

The Senate conferees found themselves under the necessity of accepting the House amendment, which was practically a substitute for the Senate bill, embracing 33 sections, and we were only able, after several conferences with the House conferees, to induce them to accept four or five of the important amendments which I have already recited, and which go to vital matters, affecting the perpetuation of good government in the islands. One of those amendments related to the vice governor, another to the auditor, another to the electorate. Those were vital amendments which we were able to induce the House conferees to accept.

The prohibition amendment of which the Senator from North Dakota [Mr. GRONNA] is the author, and which the Senate ingrafted upon the bill as reported by the Senate committee, was a matter of legislation, whereas this bill is not a matter of legislation; but it is a constitution for the Philippine Islands under which they can legislate for themselves. Under this bill, if they desire prohibition, they can enact it. Our bill is designed to give them self-government, with certain constitutional restrictions.

Mr. GRONNA. Does not the Senator from Nebraska believe that it would be possible to incorporate a provision prohibiting the sale of intoxicating liquors in a constitution dealing with a class of people such as reside in the Philippine Islands?

Mr. HITCHCOCK. Mr. President, it might be possible if we were dealing with the people of the Philippine Islands, but we are dealing with the House of Representatives, and we found that the conferees on the part of the House had certain very definite opinions. In addition to that the Democratic convention, which recently assembled and adopted a platform, incorporated a plank in that platform indorsing the bill as it passed the House.

Mr. GRONNA. Well, is it not a fact that the Senate yielded on all important points, except as to certain administrative features of the bill, and that the bill is now practically the bill as passed by the House?

Mr. HITCHCOCK. Mr. President, while it is largely the bill as it came from the House, it is also practically the bill as reported by the Senate committee, except that it has ingrafted upon it the House preamble. It is true the Senate conferees yielded on two important amendments, and on two only—the Clarke amendment and the amendment of which the Senator from North Dakota is the author. It is necessary, however, in order to bring about a conference agreement to yield; it is

not possible for one side to secure everything; and in this case the committee was convinced that the House of Representatives was behind the House conferees on both these amendments.

Mr. GRONNA. The Senator, of course, remembers that the Senate by a very decisive vote—35 to 23, as I recall—voted to insert the prohibition provision in the bill.

I also desire to ask the Senator another question. I find in section 15, paragraph (c), relating to the qualifications of the voters, this provision:

Those who are able to read and write either Spanish, English, or a native language.

Now, I am not familiar with the old law. Is the last part of that language in the old law?

Mr. HITCHCOCK. No; it is not, Mr. President. This bill as it passed the Senate, as well as the bill as it passed the House, made a considerable enlargement of the electorate in the Philippine Islands, and in that respect the two Houses are in accord; but this enlargement does not take place in the first election, and the next election will not be held for three years.

Mr. GRONNA. I think I have a right to ask the Senator having the bill in charge why it was necessary at this time to extend this privilege to the people of the islands. I had understood all the time that the Filipino people were advancing; that they were progressing; and yet the committee of conference, having the ultimate say on this bill, inserts a provision which I believe is very important, and which, to my mind, shows that those people have not been progressing at all.

Mr. SHAFROTH. Mr. President, I would suggest to the Senator that the reason why the Senate adopted the provision that the electorate should remain the same as now at the first election was to a large extent because they have not time to enlarge the franchise and have a registration and comply with the requirements that should be made.

Mr. GRONNA. Does the Senator from Colorado believe that those people will be more ignorant at the next election than they are now, so that it is important that we should allow them to have a seat in the legislative body when they can speak neither Spanish nor English, but speak only their own language, of which I understand there are very many in those islands?

Mr. SHAFROTH. Why, Mr. President, the Houses are not in discord upon the qualification of voters. Each one of the Houses has adopted a proposition to the effect of allowing those who can read and write the English, Spanish, or native language to vote, and the only limitation that the Senate put upon it was in regard to the first election. The first election was limited to the present electorate.

I will state the reason why I thought at the time that the franchise should be enlarged. It was because I believe that as we progress it has a tendency to make people seek education; and inasmuch as we have been enlarging it considerably, it seems to me that we ought to adopt more liberal terms for them.

A great many people believe that no restrictions whatever should be put upon a voter; that if he is governed, he should have the right to say something in the government. That, to a certain extent, entered into our deliberations; but there is no discord between the two Houses in that respect, and we could not change that because the action of both Houses was the same.

Mr. GRONNA. The Senator from Colorado knows very well that there are very many languages spoken by people even in this country. Does the Senator from Colorado believe that we should allow, when a test is required as to the person's fitness for citizenship, any other language to be spoken here except the one we are using now—the English language?

Mr. SHAFROTH. Why, yes, Mr. President. I think it would be an outrage to take possession of a group of islands and not let the people of the islands who speak the language commonly used there vote.

Mr. GRONNA. I have reference to the proceedings of the legislative body.

Mr. SHAFROTH. As to the legislative body, what is required there is either the Spanish or the English language.

Mr. GRONNA. Yes; or some other native language.

Mr. SHAFROTH. No; I think not—not in the legislature.

Mr. HITCHCOCK. The Senator is reading the qualifications for electors.

Mr. GRONNA. I am reading the qualifications of the voters of the islands.

Mr. HITCHCOCK. Yes; but not the qualifications of members of the legislature.

Mr. GRONNA. The old law provides, according to the statement of the chairman of the committee, that to be qualified to vote they must be able to speak and read either the English or the Spanish language. This bill enlarges that and permits those people to vote if they can speak English, Spanish, or some other language.

Mr. HITCHCOCK. Mr. President, the Senator is in error. The House bill is exactly the same as the Senate bill in that respect. The conference committee could not touch that matter, because the bill as passed by the Senate made the electorate of the same character. The Senator is evidently laboring under the delusion that the proceedings of the legislature will be in some other language.

Mr. GRONNA. No; I am not, Mr. President.

Mr. LIPPITT. Mr. President, if the Senator will excuse me, I think the Senator from Nebraska must be in error in saying that the conferees could not undertake to consider the question of the electorate, because they have already made a change in the electorate; and the two Houses, as I recollect, were not in harmony on that.

Mr. HITCHCOCK. The Senator from Rhode Island is in error there. The change which the conferees made was because there was the difference that the House bill did not permit Americans to vote, and we were therefore at liberty——

Mr. LIPPITT. The Senator from Nebraska will remember that in section 16 of the bill as it passed the Senate there was a clause, "(d)," which provided that in addition to the qualifications for electors prescribed in the conference report "those to whom the privilege of suffrage may be granted by the Philippine Legislature" should also be permitted to vote. That was eliminated. So it is evident that there were changes made in the electorate. I am only speaking of the technicality of the provision.

Mr. HITCHCOCK. But the Senator from North Dakota is complaining that the House conferees are permitting men to vote who speak and write and read only the Philippine dialect. We could not alter that, because the Senate and the House were in accord in permitting such men to vote.

Mr. GRONNA. I asked for an explanation from the chairman. Perhaps I did not make myself plain; but I was curious to know why it was important to extend the franchise, the right to vote, to the Filipino people whether they could speak the English or the Spanish language or not.

Mr. SHAFROTH. Mr. President, here is the provision to which the Senator should refer in speaking of the legislature:

SEC. 13. That the members of the Senate of the Philippines, except as herein provided, shall be elected for terms of six and three years, as hereinafter provided, by the qualified electors of the Philippines. Each of the senatorial districts defined as hereinafter provided shall have the right to elect two senators. No person shall be an elective member of the Senate of the Philippines who is not a qualified elector and over 30 years of age, and who is not able to read and write either the Spanish or English language.

Mr. GRONNA. That is the section which prescribes the qualifications of members of the senate.

Mr. SHAFROTH. And of the house also.

Mr. GRONNA. It is not the one which prescribes the qualifications of an elector.

Mr. SHAFROTH. No; in the case of the elector it is his native language, English or Spanish, that is required.

Mr. GRONNA. Yes.

Mr. SHAFROTH. Either English or Spanish or the native language. It seems to me it would be an outrage to deprive people who have lived over there all their lives, and who can not speak the English or the Spanish language, of the right to vote unless they can speak a foreign language. If this country should be taken possession of by some foreign Government, they might as well say: "Well, we do not want the English language used. We will not let you speak your native language; but if you can speak Spanish or German you can vote." It would be a great hardship, and it would be a great wrong.

Mr. GRONNA. Mr. President, I can not agree with the Senator from Colorado nor with the Senator from Nebraska. It simply goes to show that the Filipino people are absolutely incapable of self-government; that they have not progressed; that they have not advanced.

I listened to the speech of the very able Senator from Colorado telling the Senate of the progress these people had made. If they have made such progress why is it necessary to say in this Constitution, as is suggested by the chairman of the committee, that the Filipino people shall be given the right to vote whether they know how to speak or read the English language or the Spanish language or not? They may speak any of the hundreds of different dialects which are being used in the islands.

Mr. President, I had hoped, when the Senate voted 35 to 23 for the provision which I offered to prohibit the sale of intoxicating liquors in the islands, that that matter would be given some attention. It is clear to me that the members of this conference committee are opposed to prohibition. It is clear to me that if they had been in sympathy with this great vital moral issue they would not have permitted that amendment

to be stricken out, but would have insisted that it should remain in the bill.

Mr. President, this is not a party measure. I want to call attention to what the distinguished Senator from Mississippi [Mr. VARDAMAN] said during the debate:

Mr. VARDAMAN. I should like to suggest to the Senator from North Dakota that the plan of government which the United States is now proposing to give to the Filipino, believing that it will probably be the prototype by which the Filipino will shape his own government when he becomes independent, ought to contain everything that the American Congress thinks will be for the best interests of the Filipino; and, while the Filipino Legislature have the right to prohibit the sale of intoxicating liquor in the Philippine Islands, I agree with the Senator from North Dakota that it would be wise for the American Congress to start them out without this handicap of the saloon.

I sincerely hope that the amendment offered by the Senator from North Dakota will be adopted, because the liquor traffic is a handicap, and the people of the Philippines, who are struggling to establish a government, are entitled to this assistance. The Senator's amendment ought to be adopted.

Mr. President, the amendment was adopted, as I have said, by a vote of 35 to 23. I had hoped that the chairman of this committee would insist upon the retention of this amendment. I understood during this debate, and I gathered from what he said, that if an amendment were adopted providing that the Filipino people should be allowed to use their own so-called native drinks there would be no opposition to it from the Filipino people or from the representatives from the Philippine Islands. I have myself talked to the representatives from the Philippine Islands, and they have said to me that they have no objection to the provision in the amended form, and I want to take the opportunity to read the amendment, so as to get it before the Senate:

That no intoxicating drink or drug shall be manufactured for sale or gift, imported for sale or gift, or sold or offered for sale or gift for use as a beverage, but this shall not apply to or include the native wines and beverages commonly known as vina, tuba, basi, and tapuy.

Mr. President, the amendment of the Senator from Nebraska to my amendment was carried only by one or two majority, it is true—I think it was carried by 2 votes—but the amendment offered by the Senator from Nebraska to my amendment was inserted in the bill, and I had hoped that the conferees on the part of the Senate would insist that this amendment should remain in the bill.

The Senator from Colorado, in speaking upon this bill and upon the amendment, told the Senate that it was largely a question of revenue. Mr. President, I am prepared to show that so far as revenue is concerned the saloon is not a revenue producer to the Philippine Islands. It is not a revenue producer to any State. I can take as proof of that my own State, where there has been no saloon since we became a State, and I believe that we have made as great and as rapid progress as has been made in any State.

Mr. President, I am sorry indeed to know that the conferees on the part of the Senate were willing to see this important provision stricken out of the bill. As the chairman of the committee has said, this is a constitution for the Filipino people. When we adopted the constitution for the people of the State of North Dakota we inserted a provision in that constitution, the twentieth article of that constitution, which provides that no liquor shall be manufactured or sold within the borders of that State. It would not have been more difficult for the conferees to let this provision remain in the bill. When we study the characteristics and the habits of those people over in the Philippine Islands we realize that this very provision is one that would have been of greater benefit to them than any other provision contained in the bill.

Only a few years ago, Mr. President, I went to the western country, when I was a mere boy. I went to what they called then the "Great American Desert." That same place to-day is known as the "bread basket of the world"; and it has been made such not from the revenues of any saloon but because there has been no saloon there for 30 years. This great progress has been made because we have within that State a sober, loyal, and patriotic people.

Mr. President, one of the representatives of the Philippine Islands said to me that if it were not for the fact that they needed the revenue—he agreed with me that this was a great moral question and that the amendment ought to remain in the bill. There is not a Senator on this floor who can show that the revenue derived from the liquor traffic will be of any substantial benefit to the people of the islands. Take my State, for instance—a new State—inhabited by people who came there without wealth. Every dollar we have in our possession has been taken out of the soil. What are the conditions to-day? I would not speak of this were it not for the fact that I want to meet the argument of those who say that the liquor traffic is a revenue producer.

As the morning hour is about to expire, I ask unanimous consent to incorporate some tables in connection with my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

MANY REASONS FOR NORTH DAKOTA'S WIDESPREAD PROSPERITY SET FORTH.

Commissioner of Agriculture and Labor R. F. Flint is a great booster for North Dakota. He is always gathering startling statistics setting forth the greatness and prosperity of the State and then setting them forth in pointed paragraphs, easily grasped and positive in proof. He has recently issued a new map of North Dakota which shows the immense coal deposits of the western part of the State, and also indicates all the railroad lines with proposed extensions.

On the back of the map is a wealth of information which every good citizen of the State should learn by heart so as to be able to give to strangers and all who might inquire the splendid facts about our resources, our development, and our great wealth and future.

Among the many interesting items of information Mr. Flint furnishes are the following:

Number of farms in 1915, 70,355.
Miles of railroad in 1915, 6,281.
Population in 1915 (Indians not included), 636,994.
Newspapers published, 344.
Number of post offices, 810.
Number of rural free delivery mail routes, 600.
Miles of rural and long distance telephones in 1915, 50,000.
Incorporated villages and cities, 238.
Number of lignite coal mines in 1915, 116 reported.
Number of tons of coal mined in 1915, 600,000.
Value of animals fattened and killed for home use in 1915, $3,609,956.
Amount received for live stock sold for market in 1914, $9,058,180.
The value of the dairy and creamery industry of North Dakota for 1914 amounted to $5,000,000.
Expended for support of public schools in 1915, over $7,000,000.
Number of schools in 1915, 6,800.
Number of teachers in 1915, 8,000.
Value of school property in 1915, $14,756,347.
North Dakota schools have an endowment of land worth $64,000,000.
Total assessed valuation of all property in 1915, $385,863,000.
The total actual value of property in 1915 is nearly $2,000,000,000.
Number of State banks, 650.
Number of national banks, 151.
Total deposits in 1915, $116,062,027.
Total number of acres under cultivation in 1915 was 15,017,411.
Total value of all agricultural crops in 1915 was $226,218,053.

GOVERNMENT REPORT SAYS NORTH DAKOTA CROP PRODUCTION IS 58 PER CENT MORE THAN FOR 1914.

BISMARCK, *December 18.*

The Government crop report, issued December 16, gives a summary of crop production and prices for the State of North Dakota, as follows:

North Dakota crop acreage, production, and prices.

Crops.	Year.	Acreage.	Production.	Price, Dec. 1.
Corn, bush.	1915	700,000	9,800,000	$0.67
Do, do	1914	500,000	14,000,000	.58
Wheat, do	1915	8,350,000	152,000,000	.87
Do, do	1914	7,285,000	81,592,000	1.01
Oats, do	1915	2,450,000	98,000,000	.27
Do, do	1914	2,318,000	64,904,000	.37
Barley, do	1915	1,400,000	44,800,000	.44
Do, do	1914	1,450,000	28,275,000	.45
Rye, do	1915	180,000	2,700,000	.79
Do, do	1914	131,000	2,240,000	.84
Flaxseed, do	1915	660,000	6,530,000	1.78
Do, do	1914	840,000	6,972,000	1.28
Potatoes, do	1915	80,000	7,200,000	.41
Do, do	1914	70,000	7,630,000	.42
Hay, tons	1915	440,000	660,000	5.70
Do, do	1914	400,000	580,000	5.20

Crop production in North Dakota this year aggregates in quantity about 58 per cent more than last year. Prices on December 1 average 10 per cent lower than a year ago, making total value of crop production, on this basis, about 42 per cent more than last year.

For the United States, production this year aggregates in quantity about 9 per cent more than last year. Prices December 1 average 1 per cent lower than a year ago, making a total value of crop production on this basis about 8 per cent more than last year; these estimates are based upon crops whose value in the last complete crop census represented 85 per cent of the value of all crops grown, and may be regarded as representative of all crops.

NORTH DAKOTA BANKS SHOW GAIN DURING BRIEF PERIOD.

Abstract of comparative statement of the State banks and trust companies in North Dakota for calls at the close of business on November 10 and December 31:

North Dakota bank statement.

RESOURCES.

	649 State banks and 4 trust companies reporting Nov. 10, 1915.	650 State banks and 4 trust companies reporting Dec. 31, 1915.	Increase and decrease.
Loans and discounts	$59,389,647.02	$57,175,427.49	[1] $2,214,219.53
Overdrafts	395,089.12	240,558.45	[1] 154,530.67
Warrants, claims, etc.	1,949,041.43	2,212,780.40	[2] 263,738.97
Banking house, furniture and fixtures	3,990,009.66	3,026,646.21	[1] 36,638.55
Other real estate	2,091,700.83	2,155,632.69	[2] 63,931.86
Due from approved reserve agents	13,748,474.81	17,120,078.80	[2] 3,371,603.99
Due from other banks	1,405,384.86	1,665,658.86	[2] 260,274.00
Cash items	686,630.33	690,919.33	[2] 4,288.94
Cash on hand	2,633,707.03	2,746,586.44	[2] 112,879.41
Total	85,289,685.09	87,034,290.61	[2] 1,744,605.52

LIABILITIES.

Capital stock	$9,349,000.00	$9,393,000.00	[2]$44,000.00
Surplus fund	2,777,092.51	2,787,795.15	[2]10,702.64
Undivided profits	356,404.85	2,040,851.55	[2]1,684,446.70
Due to other banks	1,626,614.95	1,835,334.43	[2]208,719.48
Deposits subject to check	33,014,327.42	32,148,031.08	[1]866,296.34
Demand certificates of deposit	820,880.87	802,025.72	[1]18,864.15
Time certificates of deposit	32,029,851.05	33,473,527.23	[2]1,443,673.18
Savings deposits	2,037,980.08	2,244,484.05	[2]206,503.97
Certified and cashier's checks	1,589,582.47	1,404,765.94	[1]184,816.58
Bills payable	1,480,807.21	769,328.50	[1]711,478.71
Rediscounts	155,882.72	101,309.61	[1]54,578.11
Other liabilities	51,218.96	33,837.35	17,411.61
Total	85,289,685.09	87,034,290.61	[2]1,744,605.52

[1] Decrease. [2] Increase.

The VICE PRESIDENT. The morning hour having expired, the Chair lays before the Senate the unfinished business, which is House bill 15455, the shipping bill.

Mr. HITCHCOCK. I ask the chairman of the committee if he will not allow the bill to be temporarily laid aside for the conclusion of the Philippine conference report?

Mr. FLETCHER. If it is not going to take a long time, I am willing to yield.

Mr. HITCHCOCK. I think it can be finished in a reasonable time.

Mr. LIPPITT. I will say to the Senator from Florida that I think it will take some little time. I know other Senators who want to speak on this question.

Mr. FLETCHER. I am willing to expedite public business in any way I can. I am very anxious to conclude the shipping bill as early as possible, but I am willing to lay it aside, subject, of course, to my right to call it up at any time if the conference report seems to take too long. I ask unanimous consent that the unfinished business may be temporarily laid aside.

Mr. BRANDEGEE. I shall have to object, Mr. President.

The VICE PRESIDENT. There is objection.

Mr. HITCHCOCK. I move that the Senate proceed with the consideration of the conference report.

The VICE PRESIDENT. The question is on the motion of the Senator from Nebraska.

Mr. GRONNA. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Gronna	Myers	Sherman
Borah	Harding	Nelson	Smith, Ariz.
Brandegee	Hitchcock	Oliver	Smith, Md.
Chamberlain	Hollis	Overman	Smoot
Chilton	Husting	Penrose	Sterling
Clarke, Ark.	James	Phelan	Swanson
Colt	Jones	Pittman	Thompson
Cummins	Lane	Pomerene	Tillman
Curtis	Lee, Md.	Robinson	Vardaman
Fall	Lippitt	Saulsbury	Wadsworth
Fletcher	Martin, Va.	Shafroth	Warren
Gallinger	Martine, N. J.	Sheppard	

Mr. FLETCHER. I desire to announce that the Senator from Indiana [Mr. KERN] is absent on account of illness.

Mr. JONES. I desire to state that the junior Senator from Michigan [Mr. TOWNSEND] is absent and was absent yesterday on account of serious illness in his family. I will let this announcement stand for the day.

Mr. MARTINE of New Jersey. I wish to state that the Senator from Louisiana [Mr. BROUSSARD] is detained on account of illness.

The PRESIDING OFFICER (Mr. CHILTON in the chair). Forty-seven Senators have answered to their names. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of absent Senators, and Mr. JOHNSON of South Dakota, Mr. SIMMONS, Mr. SMITH of Georgia, Mr. SMITH of South Carolina, Mr. THOMAS, and Mr. WILLIAMS answered to their names when called.

Mr. ASHURST, Mr. STONE, Mr. BRYAN, Mr. HARDWICK, and Mr. HUGHES entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty-eight Senators have answered to the roll call. There is a quorum present.

Mr. HITCHCOCK. After consultation with a number of Senators on both sides of the Chamber, I have concluded to withdraw my motion to take up the conference report on the Philippine bill and will depend on securing its adoption in the morning hour to-morrow.

The PRESIDING OFFICER. The motion is withdrawn and the unfinished business is before the Senate.

THE MERCHANT MARINE.

The Senate, as in Committee of the Whole, resumed consideration of the bill (H. R. 15455) to establish a United States shipping board for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a merchant marine to meet the requirements of the commerce of the United States with its Territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and interstate commerce of the United States; and for other purposes.

[Mr. SHERMAN resumed and concluded the speech begun by him on yesterday. His entire speech is as follows:]

Monday, August 14, 1916.

Mr. SHERMAN. Mr. President, I promise the Chair that under no conditions will I occupy the floor so long as the last time I indulged in some comments on the shipping bill. I have no purpose merely to consume time, Mr. President. All I desire is to place in the RECORD such objections as I have to the consideration of this measure and its passage. In due time it will reach a roll call. I understand that conference action has been had by the majority party which justifies a reasonable hope that a sufficient number of votes will be forthcoming for its enactment.

I forbear to speak of the gentlemen who attended the Democratic conference as being members of a caucus, because caucuses have been abolished by various agencies, public and private—they have obtained a bad name. Newspapers, magazines, university professors, many who are denominated under the collective term of high-brows have universally agreed that a caucus is a most iniquitous instrumentality of party procedure.

I do not regard the conference as having bound anyone to act contrary to his own judgment, but if perchance it should happen that any gentleman on the majority side of the Chamber should feel constrained to vote otherwise than for this measure, I have no doubt but that the chairman of the Foreign Relations Committee, the senior Senator from Missouri [Mr. STONE], will again stand in the aisle of this Chamber and denounce without stint and anathematize without limit the diabolic disloyalty of any Democrat who refuses to abide by the result of the conference, call it what you will. So I am in considerable belief that at last a majority may be mustered to the passage of this measure.

I am not undismayed by the penalties invoked by my eloquent colleague [Mr. LEWIS] a few days since. He took occasion to remark at considerable length upon the Mexican question and the Mexican situation. The substance of it was that all of us who did not agree with the policy of this administration, who did not support the administration by our votes and our conduct here, were guilty of treason.

I do not know in what particular form the punishment shall be meted out to my associates and myself, whether we shall be hanged, drawn, or quartered on this side of the Chamber in the event we do not mend our ways, or whether we will be remitted to the unceasing indignation of our constituents. I do not know which would be the worse. To those who desire to continue to hold office probably the latter, even those who are indifferent will prefer to still walk upon the earth in the flesh.

We will not, as far as we are concerned on this side of the aisle, be moved by the fear of such penalty, either of a Democratic conference or of the unmitigated maledictions of my colleague. I heard his address; it is eloquent, convincing to those who are already convinced, strengthening any doubting brother who may be dallying by the wayside, and it would satisfy even the bloodthirsty cravings of the senior Senator from Missouri. I heard him a number of times since I have had the privilege of staying in my seat inveigh upon those who refused to accept the result of a Democratic conference as party traitors, and asking that they be regarded as fit subjects for various political penalties. I know not what they will possibly be. So far all of them have survived, none have been executed, none have been expelled from the party, for perchance, Mr. President, just at this writing both parties want all the votes they can get. They have been bidding for woman suffrage, in which I cordially join them. I have been a suffragette for a good many years. They have been bidding at the remnant bargain counter for the remains of the old Bull Moose Party. I do not know that I would agree with party authorities to the extent to which the bids have been advanced. I think somebody is liable to obtain a bad bargain, that somebody on the one or the other side of the bargain may at last be obtaining goods under false pretenses. I believe that most of the voters according to their political affiliations have returned to the two old parties with which they were formerly allied without regard to any bid, any platform, any political organization, or otherwise for their support.

I have happily no manuscript. I shall at times refer to several documents which I shall, in their turn, ask leave to place

in the RECORD, either with or without my reading—the latter, so far as I can make it possible.

There seems a sort of mania that possesses a portion of the majority, at least, to expend money. For some of the appropriation bills I have voted. My associates on this side of the Chamber have also so voted. On those that relate to the Army and the Navy, the branches of the public defense, such as coast defenses, for necessary Army posts, and other matters of a like kind, there has been no party division. We have voted considerable increases, and a statement of them was inserted in the RECORD by the Senator from Colorado [Mr. THOMAS] a few days ago. That statement shows very large increases, not only for military and naval purposes, but for other purposes.

The leader on the floor in the other House stated a week or two ago that the increase of appropriations because of our Mexican trouble equaled $125,000,000. There have been numerous increases for other purposes, civil in character. It will be a long time—probably it will be between the first of September and the middle of September, at least—before Congress will adjourn, when we shall be able to tabulate finally the entire appropriations made by this session of Congress. When that shall have been done it will be found, to say the least, that we have been exceedingly liberal with every department and with every possible purpose for which public expenditures could be made. I shall not take so much time as to go into the details of these various measures or the shipping bill. I do wish, however, to place in the RECORD my protest and express my views upon the tendency of which the shipping bill is but one evidence.

Since the 7th day of April, 1913, a Democratic Congress and this administration have been continually engaged in enlarging the scope of governmental activity. We began with an authorization of a railroad in Alaska; we shall end for this session possibly on a large scale with the pending shipping bill. We began in Alaska with $35,000,000; we will end with the shipping bill with $50,000,000—both of them involving transportation questions. Between these two poles of the beginning and the ending of this tendency lies a great mass of legislation and bills pending, some of them undisposed of, indicating the same general tendency, the same general disease.

For my part, I have stated two or three times on the floor of the Senate, and I will restate, that I never would vote for any undertaking by any governmental authority, local or national, in which private enterprise could as well or better perform the same service or produce for the public use the same commodity. I have yet the same views. If private undertakings can perform the service just as well, let them do so; do not enlarge the Government activities. If you do, you will produce the same commodity or render the same service at a greatly increased cost.

I do not know of a municipality to-day, of which I have a detailed knowledge, whether it be a large one or down to the smallest one, that has complete municipal organization in the country, in which from 25 to 33⅓ per cent could not be saved in the actual operation of the municipality if the same undertakings were conducted by private enterprise. There is necessarily waste in every public undertaking. It arises from various causes. One is that government, local or otherwise, never takes into consideration the human element that always inheres in every governmental operation. I know that very many university professors sit down in the seclusion of their study and tell us on paper how something can be done; how well a public undertaking can plan, can execute, and deliver the commodity or perform the service. I never knew one of them to succeed in actual operation. I never knew an estimate to be made on a public undertaking that was correctly made at the time the first appropriation was given by the legislative authority.

When the Panama Canal was started it was estimated that from $225,000,000 to $250,000,000 would complete it. We had up to the 30th day of June, 1916, expended more than $407,000,000 on that canal and it is not yet completed. There is, it is true, an accident here and there to be considered, which was not foreseen by the engineers who prepared the plans, but, like all other concerns of that kind, we must figure for a reasonable amount of unascertained cost. Nothing can be charged, of course, to these numerous slides which have occurred; but the estimates themselves, taking all of them from the first blue print that was made and the first bill introduced looking to that end, showed a very gross disproportion between the estimated cost and the actual cost up to the 30th day of last June.

This always happens. It happens in every city undertaking. New York City's current expenses annually, her public indebtedness, the current expenses of the city of Chicago, the current expenses of every other city of which I have any knowledge or any acquaintance with their financial affairs shows always, because of the human element in a republican form of government, a loss that is inevitable and which is to be charged always to a governmental undertaking.

I am ready in this Chamber to vote for a subsidy flat and to call it a subsidy. I do not care to disguise it by the name of a mail contract or a subvention or an aid or a fishery bounty, or anything else of that kind. I am willing to call it a flat subsidy, and be done with it, long before I shall ever vote for the building, leasing, or operation of merchant shipping by the Government. I know that for many years, reaching back to the Civil War, the majority party has been against subsidies or aids to the merchant shipping of this country. To that objection I have no criticism to make except as a matter of principle. There is, however, at this time a departure from the essential operative part of the principle itself by the majority party in this Chamber and in the other House.

What is the difference between creating a shipping board, with $50,000,000 capital, of which the Government shall own a majority of the shares, as provided in the bill—shall own of the $50,000,000 of stock at least a majority of the shares—and that the rest shall be open to private subscription, and selling it at last, and a subsidy? Who wants it? Who that knows anything of extensive business operations wants to embark his money in minority holdings in a Government corporation to end after five years? However successful it may be, whatever dividends may be paid, whatever business may be acquired, at the end of the five years the ownership ceases. The shipping board, by the process described in the bill, proceeds at the end of that time to sell all of their property engaged in the shipping business that the Government is operating or to dispose of the reversionary interest on leases or charters, if that has been the method of embarking in the business. So, after it has been made successful, it is to be sold. If it fails it is to be sold. Whatever happens, under the provisions of this bill the undertaking is to be abandoned.

I believe that this is not done inadvertently. In the shipping bill, which was last session pending here, and which was defeated confessedly, so far as I am concerned, by a filibuster in the spring of 1915, the same provision was found of the limitation upon the time the Government was to engage in this undertaking. It seems just as soon, Mr. President, as you have started in this enterprise to get far enough along to spend money, to make contracts, to oblige the Government to pay by binding obligations made by the head of some department, so that the whole $50,000,000 has either been expended or obligations created for that expenditure—as soon as that has been done, the Government abandons the undertaking.

That may be good business. I do not so believe. It will be good private business for somebody who buys it in five years, if there is anything in the undertaking at all. When at public auction or private sale, under negotiations provided in the pending bill and by broad discretionary powers invested in the executive department, a disposition has been made of the shipping property, then, I presume, somebody must buy it. Who will buy it? I do not know, neither does the chairman of the committee in charge of the bill, nor does the majority party; neither does the Chief Executive.

After a business has been developed, after ships have been bought, operated, or leased, after a freight business has been acquired and a passenger business has been developed by the same processes that any other business requires, then, I presume, whoever buys this going business will get the benefit of what the Government has lost.

What is the difference between subsidizing the steamship companies, whether it is the International Mercantile Marine or any other concern doing business at our ports—what is the difference between subsidizing them now, with all other concerns that are able to carry mail or freight or passengers, and calling it a subsidy direct, and postponing the operation for five years and turning it over to private hands, at last, with all the incidental benefits that belong to the effort of the Government agent and the expenditure of Government funds?

That is the question I should like to have answered, either in this Chamber or elsewhere, between now and next November: What the difference is between the present shipping bill in its ultimate effect—and that is the way to measure a thing—and a subsidy paid outright and called a subsidy, honestly and without pretense, without mere circumlocution or resounding planks in evasive and never-to-be-kept platforms?

Think about what we have been doing. Here was a Federal reserve bank law that came along in due season. The Federal reserve bank was heralded far and wide as a great banking and fiscal reform. It is now claimed to be a great creative remedial measure; but if the present law be taken and laid alongside of the report of the National Monetary Commission, and if the evidence before that commission be read, it will be found that every

solitary permanent good feature of the Federal reserve act is embodied in the report of the Monetary Commission. If there are any errors in the operation, any basic mistakes in the law, it will be found that they have been added, but were not present in the commission's report.

I know it is claimed that that is not a Government undertaking, that it is a mere provision to take care of the reserves of banks; that it did what any wise party in authority would have done without regard to the political complexion of the party then in power. Very well; I do not object to such part of it as provides for the care of the reserves. The part particularly which I wish to note in connection with the shipping bill is the fact that it is not a reserve bank; it is a private pursuit vested, in one of the powers given them, to go out and engage in the banking business.

The Federal reserve law creating the banks, not only extorted from the banks themselves organized under the national banking act, capital to furnish the 12 regional reserve banks enough to do business on, but, in addition to that, it commandeered the reserve of every bank in the country that was obliged by a compulsory act to enter it. After the capital stock had been subscribed in this compulsory manner under an act of Congress, the power was found to belong to the Federal reserve banks to go out on the market, and engage in a private banking business.

It is found in that portion of the Federal reserve act which authorizes the Federal reserve banks to buy bills of exchange or acceptances. There is the open gate for the Federal reserve banks to engage to an unlimited degree in private banking, so that the banks which were compelled to enter the system furnish the capital only to create competitors, to take away their own business. That is one tendency of the majority toward interfering with private pursuits; that is one of the same kind with the shipping bill.

Akin to this, but not in point of time, came the rural-credits bill, providing for the organization of land banks. It is pretty well understood that there are only certain sections of the country which will avail themselves of the privileges of the rural-credits act. No one believes that in any part of the country where farm land is now of any settled value a solitary farmer's association will be created for the purpose through the agency of the district bank of effecting loans.

In all the great Northwest, of which the Senator from South Dakota [Mr. STERLING] spoke, all of the northern Mississippi Valley country, everything tributary to the great Father of Waters—in that country, and especially in the States where land has a fixed value, where it does not fluctuate largely from year to year, where it is not doubtful security, there is nobody asking for a rural-credits scheme. Money already loans at 5 per cent. You can borrow for 10 years if you want to do so, or longer, with the option of paying what you make out of the farm at given intervals, semiannually or even less if you like.

The great insurance companies of New York City and elsewhere have loaned millions of dollars in the Northwest on farm lands. Their terms are favorable, the values are known, and no losses have occurred. So when we analyze the rural-credits legislation, in its practical application, it is found that it only applies to certain portions of our country. What will be the natural result? It will come back to this eternal question of the Government engaging, through the power of taxation and taking money out of the Public Treasury, in what is essentially a private pursuit.

Anybody can organize, if he secures a sufficient number to associate themselves with him, or cause to be organized, a district rural-credits bank. If the private subcribers do not take the stock, the Government can subscribe for the shares.

The Government having subscribed for the shares, where will it get the money to pay? The Government has no funds; the Government is always a chronic bankrupt; the Government has no assets of any kind except the inexhaustible resources of the taxpayers.

So it means that when the Government is to subscribe, in the event that private subscription does not provide for taking the shares, it comes out of the Treasury. That is exercising the power of taxation for the purpose of loaning money to private borrowers. That is where it ends, and that is where it links itself up with a part of the pernicious and inexcusable policy announced in the shipping bill. It is the underlying disease of which the shipping bill is merely a manifestation.

The nitrate plant was provided for in due season. It was a part of the preparedness measures. Well, we had just as well start an overall factory; we had just as well start a factory for undershirts, for shoes, for toothbrushes, or for dental supplies, because they are all needed by the soldiery.

Armor plate came along in the same way. Eleven million dollars were appropriated for an armor-plate factory and $20,000,000 for a nitrate plant. All of these expenditures, of course, require appropriations from the Treasury. They are of the same kind as the shipping bill, the Alaska railway legislation, and every other scheme that embarks the Government in the ownership and operation of what is essentially a private pursuit.

In a general way this is one objection I have to the shipping bill, that it seeks to embark the Government in what is essentially a private undertaking. What are the reasons given for it? I have heard them here. I have heard them as I heard them in 1915, when the shipping bill was up for passage, and I have heard them since that time. I think the Senator from South Dakota is correct when he says that public opinion approved the defeat of the shipping bill. I do not believe there is a Senator now in the Chamber, or who would be entitled to be in the Chamber if he were present, who ever lost a vote because of his attitude in opposition to the shipping bill at the last session of Congress.

Well, it is said that freight rates especially have been very high. Is there anything else high? I come from a part of the country where there is a great wheat market. I have been noticing a considerable change in the prices of wheat and flour. Let us see about that, Mr. President.

"Chicago market, July 12, 1916"——

That was before the crop reports came out; that was before in certain places the rust and the drouth and the flies and a good many other troublesome things had made short the wheat yield.

The Chicago market on barreled flour July 12, 1916, showed that the price ran from $4.95 to $5.10 per barrel for flour made out of spring wheat. The soft winter wheat patent flour ran from $4.90 to $5.10. The straight wheat ran from $4.50 to $4.80. The clear ran from $4 to $4.30. The hard winter wheat flour, patent, $4.70 to $5; straight, $4.45 to $4.65; and clear, from $4 to $4.25.

I quote from the Chicago market August 11, 1916, just a month later, counting one day and excluding the other. Here are the cash transactions in the same pit, the same surroundings, the same men, the same brokers, around the flour and the grain pit down at the foot of La Salle Street.

Spring wheat in wood—that is, a wooden barrel—$8.10.

Hard spring wheat, patent, in jute bags, $6.60 to $6.80.

Straight, in exporters' bags, $6.60, and from $5.70 to $5.90.

Seconds, $3.95 to $4.10.

In jute, hard winter wheat flour, $6.25, and from $5.95 to $5.70.

The dark rye flour—I did not have the quotation for July, but it is proportionately about the same per cent—ran from $5.35 to $5.65.

Now, these are all breadstuffs. Gold Medal flour on the same day in the city of Washington was $9.35 a barrel. If taken in five-barrel lots from the jobber in Washington, with 10 days for payment, you got a $9 rate, net.

I only read this series of quotations to show that a mere rise in prices is not dependent upon conspiracies at home, upon sedition among business men, or upon attempts to rob anybody. These things follow the ebb and flow of the demand on the market and of the supply that is accessible. The immutable laws of markets exceed the power even of a congressional investigating committee. You may investigate until your breath fails; you may legislate, and the puny fiats of legislation will never change the laws of trade that are as unceasing and changeless as the tides that follow salt water around the world. Still, here we have as one argument, Mr. President, the statement that we must go into the Government shipping business because freight rates have advanced.

Why, why not go to raising wheat and manufacturing flour? Why not take part of the public domain, transport the future Coxey's armies that are always incident, in times of peace, to a Democratic administration, out on the Government domain and go to raising wheat, so that the suffering poor may have cheap bread? Why not start a mill? Why these alleged great monopolies at Minneapolis, the great milling companies? Why the large milling companies in Kansas City and St. Louis and at Alton, Ill., and elsewhere on the Mississippi River? Why not enter into competition with them because flour is quoted at from $6.10 to $9.35 a barrel on the 12th day of August, and the 11th day of July preceding it was quoted at from $5 to $6.90? Somebody, I suppose, is stealing.

Why does not the Government start a mill? Why does it not start a bakeshop? Because I know from certain press dispatches, if they are to be credited, that the bakers have been taking a few ounces out of the loaf of bread. They either had to do that or raise the price. The people have grown accustomed to a 5-cent loaf, and they thought it better to subtract an ounce or two from the loaf and still let the price stand. It would be

just as sensible in the one case to argue from a given condition to a necessary remedy as it would in the other.

Here is another manifestation of the general disease; and I apprehend that this gentleman would not have made this statement and submitted to the interview unless his mother wit informed him of the general tendency of this administration. It would be regarded as in line with other things. It would popularize him with his chief. From St. Louis, Mo., under the date line of July 16, 1916, is a press report interviewing Mr. J. J. Keegan. Who is Mr. Keegan? He is known to fame as a labor commissioner of the United States Department of Labor. I suppose, being done in the name of an alleged labor leader, whatever is said, however insane, however frantic, however insufferably and sublimely idiotic, is sanctified thereby, and no one shall criticize it. I shall, however, proceed to do so, even if Mr. Keegan should be offended. Like Mr. Gompers, he seeks to issue edicts and have them obeyed by everybody everywhere.

No more insufferable control or tyranny ever cursed a country than these parasitical men who exploit labor and live off the sweat of somebody else's brow. Mr. Gompers is a public nuisance. Mr. Keegan is a Socialist, or in all probability what might be denominated an economic crank; and they are the ones who find lodgment in high places and are in high favor in this administration, from Redfield clear down to Mr. Keegan, or clear up, I do not know which it is.

I wish to say, before I leave that subject—I will make a finish of it while I am at it—that a year or two ago Mr. Gompers started to criticize a number of gentlemen in public life who refused in this Chamber to vote to exclude unions from prosecution like anybody else under a certain $300,000 appropriation devoted to the Department of Justice for the purpose of prosecuting those who violated the antitrust law.

I will say now what I said publicly in 1914 about Mr. Gompers. Before Mr. Gompers criticizes any one in public life I ask him to remember that in the conspiracy leading to the indictment of the dynamiters at Indianapolis, Ind., before they were tried, before the instrumentalities provided by the Department of Justice had resulted in a public hearing where justice might be administered, Mr. Gompers set up a tribunal of his own and tried them and had them acquitted. He prostituted the cause of labor to the point of using the funds of the laboring men of this country to defend these criminals who had without cause, wantonly, in cold blood, sent to their death 19 men and women in the city of Los Angeles, Cal.

After he had tried them and found them innocent, almost before the ink was dry upon his statement of their innocence, the McNamaras pleaded guilty, and are now engaged in penal pursuits at the behest of an indulgent State where they are removed from the scene of their murderous activities.

Mr. Gompers has never apologized to the law-abiding men of the country, but here and now I say the most fortunate thing that has ever happened to Mr. Gompers is that he escaped indictment himself upon a similar charge in the same conspiracy.

I am not talking now as a party man, but an American. I know something of it from beginning to end. One of my neighbors was convicted in connection with the same conspiracy. He served out his time like a man, and he is abroad now making a living for his family. He was convicted because he wrote certain letters. He said he did not know what they meant. It might be he did not. He merely did what a superior ordered. The employer or owner was asked by the leaders to unionize a shop, or a series of shops, and he did not do it, and so the dynamiting followed and a jury found my neighbor guilty with the others.

It is high time some one said a few wholesome things of Mr. Gompers. It will serve to arrest a vicious tendency to let him run riot in the methods of intimidation and coercion he has habitually employed against men of both parties for several years.

Gird up your loins, Mr. Gompers, and answer me like a man. I will teach him a few degrees of active, practical civic decency in my country that he does not know of if he will only come out and give the people a chance.

Here is one of this distinguished gentleman's disciples:

ST. LOUIS, *July 16.*

Immediate seizure of every railroad in the United States by the Federal Government, with Government ownership as a certain result, was predicted to-night in an interview by J. J. Keegan, commissioner of the United States Department of Labor, should the threatened strike of the four great railroad brotherhoods become a reality.

Keegan would not say that plans have been formulated for such governmental action, but declared that, according to his information and belief, the step will be inevitable.

REFERS TO RESOLUTION.

He referred to the resolution introduced in Congress Saturday by Senator NEWLANDS, authorizing the appointment of a commission to study the general question of Government ownership and operation of railroads.

Keegan pointed out the Interstate Commerce Commission has been appraising for three years the valuation of the railroads of the United States, declared the Government, as a result, is better prepared than ever before to assume the responsibility of ownership.

SAYS VOTE WILL CARRY.

"From the best information I have," declared the labor commissioner, "I am confident the great rank and file of the four brotherhoods will vote for a strike. I am led to believe more than 99 per cent of the members of the four great organizations will vote for a 'walk out.'

"I do not believe, however, a strike is probable. I can not reconcile such a development under existing conditions. I can not conceive that other railroad management or brotherhood officials will permit the break.

That is only introductory.

GOVERNMENT WILL ACT.

"But if the break should come and 450,000 trainmen were called out, paralyzing the transportation facilities of the country, and even threatening American people with starvation, the Federal Government will act within 24 hours. Once these roads pass into the control of the United States, they never will be returned to private ownership."

There you are, and that is what is going to happen. We will have all the steamships for freight and passenger service. We have in Alaska a railroad to begin with; we have one across the Isthmus of Panama as a starter. We will acquire, as soon as this strike reaches the point indicated by this gentleman, the control of the railroads because of the cessation of their operations. Then, having assumed control in order to tide over the period of the strike, the Government is to retain them and operate them permanently.

That is leading on toward that beatific period described by some of my friends on a soap box—very often out on the curbstone. I do not know just how much room there is between Mr. Gompers and these gentlemen.

Mr. Gompers is now supporting the Democratic ticket and I am perfectly satisfied to have him do so. He is welcome, and the party is welcome to his support. I do not know what his original politics was, if he ever had any. I think he follows about the same characteristics as the McNamara brothers do, and preys upon all in turn, playing no favorites at any time where benefits can be acquired.

So there is another of the blessed periods that will soon arrive. I apprehend, as he is connected with the Department of Labor, that Mr. Keegan does not anticipate any violent reprimands from his chief. The whole of the administration, from end to end, is permeated from head to foot with just such pernicious doctrines and beliefs as I have indicated. The purpose of the majority of the members of the Cabinet, of the responsible leaders in the House, and of many of the responsible leaders in this Chamber has been to hurry the Government toward the goal of indiscriminate ownership and operation of private pursuits of every character.

Why, here is Brother Redfield, of the Cabinet. Brother Redfield is now saying that we must have a duty on dyestuffs. Well, that is the first time I have ever agreed with him.

I do not know whether it will be a permanent agreement or whether he will change his mind overnight. He reserves that right, as all statesmen do. He referred, in an address delivered about a year ago, to why a duty on dyestuffs was desirable, and it indicates how extremely sensitive he has grown. He would not call it a protective duty, but he said a duty on dyestuffs was justifiable because we would protect an incipient industry. "Incipient!" He would not use the term "infant industry," but "incipient industry."

Now, I understand by hobnobbing with the medical fraternity that the word "incipient" applies to diseases like measles, smallpox, typhoid fever, etc., and when you get it you trace it first in its incipient stages—a kind of a scourge to mankind. So an industry is to be described as an incipient industry because it is more or less a scourge, and it is to be avoided and evaded as a public nuisance whenever and wherever found.

The last time I remember this affable gentleman being out in my country was when the *Eastland* turned over in the Chicago River. He came out posthaste. He held an informal investigation. He assumed jurisdiction because it was a vessel that might engage in interstate commerce. He ousted the coroner of Cook County, Mr. Hoffman, and said that this was a matter for the Government to handle. Mr. Hoffman very kindly withdrew his ministrations upon the thousand or more dead who were in the buildings adjacent to the scene of the disaster.

Mr. Redfield pursued his investigation with great industry for at least eight hours, to inquire how more than a thousand people came to their unwarranted death.

He returned a verdict—not a coroner's verdict but a verdict of the Secretary of Commerce. His verdict was that everybody was competent; that the inspectors and everybody who ought to have prevented it were vigilant; that no negligence had been shown; that it was an unavoidable accident, a merciful dispensation of Providence that a thousand people had been

drowned in a vessel over which he claimed and was allowed to have exclusive jurisdiction. He became for the time being the crown prince of jesters and the colossal governmental joke of the Western Hemisphere.

Mr. Redfield is now engaged in giving advice to the business men of this country, those who have followed their business all their lives, in every occupation. Mr. Redfield is telling them how to run their business. This is an instance of what the Government can do when it engages in private business. Why, it can not even regulate a fellow that is running a business successfully. It can not make him behave himself; and the Lord knows, if it can not do that, and it undertakes to run the business itself, how much the bigger fool will it make of itself through its governmental departments! And still we want to take up something else, something new, more governmental undertakings, shipping bills and the like.

Where will we build the ships? That is what the Senator from South Dakota [Mr. STERLING] inquired. That is what the Senator from New Hampshire [Mr. GALLINGER] intimated. Where will we find the facilities for building the ships?

Why, here is the report made by Capt. Bertholf, commandant of the Coast Guard. It is found on page 275 of the hearings of the subcommittee of the Senate Committee on Commerce. Here is what he says about it:

> The Department of Commerce publishes each month in their Commerce Reports a résumé of the ship construction showing the total volume, the yards in which the ships are being constructed, and the new construction taken on each month. The statement is issued monthly. The statement for May was issued only a few days ago; therefore it has not been entirely analyzed, but up to the 1st of May, 1916, we find this:
>
> "One million one hundred and twenty-nine thousand and fourteen total tonnage building; of this 79,600 tons are for foreign ownership and 1,049,414 for American ownership.
>
> "Of the foreign-owned vessels 59,200 tons are fuel-oil carriers, 2,100 passenger and cargo, and 18,300 for cargo ships.
>
> "Of the 1,049,414 tons being built for American ownership, 610,782 tons are for special uses, such as fuel oil, bulk ore, colliers, molasses carriers, and small boats for miscellaneous purposes. Of the remaining 438,632 tons, 228,285 are for the coasting and Great Lakes trade, 144,617 for the foreign trade, and 65,738 doubtful."

Being on the stocks, probably it is not yet definitely decided in what branch of the ocean carriage or water-carrying service they shall engage.

I again refer, before leaving this idea, to the report of the Commissioner of Navigation, dated at this Capital October 2, 1915, which is the latest published official report. Some summaries of monthly reports can be had to which I have referred here, or to which Capt. Bertholf referred in the hearings before the subcommittee.

In this report of the Commissioner of Navigation I find the following:

> On June 30, 1915, the merchant marine of the United States, including all kinds of documented shipping, comprised 26,701 vessels of 8,389,429 gross tons. On June 30, 1914, it comprised 26,943 vessels of 7,928,688 gross tons. The year's absolute increase in tonnage, 460,741 gross tons, has never been equaled in our history.

That was a period running from the 30th day of June, 1914, to the 30th day of June, 1915. The German armies crossed the Belgian frontier on the 3d day of August, 1914, for offensive and invading purposes; so the war, as it might affect a world-wide commerce and the tonnage of the world, may fairly be said to date from the 3d day of August, 1914. In the year, or less than a year, accounted for by the Commissioner of Navigation, nearly half a million increase in the gross tonnage of the shipping of the United States occurred.

In 1854 the increase was 395,892 tons.

This was a period when the shipping of this country had developed to a remarkable degree.

The discriminatory rates advocated by the Senator from Washington were in force at that time. Whether the like provision would cause a like development now or not probably can not be mathematically demonstrated. It would require, as has been intimated by the Senator from Washington and others, an abrogation or a modification at least of many treaties in order that we might make effective some preferential rate, either by reducing the rate of the regular schedule of import rates or by raising the regular rate 5 or 10 per cent above in order to favor the merchandise imported in vessels carrying our colors.

At any rate, I have referred to the tonnage of 1854 and the commerce of that year.

In 1855, 409,099 tons and in 1908 it was 426,651 tons. In tonnage and value the merchant shipping under the American flag is surpassed only by that under the British flag, and in tonnage it equals that under any other two foreign flags combined, except the British. Statements of the merchant tonnage of foreign nations are printed in Appendix F. Statistical Tables 10 and 17 show the progress of American shipping.

American shipping registered for the foreign trade, included in the figures above, numbered on June 30, 1915, 2,794 vessels of 1,871,543 gross tons, an increase during the year of 389 vessels and 795,391 gross tons. This increase is three times as great as the increase in registered tonnage during any previous year in our history.

Our tonnage enrolled and licensed for the coasting or domestic trade on June 30, 1915, numbered 23,907 vessels of 6,517,886 gross tons, a decrease of 631 vessels and 334,650 gross tons since June 30, 1914. The decrease is greater, in fact, than in any other year in our history, though greater apparent decreases were recorded during the years 1865–66, and 1875–76. At the close of the Civil War collectors of customs throughout the country revised their records, and vessels lost during the war, but carried through the war in the statistical returns, were removed from those returns. In 1873–74 Congress exempted from customhouse documents a large amount of tonnage employed on canals and harbors and, thereafter, of course, this tonnage was not included in statistical returns though it continued in its customary employment. Last year upward of 200,000 tons of our shipping, formerly in domestic trade, secured employment in foreign trade.

The changes in our merchant shipping within the 12 months have no parallel in extent in our maritime history. The nearest approach is furnished by the fiscal years 1863 and 1864, when the Confederate cruisers were in operation and 523,064 tons of American shipping were sold to foreigners. During the past year under the ship-registry act of August 18, 1914, a total of 148 vessels of 523,361 gross tons were transferred from foreign flags to the American flag and register. These transfers, however, unlike those of 1863–64, in very few cases involved a change in the actual beneficiary ownership, but a change in the ownership of record, possible only through the passage of the act of August 18, 1914, which enabled American owners to secure American registry and the use of their own flag for ships built in foreign countries. The transfer of very few of these ships, accordingly, involved an increase in the investment of American capital in maritime ventures. They represent in all an investment of $33,392,756.58, but Americans had invested nine-tenths of this capital in these ships long before the outbreak of the European war. At prices current during the year these ships, if purchased, would have cost more than the amount just stated.

Until the passage of the act of August 18, 1914, it was not possible for such owners generally to give to their ships their true national character. It may be that had full opportunity been afforded earlier, it would not have been seized. That question is somewhat academic, as in any event the door was closed against them. The more pertinent question is whether the national advantage gained during the past year is to be retained by legislation giving freer scope in maritime ventures to American citizens of enterprise and capital, who in a few months have given to the American merchant flag on the sea a rank and importance second only to the British. In the bitterness of feeling that followed immediately upon the close of the Civil War the opportunity to recover a lost position was thrown away when Congress by the act of February 10, 1866 (sec. 4135, R. S.), specifically forbade the return to American registry of ships which had been sold to foreigners "during the existence of the rebellion."

The European war has created an opportunity for the development of the American merchant marine in foreign trade which this generation, at least, is not likely to see repeated. The most efficient instrumentalities for the prosecution of that trade are ocean steamers of 3,000 gross tons and upward. Such ships are economical by comparison with smaller vessels, and it is by means of larger steamers that the great volume of our bulk exports must be carried abroad. An idea of the progress which has been made under the ship-registry act of August, 1914, toward an American merchant marine able to compete with foreign shipping can be formed more readily, perhaps, from a glance at the number of such ocean steamers under different flags than from a study of the totals of gross tonnage.

The following table, compiled from Lloyd's Register for June 30, 1915—the only trustworthy authority for so recent a date—shows the number of ocean steamers over 3,000 gross tons, roughly divided as to size, under the various flags named, German steamers, of course, having no share in the carrying trade:

This remarkable increase in the year 1914 and 1915 indicates that there is a tremendous activity in every private shipyard in this country. I do not know of the manager or the responsible head of a single shipyard in the country from San Francisco to Baltimore who would not tell you that his yard has contracted up to its full capacity, that they could take no more with any

reasonable expectation of completing it before the European war closed.

Now, what is the emergency? The European war. How long will it last? Nobody but the Infinite in His wisdom can tell. He may know the course of mankind in peace and war; we do not. It is pure speculation. But basing our views upon exhaustion, upon what Grant termed the process of attrition, the destruction of men, and the full limit of governmental credit, the war might run for two years. That would carry it to 1918. The puny efforts made by the Government, by $50,000,000, through a shipping board in the two years, would accomplish no more than, as I have already indicated, the expenditure or contracting to expend the $50,000,000 to be provided by the Public Treasury.

Mr. President, we are about to engage in another experiment. This is purely of a governmental character, but nevertheless it will require the expenditure of public funds. In a few days we will be engaged in the delectable occupation of trying to find money to pay the appropriation fiddler. In the due course of human events the chairman of the Committee on Finance will report out a revenue bill. The science of government, an English statesman said at one time, was how to pluck the most feathers out of the goose with the least squawking.

Mr. GALLINGER. I should like to ask my friend the Senator from Illinois if he has any definite information as to when that bill is to come before this body.

Mr. SHERMAN. No, sir; I regret to say, much as I should like to give the Senator more definite information, I am wholly unable to do so. It belongs to that category of future nebulous and undefined events that even the wisest man on this side of the Chamber, I think, would not be able to answer satisfactorily. It slumbers in the recesses of the majority side of the committee. It is in process, if I might use a medical phrase, of gestation, and what it will be when it comes out even that side do not know yet, much less we poor worms who creep about on this side.

But we are about to engage in a further expenditure of money. We will be required when that bill does come out to levy taxes in various ways, direct and indirect, to raise something like $1,650,000,000 or $1,700,000,000. I am approximating it at $1,650,000,000, and I am fairly within the limits when I do so.

A part of it is the trifling sum of $25,000,000 to cover the Danish West Indies. That will come in as a part of this $50,000,000 for the shipping bill, and it must be considered along with the rest of it, because we have to raise the money somehow.

I figure on the population of St. Croix, St. Johns, and St. Thomas, according to the latest estimates of the population I can get. I quote from a very distinguished authority from 1896 down to 1908, excluding a distressing hiatus in 1904 when he was not so much in the public gaze.

You remember the issue, Mr. President [Mr. LEWIS in the chair], when you and I on opposite sides of this controversy burned up the prairie grass in our State. It was said that by the treaty of Paris, ratified in April following 1899, we had bought a great number of human beings by the head for $20,000,000 when we acquired the Philippine Islands.

Now, we are getting a bargain, Mr. President, in what we are doing to-day, if we follow out the dictates of the chairman of the Committee on Foreign Relations and ratify this treaty, because we will get a mixed job lot at $750 a head—black, white, yellow, of all sexes, ages, and previous conditions of servitude—because up to 1848 they had slavery in the islands, and the sugar plantations have gone down since they can not get cheap labor any more. Now, it is not quite so valuable property. Although in 1867 we had an offer of all three of them for $7,500,000, we did not buy at that time. In 1902 we had an offer of two of them for $5,000,000. We did not buy. Now, we have an offer of all three of them at $25,000,000, and notwithstanding the issues that have been raised in years past we are to buy this motley outfit, good, bad, and indifferent, as that might be, with all the population, for the sum named.

One of the islands, St. Thomas, is 13 miles east and west and 3 miles north and south. It looks like a diagonal German sausage in the Caribbean Sea. Its area is 33 square miles, not quite as large as a township out in the corn belt. It contains 21,920 acres, and its population in 1901 was 11,012 people. In 1880 it was 14,389. It has been decreasing in population. From our viewpoint it may be the fewer population the better, if it is a habitable place for anybody. The last time there was any accurate return made of the population one-sixth of it was white and the other was of indefinite quality; some of them were a blend, as the coffee men say.

St. Croix is 40 miles east from St. Thomas 23 miles long, and 6 miles wide, with an area of 51,168 acres. Its population in 1880 was 18,567. In 1901 it was 18,430. It has fallen off now.

St. Johns in 1835 had a population of 2,475, and in 1901 it had a population of 925. Its area is 35 square miles. It has 22,400 acres, and there is a total of 94,688 acres in the three islands.

I shall vote to ratify this treaty, if the chairman of the Committee on Foreign Relations will ever bring it out in executive session. I will vote, in addition, to consider it in the open session of the Senate. If we are going to spend $25,000,000, there will be a large part of that drawn from the citizens of the State of New York, the citizens of the State of Massachusetts and the State of Pennsylvania, and the States of Illinois and Indiana, Iowa, and Missouri. Four of the States alone will pay nearly $76,000,000 of the income tax alone, and they will pay more money of the $25,000,000 out of that item alone than all the rest of the 44 States of the Union put together.

So it is well enough for us to think about it a little.

I tell you what I am in favor of. I am in favor of taking the $25,000,000 that William Jennings Bryan said that we would pay to Colombia to soothe her lacerated feelings in matters growing out of the Panama Canal—I am in favor of taking that $25,000,000 away from that proposed expenditure and taking the Danish Islands named here and use them as a naval base, fortify them in order to protect our entrance to the Panama Canal and the Panama Canal itself. I am somewhat in favor of getting all the islands in the Caribbean Basin that we can without conquest. If it can be done by diplomacy, by negotiation, by purchase, I am in favor of taking them.

We are already down in Haiti. We have something to do with Santo Domingo. We have a Government receivership in both places—in one at least now. There is no trouble about it.

That reminds me, when I come to think about it, that one of these, Santo Domingo, is the place where Walter W. Vick is the receiver general of the customs of that bankrupt Government that we are administering, setting apart a portion of the public revenue to pay matured principal and interest on the public debt issued by it at various times in its emergency, with the rest of it devoted to the administration of its domestic affairs.

I remember about a year or more ago, when we were considering the shipping bill, of some ill-advised remarks that made it proper for me at that time to insert in the CONGRESSIONAL RECORD this letter, and I now repeat the offense. It is dated August 20, 1913. It shows just how the plank in the platform of 1912 adverted to the abounding affection with which the party at Baltimore loved the civil-service law. Well, we must make some allowance in the exuberance of imagination, in the enthusiasm of the moment, for these things. But while the senior Senator from Missouri said at one time that the voice of that convention, where my name was feebly mentioned, still lingered in my ears, I wish to say to the Senator that I was nearer being the nominee of my party than he will ever be of his. I had more delegates in my State than good old Missouri will ever have, because we grow faster than you do, even counting St. Louis and Kansas City. So it is not uncomplimentary for me to say that I wish to explain to the Senator that, because of the mere accident of our local habitation, if nothing more, it will be so.

I want to show how the party to which I have referred administer government and how fit they are, Mr. President, to run a shipping board and to start with $50,000,000 a rival Government line to all quarters of the globe to compete with every civilized power, for that is what they are going to do.

Ah, the one-time president of a university heading the great people's party, where the people rule, will by mere edict of Congress say to all the shipping lines of the world, "Peace; be still; get away off the seas; Uncle Sam is coming, and his name is Woodrow." Every great maritime power will hie to their home ports and leave to us the salt sea as our own.

Here is what they did in 1912, Mr. President. Let me get that platform plank into the RECORD, because it is first-class reading. Of course, it is largely fictitious, but then the most pleasing things for the amusement of the human mind are works of fiction. The great novelists of the world understand that. So from Cervantes, with his matchless Don Quixote; Balzac, with his portrayal of human nature and of French life; Dickens, all the way through, have instructed the world by fiction; and it may be that the purpose of writing such planks in the platform is either to amuse or to instruct—to amuse for a summer holiday or to instruct the public just how much the plank and promises in a platform may be relied on.

That plank in the Democratic platform reads:

> The law pertaining to the civil service should be honestly and rightly enforced to the end that merit and ability shall be the standard of appointment and promotion rather than service rendered to a political

party; and we favor a reorganization of the civil service, with adequate compensation commensurate with the class of work performed, for all officers and employees.

I might spend a great deal of time, more or less usefully, in saying how that reorganization has proceeded; but that would consume probably more space in the CONGRESSIONAL RECORD than I ought to impose upon the Government Printing Office. The reorganization, however, has proceeded apace, and with considerable rapidity.

The fourth-class postmasters had been covered into the civil service by Executive orders in former years. I will not undertake to say why that was done; but it was done. It may be that it was a sort of a bomb-proof shelter in the event of misfortune overtaking the party then in power. That may have been the reason of the practical politicians. It may have been a genuine regard for the civil-service principle. I shall not undertake to analyze their motives, because that is often a more or less hopeless as well as impossible pursuit. Nevertheless it was done, Mr. President. It was done in pursuance of the law on the subject vesting that power in the Executive. So those postmasters were all under the civil-service law when the calamity fell upon the then majority party in 1912.

On the 7th of May, 1913, an Executive order was issued requiring all fourth-class postmasters to submit to civil-service examination in order to test their fitness to further remain in their places. Strange to say, we have not been able to get any of the records of those examinations.

I will give you, Mr. President, in a single county in my own State, an instance. There I was, in an inadvertent moment, permitted to lift up the curtain of secrecy and view at one time how that examination was administered among the brethren who dwelt together in unity in the Democratic Party in Schuyler County, Ill. It so happened down in the Illinois River bottoms, at a small country village, that an abandoned and perverse Republican had for many years held the post office. Soon a demand was made for his civil-service examination under the Executive order of May 7, 1913. They went in, all of them, with their hearts full of hope, including three Democrats who had been there ever since I fished in that country, more than 28 years ago.

An examination was held. The occupant of the office, who knew everything in it from a bunch of waste paper in the basket clear through to the last ball of twine, utterly failed; he did not know anything about the office. The three Democrats all passed. One had a grade of 71; another a grade of 85; and another a grade of 92. Of course, the man who had 92 thought that his calling and election were sure; but he reckoned, not without hope, it is true, but falsely, in that he did not recognize the human element in politics of which I spoke a while ago in larger affairs.

The man who made 71 was politically active in the township. In that particular county we have the New England form of township organization. He had in many hard-fought battles shed much perspiration for the cause represented by the Government mule. [Laughter.] So his claims, he thought, ought to make up the lack of markings by the civil-service examination; and it so happened that he did not reckon without adequate faith in the reward for those who are "faithful, even unto death" in the Democratic Party. He who had 85—the diligent servant who, in the absence of the master, had so improved his talents, Mr. President, that he made 85 in the markings—and another who had made 92, fell by the wayside, and the Democratic politician of the township prevailed. Civil service promises went glimmering.

That is small, but it is only an indication of larger things. It gives us, to say the least of it, an inkling of why it is that the "great commoner"—he who three times led the party now in the majority in great national campaigns, who sometimes lapses, as he did, for even Jove nods occasionally and the waiting world stops a while, so the "great commoner" from Nebraska was appointed a member of the Cabinet. His chief had remarked once how desirable if some one could find a way of knocking him into a cocked hat. The President found it. There is a difference between performing on a Chautauqua platform and performing in the office of Secretary of State; and herein lies the discomfiture very largely of my beloved friend; a most genial character, and you and I know, Mr. President [Mr. LEWIS in the chair], how we like to sit next to him and touch elbows at the banquet table, when speech goes around and the applause of the multitude sounds into our welcoming ears; of them none is greater than he of Nebraska. So it was that he became identified with the Department of State; and thereby "hangs a tale"—of civil service. [Laughter.]

About that time it became necessary to investigate the island referred to in the West Indies. Mr. J. M. Sullivan was our diplomatic representative there. Some question had arisen between a former Illinois man, Mr. Jarvis, whom probably you, Mr. President, might have known, who had gone down there from New York and engaged in the banking business, and some of his friends. One thing led to another, until the incoming administration had hardly warmed its seat until an investigation was ordered.

Investigations have been going on ever since the time of the insidious lobby during the tariff legislation. We have investigated the bowels out of everything in this country. Everything that is successful has been investigated and has been put upon the grill. Only the unsuccessful have escaped. If there is anything successful anathematize it; if it has made a dollar, if it ever declared a dividend, it must necessarily have been a thief, or it could not have done so. So, when these people were trying to develop a legitimate business down in the island, an investigation naturally was necessary.

While that is not directly connected with the letter I am about to read, that led directly to the publication of the letter, owing to the consuming public interest that was aroused in the affairs of the island. The letter was addressed to Mr. Walter W. Vick, and was dated August 20, 1913. It is as follows:

> Now, that you have arrived and have acquainted yourself with the situation, can you let me know what positions you have at your disposal with which to reward deserving Democrats?

Now, that has the Jacksonian ring; that sounds familiar but none the less peculiar if you put it alongside of the square that measures the civil-service plank in the Democratic platform of 1912, which reads:

> The law pertaining to the civil service should be honestly and rightly enforced, to the end that merit and ability shall be the standard of appointment and promotion rather than service rendered to a political party.

Compare that with the expression "deserving Democrats." The letter to Mr. Vick continues:

> Whenever you desire a suggestion from me in regard to a man for any place down there call on me.

Certainly "call on me." Even in your hour of extremity I will not fail you. If I may be allowed to interpolate a quotation—

> You have had enough experience in politics to know how valuable workers are when the campaign is on.

I commend that, Mr. President, to my Democratic brethren at this time. Let no guilty Republican escape. Thrust him into outer darkness. It may be a little difficult for him now. Perhaps the wind can not be tempered to the shorn lamb, but so surely as the frosts of November shall come his reward will be apparent if he no longer is serving the Lord under the suspicious circumstance of holding a position under a Democratic administration. Put him out in order that he may go forth and do his full duty and that some deserving Democrat may fill the vacancy. I know how useful they are.

Opie Reid, in one of his delightful stories of the Southern States, said: "No politician can keep the power in his machine very long unless he has some of the fuel of patronage to put in the fire box." That is what you are doing here. You want something for the fire box. The letter proceeds:

> You have had enough experience in politics to know how valuable workers are when the campaign is on and how difficult it is to find suitable rewards for the deserving. I do not know to what extent a knowledge of the Spanish language is necessary for employees.

Well, I suggest, if they can not talk Spanish, we will make them "walk Spanish" between now and November, so that they will get some sort of a Spanish education anyhow. The lack of knowledge of Spanish would not make any difference. If they did not know the language they would not be any worse off than a lot of expensive diplomats who were referred to by my friend the Senator from Pennsylvania [Mr. PENROSE].

I wish to remark here that the most expensive service in the world is the diplomatic service of the United States, because the total of their contributions to the Democratic campaign fund in 1912 footed up $137,250.

The largest contributor, I am proud to say, was my constituent, Charles R. Crane, of Chicago. He inherited his money. The senior Crane, who founded the business of the company, left it to the family. Charles R. realized in good securities and gold standard money, got out of the business, and is now a gentleman of leisure engaged in the profession of uplifting the public service and advancing the public welfare. He is as great a "commonwealer" as Coxey was 25 years ago, when he started to tramp across the continent. [Laughter.]

I wish also to remark, in connection with that subject, that about $21,450 was contributed in the campaign of 1912 by members of new commissions created by Congress since 1913 and by those who were appointed to fill vacancies on old commissions. They come next in the catalogue of financial assets in a campaign.

I say what I have now to say concerning the Cabinet with more or less humility and somewhat of disappointment. Even the immaculate Secretary of Commerce, whom I have come to regard as the court jester of this administration, only gave $100. Do not talk to me about watered stock. He is drawing dividends on watered stock to an extent that exceeds anything in the wildest imagination of any promoter who ever trod this continent. [Laughter.] Josephus Daniels gave $100 and drew a Cabinet place. He knew nothing of the Navy, but he too was a deserving Democrat who had shed several gallons of printers' ink for the cause.

The entire Cabinet only gave $5,582.31. Why, it is no wonder that in the social functions of this Capital a dispute should arise as to where the Cabinet should be in the receiving line, if that is all they are worth in a life and death struggle of the Democracy. [Laughter.]

Heavens, have we fallen to such a low estate that Cabinet positions, when "the unterrified and unwashed" are in the agonies of a fearful wrestle to survive can realize no more of the "needful" than was realized from them in the last campaign, while the diplomatic service can roll up $137,000, and at that two of the appointees declined the positions offered to them.

I am happy to say, Mr. President, that one of the citizens of my State, Harry Pindell, of Peoria, Ill., was appointed minister to Russia, but declined. Harry put up a very modest contribution it is true, but his brethren of the press treated him very unfairly I think, and I do not blame him for declining. It is to his credit he did decline. He has lost nothing and has the respect of his friends more than ever. He never asked for his money back, either. He is a good sport and lets it go when he loses. [Laughter.]

I had, in early life, a somewhat mathematical turn of mind, and when the senior Senator from Pennsylvania [Mr. PENROSE] put in the CONGRESSIONAL RECORD this tabulated list of collections, I immediately began to figure up what were the political assets of an administration and what department could realize more fully the expectation of a bountiful harvest.

Having done that, I now continue with the reading of the letter which provoked this digression:

"Let me know what is requisite, together with the salary,"

This bears all the earmarks, not of a great commoner, but of an accomplished politician.

"and when appointments are likely to be made. Sullivan will be down before long"

Now, that is not Roger Sullivan; that is another Sullivan. [Laughter.]

Sullivan will be down before long, and you and he together ought to be able to bring about such reforms as may be necessary there.

I know what the reforms were. Perchance some guilty Republican might linger within the hallowed precincts of a public office. If so, let him be shot at sunrise! Civil service be blanked! Get him!

You will find Sullivan a strong, courageous, reliable fellow. The more I have seen of him the better satisfied I am that he will fit into the place there and do what is necessary to be done.

That is, the beheading—somebody that can wield the ax, just as D. C. Roper left the Post Office Department. Lord knows, if anybody can fry the fat out of the postmasters, it is Roper. He has been the official headsman of the administration going on nearly four years; and if they do not go down in the savings bank and dig up what they have saved out of their salary—if he can not get it, they are hopeless cases. Nothing will produce it—not even the guillotine.

I shall insert the letter entire among the other documents at the end of my remarks.

I have read this plank in 1912. I wish to read that of 1916 on the same subject, because this is a very prolific subject, Mr. President. It is not to be disposed of lightly. What would we do with the shipping bill if it passed carrying fifty millions? Why, we would engage in the South American trade. Would it be necessary for anyone engaged in that service to speak Spanish? What would the salaries be? Are they to be put under the civil service? No place in the printed bill so declares. It is like the Federal reserve act. It is like section 2 of the tariff act. It is like the Executive order taking the deputy marshals and the internal-revenue deputies out from under the civil service. It is like the rural-credits bill. It is like every other department where there has been the creation of new offices. They are expressly exempted from the civil service.

After a while, if the unexpected to my beloved brethren should happen and misfortune should overwhelm them, later on I can think of an Executive order, coming promptly and in the fullness of time, that will cover every one of these devoted gentlemen into the civil service, and every one of them will be snugly down in the trenches, bomb proof. Nothing will get him. Then they will turn around, and if perchance we should discharge a single one of them, with or without cause, they would say, "Why, you civil-service reformers, look at you!" But every one of them went into the service without coming under the provisions of the civil-service act.

So, in 1916, it is not nearly such a lengthy and explicit declaration. It says, in 1916, in the St. Louis platform:

We reaffirm our declarations for the rigid enforcement of the civil-service laws.

That is mighty short. There is not so very much to that, because the least said the better. That is the truth about it.

I now read from another very distinguished authority. I read from a book called "The New Freedom." I will say that the edition I have was published in 1914. The title-page says:

THE NEW FREEDOM.

A call for the emancipation of the generous energies of a people. By Woodrow Wilson.

As a preface, in order to point the moral and adorn the tale, Mr. President, I wish to call particular attention to some fruitless activities of the National Civil Service Association. They have been trying to have access to the records. They have corresponded with Mr. McIlhenny, the chairman of the commission, in an effort to see the eligible lists from which divers appointments have been made. So far they have failed. Either intentionally or inadvertently, the chairman of the Civil Service Commission said, in his answer to the letters of the president of the National Civil Service Association, that he declined to make the civil-service records public, as it would, or might, embarrass the administration. Later on, in further correspondence, it is true, he said that he meant that in merely a Pickwickian sense; that it was rather figurative, so to speak. But later President Wilson says:

I would advise that the correspondence which you have furnished me is being referred to the Civil Service Commission with the suggestion that—

the information asked for be published in the commission's annual report for 1916.

When will we get that? Oh, along about the time another President is inaugurated. We may get it the first Monday in December, 1916; but that comes after the November election.

Further, it is said here that it would be inimical to the public interests to allow the records of the administration to be made public and to be used indiscriminately by malicious and partisan enemies.

And so the matter ended, and nothing has been done up to this time; and it will not be, Mr. President, notwithstanding the clamorous demands of the National Civil Service League, notwithstanding that past administrations have given access with, in 1899, not more than a two months' interval; notwithstanding all that, there will be no searching of the records. There will be no "pitiless publicity" in these records between now and the November election.

Having made this preface, I now wish to read from the book to which I refer.

What are the right methods of politics?

He inquires.

Why, the right methods are those of public discussion; the methods of leadership open and aboveboard, not closeted with "boards of guardians" or anybody else, but brought out under the sky, where honest eyes can look upon them and honest eyes can judge of them.

If there is nothing to conceal, then why conceal it?

That is not my language; that is the book's.

If it is a public game, why play it in private?

What are you playing it in private for? Open up! Let us see what you have been doing, if you want to play a public game.

If it is a public game, then why not come out into the open and play it in public?

Why do not you do it, you Executive head of this administration? Come out in public, and let us see what your Civil Service Commission and what the hungry faithful have done with their records and how it appears. Let me take it from the little insignificant Illinois case I referred to, and let us see how many other cases there are.

Why, I noticed in the list presented by the senior Senator from Pennsylvania the name of Thomas Fox, of Sacramento. Does that bring any reviving memory to your ears of a certain occasion that I am not allowed to refer to? Why, he is postmaster of Sacramento, and I think I am not guilty of any breach of good manners when I say there was some considerable disturbance before he was finally settled down as a deserving Democrat enjoying the rewards of the faithful. Thomas Fox was only down for $100. He is another case of watered stock. He is getting a tremendous return on a small investment.

I, for one, have the conviction that government ought to be all outside and no inside. I for my part believe that there ought to be no place where anything can be done that everybody does not know about. It would be very inconvenient for some gentlemen, probably, if government were all outside, but we have consulted their susceptibilities too long already. It is barely possible that some of these gentlemen are unjustly suspected; in that case they owe it to themselves to come out and operate in the light. The very fact that so much in politics is done in the dark, behind closed doors, promotes suspicion. * * * You know there is temptation in loneliness and secrecy.

I wish this particularly to go in the RECORD, because I am going to use it in this campaign. I will just admit right now candidly, Mr. President, that I expect to use this, and I am reading it with malice aforethought here and now, so that I can sort of get used to it.

Haven't you experienced it? I have. We are never so proper in our conduct as when everybody can look and see exactly what we are doing.

Physician, heal thyself!

If you are off in some distant part of the world and suppose that nobody who lives within a mile of your home is anywhere around, there are times when you adjourn your ordinary standards. You say to yourself, Well, I'll have a fling this time; nobody will know anything about it.

In the same chapter, continuing on the same subject, leaving out some matter interpolated that is not so directly pertinent on this point:

I hold the opinion that there can be no confidences as against the people with respect to their Government, and that it is the duty of every public officer to explain to his fellow citizens whenever he gets the chance, explain exactly what is going on inside of his own office. There is no air so wholesome as the air of utter publicity.

I heard a good deal about "pitiless publicity" along in the early part of the campaign. Now, it has gone the way of "watchful waiting." It has perished. People are beginning to realize that government by phrase making is an ignominious failure. It is one thing in the Chicago platform to call the attention of the majority party to its performances in language. It is a piece of platform sarcasm; but, nevertheless, it is based upon the unchanging truth, "performances in language." So we do not hear anything of "pitiless publicity" any more, and we will not for a long time, except as the minority party produces the publicity. We want to get the records. We can not. I have compiled some here to which I intend to give a little pitiless publicity, Mr. President, before the ides of November come.

I remember the last time I was in Chicago, last week, some of my friends got to talking to me about Mr. Gompers. I said: "I am going to pay my respects to Mr. Gompers whenever I feel like it. He does not carry the labor vote of this country around in his pocket. He does not own it. I will take the chances on dividing it. Mr. Gompers is not the uncrowned king of the labor world, although he is temporarily the head of the American Federation of Labor.

He is a Democrat. He never was anything else. He is a partisan and is now attempting to prostitute his official position as head of the American Federation of Labor to the election of the Democratic ticket. My friend said, "It will not be wise for you to say so." I said, "I am going to say it, anyhow, and say it on my own responsibility."

If you will pardon me, Mr. President, I will quote the words of the King in Hamlet:

> You must not think
> That we are made of stuff so flat and dull
> That we can let our beard be shook with danger
> And think it pastime.

So I will let it go. I expressly disclaim any responsibility for anybody except myself.

Here is some "pitiless publicity." I shall give the last chapter of this when I can get it. I am not able to complete it yet because the majority party have not yet completed their labors in Congress, and that is where most of this must come from. I will say that I think the salaries of offices created by the gross sum appropriations, which are estimated as about the same as those of the specific offices, and this is as near as you can approximate it, are too low, giving too high a number.

New offices created and appropriations therefor by Democratic Congress and approved by Democratic President, and by Republican Congress and approved by Republican President for the several years named.

Year.	Specific number new offices.	Approximate number new offices (gross appropriations.)	Specific appropriations.	Gross appropriations.
1910	3,877	6,500	$5,672,000.00	$2,027,224.03
1911	4,259		4,459,878.00	2,321,853.84
1912	4,050		4,985,236.72	4,383,755.94
Total Republican	12,186		15,137,123.72	8,732,833.81
	6,500		8,732,833.81	
Total	18,686		23,869,957.53	
1913	7,049	12,572	7,696,662.50	6,697,365.87
1914	4,587		6,769,267.00	716,259.03
1915	5,792		6,977,049.00	8,413,118.64
Total Democratic	17,428		21,442,978.50	15,826,743.51
	12,572		15,826,743.51	
Total Democratic	30,000		37,269,722.01	
Total Republican	18,686		23,869,957.53	
Democratic increase	11,314		13,398,764.48	

In the three years of Democratic administration they have created 30,000 new offices. The appropriations for those new offices are $37,269,722.01.

When all the killed, wounded, and missing come in for 1916 from appropriations and from the departments we may confidently expect that there will be between 5,000 and 6,000 more added for the last year, because it is known, Mr. President, that in the last year provisions have been made for many new offices in the departments; new commissions have been created; new pay rolls have been created here and there and everywhere. When the final fiscal history of this administration is written for the last four years it will be found that a large part of the increased expenditures have come from the useless creation of new offices with the consequent compensation attached to them.

It has occurred to me that if the administration does know better——

Mr. LIPPITT. Before the Senator finishes the part of the subject to which he is now devoting his attention——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Rhode Island?

Mr. SHERMAN. Yes, sir.

Mr. LIPPITT. What was the total amount of new expenditures that the Senator mentioned—some $37,000,000?

Mr. SHERMAN. Over $37,000,000.

Mr. LIPPITT. Do I understand that $37,000,000 is the sum of money that will be an annual tax upon the Government for all future time for these new employees?

Mr. SHERMAN. Yes, sir.

Mr. LIPPITT. It is not merely something that has happened for this year?

Mr. SHERMAN. No, sir.

Mr. LIPPITT. The Senator means that the Democracy have so arranged and increased the number of employees of the Government that for all time, until their laws are rescinded, the Government will be under an additional expense of some $40,000,000?

Mr. SHERMAN. That is correct. That is a permanent increase.

Mr. PENROSE. And, if the Senator will permit me to interrupt him, I think it can be further shown that the greater part of the employees were appointed outside of the civil service from the ranks of the Democracy; and in my opinion not 50 per cent of them are performing official duties for two hours a day.

Mr. SHERMAN. That is undoubtedly correct, Mr. President. I think an impartial investigation would divulge the truth.

Tuesday, August 15, 1916.

Mr. SHERMAN. Mr. President, when the bill was under consideration yesterday evening at the hour of adjournment the Senator from Rhode Island [Mr. LIPPITT] had propounded a very proper inquiry on the continuance of the appropriations for the new offices created. I had alluded to that subject as an instance of how far from economically and efficiently the Government administered affairs which it assumed to undertake. I was endeavoring to show the reason why the Government ought not to undertake the shipping enterprise by water, which

is essentially private in its character. The Senator from Rhode Island inquired how long these increased expenditures would last. Before I had an opportunity to make any definite reply the proceedings began which resulted in the adjournment.

It is proper for me to say that increases in the appropriations are perpetual in character. There are $37,000,000 in round figures made necessary in the appropriations for the three years 1913, 1914, and 1915, because of new offices created. The $37,000,000 is a charge on the Public Treasury perpetually, unless some governmental surgery should be called into operation, an increase of over $13,000,000 over the three preceding years in the appropriations for the new offices created.

Of course it might be said that future sessions of Congress could end these offices, useless or otherwise. That is true. How many offices once created, however, Mr. President, are destroyed? Most of us have had experience in endeavoring to destroy an office after it has once been created. There is nothing that I know of created by human agency endowed with the elements of immortality like a public office. Once created it continues; it is almost impossible to legislate it out of existence. A pay roll has all the elements of the indestructible matter in nature. I do not know of another thing that comes from the human mind that is as indestructible as a pay roll once created.

These departments will be enlarged, these commissions will go on their way, these expenditures will call into existence new pay rolls, with new undertakings. These men are on the pay roll. They adapt themselves to that form of the public service. Immediately, if it is sought to destroy them in future measures presented to Congress, it will be insisted that they are on the pay roll; having served there that they are entitled to consideration. Probably when pension laws come, as they ought, in due course they will become the beneficiaries of a pension system. If the pay roll should be destroyed, necessarily they would lose more or less vested right to participate in a pension in the future.

I know what all those arguments are in smaller areas than are presented to the consideration of Congress. Every time a pay roll has been created under State legislation it requires a superhuman effort, something that rises almost to the requirements of providential help, to ever destroy the pay roll, whether it is useless or otherwise.

So the Senator from Rhode Island is entirely within the bounds of probability when he makes the inquiry, anticipating, as all of us will, what the inevitable is, that it remains not for the first session of the Sixty-fourth Congress and for future sessions of this Congress, but it remains for the years to come, especially if the party now in power should continue, for the power that creates the pay roll feels that it must justify that creation, it will endure, and it will persist in the maintenance of that same pay roll.

Since yesterday evening, Mr. President, I have procured the interview of the great Commoner of Nebraska, formerly Secretary of State, on the Vick letter. It is dated at Kansas City, Mo. He is now a private citizen, but he refers to a matter occurring during his official tenure. Mr. Bryan speaks of the letter in an interview. Mr. Bryan challenged the Republican nominee—referring to Mr. Hughes—

> to state whether he had given appointments to "deserving Republicans" while governor of New York. The statement was made in answer to recent speeches of Hughes which quoted a letter Bryan had written to Receiver of Customs Vick, in Santo Domingo, inquiring as to what positions could be obtained to "reward deserving Democrats." Bryan admitted the letter as it had been quoted.

I desire this to be added so that there may be no question in official circles in the months to come about the validity of this letter written to Mr. Vick. Mr. Bryan continues:

> "I am not ashamed of it," the statement read. "The letter was written to an appointive officer, whose office was not under the civil service, and the inquiry was made in regard to officers which were not under the civil service. There was nothing in the letter to indicate a desire or intention to select men who were incompetent. On the contrary, inquiry is made as to 'what is requisite.'"

The only inquiry in the letter is as to whether a knowledge of the Spanish language is necessary.

> As an official, I enforced the civil-service law to the letter, and upon my resignation received from the employees in the State Department, more than 90 per cent of whom were under the civil service, a watch which I prize as a priceless treasure. But while I observed the civil-service law wherever it was in force, I felt myself free to aid in rewarding deserving Democrats wherever it could be done without detriment to the service.

Now, I am not complaining about that, Mr. President. What I am complaining about is the somewhat supercilious air implied in the platform of 1912 and comments that the party in power during the preceding administration did not observe properly the civil-service laws of the country. Because of that, I concluded that there must be some very extraordinary method that would be pursued by this administration to take care of the civil-service law, both in letter and in spirit.

> My regret is that I was able to reward so few of the multitude who are deserving, measured by their political service, by their capacity, and by their fitness for the work to be done.
> The "deserving Democrat" is not to be despised; he is as much entitled to recognition as a "deserving Republican."

I quite agree with the ex-Secretary on that. There could be no proper criticism made. The only criticism I have on this subject is that in the platform of 1912 there was such an unmerciful assault made upon the preceding administration and their application of the civil-service law.

I will not go further on the civil service at this time. I have not at all covered the material which is accessible. There is much of it that must be left unsaid, necessarily. So, without closing our rights for the future, I leave this branch of the discussion for the present, remembering that I only alluded to the civil service in connection with the shipping bill to show that there was no probable ground that the Government could successfully engage in this enterprise. There have been a good many other things——

Mr. LIPPITT. Mr. President——

The PRESIDING OFFICER (Mr. HUSTING in the chair). Does the Senator from Illinois yield to the Senator from Rhode Island?

Mr. SHERMAN. Certainly.

Mr. LIPPITT. I do not understand exactly what the expression "deserving Democrats" and "deserving Republicans" means. Does the Senator understand that Mr. Bryan holds the theory that there are Democrats in this country who deserve employment in the public service and because they deserve it the Government of the United States must employ them? How can any Democrat in the United States deserve employment? Is that the meaning of that phrase? It seems to me like a rather peculiar juxtaposition of words. I understand that the Government employs people who are necessary, not because the individual people deserve employment on the part of the Government. If the Government is going to employ all the deserving people in the United States, I expect it would have to employ some 90 or 95 per cent of them. I do not understand what Mr. Bryan means when he holds out the intimation that people are to be employed by the Government because they are deserving.

Mr. SHERMAN. There is no doubt, Mr. President, in response to the Senator's inquiry, that it is more than a mere juxtaposition of words. The words are designed to convey thought and not, as Talleyrand said, to conceal thought. The purpose designed by the use of this language is "deserving Democrats," the ones the letter and this interview refer to, who are useful in rendering political service.

In that sense, if I were an orthodox Democrat, I would say that every Democrat was deserving. I do not say, however, that every Republican is deserving of holding a public position. The public service is to be measured by the necessity of the case, by the requirements of somebody to be on the pay roll to render a needed service, and it would not be necessary to increase by over $37,000,000 inside of three years appropriations for the offices, to add 30,000 new offices, in order arbitrarily to create places for deserving appointees affiliated with a certain political party, whether they were necessary in the public service or not. I think that probably is what the ex-Secretary had in mind, because he says his regret is "that I was able to reward so few in the multitude that are deserving."

I have no doubt that is a purely partisan statement. The letter he wrote was a purely partisan letter. The new offices were purely partisan creations. All of the increases were unnecessary. I believe the whole of the $37,000,000 is money that would as well have been thrown into the sewers of Washington as far as useful service to the Government might be involved.

Mr. WEEKS. I was interested in what the Senator from Illinois said yesterday about the campaign contributions and the amount of contributions made by those who had received Federal appointments. I asked him if he had a complete list of the contributions made to the Democratic campaign committee in 1912, and if so, I would like to examine it. I think it is of public importance.

Mr. SHERMAN. I have not a complete list. It is only the one that the senior Senator from Pennsylvania [Mr. PENROSE] made public, which is not a complete list of course.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Ohio?

Mr. SHERMAN. I would be very glad to have a complete examination made. I was just looking at it before I took the floor. Yes, sir; I yield to the Senator from Ohio for the purpose of a question. I do not wish to lose the floor.

Mr. POMERENE. Of course it must occur to a man of the wide experience of the Senator from Illinois that these statements are only of relative importance. Does not the Senator think it would add very greatly to the sum total of human wisdom if, while he is commenting upon the amount of contributions and the number of persons who made contributions for the Democratic national campaign fund and afterwards received offices at the hands of the administration, he would take the pains to give a list of the contributions made to the various Republican campaigns—in the campaign of 1912 and previous thereto—and also to give a list of the contributors who were later rewarded with offices?

Mr. SHERMAN. If I had the list I would be very glad to offer it. In 1912, whoever the contributors were, it so fell out by the fates that nobody was able to be rewarded; there was no appointment possible to be made. I would have no objection to complete publicity. I believe the campaign contributors, all of them, ought to be known to the public. So far as I have had an opportunity to vote upon that question I have always voted that way, either within the State or within Federal jurisdiction, where measures of that kind were pending.

I know at one time there were some passages at arms between a candidate for President and Judge Parker, of New York State, in reference to a contribution. It ended very largely in a draw. I do not for my part undertake to say where the merits of the controversy lay, because before it was well settled the election was over, and since that time my relations with some of the parties to the controversy have not been altogether amicable. But if there is any information on that question and any of the majority Senators would incorporate it in the RECORD I would regard it as a valuable contribution to the political literature of the age.

Mr. WEEKS rose.

Mr. SHERMAN. I yield to the Senator from Massachusetts.

Mr. WEEKS. I hope the Senator from Illinois will put into the RECORD the names of the contributors to whom reference has been made. I hope at the same time he will use every diligence, or that some Democratic Senator will do so, to obtain a list of the contributions which were made in the campaign of 1912, and let that be given the same kind of publicity. I should like to see them published.

Mr. POMERENE. Why does the Senator from Massachusetts except from that proposition the list of contributors to the Roosevelt fund?

Mr. WEEKS. That is a dead issue.

Mr. POMERENE. Since when did it die?

Mr. SHERMAN. I shall be very glad to have a complete list.

Mr. POMERENE. We should like to know who delivered "the blow that killed father."

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Florida?

Mr. SHERMAN. Yes.

Mr. FLETCHER. Before the Senator from Illinois puts the list which he has into the RECORD—I believe that is now the proposition—I should like to be informed, if I can, on what this list is based in the way of information. Is it based on any record or is it a mere guess, or what is the information which the Senator has as to the accuracy or the correctness of the list; how it originated; and from what source it is obtained? If the Senator could give us that information, I could understand whether or not to object to its going into the RECORD. Otherwise I shall be unable to do so.

Mr. SHERMAN. I shall not undertake to offer any testimony as to the accuracy of the report, but shall content myself by asking permission from the Senator from Massachusetts [Mr. WEEKS] to incorporate the list at the conclusion of my remarks and to print it at length. Then, if any of the gentlemen who are wrongfully accused, desire to exonerate themselves, they can do so individually from time to time; but the list comes to me under such conditions that I am disposed to regard it as having a credible source. It is possible there may be inaccuracies in it, but, upon the whole, I am inclined to think it is correct.

Mr. FLETCHER. Then the Senator from Illinois has no knowledge as to the origin of the list or how the information was obtained, but simply tenders it; and if it is wrong, anybody can correct it who desires to do so, without attempting to say that he has reason to believe that the list is correct, as I understand?

Mr. SHERMAN. Yes, sir. I would be very loath to deprive anybody around Democratic national campaign headquarters of a position on the party pay roll. I do not know whether there are at present any of those gentlemen engaged in the service or not, and until I have that duly verified, I would only let the matter rest where it now is. I am unable to say more definitely. I ask that the list be printed entire at the close of my remarks.

Mr. FLETCHER. I shall not interrupt the Senator from Illinois further than to suggest that, if he desires to pursue the inquiry in that direction, I should be glad if some day he would furnish us with a list of the Republican officeholders of the present administration and those in the foreign service, the chiefs of bureaus, and others, who are in the various departments of the Government here in Washington.

Mr. SHERMAN. I have no objection. If the Senator will permit me, I will ask for the list; and before I conclude my remarks, I shall ask leave to have it printed at length, accompanying it with the statement, of course, that I have already made, that I believe it to be an accurate account.

If we are to sell the ships which are purchased by this board and leased or operated within the five-year period, it will require considerable business ability for the Government to recover itself.

For my part, I do not know whether or not the Government can get a portion of the $50,000,000 out. That is an open question which depends a great deal on whether or not the Government has a proper uniform business procedure that will permit value to be realized from the shipping that is in operation at the time of the expiration of the five years, which would be, to be accurate, five years from the close of the present European war. If the authority mentioned in the bill—the shipping board, which is appointed by the President—is not more uniform, is not more businesslike and definite in its beliefs than has been the present administration, I am disposed to think that the $50,000,000 would be a total loss. When the five-year period shall have elapsed the entire merchant shipping that would be acquired under the board would be mere junk.

I have reasons for thinking so. For instance, the Executive of the present administration dominates the party, whether it be on a child-labor bill or on anything else. It was proposed to so conduct the caucus that somebody might rush to the rescue, and the President was ready. It does not make any difference what some of the Senators from certain States think—and immediately the child-labor bill is urged after it was not taken up by a political caucus. This enabled the President to appear as its savior.

I am disposed to think I have some proof why I am right in thinking that there is some uncertainty and vacillation in the present head of the administration, and that the same vacillation and uncertainty would manifest itself in the management of a shipping bill and the consequent business enterprise resulting from that undertaking.

For instance, I have a letter, dated February 5, 1913, written by the President to A. Mitchell Palmer, a Representative from the State of Pennsylvania. I shall not undertake to read all of this letter, but shall read only certain passages which lend some support to the statement I have made. It is in regard to a second presidential term. He was referring to a plank in the platform of 1912. He had been elected in the preceding November, and on the 5th day of February, 1913, he wrote this letter to Mr. Palmer. It contains the following language:

> I have not hitherto said anything about this question, because I had not observed that there was any evidence that the public was very much interested in it. I must have been mistaken in this, else the Senate would hardly have acted so promptly upon it.

It seems that the senior Senator from Iowa [Mr. CUMMINS] had called up the second-term joint resolution, and that some action had been taken on it to which the then President elect's attention was called. He continues:

> I can approach the question from a perfectly impersonal point of view, because I shall most cheerfully abide by the judgment of my party and the public as to whether I shall be a candidate for the Presidency again in 1916. I absolutely pledge myself to resort to nothing but public opinion to decide that question.

The platform plank in 1912 declared in favor of a constitutional amendment prohibiting the President from again serving a succeeding term. It is known here as the second-term plank. Leaving that plank, leaving its pledge, and all that was implied in the campaign, he says he approaches it from an impersonal point of view and will cheerfully abide by the judgment of his party. Well, it is a party pledge, and is probably destined to suffer the same fate as other Democratic Party pledges of 1912. He continues:

> To change the term to six years would be to increase the likelihood of its being too long, without any assurance that it would, in happy cases, be long enough. A fixed constitutional limitation to a single term of office is highly arbitrary and unsatisfactory from every point of view. * * * It is their illicit power, not their legitimate influence with the country, that the advocates of a constitutional change profess to be afraid of, and I heartily sympathize with them. It is intolerable that any President should be permitted to determine who should succeed him—himself or another—by patronage or coercion or by any sort of control of the machinery by which delegates to the nominating convention are chosen.

Here is another matter, and it is of some concern, because we realize that the nominations have a great deal to do with the subsequent elections and processes, and the party machinery or arrangements by which nominations are made necessarily are vital and connect themselves with the Government in such a way that the legislatures of most of the States and the Supreme Court have decided that the primary laws are a proper exercise of the legislative power on a vital question of that kind. So it seems to me that there is some further evidence of the fitness of this administration to engage in a private enterprise requiring the initial expenditure of $50,000,000. He continues:

There ought never to be another presidential nominating convention—

This was written in February, 1913—

and there need never be another. Several of the States have successfully solved that difficulty with regard to the choice of their governors, and Federal law can solve it in the same way with regard to the choice of Presidents. The nomination should be made directly by the people at the polls.

Conventions should determine nothing but party platforms and should be made up of the men who would be expected, if elected, to carry those platforms into effect. It is not necessary to attend to the people's business by constitutional amendment if you will only actually put the business into the people's own hands.

I think it may safely be assumed that that will be done within the next four years; for it can be done by statute; it need not wait for constitutional change. That being done, the question of the presidential term can be discussed on its merits.

I omit a great part of this letter, which is almost as long as the longest chapter in "The New Freedom or "Congressional Government."

Mr. PENROSE. Mr. President, will the Senator from Illinois inform me from what letter he is reading? I was called out of the Chamber for a moment.

Mr. SHERMAN. This is a letter written February 5, 1913, and addressed to A. Mitchell Palmer on the second term, refining and explaining away the pledge of the platform of 1912. It was written by the now President of the United States to Representative Palmer of the Senator's State at that time. The President continues:

I believe that we should fatally embarrass ourselves if we made the constitutional change proposed. If we want our Presidents to fight our battles for us, we should give them the means, the legitimate means, the means their opponents will always have. Strip them of everything else but the right to appeal to the people, but leave them that; suffer them to be leaders; absolutely prevent them from being bosses.

I will forbear, out of consideration for many friends of mine on the majority side of the Chamber, to ask if there are any political bosses in this administration. It would not be well to pursue the inquiry.

I am very well aware that my position on this question will be misconstrued, but that is a matter of perfect indifference to me. * * * I am not speaking for my own reelection; I am speaking to redeem my promise that I would say what I really think on every public question and take my chances in the court of public opinion.

And so on.

At the end of my remarks I ask leave, Mr. President, to incorporate this letter in its entirety.

The PRESIDING OFFICER. The Chair hears no objection; and it is so ordered.

Mr. SHERMAN. In regard, then, to primary legislation, this letter is very enlightening.

In addition to that, I have a further extract from the President's message, I think, of December, 1914. He refers in that message to the necessity of presidential primary legislation. "It will enable," he says, "Presidents to be nominated by a direct primary. It will abolish future national conventions." That is in a paragraph in a message delivered to Congress.

In that he says that in the future nominations by convention ought never to be permitted; that nominations ought to be made directly by the people. Outside of the letter to Mr. Palmer and outside of the reference to it in a single message to Congress, who has heard of that since? When it came to practical legislation initiated in either branch of Congress, no action was taken. Since that time there has been impenetrable silence, and nothing has been heard of it and nothing will be heard of it, even if Mr. Wilson should be reelected.

He declared that all future conventions should be made up of the candidates who had been chosen on the respective tickets. Those who had been nominated for seats in the House of Representatives and in the Senate and those who were nominated for other offices were to be delegates to political conventions, to sit only as an advisory body and to write a platform designed to carry out the will of the common people, who had expressed themselves in the preceding primaries.

I do not care to take any great length of time on the primary question, because I wish to place other matters that are of more importance where they will be readily accessible; but I proceed to another matter which my colleague [Mr. LEWIS] very fully covered during some remarks that he made some days since in this body. I wish to read a plank from the Democratic platform of 1912:

The constitutional rights of American citizens should protect them on our borders and go with them throughout the world, and every American citizen residing or having property in any foreign country is entitled to and must be given the full protection of the United States Government, both for himself and his property.

I desire now to read a plank from the Democratic platform of 1916:

The American Government should protect American citizens in their rights, not only at home but abroad, and any country having a government should be held to strict accountability for any wrongs done them, either to person or to property.

I wish to read another plank of the same platform of 1916:

The want of a stable, responsible government in Mexico capable of repressing and punishing marauders and bandit bands who have not only taken the lives and seized and destroyed the property of American citizens in that country, but have insolently invaded our soil, made war upon and murdered our people thereon, has rendered it necessary temporarily to occupy by our armed forces a portion of the territory of that friendly State.

On October 19, 1915, the following document was directed by our State Department in Washington to the representative of Carranza at this Capital:

DEPARTMENT OF STATE,
Washington, October 19, 1915.

MY DEAR MR. ARREDONDO: It is my pleasure to inform you that the President of the United States takes this opportunity of extending recognition to the de facto Government of Mexico, of which Gen. Venustiano Carranza is the chief executive.

The Government of the United States will be pleased to receive formally in Washington a diplomatic representative of the de facto Government as soon as it shall please Gen. Carranza to designate and appoint such representative; and, reciprocally, the Government of the United States will accredit to the de facto Government a diplomatic representative as soon as the President has had opportunity to designate such representative.

I should appreciate it if you could find it possible to communicate this information to Gen. Carranza at your earliest convenience.

Very sincerely, yours,

ROBERT LANSING.

I read the extracts from the Democratic platform, together with this document from the Department of State, in view of the conclusion that I wish to draw, keeping in mind that the plank first read from the platform of 1916 says that—

The American Government should protect American citizens in their rights not only at home but abroad, and any country having a government should be held to strict accountability.

Very well, confine it to "any country having a government." On October 19, 1915, by the acknowledgment of the de facto Government of Mexico it was officially stated by our Government that there was a government in Mexico, a government which was worthy of recognition, and that properly accredited diplomatic representatives would be recognized reciprocally. Therefore Mexico has a government according to the judgment of the Chief Executive, or his Secretary of State, acting under what we will assume is his direction.

Immediately after this recognition there came a distressing silence; there was nothing for months except occasional massacres, occasional disturbances, individual in character, ranch owners murdered, their property taken, their families dispersed. Then last March another incident happened. The subsequent events are very familiar, and I will not take time to recount them.

It is sufficient to say that from last October, when our Government recognized the de facto Government of Mexico, within the time when the plank of their platform was written at St. Louis last June, there has been a government in Mexico, at least by the official acknowledgment of this administration.

What kind of a government has it been? Has it been sufficient for the ordinary purposes of protecting aliens, their persons, and property within the borders of the de facto government? Has it been a sufficient government to discharge its international obligations?

Let me read from another document as to the ability of the present administration to discharge our international duty and as to its ability to take care of its domestic affairs. If it can not discharge its duty in Mexico, how can it discharge its duty in so simple and comparatively unimportant a matter as the shipping bill?

I read now from the note of June 20, 1916, of Secretary Lansing, generalizing the conditions that have existed since the recognition of the de facto government on October 19, 1915:

The Government of the United States has viewed with deep concern and increasing disappointment the progress of the revolution in Mexico. Continuous bloodshed and disorders have marked its progress. For three years the Mexican Republic has been torn with civil strife; the lives of Americans and other aliens have been sacrificed; vast properties developed by American capital and enterprise have been destroyed or rendered nonproductive; bandits have been permitted to roam at

will through the territory contiguous to the United States, and to seize, without punishment or without effective attempts at punishment, the property of Americans, while the lives of citizens of the United States who ventured to remain in Mexican territory or to return there to protect their interests have been taken, in some cases barbarously taken, and the murderers have neither been apprehended nor brought to justice.

It would be difficult to find in the annals of the history of Mexico conditions more deplorable than those which have existed there during these recent years of civil war.

It would be tedious to recount instance after instance, outrage after outrage, atrocity after atrocity, to illustrate the true nature and extent of the widespread conditions of lawlessness and violence which have prevailed during the last nine months.

And if you run back from the 20th of June nine months you get back to about the time when recognition was accorded the de facto Government of Mexico—

in the particular, the frontier of the United States along the lower Rio Grande has been thrown into a state of constant apprehension and turmoil because of frequent and sudden incursions into American territory and depredations and murders on American soil by Mexican bandits, who have taken the lives and destroyed the property of American citizens, sometimes carrying American citizens across the international boundary with the booty seized.

This is the record made. On it in the November election we are entitled to the verdict of the American people. "If a country has a government, it will be held to strict accountability." What kind of accountability so far has been demanded of any of those connected with the de facto government or otherwise?

A certain event occurred in March, 1916. Into a municipality in New Mexico an incursion was made by a lawless leader of still more lawless men from across the Mexican border. Some lives were taken, some property destroyed, and a reign of terror temporarily was inaugurated where this disaster occurred. From what source did it come? It came from Mexico. Where did the bandits gather? Where were their rendezvous and their refuge when they fled? Mexico. Who was the de facto government? Carranza. When was he recognized? On the 19th day of October, 1915. Is that de facto government a fit instrument to discharge international obligations as between Mexico and this Republic or any other Government?

Let me read what Carranza said after the murder of Benton, the Englishman. I need but to mention his name. Our memories are sufficiently fresh as to that incident to make comment unnecessary. When it was suggested by the British Government that we act in its behalf in order to discover under what conditions Benton was killed, Gen. Carranza, in his tropical dignity, made the following remarks:

My dignity as chief of the revolution compels me to refuse to recognize the right of the United States to act as the agent of Great Britain in looking after the interests of Great Britain in the Benton case. The British Government must come to me directly.

That was in March, 1914.

At one time, Mr. President, in this Chamber a roll call was had. I thought in all human probability that some reasonable means toward ending an intolerable condition were approaching. In fact, a portion of our Navy had been ordered into Mexican waters. On the roll call I voted to grant the power the President had asked, and I would be glad to do so again in the same circumstances. The order dispatching the Navy, so far as I have accurate information, was made before Congress was ever asked to act. All that we were asked to do was to approve the action already taken by the Commander in Chief of the Army and Navy of our country. We went to that port.

At that time there was a de facto government in Mexico. It had been recognized by Great Britain, by France, by Russia, and by Japan. Huerta had a de facto government which discharged its international obligations sufficiently to receive that recognition from the powers I have named. For some reason it was said that in his abstract of title to the throne there was some defect, some moral taint attached in such a way that the then incoming President had decided, and after he was inaugurated proceeded to carry out his decision, to refuse recognition to that de facto government or its head because he had some question as to how the right to exercise the powers of that government had been acquired.

So, first, an embargo was put on war supplies; then it was taken off; then it was put on as to certain ports. All northern Mexico could be supplied through her ports, from Tampico and neighboring ports down along Lower California and the State of Sonora. It was possible from the Pacific coast side to supply northern Mexico with munitions of war. So, while the land traffic was ended, it was permitted that war supplies be introduced through Mexican ports, enumerating certain ports, the principal ones of which I have named.

What was the purpose, ostensibly? I need not go into the details. I remember very well in this Chamber the vote that was taken on that resolution. It came over from the House. There was but little opposition expressed to it, except that on the roll call a number of Senators felt constrained to vote against it. The purpose was to vindicate the dignity of this country, to extort respect for the flag by force of arms. It was for the purpose, it was said, of teaching those who had outraged our national sense of honor to respect our colors. Some of our men were killed; a considerable number of Mexicans were killed in Vera Cruz.

The ship that was laden with munitions which it was desired to stop, that came from a German port, sailing under German colors, was not allowed to land its war supplies at Vera Cruz.

But after a little slaughter, after some spilling of blood on both sides, the ships of our Navy weighed anchor and returned. They did not even stay at Tampico, where many Americans and other refugees, aliens in that country, had gathered for the purpose of fleeing the country, following the advice of the President in a former message to all Americans at least to get up and leave the country, that it was unsafe to remain there. It was reserved for alien vessels, for the English, and other powers having shipping in that port, to take our own citizens to a place of safety after our own naval expedition had been withdrawn from the marginal waters of Mexico and abandoned them to their fate. They would not even stay out on the high seas, beyond the territorial line, where the refugees could be delivered to our vessels. They returned to our own waters, and left our own citizens to be rescued by aliens. The munitions of war were subsequently landed at another port, and nothing resulted but the loss of life.

We are charged with being responsible for the massacres in Mexico. Mr. President, I read from the address of my colleague, for whom I have the greatest respect:

Mr. President, then we have it that the very officers of the administration who were in Mexico, the agents of commerce, the consuls of the United States, who were best informed and best constituted to be informed, gave to President Wilson and his Secretary of State their judgment that Villa at the time represented the abilities best calculated to bring forth order and establish peace in Mexico. Villa's platform and performances sounded as of the virtue of American doctrines—liberty for the humble, justice for the poor, right and equity for mankind, the lands as homes for the people and not as the private possessions of landed princes.

And let it be remembered that so powerful was that force of Villa that against the army of Porfirio Diaz and the best forces he could command in Mexico at the time of his greatest power Villa was able for years to hold his army in opposition and to oppose successfully the conquering of him or his cause by Diaz. This notwithstanding the combined power of all that Diaz could collect in the way of soldiers and money. Was it not natural that President Wilson could conceive from these evidences that this commander had power as represented? The effort was honestly made by the President. Every encouragement that could be given without the violation of our duty was afforded. The object of the United States was to keep the hands of power off of Mexico; let it work out its own destiny through the agencies of its own creation, as was the process of the government of republics. Villa was not acquiesced in by all of Mexico. He was opposed in his own land. Frustrated by those whose assumption of control he sought to dispute, and which he claimed had for its object the robbing of the poor, for whom he spoke, the ruling classes of Mexico and certain business interests all combined against him—under what righteous claim I know not. But this I do know, that had the leaders of the Republican Party in Congress given to the Democratic President support in this foreign policy and announced that as the President had recognized Villa as a test and trial to bring forth through him order, and had they demanded united obedience in America to this effort of the President as one from the highest authority and from the only authority that was vested with privilege of deciding the question, there would have been a different result from what ensued.

Beginning from the day of inauguaration, March 4, 1913, the President has neither intervened effectively in Mexico nor has he let it alone. He has refused to intervene to produce peace and stability or a government adequate to the protection of person and property. He has been present in Mexico for mischief and absent for useful service. He has interfered enough to create the greatest of prejudice against the unfortunate few Americans who are unable to flee from that country.

Here is the admission. The Senator from New Mexico [Mr. FALL] said that the admission that Villa was contemplated once for recognition as the de facto head of the Government was a blow at a vital spot. It is so. I read some additional evidence that will corroborate what my colleague stated and admitted in his very able address not long ago. It is dated May 22, 1916:

The decided support given at one time to Villa by Gen. Scott and the Department of State itself was the principal cause for the prolongation of civil war in Mexico during many months.

AGUILAR, *Secretary.*

That is to say, Secretary of State of the de facto government of Carranza.

There is corroborative evidence of what this administration was engaged in during a portion of the time the Senate, so far at least as the minority side was concerned, had no information.

I wish to add this, not because it is new, but because it needs to be added here in the regular sequence of events: When it comes to the moral character of the man to be recognized as

the head of a de facto government, as between Huerta and Villa, it must be said at least Huerta maintained a government. If it had not been for the interference of this Government he would have been in power, in all probability, and would have quelled the civil discord in that country. An embargo was laid upon supplies. No money could be borrowed. He could issue and sell no bonds. He could not equip and pay his army. He could obtain no recognition adequate to procure the means to wage war against those in insurrection against his authority, and so he abdicated and left the country. Then the negotiations began, almost immediately upon his abdication, to recognize Villa upon moral grounds, because Huerta, it was said, had something to do with the assassination of Madero. A moral gentleman was selected as his successor.

I have been about the border a good deal in my time, and far down below the border several times within the last 25 years. I know the Indian somewhat—not like those who live there, or who have spent many years of their lives in that country. I heard of Villa some years ago, before he was known to modern fame. Here is his biography. If I were searching for the head of a de facto government, for the director of a gymnasium, or of a Young Men's Christian Association, I would pass to some other more promising subject.

[From the London Daily Telegraph of April 15, 1914.]

Francisco Villa, born at Las Nieves, in the State of Durango, 1868. 1882 sentenced to term of imprisonment for cattle rustling.

That is a polite term, you know, in the cow country. We would call it just plain cattle stealing up in our country.

On his discharge, settled in the mining camp of Guanacevi, where a few months after he received another sentence of imprisonment for killing.

That is an amicable sort of an offense. It might be true. They only jail a man a while for it there.

On discharge from the second sentence, he organized a band of robbers, which had headquarters in the mountainous regions of Perico, in the State of Durango, where they were the terror of the district.

1907. In partnership with Francisco Reza, stealing cattle in Chihuahua and selling them in the United States, and then stealing horses and mules in the United States and selling them in Chihuahua.

That is a new form of reciprocity, Mr. President.

In a disagreement with his partner, Reza, he shot and killed him on the plaza in the city of Chihuahua.

In November, 1910, he killed Mr. Soto in his factory in Allende. The latter's daughter was forced to show where she had hidden $11,000 of her father's. This Villa stole.

In January, 1911, at Casas Grandes, Chihuahua, he killed Carlos Alatora and Lewis Ortiz for refusing to pay money for ransom.

In February, 1911, at Batopilas, Chihuahua, he tortured Senora Gomez until he extorted from her $30,000. She afterwards died from her injuries.

In November, 1911, he obtained a monopoly for the sale of meat in the city of Chihuahua, which he supplied by stealing cattle from the neighboring farms. In the latter part of November he killed one of his subordinates, Juarez, for stealing on his own account.

It is all right to steal yourself, but do not permit any subordinate to steal.

So long as we are going to investigate the packing industry of this country, we might as well investigate Villa, and find out how he conducted the packing business during a part of this time I am talking about.

In May, 1913, with 75 men, at Paeza, State of Chihuahua, he robbed a railway train of $100,000, killing several of the crew and passengers.

I will not read the rest of these items that I have collected. Some of them are incorporated in the CONGRESSIONAL RECORD of a year and a half ago. Some of them I have collected from various prints, from the border or across the line, during the last two and a half years. It is enough to say that this gentleman, to be as euphonious as possible, under a competitive civil-service examination of this administration, probably would have showed no clearer record to a place in authority than the gentleman who proceeded him—and so Huerta was expelled.

Mr. PENROSE. Mr. President, under this administration the President probably would have issued an Executive order exempting the place from the civil service, and would have appointed Villa.

Mr. SHERMAN. I have no doubt of it. A man who has the ability to survive during all these years, uncaptured, with a portion of the Regular Army of the United States in pursuit of him, and yet is able to evade pursuit and still to live, ought to possess the elements of durability and ability together that would render him a fit subject for a Democratic Executive order—no doubt of it.

There are complaints made now that Americans do not operate their property. It is said at once: "Americans went into Mexico for the purpose of making money." What is meant by these sentiments in the planks I have read when they extended the protection of this Government, in 1912, around the world to American citizens and their property? Is it worth while to consider anybody's property? Why in 1916 is it said that when a country has a government adequate to the protection of person and property it shall be held to strict accountability? I take it that primarily government is charged with the protection of persons; that personal rights take precedence of everything else; and that secondary to those rights the rights of property, that supplement and make tolerable conditions of modern life, are a proper subject for governmental protection, either at home or abroad. Still, out of the many hundreds of millions of dollars that have been taken to Mexico, every person who makes complaint is accused of being guilty of greedy commercialism. It is said: "You went into that country and took your chances, and we will do nothing for you now."

On the 27th of August, 1913, the President, in a message, said:

We must let everyone who assumes to exercise authority in any part of Mexico know, in the most unequivocal way, that we shall vigilantly watch the fortunes of those Americans who can not get away, and shall hold those responsible for their suffering and losses to a definite reckoning.

Nothing has been done up to this time. I anticipate that nothing is likely ever to be done, so far as this administration is depended upon.

Here is a dispatch from Chihuahua—a press report:

Charges are circulated, even in official circles, that American mining and other concerns with properties in Mexico are refusing to operate in order to help bring about intervention, it was learned to-day.

With plenty of work and food, de facto government officials say, the prevalent tendency of the poorer classes to turn to banditry would disappear.

It is said that resumption of work at the various mining camps could be accomplished without danger, as only small bandit groups are now in existence, while large garrisons are available for all properties.

The population of Chihuahua must live on imports for the next three months. The State has but little arable land, and in the best of times imports largely. Since the rainy season set in, dysentery and rheumatism are prevalent in the city.

Villa has got neither of them. He seems to be able to keep well in advance of both the de facto troops and the regular troops of the United States.

The day following is this press report:

Mexican outlaws last week looted an American-owned mine at El Cajon, in the Altar district of Sonora, and killed two Chinese cooks, according to advices received here to-day.

Arrivals from Mexico City to-day confirm reports of the interruption of almost every line of industry there, and say that thousands of peons are on the verge of starvation. Zapata rebels, they say, are gradually occupying the federal district near the capital.

And still we are criticized because the owners of American property do not go into those remote fastnesses, where there is no government adequate for the protection of persons or property, and operate their mines or other business enterprises!

The troops went below the line in pursuit of the bandits. The matters that led up to it and followed were incorporated in the CONGRESSIONAL RECORD by the Senator from Rhode Island [Mr. LIPPITT], and I only refer to them to make a connected story of what I am saying on this subject. Here is the return after Carrizal:

It is said that we have been kept out of war. We have been in war at Vera Cruz. Navies do not engage in expeditions against individuals. A military force of this Government does not pursue anybody across the line into a foreign country and there engage in battle with the military forces of the de facto government and still make it possible to say we have been at peace.

On the 16th day of last July, at Laredo, Tex., two Mexicans were indicted and placed on trial, charged with robbery and murder under the laws of the State of Texas. Another one lay badly wounded in the hospital at that place. What was their defense? I have their defense in my office. It sets up a plea to the jurisdiction of the court. It announces that one of them was a captain in the Carranza army, that another was a lieutenant, and in their pockets were found the commissions signed by Gen. Nafarata, who was operating in northern Mexico as an authorized general and a commander in the military forces of Carranza. They were caught redhanded across the border, incarcerated in a common jail, indicted by the ordinary criminal processes of a Texas court, placed upon trial, and set up that they were guilty of none of the offenses charged in the indictment, because they were regular officers in charge of a military force acting in behalf of the constitutionalist Government of Mexico, and that the acts they committed were justifiable acts committed in battle with an enemy of their country. That is their plea. Still we are not at war.

After a time, when at Carrizal we were made responsible, according to the theory of some of my friends in this Chamber, for all that had occurred up to that time and before, the loss of life being put upon those who criticize the administration—after all that is done a few of the men who were prisoners in Chihuahua, incarcerated like felons, who went there wearing the uniform of the United States and pursuant to orders issued

by the War Department in this Capital, came back to the border. They arrived at the old wooden bridge that reaches from El Paso, Tex., across to Juarez, where they were to be delivered to the military authorities of the United States—those of them that survived the machine guns at Carrizal.

Here is what happened, and the press reports were almost uniform on that morning:

EL PASO, TEX., *June 29.*

Twenty-three negro troopers of the Tenth Cavalary and Lem Spillsbury, Mormon scout, captured by the Mexicans at Carrizal and confined in the Chihuahua penitentiary, were brought to the border at noon to-day and turned over to American military authorities.

Here is the part that I wish the American people to pass on at the earliest opportunity. These are soldiers, dispatched under an order of the Commander in Chief to pursue an ordinary land robber, murderer, and thief into a country that has no adequate government for the protection of life and property. They are met by the assumed government that has been recognized, engaged in battle, and a portion of them killed and the remainder of them captured; afterwards those prisoners of war are turned over, at the point named, to the military authorities of our country.

At the time this formality occurred all of the press dispatches bear testimony to this fact:

A shout of laughter rose from the thousands of Mexicans who had gathered to witness the arrival as the negroes filed from the special train. The prisoners were dressed in the scantiest and most nondescript garb. Some had on only trousers. One wore a shirt, while a towel encircled his waist. Others' heads were decorated with bandannas. All the troopers were worn and drawn from their experience, and all were serious save one, who wore a broad smile.

This one negro made himself the impromptu spokesman for his fellows.

"We are sure glad to get back," he said.

And with that the curtain fell, and the prisoners of war that survived the slaughter at Carrizal made their entrée into the United States under their own colors, with their lives intact, but leaving their uniforms and their wardrobes on the other side. Those soldiers were citizens of our country, soldiers of the Republic. They were negroes but brave men who obeyed orders. What a humiliating spectacle.

Are we responsible? Shall we be held to bear this indignity and dishonor? Will it be approved?

I have uniformly voted, Mr. President, in this Chamber, to sustain the President's authority, to lend strength to his arm. I have announced repeatedly, and I have voted repeatedly, to give him on land and sea such necessary forces as will protect the dignity and the power of this Government abroad, and will protect our citizens in Mexico or elsewhere.

I absolve myself from any blame. I repudiate and denounce the suggestion that any Republican in this Chamber or elsewhere is responsible for any of the disasters that followed in the train of "watchful waiting," and the vacillating, undecided, and the almost imbecile weakness that has characterized this administration in its course with Mexico.

What happened during all these years? Secular property has been taken by the spoiler. The cathedrals of three centuries have been demolished, the priceless works of art destroyed. The Rubenses and the Van Dykes, the immortal canvases that have been gathered in the cloisters of the chapels of old Mexico have been destroyed. The altars have been profaned. The shrines have been desecrated. An ancient priesthood has been outraged. The Sisters of Charity have been subjected to unnamable treatment. The holy precincts of an ancient church have been made the scenes of revelry and riot, where drunken harlots, upon the cavalry horses of a still more drunken and dissolute banditti, have outraged every sentiment of the Christian heart and the Christian religion or the reverence that rises in the spirit of every race and every creed in the civilized world.

That has been wrought in the name of nonintervention and that Mexicans are "entitled to spill as much of their blood as they wish," and to decide what form of government they desire. I have no objection to their spilling their own blood, but I do object to their spilling the blood of aliens.

All this has happened while we were waiting for some more moral gentlemen to appear who might be recognized. Villa first comes upon the scene, and later Carranza moves on the bloody stage, and the end of this hideous drama no one knows.

In Indianapolis, on the 8th day of January, 1915, the President delivered an address. It was on Jackson Day, a most auspicious occasion, celebrating the greatest victory of one of the patron saints of Democracy, that at New Orleans. He used this language:

I hold it as a fundamental principle, and so do you, that every people has the right to determine its own form of government; and until this recent revolution in Mexico, until the end of the Diaz reign, 80 per cent of the people of Mexico never had a "look-in" in determining who should be their governor or what their government should be. Now, I am for the 80 per cent. It is none of my business, and it is none of your business, how long they take in determining it. It is none of my business, and it is none of yours, how they go about the business. The country is theirs. The government is theirs. The liberty, if they can get it, and Godspeed them in getting it, is theirs. And so far as my influence goes while I am President nobody shall interfere with them.

SYMPATHY TOWARD MEXICO.

That is what I mean by a great emotion, the great emotion of sympathy. Do you suppose that the American people are ever going to count a small amount of material benefit and advantage to people doing business in Mexico against the liberties and the permanent happiness of the Mexican people? Have not European nations taken as long as they wanted and split as much blood as they pleased in settling their affairs, and shall we deny that to Mexico because she is weak? No, I say! I am proud to belong to a strong nation that says: "This country, which we could crush, shall have just as much freedom in her own affairs as we have."

Very well; it has gone on in that way, and he has assumed to recognize a de facto government, and it is now unable to fulfill its obligations either to our own people or to anybody else. So I assume that before we engage in any other undertaking it would be as well for us to finish properly the ones that have now devolved on us that will take all our effort, our time, and what money we can properly spend.

I will not go further into the Mexican question, because I do not wish at this time to take more time.

I wish to put in as a part of my remarks here an editorial from the Legislative Labor News, the organ of the National Federation of Labor, published when Mr. Hughes left Albany for the Supreme Court. I will read the editorial from the Labor News:

Now that Gov. Hughes has retired from politics and ascended to a place on the highest judicial tribunal in the world, the fact can be acknowledged without hurting anybody's political corns that he was the greatest friend of labor laws that ever occupied the governor's chair at Albany. During his two terms he has signed 56 labor laws, including among them the best labor laws ever enacted in this or any State.

He also urged the enactment of labor laws in his messages to the legislature, even going so far as to place the demand for a labor law in one of his messages to an extra session of the legislature.

Only 162 labor laws have been enacted in this State since its erection in 1777—in 133 years. One-third of these, exceeding in quality all of the others, have been enacted and signed during Gov. Hughes's term of three years and nine months.

Now, Mr. President, I have no desire to take much further time on this question. The revenue bill will be coming on at a proper interval, and with the indulgence of the Senate when that measure is before this body I have some comments to submit upon that question. If you will let me levy the taxes of the country and collect the money I do not care who else governs the country; ultimately I bring everybody else to an acceptance of the views embodied in my legislation.

Everything that will be said here after the tumult and the shouting have died away, after the appropriations are made, after everything has been done, after even the distinguished senior Senator from Missouri [Mr. STONE] has risen in a stately way and at a proper interval and delivered his denunciations with dignity, decorum, and withering scorn—after all that is done, when we begin to foot the bill, then we begin to pay, as I suggested yesterday, for the appropriation fiddler's music that we have had furnished us during all this session, beginning last December.

Some place we must raise the money. Some place these appropriations must tax unremittingly and unceasingly, the money, the income, the property, and the business resources from all the possessions of the people of this country who are engaged in private enterprise. Finally it must be paid by the people who have means, paying in proportion as we have, except as to the income tax, and there we pay in proportion to our ability to pay, not what we have, because we exempt three or four thousand dollars, as the case may be.

So at last when we come to consider the revenue bill it will be the real test of whether this administration successfully can govern the country, make such appropriations, and levy taxes in such a way as to receive the indorsement of the majority of the voters of this country. That will be the test.

I have no doubt that that matter will be before us in due time for complete discussion here. I wish to say that I shall desire some little time on that question.

It was suggested here that undoubtedly people would not be visited with any evil effect if they failed to abide by the conference or caucus. The senior Senator from Missouri [Mr. STONE] denounced those who on the shipping bill a year or so ago did not abide by a Democratic caucus. I remember when a certain member of the legislature was about to die in Kentucky, he stood in the aisle and said he was one who had bolted a caucus of his party and the stings of his conscience had pursued him from that time until he would pass across the Great Divide.

I have gotten used to hearing the Senator from Missouri. I always enjoy his comments. It does not make any difference

whom he hits. If a cobblestone comes in my way once in a while I enjoy it just as much as anybody else who gets hit with another. He is entirely impartial. Once in a while he turns on his own colleagues; he chides them with more or less vigor for making campaign speeches.

I remember when a gentleman on the other side of the Chamber made a campaign speech that if I were a Democrat I would say was a good speech, both from the standpoint of the campaign and the standpoint of the constructive or critical statesmanship. The day before the senior Senator from Montana [Mr. WALSH] had delivered a speech on the propriety of a Supreme Court Justice resigning and becoming a candidate for a partisan office.

The Senator from Missouri took occasion, as I remember, to inflict impartial punishment upon both sides of the Chamber in his remarks. He said that the boys in the press gallery understood it—"the dogs were barking." Two days afterwards he came out of his kennel and barked louder and longer himself than anybody else. I do not know, when he referred to the dogs as barking, whether he had reference to our conduct or what it was. Anyhow, he used the phrase "the dogs were barking," and since that time he has barked more than anybody else.

So ever so often when he comes in this Chamber and walks down the aisle in gloomy, solitary grandeur, with a frown on his face, shrouded in impenetrable mystery, and the weight of empire bowing his regal form, I can see that something has happened, or is about to. He is like Cæsar when he came into the senate chamber of old. I know at once what is going to happen to you brethren on the other side of the aisle or here. As the immortal bard of Avon said:

> But, look you, Cassius,
> The angry spot doth glow on Cæsar's brow,
> And all the rest look like a chidden train.
> Calpurnia's cheek is pale; and Cicero
> Looks with such ferret and such fiery eyes
> As we have seen him in the capitol,
> Being cross'd in conference by some senators.

A conference is held—a Democratic caucus—and when the Senator from Missouri comes in here with the angry spot glowing on his brow I know it bodes some strange eruption to the State. He has been crossed in the conference of Democratic Senators; something that morning will break loose; and at least one dog will bark and will bark lustily before adjournment is had.

I like it. He is a picture of superb and attractive action when he has upon him the divine spirit of vociferous criticism. I can think of nothing but Holy Writ when I see him marching down the aisle in full action fighting and fuming, effulgent as a comet wandering through space, full of eloquence and shedding language that is a shame to the memory of Worcester or Webster.

On such occasions, Mr. President, his neck is clothed with the thunder, "the glory of his nostrils is terrible."

> He paweth in the valley, and rejoiceth in his strength: he goeth on to meet the armed men.
> He mocketh at fear, and is not affrighted; neither turneth he back from the sword.
> The quiver rattleth against him, the glittering spear and the shield.
> He swalloweth the ground with fierceness and rage; neither believeth he that it is the sound of the trumpet.
> He saith among the trumpets, Ha, ha; and he smelleth the battle afar off, the thunder of the captains, and the shouting.

I know, then, that we are receiving some of the criticism that we have earned. I know, then, at least that there will be a brief period when everybody may sit about and rejoice in the fullness of the eloquence and in the exuberant diction and in the tremendous energy that the Committee on Foreign Relations always expect of the statesman who is at the head of that body. I know he is bursting with suppressed information. He seems to exude, "If only I could tell you of the things I know, it would make every hair 'stand on end like quills upon the fretful porcupine.' Ah, but I must not speak what I know," seems to say the chairman of the Committee on Foreign Relations. "When I open my mouth let no dog bark." So everybody, all the chidden train on both sides, sit down and give him plenty of room and fresh air for the exercise of his talent.

I shall not ask for further time from the Senate except to add in a concluding paragraph that the Senator from Missouri had a good deal to do with writing the present 1916 platform. He was the keynote sounder, it seems. I ask him why he did not sound a declaration favoring free tolls through the Panama Canal; why he did not sound a denunciation of the profligate waste of public funds; why he did not sound another stalwart pledge, as in 1912, of economy in future operation; why no promise of constitutional action regarding the presidential term limited to one; why no denunciation of the principle of protection; no assertion that protection is unconstitutional? There was nothing of that kind, although it has been in a Democratic platform ever since I can remember; ever since I have been old enough to read Democratic platforms.

I think I will cite in due season an extract from the Commoner. It says that the day the Democratic Party returns to a protective tariff or a tariff for any purpose to foster an industry in this country the Democrats will be laughed out of the campaign. In the war of 1812 we had all the protection we needed here. In 1801, or later, during the Jefferson administration or its successor, when the embargo was on, we had all the protection. We have it now, even with the great war across the sea.

It is proposed, if the morning reports be true, to begin a duty on dyestuffs in order to foster what Secretary Redfield calls an incipient industry after the close of the war. What has become of sugar? That is for revenue. We need the $52,000,000 or $54,000,000 every 12 months. That is not for protection. I do not care what your motive is; lay the duty, and the rest of it will come. So I ask the keynote sounder these questions in the future, when he shall arrive clothed with all the terrible majesty that belongs to the majority leader and filled to bursting with the secrets of state. I propound to him now these questions. Answer them or acknowledge that you are up a tree and you can not.

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Judge W. P. McLean, Fort Worth, Tex	100.00
T. W. Gregory, trustee, Austin, Tex	257.31
T. W. Gregory, Austin, Tex	250.00
Francis R. Welsh, Philadelphia, Pa	200.00
Samuel Kunkel, Harrisburg, Pa	100.00
Jacob H. Schiff, New York, N. Y	5,000.00
William W. Borden, Chicago, Ill	100.00
George B. Hopkins, New York, N. Y	1,000.00
A. W. Wallace, Fredericksburg, Va	100.00
Sidney T. Miller, Detroit, Mich	500.00
Fred Hirschhorn, New York, N. Y	250.00
J. Bernheim & Son, New York, N. Y	100.00
W. H. Sprunt, Wilmington, N. C	500.00
C. N. Evans, Wilmington, N. C	275.00
G. Herbert Smith, Wilmington, N. C	110.00
Frank H. Stedman, Fayetteville, N. C	100.00
H. D. Latta, Charlotte, N. C	100.00
W. A. Erwin, Durham, N. C	100.00
A. W. McLean, Lumberton, N. C	100.00
C. C. McDonald, Raleigh, N. C	100.00
A B. Andrews, Raleigh, N. C	100.00
A. S. Rascoe, Windsor, N. C	100.00
John S. Young, Bel Air, Md	100.00
William R. Wilder, New York, N. Y	100.00
G. W. Megeath, Omaha, Nebr	1,000.00
Dudley E. Waters, Grand Rapids, Mich	500.00
Hon. B. B. Comer, Birmingham, Ala	200.00
Arthur W. Machen, Baltimore, Md	1,000.00
William C. Redfield, New York	100.00
Richard Croker, jr., New York	300.00
William A. Comstock, Alpena, Mich	500.00
Arthur B. Emmons, Boston, Mass	1,000.00
S. T. Morgan, Richmond, Va	100.00
Julius Goldman, New York	500.00
Bernhard, Scholle & Co., New York	100.00
William Edmond Curtis, New York	250.00
Mrs. Henry McCormick, Harrisburg, Pa	250.00
E. J. Lynett, Scranton, Pa	100.00
J. L. Green, St. Louis, Mo	100.00
James W. Byrnes, St. Louis, Mo	100.00
T. K. Skinker, St. Louis, Mo	100.00
E. S. Lewis, St. Louis, Mo	100.00
H. P. Hilliard, St. Louis, Mo	100.00
H. N. Davis, St. Louis, Mo	300.00
J. T. Pettus, St. Louis, Mo	100.00
J. T. Lupton, Chattanooga, Tenn	500.00
Oliver Cabana, Buffalo, N. Y	200.00
William H. Fitzpatrick, Buffalo, N. Y	100.00
William Simon Brewing Co., Buffalo, N. Y	100.00
Norman E. Mack, Buffalo, N. Y	100.00
W. B. Hoyt, Buffalo, N. Y	100.00
Vincent Losser, New York	100.00
Charles E. Wells, Glovers Gap, W. Va	100.00
E. C. Waddington, Woodstown, N. J	100.00
Henry Nicolaus, St. Louis, Mo	150.00
Dan C. Nugent, St. Louis, Mo	100.00
F. M. Judson, St. Louis, Mo	100.00
J. W. Fristee, St. Louis, Mo	100.00
F. O. Watts, St. Louis, Mo	100.00
John C. Burns, La Crosse, Wis	100.00
H. C. Christians, Johnsons Creek, Wis	100.00
John D. Kerman, Utica, N. Y	100.00
Lawrence E. Sexton, New York	250.00
Lorenzo Semple, New York	250.00
E. J. McCutchson, San Francisco, Cal	250.00
Curtis H. Lindley, San Francisco, Cal	100.00
Judge Peter J. Shields, Sacramento, Cal	100.00
James K. Moffitt, San Francisco, Cal	200.00
John B. Fried, Jamestown, N. Dak	100.00
D. S. Ramsay, New York	500.00
John G. O'Keefe, New York	250.00
Hon. Charles L. Grey, New York	100.00
Judge A. S. Bennett, The Dalles, Oreg	250.00
W. F. Sapp, Galena, Kans	100.00
James Stokes, New York	500.00
C. A. Spreckels, New York	5,000.00
Louis Stewart, New York	100.00
Henry Morgenthau, jr., New York	1,000.00
Thomas A. Combs, Lexington, Ky	100.00
B. B. Brown, Warsaw, Ky	100.00
E. H. Yaylor, jr., Frankfort, Ky	200.00
J. B. Haggin, Lexington, Ky	200.00
M. V. Haggin, Lexington, Ky	100.00
P. J. Quigley, Dubuque, Iowa	100.00
Samuel S. Fels, Philadelphia, Pa	1,000.00
Joseph R. Wainwright, Philadelphia, Pa	300.00
C. E. Ingersoll, Philadelphia, Pa	250.00
Roland S. Morris, Philadelphia, Pa	250.00
M. E. Burke, Beaver Dam, Wis	100.00
Harry S. Black, New York	1,000.00
John Scully, South Amboy, N. J	100.00
Thomas L. Henry, Newark, N. J	200.00
Charles McCue, Seabright, N. J	100.00
Samuel Rea, Philadelphia, Pa	250.00
D. C. Scarborough, Natchitoches, La	100.00
William Albert Harbison, Pittsburgh, Pa	100.00
Fred W. Scott, Richmond, Ga	150.00
Philip C. Scanlan, St. Louis, Mo	200.00
James Durkin, Spokane, Wash	100.00
B. W. Coggeshall, New York	200.00
John S. Sutphen, New York	100.00
George K. Hoblitselle, St. Louis, Mo	100.00
P. Taylor Bryan, St. Louis, Mo	100.00
Warwick M. Hough, St. Louis, Mo	500.00
Fred D. Gardner, St. Louis, Mo	100.00
Patrick F. Gill, St. Louis, Mo	100.00
Tom Randolph, St. Louis, Mo	500.00
S. M. Kennard, St. Louis, Mo	200.00

J. Lionberger Davis, St. Louis, Mo	$100.00
C. D'Autremint, jr., Duluth, Minn	100.00
P. H. Nelson, Hibbing, Minn	100.00
Clyde M. Carr, Chicago, Ill	250.00
Mrs. A. McCormick Blaine, Chicago, Ill	1,000.00
Arthur J. Eddy, Chicago, Ill	250.00
William M. Hoyt, Chicago, Ill	100.00
F. H. Jones, Chicago, Ill	100.00
C. F. Gunther, Chicago, Ill	200.00
W. O. Coleman, Chicago, Ill	100.00
Dixon C. Williams, Chicago, Ill	200.00
A. F. Reichmann, Chicago, Ill	100.00
John A. Logan, Elgin, Ill	100.00
Edward J. O'Beirne, Elgin, Ill	100.00
E. B. Blolock, Woodlawn, Tex	100.00
C. L. Tilden, San Francisco, Cal	100.00
M. L. Benedum, Pittsburgh, Pa	250.00
W. A. Shaw, Pittsburgh, Pa	200.00
H. M. Brackenridge, Pittsburgh, Pa	100.00
Henry Buhl, jr., Pittsburgh, Pa	250.00
Harrison Nesbit, Pittsburgh, Pa	700.00
Quincy Ward Boese, New York	100.00
W. G. Robinson, Schenectady, N. Y	100.00
A. Page Smith, Albany, N. Y	100.00
Peyton F. Miller, Hudson, N. Y	100.00
Seth B. French, New York	100.00
J. M. Slaton, Atlanta, Ga	100.00
L. C. Holsendorf, Valdosta, Ga	107.00
R. L. McKenney, Macon, Ga	100.00
Asa G. Candler, Atlanta, Ga	1,000.00
W. G. Raoul, Atlanta, Ga	100.00
Hoke Smith, Atlanta, Ga	500.00
M. L. Johnson, Cartersville, Ga	100.00
Edward C. Crossett, Davenport, Iowa	100.00
W. S. Brainard, Toledo, Ohio	100.00
Edward W. Sheldon, New York	1,000.00
Alexander Cameron, Gordonsville, Va	100.00
F. J. Fearnside, Palatka, Fla	500.00
Dr. Angus McLean, Detroit, Mich	100.00
Henry B. McCormick, Harrisburg, Pa	500.00
S. F. Houston, Philadelphia, Pa	200.00
M. Gross, McKeesport, Pa	100.00
John C. Haddock, Wilkes-Barre, Pa	250.00
Jos. F. Gorman, Allentown, Pa	100.00
Andrew Breslin, Summit Hill, Pa	100.00
J. Hampden Dougherty, New York	100.00
Bruce Haldeman, Louisville, Ky	100.00
Louis Seelbach, Louisville, Ky	100.00
John R. Pflanz, Louisville, Ky	100.00
W. O. Head, Louisville, Ky	100.00
C. W. Milliken, Louisville, Ky	100.00
Phil F. Igoe, Louisville, Ky	100.00
Chas. F. Granger, Louisville, Ky	100.00
W. B. Haldeman, Louisville, Ky	100.00
P. H. Callahan, Louisville, Ky	100.00
Chas. H. Knight, Louisville, Ky	100.00
Owen Tyler, Louisville, Ky	100.00
John Buechel, Louisville, Ky	100.00
Frank McGrath, Louisville, Ky	100.00
A. M. Emler, Louisville, Ky	100.00
Herman V. Cohn, Louisville, Ky	100.00
Gen. Bennett H. Young, Louisville, Ky	100.00
Whalen Bros., Louisville, Ky	100.00
M. J. Winn, Louisville, Ky	100.00
Aaron Kohn, Louisville, Ky	100.00
R. W. Bingham, Louisville, Ky	100.00
Jas. B. Brown, Louisville, Ky	100.00
Davis Brown, Louisville, Ky	100.00
Swager Sherley, Louisville, Ky	100.00
John Caperton, Louisville, Ky	100.00
S. Zorn, Louisville, Ky	100.00
J. M. Atherton, Louisville, Ky	100.00
Alex Humphrey, Louisville, Ky	100.00
Clarence E. Burley, Chicago, Ill	250.00
Walker W. Vick, Rutherford, N. J	750.00
H. F. Langenberg, St. Louis, Mo	100.00
Anson Phelps Seeks, New York	250.00
Jas. Inglis, Detroit, Mich	100.00
Col. W. D. Mann, New York	100.00
Isaac B. Smith, Cedar Rapids, Iowa	100.00
Scott Bros., Charleston, W. Va	100.00
M. F. Healy, Fort Dodge, Iowa	100.00
Blewett Lee, Chicago, Ill	100.00
Sam Woolner, Peoria, Ill	100.00
E. M. Barnes, Lacon, Ill	100.00
W. N. Woolner, Peoria, Ill	100.00
H. M. Pindell, Peoria, Ill	100.00
Col. W. H. Carroll, Memphis, Tenn	100.00
James N. Boyd, Richmond, Va	100.00
John Stewart Bryan, Richmond, Va	100.00
Hon. Joseph E. Willard, Richmond, Va	2,000.00
George Foster Peabody, New York	100.00
Philip Tumulty, Jersey City, N. J	100.00
William Kennedy, Naugatuck, Conn	100.00
David R. Francis, St. Louis, Mo	1,000.00
J. F. Barrett, River Forest, Ill	100.00
Thomas De Witt Cuyler, Philadelphia, Pa	1,000.00
S. N. Dent, jr., Montgomery, Ala	100.00
H. A. Douglas, Detroit, Mich	250.00
L. K. Studstill, Andalusia, Ala	106.00
John B. Knox, Anniston, Ala	100.00
William B. Moore, Detroit, Mich	100.00
E. L. Ford, Detroit, Mich	100.00
C. W. Watson, Fairmont, W. Va	5,000.00
K. D. Winship, San Francisco, Cal	200.00
James B. Phelan, San Francisco, Cal	100.00
Gavin McNab, San Francisco, Cal	100.00
E. J. Decoppet, New York	500.00
W. R. Craig, New York	1,000.00
A. E. Ackerman, New York	1,000.00
S. S. Prince, New York	100.00
Bryan L. Kennelly, New York	250.00
W. H. Osborne, Greensboro, N. C	100.00
Chase Brenizer, Charlotte, N. C	$100.00
H. G. Chatham, Elkin, N. C	100.00
J. A. Long, Roxboro, N. C	100.00
R. N. Page, Bisco, N. C	100.00
Edwin O. Wood, Flint, Mich	500.00
Charles Waln Meirs, Philadelphia, Pa	100.00
William S. Sheehan, New York	1,000.00
J. H. Williams, St. Louis, Mo	200.00
Leon Adler, New York	100.00
W. G. McAdoo, New York	100.00
Clarence E. Carr, Andover, N. H	500.00
Herbert D. Molten, Lisbon, N. H	100.00
Calvin Page, Portsmouth, N. H	100.00
C. C. Calhoun, Washington, D. C	100.00
Macgrane Coxe, New York	100.00
Samuel H. Lyon, Baltimore, Md	200.00
Arnstein Bros., New York	100.00
George G. Perkins, Chevy Chase, Md	250.00
L. Laflin Kellogg, New York	100.00
W. A. Wilgus, Hopkinsville, Ky	100.00
William A. Bahlke, Alma, Mich	100.00
Herman Kertscher, New York	100.00
H. J. Steele, Easton, Pa	100.00
N. Espenschied, New York	100.00
W. H. Williams, Long Island City, N. Y	100.00
James F. Meehan, New York	250.00
Charles E. Duross, New York	100.00
John Alikes, Jamaica, Long Island, N. Y	100.00
Franklin Pettit, New York	125.00
J. Arthur Fischer, New York	100.00
John S. Armstrong, Baltimore, Md	500.00
Charles E. Appleby, New York	100.00
Hon. A. H. Boyden, Salisbury, N. C	2,500.00
John Strong, South Rockwood, Mich	100.00
Dr. L. L. Shropshire, San Antonio, Tex	100.00
J. E. Webb, San Antonio, Tex	100.00
F. C. Davis, San Antonio, Tex	100.00
Democratic executive committee, Denton, Tex	100.00
Hon. Morris Sheppard, Texarkana, Tex	100.00
Judge J. M. Goggin, El Paso, Tex	100.00
William H. Noll, Fort Wayne, Ind	100.00
James P. McCallister, Grand Rapids, Mich	100.00
R. T. Robinson, Racine, Wis	100.00
Max Hottelett, Milwaukee, Wis	100.00
Harley Sheldon, Ames, Iowa	100.00
H. J. Finley, Washington, D. C	100.00
Charles A. Douglas, Washington, D. C	100.00
Philip Freiler, Elgin, Ill	100.00
Thad. B. Preston, Ionia, Mich	100.00
Hampton Gary, Tyler, Tex	100.00
Theodore F. Jenkins, Philadelphia, Pa	100.00
William Hasson, Oil City, Pa	100.00
Thomas Spratt, Ogdensburg, N. Y	200.00
George W. Chauncey, Brooklyn, N. Y	100.00
Eugene Lamb Richards, New York	100.00
Z. C. Patten, Chattanooga, Tenn	200.00
Silas H. Straun, Chicago, Ill	100.00
William Meyer, New York	1,000.00
S. Klauber, New York	500.00
E. Boesch, New York	1,000.00
T. H. Gibbon, Pittsburgh, Pa	1,000.00
Jackson Johnson, St. Louis, Mo	200.00
W. R. Rust, Tacoma, Wash	100.00
Joseph A. Donohoe, San Francisco, Cal	100.00
John R. Packard, Greenville, Pa	100.00
Sam R. Nuzum, Fairmont, W. Va	100.00
J. T. Gregory, Tacoma, Wash	100.00
Nelson C. Hubbard, Wheeling, W. Va	100.00
John B. Oelkers, Newark, N. J	100.00
Clarence E. Carr, Andover, N. H	100.00
A. W. Noone, Peterborough, N. H	200.00
Mrs. Virginia Vanderbilt, New York	3,000.00
Thomas Branch & Co., Richmond, Va	150.00
S. M. Wilson, New York	1,000.00
Adolph Kastor, New York	250.00
S. Harris, New York	5,000.00
J. Grant, New York	500.00
T. Guthrie, New York	500.00
J. Stone, New York	500.00
B. Falk, New York	500.00
A. Levy, New York	500.00
L. Stein, New York	500.00
R. Bach, New York	500.00
Isaac Weingart, New York	500.00
Reuben R. Arnold, Atlanta, Ga	100.00
James R. Gray, Atlanta, Ga	250.00
John G. Milburn, New York	250.00
P. J. Quealc, Kemmerer, Wyo	100.00
John F. Vail, Pueblo, Colo	100.00
Hon. A. S. Burleson, Austin, Tex	100.00
Charles W. McAlpin, New York	2,000.00
Archibald H. Taylor, Baltimore, Md	250.00
George B. Coder, Louisville, Ky	100.00
Frank Fehr, Louisville, Ky	100.00
Frank S. Cook, Louisville, Ky	100.00
William B. Hornblower, New York	500.00
Frederick R. Coudert, New York	250.00
John S. Barber, Fairfax, Va	100.00
Thomas H. West, St. Louis, Mo	300.00
Hugo Kohler, St. Louis, Mo	100.00
A. M. Dockery, Gallatin, Mo	100.00
Anna McCormick, Harrisburg, Pa	300.00
Richard Coulter, Greensburg, Pa	100.00
Thomas Lynch, Greensburg, Pa	100.00
Hon. John B. Head, Greensburg, Pa	100.00
John A. Foy, Whitehaven, Pa	250.00
Emil Bautz, jr., Unionhill, N. J	100.00
Edward McDonough, Newark, N. J	100.00
Mrs. P. A. Hurst, San Francisco, Cal	250.00
William Denman, San Francisco, Cal	250.00
Robert M. Fitzgerald, Oakland, Cal	100.00
John W. Black, Houghton, Mich	100.00
Theodore Reed, Memphis, Tenn	100.00

J. G. Van Lent, Muscatine, Iowa	$100.00
M. C. Migel, New York	1,000.00
S. L. Smith, Detroit, Mich	200.00
Henry W. Miller, Columbus, Ohio	100.00
J. F. Baldwin, Columbus, Ohio	100.00
E. J. De Coppet, New York	500.00
Edward W. Page, New York	150.00
J. C. Hutcheson, Houston, Tex	500.00
E. L. Van Dressar, Portland, Me	100.00
Dr. A. Gatliff, Williamsburg, Ky	150.00
W. T. Underwood, Birmingham, Ala	100.00
K. D. Alexander, Versailles, Ky	100.00
Mrs. James B. Haggin, Green Hills, Ky	100.00
Col. E. H. Taylor, jr., Frankfort, Ky	300.00
Hiram Wilhoit, Versailles, Ky	150.00
John T. Hinton, Paris, Ky	300.00
John B. Berryman, Chicago, Ill	100.00
A. S. Burleson, Austin, Tex	100.00
F. H. Armstrong, Chicago, Ill	100.00
F. C. Dillard, Chicago, Ill	100.00
Louis A. Seeberger, Chicago, Ill	150.00
M. F. Dunlap, Jacksonville, Ill	200.00
Senator J. H. Bankhead, Birmingham, Ala	100.00
Judge A. O. Lane, Birmingham, Ala	100.00
D. M. Kelleher, Fort Dodge, Iowa	100.00
A. S. White, New York	5,000.00
J. A. Gorman, Chicago, Ill	100.00
Roger C. Sullivan, Chicago, Ill	5,000.00
M. M. Boswoth, Memphis, Tenn	200.00
J. A. Bensel, Albany, N. Y	100.00
Frank J. Noonan, Mahonoy City, Pa	250.00
George H. McFadden, Philadelphia, Pa	500.00
William A. Glasgow, jr., Philadelphia, Pa	200.00
J. C. McNealus, Dallas, Tex	100.00
Harry Highbee, Pittsfield, Ill	100.00
Hon. C. A. Culberson, Dallas, Tex	100.00
Walter G. Duke, Richmond, Va	150.00
Francis K. Kernan, Utica, N. Y	250.00
W. V. Cranford, Brooklyn, N. Y	100.00
Democratic Executive Committee, Cleveland, Ohio	500.00
L. E. Holden, Cleveland, Ohio	350.00
Elbert H. Baker, Cleveland, Ohio	150.00
M. R. Denver, Wilmington, Ohio	200.00
John H. Clarke, Cleveland, Ohio	500.00
E. H. Moore, Columbus, Ohio	100.00
John E. Parsons, Harrison, N. Y	500.00
Judge Thomas E. Matthews, Nashville, Tenn	250.00
John Walker, Pittsburgh, Pa	300.00
James Speyer, New York	10,000.00
Hon. James A. O'Gorman, New York	1,000.00
S. H. Thompson, jr., Denver, Colo	100.00
Edward Keating, Denver, Colo	100.00
D. M. Hyman, New York	500.00
Hon. James H. Higgins, Providence, R. I	100.00
Henry D. Sharpe, Providence, R. I	100.00
Edward W. C. Arnold, New York	100.00
A. B. Jenkins, New York	100.00
Laurence N. Young, Chicago, Ill	100.00
Richard Waldron, Jackson, Mich	200.00
George V. S. Williams, Brooklyn, N. Y	100.00
J. J. Cleary, Escanaba, Mich	100.00
Alva Adams, Pueblo, Colo	100.00
John D. Crimmins, New York	100.00
J. B. Cobb, Stamford, Conn	333.00
John M. Van Meter, Chillicothe, Ohio	150.00
Hon. John J. Flyn, Burlington, Vt	100.00
Frank P. Glass, Birmingham, Ala	100.00
Hon. S. W. Hagar, Owensboro, Ky	100.00
W. F. McKnight, Grand Rapids, Mich	200.00
W. L. Churchhill, Bay City, Mich	100.00
Mrs. Dudley E. Waters, Grand Rapids, Mich	100.00
Mrs. Mary E. Hills, Grand Rapids, Mich	100.00
Hay Walker, Pittsburgh, Pa	200.00
George A. Kelly, jr., Pittsburgh, Pa	100.00
D. T. Watson, Pittsburgh, Pa	500.00
J. D. Ayres, Pittsburgh, Pa	100.00
Royal A. Ferris, Dallas, Tex	100.00
J. B. Wilson, Dallas, Tex	100.00
Alex. Sanger, Dallas, Tex	100.00
Hy. D. Lindsley, Dallas, Tex	100.00
R. H. Stewart, Dallas, Tex	100.00
E. O. Tenison, Dallas, Tex	100.00
L. A. Pires, Dallas, Tex	100.00
S. E. Moss, Dallas, Tex	100.00
A. A. Jackson, Dallas, Tex	100.00
E. M. Jahn, Dallas, Tex	100.00
E. M. Reardon, Dallas, Tex	100.00
M. N. Baker, Dallas, Tex	100.00
E. J. Gannon, Dallas, Tex	100.00
A. V. Lane, Dallas, Tex	100.00
Louis Lipsitz, Dallas, Tex	100.00
George A. Carden, Dallas, Tex	100.00
E. B. Perkins, Dallas, Tex	100.00
Spencer, Knight, Baker & Harris, Dallas, Tex	100.00
John W. Wright, Dallas, Tex	100.00
R. P. Wofford, Dallas, Tex	100.00
J. Stewart Barney, New York	500.00
Preston C. West, Muskogee, Okla	100.00
Frank S. Betz, Hammond, Ind	100.00
Adam Ortselfen, Chicago, Ill	100.00
M. A. Donohue, Chicago, Ill	100.00
Herman Hegeler, Danville, Ill	100.00
John L. De Saulles, New York	5,000.00
John R. Burton, Brooklyn, N. Y	1,000.00
O. B. Colquitt, Austin, Tex	100.00
J. W. White, Mason, Tex	100.00
C. J. Von Rosenberg, La Grange, Tex	100.00
C. F. Hellmuth, Bellville, Tex	100.00
P. A. Dunn, Corpus Christi, Tex	100.00
B. F. Bonner, Houston, Tex	100.00
F. A. Chapa, San Antonio, Tex	100.00
D. Odem, Sinton, Tex	100.00
Jonathan Lane, Houston, Tex	100.00
L. J. Hart, San Antonio, Tex	$100.00
George B. Tallaferro, San Antonio, Tex	100.00
Mr. Bordenbaumen, Seguin, Tex	100.00
Dr. Van. E. McFarland, Eagle Pass, Tex	100.00
Archie Parr, San Diego, Tex	100.00
T. D. Cobbs, jr., San Antonio, Tex	100.00
J. B. Dibrell, Austin, Tex	100.00
Emil Mosheim, Seguin, Tex	100.00
James and Charles Stubbs, Galveston, Tex	100.00
John Sealy, Galveston, Tex	100.00
J. L. Lovejoy, McKinney, Tex	100.00
A. H. Jones, San Antonio, Tex	100.00
R. S. Dilworth, Gonzales, Tex	100.00
W. W. Cameron, Waco, Tex	100.00
John P. Walsh, Memphis, Tenn	100.00
L. K. Salisbury, Memphis, Tenn	100.00
C. H. Rine, Memphis, Tenn	100.00
A. V. Johnson, Lincoln, Nebr	100.00
William C. Jacques, New Brunswick, N. J	100.00
B. W. Gannon, Perth Amboy, N. J	100.00
John B. Olkers, Newark, N. J	100.00
Louis Hood, Newark, N. J	100.00
Joseph D. Bedle, Jersey City, N. J	500.00
Frank M. Patteeson, New York, N. Y	400.00
William Church Osborne, New York	3,000.00
Hon. Thomas F. Conway, New York	1,000.00
Walter D. Hines, New York	200.00
H. S. Terhune, Long Branch, N. J	500.00
Horace de Y. Lantz, Mauch Chunk, Pa	100.00
I. N. Phelps Stokes, New York	100.00
Judge George Turner, Spokane, Wash	250.00
L. Laflin Kellogg, New York	400.00
J. Henry Haggerty, New York	100.00
Wilson-Marshall-Holland Club, Suffolk, Va	100.00
Nicholas Cornet, Lawrenceburg, Ind	100.00
W. J. Curtiss, New York	1,000.00
John G. Ewing, Detroit, Mich	100.00
E. E. Gandy, Churubusco, Ind	100.00
William A. Giles, Chicago, Ill	100.00
William B. McIlvaine, Chicago, Ill	100.00
John Barton Payne, Chicago, Ill	100.00
Henry S. Robbins, Chicago, Ill	350.00
E. D. Hulburt, Chicago, Ill	100.00
W. I. Babb, Aurora, Ill	100.00
Graham H. Harris, Chicago, Ill	100.00
George H. Russell, Detroit, Mich	100.00
Arthur G. Cummer, Jacksonville, Fla	100.00
Eugene Tips, Austin, Tex	100.00
Mrs. James Woodrow, Columbia, S. C	100.00
J. W. Ragsdale, Florence, S. C	200.00
Lewis W. Parker, Greenville, S. C	100.00
B. H. Griffin, Goldsborough, N. C	100.00
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LETTER FROM GOV. WOODROW WILSON, OF NEW JERSEY, TO HON. A. MITCHELL PALMER, OF PENNSYLVANIA.

FEBRUARY 5, 1913.

MY DEAR PALMER: Thank you warmly for your letter of February 3. It was characteristically considerate of you to ask my views with regard to the joint resolution which has just come over from the House to the Senate with regard to the presidential term.

I have not hitherto said anything about this question, because I had not observed that there was any evidence that the public was very much interested in it. I must have been mistaken in this, else the Senate would hardly have acted so promptly upon it.

SPOKE WITHOUT RESERVE.

It is a matter which concerns the character and conduct of the great office upon the duties of which I am about to enter. I feel therefore that in the present circumstances I should not be acting consistently with my ideals with regard to the rule of entire frankness and plain speaking that ought to exist between public servants and the public whom they serve if I did not speak out about it without reserve of any kind and without thought of the personal embarrassment.

The question is simply this: Shall our Presidents be free, so far as the law is concerned, to seek a second term of four years, or shall they be limited by constitutional amendment to a single term of four years or to a single term extended to six years?

I can approach the question from a perfectly impersonal point of view, because I shall most cheerfully abide by the judgment of my party and the public as to whether I shall be a candidate for the Presidency again in 1916. I absolutely pledge myself to resort to nothing but public opinion to decide that question.

The President ought to be absolutely deprived of every other means of deciding it. He can be. I shall use to the utmost every proper influence within my reach to see that he is, before the term to which I have been elected is out. That side of the matter need disturb no one.

TOO LONG OR TOO SHORT.

And yet, if he be deprived of every other means of deciding the question, what becomes of the argument for a constitutional limitation to a single term? The argument is not that it is clearly known now just how long each President should remain in office. Four years is too long a term for a President who is not the true spokesman of the people, who is imposed upon and does not lead. It is too short a term for a President who is doing, or attempting a great work of reform, and who has not had time to finish it.

To change the term to six years would be to increase the likelihood of its being too long, without any assurance that it would, in happy cases, be long enough. A fixed constitutional limitation to a single term of office is highly arbitrary and unsatisfactory from every point of view.

The argument for it rests upon temporary conditions which can easily be removed by law. Presidents, it is said, are effective for one-half of their term only because they devote their attention during the last two years of the term to building up the influences, and above all, the organization, by which they hope and purpose to secure a second nomination and election.

AGAINST PRESIDENTIAL CONVENTION.

It is their illicit power, not their legitimate influence with the country, that the advocates of a constitutional change profess to be afraid of, and I heartily sympathize with them. It is intolerable that any President should be permitted to determine who should succeed him—himself or another—by patronage or coercion, or by any sort of control of the machinery by which delegates to the nominating convention are chosen.

There ought never to be another presidential nominating convention; and there need never be another. Several of the States have successfully solved that difficulty with regard to the choice of their governors, and Federal law can solve it in the same way with regard to the choice of Presidents. The nominations should be made directly by the people at the polls.

Conventions should determine nothing but party platforms and should be made up of the men who would be expected, if elected, to carry those platforms into effect. It is not necessary to attend to the people's business by constitutional amendment if you will only actually put the business into the people's own hands.

I think it may safely be assumed that that will be done within the next four years; for it can be done by statute; it need not wait for constitutional change. That being done, the question of the presidential term can be discussed on its merits.

PRESIDENCY IS ABNORMAL.

It must be clear to everybody who has studied our political development at all that the character of the Presidency is passing through a transitional stage. We know what the office is now and what use must be made of it; but we do not know what it is going to work out into; and until we do know, we shall not know what constitutional change, if any is needed, it would be best to make.

I must speak with absolute freedom and candor in this matter, or not speak at all; and it seems to me that the present position of the Presidency in our actual system, as we use it, is quite abnormal and must lead eventually to something very different.

He is expected by the Nation to be the leader of his party as well as the Chief Executive officer of the Government, and the country will take no excuses from him. He must play the part and play it successfully or lose the country's confidence. He must be prime minister, as much concerned with the guidance of legislation as with the just and orderly execution of law, and he is the spokesman of the Nation in everything, even the most momentous and most delicate dealings of the Government with foreign nations.

SHOULD BE HELD RESPONSIBLE.

Why in such circumstances should he be responsible to no one for four long years? All the people's legislative spokesmen in the House of Representatives and one-third of their representatives in the Senate are brought to book every two years; why not the President, if he is to be the leader of the party and the spokesman of policy?

Sooner or later, it would seem, he must be made answerable to opinion in a somewhat more informal and intimate fashion—answerable, it may be, to the Houses whom he seeks to lead, either personally or through a Cabinet, as well as to the people for whom they speak. But that is a matter to be worked out—as it inevitably will be—in some natural American way which we can not yet even predict.

The present fact is that the President is held responsible for what happens in Washington in every large matter, and so long as he is commanded to lead he is surely entitled to a certain amount of power—all the power he can get from the support and convictions and opinions of his fellow countrymen; and he ought to be suffered to use that power against his opponents until his work is done. It will be very difficult for him to abuse it. He holds it upon sufferance, at the pleasure of public opinion. Everyone else, his opponents included, has access to opinion, as he has. He must keep the confidence of the country by earning it, for he can keep it in no other way.

MAKE IT TWO TERMS.

Put the present customary limitation of two terms into the Constitution, if you do not trust the people to take care of themselves, but make it two terms (not one, because four years is often too long), and give the President a chance to win the full service by proving himself fit for it.

If you wish to learn the result of constitutional ineligibility to reelection, ask any former governor of New Jersey, for example, what the effect is in actual experience. He will tell you how cynically and with what complacence the politicians banded against him waited for the inevitable end of his term to take their chances with his successor.

Constitutions place and can place no limitations upon their power. They may control what governors they can as long as they please as long as they can keep their outside power and influence together. They smile at the coming and going of governors as some men in Washington have smiled at the coming and going of Presidents, as upon things ephemeral, which passed and were soon enough got rid of if you but sat tight and waited.

As things stand now the people might more likely be cheated than served by further limitations of the President's eligibility. His fighting power in their behalf would be immensely weakened. No one will fear a President except those whom he can make fear the elections.

We singularly belie our own principles by seeking to determine by fixed constitutional provision what the people shall determine for themselves and are perfectly competent to determine for themselves. We cast a doubt upon the whole theory of popular government.

I believe that we should fatally embarrass ourselves if we made the constitutional change proposed. If we want our Presidents to fight our battles for us, we should give them the means, the legitimate means, the means their opponents will always have. Strip them of everything else but the right to appeal to the people, but leave them that; suffer them to be leaders; absolutely prevent them from being bosses.

We would otherwise appear to be going in two opposite directions. We are seeking in every way to extend the power of the people, but in the matter of the Presidency we fear and distrust the people and seek to bind them hand and foot by rigid constitutional provision. My own mind is not agile enough to go both ways.

I am very well aware that my position on this question will be misconstrued, but that is a matter of perfect indifference to me. The truth is much more important than my reputation for modesty and lack of personal ambition. My reputation will take care of itself, but constitutional questions and questions of policy will not take care of themselves without frank and fearless discussion.

NOT URGING OWN REELECTION.

I am not speaking for my own reelection; I am speaking to redeem my promise that I would say what I really think on every public question and take my chances in the court of public opinion.

LETTER FROM HON. W. J. BRYAN TO WALTER W. VICK.

The letter addressed to Walter W. Vick dated August 20, 1913, is as follows:

Now that you have arrived and have acquainted yourself with the situation, can you let me know what positions you have at your disposal with which to reward deserving Democrats? Whenever you desire a suggestion from me in regard to a man for any place down there call on me.

You have had enough experience in politics to know how valuable workers are when the campaign is on and how difficult it is to find suitable rewards for the deserving. I do not know to what extent a knowledge of the Spanish language is necessary for employees. Let me know what is requisite, together with the salary, and when appointments are likely to be made. Sullivan will be down before long and you and he together ought to be able to bring about such reforms as may be necessary there. You will find Sullivan a strong, courageous, reliable fellow. The more I have seen of him the better satisfied I am that he will fit into the place there and do what is necessary to be done.

Very truly, yours, W. J. BRYAN.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). The absence of a quorum is suggested, and the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gronna	Martine, N. J.	Sherman
Brandegee	Harding	Myers	Smith, Md.
Bryan	Hardwick	Oliver	Smoot
Chamberlain	Hitchcock	Overman	Taggart
Chilton	Johnson, S. Dak.	Penrose	Thomas
Colt	Jones	Pittman	Wadsworth
Cummins	Lane	Pomerene	Warren
Curtis	Lee, Md.	Robinson	Williams
Dillingham	Lewis	Saulsbury	
Fletcher	Lippitt	Shafroth	
Gallinger	McLean	Sheppard	

Mr. THOMAS. I was requested to announce the unavoidable absence of the Senator from Indiana [Mr. KERN], who is ill.

The PRESIDING OFFICER. Forty-one Senators have responded to their names. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. HUSTING, Mr. PHELAN, Mr. SMITH of South Carolina, Mr. TILLMAN, and Mr. WORKS answered to their names when called.

Mr. BANKHEAD, Mr. JAMES, Mr. SMITH of Georgia, Mr. SIMMONS, Mr. STONE, and Mr. HUGHES entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty-two Senators have answered to their names. There is a quorum present.

Mr. CUMMINS. Mr. President, it is my intention to adhere rather closely to a discussion of the bill now before the Senate and to certain amendments which in the course of time I shall offer to it.

I suggest, Mr. President, that in view of the very small number of Senators present we might be able to keep order.

Mr. FLETCHER. I think that is a good suggestion, Mr. President.

The PRESIDING OFFICER. The Senate will be in order.

Mr. FLETCHER. I was going to ask the Senator from Iowa if his amendments have been printed and laid on the desks of Senators?

Mr. CUMMINS. They are not printed. They are simply motions to strike out certain parts of the bill.

However firm the intention I have just expressed may be, I may be permitted to indulge in a preliminary observation. I listened with both care and interest to the discussion presented by the Senator from North Carolina [Mr. SIMMONS]. It was a clear and comprehensive statement of the subject covered by the bill from his point of view, and he ought to be congratulated upon the good temper which he displayed. I think the average number of Senators, and I was careful to observe this fact, who heard his discussion was six. He was entitled to a better audience.

I have listened with pleasure and profit to the argument presented by the Senator from New Hampshire [Mr. GALLINGER], the Senator from Minnesota [Mr. NELSON], the Senator from Ohio [Mr. HARDING], and the Senator from Washington [Mr. JONES] in opposition to the bill. I was not so situated that I could hear the remarks of the Senator from South Dakota [Mr. STERLING] or the Senator from Illinois [Mr. SHERMAN], but I have no doubt what I am about to say respecting the speeches I did hear was equally true of the two which I was so unfortunate as to miss. These addresses were all of high character; they also were comprehensive, the result of much study and examination, and were well worthy of their distinguished authors. The average number of Senators who heard these speeches was four and a half. I am not mentioning these facts in order to censure any Senator on either the Democratic side of the Chamber or upon the Republican side of the Chamber, for I think that on both sides they are pursuing a very logical course. The only person for whom I am profoundly sorry is the Vice President, who presides so gracefully and so impartially over this tribunal. It is his unhappy fate to be compelled to sit in the Chamber attempting to preserve order over one speaker and something like 90 empty chairs. It has convinced me that the salary of the Presiding Officer of the Senate ought to be doubled in order to compensate him for the torture which he must constantly feel.

In saying this I am not disparaging the character of the speeches, but it must be depressing and dispiriting to sit where one must face a single speaker and a whole array of vacant seats.

The observation which I have taken the liberty to make is this: We shall destroy the Senate, the confidence of the people in it, its influence in the affairs of the country, unless we change the habit into which we are rapidly falling.

I said that I did not censure any Democratic Senator for absenting himself during this discussion. Why do I not? Simply because he could accomplish no valuable purpose by being present. Every Democratic Senator in some fashion or other has made it known that he intends to vote for this bill. I do not inveigh against the caucus; I have done that so often that I am tired of it, and I do not care whether there has been a caucus upon this bill or not; but in some way or other it has come to be understood that every Senator in the majority will vote for the bill; that he has made up his mind deliberately and fully upon the subject. Why should he listen to anyone who is presenting objections to the bill? Why should he listen to the chairman of the committee reporting the bill as he expounds it? There is no reason for further enlightenment; the minds are made up, and therefore the empty chairs upon the other side of the Chamber.

Turning to my own side of this eminent tribunal, there is no reason why any Republican should listen to any argument made either for or against this bill, or any other that comes out of a caucus or a conference which secures adhesion in advance to a measure about to be proposed. Why should Republicans sit here and listen? They may be glad to hear what their associates have to say about a particular subject, but they know that all that is being said is absolutely unavailing.

There is no longer any debate in the Senate of the United States. There are political speeches in the Senate; there are violent partisan harangues in the Senate. I am not objecting to that, because that is all that apparently remains for Members of the Senate to do; to make orations which are intended not to convince any Senator of any proposition, but to inflame or to instruct, as the case may be, the minds of the American people.

If I had my way, if my associates on this side of the Chamber would agree with me, every Republican Senator would absent himself and would refuse to participate in legislation that comes to the Senate with the knowledge that one side of this tribunal has already made up its mind finally and completely upon the subject to be acted upon by the Senate. To me it is a farce for Republicans to sit here and to join in a discussion which they can not influence in the slightest degree, no matter how potent their arguments may be. The course I propose would be, in a sense, an abdication, I suppose, of our duty; but there is no other way in which the change that has been wrought in the proceedings of the Senate can ever be brought emphatically to the attention of the American people.

I say this with the utmost good feeling. I charge no one Senator with responsibility for it. I only know that it has come to pass and that it is rapidly degrading the Senate of the United States; it is rapidly robbing it of all the influence it ever possessed in the affairs of the country; and if it is pursued, whether by one side of the Chamber or by the other side of the Chamber, it will ultimately mean the abolition of the Senate; and it ought to mean its extinction.

Mr. OVERMAN and Mr. WORKS addressed the Chair.

Mr. CUMMINS. The Senator from North Carolina [Mr. OVERMAN] first rose, and I yield to him.

Mr. OVERMAN. Admitting, for the sake of argument, that all the Senator from Iowa says is true, why all this speaking? Why all this delay? Why all these political speeches? Why not come to a vote on this bill? We have been ready to vote for some time and the bill has been before the Senate for some time.

Mr. CUMMINS. The answer to the Senator's question is perfectly easy. If I could persuade all the Senators of my political faith to put the whole responsibility on that side of the Chamber and simply retire, I would be glad to do it; but I can not do that; and, inasmuch as the discussion is going on, I intend that the country shall know my views with regard to this bill.

Mr. OVERMAN. Mr. President, when the Senator rises to speak he always discusses the question which is before the Senate, but we can not say that of all the other Members on either side.

Mr. CUMMINS. No. I have already said that this Chamber is ringing with political discussions that have no relevancy to

the subject under consideration, and the majority is responsible for it, inasmuch as it decides in advance, in its own councils, with respect to legislation that is to be passed. There is no other recourse but to allow the Republicans in the body to speak to the country instead of to Senators.

Mr. OVERMAN. They are not speaking to the country on this bill. They are speaking generally and holding up the bill.

Mr. SMOOT. Mr. President——

Mr. CUMMINS. Allow me to answer. I do not think Senators are holding up the bill. The exasperation of sitting here with a bill before us to which many of us are opposed and knowing that every argument which we may make is addressed to deaf ears compels the Republican side of the Chamber—or I do not say "compels," but rather tempts the Republican side of the Chamber—into the long discussions which we have heard. Now I yield to the Senator from California.

Mr. WORKS. Mr. President, I was wondering why the Senator from Iowa said, as he has said more than once, that he holds nobody responsible for this condition of things. The truth about it is that there is not a single Member of this body who is not to some extent responsible for the condition.

Mr. CUMMINS. That is just the reason I said what I did, that there is no one person responsible. We have taken on a habit, a custom; we are gradually yielding to the demand that legislation come only from the majority. We are giving currency to the statement made all the while, that only the majority is responsible for legislation. I do not agree to that proposition.

There are some questions upon which the majority might be said to be wholly responsible—those which concern matters that involve the party faith or the party creed; but the questions that we generally have before us are not partisan questions; they have not been determined by any party platform; they are proposed for the public good; and it is just as much treason to the form of our Government for a part of the Senate to separate itself from the other and to decide what shall be done, what laws shall be passed, what amendments shall be received or adopted, if any, as it would be if you were to coerce the minority by force.

Mr. WORKS. Mr. President, I do not agree with the Senator from Iowa that nobody is responsible. I should put it the other way and say that everybody is responsible. We have to correct this evil ourselves; it can not be done by one man; it can not be done by talking about it; but there has to be a radical change in the manner of conducting the business of the Senate, or the Senate will not be worth respecting after a while. It is not entitled to very much respect now because of the manner in which it is proceeding at the present moment. Here are caucuses being held night after night and day after day to determine what this body shall do, and when that caucus reaches a determination, that settles the whole question, and the remainder of us might just as well go home, as I am going to do in a few days.

Mr. CUMMINS. Mr. President, I am sorry that the Senator from California, agreeing with me so entirely with regard to the evil, differs so radically from me as to the method of my stating it. However, I expressed it as it occurred to me and as it now appears to me. No one Senator is responsible for the condition in which we find ourselves. We have drifted into the situation on account, apparently, of a desire on the part of the administration to claim all the credit for every act that is passed and to deny to this side of the Chamber every responsibility or credit for anything that is accomplished in the Senate. I have said now, Mr. President, all that I desire to say upon this subject.

Mr. SHEPPARD. Mr. President, may I interrupt the Senator?

Mr. CUMMINS. I yield to the Senator from Texas.

Mr. SHEPPARD. Is it not a fact that the Senator himself has introduced two or three bills, which have become laws, during the time that the present party and administration have been in power?

Mr. CUMMINS. It is.

Mr. SHEPPARD. I do not think, then, that the charge the Senator makes is entirely justified.

Mr. CUMMINS. That is another difficulty with Senators upon the other side. I have made the statement. The Senators upon the other side know perfectly well what I meant. I can not stop to qualify with nicety the technicalities which may be involved. Senators know perfectly well that what I meant was the program of the administration.

There was some reason for solidarity, caucus action, conference action, or whatever it may be called, upon the tariff bill, because there is a distinct difference and an impassable chasm between the Democratic view and the Republican view with respect to the composition of a tariff; but there has been no other great measure passed since that time, and none is now proposed, that touches in any way the party faith, and the Democratic majority, looking forward to the consequences that must ensue, ought not to treat these bills as party measures.

Mr. FLETCHER. Mr. President, may I interrupt the Senator to make a suggestion?

Mr. CUMMINS. I yield.

Mr. FLETCHER. It is unfortunate that so many Senators are absent during the discussion of an important measure like this. There has been no hard and fast agreement reached in caucus as to the precise terms of this proposed legislation. There has been an understanding that the administration and this side of the Chamber, at least, were in favor of a ship-purchase bill. The bill as it came from the House, and as it has been here for some time, was in the main satisfactory to this side and favored by this side. It seems to me we can not be blamed, if we have the view that this bill ought to pass, if we report it and urge its passage, and we can not be blamed if Senators on this side of the Chamber are unwilling to stay here and hear harangues by the hour on subjects which have nothing in the world to do with the bill. If there were a legitimate, fair discussion of the measure before the Senate I believe Members on this side would be here.

I call the Senator's attention to the fact that on his side of the Chamber there are now about nine Senators present, which is an unusually large number, but if the discussion were confined—I do not know whether we can do it under the present rules, but it is a matter to be thought out as having reference to situations such as the Senator suggests—to the subject before the Senate, I believe that that would tend in a large measure to promote better consideration, more attention to the debates, and better debates generally in the Senate.

It seems to me that is a proper matter, perhaps, in the future to deal with, although it can not relieve us in the present situation. I am simply saying that I believe, even now, if the debates were upon the question before the Senate, instead of long drawn-out talk for consumption elsewhere and not expected to be listened to here, Senators would not be worn out and would not be compelled to seek some sort of shelter in the cloakroom because of that sort of performance.

Mr. CUMMINS. Mr. President, there can be no real debate when the question has been foreclosed. It is impossible to confine discussion to the question under consideration when those who discuss it know that every word they say is unavailing; that it can not influence any single mind in the majority, and can not change the decree that had been rendered before the Senate took the bill up for consideration.

Mr. OVERMAN. Mr. President, on the President's program was a celebrated bill, in the framing of which the Senator himself aided very materially in securing proper legislation. I think one or two or probably three amendments offered by him were adopted after discussion. We had the responsibility for the legislation; it was on our program, but the Senator, with his great ability, came in and was instrumental in amending it, so that it was a much better bill when we had concluded its consideration than when it had been originally brought in. I refer to the rural-credits bill.

Mr. CUMMINS. I do not remember, Mr. President, any such instance; but it may be so.

Mr. President, every American citizen, no matter what his political affiliations may be, wants to see enough American ships upon the ocean so that the United States will be as prominent in this field of commercial activity as it is in every other. Does any Senator doubt that? Is it not true that all loyal and intelligent American citizens desire an American fleet of merchant ships which will be commensurate with the volume of business which we transact with the world? There are so many reasons for this desire on the part of our people that it is unnecessary for me to even mention them.

I might just as well argue whether it would be better for this country if the great fruitful regions of the West were turned into an arid desert as to inquire whether it would be better for this country if we were as dominant upon the sea as we are upon the land. I do not intend to name the reasons, because I would be disparaging the intelligence as well as the patriotism of all the people of this country if I were to attempt to convince them, or to convince Senators, of the proposition I have just stated. Would it not be well, therefore, if you on the other side of the Chamber and we on this side of the Chamber should meet and consult with respect to this important matter free from any political bias or prejudice, and ascertain, if we can, whether or not there is a way by which this vital object can be attained?

Now, come with me and see if you do not agree to this further proposition. The people of this country are full of enterprise,

strong with genius, and irresistible in any encounter in which they enter with a fair and even chance. Moreover, they have an abundance, a superabundance of capital, to organize and carry forward the business of transportation upon the high seas. Will anyone question the truth of the statement I have just made? If our people could master the seas and the transportation upon them they long ago would have set afloat a merchant marine that would arouse as much pride in the American heart as has the great triumphs which we have witnessed upon the land.

A third proposition. The sea is open—open to every comer. If our people could have carried forward this conflict successfully, with an open sea, with every port in the civilized world wide open for the admission of our ships, they would have gone into the business, and they would have reflected the same honor upon the American name in this respect as they have reflected upon it in every other respect. Why, then, have we no merchant fleet engaged in foreign commerce commensurate with our population, our territory, our business, and our commerce? That is the important question, and I ask it not only of Senators here but of the country. Why is it that upon the high seas our flag is so rare that it occasions deep surprise when the eye of an American citizen falls upon it? Again, the answer is obvious, and no one will dispute it. If there is any one here who cares to contradict me and answer the question I have myself put, I hope he will take the liberty of contradicting what I have said.

Our people have not constructed and are not operating merchant vessels engaged in commerce with foreign nations because it costs more to own and operate an American ship than it does to own and operate a foreign ship, and it costs so much more that the business is not profitable; and men of wealth, men of enterprise, will not enter into it for the reason that it affords no reasonable chance of fair reward for either the capital invested or the energy expended. That is the reason. It is the only reason. If Americans could acquire ships and operate them under our registry with a profit, with such profit as they have been able to reap when they employ their strength and their capital upon land, long ago the ocean would have been covered with American ships, and the American flag would be seen in every quarter of the globe, in every port in the world.

Mr. BRANDEGEE. Mr. President, does the Senator mind being interrupted?

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Connecticut?

Mr. CUMMINS. I yield.

Mr BRANDEGEE. I agree entirely with the statement the Senator has just made, but I did not understand to what he referred when he stated that Americans would have covered the seas with their ships if the ports of other countries were freely opened to them.

Mr. CUMMINS. I said the ports of other countries were wide open to them. There is no restriction anywhere, so far as I know.

With this statement with regard to the situation of Americans and as to the merchant marine, mark another suggestion: The American ship must compete with the foreign ship, and it will not undertake the hopeless task under existing conditions. If we are able to build up an adequate fleet of American ships engaged in the foreign trade, we must in some way relieve our ships of the unequal competition which now exists. We have—whether wisely or unwisely, I will not pause to inquire—relieved American shipping of some of the burdens that formerly were laid upon it. We did it in an act which permitted Americans to buy foreign-built ships and register them under the American flag, so that they became American ships. But that is not enough. That is but a little part of the burden which American shipping has to bear in competition with foreign shipping.

How will you relieve American ships of the burden and how will you make the competition equal and fair, when you know that it not only costs more to build an American ship than it does a foreign one, but that it costs 30 per cent more to operate an American ship than it does a foreign one? You have already reached the conclusion that in some manner we must improve these conditions, which create an unfair and unequal competition, and against which no energy, no capital, no genius, no patriotism, can successfully strive. How will you equalize these conditions?

I put that to my friends upon the Democratic side of the Chamber. How will you do it? We have done it to a degree, as I said a moment ago, by allowing Americans to buy foreign-built ships. But we have only begun. We still have to overcome the greatest obstacle of all, the increased cost of operation of American ships as compared with foreign ships. Unless you have presented a bill which will remove these difficulties, which hitherto have been insurmountable, your proposed legislation will accomplish nothing. How do you propose to do it?

I assert that there is nothing whatsoever in the bill now before the Senate that will in the slightest degree affect the condition which I have suggested. Somehow—I do not pause to say how, because that would draw me into a field which I do not intend to enter at this time—somehow the people of the whole country, acting through their Government, must aid American ships sufficiently to overcome the obstacles I have described. Senators all know that I have never favored a money subsidy given to a few ships. I do not favor that plan now.

But in some way we must accomplish the purpose I have suggested or there will be no American ships on the sea when normal conditions are restored. There will be no American merchant marine. The man who deludes himself by thinking that we can, by the intervention of a shipping board, or a corporation to be organized by the shipping board, remove these inequalities of competition, these inequalities of conditions under which the business is done, deceives himself, possibly, but he will deceive no one else. I ask the question again: What is there in this bill that affords American shipping any relief whatsoever as against these conditions? There is nothing. Let us see.

The bill proposes in the first place to organize a shipping board. The shipping board may acquire ships, if it acts indedendently and not through the intermediary of a private corporation, to the extent of $50,000,000. It then proposes to charter or lease these ships to some one who desires to enter the business. How will that overcome the difference between the cost of operation seen in American shipping and in foreign shipping? How will it? What do you propose that the board shall do? Will it lease the ships to an operator for nothing? Is that the idea of the bill? But even if that were so, it would not be sufficient. It would not be enough. It would not be enough if a company could take the ship for nothing, to enable American ships to compete with foreign ships so long as the cost of operating the foreign ship is as much less as it is now.

But I take it for granted that the proposers of this measure do not contemplate leasing the ships without any compensation to those who are to operate them. What is the idea of the author of the bill, or the authors of the bill, upon that point? I ask the Senator from Florida directly, Does he expect the board, when it acquires these ships, to charter or lease them without compensation to companies which desire to operate them?

Mr. FLETCHER. Mr. President, the provision with reference to operation, of course, gives power to this board to offer the ships to people who desire to operate ships upon terms and conditions which the board will name; and if they find that they are unable to get satisfactory bidders, they make that report, and then the corporation is given authority to operate itself. But as to whether or not the terms, when they offer the ships, will include the idea that they are not to be compensated for the use of the ships, of course, is something as to which I could not say. That is a matter that is left with the board.

Mr. CUMMINS. Precisely, Mr. President. I am now speaking of the board and not of the corporation which may or may not be organized under the bill. The board acquires, we will assume, ships that will cost it $50,000,000. It has them now, ready for operation. It advertises for bids for these ships upon charter or lease. But the Senator from Florida knows that anyone who buys or takes the ships must pay from 20 to 30 per cent more for operating them than its foreign competitor must pay; and who will offer to charter or lease these ships under those conditions?

Mr. FLETCHER. I take it there will be no difficulty about finding people who will want to charter or lease these ships. The demand for ships to-day is such that undoubtedly it would be a most profitable business to engage in. Why should there be any doubt in the Senator's mind that people will be found who would like to charter or lease good cargo carriers?

Mr. CUMMINS. Oh, Mr. President, I am not speaking of these times. I am speaking of normal times—times of peace. At the present time there is not a ship in the world that can be bought without paying twice as much as it is worth. There is not a ship in the world that is unemployed, which is suitable for carrying freight. There is no possibility of the board, or the corporation either, doing anything whatsoever under this bill until peace comes and commerce and business and trade are restored to their ordinary condition. I am speaking now of the time before the war.

Let us look at the time before the war. We had no merchant marine then, and it was just as desirable to expand it, and much more so, than it is just now. Why did not Americans build ships or buy ships then and enter the over-seas trade?

Mr. FLETCHER. Mr. President, in answer to the Senator's question, I think it would scarcely be fair to suppose that even when this war closes conditions will be as they were before the war commenced; because, in the first place, 3,000,000 tons of shipping have entirely disappeared and gone to the bottom of the ocean. That tonnage is eliminated absolutely, not to reappear when the war ends.

The portion of the world's shipping that has been thus eliminated is estimated to-day at 3,000,000 tons, and they are sinking them every day. We see in the morning paper where this merchant ship has gone down and the other merchant ship has gone down, and so forth. So that the world's supply of tonnage aft the close of the war will not equal the supply at the commencement of the war by, it is reasonable to estimate, I should say, 4,000,000 tons out of about 42,000,000 tons. That will be felt, undoubtedly, so that there will be a greater demand for ships for some time after the war than there was before the war commenced; and even if that were not the case, there was money in shipping before the war. There was American money invested in ships in the foreign trade before the war. One hundred million dollars of American money was invested in ships engaged in the foreign trade; so that we can not say that at that time there would have been no demand for these ships.

Mr. CUMMINS. Were these ships carrying the American flag?

Mr. FLETCHER. No; they were not—very few of them. Only those to which we gave special subvention contracts ever carried the American flag?

Mr. CUMMINS. Why did they not carry the American flag?

Mr. FLETCHER. They claimed that the difference in cost of operation was one reason. They claimed that some of the requirements of our laws as to space and as to equipment and provisions of various kinds were more strict than foreign laws.

Mr. CUMMINS. We still have those regulations.

Mr. FLETCHER. We have now the regulations of which most maritime nations approve. Our regulations are really no more strict than the London conference regulations.

Mr. CUMMINS. They are stricter than they have ever been before.

Mr. FLETCHER. Yes; and they are stricter in the case of other maritime nations than they formerly were.

Mr. CUMMINS. I hope so, for humanity's sake.

Mr. FLETCHER. But I want to say to the Senator that I think I can establish to his satisfaction that this difference in cost of operation, which has been urged by those interested in shipping as a reason why they did not propose to operate under the American flag has practically disappeared. The wage cost to-day is practically the same in the great shipping ports of the United States both as to vessels flying our flag and as to vessels flying foreign flags. That has been accomplished largely through the operation of the seamen's law. Precisely what was predicted by the friends of that measure has taken place. It is not merely taking place, but it has taken place, so that in these ports to-day the foreign ship has to pay the same wages that the American ship does; and in the ports abroad the American ship has to pay the same as the foreign ship, and that has done away with this difference in cost of operation.

Mr. CUMMINS. Mr. President, I am very glad to have had this reply from the Senator from Florida, because it proves, just as I thought it would, that there is absolutely no necessity for this bill, and it is not this bill which will put American ships on the sea with our flag, but it is, if it comes to pass, a change in conditions. After the war is over and the world has become placid again, if Americans can successfully compete with foreigners in commerce upon the high seas they will compete.

Mr. SMITH of Georgia. Mr. President, would it not be easy, after this war, to lease out these vessels to American companies on a basis which would pay 4 per cent interest on the amount due and 5 per cent annually on the principal, which would relieve us from any cost whatever with reference to them?

Mr. CUMMINS. Mr. President, I do not think an operator would charter them at all, on account of the restrictions that are found in the bill and on account of the necessity of dealing with the Government. If the business comes to be a profitable one, it will be developed. We have energy and genius and capital enough to develop every private business with profit in it. The only possible thing that this bill can do is to furnish capital to those who are seeking profit at a lower rate of interest, if you please, than they are willing to furnish it for themselves.

I agree that if there were in this bill a provision that the board should rent or charter these ships for nothing, we might put some ships on the sea if conditions prevailed as suggested by the Senator from Florida; but there is no such provision in the bill. There is absolutely nothing to guide the board in regard to the matter. There is no rule; there is no standard. You have simply created a board and given it $50,000,000 to invest in ships; and that, so far as these ships are concerned, is the end of the governmental power.

Mr. BRYAN. Mr. President——

Mr. CUMMINS. I yield to the Senator from Florida.

Mr. BRYAN. Did I not understand the Senator to say, a few moments ago, that if the ships were leased out for nothing under the American flag, they could not enter in competition with foreign ships?

Mr. CUMMINS. Under conditions as they were before the war, they could not.

Mr. BRYAN. The Senator also said that the cost of operation was from 20 to 30 per cent higher.

Mr. CUMMINS. About 30 per cent higher.

Mr. BRYAN. What makes that?

Mr. CUMMINS. The higher compensation of officers, the higher wages paid to Americans whom we employ, the greater space that we require for the health and comfort of the crew, and a variety of other regulations which are intended for the benefit or safety either of those who travel upon the ships or of those who operate the ships.

Mr. BRYAN. Since the war began we have passed the seamen's bill. Does that make the cost of operation greater as compared with the cost of operation abroad?

Mr. CUMMINS. That depends altogether upon a question which has not been settled. If we can rigidly maintain these regulations against foreign ships, so far as they are covered by the seamen's bill, there would be uniformity between foreign ships and American ships; but the seamen's bill has nothing to say with regard to the wages of either officers or crew.

Mr. BRYAN. The wages on board American ships are higher than on board foreign ships?

Mr. CUMMINS. Oh, I should think they are about three times as great.

Mr. BRYAN. Then, in what way, in the Senator's opinion, can American ships compete with foreign ships? How are we going to get the American flag back on the sea?

Mr. CUMMINS. It is not for me to prepare a plan under the present régime.

Mr. BRYAN. I was interested in the Senator's statement.

Mr. CUMMINS. But I am perfectly willing to say that I agree with the suggestions of the Senator from Washington [Mr. JONES]. I believe the only way in which we will ever be able to create a merchant fleet commensurate with our strength as a commercial nation is to discriminate in our ports in favor of American ships. Now, I understand perfectly that that is in essence a subsidy. Everything of that sort is a subsidy. This bill is full of subsidies. But that is the fairest and justest way of distributing among the people of the United States the aid that we give to the ships.

Mr. HARDWICK. Mr. President, the Senator means, of course, a discrimination in tariff duties.

Mr. CUMMINS. A discrimination in tariff duties.

Mr. HARDWICK. In other words, allowing goods to be brought over in American bottoms at a lower rate than they are in other bottoms.

Mr. CUMMINS. Yes.

Mr. HARDWICK. There is a provision like that in the so-called Underwood tariff bill, is there not?

Mr. CUMMINS. Yes; and a very good provision.

Mr. HARDWICK. And it has been upheld by two courts, every court it has been before so far, has it not?

Mr. CUMMINS. But not enforced.

Mr. HARDWICK. It is pending in the Supreme Court of the United States now, as I understand.

Mr. CUMMINS. I believe so.

Mr. HARDWICK. There is a difference of 5 per cent in tariff duties under that provision.

Mr. CUMMINS. I do not know whether or not that discrimination is sufficient, Mr. President.

Mr. HARDWICK. No; I do not, either. That is a mere experiment.

Mr. CUMMINS. I do not commit myself to that; but I believe the principle is right. We must readjust, of course, our treaties with commercial nations in order to carry out that policy without friction and disagreeable conflict.

Mr. FLETCHER. The Senator will recall that in 1815 we had in force in effect a law as to discriminating duties. The Senator will recall, I presume, that from 1815 to 1828 every Congress denounced the policy, and it was finally abandoned in 1828.

Mr. CUMMINS. It was finally abandoned, Mr. President, because we did not need it. From 1815 to 1860 it was entirely possible for the people of the United States to compete with the world in traffic on the high seas. We had an advantage which

no other great nation had. We have lost that advantage for one reason at least, namely, that we have turned from wooden ships to iron or steel ships. We have turned from sailing ships to steamships. I think this change has had much to do with the disappearance of the American fleet from the seas.

Mr. FLETCHER. Undoubtedly that did have, later on; but that did not occur until quite some time after that. However, we abandoned this policy in 1828, not, as the Senator says, because we did not need it, I believe, but because we found that every other country was indulging in retaliatory laws against us; and every other country has done the same thing that we did—abandoned these discriminating duties.

Mr. HARDWICK. Mr. President, if the Senator will permit me to answer that suggestion——

Mr. CUMMINS. I shall be very glad to have the Senator do so.

Mr. HARDWICK. We adopted it again in 1913, too, with the Senator's vote. The policy that he says we abandoned the Senator from Florida voted for in 1913; and the policy that we then adopted has been sustained in every court of the United States where its validity has been attacked, in spite of the position of the Department of Justice about it.

Mr. FLETCHER. In part.

Mr. SMITH of Georgia. Mr. President——

Mr. CUMMINS. I yield to the Senator from Georgia.

Mr. SMITH of Georgia. Did not the Senate strike out that provision?

Mr. HARDWICK. It restored it, then.

Mr. SMITH of Georgia. But finally we were forced to yield to it in conference. The vote of the Senate was against it.

Mr. HARDWICK. And the Senator voted for the conference report, too.

Mr. SMITH of Georgia. Because we could not get it through in any other way. We struck out that provision when freely acting upon it.

Mr. FLETCHER. It was stricken out in the Senate.

Mr. HARDWICK. But it was restored by a conference report which was agreed to here.

Mr. SMITH of Georgia. Without a roll call, and without knowing it was in it. The Senate is against it, and I hope it will stay so.

Mr. CUMMINS. It matters not. It became the action of Congress and, in my opinion, it is the only way in which we can render the aid that is necessary to American shipping unless we are willing to grant a money subsidy.

Mr. SMITH of Georgia. Mr. President——

Mr. CUMMINS. That, as I said before, I am unwilling to grant. I do not shrink from the fact that we are attempting to aid American ships, because no matter what form the assistance may take we are still subsidizing them in a way. I have always objected to the money subsidy because it is impossible to render its distribution fair and just; it is impossible to see that it finally reaches the person or persons who ought to receive it. I yield to the Senator from Georgia.

Mr. SMITH of Georgia. What practical effect so far as the Treasury is concerned would there be between collecting this tariff and giving it to shipowners and not collecting it, so far as the Treasury of the United States is concerned?

Mr. CUMMINS. There would be no difference except in one case the distribution would come automatically. If you impose the discriminating duty the burden is distributed automatically. If the money passes into the Treasury and we then attempt to appropriate it in the form of a subsidy we have to declare who shall receive it, and we are very apt to go astray in undertaking that work.

Mr. SMITH of Georgia. Will not the subsidy be based upon the amount of transportation to our ports by the vessels? Would that not be practically the same thing?

Mr. CUMMINS. A bill drawn by the Senator from Georgia might assume that form. I do not know what the bill would be.

Mr. SMITH of Georgia. I say it could be done that way.

Mr. CUMMINS. If it were withdrawn from the Treasury and paid to the ships which actually carried the goods the effect would be exactly the same.

Mr. FLETCHER. May I ask the Senator a question at this point? He assumes that there will be no demand for these ships after the war and that we can not get any before the war closes practically, although I am quite sure we can have 50 ships within 12 months of from 7,000 to 8,000 tons cargo carrying. Our own yards are not overcrowded. Other yards are being built and enlarged and extended all the while. New concerns are springing up and building ships. But without going into that, assuming that we could not get the ships until after the war and after the war there was no demand for them, would the Senator think it would be a terrible thing if those ships were operated by corporations in fields that were not particularly profitable along routes that would open new trade, and extend and enlarge the commerce and the opportunities of our manufacturers and producers generally? Even if they were operated without a profit would it not be worth while to do that?

Mr. NELSON. I should like to ask the Senator from Florida where he expects to get ships within the next two years? Where does he expect to get ships under this bill?

Mr. FLETCHER. If the Senator from Iowa will allow me in his time, in some observations which I made the other day, and which I am not sure whether the Senator from Iowa heard or has seen in the RECORD, since he did not make mention of them to-day at his opening, I pointed out distinctly various yards that are being extended and are being built and new yards that are being built in this country, as at Brunswick, Ga., and Savannah, Ga. Over on the west coast the Union Iron Works and other yards are being extended and enlarged. In the testimony of Capt. Berthoff before the committee, if the Senator examined the hearings, he gave a list of places where there are opportunities for building the ships. There is not any doubt in my mind but what we could have 50 ships within 12 months. I gave a list of ships that will be completed next March in various yards, where they are ready for new contracts. There is not any trouble about that.

Mr. NELSON. Those ships are already under contract. The yards that are building extensions are building them for the purpose of filling existing contracts.

Mr. FLETCHER. The contracts will be completed when the ships are launched from the yards, according to this list.

Mr. NELSON. The contracts run clear to 1918.

Mr. FLETCHER. I know some of them do, but they are not waiting for a year to build a ship. These yards are turning out the ships month after month, and as one ship is finished they are ready for another. There is not any trouble about that.

Mr. CUMMINS. I am afraid I am being led away a little from the path of my argument, but I must reply to the Senator from Florida. I do not believe that ships can be bought at this time without paying a great deal more than they are worth, on account of the stimulation brought about by the war in Europe. I do not believe it will be possible to contract for the building of ships within the next two years upon such terms as we ought to receive.

But passing that, the Senator asked me if it would be out of harmony with my views if the Government had these ships and could not dispose of them or charter them at a profit if it would employ them in commerce, even without any profit at all. The Senator must know my opinion upon that subject. I introduced a substitute for the bill when it was pending in the last Congress which exactly expressed my view about what we ought to do with regard to buying and operating ships.

I think the Government ought to have, as was then proposed, $30,000,000 worth of ships as a supplement to our Navy, and I think they ought to be so constructed, so arranged, that they could be used in commerce when they were not needed in the defense of the country. I would be perfectly willing to see those ships employed in commerce, in opening up new markets for the United States, in pioneering new routes that might in the future become profitable. I provided in the bill which I introduced a plan for so doing. But that is not the plan provided in this bill. There is no suggestion of any plan of that sort.

If it be true, as the Senator from Florida and the Senator from Georgia seem to believe, that when the war closes American ships can enter the ordinary American foreign commerce at a profit they will be found, and these ships will enter that commerce. You can not keep any American from any field in which he finds an opportunity to earn a fortune or to earn a reward upon his capital. America is the richest country in the world. It has more means to invest in any sort of profitable enterprise than any one country, aye, than any two countries, in the whole earth. What can keep Americans out of these enterprises if the conditions are as suggested by the Senator from Florida?

But I do not believe those conditions will exist. I believe at the end of this war the competition upon the high seas will be severer than it ever was before. I believe that Germany and Great Britain and France will make the most heroic, if not superhuman, efforts to regain everything they have lost in this titanic struggle, and American ships will have to meet a competition more rigorous than has ever confronted American shipping.

Mr. FLETCHER and Mr. SMITH of Georgia addressed the Chair.

Mr. CUMMINS. I yield to the Senator from Florida. He has been on his feet for some time.

Mr. FLETCHER. The Senator must bear in mind what our experience has been. His theory is all right. It has seemed strange to me that Americans should not go into shipping in view of the profits that there were in that business. There is not any question, and it can be thoroughly established, that there is scarcely any industry anywhere as profitable as was shipping before the war.

Mr. CUMMINS. Why did not Americans go in, then?

Mr. FLETCHER. I do not know why except that they were directing their energies toward other things. When they changed the ships from the wooden ships to the iron ships for a while our people were discouraged, and they did not pay great attention to it. Besides, we have a new country, and there were attractions in other directions for their investments, and they did not go into the shipping business as fully as they might, although, as I said awhile ago, there was at least a hundred million dollars of American money under foreign flags in shipping before the war and making good money. But there would have been more if it had been simply a question of their being able to earn profit out of that business, because the record of the ship companies, English and American, all over the world shows that there was no business more profitable than the shipping business. They made all the way from 10 to 300 per cent, according to their own returns.

Now, we know that Americans did not go into that business. We have not any right to assume that they are going to do what they refused to do for 50 years. We would not be justified in assuming that after this war they are going to do other than they did before the war. Therefore we can not leave our commerce wholly dependent upon foreign ships upon the theory that it is going to be a good business and that American money is bound to go into it because it is a good business.

Mr. GALLINGER. Mr. President——

Mr. CUMMINS. I will yield in half a moment. I do not agree with what the Senator from Florida now says; but if it is well founded this bill is so indefensible that he ought not to stand for a moment as its sponsor. If it is true that in the old times American ships under the American flag could make from 10 to 300 per cent, and that in the new era conditions will be improved and they can make from 25 to 500 per cent, to stand here and propose to spend $50,000,000 of the people's money in order to encourage a business of that sort is the most startling proposition I ever heard in my life. I now yield to the Senator from New Hampshire.

Mr. FLETCHER. It is not to put money into the pockets of shipowners; it is to get carriers for our business.

Mr. GALLINGER. Mr. President, one fact is worth a volume of assertion. The Merchant Marine Commission at its hearings in Boston, New York, and Chicago called the great capitalists of those cities to testify, and the question was propounded to them if they could have free ships—that is, if they could buy them abroad—would they invest their money in their operation, and in every instance, as the Senator will find in the testimony taken by that commission, the answer was that they would not, because they could not operate them unless some means were devised to equalize the cost of operating those ships as between foreign ships and American ships.

Now, the Senator from Florida says that Americans have had their money invested in foreign ships and have made money. Certainly they have, but they have made money because their money was invested in ships that flew foreign flags and that had the advantage of low wages and low cost of supplying the crew.

Now, Mr. President, another instance. The Oceanic Line, plying between San Francisco and the Orient and Australasia, with a slight subvention under the mail act of 1881, three or four ships owned by the Spreckels Co., lost $300,000 a year, and it became so intolerable that they tied up the ships at the docks in San Francisco and they were rotting at their cables there for, I think, about three years.

So it is idle to say that Americans could have made money by investing in ships under the conditions that prevailed before the war.

Mr. CUMMINS. The Senator from New Hampshire has stated the fact as I have understood it. But I have accepted the great fact, the overpowering and overwhelming fact, that Americans refuse to enter the business. Eager for profit, eager for commercial triumphs, with all the ports of the world open to them, they refuse to enter the business, and it would be impossible to convince me that they refuse to enter it for any other reason than that they can not carry it on profitably in competition with foreign rivals.

Mr. FLETCHER. Of course, the Senator will admit it makes no difference why they refuse to do it; the essential fact, and I agree with him there, is that they did not do it.

Mr. CUMMINS. They did not do it.

Mr. FLETCHER. They would not do it, and refused to do it; and until you give them the difference in cost of operation, as it is claimed, we know that is the situation. Now, suppose that situation continues to exist, where are we?

Mr. CUMMINS. We will have no American shipping, nor will we under this bill, assuming now that like conditions prevail. I do not know whether they will or not; but we certainly should not pass this sort of law upon the assumption that the conditions will be so changed that profit in the business will become obvious and will attract men of capital and of enterprise everywhere.

That is the very difficulty I am trying to point out. Suppose we have the same conditions after the war shall have closed that we had before the war began, and assume that Americans with American ships can not successfully compete with their foreign rivals, what then? How does this bill help to remedy a situation of that kind? What are we doing in the bill to induce men who desire to enter the business and earn a fair reward upon whatever capital they may invest to invest it? What do you offer these men? You offer them nothing whatsoever. You propose to organize a board—that is, assuming it does not work through a corporation as is proposed—that has $50,000,000 at its disposal. We will assume that it will buy the ships mentioned by the Senator from Florida—50 ships costing a million dollars each—what will it do with them? It has no power to operate them. That the Senator from Florida will admit. I think that the mere ownership would imply the authority to operate if it were not that the bill carefully, sedulously prescribes what the board may do with these ships. It may charter or lease them, or it may dispose of them in other ways that are pointed out in the bill. What will the board do? It will advertise for bids for the ships. But what will be the terms upon which the vessels will be leased or chartered? There is no suggestion that we propose to do it for nothing. There is no suggestion of aid unless it be simply in a slight lowering of the rate of interest.

If the President of the United States should say that we will not allow these ships to be leased without a payment of 4 per cent interest, then the board must insist upon 4 per cent interest. Does the Senator from Florida think that, under the assumption that I am making, men of capital will enter this business because they can secure money at the rate of 4 per cent? That is no reward; that is no aid; that is not a sufficient inducement. It will not attract even the casual notice of men who would like to engage in the business.

I want to help the business; I am willing to do something for it; but is the Senator from Florida, or is any other sponsor of the bill, willing to do anything for our foreign commerce? If they assert that they are, and I would accept their word in that respect, we find their maximum proposal is to lease the ships we buy at the rate of 4 per cent interest upon the money invested in them.

To me, Mr. President, the whole scheme is illusive; it is vague; it is futile; it will not accomplish any purpose whatsoever; for if conditions change so that the business becomes attractive and profitable, then we shall not need that the board shall offer these ships in commerce.

I now come to consider, Mr. President, directly and concretely the amendment which I shall first propose, namely, an amendment which is embodied in a motion to strike out section 11. Section 11 of the bill is that part of it which provides that the board, if it sees proper, can organize a corporation under the laws of the District of Columbia "for the purchase, construction, equipment, lease, charter, maintenance, and operation of merchant vessels in the commerce of the United States."

Whatever the just criticism on the creation of a shipping board may be, it is very insignificant as compared with the criticism that justly falls upon section 11.

One year ago I expressed my views upon this method of regulating commerce, and I do not intend to enter upon the subject at very great length this afternoon. To me it is little less than appalling. I have never examined a legislative proposal that seems so wild and startling and indefensible and uncontrollable as the proposition to organize a corporation under the laws of the District of Columbia to carry on the business which is here described. Some Senators seem to minimize the consequences which may flow from this part of the bill. I do not assert that the board would do what I am about to describe as within its power, but I am never willing, as a Member of the Senate, to grant power to any officer of the United States which I am not willing that he shall exercise.

In the first place, there is no authority whatsoever in Congress to adopt this section. It is not a regulation of commerce; it can not be a regulation of commerce for the shipping board to organize a corporation of which it becomes a majority stock-

holder; a corporation that is then a corporation for pecuniary profit; a corporation that the minority stockholders will have the right to insist, in the law, shall be conducted in the manner most profitable to the stockholders. To insist that that is or can be a regulation of commerce among the States is so far from my conception of the meaning of the phrase that it is hard for me to understand how any lawyer—or layman, for that matter—can believe that it is a regulation of commerce.

More than a year ago I examined all the authorities upon this question in the presence of the Senate, and I do not intend to repeat what I then said. I content myself with simply asserting that there is no basis whatsoever in the Constitution for the section which I seek to strike out; for it is not a regulation of commerce with foreign nations or among the States. It is simply yoking up the United States as a stockholder with other stockholders who may be willing—and I can conceive of circumstances under which they would be willing—to invest their money in order to carry on a business for pecuniary profit; not for the benefit of the people, not to secure lower rates, not to obtain just charges for this public service, but to heap up rewards for the capital which is jointly contributed by the United States and by private stockholders. I, of course, do not know that there would be any private persons who would invest. They would, however, if they thought they could, use this corporation for an ulterior purpose, and I drew the picture some time ago of the shrewd bankers and capitalists of New York as they sat around the directors' table or the stockholders' table in the management of this corporation, in which the United States had 51 per cent and the New York capitalists had 49 per cent, and I asked you to imagine, if you could, or to predict, if you could, what would take place around that stockholders' table or in that directors' meeting.

I shrink from even picturing the United States, in its dignity, in its power, in its great altruistic purpose, participating in a directors' meeting that is called and held for the purpose of determining how much can be exacted from commerce in order to yield dividends upon the capital invested in the business. I had hoped that upon reflection those who believe there is good in this measure would at least omit that part of it, for it can accomplish no good purpose. I am sure that no Senator has this in view, but if somebody had not in view a great and important object to be accomplished, not for the public good, but for the acquisition of power, this section in the bill would now be conspicuous by its absence.

Let us see. It authorizes the organization of corporations under the laws of the District of Columbia having a capital of $99,999,999. Does anyone question that? When organized, the Government, through the shipping board, subscribes for $50,000,000 of the capital, and by that subscription becomes a majority stockholder. It is given the power then to purchase, to charter, to lease all the ships that its directors may order; but who are to be its directors? Who is to be its president? Who are to be the officers of the corporation so to be organized under the laws of the District of Columbia? The laws of the District of Columbia require that every director shall be a shareholder. Who are to be the directors? How are you to equip a majority of the directors with a share of stock or any number of shares of stock in order to qualify them as directors? Whom will you trust? The bill as it was debated a year ago or more provided for that exigency, but this bill does not. The only way that one of these companies could be organized under this section of the bill would be to ask some stool pigeon or dummy to take a share of stock belonging to the United States in order to qualify him to become a director and officer of the corporation.

Then, it is provided that the corporation shall stand dissolved five years after the end of the European war. Does the Senator from Florida believe that it is a valid enactment? Five years after the close of the European war the corporation is to stand dissolved. The law of the District of Columbia provides that the articles of incorporation may fix the time for the duration of the corporation, and it may be perpetual, but it describes what shall be done upon dissolution. Upon the dissolution of the corporation on account of the expiration of its charter what happens? Either the corporation itself or an officer appointed for it by the court takes its property, disposes of it, and divides the proceeds among the stockholders in accordance with their holdings.

What does this section provide? It provides that upon the dissolution of the corporation all the property of the corporation shall revert to the shipping board without any further interposition of law, without ascertaining its value, without distribution, without any sale. It is all to revert to the shipping board, and then the shipping board is to pay to the minority stockholders the fair value of their stock. This is a game of "heads I win and tails you lose." The minority stockholders who will be invited to participate or enter into partnership with the United States will be able to do so with the absolute assurance that under no circumstances—I will not say under "no circumstances," but in all human probability—they will not be called upon to share any loss that may be sustained, because the Government is to take and to pay the value of their shares, and if they can not agree, then the value is to be determined by an arbitrator.

I have seen many insane schemes proposed in legislative assemblies; I have seen a good many inadequate and half-baked propositions submitted for legislative consideration, but I have never seen a proposal so crude, so unjust, and so dangerous as the one contained in section 11. It is not only without authority of the Constitution, but it is without policy behind it. Furthermore, it is utterly unwise to enter into a partnership of that kind.

Mr. NELSON. Mr. President, will the Senator yield to me for a moment?

Mr. CUMMINS. I yield.

Mr. NELSON. While the bill makes provision for the minority stockholders and provides that they shall get the fair value of their stock, it makes no provision for the stock in which the United States have invested. That is left out in the cold, and the Government may not get a cent.

Mr. SMITH of Georgia. Mr. President, it gets the ships. Whatever the ships are worth, they are turned over to the board representing the United States. If there are minority stockholders, they are simply paid what their interest is worth; and if that can not be reached by agreement it is arbitrated. That does not seem to be a very difficult proposition.

Mr. CUMMINS. Now, bearing in mind, Mr. President, what I have said with regard to the manner in which this corporation is organized and the manner in which it must operate; and I repeat that for the moment, because I want to know whether there is anybody who disputes my assertion, that if this corporation is organized and enters the business, whether of chartering ships or of operating ships makes no difference, it is bound under the law to so conduct itself as to make money if money is to be made in the business in which it is to be engaged. Does anybody dispute that?

Mr. SMITH of Georgia. Yes; in one sense.

Mr. CUMMINS. Well, I should like to hear the sense in which it is disputed.

Mr. SMITH of Georgia. Mr. President, the board has the right to select the routes that are to be used by the vessels under its control. If the general welfare of the people of this country requires, in the judgment of the board, transportation to some point where the traffic is not profitable, the board will have the right to put a line of ships on that route.

The whole scheme involves an effort to broaden the commerce of the United States, to give it a chance to go to the world. The board would not be compelled to select the most profitable place for operation if on that route there was ample transportation for American commerce.

Mr. CUMMINS. Mr. President, this corporation—and I will correct the Senator from Georgia if he will just wait a moment, for I am sure he was in error——

Mr. SMITH of Georgia. I was not going away. I have gotten excused elsewhere. I wanted to hear the Senator's argument.

Mr. CUMMINS. I thought the Senator from Georgia was about to rob me of the delight of his presence.

Mr. SMITH of Georgia. No; not at all.

Mr. CUMMINS. This corporation is a corporation for pecuniary profit. It is to be organized under a law which Congress long ago provided for the District of Columbia, and which is intended to organize corporations for pecuniary profit. It is not an eleemosynary institution. It is not a charitable or benevolent institution. It is organized in order to reward the capital invested in it, and the public is invited to invest its money in the enterprise in order that those who invest may make a profit from such investment.

Now, let us see. The board has no power to conduct the affairs of this corporation. The board can not direct what the corporation shall do, except as it can control the election of directors. That is, annually directors are elected, and the board can then exercise the power of a majority stockholder. After that time the corporation is, under the law, in the hands of the board of directors, and the shipping board can not interfere with its ships any more than it can interfere with any other American ships, in my opinion, unless this bill modifies the law of the District of Columbia.

Mr. LIPPITT. Mr. President——

Mr. CUMMINS. I yield to the Senator from Rhode Island.

Mr. LIPPITT. The answer which the Senator from Iowa has made to the question of the Senator from Georgia would seem to me conclusive, but I wondered if the Senator from Iowa had overlooked another point, which is that under the shipping bill itself the board is obliged to lease these vessels to other parties and not to operate them except in conditions where it is unable to make a suitable lease. There is no assumption in this bill that the board shall operate these ships in any such way as described by the Senator from Georgia.

Mr. SMITH of Georgia. Mr. President, I fully agree with the Senator from Rhode Island that the board is not to operate them if they can be leased properly. If parties will lease them under reasonable terms to operate them upon lines prescribed by the board—because that power is given the board—they can be leased, and should be leased. If they are leased under the terms prescribed by the board for the routes prescribed by the board, that would be most satisfactory. I was discussing a condition which might confront the board where they could not be leased and where they could be operated in the way I have indicated.

Mr. CUMMINS. Mr. President, I had not finished my answer to the Senator from Georgia. I know he thought it was incomplete, and I now conclude it. Does the Senator from Georgia think that a corporation organized under the laws of the District of Columbia, with majority and minority stockholders, can be ordered to do whatever the board thinks it ought to do?

Mr. SMITH of Georgia. No; I do not, unless the terms of the charter subjected it to the direction of the board; but——

Mr. CUMMINS. I have the charter here.

Mr. SMITH of Georgia. But—if the Senator will let me finish answering him—under the terms of this bill the board names the directors, and I think anyone subscribing for stock in this company takes it subject to the limitation of right which this bill carries, and that this corporation must operate along the lines required by the bill, although, I want to add, that I think the possibility of any private citizen taking any stock in this company is hardly to be mentioned. I do not contemplate the possibility of such a thing. I know that if I had quite a large sum of money I would not put any money of mine into it.

Mr. CUMMINS. Why will not the Senator join me in striking it out of the bill, then?

Mr. SMITH of Georgia. I do not see any objection to it.

Mr. CUMMINS. Will the Senator vote with me on that?

Mr. SMITH of Georgia. I should want to think about it. I do not think the provision allowing private subscription to the stock worth a snap of the finger. Frankly, I do not think its being in the bill makes it of any account at all, and I do not know that I should object to voting to strike it out.

Mr. CUMMINS. Mr. President, it is simply a menace in the bill; that is all. I do not know whether the powers that are here given will ever be exercised or not; but I have already pointed out some of the dangers, and I intend to point out now some more.

I disagree with the Senator from Georgia, however, with regard to the effect of this bill. I do not believe it is a new charter. I do not believe it repeals the incorporation act of the District of Columbia. I think it is simply a sham and a pretense. I can not understand why it is here, because this bill assumes that after the corporation is organized and after these directors are elected and after officers are appointed and after the corporation has begun business the board may order it to do anything it desires without any intervention or will on the part of the corporation. I hope somebody on the other side of the Chamber will undertake some defense of this nameless, vagrant corporation that is intended to be created.

Mr. SMITH of Georgia. Mr. President, I will tell the Senator why I think it is put in.

Mr. CUMMINS. I am glad the Senator has discovered the reason.

Mr. SMITH of Georgia. I think it is put in because at present there are complications in the world, and it may be that the ships can be handled better through a corporation than simply by the board. It may be that the board will find that the most practical way to handle it; but unquestionably the Senator will agree with me that this company does not become simply a company under the laws applicable to the District of Columbia. It takes all the limitations which this act places upon it. The provisions of this act become ingrafted into the charter of such a company, and it can not disregard or obviate those responsibilities and those liabilities.

Mr. CUMMINS. I am not going to dispute that as a legal proposition. I think it is competent for us to repeal certain parts of the incorporation act of the District of Columbia so far as it relates to a corporation of this sort; and I am simply trying to point out the utter hypocrisy of the whole proposal. After you have organized the corporation with its capital of $99,999,000——

Mr. SMITH of Georgia. Fifty million dollars.

Mr. CUMMINS. No; it can be incorporated with a capital of $99,999,999. All that is necessary is that the shipping board shall own a majority of the stock.

Mr. SMITH of Georgia. Section 11 says that the total capital stock shall not exceed $50,000,000.

Mr. CUMMINS. No; the Government's interest in the capital stock.

Mr. SMITH of Georgia. No; it says the total capital stock shall not exceed $50,000,000.

Mr. CUMMINS. In any one corporation; but you have authorized here the organization of just as many corporations as $50,000,000 will control.

Mr. SMITH of Georgia. No.

Mr. CUMMINS. Why, certainly. I will read it, in order that the RECORD may be clear upon that point:

> That the board, if in its judgment such action is necessary to carry out the purposes of this act, may form under the laws of the District of Columbia one or more corporations for the purchase, construction, equipment, lease, charter, maintenance, and operation of merchant vessels in the commerce of the United States. The total capital stock thereof shall not exceed $50,000,000.

Now, what does "thereof" mean?

Mr. SMITH of Georgia. Of all of said companies.

Mr. CUMMINS. No; of any one of such corporations.

Mr. SMITH of Georgia. Oh, no.

Mr. CUMMINS. Will the Senator from Georgia undertake to correct it in that respect?

Mr. SMITH of Georgia. I would vote to correct it. I so understand it still.

Mr. CUMMINS. If that is the meaning, it is very unhappily expressed.

Mr. SMITH of Georgia. I do not think so.

Mr. CUMMINS. I have not been able to read it in any other way than that.

Mr. SMITH of Georgia. It does not say "the total capital stock of one of said companies," but it says that several companies may be organized, the total capital stock of which shall not exceed $50,000,000.

Mr. CUMMINS. I construe it to mean the total capital stock of any one of those companies. It may be that that was not intended.

Mr. SMITH of Georgia. And I have never heard the suggestion that the Government would put more than $50,000,000 into the capital stock if it took all of the capital stock.

Mr. CUMMINS. The Government is not to put more than $50,000,000 into the capital stock; that is true.

Mr. SMITH of Georgia. If it took all of the capital stock, it could only be $50,000,000.

Mr. CUMMINS. Well, I will discuss it now upon the basis of the interpretation put upon it by the Senator from Georgia. We have a corporation with a capital stock of $50,000,000, of which the Government, we will assume, owns $25,000,100.

Mr. SMITH of Georgia. My view is that the Government will own $50,000,000 of it.

Mr. CUMMINS. That is the Senator's view.

Mr. SMITH of Georgia. I have not a question about it.

Mr. CUMMINS. The Senator from Georgia is not to manage this board, however.

Mr. SMITH of Georgia. No; but I do not believe any other result will follow.

Mr. CUMMINS. This board is to do what it pleases; and I am not willing to grant power of this sort upon the assumption that the board is omniscient and omnipresent and will be guided by the very highest principles of patriotism and the highest standards of wisdom. No! The board may consider it necessary for the commerce of this country to exercise all the power that is granted to it.

Let us see. The corporation is organized and it selects its board of directors. The board of directors, under the law, elects the officers. I do not know where they are to get directors, unless they take a majority of them from the minority stockholders, for there is not a word of qualification in the law that will permit any other person to become a director or an officer. Then the Senator from Georgia says that the corporation ceases to exist, practically, and that the shipping board shall order its conduct. It shall determine what ships it shall buy. It shall determine what ships it shall lease or charter and the terms upon which the lease or charter shall be made. Is the Senator from Georgia willing to engage in an operation of that sort, so uncandid, so deceptive?

Mr. SMITH of Georgia. Why, Mr. President, I say to the Senator that I do not see anything deceptive or uncandid about it. As I understand it, the transaction is this: The

board has the right, if it is desired, during the next period of a few years to operate these vessels through a charter, through a corporation.

Mr. CUMMINS. No; the bill does not say that.

Mr. SMITH of Georgia. Yes; I think it does.

Mr. CUMMINS. No; the bill says "in order to carry out the purposes of this act."

Mr. SMITH of Georgia. Well, for the purpose of carrying out this act, if the board deem it advisable they can obtain a charter for not over $50,000,000. They can take all of the stock. They must take a majority of it in the name of the United States. The United States Government must own the majority of it. It can own all of it. If any private person has money that he wishes to put up alongside of the money of the Government, when the Government has the majority of it—I think nobody would do it—but if anybody wants to do it, I see no objection to it. I think it would be rather a philanthropic investment if it were taken, because the whole tenor of this bill shows that these vessels are to be operated to promote American commerce. They are to be leased out, if it can be done, if parties will take them and operate them upon lines designated, but if they can not, they are to be operated anyhow in order that American commerce may move. I do not think many people would want to take stock in that kind of a company, although it may prove profitable and I do not think its failure to prove profitable would give them any right to interfere with the management.

Mr. CUMMINS. Mr. President, it is just like a thousand other instances of investment in business. Many a man operates through a dummy.

Mr. SMITH of Georgia. I do not see anything deceptive about it.

Mr. CUMMINS. Many a man organizes a corporation, and has his subordinates, his clerks, those who are subject to his command, to stand before the public as his representatives, as the corporations through which his operations are carried out. The fact that men do it, however, does not, as it seems to me, make it desirable for the Government of the United States to do it.

Mr. SMITH of Georgia. If the Senator will allow me, it is expressly provided that even if the corporation is organized, the corporation shall not operate these vessels if the board can lease them out. It really amounts to a provision that the board may create a corporation and still control it.

Mr. CUMMINS. No; Mr. President. The corporation is to acquire the ships. The corporation is the owner of the ships, and ordinarily the corporation would determine how they were to be operated and to whom they should be chartered. But this bill declares that the board shall determine to whom the ships shall be leased and upon what terms they shall be leased.

But I now carry the Senator from Georgia a little further. He is thinking that the Government is to undertake a liability of not more than $50,000,000. That seems a very small sum in these days. We are appropriating these millions with a prodigality for which history furnishes no precedent. But the Senator is wrong about that. When this corporation is organized with its capital of $50,000,000, what will be its credit? Who is to determine what ships it shall buy, charter, or lease? It is known that the Government of the United States is the owner of a majority of the stock, and what credit does that give the corporation in the markets of the world? I venture to say that the corporation could buy, with this capital of $50,000,000 contributed in this way, a billion dollars' worth of ships. There is absolutely no prohibition as to the amount of indebtedness which the corporation may incur. If the board is as reckless as Congress sometimes is, it can acquire all the ships in the world, because every sensible man, every reasonable man, knows that while there is no legal obligation on the part of the Government, there is a moral obligation to redeem all the debts which may be incurred by this corporation.

Mr. NELSON. Will the Senator yield to me a moment?

Mr. CUMMINS. Certainly.

Mr. NELSON. I should like to have the Senator explain, if he can, how this $50,000,000 can be utilized in a double way; that is, in the matter of purchasing, leasing, and chartering vessels, and how still you have $50,000,000 to invest in this corporation.

Mr. CUMMINS. Certainly; that is a pertinent question.

Mr. SMITH of Georgia. Mr. President——

Mr. CUMMINS. I was about to come to that. I am now citing the extent to which this corporation could go in the acquisition of ships by purchase. It can buy——

Mr. SMITH of Georgia. Will the Senator allow me?

Mr. CUMMINS. In just a moment. It can buy all the $50,000,000 appropriated here will enable it to buy and it can buy all that the credit of the corporation enables it to buy. Now, what will be done?

Mr. SMITH of Georgia. The question of the Senator from Minnesota [Mr. NELSON] seemed in part to be directed to me. If the board puts the money, the $50,000,000, into the corporation, they will operate through the corporation. I do not think the bill contemplates that they should use credit except in so far as it gives them the privilege in section 14.

Mr. CUMMINS. No; it is not this bill which gives the corporation the right to utilize its credit. It is the law under which the corporation is organized, which in this respect is in no wise modified by the measure before us. There is no limit, as I read the statute of the District of Columbia on this point, to the indebtedness that a corporation can incur.

Mr. FLETCHER. The act distinctly provides for an expenditure of $50,000,000.

Mr. CUMMINS. No, Mr. President; that is the intention of the Senator from Florida, and I have no doubt that is the intention of the Senator from Georgia, but that is not the bill. The bill simply says that the United States shall not incur a liability of more than $50,000,000 under the bill, but when the corporation is organized and it incurs an indebtedness, the limitation of the bill does not apply at all, and there is nothing to stand in the way of the onward march of a corporation of this sort toward the acquisition of all the ships that it can purchase, except the indisposition of the owner of a ship to sell to a corporation of this character.

Now, that is not all. I do not believe the Senator from Georgia wants to give that power to a corporation or to a shipping board. I do not believe the Senator from Florida wants to embark upon so wild an enterprise as that; and, inasmuch as it is agreed that this section is a mere pretense, and that it is to be entirely under the command of the board, why not eliminate it entirely?

Another suggestion, which will be food for thought, I am sure: This corporation—and some of the things I say about the corporation can be said with equal application or truth about the board—this corporation is authorized to charter ships, to lease ships, and re-lease them or recharter them. Is not that true?

Mr. FLETCHER. It is.

Mr. CUMMINS. Very well. It can go out, therefore, into the markets of the world and lease just as many ships as it pleases. There is no limitation whatever upon its power to lease ships. It can bring under its charter, if it so desires, all the ships of the earth. I do not think that would be done; I do not think it is practicable to do it; but it has the power to accumulate the greatest fleet of any nation on earth. It can charter or lease and then turn over to anyone who would be willing to take these ships upon terms that may be as good as those under which the ships were brought into the possession of the corporation, or they may be chartered under such disastrous terms that the whole business will be demoralized.

Some one said during the course of the debate that the $50,000,000 invested in ships would not present serious competition for privately owned ships; that it would be a drop in the great sea of enterprise. But if the board desires to do so under this bill it can drive every privately owned American ship from the sea; there may not a single one of them remain.

I am not asserting that this will be done, but why confer a power so absolute, so unrestricted, so unqualified? What is in the background that makes it necessary to clothe any officer or series of officers of the Government with so unbridled a discretion?

Mr. SMITH of Georgia. The peculiar condition of the times and the purpose to make it possible to put $50,000,000 back of a corporation to charter vessels, to buy vessels, and to help see to it that there is a chance for American commerce to move under the peculiar circumstances that may confront us a little later on.

Mr. LIPPITT. Mr. President——

Mr. CUMMINS. I will yield in a moment. Mr. President, mark you, I am not arguing now against nor, as the Senator knows, am I opposed to the intervention of the Government in the acquisition of ships. I made that perfectly clear a year ago. But I am unalterably opposed to the method of acquiring and using these ships proposed in this bill. I yield to the Senator from Rhode Island.

Mr. LIPPITT. The Senator from Georgia a minute ago said it was necessary to obtain ships that American commerce might move. American commerce, I understand, is moving at this very moment in a volume larger than the world ever saw. I believe American commerce is moving at the rate of something over six billion dollars a year, or almost twice as much as American commerce ever did move before in the history of the country. Why, then, do we have to go to this extraordinary novelty in order that American commerce must be made to move?

Mr. SMITH of Georgia. I understand perfectly the situation to which the Senator from Rhode Island refers. I understand furthermore that there are places to which the movement of our commerce finds a hindrance. I understand further that there are places to which it is likely in the near future to find more interference. I regard it as a splendid safeguard to make this investment and to make sure that regardless of agreements between allied powers and regardless of methods that may confront us in the near future rather than those now existing to check our commerce, we will at least take a step toward protecting it.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Florida?

Mr. CUMMINS. I do.

Mr. FLETCHER. Before the Senator passes from the other statement with reference to the power of this corporation to use these ships and drive out of business all other ships that might be engaged in the same business, I want to suggest to him that the utmost that could be purchased, built, or acquired under the bill for $50,000,000 has been estimated by some at 300,000 tons, by others at 700,000 tons. It may be nearer right to say 500,000 tons. It is estimated that the necessary tonnage to enable American shipping to handle 60 per cent of our commerce would be from 6,000,000 to 10,000,000 tons. Now, if it requires 6,000,000 tons to give us 60 per cent of the tonnage we need, and we can add only 500,000 tons under the bill, how can the Senator argue that that would destroy and drive out of business the 5,500,000 tons?

Mr. CUMMINS. I was pointing out the fact or conclusion of law, whichever it may be called, that under the bill either the board or the corporation could acquire not only the 500,000 tons that might be purchased with $50,000,000, but that it could acquire 10 times that amount with the credit of the corporation, and not only so, but that it could acquire an unlimited tonnage through the process of charter and lease without exceeding the capital or the obligation which the United States undertakes formally.

Now, Mr. President, I desire to ask the Senator from Florida, who I understand is in charge of the bill, a question. I have concluded all that I have to say with reference to section 11, which authorizes the creation of a private corporation to carry on the business whether through operation or charter or lease. I understand the committee amendments to section 11 have not been adopted.

Mr. FLETCHER. No amendments have been acted upon at all.

Mr. CUMMINS. I ask the Senator whether he would prefer that I submit my amendment, which seeks to strike out section 11, at this time or whether he would rather I would withhold the amendment until the committee amendments are acted upon?

Mr. FLETCHER. I think the usual course is to perfect the bill by action upon the committee amendments and then after that is done other amendments are in order.

Mr. CUMMINS. Then the Senator would rather that I should pursue that course?

Mr. FLETCHER. I would.

Mr. CUMMINS. I will do so.

Then, Mr. President, I move forward for just a few moments to another feature of the bill. I come to those parts of the bill which begin with and follow section 15. These parts of the bill have nothing to do with the shipping board as an owner of ships or as a charterer or lessor of ships, nor have they anything to do with the powers of the corporation in these respects. The bill, beginning with and following section 15, is an adaptation of the interstate commerce law applied to commerce on the high seas or foreign commerce, and applied also to commerce upon the Great Lakes.

It will not be doubted, I am sure, and certainly it will not be disputed that sections 15, 16, 17, 18, 21, and 22 are regulations of foreign commerce. If there is any question about that proposition I would be glad if it were made now. I repeat that these sections are attempts to regulate commerce with foreign nations.

The Senator from Georgia [Mr. SMITH] is one of the most accomplished lawyers in this body. I do not believe that there is any Senator upon whose judgment with respect to questions of law I have greater reliance than upon his. I ask him this question. He is familiar with the sections I have referred to. Does the Senator from Georgia believe that we can impose the regulations there prescribed upon foreign ships?

Mr. SMITH of Georgia. I hope the Senator will not feel that he has simply captured me by his courteous introduction to his question, but I am obliged to admit to him that I have doubted very much the wisdom of those provisions.

Mr. CUMMINS. The Senator displays his usual candor and fairness.

Mr. SMITH of Georgia. Mr. President, I have been sent for by the Finance Committee again for a moment. I hope to get back soon.

Mr. CUMMINS. I emphasize his implied conclusion. I am sure, guided by the learning of the law, that we can not impose these regulations upon foreign ships. That is not to say that we could not exclude foreign ships from our ports or attach conditions to their entry to our commerce. I do not question our power in that respect. I assert, however, that if a foreign ship were to engage in the commerce of the United States with a foreign country and were to violate any one of these provisions there could be no conviction under this law. We might, therefore, just as well admit and continue the further examination of this subject, with the understanding that these regulations can not be and will not be imposed upon the foreign ships which carry our commerce to other lands or that bring the products of other lands to our shores. I admit freely our power to impose these regulations upon American ships, and if these sections become a law American ships must obey the provisions here found, and, I assume, will obey them.

What, then, is the situation? We were talking, a few moments ago, I was about to say, Mr. President, but it may have been longer than that, time passes so quickly here that I take no note of its flight—we were talking a little while ago with regard to the conditions which prevail as between foreign ships and American ships, and we all agreed that the American ships were already under such burdens that they could not successfully compete with their foreign rivals. Every Senator, every intelligent citizen of the United States knows that to be true; yet what do you propose in this bill? You propose a system of rigorous regulation, the imposition of many additional burdens upon the American ship from which the foreign ship will be absolutely free.

Mr. SHERMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Illinois?

Mr. CUMMINS. I yield.

Mr. SHERMAN. I desire to make an inquiry of the Senator. I wish the Senator would develop—I have not had the pleasure of listening to all that he has said—if he has not already done so, what the necessary effect would be of port regulations of this kind on foreign shipping? We depend for our export trade on privileges in foreign markets for our own shipping, conceding that we should develop proper shipping facilities of our own. If we impose upon foreign shipping coming to our ports, the provisions found in this bill, such as fines, the attachment of shipping, the confinement in port, thus disturbing the schedules of sailing and the delivery of merchandise at other points, what would be the natural effect of such regulations when other powers began to deal with our shipping abroad, if we should develop it?

Mr. CUMMINS. Mr. President, the natural effect and the inevitable effect would be reprisal, of course; but I am not emphasizing that phase of the subject now. I am assuming that there would be no reprisals. I have said, and I repeat, that these regulations can not be imposed upon foreign ships. Although by the terms of the act foreign ships are included, every lawyer knows, and everyone else familiar with the subject knows, that they could not be and would not be imposed upon foreign ships. You will have then prepared for the American public this astonishing and unprecedented situation: Here are two rivals, two competitors. The American ship represents one and the foreign ship represents the other. The American ship is already staggering under the burden of unfavorable and unfortunate conditions; the foreign ship is free. We can barely put a single ship on the ocean under those conditions now.

I am speaking, of course, of normal times. Yet with the handicap that our ships already suffer, it is proposed by this bill to institute a system of regulation and restriction upon the weak, to which the strong need not yield, and will not yield. Instead of adding an additional burden, if I may use the language of the race track, for the fast horse, in endeavoring to equalize the race, if it is a handicap race, you are adding additional weight to the slow horse. In the language of the game with which I am most familiar, and in which I sometimes indulge, instead of giving some odds to the weak player in golf, you are giving those odds to the strong player on the greens. Who ever heard of an arrangement of that sort for the encouragement or the equalization of commerce or of any other business?

Senators, you are disobeying, and disobeying for the first time in the history of the world, the fundamental principle of Government regulation. It is this: When this or any other nation regulates commerce in order to protect its people, its regulation

must fall alike upon all competitors. Who ever heard of regulating one competitor and allowing another to escape? Who would think of attempting to regulate one railway in the United States, and allowing all the others to do as they pleased? It is—and I say it with all deference to my friends upon the other side—the most indefensible and inexcusable proposal I ever heard.

If you could put these regulations upon foreign ships as well as upon American ships; I would say nothing about their wisdom; there is but one of them concerning which I would complain at all.

They are all good in and of themselves, all save one; but you can not hamper our commerce by these regulations, even if now and then a wrong is perpetrated, unless you can bring the competitors of our ships under the same rules and restrictions. Instead of developing commerce, instead of enlarging the merchant marine, you are hastening to destroy what little we have. Therefore I intend to move, Mr. President, to strike out these sections; and I earnestly hope that my Democratic friends, who are moved by the very same purpose that actuates me, who want to accomplish the same things I desire to accomplish, will receive that suggestion with favor, and will eliminate these proposals of regulation upon foreign commerce.

Now, mark you, I will not seek to strike out the regulations which have been imposed upon interstate commerce, for with regard to that commerce we can lay our hand upon all of the vessels engaged in it alike.

Mr. SMITH of Georgia. The Senator means in the domestic ports—the coastwise trade.

Mr. CUMMINS. Yes; so far as we can control that commerce, I am entirely willing to bring it under the regulation of the board; I think it ought to have been done long ago; but when it is attempted to strangle a commerce that we are seeking to encourage and to promote, I can not but raise my voice in protest against it. I will not make the motion now, because, under the suggestion of the Senator from Florida [Mr. FLETCHER], a more appropriate time will come after the committee amendments are disposed of.

I shall have one further amendment to offer to this bill. If my former amendment is not successful, I shall move to strike out of section 16, beginning with line 18, on page 17, and concluding with line 3, on page 18. This is the part of the bill which repeals the antitrust laws as to all matters over which the shipping board is given jurisdiction.

Mr. President, it will be remembered that the antitrust law simply prohibits a restraint of trade. It prohibits nothing more; it prohibits nothing that encourages trade; it prohibits nothing that tends to build up commerce through competition; and to strike down the antitrust law with reference to commerce or transportation by water and substitute the unrestricted and unguided judgment of a shipping board for the standard of the antitrust law, is more, I think, than the calm and considerate temper of the American people will allow. You can not do it; even now you can not affect all foreign commerce with the antitrust law. Suppose that three ships in Germany combine with each other in such a way as if the combination were made in America, it would be a violation of the antitrust law. That sort of combination can be made, not only in harmony with the law of Germany, but, under some circumstances, the law of Germany commands that course of combination. They do business with America. We can not reach them; we have never pretended to reach them; we have only attempted to control our own affairs. If it were proposed simply to modify some of the rigors of the antitrust law, undoubtedly many Senators would agree with the proposal, but you strike down the entire antitrust law with respect to all commerce of the United States by water. I hope it will not be done. If we repeal the antitrust law, let us substitue at least some rule of law to guide the shipping board in determining what combination, what conspiracies, what agreements are in the public interest and for the public good. Do not set them at large to use their unbridled or unregulated discretion with respect to such an important and vital matter.

These are the three amendments, Mr. President, which, when the proper time comes, I intend to offer. I have discussed them at this time because, notwithstanding the rather depressing atmosphere which prevailed when I began my argument, I still have some hope that there will be real consideration of this measure and of the objections which have been made to it. I hope from the bottom of my heart that the public interest, the public welfare, will so occupy the minds and hearts of the Senators upon the majority side of this Chamber that they will forget that this bill was ever discussed or ever considered in any other place than the Senate of the United States.

Mr. SMITH of Georgia. Mr. President, I want to say to the Senator that the bill never was discussed in a Democratic conference; it has never been before a Democratic conference.

Mr. CUMMINS. Mr. President, the Senator from Georgia knows better than I as to that, but——

Mr. SMITH of Georgia. There were features of the bill which were discussed, but the bill as a whole never was before a Democratic conference.

Mr. CUMMINS. The Senator from Georgia will remember that a year ago it became the subject of caucus action, and certain Democratic Senators asserted their views as against the caucus action. Something happened this year to change the bill so that the Senators who were then opposed to it have become at least reconciled to it. That could only happen through a conference of some sort.

Mr. SMITH of Georgia. Mr. President, before the Senator from Iowa leaves the Chamber, I wish to qualify a statement I made a few moments ago, that this bill had not in any sense been considered in a Democratic conference. I am mistaken about that. There was no action upon it, but there was some discussion of its features during the present session in a Democratic conference. The fact had escaped my recollection, and I stated the contrary so positively that I was not willing for the Senator from Iowa to leave without my qualifying the statement. As I have said, it merely escaped my recollection that such a proceeding took place.

Mr. CUMMINS. I had no other information save that which I have received from the newspapers.

Mr. SMITH of Georgia. I knew that I had been in a conference discussing it, but I did not remember that it was in a Democratic conference where all participated.

RELIEF OF FLOOD SUFFERERS IN WEST VIRGINIA.

Mr. ROBINSON. Out of order and by direction of the Committee on Appropriations, I ask leave to report, with an amendment, Senate joint resolution 165, and I ask unanimous consent for its present consideration.

Mr. PENROSE. What is the resolution?

Mr. ROBINSON. I ask that the Secretary read the joint resolution.

The SECRETARY. A joint resolution (S. J. Res. 165) for the relief of the flood sufferers in West Virginia.

Mr. PENROSE. What amount does the resolution carry?

The PRESIDING OFFICER. The joint resolution carries $100,000, as the Chair is informed.

Mr. PENROSE. Is there any qualification as to the expenditure of the money or is it a pure gift?

Mr. CHILTON. Let the joint resolution be read.

Mr. PENROSE. Let it be read.

The Secretary read the joint resolution (S. J. Res. 165) for the relief of the flood sufferers in West Virginia.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

Mr. GALLINGER. Mr. President, I suggest to the Senator from West Virginia that he add a provision that the report to Congress shall be made at the beginning of the next session.

Mr. CHILTON. I will accept that amendment.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

Mr. PENROSE. I do not intend to object to the consideration of this joint resolution, Mr. President. The reckless and lavish appropriations made by the present Congress have bankrupted the Treasury, notwithstanding any revenue bill that may pass, and the minority certainly are not responsible for this condition; and as far as I am concerned the merry dance can go on. It is a fairly good campaign contribution to the Senator from West Virginia.

Mr. CHILTON. Mr. President, nothing that I have ever done in the Senate or anywhere else in my life deserves such a remark as that from the Senator from Pennsylvania, and I firmly believe that there is not another man in public life who was ever associated with me who would seriously make that remark.

It is a very sad duty, Mr. President, for us to approach questions of this kind out of a sense of duty, to relieve little children, to relieve suffering women and poor men, workingmen, miners who are thrust into this sad situation by the act of God. It is very hard for us to come to the Congress with these things, even under those sad circumstances and under such high promptings of duty. I think the remarks of the Senator yesterday and to-day are entirely out of order; but I will leave those remarks to the country, and I would be willing to submit them even to his own constituents.

Mr. President, I should like to put in the RECORD, without reading, some telegrams from officials and others in the State of West

Virginia showing the further extent of this flood; and I ask unanimous consent that the joint resolution be adopted.

The PRESIDING OFFICER. In the absence of objection the telegrams will be printed in the RECORD.

The telegrams are as follows:

CHARLESTON, W. VA., *August 14, 1916.*

Senator W. E. CHILTON,
United States Senate Chamber, Washington, D. C.:

Have been on the ground and personally know at least 2,500 people in Boone County homeless and destitute. Conditions horrible. I know little of conditions in Kanawha, except Cabin Creek is absolutely devastated. Griffithville I understand to be washed out. Will take $500,000 to replace our people where they were. The people are camping in the open on high ground without housing or tents.

WM. OSBORNE,
United States Marshal.

CHARLESTON, W. VA., *August 14, 1916.*

Hon. W. E. CHILTON,
United States Senate, Washington, D. C.:

On Wednesday, August 9, 1916, the greatest calamity which has ever occurred to the people of West Virginia befell the miners and residents of Cabin Creek, Paint Creek, Big and Little Coal Rivers, and tributaries in the counties of Kanawha and Boone, this State, caused by a cloudburst, thereby flooding the entire valleys of the respective streams, causing the death of no less than 100 men, women, and children and property damage inestimable. From 30,000 to 35,000 people live in these flooded districts, and practically all who survive have been rendered poverty stricken, homeless, penniless, and helpless. The State of West Virginia and the people of the State are rendering all the aid available at their hands, but the aid is inadequate and insufficient to satisfy the great demand of the sufferers. Sanitary conditions are of the most deplorable nature and demand immediate attention. I have personally witnessed the above conditions. Answer.

HENRY E. PAYNE,
President the Young Men's Business Club.

CHARLESTON, W. VA., *August 14, 1916.*

Hon. W. E. CHILTON,
United States Senate, Washington, D. C.:

At a mass meeting to-night of the citizens of Charleston a resolution was unanimously adopted commending your efforts in the United States Senate to secure Federal assistance to relieve the suffering of thousands of homeless and destitute people on Cabin Creek and Coal River. Local help, while generous, has not been sufficient to meet the needs of a large and homeless population, and while valiant efforts have been made, the situation is such as to demand the attention of the Federal Government. Miles and miles of fertile valleys have been swept clean by the cloudburst and millions of property damage suffered. You can not impress your colleagues in the Senate and the House of Representatives too forcibly of the urgent request for assistance.

L. E. SMITH,
Chairman Citizens Relief Committee.

CHARLESTON, W. VA., *August 14, 1916.*

Hon. W. E. CHILTON,
United States Senate, Washington, D. C.:

It is my opinion that $100,000 would go far toward relieving the necessities of the people on Cabin Creek and Coal River. While many are in need of food, the demand is for the necessities of housekeeping and clothing, that the man of the house may be able to work. The operators on Cabin Creek are doing all they can to relieve the suffering, and are giving employment to all their men rebuilding their plants, though their loss is enormous.

JOHN L. DICKINSON.

CHARLESTON, W. VA., *August 15, 1916.*

Hon. W. E. CHILTON,
United States Senate, Washington, D. C.:

The homeless people of Coal River and Cabin Creek are praying that your bill asking for $200,000 will pass. It will take at least $500,000 to take care of these homeless people until they can manage to care for themselves. But with the aid of our people, we can take care of the balance. It will be a godsend for these people if Congress will appropriate $200,000. The destitute and suffering is more than can be described. It will be impossible for our people to raise sufficient funds to take care of these people until they can help themselves. I feel sure that the Senate and Congress of the United States will be patriotic enough to respond to these needy and suffering people.

SAMUEL STEPHENSON.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which had been reported from the Committee on Appropriations with an amendment.

Mr. GALLINGER. Mr. President, just one word before this matter is voted upon.

I have not favored these appropriations, as a rule; but the Senator from West Virginia detailed to the Committee on Appropriations a condition that exists in that State as a result of this visitation that touched my heart very deeply, and inasmuch as we have been making appropriations of a similar nature, I felt very strongly that this joint resolution ought to pass.

I hope, however, that after a while we will take up this whole subject and see whether or not it is wise for the Congress to make appropriations whenever a calamity of this kind occurs in any part of the country.

Mr. PENROSE. These appropriations will cease when the rainy season is over.

Mr. ROBINSON. Mr. President, the Senator from New Hampshire has made a statement with which I concur. The evidence before the Committee on Appropriations disclosed an appalling situation in West Virginia, and one which, in the opinion of the committee, calls for immediate action. In that view of the matter the committee made it an emergency proposition.

Mr. VARDAMAN. Mr. President, I hope that in the providence of God our people may be spared the devastation of floods and the horrible ravages of the pestilence; but God forbid that the time shall ever come when Congress will refuse to respond promptly to the call of the needy for help. The people—our masters—whose toil produces the money that we appropriate to meet the wants of the unfortunate, if consulted, would heartily approve the donation. There is no extravagance in charity and no wastefulness in helping those whom misfortune has rendered unable to help themselves.

I sincerely trust that this joint resolution may be agreed to at once. Promptness of action on the part of the Senate will give a flavor to our deeds that will add to the satisfaction and sense of gratitude of those who receive, that joy which the spirit of love always brings the sorrowing heart.

The PRESIDING OFFICER. The Secretary will state the amendment of the committee.

The SECRETARY. On page 1, line 3, the committee proposes to strike out the numerals "$200,000" and to insert "$100,000."

The amendment was agreed to.

The SECRETARY. The Senator from New Hampshire [Mr. GALLINGER] offers the following amendment: On page 1, line 14, after the word "Congress," to insert "at the beginning of the next session," so as to make the joint resolution read:

Resolved, etc., That the sum of $100,000, or so much thereof as may be necessary, is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the relief of persons suffering by reason of the recent floods on the waters of the Kanawha, Mud, and Coal Rivers in West Virginia. The Secretary of War, under such regulations as he may prescribe from time to time, is authorized to expend said sum, or so much thereof as may be necessary, in relieving destitution and caring for the injured and homeless who are suffering from the result of said flood and providing sanitary conditions, and he shall keep accounts of his expenditures hereunder and shall report the same to Congress at the beginning of the next session, and shall, as far as possible, cooperate with local and State authorities and relief associations and organizations; and he may use any Army tents, equipment, or supplies which he may deem proper in affording adequate and immediate relief.

The amendment was agreed to.

The joint resolution was reported to the Senate as amended, and the amendments were concurred in.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

NATIONAL PARK SERVICE—CONFERENCE REPORT.

Mr. MYERS submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15522) to establish a national-park service, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 2, with an amendment as follows: "except that this provision shall not apply to the Yellowstone National Park."

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same.

H. L. MYERS,
C. S. THOMAS,
REED SMOOT,
Managers on the part of the Senate.

SCOTT FERRIS,
EDWARD T. TAYLOR,
WM. L. LA FOLLETTE,
Managers on the part of the House.

Mr. MYERS. I ask for the adoption of the conference report.

Mr. SMOOT. Mr. President, I will say that all that there is in the report is a change in the provision as to grading in the Yellowstone National Park, which in the amendment agreed to by the conferees is prohibited, as the Senator from Wyoming [Mr. CLARK] requested.

Mr. MYERS. I move that the conference report be adopted.

The report was agreed to.

CHARLESTON & NORFOLK STEAMSHIP CO.

Mr. SMITH of South Carolina. Mr. President, I ask unanimous consent for the present consideration of Senate resolution 249. It is simply a resolution requesting the Interstate Commerce Commission to reopen a case. All the members of the

committee have signed a favorable report upon the resolution, and it is simply a request for reopening the case for hearing.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. SMOOT. Let the resolution be read first.

The PRESIDING OFFICER. The Senator is reporting the resolution from the Committee on Interstate Commerce.

Mr. SMITH of South Carolina. Yes; and I should say that there are two amendments.

Mr. SMOOT. I will ask the Senator if the resolution is on the calendar.

Mr. SMITH of South Carolina. No; it is not on the calendar; it is just reported and from the committee.

Mr. SMOOT. If it is on the calendar I shall object to its consideration.

Mr. SMITH of South Carolina. It is not on the calendar. It is just reported. I saw the members of the committee, and they are all favorable to the resolution.

Mr. SMOOT. Let the resolution be reported.

Mr. PENROSE. Let it be read.

The PRESIDING OFFICER. The Secretary will read the resolution.

The Secretary read the resolution.

The PRESIDING OFFICER. The amendments of the committee will be stated.

The SECRETARY. On line 8, page 3, after the word "that," strike out the words "an opinion" and insert "a decision"; and in line 9, after the words "Interstate Commerce Commission," strike out "as to whether or not the proportional rates prayed for by the petitioner will or will not be granted in advance of the actual purchase of the steamships," so as to make the resolution read:

Whereas the Charleston & Norfolk Steamship Co., a corporation duly empowered by charter from the State of South Carolina to acquire, by purhcase or otherwise, steamships and operate the same as common carriers; and

Whereas said company petitioned the Interstate Commerce Commission to put into effect certain proportional rates from Cincinnati, Louisville, and so forth, to Norfolk and Newport News on traffic destined to Charleston, S. C., such proportional now being applied by aforesaid railway companies in connection with rail lines leading south into Carolina territory; and

Whereas the Interstate Commerce Commission, in an opinion dated June 30, 1916 (docket No. 8081), dismissed said petition on the ground that the petitioner was not a common carrier; and

Whereas the Interstate Commerce Commission, in the Flour City Steamship Co. against The Lehigh Valley Railroad Co. (Interstate Commerce Commission Rept. No. 24, pp. 179 to 186), defined the status of a common carrier by water, such as proposes to operate under nondiscriminatory traffic arrangements, in specific terms; and

Whereas the position of the Charleston & Norfolk Steamship Co. is the same as that of the Flour Steamship Co., in that said company can not afford to make enormous expenditures in equipment pending a decision as to whether or not it is entitled to the nondiscriminatory traffic arrangements with the rail carriers leading into Norfolk; and

Whereas, subsequent to the decision of the Interstate Commerce Commission in the Flour City Steamship Co. case, the act to regulate commerce has been further strengthened by the passage of the Panama Canal act, under date of August 24, 1912, which empowers the Interstate Commerce Commission to establish proportional rates over rail lines when property may be or is transported to or from port by rail carriers; and

Whereas this act confers additional powers upon the Interstate Commerce Commission to those it exercised when the Flour City case was decided; and

Whereas the Charleston & Norfolk Steamship Co. has been organized by the merchants of Charleston for the express purpose of bringing relief from an unduly discriminatory rate adjustment and for affording an economical means of transportation; and

Whereas the Interstate Commerce Commission, in its decision in the Flour City case, established the principle that the company was entitled to a decision on the merits of the case before the said company made large expenditures in equipment: Therefore be it

Resolved, That the Interstate Commerce Commission be requested to initiate an investigation upon its own motion and, in conjunction with this proceeding, reopen the case of the Charleston & Norfolk Steamship Co. against The Chesapeake & Ohio Railway Co. and others (docket No. 8081), and give all parties an opportunity to submit any further testimony or arguments and that a decision be rendered by the Interstate Commerce Commission.

Mr. GALLINGER. I will ask the Senator if this is a Senate resolution?

Mr. SMITH of South Carolina. It is a Senate resolution, simply calling for the reopening of a case.

Mr. GALLINGER. Is it competent for the Senate, acting in an individual capacity and ignoring the other branch of Congress, to instruct——

Mr. SMITH of South Carolina. It is not an instruction. It is simply a request. It was put in that form, because the conditions have already been complied with in Charleston, and it was simply to ask an expedition of this work.

Mr. GALLINGER. I am very sure this ought to be a joint resolution, and for that reason I shall object to its present consideration.

The PRESIDING OFFICER. Objection is made.

Mr. GALLINGER subsequently said: Mr. President, a little while ago I objected to the consideration of the resolution presented by the Senator from South Carolina. If no other Senator feels that the resolution is not in good form, I am not going to put my judgment against that of the Senator from South Carolina, and I withdraw the objection.

The PRESIDING OFFICER. If there is no objection, the Senate will proceed to consider the resolution as in Committee of the Whole. The question is on agreeing to the amendments reported by the committee, which have been stated.

The amendments were agreed to.

The resolution as amended was agreed to.

THE MERCHANT MARINE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15455) to establish a United States shipping board for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a merchant marine to meet the requirements of the commerce of the United States with its Territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and interstate commerce of the United States; and for other purposes.

Mr. FLETCHER. Mr. President, before we adjourn I desire, just to meet some of the arguments that have been urged on the other side with reference to the pending bill, wherein particularly it was claimed that there was no expression of opinion from any responsible source in favor of this bill, to ask to have inserted in the CONGRESSIONAL RECORD three editorials from the Washington Post and an editorial from the Coast Seamen's Journal, the last editorial being dated August 9, as bearing on this question.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

[From the Washington Post of May 17, 1916.]

THE COUNTRY DEMANDS THE AMERICAN MERCHANT MARINE.

The bill for creating an American merchant marine is before the House of Representatives, and the people of the United States expect the Members of the House and of the Senate to do their duty to them and to the Republic by establishing that long-promised marine.

For 32 years of Republican control of Federal power and for eight quadrennial periods of promises to establish a merchant marine for the Nation those promises were not fulfilled.

For an equally long period of Democratic pledges for a merchant marine and eight years of Democratic control of Federal power all the results the American people had were the unfulfilled promises of the party.

It has been a long period of national subordination upon the high seas, a long period of supremacy in facilities of trade for our commercial rivals, and the Republic of the United States was rendered a debtor Nation for half a century largely by this long and grievously felt want of ocean transportation under the Stars and Stripes.

The past two years have so plainly disclosed the absolute necessity of this marine to the great masses of the people of the United States that they are now united as never before, urgent as never before, determined as never before to have that marine established, and they now ask the Congress to provide that marine as a national necessity to the maintenance of the country's prosperity.

They call for it in no partisan spirit, but with a patriotic purpose.

They realize the extent of the losses that agriculturists, miners, manufacturers of the United States have sustained during the past two years would have paid for construction of ten times the vessels that can be provided with the appropriation proposed in the pending measure.

They know, and Members of the House and the Senate know, that the want of a United States merchant marine is costing the people of this country millions of dollars every week at the present time.

The subtle influences which have paralyzed legislation in the past upon this question can not again prevail as against the demands of an aroused public sentiment.

It will not do for Senators and Representatives to face the farmers and the planters this autumn and while their products are rotting in our ports or congested in the warehouses and railway terminals for lack of vessels to carry them to destined ports abroad; it will not do for them to meet these constituents with a record of "no" against the shipping bill.

The miners demand vessels for their outputs and vessels they can depend upon for steady service at reasonable and fair rates.

The manufacturers and the millions of their operatives will not consent to be thwarted again by open or concealed opposition of vessel owners or financial and shipping agents with foreign connections in their efforts to obtain vessels to carry the outputs of the mills, the shops, the factories of the United States.

There is a wave of Americanism sweeping this country from ocean to ocean that calls for the placing of this country in finance, agriculture, industry, and commerce above and beyond ever other nation on the earth, and this can not be accomplished without the creation of an American merchant marine.

For more than 40 years our commercial competitors have had the advantage over this country through their control of ocean transportation.

We impugn the motives of no man in public life; we reflect upon no man who deems it his duty to oppose this measure which we believe so essential to the welfare of the people of the United States; but every vote in opposition to it will receive the hearty approval of the shipping combines of Great Britain, France, and Germany, and of every manufacturer in those countries who will have to compete with our own manufacturers in the markets of the world.

Every vote for the establishment of a merchant marine is a vote for America first.

Every vote for the establishment of a merchant marine is a vote to develop the resources and the commerce of the United States.

Every vote for the establishment of a merchant marine is a vote for making of our ports the centers of a mighty commercial power and influence.

Every vote for the establishment of a merchant marine is a vote for the prosperity of the more than 100,000,000 of people now under the Stars and Stripes.

Every vote for the establishment of the merchant marine, whether that vote is cast by a Republican, a Progressive, or a Democrat, is a vote to redeem party promises made by all parties to the electors of the Union.

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[From the Washington Post.]

WAR RISK PROFITS.

The chief complaint against the Government ship purchase bill has always been that it would eventually bring financial losses to the United States Government, in addition to the loss of $50,000,000 originally invested. The same prediction was made against the establishment of the bureau of war risk insurance, established by Congress two years ago, when the war sent marine insurance rates to a prohibitive point.

Private insurance companies were so fearful of the financial danger involved in giving insurance that in many cases they refused to take any risk at any price. The Government had courage enough to meet the emergency, and it is now announced that after two years of operation the bureau has made a profit of more than $2,000,000.

There have been issued 1,537 policies, covering $138,392,389, on American cargoes and ships carrying contraband goods.

Figures compiled recently show that the gross premiums for insurance issued amounted to $2,904,866, on which losses had been $771,329, of which $58,811 was recovered in salvage.

The bureau now has at risk $12,325,198. The bureau will expire by limitation September 2, but Secretary McAdoo has indicated that he will ask Congress to extend its life to the war's close. Mr. McAdoo echoes the general sentiment with respect to the war risk bureau when he says:

"It has been of incalculable benefit to the business of the country. It has afforded insurance where it was unobtainable from other sources and has reduced war risk insurance rates generally to a reasonable and equitable basis."

The country should learn by experience. The proposal of the Government in connection with the ship-purchase bill is very similar to the proposal that was involved in the establishment of the war risk insurance bureau. Ocean freight rates, like insurance rates, have been abnormally high. The results of the venture will be the same—a lowering of freight rates and the establishment of adequate shipping facilities.

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[From the Washington Post.]

THE MERCHANT MARINE CONTROLLED BY THE GOVERNMENT IS VITAL TO THE INTERESTS OF THE PEOPLE.

It is to the interests of 99 per cent of the 105,000,000 of people in the United States that a merchant marine under governmental control of routes and rates be established.

It is to the interest of every agriculturist that this be done so that the products of the lands he cultivates can be placed at reasonable rates for transportation in the markets of foreign countries so that he may be able to hold those markets as against foreign competitors.

It is to the interest of every agriculturist that vessels shall at all times be available for the transport of the products which represent his time, capital, labor, skill, and energy, and which may largely be reduced in values through lack of vessels.

On the cotton crop of 1914 the planters of the South through lack of available vessels lost hundreds of millions of dollars, and on the 1915 crop, from the first bale to the last bale produced, the price of their cotton has suffered through scarcity of vessels and through the limitation of their markets by the failure of this administration to compel Great Britain to abandon its unjust barriers to our commerce with other neutral countries of the world.

Our foreign commerce, great as it is to-day, can be largely increased after the war, provided this Republic is in position to maintain commercial fleets upon the ocean.

Here is a preparedness that is a necessity in either peace or war, and with this preparedness of a Government-controlled merchant marine this country can maintain its present prosperity, while without it, without the vessels that the Government can control, our foreign trade and our home prosperity will be in the hands of our commercial competitors.

It is not unpatriotic for private capital controlling ocean vessels to merge, combine, or otherwise agree with foreign corporations upon rates that shall be charged or routes that shall be run or not run in order to increase its profits.

Such mergers, combines, or arrangements may be made legally, and it is within the rights of private capital to enter into them for profit, but it is folly for the Government of a great agricultural, industrial, and commercial nation as this is to leave its people and their prosperity subject to such uncontrolled and unregulated ocean transportation.

The manufacturers of the United States and the millions of our people dependent upon the profitable activity of our industries can no more be secure and safe in their business interests while at the mercy of an uncontrolled and unregulated merchant marine subject to merger, combine, and direction of British, German, or French shipping syndicates than they would be dependent upon uncontrolled and unregulated railway lines controlled by commercial competitors.

The Government control and regulation of the merchant marine which is to be established is as necessary to the interests of the people of this Republic as is the merchant marine itself, and both are vital to the prosperity and the progress of the Nation.

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[From the Coast Seamen's Journal of Aug. 9, 1916.]

GOVERNMENT-OWNED SHIPS.

The failure of Congress to act upon the administration shipping bill in September, 1914, and appropriate $40,000,000 for the purchase of merchant ships "was a fatal and irretrievable mistake," says the Secretary of the Treasury, Mr. McAdoo.

From the point of view of dollars and cents there can be no dispute with Mr. McAdoo's assertion. If the amount stated had been available in the fall of 1914 or the early part of 1915, merchant vessels could have been purchased at $40 to $60 per gross ton and the same vessels could be sold to-day for at least double the investment. In addition these vessels could have earned fifty to one hundred million dollars of net revenue, while at the same time carrying American products for the farmer, the manufacturer, and the business man at one-third of the existing extortionate ocean freight rates.

But this is only one story of "what might have been." It is but the logical and natural sequence of paying too much attention to selfish interests masquerading through chambers of commerce and similar organizations. Of course, the necessity for the creation of an American merchant marine for the regulation of ocean freight rates and for the establishment of a shipping board is just as imperative now as it was then. Acting upon this theory the House of Representatives has finally passed such a bill, carrying with it an appropriation of $50,000,000 for the construction and purchase by the Government of a merchant marine, to be utilized both as an essential naval auxiliary in time of war and for commerce in time of peace.

Strange to relate, however, there still remains persistent and apparently implacable opposition to the shipping-board proposal. The five-year limitation on Government ownership embodied in the pending bill does not, in view of opponents of the measure, compensate for the intended permanency of its supervisory and regulatory features. Federal "meddling" with the ship industry, it is held, will discourage investment of private capital in shipbuilding.

To state the case briefly, private interests, as distinguished from public interests, object to any sort of meddling. And, it should be said in passing, the same private interests which are solely responsible for delaying action upon this measure were also wholly responsible for the many years' delay in the enactment of the seamen's law. Private interests claimed all along that any legislation giving freedom to seamen and providing for greater safety of life at sea constituted noxious and objectionable meddling with "their business."

Fortunately Congress finally decided that public interests were of considerable importance in any consideration of the shipping industry, so called. The result was the enactment of the long pending seamen's bill.

To-day all the world knows how all the gloomy predictions about the results of that law have come to naught. All the world knows that American shipowners who opposed it and American newspapers which lied about it were not actuated by motives of patriotism. Neither cared a rap about an American-manned merchant marine; to the contrary, all they wanted was the continued privilege to operate so-called American ships, manned exclusively by the cheapest alien labor.

It is to be hoped that the fatuous reasoning of private interests will not much longer prevent action upon the Government shipping bill. The Commonwealth of Australia has just shown the way by the purchase of 15 modern cargo steamships to be operated by and for the Australian people in carrying the great harvest of wheat to Europe. The people of the Antipodes aim to strike a blow at the war profiteers who have so badly overreached themselves in their eagerness to amass wealth. And the people of our own great Republic can ill afford to much longer remain the willing sheep ever ready for another shearing by unrestrained and uncontrolled private shipping interests.

Mr. FLETCHER. Then, I will state also that there have been numerous letters received and communications and petitions from responsible sources in this connection. I will not weary the Senate with reading them, nor shall I ask to have them all included in the RECORD; but I should like to submit an extract from a letter which came this morning to the Senator from North Carolina [Mr. SIMMONS], the chairman of the subcommittee reporting the bill, to this effect:

I am very much in hopes that the bill you have in hand will be passed, as Heaven knows we need bottoms bad enough, both in foreign and coastwise shipping.

Yours, respectfully,

PUGET SOUND LUMBER CO.,
By E. V. WINTERMOTE, *Secretary-Treasurer.*

In addition to that, I want to insert in the RECORD a communication from the National Business League of America, under date of June 9, 1916.

The PRESIDING OFFICER. Without objection, that course will be pursued.

The matter referred to is as follows:

THE NATIONAL BUSINESS LEAGUE OF AMERICA,
Chicago, June 9, 1916.

Hon. DUNCAN U. FLETCHER,
United States Senate, Washington, D. C.

DEAR SIR: The National Business League of America, an organization which has had 20 years of active and resultful work, and which numbers among its members many of America's best and most unselfish business men, submits to you its views on the bill known as H. R. 15455, recently passed by the House of Representatives and now before your honorable body.

The league submits, first of all, the nonpartisan efforts of two decades to improve the condition of our country, through national legislation, especially such as vitally affects general business interests. Its work in the reorganization of the Consular Service on the merit system, creation of the Department of Commerce, irrigation of the arid lands of the West, and the Federal reserve law are some of its important activities, which undoubtedly are familiar to many of the Members of the Senate. It has enjoyed the confidence of every national administration from President McKinley down to the present time, because its work has always been for the benefit of all the people.

One of the most important of its activities has been to impress the Congress, business men, and the public in general with the fact that our scant merchant marine has always lacked sufficient tonnage to adequately serve our Navy in time of war and to help carry the commerce of our mines, our factories, and our farms to distant parts of the world. It has, therefore, noted with satisfaction the work of the Committee on Merchant Marine and Fisheries of the House of Representatives in connection with the introduction and passage of the abovementioned bill as initiative in the right direction, and while it admits there are imperfections in the bill, it feels that its enactment would tend more toward a greater preparedness than any measure introduced in the Houses of Congress during the past 50 years.

As you gentlemen are no doubt aware, the bill provides, first of all, for the establishment of a United States shipping board. There is no difference of opinion, the league believes, on this point. It provides that in addition to the five commissioners to be appointed by the Presi-

dent, by and with the advice and consent of the Senate, the Secretary of the Navy and the Secretary of Commerce shall be ex officio members. The league heartily favors this provision, for the reason that the executive duties of these officials will practically interlock with the work of the shipping board—the Secretary of the Navy by reason of the fact that these merchant ships are to be auxiliaries of the Navy; that they are to be used also for the purpose of building up a naval reserve; and that some of the military transports not now used by the Navy will be transferred to the shipping board; the Secretary of Commerce by reason of the fact that he is in charge of the Bureau of Navigation, the Coast and Geodetic Survey, the Lighthouse and Life-Saving Services, and probably many of his officials will be needed to advise with the shipping board.

The provision, section 5, whereby "the board, with the approval of the President, is authorized to have constructed and equipped in American shipyards and navy yards or elsewhere, giving preference, other things being equal, to domestic yards, or to purchase, lease, or charter, vessels suitable, as far as the commercial requirements of the marine trade of the United States may permit, for use as naval auxiliaries or Army transports, or for other naval or military purposes," coupled with the further provision of section 14 that "for the purpose of carrying out the provisions of sections 5 and 11 the Secretary of the Treasury, upon request of the board, approved by the President, shall from time to time issue and sell or use any of the bonds of the United States now available in the Treasury under the acts of August 5, 1909, February 4, 1910, and March 2, 1911, relating to the issue of bonds for the construction of the Panama Canal, to a total amount not to exceed $50,000,000," will give the Nation the opportunity it has never had since the Civil War of establishing the nucleus for a merchant marine.

Arguments have been advanced against the Government investing $50,000,000 in ships at this time for the reason that prices are too high. No sincere advocate of preparedness from the standpoint of national defense and the safeguarding of our commercial prosperity could consistently urge any such argument, for the reason that these ships are to be used for two purposes—for carrying a greater portion of our over-sea commerce (and everyone admits that there is great need for this purpose) and, secondly, as auxiliaries for the use of the Navy. No one would vote against the Government building or purchasing battleships because prices are too high; and as these ships are in a sense as important as battleships, it must be apparent that this argument of high prices should not be used at all. Aside from this, the probability is that the prices of ships will be higher before they will be lower, and we need ships now for both the above-stated purposes and have no right to oppose the purchase or construction of these ships because some one may think prices are too high.

The point raised that these ships could not be purchased or constructed at this time is also one that should have no bearing on the proposition, for the Government will find the same difficulty in building naval ships, which must be built in shipyards, that it would find in having merchant ships built, and the sooner it starts the better, for surely nothing can be gained by waiting. Aside from that, with the great abundance of material that is used in the construction of ships; with the fact that the Nation is back of a movement to build up its merchant fleet; that its shipping board is going to devote its entire time to this purpose, would bring about a greater expansion in shipbuilding in this country. The shipbuilders are a little fearful about this present expansion, because they are not sure whether this movement is temporary or permanent, but with the Government's backing permanency would be assured and shipyards would be greatly enlarged.

It seems almost absurd for anyone to oppose this bill on the ground that it means Government ownership and operation, because there is not the slightest probability of Government operation, and as far as Government ownership is concerned it would be best that the Government did not sell these ships. It does not sell its battleships, it owns them, and in view of the fact that these ships are built with the thought in mind that they may be used to increase naval efficiency, surely it would be better for the Government to own them instead of allowing them to lie idle and rot at the docks; to lease them, or, as a last resort, to sell them on condition, of course, that they can be reclaimed. These ships would be an important addition to any preparedness program. It is undisputed that the half million tons, which is the amount that probably could be purchased for the $50,000,000 invested, are absolutely necessary to properly take care of our present naval fleet, and when we add to that, as we will, more auxiliaries, even more will be necessary.

There are other arguments in favor of the enactment of section 11. The principal one, and in the judgment of the league the strongest (for it believes that the Government will be able to sell or lease all the ships constructed under this act), is that because of the fact that the Government will be paying such a low rate of interest and will not be obliged to pay promotion fees, usually incumbent upon corporations which construct ships, the Government will be able to lease on such favorable terms that there will be a great many more requests for ships than the Government can possibly supply. The league would much prefer that the amendment, whereby the Government is to dispose of its ships in five years, be left out of the bill, for it feels satisfied that if the Government operated such ships that it could not sell or lease, in the event of such contingency these ships could be used in opening up new trade routes or covering such routes where improper service is given to this country, and the Government could also use these ships to prevent the possibility of any unfair competition that would put American shippers out of business, in the event that the second provision of section 15 would not be effective enough.

Probably the most important provision of the bill (although section 12, whereby a naval auxiliary reserve will be built up, is very important) is section 13, which gives the board the right to "investigate the relative cost of building merchant vessels in the United States and in foreign maritime countries, and the relative cost, advantages, and disadvantages of operating in the foreign trade, vessels under United States registry and under foreign registry." It also states that the board "shall examine the navigation laws of the United States and the rules and regulations thereunder and make such recommendations to the Congress as it deems proper for the amendment, improvement, and revision of such laws, and for the development of the American merchant marine," and that it shall also "investigate the legal status of mortgage loans on vessel property, with a view to means of improving the security of such loans and of encouraging investment in American shipping." The league can not conceive of anything more important for the upbuilding of the merchant marine than this section. It has been claimed time and time again that our navigation laws injure our shipping. If that be a fact, this shipping board would be able to ascertain this condition in a much better manner than by the mere acceptance of the statement of any shipper who is interested. Should it be found that there are laws inimical to American shipping, the board's recommendations would unquestionably have great weight with the Congress and repeal would speedily follow. There are also, from time to time, statements made that there are disadvantages in the relative cost of operating and constructing ships. The board can easily make investigations and recommendations in this particular. The board could also formulate plans for the financing and securing of mortgage loans on vessel property, so that American capital would be encouraged to make investments in American shipping.

The league doubts that any one who has made a study of the recent investigation of the Congress in connection with shipping, in so far as it relates to discrimination against American shippers, divulging of trade secrets, retaliation, etc., would oppose any part of section 15, which covers these points. The league also wishes to call attention to the fact that valuable suggestions of the New York Chamber of Commerce have been incorporated in section 15 verbatim.

There are many other important provisions in this bill that might be touched upon, but the league feels that it should not burden you with a too lengthy statement. The league is satisfied, and some of its public-spirited members who are interested have visited many cities of the country and addressed the various chambers of commerce, urging support of the measure, and in not a single case where a chamber of commerce under its by-laws had the right to act on this matter was there a refusal to adopt resolutions favoring the passage of the bill. As a means of preparedness, so far as the Navy of America would be augmented, the league feels that it is also of the most vital importance. What is the use of building more naval ships if we do not have auxiliaries to protect them? Why should we keep the American Nation fettered by its lack of needful facilities in transporting its rapidly expanding commerce when the ready means are at its disposal?

We address this timely appeal to you and ask you to vote and otherwise work for the passage of this important bill, so that favorable action may be unanimous and in no sense partisan. Verily this is a crisis in American affairs, when every man in public and in private life should throw partisanship to the winds and use every endeavor to insure the safety and commercial supremacy of the Nation. In this way we may have effective preparedness.

PHILETUS W. GATES,
President.
BENJ. J. ROSENTHAL,
Vice President.
AUSTIN A. BURNHAM,
General Secretary.

Mr. FLETCHER. In connection further with the observations that have been made that the difference in cost of operating under the American flag and under a foreign flag was of considerable consequence, my friend the Senator from New Hampshire [Mr. GALLINGER], having offered some letters sustaining his argument and contention in that regard, I want to observe that the letters which he offered and, I think, his argument all applied to conditions as they existed back of 1914. They scarcely apply to conditions as they exist to-day. It will be recalled that the seamen's law went into effect as to our ships in November, 1915, and as to foreign ships in July, 1916. So that this law was not in operation when the letters which the Senator mentioned were submitted to him, and it has not been in operation during the time when these claims of steamship people were made, to the effect that there was this vast difference in the cost of operating under our flag and under foreign flags.

In further support of the fact that that difference in cost has been largely eliminated in recent times, I want to submit a copy of a report made by Mr. Andrew Furuseth, dated August 5, 1916, to Mr. Thomas A. Hansen, secretary-treasurer of the International Seamen's Union of America, giving precisely the wages paid in quite a few of the principal ports of the country, showing exactly what the facts were on May 14, 1916, and August 2, 1916—a comparison of the wages paid.

Mr. SMOOT. Mr. President, have not the wages for May, 1916, been put in the RECORD already?

Mr. FLETCHER. No. This has not been put in the RECORD.

Mr. SMOOT. That particular article may not have been printed; but I will say to the Senator that on several occasions the wages paid to seamen in different ports of the country have been put in the RECORD. It may be a different date and a different month.

Mr. FLETCHER. I do not know about that; but I know that Mr. Furuseth's thorough knowledge of the situation and the statements made by him, if actually investigated on the ground, ought to be very strong evidence of the facts, and I should be very glad to have them inserted in the RECORD.

Mr. GALLINGER. Mr. President, I simply want to say to the Senator that I put into the RECORD two or three letters that had been written within a week. I want further to say that Mr. Andrew Furuseth is a romancer of the first order. I would not believe anything he wrote concerning shipping.

Mr. FLETCHER. Well, of course, there may be a great many people who differ with the Senator in that regard.

Mr. GALLINGER. He is around here. No doubt he is in the gallery now; but I want him to know my opinion of him.

Mr. FLETCHER. I have never found any statement that Mr. Furuseth made as a statement of fact that was otherwise

than as he put it, and I am sure he has the confidence of a great many people who know of him and of his work. But I offer this as evidence of the facts therein stated, and ask that it may be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it will be printed in the RECORD.

The matter referred to is as follows:

WASHINGTON, D. C., *August 5, 1916.*

Mr. THOMAS A. HANSEN,
Secretary-Treasurer, International Seamen's Union of America, 570 West Lake Street, Chicago, Ill.

DEAR COMRADE: On May 14 I submitted a report upon the progress and development of the seamen's act in certain parts of the country. That report was caused by the claims and complaints of shipowners sent to Senators and Members of Congress, part of which was put into the RECORD some time previous to that by Senator JONES, of Washington.

In order to ascertain the actual facts, I at that time went to Boston, New York, Philadelphia, and Baltimore, and there investigated the matter for myself, going to the shipping commissioners' offices, the consuls' offices, and the offices of the seamen's unions. With reference to Seattle, Washington, Portland, Oreg., Norfolk, and Newport News, Va., I obtained the information through correspondence. At the beginning of this week I again visited New York, Philadelphia, and Baltimore for the purpose of obtaining as accurate information as possible. I communicated with Boston, Norfolk, Newport News, Seattle, Portland, and San Francisco.

In this report I shall quote the previous report giving in each instance the date, and then underneath, also giving the date, I shall state what changes have taken place and what the situation is now.

When the last report was made the treaties with foreign nations were not abrogated. They became abrogated finally, except in the case of Germany, on the last day of July. This, however, did not prevent the foreign freight vessels from being profoundly affected by the passage of the seamen's law; but so far as the regular line passenger vessels were concerned, they were at the time of the last report not very materially affected, and they are not very materially affected as yet. The wages on board of those passenger vessels have risen in European ports in some instances practically up to the American standard, but the war must be assigned as the cause of this. The real difficulty now is the question of the language clause of section 13. Unfortunately the department sent out a circular, known as Circular 265, to which the department gives one construction, namely, that the men must understand all orders, emergency as well as ordinary orders, and that the official who musters the crew has a right to satisfy himself that the crew actually does understand the emergency orders, and for this purpose he may suggest any orders or questions that he may think necessary. The collectors, however, do not so understand the circular; they understand it to mean that ordinary orders, given under ordinary conditions, are all that is needed. They further understand the circular to prohibit them from suggesting orders or questions that would bring out the real facts as to whether the men know the language of the officers or not. The collectors of New York and San Francisco have sent inquiries into the department, and I understand that they have been given, at least partially, the construction placed upon the circular by the department itself, but I further understand that no copies of such correspondence have been sent to other collectors. As a result of this foreign vessels are coming to New York with Lascar (Hindu) seamen. Other vessels are coming to New York, Philadelphia, Galveston, and Port Arthur with Chinese and Lascars and other seamen who do not understand the language of the officers on the ship on which they are serving.

There has been considerable improvement since May 14, as you will see.

"BOSTON, *May 14, 1916.*

"I inquired from Percy J. Pryor, secretary seamen's union, and the United States Shipping Commissioner about wages in American vessels, and I was informed that the majority of American vessels pay $45 per month to sailors, $50 per month to firemen, 40 cents per hour overtime, and if they go into the war zone, 25 per cent of the wages in addition. There are some exceptions to this, such as the American coastwise line, known as the Merchants & Miners' Line. I visited the English and the Norwegian consulates and found that Norwegian and English vessels shipping men in Boston pay $45 to sailors, and sometimes $45 and sometimes $50 to firemen. The seamen of English vessels remain with their vessels more than usually. Most of the English vessels come directly from England, and the wages in England range from $40 to $50 per month; that is, from £8 to £10. The equalization here, of course, arises from the war. The seamen's act is not in full operation, or if it is with reference to British ships it has been so for such a short time that it has not seriously affected the condition."

—

"BOSTON, *August 2, 1916.*

"Have just received your note dated July 31, and hasten to answer. Wages for sailors, quartermasters, and boatswains are $45, $50, and $55, respectively, in the following lines: Eastern Steamship Co., Gulf Refining Co., Texas Oil Co., Standard Oil Co., Mexican Petroleum Co., Clyde Line (from Boston), Savannah Line, American Molasses Co., Crowell & Thurlew, Shawmur Steamship Co., New England Gas & Coke Co., and all transient coal carriers and outside tug boats.

"The Cuban Distilling Co., three ships, pay sailors, $50; quartermasters, $55; boatswains, $65.

"The Merchant & Miners' and Coastwise Transportation Co. pay sailors, $40; quartermasters and boatswains, $45.

"The above in every instance applies to the firemen. In paragraph No. 1, firemen receive $50; oilers and water tenders, $55; coal passers, $42.50.

"Paragraph 2. Firemen, $50; oilers and water tenders, $55; Merchants & Miners', firemen, $45; oilers and water tenders, $50; Coastwise Transportation Co., firemen, $50; oilers and water tenders, $55. The White Star and Leyland, with a Cunard ship, about every two weeks, are the principal foreign liners, the wages from England is £9, with a bonus of £1.

"Danish ships are paying 70 crowns, with a bonus of 70 crowns. On all ships from Boston that leave the war zone they pay $45, and in many instances $50 and 25 per cent bonus.

"Have heard of no arrivals with coolie crews.

"There are a large number of British leaving their ships; very few Scandinavians leave in this port."

"NEW YORK, *May 14, 1916.*

"Wages paid in New York are $45 to the sailors, $50 to the firemen, 40 cents an hour overtime, and 25 per cent of the wages in addition as a war bonus. These wages are paid in full by the following lines: Morgan Line (coastwise), Savannah Line (coastwise), Grace Line (foreign going), United Fruit Co. (foreign and coastwise), the different oil companies (foreign and coastwise), the American Line (foreign).

"The following companies pay these wages to some men and in some vessels; less to some men and in some vessels: Ward Line (coastwise and to Cuba) (subsidized), Clyde and Mallory Lines (coastwise), Old Dominion Line (coastwise), Luckenback (coastwise and foreign), American-Hawaiian (coastwise and foreign), Panama Line (coastwise and foreign), Red "D" Line (South American) (subsidized).

"The following English lines pay the full rate: Lambert & Holt, Bermuda Line, the Prince Line, the Booth Line, and the Union Castle Line. Some of these vessels pay more than the scale quoted above, especially such of them as go to Great Britain.

"Scandinavian and Dutch freight steamers pay the scale as stated above. Scandinavian and Dutch passenger liners have not so far been affected. Section 4, providing for half pay in port, will not apply to any of these nations' vessels until after June 4. The men are inquiring about that section, and they want to know whether it is in operation. Finding that it does not yet apply, they remain with their vessels as a general proposition.

"British passenger lines do not lose many of their men. They pay the scale stated above in filling casual vacancies. Wages out of Great Britain at the present time is about £9 a month from the southern part of England; wages from northeast ports of England run from £10 to £12 per month."

—

"NEW YORK, *August 2, 1916.*

"The wages of seamen, quartermasters, and boatswains are, respectively, $45, $50, and $55. The wages of firemen are $50, of oilers $55. These wages are paid by the Morgan Line, the Panama Line, the Old Dominion Line, the Savannah Line, the United States Fruit Line, the Gulf Refining Co., Standard Oil Co. of New York, the Standard Oil Co. of New Jersey, Texas Oil Co., and the International Mercantile Marine. The American-Hawaiian Line, the Luckenback Line, the Ward Line, the Porto Rican Line, the Red "D" Line, and the Clyde and Mallory Lines are paying the above wages to some men on some vessels and in some places, but not generally.

"Foreign and domestic vessels going into the war zone pay the above wages with 25 per cent bonus, and whenever the men are called to work overtime there is 40 cents per hour paid for overtime on the vessels that are paying the wages."

"The men on board of the French, Italian, Holland, Norwegian, Swedish, and Danish regular liners have not up to the present been seriously affected. They have raised their wages at home and comparatively few are leaving those vessels, but whenever any men are leaving they are paid the port wages. The men are demanding and sometimes receiving the pay, the half pay provided under the law. In other cases where they are refused they have collected the full amount of wages due.

"Quite a large number of freighters are coming manned by Lascars or Chinese and nothing is done with them. They go away with the same crew. No musters have been called for fear of establishing a bad precedent, under the operation of circular No. 265."

—

"PHILADELPHIA, *May 14, 1916.*

"Nearly all American vessels pay $50 to the firemen, $45 to the sailors, and 40 cents per hour overtime. Exceptions to these are the Clyde Line and the Merchants & Miners' Line, who pay whatever they have to, sometimes $40, sometimes $45 per month.

"Scandinavian, Norwegian, Swedish, and Danish vessels pay the above monthly scale and 25 per cent additional going into the war zone. English vessels pay the same scale, sometimes one-half of the bonus, and then pay off in England. Others pay the full amount and ship to be paid off on return to the United States. A few English vessels succeed in obtaining men for less, especially to fill casual vacancies and there are not very many English deserting."

—

"PHILADELPHIA, *August 2, 1916.*

"Wages of seamen, quartermasters, and boatswains, respectively, are $45, $50, and $55; firemen and oilers, respectively, $50 and $55 per month. These wages are paid practically by all foreign and domestic vessels leaving Philadelphia. Some pay overtime, 40 cents per hour; some pay no overtime, but pay higher wages to make up for overtime. Vessels going into the war zone pay 25 per cent bonus. Practically all men going in foreign vessels ask one-half pay and get it. In two cases when the money was refused the men left and obtained all money earned.

"Vessels that do not pay the above wages are the Merchants & Miners' Line and the Clyde Line, both domestic. They sometimes pay the above wages and sometimes not and they pay from some ports and from other ports not.

"The question of language is of serious importance in nearly all of the vessels that do not pay the rate of wages."

—

"BATIMORE, *May 14, 1916.*

"The regular scale of wages out of Baltimore is $50 for firemen, $45 for sailors, 40 cents per hour overtime and 25 per cent bonus in going into the war zone. This scale is, however, not paid by the Merchants and Miners Line (coastwise), Luckenback (coastwise and foreign), Bull Line (coastwise and foreign). It is paid by the fruit boats, American, Norwegian, and Dutch. It is paid by the oil vessels and by freight vessels going to Europe, except in the vessels belonging to the Caroline Steamship Co. of Baltimore."

—

"BALTIMORE, *August 2, 1916.*

"Wages paid at Baltimore are: Sailors, $45; quartermasters, $50; and oilers, $55. Some pay 40 cents overtime and some not. Foreign and domestic vessels pay these wages with 25 per cent bonus for going into the war zone. The Merchants and Miners Line and the Carolina Steamship Co. are not paying these wages regularly. They pay to some men and not to others; in some vessels and not in others. Both these lines are coastwise lines."

"NORFOLK, *May 1½, 1916.*

"The following is an extract from a letter dated on May 5, 1916, and signed by Dan Ingraham, Seamen's Union Agent at Norfolk:

"'In reply to your inquiry to the equalization of wages in the different nations' ships, I beg to inform you that last week, April 23 to 29, two Norwegian steamers, *Alfred Nobel* and *Kin*, shipped both on deck and below (firemen) paying our scale. Russian bark *Finland* shipped six able seamen, bound for South America, paying the scale. Norwegian bark shipped able seamen, paying the scale. British steamer *Lexington* shipped sailors and firemen, paying the scale; also British steamer *Chesnick* and probably some others that were not brought to our attention. * * * All the coastwise ships are now paying the scale with the exception of the Merchants and Miners Line. The Luckenback fleet are paying the scale from this port without any trouble.'"

—

"NORFOLK AND NEWPORT NEWS, *August 2, 1916.*

"Foreign and domestic vessels leaving are paying sailors $45, quartermasters $50, boatswains $55, firemen $50, and oilers $55. In vessels that bring crews with lower wages the men ask for one-half pay and receive it or they leave and they usually receive the whole pay. In a few instances the masters of the vessels have given the men the one-half pay asked for, and they, in order to keep them, have raised the wages of the same crew to the port standard. A special instance of this is the Norwegian steamer *Hercules*."

—

"SEATTLE, *May 1½, 1916.*

"From letter dated Seattle, May 8, 1916, and signed by P. B. Gill, agent Seamen's Union, I quote the following extract:

"'Since March 4 there is no record of any British vessels having shipped any men here. Three Peruvian vessels, the *Mario*, *Algoa Bay*, and *Quadro Hermandocs*, shipped crews and paid $30 per month in the two first and $35 per month in the last one mentioned. I am informed that one of them paid $40, but of this I am not sure. These vessels were supplied crews from the boarding masters at Tacoma. During the same time several American vessels were supplied crews from the same people at $30 and $35 per month. I might mention the *Sterling*, *Charles F. Crocker*, and *Jane L. Stanford*. These are sailing vessels. The American steamer *Santa Cruss* shipped men on the Sound for $35 per month in April. That is the wages paid here for some time past. The Norwegian steamers *Belredge* and *Taurus* shipped some men here at $50 per month. That is an increase of $5 and $10 over what they paid to the previous crew. The *Santa Cruss*, as I understand, picked up her own men and did not have to pay any bonus. Where the boarding masters furnish crews they always charge a bonus. So in cases where the wages are $5 less than in others, when the bonus is figured in, the rate will be about the same.'"

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"SEATTLE, *August 2, 1916.*

"Two cases in court, where half pay was demanded and refused, am informed that some seamen received half pay. Not many demanding half pay, yet, owing to good wages being paid from Europe, except on American vessels that are mostly trading coastwise, wages are about the same on foreign and American vessels. Two Norwegian vessels, $50 to sailors and firemen, and some American vessels have received crews for $35, $40, and $45 per month."

—

"PORTLAND, *May 1½, 1916.*

"The following is an extract from a letter dated Portland, Oreg., April 17, and signed by Jack Rosen, agent of the seamen's union:

"'On March 25 the chamber of commerce sent a telegram to Secretary Redfield complaining about foreign ships being held up on account of seamen's law. As soon as I saw the telegram in the paper I wired Secretary Redfield, calling his attention to misstatements, and stated, further, that there are plenty of men around that were willing to ship anywhere, providing the wages and conditions were right. Also that wages offered was less than in the coastwise trade or out of Europe. Secretary Redfield ordered the collector of the port to investigate; he sent one of his men to see, and I went around with him for two days. We talked to nearly all the seamen in port, and in nearly all cases the answer was that if the wages in foreign ships were the same as on the coast most of them would ship anywhere; others would not go to Europe for love or money while the present conditions over there are not settled. He finally arrived at the conclusion that the seamen's law had nothing to do with the foreign ships being held up for want of seamen, but that the low wages offered and the conditions in Europe was the cause of it, and he so reported to his superior, the collector.'

"The collector later had a regular investigation, and, according to clipping from the Oregon Journal, the collector came to the following conclusions:

"'Shortage of sailors and not the seamen's law is responsible for any delays which vessels in north Pacific ports are having. * * * Wages on ships going to the war zone have not been raised. * * * Wages on big Alaska fishing fleet have been raised to meet the demands of the shortage. Every steamer and sailing ship that can get up steam or sail is in service and twice as many men as formerly are employed and paid higher wages. * * * Let the shipowners come through and share a small portion of their enormous profits with the men, who take the risks, and you will find sailors enough, declared Judge Burke.' (Judge Burke is the collector of customs.) He is further quoted as saying: 'Antiadministration papers are asserting that vessels never before had to lose time here as they are doing now. All shipping men tell me that it happens annually at this time of the year and that the present fuss is nothing but an attempt to make capital out of a situation to forward political ends.'"

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"PORTLAND, *August 2, 1916.*

"Foreign seamen in this port have demanded and received one-half pay on vessels according to the Seamen's law. The wages on foreign and American vessels are the same."

—

"SAN FRANCISCO, *July 22, 1916.*

"We find that the sailors on United States Government transports are paid $40 per month. Quartermasters and boatswains' mates, $45 per month. Boatswain, $50 per month. Most of the men in the deck department are union men, and would measure up to the requirements of the Seamen's law. In the fireroom and in the steward's department Filipinos are employed almost exclusively. Firemen are paid $45 per month; coal passers, $35 per month. The amount allowed for subsistance while in port is 50 cents per day. It is exceedingly doubtful whether the men in the fireroom and steward's department would come up to the language test of the Seamen's law. It would depend entirely upon the nature of the examination, i. e., the official construction of the language test."

—

"SAN FRANCISCO, *August 2, 1916.*

"Men in foreign vessels are demanding half pay, but have so far been paid in full. Captains are trying to pick up crews at $40, but have in most cases been compelled to pay fifty-five. Few men want to go for less."

As a matter of special interest I desire to add that the Norwegian steamer *Falkland* left Philadelphia some six weeks ago for England with a crew hired in Philadelphia at the port wages and together with the bonus for going into the war zone. The crew had been signed to be paid off in Philadelphia. The master of the vessel hired a Chinese crew in England and brought them as passengers to Philadelphia, where they became the regular working crew as soon as the crew shipped at Philadelphia had been paid off. The men shipped in Philadelphia had ample opportunity during their voyage across the Atlantic to ascertain to what extent these Chinese would be able to understand the language of the officers. Neither of them understood any Norwegian and only two or three of them understood enough English to be able to transmit ordinary ship's orders to other Chinese who had so little knowledge of the language that they could not even understand the commonest and simplest orders.

Affidavit has been filed with the collector under section 13 of the seamen's act, and the crew will be mustered. The result of such muster I am not now able to tell, but shall let you know as soon as I get the information.

Men who are watching shipping, and particularly shipping with reference to the wages of the men, now have no doubt at all that with the language clause enforced as it is contemplated in the act, there is bound to be a general equalization of the wage cost of operating vessels.

The only vessels leaving the American ports mentioned at this time without paying the American wage rate are vessels manned by Lascars and Chinese, and these men could not take those vessels to sea at all if the language clause was properly enforced. As it is, they leave at the same rate of wages that they had on coming in, and unless the language clause can be properly enforced the tendency will be to have more and more of the Lascars and Chinese instead of less.

Respectfully submitted.

ANDREW FURUSETH,
President International Seamen's Union of America.

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JULY 7, 1916.

THE SURVEYOR OF CUSTOMS,
Port of New York.

SIR: On June 28, 1916, I was ordered by Deputy Surveyor William Tierney to muster the crew of the steamship *Esperanza*, at Pier 16, Brooklyn, and ascertain whether section 13 of the seamen's act of March 4, 1915, was being violated. Accompanied by Inspector C. E. Cole, I mustered the crew of each department with the following result:

Deck crew—4 officers, 1 carpenter, 1 deck boy, 2 cadets, 11 seamen. All had seamen's certificates and understood orders in the English language but could not carry on a conversation in that language.

Engineer's department, 40 men. We examined 27 of them, the remainder being away from the ship on shore leave. The 27 understood orders in English but could carry on very little conversation in that language. None of the 27 had seamen's certificates.

Steward's department, 17 men. These were all Englishmen, and all had lifeboat certificates.

Respectfully,

P. COHEN,
Inspector of Customs.

—

EASTERN & GULF SAILORS' ASSOCIATION (INC.),
Port of New York, July 11, 1916.

COLLECTOR OF CUSTOMS,
Customhouse, New York City.

DEAR SIR: On June 28, 1916, an affidavit was filed against the Steamship *Esperanza*, of the New York & Cuba Mail Steamship Co., because of violating the language test section of the seamen's act of March 4, 1915.

The *Esperanza's* crew was mustered by Inspector P. Cohen, of the surveyor's office. The inspector's report reads in part as follows: "Deck department, all had seamen's certificates and understood orders in the English language but could not carry on a conversation in that language. Engineer's department, 40 men. We examined 27 of them, the remainder being away from the ship on shore leave. The 27 understood orders in English but could carry on very little conversation in that language."

The real fact of the matter is that the crew of the steamship *Esperanza* is not able to understand orders of the officers, and that the orders of the officers are interpreted to the crew by the boatswain.

Section 13 of the seamen's act says: "That no vessel of 100 tons gross and upward, except those navigating rivers exclusively and the smaller inland lakes and except as provided in section 1 of this act, shall be permitted to depart from any port of the United States unless she has on board a crew not less than 75 per cent of which, in each department thereof, are able to understand any order given by the officers of such vessel."

Department Circular 265 reads as follows: "The department construes the words 'able to understand any order given by the officers of such vessel' to mean the necessary orders that may be given to members of the crew in each department in the course of the performance of their duties. The department also construes the section as meaning only such orders as may normally be given to members of the crew in each department of the vessel in the course of the usual performance of their regular duties. Among these duties, however, should be included lifeboat work, emergency work for such members of the crew as may be called upon to perform these classes of work."

My understanding of the language test section of the seamen's act is that it was enacted primarily for the better safety of life at sea, and that in case of fire or collision, etc., the crew, 75 per cent in each department of the vessel, should be able to understand any and all orders given by the officers of the vessel.

Kindly inform me whether understanding "any orders given by the officers of the vessel" means all orders given in an emergency, or what is meant by "necessary orders," or orders "as may normally be given to members of the crew in each department." Your construction upon these matters contained in Department Circular 265 will be greatly appreciated by me.

Very respectfully, yours,

G. H. BROWN,
Agent Eastern & Gulf Sailors' Association.

TREASURY DEPARTMENT,
OFFICE OF THE COLLECTOR UNITED STATES CUSTOMS SERVICE,
Port of New York, July 12, 1916.

EASTERN AND GULF SAILORS' ASSOCIATION (INC.),
51 South Street, New York, N. Y.

GENTLEMEN: This office is in receipt of your letter of the 11th instant, in regard to the muster of seamen on the steamship *Esperanza* on June 23, 1916, and notes your opinion that the construction put upon department circular No. 265 is not in accordance with your ideas of what the law was intended to accomplish.

The subject of your letter, namely, the "language test" as included in the seamen's act, will receive careful consideration by this office, and your letter will be transmitted to the Secretary of Commerce with a statement or suggestions as to the views of this office in the matter. On receipt of the department's reply you will be further advised.

Respectfully,

H. C. STEWART,
Special Deputy Collector.

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The letter has reference to the Norwegian steamer *Falkland*.

The *Falkland* brought a Norwegian crew to Philadelphia some weeks since. The crew left and the master hired a crew in Philadelphia, paying the wages of the port for a voyage to England and return. In England he hired a Chinese crew and carried them as passengers to Philadelphia, where he discharged the crew hired in that port.

That the Chinese could speak neither Norwegian or English was ascertained by the old crew on the voyage across the Atlantic.

A muster was demanded under section 13 of the seamen's law. This muster and the result is described in the following letter:

PHILADELPHIA, *August 8, 1916.*

MR. ANDREW FURUSETH.

DEAR COMRADE: Your letter of August 7 received. I, together with Comrade Carlson, was present at the mustering of the Chinese crew of the steamship *Falkland* on August 3. The examining officer mustered the crew according to his instructions or understanding of section 13 of the seamen's act. No emergency orders were used, only such questions as are commonly used every day in a ship were directed to the crew by the examining officer through the captain and officers of the ship. I suggested to the examining officer to question the crew and find out if they were able to understand emergency orders. He stated that he was not authorized to do same and was compelled to act according to his instructions as he had received them. When we came on board the ship the examining officer lined the deck crew up, who consisted of nine Chinese men. Six of those seemed to understand orders used under ordinary circumstances. Evidently they had sailed in British ships for some years. One or two questions were asked each man. Six of them understood the questions, three failed to understand them. Each man was called to one side and asked separately. The examining officer then gave no permission to ask them such questions as were commonly used and the six out of the nine were able to understand me. If I had been permitted to use emergency orders or questions the entire crew would have failed. The deck officer also tried to use signs, which seemed difficult for them to understand. That they were not permitted to do same.

The fireroom crew consisted of 14 Chinese men. They were all called in the engine room and questioned by the examining officer through the engineer. Five out of the 14 could not understand any of the questions. The other 9 understood but very little; and if emergency orders were used, none of those men were able to understand them. I also found that a No. 1 man was used in each department. I asked the mate why he used a No. 1 man. He told me that he gave his orders to him, as he was the boatswain. I also asked the engineers why they had used a No. 1 man. They told me the same was necessary, as the other men could not understand the orders. The No. 1 man in the fireroom crew was one of the 5 who could not understand the orders and was disqualified by the examining officer.

After the muster the examining officer told me that he would give me a written report of same, but I have up to this time not received any. But the result was that the ship was credited with having 77 per cent of the deck crew who were able to understand the orders of the officer and only 65 per cent of the engine-room crew who were able to understand the orders of the officers. The master was therefore not permitted to clear his vessel; and the acting collector told me yesterday that it may be necessary to muster the crew again before clearing can be granted.

Will give you further information on this matter soon as obtainable. Will send affidavits if necessary.

Yours, fraternally.

WALTER NIELSON.

—

[Department Circular No. 265, Bureau of Navigation.]

LANGUAGE TEST UNDER THE SEAMEN'S ACT.

DEPARTMENT OF COMMERCE,
OFFICE OF THE SECRETARY,
Washington, September 18, 1915.

To collectors of customs and others concerned:

Section 13 of the seamen's act of March 4, 1915, in part, provides as follows:

"No vessel of 100 tons gross and upward, except those navigating rivers exclusively and the smaller inland lakes, and except as provided in section 1 of this act, shall be permitted to depart from any port of the United States unless she has on board a crew not less than 75 per cent of which, in each department thereof, are able to understand any order given by the officers of such vessel. * * *

"The collector of customs may, upon his own motion, and shall, upon the sworn information of any reputable citizen of the United States setting forth that this section is not being complied with, cause a muster of the crew of any vessel to be made to determine the fact; and no clearance shall be given to any vessel failing to comply with the provisions of this section * * *."

This section will take effect as to vessels of the United States on November 4, 1915, and as to all foreign vessels on March 4, 1916.

The department construes the words "able to understand any order given by the officers of such vessel" to mean the necessary orders that may be given to members of the crew in each department in the course of the performance of their duties.

The department does not construe the above section as requiring the use of any particular language on the part of officers and crew of any vessel. Any language which is understood in sufficient measure by both the officers and the proper proportion of the crew will comply with the law. It must clearly be understood, therefore, that the section can not be construed as requiring an English-speaking crew. For example, on a French vessel the French language, if spoken by the officers and if understood by the proper proportion of the crew, would suffice. The same would be true of Spanish on a Spanish vessel, of German on a German vessel. Therefore no specific language is required, but only that, whatever language is used, it shall be understood as the law requires.

The department also construes the section as meaning only such orders as may normally be given to members of the crew in each department of the vessel in the course of the usual performance of their regular duties. Among these duties, however, should be included lifeboat work or emergency work for such members of the crew as may be called upon to perform these classes of work. The department would not consider it a proper construction of the section to require, for example, that a waiter should understand orders normal to the engine-room force or that a stoker should be required to understand orders which related solely to the work of a deckhand or seaman. In the cases, however, of a waiter, a stoker, a seaman, or other employee on the vessel who was assigned to do emergency or lifeboat work it would be a proper construction of the section to require him to understand orders for such emergency or lifeboat service.

The department construes the section to mean that a demonstration in the presence of the customs collector or his deputy by the proper proportion of the crew in executing the actual orders of an officer would be a sufficient proof of compliance with the law. It will be noted that the orders are to be given "by the officers" and not by the customs collector or anyone acting in his behalf.

The department further construes the section to mean that the muster of the crew for which the law provides shall take place at such reasonable times and occasions as will determine the facts sufficiently in advance of the time fixed for the sailing of the vessel to permit the engaging of such new members of the crew as may be necessary in time for the vessel to sail without delay. The department understands the law to require the safeguarding of the vessel through the language test by such means, at such times, and in such a manner as shall be helpful and not hurtful to our maritime commerce, and that it is in no sense intended to be used to create embarrassment or to cause unnecessary expense or delay.

WILLIAM C. REDFIELD, *Secretary.*

Mr. LIPPITT. Mr. President, I should like to ask the Senator from Florida—I did not catch all of his remarks—what is he putting these facts in as evidence of? What is it that he wants to show by them?

Mr. FLETCHER. To show the actual wages being paid seamen at the principal ports of the country on our vessels, vessels flying the American flag, and on vessels flying foreign flags.

Mr. LIPPITT. What is the deduction from that? Of course, everyone knows that the wages of seamen are enormously high at the present moment. Is it to prove that the wages are high?

Mr. FLETCHER. I had in mind that the difference is being gradually diminished, so that practically they are on the same basis.

Mr. LIPPITT. Of course, everybody knows that the effect of the war on the wages of seamen has been to nearly double them.

EXECUTIVE SESSION.

Mr. FLETCHER. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

Mr. STONE. I move the Senate adjourn until 12 o'clock to-morrow.

The motion was agreed to; and (at 6 o'clock and 5 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, August 16, 1916, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate August 15, 1916.

THIRD LIEUTENANT, COAST GUARD.

Cadet George Ricker Crosby to be third lieutenant in the Coast Guard of the United States, to rank as such from August 8, 1916.

SURVEYOR GENERAL.

Edward Hedden, of Caldwell, Idaho, to be surveyor general of Idaho, vice Darwin A. Utter, term expired.

UNITED STATES CIRCUIT JUDGE.

Charles M. Hough, of New York, now serving as United States district judge, southern district of New York, to be United States circuit judge, second judicial circuit, vice E. Henry Lacombe, resigned.

UNITED STATES DISTRICT JUDGE.

Martin T. Manton, of New York, to be United States district judge for the southern district of New York, vice Charles M. Hough, nominated to be United States circuit judge.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 15, 1916.

RECEIVER OF PUBLIC MONEYS.

Miss Julia Mary Cross to be receiver of public moneys at Douglas, Wyo.

PUBLIC HEALTH SERVICE.

Dr. Clifford R. Eskey to be assistant surgeon.
Dr. Joseph D. Stout to be assistant surgeon.
Dr. Edwin O. Woods to be assistant surgeon.

APPOINTMENTS IN THE ARMY.

GENERAL OFFICER.

Col. John W. Ruckman to be brigadier general.
Col. Frederick W. Sibley to be brigadier general.

MEDICAL RESERVE CORPS.

To be first lieutenants with rank from July 14, 1916.

Tunis Cline Quick.
James Coleman Motley.
Lewis Jay Rosenthal.
Thomas Butler Anderson.
Caleb William Sommerville.
Charles Franklin Mitchell.
Joseph Howard Cloud.
Johnston MacLeod.
Norman Edwin Titus.
John Baker Carson.

To be first lieutenants with rank from July 29, 1916.

Nicolo Vincenzo Alessi.
James Stevenson Allen.
Joseph David Aronson.
Eugene Jacob Asnis.
Carl Lewis Barnes.
William Bates.
John Jacob Beard.
Leo Pecci Bell.
Burnett Boisseau Benson.
Leo Hellee Bernd.
Joel Ives Butler.
Burns Stoddard Chaffee.
George Houghton Clapp.
William Arthur Clark.
Clayton Reynolds Clarke.
Alfred Burwell Claytor.
Inman Williams Cooper, jr.
W. Claude Copeland.
Edwards Foulke Corson.
James Hugh Finch.
Charles Edward Belin Flagg.
Elisha Flagg.
James Lennon Foley.
Channing Frothingham, jr.
John Patrick Gallagher.
Charles Robert Gill.
Carl Goehring.
Frederic Grosvenor Goodridge.
Samuel Ashby Grantham.
Robert Bruce Grimes, jr.
Arthur Joseph Hall.
Thomas Farris Hale.
Edward Wilbur Hanson.
Byron Harry Hermann.
Ralph Abram Hurd.
William James.
John Prentiss Lord.
Floyd Willcox McRae, jr.
James Robert McVay.
Hertel Philip Makel.
Laurence Hampson Mayers.
Hugo Mella.
Edwin Morton Miller.
Thomas Grier Miller.
George Richards Minot.
Daniel Virgil Moore.
Cecil Goddard Morehouse.
John Walter Morris.
Roscoe Edward Mosiman.
Frank Reid Mount.
Hugh Stevens Mount.
Percy Musgrave.
William Herman Myers.
Arthur Newlin.
Frank Roberts Ober.
John Elbert O'Keefe.
George Kingsley Olmsted.
Robert Bayley Osgood.
Alfred Harrison Parsons.
Francis Weld Peabody.
Albert Pfeiffer.
Damon Beckett Pfeiffer.
Edgar Warden Phillips.
William Oscar Hampton Prosser.
George Kremer Rhodes.
David Riesman.
James Stevens Simmons.
Frank Conger Smith.
Mitchell Porter Stiles.
August Adrian Strasser.
George Reed Tabor.
William Barclay Terhune.
Donald Vaughn Trueblood.
Ira Clinton Tyndall.
Norris Wistar Vaux.
Charles Edward Waits.
James Ralston Wells.
Walter John Whitehouse.
Harry Leigh Willson.
George Wilson.
Henry Otto Wyneken.
Walter Meredith Boothby.
Louis Herbert Burlingham.
George Parkman Denny.
William Lincoln Noble.
Harry Reeves Oliver.
Frederic Kammerer.
Arthur Garner Coumbe.
Linus Reed Cranmer.
Frederick John Cullen.
John Blair Deaver.
Frank Martin Dedaker.
John Sebastian Derr.
Henry Kuhl Dillard, jr.
Clarence Eugene Drake.
William Drayton, jr.
Henry Culp Earnshaw.
James Bennett Edwards.
Edward Coleman Ellett.

To be first lieutenants with rank from August 3, 1916.

Lemuel Grant Baldwin.
John Hasting Bell.
Max Bornstein.
James Harvey Brothers.
Julius Caesar Davis, jr.
Arthur Brewster Emmons, 2d.
Lemuel Whittington Gorham.
Leon Jacobs.
Adam Kemble.
Albert William Lindberg.
Charles Daniel Lockwood.
Henry Edmund Meleney.
William Austin Mills.
Arthur Pedro Perry.
Charles Winfield Perkins.
Henry Dudley Prescott.
Samuel Herbert Richman.
Alfred Alexander Schwartz.
James Warren Sever.
Jerome Wagner.
Walter Albert Baetjer.
Charles Metcalfe Byrnes.
Frederick Joseph Garlick.
William Morris Happ.
Thomas Brantley Henderson.
William David Jack.
John Hendricken King.
Newdigate Moreland Owensby.
Frank Elliott Perkins.
George William Pressly.
Frank Roxborough Ruff.
Harry Allen Sadden.
Theodor Bratrud.
Ephraim Kirkpatrick Findley.
Harry Knott.
Louis Rudolph.
Isaac Montrose Taylor.
Fred Paul Weltner.
Charles Shorey Butler.

Eustace Lincoln Fiske.
Gilbert Horrax.
Paul Hector Provandie.
Cyril Godfrey Richards.
Wade Stanley Wright.

PROMOTIONS IN THE ARMY.

JUDGE ADVOCATE GENERAL'S DEPARTMENT.

Maj. Walter A. Bethel to be judge advocate with the rank of lieutenant colonel.

CAVALRY ARM.

To be colonels with rank from July 1, 1916.

Lieut. Col. Sedgwick Rice.
Lieut. Col. Arthur Thayer.
Lieut. Col. Charles C. Walcutt, jr.
Lieut. Col. Peter E. Traub.
Lieut. Col. Jesse McI. Carter.
Lieut. Col. Malvern-Hill Barnum.
Lieut. Col. Edmund S. Wright.
Lieut. Col. William H. Hay.
Lieut. Col. Stephen H. Elliott.
Lieut. Col. John M. Jenkins.
Lieut. Col. P. D. Lochridge.
Lieut. Col. Nathaniel F. McClure.
Lieut. Col. William C. Rivers.
Lieut. Col. Ellwood W. Evans.

To be colonels with rank from July 12, 1916.

Lieut. Col. Thomas Q. Donaldson.
Lieut. Col. Francis H. Beach.

To be lieutenant colonels with rank from July 1, 1916.

Maj. Michael M. McNamee.
Maj. Ralph Harrison.
Maj. Charles D. Rhodes.
Maj. George T. Langhorne.
Maj. Charles Young.
Maj. Francis C. Marshall.
Maj. James A. Ryan.
Maj. Frank M. Caldwell.
Maj. James J. Hornbrook.
Maj. William F. Clark.
Maj. Samuel G. Jones.
Maj. Melvin W. Rowell.
Maj. Lawrence J. Fleming.

To be captains with rank from July 1, 1916.

First Lieut. Jerome G. Pillow.
First Lieut. Ralph N. Hayden.
First Lieut. Leonard W. Prunty.
First Lieut. E. Kearsley Sterling.
First Lieut. Charles J. Naylor.
First Lieut. Kerr T. Riggs.
First Lieut. Carl H. Müller.
First Lieut. John A. Pearson.
First Lieut. Charles Burnett.
First Lieut. Daniel D. Gregory.
First Lieut Walter H. Smith.
First Lieut. George H. Baird.
First Lieut. William M. Cooley.
First Lieut. William G. Meade.
First Lieut. William N. Haskell.
First Lieut. Henry A. Meyer, jr.
First Lieut. Frank Keller.
First Lieut. Guy Kent.
First Lieut. Copley Enos.
First Lieut. Emory J. Pike.
First Lieut. Williams S. Martin.
First Lieut. Frederick Mears.
First Lieut. Alden M. Graham.
First Lieut. Robert L. Collins.
First Lieut. Irvin L. Hunsaker.
First Lieut. Clifton R. Norton.
First Lieut. Eugene J. Ely.
First Lieut. Charles R. Mayo.
First Lieut. Arthur J. Lynch.
First Lieut. Rawson Warren.
First Lieut. John H. Read, jr.
First Lieut. Joseph H. Barnard.
First Lieut. Rodman Butler.
First Lieut. Clarence Lininger.
First Lieut. Edward M. Offley.
First Lieut. John Cocke.
First Lieut. John T. Donnelly.
First Lieut. Edwin L. Cox.
First Lieut. Ronald E. Fisher.
First Lieut. C. Emery Hathaway.
First Lieut. Joseph V. Kuznick.
First Lieut. Edward R. Coppock.
First Lieut. Peter J. Hennessey.
First Lieut. Kenyon A. Joyce.
First Lieut. Howard C. Tatum.
First Lieut. Arthur G. Fisher.
First Lieut. George Grunert.
First Lieut. William R. Pope.
First Lieut. Olney Place.
First Lieut. Thomas H. Cunningham.
First Lieut. Sidney D. Maize.
First Lieut. Ralph M. Parker.
First Lieut. John H. Howard.
First Lieut. Matt C. Bristol.
First Lieut. Horace N. Munro.
First Lieut. Thomas P. Bernard.
First Lieut. Daniel D. Tompkins.
First Lieut. Clarence A. Dougherty.
First Lieut. Isaac S. Martin.
First Lieut. George R. Somerville.
First Lieut. Seth W. Cook.
First Lieut. Thomas B. Esty.
First Lieut. Milton G. Holliday.
First Lieut. Robert R. Love.
First Lieut. William H. Bell.
First Lieut. Walter H. Neill.
First Lieut. Edmund A. Buchanan.
First Lieut. David L. Roscoe.
First Lieut. Edward A. Keyes.
First Lieut. John G. Winter.
First Lieut. Herbert E. Mann.
First Lieut. Orlando G. Palmer.
First Lieut. Francis A. Ruggles.
First Lieut. Henry T. Bull.
First Lieut. Howard R. Smalley.
First Lieut. Talbot Smith.
First Lieut. Frank E. Davis.
First Lieut. William W. Overton.
First Lieut. Thomas A. Rothwell.
First Lieut. E. R. Warner McCabe.
First Lieut. James B. Henry, jr.
First Lieut. Emmet R. Harris.
First Lieut. John C. Pegram.
First Lieut. Harry L. Hodges.
First Lieut. Victor S. Foster.
First Lieut. Oscar Foley.
First Lieut. Frederick D. Griffith, jr.
First Lieut. Albert B. Dockery.
First Lieut. Henry E. Mitchell.
First Lieut. Edmund L. Zane.
First Lieut. Charles McH. Eby.
First Lieut. William H. Cowles.
First Lieut. Leon R. Partridge.
First Lieut. William A. McCain.
First Lieut. John K. Herr.
First Lieut. Philip H. Sheridan.
First Lieut. Joseph F. Taulbee.
First Lieut. Andrew W. Smith.
First Lieut. Troup Miller.
First Lieut. William W. Edwards.
First Lieut. John A. Barry.
First Lieut. William W. Gordon.
First Lieut. Harold B. Johnson.
First Lieut. James P. Castleman.
First Lieut. Albert H. Mueller.
First Lieut. Allan F. McLean.
First Lieut. Herman S. Dilworth.
First Lieut. John V. Spring, jr.
First Lieut. Norman H. Davis.
First Lieut. Charles Telford.
First Lieut. Levi G. Brown.
First Lieut. Olan C. Aleshire.
First Lieut. Emil P. Laurson.
First Lieut. Frederick E. Shnyder.
First Lieut. Thomas F. Van Natta, jr.
First Lieut. James A. Mars.
First Lieut. James A. Shannon.
First Lieut. Allan M. Pope.
First Lieut. John C. Montgomery.
First Lieut. Dorsey R. Rodney.
First Lieut. Alexander M. Milton.
First Lieut. Hugh S. Johnson.
First Lieut. Carl Boyd.
First Lieut. Stephen W. Winfree.
First Lieut. Ephraim F. Graham.

First Lieut. George E. Nelson.
First Lieut. Thomas L. Sherburne.
First Lieut. Emil Engel.
First Lieut. Emmett Addis.
First Lieut. Harry L. King.
First Lieut. Arthur G. Hixson.
First Lieut. Vaughn W. Cooper.
First Lieut. David H. Scott.
First Lieut. Robert M. Campbell.
First Lieut. George V. Strong.
First Lieut. George B. Hunter.
First Lieut. Stanley Koch.
First Lieut. Stephen C. Reynolds.
First Lieut. William V. Carter.
First Lieut. Henry C. Pratt.
First Lieut. Charles B. Amory, jr.
First Lieut. Kinzie B. Edmunds.
First Lieut. Charles S. Hoyt.
First Lieut. James J. O'Hara.
First Lieut. Roy W. Holderness.
First Lieut. James S. Greene.
First Lieut. Gerald C. Brant.
First Lieut. Innis P. Swift.
First Lieut. Arthur H. Wilson.
First Lieut. William C. F. Nicholson.
First Lieut. George Dillman.
First Lieut. Philip J. R. Kiehl.
First Lieut. Charles L. Scott.
First Lieut. James H. Dickey.
First Lieut. Ralph Talbot, jr.
First Lieut. Joseph I. McMullen.

To be first lieutenants with rank from July 1, 1916.

Second Lieut. Chester P. Mills.
Second Lieut. Edwin R. Van Deusen.
Second Lieut. Francis R. Hunter.
Second Lieut. Guy W. McClelland.
Second Lieut. John C. F. Tillson, jr.
Second Lieut. Paul C. Raborg.
Second Lieut. Edgar W. Taulbee.
Second Lieut. Dwight K. Shurtleff.
Second Lieut. Harry D. Chamberlin.
Second Lieut. John J. Waterman.
Second Lieut. John Millikin.
Second Lieut. Jack W. Heard.
Second Lieut. Charles M. Haverkamp.
Second Lieut. Guy W. Chipman.
Second Lieut. Edgar W. Burr.
Second Lieut. John A. Robenson.
Second Lieut. Joseph P. Aleshire.
Second Lieut. Harding Polk.
Second Lieut. Claud K. Rhinehardt.
Second Lieut. Everett Collins.
Second Lieut. Cushman Hartwell.
Second Lieut. Horace T. Aplington.
Second Lieut. Alexander D. Surles.
Second Lieut. Philip J. Kieffer.
Second Lieut. Karl S. Bradford.
Second Lieut. Frederick Gilbreath.
Second Lieut. Harrison H. C. Richards.
Second Lieut. Arthur B. Conard.
Second Lieut. John P. Lucas.
Second Lieut. Wilfrid M. Blunt.
Second Lieut. James C. R. Schwenck.
Second Lieut. William P. J. O'Neill.
Second Lieut. Thomas J. J. Christian.
Second Lieut. Frank L. Van Horn.
Second Lieut. Howell M. Estes.
Second Lieut. William B. McLaurin.
Second Lieut. John F. Wall.
Second Lieut. Leo G. Heffernan.
Second Lieut. Edwin N. Hardy.
Second Lieut. George H. Brett.
Second Lieut. Robert C. Brady.
Second Lieut. Herbert E. Taylor.
Second Lieut. William M. Grimes.
Second Lieut. Henry J. M. Smith.
Second Lieut. Malcolm Wheeler-Nicholson.
Second Lieut. Alexander R. Cocke.
Second Lieut. Alexander L. P. Johnson.
Second Lieut. Dexter C. Rumsey.
Second Lieut. Henry L. C. Jones.
Second Lieut. Edwin O'Connor.
Second Lieut. Eugene A. Lohman.
Second Lieut. Kenneth P. Lord.
Second Lieut. Edward A. Millar, jr.
Second Lieut. Clyde J. McConkey.
Second Lieut. Harold C. Lutz.
Second Lieut. John M. Thompson.
Second Lieut. Daniel E. Murphy.
Second Lieut. Kenna G. Eastham.
Second Lieut. James P. Yancey.
Second Lieut. Leopold J. H. Herwig.
Second Lieut. Raymond E. McQuillin.
Second Lieut. De Forest W. Morton.
Second Lieut. Francis C. V. Crowley.
Second Lieut. George E. A. Reinburg.
Second Lieut. Clarence D. Lang.
Second Lieut. Philip Coldwell.
Second Lieut. William H. W. Youngs.
Second Lieut. Byron Q. Jones.
Second Lieut. Robert McG. Littlejohn.
Second Lieut. Harry A. Flint.
Second Lieut. Pearl L. Thomas.
Second Lieut. Sidney V. Bingham.
Second Lieut. Isaac Spalding.
Second Lieut. Henry L. Flynn.
Second Lieut. Robert F. Hyatt.
Second Lieut. Harold M. Rayner.
Second Lieut. Stephen M. Walmsley.
Second Lieut. John T. McLane.
Second Lieut. James S. Mooney.
Second Lieut. Henry W. Harms.
Second Lieut. John E. Lewis.
Second Lieut. John D. Kelly.
Second Lieut. Thorne Deuel, jr.
Second Lieut. William Nalle.
Second Lieut. Roy O. Henry.
Second Lieut. William E. Dorman.
Second Lieut. John C. Prince.
Second Lieut. Lindsley D. Beach.
Second Lieut. Carl P. Dick.
Second Lieut. John K. Boles.
Second Lieut. Terry de la M. Allen.
Second Lieut. John C. McDonnell.
Second Lieut. Jerome W. Howe.
Second Lieut. Otto Wagner.
Second Lieut. Burton Y. Read.
Second Lieut. Russell B. Patterson.
Second Lieut. Clyde V. Simpson.
Second Lieut. Joseph F. Richmond.
Second Lieut. Roy S. Brown.
Second Lieut. Louis A. Falligant.
Second Lieut. Herbert M. Ostroski.
Second Lieut. Paul R. Davison.
Second Lieut. John B. Brooks.
Second Lieut. John B. Coulter.
Second Lieut. William A. Raborg.
Second Lieut. Welton M. Modisette.
Second Lieut. John P. Wheeler.
Second Lieut. Harold M. Clark.
Second Lieut. Clarence F. Ellefson.
Second Lieut. Harold Thompson.
Second Lieut. Richard B. Barnitz.
Second Lieut. Allen G. Thurman.
Second Lieut. George W. Sliney.
Second Lieut. Eugene T. Spencer.
Second Lieut. Willis D. Crittenberger.
Second Lieut. Alfred B. Johnson.
Second Lieut. Falkner Heard.
Second Lieut. Roland L. Gaugler.
Second Lieut. Stuart W. Cramer, jr.
Second Lieut. Thoburn K. Brown.

To be first lieutenant with rank from July 1, 1916.

Second Lieut. Geoffrey Keyes.
Second Lieut. Joseph W. Viner.
Second Lieut. John A. Considine.
Second Lieut. Earl L. Canady.
Second Lieut. George E. Lovell, jr.
Second Lieut. Desmore O. Nelson.
Second Lieut. Carlyle H. Wash.
Second Lieut. Paul D. Carlisle.
Second Lieut. John F. Crutcher.
Second Lieut. Ray W. Barker.
Second Lieut. Henry Abbey, jr.
Second Lieut. Earl H. Coyle.
Second Lieut. Mack Garr.
Second Lieut. Stanley C. Drake.
Second Lieut. Maxwell Kirby.

Second Lieut. Edmund P. Duval.
Second Lieut Robert E. Carmody.
Second Lieut. Albert J. Myer, jr.
Second Lieut. Robert O. Annin.
Second Lieut. Daniel G. Morrissett.
Second Lieut. Ralph Hospital.
Second Lieut. Theodore Barnes, jr.
Second Lieut. Casey H. Hayes.
Second Lieut. Harvey B. S. Burwell.
Second Lieut. Roger S. B. Hartz.
Second Lieut. Charles B. Hazeltine.
Second Lieut. Eugene M. Owen.
Second Lieut. Arthur D. Newman.
Second Lieut. John W. Butts.
Second Lieut. Edward L. N. Glass.
Second Lieut. Charles W. Foster.
Second Lieut. Cuyler L. Clark.
Second Lieut. Clarence C. Benson.
Second Lieut. Thomas H. Rees, jr.
Second Lieut. John H. Woodberry.
Second Lieut. Walter W. Wynne.
Second Lieut. William A. Robertson.
Second Lieut. Joseph B. Treat.
Second Lieut. Joseph W. Byron.
Second Lieut. Warren P. Jernigan.
Second Lieut. Sylvester D. Downs, jr.
Second Lieut. Robert D. McDonald.
Second Lieut. Orlando Ward.
Second Lieut. William O. Ryan.
Second Lieut. Benjamin F. Hoge.
Second Lieut. Frederick Herr.
Second Lieut. John B. Thompson.
Second Lieut. John Kennard.
Second Lieut. Stafford LeR. Irwin.
Second Lieut. Pearson Menoher.
Second Lieut. Edwin B. Lyon.
Second Lieut. Carl C. Bank.
Second Lieut. George H. Peabody.
Second Lieut. Earl L. Naiden.
Second Lieut. Henry McE. Pendleton.
Second Lieut. Edmund de T. Ellis.
Second Lieut. Robert W. Strong.
Second Lieut. Clifford B. King.
Second Lieut. Paul R. Frank.
Second Lieut. William S. T. Halcomb.
Second Lieut. Edward C. McGuire.
Second Lieut. John McD. Thompson.
Second Lieut. John F. Davis.
Second Lieut. Reese M. Howell.
Second Lieut. Henry J. F. Miller.
Second Lieut. Harry A. Harvey.
Second Lieut. Frank D. McGee.
Second Lieut. Harry B. Anderson.
Second Lieut. Norman J. Boots.
Second Lieut. Hugh P. Avent.
Second Lieut. Victor V. Taylor.
Second Lieut. Horace Stringfellow, jr.
Second Lieut. Leo. A. Walton.
Second Lieut. Ralph P. Cousins.
Second Lieut. John F. Stevens.
Second Lieut. Blackburn Hall.
Second Lieut. Edward J. Dwan.
Second Lieut. Eustis L. Hubbard.
Second Lieut. William B. Peebles.
Second Lieut. Frederic W. Boye.
Second Lieut. Karl H. Gorman.
Second Lieut. James Knox Cockrell.
Second Lieut. William Spence.
Second Lieut. John White Rafferty.
Second Lieut. De Rosey Carroll Cabell, jr.
Second Lieut. Ralph Irvine Sasse.
Second Lieut. William Ewen Shipp.
Second Lieut. William Hieatt Cureton.
Second Lieut. Fay Brink Prickett.
Second Lieut. Calvin De Will, jr.
Second Lieut. James Mitchell Crane.
Second Lieut. Lucien Samuel Spicer Berry.
Second Lieut. Victor William Beck Wales.
Second Lieut. Joseph Merit Tully.
Second Lieut. Pettus Harvey Hemphill.
Second Lieut. Hugh Mitchell.
Second Lieut. Robert Le Grow Walsh.
Second Lieut. Clarence Scott Maulsby.
Second Lieut. George Sidney Andrew.
Second Lieut. Roland Paget Shugg.
Second Lieut. Spencer Albert Townsend.
Second Lieut. Craigie Krayenbuhl.
Second Lieut. Arthur Marion Jones.

INFANTRY ARM.

Lieut. Col. Charles C. Ballou to be colonel.
Maj. George D. Moore to be lieutenant colonel.
Capt. Preston Brown to be major.
First Lieut. Jacob Schick to be captain.
First Lieut. Reginald H. Kelley to be captain.

To be first lieutenants with rank from July 1, 1916.

Second Lieut. Latham Loomis Brundred.
Second Lieut. Leslie Thomas Saul.
Second Lieut. Charles Augustus Bayler, jr.
Second Lieut. Fred Beeler Inglis.
Second Lieut. Richard Parker Kuhn.
Second Lieut. John Alexander Street.
Second Lieut. Sidney Herkness.
Second Lieut. William Earl Chambers.
Second Lieut. Warner William Carr.
Second Lieut. Thomas Lyle Martin.
Second Lieut. Geoffrey Prescott Baldwin.
Second Lieut. John Bennington Bennet.
Second Lieut. Kenneth Macomb Halpine.
Second Lieut. William Rosser Wilson.
Second Lieut. Raymond Potter Campbell.
Second Lieut. Richard Clarke Birmingham.
Second Lieut. Felix Rosseter McLean.
Second Lieut. John Edward Martin.
Second Lieut. Paul Barrows Parker.
Second Lieut. William Edgerton Morehouse, jr.
Second Lieut. Thomas Green Peyton.
Second Lieut. Joseph Hamilton Grant.
Second Lieut. Arthur Monroe Ellis.
Second Lieut. Maurice Levi Miller.
Second Lieut. Junius Henry Houghton.
Second Lieut. Abram Vorhees Rinearson, jr.
Second Lieut. Benjamin Anthony Yancey.
Second Lieut. Douglas Jenkins Page.
Second Lieut. James Nephew Caperton.
Second Lieut. Charles Compton Smith.
Second Lieut. Harrison Herman.
Second Lieut. George Joseph Newgarden, jr.
Second Lieut. John David Miley.
Second Lieut. William Edwin Coffin, jr.
Second Lieut. John Forest Goodman.
Second Lieut. Spencer Atkins Merrell.
Second Lieut. William Worth Dempsey.
Second Lieut. Robert Kenneth Whitson.
Second Lieut. Otto Frederick Lange.
Second Lieut. Harlan Leslie Mumma.
Second Lieut. George Hollenbeck Blankenship.
Second Lieut. Alexander Mathias Weyand.
Second Lieut. Walter David Mangan.
Second Lieut. Robert Rau Duncan McCullough.
Second Lieut. Elon Albert Abernethy.
Second Lieut. Nelson Bateman Russell.
Second Lieut. Henry Parker Blanks.
Second Lieut. Bartlett James.

FIELD ARTILLERY ARM.

Lieut. Col. William S. McNair to be colonel.
Lieut. Col. William J. Snow to be colonel.
Maj. Harry G. Bishop to be lieutenant colonel.
Maj. Willard D. Newbill, Field Artillery, to be lieutenant colonel.
Maj. Manus McCloskey to be lieutenant colonel.

To be first lieutenants with rank from July 1, 1916.

Second Lieut. Stanley Eric Reinhart.
Second Lieut. Dean Hudnutt.
Second Lieut. Louis Emerson Hibbs.
Second Lieut. Jesse Frank Tarpley, jr.
Second Lieut. Horace Logan McBride.
Second Lieut. Hamilton Ewing Maguire.
Second Lieut. Ray Corrigan Rutherford.
Second Lieut. William Roscoe Woodward.
Second Lieut. Alfred King King.
Second Lieut. Henry Crampton Jones.
Second Lieut. Louis A. Craig.

COAST ARTILLERY CORPS.

Maj. Johnson Hagood to be lieutenant colonel.
Capt. John L. Hughes to be major.
Lieut. Col. Wilmot E. Ellis to be colonel.
Maj. Joseph L. Knowlton to be lieutenant colonel.

Maj. Joseph Wheeler, jr., to be lieutenant colonel.
Maj. Robert E. Callan to be lieutenant colonel.
Maj. Edwin Landon to be lieutenant colonel.
Maj. Clarence H. McNeil to be lieutenant colonel.
Maj. Joseph P. Tracy to be lieutenant colonel.
Maj. Percy M. Kessler to be lieutenant colonel.
Capt. James A. Ruggles to be major.
Capt. Terence E. Murphy to be major.
Capt. Harry W. Newton to be major.
Capt. Allen D. Raymond to be major.
Capt. James R. Pourie to be major.

To be captains with rank from July 1, 1916.

First Lieut. Marcel S. Keene.
First Lieut. Robert C. Garrett.
First Lieut. Guy B. Lawrason.
First Lieut. Carl A. Lohr.
First Lieut. Laurence T. Walker.
First Lieut. Samuel H. Tilghman.
First Lieut. Otto H. Schrader.
First Lieut. Halsted P. Councilman.
First Lieut. Arthur H. Doig.
First Lieut. Robert E. Guthrie.
First Lieut. William R. Nichols.
First Lieut. Paul H. Herman.
First Lieut. Oscar C. Warner.
First Lieut. Frank S. Clark.
First Lieut. Kelley B. Lemmon.
First Lieut. William S. Fulton.
First Lieut. Thomas O. Humphreys.
First Lieut. Edwin F. Barlow.
First Lieut. Donald M. Ashbridge.
First Lieut. Hollis Le R. Muller.
First Lieut. Eli E. Bennett.
First Lieut. Charles T. Richardson.
First Lieut. Homer R. Oldfield.

To be first lieutenants with rank from July 1, 1916.

Second Lieut. Albert W. Draves.
Second Lieut. Benjamin S. Beverley.
Second Lieut. Frederick J. Williams.
Second Lieut. Carl L. Marriott.
Second Lieut. James A. Pickering.
Second Lieut. Hugh A. Ramsey.
Second Lieut. Willis McD. Chapin.
Second Lieut. Robert B. McBride, jr.
Second Lieut. Paul V. Kane.
Second Lieut. James deB. Walbach.
Second Lieut. Richard M. Levy.
Second Lieut. Weir Riché.
Second Lieut. Ellicott H. Freeland.
Second Lieut. James C. Ruddell.
Second Lieut. Joseph J. O'Hare.
Second Lieut. William G. Patterson.
Second Lieut. Frank C. Scofield.
Second Lieut. Ferdinand F. Gallagher.
Second Lieut. Barrington L. Flanigen.
Second Lieut. Stiles M. Decker.

MEDICAL CORPS.

To be colonels with rank from July 1, 1916.

Lieut. Col. William B. Banister.
Lieut. Col. Charles F. Mason.
Lieut. Col. James D. Glennan.
Lieut. Col. Alfred E. Bradley.
Lieut. Col. Euclid B. Frick.
Lieut. Col. Frank R. Keefer.
Lieut. Col. Charles Willcox.

To be lieutenant colonels with rank from July 1, 1916.

Maj. William H. Wilson.
Maj. William F. Lewis.
Maj. Thomas S. Bratton.
Maj. Thomas J. Kirkpatrick.
Maj. Irving W. Rand.
Maj. Powell C. Fauntleroy.
Maj. James S. Wilson.
Maj. Basil H. Dutcher.
Maj. Leigh A. Fuller.
Maj. George A. Skinner.
Maj. Carl R. Darnall.
Maj. Henry Page.
Maj. Bailey K. Ashford.
Maj. Henry A. Webber.
Maj. Jere B. Clayton.
Maj. Weston P. Chamberlain.
Maj. Edward R. Schreiner.
Maj. Frederick M. Hartsock.
Maj. Douglas F. Duval.

To be majors with rank from July 1, 1916.

Capt. Charles F. Morse.
Capt. Haywood S. Hansell.
Capt. Junius C. Gregory.
Capt. Clarence H. Connor.
Capt. Jay W. Grissinger.
Capt. Will L. Pyles.
Capt. William M. Smart.
Capt. Robert M. Blanchard.
Capt. James Bourke.
Capt. Samuel M. De Loffre.
Capt. Louis C. Duncan.
Capt. Edward M. Talbott.
Capt. John A. Clark.
Capt. Samuel J. Morris.
Capt. Jacob M. Coffin.
Capt. John W. Hanner.
Capt. Levy M. Hathaway.
Capt. Alexander Murray.
Capt. Philip W. Huntington.
Capt. James D. Fife.
Capt. William A. Powell.
Capt. Jesse R. Harris.
Capt. George H. Scott.
Capt. Robert L. Carswell.
Capt. Charles F. Craig.
Capt. William P. Banta.
Capt. Robert H. Pierson.
Capt. James I. Mabee.
Capt. George P. Peed.
Capt. Ralph S. Porter.
Capt. Henry D. Thomason.
Capt. Percy L. Jones.
Capt. Fred W. Palmer.
Capt. Edward B. Vedder.
Capt. Henry F. Pipes.
Capt. Charles L. Foster.
Capt. John R. Bosley.
Capt. Robert C. Loving.
Capt. Orville G. Brown.
Capt. George F. Juenemann.
Capt. Joseph F. Siler.
Capt. Arthur M. Whaley.
Capt. Theodore Lamson.
Capt. Craig R. Snyder.
Capt. Ernest G. Bingham.
Capt. James D. Heysinger.
Capt. Lloyd L. Smith.
Capt. John B. Huggins.
Capt. William H. Tefft.
Capt. Llewellyn P. Williamson.
Capt. William R. Davis.
Capt. Leartus J. Owen.
Capt. Robert M. Culler.
Capt. Frank W. Weed.
Capt. William A. Wickline.
Capt. Howard H. Baily.
Capt. Harry G. Humphreys.
Capt. Paul L. Freeman.
Capt. William A. Duncan.
Capt. Earl H. Bruns.
Capt. Herbert C. Gibner.
Capt. Clarence LeR. Cole.
Capt. Albert G. Love.
Capt. Harold W. Jones.
Capt. Omar W. Pinkston.
Capt. Mathew A. Reasoner.
Capt. Henry J. Nichols.
Capt. Louis H. Hanson.
Capt. Lucius L. Hopwood.
Capt. Charles E. Freeman.
Capt. Ferdinand Schmitter.
Capt. Frederick S. Macy.

To be captains with rank from June 7, 1916.

First Lieut. Harry L. Dale.
First Lieut. Alvin W. Schoenleber.
First Lieut. Ernest C. McCulloch.
First Lieut. George R. Caliender.
First Lieut. Edward T. B. Weidner.
First Lieut. Raymond W. Bliss.
First Lieut. Raymond C Bull.
First Lieut. Norman T. Kirk.

First Lieut. William B. Borden.
First Lieut. Clarence R. Bell.
First Lieut. Robert H. Duenner.
First Lieut. Bertram F. Duckwall.
First Lieut. Halbert P. Harris.

QUARTERMASTER CORPS.

Lieut. Col. Frank F. Eastman to be colonel.
Maj. Hugh J. Gallagher to be lieutenant colonel.

SIGNAL CORPS.

Capt. George S. Gibbs to be major.

POSTMASTERS.

PENNSYLVANIA.

John F. Bachinger, Plymouth.

SOUTH DAKOTA.

C. H. Bonnin, Wagner.

HOUSE OF REPRESENTATIVES.

TUESDAY, *August 15, 1916.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Eternal God our heavenly Father, we pray that Thy Spirit may move mightily upon the hearts of the men who have it in their power to avert a great calamity which may be visited at any moment upon our people. Grant that reason and even-handed justice may prevail, that all differences may be wisely and amicably adjusted to the honor of all who are concerned. In the spirit of the Master. Amen.

The Journal of the proceedings of Friday, August 11, 1916, was read and approved.

AGRICULTURE.

Mr. LEVER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing in the RECORD a letter received by me from the President of the United States containing a brief summary of the work of this administration for agriculture.

The SPEAKER. The gentleman from South Carolina asks unanimous consent to extend his remarks in the RECORD by printing a letter from the President of the United States respecting agriculture. Is there objection?

There was no objection.

Mr. LEVER. Mr. Speaker, I desire to submit another request. I ask unanimous consent that those parts of the Agricultural appropriation bill designated as parts A, B, and C may be printed as separate acts, so as to make them more available for distribution.

Mr. MANN. Mr. Speaker, I submit that they can not be printed as separate acts.

Mr. LEVER. In separate packets.

Mr. MANN. If the gentleman desires to print them as House documents, I suggest that he prepare a resolution which will go to the Committee on Printing, which will determine the cost, and so forth.

Mr. LEVER. If the gentleman thinks that that is the better course, I shall withdraw the request.

LEAVE OF ABSENCE.

The SPEAKER. The Chair has a letter from Gen. SHERWOOD asking indefinite leave of absence, on account of illness. Without objection, it will be so ordered.

There was no objection.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed without amendment bills of the following titles:

H. R. 4559. An act for the relief of C. Horatio Scott;

H. R. 5. An act for erecting a suitable memorial to John Ericsson;

H. R. 16914. An act permitting the Needles & Oatman Bridge Co. to construct, maintain, and operate a bridge across the Colorado River between the States of California and Arizona; and

H. R. 16995. An act granting the consent of Congress to A. N. Alford to construct a bridge across the Savannah River.

The message also announced that the Senate had passed with amendment bill of the following title, in which the concurrence of the House of Representatives was requested:

H. R. 14338. An act to authorize aids to navigation and other works in the Lighthouse Service, and for other purposes.

The message also announced that the Senate had disagreed to the amendments of the House of Representatives to the bill (S. 6369) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors, had asked a conference with the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. HUGHES, Mr. TAGGART, and Mr. SMOOT as the conferees on the part of the Senate.

The message also announced that the Senate had disagreed to the amendments of the House of Representatives to the bill (S. 19) relating to bills of lading in interstate and foreign commerce, had asked a conference with the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. POMERENE, Mr. ROBINSON, and Mr. CUMMINS as the conferees on the part of the Senate.

The message also announced that the President had approved and signed bills of the following titles:

On August 9, 1916:

S. 3069. An act to amend an act entitled "An act to amend an act entitled 'An act to amend an act entitled "An act to regulate commerce,"' approved February 4, 1887, and all acts amendatory thereof, and to enlarge the powers of the Interstate Commerce Commission," approved March 4, 1915.

On August 11, 1916:

S. 2500. An act authorizing the adjustment of rights of settlers on a part of the Navajo Indian Reservation in the State of Arizona; and

S. 4594. An act to validate certain declarations of intention to become citizens of the United States.

SENATE BILL REFERRED.

Under clause 2 of Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below.

S. 3700. An act to amend an act entitled "An act to repeal section 3480 of the Revised Statutes of the United States"; to the Committee on the Judiciary.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that on August 12, 1916, they had presented to the President of the United States, for his approval, the following bills and joint resolution:

H. R. 14299. An act to amend section 33 of an act to codify, revise, and amend the laws relating to the judiciary, approved March 3, 1911;

H. R. 16460. An act making appropriations for the support of the Army for the fiscal year ending June 30, 1917;

H. R. 14944. An act authorizing the Secretary of the Interior to transfer on certain conditions the south half of lot 14 of the southeast quarter of section 21, township 107, range 48, Moody County, S. Dak., to the city of Flandreau, to be used as a public park or playgrounds;

H. R. 13982. An act to extend temporarily the time for filing applications and fees and taking action in the United States Patent Office in favor of nations granting reciprocal rights to United States citizens; and

H. J. Res. 193. Joint resolution authorizing the Postmaster General to provide the postmaster of Newark, N. J., with a special canceling die for the Newark two hundred and fiftieth anniversary celebration.

ADJOURNMENT UNTIL FRIDAY.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet on Friday next.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that when the House adjourns to-day it adjourn to meet on Friday next. Is there objection?

There was no objection.

ORDER OF BUSINESS.

Mr. CLARK of Florida. Mr. Speaker, I ask unanimous consent that I be allowed 20 minutes on Friday next to address the House, after the disposal of the ordinary business.

The SPEAKER. The gentleman from Florida asks unanimous consent that on Friday next, after the reading of the Journal and the disposition of business on the Speaker's table, he be allowed to proceed for not to exceed 20 minutes. Is there objection?

There was no objection.

Mr. MANN. Mr. Speaker, the gentleman from Wisconsin, Mr. REILLY, the other day asked permission to address the House for 30 minutes the first time we met after to-day. I therefore ask unanimous consent that the gentleman from Wisconsin, Mr. REILLY, may have 30 minutes in which to address the House,

following the gentleman from Florida, Mr. CLARK, and also that the gentleman from Pennsylvania, Dr. TEMPLE, may have 1 hour following that, and the gentleman from Connecticut, Mr. HILL, 1 hour following Dr. TEMPLE.

The SPEAKER. The gentleman from Illinois asks unanimous consent that on Friday next, immediately after the close of the remarks of the gentleman from Florida, Mr. CLARK, the gentleman from Wisconsin, Mr. REILLY, may address the House for 30 minutes, the gentleman from Pennsylvania, Dr. TEMPLE, to follow him for 1 hour, and the gentleman from Connecticut, Mr. HILL, to follow Dr. TEMPLE for 1 hour. Is there objection?

Mr. PADGETT. Of course, that is not to interfere with conference reports?

The SPEAKER. Oh, no; that condition attaches always.

Mr. BARKLEY. Mr. Speaker, reserving the right to object, would the gentleman from Illinois [Mr. MANN] object to my being sandwiched in between Dr. TEMPLE and Mr. HILL for one hour?

Mr. MANN. I would not object to the gentleman from Kentucky having one hour to follow Mr. HILL.

Mr. BARKLEY. That would bring it pretty late.

Mr. MANN. Oh, no; that would not be too late.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ALLEN. Mr. Speaker, I ask unanimous consent that I may have 15 minutes in which to address the House following the program already fixed for next Friday.

The SPEAKER. The gentleman from Ohio asks unanimous consent that on Friday next, following the remarks of the gentleman from Connecticut, Mr. HILL, he be allowed to address the House for not to exceed 15 minutes. Is there objection?

There was no objection.

HOUR OF MEETING FRIDAY NEXT.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that the House meet at 11 o'clock a. m. on Friday next.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that the House meet at 11 o'clock a. m. on Friday next. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE.

Mr. BARKLEY. Mr. Speaker, I ask unanimous consent that following these various gentlemen who have received consent to speak that I may be permitted to address the House for one hour.

The SPEAKER. The gentleman from Kentucky asks unanimous consent that next Friday after the close of the remarks of the gentleman from Ohio [Mr. ALLEN] that he shall be permitted to address the House not to exceed one hour. Is there objection? [After a pause.] The Chair hears none.

Mr. GILLETT. Mr. Speaker, I ask unanimous consent that I may follow on Friday for 30 minutes these other gentlemen who have been granted permission to speak.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent next Friday at the close of the remarks of the gentleman from Kentucky [Mr. BARKLEY] that he be permitted to proceed for not to exceed 30 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. SABATH. Mr. Speaker, I ask unanimous consent that I may speak for 20 minutes following these gentlemen on next Friday.

The SPEAKER. The gentleman from Illinois [Mr. SABATH] asks unanimous consent that next Friday at the conclusion of the remarks of the gentleman from Massachusetts [Mr. GILLETT] that he be permitted to proceed for not more than 20 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. DYER. Mr. Speaker, I ask unanimous consent that on Friday, if there is time after the other business, I may be permitted to address the House for 30 minutes.

The SPEAKER. The gentleman asks unanimous consent that on next Friday at the conclusion of the remarks of the gentleman from Illinois [Mr. SABATH] he shall be permitted to proceed, subject to the other restrictions, not to exceed 30 minutes. Is there objection? [After a pause.] The Chair hears none.

EXTENSION OF REMARKS.

Mr. HELVERING. Mr. Speaker, as Friday seems well to be taken up I ask unanimous consent to extend my remarks in the RECORD on the general revenue bill.

The SPEAKER. Is there objection to the request of the gentleman? [After a pause.] The Chair hears none. Now, all the gentlemen who got leave to make speeches understand that they do so subject to conference report, privileged matters, and business of that sort.

Mr. MOORE of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the National Guard.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD on the subject of the National Guard. Is there objection? [After a pause.] The Chair hears none.

Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the naval bill before the House to-day.

The SPEAKER. The gentleman from Maryland [Mr. LINTHICUM] asks unanimous consent to extend his remarks on the naval bill. Is there objection? [After a pause.] The Chair hears none.

Mr. RAKER. Mr. Speaker, I ask unanimous consent that I may print in the RECORD a letter from the Department of the Interior in regard to the bill H. R. 15096.

The SPEAKER. The gentleman from California asks unanimous consent to print in the RECORD a letter from the Interior Department. Is there objection?

Mr. MANN. What is it about?

Mr. RAKER. In regard to the Newlands bill. I did not have the matter prepared in proper shape before, and I wish it to be inserted now as the matter is being considered——

Mr. MANN. The same letter the Secretary sent to all of us?

Mr. RAKER. I hardly think so.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. CARTER of Oklahoma, for five days, on account of important business.

To Mr. MCDERMOTT, indefinitely, on account of important business.

Mr. DICKINSON. Mr. Speaker, I ask that the leave of absence heretofore granted to my colleague, Mr. RUSSELL of Missouri, may be extended for five days, on account of illness.

The SPEAKER. The gentleman from Missouri [Mr. DICKINSON] asks unanimous consent that the leave of absence to his colleague [Mr. RUSSELL of Missouri] be extended for five days on account of illness. Is there objection? [After a pause.] The Chair hears none.

Mr. MANN. Mr. Speaker, I ask unanimous consent that indefinite leave of absence may be granted to the gentleman from California [Mr. KENT] on account of illness.

The SPEAKER. The gentleman for Illinois [Mr. MANN] asks unanimous consent that indefinite leave of absence be granted Mr. KENT, of California, on account of illness. Is there objection? [After a pause.] The Chair hears none.

QUESTION OF PERSONAL PRIVILEGE.

Mr. SMITH of Minnesota. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state it.

Mr. SMITH of Minnesota. Mr. Speaker, on July 13 I made a speech in the House, in which I referred to the Water Power Development Association as being engaged in a propaganda in behalf of the Shields bill and the Myers bill, in which they were sending out certain written matter and having it published by the newspapers of the country, subsequently collecting some of these editorials and articles and mailing them to Congressmen as reprints, as though they had originated at the place where they were published. My attention has been called to a letter from the Water Power Development Association addressed to Members of Congress and given out to the press, in which they say that my statements were absolutely untrue and without any foundation. It is to this subject that I wish to address myself.

The SPEAKER. The gentleman will proceed.

Mr. SMITH of Minnesota. Mr. Speaker, the letter that was mailed to the Members of the House is as follows:

WATER POWER DEVELOPMENT ASSOCIATION,
MUNSEY BUILDING,
Washington, D. C., August 7, 1916.

Hon. GEORGE M. YOUNG,
House of Representatives.

DEAR SIR: There are inclosed for your information copies of letters sent to Representative GEORGE R. SMITH, of Minnesota, on July 24, 1916, in reply to certain untrue and baseless charges made by him on the floor of the House concerning the work of this association.

Yours, very truly,

HERMAN B. WALKER.

Now, my colleagues, I regret at this time to inject a reply to this letter into this morning's proceedings, because I realize

that you are all anxious to take up general legislation, and especially the naval appropriation bill. No one is more interested in the Navy than I am. I wish we had an incomparable Navy, not for the sake alone of protecting our material wealth, but for the sake of protecting our Government, which was conceived in liberty and dedicated to the proposition that all men are equal and endowed by their Creator with certain inalienable rights, among which are life, liberty, and the pursuit of happiness. It is for the purpose of protecting that Government which the great Chief Justice Marshall vivified and electrified by the great knowledge and patriotism which he breathed into it; but, my colleagues, what would our Government amount to or how long would it last if the moral fiber of the people were destroyed? The Romans withstood the world until they became corrupt. It was not the northern tribes that overcame the Romans. It was their own degradation, their own immorality, their own lack of love for truth and veracity.

Our country, with all its boasted freedom, with all its great wealth, with all its love of liberty, would not long endure if corruption, dishonesty, deception, and untruth became the dominant spirit in our body politic. Therefore it occurs to me that it is of much more importance that we try to protect the Government from its enemies within than to build large navies to defend ourselves against a foreign foe.

Before I came to Congress I was much interested in the development and conservation of our natural resources, and on coming here I immediately took up the study of our water powers and their development. I found this subject to be an exceptionally complicated one and in need of legislation. A certain group of water-power promoters have seriously objected to my activities along these lines because my idea of what should be done did not coincide with their legislative program. However, I regret that in their opposition to my efforts to secure wise and beneficial water-power legislation they have seen fit to carry on a campaign of slander and vilification instead of coming out in the open and discussing the matter on its merits. Their stock argument is abuse. I will not enter into personalities with them. I have no time; I have not the disposition. I love my fellow man too well. I have been told by some of my associates not to stir up the matter, because the more you stir corruption the worse it smells. Gentlemen, I live in a community that had skunks, and we never refrained from killing a skunk because it smelt.

I feel it my duty to turn the light on the corrupt practices of this association, that the public may kill it, not because I have any personal grudge against it, nor because I feel that it is going to advance my interests. However, from a sense of duty, right, and justice I make these disclosures.

In the speech that I made on July 13 I said something about a certain number of men that have been in Washington promoting water-power legislation, and I incorporated in my remarks a list of the names of those men, but for some unaccountable reason when my speech appeared in the RECORD that list of names was not there. The Official Reporters of debates had nothing to do with my speech, as it was typewritten.

The following is the list of names that was omitted: Josiah T. Newcomb, of Stone & Webster; L. L. Nunn, of the Utah Power Co.; H. G. Pierce, of Seattle, Wash.; J. H. Finney, of the Aluminum Co. of America; Ex-Congressman D. T. Flynn, of Oklahoma; Calvert Townly, of the Westinghouse interests; Hugh L. Cooper, Dupont interests; Frank M. Washburn, American Cyanamide Co.; ex-Congressman C. D. Landis, Dupont interests; Rome G. Brown, chief lecturer, draftsman, and attorney for some of the water-power companies; and S. Z. Mitchell, General Electric Co.

If the mysterious forces of electrical energy are placed within easy reach of all the people through the agency of the Government, their burdens will be measurably lightened and their comforts greatly increased. On the other hand, if the Government fails and neglects to control this well-nigh universal future source of industrial power, and permits it, unregulated and uncontrolled, to remain in selfish and unsympathetic private hands, it is certain to become the controlling force of the most despotic combination ever created to control the commercial, industrial, and domestic affairs of the people. Even the very Government itself, if not already under the influence of this combination, will sooner or later be corrupted by the evil influences bound to emanate from so vast and unrestrained twentieth-century organization of natural and artificial forces.

Mr. Speaker, I said other things on this occasion that stirred to their innermost circles that most worthy and patriotic band of make-believe conservationists—the water-power monopolists. Through their chief agency, the Water Power Development Association, of this city, this noble band of unselfish promoters and captains of high finance have attempted to wage against me a scurrilous and ruthless war because, sir, I had the temerity to expose, as was my bounden duty—being a servant of the people—their pernicious activity in the framing of, and the molding of public opinion to force its passage through Congress, legislation that would enable them to get and hold forever the remains of the last great natural resource of the people—water power—to the extent of 60,000,000 horsepower, worth billions of dollars.

In a written communication, distributed among the Members of Congress and the press, this coterie of eminent gentlemen, by their mouthpiece, the man of Everglades fame, takes exception to my remarks of the 13th, appearing on page 10972 of the RECORD, and more particularly to that portion which refers to the underhanded and deceptive methods and practices resorted to by the Water Power Development Association for the purpose of manufacturing public sentiment in favor of the Shields bill.

The following is the part of my speech that they take special exception to:

> One of the methods adopted by this association to deceive the public was to send free plate matter to country publishers and have them run in the daily papers as an expression of their own opinion, subsequently collecting these editorials and mailing them regularly to Members of Congress without any explanation, thus conveying the impression that the article presented the local opinion of the community in which the matter circulated.

The association says that the above charges, as well as the editorial that I incorporated in my remarks from the Mineral Point (Wis.) Democrat, which alleged that the publicity methods of the water-power association are "rotten," are not in accord with the facts, and are wholly unjustified by the facts. By way of confession and avoidance, the association states that:

> First. We have never sent plate matter to any publisher who has not requested it.
> Second. We have never sent out editorial matters to any newspaper in the form of plates.
> Third. We have never written an editorial for any newspaper, except upon request of the editor or publisher.
> Fourth. We have never sent any Members of Congress clippings of newspaper articles printed from plate matter furnished by us.

This general denial appears to be a complete refutation of the charges of deception made against this highly patriotic and unselfish association that is moved by no other motive than that of rendering gratuitously disinterested, exceptionally costly, expert service to the public. It makes a complete denial of every charge made against it, and in the next breath admits that this denial is untrue. Notwithstanding the bristling denial found on page 1 of the association's anomalous communication, given wide circulation, we discover the following admission on page 2 of this incomparable document:

> We have sent out articles in manuscript to the leading newspapers and periodicals of the country during the past six months which have been extensively published. We discovered, however, that the smaller country papers could not afford to set the type for articles on general subjects, and would not do so, and when the American Press Association made us a proposition to send general articles on water-power to the country newspapers in the form of plate matter, we accepted their proposal and made a contract with them to furnish such service.

Now that the association has made a clean breast of matters by its confession and avoidance, it demands of its exposers that they absolve it from wrong-doing or be forever held up to scorn and ridicule for telling the truth, and nothing but the truth, about a set of the most avaricious financial pirates since the days of Capt. Kidd. What a philosophical mind these promoters of special legislation have! How little they credit the rest of mankind with knowing! There will be a rude awakening as soon as the public are onto their game.

What are the facts about the purposes and activities of this association? Are we going to let it proclaim them? Or are we to judge it by what it has done? If the latter, what are some of the things it has done? First of all, it has sent out to the leading newspapers and periodicals of the country editorials and articles, prepared by itself, boosting the Shields and Myers bills, some of which have been published, and these publications have been marked "reprinted" by the Water Power Development Association and mailed to Congressmen without any explanation, thus leading Members of Congress to believe that these editorials and articles originated in and represented the sentiment of the community in which the paper circulated. The association discovered, however, that the smaller country papers could not afford to set the type for these articles, and would not do so, and therefore other arrangements had to be made to take care of the country newspaper. In order to meet this situation the association hired, for a handsome price, the American Press

Association, to get country newspapers to publish articles on water power and water-power legislation, furnished by the Water Power Development Association.

The following is a letter received on or about May 26 by Robert M. Crawford, one of the editors and proprietors of the Democrat, Mineral Point, Wis.:

[American Press Association. Founded by Maj. Orland J. Smith. Courtland Smith, president and general manager. William G. Brogan, vice president and assistant general manager. Morris F. Germond, secretary-treasurer. Albert Bennett, second assistant general manager. Chicago office, 318 South Canal Street.]

MAY 25, 1916.

To the publisher:

Inclosed you will find proof of a page of matter prepared by the Water Power Development Association containing interesting articles on the development of water power for the reclamation of undeveloped land and industries in the country. The United States figures show that there is now undeveloped in this country about 35,000,000 horsepower of water power. To develop and use even one-half of this means conserving the labor of 300 000 men now employed in coal mining. One article is by Hugh L. Cooper, the builder of the Keokuk Dam; another by Pinchot, and one by HENRY L. MYERS, United States Senator from Montana. We are authorized to ship the plates of this page to you free of charge and transportation prepaid if you wish to use it. If you wish to use these interesting and valuable articles, sign and return the inclosed card.

Yours, very truly, AMERICAN PRESS ASSOCIATION.

It will be noted that the Press Association in its letter lays special stress on the fact that these articles were written by men of national reputation, such as Hugh L. Cooper, one of the active participants in the Water Power Association's affairs; Mr. Pinchot and Senator MYERS, author of the Myers water-power public-land bill; that the articles were very "interesting and valuable" and would be furnished free of charge even to the extent of expressage. Apparently a very generous offer, an exceptionally clever letter, calculated to throw the most cautious editor off his guard. All he had to do to get these highly interesting boiler-plate articles was to sign the inclosed stamped card and drop it in the mail box. Quite a temptation to an enterprising newspaper man. A number fell for this proposition, so I am told.

The sample page of matter referred to in the association's letter to Mr. Crawford, instead of carrying, as expressly stated, an article by Mr. Pinchot, the one man above all others known to be the avowed champion of the people's interests against the water-power crowd, carried an article of the Water Power Development Association, in which Mr. Pinchot was bitterly assailed for daring to criticize the Shields bill and extolling the virtues of this hypocritical piece of legislation.

And this is not all. Hugh L. Cooper, in an article appearing on this sample page, said:

To get any development and use of water power we first must have Federal legislation that will open the water powers to use. The United States Senate the other day passed the Shields bill by a vote of 46 to 22. This measure gives water-power companies the right, under careful restrictions, to dam navigable streams and build power plants therein. A bill providing for leasing of power sites in the public domain has passed the House and is now being debated in the Senate. Certain men and interests are trying to defeat the purposes of this constructive and beneficial legislation by loading it up with unworkable terms and conditions. They are making charges and statements generally vague and containing more innuendo than argument, intended to creat suspicion and mistrust and prevent legislation. It behooves the American manufacturer, the American farmer, and American citizen who has any direct, indirect, or patriotic interest in this subject to study this legislation for himself and arrive at his own conclusion.

A SUGGESTION TO CITIZENS.

Instead of taking the opinion of some one else, I urge every interested citizen to write his Congressman in Washington for copies of the Shields bill and the Myers bill and read them carefully, thoroughly, impartially, and critically. After reading these measures and making up his mind as to their merits I urge him to write his Representative in Congress exactly what he thinks of them, demanding their passage if he thinks them good bills and their defeat if he thinks them bad bills.

Mr. Cooper and his associates in the Water Power Development Association vociferously proclaim that their propaganda is not in favor of any particular bill. If that were the fact, we would be disposed to take their word for certain technical facts of this question which such men as Mr. Cooper thoroughly understand; but instead of these self-constituted instructors being disinterested parties, they have all to gain and nothing to lose by getting a brand of legislation that is of their own making, except the expense of carrying on this campaign, which I am credibly informed is a very large amount, running into thousands of dollars, $22,000 of which I have been able to trace. They have put their brand on the Shields bill and the Myers bill. What better proof of this fact do we want than their own statements? Mr. Cooper says that to get any development and use of water power we first must have Federal legislation that will open the water powers to use, "but that certain men and interests are trying to defeat the purposes of this constructive and beneficial legislation (meaning the Shields and Myers bills) by loading it up with unworkable terms and conditions." After Mr. Cooper puts his own stamp of approval on the Shields and Myers bills in this very unique and forcible manner by designating "them as constructive and beneficial legislation," he advises and urges the interested citizen to write his Congressman, not for his opinion which would, as Mr. Cooper and his associates put it, "tend to create suspicion and mistrust" "and prevent legislation," but for a copy of the "Shields bill and the Myers bill" that he may, in the light of the information received from the Water Power Development Association, make up his mind as to their merits; and after he has done this he is urged by these disinterested parties to "write his Congressman demanding their passage." Mind you, Mr. Interested Citizen, the party who is now cautioning you against the ignorance and disloyalty of your own Congressman is the same Mr. Cooper who on March 11, 1914, before a committee of the House of Representatives made the statement that he was afraid of a State and that he would not trust some States with a five-dollar bill. Even an Industrial Worker of the World would not make such anarchistic charges for the sole purpose of furthering his own personal interests and those of his associates.

Why did not Mr. Cooper in his "suggestion to citizens" to send for the Shields and Myers bills, if he desired an intelligent opinion, include in his suggestion the Adamson bill passed by the House in 1914 by practically a unanimous vote; or the Ferris bill; or the public-land bill passed at the same session; or the confidential Senate committee print, with Rome Brown's criticism; or the Smith bill of 1916? Moreover, if the Water Power Development Association had no ulterior motive in carrying on its propaganda, why did it run, on the same page sent to Mr. Crawford and in a column parallel to Cooper's "suggestion to citizens to send for the Shields and Myers bills," this statement, written by its own officer?—

This association holds no brief for any particular bill, and is anxious only for legislation that will stimulate new industries and national prosperity through development and use of water power now flowing to waste. We believe the Shields bill to be such a measure. We believe that it offers terms to capital which will encourage investment in water-power development. We believe that the indorsement of this bill by former Secretary Garrison and by the Senate committee and the fact that among the Senators who voted for its passage after four weeks of exclusive debate were representatives of the Democratic, Republican, and Progressive Parties, while only 22 votes could be mustered against it, is evidence that the bill gives full consideration and protection to all public rights and interests.

Has not the Water Power Development Association by its conduct and the statements of its officers and associates conclusively shown that it was created for the sole purpose of forcing Congress to pass the Shields bill and the Myers bill, its own pet measures?

It has told the citizens in plain terms through its various methods of publicity—and this boiler-plate method is only one of many devices resorted to by it to humbug the public—that these bills "give full consideration and protection to all the public rights and interests" and that each citizen should "demand" his Congressman to pass them forthwith. What a strange attitude for a self-constituted, nonpolitical, nonpartisan, and disinterested association! The article that I have quoted from this boiler-plate page charges, indirectly, of course, that Senators WALSH, KENYON, LA FOLLETTE, HUSTING, CUMMINS, NORRIS, and Representatives MANN, SHERLEY, LENROOT, FERRIS, COOPER of Wisconsin, ANDERSON, NORTON, and SIMS, Members of Congress who have led the fight against these obnoxious measures, "are making charges and statements generally vague and containing more innuendo than argument, intended to create suspicion and mistrust and prevent wise and wholesome legislation" embodied in the Shields and Myers bills. The whole vice of this charge lies in the fact that this association pretends to be a disinterested party to this controversy and is making these charges for the good of the public, when, as a matter of fact, they are discrediting the very men who are leading the fight in behalf of the public against the water-power monopoly in order to get their pet measures through Congress. This is consistent with the campaign carried on by this water-power crowd, for as soon as a representative of the people attempts to interfere with their plans of getting through Congress their pet measures they instantly proclaim that he is ignorant, vicious, and unpatriotic.

This language appears in their letter:

There has been no effort of any kind on our part to deceive anybody, either as to our identity and motives or as to the facts and economies of water-power legislation.

A most worthy purpose, splendidly proclaimed, but, alas, how far it appears from the truth when the white light of publicity is turned onto its practices. For illustration, in the latter part of March I received through the mails a reprint of

an editorial appearing in the Ottumwa Courier of March 14 from the Water Power Development Association, without any explanation accompanying it. Having received several other editorials of the same character from this company in the same manner, all written in the interests of the Shields and Myers bills, my suspicions became aroused and I made an investigation for the purpose of ascertaining where these editorials originated, and, to my great surprise, discovered that the editorial appearing in the Courier was prepared and forwarded to the Courier by the Water Power Development Association itself, with the specific instruction that it was not to be released until the Senate had passed the Shields bill. The Courier did not print quite all of the editorial which the association sent, but the part it did print is in the exact language of the editorial sent to it by the association, a carbon copy of which I hold in my hand. At this point I will insert, with the consent of the House, in the RECORD as a part of my remarks the Courier's editorial. If any Member desires to examine the carbon copy of the original editorial prepared and sent by the Water Power Development Association to the Courier, I will let him have it for that purpose.

SHIELDS WATER-POWER BILL.

The Shields water-power bill authorizing the Secretary of War to grant permits for the building of dams and power plants on navigable streams, is about ready for a vote in the United States Senate. This will be the first vote taken in the Senate on a general water-power measure in the eight years that the subject of conservation of natural resources has been under consideration in Congress. Two water-power bills passed the House last year and died in the Senate.

Senate leaders and military authorities urge the Shields bill as a vital feature of the preparedness program. It is estimated that there is 60,000,000 horsepower of natural energy in the navigable streams of the United States, of which nine-tenths is flowing to waste. These great water powers have been locked out of use up to now, as a special act of Congress has been necessary for each power plant and it has been impossible to pass workable tracts for the development of large water powers.

Senator SHIELDS, of Tennessee, announced in the Senate that the passage of this bill would be followed by early development of water powers aggregating 15,000,000 horsepower or a volume of electricity equal to that produced by a coal consumption of 100,000,000 tons a year. Engineers estimate that development of this amount of water power equals a saving of $700,000 a day in coal bills.

It is known that a number of big electrochemical plants for making saltpeter and nitric acid from the air have been planned by private enterprise, and will be built as soon as the Shields bill becomes a law and makes it possible to finance these undertakings. These chemicals are essential to the manufacture of explosives and agricultural fertilizers, and at present the United States is wholly dependent for its supply upon the nitrate deposits of Chile. The Chilean Government collects a high tax upon every ton of nitrate exported. There is at present not a single atmospheric nitrogen plant in this country, although Europe has 1,200,000 horsepower of hydroelectricity devoted to this use, and Germany is making 600,000 tons of saltpeter a year in such establishments for military and agricultural uses.

Electrification of railroads, manufacture of iron and steel in electric furnaces, and extensive irrigation developments in the West are among other benefits expected to be derived from the utilization of large water powers for generation of cheap electricity.

Under the terms of the Shields bill the Secretary of War is authorized to grant permits for dams and power plants where he believes the building of such dams will improve navigability of streams. Dams are to be built without cost to the Government, and the grantees are to provide and operate locks, gates, sluiceways, etc., all without cost to the Government. Permits may be granted to individuals, political subdivisions of States, cities or other municipal corporations, or to public-utility corporations. Intrastate business and rates of companies operating under the act are to be regulated by the States, and interstate service and rates by the Interstate Commerce Commission.

Municipally owned dams and power plants for irrigation or for supplying power for municipal purposes are to be given preference in making leases for surplus water powers in the streams. The bill does not apply to water power on small streams and creeks, used for gristmills, sawmills, etc.

The measure contains a drastic antimonopoly clause providing that no dam or works constructed under its provisions shall be owned, leased, controlled, or operated "by any device or in any manner so that they form part of or in any way effect any combination in the form of unlawful monopoly, or form the subject of any unlawful constraint or conspiracy to limit the output of electrical energy or in restraint of trade."

In the light of this information what credit are we to give the declaration of the association that it has never made any effort of any kind to deceive anybody? If you can conceive of any more clever way to deceive the public than that adopted by this association in its publicity campaign, as evidenced by the matters that I have called to your attention, I would like to have some one indicate how it can be done. In the face of these facts—and I assure you that they are only a few of the many that can be obtained—I am not surprised at all at the method adopted by the association to make it appear that my statements as to their methods of doing business were untrue and wholly unjustified by any of the facts connected with its publicity campaign. All of this goes to show what an elastic conscience these dissemblers have and what dupes it must think the public are. Their only redeeming feature is their unlimited supply of unadulterated gall.

I will not detain the House to read the letter which I received from the editor of the Democrat (Mineral Point, Wis.), but will content myself with inserting it in the RECORD at this point:

OFFICE OF THE IOWA COUNTY DEMOCRAT,
Mineral Point, Wis., July 29, 1916.

Hon. GEORGE R. SMITH,
House of Representatives, Washington, D. C.

MY DEAR MR. SMITH: I received and read your letter of July 26, together with the letters of Mr. Cortland Smith and Mr. Herman B. Walker. In reply I am sending you proofs received from the American Press Association, together with the letters transmitting them. I brought the matter up at a meeting of the Wisconsin Press Association, not to take a fall out of Mr. Smith, but rather to turn the light onto the methods used by the water-power promoters to create a spontaneous sentiment in favor of their measures before the House and the Senate at Washington. Chiefly, I wanted to present the matter so that the Wisconsin newspaper men present would not use water-power plate matter; and this, I think, has been done, because none of the exchanges coming to this office use the matter. As I understand it, Mr. Smith started out to defend the sending out of these proofs and matter; but rather broke down in his defense, confessed that it was "rotten business," and went on to condemn in even more severe terms other forms of plate matter sent out by other houses. If their matter is printed in a newspaper, and the water-power companies pay for it, even to the extent of preparing the matter and furnishing the plate, that fact ought to be disclosed to the public. Whether by inadvertence or otherwise, the letter from the American Press Association is misleading. It says that the page of proof contains an article by Pinchot, whereas it contains no such article, but rather a long article assailing Mr. Pinchot. I do not think there was any report taken down of my questions to Mr. Cortland Smith and his answers; but Merlin Hull, of Black River Falls, former speaker of the Wisconsin Assembly, and Richard Lloyd Jones, editor of the Wisconsin State Journal (Madison), and many others were present, and I think they will all bear out my statement of the case.

I thank you for standing up for the public welfare in the matter of water-power control, and hope that I have not misled you by a short article which I know is the truth.

Very truly, yours,
ROBERT M. CRAWFORD.

In support of the statements made by Mr. Crawford I wish to inform the House that I have a telegram from Richard Lloyd Jones, editor of the Wisconsin State Journal (Madison), in which he confirms all that Mr. Crawford said about boilerplate matter in his letter to me.

Not being a newspaper man, I may not have called things by their right names. However, I am confident that I have placed before this House and the country conclusive proof of the rotten, deceptive, and corrupt methods used by this association to manufacture sentiment in support of the Shields and Myers bills, and if I have been able to do this, I am content. I have no personal quarrel with any man or set of men. Neither can I be induced to neglect my official duties to engage in a quarrel. Legislation which has not sufficient merit to stand upon its own bottom should be scrapped. It is only when an attempt is made to pass vicious legislation that its sponsors resort to the tactics of this association, and then it is only men possessing the instincts of Mr. Herman B. Walker who have the audacity and cunning to indulge in such practices. The Water Power Development Association was organized by a few representatives of the Water Power Trust with headquarters in New York City, and undoubtedly for the sake of giving it a standing these promoters, knowing full well that the public was onto them, induced a number of highly respectable and fair-minded men and business houses to become nonparticipating members; and in criticizing this association's methods I regret that there is not some way of separating the sheep from the goats. The association started its career by hiring as its publicity agent the principal publicity man from the office of Secretary Lane, of the Interior Department, a former newspaper correspondent by the name of Herman B. Walker, and Marcus A. Beeman as its secretary.

Mr. Beeman has been assistant secretary for the Cleveland and Buffalo Chambers of Commerce and secretary of the New Jersey State Chamber of Commerce. Thus it will be seen that the association surrounded itself with two men of wide experience in two different lines of publicity—one through the commercial clubs and the other through the newspapers. Mr. Beeman has evidently been successful in getting a number of the commercial clubs throughout the country to indorse the Shields and Myers bills by resolutions cleverly drawn and subsequently forwarded to the Members of Congress. As an evidence of this statement I call attention to a few of these resolutions appearing on pages 10968, 10969, 10970 of the CONGRESSIONAL RECORD, Sixty-fourth Congress, first session. Notwithstanding the fact that these resolutions were adopted by clubs situated in States widely separated from each other, they are practically all duplicates. Mr. Walker's association with the water-power crowd dates back to some time prior to the launching of the association. While he was still employed in Secretary Lane's office it came to my knowledge that he spent considerable time in New York City and had a desk in the office of one of the water-power promoters, who is now his right-hand man in conducting the affairs of the

Water Power Development Association. He claimed to be studying the water-power situation from New York City, and from what developed later, when certain advance confidential information that the Secretary of Agriculture furnished the Secretary of the Interior in reference to a report which the Secretary of Agriculture was preparing on water power and hydroelectric combinations and trusts, in response to the Borah resolution, reached the heads of the hydroelectric monopoly in New York City, and they immediately came to the Secretary of Agriculture and tried to persuade him to either change his report or give them a hearing, there has never been any doubt as to Mr. Walker's mission in New York City or as to who furnished this advance information to the water-power promoters. Neither has there been much doubt as to where the money comes from that pays the expense of running the Water Power Development Association and its expensive corps of legislative and hydroelectric experts.

Just imagine, if you will, the power and the influence and the activity of the commercial clubs of this country. Just imagine what pressure you can bring to bear upon Congress if you can get the commercial clubs of the country interested in a proposition. The time has come when the public should serve notice on the commercial clubs that we welcome their activity, we welcome their interest in legislation, we welcome their suggestions, but we do not want them to get behind a propaganda without knowing what they are doing. I am sure if they understood the evil effect of the legislation embodied in the Shields bill, they would withhold their indorsement. We are always glad to see organization, when organization means the development of something useful and helpful to mankind, and not for the advancement of its own personal gain.

Now, gentlemen, let me call your attention for a minute to this evidence found in the RECORD, on pages 12677, 12678, and 12679, put in the RECORD for what purpose? For the purpose of influencing Congress. This looks very much like Mr. Beeman's work, as secretary of the Water Power Development Association. You will recall that he was secretary of several commercial clubs before he took this position. The following are some of the resolutions found on these pages.

A resolution passed by the Raleigh Chamber of Commerce, Raleigh, N. C.:

Whereas 60,000,000 undeveloped horsepower in the rivers and streams of the United States now go to waste because their development is financially impossible under our present laws—

And so forth, concluding by indorsing the Shields bill.

A resolution adopted by the Commercial Club of Salt Lake City, Utah:

Whereas 60,000,000 undeveloped horsepower in the rivers and streams of the United States now go to waste because their development is financially impossible under our present laws—

And so forth, indorsing the Shields bill.

Resolutions passed by the Carbondale Business Men's Association, Carbondale, Pa.:

Whereas 60,000,000 undeveloped horsepower in the rivers and streams of the United States now go to waste because their development is financially impossible under our present laws—

Concluding by indorsing the Shields bill.

Resolutions passed by the El Paso Chamber of Commerce, El Paso, Tex.:

Whereas 60,000,000 undeveloped horsepower in the rivers and streams of the United States now go to waste because their development is financially impossible under our present laws—

And so forth.

Resolutions passed by the Rome Chamber of Commerce, Rome, Ga.:

Whereas 60,000,000 undeveloped horsepower in the rivers and streams of the United States now go to waste because their development is financially impossible under our present laws—

Concluding by indorsing the Shields bill.

Why, Mr. Speaker, do these men know what they are indorsing? These resolutions are practically all duplicates, word for word, presented to the commercial clubs by the same party or parties. For the information of the House I will at this point insert one of these resolutions:

BY THE CARBONDALE BUSINESS MEN'S ASSOCIATION, CARBONDALE, PA.

Whereas 60,000,000 undeveloped horsepower in the rivers and streams of the United States now go to waste because their development is financially impossible under our present laws; and

Whereas cheap electrical power, for the irrigation of our desert lands; for the treatment of our limestone, phosphate, and mineral resources; for the operation of light, heat, and power plants in areas now closed to electrical competition; for the electrification of divisions of our railroads; for the manufacture of nitrogen from the air on a scale to lessen the costs of our farm fertilizers and to insure us an adequate ammunition supply in time of war; and for reducing the cost of power in manufacturing of every description, now waits upon a change in our present laws; and

Whereas water-power development, under vigilant regulation by national and State authorities, insuring absolute freedom from monopoly or restraint of trade and forfeiture in event of failure to develop and termination of the Government franchise at the end of 50 years, and the payment of compensation to the Government for any use of Government property and land, is fully secured in the Shields bill, recently passed by the Senate of the United States and now pending in the House of Representatives: Therefore be it

Resolved, That the Carbondale Business Men's Association, of Carbondale, Pa., an association representing the commercial, agricultural, and mining interest of the community, upon which depends the livelihood, prosperity, and comfort of a population of 35,000 now comprised within the commercial, agricultural, and mining district in and around the city of Carbondale, Pa., hereby indorses the Shields bill as passed by the Senate, free from impractical provisions that so disastrously have prevented water-power development in recent years, and hereby respectfully urges upon the House of Representatives the immediate passage of this bill; and be it further

Resolved, That a copy of this resolution be mailed by the secretary of this association to the Congressman representing this district and to the Senators from the State of Pennsylvania.

Every fact that I have thus far stated has been authenticated by the written words of the Water Power Development Association and its adherents, which have been correctly quoted by me in the foregoing statement. This mass of written evidence clearly shows that this monopoly has not only tried to deceive and humbug the public, but to blackmail Members of Congress into passing the Shields bill, a measure that would turn over, without compensation, 60,000,000 of undeveloped horsepower, worth billions of dollars, to these monopolists in perpetuity, free from effective regulation and control.

Since neither of the two great political parties have clearly expressed itself on the water-power question in its platform, it is incumbent upon the candidates for the presidency, as well as those for the Senate and Members of the House, to indicate their position on this very important question.

President Wilson has in a very uncertain and vague way expressed his position in a letter to Representative KENT of California, wherein he states:

It is better to let the water power run to waste than to settle the use of it in the wrong way.

This statement will hardly satisfy the voters, who are anxious to know just how the President stands on this question.

There is no doubt as to how Mr. Hughes stands on this question as he stated on several occasions while governor of New York just where he stood. In his message to the legislature in 1907 he stated, among other things:

It is well to consider the great value of the undeveloped water powers thus placed under State control. They should be preserved and held for the benefit of all the people and should not be surrendered to private interests. A proper policy with reference to the development and control of water powers should be established in order that these important sources of our prosperity may be held to the utmost extent possible for the benefit of all the people. No grant should be made of water-power privileges without compensation and under restrictions which will properly protect the rights of the public from whom the privileges are derived.

In his message of 1909 he declared:

The only way to deal with this, it seems to me—and it is time that it be dealt with—is to have the State control its undeveloped water powers, develop them according to the most improved method that science can suggest, preserve them for the benefit of all the people of the State in perpetuity, and let no individual or selfish hand control the sources of industrial power; and then provide fair means by which the developed powers can be availed of in individual enterprise. * * * We have a growing State; we hardly stop to think of what it will be in 50 years from now; and however this or that matter may engage the attention of the moment, we will be judged by our children according to the way we act in the light of the necessities which they will know and feel. The subjects that you are dealing with in this conference are those that are not important simply for this generation and will, perhaps, add very little to the immediate advantage of those here present; but you are trying to conserve the interests of the people by wise planning and by that careful and statesmanlike foresight which will enable posterity with justice to rise and call you blessed.

While I have not examined the details of the water-power bill which Mr. Hughes vetoed while he was governor, I am informed that its basic principles were on all fours with the Shields and Myers bills.

A pamphlet issued by the New York Young Republican Club that reached my desk this morning has this to say of the Shields bill and the Myers bill:

AUGUST 12, 1916.

To the President, Senators and Members of Congress of the United States:

This committee respectfully calls your attention to four indefensible measures affecting the natural resources of the United States now pending in Congress, and asks your best efforts toward their defeat. We refer to the Shields water-power bill, S. 3331; the Myers water-power bill, Senate amendments to House bill 408; the Phelan oil-lands bill, Senate amendments to House bill 406; and the summer homestead bill, S. 1065.

These four bills are in varying degrees efforts to give away the national patrimony to private individuals and corporations while the attention of the Nation is largely preoccupied in its foreign relations.

We would welcome "conservation" measures drafted on proper lines; but the bills referred to are merely "grabs" of a flagrant character. They are not to be excused by a professed interest in conservation, for genuine conservation measures are stifled in Congress.

We trust that you will lend your aid to prevent the above bills being slipped through in the closing days of the session, and to prevent any similar bills from becoming law.

Respectfully, yours,

COMMITTEE OF NATIONAL AFFAIRS OF THE NEW YORK YOUNG REPUBLICAN CLUB,
By BENJAMIN M. DAY, *Chairman*,

Committee on national affairs: Benjamin M. Day (chairman), Albert S. Bard, Herbert L. Bodman, O. H. Cheney, Charles H. Deller, Bruce M. Falconer, W. W. Hoppin, Charles E. Hughes, jr., Theodore S. Kenyon, Frederick P. Keppel, Russell H. Loines, Richard K. McGonigal, Benjamin F. McGuckin, Amos J. Peaslee, William E. Russell, Thomas D. Thacher, Edwin H. Updike, Lester H. Washburn.

I wish to call especial attention to the fact that Charles E. Hughes, jr., son of the Republican candidate for the Presidency, is a member of the committee on national affairs of this club, which prepared and circulated this pamphlet.

Furthermore, in the New Orleans Item, a newspaper published by Mr. Thompson, our distinguished Speaker's son-in-law, appeared the following editorial on April 18, 1916:

THE WATER-POWER FIGHT.

The group of conservationists, in all parties, of the type of those who wrecked the Taft administration by exposing the evil alliances and practices under the secretaryship of Ballinger, are up in arms against the Shields' water-power bill which has passed the Senate and now pends, awaiting a conference committee's action on it and a House substitute.

Gifford Pinchot, who led the fight against Ballinger, says of the Shields' bill:

"According to its own supporters, this bill turns over to the power interests of the country water power equivalent to twice the mechanical power of every kind now used in the United States, or enough to meet the needs of 200,000,000 people. This it does in perpetuity, although pretending to limit the grant to 50 years!"

Mr. Pinchot points out that the Shields' bill exacts from water-power companies no compensation for the power they obtain, requires no royalties—does nothing whatsoever, in actual effect, except to surrender to private corporations the remaining water-power sites over which the Federal Government has control!

Arrayed against the conservationists are: First, the water-power corporations have already "spotted" the power sites; second, the people in the regions of the proposed developments, impatient for development at any cost, and angered at the radical conservationists who have kept private enterprise from developing and have not been able to provide for public development.

Mr. Pinchot charges that the water-power grabbers themselves have prevented the passage of eight measures in eight years, providing for fair and equitable private development under proper restrictions and with proper compensation.

"They have wanted it all or none; done their way or not at all!"

We are far from the regions where water power is immediately significant with us—but we are right where we suffer most from a national water-power and water-flow policy that is unwise and basically wrong, for a very great proportion of the water that falls in the United States sends its surplus "run off" this way to the sea.

One of the ugly features of the Wilson administration has been the collapse of the fine pledges and great promises given concerning a "broad and comprehensive policy of conserving and utilizing the natural resources of the Nation!"

The Reclamation Service has been politicalized and largely "pork barrel."

The water-power question has wound up in an ugly snarl.

The Forest Service has been left unhelped.

We had looked for better things than this.

I insert the following resolution, which I introduced to-day, as a part of my remarks:

Resolution.

Whereas our water powers should be developed to the fullest extent that may be practicable at an early date, not only in a manner which the Nation alone can make possible, but should be held for the benefit of the people under conditions which will insure of the common right a fair return for privileges granted; and

Whereas two indefensible water-power measures affecting the remains of the natural resources of the United States known as the Shields water-power bill and the Myers water-power bill, are now pending in Congress; and

Whereas these two bills are efforts to give away the natural patrimony to private individuals and companies while the attention of the Nation is largely preoccupied in its foreign relations and its presidential elections; and

Whereas it is claimed by many, and evidence supporting such claim has been submitted to the House of Representatives, that a pernicious lobby has been in the Capitol working for the passage of these measures:

Resolved by the House of Representatives, That the Speaker appoint a committee of five Members of the House of Representatives, any vacancy occurring on the committee to be filled in the same manner as the original appointment, to inquire into and report to Congress at the earliest practicable date, not later than the 1st of January, 1917, whether or not such a lobby exists, and, if so, what measures should be taken to punish the guilty parties or party; and for this purpose they are authorized to sit during the sessions or recess of Congress, at such times and places as they may deem desirable, to send for persons and papers, to administer oaths, to summon and compel the attendance of witnesses, and to employ such clerks, stenographers and messengers, and other assistants as shall be necessary to carry out the purposes for which said committee was created. The committee shall have the power, through subcommittee or otherwise, to examine witnesses, the expense thereof to be paid from the contingent fund of the House, on the audit and order of the chairman of said committee, which audit and order shall be conclusive and binding upon the disbursing officer of the House as to the correctness of the accounts of the committee.

WHITE EARTH INDIAN RESERVATION.

Mr. STEPHENS of Texas. Mr. Speaker, I ask unanimous consent to file an additional report on the bill (H. R. 14731) relating to the White Earth Indian Reservation. (H. Rept. 993, pt. 2.)

The SPEAKER. The gentleman from Texas asks leave to file a supplemental report on the White Earth Indian Reservation matter. Is there objection?

There was no objection.

ADDRESS OF HON. CLAUDE WEAVER.

Mr. FERRIS. Mr. Speaker, Hon. Claude Weaver, the present efficient postmaster of Oklahoma City, recently delivered a speech here in Washington before the national convention of postmasters. It is so characteristic of his eloquence, his ability as an entertaining speaker, that it richly deserves a place in the permanent CONGRESSIONAL RECORD. For two years in this historic Hall he served not alone his State but his Nation ably and well. He honored the rôle of a Congressman then as he now honors the rôle of a postmaster.

I ask unanimous consent to extend my remarks in the RECORD by printing a speech delivered recently in Washington by ex-Congressman Claude Weaver, of my State.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to extend his remarks in the RECORD by printing a speech delivered by an ex-Member of the House from Oklahoma, Mr. Claude Weaver. Is there objection?

Mr. MANN. About what?

Mr. FERRIS. For the good of the order, I guess. It was before the postmasters' convention here in the city.

Mr. MANN. A political speech?

Mr. FERRIS. No; I think it is not a political speech.

Mr. MANN. I do not know what he would deliver a speech of any other kind for, because that was purely a political gathering.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. Weaver said:

Mr. Chairman, ladies and gentlemen, fellow postmasters, fellow workers, and fellow Democrats, you see that nobody takes me seriously. When I have come from the far-away, great Southwest—from the beautiful plains of God's Commonwealth, Oklahoma—to deliver a message worth while, your chairman, in introducing me, said, "He will make a very short speech." His suggestion intimates that brevity is the soul of wit. In Oklahoma we would say, "Cut her short." [Laughter and applause.]

Now, I have had a lot of ambitions from my boyhood days. I fully realize the exalted public place that I now hold. I started toward it long ago under the heliotrope skies of Texas, where Albert Burleson and I grew up together. Among the ambitions that I cherished was to be like Sancho Panza, the governor of an island, or like Huck Finn, to be shipwrecked on an island, or like Monte Cristo, to have a cave of buried treasure. I had dreams of being President or Senator, but my crowning ambition, now realized, was to be a postmaster. We know what we are, but we know not what we may be. [Applause.]

I will tell you a little incident that occurred in the greatest post office in the Southwest. Not long ago, on a certain Sunday morning when I sat at my desk, as all good postmasters do on Sunday morning, a long-distance call came to me from a man in Guthrie, Okla., who was making a long automobile trip from Kansas and had got stalled in the deep sands in the streets of Guthrie, about 30 miles from Oklahoma City. My good friend, Frank Oldsmith, postmaster at Guthrie, will verify my statements. The man said he had important letters in the general delivery of the Oklahoma City post office; that he was coming down on the noon train, but would not stop, but would go through to Ardmore, having abandoned his automobile; that the letters had money greatly needed, and asked me to send a special messenger to the depot to meet the train and give him his letters. I told him that Oklahoma was a Christian land, and Oklahoma City a dry town, and that the post office on Sunday was hermetically sealed; and that his request was out of the question; but there was something in the urgent and pathetic tone of his voice that softened my heart. So I finally told him that there would be some one at the train to meet him with the letters. The man's name was Peck. A few minutes before train time I took the letters and went down to the station. When the train pulled in I saw a very large man of imposing appearance step from the Pullman. He had that opulent air of prosperity that all the people of Kansas have and on his shirt front a diamond as big as a carbuncle. With the discrimination of a Sherlock Holmes, I marked my man. I let him sweat a little while, and then I walked up to him and asked him if he were Mr. Peck. "Yes," he said. "Well," I said, "here are the letters for you." "Well," he said, "young man, you must have the most accommodating postmaster in the world down here." [Applause.] He said, "Son, here's a quarter for you." [Laughter and applause.] And the boys say that the only apocryphal part of my story is that I gave him back the quarter. [Laughter.]

Now, let me tell you another little story, and this also, like all of my stories, is a true story. You know that I grew up at the knees of a Christian mother, and moreover, at the University of Texas, in eighteen hundred and ever so long ago, I sat like another Paul at the feet of Gamaliel to listen to words of wisdom from the lips of old Oran M. Roberts, the old alcalde of Texas. So, you see that I could not be anything but a bubbling fountain of truth. Gen. Burleson has just told you that he is proud of his ancestry; that he is Scotch. I tell you that Albert Burleson has a nobler ancestry than the proudest Scotch lineage, and so have I. We are descended from the loins of the men who were pioneer founders of Texas, with its glorious memories of the Alamo and San Jacinto.

But to my story: Four years ago I was seized with a renewed attack of intermittent but insatiable ambition cherished from my boyhood days to be a Representative of the people out yonder in the Nation's great Capitol. So I made a pious pilgrimage to the shrines of the mighty, and, believe me, I had an inspiring message for them. I would to God, my fellow Democrats, that I could deliver that message

to the American people to-day. I was out in the little town of Erick, in western Oklahoma, where they have the finest people in the world, and I had occasion to quote a little poetry and a great deal of Scripture. I had a catalogue of all the omissions and commissions, misdemeanors and crimes, of a certain political party that I will not name. Of course, I did not forget the crime of 1876, when they stole the Presidency of these United States from the American people—a bolder theft than that of the Promethean robber who stole the fire from heaven and hid it in a hollow reed. [Applause.] I had a lot of inspiring quotations from the Scriptures, and among those that appealed most was when I spoke of the fleshpots of Egypt and the savory smell of Esau's mess of pottage. You know we had been wandering in the wilderness for 16 long years, and you know how savory was the smell of pottage in Esau's nostrils. [Laughter and applause.] Another text that was of special interest was one that I took from the parable of the prodigal son, "He was an hungered and would fain have filled his belly with the husks that the swine did eat." And then I told them about the swine that were possessed of devils and all plunged headlong into the sea. [Laughter and applause.] Then I told them the story of the good Samaritan. The American people represent the traveler that fell among thieves, who stripped him of his raiment and left him for dead. I pictured them waylaid by the robber, described the passing by of the priest and the Levite, and then came the great Democratic Party of this Nation, the true type of the good Samaritan, to pour oil into the wounds of the stricken and fallen. [Applause.]

Well, I had another Scripture. You know about four years ago, in the glorious revolution of 1912, they had an ancient Hebrew text, recently discovered—I don't mention names, but by the discoverer of the River of Doubt—"Thou shalt not steal." When I finished my speech and stood in the receiving line, there was an ancient and withered female dressed in yellow—no, ladies are never either very ancient or withered. She was beautiful and blooming, and shook hands with me, patted me on the head, and said: "Young man, I have sure enjoyed your sermon powerful." [Laughter and applause.]

How long have I talked? [To this question there were cries of "Go ahead, keep on," followed by applause.] All right. I would sure enough like to make a regular Texas or Oklahoma speech. I want to talk about a rather delicate subject if you will allow me to do it. They say "Fools rush in where angels fear to tread." Let me say a few words about the postmaster in politics, and now I want to give you some sound counsel and good advice. When you get inside of your office that is where politics should stop. When you cross the threshold of your office as a representative and servant of all the American people—rich or poor, Democrat, Republican, Bull Moose, Progressive, anarchist, Socialist, negro or white man—when you cross the threshold, never let politics enter. [Applause.] I had not been in the office long—we had not had a Democratic postmaster there for 16 years, and I had just got promoted from a position as a member of the Banking and Currency Committee to help write that Glass-Owen currency bill, and my reward was the postmastership at Oklahoma City. A lot of the boys thought there should be a lot of radical changes instanter. They came to me and said, "There are a couple of men holding important positions here, supervisory positions, who actually are Republicans." "Well, is that so?" I said. "Now," I said "let's see about that. Whenever you bring a serious charge against anybody, one that reflects on his standing in the community, and one that might injure his good name, you should have evidence to support it. You know the grand jury will not indict a man unless the truth is evident or the presumption great, so unless you have some good reason why they should be removed, why, just let them stay." I would not let them talk politics in the office, but I watched them very closely and kept a close check on them and especially on these two men. My example bore fruit, and I have succeeded in stamping out politics in my office. I will not make proselytes in politics in the Oklahoma City post office, nor allow anyone else to do it, but I believe in setting a good example to the boys, so in due time I went to the polls and registered as a good, orthodox Democrat, and I have heard that one of those "suspects" registered himself as a Democrat, and the other one—why he will hold his job just as long as he is efficient while I am postmaster. He can stay there because he is under civil service and he can stay there because, under the Democratic administration, merit and not political service is the true test. The sole motto of the Postal Department of the United States as now administered is "efficiency." [Great applause.]

Now, here is something worth going into the record. Nothing I have said up to date is worth it. It is a line or two regarding the postal system, and I wrote it down. I will just read it to you. Now listen.

"The Post Office System is essentially a business institution. It touches every home, comes in contact with every commercial institution and with those engaged in every line of industrial enterprise throughout the country, and in the nature of things it is highly important that only the most efficient employees should be in its service. For this reason the merit system should be adhered to in the Post Office Department above all others, in order to secure the very highest standard of efficiency in the conduct of its affairs. The service has been administered for the convenience of the public, not for profit; to promote efficiency by standardizing and simplifying procedure; to recognize merit and eliminate partisanship; to extend service wherever present or prospective returns justify; reduce rates in so far as proves consistent with fiscal necessity and to provide all communities and sections of the country as far as practicable with uniform service."

Now, that is worth all the speeches that have been delivered to this gathering, and I quote from Albert Sidney Burleson, the Postmaster General of the United States [Applause.]

Now, I must conclude; I am going to close, but I just want you to know my position. I am afraid you might not know just what my politics are. [Laughter.] You know I claim I have improved the definition of a Democrat. One of the greatest statesman, one of the greatest Democrats in all this country, in an article in a metropolitan journal of New York City, defined the word "democrat" to be a man who believed in the rule of the people. But I can give you a better definition: A Democrat is a man who believes in the rule of the people and votes the Democratic ticket. [Applause.]

Now, gentlemen, do not think for a moment that when I took the oath of office as postmaster of Oklahoma City before M. O. Chance, that I surrendered either my citizenship or my Democracy. [Applause.] Whenever I have to lose my citizenship, the birthright of a Texan and an American for the paltry bribe of any office, why, then, I have sunk so low that I want my own brown-eyed boy, the image of his mother, beautiful as the dream of morning, to disown his father. [Loud cheering and applause.] I am going to conclude now by telling you of a speech that I heard in my brief and ephemeral career as a Representative in the United States Congress that has now gone down to the utter oblivion that hastens to engulf us all. I was up here at the White House as an invited guest on the 3d day of October, 1913, to see the President of the United States sign the tariff bill. He signed it with two pens, giving one to OSCAR UNDERWOOD and one to Senator SIMMONS. He then got up just as I am standing up here now, just to talk without any memorandum in his hand. He just said what was in his heart, and here is what he said. Now, I thought I knew what he would say—the first Democratic President since the immortal Grover Cleveland—the first piece of great constructive legislation with the income tax as the backbone of the Underwood tariff law written and signed; and I thought he would say what you would say, Brother Singleton, or what you would say, Colin Selph, what any ordinary man would say, I thought he would just say what the party had done in thus redeeming its pledges to the American people, but here is what he said. He said, "I feel like a man that has reached, just reached the halfway house. We have signed the tariff bill, but what about the currency bill? I feel like a man that goes down to sleep in a halfway house to rest, but to continue his journey in the morning." And then I thought myself away out in the mountains of Colorado—you know that little stream that runs down Pikes Peak, clear as crystal, with its fountain head in the melting snows that rise above the halfway house, with the incense of the wild roses and the violets, where the great white columbine blooms on the snow-clad cliff—just a little pine house—the halfway house, and above it the eternal snows and the glaciers. That was the vision of the President of the United States.

In conclusion, I will stand here to-day and challenge all this world when they go to take the work—the Underwood tariff law, the Clayton antitrust law, the Trades Commission law, the Smith-Lever agricultural bill, the good-roads bill, the settling of the Colorado coal strike, the settling of the Minnesota copper strike, the Glass-Owen Federal Reserve Act (ROBERT L. OWEN, the great Indian Senator; CARTER GLASS, the great Virginia statesman, and God in His omnipotence might have made a finer man, but in His omnipotence He never did make a finer man than CARTER GLASS)—to put their finger on a flaw. [Applause.]

Now, in conclusion, just one little story. I was in a theater in Kansas City years ago and there was a little country girl that came out on the stage—

"She had a rustic woodland air,
And she was widely clad.
Her eyes were fair and very fair;
Her beauty made me glad."

She had been sent by her father, a farmer, to go to one of the fine finishing schools that Bob Ingersoll said was a place where pebbles are polished and diamonds are dimmed. There was a villain in the play who wanted to lead the little country girl away from the path of her duty, and she looked up to him with her wise, solemn country way and said, "There ain't no use and their ain't no sense in doing nothin' for nobody what never don nothin' for you." [Applause.] Go home, my countrymen, my fellow citizens, my fellow workers, my fellow postmasters, and remember that the greatest good to all the people of the nations of this earth is the reelection, thank God, of Woodrow Wilson. [Loud cheers and applause.]

EXTENSION OF REMARKS.

By unanimous consent, the following Members were given leave to extend remarks in the RECORD:

Mr. ROGERS, on the export trade of the United States.

Mr. TREADWAY, on certain features of the Mexican situation.

Mr. FARR, on the Mexican question and a resolution introduced by him.

Mr. GREENE of Vermont, a speech by former Secretary Shaw on business conditions.

Mr. WICKERSHAM, on the trade, commerce, and transportation in Alaska.

Mr. LANGLEY, on agriculture.

Mr. SMITH of Michigan, on child labor.

Mr. KEATING, on child labor.

Mr. STEPHENS of Texas, on the Mexican situation.

Mr. SLOAN, on the tariff and the farmer.

Mr. COOPER of Ohio, on child labor.

Mr. MCDERMOTT, on child labor.

Mr. KEY of Ohio, on pensions.

FLOODS IN WEST VIRGINIA.

Mr. LITTLEPAGE. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the desk.

The SPEAKER. The gentleman from West Virginia asks for the present consideration of the resolution, which the Clerk will report.

The Clerk read as follows:

Joint resolution (H. J. Res. 298) providing for the relief of flood sufferers in the State of West Virginia.

Resolved, etc., That the sum of $200,000, or so much thereof as may be necessary, is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the relief of persons suffering by reason of the recent floods on the waters of Cabin and Paint Creeks, the Kanawha, Mud, and Coal Rivers, in West Virginia. The Secretary of War, under such regulations as he may prescribe from time to time, is authorized to expend such sum, or so much thereof as may be necessary, in relieving destitution and caring for the injured and homeless who are suffering from the result of said flood and providing sanitary conditions; and he shall keep account of his expenditures hereunder and shall report the same to Congress, and shall, as far as possible, cooperate with local and State authorities, relief associations, and organizations, and he may use any Army tents, equipment, or supplies which he may deem proper in affording adequate and immediate relief.

Mr. LITTLEPAGE. I ask unanimous consent that the resolution be immediately considered.

Mr. COX. Reserving the right to object, I would like to know the reason why.

Mr. LITTLEPAGE. Mr. Speaker, first I want the Clerk to read a telegram from the governor of the State.

The Clerk read as follows:

CHARLESTON, W. VA., *August 13, 1916.*

Hon. ADAM B. LITTLEPAGE,
Washington, D. C.:

Have just returned from visit through Cabin Creek and Coal River districts. Newspaper reports of the situation are not exaggerated, except possibly in loss of life, which is approximately 75. More than 5,000 people are homeless and without food and clothing. Thirty to fifty thousand dollars is needed for immediate relief work. I have issued an appeal to people of the State for funds. Provisions are being distributed effectively through heroic efforts of 500 men of West Virginia National Guard. West Virginia will be glad to receive any aid from the Federal Government in this disaster, the most destructive in the history of the State.

H. D. HATFIELD.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. SHERLEY. Mr. Speaker, I suggest to the gentleman from West Virginia that the purpose he desires to accomplish can better be accomplished by simply enlarging the scope of the resolution that was recently passed in regard to the flood situation in other States, so as to include West Virginia. I understand that a movement to that effect will take place in the Senate to-day. In all these cases the experience of the Committee on Appropriations has been that there is appropriated a very much greater sum than is necessary. There was something over $500,000 that was appropriated for the relief of the flood sufferers of the South, and an enlargement of that law so as to include the State of West Virginia, I am sure, would take care of the situation. I make that suggestion to the gentleman in the hope of aiding him, because I shall feel compelled, in the absence of the chairman of the Committee on Appropriations, to prevent the present consideration of the resolution in the form in which it has been presented.

Mr. LITTLEPAGE. I want to say in reply to the gentleman from Kentucky that my information is that the Senate committee recommended $100,000 in a resolution worded exactly as this one is, and that there is a great necessity existing in that district in the entire community where this cloud-burst occurred. A great many people lost their lives and all the property they had, and there is necessity for immediate action on the part of Congress if it is inclined to do anything.

Mr. SHERLEY. If the gentleman will permit me, he gets just as quick action, he gets the funds made available for other purposes, including West Virginia. That is practically the quicker way to do it.

Mr. LITTLEPAGE. But the House does not meet until Friday.

Mr. SHERLEY. If the gentleman will let the matter pass over and subsequently offer a resolution enlarging the scope of the former resolution which we have passed, making it include West Virginia, there will be no trouble.

Mr. LITTLEPAGE. I am sure that if we do that we will not get action in the House to-day.

The SPEAKER. Is there objection?

Mr. SHERLEY. For the present, Mr. Speaker, I object.

NAVAL APPROPRIATION BILL.

Mr. PADGETT. Mr. Speaker, I call up the conference report on the naval appropriation bill (H. R. 15947), and I ask that the statement be read in lieu of the report.

The SPEAKER. The gentleman from Tennessee calls up the conference report on the naval appropriation bill and asks unanimous consent that the statement be read in lieu of the report. Is there objection?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (NO. 1099).

The committee of conference on the disagreeing votes of the two Houses on amendments of the Senate to the bill (H. R. 15947) making appropriations for the naval service for the fiscal year ending June 30, 1917, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 5, 7, 8, 9, 21, 27, 28, 29, 30, 31, 34, 35, 37, 38, 39, 44, 48, 63, 93, 94, 95, 96, 97, 98, 99, 134, 173, 176, 177, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 194, 195, 196, 197, 204, 206, 245, and 250.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 6, 13, 14, 15, 16, 17, 25, 26, 32, 33, 36, 42, 43, 45, 46, 50, 53, 55, 56, 57, 58, 59, 60, 61, 62, 64, 67, 70, 74, 78, 79, 81, 86, 87, 88, 91, 92, 101, 103, 104, 106, 107, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 126, 127, 128, 129, 130, 131, 132, 133, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 167, 169, 170, 171, 172, 175, 178, 179, 180, 181, 192, 193, 199, 207, 208, 209, 228, 236, 239, 242, 243, 244, 246, 247, 248, and 249, and agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendments of the Senate numbered 10, and agree to the same with amendments as follows: Strike out the first word of said amendment and in lieu thereof insert "Hereafter an," and at the end of said amendment change the period to a semicolon and add the following: "and hereafter an officer of the line of the Navy or Marine Corps may be detailed as assistant to the Judge Advocate General of the Navy, who shall, under similar conditions, perform the duties of the Judge Advocate General"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: Strike out all of said amendment and in lieu thereof insert the following: "Hereafter such amount may be expended annually for pay of drafting, technical, and inspection force from the several lump-sum appropriations in which specific authority for such expenditure is given, as the Secretary of the Navy may deem necessary within the limitation of appropriation provided for such service in said lump-sum appropriations at such rates of compensation as the Secretary of the Navy may prescribe; and the Secretary of the Navy shall each year, in the annual estimates, report to Congress the number of persons so employed, their duties, and the amount paid to each"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In line 8 of said amendment, after the word "the" and before the word "employment," insert "temporary"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with amendments as follows: In line 3 of said amendment strike out the words "a period" and insert in lieu thereof "periods," and at the end of said amendment change the period to a colon and add the following: "*Provided further*, That all moneys received from such leases shall be covered into the Treasury as miscellaneous receipts"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: At the beginning of said amendment, after the words "*And provided further*," insert "That, at the time, he is not under charges, or undergoing punishment, or in debt to the Government: *Provided further*"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the matter stricken out and the matter inserted by the Senate, insert the following:

"Gunnery and engineering exercises: Prizes, trophies, and badges for excellence in gunnery, target practice, engineering exercises and for economy in coal consumption to be awarded under such rules as the Secretary of the Navy may formulate; for the purposes of printing, recording, classifying, compiling, and publishing the rules and results; for the establishment and maintenance of shooting galleries, target houses, targets and ranges; for hiring established ranges, and for transporting the civilian assistants and equipment to and from ranges, $135,000."

And the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In lieu of Senate amendment, insert "$625,000"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with amendments as follows: Page 14 of the engrossed amendments of the Senate, line 19, after the word "connection," insert "east of the west building line of Second Street east"; page 14 of the engrossed amendments of the Senate, line 23, after the word "act," insert double quota-

tion marks; at the end of said amendment insert the following: "*Provided further*, That the Commissioners of the District of Columbia are authorized to lease, for periods not exceeding 10 years, such portions of Potomac Avenue and P Street between One-half Street and First Street, SE., together with public reservation No. 247, and such portion of First Street, SE., as may in their judgment be not needed for public use, together with a water frontage of Potomac Avenue and said portion of First Street, east, as abuts the Anacostia River and all the land of the United States in the area lying between said streets and avenue and the Anacostia River, to Lewis E. Smoot, of Washington, D. C., at a rental to be fixed by said commissioners: *Provided further*, That the said Lewis E. Smoot shall surrender to the Government of the United States his present leasehold on wharf property now held by him which is included in the land proposed to be added to the navy yard under the provisions of this act"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows: At the end of said amendment change the period to a comma and add the following: "to be paid out of the appropriation 'Pay, miscellaneous'"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with amendments as follows: At the beginning of said amendment strike out the words "purchase of" and in lieu thereof insert "for 88 acres of"; in said amendment strike out "$90,000" and in lieu thereof insert "$60,000"; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment as follows: Change total to "$78,000"; and the Senate agree to the same.

Amendment numbered 68: That the House recede from its disagreement to the amendment of the Senate numbered 68, and agree to the same with amendments as follows: In lines 10 and 11 of engrossed amendment strike out the words "to be located in the city of Washington on land owned by the Government"; in line 14 of said amendment strike out "$2,000,000" and in lieu thereof insert "$1,500,000," and strike out "$1,500,000" in said amendment and in lieu thereof insert "$1,000,000," with the following proviso: "*Provided*, That nothing herein shall be construed as preventing or interfering with the continuation or undertaking of necessary experimental work during the fiscal year ending June 30, 1917, as heretofore conducted under other appropriations"; in line 15 of said amendment, after the word "*Provided*," insert "*further*"; and the Senate agree to the same.

Amendment numbered 77: That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with amendments as follows: Page 24 of the engrossed Senate amendments, strike out all of lines 6 to 15, inclusive, and in lieu thereof insert the following: "All officers now in the Dental Corps (including the officers appointed for temporary service) appointed under the provisions of the act of August 22, 1912, entitled 'An act making appropriations for the Naval Service for the fiscal year ending June 30, 1913, and for other purposes,' and all officers now in active service appointed under the provisions of the act of March 4, 1913, who were eligible for appointment to the Dental Corps under the provisions of said act, shall be appointed dental surgeons in the Dental Corps without further examination and without regard to the age qualifications herein prescribed"; page 25 of the engrossed Senate amendments, lines 15 and 16, strike out the words "(except as may be necessary to adapt the said provisions to the Navy)"; page 26 of the Senate engrossed amendments, line 3, strike out the words "Navy Medical Reserve Corps and the," and in lines 4, 5, 6, and 7, strike out the words "respectively in the Navy Medical Reserve Corps as established under the provisions of the act of August 22, 1912, and"; page 26 of the Senate engrossed amendments, line 10, strike out the word "they" and in lieu thereof insert the following: "officers of the Medical Reserve Corps and officers of the Dental Reserve Corps"; and the Senate agree to the same.

Amendment numbered 89: That the House recede from its disagreement to the amendment of the Senate numbered 89, and agree to the same with an amendment as follows: Strike out everything after the caption and in lieu thereof insert the following:

"Hereafter the total number of commissioned officers of the active list of the line of the Navy, exclusive of commissioned warrant officers, shall be 4 per cent of the total authorized enlisted strength of the active list, exclusive of the Hospital Corps, prisoners undergoing sentence of discharge, enlisted men detailed for duty with the Naval Militia, and the Flying Corps: *Provided*, That the total number of commissioned line officers on the active list at any one time, exclusive of commissioned warrant officers, shall be distributed in the proportion of 1 of the grade of rear admiral to 4 in the grade of captain, to 7 in the grade of commander to 14 in the grade of lieutenant commander, to 32½ in the grade of lieutenant, to 41½ in the grades of lieutenant (junior grade) and ensign, inclusive: *Provided further*, That lieutenants (junior grade) shall have had not less than three years' service in that grade before being eligible for promotion to the grade of lieutenant.

"The total authorized number of commissioned officers of the active list of the following staff corps, exclusive of commissioned warrant officers, shall be based on percentages of the total number of commissioned officers of the active list of the line of the Navy as follows:

"Pay Corps, 12 per cent; Construction Corps, 5 per cent; Corps of Civil Engineers, 2 per cent; and that the total authorized number of commissioned officers of the Medical Corps shall be sixty-five one-hundredths of 1 per cent of the total authorized number of the officers and enlisted men of the Navy and Marine Corps, including midshipmen, Hospital Corps, prisoners undergoing sentence of discharge, enlisted men detailed for duty with the Naval Militia, and the Flying Corps. Officers of the lower grades of the Medical Corps, Pay Corps, Construction Corps, and Corps of Civil Engineers shall be advanced in rank up to and including the rank of lieutenant commander with the officers of the line with whom or next after whom they take precedence under existing law: *Provided*, That all assistant surgeons shall from date of their original appointment take rank and precedence with lieutenants (junior grade): *Provided further*, That to determine the authorized number of officers in the various grades and ranks of the line and of the staff corps as herein provided, computations shall be made by the Secretary of the Navy semiannually, as of July 1 and January 1 of each year, and the resulting numbers in the various grades and ranks, as so computed, shall be held and considered for all purposes as the authorized number of officers in such various grades and ranks and shall not be varied between such dates.

"The total number of commissioned officers of the active list of the following-mentioned staff corps at any one time, exclusive of commissioned warrant officers, shall be distributed in the various grades of the respective corps as follows:

"Medical Corps: One half medical directors with the rank of rear admiral to 4 medical directors with the rank of captain, to 8 medical inspectors with rank of commander, to 87½ in the grades below medical inspector: *Provided*, That hereafter appointees to the grade of assistant surgeon shall be between the ages of 21 and 32 at the time of appointment.

"Pay Corps: One half pay directors with the rank of rear admiral to 4 pay directors with the rank of captain, to 8 pay inspectors with the rank of commander, to 87½ in the grades below pay inspector.

"Construction Corps: One half naval constructors with the rank of rear admiral to 8½ naval constructors with the rank of captain, to 14 naval constructors with the rank of commander, to 77 naval constructors and assistant naval constructors with rank below commander: *Provided*, That vacancies in the Construction Corps shall be filled in the manner now prescribed by law, at such annual rate as the Secretary of the Navy may prescribe: *Provided further*, That hereafter ensigns of not less than one year's service as such shall be eligible for transfer to the Construction Corps.

"Corps of Civil Engineers: One-half civil engineers with the rank of rear admiral to 5½ civil engineers with the rank of captain, to 14 civil engineers with the rank of commander, to 80 civil engineers and the assistant civil engineers with the rank below commander.

"Hereafter no further appointments shall be made to the Corps of Professors of Mathematics, and that corps shall cease to exist upon the death, resignation, or dismissal of the officers now carried in that corps on the active and retired lists of the Navy.

"When there is an odd number of officers in the grade or rank of rear admiral in the line or in each corps, the lower division thereof shall include the excess in number, except where there is but one.

"Whenever a final fraction occurs in computing the authorized number of any corps, grade or rank in the naval service, the nearest whole number shall be regarded as the authorized number: *Provided*, That at least one officer shall be allowed in each grade or rank.

"For the purpose of determining the authorized number of officers in any grade or rank of the line or of the Staff Corps, there shall be excluded from consideration those officers car-

ried by law as additional numbers, including staff officers heretofore permanently commissioned with the rank of rear admiral, and nothing contained herein shall be held to reduce below that heretofore authorized by law the number of officers in any grade or rank in the Staff Corps.

"Hereafter pay and allowances of officers in the upper half of the grade or rank of rear admiral, including the Staff Corps and including staff officers heretofore permanently commissioned with the rank of rear admiral, shall be that now allowed by law for the first nine rear admirals, and the pay and allowances of officers in the lower half of the grade or rank of rear admiral, including the Staff Corps, shall be that now allowed by law for the second nine rear admirals: *Provided*, That officers shall take rank in each Staff Corps according to the dates of commission in the several grades, excepting in cases where they have gained or lost numbers.

"Hereafter chief boatswains, chief gunners, chief machinists, chief carpenters, chief sailmakers, chief pharmacists, and chief pay clerks, on the active list with creditable records, shall, after six years from date of commission, receive the pay and allowances that are now or may hereafter be allowed a lieutenant (junior grade), United States Navy: *Provided*, That chief boatswains, chief gunners, chief machinists, chief carpenters, chief sailmakers, chief pharmacists, and chief pay clerks, on the active list with creditable records, shall, after 12 years from date of commission, receive the pay and allowances that are now or may hereafter be allowed a lieutenant, United States Navy.

"Warrant officers shall receive the same allowances of heat and light as are now or may hereafter be allowed an ensign, United States Navy.

"Warrant officers shall be allowed such leave of absence, with full pay, as is now or may hereafter be allowed other officers of the United States Navy.

"Hereafter all promotions to the grades of commander, captain, and rear admiral of the line of the Navy, including the promotion of those captains, commanders, and lieutenant commanders who are, or may be, carried on the Navy list as additional to the numbers of such grades, shall be by selection only from the next lower respective grade upon the recommendation of a board of naval officers as herein provided.

"The board shall consist of nine rear admirals on the active list of the line of the Navy not restricted by law to the performance of shore duty only and shall be appointed by the Secretary of the Navy and convened during the month of December of each year and as soon after the first day of the month as practicable.

"Each member of said board shall swear, or affirm, that he will, without prejudice or partiality, and having in view solely the special fitness of officers and the efficiency of the naval service, perform the duties imposed upon him as herein provided.

"The board shall be furnished by the Secretary of the Navy with the number of vacancies in the grades of rear admiral, captain, and commander, to be filled during the following calendar year, including the vacancies existing at the time of the convening of the board and those that will occur by operation of law from the date of convening until the end of the next calendar year, and with the names of all officers who are eligible for consideration for selection as herein authorized together with the record of each officer: *Provided*, That any officer eligible for consideration for selection shall have the right to forward through official channels at any time not later than 10 days after the convening of said board, a written communication inviting attention to any matter of record in the Navy Department concerning himself which he deems important in the consideration of his case: *Provided*, That such communication shall not contain any reflection upon the character, conduct, or motives of or criticism of any officer: *Provided further*, That no captains, commanders or lieutenant commanders, who shall have had not less than four years' service in the grade in which he is serving on November the 30th of the year of the convening of the board, shall be eligible for consideration by the board: *Provided further*, That the recommendation of the board in the case of officers of the former Engineer Corps who are restricted by law to the performance of shore duty only and in that of officers who may hereafter be assigned to engineering duty only, shall be based upon their comparative fitness for the duties prescribed for them by law. Upon promotion they shall be carried as additional numbers in grade.

"The board shall recommend for promotion a number of officers in each grade equal to the number of vacancies to be filled in the next higher grade during the following calendar year: *Provided*, That no officer shall be recommended for promotion unless he shall have received the recommendation of not less than six members of said board: *Provided further*, That the increase in the number of captains herein authorized shall be made at the rate of not more than 10 captains in any one year.

"The report of the board shall be in writing signed by all of the members and shall certify that the board has carefully considered the case of every officer eligible for consideration under the provisions of this law, and that in the opinion of at least six of the members, the officers therein recommended are the best fitted of all those under consideration to assume the duties of the next higher grade, except that the recommendation of the board in the case of officers of the former Engineer Corps who are restricted by law to the performance of shore duty only, and in that of officers who may hereafter be assigned to engineering duty only, shall be based upon their comparative fitness for the duties prescribed for them by law.

"The report of the board shall be submitted to the President for approval or disapproval. In case any officer or officers recommended by the board are not acceptable to the President, the board shall be informed of the name of such officer or officers, and shall recommend a number of officers equal to the number of those found not acceptable to the President and if necessary shall be reconvened for this purpose. When the report of the board shall have been approved by the President, the officers recommended therein shall be deemed eligible for selection and if promoted, shall take rank with one another in accordance with their seniority in the grade from which promoted: *Provided*, That any officers so selected shall prior to promotion be subject in all respects to the examinations prescribed by law for officers promoted by seniority, and in case of failure to pass the required professional examination such officer shall thereafter be ineligible for selection and promotion. And should any such officer fail to pass the required physical examination he shall not be considered, in the event of retirement, entitled to the rank of the next higher grade.

"On and after June 30, 1920, no captain, commander, or lieutenant commander shall be promoted, unless he has had not less than two years' actual sea service on seagoing ships in the grade in which serving or who is more than 56, 50, or 45 years of age, respectively: *Provided*, That the qualification of sea service shall not apply to officers restricted to the performance of engineering duty only: *Provided further*, That captains, commanders, and lieutenant commanders who become ineligible for promotion on account of age shall be retired on a percentage of pay equal to 2½ per cent of their shore duty pay for each year of service: *Provided further*, That the total retired pay shall not exceed 75 per cent of the shore duty pay they were entitled to receive while on the active list.

"Except as herein otherwise provided, hereafter the age for retirement of all officers of the Navy shall be 64 years instead of 62 years as now prescribed by law.

"Nothing contained in this act shall be construed to reduce the rank, pay, or allowances of any officer of the Navy or Marine Corps as now provided by law."

And the Senate agree to the same.

Amendment numbered 90: That the House recede from its disagreement to the amendment of the Senate numbered 90, and agree to the same with an amendment as follows: In said amendment, strike out the word "commander"; and the Senate agree to the same.

Amendment numbered 100: That the House recede from its disagreement to the amendment of the Senate numbered 100, and agree to the same with an amendment as follows: At the end of said amendment, change the period to a comma and add the following: "less expenses of interment"; and the Senate agree to the same.

Amendment numbered 102: That the House recede from its disagreement to the amendment of the Senate numbered 102, and agree to the same with an amendment as follows: At the end of said amendment, change the period to a colon and add the following: "*Provided*, That this provision shall not be construed to reduce the pay and allowances of commissioned warrant officers as herein authorized;" and the Senate agree to the same.

Amendment numbered 105: That the House recede from its disagreement to the amendment of the Senate numbered 105, and agree to the same with an amendment as follows: In line 2 of said amendment, strike out the word "Harrold" and in lieu thereof insert "Harold"; and the Senate agree to the same.

Amendment numbered 108: That the House recede from its disagreement to the amendment of the Senate numbered 108, and agree to the same with amendments as follows: Page 43 of the engrossed amendments of the Senate, lines 16 and 17, strike out the words "lieutenant of the line of the Navy and captain of the Marine Corps" and in lieu thereof insert the following: "the line of the Navy or Marine Corps according to his length of service;" same page, line 22, strike out the

word "lieutenants" and in lieu thereof insert "officers," and, in line 23, strike out the words "captains of the"; and the Senate agree to the same.

Amendment numbered 109: That the House recede from its disagreement to the amendment of the Senate numbered 109, and agree to the same with an amendment as follows: Page 50 of the Senate engrossed amendments, line 19, strike out the words "of a fleet" and in lieu thereof insert "or of a larger naval force afloat"; and the Senate agree to the same.

Amendment numbered 125: That the House recede from its disagreement to the amendment of the Senate numbered 125, and agree to the same with an amendment as follows: In said amendment strike out the word "otherwise" and in lieu thereof insert "at shorter intervals"; on page 61 of the engrossed bill, line 6, strike out the word "is" and in lieu thereof insert "shall be"; and the Senate agree to the same.

Amendment numbered 151: That the House recede from its disagreement to the amendment of the Senate numbered 151, and agree to the same with an amendment as follows: In the next to the last line of said amendment, after the word "for," insert "temporary"; and the Senate agree to the same.

Amendment numbered 165: That the House recede from its disagreement to the amendment of the Senate numbered 165, and agree to the same with an amendment as follows: In lieu of the new matter inserted by the Senate insert the following: "Naval reserve force in this act: *Provided*, That the Marine Corps Reserve may consist of not more than five classes, corresponding, as near as may be, to the Fleet Naval Reserve, the Naval Reserve, the Naval Coast Defense Reserve, the Volunteer Naval Reserve, and the Naval Reserve Flying Corps, respectively"; and the Senate agree to the same.

Amendment numbered 166: That the House recede from its disagreement to the amendment of the Senate numbered 166, and agree to the same with an amendment as follows: In lieu of the matter stricken out insert the following: "All acts or parts of acts relating to the Naval Reserve which are inconsistent with the provisions of this act relating to the Naval Reserve Force are hereby repealed"; and the Senate agree to the same.

Amendment numbered 168: That the House recede from its disagreement to the amendment of the Senate numbered 168, and agree to the same with amendments as follows: Between the first and second paragraphs of said amendment insert the caption "Naval Militia and National Naval Volunteers"; on page 60 of the Senate engrossed amendments, lines 4 and 5, strike out the words "or duly authorized equivalent official duty" and in lieu thereof insert the following: "or equivalent official duty duly authorized in lieu thereof in accordance with such regulations as may be issued by the Secretary of the Navy"; on page 70 of the Senate engrossed amendments, line 5, after the word "officers," insert "or enlisted men."

On page 67 of the engrossed bill, lines 19, 20 and 21, strike out the words "Capt. John Gardner Quimby, retired, to be a captain on the active list, to take rank next after Capt. Thomas S. Rodgers," and in lieu thereof insert:

"Capt. John Gardner Quinby, retired, to be a rear admiral on the retired list, to take rank next after Rear Admiral Thomas S. Rodgers."

And the Senate agree to the same.

Amendment numbered 198: That the House recede from its disagreement to the amendment of the Senate numbered 198, and agree to the same with amendments as follows:

In lines 9 and 10 of said amendment, strike out the words "at the session of Congress next preceding such examination" and in lieu thereof insert "in the month of January of each year."

Strike out the second paragraph of said amendment and in lieu thereof insert the following:

"Each member of said Board shall receive while engaged upon duties as a member of the Board not to exceed $5 a day and actual expenses of travel by the shortest mail routes."

And the Senate agree to the same.

Amendment numbered 200: That the House recede from its disagreement to the amendment of the Senate numbered 200, and agree to the same with an amendment as follows: Change total to "$703,946.92"; and the Senate agree to the same.

Amendment numbered 203: That the House recede from its disagreement to the amendment of the Senate numbered 203, and agree to the same with an amendment as follows: In line 2 of said amendment, strike out the word "grades" and in lieu thereof insert the word "grade"; and the Senate agree to the same.

Amendment numbered 205: That the House recede from its disagreement to the amendment of the Senate numbered 205, and agree to the same with an amendment as follows: Strike out said amendment and in lieu thereof insert the following:

"The President of the United States be, and hereby is, authorized, by and with the advice and consent of the Senate, to appoint as second lieutenants on the active list in the United States Marine Corps, to take rank at the foot of the list of second lieutenants as it stands at the date of reinstatement, former officers of the Marine Corps who resigned from the Naval Service in good standing: *Provided*, That they shall establish their moral, physical, mental, and professional qualifications to perform the duties of that grade to the satisfaction of the Secretary of the Navy: *Provided further*, That the Secretary of the Navy, in his discretion, may waive the age limit in favor of the aforesaid former officers of the Marine Corps: *Provided further*, That the prior service of such officers and the service after reinstatement shall be not less than 30 years before the age of retirement."

And the Senate agree to the same.

Amendment numbered 240: That the House recede from its disagreement to the amendment of the Senate numbered 240, and agree to the same with an amendment as follows: At the end of said amendment change the period to a colon and add the following: *Provided further*, That this provision shall not be construed to deprive employees of any sick leave or legal holidays to which they may now be entitled under existing law; and the Senate agree to the same.

On the amendments of the Senate numbered 19, 20, 24, 41, 51, 52, 54, 69, 71, 72, 73, 75, 76, 80, 82, 83, 84, 85, 174, 201, 202, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 229, 230, 231, 232, 233, 234, 235, 237, 238, and 241 the committee of conference have been unable to agree.

L. P. PADGETT,
J. FRED. C. TALBOTT,
ALBERT ESTOPINAL,
THOMAS S. BUTLER,
ERNEST W. ROBERTS,
Managers on the part of the House.

B. R. TILLMAN,
CLAUDE A. SWANSON,
H. C. LODGE,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House, at the conference on the disagreeing votes of the two Houses on the bill (H. R. 15947) making appropriations for the naval service for the fiscal year ending June 30, 1917, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon and submitted by the accompanying report on the amendments of the Senate, namely:

Amendment No. 1: Strikes out the expenses for purchasing paymasters' offices, including the clerks, furniture, fuel, stationery, and incidental expenses. The expense for this purpose has been reduced by putting many of the purchasing pay offices in navy yards, and what remains of this expense has been transferred to the appropriation of "Maintenance, Bureau of Supplies and Accounts." And the House recedes.

Amendment No. 2: Increases the appropriation from $30,000 to $50,000 for obtaining information from abroad and at home. And the House recedes.

Amendment No. 3: Reduces the limitation in the appropriation for clerical inspection and messenger service at navy yards and stations under "Pay, miscellaneous," from $310,000 to $190,000. The amendment also provides for the expenses for interned persons and prisoners of war under the jurisdiction of the Navy Department, including funeral expenses of those who may die while under such jurisdiction. And the House recedes.

Amendment No. 4: Reduces the total appropriation "Pay, miscellaneous," from $1,050,000 to $915,000. And the House recedes.

Amendment No. 5: Provides for a lump sum of $250,000 for such additional employees at the Navy Department in Washington, D. C., as may be necessary to carry on the work of the Navy Department and its various bureaus and offices for the purpose of expediting the transaction of the necessary departmental business in connection with the construction of new vessels herein and heretofore authorized and the increase in the personnel. And the Senate recedes.

Amendment No. 6: Provides for the admission for treatment to the Government Hospital for the Insane for such interned persons and prisoners of war under the jurisdiction of the Navy Department. And the House recedes.

Amendment No. 7: Strikes out the House provision whereby the Chief of Naval Operations in the Navy Department is given authority to issue orders in the performance of duties assigned to him and providing that his orders shall be considered as emanating from the Secretary, and shall have full force and effect as such. And the Senate recedes.

Amendment No. 8: Provides that the duties prescribed in the Naval Regulations for the office of Chief of Naval Operations be written into law in detail. And the Senate recedes.

Amendment No. 9: Adds the word "further" to a proviso. And the Senate recedes.

Amendment No. 10: Provides for assistants to the Chiefs of Bureaus of Yards and Docks and Construction and Repair, to act during the death, resignation, absence, or sickness of the chiefs of bureaus. The House recedes with an amendment whereby an assistant is allowed the Judge Advocate General of the Navy. The assistants in each case are required to be officers of the Navy or Marine Corps.

Amendment No. 11: Provides that the amount to be expended annually for pay of drafting, technical, and inspection force at the various navy yards and stations from the several lump-sum appropriations provided in the bill is to be expended as the Secretary of the Navy may deem necessary, without limitation, provided that he shall report to Congress in the annual estimates the number of persons employed, their duties, and amounts paid to each, and the House recedes with an amendment whereby the Secretary of the Navy is permitted to expend from the several lump-sum appropriations only such amounts as are set forth within the limitations for this purpose in the lump-sum appropriations at such rates of compensation as the Secretary of the Navy may prescribe.

Amendment No. 12: Provides for an investigation of fuel oil and gasoline adapted to naval requirements, including the question of supply and storage and the availability of such supply as may be afforded by the reserves on the public domain and for the purchase of necessary instruments and appliances and the extension of the naval fuel oil equipment plant at the navy yard, Philadelphia, Pa., and for the employment of civilian oil experts and assistants with an appropriation for all of these purposes of $60,000, and the House recedes with an amendment whereby the employment of civilian experts for this purpose is made temporary only.

Amendment No. 13: Provides that rigid dirgibles may be purchased from the appropriation of $3,500,000 for aviation, and the House recedes.

Amendment No. 14: Provides for the retainer pay of officers and enlisted men and traveling and other expenses of the Naval Militia and National Naval Volunteers authorized in the bill by a Senate amendment. This increases the appropriation $883,000, and the House recedes.

Amendments Nos. 15, 16, and 17: Increase the appropriations available from $100,000 to $125,000 and $150,000 and $165,000 for vessels for the Naval Militia for the States of Illinois and Minnesota. And the House recedes.

Amendment No. 18: Provides that the Secretary of the Navy may, when for the public good, lease for a period of not exceeding five years such property of the United States under his control, which is not oil, mineral, or phosphate land; such leases to be reported annually to Congress. And the House recedes with amendments whereby the lease is not restricted to one period of five years but may be leased for periods not exceeding five years, and also a provision is added requiring that the proceeds from such leases shall be covered into the Treasury of the United States as miscellaneous receipts.

Amendment No. 21: Makes the House provision applicable to the Marine Corps whereby any person who enlists for the first time in the Navy if he so elects may receive his discharge therefrom without cost to himself during the month of June or December following the completion of one year's service at sea. And the Senate recedes.

Amendment No. 22: Makes the same provision for the Navy and Marine Corps that is allowed for recruiting in the Army, whereby the services of postmasters of the second, third, and fourth classes are utilized in securing recruits, the postmaster procuring the enlistment to receive the sum of $5. The House recedes with an amendment providing that no person who enlists in the Navy for the first time can be discharged therefrom without cost to himself during the month of June or December following the completion of one year's service at sea if at the time such person is under charges or undergoing punishment or is in debt to the Government.

Amendment No. 23: Consolidates the two appropriations in the House bill providing for prizes in gunnery and steaming exercises. And the House recedes with an amendment changing the phraseology and broadening the language, without any material effect.

Amendment No. 25: Raises the appropriation for pay, transportation, shipping, and subsistence of civilian officers and crews of naval auxiliaries and the expenses connected with naval auxiliaries employed in emergency from $950,000 to $1,690,460. And the House recedes.

Amendment No. 26: Increases the appropriation for instruments and supplies from $270,000 to $350,000 due to the increased cost of instruments, particularly optical instruments, owing to the war. And the House recedes.

Amendment No. 27: Restricts the detail of officers for duty in the Hydrographic Office to not more than four from the active list. And the Senate recedes.

Amendment No. 28: Increases the appropriation for the naval training station, Great Lakes, from $80,000 to $140,000. And the Senate recedes.

Amendments Nos. 29, 30, and 31: Relate to the transfer of chemists, drafting and inspection force from the limitation in the lump sum as provided in Senate amendment No. 11. And the Senate recedes.

Amendment No. 32: Provides for a heading to the paragraph relating to the armor plant. And the House recedes.

Amendment No. 33: Provides for batteries for merchant auxiliaries to cost not exceeding $3,300,000, and an appropriation of $1,650,000 is made to be available until expended. And the House recedes.

Amendment No. 34: Provides that the $13,720,000 appropriated by the House for ammunition for ships of the Navy shall be available for the purchase of necessary tools, cranes, and construction of ordnance storehouses. And the Senate recedes.

Amendment No. 35: Increases the appropriation for new and improved machinery for tools for the torpedo factory at Newport, R. I., from $100,000 to $189,000. And the Senate recedes.

Amendment No. 36: Provides for a contingent building fund of $10,000 for minor extension of public works under the cognizance of the Bureau of Ordnance. And the House recedes.

Amendments Nos. 37, 38, and 39: Relate to the exclusion of the technical, drafting, and inspection force of the Bureau of Yards and Docks from the limitation in the lump-sum appropriation. And the Senate recedes.

Amendment No. 40: Decreases the limitation for technical, drafting, and inspection force from $399,000 to $250,000 owing to amendments Nos. 37, 38, and 39. Since the Senate recedes from amendments 37, 38, and 39 an increase for the technical, drafting, and inspection force is necessary beyond the House provision, and by resolution of the House the conference committee was authorized to change amendment No. 40 so as to read "$625,000."

Amendments Nos. 42 and 43: Provide for improvement to heating system, $8,000, and improvement to a brass foundry, $7,900, at the navy yard, New York. And the House recedes.

Amendment No. 44: Provides for an appropriation of $500,000 for improvement of East River, N. Y., with a view to provide a channel 35 feet deep from Long Island Sound to navy yard, Brooklyn, N. Y. And the Senate recedes.

Amendments Nos. 45 and 46: Provide for an additional gun shop instead of an addition to the present gun shop, as provided in the House bill. And the House recedes.

Amendment No. 47: Provides for the acquisition of lands by purchase or condemnation in the vicinity of the navy yard, Washington, D. C., with an appropriation of $331,000 for that purpose, together with the unexpended balances of the appropriations in the act of March 3, 1907, and in the act of June 24, 1910, which acts authorized the Secretary of the Navy to enter into an agreement with the Philadelphia, Baltimore & Washington Railroad Co. for the construction of a track connection to the Washington Navy Yard and the acquisition of land or property necessary in connection therewith. The amendment amends the act of June 24, 1910, so that the Secretary of the Navy is authorized to enter into an agreement or agreements with the railroad companies for the purpose of establishing, maintaining, and operating such track connections with the railroad track system of the Washington Navy Yard, providing for a right of way for the construction of such connections, the title to which remains in the United States. Authority is also granted to the railroad companies to construct, maintain, and operate a bridge and approaches thereto for track connections across the Anacostia River, at a suitable point to the interests of navigation, to an available point within the vicinity of said navy yard in accordance with the act to regulate the construction of bridges over navigable waters, approved March 23, 1906. The amendment requires that within 30 days after the completion of the new track connection with the navy yard, the railroad company shall, at its own expense, remove said existing track connection and restore and make the service of the streets satisfactory to the Commissioners of the District of Columbia, and the House recedes with amendments whereby the Philadelphia, Baltimore & Washington Railroad Co. shall remove at its own expense the existing tract connection east of the west building line of Second Street east. At the end of the Senate amendment a proviso is added whereby the Commissioners of

the District of Columbia are authorized to lease for periods not exceeding 10 years such portions of the Potomac River and P Street between One-half Street and First Street SE., together with public reservation No. 247 and such portion of First Street SE. as may not be needed for public use, together with a water frontage of Potomac Avenue and said portion of First Street east as abuts the Anacostia River to one Lewis E. Smoot, of Washington, D. C., at a rental to be fixed by the Commissioners of the District of Columbia in consideration that the said Lewis E. Smoot will surrender to the Government of the United States his present leasehold on wharf property included within the land proposed to be added to the navy yard under the provisions of the amendment.

Amendment No. 48: Provides for the purchase of 3,884.57 square feet of land lying within the Naval Observation Circle. And the Senate recedes.

Amendment No. 49: Gives authority to the Secretary of the Navy to lease for a period not exceeding three years storage facilities in the vicinity of the navy yard, Norfolk, at an annual rental not exceeding $16,000. And the House recedes with an amendment providing that such leases are to be paid out of the appropriation "Pay, miscellaneous."

Amendment No. 50: Provides for a new building for the naval hospital and necessary changes in existing buildings and equipment at the marine recruiting station, Port Royal, S. C. And the House recedes.

Amendment No. 53: Provides for an appropriation of $420,000 to repair and reconstruct the public works damaged by the storm at the naval aeronautic station at Pensacola, Fla., last month. And the House recedes.

Amendments Nos. 55 and 56: Provide for a floating crane of the revolving type for use at the navy yard, Mare Island, Cal., to cost not exceeding $600,000, with an appropriation of $300,000. And the House recedes.

Amendments Nos. 57, 58, 59, and 60: Are corrections of typographical errors and errors of description relating to exchange of lands between the Navy Department and the War Department.

Amendments Nos. 61 and 62: Provide that the bridge provided for the naval proving ground, Indianhead, Md., in the House bill shall be so constructed as not to interfere with the navigation of Matawoman Creek, and also provides for a fence around the powder factory with an appropriation of $28,000. And the House recedes.

Amendment No. 63: Provides for a fire and boundary wall, to cost $5,000, at the naval magazine, Lake Denmark, N. J. And the Senate recedes.

Amendment No. 64: Provides for a sea wall and filling, to cost $36,000, at the naval torpedo station at Newport, R. I. And the House recedes.

Amendments Nos. 65 and 66: Provide for the purchase of additional land at the naval magazine, St. Juliens Creek, to cost $90,000. And the House recedes with an amendment providing for the purchase of 88 acres of additional land, to cost $60,000.

Amendment No. 67: Makes an appropriation of $20,000 available for the construction of a building for the storage of torpedoes at Melville, R. I., which had been appropriated in the act of March 3, 1915, for the naval torpedo station at Newport, R. I. And the House recedes.

Amendment No. 68: Provides for an experimental and research laboratory, with a limit of cost not to exceed $2,000,000 and an appropriation of $1,500,000. And the House recedes with amendments fixing the limit of cost of said laboratory not to exceed $1,500,000 and an appropriation of $1,000,000, with the further amendment striking out the following words: "to be located in the city of Washington on land owned by the Government"; also adding a proviso that nothing contained in the Senate amendment shall be construed as preventing or interfering with the continuation or undertaking of necessary experimental work during the fiscal year ending June 30, 1917, as heretofore conducted under other appropriations.

Amendment No. 70: Strikes from the House provision which created a commission to investigate the necessity, desirability, and advisability of establishing an additional navy yard or naval station on the Pacific coast the restriction that the commission shall be composed of officers on the active list. And the House recedes.

Amendment No. 74: Provides for the purchase of land for pasturage and the erection of necessary building at the naval hospital at Las Animas, Colo. And the House recedes.

Amendment No. 77: Provides for the reorganization of the Dental Corps and Dental Reserve Corps of the Navy, placing them on the same basis as the Dental Corps for the Army. And the House recedes with amendments providing that all officers now in the Dental Corps heretofore appointed shall be appointed dental surgeons in the reorganized Dental Corps without further examination and without regard to the changed qualifications prescribed in the Senate amendment, and other amendments change the language without any change in legal effect.

Amendments Nos. 78 and 79: Provide for the placing of the dental surgeon at the Naval Academy in the lump-sum appropriation for the pay of officers of the Navy instead of appropriating for his salary as a separate item. And the House recedes.

Amendment No. 81: Is a subtotal which is stricken out. And the House recedes.

Amendment No. 86: Provides that the enlisted strength of the Navy authorized in the bill shall be deemed to include all enlistments heretofore made during this calendar year which may have been in excess of the number authorized by law at the time. And the House recedes.

Amendment No. 87: Provides that the number of midshipmen at the United States Naval Academy appointed by the President is increased from 10 to 15 and an increase from 15 to 25 is allowed by the Secretary of the Navy to be appointed from the enlisted men of the Navy under the same conditions as under existing law. And the House recedes.

Amendment No. 88: Permits not exceeding four Filipinos to receive instruction at the United States Naval Academy, the appointments to be made by the Governor General of the Philippine Islands, and the expense of their instruction to be paid from the same appropriation as authorized by law for midshipmen appointed from the United States, but the Filipino midshipmen shall not be entitled to appointment to any commissioned office in the United States Navy by reason of their graduation from the Naval Academy. And the House recedes.

Amendment No. 89: Provides for a reorganization of the commissioned personnel of the Navy and provides for promotion of officers in the grades of the line by selection of commander to captain and from captain to rear admiral. The Senate amendment provides that the selection for promotion is to be made by a board of 9 flag officers of the line of the Navy, to be appointed from the first 12 on the list of rear admirals. Officers who have had not less than three years' service in the grade are eligible for selection; no officer is to be promoted unless he received the recommendation of not less than seven members of said board. After selection, the officers recommended for promotion are required to pass the required examinations for promotion as under existing law. The number of officers in the various grades of the line were fixed by the Senate amendment as follows: Four per cent of the total enlisted strength of the active list authorized by law is allowed for line officers, to be distributed in the proportion of 1½ in the grade of rear admiral, to 4 in the grade of captain, to 8 in the grade of commander, to 14 in the grade of lieutenant commander, to 31½ in the grade of lieutenant, to 40 in the grades of lieutenant (junior grade) and ensign, inclusive. The Senate amendment provides that the commissioned officers of the Medical Corps amount to sixty-five one-hundredths of the total number of officers and enlisted men of the Navy and Marine Corps, while the Pay Corps consists of 12 per cent of the line; the Construction Corps, 5 per cent of the line; and the Corps of Civil Engineers, 2 per cent of the line, distributed in the various grades of the corps as follows: In the Medical Corps, 1½ deputy surgeon generals with the rank of rear admiral to 4 medical directors with the rank of captain, to 8 medical inspectors, to 18 surgeons, to 86½ in the grades below surgeon. The Pay Corps was allowed 1½ deputy paymasters general with the rank of rear admiral to 4 pay directors with the rank of captain, to 8 pay inspectors, to 86½ in the grades below pay inspector. In the Construction Corps, 1½ naval constructors with the rank of rear admiral to 8½ naval constructors with the rank of captain, to 14 naval constructors with the rank of commander, to 76 naval constructors and assistant naval constructors with the rank below commander. Corps of Civil Engineers, 1½ civil engineers with the rank of read admiral to 5½ civil engineers with the rank of captain, to 14 civil engineers with the rank of commander, to 79 civil engineers and assistant civil engineers with the rank below commander. Chaplains, 1½ chaplains with the rank of rear admiral to 5½ with the rank of captain, to 14 with the rank of commander, to 79 chaplains and acting chaplains with the rank below commander.

The Senate amendment, based upon authorized enlisted strength of 74,700 enlisted men, would ultimately give to the line of the Navy 2,988 officers, which would allow 45 rear admirals, 120 captains, and 239 commanders. The Pay Corps would ultimately be allowed 359 officers, 6 with the rank of rear admiral, 14 with the rank of captain, and 29 with the rank of commander. The Construction Corps would be allowed 149 officers, 3 with the rank of rear admiral, 13 with the rank of captain, and 21 with the rank of commander. The Corps of

Civil Engineers would be allowed 60 officers, 2 having the rank of rear admiral, 3 the rank of captain, and 8 the rank of commander. Chaplains, 81 officers, 1 with the rank of rear admiral, 8 with the rank of captain, 16 with the rank of commander. Medical Corps, 653 officers, 11 with the rank of rear admiral, 26 with the rank of captain, and 52 with the rank of commander.

The Senate amendment also provided increased pay for the commissioned warrant officers from that of ensign to lieutenant (junior grade) after 6 years' service, to lieutenant after 12 years' service without increase of rank. The Senate amendment also provided an increased rank to the grade of lieutenant (junior grade) in the grade to which the commissioned chief belonged after 6 years' service as a commissioned warrant officer, provided that he pass a satisfactory examination before a board composed of 3 line officers not below the rank of lieutenant commander.

The House recedes with an amendment striking out all of the Senate amendment after the caption, and in lieu thereof substituted a provision whereby promotion in the line of the Navy is to be made by selection only, the selection to be made by a board of nine rear admirals of the line of the Navy appointed by the Secretary of the Navy to be convened during the month of December of each year for the purpose of recommending officers for promotion. Each member of the board is required to take oath that he will, without prejudice or partiality, and having in view solely the special fitness of officers and the efficiency of the naval service, perform the duties imposed upon him.

The board is to be furnished with the number of vacancies in the grades of rear admiral, captain, and commander to be filled during the following calendar year and with the names of all officers who are eligible for consideration for selection, together with the record of each officer on file at the Navy Department. Any officer who is eligible for consideration for selection has the right to forward through official channels a written communication inviting attention to any matter of record in the Navy Department concerning himself which he deems important in the consideration of his case. No captain, commander, or lieutenant commander shall be recommended for selection who has had less than four years' service in his grade. The board shall recommend for promotion the exact number of officers in each grade equal to the number of vacancies to be filled in the next higher grade during the following calendar year, and no officer shall be recommended for promotion unless he shall have received the recommendation of not less than six members of said board.

The report of the board shall be in writing, signed by all the members, and shall certify that the board has carefully considered the case of every officer eligible for consideration and that in the opinion of at least six of the members of said board the officers therein recommended are the best fitted of all those under consideration to assume the duties of the next higher grade.

The report of the board shall be submitted to the President for approval or disapproval. In case any officer or officers recommended by the board are not acceptable to the President, the board shall be so informed, with the name of such officer or officers and the board shall further recommend a number of officers equal to the number of those found not acceptable to the President. Upon the approval of the recommendations of the board by the President, the officers recommended therein shall, prior to promotion, be subject in all respects to the examination prescribed by law for officers promoted by seniority, and in the case of the failure of any officer to pass the required professional examination, such officer shall thereafter be ineligible for selection and promotion.

On and after June 30, 1920, no captain, commander, or lieutenant commander shall be promoted unless he has had not less than two years' actual sea service on seagoing ships in the grade in which serving or who is more than 56, 50, or 45 years of age, respectively. Captains, commanders, and lieutenant commanders who become ineligible for promotion on account of age shall be retired on a percentage of pay equal to 2½ per cent of their shore-duty pay for each year of service, provided that the total retired pay of any officer shall not exceed 75 per cent of the shore-duty pay he would be entitled to receive were he on the active list. Except where otherwise provided, the retiring age hereafter is set at 64 years instead of 62, as now prescribed by law.

The total number of line officers in the Navy is fixed at 4 per cent of the total enlisted strength, which will ultimately authorize 2,988 officers of the line. These officers are distributed in the proportion of 1 of the grade of rear admiral to 4 in the grade of captain, to 7 in the grade of commander, to 14 in the grade of lieutenant commander, to 32½ in the grade of lieutenant, to 41½ in the grade of lieutenant (junior grade) and ensign, inclusive, and requires that lieutenants (junior grade) shall have not less than three years' service in that grade before being eligible for promotion to the grade of lieutenant, and that the increase in the number of captains shall be made at a rate of not more than 10 captains in any one year.

The officers of the various staff corps are fixed at the following percentages of the total number of commissioned line officers: Pay Corps, 12 per cent; Construction Corps, 5 per cent; Corps of Civil Engineers, 2 per cent; and of the Medical Corps, sixty-five hundredths of 1 per cent of the total authorized number of officers and enlisted men of the Navy and Marine Corps, including midshipmen, Hospital Corps, prisoners undergoing sentence of discharge, enlisted men detailed for duty with the Naval Militia, and the Flying Corps. Officers of the staff corps are advanced up to and including the rank of lieutenant commander with the officers of the line with whom or next after whom they take precedence under existing law. The officers in the various staff corps are distributed as follows:

Medical Corps: One-half medical directors with the rank of rear admiral to 4 medical directors with the rank of captain, to 8 medical inspectors with the rank of commander, to 87½ in the grades below medical inspector.

Pay Corps: One-half pay directors with the rank of rear admiral to 4 pay directors with the rank of captain, to 8 pay inspectors with the rank of commander, to 87½ in the grades below inspector.

Construction Corps: One-half naval constructors with the rank of rear admiral to 8½ naval constructors with the rank of captain, to 14 with the rank of commander, to 77 naval constructors and assistant naval constructors with the rank below commander.

Corps of Civil Engineers: One-half civil engineers with the rank of rear admiral to 5½ civil engineers with the rank of captain, to 14 civil engineers with the rank of commander, to 80 civil engineers and assistant civil engineers with the rank below commander.

The amendment abolishes the corps of professors of mathematics and retains the provision of the Senate amendment whereby when there is an odd number of officers in the grade or rank of rear admiral in the line or staff corps the lower division thereof shall include the excess in number, except where there is but one; also the provision that the pay and allowances of the officers of the upper half of the grade of rear admiral shall be that now allowed by law for the first nine rear admirals.

Additional pay and allowances is granted chief warrant officers, but no increase in rank.

The effect of the amendment to the Senate amendment is to reduce the number of officers in the highest grades of the Navy, both line and staff. The Senate amendment provided for 45 rear admirals of the line ultimately, and the amendment agreed to provides for 30. In the Pay Corps the number of rear admirals is reduced from 6 to 2; in the Construction Corps, from 3 to 1; Civil Engineers, from 2 to 1; chaplains, from 1 to none; Medical Corps, from 11 to 3. The Senate amendment provided ultimately for 68 rear admirals of the line and staff; the amendment agreed to reduces that number to 37, 7 of which are in the staff corps. The effect of the amendment agreed to is to immediately increase the number of rear admirals in the line from 18 to 21, and in about five or six years to ultimately reach 30.

Amendment No. 90: Provides that officers of the line of the Navy may specialize for engineering duty only when not below the rank of lieutenant commander, and the House recedes with an amendment limiting it not below the grade of lieutenant.

Amendments Nos. 91 and 92: Are changes of phraseology without any legal effect.

Amendments Nos. 93 and 94: Strike out the word "acting" as a grade for ensigns performing engineering duty only. And the Senate recedes.

Amendment No. 95: Inserts the word "regularly" relating to the commission of lieutenants for engineering duty only. And the Senate recedes.

Amendment No. 96: Allows appointees from civil life for engineering duty only to qualify for the general duties of the line. And the Senate recedes.

Amendment No. 97: Strikes out the House provision that officers appointed from civil life for engineering duties only shall be eligible for advancement to the higher grades in the same manner as provided for line officers assigned to engineering duty only. And the Senate recedes.

Amendments Nos. 98 and 99: Strike out of the House provision the clause whereby an officer or enlisted man shall not receive

pay for the period of any absence due to his misconduct. And the Senate recedes.

Amendment No. 100: Provides for the payment of six months' pay gratuity to the mother of the late William Orr, fireman in the United States Navy. And the House recedes with an amendment providing that the six months' pay shall be less expenses of interment.

Amendment No. 101: Provides that any officer on the retired list who is detailed on active duty shall receive the active duty pay and allowances of the grade not above that of lieutenant commander that he would have attained in due course of promotion if he had remained on the active list for a period beyond the date of his retirement equal to the total amount of time during which he has been detailed on active duty since his retirement. This is the same provision as in the Army law, except officers of the naval service are not given the increased rank as is provided by the Army. And the House recedes.

Amendment No. 102: Provides that all commissioned officers of the active list of the Navy shall receive the same pay and allowances according to rank and length of service. And the House recedes with an amendment which provides that this shall not be construed to reduce the pay and allowances of commissioned warrant officers as authorized elsewhere in the bill.

Amendment No. 103: Authorizes the Secretary of the Treasury to credit the accounts of Passed Asst. Paymaster James C. Hilton the sum of $6,033.61, being the amount stolen from the United States funds by a person or persons unknown and charged against the accounts of said James C. Hilton. And the House recedes.

Amendment No. 104: Authorizes the accounting officer of the Treasury to allow in the accounts of Paymaster T. D. Harris, United States Navy, credit for the full payment of the contract price made by him to contractors pertaining to work done at the naval training station, Great Lakes, Ill. And the House recedes.

Amendment No. 105: Provides for the reexamination of Ensign Harold Harrison Little, and if he passes the examination successfully to take his place on the Navy list without loss of numbers. And the House recedes, with an amendment spelling the name of Ensign Little properly.

Amendment No. 106: Fixes by law the date of precedence of Assistant Paymaster John D. P. Hodapp, United States Navy. And the House recedes.

Amendment No. 107: Amends section 6 of the legislative, executive, and judicial act, approved May 10, 1916, whereby no person who receives more than one salary from the United States when the combined amount of said salaries exceeds the sum of $2,000 per annum shall be paid from any appropriation in that act or any other act, and excludes from the operation of the act retired officers of the Army, Navy, or Marine Corps who were appointed to public office. The Senate amendment excludes retired officers and enlisted men of the Army, Navy, Marine Corps, or Coast Guard, or the officers and enlisted men of the Organized Naval Militia in the several States, Territories, and District of Columbia, and further provides that no such retired officer shall be checked in his pay due to any construction of section 6 prior to the passage of this act. And the House recedes.

Amendment No. 108: Strikes out the House provision for the Naval Flying Corps and inserts a provision similar to the House provision whereby the Secretary of the Navy is authorized to appoint annually in the line of the Navy and Marine Corps for a period of two years following the passage of this act in the order of merit as determined by competitive examination 15 acting ensigns or acting second lieutenants for the performance of aeronautical duties only. Persons so appointed must be citizens of the United States and may be appointed from warrant officers or enlisted men of the naval service or from civil life, and must at the time of appointment be not less than 18 nor more than 24 years of age. The appointment shall be for a probationary period of three years and may be revoked at any time. The provision further provides for the detail of officers from the Regular Navy for duty in aircraft, the total number of officers being 150 and enlisted men 350.

Acting ensigns and acting second lieutenants upon the completion of the probationary period of three years may be appointed acting lieutenants (junior grade) and acting first lieutenants, respectively, such appointments to be for a probationary period of four years. After the completion of the probationary period of four years they may be commissioned in the grade of lieutenant of the line of the Navy or captain of the Marine Corps for aeronautical duties only, and may qualify for the regular duties of the line of the Navy and of the Marine Corps, respectively. Upon completion of the probationary period of four years, two years of which shall have been on regular duties of the line, they may be commissioned in the grade of lieutenant of the line of the Navy or captain of the Marine Corps. And the House recedes with an amendment providing that they shall be commissioned in the line of the Navy or Marine Corps according to their length of service.

Provision is also made for the detailing of officers and enlisted men as student aviators to the extent of not more than 30 student flyers annually for a period of four years from enlisted men of the naval service and from citizens of the United States, who shall receive the same pay and allowances as midshipmen of the United States Naval Academy. Persons so appointed must be not less than 17 nor more than 21 years of age. The appointment of student flyers shall continue in force for two years, unless sooner revoked by the Secretary of the Navy. At the end of two years student flyers may be examined for qualifications as qualified aviators. After qualifying, student flyers receive the pay of midshipmen plus 50 per cent thereof, and may be commissioned acting ensigns for aeronautical duties only after three years' service. Provision is also made whereby aeronautic schools for instruction and training of student flyers is authorized. And the House recedes.

Amendment No. 109: Simplifies the procedure of the paper work in the squadrons, divisions, and fleets of the Navy, and brigades, regiments, or separate detachments of the Marine Corps in the administration of justice. And the House recedes with an amendment making the provisions apply not only to a squadron, division, and flotilla of the fleet, but to any larger naval force afloat.

Amendments 110 to 167, inclusive, with the exception of amendments Nos. 125, 134, 151, 165, and 166: Relate to changes in the language of the Naval Reserve force without any change in effect.

Amendment No. 125: Provides that the retainer pay of the members of the Naval Reserve force shall be paid annually or otherwise as the Secretary of the Navy directs. And the House recedes with an amendment providing that they shall be paid annually or at shorter intervals.

Amendment No. 134: Makes eligible for enrollment in the fleet Naval Reserve persons who have had previous honorable service in the Army. And the Senate recedes.

Amendment No. 151: Provides that members of the Naval Auxiliary Reserve shall be required to serve only in the vessels of the merchant-ship type except in cases of emergency to be determined by the senior officer present when the said officer may in his discretion detail them for duty elsewhere. And the House recedes with an amendment making such detail for duty elsewhere temporary only.

Amendment No. 165: Provides that the Marine Corps Reserve shall be composed of five classes similar to the Naval Reserve force. And the House recedes with an amendment providing that it may consist of not more than five classes.

Amendment No. 166: Strikes out the repealing clause of the House provision. And the House recedes with an amendment providing that all acts or parts of acts relating to the Naval Reserves, which are inconsistent with the provisions of the Naval Reserve force, are repealed.

Amendment No. 168: Provides for the pay of the Naval Militia and the organization of the National Naval Volunteers, and places the Naval Militia of the various States in the same status as far as is practicable as the bill to reorganize the Army, approved June 3, 1916, places the National Guard of the various States. The rates of pay proposed are in accordance with the rates provided by law for the members of the National Guard. In order that any member of the Naval Militia may receive the pay prescribed in the amendment, he must be enrolled in the new organization called the National Naval Volunteers. The creation of this organization is to effect the practical Federalization of the Naval Militia so that they may be called upon to perform the duties beyond the continental limits of the United States in time of war or in an emergency determined by the President of the United States. The status of the officers and enlisted men remains the same as under the terms of the Naval Militia act, approved February 16, 1914, excepting that the term for the enlistment is three years with the privilege of extending the enlistment for one, two, or three years longer, and in order that the officers and the men may draw the pay prescribed under the terms of this amendment, the number of drills has been materially increased over the act of February 16, 1914.

The bill also provides for a system of administration of justice and discipline in the Naval Militia. The amendment changes the existing law in only three major particulars: First, the creation of the National Naval Volunteers; second, the increase in pay to correspond with the pay of National Guard; and third, provisions for the discipline and administration of

justice. There are other minor changes, but are not of such a nature as to materially change existing law. And the House recedes with minor amendments.

Amendment No. 169: Authorizes the Secretary of the Navy to sell at cost and issue lubricating oil and gasoline to vessels of the volunteer patrol squadrons duly enrolled in the several naval districts and that during maneuvers gasoline fuel shall be supplied to them free of charge. And the House recedes.

Amendment No. 170: Authorizes the Secretary of the Treasury to have constructed and to equip two steam Coast Guard cutters for service on the Pacific coast and in Alaskan waters at a total cost not to exceed $700,000; one Coast Guard cutter for service as an anchorage patrol to be used in New York Harbor, at a cost not to exceed the sum of $125,000; two light guard cutters for service in harbors or shoal waters at a cost not to exceed $50,000; to purchase or construct and equip three light-draft river steamboats, including lifeboats and such other life-saving appliances and equipment as may be necessary for use during flood times on the Mississippi and Ohio Rivers and their tributaries at a total cost not to exceed $240,000, with an appropriation for all vessels authorized of $400,000. The amendment also provides for the establishment, equipment, and maintenance of aviation stations under the jurisdiction of the Secretary of the Treasury not exceeding 10 in number along the coasts of the United States as may be deemed advisable, and to detail in connection therewith officers and enlisted men of the Coast Guard. One of these stations may be maintained exclusively for the purpose of special instruction, and the Secretary of the Treasury is authorized to employ one instructor in aeronautics at a salary of $4,000 per annum and one assistant instructor at a salary of $3,000 per annum. Provision is also made for the detail of officers and enlisted men of the Coast Guard for aviation duty and such officers may be sent for instruction in aviation to any school maintained by the Army or Navy. And the House recedes without amendment.

Amendment No. 171: Authorizes the President to transfer to the jurisdiction of the Navy Department or War Department such vessels, equipment, stations, and personnel of the Lighthouse Service as he may deem to the best interests of the country whenever in his judgment a sufficient national emergency exists. Whenever the emergency ceases to exist, such vessels, equipment, personnel, etc., shall be returned to the Lighthouse Service. And the House recedes.

Amendment No. 172: Adds to the list of officers who were eliminated from the active list by the action of the plucking board certain officers, some of whom were retired by the operation of the plucking board and two who voluntarily retired. And the House recedes.

Amendment No. 173: Provides that any officer in the corps of professors of mathematics who had previous service at the United States Naval Academy as a civilian instructor or professor shall be credited with such service as a civilian for purposes of pay and retirement. And the Senate recedes.

Amendment No. 175: Provides for the expenses of the disbursing officers who were transferred from the appropriation "Pay, miscellaneous." And the House recedes.

Amendments Nos. 176 and 177: Provide for the pay of chemists and inspection force outside of the limitation set by the House bill. And the Senate recedes.

Amendment No. 178: Is a change of rating without any change of legal effect. And the House recedes.

Amendment No. 179: Provides for the pay of disbursing officers within the limitation set in the lump-sum appropriation. And the House recedes.

Amendment No. 180: Increases the limitation for chemists, clerical, inspection service, etc., from $1,021,000 to $1,181,000. And the House recedes.

Amendment No. 181: Is a change of total. And the House recedes.

Amendment No. 182: Provides an appropriation of $80,000 for expenses, equipment, and storage vessels in handling and segregating scrap material at navy yards and stations, including the necessary services of employees. And the Senate recedes.

Amendments Nos. 183, 184, 185: Take the service for drafting, inspection, and technical assistants outside of the limit in the lump-sum appropriation. And the Senate recedes.

Amendment No. 186: Provides that the money obtained from the sale of auxiliary ships of the Navy no longer deemed suited to the present needs of the Navy shall be deposited in the Treasury and used for the construction of additional auxiliary ships for the Navy, striking out the provision of the House that the proceeds of such sale shall be covered into the Treasury as miscellaneous receipts. And the Senate recedes.

Amendments Nos. 187 and 188: Increase the appropriation for the construction plants at Portsmouth, N. H., and Charleston, S. C., from $10,000 to $25,000. And the Senate recedes.

Amendments Nos. 189, 190, and 191: Take the technical, drafting, and inspection service outside of the limitation in the lump-sum appropriation. And the Senate recedes.

Amendment No. 192: Provides that land owned by the United States Government may be transferred from any department to the Navy Department by direction of the President of the United States to be used as a suite for a naval radio station. And the House recedes.

Amendment No. 193: Appropriates $4,500 for the installation of a pneumatic tube between the communicating office in the State, War, and Navy Building and the branch communicating office in the Navy Annex. And the House recedes.

Amendments Nos. 194, 195, 196, and 197: Provide for an increase of salary of two clerks at the Naval Academy of $840 each to $1,800 each. And the Senate recedes.

Amendment No. 198: Strikes out the House provision for the Board of Visitors to the Naval Academy and in lieu thereof provides for the appointment of a board to be composed of seven persons to be appointed by the President and four Senators and five Members of the House of Representatives to be designated by the Vice President and Speaker of the House, respectively, to be appointed at the session of Congress next preceding the annual examinations at the Naval Academy. The chairmen of the Committees on Naval Affairs of the Senate and House are made ex officio members of the board. The amendment further provides for mileage to members of the board not exceeding 8 cents a mile to and from their homes and the Naval Academy. And the House recedes with an amendment providing for the appointment of the board in the month of January of each year and provides for the actual expenses of the members engaged on duty as members of the board not to exceed $5 a day and the actual expenses of travel by the shortest mail route. The expenses of the board are increased from $500 to $3,000.

Amendment No. 199: Is a change of total. And the House recedes.

Amendment No. 200: Is a change of total. And the House recedes with an amendment making the total $703,946.92.

Amendment No. 203: Provides for the rank of brigadier general for officers serving in the senior grades of The Adjutant and Inspector's, Quartermaster's, and Paymaster's Departments of the Marine Corps, and the House recedes with an amendment striking out the word "grades" and in lieu thereof inserting the word "grade."

Amendments Nos. 204 and 206: Provide for the manner in which the vacancies in the grade of second lieutenant in the Marine Corps are to be filled providing that meritorious petty officers of the Navy are eligible for such appointments. And the Senate recedes.

Amendment No. 205: Provides that the Secretary of the Navy may waive the age limit in favor of officers who have already had service in the Marine Corps, and the House recedes with an amendment authorizing the appointment of officers who have had previous service in the Marine Corps provided that they take rank at the foot of the list of second lieutenants at the date of reinstatement and providing further that the prior service of such officer and the service after reinstatement shall be not less than 30 years before the age of retirement.

Amendments Nos. 207 and 208: Allow officers of the Pay Corps of the Navy who have been retired for physical disability in the line of duty to be restored to the active list provided that they pass a satisfactory physical and professional examination and provided that they are less than 50 years of age. And the House recedes.

Amendment No. 209: Provides for a definite loss of numbers in each grade in cases where officers fail on their examinations for promotion in the Marine Corps instead of variable numbers as provided under the existing law. And the House recedes.

Amendment No. 228: Provides for a reserve supply of small-arms ammunition. And the House recedes.

Amendment No. 236: Provides for the expenses of a Marine Corps reserve by an appropriation of $25,000. And the House recedes.

Amendment No. 239: Provides that if in the judgment of the Secretary of the Navy the most rapid and economical construction of the battle cruisers authorized in the bill may be contracted for upon the basis of actual cost plus a reasonable profit to be determined by him, he is authorized to make such contracts. And the House recedes.

Amendment No. 240: Grants to each and every employee of the navy yards, gun factories, naval stations, and the arsenals of the United States Government 30 days' leave of absence each year without forfeiture of pay during such leave. And the House recedes with an amendment providing that this amendment shall not be construed to deprive employees of any sick leave or legal holidays to which they may be now entitled under existing law.

Amendments Nos. 242, 243, and 244: Change the verbiage relating to a peace commission to be appointed by the President upon the completion of the European War. And the House recedes.

Amendment No. 245: Strikes out the qualifications of the commissioners of the United States, that they be qualified for the mission by eminence in the law and by devotion to the cause of peace. And the Senate recedes.

Amendments Nos. 246 and 247: Change the word "appropriations" to "construction" so that if at any time before the signing of contracts for construction of vessels authorized in this act, an international tribunal has been established with the cooperation of the United States, the President may suspend expenditures thereunder. And the House recedes.

Amendment No. 248: Instead of exempting any persons, firms, or corporations who "have combined or conspired" for the supply of material to the Navy, changes it to any persons, firms, or corporations who "are parties to any existing combination or conspiracy to monopolize interstate or foreign commerce or trade of the United States." And the House recedes.

Amendment No. 248: Directs the Secretary of the Navy to submit to the Congress at its next regular session a report on the largest battleship which can be undertaken by the United States in the present state of shipbuilding and engineering sciences, giving consideration to the present and prospective depths and other limiting dimensions of the docks and harbors of the United States and its possessions, of the locks of the Panama Canal, and also to report the principal characteristics of such vessel. And the House recedes.

Amendment No. 250: Provides an appropriation of $1,500 to mark the grave of Rear Admiral Charles Wilkes, United States Navy, in the National Cemetery at Arlington, Va. And the Senate recedes.

On the amendments of the Senate numbered 19, 20, 24, 41, 51, 52, 54, 69, 71, 72, 73, 75, 76, 80, 82, 83, 84, 85, 174, 201, 202, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 229, 230, 231, 232, 233, 234, 235, 237, 238, and 241 the committee of conference has been unable to agree.

L. P. PADGETT,
J. FRED. C. TALBOTT,
ALBERT ESTOPINAL,
THOMAS S. BUTLER,
ERNEST W. ROBERTS,
Managers on the part of the House.

Mr. PADGETT. Mr. Speaker, I move that the House agree to the conference report.

Mr. BRITTEN. Mr. Speaker, before the vote is taken on that motion I will ask the gentleman to yield me 10 minutes.

Mr. PADGETT. I yield 10 minutes to the gentleman from Illinois.

Mr. BRITTEN. Mr. Speaker, in the short time allotted to me I desire to call to the attention of the House what might honestly be termed the grossest extravagance possible and the rankest inefficiency for any committee to display in bringing this personnel legislation before the House as it does. I do not want to be characterized as a naval economist, because you all know that I have worked consistently for a big Navy, but the conferees have brought to the House in this conference report something which the Navy does not desire, and legislation which should not be forced upon the Government. It is rank extravagance to force the House to adopt the committee's report in this respect, throwing away $202,500 per annum in retirement pay for all time to come, when the paragraph on page 8 establishing the age limit for retirement for captains goes into effect on June 30, 1920. In a few words, let me show you what the conferees have agreed to, and they have agreed to this notwithstanding the fact that Admiral Badger, chairman of the Navy General Board, before our committee this year said that in 1920, when our present construction program is completed, we will be short in line officers alone 1,100 men. Think of it! In 1920, when this section goes into effect, we will be short 1,100 officers in the line of the Navy, and in this conference agreement they establish an age limit of 56 years for the retirement of captains who have not been promoted to the rank of rear admiral!

Mr. COOPER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. BRITTEN. Yes.

Mr. COOPER of Wisconsin. What is the age limit now?

Mr. BRITTEN. There is no age limit now respecting the retirement of captains, other than the general age limit of 62 years. You and I know, as does anyone who has ever seen a naval officer, that a man of 56 years is in the prime of life and capable of delivering to the Government the very best that is in him, and we should retain him in the service.

Let me tell you what that little paragraph establishing 56 years as the age limit for captains does. It goes into effect June 30, 1920, and on that day there will be 65 captains who will be 56 years of age, only 11 of whom will have been promoted to the rank of rear admiral—not to exceed 12 in any event, and probably only 11. That leaves 54 captains to be retired at 56 years of age, at a cost to the Government of $202,500 per annum in retirement pay, when those men, in the prime of life, could be retained in the service for the additional amount that we pay to an ensign, or $1,250 a year. Yet it is proposed to retire 54 of them and put them on a pension for life. Some of them will get good jobs in shipbuilding companies and in munition plants at salaries ranging from $5,000 to $15,000 a year, and we are going to retire them when they desire to remain in the service for $1,250 a year more than their retirement pay.

Mr. COX. Who is to blame for that?

Mr. BRITTEN. I can only say to the gentleman that it is a case of rank Democratic inefficiency and extravagance.

Mr. COX. I am against it.

Mr. BRITTEN. And so am I. That is all there is to it. I have read the hearings. They have been most informal.

Mr. DAVIS of Texas. Are they retiring all these Democrats that they are retiring on a pension?

Mr. BRITTEN. No; and we will retire a great many more of them on next March 4 without a pension. [Laughter.] Here is the situation: These captains have survived 16 different sets of pluckings in the last 16 years. Their names have been before the plucking board 16 different times and carefully considered for retirement by that board, and each time they have been retained in the service because they were efficient, because they were delivering the best that was in them, which was excellent for the service, and now we are going to retire them because they have not been promoted to the rank of rear admiral prior to their reaching their fifty-seventh birthday. In the name of Heaven I can not understand how this thing was agreed to by the conferees. They had no hearings to speak of. I have read them all. Men who have come before our committee who have reached the age of 54, 55, and 56 years are in the very prime of life. There is no question about that. We could retain those men in the service for $1,250 a year more than their retirement pay.

Mr. MADDEN. Mr. Speaker, will the gentleman yield?

Mr. BRITTEN. Yes.

Mr. MADDEN. We have increased the number of entrants into the Naval Academy.

Mr. BRITTEN. Yes.

Mr. MADDEN. Why would it be necessary to do that if we did not have to retire men at the top? Why not keep the men who are there and let the Naval Academy run as it is?

Mr. BRITTEN. The answer is obvious. There is no reason for increasing the number of cadets at the academy, who will be turned out at the rate of 200 a year, and when the young men that you and I appoint this year and next year go into the service and grow to be captains, several hundred of them in a bunch, we will be able to promote only 10 or 12 of them to rear admirals, and what are we going to do with the rest? We will retire them at the age of 56 at a pension for life of $3,750 a year, and they will go out and get lucrative positions. Now, I certainly do not object if they can get lucrative positions after they are retired at a reasonable age or for cause, as it is perfectly proper that they should fill positions and go out in the world to assist in its upbuilding.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. BRITTEN. I will.

Mr. HUDDLESTON. Will the gentleman call attention to the age limit of those officers below the rank of captain to be retired by the provision?

Mr. BRITTEN. If they have the rank of commander, it is at 50 years. Fifty years is not low for that rank, and there will be very few of those retired. The age of captain should be at least at 59 years. At 59 years there would be 19 retired in 1920, when this law goes into effect. If the conferees wanted to do something good for the Government and wanted to give the service that which it desires, they would take this retired list and carry on one side as special numbers and take these extra numbers and attach them to the training stations, navy yards, State militias, departmental duties—all work they can do and do very well, instead of retiring them. No one can say that is not a good proposition. Well, the conferees have gone ahead without a hearing, notwithstanding that in the committee we had been informed time and time again by our distinguished chairman, for whom I have the very highest respect, that when we would get into that subject we would take up the personnel legislation and full hearings would be had when admirals, captains, and experts in personnel legislation would be called before

the committee and they would advise us completely. We all know there should be a revision of personnel legislation since the abolition of the plucking board; but coming in this fashion, I am sure, will not be good for the Government, because it is not what the service wants and it is not what the Government should have forced upon it. It is reckless extravagance, and is going to do the country and the service more harm than good.

Mr. COOPER of Wisconsin. Will the gentleman permit an interruption?

Mr. BRITTEN. Certainly.

Mr. COOPER of Wisconsin. This question of the personnel is before Congress on the report of the committee of conference as an amendment. Was the question of the personnel gone into in the hearing before the Committee on Naval Affairs?

Mr. BRITTEN. At times when the personnel was touched upon before the committee, the chairman would usually interrupt by saying that it was our intention to take up that legislation in detail later on when full hearings could be had.

Mr. COOPER of Wisconsin. Did the Committee on Naval Affairs ever have a full hearing on that question?

Mr. BRITTEN. They never have, and I venture to say there are not five men in this House who understand the effect of this drastic clause in the conference report.

Mr. COOPER of Wisconsin. Will the gentleman kindly inform the House why such a vastly important matter, in one sense, is brought in before this House for the first time as an amendment on a conference report, the Committee on Naval Affairs never having investigated it?

Mr. BRITTEN. My dear sir, if I could answer the gentleman's question I would not be taking up the time of the House now. I am merely giving the House the opinion which I have derived and which I think is a perfectly good one. I venture to say, out of the 21 members of the Committee on Naval Affairs of the House to-day there are not 4 who understand the importance of this legislation in its drastic effect.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. BRITTEN. I will.

Mr. MOORE of Pennsylvania. Does the gentleman know whether or not the Naval Committee of the Senate has had any hearings on this subject?

Mr. BRITTEN. The Naval Committee of the Senate has had no hearings on this subject.

Mr. MOORE of Pennsylvania. Is it customary for a conference committee to have hearings?

Mr. BRITTEN. Well, I really do not know, because I have never been on a conference committee.

Mr. MOORE of Pennsylvania. Does the gentleman know any other instance of parliamentary procedure in this House where a conference committee has had hearings in the regular way? It is very unusual, is it not?

Mr. BRITTEN. The gentleman knows more about that; and if he says it is unusual, I take it to be the fact.

Mr. MOORE of Pennsylvania. I have been here for 10 years, and I have never heard of hearings before a conference committee.

Mr. BRITTEN. There is nothing that can be done here to-day, as this conference report must be voted up or down without amendment.

I had hoped to amend the bill by either knocking out the age retirement section entirely or by raising the retirement age for captains to 59 years.

A captain should reach the rear admiral's grade in time to have 1 year in command of a division, 2 years in command of a fleet, 1 year otherwise employed; total, 5 years in grade.

With ultimate retirement at 64, he should, therefore, be promoted at 59.

Even if it were essential that our flag officers should have time for two tours in supreme command afloat, they would not have to be promoted younger than 57, and selection alone could always accomplish this. It is practically certain, however, that if they had eight years in the rear admiral's grade two or three of those years would be spent on some shore duty, which is now and could always be appropriately and equally well done by captains.

By looking further into the future and scanning the Navy Register it can be seen that the enforced retirements of captains at 56, if not promoted, although falling to about 4 or 5 in 1921, and remaining near those figures for several years, will again increase rapidly when classes of 200 or more are blocking each other for promotion to the rear admiral's grade.

If compulsory retirement of captains not promoted June 30, 1920, were raised from 56 to 59 there would be about 19 instead of 50 so retired.

This would increase the time of an officer in the captain's grade from 6 years to 9 years, giving him 2 years to command a second-line battleship or armored cruiser; 2 years to command a first-line battleship (dreadnaught); 4 years for commandantcy, head of boards and bureaus, and other shore-command duty; 1 year for leave, casualty, possible sickness, or special service; total, 9 years in grade.

Captains can not be selected for promotion, according to the amendment, until they have had four years in grade. If they must retire at 56 they will have only six years altogether in grade (promoted from commander at 50), and selection can only be made from the upper third of the grade. If they retire at 59, selection can extend to more than half of them.

After 1920 they must also have had 2 years' sea service in their grade. There will then be 120 captains and about 40 captain's commands afloat. Only one-third of them at most could be given their cruise as soon as they entered the grade. Another third would have to wait two years, while the remaining third could not begin their cruise until four years after entering their grade, and, if their time in grade was limited to six years, could not finish in time to be eligible for selection. If their time in grade were nine years, or even seven, this contingency could not arise.

I desired to amend the age limit provision (64 years) for rear admirals so that those officers retired recently for age, who would have more than 18 months' service in the Navy under the new age limitation, should, upon written application to the Secretary of the Navy, be reinstated and carried as a special number in the line with the same rank, rating, and place they occupied upon retirement.

My object was to retain in the service such untiring officers as Fiske, Winslow, Howard, and Boush.

There can be no question concerning the honesty of purpose nor the great ability of Fiske and Winslow, and the recent retirement of Howard who has just covered himself and the Navy with glory by his masterly conduct on the Mexican west coast, would warrant his retention for two more short years.

As late as September 10, 1915, Admiral T. B. Howard, then in command of the Pacific Fleet off Mexico, received the following radiogram from Washington, D. C., which Congress and the country should hear:

U. S. S. COLORADO, *San Diego, flag for Admiral T. B. Howard:*

The department transmits by telegraph the following letter, and directs that it be published to the officers and men of the Pacific Fleet:

"As its commander in chief the department takes pleasure in commending you for your successful administration and command of that unit of the Navy.

"The uniform tact, skillful diplomacy, and marked ability that has characterized your relations with the warring factions in Mexico and with the representatives of other countries has always been in accordance with the highest traditions of the naval service during a period when conditions have been of a particularly trying and delicate nature.

"The department has always felt assured that it could rely on the officers and men under your command to maintain the prestige of the Navy and of the country, and it takes this opportunity to express its commendation of their loyalty and zeal in assisting you, their commander in chief and first admiral, in carrying out the policy so successfully pursued. 15010.

"JOSEPHUS DANIELS."

The SPEAKER. The time of the gentleman has expired.

Mr. PADGETT. Mr. Speaker, I do not know as I ever listened to a 10-minute speech that had more errors and inaccuracies than the one that has just been made. The gentleman said that the committee had no hearings. A year or so ago we had hearings, and here is the published volume on the question of the personnel.

Mr. GALLIVAN. How many pages?

Mr. PADGETT. I do not know; 827 pages, I believe. Then before the conferees at the present time we had hearings embracing from 300 to 400 pages.

Mr. STAFFORD. Will the gentleman yield? Can the gentleman inform us what will be the increased cost to the Government by reason of the additional positions provided for in the personnel provision?

Mr. PADGETT. I will state to the gentleman that I can not give it to him exactly, but I will give it as near as I can. Now, the gentleman stated there would be 55 captains retired in 1920.

Mr. BRITTEN. Fifty-four.

Mr. PADGETT. Well, that just lacks one of being as many as 55.

Mr. COOPER of Wisconsin. Will the gentleman permit an interruption?

Mr. PADGETT. Yes, sir.

Mr. COOPER of Wisconsin. I notice that the date on the title page of this copy of the printed report of the hearings is December, 1913.

Mr. PADGETT. Yes, sir. That is true. Then, after——

Mr. COOPER of Wisconsin. This is 1916, and there has been a House of Congress elected since that was printed.

Mr. PADGETT. Yes, sir; but the information given in there was such good information that it would keep.

Mr. COOPER of Wisconsin. Oh, well, as to that statement of the gentleman, of course, the gentleman did not intend to mislead the House, but I understood these hearings were had before the committee in the present Congress.

Mr. PADGETT. Oh, no; I did not say that.

Mr. COOPER of Wisconsin. Hearings in a previous Congress have no effect here.

Mr. PADGETT. Oh, yes, they have. The information they gave is perfectly good. There are 300 pages.

Mr. BRITTEN. Mr. Speaker, will the gentleman yield?

Mr. PADGETT. No; not now. I have the information. I have a letter here from Capt. McLean, the Judge Advocate General, who deals with that. I have a tabulated statement here, made out in detail. I will read. He says:

DEPARTMENT OF THE NAVY,
OFFICE OF THE JUDGE ADVOCATE GENERAL,
Washington, August 14, 1916.

DEAR MR. PADGETT: Pursuant to your request of the 12th instant, I have made an estimate of the operation of the amendment to the naval appropriation bill which relates to personnel, particularly with regard to the effect of the clause which requires that on and after June 30, 1920, captains, commanders, and lieutenant commanders be retired on reaching the ages of 56, 50, and 45 years, respectively.

In making my estimate I found it necessary to make the following assumptions, and, though they are not mathematically accurate, it is believed that the results derived therefrom will be fairly approximate:

ASSUMPTIONS.

1. The number of officers in each grade being based, as they are, upon the total number of commissioned line officers in the Navy, I have begun with the number of line officers now on the active list (2,084). I have estimated the net increase per year among the commissioned line officers at 130 for the years 1917, 1918, 1919 (it being assumed that about 170 midshipmen and warrant officers would be commissioned ensigns during each of these years and that there would be approximately 40 casualties per year in the list). For the year 1920 I have estimated a net increase of 350, this being the first year during which the increased representation at Annapolis will be felt and also the first year in which the engineering specialists provided for in this bill will become commissioned officers. Subsequent to 1921 it is impracticable to estimate with any degree of accuracy whatever, on account of the fact that the graduating class may on that year for the first time be expected to more than fill the authorized list of line officers of the Navy based upon an estimated strength of 74,700. It does not seem probable that these excess officers will actually be discharged, hence it is impracticable to do more than hazard a guess that the enlisted strength of the Navy may before that date be further increased, thereby further increasing the authorized number of officers. Even if all officers who graduate in 1921 and subsequent years could be counted upon as being taken into the service, any estimate at the present time concerning the effect of compulsory retirement subsequent to that date (due to age in grade) would be too uncertain to be of any value—because of the fact that promotion by selection will by that time have been several years in operation and seniority will be a less accurate index to the age of the different officers than it is at the present time.

2. Computation of vacancies: In computing vacancies I have allowed only for those due to retirement for age, taking into account the extending of the age of retirement to 64. Though there will be casualties due to deaths, voluntary retirements, retirements for physical disabilities, etc., these will all have an effect toward stimulating promotion; in view of the very great uncertainty in making an estimate of probable casualties, where only a small number of officers are concerned (as is the case in each of the different grades), I considered it best to omit this source of vacancies altogether as my estimates might be challenged. Especially does this seem desirable in view of the fact that the tendency of all such vacancies will be to reduce the number of compulsory retirements in 1920.

3. Extra numbers: I gather from reading the amendment that extra numbers will remain extra numbers on promotion. For that reason all extra numbers have been omitted from my consideration.

4. Number of officers available for selection: In arriving at the effect of the age in grade clause, it must be remembered that no one can even approximately estimate who will be selected for promotion and who will not; therefore in working out my estimate I have found it convenient to deal with "the number of officers available for selection," meaning thereby the number of officers in each respective grade who had, on November 30 of that year, completed four years' service in grade. I think it may be safely assumed that, other things being equal, the board in making its selections will both favor an officer who is approaching the age limit in grade as well as give certain weight to seniority. Basing our estimate upon this assumption, if we begin with the junior officer in each grade who is available on December 1 of any year for promotion and count back up through the list a number of files equal to "the number of officers available for selection" on that date, we should obtain an approximate (though for above reasons not an absolutely accurate) estimate of the condition of the available list on any particular date in the next few years in regard to age.

TABLE SHOWING OPERATION OF PERSONNEL FEATURE.

I append hereto, marked "A," a table showing my estimate of the approximate operation of the personnel feature up to and including the year 1921, though, as above stated, the estimate for 1921 must be considered as a very rough approximation. I have endeavored to make the legends and remarks on the table sufficiently clear to enable you to understand them without difficulty.

Conclusions: December, 1919, is the last board of selection prior to the date upon which age in grade retirement goes into effect. The appended table shows, if the computations are correct, that after filling all vacancies which might now be certainly counted on as existing on December 1, 1919, and not allowing any casualties, there will remain in the several grades the following number of officers who have served four years in grade and are therefore available for selection: Captains 51, commanders 64, lieutenant commanders 91. Between December, 1919, and June 30, 1920, there will be two additional retirements, which will cause promotion and leave the available list in respective grades on June 30, 1920, as at captains 49, commanders 62, lieutenant commanders 89.

As above stated, there is no possible way of knowing who these officers remaining unselected on June 30, 1920, will be, and hence how old these officers will be, and hence what number of them will be retired for age on that date.

However, an examination of the present Navy list shows that of the captains now on the list who will on that date be available for selection, if not promoted prior to 1920, 33 will still be less than 56 years old when the age in grade retirement clause becomes effective, and these 33 are, generally speaking, the junior captains on the list. If, therefore, none of these junior captains are selected to that date, and if no casualties of any kind occur in the meantime, we could state definitely that 16 captains would be retired for age on June 30, 1920. Inasmuch as some of these 33 younger but junior captains will doubtless have been selected for retirement before that date, this would tend to increase the number of compulsory retirements above 16; on the other hand, casualties and voluntary retirements occurring on the captains' list between now and 1920 would decrease the number of officers available for selection and consequently tend to decrease the number of officers who would be compulsorily retired for age in grade. Though anything that may be said now must remain an estimate, it would seem that these two opposing tendencies would counteract each other, and it is therefore believed that 16 is as fair an estimate of the number of compulsory retirements in 1920 in the grade of captain as it is now practicable to make.

As for the 62 commanders, an examination of the list shows that only 3 of the 68 junior commanders as they appear on the list to-day, who will then be available for selection, will be 50 years old on June 30, 1920. While it would therefore be possible that three commanders would be retired for age, in view of this condition it would seem probable that no commanders would be retired for age in that year.

As for lieutenant commanders, the junior officer who will be available for promotion June 30, 1920, will be only 40 years old, and, counting up from him, there are 140 numbers on the list at the present time before reaching an officer who will be 45 years old on that date. Therefore it may be safely stated that no lieutenant commanders will be retired for age in 1920.

Summarizing the above, if my figures are correct, it is estimated that approximately 16 captains, possibly 3 commanders—but probably none—and no lieutenant commanders will be affected by age in grade retirement in 1920. It may be stated in the case of both the captains and commanders who might be affected that all of them will on that date have been available for selection in 1916, 1917, 1918, and 1919. In other words, all who will on that date be subject to age in grade retirement have already served four years in grade and will be available for selection from the date of the passage of this bill.

Table subsequent to June 30, 1920: In the appendix I inclose a table running up through 1920 and 1921. In this table I have estimated 16 retirements in the grade of captain on June 30, 1920. I have not allowed any retirements from the grade of commander. In 1921 I have estimated two retirements for age from the grade of captain. This must necessarily be a guess, as no one can foretell who will be selected for promotion.

It is believed that the tables appended portray, with as fair a degree of approximation as can be done by omitting casualties, the operation of the personnel feature for the first few years. After it becomes fully operative, and after vacancies due to the gradual increase in the list of officers have been filled, there will necessarily be a considerable number of retirements for age in grade, as this is the only source whereby a flow of promotion can be created for the 3,000 commissioned line officers who will then be on the Navy list. The difference is that officers thus retire in the lower grades rather than being forced up through the grade of rear admiral, as has heretofore been the case.

Sincerely, yours,

RIDLEY MCLEAN,
Judge Advocate General.

The CHAIRMAN COMMITTEE ON NAVAL AFFAIRS,
House of Representatives, Washington, D. C.

Mr. BRITTEN. Mr. Speaker, will the gentleman yield there?

The SPEAKER. Does the gentleman from Tennessee yield to the gentleman from Illinois?

Mr. BRITTEN. I want to ask the gentleman a question along this line.

Mr. PADGETT. No. Let me finish, and then I will answer the gentleman's question.

Now, what is the fact and what is the condition at the present time? It is like one of these lifting or elevating stairways. A man gets on it when he graduates at Annapolis. He takes his position upon his class graduation, and then stays on there, and as it is lifted up he gets to be rear admiral. All he has to do is to keep from becoming court-martialed, and he becomes a rear admiral. The question of ability cuts no figure. He just gets into the line of that endless-chain uplift. We put on here a provision for selection—that they shall be selected and promoted for efficiency and for the advantage of the service.

Now, what is the case? Since 1898 there have been only three captains placed on the present retired list on account of age. We have 61 captains on the retired list to-day, and only 3 out of those 61 were put on there on account of retirement for age.

Mr. BRITTEN. What age?

Mr. PADGETT. At the age of 62. In the past the captains have practically all become rear admirals. We have something like 148 or 150 rear admirals on the retired list to-day, and we have 61 commodores that draw the same pay as rear admirals of the lower line. They are retired on $6,000 a year. Captains are retired on $3,750. We are simply putting in a provision here that men shall be retired as captains and not as rear admirals. [Applause.] Heretofore everybody has been becoming a rear admiral and going on the retired list at $6,000 a year.

It is not right; and we are putting on a provision here that some of them will retire as captains; and in 1920, four years from now, there will be 16 retired at $3,750 a year instead of between now and then all of them being retired as rear admirals at $6,000 a year. [Applause.] That is a reform we are making in the administration of the Navy.

Mr. BRITTEN. Mr. Speaker, will the gentleman yield?

Mr. PADGETT. Yes.

Mr. BRITTEN. How could they be retired between now and then as rear admirals?

Mr. PADGETT. Some of the captains that are going on are 59 years of age now. There is one who is going on in the next day or two, and he is past 59. What is the result? He will serve less than three years in the grade of rear admiral. He does not become competent and efficient as a rear admiral. He does not have time to learn his business.

Take it in the English Navy, if you please. The admiral of the fleet, Sir John Jellicoe, will have served 16 or 20 years in the grade of admiral—I do not remember just exactly how long. He learns his business. He knows how to handle the fleet. He knows how to handle men and discharge the duties and functions of the grade of admiral. What have we been doing? We have been putting admirals on at 59, 60, and 61 years of age, and they would stay on one or two years and then go on the retired list before they had learned their business.

Mr. HOWARD. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Tennessee yield to the gentleman from Georgia?

Mr. PADGETT. Yes.

Mr. HOWARD. Does this personnel provision eliminate the promotion of an officer who is eligible for retirement in the next higher grade, or does it retire him in the grade in which he leaves?

Mr. PADGETT. In the grade in which he leaves.

Mr. HOWARD. Under that provision, when a captain came up for retirement, he was retired as rear admiral. That is the old law?

Mr. PADGETT. Yes; that is the old law.

Mr. BRITTEN. Mr. Speaker, will the gentleman yield there?

Mr. PADGETT. Yes.

Mr. BRITTEN. I understood the chairman to say a few moments ago to me that some 11 or 12 captains would be promoted to admirals between now and 1920.

Mr. PADGETT. Yes. I believe it is 19 vacancies between now and then.

Mr. BRITTEN. Is it not true that 65 captains will be on the list in the line at 56 years of age on June 30, 1920?

Mr. PADGETT. No, sir. I have a statement here that I read from the Judge Advocate General. He says:

On June 30, 1920, there will be two additional retirements which will cause promotions and leave the available list in the respective grades June 30, 1920: Captains, 49; commanders, 62; lieutenant commanders, 89.

Mr. BRITTEN. According to the Navy Register there will be 65 on the list at that time.

Mr. PADGETT. This is the official statement. It is from the Judge Advocate General, who knows. Now, in that connection, by increasing the retirement age of admirals from 62 to 64, they stop the line of promotion somewhat; but by the increase that is given in the personnel, there will be 3 admirals added. We have 18 now. Under the provisions of this law there will be 21. That gives an increase of 3; so you see the justice and the propriety of making this increase in age at this time. The increase of two years in the age of retirement balances the increase in number of three, keeping the men in two years longer, holding them from going out and somebody taking their place, but the increase of three in number balances that.

If you were to postpone that and fill up all these increases, then there would be no opportunity for this balancing and the equity to the Government. We put it in here at this time, and I want to state that, in my judgment and in the judgment of many of the naval officers who have expressed themselves to me, it is the greatest thing that has ever been done for the Navy—for its efficiency and its value.

Now, what is our condition, gentlemen? As I said, these young men get on this stairway at Annapolis, and all they have to do is to stand in line. It lifts itself up, and finally, with the onward movement of the endless chain, they are retired as rear admirals. We have had five or six rear admirals retired this year and five or six captains who have gone into the rear admiral list at $6,000 a year each. We are stopping that. Now, it is very natural that the captains should kick. Every one of them knows that if this legislation is defeated every one of them will ultimately become a rear admiral and retire at $6,000 a year. If this legislation goes into effect some of them will not retire as rear admirals, but every one of them will have four opportunities to be selected as a rear admiral, and if he has the stuff in him to justify his selection—and he is selected—he will become a rear admiral and will serve two years longer.

The gentleman spoke of the 56 years. We put that provision in there because every Secretary of the Navy since I have been on the committee for 12 years has been urging that our captains should become rear admirals at 55 years of age. They ought to have some time to serve.

Mr. MADDEN. Will the gentleman yield?

Mr. PADGETT. Yes.

Mr. MADDEN. I understood the gentleman from Tennessee to say a moment ago that these men when they graduated from Annapolis got on to the rungs of a ladder connected with an endless chain.

Mr. PADGETT. Yes.

Mr. MADDEN. And that they went along with the endless chain, from one rank to another, without regard to their qualifications?

Mr. PADGETT. Yes; that is, seniority.

Mr. MADDEN. Now, just wait. Is it necessary for a man to pass an examination when he goes from one grade to another to prove his qualifications?

Mr. PADGETT. Yes.

Mr. MADDEN. Then how does he get on an endless chain?

Mr. PADGETT. If a man can pass his examination——

Mr. MADDEN. Does not that prove his qualifications?

Mr. PADGETT. It proves a minimum of qualifications. It proves just enough to pass the examination.

Mr. MADDEN. If any business concern in America was to adopt the policy proposed by this committee—to retire men when they get to an age of ripe experience—every concern in the country would go into bankruptcy, and the Navy ought not to be treated in the way this committee recommends. [Applause.]

Mr. PADGETT. I just simply want to say that practically every nation in the world has an age retirement in the grade, except the United States. These other nations are not all fools.

Mr. BUTLER. Will my colleague yield to me?

Mr. PADGETT. England fixes the age of retirement below 56, and the other nations fix it below.

Mr. BUTLER. Under the existing law, when officers are promoted from one grade to another grade they must pass a physical examination and a professional examination?

Mr. PADGETT. Yes.

Mr. BUTLER. Now, will the gentleman just tell this House how many officers have failed on these examinations in the last 10 years?

Mr. PADGETT. Very few of them.

Mr. BUTLER. We can count them on the fingers of one hand, can we not?

Mr. PADGETT. Yes.

Mr. BUTLER. That shows the necessity for the legislation that has been reported here.

Mr. PADGETT. Yes. Now, suppose you did not have the 56-year limit for retirement, and you had the selection, just see where you would be. You would come here and select a captain who is 54 years of age. He becomes a rear admiral, and he serves until he is 64. All that time the captains above him are going up, and you are keeping them captains, and after awhile you select another young captain to take the place of a rear admiral going out, and you leave the old stuff in, and it would not be more than a little while until you would have a list of captains who would not be able to handle a ship that we have in the Navy. What we want is young men, young blood in the Navy, and, as I have said, the different Secretaries have come before us year after year and have urged that we bring in some legislation that will make captains become rear admirals at 55 or 56 years of age. We have brought it in here, and I ask this House to stand by it. But let us have men selected. The other nations of the world select their commanders. They select their captains, they select their rear admirals and put them in charge of the fleet, and what are we going to do if we ever have to meet them? Are we going to meet them with the best that we have, or are we going to meet them with the run of the mine? That is the question. We are proposing to meet them with selections of the best that the American Navy may have, and not with the run of the mine that has gotten on down at Annapolis.

Mr. STAFFORD. Will the gentleman advise the committee as to the number of additional rear admirals, captains, and other officers provided under the act? I notice that the rear admirals are increased from 18 to 30. I directed an inquiry at

the beginning as to the additional cost by reason of providing these additional officers.

Mr. PADGETT. It would take until 1921 to get that number of rear admirals. We fixed the number at 18 in 1899 when the commission personnel was less than half of what it is to-day. We are increasing it now with all of our ships in this program, with all the enlisted men that are necessary, and yet we are only increasing the list of rear admirals from 18 to 30.

Mr. STAFFORD. What about the other officers below that of rear admiral?

Mr. PADGETT. We limited the increase in captains to 10 a year. That would be an increase from 70, which we have now, to 120 ultimately. That would be the ultimate number to which it could be increased. We have 112 commanders under the present law, which was established in 1899, and this would increase it to ultimately 209 commanders. We have 200 lieutenant commanders at the present time. This would ultimately increase them to 218. We have 350 lieutenants at the present time, and the ultimate increase would be 971. The junior lieutenants and ensigns combined at the present time number 1,187, and the ultimate increase would be 1,239.

Mr. STAFFORD. Above the grade of lieutenants you are virtually increasing the officers in the respective classes 100 per cent?

Mr. PADGETT. Oh, no.

Mr. STAFFORD. That is what the increase will amount to when they arrive at the maximum strength in 1920.

Mr. PADGETT. We are increasing the rear admirals from 18 to 30, and that would be 66⅔ per cent; commanders from 112 to 209, and that would be nearly 100 per cent.

Mr. STAFFORD. And captains from 70 to 120, nearly 100 per cent; and lieutenant commanders from 200 to 418, which would be more than 100 per cent; and lieutenants nearly 200 per cent.

Mr. PADGETT. That is in the lower grade, to take care of the young men coming in from the increased graduation from Annapolis.

Mr. STAFFORD. When they have reached the maximum number what will be the total increased pay?

Mr. PADGETT. That has not been reckoned up.

Mr. STAFFORD. It will be several hundred thousand dollars.

Mr. PADGETT. Yes.

Mr. STAFFORD. It will reach a half a million.

Mr. PADGETT. I suppose it would.

Mr. STAFFORD. And may reach a million.

Mr. PADGETT. No; I think not.

Mr. STAFFORD. Has the gentleman made any computation at all in reference to it?

Mr. PADGETT. No; because we are proposing to increase the number of officers from 2,084, which we have, to 2,988. It will take until the graduating class of 1921 to reach that number, and that is the ultimate number that is fixed.

Mr. STAFFORD. You are making an increase of only 900, and yet you are providing over 100 per cent in higher ranks, at the expense of a half a million, or it may be a million dollars.

Mr. PADGETT. From 2,024 to 2,988 or 904 increase. But that is distributed over the five years, and it is even then not what it is estimated we will need when all the building program is completed.

Now we have to provide officers. Why should we go ahead increasing the building program, adding battleships, battle cruisers, and submarines and not have officers. Why should we add to our enlisted personnel and not have the officers. Gentlemen, we have to meet this question and now is the time to meet it, because we are dealing with the question, we are dealing with it to make this distribution according to this plan that has been adopted, and practically all the navies of the world except the United States have adopted it. Now is the time to make it before we have to undo what we have done later on.

Mr. McKENZIE. Will the gentleman yield?

Mr. PADGETT. Yes.

Mr. McKENZIE. I want to ask the gentleman one question. I notice you create a rear admiral in the Medical Corps and also provide for rear admirals in the pay directors' branch of the Navy. I would like to have the gentleman explain that. As I understand it, the men who really sunk Cervera's fleet were the captains, like Bob Evans and Clarke. What I want to know is whether if this law goes into effect the men in the Medical Corps and the Pay Directors' Corps will draw more salary and be entitled to higher rank than captains like Evans and Clarke.

Mr. PADGETT. They do not have the command, they have the rank and title. We take young men out of Annapolis, men that graduate at the top, and put them in the Construction Corps. These young men would now have the highest rank that exists, which is captain, and the highest pay is that of captain. We did not think that it was right with these two services to take the very best talent, the very best young men that go through Annapolis, put them into that corps, and close the door against them and give them no opportunity whatever for promotion. There ought to be some incentive, and where is there more important talent needed, where is there a greater demand for ability and genius than there is to-day in the building of battleships that cost us seventeen and a half million dollars each, and of battle cruisers that cost us twenty and a half million each?

Mr. McKENZIE. That is in the Construction Corps.

Mr. PADGETT. I said in the Construction Corps.

Mr. McKENZIE. I am speaking of the Medical Corps, and the Pay Directors' Corps, and I can not agree with the gentleman that a man in an office here in Washington or Annapolis ought to have the same rank and pay as the captain of a battleship who goes out and defends our flag on the high seas. That is my position.

Mr. PADGETT. We have the line, which is the fighting part of the ship. We have the Staff Corps, and, for instance, the Medical Corps is in the Staff Corps, the Pay Corps is in the Staff Corps, the engineers are in the Staff Corps, and the constructors are in the Staff Corps. The highest rank that any of them have, as I said by illustration, was a captain. It was not right to close the doors to them. Other navies recognize the ability and give the rank to these men, and we thought it was right, and we gave it to them. Take the Medical Corps. The Senate amendment provided for 10 rear admirals. We cut that down to three. I think we were reasonable; we were not extravagant, and the conference report gives the Medical Corps three admirals, and it will take them four years to get the three.

Mr. BURNETT. Mr. Speaker, will the gentleman yield?

Mr. PADGETT. Yes.

Mr. BURNETT. If this legislation had been offered upon the floor, would it not have been subject to a point of order?

Mr. PADGETT. It would, in the House.

Mr. BURNETT. Then, does the gentleman think it fair that legislation of this importance, that can not now be debated fully, that would have been subject to a point of order then, ought, on a conference report, which is expected to be disposed of by us in a few hours, to be adopted? The gentleman says this is very important legislation, and he states many forceful reasons why it should be adopted, but ought it to be done in a conference report and passed in this way?

Mr. PADGETT. Yes; simply because——

Mr. BURNETT. One minute more. The gentleman from Illinois [Mr. BRITTEN] said that the chairman, when the question of the personnel came up, waived it off for some more convenient season. If that was right, then, why would it not have been fair to the House and to the country, nay, fairer, to have brought in a bill providing for these things without doing it in this indirect way, by getting it adopted as an amendment in the Senate and then agreed to in conference? It would have been subject to a point of order if it had been proposed in the House.

Mr. PADGET. There are many things that are subject to points of order that come in on appropriation bills, and this was put on as a Senate amendment and was not subject to a point of order. The question was put up to us of refusing to do anything or of meeting the responsibility that came to us by the Senate amendment and perfecting it and adopting legislation that is for the real good of the Navy.

Mr. BUCHANAN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. PADGETT. How much time have I, Mr. Speaker?

The SPEAKER. Twenty minutes.

Mr. PADGETT. I yield to the gentleman from Illinois.

Mr. BUCHANAN of Illinois. I desire to ask the chairman of the committee for some information in regard to amendment No. 239. The present law, and it is retained in this bill, provides that for each of the sums appropriated by the act no part shall be used to procure through purchase or contract any vessels, armament, articles, or material which the navy yards, gun factories, or other industrial plants operated by the Navy Department are equipped to supply, unless such Government plants are operated approximately at their full capacity at not less than one regular shift each working day.

Mr. PADGETT. That is left in the bill.

Mr. BUCHANAN of Illinois. Let me now read the exceptions—except when contract costs are less than costs in said Government plants and except when said Government plants are unable to complete the work in the time required, and except in cases of emergency.

The information I desire is why amendment No. 239 is placed in the bill, which amendment provides:

Provided, That if, in the judgment of the Secretary of the Navy, the most rapid and economical construction of the battle cruisers authorized herein can be obtained thereby, he may contract for the construction of any or all of them upon the basis of actual cost, plus a reasonable profit to be determined by him.

Mr. PADGETT. That was put in for the reason that the shipbuilders and the Navy Department both stated that there had been no battle cruisers built in this country, that it was entirely a new venture, and they had no experience in building them. The shipbuilders said they did not know whether they would bid on them at all. The Navy Department said that they lacked experience, and they wanted this latitude of contract with reference to this new method of construction.

Mr. BUCHANAN of Illinois. Is it not a fact that if we continue to construct ships we will have experienced men in the employ of the Government, and they will be equally as capable of constructing battle cruisers as would the private enterprise that has had no experience.

Mr. PADGETT. Neither one has had any experience at this time.

Mr. BUCHANAN of Illinois. I want to read to the gentleman what the exception is.

Mr. PADGETT. But I have read it.

Mr. BUCHANAN of Illinois. And under the circumstances which the gentleman recites, it would require that these be contracted for.

Mr. PADGETT. It says that he may do it. It does not require it. He is authorized to do it.

Mr. BUCHANAN of Illinois. It says except when the Government plants are unable to complete the work within the time required and in cases of emergency. It gives them plenty of opportunity to do this. The only difference is that one provides for a reasonable profit in the judgment of the Secretary, and the other provides that it shall be less than the cost of construction. That is the only difference that is made. If the Secretary sees fit, he can give it to a private contractor and allow him to make 10 or 20 or 30 per cent profit if he sees fit to have it done under private contract. It seems it is letting the cat out of the bag that these large expenditures that are necessarily made are for purposes of satisfying that invisible power that has brought forth this extravagance, unnecessary expenditure, and criminal waste of the public funds.

Mr. PADGETT. Mr. Speaker, I do not yield to the gentleman to make a speech; I have not the time.

Mr. BRITTEN. Will the gentleman yield?

Mr. PADGETT. In a moment. The effect of the amendment was simply this: With no ship of that kind ever built in this country, the Secretary is authorized to deal with those people upon the basis of the actual cost of the vessel plus a reasonable profit that may be determined instead of taking the chances of their bidding three or four times the profit that ought to be placed on the building for the uncertainty of the work. I now yield to the gentleman.

Mr. BRITTEN. Does the chairman of the committee recall when Admiral Winslow was before the committee, and the gentleman from Alabama [Mr. OLIVER] asked him some questions regarding personnel legislation, and the chairman of the committee interrupted and said that the full committee would later on take up completely new personnel legislation in detail?

Mr. PADGETT. I do very well, but the gentleman will remember that instead of concluding the hearings in the time we ordinarily expected they ran for three solid months and then we had to take up the construction of the bill and the handling of it here, and when we got through with the bill here in the House a number of the members of the committee came to me and said they were going home, that they were not going to take up any more committee work. In the meantime the Senate put on this amendment and the responsibility came to the conferees. They held a hearing; they have investigated it; they have put in a provision here that challenges the confidence and respect of the Members of the House.

Mr. BRITTEN. The gentleman agrees that there were no extensive hearings given before the present Committee on Naval Affairs of the House?

Mr. PADGETT. Not before the full committee; before the subcommittee of conferees.

Mr. MONDELL. I would like to call the attention of the chairman to the provision in amendment No. 89.

Mr. PADGETT. How much time have I remaining? I have promised some gentlemen some time.

The SPEAKER. The gentleman has 15 minutes remaining.

Mr. MONDELL. On page 63, which embodies the personnel, in regard to the pay of rear admirals, by providing that the upper half of the rear admirals shall have more pay than the nine upper grades now receive——

Mr. PADGETT. That is just the present law.

Mr. MONDELL. That is the present law, but it applies to new conditions.

Mr. PADGETT. Yes.

Mr. MONDELL. The bill contains, on page 70, some new law to the effect that hereafter all commissioned officers on the active list of the Navy will receive the same pay and allowances according to rank and length of service, and now those two provisions are contradictory.

Mr. PADGETT. Not at all.

Mr. MONDELL. If the gentleman will read, will it not affect the pay and raise the pay of all the lower rank of rear admirals' pay fixed by law for the upper rank of rear admirals?

Mr. PADGETT. Not at all, because those are the rank each man gets by present law.

Mr. MONDELL. You create no new rank here of rear admiral?

Mr. PADGETT. There are two ranks of rear admirals, a lower nine and the upper nine, and the law fixes the pay of the lower nine and fixes the pay of the upper nine.

Mr. MONDELL. The gentleman is quite certain the department will not construe that to mean that the pay of the lower rank is to be raised?

Mr. PADGETT. Certainly; there is no doubt of that.

Mr. McKENZIE. Will the gentleman yield?

Mr. PADGETT. I will yield.

Mr. McKENZIE. Mr. Speaker, I desire to extend my remarks by publishing in the RECORD a short letter from the Navy League in connection with personnel legislation.

The SPEAKER. The gentleman from Illinois [Mr. McKENZIE] asks unanimous consent to extend his remarks. Is there objection? [After a pause.] The Chair hears none.

The article is as follows:

NAVY LEAGUE OBJECTS TO PERSONNEL ITEM—INDORSES BUILDING PROGRAM OF NEW BILL, BUT ARRAIGNS ADVANCEMENT SYSTEM.

The National Security League in New York last night made public a communication from J. Bernard Walker, chairman of the Navy committee of the league, and Henry Reuterdahl, of the United States Naval Institute, objecting to the personnel provision of the naval appropriation bill now in conference which provides that the promotion of officers by selection shall be finally determined by a civilian Secretary of the Navy.

In giving out the statement, the league takes the position that while it indorses heartily the big building program of the bill as it came from the Senate, and does not want to endanger the essential features of that program, which it approves, it believes the widest publicity should be given to the dangers of the personnel feature. The league believes that while promotion of officers by selection is highly desirable, such selection should be made by a board of naval officers, rather than be left with a secretary who might be biased by political considerations.

The statement says, in part:

"It is plainly evident that the bill does not represent the best thought of our Navy. It has not had the criticism of experienced naval officers. To pass such a bill, fathered by no one, and kept practically secret from the Navy itself is a rank injustice to the officers who are afloat and without a voice in Congress. The hearing before the House committee brought out the fact that the naval service had not asked for and did not want 70 or 80 more admirals, which includes the new-fangled deputy surgeon general or deputy paymaster generals admirals all. Furthermore it has been brought out that there was a great diversity of opinion among the officers as to the selection feature.

"Promotion by seniority now in practice in the Navy violates every tenet of life and helps to kill the ambition of the younger officers, who have now no chance to reach even a lieutenant's rank before the age of 40.

"There are several features in the bill for placing civilians after a short service as engineers or aviators in the regular line of the Navy. These are all bad."

Mr. WINGO. Mr. Speaker, will the gentleman from Tennessee yield for a question?

Mr. PADGETT. I will.

Mr. WINGO. As I understand the gentleman has moved to concur in the conference report?

Mr. PADGETT. Yes, sir.

Mr. WINGO. That includes the proposition of change in personnel, officers of the personnel, but it does not include anything of the increase provided by the Senate in the number of capital ships?

Mr. PADGETT. No, or the number of enlisted men.

Mr. WINGO. Nor the number of enlisted men. As I understand the question of additional battleships and cruisers provided by the Senate is not included in the present motion to concur?

Mr. PADGETT. No; but the proposition of increasing the number of admirals, which is discussed——

Mr. WINGO. Is included in the conference report and agreement?

Mr. PADGETT. Yes. That makes a slight increase.

Mr. STAFFORD. Will the gentleman yield?

Mr. PADGETT. I have very little time, and I have reserved some.

Mr. STAFFORD. For just one question.

Mr. PADGETT. Will the gentleman be quick?

Mr. STAFFORD. It is a very short question, and that is as to how the numbers in the respective grades of the personnel provided by the conference report compare with foreign navies?

Mr. PADGETT. Much less.

Mr. STAFFORD. The salaries paid in respective grades——

Mr. PADGETT. The salaries here in this country in every kind of labor and everything is on a much higher wage scale, and the numbers are very materially less than in other navies.

Mr. STAFFORD. In proportion to the number of enlisted men?

Mr. PADGETT. Yes.

Mr. STAFFORD. And the ships in those respective navies?

Mr. PADGETT. Now I promised to yield five minutes—how much time have I remaining?

The SPEAKER. Ten minutes.

Mr. PADGETT. I yield five minutes to the gentleman from Indiana [Mr. Cox].

The SPEAKER. The gentleman from Indiana [Mr. Cox] is recognized for five minutes.

Mr. BURNETT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BURNETT. I desire to know if the hour will conclude the discussion of the conference report?

The SPEAKER. The Chair does not know, but he assumes that at the end of the hour the gentleman from Tennessee [Mr. PADGETT] will move the previous question, if he wants to do it, as he has the right to do.

Mr. COX. Mr. Speaker, when this bill came back from the Senate I called the attention of the chairman of the committee to certain amendments contained in it. One of those amendments to which I called his attention was amendment No. 107. I put this question to the chairman:

> If the Senate refuses to yield on this proposition, will the gentleman return this bill to the House and give the House the chance to vote upon it?
>
> Mr. PADGETT. I will.

That is amendment 107. The chairman of the committee made a square agreement, and it is set out in this RECORD, that before he would ever yield upon that amendment he would return it to the House and give the House a chance to vote upon it. And when the House conferees agreed to this amendment the chairman violated the agreement he made with me.

Mr. PADGETT. What amendment is that?

Mr. COX. Amendment numbered 107. I interrogated the gentleman from Tennessee, the chairman of this committee.

Mr. PADGETT. I beg the gentleman's pardon. I have no recollection of it.

Mr. COX. I am speaking from the RECORD itself. I know nothing about these outside agreements except what the RECORD speaks. I interrogated the gentleman from Tennessee also upon amendment 89, the personnel amendment, and practically the same agreement was made by him with me at that time, that before ever the House conferees yielded upon amendment 89, the personnel amendment, the House conferees would return to this House and give us a chance to vote upon it; and yet the House conferees have yielded upon amendment 89.

Mr. PADGETT. No, sir. That is in disagreement.

Mr. COX. The personnel amendment?

Mr. PADGETT. Oh, no.

Mr. COX. Is that in disagreement?

Mr. PADGETT. No. We could not return that. We could not have a vote on it.

Mr. COX. I am speaking of amendment No. 89, I think it is. I said, when these conferees were appointed, that the history of it had been, ever since I had been a Member of this House, that the House conferees would yield when it came to the dotting of an "i" or the crossing of a "t," but on important matters, where the House should be given a chance to vote, the House would yield to the Senate amendments. Am I correct or am I wrong?

There were 250 amendments incorporated in this bill by the Senate. Of those 250 amendments the Senate conferees have yielded to the House in the case of 47, and the Senate has retained 124, with 79 of the Senate amendments still in dispute or agreed to by the House conferees with amendments.

I welcome the gentleman from Chicago [Mr. BRITTEN] in making an attack upon this personnel section. If I had it in my power, I would defeat this conference report, and if this House would do its duty it would defeat it. But all around me this morning the word is passed to the effect that we have to adjourn by 4 o'clock this afternoon and get away from here. Why? With a naval program of $315,000,000 piled upon the people of this country, we are told we have to get out of here this afternoon for some reason or other. We are not given a chance to debate and discuss these important amendments. It is considered more important to adjourn and go some place else than it is to remain here and discuss these important provisions.

Mr. Speaker, I called the attention of the House when this amendment came over here to the fact that it provided for 82 new rear admirals. I might have been wrong; I did not want to misquote anybody; but I was not very far wrong, because the House conferees' own report shows it provides for 67. Ah, the gentleman from Illinois [Mr. BRITTEN] hit the nail on the head this evening when he talked about this question not being investigated by the House Naval Affairs Committee. Why was it not? My experience has told me that this naval bunch of men always find the road of least resistance, and that road of least resistance, when they want to get something into a naval bill, is always in the Senate. It is not before the House Committee on Naval Affairs. [Applause.]

The SPEAKER. The time of the gentleman from Indiana has expired.

Mr. COX. I ask unanimous consent, Mr. Speaker, to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Indiana asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Tennessee [Mr. PADGETT] has five minutes remaining.

Mr. MONDELL. Mr. Speaker, will the gentleman yield to me?

Mr. PADGETT. I have not the time.

Mr. OLIVER. I would like to have five minutes.

Mr. MADDEN. I ask unanimous consent, Mr. Speaker, that the gentleman from Indiana [Mr. Cox] may have his time extended 10 minutes without its being take out of the time already allowed.

The SPEAKER. The gentleman from Illinois [Mr. MADDEN] asks unanimous consent that the time of the gentleman from Indiana [Mr. Cox] be extended 10 minutes without charging it up to the gentleman from Tennessee [Mr. PADGETT.] Is there objection?

Mr. PADGETT. I hate to do so, Mr. Speaker, but I shall have to object. I have five minutes, and I will yield that to the gentleman from Illinois [Mr. MANN].

Mr. MADDEN. We are dealing with a proposition of $315,000,000 here.

Mr. PADGETT. I understand; but we have debated it and gone through it.

Mr. MADDEN. Nobody has debated it except the gentleman himself.

Mr. PADGETT. I yield to the gentleman from Illinois [Mr. MANN] five minutes.

Mr. OLIVER. I would like to have five minutes.

The SPEAKER. The gentleman from Illinois [Mr. MANN] is recognized for five minutes.

Mr. MANN. Mr. Speaker, after all, we are up against a practical legislative proposition. No one in this House ever has been wise enough to know all about all of the questions that he has to vote upon. There are a good many things in this conference report that I do not like. There were a good many things in the Senate amendments which I do not like. Some of them I dislike because of prejudice, which I admit to myself, knowing that as to some of them I do not have very accurate knowledge.

The bill with Senate amendments has gone to conference. I believe five conferees were appointed from the House—an unusual number, because of the various propositions of importance in the Senate amendments. I believe that five better men on this subject probably would never have been picked out of the House if five other men, whoever they might be, had been selected, and I doubt whether, if we send the bill back to conference with the present five conferees reappointed, or five new conferees appointed, the first would change the result, or the second would know anything about it.

I think the House conferees, on the whole, have done exceedingly well [applause], both on the personnel amendment and on other amendments made by the Senate. The personnel amendment now in conference is quite a different one from the Senate amendment. I very much doubt, if the House should consider the personnel legislation for a solid month, it would do as well as the House conferees have done in the present report. [Applause.]

I have been in Washington long enough to know something that does not require any one very long to find out, and that is

that Washington is filled up full of naval and military officers willing to fight for their country and always willing to get a little for themselves on the side—legitimately—and that there are very few Members of Congress who do not know some of them. [Laughter.] I have heard gentleman after gentleman, during a service of 20 years on the floor of this House, tell what he knew about various things in the Army or Navy, when I knew he was retailing a conversation had with some interested naval or military officer. Now, that is not always the case. I do not think it has been the case to-day, but it is the case when we have a long time to consider measures.

To me there is only one thing for the House to do now. That is to agree to the conference report, and I think we on this side of the House are justified in doing that. Then, when the conference report is agreed to I think we will be justified in agreeing to the Senate amendments making the increase in the building program of the Navy, and increasing the enlisted force of the Navy. The conferees are practically carrying out in the main the program which the Republican side of the House fought for when the naval bill was before the House. [Applause on the Republican side.] We have forced the administration into line behind us for the protection of the country. [Applause on the Republican side.]

Mr. PADGETT. Mr. Speaker, I move the previous question upon the adoption of the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. PADGETT. Mr. Speaker, I move that the House recede from its disagreement to Senate amendment No. 238, and agree to the same.

Mr. KITCHIN. Mr. Speaker——

Mr. PADGETT. There is some debate wanted on that proposition.

Mr. LITTLEPAGE. Mr. Speaker, I ask unanimous consent for the present consideration of a resolution.

The SPEAKER. The gentleman from West Virginia asks unanimous consent for the present consideration of a resolution which the clerk will report.

Mr. MANN. I do not know what the resolution is, but I am not willing to interrupt——

Mr. PADGETT. I suggest to the gentleman that it will not take a minute and a half, and may save a day.

Mr. MANN. It will probably take more than a minute and a half.

The SPEAKER. Is there objection?

Mr. MANN. I object at this time.

The SPEAKER. The gentleman from Illinois objects.

Mr. MANN. And if you propose to interrupt the consideration of appropriation bills by requests of this kind as a regular thing, I will object all the time.

Mr. PADGETT. Can we not arrange to fix a time for a vote?

Mr. KITCHIN. We have had about eight gentlemen who desire time to oppose this motion to agree to the Senate amendment. I would say, however, that an hour in opposition to it would be all we would want.

The SPEAKER. What does the gentleman from Tennessee say?

Mr. PADGETT. I will ask, Mr. Speaker, that the debate on this amendment close in 1 hour and 20 minutes, 1 hour to be controlled by the gentleman from North Carolina [Mr. KITCHIN], and I think 20 minutes will be enough for us.

Mr. BUTLER. Gentlemen on this side have voted for this conference report and have restrained themselves, but they desire a little opportunity to make speeches.

Mr. PADGETT. I did not know that there was anyone on that side who wanted time.

Mr. MANN. I take it that there are some other propositions involved.

Mr. PADGETT. If the House will agree to it, I will combine the consideration of the three amendments, and will ask that the vote be taken upon Senate amendment 80 and Senate amendment 83, immediately following the vote on 238.

Mr. BUTLER. Those amendments include the increases in ships and personnel?

Mr. PADGETT. Yes.

Mr. KITCHIN. I think that could be done and save time.

Mr. MANN. Why not consider those amendments along with this amendment?

Mr. PADGETT. I was just asking for that.

Mr. COX. Is it proposed to combine that with the increase of the Navy?

Mr. PADGETT. Yes.

Mr. COX. I object to that.

The SPEAKER. The gentleman from Tennessee proposes to consider at the same time a motion to recede and concur in Senate amendment 238, and a motion to recede and concur in amendment 80, and a motion to recede and concur in Senate amendment 83. Is there objection?

Mr. COX. I object to voting upon them at the same time.

The SPEAKER. They are not to be voted on all at once. They are to be voted on seriatim. Of course there will be three votes. Does the gentleman object to that?

Mr. COX. I do not object, if I can get a separate vote on the increase of the Navy. I do not care what else they combine, but I want a separate vote on that. I do not care anything about the debate, so I get a separate vote on the increase of the Navy.

Mr. PADGETT. I will ask that the debate on these three amendments close in two hours, one hour to be controlled by myself and one hour by the gentleman from North Carolina.

Mr. MANN. We will get some of the time, of course.

Mr. BUTLER. Mr. Speaker, I do not want to delay this vote. I am told by the gentleman from Indiana [Mr. Cox] that we must get away from here at 4 o'clock. I myself can stay here until 6 o'clock.

Mr. MANN. This debate will run beyond 4 o'clock. The gentleman from Indiana does not always have accurate information. He usually does.

Mr. COX. I was told that by a Member on this side of the House.

The SPEAKER. The gentleman from Tennessee [Mr. PADGETT] asks unanimous consent that the debate on these amendments close in two hours. That will be at 4.25 p. m.

Mr. MANN. That is, on the three amendments?

The SPEAKER. On all three of them; and that they then be voted on seriatim, voting on amendment 238 first, and then on 80, and then on 83. Is there objection?

Mr. BUTLER. With the understanding that the chairman is going to yield time to us——

Mr. PADGETT. Yes.

Mr. KITCHIN. I understand the gentleman from Tennessee is to have an hour and I am to have an hour.

Mr. PADGETT. Yes.

The SPEAKER. One hour to be controlled by the gentleman from Tennessee [Mr. PADGETT] and the other by the gentleman from North Carolina [Mr. KITCHIN]. Is there objection?

There was no objection.

The SPEAKER. Who is going to take the lead on this?

Mr. KITCHIN. Mr. Speaker, I yield five minutes to the gentleman from North Carolina [Mr. PAGE].

The SPEAKER. The gentleman from North Carolina [Mr. PAGE] is recognized for five minutes.

Mr. PAGE of North Carolina. Mr. Speaker, the conclusion of the speech of the gentleman from Illinois [Mr. MANN], in which he appealed to that side of the House that they should support the motion made by the gentleman from Tennessee, chairman of the committee, Mr. PADGETT, to concur in the Senate amendment of the building program, has merit in it so far as that side of the House is concerned [applause on the Republican side], for the reason that this is not only the building program that was contended for by that side of the House when the bill was originally reported, but it even goes it one better than the motion to recommit, made by the ranking minority member of that committee. There are eight capital ships provided for in the Senate amendment now to be concurred in, whereas the motion to recommit by the Republican members of the committee was for four dreadnaughts and three battle cruisers. I am not a member of the Naval Affairs Committee, as the House knows, but I have taken a good deal of interest in this matter from the very beginning. Whether or not there were dissensions on the Republican side of the House as to the building program, there were and still are dissensions on this side of the House as to what the building program should be.

Before this bill was reported from the Committee on Naval Affairs Democrats on that committee, those who were not in favor even of the program submitted by the Navy Department—which, by the way, was for two battleships and two battle cruisers, making four ships in all—Democrats serving on the Naval Affairs Committee made an appeal to me as a peacemaker or an intermediary. I have not much reputation along that line, and yet they seem to think I have. These minority members of the majority wanted to bring in a report from the Naval Affairs Committee that could be signed by all the Democrats on the committee. That was a commendable spirit on the part of those gentlemen for party solidarity touching these appropriations.

At that crisis I was appealed to, being asked if I would go with one of these members of the majority to see the Secretary

of the Navy, who is my close personal friend, and I did so. I went with these gentlemen in the effort to make a compromise by which the Democrats on the Naval Affairs Committee could bring in a unanimous report to this House. That was the whole purpose, and there is nothing in it that I am ashamed of. I went with Mr. HENSLEY, of Missouri, and spent an hour or more in conversation with the Secretary of the Navy. The result of the interview is contained in a letter addressed by myself the next morning to Mr. HENSLEY, which I will ask the Clerk to read in my time.

The Clerk read as follows:

MAY 18, 1916.

Hon. WALTER L. HENSLEY,
House of Representatives.

MY DEAR MR. HENSLEY: Following up our interview with the Secretary of the Navy, Mr. Daniels, yesterday afternoon, at which time we both assured him that if the department's naval program could be modified by the elimination of the five-year building program, the substitution of two battle cruisers for the two dreadnaughts proposed, making a total of capital ships four battle cruisers, and attaching to the naval appropriation bill your resolution providing an appropriation for authorizing the President to call a meeting of the representatives of all the great powers at the close of the present European war with a view to reaching an agreement as to future armament, Mr. Daniels last night communicated with me over the telephone and asked me to say to you, as a member of the Naval Affairs Committee of the House, that after consulting with the chairman of that committee he was ready to accept our proposition, and hoped that you and myself would use our best efforts to have a report on the naval bill signed by all the Democrats on that committee.

As you well know, this carries me further than I wanted to go, but I am agreeing to it and shall help you all I can, solely because of my great interest in the success of the Democratic Party, as well as believing that this is as small a program as can be put through.

Sincerely, yours,

ROBERT N. PAGE.

Now, gentlemen, in corroboration of that statement of fact, on the next morning, May 18, the Naval Affairs Committee voted on a building program, and the patriotic gentlemen who are termed "small-navy men" on the committee not only stood to this agreement and signed the report but voted for five battle cruisers. The chairman of the Naval Affairs Committee stood on this floor and appealed to us as Democrats to support that report by the majority.

The SPEAKER. The time of the gentleman from North Carolina has expired.

Mr. KITCHIN. I yield to the gentleman five minutes more.

Mr. PAGE of North Carolina. The chairman of the Naval Affairs Committee, when that bill was reported to this House, stood here and pleaded with us on this side of the House as Democrats to stand by this report of the majority of that committee and to vote down the motion to recommit that carried seven capital ships.

Mr. BUTLER. Eight.

Mr. PAGE of North Carolina. Four battleships and three cruisers.

Mr. BUTLER. Six cruisers and two battleships.

Mr. PAGE of North Carolina. I am willing to let the statement made go in the RECORD.

Mr. KITCHIN. The minority report declared for eight capital ships.

Mr. PAGE of North Carolina. I am talking about the motion to recommit. We voted it down and stood by the majority report that was made to this House by that committee. We all stood by him, and every small-Navy man in this House voted for five battle cruisers and against the motion to recommit.

Now, we are confronted to-day with a motion by the chairman of that same committee to concur in a Senate amendment to provide for four battleships and four battle cruisers. Now, I want to keep the RECORD straight. That is the purpose I have in taking a few minutes that we might put a statement of facts in the RECORD as they are. You gentlemen on this side know that we are living in a time of change, when the kaleidoscope overnight brings about sudden changes, but the appeal by the chairman to Democrats in this House, and to Republicans for that matter, should show what has taken place since the 18th day of May, when that letter was written by me to my colleague following the interview with the Secretary of the Navy. What has taken place to justify the Democrats in doubling the program that they voted for at that time? The occurrences, so far as naval engagements and naval warfare are concerned on the other side of the world, if they are considered in a reasonable manner, would be to reduce the number of battleships for which we voted rather than to increase them. [Applause on the Democratic side.] While we do not know it all, we know that the navies of a few of the foreign powers are very much less to-day than they were on the 18th day of May, when that bill was reported to this House. I may say that I am surprised that men will be swept off their feet by this hysteria for the expenditure of public money. I want to know if the chairman of the Naval Affairs Committee, or any man on the committee, is prepared to say to me that any shipyards in the United States can build capital ships.

Mr. BUTLER. No, sir.

Mr. PAGE of North Carolina. The gentleman from Pennsylvania says no. We are asked to vote money for the construction of eight capital battleships. There is not a man here, there is not a man in the Navy Department, there is not a man in the United States who knows anything but that knows that they can not be built within the life of the appropriation in the United States of America.

Mr. BRITTEN. Mr. Speaker, will the gentleman yield?

Mr. PAGE of North Carolina. For a question.

Mr. BRITTEN. Does the gentleman mean Government yards or does he mean——

Mr. PAGE of North Carolina. I mean all of the yards.

Mr. BUTLER rose.

Mr. PAGE of North Carolina. Can contracts be made?

Mr. BUTLER. Yes.

Mr. PAGE of North Carolina. Has the gentleman tried that out?

Mr. BUTLER. Yes; we have.

Mr. PAGE of North Carolina. How many are now building in addition to those that are on the ways?

Mr. BUTLER. Yes; we have; yes.

Mr. PAGE of North Carolina. I am glad the gentleman will assume that responsibility. He is the first man I have found who was willing to assume that responsibility, to make that affirmative statement. I do not believe it; and in the protection of the Public Treasury, for the consistency of Democrats, I do not believe that we should concur in this Senate amendment, and I shall vote against the motion of the gentleman from Tennessee. [Applause on the Democratic side.]

Mr. BUTLER. Mr. Speaker, I want to correct the gentleman from North Carolina [Mr. PAGE], because I know him so well and esteem him so highly that I know he will wish to be corrected. If the gentleman will again examine the motion to recommit he will find that the motion recites "on page 97 strike out the word 'five' and insert in lieu thereof the word 'six,' for cruisers," and the provision for two battleships.

Mr. PAGE of North Carolina. I will say to the gentleman, if he will permit me, being in a little doubt as to what the motion to recommit was, not more than an hour ago——

The SPEAKER pro tempore (Mr. CONRY). The gentleman's time has expired.

Mr. BUTLER. I yield five minutes to the gentleman from Massachusetts [Mr. GARDNER].

Mr. PAGE of North Carolina. Will the gentleman yield to me for a moment?

Mr. GARDNER. Yes.

The SPEAKER pro tempore. As the Chair understands it, the gentleman from Tennessee [Mr. PADGETT] controls the time upon one side, and the gentleman from North Carolina [Mr. KITCHIN] upon the other. Has the gentleman from Pennsylvania [Mr. BUTLER] authority from the gentleman from Tennessee to yield any time?

Mr. BUTLER. The gentleman from Tennessee made the agreement that we should have 40 minutes upon this side, and it falls to my undesirable lot to apportion 40 minutes out among 40 men who each want to talk 10 minutes. I do not want to do it, but I shall do it.

The SPEAKER pro tempore. The gentleman from Massachusetts is recognized.

Mr. PAGE of North Carolina. Will the gentleman from Massachusetts yield to me for a moment?

Mr. GARDNER. Yes.

Mr. PAGE of North Carolina. I want to give my authority. I did not examine the record, but I appealed to the colleague of the gentleman on the Naval Affairs Committee, the gentleman from Massachusetts [Mr. ROBERTS], and I asked him what the motion was, and he told me it was for four battleships and two battle cruisers.

Mr. BUTLER. Of course, there is no one in the House who would think that the gentleman would try to mislead anyone.

Mr. ROBERTS of Massachusetts. Why, Mr. Speaker——[Laughter.]

Mr. GARDNER. Mr. Speaker, I must object to any more time coming out of that allotted to me.

The SPEAKER pro tempore. The gentleman from Massachusetts is recognized for five minutes.

Mr. GARDNER. Mr. Speaker, no wonder the gentleman from North Carolina [Mr. PAGE] has fallen into the error of supposing we can build only five battleships simultaneously. The reason he has fallen into that error is because the Secretary of the Navy at the time before he changed his opinion, when he was fighting a large increase, on the 24th of Decem-

ber, 1915, gave a statement to the press, which appeared in the Washington Times of that date, in which the following occurs:

DEFENDS NEW PROGRAM.

Secretary Daniels also defended the $500,000,000 five-year building program submitted to Congress this year. This program, he said, not only would tax the capacity of American shipyards, but was "accepted as the limit of taxation the people would stand."

There are only five American shipyards equipped to build capital ships, Secretary Daniels said. These are the private yards of Cramps & Sons at Philadelphia, the New York Shipbuilding Co. at Camden, and the Newport News Shipbuilding Co., and the New York and Mare Island navy yards. These yards, he said, can build only one warship each in three years.

Mr. Speaker, I sent to the General Board of the Navy and found an absolutely different statement, which I put in the RECORD at the time. I think it showed clearly that you could build nine to eleven simultaneously. Then the Committee on Naval Affairs took the question up, and I think that it was reported to them that you could build even more simultaneously. I do this to show that the Secretary of the Navy has been fighting the Navy tooth and nail ever since this thing was started, until he found himself swept away by popular opinion. Two years ago in his annual report he said that we could not afford to build more than two capital ships. Last year he said the same thing, and he went on to say, "Wait until you see what lessons the war will teach." Last summer the General Board of the Navy reported in favor of eight capital ships—July 30, 1915—and he suppressed that report until it was forced out six months later. Then a little later on he sends in his recommendation for four, and he proceeds to defend it when it was attacked by saying that we can not build more than four. I am going to read to you from his address before the automobile engineers' banquet on January 5, of this very year. Bear in mind the fact that the address is made by the man who says that he has been backing a large Navy. We are told that it is not the Republican side which has forced the thing through, but the pretense is made that Daniels—God save the mark—is back of it. [Laughter on the Republican side.] We are told that the President, who only a year ago stood up here and said he was not going to get nervously excited, that there was no need of discussing this problem; we are told that he has done the trick. Are they back of it, or is it we, who have held them up and banged their heads against the wall until they have seen what public opinion is? Let me read to you what Mr. Daniels said on January 5, 1916, at the automobile engineers' banquet in New York:

The Navy program for new construction will tax the capacity of the shipbuilding yards, private and Government, and if Congress should order a larger program it could not be carried out in any reasonable time unless conditions were so critical as to cause private shipbuilding yards to quit work on merchant ships and concentrate on fighting ships.

Well, thank Heaven, we kicked his little program into the waste-paper basket, and we propose to build our big program in spite of his words of discouragement.

Here is a letter which Admiral Dewey wrote me at the very time when Secretary Daniels was telling the country that our shipbuilding yards could not handle a building program for this year of more than 5 capital ships:

OFFICE OF THE ADMIRAL OF THE NAVY,
Washington, December 24, 1915.

Mr. A. P. GARDNER,
House of Representatives, City.

DEAR SIR: I beg to acknowledge receipt of your letter of the 22d instant, requesting a reply to the following questions:

1. How many ways capable of being occupied by battleships and battle cruisers are now available in all our shipbuilding yards, public and private?

Including the building slips now occupied by vessels in the course of construction, the following are at present available capable of being occupied by battleships and battle cruisers:

New York Navy Yard	1
Mare Island Navy Yard	1
Cramp's Shipbuilding Co	2
Newport News Shipbuilding Co	2
New York Shipbuilding Co	2
Fore River Shipbuilding Co	2
Total	10

2. How many additional ways could be constructed, and how long would it take to construct them?

The shipbuilding industry of the country would be capable of expansion to meet almost any demand that might reasonably be made upon it. It would be impossible to state the total number of slips that could be made ready in a short time, but additional slips could at least be installed at the following places:

Union Iron Works, San Francisco; Maryland Steel Co.; New York Navy Yard; Philadelphia Navy Yard; Norfolk Navy Yard; Puget Sound (Bremerton) Navy Yard.

Sincerely, yours,
GEORGE DEWEY.

Again he said:

With the adoption by Congress of the program recommended every resource of shipbuilding establishment will be packed to the fullest for their construction in a reasonable time. Is it wise to order larger constructions now when every well-informed man knows no larger program can be carried out unless the Government compels private yards to stop work on merchant ships and concentrate on naval craft?

That is the man who has been demanding a big Navy, is it? What do you think of that for encouragement to those of us who wanted a big Navy?

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. GARDNER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. The gentleman from Massachusetts asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. BUTLER. I yield five minutes to the gentleman from Delaware [Mr. MILLER].

The SPEAKER pro tempore. The gentleman from Delaware is recognized for five minutes.

Mr. MILLER of Delaware. Mr. Speaker, I shall vote for the building program as contained in this bill and as passed by the Senate providing for four dreadnaughts and four battle cruisers. During the closing week of May the House considered and passed the naval bill as it was reported from the House Committee on Naval Affairs with, of course, those amendments written in on the floor during the consideration of the measure. During the debates on the bill we heard the worth of the dreadnaught minimized and the opinion vouchsafed that as a class these ships were relegated to the scrap heap. On the floor of the House we heard expressions something like this: "One thing above all else the present war has demonstrated is that the efficient instrument for warfare is not the great massive battleship." At that very moment, Wednesday, May 31, when those words were being uttered on this floor, and other words very similar to those, the greatest battle fleets ever engaged were in combat off Jutland Bank, in what is known as the Battle of Skagerrack. This was the battle between the British and German battle fleets and was the first great battle in which dreadnaughts and battle cruisers were engaged, and the dreadnaught came off with first laurels in that engagement. Since June we have had an opportunity to examine the official report of the British Admiralty on that fight, and from this report we learn much as to the value of dreadnaughts. I trust most of you have looked over these reports.

The battle on that day was opened up by Admiral Beatty and his line of battle cruisers, and following him under command of Admiral Jellico was the dreadnaught fleet which came into action later on in the engagement. Before the main fleet came up Beatty's battle cruisers came into contact with the German dreadnaughts, with the result that three of his finest battle cruisers were lost before the dreadnaughts came up and engaged the German high seas fleet. The reports of this battle are most interesting, and on both sides it was demonstrated that the dreadnaught was the ship that would bear the brunt of the fight and also the ship that would give the most punishment. The battle cruiser has its place in the Navy, but the demonstration afforded by the battle off Jutland Bank shows that when these ships are matched against dreadnaughts they stand no show. It is most fortunate that this greatest of naval battles came at a time when Congress could take into account the lessons shown.

The bill passed this House originally with provisions for five battle cruisers but no dreadnaughts. Mr. BROWNING, of New Jersey, a member of the Naval Affairs Committee, made a motion on the Republican side to recommit the bill to the committee with instructions to report the bill forthwith so as to provide for two battleships and six battle cruisers. On this motion, 158 Republicans and 25 Democrats, making a total of 183, voted for this increase. The motion was defeated, however, by a vote of 189 to 183, with 170 Democrats, 18 Republicans, and 1 Socialist Member voting on that side. So it may be considered that the naval program presented to us to-day follows the steps of the Republicans of this House, rather than the Republicans following the steps of the Democrats, for it was we on this side who made the initial effort to pass a well-balanced naval bill.

This country has the longest vulnerable coast line of any nation on earth, and we have only to glance at the map of our country to have it plainly before us. We have in our active fleet on the Atlantic Ocean to-day 10 dreadnaughts and 6 predreadnaughts. These constitute the actual force of the Atlantic Fleet, 16 capital ships. On the Pacific coast we have no dreadnaughts or predreadnaughts except the old *Oregon*, which is no longer classed as a fighting force. We are building 6 dreadnaughts that are not as yet completed, and at present the dreadnaught *North Dakota* is out of commission on account of her engines, making a total of 17 ships of this class built or building, but with only 10 in commission. We have in addition to these

dreadnaughts 13 predreadnaughts, or battleships of the second line, and 9 superannuated dreadnaughts, or battleships of the third line, and in addition the 2 old battleships of the *Oregon* class, namely, the *Indiana* and the *Massachusetts*. These are the only ships we can use to police and protect our great coast lines and outlying possessions. The predreadnaughts or older battleships can not be considered as fighting units, because the guns upon them are not of sufficient range and power to be effective against an enemy's dreadnaught, which could reach them with her guns before the older battleship even got within range to use her own guns. In other words, these older ships would meet the same fate as Beatty's battle cruisers did when they ran up against the German dreadnaughts. I have gone into detail at this point to show that we have only 11 ships of the dreadnaught class available for use to-day. Can anyone in the wildest flights of imagination claim that 11 ships, or even in addition the 6 that are building, are enough capital ships to protect both the Atlantic and Pacific coasts, the Panama Canal, and our possessions in the Caribbean, to say nothing of the Philippines and Hawaii? [Applause.]

The SPEAKER pro tempore (Mr. HARRISON). The time of the gentleman has expired.

Mr. MILLER or Delaware. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. The gentleman from Delaware asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. MILLER of Delaware. In connection with the privilege given me to extend my remarks in the RECORD I desire to insert in the RECORD an article from the Evening Journal, of Wilmington, in its issue of August 11, 1916, relative to the ships in the United States Navy that have borne the name of Delaware. I also insert an article from the Philadelphia Public Ledger of July 2, 1916, being an article by Admiral Dewey, which appeared in the Sea Power Magazine, entitled "Lessons of Skagerrack":

[From the Wilmington (Del.) Evening Journal, Aug. 11, 1916.]

SHIP "DELAWARE" WAS PRIDE OF NAVY—TWO BOATS NAMED AFTER THIS STATE WERE LARGEST IN UNITED STATES FLEET—ONE BUILT NEARLY 100 YEARS AGO.

On two occasions within the past century Delaware has had the distinction of having named after the State the largest fighting boat in the United States Navy at that time. Six years ago, when the present dreadnaught *Delaware* was finished and anchored for a time in the Delaware River, opposite Wilmington, when thousands of Delawareans visited and inspected the mammoth boat, she was the largest ship in the Navy, although larger boats have been built since then.

Eighty-three years ago there was another *Delaware* that was the largest ship in the United States Navy at that time. This was the ship of the line *Delaware*. She was looked on as a mammoth boat at that time and the last word in fighting efficiency, although her length was only a little more than 200 feet. The comparison between the present *Delaware* and the old ship of the line *Delaware* would be something like comparing the ordinary excursion boat with one of the large ocean liners; yet she was the pride of the Navy in 1833.

Eighty-three years ago this month the *Delaware* was in the New York Harbor waiting to take Mr. Livingston, the new minister to France, to that country. She was the largest boat that had ever floated in the Hudson up until that time and attracted much comment throughout the States. The issue of the Delaware Gazette and American Watchman of August 16, 1833, published in Wilmington, being one of the old newspapers found by Dean E. Laurence Smith, of Delaware College, nailed inside of the colonial columns removed last week from in front of the college dormitory building, contains the following article on the ship of the line *Delaware*, which was reprinted from the New York Standard:

"There are now lying in the North River off the battery United States ship of the line *Delaware*, the sloop of war *St. Louis*, and the revenue cutter *Alert*, three beautiful models of the several classes to which they belong. The *Delaware* is the largest vessel that has ever floated in the Hudson, as she measures about 2,700 tons. Her extreme length is 210 feet and the breadth of beam is 52 feet; she mounts 92 guns and is pierced for 104. Her guns are distributed in the following manner: Lower gun deck, thirty-two 42's; upper gun deck, thirty-two long 36's; spar deck, twenty-eight 42-pound cannonades; when all shotted they contain 3,672 pounds of iron, or about one and three-quarter tons, so that her broadsides delivered 1,836 pounds. She is not taut rigged and has not the rakish appearance of the *St. Louis*, but her officers describe her as a fast sailer and pleasant sea boat. We were informed by one of them that on her passage from Norfolk to this port she was put about under treble-reefed topsails without even getting stern board on her. Some years ago the officers of the old *Constitution* used to boast of the gallant behavior of that ship in going about under double-reefed topsails. The ships that do this must work well and be well handled.

"On the spar deck is the captain's cabin, neatly, but plainly furnished. On the upper gun deck are the apartments for the wardroom officers, and astern of them those for Mr. Livingston, the minister to France, and his suite. On the lower gun deck is the mess room for the surgeons, mates, and passed midshipmen; below this is the cockpit, where younger midshipmen sling their hammocks—thus keeping apart the grave part, who is on the eve of promotion, and the skylarking youngster, who has scarcely been out banian day. The complement of seamen and marines will be about 900. They are divided into messes of 16 each, and seem to have every comfort provided for them. There are about 75 officers and petty officers, so that with the passengers there are about 1,000 souls on board.

"This is not the time to see such a vessel to advantage; the bustle necessary attendant on the preparations previous to sailing keep both officers and men constantly on duty, and the decks must in consequence be crowded most part of the time with provisions and stores, not to speak of the awkwardness of a crew just shipped and scarcely knowing their officers. Much has been done to bring her to that state that seamen call shipshape, and already her decks have attained a whiteness that astonishes the landman. "Holy stones and hand Bibles" have done their duty, and the few months necessary to bring the crew to that high state of discipline that our officers require, once over, she may, with pride, lay alongside of any ship of the line afloat. This class of vessels with us are universally rated 74s, although equal in force to the English 100-gun ships or the French three-deckers, since, though they carry fewer guns, the metal is heavier. The *Delaware* carries out several officers who, having seen much service, are now permitted to travel in Europe, thus improving themselves and becoming of more value to the company."

[From the Philadelphia Public Ledger, July 2, 1916.]

DREADNAUGHT'S VALUE PROVED, SAYS DEWEY—ADMIRAL POINTS LESSON TO UNITED STATES IN SKAGERRACK FIGHT—BIG BRITISH SHIPS HIT MANY TIMES BUT NOT SUNK.

The most titanic clash of sea forces in the history of the world took place off the mouth of the Skagerrack on May 31 between the German and British fleets. From a naval standpoint this is the most interesting event in the present generation. Its importance is not so much due to the results one way or another in advantage to the contestants as in the lessons it teaches with relation to the qualifications in actual contact of those elements that go to make up the modern fleet.

In the battle of Skagerrack great armored dreadnaughts came to grips for the first time in the history of the world. In that fight the battle cruiser played its part for the first time in a pitched engagement. Light cruisers were in the midst of the fighting and battled and died. Those daredevils of the sea, the destroyers, for the first time in history closed in on first-class ships in broad daylight to drive home their torpedoes and take their one chance in a hundred of surviving.

In fact, a modern first-class fleet with its various units went to grips with an enemy of its kind and tested its qualifications. All these fighting machines of the sea have heretofore been creations of theoretical but somewhat untried efficiency. The day of their test was May 31. The showings of that day will have much to do with the fleets of the future built by all the nations of the world.

Just what happened at Skagerrack is not yet clear, and conclusions drawn from that fight are made from incomplete evidence and may easily be upset. But two weeks after the fight it would seem that something like the following happened:

A SHORT-RANGE BATTLE.

The German fleet was feeling its way to sea, looking for an opportunity to strike a blow with conditions to its advantage. The British fleet was spread out over 300 miles of the North Sea. The day was hazy and a ship could not be made out for more than 6 miles.

This necessarily short range was to the liking of the Germans. Their fleet was concentrated. They determined to give battle.

Destroyers and trawlers make up the advance line that the British draw across the North Sea. Back of these are the fast cruisers. Still farther back and subject to call are the battleship squadrons.

The advance line reported the presence of the German fleet. The British were anxious for a decisive battle. The battle-cruiser squadron immediately closed in. It was nearer than the battleships and had 30 knots of speed against their 20, so it got into the fight first. Battle cruisers were not intended to fight battleships, and it was suspected that German dreadnaughts were ready for action. Admiral Beatty, however, determined to attempt to hold the German fleet until the British battleships could come up. He therefore went in with his battle cruisers.

It appears that three of his ships went to their death early in the fight because of this attempt. The *Queen Mary*, the *Indefatigable*, the *Invincible*, as dashing ships as ever put to sea, were sunk. It would seem, however, that they inflicted losses upon the enemy that made their sacrifice worth while. They evidently succeeded partially in their purpose. Some of the British dreadnaughts did get into the fight.

But the lesson is this: Battle cruisers, with the weight of their armor sacrificed to speed, with fewer big guns than have dreadnaughts, can not give and take with the latter class of ships. In grips with dreadnaughts they are pretty sure to be sunk. This has been the theory of naval experts all along, but that moot question of the point to which armor should be sacrificed to speed has never before had any actual experiments upon which to base its deductions.

The battle cruiser was crumpled up and its unfitness to play a leading rôle in naval dramas was demonstrated. The *Queen Mary*, a magnificent ship of her kind, displacing 25,000 tons, could not survive the big shells of the Germans.

DREADNAUGHTS IN ACTION.

This was the first phase of the battle. It seems to have been after the sinking of these three ships that the British battleship squadron, led by the *Warspite*, arrived. There were four ships in this squadron, and they immediately plunged into the midst of the fight. They appeared to have found a fleet that greatly outnumbered them. They unquestionably came in for a tremendous amount of hammering. Every vessel was struck many times. The *Warspite* and the *Marlborough* both suffered many serious hits. The *Marlborough* was torpedoed. Yet neither of these ships sunk, both found their way back to port, and both will soon be back in the service.

Capt. Phillpots, of the *Warspite*, tells a thrilling tale of the experience of his vessel and the punishment she took. His steering gear went wrong and his ship got out of control. She plunged into the midst of the enemy fleet. She drew the concentrated fire of six enemy battleships at one time. She ran amuck and sought to do all the execution possible. Her every gun worked to the maximum.

Yet she stood her punishment and came through. She served the purpose for which a big ship is created. She proved the fitness of herself and her class to perform the purpose for which dreadnaughts are built. She proved the correctness of the theory of those experts who have held that it is wise to sacrifice much possible speed for heavy armor and big guns.

The *Warspite* is a vessel readily comparable with our own *Texas* and *New York*. She has a similar displacement, 27,500 tons. She has eight 15-inch guns where the American ships have ten 14-inch guns. She is 4 knots faster than are the American ships and her endurance is probably less. What she did American dreadnaughts should be able to do.

The *Marlborough* is a 25,000-ton ship, of about the class of our *Arkansas* and *Wyoming*. She, too, stood a vast amount of punishment, including that of being torpedoed. This latter test of a modern battleship is very interesting. A number of fighting ships have been sunk in the present war by torpedoes, but they were mostly old vessels and without the resistance of the newer ships. The impression that a torpedo is sure to prove the undoing of the dreadnaughts has not yet been demonstrated and the survival of the *Marlborough* tends to disprove it.

DESTROYERS IN DAYLIGHT ATTACK.

A third and most interesting phase of the battle of Skagerrack was the attack of destroyers on both sides. These tiny ships, which were intended to serve the purpose of a screen, to be outriders and scouts of the big ships, had currently been regarded heretofore as being incapable of attacking first-class ships in the daytime. Their method of attack was set down as being one covered by darkness or by fog. Under these conditions destroyers are intended to creep in on the big ships, unleash their torpedoes, and attempt to escape before they are sunk.

It had been known that the Germans had practiced day attacks with their destroyers. This was a possible use of destroyers that neither American nor British fleets had given much consideration. In the North Sea battle, however, before darkness came on, the German destroyers descended upon the British fleet, got in close, and discharged their torpedoes. It is believed that near a dozen of them were sunk, and it is probably true that they did not succeed in destroying any British first-class ship. They unquestionably came near getting the *Marlborough*, however, and it is not shown that such an attack did not prove strategically advisable.

It is believed that the British fleet responded by sending its destroyers into the midst of the German fleet under similar circumstances. Certain it is that some were lost. The returns do not yet indicate what destruction these vessels created in the German fleet, and it is therefore not possible to draw conclusions as to whether their sacrifice should have been made.

The fact remains that destroyers played a very important part in the fighting and were active throughout the engagement. The usefulness of these small ships in a great struggle such as that which took place off Skagerrack is regarded as having been demonstrated.

A point of intense interest to the general public in this first big sea fight of modern navies is the high rate of loss of life aboard ships sunk. On the *Queen Mary*, the *Indefatigable*, and the *Invincible* there was hardly a man saved. Already the United States Navy Department is receiving great numbers of letters from individuals who have suggestions to make as to devices that might be used for saving lives aboard fighting ships. These individuals seem to draw the conclusion that no precaution is taken aboard a battleship for saving life in case the ship is sunk in battle. This is not true. When a battleship is stripped for action there is certainly no place on her deck for boats that might be used for life saving. She has aboard, however, pneumatic rafts, and every man has his pneumatic belt, which would keep him afloat.

ALL MEN FIGHT TO END.

In time of battle, however, there is no time and no inclination to make use of these devices. When a battleship is hit and seriously damaged there is no way of knowing whether or not she is about to sink. It may be possible that she will remain afloat for hours or that she may not sink at all. Her purpose is to continue to damage the enemy to the greatest possible extent. A single final shot from a sinking ship may be the blow that will turn the tide of battle and the destiny of empires.

A damaged battleship, therefore, continues to fight. The men remain in the firerooms, in the turrets, at their guns. Every man continues that particular job which is his in fighting the ship as long as she may strike a blow. It therefore happens that when the battleship goes down there is virtually nobody on deck and there is no man who may leave his post in time to put on a life belt or launch a raft. Quite naturally every man dies with the ship.

The theory of fighting the ship until the last moment seems to have been exemplified by virtually all those that were sunk in the recent battle.

The battle of Skagerrack seems to have justified the position which has long been taken by the experts of the General Board of the American Navy, a position which has met with the approval of most American authorities, and which has been crystallized into the program which America has followed. The General Board has recommended for 15 years that the United States continue the policy of placing its chief reliance in big ships. Since the dreadnaught came into being it has maintained that that vessel should be the backbone of the fleet. If appropriations were sufficient to provide but one class of ships, the General Board has insisted that they be dreadnaughts.

DREADNAUGHT IS SUPREME.

There is a constant tendency on the part of the public to go off at a tangent in its enthusiasm for the class of ship that at a given time is attracting wide attention. Last fall, for instance, the public clamored for many submarines and favored disregarding appropriations for dreadnaughts or battle cruisers. Later, the battle cruiser has been attracting much attention to itself because the incidental clashes of the present war have been battles between scout ships. So the clamor this spring has been very largely for battle cruisers.

The dreadnaught has attracted very little attention, because she has not heretofore been in the fighting. The public did not see that the very existence of British dreadnaughts in the North Sea resulted in the bottling up of all Germany. It did not generally realize that the battleship was performing its purpose without the necessity of fighting. The present clash, however, demonstrates that in the final issue it is the dreadnaught which means victory or defeat.

This battle seems also to have proven the value of that other branch of the fighting fleet which has been given most attention in the American Navy—the destroyer. The many opportunities for usefulness and the great possibilities of execution which rest with these little ships seem to have been demonstrated. The battle of Skagerrack seems to have shown that the United States has chosen wisely in selecting the units upon which she would depend in making a fleet from appropriations that made it impossible to have all the units desired.

The usefulness of the battle cruiser or the scout cruiser has not been disproven, but the inadvisability of depending upon fast lightly armored vessels in a clash in which dreadnaughts are engaged is shown. The cruiser is a necessity in any modern fleet unless that fleet is willing to grant certain advantages to its rivals which are provided with these fast ships. The theory that a time would come when they would displace dreadnaughts must, however, in the face of the new facts, be given over.

The battle of Skagerrack teaches less of the value of guns of various calibers than of most of the vital problems of the Navy. All the fighting was close in. The marksmanship was, therefore, not very exacting. The test on the guns was not great. Any gun and almost any gunner ought to be able to make hits at 6 miles. The advantage attributed to British guns and gunners had little opportunity to demonstrate itself. Likewise are the results in ships sunk by the British cruisers and dreadnaughts still unknown. The deadliness of the great British 15-inch gun can not yet be said to have been determined.

Mr. KITCHIN. Mr. Speaker, I yield five minutes to the gentleman from Texas [Mr. HARDY]. [Applause.]

Mr. HARDY. Mr. Speaker, in discussing this measure I bear in mind past legislation on the subject. Take any period you wish from 1 to 20 years back and we have had an unbroken progressive increase in naval expenditures. Every year since I have been in Congress has seen millions of dollars added to the naval expenditure of the year before. Under Republican administrations it seemed to me something stupendous. Every year of Democratic administration the expenditure for the Navy has been larger, notwithstanding the claim by Republicans that our party was neglecting and handicapping the Navy. Last year we spent on the Army $100,000,000 and on the Navy $150,000,000 or $250,000,000 on Army and Navy. I am giving round figures, and in the figures I give I am speaking from memory. This year our Army bill as it passed the House called for $267,000,000 and our naval bill, as it comes back from the Senate and as we are called to vote on it here to-day, reaches $315,000,000, so that all together we have an Army and Navy expenditure for this year of $583,000,000. Why? Is there any cloud of war menacing our country? No; Mr. Speaker, on the contrary, we know that two of the greatest naval powers on earth have met in conflict on the seas, and during the last two years Germany has lost some 235,000 tons of the fighting ships she had at the beginning of the war and England some 275,000 tons. We see diminishing navies among the warring nations of Europe and increasing expenditures on our part to build a larger Navy than ever before. What is it for? Whence does it come?

Mr. FARR. Mr. Speaker, will the gentleman yield.

Mr. HARDY. No; I regret I have not the time to yield.

The SPEAKER pro tempore (Mr. HARRISON). The gentleman declines to yield.

Mr. HARDY. It does not come from a rational fear of war. We know that Germany is in the throes of a struggle for existence; that England is in the same condition; that every promise and prophesy is one of a yet long, weary, and exhausting continuance of the struggle. When that struggle shall end, as end it must in some far day, each of the contending nations embracing all the great nations of Europe will be exhausted and sick of slaughter and destruction. Those of us who are old enough to remember the return of our veterans of the war between the States know that those soldiers who came back, footsore and weary, did not want to seek a new enemy, and that the mothers and sons and daughters of the land, mourning their dead, prayed for no more war. But we are told now that we must believe that every great nation now at war, when peace in Europe is declared, will be anxious to find occasion to attack us and become embroiled in a new war with this great country of ours. They tell us this, notwithstanding we know that we have the friendship of Germany, that we have the friendship of France, that we have the friendship of England, and that millions of our people are brothers in blood of the peoples of those great countries. Every rational argument tends to convince every sober intelligence that if we but deal justly and fairly with them there will be and can be no occasion of war; yet the attempt is made by every possible method of agitation to terrify the public, and we are urged to build a larger and larger Navy. For what? A hundred years of peace with honor, a hundred years of war with no nation except war initiated by ourselves, the settlement of countless international disputes by friendly diplomacy, the negotiation of more than twenty treaties with great nations in the last few years for future arbitration and settlement of disputes, count for nothing with these agitators. The truth is, that like water wearing away the stone, the agitation and clamor of the jingoes like Roosevelt, of the militarists who believe that an occasional war is good for the world, of the big Navy people, the Navy Board, as you call it, of the Navy League, of the munition makers, of those seeking agrandizement and preferment or profits continually, like rising storms driving the waves into a fury, all this has undermined our common sense and judgment and drives us on to gigantic and fateful military preparations. It is not the Republican Party, nor the Democratic Party, nor the administration, that has made this bill. It is the hysteria whipped into fury and sustained by the propaganda of the militarists, the jingoes, and the self-interested munition makers of this country. [Applause.]

That is what is driving this Congress as it is being driven before the storm. That is what is driving Republicans and Democrats in the mad race for shelter in the biggest naval program ever adopted by any nation on earth, either in peace or in war. Gentlemen, for one, I believe that the interest of my country is not being served by the expenditure of $580,000,000 on the Army and Navy, to which you must add $125,000,000 for the Mexican border trouble and some $25,000,000 for fortifications. Put those items together and then pile your pensions upon it, pensions for the Spanish War and pensions for the Civil War, and interest on the war debts we have left over, and this great, peaceful country of ours will show in this year of grace a war expenditure of over a billion of dollars. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. HARDY. I ask unanimous consent, Mr. Speaker, to extend my remarks in the RECORD.

The SPEAKER pro tempore. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

EXTENDED REMARKS.

Mr. HARDY. Mr. Speaker, Democratic estimates place the expenditures of this session at over a billion six hundred millions of dollars. Senator SIMMONS estimates it at $1,572,008,000. No possible system of taxation will raise enough revenue to support this program. What then? Why, we must and will resort to the blanket mortgage on posterity, to the sale of bonds, to support a system and spirit of militarism that has fed on the vanities and passions, the fears and greed, the brute instincts and ambition of rulers and of nations of every clime and every age? What is militarism? I will give you some of its meanings and some of its fruits. It means a nonproducing official artistocracy, raised by the people themselves above themselves. It means a tax upon the people to support a society which pays no taxes and produces nothing and is freed from all anxieties and worries incident to ordinary life, which, to quote the language of another, "is assured support throughout its entire existence, subject to no vicissitudes of success and failure that beset the path of the ordinary mortal—a caste that may retire from even the light duties of making reports or signing balance sheets at the age of 62 or 64 years, with salaries going on just the same, which salaries must be paid by those who have labored strenuously during a long life and who must still follow their trade until the working tools fall from the feeble hands of age."

It means throwing into our midst Army and Navy societies and auxiliary Army and Navy societies composed of wives and daughters to conduct a campaign of movies and theatricals to increase their numbers and powers, to fill the country with lurid pictures of captured American citizens, their inhabitants enslaved by imaginary buccaneers, of a giant beaten to death by a dwarf, a whale swallowed by a catfish.

It means a tendency toward the development of the arrogant side of humanity and the dwarfing of the manly independence of it. It means punishment in court-martial proceedings for minor offenses against haughty demeanor, so out of proportion to the importance of such offense that it shocks our sense of justice. It means what we have all learned very lately—that court-martial justice is generally excessive, and might be called barbarous in some instances. If a servant or employee in civil life resents abuse by master or employer with a blow, a civil court might, for the sake of upholding the peace and order of the community, impose a fine of $10 or a sentence of 10 days imprisonment. If a private soldier, exasperated by discourteous treatment that any true American ought to resent, resents with physical force, he is sent to the penitentiary for five years, and that five years very often, in its final result, is equivalent to a death sentence. This is the difference between civil justice and military justice. That is one of the reasons why the American people have a dread of military domination.

It means just what it has grown to mean in some of the old countries of the world—that the civilian has no right that the military is bound to respect. If a young officer with strutting mein shoves the civilian off the walk in one of these military-dominated countries, the latter dare not resent it manfully, because he knows the awful penalty of lèse-majesté.

There is no evading the truth that a mighty standing army, with the officials that command it, as a separate institution in this country, means the division of our citizenship into civil and military castes, just exactly what it has done in other countries. Americanism and militarism can not walk hand in hand.

The struggle against militarism is the struggle against war in the abstract, and not alone against war, it is the great struggle for human rights and human freedom. To escape militarism, to find these rights and this freedom, our fathers, in frail barks, crossed the ocean, leaving home and kindred, and settled here, and millions more are coming. So far in the history of our race no means have been found to put an end to war. The pessimist, the jingo, the militarist, and the war trafficker say no such means will ever be found. The so-called pacificists, and I am one of them, while no more in favor of the doctrine of nonresistance or peace at any price, with which they are charged, in the effort to discredit them, than the hottest militarist, yet hope to find the means.

They and the profound students of history base their hopes upon common sense, upon reason, and upon the very history of wars and of nations, and upon the eternal struggle for liberty, and for freedom from oppression of the many by the few, which is the struggle upward of civilization and of the human race. It is true that the present war is the greatest and most fearful in its horrors and atrocities of all wars, and there may be greater wars to follow. And yet we hope, and we know or believe we know, that more depends on the course of the United States in this epoch of the world's history than upon any other factor in determining when war shall cease, or how soon another war shall come, if come it must. He who believes that what has been always must be and will be, sees no hope for the future; but he who reads, and knows how many of the evils that for ages afflicted humanity have been banished, does hope. Time was when slavery existed in every nation, when the code duello and polygamy were practiced everywhere. Ancient history is full of petty wars between petty chieftians over stolen wives or stolen cattle. The greatest epic poem ever written describes such a war. The Middle Ages made every home a castle and every man a warrior and marauder. Religious wars had their day. Dynasties waged wars for glory and power. All these are things of the evil past. Higher education, nobler ethics, and the teachings of the Christian religion have swept them away. Trade wars and possibly racial-prejudice wars alone remain. The American Union of States points the way to the end of trade wars. We can scarcely imagine a war between two of our States. Surely all civilized nations can agree and will agree to some method of adjusting trade differences. If all Europe would agree to-morrow upon a just trade union between its States, just like that between that of our States, there would be no more wars between them. America's proud prosperity would be in danger of eclipse by the greater prosperity of Europe, and the prosperity of Europe would add to the prosperity of America. Such a union is not possible yet; but when the last ambitious autocrat is tumbled from his throne, when every government of Europe is of the people, by the people, and for the people, when the burning passions of this conflict have died down, when Slav and Teuton, Greek and Latin, Celt and Saxon, have intermarried, and the blood of all flows in the veins of their common descendants, when the melting pot of Europe has fused the traditions, the glories, the sorrows, the hopes, the happiness, and the prosperity of all into one common heritage, who shall say that war in Europe may not be no more? Another age, another day, must settle the race questions. Ours is the trade question. This century or the next will surely see the end of trade wars. God speed the day. And may our great Nation by its soberness, its forbearance, its patience, its justice, its peerless strength, and love of freedom, under God's providence, point and guide and lead the way.

Mr. KITCHIN. Mr. Speaker, I yield three minutes to the gentleman from Kansas [Mr. CAMPBELL].

The SPEAKER pro tempore. The gentleman from Kansas [Mr. CAMPBELL] is recognized for three minutes.

Mr. CAMPBELL. Mr. Speaker, the United States seems not to have been able to maintain its poise and look at things as they really are.

We are going war mad. We are plunging our country headlong into immediate preparation for war. No one knows with whom or when it will be fought. We are piling up expenditures for the immediate future that are appalling. We are laying the foundation this year for larger expenditures next year. It is well on to three-quarters of a billion this year. What will the expense be in a year from now? I hope to God that war then will have ceased in Europe. Then I hope that the people of the United States will get their bearings and look at questions as they are. We should not lose our heads at this and at the other end of the Capitol now. The war in Europe is changing everything pertaining to warfare, but it is proposed by this conference report that we shall go on with the old-style program of battleship. Why not make an inspection of the wreck the

war in Europe leaves and profit by it? This report proposes a battleship program which every man who knows anything about what has occurred in the last 10 years knows will be obsolete in a very short time. Within 10 years every battleship provided for in this program will be in the junk heap or obsolete. Within the few years I have been in Congress I have voted for the latest type of battleships, and they to-day are counted as obsolete and unfit for service. There has been no occasion for alarm at any time in that 14 years, and yet every time an appropriation bill that appropriated either for the Army or the Navy was under consideration we were said to be in imminent danger of war. The press of the country was teeming with forecasts of war from Asia, from Europe, dangers from every section of the world. But there was no danger.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. KITCHIN. I yield to the gentleman two minutes more, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Kansas is recognized for two minutes more.

Mr. CAMPBELL. I thank the gentleman. I refuse to be stampeded every time an appropriation bill that appropriates money for the maintenance of the Army or the Navy is before the House with the idea that we are in imminent danger of war. If we would cultivate a higher order of international statesmanship and study means for working out friendly relationships with all the world, in the conduct of our international affairs with the nations of the earth, we would need less of powder, less of giant battleships, less of army and naval organization.

The people of this country are for a reasonable degree of preparedness. They want to have a splendid organization in the Army and a splendid organization in the Navy, but in their sane moments the people are not imbued with the idea that this Nation must be put upon a war footing. There is no necessity for placing the country on a war footing to-day. No warlike situation arises from any direction; no threat from any Nation; no cause or justification for placing this Nation upon a war basis to-day, as is proposed by this program.

Where is the immediate danger that makes this great program necessary, that makes these enormous expenditures imperative? Why, as stated just now by the gentleman from Texas [Mr. HARDY], every belligerent nation in the world to-day is exhausting its resources in men, in money, in everything that makes a nation powerful in war. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Kansas has again expired.

Mr. KITCHIN. Will the gentleman from Tennessee use some of his time now?

Mr. PADGETT. I yield one minute to the gentleman from New York [Mr. CHANDLER].

The SPEAKER pro tempore. The gentleman from New York [Mr. CHANDLER] is recognized.

Mr. CHANDLER of New York. Mr. Speaker, love for the Republic and patriotic devotion to its highest interests should prompt all our actions here, especially in the matter of providing for adequate national defense.

Every Member of this House and of the Senate, every officer of the Government, State and Federal, and, indeed, every American everywhere, should love America as Macaulay says Pitt loved England, as an Athenian loved the "City of the Violet Crown," as a Roman loved the "City of Seven Hills."

This proud sentiment should be the patriotic motto of every Representative of the people into whose hands at any time is confided the safety of the Nation: He who saves his country saves all things, and all things saved will bless him; he who lets his country die lets all things die, and all things dying curse him.

Should the life of the Commonwealth ever be seriously threatened, this fervent prayer should ascend to heaven from every patriotic lip:

Great God, who rules the destinies of nations, that sees at once the fall of a sparrow and the flight of worlds, preserve forever to us, to our posterity, and to all mankind the country of Washington, the Republic of Jefferson, and the Union of Abraham Lincoln.

No cowardly impulse, no sectional selfishness, no narrow view of patriotism, no partisan prejudice, no sordid stinginess, should ever remotely influence our legislative conduct in providing for the common defense and promoting the general welfare of our country. Rather let us invoke the lofty and patriotic spirit of the Revolutionary fathers and of the saviors of the later Republic, who held no cost too heavy and no sacrifice too great when the sacred rights of humanity were to be proclaimed and the great cause of liberty and of union was to be defended and maintained.

The people of my district, like those of yours, my colleagues, are God-fearing and peace loving. They pray for peace perpetual with national honor unimpaired. But they are red-blooded Americans all, who love their country, believe in it, adore its flag, and are ready, if need be, to fight and die for both. They believe in both preparedness and peace—peace if possible with honor and national self-respect; preparedness as a guaranty of victory if war must come.

During the last 12 months my office has been flooded with letters from the people of my district. Thousands upon thousands have conveyed to me the double message of preparedness and peace. These letters are instructions from those whom I have the honor to represent to use my best endeavors to promote and maintain an honorable peace between America and all the other nations of the earth, but to neglect no act and leave no stone unturned to create a state of national preparedness that would enable the Republic to defend grandly and successfully its territory and its flag, if war should come. These instructions are sacredly binding upon me and by my vote and voice in Congress I have made it a point to obey them faithfully.

I am in favor of strong national preparedness, but I am opposed to militarism. I want my country to be and to remain forever the great advocate of peace among all the countries of the world. I want our glorious flag to represent forever the force and justice of democracy and military discipline, and not the tyranny and oppression of autocracy and military despotism.

The founders of the Republic designed it to be a perpetual asylum of liberty and of peace. They intended that the civil should remain forever above the military authority. They emphasized this design when they made the President of the Republic, a civilian officer, the head of both the Army and the Navy. I sincerely trust that their beneficent intentions will prevail to the end of time.

But the builders of our Government were not pacifists, "peace-at-any-price" men, who prefer humiliation to battle and the ease of a quiet and voluptuous existence to the fierce struggle of life in which courage and strength are born. They were men of blood and iron who preferred death and annihilation to dishonor and disgrace. They knew that the infant Republic had been created in the throes of revolution—in seven years and eight months of arduous toil and bitter struggle. Their vision was prophetic, and they foresaw that insurrection from within and invasion from without would necessitate military and naval preparedness if America was to remain united and free, and if the safety and dignity of the country were to be successfully defended and maintained.

No wonder then that Washington, in his fifth annual address, gave to his countrymen this sage advice:

> I can not recommend to your notice measures for the fulfillment of our duties to the rest of the world without again pressing upon you the necessity of placing ourselves in a condition of complete defense. The United States ought not to indulge a persuasion that, contrary to the order of human events, they will forever keep at a distance those painful appeals to arms with which the history of every other nation abounds. There is a rank due to the United States among nations which will be withheld if not absolutely lost by the reputation of weakness. If we desire to avoid insult we must be able to repel it; if we desire to secure peace, one of the most powerful instruments of our rising prosperity, it must be known that we are at all times ready for war.

No wonder that John Adams, in his second annual message, dealing with our relations with France, should have used this language:

> But in demonstrating by our conduct that we do not fear war in the necessary protection of our rights and honor, we should give no room to infer that we abandon the desire of peace. An efficient preparation for war can alone secure peace.

No wonder that Thomas Jefferson, in his fifth annual message, advocated—

> the organization of 300,000 able-bodied men between the ages of 18 and 26 for offense or defense at any time or at any place where they may be wanted.

It is interesting at this point to note that Thomas Jefferson advocated a larger Army for the defense of a small Republic of fewer than 20 States, populated by fewer than 5,000,000 people, than his degenerate Democratic descendants are willing to provide for the defense of a giant Republic of 48 States and several colonies, with a population of more than 100,000,000 people. It would be more interesting still if the virile, pugnacious, red-headed author of the Declaration of Independence, founder of the University of Virginia, and third President of the United States could appear again upon the earth and express himself after hearing the Democratic floor leader of this House [Mr. KITCHIN] cry "Hysteria!" "Hysteria!" when a justly alarmed people demand that their Representatives in Congress provide them with means of adequate national defense.

And, finally, no wonder that "Old Light Horse" Harry Lee, the petted child of the Revolution, the companion and confidant of the early Presidents, should have expressed himself upon the subject of national preparedness, as follows:

That Government is a murderer of its citizens which sends them to the field uninformed and untaught, where they are to meet men of the same age and strength mechanized by education and discipline for battle.

Those words are prophetic and pathetic when we think of the deplorable mobilization of the National Guard on the borders of Mexico to-day. The brave boys who compose the guard are comparatively "uninformed and untaught." They are without the necessary discipline, without physical training to endure the heat of a torrid climate, without the necessary equipment of a soldier in active service, and with food so small in quantity and so poor in quality that cries of protest and indignation reach us every day from the border through the columns of the public press. To send these brave boys into battle against veterans would be to murder them.

Mr. Speaker, I wish to discuss very briefly national preparedness from three different points of view:

(1) Military and naval.
(2) Economic and industrial.
(3) Intellectual and spiritual.

The American people are woefully deficient in all these forms of preparedness. Our Army and our Navy are entirely too small for the proper defense of the country. Our economic and industrial life is prodigious and multiform, but unscientific and ineffective. Our intellectual and spiritual character is not of the first order of excellence and is decidedly unworthy of our national pretensions and aspirations.

There is absolutely no excuse for our present deplorable state of unpreparedness. We have now and have had for many years at our immediate command inexhaustible resources in men and matériel for the making of a great army and an invincible navy, for the creation of a thoroughly efficient industrial and economic system, and for the development of a magnificent intellectual and spiritual civilization. Our failure to realize hitherto all these essentials of lofty national life has been due to the indifference and lethargy of the people and to the neglect and incapacity of their statesmen.

The greatest obstacles in the way of adequate military and naval preparedness are the theories and objections of the pacifists, who are to be found both in and out of Congress. The convictions of these men should not be derided or denounced. Their aims are high, their motives are pure, and their impulses are generous and fine. Their hopes and aspirations for permanent and universal peace are honorable to human nature and are a splendid tribute to the higher and better qualities of the minds and hearts of men. But they are dangerous nevertheless, for they are nothing more than plain idealists and deluded dreamers. In making forecasts of the future they take no account of the past. The teachings of history mean nothing to them. The inherent savagery in man and the inevitable experiences of human life do not seem to impress them seriously. They refuse to ground their convictions in what men have done as the best assurance of what men may do, but insist on coloring their arguments with all the tints of the rainbow and on weaving them from the warp and woof of mere fancy and conjecture.

It is a ghastly and sickening thought, but if human history teaches anything, it is that man is a savage animal, and that recurring wars are as inevitable as the certain return of the tides of the sea.

In 1908, at Chicago, the late brilliant and gifted ex-Governor Black, of New York, nominated Mr. Roosevelt for the Presidency. The following is an extract from that perfectly polished gem of oratory:

The fate of nations is still decided by their wars. You may talk of orderly tribunals and learned referees; you may sing in your schools the gentle praises of the quiet life; you may strike from your books the last note of every martial anthem, and yet out in the smoke and thunder will always be the tramp of horses and the silent, rigid, upturned face. Men may prophesy and women pray, but peace will come here to abide forever upon this earth only when the dreams of childhood are the accepted charts to guide the destinies of men.

This sentiment may seem pessimistic and be painfully disappointing and distressing, but the teaching is sound in the light of human history and experience, and we should never forget that the only safe guide for our footsteps upon the highway of the future is the light of the past.

A state of warfare seems to be the normal condition of human life and the bloody pastime of the nations. For thousands of years the peoples of the earth have been at each other's throats in terrific struggles. The gates of Janus, in Rome, were closed for short periods only three times in 700 years. Within the memory of men now living every important nation on the globe has fought two separate wars, and many of them three or four. Our own dear country is no exception to the rule. The brief span of the life of our Republic has been marked by five great conflicts—the War of the Revolution, the War of 1812 with England, the Mexican War, the Civil War, and the War with Spain. This does not take into account the Florida wars, the wars with the Barbary States, nor the various Indian wars that have marked the progress of our history.

For ages it has been the dream of philanthropy and the hope of religion that the perfection of Christian life and the advance of civilization would do away with all wars by illuminating the reason, softening the heart, and taming the savage qualities of men. But has this been realized? Let the terrible struggle in Europe answer.

The Sermon on the Mount is the chart of the soul on the sea of life, and its beatitudes are the glorification of the virtues of gentleness, mercy, love, and peace. Nearly 2,000 years have passed since the Prophet of Nazareth delivered this sublime and solemn message to mankind, and yet to-day the pathetic and appalling spectacle is presented of the Christian nations of Europe employing all the devilish ingenuity and the hellish methods that fertile brains and scientific aids can furnish to devise yet more fiendish means and to invent still greater guns to blow other Christian brains into seething froth.

No; let us not be deceived by the thought nor be beguiled by the hope that civilization as we now understand it will ever bring lasting peace. Experience has taught us that civilization at best is but a veneer, and that the slightest scratch will reveal beneath the surface the savage in the man. A pastoral commonwealth with justice and peace forever seated at the confines of the nation is a Utopian dream. Let the pacifists indulge their visions of a millennium of peace. But let practical patriotic men pay no attention to them. Let us not forget that the bitter experiences of our race teach us that wars are inevitable and that they come seemingly in obedience to a law as pitiless and inexorable as that which dooms us to the dust. Let us not forget that a solemn obligation rests upon us under our constitutional oaths as Congressmen to provide for the "common defense," as well as to promote the "general welfare." Let us then set about the task of preparedness intelligently and fearlessly.

MILITARY AND NAVAL PREPAREDNESS.

I believe that a Republic of 100,000,000 people, with several thousand miles of coast line to protect, with important insular possessions to defend, with the Panama Canal to fortify and guard, and with the Monroe doctrine to maintain, should have a standing Army of at least 250,000 men, with adequate militia and volunteer reserves, and with all the auxiliaries and equipments of modern warfare, together with a Navy at least second among the navies of the world. This belief represents my personal conviction and reflects, I am convinced, the sentiments and wishes of a very large majority of my constituents. This is my preparedness creed, and a brief summary of my votes in Congress will indicate my devotion to it.

I voted for the Kahn amendment to the Hay bill providing for a Regular Army of 220,000 men. This amendment was defeated. I then voted for the Hay bill under protest as insufficient, but as a short step in the right direction.

I voted for the Chamberlain or Senate amendment to the Hay bill providing for a Regular Army of 250,000 men. This amendment was rejected. I then voted for the conference report providing for approximately 206,000 men. This amendment was adopted.

I voted for the Roberts amendment to the naval appropriation bill appropriating $3,500,000 instead of $2,000,000, as originally proposed, for aviation purposes. This amendment was adopted.

I voted for the Roberts amendment to the naval appropriation bill providing for 50 instead of 20 submarines. This amendment was adopted.

I then voted for the Browning motion to recommit the naval appropriation bill with instructions to report the same back to the House with certain amendments that would have increased the appropriations for naval defense by $55,000,000. This motion was defeated by a very few votes. I then voted for the administration naval appropriation bill under protest as a short step in the right direction.

It affords me pleasure to be able to vote to-day for the Senate naval bill now before us. This measure is presented chiefly in the form of amendments to the House naval bill, which we have previously considered. These amendments provide for increases which are more in keeping with the national sentiment for preparedness. The Senate bill provides us with a three-year program looking to the construction of about 157 ships, of which 16 are capital ships, and of these 8 are to be built at once, or as soon as practicable. Of these 16 capital ships, 10 are to be

first-class battleships, or dreadnaughts. The total appropriation is some $315,000,000—an important increase over the House appropriation.

I vote for the Senate naval bill with all the more pleasure, because of its provision for first-class battleships. Much talk and speculation have been indulged in as to the relative merits of submarines, battle cruisers, and dreadnaughts. Happily the battle of Jutland, or of Skagerrack, has vindicated the great opinion, long expressed, of our venerable admiral, George Dewey, that the dreadnaught is still and will remain always the backbone of any great and invincible navy. At the battle of Jutland battle cruisers, torpedo-boat destroyers, and submarines went to the bottom, but the dreadnaughts kept afloat, working havoc, until the finish of the fight.

The Democratic administration Army bill is a poor piece of military preparedness and does not meet public expectation or demands. On paper we have an Army of 178,000, but an actual Army for the fiscal year ending June 30, 1917, of about 110,000, and about 15,000 more in the fiscal year ending June 30, 1918. We must then rely upon the National Guard. This is virtually no military preparedness at all.

But little criticism can be made of the administration Senate naval bill. Its best recommendation is its bitter denunciation by the Democratic floor leader of the House [Mr. KITCHIN], who describes it as virtually a Republican measure.

It affords me peculiar pleasure to support this naval bill, because we have reasonable assurance that within three years at most our Navy will be second among the navies of the world. This is a consummation most devoutly to be wished, as a matter of national safety and as a reasonable guaranty of peace. A big strong navy is a nation's chief asset. It is our first line of defense, and we should make it impregnable and invincible. We have to-day made at least an important advance in the right direction.

WE CAN WELL AFFORD THE EXPENSE OF PREPAREDNESS.

The opponents of large increases in both the Army and the Navy for purposes of adequate national defense can not plead poverty in support of their contentions. The richest man on earth is a citizen of this Republic, and ours is the wealthiest among the nations.

Our annual products are valued at $40,000,000,000, estimated to be nearly one-third of all the products of the world and equal to those of England, Germany, and France combined.

The national wealth of the United States in 1912 was, in round numbers, $187,000,000,000, approximately $1,965 per capita. This is nearly double that of Great Britain and is more than the national wealth of France and Germany combined.

Our resources in men and money, in personnel and matériel, for the building of a fine Army and a great Navy are practically limitless, and there is no reasonable excuse, based upon the plea of poverty, for our failure to prepare the country for complete defense in case of war.

From the viewpoint of strict economy alone, complete preparedness is cheap, at the expenditure of even billions, when we consider the enormous expenses of war and the still greater burden of pensions following war—if the argument be valid that preparedness tends to promote and maintain peace. Better far to stand the expense of adequate preparedness than to foot the bills of war and its inevitable consequences.

But questions of grave import, in this connection, are now agitating the minds of the American people. Considering that we have spent so many millions of dollars upon the Army and the Navy, why are we so poorly prepared, they ask, from the military and naval viewpoint? Why is it that the great nations of Europe have spent so much less money proportionately than we have and still have finer armies and greater navies? Is the result unavoidable or is it the fault of our statesmanship?

It has been seriously charged many times upon the floor of this House that "pork-barrel," logrolling methods are employed, and that graft, corruption, and wasteful extravagance are involved in the expenditure of public money in the matter of Army and Navy appropriations. Indeed, the matter is becoming an important issue in this campaign. Only the other day, at St. Paul, Mr. Hughes, in speaking upon the subject, used this language:

> That is the kind of preparedness I believe in, which will make our appropriations for military purposes properly spent so that the public will get the benefit of the dollars it gives.

That is the point exactly, and is well expressed. The people are perfectly willing to be taxed to pay the cost of reasonable national preparedness, but they demand that strict accounting be made, and that 100 cents be shown in return for every dollar spent. It is right that this should be so. Indeed, it is nothing but common honesty in public service, and we may rest assured that the wrath of the people will be visited sooner or later upon those who violate elementary obligations in this regard.

It is true that the cost of living in America is higher than in most other countries. The cost of material is greater and we pay our laborers higher wages. But even these considerations do not explain the remarkable difference between the results of military and naval expenditures in America and those in Europe. This difference may be well illustrated by a few examples.

In 1881 we spent $38,000,000 on our Army, while Germany spent $91,000,000 on her army. Thirty years later we spent $122,000,000 on our Army and Germany spent $204,000,000 on her army. The result has been that, at the outbreak of the European war in 1914, Germany had a magnificently trained and equipped army of 5,000,000 men, while our Army in all branches of the service, Regular and Militia, numbered some 200,000 men, badly equipped and poorly trained.

During the same 30 years Germany increased her annual expenditures on her navy from $11,000,000 to $114,000,000, and we increased our annual naval appropriations from $13,000,000 to $120,000,000. A former Secretary of the Navy has recently declared that our Navy has cost $500,000,000 more than the German Navy, and still the American Navy is a poor second to the German navy. This showing is not merely astonishing, it is scandalous; and suspicion is growing fast among the people that Denmark is not the only State in which there is something rotten.

A further illustration may be found in the fact that Switzerland, during the past 10 years, has expended for military purposes the sum of $65,000,000, while we have expended for military purposes, exclusive of the Navy, during the same time the enormous sum of $1,300,000,000, or something like twenty times as much as our little sister Republic across the sea. The fact is made supremely impressive when we consider that our Regular Army numbers less than one-fifth of the half-million army of the "citizen soldiers" of Switzerland.

All these things suggest that something serious has been the matter not only with our previous plans of preparedness but with the methods employed in expending public moneys to carry them into execution. A crying need confronts us for a complete house ordering and house cleaning. A radical departure from old methods must be taken. Indeed, these methods must be not only revised but completely reversed if necessity demands. A remedy for the evil will undoubtedly be found in an enlightened program of military and naval construction, in which scientific experts will devise the plans, and honest financial administrators, guided at once by principles of high efficiency and rigid economy, will dispense public funds. When that time comes we will not pay, as we have done, $439 per ton for armor plate which, according to experts, can be manufactured for $230 a ton.

ECONOMIC AND INDUSTRIAL PREPAREDNESS.

Military and naval preparedness means nothing, in terms of modern warfare, unless closely correlated with economic and industrial preparedness. Modern battles are not won by soldiers and sailors so much as by manufacturers of munitions. Proof of this is to be found in the fact that the munition workers of France and England constitute numerically a larger army than the army of British and French soldiers in the trenches of Europe. The man who manufactures a machine gun, a shrapnel shell, or a hand grenade is quite as much a warrior, in the modern sense, as the soldier who actually uses the gun, fires the shell, or hurls the hand grenade, for the latter is helpless without the former.

At a recent annual convention of the National Association of Cotton Manufacturers the president said in his opening address:

> Military preparedness and industrial preparedness should go hand in hand. The sinews of war must be provided by the latter before the former can be developed to its full extent; and by commercial preparedness I mean not only the strengthening of those industries which would necessarily contribute supplies for a possible war, but all enterprise of manufacture, transportation, and distribution, so that we can put behind any body of men enlisted in the Nation's defense "a united, prosperous, contented, and determined population," and be able to supply all the varied wants of our people and furnish the fullest support to the Government in any time of trial.

This is a clear and concise statement of the meaning of industrial preparedness in its relation to military preparedness. It is, moreover, brimful of lofty, patriotic sentiment, such as should inspire and guide the merchants and manufacturers of our country in their endeavors to perform their full duty as citizens and patriots.

As woefully deficient as we are in military and naval preparedness, our condition is still decidedly worse in the matter of industrial preparedness. As proof of this please consider the following extract from an article on "Our industrial prepared-

ness," in Leslie's Weekly, by Mr. Howard E. Coffin, chairman of the committee on industrial preparedness of the Naval Consulting Board:

A foreign officer in New York on purchasing business for his Government told me not long since that the results of the whole war had been very seriously influenced through the failure of American manufacturers to deliver rifles on contract time. * * *

One firm, which took a contract for a large number of rifles, worked for more than 12 months before turning out a single rifle that would pass inspection.

Another firm contracted to machine two hundred and fifty thousand 3-inch shells, the forgings being furnished, and the fuses to be set and the shells loaded elsewhere. This firm estimated that it could finish the job in eight months. At the end of 14 months it had delivered barely half the order. The contractors had no trouble with the lathe work, but were unable properly to heat-treat the machined forgings.

In another case 80,000 shell casings were rejected in one batch because an apparently insignificant variation in dimensions rendered them useless. It was a small matter, but one about which the manufacturer did not know.

Could anything be more distressing and humiliating, from the viewpoint of both pride and patriotism, than this flagrant exhibition of American ignorance and incompetence in the matter of munition manufacture? Is it not even more than a matter of pride and patriotism? Would not the liberty and life of the Republic themselves be in danger when committed to the care and protection of such ignorance and incompetence? Suppose that our Navy, the Republic's first line of defense, should be broken and penetrated by a foreign foe, and an army of 500,000 fully equipped and thoroughly disciplined soldiers landed upon our shores, what would be our chance of escape with such munition manufacturers in competition with the great gun works of Krupp and Creusot in Germany and in France?

But the worst has not yet been stated. As bad as our facilities for manufacturing war matériel admittedly are, they are better than nothing, and there would be imminent danger of losing nearly all our munition plants in case an enemy nation should succeed in overcoming our Navy and effecting even a slight invasion of our shores. In this connection, the following is from an editorial in the Manufacturers' Record, October 28, 1915:

Practically the entire production of munitions of war and facilities for building and docking warships are concentrated in a narrow strip of territory from Connecticut to Virginia. In this little strip, 200 or 300 miles in length and extending on an average probably considerably less than 100 miles into the interior from the coast, our gun-making plants, our armor-making plants, our shipbuilding concerns, our powder-making interests are all closely concentrated. It is conceivable that this limited area might at some time in the future be under control of an enemy, and if this should ever happen before these conditions have been changed the rest of the country, probably 95 per cent of its area, would be absolutely helpless, as it would be without arms or the facilities for making arms, building ships or equipping them if they were built.

All these things force upon us the distressing reflection that we would be totally unprepared if at any time in the near future war should be declared upon us by any great nation or combination of nations. If our Navy were destroyed, we would not have an army of disciplined men to resist successfully invasion. If we had the men, we would have adequate supplies of neither guns nor ammunition to enable them to fight winning battles. And what is worse than all, the few poor munition plants that we possess would soon fall into the hands of the enemy, leaving us absolutely helpless, except in the doubtful contingency of being able to secure guns and ammunition from abroad.

What we need, then, as the first elements of military preparedness, are more trained and disciplined men for the Army, more guns and ammunition in reserve, more and better munition plants, Government controlled, if need be, and located for the sake of safety along the Mississippi River, in the center of the continent.

Mr. Bryan proudly and boastfully declares that in case of invasion "a million men would leap to arms overnight," and Mr. Roosevelt humorously, but bitingly, retorts, "To whose arms would they leap?" Mr. Bryan is our great national political prose poet; Mr. Roosevelt is our great national man of action and affairs. During the Chautauqua season Mr. Bryan would be the more pleasing and entertaining. During times of war it would be safer to trust Mr. Roosevelt, for he would insist that we have in store an ample supply of arms to which to leap in case a million men overnight should decide to leap.

Considering the short life of a rifle in actual warfare experts tell us that at the very beginning of war there should be in stock, as an essential of national preparedness, five rifles for every man expected to be put in action. Germany is said to have had on hand at the beginning of the present European war 25,000,000 Krupp rifles of the most improved model. What we need is to keep constantly on hand 5,000,000 up-to-date rifles for a possible army of 1,000,000 men, composed of Regulars, militiamen, and volunteer reserves. A million men might spring up over night, but we have reason to believe that 1,000,000 guns of modern pattern would come very slowly from our American munition plants. We should have in stock several million rifles for emergency, in spite of the fact that many experts assure us that the machine gun and the hand grenade have sounded the rifle's doom.

In the matter of industrial preparedness in its relation to military preparedness an all-important element is the question of transportation. The coordination and correlation of the railways of a country with the military system is now regarded as a matter of supreme importance. Speed in military action was the first rule of Napoleonic warfare, and Europe was conquered by a subaltern from Corsica because he always arrived first on the ground and whipped the main body of the enemy before the reserves had time to arrive.

German efficiency in matters of military and industrial preparedness is world-famed, and in no respect is this efficiency more remarkable than in the marvelous development of her railway system with a view to military strategy and expedition. The ability to transport vast bodies of troops overnight from one frontier to another has enabled the Germans more than anything else to beat back from their territory during two years the allied forces of Europe, outnumbering them two to one.

It is the duty of the Congress, as a matter of industrial preparedness, to frame such legislation as will give us complete control of railway transportation for the movement of troops in times of war as emergency may at any time demand. The undoubted patriotism of the owners and managers of our roads would in all probability render unnecessary drastic Government action to secure such control, but the sovereignty of the people over private interests should be ready and prepared to assert itself legally and immediately if necessity arose.

INTELLECTUAL AND SPIRITUAL PREPAREDNESS.

I come now, in closing, to discuss intellectual and spiritual preparedness. This is a higher form than either military and naval or economic and industrial preparedness. It is as much higher as the spirit of man is greater and nobler than his body, and as pure reason is stronger than brute force. It has been truly said that—

Knowledge is power, especially military power; brains are better than bullets; intellect can be more deadly than either muscle or morals.

We have during this session doubled the Corps of Cadets at West Point and of midshipmen at Annapolis. The idea was to promote an important element of military and naval preparedness in the matter of furnishing well-educated officers to the Army and Navy. I am delighted beyond measure that we did this. I voted for both resolutions providing for the increase. I regarded them then and consider them now as measures designed to contribute to the intellectual and spiritual as well as to the military and naval preparedness of the Republic.

But I wish to be clearly understood. I do not mean that intellectual and spiritual preparedness should be confined to West Point and Annapolis, or to the ranks of the soldiers in the Army, or to the sailors upon our battleships that float the sea. I mean that such preparedness should extend through all classes of our people, from the humblest bricklayer who earns his modest living in lowly toil to the lofty-plumed chieftain who commands our armies in the hour of battle.

Nor do I mean that intellectual and spiritual preparedness should be limited to the discipline and training of men in military tactics alone. I mean that we should abandon forever our national mercenary tendencies and cultivate henceforth assiduously those beautiful arts and sciences that have been at once the glory and the ornament of the greatest civilizations of the earth.

The educated European has only contempt for our military and naval preparedness and derides unmercifully both the personnel and discipline of our Army and our Navy. But his criticism is still more fierce and cruel when he comes to deride and denounce our intellectual and spiritual life. In moments of poor tact and bad taste when he is irritated by what he is pleased to call American freshness and crudity of behavior he is heard to make substantially this speech:

You Americans are strangers to the fine arts and have no prestige of which you can boast. We Europeans are the keepers of the art treasures of the world. Ours is the Uffizi Gallery, the Dresden Gallery, the Louvre, the British Museum. Ours is the Sistine Madonna, the Transfiguration, the Venus de Milo, the Venus di Medici. If you have in America a masterpiece of sculpture or of painting, we may rest assured that no American executed the work of art. It was purchased with the dollars of Rockefeller or of Morgan. In short, you have produced no Appelles, no Phydias, no Canova, no Raphael.

You can boast no splendid triumphs in literature. Your literary greatness is as shallow and superficial as everything else American. The pages of your literary history reveal the name of no first-class genius—no Homer, no Dante, no Goethe, no Shakespeare.

In the sublime world of music you are still wanderers in a desert, without the name of one great creative master to your credit. The stage of the Metropolitan Opera House is crowded with the children of genius of strange lands. No Beethoven, no Wagner, no Bach, no Verdi, no Caruso was born in America.

No great religious triumph adorns the pages of your history. The Jew is the master builder of the great spiritual temple of the human race, whose corner stone is Hebrew prophecy and whose gorgeous domes are the claims of Jesus and Mohammed to the Messiahship of God. The Jew—an Asiatic, not an American—emerged from the plains of Mesopotamia in the twilight of history, and, from his Lilliputian kingdom in Palestine, sent forth a religion not only for the earth but for the universe.

You Americans are the Phœnicians, not the Athenians, of modern times—a nation of merchants, a republic of peddlers. Upon the altar of commercial greed you sacrifice the highest aims, and to the acquisition of wealth you prostitute the noblest purposes of life. To you a silver dollar is more beautiful than an epic poem or a Grecian statue, and the amassing of a fortune is grander than the discovery of a planet. You are worshipers of mammon and not of God.

This criticism of the educated foreigner is founded greatly in truth and in fact, and candid Americans will not deny it. My plea, then, in the matter of intellectual and spiritual preparedness, is for a republic of letters and of music, of religion and philosophy, of poetry and eloquence, of science and art, as well as of armies and navies, for these are the things that "exalteth a nation" and make it truly and sublimely great.

My further and final plea is for the establishment and maintenance of the rights and sovereignty of the plain citizen of this Republic and for the actual and absolute rule of the people under representative forms of government. My fervent prayer is that I may live to see the day when the Government of my country will be so generous and so just in its treatment of this plain citizen that ample opportunity will be his, as a matter of leisure and recreation from grinding toil, to acquire that noble culture, that genuine education that ennobles existence and contributes joy and dignity to life. My plea is for the passage of laws that make infamous and criminal the forcing of children to work in sweatshops when they should be attending public schools. My hope is that the day is not far distant when every child in the Republic, as a matter of intellectual and spiritual preparedness for the duties of good citizenship, will be forced by both State and Federal laws out of workshops into schoolrooms.

I am an advocate of the public-school system. I do not deride or condemn American universities like Harvard, Yale, Columbia, and Princeton. They are the jewels of our intellectual body, and God grant that there may be more of them as the years roll on. But the American university is not the great temple of intellectual and spiritual preparedness of the Republic. The great temple is the public-school building over which floats the Stars and Stripes, upon whose walls are the portraits of Washington and Lincoln, and in which the brown-skinned, barefoot boy may learn to read the Constitution of his country and the Bible of his God.

The public-school building is America's great melting pot of patriotism and good citizenship. In its march of thousands of years the human race has encircled the globe and entered this its last promised land, containing every condition of national greatness and human happiness. In the population of America are mingled the representatives of every race and every tribe of earth. This heterogeneous mass must be fashioned into a homogeneous whole in the public school by the public-school teacher. There the English language must be taught. There must be taught the great patriotic chapters of our history—the foundation of the Republic, the growth of our constitutional freedom, and the preservation of the Union, culminating in the sacrifice and martyrdom of Lincoln. There the souls of the young children, the future citizens of the Nation, must be filled with the spirit of the American Constitution and with the glory of the American constellation. There must be taught an undivided allegiance that knows no fatherland but America and admits no loyalty but supreme devotion to America's flag. There must be instilled that fine form of patriotic fervor, based upon national unity and undivided allegiance, which glories in the achievements of our past and believes implicitly in the limitless possibilities of our future. The result of all these things will be the beginning of an intellectual and spiritual preparedness without which all other forms of preparedness are but achievements and manifestations of vulgar pride and brute force.

A further and final consideration is that all forms of preparedness must be democratic to the core and broadbased upon the people's will. Our whole military system should be Swiss rather than Prussian, democratic rather than autocratic. The time has not yet come for compulsory service, for universal military training, but it will come before very long, and the whole manhood of the Republic will be the better for it. The system of universal service is correct and just in principle. What belongs to everybody should be protected by everybody. It is a mean and cruel discrimination to require or expect a few men to risk their lives, and sacrifice them if need be, in defense of others who are either too cowardly or too lazy to defend themselves.

A system of universal service would promote most powerfully the spirit of fraternity and genuine democracy in the Nation, by placing the sons of paupers and the sons of millionaires side by side in the ranks of the common defense. Class distinctions—so deadly to a democracy—would then be avoided or destroyed.

Universal military service would vastly improve the physical manhood of the country, and thus lay the foundation for greater national prosperity and more complete human happiness. It was Herbert Spencer, I believe, who said that the first condition of national prosperity was to be a nation of good animals. This is all the more true since it is a well-known fact that fine physical qualities tend to develop not only stronger minds but better morals. It should be the deliberate design then of both parents and the Government to give to the youth of the country, the future citizens and soldiers of the Republic, in their formative years, good physiques—healthy stomachs, big biceps, muscles, and strong lungs to send rich red blood seething and frothing to healthy brains. Universal military training would contribute most wonderfully toward the accomplishment of this most desirable result.

Again, a system of universal service would develop in the individual man faculties of mind, modes of thought, and habits of conduct that would be most beneficial to him in all the callings of civil life. Exactness, punctuality, and courage, which are born of military discipline, are quite as essential to success in civil as in military life.

And last, but not least, compulsory military service would bring home to every young man in the Nation a sense of personal responsibility for the safety and honor of his country, and would thus create in his mind and heart a fervent attachment to his country's flag and her highest interests. This sense of personal obligation would serve to accentuate the responsibility and dignity of the individual man, and would contribute immensely to the creation of a collective patriotism so necessary to the life of a free people. And we should never forget that if we would avoid militarism in a republic, the individual man, the plain citizen, and all his rights, privileges, hopes, and aspirations should be remembered and accommodated.

If the liberties of this Republic are ever seriously threatened, they will not be preserved by the Four Hundred, although there are among them many brave and patriotic men. These liberties will not be preserved by professional men—lawyers, doctors, preachers—although these professions have their full quota of courageous and patriotic citizens. Men in public life, many of them great and noble, will not alone preserve these threatened liberties. If the liberties of this Republic are ever seriously threatened, they will be preserved by the plain, blunt man who never held an office and would not hold one if you would give it to him, who works all day in the sweat of his brow for an honest livelihood and then returns at nightfall to his humble roof to ask the blessings of Almighty God upon those during the night for whom he has worked during the day. That man created this Republic, owns it to-day, and, if need be, at the bayonet's point will preserve and perpetuate it to generations yet unborn. That man, the plain citizen of the Republic, must be accommodated by Democrats and by Republicans who wish to win victories in the future in city, State, or Nation. That man, like an unbound Titan, will work destruction and damnation to the political fortunes of any statesman of the future who seriously seeks to disregard his rights and privileges.

Mr. Chairman, in declaring our state of unpreparedness deplorable and in criticizing severely our military methods, I have not intended to sound a discordant note or to proclaim a pessimistic message. I have intended only to give friendly and patriotic warning. I believe implicitly in my country and I love passionately its Constitution and its flag. I believe that our people are marching onward slowly but surely to a marvelous and magnificent destiny.

We are deplorably unprepared for war, but the resolution and martial spirit of our people are still vigorous and intact. Our military prowess is merely dormant; it is not dead. Unless they have degenerated completely from the qualities of their ancestors of the Revolution and of their fathers of the Civil War, the youth of America to-day have in them the finest qualities of the best soldiery of the world. The military annals of mankind reveal no finer discipline, no more splendid heroism, than were displayed on every battle field of the Revolution and the War between the States.

The soldiers of Washington were no craven spirits, no mercenary hirelings, imported from the shambles of Europe to do battle for filthy lucre at the bidding of tyrant kings. They were freemen, champions of human liberty, as brave and gallant warriors as ever breasted the flood of death. No ignorant, vulgar rebels they! The Revolutionary ranks were filled with accomplished scholars, with men who read the tragedies of Æschylus in Greek as easily as the tragedies of Shakespeare in English. Government, philosophy, and religion were themes of daily and familiar converse around colonial camp fires. The soldiers of the Revolution knew the richness of their blood. They traced their lineage along a noble line to Crecy, Poitiers, Malplaquet, and Ramillies. They read the military achievements of their race in the recovery of the holy sepulcher, in the battle at Hohenlinden, in the capture of Quebec. They felt no inability to multiply these brilliant deeds; and when the battle call was sounded by the bugle's stirring blast and the thrilling tones of the trumpet and the drum it was then that the heroes of Saratoga and Yorktown, of Brandywine and Valley Forge moved to the impetuous charge with the victors' exultant shout. It was then they stepped, "like bridegrooms to a marriage feast," into the jaws of death, and their soldier spirits joined in eternity that band of warrior souls that, in every age from the mountain pass of Thermopylæ to the battle plains of Cuba and of Mukden, have died for the liberties of their fellow men. Such was the character and such the conduct of the soldiers of Washington.

More than 50 years ago civil war broke upon the country. The most momentous struggle in history called to the field of battle the finest armies of the world. Men from the North and men from the South rushed to the dividing line in serried ranks, with martial step, and with hearts that beat like kettledrums; and whether dressed in blue or clad in gray, at Gettysburg and Antietam, at Cold Harbor and the Wilderness, they sent to generations yet unborn a message of perfect discipline and deathless valor.

These were the ancestors, remote and direct, of the generation of youths who to-day attend our schools and walk our streets. These youths need no inspiration to victory on the battle field other than the sublime examples of their soldier sires. But they do need military and naval preparedness, which they have not. They need guns and ammunition and military training, which they have not. If all these things be given them, and their country be then attacked or its flag insulted, the historian of the future, in describing the conflict that must follow, in recording victory and in paying noble tribute, will say: "American cavalry illustrated superbly the dashing chivalry of mankind; American infantry drove bayonets through columns that never before reeled to the shock of carnage; American artillery sent unanswered anthems to the god of battles."

Mr. Speaker, I have an abiding and an unbounded faith in the great destiny and in the undying glory of my country. I believe that the time is not far distant when we shall have complete military and naval, economic and industrial, intellectual and spiritual preparedness; when American genius and American influence will dominate the nations and overshadow the earth; when our Constitution and our Declaration of Independence will be the mold and model of free institutions among all the tribes of men; when the torch of freedom which was lit at the flame of the American Revolution will be a beacon light to the oppressed of all mankind; when our soldiers and our sailors will be feared and respected on every land and on every sea; when the drum beat of our country will be heard around the world; when freedom's flag will illumine all the skies; and, whether proceeding from the mouth of an ambassador or from the hot throats of Federal guns, the mandate of the great Republic will be heard and obeyed throughout the earth. [Applause.]

Mr. BUTLER. Mr. Speaker, with the permission of the gentleman from Tennessee [Mr. PADGETT], I yield five minutes to the gentleman from Wisconsin [Mr. COOPER].

The SPEAKER pro tempore. The gentleman from Wisconsin [Mr. COOPER] is recognized for five minutes.

Mr. COOPER of Wisconsin. Mr. Speaker, the gentleman from Kansas [Mr. CAMPBELL] who has just taken his seat declares that there is no necessity for the United States of America to prepare, that there is nothing on the horizon anywhere which indicates aught but perpetual peace.

Mr. CAMPBELL. Oh, I beg the gentleman's pardon. I used no such language.

Mr. COOPER of Wisconsin. Well, substantially that. The gentleman said in effect that the nations of the Old World are destroying one another, and that therefore the future holds no danger of war for us. The gentleman seems to be perfectly sure that we, a Nation with thousands of miles of coast line, with important insular possessions; a Nation vastly richer than any other that the world has ever seen, and yet the most defenseless of all the rich nations; that we need take no thought of the future, but may rest content in the assurance of peace. The gentleman talks exactly as the President of the United States talked in 1913, in a message to Congress, when he could see nothing in the future but peace, not only for the United States but peace for all the world. Listen to the President of the United States, then as great an optimist as is now the gentleman from Kansas. I quote from the message of President Wilson, read by him in this Chamber, to the Senate and House of Representatives, December 2, 1913:

* * * * * * *

The country, I am thankful to say, is at peace with all the world, and many happy manifestations multiply about us of a growing cordiality and sense of community of interest among the nations, foreshadowing an age of settled peace and good will. More and more readily each decade do the nations manifest their willingness to bind themselves by solemn treaty to the processes of peace, the processes of frankness and fair concession.

[Laughter on the Republican side.]

If I mistake not, the gentleman from Kansas [Mr. CAMPBELL] was present and applauded vociferously at that point. [Laughter.] "An age of settled peace and good will among the nations!" And yet this optimistic, baseless prophecy of the President of the United States was uttered from yonder rostrum in the presence of the whole civilized world only eight months before the cannon's opening roar in the bloodiest, ghastliest war in human history. How much more does the gentleman from Kansas [Mr. CAMPBELL] know now about what is going to happen than the President of the United States knew in 1913, when with such solemnity—and you will never forget the manner of that utterance—he prophesied for all the world an era of settled peace?

We do not want—no patriotic American citizen wants—war here. But we do want to be adequately prepared if there should be dangerous aggression upon our rights. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. BUTLER. Mr. Speaker, I yield five minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Speaker, we have adopted the partial report of the conference committee, in regard to which I shall speak later. We are now asked to concur in Senate amendments providing for large increase in the shipbuilding program above that heretofore adopted by the House, including 10 more dreadnaughts and a three-year building program.

These increases will add to the appropriations carried in the bill before us about $35,000,000, and will add to the obligations of the Government in the next three years $487,000,000 more.

We are therefore asked to add to a naval bill, already twice as large as the bill of last year, expenditures and obligations equal to half our total yearly national expenditures for all purposes.

Mr. Speaker, staggering as these figures are, the popular thing to do is to vote for this increase. Yet I venture the opinion that if we could search the hearts and consciences of all the men sitting here we would find that not a third of the membership of the House here present believe that this increased program is justified or justifiable. [Applause.] Yet the probability is it will carry by a large majority. The great metropolitan press of the country is for it. The great manufacturing industries of the country are for it. All of the organizations promoted by those who benefit by war and slaughter are for it, and as the result of all these influences many good people in the country have concluded that we can not go too fast or too far with armies and with navies, and this House will respond. Yet I prophesy that few who vote for the increase but will live to regret their vote and to apologize for it.

One very remarkable thing about all this is that we find those who in times past have been opposed to reasonable increases and appropriations for the maintenance of the Army and Navy are now most vociferous in demanding this unnecessary and unjustifiable increase. A year ago we authorized the building of two battleships, and not a hammer has been struck to start them on the way to construction. A few months ago the Secretary of the Navy told us it would be impossible to lay down and start half the number of capital ships provided for in this program. He has since expressed a different opinion, but the facts have not changed. They are what they were a year ago. If we were able in this country to lay down and build the ships proposed in this program, why in heaven's name have we not laid down the two great battleships which we authorized over a year ago?

I can not believe these demands for enormous increases are in response to any sane, sound, or reasonable sentiment for the proper upbuilding of the Military or Naval Establishment of the country. They are in response to a wild hysteria, which, I regret to say, has been promoted largely by those who would benefit by

these useless and reckless and unnecessary expenditures, by those who would find profit in the slaughter that would follow a declaration of war. The war in Europe broke out and is now raging because the parliaments over there were led to believe that the way to prevent war was to build great navies.

We stand here in the presence of a situation that demonstrates that these great military establishments are the inevitable precursors of war; that they will breed and compel war. We stand in the presence of the most solemn and astonishing demonstration of that fact the world has ever known, and yet we propose to start on the same reckless expenditure that has resulted in the awful catastrophe on the other side of the water.

Gentlemen, we are the greatest Nation in the world, and in the future we must, as we have in the past, reasonably prepare to defend ourselves; but we shall be best defended if we save our people from the burdens of unnecessary military service and taxation. Far stronger than navies beyond our reasonable needs is the splendid force of our hundred million intelligent, patriotic people. [Applause.]

Less than two months ago the House voted down a proposition of increase much smaller and less expensive than the one now offered. The chairman of the Naval Committee implored all good Democrats to vote against it. Now he appears demanding that we approve this much larger increase in the name of the Secretary of the Navy and the administration.

Let us see just what it is that they want us to agree to. Beginning with an increase of 10 superdreadnaughts, to cost over $20,000,000 a piece, the increases in ships runs all down the line, and if we agree to them we shall have a naval bill of $313,384,389.24 for the current fiscal year and we shall authorize the Secretary of the Navy to incur contract obligations amounting to $487,000,000 more.

We have done a lot of talking in this country at one time or another about being a peaceful and nonmilitary people. A favorite theme of orators has been our freedom from the burden of military establishments. And yet, if we agree to this increase and pass this bill we shall have passed the largest naval appropriation bill in all history. It is more than $50,000,000 in excess of England's naval bill the year preceding the breaking out of the European war. It is nearly three times the naval expenditures of Germany the year before the breaking out of the war. In fact, it is several millions more than the naval expenditures of Germany, France, and Japan combined the year immediately preceding the breaking out of the European war.

Those who think we have not been spending much on our Navy heretofore should remember that the outlay for our Navy for the 10 years preceding the European war was over $1,331,000,000. This was almost four times the expenditure of Japan, more than three times the expenditure of Italy, and exceeded the expenditures of Germany for the same period by more than $300,000,000.

Now, at a time when the navies of the warring powers have been decreased hundreds of thousands of tons by destruction of ships, and when those nations are loading themselves with a debt which will render it utterly impossible for them to continue great programs after peace is declared, we have outlined a three-year program more ambitious and expensive than any ever proposed by any nation in the world's history. And yet, those of us who do not approve the last ship and the last dollar of this enormous expenditure are characterized as "pacifists," and our patriotism is questioned by the more extreme and hysterical of those who are clamoring for naval and Army expenditures.

What is the necessity or the excuse for a continuing program for three years? Why should we pledge the future and coming Congresses to the tune of $500,000,000? Will the new Congress have less patriotism and less wisdom than this Congress? Can not the next Congress provide for whatever may be necessary at that time? The fact is, the continuing program is purely political. The administration was criticized for not being sufficiently for "preparedness." Administration leaders finally came to the conclusion that preparedness was popular. They started out in cold blood to out Herod the most rampant preacher of preparedness, and the only way to make the thing look big enough to stop the mouth of the most blatant of the howlers was to have a three-year program and run the cost up to near a billion.

If there is any credit in it, the credit belongs to the Republicans, for they forced the hand of the administration. If you think this enormous program unwise, unjustifiable, and wicked, as I do, the blame is on the Democrats, for they control the administration and both Houses of Congress. Their Members vote as the administration wants them to. In the House a great many Republicans have from the first believed in a large naval program, some of them have believed in a very large program. On the Democratic side not a handful of men have, in their hearts, believed in or approved the programs now proposed, but they will vote for them just the same, because the President wants them to. As between men who will vote for a thing because they believe in it and those who vote for a thing because their party leaders tell them to, I have the greatest respect for those who vote their opinions, even though I may disagree with their views.

Now, just a word about the conference report. I do not think it is perfect—far from it—but I congratulate the House conferees on the good they have accomplished and what they still hope to accomplish. At one time and another we have heard a great deal about the propriety of following the views of the "experts"—meaning, in a case like this, the naval officers. While this bill was before the Senate the Secretary of the Navy sent down the provisions for the commissioned personnel, which had been drawn by the experts. My opinion is, it never was examined in the Senate, and when it reached the House it was discovered that the experts had taken care of themselves and their brother officers good and plenty. We have been struggling along with 18 rear admirals. The experts proposed legislation, which was adopted by the Senate, which would provide for somewhere between 68, as estimated by the House conferees, and 80, as estimated by the gentleman from Indiana [Mr. Cox]. The conferees, with cruel disregard for the feelings of the experts, cut the number of rear admirals down to an addition of 3 immediately, 3 in the near future, and a possibility of 30 in all when the Navy is recruited to the full strength allowed under the new law.

Since I have been in Congress various questionable things have been proposed at one time and another, but I do not recall any case that compares with this increase of officers proposed by the Navy Department in pure and unadulterated nerve. It is a proposal that ought to shame every man who approved it. A rear admiral costs the country from eight to ten thousand dollars a year, depending upon whether he belongs to the upper or lower grade, and the conferees, in trimming the rear admirals, have saved the country about $350,000 a year to begin with and ultimately twice that sum. Incidentally, of course, they have interfered with the ambitions of some people whose real interest in preparedness, so called, grew out of the hope that they or their relatives or friends would secure high rank and big pay at the expense of the taxpayers.

It would take altogether too long to enumerate or discuss all the utterly unworthy and the questionable propositions which have been advanced under the cover of preparedness, and some of which have gotten through. After having talked for years about abandoning unnecessary naval stations, we are now proposing to build them up and buy more. There is an item of a million in this bill, which I hope will ultimately go out, for the improvement of Charleston Navy Yard, where there is not water enough to afford good diving facilities for a flock of mudhens. In order to get preparedness, we have to accept a $20,000,000 expenditure for improvement of an Alabama river on the plea that we must manufacture more nitrates for gunpowder.

All these things I suppose must be expected, however, whenever national hysteria, rather than real sound judgment, controls in planning for the country's defenses. We certainly can not be accused of not having done enough in this Congress for preparedness. I figure the expenditures as follows:

Total appropriations for military purposes, 1917.

Army	$267,596,530.10
Navy	313,300,095.84
Fortifications	25,748,050.00
Military Academy	1,225,043.57
Deficiencies	27,204,068.83
Deficiency estimates pending	6,000,000.00
Total	641,073,788.34

That is certainly a snug sum to be spent in one year of peace on the Army and Navy by people who call themselves nonmilitary and pride themselves on being free from military burdens. It is more than twice the military burden that any nation in Europe ever placed upon her people prior to the European war. It is more than the total receipts of our Government from all sources in the fiscal year 1915. Is it not about time we began to look at these matters without hysteria and with sober judgment?

Mr. PADGETT. The gentleman who has just taken his seat asks why there was delay in the construction of battleships *43* and *44*. I have here a letter from the Secretary of the Navy explaining the whole history of that, and I ask to insert it in the RECORD.

Mr. KITCHIN. What was the reason for the delay?

Mr. PADGETT. It was in order to obtain the benefit of the lessons to be gathered from the European war.

Mr. BUTLER. My old friend and I know that that is not the reason; that is a new one. There were no ways to put them on. I want the House to understand that. The navy yards do not contain the ways on which these ships can be built.

Mr. KITCHIN. If the gentleman will permit me, it is not the reason given by the Secretary of the Navy five or six months ago to the public press.

Mr. PADGETT. It is the same one that I put in the RECORD at the present session, a letter from the Secretary in conformity with this one.

Mr. KITCHIN. Did he not say in the public interview that this was a busy time and that we only had three yards and we had not appropriated enough money?

Mr. PADGETT. Yes; and he also stated in connection with that that they were getting up new designs for protection against torpedo attacks.

Mr. KITCHIN. I did not see that in the interview.

The SPEAKER pro tempore [Mr. HARRISON]. The gentleman from Tennessee asks unanimous consent to extend his remarks by inserting a letter from the Secretary of the Navy. Is there objection?

There was no objection.

The letter is as follows:

THE SECRETARY OF THE NAVY,
Washington, August 15, 1916.

DEAR MR. PADGETT: I observe from time to time criticisms of the Navy Department with regard to alleged delay in the construction of battleships Nos. 43 and 44, a recently widely circulated statement being to the effect that I had unnecessarily delayed these vessels. The facts are matters of record, but it may be convenient at this time for me to state them briefly for the information of the chairmen of the committees.

At the time these vessels were authorized to be built, March 3, 1915, preliminary plans were completed in accordance with the military requirements prescribed by the General Board and they were in such condition that under ordinary course advertisement would have been issued for these vessels in about May, 1915, but within a few months after the beginning of the present European war, in August, 1914, there had been some striking instances of effective torpedo attack, indicating that the development of an efficient form of underwater protection against attack by mines and torpedoes was a vital necessity for capital ships. With a view to accomplishing this result comprehensive experiments had been initiated in the latter part of 1914. Although these were pushed from the first to the limit of the facilities available they were not nearly completed in March, 1915, and it was evident in the spring of 1915 that it would not be possible to determine the most desirable form of underwater protection for our battleships for some months to come.

Upon the urgent recommendation of the Chief Constructor, who is responsible for this feature in new vessels, it was determined not to advertise for the construction of these vessels until the experiments had progressed sufficiently to enable some reliable conclusions to be drawn from them. This involved a delay of about four months, the advertisement for these vessels being issued September 4, 1915. Recognizing the necessity for the avoidance of delay these advertisements were not issued when definite conclusions had been arrived at, but as soon as it seemed reasonably certain that about the time of opening the bids, 60 days after advertisement, it would be possible to determine satisfactory features of underwater protection, the experiments continuing meanwhile and being pushed as before to the limit of the facilities available.

In advertising these ships the specifications provided that the Government reserved the right to make changes in features of underwater protection any time within three months after the placing of the contract. When the bids for these vessels were opened on November 17, 1915, they were found unsatisfactory on two cardinal points. First, the bids were such that unless there were vital changes from previous methods it would be impracticable to contract for the construction of these ships within the limit of cost fixed by Congress. Second, all bidders declined to accept the department's stipulation in regard to changes in underwater construction without a material increase in the building period. The department had required this period to be 34 months, but no bidder bid without qualification for construction within this time, the only bid which proposed a definite time under the usual contract conditions of the department being for 40 months.

At the same time the bids for the construction of these vessels were opened estimates were obtained from the navy yards—New York, Mare Island, and Philadelphia—for their construction. All of these estimates were well within the limit of cost set by Congress, and under the law the department appeared to have the alternative of going back to Congress for further authority or ordering construction in the navy yards under the authority already contained in the bill. The department was aware that there would be some delay in laying the keels of these vessels, if assigned to navy yards, owing to the existing conditions with regard to new construction, organization, and facilities. After reaching a decision to construct one of these vessels at the New York Navy Yard, and the other at the Mare Island Navy Yard, the necessary steps were at once taken to meet the various conditions involved. Contracts for the structural material were placed at once; that is, in December, 1915. By doing this the department anticipated the very rapid and large subsequent raise in the cost of material, which meant not only a saving in time but a saving of nearly a million and a half dollars over the amount which this material would have cost at the prevailing market prices at the time when it would have been ordered by the navy yards if the usual procedure had been followed.

Recommendations were at once made to Congress for authorization for the employment of the necessary additional draftsmen and technical employees at the two navy yards and for authorization to expend a portion of the difference between the estimates and the limit of cost for the purpose of increasing the necessary yard facilities. The necessary authority from Congress, under both of these heads, was obtained in the latter part of February, 1916.

In the meantime the technical bureaus completed the development of the underwater protection, and provision was made for the utilization of electric propelling machinery, which the private contractors were unwilling to bid upon. This enabled the speed of the vessels to be increased by half a knot and much facilitated arrangements necessary for protection. As a result these vessels embody a form of underwater protection markedly superior to that of all previous vessels in the United States and, it is believed, in any foreign navy.

While the keels of these vessels have not yet been laid, this does not mean that nothing has been done or that their completion will be materially delayed. With the present methods of work a large proportion of the hull structure may be fabricated in advance of laying the keel, so that for a large ship the actual laying of the keel may be done at a time within a period of several months without effect upon the time of construction. Material has been ordered and is now being delivered. The keel of the U. S. S. *California* will be laid at the navy yard, Mare Island, as soon as sufficient material has been fabricated to warrant it—probably about the end of September. There has been unforeseen delay in the laying of the keel of the *Tennessee* at the navy yard, New York, due to the fact that it will be some months yet before the New Mexico can be launched. As previously stated, it had been planned to work shifts upon the *New Mexico*, beginning in the early spring, in order that she might be launched in September or October. Due to the unprecedented demand for labor in shipbuilding trades, which suddenly sprang up, it has not only been impracticable to procure sufficient skilled workmen to work shifts, but difficult and at times impracticable to obtain one full shift. The work, however, has been materially expedited, as from April 1 to August 1 there has been 6.6 per cent greater progress made on this vessel than upon one of its sister ships building by private contractors, and 11.2 per cent greater than on the other during the same time. Work upon the fabrication of the *Tennessee* material will proceed, however, as the material is delivered.

Heretofore delays in the final completion of capital ships have nearly always been ascribed to delays in machinery and armament. Contracts were placed in April for the armor for both of these vessels, and it will be ready well in advance of the time needed. Similarly, contracts were placed in May for the complete propelling machinery, in which case the work is now proceeding. The fact that the armor and machinery will be ready in good time will materially facilitate the rapidity of building the hulls.

Sincerely, yours,

JOSEPHUS DANIELS.

Hon. L. P. PADGETT, M. C.,
House of Representatives, Washington, D. C.

Mr. PADGETT. Mr. Speaker, I yield to the gentleman from Indiana [Mr. GRAY].

Mr. GRAY of Indiana. Mr. Speaker, there are two schools of preparedness, two policies, two general and well-defined positions in Congress, in the country, and even among naval and military men themselves. One is preparedness for defense against invasion. The other is preparedness to contest for world power and control of the seas. There is no middle ground; you must choose between these two positions.

I am in favor of full, adequate, and complete defense against invasion, and for every preparation, at whatever cost, necessary to this end. But I am opposed to a naval policy looking to world power in war. I am opposed to a naval policy looking to a contest for control of the seas, the great common highway of all the nations. I am opposed to a rival military policy for this Nation. I am opposed to any military policy for this Nation which will arouse distrust and apprehension against us, engender antagonism, animosity, and enmity toward us. I am opposed to any military policy for this Nation calling for vast expenditures of money and burdensome taxation to maintain a menace to our peace, inevitably leading to war, and ultimately jeopardizing our very national existence.

Military rivalry is the criminal folly of the nations. If we increase our Navy to-day, England will increase her warships to-morrow, and Germany will, in turn, increase her navy to meet England's increase, and France will increase her navy to meet Germany's increase, and then we must build again and again to keep pace with this mad rivalry in war.

The grounds we urge to-day for an increase of our Navy to equal other navies will be urged again and again. If our increase will make us stronger against them, then their increase will make them stronger against us. This increase of our Navy will not increase our relative strength against other navies. It will not make us stronger to resist them, until we have built to the limit of taxation and other nations have fallen in exhaustion.

I will quote from the evidence of Admiral C. E. Vreeland, a member of the General Naval Board, and given in response to questions by myself relative to the policy of naval increase, and found at pages 585 to 586 of the hearings of the House Committee on Naval Affairs of the second session of the Sixty-third Congress, admitting the inevitable result of military rivalry:

Mr. GRAY. I wish to inquire of the Admiral if it is not the policy of other Governments to increase their navies with all the other leading powers?

Admiral VREELAND. It is, sir.

Mr. GRAY. What would be the advantage to us or any other power if the navies were increased equally by all the nations of the world? Would there be any advantage to us or to any other power?

Admiral VREELAND. Not if you mean in the same ratio.

Mr. GRAY. Would not the same grounds exist after an increase for a further increase?

Admiral VREELAND. It would seem so.

Mr. GRAY. The only advantage that could be gained by an increase of the navies to any nation in the world would be a greater increase of one nation over another. Is it not a fact that there is a rivalry now between nations?

Admiral VREELAND. No, sir.

Mr. GRAY. They are all going up together?

Admiral VREELAND. Yes, sir.

Mr. GRAY. There would be no advantage gained by any nation, then. How long could that be maintained, that even increase, and what advantage would it be to any nation?

Admiral VREELAND. If it continues to increase, the poorer nation will eventually exhaust itself, and then the other nations, the United States included, will have a free hand—I mean be free to build in accordance with the changed conditions. I think it proper to add that rivalry, in the sense in which that word has been used here, does not really exist, nor do I think it is contemplated.

Mr. GRAY. Then it is only a question of the limit of taxation?

Admiral VREELAND. Yes, sir.

But if there can be a doubt as to the effect of such policy, I will further quote from the testimony of Assistant Secretary of the Navy Roosevelt before the Naval Affairs Committee of the House of Representatives, in response to questions by myself on cross-examination relative to the requirement for second place of a naval power, and appearing at page 3441 of the hearing of this session (1st sess., 64th Cong.):

Mr. GRAY. What is the one potent factor that would decide that rivalry, that contest, that race—if both nations undertook to have a navy in second place, and each declared that their policy required second place—what is the one potent factor that would decide that contest and race?

Mr. ROOSEVELT. There is not any one potent factor.

Mr. GRAY. Would it not be simply a question of taxation?

Mr. ROOSEVELT. No; that would be only one factor.

Mr. GRAY. Would it not be the one most potent factor?

Mr. ROOSEVELT. No.

Mr. GRAY. If you had the money you could outbuild to second place?

Mr. ROOSEVELT. But you can not build ships with money only; you have got to have the will of the people to build them; you have got to have the material and the skill to build them with.

Mr. GRAY. We have the skill and we have the ambition and we have all those things. Now, if you put the money at the disposition of the Government, is not that the one potent factor that would decide that contest?

Mr. ROOSEVELT. No; I think that is only one of the potent factors.

Mr. GRAY. Do you not think it is the largest factor?

Mr. ROOSEVELT. I think not.

Mr. GRAY. What is the largest factor?

Mr. ROOSEVELT. A large factor in building a fleet is the raw materials.

Mr. GRAY. Well, we have the raw material.

Mr. ROOSEVELT. The skill of the people to build and the skill of the people to man and fight them.

Mr. GRAY. But we have the skill; these men have told us that we have the skill here; we have the most efficient personnel; we have the material; we have the best workmen in the world. Now, what else besides those things do you require?

Mr. ROOSEVELT. The other thing is the medium of exchange—money; purely a medium of exchange.

Mr. GRAY. How do you get money, except by taxation?

Mr. ROOSEVELT. By taxation, of course.

Mr. GRAY. So that is the one thing that would decide it? Do you think, if we should enter into that contest, that our people could be made to pay more taxes than the people of Germany?

Mr. ROOSEVELT. I think if they understood the problem of defense they would.

Mr. GRAY. You think we would win?

Mr. ROOSEVELT. Undoubtedly.

And when we have won this mad race in taxation, when straining to the utmost limit in taking taxes from their people, other nations have fallen behind, when we have excelled in the weight of tax burdens which our people can bear, when we have outrivaled other nations and built a Navy, the most powerful in the world, then will come a great equalizing factor to operate in human affairs and under the law of self-defense to defend the weak against the strong.

Then two nations will join their navies, and we must build against them both. Then three nations will unite, and we must build against three. Then all nations, following immutable law, will join and unite against us, and we must build against the world. Then we will read our history in the fall of Rome and the defeat of Napoleon at Waterloo. Then we will pay the penalty in blood and treasure and human life for transgression of the law of justifiable force and might, as every warring nation of the past has paid it. Then we will reap the harvest of a false military policy and defense by invasion, as Europe is to-day reaping it in death, desolation, and destruction.

An individual of superior strength can not control his fellow men by reason of his superior power over any one of them. No nation can dominate the world by reason of being stronger than the strongest. Whenever such power is asserted by an individual or a nation, naturally and instinctively the weaker or smaller will join and unite and their combined strength will destroy the would-be dominating power. And there is still another principle that will assert itself for relief against force and might. Without such union of the weaker powers, internal dissension, factions, and rival parties will arise to resist and rend asunder a dominating power and restore equilibrium among the nations with freedom to progress and advance in civilization and the natural course of social evolution.

Defense is the first law of nature, an incident to life itself. Defense is the first and highest duty incumbent upon men and nations. Defense, full, adequate, and complete defense, is the measure of human responsibility and upon which our national life, our free institution, and our liberties depend. Defense is the true principle of military preparedness. Defense without rivalry in the arts of bloodshed and warfare. Defense without contest for world power or control of the seas. Defense while assuring the world of our friendship and peaceful relations. Defense, full, adequate, and complete defense, while maintaining security and protection against invasion. Defense while holding ourselves acceptable and unprejudiced before the world and always ready and willing to lead the way to peace and final disarmament.

But while defense is the measure of our duties and responsibilities for protection, it is the limit to which nations may prepare in arms and armament. Thus far may nations go in force and might but no further.

While the past is crowded with the annals of conquest, subjugation, and triumphant might, defense is the one military position which a nation can assume and maintain before the world to-day.

Moral law is as immutable as nature or the orderly development of life, and our civilization has advanced until defense is left the one and only military policy which a nation can maintain without incurring the penalties of transgression.

The want of adequate defense may expose us to the danger of attack from one power, but preparedness beyond defense in violation of moral law will menace us from all nations and jeopardize our very existence.

But our policy must be more than outward show and claim of defense. It must be defense in act and deed and in all our preparation and accomplishments for war. It must be defense so clear, so open, so apparent and conclusive to the world that no nation can distrust our motive or mistake our object, purpose, or intent. We must build only for defense, provide only for defense, and look only to maintaining a policy consistent with defense. Then other nations can not justify the taxation of their people to increase their navies against us. Then we will not be compelled to build so great a Navy to defend ourselves against them. Then the navies of the world will stop at defense. Then the criminal folly of military rivalry will be at an end.

If Germany had prepared only for defense against invasion, Belgium would have never been violated and laid waste.

If France and England had prepared only for defense against invasion, then Germany could have never apprehended an invasion of her soil and begun a war to ward off an attack from them.

As an evasion, we are told that it is impossible to arm for defense without arming for aggressive warfare, and that no such line of demarcation can be drawn in military preparedness. There is a line of demarcation and distinction. Whenever we prepare to convoy and transport troops to a foreign land, whenever we build a Navy of itself, in mid-sea or on a foreign shore, sufficient to overcome a navy in home ports, that is aggression. But whenever we prepare a Navy not of itself alone equal to other nations, but in conjunction with mines along our coasts, our submarines for harbor protection, our sea fortifications, our aeroplanes, and our land forces, altogether greater than the naval power any other nation can send against us, that is defense. We do not need a greater Navy than others for defense.

Germany's navy is only equal to one-half that of England's navy and it is less than one-fourth the size and strength of the combined navies of the allies, yet no warship of the allies has ever invaded or bombarded the German coast. Thus, acting in defense, in conjunction with mines, submarines, fortifications, and land forces, the navy of Germany is able to ward off the attacks of vast and superior naval forces, equal in strength to more than four times that of her own, and so should this Nation prepare a Navy adequate for defense but not invasion.

In July, 1915, the General Naval Board, constituted of naval officers of high rank and technical ability, recommended a 10-year building program, specifying the number and types of fighting ships, together with accompanying auxiliary vessels, which should be built during each year of the period. In November, 1915, this program was modified and a five-year building program was presented instead. The three-year building program, coming from the Senate as amendment 238, is a modification of the 10-year program considered by the Navy Department and disapproved of and the five-year program considered by the House Committee on Naval Affairs and the House and, after a full hearing by the committee, rejected by the committee and by the House on roll call. The same objections upon which the Navy Department disapproved of the 10-year building program

and upon which the House rejected the five-year building program apply with equal force to the three-year program, and is objectionable only in less degree.

In order to properly consider and judge of these programs recommended by naval officers as measures of defense against invasion or as policies of military rivalry and preparedness to battle for world power and control of the seas it is necessary to inquire as to the grounds upon which the same are urged, the viewpoint from which the programs are recommended, and the policy ultimately to be supported.

For this purpose I call your attention to the recommendation of the General Board of the Navy on pages 75 and 76 of the Report of the Secretary of the Navy for 1915, where, among other statements in support of the five-year building program, the following appears:

The Navy of the United States should ultimately be equal to the most powerful maintained by any other nation of the world.

It should be gradually increased to this point by such a rate of development year by year as may be permitted by the facilities of the country, but the limit above defined should be attained not later than 1925.

A navy in firm control of the seas from the outbreak of war is the prime essential to the defense of a country situated as is the United States, bordering upon two great oceans.

A navy strong enough only to defend our coast from actual invasion will not suffice.

I also quote from Seven Seas for April, 1916, the official organ of the Navy Club, as representing the opinion and viewpoint of military men relative to the objects and the international policy to be supported by the preparedness program thus recommended:

On the contrary, the battleship must always remain the queen of the seas and must be the deciding factor in any naval engagement. Without it there can be no bombardment of the enemy's coast, no convoying of transports, nor any landing of an invading army on foreign soil.

This is not defense against invasion; this is military rivalry, looking to world power in war, to contests with the nations for control of the seas, the unmistakable effect and inevitable result of which will be to arouse distrust and apprehension, engender animosity, endanger our peace, and jeopardize our security by arraying other nations to join and unite in common cause against us.

I also quote again from Seven Seas, for April, 1916, page 13, further showing the viewpoint of many earnest naval officers, and from which these recommendations come and the permanent policy contemplated:

If a nation remained in profound peace during a century, it would be exposed, if overprosperous, to fall into a dreadful state of decadence. The dream of international agreements to maintain peace is a pure dream untainted by reality.

I further quote from the recommendations of the General Board of the Navy, on page 76, of the Report of the Secretary of the Navy for 1915:

Our present Navy is not sufficient to give due weight to the diplomatic remonstrances of the United States in peace nor to enforce its policies in war.

This will subordinate diplomacy, vitiate arbitration, and the principle of world courts and international equity now far progressed and advanced, recall the 31 peace treaties now in force with all the leading nations of the world excepting one only, throw back the pendulum of civilization a century of time, restore the ultimatum and the arbiter of might in the conduct of negotiations among nations, and reestablish the settlement of international disputes on the basis of force and war.

Nations are but individuals moving collectively and acting from the same impulses and subject to the same government. If civil power is but "A pure dream, untainted by reality" to maintain peace, if "Human nature can not be changed," if there has been and can be no progress beyond force and might, then why not individuals go back to the settlement of disputes by physical encounters? Then why not individuals go back to vindication of their honor by dueling? Then why not individuals go back to insuring their safety among men by carrying weapons and full arms?

Our Army and Navy officers are brave, courageous, and resolute men. They are highly educated and most efficiently trained and have acquired great knowledge, skill, and ability in the lines of their special calling. While they lead our armies and direct our navies the country may rest in security from an invading foe. But, like other men especially educated, trained, and exclusively engaged, they are actuated from convictions and views not always in accord with the great body of people. By reason of their special training, and having to do only with the policy of force and might, exclusive of social and moral factors, they often fail to recognize changes incident to the growth of civilization and preclude the consideration and employment of agencies other than might in the conduct of government and international relations.

It was upon these most serious considerations, solemnly and unequivocally declared, that the founders of the Constitution in the separation of jurisdiction, the division of powers, and the vesting of authority for exercise provided that the military should be subordinate to the civil branch of the Government.

Other and economic grounds urged for the 10 and 5 year building programs were that the shipbuilding industries should be encouraged by assurances as to the amount of naval expenditures and future contracts, as will appear from the recommendations of the General Board of the Navy, at page 76 of the report of the Secretary of the Navy for 1915, as follows:

On the other hand, a degree of financial security is offered the industries of the country by the foreknowledge which they thus obtain as to probable naval expenditures. This will encourage them to invest money in enlarging their plants for naval shipbuilding and all its allied industries. At the same time the strong probability of continued work throughout the period of the program will tend to reduce contract prices.

While the encouragement of industry is commendable and justifiable as a public policy with certain limits, it is carrying the principle too far to give assurances of vast expenditures from the Public Treasury and continuing contracts in the future. And it is too great a recognition of the dependency of the Government to hold that it is necessary to authorize warships far in advance of the time of building in order to secure reasonable prices for construction.

But a future building program is unwarranted and especially unwise at this time. In this day and age of discovery, invention, and marvelous progress the future can not be anticipated and modern navies authorized far in advance of their construction. Why should we attempt to fix, specify, and prescribe now the type, character, and relative number of different ships which we will begin and build in future years when conditions are in process of swift and rapid changes and the character and requirements of instruments of naval warfare in the future can not be foreseen? This question of present data and the want of knowledge of future naval conditions was considered in passing upon the five-year program by the Naval Affairs Committee of the House of Representatives in the present session, as shown by the testimony given by Hon. Josephus Daniels, Secretary of the Navy, in response to questions by myself, as appears at page 3772 of the hearing of said committee:

Mr. GRAY. Mr. Secretary, have we any special information or insight as to what will be the termination of the European war?

Secretary DANIELS. None at all.

Mr. GRAY. We do not know when the war will be over?

Secretary DANIELS. We have nothing but a guess.

Mr. GRAY. We do not know who will be the victors?

Secretary DANIELS. No.

Mr. GRAY. We do not know the nations that will be conquered?

Secretary DANIELS. No.

Mr. GRAY. We do not know at this time what battles will be fought?

Secretary DANIELS. No; we do not.

Mr. GRAY. I mean on the sea; naval battles.

Secretary DANIELS. No battle of very great importance has been fought on the sea.

Mr. GRAY. Up to this time we have no way of determining what battles will be fought, or with what results.

Secretary DANIELS. No.

Mr. GRAY. We do not know what navies will be destroyed?

Secretary DANIELS. No.

Mr. GRAY. We do not know which navies will survive after this war is over?

Secretary DANIELS. We have no knowledge.

Mr. GRAY. We do not know what naval conditions will exist after the war is over?

Secretary DANIELS. We have not even a guess.

Why should we attempt to fix, specify, and prescribe now the character, types of ships, and their accompanying auxiliary craft which we are to begin and construct in future years when the ships of our Navy and all navies have been built in time of peace without trials or tests in warfare and upon theory only, when great sea battles are imminent and are soon to be fought, and when we may avail ourselves of the benefits of experience and practice in actual war? This was one of the matters considered by the House Naval Affairs Committee, rejecting the five-year building program, as will appear on pages 3773 and 3774 of the said hearings, as follows:

Mr. GRAY. It is a fact that our Navy has been built up in time of peace and that the navies of the world have largely been built up in time of peace. That is true?

Secretary DANIELS. We have had no great naval warfare in recent years.

Mr. GRAY. Battleships last about 20 years before they become obsolete. Up to the present time we have had no great naval battles?

Secretary DANIELS. No.

Mr. GRAY. The navies have been built up in time of peace, as a general rule?

Secretary DANIELS. That is right.

Mr. GRAY. All of these navies have gone into war without trial or experience in actual warfare?

Secretary DANIELS. Not actual warfare, but they are all exercised, and have maneuvers and practice.

Mr. GRAY. As far as actual war, it is theoretical as to what will be done and what tests they will stand?

Secretary DANIELS. Yes. Of course, in the Japanese-Russian War they had quite important naval conflicts, and also in the Spanish-American War.

Mr. GRAY. But these ships have had no actual trial or experience; there have been no 14 or 16 inch guns fired?

Secretary DANIELS. No.

Mr. GRAY. We do not know what the result will be, so far as actual warfare is concerned—it is a matter of conjecture?

Secretary DANIELS. We did have some. We have had several engagements in the North Sea and at Doggerbank.

Mr. GRAY. But not any actual warfare, involving any great part of opposing navies?

Secretary DANIELS. That was actual warfare.

Mr. GRAY. But not tried out on a large scale or engagement?

Secretary DANIELS. They were small encounters.

Mr. GRAY. But the biggest guns have never been tried?

Secretary DANIELS. In those engagements they were tried.

Mr. GRAY. What large ship of a foreign navy has been actually fired on by the large guns?

Secretary DANIELS. The *Blücher* was sunk.

Mr. GRAY. I understand; but so far as that is concerned, that is only one ship. There have been no great naval battles?

Secretary DANIELS. Then, there was the *Lion*.

Mr. GRAY. That was a comparatively small ship—a small engagement?

Secretary DANIELS. You mean that there has been no great warfare between the fleets?

Mr. GRAY. Yes.

Mr. ROBERTS. The *Lion* is a 26,350-ton ship.

Secretary DANIELS. Yes.

Mr. GRAY. There has been no great naval battle up to this time?

Secretary DANIELS. I would say that there has been no great naval engagement.

Mr. GRAY. All the great navies of the world are involved in this war?

Secretary DANIELS. All except ours. They are involved in a sense; yes.

Mr. GRAY. All of these navies are mobilized and are ready to go into war for offensive or defensive purposes?

Secretary DANIELS. Yes.

Mr. GRAY. At this time every gunner and every man is at his post waiting, ready for a summons to be called into battle?

Secretary DANIELS. Yes; they are ready.

Mr. TALBOTT. Please tell us, Mr. Secretary, why they do not have an engagement.

Secretary DANIELS. That would be very difficult.

Mr. GRAY. Is it not a fact that great naval battles are now imminent and pending—right now?

Secretary DANIELS. I would not say they are imminent and pending. I would say that the fleets are mobilized. The war has been going on for a long time. There have been no great engagements in European waters.

Mr. GRAY. Did I understand you to say that there would not be any naval engagements?

Secretary DANIELS. I did not say that.

Mr. GRAY. You do not know when they will occur or with what results?

Secretary DANIELS. That question is too hard for me. I do not think anybody knows.

Mr. GRAY. But you do know that all the great navies of the world are involved—that they are mobilized—and you do know that every man is at his place waiting for the summons?

Secretary DANIELS. That is generally understood.

Mr. GRAY. Is it not plain that under these circumstances a battle will come sooner and more certain than if they were not mobilized and if the gunners were not at their posts?

Secretary DANIELS. On the contrary, it may be the fact that each nation knows the other is ready and waiting that the moment may not come.

Mr. GRAY. Would you say that there will not be any naval battle, or they are less probable than in peace?

Secretary DANIELS. No.

Mr. GRAY. I mean any naval battle in the near future?

Secretary DANIELS. No; I would not say that. I would say that it is beyond mortal man to know.

Mr. KELLEY. When both sides are ready there will be one?

Why should we attempt to fix, specify, and prescribe now the character and types of ships to be begun and built in the future, when we are in the midst of the most wonderful age of discovery, invention, and development, and in which changes are coming more swiftly and rapidly than in all the history of the world, and especially relative to naval warfare? These matters were likewise considered by the Naval Affairs Committee recommending against the five-year program, as appears on pages 3775 and 3776 of said hearings, as follows:

Mr. GRAY. There is likely to be one at any time. Is it not true also that we are in the midst of wonderful changes and rapid development, the most wonderful discoveries and inventions in the history of the world, and that a great naval battle is likely to come at any time?

Secretary DANIELS. Yes.

Mr. GRAY. Right in the midst of the most wonderful age of advancement, invention, and mechanical science?

Secretary DANIELS. That is true.

Mr. GRAY. We are now in the midst of the most wonderful development, and there never was an age in the history of the world when there were more rapid changes than are now taking place?

Secretary DANIELS. That is true.

Mr. GRAY. And we are right in the midst of wonderful discoveries and developments with regard to the submarine, as to attacks under water?

Secretary DANIELS. That is a new phase of modern warfare.

Mr. GRAY. That is being developed every day?

Secretary DANIELS. Yes.

Mr. GRAY. We are also in the midst of discoveries and inventions in the construction of boats to repel such an attack, are we not?

Secretary DANIELS. Yes; every time there is an offensive there is some defensive discovered.

Mr. GRAY. Then, too, we are in the midst of a wonderful age of development and progress with regard to aeroplanes, are we not?

Secretary DANIELS. Just beginning.

Mr. GRAY. We do not know what those developments will be? At this time we have no way of predicting what the future will bring forth with respect to developments in aeroplanes?

Secretary DANIELS. We can not prophesy accurately.

Mr. GRAY. We do not know what the developments will be to resist an attack by aeroplanes on battleships?

Secretary DANIELS. We know they will improve all the time.

Mr. GRAY. But if there should be a great naval battle, and aeroplanes should be brought into play, we do not know what part they would be able to play in such an engagement?

Secretary DANIELS. We know a few things. We know they would play a great part in scouting.

Mr. GRAY. But we are in embryo at this time in the development and progress and invention in these things?

Secretary DANIELS. I think we are in the dawn of it.

Mr. GRAY. And we do not know what effect wireless communication will have on a naval battle, with the ability to communicate with a battleship at a distant point at sea?

Secretary DANIELS. We have learned much about wireless communication.

Mr. GRAY. But we do not know the full possibilities of it—what effect it may have on a naval engagement?

Secretary DANIELS. We know enough about it to know that it will have a very great effect.

Mr. GRAY. Is it not probable that we will know more about that in the very near future?

Secretary DANIELS. Yes; undoubtedly we will know more and more.

Mr. GRAY. We are also in the midst of great discoveries and development in electricity as applied in mechanical science, are we not?

Secretary DANIELS. Undoubtedly.

Mr. GRAY. Also electric light, as that is applied at sea—the searchlight; how far it can be made to penetrate the darkness from aeroplanes, and to discover vessels at sea; that is also in process of discovery and development, is it not?

Secretary DANIELS. Yes; we are installing new and stronger ones at this time.

Mr. GRAY. And we will continue to progress; this is the age of discovery and development and invention, independent of war; but, in addition to that, we are right in the midst of a great world war, where all the great navies of the world are engaged, mobilized, ready to fight, with men at their guns, and which has the effect to hasten these developments, and make them come quicker and faster; is not that true?

Secretary DANIELS. Certainly.

On October 12, 1915, the General Board of the Navy submitted the five-year building program to the Secretary of the Navy. This program had been most carefully prepared from all available data at that time and represented the consensus of expert opinion and the best judgment of high officials of the Navy, as shown on pages 3776 and 3777 of said hearings, as follows:

Mr. GRAY. I would like to call your attention here to a program, on page 7 of your report—the five-year program made October 12, 1915. I take it that it is true, is it not, that this program was fairly and fully considered before it was adopted?

Secretary DANIELS. It was given great consideration.

Mr. GRAY. It was given great consideration?

Secretary DANIELS. Yes.

Mr. GRAY. I take it that it was the result of the best judgment and counsel and advice that was possible to secure at that time?

Secretary DANIELS. It was.

Mr. GRAY. I take it that what you have specified in this five-year program was generally agreed upon in the Navy Department by the officers and experts?

Secretary DANIELS. Of course, if you will look in my report, Appendix A and Appendix B, you will find that the recommendation of the General Board——

Mr. GRAY (interposing). Oh yes; I understand the recommendation of the General Board; that is, that they proposed a 10-year program, but when they could not get that, then this 5-year program was what you all generally agreed upon and acquiesced in?

Secretary DANIELS. The General Board wished a larger program than I recommended.

Mr. GRAY. I understand, but when they could not get the larger program, and had to take the 5-year program—in other words, when it was known that you would not recommend a 10-year program——

Mr. KELLEY (interposing). The Secretary was about to say that the General Board made another program—a five-year program.

Secretary DANIELS. Yes; the General Board made a five-year program, in which they recommended that the first year we build four dreadnaught and three battle cruisers. I recommended two dreadnaughts and two battle cruisers; and they recommended a certain number of submarines, which I increased.

Mr. GRAY. Yes; I understand that, Mr. Secretary.

Secretary DANIELS. You could not say that it was generally agreed upon by the officers.

Mr. GRAY. But for the things that you did specify, and for the time you did specify, that was generally agreed upon?

Mr. BROWNING. Where do you get the idea that the General Board recommended a 10-year program?

Mr. BUTLER. He is right.

Mr. KELLEY. 1925.

Mr. BROWNING. Oh, I understand. I wanted to know why you said "a 10-year program."

Mr. GRAY. I want to be understood about that, Mr. Secretary, after you had reached the conclusion that you would not build this larger program, it was then a question as to what you would specify in a smaller program?

Secretary DANIELS. Yes; we made this program upon the basis of $500,000,000 for new construction for five years.

Mr. GRAY. And when you specified what you would build, that was pretty generally agreed upon—that you were to be confined to $500,000,000, was it not?

Secretary DANIELS. I think you gentlemen have heard enough testimony before this committee to understand that no particular program was generally agreed upon.

Mr. GRAY. Did you recommend this program over the protest of the Navy Department, and the Army and Navy men?

Secretary DANIELS. Oh, no; this was the program of the Navy Department.

Mr. GRAY. Then, as a general proposition, a majority of the Navy favored this program at that time?

Secretary DANIELS. I took no referendum. I would not say that.

Mr. GRAY. Would you say that you recommended this program over the protest of the Navy Department?

Secretary DANIELS. No, I did not; and this program was made out in the Navy Department in concert with the responsible officers, on the basis of $500,000,000 for five years.

Mr. GRAY. I do not know, Mr. Secretary, whether I have been able to make myself understood by you or not. Of course, I know that there was no general agreement as to this program; that they all wanted a larger program, and that there was no unanimous agreement about any program; but after you had settled upon $500,000,000 for five years this program then represented, did it not, the consensus of opinion and the best judgment of the Navy Department at that time?

Secretary DANIELS. It did.

During the hearings of the Naval Affairs Committee and five months after the preparation of this program, many able, experienced, and efficient naval officers and experts in the line in which they testified, including the Secretary of the Navy, gave evidence, based upon new developments and observations relative to naval operations in the European war, showing that the program required to be materially changed and modified as to the relative number of different types of fighting ships, the relative importance of speed, armor protection, and heavy guns, the character of submarines, their basis of operations, and scope of action, including the aeroplane service and going to many vital elements of naval construction. Thus, the many important changes suggested in five months after the preparation of the program by reason of new developments observed in the progress of the European war, lead to the consideration of the changes which might be required in five years under such conditions as will appear on pages 3777 to 3782, inclusive, of said hearings and from which I quote the following:

Mr. GRAY. It has only been five months since this program was inaugurated and you have suggested some changes yourself?

Secretary DANIELS. I have.

Mr. GRAY. And a majority of the naval officers who have come before this committee have suggested some changes in regard to the relative importance of battle cruisers and battleships. Then the head of the submarine service has been here, and he has said that we should build only one type of submarine.

Secretary DANIELS. Yes; he has.

* * * * * * *

Mr. GRAY. Mr. Secretary, this program has been in existence about five months, and you have come to the conclusion that it is necessary to make these alterations and changes. Now, what changes and alterations do you think it would be necessary to make in five years? If you have come to this conclusion in five months, how many changes and alterations do you think you would have to make in five years, when the war is over and you have had the benefit of all the experience of that war—the trials and the tests and the development of those navies resulting?

Secretary DANIELS. I have made no change at all in the ships, but only in the power and the size.

Mr. GRAY. I understand. I am not saying that you have reversed yourself.

Secretary DANIELS. I will say this: We shall make just as many changes as experience shows we ought to make.

Mr. GRAY. But you would not say, if you have made these changes in five months, by reason of things that have come up, how many changes you would have to make in five years—after the war—when probably a great naval battle shall have been fought, and there shall have been a great invention and discovery and progress? You would not undertake to say now that you would not make any changes in this program, as to the relative importance of the battleship and battle cruiser or other craft?

Secretary DANIELS. Of course I would not say that. We change when we learn.

Why should we specify ships so long in advance of the time of their building and attempt to prescribe their character and types when many of the ships we authorize now can not be and will not be begun and are not contemplated to be begun for many months or years in the future, and until after great sea battles may be fought and we can avail ourselves of actual trials and tests in war to guide us in Navy building, and which we can authorize after we have availed ourselves of such new inventions, discoveries, and developments, and before the dates for building contemplated by the program? This was another phase of the five-year building program which was considered by the committee, as will appear on pages 3783 to 3786, inclusive, of said hearings, and from which I quote the following:

Mr. GRAY. In 1917 you specify here two battleships and two battle cruisers. You will begin on those cruisers as soon as you get the authorization?

Secretary DANIELS. What is that?

Mr. GRAY. I say you will begin on those just as soon after they are authorized as you can?

Secretary DANIELS. Certainly.

Mr. GRAY. In 1918 you are specifying here two dreadnaughts, and not specifying any battle cruisers, and a great many of these officers say that you will have to have the most of them the first year, and you will not begin building those vessels or other craft provided for in 1918 for a year hence, will you?

Secretary DANIELS. No.

Mr. GRAY. In 1919 you specify here two dreadnaughts and one battle cruiser. You will not begin the building of those ships, any of them, until two years after this year, will you?

Secretary DANIELS. As soon after the authorization as we can.

Mr. GRAY. It is provided here that you are calling for money that is not forthcoming until 1919?

Secretary DANIELS. Yes.

Mr. GRAY. And that is two years from now?

Secretary DANIELS. Yes.

Mr. GRAY. Coming to 1920, you have two more battle cruisers and two dreadnaughts and other craft which you will not begin to build until three years from now, and in 1921 you have more craft which you will not begin for four years. Now, do you think you will know more about what to build or what to provide next year for 1918 than you do now?

Secretary DANIELS. I think we know now that we must have ships of the largest size and battle cruisers of the fastest speed, and the only change we would have to make would be to make them larger or faster or put in new things we learn.

Mr. GRAY. I am not asking you that exactly. I wish to ask you if you think you know better now what to authorize and what to provide for than you will over a year hence, when the great European war may have been terminated and a great naval battle may have been fought, and you will have the benefit of the practical experience and result of those events?

Secretary DANIELS. You make the authorization; it is still within the power of Congress to change the types, if they will appropriate the money, if we learn something new.

Mr. GRAY. We might repudiate this whole thing, but the question I wish to ask is: Do we know better now what to build than we will one year hence? Would you say that?

Secretary DANIELS. I would not just like to say that we know better now.

We are told here to-day that warships authorized a year ago are held back in their construction awaiting observations of developments in the European war. Then how can we justify the authorization of war ships far in advance, pending the most crucial period of the world's history in such developments, when great sea battles are imminent, and when we can authorize their construction and specify their types and character and relative number for most effective operations before the time of their contemplated building?

Let our military policy be defense—full, adequate, and complete defense—not only in outward show and claim but declared in acts and deeds, and in all our preparations and accomplishments for war—defense so clear, so open, so apparent, and conclusive to the world that none can mistake our object or distrust our purpose or intent.

Let us renounce rivalry looking to world power in war and the control of the seas, the great highway of the nations, as against their common right upon the world for travel and transportation.

And the Navy we require for such full, complete, and adequate defense, let us authorize now only what we are to build now for the coming year, and then let us authorize again each year for the future in the light of the most modern inventions and discoveries, and in view of the latest developments to be observed from the operations of the greatest navies in the world engaged in war, to make our Navy most effective and impregnable for defense.

And let us realize that we stand in the midst of a world crisis, a crisis in the world's civilization, a crisis for the human race and the inhabitants of the earth. Let us realize that what we do here, the course we take to-day, will determine the future trend of civilization and human affairs.

While preparing for an adequate defense let us not by our example or rival course swing the wavering pendulum of human progress backward to barbarous war. But let us preserve our advanced leadership before the world, and thus, while maintaining our high station among the nations of the earth, lead on to the goal of peace and the planes of a higher and more exalted civilization.

Mr. KITCHIN. Mr. Speaker, I yield five minutes to the gentleman from Pennsylvania [Mr. BAILEY].

Mr. BAILEY. Mr. Speaker, it is perhaps idle to protest further against the orgy of militarist extravagance which is reaching its climax in this stupendous bill appropriating for the Navy for the fiscal year 1917 the astounding total of $315,800,000. This exceeds the amount carried in the measure as it passed the House by more than $46,000,000. It exceeds the amount appropriated for the fiscal year 1916 by $166,000,000. It exceeds the greatest amount ever appropriated by Great Britain in peace time by $78,000,000 and the largest made by her in war time by $55,000,000—authorizations, $488,000,000.

Is there any possible reason or excuse for this smashing raid on the Public Treasury? I have listened to most of the arguments which have been made in support of this measure. Not a little time has been devoted to the hearings held by the committees which had it in charge. But in no instance have I seen a valid reason advanced for the staggering program which this measure embodies. The whole thing is predicated on a possibility. Probabilities are disregarded. They are not even allowed a hearing. The program is prepared exclusively with reference to remote contingencies which are about as likely to materialize as a volcanic eruption in the Mississippi Valley or a flood in the Sahara.

Of course, it is possible for almost anything to happen. It were possible for this Capitol to be razed by an earthquake. It were possible for a tidal wave to sweep up the Potomac and engulf the White House and the Treasury. But who would think of making provision against contingencies so remote and so fantastically improbable? Certainly we may have a war on our hands at the conclusion of the world war raging across the Atlantic.

Britain or Germany or France or Italy or Russia may hobble over on crutches or sweep over in wheel chairs to wreak a dreadful vengeance upon us for fancied wrongs. Japan may likewise divert her attention from the business in hand, that of working out her destiny in the Orient, for the joy of crossing 6,000 miles of salt water to engage this powerful Nation in an argument over our interpretation of her Monroe doctrine. But does any sane man believe that anything of this sort is more likely to happen than the reversal of the seasons or the failure of recurrent tides? Every consideration of reason and human probability argues against the fact or the assumption upon which this amazing bill is founded. It has no solid base in logic or sound inference. It stands alone on the violent ascription to other nations of folly more unbelievable than our own.

In this connection, Mr. Speaker, I desire to reproduce some figures showing the expenditures of the various naval powers of the world for naval purposes since the opening of the twentieth century. They reveal the fact that we have been striking a remarkable pace in such expenditures. As I have already pointed out, this bill carries more money than Great Britain has ever devoted to her navy, either in war or in peace. It tops Germany, France, Japan, Italy, and Russia; and is almost three times greater than Germany spent on her navy in 1914–15. Here, first of all, are some comparative figures:

Comparative appropriations for "defense."

Great Britain makes largest navy appropriation in peace times (1913)	$237, 530, 495
Ditto for war times (1915)	260, 714, 275
Largest naval appropriation by United States in peace times (1916)	149, 818, 563
Ditto for war times (1899)	119, 921, 780

And here let me reproduce the figures before alluded to. They show the total expenditures for naval purposes by Great Britain, the United States, Germany, France, Russia, Italy, and Japan during a series of years beginning with 1900. They show that with the single exception of Great Britain our outlay for naval purposes has exceeded that of any other naval power in the world.

Total naval expenditures by principal naval powers.

Fiscal year—	Great Britain (Apr. 1 to Mar. 31).	United States (July 1 to June 30).	Germany (April to March).	France (January to December).
1900–1901	$145,792,850	$61,721,695	$37,173,074	$72,683,180
1901–2	150,569,190	68,438,301	46,315,800	67,079,011
1902–3	150,679,328	82,977,641	48,818,700	59,217,558
1903–4	173,548,058	104,126,192	50,544,000	59,740,222
1904–5	179,138,049	116,655,826	49,110,300	60,178,623
1905–6	161,117,947	109,725,050	54,918,000	61,565,779
1906–7	152,954,342	98,392,144	58,344,300	59,514,296
1907–8	151,880,617	117,353,474	69,133,500	60,685,813
1908–9	156,401,161	120,421,579	80,737,626	62,194,916
1909–10	181,936,341	122,247,365	95,047,820	64,899,589
1910–11	202,056,258	111,791,980	103,302,773	74,102,439
1911–12	211,596,296	133,550,071	107,178,480	80,371,109
1912–13	224,443,296	129,787,233	109,989,096	81,092,832
1913–14	237,530,459	136,858,301	112,091,125	90,164,625
1914–15	260,714,275	141,872,786	113,903,329	123,828,872

Fiscal year—	Russia (January to December).	Italy (July 1 to June 30).	Japan (April to March).	Total.
1900–1901	$42,101,212	$23,829,206	.....	.....
1901–2	45,488,462	25,875,532	$21,373,054	$423,140,250
1902–3	50,769,465	23,522,400	17,654,528	433,639,620
1903–4	60,018,895	23,522,400	17,553,279	489,033,046
1904–5	58,070,543	24,300,000	10,018,024	497,477,365
1905–6	60,228,444	24,494,400	11,378,203	483,427,831
1906–7	60,703,557	25,865,668	30,072,061	485,846,368
1907–8	43,012,166	27,516,454	35,124,346	504,706,370
1908–9	49,682,482	30,453,697	39,347,332	539,238,793
1909–10	58,059,040	31,812,885	35,005,719	589,008,759
1910–11	46,520,465	40,595,204	36,889,158	615,258,277
1911–12	56,680,915	40,780,987	42,944,329	673,111,187
1912–13	82,019,633	41,893,420	46,510,216	716,335,726
1913–14	117,508,657	49,550,147	48,105,152	791,808,466
1914–15	128,954,733	56,920,440	69,111,653	895,396,088

Yet in the face of this amazing record the candidate of the superjingoes has the unparalleled effrontery to go before the country with a denunciation of the present program for its "pitiful" inadequacy. And gentlemen on the other side of the aisle have been echoing and will continue to echo the sublimated jingoism of their nominee for the Presidency. They will not cease to spread among the people the alarms they profess to feel. And in the meanwhile the patriots for profit will proceed with the capitalization of the stupendous folly to which we are committing our party and the American people. Bethlehem Steel and Amalgamated Copper and Du Pont Powder will continue to fatten their fortunate holders.

But how will it be with the plain people? What will be their verdict when returning judgment unswayed by fear shall sit upon this unspeakable extravagance, this barbaric relapse to the ethics of the jungle? I do not know how it may be with the plain people in general. But, Mr. Speaker, unless my information is strangely misleading and unless those who write to me do so for the purpose of concealing their real thought regarding the militarist propaganda which we are here ratifying and making effective there will be a day of bitter and relentless reprisal, a day when our jingo friends will call for the mountains to fall upon and hide them. [Applause on the Democratic side.]

Mr. KITCHIN. Mr. Speaker, I yield five minutes to the gentleman from Wisconsin, Mr. LENROOT.

Mr. LENROOT. Mr. Speaker, I very much regret that I can not support the building program contained in the Senate amendment, for I realize full well that a vote "no" will be misunderstood by many and misrepresented by others. On the 29th of May, when this bill was originally under discussion, I used this language:

> I believe it is our duty to make the utmost preparation possible at this time, not as a naval policy for the future, for we are not in any position to fix our future naval policy now until we know what conditions are abroad, but we should take every precaution possible to prepare for the conditions that may flow from this European war, and that is to build such dreadnaughts and battle cruisers as it is possible to build with our present yards and facilities, and to build them just as quickly as possible.

Mr. Speaker, that was my position then. That is my position to-day, and if that was what is involved in the Senate amendment, I should very gladly vote for it, but it goes very much further than that. Members will remember that the Republican proposition then was for eight capital ships. Members will realize also that the solid Democratic side, with a few exceptions, voted against that proposition, upon the ground that it was excessive. In this bill we have not 8 capital ships but we have 16 capital ships, which is double the number that the Republican minority proposed about two months ago. If they could be built now I would be disposed to vote for it, but they not only can not be built, but the bill itself does not contemplate that they shall be, for it expressly provides that of the 10 battleships authorized only 4 shall be built as soon as practicable and 6 of them shall be begun before 1920, and of the 6 battle cruisers that are authorized, 4 shall be begun as soon as practicable and the other 2 shall be begun before 1920. Mr. Speaker, no Member of this Congress, no man in the United States to-day, whatever his experience may be, is in a position now to fix a naval policy for the future. A proper naval policy for the United States in the future will depend wholly upon what the results of the European war may be, but because of the uncertainties that are about us now, of what may result from this European war, my position has been and is to-day that we ought to make the utmost preparation now as against those contingencies and uncertainties, but we ought to leave to the next Congress or to the Congress that follows the close of the European war the determination of a future naval policy for the United States in time of peace.

Why should this Congress undertake to authorize battleships that are not to be begun for three years? Why should not that be left to the Congresses to follow us? Will not they be as competent as ourselves to determine that question? Ah, Mr. Speaker, there is just one reason and only one for this authorization for the future and that is to use the sentiment that is now pervading the country for a very large Navy and carry it through now because of the fear that at the close of this European war conditions will be such that the sentiment of the United States will be that so large a Navy as is now contemplated by those behind this proposition will not be necessary and will not be desirable.

Mr. BORLAND. Will the gentleman yield?

Mr. LENROOT. I will.

Mr. BORLAND. Does the gentleman think that anything in the way of a satisfactory Navy can be built up without a continuing policy?

Mr. LENROOT. I certainly do.

Mr. BORLAND. Not anything that will anticipate in some degree——

Mr. LENROOT. I know that we can build now as many ships as our facilities will permit, and I believe we should continue that as long as this European war exists. There is

nothing to prevent us carrying it on in that period under those conditions.

Mr. BORLAND. Has not that been because of our having a very expensive Navy but not an adequate Navy?

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. KITCHIN. I yield the gentleman two minutes more.

Mr. LENROOT. I want to say to the gentleman that he is entirely mistaken, and the reason for an inadequate Navy in the past has not been because the program was not adopted 10 years ago fixing the authorization during years to come. The burden was upon each Congress that had its own responsibility for the authorization of appropriations year by year. Now, in conclusion, I want to call attention to one thing. When this Republican program of eight capital ships was proposed it received a negative vote upon the Democratic side of 174, and ayes only 15. Now, we have a proposition exactly double of what the Republican program was, and I am curious to know what the Democratic side of this House will do now. You could not swallow the Republican proposition because you said it was excessive. Now, I imagine that most of you are going to swallow a proposition just twice as excessive as the Republicans proposed. [Applause on the Republican side.] Mr. Speaker, the President has pleaded for nonpartisanship upon the preparedness question. We ought to have it, and if you would forget partisanship on this question you would let this go back to conference, adopt the Republican program of eight capital ships to be constructed immediately, and bring it back to the House, and the conference report would be adopted by unanimous consent. That is what nonpartisanship would do, but because you are going to be partisan you reject the Republican program and are accepting just twice as much as you two months ago said was altogether too large in the interest of the country. [Applause on the Republican side.]

Mr. KITCHIN. Mr. Speaker, I yield two minutes to the gentleman from Indiana [Mr. CULLOP].

Mr. CULLOP. Mr. Speaker, it is with a great deal of reluctance that I am going to vote for this conference report. I am not in sympathy with the proposition that it contains, but I recognize the fact that all legislation is a compromise and that this matter comes before the House at the close of the session, and there is not much else to do, as there is not sufficient time remaining before Congress adjourns to work out the measure properly. The fact that many of the ships proposed to be constructed under this measure can be converted into commercial carriers and used for commerce, and, as I believe, will be so used, is one of the factors which enables me to see my way clear to give it my support. Applying these great ships in ocean transportation to building up foreign trade, and thereby reduce ocean freight charges, and expand our commerce is ample justification for its adoption. A better time could not be found than now to introduce this innovation in our commercial affairs, and no one can give a valid objection to such a purpose. It will reduce ocean freight charges, inspire industry, and capture commerce. This policy once adopted will soon give us a merchant marine that will rival that of any country in the world. Many of these ships can be adapted to such a purpose, and by so employing them the money invested in them will be of great advantage to the country and produce great results for the American people.

I am unable to understand those men who are advocating a large Army and a large Navy, for what valid reason I think none of them can give, or, if they can, they have so far failed to do so. There is not a nation on the face of the earth to-day that could attack this Nation successfully. This fact is apparent to all, more so to-day than ever before in our entire history, and it is further apparent none want to do so, for the reason they are not in either a financial or physical condition to do so. Because of the great war which has been raging in Europe for the last two years every great and powerful country in continental Europe is practically exhausted in everything necessary to prosecute a war successfully with any great country, and hence is impotent to engage in a contest with us. The men qualified for military service are being killed and crippled in their warfare, their treasury is exhausted, and bankruptcy and repudiation confronts them. Men and money are absolutely essential to conduct war. Of these they now have neither sufficient for such an undertaking, and hence we are in no danger. No one will deny this. If anyone tried, how could he? What reason could he give and what facts could he produce to sustain it? This great preparation propaganda, then, must emanate from some other reason, with some other purpose in view. Be that a good or bad one, we can employ the result to great advantage by using them for commercial purposes, and will do so. This will assist the American people not in warfare but in peaceful pursuits—a noble purpose. Dangers of war nowhere threaten us, and that idea should be dispelled. Conditions throughout the world furnish ample proof of this; and if any did threaten, dangers are not imminent, because as conditions now exist we are abundantly able to not only repulse any attack but prevent the landing of a foreign foe.

Let us not mistake ourselves about conditions in this respect of foreign nations, but consider the real conditions and be not deceived over imaginary ones.

There is not a nation on the face of the earth that has facilities to land in this country an army of 100,000 men. They have not the transports to haul them to this country. They have no place to land them if we resist in this country, and they have not the men to spare to put in the service. The Army we have now in the field is amply sufficient to keep any nation or combination of nations in the world from landing at any seaport on either our western or our eastern coasts. If they were to undertake to land in this country an army to-day of 40,000 men, there is not a nation on earth that has enough transports to land that army here, or the ships to carry their supplies. If they attempted to land an army of 40,000 men from any country on the earth here to-day it would take more than 130 transports to convey them and their supplies, and there is not a nation on earth that has that many transports to be engaged for any such purpose. Now, what could an army of that size do? Before it could set foot on our shores we could drown them in the ocean. If landed, it would be helpless, and before it could be reenforced we could destroy it.

Mr. FARR. Will the gentleman yield?

Mr. CULLOP. And what could an army of 40,000 men do in the United States of America?

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. KITCHIN. I will yield the gentleman two minutes additional for his sympathy, not for his vote.

Mr. CULLOP. I thank the gentleman. There is not a place in which they could set their feet upon dry land before our forces would annihilate every one of them. There is not a city they could bombard in the United States, because they could not get within the distance to do so with the Navy we now have to-day to protect such city from such an attack.

Mr. FARR. Will the gentleman yield at that point?

Mr. CULLOP. I have not the time; I have only two minutes.

The SPEAKER pro tempore. The gentleman declines to yield.

Mr. CULLOP. We should not be scared, scared out of our reason, by the war cry, the danger signals which have been hoisted by the people who expect to earn enormous profits from a great preparedness program. For years they have heralded all over the country, from house to house, dangers of attack from foreign foes. It has been a well conceived and a wisely arranged program; they made it do overtime, and have used every device that ingenuity could invent to bring about its adoption. From its adoption enormous profits will be derived they hope and their riches will multiply. They would precipitate war, if they could. They place the dollar above human life. They would have everybody go but themselves. They want war, but they want others to do the fighting, and as the result of war they will pile up fortunes and enjoy ease. Wretched, indeed, must be the man whose avarice inspires such an unholy purpose. But the truth exists, and with the mask torn off exposes the devilish purpose. Aye, to employ the ships for commercial purposes does not meet their approbation or serve their selfish designs. They are opposed to employing them for such useful purposes, and would prefer to see them rot in our harbors in order that they might duplicate the orders. But the President of these United States believes in peace and the employment of our facilities for peaceful pursuit and the extension of our commerce, and he will have them employed to promote our commerce and building up our merchant marine. He is not a favorite among the special-privilege class, but has dedicated himself to the service of the people and they place their reliance in him to employ every facility in his power to advance the welfare of the people. He will be returned to his great office for another term at the coming election, and the people know he will continue the great work he has begun, so that whatever is done will redound to their benefit. He has done more than any other President to make America great and powerful, to elevate the standard of Americanism, and to open the door of opportunity for all the people. He will make this work, when completed, serve their interest and spread the prosperity the country now so abundantly enjoys.

If it were not for the purpose for which these ships can be employed—and, in my judgment, will be—and the manner pro-

vided for the raising of the money to pay for this preparedness that has been mapped out I would never give it my support; but the men who have been crying for great preparation in this country, thank God, are to assist in paying for it, under the new revenue bill which passed the House and will soon pass the Senate. It lays the burden for this proposition where it properly belongs. It distributes the expense correctly and enables those who have demanded preparedness to have the opportunity to pay their rightful share for it. It is a patent fact that since the revenue bill passed the House the clamor for preparedness has not been so strong as before, and many dangers then existing have disappeared, and the alarm is not so serious as before.

Now, one other proposition. Since there has been incorporated in the legislation to carry out the preparedness program the proposition to build an armor-plate plant and manufacture the Army supplies which the Government may need, the ardor of those demanding large increased armament and preparedness in this country has been dampened. They have quieted down; their fears were allayed as they saw the opportunity for large profits disappear. They started the agitation in this country for a selfish purpose and have continued it, but now they have less grave fears of dangers which before they thought more ominous. Now they are not so enthusiastic for the proposition. Gentlemen, when you come to pay for this proposition, when you levy the taxes as proposed by the new revenue measure, it will dampen the enthusiasm of the men who have been loudest in the cry for great preparedness in this country and they will be less apprehensive of dangers from foreign attacks. These dangers do not now and never have existed save only in the imaginations of those who hoped to realize enormous profits by exploiting the people while they had them scared. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Indiana has expired.

Mr. PADGETT. Mr. Speaker, I yield to the gentleman from Arkansas [Mr. CARAWAY].

The SPEAKER pro tempore. The gentleman from Arkansas is recognized.

Mr. CARAWAY. Mr. Speaker, the country demands preparedness. Answering this demand we are making an appropriation of nearly $700,000,000 to organize and equip an army and build a navy. This is more than three times as much as this country ever authorized at one time for this purpose in times of peace. It is more than five times as much as Germany ever spent in one year on her army and navy, except during actual war. It is four times as much as the cost of the English Army and her great navy in the same length of time under similar circumstances. Shall this vast sum give to us the finest army this continent ever saw in time of peace, and the greatest navy that ever floated beneath the American flag? The answer rests with us.

Mr. Speaker, money will buy guns and ammunitions. It will build and equip ships, but it can not fire these guns nor sail these ships. Men alone can do these things. It can provide the means but not utilize them. If all this vast outlay for national defense, all these millions of dollars wrung from the sweating brows of the toiling masses of this land, is to be a source of strength, we must enlist men to handle these weapons that these appropriations will provide. They must be men who serve the country because they love it, who march beneath the flag because they honor it. They must understand and revere the principles written into every fold of the flag. These money can not buy. They must come from the intelligent, patriotic, and Christian homes of this country, and must come because they want to serve their country. We have so far been unable to fill up the ranks of our Army as it was authorized before this contemplated increase. We have been unable in times of peace to recruit 100,000 men, as authorized by law previous to the enactment approved June 3 of this year. We have never been able to secure men enough to man the ships of our Navy already completed. Unless then we shall be able to do what heretofore we have been unable to accomplish these appropriations will be in vain, these untold millions spent without advantage. What changed conditions now warrant the belief, if we entertain it, that we shall be able to succeed? None. And we will not succeed until we change the conditions under which American young men are asked to give up their homes, their prospects of success in civil life, surrender all these and dedicate the flower of their youth to their country's service. We should make service in the Army or Navy a badge of honor and not one of social degradation. The vast artificial gulf that separates the enlisted man from the commissioned officer must be bridged. It not infrequently happens that in both breeding and instinct the enlisted man is much more the gentleman than the officer that spurns social contact with him. Position, tradition, and shoulder straps do not make the gentleman, nor lack of these the fellow, but it does keep out of the Army and Navy hundreds of young men of character, standing, and worth. These will never in times of peace enter either of these establishments as long as these artificial and despicable conditions remain. You can not change these conditions by piling up appropriations.

PATRIOTISM NOT BOUGHT WITH GOLD.

Money has never bought patriotic service and never can. The Northern States erred in thus thinking during the closing years of the War between the States. They offered large sums to procure enlistments, and they thereby developed an altogether new species, known as the "bounty jumper." Ancient countries tried to supplant love of country with lust for gold, and brought into existence the soldier of fortune, soldiers that followed any flag for hire, betrayed any country for gold. Patriotism, like religion and love, is found not in the auction rooms nor offers its wares in the public marts. It serves because it loves, and never that gain may reward its sacrifices. Let us make the law recognize God's only patent of nobility—character and worth. These should be the sole tests. Artificial rank and assumption should not longer be permitted to keep from the ranks of our armies and the decks of our ships the best blood of this Republic.

ENLISTMENTS IN TIMES OF PEACE TO BE CONFINED TO THE WHITE RACE.

I recently introduced a bill in this House, H. R. 17183, as one step toward making the condition of the enlisted man one that will be coveted by young men of character and standing. If made a law, it will tend to make the service more inviting. It will at least confine enlistments to the best blood that ever flowed in human veins—the blood of the white race.

In doing this I was not moved by any prejudice against the negroes. I have lived among them all my life, and after me my children will continue to live as I have done, among them, if at all, in peace. I never sought from one of them an advantage, nor an hour of service unrewarded.

THE SOUTH THE NEGRO'S BEST FRIEND.

I am proud to say that in my country a negro can come into our courts with full assurance that his rights will be respected, his every interest guarded. We deal with him honestly, justly, without hypocrisy or deceit. We appreciate his virtues and recognize his weakness. We accord him his rights and maintain our own. We do not permit him to make the laws or sit as arbiter in their enforcement, and, therefore, if for no other reason, since he sits not in the place of the lawmaker, nor wears the ermine of the judge, we decline to put into his hands the sword of our defense. The negro is temperamentally unfit to wield authority.

THE NEGRO UNFIT TO BEAR ARMS.

When armed and assembled the blood of his forefathers forges to the front, and he becomes a menace to the lives and liberties of those he is sworn to defend. I do not deny that under certain circumstances, and in the hands of strong white officers, they may show many virtues of the common soldier, but we can not afford to arm in this country any body of our citizens who can not be intrusted to bear arms except under surveillance. The negro can not be so trusted. Many instances bear testimony to this. A Republican president, nominated by negro delegates, elected by negro votes, confessed this to be true, and exercising the power and authority granted him under the Constitution as Commander in Chief of the Army, discharged a battalion of negro soldiers with dishonor for assassinating white women and children at Brownsville, Tex. A negro regiment has always been a source of irritation and danger wherever it has been stationed. They have at times not only dishonored their country's uniform, but used their country's arms to destroy their fellow citizens simply because they belong to a different race. Recently a mob of negro soldiers of the National Guards of the State of Illinois undertook to murder in a Texas town an unarmed white man. They could not be driven away until they were shot down by the white soldiers. This proves not that these negroes who committed this outrage were worse than others, but that the negro, from temperament, from racial hatreds and prejudices can never be trusted with arms in his hands in times of peace.

NEGROES NEVER FOUNDED A GOVERNMENT NOR MAINTAINED ONE.

No country ruled by negroes has ever lived in peace or risen in civilization. The only negro republic in this hemisphere changes its ruler by the sword, and not the ballot, and only one of its presidents, I believe, in 50 years has escaped the assassin's hand. What history and experience have taught us we should be unwise if we do not heed.

These sentiments are not aroused because I happen to have been born in the South and all my sympathies are with her people and her institutions. It does not arise from any recent experience or observation. Two hundred and fifty years of

intimate contact, friendly and sympathetic, taught the people of our section the negro character as it is understood by no other. When war's bloody besom laid waste our fields and our homes, our people refused then to arm these people in their defense, and the negro so long as he was not armed and incited remained the most law abiding, peaceable, and faithful of human beings. No Southern woman unprotected and helpless, no child left defenseless was wronged by any member of that race. Though their liberties were in the balance in the struggle then being waged between the two sections of this country; they committed no outrages, but when those who strove with us as to the correct interpretation of the Constitution placed in the hands of the liberated slaves weapons of warfare, they created not soldiers, but brought into the field wild beasts. These spared neither woman nor child, the weak nor the strong, the church nor the home. All went down before their awakened savagery.

LESSONS OF RECONSTRUCTION.

It was urged then that the South should also arm the negro. It was pointed out that she had her last man under arms. Her ranks were no longer filled with the young and strong. These had gone down beneath the fiery scourge of war. They slept in unmarked graves on every hilltop, and every vale was a burial place. In their stead stood the old and feeble, or the very young and helpless, men so old that they fell by the wayside as they marched, or boys so young that they played with their toys by the campfires. One of these boys was found dead at Drury's Bluff in 1864, and as he lay dead on the field he had clasped in one hand an empty musket and in the other marbles and a top, the weapons of war and the playthings of a child. This necessity of enlisting children so oppressed Jefferson Davis that he cried out in anguish that "We are grinding the very seed corn of the Confederacy," but under all these circumstances our fathers after careful deliberation refused in the interest of humanity and civilization to arm the negro, not because they did not realize the desperateness of the struggle they waged, but because they knew the temperament and character of the negro race, and they would not inject barbarism into civil strife. Reconstruction but vindicated this judgment, for when all the negroes were armed war's horrors were soon forgotten in this worse than war that followed. What his temperament and character then was it is now, and the reasons that restrained them from using him as a soldier should restrain us now. Even granted for the sake of argument that the negro soldier does make a reasonably good common soldier, it is apparent to you and to me that what Lincoln said, "That a house divided against itself can not stand"; "That the country can not remain half free and half slave," applies with equal force to our Army and our Navy, which can not be half white and half black. Either the entire enlisted personnel must be white or it must be black.

SEGREGATION NOW PRACTICED IN THE ARMY.

We have recognized in some respect this fact, because negroes now are segregated into regiments wholly black. If it were not a necessity I take it that it would not have been done, and if experience has taught us that white men and negro men can not and will not serve harmoniously in a common regiment, why expect them to serve on better terms in the same brigade? They will not do it, and in this act of segregation you but emphasize the fact that young men will not enlist—I mean young white men of good character—in the service of their country in times of peace, where that service brings them in contact with negro soldiers on terms of equality, and what is true of the Army is doubly true of the Navy, because in the Navy both white and negro sailors serve aboard the same ship, eat in the same mess hall, and sleep in the same ward. Notwithstanding the fact that we have 100,000,000 people, patriotic people, people who love their country and their country's flag, we have been unable, under the most thorough campaign of advertising, to keep in our Navy 50,000 enlisted men in time of peace, and the conditions that keep men out of the service are becoming now more accentuated every day.

We can not waive aside this issue by saying that the National Government can not recognize races nor make any distinction between the white and the black. I answer you that it has done it and is doing it at this time. It does it when it segregates into separate regiments and organizations negroes who now enlist in the Regular Army. It does it when it assigns to those regiments as commissioned officers none but white men. It has done it and does it when it refuses to educate negroes in either of the academies at West Point or Annapolis. Why, bless your heart, it does it right here in this Capital city, here where Lincoln served and died, here beneath the Goddess of Liberty which crowns the dome of this Capitol, where we now sit, even here beneath the shadows of the monument of the father of his country, negroes by law are denied the right to be entertained at white restaurants, white hotels, white theaters, and places of amusement. You build for them, even here, separate schools and deny to their children the right to attend the schools for white children. And, aye, you worship the same God within separate walls and kneel at separate altars to celebrate the death and resurrection of our Savior, and when you die you are laid to rest in separate burial grounds. Then if you refuse either to live in social contact with negroes or even be buried with them, why do you by law demand, if our sons enlist in defense of our country, they shall go on terms of equality with negroes and serve under our flag in contact with them? They will not do it. White men, laboring men, the very brawn and sinew of this country, when they organize to better their conditions and make tolerable the hours of their toil, refuse to admit into their unions negro men. Their past experiences show the negro can not be trusted to maintain not only his own rights or those of his fellow man. They have broken strikes for hire and they will betray their fellow workingmen for gold. Cities, all of them located within States that adhered to the Union when the division came between the North and the South, have sought to segregate the races and prescribe by law in which particular section either race should reside.

GOD'S HERITAGE.

Through all of our social, commercial, industrial, and professional lives runs this color line of demarcation. God implanted in our bosoms the love of virtue and justice. He gave to our brains and our hands the power and skill to rear States and build homes. He gave to them different instincts and desires, and we are but true to ourselves when we undertake to preserve in all its purity this priceless heritage. The right to bear arms has always been deemed a sacred privilege and a sacred right. All nations at all times have so regarded it. In our laws and regulations we undertake to exclude from this service all those who are weak mentally, physically, or morally.

Criminals are denied the privilege of wearing their country's uniform. It has been sought at all times and in all countries to make the uniform a badge of honor. We had as well recognize now as later that if we are to have an Army and Navy—such an Army and such a Navy as the people are demanding at our hands and such an Army and such a Navy as our country needs—we must make this service so attractive that the best blood and brawn and brain of this land will deem it a privilege to wear our country's uniform.

NO POLITICAL ISSUE.

There should be no political issue in this. The political party that refuses its support to any measure that will bring only the best of the land into our country's service is bordering dangerously near treason. That party, though it may attain a temporary advantage—because negroes vote—will not long retain the confidence nor enjoy the support of those who love more their country's flag than their party's victory. Honor and patriotism, love of country, and intelligent service are the only lamps that should guide our feet in legislation, and that party that shall forget this and seek office by the suffrage of those moved only by prejudice will soon be but a memory in this land, a hiss and a by-word in the mouths of those who love their country and their country's fame. [Applause.]

I have introduced the following bill:

A bill (H. R. 17183) to prevent the enlistment of negroes in the military service of the United States.

Be it enacted, etc., That hereafter there shall not be enlisted or reenlisted in the military service of the United States, either in the Army or Navy, any person of the negro or colored race.

SEC. 2. All laws and parts of laws in conflict herewith are hereby repealed.

Mr. PADGETT. Mr. Speaker, I will ask the gentleman from Pennsylvania [Mr. BUTLER] to use some of his time.

Mr. BUTLER. I think we have on this side yielded 15 minutes of the time given us by the chairman.

The SPEAKER pro tempore. The gentleman from North Carolina [Mr. KITCHIN] has 21 minutes remaining, the gentleman from Pennsylvania 7 minutes, and the gentleman from Tennessee [Mr. PADGETT] 18 minutes.

Mr. BUTLER. I yield five minutes to the gentleman from New York [Mr. HULBERT].

The SPEAKER pro tempore. The gentleman from New York [Mr. HULBERT] is recognized for five minutes.

Mr. HULBERT. Mr. Speaker, as I have sat here and listened to the distinguished gentlemen who have opposed the adoption of the three Senate amendments, namely, section 238, which provides for a three-year plan of construction aggregating $139,345,287, and sections 80 and 81, increasing the personnel, I have been impressed by the fact that the gentlemen who have

spoken in opposition to the increase in the Navy represent districts that are beyond the range of the guns upon the ships of any foreign navy now afloat or are likely to reach them until the navy of the sea is superseded by the navy of the air.

There have been not a few who have also emphasized the economical side of the question. Both the gentleman from North Carolina [Mr. PAGE] and the gentleman from Kansas [Mr. CAMPBELL], for instance, dwelt upon the tremendous burden which this bill would place upon the backs of the people of the country. Yet it is interesting to note that the people who bear the brunt of the expense of the Government favor the enactment of this legislation while those States who are most vociferous in their opposition contribute the least, although in other forms of legislation they receive, proportionately, the lion's share of the moneys appropriated from the Federal Treasury.

During the fiscal year ending June 30, 1915, the receipts from internal revenues in the State of Kansas were $1,101,868 and North Carolina $13,651,937 as against $76,271,908 in New York; and the income-tax collected in Kansas from corporations was $460,043 and from individuals $94,975 and in North Carolina from corporations $257,825 and from individuals $123,553, while in New York corporations paid $10,221,206 and individuals $17,417,537.

This is the second occasion that I have been a Member of a minority in the majority party. When the Philippine bill was before the House 28 Democrats, of whom I was one, voted against caucus action, made possible the defeat of the Clarke amendment and the enactment of the Jones bill with the preamble. Although denounced at that time as traitors the Democratic Party in its platform adopted at St. Louis says:

> We heartily indorse the provisions of the bill recently passed by the House of Representatives, further promoting self-government in the Philippine Islands as being in fulfillment of the policy declared by the Democratic Party in its last national platform, and we reiterate our indorsement of the purpose of ultimate independence for the Philippine Islands, expressed in the preamble of that measure.

And the Republican platform adopted at Chicago says:

> We accepted the responsibility of the islands as a duty to civilization and the Filipino people. To leave with our task half done would break our pledges, injure our prestige among nations, and imperil what has already been accomplished.
>
> We condemn the Democratic administration for its attempt to abandon the Philippines, which was prevented only by the vigorous opposition of Republican Members of Congress, aided by a few patriotic Democrats.

And the New York press, voicing the sentiment of the people of the city of New York, did not sound one discordant note in commending their action.

When the naval appropriation bill came before the House last May a motion was made by the gentleman from New Jersey [Mr. BROWNING] to recommit the bill to the Committee on Naval Affairs with instructions to report the same back to the House forthwith with amendments, and the motion was defeated—183 ayes to 189 nays, 27 Democrats, including myself, having registered themselves in the affirmative. There can be no doubt that those who voted to recommit inscribed the handwriting on the wall which influenced the Senate in its deliberations, and is, in a large measure, responsible for the increases which we are to pass upon to-day.

But there are two other matters that I desire to address myself to in the few moments of my time remaining. Of course, I am in favor of a larger Navy. I shall support every item in the bill that goes to that end. But there is no use in appropriating money to build ships if you do not provide the means with which to build them. I listened with attention to the reference to the letter submitted by the chairman of the Committee on Naval Affairs. I have no reason to doubt that the cause assigned therein is a valid and legitimate excuse for the delay in laying down battleships *Nos. 43* and *44*, but I know the fact to be that there is room in the Brooklyn Navy Yard now for additional ways, and there has been no step taken looking to their construction. If it is intended to build those two ships and the capital ships provided for by this bill, making 10 in all, the department should not wait until the money necessary for the construction of the vessels is available, but should begin work on the construction of the ways at once.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. BUTLER. I yield one more minute to the gentleman.

Mr. HULBERT. Now, Mr. Speaker, when this bill passed the House on June 2 it contained a provision for dredging the Cooper River, an approach to the navy yard at Charleston, S. C., and appropriated the sum of $175,000 therefor, in spite of the fact that the Committee on Rivers and Harbors had declined to include that item in the river and harbor bill. Upon the theory that this House was in favor of improving the approach to the Charleston Navy Yard as an element of preparedness, the Senate put on an amendment, offered by the senior Senator from New York, appropriating $500,000 for the improvement of the East River at Hell Gate. This, with the provision carried in the river and harbor bill for the removal of Diamond Reef, would give a through 35-foot channel from Upper New York Bay to Long Island Sound, and would afford the capital ships of the Navy a double entrance to and exit from the navy yard, to say nothing of the commercial importance to be derived therefrom incidental to the improvement as a naval necessity. Well might the senior Senator from South Carolina attack the river and harbor bill as a "pork-barrel" proposition, when the item affecting the interests of his constituents, in which he was most earnestly interested, was, without precedent, carried in the naval appropriation bill—and he the chairman of the Committee on Naval Affairs of the Senate! But he did not stop there. Oh, no! When the bill came before his committee in the Senate—the House having already provided the depth to meet the immediate necessities—the Senate added—

> To enlarge dry docks (limit of cost $1,085,000), $750,000; foundry and forge shop, $200,000.

That is not pork; that is patriotism! But fortunately the House conferees did not agree to that amendment. It is doubly unfortunate that they did not agree to the amendment for the improvement of Hell Gate, because this Congress has gone on record by establishing as a precedent that a project to dredge a river as an approach to a navy yard is an item to be carried in the naval appropriation bill when it is located in South Carolina, but it is an item which only can be carried in the river and harbor bill when it is in New York.

I am told by the chairman of the committee that the Hell Gate item does not contain an element of preparedness. I wish that the chairman and all of the members of the Committee on Naval Affairs could joint with the Committee on Rivers and Harbors, who leave to-morrow for New York, where they will spend Thursday and Friday making an inspection of New York Harbor and its tributaries, and if you did that you would be convinced not only of its necessity but of the stupendous blunder that is being made which, please God, we may not have demonstrated to us through the actuality of warfare until Congress can awaken to and appreciate the needs and legislate their fulfillment. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from New York has again expired.

[By uanimous consent, Mr. HULBERT was granted leave to extend his remarks in the RECORD.]

Mr. BUTLER. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. KREIDER.]

By unanimous consent Mr. KREIDER was given leave to extend his remarks in the RECORD.

Mr. BUTLER. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. FOCHT].

[Mr. FOCHT addressed the House. See Appendix.]

Mr. BUTLER. I yield to the gentleman from Ohio [Mr. KEARNS].

Mr. KEARNS. Mr. Speaker, in discussing this great question of national preparedness for the United States, I take it that I discuss a subject in which you all have a supreme interest and one that lies very near your hearts. Regardless of what the jingoists on either side of the preparedness question may say, I do not believe there is any American who desires war or would deliberately involve this country in war. Whether you may believe in an extensive and adequate preparedness program or whether you believe in the complete disarmament of the Nation, you are all pacificists, because none of you want war. You only differ in the methods of obtaining peace. The one believes that this Nation should enter into a naval program that would mean the building of monstrous and fast sailing ships armed with guns so deadly that they could sweep the seas and coasts for a radius of 60 miles around, leaving in that awful circle nothing but devastation and death; with coasts so fortified with guns and secret mines that no enemy battleship or transport carrying great armies of men would dare venture near our shores. They say by thus preparing we are writing for ourselves a policy of insurance that would be a faultless guaranty against serious disputes with neighboring nations.

The other side denounces such a scheme as barbarous in the extreme; that it is only an invitation and a challenge to fight; that it is placing a chip upon our shoulder accompanied with the dare to the nations of the world to knock it off. They hold to the belief that the preparedness course breeds inevitable trouble.

Mr. Speaker, I can not help but think that each one of us, regardless of what view we take, is an unqualified pacificist.

None of us want war, but so partisan have become the various advocates that each often denounces the other as being either a corruptionist or a coward. One accuses the other of deliberately planning war for political mercenary purposes. The other denies this and immediately indicts his brother of the charge of cowardice and says to him, "In your spineless timidity you will render your people defenseless and turn your country over to any enemy that will destroy your property and ravage and violate your homes."

But these are only the unsupported charges of the poorly poised mind of the jingoist of both sides. If I happen not to agree with you, you ought not charge me with all these political and mercenary crimes. If you do not agree with me, I should not charge you as being spineless to the degree that you would not, if need be, defend your homes against any and all invaders, and neither do I. The one is just as patriotic and loyal, just as courageous and brave as the other. We would all attain the same peaceful end, but by a different method.

The pacificist, who sees danger in a great and imposing Navy and an increased standing Army, it seems to me, forgets the fact that many of the great nations of the world have gone war mad, and just at what moment some war-crazed nation may attack us I do not know. Indeed, I do not know whether or not we will ever be so attacked, and neither does the man know who cries out against preparedness. One month before that gigantic struggle across the waters began there was no one on this side or on yon side of the Atlantic Ocean who would have believed the present war possible, and the man who would have predicted it would have been charged with lunacy. Yet that war did come, and it is still in progress, without the end in sight.

The same men who now say that this country is free from danger were at that time predicting that the world had forever freed itself from the ravages of war. So sure were they that the dogs of war had been so securely chained that they could never break their fetters, that they had even coaxed the dove of peace to build her nest and hatch her brood in the very mouths of the cannon that are to-day belching forth a destruction to all Europe's civilization. Their theory was a very beautiful and gentle one and quite soothing to the nerves, but the events of the last two years have sadly shattered their claim, and for these reasons I am not willing to guess that when this conflict is over it will mean the everlasting dethronement of the god of war. I am fearful that my guess might be wrong; and if wrong, our Nation would stand helpless and trembling at the mercy of other countries that had guessed the other way.

For my own part I claim to be an unqualified pacificist; that is, I abhor war. I look upon it as a supreme demonstration of the very lowest degree of barbarism. It leaves in its awful wake death and destruction. It bows the head of a nation in deepest and lasting sorrow. It strikes a deadly blow at civilization. Yet with all war's horrors and all of its miseries in its ever onward march, civilization has not yet reached the point where it settles all its disputes by peaceful and orderly methods, but, on the other hand, each year invention gives to the world other weapons of destruction much more horrible and deadly than did its predecessors.

Individuals have for the most part learned the art of living in unity as brothers, but nations have not; and because nations have not I am a pacificist who is unalterably in favor of a preparedness that will make the world afraid; not that we may have war, but that we may have peace. There is no danger of the development of a military spirit in America. Militarism can only live and grow and develop in a country that is overcrowded in population and poor in natural resources. Although such a nation may have wealth, yet is she impoverished. In her desire to find homes for her overcrowded population and markets for her surplus products she must acquire other territory, and she must force her way into foreign markets.

The United States need have no fear from this condition, because within her own borders she has unlimited territory yet unsettled. Some of it stands to-day in its virgin state. We have home markets fully supplied and with a surplus for which the world continuously clamors. To give you some faint idea of the vastness of our unsettled domain, let me remind you that Texas alone, with its 4,000,000 population, has the area and fertility of soil sufficient to support a population of 56,000,000 more inhabitants. There is nothing that the world needs in all of its commerce that Texas alone can not supply. Just think of one State in this Union of States having a population of only 4,000,000, yet there is room in it for 60,000,000, and room, too, for them all to live, build homes, and prosper, and this on their own resources.

So, you see that the United States wants nothing from her neighbor except what her neighbor is willing and anxious to sell her in peaceful trade commerce. But all nations are not so happily situated. Some need markets and others territory, and much as we may despise the idea, yet it is true that what they can not buy they will use the tactics of the highwayman to obtain. And these warring nations are not barbarians either, because the present war is now raging right in the midst of a Christian civilization, a civilization that it was supposed had reached the zenith of culture; and that this war may be more deadly and strike horror deeper into the hearts of nations the inventive genius of all mankind is working night and day to give to the warring nations other implements of death and other machinery of destruction that civilization may be further sacrificed at the altar of the war god. Man in peace is the most gentle and considerate of all the creatures of God, but man aroused is more ferocious and devilish than all combined. I know that we cry out against war, and I am glad we do. I hope the youth of this land will be taught the belief that a war of aggression is wrong; but war has been with us in every age since time began. Man in his primitive state fought with clubs; then with flint-headed spears; then came the bow and arrow, where at longer range and concealed from the foe's view the warriors could fight; then gunpowder made the rifle possible; and then the cannon came for longer range on both land and sea.

But to-day the awful implements of modern warfare have crazed the eastern world. To-day modern implements have changed the military rules. Ships larger and more impregnable and equipped with guns so mighty and so deadly that they defy both distance and resistance plow the seas; armies of men—not thousands but millions—tramp the earth, keeping step to martial music, armed with guns big and little that throw lead and steel and fire and send choking gas into the throats of contending armies; great monsters of the sea, whalelike, swim far under the surface and rising unnoticed hurl for miles a deadly torpedo which, striking a vital spot of another great monster riding the waves, sends it down with men and guns on board. But not content to fight on land and on and under sea man sails miles high above the surface of the earth, and from his mighty ship that rides the air drops death and destruction down upon the heads of armies and spires of cities, putting the thunderbolts of Jove to shame. This is modern warfare. It is science battling science. It is the intellect of man running riot. Many of these projectiles dropped from these airships weigh more than a ton, and striking, great buildings are razed to the ground and acres of earth are torn away. All these things have made war horribly unthinkable.

Mr. Speaker, we find the eastern world thus prepared and thus inclined to wage this kind of wicked and brutal warfare. We see them fighting for the commerce of the world, for territory, and the mastery of the seas fully armed with all these modern implements of ruin, and in their fierce fury we see them at times turn on us with mailed fists and gritting teeth. As our President would say, "We see the sparks flying thick and fast, dropping here and there and everywhere." We are the biggest and richest Nation in the world. We have everything for which those fighting countries clamor, and practically nothing with which to defend these priceless possessions, and notwithstanding this there are many patriotic and intelligent men and women among us who say we must not build more ships and coast defenses, and must not increase our Army up to any degree of fighting extent. They say to kill is wrong. I say so too, but I further say it is your duty to protect your family from death against an invader of your home even if in doing so you are compelled to take the life of the outlaw.

So are we as citizens bound to protect the life of our Nation against any foe who seeks the invasion of our country.

Mr. Speaker, on our east and west and south we have many thousands of miles of unprotected coast line. On our north and south we have a land border over which a hostile army could march practically unhindered. Because of our lack of preparation, Japan to-day on our west, combined with any one of the great powers of the east, could have us at their mercy. With our lack of ships and coast defense a foreign power could sweep our eastern coast with its mighty guns, land an invading army on our shore, and take complete possession of all of our munition and other manufactories, and in our helplessness we would be compelled to accept such terms of peace as our invaders might name, and surely the price would be enough to pay that country's war debt. Some of us cry out against a preparation for our own protection because of the cost in money, but how would they like to pay billions for the settlement of Europe's war? No; I do not magnify; I only state what might occur and what I think probably will occur if we are not prepared.

This is not a nightmare or the revelations of an ugly dream, as some declare, but a logical conclusion based upon all the facts. Remember we have a Monroe doctrine that must be upheld at all hazards, under the terms of which we are the guardian of all the world as far as the interests of each nation's citizens are connected with the Western Hemisphere. Other countries may soon demand large indemnities for the loss of life and property of their citizens in Mexico, and Mexico can not settle for one dollar on the hundred. In lieu of money territory may be demanded, and at that instant the hoary old ghost of the Monroe doctrine will loom up to stare us in the face. This is only one danger out of many that occurs to me now, but it serves the purpose I have in mind.

You ask me to point out the source of danger? You ask what countries seek an invasion of our soil? I answer I do not know, but my warning is, prepare our Navy and our coasts to that extent that we may repel an attack from both England and Japan. England has been our life-long enemy and Japan now feels that we are not her friend. England's interests in Mexico have been assaulted and her people murdered there. Besides she is jealous of our increased commerce of the seas. If our foreign commerce grows stronger we will that much more pinch her toes. Practically her only source of wealth is in carrying on the sea commerce of the great commercial nations of the world. If you take this from her, her fountain of life, she will fight. Yet we as a nation have just as much right to the freedom of the seas as she, and all of us are demanding our rights.

Therefore, I have in mind the firm conviction that our two most probable enemies in the future will be Japan on the one side and England on the other, and if we are not prepared, I am afraid they will sometime strike us a simultaneous blow, and in order to avoid this blow I counsel now that our Nation provide for our protection a Navy and coast defense that would render our security absolute. You ask how many ships would this require, the kind of ships and the class of guns I would build and have, and I answer you by saying I do not know and neither do most of you, and, therefore, let us leave that question to the great military and naval experts of our country who have made this a life study. You and I who have other duties to perform in life can not and do not know. If you are sick you seek the advice of a physician that you may regain your health; if you are driving a great distance with a horse and buggy and if your horse becomes lame from the loss of a shoe, you take him to a blacksmith; if you have a case to be tried in court you secure the services of a lawyer, and so it is with the kind and numbers of our ships. We should rely upon the knowledge of the experts.

A few days ago in my local town some men were discussing this same question—the extent of our preparation. Some believed in great preparation; some believed in no preparation; and some believed in a very conservative program. In their midst was a little boy, about 8 or 9 years of age. He was listening to the conversation with wrapt attention. Finally, he said: "I think we ought to be prepared to whip them all, if we have to." I sometimes think this was one of the best, if not the best, speeches I have ever heard upon this all-engrossing question.

Mr. Speaker, what I have already said has been entirely with reference to our Navy and coast defenses. This is our first great line of defense. The sea invader must first run this blockade before he sets a hostile foot on our soil. For this reason I would have them as impregnable as ships and guns and mines could make them, and in doing so we play the game of safety first from an economical standpoint.

Next comes our second line of defense—our land forces. This line is divided into two branches, the Regular or standing Army and our volunteer citizen soldiers. The one is a professional soldier, trained in the art of war, of which to-day we have, in round numbers, about 100,000. The latter is the citizen who follows the peaceful avocations of life and only gives them up when war is declared and there is a general call to arms. I do not believe in an enormously large standing Army, although I think it should be sufficiently large for needed purposes. As a Member of this body I voted for an amendment to the Hay Army bill that sought to give the President, in time of need or when war was imminent, power to fill the Regular Establishment up to 220,000 fighting men. In fact, I would have voted for an amendment that, when war was imminent, would have given the Chief Executive unlimited discretion. But in time of peace we do not need a large and imposing Regular Army. What we do need—and I wish it were the policy of this Government to have made for its use, if war should come—is a gun, a goodly supply of ammunition, and other equipment to put at the disposal of every man in this country of fighting age and health. On the first call of our country when danger confronts us we can get the men, but it takes months and years to get the soldiers' equipment. Without his fighting implements ready, many of our brave men would be needlessly killed at the outset.

I have no fear that he will be sacrificed because of lack of training but only from lack of equipment. It is the history of nations that in war the nation does not depend on land upon the trained and seasoned soldier, but the men who win the battles are the great armies of citizen soldiery. This was true in every war we have had since the birth of our Nation, and so signally demonstrated in the Civil War.

I think one of the lost illuminating examples of raw recruits fighting seasoned soldiers is found at the battle of New Orleans, fought January 8, 1814.

It was in the early part of the winter of 1813 when the authorities in Washington had heard that England had assembled an imposing army on the Island of Jamacia with the intention of transporting this army in her best ships to New Orleans. New Orleans was to be captured and thus a foothold again obtained in America. Nothing like this great army had ever before been seen in American waters. It was composed of 20,000 of Britain's best-trained soldiers fresh from their victories in France. With such an imposing army of seasoned soldiers it seemed that New Orleans was destined to be taken. A courier was at once dispatched from Washington to find Gen. Jackson, who was somewhere in the vicinity of New Orleans waging successful warfare against hostile Indians. He was finally found, and the orders of the President of the United States were delivered to him. These orders were, "Go to New Orleans and defend the city against any and all invasion." The orders did not tell him how to do it but what to do. Immediately Gen. Jackson started on horseback accompanied by five of his staff. For days and nights they rode through the long avenues of forestry, finally reaching the city of New Orleans early in December. That gay and fashionable city had already heard of its proposed doom, and the great preparation for the season's festivities had been abandoned and all was disorder and excitement in this beautiful creole city.

They all knew what to expect should the city fall into the hands of the red-coated soldiers of England, because the report of the way they had debauched the women of France had already reached the ears of the men and women of that gay city. The women thought of their fate and trembled. The men thought and looked sullen, but Gen. Jackson soon inspired them with a new hope, for he told them he had come to defend the city. Every man and boy of New Orleans volunteered in the defense of the city. Couriers were sent in every direction for miles around, and those sturdy hunters, trappers, and planters soon came to the city's rescue, each carrying with him his own powder and his own gun. The city then set back four miles from the river's bank, and a great bulwark of earth was built between the city and the river, and all was in readiness when the great ships carrying the English soldiers hove in sight coming up the Mississippi River. As these white-sailed ships appeared in sight 2,000 men, armed with their own squirrel rifles, were lying behind that bulwark of earth. Behind them was the great Crescent City, with its women and children and old men depending upon these 2,000 sturdy defenders. It was known should these defenders fail the youth and beauty and virtue of the Creole City would become the sport and mockery of these 20,000 red-coated libertines of England. But Gen. Jackson encouraged them by saying, "We can not fail," although they outnumbered them 10 to 1 and the 20,000 men were trained and seasoned soldiers, while Jackson's men, for the most part, had never trained a day or had ever seen a battle. Twenty thousand red-coated soldiers landed on the banks of the Mississippi River and formed a line of battle and commenced its march upon the city. Jackson only gave one command. He said, "Men, do not fire until you can see the whites of the enemy's eyes, and when you can do this pick out your man and shoot." This was the only order given, and it was obeyed, and when that red-coated army was within 100 yards of this breastwork of earth these 2,000 defenders arose as one man and fired into the very face of the approaching regiments of men and then reloaded, fired again and still again, and the battle of New Orleans was fought and won.

It lasted only 45 minutes, but in that time England's 20,000 well-drilled, well-equipped soldiers had backed away from the fire of these 2,000 Americans who were defending their homes. On the American side seven men were killed, but that night when the sun went down and the stars came out it was found that 4,000 red-coated Englishmen had turned their paling faces to the moonlight and as many more lay wounded and helpless upon that bloody battle field. Ten days later the remnants of that once proud army quitted our soil forever.

From the beginning of time down to the present day history bears witness to the fact that the country that maintains large standing armies of mercenary soldiers sooner or later will decay. Perhaps the most striking instance is found in the fall of the Roman Empire. For century after century imperial "Rome sat upon her seven hills," we are told, and "from her throne of beauty and power she ruled the world." So strong were the Emperors of that country that no other people dared to question Rome's authority. Large standing armies, well equipped, forced the whole world to pay tribute in money and obedience to her rulers. The people of the world paid for the upkeep of this mighty army. It was back so far ago that, about the dawn of the Christian era, this power of Rome was first challenged. This power was then questioned by a people that lived far to the north and west. These were the German tribes that had banded together for a common protection and resolved to defy the edicts of Rome. These German tribes heretofore had been easy victims to the power of the Cæsars, because before then they had never combined, but at that time, nearly 2,000 years ago, there arose among them a great warrior, whose name was Herman, and he consolidated these German tribes, and all the stronger men armed themselves with clubs, swords, and spears and refused longer to pay tribute to this Government of the south. It was Octavius Cæsar who was then on the throne of Rome and he sent his best pick, best-trained, best-equipped soldiers, 40,000 in all, each mounted upon a great horse, into the German woods to bring the revolters to subjection.

This was one of the most fierce and awful battles that had been fought up to that time. These united tribes, under the great leader, Herman, formed a line of battle in a great forest. This line of battle was formed in a circle, with six or eight men deep. In the center of this circle the soldiers put their wives, their mothers, sisters, and daughters, so that at their backs would be everything that was dear to them in life, and thus they stood when they were charged by the armies of Rome. Three times the Romans charged on their great horses, but three times they were repulsed, and at the end of the third charge more than half of the Roman Army lay dead in this German forest, and it was a sorry and crippled remnant of that once proud army that was left to go back to Cæsar and tell him of the crushing of the Roman power.

These defeats are easily explained. The one is a mercenary soldier and the other fights for home, love, and country. It is patriotism fighting against the professional soldier, who often fights for pay.

So, I am not much interested in a standing army. All I want to know is that our Government will have a gun and ammunition and a full equipment to put into the hand of every able-bodied man in America should we get into war with any of the great nations of the world.

As I have said before, in time of war this Nation never has depended on land upon a standing army, but the men who fight the battles and win the victories are the volunteer citizen soldiers.

We all recall how back in the sixties, at the beginning of the Civil War, the President of the United States made his famous call for 75,000 volunteers to defend their flag and Union, and you remember how that call was answered by the overwhelming response from 300,000 strong. These are the men, together with their comrades who later volunteered in the defense of their country, upon which the Nation depended at that, its darkest hour. So it will be again if a war crisis ever comes.

I am not afraid of the American people or any of them should war come with any country, because our people from wherever they came are now Americans, and in case of war they would have behind them their women and their homes and all that life holds dear for them.

The war clouds hang thick about the world, and it seems to me that it is high time that we should quit slandering a big element of our population by calling them hyphenated Americans and let us band together for our own protection.

There never was a nation whose citizenship stands and always has stood more ready to defend even with its blood the vital rights of her people than America. There is instilled in the veins of her men a patriotism that dictates and impels a love of country that makes the American masses follow the Stars and Stripes even to the last flutter of her folds. The vital rights of our citizens must be held sacred any and every where. But we have no time or patience to look about us seeking an opportunity to avenge a fancied wrong. Our American men and women are essentially believers in fair play, and as we go about our daily avocations and pause in our hourly grind of business to look with horror on the awful waste of life and blood on Europe's thousands of battlefields our true American sporting blood demands hands off. We despise and denounce a policy of alleged neutrality that would have the appearance of bias and prejudice in favor of one side to the detriment of the other. When we do this we play the part of the hypocrite, and hypocrisy is despised by our people. It has no room in the hearts and minds of our one hundred million of men and women.

Our rights as a neutral Nation are divided into fancied, doubtful, and real. As to the first two I care nothing, but as to the last, our real rights, I demand and you demand that they shall be held as sacred as the virtue of our homes. I care not who the invader of our real rights may be, this enemy will be met at our borders and our shores by every man and boy among us who has the strength to carry a gun, and back of this determined army of citizen soldiers you will find the mothers, daughters, wives, and sisters waving and shouting them on to battle.

That is the spirit and the courage of American womanhood when our vital rights are defied; but those brave and courageous women do not want and will not sacrifice their loved ones at the altar of a fancied or a doubtful right. They are too big and generous to quarrel about nonessentials, and too honest to demand of another nation the things that we would challenge as our privilege under a like circumstance.

Mr. Speaker, there are 100,000,000 citizens of the United States made up of native-born and citizens by adoption, born in some other country, and it is the pride of our Nation that the one loves the old flag with as much unselfish and tender affection as the other. Oh, I am not unmindful of the abusive accusations that have been heaped against the German-American and the Irish-American elements of our citizenship. But never was there a more false and damnable charge lodged against 30,000,000 citizens of our country. Because some half dozen men born on foreign soil, it is alleged, attempted to destroy American munition factories practically every man in America with Irish or German blood in his veins is charged with treason. He is designated as a hyphenate, and as his accusers use the term it is intended to stamp him with the greatest odium. So tight have been drawn the lines by these accusers that the Irish or German born, or they with this blood in their veins, are not permitted to express a sympathy for the country of their childhood less they be condemned at once by those who cry "Hyphenate!" This phrase first found its way across the waters to this country from England, and it at once found lodgment and hospitable entertainment in the hearts of the munition manufacturers and the American capitalist who floated the half billion dollar loan to the allies. These are the men who coined, defined, and gave wide circulation to the phrase "hyphenated American." So well and faithfully have these eastern capitalists in conjunction with their debtors across the water worked this phrase that a really true American dare not express his opinion of the fighting qualities of the soldiers of the Central Powers without being charged with disloyalty. Disloyal to what? The cause of the allies? If that is what you mean I, for my single self, plead guilty.

I am only loyal to America, and I do not propose to have any man or set of men across the Atlantic Ocean tell me when my rights have been invaded and when and whom I must fight. When our rights have been violated we will know it, and we will not have to seek foreign advice. I am neither pro-ally nor pro-German, but I am intensely pro-American, and being pro-American I shall protest whenever the occasion warrants against our Government doing anything that will tie America's hands.

While I am pro-American, I am no more so than millions of German and Irish born who are to-day citizens by adoption of America. Their homes are here; their wives and daughters and sons are here. America is home to them, and the Stars and Stripes is their flag. They have given ample proof of their devotion to America and America's institutions, and there is no occasion for the President of the United States or any other man to call them hyphenated Americans.

Our country is neutral, or at least we claim it to be neutral, and as long as we proclaim a neutrality I have no objections to those of us who were born on German soil or born in this country of German parentage to sympathize with their old friends and neighbors and relatives over there who are to-day engaged in that bloody struggle of death. Indeed, as long as we are neutral I think that these loyal Americans would be inhuman if they did not. Did they not, I am afraid they would not be the good, industrious, law-abiding American citizens that we have always found them to be.

The man who can forget his relatives and his friends and turn to them a deaf and indifferent ear when they lie wounded and dying on the field of carnage I am afraid will make a poor excuse for an American citizen. To-day all Europe is soaked

in blood, and I certainly would fear the man here in America who does not sympathize with the soldier of the land from whence came his father and his mother, and I insist that an expression of that sympathy only reflects great credit.

But, should our country ever be compelled to go to war, whatever may be the cause and whoever may be the foe, then the test will come; and I know that these men who live in our midst and who make for us a better citizenship, who were born in Germany and their stalwart sons born here in America, will prove their patriotism and their courage under the Stars and Stripes as they have before on a hundred battle fields.

This is the only test of loyalty to their country, whatever may be their notion of the contending banners in the European war.

[By unanimous consent, Mr. KEARNS was given leave to extend his remarks in the RECORD.]

Mr. BUTLER. Mr. Speaker, how much time have I remaining?

The SPEAKER pro tempore. The gentleman has 11 minutes.

Mr. BUTLER. I yield six minutes to the gentleman from Pennsylvania [Mr. FARR].

Mr. FARR. Mr. Speaker, those who oppose this measure say that they favor reasonable protection. Now, what is reasonable protection? In naval power we are fourth. I think protection in reason should mean a Navy large enough to defend us from attack. What is the use of having any other kind of a Navy? To build ships, but not enough to protect us against a nation that might attack us, is indeed a wicked waste of money. I do not think the Members of this House who have given consideration to the question of the naval strength of this country think that we are any other than fourth, and a very poor fourth at that. The Congress need not fear that we are going to become a world sea power by the carrying out of this program, because to my mind the building of these 16 ships will leave us third and not second. If we had carried out the program as contained in the bill which left the House, providing for five battle cruisers, we would have been not only fourth, but at the conclusion of that building program Japan would lead us. I believe that Japan to-day is building as many ships, or has a program for as many ships in three years as we contemplate to build in four or more years under this program. I believe in having a Navy that is strong enough to defend our people and their interests against the attempted invasion of any power on earth. [Applause.] Unless conditions greatly change I believe that the day is coming when we are not going to be satisfied without having the incomparable Navy that President Wilson spoke about. It is our greatest defense. World conditions and business rivalry will compel it. The freedom of the sea is and will be more and more of vital concern to our great and rapidly developing country. The astonishing thing about the President's attitude is that while he favors this incomparable Navy, he advocated Secretary Daniels's program of five battle cruisers, which would still leave us fourth when those five were completed, and the present building program of Japan would endanger our position even as fourth.

Washington to-day is as vulnerable as it was in 1812. Relatively so is New York. So is Boston; so is Philadelphia and many other important cities, beehives of great industries and large business. Indeed, a foothold by the enemy in New York or Philadelphia would endanger the principal coal fields in Pennsylvania. Besides the destruction of life, billions upon billions of money could be seized for indemnity.

The gentleman from Indiana [Mr. CULLOP] said that a foreign nation could not transport troops to this country. It was accomplished in the War of 1812; and how have the great nations in the European war done it? How has England transported 5,000,000 soldiers and millions and millions of tons of munitions of war, and millions upon millions of tons of foodstuffs, without the loss of a transport, frequently as great a distance as that between the ports of a foreign country and this country?

Mr. BRITTEN. And Germany's navy is supposed to be superior to ours, is it not?

Mr. FARR. Including that of Austria, Germany's navy is easily twice as strong as ours. Any gentleman here can prove that to his satisfaction by going down to the Office of Naval Operations and seeing the different navies in miniature. Austria and Germany combined are twice as strong as we are, and I believe Germany has built many more ships since the war started than we have, and so has England.

One gentleman has referred to the fact that England has sustained great losses. She has lost fighting ships to the extent of about 400,000 or 500,000 tons, but Great Britain has put on the sea since the war began, up to six months ago, 1,000,000 tons, as much or more than we have in total, and Germany has done nearly as well. Every one of the big nations now engaged in war is stronger on water than when the conflict began. Germany can build 25 dreadnaughts simultaneously and so can Great Britain. When we develop our Government yards we can build 15 battleships simultaneously, and our private yards, with additional equipment, could construct 10.

Mr. BORLAND. How does the gentleman explain the fact that we are such a poor fourth, in view of the large amount of money previous administrations have spent on our Navy, as compared with Germany and Japan?

Mr. FARR. For the reason that we pay our men fair wages. We give them good food. We dress them well. German and Japanese sailors and soldiers are under conscription and get very little money. There is not a great difference in the amount of money we spent on matériel. I want to tell the gentleman that Germany has not disclosed the amount of money that she has spent for her navy, and neither is Japan doing that to-day. [Applause.]

Mr. BUTLER. The gentleman from Tennessee [Mr. PADGETT] very generously yielded to me additional time, which I yield to the gentleman from Wisconsin [Mr. BROWNE].

Mr. BROWNE. Mr. Speaker, this conference report represents the combined judgment and wisdom of the great Committees on Naval Affairs of the Senate and House of Representatives, and we are told it is favored by the President, who is the Commander in Chief of the Army and Navy.

No one is wise enough to know what the conditions of the world will be at the close of this the greatest war in history. We do know that the nations engaged in the war are piling up national debts of such size that the interest alone will amount to such a gigantic sum that it will drive the people of those countries to desperation. Great Britain has increased her per capita debt to more than 160 per cent since the war began and is just floating a new debt of $250,000,000. Germany has increased her debt over 500 per cent.

I herewith give a summary of the approximate borrowings of the different nations since the outbreak of the war:

The British Empire	$5,739,000,000
France	2,078,000,000
Russia	2,591,000,000
Italy	425,000,000
Germany	6,415,000,000
Austria	1,831,000,000
Turkey	250,000,000
Total	19,329,000,000

To this must be added $70,000,000 for Canada and $15,000,000 for India. These statistics were computed several months ago. Out of the manufactured products, out of the farm products, out of labor must come an annual interest charge alone aggregating several thousand millions of dollars annually. This is certainly an unusual condition and one fraught with much danger.

BALANCE OF POWER.

The balance of power which has insured the peace of Europe for years is now destroyed and the victorious nations, which are bound by alliances which make them almost a single nation, will emerge from the war arrogant and aggressive, with their moral senses for justice and law so callous that treaties and international law will be no protection.

As has been said by a gifted orator:

> You may talk of orderly tribunals and learned referees; you may sing in your schools the gentle praises of the quiet life; you may strike from your books the last note of every martial anthem, and yet out in the smoke and thunder will always be the tramp of horses and the silent, rigid, upturned face. Men may prophesy and women may pray, but peace will come here to abide forever upon this earth only when the dreams of childhood are the accepted charts to guide the destinies of men.

The fierce contest for international trade is going to increase the chances of war. The United States, before the European war began, had greater national wealth than Great Britain, Germany, and France combined. Since the war began we have been piling up wealth at an unprecedented rate, while the countries at war have been piling up debts at the rate of millions per day. The United States has a large portion of the gold of the world. With these conditions staring us in the face, I believe that we must be prepared to protect ourselves. I believe that only the sense of fear that nations have of us will keep us out of war. I have no faith in treaties or international law when I see all the nations engaged in the war openly violating fundamental rules of international law, when half of the world is in a frenzy and a state of mind bordering insanity.

The responsibility of this Congress in representing 100,000,000 of people is tremendous. We have the responsibility of preserving and keeping alive free institutions, and, in addition to preserving our own institutions, we must stand as a guardian to protect republican institutions in the whole Western Hemisphere, and perhaps the world. We can not afford to take any chances when by a mere money consideration we can be absolutely saf-

The chances that we take by not being fully prepared are attended with such grave consequences, while the risk of overpreparedness is only a matter of dollars and cents.

I have voted for the largest measure of preparedness on the naval bill that has been proposed since the introduction of this bill. I voted for the Browning amendment, which our Democratic friends claimed was hysterical, and yet, all but a very few of the Democrats are now supporting the present bill which carries a heavier appropriation even than the Browning amendment. While I am on the subject of preparedness I wish to say that at all times I have supported the conference reports of the Senate and House and voted consistently for the most effective preparedness proposed. I voted for the Hay conference bill in preference to the Senate Chamberlain bill. The Hay conference bill, in my opinion, gives us greater preparedness and at less cost than the Chamberlain Senate bill. This is now generally conceded, although at the time a superficial examination would lead one to believe that the Senate bill afforded greater preparedness.

COMPARISON OF HAY AND CHAMBERLAIN BILLS.

The Hay Army reorganization bill which I voted for provides for a maximum Regular Army of 207,000 men with an enlistment of two years with the colors and five years in the reserves. The Chamberlain Senate bill provides for a maximum Regular Army of 250,000 men with an enlistment of three years with the colors and four years in the reserves. Assuming that the Army is enlisted up to the maximum provided for by each of these bills, under the Hay bill we would have 207,000 men; under the Senate bill we should have 250,000 men; under the Senate bill we would therefore have at the first enlistment an Army larger by 43,000 than under the Hay bill, but at the expiration of the second year the 207,000 serving under the Hay bill would go into the reserves subject to call at any time, and the Regular Army at the beginning of the third year would be replenished by 207,000 new recruits. We would thus have a Regular Army of 207,000 men and 207,000 reserves subject to call, making a total of 414,000, as compared with 250,000 under the Senate bill.

At the end of the fourth year the Regular Army, under the Hay bill, would again go into the reserves and the Regular Army at the beginning of the fifth year would again be replenished by 207,000 new recruits, making a total in the Regular Army and in the reserves subject to call 621,000. By that time, under the Senate bill, 250,000 soldiers would have been placed in the reserves and another Regular Army of 250,000 enlisted, making a total of 500,000 under the Senate bill, as compared with 621,000 under the Hay bill.

I herewith give a table showing the increase under the respective bills in parallel columns. A comparison of costs is also given:

	Under Hay bill.	Under Senate bill.
First enlistment	207,000	250,000
Beginning of third year	414,000	250,000
Beginning of fifth year	621,000	500,000
Beginning of seventh year	828,000	750,000
Cost for 6 years	$1,242,000,000	$1,500,000,000

Mr. HELGESEN, of North Dakota, has made a study of this matter, and anyone who will read his speech of August 10 in the RECORD will be clearly convinced, if they are in doubt, as to the Hay conference bill being the strongest preparedness measure. I herewith print a letter from the Secretary of War commending in the strongest possible terms the Hay conference bill:

WAR DEPARTMENT,
Washington, May 24, 1916.

Hon. GEORGE E. CHAMBERLAIN,
Chairman Committee on Military Affairs,
United States Senate.

MY DEAR SENATOR: I have had the provisions of House bill No. 12766 carefully analyzed and compared with the provisions of the bill drafted by the General Staff for reorganizing the Army. The comparison and analysis were made by a member of the General Staff, and the memorandums embodying the results of that comparison and analysis are inclosed for your information.

I fully indorse the statement made in one of the memorandums that the bill recently agreed to is the most comprehensive measure looking to military preparedness that has ever been passed by Congress. Assuring you that the bill is very satisfactory to me and that the untiring efforts of the Senate and House to afford the people of this country adequate military protection are deeply appreciated, I am,

Sincerely, yours,

NEWTON D. BAKER,
Secretary of War.

I voted for and was in favor of an amendment providing for an enlistment of one year with the colors and five years in the reserves, and I believe that we could get enlistments much faster with such a law. The best army experts in Europe claim that in one year in the regular army a man can become a good practical soldier. Hundreds of thousands of young men would enlist for a year with the colors and five years in the reserves subject to call that would not go in for two years. Under the present bill, with the aid of recruiting stations all over the United States and with the aid of moving-picture slides, we are only recruiting our Army at the rate of less than 4,000 a month, which would take 25 months to obtain 100,000 men.

CHAMBERLAIN BILL WOULD HAVE DESTROYED NATIONAL GUARDS.

Again, the Chamberlain bill providing for a continental army would absolutely destroy the National Guards.

Representative CRAGO, of Pennsylvania, lieutenant colonel in the National Guard, Pennsylvania, who had been a member of the National Guard 25 years, in a speech in the House of Representatives when the Senate bill was under consideration, pointed this out clearly.

Representative ESCH, of La Crosse, Wis., who organized a company of National Guards at Sparta and also at La Crosse, and who was appointed judge advocate general of the State under Gov. Upham, and who served several years on the Committee on Military Affairs in the House, was also against the Chamberlain bill and believed that it would destroy the National Guards. When the Chamberlain bill came into conference it was shown to be an impractical measure; and out of the conference came the Hay conference bill, which I was very glad to support.

DEMOCRATIC ADMINISTRATION NEGLIGENT.

Congress in the early part of 1915 authorized the construction of a dreadnaught, and I am informed by the Secretary of the Navy that the keel of the same has not yet been laid, although over one year has gone by. The Secretary gives as the reason that the department is waiting for later designs.

I believe in preparedness, and I believe that we should have it with dispatch. If we can not build our vessels in the Government navy yards, we ought to build them in private yards. The bill before us has a provision that if this country should enter into any arrangement with the powers of the world for disarmament this building program would not have to be carried out; and although the amount of money that it will cost is large, I believe that the taxation of munitions of war which are exported, as provided by the proposed revenue bill, will help quite largely in raising the amount.

Mr. Speaker, I expect to vote for this bill, because I believe the people not only of the State that I have the honor to represent in part, but the people of the United States, are in favor of this preparedness. I also feel that if this building program is adopted and conditions change we can repeal it and not carry it out. But I believe that the exigencies of the present time warrant us in supporting the present building program. [Applause.]

Mr. BUTLER. I yield the remainder of the time allotted to this side, five minutes, to the gentleman from Illinois [Mr. MANN]. [Applause.]

Mr. MANN. Mr. Speaker, I think I know that I am not hysterical by nature or easily carried off my feet by excitement. I think many Members of this House can testify to that. I do not think that I feel hysterical on the present situation or that the popular excitement has had anything whatever to do with the judgment which I have formed. I have been, like many others, an earnest reader of history, and have read how nations have grown, expanded, and fallen; how movements of civilization come and go. I never felt a greater responsibility of membership in this House than I do to-day with the world in a maelstrom of war, with a certainty that when the war is over the indebtedness of a few European nations will be a hundred billions of dollars, with an interest payment of more than $5,000,000,000 a year; with the certainty that we will have disputes about our rights in these countries abroad, with the knowledge that we will be the great Nation of wealth; it seems to me that ordinary wisdom requires us to look to the day ahead and to prepare now for what we hope may not come, but what may come notwithstanding our hope. Those who oppose preparedness are like those who never will repair their roofs in dry weather. We do not know what is coming—you and I can not tell. We have the responsibility to the whole Nation, and it is our duty to put our house in order, to be prepared to protect our rights at home; aye, and to assert them abroad. [Applause.]

I am a man of peace. I want to keep out of war. Every vote I have cast, every word I have uttered since the war began has been to prevent this country becoming involved in war, but we ought to have sense enough to make some preparation for what may come, for the war may come in spite of us.

This side of the House has a great responsibility. When the country needs the best thought it never gets it from the Democratic Party. [Applause on the Republican side.] And now that we are determined to put patriotism above partisanship and protect our country it will devolve upon the Republican side of the House to cast the majority vote which will carry the program through. [Applause on the Republican side.]

Mr. KITCHIN. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. LONDON].

Mr. LONDON. Mr. Speaker, with the adoption of the conference report on the Navy bill we will have authorized the largest appropriation for the Navy ever made by any country not at war.

The proposed act carries $50,000,000 more than was ever authorized by the greatest naval power in the world—Great Britain. The problems of imperial Great Britain are not our problems. Sixty per cent of her food is imported. With a population of 46,000,000 souls England rules over one-fifth of the globe and over one-fourth of the globe's population. Her colonies are scattered on all seas and on all continents.

This Republic has pledged its honor to the world to emancipate the Philippine Islands, the only distant possession of the United States. The American people need no new colonies. The United States should not seek new "places in the sun."

For this fiscal year there will be a per capita tax of $6 for Army and Navy purposes. Every man, woman, and child will have to pay $6 a year to maintain the Army and Navy. The present per capita expenditure for education is only $4.56. It is the poor man, the man and the woman who works for a living, that pays all taxes, no matter who the nominal payer of the taxes may be.

As it is, the per capita annual expense for maintaining the Government is $22 per head. With the added military burden and with the generally growing expense of the Government the load will now average $30 per head, or $150 annually for a family of five. This $150 a year is more than one-fourth of the earnings of the great majority of the industrial and agricultural workers of the country.

What a tremendous price to pay for the privilege of being governed!

Congress is in session twice each year. Nevertheless this bill provides for a three-year construction program. There will be no way of correcting the error, no way of retracing the step. By the time Congress shall have met again contracts for the construction of ships involving an additional $500,000,000 will have been made.

What a surrender of the Treasury of the United States into the hands of the munitions manufacturers!

But it is not only the waste of the people's money that I complain of. Every capital ship, every dreadnaught, added to the American Navy will be an agent provocateur of war. It will be an invitation and a suggestion to neighbors near and remote to be on their guard, and to do likewise.

We must look below the surface for the real cause of this "preparedness" craze. The munitions manufacturers have contributed their share to the hysteria. The advocates of a world empire for the United States have stimulated this new faith in the "mailed fist." Politics was no mean factor. But the deeper reason for this madness lies in a carefully laid scheme by the ruling interests, by the industrial and financial magnates, by those who have appropriated the resources of this country, to check the rising tide of industrial democracy.

The million Socialist votes cast in 1912, the disruption of the Republican Party in the name of progressive thought, the revelations of the Commission on Industrial Relations showed that new forces were at work.

Men and women were studying, thinking, inquiring. The propaganda carried on with untold sacrifice by the Socialists was beginning to bear fruit. Louder and louder, more and more insistent, became the demand that the lot of the masses be improved. Trifling concessions here and there failed to satisfy the awakening intellect and the aroused conscience.

It is to divert the minds and the energies of the people from the contemplation of their grievances by fastening their eyes upon some invisible and nonexistent enemy that this program of force, this gospel of "preparedness," has become the overshadowing issue of the day.

Mr. KITCHIN. Mr. Speaker, I yield five minutes to the gentleman from Alabama [Mr. BURNETT].

Mr. BURNETT. Mr. Speaker, when this bill was before the House some two months ago it was with some reluctance that I supported it, on account of the extreme length that it then went in the building program. On account of the fact that the Democratic members of the committee who had opposed a big Navy had been given assurance that that would be the last word in the building program, I did so. But when it went to the other body and got into the hands of the committee on conference, we found that those assurances that had been given, as I thought in good faith, seemed to have gone to the winds. Mr. Speaker, there will be a day of reckoning to Members who regard consistency so lightly. There will be parallel columns of their votes submitted against those who voted one way two months ago and will vote another way to-day. The honest people whom they represent will ask them to show the changed conditions which demand such sudden change of attitude in so brief a period. They will ask them to point out where there was any more danger of war two months ago than there is to-day. They will ask them why they shifted. Was it truckling subserviency and cowardice, or was it because they had changed their minds overnight?

There could be but one substantial argument that would cause me to support this outrageous bill, and that is to make me believe, like gentlemen on the other side of the House profess to believe, that there will be a Republican President, as they pretend to think there will be. [Applause on the Republican side.] Oh, yes; they say it, but at heart they do not believe it. I never saw a worse washed-out, despondent-looking crowd in my life than some of those who returned from the notification meeting of Mr. Hughes. [Applause on the Democratic side.] Mr. Speaker, if I believed, further, as some of the papers predict, that Mr. Roosevelt will be the Secretary of State and Mr. Hughes the President, then I would think there would be danger of war and some force in the argument in favor of preparation for that calamity. Happily, however, we have had the leadership for the past three years, and I believe, in the providence of God and the will of the American people, we will have it for the next five years [applause on the Democratic side], of a man who has kept us out of war, and the same guiding hand, the same pilot, will steer the ship of state through peaceful waters during the next administration. Mr. Speaker, believing as I do, that conditions now are no more threatening to us than they were two months ago when the Democrats voted against this proposition, and that the impoverished nations on the other side, which the distinguished gentleman from Illinois [Mr. MANN] has just said will be involved in more than a hundred billion of dollars of debt at the end of the war, will be in worse condition than ever to seek war with us, and that no other nation, unless it be Japan, would desire war with us, and Japan without European allies would never dare attack us—believing so, I think there is no more necessity for this bill and its extravagant building program now than there was two months ago, and I decline to change my mind with all the facility and agility of a Christmas jumping jack from the position that I maintained at that time. [Applause on the Democratic side.]

Are we always to let an artificial hysteria, worked up and encouraged by those who fill their coffers by threats of war, drive us into somersaults that will make us ridiculous in the sight of our constituents at home? I am for adequate preparedness, both by land and by sea, but we are going wild on this question. Who wants to fight us? After the end of the European war every nation engaged in it will be bankrupt in men and money. War with a rich nation like ours, with 3,000 miles of ocean to be traversed to get to us, is simply unthinkable. Millions have been spent by the armor-plate and munition manufacturers to work up this craze, and now unsuspecting Democrats are walking into the net they have spread for us.

Why not put more of this money that we are wasting into building good roads, so that the man who pays the mud tax can see where some of it is going? Of course the Republicans are glad to vote for all these wild expenditures, because it gives them ground to taunt us for our extravagance, and a better reason to cry for a higher tariff. But surely we who are responsible for legislation ought to call a halt.

Two months ago the Republican members of the Naval Affairs Committee tried to force through a shipbuilding program that was not even as bad as this, but under the leadership of the chairman of the Committee on Naval Affairs [Mr. PADGETT] and the leader of the majority [Mr. KITCHIN] we defeated it. The chairman of the committee [Mr. PADGETT] denounced the Republican amendment as wasteful and unnecessary extravagance, and we followed him and defeated the amendment.

Now, two months later, with not a war cloud hanging over us, this same chairman urges us to even swallow a conference report that goes far beyond the Republican amendment. For one, I can not follow such shifting leadership.

Are we going headlong into a race for naval supremacy with all the other nations of the world? Have we forgotten that this

spirit of rivalry for great military preponderance two years ago involved Europe in the bloodiest war that has disgraced the pages of the world's history?

The evidence before the Naval Affairs Committee shows that we are already in the second rank as to naval preparedness, and yet the Navy League and the jingoes are turning over heaven and earth to force Congress to build more warships and more instruments of human destruction and murder.

The Secretary of the Navy a little over a year ago said:

> The naval appropriations in our own country have doubled in a dozen years, and have gone up by leaps and bounds in other countries. If this mad rivalry in construction goes on, the burden will become too heavy for any nation to bear.

But, Mr. Speaker, the mere expense of construction is not all, for the maintenance and upkeep of each ship, the crew, and so forth, will be a million dollars a year.

Again, if we begin the rivalry with other nations, we will be forced to keep it up every time they build a ship, and the backs of my people will have to bear the burden.

Our naval expenditures for the last three years averaged $142,000,000, and for this year it leaps to the enormous sum of $316,000,000. This is an increase from the last year's appropriation of $166,000,000.

Yet we are told by those who know that we are not threatened from any quarter.

I can not follow the lead of the Republicans who have ever been the apostles of big appropriations. I am no time server, and, without some sane reason for doing so, I will not stultify myself by voting squarely against what I believed two months ago was right and what I am convinced is right now.

Within a few days' time Members have told me that they would not vote for this iniquity. In a few minutes we will see what kind of stability and courage they possess. [Applause.]

Mr. PADGETT. I yield three minutes to the gentleman from Kentucky [Mr. SHERLEY].

Mr. SHERLEY. Mr. Speaker, there are certain basic truths that I can not lose sight of in the consideration of this naval program now pending. I am not much impressed with Members' opinions as to the particular type of ship that should be constructed, or whether we are in this place or in that place as compared to other countries; but I am impressed with this fact, that there is no nation on the globe that has the stake in the world that we the people of these United States have. I realize that our rôle is no minor one, that talk simply of being able to prevent invasion of our shores shows a complete failure to appreciate the duty and the obligation that rests upon a Government. This Nation is not a hermit nation; it can not live within itself. It does not endeavor to do it—why it can not have prosperity of the most ordinary kind without exporting one-third of its manufactured products, to say nothing of its great production in the way of foodstuffs and its great natural resources. If it is to export, it means that it must go into trade rivalries with other nations. It must be in contact with the world at large, and I for one want to see the rights of an American, at home or abroad, respected and preserved. I want the American flag on an American ship, to have full protection the world over. [Applause.] I hope to have those rights respected and held by peaceful methods, but I realize that however just may be our position that that alone will not always guarantee their recognition.

And if the need comes when we must fight for some fundamental right of the Nation or its citizens, I for one am not going to stop to argue whether that right is a right at home or a right abroad, but simply if it be a right. Believing that, I think this Nation needs to have an Army and a Navy commensurate with its size, and the rôle that it is to play in the world's drama. No man believes now that the program here submitted means the end of our naval program. If to-day the smaller proposition were accepted in place of the larger it would be supplemented next year and the year following. There is no harm in making the authorizations now, and if delay comes in the building of the ships, the delay at least can not be laid to the door of the legislative branch of the Government, for we will have provided the means, and I hope and believe the administrative officers will provide the ships that we ought to have. [Applause.]

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days within which to extend their remarks in the RECORD upon this subject.

The SPEAKER pro tempore. The gentleman from North Carolina asks unanimous consent that all Members have five legislative days within which to extend their remarks in the RECORD upon this subject. Is there objection?

There was no objection.

Mr. KITCHIN. Mr. Speaker, within the time allotted I will have the opportunity of giving only one or two of many reasons why I shall not support this motion to adopt the naval program contained in the Senate amendments. I do not hesitate to confess embarrassment as a Member of the House, and especially as a Democrat, to-day. I remember, two months ago, the chairman of the Committee on Naval Affairs, the Democratic membership of that committee, the Democratic membership of the House, and, as I understood it, the Secretary of the Navy, in behalf of his department, and the administration persuaded and insisted upon the Democrats in the House to vigorously oppose and vote against what was then considered an extravagant, wild, and reckless program presented by the Republicans. Under such persuasion and insistence I got up in this House amid the applause of my fellow Democrats, led by the chairmen of the Committee on Naval Affairs, and denounced the Republican program presented in the minority report as criminal extravagance and recklessness.

I declared, and I was authorized by the report of the majority and the chairman's speech to make the declaration that such a program was not required by the needs of the Navy or the Government. I believe I said it was criminal for this House to vote upon a proposition that would take hundreds of millions of dollars needlessly out of the Treasury through the proposition presented by the gentleman from Pennsylvania [Mr. BUTLER]. And yet in two short months the chairman of the Committee on Naval Affairs, the Secretary of the Navy, and the President and most of my fellow Democrats want me to get up now on this floor and eat my words and say that the program of the gentleman from Pennsylvania and the Republicans, which they induced me then to denounce as criminal recklessness, is now the very perfection of virtue and patriotism. I wish here to corroborate what the gentleman from North Carolina [Mr. PAGE] has said. Both before and after the interview with the Secretary of the Navy, to which he referred, I conferred with him and Mr. HENSLEY and also with the chairman, Mr. PADGETT. I was given to understand—I was expressly told—that if we could get the Democratic members of the Naval Committee and the Democrats in the House together on a one-year $240,000,000 program the Secretary of the Navy and the administration would get behind it and make it the administration program. Though this was many millions larger than many of us favored, I went to work to get my colleagues together on this. The chairman and I worked together. All got together and the one-year $240,000,000 program was reported out by the Democratic solid vote on the committee. The chairman stated on the floor of the House that the Navy Department and the Secretary of the Navy approved it enthusiastically. But this program is gone, and here comes the Butler program to take its place. The first year of the program is enough like the one-year program of the gentleman from Pennsylvania [Mr. BUTLER] and his colleagues to be twins. The three-year program—and Mr. BUTLER and his colleagues demanded in the committee a three-year program—out-Republicans the Republican program by over $75,000,000. I denounced, with the approval of the Navy Department and Chairman PADGETT and my colleagues, the program of the Republicans as criminal extravagance and waste, and now, gentlemen, upon my honor as a man and a Member of this House I can not see more virtue in it, because forsooth within two months to-day, it has Democratic sanction—from the President down. If such a program was wrong and reckless and extravagant then, it is wrong and reckless and extravagant now, and more so because since then the two great naval powers of Europe have lost 100,000 tonnage each of war ships, and to-day the navy of Germany and of all other nations except Great Britain is far below the strength of the United States Navy, considering ships built, building, and authorized, and we stand to-day far in the front as the second naval power of the world.

That is the rank which the chairman of the Committee on Naval Affairs, which the Republicans in their report, which the administration, and which the war traffickers through their patriotic organization, the Navy League, asked us to put this Nation in—the second rank. We are in the second rank, and every man who has taken the time to investigate knows it. The evidence last session before the Naval Committee showed we were then in the second rank. The Secretary of the Navy himself then declared solemnly that the Navy of the United States was stronger and superior to any navy on earth except that of Great Britain. The naval officers who appeared before the committee testified to that, the minority leader agreed to that upon the floor of the House. The chairman of the Committee on Naval Affairs, the Democrats, the real intelligent, patriotic Republicans, every one admitted on this floor we were then

second. And since this proof and admissions we authorized last session a naval program the largest in the history of the Government, and since then Germany, whose navy was superior to that of any European power except Great Britain, lost 200,000 tonnage in warships, and since the war began has lost 400,000 tonnage, more than she can build, more than we can build in three or five years. If our Navy was superior to that of Germany last session, a year and a half ago, as was testified by the Secretary of the Navy and the naval officers and admitted on this floor, how much more superior and stronger is it now, with our biggest authorization of ship construction and Germany's tremendous losses since then? I want to call the attention of the House and the country to the enormity of this proposed program which we are asked to adopt to-day. Some of us Democrats who refuse to gulp it down will be called, as we have already been, traitors to the administration and to the party.

But we propose to be loyal to ourselves, loyal to our consciences and convictions.

The large and growing expenditures for our Navy before the munition makers and jingoes had caused the preparedness hysteria to seize Congress and the Executive, had aroused the people of the country into asking, "Where shall it end?" Secretary Daniels, in his report to the last session of Congress, December, 1914, said (and he was but substantially repeating what had been said in the British Parliament, the German Reichstag, the French Assembly, and by prominent statesmen the world over relative to the armament expenditures of their respective countries for the last several years):

> The naval appropriations in our own country have doubled in a dozen years and have gone up by leaps and bounds in other countries. If this mad rivalry in construction goes on, the burden will become too heavy for any nation to bear.

In his report of December, 1913, he says:

> The growing cost of dreadnaughts, of powder, and of everything that makes an efficient navy gives reason to pause. The heavy expense commands national and international consideration. Ten years ago our largest battleships cost $5,288,000. The next dreadnaught will cost $14,044,000.

The dreadnaughts hereafter to be built will cost $20,000,000. In an interview the Secretary says all ship materials and munitions of war have gone up over 30 per cent. He asks:

> When is this accelerating expenditure to be reduced? * * * If it is not hastened by appeals for the peaceful settlement of national differences, the day is not far distant when the growing burdens of taxation for excessive war and naval expenditures will call a halt.

Before exposing to full view the enormity and insanity of this program, which will soon be written into the statutes, I ask that you carry in your mind these facts: When the European war began the *United States was then expending on its Navy $30,000,000 more than Germany or any other nation*, except England, *was expending on its navy. For the 10 years preceding the war we had expended on our Navy $317,000,000 more than Germany, $463,000,000 more than France, $518,000,000 more than Russia, $852,000,000 more than Italy, and $827,000,000 more than Japan* had expended on its navy.

For these 10 years—

> Germany expended on its navy, $904,332,000.
> France expended on its navy, $759,014,000.
> Russia expended on its navy, $703,365,000.
> Italy expended on its navy, $369,876,000.
> Japan expended on its navy, $394,485,000.

But the United States expended on its Navy the huge sum of $1,222,000,000.

We increased in the five years preceding the war our annual naval expenditures three times as much as Germany increased hers. Our total expenditures for the Navy in 1910 was $111,791,000, and in 1914 $141,872,000, while Germany's naval expenditure in 1910 was $103,302,000, and in 1914 $113,993,000. Last year—1915–16—our naval appropriation was $150,000,000.

Now, in the face of the truth and the warning of the Secretary of the Navy, just quoted; in the face of the fact that we have a Navy superior to that of Germany or any other nation, except Great Britain; in face of the fact that our Navy is growing bigger and stronger and better equipped than ever before; in face of the fact, as the President, both in messages to Congress and in public addresses, has repeatedly declared, "*We are threatened from no quarter*"; in face of the fact that we are in less danger from a foreign foe than ever before, and even were one so inclined, he is less able to strike or harm us than ever before; in face of the fact that prior to the European war we were expending on our Navy $30,000,000 more than Germany or any other nation, except Great Britain, was expending on its navy and for the 10 years preceding the war we had expended over $300,000,000 more than Germany or any other nation, except Great Britain, had expended on its navy, *this program*, for which we are asked by the administration and the chairman of the Naval Committee to vote—*at one bound—one year—increases our already immensely large naval appropriations twice as much as our total increase for the last 15 years; more than three times as much as the total increase by Great Britain in the 3 years prior to the European war; more than two and a half times as much as the total increase by Germany in the 10 years preceding the war and more than six times her total increase in the 5 years prior to the war*; and *$60,000,000 more than the total increase of all the nations in the world combined in any one year in all history, prior to the war.* And in one year. And yet they say that we are sane and conservative in our "preparedness" program.

The *three-year provision of the program requires an increase of appropriations over 7 times more than the total increase by Great Britain in the 10 years prior to the European war, 10 times more than the total increase by Germany or any other nation*, except Great Britain, *in the 10 years preceding the war, 60 times more than the total increase by Germany in the 5 years preceding the war*, and *100 times more than the total increase by Germany in the 3 years preceding the war.* And do not forget that when the war began we were expending $30,000,000 annually more than Germany.

But this is not all.

This *three-year program increases our naval appropriations over $200,000,000, more than the combined increase of all the nations in the world for the entire 10 years preceding the European war, and over $350,000,000 or more than twice as much as the total increase of all the nations in the world for the 5 years prior to the war.* Our *increase alone* provided in this measure for this year is *over $50,000,000 more than the largest total appropriation for any year by Germany in all her history.*

Still they insist that we are sane and conservative.

Our total appropriation *for this year* is more than two and a half times larger than the total appropriations by Germany, France, or any other nation, except Great Britain, in any year in its history, and $50,000,000 larger than any annual appropriation by Great Britain prior to the war; *and $60,000,000 larger than the total appropriations by Germany, Japan, Italy, and Austria combined in any one year of their history.*

Our appropriations required by the *three-year program will be as large as the total appropriations of Germany, France, Russia, Italy, and Japan for the three years prior to the war.*

For the last three years our total naval expenditures in round numbers amounted to $428,000,000, an average per year of $142,600,000. But *under this program for this fiscal year* it amounts to $316,000,000. Last year the appropriation was $150,000,000, *an increase* alone in this year of $166,000,000, and the *three-year program will require not less than a total appropriation of* $1,100,000,000, or *an increase over the last three years of nearly $700,000,000.*

I wish I had time to go further into details as to the enormity of this outrageous, insane program. I shall append to my remarks a table of naval expenditures by the nations of the world from 1900 to 1914, inclusive, filed by the Navy Department at the hearings this session before the Naval Committee. A study and investigation of this table will sustain the statements I have made.

When once this program goes on the statute books, which it will in a few days, unless there is a political revolution in both parties, naval appropriations will never be reduced, but, on the contrary, will be increased from year to year. Next year's appropriations and the following years each under this program will be over $100,000,000 more than the fabulous amount of this year's appropriations. When this measure becomes law, thereby putting the arms of the munition makers into the Treasury to the elbows, with their heretofore undreamed-of profits at stake, we can hardly conceive of a power in the Nation strong enough to extract them. I fear that the big interests behind this program, with their tremendous and irresistible influence and their infinite ingenuity, will find or make a way to persuade or force the controlling factors in both parties to make perpetual the surrender to them of the Federal Treasury and to place permanently at their mercy the taxpayers of the country. The three-year provision in the program is nothing more nor less than an outrage upon the taxpayers—an outrage as pleasing and beneficial to big finance interested in munition making and shipbuilding as if they themselves had personally committed it. It guarantees to them for three years the full benefit of the abnormally high prices for ships and munitions caused by the present war. That provision, in addition to the tremendous profits even at normal prices, which the program would give, is worth to them at least an extra $100,000,000. Of course, the program must be a "three-year continuing one." And Congress votes it! And the Secretary of the Navy approves! And the President will sign! And then for the greatest orgy of graft and plunder and profits

on the part of ingenious, despotic, coercive, organized avarice the world ever witnessed!

With the three-years provision in, the big interests would only have to control either the Executive, Senate, or the House—either one could prevent its repeal or modification in a future Congress, and the people, to release their grip on the Treasury and the taxpayers, would have to get all three—the House, the Senate, and the Executive.

With the three-years provision out and the naval program left to the wisdom and judgment of each Congress each annual session, as has been done since the beginning of the Government, the big interests would have to control all—the Executive, the Senate, and the House—to enforce their schemes, and the people only one—either the House, the Senate, or the Executive—to prevent their raids on the Treasury and their plundering of the taxpayers for more than this one year.

The three-year provision went in and will remain in. Every doubt, every possibility, has been resolved by this program in favor of the shipbuilders and munition makers—the Morgans, the Fricks, the Dodges, the Bacons, the Schwabs, the Perkins, the Thompsons, and so forth. The war trafficker's press already announces with most flattering commendation that the Secretary of the Navy will be ready, almost immediately after the bill becomes law, to ask for bids and award contracts to carry out the program, and so forth. They will have him to hurry, not that the countrty is in any danger of a foreign foe, but that the shipbuilders and munition makers will be in danger of losing their high war prices if the Secretary should delay until the end of the European war gets in sight. The people will find out sooner or later that it is profit to the contractors, not danger t the country, that has been one of the great incentives and inspirations to the speed and size of the program.

Let me impress upon the membership of this House, Republicans and Democrats, and upon the intelligence and patriotism of this country, that when this measure passes and the President signs it this Nation will be in dollars and cents the greatest military-naval Nation the world has ever seen. Our appropriations for the Army and Navy will be $100,000,000 more than the appropriation for the army and navy of any nation on earth prior to the European war. Neither Russia with her immense militarism, nor Germany with her vast militarism and navalism, nor Great Britain with her huge navalism, ever expended in any one year in all their history on their armies and navies as much by $100,000,000 as our Army and Navy program hereafter annually demands. And they say we are sane and conservative and patriotic!

Gentlemen, another thing: The amount of annual appropriation for the next and following years for this hysterical preparedness, Army bill, fortification bill, naval bill, will be larger by over $150,000,000 than the fabulous appropriation for which we have and are now legislating, and will be more by over $50,000,000 than the total amount of taxes ever collected from all sources in the history of this Government. The amount of appropriations for this current fiscal year in the Army and fortification acts and in the naval bill now pending, including the $29,000,000 for the Army in the recent appropriation act, totals in round numbers $640,000,000.

In 1915 we collected only $625,000,000 from tariff, from income, from liquor, from tobacco, from all special taxes, and from the emergency revenue act of October, 1914, and yet these appropriations this session for preparedness require $640,000,000, $15,000,000 more than the total amount of taxes we raised from every source in 1915. But for the next and succeeding years this preparedness program will demand annually at least $775,000,000, $50,000,000 more than was ever raised from all sources of taxation in any year in the history of the Government!

In 1912 we collected from all sources of taxation $632,000,000.
In 1913 we collected from all sources of taxation $663,000,000.
In 1914 we collected from all sources of taxation $672,000,000.
In 1915 we collected from all sources of taxation $625,456,000.
In 1916 we collected from all sources of taxation $724,000,000.

In the collection of 1915 we had the help of the emergency act of October, 1914, to the amount of $52,000,000, and in the collection of 1916 it helped to the amount of $84,000,000.

In the next fiscal year, beginning July 1, 1917, and the following years our Army and Navy and fortification bills will reach from $750,000,000 to $800,000,000 if the courage of the next Congress or the good sense and resolution of the people do not force a modification of the present program.

But if the program, for which both parties are responsible, is to be carried out, the big revenue bill now pending before Congress will not raise half enough money to meet the annual preparedness appropriations for 1918 and 1919 and the succeeding years; and within two years another revenue bill twice as big as the pending one will have to be enacted, whether Congress is Democratic or Republican.

I warn the taxpayers of the country. My time has expired. I regret that I have not the time to discuss the big, overreaching objection to this program. I shall have to be content with saying that, in my judgment, when order is restored in Europe it will be a fresh menace to the peace and humanity of the world. It condemns our pretentions to international arbitration, and a world peace as hypocrisy and mockery. [Applause.]

The SPEAKER. The time of the gentleman has expired.

APPENDIX.

Total naval expenditures by principal naval powers.

Fiscal year.	Great Britain, Apr. 1-Mar. 31 [1]	United States, July 1-June 30.	Germany, April to March.	France, January to December.
1900-1901	$145,792,850	$61,721,695	$37,173,074	$72,683,180
1901-2	150,569,190	68,438,301	46,315,800	67,079,011
1902-3	150,679,328	82,977,641	48,818,700	59,217,558
1903-4	173,548,058	104,126,192	50,544,000	59,740,222
1904-5	179,138,049	116,655,826	49,110,300	60,178,624
1905-6	161,117,947	109,725,059	54,918,000	61,565,779
1906-7	152,954,342	98,392,144	58,344,300	59,514,296
1907-8	151,880,617	117,353,474	69,133,500	60,685,813
1908-9	156,401,161	120,421,579	80,737,626	[2] 62,194,916
1909-10	181,936,341	122,247,365	[2] 95,047,820	[2] 64,899,589
1910-11	202,056,258	111,791,980	[2] 103,302,773	74,102,439
1911-12	211,596,296	133,559,071	[2] 107,178,480	[2] 80,371,109
1912-13	224,443,296	129,787,233	[2] 109,989,096	[2] 81,692,832
1913-14	[2] 237,530,459	136,858,301	[2] 112,091,125	[2] 90,164,625
1914-15	[2] 260,714,275	[2,7] 141,872,786	[2] 113,993,329	[2] 123,828,872

Fiscal year.	Russia, January to December.	Italy, July 1-June 30.	Japan, April to March.	Total.
1900-1901	$42,101,212	$23,829,206	[5]	
1901-2	45,488,462	23,875,532	$21,373,954	$423,140,250
1902-3	50,769,465	23,522,400	17,654,528	433,639,620
1903-4	60,018,895	23,522,400	17,553,279	489,053,046
1904-5	58,076,543	24,300,000	10,018,024	497,477,365
1905-6	60,228,444	24,494,400	11,378,202	483,427,831
1906-7	60,703,557	25,865,668	30,072,061	485,846,368
1907-8	43,012,166	27,516,454	35,124,346	504,706,370
1908-9	49,682,482	30,453,697	39,347,332	539,238,793
1909-10	58,059,040	[2] 31,812,885	[2] 35,005,719	589,008,759
1910-11	[2] 46,520,465	[2,6] 40,595,204	[2] 36,889,158	615,258,277
1911-12	[2] 56,680,915	[2,6] 40,780,987	[2] 42,944,329	673,111,187
1912-13	[2] 82,019,633	[2] 41,893,420	[2,10] 46,510,216	716,335,726
1913-14	[2] 117,508,657	[2] 49,550,147	[2] 48,105,152	791,808,466
1914-15	[2] 128,954,733	[2,9] 56,920,440	[2,11] 69,111,653	895,396,088

[1] Does not include amounts expended under naval works acts during the years 1896–1909, amounting to about $155,000,000.
[2] Appropriation.
[3] Estimated.
[4] Includes $3,309,220 made available 1911.
[5] Not available.
[6] Includes $4,827,568 made available 1910.
[7] Includes $4,635,000, this year's allotment of proceeds from sale of the *Idaho* and *Mississippi*.
[8] War appropriations for Great Britain, France, and Russia not included in this table.
[9] Includes two additional appropriations amounting to $9,950,501 because of present European war.
[10] Revised estimates.
[11] Includes $18,962,844, estimated for naval expenditures up to Dec. 31, 1914, for war with Germany.

Mr. PADGETT. Mr. Speaker, I believe I have three minutes.

The SPEAKER. The gentleman has three minutes.

Mr. PADGETT. Mr. Speaker, moving that the House agree to the Senate amendments, I feel that I am discharging a wise and a patriotic duty and service. In view of the statement that was made early in the debate, I wish to state here that I have been in close touch in conference with the President of the United States, and his whole heart is in this matter, and ever since last September he has advocated a continuous program and has advocated a program that would meet the will and the wishes of the American people. I want to say here, notwithstanding the strictures and criticisms——

Mr. GARDNER. Mr. Speaker, will the gentleman yield?

Mr. PADGETT. No; I have not the time.

The SPEAKER. The gentleman declines to yield.

Mr. PADGETT. Notwithstanding the strictures and criticisms, the President of the United States has put the power and the force of his great prestige into the support of this program. [Applause on the Democratic side.] And he stands for it to-day and asks that the Congress of the United States, without reference to partizanship, but as a patriotic duty, carry out this program.

Mr. Speaker, I shall not detain the House in the argument of the details. I have not the time, so that I leave it as it is, asking the House to vote without regard to politics, without regard to partizanship, but with a patriotic purpose to sustain this program. And I simply say, in conclusion, that both parties in their platforms adopted in June last declared for a continuing and a continuous program. Both parties are committed to a program for more than one year, and this is redeeming the pledge that was made to the people.

Mr. Speaker, I demand the previous question upon Senate amendment 238.

Mr. MANN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MANN. Is not all debate exhausted on the three amendments?

The SPEAKER. Yes.

Mr. MANN. What is the use of having the previous question?

Mr. PADGETT. I do not want to have any division.

The SPEAKER. Does the gentleman move the previous question upon all three of the amendments?

Mr. PADGETT. Yes; on all three of them.

The SPEAKER. The gentleman from Tennessee moves the previous question on amendments numbered 80, 83, and 238.

The previous question was ordered.

The SPEAKER. The vote will be taken on Senate amendment 238.

Mr. PADGETT. Mr. Speaker, I think it is the wish of the House that there shall be a roll call on that amendment. I ask for a roll call on amendment 238.

The SPEAKER. Amendment numbered 238 is the building program. The gentleman from Tennessee demands the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. The question is on the motion of the gentleman from Tennessee [Mr. PADGETT] that the House recede from its disagreement to Senate amendment 238 and agree to the same. Those in favor of that motion will, when their names are called, answer "yea"; those opposed will answer "nay."

The question was taken; and there were—yeas 283, nays 51, answered "present" 6, not voting 93, as follows:

YEAS—283.

Abercrombie	Dale, Vt.	Hamill	McCracken
Adamson	Dallinger	Hamlin	McCulloch
Aiken	Danforth	Harrison	McDermott
Alexander	Darrow	Haskell	McKellar
Allen	Davenport	Hastings	McKenzie
Almon	Davis, Tex.	Hawley	McKinley
Anthony	Dempsey	Hay	McLemore
Ashbrook	Denison	Hayden	Madden
Aswell	Dent	Heaton	Magee
Austin	Dewalt	Heflin	Maher
Bacharach	Dickinson	Hicks	Mann
Barchfeld	Dill	Hill	Mapes
Barkley	Dixon	Holland	Matthews
Beakes	Dooling	Hood	Mays
Beales	Doremus	Hopwood	Meeker
Bennet	Dowell	Howard	Miller, Del.
Booher	Drukker	Hulbert	Miller, Minn.
Borland	Dunn	Hull, Iowa	Montague
Bowers	Dupré	Hull, Tenn.	Moon
Britten	Dyer	Humphrey, Wash.	Moore, Pa.
Browne	Eagle	Humphreys, Miss.	Morrison
Browning	Edmonds	Husted	Moss
Bruckner	Esch	Hutchinson	Mudd
Brumbaugh	Estopinal	Igoe	Neely
Buchanan, Tex.	Evans	Jacoway	Nicholls, S. C.
Burke	Fairchild	Johnson, S. Dak.	Oakey
Butler	Farley	Johnson, Wash.	Oglesby
Byrnes, S. C.	Farr	Jones	Oldfield
Byrns, Tenn.	Ferris	Kahn	Oliver
Caldwell	Fess	Kearns	Olney
Candler, Miss	Fitzgerald	Keating	O'Shaunessy
Cannon	Focht	Keister	Padgett
Capstick	Fordney	Kelley	Paige, Mass.
Caraway	Foss	Kennedy, Iowa	Parker, N. J.
Carew	Freeman	Kennedy, R. I.	Parker, N. Y.
Carlin	Fuller	Kettner	Patten
Carter, Mass.	Gallagher	Key, Ohio	Phelan
Chandler, N. Y.	Gallivan	Kiess, Pa.	Platt
Charles	Gandy	Kincheloe	Porter
Church	Gard	King	Pou
Clark, Fla.	Gardner	Konop	Pratt
Cline	Garland	Kreider	Price
Coady	Gillett	Lafean	Quin
Coleman	Glass	La Follette	Ragsdale
Collier	Glynn	Langley	Rainey
Conry	Goodwin, Ark.	Lehlback	Raker
Cooper, Ohio	Gould	Lesher	Ramseyer
Cooper, W. Va.	Graham	Lever	Rauch
Cooper, Wis.	Gray, N. J.	Lewis	Rayburn
Copley	Green, Iowa	Linthicum	Reavis
Costello	Greene, Mass.	Littlepage	Reilly
Crago	Greene, Vt.	Lloyd	Riordan
Cullop	Griest	Lobeck	Roberts, Mass.
Curry	Griffin	McAndrews	Roberts, Nev.
Dale, N. Y.	Hadley	McArthur	Rodenberg
Rogers	Smith, Mich.	Sutherland	Ward
Rouse	Smith, Minn.	Sweet	Wason
Rowe	Smith, N. Y.	Swift	Watson, Pa.
Rowland	Smith, Tex.	Tague	Watson, Va.
Rucker	Snell	Talbott	Whaley
Sabath	Snyder	Taylor, Colo.	Wheeler
Sanford	Sparkman	Temple	Williams, W. E.
Scott, Pa.	Stafford	Timberlake	Williams, Ohio
Scully	Steagall	Tinkham	Wilson, Ill.
Sherley	Steele, Pa.	Towner	Wilson, La.
Siegel	Steenerson	Treadway	Wingo
Sims	Stephens, Miss.	Vare	Winslow
Sinnott	Stephens, Tex.	Venable	Wood, Ind.
Slemp	Sterling	Vinson	Woods, Iowa
Small	Stiness	Volstead	Young, Tex.
Smith, Idaho	Stone	Walsh	

NAYS—51.

Anderson	Dillon	Kinkaid	Slayden
Ayres	Doolittle	Kitchin	Steele, Iowa
Bailey	Ellsworth	Lenroot	Taggart
Black	Garrett	London	Tavenner
Blackmon	Gray, Ind.	McClintic	Taylor, Ark.
Buchanan, Ill.	Hardy	Mondell	Thomas
Burnett	Haugen	Morgan, Okla.	Thompson
Campbell	Helgesen	Nelson	Tillman
Connelly	Helvering	Page, N. C.	Van Dyke
Cox	Hilliard	Randall	Watkins
Cramton	Hollingsworth	Shallenberger	Webb
Davis, Minn.	Huddleston	Shouse	Young, N. Dak.
Dies	Johnson, Ky.	Sisson	

ANSWERED "PRESENT"—6.

Britt	North	Sloan	Wise
Foster	Sears		

NOT VOTING—93.

Adair	Garner	Liebel	Rubey
Barnhart	Godwin, N. C.	Lindbergh	Russell, Mo.
Bell	Good	Loft	Russell, Ohio
Burgess	Gordon	Longworth	Saunders
Callaway	Gray, Ala.	Loud	Schall
Cantrill	Gregg	McFadden	Scott, Mich.
Carter, Okla.	Guernsey	McGillicuddy	Sells
Cary	Hamilton, Mich.	McLaughlin	Shackleford
Casey	Hamilton, N. Y.	Martin	Sherwood
Chiperfield	Hart	Miller, Pa.	Stedman
Crisp	Hayes	Mooney	Stephens, Nebr.
Crosser	Helm	Moores, Ind.	Stout
Decker	Henry	Morgan, La.	Sullowway
Doughton	Hensley	Morin	Sumners
Driscoll	Hernandez	Mott	Switzer
Eagan	Hinds	Murray	Tilson
Edwards	Houston	Nichols, Mich.	Tribble
Elston	Howell	Nolan	Walker
Emerson	Hughes	Norton	Williams, T. S.
Fields	James	Overmyer	Wilson, Fla.
Finley	Kent	Park	
Flood	Lazaro	Peters	
Flynn	Lee	Powers	
Frear	Lieb	Ricketts	

So the motion to recede and concur was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. FINLEY with Mr. NORTH.

Mr. MCGILLICUDDY with Mr. GUERNSEY.

Mr. GORDON with Mr. HOWELL.

Mr. MORGAN of Louisiana with Mr. NORTON.

Mr. LAZARO with Mr. SULLOWAY.

Mr. GODWIN of North Carolina with Mr. HAMILTON of New York.

Mr. RUSSELL of Missouri with Mr. SWITZER.

Mr. FOSTER with Mr. CHIPERFIELD.

Mr. LEE with Mr. SCOTT of Michigan.

Mr. GARNER with Mr. MCFADDEN.

Mr. BELL with Mr. LOUD.

Mr. WISE with Mr. ELSTON.

Mr. CRISP with Mr. HINDS.

Mr. DECKER with Mr. MCLAUGHLIN.

Mr. BRITT with Mr. DOUGHTON.

Mr. ADAIR with Mr. CARY.

Mr. STEPHENS of Nebraska with Mr. SLOAN.

Mr. BARNHART with Mr. EMERSON.

Mr. CANTRILL with Mr. FREAR.

Mr. CARTER of Oklahoma with Mr. GOOD.

Mr. HELM with Mr. TILSON.

Mr. FLOOD with Mr. MOONEY.

Mr. CASEY with Mr. HAMILTON of Michigan.

Mr. CROSSER with Mr. JAMES.

Mr. WILSON of Florida with Mr. SELLS.

Mr. TRIBBLE with Mr. NICHOLS of Michigan.

Mr. SUMNERS with Mr. MILLER of Pennsylvania.

Mr. FIELDS with Mr. MARTIN.

Mr. HOUSTON with Mr. RICKETTS.

Mr. FLYNN with Mr. POWERS.

Mr. SHERWOOD with Mr. NOLAN.

Mr. SAUNDERS with Mr. HAYES.

Mr. RUBEY with Mr. LONGWORTH.

Mr. LIEBEL with Mr. SCHALL.

Mr. HUGHES with Mr. RUSSELL of Ohio.

Mr. OVERMYER with Mr. MOTT.
Mr. SEARS with Mr. MOORES of Indiana.
Mr. PARK with Mr. HERNANDEZ.
Mr. HART with Mr. MORIN.
Mr. DRISCOLL with Mr. PETERS.
For the remainder of the session:
Mr. WALKER with Mr. THOMAS S. WILLIAMS.

Mr. BRITT. Mr. Speaker, I am paired with my colleague from North Carolina [Mr. DOUGHTON]. If he were present, I would vote yea, but on account of his absence I vote present.

Mr. NORTH. Mr. Speaker, I voted yea, but I am paired with the gentleman from South Carolina [Mr. FINLEY]. He is not present, and I desire to withdraw my vote and be recorded present.

Mr. STEENERSON. Mr. Speaker, I voted present. I have been paired with the gentleman from Texas [Mr. GREGG], but I am informed on good authority that he is also in favor of this bill, and so I desire to change my vote to yea.

Mr. AUSTIN. Mr. Speaker, I was requested by the gentleman from Louisiana [Mr. MARTIN] to state that he is unavoidably absent, but if present he would vote in the affirmative.

Mr. FOSTER. Mr. Speaker, I desire to know if my colleague [Mr. CHIPERFIELD] has voted.

The SPEAKER. He has not.

Mr. FOSTER. I voted yea. I desire to withdraw my vote and to be recorded present. I think that if he were present he would vote the same way, but having paired with him I withdraw my vote.

Mr. FORDNEY. I have a telegram from my colleague [Mr. LOUD] stating that he is unavoidably absent, but that if present he would vote yea.

The result of the vote was announced as above recorded.

Mr. PADGETT. Mr. Speaker, I ask unanimous consent that amendments 80 and 83 may both be voted upon together, as they both relate to the same subject, the personnel of the Navy.

The SPEAKER. The gentleman asks unanimous consent that Senate amendments numbered 80 and 83 be voted on together, as they are on kindred subjects. Is there objection?

There was no objection.

The SPEAKER. The question is on receding from the disagreement of the House to Senate amendments 80 and 83, the personnel amendments, and agreeing to the same.

The motion to recede and concur was agreed to.

Mr. PADGETT. I move that the House still further insist on its disagreement to the remaining amendments, and ask for a further conference.

The SPEAKER. The gentleman from Tennessee moves that the House further insist on its disagreement to the remaining amendments, and ask for a further conference.

The motion was agreed to, and the Speaker announced as conferees on the part of the House Mr. PADGETT, Mr. TALBOTT, Mr. ESTOPINAL, Mr. BUTLER, and Mr. ROBERTS of Massachusetts.

Mr. PADGETT. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the Clerk's desk.

The SPEAKER. The gentleman from Tennessee asks unanimous consent for the present consideration of a resolution which the Clerk will report.

The Clerk read as follows:

House concurrent resolution 54.

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H. R. 15947) entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1917, and for other purposes," the Clerk be, and he is hereby, authorized and directed to omit the word "not," in line 17 of paragraph 20 of the matter inserted by the conference under Senate amendment numbered 89.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The resolution was agreed to.

On motion of Mr. PADGETT, a motion to reconsider the several votes this day taken in reference to the naval appropriation bill was laid on the table.

FLOODS IN WEST VIRGINIA.

Mr. LITTLEPAGE. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the Clerk's desk.

The Clerk read as follows:

House joint resolution 298.

Resolved, etc., That the appropriation of $540,000 made by the joint resolution approved August 3, 1916, for the relief of flood sufferers in the States of North Carolina, South Carolina, Georgia, Alabama, Florida, Tennessee, and Mississippi is made available for the same purpose and to the same extent of relief for flood sufferers in the State of West Virginia.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, do I understand by this phraseology that there is appropriated for this purpose the same amount? The wording is to appropriate the same amount for the flood sufferers in West Virginia.

Mr. SHERLEY. If the gentleman will permit, the resolution simply includes West Virginia as one of the States where relief can be had and would not appropriate any additional money at all.

Mr. STAFFORD. The phraseology is rather ambiguous.

Mr. SHERLEY. It was carefully drawn in the Committee on Appropriations and does not appropriate additional money.

The SPEAKER. For what purpose does the gentleman from South Carolina rise?

Mr. RAGSDALE. Mr. Speaker, I rose, reserving the right to object, to find if by this resolution the sum of money now available to the State of South Carolina would be reduced.

Mr. SHERLEY. It is my understanding that there is ample money to take care of the situation in all of these States; that instead of appropriating an additional sum we simply by this resolution include the State of West Virginia. The Committee on Appropriations has had considerable experience, and there has never been an instance in which the amount appropriated has been inadequate, but there always has been a surplus that has not been expended but has gone back into the Treasury. I can assure the gentleman that the passage of this resolution is not going to interfere with any proper relief work in South Carolina.

Mr. BLACKMON. The passage of this resolution will not delay South Carolina, Georgia, or Alabama in their work?

Mr. SHERLEY. Not a particle; it will not interfere with those things at all.

The SPEAKER. Is there objection?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

DONATIONS OF CANNON AND CANNON BALLS.

Mr. MANN. Mr. Speaker, on the last meeting of the House the House passed the bill (S. 6625) authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls. In the consideration of the bill the gentleman from New York [Mr. CALDWELL] offered an amendment which had been prepared covering a number of bills which had been introduced by various Members, and on the floor various Members introduced further amendments. There are a number of duplicates in the House amendment to the bill. I ask unanimous consent to reconsider the vote whereby the bill was passed, and go back to the amending stage and amend the House amendment already agreed to, by striking out certain things.

The SPEAKER. The gentleman from Illinois asks unanimous consent to cancel the proceedings by which the bill passed the House back to the amending stage. Is there objection?

There was no objection.

The Clerk read the following amendments:

Strike out of the House amendment the following:
"To Litchfield, Minn., one condemned bronze cannon, with suitable outfit of cannon balls."

Strike out of the House amendment the following:
"To the Spanish-American War Veterans' Camp of Racine, Wis., two condemned bronze or brass cannon or fieldpieces, with carriages, with a suitable outfit of cannon balls, to be placed in Milton Honlick Camp Grounds."

In the similar item on page 3 of the engrossed amendment change the word "veteran' 'to "veterans."

Strike out of the House amendment the following:
"To the city of Vernon, Tex., one brass cannon and a suitable outfit of cannon balls, to be placed at the foot of the Confederate monument in the public square in said town"

Strike out of the House amendment the following:
"To the village of Tobasco, in the county of Clermont and State of Ohio, one condemned bronze or brass cannon or fieldpiece, with the carriage and a suitable outfit of cannon balls, the same to be placed in the Mount Moriah Cemetery, at said village."

Strike out of the House amendment the following:
"One cannon and balls for Russellville, Brown County, Ohio."

Strike out of the House amendment the following:
"To the Waynesburg Armory Board, Waynesburg, Pa., one condemned fieldpiece or cannon, with a suitable outfit of cannon balls for two pyramids."

Strike out of the House amendment the following:
"To the city of Lebanon, in the State of Pennsylvania, four condemned iron cannon or fieldpieces, with their carriages and a suitable outfit of cannon balls."

Also strike out of the amendment:
"To the city of Lebanon, in the State of Pennsylvania, four condemned bronze cannon or fieldpieces, with their carriages and a suitable outfit of cannon balls," and insert in lieu thereof the following:
"To the city of Lebanon, in the State of Pennsylvania, four condemned iron or bronze cannon or fieldpieces, with their carriages and a suitable outfit of cannon balls."

The SPEAKER. The question is on the amendments which have just been read.

Mr. ADAMSON. Mr. Speaker, I want to put in an amendment that was omitted the other day that was in a former bill, which I thought was in this one, and I will send it to the desk.

The SPEAKER. The Chair will suggest that the gentleman wait until we vote on these amendments.

Mr. MANN. Mr. Speaker, the proposition now presented is to strike out in the House amendment where there were two items covering exactly the same thing.

The SPEAKER. The Chair understands. The question is on the motion of the gentleman from Illinois to strike out the amendment where there were duplications.

The question was taken, and the motion was agreed to.

The SPEAKER. The Clerk will report the Greene amendment.

The Clerk read as follows:

Amendment by Mr. GREENE of Massachusetts: Insert at the end of the bill the following:

"Two condemned brass cannon, with suitable cannon balls, for the State soldiers' home at Chelsea, Mass."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MANN. Mr. Speaker, I present another amendment.

The SPEAKER. The Clerk will report the amendment offered by the gentleman from Illinois [Mr. MANN].

The Clerk read as follows:

Add to the House amendments the following items:

By Mr. WATSON of Pennsylvania:

"To the borough of Riggiesville, in the county of Bucks, in the State of Pennsylvania, two condemned bronze or brass cannon or fieldpieces, with their carriages, the same to be placed in the soldiers' cemetery in said borough."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

By Mr. WATSON of Pennsylvania:

"To the town of Norristown, in the county of Montgomery, in the State of Pennsylvania, two condemned bronze or brass cannon or fieldpieces, with their carriages, the same to be placed in the public park in said town."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

By Mr. OLNEY:

"To A. St. Johns Chambre Post, 72, Department of Massachusetts, Grand Army of the Republic, Stoughton, Mass., Norfolk County, two bronze or brass cannon or fieldpieces, with their carriages, the same to be placed in the public park of said town of Stoughton."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

By Mr. ROGERS:

"To Burbank Post, No. 33, and Woburn Post, No. 161, Department of Massachusetts, Grand Army of the Republic, Woburn, Mass., two condemned bronze or brass cannon or fieldpieces and suitable outfit of cannon balls."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

By Mr. RAKER:

Insert at end of bill: "To city of Attmas, Cal., two condemned bronze cannon, with suitable outfit of cannon balls, with two pyramids and carriages, for the new courthouse."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

By Mr. KEATING:

"To the Lamar Grand Army of the Republic Post, of Lamar, Colo., a brass cannon and pyramid of cannon balls."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

By Mr. HULBERT:

"To the city of New York two condemned bronze cannon, with suitable carriages and proper number of cannon balls."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

By Mr. MCCULLOCH:

At the end of the bill insert: "To the village of Sparta, Stark County, Ohio, two brass cannon and cannon balls."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

By Mr. MCCULLOCH:

"To the city of Canal Dover, Tuscarawas County, Ohio, two brass cannon and cannon balls.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

By Mr. DIXON:

"To the commissioners of Decatur County, Ind., for the Grand Army Post of Greensburg, two condemned bronze or brass cannon with carriages and balls complete."

The amendment was agreed to.

By Mr. ADAMSON:

"To the Agricultural and Mechanical School at Carrollton, in the fourth congressional district in the State of Georgia, two condemned bronze or brass cannon, or fieldpieces, with their carriages."

The amendment was agreed to.

By Mr. DALLINGER:

"At the end of the bill insert, 'For the town of Wakefield, Mass., two condemned bronze cannon with suitable carriages and pyramid of cannon balls.'"

The amendment was agreed to.

By Mr. GOULD:

"Village of Waterloo, N. Y., two condemned bronze cannon with carriages and cannon balls."

The amendment was agreed to.

By Mr. GRIFFIN:

"At McKinley Park, Brooklyn, N. Y., two condemned cannon and cannon balls."

The amendment was agreed to.

By Mr. SINNOTT:

"For United States post-office ground and building at The Dalles, Wasco County, Oreg., two condemned brass cannon with their carriages and cannon balls."

The amendment was agreed to.

By Mr. YOUNG of North Dakota:

"For the city of Valley City, N. Dak., one condemned cannon with carriage and suitable pyramid of cannon balls."

The amendment was agreed to.

By Mr. BRITT:

"Two condemned brass cannon, two carriages, and the necessary cannon balls for the Confederate Veterans Camp of Asheville, N. C."

The amendment was agreed to.

By Mr. FARR:

"For the Ezra Griffin Post, Scranton, Pa., two brass cannon, two carriages, and the necessary balls."

The amendment was agreed to.

By Mr. DILLON:

"To city of Parkston, S. Dak., one small condemned brass cannon, with suitable carriage and cannon balls."

The amendment was agreed to.

By Mr. TREADWAY:

"For Lanesboro, Mass., two condemned brass cannon, with suitable carriages and pyramid of cannon balls."

The amendment was agreed to.

By Mr. REAVIS:

"Two condemned brass cannon, with the carriages and cannon balls, for Antelope Park, in Lincoln, Nebr."

The amendment was agreed to.

By Mr. TAYLOR of Colorado:

"To the city of Montrose, Colo., two condemned brass cannon, with carriages and a suitable accompaniment of cannon balls."

The amendment was agreed to.

By Mr. CANNON:

"To the city of Hoopestown, Ill., two condemned brass or bronze cannon and their carriages and balls, and to the city of Gilman, Ill., two condemned bronze cannon and their carriages, with balls."

The amendment was agreed to.

By Mr. COOPER of Ohio:

"Two condemned brass or bronze cannon for park in Jefferson, Ohio."

The amendment was agreed to.

By Mr. LLOYD:

"Two brass cannon and cannon balls for park at Glenwood, Mo."

The amendment was agreed to.

By Mr. BRUMBAUGH:

"For Dublin, Franklin County, Ohio, two condemned brass cannon, with suitable carriages and cannon balls."

The amendment was agreed to.

By Mr. ROUSE:

"To the city of Warsaw, in the State of Kentucky, two condemned bronze or brass cannon and a suitable outfit of cannon balls."

The amendment was agreed to.

By Mr. BOWERS:

"Two cannon or fieldpieces and outfit of balls for Kingwood, W. Va."

The amendment was agreed to.

Amendment offered by Mr. ALMON:

"To the city of Scottsboro, Ala., two condemned bronze or brass cannon with suitable number of cannon balls."

Amendment offered by Mr. WILLIAMS of Ohio:

"Two condemned brass cannon and carriages and balls for city of Lorain. Two brass cannon and carriages and balls for Buckley Post, Akron, Ohio."

Amendment offered by Mr. WALSH:
"To the town of Falmouth, in the county of Barnstable and Commonwealth of Massachusetts, two condemned bronze or brass cannons, with carriages and a suitable pyramid of canon balls, to be placed in the public parks or grounds in said town."
Amendment offered by Mr. BEALES:
"Two condemned brass cannons and suitable assortment of balls for New Oxford, Pa."
Amendment offered by Mr. ROGERS:
"To the town of Methuen, Mass., two condemned bronze or brass cannon or fieldpieces, with suitable outfits of cannon balls."
Amendment offered by Mr. CULLOP:
"To the board of commissioners of Greene County, Ind., for the Grand Army post at Bloomfield, two bronze cannon and balls."
Amendment offered by Mr. GARLAND:
"Two condemned brass or bronze cannons, with carriages and suitable complement of cannon balls for a pyramid at Mooseheart, Ill., for the Loyal Order of Moose of the World."
Amendment offered by Mr. SUTHERLAND:
At the end of the bill insert: "For the city of Parkersburg, W. Va., two condemned brass or bronze cannons, with their carriages, with suitable pyramids of cannon balls."
At the end of the bill insert: "For the city of Huntington, W. Va., two condemned brass or bronze cannons, with their carriages and pyramid of cannon balls."
Amendment offered by Mr. SIEGEL:
"To the city of New York, to be placed in Jefferson Park, two condemned cannons and cannon balls."
Amendment offered by Mr. SHOUSE:
Item for Hutchinson, Kans., add the words "with their carriages and a suitable pyramid of cannon balls."
Item for Lyons, Kans., add the words "with their carriages and a suitable pyramid of cannon balls."
Amendment offered by Mr. BENNET:
"Fordham Square, New York City, two condemned bronze cannon."
Amendment offered by Mr. FULLER: At the end of the bill insert:
"To the city of Belvidere, Ill., one bronze or brass cannon, with carriage and a suitable outfit of cannon balls."
Amendment offered by Mr. GRIFFIN:
"At Sunset Park, Brooklyn, N. Y., two cannon and necessary balls."
Amendment offered by Mr. LANGLEY:
"For Grand Army of the Republic post at Paintsville, Ky., two condemned brass cannon and suitable carriages and cannon balls."
Amendment offered by Mr. SLOAN:
"One brass cannon, carriage, and suitable supply of pyramids for the city of Wilbur, Salem County, Nebr."
Amendment offered by Mr. HULBERT:
"City of New York, Borough of The Bronx, two condemned bronze or brass cannon, with suitable carriages and cannon balls."
Amendment offered by Mr. CHURCH:
"To the city of Fresno, Cal., two condemned bronze cannon, with suitable outfit of cannon balls."
Amendment offered by Mr. SMITH of Michigan:
"Four condemned shell and 24 cannon balls for pyramid, Grand Army of the Republic Park at Eaton Rapids City, Mich."
Amendment offered by Mr. SCULLY:
"Two condemned cannon, with a suitable outfit of cannon balls, for Phil Kearney Post, South Amboy, N. J."
Amendment offered by Mr. AYRES:
"Two condemned bronze or brass cannon, with suitable balls, for City Park, McPherson Kans."
Amendment offered by Mr. BLACKMON:
"Two condemned brass or bronze cannon for Talladega, Ala., and balls on the Jackson Trace."
Amendment offered by Mr. ALEXANDER:
"Two condemned brass or bronze cannon, with pyramids of cannon balls, to place in public square at Richmond, Mo."
Amendment offered by Mr. COOPER of West Virginia: At the end of the bill:
"Two brass cannon, with suitable carriages and two pyramids of cannon balls, to the city of Princeton, W. Va."
Amendment offered by Mr. MOON:
"Two condemned cannon and balls for Signal Mountain, Tenn."
Amendment offered by Mr. FAIRCHILD:
"Norwich, N. Y., public park, two condemned cannon."
Amendment offered by Mr. MEEKER:
"For Clayton, Mo., courtyard, two condemned bronze or brass cannon, with carriages and suitable pyramid of balls."
Amendment offered by Mr. HUTCHINSON:
"To the city of Trenton, N. J., two condemned brass cannon and carriages, with pyramid of cannon balls."
Amendment offered by Mr. WALSH:
"To the city of New Bedford Mass., two condemned bronze or brass cannon, with their carriages and a suitable pyramid of cannon balls, to be placed in Hazlewood Park in said city, or such other public park as the city council of said city may determine."
Amendment offered by Mr. STINESS:
Two brass cannon, with suitable carriages, and two pyramids of cannon bills, for the town of Warwick, R. I."
Amendment offered by Mr. LAFEAN:
"Two brass cannon and balls for the borough of Wrightsville, Pa."
Amendment offered by Mr. ROWLAND:
"Two brass cannon and balls for Grand Army Post, Philipsburg, Pa."
By Mr. LANGLEY:
"Two condemned cannon with carriages and cannon balls for the courthouse yard at Whitesburg, Ky."
By Mr. WATSON of Virginia:
"For Confederate Monument Association at Nottoway, Va., two condemned brass cannon and suitable cannon balls, to be placed on the Courthouse Square."
By Mr. PARKER of New Jersey:
"To the city of Orange, N. J., two condemned brass or bronze cannon or fieldpieces, with the carriages and a suitable outfit of cannon balls."
"To the city of East Orange, N. J., two condemned brass or bronze cannon or fieldpieces, with their carriages and a suitable outfit of cannon balls."
By Mr. JOHNSON of Washington:
"Two brass cannon and balls for G. A. R. State Association at Westport, Wash."
By Mr. WILLIAMS of Ohio:
"Two cannon and suitable carriages and balls for Elyria Camp Sons of Veterans, for city of Elyria, Ohio."
By Mr. TAYLOR of Colorado:
"For the city of Gunnison, Colo., for park of State Normal School, two condemned brass cannon with suitable carriages and balls."
By Mr ALMON:
"To the city of Tuscumbia, Ala., two condemned brass cannon or fieldpieces, with suitable outfit of cannon balls."
By Mr. DYER:
"For City Hall Park, St. Louis, Mo., two condemned bronze or brass cannon, with carriages and suitable pyramids of balls."
By Mr. BLACKMON:
"Two condemned brass or bronze cannon and balls, to be placed at Pelham Monument, Anniston, Ala."
By Mr. CHARLES:
"To the city of Schenectady, State of New York, two condemned brass cannon and cannon balls."
By Mr. CHANDLER of New York:
"Mount Morris Park, New York City, two condemned cannon, with suitable outfit of cannon balls."
By Mr. SLOAN:
"One condemned brass cannon and carriage, with suitable supply of cannon balls, for two pyramids for the city of Friend, Nebr."
By Mr. FULLER:
"To the village of Poplar Grove, Ill., one brass cannon and carriage and suitable outfit of balls."
By Mr. HOPWOOD:
"Two cannon and suitable supply of cannon balls for public grounds in Connellsville, Pa."
By Mr. WATSON of Virginia:
"For the Confederate Monument Association of Lunenburg County, Va., two condemned brass cannon and suitable cannon balls, to be placed at the base of the Confederate monument at Victoria Va."
By Mr. ASHBROOK:
"Two condemned brass cannon and suitable outfit at Ashland, Ohio, on public-building ground."
By Mr. SWIFT:
"Two condemned brass cannon, with cannon balls, for Library Square, Richmond Hill, N. Y."
Amendment by Mr. HEATON:
"Two condemned brass or bronze cannon at Court House Square, Ashland, Pa., with pyramid of balls."
Amendment by Mr. HOLLINGSWORTH:
"The city of Bellaire, Ohio, two condemned brass or bronze cannon, with suitable outfit of cannon balls and carriages, to be placed in the public park or elsewhere, as the city authorities may decide."
Amendment by Mr. ABERCROMBIE:
"For the campuses of the University of Alabama, at Tuscaloosa, and the Alabama Polytechnic Institute, at Auburn, each two condemned brass or bronze cannon or fieldpieces, with a suitable outfit of cannon balls."

The SPEAKER pro tempore (Mr. RAINEY). Is a separate vote demanded on any of these amendments? If not, the Chair will put them in gross.

The amendments were agreed to.

Mr. MANN. I ask unanimous consent that when the Clerk engrosses the House amendment to the Senate bill, if any amendment now offered is found to be in duplicate, the Clerk shall insert the item only once in the amendment.

The SPEAKER pro tempore. The gentleman from Illinois asks unanimous consent that if any of these amendments are found to be duplicates, the Clerk insert each one only once. Is there objection?

There was no objection.

The bill as amended was ordered to a third reading, and was accordingly read the time and passed.

On motion of Mr. MANN, a motion to reconsider the last vote was laid on the table.

MILITARY RESERVATION, FORT MIFFLIN, PA.

Mr. VARE. Mr. Speaker, I ask the Chair to lay before the House the bill (H. R. 13984), with Senate amendments thereto.

The SPEAKER pro tempore laid before the House the bill (H. R. 13984) granting to the city of Philadelphia, in the State of Pennsylvania, a right of way through the United States military reservation at Fort Mifflin, Pa., with Senate amendments thereto.

The Senate amendments were read.

The Senate amendments were concurred in.

On motion of Mr. VARE, a motion to reconsider the last vote was laid on the table.

LIME BARRELS.

Mr. ASHBROOK. Mr. Speaker, I call up the conference report on the bill (S. 5425) to standardize lime barrels.

The Clerk read the conference report, as follows:

CONFERENCE REPORT.

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 5425) to standardize lime barrels having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1, 4, 5, 6, 7, 8, and 9, and agree to the same.

That the Senate recede from its disagreement to the amendment of the House numbered 2, and agree to the same with an amendment as follows:

"SEC. 2. That it shall be unlawful for any person to sell or offer for sale lime imported in barrels from a foreign country or to sell or offer for sale lime in barrels for shipment from any State or Territory or the District of Columbia to any other State or Territory or the District of Columbia unless there shall be stenciled or otherwise clearly marked on one or both heads of the small barrel the figures '180 lbs. net' and of the large barrel the figures '280 lbs. net' before the importation or shipment and on either barrel in addition the name of the manufacturer of the lime and where manufactured, and if imported the name of the country from which it is imported."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House numbered 3, and agree to the same with an amendment as follows:

"SEC. 3. When lime is sold in interstate or foreign commerce in containers of less capacity than the standard small barrel, it shall be sold in fractional parts of said standard small barrel and the net weight of lime contained in such container shall by stencil or otherwise be clearly marked thereon, together with the name of the manufacturer thereof, and the name of the brand, if any, under which it is sold and, if imported, the name of the country from which it is imported."

And the House agree to the same.

WILLIAM A. ASHBROOK,
JOHN W. ABERCROMBIE,
Managers on the part of the House.
MOSES E. CLAPP,
J. H. BANKHEAD,
Managers on the part of the Senate.

The SPEAKER pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

On motion of Mr. ASHBROOK, a motion to reconsider the last vote was laid on the table.

LEAVE TO EXTEND REMARKS.

By unanimous consent, Mr. LITTLEPAGE, Mr. SUTHERLAND, and Mr. COOPER of West Virginia were given leave to extend remarks on the subject of the West Virginia flood sufferers.

By unanimous consent, Mr. HELVERING and Mr. BENNET were given leave to extend remarks in the RECORD.

By unanimous consent, Mr. GRIFFIN was given leave to extend his remarks in the RECORD, to include an address delivered by Mr. FITZGERALD as chairman of the New York Democratic State Conference at Saratoga.

Mr. HASTINGS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

Mr. MANN. About what?

Mr. HASTINGS. The increased price of print paper.

The SPEAKER pro tempore. Is there objection?

Mr. MANN. I have no objection, but I suggest to the gentleman that he send a copy of his remarks to the Federal Trade Commission, because evidently they do not know much about that subject.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ROGERS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

Mr. CARLIN. On what subject?

Mr. ROGERS. I have not made up my mind yet.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

By unanimous consent leave was given to Mr. FESS, Mr. DYER, and Mr. SIEGEL to extend remarks in the RECORD.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. STEDMAN, for 10 days, on account of illness.

To Mr. SMITH of Michigan, for two weeks, on account of important business.

ENROLLED BILLS SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 12712. An act to amend an act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes"; and

H. R. 11129. An act for the relief of the owners of the barkentine *Mabel I. Meyers* and her master and crew, and for the relief of the owners of cargo of molasses late on board said barkentine.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 6372. An act to authorize the counties of Baldwin and Mobile, Ala., their successors and assigns, to construct, maintain, and operate a bridge across Spanish River at or near the junction of Raft and Spanish Rivers.

LEAVE TO ADDRESS THE HOUSE.

Mr. RAINEY. Mr. Speaker, I ask unanimous consent that after the reading of the Journal and the transaction of morning business on Tuesday next I may address the House for 40 minutes on the subject of mixed flour.

The SPEAKER pro tempore (Mr. JOHNSON of Kentucky). Is there objection?

Mr. MANN. Reserving the right to object, it is not certain that we will meet on Tuesday. We do not want to tie ourselves up to a session on that day. I do not know just what the program will be, but if the gentleman will be ready we can protect him so that he can get in first after Friday.

Mr. RAINEY. I will do that. I do not want the House to meet for the special purpose of listening to me.

ADJOURNMENT.

Mr. PADGETT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 48 minutes p. m.) the House, under the order heretofore made, adjourned until Friday, August 18, 1916, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Treasury, transmitting copy of communication from the Secretary of the Interior, submitting an estimate of appropriation in the sum of $5,000 for the protection and improvement of the Lassen Volcanic National Park, Cal., for the fiscal year ending June 30, 1917 (H. Doc. No. 1326); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Acting Secretary of the Treasury, inviting attention to private act No. 69, an act for the relief of Joseph Cameron, approved August 7, 1916, and asking an appropriation therefor (H. Doc. No. 1327); to the Committee on Appropriations and ordered to be printed.

3. A letter from the Secretary of the Treasury, transmitting copy of communication from the Acting Secretary of Commerce, submitting an estimate of appropriation for rebuilding, repairing, and reestablishing the aids to navigation and structures connected therewith on the coast of the Gulf of Mexico (H. Doc. No. 1328); to the Committee on Appropriations and ordered to be printed.

4. A letter from the Secretary of the Treasury, transmitting copy of communication from the Secretary of War, submitting a supplemental estimate of appropriation in the sum of $10,000 for the acquisition of the privately owned buildings now embraced within the limits of the Schofield Barracks Military Reservation, Territory of Hawaii (H. Doc. No. 1324); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clase 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. TAVENNER, from the Committee on Printing, to which was referred the bill (S. 6626) to fix the rate of pay for compositors and bookbinders in the Government Printing Office, reported the same without amendment, accompanied by a report (No. 1116), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. ROUSE, from the Committee on the Post Office and Post Roads, to which was referred the joint resolution (H. J. Res. 237) authorizing the Postmaster General to provide the postmaster of Gulfport, Miss., with a special canceling die for the Mississippi Centennial Exposition celebration, reported the same without amendment, accompanied by a report (No. 1121), which said joint resolution and report were referred to the Committee of the Whole House on the state of the Union.

Mr. WEBB, from the Committee on the Judiciary, to which was referred the bill (H. R. 17350) to promote export trade, and for other purposes, reported the same without amendment, accompanied by a report (No. 1118), which said bill and report were referred to the House Calendar.

Mr. CARLIN, from the Committee on the Judiciary, to which was referred the joint resolution (H. J. Res. 217) extending until October 15, 1918, the effective date of section 10 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, reported the same with amendment, accompanied by a report (No. 1119), which said joint resolution and report were referred to the House Calendar.

He also, from the same committee, to which was referred the bill (H. R. 9820) for the purpose of limiting the activities of certain officers and employees of the Government, reported the same without amendment, accompanied by a report (No. 1120), which said bill and report were referred to the House Calendar.

Mr. WATKINS, from the Committee on the Territories, to which was referred the bill (H. R. 10757) to authorize the incorporated town of Juneau, Alaska, to issue bonds for the construction and equipment of schools therein, and for other purposes, reported the same without amendment, accompanied by a report (No. 1122), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. HULL of Iowa, from the Committee on Military Affairs, to which was referred the bill (S. 1361) for the relief of Thomas Smart, reported the same without amendment, accompanied by a report (No. 1109), which said bill and report were referred to the Private Calendar.

Mr. McKENZIE, from the Committee on Military Affairs, to which was referred the bill (H. R. 5690) to correct the military record of Alfred Rebsamen, reported the same with amendment, accompanied by a report (No. 1110), which said bill and report were referred to the Private Calendar.

Mr. WISE, from the Committee on Military Affairs, to which was referred the bill (H. R. 10255) for the relief of David Kirch, reported the same without amendment, accompanied by a report (No. 1111), which said bill and report were referred to the Private Calendar.

Mr. McKELLAR, from the Committee on Military Affairs, to which was referred the bill (S. 6740) to correct the military record of Matthew C. Butler, jr., reported the same without amendment, accompanied by a report (No. 1112), which said bill and report were referred to the Private Calendar.

Mr. WISE, from the Committee on Military Affairs, to which was referred the bill (H. R. 15233) for the relief of William A. Persons, reported the same without amendment, accompanied by a report (No. 1113), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill (H. R. 15644) for the relief of James S. Risher, reported the same without amendment, accompanied by a report (No. 1114), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill (H. R. 5948) for the relief of Hays Gaskill, reported the same without amendment, accompanied by a report (No. 1115), which said bill and report were referred to the Private Calendar.

Mr. ANTHONY, from the Committee on Military Affairs, to which was referred the bill (H. R. 17415) to authorize the President to appoint Clarence H. Knight a captain in the line of the Army, reported the same without amendment, accompanied by a report (No. 1117), which said bill and report were referred to the Private Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Claims was discharged from the consideration of the bill (H. R. 9851) for the relief of Sarah F. Trenwith, executrix of Clifford W. Simpson, and the same was referred to the Committee on War Claims.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills and resolutions were introduced and severally referred as follows:

By Mr. ROUSE: A bill (H. R. 17422) to provide for the retirement of employees in the Postal Service, and for other benefits and purposes in connection therewith; to the Committee on the Post Office and Post Roads.

By Mr. COLEMAN: A bill (H. R. 17423) to increase the limit of cost of the Bureau of Mines Building in Pittsburgh, Pa., $50,000; to the Committee on Public Buildings and Grounds.

By Mr. McLEMORE: A bill (H. R. 17424) authorizing transfer of certain retired Army officers to the active list; to the Committee on Military Affairs.

Also, a bill (H. R. 17425) to amend an act entitled "An act to regulate commerce," approved February 4, 1887, and acts amendatory thereof; to the Committee on Interstate and Foreign Commerce.

By Mr. BRUCKNER: A bill (H. R. 17426) providing for the Westchester Creek (New York City) improvement; to the Committee on Rivers and Harbors.

By Mr. RAINEY: A bill (H. R. 17427) making an appropriation for the erection of a monument to Stephen A. Douglas; to the Committee on the Library.

By Mr. HUDDLESTON (by request): A bill (H. R. 17428) for the control and regulation of the waters of Niagara River, and for other purposes; to the Committee on Foreign Affairs.

By Mr. SMITH of Minnesota: Resolution (H. Res. 346) to create a committee to investigate the water-power lobby; to the Committee on Rules.

By Mr. ESCH: Resolution (H. Res. 347) requesting the Secretary of State to furnish information as to recent elections in the Republic of Panama; to the Committee on Foreign Affairs.

Also, resolution (H. Res. 348) requesting the Secretary of War to furnish information as to recent elections in the Republic of Panama; to the Committee on Foreign Affairs.

By Mr. CAMPBELL: Resolution (H. Res. 349) requesting the President to inform the House of Representatives the amount of customs duties collected at the port of Vera Cruz, Mexico, in the spring of 1914, during occupation by American forces, and the disposition thereof; to the Committee on Foreign Affairs.

By Mr. CALDWELL: Resolution (H. Res. 350) to authorize the Committee on Military Affairs to investigate military camps during recess of Congress; to the Committee on Rules.

By Mr. BORLAND: Joint resolution (H. J. Res. 296) for an investigation of the live-stock and meat-packing industries and of certain corporations engaged in purchasing live stock and in the packing and distribution of meats; to the Committee on the Judiciary.

By Mr. HASTINGS: Joint resolution (H. J. Res. 297) authorizing and directing the President to place an embargo on print paper; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 17429) granting an increase of pension to Frank Nouse; to the Committee on Invalid Pensions.

By Mr. BORLAND: A bill (H. R. 17430) granting an increase of pension to Oscar G. Robinson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17431) for the relief of Josie Chouquette; to the Committee on Claims.

By Mr. BROWNING: A bill (H. R. 17432) to waive the age limit in the appointment of Walter H. Leedom, of Collingswood, N. J., as a second lieutenant in the United States Army; to the Committee on Military Affairs.

By Mr. COADY: A bill (H. R. 17433) granting a pension to Margaret J. Gissel; to the Committee on Pensions.

By Mr. CURRY: A bill (H. R. 17434) granting a pension to Douglass Luce; to the Committee on Invalid Pensions.

By Mr. ESCH: A bill (H. R. 17435) granting an increase of pension to William L. Tate; to the Committee on Invalid Pensions.

By Mr. FOSTER: A bill (H. R. 17436) granting a pension to A. L. Byers; to the Committee on Pensions.

Also, a bill (H. R. 17437) granting a pension to Henry P. Redfearn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17438) granting a pension to Martha A. Wright; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17439) granting a pension to Cassie A. Binnix; to the Committee on Pensions.

Also, a bill (H. R. 17440) granting an increase of pension to Mary M. Eaglin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17441) granting an increase of pension to William H. Benthall; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17442) granting an increase of pension to John Routein; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17443) granting an increase of pension to Bradford R. Gilbert; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17444) granting an increase of pension to Eliza L. Brooks; to the Committee on Invalid Pensions.

By Mr. GARD: A bill (H. R. 17445) for the relief of John M. V. Dutton; to the Committee on Military Affairs.

By Mr. HAMILTON of New York: A bill (H. R. 17446) granting an increase of pension to Chauncy A. Cronk; to the Committee on Invalid Pensions.

By Mr. HUDDLESTON: A bill (H. R. 17447) granting an increase of pension to James M. Smith; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 17448) for the relief of the heirs of Robert Laird McCormick, deceased; to the Committee on Claims.

By Mr. KEARNS: A bill (H. R. 17449) granting an increase of pension to John B. Gillaspie; to the Committee on Invalid Pensions.

By Mr. MAPES: A bill (H. R. 17450) granting an increase of pension to Daniel Hayes; to the Committee on Invalid Pensions.

By Mr. NEELY: A bill (H. R. 17451) granting an increase of pension to Cornelius Dorsey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17452) granting an increase of pension to Henry H. Guseman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17453) granting an increase of pension to Elias Baker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17454) granting an increase of pension to William L. Faucett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17455) granting an increase of pension to Isaac Boyce; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17456) granting an increase of pension to Anthony Headley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17457) granting an increase of pension to Joshua Markley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17458) granting an increase of pension to Isaac Grimes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17459) granting an increase of pension to Jesse R. Mercer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17460) granting an increase of pension to James Flanagan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17461) granting an increase of pension to John Douglass; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17462) granting an increase of pension to John T. Downey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17463) granting an increase of pension to Charles White; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17464) granting an increase of pension to James L. T. Sharp; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17465) granting an increase of pension to Samuel H. Sloan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17466) granting an increase of pension to J. W. Vandine; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17467) granting an increase of pension to Aretas J. Porter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17468) granting a pension to Mary C. Wykoff; to the Committee on Pensions.

Also, a bill (H. R. 17469) granting a pension to Elizabeth A. Davis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17470) granting a pension to Sarah M. Foster; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17471) granting a pension to Elizabeth Kirkman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17472) granting a pension to George H. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17473) granting a pension to Belle Satterfield; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17474) granting a pension to Alfred Rivers; to the Committee on Pensions.

Also, a bill (H. R. 17475) granting a pension to Carrie E. Nevil; to the Committee on Pensions.

Also, a bill (H. R. 17476) granting a pension to Lloyd Shaver; to the Committee on Pensions.

Also, a bill (H. R. 17477) granting a pension to Walter Zogg; to the Committee on Pensions.

Also, a bill (H. R. 17478) granting a pension to William A. Zinn; to the Committee on Pensions.

Also, a bill (H. R. 17479) granting a pension to Andrew B. Erb; to the Committee on Pensions.

By Mr. NORTH: A bill (H. R. 17480) for the relief of Samuel Mathews, alias Samuel A. G. Mathers; to the Committee on Military Affairs.

By Mr. RUSSELL of Missouri: A bill (H. R. 17481) granting an increase of pension to William R. Boren; to the Committee on Invalid Pensions.

By Mr. SABATH: A bill (H. R. 17482) for the relief of the victims of the *Eastland* disaster; to the Committee on Claims.

By Mr. SEARS: A bill (H. R. 17483) granting an increase of pension to Charles D. Ashton; to the Committee on Invalid Pensions.

By Mr. SHOUSE: A bill (H. R. 17484) granting an increase of pension to James C. Metlin; to the Committee on Invalid Pensions.

By Mr. SMITH of New York: A bill (H. R. 17485) granting a pension to Eva L. Phillips; to the Committee on Invalid Pensions.

By Mr. STEELE of Iowa: A bill (H. R. 17486) granting an increase of pension to William Parker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17487) granting an increase of pension to John W. Rowland; to the Committee on Invalid Pensions.

By Mr. STERLING: A bill (H. R. 17488) granting an increase of pension to Hugh Thompson; to the Committee on Invalid Pensions.

By Mr. SUTHERLAND: A bill (H. R. 17489) for the relief of Jasper Newton Gibson; to the Committee on War Claims.

By Mr. TAGGART: A bill (H. R. 17490) to pay the heirs of Perry C. Morrell, deceased, $300, being the value of 300 bushels of corn sold to and for the use of the military forces of the United States in 1862; to the Committee on War Claims.

By Mr. WASON: A bill (H. R. 17491) granting an increase of pension to Thomas J. Benjamin; to the Committee on Invalid Pensions.

By Mr. WINSLOW: A bill (H. R. 17492) granting an increase of pension to Catherine Simmonds; to the Committee on Invalid Pensions.

By Mr. WOOD of Indiana: A bill (H. R. 17493) granting a pension to Stanley Hallman; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petitions of sundry citizens of Buffalo, N. Y., against passage of bills to amend the postal laws; to the Committee on the Post Office and Post Roads.

By Mr. BAILEY: Petitions of Charles Fredrick Adams, Brooklyn, N. Y.; Thomas B. Adams, Summit, N. J.; Theodore Brooks Adams, Brooklyn, N. Y.; Frederic A. Adams, Brooklyn, N. Y.; Adelaide Youngman, New York City; Frank Stephens, Arden, Del.; J. A. Tormey, Philadelphia, Pa.; Dan Fellows Platt, Englewood, N. J.; John Wright, Chicopee Falls, Mass.; Will Atkinson, New York City; Carolina M. Siegel, East Long Branch, N. J.; L. F. Monehan, New York City; Edward Foshir, Bronxville, N. Y.; John Di Vianauo, Pierre Laird, C. B. French, Adolph C. Supples, Gustave Spade, and Herman H. Siabert, all of New York City; P. M. Jahren, Brooklyn, N. Y.; J. H. Gaylon, Douglaston, N. Y.; and James B. Ellery, Erie, Pa., asking for the speedy passage of House bill 13281, which provides for amending the tariff so as to admit free the products of any American country which will admit our products free; to the Committee on Ways and Means.

By Mr. BRUCKNER: Petition of Charles Violet and William F. Warrenfeld, of New York, indorsing the Stevens-Ayres bill; to the Committee on Interstate and Foreign Commerce.

Also, memorial of Paul Jones Council, No. 115, Junior Order United American Mechanics, favoring national preparedness; to the Committee on Military Affairs.

Also, memorial of National Association of Vicksburg Veterans, in re Vicksburg reunion; to the Committee on Military Affairs.

Also, petition of George Popp, of The Bronx, N. Y., indorsing House bill 6915; to the Committee on the Post Office and Post Roads.

Also, memorial of executive committee, National Association Union Volunteer Officers, in re Senate bill 392 and House bill 386; to the Committee on Military Affairs.

Also, petition of Garrett R. Tucker, of New York, indorsing House bill 11876; to the Committee on Labor.

Also, petition of M. L. Forsythe, of 115 West One hundred and forty-second Street, New York, favoring restoration of a protective tariff to all American industries; to the Committee on Ways and Means.

By Mr. CONNELLY: Petition of sundry citizens of the sixth Kansas district, petitioning Congress to take such measures as are necessary to avert a strike by the trainmen; to the Committee on Interstate and Foreign Commerce.

By Mr. DALE of New York: Petition of committee on national affairs of New York Young Republican Club, against

Shields water-power bill, etc.; to the Committee on Interstate and Foreign Commerce.

Also, petition of National Society for the Promotion of Industrial Education, favoring passage of vocational education bill; to the Committee on Education.

By Mr. ESCH: Memorial of Wisconsin Bankers' Association, favoring passage of House bill 12998; to the Committee on Banking and Currency.

Also, memorial of Wisconsin State Bankers' Association, against passage of House bill 15754, relative to branch banking; to the Committee on Banking and Currency.

Also, memorial of Wisconsin Pharmaceutical Association, favoring 1-cent letter postage; to the Committee on the Post Office and Post Roads.

By Mr. FLYNN: Petition of New York Young Republican Club, of New York City, against passage of Shields water-power bill, etc.; to the Committee on Interstate and Foreign Commerce.

Also, petition of Louis N. Freedman, of New York City, favoring passage of the Senate Navy bill; to the Committee on Naval Affairs.

By Mr. GALLIVAN: Petition of the Association of Theater Managers of Boston, against proposed tax on theaters; to the Committee on Ways and Means.

By Mr. HUMPHREY of Washington: Petition of sundry citizens of Seattle, Wash., opposing House bill 652; to the Committee on the District of Columbia.

By Mr. LLOYD: Petition of 100 railroad employees in the first Missouri district, against the proposed railway strike; to the Committee on Interstate and Foreign Commerce.

By Mr. McFADDEN: Petition of sundry citizens of West Auburn, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. MEEKER: Petitions of 134 citizens of St. Louis, Mo., favoring woman-suffrage amendment; to the Committee on the Judiciary.

By Mr. MORIN: Protest of Pittsburgh Clearing House Association, W. W. McCandless, secretary, in re reinstating special bankers' tax; to the Committee on Ways and Means.

By Mr. RAKER: Memorials of the board of directors of the Chamber of Commerce of San Francisco, Cal., Eureka (Cal.) Development Association, board of directors Pomona County, Cal., relative to investing the Interstate Commerce Commission with power to settle controversies, etc.; to the Committee on Interstate and Foreign Commerce.

Also, petition of Marine Engineers' Beneficial Association No. 35, of San Francisco, Cal., urging increase of wages for marine engineers on Government vessels operated out of the port of San Francisco, Cal.; to the Committee on Merchant Marine and Fisheries.

By Mr. SCULLY: Petitions of Chambers of Commerce of Salem and Penns Grove, N. J., against proposed tax on gunpowder and other explosives; to the Committee on Ways and Means.

By Mr. SLOAN: Petition of C. S. Sherwood and 13 others, motor and car department, protesting against the proposed railway strike; to the Committee on Interstate and Foreign Commerce.

Also, petition of Charley Pospisoe and 58 others, bridge and building department, Union Pacific Railroad Co., protesting against the proposed railway strike; to the Committee on Interstate and Foreign Commerce.

Also, petition of James R. Gilgallon and 74 others, maintenance of way, Union Pacific Railroad Co., protesting against the proposed railway strike; to the Committee on Interstate and Foreign Commerce.

Also, petition of Andrew E. Anderson and 48 others, maintenance-of-way employees, Union Pacific Railroad Co., protesting against the proposed railway strike; to the Committee on Interstate and Foreign Commerce.

Also, petition of L. O. Cluty and 25 others, B. and B. department, protesting against the proposed railway strike; to the Committee on Interstate and Foreign Commerce.

By Mr. SINNOTT: Petition of 17 citizens of Merrill, Oreg., against passage of bills to amend the postal laws; to the Committee on the Post Office and Post Roads.

Also, petition of 39 citizens of Malheur County, Oreg., favoring settlement of railroad-wage controversy by Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Michigan: Papers to accompany House bill 16085, for relief of Bertha E. Jones; to the Committee on Invalid Pensions.

By Mr. STEPHENS of Texas: Petition of citizens of Pampa, Gray County, Tex., favoring settlement of railroad wage controversy by Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

Also, memorial of employees of the Southern Pacific Railway Co., in Texas, relative to eight hours per day, etc.; to the Committee on Interstate and Foreign Commerce.

By Mr. TIMBERLAKE: Petition of 386 railway employees of the State of Colorado, favoring proper arbitration of difficulties between railway managers and employees; to the Committee on Interstate and Foreign Commerce.

By Mr. WINSLOW: Petition of citizens of Worcester, Mass., against bills to amend the postal laws; to the Committee on the Post Office and Post Roads.

Also, petition of citizens of Worcester, Mass., relative to prohibition in the District of Columbia; to the Committee on the District of Columbia.

SENATE.

WEDNESDAY, *August 16, 1916.*

The Senate met at 12 o'clock m.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we seek Thy guidance and blessing for this new day in the discharge of the duties that we dare not undertake of our own strength or of our own wisdom. Having so much of the interests of so many of Thy children in our keeping in such large measure, we come to Thee whose law is just and right and good and ask for Thy guidance and blessing this day. Give us a responsive heart to every approach of God to us. Give to us the consciousness of the larger unity of interests that we have. As we are sure there are no conflicting duties, so there are no conflicting interests to those who learn to like Thy way in the light of God's revealed truth. Help us to-day in the interest of all the people to think and act, and may Thy name be glorified by the service which we render. For Christ's sake. Amen.

CALLING OF THE ROLL.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Curtis	Martine, N. J.	Simmons
Bankhead	Dillingham	Myers	Smith, Ariz.
Beckham	Fletcher	Nelson	Smith, Ga.
Borah	Gronna	Oliver	Smoot
Brady	Hardwick	Overman	Sterling
Brandegee	Hitchcock	Penrose	Taggart
Bryan	Hughes	Phelan	Thomas
Chamberlain	James	Pittman	Thompson
Chilton	Johnson, S. Dak	Pomerene	Tillman
Clapp	Jones	Reed	Vardaman
Clarke, Ark.	Lewis	Shafroth	Wadsworth
Culberson	Lippitt	Sheppard	Warren
Cummins	McLean	Sherman	

Mr. THOMAS. I desire to announce the unavoidable absence of the senior Senator from Indiana [Mr. KERN], who is detained by illness.

Mr. JONES. I was requested to announce that the Senator from Michigan [Mr. TOWNSEND] is necessarily absent on account of sickness in his family. I will allow this announcement to stand for the day.

Mr. CUMMINS. I desire to announce the necessary absence of my colleague [Mr. KENYON]. This will stand for the day.

Mr. MARTINE of New Jersey. I rise again to announce the absence of the Senator from Louisiana [Mr. BROUSSARD] owing to illness. I will ask that this announcement may stand for the day.

The VICE PRESIDENT. Fifty-one Senators have answered to the roll call. There is a quorum present.

THE JOURNAL.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. FLETCHER and by unanimous consent, the further reading was dispensed with and the Journal was approved.

THE MERCHANT MARINE.

Mr. FLETCHER. I desire to prefer a request for unanimous consent.

The VICE PRESIDENT. The Senator from Florida presents a proposed unanimous-consent agreement, which will be read.

The Secretary read as follows:

UNANIMOUS-CONSENT AGREEMENT.

It is agreed by unanimous consent that at not later than 4 o'clock p. m. to-day, August 16, 1916, the Senate will proceed to vote upon the committee amendments to the bill H. R. 15455, the shipping bill, in regular order as printed in the bill; then upon any amendment that may be offered by or on behalf of the committee; then upon any amendment that may be offered; and then, without further debate, upon the bill itself through the regular parliamentary stages to its final disposition; and that after the said hour of 4 o'clock p. m. on the said day no Senator shall speak more than once or longer than five minutes upon

any amendment offered thereto: *Provided*, That a Senator proposing an amendment may speak for a period not exceeding 10 minutes in its explanation and favor.

Mr. PENROSE. Mr. President, I did not catch the date that has been suggested for voting on the bill.

The VICE PRESIDENT. To-day.

Mr. FLETCHER. At 4 o'clock to-day.

Mr. PENROSE. I think it had better go over until a little later in the day. A number of Senators are absent from the Chamber who might want to be consulted about it.

Mr. FLETCHER. I have been assured we could reach a vote on this bill soon after the revenue bill was reported, and that bill is now ready to be reported. I am told that it will be reported this morning. So I was in hopes that we could reach a vote on the shipping bill this afternoon.

Mr. PENROSE. Without having the slightest desire to delay a vote on the shipping bill I suggest to the Senator that he hold it for half an hour and then bring it up.

Mr. FLETCHER. Very well; that will be satisfactory.

The VICE PRESIDENT. There is objection.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 5425) to standardize lime barrels.

The message also announced that the House had agreed to a concurrent resolution providing that in the enrollment of the bill (H. R. 15947) making appropriations for the naval service for the fiscal year ending June 30, 1917, and for other purposes, the Clerk be authorized and directed to omit the word "not," in line 17 of paragraph 20 of the matter inserted by the conference in Senate amendment No. 89, in which it requested the concurrence of the Senate.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15947) making appropriations for the naval service for the fiscal year ending June 30, 1917, and for other purposes; recedes from its disagreement to the amendments of the Senate numbered 80, 83, and 238 to the bill and agrees to the same; insists upon its disagreement to the residue of the amendments of the Senate to the bill still in disagreement, asks a further conference with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. PADGETT, Mr. TALBOTT, Mr. ESTOPINAL, Mr. BUTLER, and Mr. ROBERTS of Massachusetts, managers at the further conference on the part of the House.

The message also announced that the House agrees to the amendments of the Senate to the bill (H. R. 13984) granting to the city of Philadelphia, in the State of Pennsylvania, a right of way through the United States military reservation at Fort Mifflin, Pa.

ENROLLED BILLS SIGNED.

The message further announced that the Speaker of the House had signed the following enrolled bills and they were thereupon signed by the Vice President:

S. 6372. An act to authorize the counties of Baldwin and Mobile, Ala., their successors and assigns, to construct, maintain, and operate a bridge across Spanish River at or near the junction of Raft and Spanish Rivers;

H. R. 11129. An act for the relief of the owners of the barkentine *Mabel I. Meyers* and her master and crew, and for the relief of the owners of cargo of molasses late on board said barkentine; and

H. R. 12712. An act to amend an act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes."

PETITIONS AND MEMORIALS.

Mr. STERLING. I present a telegram from bankers of Sioux Falls, S. Dak., protesting against the proposed special tax against bankers, and I ask that it be read.

There being no objection, the telegram was read, as follows:

SIOUX FALLS, S. DAK., *August 15, 1916.*

Hon. THOMAS STERLING,
United States Senate, Washington, D. C.:

Banks of Sioux Falls wish to register protest against proposed special tax against bankers on ground that such tax is unjust and discriminatory class legislation. We request you use your influence against this measure.

SIOUX FALLS NATIONAL BANK.
MINNEHAHA NATIONAL BANK.
SECURITY NATIONAL BANK.
SCANDINAVIAN AMERICAN NATIONAL BANK.
SIOUX FALLS SAVINGS BANK.
DAKOTA TRUST AND SAVINGS BANK.
SECURITY TRUST AND SAVINGS BANK.
SECURITY SAVINGS BANK.

Mr. WARREN. I present a number of telegrams from bankers in my State protesting against the retention in the revenue bill of the special bankers' tax. The telegrams are short, and I ask that they may be printed in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

CHEYENNE, WYO., *August 12, 1916.*

Hon. F. E. WARREN,
United States Senate, Washington, D. C.:

I understand there is possibility of reinstating in revenue bill special bankers' tax. We are very much opposed to this tax, considering it a discrimination against our business and unjust in every way, and trust you will use your influence to defeat any move to reinstate it.

STOCK GROWERS' NATIONAL BANK.

—

THERMOPOLIS, WYO., *August 12, 1916.*

Senator WARREN,
United States Senate, Washington, D. C.:

Please protest and use every effort to prevent passage special bankers' tax $1 per thousand. Bankers are now paying tax on everything they do.

THERMOPOLIS STATE BANK.

—

CODY, WYO., *August 12, 1916.*

Hon. FRANCIS E. WARREN,
United States Senate Chamber, Washington, D. C.:

We earnestly protest against the retention in the revenue bill of the unfair and unjust special bankers' tax of $1 per thousand on capital and surplus. We regard this as highly discriminatory class legislation and urge you to vigorously oppose it.

SHOSHONE NATIONAL BANK.

—

BASIN, WYO., *August 12, 1916.*

Senator WARREN and
WYOMING CONGRESSIONAL DELEGATION,
Washington, D. C.:

We wish to protest against retention of bankers' special tax on capital and surplus in revenue bill and urgently request you to oppose its enactment, being discriminatory and unjust.

BIG HORN COUNTY BANK.
BASIN STATE BANK.
FIRST NATIONAL BANK.
GROUP NO. 1, WYOMING BANKERS' ASSOCIATION,
D. L. DARR, *President.*

—

LANDER, WYO., *August 12, 1916.*

Hon. F. E. WARREN,
United States Senate, Washington, D. C.:

Will you use all influence against reinstating in revenue bill unjust special bankers' tax?

LANDER STATE BANK.

—

SAN FRANCISCO, CAL., *August 11, 1916.*

Hon. FRANCIS E. WARREN,
Washington, D. C.:

Would you give more than your usual careful attention to the explosives' clause in the munitions bill now before the Senate committee, primarily because retroactive, and tax seems to be excessive upon the industry which is the most important unit of industrial preparedness and one which the Government should foster. It is particularly severe upon California explosive companies, as this is the second State in explosives manufacturing, and right here in California explosives manufacturing should be most encouraged.

J. N. GILLETT.

—

DENVER, COLO., *August 11, 1916.*

Hon. FRANCIS E. WARREN,
Washington, D. C.:

The organization which I represent, composed of 12,000 growers, shippers, and distributors of fruits and vegetables living in central, middle, and far western country, earnestly but vigorously protest against amending H. R. 16763, to keep in effect stamp tax on freight and express bills of lading, telephone and telegraph messages, perishable industry carried on by long-distance phone, and telegrams. Shipments of freight and express are of small money value, but millions of them. Stamp tax falls heavily and unevenly upon this industry. Willing to pay our share to support our Government, but stamp tax an unjust burden.

W. D. TIDWELL, *Secretary.*

Mr. PHELAN presented a memorial of the Chamber of Commerce of San Francisco, Cal., remonstrating against the adoption of a proposed amendment to the revenue bill providing for the suspension of drawback payments until six months after the restoration of peace in Europe, which was ordered to lie on the table.

Mr. OLIVER presented a memorial of the Board of Trade of Philadelphia, Pa., remonstrating against the enactment of legislation to establish a United States shipping board, which was ordered to lie on the table.

SURVEY OF PECOS RIVER, TEX.

Mr. SHEPPARD, from the Committee on Irrigation and Reclamation of Arid Lands, to which was referred the bill (S. 6823) authorizing the Secretary of the Interior to make further survey of the Pecos River and Valley in Texas and New Mexico to determine the feasibility and cost of an irrigation project thereon, reported it without amendment and submitted a report (No. 797) thereon.

THE REVENUE.

Mr. SIMMONS. From the Committee on Finance I report back to the Senate the bill (H. R. 16763) to increase the revenue, and for other purposes, with certain amendments, and with the suggested amendments the committee recommend that the bill do pass, and I submit a report (No. 793) thereon. I have not quite completed the statement which usually accompanies such a report, but I will complete it during the day and file it so that it may be printed together with the bill and appear on the desks of Senators to-morrow morning.

Mr. SMOOT. What was the request the Senator made?

Mr. SIMMONS. I made no request. I simply stated that I have not yet quite finished the statement that usually accompanies such a report, but that I would finish it during the day and file it during the day that if may be printed along with the bill and appear on the desks of Senators to-morrow morning.

Mr. SMOOT. I should like to ask the Senator to also request that there be made a print of the bill as reported in parallel columns with the present revenue law as it affects the items in the bill, so that Senators may have the present law and the bill itself before them. (S. Doc. No. 531.)

Mr. SIMMONS. I make that request.

Mr. PENROSE. I should like to ask the chairman of the committee how early in the day he expects to file the report?

Mr. SIMMONS. I stated a minute ago I would file it during the day.

Mr. PENROSE. Does that mean at a late hour to-day or some time soon?

Mr. SIMMONS. I am reporting the bill now with a formal report recommending that it be passed, but I stated that the written statement which usually accompanies such a bill has not been finished; but I will finish it during the day and file it so that it can be printed along with the bill in the morning.

Mr. PENROSE. The reason I ask the question of the Senator from North Carolina, Mr. President, is that the minority have their report ready; but, of course, they do not want to make it until the majority have presented their report to the Senate.

Mr. SIMMONS. The minority may file their report right now. I assure the minority that I shall present the formal majority report during the day.

Mr. PENROSE. We want to know, so that our report will not be filed before that of the majority.

Mr. SIMMONS. Neither report will be printed until to-morrow morning, I will say to the Senator from Pennsylvania.

Mr. President, I ask that 5,000 additional copies of the bill as reported be printed.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

SCHOOL LAND AT WADSWORTH, NEV.

Mr. PITTMAN. From the Committee on Indian Affairs I report back favorably without amendment the bill (S. 6840) to authorize the Secretary of the Interior to convey title to certain lands in the State of Nevada, and I submit a report (No. 794) thereon. I intend to ask unanimous consent for the present consideration of the bill. It provides for conveying title to the county commissioners of Washoe County, Nev., to 10 lots upon which the schoolhouse is built in the town of Wadsworth, Nev. The schoolhouse has been built there for a number of years and has been used during all that time by the school district. The town as originally laid out as a town site was made——

Mr. SMOOT. I will say to the Senator that there is so much confusion in the Chamber I have not heard a word he has said or what his request is. Will the Senator speak a little louder?

Mr. PITTMAN. I was trying to explain why I intend to ask unanimous consent for the present consideration of the bill. In the town of Wadsworth, Nev., there is a schoolhouse that has been used for a great many years. It is situated on 10 town lots fenced in. It seems that while it is in the surveyed town of Wadsworth, which is a town site 30 or 40 years old, the survey has gone just outside of the original town site. It is in the Pyramid Lake Indian Reservation. In fact, the whole town of Wadsworth was included in the Pyramid Lake Indian Reservation. This town is on the Southern Pacific Railroad. They have discovered that it was Indian land, although it has been used for many years, and they have built a schoolhouse on it and kept up the school. The bill is simply to convey title or confirm title to the lots upon which the school building is situated.

Mr. SMOOT. I will ask the Senator if there is a report from the department on the bill.

Mr. PITTMAN. There is a letter from the department on it. The matter was called to the attention of the department four or five weeks ago. The bill was sent to the department with a letter for information. In the letter that they wrote back they state that they do not know whether it is in the surveyed town site as originally laid out or outside of the surveyed town site, and they are attempting to ascertain; that they have no objection to the bill if it is as represented; that they are powerless to remedy the conditions themselves; and that legislation would be required. That is the purport of the letter.

Mr. SMOOT. In other words, the department has no objection to the passage of the bill provided the conditions are as stated by the Senator.

Mr. PITTMAN. That is correct.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. SMOOT. Let the bill be read.

The Secretary read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be authorized to execute and deliver to the board of county commissioners of Washoe County, State of Nevada, United States patent conveying title to lots 38, 39, 40, 41, 42, 43, 44, 45, 46, and 47 in block 2 in the town of Wadsworth, situated upon the Pyramid Lake Indian Reservation, in Washoe County, State of Nevada, for the use and benefit of the public schools.

There being no objection, the bill was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

HALVOR NILSEN.

Mr. MYERS. From the Committee on Public Lands I report back favorably without amendment the bill (H. R. 11860) for the relief of Halvor Nilsen, and I submit a report (No. 795) thereon. I call the attention of the senior Senator from Minnesota [Mr. NELSON] to the report.

Mr. NELSON. I ask unanimous consent for the present consideration of the bill. Its purpose is to allow a homesteader to prove up a homestead of 40 acres, and to overcome certain technical objections.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered as in Committee of the Whole. It authorizes the Secretary of the Interior to issue a patent to Halvor Nilsen, of Wabanica, Minn., for the northwest quarter of northwest quarter section 24, township 161 north, range 32 west, fifth principal meridian, Minnesota, regardless of the fact that he commuted a former homestead entry under the provisions of section 2301, Revised Statutes, subsequently to the date of the act of June 5, 1900 (31 Stat., p. 267); but he shall make satisfactory proof of his compliance with the homestead law and pay any amounts due under the entry for the land described.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

STANDARDS FOR CLIMAX BASKETS.

Mr. CLAPP. From the Committee on Standards, Weights, and Measures I report back favorably without amendment the bill (H. R. 17058) to fix standards for Climax baskets for grapes and other fruits and vegetables, and to fix standards for baskets and other containers for small fruits, berries, and vegetables, and for other purposes, and I submit a report (No. 796) thereon. I call the attention of the junior Senator from New York [Mr. WADSWORTH] to the bill.

Mr. WADSWORTH. Mr. President, I ask unanimous consent for the immediate consideration of the bill. I will say, by way of very brief explanation, that the bill seeks to standardize all containers in which fruits, principally grapes, are shipped in interstate commerce. The particular container referred to in the bill, which by its terms is to be standardized, is known as the "Climax basket." I am informed that the fruit growers are particularly interested in this legislation in order to prevent unjust discrimination in the matter of sales and weights.

Mr. SMOOT. Mr. President, let the bill be reported.

Mr. JONES. Before the bill is passed I wish to make a suggestion to the Senator from New York. I have no objection to the consideration of the bill, but I desire to ask the Senator as to whether or not he has considered the terms of the bill in relation to the manufacture of containers in foreign countries, their being brought into the United States, and here used, when they do not comply with these requirements? I think the Senator from New York will find that there is nothing in this bill which prohibits the manufacture in another country of containers entirely different from the standards fixed in the bill. I desire to ask, Would this legislation prevent such containers from being used in a State in this country? I wish to call the Senator's attention to that. I had overlooked it until the title of the bill

had been read, but I suppose the Senator has observed that feature of the bill.

Mr. WADSWORTH. Mr. President, it may be, as the Senator from Washington suggests, that a loophole may be found in this proposed law, through the importation of such baskets manufactured beyond the boundaries of the United States. In any event, I think that contingency is very improbable, as the manufacture of baskets is so closely allied with the fruit trade itself that their manufacture at a great distance and shipment into the United States is highly improbable for the purpose merely of evading this statute; but if it should turn out that such a loophole exists I think it can be easily remedied by subsequent legislation.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FLETCHER:

A bill (S. 6866) granting a pension to Fred D. Abbott (with accompanying papers); to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 6867) for the relief of Lena Garagnon; and

A bill (S. 6868) for the relief of Ethel Fredrickson and daughter Ethel; to the Committee on Claims.

By Mr. WARREN:

A bill (S. 6869) granting an increase of pension to Daisy S. Phillips; to the Committee on Pensions.

By Mr. CLAPP:

A bill (S. 6870) authorizing the Secretary of War to make a donation of condemned cannon and cannon balls; to the Committee on Military Affairs.

By Mr. LIPPITT:

A bill (S. 6871) granting an increase of pension to John Cook; to the Committee on Pensions.

THE EXPORT TRADE.

Mr. LEWIS. Mr. President, I introduce a bill, which I wish to tender later as an amendment to the revenue bill, and ask to have it referred to the Committee on the Judiciary.

The bill (S. 6865) to promote export trade, and for other purposes, was read twice by its title and referred to the Committee on the Judiciary.

BILLS OF LADING.

Mr. POMERENE. Mr. President, on yesterday the Senate disagreed to the amendments of the House to what is known as the bill of lading bill, being Senate bill No. 19; a conference was asked for, and conferees on the part of the Senate were appointed. This morning I have information which simply confirms the view I entertained and stated on yesterday, that if there is to be any final legislation upon this subject the Senate will be obliged to accept the amendments made to the bill by the other House. In order that this matter may be again brought before the Senate for further action, I enter a motion to reconsider the votes by which the Senate disagreed to the amendments of the House, requested a conference with the House, and appointed conferees on the part of the Senate, and that the House be requested to return the message to the Senate.

Mr. SMOOT. Mr. President, only a moment. I have just read a letter written by Chairman ADAMSON, of the House of Representatives, in relation to this proposed legislation. Evidently from this letter Mr. ADAMSON, as chairman of the committee, has made up his mind that there shall be no changes in the amendments which have been made by the other House. That being the case, and it being evident to everybody that the legislation ought to pass, even if it has to pass with the amendments made by the House of Representatives, in order that that may be done, the action asked for by the Senator from Ohio [Mr. POMERENE] must be taken if the legislation is to pass at this session of Congress.

The VICE PRESIDENT. The Secretary will request the House of Representatives to return the message to the Senate.

MANEUVER CAMPS IN THE STATE OF WASHINGTON.

Mr. JONES. Mr. President, a few days ago I referred to a resolution, which the Senate passed some months ago, calling upon the War Department for certain information. Subsequently I stated that I had ascertained that a report had been submitted, and I asked that it be printed, and stated that I had done an injustice to the department. The report having been received and having been referred to the appropriate committee, it was thought unnecessary to make a request for its printing and further reference. So it was understood that my request would be withdrawn, and all of my remarks were eliminated from the RECORD. I simply want to state, in justice to the War Department, that the report was promptly sent to the Senate, and that when I suggested that it had not been received I did them an injustice.

EXEMPTIONS FROM CIVIL-SERVICE REQUIREMENTS.

Mr PENROSE. Mr. President, I desire to call up two resolutions submitted by me a few days ago and which are now on the table.

The VICE PRESIDENT. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none.

Mr. SHAFROTH. How much time will the resolutions require?

Mr. PENROSE. There can be no objection to them, as I understand. I have a right to call them up. They are on the table, and their consideration ought not to take any time.

Mr. GALLINGER. The resolution went over under the rule.

Mr. PENROSE. Yes; they went over under the rule.

The VICE PRESIDENT. The Chair hears no objection.

Mr. POMERENE. May I ask the Senator from Pennsylvania a question?

Mr. PENROSE. Certainly.

Mr. POMERENE. Does the Senator refer to Senate resolution 246?

Mr. PENROSE. I do not recall the numbers of the resolutions, but one calls for information from the Civil Service Commission and the other for information from the State Department.

Mr. POMERENE. On yesterday I gave notice of an amendment that I would offer to the resolution directed to the Civil Service Commission. I do not believe the Senator will have any objection to the proposed amendment.

Mr. PENROSE. No; I shall be glad to accept it in all probability, but I should like to have it read.

Mr. POMERENE. The resolution, as I understand, is now before the Senate.

The VICE PRESIDENT. It is, there being no objection.

Mr. POMERENE. I ask that the amendment which I offer be read.

Mr. GALLINGER. Let the resolution first be read.

The Secretary read the resolution (S. Res. 246) submitted by Mr. PENROSE on the 13th instant, as follows:

Resolved, That the United States Civil Service Commission be, and it is hereby, requested to send to the Senate a list of the Executive orders issued since March 4, 1913, exempting appointees in the Federal service from civil-service requirements, or placing under the civil service employees previously appointed outside of any eligible list furnished by the Civil Service Commission.

Mr. PENROSE. I should like to make a technical correction. I ask that the word "requested" be stricken out and the word "directed" be inserted, as is customary. Now, does the amendment of the Senator from Ohio refer to the resolution which has just been read?

Mr. POMERENE. It refers to that resolution.

The VICE PRESIDENT. The amendment proposed by the Senator from Ohio will be stated.

The SECRETARY. At the end of the resolution it is proposed to add the following:

Also a similar list of the Executive orders issued during each administration prior thereto, beginning with the first administration of President Cleveland, exempting appointees in the Federal service from civil-service requirements, or placing employees under the civil service previously appointed outside of any eligible list prescribed by the Civil Service Commission.

Mr. PENROSE. Does the Senator from Ohio contemplate in the amendment only a reference to the State Department or to all departments?

Mr. POMERENE. The amendment relates to the first resolution submitted by the Senator several days ago which calls upon the Civil Service Commission for certain information.

Mr. PENROSE. Then, I suggest that the resolution calling upon the State Department be acted upon first; and then we can take up the second resolution which refers to the Civil Service Commission. There were two resolutions offered by me.

Mr. POMERENE. As I understood, Senate resolution 246 was offered first by the Senator from Pennsylvania and is now before the Senate, and my amendment is intended to be offered to that resolution.

Mr. PENROSE. As I understood, the resolution read was the one calling for certain information from the State Department. That resolution can be passed, and then we can take up the other for consideration.

Mr. POMERENE. I have no objection to that resolution.

Mr. PENROSE. Then we will take up Senate resolution 246.

The VICE PRESIDENT. Senate resolution 246, calling upon the Civil Service Commission for certain information, has just been read. The other resolution is Senate resolution 247.

Mr. POMERENE. As I understood, Senate resolution 246 was read.

Mr. PENROSE. Then I was mistaken.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio.

The amendment was agreed to.

Mr. PENROSE. The Senator from Washington [Mr. JONES], as I understand, has an amendment to offer.

Mr JONES. I offer an amendment, to add to the resolution the matter which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. At the end of the resolution it is proposed to add:

Also the number of Executive orders issued during each administration under Presidents Roosevelt, Taft, and Wilson with the concurrence of the Civil Service Commission and the number issued without the approval of the Civil Service Commission, and also those issued during each of said administrations without having been referred to the Civil Service Commission.

Mr. POMERENE. Mr. President, if I may ask the Senator from Washington a question, why may not that apply to each administration since and including the first Cleveland administration?

Mr. JONES. I would make no objection to that, so far as I am concerned.

Mr. POMERENE. If the amendment can be so modified, I certainly have no objection to it.

Mr. JONES. How far back does the Senator desire to go?

Mr. POMERENE. Including the first Cleveland administration.

Mr. JONES. I ask that the amendment be amended so as to cover the administration from and including the first Cleveland administration down to date.

Mr. POMERENE. Each administration including the first Cleveland administration.

Mr. PENROSE. Does the Senator want also to include the Harrison administration and the second Cleveland administration?

Mr. POMERENE. Yes. That is what I intended by the amendment proposed by me—each administration since the first Cleveland administration, and including that.

Mr. JONES. That will be satisfactory to me.

Mr. PENROSE. I have no objection to those suggestions.

The VICE PRESIDENT. The amendment as modified will be stated.

The SECRETARY. Add after the amendment just agreed to the following:

Also the number of Executive orders issued during each administration beginning with the first administration of President Cleveland, to and including the administration of President Wilson, with the concurrence of the commission and the number issued without the approval of the commission, and those issued during each of said administrations without having been referred to the commission.

The VICE PRESIDENT. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The resolution as amended was agreed to, as follows:

Resolved, That the United States Civil Service Commission be, and it is hereby, requested to send to the Senate a list of the Executive orders issued since March 4, 1913, exempting appointees in the Federal service from civil-service requirements, or placing under the civil-service employees previously appointed outside of any eligible list furnished by the Civil Service Commission; also a similar list of the Executive orders issued during each administration prior thereto, beginning with the first administration of President Cleveland, exempting appointees in the Federal service from civil-service requirements, or placing employees under the civil service previously appointed outside of any eligible list prescribed by the Civil Service Commission; also the number of Executive orders issued during each administration beginning with the first administration of President Cleveland to and including the administration of President Wilson, with the concurrence of the commission and the number issued without the approval of the commission, and those issued during each of said administrations without having been referred to the commission.

APPOINTMENTS IN THE STATE DEPARTMENT.

Mr. PENROSE. I now call up Senate resolution 247, submitted by me a few days ago, and ask for its adoption.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Secretary of State be, and he is hereby, requested to inform the Senate as follows:

First. The number of employees who have been appointed to positions in the State Department since July 1, 1913.

Second. What increase in the force of employees in the State Department has been made since July 1, 1913.

Third. The number of employees appointed since July 1, 1913, from eligible lists upon certification by the United States Civil Service Commission.

Fourth. The number of employees appointed temporarily without any civil-service examination or certification by the Civil Service Commission, and who subsequently were covered into the civil service under an Executive order dated May 18, 1916, being Executive Order No. 2383.

COST OF PRINT PAPER.

Mr. SWANSON obtained the floor.

Mr. MARTINE of New Jersey. Mr. President, will the Senator yield to me for a moment?

Mr. SWANSON. I desire to call up the conference report on the naval appropriation bill, and think we can dispose of it in a few moments.

Mr. MARTINE of New Jersey. I desire to submit an amendment to the revenue bill.

Mr. SWANSON. I yield for that purpose.

Mr. MARTINE of New Jersey. Mr. President, the increase in the cost of paper of all kinds has been in a most inordinate degree, and, as I believe, without warrant or justification. Paper in its manifold uses is a vital necessity to our civilization. I beg to say that the Paper Trust is the most unconscionable combination in our country. It is squeezing the very life out of the small papers of the country, and many of the large papers have been obliged to curtail their size. With a view to correcting the evil, I submit an amendment intended to be proposed to the revenue bill, by adding a new section to the free list, reading:

News print paper and materials entering into its making.

I ask that the amendment lie on the table and be printed.

The VICE PRESIDENT. That order will be made.

NAVAL APPROPRIATIONS—CONFERENCE REPORT.

Mr. SWANSON. I desire to call up the conference report on the naval appropriation bill, which I submitted a few days ago, and I ask for its adoption.

The VICE PRESIDENT. The question is on agreeing to the report of the committee of conference.

The report was agreed to.

The VICE PRESIDENT laid before the Senate the following concurrent resolution (No. 54) of the House of Representatives, which was read:

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H. R. 15947) entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1917, and for other purposes," the Clerk be, and he is hereby, authorized and directed to omit the word "not," in line 17 of paragraph 20 of the matter inserted by the conference under Senate amendment No. 89.

Mr. SWANSON. I ask that the Senate concur in the resolution.

The resolution was concurred in.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives, agreeing to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15947) making appropriations for the naval service for the fiscal year ending June 30, 1917, and for other purposes, receding from its disagreement to the amendments of the Senate numbered 80, 83, and 238, and requesting a further conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. SWANSON. I move that the Senate further insist upon its amendments and agree to the further conference asked for by the House, the conferees on the part of the Senate to be appointed by the Chair.

Mr. BRANDEGEE. Mr. President, I wish to ask the Senator in charge of the bill how many amendments are still in disagreement?

Mr. SWANSON. Only a very few; only five or six.

Mr. BRANDEGEE. The personnel and the construction programs have both been agreed to, have they not?

Mr. SWANSON. The House agreed to those items on yesterday. The other items are small matters that, I think, we can dispose of in a short time.

The VICE PRESIDENT. The question is on the motion of the Senator from Virginia.

The motion was agreed to; and the Vice President appointed Mr. TILLMAN, Mr. SWANSON, and Mr. PENROSE conferees on the part of the Senate.

MIKE G. WOMACK.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 3533) for the relief of Mike G. Womack, which was, in line 6, to strike out "$1,000" and insert "$657.30."

Mr. CHAMBERLAIN. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

THE PHILIPPINE GOVERNMENT—CONFERENCE REPORT.

Mr. HITCHCOCK. I move that the Senate proceed to the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the Philippine government bill.

The VICE PRESIDENT. The question is on the motion of the Senator from Nebraska.

The motion was agreed to; and the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 381) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands.

Mr. BORAH. Mr. President, I am not going to delay a vote upon this measure by any extended discussion.

I voted to give the Philippine people their independence. I have experienced no change of view with reference to the wisdom of that vote. Of course it is neither necessary nor perhaps justifiable at this time to enter into a discussion of the reasons why I think the measure as it left the Senate should have been enacted into law. But, Mr. President, while I have had no change of view with respect to the wisdom of that vote, I have learned something with reference to the Philippine policy and the views of the people of the United States since that measure was before the Senate. I have become thoroughly convinced that the American people as a people, regardless of party and party pledges, are in favor of holding the Philippine Islands. While I regret to know this fact and should, notwithstanding it, if I were permitted to do so, vote again for their independence, yet I have no doubt of the fact.

After this vote was taken in the Senate upon the amendment offered by the Senator from Arkansas [Mr. CLARKE], and after the measure had passed this body, there was a very full expression of view with reference to the entire question by the American press, and I made it my business to gather as accurately as I could the view of the leading newspapers of the United States with reference to our future policy concerning the Philippines; and regardless of party or party affiliations upon the part of the press, it was almost wholly in favor of keeping the Philippine Islands permanently. I was not surprised at the Republican press, but I was, I must confess, surprised at the almost unanimous view of the Democratic press.

It seems presumptuous for one to reassert his view in the face of such public opinion. Nevertheless I believe that it would have been better for this Government, better for our people and our Nation, to have adopted a different policy. But what I rise to do now is to impress upon the Filipino people the lesson which I gathered, and that they should adjust themselves to the fact that they are a part of the United States and are to remain so permanently. I think it almost as unfortunate as to keep the islands for the United States to be engaged in an uncertain policy and occupying an uncertain attitude toward this question and toward these people. I think it unwise to hold out a hope to them which it seems wholly impossible they shall ever realize. I believe it better, far better, in view of this settled policy, to say to these people that they are now to come into a different relationship with us and assume a different attitude of mind.

It seems to me, as I read the public opinion of this country as it was drawn forth and expressed by reason of the action upon the part of the Senate, that we may conclude, and the people of the Philippines should conclude, that this question has been practically settled for all time to come; and unless it should transpire that the fortunes of war should change the policy, the Filipino people should adjust themselves to a situation which, in my judgment, has become permanent.

Mr. President, there is another piece of history from which we may draw a lesson and a moral. In 1900 the party which is now in power declared in so many terms, and in language unmistakable in its import, for the immediate independence of the Philippines and the Filipino people. Sixteen years have passed; the party is in power, and in contrast with the policy which was announced by the party we have the preamble to this bill:

> Whereas for the speedy accomplishment of such purpose it is desirable to place in the hands of the people of the Philippines as large a control of their domestic affairs as can be given them without, in the meantime, impairing the exercise of the rights of sovereignty by the people of the United States, in order that, by the use and exercise of popular franchise and governmental powers, they may be the better prepared to fully assume the responsibilities and enjoy all the privileges of complete independence: Therefore—

And so forth.

If the Filipino people will compare the declarations made by the party now in power in 1900 and in 1904 and subsequently with the declaration which is made in the preamble here, they will have no difficulty in interpreting the popular opinion, and what, in my judgment, is the final judgment of the American people toward the Filipino people. Sixteen years ago there was a declaration in favor of immediate independence. Sixteen years thereafter there is a declaration which refers to something in the remote future—that is to say, when a stable government shall have been attained—which shows that instead of traveling forward, instead of making progress toward independence, we are receding from the proposition, regardless of party. This declaration in the preamble amounts to nothing more than a declaration in favor of the training of the Filipino people to government, which training ought to be had even should they remain permanently as a part of our people. It gives no additional promise. It gives them nothing which insures independence, nothing which they should have by reason of their independence any more than they should have it by reason of their being a part of a self-governing people. When you analyze the declarations made nearly 20 years ago and the declarations made now, taken in connection with the action of the Senate and the almost universal expression of opinion in regard to it, you find that if there ever was a time when the American people contemplated giving the Filipino people their independence, that time has passed. Let us be candid and, above all, let us cease deceiving these dependent people.

Why, Mr. President, some of the newspapers which handled this subject after the action on the part of the Senate, and denounced it as "scuttling," as a betrayal of duty, as an abandonment of our supreme obligation to those people, were the same papers which 17 years ago were denouncing in most unmeasured terms the attempt to hold the Philippines, or denouncing our taking possession of them at all. Great and strong papers belonging to the same party have so completely changed that you could not have recognized the expression of views made at one time, as compared with the expression of views made at another, as belonging to the same editorial page.

So, Mr. President, I only wanted to suggest to these people in the Philippines that they take off their bonnets and take out their knitting and sit down and be content. They are not on a visit. They are here to stay. I wanted to suggest to them contentment and ease; I wanted to ask them to address themselves henceforth not to the subject of independence but to the matter of fitting themselves to become an integral and permanent part of a great Republic.

Mr. President, another illustration: If we look back over the history of our country, we find that while professing at all times, as in this preamble, to have no intention to acquire additional territory—the preamble says—

> Whereas it was never the intention of the people of the United States in the incipiency of the War with Spain to make it a war of conquest or for territorial aggrandizement—

And so forth—while that declaration is made here, and is a restatement of the declaration made from time to time in the history of our country in different ways from the beginning, yet, nevertheless, we have always been gathering in territory. We have always been adding. We have never gone to war without coming back with some additional territory, and we have never let any of it go. Any territory which was actually taken possession of or which came under our control and was recognized as belonging to us at the time it was taken possession of has been retained, notwithstanding this declaration has been repeated time and time again as the policy of the Government.

Mr. HITCHCOCK. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Nebraska?

Mr. BORAH. I do.

Mr. HITCHCOCK. I should like to have the Senator from Idaho cite me a case in which the specific statement has been made by the Congress and the President of the United States referring to territory so taken.

Mr. BORAH. Mr. President, the declaration has been made upon the part of the Government and upon the part of the leading men of the country, statesmen and publicists, from the beginning of the Government, that the Government of the United States never entertained an idea of aggression for the purpose of acquiring territory. That has been repeated time and time again. It has been our declared policy. I do not know that it has been put in the form of a resolution and adopted here by Congress, with the exception of Cuba.

Mr. HITCHCOCK. The Senator is here confusing in his statement the platform of a party adopted in the heat of a campaign 17 years ago with a solemn legislative declaration which has been adopted in this bill, and which is in the nature of a compromise—a declaration which has received the support of a very large number of Republicans in the House of Repre-

sentatives as well as a large number of Republicans in the Senate.

Mr. BORAH. There is no reason why it should not, for it may be held to mean much or mean little.

Mr. HITCHCOCK. It is no longer a party declaration, but is a declaration of a responsible government, participated in not only by Democrats but by Republicans as well.

Mr. BORAH. Let us read this preamble, and I should like to have some one tell me what it means:

> Whereas it is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein.

That is a preamble in a bill that when a stable government can be established it is the intention of the people of the United States to withdraw their sovereignty. In the first place, it would not be binding upon subsequent Congresses; and does the Senator count this mere preamble in a bill anything as against the most pronounced expression of public opinion upon the part of the entire country at the time when we had undertaken to carry out the pledge which his party had made to the people? Does the Senator count this preamble of any force in the face of the clear declaration of his party nearly 20 years ago? If in 20 years we recede from clear statements to the utmost ambiguity when shall our promise be fulfilled?

Mr. WORKS. Mr. President——

The PRESIDING OFFICER (Mr. CUMMINS in the chair). Does the Senator from Idaho yield to the Senator from California?

Mr. BORAH. I yield.

Mr. WORKS. The Senator inquired what the preamble means. I suggest that it means, for one thing, that we are deceiving the Filipino people by holding out to them the hope that they will some time be given independence, when this Government has no such intention.

Mr. BORAH. I did not use the word "deceive," because it might be calculated to reflect upon the committee. I have no doubt but that the members of the committee, particularly the Senator who has charge of this bill [Mr. HITCHCOCK], and the Senator from Colorado [Mr. SHAFROTH], are sincere believers in the proposition that at some time the Government of the United States will give the Filipino people their freedom; but, as a matter of fact, the Senator from California is correct. It is misleading the people of the Philippines.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Colorado?

Mr. BORAH. I yield.

Mr. THOMAS. Does the Senator really think it is misleading anybody?

Mr. BORAH. I think it is calculated to mislead those people. It is not misleading anybody here.

Mr. THOMAS. Does it not mean in substance that we are committed to the policy of giving to the Philippines independence when we think they ought to have it, and they never will have it so long as they are useful to us?

Mr. BORAH. Exactly.

Mr. President, we have been about 20 years, like a crawfish, moving backward upon this proposition. In 20 years more you will have larger investments upon the part of the American people in the Philippine Islands. You will have a stronger public sentiment in the United States toward holding them, and you will have tremendous influences in this country which have had a powerful effect in shaping legislation still more determined to keep the Philippines.

I do not believe that we ought to mislead the Filipino people into the belief that they are going to receive their independence under any conceivable conditions which the human mind can now outline and concerning which we can make a promise. It is infinitely better that they settle down and adjust themselves to the fact that they are a part of us; that they have become incorporated into the possessions of the United States; and that, for weal or woe, we are linked together and must try as best we may to work out our interests in common.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield further to the Senator from Colorado?

Mr. BORAH. I do.

Mr. THOMAS. I agree with the Senator. Does it not also involve, if we are to preserve our own institutions and the characteristics of our Government, the necessity of also incorporating them into our citizenship and giving them as far as we can that right of self-government which all people living under the American flag enjoy?

Mr. BORAH. I agree perfectly with the Senator. My controlling reason for voting for the freedom of the Filipinos and the complete independence of the Filipinos was because I did not believe that they would be ever fitted for citizenship. I thought it was a menace to the Republic. I believe so yet.

But I have no doubt upon the other proposition that if they are going to remain a permanent part of this Republic it is our duty to exert ourselves in every conceivable way to train them for citizenship and let them understand that they are to be ultimately incorporated as a part of the citizenship of the United States.

I am utterly opposed to the proposition of having subjects. I would rather undertake the other road of incorporating every class of people over whom we exercise control in our citizenship than to undertake to preserve a republic upon the principle of ruler and subjects. I think it is a perilous task we are assuming; but we have assumed it.

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Mississippi?

Mr. BORAH. I yield.

Mr. VARDAMAN. Does the Senator express his view as to the effect with reference to the Filipinos or his opinion of what will be done by the American people? Does the Senator from Idaho think that the Government of the United States should hold those people as subjects and the islands as dependencies?

Mr. BORAH. No; I do not.

Mr. VARDAMAN. When the people of the United States, without reference to the investments made by Americans in the Philippine Islands, have come to the conclusion that it is best for the Filipino that his independence be given him does not the Senator from Idaho think that this Government will give it to him? In other words, does not the Senator think that in all of our dealings with the Philippine Islands that the interest of the Filipinos should be of paramount concern?

Mr. BORAH. Mr. President, I voted to give them their independence, and of course, if I had my way about it, I would give them their independence. I am anxious for this Government to do what it can in the way of moralizing, civilizing, and Christianizing the world and in the matter of missionary work wherever it can, but I do not want it to go so far as to imperil the Republic itself. I want to stop on this side of the point where I believe it is imperiling our form of government and the principles upon which we attempted to build the Republic. I am willing for us to exercise our influence for the betterment of any people with whom we come in contact.

Mr. VARDAMAN. I agree with the Senator very fully in the matter of having our Government help other nations to better living and a higher life, and I think also it would be very unfortunate for the American Government to incorporate the Filipinos or any of the colored races into our citizenship. We have enough of the black virus in the body politic already to threaten the Nation with mongrelization. But if the Senator thinks that the Filipino should be given his independence and the right to govern his own country when he shows that he is capable of doing it, is it not rather extraordinary for the Senator to assume or indulge the presumption that the American people are not ultimately going to do the right thing by the Filipino just as the Senator would do if he had the power? If a thing is right and I believe in it, my faith in human nature is such that I always indulge the presumption that my fellow citizen will do just as I will do when he understands the question as I understand it.

Mr. BORAH. If the American people thought it was the right thing and could see it as the Senator sees it, the American people would undoubtedly do so. But the American people will never conclude that the Filipino people will do better separated than connected with our Government.

Mr. VARDAMAN. I beg leave to differ from the Senator. I believe to-day a majority of the American people have reached the conclusion that it would be better for America and better for the Filipino that he be given his independence. It is my deliberate judgment that independence would be given but for the investments which Americans have made in the Philippine Islands. That is the influence that forces the Government, or rather induces this Congress, to hold them. It is an instance where human rights are subordinated to business interests.

Mr. BORAH. If that be true, with the little investments we have in the Philippine Islands controlling the situation and dominating the Congress of the United States and the executive department, what hope can we hold out to the Filipino people when 25 years more shall be added and we shall have had a tremendous investment in the Philippine Islands?

Mr. VARDAMAN. Mr. President——

Mr. BORAH. I yield to the Senator from Mississippi.

Mr. VARDAMAN. I am very hopeful, Mr. President, that the Congress of the United States in the course of time may become more responsive to the wishes of the American people in

matters of this kind than it is to-day. If the Congressman should consult the interests of the citizen and take orders only from the voters—whose will should be the supreme law of the land—we would have a better Government. The trouble is that platform promises are violated and solemn obligations to the people ignored at the mere behest of the President or to subserve or promote some partisan political interest. I do not like to make a statement of that character, but congressional subserviency has become so common in this day and generation as to excite solicitude and apprehension for the permanency of our coordinate system or form of government. When the people shall understand their power we shall have a very salutary change in our manner of doing things here in Washington.

Mr. BORAH. Mr. President, the Senator from Idaho can not hold out any assurance to the Senator from Mississippi that he will ever realize his courageous policy. There were but few newspapers, Republican or Democratic, that did not criticize the vote which gave the Filipinos their independence. The great majority not only criticized the vote because they thought the Filipino people now were not prepared for self-government, but they expressed the true Anglo-Saxon spirit, the indomitable spirit which from the beginning has conquered nations and taken possession of the wilderness and moved on and on; that is, that they were a part of the United States and would remain so.

Mr. PHELAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from California?

Mr. BORAH. I yield.

Mr. PHELAN. The English Government has established self-governing colonies in the Pacific Ocean. The government which you would have the United States extend to the Filipinos would be of that character—local self-government, with imperial protection?

Mr. BORAH. Is the Senator asking me a question?

Mr. PHELAN. If the Senator will be good enough to entertain it.

Mr. BORAH. I ask the Senator to restate it, because I thought he was making a statement and not asking a question.

Mr. PHELAN. I will put it, if the Senator pleases, this way: The British Government, as the Senator has stated in a general way, in determining its policy toward its colonies, finally by evolutionary process came to the conclusion that it could not hold subject states under its constitution without the constitution itself breaking down; that this would ultimately affect the liberties of Englishmen. So by degrees the English colonies have become self-governing. The people that now populate those colonies differ in every respect from the aboriginal races. We are dealing with an aboriginal population, a people of different color and different language. It occurred to me, as the Senator has given considerable study to this question, to ask him whether he believes in extending a measure of self-government to the Filipino people and at the same time holding some control so far as this Federal Government is concerned over the lives and fortunes of those people, who, if left alone, would be subject to external attack?

Mr. BORAH. Mr. President, as I stated some time ago, if I had my way about it, I would vote for their complete independence, and give them their independence, but that policy being one that has been rejected, I would certainly be in favor of giving them all the exercise in local self-government they can possibly enjoy and use intelligently and with wisdom. I would train them in self-government just as rapidly as they could be trained. I would fit them to become American citizens just as rapidly as they could be fitted, in the hope that sometime they may come to enjoy the real status of an American citizen rather than being a subject of a republic, because to be the subject of a republic is no different from being the subject of an empire.

Mr. PHELAN. I quite concur in the view of the Senator from Idaho. I would like to know from him whether in his judgment the bill which is now before the Senate will grant such a measure of self-government to the Philippine people, and at the same time protect the interests of the United States?

Mr. BORAH. I would vote for this bill if the preamble were eliminated.

Mr. PHELAN. Then, it is your conviction that the bill is satisfactory in carrying out your declared views?

Mr. BORAH. So far as the bill provides for additional local self-government it meets with my view. Certainly, to my mind, there is no inconsistency between my desire to give them independence; and not being able to give them that, then to give them that which they can most profitably enjoy in the way of local self-government, and train them as rapidly as possible.

Therefore, as far as I am concerned, the bill is satisfactory, outside of what I conceive to be the misleading statement in the preamble. I think that ought to be cut out, because it holds a hope which will never be realized. It will cause them to be dissatisfied with their condition. If we are going to train them to citizenship it ought to be understood that they are to be satisfied with that training and to become a part of us, and to have a great desire and a great zeal to become citizens of this Republic.

Mr. PHELAN. I do not want to anticipate the Senator's speech, but I would like to ask him another question. Probably he contemplates discussing it. Would the Philippine Islands if so held be an asset or a liability to the United States in view of foreign complications?

Mr. BORAH. I have no doubt about the fact that they are a liability, and a tremendous liability. They are a liability not only by reason of foreign complications; they are a liability because they wrench, readjust, and distort, and demoralize our whole conception of a republic.

Mr. SHAFROTH. Mr. President——

Mr. BORAH. I will yield in just a moment. I can not conceive of this Republic exercising the power over this people which it is bound to exercise upon any principle which originally inheres in this Government. We are entering upon another field of duty entirely. We are taking up new obligations, and we must meet them as best we may. I would discard the whole situation by giving them their independence. Not being able to do that, then we must train them for citizenship as best we may. So, if the preamble of the bill were stricken out, I could gladly support it. I yield to the Senator from Colorado.

Mr. SHAFROTH. If the Senator will allow me to make a suggestion as to the preamble, I am a believer in the complete independence of the Philippines, and I believe in the preamble; but if I believed as the Senator from Idaho believes, I would still be in favor of the preamble, and for this reason: The islands will never be anything but a source of trouble to us unless we give the electorate to the Filipinos, as to whether they want independence. It is like a man who goes to a bank; as long as he can not get his money out of the bank, he wants his money, but just as quick as the cashier tenders it, then he does not want it.

If I did not believe in giving the Filipinos independence, I would not want the Philippine Islands to be a part of the United States unless the Filipinos were willing to become so; and you can never make them willing to become so unless you tender and offer to them independence, and rely upon the inducement that you would make to them that it is better for them to stay in the country.

For that reason it seems to me that, whether we are in favor of separating from them now or at any other time, or whether of holding them, they can only be held to the advantage of the United States by giving them this option and letting them determine the question. If the inducements are in favor of their remaining, and they conclude to do so, perhaps they can do so with satisfaction and be an asset to the country instead of a liability.

Mr. BORAH. If I thought the American people would ever let loose the Philippines, I would look upon the matter something as the Senator from Colorado does. But I feel so certain that conditions will be arguing against it all the time, and working against it all the time, and building against it all the time, that 20 years from now there will be infinitely less chance for independence than they have to-day, and therefore they should use the 20 years in the meantime in fitting themselves for another duty and adjusting conditions to another condition of affairs.

I think we ought to strike out the preamble, and I would be glad to put something in the place in the way of a certain positive declaration; but I know the Congress will not do that. I know it will never declare for independence, but it will run along until events will settle it. Seventeen years have bound them more closely to us; they are more a part of us than they ever were before; and when we consider the fact that the same influence will be working more strongly to bind them to us in the next 17 years, it seems to me, with all due respect to the committee, we ought to so declare.

Mr. President, we are so anxious for additional territory that we are disposed to pay exorbitant prices for anything that is in sight. There are three islands over here in the West Indies that we are disposed to pay $25,000,000 for, and I should like to hear some one state why we want those three islands at $25,000,000. They tell us that there is a fine port or harbor in St. Thomas. That is true enough, but we have like conveniences at other places. That port is hundreds of miles from the canal. We have Porto Rico, Culebra, Guantanamo, and

other posts equally available and equally desirable. But we are disposed to purchase St. Thomas, and if we knew the number of dollars and cents which Denmark has put into St. Thomas in the last 20 years we would understand that $25,000,000 is a small amount compared with what it will cost to have St. Thomas. We do not need her harbor, as we have more desirable harbors in that region.

Mr. PHELAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho further yield to the Senator from California?

Mr. BORAH. I yield.

Mr. PHELAN. I think the answer to the Senator's comment is obvious. The reason why we took possession of the customhouse and fiscal government of Santo Domingo was to prevent creditors representing foreign Governments to levy upon those customhouses, which ultimately might lead to the presence of a foreign power in the Caribbean. Denmark is an important country, and we could not take possession of that customhouse, even if their finances were disarranged. It has been intimated in the press and elsewhere that foreign Governments covet the islands. So, in order to prevent foreign Governments from securing a foothold, it is necessary for the United States, with its other possessions in the West Indies, to possess those islands.

As to the amount, that is a matter for arrangement between the contracting parties; but it occurs to me that as a battleship costs probably $20,000,000, we could have in those islands a permanent battleship, an armed base, at a cost of about $20,000,000.

Mr. BORAH. We have infinitely better battleships in those seas right now in our own possessions.

Mr. PHELAN. But we do not want a foreign battleship permanently by the side of our battleship at Porto Rico.

Mr. BORAH. Exactly. But will the Senator tell me how, under the Monroe doctrine, Germany or any other power can take possession of those islands?

Mr. PHELAN. Simply by the same means that they have taken possession of Alsace and other countries in Europe, without let or hindrance.

Mr. BORAH. If that be true, then $25,000,000 will not stand in the way, because it will be a question of force. If the Monroe doctrine does not give us the right to deny them the right to take possession of those islands or to acquire an interest there or to acquire title there, then we have misread it for these last 75 years; in other words, are we going to be placed in a position where we must buy respect for the Monroe doctrine every time a foreign power intimates that it might like to acquire something within these boundaries? The Monroe doctrine means something, and we have the same right to say to Germany, or to any other power, "You can not acquire title to those islands under the Monroe doctrine" that we would have to say it if we should buy the title to them.

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Mississippi?

Mr. BORAH. I yield to the Senator.

Mr. VARDAMAN. I desire to suggest to the Senator from California [Mr. PHELAN], who observed that the question of price was a matter between the contracting parties, that it occurs to me that the amount to be paid for these islands is a matter as to which the American taxpayer might be taken into account. Somebody else besides the contracting parties will furnish the sinews of war with which to pay for these unnecessary things.

Mr. PHELAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from California?

Mr. BORAH. I yield.

Mr. PHELAN. It occurs to me that if we have title to the property by reason of purchase we have a much stronger hold upon the islands than by the vague assertion of the Monroe doctrine, which, I submit, has not been formally accepted by foreign Governments. It is merely a declaration by the United States, and it has been invaded several times. Foreign Governernments have sought a lodgment upon the South American coast. I read a circumstantial account but yesterday of German warships side by side with an American warship in the harbor of Haiti at the very time of the outbreak of the European war. Marines were actually landed, though afterwards they were withdrawn; the German steamship steamed away; but the American ship was there for the protection not only of American interests, but for the protection of foreign interests under the Monroe doctrine. There was apparently no warrant for such interference, and yet it occurred.

Mr. BORAH. Mr. President, there is only one thing behind the Monroe doctrine, and that is force. The Monroe doctrine is worth just as much as the strength of the United States makes it worth. It is not international law; it is a policy dependent for its effectiveness upon our ability to maintain it.

Mr. PHELAN. But does the Senator consider the brigandage of European nations as so pronounced as to equally justify them in invading our territory in the Danish West Indies if we own them by purchase as an invasion of that territory would be if we only claimed them by the vague Monroe doctrine? Would title by purchase not more effectually prevent such an invasion by a foreign Government or power?

Mr. BORAH. I do not think there is any danger of invasion of the Monroe doctrine as it stands, as the situation now presents itself, at all. I do not think there is any Government of Europe that has any intention of invading the Monroe doctrine. There has been no reliable information to that effect; there is no fact upon which to present and to form an intelligent opinion to that effect. It is true, as the Senator from California [Mr. PHELAN] says, that the Monroe doctrine has not been formally accepted by European powers; but there has been no manifestation of an intention to dispute the principles of the Monroe doctrine. And, sir, when it is disputed, it will be defended as quickly as a deed of title.

Mr. PHELAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield further?

Mr. BORAH. I yield.

Mr. PHELAN. I submit that in the year 1894, under the administration of President Cleveland, there was an attempt made to trespass, I will call it, upon the Monroe doctrine in Venezuela; and later, after the Spanish-American War, we had to mobilize our Navy in the Caribbean Sea in order to prevent other aggressions; which fact is probably familiar to the Senators present. I cited the Haitian case, which occurred at the outbreak of the European war. There is a deep-seated conviction on the part of the people that after the European war nations bent upon reimbursing themselves for their losses will even be less careful in complying with their international obligations. Unless that be true, I can not understand why the Senator from Idaho is proposing to vote for the great increase in our Naval and Military Establishment.

Mr. BORAH. Mr. President, I do not want to continue this discussion too long, because it is desired to get a vote; but we get back to the same proposition, I will say to the Senator from California, that if there is a disposition on the part of the European nations to infringe upon the rights of this Government in any way and that they shall disregard the Monroe doctrine, to what will it lead? It will lead to the same situation precisely as if they should disregard any other right. So back of it all there is the proposition whether the United States is going to defend not only its actual title, its actual purchases, but whether or not it is going to defend the Monroe doctrine as it understands it to be.

Mr. LEWIS. Will not the Senator from Idaho concede that if we ever enter upon this theory that the islands of Denmark are necessary in order to preserve the Monroe doctrine, the same theory must apply to the West Indies?

Mr. BORAH. Precisely.

Mr. LEWIS. And that the same theory must lead us to possess ourselves of all islands that are in the seas to the south of us in order to maintain the whole Western Hemisphere for the United States and to avoid the seizure of any of those islands by any nation that might wish to seize them for personal reasons or otherwise?

Mr. BORAH. I agree perfectly with the Senator from Illinois.

Mr. LEWIS. It seems to me we have entered upon that course.

Mr. BORAH. But there is another proposition, Mr. President. If we are going to buy respect for the Monroe doctrine, of course the Monroe doctrine has become utterly worthless. It is not only worthless, but it has become a liability. We can not purchase respect for the Monroe doctrine. If that is to be the established doctrine, of course it will not be long until, as the Senator from Illinois says, there will be another occasion for the purchase of respect for the Monroe doctrine.

Mr. President, just a concluding word, which shall incorporate what I really rose to say; and that is, that in view of the action of this Congress, in view of the vote of the Senate upon this matter a few weeks ago, and the final action of the Congress upon it, it ought to serve notice upon the Filipino people that, notwithstanding this or that individual declaration, notwithstanding preambles which may be adopted here or elsewhere, and notwithstanding resolutions which may be adopted by political parties, the judgment of the American people is made up to the effect that the Philippine Islands has become a part of our permanent possessions, and will remain so. I

should like to see the Filipino people adjust themselves to that fact; I should like to see them adjust themselves to that idea, and to harmonize their action and their endeavors and their purposes in the future with that policy. It will be better for them, it will conserve their happiness, it will conserve their welfare in every way, if they will accept the situation as it is, and no longer pursue the ignis fatuus which has been held up before them; but concede that the question has been settled, that they are a permanent part of our possessions, and that their ambition in the future will be to help build up their country and become a permanent part of the Republic.

Mr. STERLING. Mr. President, I can not refrain from saying a word in protest against the conference report. I have taken deep interest in the Philippine question ever since the bill was first presented. My protest relates chiefly to the preamble. I can not help but think, Mr. President, that the preamble to this bill as now agreed upon by the conferees is a vicious thing, if I may be permitted to express myself by a term so emphatic as that. It is so, I think, because of the false hope it holds out to the Filipinos, because of the political ambitions it will incite, because of the greater difficulty we will find by reason of this preamble in our management and government of the Philippines.

From the campaign of 1900 on down to the present time the Philippine question has been made by the Democratic Party a party question. Notwithstanding the leader of the Democratic Party had been here and advocated the ratification of the treaty with Spain whereby we acquired the Philippines, their acquisition and their government since have been in platform after platform enunciated by the Democratic Party denounced as an inexcusable blunder. Having acquired them, Mr. President, the question is, What in the name of common sense could we have done otherwise than what we have done? That is the practical question. Have we not done all that was possible in the way of education and development of the Filipino people? Have not they themselves so far shown a grateful appreciation of the Government of the United States and what it was seeking to do for the Filipinos themselves? That which has hampered and hindered in our management of the Philippines, that has prevented investment there, that has prevented development that otherwise would have been made in the Philippines, has been the ceaseless party agitation in regard to them and the uncertainty which has arisen all along because of the Democratic position concerning Philippine independence.

Mr. President, the Philippine Islands are a region of vast natural resources—agricultural resources, mineral resources, forest resources—largely undeveloped or untouched. I take it as a fundamental principle that until a people have been educated up to an appreciation of the value of resources which nature with bountiful hand has bestowed upon them they are not capable of self, free, independent government; and I think it is apparent that the masses of the Filipinos themselves do not know, do not appreciate, and have as yet not taken advantage of their resources. In order that they may do so it will take many years yet of tutelage, of education. Until they do so it is useless to talk about complete and full autonomy, let alone absolute independence, the hope of which is held out in this preamble.

Mr. President, I wish to read a few words from a recent author in regard to the resources of the Philippines, not at all as a tempting bait to American investment or as a reason why we should retain them, but as preliminary to the conclusions to which the author comes. He says:

> The Tropics are the regions of the earth in which nature has been most lavish in her gifts to man. Rubber, coffee, cocoa, dyestuffs and drugs, gums, sugar, teak, mahogany, and other precious woods, jute and hemp, tea, tobacco, and many valued fruits—these are exclusively or in large part tropical products. The use of them on the part of the inhabitants of temperate climates is constantly increasing. The interest of Europe and temperate America in the Tropics is therefore well founded. And of all tropical countries, the Philippines appear to offer the greatest diversity of riches coupled with a greater accessibility than is the case with any other except the Dutch Indies.
>
> The archipelago is in many places very wild and mountainous and its mineral wealth is to a great extent still undiscovered. Yet copper, gold, lead, petroleum, zinc, mercury, antimony, platinum, and iron have been found in quantity, and some day the mineral resources of the islands will be a conspicuous item in their natural wealth.

I wish now to call particular attention to this statement:

> That day, however, must wait upon the investment of large amounts of capital, and capital will wait upon the permanent establishment of stable conditions.

Further along, and somewhat in the same line, the author says:

> The prosperity of the islands, in the main, will depend upon the development of their natural resources, mineral and agricultural, and this in turn will depend upon two factors—on the one hand, the investment of large amounts of capital, and, on the other hand, an increased efficiency of the available labor. Both of these, but particularly the former, in turn are dependent upon long-continued peaceful conditions. The timidity of capital is axiomatic. At the present time, and for some years, few, if any, large investments have been made on account of the uncertainty regarding the plans and purposes of the United States toward the Philippines.

The uncertainty of the plans of the United States toward the Philippines has been exhibited and demonstrated again and again by Democratic platform declarations, by the Jones bill, and by the preamble which is presented by this conference report. And so the author continues:

> This timidity has not been allayed, either by the introduction of party politics in the present Philippine administration or the recent agitation in connection with the so-called Jones bill introduced in the Sixty-third Congress.

And that brings it right down to date, the preamble of this bill, as I understand, being substantially, if not the same, as the preamble to the Jones bill.

Mr. BRADY. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Idaho?

Mr. STERLING. I yield to the Senator from Idaho.

Mr. BRADY. The Senator did not give us the name of the book.

Mr. STERLING. I omitted that. The book is entitled "Japanese Expansion and American Policies," by James Francis Abbott, Ph. D., sometime instructor in the Imperial Japanese Naval Academy. He is the author of the book, which is published by Macmillan & Co.

Mr. President, I am just in receipt of a letter from the Philippines this morning, not written in answer to any request of mine, wholly unsolicited. It is from a gentleman who has been there a great many years, and who has been in the customs service there, whose name I do not care to divulge. He says:

> We must make a definite policy for these far-away islands, stop this everlasting promise of independence and promises, establish a Territorial form of government, and tell the people, not the politicians, that some time in the future, when they are socially, economically, and politically prepared to govern themselves, they will secure their independence, but only by consent of the people of the United States.

And toward the close he has this to say, which I think is highly significant. I read it, too, in connection with some inquiries made here this morning—an inquiry made by the Senator from Mississippi [Mr. VARDAMAN], for example, who is at present not in the Chamber, in regard to the sentiment of the people of the United States concerning our retention of the Philippines. Mr. President, I believe that I know, not only from newspaper statements but from many letters received, something of the sentiment of the people, especially of the great Northwest, in regard to our retention of the Philippines. They are opposed, so far as I can gather, to any promise of independence in the near or remote future, although not as yet expressing themselves against ultimate independence; but the feeling is strong that the Filipinos are not ready for independence, and will not be for a great many years, and that it is futile—more than that, it is wrong—to hold out a promise or a hope to them along those lines. Here is the statement:

> The first Tuesday in November means a great deal to these islands and the inhabitants thereof; it will decide the question of immediate independence and later tribal wars and strife, or a stable government and prosperity.

So it can be seen, Mr. President, how they feel there—how Americans and Europeans in the Philippine Islands, with their close knowledge of conditions, feel—in regard to this declaration in the preamble concerning independence. It seems to me that a declaration like this in a bill for the government of the Philippine Islands, under all the conditions and circumstances, is little short of puerile.

Mr. President, a hundred years ago or more British statesmen were debating whether they should not give up Canada, or permit Canada to be free and independent of England.

It was said—and I think Lord Ashburton said it—that England ought to get rid of Canada, for it would be nothing but a breeder of quarrels. Yet the great Dominion of Canada to-day, after the lapse of 100 years, is loyal and true, and glad to be a part of the British Empire. So it is with Australia. So it is with her New Zealand possessions. Loyal and true, their sons are now giving up their lives in defense of the mother country.

True, we have a different population in the Philippine Islands, and it will take much longer to educate them so that they will be fit and competent for self-government than it would the people of any of England's possessions which I have mentioned; they were competent from the beginning, of course. The Filipinos are a different race; and, furthermore, they belong to the Tropics.

Mr. CLAPP. Mr. President, will the Senator pardon an inquiry?

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Minnesota?

Mr. STERLING. Yes; I yield to the Senator.

Mr. CLAPP. Is it not a fact that the loyalty of Canada and the loyalty of Australia is due to the English people and their descendants who have gone to Australia and Canada, rather than to any spontaneous outburst of enthusiasm for the mother country by the original natives of either of those great countries?

Mr. STERLING. Mr. President, I think, of course, there is the loyalty of blood, if I may so term it.

Mr. CLAPP. Yes.

Mr. STERLING. That exists, but there is something more than that. England's method of dealing with her colonial possessions during the last 100 years, giving them the largest measure of self-government, makes another bond.

Mr. CLAPP. That is true; but, after all, it is the loyalty of English people and the descendants of English people. There are no native New Zealanders to-day upon the battle fields of Europe. There are no native Canadians—that is, of the original nativity of that country. They are, after all, simply a part and parcel of the parent stock wherever they go; and it is a splendid tribute to them that wherever they go they do remain loyal to the mother country.

Mr. STERLING. Oh, yes; but, Mr. President, it will be remembered that our revolutionary forefathers were a part of the same stock, and nearer akin to the original stock than those who govern now in Canada or Australia and New Zealand, and yet we left the mother country and took up arms against her for our freedom. So I say it is more than anything else because of England's method of governing her colonies since that time that this attachment now exists.

Mr. CLAPP. Mr. President, the point I was making was this——

The PRESIDING OFFICER. Does the Senator from South Dakota further yield to the Senator from Minnesota?

Mr. STERLING. I do.

Mr. CLAPP. That Americans in the Philippine Islands will undoubtedly ever be loyal to this country, but the fact that Englishmen in Canada and Australia remain loyal to the mother country is no evidence that the native Filipinos will ever become ready to sacrifice themselves for this Republic. That was the point I was making.

Mr. STERLING. Mr. President, in regard to that I think otherwise. I think that through the long years of good government and wise administration in the Philippines there will be built up a sentiment of loyalty, of attachment, on the part of the native Filipinos toward America, and that when the time comes that they are fit for full and complete autonomy they will say then, "We will be glad to remain a part of imperial America."

Mr. CLAPP. Mr. President, I just want to submit an observation.

Individually, if I could have my way, I would see the United States get rid of every foot of over-sea territory. As an individual, aside from the inherent right of a people to govern themselves, I never have believed in holding property that was destined forever to be a liability and never to become an asset, and I would apply the same rule to sovereignty. But I am satisfied that the American people do not and never will consent to the independence of the people of the Philippine Islands. There never comes a time in the opinion of the master when the subject has reached that condition of development where it is wise to let him go.

I regret that we have in this bill a preamble holding out a promise which I know is delusive and which I know can have but one effect, and that is to encourage the Filipinos to believe that some time in our sweet good will, and not theirs, they will obtain their independence. I regret it because I do not believe that time will ever come. I agree with the Senator from Idaho [Mr. BORAH] that the sooner, once and for all, we say to the Filipinos, "You are in this jurisdiction to remain; adjust yourselves to this condition; recognize this condition," the sooner we will have in the Philippine Islands a sentiment that they are a part and parcel of what the Senator from South Dakota unintentionally, perhaps, but yet so truthfully, characterized as an imperial Government.

So I believe, Mr. President, in the interest of honesty, in the interest of candor, in the interest of hastening the hour when the Filipino will recognize that he is in connection with this Government to remain forever, the sooner we cease holding out delusive hopes, the sooner, in the language of the Senator from Idaho, "he will take off his bonnet and go to knitting, and sit down with the reflection that he is here to stay."

It is not my theory. I do not believe one people has a right to govern another people against their will, and that an alien people; but I recognize that the fixed purpose of this Republic is to retain the Philippine Islands. When we say we will let them go when, in our opinion, they get a stable government, is a promise which, based upon all human history, we will never reach. We will never reach the point when we see a stable government in their hands; and I believe it would be infinitely better just to come right out honestly and say: "You are here to stay; make the best of it. We will give you the best government that it is in our power to give you. Now, become reconciled to this condition."

Mr. CURTIS. Mr. President, I make the point of no quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The SECRETARY called the roll, and the following Senators answered to their names:

Bankhead	Gronna	Myers	Smith, Md.
Borah	Harding	Nelson	Smoot
Brady	Hardwick	Oliver	Sterling
Brandegee	Hitchcock	Overman	Taggart
Bryan	Hughes	Penrose	Thomas
Chamberlain	Husting	Phelan	Thompson
Chilton	James	Pittman	Tillman
Clapp	Johnson, S. Dak.	Pomerene	Underwood
Clarke, Ark.	Jones	Reed	Vardaman
Colt	Lane	Saulsbury	Wadsworth
Cummins	Lee, Md.	Shafroth	Warren
Curtis	Lewis	Sheppard	Williams
Dillingham	Lippitt	Sherman	
Fletcher	McLean	Shields	
Gallinger	Martine, N. J.	Smith, Ariz.	

The PRESIDING OFFICER. Fifty-four Senators have answered to their names. There is a quorum present. The question is on agreeing to the report of the Committee of Conference.

Mr. McLEAN. It is nearly 2 o'clock. Is it the intention to continue the discussion of this measure, displacing the unfinished business?

Mr. HITCHCOCK. The unfinished business has not yet been laid before the Senate, but it is the intention of the Senator in charge of that bill to permit us to finish the consideration of the conference report.

The PRESIDING OFFICER. The hour of 2 o'clock having arrived the Chair lays before the Senate the unfinished business, which is House bill 15455, commonly known as the shipping bill.

Mr. JONES obtained the floor.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Florida?

Mr. JONES. Yes.

Mr. FLETCHER. I understand that very likely the conference report can be disposed of in a short while, and I ask to lay aside the unfinished business temporarily for that purpose.

Mr. JONES. I will say to the Senator from Florida that I think the conference report will take some little time before we reach a vote on it.

THE PRESIDING OFFICER. Is there objection to the request of the Senator from Florida?

Mr. JONES. I make no objection.

The PRESIDING OFFICER. The Chair hears none and the unfinished business is temporarily laid aside. The question is upon agreeing to the report of the conference committee.

Mr. McLEAN. Mr. President, I have no disposition to delay action upon this measure. When it was under general discussion early in the session I expressed my views at some length, and I have no desire to repeat them.

It seems to me, Mr. President, that this preamble is absurd. The Senator from Idaho [Mr. BORAH] insists that it amounts to nothing, and the Senator from South Dakota [Mr. STERLING] insists that it is vicious. I think it is absurd to undertake now to express the purpose of the people of the United States as to what it may be to-day, what it may be in the future, or what it may have been in the past. I think the action of the Congress upon this measure at this session has demonstrated the accuracy of my position.

If the Philippine question, giving the inhabitants of the Philippine Islands their independence, was the paramount issue in 1900, as was claimed by the candidate of the Democratic Party at that time, then the American people certainly expressed a definite purpose to retain the islands indefinitely, for the Democratic Party was overwhelmingly defeated. If it was the paramount issue in 1908, as was claimed by the then leader of the Democratic Party, the same result followed, and the American people expressed a purpose to retain the islands indefinitely. If it was an issue in 1912, when the Democratic Party was successful at the polls, although the party did not secure a majority of the votes, yet it was entitled to assume the reins of government, and it was its duty to carry out its platform pledges. If, as is claimed by the leaders upon that side of the Chamber, one

of those pledges was to grant immediate independence to the inhabitants of the Philippine Islands, then it was the duty of the majority to redeem that pledge. I think we have had an object lesson here which we can not forget in a week. The Democratic Party did everything it could, exerted every effort, to redeem that pledge and grant independence to the inhabitants of the islands and signally failed.

Mr. SHAFROTH. Mr. President, does not the Senator recognize, however, that this is a conference report and that the section which was passed by the Senate provided for independence in a certain number of years? The preamble is a measure that was passed by the House. Now, the only two points in the conference were whether section 34 of the Senate bill should remain or whether the preamble passed by the House should remain. We yielded on the question of section 34, which granted independence within not less than two years or more than four years, and consequently the only thing that remains is the other proposition, the House preamble. It seems to me that as it is a conference report, and that being the only thing in conference, yet the Senator evidently not being willing to vote for section 34, the only thing to do is to adopt the provision.

Mr. McLEAN. Mr. President, I am willing to vote for the bill without the preamble. The Senator knows, as a member of the committee, when the question was first suggested I was opposed to doing anything with regard to the Philippine Islands. As the Senator will remember, we called before us from all over the country men who were in a position to give us more accurate information than we had with regard to conditions there. I modified my views and came to the conclusion that under the circumstances it was wise and best at this time to extend the franchise and grant an elective senate. I am willing now to give the Philippine Islands all the machinery that is necessary for them to demonstrate their ability or inability to maintain a stable, just, and representatve form of government. I am willing to admit that not only the majority in the Senate but in the House and the majority members of the committee have exerted every effort possible to redeem what they have insisted was their party pledge to grant to the inhabitants of the Philippine Islands their independence. That promise has been continued by the Democratic Party for 16 years. They now have a majority in both branches of Congress. They have now every opportunity to redeem that promise. I believe they have tried earnestly and honestly to do it, but they have failed. They have found that it is utterly impossible.

Mr. President, it seems to me to be absurd, with this experience, with this record staring you in the face, to undertake now to commit some future Congress to a promise which you could not perform when you had the power.

I should like to ask the Senator from Colorado from what source he can draw the assurance that the Democratic Party in the future will be any more likely to redeem this promise than the Democratic Party of to-day, and by what authority does the Senator from Colorado assume to bind the action of future Congresses or express now what may be the purpose of the American people 5 years or 10 years from now?

Certainly you can get no encouragement from the record of the Democratic Party to-day. When the Senator from Arkansas [Mr. CLARKE] proposed his amendment every majority member of the committee surrendered the position that was taken by him in the committee. The committee report was a compromise. Some wanted to grant independence; others did not. But we all considered the question in a nonpartisan way. I know the minority members of the committee received every courtesy from the Democratic members, and from the first it was the endeavor of the committee to prepare a bill that would seem to be the best possible thing that could be done now. It is clear to me that this is all that any Congress ought to undertake to do. We can not foretell the future. We ought not to undertake to anticipate what may be the duty of some succeeding Congress. The committee agreed upon its report. I conceded my views; others conceded theirs. When the report came into the Senate the Senator from Arkansas proposed his amendment and every member of the majority of the committee abandoned the report of the committee and stood back of the Senator from Arkansas and voted with him, but all to no purpose.

You must realize to-day that you can not carry out your promise to the inhabitants of the Philippine Islands. You have tried your best to do it. You can not do it. What right have you to declare now that some other Congress shall do it or ought to do it? In view of the experience you have had, discouraging to you, fatal to your hopes at this session, is it not better to do what all agree is wise or a large majority of both branches agree is wise at the present time, extend the franchise and give them an elective senate, give them every opportunity to demonstrate to the people of this country that some day they will be worthy of their independence?

The Senator from Idaho [Mr. BORAH] has taken a very pessimistic view of the future of these islands. He has insisted to-day and heretofore in the discussion of this matter that the time would never come when they could be trusted to manage their own affairs.

Of course, we all know that self-government is a splendid thing and a strong weapon of defense in proper hands, but a very dangerous weapon to play with, a very dangerous weapon in the hands of children.

While I believe the inhabitants of these islands to-day are in comparison with a highly civilized people little more than children, yet I believe they are very apt children, and I do not think it fair for the Senator from Idaho and others to constantly bring in here the experience of Latin American countries as proving the utter inability of the inhabitants of the Philippine Islands to advance faster than the South American countries have done.

We all know the South American countries secured their liberty from despotism, and, of course, when they secured their liberty they immediately set to work to establish the best thing within their knowledge, and that was another despotism, a democratic despotism perhaps, but none the better on that account. Whereas in the Philippine Islands we have an entirely different experiment. They have advanced rapidly. It takes a long time for a boy to learn good habits in a school where only bad habits are taught; but in a school where only good habits are taught we have no reason to expect that a race of people like the inhabitants of the Philippine Islands will not advance rapidly. That is the belief of everyone who knows them and who has lived there and who has had experience and is capable of judging accurately.

I do not agree with the Senator from Idaho that these people will never be able to govern themselves. I can not agree with him that the time will never come when this Government will not be willing to grant them their independence. We can not say now; we do not know. Let us do our duty as we see it to-day and leave the responsibilities of the future to those who come after us, and who will, by reason of the extended experience in these islands, be in a position to judge wisely when the time comes.

I think this is a very important matter. Preambles are never admissible unless they are based upon a recitation of facts that are uncontroverted and uncontrovertible. It is admitted by those who have discussed it this morning that no one knows what the preamble means. It is susceptible of any interpretation. I refer to the middle clause and to the title as well. The title of the act is absurd:

To declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands.

No Senator here will claim that we are in a position to do that. The question has never been voted upon separately and settled by the people of the United States. It has always been involved with other questions.

Mr. NELSON. Will the Senator yield?

Mr. McLEAN. Certainly.

Mr. NELSON. The Senator is oblivious to the fact that this preamble is a part of a great Democratic piece of constructive legislation.

Mr. McLEAN. If the Senator had been in the Chamber when I began my remarks I think he would have listened to some expressions, at least, that would have indicated that I recognized that fact. I do not extend my sympathy to the other side of the Chamber; I do not know that I have any regrets. Nevertheless it is true that with the very best of intentions and after waiting 16 years you find yourselves utterly incapable of carrying out your promise in reference to the Philippines. I am willing to concede that you have tried your best, but you have utterly failed. Now, with this record, how can you presume to declare the purpose of all the people of the United States on this subject? You do not even know what your own purpose is.

The preamble, of course, repeats the language in the title:

Whereas it is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence.

That is an absurd assumption, a mere party assumption. There is no historical foundation for it. If it was the issue in 1900, as I have said, the people voted overwhelmingly in favor of a purpose to retain the islands permanently, because your candidate was defeated and your platform went into inoccuous desuetude. It was the same way in 1908.

Mr. CLAPP. Mr. President, is it not infinitely worse to state that purpose contrary to experience than it might be perhaps

to state it in accordance with the experience, and therefore state it was not the purpose of the American people to let them go? Back of that we have 16 years. Back of that, and I say it without any partisan spirit, we have the failure of the party in power with a platform pledge to accomplish it. It seems to me it is infinitely less in harmony with the history of the situation to state that it is our purpose to give them independence than it would be to state that it has not been the purpose to let them go.

Mr. McLEAN. Certainly——

Mr. CLAPP. Will the Senator pardon me just a moment? In view of the fact that I voted to let them go, if anyone should read my interruption of the Senator at this point without an explanation he might feel that there was an apparent inconsistency. I want to say now if it was in my power I would say, "Go, and Godspeed you," but it is not in my power. I know it is not the intention of the American people to let them go, and I think the sooner we recognize that fact the better. I make that explanation, as I might otherwise seem to be inconsistent.

Mr. McLEAN. I know that is the view of the Senator from Minnesota, but it seems to me that when we substituted our authority for that of Spain we assumed a pretty sacred obligation to maintain order in these islands and give the inhabitants of the islands every opportunity to demonstrate to the world their ability to take care of themselves. I think it was a sacred obligation; it was a treaty obligation; and I do not think they have had sufficient time yet. I think it is altogether unjust to expect that in half a generation a people in the condition they were in could come to the front and realize what self-government is and what independence means, its responsibilities and its privileges. I think we may well omit discussion of that question altogether for another period of 8 or 10 years at least.

I do not agree with the Senator from Minnesota. We have accepted this responsibility under a solemn treaty obligation; we ought not to quit now and leave those islands to the prey of the rest of the world or to their own incapacity and ignorance.

Mr. CLAPP. I had not intended to raise that issue. I regard that issue now as settled for all time. I was simply putting in the RECORD the reason why it was that, having voted to give them independence, I am now, in view of the experience of this legislation, opposed to a promise which I know will never be carried out.

Mr. McLEAN. Nothing ought to be considered settled by Congress until it is settled right, and it is for us to assume that nothing will be settled until it is settled right. If any Senator here thinks that it would be an injustice to these people to turn them loose, and yet is willing to do it, then I most emphatically disagree with him.

Mr. CLAPP. Again, I want to say I do not put my willingness to let a man be free upon the basis of turning him loose to escape responsibility. I think every people have a right to be free. I voted to give these people a tentative experiment in self-government, but I say now, for one, I believe the purpose of the American people is against letting these people go, and the sooner we quit holding out a false promise to them the better, I believe, it will be for them. There is no quarrel between the Senator and myself; at least, I did not seek that.

Mr. SHAFROTH. Mr. President——

Mr. McLEAN. I will yield in one moment. The Senator from Minnesota thinks these people ought to be free. That depends entirely upon what we mean by the word "free." We have some obligation in the premises. I do not believe we have any right to turn these people free to learn the art of self-government in the school of murder and arson and larceny.

Mr. CLAPP. Does the Senator want at this time to review the arson and murder in our own country. I had not intended to open up this argument, because I felt it is an issue that is gone.

Mr. McLEAN. I do not concede that at all.

Mr. CLAPP. The Senator will never live to see these people independent.

Mr. McLEAN. The Senator from Minnesota says that. I disagree with him. I have too much confidence in the spirit of justice that has dominated and always will dominate the people of this country to assume it. Personally I feel that one result of the great war must be the elimination of the right to title by conquest. I doubt if you can ever have a permanent peace as long as the right to subjugate and annex a smaller and highly civilized nation is admitted in our international law, and I believe that we must set an example in this matter. If we are to lead, certainly it is our flood tide. It is the flood tide in our affairs, which we must take if we expect to lead civilization in the future, and we can not do it if we deal unjustly with a neighbor; but our work in these islands is one of pure philanthropy and entirely unselfish up to date.

Mr. WILLIAMS. Mr. President——

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Mississippi?

Mr. McLEAN. I yield.

Mr. WILLIAMS. Mr. President, the tide in the affairs of men does not go on like the current of a river. It goes on like a tide that is coming in and then going back and then coming in and going a little farther back. The only difference is that the tide in the affairs of men goes on forever and the ocean tide carries a limit.

The Senator is exactly right, in my opinion, when he says that there will never be any permanent universal peace until the idea that one racial component part of mankind has a right to hold another in subjection has been disavowed by the civilized world. There will be no peace in Europe until the Slavonic population which belongs to Austria have been set free to work out their own destiny. There will be no permanent peace until the Lascars are left to work out their own destiny. There will be none until the Bohemians in Austria are left free to work out theirs, none until the Poles in Prussia, in Austria, and Russia are left free to work out theirs. There can be no permanent peace in the world based upon the idea of one language. I will put it that way rather than race, because they are all members of the white race.

It becomes still more extreme when the white race is dominating over a different race until one language has a right to assert its genius and its spirit wherever it may exist. The most superb incident of civilization that has taken place in two or three hundred years was what we witnessed between Sweden and Norway when Norway said, "We want to break up this household and start to housekeeping for ourselves," and then Sweden, another great component part of the Scandinavian people, said, "That is an acknowledged right; go your way in freedom and in peace."

It becomes still worse when the white race undertakes to impose its authority and its despotism upon another race, not only linguistically different but racially different, unassimilable in lawful wedlock, people that the white race do not recognize as being their equals. The time never will come, in my opinion, any more than it has come right now, for the people of the United States of America to say to the Filipinos, "We announce that it is our purpose that some day you shall be free." I wanted to announce a definite date at which they should be free.

The Senator says that he has no sympathy with the idea that we shall disregard what the future may be that these people may make for themselves. I have. I was not elected here as a Senator to represent any part of the Philippine Islands or any part of the Philippine people; I was elected as a Senator to represent the American people in part—or, in a larger sense, the American people without question of part at all. I say that, without regard to what the Filipinos may or may not do with themselves, it is a question of duty with us not to foist our own governmental system by keeping in it as a part of it temporarily that which is absolutely opposed to it in spirit in every particular. We have no right, no matter what these people may do with themselves, to say to them, "You are governmentally our slaves." We had no right to take them; we have no right to keep them. We have no more right to do that than France would have had, after she had helped to defend American independence, to have attempted to assume the sovereignty of the American people.

Mr. McLEAN. Mr. President, if the Senator will allow me to interrupt him, I should like to ask him a question.

Mr. WILLIAMS. Very well.

Mr. McLEAN. Then, why do you not let them go?

Mr. WILLIAMS. I have done all I could to let them go, God knows; and I am willing to do all that I can to let them go now.

Mr. McLEAN. But the Senator will have to admit that his party, which has promised them their independence for 16 years, now that it has full power in both Houses can not let them go.

Mr. WILLIAMS. Well, Mr. President, in a certain sense that is true—unforgivably true, unpardonably true, and pathetically true——

Mr. McLEAN. Yes.

Mr. WILLIAMS. But, in a certain sense, the Senator from Connecticut knows, as well as I do, that it is not true, because if we had assistance from that part of the American people which constitutes the Republican Party, those people would have gone already. Mr. Taft, when he was President, said that we ought to work toward their final independence.

Mr. McLEAN. And that is what a large portion of the Republican Party says to-day.

Mr. WILLIAMS. Very well, then, why do you not help us when the opportunity comes, instead of standing here and blaming us for our impotence, for which we are not responsible?

Mr. McLEAN. Why, Mr. President——

Mr. WILLIAMS. You helped to make us impotent.

Mr. McLEAN. We are trying to help you; we are trying to help your party stop lying to those people and to let them judge of us by what we do and not by the promises that we make that we can not perform.

Mr. WILLIAMS. Mr. President, the Senator from Connecticut says he is trying to help us do something and to stop lying. That is a pretty serious utterance. It has two sides to it. In the first place, as a party, the Republican Party has not helped us to do something; and, in the second place, it is not a lie for us, if we can do so, to put upon the statute books of the American Nation the expression of the belief that the American people do desire that the Filipino shall finally be free and self-governing. If the Senator had said that, that might or might not be false prophecy. If he had said that the hope that we held out was a hope that we could never consummate, he might have said something true; but when he says that our saying that would be a lie from our standpoint——

Mr. McLEAN. Oh, Mr. President——

Mr. WILLIAMS. From the standpoint of what we desire and of the aspiration which we have, that the American Nation shall never at any time violate its birth principles and its life principles as expressed in the Declaration of Independence, then the Senator said something for which there was no warrant.

Mr. McLEAN. Mr. President, the Senator from Mississippi misunderstood me. Of course I intended to represent the Filipino point of view. They think, and I think they will be justified in thinking, that if the Democratic Party fails to carry out a promise reiterated for the period of 16 years, the party has been lying to them.

Mr. WILLIAMS. Ah, Mr. President, the Democratic Party, speaking, as it thought, for the American people, made that promise, or made that declaration of principle, rather, and that declaration of purpose. It is its purpose, it remains its purpose, it will never cease to be its purpose, until the Democratic Party ceases to be spiritually constituted as it ought to be and as it historically has been.

Now, what warrant is there for the general assumption that a people have a right to self-government only in proportion to their ability to govern themselves? The right to self-government is accompanied with the right of self-misgovernment, or, if not, it amounts to nothing.

Mr. McLEAN. Mr. President——

Mr. WILLIAMS. People who have the right to govern themselves have a right to govern themselves according to their ideas and not according to my ideas.

Mr. McLEAN. This is a very interesting discussion, but——

Mr. WILLIAMS. And that they will badly govern themselves for a long while I have no doubt; but I equally have no doubt of the fact that they can never learn to govern themselves well except by governing themselves badly at first. A child can not learn to walk except at the expense of stumbling and falling. No nation has ever learned to govern itself except at the expense of misgoverning itself a part of the time.

What have we to do with that? Who made us God's globe-trotting vice regents, to go around and settle, according to our ideas, who in this world is and who is not fit for self-government?

The Senator referred a moment ago, and reference has been made previously, to South American countries. For a long, long series of years those people presented to the world a spectacle of anarchy, of misgovernment; a spectacle of fiasco of government more than anything else; but what has been the consequence? Mexico is still travailing, not yet having given birth to the child of liberty and self-government, but Argentina has come out brightly as one of the civilized nations of the world; Chile has done it; Brazil has almost done it. Little by little they learn. They can not learn from other people.

One word more. I tell you that in all the history of the world there is not an instance where one race or one people ever superposed civilization upon another. They may superpose the veneering; they may superpose a verisimilitude; they can not superpose verity. No people have yet done so, and no people ever will emerge into the full light of civilization and enlightenment unless they do it by their own hard, cruel suffering and experience. It never will happen; it can not happen. You may go along sending "Yankee school marms" to the Philippines until you are dead; you may go along sending southern girls there until you are dead, to teach the Filipinos English and arithmetic and geography, but do you think you are going to make civilized human beings out of them according to your standard in that way? You can no more do it than you can by a fiat of law make a thoroughbred Kentucky horse out of an ass or make a white man out of a negro, or make a Malay out of a Chinaman, or make a Chinaman out of Japanese.

As Lincoln said, there are certain physical and mental differences between races that just simply exist. They come partly from heredity, they come partly from environment, and they come perhaps partly, though none of us knows, from the eternal fiat of God himself. But, however they come, they are there, and you can not change one into the other; you can not make one out of the other; you can no more amalgamate them than you can amalgamate oil and water in a bottle. You can put them up and you can shake them up until you are tired, but when you get through the globules of oil will differentiate themselves and the drops of water will differentiate themselves. There are some things that legislation can not accomplish. You can not go further with legislation than to veneer a piece of pine wood to make it look like oak; but you can not make oak out of it.

Why is it when this bill is up, when the Clarke amendment is substantially defeated—and I am sorry for it—that we can not at any rate adopt the conference report, put a temporary surcease to this business, and give those people out there and leave with them as a precious hope, even if it be nothing more, that at some time they may be left free, under the providence of God, to work out their own destiny in their own way, not in the American way, which is not their way.

How would you like to have them tell you that we should work out the American destiny in their way or that we should work it out in the Japanese way or that we should work it out even in the French way or the English way or the German way—all being members of the same race, the Caucasian? You would not stand for it; you would fight; you would fight with whatever arms you could get; or if you did not, you would be unworthy—well, I will not say that—but if you did not, you ought to do so.

You can not, for the life of you, make Americans out of Filipinos; you can not, for the life of you, superpose upon Filipinos an American civilization, unless it is only skin deep and is a veneer. You can not anywhere in this world, Mr President, undertake to give a people self-government unless you give them the liberty to misgovern themselves at times, as we all do. We do it. I sat in Congress as a Democrat during some twenty-odd years when it seemed to me the whole American people were misgoverning themselves, according to a lot of Republican ideals and so-called principles, and with a view to satisfying what I would call the interests; but which they called by a higher name.

I do not think England is governing herself according to my idea; I am sure Germany is not; and yet I recognize that those people are just as strong physically, just as wise mentally, just as good morally as I am; and that they have the God-granted right of selecting their own pathway and walking in it so long as when walking in that pathway they do not hurt me and my people.

People say to me, "Oh, well, if you turn the Filipinos loose, they will become the prey of Germany or the prey of Japan or the prey of some other country." Why not equally well the prey of any of them as the prey of yours and mine? But I do not concede that they would become the prey of any of them. After Europe has got her belly full of the little trouble that she is carrying on now, she is going to be pretty cautious about starting up new troubles of various descriptions, and even if the Philippine Islands were taken in charge by some other people—and let us assume that they were the Japanese, as the only people who probably would think of it—why would not the Filipinos be happier and better off under the rule of a kindred race than under the rule of a race that absolutely disdains to intermarry with them, as it ought to disdain to do, and as in keeping up its own high standards it must continue to do. Whether that idea of its own standard is a mistake or whether it be a truth and a verity and a reality, it is nevertheless there.

How can you expect at any time to keep up a temple of democracy when you can not have real equality? How can you expect real equality unless you have a confession upon your own side, at any rate, of potential equality in lawful wedlock—which is a question I have frequently asked? You can govern a people in your country well even for them—that is to say, you can give them a better government in your own country than they could give themselves—but to grapple with a problem at home which presents itself as a soil necessity is one thing, and to go out 10,000 or 12,000 miles hunting up new race problems with a view of superposing yourself upon somebody else, when it is totally unnecessary and is not rendered necessary by any home

situation, is a totally other thing, an absolutely unnecessary thing, and an absolutely despotic thing.

Mr. McLEAN. Mr. President, when the Senator from Mississippi kindly took me from the floor I had only one thought to add. While his address has suggested a great many things which would be exceedingly interesting if they were at issue here, and which under other circumstances I might feel inclined to dispute, I will not undertake to do so at this time. I do not agree with him, however, that the strong do not have some duties toward the weak or that the fortunate are not obligated to help the unfortunate, and I am rather surprised that he should express the views which he has. I think, as a pure ethnological problem, environment has very much to do with the evolution of a people, and I do not believe it is wise for us to assume that any race which we find occupying a portion of the earth may not in time reach such a state of civilization that they can control and govern themselves if they have the right kind of help. But the idea that I wish to suggest now is this: I think the Senator from Colorado [Mr. SHAFROTH] will admit that this proposed law in its scope and in its purpose is a treaty. It really supplements an existing treaty with Spain. We assumed obligations then which we must meet, and we must meet them courageously and honestly. If it be, as I think, in the nature of a treaty with an alien people, we should be exceedingly scrupulous not to preface the instrument with a preamble which neither they nor we can understand.

Mr. SHAFROTH. Mr. President, it seems to me that the talk which has been indulged in here to the effect that this question is settled, and that we will never give the Filipinos independence, is contrary to all our declarations and actions from the time of the taking of the islands to the present moment.

Mr. McLEAN. Well, let us agree to that.

Mr. SHAFROTH. I can not believe that the American people are going to ignore the principle that has been announced in the Declaration of Independence, that the just powers of government are derived "from the consent of the governed"; but it seems to me that that question is not involved in this conference report. It is purely a question as to whether section 34, giving the Filipinos independence in not less than two nor more than four years, should be adopted, or whether the preamble should be adopted; and, that being the case, it seems to me we ought to have a vote upon the question.

Mr. LIPPITT. Mr. President, will the Senator from Connecticut yield to me for a moment?

Mr. McLEAN. Certainly.

Mr. LIPPITT. The Senator from Colorado has repeated that statement on several different occasions. He has referred to a technical matter. I want to take the liberty of suggesting to him that I think he is incorrect. What is properly before this body in connection with the conference report is the entire body of the bill. The Senate passed, as an amendment to a previous House bill on the subject of the Philippines, a bill of its own, with a large variety of amendments, amendments in regard to the preamble, in regard to the principle involved, and in regard to the whole body of the bill. One part of the bill, one amendment, is just as much a matter for consideration in dealing with the conference report as any other, and it is perfectly within the province of this body, if I understand the situation aright, to discuss any question involved that was in dispute between the two Houses.

Mr. SHAFROTH. Mr. President, a motion was made in the House that section 34 be stricken out and a new section was inserted in the shape of a preamble. Now, according to the principles of conferences, as I understand them, when we recede from our position in favor of the CLARKE amendment and accede to their substitute, it of necessity involves the question as to whether we will adopt one or the other. That being the case, that, it seems to me, is the only question involved. That is not like the question as to the first amendment, which involves the entire 33 sections which were stricken out. The striking out of section 34 involved the principles of governing the Philippine Islands, as to their independence, and there was substituted in place of it the preamble. The conferees met, and the question is which of those shall be accepted? When the Senate recedes and we consent to the House amendment, it seems to me that is all that can be done.

Mr. McLEAN. Mr. President, my point is, that inasmuch as this legislation is in the nature of a treaty, I think the Senate is justified in sustaining any position that it may take in the matter; and if the Senate should insist upon the elimination of the preamble, then the bill must pass without it, or we enact no legislation at all. This would be much better than to submit to a proposition that is absurd and unwarranted and will probably bring disgrace to this country and disaster to the Filipinos themselves.

Mr. SHAFROTH. Mr. President, does not the Senator recognize that if this conference report is voted down it means that we stand by section 34, which the Senate inserted in the bill? The House has objected to it and has voted against it. If the report is rejected, the duty of the conferees will be to insist upon the Senate amendment, section 34, and known as the Clarke amendment, and the House will insist upon its preamble. That will be the only question for the conferees.

Mr. CURTIS and Mr. LANE addressed the Chair.

The VICE PRESIDENT. Does the Senator from Connecticut yield?

Mr. McLEAN. I yield the floor.

Mr. CURTIS. Mr. President, I wish to occupy the floor for a few moments.

Mr. LANE. Mr. President——

Mr. CURTIS. Does the Senator from Oregon desire to address the Senate at this time?

Mr. LANE. I did, but I did not secure the floor. The Senator can go ahead.

Mr. CURTIS. I will yield to the Senator, if he wants to occupy the floor now.

Mr. LANE. Does the Senator wish to discuss this subject?

Mr. CURTIS. Yes.

Mr. LANE. Very well; the Senator can go ahead, and I will wait.

Mr. CURTIS. Mr. President, it is not my purpose to discuss the preamble. I think it holds out to the people of the Philippine Islands a false hope, and if we send the measure to them with the preamble we shall have year after year the citizens of that country here asking for independence and for self-government.

Having visited the Philippine Islands a few years ago, I do not agree with some who have discussed this measure as to the ability of the Filipinos to control their own affairs, and, for one, I think it will be a good many years before they are in proper condition for self-government. However, as I said a moment ago, I did not rise to discuss the preamble. I wish to call the attention of the Senate to the provision on page 5 of the Senate bill, which reads:

> That no intoxicating drink or drug shall be manufactured for sale or gift, imported for sale or gift, or sold or offered for sale or gift for use as a beverage, but this shall not apply to or include the native wines and beverages commonly known as vina, tuba, basi, and tapuy.
>
> That anyone violating this law relating to the manufacture, sale, or gift of intoxicating liquors or drugs shall, upon conviction thereof, be punished by a fine of not more than $100 or by imprisonment for not more than six months, or by both such fine and imprisonment.

I was very greatly pleased when that amendment was offered by the Senator from North Dakota [Mr. GRONNA] and when the Senate adopted it; and I agree with the Senator from Rhode Island [Mr. LIPPITT] that it is one of the items which we should consider in disposing of this conference report. We must either adopt the whole report or reject it; and, for one, I am in favor of rejecting it not only on account of the preamble but also on account of this amendment being rejected in conference.

I notice in the RECORD that the Senator from Nebraska [Mr. HITCHCOCK] gave the following as the reason why the prohibition amendment was stricken out:

> The prohibition amendment of which the Senator from North Dakota [Mr. GRONNA] is the author, and which the Senate engrafted upon the bill as reported by the Senate committee, was a matter of legislation, whereas this bill is not a matter of legislation; but it is a constitution for the Philippine Islands under which they can legislate for themselves. Under this bill, if they desire prohibition, they can enact it. Our bill is designed to give them self-government, with certain constitutional restrictions.

To my mind, that is not a reasonable excuse for rejecting prohibition in this bill. Out in Kansas we have a constitutional prohibition. There is in our constitution a provision prohibiting the manufacture and sale of intoxicating liquors. I want to say, in passing, that every time that question has come before the people of the State the sentiment in favor of prohibition has grown stronger and stronger, and in my judgment it will continue to grow stronger and stronger. I also desire to call the attention of the Senate to the fact that in a number of the enabling acts of the States Congress has required them to provide for the prohibition of the sale of intoxicating liquor to members of Indian tribes. I remember especially the case of Oklahoma, where the enabling act required the provision to be put into the bill so far as the eastern part of the State was concerned, and afterwards the people of that State submitted the question to the people of the whole State, and prohibition was adopted for the entire State. In all the States recently admitted, the enabling acts have prohibited the sale of intoxicating liquors to Indians; and I think any member of the Committee on Indian Affairs

or anyone else who has studied the question will agree that the more the sale of intoxicating liquors has been prohibited among the Indians, the greater benefit it has been to the Indian tribes; and I believe to-day that if you would put absolute prohibition in force in the Philippine Islands it would be the greatest blessing you could confer upon those people. It would result only in good.

This morning I received a circular from the people of Porto Rico opposing prohibition because of certain revenues which they derived from the traffic, as I understand. I heard here on the floor, yesterday or day before, that reason advanced for not giving prohibition to the Philippine Islands. I want to say that I agree fully with what was said by the Senator from North Dakota [Mr. GRONNA], that when these people think they derive any benefit from a license to sell intoxicating liquors, they are mistaken. There is not a State where a prohibition law is in force but that the people will tell you that the benefits are very much greater than the loss of revenue. If I had the time this afternoon I could tell you in reference to the great benefits in our State; and I think, just in passing, I should like to call attention to one thing, and that is you may go to town after town in Kansas where jails were built 25 or 30 years ago that never have been occupied by a single inmate; and if you will talk to the people of these communities, they will give the credit to the enforcement of the prohibitory liquor law.

But I did not intend to discuss at length that feature of the matter. I wanted to call attention to this amendment, and the reasons given by the Senator from Nebraska for the Senate conferees agreeing to have it stricken from the measure.

Again, the Senator from Nebraska said:

> Mr. President, it might be possible if we were dealing with the people of the Philippine Islands, but we are dealing with the House of Representatives, and we found that the conferees on the part of the House had certain very definite opinions.

I doubt very much, Mr. President, whether the question of prohibition was discussed to any very great extent by the conferees. I doubt if a majority of the House would be in favor of striking out that provision if it were brought to their attention.

I desire to call attention to another reason given by the Senator from Nebraska for agreeing to strike this amendment from the bill:

> In addition to that the Democratic convention, which recently assembled and adopted a platform, incorporated a plank in that platform indorsing the bill as it passed the House.

That is given by the Senator from Nebraska as an additional reason for refusing to stand by the Senate amendment prohibiting the sale of intoxicating liquor in the Philippine Islands. I doubt very much if that question was discussed by the committee on platform at the Democratic national convention. I doubt if that question was submitted to the convention.

I am sorry that the Senator from Nebraska gives those reasons for keeping out this important amendment, because neither of them is good. If this is to be a constitution, why not make it a part of the organic law that they can not manufacture or sell intoxicating liquors in the Philippine Islands? If you put such a provision there, the legislature may afterwards enact legislation in reference to punishment for violators of that law.

For one, I shall vote against this conference report.

Mr. LANE. Mr. President, I do not think the Senator from Kansas has thoroughly studied the question of temperance as it relates to the Philippine Islands. I am informed that the Filipinos are a very temperate people; and while they have no restrictive laws, yet they are a sober people and not intemperate. If there is any lesson in self-government or self-control which we have to impart to them which will after a while, sometime in the dim and misty future, fit them for carrying on their own affairs, we could on the other hand go to them and learn to good advantage how to restrain our appetite for drink.

Mr. CURTIS. Mr. President——

The PRESIDING OFFICER (Mr. BRADY in the chair). Does the Senator from Oregon yield to the Senator from Kansas?

Mr. LANE. Yes.

Mr. CURTIS. I want to agree with the Senator that they are a temperate people. I was greatly pleased to notice that fact when visting the various islands. But why not keep intoxicating liquors away from them? The Senator from Oregon will agree with me that the Indians, as they originally were, knew nothing about intoxicating liquor. They cared nothing for it; but as soon as it was introduced among them—and many of the tribes were ruined by its use—it ruined the members who used it.

Mr. LANE. Mr. President, in reply to that I will state that the Indians did not make intoxicating drinks, but they took kindly to them when they were presented to them by the white man. In regard to the Filipinos, I am told, from what seems to be a pretty reliable source of information, that they make a drink over in that country alongside of which the Indian hoochinoo is a temperance drink, so far as intoxicating properties are concerned, and yet they are a sober people. They are one of the few peoples in the world who are really temperate.

I do not object to passing a law on that line, though I think it would affect them but little. They care nothing for intoxicants. But we are setting up on a high pedestal and preaching the doctrine that the people shall not have their liberty until the day arrives when they learn from us how to govern themselves wisely, and we could with as good countenance and in good sooth go to them and learn how to keep temperate; and it would save our passing laws to enforce temperance for them when they are already a temperate people.

This is merely said in passing.

Mr. JONES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Washington?

Mr. LANE. I yield.

Mr. JONES. I just wondered whether the Senator from Oregon believed that it would encourage them in their present temperance to permit the importation of our liquors and permit the influences that our liquor people will no doubt use toward these people, or whether he does not think it would be better for us to encourage them in the disposition they now have by shutting out these influences?

Mr. LANE. Yes, Mr. President; I agree with the Senator. I think that if we can free the Filipino people from the introduction of our intoxicating drinks, and our method of handling and selling them, it will be a good thing for the Filipinos, and I am in favor of it. But in that case we put the Filipinos on guard against our civilization and our methods; and here a majority of the committee of conference are preaching that the Filipino people will be unfit to govern themselves until the day finally comes when they will acquire such wisdom from us. They are stronger on this point than we are.

That, however, is not what I rose to remark upon. What I wanted to call attention to was this: The Senator from Idaho [Mr. BORAH] and the Senator from Connecticut [Mr. MCLEAN], I think, and also the Senators who represent the conference committee, are insisting that some day these people will be fit to govern themselves. The Senator from Idaho assumes the position that the American people are not in favor of freeing the Filipino people. The conference committee assumes the position, in their action, that the Democratic Party is not in favor of it. I wish to take issue with both theories. The people of this country—the mass and rank and file of them—are willing and would gladly and with kindness let the Filipinos go about their business to govern their own country at any time the vote is put to them on the direct question. That is my opinion. The members of the Democratic Party, so far as I am acquainted with them, are also, in my opinion, almost unanimously in favor of that action upon the part of this Government. The Democratic Party, through its representatives, has stated at different times that it is the duty of this Government to let those people go and govern themselves; and, in my opinion, the conference committee has not correctly represented the sentiment of the Democratic Party, nor has it followed, as it should have done, its pledges.

I am entirely out of agreement with the conferees in their decision. I think it was our plain duty, and it is an abdication of it not to do it at this time; and I would be willing to send the report back to conference and keep it there until they heard from the Democratic Party that it is the wish of their party that our representatives here should let the Philippines go. I think we will have something to answer for, and I think I will have something to explain. So far as I am concerned, I have no very good explanation to make for that sort of conduct upon the part of the representatives, not only of the people but of my particular party, concerning the matter.

The Senate adopted the amendment. We could not get it through the committee. It was opposed in the committee of which I am a member; but we finally fought it out on the floor of this Chamber, and secured the adoption of an amendment allowing those people their freedom after a reasonable length of time—a fixed and definite time, if you please; not delayed until the day when, in our opinion, they are ready, that opinion perhaps being biased upon personal considerations, considerations of profit, or political reasons. Under this conference report, at the time we decide that they are fit to govern we will give them their freedom. That time may never come. It may be another day like this, when the dominant party in power, who have it in their hands to give them their freedom, and who in the past have pledged themselves to do so, for some reason

inexplicable to me and unknown to them will not agree that they are quite ripe to pluck out from under our fostering care.

If we do not govern those people better than we govern the interests of the common people, the mass of the people of this country, we ought to be kicked out of the islands. Sixty-five per cent of the people of this country are misgoverned, and have not an inch of the earth's surface in their possession. We are no such a success in our government for it to lie in our mouths to preach to another people how they should manage their affairs, while refusing, despite the pledges of the party, despite the vote in the Senate, to give them liberty, and then adding a preamble in place of it which says: "By and by, maybe, sometime, mañana, we will give you your freedom."

Mr. SHAFROTH. Mr. President, I want to say with relation to the amendment called the Clarke amendment, which was put on to the Senate bill and transferred to the House, that we found it absolutely impossible to insist upon the Clarke amendment. The House of Representatives had substituted for the Clarke amendment the preamble, and had instructed their conferees not to yield on that point. If we did not yield, and they did not yield, it meant that we should have no bill whatever. The Democratic convention even recognized that, for the platform adopted in St. Louis last June has this provision:

> We heartily indorse the provisions of the bill recently passed by the House of Representatives further promoting self-government in the Philippine Islands as being in fulfillment of the policy declared by the Democratic Party in its last national platform, and we reiterate our indorsement of the purpose of ultimate independence for the Philippine Islands expressed in the preamble of that measure.

So that there has been an expression of the Democratic Party, which the Senator referred to, since the passage of that bill through this body.

Mr. LANE. There have been two expressions one way, Mr. President, and one the other way, and you choose the minority one. I would have accepted the majority report on that if I had been in the position of the Senator as a member of the conference committee.

So far as I am concerned, I should be glad and willing to see this conference report referred back to the conferees, and let them take it under consideration—more prayerful consideration, if you please.

Mr. LIPPITT. Mr. President, I was a minority conferee that represented the Senate in the conference between the two Houses upon this bill. Like the minority representative from the House, I have found myself unable to sign the conference report, and I wish to take a few minutes to explain to the Senate why I was in that position.

The bill that we now have before us is composed of two distinct parts. It is composed of a preamble which recites, or pretends to recite, a principle and a promise, and it is composed of a series of legislative acts which form the body of the bill. When the House received the bill upon this subject that had been passed by the Senate it first rejected the amendment that the Senate had put on for the purpose of insuring independence to the Filipinos in from two to four years and then substituted for the body of the bill their own original bill as it had originally been passed by the House some year or more ago.

I fancy that that substitution was made simply for the purpose of giving their representatives a standing in the conference committee. It was a bill that had been considered by the Senate Committee on the Philippines very carefully for the better part of a year, on which a very large amount of testimony had been taken, and which, as the result of that consideration and those hearings, had received some dozen or fifteen important amendments.

The first inclination of the managers of the dominant party in the Senate, when that bill from the House was received here, was to bring in a motion to concur in it as it stood. After some little discussion better counsel prevailed, and it was decided by the managers of the majority party to have a conference committee appointed and take its various provisions into consideration. As a result of that consideration a very considerable number of useful and wise alterations were made and agreed to on the part of the conferees.

With most of those alterations I was in entire sympathy. They left immigration in the islands largely in the control of the President of the United States. They provided that at the first election for members of the legislature only the present electorate of the islands should exercise the franchise, leaving the enfranchisement of the large number of new voters provided for in this bill to take place at a subsequent election. They also provided for the appointment of an American vice governor, to be appointed by the President of the United States, who should have under his control the department of public instruction, including the bureaus of education and of health. It made other minor changes.

The conferees, however, omitted to include in their bill one or two provisions that had been in the original Senate bill and which it seemed to me were of very considerable importance. Particularly the bill as it is now before the Senate does not provide for leaving the control of what is called the non-Christian tribes, sometimes called the wild people, under an American to be appointed by the President.

It seems to me that that is a very important matter. In the testimony that was given before the Senate committee nothing was insisted upon more strongly by several of the witnesses than that, for the present at least, those people should be under American direction and control. They testified that there had been for generations an antagonism between the Christian Filipino and the non-Christian Filipino, and that violence and a spirit of antipathy was traditional between them. It seemed to me, from the testimony that had been given before the committee, that that was a very important matter that should have been left under the control of an American, as it had been arranged for by the Senate committee; and I very much regret that it was not left under the control of the vice governor, who had been provided for in the Senate bill.

There were some other things of lesser importance. Nevertheless, I think that if there had been nothing of more importance in connection with this matter than the legislative features in the body of the bill, neither I nor the Republican member of the conference committee from the House would have declined to sign the report. While we would not have agreed with all of its provisions, while we would have liked to include in the bill some things that were left out, and perhaps would have left out a few of the things that were included, nevertheless, on the whole, it perhaps might have been regarded as a bill whose legislative features were in accordance with the policy of the Republican Party toward these people while it was in power, which in some respects does not radically differ from the policy of the Democratic Party. It is the policy of both parties to help the education and the development of these people. The difference comes in the purpose which that development and that education are finally to accomplish.

Mr. President, on the question of the preamble—which has already been discussed quite thoroughly here to-day, and which, I can almost say, has been exhaustively discussed—there is a vital difference between the ideas and theories of the two political parties in this country in regard to its importance, its meaning, and its wisdom. I myself feel that it is most objectionable from every standpoint. I believe that its historical statements are inaccurate and false. I believe that its declarations do not properly represent the feeling of the American people in regard to that question.

In order that we may have that matter clearly before us, I want to read the preamble as it appears in the conference report:

> Whereas it was never the intention of the people of the United States in the incipiency of the War with Spain to make it a war of conquest or for territorial aggrandizement; and
>
> Whereas it is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein; and
>
> Whereas for the speedy accomplishment of such purpose it is desirable to place in the hands of the people of the Philippines as large a control of their domestic affairs as can be given them without in the meantime impairing the exercise of the rights of sovereignty by the people of the United States, in order that, by the use and exercise of popular franchise and governmental powers, they may be the better prepared to fully assume the responsibilities and enjoy all the privileges of complete independence.

Mr. President, the first paragraph of that preamble declares that it was never the intention in the incipiency of the War with Spain for this country to make it a war of conquest or of territorial aggrandizement. I do not know exactly what was in the minds of the authors of that sentence when they used the expression "war of conquest." How the war we waged against Spain after the blowing up of the *Maine*, and largely in consequence of that event, was any other than a war of conquest I have not been able to ascertain. We used every military and naval resource in our power to accomplish our ends. Those ends were the military and naval defeat of Spain on land and water. We took away from her some of her fairest possessions in this hemisphere. We took away from her Cuba and Porto Rico, and on the other side of the globe the Philippine Archipelago. If that is not a conquest, I fail to see where the difference in description comes between the expression "a war of conquest" and a description of some other kind of a war.

As to the territorial aggrandizement, which that paragraph says was not our intention, I know of no evidence in existence to show whether there was in the minds of the people of the United States at that time any intention of territorial aggrandizement. So far as I know there is nothing in the records of Congress that shows exactly what was the intention either of

this body or of the people they represented. But the fact remains that in spite of the uncertainty of the purpose we did take territory and we hold it to-day, and it is evident that we have no intention of giving it up at present.

It is true that by what was called the Platt amendment at the beginning of the war we declared that we would not retain the island of Cuba, and we kept that declaration, but that declaration had no reference to the island of Porto Rico. Nowhere nor at any time, so far as I know, have we ever made any declaration in any form that we intended to give up the island of Porto Rico. That was territorial aggrandizement obtained as a result of that war. It is territory that I have never heard it intimated from any part of this country or by anyone that we wished to abandon; and in the same way we obtained and have held the Philippines from that day to this.

Therefore to begin a declaration of this kind, which is intended to be a solemn promise, and that will be so regarded by a great many people, with a statement that is false in fact, I think, is unwise, to say the least.

When we come to the second declaration, which is the declaration that it has always been the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein, we are in a little different position from what we were in regard to our knowledge of the intentions of the people toward the declaration of the first paragraph. We have evidence as to what was the intention of the people of the United States as represented by Congress, as to whether or not it was the purpose of the United States to withdraw its sovereignty over the Philippine Islands That question was discussed for many days in the Senate of the United States, and it finally came to a vote, which I want to put into the RECORD, so that the minds of the people may be refreshed in regard to it. On the 6th of February, 1899, when the treaty with Spain in regard to the Philippines was under discussion, Senator Vest offered an amendment to the treaty, as follows:

The United States, desiring that the people of the archipelago shall be enabled to establish a form of free government suitable to their condition and securing the rights of life, liberty, and property and the preservation of order and equal rights therein, assumes for the time being and to the end aforesaid the control of the archipelago, so far as such control shall be needful for the purposes above stated and will provide that the privileges accorded to Spain by Articles IV and V of this treaty shall be enjoyed.

There was an attempt to obtain the opinion of the Senate of the United States upon the question whether or not it was the intention of the American people to abandon its sovereignty in those islands, and the vote upon it was emphatic. By a vote of 53 to 30 that amendment was lost, and it was manifestly indicated that the Senate under that form of an amendment at least had no intention of declaring any purpose to abandon the Philippines.

But that did not end the discussion. Later on in the same day Senator Bacon offered another amendment, as follows:

Resolved further, That the United States hereby disclaim any disposition or intention to exercise permanent sovereignty, jurisdiction, or control over said islands and assert their determination when a stable and independent government shall have been erected therein entitled, in the judgment of the Government of the United States, to recognition as such to transfer to said government upon terms which shall be reasonable and just all rights secured under the cession by Spain and to thereupon leave the government and control of the islands to their people.

That motion was thoroughly discussed, and the vote upon it was 29 to 29, a tie vote, so far as the Senate was concerned, and it was decided in the negative by the vote of the Vice President.

So on two occasions and in two different forms, to meet the possible objections of people who might agree to the principle, but not like the particular clothes which it wore, the question whether or not the United States would withdraw its sovereignty over the Philippine Islands was voted upon by the Senate of the United States, and upon each occasion the decision was that they would not withdraw that sovereignty.

Under these conditions and with that record, which can not be challenged, for the Senate to vote to-day that it has always been the purpose of the United States to withdraw their sovereignty is manifestly to vote that something is so which the record shows is not so. We can not change facts by simply passing votes in this body upon them. The record will remain there in regard to what was really the intention of the people of the United States in spite of any preamble to the contrary that we pass upon now.

There has been something said here during the day regarding the present feeling and opinion of the people of this country upon this Philippine question. The Senator from Idaho [Mr. BORAH], though himself personally strongly in favor of giving independence to the Philippines, has placed in the RECORD his testimony that the people of this country are not at present in a state of mind that would approve the abandonment of those islands. He referred to having examined with some care the public press at the time this subject was being discussed in Congress. It also occurred to me at that time that it might be useful to have a record of what the press of the country had to say editorially in regard to this question, and I asked one of the clipping bureaus to procure for me all editorials during the week following the defeat of the so-called Clarke amendment in the House of Representatives referring to the Philippine question.

I received something over 150 of those editorials. Many of them were duplicates and some were editorials from papers that had discussed the same question in more than one editorial. There were, however, editorials from 57 different papers that were submitted to me and which I ask permission to have put into the RECORD at the end of my remarks, so that they may be in a form for people to consult later on if this question of the feeling of the American people comes up again.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LIPPITT. I will not read them all, but I will read one which I found on the top of the pile, one which, when I looked at it this morning, seemed to confirm the statement made by the Senator from Idaho. It is from the Brooklyn (N. Y.) Citizen, entitled "The Philippine question."

[Brooklyn (N. Y.) Citizen, April 29, 1916.]

THE PHILIPPINE QUESTION.

The 28 Democrats in the House of Representatives who decline to vote for the Philippine bill in its present form have elicited an amazing amount of support from the press of the country. The comment in a majority of cases has been favorable to them, whereas the impression prevailing until recently was that with few exceptions the desire of the American people was to get out of the islands on the shortest possible route.

Mr. COLT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to his colleague?

Mr. LIPPITT. Certainly.

Mr. COLT. I should like to ask my colleague whether those editorials were to the point that we should never give the Filipino his independence or whether they were directed more to the point that independence should not be granted to the Filipinos at the present time?

Mr. LIPPITT. I recognize the distinction which my colleague is trying to draw and has drawn.

Mr. COLT. I am asking for information.

Mr. LIPPITT. But I will say that they discussed this question from various standpoints, and I have not the matter fresh enough in my mind to be able to answer the question. I was going on to say that those editorials, 57 in number, are not of 57 varieties, they are practically of 1 variety. I think there are only two editorials out of that entire list which even intimate that it would not be wise for the Philippine question to be settled in the House of Representatives in the way it was settled. All but two of them support strongly that settlement of the quesion.

In addition to those which I have asked to have printed I have a full-page editorial from the New York American, under date of May 3, 1916, which takes the same position in a very emphatic manner. I will not ask to have the whole of it printed in the RECORD, but I would like to read the first two paragraphs of that editorial, because it fairly represents what the editor and other people have been saying to their constituents, the testimony which their editorials bear as to the feeling of the American people in regard to this question.

The 28 Democrats who bravely strove to save the Nation from the disgrace of abandoning its duties and from the mistake of sacrificing its opportunities in the Philippines are as much national heroes as the men who fought to save the country from the evils of conquest in the Revolution or of dismemberment in the Rebellion.

The sacrifice of high purpose and high principle would hardly have been greater had we failed in the Revolution; the sacrifice of territory and essential integrity would hardly have been severer, had we lost in the Rebellion, than the sacrifice the Nation would suffer to-day in prestige and possessions through a timid and stupid abandonment of its obligations and opportunities in the Philippines.

So, sir, in the light of this testimony which I have adduced here I think we may accept it as demonstrated that the American people have been entirely satisfied with the course of action Congress took upon the question of granting independence to the Filipinos.

Knowing that this is so, for us to go on and declare, as this preamble does declare, that it is the purpose of the United States to recognize their independence as soon as a stable government can be established is to make a declaration that is contrary to the evidence upon the question. So far as I have

been able to discover the opinion of the people of the United States it is not their intention to recognize the independence of the Filipino people for such a cause as that. There is no evidence that it ever has been their purpose. There is evidence that it has been the policy of one particular party in this country, but they are not the people of the United States, and even when they came into the management of the affairs of the United States they did not carry out that policy.

Moreover, Mr. President, I can not imagine why, if we are to give the people of the Philippine Islands their independence, it should be based upon the single requisite of stability of government without any stipulation as to what that stability shall be based upon. A government that is stable may be a monarchy, it may be an oligarchy, it may be the government of a dictator, or it may be a protected government whose stability is derived from the protection of some other nation.

The party that is now in power in the United States has been announcing itself with a great deal of smacking of the lips and glorification as the friend of constitutional government. It has brought the affairs of our neighbor on our southern border into very great disorder by doing what they call championing the cause of constitutional government.

More than 100,000 of our patriotic young men are now down on that border and have been there for nearly two months, the exact purpose of which has not yet been revealed in this effort to establish constitutional government in Mexico. Yet here in the case of the Philippines the theories of the Democratic administration in regard to constitutional government have apparently been thrown to the winds, and its declaration is that it is the purpose of the American people, as represented by that party, to give up the control of the government of the Philippines without regard to what class or kind of government is established there so long as it is stable.

Mr. President, those Philippine Islands have cost this country some hundreds of millions of dollars, nobody knows exactly how much. We paid Spain $20,000,000 for them, and it is now proposed that they shall be abandoned at the very time when the Government that proposes to abandon the islands wants to take $25,000,000 from the pockets of the people to buy an insignificant and useless little group of islands in the West Indies, which will have to be fortified at an expense of how many million dollars is not yet known, and which, when fortified, will have to be protected by an army and navy to be of any value or to prevent them from being used by some other power that perhaps we would not care to have them used by. At one moment they want to go into the pockets of the people to buy territory and the next they want to abandon the territory that we already have and have developed at such an enormous cost.

Nevertheless, that is not the real objection to this preamble. We are dealing with a dependent people. Those people have a right to look to us, and will look to us for fair dealing and for a frank and truthful statement of our intentions. If we pass this preamble, which is not true either in its statements of fact or in its statements of the intention of the American people, so far as any evidence that I can find goes to prove, then we are deceiving those people, we are inviting disorder in those islands, we are holding out to them a promise which we have no intention of fulfilling. We are putting a stain upon our reputation and upon our flag.

After all, Mr. President, a nation, like an individual, has to be, and will be, judged not by what they say but by what they do. It is useless for us to go back and forth making declarations of high principle and altruistic motives if our actions do not conform to those statements. I do not know of any better way to create trouble, not only in the islands to which this declaration particularly applies but in other quarters of the world as well, than for us to hold out promises that we have no power to fulfill, even if we had the intention, for not only does this Senate and this Congress not represent the intentions of the people, as I believe, in this matter, but even if they do, they have no power to bind the Congresses that are to come and that will have to act upon this question. The Congress to come and the people of the generations to come will decide this question, not in accordance with the declarations that we make here to-day, but in accordance with the conditions and circumstances of the time when it comes up for their consideration.

Mr. President, this question has been very thoroughly discussed. I know the purpose of the majority party is to pass this bill. I know that they intend to do it, although there are not a few among their number who do not believe in this doctrine. It has become a party measure. It is in their platform. So argument is not of much benefit at this particular time, because whatever the merits of the question may be, the sincerity of their platform is in question. Of course it has been violated already in this bill. They approved in that platform of a particular, specific bill. An extraordinary proceeding. A plank that could not be carried out, unless the bill to which it referred was passed without the changing of a "t" or the dotting of an "i." But in regard to the principle that is involved in it—and I suppose perhaps in fairness it may be said, whatever the language of their plank was, that was the thought they really had in mind—I know that, regardless of the personal opinion of individual Democrats, they are going to vote for this measure.

I felt, Mr. President, that I wanted to explain as well as I could to the Senate and to the people of the country my views in regard to the matter.

Mr. SHERMAN. Before the Senator resumes his seat will he permit me to make an inquiry?

Mr. LIPPITT. Certainly.

Mr. SHERMAN. In the purchase of a group in the Danish West Indies, if the language of this preamble is to be retained in the Philippine Island matter would it not be wise to insert in the treaty with Denmark some declaration? We might find in some future time the demand of some uneasy inhabitants of the Danish West Indies to grant them independence. After having paid them a reasonable price for the territory and assumed sovereignty and fortified them and spent a great many millions of dollars, some Delegate might come here and sit in the House of Representatives with some popular demand and clamor for independence. Would not the same reason and the same precedent we have made here be invoked in behalf of the Danish West Indies?

Mr. LIPPITT. I will say to the Senator from Illinois that I do not think it is necessary. I myself feel that the people of the United States so thoroughly understand the questions that are going to be submitted to them in November next that they will put in control of the Government those who will take an entirely different course in the management of their affairs.

Mr. SHERMAN. I think so.

The matter referred to by Mr. LIPPITT is as follows:

[Columbus (Ohio) Dispatch, May 3, 1916.]

NO PHILIPPINE INDEPENDENCE NOW.

The defeat of the Philippines bill in the House of Representatives probably means that there will be no legislation on that subject at this session. The Senate is committed to withdrawal at some time within three years and has paid little attention to the details of the Government which the House proposes to continue without time limitation. Even if the Senate were willing to accept the House's view that we should not set a time for withdrawal, it would want to scrutinize the details of the Government, and for that there is not time. So the matter is likely to go by default.

For that there will not be widespread regret. The Philippine question is not pressing. The people there are suffering no tyranny, and most of them are entirely content. The American presence there is one of benevolent guidance and uplift, and there is no division of sentiment in this country that the islands shall have their independence when the people are fitted for self-government. The plea that we ought to withdraw to escape trouble with other nations does not appeal to a great many Americans; it looks like hurrying to cover at a threat, and it is imputing to other nations a spirit of conquest which, as the bane of the world, ought to be laid aside. America does not share it, and is hoping that the rest of the world will repudiate it.

[New York Journal of Commerce, Apr. 29, 1916.]

THE PRESIDENT'S PHILIPPINE MISTAKE.

The action of the caucus of Democratic Representatives and the revolt of a relatively small minority of them, in relation to the Philippine bill indicates that it is likely to be defeated on the final vote in the House. The resolution declaring approval of the bill as it stands and its passage without change was adopted by a vote of 140 to 35, and 28 of the 35 gave notice that they would not be bound by the caucus action. There is hardly a question that some of the 140 voted against their conviction and from party motives and a desire to sustain the President who has been using his influence to carry the measure through. The Republican vote will be nearly if not quite solid against its passage.

The fact is that this mistaken measure has owed its support and its chance of success mainly to the fact that it had the administration behind it, with the President desirous of having it passed at this session. It provides for giving the Philippine Islands over to the self-government for which they are very far from being prepared in four years from the passage of the bill. There is a serious question whether any promise of independence for the islands should be made and certainly provision for making it actual in such a short time is a wrong to their own people and in effect a violation of faith pledged in the treaty with Spain for taking them over as a possession of the United States.

[Washington Star, Apr. 29, 1916.]

THE HOUSE AND THE PHILIPPINES.

The agreement reached in the House to vote on the Philippine question promptly may be the best way out of the situation. It is not easy to understand why the question was included in the President's program. With all the world at war, or disturbed about war; with the Far East involved through Japan's alliance with Great Britain and China's internal dissension, why should we have added to the complications by proposing an early withdrawal from a territory where our rule has been of great benefit to the natives and our presence acceptable to all the leading powers?

* * * * * * *

And yet the President and his friends in Congress, in opposition to Mr. Bryan on other matters and facing whatever opposition from the outside he can set up at St. Louis, are in this matter of the Philippines

playing Mr. Bryan's game. He virtually is the inspiration of what is now being attempted toward lowering the Stars and Stripes in the Philippines and handing the islands over, not to the natives but to a chaos certain to lead to their absorption by some stronger power.

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[Washington Post, May 1, 1916.]

Why, then, press for action now the question of Philippine independence, when few, very few, of our people believe the natives are yet fitted for it and that no sane man would accord them until they are fully qualified to exercise the rights of self-government?

Has not the administration enough Villas, Carranzas, and Zapatas to deal with just now without calling forth the Aguinaldos and other agitators of the Philippines to be champions of political, social, and religious reforms in those now peaceful and truly prosperous islands until this proposition of independence for races unfit for it was pressed?

Have not false theories and visionary and illogical practices of this administration brought destruction to American and European investments in Mexico, prompted anarchy, chaos, and crime through that unhappy country to an extent that has made the page one of the most distressing records in the book of time?

What American, be he Democrat, Republican, Progressive or Socialist, desires to duplicate Mexico in the Philippines?

Yet that is just what a vote for Philippine independence at this time or in 4 years or in 10 years will do.

The Democratic Party, responsible as it is, should kill this measure at this time.

The party has enough to defend now.

The Congress should unite to kill this bill.

The country has trouble enough on its hands east, west, and south of our national boundaries, and Philippine independence can well be deferred until the natives are fitted for the duties such grant would impose upon them.

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[New Haven (Conn.) Register, May 5, 1916.]

PLEDGES.

"A solemn pledge," the New York World calls the declaration for Philippine independence which the Democratic platform made at Baltimore, and mourns that it is likely to fail. So it was, if one should take the words seriously. But there are others. Let us see about the comparison.

"We reaffirm," said the platform, "the position thrice announced by the Democracy in national convention assembled against a policy of imperialism and colonial exploitation in the Philippines or elsewhere. * * * We favor an immediate declaration of the Nation's purpose to recognize the independence of the Philippine Islands as soon as a stable government can be established."

Affirmation favoring, but hardly solemn pledges. For that matter, the Democratic Party seems liable to do that much.

On the other hand, the platform said this in another paragraph: "We favor a single presidential term, and to that end urge the adoption of an amendment to the Constitution making the President of the United States ineligible for reelection, and we pledge the candidate of this convention to this principle."

That does look mightily like a pledge, as solemn as any political pledge can be. Yet the Democratic Party in two Congresses has done absolutely nothing to secure the passage of any such constitutional amendment, and is gaily going forward with its plans to renominate at St. Louis next month the "candidate of that convention." Why "strain at a gnat and swallow a camel"? Anyway, why not be consistent in the matter of "solemn pledges"?

—

[Fort Worth (Tex.) Record, May 3, 1916.]

FUTURE OF THE FILIPINOS.

Only 30 Democrats joined the solid Republican minority in defeating the Clarke amendment to the Senate Philippine bill authorizing independence for the islands within four years. By a vote of 214 to 165 the Clarke amendment was defeated, and later the Jones bill, providing "for a greater measure of self-government in the Philippines," and carrying a preamble declaring the intention of the United States to grant independence ultimately, without fixing a date, was passed by a vote of 251 to 117.

This was the first defeat the administration had sustained since the assembling of Congress, as the Clarke amendment had been given unqualified indorsement by President Wilson. MANUEL L. QUEZON is the Resident Commissioner of the Philippines in Congress. He is for the Clarke amendment heart and soul. He believes that the Filipinos should be given their independence. All the Republicans voted against the Clarke amendment.

QUEZON told the House of Representatives that Japan would seize the islands if they were free, and, moreover, Japan would keep off any European nations that might turn hungry eyes that way.

Japan appears to be very much in evidence in the Far East. She owns Korea; she is dominating China, and the Mikado has his greedy eyes fixed upon the Philippines.

Now the Philippines bill goes to conference between the two Houses, with the opponents of the Clarke amendment satisfied that it is dead at least for this session.

According to Washington dispatches there is nothing in the body of the Jones bill promising independence to the Filipinos or anything in any part of it setting a definite time for a declaration of their independence.

Why should the Filipinos worry? Uncle Sam has his protecting arm around them; he is making large appropriations for the educational uplift of the nation; his warships protect their island shores, and his soldiers guard the civilized Filipinos from the attacks of Moro pirates and the savage tribes of the mountains. Uncle Sam drew a white elephant when the Philippine Islands were tossed into his capacious lap.

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[New York Outlook, May 10, 1916.]

THE PHILIPPINE BILL IN THE HOUSE.

The administration suffered a sharp defeat on May 1, for the Clarke amendment to the Philippine bill providing that the islands should be given complete independence within four years, which had received the specific indorsement of the President, was decisively defeated in the House of Representatives. It was this feature of the Philippine bill which called forth the severe criticism of ex-Secretary Garrison at the time of his resignation from the Cabinet. It was this feature of the Philippine bill which has been so severely attacked by practically all impartial students of the Philippine situation, and by an overwhelming majority of those who have made the welfare of the Philippines their primary interest.

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[New York Evening Sun, Apr. 27, 1916.]

DON'T MEXICANIZE THE PHILIPPINES.

That shocking proposed display of political irresponsibility, the abandonment of the Philippine Islands, would outdo even the irreparable wrong done to Mexico in the hounding of Huerta, costly as that bit of canting presumption has been in suffering to the millions submerged in an era of Mexican butchery and banditry. Mexico should have taught Mr. Wilson not to play at ideals with other people's blood. It has not brought him to his senses. He is fatuously gambling with the destinies of 8,000,000 Filipinos, threatened with miseries exceeding those of Mexico once they are cast out and marooned, left to their own mercies under a travesty of liberty.

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[New York Sun, May 3, 1916.]

Thanks to the common sense and courage of some 30 Democrats under the splendid leadership of Representative FITZGERALD, of New York, the House has rejected the hypocritical and vicious Clarke amendment and definitely substituted the original House or Jones bill for the Senate measure. The Jones bill provides a form of government for the islands in which the Filipinos will have a larger representation and greater responsibility, and it follows the Democratic platform by promising independence "as soon as a stable government can be established." The Senate wisely shows a disposition to throw the Clarke amendment overboard and accept the House bill.

Mr. Wilson's leadership has suffered a palpable check, and the independent Democrats have administered a rebuke which it would be well for him to take to heart. They have set his feet once more in the straight path, the path of fidelity to party principles and the humanities, from which he strayed so unaccountably.

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[New York Tribune, May 4, 1916.]

THE END OF A LEADER.

The defeat in the House of Representatives of the Clarke Philippine bill is the rudest blow yet struck at Mr. Wilson's prestige as a party leader. It is the first time that either branch of Congress has turned him down relentlessly and without quarter.

It is gratifying that the House's repudiation of Mr. Wilson's leadership has come on so clear and sharp an issue as the maintenance of our public faith and the continuance of the generous-minded task which we have undertaken in the Philippines as a trustee for civilization. On no other point could the unsteadiness, the wishy-washy opportunism, the indifference to national traditions and interests which have wrecked the President's statesmanship be better emphasized. He stood on the Philippines bill for a betrayal of national honor and national duty—and he stood for it fruitlessly, even so far as his own personal fortunes are concerned.

His own party is unwilling to follow him longer. It is itself beginning to put on his methods and policies the stamp of futility and failure so richly deserved.

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[New York Globe, Apr. 28, 1916.]

NO PHILIPPINE PLEDGE NOW.

The division developed in the House Democratic caucus over the Clarke amendment to the Philippine bill and the passage of a resolution that takes the amendment out of the party-measure class make it practically certain that no pledge of Philippine independence will be passed by the present Congress. President Wilson has steadily urged the making of the pledge, but his advice does not promise to be followed.

The country as a whole will be satisfied with this action. The feeling is common, even among those who believe that it is immoral and impolitic to govern the Filipinos against their will; that the time has not yet arrived to withdraw from the Philippines. It is not yet clear, looking at matters practically, that conditions are such as to warrant decisive action.

The Clarke amendment is objectionable in that it is merely an academic declaration. It is contingent. It provides, in the form it is proposed to press it, that in 10 years, if the Filipinos then want independence and Congress deems it wise to grant their request, for the setting up of a new nation under American protection. It would seem unwise to attempt to bind the future in this way. No one knows what conditions will exist in 1926.

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[New York Financial American, Apr. 29, 1916.]

STRATEGICAL RETREAT.

"An independence bill for the Philippines will be passed at this session. It may be necessary to modify the bill by providing for independence within 5 or even 10 years, but the Philippine bill must pass."

So says Representative JONES, chairman of the Insular Affairs Committee of the House That "even 10" is a mighty concession, but it has been so readily made, now that 35 recalcitrant Democrats have signified "thumbs down" on the measure, that apparently Mr. JONES is prepared to make it 15 or 25 or even 50 years—anything in order that the bill shall pass. Amend the bill sufficiently, Mr. JONES, and your prediction that it "will be passed at this session" will be realized. There's nothing like a strategical retreat to achieve a forlorn hope.

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[New York Herald, May 3, 1916.]

DEMOCRACY FINDS SOME LEADERSHIP IN TAMMANY.

Tammany leadership prevented the Democratic majority of the House of Representatives from committing the suicidal blunder of pledging itself to "scuttle" from the Philippines. Some who opposed the obnoxious Clarke amendment in caucus weakened when the final test came, but Tammany stood firm and was able to impart similar firmness to others, who have learned to know sane leadership when they see it.

It was no half-way, "fifty-fifty" victory. Not only was the Clarke amendment defeated by a substantial majority, but upon the motion of Mr. FITZGERALD, of New York, the House conferees were specifically instructed, by a vote of 203 to 154, not to agree to any time limit on the subject of independence.

[New York Republican, May 6, 1916.]

Fixing a definite time for withdrawal from the Philippines, with no special regard to the question whether the islands are ready to maintain so stable a government as to give no occasion for foreign intervention, is a policy that would hardly indicate a deep sense of international obligation on the part of the United States. If the Philippines were given their independence and then presented a spectacle of anarchy and disorder they would immediately become the object of competing imperialistis ambitions. Japan would lay claim to the right to establish order, and some other nation—England, Germany, or France—would present a competing claim. Whether the dispute would be settled by diplomacy or force would depend upon an international situation that no one can now foresee. So much, however, is certain: Weak and disorderly States have for generations been the most serious menace to the world's peace, and are likely to exert a similar pernicious function for a long time to come. If the House had adopted the Clarke amendment, providing for abandonment of the Philippines within four years, the chances are that we should have created another such weak State, another international menace. We might thereby have reduced our own risk of war, but of this we are by no means certain. Anything that works for a reopening of imperialistic competition in the Pacific is a matter of very intimate concern to us.

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[New York World, Apr. 28, 1916.]

LOOKING FOR TROUBLE IN THE PHILIPPINES.

The Philippine bill, which has encountered such fierce opposition in the House at Washington, embraces legislation of importance to the welfare of the islands. Besides meeting adequately some social and economic problems, it extends the principle of home rule and greatly strengthens existing guaranties of liberty.

As presented to the Senate, the measure in its preamble promised ultimate independence. An elaborate amendment proposed by Senator CLARKE, of Arkansas, provides that in not less than two or more than four years from the enactment of the law, if the President is satisfied that the people are capable of self-government, the United States shall withdraw from the islands and leave them to their own resources.

This is the mischievous proposition which is resisted in the House and threatens the defeat of the entire bill. To press it in times like these, when no man can foresee the results of world-wide war and when the fate of small nations as well as great is in the balance, would seem to be the very limit of rashness. No such action is needed in order to keep faith with our dependency.

Both parties are pledged to Philippine independence, which must come in due season when a Congress then sitting shall be satisfied that all the conditions are favorable. A specific promise now is likely to raise false hopes, and its almost certain cancellation, as provided for, could hardly fail to involve us in serious complications. To get rid of the vicious Clarke amendment it ought not to be necessary to defeat the entire bill.

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[New York Times, Apr. 29, 1916.]

ABANDON THE BILL.

In regard to the proposed Philippines legislation the World believes that it ought to be possible to get rid of the obnoxious Clarke amendment without defeating the entire bill. But the Clarke amendment is really the essence of the bill, which was originally planned as a scuttling measure. Senator CLARKE managed to restore to the bill its original purpose, which was to commit this country to the abandonment of its obligation to develop the Philippines and make its people fit to govern themselves. The whole bill ought to be defeated, if it is brought to a vote. It was conceived in the wrong spirit. There is no evidence that it is a well-considered, constructive measure or that the administrative changes it provides for are needed. The World admits that "a specific promise—of independence—now is likely to raise false hopes, and its almost certain cancellation, as provided for, could hardly fail to involve us in serious complications." But this Clarke amendment, with the specific promise which we all feel would not be kept, is the essential part of the measure. The Filipinos need not be assured again that we intend to grant them independence when our trust is fulfilled. They know that. The congressional fight is for the Clarke amendment, which its advocates still hope to force through.

The whole measure should be discarded. Legislation for the Philippines should be postponed until there is time to spare to consider it seriously in the right spirit. The object of this bill is wholly political. It is designed to undo the good constructive work done in the islands under three Republican administrations. Brig. Gen. McIntyre and Mr. Shuster have shown us that the Filipinos are doing very well under present conditions, and the question of their future development should not be treated from a partisan point of view.

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[New York City Post, Apr. 28, 1916.]

Refusal of 25 Representatives to be bound by the Democratic caucus on the Philippines bill probably means a modification of a clause which does not vitally affect the principles on which the measure is founded. There is a bare possibility that the measure will pass in its present form. But everything points to an extension of the time within which definite independence is guaranteed, especially as no one is particularly opposed to such extension. Delegate QUEZON has stated that he sees no necessity for setting so short a limit on American tenure; Representative JONES, author of the bill, cheerfully admits that the period of 2 to 4 years fixed by the bill may have to be extended to 5 or 10. The essential thing is that we make a categorical promise of independence, and that we set in motion the machinery of greater self-government which will better prepare the islanders for it. As originally drafted, the bill set no definite date whatever. It is already certain that the American people will not wait the 25 years or more that DAVENPORT and others are clamoring for. Congress will also doubtless take time to knock out the ridiculous amendment to make the Philippines prohibition territory, a product of the same ignorance of insular conditions that drafted a similar measure for Porto Rico.

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[Boston Traveler, May 2, 1916.]

MAKING IT INNOCUOUS.

Four Massachusetts Democrats in the National House had the courage of their convictions and the strength to resist administration pressure when they voted last night against the Clarke amendment authorizing independence for the Philippines in four years. They were Representatives GALLIVAN, OLNEY, PHELAN, and TAGUE.

The Philippines problem is a genuine one, but the Clarke amendment would not have lessened it. If the islands must be abandoned, and there are many good citizens who feel that a scuttle policy is in order, let them not be abandoned to anarchy. What Mexico is, the Philippines would be on a worse scale, if that be possible, should the United States relinquish its hold on the islands without transferring control to some other competent guardian of the peace.

Those who know the islands and the islanders know that they are not and will not for years be ready for self-government. The most intelligent among them prefer government by the United States to perpetual misgovernment by rival factions. Our little brown brothers may be longing for "freedom," but the loud noises are made by native politicians. The Jones bill, without the Clarke amendment, is innocuous.

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[Boston Journal, May 2, 1916.]

DROPPING A BAD POLICY.

Last night's vote in the House dooming the Clarke amendment to the Philippine bill is assurance that the United States is to make no rash promises to the Filipinos. The Clarke amendment, proposing withdrawal of American government from the Philippines four years hence, made the bill an abject policy of scuttle. With that provision the bill stood as a notice to the world that the United States was afraid to hold the Philippines.

The pretense of granting independence to the Filipinos on altruistic grounds fell flat long ago. Yesterday Representative JONES, author of the bill, declared on the floor of the House that "it would be impossible to successfully defend the islands against any first-class military and naval power."

It is true that the United States has reason to fear its inability to defend the Philippines. And it is true that our ideals of freedom pledge us always to do our part for political liberty.

But when the United States begins to retreat because of weakness and fear, American prestige takes a long tumble. And when our ideals of freedom go so far astray as to grant independence to a people unfit for self-government, our judgment is no longer to be trusted by the neighbors upon whom we depend for our reputation as a discreet guardian of the New World's interests.

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[Boston Post, May 3, 1916.]

OUR PHILIPPINES.

The problem of administration of our exterior possession acquired through the War with Spain surely demands time for its solution. This is secured by the action of the House of Representatives at Washington in refusing to consent to the so-called Clarke amendment fixing a period of four years for the continuance of our sovereignty. The measure now goes to the Senate for agreement as a substitute proposition.

What is the difference between the two legislative bodies? It is simply that of foresight as to the development of conditions of autonomy in these islands. The Philippines form an obligation forced upon us through our conflict with Spain; there is no definite term of years in which they may acquire the capacity of self-government, as we understand it. Their ultimate independence must depend upon the success of their experiment in free government as we have directed it.

How can we tell when this qualification will be reached? The bill as it now stands omits the declaration of any date when success in this endeavor shall be regarded as attained. In other words, it reiterates the promise of ultimate independence when the Filipinos shall demonstrate their capacity for self-government. We must be the judges of this.

What more can safely be pledged by the United States?

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[Boston, Mass., Transcript, Apr. 27, 1916.]

The revolt of the Kentuckians, Bostonians, and New Yorkers represents the Democratic sober second thought with regard to a policy which would mean the abandonment of a great national responsibility and the relegation to anarchy and destruction of a country which is now prosperous and peaceful.

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[Boston (Mass.) Record, May 2, 1916.]

The Philippine bill's defeat in the House is significant in its demonstration of a weakening of the President's hold upon his party. The Republicans, objecting particularly to the mischievous Clarke amendment, were solidly against the bill. In yesterday's vote 30 Democrats joined with the Republicans in condemning it. The bill had the unqualified indorsement of the President. In a straight issue of the President's policy in the Philippines his own party has failed him. The indication of disintegration of the President's authority in the Democratic Congress is inescapable.

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[Philadelphia Public Ledger, May 3, 1916.]

NO SCUTTLING IN THE PHILIPPINES.

Various objections might still be raised to the Philippines bill as passed by the House, but the elimination of the Clarke amendment relieves it of its worst feature. By the action of 30 Democrats in joining with the Republicans the responsibility solemnly assumed by the United States will not be repudiated, and the islands will not be cut adrift before their people are fit for self-government. Why the administration so urgently desired to ignore these particular obligations of the "humanity" to which it is constantly professing allegiance there is no need to inquire. It has pressed the policy of scuttle upon the Democratic Party in the most persistent and eager fashion. This makes the revolt of so considerable a section of that party in Congress a serious affair. The President committed himself to the defeated amendment by exercising every kind of personal pressure, and for that reason his prestige suffers in proportion. But this is not the main point. A shameful sacrifice of national honor, a cowardly evasion of duty, has been averted by those Members of the House whom even the demands of party harmony could not intimidate.

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[Philadelphia Inquirer, May 7, 1916.]

WE REMAIN IN THE PHILIPPINES.

Well, yes; there is one thing that Congress has done. It has determined—or, rather, the House has—that the United States will remain in the Philippines for an indefinite time to come. Of course any subsequent session can upset the kettle of fish, but the whole question

has been so thoroughly discussed and the consensus of opinion is so pronounced that it is unlikely that the policy of scuttle will again be forced to the front in the near future.

The Philippine Islands had not known the meaning of the word independence when we took them from Spain in 1898. Since then we have been engaged in a genuine task of uplift. We have carried enlightenment and education, development and prosperity. The work is by no means completed. But for some reason the Senate decided to unload the islands, to withdraw from any control over them in from two to four years, to make an independent nation out of a people not prepared for independence.

Should this be done, the fate of the Philippines would be a sorry one. Revolutions would spring up. Mexicanization would be certain, and annexation by Japan or some other country probable.

—

[Philadelphia Evening Bulletin, Apr. 28, 1916.]

DEFEATING THE PHILIPPINE BILL.

The 28 Democrats who served notice that they would not be bound by their party caucus in their action on the Philippine bill, with its bogus promise of independence within four years, can defeat that measure if the Republican minority is reasonably solid against the bill, as it undoubtedly will be.

Without the Clarke amendment, which is but a revival of the original purpose of the Jones bill, the measure would be far less objectionable. Its renewed assurance of ultimate but indefinite independence is not necessary and might better be left unsaid because of its liability to misinterpretation by native agitators.

But the promise of American abdication within four years, which is not absolute but condition, if fulfilled, would be an act of scuttling which attracts an extraordinary measure of support at the present time, only because of a fear of war and the confessed inability of the United States to defend its Far Eastern possessions, and such a course would be neither to the honor of the United States nor the welfare of the Filipinos. If the promise shall not be fulfilled, and the means of evasion provided in the bill shall be accepted at the end of the four-year period, there would be justifiable resentment on the part of the islanders and consequences which might be fatal to the benevolent purposes of the American Government.

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[Philadelphia Inquirer, Apr. 30, 1916.]

Two sessions of the caucus were held, and while the Filipino "scuttle" was indorsed by 140 Democratic Representatives 35 opposed it and 28 refused to submit to caucus dictation. That means that the bill will have a pretty rough passage through the House, even if it does not go on the rocks, where it should go.

For of all the contemptible, cowardly propositions this plan of dumping the Filipinos overboard to sink or swim without aid is the most contemptible and cowardly that an American Congress was ever called upon to put into operation. That they would sink can not be doubted.

The bill is brutal; it ought to be beaten. When the Filipinos have been educated and trained sufficiently to govern themselves let them do so. But that time is not yet. They are not strong enough to stand alone. This great Nation has responsibilities in the Philippines, and it can not lightly cast them aside unless it is prepared to abandon the principles of humanity concerning which we have been hearing so much of late.

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[Philadelphia Record, Apr. 30, 1916.]

THE FILIPINOS.

Ninety-eight Filipinos, said to be the principal agricultural land owners in two of the islands, have memorialized Congress against the enactment of the Jones bill. Previous to this memorial Mr. Yangco, one of the richest men in the islands, apparently friendly to independence, expressed the opinion in New York that a better plan would be to give the Filipinos a larger measure of self-government for 15 or 20 years, after which "we would undertake the task without apprehensions."

* * * * * * *

It is folly to make promises of what we will do in four or two years. When we are ready to let them go we can enact their independence. Why should we say now what we will do in 1920? How can we tell what will happen in the meanwhile? In 1920 we can enact their independence if we choose to. The fact is that the Jones bill leaves absolute discretion to the President, puts upon him responsibility which Congress has no right to shirk, and is a deception of the Filipinos, who imagines that it assures them of independence.

—

[Philadelphia Evening Telegraph, May 2, 1916.]

PHILIPPINE INDEPENDENCE.

America will not confer independence upon the Philippine Islands at any time during the next four years. That is what the House of Representatives decided yesterday when it voted, by 213 to 165, to strike out the Clarke amendment to the Jones bill, extending the scope of self-government in the islands. Interest now centers in the bill's preamble which pledges the United States ultimately to turn our Asiatic possessions over to their native inhabitants.

Whether wisdom would justify this country in conferring independence upon the Filipinos within the short period set forth in the defeated Clarke amendment is a question open to honest debate. But it should be entirely possible for every candid friend of ultimate Philippine freedom to agree upon some date within the next 20 years as the time when the Republican and Democratic Parties' pledges to withdraw would be realized.

Ability is born of responsibility. The best school of self-government is actual participation in self-government. And the most sobering influence America could possibly exert upon the Filipino would be to assert definitely that on a given future date this country would release the Philippines, provided the inhabitants had by that time shown a genuine capacity to manage their own affairs.

—

[Paterson (N. J.) Press Guardian, May 1, 1916.]

The New York Journal of Commerce thinks the President is making a grave mistake in trying to force it through. It says:

"If the bill is defeated the President may be saved from the consequence of the mistake. If it is not, there is a chance that a different control of Congress and of the administration may undo the work before the provision for independence takes effect. Even so, serious trouble will have been caused and the difficulty of carrying on the process that has been begun will be considerably enhanced. This mistake of the President is akin to that committed with regard to Mexico, but is morally and politically more serious because of the pledge of faith and the responsibility assumed in the treaty by which the islands were acquired."

This is a fair sample of the judgment the best-informed and most judicious authorities on the Philippine question without respect of party allegiance have pronounced on this "scuttle" policy.

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[Paterson (N. J.) Press, May 2, 1916.]

"ULTIMATELY," BUT NOT NOW.

The rejection of the Philippine "scuttle" bill in the House yesterday by the decisive vote of 213 to 165 probably seals its fate for this session. The vote was on the Clarke amendment to the bill as passed by the Senate. It provided for the abandonment of the islands to self-government within four years. The Senate will now have to take up the bill in a shape which promises an extension of home rule and ultimate independence, but fixes no date. This is the treatment that former President Taft and nearly all American statesmen who are familiar with conditions in the Philippines have advocated, and it probably represents the judgment of the great majority of our people.

On the proposition for immediate independence, which was strongly urged by the President, the Republicans in the House voted solidly in the negative, being reenforced by 30 Democrats. Some of this morning's papers in announcing the vote headline it as a Tammany revolt against the administration. This is not borne out by the record. While a majority of the Democratic dissenters were from New York they included three of the four Democratic Members from New Jersey—EAGAN, HAMILL, and HART—and others from Ohio, Michigan, Louisiana, Illinois, and Massachusetts. A Democratic revolt of this proportion against an administration measure which had been indorsed by the party caucus must be regarded as evidence that this measure was so singularly bad that not even the lash of party discipline could keep the Members of the party in line.

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[Milwaukee (Wis.) Sentinel, May 1, 1916.]

THE PHILIPPINE BILL.

There is encouraging evidence that Congress is not to make the mistake of enacting a law by which the United States is to leave the Philippine Islands either two or four years from the passage of the Jones bill, as amended by Senator CLARKE, of Arkansas, and which passed the Senate several months ago by the deciding vote of Vice President Marshall.

The Democrats of the House caucused on the Philippine bill recently. Bitter opposition to its passage developed, and enough of the Members left the caucus to insure the defeat of the measure.

The enactment of the Jones bill as amended would be disastrous to the Filipino people, who are far from readiness for independence and ability to carry on a stable, safe, and sane government.

There is good reason for the belief, which obtains with the best-informed men in this country, as well as those in the islands, that if the Jones bill were to become law it would not take long to undo most of the good work the United States has done for those people and the islands in the last 18 years.

—

[Buffalo Commercial, May 2, 1916.]

SCUTTLE REPUDIATED.

The House of Representatives yesterday voted by a decisive majority that the United States should not get out of the Philippines as quickly as possible without concerning itself for the future of the islands or making any arrangements whatever for preserving their independence. In other words, the policy of scuttle which was adopted in the Senate by the casting vote of Vice President Marshall was repudiated in the lower branch of Congress.

The President was committed to this dishonorable piece of legislation. He had given his unqualified approval to the Clarke amendment, a complicated thing which provided that the protection of the United States over the islands should be withdrawn within four years, leaving them to the tender mercies of Japan, Germany, or any other nation that may wish to acquire them and has the physical power to accomplish its purpose. But for once during this administration the Democratic Party refused to follow its leader. For the first time since Mr. Wilson has been President his wishes in matters of high legislative importance were disregarded. The 30 Democrats in the House who revolted against the caucus and refused to acquiesce in the abandonment of the little brown wards of the Government to the rapacity of nations that have no respect for considerations of justice or humanity, or for the binding force of pledges and treaty obligations, are to be congratulated for their independence.

And, indeed, the passage of the Clarke amendment would have made "a scrap of paper" out of our treaty of peace with Spain, which gave up the Philippines among other possessions under the distinct pledge of the United States that it would guarantee freedom of religion, property rights, opportunity in business, and equity before the law to all the Spanish subjects in the islands. To surrender our control of the Philippines would be an open and a flagrant repudiation of the solemn convention that we made with the Government of Spain to protect the rights of a large, an intelligent, and a well-to-do element in the islands.

—

[Pittsburgh (Pa.) Leader, May 2, 1916.]

ANOTHER DREAM SHATTERED.

The severe defeat of the Senate Philippine bill with its Clarke amendment providing for independence in the islands and the passage of the Jones substitute, looks like an act of sanity. The bill now goes to conference, and, it is believed, the independence feature is dead to stay dead until the right time.

An impartial observer has no trouble to reach the conclusion that the administration should be pleased rather than otherwise at the turn of affairs, but the fact, according to news reports, seems to be the reverse. The President looks upon the failure of the independence program as a defeat and a stigma.

As a political maneuver, perhaps it is, but for the sake of the Government, the country interests, and the peace of the people the President should be glad that he was defeated.

The Philippines will develop into another Mexico unless human nature in the islands makes a sudden and miraculous change, which is only remote as a prospect. Until the people are better prepared for the duties that go with the hard task of keeping a stable, a self-governing organization, the odds are against them as an independent body.

The few years of drilling they have had has not, by any means, fitted them for citizenship, according to our ideas, and we should be responsible to the rest of the world for the consequences that would inevitably follow their "independence"—in the hands of a few shrewd politicians.

Our responsibility would be such that we should be bound and forced by other nations to take care of the mess we made by turning loose into the international family a group of semicivilized people. Either that or the other nations would take care of it for us in their own way, one we should not like, perhaps.

—

[Cincinnati Times Star, May 3, 1916.]

THE PHILIPPINE BILL.

Congressman ALLEN of the second district is to be congratulated on his vote against the Clarke amendment, granting independence to the Philippines within four years.

The Philippines may be a liability rather than an asset; they may constitute the most vulnerable part of our national organization, so far as the chance of war is concerned; but we went into the Philippines voluntarily; voluntarily we undertook the work of advancing civilization there. To leave the islands now, a sure prey to anarchy within and later on an equally sure prey to exploitation from without, would be a sorry performance.

The Republican minority in the House proved itself worthy of Republican traditions by voting solidly against the administration program of scuttle in the Philippines. And 30 Democrats showed independence and common sense in opposing the Clarke amendment.

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[Tacoma (Wash.) Ledger, May 3, 1916.]

HOUSE TAKES WISE COURSE ON PHILIPPINE INDEPENDENCE.

The country is happily surprised by the defeat in the House of the Clarke amendment to the Philippine bill, promising the Filipinos independence in from two to four years. Thirty Democrats refused to stand with the Wilson administration on this question, and their votes, together with the solid Republican vote, brought about the defeat of the bill.

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[Brooklyn Citizen, May 3, 1916.]

For the Philippines the adverse vote cast yesterday was the very best service that has been rendered them since their destiny became linked with ours. They will enjoy all the liberty of which it is possible for them to make good use under our flag, while at the same time every effort they make in the right direction, the direction of orderly industry, will be fostered.

—

[Baltimore (Md.) American, May 3, 1916.]

BLOW TO WILSON'S POLICY.

All honor to those 30 House Democrats who refused to obey the mandate of their party caucus and joined the Republican minority in defeating the Philippine scuttle policy as contemplated in the Clarke amendment. The Senate bill as shaped by the Clarke amendment represented the administration policy, and the President had brought to bear a large amount of direct pressure in the endeavor to secure its passage through the House. It has been made apparent that the present Congress will enact no bill fixing a time limit to the stay of the United States Government in the Philippines.

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[Chicago (Ill.) News, May 3, 1916.]

WISE ACTION ON THE PHILIPPINES.

In refusing to give its approval to the Philippine bill with the amendment promising complete independence to the Philippine Islands within four years the National House of Representatives has acted wisely. Independence for the Philippine Islands is the goal toward which both the islanders and the United States should be working, but nothing is to be gained by setting a fixed date at which the United States will withdraw from the islands. On the contrary, much harm might result from enacting such a promise into law.

Powers of self-rule for the islanders should be enlarged from time to time so far as this can be done wisely. When the people of the Philippines shall actually manage their own affairs in a reasonably satisfactory way with only nominal direction from the Washington Government, the time will be at hand for the formal recognition of the republic in the Pacific. To fix a time limit on American authority before the islanders have learned to walk alone would be unjust to the islanders themselves and to all legitimate interests in the Philippines.

—

[Augusta (Ga.) Chronicle, May 3, 1916.]

PHILIPPINE INDEPENDENCE MERELY DEFERRED.

The defeat in the House of the administration's Philippine independence bill, by a vote of 213 to 165, will cause no great amount of surprise, nor general regret. And this may be said without in the least committing one's self to the proposition that the United States should hold the Philippines indefinitely.

The truth of the matter is, so it seems to us, we should never have taken possession of them, in the first place; but having done so, it is a serious question whether we have any right to surrender the islands until we have thoroughly established for them a permanent and satisfactory government and fixed their future status.

—

[Detroit (Mich.) Free Press, May 3, 1916.]

GARROTING OF THE SCUTTLING BILL.

The Philippine scuttling bill was dishonest, cowardly, and hypocritical. Its final passage would have been a disgrace to Congress and a reproach to the Nation, and the House of Representatives deserves a measure of credit for killing it. But there is cause for regret in that the lower House has failed to live up to what must be the full measure of its conviction and has weakly kept alive the subject of Philippine legislation at an inopportune time, by resurrecting the Jones bill and accepting it as a small evil in lieu of a greater one.

The Jones bill, which goes to conference, is neither admirable nor justifiable; it is ancestor to the one it succeeds. Because of the nature of the preamble, this bill originally was considered an initial step toward turning the islands adrift, and was warmly supported by advocates of that course. The preamble undertakes to promise the Philippine Islands their independence at some future time, date not named, and the body of the measure has been looked upon as preparatory to such an event. The pledge, of course, is hollow and deceitful; no Congress has the power to bind a succeeding Congress to carry out its policies.

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[New York Town Topics, May 4, 1916.]

The Jones bill to "scuttle" from the Philippines is dead. Peace to its ashes. The New York delegation, which can generally be counted upon to do the right thing at the right moment, gave the fatal blow. Nothing more unfortunate for the honor of this country, for the good of the Filipinos, and for the protection of American interests—made obligatory because of the legislation which had induced the immigration of Americans with their capital and business activities into the Philippine Islands—could have happened than the passage of this measure.

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[Buffalo (N. Y.) News, May 4, 1916.]

FRUSTRATING THE DESERTERS' PLOT.

If the proposal to abandon the Philippines within four years were based upon any premise other than selfishness; if it were based upon anything other than an un-American hope to dodge responsibility, it might have fared better than it did when it came before the House of Representatives.

In Mr. JONES's defense of the proposal he inadvertently voiced the real reason why we should continue our protectorate in the Philippines, especially during this time of world war when weaker nations are by common consent of the powers becoming the prey of the stronger.

Said Mr. JONES:

"Whatever may be the cost in blood and treasure in defending them (the Philippines) we shall be bound by every consideration of justice, honor, and national pride to undertake to do so if it shall be determined to hold them permanently."

Therefore, we suppose, it is the honorable course to set them adrift on the uncharted international seas before we are called upon to defend them.

This same standard of honor would invariably ostracize the individual. It would make him a creature altogether unlikable and intolerable from the viewpoint of his fellows.

The House of Representatives did well in throttling this plot of desertion.

—

[St. Albans (Vt.) Messenger, May 4, 1916.]

WILSON AND HISTORY MAKING.

"It is hard to understand President Wilson's persistence in requiring Congress to pass the bill for scuttling from the Philippines, except that he is obstinate in a matter on which he has made up his mind and hates to change it." (Waterbury American.)

No, that can't be the reason. Mr. Wilson has demonstrated time and again that about the easiest thing in the world he has to do is to change his mind, of which he seems to have a liberal supply, as he never has run out of changes yet. No one knows the reason for his Philippine stand; that is, no one outside the White House. It can't be that his insistence is because of the party's platform pledge. It promised other things, and to neglect or break those has not seemed to cause any bother.

—

[Newark (N. J.) Eagle, May 4, 1916.]

PHILIPPINES BILL LOST.

Congress has agreed not to agree upon any definite time for granting independence to the Philippine Islands. The administration has lost its fight for passage of the Philippine bill, with the Clarke amendment, which authorized independence for the islands within four years. In place of it the House has passed a bill providing for a greater measure of self-government for the Philippines. The preamble declares that it is the intention of the United States to grant independence to the islands ultimately, but no date is fixed.

No matter what our opinion might have been of the wisdom or folly of the United States for assuming responsibility for the Filipinos after the Spanish War, that responsibility was definitely assumed. The Filipinos are divided into many tribes, more or less civilized and enlightened. They are separated widely on their island homes. Only a few years ago some of them were head-hunters.

It is preposterous to assume that these children of nature will be ready for or capable of assuming entire responsibility for their government in four years, but is is quite in keeping with the true spirit of American independence to grant them larger measure of self-government as they qualify for the boon.

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[Bangor (Me.) News, May 6, 1916.]

CAN WAIT A LITTLE LONGER.

Although Americans of all parties are agreed on the principle of freeing the Philippines, and our Government is committed to that principal by repeated pledges, most citizens are coming to the conclusion that this is not the time to let them go or to set a definite limit to our tenure.

It is unfortunate that a political squabble over the question should have developed at this time, when the Nation has on its hands problems far bigger calling for immediate solution. After we get rid of the Mexican incubus, after we have settled our national armament policy, after we are safely out of danger of embroilment in the European war, after our relations with Japan have been put on a permanently secure and trustworthy basis, it will be in order to thrash out the Philippine problem in the calmness and sanity that will then be possible. Any definite action on the subject now will necessarily be hasty and imperfectly planned and may bring unexpected consequences.

While the whole world is in a state of political uncertainty, the Filipinos can well afford to wait. They are being promoted toward full self-government at a rapid enough rate, anyhow, to assure them of our sincerity and inspire them with patient confidence. We owe it to them, as well as to ourselves, to defer final decision of their political fate until a fitter time comes.

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[Baltimore (Md.) American, Apr. 28, 1916.]

KILL THE PHILIPPINE BILL.

If there ever was a measure that represented pure and unadulterated partisan bunk, it is the Philippine bill, over which the Democrats in caucus came near to a fist fight. It is supported and urged by the Presi-

dent, because it found place in the Democratic platform. There could be no conceivable folly that would outrun the effort to bring the Philippine Islands into the general turmoil of European and Asiatic affairs.

The merest cursory glance over the state of the Far East would lead a prudent thinker to refrain from causing unrest in the Philippines by any effort to set a definite or proximate date for the conferment of freedom upon the islanders. The same sentiment that caused deprecations of Yuan Shi Kai's assumption of imperial honors that he has now discarded, the same sentiment that caused England to defer putting home rule into effect in Ireland, should actuate this country to refuse to take action upon the Philippine measure. This rational view of the Jones bill was summed up in the resolution offered by Representative CONRY for the Tammany delegation:

"*Resolved*, That no action be taken on this or any other bill affecting the Philippine Islands and looking to the establishment of the independence of the same and the withdrawal of the authority of the United States therefrom until a full, fair, and complete opportunity be given for hearing to all parties interested in the islands and whose interests are to be affected by the proposed legislation."

[Chicago Herald, Apr. 29, 1916.]

The Jones-Clarke bill has been aptly described as "independence with a string." It does not democratically dismiss the islanders with guaranties for their safety against foreign aggression. It merely pretends to. And their danger from foreign aggression is real, and not wholly from Japan by any means.

It really decides nothing and provides only for continued agitation and weakness instead of for stability and strength. It "passes the buck" of responsibility for action to the President, who, if he finds it embarrassing, may pass it back to Congress, which may pass it again to the President after taking another guess.

The bald truth is that the party in power has made a mess of its efforts to settle the Philippines question. For the sake of humanity let us not make another Mexico of the Philippines. The Jones-Clarke bill is a hopeless muddle. Better drop it and try again. Better back up, begin over, and start right, with a definite conception of what we wish to do and how we are going to do it.

[Rochester (N. Y.) Democrat and Chronicle, May 2, 1916.]

THE DEFEAT OF THE PHILIPPINE BILL.

While friends of President Wilson will regret that he should be defeated upon an important measure, true friends of the Philippines will be pleased that the Philippine bill, in the form in which it was voted upon in the House of Representatives last night, should have been defeated.

[Rochester Post-Express, May 3, 1916.]

CONDITIONS IN THE PHILIPPINES.

Now that the plan to quit the Philippines while our self-imposed task of fitting their people for self-government is unfinished has been abandoned, an investigation would seem to be in order to find out what should be done to improve conditions in the islands. There is reason to believe that the general situation is far less favorable than the supporters of Gov. Gen. Harrison's administration would have us believe. Gen. McIntyre, Chief of the Bureau of Insular Affairs, reported after his return from the Philippines last year that there was a practically unanimous opinion that the existing form of government was no longer meeting the needs of the islands. He found no serious demand for the withdrawal of American control, and the main ground of criticism was the lack of power in the local government to deal with questions of finance or to enact laws believed to be necessary for the development of public lands and mines.

[Rochester (N. Y.) Democrat and Chronicle, May 4, 1916.]

SAVED FROM DISGRACE.

The administration has had the importance of the Tammany organization impressed upon it by the action of the Tammany delegation in Congress in bolting the Philippines bill. The result was the defeat of the Senate bill, with the Clarke amendment which was designed to confer independence on the Filipinos in four years. The Jones bill of 1914, which grants the islands a larger measure of self-government, was passed in its stead.

While the motives of the Tammany delegation might not bear close inspection, being grounded on the quarrel over post-office appointments in this State, the results are eminently satisfactory to patriotic Americans. The defeated Clarke amendment would have placed upon the Government the disgrace of deliberately abandoning the Philippines to a worse condition of anarchy than that existing in Mexico at the present time, or else to become a prey to the tender mercies of any predatory or land-hungry power. In addition we should have been placed in the position of repudiating our solemn treaty obligations to Spain, by which we guaranteed religious freedom to all the inhabitants of the islands, and we should also have been guilty of bad faith toward those Americans who have invested money in the islands or have purchased Philippine bonds.

[Rochester (N. Y.) Times, Apr. 29, 1916.]

PHILIPPINE BILL IN DOUBT.

It begins to look as if the administration Philippine bill will not pass this session of Congress. We hope it will not. It is an uncalled-for piece of legislation at this time. We all may be in favor of the ultimate independence of the Philippines, but surely not until the various peoples of those islands are more fully prepared to understand the responsibilities of self-government. The Democrats in caucus the other night were not able to make the bill a party measure, including as it does the Clarke amendment providing for independence in four years.

The provision that the president must grant independence to the Philippines within four years is indefensible. It is impossible for the present Congress to determine whether the Filipinos will be fit for independence in 4, 10, or 20 years; but the bill which the President approves would not leave the question to a later Congress to decide. The Republican Senators should stand solidly against the bill.

[Washington Star, May 2, 1916.]

THE PHILIPPINES.

In rejecting by a decisive vote the Clarke amendment to the Philippine bill, the House last night performed a most important public service. The bill itself should not have been brought forward at this session. With the greater part of the world tossing in convulsions, this was not the proper time for the consideration of any phase of the Philippine question. There was no good reason why we should add anything to the anxieties and uncertainties of an unparalleled world situation.

But the Clarke amendment capped the climax of unwisdom. To propose independence for the Philippines in four years at the outside was practically to put the islands into the discussion about map changes generally. For, even if the European war should end in the near future, a notice given now of the intention of the United States to withdraw from the Philippines at so early a day as that named by the Senator from Arkansas would have caused the great powers to consider the islands, secretly if not openly, in their calculations about the future.

What induced the President to indorse the amendment is not easily understood, unless on the score of a too great pressure of business and a lack of time to digest thoroughly some of the matters presented to him. With the European question, the Mexican question, the Japanese question, and domestic questions bearing upon his campaign for reelection coming before him every day in some form, he must be a hurried and a harried man.

[Utica (N. Y.) Observer, May 3, 1916.]

WHEN THEY ARE READY.

In the days when it was customary for young people to work subject to their parents it was a very common practice to give them "a stint"—that is, to set an assigned task which they must accomplish before they might be free to go fishing, to play ball, to visit the neighboring boys or girls, or to be excused from their tasks or studies.

That is very much the way we are treating the Filipinos, and it seems to be the safest and best way that we can do. We are saying to them, by this substitute bill that has been adopted by the House, that when they are fit and able to govern themselves, when they have accomplished the task of preparing themselves for self-government, we will withdraw from the Philippine Archipelago and give them free reign. We are not saying that in one year or in four years they can have the full control of their country, for their task might not be done by that time. When they have completed their stint the government will be handed over into their complete direction.

There is a good deal of uncertainty as to the Philippines. It seems that each person who writes concerning them and each person who goes there as an investigator finds exactly what he sets out to find. Reports come on the one hand that indicate that the Filipinos are making wonderful progress toward self-government; that they are displaying capabilities; that they are honest, trustworthy, thorough, and dependable; that there is no doubt whatever, if they were given control of their government, they would keep up the high standard set and maintained under American occupation. But reports come from the other hand that as soon as given a little authority the Filipino becomes intolerable, puffed up by his own importance, neglectful of the real duties of office, and overpowered by the privilege of commanding or directing. It is said that they neglect health measures, that they are not honest in their dealing with the State, that they are quarrelsome among themselves, that they permit government property to run down, are shiftless and procrastinating, and that there is every indication that the islands would drop back into the old order of things—a disease-breeding, filthy, immoral, half-savage state.

These differing reports are given by men who have reputation for fairness and candor, and each side brings forward incidents and alleged facts to prove the contention that is set up. It is to be regretted that some one or some body of men can not make reports as to conditions in the Philippines which are unbiased by politics or sympathies.

In the absence of knowledge as to actual conditions, we believe this country will do the best thing by waiting until there seems to be a certainty that the Filipinos can establish and maintain a stable and respectable government. And it would be best, no doubt, if the integrity of its government might be assured by other nations.

The Filipino has not yet had time to get into the habit of good government. His intentions may be of the very best, but the customs of centuries of misrule and semisavagery can not be eradicated in 18 years. It is better to try him out, giving him larger opportunities, but still retaining the guiding hand and making him understand that when he accomplishes his task and brings up a generation of men who have good government ingrained through their very fiber they may have full liberty to go forth as a nation of and by themselves.

[New Orleans Times-Picayune, May 4, 1916.]

THE PHILIPPINES BILL.

The House rejected Monday the Clarke amendment to the Philippines bill granting independence to the islands in 1920, or four years hence, and, in lieu thereof, adopted the original Jones bill providing for a greater measure of self-government for the natives, at the same time declaring the purpose of the Federal Government to ultimately grant the islands complete independence, but without fixing any date for it. The defeat of the amendment has been presaged for some time. It looked some months ago as though it would go through without difficulty, for it had the support of the President and had been indorsed by the Democratic caucus. In the last few days, however, there has been a marked change of sentiment in some quarters, and serious opposition developed in the South on the ground that the independence of the Philippines would mean a considerable loss of business in cotton goods.

But while this argument to commercial advantage may have accounted for some votes in opposition, the real explanation lies in the disturbed condition in Europe, the East, and Mexico. It was seen that if present conditions are maintained four years hence it would be a grave mistake to turn the archipelago loose, then to try its fortunes in a world filled with war and disturbances, and with so much unsettlement as to the international obligations. It meant, as many of the papers pointed out, the possibility of trouble on our part with some of the neighboring countries, who might think this a favorable opportunity to seize the islands; or even if it did not, it would probably tend to produce the Mexicanization of the country, if the natives were not equal to administering its affairs, about which there is a wide difference of opinion among those who ought to know the islands and their people best. Moreover, there is a strong sentiment as to the advisability of the present Congress legislating for another Congress, to be elected four years hence, instead of leaving the decision of the matter to the Senate and House in power in 1920. As a matter of fact, there is not the faintest conception of what the situation will be then, and he is indeed a mar-

velous prophet who can foretell so many years what the condition in the Pacific will be in 1920.

Only the other day the House first, and afterwards the Senate, put its foot down on this proposition to decide to-day a question to come up in regard to sugar, and declared against fixing a specific date when sugar would be placed on the free list, pointing out how unwise this is and how much better to leave the matter open to Congress to act on it whenever the occasion is deemed favorable. This is a policy which ought always to be pursued, and the country would have been saved many troubles and complications had it always been followed. Had the House fixed 1920 definitely for Filipino independence and a subsequent Congress found that this was greatly against public policy and likely to involve us in complications with foreign countries, and repealed the law as against public policy, it would have stirred up the natives, and with cause—and we would have faced charges of breach of faith and probably a general uprising, whereas there is nothing to prevent Congress from granting independence in 1920 should it deem the conditions then favorable. The extension of the powers of the natives will teach them self-government better, and the fact that this independence is assured whenever they are deemed capable of administering their affairs properly will encourage them in their efforts to improve themselves.

Exactly how long it is going to take them to reach the condition that will entitle them to independence it is difficult to say, as there are such wide variations in the views taken and such differences as to what is to be expected. Some of the extremists would have the natives reach the educational and political status of the American. It is doubtful if they ever do so; or that a government administered on the American model would suit the Filipinos. It is probable that there will always be some disagreement on this point, but the promise made of ultimate independence for the islands and the greater measure of administration granted the natives hold out the promise that a settlement of this vexed problem will soon come. The fact that the Democratic Party has promised this at as early a day as possible is further assurance on this point.

[Cleveland (Ohio) Plain Dealer, May 4, 1916.]

A PLEDGE TO THE FILIPINOS.

The best part of the Philippine bill remains after the elimination of the Clarke amendment. The amendment specified that the island Archipelago should be given freedom in four years. Its elimination leaves the preamble of the measure which pledges the word of the Government that the Philippines shall ultimately be granted their independence without specifying a date.

It has been accepted from the beginning by both parties that the Filipinos should not remain permanent wards of the United States. The islands were taken as a trust, to be administered in the interests of their inhabitants and in time turned over to them to become an independent nation. How long this task of training a dependent people to the stature of independence would take no one could tell. Until the Clarke amendment was framed no one apparently had attempted to fix a time.

For 18 years the islands have been under the control of the United States. That the natives have made much progress toward fitness for freedom in this period no one will deny. Successive degrees of self-government have been conferred on them. They have not proved either unresponsive or irresponsible, but have accepted their new liberties with gravity and utilized them with profit.

It is high time for the United States to put itself definitely on record as pledging the Filipinos their independence when they shall have shown their capability. No American would cut them adrift under conditions inviting disaster; no American, however much he may have been opposed to taking the islands in the first place, has any other idea now than to do what is right and best for the islands.

This preamble to the Philippine bill puts into the form of law a settled American conviction—that the ultimate destiny of the Filipinos is to form an independent nation founded upon principles instilled into their minds by American teachers, generals, and statesmen and adhered to under successive administrations at Washington. The promise ought to be satisfactory to islanders honestly desirous that the Filipino independence day shall not too long be delayed, for liberty without adequate preparation for liberty would be a disaster.

[Springfield (Mass.) Republican, April 30, 1916.]

THE DANGER TO THE PHILIPPINE BILL.

The Philippine bill should not be lost entirely because the Clarke independence amendment adopted by the Senate arouses keen opposition in the House. It is a well-considered measure for extending the principles of self-government, aside from the provision stipulating that independence should be granted not later than four years from its enactment, unless the President, in his discretion, should then refer the question back to Congress for reconsideration. Some Republicans in the Senate voted for the bill; some even voted for the independence amendment. The bill in some form should become law at this session.

One of the worst examples of American statesmanship in our history was the acquisition of the Philippine Islands; it was a blunder for which politicians, publicists, and financiers of the imperialist and militarist type were personally responsible. They posed as wise men with vision, and they loaded the United States with a distant dependency of orientals which the United States is positively incapable of defending. If there is any honorable way of cutting the connection between the Philippine Islands and the United States it should be done before military "preparedness" in this country develops a cockiness concerning the future of China and Japan's ambitions to develop a Monroe doctrine of the Orient that would bring us into military collision with the one rising imperial power of the Far East.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. GRONNA. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from North Dakota suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Colt	Hardwick	Lee, Md.
Bankhead	Culberson	Hitchcock	Lewis
Brady	Cummins	Hughes	Lippitt
Brandegee	Curtis	Husting	McLean
Chamberlain	Fletcher	Johnson, S. Dak.	Martin, Va.
Chilton	Gronna	Jones	Martine, N. J.
Clapp	Harding	Lane	Myers
Nelson	Reed	Smoot	Underwood
Oliver	Saulsbury	Sterling	Vardaman
Overman	Shafroth	Stone	Wadsworth
Owen	Sheppard	Swanson	Warren
Penrose	Sherman	Taggart	Works
Pittman	Simmons	Thomas	
Pomerene	Smith, Ariz.	Thompson	

The VICE PRESIDENT. Fifty-four Senators have answered to the roll call. There is a quorum present. The question is on agreeing to the conference report.

Mr. GRONNA. Mr. President, on that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. GRONNA (when his name was called). I have a general pair with the Senator from Maine [Mr. JOHNSON], which I transfer to the junior Senator from Nebraska [Mr. NORRIS] and vote "nay."

Mr. LIPPITT (when his name was called). I transfer my pair with the Senator from Montana [Mr. WALSH] to the Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. OWEN (when his name was called). I transfer my pair with the Senator from New Mexico [Mr. CATRON] to the Senator from Indiana [Mr. KERN] and vote "yea."

Mr. JONES (when Mr. POINDEXTER's name was called). My colleague [Mr. POINDEXTER] is necessarily absent; but I am sure, if he were present, he would vote "nay" on this question.

Mr. SHAFROTH (when his name was called). I am paired with the junior Senator from Washington [Mr. POINDEXTER]. I transfer that pair to the Senator from Louisiana [Mr. RANSDELL] and vote "yea."

Mr. STONE (when his name was called). I have a pair with the Senator from Wyoming [Mr. CLARK]. As he has not voted, unless I can find a pair I will have to withhold my vote. I should vote "yea," if at liberty to vote.

Mr. THOMAS (when his name was called). I transfer my pair with the senior Senator from North Dakota [Mr. MCCUMBER] to the Senator from Oklahoma [Mr. GORE] and vote "yea."

Mr. TILLMAN (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. GOFF] to the Senator from Tennessee [Mr. LEA] and vote "yea."

Mr. JONES (when Mr. TOWNSEND's name was called). The Senator from Michigan [Mr. TOWNSEND] is necessarily absent on account of illness in his family. If he were present, he would vote "nay."

Mr. WADSWORTH (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. HOLLIS]. In his absence I withhold my vote. Were I entitled to vote I should vote "nay."

The roll call was concluded.

Mr. REED. I transfer my pair with the Senator from Michigan [Mr. SMITH] to the Senator from Arkansas [Mr. ROBINSON] and vote "yea."

Mr. CURTIS. I have been requested to announce that the Senator from Utah [Mr. SUTHERLAND] is paired with the Senator from Arkansas [Mr. CLARKE], and also that the Senator from Massachusetts [Mr. WEEKS] is paired with the Senator from Kentucky [Mr. JAMES].

Mr. CHILTON. Has the Senator from New Mexico [Mr. FALL] voted?

The VICE PRESIDENT. He has not voted.

Mr. CHILTON. I have a pair with that Senator, and in his absence I shall not vote.

Mr. BRYAN. I have a pair with the junior Senator from Michigan [Mr. TOWNSEND]. In his absence I transfer that pair to the junior Senator from South Carolina [Mr. SMITH] and vote "yea."

Mr. GALLINGER. I have a general pair with the Senator from New York [Mr. O'GORMAN], which I transfer to the junior Senator from Iowa [Mr. KENYON] and vote "nay."

Mr. SMITH of Maryland (after having voted in the affirmative). I notice that the Senator from Vermont [Mr. DILLINGHAM] is not present. Having a pair with him, I withdraw my vote.

Mr. SMITH of Georgia. I have a pair with the senior Senator from Massachusetts [Mr. LODGE]. As the senior Senator from New Hampshire [Mr. GALLINGER] has transferred his pair with the senior Senator from New York [Mr. O'GORMAN] to the junior Senator from Iowa [Mr. KENYON], which leaves the Senator from New York unpaired, I transfer my pair to him and vote. I vote "yea."

Mr. BECKHAM. I have a general pair with the Senator from Delaware [Mr. DU PONT]. In his absence I withhold my vote. If permitted to vote, I should vote "yea."

Mr. STERLING (after having voted in the negative). When I voted I overlooked my general pair with the Senator from Nevada [Mr. NEWLANDS], who, I observe, is not present. I therefore withdraw my vote.

Mr. WARREN. I wish to announce that my colleague [Mr. CLARK of Wyoming] is unavoidably absent. He is paired with the Senator from Missouri [Mr. STONE]. If present, my colleague would vote "nay" on this question.

Mr. STONE. I transfer my pair with the Senator from Wyoming [Mr. CLARK] to the Senator from Illinois [Mr. LEWIS] and vote "yea."

Mr. SMITH of Georgia (after having voted in the affirmative). I find that I can not make the transfer of pair which I stated to the senior Senator from New York [Mr. O'GORMAN], but I do make the transfer to the senior Senator from Nevada [Mr. NEWLANDS] and will let my vote stand.

Mr. BECKHAM. I transfer my pair with the Senator from Delaware [Mr. DU PONT] to the Senator from New Hampshire [Mr. HOLLIS] and vote "yea."

Mr. STERLING. The Senator from Georgia [Mr. SMITH] having transferred his pair to the Senator from Nevada [Mr. NEWLANDS], I am now permitted to vote. I vote "nay."

Mr. WADSWORTH. I transfer my pair with the Senator from New Hampshire [Mr. HOLLIS] to the Senator from Delaware [Mr. DU PONT] and vote "nay."

The result was announced—yeas 37, nays 22, as follows:

YEAS—37.

Ashurst	Johnson, S. Dak.	Reed	Taggart
Bankhead	Lee, Md.	Saulsbury	Thomas
Beckham	Martin, Va.	Shafroth	Thompson
Bryan	Martine, N. J.	Sheppard	Tillman
Chamberlain	Myers	Shields	Underwood
Fletcher	Overman	Simmons	Vardaman
Hardwick	Owen	Smith, Ariz.	Williams
Hitchcock	Phelan	Smith, Ga.	
Hughes	Pittman	Stone	
Husting	Pomerene	Swanson	

NAYS—22.

Borah	Gallinger	McLean	Sterling
Brady	Gronna	Nelson	Wadsworth
Brandegee	Harding	Oliver	Warren
Colt	Jones	Penrose	Works
Cummins	Lane	Sherman	
Curtis	Lippitt	Smoot	

NOT VOTING—36.

Broussard	Fall	Lea, Tenn.	Ransdell
Catron	Goff	Lewis	Robinson
Chilton	Gore	Lodge	Smith, Md.
Clapp	Hollis	McCumber	Smith, Mich.
Clark, Wyo.	James	Newlands	Smith, S. C.
Clarke, Ark.	Johnson, Me.	Norris	Sutherland
Culberson	Kenyon	O'Gorman	Townsend
Dillingham	Kern	Page	Walsh
du Pont	La Follette	Poindexter	Weeks

So the conference report was agreed to.

THE MERCHANT MARINE.

Mr. FLETCHER. I now move that the Senate proceed to a consideration of the unfinished business, being House bill 15455.

The motion was agreed to; and the Senate, as in Committee of the Whole, resumed consideration of the bill (H. R. 15455) to establish a United States shipping board for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a merchant marine to meet the requirements of the commerce of the United States with its Territories and possessions and with foreign countries, to regulate carriers by water engaged in the foreign and interstate commerce of the United States, and for other purposes.

Mr. JONES obtained the floor.

Mr. PHELAN. Mr. President, will the Senator from Washington yield to me for a moment?

Mr. JONES. Yes.

Mr. PHELAN. Mr. President, the adoption of the conference report is a matter of very considerable importance, and I desire to inform the Senate that the Delegate from the Philippine Islands has just told me that this action is of greater importance to the Philippine people than anything that has happened in 350 years of the existence of that nation.

Mr. GALLINGER. Mr. President, I do not think that the Delegate from the Philippine Islands can give the Senate much instruction on that point. In opposition to his views I think the action just taken by the Senate is very unfortunate.

Mr. JONES. Mr. President, I hope the Delegate from the Philippine Islands will appreciate the fact that the preamble in the bill which has just been passed is nothing more than a parchment declaration carrying out a provision in a party platform, and that it will have no more effect than the declarations of the Democratic platforms during the last 16 years, so far as the independence of the Philippines is concerned.

Mr. President, I have taken considerable time with reference to the shipping bill. However, I think I have confined my remarks pretty closely to the bill. What I have to say now will be with reference to an amendment which I expect to offer to the bill, and to which I really do not anticipate any objection on the part of the Senator having the bill in charge. It is a matter to which I have given more consideration since I submitted my remarks the other day; and the more I have investigated it, the more important it seems to me to be. So I have decided to trespass upon the time of the Senate a little further to present some facts with reference to it which may be of some service, at any rate hereafter, and if the amendment should be accepted as a part of the bill it will offer some suggestions to the shipping board for their guidance.

Mr. President, I send to the Secretary's desk an amendment which I expect to propose when the section in the bill is reached defining the powers of the shipping board. I ask that the proposed amendment be read.

The VICE PRESIDENT. Without objection, the Secretary will read as requested.

The SECRETARY. In section 13, page 13, line 3, after the word "registry," it is proposed to insert the following:

It shall examine the rules under which vessels are constructed abroad and in the United States, and the methods of classifying and rating same, and they shall examine into the subject of marine insurance, the number of companies in the United States, domestic and foreign, engaging in marine insurance, the extent of the insurance on hulls and cargoes placed or written in the United States, and the extent of reinsurance of American maritime risks in foreign companies, and ascertain what steps may be necessary to develop an ample marine insurance system as an aid in the development of a merchant marine.

Mr. JONES. Mr. President, in all of the many-sided phases of the discussion of the shipping question, which is a question that never will be settled until it is settled right, there is a feature of it, largely fundamental and basic in its character, that rarely or never is touched upon nowadays, and which has been given very little, if any, consideration in the discussion thus far on this bill. I refer to marine insurance. How it is that this phase of our maritime interests has received so little attention I do not know, unless it be that American marine insurance companies seem to be as unequal to the covering and the carrying of American maritime risks as American ships seem unequal to the carrying of American imports and exports. It may have been felt that our marine insurance business is of such comparative little consequence, as it is felt by too many that our maritime interests themselves are of such comparatively little consequence, as to merit but little attention, and especially when these feeble and struggling interests are pitted against the powerful and prosperous foreign maritime interests now dominating our foreign carrying, it has become the custom to disregard the American and give deferential consideration to the competing foreign maritime interests.

Mr. President, when an American investor in an American ship first considers such an investment, the first thing he has to think of and provide for is the insurance of his vessel, and she must be so built, classed, and rated that not only will his vessel enjoy insurance at the minimum of premium rates but the same must be true of the cargoes his vessel carries. If he is to be able to command as good freight rates as his rivals, his ship must enjoy as low insurance rates, as must the cargoes his ship carries. At the very outset, therefore, this matter of the insurance of hulls and cargoes becomes a vital factor in the success of the ship during her entire life, not only as a ship but as a carrier of cargoes.

It is right here that the would-be American investor is confronted with a condition of insufficiency, of weakness, in his own country that forces him, actually forces him, to go abroad, and usually to England, in order to make sure that his ship and her cargoes shall enjoy the minimum of insurance rates. On the very threshold of his investment in a ship, an American is confronted with the necessity of depending upon Great Britain. If he depends upon the instrumentalities existing in the United States to assure him the minimum rates of insurance, immediately he becomes involved in difficulties and his ship and her cargoes are likely to be subject to discriminations that place them at a disadvantage with their foreign competitors. This situation makes the standardization suggestion of the Senator from North Carolina [Mr. SIMMONS] very doubtful and delusive.

If, for example, the American starts out to build his ship in conformity with the rules of the American Bureau of Shipping, the institution in this country analogous to the British Lloyd's Register of British and Foreign Shipping, and his ship is classed and rated in the "Record" of the American bureau, what happens? With this American certificate of strong and safe construction in his possession, with his vessel possessing the highest class and rating known, he proceeds to secure from American marine insurance companies insurance equal to the investment

he has in his ship. If his ship is one that runs up toward a million dollars in cost—and it is not an unusual ship nowadays that costs a million dollars—he finds that there are not enough American marine insurance companies to cover his risk. It is the practice of insurance companies to reinsure considerable amounts of the risks they assume in other companies, so as to avoid concentrating their losses. It is quickly found necessary, to secure full insurance for this new and high-class American-built ship, that he must go abroad, preferably to London, to secure the marine insurance required on his ship.

As soon as this American vessel owner's application for insurance is received in London, the London insurance company, or Lloyd's insurance representatives, turn at once to the book issued by the British Lloyd's Register of British and Foreign Shipping to see what class and rating the ship has that is applying for insurance for herself and, possibly, for her cargo as well; and easily the cargo may be as valuable, or even more valuable, than the vessel herself.

If the new American ship is not classed and rated in Lloyd's Book, at once trouble begins, and his ship is at a disadvantage. He must have her classed in Lloyd's to secure British insurance, and he finds that he must have British insurance. He finds that to conform to Lloyd's requirements sufficiently to acquire first class is, generally speaking, more troublesome and expensive than if he had in the first case built his ship to conform to Lloyd's rules of construction rather than to the rules of the American Bureau of Shipping. Thereafter the experienced American vessel owner is pretty apt to avoid initial trouble, at least, by always building the ships he has built according to Lloyd's—according to British—rules of construction rather than to American rules.

The lack of a sufficiency of American marine-insurance companies to cover fully the risks involved forces the American vessel owner in the very beginning of his career as a vessel owner to find that he is better off doing business with the British Lloyd's than with the institution that in the United States performs all of the functions that are performed by Lloyd's Register of British and Foreign Shipping. He finds that his own country is at a disadvantage, and at once he finds that England is at an advantage in the pursuit of maritime business. Instead of engendering a respect for his own country, instead of his national pride being stimulated by what he finds, quite the reverse is true; he quickly acquires a feeling of indifference for his own country, and to the extent that he possesses a sentimental pride in his Americanism he quickly learns to suppress it and finally to lose it.

Need it be doubted that this has a very strongly deterring effect upon the investment of American capital in American-built vessels for foreign trade? When an investor in this country finds that he is doing the unusual thing or going about the investment in an unusual way, the natural timidity that capital always feels is felt in this investor, and more times than not he abandons the idea of investing in American ships. It is easy to persuade such a man, especially if sentimentality is not strong in his business make-up, to invest in foreign ships—in British ships under the British flag—ships that he finds there exists a preference for in all the ports of the world, which makes it so much easier for her to secure cargoes, and profitable ones at that.

If this American citizen is of an inquiring turn of mind, what else does he find? He finds that the British Government is friendly to and lends its aid and encouragement to the building of ships in Great Britain and to ownership of them under the British flag. He finds that, in Great Britain, a shipowner is a respectable citizen, a subject who is esteemed and regarded, in a way, as one of the pillars of the British Empire. In his own country this American investigator finds his Government distinctly unfriendly; he finds the press—the great majority of the newspapers—distinctly suspicious of him; in short, he finds himself more or less under a ban, some one to be watched, some one whose tendencies are sinister. All sorts of obstacles arise in his business pathway instead of the way being smoothed for him. And the laws he is subjected to, his vessel property is subjected to, and the severity of the regulations to which his vessel property is subjected, all have a tendency to make him apologetic of himself, because of the business in which he is engaged; quickly he takes on the manners of a man placed at a disadvantage. The very home atmosphere in which an American shipowner lives is conducive to the sapping of his self-respect.

The wonder is not, in these circumstances, which are real and have a very decisive influence upon American shipowners, that there are so few of him—the real wonder is that there are any of him at all! The bill under consideration simply emphasizes this condition of things. Before we get an American merchant marine upon the seas we begin imposing restrictions and handicapping and circumscribing him in his efforts at competition abroad. Instead of encouraging, we are hampering and preventing him.

There is very good reason for believing that the American Bureau of Shipping, which formulates rules for the construction of ships, has better rules, and ships built to conform to them are better ships and safer ships than are the ships built under Lloyd's rules. It is natural that this should be so, and an explanation of why this is so is deserving of record. The American Bureau of Shipping is controlled by the marine-insurance interests of the United States, the interests concerned in seeing that ships are built strong and safe, because the stronger and the safer the ships are built the less actual risk the insurance companies have to take in insuring such ships and their cargoes, and this makes for reduced marine insurance, if there were companies enough in this country to carry all of the maritime risks that arise in this country. It so happens, too, that the same reasons that would influence insurance companies to see that the maximum of safety is sought in the building of ships are the reasons that the Government and the public as well would have—the greater safety of life and property afloat under the American flag. There are shipowning and shipbuilding interests, too, that share in the control of the American Bureau of Shipping, but these are subordinate to the insurance interests. The shipowning and shipbuilding interests are able to prevent too rigid, too exacting, or unnecessary requirements in the building of ships, but the controlling interests in the institution in this country which formulates rules for the building of ships are interests supremely concerned in the construction being safe and strong—the very interests that assume the risks of the vessels' operations and the risks on the cargoes they carry.

In the British Lloyd's Register of British and Foreign Shipping, on the other hand, the insurance interests are the subordinate interests; merchants and shipowners are the dominant interests, a condition that would naturally have a trend toward lightness of construction.

Mr. President, this suggestion may be denied by some, but in my judgment it will be found under the facts that it is true, and also based upon good reasons; that is, such reasons as animate people in the promotion of their own interests. It will be obvious that for every ton of material that is omitted from the construction of a ship the ship will be able to carry an additional ton of cargo—and this will be true all during the life of the ship. The ship is built, as a rule, to carry cargoes, and the larger the cargoes she can carry the more money she will earn. So, on the part of the owner, while it is to his interest to have a ship built that will be able to stand the stress of use, there is, nevertheless, a tendency on his part to secure the maximum carrying capacity with the minimum expense. Lightness of construction, therefore, within the required factors of safety would better serve the financial interests of the owner than a construction where the factor of safety is especially high. Not so, however, the insurance companies, nor the shippers of freight, nor the travelers on the vessels; naturally not so the Government. Builders, for their own reputations, would prefer to build ships that would endure, and without frequent need of large repairs or reconstruction, however profitable to builders repairs and reconstruction may be. But the influence of the owner, naturally, is a dominant influence, and his trend has been described. If, however, the owner realizes that the insurance interests, upon which he must depend to indemnify him and his cargoes against loss, insist upon a higher factor of safety, the persuasive influence of a high factor of safety becomes controlling.

I do not know enough about the technical side of the business to be able to explain in detail its ramifications or the reasons for them. But this I do know, that by far the greater number of vessels building in the United States to-day for ocean navigation are being built under Lloyd's rules, and the vessels will be classed and rated in Lloyd's book, and the owners of the vessels, and the owners of cargoes the vessels carry, will have no difficulty in securing insurance at Lloyd's—in London—and they will be indifferent to or disregardful of the precise extent to which their ships and their cargoes may secure insurance in the United States.

Mr. President, these are matters that should be considered in the building up of an American merchant marine, especially for foreign trade. These, surely, are matters that will deserve the most critical and careful attention of the Federal shipping board, when it comes into being and begins to exercise its functions, especially the functions of investigation into the handicaps in the way of an American merchant marine and the essential accessories in the United States to the building up of an American merchant marine.

From almost every angle that the matter may be viewed, therefore, the advantages in construction are with the British Lloyd's. There are other factors favorable to Lloyd's not yet

touched upon. One of them may, pardonably, be explained in brief detail. As everybody knows, British ships cover the seven seas; they are found in all the ports of the world; they are the most conspicuous, because they are by far the most numerous, ships engaged in foreign trade. In the most remote port of the world a representative of Great Britain will be found, and usually a representative of British Lloyd's Register of British and Foreign Shipping. But if the latter is not in evidence, the representative of the British Government is "on the job" and he is just as alert to serve and promote and secure a preference for a British ship as if he were the owner of her, or the representative of Lloyd's, in which, generally speaking, she will be found classed and rated, and upon class and rating insurance of cargoes and hulls is based. The book of Lloyd's is in that remote place; the alert official is there to safeguard the British ship.

It is quite needless to say that there are none of the agencies, none of the representatives in the remote, or even in the more important, ports of the world to advance, promote, safeguard, and foster the interests of an American ship. What wonder that the British ship is dominant? What wonder that the American ship is unknown? Lloyd's book tells all that it is needed to know regarding a British ship, wherever she is, and, wherever she is, there is sure to be the book of Lloyd's to tell all about her. Everything is awkward and difficult with the American ship not built according to Lloyd's rules and classed in Lloyd's book, necessitating lengthy cables at large cost, much delay, and usually an inferior freight rate because of a higher insurance rate. Need we wonder at the decline of the American ship so circumstanced? And is it not manifest, therefore, how important an item that of insurance is in the building up of the American merchant marine?

During a discussion on this floor, Mr. President, when the Wilson-Gorman tariff bill was under consideration, on June 21, 1894, the late Senator Frye, of Maine, had endeavored to secure the restoration of the old American policy of discriminating duties for the protection and upbuilding of American shipping in foreign trade, by the repeal of hampering laws and the abrogation of terminable trade treaties then, as now, in the way. In the course of his remarks Senator Frye said, in part:

> How much tonnage have we to-day in the foreign carrying trade? In 1810 we had 1,000,000 tons, and were carrying 93 per cent of our exports and imports. To-day we have 938,000 tons, about 100,000 tons less than we had in 1810; and to-day, instead of carrying 93 per cent, we are carrying but 12 per cent of our exports and imports, and are paying Great Britain $175,000,000 every year to do our carrying trade for us.

At this point Senator Frye was interrupted by the distinguished senior Senator from Massachusetts [Mr. LODGE], who inquired:

> If it would not interrupt the Senator, I should like to ask him, in this connection, if Great Britain has not pursued by indirection the same methods—that is, by rates of insurance at Lloyd's, and by premiums on iron ships—of discriminating in favor of her own tonnage down to the present day?

To this Senator Frye replied:

> Mr. President, the most persistent, continued effort on the part of Great Britain to prevent our vessels getting any of the carrying trade has been pursued always, from the very beginning down to now. The Lloyd's will rate our vessels second rate when they ought to be rated even above a first-class British ship to-day, and the Lloyd's control the entire marine insurance of the world, at any rate, so far as that of Great Britain and the United States are concerned. Their companies are controlling all the marine insurance in our country, and are discriminating against our vessels.

Senator Perkins, of California, an experienced seaman and a large shipowner, interrupted at this point to observe:

> It has been shown to-day in debate that England will not permit salt to be carried from England to the East Indies from her own provinces in any other vessels except those of English build and flying the English flag.

Other Senators joined in the discussion, and the remarks they made showed that it was then well understood that the methods employed by the British Lloyd's Register of British and Foreign Shipping, by Lloyd's Insurance, and by the British Government, all worked to a common end to discriminate against high-class, thoroughly seaworthy, extremely well-built American ships, and in favor of British ships.

The dislocation of the world's foreign commerce at the outbreak of the European war was not due to a lack of merchant ships; but it was due to a lack of security regarding insurance both of ships and their cargoes. Ships were lying up, one after another, in neutral ports, and freight was accumulating and congesting the warehouses and piers and the railroad sidings for many miles, merely because owners of ships and owners of cargoes were uncertain where they could obtain insurance, and how reliable the insurance was that they might have or obtain.

Imagine a case, if you please—by no means an impossible one, however much we may hope it is improbable—of our having difficulties with Great Britain, or Great Britain having difficulties with other nations, that would withdraw from our ships and their cargoes the usual marine insurance facilities that so freely they now possess through reliance upon British companies. It would, until time had been taken to adjust the matter, operate just the same as though we had no ships. The world seems not to have taken seriously to heart the great cessation in merchant shipbuilding in Great Britain, the past two years, due to the materials and men usually employed in merchant shipbuilding being diverted to war shipbuilding. A time might easily come, and a condition might easily arise, where we could no longer depend upon Great Britain for our merchant ships, and this is the time we choose to sow the seed of the destruction of American shipbuilding. We propose placing both our foreign and domestic commerce in a condition of such utter dependence upon Great Britain as to enable her to give it complete strangulation whenever she so decrees. And we flatter ourselves that Great Britain "would never do that."

To discuss the methods employed by Britons to advance their maritime interests, to hold their maritime power, is not, necessarily, to criticize them. Britons are justified in availing of whatever resources are at their command to enable them to retain in their own possession supremacy in so potential an instrument in world dominance as merchant shipping. Criticism should rather be leveled against the nation that neglects to avail itself of the resources within its possession to further, to strengthen, and to maintain its maritime interests. No nation is so deserving of criticism in this respect as the United States. The neglect of its maritime interests by the United States creates the opportunities that the maritime rivals of the United States avail themselves of and make the most of. Those nations are to be commended for taking advantage of this condition rather than to be criticized.

Insurance, both of vessels and their cargoes, is one of the most powerful leverages that a nation can use with which to establish, promote, maintain, defend, and safeguard its maritime interests. If this Nation fails to avail itself of its own means for insuring its merchant ships and the cargoes they carry, and especially if it accepts dependence upon foreign insurance of its ships and their cargoes, this Nation throws wide open a door that its foreign rivals may enter—unquestionably will enter—for taking advantage of our situation for the benefit of their native shipping.

The people in the United States have talked in favor of an American merchant marine in foreign trade, the press has preached an American merchant marine, and Congress has all the while made it more and more difficult for an American merchant marine to succeed in foreign trade. It looks as if we are going to continue this in the passage of the bill which is now pending.

The press favors an American merchant marine, but it is against American shipowners and American shipbuilders, and thus it has created in the minds of the people a suspicion that American shipbuilders and shipowners are bands of unmuzzled thieves, with minds intent upon the National Treasury, and eager to get their hands and arms down deep in the Nation's gold for the support of their industry. Nothing is more monstrously untrue than this. Nevertheless, a large portion of the press treat American shipbuilders and shipowners as if this were literally true, as if it were necessary for the press constantly to put the Nation upon its guard against the wiles and schemes of American shipowners and shipbuilders. How easy it has been, thus fortified, for Congress constantly to draw tighter the restrictions and harassments to which it subjects American shipowners and shipbuilders. How natural that Congress should look coldly upon suggestions, especially when advanced by American shipowners and shipbuilders, for the upbuilding of an American merchant marine in foreign trade.

Is it to be supposed that our maritime rivals, possessing, as they do, a thorough and keen appreciation of the naval and economic value of a merchant marine, ready as most of them are to promote a merchant marine of their own by generous aid and liberal laws—is it to be supposed that they are blind to the attitude which has grown up in the United States toward American shipbuilders and American shipowners? On the contrary, what more natural than that they should, in every way in their power, help to fan and keep alive the suspicion, the distrust, that is so widespread throughout the United States toward its shipowners and its shipbuilders? We voluntarily create a condition that gives only the required opportunity for our foreign rivals to take advantage of. Should we be surprised when they do take advantage of it? Should we not, rather, be surprised if they should neglect to take advantage of the opportunities we thus create for them?

Insurance, as I have said, is a most potent instrument for the promotion of a nation's marine—insurance of both vessels and their cargoes. As things are to-day, in the United States,

there are not enough marine insurance companies, or companies doing marine insurance, to carry all of the risks incident to the operation of ships and the cargoes they carry. Shipowners and shippers are compelled to resort to foreign insurance companies to carry the larger part of their marine insurance.

Should we be surprised to learn, then, that British methods, customs, practices, all favor British-built ships in competition with other ships? Rather should we not be surprised if these customs and methods did not favor British-built ships to the very utmost? How else, indeed, could British maritime supremacy be maintained than through the jealous care, the careful fostering, the generous promotion of everything designed to favor British, as compared with other shipping? The British Government and the British people, no less than the British press, are in complete accord on these heads. Britain's shipping is the very apple of her eye; and all Britons feel, and they feel deeply, that no sacrifice is too great for Great Britain as a nation, and Britons as a people, to make to safeguard and promote British shipping. If we look the situation and the facts critically in the eye, we need not wonder that Great Britain is to-day supreme upon the seas, and that we are weak upon the seas.

Probably no American author of recent years has more thoroughly understood the British attitude toward British shipping and toward the rivals of British shipping than the late Capt. William W. Bates, who was commissioner of navigation during the administration of President Harrison, and who subsequently wrote two notable volumes on the subject, under the titles of "American Marine" and "American Navigation." In the last-named volume Capt. Bates, who was one of the most scientific and experienced shipbuilders this country ever produced, discussed the insurance feature of the case at great length, with a wealth of detail that showed complete familiarity with his subject. From that volume I quote very briefly:

Insurance dependency and its evils: Ten years ago, when writing his work on American marine, the author thoroughly examined the marine insurance business in the United States. He had previously, as United States Commissioner of Navigation, with the assent of the Secretary of the Treasury, asked for reports from collectors of customs, which were made by letters from the best insurance authorities at the different ports. These letters agreed upon a very important point, that foreign insurance companies for many years had been squeezing American companies out of business, and this pressure continues. British companies constitute the bulk of the invading army, but other nations, even the Chinese, occupy places in its ranks.

So, we find, American insurance companies as well as American ships have been "squeezed out of business" by their foreign rivals—the tail eventually going with the hide. This is a subject manifestly that should be gone into in thorough detail by some authoritative American body, and the facts should be spread throughout the country when they are obtained. Here is a case where the public needs precise and authoritative knowledge, and it should receive it. Continuing my quotation from Capt. Bates:

The constant breaking in and destruction of our insurance lines is one of the worst things transpiring for the maintenance of a commercial marine. Foreign insurance companies are like so many birds of prey. They do, and always will, prefer to cover the shipping and commerce of their fatherland. Partiality goes with their allegiance. Foreign underwriters can not equally serve our Nation and their own. No wise nation will commit its commerce to the insurance powers of rival countries, because to trust any but its own people is to be betrayed at last. Every one of these agencies, to gain popularity at home, must be watchful of opportunities to make advantages for their own nation. We may as well have our shipyards closed as our insurance offices shut up, since we should expect the same result to follow, namely, helpless foreign dependence in a vital branch of industry. It is only needful to know the little of the history that we have already presented of their adroit handling of our own trade and transportation to understand fully if we remain, as we have become, dependent on the British Lloyd's and other English underwriters for marine insurance that our competition with British shipping is at an end, now and forever, unless Congress enacts strict regulations for marine insurance, with penalties for their execution.

It is not to be doubted that this is a matter that the Government should look into at the earliest opportunity and in the most thorough manner. Listen to this from this expert on the subject:

There is not to-day a single port in our country where foreign companies control the rates of marine insurance—

How many of us knew that foreign countries control our rates of marine insurance?—

that sees justice done to American vessels. Every schedule of rates is fixed in the interest of foreign navigation. Of late it has seemed that a considerable export trade in coal may develop to ports in Europe. The papers tell of the building of wooden schooners of a large size to engage in this trade. Will they secure it? Foreign insurance companies will in due time answer this question in the negative, as they have answered the question of cotton, grain, and provision carriage. That is to say if Congress shall permit.

Congress, in all probability, has permitted, but Congress may in time cease to permit. It is a fact that it is difficult for some people to understand that British ships, which cost more to operate than it costs to operate the ships of any other country save the United States, have been able to seize and to retain control of the world's carrying. It would seem that we look far too much upon the surface and burrow far too little beneath the surface, and, manifestly, there is much to be discovered if we will investigate thoroughly, especially off from the beaten tracks of investigation into the byways, at least as thoroughly as into the highways. A little more of Capt. Bates is wholesome:

The regulation of underwriting: It will not be disputed that marine insurance is a branch of commerce. It is bought, sold, imported, and exported, and is regarded as a "chose" in action. The regulation of this business is therefore within the scope of congressional power under clause 3 of section 8 of Article I of the Constitution. Such being the case, it has long been the duty of Congress to put a stop to foreign discriminative underwriting, chartering, and loading our vessels in our ports. * * * Any system of encouragement or protection to shipping that does not embrace this subject will surely fail.

British mercantile discrimination: As "Alps on Alps arise," so do discriminations against American vessels. We have to contend with other classes than the shipowners and underwriters of Great Britain. The merchants in their chambers of commerce have their rules and regulations, their tariffs and prohibitions, for the protection of British interests. For a long time it has been privately circulated in American ports that the grain buyers of Liverpool will not pay so much for wheat brought to market in American as in British ships, hence the greater part of American carriage to Europe has gone to continental ports. Matters like this seldom get into print—not even into market reports. It seems we are now so nearly conquered nautically and so nearly dead in national spirit that a kick of this kind may be ventured. British merchants are likewise shipowners and underwriters. They back up the Lloyd's, the Wheat Tariff Association, any tactics that will drive out of business American shipping, merchants, and underwriters.

We back up nothing maritime in this country; on the contrary, we hobble it, put obstacles in its way, handicap it, and place those of our citizens engaging in maritime pursuits under a ban, and about the only attention they receive through the press is an unfavorable attention. While the American press is very obviously disinclined to publish matters favorable to American maritime interests, this disinclination is not manifested when opportunity offers to say something ill of American maritime matters and Americans identified with them. If you doubt it, examine the newspaper reports of the extended discussion in Congress of this administration shipping bill during the past few months. Occasionally—I might far more truthfully say rarely—a paragraph is inserted, usually in some out-of-the-way or obscure place, regarding some maritime matter of considerable or unusual importance, if favorable to American interests, but far more often the whole matter is suppressed. "Pitiless publicity" seems as necessary in respect to the handicaps besetting American maritime interests as to other matters, but it would be interesting to learn how it will receive it if the press, and especially the press associations, have decreed that such interests and matters shall only have unfavorable and never favorable publicity. Evidently there is a wide and inviting field for the Federal shipping board, when appointed, in the way of investigation; and it will be a wise board if it will, in some way or another, secure a thoroughly competent and successful press agent and then give free play to his activities. The country evidently is ripe for it. It needs it.

Capt. Bates then inserted in his book a letter from the California Bankers' Magazine to the editor of the London Bankers' Magazine, pointing out the boycott on wheat shipped to Great Britain in American vessels, the boycott being maintained through the unwillingness of British marine underwriters, maintaining their agencies in San Francisco and doing business under California's laws, to insure wheat cargoes in American vessels, so as to force shipments in British vessels.

No merchant—

Wrote the indignant editor of the California Bankers' Magazine—

dare pass his bill of lading and drafts with an American policy or the cargo would be unsalable en route. It is a sine qua non that all cargoes must be insured in your offices. * * * The California insurance offices joined together and put up $150,000 as a gold margin deposit if you would condescend to allow us to insure our own wheat. No! The offer was refused with scorn. Now, suppose, for the sake of argument, that we boycotted you and ordered all these foreign companies out of San Francisco. Our own good companies, the California Insurance and half a dozen others, would make a profit upon our own farmers' wheat that you London men take from us. The boycott is a foul, burglarious weapon that has been imported into America.

Evidently this California editor was aroused.

For several years—

Remarks Capt. Bates—

the Grangers of California shipped their wheat themselves, preferring American ships and insurance companies. British merchants broke this business up.

From this it should not be difficult to discover some of the methods by which American marine insurance companies were years ago forced out of business. As our shipping in foreign trade vanished, so did our marine insurance companies, at least a goodly number of them.

And here we are now handing over to our rivals—really to our chief rival, Great Britain—the last remnant of our maritime possessions, our coastwise carrying and our carrying on the Great Lakes. Senators on the other side have called attention to the laws that have recently been passed by the different great maritime powers forbidding the sale of their merchant ships to aliens. These are war measures largely, but, in addition to that, there are loopholes in those laws; they are not hard and fast. Official authority may be sought, and it may be granted, for the sale of British merchant ships to aliens. We need not doubt that so long as we adhere to the requirement that the foreign ships we acquire must be American owned so long Great Britain will be willing that her merchant ships shall be sold to Americans of the kind that never would be blacklisted, for example, by the British Government. It will not be long—indeed, the time is near at hand evidently—when we shall cease to require that the foreign-built ships that we admit to our coastwise carrying, like that admitted to our foreign carrying, shall be American owned. Already all that is required is that foreign ships shall be chartered or leased, not owned, by Americans to enjoy access to our coastwise carrying and to our carrying on the Great Lakes.

It will be a short and an easy step to the granting of the full freedom of our coastwise carrying to foreign ships wholly under the control of their foreign owners. Then British shipowners will secure—what they have aimed at, at least since 1854, to secure—control of the coastwise carrying of the United States. The strangulation of American maritime interests in our coastwise carrying will hereafter proceed as rapidly as has the strangulation of our foreign carrying. It is a part of Democracy's free-trade program.

Referring to the letter from the California Bankers' Magazine, quoted above, Capt. Bates says in his "American Navigation":

Boycott of the Liverpool Corn Exchange: Besides the evidence above about the London merchants we shall submit a letter from the secretary of the California Insurance Co. in regard to the protective policy of the Liverpool Corn Exchange. This letter corroborates the statement of the other and leaves no doubt of the "taboo" or "boycott" for some time past enforced with more or less rigor against American insurance as a support of American carriage of grain to be sold in British markets. The continental nations, discriminating against American pigs and products, do so under the pretense of health; the British merchants and their agents, discriminating against our vessels, give for an excuse that they are built of wood; but the rapacious claim of insurance monopoly stands undefended and without excuse—a product of "reciprocity."

Hovering on the border of the old, successful, and vigorous American policy of discriminating duties, as so many of our Senators and Representatives are, they rather balk at the word, and the definition of the word, "discrimination." But we see that where it serves British ends Britons do not balk—they discriminate. We adhere to the letter of our obligation to reciprocally treat foreign ships and their cargoes, and we find, when we give it study, that long ago our foreign rivals abandoned "reciprocity," and for many, many years have indulged in "discriminations"—discriminations, whether official or unofficial, that, as we say here, "do the business" or "turn the trick." The name is nothing, but the game is everything. I can not forbear quoting Capt. Bates's concluding comment following the quotation last above made. He said:

It discounts subsidies, subventions, bounties, and all forms of legislative encouragement of shipping but one—the regulation of trade under our Constitution.

In connection with the Democratic platform declaration on American shipping in 1912 I commend that last quotation from Capt. Bates's book to my Democratic friends. Really, they should take it seriously to heart. What is needed is not that we should give away the remnant of the maritime interests we yet have but reach out for those we have lost.

"It is because we have disregarded our rights," says Capt. Bates, "and neglected so long to apply our constitutional power to keep our commerce and our carrying in our own hands that foreign nations have had opportunity to exercise their wits in heading off our people in every direction by means of disreputable contrivances."

Again, I ask my Democratic friends, at least those who sincerely believe in and desire the establishment of a real American merchant marine in foreign trade, to take to heart the observation of this able and virile American writer, as to the method—and the only method—by which to build up our shipping in foreign trade, "the constitutional method" invoked in the 1912 Democratic national platform, but now forgotten and disregarded.

The second letter quoted by Capt. Bates was from William H. C. Fowler, secretary of the California Insurance Co. There are two or three clauses in this letter deserving of reproduction here, as showing, at least to an extent, some of the probable causes for the disappearance of American marine insurance companies. Mr. Fowler says, in part:

You will no doubt be surprised to learn that American insurance companies are tabooed by the Liverpool Corn Exchange from underwriting on our grain exports to Europe, whether by American or foreign vessels. With the view of protecting their own insurance companies, the rule of the exchange is that these cargoes must be insured by standard English companies.

Would it not be interesting and would it not be instructive for Congress to know whether or not that rule still stands? Maybe American marine insurance companies are so few and their range of activities so limited by this time for such a rule no longer to be necessary. But whenever it becomes necessary, we may be sure it will again become operative. The British Government may be neutral, it may observe the letter of its reciprocity obligations to us, but if British merchants do not and they pursue a policy of discrimination that is effective, that helps the British and hurts the American ship and drives out the American ship and the American marine insurance companies along with it, shall we refuse to discriminate; shall we stick to the letter of our reciprocity obligations and see our ships driven off the seas and our marine insurance companies driven out of business?

Need we be surprised that Mr. Fowler states:

There is a marked preference of English companies for English-owned vessels, so much so that some will not write at all on American vessels.

Mr. NELSON. Will the Senator yield to me?

Mr. JONES. I yield to the Senator.

Mr. NELSON. I wish to state that our Government and our shipping have not adopted the English load line which is recommended and demanded by Lloyd's.

Mr. JONES. I think to a great extent that is true.

Mr. NELSON. Would it not to some extent remedy the situation if we adopted the English load line in respect to our vessels?

Mr. JONES. That would correct some of the discriminations, but it would not correct or do away with the policy of these insurance companies who refuse to insure vessels that they do not find in Lloyd's Register and Book of British Shipping. They base the insurance that they will give on these vessels upon the rating that is given to them in Lloyd's. What the Senator suggests, however, would correct some very serious discriminations that really apply against our own shipping and in favor of British shipping.

Mr. NELSON. Mr. President, will the Senator yield to me further?

Mr. JONES. Certainly.

Mr. NELSON. I desire to call the Senator's attention to this: One serious defect of the bill is in establishing a board to have regulative power over our shipping and then failing to group all the branches of the maritime service that have anything to do under that board. For instance, even with this board in existence we still have the Bureau of Navigation in the Department of Commerce, and we have the Steamship-Inspection Service, a distinct bureau. It seems to me if we want to establish a shipping board all these activities—that of the Bureau of Navigation and that of the Steamboat-Inspection Service—ought to be grouped and put in charge of the board. Does not the Senator think that that would be proper?

Mr. JONES. I do.

Mr. NELSON. The Bureau of Navigation is practically only a statistical bureau, but it performs most valuable work. It has performed such work while I have had anything to do with it as a member of the Commitee on Commerce. It has come under my observation that it rendered most valuable and efficient service, but that work should be put under the shipping board, so that the shipping board would be in direct touch with it. The Steamship-Inspection Service goes to the shipping qualifications of the vessels, and manifestly that branch of the service ought to be under the control of the shipping board. Does it not strike the Senator as though that is a great defect in the administrative features of this bill?

Mr. JONES. I think so. I am inclined to favor the establishment of the shipping board, but I do think that whatever shipping board is established ought to have transferred to it just as the Senator suggests and as the junior Senator from Massachusetts [Mr. WEEKS] suggested the other day in his very able argument these various bureaus and branches of the Government that deal with American shipping and get them all under one head, all in one body and under one supervision, so as not to duplicate the work. Instead of vesting this board with power to attempt to regulate rates and charges and so on, if you would get these different bureaus in the matter of inspection and all that sort of thing under one supervision, you give them supervision of it and make it their special business to try to improve it and remedy defects in administration and otherwise, then, indeed, this board would be worth something not only to what American shipping we have but in the encouragement of its development.

Mr. NELSON. Will the Senator yield to me further?

The PRESIDING OFFICER (Mr. VARDAMAN in the chair). Does the Senator from Washington yield further to the Senator from Minnesota?

Mr. JONES. I do.

Mr. NELSON. Does not the Senator believe that placing our shipping engaged in foreign commerce under the restrictive regulations of this bill will be a great handicap and prevent them from competing with British ships that are immune from such regulations?

Mr. JONES. Absolutely.

Mr. NELSON. Will it not be one of the most serious drawbacks of this bill to have our shipping put into a legislative strait-jacket or under the regulative provisions of the bill as compared with the shipping of other countries, which is practically free?

Mr. JONES. It will.

Mr. NELSON. I wish to call the attention of the Senator in this connection to the fact that the so-called maritime division of the English Board of Trade has supervision of the shipping interests of that country, and at the head of it is a cabinet officer. In the English Board of Trade the maritime section has particularly jurisdiction of the shipping, and they have no such administrative or regulatory power as is found in this bill, nor, as a matter of fact, is it found in the maritime legislation of any of the countries of Europe so far as I have been able to ascertain; at least there is no record of it in any of the Government publications that have lately been issued in this country. There is no system by which they attempt to regulate rates or to publish schedules in advance.

I call the attention of the Senator to some of those small neutral countries in northern Europe which, in proportion to population, have a larger amount of shipping than any other countries in the world. Their shipping in that respect is entirely free, and so, I think, is German shipping under their law. I know that the English shipping is.

Mr. JONES. I think the Senator is entirely correct in that. I do not think it can be found anywhere that any country has endeavored to control the fixing of the rates of the ships engaged in the foreign trade, unless possibly it might be ships that are receiving a subsidy for carrying Government mail or something of that sort. Very few of the other countries have even attempted to regulate the rates and charges in the internal commerce of ships, and in the countries that have even done that in Europe, practically the only regulation that they have made in that respect has been with reference to ships carrying mails or doing Government business. France, I believe, has very largely regulated what we might call her inland or coastwise shipping, but not until after she got a regular standardized system of canals connecting practically every part of the country.

Mr. NELSON. Will the Senator yield to me further?

Mr. JONES. Certainly.

Mr. NELSON. I desire to call the Senator's attention to the fact that all the inland shipping of Germany, for instance, that goes on her rivers and canals is practically subject to Government control to the extent of having it run in harmony with the railroads, and that is because in Germany the railroads are State owned by the Government, and they compel the water navigation to run in harmony with the railroads in order to support them.

Mr. JONES. That is correct. My recollection is that I have seen it stated, also, that in France they actually prohibit the railroads from charging within 20 per cent of the rates on the canal.

I will say that there is a very interesting statement with reference to rate regulations in those different countries, not only with reference to domestic commerce but also with reference to foreign commerce, in the hearings taken before the subcommittee of the Senate Committee on Commerce. It is a statement made by Mr. Thompson, the secretary of the National Rivers and Harbors Congress. It gives some very valuable information, and I think the information is very reliable.

So far as the provisions of the bill with reference to a regulation of rates and charges by our interstate-commerce boats are concerned, I have no special objection to that, except I can see where the tendency of it will be toward monopoly and toward the driving out of business of the small shipowners.

Mr. NELSON. And tramp vessels.

Mr. JONES. And what we call the tramp vessels.

The PRESIDING OFFICER. Does the Senator from Washington yield further to the Senator from Minnesota?

Mr. JONES. Certainly. I am glad to have the suggestions of the Senator. What we commonly call the tramp vessel in interstate trade—in other words, the little boat that stops here and there and yonder and takes up a little freight here and there and yonder along adjoining States or waters connecting the different States—is very likely to be driven out of business by this regulation. It will all be transferred to companies sailing along regular lines. Those companies, of course, can be very easily regulated, and I think it would be a wise provision if we put in the bill a limit upon the regulation of rates in domestic commerce to regular ship lines traveling regularly between definite ports.

Perhaps the following two paragraphs, which let in a strong side light on the decline of American marine insurance, will help the people of the United States to realize how effective British methods are in fostering and promoting British maritime interests:

> American companies commenced to lose control of their [insurance] business when foreign capital began to operate in the United States. Competition naturally followed, and, to retain their own, American companies had to meet the cut rates and low quotations which foreign companies offer to get the business on their books.
>
> Through adverse legislation of all our States against American insurance corporations; the arbitrary attitude of some of their insurance commissioners in the matter of our investments, although the assets of foreign companies are accepted without question, doubt, or examination; and on account of the favorable conditions under which foreign capital can operate in America, it will be but a short time before our companies will have to cease to be marine underwriters.

I had a curiosity to ascertain whether or not the California Insurance Co. still does a marine business; and it may not surprise you to learn that it does not. So far as marine insurance goes, the California Insurance Co. had to quit. It still continues as a fire insurance company.

Mr. NELSON. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Washington yield further to the Senator from Minnesota?

Mr. JONES. I do.

Mr. NELSON. I want to call the Senator's attention to another matter in connection with this insurance question. I had some experience some years ago when I was chairman of the Committee on Commerce. I found, on examining our laws—and they are unique in that respect—that if an American vessel is seaworthy and properly manned they are not liable for any negligence, and under no circumstances are they liable for any loss of life or any damage for loss of property, except to the extent of the value of the ship and the freight earned. Of course, if there is a wreck, and it occurs through the negligence of the owners of the ship, that is gone, for there will be nothing to pay the losses except the freight earned.

I tried some years ago when I was chairman, as I have stated, to have the law amended so as to make our vessels liable for negligence in their operation; in other words, that it should not be sufficient that the ship was sufficiently manned and that she was seaworthy to escape liability, but the vessel owners, in operating the vessel, must not be guilty of any negligence. I was met by a delegation that came before our committee and who stated that it was wholly unnecessary; that a man can insure his cargo or his freight or insure his life and protect himself and have the insurance company bear that burden instead of inflicting it upon the ship. In other words, they told us there was no need of such legislation to protect against negligence of the ship operator, because you can get insurance against him, and that it was entailing upon the shippers, the men who travel upon the ship, an extra burden; that they were not only required to get the ordinary insurance that they do in foreign countries, but they were required to insure themselves against the negligence of the master and crew in the operation of that vessel.

That is a handicap and a burden which is thrown upon our people in matters of insurance, and that is one item which goes to make marine insurance higher in this country than in Europe. In order to put our shipping on a par with the shipping, for instance, of England, we ought to amend our maritime laws so that the ship operators, the men who sail and navigate ships, shall be liable for all damages that occur in consequence of their negligence. In that case you make it easier for people to get their cargo insured when the ship is lost.

Mr. JONES. That is a very interesting and a very valuable suggestion.

Mr. CHILTON. Is not the suggestion of the Senator from Minnesota [Mr. NELSON] a reason why even foreigners have invested in American shipping? Has not the fact that the American owner of a ship has immunity, as suggested by the Senator from Minnesota, induced even foreigners to invest in American shipping? In other words, it is a benefit to the owner of a ship.

Mr. JONES. I doubt if there is very extensive foreign investment in American shipping. There may be foreign investment in domestic shipping.

Mr. CHILTON. We are talking learnedly about the handicaps that the American shipper has. Now, is not one of the

things that is not a handicap but a distinct advantage to him the very thing suggested by the Senator from Minnesota, to wit, that in this country the shipowner is not liable except to the extent of the value of the wreck or the ship, whichever it may be, and the freight, whereas in other countries, say in England, he is liable to the extent of about £15, or $75, per registered ton—I think it is £15 per registered ton—which would be about the value of the ship if it were new.

Mr. JONES. That may be true. Of course I am not worrying about handicaps.

Mr. CHILTON. I think the Senator will find that that is one of the advantages of American shipping, that has been—I will not say soft pedaled—but it has not, at least, been much adverted to in this discussion.

Mr. JONES. When the Senator from West Virginia refers to American shipping, does he mean American shipping in the foreign trade or American shipping in the domestic trade?

Mr. CHILTON. I mean American shipping in the foreign trade.

Mr. JONES. We have not very much foreign capital invested in American ships in the foreign trade.

Mr. CHILTON. That is a question, like many others in regard to this bill, as to which we have not very accurate information. We are having a lot of guessing, but we have not a great deal of information.

Mr. JONES. I think I have looked into the matter very carefully, and I do not think the Senator will find very much foreign capital invested in American ships in the foreign trade.

Mr. CHILTON. I have not seen many accurate figures on that subject, and I have reason to suspect that the facts may be otherwise.

Mr. JONES. But those are not the questions that I am chiefly devoting myself to to-day anyway. At any rate, those would be very good suggestions for the investigation of the board for which we provide in the bill, to look into and to refer to the matter of the transfer of the inspection service, an' all that sort of thing. Even if it is not provided in the bill, I would expect that one of the first recommendations that would be made by this board to Congress would be the transfer to its jurisdiction of these various bureaus having to do with the merchant marine.

So, what Mr. Fowler prophesied long ago came true, because American marine insurance companies now underwrite only a small proportion of the maritime risks of the United States.

Through the effective boycott of American marine insurance companies—not by the British Government, to be sure—and discriminations against American ships—again, not by the British Government, but in each case through British agencies, and, most of all, completely as effective in their operations as if they were conducted by the British Government—it becomes easier for us to understand how it is that American enterprise has been insufficient to make head against foreign competition in the carriage of our imports and exports.

Should we denounce our rivals? To what end? It were far better that we should learn—not necessarily to discriminate precisely as our rivals discriminate but to discriminate in that way, in any way that we find is best for ourselves and for our own welfare as a nation and as a people. Why should we longer be deterred?

With the insurance of our ships and their cargoes largely in the hands of our foreign rivals—as is the case to-day—naturally both our commerce and our shipping are at their mercy. Already we have seen how merciful our rivals are, or were, when they were given a free hand, by us, in discriminations against our ships and our marine insurance companies, protected, the while, by State laws more friendly to them than to our own home companies, our own home capital, our own home people. We have also seen that discriminations, to be effective, need not, necessarily, be practiced by foreign governments in order to be just as effective in discouraging our shipping and its related interests as if such discriminations were practiced by the foreign governments themselves. What are we going to do about it? Surely, it suggests a field for up-to-date, thoroughly searching, and completely effective investigation by our Federal Shipping Board, if and when created, or by some equally authoritative governmental agency. Manifestly, such an investigation should by no means be limited to the laws and regulations of foreign Governments—the investigation should search out and find every agency, governmental or private, that practices any methods and employs customs destructive of successful American competition in everything that appertains to the building and operation of ships in foreign carrying, and all of the accessories of such building and operation.

Closely related to this question of marine insurance of hulls and their cargoes—inextricably interwoven with it, as has already been shown—are the rules under which vessels are built, and the classification and rating they receive, based upon their construction. This, too, receives the extended attention of the late Commissioner of Navigation, Capt. William W. Bates, in his invaluable work on "American Navigation," which should be read with the utmost care by every student of our maritime problems. On this phase of the subject, he says much, only a little of which I have time to quote:

> It is supposed by many that subsidies, subventions, and bounties constitute the present foreign systems of ship protection. We shall explain these, but in this chapter shall give special attention to a method strictly English, introduced 68 years ago. Few of our people know about this method, or comprehend its want of principle. The author's business experience drew his attention to it 48 years since.
>
> A rival's craft: When the British Government induced our own ships to give up a moiety of ship protection, on the ground that it would reciprocate, and virtually promised that "reciprocity" or non-protection, should prevail in direct trade thenceforth, it was assumed, at least in the United States, that fair and honorable competition would be common on both sides. The idea was that the flag should cut no figure in freighting. It was supposed, of course, that preference would rule engagements in many cases, but very few anticipated that this principle could or would be worked by private endeavor into constituting an effectual system of shipping defense—that only the Government of a country could accomplish actual protection. The unexpected happened, however. Being an older and richer country than our own, Great Britain had, or could create, institutions that could take the place of Government. Therefore we have now to describe the action and review the policy of such establishments as the Society of Lloyd's Register Association, and other bodies having power to influence business for the British marine, and to discourage employment for "foreign" ships.
>
> Nature of insurance power: Of the forces that may be mustered to favor or impede the employment of vessels, underwriting leads the list, with ship inspection, classification or rating, registration of character, and sea insurance. Not only hulls, but cargoes and freights—all things at risk in navigation—are the subjects of influence, control, or interdiction. From the laying of her keel and during the life of a vessel she is subject to an irresponsible rule which she may not profitably defy. When this rule is lodged with and controlled by a foreign nation it may work the utter failure of the best-built marine.

Here we reach the fundamentals essential to the creation, development, and maintenance of a marine of our own. If our foundation is unsound or insecure or subject to the control of our strongest rivals, very naturally our whole position is in peril. The more we build upon such a foundation the greater the danger attending our superstructure. It is, therefore, of the very greatest importance that our foundations be ample, sound, broad, and firm, but, most of all, completely under our own control always. If the rules for the construction of ships are not in our own hands, or if, on the contrary, they are formulated by our rivals, manifestly we are in a dangerous position. Especially is this true when the classification and rating of vessels are predicated upon construction, because classification and rating form the basis of insurance of both the vessels and their cargoes. What obstacles to our success, what handicaps and hurdles we invite, what dangers of destruction we incur, if we lodge in the hands of our rivals the control of the rules under which we build vessels, the classification and rating of them, and the insurance of the vessels and their cargoes. How far may we reasonably expect to go, so circumstanced?

We are proud of the fact that to-day in the United States every shipyard is filled with vessels under construction, in some cases work being pushed night and day, and with orders ahead for still more vessels as quickly as the ways upon which they are built are cleared by launchings. But it is a fact but very little known that almost every vessel building in American shipyards, at least for ocean navigation, is building under the rules of the British institution—privately owned—known as Lloyd's Register of British and Foreign Shipping, and this is so largely because when the vessels are completed they may be "classed at Lloyd's," in order thus to secure for themselves and for their cargoes all of the marine insurance required, as has been said, it being impossible to secure a sufficiency of insurance in American companies to cover all of the risk.

Experienced American vessel owners discover that if they build according to American rules they are merely piling up trouble for themselves. To avoid such trouble they build their vessels according to Lloyd's rules, and thus receive Lloyd's classification, whereupon they are able to secure insurance for the vessels and for their cargoes in British companies.

If any innovations or departures, even in the line of better construction, more economical and thorough, are attempted here, full drawings of plans and specifications must be sent to London, where they can be examined by the committee of Lloyd's Register. This delays construction, subjecting builders to great cost, and, if the changes in the end are rejected, the expense of the vessel's construction may be enormously increased in bringing her within the conservative lines required by the London committee of Lloyd's Register. The same is true of engines and boilers, in which the least departure from established methods is attempted. The London committee must O. K. The most

costly and exasperating delays follow before the decision of the London committee is obtained. This has a tendency to discourage progress in designs of vessels and in the methods of their construction in the United States, to keep this country behind other countries in the latest, most economical, and most efficient designs or types of ships, and it allows our foreign rivals to set the fashions that this country must, willy-nilly, follow in the building of ships.

Recently Democrats have indulged themselves with hopes that the United States will be able to adopt some new design, some radical departure, in the building of ships with which our people can go out on the sea and meet—indeed, overcome—foreign competition. This is an illusion; it is a dream, a mirage. The committee of Lloyd's Register of British and Foreign Shipping has the final say. It may reject our new type. It will reject it, out of hand, if it scents the least danger of real American competition; and if the London committee does reject it, the jig is up. There will be no American maritime development worth speaking of so long as Lloyd's Register rules the roost, as now it does.

To be able to build the kind of ships we want, to be able to adopt new designs, to be able to put upon the sea a superior type of American ship, we must first possess, under our own control, marine insurance sufficient to carry every American maritime risk, to carry it wholly in the United States, and wholly free of any need of foreign reinsurance. The sine qua non of an American merchant marine—that is to say, a real American merchant marine—is an abundance of American companies willing to assume, and themselves carry, every American maritime risk.

Probably there is no business in which Americans can engage—no new business, in the United States, at least—that presents more attractive features in the way of safety of investment and assurance of large profits than that of marine insurance. This has recently been demonstrated, and most strikingly demonstrated, by our Government itself. When the European war broke out ocean transportation stood still until the matter was settled of how, and by whom, war insurance could be obtained. Our own American companies felt too timid to take the risks that were necessary. It required a great deal of courage, in the face of unseen and most threatening conditions, for any company—least of all any American company—to indemnify ships and their cargoes against losses due to war. So, we all remember, the Government stepped into the breech, and appropriated a fund of $5,000,000 with which to establish a War-Risk Bureau of its own, and it appropriated $100,000 additional for the expenses incident to the administration of that bureau. This Government War-Risk Bureau, as I understand it, has not undertaken to compete with private companies—quite the contrary. It has been a sort of court of last resort. When war-risk insurance could not otherwise be obtained on American vessels and their cargoes, only then has the War-Risk Bureau, as I understand its operations, come to the relief of American shipowners and shippers of cargoes in American ships. Its record is most creditable. I am glad to give the details of it. From September 2, 1914, to August 3, 1916, I am reliably informed our governmental War-Risk Bureau has issued 1,543 policies, insuring ships and cargoes of a value of $139,113,727, for which the Government received in premiums $2,924,315.20, with a known loss, to date, of only $771,329.57, reduced through salvage by the sum of $58,818.15, reducing the net loss to $712,511.42, which, on its face, would indicate that the Government War-Risk Bureau has earned a profit of over $2,000,000. But it should be said that there are at risk as of August 3, 1916, $11,802,645, and there still may be losses. They are not likely to be serious or greatly to reduce the Government's profit. It is additionally pleasing to be able to state that the expense attending the conduct of the Government War-Risk Insurance Bureau up to July 3, 1916—a period of 22 months—has only been $33,582.47.

Would not you think, in the light of this experience, that the Government would enjoy going it alone and not depending upon Great Britain or any other country for anything needed for the building up of our shipping in foreign or in domestic carrying? Would you think, in the light of this most gratifying operation of our Government War-Risk Insurance Bureau, that the Government would want to start out to destroy our coastwise and Great Lakes' wholly American merchant marine?

Now, the Government has given the country an exhibition of the safe character even of war insurance risks, and the records of American marine insurance business prove that it is not only an extremely safe business but an equally profitable business—not, of course, as profitable as the Government's war-risk insurance business has been, but profitable enough, one would think, to stimulate the formation in this country of enough American marine insurance companies to carry every dollar's worth of American maritime risk, and without reinsuring a dollar's worth of it in any foreign country on earth.

It is not my intention to burden this record with a great mass of statistics, although a study of marine insurance, in detail, is necessary to a comprehensive knowledge of that business. Such details are to be found more completely in the report of the superintendent of insurance of the State of New York than in any other authoritative publication that I know of. And yet that report does not cover all of the marine insurance business conducted in the United States. On the Pacific coast, I am informed, there may be foreign insurance companies doing a marine insurance business not covered by this report. But the total of any such business is comparatively small. The figures I am about to quote cover, approximately, the great bulk of American marine insurance.

Quoting, therefore, from the report of the superintendent of insurance of the State of New York for the year ending with last December, I find that the marine and inland insurance risks written during the year totaled $21,526,601,714, the premiums charged thereon totaling $101,538,966.35. Of this business risks in force at the close of the year totaled $1,722,020,767. This covers the business of 17 New York State joint fire and fire and marine insurance companies, which wrote marine and inland risks totaling $1,123,610,704, the premiums charged upon which were $5,340,607.83, of which risks, amounting to $144,983,318, were still in force at the end of the year; 26 joint-stock fire and fire and marine insurance companies of other States, which wrote risks totaling $5,499,042,415, the premiums on which as charged amounted to $38,641,717.09, of which risks, amounting to $612,461,002, were still in force at the end of the year; 10 foreign fire insurance companies, the branches of which in the United States wrote risks totaling $525,763,118, the premiums charged upon which amounted to $3,717,869.60, of which risks, amounting to $105,640,298, were still in force at the end of the year; 2 New York State marine insurance companies, which wrote risks totaling $2,000,346,005, the premiums charged upon which amounted to $7,460,188.09, of which risks, amounting to $192,826,616, were still in force at the end of the year; 2 marine insurance companies of other States, which wrote risks totaling $2,007,570,542, the premiums charged upon which amounted to $6,829,376.27, with risks, amounting to $136,560,001, still in force at the end of the year; and 27 foreign marine insurance companies whose United States branches wrote risks amounting to $10,420,268,930, the premiums charged on which amounted to $39,549,207.47, with risks, amounting to $529,549,532, still in force at the end of the year. On its face this would indicate that American companies wrote risks totaling $10,580,569,666, the premiums charged on which amounted to $58,271,889.28, and with risks still in force totaling $1,086,830,937 at the end of the year; and that foreign companies did a business in the United States of writing risks totaling $10,946,032,048, the premiums charged against which amounted to $43,267,077.07, and with risks, amounting to $635,189,830, still in force at the end of the year.

My information is that, as a very large part of the marine and inland risks written by American companies was reinsured in foreign companies, the net result to American companies was quite substantially less than would appear upon the face of the figures tabulated. The probability is that few, or none, of the risks written by foreign companies were reinsured in American companies; and this is what justifies the statement that the great bulk of the profits of the marine insurance business that arises in the United States, in connection with vessels and their cargoes, go out of the United States for the enrichment of foreign companies.

The report of the superintendent of insurance for the State of New York, from which I have quoted the figures given, states, as I have said, the premiums charged on the marine and inland risks assumed by these companies, but the premiums seem to be gross sums that, while charged and doubtless paid by the insured, and which amount to slightly more than $100,000,000 by no means wholly accrue to the companies, vast sums being paid in commissions—which commissions, I presume, are a necessary part of the actual expense of conducting the insurance business. One of the tables in the report indicates the "marine and inland premiums written" as distinct from the table from which I have already quoted, showing premiums "charged" on the marine and inland risks assumed, but this table omits any reference whatever to the New York State marine insurance companies, to the marine insurance companies of other States, and the United States branches of foreign marine insurance companies, a little more than one-half of the entire "marine and inland risks" having been covered by the companies not included in the table that shows "marine and inland premiums written" and the succeeding table, which shows "marine and inland losses."

Bearing in mind, therefore, that something less than half of the marine and inland insurance business is covered in the

figures immediately following, it may be said that we are able to come measurably near to ascertain the profits and losses of this business, but not wholly so, because of the "risks in force" at the end of the year, which have still to be reckoned with, and the losses incident to them paid, and paid, seemingly, from the net returns to the companies on premiums received.

With these qualifying remarks, the figures show that the "marine and inland premiums written" by the New York State joint-stock fire and fire and marine insurance companies, the joint-stock fire and fire and marine insurance companies of other States, and the branches in the United States of the foreign fire insurance companies amounted to a total of $28,110,554.49, and that the "marine and inland losses" of these same mentioned companies aggregated $13,053,663.52. It is proper here again to observe that if the distinctly marine insurance companies of New York State, of other States, and the American branches of foreign marine insurance companies were included in the figures just quoted, the aggregate amount in each case would probably be something more than double the figures actually given.

Of the "marine and inland premiums written," the New York State joint-stock fire and fire and marine insurance companies received $3,641,378.04, with losses amounting to $1,584,772.40; the joint-stock fire and fire and marine insurance companies of other States received from "marine and inland premiums written" $21,804,038.85, their "marine and inland losses" aggregating $10,357,834.15; and the American branches of the foreign fire insurance companies received from "marine and inland premiums written" $2,665,137.60, the "marine and inland losses" of which branches aggregated $1,111,056.97.

I place these extremely valuable and interesting data before the Congress in the hope that they will lead to further study along the lines I have indicated, and if the press of the country would but bring the facts regarding the marine insurance business of the United States forcefully to the attention of the people, doubtless the investing public, considering the vast sums in the United States seeking profitable and safe investment, would quickly see to it that new American marine insurance companies were organized, and existing fire insurance companies would doubtless arrange to enter into the profitable business to be found in the assumption of American maritime risks. Indeed, I am informed that already a number of the leading fire insurance companies have had their charters so changed as to enable them to undertake marine business, and the belief is that as the safe character of the investment and the large profits accruing from it become better known, still more fire insurance companies will enter into the marine field, to the end, and as quickly as possible, that this country may be able to carry through its own companies all of the maritime risks upon American vessels and their cargoes engaged in any trade.

The accumulated premiums, Mr. President, obtained on account of maritime risks assumed by insurance companies must necessarily find safe and profitable investment during the period of their accumulation, and until they are paid out in losses, or are properly charged up as the earnings of the companies. These vast sums, aggregating many millions of dollars, could very well find safe investment in American shipbuilding and in American shipping companies, as now obtains in foreign countries from premiums earned by foreign companies earning vast profits from marine insurance, so much of which go to them from this country. Thus it is in other countries—and so it should be in this country—that not only do the marine insurance companies indemnify vessel owners and the owners of cargoes in vessels against the losses incident to their businesses, but they afford the basis for safe loans and investment in related maritime enterprises, all of a most healthy and salutary character.

From all the information I can gather, never were the opportunities better nor greater for this kind of American investment than now, and I cherish the hope that in happier days when the maritime business of the United States will be restored to Americans, shipowners and shipbuilders alike, American marine insurance companies will expand with them, to the end that we may acquire in time—I sincerely hope in a short time—a real and a true American merchant marine in this country, consisting of vessels built in the United States wholly owned by American citizens, commanded, officered, and manned by American citizen—the only kind of an American merchant marine that will be helpful as naval auxiliaries, the only kind of an American merchant marine that we may safely depend upon for the expansion and development of our foreign commerce. And my great, my sincere, regret is that my Democratic brethren can not see this matter in its true American light; throw sectional and partisan feelings to the winds and unite, as patriots and as statesmen, in lifting the maritime interests of the United States wholly out of politics and establishing them as strong and enduring institutions of American progress and development.

Mr. President, a very interesting clipping was sent to me this morning. It seems to be copyrighted, and therefore I will not ask that it be put in the RECORD; but it is an article by John L. Balderston, in the Pittsburgh Dispatch of Sunday, August 13 of this year, with reference to what he saw in going through the shipyards of England a short time ago. He makes some statements here which, if true—and I have no doubt that they are true—ought to lead us to reflect and consider what action we should take, not only with reference to American shipping of a commercial character but also with reference to our naval construction.

We have just authorized a large naval program, and I see that it is reported in the press that the Secretary of the Navy is ready with his plans and specifications to let contracts for all these ships immediately upon the enactment of this law. In my judgment, this is a case where haste makes waste; and where there is the more haste there is the less speed. According to the suggestions made here, these ships, when they are constructed, if constructed upon the plans that we no doubt have now, will be out of date by the time they are finished. His idea is that Great Britain is now actually constructing in her naval yards and in her shipyards war vessels that will far surpass in tonnage and in speed and in armament anything that we have planned or that we contemplate under our naval program. If he is correct, then our ships, as naval vessels, are out of date before they are commenced.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER (Mr. CHILTON in the chair). Does the Senator from Washington yield to the Senator from Minnesota?

Mr. JONES. I do.

Mr. NELSON. How does the Senator from Washington regard this proposition of buying ships, if they can be bought now, or having ships built, if they can be built now, for the Government at a cost of $100 to $160 per gross ton, as compared with prices in normal times, before the war, or from thirty to forty dollars a gross ton, or an increase of 100 per cent? What does the Senator think of buying those vessels, or having them built, at this increased rate, if it can be accomplished? In what condition would we be at the end of five years with those ships on our hands, and what would we get out of it?

Mr. JONES. Oh, we would get very little.

Mr. NELSON. Would not the most of the $50,000,000 be a dead loss?

Mr. JONES. Yes. I covered that in my speech the other day. The building of these naval ships has nothing especially to do with this bill; but I am just calling attention to this article and the statements made by this gentleman who went through these yards. He was not, however, permitted to give details. This much was allowed to pass by the censor. I am simply calling attention to these as suggestions that might be considered in carrying out the program that Congress is just authorizing.

Mr. BRANDEGEE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Connecticut?

Mr. JONES. I do.

Mr. BRANDEGEE. What was the name of the author of the article? Did the Senator give it? I did not hear it.

Mr. JONES. Yes; I did. The author is John L. Balderston. The article was published in the Pittsburgh Dispatch of Sunday, August 13, 1916. The article is entitled, "Wonderful new navy growing on the Clyde."

The suggestion was made the other day, in the consideration of this bill, by the Senator from Florida [Mr. FLETCHER] that at the end of the war the shipping that has been sunk, and all that sort of thing, would cause such a shortage that these abnormal conditions would continue. Of course, that is true to a certain extent; but this gentleman gives some suggestions or ideas here that it is well for us to take into account in connection with that. He says:

> Sandwiched in between cruisers, destroyers, battle cruisers, and submarines I saw many great freighters which will take the places of those sunk by the Germans.

They are under construction. He says, further:

> I understand that in some of the other great shipbuilding centers, which I have not visited, more merchant ships are being built than on the Clyde, which has until very recently been given over almost entirely to naval work. Merchant ships which stood untouched on the slips from the day war began are now being hastily completed. It is recognized by the Admiralty that the shortage of tonnage is so serious that a freight steamer has become valuable as a means toward winning the war, no less than a warship.

To an American, viewing the incredible number of warships building on the Clyde and reflecting, as was inevitable, upon his own Navy, thoughts not altogether agreeable were bound to come. I am in no way qualified or disposed to offer criticism of our methods at home, but I feel most positive that if the British permitted the world to know anything of what they are doing in warship construction, very much more emphasis would be laid upon speed in our new ships. Above all, it is not enough now to lay down ships as fast as those which appear upon the published naval lists of foreign powers. "The ships which England tells the world about are already out of date," said A. H. Pollen, the famous naval expert, in a recent conversation.

That remark came back to me on the Clyde, when I remembered recent discussions in the American newspapers about some of our new battleships, to be the most powerful in the world, and some battle cruisers to be the most powerful of their class, which Congress is just now providing for. When they will be laid down, I don't know. It is perhaps correct to say that these ships are the most powerful concerning which public discussion has taken place anywhere. But I trust the British censor will allow me to say that I have seen British ships building which vastly outclass American ships which as yet are only talked about as the biggest or most powerful or fastest ships of their class. I should be angry if an Englishman said to me: "The British build first and talk afterwards, while you—" but I will not pursue the matter further.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from New Hampshire?

Mr. JONES. I yield to the Senator.

Mr. GALLINGER. On yesterday the senior Senator from Florida [Mr. FLETCHER] asserted that the loss of ships on the part of the allies, constituting the great maritime nations of the world, was so great that there would be a tremendous demand for American ships after the war closed. I was tempted at the time to interrupt the Senator to say that I had no doubt Great Britain was as busy as she possibly could be at the present time in building merchant ships to supply the loss that she had sustained during the war, and that article confirms the thought I had in my mind then. I apprehend that when the war closes Great Britain will have at least as many ships as she had when the war began, and better ships at that.

Mr. JONES. Yes; and I think I referred to it in my speech the other day. I saw in the paper just a few days ago the statement by some person who claimed to be talking in an authoritative way that the German yards were working day and night in the building of merchant ships, and that they were building some of 56,000 tons.

Mr. GALLINGER. I have no doubt of it.

Mr. NELSON. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Washington further yield to the Senator from Minnesota?

Mr. JONES. I do.

Mr. NELSON. In support of the statement of the Senator from New Hampshire, I beg leave to quote a little item from an article contained in his speech, found on page 12571 of the RECORD. It is a small matter, but still it supports the statement made by the Senator from New Hampshire:

It is interesting to note that in spite of the fact that Norway has lost more ships due to war causes than any other neutral nation, she shows the second largest gain, amounting to 139 ships of 306,547 gross tons.

Since the war began about 150 Norwegian ships have been sunk by German submarines; yet in spite of that fact she has increased the total amount of her shipping by 139 ships of 306,000 gross tons.

This appears in the speech of the Senator from New Hampshire. I quote it from that.

Mr. BRANDEGEE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Connecticut?

Mr. JONES. I do.

Mr. BRANDEGEE. I do not know who is the author of the article from which the Senator from Washington has read, but I assume, from such portions as the Senator has read, that he is a man of some distinction in the shipping world; at least, as an expert or authority on the business. Some of the statements made in the article are certainly extremely interesting, and I was going to suggest to the Senator from Washington that he incorporate the entire article in his remarks.

Mr. JONES. Would the Senator say that I have a right to do it? The article is copyrighted. It closes in this way:

Copyright, 1916, by the McClure Newspaper Syndicate.

I do not know whether I had better have it printed or not, in view of that.

Mr. BRANDEGEE. Mr. President, I have never known the Public Printer to exclude from the CONGRESSIONAL RECORD any quotation from any book, whether copyrighted or not. I do not assume that that would hold as against a Government publication.

Mr. JONES. I do not suppose they would object to it. I do not know whether this company would object to its being printed in the RECORD or not.

Mr. BRANDEGEE. There have been quite a number of quotations here from the works of the President of the United States, "The New Freedom" and "Congressional Government," and so forth; and I never heard any complaint about their being printed in the RECORD.

Mr. JONES. We have quoted from them, but we have not quoted them in full.

Mr. BRANDEGEE. But the Senator has quoted such portions as he thought would strengthen his position.

Mr. JONES. Yes; that is true.

Mr. GALLINGER. But surely the publishing house that has copyrighted that article could not prevent a Senator from reading it in this Chamber.

Mr. JONES. No; I think not.

Mr. GALLINGER. It is printed, I apprehend, for the purpose of being read; so I think the Senator could safely place it in the RECORD.

Mr. JONES. I will ask permission of the Senate, then—because it is a very interesting article—to put it in the RECORD.

The PRESIDING OFFICER. Without objection, that will be the order.

Mr. JONES. I will say that I do not know the gentlemen, so far as that is concerned.

The article is as follows:

[From the Pittsburgh Dispatch of Sunday, Aug. 13, 1916.]

WONDERFUL NEW NAVY GROWING ON THE CLYDE—SOLID WALLS OF BIGGER, FASTER, MORE POWERFUL WARSHIPS THAN HAVE APPEARED ON OCEANS—VARIOUS STAGES OF CONSTRUCTION—TO HAVE GREAT FLEET WHEN WAR IS OVER—TORPEDO AND MINE PROOF VESSEL WILL BE WONDER OF THE WORLD—WILL HAVE FOUR TIMES AS MANY SHIPS AS GERMANY AFTER WAR.

(By John L. Balderston.)

[Special letter to the Dispatch.]

GLASGOW, *July 26.*

The man who saw the warships that are being built along the River Clyde and wrote an account of what he had seen would astound the world. I have just seen the shipbuilding yards of the Clyde, all of them, and my brain is still reeling under the impressions produced by the most stupendous scene of naval activity in the history of the world—the phrase is that of a great builder who stood beside me on a little tug that chugged along mile after mile between what seemed almost a solid wall of hulls towering above us on either side.

But no man may visit the Clyde and describe what he has seen. My trip was arranged by the Admiralty, and what is written here consists merely of an attempt to convey to the reader some idea of what the men and women workers of England are accomplishing without giving away any one of some hundreds of secrets—such big secrets that they fairly shout themselves at the least expert observer who passes them. For the reporter who writes a story about the Clyde, however he may bore his readers in America, may be absolutely certain that he will have at least one most attentive reader in the admiralty buildings in Berlin.

The Clyde in peace time is not a haven of rest. Beside the narrow stream, 20 miles from the sea, and 50 years ago only 3 feet deep, the building of ships in the great yards of Beardmore, John Brown Co., Harlan & Wolf, and a score of smaller firms, goes on continuously. Some warships are always under construction, but normally the bulk of the Clydebank shipbuilding goes to swell the great British mercantile marine, nearly half of which was built here.

To-day, as has been true since the beginning of the war, the navy comes first on the Clyde. Until recently practically no work was done here excepting for the navy. If the reader who has seen the Clyde imagines, however, that he can picture what is going on here by thinking of warships on the stocks instead of freighters and liners, he will underestimate the present rate of construction by several hundred per cent. For it is not only the stocks in use in peace time that to-day hold their growing burdens of steel. Ships are being built all along the banks on temporary stocks, so closely crowded together that it might almost be said that in many parts of the river their number is limited only by the amount of water front, since each ship must be built in a position to launch; and when a ship does take the water it is the custom on the Clyde to-day to commence her successor—not next month or next week, but to-day or to-night. An empty slip on the Clyde was something I did not see.

"We figure that the shipbuilding production of the Clyde to-day is slightly greater than the maximum possible turnout of all the yards of the German Empire," I was told by a member of the John Brown firm. "And in saying that," he added, "I am making a liberal allowance for war-time acceleration over the normal output in Germany."

THE NEW BRITISH NAVY.

Keeping this statement in mind, some conception of the size of the new British Navy which is being silently created may be formed when it is remembered that the Clyde, though the largest manufactory of ships in Great Britain, is by no means the only one. On the River Tyne, on the Humber, and the Mersey, and at Belfast, and in the Tees, Hartlepool, and Wear districts ships are feverishly building, as well as in four great Government dockyards. In 1914 the Clyde produced only one-quarter of the total tonnage built in the country. It may be inferred, therefore, that the British are turning out at least four times as many ships as the Germans possibly can make, and there are good reasons why the proportion is probably very much greater than that.

Our trip down the river was interrupted at several points, and, climbing ashore from a tugboat, I was shown at close range some of the most interesting types of ships, types that were unknown before the war. For instance, a great ship of design most peculiar, torpedo proof and mine proof; she can be struck by torpedoes and mines, but when they go off they can not hurt her. She—but another word about her and the censor would be on my head.

Breathless with admiration, I walked round and round a ship which is so fast that she can sail rings around anything of her approximate class in the German Navy or in any other—so powerful she can blow out of the water the mightiest battleship in the service of Britain's enemy. Eighteen months ago that ship was not even designed; at

least, not designed in anything like the ship she appears to-day. When she will be in service I do not know, but she looks about ready for business. I may be permitted to quote the remark of one of the builders of this powerful leviathan: "She will be with the fleet," he said, "less than 17 months after the first plates were laid."

There are other ships building on the Clyde faster than the fastest battle cruiser, mightier than the strongest German superdreadnought. There are ships which I saw which are faster and stronger than the one just mentioned. The most secret details concerning these ships, such as their actual maximum speed, are unknown in the highest naval circles, excepting in that particular most tiny circle to which such things pertain in the ordinary course of business.

The Briton has a reputation for conservatism, but when he takes to the water he forgets this and becomes the most daring of innovators; to illustrate which fact, I may mention a great pile of rusting junk in a certain shipyard. "What on earth's that?" I asked. "Oh," replied my guide, "those were the engines of the ———. We got 'em inside her, then they made some improvements in the design to make them a bit better, so we yanked these out and put in new ones." All this, remember, is a great ship, that must be built, and be built in 17 months.

The greatest of all these ships is being constructed, in great part, by women. I went into the workshops adjoining the ships where she is building, and found the weaker sex perhaps in a majority among the workers. The heavy work, of course, is all left to the men, but in great sheds entirely occupied by women and girls all the delicate work of adjustment that does not require muscles so much as eye was being done. And well done, the shipbuilders say. No one could doubt that Britain has thrown herself heart and soul into this war who stood in that chattering plant, great cranes traveling overhead, enormous hammers descending, forges blazing, and watched these hundreds of women doing the jobs of men who had been called away to fight from this most important of all industries. "If we can put the ladies to building superdreadnoughts, they can do most anything, and we need never lack for men to fight the Boches," remarked a naval officer beside me, and I assented, wondering whether the women whose sharp-eyed work I was watching will be willing to go back to the ribbon counter, the restaurant, the home with its brooms and dish pans when the men come back.

CRUISERS OF MANY KINDS.

Many cruisers of many kinds are building on the Clyde. Patrol boats of exceeding speed, whose mission is to make life unhealthy for the German submarines, are turned out in batches. And wherever there appears no room for a big ship, slips have been erected upon which half a dozen destroyers or submarines are being built. I counted the number of each of these types which I saw during the trip down the river. I am not sorry that the censor does not permit me to print that number, for it would arouse incredulity. I would not believe it myself if I had not made the count. And the submarines and destroyers which are thus being turned out in batches, like standardized cheap motor cars, are very different from those which were known before the war and appear in the naval lists. They are very much bigger, and more powerful, and, above all, faster.

Speed is the dominant note upon the Clyde. Every ship to be seen, of whatever class, is faster than builders of two years ago thought possible. To attempt any further description of the wonders seen on that trip down the river would be futile; I was warned before coming here that I would be allowed to describe precisely nothing at all.

At luncheon on Clydebank, sitting a few yards from a slip where one of the largest Atlantic liners was launched a few years ago, now occupied by a warship bigger than the liner and superior to anything afloat, I put two questions to my hosts, What does Britain want with a navy of such size? and Where does she get the men to man it?

The first question is not so foolish as it sounds. Figures which had just been frankly discussed, and which I can not give, showed conclusively that the feverish shipbuilding of the present, at least with reference to ships newly laid down, can have no reference to danger from Germany in the present war.

At the beginning of the war, the proportion of effective battle strength between Britain and Germany was as two to one, but that proportion is now increasing at a perfectly ridiculous rate. If the war lasts another 18 months, it may be more like four to one, giving the German shipbuilders the benefit of every possible doubt. It is natural therefore to wonder why the strain is being kept up in these islands, for ships are expensive.

Several naval officers of high rank answered my question. They substantially agreed, and I will gather the different points made into one statement. What does Britain want with a navy of such size? It is perfectly true that the margin of absolute safety as against Germany has probably been reached, and if not certainly will be reached long before the ships now being laid down come out. But it is the intention of the Admiralty, at the end of the war, to present before the astounded German people a fleet of such size and power that all thought of ever rivaling Britain upon the seas will vanish from the mind of Germany. Then, and then only, will it be possible to relax the building pressure. Meanwhile, the navy is unhampered by Parliament, since its building activities are wholly secret and it gets all the money it asks for without having to account for a shilling, so the political drag on building programs with which Americans and all democratic peoples, including the British, are so familiar, for the moment does not exist.

AN AFTER-WAR NAVY.

It is intended, however, to produce to the world when peace comes not only an overwhelmingly big navy but the most efficient, with the best guns, the fastest ships, as a proof of the superiority of British design and naval science over the German, which shall convince even the Germans themselves that further rivalry is hopeless.

My second question, as to the possibility of manning the vast numbers of ships which are pouring out of the slips, brought a tribute to the mercantile marine. The number of men now in the navy, I was told, is rather more than twice the number serving in peace time, and most of the new officers are men who served on merchant ships, were members of the naval reserve, and learned enough in their short terms of duty with the fleet in past years to be whipped into shape as capable members of the royal navy in very quick time. As new ships are put into commission, old ones are constantly being shelved, and the crews of the older ships put on board the new ones. The story of how the crews of British submarines are trained was told, but for several reasons I may not repeat it. The difficulty of manning the underwater boats has been solved by a system of training most ingenious, which does not take as long as formerly, and which it is hoped the Germans have not yet fully understood and imitated.

The Clyde is known throughout Britain as the center of labor agitations in normal times, and the introduction of women and unskilled labor into exclusive unions of shipbuilders, jealous of rights and privileges they had won by bitter struggles, has naturally made trouble. Agitators have been deported and newspapers which in the opinion of the Government were preaching disloyalty have been suppressed. The temper of the men, on the whole, is surprisingly good, however. This statement comes from members of the shipbuilding firms, a source not likely to be prejudiced in favor of the workmen. On the day of my visit work was going on as usual, yet the day was a traditional local holiday. There are no holidays on the Clyde during the war and work goes on, day and night, week days and Sundays.

In view of the terrific and continuous labor on the hundreds of ships under construction, I tried to get some idea of the hours the men and women workers are kept on duty. The women regularly get one day off a week, and work as a rule not more than eight hours, and never more than 11, I was told. It has not been found possible to give all the men a day off a week, and stories are told of indispensable workmen whose absence would tie up some whole department working straight through from the beginning of the war, 12 or more hours a day, with only a few days off in 24 months. The working hours are unquestionably much harder than American workmen would put up with, except in such a crisis as this, but the men are successfully appealed to on patriotic grounds. They know that their lot is easy compared to their friends in the trenches, and they know that Britain must have ships.

TO REPLACE LOSS AT JUTLAND.

"It was most touching to see the effect of the battle of Jutland on the curve upon the chart in my office which shows working efficiency," said a manager of one enormous plant which would swallow up the Brooklyn Navy Yard. "There are always a certain number of men who get drunk, or who fail to show up for work, and naturally we have to be pretty lenient with these men, if they are skilled workmen. We can not afford to discharge them. The charts always show, then, a certain falling off from the highest possible level of output.

"But one morning the men read of a fight in which we had lost 17 ships, that struck them hard. I saw the result next week when the curve showing number of hours of time lost through avoidable absence was plotted on the chart. It jumped almost to the perfection line, and a deputation of the men came to the office and said they wanted us to know that the few fellows who didn't show up the morning after the battle news were too drunk to understand that England had lost ships which must be replaced. When they sobered up and took in the news they came back, too. Of course, the effect of such news wears off; it does not last, unfortunately, until the new ships are in commission; but such an incident shows the men's hearts are right. We shall treasure that chart."

It would be misleading, in a story about the Clyde, to give the impression that only warships are under construction. The submarine campaign last year, and especially the more virulent U-boat war this spring, coupled with the highly satisfactory state of the naval building program, resulted in a resumption of the building of merchant shipping on a considerable scale, though not one approaching the normal peace output. Sandwiched in between cruisers, destroyers, battle cruisers, and submarines, I saw many great freighters which will take the places of those sunk by the Germans.

Naval designers have been busy even in this field. It was quite noticeable that many of the ships being built which after the war will travel as ordinary merchantmen had features about them which will make them extremely serviceable to the navy during war time. Special devices for mine sweeping and mine laying and other devices still more closely connected with warfare were to be seen, and I was told that the Admiralty is giving preference in merchant construction to ships which can be used as auxiliaries when needed.

NO WORK FOR PRIVATE SHIPPERS.

All the ships now building on the Clyde, even the most harmless-looking tramps, can only be built by permission of the Admiralty, and the same rule holds in every British shipyard. As a result, no work at all is being done, or has been done during the war, for neutral shipping firms. All energy is concentrated on British need and the needs of the allies. I understand that in some of the other great shipbuilding centers, which I have not visited, more merchant ships are being built than on the Clyde, which has until very recently been given over almost entirely to naval work. Merchant ships which stood untouched on the slips from the day war began are now being hastily completed. It is recognized by the Admiralty that the shortage of tonnage is so serious that a freight steamer has become valuable as a means toward winning the war, no less than a warship.

To an American, viewing the incredible number of warships building on the Clyde and reflecting, as was inevitable upon his own navy, thoughts not altogether agreeable were bound to come. I am in no way qualified or disposed to offer criticism of our methods at home, but I feel most positive that if the British permitted the world to know anything of what they are doing in warship construction, very much more emphasis would be laid upon speed in our new ships. Above all, it is not enough now to lay down ships as fast as those which appear upon the published naval lists of foreign powers. "The ships which England tells the world about are already out of date," said A. H. Pollen, the famous naval expert, in a recent conversation.

That remark came back to me on the Clyde, when I remembered recent discussions in the American newspapers about some of our new battleships, to be the most powerful in the world, and some battle cruisers, to be the most powerful of their class, which Congress is just now providing for. When they will be laid down, I don't know. It is perhaps correct to say that these ships are the most powerful concerning which public discussion has taken place anywhere. But I trust the British censor will allow me to say that I have seen British ships building which vastly outclass American ships which as yet are only talked about as the biggest or most powerful or fastest ships of their class. I should be angry if an Englishman said to me, "The British build first and talk afterwards, while you"—but I will not pursue the matter further.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Florida?

Mr. JONES. Yes.

Mr. FLETCHER. May I suggest to the Senator that he will not question but that at this time Great Britain has resorted to restricting imports because she has not carriers enough to take the freight that would move if there were adequate transporta-

tion facilities. She prefers to devote what tonnage she has to carrying foodstuffs rather than certain other articles of commerce that would go if there were ships to carry them. Now, of course I do not know—we may guess about how busy the yards are—but I apprehend it will be found upon examination that those yards on the Clyde and elsewhere are very much more busy with war orders than they are with the building of merchant ships, and the war orders have precedence, and I very much question if there are many merchant ships being constructed.

Mr. JONES. There is no question but that war orders are given preference so far as that is concerned, and there is not any question but that Great Britain at any rate is prepared for the commercial war that she knows is bound to come when this war closes. I have not any doubt either that Germany, in her extremity, is doing everything in her power consistent with carrying on the war as effectively as possible to also prepare to meet the commercial war that is coming.

Mr. GALLINGER. It is also a fact which can not be denied that when the war closes, and almost every intelligent person believes it will close before any ships can be built under this law, the ships Great Britain and Germany and France have commandeered and taken out of the ordinary service to engage in transporting troops and otherwise will be released and that we shall have a tremendous influx of ships at that time from all those great countries.

Mr. JONES. That is true. As soon as the end of the war is seen those shipyards will bend all their energies toward the completion of merchant ships on the ways and the construction of new ones, and with the wonderful efficiency they will have developed as soon as the war ends they will begin to turn out those ships very rapidly.

There is one other very interesting proposition in this article that I simply want to call attention to. The writer states that practically all the labor, or a large part of the labor, in the shipbuilding plants where they are building war vessels are women. Those women will be trained in that particular kind of work and they are not very likely to quit it, even when the war closes, at least not for a time, under the impulse of the necessity to get merchant ships to carry on the commercial war that will be on.

Mr. President, I have here the Marine News, a very important marine paper published in New York, one of the principal marine papers of the United States. It has a very illuminating article, which is not very long, in the August (1916) number on the importance of marine insurance. I ask that I may insert that in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, that order may be made.

The matter referred to is as follows:

IMPORTANCE OF MARINE INSURANCE.

Few people realize that marine insurance is the primary foundation of marine business. If a vessel is uninsurable, so is her cargo, and only under the most unusual circumstances can such a vessel secure a cargo. This is more true in the United States than in other countries. Writers of insurance at Lloyd's will insure almost anything, provided the premiums are high enough. With us vessels must be sound and seaworthy to command insurance for themselves or their cargoes.

The factors determining insurance of vessels and their cargoes are: Character of construction, classification and rating, age, condition of vessels, and other particular. Vessels whose construction conforms to the rules of organization particularizing in classification and rating command preference according to the popularity of such organizations. British shipping is so predominant throughout the world that naturally British ships, especially when classed in Lloyd's Register of Shipping (as is almost invariably the case), are preferred in foreign ports. Lloyd's Register is consulted, and upon the classification and rating therein recorded insurance of vessels and cargoes is based.

We have our own American Bureau of Shipping, under whose rules vessels are built, and which bureau classifies and rates the vessels so built. American marine insurance companies are by no means as loyal to our American bureau in accepting its classification and rating as a basis of insurance as they should be, everything considered. Much is desired in this respect, notwithstanding the better conditions that recently have obtained.

As a rule, especially in large ships of great cost, it is impossible to secure all of the insurance in the United States that is required, either for vessels or cargoes. This compels recourse to foreign (more often British) insurance companies, and if American vessels are not built according to the rules of a British organization difficulty is experienced in securing British insurance, at least as favorable insurance as competing British vessels obtain for themselves and their cargoes. Hence our lack of a sufficiently strong aggregation of American marine insurance companies to cover all American marine risks, both on cargoes and hulls, acts as a serious handicap to American vessel owners, a condition that adds to the strength of our chief rival—Great Britain. What we are unable to do British companies are abundantly able and ready to do, and, naturally, they "skim the cream of the business," and it is extremely rich cream at that.

This naturally tends to discourage American investment in American ships. If we had 25 great American marine insurance companies in this country with resources comparable to those of the well-seasoned and thoroughly mature Atlantic Mutual, not only would all of our maritime risks be covered by American underwriters, but such reinsurance as was done would be largely done in home, instead of in foreign, companies. But, more important still, such an aggregation of American marine insurance companies would give confidence in and impetus to far larger investments of American capital in American shipping. Beyond successful contradiction it may be stated as axiomatic that enormous impetus and tremendous sustaining power would be given to the development of an American merchant marine if we had double—better treble—the number of American companies engaged in marine insurance that we have to-day.

Considering how profitable marine insurance is, it would be strange that American enterprise has been so backward in furnishing enough American companies to do all of our marine underwriting, were it not explained by the fact that American shipping has all but vanished from the high seas. It would have been as impracticable as it would have been incongruous for American marine insurance companies to have flourished while American shipping disappeared. When we had a great American merchant marine in the gala days of our clippers we had numerous American marine insurance companies. They became powerful through their large profits—they reflected, in fact, the profitable condition of our incomparable shipping. In those days—during the first 60 years of the last century—there were enough American companies fully to cover all of the maritime risks in this country, and without resort to reinsuring abroad, which is such a common practice to-day among American marine insurance companies.

More latterly, and contemporaneously with the impetus recently given to American deep-sea shipping, more insurance of American hulls and cargoes is done by American companies than for many years—probably for half a century. Quite a number of the more progressive and enterprising American fire insurance companies—companies whose assets exceed a hundred million dollars—have had their charters changed so as to enable them to engage in marine underwriting. As the success of one is demonstrated through the large profits accruing from marine business, it has given confidence to others to reach out for a share of it. Perhaps in the course of time the growth of this practice might make the United States self-dependent as to its marine insurance. But from every point of view the establishment of a goodly number of substantial new American marine insurance companies would accomplish infinitely more, and in a far shorter period of time, especially, we repeat, in giving confidence to American investment in American ships. We do not say that this alone would result in an American merchant marine equal to the requirements of our foreign commerce, but, unquestionably, it would give real, substantial impetus to the creation and to the maintenance of such an American marine.

It is not that the United States is lacking in necessary capital. On the contrary, we have it in the greatest abundance. Were investors familiar with the profits arising from this business, at once it would be one of our most attractive forms of investment. Indeed, few forms of safe investments are more attractive. The premiums and reserves that accumulate aggregate vast sums of ready cash, which command ready investment in gilt-edge industries and merchandising, as against the time of their addition to growing surpluses of the companies, their payments in dividends, and in losses. It is a business that needs to be better known to be appreciated for its sterling worth and substantial returns, and every day it is becoming better known and more appreciated, which accounts for its steady expansion, an expansion, however, not nearly so rapid as conditions justify. We have come to rely too much upon foreign—chiefly British—companies. Through their long-established agencies here they have come to be regarded almost as parts of ourselves, an illusion fostered by our long dependence upon them and the lack of more purely American companies. The regrettable part of this condition is that such a large percentage of the profits accruing from marine underwriting goes abroad that might far better remain at home assisting in the development of our rich and varied resources.

Mr. JONES. Although I am not going to discuss the discriminating-duty proposition, I have an article here on that subject which I ask may be included in my remarks.

The PRESIDING OFFICER. It will be so ordered, without objection.

The matter referred to is as follows:

THE DISCRIMINATING-DUTY POLICY FOR BUILDING UP AMERICAN SHIPPING IN FOREIGN TRADE—THE EARLY AMERICAN SUCCESSFUL SHIPPING POLICY UNDER WHICH FOR 72 YEARS AMERICAN SHIPS CARRIED AN AVERAGE OF 80 PER CENT OF AMERICAN IMPORTS AND EXPORTS—A NONPARTISAN PATRIOTIC POLICY ADVOCATED BY EMINENT STATESMEN OF ALL PARTIES.

[NOTE.—When Representative UNDERWOOD presented his tariff bill to Congress it contained a discriminating-duty clause (paragraph J, subsection 7, section 4) by which Mr. UNDERWOOD hoped a start could be made in building up American shipping in foreign trade. Foreign Governments protested against this section, alleging that it would violate existing treaties, but Mr. UNDERWOOD denied that the section would violate any treaties and refused, and the House sustained him in his refusal, to drop the section. Foreign influences were again exerted through our State Department, and doubtless in every other possible way, as soon as the bill reached the Senate, to have the Underwood discriminating-duty section dropped. This time they succeeded. The press has quoted Mr. UNDERWOOD as stating that he would, when the bill went to conference, refuse to concur in the omission of his discriminating-duty section. If he adheres to this determination and the House sustains him, there may ensue a deadlock, unless, indeed, the suggestion contained on pages 69 and 70 of this pamphlet should point the way to an honorable compromise, alike satisfactory to Mr. UNDERWOOD, the House, the Senate, and the President, a compromise affording no basis for the charge that the section would violate any treaty or be an act of bad faith and yet enable the Democrats to carry out their praiseworthy and patriotic plan of building up American shipping in foreign trade.]

With American vessels carrying less than 10 per cent of our imports and exports, and history recording that American ships for many years carried more than 90 per cent of them, we confront the great problem of reviving American shipping in foreign trade.

With American tonnage in foreign trade substantially less than it was in 1810, and with the value of our imports and exports more than twenty-eight times greater to-day than in 1810 the pressing problem of American shipping rehabilitation is emphasized.

The wisest men of history who are recorded as having given attention to this matter have been unanimously quoted as asserting that it is essential to the defense of any nation having a considerable seacoast to possess a home-built merchant marine, manned so far as possible by native officers and seamen, measurably equal to the requirements of its

foreign carrying; and, as "trade follows the flag," we have seen that the nation possessing the largest marine also possesses the largest foreign trade.

To-day the foreign carrying of the entire world, through agreements, pools, conferences, and rings, bindingly made and rigidly adhered to, is completely controlled by combinations of foreign vessel owners who fix rates and apportion the carrying. It is idle to assert, in the face of this ocean-wide monopoly of carrying, that the trade of the seas is open and free to the ships of all the world.

("The right of the American ship to preference in American commerce is so just, so essential to national welfare, that its rights must be redeemed and secured, even if it tasks the national power." Extract from statement by Capt. W. W. Bates (1904) before the Merchant Marine Commission.)

WHY OUR OCEAN-GOING SHIPPING HAS VANISHED.

There are many reasons why American shipping has all but vanished from foreign trade, some of which are: First, the lack of protection for American shipping in that trade; second, the high protection, through subsidies and bounties, admiralty subventions and naval-reserve retainers (approximating $50,000,000 a year in value) as well as discriminations in rail rates, in favor of foreign shipping; third, the higher cost, due to the higher wages paid to labor in American shipyards, of building ships in the United States, as compared with the cost and wages in foreign shipyards; fourth, the higher cost of operating ships under the American flag, due to the higher pay of American officers and seamen, and the higher quality, resulting in the higher cost, of food on American vessels, as compared with the pay and food on foreign vessels. It should be said that, as everything entering into the construction, repair, outfitting, and equipment of vessels built in the United States, either for foreign or domestic trade, is admitted duty free, the cost of materials no longer constitutes an obstacle to the building of ships in the United States. The rigidity and severity of our inspection laws, as compared with those of other countries, the equipment and manning of our ships, also impose higher cost of operation upon American owners.

BUILDERS AND OWNERS HELPLESS UNDER CONDITIONS THEY CAN NOT REMEDY.

These are conditions for which neither builders nor owners of American vessels are in any way responsible, conditions which they are utterly powerless to change, but which so seriously handicap them in their competition with foreign vessels in foreign carrying as to render profit quite impossible.

HOW THE FOUNDERS OF THE REPUBLIC COPED WITH SIMILAR CONDITIONS.

A similar condition confronted American shipping 125 years ago; foreign ships, then as now chiefly British, absorbed the larger part of our foreign carrying. This was remedied through the enactment by the first and subsequent Congresses of laws discriminating in favor of American vessels. The result of the enactment of these laws was that during the period (over 60 years) that they were in full or partial force, and for 10 years thereafter, American ships carried an average of 80 per cent of American imports and exports. That average was maintained from 1789 until 1861. Since then American ships have carried an average of 19 per cent of our foreign commerce, and they now carry 9 per cent.

DISCRIMINATING DUTY LAWS HAVE NEVER BEEN REPEALED.

These old laws have never been repealed; they are still retained upon our statutes, but in a state of suspension. As their suspension was the ruin of American deep-sea shipping, efforts have been made during the past 20 years to have the laws restored to their old vigor and effect.

WHY THIS PAMPHLET IS ISSUED.

This pamphlet is issued for the purpose of presenting to the people the arguments used by those in Congress in behalf of the readoption of this old policy that was so long and so successfully in force, together with public statements made by others, who have, at different times and in different manners, expressed themselves in favor of the old American policy of discriminating import and tonnage dues.

A DISCRIMINATING DUTY STUDY.

Soon after the Civil War the subject of our shipping in foreign trade was taken up by Congress. One of the first moves toward a readoption of the old policy of discriminating duties resulted from the report by Joseph Nimmo, jr., Chief of the Tonnage Division of the Treasury Department. This report (see Ex. Doc. No. 76, 41st Cong., 3d sess.) set forth the practical workings of "maritime reciprocity," which superseded our discriminatory or preferential laws, and showed most clearly that the United States had suffered seriously as a consequence, and as a consequence of the subsidy laws put into force and so steadily maintained by Great Britain in support of her steam shipping. But nothing came from this discussion, and for 20 years or more thereafter our people and Congress eagerly followed the will-o'-the-wisp of subsidies and bounties, thinking through the adoption of the British policy to restore to American ships a fair share of American foreign carrying. Then followed the Frye ocean mail act of 1891, the provisions of which, as the measure passed the Senate, were reduced one-third in the House. This emasculated and feeble enactment has given us a few lines of steamships, but has been ineffective in arresting the decline of American shipping in foreign trade. Our tonnage in foreign trade in 1891 was 988,719, and in 1912 it was 923,225 tons.

SENATOR FRYE'S ADVOCACY OF DISCRIMINATING DUTIES.

So disheartened and so disappointed was Senator Frye with the result of his efforts in behalf of subsidies and bounties that when the Wilson-Gorman tariff bill was before the Senate in 1894 he formally moved amendments to the vitiated but still existing discriminating duty clauses of that bill that, if adopted, would by this time have gone a long way toward giving adequate protection and proper encouragement to American shipping in foreign trade.

The greater part of Senator Frye's speech in support of his discriminating duty amendments made in the Senate on June 20, 1894, will be found below. Especial attention is invited to his clear-cut and incisive discussion of the shipping question, his bold proclamation that he had always believed this was the wise policy for ths country to adopt, and the eminence of other Senators from different parts of the country who interpolated remarks more or less in favor of the amendments Senator Frye advocated:

SPEECH OF SENATOR WILLIAM P. FRYE, OF MAINE, JUNE 21, 1894.

[See CONGRESSIONAL RECORD, pages 7770 to 7774.]

Mr. FRYE (of Maine). I desire to offer amendments to sections 14, 15, and 16. As the amendments have but one purpose I shall offer them as one amendment after the three sections have been read.

The PRESIDING OFFICER. The reading of the bill will proceed.

The Secretary read as follows:

"SEC. 14. That a discriminating duty of 10 per cent ad valorem, in addition to the duties imposed by law, shall be levied, collected, and paid on all goods, wares, or merchandise which shall be imported in vessels not of the United States; but this discriminating duty shall not apply to goods, wares, and merchandise which shall be imported in vessels not of the United States, entitled by treaty or any act of Congress to be entered in the ports of the United States on payment of the same duties as shall then be paid on goods, wares, and merchandise imported in vessels of the United States.

"SEC. 15. That no goods, wares, or merchandise, unless in cases provided for by treaty, shall be imported into the United States from any foreign port or place, except in vessels of the United States, or in such foreign vessels as truly and wholly belong to the citizens or subjects of that country of which the goods are the growth, production, or manufacture, or from which such goods, wares, or merchandise can only be, or most usually are, first shipped for transportation. All goods, wares, or merchandise imported contrary to this section, and the vessel wherein the same shall be imported, together with her cargo, tackle, apparel, and furniture, shall be forfeited to the United States; and such goods, wares, or merchandise, ship or vessel, and cargo shall be liable to be seized, prosecuted, and condemned in like manner and under the same regulations, restrictions, and provisions as have been heretofore established for the recovery, collection, distribution, and remission of forfeitures to the United States by the several revenue laws.

"SEC. 16. That the preceding section shall not apply to vessels or goods, wares, or merchandise imported in vessels of a foreign nation which does not maintain a similar regulation against vessels of the United States."

Mr. FRYE. Mr. President, I offer the amendments which I send to the desk as one amendment, because together they effect one purpose.

The PRESIDING OFFICER. The amendments will be stated.

HOW TO REVIVE DISCRIMINATING DUTIES.

The SECRETARY. It is proposed to amend section 14 by adding thereto the following:

"Until after January 1, 1896, and notice of this provision shall be given all nations before the 31st day of December next."

To amend section 15 by inserting after the word "treaty," in line 2, the words:

"Hereafter made and ratified."

To amend section 16 by adding thereto the words:

Until after January 1, 1896, and notice of this provision shall be given all nations before the 31st day of December, 1894.

Mr. FRYE. Mr. President, section 14 of the pending bill provides for a discriminating duty of 10 per cent on certain goods which are brought in on American bottoms. It has been a provision of the law for a great many years, but is to-day of no earthly account, because we have given away every advantage we ought to derive from it by reciprocal legislation and by treaties. Undoubtedly, I suppose, the Secretary of the Treasury to-day would say that he did not know of an instance in the last five years when such provisions as those contained in this section 14 had been applicable, and there had been a discriminating duty allowed.

EFFECT OF AMENDMENTS.

The pending amendments, if agreed to, will have this effect: To give notice to all the nations of the earth of a discriminating duty of 10 per cent in favor of all goods brought into the country in American vessels; and that notice will abrogate all treaties hitherto made, which to-day stand in our way, and repeal all reciprocal legislation; and it is for the purpose of making another attempt to revive our marine on the ocean that I offer these amendments.

HOW THE FATHERS DID IT.

The fathers seemed to understand this question perfectly, and in the first tariff act ever passed in the United States, approved July 4, 1789, the following discriminating duties were imposed on teas per pound imported in American vessels:

Teas imported from China or India bore duties as follows: Bohea, 6 cents; Souchong, 10 cents; Hyson, 20 cents; other green teas, 12 cents.

Imported from Europe: Bohea, 8 cents; Souchong, 13 cents; Hyson, 26 cents; other green teas, 16 cents.

If these teas were imported in American bottoms, these duties were imposed, but if they were imported in foreign-owned and foreign-built ships, then the duties were doubled, Bohea tea being 15 cents, Souchong, 22 cents; Hyson, 45 cents; and other green teas, 27 cents, practically doubling the duties on teas imported here in foreign bottoms. On all other goods imported from China or India in foreign ships there was a 12 per cent ad valorem duty.

The same law provided a discount of 10 per cent on all duties on other goods imported in vessels built and owned in the United States as described above.

Thus there was a discrimination of 50 per cent on all teas and a discrimination of 10 per cent on all other goods brought into the United States in American bottoms.

But that did not quite satisfy the fathers. In the act of January 20, 1795, instead of making a discount of 10 per cent of the duties, they provided for an addition of 10 per cent to all duties on goods imported in foreign vessels, except in cases where such additional duty had been before laid.

Again, the act of March 27, 1804, imposing more specific duties on certain articles, provided for 14 per cent additional ad valorem upon importations of such articles in foreign vessels. The same act also provided that a duty of 50 cents per ton, to be denominated "light money," should be levied and collected "on all ships or vessels not of the United States, which, after the aforesaid 30th day of June next, may enter the ports of the United States."

By the act of July 20, 1789, the following duties or taxes were imposed on all vessels:

On vessels built in the United States and belonging to citizens thereof, or built abroad and owned by such citizens on May 29 of that year, 6 cents per ton.

On all vessels thereafter built in the United States belonging to foreigners, 30 cents per ton.

On all other vessels, 50 cents per ton.

United States vessels in the coasting trade to pay tonnage but once a year and foreign vessels employed in our coasting trade to pay 50 cents per ton at each entry; which was an enormous duty.

CAUSE DESPERATE—EFFECT MAGICAL.

What was the trouble which made the fathers provide all these discriminating duties for American ships? It was that in 1789, when the first law was passed, we had but 124,000 tons of shipping engaged in the foreign carrying trade; we carried only 17 per cent of our imports and 30 per cent of our exports; and the wise men of that day determined that we should carry our own imports and our own exports in American-built vessels. So they passed that law. What was the effect? In 1795 we had 529,500 tons of these ships, and carried 92 per cent of our imports and 88 per cent of our exports. In 1800 we had 667,000 tons. We then carried 91 per cent of our imports and 87 per cent of our exports. In 1810 our tonnage had reached 1,000,000, and we were carrying of our imports 93 per cent and of our exports 90 per cent.

The wise men of that day had done well. They had transferred from Great Britain the carrying trade of the United States, which when they entered upon this crusade was 85 per cent, and given it to us; and we carried 93 per cent of our own, and it was done by these laws discriminating in favor of American vessels and against foreign vessels; it was done by men who believed that they ought to look out for their own household first, who loved their own country more than any other and dared legislate as this love prompted.

HOW WE STAND TO-DAY.

How much tonnage have we to-day in the foreign carrying trade? In 1810 we had 1,000,000 tons and were carrying 93 per cent of our exports and imports. To-day we have 938,000 tons, about 100,000 tons less than we had in 1810; and to-day, instead of carrying 93 per cent, we are carrying but 12 per cent of our own exports and imports and are paying Great Britain $175,000,000 every year to do our own carrying trade for us.

Mr. LODGE (of Massachusetts). If it would not interrupt the Senator, I should like to ask him, in this connection, if Great Britain has not pursued by indirection the same methods—that is, by the rates on insurance at Lloyd's, and by premiums on iron steamships—of discriminating in favor of her own tonnage down to the present day?

PRESENT EFFECTIVE BRITISH DISCRIMINATION.

Mr. FRYE. Mr. President, the most persistent, continued effort on the part of Great Britain to prevent our vessels getting any of the carrying trade has been pursued always from the very beginning down to now. The Lloyds will rate our vessels second rate when they ought to be rated even above a first-rate British ship to-day, and the Lloyds control the entire marine insurance of the world, at any rate so far as that of Great Britain and the United States are concerned. Their companies are controlling all the marine insurance in our country, and are discriminating against our vessels.

Mr. PERKINS (of California). It has been also shown to-day in debate that England will not permit salt to be carried from England to the East Indies from her own provinces in any other vessels except those of English build and flying the English flag.

Mr. PEFFER (of Kansas). Will the Senator allow me a question?

Mr. FRYE. Certainly.

Mr. PEFFER. The Senator from Maine is unquestionably as well informed upon this subject as any member of this body. I wish he would give the Senate the benefit of his views as to how the United States can recover the lost carrying trade. What ought we to do?

Mr. FRYE. Mr. President, I have just offered an amendment to the pending bill which will beyond any manner of question, if it be adopted and the bill become a law, restore the American merchant marine to the old position it occupied in 1810.

Mr. PEFFER. I am to blame doubtless for not having heard the amendment.

Mr. FRYE. It provides a discriminating duty.

Mr. PEFFER. To what effect?

Mr. FRYE. In favor of all goods imported into the United States in American bottoms.

Mr. PEFFER. Another question, because this is a very important matter, and I hope the Senator will pardon me. Does the Senator believe that that policy would be sufficient to overcome the fact that ships, ship tackle, and shipping outfits are all regarded as property taxable under State laws? Then, further, will it not be necessary in the end for the United States in some way to relieve the shipping trade of State taxation?

Mr. FRYE. Mr. President, under the Constitution the United States can not relieve ships from State taxation; but I am happy to inform the Senator from Kansas that many of the States do now relieve them from this burden. New York does.

Mr. PEFFER. Does Pennsylvania?

Mr. FRYE. I do not know about Pennsylvania, but New York, of course, is the great important owner of ships. I think Massachusetts relieves them from taxation.

KANSAN EXPLAINS SHIPPING HANDICAP.

Mr. PEFFER. Another point. If the Government of the United States were to relieve American shipmasters and American ships from all other burdens except those which are necessarily thrown upon them by the difference in rates of interest on money prevailing in England and the difference in the rates of wages prevailing between the English seamen and ours, would that be sufficient to overcome the difficulty, or if we were to make ships and give them as a gift to American seamen and let them run them on the seas free of duty, free of all charges, either from the State or National Government, is there not enough of difference in the rate of interest of money in Great Britain and the United States and in wages of labor to run the American ships ashore and out of business?

Mr. FRYE. Mr. President, the Senator has opened up a pretty wide subject. The rate of interest is a small matter, and would not make any great difference. The difference in wages in the running of British and American ships is very important, I admit, and also the cost of living on board a British ship as compared with that on an American ship favors greatly Great Britain, and so of all foreign nations. But the most serious thing we have to contend with is that our ships on almost every line of the carrying trade are compelled to compete with foreign ships which are subsidized by Great Britain, Germany, France, Spain, and Italy. The result is that where it costs us to-day $7 or $8 a ton to carry goods, it does not cost them over $5. They have that advantage of us, and we have no advantages to offset. We are competing openly with them, left absolutely alone and unprotected and unencouraged.

The provision which I offer is one of immense protection. I have no doubt it would revive our carrying trade upon the ocean. For 20 years I have been——

KENTUCKIAN WANTS LIGHT.

Mr. LINDSAY (of Kentucky). I ask the Senator, with his permission, when these preferential laws in favor of American ships were repealed?

Mr. FRYE. We made treaties with Great Britain and with Sweden in 1815. We passed acts of Congress in 1817—in 1828, accepted by Great Britain in 1849—providing for reciprocity, by which all protection to our ships in the foreign trade was gradually removed and the right to again encourage by discriminating duties and tonnage taxes surrendered.

Mr. LINDSAY. I will ask the Senator, with his permission, another question, and that is, if the American shipowners did not maintain the supremacy of the American trade until about 1860?

WE THOUGHT WE WERE STRONG.

Mr. FRYE. Just so long as the trade was carried on in wooden ships the United States could and did hold its own with the world, and that was the reason our wise fathers thought that in 1815, 1820, and 1828 they could give these privileges away, that we could compete with Great Britain even, and build ships for her. We were all right, we thought, just as Great Britain thought when she adopted free trade. She believed that she was in condition to stand it, and whether other nations could or not she did not care.

For 20 years I have been trying to restore this American shipping interest to the place to which it is entitled. We have here as powerful a nation as there is in the world, as rich a nation, and more seaboard than any other. We have as good sailors and shipbuilders and as energetic men as can be found anywhere. There is no earthly reason why our flag should not be seen in every port in the wide world, as it was 50 or 60 years ago.

I am not going into the question as to what has caused our decay, because that would necessitate a speech of two hours in length, and I do not propose to delay this bill by anything of the kind. I simply wish to get a vote on this proposition to discriminate—as section 14 recognizes the principle—against all nations in favor of American ships, and give them notice a year in advance that we intend to do so, and thus restore ourselves to our former condition.

("It seems to me that the only way to revive this industry is for the Government to protect it in some manner either by direct subsidy or by differential duties. The latter system would meet with more general favor from all parts of the United States, because it is more in the form of indirect taxation than direct." Extract from remarks before the Merchant Marine Commission (1904), by H. L. Aldrich, president and treasurer of the publication Marine Engineering, of New York.)

I was remarking, when the Senator from Kentucky interrupted me, that for 20 years I have been making this fight. That we have gained immensely in that time there is no doubt, in some respects. We have relieved our ships from an enormous number of burdens, amounting to millions of dollars every year. We never have been able to go the one step further and do what other nations do, put them on an equality by subsidies or by bounties. The Democratic Party is committed against bounties and subsidies, but by no vote anywhere committed against a discriminating duty. There is no Democratic vote in the whole history of the country where the party is committed against such a duty. Here is section 14, which provides for a discriminating duty, which has had the vote of every Senator on this floor.

Mr. President, I believe and have always believed that the true method of revival is through discriminating duties; that the fathers were right; but I have always been restrained by these treaties. Many of our treaties have done us immense harm. The Nicaragua canal would have been to-day built if it had not been for the Clayton-Bulwer treaty, and if that spook had not been shaken in our faces here in the Senate; and the American merchant marine would have been where England's is to-day if it had not been for the treaties we have made with those countries and our accepted reciprocal legislation. A treaty is no more sacred than a law, and I am in favor of one more trial and of the Democratic Party voting for discriminating duties, they having entered upon the race this very day in section 14, which they knew meant practically nothing.

Mr. CAFFERY (of Louisiana). I should like to ask the Senator from Maine a question. I understood him to say that down to 1860 the United States maintained her supremacy in the carrying trade because she had good ships, and because she could build those ships cheaper than England built theirs. If the conditions were changed, and if the United States could build ships as cheap if not cheaper than the English, could she not regain by that her supremacy on the seas?

WHEN WE BEGAN TO LOSE.

Mr. FRYE. No; she could not. I did not mean to say that we retained supremacy down to 1860. We did not. I did not notice the question which the Senator asked me. We maintained our supremacy for a good many years, but not down to 1860. We began to lose very largely our carrying trade along in 1856, 1857, and 1858, and during those years lost more than at any other time except during the war.

Of course, we lost more then, for reasons any Senator can comprehend. During the war we could do nothing for our marine, and after the war for six or seven years we were powerless, because our currency was so disturbed, Great Britain had commenced building the iron steamships and had invented the triple and compound engines, and all that sort of thing, and away she went out of our sight. We let her stay there. We never have in earnest tried to catch her from that day to this.

Mr. STEWART (of Nevada). Before 1860, by subsidizing her mail ships on the ocean, England drove the American lines off.

Mr. FRYE. Oh, yes; her whole history has been one of subsidy.

Mr. BLACKBURN (of Kentucky). Will the Senator from Maine allow me to ask him a question?

Mr. FRYE. With pleasure.

Mr. BLACKBURN. Did I understand the Senator from Maine to say a moment ago that we lost more heavily in foreign commerce during the four years of war than ever before?

Mr. FRYE. In our carrying trade.

Mr. BLACKBURN. Does the Senator mean to exclude or include the coastwise trade?

Mr. FRYE. Exclude it.

Mr. BLACKBURN. I should like to have the figures in support of that statement. Whilst it is true that the foreign carrying trade of this country was not increased from 1861 to 1865, it is equally true that it was substantially as heavy in tonnage in 1865 as it was in 1861. It did not shrink; it simply failed to increase.

Mr. FRYE. The Senator from Kentucky, I think, does not know quite so much about this as I do. Pardon the immodesty of the remark.

Mr. BLACKBURN. I am used to that from the Senator from Maine.

SHIPS IDLE FROM FEAR.

Mr. FRYE. We had tonnage, but where was it? It was tied up at the wharves, because British cruisers were crossing the ocean and capturing it wherever they could lay hands on it, and we did not dare go to sea. Our ships were tonnage, but they were not carrying freight. If the Senator from Kentucky will look at the reports, he will find that we lost in the four years of war 38 per cent of the carrying trade, and we lost before the war, in from 1856 to 1860, inclusive, about 15 per cent of the carrying trade. We have been losing from that time down to last year, and last year it improved just a trifle. But the tonnage does not tell the story, as the Senator will see. We were afraid of you. We feared you would capture our ships.

Mr. BLACKBURN. There was no occasion for that.

Mr. FRYE. We were afraid you would take our men, force them into your army, and make them fight us, and so we stayed at home, at our wharves.

TIME TO BEGIN ANEW.

Mr. SQUIRE (of Washington). I should like to ask the Senator from Maine a question before he yields the floor. Is it not true that one of the reasons for the failure to develop the American shipping is owing to the fact that the American people have been engaged in expending their energy and money in the great internal development of the country of the United States, by its immense railway systems? I desire to ask the Senator from Maine whether that is not a great reason for the failure to undertake exploiting the business of carrying the commerce of the world outside of the United States. Has not the enlarging of our railroad systems and methods of transportation in the United States, and the development of our far western region been such as to occupy the capital and the energy of the people of the United States? But now, that having been done to the extent it has gone on, we are better prepared than we have been before to undertake the business of carrying foreign commerce.

OUR PRESENT HANDICAPS.

Mr. FRYE. The Senator from Washington is unquestionably right. The Senate will pardon me for not undertaking to go into these questions. I did not propose to make an argument or give a history of our decline in shipping. As the Senator understands, we are very limited in time. At some other time or on some other occasion I shall be very happy to discuss the question and go into it thoroughly. It is impossible to do it now. But the principal reason why we can not compete is that wages of foreign nations are lower than ours and that under the American flag an Italian or any other foreign sailor demands American wages. Another reason is that our sailors live 40 per cent better on board ship than any sailors on the face of the earth. Another reason is that every maritime nation on earth pays bounties or subsidies to its ships and ours pays none. We have allowed this to be done year after year without undertaking to save our own vessels except to a very limited degree two years ago in establishing a Postal Service.

AN OLD, TRIED POLICY.

Mr. HIGGINS (of Delaware). Mr. President, my extreme anxiety that the amendment of the Senator from Maine [Mr. Frye] shall be adopted leads me to say a few words. I hope that the amendment will be considered by our friends on the other side of the Chamber as a matter apart from the general policy of the bill. I wish to call the attention of the members of the Finance Committee who sit on the other side and the Senators generally to a matter that was a great surprise to me, that the discriminating duty provided in sections 14 and 15 of the bill is no novelty. I was surprised to know that there was such a provision in the bill. But it is time honored. It has come down in our tariff statutes as an inheritance from the founders of the Government.

BAD FAITH OF FOREIGN RIVALS.

I presume it is the very language in which such a discriminating duty was put in the first statute of this country, and which contributed so much to the building up of our merchant marine. The language of section 14, in the first four lines, is as follows:

"That a discriminating duty of 10 per cent ad valorem, in addition to the duties imposed by law, shall be levied, collected, and paid on all goods, wares, or merchandise which shall be imported in vessels not of the United States."

The remaining provisions of the section only supplement what is said there. It was under such a provision that our merchant marine was built up to its great extent before 1856 and 1857 and the disasters of the war. Great Britain finally accepted in 1849 the legislative offer which we had made them of a treaty to abandon those discriminating duties after they had in 1846 repealed the corn laws and gone to the principle of free trade. Then for the first time she abandoned her policy of holding for herself the trade of her own colonies, and also of maintaining discriminating duties in favor of her own ships. If she had done as we did, stopped there, the conditions in that respect between the two nations would have been equal, but when she and the United States together at the same time by treaty took off the discriminating duty against the ships of the other country respectively, Great Britain, if she did not then begin, at least kept up and maintained, and has maintained from that time to this, her system of bounties. We have not done so. We have therefore been playing against loaded dice.

We on this side thoroughly understand that the Democratic Party is committed in its policy against the principle of bounties, and that a vote in favor of such a policy could not be had.

My object in saying anything at all is to ask our friends on the other side of the Chamber whether they can not restore to sections 14 and 15, their original broad character and application by adopting the amendment of the Senator from Maine authorizing the Executive to terminate these treaties by notice, and thereby vivify these sections and restore these great means of support to our marine in the future.

("I think the only remedy is to place a duty upon all cargoes coming into American ports in foreign vessels sailing between American ports and ports over which they have no jurisdiction." Statement by James E. Flynn, deputy United States shipping commissioner at New Orleans, before the Merchant Marine Commission, 1904.)

GOOD OLD AMERICAN REMEDY.

If that is done, I think we will have taken by far the longest step toward the restoration of the American merchant marine. It can not be restored simply by the ability to build ships cheaper. That alone will not do it. It will scarcely contribute toward doing it. Neither can we hope to equalize the conditions between the merchant ships of the two countries by any expectation that the American sailor will accept as low wages and as poor living as the foreign sailor. As I have already said, we can not hope for a bounty to meet the subsidies of foreign nations; but here is this good old American remedy against which the Democratic Party is not committed, and by which they can give a great boon to the people of the United States, in all parts and in all sections, and to our whole country.

OUR RAILWAY DEVELOPMENT.

Mr. HAWLEY (of Connecticut). Mr. President, I wish to touch upon a single feature of this case, and to call attention to a single consideration. I hear an implied reproach to this country in that it has not its proper numerical proportion of shipping. I am not troubled about it at all. The American Nation has used its capital and put forth its power where it could be done to the very best advantage.

The Senator from Washington [Mr. Squire] has referred to this. We are not upon the ocean in our numerical proportion, because in that we are following the free-trade doctrine—that is to say, we take where we can get a thing cheapest. The carrying can be done cheaper by Norwegians and Italians and other seamen, at a third of what Americans will work for, and the men who build those foreign ships are working for about one-half or two-thirds what the American shipbuilders will work for. So the ships are cheaper, the wages are cheaper, the food and clothing given sailors are cheaper, the officers are paid figures which make you ashamed when you ask them on shipboard what they get.

What have we done? Where are we using our power and our money in that general field of commerce? We have about 171,000 miles of railway. By Poor's Manual they are worth $11,000,000,000. The figures are beyond the capacity of the human intellect to properly grasp and appreciate. Say that our railways carry freight at twice the speed of a mercantile marine; I am told by Mulhall in his Dictionary of Statistics, by which I have just refreshed my memory, that British merchant steamships cost from £16 to £24 per ton. We will average it at $100 a ton. The ten thousand million dollars, then, divided by $100 gives us the money equivalent of 100,000,000 tons of shipping. Great Britain has 7,000,000 tons of shipping. Converting our railroads into shipping, we have fifteen times as much as the mercantile marine of Great Britain.

Mr. SQUIRE. In tonnage.

Mr. HAWLEY. In tonnage. Our railways represent in tonnage fifteen times as much and freight trains run twice as fast as the average merchant ships sail. Our railways represent practically thirty times the mercantile tonnage of Great Britain upon the seas. That is the reason we are not upon the sea with our ships; we are doing better. While we are worrying ourselves over the statistics of international commerce, much exploited and vastly magnified in importance, we are adding fifteen or eighteen millions of inhabitants to our population in this decade, and adding within 10 years past from three to ten thousand miles of railway to our splendid system.

The United States is not fooling away its time in this country, sir. We are far and away the most powerful and magnificent nation.

TIME TO CONSIDER SHIPPING.

Mr. SQUIRE. If the Senator from Connecticut will allow me, I will ask him whether he does not think it is about time now for us to commence to agitate the question of going into foreign commerce?

Mr. HAWLEY. I should be very glad if we had more shipping; but you can not force the American when he is making 6 per cent in one pursuit to change to another and be satisfied with 3 per cent. Our time will come, probably, to take our share of international carrying. We could have a great deal more of it now if we followed the course of other nations, notably free-trade Great Britain, and protected our shipping by bounties and otherwise. Great Britain, as I have said many times, is the most violently protected country in the world when you come to properly understand her policy. In the matter of salt, I gave an example of it in previous remarks.

SHIPOWNER AND SHIPBUILDER.

Mr. LODGE. Mr. President, there always seems to be in the popular conception of this subject great confusion between the shipbuilder and the shipowner. We hear it constantly said upon the stump that we have been giving protection to our shipping for all these years and yet see the manner in which it has declined. The remedy proposed on the other side, by the free trader, is to give us free ships, to allow us to buy ships wherever we choose.

Now, the shipbuilder is one person, the shipowner is another. We have always given protection to our shipbuilders. From that follows no protection to the shipowner, and we have given no protection to the shipowner. If you were to have free ships to-morrow it would not affect the shipowner particularly, because he would still have to compete with the high protection which is given by all other countries, and particularly by England, to the shipowners of their countries. When England entered upon her policy of free ships, which was a crude and merely nominal move, most of our tonnage was in wood, and the result of her free-ship policy at that time was to transfer very largely the building of ships to this country. I think that act was passed about 1849, and, by 1852, 60 per cent of the new English wooden tonnage was built in this country.

The question that is involved here is a wholly different one. It has nothing to do with shipbuilding or with free ships. It is a question whether we shall give to our shipowners the same advantages that all other countries give to theirs. We do protect them in the coastwise trade, and that trade is enormous. But aside from that we give our shipowners absolutely no protection, neither subsidy, discriminating duties, nor discriminating rates of insurance as Lloyd's does, nor premiums on iron ships. We give them nothing. With the higher wages which they are obliged to pay to their seamen, they are simply driven from the sea. Here in the bill is a clause giving distinctly discriminating duties in favor of the American ship and the American shipowner.

TO REVITALIZE A TRADITIONAL PRINCIPLE.

Every man in the Senate will vote for that clause, and yet I suppose the Democratic Party will decline to vote for the amendment of the Senator from Maine, which alone can make that clause efficient or effective in any way. In other words, all of us, Democrats and Republicans, recognize that traditional principle of the country in that clause, and we do not allow ourselves to make it effective. The question of free ship or protected shipbuilding is one thing; the question of protecting ship owning is another. This involves the question whether we shall encourage our merchant marine as it has been the traditional policy of the country always to do.

WE GAVE SUBSTANCE FOR SHADOW.

The Senator from Maine [Mr. Frye] pointed out how we began it in the beginning of our Government, and how the tonnage rose under it. After the War of 1812, which, of course, had the effect of breaking up

our merchant marine very largely and breaking up our carrying trade, we returned to our old discriminating policy, and our proportion of the carrying trade rose by leaps and bounds again, just as it did after the Revolution. We had given it away by these treaties, and other countries, while they had given us the same thing by the treaties, had been very careful to provide similar discriminations for their own merchant marine by subsidies, by bounties, or by discriminations at Lloyd's, which have already been pointed out by the Senator from Maine.

Mr. President, it seems to me that when all of us are prepared to vote for the principle we ought also to be prepared to vote for the amendment which shall make the principle effective.

FOREIGN EVASION OF TREATY OBLIGATIONS.

Mr. STEWART. Mr. President, I like the principle of this amendment. I believe there is no party committed against it. A similar proposition, precisely the same in effect, will be found in the acts of the First Congress of the United States. It worked well then, but we gave it away by treaties. These treaties have been substantially violated. We are under no obligation in consequence of those treaties, because all of the important nations which entered into them have subsidized their carrying trade, which is a violation of the principle, and we ought to take some notice of it, at least.

I think the granting of a subsidy by foreign countries to their carrying trade is a violation of the treaties which were made to abrogate this differential duty, because it is the same in principle. They having taken another mode of reaching the same result, I think it is the duty of the United States to return to the original proposition. At all events, it ought to apply it at once, without regard to notice, to those nations which have subsidized their carrying trade and subsidized their shipping, because they have violated the treaty. It is another way of getting at it.

The carrying trade is a very important matter. It is very important to the country now. It amounts to about $200,000,000 a year, I suppose. I do not know the exact amount. We are paying now in this country a very large amount for carrying on our foreign commerce. If we are opposed to the principle of subsidies, it seems to me that we ought to return to the principle established in the First Congress of the United States, which worked well, and which we have given away by treaties, of which foreign countries have taken advantage by subsidizing their lines. Our passenger ships running across the ocean a half century ago were driven off the line by British subsidies. The British have obtained and maintained control of the carrying trade, which is exceedingly important. Two hundred million dollars a year is a great drain on our people, and if it can be recovered by legitimate legislation I think it ought to be done.

No one will pretend that the fathers of the Constitution, many of whom were in the First Congress, would violate the spirit of that instrument. I think to return to the teachings of the fathers is a very good thing in many cases. I think the departure from the principles which they laid down in the beginning in the legislation they started has produced most of the calamities from which we are now suffering in many respects. If the Senator from Maine will modify his amendment so that it shall apply to all countries subsidizing the vessels conducting their carrying trade it might go into effect at once. It is not in bad faith. It is bad faith in them, however, after we made treaties with them giving up the differential duty, to adopt another mode of obtaining an undue advantage. I hope the amendment will be adopted, but if it is not adopted as it is I hope the Senator from Maine will modify it so that it shall apply to those countries which subsidize their carrying trade.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maine [Mr. Frye].

Mr. CULLOM. I should be very glad to have the amendment stated again.

The PRESIDING OFFICER. The amendment will be again stated, at the request of the Senator from Illinois.

The SECRETARY. At the end of section 14 add the following:

"Until after January 1, 1896; and notice of this provision shall be given all nations before the 31st day of December next."

In section 15, line 2, after the word "treaty," insert:

"Hereafter made and ratified."

At the end of section 16 add:

"Until after January 1, 1896, and notice of this provision shall be given all nations before the 31st day of December, 1894."

Mr. SHERMAN (of Ohio). I should like to have the sections read as they will read if amended.

Mr. FRYE. I will state to the Senator from Ohio that the amendment simply has one effect and nothing more. It provides that the discriminating duty provided for in section 14 shall extend to all goods imported in foreign vessels, one year's notice being given for the purpose of terminating existing treaties in that regard. That is all there is to the amendment.

Mr. SHERMAN. This is an interesting and very wide-reaching proposition. It seems to me that to repeal all our commercial treaties because all our commercial treaties contain the general right to carry both imports and exports of the two countries, respectively, without studying these treaties a little further would be rather a wide-reaching proposition. I should like to have the proposition of the Senator from Maine referred to the Committee on Foreign Relations to see precisely its effect.

The Senator from Maine is a member of the committee and I should like to study the matter with him. At present I am not prepared, at wholesale and without further study, to repeal treaties which have many provisions in them that we deem important to our interests, because if we repeal a single clause in a treaty it abrogates the whole treaty at the will of the other party. That probably would be the effect of deranging our commercial relations with all nations. I certainly should not like to vote for a proposition as broad and sweeping as the one before us without further study than I have been able to give it now or anyone else has been able to give it now.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maine [Mr. Frye]. [Putting the question.] The noes appear to have it. The noes have it, and the amendment is not agreed to.

Mr. FRYE. I ask for the yeas and nays. I wish to say to the Senator from Ohio that there are very few treaties, indeed, to be affected; that the greater portion has been yielded by legislation. We enacted certain legislation which should become law when certain other nations accepted it. Great Britain accepted the final legislation in 1849, and the amendment provides a discriminating duty where no legislation or treaty prevents it.

The Senator from Ohio will not find many treaties to be affected. Then I think it only gives notice for repealing this particular clause. After the vote has been taken, if the amendment is not adopted, and I suppose it will not be, I shall have the amendment go before the Committee on Foreign Relations.

Mr. HOAR. I suggest to the Senator from Maine that if he is going to send the matter to the Committee on Foreign Relations, for many reasons he had better withdraw the call for the yeas and nays.

ORIGINAL PROPOSITION CORRECT.

Mr. SHERMAN. I should be very glad to study out the matter with the Senator from Maine, and where treaties can be repealed without involving other interests of American citizens, I might be willing to adopt the principle. The original proposition was the correct one. It must be remembered that at that time the United States had a great many wooden ships and had the advantage of almost all other nations in the carrying trade. Our American vessels were carrying at a profit and safely and probably at as cheap rates as any other all the commerce, the exports and imports, of the United States. But it would be pretty difficult now to make provisions to carry all the immense exports and imports, which to-day amount to over $1,000,000,000. Therefore we might be legislating blindly, in the dark. If the proposition is not adopted I think it will be well to refer the whole subject matter to the Committee on Foreign Relations.

The PRESIDING OFFICER. The Senator from Maine [Mr. Frye] demands the yeas and nays on the amendment.

Mr. FRYE. I withdraw the request for the yeas and nays.

The PRESIDING OFFICER. The demand is withdrawn. The amendment has already been declared not adopted. The reading of the bill will be proceeded with.

("I am a believer, first, in discriminating duties, and, next, in very liberal mail contracts." Statement made by C. E. Kremer, admiralty attorney, at Chicago, before the Merchant Marine Commission (1904).)

SENATOR ELKINS ADVOCATED DISCRIMINATING DUTIES.

In February, 1896, Senator Elkins, of West Virginia, introduced a bill to put vitality into the suspended discriminating duty law, and this bill, with amendments, he reintroduced in 1897.

WIDESPREAD DEMAND FOR DISCRIMINATING DUTIES IN 1896.

During the early part of 1896 resolutions were incorporated in a dozen or more State platforms, Republican and Democratic, in favor of discriminating duties for the upbuilding of our marine in foreign trade, Massachusetts, under the leadership of Senator LODGE, setting the pace. This was followed by the adoption of the following plank in the Republican national platform at the convention at St. Louis in 1896:

"We favor restoring the early American policy of discriminating duties for the upbuilding of our merchant marine and the protection of our shipping in foreign trade, so that American ships—the product of American labor employed in American shipyards, sailing under the Stars and Stripes, and manned, officered, and owned by Americans—may regain the carrying of our foreign commerce."

In his letter accepting his party's nomination for the Presidency, William McKinley made the following declaration:

"The declaration of the Republican platform in favor of the upbuilding of our merchant marine has my hearty approval. The policy of discriminating duties in favor of our shipping, which prevailed in the early years of our history, should be again promptly adopted by Congress and vigorously supported until our prestige and supremacy on the seas is fully attained. We should no longer contribute directly or indirectly to the maintenance of the colossal marine of foreign countries, but provide an efficient and complete marine of our own."

If party platforms count for anything with the people, then it should be said that a majority of them, in 1896, by their votes recorded themselves in favor of the plank and in behalf of the candidate, above quoted, and there are those who contend that, once the people have indorsed, by the election of the candidates, the platform upon which they sought support, that platform becomes a mandate from the people, as well as a solemn pledge of the party adopting it, and whose nominees are placed in a position to put them into effect. There is this to be further said: The only time in the history of the Republican Party that it ever adopted a plank specifically defining the method by which it would build up our shipping in foreign trade, was in 1896, in favor of discriminating duties. Moreover, that party has never, since that time, by any declaration, either repudiated the pledge in favor of discriminating duties, or declared in favor of any other method for the restoration of our ships to the seas.

GREAT SPEECH BY SENATOR ELKINS IN FAVOR OF DISCRIMINATING DUTIES.

Although his party associates were lukewarm regarding discriminating duties, after the election of 1896, Senator Elkins was not. He persisted in his advocacy, and the first bill introduced in the Senate at the extra session of Congress called in 1897, was that of Senator Elkins in behalf of discriminating duties. Not since the days of the First Congress, and the brilliant and successful advocacy of discriminating duties by James Madison, has so complete and unanswerable a speech on this subject been made. Much less than half of it follows, but enough of it is presented to show that Senator Elkins had a thorough grasp of his subject, a masterly manner of marshaling his facts and his arguments, and a sincerity of conviction permeating his speech based upon the magical results that followed the original adoption of this policy in the First Congress. No student of American shipping history should fail to carefully read this speech:

SPEECH OF SENATOR STEPHEN B. ELKINS, OF WEST VIRGINIA, APRIL 5, 1897.

[See CONGRESSIONAL RECORD, pp. 580-690.]

Mr. ELKINS. Mr. President, under a proper policy of encouragement to American shipping the United States, with its 8,000 miles of seacoast, its navigable rivers and lake coast, fine harbors, variety of climate, productive capacity, rapidly increasing population, its position on the globe—Asia on one side with 600,000,000 and Europe on the other side with 400,000,000 of people—should be the leading commercial and maritime power of the world.

This would be the proud position of the United States to-day had protection to American interests on the sea granted by the founders of the Government in the early legislation of Congress been continued. Our progress on land in a century is unsurpassed in the history of material development, while our progress in shipping has languished under the policy of maritime reciprocity until our flag is unknown on many seas, and with some nations has almost become a myth.

No nation has ever been truly great nor an important factor in the affairs of the world unless it has been great on the sea. The United States can not reach its full growth and measure of progress until its shipping and commerce are relatively equal to its industries on land.

SHIPPING AS A RESOURCE OF DEFENSE.

Apart from the importance of encouraging shipping purely as a branch of industry that brings returns to those engaged in it, employment for labor, and consumption of raw and manufactured material, it has an added importance and becomes a matter of national concern from the standpoint of defense.

In a report to Congress on commerce and navigation made by Mr. Jefferson as Secretary of State, in 1793, speaking of navigation, he said:

"Its value as a branch of industry is enhanced by the dependence of so many other branches upon it. In times of general peace it multiplies competitors for employment in transportation, and so keeps that at its proper level; and in times of war, that is to say, when those nations who may be our principal carriers shall be at war with each other, if we have not within ourselves the means of transportation, our produce must be exported in belligerent vessels, at the increased expense of war freight and insurance, and the articles which will not bear that must perish on our hands.

"But it is as a resource of defense that our navigation will admit neither neglect nor forbearance."

OPPOSITION AND DIFFICULTIES TO BE OVERCOME.

Any plan or policy that may be devised for building up American shipping on the high seas will meet with serious opposition from the shipowning nations of the world. Even among our own people opposition will be developed. But we must not be deterred from the performance of a plain duty because of difficulties and opposition at home and abroad. Difficulties lie in the pathway of progress. No great thing comes to a nation, a community, or an individual without effort and difficulties to overcome.

The United States has a common interest in the oceans and seas of the world, and should share in the fruits and benefits that arise from occupying them with its vessels; especially should it have the largest share in carrying its own foreign trade. Because of the opposition of Great Britain and countries which control the shipping of the world and enjoy what we once had, we must not surrender our rights on the seas and fail to reach out and take again what naturally belongs to us.

FOREIGN CAPITAL FOCUSED AGAINST AMERICAN INTERESTS.

I do not underestimate the influence and power of the forces arrayed against American shipping, which have helped to bring it to its present deplorable condition, and which will fight to prevent its restoration. These forces are united, vigorous, and determined, while we are divided as to policy. It is hard to build up a business in opposition to one already established and where the advantages are massed on one side. A thousand millions of invested foreign capital will be focused against any attempt to build up American interests on the high seas; this capital will have its influence; already it is being felt. Behind foreign shipping there is not only great capital but a great interest to maintain, and in order to hold its present position this interest will use every means in its power and attempt to mold public opinion against any plan or policy of aid to shipping the United States may adopt.

CONTINUOUS BRITISH RIVALRY INEVITABLE.

The greatest contest will be with England for commercial supremacy. Great Britain will resist every step in the direction of restoring American shipping. She would not be true to her people, her commercial instincts, traditions, and interests were she not to make every effort in her power to maintain her supremacy on the seas. What agriculture is to the United States shipping is to England, and England will use all her endeavors, through wise statesmanship and diplomacy, to protect the same. Against this there can be no reasonable objection on our part.

It is the province of English statesmanship to maintain the commercial supremacy of Great Britain on the high seas. It is manifest destiny that the United States shall dispute this supremacy and with its position and advantages control not only its own but the larger part of the carrying trade of the world.

We may agree with England on most subjects, but on the subject of shipping and commerce we never can. Lord Robert Cecil, the present Lord Salisbury and prime minister of England, in the English Parliament, early in 1862, said:

"Everyone who watches the current of history must know that the Northern States of America never can be our true friends, for this simple reason: Not merely because the newspapers write at each other, or that there are prejudices on both sides, but because we are rivals; rivals politically, rivals commercially. We aspire to the same position. We both aspire to the government of the seas. We are both manufacturing people, and in every port, as in every court, we are rivals to each other."

This is a true and candid statement of the facts as they exist and will continue to exist. We can not, and should not, attempt to conceal them. Great Britain will not easily give up what she has gained on the sea in 200 years. She knows that a struggle with the United States for commercial supremacy is inevitable and is preparing for it. England, an island in area not greater than one of our States, is at once the child and ruler of the seas.

Sir Walter Raleigh said:

"Whosoever commands the sea commands the trade; whosoever commands the trade of the world commands the riches of the world, and, consequently, the world itself."

LEGISLATION FAVORING DISCRIMINATING DUTIES.

In order to a better understanding of this question, a brief history of the legislation of Congress on the subject of shipping and the results that have followed will be helpful.

It is a historical fact that while we were colonies of Great Britain it was the policy of the mother country to discourage manufacturing, shipping, and shipbuilding in the colonies, in order that these branches of industry might be better fostered at home.

About this time the King of England declared that nothing but sloops should be built in the American colonies. They were the smallest sized vessels and of little consequence in the foreign trade. All other ships engaged in commerce between the two countries had to be built in England.

For six years previous to the adoption of the Constitution—that is, from 1783 to 1789—shipping in our foreign trade was for the most part in the hands of the shipowners of Great Britain.

A COURAGEOUS POLICY.

The second act passed by Congress, introduced by Madison, was a tariff act, and provided protection to manufacturing. In this act protection to shipping was also provided by increasing duties on certain goods imported in foreign vessels. By the same act it was also provided that the duties on goods imported from the East Indies should be 12½ per cent ad valorem, which was about double the duties on the same class of goods brought in American ships. The following figures, taken from the report of Commissioner of Navigation William W. Bates, show the difference in duties on teas under this act:

Duties on different kinds of tea (per pound).

Manner of importation.	Bohea.	Souchong.	Hyson.	Other green.
From China or India in American ships..	$0.06	$0.10	$0.10	$0.12
From Europe in American vessels.....	.08	.13	.20	.16
In any other way than as above.....	.15	.22	.45	.27

This table shows that the duties were more than doubled when teas were imported in foreign ships.

Mr. Bates adds:

"As a general protection to the marine in other trades than that to China and India, a rebate of 10 per cent was allowed on importations by vessels of our own. At the time of this statute it was the rule in foreign commerce for the merchants to own their shipping. But our merchants, whether owners or not, were directly protected by a system of credit for the payment of duties above $50 in amount as follows: On articles of West India produce, 4 months; on Madeira wines, 12 months; on teas, 2 years; on all other goods, 6 months."

This was a bold policy on the part of a nation in its infancy, and in face of the opposition of the foreign shipping, but it seemed to be the most effective way open to our fathers for building up ocean carrying.

The next measure of protection was imposing tonnage duties by act of Congress approved July 20, 1789, under which the duties were as follows:

On all vessels American built, owned by citizens, or foreign built, owned by citizens, the 29th of May, 1789, and while owned by citizens, per ton	$0.06
On all vessels hereafter built in the United States, partly or wholly owned by foreigners, per ton	.30
On all other ships or vessels, at the rate of, per ton	.50

Other advantages were allowed American shipowners in the payment of tonnage dues. They had to pay only once a year, while the owners of foreign vessels had to pay on every arrival.

By another act of Congress, approved September 1, 1789, it was provided that none but American-built vessels should fly the American flag. This law is still in force.

Additional protection was granted to American shipowners and shipbuilders by an act approved July 4, 1794. This act provided for the increase of duties on goods, wares, and merchandise imported in vessels not of the United States. Section 4 of this act is as follows:

"That an addition of 10 per cent shall be made to the several rates of duties above specified and imposed in respect to all goods, wares, and merchandise which, after the said last day of June instant, shall be imported in ships or vessels not of the United States."

The bill under consideration is in principle the same as this section.

PROTECTION TO OUR COASTWISE TRADE.

By act of Congress approved February 18, 1793, and followed by another on the same subject approved March 3, 1817, it is provided that none but American-built vessels shall be used in the coastwise, river, and lake trade of the United States. This has remained substantially the law for more than 100 years. Under these acts no foreign-built vessel can engage in our coastwise trade, and American vessels in such trade have absolute protection and no competition from foreign vessels. All of these acts except the one passed in 1817 were approved by Washington as President.

Congress in the first five years of its existence passed three acts to protect shipping, each one confirming the wisdom of the preceding one, and all contributing to increase shipping and shipbuilding in the early history of the Government.

These acts, while increasing shipping in our foreign commerce, had the effect to decrease British shipping correspondingly, as will be seen by the following table showing the tonnage of British vessels admitted to American ports in the early stage of discriminating legislation:

	Tonnage.
1790	218,914
1791	210,618
1794	37,058
1795	27,097
1796	19,669

SOME RESULTS OF DISCRIMINATING DUTIES.

The beneficial results of discriminating duties in building up our shipping will be found in the records of the Treasury Department. From these records it appears from 1789 to 1800 the carrying of our imports in American ships increased from 17½ per cent to 92 per cent, and of our exports from 30 per cent to 88 per cent; and from 1800 to 1810 this increase was substantially maintained, making the average of our foreign commerce carried in American ships for the period from 1800 to 1810, 9½ per cent of our imports and 87 per cent of our exports.

By an act of Congress approved in 1804 tariff duties were increased 2½ per cent, and again it was provided that "an addition of 10 per cent should be made to the said additional duty in respect to all goods imported in ships or vessels not of the United States." Owing to foreign wars, the United States did not keep up the average from 1801 to 1805 of the carriage in American ships of our foreign commerce, but during this adverse period, made so by war between France and England and other wars, American ships carried 89.8 per cent of our imports and 86 per cent of our exports. From 1805 to 1810 our proportion of American carriage in the foreign trade increased until it reached 92½ per cent of the imports and 88½ per cent of the exports.

In 1810 our share in the carrying trade of the world was about as great as that of England. Alarmed at the successful progress of American shipping under discriminating duties, England brought on the War of 1812, it is said, partly for the purpose of breaking it down.

On the whole, from 1810 to 1830 there was but little decline in American carrying in our foreign trade.

During the War of 1812 our proportion of carrying in our foreign trade only declined to 58 per cent of our imports and 51 per cent of our exports, which was the lowest point it had reached under the policy of discrimination; but this loss was recovered in the following five years and maintained until 1830.

The policy of discriminating duties not only increased our shipping, but it built up a merchant marine and a Navy which stood us well in hand in the War of 1812. If our fathers had not, in their wisdom, provided for the protection of shipping immediately after the adoption of the Constitution, our carrying would have largely remained in the hands of foreign shipowners, and in the War of 1812 we would have been without a merchant marine and without a Navy or seamen to man it—simply powerless and defenseless on the high seas—and we would have suffered defeat instead of achieving a great victory. It is a remarkable fact that Madison in the First Congress introduced the bill that protected shipping, its passage being urged on the ground that it would build up a merchant marine and a Navy which would be useful in time of war, and during the War of 1812 he was President and used the Navy built up under his bill to save the United States from defeat.

YIELDING TO BRITISH PERSUASIONS.

After the close of the War of 1812 there grew up in the United States a party desirous of conciliating England. The President and Congress lent willing ears to the importunities of this party and the proposal of English statesmen to remove restrictions against foreigners and foreign-built vessels in the American carrying trade. All the arguments for free trade in shipping, maritime reciprocity, and neighborly feeling in doing business, good in theory and on paper, were brought forth at the time. Accordingly Congress passed an act, approved March 4, 1815, which inaugurated what was known as "limited maritime reciprocity," and thus took away some of the protection to shipping granted under the laws of 1789 and 1794.

This was the first direct attack on discriminating duties. It was soon followed by a treaty between the United States and England, negotiated July 3, 1815, to regulate commerce between the two countries.

In 1817 Congress passed another act of reciprocity, which had the effect of further impairing protection to American shipping. In 1819 our shipping had fallen lower than it had been for 22 years.

FINAL ACT OF RUINOUS RECIPROCITY.

The "free-freighting act" of 1828, as it was called, was in the interest of foreign shipowners. This act and the subsequent treaties about accomplished the ruin of our carrying in the foreign trade. While advantage of it was soon taken by a few of the lesser maritime nations, it was not availed of by the more powerful, notably Great Britain, for many years, in consequence of which our losses of carriage were more gradual and less noticed than they would have been had the discrimination ceased upon its adoption. This act is even now in force, and nations are not yet done asking for its benefits. The treaties following it have brought us not one, but destroyed all advantages we had under protection by discriminating duties.

During the four years of the Civil War American ships lost in carrying our imports about 30 per cent and our exports 45 per cent. From the close of the war until 1890 these losses have been about 14 per cent in carrying imports and 17 per cent of exports.

The following table shows the losses in our carrying before, during, and since the war:

Period.	Imports.	Exports.
	Per cent.	*Per cent.*
Before the war, 31 years, from 1829 to 1860	33.60	14.20
During the war, 4 years	30.10	46.00
Since 1865, 25 years	13.30	17.07
Percentage of carriage, 1830	93.60	86.30
Percentage of carriage, 1890	16.60	9.03
Loss from 1830 to 1890	77.00	77.27

This table covers 60 years of the period of maritime reciprocity under treaties with foreign countries.

Notwithstanding the War of 1812, under the policy of discriminating duties American carrying continued to prosper until England became alarmed at our great progress. Having failed to break down our shipping by war, she persuaded the United States to adopt maritime reciprocity. In 1827, the year before the final act of Congress was passed for the abandonment of the policy of discriminating duties, the London Times said:

"It is not our habit to sound the tocsin on light occasions, but we conceive it to be impossible to view the existing state of things in this country without more than apprehension and alarm. Twelve years of peace; and what is the situation in Great Britain? The shipping interest, the cradle of our navy, is half ruined. Our commercial monopoly no longer exists. We have closed the western Indies against America from feelings of commercial rivalry. Its active seamen have already engrossed an important branch of our carrying trade to the East Indies. Her starred flag is now conspicuous on every sea and will soon defy our thunder."

Yet in face of this admission and confession of the success of the United States on the sea and growth of American shipping under discriminating duties the next year Congress was induced to give up the last remnant of protection to shipping.

After 30 years of trial and experience under protection and discriminating duties, Daniel Webster said, in 1825:

"We have a commerce which leaves no sea unexplored; navies which take no law from superior force."

Discriminating duties were partially repealed in 1815, and their suspension was made possible on certain conditions by the act of 1828.

Great Britain to-day controls 56 per cent of the carrying trade, owns half the floating property of the globe, unfurls her flag over one-quarter of its area, and rules nearly one-third of its population. Could this position have been achieved or maintained save by first excluding foreign-built vessels from her commerce and by discriminating duties, together with subsidies and mail pay on an enormous scale, and other forms of support?

England, under this system of laws in full force for about 130 years, laid the foundation for the present prosperous condition of her shipping and commercial supremacy. We are told that England has free trade in shipping and maritime reciprocity, and as a result controls one-half the carrying of the world, and therefore this policy is best for the United States. But the conditions are not the same. In the matter of shipping the United States is in one sense now where England was when she enacted her navigation laws, and we are not as well off as when we adopted discriminating duties in 1794. If the United States had enjoyed for 130 years the benefits of such navigation laws and had followed them by discriminating duties, large subsidies, and mail pay, then our people might be willing to adopt free trade in shipping. We would then start in the struggle on equal footing. Great Britain adopted free trade on land before she adopted it on the sea, and the United States would do well not to adopt free trade in shipping until after it is tried on land.

("Promoted by wise legislation, our system [of discriminating duties] had proved a complete success. In 1827 we carried 94 per cent of our imports and 87 per cent of our exports. At this period, with threatened reciprocity, the decadence of our merchant marine began, and the retrogression has continued without interruption. To-day [1904] we carry only about 8 per cent of our aggregate imports and exports. * * * For 10 years prior to 1830 the average British arrivals in our ports had been about 76,000 tons. In the year following reciprocity British arrivals amounted to 144,000 tons, and during the next 10 years the average of British arrivals was over 210,000 tons annually, an average British increase in our own ports of over 300 per cent * * *." R. G. Bickford, attorney, Newport News, Va.)

THE INTRENCHED POSITION OF GREAT BRITAIN.

The advantages that help to perpetuate England's maritime supremacy are:

1. Her enormous tonnage; more than the combined tonnage of all other nations.

Supported by—

(a) The British Lloyd system of surveys and classifications, discriminating in favor of British-built vessels. Consuls can act as Lloyd's agents everywhere.

(b) Discriminations of Association of Marine Insurance Underwriters consequent upon Lloyd's classification of risks.

(c) Mail subsidies amounting to about $4,000,000 annually, on which Great Britain is content to suffer a seeming loss of about $2,500,000 annually.

(d) Subventions to fast steamship lines as armed cruisers, about $250,000 annually.

(e) Ships manned more cheaply; less number of sailors and low wages.

(f) Ships supplied more cheaply.

(g) Ships surer of cargoes, having markets everywhere.

(h) Ships, passenger and freight, enjoy prestige for safety.

(i) Tax rate and insurance on ships very low.

(j) Income from ships high in proportion to English rate of interest.

(k) Ships' supplies taken from goods in bond; i. e., duty free.

(l) Dock equipment for repairing finest in the world.

(m) Less cost of repairs, low price of labor, and low rent of docks.

2. National pride and interest in all marine affairs. The executive practically with full power in matters of subsidies and aid to shipping.

3. The possession of the "beaten track" of international commerce.

4. An enormous foreign trade, extending around the world.

5. A thoroughly established international credit and banking system, accommodating the debtor nations. It is said that the capital and surplus of international banking houses of London alone, which aid British commerce throughout the world, amount to nearly $400,000,000, or five times the capital and surplus of the national banks of the city of New York.

6. An unrivaled consular system.

7. A board of trade that is national in its character, with full executive power, while the United States has not even a department of commerce.

8. A vast system of submarine and overland electric cables, which help to make England the commercial brain and center of the globe.

9. A round-the-world Empire, which, with its growing system of politico-commercial railways, canals, and steamship lines, under the patronage of the imperial treasury, have long since unified its colonial dominions and holds the world's commerce in a British net of steam, steel, and electricity.

10. A navy which is a guaranty of safety in time of international complications.

11. England's position as the great trade center to which all commercial highways lead.

12. The persistent and seemingly incurable indifference of Americans toward even the maintenance of the shipping we have, let alone increasing it. England's shipping grows by reason of our apathy.

To all these should be added—

The wage-earning power of the merchant marine of Great Britain, amounting to about $75,000,000 annually.

The freight and passenger earning power, estimated at about $500,000,000 annually.

The consumption of coal, iron, and steel for her ships.

The profits from shipbuilding and ship repairing.

BRITISH LLOYD'S REGISTER ASSOCIATION.

Lloyd's Register has been known for the last 60 or 70 years as one of the chief agencies used in building up shipping in England and breaking down that of other countries, notably that of the United States. While it is the business of this association to inspect, rate, and classify British and foreign ships, yet they do not insure hulls and cargoes. The business of insurance, however, is conducted by its members individually, entirely outside of and separate from the corporation. Lloyd's Register has agents in all the ports of the world, and they give preference in inspection, rating, and classification to British ships. This enables British ships not only to be insured cheaper, but to get readier cargoes, while American vessels have to wait for cargoes which are charged higher insurance on account of the ships having a lower classification. Through this system of inspecting, rating, and insurance American sailing vessels have been driven out of many ports of the world, especially our own, both on the Atlantic and Pacific coasts. There are instances, owing to these discriminations, where American vessels have waited months for cargoes.

The British Lloyd's Register is one of the most important aids to British shipping.

DISCRIMINATING DUTIES.

The objections made to restoring the policy of discriminating duties are:

(a) Treaties with foreign countries providing for maritime reciprocity stand in the way.

(b) Such a policy, if established, would provoke retaliation on the part of Great Britain and other shipowning countries.

(c) It is antiquated, narrow, illiberal, and has long since been discarded by the United States and European countries.

(d) The conditions are not the same now as when it was in force in the early history of the Government.

The policy of discriminating duties is only a form of protection; indeed, protection is based on discrimination. We protect our manufacturing industries by discriminating in their favor and against foreign manufactured products. If the United States had 60 years ago abandoned the policy of protection, and it should be proposed now to revive the law and restore duties by imposing a tax of 50 per cent on the value of one-half the goods, wares, and merchandise imported from foreign countries, the same or stronger arguments would be made in opposition to such a bill than are now made against restoring discriminating duties in favor of American shipping. Such a proposition would be set down as narrow, illiberal, and antiquated. It would be said at once that we would have instant retaliation from the nations of Europe which we could not stand. But the nations of Europe do not retaliate now. Yet the people of the United States know and believe after 100 years of trial that protection and levying duties on foreign products has been in many ways of incalculable benefit to the country. But, Mr. President, the protection that I ask for American shipping and that comes from discriminating duties is not the kind that costs individuals or the Government anything.

("I admit that laying 50 cents on foreign vessels and but 6 cents on our own is a regulation by which owners of American shipping will put a considerable part of the difference in their pockets. This, sir, I consider as a sacrifice of interest to policy; the sacrifice is but small, but I would not contend for it if we did not stand in need of maritime improvement. Were it not for the necessity we are under of having some naval (maritime?) strength, I would be an advocate for throwing wide open the doors of our commerce to the world and making no discrimination in favor of our own citizens. But we have maritime dangers to guard against, and we can be secured from them in no other way than by having a navy (marine) and seamen of our own; these can only be obtained by giving a preference. I admit it is a tax, and a tax upon our produce, but it is a tax we must pay for the national security. I reconcile it to the interest of the United States that this sacrifice should be made; by it we shall be able to provide the means of defense, and by being prepared to repel danger is the most likely way to avoid it. This tax, therefore, may prevent the horror of a war and secure to us that respect and attention which we merit." James Madison, speech in Congress, 1789.)

IMPORTANT BRITISH TESTIMONY.

The great free trader, Adam Smith, advocated prohibition and discrimination in favor of British shipping. In his Wealth of Nations he says:

"There seems, however, to be two cases in which it will generally be advantageous to lay some burden upon foreign for the encouragement of domestic industry. The first is when some particular industry is necessary for the defense of the country. The defense of Great Britain, for example, depends very much upon the number of its sailors and shipping. The act of navigation, therefore, very properly endeavors to give the sailors and shipping of Great Britain the monopoly of the trade of their own country, in some cases, by absolute prohibitions, and in others by heavy burdens upon the shipping of foreign countries."

A British historian, in speaking of the provision in the navigation law of Great Britain which prohibited goods being imported into England except in vessels belonging to British owners and built by British builders, says:

"The result of that act far transcended the wildest dream of Lombard and Venetian avarice or the grandest schemes of Spanish and Portuguese conquest. It not only secured to the people who enacted it the greatest share of the world's carrying trade, but the trade also knew its master and followed with becoming servility."

Mr. McGregor, secretary to the British Board of Trade and author of McGregor's Statistics, in discussing the policy of discriminating duties and its effect on the shipping of other nations when in force, says:

"In the American navigation laws countervailing duties were imposed upon all foreign vessels trading to the United States of half a dollar a ton duty beyond what should at any time be paid by American ships; and, further, that goods imported in foreign vessels should pay a duty of 10 per cent over and above what was payable on the same description of goods when imported in American vessels. These countervailing duties were directed against the navigation of Great Britain and grounded on the same principles as the British navigation laws. Various measures to counteract the American system were devised by the British Government, and they failed upon the principles of our continuing to maintain in full force the navigation laws. To all intelligent men it became evident that we had engaged in an unequal struggle, and that the real effect of our policy was to give a bounty on the importation of the manufactured goods of other countries into the United States, to the gradual exclusion both of our manufactures and ships from the ports of America."

This is the testimony of an eminent British authority on the subject of discriminating duties and their beneficial effects on American shipping, and should carry conviction to all Americans entertaining any doubt on the subject.

WHAT MUST BE DONE FOR SHIPPING.

American carrying must be built up under the operation of law, a law that will discriminate in favor of American ships in carrying our foreign trade, especially our imports. If we had abandoned 70 years ago the policy of excluding foreign-built vessels from our coastwise trade, that trade to-day would be largely in the hands of foreign shipowners and in a condition as deplorable as our ocean carrying. Had we continued the policy of protection to our carrying, shipping in our foreign trade to-day would be in as prosperous condition as our manufacturing interests. The policy of discriminating duties is not an experiment, it is not untried; on the contrary, it was on trial for a long period under the most unfavorable conditions and produced the best results.

RESULTS THAT WOULD FOLLOW THE RESTORATION OF DISCRIMINATING DUTIES.

It is believed that the adoption of discriminating duties, with such supplemental legislation that might be found necessary in the light of experience, the results would be as beneficial as in the early history of the Government and felt at once. First, it would give us immediately a large share in carrying our foreign commerce, all of our imports and part of our exports, and a share in carrying the commerce of countries not owning ships. Second. It would increase shipbuilding; new shipyards would spring up on all our coasts, causing the expenditure of hundreds of millions of capital. Third. Shipbuilding would stimulate other industries of all kinds; it would give employment to thousands of skilled and other workmen. Fourth. It would save to the people of the United States annually nearly $100,000,000 now paid to foreign shipowners for carrying our imports, with the chance in a few years of saving another hundred millions by the increase of shipping and the carrying of a large part of the world's commerce in American bottoms. Fifth. It would not only build up shipping in the foreign trade, but it would be the means of extending our trade in the foreign markets of the world.

RETALIATION.

One of the reasons urged against the passage of the bill under consideration is that Great Britain and other ship-owning countries will retaliate. But just how or in what way the opponents of the bill do not clearly set forth. The damage to our shipping that might follow retaliation is imaginary. Under the operation of maritime reciprocity and neglect, we have scarcely any shipping left in our foreign trade. It would be far better to carry in American ships our imports or 50 per cent of our foreign commerce, which we would do under discriminating duties, with retaliation against us, than to carry only 11 per cent, as we do now, with no retaliation.

Washington said:

"There can be no greater error than to expect or calculate upon real favors from nation to nation."

Great Britain will always do at the time whatever her statesmen may deem to be in her interest. If they should think retaliation the best weapon with which to oppose discriminating duties, they would adopt it and enforce it vigorously. But if Great Britain and other countries should adopt retaliation, how would that affect American carrying? It would take from American ships the slight part they now have in carrying exports from the United States, which is insignificant. Taking this small business from American ships by way of retaliation for adopting the policy of discriminating duties, could not prevent American ships from carrying nearly a thousand millions of imports from foreign countries, making their gross earnings a hundred millions per annum, whereas their earnings now amount only to about $20,000,000 per annum from carrying both our exports and imports.

In one sense the two hundred millions we pay to foreign shipowners is a loss to our people. It is unlike almost any other expenditure. Substantially we get nothing in return for it; nothing that adds to the wealth of the country. When we buy goods and products from other nations and pay gold for the same, we get the goods in return, and they constitute part of the wealth of the Nation. But when we pay out two hundred millions annually for ocean freight on goods we buy and sell, when we could keep it at home by paying it to American shipowners, we simply deplete the resources of the country and make the people poorer. One of the causes of the depression in business is due to the drain of two hundred millions of gold annually paid by the people of the United States to foreign steamship companies for ocean freights. No nation, however rich, can stand this great drain for a long time.

Ex-United States Commissioner of Navigation Capt. W. W. Bates, in his book, American Marine, published in 1892, on page 25, says:

"An amount of money not less than $4,500,000,000, or an average of $150,000,000 annually, for 30 years past, has been paid out to foreign ships for ocean transportation. To stop this drain nothing effective has been done, the political mind seeming to be fully occupied with other questions of local or secondary importance."

Thirty years is but a span in the life of a nation, yet we have paid, in this short period, nearly as much as the cost of our Civil War to foreign shipowners for carrying our exports and imports.

By restoring the policy of protection and discriminating duties adopted in the early history of the Government, and in force for 40 years, a large part of this vast sum could be saved to our people.

FREE SHIPS.

The policy of free ships, which is in substance the authority under law to buy foreign-built ships and admit them to American registry, is seriously urged as the best remedy to revive American shipping. Maritime reciprocity, which we have had for 70 years, is partial free trade in shipping. To adopt the policy of free ships would give us absolute free trade in shipping. We would then have a protective policy for industries on land, and for industries on the sea just the opposite. If it be true that shipping goes hand in hand with other industries and, in a certain sense, stimulates them, why should we not adopt the same policy as to shipping that we do as to industries on land? Why have one policy for industries on the sea and another for those on land? England's greatest industry is shipping, and she protects it by subsidies and in many other ways, and yet, in the face of this protection, we are asked to have free trade in shipping and no aid or protection as the best means to compete with England and revive American shipping.

So far as our shipbuilding interest is concerned, the free-ship policy would reduce the United States to a state of dependence and vassalage. If the United States had in the beginning adopted the policy of free trade instead of protection, on the ground that we should buy manufactured products abroad because we could get them cheaper, our manufacturing interests to-day would be in the deplorable condition our shipping is. But for the protective policy adopted in the early history of our Government, and adhered to since, we could not have built up our manufacturing interests. The object of imposing duties on foreign-made products was not only for the purpose of getting needed revenue to pay the expenses of the Government, but its greater and wider purpose was to build up the manufacturing interests so that we might be independent of all the world. The same rule applies to shipbuilding and shipping interests. Because we can buy ships cheaper from foreign shipbuilders is not a sufficient reason for doing so. If we should pursue this policy we never would build our own ships, we never would have a merchant marine or a navy.

We have had partial free trade in shipping for 70 years. We are now asked to adopt the policy of absolute free trade in shipping as a remedy to rescue American shipping from the condition it is in as a result of maritime reciprocity. Free trade in shipping is urged as a remedy for the evils brought on by partial free trade.

("It is true we must expect some inconvenience in practice from the establishment of discriminating duties. But in this, as in so many other cases, we are left to choose between two evils. These inconveniences are nothing when weighed against the loss of wealth and loss of force which will follow in the plan of indiscrimination. When once it shall be perceived that we are either in the system or in the habit of giving equal advantage to those who extinguish our commerce and navigation by duties and prohibitions [and by subsidies, subventions, and bounties] as to those who treat both with liberality and justice, liberality and justice will be converted by all into duties and prohibitions. It is not to the moderation and justice of others we are to trust for fair and equal access to market with our productions, or for our due share in the transportation of them, but to our own means of

independence and the firm will use them." Report on the privileges and restrictions of the commerce of the United States in foreign countries, by Thomas Jefferson, while Secretary of State, 1793.)

DISCRIMINATING DUTIES THE WISER POLICY.

Foreign ships now carry nine-tenths of our foreign commerce. Free-ship advocates say that we should buy ships abroad to carry the one-tenth we now carry in American-built ships so as to increase shipping. Ex-Commissioner of Navigation Bates, in my opinion the best-informed man in the country on the subject of shipping, says in his repart for 1890:

"If ships were given American owners, they could not run them gainfully against subsidized, bounty-paid, insurance-protected, cheaper-manned European vessels, except on equalized footing all around."

He adds:

"Without protection our vessels can not get or hold competitive employment."

If we had 100 of the finest steamers afloat, we could not run them in competition with foreign ships. The conditions are not the same. We are not on an equal footing with Great Britain and other shipowning countries on the high seas. If we attempted to make conditions equal by subsidies and mail pay, the policy now adopted by Great Britain, we would be met with greater subsidies. So that it is not a question of free ships or cheap ships, but it is a question of getting business for ships after we have them. We can only do this by protection and discrimination, just as we do now and have for 100 years discriminated in favor of our industries on land against foreign industries.

By discriminating laws we make it profitable and in the interest of our people to buy home products and not foreign-made products. We must by a like policy make it profitable to American ships to carry our foreign commerce. Shipbuilding means shipowning. The nation that builds ships is always an owner of ships.

The mistake made by the United States for 70 years has been in treating shipping as a private industry and of no national concern; that it did not need encouragement and protection as industries on land; that maritime reciprocity and free carrying was all that was necessary to build it up. With Great Britain shipping has always been of national concern and national importance, and has received more protection and aid than any industry ever enjoyed in any country.

In discussing the subject of protection to English shipping, Mr. Blaine, in his celebrated reply to Mr. Gladstone in 1890, said:

"It will not escape Mr. Gladstone's keen observation that British interests in navigation flourish with less rivalry and have increased in greater proportion than any other of the great interests of the United Kingdom. I ask his candid admission that it is the one interest which England has protected steadily and determinedly, regardless of consistency and regardless of expense. Nor will Mr. Gladstone fail to note that navigation is the weakest of the great interests in the United States, because it is the one which the National Government has consistently refused to protect."

The United States has become independent of all the world in everything on land. We can produce all that is needful for the wants of a great people; but when we come to the sea, notwithstanding our coast line, our position, and natural advantages, we are helpless, impotent, and dependent.

If we buy ships abroad, we have the ships, it is true, but as a nation we lose the money we pay for them, we lose the business of building the ships, the employment for our people by giving it to foreigners, and lose the market for the raw and manufactured products that enter into shipbuilding; we destroy our shipyards and become utterly dependent on foreign countries in one of the most important branches of industry. Even if we could buy ships cheaper abroad, in the long run it would pay us to build them at home. If the argument for free ships is good as a plan to build up our merchant marine, why should this plan not apply with equal force to building war ships? Why have different plans for interests so nearly alike? If it is better to buy ships abroad to build up our merchant marine, it would be better for the same reason to buy our war ships abroad and close up all American shipyards.

A MERCHANT MARINE ESSENTIAL TO A NAVY.

No nation can maintain successfully for any length of time a navy unless there is behind it a merchant marine. Shipping is the element out of which a navy must grow. In the United States we are building a navy without having a merchant marine behind it to support it. This is something like making a head without a body. We should first have a merchant marine and then a navy, and native Americans to man both. We have not enough native American seamen to man the warships we now have. If we build up shipping and shipbuilding, it will increase our home commerce and our lake and coastwise trade. We are in the infancy of our industries on our lakes, rivers, and foreign seas. During the next century seagoing ships built in American shipyards will leave Chicago and other lake cities for the ports of the world.

No nation can be truly independent and have and maintain a navy and merchant marine that does not build its own ships.

PROTECTED SHIPOWNING WOULD STIMULATE SHIPBUILDING.

Whenever we protect carrying, and thereby gain business for American ships, building of ships will follow. This has been our experience in our coastwise, lake, and river trade, where we have built for a hundred years in our own shipyards the best ships for that business in the world. American carrying has not suffered in the foreign trade because of the inability to build good ships in the United States as much as it has from want of protection. For several years we have not been on an equal footing with other nations in the shipping business. While Great Britain and other European nations have free ships, yet for a long time they have protected shipbuilding by bounties and otherwise. It may be safely said that all the maritime powers of the world protect their shipping and shipbuilding. The spending in British shipyards of $100,000,000 annually for home and foreign warship construction is of itself equivalent to an enormous bounty to British shipbuilders. Give the people of the United States business for their ships and there will be no doubt about shipbuilding and shipowning being successful in the United States.

FAILURE OF THE FREE-SHIP POLICY.

After full and fair trial the free-ship policy has been a signal failure in France, Germany, Austria, and Italy. Norway has increased her shipping under free ships. This is due to the fact of low wages and low prices of supplies and other conditions peculiar to that country. England, after building up her shipping through discriminating duties and subsidies on an enormous scale, until she has the advantage over all other nations, adopts the policy of free ships because it is to her interest. She advocates free ships because she builds ships for the nations that buy them, and naturally she wants all other nations, the United States especially, to adopt free ships. In 1894 the new tonnage built in her shipyards amounted to over 1,000,000 tons, 13 per cent of which was sold to other countries.

INCREASE OF BRITISH SHIPPING UNDER MARITIME RECIPROCITY.

Under maritime reciprocity in 50 years, according to Mulhall, British shipping has increased 210 per cent, while that of other nations has increased 108 per cent, and that of the United States constantly declined. During this period British shipping has increased from carrying 34 per cent of the world's commerce to carrying 56 per cent of it. If this rate of increase continues, it is only a question of time when Great Britain will absorb the carrying of the commerce of the world.

Apart from shipping being the means of extending foreign trade in other countries, it is profitable from the standpoint of transportation. Our people should make the profits that come from the transportation in ships and are paid to other nations. If the people of the United States could make the earnings from carrying what they buy and sell, instead of paying nearly $200,000,000 annually to other nations, the result would be a saving of this amount. In 1895 there were 329,558 arrivals and 401,822 departures to and from the ports of the United States, a total of 731,380 passengers, nine-tenths, or about 650,000, of whom were carried in foreign vessels, at an average of $50 per head, or $32,500,000 made by foreign shipowners out of business which belongs to Americans.

ADVANTAGES TO THE WHOLE COUNTRY OF BUILDING UP AMERICAN SHIPPING.

It is generally supposed that shipping only concerns our Atlantic and Pacific Coast States, but this is unfounded. No industry affects the country more widely and generally than shipping. The farmers, as well as the producers of coal, lumber, iron, steel, lead, copper, and zinc, and most all other products, are interested in building up the shipping and shipyards of the country. Ninety per cent of the farm products which are exported are carried in foreign bottoms. If these products could be transported in vessels of the United States, it would stimulate and help all branches of business at home.

PASSING THIS BILL WOULD GIVE BUSINESS TO AMERICAN SHIPS.

The passage of this bill would provide business for our ships which they do not now have and can not get under present conditions. Under the provision that this act will not take effect for 15 months after its passage, ships can be built and gotten ready for the new business that will come to them. The objection is made, however, that we have not enough ships to do this increased business and that we can not build them as cheaply as other countries, and therefore could not compete with the cheaper made foreign ships, even with discriminating duties in our favor.

Taking into consideration the cheapness of construction of shipping on our lakes and in our coastwise trade, and the reduced cost of iron, steel, lumber, and other materials which enter into shipbuilding, it may be safely claimed that with a large and regular business in shipbuilding the United States can build the ordinary freight vessel as cheaply as England and very soon the great ocean steamer. Bearing on this point President Cleveland, in his last annual message, said:

"It is gratifying to state that our [war] ships and their outfits are believed to be equal to the best that can be manufactured elsewhere, and that such notable reductions have been made in their cost as to justify the statement that quite a number of vessels are now being constructed at rates as low as those that prevail in European shipyards."

This sustains my contention. We have rigidly excluded foreign shipbuilders from competing or taking part in building our warships. The result has been that home competition has grown up under which, because of the demand of the Government, our people have equipped vast shipbuilding plants, one of them at least equal to any abroad; and we now build warships as good and as cheaply as any country. With a like demand, ocean steamers should be built in the United States as cheaply as in any place in the world.

The policy of discriminating duties would contribute to both building and running ships. Under present conditions capital will not invest in American shipowning because it can have no assurance that after ships are built they can get business.

We import annually from South and Central American countries, Mexico, and the West Indies about one hundred and ninety-five millions of products. These are comparatively nonshipowning countries; we export to them ninety-one millions of products. If American ships should carry the imports from these countries to the United States, they could compete and take from foreign bottoms the return cargoes, or the carrying of ninety-one millions of exports.

Here is the carrying of nearly three hundred millions of products, 90 per cent of which is now done in foreign ships, which, if this bill becomes a law without retaliation or opposition of any kind, will come to our ships, and they can not get it any other way.

If I am right in assuming that the carrying of our imports in our own ships must follow the adoption of discriminating duties, it would give to American bottoms nearly $100,000,000 annually without the cost of one dollar to the people of the Government. No opposition can prevent this result. Under discriminating duties as provided in this bill, without cost of any kind, ocean carrying would seek American ships.

This view is indorsed and well expressed in the following extract from an able editorial by Alex. R. Smith in the journal, Seaboard, of New York, devoted to the cause of American shipping:

"There is no single act outside of a thoroughly protective tariff that would do so much to restore prosperity to the United States in all parts of the country as the passage of the discriminating duty bill."

If American ships could have the carrying of our imports, which would give them regularly the incoming cargo to the United States, this would put them in a position to compete with foreign ships for outgoing cargo, especially tramp ships coming to our ports in ballast. It is estimated that more than 5,000 foreign vessels came to our ports in 1894 in ballast in search of cargoes. It may be said that other shipowning countries, especially Great Britain, would retaliate and not allow American vessels to haul their imports. In case of retaliation we might transport in American ships only a small share of our exports to shipowning countries, but we would be in the position to take the business of carrying exports from the United States to countries not owning ships; we would gain this in addition to carrying our imports in our own ships. It is believed that among the good results that will follow the passage of this bill, one will be, and not the least it will

hasten the creation of a department of commerce, so much needed and so ably championed by the distinguished chairman of the Senate Committee on Commerce.

("When the day comes that shipping again pays, when the three sea frontiers find that they are not only militarily weak, but poorer for lack of national shipping, their united efforts may avail to lay again the foundations of our sea power. Till then those who follow the limitations which lack of sea power placed upon the career of France may mourn that their own country is being led by a like redundency of home wealth into the same neglect of that great instrument. * * * Though the treatment of the subject has been somewhat discursive, it may be admitted that a great population following callings related to the sea is, now as formerly, a great element of sea power; that the United States is deficient in that element, and that its foundations can be laid in a large commerce under her own flag." Capt. Mahan, in The The Influence of Sea Power Upon History, 1898.)

THE EFFECT ON SHIPBUILDING AND OTHER INDUSTRIES.

Prince Bismarck said:

"The merchant service is the handmaid of all other industries, and of agriculture, manufactures, and commerce. On the day when the freight trade is given over to foreigners a mortal blow will be dealt to all the industries of the country."

This is true. While the progress of the United States in building up its industries on land has excited the wonder of the world, yet greater and more substantial progress would have been made had we been able to develop and build up with equal pace our industries on the sea. What we have accomplished in our material progress has been without the aid of one of the most important auxiliaries to our prosperity. Thomas Jefferson said that "agriculture, manufactures, commerce, and navigation are the four pillars of prosperity." In order that our material development should be symmetrical, all of these should go hand in hand; but we have moved forward with one of these great interests neglected for 70 years, until now it is in a languishing condition and not helpful to the other branches of industry.

If, by the passage of this bill, we take from foreign shipowners the carrying of our imports, we will have gone a great way in the struggle to restore our shipping.

CAUSES OF THE DECLINE OF AMERICAN CARRYING.

It is needless to discuss the causes of the decline of American carrying further than to endeavor to learn from them, if possible, what may be done to help revive and restore it. Among the causes that have contributed to this decline may be mentioned:

First. The abandonment of the policy of protection to American shipping by discriminating duties under treaties with foreign nations and giving instead of this protection no aid or encouragement whatever.

Second. Competition of American shipping, without aid of any kind, with foreign shipping, highly protected, aided and subsidized.

Third. In the absence of any protection or aid to American shipping it has had to pay heavy taxes at home, higher rates of interest, and higher wages than foreign shipping with which it competes.

Fourth. The hostile discrimination of British Lloyds Register in inspecting, rating, and classifying American ships, obliging them to pay the highest rate of insurance on cargoes and take the lowest rate of freight and wait the longest in various parts of the world for charters. Added to this the war of English insurance companies in the United States against insuring cargoes carried in American-built ships.

Mr. President, I have tried in what I have said to present the cause of American shipping to the Senate and to the country, with the earnest wish that Congress will do something looking to its restoration.

American ocean carrying, so long neglected, is not the cause of any party nor of any particular interest; it belongs to no section; it concerns the whole country, its future prosperity, and welfare; it has become the cause of 70,000,000 of people; henceforth they will take care of it; in their keeping it will no longer languish; it will not die, but prosper and grow and bless the country as in days gone by.

("For the encouragement of American steamships other than those operating under the ocean mail service act, for the encouragement of American sailing vessels, and for the extension of our export trade we have recommended a return to the early American policy of discriminating import duties and tonnage dues, through an amendment of section 22 of the existing tariff act. The section in question still carries upon our statute books a remnant of the provisions of the act of 1789, by which the discriminatory policy was then applied to our maritime development. That it has not entirely disappeared from our statutes shows the tenacity with which American statesmen have adhered to the shadow of a law the substance of which, in the full tide of its original application, accomplished so much for the upbuilding and maintenance of our shipping in the foreign trade." Extract from report submitted to the Merchant Marine Commission (1904) by the Maritime Association of the Port of New York.)

("The interest of the whole community, not only those who are carriers, but those also who furnish the object of carriage, positively demands a domestic marine equal to its whole business; and that, even if it is to exist under rates higher than those of foreign navigation, it is to be preferred." Mr. Nichols, of Virginia, in Congress, 1794.)

PERSISTENT ADVOCACY OF DISCRIMINATING DUTIES.

While attempt after attempt and bill after bill was pressed upon the attention of Congress in favor of subsidies and bounties, most of which measures passed the Senate, these bills received scant consideration at the hands of the House, and, once they were referred to the Merchant Marine and Fisheries Committee, rarely ever again saw the light of day. It was found that the Democratic minority Members could not be persuaded ever to give any encouragement to this class of legislation, and their remarks were generally directed, on the contrary, to an advocacy of discriminating duties.

DEMOCRATIC ADVOCACY OF DISCRIMINATING DUTIES.

On February 1, 1904, the Democratic members of the House Merchant Marine and Fisheries Committee united in their opposition to a then pending subsidy and bounty bill, and presented a minority report, in which they advocated a return to the early policy of discriminating duties instead, as follows:

OUR PLAN OF RELIEF.

The merchant marine of this Nation in its early history was built up as if by magic by the policy of discriminating duties and tonnage taxes.

It is the only system which has proved successful.

All others now proposed are at best mere experiments—guesswork.

We see no insuperable obstacles in the way of its present successful adoption.

The navigation interests of the United States languished before the Constiution was adopted, and one of the principal, if not the most potent, factor in bringing about its adoption was the urgent demand for uniform regulations of commerce in favor of our home marine.

In 1789 we were carrying 17 per cent of our imports and 30 per cent of our exports. One of the first acts of the First Congress was to establish a tonnage tax of 6 cents on home vessels and 50 cents on foreign vessels entering our ports, and a rebate of 10 per cent of tariff duties on goods imported in American vessels.

WHAT DISCRIMINATING DUTIES ONCE DID.

Without going into further details of measures passed, the result of this system was that our marine advanced by leaps and bounds, so that in 1794 we carried 91 per cent of our imports and 86 per cent exports in American bottoms. This flattering condition continued in unabated vigor, except temporarily during the war of 1812, until high watermark was reached in 1825, when we carried over 95 per cent of our imports and 89 per cent of our exports.

DEVITALIZED LAW STILL RETAINED.

On the statute books of the United States the discriminating-duty system still stands in apparent force, but its vitality has been wiped out by a system of trade conventions with foreign nations by which their vessels are placed on a level with ours in the ports of the United States.

Not to burden this report with details, it may be fairly said these treaties began to take full effect about 1828, and from that time until now our carrying trade has steadily declined. We lost about 1 per cent a year for 30 years until the Civil War. It revived slightly after the war, but again drooped and dwindled, and under this system we now carry about 9 per cent of our traffic.

Many volumes have been written about these things, torrents of debate have poured forth, and many are the theories presented for our consideration, but the "short and simple annals" of our foreign-carrying trade are contained in the foregoing. Theory may be piled on theory, but the simple fact is, experience proves that a moderate discriminating duty will accomplish what we all want—and no nation can justly take offense.

A NONPARTISAN NATIONAL POLICY.

The policy of discriminating duties was inaugurated by the fathers of the Democratic Party, and it has recently had the official sanction of the Republican Party, and it may therefore be justly termed nonpartisan and broadly American. Jefferson and Madison were the authors of our earliest laws along these lines. Adam Smith, the greatest apostle of free trade, declared that protective navigation laws were the one justifiable exception in his proposed system.

The Republican national platform of 1896 said:

"We favor restoring the early American policy of discriminating duties for the upbuilding of our merchant marine and the protection of our shipping in the foreign trade * * * so that American ships may regain the carrying of our foreign commerce."

Mr. McKinley, in his letter of acceptance, said:

"The policy of discriminating duties which prevailed in the early years of our history should be again promptly adopted by Congress and vigorously supported until our prestige and supremacy on the seas are fully attained."

"Of the several suggestions looking to remedial legislation, we advocate the modified duty on imports carried in American bottoms, believing with our able Senator MARTIN that this, rather than direct subsidy will receive favorable action by Congress." Statement by E. T. D. Myers, jr., of Richmond, Va., representing the Richmond Chamber of Commerce before the Merchant Marine Commission (1904).)

REPUBLICANS ADVOCATE IT.

In 1894 Senator Frye proposed in the Senate to abrogate the trade conventions and again inaugurate the discriminating-duty plan of building up our marine, and was supported by Senator LODGE, Senator Higgins, and other Republican Senators. In 1907 Senator Elkins delivered an able speech in the Senate advocating this policy.

No one questions the certainty and effectiveness of the discriminating duty plan if it should be adopted. While the Democratic plan is opposed to taxing the general industries of the country in order to give the proceeds to a private enterprise, it is not opposed to encouraging the American marine by a reduction of taxation.

The principal argument offered by its opponents is that we must first abrogate over 20 trade conventions with foreign nations, and that these nations would retaliate against our shipping in their ports and against our exports, especially foodstuffs.

TREATIES PROVIDE FOR THEIR TERMINATION.

These conventions all contain provisos that they may be annulled on one year's notice (some of them six months' notice) by either party, and 14 have been so annulled at different times. There is no practical difficulty whatever in the way of annulling them if we so decide. Senator Frye's proposed bill and Senator Elkins's proposed bill for discriminating duties simply fixed the 10 per cent discriminating duty in favor of American vessels, and then provided that the same should take effect in 15 months, and in the meantime notice of the act should be given to the foreign nations.

RETALIATION CAN NOT HURT US.

With reference to retaliation, it may be said we have no foreign shipping now to speak of, hence they can not hurt us in that direction, while we could soon get back at least 50 per cent of our foreign carrying.

But, the advocates of the subsidy say, foreign nations will retaliate by increased duties against our products. We can not believe that their expressed fears are genuine. To bring about retaliation from a sensible people you must do some harmful, unjust act; you must grab for more than your share. But to adopt a moderate policy of encouragement of our merchant marine in order to get our just share of trade will not provoke a sane man. If we were seeking what rightfully belonged to them, we might expect revengeful measures, but to ask a part of what is ours by all moral standards may call forth their selfish efforts to prevent us from adopting the measures, but not retaliation for purposes of revenge.

The men who see danger of retaliation in discriminating duties are the men who want subsidies. If foreigners were going to retaliate against our foodstuffs, every provocation has been furnished by the Dingley bill. The nation that would stand our almost prohibitive tariffs

without retaliation is not going to take offense or umbrage if we adopt conservative measures simply to get a part of our own without the remotest thought of taking anything that belongs to them.

THO. SPIGHT.
ROBT. W. DAVIS.
ALLAN L. MCDERMOTT.
J. A. GOULDEN.
JOHN H. SMALL.
ALFRED LUCKING.

("Mr. Chairman and gentlemen, in advising the adoption of the method of preferential duties for American shipping we are asking for no new policy, but merely for the Government to extend to this tottering industry partially what it has given every other so liberally. I believe in the method of discriminating duties and tonnage taxes because it creates a preference for American bottoms in the mind of the importer and shipper, and thereby insures continual employment for the vessel. It makes competition between two merchants for the American vessel instead of competition between two vessels for the same freight * * *." Extract from statement before the Merchant Marine Commission, 1904, by Fields S. Pendleton, president Atlantic Carriers' Association, in which 400,000 tons of American sail vessels were represented.)

("By imposing discriminating duties on imports brought to our ports in foreign bottoms from countries other than those under the flag of which the ship sails the American shipowners will soon monopolize the carrying trade between the United States and countries that have no merchant marine. Supplementing this provision, a tonnage tax and reasonable compensation for carrying mails on routes that can not be established through discriminating duties alone would attract capital and men to the ocean-carrying trade, and thus build up the American merchant marine. For details of this plan, which has been advocated by the Milwaukee Sentinel for many months, reference is made to the early navigation laws of this country, enacted by the first American Congress and continued for nearly 40 years, and to that excellent report of the special committee of the Maritime Association of the Port of New York, already mentioned." Statement of E. T. Wheelock, editor Milwaukee Sentinel, made before the Merchant Marine Commission, 1904.)

RENEWED DEMOCRATIC ADVOCACY OF DISCRIMINATING DUTIES.

Congress provided for the appointment of what was known as the Merchant Marine Commission, in 1904, which conducted investigations in many seaports and Lake ports and Gulf ports, in order to ascertain the views of citizens who were interested as to the best method by which to build up an American marine in foreign trade. The majority of this commission favored a subsidy and bounty bill, which no Democrat could be induced to support. On the contrary, they joined in a report in opposition, giving their reasons in detail as to why they opposed the bill favored by the majority members. As to the policy they advocated by which to build up our shipping, that of discriminating duties, their report contains the following:

REPORT OF SENATOR S. B. MALLORY AND REPRESENTATIVES THOMAS SPIGHT AND ALLAN L. MCDERMOTT, MINORITY MEMBERS OF THE MERCHANT MARINE COMMISSION.

JANUARY 9, 1905.

It is agreed by every observant man who has given thought to the subject that our shipping interests in the foreign trade are in a deplorable condition. That something ought to be done to restore to American bottoms a reasonable percentage of our export and import carrying trade is conceded by all; the only difference of opinion is as to what the remedy should be.

NATION-WIDE DEMAND FOR DISCRIMINATING DUTIES.

A return to the discriminating-duty policy appears to be generally favored, as shown by the hearings of the Merchant Marine Commission at the most important ports on the Atlantic, Pacific, and Gulf coasts and on the Great Lakes. This was the policy of the fathers of the Republic, under which our shipping interests were so marvelously developed in our early history. Under this policy merchant ships flying the American flag were seen in every important port of the civilized world, and under its fostering care our ships carried more than three-fourths of our exports and imports. Although our business has increased so wonderfully that we are now the largest exporting Nation in the world, with corresponding imports, only 8 or 10 per cent of our foreign carrying trade is done in American bottoms.

TREATIES ALL TERMINABLE—FEAR OF RETALIATION UNFOUNDED.

The objections urged to a return to this system are based upon the necessity of abrogating treaties with nearly all the maritime countries and the fear of retaliation. That those treaties all operate to the great disadvantage of the United States under present conditions is not seriously denied in any quarter. They all provide, too, for abrogation at the instance of either party to the convention upon the prescribed notice, so that no element of bad faith could be charged if steps should be taken to abrogate. In the light of our earlier experiences and in view of the peculiar existing conditions, we think the fear of retaliation is not well founded. In our infancy as a Nation we not only faced this danger courageously, but successfully, and our shipping industry prospered far beyond anything we have witnessed since we bound ourselves by treaties to virtually surrender our business on the high seas. At present the larger part of our exports are food and clothing products, either in the raw or finished state, and the countries which are our best customers can not afford to discriminate against our goods, because this would only tend to increase the cost of necessaries to their own people.

DISCRIMINATE ON FREE AND DUTIABLE IMPORTS.

The strongest argument presented against this policy is the fact that about 40 per cent of our imports are of goods which are now on the "free list," and that the only way to enforce discrimination in respect to such imports would be to increase the "dutiable list." Of course, we do not advocate an increased cost of imported goods to the American consumer, but with the treaties out of the way we might meet this difficulty by imposing a low rate of duty on many of the imports when brought in foreign bottoms, but still to be free from tariff when brought in our own ships, and thus enable American vessels to compete successfully with foreign ships in freight charges and at the same time minimize the danger of increased cost to the consumer. What we want to do is to give some assurance to our foreign-going ships that they will have return cargoes, which would go far toward settling the question of the carrying of our exports in our own bottoms. But we are not willing, nor do we think it necessary, to commit ourselves to the proposition that anything now upon the "free list" should be made "dutiable." We prefer to take the chances of aiding our merchant marine by discriminating duties upon the 60 per cent of imports now on the "dutiable list."

This, we believe, would result in permanent assistance to our languishing shipping interests without imposing any additional burdens upon the public. We wish to aid our merchant marine by reducing burdens, not increasing them. * * *

("In the opinion of your committee it might be possible and desirable to adopt both methods; discriminating duties and other regulations and premiums on exports where there is already a large commerce, as between our ports and those of Europe, and subsidies or liberal mail pay where the traffic is small but offering prospects of growth, as between our ports and those of South America and the Orient." Extract from report made to the Merchant Marine Commission (1904) by the Associated Board of Trade of Boston.)

SENATOR MALLORY'S ADVOCACY OF DISCRIMINATING DUTIES.

One of the most distinguished Southern Senators of his time was Stephen R. Mallory, of Florida, an eminent and learned lawyer, one thoroughly versed in "admiralty" law, or that relating to shipping and the seas. It was because of his thorough knowledge of the subject, the early history of American shipping, its rise and decline, that he was selected as one of the minority members of the Merchant Marine Commission. He very strongly opposed the bill favored by the majority members of that commission, and in the speech in which he traversed the bill he concluded his remarks with a statement of what he would do to build up our merchant marine if he alone were clothed with power to that end. Although he advocated the discriminating-duty policy in the way of a reduction of the duty, attention is invited to the fact that he was quite ready, and, indeed, regarded it as a patriotic duty which he was sure the people would indorse, to advocate a slight duty on goods on the free list if brought in foreign vessels. On the subject of discriminating duties Senator Mallory said:

SPEECH OF SENATOR STEPHEN R. MALLORY, OF FLORIDA, JANUARY 18, 1906.

[See CONGRESSIONAL RECORD, pp. 1289–1301.]

Mr. MALLORY. Mr. President, I do not intend to consume any more of the time of the Senate in this desultory talk, but before leaving the subject I think it is proper I should express my views, or at least give some intimation of what I would do were I to be permitted to frame a bill for the purpose of rebuilding our merchant marine.

DIRECT DISCRIMINATION FAVORED.

I am free to say that I have given the subject some thought, and I am very much inclined to favor the scheme that was generally outlined by the bill introduced by the distinguished Senator from Massachusetts [Mr. LODGE] about 18 months ago in this body, a bill for the promotion of our merchant marine by a system of discriminating duties. I, however, do not think that a system of indirect discrimination will avail. I am decidedly in favor of direct discrimination, and I think that the opportunity is presented to the country to-day to avail itself of its tariff to build up the grandest merchant marine the world has ever seen, and to do it at a comparatively slight cost.

FEAR OF TREATY ABROGATION ONLY A BUGABOO.

It is true that we have the bugaboo presented to us, whenever the question is broached, that we have a number of treaties which constrain us and which would become ineffective upon our taking this action. All those treaties are in a certain sense mercantile conventions, not in the broad sense treaties. They contemplated, when they were originally instituted, that they could be set aside on a year's notice, and many of them have been set aside from time to time by other nations. I do not remember now exactly how many there are, but when I last figured it out I think there were only 23 of those so-called treaties which stood in the way. Many of them are simply clauses in treaties, providing that reciprocity in our intercourse with each other in shipping matters shall be observed for a certain period of time, at the expiration of which time the agreement can be set aside after a year's notice, or will be set aside with no action unless the other side should take some affirmative action in the matter.

Now, to hurry on, Mr President, the treaty trouble has had no terrors for me. It has had for the commission. There seems to be a notion, not merely confined to the commission, but among a great many people in this country, that if we should undertake to set aside those treaties we might meet with very bitter retaliation, the results of which no man could predict.

THE RETALIATION SCARE.

Mr. President, we have given the nations of the world all the excuse in the world to retaliate on us. We have the highest protective tariff in the world. We have shut out everything by a wall that prevents foreign nations from sending their goods to this country, and we have no good will at all among the nations. Whenever they can retaliate on us they are going to do it, and we must not be restrained by the idea that if we do something particularly offensive they are going to retaliate. They will retaliate on us whenever they can do so effectively and put themselves in a better position than they now occupy.

I have not time to dilate on that point, but I believe it can be demonstrated that we have no real reason to apprehend any calamity to this country, any injury to our trade or commerce, by reason of the abrogation of every one of the treaties now in existence on the subject of reciprocity in shipping.

I have taken the trouble to figure out a little here as to what would be the result in the event Congress agreed to abolish these treaties and to establish a direct discrimination as between us and the nations of the world in the goods carried by American ships and the goods brought to this country by foreign ships.

We are told also, with a considerable air of menace, that the countries of the world that we wish to build up trade with, the South American countries particularly, with which we have a very limited trade, when, in fact, we should have a large trade, are countries whose products come to this country largely on the free list, and in order to avail ourselves of a discriminating duty there we would have to put those articles on the dutiable list.

("But from what I have observed and from the testimony you have taken, and the consensus of opinion as far as this investigation has gone, I am inclined to lean toward discriminating duties." Statement of James W. Porch, merchant, at New Orleans, before the Merchant Marine Commission (1904).)

THE PEOPLE WOULD APPROVE.

I have sufficient confidence, Mr. President, in the people of the United States to have no hesitation whatever in believing that they would sustain me in voting to put many of those articles which are now on the free list on the dutiable list if the object to be accomplished is the building up of the merchant marine. It is a patriotic object. It is one which every man who has the welfare and good name and

honor and glory of his country at heart will approve, and I have no hesitation at all in committing myself to the principle that if it is necessary, or if it will result in building up the merchant marine for the United States, it is my duty to put on the dutiable list such articles now on the free list as will be necessary to effect that purpose.

HOW THE POLICY WOULD OPERATE.

Now, I take the item of coffee from Brazil. We import all that coffee free. The importations amount to 445,489 long tons. At one-tenth cent per pound that would amount to $997,896, which would give the shipmasters an opportunity to get a cargo in Rio Janeiro or in all the ports of Brazil at a rate of $2.24 per ton less freight than a foreign competitor. In other words, an American ship, with one-tenth cent per pound on coffee, would have an advantage over the foreigner on a cargo from Rio Janeiro to the United States of $2,240 per 1,000 tons.

Mr. LODGE. Do I understand that the Senator means, then, to impose a duty on coffee in that case?

Mr. MALLORY. Yes; one-tenth of a cent. I would be willing to vote for it if by so doing I could effectually contribute to building up the merchant marine.

With sugar it is the same. On sugar we pay a duty. We have an average duty on sugar of 1.5 cents per pound, a pretty heavy duty. We import 1,763,338 long tons. At a reduction of one-tenth of a cent we would have a reduction of $3,949,878, which would allow the same difference exactly at one-tenth of a cent on the 1,000 tons that there is in the case of coffee; that is, an American vessel would be $2,240 better off with a cargo of a thousand tons than a foreign vessel, so far as the ports of the United States are concerned.

Now, take india rubber and gutta-percha unmanufactured. We have 42,238 long tons, valued at $42,214,135. The duty at 2 cents a pound would amount to $1,892,277, which would be divided among American shipowners.

Hides. A large proportion of the hides that come to this country from South America, 188,564,013 pounds, come in free; 83,652,950 pounds come in under 15 per cent duty. The duty on the dutiable hides is $1,621,827. Two per cent duty on the hides now free would be $820,571, a reduction of one-third, or 5 per cent duty on the dutiable, $540,609, making a saving to the American of $1,361,180 on 121,704 long tons.

HOW TO GET OUR SOUTH AMERICAN CARRYING.

Now, there are four items—two of them are dutiable and two of them are free. The total tonnage of those articles would be 2,372,769, and the total difference between the established and the discriminating duties would be $8,201,231. I merely cite those as an illustration to show how a direct discriminating duty would work. I am satisfied, Mr. President, that under a wise system of tonnage taxes we would have no difficulty whatever in providing a return cargo. We would have a cargo from Argentina, Brazil, or Central America, and when it gets to the port of the United States for which it is destined the duty imposed on tonnage, which has in the past been imposed, would act as a check on foreign competition for outward cargoes. The American merchant marine under such a stimulus would increase and flourish as it did when it led the world, and I doubt very much if more than 10 years would elapse before we would have our merchant marine again in the gratifying position it occupied in 1860.

("I am strongly in favor of a reduction of import duties on all cargo imported in American-built vessels. * * * It gives the American ship in foreign ports the preference of freights to the extent of the reduction of the duty, and our American manufacturers and producers are not injured in any way by such reduction in duties. * * * I believe foreign vessels employed in trades between the United States ports and foreign ports other than between the United States and their home ports should be charged an increased tariff on all their imports and additional port charges." Statement of James Rolph, jr. (1904), president of the Shipowners' Association of the Pacific Coast, before the Merchant Marine Commission at San Francisco.)

("The method of levying discriminating duties advocated by Senator Elkins and others appeals to me as being one of the best means of 'remedying the disabilities which now exist' and superior to many schemes heretofore proposed, as it seems to meet some of the objections urged against other methods." Statement before the Merchant Marine Commission (1904) by Charles H Cramp, shipbuilder, at Philadelphia.)

DISCRIMINATING DUTIES GROWING IN POPULAR FAVOR.

In the years succeeding Senator Mallory's speech the subject of American shipping rehabilitation was kept constantly before the people and was the subject of wide discussion and many measures in Congress, which have so far resulted in nothing of a tangible and effective nature. But there is one thing that is of marked significance, and that is, among both Democrats and Republicans, and in the press of the country, there is a steady growth of sentiment more and more pronounced in favor of the early American policy of discriminating duties as the most effective means by which to restore our marine to the seas. It accomplished so much in the many years it was in full or in partial force, it operated so unobjectionably, it cost the people nothing, it took no money from the National Treasury; on the contrary, it had the good effect of adding money to the Treasury, and at the same time helping American shipping. These are reasons, the more they are studied, that are sure to still further popularize this policy.

("I am frank to say that my own idea, if it could be done, is that it would be a great deal more effective and permanent if done in the way of discriminating duties than by a direct subsidy, a most offensive manner to the large number of the people of this country." Statement made to Merchant Marine Commission (1904) by Capt. David Vance, shipowner, at Milwaukee.)

("But why not go back to the old and well-tried American policy of giving a discriminating duty to American ships bringing goods from foreign countries to the United States? * * * We know there was a time when American sails whitened every ocean on the globe, and it was the day in which the American ship brought in goods, I think, for 10 per cent less than the foreigner." Statement made to the Merchant Marine Commission (1904) by I. B. Cohen, of Portland, Oreg.)

REPRESENTATIVE UNDERWOOD ADVOCATES DISCRIMINATING DUTIES.

The latest and by far the most distinguished living man in public life who has formally placed himself on record in favor of discriminating duties is OSCAR W. UNDERWOOD, of Alabama, now chairman of the House Committee on Ways and Means, the Democratic leader on the floor of the House, and one of the most influential and beloved men in his party. In a speech on a shipping bill that provided subsidies and bounties, in 1910—only three years ago—and which he opposed, Mr. UNDERWOOD declared himself in favor of discriminating duties in a speech that shows a thorough study of the subject and a profound belief in the superior efficacy of this policy, and in which he said:

SPEECH OF REPRESENTATIVE OSCAR W. UNDERWOOD, OF ALABAMA, FEBRUARY 26, 1910.

[See CONGRESSIONAL RECORD, pp. 2475 to 2480.]

Mr. UNDERWOOD, of Alabama. Mr. Chairman, "We believe in the upbuilding of the American merchant marine, without new or additional burdens upon the people and without bounties from the Public Treasury."

Thus spoke the representatives of the Democratic voters of the United States in the convention at Denver, Colo., in 1908, when they gave to the country as the exponent of their faith the national Democratic platform.

WILL DEMOCRATS REDEEM THEIR PLEDGE.

Shall the Representatives in Congress holding allegiance to the Democratic Party keep the faith and redeem the pledge? If so, how can the upbuilding of the American merchant marine be accomplished without new or additional burdens upon the people and without bounties from the Public Treasury? Let us follow in the footsteps of the fathers of our party and we will find the way.

OUR PRESENT CONSTITUTION GREW OUT OF SHIPPING NEEDS.

A convention called at Annapolis shortly after the close of the Revolutionary War for the purpose of devising ways and means by which the Colonies could protect the commerce and shipping interests of the newborn Republic was the first move toward the adoption of the Constitution of the United States, and from this convention ultimately sprung the Constitutional Convention that gave to our country the greatest written Constitution ever conceived by man for the organization of free governments, so that it can be justly said that the encouragement of American shipping and American commerce was one of the foundation stones of our Republic.

IMPORTANCE OF SHIPPING.

No question outranked in importance the fostering care of our commerce in the first Congresses of the United States. The building of American ships and the development of our foreign commerce for years has been discussed from many and varied standpoints. When we consider the building up of the American merchant marine we naturally ask the question, Is it worth while, and if it is worth while, what are the benefits to be obtained? Almost before the dawn of civilization nations were fighting for trade, and it has always been recognized that a favorable balance of trade was a vital factor in the commercial life of nations to be contended for by all. A country may maintain the balance of commerce in its favor by its export of commodities produced at home, either agricultural or manufacturing; or it may maintain a balance in its favor by reason of the work done by it for other nations. England, Norway, Germany, and France are great carriers of commerce for others than themselves. They annually have an adverse balance of trade against them amounting to hundreds of millions of dollars, but as great as this adverse balance of trade is, they easily pay it by carrying in their ships the products of other nations. Without their earnings from their ships they could not for any length of time continue their present excessive importation of commodities from other lands.

BALANCE OF TRADE AND BALANCE OF COMMERCE.

Transportation must be balanced as well as trade, either by trade, by transportation, or by the exchange of precious metals, securities, or investments. It has been recognized universally that a country that settles its balance of commerce in gold must ultimately become a decadent nation, poorer and poorer as the years go by.

Our early statesmen, recognizing this fact, contended for fair commerce between the Colonies and foreign nations. Benjamin Franklin stated:

"Fair commerce is where equal values are exchanged for equal, the expenses of transportation included. Thus, if it cost A in England as much labor and charge to raise a bushel of wheat as it cost B in France to produce 4 gallons of wine, then are 4 gallons of wine the fair exchange for a bushel of wheat, A and B meeting at half distance with their commodities to make the exchange. The advantage of this commerce is that each party increases the number of his enjoyments, having instead of wheat alone and wine alone the use of both wheat and wine."

The balance of commerce in its trade relations with other countries is largely the determining factor in the life of a nation, that ascertains whether it shall be rich or poor, weak or strong, dependent or independent. Shipless trading nations are constantly in foreign debt and often in financial straits.

The preponderance of exports over imports may fix the balance of trade in a nation's favor; nevertheless, if some other nation is carrying its commerce, the cost of transportation being paid to the foreigner, the balance of commerce often is left in favor of the foreign nation and must be paid in gold or its equivalent. Let us not forget that commerce consists of transportation as well as trade. The freight charge becomes a part of the value of the cargo, whether it is credited to the side of the imports or the exports depends on whether the ship is foreign or domestic. Our own ships carrying goods abroad increases our credit there; our own ships bringing goods home save in debt here. It is of equal importance that the charge for transportation should be equally balanced as that the trade balance should be in our favor. Where two countries do an equal amount of the carrying trade between them, a balancing of the imports and exports may show the debtor and creditor side of their trade condition, but where one is doing a preponderance of the transportation, that must be taken into the reckoning before a true balance of the account can be ascertained.

This is illustrated from the history of our own commercial transactions. The first favorable balance of commerce, of 66 cents per capita, occurred in 1793, four years after the inauguration of the Government. Our trade balances, as shown by the imports and exports, were adverse to the extent of $1.18 per capita, but transportation being in our favor to the extent of $1.84 per capita, left us on the credit side of the national ledger. The first favorable balance of trade—that is, of imports and exports—did not happen until 1811, and was largely induced by conditions growing out of the threatened war with England; but up to that time the balance of commerce had been largely in our favor, due to the earnings of our ships in the carrying trade. The greatest excess of transportation per capita that our country has ever experienced was in 1807, when it amounted to $6.90 per capita. That year our exports were $16.25 per capita and our imports $20.78 per capita, which left a balance of trade against us, but our earnings on the sea converted an adverse balance of trade to a favorable balance

of commerce to the extent of $2.37 per capita. For the first half century of our Government our shipping interest by its earnings secured for us a balance of commerce in our favor, but after the decline of the American shipping interest had once begun we have had a balance of commerce against us, with very rare exceptions, notwithstanding the fact that in many years the balance of trade has been favorable, by reason of the exports being in excess of our imports.

ADVERSE BALANCES OF COMMERCE.

From 1862 to 1896 we had 25 favorable balances of trade, but 9 of these were converted to adverse balances after paying our transportation charges, reducing our favorable balances of commerce to 16, as against 28 for foreign benefit, in spite of ample exports and a high protective tariff that restricted importations as far as possible. These adverse balances were largely paid in bullion. I find in the statistics of the movement in gold and silver coin and bullion for 33 years prior to 1896 that there was a net export of precious metals to the amount of $1,366,755,000 toward the payment of our adverse balances, a dangerous condition for even the strongest and wealthiest of nations to continue in; and yet during all these years that the Republican Party has controlled the Government absolutely nothing has been done to correct the evil of shipping our basic money abroad to discharge adverse balances of transportation recurring from year to year caused by the absence of an adequate merchant marine.

("Ten years of especially low import duties on all imports brought into the United States in American bottoms, with the gradual withdrawal of this protection in the following 10 years, would establish both the American shipbuilding companies and the American owners on such a firm basis that, in my opinion, they could at the expiration of this 20-year period be in a position to take care of themselves on a profitable basis. * * * The 20 years' experience thus gained by our great shipyards will, in my opinion, enable us to build better and cheaper boats than any other nation in the world; so that in 1925 we shall not only be the richest and most progressive nation of the world but we shall be and will always remain the mistress of the seas." Statement before the Merchant Marine Commission (1904) by J. Scott Parrish, of Richmond, Va.)

JEFFERSON'S PROPHETIC UTTERANCE.

The importance of a merchant marine of our country was clearly expressed by Thomas Jefferson, then Secretary of State under George Washington in 1791, when he said that "the marketing of our products will be at the mercy of any nation which has possessed itself exclusively of the means of carrying them, and our politics may be influenced by those who command our commerce." This statement, made nearly 120 years ago, is prophetic of our present condition. Foreign Governments are almost exclusively possessed of our foreign carrying trade, and, to a large extent, the arrangement of their shipping routes has excluded our commerce from the markets of South America and will continue to do so as long as present conditions remain.

DENOUNCES REPUBLICAN NEGLECT.

Since the Civil War the Republican Party has had either absolute or partial control of the Government, except for two years during the first half of the second Cleveland administration. In this period of nearly 60 years nothing has been done toward building up our carrying trade or restoring it to the position it occupied in the first half century after the organization of the Government. In 1860 our carriage in American vessels of imports amounted to 60 per cent and of exports to 72 per cent, or an average of 66 per cent of American commerce carried in American ships; to-day the American commerce carried in American ships averages about 9 per cent. During the life of the Republican Party it has placed on the statute books what is known as the act of March 3, 1891, which provides for a mail-contract subsidy, providing bounties for certain ships carrying the mail of the United States. As our shipping has decreased to a very large extent since the passage of this act, this fact has demonstrated that the act was not an effective remedy for existing evils. It has also enacted into law a pretended discriminating tariff against foreign ships, which, under its terms, became inoperative at once. All the legislation it has ever passed has been ineffective and barren of results, so far as our merchant marine and foreign commerce is concerned.

EARLY SHIPPING LEGISLATION.

Many of the men who were members of the Constitutional Convention were Members of the first Congresses of the United States. These Congresses were greatly interested in the development and building up of our merchant marine and the control of our foreign trade. No men understood better the limitations of the powers of Congress than the men who served in the Senate and the House of Representatives in the early history of our Government, and it is interesting to note the policy they pursued and the course they followed to produce the desired results. The first bill enacted by the Congress after it assembled was the tariff act of July 4, 1789. Section 5 of that act reads as follows:

"SEC. 5. And be it further enacted by the authority aforesaid, that a discount of 10 per cent on all the duties imposed by this act shall be allowed on such goods, wares, and merchandise as shall be imported in vessels built in the United States and which shall be wholly the property of a citizen or citizens thereof, or in vessels built in foreign countries, and on the 16th day of May last wholly the property of a citizen of the United States, and so continuing until the time of importation."

From this it will be seen that a discriminating duty by way of discount of 10 per cent was given on all goods imported into the United States in American ships owned by American citizens. James Madison, the father of the Constitution of the United States, was in charge of the bill, and the logic and force of his great intellect was in favor of the adoption of the discriminating duty in favor of American ships.

A few years later the tariff act of August 10, 1790, was passed, and section 2 of this act read as follows:

"SEC. 2. And be it further enacted, that an addition of 10 per cent shall be made to the several rates of duties above specified and imposed in respect to all goods, wares, and merchandise which after the said last day of December next shall be imported in ships or vessels not of the United States, except in the cases in which an additional duty is hereinbefore especially laid on any goods, wares, or merchandise which shall be imported in such ships or vessels."

From this law it will be seen that the discriminating duty was still continued in force, but was changed from a discount of 10 per cent on goods coming in American vessels to an additional duty of 10 per cent on goods imported in foreign vessels.

These discriminating tariff duties were again enacted in the act of June 7, 1794, and again in the tariff act of January 29, 1795, and again in the tariff act of May 11, 1800. The tariff act of March 12, 1804, section 3, reads as follows:

"SEC. 3. And be it further enacted, that an addition of 10 per cent shall be made to the several rates of duties above specified and imposed in respect to all such goods, wares, and merchandise as aforesaid as shall, after the said 30th day of June, be imported in ships or vessels not of the United States."

JEFFERSON APPROVED OF DISCRIMINATING DUTIES.

It is worthy of note that this bill was passed in the administration of Mr. Jefferson, was signed by him when it became a law, and carried his approval of a discriminating duty of an additional 10 per cent levied on all goods imported into this country in foreign ships for the purpose of upbuilding the American merchant marine.

SUCCESSIVE DEMOCRATIC DISCRIMINATING-DUTY LAWS.

Practically the same law was reenacted in the tariff act of July 1, 1812, and again reenacted in the tariff act of February 25, 1813, when James Madison was President of the United States, and received his approval, as did the first discriminating duty passed by the First Congress. These discriminating duties in favor of the American ship and the upbuilding of our foreign commerce were advocated, proposed, and enacted into law by the founders of the Democratic Party. Our statesmen advocated the enactment of this legislation both as a matter of principle and as a good business and governmental policy. The wisdom of their laws was demonstrated by the results obtained. Such was the purpose and good effect of these acts of Congress that from 1789 to 1794, a period of seven years, the carrying of foreign imports in American ships rose from about 17 per cent to 94 per cent, and the exports of all American goods in American ships during that same period rose from about 30 per cent to 90 per cent, until the war of 1812, when it fell to an average of 55 per cent, but fully recovered in six years and culminated at an average of 92½ per cent in 1826.

POLICY SUSPENDED—NOT REPEALED.

At this time a suspension of the discriminating duties in favor of the American ships was recommended by the President, and in 1828 an act for this purpose was passed, which I will now read:

"That upon satisfactory evidence being given to the President of the United States by the government of any foreign nation that no discriminating duties of tonnage or impost are imposed or levied in the ports of said nation upon vessels wholly belonging to citizens of the United States, or upon the produce, manufactures, or merchandise imported in the same from the United States or from any foreign country, the President is hereby authorized to issue his proclamation declaring that the foreign discriminating duties of tonnage and impost within the United States are and shall be suspended and discontinued, so far as respects the vessels of the said foreign nation and the produce, manufactures, and merchandise imported into the United States in the same from the said foreign nation or from any other country, the said suspension to take effect from the time of such notification being given to the President of the United States and to continue so long as the reciprocal exemption of vessels belonging to citizens of the United States and their cargoes as aforesaid shall be continued, and no longer."

The new policy was admitted as experimental, but it was contended that if it should not work as expected and a loss of carrying trade should follow, then Congress could repeal the conventions made under its terms and reinstate the old system. The passage of the bill proved the undoing of the merchant marine, and the policy it inaugurated has never been changed.

FOREIGN NATIONS UNFAIR.

Shipping nations were not honest enough between themselves for the application of free-trade principles in navigation, and most of our rivals while professing to practice a policy of nondiscrimination against American ships, acted unfairly and resorted to some form of ship protection, either by granting subsidies or bounties or by adopting other methods of discrimination against American ships.

CONSTITUTIONAL AND EFFECTIVE WAY.

Great Britain did not avail itself of the benefits of the law of 1828 until 1850, and in 12 years thereafter we had lost 21 per cent of our carrying trade. This brought us up to the period of the Civil War, and shows conclusively that it was not war conditions alone that destroyed our merchant marine, but the change of policy on the part of our Government had commenced its destruction before the war period was reached. Under these circumstances it seems clear to me that the constitutional and effective way to restore the American ships to the seas and carry American commerce in American bottoms is to return to the policy of the fathers and for the Congress to adopt again a discriminating duty in favor of American ships.

ADVANTAGES OF REVIVING DISCRIMINATING DUTIES.

A reduction of the tariff of 5 per cent on all goods imported into the United States in American ships would give the American shipowner an advantage over the foreign shipowner in payment of duties of from ten to fifteen millions of dollars annually. This would not fall as a burden on anyone; it, of course, would enable the American shipowner to charge nearly the amount of the discriminating duty as additional freight rates, but it would not increase the cost of goods imported in this country a dollar over what they are to-day. It would not take a dollar out of the Federal Treasury, and, in my judgment, it is the only effective remedy that can be adopted toward building up the merchant marine of our country, and keep the profits that are derived from the transportation of our foreign commerce at home instead of paying it to foreign nations. The only objection that I have heard urged to this policy has been that it would be in violation of our foreign treaties, and that we could not afford to endanger our trade relations with foreign countries in this way.

("One of these plans is no doubt preferable to the other, and I speak for preferential duties; yet, if the subsidy plan should be decided upon by Congress as the best, I would say, 'Well done, good and faithful servants,' because the poorest legislation proposed in this case is a million times better than no legislation at all, and will be a step in the direction of progress." Extract from statement made to the Merchant Marine Commission (1904) by A. C. Passano, president Great Lakes Engineering Works, at Detroit.)

TREATIES—CONVENTIONS—RETALIATION.

I hold in my hand a pamphlet that has been issued by William W. Bates, president of the Shipping Association of America, and at one time Chief of the Bureau of Navigation, then a bureau in the Treas-

ury Department, but now in the Department of Commerce and Labor. There is no man in America better advised and informed on these questions than Mr. Bates, and I read you what he says as to how far conventions made under the act of 1828 are effective and control our actions to-day:

"It is supposed by some who are friends of our marine, and others who are not, that certain conventions, which some term treaties, and others think are commercial covenants, stand in the way of reviving our early policy of trade regulations. They take it that our early policy was abandoned, and that foreign nations have acquired the rights that we relinquished. These notions are mistaken. The 'conventions' were made for nothing else than the mutual suspension of ship protection, then generally secured by trade regulations. In making these agreements our early policy was not abandoned, only temporarily and conditionally 'suspended' (that is the word in the act) as to such nations as would reciprocate for a term of years—generally 10. With respect to other nations, our primal policy is in full force to-day. Only 22 nations are now excepted from our regulations as they stood in 1828. Several nations—such as Brazil, Peru, Nicaragua, and Venezuela—have terminated their conventions with us, without at all disturbing their trade relations. We had a commercial convention with England (1854–1864) for trade reciprocity with Canada, which we terminated in 1865 without injuring our trade relations in the least.

"We relinquished no rights whatever by granting a privilege for a term of years. On the contrary, it may be contended that our rights on the sea, and to the regulation of our trade, were confirmed by every nation that made a convention with us—for a privilege to bring to our ports ships and cargoes from their own and other countries free of discriminating duties.

"The conventions merely made exceptions to our permanent law. The right to terminate the conventions, after the expiration of the term fixed, was reserved by stipulation to each party, and the exercise of this right can not be questioned by either party, nor can other parties offer valid objections.

"However, there are some to whom these facts should be common knowledge, who ask whether the termination of our 'maritime reciprocity conventions' (not treaties) 'would not mean the tearing up of our trade relations with the rest of the world?' The answer is, most decidedly, 'No!' Trade relations are not at all concerned. Our trade relations were established with foreign nations long before any of these 'conventions' were made. They are like a coverlet to a bed—that may be left on or laid off.

"We have a just case of action against these conventions. Under them, and owing to them, our foreign carrying trade has been lost. Other nations have gained it from us. Doubtless they believe in them, because our hands are tied from using against them the only protection possible under our Constitution; but why any American feels like longer tolerating them seems strange indeed. With the conventions terminated the argument for the safety of trade relations would vanish, since it has no more weight than a summer cloud.

"Besides, in point of fact, our rivals have paid no attention to the spirit and true object of these conventions—the doing without ship protection. On the contrary, all of them have resorted to protective devices of some sort. Devices such as some substitute for trade regulations are impossible of application in the United States. The truth is that our foreign carrying trade needs more protection than that of any foreign nation, and Congress must be perfectly free to make it into law; to provide a defense against the advantages and adverse devices of foreign nations, and to secure in perpetuity for our commerce the services of an adequate American marine.

"These conventions, save one, with two years remaining, have long since run out their time. They were based on 'reciprocity,' but we have now no ships, and reciprocity has vanished. No longer is there a pretense of equity or usefulness in them. While they continue there seems to be the shadow of an excuse for calling on Congress for 'ship subsidy,' as compensation for their injurious action.

"Some have advanced the idea that termination of these conventions would cause retaliation of some sort. That would be unjustifiable. It would be very uncivil treatment, a manifestation of malice, a breach of the peace. It would challenge our freedom, our courage, and our pride. It would mean war, with its 'horrid front.' It would mean a merchant marine with the return of peace—unless the Republic shall go down in defeat. We are a free Nation, and it is known that we can and will defend our rights, our honor, and our national life. The idea of 'retaliation' because we act within our rights to regain our place on the sea; what is it? Nothing but a foolish appeal to cowardice. There will be no 'retaliation' until the nations have lost their senses. Tell the world that we, Americans, dare not by proper legislation recover our lost place as a shipping Nation if you will, but there is no brave nation governed by rulers so simple as to believe it. Only the fearful among the politicians of our own Nation would be such simpletons."

THE TRUE POLICY.

As stated by Mr. Bates, it is clear that there are no treaties that stand in our way to prevent us from enacting a discriminating tariff duty in favor of American ships. It was the policy of the fathers; it built up our merchant marine from a point where it was carrying 17 per cent of our commerce to a point where it was carrying 90 per cent of American commerce in a period of seven years. It does not place additional burdens on the people; it is not a policy of doubtful constitutionality; it is a policy that has been tried and proven effective. It is a policy by which we can restore the American flag to the seas and the American ships to our commercial trade. It is a policy that will enable us to build up the export trade of the American people. It is a policy that will enable us to find foreign markets for our surplus products in agriculture and manufacture. It is a policy that will restore the balance of commerce as well as trade to our Nation. It is a policy that will ultimately overcome the necessity of our paying a foreign balance in gold to European nations and will bring prosperity to all lines of industry. [Applause on the Democratic side.]

("I have listened to arguments in favor of subsidies, mail contracts, etc., for the benefit of our merchant marine, but I must acknowledge that I can not now see how either can be made to assist all our shipowners, and I am informed by those who are in a position to know that it will be a hard matter, owing to treaties with other governments, to discriminate against their vessels carrying products of our country to other countries than their own, or bringing the products of those countries here; but I am firmly convinced that the recommendations made by the committee from the New York Maritime Exchange on this subject is the only way that our whole merchant marine can be benefited." Statement made before the Merchant Marine Commission (1904), by Capt. M. W. Tupper, at Brunswick, Ga.)

SPEAKER CLARK BELIEVES IN DISCRIMINATING DUTIES.

Representative Spight, of Mississippi, the ranking Democratic member of the House Merchant Marine and Fisheries Committee, had a bill before Congress in 1910 providing for a 5 per cent reduction of duty on all imports in vessels of the United States. On May 20, 1910, the bill was under discussion in the House, and, addressing Representative HUMPHREY, of Washington, who was opposing the Spight bill, Representative CHAMP CLARK (see p. 6635, CONGRESSIONAL RECORD) said:

"I do not want to interrupt your speech, but I will tell you what I do know: That by just exactly that proposition we built up the second greatest merchant marine there ever was on the high seas, and we can do it again."

("Consequently the relief should come, as mentioned by the gentleman who has spoken, in differential duties on indirect importation, and I am heartily in favor of that plan, and possibly a differential duty on exportations in favor of American bottoms." Statement made to the Merchant Marine Commission (1904) by Capt. Henry E. Parker, of Newport News, Va.)

("In my judgment, assistance should be extended, and extended promptly, to ship owners and builders in the shape of more liberal contracts for carrying the mails and by discriminating duties on indirect commerce; that is, commerce coming into the United States in vessels other than those of the country from which they come." Statement by Capt. J. W. McCarrick in behalf of the Norfolk (Va.) Chamber of Commerce before the Merchant Marine Commission (1904)).

("If you suffer the power who looks with jealousy on your rising commerce and with envy on the glory of your Navy to exclude you from the participation of those advantages which of right as being derived from nature belong to you, abandon all thought of an efficient marine and withdraw from the ocean." James Barbour, of Virginia, 1818.)

("There have been a number of ways suggested, but the trouble is we do not try them. The only one that has behind it the logic of actual success is the system of discriminating duties introduced by President Madison." Statement by Lewis Nixon (1904) before the Merchant Marine Commission.)

DISCRIMINATING DUTY CLAUSE IN UNDERWOOD TARIFF BILL.

On April 7, 1913, Representative UNDERWOOD introduced his famous tariff bill in the House—H. R. 10, 63d Cong., 1st sess.—in which appears the following section in favor of the discriminating-duty policy he advocated three years ago—the policy of the founders of the Republic and of the Democratic Party, as he puts it:

"J. Subsection 7. That a discount of 5 per cent on all duties imposed by this act shall be allowed on such goods, wares, and merchandise as shall be imported in vessels built in the United States and which shall be wholly the property of a citizen or citizens thereof."

Before its consideration was begun upon the floor the bill was discussed in detail by a caucus of the Democratic Members of the House, resulting in a number of amendments, among which was an amendment of the above-quoted section, so modifying it as to read as follows:

"J. Subsection 7. That a discount of 5 per cent on all duties imposed by this act shall be allowed on such goods, wares, and merchandise as shall be imported in vessels admitted to registration under the laws of the United States."

WEAK FEATURES OF UNDERWOOD AMENDMENTS.

There is no question whatever of Representative UNDERWOOD'S sincere desire to see American shipping restored to its old-time power, prestige, and prosperity. But such an accomplishment would have been impossible had his first above-quoted amendment been enacted, because it would only apply to our dutiable imports, which are but 45 per cent of our total imports, and as fully 90 per cent of our entire imports from South America are free of duty, although the trade between the United States and South America is one of the most promising, under any legislation helpful to American shipping, the latter would receive no benefits in that trade under that amendment. But as amended in the Democratic caucus it contained the weakness noted in the original clause, besides which through the change made, it would result in the use of foreign vessels, probably exclusively, in any subsequent additions to American registration, because under the Panama Canal act of August 24, 1912, provision was made for the admission of foreign-built American-owned vessels not over 5 years old to American registration. This last-named provision is so far a dead letter in that no foreign vessels have come under American register in the more than a year that has elapsed since its enactment, but vitality would doubtless be infused in that portion of the Panama Canal act if the Underwood section had been adopted. Thus the clause would have been of no benefit whatever to American shipbuilders.

FOREIGN GOVERNMENTS FILE FORMAL PROTESTS.

As soon as the Underwood tariff bill saw light, foreign governments began to file formal protests with the Department of State in opposition to its provisions, on the ground—so far as the newspapers have been able to shed a light that the State Department has not officially shed upon the basis of the protests—that its provisions are in violation of treaties now in force between the United States and other countries. It would seem that this view is sustained by Secretary of State Bryan, if the newspaper reports may be relied upon, because they quote him as suggesting to Senator Simmons, the chairman of the Senate Finance Committee, the omission of the Underwood discriminating section from the tariff bill.

SENATE YIELDS TO FOREIGN PROTESTS.

The Senate committee, seemingly, accepted in toto the view of Secretary of State Bryan, thus sustaining the contentions of foreign governments that the section would violate treaties, and reported the bill to the Senate with the offending section stricken out. Thus it appears that foreign protests are more powerful with the Secretary of State and with the Senate of the United States in protecting foreign shipping engaged in the foreign carrying of the United States than the wishes of a vast majority of the American people that the old American policy of discriminating duties be readopted for the upbuilding of our shipping in foreign trade. American needs are to receive no consideration, evidently, when the remedy of our maritime conditions conflict with or in any way threatens the present foreign monopoly of our foreign carrying!

SENATOR JONES FOR DISCRIMINATING DUTIES.

Senator WESLEY L. JONES, of Washington (Republican), has introduced an amendment to the Underwood discriminating duty section which reads as follows:

"J. Subsection 7. That upon all goods, wares, and merchandise imported under the provisions of this act in vessels not registered under the laws of the United States, there shall be imposed and collected a duty of 10 per centum ad valorem in addition to the duties otherwise

imposed by this act, and on all such goods, wares, and merchandise as are otherwise admitted free there shall be imposed and collected a duty of 5 per centum ad valorem if imported in vessels not registered under the laws of the United States: *Provided*, That the President is directed to cause to be abrogated without unnecessary delay, and in the manner therein provided, all treaties which contravene this provision; and until so abrogated this provision shall not apply to goods, wares, and merchandise imported in vessels affected by such treaties."

The foregoing is an infinitely more effective provision than the Underwood clause, in that it applies to 100 per cent instead of but 45 per cent of our imports; that it is an ad valorem increase of 10 and 5 per cent, respectively, as the imports are dutiable or free, instead of a 5 per cent reduction of the duty; and in that it provides for the abrogation of all treaties to the contrary and the repeal of all laws in conflict. It, however, would, unamended, result in the use of foreign-built instead of American-built vessels, due to the provision of the Panama Canal act previously explained. But it is our understanding that Senator JONES has provided for the amendment of his proposed section so as to confine its benefits only to vessels built in the United States or, up to the present time, admitted to American registration.

TO GIVE PUBLICITY TO FOREIGN PROTESTS.

On August 19, 1913, Senator JONES of Washington introduced the following resolution in the Senate (S. Res. 165), which was adopted on August 29, 1913, with an amendment which is included in italics:

"*Resolved*, That the Secretary of State be directed, *if not incompatible with the public interest*, to transmit to the Senate copies of all protests filed against paragraph J, subdivision 7, of Section IV (V as amended) of H. R. 3321, "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," together with copies of all correspondence that has passed between this country and any foreign country relating thereto, and copies of any report or reports prepared or made thereon by any officer of the United States; the subject referred to being the provision in the tariff bill providing for a discount of 5 per cent on all duties on goods, wares, and merchandise imported by vessels admitted to registration under the laws of the United States."

WHY AMERICAN SHIPPING IS SACRIFICED TO PROTECT FOREIGN.

If the Secretary of State shall not decide that it will be incompatible with the public interest for these protests, the correspondence and reports thereon to be made public, Congress and the people at large will be permitted to know the actual basis of such protests. Months ago foreign governments, themselves familiar with the basis of the protests and doubtless also in possession of the report of the Counselor to the State Department thereon, Mr. John Bassett Moore, learned that the Secretary of State regarded the protests of sufficient seriousness to advise Chairman Simmons, of the Senate Finance Committee, to drop the obnoxious section from the tariff bill, which advice Senator Simmons followed, with the approval of the Senate Finance Committee and the Senate itself.

WHY CONGRESS LEGISLATES FOR FOREIGN INSTEAD OF AMERICAN INTERESTS.

Thus the American people may be permitted to know what the reasons are why Congress should feel compelled to abandon a policy upon which it started for the upbuilding of American shipping, thereby perpetuating foreign monopolistic control of American foreign carrying. Possibly the protests may be made public in sufficient time for the House to decide through its conferees in charge of the tariff bill while in conference whether or not the allegations are true and the arguments conclusive, as put forth by foreign governments in opposition to legislation pending in Congress. Certainly a new departure has been made in American government when foreign governments have the temerity to demand and Congress is sufficiently docile to concede that any legislation helpful to American shipping must meet the approval of the governments of the countries whose ships now enjoy a monopoly of our foreign carrying. The time has at last arrived predicted by Thomas Jefferson, in 1791, while Secretary of State in the first administration of President Washington, when "our politics may be influenced by those who command our commerce."

WILL REPRESENTATIVE UNDERWOOD AND THE HOUSE OF REPRESENTATIVES YIELD?

At the time of the public discussion of the foreign protests, the recommendations of Secretary of State Bryan, and the action of the Senate Finance Committee in striking out the Underwood discriminating duty section, Representative UNDERWOOD was quoted as saying that the section, if put into force, would not violate any treaties. If Mr. UNDERWOOD adheres to that position, will he and his House conferees refuse to concur in the Senate's action in deference to foreign protests? And will he insist on the amendment being retained and that the first short step in the direction of reviving our shipping in foreign trade be taken?

HOW DEMOCRATS, IF SINCERE, CAN HELP AMERICAN SHIPPING.

If Democrats really desire to enact legislation helpful to American shipping, without conflicting with any treaty, convention, or trade agreement with other nations, they have but to so amend the Underwood discriminating duty section that it will read as follows:

"J. SUBSEC. 7. That a discount of 5 per cent on all duties imposed by this act shall be allowed on such goods, wares, and merchandise as shall be imported in vessels built in the United States."

A shipbuilding nation is always a shipowning nation; busy builders precede prosperous owners; as builders are busy, shipowners multiply, and provide employment for shipmasters, officers, and seamen. As builders can only turn out ships by keeping American labor employed, it must follow that the principal benefit following the enactment of this legislation will accrue to the skilled and unskilled labor in American shipyards and the men who make the material that goes into the construction of the ship. Such an enactment as above suggested could not be objected to by any foreign nation on the basis of bad faith on the part of the United States. Its benefits are not limited to vessels owned by American citizens or registered under the laws of the United States, but are open to any vessel, wherever owned, so long as it is built in the United States. The above-quoted section avoids, by omitting, that portion of the Underwood section upon which foreign Governments based their protests that the section, if enacted, would violate treaties now existing between the United States and other countries.

THE BEST WAY TO REAPPLY THIS OLD POLICY.

Really, the better way of doing this would be to increase the amount of duty on all imports in vessels not built in the United States, but it does not conform to the method of reenacting the old American discriminating duty policy seemingly now favored by Democrats, and for that reason it is suggested to them in the above phrasing. If the discrimination were applied, however, in the way of an increased duty on all imports in vessels not built in the United States, it would apply to 100 per cent of our imports instead of to but 45 per cent or less applied through a discount in the duty. To apply the policy through an increased duty would increase the revenues of the Government while at the same time helping to build up American shipping in foreign trade. It would do one of two things: It would build up American shipping or increase the revenues sufficiently to extend the free list.

A FAIR TEST OF DEMOCRATIC GOOD FAITH.

There is a wide belief that the Democrats would like to enact effective and enduring American shipping legislation. Here is their chance. It is believed that the Democrats would like to succeed in the enactment of legislation that, so far, has baffled Republican statesmanship. Here is their chance. They struck out the Underwood section, they say, not because foreign Governments objected, but because for the United States to violate its treaties with other nations would be an act of bad faith. No such charge could lie if the above-quoted section should be enacted. Foreign objections would be overcome and a real and enduring benefit conferred upon American shipping in foreign trade. This is a real test of the good faith of Democrats. In all sincerity the above-quoted section is offered to the friends of American shipping in Congress, Democrats and Republicans. Its enactment would be a long step in the direction of building up an American merchant marine. This is a time for deeds—not words. This suggestion is particularly addressed to every member of the conference committees of both House and Senate conferees on the pending tariff bill. Its adoption by them will doubtless lead to its adoption by Congress and approval by the President.

Mr. FLETCHER obtained the floor.

Mr. GALLINGER. If the Senator will permit me one moment, there has been more or less discussion as to the position that Mr. Franklin, of New York, a distinguished citizen of that city, who is greatly interested in shipping, has taken on this bill. Mr. Franklin gave testimony before the committee. I received to-day a letter from Mr. Franklin, an unsolicited letter; he did not say that it should not be made public, and I ask that it be read to the Senate. It is brief.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The Secretary read as follows:

9 BROADWAY, NEW YORK, *August 15, 1916.*

Hon. JACOB H. GALLINGER,
United States Senate, Washington, D. C.

DEAR SENATOR GALLINGER: Shipping bill. Referring to the debate on this bill and some remarks that have been made regarding my views upon the subject, I thought it well to take the opportunity of suggesting to you to read over my testimony before the subcommittee of the Senate Committee on Commerce on Thursday, June 1, 1916, pages 88 to 115, and 120 to 122.

As you well know, I have always considered that all that part of the bill which authorizes Government ownership and operation is exceedingly unwise, as it neither deals with or helps in any way the present emergency, nor does it establish any sound principle for the ground upbuilding of the American merchant marine in the foreign trade. Therefore I think, if passed, it will be prejudicial to the best interests of the American merchant marine in the foreign trade.

As you are aware, I have never been opposed to the shipping board, but that board should be one created with the object of helping to develop American shipping in foreign trades by carefully investigating the whole situation, and then making its recommendations to Congress as to what is necessary to be done in the way of relieving and assisting shipping.

This board should have under its jurisdiction everything pertaining to administering the shipping laws of this country, and the rules and regulations governing shipping, similar to the Board of Trade of Great Britain.

This board should consider that it is responsible for the upbuilding of the American merchant marine through the encouragement of private owners and operation, which is the only proper, healthy, and lasting manner in which the American flag can expect to compete in foreign trades with the foreign flag.

This board should not be created as a club to be held over the heads of shipping, before the country has any shipping of its own for foreign trades, but should be created with a view of fostering, encouraging, and assisting American individuals and corporations to invest their capital in steamers for foreign trades and commerce.

There never was a better opportunity for Americans to enter the foreign trades than the present, but if they know that they might have to compete with Government owned and operated steamers and services it will be impossible to interest capital.

With kindest regards, I am,

Yours, very truly, P. A. S. FRANKLIN.

Mr. FLETCHER. Mr. Franklin gave his testimony before the subcommittee of the Committee on Commerce, as the report shows. It appears on page 88 and the following pages in the hearings. I certainly understood from his statement that he not only has no objection to the creation of this board, but that he has no objection to the powers given the board in the bill. I think his statement will so appear. However, that is immaterial. His statement is a matter of record.

COLVILLE INDIAN RESERVATION LANDS.

Mr. ASHURST. Out of order I ask leave to submit a report from the Committee on Indian Affairs. I ask unanimous consent to make the report.

The PRESIDING OFFICER. Without objection, leave is granted. The Chair hears none.

Mr. ASHURST. From the Committee on Indian Affairs I report back favorably without amendment the bill (H. R. 15575) to amend the act of March 22, 1906, entitled "An act to authorize the sale and disposition of surplus or unallotted lands of the diminished Colville Indian Reservation, in the

State of Washington, and for other purposes," and I submit a report (No. 798) thereon. I ask the attention of the Senator from Washington [Mr. JONES] to the report.

Mr. JONES. That is purely a local bill. It has passed the House of Representatives and has been recommended by the Department of the Interior, and I ask for its present consideration.

There being no objection, the bill was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

EXECUTIVE SESSION.

Mr. FLETCHER. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

RECESS.

Mr. FLETCHER. I move that the Senate take a recess until 12 o'clock to-morrow.

The motion was agreed to; and (at 6 o'clock and 13 minutes p. m., Wednesday, August 16, 1916) the Senate took a recess until to-morrow, Thursday, August 17, 1916, at 12 o'clock m.

NOMINATIONS.

Executive nominations received by the Senate August 16, 1916.

DIRECTOR OF THE MINT.

F. J. H. von Engelken, of East Palatka, Fla., to be Director of the Mint, in place of Robert W. Woolley, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 16, 1916.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

Commander Leigh C. Palmer to be Chief of the Bureau of Navigation.

Ensign John N. Laycock to be an assistant civil engineer.

Harry L. Langnecker to be an assistant surgeon in the Medical Reserve Corps.

The following-named ensigns to be lieutenants (junior grade).

Bruce G. Leighton.
Harold C. Van Valzah.
Paul A. Stevens.
Reginald S. H. Venable.
John M. Kates.
Eric F. Zemke.
Edward J. O'Keefe.
Arthur S. Walton.
Valentine Wood.
Henry A. Seiller.
Julian B. Timberlake, jr.
Laurence W. Clarke.
Arnold Marcus.
Ligon B. Ard.
Ray H. Wakeman.

John W. Draper to be an assistant surgeon in the Medical Reserve Corps.

Boatswain Edward Sweeney to be a chief boatswain.

POSTMASTER.

MASSACHUSETTS.

Michael F. Manning, Bedford.

SENATE.

THURSDAY, *August 17, 1916.*

(Legislative day of Wednesday, August 16, 1916.)

The Senate reassembled at 12 o'clock m., on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Brandegee	Clarke, Ark.	Curtis
Beckham	Bryan	Colt	Dillingham
Borah	Chamberlain	Culberson	Fletcher
Brady	Clapp	Cummins	Gallinger
Gronna	Martin, Va.	Robinson	Sterling
Hardwick	Martine, N. J.	Saulsbury	Stone
Hitchcock	Myers	Shafroth	Taggart
James	Nelson	Sheppard	Thomas
Johnson, S. Dak.	Overman	Sherman	Thompson
Jones	Penrose	Shields	Vardaman
Kern	Phelan	Simmons	Warren
Lane	Pittman	Smith, Ga.	Williams
Lee, Md.	Pomerene	Smith, Md.	Works
McLean	Ransdell	Smoot	

Mr. CUMMINS. I desire to announce that my colleague [Mr. KENYON] is absent necessarily. I will allow this statement to stand for the day.

Mr. JONES. The junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent on account of illness in his family. I make this statement and will let it stand for the day.

The VICE PRESIDENT. Fifty-five Senators have answered to the roll call. There is a quorum present.

TARGET PRACTICE IN THE NAVY.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Secretary of the Navy, in compliance with a Senate resolution of July 17, 1915, which will be printed in the RECORD and referred to the Committee on Naval Affairs.

The communication is as follows:

NAVY DEPARTMENT,
Washington, July 21, 1916.

SIR: In compliance with the Senate resolution dated July 17, 1916, there is inclosed herewith a statement of the scores made by the Atlantic battleship fleet in division practice and battle practice, conducted during the year 1915–16.

The inclosed tables are figures of merit based upon all the elements entering into effective gunfire, in which the score—that is, the percentage of hits to shots fired—is one; there are other elements of nearly equal importance, which are also taken into consideration in calculating the ship's final merit.

It is not considered compatible with the public interest to publish the various elements from which these figures of merit are calculated.

Sincerely, yours,

JOSEPHUS DANIELS,
Secretary of the Navy.

The PRESIDENT UNITED STATES SENATE.

STANDING OF SHIPS.

Day individual practice, 1915–16.

BATTLESHIPS.

1.	Virginia	71.558
2.	Nebraska	63.890
3.	Michigan	63.392
4.	Texas	51.673
5.	New Jersey	48.299
6.	Rhode Island	47.517
7.	Wyoming	47.048
8.	Florida	44.166
9.	South Carolina	41.296
10.	New York	41.229
11.	Louisiana	33.429
12.	Delaware	33.278
13.	Kansas	27.177
14.	Utah	26.923
15.	San Diego	9.741
16.	Arkansas	1.112

Division practice, 1915–16.

BATTLESHIP CLASS.

1.	Texas	73.508
2.	Utah	44.071
3.	Delaware	38.416
4.	South Carolina	34.285
5.	New York	33.504
6.	San Diego	31.924
7.	Rhode Island	31.935
8.	Florida	30.074
9.	Arkansas	18.742
10.	New Jersey	16.088
11.	Kansas	15.004
12.	Wyoming	14.969
13.	Louisiana	5.903
14.	Brooklyn	3.840
15.	Michigan	0.000
16.	Nebraska	0.000

IMMIGRATION—INCOME TAX.

Mr. BRADY. Mr. President, I have two resolutions which were adopted by the Pocatello Central Labor Union, of Pocatello, Idaho, which is affiliated with the American Federation of Labor. Resolution No. 1 refers to the immigration bill, H. R. 10384, and resolution No. 2 relating to the giving of publicity to income-tax returns. I am heartily in sympathy with the legislation to which these resolutions refer. I also have a letter written by the secretary of the Pocatello Central Labor Union, Mr. G. W. Wilklow, which I will ask to have printed in the RECORD, as it explains something of the purposes of the Pocatello Central Labor Union. It is an organization composed of delegates from all of the local unions listed on the letterhead, which will appear in the RECORD, and they assemble

for the purpose of discussing any measure that may be of interest to the affiliated locals or the working people at large. Their organization is educational and somewhat unique. They study educational problems and labor legislation. Yet partisan politics is barred, and members of all political parties belong to this union, and all matters that come before them are discussed from the angle of man's relation to man.

I ask unanimous consent to have the resolutions and the accompanying letter from the secretary printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. FLETCHER. What is the order? I could not hear the request.

The VICE PRESIDENT. They are resolutions of a labor association with reference to the immigration bill, and so forth.

Mr. SMOOT. Is it in the shape of a petition, Mr. President?

The VICE PRESIDENT. So the Senator from Idaho stated.

Mr. FLETCHER. What is to be done with it? Is it to be printed in the RECORD or made a document?

The VICE PRESIDENT. The Senator from Idaho asked that the resolutions be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

POCATELLO CENTRAL LABOR UNION,
Pocatello, Idaho, July 26, 1916.

Resolution No. 1.

To the United States Senators, greeting:

Whereas immigration bill H. R. 10384, advocated and urged by the American Federation of Labor, passed the House of Representatives on March 30, 1916, by a vote of 307 ayes to 87 nays; and

Whereas this bill is of vital importance to the working class; and

Whereas the passage of this bill has been juggled and delayed for years, we feel it consistent at this time to especially urge that our Senators give this bill their entire support: Therefore be it

Resolved, That we ask your immediate support by voice and vote to secure its passage at this session of Congress.

Resolution No. 2.

To the United States Senators and Representatives from the State of Idaho, greeting:

Whereas after due investigation it has been proven that the United States Treasury is being defrauded of thousands of dollars through income-tax frauds and evasions: Therefore be it

Resolved, That our Senators and Representatives in Congress be urged to support an amendment to the income-tax law providing for the publicity of the income-tax returns, in order that violators may be exposed and the fraudulent practices stopped.

Respectfully submitted.

POCATELLO CENTRAL LABOR UNION,
G. W. WILKLOW, *Secretary.*

—

POCATELLO CENTRAL LABOR UNION,
Pocatello, Idaho, August 12, 1916.

[Electricians No. 449, Painters No. 979, Plumbers No. 648, Plasterers No. 501, Carpenters No. 1258, Building Laborers No. 214, Lathers No. 371, Cooks and Waiters No. 510, Retail Clerks No. 560, Laundry Workers ——, Pressmen's Union No. 244, Typographical No. 491, Federal Labor Union ——, Barbers' Union No. 434, Teamsters No. 413, Musicians No. 295, Machinists' Union No. 198, Ladies' Auxiliary to Carpenters, Building Trades Council ——, and Iron Workers' Union ——.]

Mr. JAMES H. BRADY,
United States Senator from the State of Idaho.

DEAR SIR: At a regular meeting of Central Labor Union of Pocatello, Idaho, I was instructed to send you a copy of resolutions designated as resolutions Nos. 1 and 2.

For your information I will state that the Central Labor Union is composed of delegates from the local unions listed above.

The delegates assemble for the purpose of discussing any issue that may be of interest to our affiliated locals or to the working class of people at large.

Our meetings are most interesting, decidedly educational, and somewhat unique, in that while we make a study of labor legislation yet partisan politics is barred, and while we have members who are Republicans, Democrats, Prohibitionists, Socialists, and others, yet all issues are discussed from one angle—man's relation to man.

We note with pleasure that some of the Congressmen from Idaho stand boldly before the lobbyists at Washington and proclaim that, after all, the workingman is a human being and has a right to be heard on issues that are of vital importance to his class. From time to time we receive bulletins, pamphlets, statistics, speeches, reports on hearings, etc. All this literature goes on our library table at the Eagle Hall, where all the laboring men of our little town have access to it. If you come across anything along this line that you think would tend to educate and make a better citizen of the workingman, please see that we receive a copy for our library.

Respectfully, yours,

G. W. WILKLOW, *Secretary.*

IMPORTS AND EXPORTS.

Mr. GALLINGER. I ask unanimous consent to have inserted in the RECORD a brief table concerning the imports and exports of merchandise, with a brief explanatory text.

The VICE PRESIDENT. Without objection, it is so ordered.

The table referred to is as follows:

Imports of merchandise and agricultural products in May, 1916–1915, under the Underwood law, and May, 1913, under the Payne law, using for comparison products having the most extreme foreign competition.

Products.	1916 values.	1915 values.	Difference, increase.	1913 Payne law.
Aluminum scrap	$409,341	$71,062	$338,279	[illegible]
Breadstuffs	2,046,267	1,613,897	432,370	[illegible]
Automobiles and parts	91,527	88,048	3,479	[illegible]
Watches and parts	286,650	266,244	20,406	[illegible]
Cotton cloths	905,174	482,656	422,518	[illegible]
Embroideries	548,394	516,281	32,113	[illegible]
Lace and lace articles	785,695	719,776	65,919	[illegible]
Nets or nettings	220,929	83,823	137,104	[illegible]
Handkerchiefs (linen)	266,791	104,543	162,248	[illegible]
Yarns	155,176	56,584	98,592	[illegible]
Fish	1,072,346	741,953	330,393	[illegible]
Fruits and nuts	4,143,135	3,557,635	585,499	4,194,537
Hides and skins	17,948,090	7,790,922	10,157,168	7,631,967
Tin plate	8,144	3,687	4,457	194,965
Leather and tanned skins	1,505,791	590,881	914,910	1,037,643
Gloves, leather	276,388	268,834	9,554	227,487
Paper and manufactures	2,380,633	1,936,656	443,977	1,849,434
Perfumery, etc	358,364	254,308	104,056	125,934
Seeds	3,588,809	2,303,129	1,285,680	1,381,785
Silk manufactures	2,285,709	2,067,404	218,305	1,831,976
Vegetables	678,314	557,309	121,005	578,498
Shingles and laths	578,543	527,841	50,702	234,850
Wood pulp	1,360,810	927,892	432,918	1,367,794
Wool and angora hair	12,273,984	10,983,099	1,290,885	1,821,287
Total, 24 products	54,175,004	36,512,465	17,662,539	27,621,631
			Decrease.	
Aluminum manufactures	1,070	19,981	18,911	92,631
Clocks and parts	8,151	30,200	22,049	61,039
Stockings (cotton)	8,801	81,396	72,595	223,730
Knit goods (cotton)	44,758	81,508	36,750	29,833
Eggs	6,115	10,638	4,523	
Plate glass	4	658	654	33,293
Other glass	198,159	225,059	26,900	486,878
Cutlery	43,498	156,277	112,779	126,008
Enameled ware	14,655	42,786	28,131	54,733
Meat and dairy products	1,564,882	1,771,523	206,641	1,250,143
Oil cloth and linoleum	43,853	44,505	652	121,568
Films and plates	120,940	121,891	951	106,207
Artificial silk manufacture	124,359	287,927	163,568	192,485
Wool manufactures	1,032,874	1,136,224	103,350	1,045,014
Total, 14 products	3,212,119	4,010,573	798,454	3,823,591
Increase list	54,175,004	36,512,465	17,662,536	27,621,631
Total, 38 products	57,387,123	40,523,038	16,864,085	31,445,222
Imports, all products	229,188,957	142,284,851	86,904,106	133,723,713

Average ad valorem in 1916, 9.11 per cent.

Average ad valorem in 1915, 12.45 per cent.

In May, 1915, seven of the above products showed an increase in imports over May, 1914, amounting to $4,778,361.

The imports in May, 1916, show a very decided increase over imports in May, 1915, and May, 1913, under the Payne law.

The imports of 24 products, viz, aluminum scrap, breadstuffs, automobiles and parts, watches and parts, cotton cloths, embroideries, lace and lace articles, nets or nettings, linen handkerchiefs, yarns, fish, fruits and nuts, hides and skins, tinplate, leather and tanned skins, leather gloves, paper and manufactures, perfumery, etc., seeds, silk manufactures, vegetables, shingles and laths, wood pulp, wool, and Angora hair, in May, 1916, were valued at $54,175,004; in May, 1915, $36,512,465; and in May, 1913, $27,621,631, and it is an important fact that the imports in May, 1916, are double what they were in May, 1913, and increased $17,662,539 over May, 1915, and to make this statement perfectly clear the above figures refer to the 24 products, which show an increase.

There is a decrease in May, 1916, in the imports of the following products, viz, aluminum manufactures, clocks and parts, cotton stockings, cotton knit goods, eggs, plate glass, other glass, cutlery, enameled ware, meat and dairy products, oilcloth and linoleum, films and plates, artificial silk, and wool manufactures, the totals showing that the imports in May, 1916, were valued at $3,212,119; in May, 1915, $4,010,573; in May, 1913, $3,823,591.

The total imports of the entire 38 products in May, 1916, were valued at $57,387,123; in May, 1915, $40,523,038; in May, 1913, $31,445,222, which again shows imports in May, 1916, nearly doubling those in May, 1913.

The total imports of all merchandise in May, 1916, was valued at $229,188,957; in May, 1915, $142,284,851; in May, 1913, $133,723,713; and again the imports in May, 1916, very nearly doubles imports in May, 1913, under the Payne law.

It has been claimed that the Underwood law had not been in effect long enough before the beginning of the foreign war to show whether imports would diminish or increase, but those who have carefully watched import results have known that imports have been constantly increasing ever since the above law became operative, and the very heavy increase in imports, beginning in October, 1915, and continuing to the present time indicates that the Underwood law can be depended on to land in this market about double the amount of competitive merchandise that entered under the operation of either the Dingley or the Payne law, and it is not to be wondered at that American manufacturers are not only alarmed at the import possibilities at the end of the foreign war, but have just reason to be alarmed at the foreign competition they must meet at the present time.

Every week Japan sends to this market new lines of merchandise at prices with which no American manufacturer can begin to compete, and while the amount received of the various lines is not large, the fact that they send new lines of merchandise at all indicates that Japan is feeling this market out and eventually will send large quantities of such

merchandise, and nothing will protect our manufacturers from Japanese cheap labor except a revision of the tariff, making rates high enough to offset the difference in wages.

Both hosiery and knit-goods manufacturers have been unable to compete with the foreign prices since the Underwood law became operative and see no hope for relief from the operation of any antidumping law so far proposed when the flood of merchandise arrives here following the close of the foreign war.

THE MERCHANT MARINE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15455) to establish a United States shipping board for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a merchant marine to meet the requirements of the commerce of the United States with its Territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and interstate commerce of the United States; and for other purposes.

Mr. THOMAS. Mr. President, some days ago I offered an amendment to the pending bill, which must be my excuse, if any is needed, for occupying a few moments with some observations regarding the import of that amendment and, incidentally, concerning the bill itself.

I am not particularly enamored of the shipping bill in its present form. It has been emasculated to such a degree that it is somewhat difficult to recognize it as a survival of the bill which was under discussion in the last Congress. I would have been much better satisfied if the committee having the bill in charge had persisted in retaining the principal features of the House bill and presenting it to us in that form, because I believe it would be much better for the interests of the country, and certainly more in accord with my views of what such a bill should contain, than the one we are considering. But, Mr. President, I long ago learned that this is a world of compromises, and that it is practically impossible in most if not at all times to secure everything necessary or desirable in legislation.

There is one feature of the bill, however, Mr. President, as it comes from the committee which commands my warmest approval. It is that which permits the vessels belonging or to belong to the United States and to be purchased under the bill to participate in the coastwise traffic of the country. It would be an anomaly if we should enact a bill providing for the equipment, purchase, and construction of merchant vessels by the Government of the United States and at the same time forbid them to transact the constwise traffic of the country.

When we consider the strangle hold which the coastwise shipping trust has upon the business interests and upon the Government of the United States, however, it would not be surprising if it were strong enough to exclude our publicly owned merchant ships from our domestic waters.

I am glad, therefore, that this bill as reported from the Senate Committee on Commerce recognizes not only the right but the duty of providing in terms that vessels publicly owned or operated or through the agency of the Government shall be entitled to all the rights and privileges appertaining to privately owned vessels.

Mr. President, perhaps it is generally known how extensive the coastwise shipping trust is, but perhaps the extent to which it has impressed its interests upon the legislation of the country is not fully known. We know generally that vessels may not do a port to port business, and that coast to coast vessels are confined to their terminal points, while those engaged in over-seas traffic are outlawed altogether. But an embargo has been laid upon the possibility of Government competition.

Mr. President, during the past two years the shipping facilities of the world have been taxed as never before. Old, worn-out, and unseaworthy vessels have in many instances been resurrected and repaired and used in the transaction of the traffic of the world. Ocean rates have soared skyward. Ships pay for themselves in a single voyage, and every shipyard in the world is clamorous with the metallic voices of construction.

We own a number of vessels, used principally by the War Department, some perhaps by the Navy, which might have been available to relieve the stress and the demand laid upon the shipping capacity of the country, but for the limitations and restrictions imposed by previous legislation upon their use as agencies of commerce.

I do not know to what extent during the last two years the capacity of our transports has been taxed for governmental purposes, but I have some information to the effect that these vessels have frequently been compelled to make both outward and return voyages, carrying ballast for lack of a sufficient cargo.

If it had been possible, and it would have been but for existing legislation, to have transferred temporarily into the channels of commerce this unused cargo capacity, its effect not only upon ocean transportation but upon rates of ocean transportation probably would have been sensibly apparent. Because of these laws that has been impossible.

In the Army appropriation act approved March 2, 1907 (34 Stats., 1170), I find this section:

That no part of this appropriation shall be applied to the payment of the expenses of using transports in any other Government work than the transportation of the Army, its supplies and employees; and when, in the opinion of the Secretary of War, accommodations are available, transportation may be provided for the officers, enlisted men, employees, and supplies of the Navy, the Marine Corps, and for members and employees of the Philippine and Hawaiian governments, officers of the War Department, Members of Congress, other officers of the Government while traveling on official business, and without expense to the United States, for the families of those persons herein authorized to be transported, and when accommodations are available, transportation may be provided for general passengers to the island of Guam, rates and regulations therefor to be prescribed by the Secretary of War.

Here, Mr. President, is a statute which prohibits the Government of the United States from the use of its transports for any other than Army purposes, regardless of the demands of traffic, regardless of the fact that vessels might easily take cargo in freight and in merchandise, becoming thereby a source of revenue to the Government and at the same time facilitating and easing the burden of traffic because of the added facilities.

There is no question, Mr. President, but that this statute had its inception in the so-called coastwise shipping trust, and that through its influence it was written into the statutes of the United States, and is to-day in full operation.

Mr. SHAFROTH. Mr. President——

Mr. THOMAS. I yield to my colleague.

Mr. SHAFROTH. I wish to suggest to the Senator that when during and after the Spanish-American War we bought a large number of transports, paying large sums of money for them, it was not two years before there was a demand made by the owners of ships that those ships should be sold, and the result was that the Government put them out and sold a great many of them at about one-sixth the price that the Government paid for them.

Mr. THOMAS. Yes, Mr. President; that is true. The demand was made and it was obsequiously complied with.

Mr. President, this combination a little later on was overtaken with a remarkable spasm of generosity and magnanimity. We have a little island lying like a little wart on the surface of the Pacific—the island of Guam. I do not know how much traffic it enjoys or to what extent shipping facilities are necessary for the transaction of the traffic.

However that may be, this combination so relaxed its strangle hold upon the Government as to permit it to transact a little business by the use of American transports with the island of Guam. I read from the act of March 3, 1911:

Provided, That hereafter when, in the opinion of the Secretary of War, accommodations are available, transportation on vessels of the Army transport service may be furnished the officers, employees, and enlisted men of the Revenue-Cutter Service, and their families, without expense to the United States, and also secretaries and supplies of the Army and Navy department of the Young Men's Christian Association: *Provided further*, That hereafter when there is cargo space available without displacing military supplies, transportation may be provided for merchandise of American production consigned to residents and mercantile firms of the island of Guam, rates and regulations therefor to be prescribed by the Secretary of War.

Mr. President, if I am correctly informed, this is the only instance in which vessels belonging to the Government of the United States are permitted to carry merchandise in transit from one place to another. The little, insignificant, microscopic island of Guam, so small, Mr. President, as to be negligible physically, geographically, politically, and commercially, has been taken under the shadow of the wing of this great monopoly and the Government graciously permitted to use cargo space in its transports.

Mr. SHAFROTH. Mr. President, I will state to the Senator from Colorado that the island of Guam is absolutely insignificant in its commerce. It is so small that I do not believe there are a dozen houses there which sell goods that are taken from the United States. No sales are made but to individuals who may be stationed there who are connected with the Army or the Navy.

Mr. THOMAS. Mr. President, I assumed that; I had to assume it, because if it were otherwise this concession never would have been made.

So, Mr. President, if there was nothing to recommend the shipping bill but the amendment reported by the Senate Committee on Commerce to the House bill providing that these vessels could be used in the coastwise traffic, it would of itself be a blessing to the people of the United States, and should command the support of everyone who believes that this combination, so long in control of our constwise traffic, should be broken. I should support the bill, therefore, Mr. President,

notwithstanding its more objectionable features because of its inclusion of this amendment with its other features.

But, Mr. President, as I said when taking the floor, it was my main purpose to call attention to the amendment which I offered to the bill on the 5th of August. I will read it:

The Secretary of the Treasury is authorized to refuse a clearance to any vessel or other vehicle laden with merchandise destined for a foreign or domestic port whenever he shall have satisfactory reason to believe that the master, owner, or other officer of such vessel or other vehicle refuses or declines to accept or receive freight or cargo tendered for such port of destination or for some intermediate port of call, together with the proper freight or transportation charges therefor, by any citizen of the United States, unless the same is so declined or refused because such vessel or other vehicle is fully laden and has no space accommodations for the freight or cargo so tendered, due regard being had for the proper loading of such vessel or vehicle.

Mr. President, this amendment was suggested by some events following the official announcement of what is known as the British black list, and with which the Senate is too familiar to require any extended reference to it. Suffice it to say that shortly after this black list was announced—indeed, I think, immediately afterwards—the protests to the State Department, the obvious duty of that deparment, irrespective of them, and the obvious injustice of the order focused public attention upon it. The State Department, as I am informed, immediately concerned itself, its inquiries being followed by a vigorous letter of protest, to which an answer is soon expected. I have no doubt the department will exercise every available authority for the protection of American merchants and of merchants doing business in the United States against an order to be made extraterritorially effective.

Mr. President, there can be no question but that a government may resort to any means which, in its opinion, is necessary to self-preservation, however great the resulting injury to private interests and business. There is no question but that the British Government has the right, perhaps even in times of peace, to forbid its subjects from creating or continuing commercial relations with other countries or with specific individuals in other countries. The United States resorted to that means during the Civil War by singling out and blacklisting certain firms who were suspected of being engaged in commerce with the so-called insurgents. Great Britain protested, but the Government sought to make its embargo as effective as possible.

There can be no question about the right or the power or, if in the judgment of the Government it is necessary, the duty of that Government to issue such orders as the one which I am discussing and to enforce them vigorously within its own jurisdiction. With that we can have no quarrel, whatever the injury to the citizens of our own country, but, Mr. President, when any Government goes beyond this and utilizes certain other agencies to make its embargo effectual, not only with regard to its own citizens but with regard to commerce everywhere, then a great international question is presented of very serious character, and a situation is also presented which demands, and must receive, the instant consideration of the Executive and, if necessary, the legislative branches of the Government.

Britain controls the seas not only in a naval but in a commercial sense. She has therefore, Mr. President, the power at this time, if she sees fit to exercise it, if it is not capably and effectively resisted, of utilizing her commercial command of the seas to ruin any industry or any individual or any combination of individuals engaged in over-seas trade, which has aroused her animosity or whom she suspects of being unfriendly to her interests or to her welfare. And it is clearly evident that she proposes to use this power.

Mr. President, this so-called "blacklist" was followed almost immediately by the refusal of the masters of vessels plying to American ports and transacting our over-seas commerce to accept cargoes tendered by these blacklisted firms either for points of destination or for points of call, giving as a reason—and doubtless a substantial one—that by so doing they might offend the authorities of the British Empire, and thereby bring serious injury, if not ruin, upon themselves or the owners of their vessels. As a result, these blacklisted firms found themselves largely paralyzed, first, by the withdrawal of all of their British trade; and, second, by the impossibility of securing transportation necessary for the transaction of their business with their other foreign clients.

Mr. President, we can make allowances, and very large ones, for the wrongful acts of nations engaged in war, and especially in a war like this, where each side contends that it is fighting for self-existence; but neutral nations can not afford, and especially the greatest of all neutral nations, to permit this condition to remain unredressed, nor to fail to take such steps in diplomacy, and in such legislation as may be necessary to strengthen the arms of the Executive and make his powers of retaliation effective.

Upon a somewhat cursory examination of the Revised Statutes, Mr. President, I could discover nothing which clothes the executive authorities with the power of summary action whereby, through the swifter processes of administrative efficiency, personal wrongs might be by summary procedure, which can not fail to bring the subject sharply to the attention of the British Government. I did find, however, that on the 21st of May, 1862, Congress enacted a law that was designed to meet a somewhat analogous situation. At that time much trade was in vogue between citizens of the United States and citizens of the Confederacy; much traffic in contraband, munitions of war, and so forth, was being carried on; to suppress which Congress enacted what is now section 5320 of the Revised Statutes, which reads as follows:

That the Secretary of the Treasury, in addition to the powers conferred upon him by the act of the 13th of July, 1861, be, and he is hereby, authorized to refuse a clearance to any vessel or other vehicle laden with goods, wares, or merchandise destined for a foreign or domestic port, whenever he shall have satisfactory reason to believe that such goods, wares, or merchandise, or any part thereof, whatever may be their ostensible destination, are intended for ports or places in possession or under control of insurgents against the United States; and if any vessel or other vehicle for which a clearance or permit shall have been refused by the Secretary of the Treasury, or by his order as aforesaid, shall depart or attempt to depart for a foreign or domestic port without being duly cleared or permitted, such vessel or other vehicle, with her tackle, apparel, furniture, and cargo, shall be forfeited to the United States.

That act, Mr. President, became immediately operative, and armed Mr. Lincoln's administration with power of summary action. Under it the Secretary of the Treasury, by refusing a clearance to a vessel under suspicion, could paralyze its activities, and at the same time, if the circumstances provoking action proved to be misleading, the resulting damage would be nominal. On the other hand, without such power the clearance of a vessel loaded with contraband for a port easily accessible by the authorities of the Confederacy or by blockade runners could inflict infinite mischief upon the cause of the Union by giving much-needed support and comfort to those then engaged in its attempted destruction. This is the only statute which I have been able to find that is analogous to the present situation. I therefore framed the structure of this amendment along the lines of section 5320 without, however, including the very rigorous penalty which is there provided for those disobeying the order.

The purpose of this amendment is to enable the Secretary of the Treasury, whenever a shipper reports to the proper authority that he has tendered goods in legitimate trade to the owner of a vessel having cargo space for it and that his tender has been refused, to deny a clearance to that vessel and thereby lay an embargo on its departure.

I can conceive, Mr. President, of no better method, no more practical method, for meeting the existing situation and reply to the refusal of the masters and owners of vessels to carry American cargo, when there is sufficient space, because the consignor happens to be in disfavor with one of the belligerent Governments, than by saying to its skipper, "You can not sail at all, but must remain here without your proper clearance papers or other papers of identification until this cargo is accepted." I believe, Mr. President, that if this amendment is adopted, and we clothe the Government of the United States with this authority, it will not be exercised more than once before the whole subject will be swiftly and satisfactorily disposed of, and the present cause of controversy between the two Governments be brought to an end.

I think there is no man, I care not what his sympathies may be in this war, who does not resent this exercise of an extraterritorial power through the mandate which is, impliedly at least, laid upon all vessels engaged in the over-seas trade, thus crushing American citizens and American firms who have fallen into disfavor, justly or unjustly, with Great Britain, and who, properly denied access to British trade, are entitled to trade with the people of other countries, whether Great Britain is pleased or displeased, is injured or uninjured.

Mr. President, I believe that such a statute is a good one independently of the emergency which induced me to offer it. Why should not the Government of the United States have the power at all times to deny clearance to all vessels engaged in over-seas traffic which refuse an American cargo for which the freight charges are paid, and which is not otherwise objectionable, when there is available cargo space for it?

Many people apprehend dire consequences to our trade and to our industries upon the close of the war. They see the specter of pauper labor, crippled and bleeding, and therefore more formidable than ever, engaged in the production of multitudinous articles of merchandise, only waiting for the restora-

tion of peace to dump them upon the shores of this country and sell them to us as cheaply as possible. While that prospect is purely imaginary, and in any case has no terrors for me, I nevertheless realize that, as the result of hostilities between the allies and the Teutonic Empires, there will be commercial competition and commercial war all over the face of the earth for years after a treaty of peace shall be signed between them, and that if we are to maintain our commercial position and extend it we shall be compelled to meet these opposing forces, not only in other countries but perhaps in our own.

Mr. CHAMBERLAIN. Mr. President——

Mr. THOMAS. Just a moment. We have at present no very extensive ocean-going marine. We shall be largely dependent on others, especially if this bill should prove to be as abortive as its opponents seem to think; and the nations which control the bottoms moving upon the surface of the seas and transporting the commerce of the world, sailing under other flags, will be naturally inclined to discriminate wherever they can against the American shipper or the American manufacturer, who, however, by the protection of an amendment like this, will be, because of the authority vested in his Government, amply able to meet and to overcome such threatened possibilities.

I now yield to the Senator from Oregon.

Mr. CHAMBERLAIN. The Senator has very correctly said that Britain is the mistress of the seas, both from a naval viewpoint and from a commercial viewpoint. I am in entire sympathy with the amendment that the Senator proposes to this bill; but, assuming that it becomes a part of the law of our country, would it not be possible for Britain—a country which carries most of our freight—to retaliate by saying: "Our vessels which carry your commerce to foreign countries shall not be permitted to land at your ports"?

I am asking for information. What would be the effect of it if Britain saw fit to retaliate?

Mr. THOMAS. Retaliatory legislation is always possible, Mr. President. I am not particularly dismayed by such a prospect, however, first, because we have not any ships the landing of which can be denied——

Mr. CHAMBERLAIN. Mr. President——

Mr. THOMAS. We hope to get them, however; I am satisfied that we will get them; and, second, because Great Britain is so absolutely dependent upon the New World for many of the necessities of life just now that there is no danger whatever of that country or any of her allies resorting to such retaliatory measures as the Senator suggested.

I now yield to the Senator from Oregon.

Mr. CHAMBERLAIN. The first part of the Senator's answer indicated that he thought I had reference to our vessels. We have not any, so they could not stop us from landing at their ports.

Mr. THOMAS. I did so understand the Senator.

Mr. CHAMBERLAIN. But what I had in mind was, suppose they were to say that British vessels should not be permitted to land at any of our ports. What effect would it have?

Mr. THOMAS. Mr. President, if the statesmen of Great Britain should determine upon such a course and should endeavor to apply it, I think we could stand it a good deal longer than she could. We can get along, we are getting along, without European import commerce at present. The greater portion of our imports comes from other sections of the world. They can not get along, Mr. President, without the things that are going to those countries from all the ports of North and of South America; and surely, under these exigent conditions, I have no fear of any such retaliatory legislation. On the contrary, my impression is that that country will necessarily recognize the investiture of our administration with this power; and its exercise upon one or two occasions will make it impossible for her to make her black list beyond requiring her own subjects to comply with it.

Of course in all matters of this kind, Mr. President, retaliation is to be expected, or at least possibly anticipated, for nations are like individuals; that which one does which provokes resentment necessarily suggests and frequently produces retaliation. In this instance, however, we are not the aggressors. We are merely performing a duty which the Government owes to its citizens, and we are seeking to make its performance effective by arming it with power to act effectively and as expeditiously as any exigency may require.

On the 11th day of August, Mr. President, the New York Times published this telegram. The headlines are:

> Allies won't change black-list policy, says Cecil, despite neutral protest.

Of course this is unofficial.

LONDON, *August 11*.

"Personally, I can not see any way by which we can forego our undoubted right to prevent our subjects from providing resources of trade to our enemies," said Lord Robert Cecil, minister of war trade, in discussing to-day with American newspaper correspondents the latest developments in Great Britain's economic warfare.

Of course, Mr. President, the United States has no power, and if it had the power I do not think it would exercise it at present, to question the right of Great Britain to prevent her subjects from providing resources of trade to her enemies. That is not our complaint. Our complaint is that Great Britain goes far beyond this, and is exercising what is not only not an "undoubted right" but an undoubted wrong in seeking to prevent citizens of the United States from trading with neutral nations.

He proceeds:

"There is not likely to be any change in the policy of the allies as a result of neutral protests. Italy by her action in announcing a black list is merely following the policy outlined at the Paris conference."

Lord Robert confirmed reports published in financial circles that outstanding contracts of British insurance companies with firms on the British black list will not be interfered with by the Government.

Discussing relations with Sweden, the war-trade minister called attention to the exchange of notes between Great Britain and Sweden, which correspondence is ready to be laid on the table of the House of Commons. He pointed out that one note dispatched by the foreign office to the Swedish Government claimed that both the Swedish Government and the German Government admitted that The Hague convention of 1907 concerning mail rights was inoperative in the present war because it had not been ratified by all the nations attending the conference.

Lord Robert said there had been no change in the policy of Great Britain regarding the Netherlands over-seas trust.

"I do not know the facts on which American shippers are basing their complaints," he said, "but I assure you that we have not changed our attitude toward the trust. I can explain, however, a possible detention on the clause of the agreement which specifies that the Government has a right to detain any trust consignment until doubt as to its destination has been satisfactorily explained."

American shippers to Holland are bombarding the British Government with protests because of the detention of cargoes consigned to the Netherlands over-seas trust. It is understood here that their protest may be supported by diplomatic action at Washington.

In April of last year, replying to a protest from Washington over the detention of the American steamship *Seguranca*, the foreign office made the following promise: "While His Majesty's Government does not require cargoes to be consigned to the Netherlands Over-seas Trust, it does accept a consignment in that form as proof that the cargo is intended for bona fide consumption in Holland."

This was widely circulated in the United States, not only in the press but in the form of circulars issued by British consulates and various chambers of commerce.

In the last two months between 35 and 40 consignments to the Netherlands over-seas trust have been held up, some in bonded warehouses in Holland, awaiting action, while others have actually been placed in the prize court. American shippers complain that the British Government has not adhered to its pledge, and it is expected they will seek the assistance of the State Department.

Mr. President, this is anything but a candid statement, because it ignores the real point in controversy. What Great Britain is doing indirectly is to force the owners of Dutch vessels, of Swedish vessels, of Norwegian vessels, and of other vessels plying between American and foreign ports to refuse to receive consignments of goods for any of those countries from American shippers whose names are upon this blacklist. That is the proposition, and one which I think can be effectually dealt with, in part at least, by the proposed amendment.

Now, Mr. President, let us see what others in the United States engaged in foreign trade and who are not blacklisted are required to do at present. I have received a letter from a gentleman in New York who, for reasons satisfactory to himself at least, does not desire the disclosure of his name, who says:

> A department has been opened in the British Embassy at Washington to which an American exporter can go and give particulars of the nature and amount of the goods he desires to export, and also the name of the consignee. The department will at once cable here to the contraband committee, who will cable him whether his goods would pass the blockade or not, and thus he can decide whether to ship them. If he ships the goods the papers are marked accordingly, and some American lines will now only take goods which have passed the inquiry.
>
> The truth is that an American exporter is compelled to apply to the trade department of the British Embassy, giving full particulars of the goods he intends to ship by neutral steamers. He is invariably charged with the cable expense incurred by the embassy. It sometimes takes 2 weeks, sometimes 10 weeks, before the British Government announces its decision. At times applications are ignored altogether and the exporter does not know where he stands.

I do not vouch, of course, for the correctness of this statement.

> If the shipper is fortunate enough to get the "letter of assurance" he must so arrange as to ship the goods within eight weeks from date of issue, after which period the "letter" becomes void. If the embassy refuses to grant the permit, he is not even given the opportunity of deciding whether or not to ship the goods, for no steamship company will take his shipment without the "letter." In consequence the shipper loses the sale, and has no remedy whatever.
>
> As can be seen, this scheme gives England the dangerous power of declaring an embargo in American ports upon whatever goods she objects to being shipped to Scandinavian countries.

Mr. President, that is true if the premises are correctly stated; and there is no question but that the ingenuity of the British commercial world is sufficiently active and alert to take advantage of this condition, and supplant the American exporter in the business he is doing, and to which he is entitled, with these neutral nations.

I trust, therefore, that the amendment which I have submitted for the consideration of the Senate will receive its approval, and be made a part of this bill.

Mr. BORAH. Mr. President, I make no apology for discussing the measure which I am going to discuss while another measure is before the Senate, for the reason that it is altogether probable that if I discuss it at all I must do so while another measure is pending.

The immigration bill which is now upon the calendar has passed Congress twice substantially in its present form. It passed Congress by an overwhelming vote in both instances. It was vetoed twice. The measure is one which is fully understood in all its details by the Members of this body and pretty well understood in all its details by the country. I do not see why much time should be necessary in its discussion, and my opinion is that it could be taken up and disposed of without any considerable expenditure of time. Certainly there is no justification for any extended debate, and I assume that there would be no debate purely for the purpose of delay. The bill in all essential particulars is the same as passed last Congress and was vetoed by Mr. Wilson. It would have doubtless passed over his veto but for the activity of the executive departments.

If the bill were one that was just in its shaping, or its provisions such as had not been thoroughly discussed heretofore, there might be some reasons for its postponement at this session, in view of the lateness of the session, the heat, and other inconvenient environments. But in view of the fact that it has been thoroughly discussed and is understood in all its effects and terms I can see no reason why we should not take it up and dispose of it at this session; that is, no reason so far as the Congress is concerned.

Mr. President, I regard the bill as of the utmost importance. It is important in its bearings and in its effect, and would be so at any time and under any conditions which obtain in this country; but it is peculiarly important by reason of the conditions which, in my judgment, will prevail at the close of the great conflict now going on in Europe. We ought to have our fences up and be thoroughly prepared to protect those in this country who will be brought into competition with the hordes of people who will come here, in my judgment, at the close of the war. No subject could more concern or better engage this Congress than that of protecting our laborers and our country in general against the conditions which will then confront us.

We have prepared for other contingencies and conditions. We have provided an ample Navy and, in the judgment of some, a fairly well organized land force. It is just as important—indeed, sir, I think more important—that we should prepare for peace, for the industrial conditions which shall confront us when the war shall have closed. We can never acquit our full obligations to the working people of this country and to our citizenship if we adjourn this Congress without action in this particular.

We all hope, Mr. President, that the battleships which we are going to build will never be put in actual use, that they will rot unused upon the sea. It is our hope that any Army for which we may have provided may never be called into action; and it is reasonably probable that neither of these forces will be called into actual use. But the conditions which will confront us at the close of the war are inevitable. We can not escape from the situation as it will then be developed. Whatever may be the result as to the other preparedness, whether it shall be necessary as we have contemplated it or not, the preparedness for industrial peace and industrial conditions is necessary.

It seems to me, Mr. President, after having devoted so much time to the other forms of preparedness, it would be well if we would take up this measure and meet a real emergency and deal with a real condition, and undertake to ameliorate and control a real situation which will confront and environ and embarrass every man who labors at whatever calling it may be in this country.

Mr. HARDWICK. Mr. President——

The PRESIDING OFFICER (Mr. OVERMAN in the chair). Does the Senator from Idaho yield to the Senator from Georgia?

Mr. BORAH. I yield.

Mr. HARDWICK. I just want to make a statement in behalf of the junior Senator from South Carolina [Mr. SMITH], the chairman of the Committee on Immigration. The Senator from South Carolina is absent at the bedside of a member of his family who is ill, and he requested me if this question was raised in the Senate, particularly if a motion was made, to state to whatever Senator was about to make the motion that it is his purpose as chairman of the committee to move to take up the immigration bill during the present session and before its close. I want the Senate and the country to have that information.

Mr. BORAH. I am exceedingly pleased to have that statement from the Senator on behalf of the Senator from South Carolina. I wish to say in reply to the Senator from Georgia that if the Senator from South Carolina will make that motion, and those who are in favor of the bill on the other side will give to the Senator from South Carolina their support, the bill will undoubtedly be passed at this session. Nothing can prevent its passage except a slavish betrayal of duty.

Mr. HARDWICK. If the Senator will allow me, I will also state that the junior Senator from South Carolina is expected to be back to-morrow morning.

Mr. BORAH. Very well; there will be plenty of time after to-morrow morning to make the motion. I repeat, if the Senator from South Carolina will make the motion, which I have no doubt under the statement of the Senator from Georgia he will do, and if those on the other side who favor the bill will vote for it, there can be no possible doubt about its passage at this session. This side of the Chamber stands ready to support the bill.

It is a question, Mr. President, of our having an opportunity to vote our convictions upon this measure. I venture to say that out of the 96 Senators in this Chamber, or having seats in this Chamber, if the bill is ever brought to a vote, from 85 to 90 of them will vote in support of the measure.

It is an astounding situation that a bill which has twice passed Congress by an overwhelming majority and has in this Chamber such unanimous support should be postponed even for a week. It is a situation, Mr. President, which does not speak in complimentary terms of the most distinguished deliberative body, as we are fond of saying, in the world. It presents to us the question whether or not we are dealing in candor and in courage with a situation which we know to be real. It does not speak in complimentary terms of this body, knowing the situation as we know it and the conditions which will confront the laboring men of this country at the close of the war, if we postpone or trifle with the situation or with a measure designed to ameliorate that situation to some extent at least. In the name of candor and fair dealing, in the name of honor, among public men let us place duty above supposed party expediency.

If there was a divided Senate, if there was a divided sentiment here to any great extent in regard to it, it might be said that there would be interminable debate and possibly defeat in the end; but, I repeat, I doubt if there are 10 Senators in this Senate Chamber who are opposed to the bill to the extent that they would vote against it if the bill should be brought to a final vote. Surely so important a measure is entitled to consideration; surely men will not side-step or dodge this kind of an issue.

Mr. President, it is the history of all great wars that large immigration follows immediately after the struggle is over. I said the history of all great wars; I should have said of wars in Europe. It has been almost invariably the rule that when the conflict shall have closed there is a large emigration from the regions of country over which the conflict was waged.

I shall not detain the Senate in going back and recounting those instances, but every Senator will recall them. It is for the reason that war disturbs the family relations, breaks up old friendships, pulls men out of the grooves to which they are accustomed and puts them in another line of life; for the reason that the country in which their homes were situated may have been scourged by war, the discouragement and disappointment environing the man as he leaves his regiment or his army and starts back to his home, and he naturally seeks a place where he may begin life under different conditions, where he may seize if possible new opportunities, and especially where he may escape what he believes to be conditions which it is not within his power as an individual to mollify or overcome. He is restless for other climes, and all places seem better than the place cursed by the memory of his sacrifices.

Then again, Mr. President, when this great war shall have closed the tremendous debt which will be hanging over those belligerent countries will be a warning to every man of whatever station of life or of whatever occupation, that for years and years, for him and his children and his children's children, there is to be that depressing weight upon him and his in the

struggle of life. The debt which will exist at the close of the war no one can estimate, but it is now running up to where it is estimated at about fifty to sixty billion dollars. Who can estimate the misery, the sorrow, the sacrifice involved in the fact that those belligerent countries after the cannon shall cease to roar will have fastened upon the labor of those countries, upon the industry of the countries, such an insuperable, almost inconceivable burden which must be paid at last through the toil and sacrifice of the man in the street, in the mines, and in the factory. From this they will seek to escape as from some slow consuming curse.

Do not mistake, Mr. President, that those in the ordinary walks of life understand that just as well as those in the higher walks of life who undertake to deal with high finance. Even if they do not appreciate it as those more trained in that mysterious science appreciate it, yet its nebulous undefined menace comes to them with more force for the reason that they can scarcely comprehend it than if they could weigh and analyze and devise schemes and means by which it could finally be liquidated. All they understand is that it is there and must be met by taxes for which they must suffer.

So, Mr. President, these things and a multitude more will encourage every man who is not fastened in some way to the land of his birth to seek new fields and new opportunities, and where will they go? To what country will they turn their face? Toward the great Republic of the West, and they will come in direct competition with the men in this country just so surely as times goes on. Now, sir, in so far as practicable I would alleviate those conditions, but I can not get my consent to do so at the cost of hunger and destitution, of the misery and sacrifice of our own people.

But that is not all. There is a deeper and a broader question involved, and that is that it is obligatory upon every generation, and particularly upon this, in view of the tremendous conditions prevailing in Europe, to protect the citizenship of this country, to keep up the average standard of citizenship, that this great Republic of ours may rest in safety upon the shoulders not of the few, not of the public men alone, but upon the shoulders of the average man, for there and there alone is the foundation rock upon which this Republic must rest in every crisis. If I could feel that our laws and the administration of our laws were in the future to be such as would be conducive to the health and morals, the prosperity and happiness, of the average citizen of our country I would feel confident, wholly confident, of the future. This country will never be wanting in the ability of individual men, in intellectual power, but it may be wanting in justice, in that equitable distribution of this world's wealth and this world's blessings essential to a sound and wholesome democracy.

Mr. President, why should we delay? Why should we postpone the consideration of a measure that has now received the commendation and common judgment of the representatives of the people upon two separate occasions, and would receive it again if some mysterious, subtle, indefinable, inscrutable, incomprehensible power were not preventing its consideration? The question before this Congress is not, Is this bill wise or just that we have settled? But the question is, Shall we have the courage to challenge the power which opposes its passage?

It is said that so many people will have been slaughtered in the war that we need have no fear. I was enlightened a few weeks ago by reading an editorial in one of the great metropolitan dailies to the effect that there would be no occasion for immigration laws after the war shall have closed; that there would be such a sacrifice of life that we must necessarily conclude there would be no occasion for an undue amount of immigration in this country. There is in those belligerent countries a population estimated at 450,000,000. If we make the estimate according to the ordinary rule, that would give us in those belligerent countries 90,000,000 working people; rather I should say 90,000,000 adult people, and according to the ordinary estimate 80 per cent of the adults perform labor in some way, occupy themselves in the industrial world so that they may be classed as laborers. That leaves about 72,000,000 adult workingmen in those countries. Suppose we assume that even 10,000,000 shall have been sacrificed in this war, we still have 62,000,000 of workingmen in the belligerent countries alone. Then we have this other fact which they refuse to consider, that the women of those countries have passed into the lines of industry and taken the place of the men until you have practically the entire vacancy, as it were, caused by the enlistment of men supplied by the women workers of those countries. And when we contemplate the tremendous output of the industries of those countries, how fully and completely labor is meeting the situation, how can we doubt that the close of the war and the return from the field of war will find an overcrowded labor field?

You will not, Mr. President, at the close of this war have any less workmen, including the women, than you had in these countries at the beginning of the war, notwithstanding the sacrifice. You have the men, the women, and the children, and you have those countries driving those working people to the limit to win back the markets of the world. The situation will not be mollified, we should not suppose it will be mollified, by the unfortunate sacrifice which will be made in this war.

Mr. President, a few days ago we passed what is called the child-labor bill, supposedly, and I hope, a humanitarian piece of legislation. But suppose, Mr. President, that we shall have succeeded in taking the child out of the factory, in depriving it, even amid most uninviting environments and adverse conditions, of its opportunity to work; suppose we shall have taken it from the surroundings which we believe to be calculated to arrest its development and to circumscribe its life and send it to a home of squalor and want and misery—to what extent have we served humanity? Suppose we shall have taken the child out of the factory and sent it to a home where we have, by reason of our immigration laws, deprived the father or mother of a job, displaced some one else occupying the position of those upon whom it is dependent for support. If the parents of this country, the mother and the father are not to be protected in their citizenship, if they are not to be protected in their wage or in their place, we shall have exerted an impotent but ostentatious display of legislative power in taking the child from the factory.

It is incumbent upon this Congress to supplement that legislation by such legislation as will protect the home to which the child is supposed to return and to give its parents their prestige and their place in the industrial world, where they may educate and take care of the child. Otherwise, Mr. President, in attempting to serve humanity we have pursued an ignis fatuus; we have harmed the child instead of helped it.

I gave notice at one time that I should offer the immigration bill as an amendment to the child-labor bill, and a distinguished Senator upon the floor, who is absent now, and the newspapers of the country, to a considerable extent, and especially those who were greatly engrossed in the child-labor legislation, said that there was no kith or kin between these two measures and they should not be in any way embarrassed one by the other.

Is there no relationship between the child in the factory under adverse circumstances and the child who returns home and is turned upon the streets to vagrancy and incipient crime by reason of the fact that its father or its mother may have been reduced in wage by the severer competition which is sure to follow, or even displaced entirely? While I have the utmost sympathy and consideration for the child working in the factory under conditions which may arrest its development and unfit it for citizenship, as between the child in those conditions and the child living upon the streets to the point of vagrancy I have more profound sympathy for the latter.

But, Mr. President, there are some influences which are being exerted against the immigration bill which were not exerted against the child-labor bill. The evils of child labor were said to be confined to five or six States. It is easy, Mr. President, to make an ostentatious display of your humanitarianism when it is at the expense of somebody across the line. But this immigration bill, sir, has its opposition more disseminated throughout the entire country. It affects powerful interests; it affects those who make large contributions to campaign funds; it affects powerful interests in every part of the country; and, therefore, we hesitate and halt in the protection of the mother and the father while we parade our humanitarianism by taking care of the child. I say, sir, we shall have acted the part of hypocrites if we take that child from the factory, unwholesome and dangerous as its surroundings may be, and turn it upon the street to beg or steal because we have failed to protect the workman's home.

Mr. President, when the European war broke out what was the condition of labor in this country? On the 1st day of August, 1914, according to statistics now accepted—and which have become so well accepted as to be beyond the charge of political manufacture—there were out of employment in this country 2,500,000 men. Who has the power to describe the condition which those figures indicate—2,500,000 men out of employment, struggling upon the ragged edge of hunger, with their children asking them for support and for the means which it is not within their power to supply?

Mr. BRANDEGEE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Connecticut?

Mr. BORAH. I yield.

Mr. BRANDEGEE. Will the Senator from Idaho be kind enough to state the authority or the statistics which substantiate the statement that two and a half million men were out of employment on that date?

Mr. BORAH. I get these statistics from a number of sources. These statistics or figures which I take were those which were collected by labor organizations and given in their labor reports. While there is practically no difference in the figures between those given by labor organizations and other gatherers of facts, there were those who estimated the number of men out of employment as high as three million. In addition to that, Mr. President, it was estimated that there were 1,500,000 men working on half time.

I am not going to enter into any field of speculation as to the cause of that condition; I am perfectly willing to take it upon its broadest grounds; but it did exist. That condition confronted us at the beginning of the European war on the 1st day of August, 1914.

As I was about to say, it is impossible to describe the agony and the suffering, the harrowing, and the demoralizing effects upon the citizenship of the country to have men who are willing to work and yet who are unable to find work; to have men who are anxious to support their families, and who are yet unable to do so. If the best-informed and the most thoroughly trained are correct in their conclusions, something of this situation will confront us again after the war, and there will be those who left us by the hundreds of thousands and went their way who will be returning, or those who will be returning in their place, and there will be, in my judgment, hundreds and thousands come with them to take the places of the laboring men in this country.

But, Mr. President, suppose I should be in error and that I overdraw the picture. It reminds me of a statement made by a distinguished divine, who said that if a man accepted and believed the Christian religion, and it turned out to be baseless, no harm was done; but that if a man rejected it, and it turned out to be true, it would undoubtedly be of dire consequences to him.

If, Mr. President, I should be in error as to the situation which will then confront us, perhaps this bill would not be so necessary; but if I should be correct, and if others should be correct in regard to it, it is supremely important; it is eminently essential to the welfare and to the happiness of millions of people of this country.

Why delay? Why postpone? Whom are we going to deceive when the election is over? If we postpone this thing until the 2d day of December, 1916, who is going to be disappointed after the election is over? Who are we getting ready to betray? Let us have it before the great judgment is recorded. Let us hew to the line, let the chips hit whom they may. One party has just as much interest as the other, and one party is calculated to lose just as much as the other. To postpone it until after election is such a manifest and diaphanous scheme of duplicity that I am amazed at the boldness of men who propose it.

Mr. President, I wish to take a few minutes to read, in support of the contentions which I have made, some views of others with reference to this situation. I read from the Independent, under date of May 8, 1916, an article by Isaac Don Levine. He says:

> There has been a great deal of discussion in this country since the war began about the volume of immigration to the United States after the restoration of peace in Europe. There are those who argue that conditions in the Old World will be such after the war is over that there will hardly be any increase in the present rate of immigration, which is negligible. But the overwhelming number of authorities on immigration, among whom are the numerous representatives of immigrant aid societies, as well as most of the United States immigration officials, are of the opinion that immigration to this country after the war will assume unprecedented proportions.
>
> It may be safely said now that this latter view has come to be generally recognized as the right one. Those who believe that for years to come this country will know no immigration problem disregard economic conditions. They hope for an era of marvelous recuperation and reconstruction in Europe, an attractive hope, but hardly justified by reason * * *
>
> A canvass of the rank and file of the immigrant body in this country would speedily reveal the fact that with the conclusion of peace in Europe a colossal increase in immigration to America will occur. * * *
>
> In face of the expected vast stream of immigration, this already important and complicated problem looms up before us in all its new magnitude and demands our immediate attention. As a problem of the near future, as one that vitally concerns all parts of the country and all parcels of the population it has no equal in urgency and importance. But it is evident that the country has not yet come to realize its full import; for what preparations is she making to meet the rushing current of immigrants? Has the Government taken any steps in the direction of such preparation? Has she devised any means and method to cope with extraordinary conditions? The answers to these questions are all negative.

The learned author says that the country has not awakened to these conditions. Oh, yes; the country has. We all understand them. We all realize them. The people understand them. The citizens generally fully comprehend them, or at least they believe they do; but for some reason or other the learned representatives of the people do not act.

For some reason, Mr. President, this matter of transcendent moment halts; for some reason there is procrastination. Those who most fully understand, sir, the mysterious workings of sinister influences in the beginning of great political campaigns may, if they are sufficiently curious to follow up the sources of suspicion, find the real reason. I should hesitate to name it.

From an article in The New Republic, published April 8, 1916—and, by the way, a publication exceedingly brilliant and well edited—I read the following:

> Freedom of migration from one country to another appears to be one of the elements in nineteenth-century liberalism that is fated to disappear. The responsibility of the state for the welfare of its individual members is progressively increasing. The democracy of to-day is intolerant of disease, degeneracy, poverty. It can not permit these social ills to be aggravated by excessive immigration. The complicated governmental problems of a modern democratic nation demand the intelligent attention of the whole public. And this implies the necessity of a considerable degree of homogeneity. We permit at our peril the planting on our soil of unassimilable communities. It is such considerations that appear to animate the supporters of the Burnett immigration bill, with its added restrictions aimed at mental disease, its literacy test, and increased head tax. The fear is entertained that with the close of the war there will be a huge influx of aliens fleeing from the poverty that will oppress Europe in the immediate future and the wars of revenge that may follow. Poland, Galicia, and Serbia have hundreds of thousands of families uprooted by the war, among whom emigration societies and the agents of shipping companies will find hosts of recruits. These people are largely illiterate; and the Burnett bill, if it becomes law, will close the doors of the United States to them.

Mr. President, what a garden of luxury the great transportation lines and the steamship lines will find in these distracted countries after the war! How they will riot in their endeavor to bring those people out of their unfortunate condition into a land of promise and sunshine! Methinks I see them now upon their errand of mercy, their self-imposed good Samaritanship, advising those people of the jobs and positions awaiting them on this side, not mindful, however, of the imperilment of the happiness and contentment in the home of our own workmen.

I read portions of an article from the Scientific Monthly of May, 1916, by Prof. Robert De C. Ward, of Harvard University:

> A crisis has been reached in our immigration policy. The war has, for the moment, very largely reduced the flow of aliens to our shores. For the first time in many decades we have breathing space. On the other hand, the effects of the war upon the peoples from which our future immigration will come are likely to be far-reaching. This fact will, after the war is over, bring us face to face with many new and difficult problems which need careful consideration at the present time. We must think clearly, decide wisely, and act quickly. We need new immigration legislation. We need it at once.

In another part of the article he says:

> Is immigration likely to be greater after the war than before it? Or are we to witness a general and more or less permanent decrease? Our economists are already considering this question, and Commissioner of Immigration F. C. Howe, of New York, has discussed it in several magazine articles. With most of Commissioner Howe's conclusions we find ourselves in general agreement. The demoralization of industry; the breaking-up of homes; the roving restlessness of millions of men who will never be able to "settle down" again at home; the greatly increased burdens of taxation; the desire to fly from the horrors of future wars; the political, religious, and social readjustments with the almost inevitable oppression and dissatisfaction of multitudes of people; the widespread destitution, misery, and hopelessness; the return to the United States of aliens who went home to fight and who will bring back with them many of their countrymen who have never been here; the desire of the foreign-born already in the United States to bring to America relatives and friends who are still left abroad—these and other causes will operate to bring us an increase in immigration which seems likely to surpass anything that we have ever known. It is easy to see what use the steamship agents will make of the conditions following the war in order to stimulate emigration from abroad.

If the steamship companies have not made their contributions to this campaign, they ought to be called on at once:

> Fly from the horrors of war; escape your taxes; go to a country where there are no wars; where there is no standing army; where wages are high and work is plenty; go to America.
>
> A considerable proportion of our immigration even in normal times is thus artificially stimulated. What will happen after the war is easy to guess. Already plans are being made by foreign companies for the establishment of new steamship lines to bring emigrants from Europe and Asia to the United States.

Mr. President, I read yet further from this same distinguished author:

> All this is not mere idle speculation. Our statistics show that recent wars have in no case been followed by any permanent decrease in emigration from the countries involved. On the contrary, as Prof. J. W. Jenks has pointed out, these wars have usually resulted in a large and almost immediate increase. After the Franco-Prussian War immigration to this country from Germany and France increased and attained its maximum not many years after the war. Greek immigration increased steadily after the last Turco-Grecian War. The more recent Balkan War was followed by increased immigration from the Balkan States. The numbers from Serbia, Bulgaria, Montenegro, and Greece in the year after that war were nearly double those of the year preced-

ing the war. Those who may maintain that immigration will decrease permanently after the present war is over have no statistics on which to base their claim

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THE PROBABLE FUTURE MENTAL AND PHYSICAL CHARACTER OF OUR IMMIGRATION.

No one who has at heart the future of the American race can fail to view with concern the probable effects of the war upon the physical, mental, and moral condition of our immigrants. The introduction of pestilential war diseases, such as cholera, typhus, typhoid fever, and the like is not greatly to be feared, although some of our medical men are already viewing this problem with much concern. On the other hand, the more subtle and much less easily detected venereal diseases, which are always rampant in great armies in war time, and the mental breakdowns, of which there are so many thousands of cases among the soldiers at the front, present another aspect of the health problem which is far more serious. Great numbers of soldiers, although not actually afflicted with any specific disease, will eventually come to the United States maimed, crippled, wounded, enfeebled by illness or exposure, or mentally unstable. The fittest mentally and physically, those who in the past have had the initiative and the courage to emigrate, will be dead at the prime of life or will be needed at home to carry on the work of rebuilding and reorganization. These are the men whom Europe will do its utmost to keep at home. The least fit are likely to emigrate.

Many of those who, because of mental or physical disability, will find themselves least able to earn a living abroad, will be the very ones most likely to be "assisted" by relatives and friends in this country to "come to America." Against the emigration of such persons the European Governments will not set up any barriers. There are good grounds, therefore, for expecting, with reasonable certainty, that our immigration in the next few decades after the war will be of a lower physical and mental standard than it has been in the past.

The moral effects of the war are by no means to be disregarded. As Commissioner Howe has clearly pointed out, a widespread demoralization will prevail among the peoples now at war, resulting from life in the army; the breaking off of family ties and responsibilities; the restlessness and difficulty of settling down again after the fighting is over; the craving for freedom and liberty as soon as the military discipline is relaxed. Our future immigration is sure to contain a large proportion of these disturbed, restless, irresponsible men, less amenable to law and order, less disposed to conform to our conditions of life, less easily assimilable, than has been the case in the past. The interruption of the education of multitudes of young men who have been called on for military service, and who will never take up again their scholastic or vocational training, is a serious phase of our general problem. This group will go forth into the world insufficiently and unsatisfactorily prepared for the business of life. For years to come our immigration will include large number of youths and of men whose standards of education will be lower than would have been the case had there been no war.

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Standing close behind these idealists—whom the late Gen. Francis A. Walker well termed "optimists beyond all bounds of reason," and using the same eloquent and catchy appeals, come the manufacturer, the landowner, the contractor, the railroad and the steamship man—all profiting directly through the influx of unlimited "cheap labor"; all demanding more "hands," and most of them indifferent as to the conditions of the bodies and of the minds which of necessity go with these "hands." Our large employers of labor naturally enough use the "brotherhood of man" and the "haven of refuge" appeal.

It blinds people to their real motive. Thus many of our idealists have been misled into cooperating with these "big money" interests, not realizing that the true motive which controls these is purely selfish. Another group which is strongly opposed to immigration restriction is made up of the leaders of our foreign-born colonies, mostly contractors, steamship agents, small bankers, newspaper men, and the like, all of whom feed on our recent immigrants, and want the supply to continue as large as possible.

The investor, landowner, and contractor can well afford to preach world-wide brotherhood. The professional man, sitting serene above the arena of struggle, can nobly rebuke narrowness and race hatred. Throughout our comfortable classes one finds high-sounding humanitarianism and facile lips of sympathy for immigrants coexistent with heartless indifference to what depressive immigration is doing and will do to American wage earners and their children. If the stream of immigration included capitalists with funds, merchants ready to invade all lines of business, lawyers, doctors, engineers, and professors qualified to compete immediately with our professional men, even judges and officials able to lure votes away from their own candidates for office, the pressure would be felt all along the line, and there might be something heroic in these groups standing for the equal right of all races to American opportunities. But since actually the brunt is borne by labor, it is easy for the shielded to indulge in generous views on the subject of immigration.

Mr. President, in the Annals of the American Academy of Political and Social Science for September I find an interesting discussion of "America's interests after the European war." Among others who were discussing these subjects was Mr. Frank Julian Warne, doctor of philosophy, of Washington, D. C., from whose article I quote as follows:

The effect, then, of the present war will be to continue immigration to our shores. I know there are those who believe that the effect of the war will be to diminish the immigration flood. But such an opinion is contrary to the facts of history, and when we try to raise the curtain separating the present from the future and to peer into that future, I submit that history is a much better guide than personal opinion.

Every European war during the past 100 years has been followed by increased immigration to the United States. The struggles of the Napoleonic period were the first of these, and following their termination they swept on to our shores the first large volume of immigration. Next came the wars of the European revolutionary period, when the oppressed populations, freed by the corporal-emperor from the age-long superstition of the divine right of kings, attempted to throw off the yoke of monarchy. Being mostly unsuccessful, these also resulted in increased emigration to the United States. Among these were the Polish revolution against Russia, that of the Bohemians against Germany, the Hungarian revolution, the Belgian insurrection, the wars of Italy, and the revolutionary outbreaks in Germany. The great wars of Prussia in the sixties and the seventies against the Danes, then the Austrians, and later the French, also increased our immigration.

When the present great war is at an end—when the populations of Europe are released from fighting and freed from the manacles of militarism, when they are at liberty to take up again their peaceful occupations—Europe will not be what it was before the war began. Economic maladjustment will have set in, burdensome taxes with which to meet the cost of the struggle will be levied by all the Governments; capital will have been destroyed; even anticipated income will have been spent, and harsh economic conditions will ensue among the people. Economic distress will be inevitable. All this is no prophecy. It is merely the teaching of past wars.

Mr. President, I read further from this astounding article:

But, say some, you must take into consideration the fact that the large number of soldiers being killed in the war will result in decreasing the population there is to draw upon, and this in itself will result in a diminished immigration. Whether a fact is important depends upon the other fact by which you measure it. When we are told that ten, fifteen, or twenty thousand men in the very prime of life have been killed in a bloody battle we shudder with horror and magnify the importance of the number. But, considered only numerically, all the thousands that have been and are still to be destroyed by the war are insignificant when compared with the fact that the great reservoirs of peoples from which we have been drawing most of our immigrants—such countries as Russia, Austria-Hungary, Italy, Greece, Roumania, Serbia, Bulgaria, and Turkey—that these reservoirs have a combined population in excess of 291,000,000. This is about two and one-fourth times the entire population of England, Ireland, Scotland, Wales, Germany, Norway, Sweden, Denmark, Holland, Belgium, and Switzerland—the western European sources of our earlier immigration. These vast reservoirs of peoples have so far barely been even tapped by the large immigration streams that in recent years have been flowing from some of them into the United States.

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In view of the possibility that the sluices now retaining the vast multitude of Slavs within the empire are to be raised we must be prepared to meet the pouring forth of a flood of emigrants the like of which the world has never seen and which will make our recent large immigration appear insignificant.

Again, Austria-Hungary has a population of about 47,000,000, some 5,000,000 more than England, Ireland, Scotland, and Wales. Today it already holds third place among the countries of the world contributing to our foreign-born population. And immigration from that country had only just begun before the war opened. Of the total of more than 3,000,000 arrivals from Austria-Hungary since 1860, more than 2,000,000 came during the 10 years only preceding 1910. All indications point to a continuance of this large immigration from Austria-Hungary at the close of the war. Somewhat similar statements are true of Italian immigration to this country.

Conjecturing in The American Commonwealth, as to the future of immigration, Mr. James Bryce says:

"It may, therefore, be expected that the natives of these parts of Europe, such as Russia, Poland, and South Italy, where wages are lowest and conditions least promising, will continue their movement to the United States until there is a nearer approach to an equilibrium between the general attractiveness of life for the poorer classes in the Old World and in the New."

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The immigration from Bulgaria, Serbia, and Montenegro in a single year rose to more than 27,000. During the 10 years preceding 1910 our foreign born from Turkey in Europe increased from less than 10,000 to nearly 29,000. Turkey in Asia gave us a foreign-born population in 1910 of almost 60,000, whereas 10 years before there was none enumerated by the census.

There is the possibility, yes, even the probability, that within the coming years these races, now comparatively strangers among our foreign-born population, may become as numerous in the United States as have those from Russia, Austria-Hungary, and Italy in the decade just closed.

In consequence immigration to the United States for the coming years promises to be in even greater volume than that of the past decade and more. The larger part of it—virtually all of it—will come from countries where the standard of living of the masses is very little, if any, above the mere cost of the coarsest subsistence. Unrestricted, this immigration will continue indefinitely until more of an equilibrium is established between the low economic rewards of toilers in those countries and the higher compensation to the workers in our own democratic society. This result can come about only through a slow and gradual process of economic adjustment. It will mean to our citizen workers a low wage and a low standard of living that are not in conformity with the proper development of a democratic society and republican institutions.

It means even more. It means that at this critical period it is imperative for us "as a people whose earlier hopes have been shocked by the hard blows of experience," to pause and take invoice "of the heterogeneous stocks of humanity that we have admitted to the management of our great political enterprise." Not only to pause and take invoice but also to examine carefully what it is that this immigration is doing to our democratic institutions. Do not the pitifully low wages paid in many of our industries and the physically injurious low standard of living of the workers in many of our industrial centers mean anything to you? Does not unemployment, such as was so shockingly in evidence in all our large cities the past winter, indicate to you that there is something wrong somewhere? Do not child labor, the industrial labor of women, the congestion of population, long hours of work, the rising death toll from preventable accidents and occupational diseases, the startling increase in poverty among our industrial classes, the discarding by our industries of men in their forties for the labor of the much younger immigrants—do not these raise up in your mind any relation to immigration? The fact is, there is a relation, a very close relation, between these social horrors and immigration.

There is one possible event that alone will stop this threatening inundation. This is restrictive legislation by the Congress approved by the President of the United States. These representatives of the American people can control the effects of those economic forces that otherwise are to give to us this increasing immigration of the future. Is not the present a most opportune time for such action? Should not

we, as a people, stop at least a moment in our mad rush after mere wealth and take the time and exercise the forethought necessary to put our house in order so far as it is being disordered by immigration?

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In the face of the facts should we not subordinate sympathy for the immigrant to that humanitarianism which holds that America's highest duty to mankind is to make the great experiment of an educated democracy the most triumphant success that can possibly be attained? Shall we permit sympathy for the immigrant to determine our decision as to the proper course we should take in our policy toward future immigration? By all means this great movement of peoples should be restricted by legislation within the narrow channel of the legitimate demand of our industries for unskilled labor. It should not be permitted any longer to rush in helter-skelter to flood our American industries with its cheap labor and our industrial centers with its low standard of living.

I now read some paragraphs from an article in the New Republic, published under date of October 9, 1915, at page 250:

This satisfying hypothesis of a lessening immigration has gained many adherents since the outbreak of war. Immigration has fallen off enormously. In 1915 there were but 326,700 newcomers as compared with 1,218,480, or over four times as many, in 1914. During the months of August, November, and December, 1914, and January, 1915, emigration actually exceeded immigration. It is even contended that these unusual conditions will persist after the war. The workers who otherwise might have migrated to America are being killed in battle. Moreover, when peace is declared Europe will have to be rebuilt, and those who would have filled the emigrant ships will be digging roads, repairing railways, restoring cities, and taking the places on farms and in the factories of the millions of soldiers killed or maimed. Wages in Europe will rise as the demand for labor increases, and instead of an excess of immigration we may actually find that the immigrants who return to Europe will outnumber those who arrive. If migration is being shut off in Europe, why erect barriers in America?

Unfortunately this automatic solving of our immigration difficulties is far from probable. Though dead men do not emigrate and maimed men who are incapacitated for self-support would be debarred, still the supply of able-bodied men and women willing to emigrate and admissible under our present laws has not appreciably diminished. The losses to the industrial population of the emigrating countries have been far less than the casualty lists suggest. After the war prisoners will be returned, while among the wounded the vast majority can be used in industry even though no longer available for warfare. The losses, though great, shrink when compared with the huge populations which furnish us our immigrants. Before the war Russia, Austria-Hungary, Italy, Greece, Roumania, Serbia, Bulgaria, and Turkey had a combined population of almost 300,000,000, and it is safe to predict that their joint population will be considerably greater a few months after the conclusion of peace.

Italy's population, despite its huge emigration, grows continuously, and despite its emigration the Russian population increases by about 2,000,000 a year. We have only begun to touch the vast reservoirs of men in the Balkans, in Asiatic Turkey, in Persia. Unless all the populations of Europe and western Asia are absorbed in rapidly expanding national industries there will be millions of men to spare for American factories.

Such an immediate expansion of European industry, moreover, is not to be expected. The loss to capital in this way has been larger in proportion to the total capital of the countries than the loss of men to the total population. Much of this loss must be repaired before employment is again normal. The war has disorganized commerce and deflected international industry. Take Germany, for instance. After the war the foreign markets, which the Germans have so intelligently cultivated, will for a time be lost. The trade with South America, with the Orient, and with the nations with whom Germany has been at war, has been destroyed, and new banking, shipping, and general commercial relations can only slowly be reestablished. In the meantime the armies must be disbanded and both Germany and other countries must manage to reabsorb these millions into a crippled industry.

The economic transition from a peace to a war basis in the fall of 1914 was not effected without widespread unemployment and immense losses, and the return movement from a war to a peace economy will be even more difficult and costly. Industry can be readily contracted so as to disgorge a few million workers, but it can not always be rapidly extended so as to employ a few million men more. A similar problem, it is true, was solved by the Northern States in 1865, but in those days we had a vast unoccupied territory, and our industrial organization was simpler and less sensitive than that of Germany or of Great Britain to-day. The jobs of the men on the firing line have long since been filled; before industry reabsorbs these men, a long period of unemployment is likely to supervene.

Many soldiers will never be reemployed at all. They have lost their habitual acquiescence in the drudgery and monotony of continuous labor, and if they get new places will not hold them. The burden of the great struggle that has passed will weigh heavily upon the whole population. Taxes will be high, and the resulting rigid economy will still further limit industrial expansion. Though prediction is especially unsafe after the unpredictable events of this war, it seems highly probable that in all the belligerent countries real wages will be low, the cost of living high, unemployment widespread, and industrial discontent universal. An economic and moral pressure will drive men westward.

In the ravaged districts and in those communities which will have passed under the rule of a hostile nation the temptation to emigrate will be even greater. Men who have lost their farms and businesses, who have had their entire economic life disrupted, are of the very stuff of which emigrants are made, and the men of races which have been conquered will seek to escape from the alien rule by taking ship for America.

Whatever we do to meet this flood, whether we dam it, deflect it, or break it into smaller streams, we must at least face the real facts of the situation as it is likely to develop. It is not to be doubted that a large immigration suddenly poured upon us would have an evil effect upon all our social and industrial problems, upon pauperism, child labor, woman labor, low wages, long hours, industrial accidents and diseases, slums, sweating, the scrapping of older workmen, the dissolution of trade unions. It is not to be doubted that economic pressure in Europe means increased emigration to America. When the war closes, therefore, America is likely to face a new complication of our already perplexingly complicated problems and to be forced to essay a greater assimilation of aliens than ever at a moment when we should be working upon urgent problems of national reorganization.

Mr. President, I shall not detain the Senate longer in the discussion of this matter, nor longer delay the passage of this important measure which is now before the Senate. I understand we are to vote upon it this afternoon, and I have no desire to delay it; but I think I have called attention to sufficient facts and to the opinions of those whose views are worthy to be considered, to show the importance of this immigration measure, not only to the immediate laborers of the country but to the entire community, the Republic as a whole.

If it should be determined in the future, by actual occurrences, that the situation is not so bad as contemplated, nor so imminent as it seems at this time, still there is abundant argument adduced heretofore many times, never answered, irrefutable, for the passage of the bill. Aside from the extraordinary conditions and the exceptional situation, there are the fundamental principles upon which the bill is based which have warranted its passage heretofore and ought to justify its consideration now. I have not gone back into those principles. I have thought it well to deal with what I conceive to be exceptional and imminent conditions. I am most profoundly impressed with the belief that the highest duty of this Congress is to meet them as effectively as it is within the power of faithful public servants to do. If we go away without doing so it will be shameless betrayal of a most serious and solemn obligation.

Mr. President, in conclusion, let me say to the Senator from Georgia [Mr. HARDWICK], who sits near me, and who has advised me of the purpose of the Senator from South Carolina [Mr. SMITH], that there can be no possible way of preventing the passage of this measure if the Senator from South Carolina will make his motion and the Senators in this body who believe in this bill will cast their votes in accordance with their convictions. There is just one influence which can defeat this measure; and no other, and that is the caucus of the majority, which makes or unmakes legislation here. If you will take the grip of King Caucus off the consciences and convictions of the men who sit in this body, this transcendent measure will become the expression of this body before the session closes; and what I ask now, that it may be recorded in unmistakable terms, is whether this body is to legislate or whether the caucus is to strangle?

Mr. ASHURST. Mr. President, on the 10th day of August, in this Chamber, the senior Senator from Arkansas [Mr. CLARKE], acting within his rights, incorporated in the RECORD a large number of petitions and memorials from various labor organizations throughout the United States. In my judgment, the Senator acted properly in including those petitions in the RECORD. I notice among them communications from many, if not most, of the States. I observe one from my own State, which I will read, addressed to the distinguished Senator from Arkansas [Mr. CLARKE]:

ARIZONA STATE FEDERATION OF LABOR,
Phoenix, Ariz., July 18, 1916.

Hon. JAMES P. CLARKE,
Senate Office Building, Washington, D. C.

MY DEAR SIR: I am instructed in behalf of the Arizona State Federation of Labor to ask you to use all honorable means to bring about the enactment at this session of Congress of the immigration bill, H. R. 10384.

We understand that the above bill has been passed by the lower House, and it is feared that it may not be acted upon by the Senate at the present session.

Anything that you may be able to do toward bringing action on this bill at the present session will be considered a great favor by the labor movement of this State.

Thanking you, and with best wishes, I beg to remain,

Very respectfully, yours,

THOS. A. FRENCH,
Secretary-Treasurer Arizona State Federation of Labor.

Mr. President, I know Mr. French; he is a reliable, intelligent, American citizen. Mr. French acted wisely in writing to the distinguished Senator from Arkansas, because in my State as well as in other States the Senator is known as one of the most learned and courageous Senators in this body. So I am not surprised to find the labor organizations of my own State sending such petition to the Senator from Arkansas.

I was honored at the same time, and probably by the same mail, with a copy of the petition addressed to myself. But, Mr. President, the petitions which I have received on the subject of immigration were so numerous that I did not feel at liberty to include them in the CONGRESSIONAL RECORD. I am sure they were in volume five or six if not a dozen times larger than the number of petitions the Senator from Arkansas included in the RECORD.

Upon consent being given to the Senator from Arkansas to include those petitions in the RECORD, I made, on page 12409, the following observation on that day:

Mr. President, I have received a large number of petitions, letters, and telegrams urging a vote on the immigration bill. I will not ask to have them included in the RECORD because of their great volume. They are all in favor of regulation of immigration.

I have observed a tendency on the part of the Senate on both sides to bring about some kind of an agreement whereby a final adjournment can be had.

If we postpone a vote on the immigration bill, the people of the United States will believe that, through expediency and shifting, we have dodged a vote on that bill. The Democratic Party is not cowardly; it is bold and courageous.

Therefore before any agreement looking to final adjournment is had, if no other Senator does, I shall move to proceed to the consideration of the immigration bill.

Now, Mr. President, it may be asked, Why am I in favor of the immigration bill?—should anybody in this Chamber deign to give any attention to my views. In answer I would say, first, Mr. President, I am for the bill because it is right; secondly, I am bound to vote for it so far as faith and honor can bind a man.

It is right, in my judgment, for many reasons. First, it imposes a literacy test. The immigrant must be able to read, not in the English language but in some language or dialect, 40 words. That is not drastic. It is, however, a screen—and however impractical it may be, it is the only screen we can set up—against the importation of ignorance. Whatever we may say, ignorance is neither a beautiful nor a desirable nor a laudable thing. A man or a woman over the age of 16 who is unable to read 40 words in some dialect or language is not the kind of immigrant we seek.

Is it drastic? Why, Mr. President, I point you to the statutes of Arizona. We do not think our law is drastic; I only quote the substance of the Arizona law.

Every citizen of the United States, male or female, of the age of 21 years or over, not prevented therefrom by some physical disability, such as blindness or being unable to use his hand, who is unable to read in the English language a section of the Constitution of the United States, and—not "or," but "and"—sign his or her name, is not permitted to vote, save and except, I believe, a few of the Mexicans, now very old men and women, who came in under the treaty of Guadaloupe Hidalgo and the Gadsden purchase treaty. So, in advocating the immigration bill and a literacy test therein I am only carrying out instructions from my own State which I would never dare to disregard.

Mr. HARDWICK. Mr. President——

Mr. ASHURST. I yield to the Senator from Georgia.

Mr. HARDWICK. If the Senator will allow me, I will suggest to him that the same situation exists in almost every other State in the Union, and that in one way or another a certain amount of education is required as a prerequisite to vote in almost every State in the Republic.

Mr. ASHURST. I thank the Senator for that suggestion. I thought that the Arizona statute was rather unusual. I did not know there were over a dozen others; but I am very much gratified to know that.

Mr. President, so far as any bias or prejudice for or against any foreigner is concerned I have none. I have nothing at this time or any other time but large sympathy and charity for our distressed brethren in Europe, and I wish we could help them. But, Mr. President, I want for a moment to ask you to consider the situation that obtains in my State. We will take, for instance, the time when I was a candidate for the United States Senate some four years ago.

I would go to a town and register at a hotel. There would be a sign up, possibly in some mining camp, "English spoken here and at the post office." What did that mean? It means that nearly all, if not all, the miners in certain camps were foreigners. You would be advised where you would find English spoken. The American, the Scotsman, the Irishman, the Englishman, the Welshman, the German, the Hollander, the Frenchman, the Pomeranian, the Norwegian, the Austrian, the Swede, the Dane, the Belgian, and the other desirables—I could mention others—were very few. They could not compete with those laborers from southeastern Europe, who lived on 30 cents a day and who were willing to work 12 hours for a wage of $1.80 a day. Mr. President, as an American Senator I submit that it is too much of a handicap to ask an American laborer to compete with imported labor from countries that do not possess our ideals. The man who is willing to live on 30 cents a day and do hard manual work 12 hours a day for $1.80 is not the kind of man who will build up and strengthen this great Republic, the only first-class power where the flame of civilization burns brightly.

I am unable to perceive any force in the suggestion that this literacy test is "arbitrary." I confess that it is arbitrary. I wish I could design a better test. But, Mr. President, until the ingenuity of mankind or the beneficence of Providence shall give us the power to look into the brain and heart of an immigrant we shall be unable to design a better test than the literacy test.

In this world a person, outside of his impulses, his own thoughts, conscience, and inherent humanity, acquires extraneous information through two sources—his ears and his eyes. If he is unable to understand the English language when it is spoken to him, or if when a paper or book is presented to him he is unable to read and understand it in any language or dialect whatever, what avenues are left open so that he may mingle with the great body of citizens and become a useful citizen? How may we appeal to him?

But, say some, "Why, we are the melting pot." We are. I hope we shall always remain the melting pot, the haven of refuge of the oppressed. But when the metal does not melt, what about that? We ought to be the melting pot so long as the metal will melt. When it does not melt it is time to stop pouring more metal into the great vessel. We have reached the point now where the metal will not melt.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Florida?

Mr. ASHURST. Certainly.

Mr. FLETCHER. I will ask the Senator if he thinks there are a large number of immigrants coming to this country now from abroad? Does the Senator feel that there are a great number now—such a number as to be a menace—coming from abroad?

Mr. ASHURST. I believe—and I investigated the matter very recently—that the immigration has in truth and in fact dropped off very materially within the past year. In fact, I doubt if it is one-fourth of what it was before the war began.

Mr. FLETCHER. Then, the other question is, Does the Senator believe that that situation will materially change before December?

Mr. ASHURST. I fear it will, Mr. President. Now, I am not trying to speak in the language of prophecy. I may be wrong, but it is my honest conviction that if the European war should break up and dissolve—and it may break up, dissolve, and collapse as suddenly as it broke out—my judgment is that this Nation would be looked upon as the fair flower of all the countries. With peace, low taxes, good wages, liberty, salutary laws, and freedom from the dominating and crushing heel of militarism, the oppressed of Europe, almost all, would look toward this country, and our immigration would grow by leaps and bounds. Now, I may be wholly wrong. I do not quarrel with anybody who takes a different view, but that, at least, is my view.

Then, again, Mr. President, there is something about the conduct of Congress surrounding the proceedings on the immigration bill that does not exactly appeal to me. I decline to allow the immigration bill to be discussed from a political standpoint. This and the Sixty-third Congress passed a large number of laws that are most excellent, including some very good laws for labor. But, Mr. President, we must not forget that if we are to have true prosperity and true justice we must remember those who toil. It is unfair to remember everything else but labor and allow the gates of "Castle Garden to swing inward," as the saying used to be, "to admit foreign labor without restriction."

I think we ought to vote on the immigration bill before we adjourn. No amount of explanation, no amount of simulation, not all the waters of the ocean, will wash the conviction from the public mind, if we postpone the consideration of the immigration bill, that we have postponed it for a political reason.

I belong to a brave party. My party is not afraid of any contingency under the sun. You can call the roll now on every question that is before the American people, and the great, courageous Democratic Party will not shrink. It will say "aye" or "no." That is the kind of party I belong to. I do not like some of the suggestions that have come from the other side, especially from the speaker who immediately preceded me [Mr. BORAH], that there is some sinister designs to postpone this bill, some oblique political lines that are going to be drawn in order to postpone the consideration of this bill. No, Mr. President! There will be a vote on this bill before adjournment. Those who can not vote it down or vote it up may retire to the cloakrooms. Those who wish the bill passed will say "aye"; those who wish it defeated will say "no."

There has been something said about the "caucus." I am oblivious as to a caucus on this bill. Mayhap one was had. I do not say whether it was or not; but it would not make any difference to me, Mr. President, because I belong to that school of politics—happily not extinct—in which, when a man's word is given in a campaign, that is the end of it. In my campaign for United States Senator I went up and down the 113,000 square miles of Arizona a raging peripatetic volcano in constant eruption, pledging the people that every time and every

place I had a chance to vote in behalf of American labor, and for protection for it against the hordes of southern European laborers pouring in here, I would do so. The caucus does not bother me. I am a man—a freeman. It is useless and idle to talk about caucuses controlling my vote on a matter regarding which I pledged my people. If I were not pledged to my people, then the solemn, deliberate judgment of our Democratic conference or caucus would have and should have the greatest weight with me.

Mr. President, as I said, I am not only following out my own convictions on the subject, but I am obeying the instructions. The legislature did not assemble and pass any bill on this subject in Arizona, but an initiative petition was signed and the question of the employment of aliens was put before the people. There was on the ballot a proposed law, which was in substance that no employer of labor in my State should employ more than 20 per cent aliens, and that the corporation or person employing persons must employ 80 per cent citizens of the United States.

In the campaign of 1914 I am sure I can say that question was the one the most lively discussed. It was discussed by all the speakers and by all the papers. The publicity pamphlets were especially clear in relation thereto, and it was adopted by a vote of the people nearly two to one.

Here was a law, I repeat, which required, under pains and penalties, all employers of labor to employ four American citizens out of every five employed. The bill went to the court, and the court struck it down. It went to the Supreme Court, and the Supreme Court struck it down. Justice Hughes, I think, rendered the opinion. I am illustrating that I am obeying the instructions of my State on the subject. The expression of the people was the last expression and it was two to one in favor of the bill.

I do not want to be a leader. I think we have excellent leadership on our side. I believe our leadership on this side will give us a vote on the immigration bill. I think the distinguished chairman of the Committee on Immigration will see to it that we get a vote. But, Mr. President, if no other recourse is left to me, if no other avenue is open whereby we may have a vote, I may be obliged before the Senate adjourns finally to move that the Senate proceed to the consideration of the immigration bill.

Now, Mr. President, one other word. They say our great coal companies, our great mining companies, and our great manufacturing establishments will be unable to operate unless they can secure cheap labor. The very statement of the proposition is sufficient to condemn it. It is said that our great coal mines, our metalliferous mines and mills, can not operate unless they get cheap labor. I will not even discuss such a statement; but I will say of the mine workers in Arizona that no more intelligent set of men ever walked the earth than the miners of Arizona. If you step into their lodge halls, you will find them discussing great questions. You will find them talking about fundamental questions. You will find that the miners in my State can stand up in a debate on almost any question before the American people to-day. They get good wages, and they earn them. They do not spend their substance in riotous living. They have libraries in their homes. I know many laboring men in my State who in the past 20 years have accumulated vast libraries and have snatched hours which might have been given to recreation, and have made themselves philosophers, made themselves familiar with the poetry, history, and the classics of this and other countries.

Do you tell me, then, I must not vote for a bill that affects them and that protects them. All they ask is that cheap, undesirable labor, which does not have the ideals they have, shall not be brought into competition with them.

I would rather have the metal remain in the earth and have the coal remain there than to consent to a proposition which would declare that we must send abroad and bring here labor from southeastern Europe to dig it out.

I repeat my advocacy of the immigration bill has no relation whatever to any prejudice against any race. I believe I am absolutely free from any and all racial prejudice.

The bill itself will admit what we are pleased to term desirable immigrants—the French, the Austrians, the Germans, the Belgians, Hollanders, and people from Norway, Sweden, Denmark, the English, Irish, Scotch, Welsh, and Canadians. The bill itself is so regulated as to act as a screen to keep out undesirable labor and to admit desirable immigrants. I mean by desirable immigrants those who have somewhat the same ideals of life, the same philosophy of life, the same love of liberty, and a sense of responsibility that the American people have.

I have been moved at this time to make these scattering and, to myself, insufficient remarks because of my ardent desire to see the bill pass. I hope the bill will pass. What other persons may do, whether they are officials charged with responsibility or not, never troubles me. My great desire is to live up to and meet my own responsibilities.

I thank the Senate for its attention.

Mr. MYERS. Mr. President, I entered the Chamber only a few minutes ago, having been compelled to be out a short time on account of committee business. It seems there has been some discussion as to whether or not we shall have a vote on the immigration bill at this session. I wish to add to what has been said my very earnest declaration that we should have a vote on the immigration bill before the adjournment of the session. I am very emphatic and positive in that belief.

I am also strongly in favor of action at this session upon the Owen corrupt-practices act. I am very earnestly in favor of both those measures. I believe they are right, and my belief is that if a thing is right there is no better time to do it than the present time. If anything is right I believe in doing it now, not some other time. I do not believe in saying, "Well, this is right, but I will not do right now; I will do right at some other time; I will do right next December or some other time in the future."

I am not a believer in that doctrine. I do not believe it is a safe guide for legislative action any more than for individual action. If an individual believes that an individual act, or if a legislator believes that a legislative act, is right and ought to be done, there is no better time to do it than now; there is no justification for putting it off if it is right. Now is always the time to do the right. Never put off doing what is right.

I believe Congress ought to stay in session until we have redeemed our pledges to the people and have done what we believe to be right and in the interest of the people; and, so far as I am concerned, I shall act upon that belief. A political party can have no stronger claim upon the people than a record of redeeming all party pledges and doing the right at all times. Let us always be ready to do what we believe to be right and never favor postponing the doing of right. If you think the Burnett immigration bill is right, if you think the Owen corrupt-practices act is right, now is the right time to enact them; right now, at this session, so I say.

Mr. THOMAS. Mr. President, I have voted for the immigration bill every time it has been before the Senate since I have been a Member of this body. I shall vote for it again when it comes up for consideration. I shall vote against taking it up at this session.

Mr. FLETCHER. Mr. President——

Mr. CURTIS. I make the point of no quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Harding	Nelson	Smith, Ga.
Borah	Hardwick	Oliver	Smoot
Brady	Hughes	Overman	Stone
Brandegee	Husting	Owen	Swanson
Chilton	James	Penrose	Thomas
Clapp	Johnson, S. Dak.	Pittman	Thompson
Clarke, Ark.	Jones	Pomerene	Tillman
Colt	Lane	Ransdell	Underwood
Cummins	Lea, Tenn.	Reed	Wadsworth
Curtis	Lippitt	Shafroth	Warren
Dillingham	McCumber	Sheppard	Weeks
Fletcher	McLean	Sherman	Williams
Gallinger	Martine, N. J.	Shields	
Gronna	Myers	Simmons	

Mr. THOMAS. I desire to announce the absence of the Senator from Indiana [Mr. KERN] on account of illness.

Mr. FLETCHER. I desire to announce that my colleague [Mr. BRYAN] is absent on official business.

Mr. MARTINE of New Jersey. I desire to state that the Senator from Louisiana [Mr. BROUSSARD] is detained at home on account of illness. I ask that this announcement may stand for the day.

The PRESIDING OFFICER. Fifty-four Senators have answered to their names. There is a quorum present.

Mr. DILLINGHAM. Mr. President, as I came into the Chamber a little while ago I heard two or three Senators discussing the question of taking up the immigration bill, and it occurred to me that I would like to add a word or two to what they said as to the necessity for taking that action.

I have been connected with the Committee on Immigration pretty much all the time since I entered the Senate, and for several years I was chairman of the committee. In 1907 I had the honor of presenting the bill which became the law and which is now upon the statute books. Down to that time I had not been in favor of an educational test. I had believed that this country was large enough and populous enough, that its resources were so broad, that we would be able to receive

and assimilate all who might see fit to seek better conditions than they could enjoy in the old country.

But while that bill was pending in the Senate the Senator from Massachusetts [Mr. LODGE] offered an amendment providing for an educational test, and after some debate it was adopted by quite a large majority and the bill went to the House. In the House it was not thought best to concur with the action of the Senate, but an amendment was adopted providing for an immigration commission whose duty it should be to study the whole question of immigration at home and abroad and report results to the Congress. To this amendment the Senate gave its concurrence, and as a result a commission was appointed in 1907, which consisted of three Members of this body, three Members of the House of Representatives, and three members from private life, appointed by the President of the United States. That commission immediately entered upon its duties and continued its work for about three years. During that time certain members of the commission visited every part of Europe and investigated the conditions of life there and the reasons which moved the citizens of different countries in Europe to seek an asylum in America. And every question connected with their lives in this country and their influence upon the social, industrial, and political conditions was fully investigated. The work covered a period of three years. I do not think it has been generally understood how thoroughly the commission entered into that work.

I had occasion two years ago to speak to the Senate, and I read very largely from the commission's report. We were very much criticized for the large expenditures of money found necessary in the work. As I now remember, the Government paid something over $700,000 for the work that was done and for the printing of the report. The reports, as I now remember, filled substantially 41 volumes of the standard size.

As a result of their inquiries the commission strongly recommended the adoption of the reading test as demanded by conditions then existing in the country and as purely a restrictive measure. They found at that time a very large oversupply of common labor in the country. They found that at the seat of the great basic industries there were substantially double the number of men upon the pay rolls than were required if all were to have steady employment; but one class were laid off to-day, another class to-morrow, but all were kept upon the rolls subject to emergency calls as the work fluctuated in amount. The result was that while the rate of wages paid to the employees when they had work was apparently satisfactory, the loss of time involved by this oversupply of unskilled labor was such that the average wage received by them was so small as to be un-American; that it was so small as to compel a condition of life which does not correspond to our institutions. So they recommended the reading test, with the purpose to reduce the flow of immigration of the particular classes of people to whom I have referred.

In this connection I may say that this was what we termed the new immigration. It was the immigration that was coming from Russia, Austria, Hungary, the Balkan States, and largely from southern Italy—in other words, the eastern and southern European immigration—which did not come as previous immigrants from western Europe had done, bringing their families with them and establishing homes, but the new immigration consisted very largely of men who were either unmarried or who, if married, had left their wives in the old country; they came seeking employment in the basic industries of the country, and substantially 75 per cent of them found labor at the seats of these industries or in the great cities.

Mr. President, it is not altogether because of the educational test that I agree with the gentlemen on the other side who have to-day urged that the immigration bill shall be passed at this session, but it is because that bill contains more than 100 amendments to the existing law, all of which have been pending since 1907 and which we have not been able to read into the existing law because of the vetoes by two different Presidents of bills substantially the same as the pending measure on the ground that it contained the educational test. In the consideration of the question of the educational test we have entirely overlooked the administrative features of the bill, and so from 1907 to the present time the law of that date has remained upon the statute books unchanged.

I have in my office a copy of the bill, to which I have attached notes. As I have already said, it contains more than 100 amendments to the existing law, which were recommended by the commission or which have been recommended by the Bureau of Immigration, growing out of or which have been suggested by the administration of the law. We need to strengthen several of the prominent features of the law in order to make it effective. We have the contract-labor law. That needs amendment. It may be a matter of surprise to the Senate to know that in spite of the need of amendments there have been collected in a single year fines aggregating nearly $80,000 growing out of violations of the contract-labor law, and yet that demands amendments to strengthen it.

I am free to speak in favor of present action, because I know my brethren on the other side of the Chamber are just as strongly in favor of the passage of this measure as I am. The votes of the Senate in the past indicate that fact; and I can conceive of no reason why the bill should not be taken up and passed during this session of Congress, unless it is that the President of the United States who vetoed it in the last Congress does not desire to again face a similar responsibility at this session of Congress. In the Sixty-second Congress, when President Taft was in office, this bill passed the Senate by a vote of 56 yeas to 9 nays. In the House the vote on the bill was 178 as against only 52 opposing it. President Taft vetoed the bill without giving his reasons as the Constitution requires, but in his message to Congress referred to reasons urged by Secretary Nagle in a letter to him, as the basis of his action. It is not my purpose this afternoon to examine those reasons. I examined them at the time and gave expression to my opinion of them in the Senate.

When the bill came back accompanied by President Taft's veto message and the question was, Shall the bill pass notwithstanding the objections of the President? the Senate passed it by an overwhelming two-third majority over the veto, but it failed in the House because four or five men who favored the measure and would have voted to pass it over the veto happened on that day to be absent.

In the Sixty-third Congress the same bill was presented and it passed the House by a vote of 252 to 126, and in the Senate there was a vote of 50 in favor of the bill and only 7 votes against it.

That was returned to Congress by President Wilson with his veto. His veto was based almost wholly upon his objection to the literacy test—the reading test—of the bill. Briefly stated, his ground was that he could not believe the American people had ever adopted this policy, and he could not give his approval to the bill until the political parties or the people in some form had given an expression in favor of the bill. The Senate in that case, as in the other, voted to pass the bill over his veto, but it failed again in the House.

Two distinct Congresses have passed the bill—the Sixty-second and the Sixty-third. The Sixty-third Congress, that passed the bill during the present administration, was new; it was fresh from the people; it knew what the people wanted and what the people demanded.

In this, the Sixty-fourth, Congress we come again to consider it. There can be no question as to what the people demand. The vote in the House and the vote in the Senate indicate what they desire, and the time has come when no reason exists why this very meritorious bill should not be brought forward and adopted, and if the President sees fit to veto it again to have the voice of Congress express its judgment upon such action.

One of the reasons why I am insistent that action should be taken on this bill in the near future, and before adjournment, grows out of certain very remarkable conditions, to which I wish to draw the attention of the Senate.

In the census of 1900 there were found within our borders 900,000 foreign-born male whites 21 years of age or over who had taken no steps to become citizens of the United States and who, under our naturalization laws, were entitled to do so.

The census of 1910 disclosed the alarming fact that in that single decade the number of foreign-born males who were 21 years of age or over and who then had taken no steps to become citizens of the United States had increased from 900,000 to 2,600,000.

Mr. President, what does it mean to have in this country 2,600,000 alien-born men—I am not speaking of women or children—who, as late as 1910, had not taken a single step toward becoming American citizens, but who, under our naturalization laws, were substantially all entitled to become citizens of the United States? What does it mean to have 2,600,000 men who are aliens, who are liable to come into full citizenship almost immediately? Do you realize that this vast volume of male aliens amounts in number to one-seventh of all the votes cast in the presidential election of 1912? The possibilities suggested by the presence in this country of such a vast number of prospective, and to a large extent uneducated, voters can only be understood when I state that the entire presidential vote of California, Oregon, Washington, Montana, Idaho, Wyoming, Nevada, Utah, Colorado, Arizona, New Mexico, North Dakota, South Dakota, Nebraska, and Kansas in the election of 1912 amounted only to 2,280,000; and yet we had substantially that

number of alien-born men in the United States on that date all ready to become citizens of the United States.

Is it wise and is it necessary that we should require of them that they be able to read in some language? Has not the time come when we ought to put that test into operation? Can we justify ourselves to the Nation if we let this session go by and do not strengthen the immigration laws?

I do not know what effect the close of the European war may have upon immigration. I am not worrying about that so much as I am about conditions in the United States when that war ends. It is a matter within the knowledge of every Senator present that just previous to the breaking out of the European war there was such an oversupply of common labor in this country that the soup houses were open in every city. That was only three years ago. I have not the figures before me, though I have them in my office, but it is a matter of common knowledge that men were idle in all our cities and distress existed everywhere.

The only reason that our laborers are now finding remunerative employment is because of the fact that our manufacturers are so largely given up to production of war munitions for Europe, in doing which they pay extraordinary wages and give employment to every man who will work. It is only, I say, because of that fact that we are not faced to-day, as we were three years ago, with vast hordes in our cities who need employment. When the war ends and the present demand upon our resources for munitions ceases, these men are compelled to return to the ordinary conditions of production, and they will have to face great changes with new and lower rates of wages. We shall have a surplus of labor in our cities with which we shall have to deal.

Referring to what we term new immigration, those coming since 1882 to work in our factories, let us inquire where they have gone and where can they be found. I find by referring to some papers which I have just discovered in my desk that during the period of 31 years, from 1883 to 1914, the new immigration, to which I have been referring, vastly exceeded in number all of the old immigration which had been coming to our country. I find that during those years we received almost 12,000,000 of what we call the "new immigration," members of which have come to this country to secure work in our manufactories, not to go into the West and to settle upon farms, as those who preceded them did, not to seek work as agricultural laborers, but who came in racial groups, who have moved in racial groups, and who have gone to the great centers of manufacturing, and who have found employment as common laborers.

I find also that substantially 75 per cent of this great male population—and it is mostly male—have gone to the cities of the United States. I remember it was suggested in this debate here at one time that the growth of the cities had been more from the country than from foreign sources, but the statement was not true. I find that the population of Chicago is 35.7 per cent foreign born and 40.8 per cent is foreign or mixed in parentage, while only 20.4 per cent is native born. I find that in Philadelphia the native born is only 37.7 of the whole; in St. Louis it is only 39.3 per cent; in Boston it is only 23.5 per cent; in Cleveland it is only 23.6 per cent; in Baltimore it is only 46.8 per cent; in Detroit it is only 24 per cent; in Buffalo it is 28.2 per cent; In Lowell, Mass., it is 19.5 per cent; in Paterson, N. J., it is 22.6 per cent; in Providence, R. I., it is 26.7 per cent; in Worcester, Mass., it is 28.4 per cent; in Rochester, N. Y., it is 34.2 per cent; while in Brockton, Mass., it is 40.5 per cent. Now, coming to Lawrence, where occurred the great strike a few years ago, I find that the native-born population of that city is only 13.6 per cent of the whole, while the native-born population of Waterbury, Conn., is 24.9 per cent.

Mr. CLAPP. Mr. President——

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Does the Senator from Vermont yield to the Senator from Minnesota?

Mr. DILLINGHAM. I do.

Mr. CLAPP. Without in any sense combating the general trend of the Senator's argument, when he started to read the figures, as I recall, there were three groups, were there not, as to the source?

Mr. DILLINGHAM. Yes; there were. I have the table showing the number of foreign-born population in these cities, the number that were of mixed parentage—that is to say, cases in which the mother was foreign born and the father was native born or the reverse—and the absolutely native parentage.

Mr. CLAPP. Then the figures would not be entirely conclusive of the fact that this population came directly from foreign countries to the cities. It might have drifted in through the medium of a more or less temporary residence in the country. The Senator's figures are confined largely either to the great centers of foreign population, like Chicago, or to manufacturing cities.

I am satisfied that, especially in the West, the growth of the cities, and especially of the smaller towns, is overwhelmingly due to the tendency of the rural people to eventually drift into the cities; and while it is true as to the great centers of foreign population, like Chicago and New York, and true as to the industrial centers, that the construction which the Senator places on those figures might be put as to that population, I do not think it negatives the general proposition that in this country there is a terrific tendency, and I think a deplorable tendency, to go from the country to the towns and the cities.

Mr. DILLINGHAM. Mr. President, the Senator from Minnesota is entirely right when he refers to the country communities. The cities in such communities are not manufacturing cities. If I am correct in my recollection, New England showed an increase of a million in population during the decade prior to 1910, but it was mostly confined to the cities. There was a decrease of population in the rural sections. There was an exodus from the country to the large cities, and in many cases to the manufacturing cities. I was right, however, in the line of argument that I was making respecting the character of the increase in the manufacturing cities of the country, because all the statistics gathered by the Immigration Commission—and they were very exhaustive; they have been tabulated, and the percentages have been arranged—show that this great influx of immigration since 1882 has been induced by the tremendous development there has been in the United States in our manufacturing industries.

The truth is that the development of manufacturing industries in the United States since the Civil War, and particularly since 1880, has never been equaled in any nation of the world. Some of us smiled when Bismarck made his prophecy, that under our policies the United States would pass Europe at a canter in the production of manufactured goods; but we did so away back in 1890. To-day I suppose that we are producing $20,000,000,000 of manufactured articles, more by far than were produced in England, Germany, and France combined even before the European war broke out. It is to meet the demand for labor caused by this remarkable development of our industries that this influx of common labor has come from eastern and southern Europe.

These men are not objectionable; they are rugged, honest, frugal, industrious men, who have come here because in the old countries they were securing only the smallest wage possible. I remember when I was in Italy investigating immigration matters there I was told by those in authority that down to the great exodus of Italian laborers to the United States the farm laborers in that country were geting only 25 cents a day for their labor; but owing to the large number emigrating from Italy to the United States the rate of wage had increased, and they were exulting in the fact that their farm laborers were getting 40 cents a day for their labor.

Mr. President, again referring to the matter concerning which the Senator from Minnesota [Mr. CLAPP] was interested, I have found some statistics which throw light upon it. It appears from the census of 1910 that during the 10 preceding years the increase in the native white population of New York was 30 per cent, while the increase in the foreign-born population of that city was 52.9 per cent. New York is a type of the commercial, manufacturing, and productive cities of the country. In Chicago I find that the native white population increased 25.5 per cent, while the foreign-born population increased 33.4 per cent; in Philadelphia the native white population increased 15.5 per cent, and the foreign-born population 30.3 per cent; in St. Louis the increase in the native white was 20.6 per cent, while that in the foreign-born was 13.3; in Boston the increase in the native white population was 17.5, while that in the foreign-born population was 23.5 per cent; in Cleveland the increase in the native white population was 41.7 per cent, while that in the foreign born was 57.4 per cent; in Baltimore the increase in the native white population was 9.7 per cent, and 13.4 per cent in the foreign-born white; in Pittsburgh the increase in the first class was 16.3 per cent, while in the foreign-born white it was 22.7 per cent; in Detroit the increase in the native white was 63.5, and in the foreign-born white 63 per cent; while in Buffalo the increase in the native white was 23 per cent, and in the foreign-born white it was 13.1 per cent. So that it appears from this table that a very large proportion of the increase of population in all of the manufacturing towns of America has been made up of this influx of rugged, hardy, earnest, common laborers from eastern and southern Europe, who have gone directly to the seats of the great basic industries, where they are living under conditions which the commission found were deplorable.

They are a thrifty class, but, unfortunately, they have largely come without families. They are largely composed of men who are living singly, whether married or unmarried; and that

being the case, they adopt methods of living that fail to bring them into touch with the other elements of the community in which they live.

Mr. CLAPP. Mr. President, I confess I never looked at the immigration bill with reference to the inquiry I am about to make. The remarks of the Senator are very interesting, and I desire to ask him would the pending immigration bill in any way change the condition as to these men coming by themselves instead of bringing their families with them?

Mr. DILLINGHAM. I think it would, in this way: From this oversupply of common or unskilled labor the inevitable result has been a low rate of wage, and if the Senator will permit me, I will give him an illustration of the operation of it in the iron and steel industry.

Mr. CLAPP. Mr. President, if the Senator will pardon me first, he is discussing this bill as I have never heard it discussed before; and his long experience in connection with the subject, to me at least, makes his presentation most interesting. So I trust he will pardon the interruptions in which I have indulged.

Mr. DILLINGHAM. I am very glad to have the Senator interrupt me. I was hoping that the Senator was about to propound another inquiry.

Mr. CLAPP. No; I will wait until the Senator further develops the subject.

Mr. DILLINGHAM. I find that in their exhaustive investigation of the iron and steel industries the commission's agents came in contact with 86,000 individuals. I may say that in the work of the commission we issued cards containing inquiries that would cover all of the facts which we wished to ascertain. I am glad to say also that the great corporations of the country cooperated with us, in some instances circulating the cards themselves and aiding us to get replies to them upon a promise on our part that we would give them the result of what we discovered, which we did.

In the case of the iron and steel industry, I repeat our agents came in contact with 86,000 individuals. Of this number 57.7 per cent were foreign born, while 13.4 per cent were their sons; so that 71.1 per cent of all the employees with whom the commission came in contact were either born abroad or were the children of those born abroad. We found that the average weekly wages paid to the men were not a subject of complaint. They amounted to $14.75 per week; and, had the men had constant employment during the year, they would have received upon an average $750 as the result of the year's work, but, as a matter of fact, we found that the 86,000 men averaged to receive only $326 a year, instead of $750, which they would have received had they been able to work full time. Three hundred and twenty-six dollar a year! Think of it, in these great cities! It indicated that they had secured employment only one-half the time upon the average. This condition resulted from the fact, to which I have already alluded, that there was not work at that time in the steel industry for the large number of men who were on the pay roll; and so, perhaps, they would work one set of men this week and another set of men next week, and keep them employed alternately; so that in the end the men averaged or received but $326 annually for their work, when, if there had not been an oversupply of common labor, but just the number required, they would have received $750 annually, instead of $326.

Mr. CLAPP. Then, Mr. President, if the Senator will permit me, the fact that under the pending bill there would be a lessened supply or an increased demand in proportion to the lessened supply would be the only feature in the bill that would tend to change the present condition of so many of these men coming here singly without their families?

Mr. DILLINGHAM. If the number of those coming to the country should be reasonably reduced it would give a better opportunity to those who are here. Those who are receiving the low rate of wage, to which I have referred, were compelled to live in racial groups, and, being very largely men, they made up a male colony. We found that they had boarding clubs, 15 or 20 men forming a club; they would have a commissary and live there just as single men under such conditions would live.

We all know that in this country our common schools are the greatest agency employed in assimilating the foreign element. Let the child of foreign-born parentage go into any community and enter the public school, he is in a week or 10 days' time in perfect touch with all the pupils of the school, and it is only a question of a short time when the parents become acquainted; in other words, under such conditions the foreign-born population are no longer so many labor units, but they become real residents of the place, and the people of the place take an interest in them; but, living as these single men do in these great centers, they do not come in touch with church, with school, with society, or with any other assimilating influence; they live with those of their own race; they speak their own language; they eat their own varieties of food, and live isolated lives. That is not a good way to make American citizens.

Mr. CLAPP. Mr. President, when was this investigation made to which the Senator has referred?

Mr. DILLINGHAM. These figures were compiled in 1909. I have referred to the iron and steel industry merely as an illustration of what the conditions were found to be in other industries in the country.

The reason that the Immigration Commission selected the educational test was that various tests were suggested. I do not know how many people recommended increasing the head tax as a bar to the admission of aliens, but that, if done at all, should be done cautiously. It is fully high enough now; in fact, it is too high, in my judgment. What we want in this country is an immigration of families—men who bring their wives and children with them. Those classes that make good American citizens; they are easily assimilated; they are soon inspired with American instincts and enterprise and energy. Those were the classes we were getting before 1882. Think of the character of that great English, Irish, German, and Scandinavian immigration that came to us prior to 1882. It was that immigration that helped us to open and build up the West; it was that immigration that enabled us to construct our vast system of railroads, a system that connects the two oceans and surpasses in mileage the systems of continental Europe.

Mr. CLAPP. Mr. President——

The PRESIDING OFFICER. Does the Senator from Vermont yield further to the Senator from Minnesota?

Mr. DILLINGHAM. I yield.

Mr. CLAPP. Then there is another thought that one can evolve from this discussion. It is poor political economy to permit men to come here in competition with our labor and not bring with them their families, which would go to make a home market for the product of the labor.

Mr. DILLINGHAM. That was precisely the thought that the Immigration Commission had in mind when this report was made. The commission said:

As a result of the investigation the commission is unanimously of the opinion that in framing legislation emphasis should be laid upon the following principles:

1. While the American people, as in the past, welcome the oppressed of other lands, care should be taken that immigration be such both in quality and quantity as not to make too difficult the process of assimilation.

2. Since the existing law and further special legislation recommended in this report deal with the physically and morally unfit, further general legislation concerning the admission of aliens should be based primarily upon economic or business considerations touching the prosperity and economic well-being of our people.

That, I think, was the Senator's thought, and this is very important, I think.

3. The measure of the rational, healthy development of a country is not the extent of its investment of capital, its outputs of products, or its exports and imports, unless there is a corresponding economic opportunity afforded to the citizen dependent upon employment for his material, mental, and moral development.

4. The development of business may be brought about by means which lower the standard of living of the wage earners. A slow expansion of industry which would permit the adaptation and assimilation of the incoming labor supply is preferable to a very rapid industrial expansion which results in the immigration of laborers of low standards and efficiency, who imperil the American standard of wages and conditions of employment.

The commission agrees that:

1. To protect the United States more effectively against the immigration of criminal and certain other debarred classes—

(a) Aliens convicted of serious crimes within a period of five years after admission should be deported in accordance with the provisions of House bill 20980, Sixty-first Congress, second session.

(b) Under the provisions of section 39 of the immigration act of February 20, 1907, the President should appoint commissioners to make arrangements with such countries as have adequate police records to supply emigrants with copies of such records, and that thereafter immigrants from such countries should be admitted to the United States only upon the production of proper certificates, showing the absence of convictions for excludable crimes.

I will not read everything that the commission said, because it is too long; but I think that answers the Senator's inquiry as to the economic questions involved.

Now, coming to the question why the educational test was suggested, I was saying, when the Senator interrupted me, that we ought not to increase the head tax to an undue amount, because these immigrants who come here are all poor—unmistakably poor, all of them—and when a man comes here with a wife and five children and the head tax is placed upon each one of them, it has a debarring influence and one which discourages the man of family and encourages the single man to come. It is bad policy to adopt any amendment that will prevent the married man from bringing his wife and children with him. So when we had looked this matter all over we became perfectly satisfied that among all the methods suggested the edu-

cational test as a purely restrictive measure, one that would decrease the flow of this class of immigration, was the most practicable one of all; and we reached that conclusion in this way:

We took the nations from which this immigration comes so largely, the eastern and southern nations of Europe, and ascertained what the literacy percentage was among the people of those nations. We saw at once that if we adopted the educational test, it would substantially decrease the volume of that stream 30 per cent, which was just about what we wanted to accomplish. On the other hand, the educational test would in no way affect England or Scotland or Ireland or the Scandinavian countries or Germany or France. The degree of illiteracy in those countries is negligible, while, on the other hand, in southern Italy 54 per cent of the immigration class are unable to read or write. In northern Italy, under the same Government but under entirely different conditions, less than 10 per cent are illiterate. It is a commercial, manufacturing, trading section of Italy, while the other is not. Then as you go through the Balkan States and north to Russia the different degrees of illiteracy are such that the average of all is probably about 30 per cent. So we adopted the reading test simply as a practical method of reducing the stream of that particular immigration that was crowding to our cities and living under the conditions I have described and seeking work in these large and rapidly growing industries.

Mr. CLAPP. Mr. President, has the Senator any figures which give approximately the proportion of the entire immigration that would probably be excluded on account of the insertion of the literacy test?

Mr. DILLINGHAM. I do not think I quite caught the question.

Mr. CLAPP. I say, has the Senator any figures that would approximately give the percentage by which the entire immigration would be lessened on account of the literacy test? The Senator gives 30 per cent. As I understand, that 30 per cent is limited to certain areas.

Mr. DILLINGHAM. I may state that our estimate was that it would reduce the general immigration 30 per cent. It would not very much affect western Europe, from which we received those first splendid bodies of people that have done so much to upbuild our country.

Mr. CLAPP. No; but I did not understand that the 30 per cent applied to the entire immigration.

Mr. DILLINGHAM. I was probably careless in my statement. I do not know but that I may find among my papers something that will throw light on that.

Mr. CLAPP. I did not know whether the Senator made that statement in reference to the entire immigration or in reference to certain areas from which immigration comes.

Mr. DILLINGHAM. I think I will be able, if the Senator will bear with me, to give him just what he wants. I will say to the Senator that in a bill which I introduced I incorporated a clause for restricting the number of immigrants coming to this country, under which the number admitted from each nation would depend upon the number from that nation in this country at the last census. For instance, we know by the census of 1910 the number of every nationality then residing in this country.

I incorporated that provision that Congress might be considering it, because at some time I think we shall adopt that as a basis. We want to reach the Asiatic nations and do away with the Japanese irritation, and I think if we put all Asia upon the same plane that Europe is placed on under our laws, then there will be no cause whatever for irritation, and that through the percentage system we may be able, perhaps, to solve some of our very serious problems. But I did not introduce it with the purpose of pressing it at this time as against the educational test.

Mr. CLAPP. Mr. President, that is a very interesting suggestion. I should like to suggest to the Senator whether, in view of the very large population already here from many foreign countries, it would be anything like an equitable distribution in view of the very small population that is here from other foreign countries? Would it solve the oriental question, unless you had two rules?

Mr. DILLINGHAM. It might not solve it to the satisfaction of those nations. It would solve the Asiatic question, I think, to the satisfaction of the Pacific coast more nearly, perhaps, than the rest of the Nation. But the Senator wanted to know how the general proposition might affect the nations of the two classes coming from Europe. It would very largely affect eastern and southern Europe, but would hardly affect the other nations—that is to say, England, Scotland, Ireland, and the Scandinavian countries, and Germany—at all, because the children are all educated in those countries, while that is not the case in eastern and southern Europe.

I will not further the percentage plan as to which the Senator inquires.

I repeat that while in the beginning I was not in favor of the educational test, investigation convinced me that we ought to adopt a restrictive measure in this country; and having become so convinced, I am satisfied that the educational test, the reading test, is the most feasible one; that it will apply just where we want to have it apply, namely, to the nations from which these men come who are now, or were in 1909, working for $326 a year, mostly congregating in the cities.

Mr. WORKS. Mr. President——

The VICE PRESIDENT. Does the Senator from Vermont yield to the Senator from California?

Mr. DILLINGHAM. I yield to the Senator.

Mr. WORKS. I understand that the Senator does not want to go into the question of the percentages particularly, but I am very much interested in that branch of the subject. Dr. Gulick, as the Senator knows, has investigated and written a good deal on that subject.

Mr. DILLINGHAM. Dr. Gulick took his idea from this proposition.

Mr. WORKS. And I have had some articles written by him printed in pamphlet form.

Mr. DILLINGHAM. I have been in constant communication with him, and he caught his idea from this proposed amendment.

Mr. WORKS. I was wondering how the percentage or the number of immigrants to be admitted from each of the countries in a general way is determined. Is it determined by the home population?

Mr. DILLINGHAM. It is determined upon the number of each nationality in the United States according to the last census. We know the number of each nationality here in 1910. Now, if we say that only 10 per cent of each nationality here in 1910 shall be allowed to come in during each succeeding year until the next census, the matter is determined.

Mr. WORKS. That was what I wanted to be informed about. I wondered if it was based upon the home population of these different countries, because then it would be an enormous task to determine that question.

Mr. DILLINGHAM. Oh, no. It is based on the number in this country. I do not find the statistics regarding the Asiatic immigration, because that is not included in this bill. Dr. Gulick's idea is that we should modify the percentage plan that I suggested a year or two ago and apply it to Asia as well as to Europe and perhaps reduce the percentage from 10 per cent to 5, or to any basis that may be agreed upon; he thinks it will solve the Japanese problem, because now he believes that the irritation in that country comes from the fact that we have discriminated against them by name.

Mr. BRADY. Mr. President——

Mr. DILLINGHAM. I yield to the Senator from Idaho.

Mr. BRADY. The Senator is certainly delivering a very interesting address; and I note that he has referred on two or three different occasions to the number of foreign-born people that were in this country at different times. I am interested to know what that proportion was in 1910, as nearly as the Senator is able to tell. I think he has the figures before him, from the way he has discussed the matter; and I should like to know, if the Senator can give us the information, just about what the proportion of the foreign-born population was when the last census was taken, in 1910?

Mr. DILLINGHAM. I do not think I have it in my desk. I did not expect to speak this afternoon, and I brought no papers in with me. All that I have before me I found in my desk, and I have been quoting pretty largely from an old speech that I found here which I made last year, which was full of facts.

Mr. BRADY. The Senator must have found some very important papers, for he has certainly given us some very valuable information.

Mr. DILLINGHAM. But I doubt whether I have the papers that will give the proportion of foreign-born residents of the United States in 1910, or the proportion as between them and the native born.

Mr. BRADY. At some future time I should be very glad if the Senator would have them placed in the RECORD.

Mr. DILLINGHAM. I shall be glad to look that matter up.

Mr. BRADY. The Senator's knowledge on this question is such that I know that he can give us some figures that will be valuable.

There is another question I should like to ask the Senator, and that is relative to the percentage of foreign population that he found in the different towns. He has mentioned it in

his address to-day. I understood him to say that it averaged from 13 to 46 per cent.

Mr. DILLINGHAM. Does the Senator refer to the literacy test? Is he speaking of those who can read and write?

Mr. BRADY. Yes. I understood the Senator to say that it ran from 13 to 46 per cent, and I did not hear the Senator say, in any instance, that it would run over 50 per cent; and I am interested to know——

Mr. DILLINGHAM. In the case of southern Italy I think it is 54 per cent.

Mr. BRADY. I am interested to know about what the average was. Did the Senator ever have figured the average of the entire cities and parts of the country that he investigated?

Mr. DILLINGHAM. I doubt whether I have that in the form in which the Senator puts it. If the Senator will allow me, I will look for a moment, and I may be able to find what he wants.

I think I have here something upon that question. I find among my papers a table giving the relative degree of illiteracy of the old and the new immigration during the period of 11 years from 1899 to 1909. During that time we admitted 7,199,060 immigrants, and of these 1,983,618 were of the old type, coming from western Europe, and the percentage of illiterates in that class was only 2.7 per cent. That would cover England and Scotland and Ireland and Germany and France and the Scandinavian countries.

Mr. BRADY. What is the percentage?

Mr. DILLINGHAM. The percentage of those who are unable to read——

Mr. BRADY. That came to this country?

Mr. DILLINGHAM. Of those who came to this country from western Europe the illiterates constituted only 2.7 per cent. On the other hand we received of what we term the "new immigration"—those coming from Russia, Austria-Hungary, the Balkan States, and Italy—5,215,442, and the percentage of illiterates among them was 35.6 per cent.

Mr. WORKS. Mr. President——

Mr. DILLINGHAM. I yield to the Senator from California.

Mr. WORKS. I understood the Senator to say that the question of oriental immigration was not involved in this bill. Am I right about that?

Mr. DILLINGHAM. The Senator is right.

Mr. WORKS. I think the Senator is mistaken about that, so far as it applies to Japan. Of course the immigration from China is controlled by the exclusion act.

Mr. DILLINGHAM. That is what I had in mind. Chinese immigration is controlled by the act to which the Senator refers.

Mr. WORKS. That, however, does not apply to the Japanese.

Mr. DILLINGHAM. No.

Mr. WORKS. And this bill does apply to Japanese immigration.

Mr. DILLINGHAM. This bill does apply to the Japanese; yes; but this bill as it is reported to the Senate does not contain the percentage clause.

Mr. WORKS. No.

Mr. DILLINGHAM. That was a scheme which I presented two years ago; but because of the attachment of the country to the literacy test, I have not wanted to push it as against that. I should be glad to put them both into the bill. I thank the Senator for correcting my statement, which was an inadvertence. I am glad also to have had my attention called to this question of the relative percentage of illiterates in the different countries, because it enables me now to give them for each of the countries, if the Senator from Idaho [Mr. BRADY] would like them.

Mr. BRADY. I should like them very much.

Mr. DILLINGHAM. During the period of 11 years, 1899–1909, we admitted 7,199,060 aliens over 14 years of age. Of the Scandinavians, only four-tenths of 1 per cent were illiterate; of the Scotch only seven-tenths of 1 per cent; of the English only 1.1 per cent; of the Welsh only 2 per cent; of the Irish only 2.7 per cent; of the Dutch 4.7 per cent; of the Germans 5.4 per cent; of the French 5.4 per cent. Those countries represent the "old immigration." In the countries representing the "new immigration" the degree of illiteracy was as follows: Southern Italy, 54.2 per cent; Polish, 35.4 per cent; Hebrew, 25.7 per cent; Slovak, 24.6 per cent; northern Italy, 11.8 per cent; Hungarian, 11.4 per cent; Croatians and Slovenians, 36.4 per cent; Magyars, 11.4 per cent; and Russians, 34.7 per cent.

Mr. BRADY. And after studying the question thoroughly, the commission, as I understand, concluded that one way to eliminate that undesirable element was by putting in the educational test?

Mr. DILLINGHAM. Just precisely that; and the reason is presented in this table that I have given. Now, our great immigration prior to 1882 came almost wholly from western Europe, where the percentage of illiteracy is only from four-tenths of 1 per cent up to 5.4 per cent; but since the establishment of our manufactures in this country, which by 1880 had become established——

Mr. BRADY. There has been a gradual increase of the undesirable immigrants?

Mr. DILLINGHAM. Well, we call them undesirable simply because they have come in too large numbers. I do not say anything against the character of these men. They are most of them day laborers in the old country—farm laborers—and they are honest and thrifty and industrious. They want to do the right thing. They have come here to better their condition, but they have not brought their families. They have not gone to the farms, but they have sought the great centers of population.

Mr. BRADY. And necessarily take a job away from some American citizen?

Mr. DILLINGHAM. And necessarily take a job away from somebody else, as I showed in the case of the steel industry, where they were not earning over 50 per cent of the prevailing rate of wages, because they could not have work all the time.

Mr. BRADY. And if I understood the Senator correctly relative to the conditions in the steel industry, he made the statement that the wages seemed to be satisfactory; that it was a question of hours of employment?

Mr. DILLINGHAM. Yes; of days of employment.

Mr. BRADY. In other words, there is no fault to find with the wage scale?

Mr. DILLINGHAM. No.

Mr. BRADY. But rather with the lack of opportunity to work?

Mr. DILLINGHAM. They were getting between seven and eight hundred dollars a year, provided they had work all the time.

Mr. BRADY. But, as a matter of fact——

Mr. DILLINGHAM. But, as a matter of fact, they had so little work that the average compensation received by them in 1909 was, as I remember—I have already stated it—$320 a year.

Mr. BRADY. I do not want to interrupt the Senator——

Mr. DILLINGHAM. I am glad to be interrupted.

Mr. BRADY. I do not want to interrupt him in any manner that will take him away from the line of discussion he has intended to follow; but before he takes his seat I should like very much to have him explain something relative to the different amendments that have been made to this bill. My reason for asking this question is that, if I understand the Senator correctly, the educational test is just one factor in this bill.

Mr. DILLINGHAM. Only one factor.

Mr. BRADY. Aside from that, which means very much to the citizens of America in relation to the immigration that is admitted to our country, what other really beneficial provisions are in this bill that should not be permitted to go over from this session without being enacted into law?

Mr. DILLINGHAM. As I said in the opening, substantially 100 amendments were proposed to the existing law, and probably 50 of them are important. It will be impossible for me, without any papers before me, to take them up individually, because they are matters that were largely discovered by the commission as needing amendment, but they are more largely questions that have arisen in the administration of the law, and result from the evasions of the law and from the decisions of the courts.

Mr. BRADY. And they were placed in the bill for the purpose of strengthening and bettering the law?

Mr. DILLINGHAM. For the purpose of strengthening the law and making it a stronger and more resistant law.

Mr. BRADY. I am certainly heartily in accord with the position the Senator takes on this question; and every question that I have asked has been with the thought of securing more informaion, with the desire of impressing upon the Senate the necessity of passing this bill at the present session.

Mr. COLT. Mr. President——

The VICE PRESIDENT. Does the Senator from Vermont yield to the Senator from Rhode Island.

Mr. DILLINGHAM. I yield.

Mr. COLT. I should like to ask the Senator a question. If this supply should be cut off would there be enough labor in the country to meet the demands of business, referring particularly to manufacturing business, in normally prosperous times? Now, the Senator concedes that this class of immigrants are not undesirable.

Mr. DILLINGHAM. Oh, no.

Mr. COLT. In other words, he corrected some Senator using this term.

Mr. DILLINGHAM. They are not undesirable as raw material, if the Senator will allow me; but coming as they do, under the conditions they do, and as we found them in 1909, we found great difficulty in assimilating them.

Mr. COLT. I admit that this is the important fact which enters into this problem. I was some 30 years on the bench and in the earlier years I had a great deal to do with naturalization, and I am naturally opposed to the literacy test as a test of character and good citizenship.

Mr. DILLINGHAM. It is not recommended by the commission on that ground.

Mr. COLT. Then it was not adopted because it was a meritorious test, but as the best test that could be devised to accomplish the desired end?

Mr. DILLINGHAM. It was to diminish the flow of that particular class of immigrants.

Mr. COLT. Do you think, looking at the best interests of the country, that it would be well to diminish this flow?

Mr. DILLINGHAM. We are having no flow at the present time.

Mr. COLT. I know we are not; but has this country, speaking of normal times, reached a stage of population where it would be well to diminish the flow of immigration?

Mr. DILLINGHAM. I think so, clearly. I am very strongly convinced of it.

Mr. COLT. It certainly seems to me to be a debatable proposition.

Mr. DILLINGHAM. I was not of that opinion before I made that investigation, I will say to the Senator, but the conditions of three years ago, if the Senator pleases, developed that fact. We had a large surplus of labor in all the cities of the United States, and it was a matter of great apprehension what we were going to do with it. It was only the fact that they had entered extensively into the manufacture of munitions for foreign nations that the labor has been so fully employed.

Mr. COLT. But would you not say that was an abnormal condition?

Mr. DILLINGHAM. Let me give the Senator——

Mr. COLT. I was referring rather to normal times, and I wanted to ask the Senator whether in normal times of business in the United States, growing as rapidly as we are, he had reached the conclusion that we ought to limit immigration?

Mr. DILLINGHAM. In the year 1909 we thought that was normal. That is when this investigation was made. I might go through the whole list of the great basic industries. I have given the iron and steel industry. I could give you what it was in all the other industries. We found a great surplus of common labor unemployed. Coming down to the beginning of the present administration, we find there had been a general growth in the manufactures. But we did not find that the general condition, so far as we were able to inquire, had been materially changed.

Then followed the tariff legislation under which we are now living. I think and, from observation, I believe that the effect of that legislation so far as New England and the manufacturing sections of the country are concerned was disastrous. I think it has diminished the amount of manufacturing. I have in my mind an institution in Vermont which produced cream separators. It employed at times four or five hundred men. Under existing law cream separators are now largely supplied by the Scandinavian States. As a consequence, the business I mentioned was pretty nearly destroyed by the time the European war broke out. When that came the owners, to save themselves, entered into contracts to manufacture war material for foreign Governments, and their shops are now running days and nights with a full compliment of men. I take that as an illustration on which I base my opinion. I think a large number of manufacturers will suffer from collapse in their industries.

Mr. WORKS. Mr. President——

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Does the Senator from Vermont yield to the Senator from California?

Mr. DILLINGHAM. I yield.

Mr. WORKS. Does not the fact that an adequate number of laboring men have been secured under the conditions as they exist now establish the fact that we had too many under normal conditions—that there was a surplus?

Mr. DILLINGHAM. I do not think there can be any question about that. I am morally certain of it. It is because of that it would seem to me the bill ought to be considered at this session of Congress and not be again postponed.

I do not apprehend that the European war will last forever, and I am looking forward to the time when we shall meet conditions which are normal—that is, normal under the system which has been inaugurated and which is in operation. I expect the time is coming in the not distant future when we shall again find a surplus of common labor in this country, and I think we ought to restrict in a reasonable degree the flow of immigration from Europe until we find where we are.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Minnesota?

Mr. DILLINGHAM. I yield to the Senator from Minnesota.

Mr. NELSON. I wish to state to the Senator that I have voted for three immigration bills that have been vetoed, and they all contained the literacy test. I was not quite satisfied that that was a proper rule to follow, but after all it was the best rule we could get to limit immigration. The trouble with immigration in recent years has been this: The earlier immigration that we got came from the British Islands, Germany, and the Scandinavian countries, and that immigration, instead of huddling in the big cities and industrial centers along the seaboard, hiked to the West and occupied and took up and settled our unimproved land, and the immigrants became in a short time farmers and industrial producers; they became, in fact, capital and labor united in one person.

The immigration in recent years has been of a different kind. Most of the immigrants have come in recent years from southern Europe. Many of those people are good people. I have seen them and they are good people; but the trouble with them is they will settle in the big cities, in the manufacturing centers, and overcrowd those instead of going to the westward and settling and taking up land and improving the country like the earlier generation of immigrants.

It has occurred to me that we do need a certain class of laborers in this country. Take the men who work on our streets, who dig our tunnels, and do our underground work, if you look at them and study them they are thrifty, industrious people, and they perform a class of labor that our ordinary American laborers do not want to do.

For instance, we see on the streets of this city Italians working side by side with colored people on street work. That is something that you do not ordinarily find. The question is, Where are we to get the supply of that kind of labor if you cut it off entirely? Our own people have got, to some extent, above it. They do not like to engage in that work. This literacy test will cut off that kind of labor, and that is the question that is troubling me a good deal. I shall vote for this bill, but still I am not free from doubt on the subject.

Another question has troubled me, and it is this: Uneducated men come here, and many of them can not read and write, but they are very thrifty and very industrious, and, as a rule, they are temperate. If you notice what has taken place within recent times, you will find that they have not raised any question about their interest in this or any foreign country. We oftentimes get among those who can read and write, men of college education, poor wrecks of humanity who come here. I have known from the Scandinavian countries a great many university and college graduates who had become sots and worthless in their own country who have come here. They are sent oftentimes by their relatives. They can pass the literacy test easy enough; many of them can read and write in two or three foreign languages; and yet to my mind they are the most undesirable class of immigrants we get. I have seen some of the university graduates from the Scandinavian countries who plumed themselves upon having a degree from the University of Copenhagen, Stockholm, or Christiania, and they came over here, and they are utterly worthless; they are no good to this country. Yet there is another class who come over here not from the Scandinavian countries. There they can all read and write.

Mr. DILLINGHAM. Allow me to interrupt the Senator. He was out when I was giving the degree of illiteracy in the different countries. I want to call his attention to the fact that illiteracy is lower in the Scandinavian States than in any other countries of Europe. It is only four-tenths of 1 per cent.

Mr. NELSON. That is undoubtedly true.

Mr. DILLINGHAM. I state it because the Senator is such a distinguished representative of one of those States.

Mr. NELSON. But while this literacy test will admit practically everyone of sound body and sound mind from those countries, yet the law admits a good many worthless subjects at times. Take the countries of southern Europe, where they have been unfortunate, where they have been oppressed for generations and have not had the opportunity of good government. They hardly know what a government is in the sense that we understand it. Those people come here with the intention of earning an honest living. Many of them can not read and write, yet the bulk of those people occupy a place here in our labor market that is hard to fill under present

conditions, and has been, except those, for instance, who go into the sweatshops of New York. Take the people who work on our streets and do our tunnel work and all that kind of hard underground work, we would miss them. If we sent them out of the country we would have great difficulty in supplying their places.

Mr. DILLINGHAM. May I suggest at this point that the Senator was absent from his seat when I covered the very ground that he is going over at this time? I stated in his absence that the estimate made by the Immigration Commission was that the reading test if put in operation might perhaps reduce the general immigration substantially 30 per cent, but we have been getting a million and a million and a quarter of that kind of men every year. They have overcrowded our cities, overcrowded the labor market, and even with 30 per cent cut off there would be a good chance that we would have an abundant supply for all the purposes to which the Senator is referring.

Mr. NELSON. The Senator must understand me. I can very well see the difficulty of laying down a hard and fast rule in this manner. It is very difficult to lay down a general rule that would work equitably and fairly, and perhaps this comes the nearest of any rule that can be advanced in the case. Yet after all I have grave doubts, if you strictly enforce it, whether in time it will not lead to a lack in that class of labor into which our American people as a general rule will not go. I can recollect when I was a boy in Wisconsin the work on the railroads was commonly done by the Irish. The Irish did that work a great many years ago and then they quit. Then they were followed by Swedes and Norwegians, and they quit it; and now in our country out in the West the building of railroads and the reconstruction of railroads is all done by another class of people. It is done mostly by immigrants from southern Europe, and neither the Irish nor the Germans nor the Scandinavians care about doing that kind of work. They look upon it as drudgery. They would rather make their living in any other way.

One unfortunate thing in the situation has occurred in our great commercial centers. There you find in certain trades and occupations, for instance, in the manufacture of all kinds of clothing there has been a rush from southern Russia and from the Balkan States of a lot of immigrants who, instead of going West and starting in with communities there, where their labor is needed, where they could become independent, have settled down in large cities and have actually congested the supply of labor engaged, for instance, in the manufacture of clothing. Hence we have those sweatshops and we have strikes such as we have recently had there, because it is overcrowded.

I have always thought that our immigrant legislation should be supplemented by a bureau, an attachment you might call it, by which, when these immigrants come in, they should be taken in hand and moved westward, where there is some space and where there is great need of help, and not allow them to remain and become congested in the large cities and industrial centers. If we want to avoid that condition we have got to do something.

Yet I am greatly embarrassed. I wish we could lay down a rule by which we could exclude some of these educated tramps—tramps who are filled with socialism, who are quasi anarchists, and who come here to exploit the Government of the United States. I wish we could get some law to exclude them. I remember very well in the days of Populism, if the Senator will excuse me for taking up the time, when Populism was rampant in our country, we had a lot of immigrants who had just come over from different parts of northern Europe. They all joined the Populist Party. They would not be Democrats, they would not be Republicans, and they joined that new party. They were going to reform the United States, and they were the wildest sort of people I ever saw. I was the only one in that part of the country who told them the truth. I said to them, "You people have come over here to teach us how to govern the United States. Neither the old Democratic Party nor the Republican Party is good enough for you. You are going to organize a party of your own to run this Government. Do you think you can do it? In the next place, if you are not satisfied with this country and this Government and the conditions here, you had better go back to the old country and reform that before you try to reform us."

Mr. WORKS. Will the Senator allow me a moment?

Mr. DILLINGHAM. Very gladly.

Mr. WORKS. I think the Senator from Minnesota has overlooked one of the important phases of this question of foreign labor. He says that the American laborer no longer desires to do a certain class of work, because it is drudgery. My own opinion about it is that American labor has been crowded out of those positions by foreigners, and that there has been a tendency on account of the kind of immigration we have had in this country to degrade labor so that the American naturally desires to get out of that sort of work and leave it to the foreigner, who will work under conditions that American labor will not submit to. That seems to be one of the serious phases of the question that the Senator did not mention.

Mr. NELSON. If the Senator from California had been a Minnesota farmer like myself, he would have hardly come to that conclusion. The strange thing was—and it seemed to me remarkable—that during all the years when the flood tide of immigration was so big, when it ran from 800,000 to a million a year, it was more difficult to get farm laborers in Minnesota than at any time before. I think they are no scarcer to-day than they were then. It seems to me extraordinary what became of all that immigration. We could not get any of it there; labor became scarcer and wages higher. Though our wages became higher and higher, we could not get any of that kind of immigration. They did not come out there. They would not engage in agricultural labor.

Mr. DILLINGHAM. If the Senator will permit me, I think I can give him some information on that point. The investigations of the commission developed very clearly the fact that the immigrants from eastern and southern Europe, although very largely made up of those who in the countries from which they came had been farm laborers, would not and could not be induced on reaching this country to go out individually and take labor on any of the American farms. I suppose that grew out of the fact that they were in a country to which they were strangers, among a people who spoke a different language, living under conditions entirely different from the conditions out of which they had come; and, in a spirit of timidity, they clung together in racial groups.

Moreover, a more significant fact came out a few years ago. I remember asking Mr. Watchorn when he was commissioner of immigration at the port of New York what proportion of the immigrants coming into this country came as a result of correspondence with somebody already in this country. I noticed that a great many of them when they landed at Ellis Island held railroad tickets from New York to some point in the United States to which they were destined. He kept an account for the next year, and reported to me that 80 per cent of all the immigrants landing at Ellis Island were when they came from the boats in possession of railroad tickets from New York to their place of destination. That was convincing proof of the fact that they were coming as a result of correspondence with a brother or a cousin or a friend. They knew just what labor conditions were in this country—where they could obtain labor—and they were going, as they reported when they landed, to meet friends. So they went where the people from their particular community in Europe had previously gone.

You will find if you will investigate the modern immigration that wherever the people from a certain part of Hungary went 15 years ago everybody from that section of Hungary has been going ever since—there becoming a part of a racial colony—and the same is true of other nationalities. As I have said several times since I have been speaking, modern immigration moves in groups, and they are mostly racial groups. They prefer to cling together and live in their old ways. You may take a man who belongs to one of these groups and offer him a good home on a New England farm where he can live in the family of his employer and have good board and a good bed, but you can not induce him to break away from friends and go there.

As an illustration of the fact, you all remember the great Lawrence strike. The strikers were living on what they called the strike wage, I suppose, and living very close. A friend of mine was building a railroad in Vermont, and was short of men. He visited Lawrence and applied to their leaders, as well as to men who were entirely out of employment. He offered them liberal wages and good boarding facilities, and held out every inducement possible, but he could not induce a man to break away from his associates and take advantage of the offer.

It is undoubtedly true that throughout the country agricultural laborers are more scarce than those of any other class. Every farmer feels the need of them. The Senator from Minnesota, in his remarks, reminded me of the fact that in 1907, when the bill of that year was under consideration it contained a provision which I had drafted carrying out precisely the idea which he has suggested of establishing a division in the Bureau of Immigration intended to divert the stream of immigration from the cities and send it to the country districts. It was adopted and is in the body of the law to-day. It has been in operation ever since. But aside from incidental successes it has been substantially a failure for the reason that I have suggested. The races coming here without their families and moving as I said in racial groups are so constituted that they

will not go into the country and work as individuals. I do not think it possible to get individuals of the modern immigration to aid in the agriculture of America unless they are taken in colonies to some community where cottages for them have been prepared in which they can live their own lives instead of entering American families.

Mr. WORKS. Mr. President——

Mr. DILLINGHAM. I yield to the Senator from California.

Mr. WORKS. Recurring to what was said by the Senator from Minnesota [Mr. NELSON], I have been a farm laborer myself, but that was a long time ago and the conditions then were altogether different from what they are now. I was not referring to work on the farm but to the kind of work mentioned by the Senator himself, digging canals and work upon railroads and labor of that kind. In my own city of Los Angeles most work of that kind is done by Mexican peons. As the Senator said, they congregate together. If a large number of them work, for example, on some railroad they provide homes for them. They are not very desirable homes. They congregate together, large numbers in one room. You see them at work and you may see other foreigners working with them. You may see a sprinkling of negroes with them when working in large bodies; but you will rarely see an American citizen working with that class of men. Americans regard it as beneath them. They do not like to work with that class of laborers. That is one of the great things, I think; that has crowded out American laborers.

Mr. DILLINGHAM. Mr. President, I have said substantially all that I can say upon this subject and in urging that this bill shall receive consideration at this session of Congress. I can see no reason why it should not be considered, and I can see no reason why it should not receive the approval of the President at this time. In his message in which the bill of the last Congress was vetoed he said:

> It is because I doubt it that I make bold to dissent from it. I am willing to abide by the verdict, but not until it has been rendered.

He was referring to the verdict of the people. Then he adds:

> Let the platforms of parties speak out upon this policy and the people pronounce their wish.

Then he adds further:

> The matter is too fundamental to be settled otherwise.

In other words, although this measure had been approved by two separately elected Congresses of the United States fresh from the people, and who are supposed to represent the freshest expression of opinion by the people, he said that "the matter is too fundamental to be settled otherwise," and he wanted the platforms of the parties to speak out upon this policy. Well, I remember that back in 1896, as long ago as that, the Democratic Party in the platform of that year said:

> We hold that the most efficient way of protecting American labor is to prevent the importation of foreign pauper labor to compete with it in the home market.

That is just the idea that has been expressed by Democratic Senators in debate this afternoon; it is the opinion and judgment of both Republicans and Democrats, I take it, in this body. In that same year the Republican national platform contained this plank:

> For the protection of the quality of our American citizenship and of the wages of our workingmen against the fatal competition of low-priced labor, we demand that the immigration laws be thoroughly enforced and so extended—

Mark the words—

> so extended as to exclude from entrance to the United States those who can neither read nor write.

So the American people, through their two great parties, as early as 1896 had spoken upon this question.

In the Sixty-second Congress this measure was passed and vetoed not for adequate reasons, according to my judgment. In the Sixty-third Congress it again passed and was vetoed for the reason to which I have just referred. I think that as there has since been a fresh election and the Congress seems to be of the same opinion now that the last Congress entertained, the time has come to again pass this bill. I make that suggestion with the full belief that the distinguished gentleman who now occupies the White House will feel that the ground of his doubts has been removed and that he can approve this measure. I certainly hope it may be taken up and acted upon.

THE MERCHANT MARINE.

Mr. FLETCHER. Mr. President, I want to remind the Senate that we have under consideration House bill 15455, which seems to have been entirely forgotten.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Fletcher	Nelson	Swanson
Brady	Gronna	Oliver	Taggart
Brandegee	Harding	Overman	Thomas
Bryan	Hardwick	Penrose	Thompson
Chamberlain	Husting	Pittman	Tillman
Chilton	James	Ransdell	Underwood
Clapp	Johnson, S. Dak.	Shafroth	Vardaman
Clarke, Ark.	Jones	Sheppard	Wadsworth
Colt	Lea, Tenn.	Sherman	Warren
Culberson	Lippitt	Shields	Works
Cummins	Martin, Va.	Smith, Ga.	
Curtis	Martine, N. J.	Smoot	
Dillingham	Myers	Sterling	

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present.

Mr. LIPPITT. Mr. President, in regard to the shipping bill, which is now before the Senate, I had not intended, in view of the discussion which has been carried on from this side of the Chamber, to take an active part in the debate upon the bill; but there are one or two observations in connection with it that come to my mind, which I think it might be useful to put in the RECORD.

In the first place, I want to call attention to a feature of the present debate, which has been spoken of before, but which, I think, will bear repetition. That is the fact that in the debate upon this shipping bill, as in the debate upon the shipping bill the last time it was before the Senate, it has been the policy of the proponents of the bill to sit in substantial silence and to allow practically all the discussion upon it to be carried on upon this side of the Chamber. It seems to me that a bill of such far-reaching consequence as this, which proposes such a revolutionary organization and management of one of our chief industries, calls for a thorough presentation of the reasons for its introduction and the purposes involved in the policy which it incorporates.

Mr. PENROSE. Mr. President, will the Senator permit an interruption?

Mr. LIPPITT. Yes.

Mr. PENROSE. The reason the majority does not present any arguments to the bill is that all their discussion on it occurred in a secret caucus.

Mr. LIPPITT. Well, I am aware, Mr. President, that what the Senator from Pennsylvania says is largely true. It was true of the discussion that went on here for nearly a month on the shipping bill of a year ago, and it is true of the consideration of this similar bill at this time. I am particularly sorry that that is the situation, because it was my good fortune to be a member of the Committee on Commerce, which had this bill under its charge. I further had the good fortune to be appointed a member of the subcommittee of that committee of this body to which was given the particular duty of considering this bill for the purpose of reporting to the main committee.

In pursuance of the duties of that position, for nearly a month I listened to testimony from various people who came here to give their views in regard to this bill. I listened to the discussion that went on in the committee, and all the time I was trying to find a sufficient reason in the situation of business or in the exigencies of politics to account for this bill being presented to the Senate at all. Of course I was aware that its chief advocate was the Secretary of the Treasury, a gentleman who, from various causes, is in very close relation to the present administration. So far as the public discussion of this bill is concerned, he has been almost the only Democrat who has taken an active and conspicuous part. He has been, so far as I remember, looking back over the year of discussion that has gone on in opposition to the bill, the chief champion of it upon the Democratic side.

Mr. President, some three years ago there was another bill passed by the Senate, in regard to which I had the same feeling. I refer to the bill to construct a railroad by the Government in the far-off Territory of Alaska. I was a member of the Committee on Territories, to which that bill was referred. I listened to the testimony and took part in the discussion that went on in regard to that bill; and I never could understand why this administration wanted to undertake the construction of a railroad under the circumstances and conditions that prevail in Alaska.

I am aware that the argument presented for the undertaking was that such a monopoly existed in the transportation system of Alaska that it was necessary for the Government to interpose its powerful arm to bring relief; but, as a matter of fact, I know that the testimony which was before the committee on that point conclusively demonstrated that no such monopoly existed. I knew there were private parties ready to undertake the construction of an adequate transportation system in Alaska,

provided that the facilities of Alaska were put in such shape that they might be used in the commerce of that country. Testimony was given over and over again that if the coal fields of Alaska were made available private capital would willingly build transportation systems in that Territory; and that unless the coal fields were made available, then Government construction would be as unsuccessful as the investment of private capital, for that purpose would be under the same conditions.

Mr. President, when the great Democratic commoner, Mr. Bryan, came back from a European trip some years ago and his devoted admirers prepared for him a great reception at Madison Square Garden in the metropolitan city of New York, he startled the country, and I think disappointed many of his admirers, by coming out as an eager and enthusiastic advocate of the Government ownership of railroads. It seemed to me, as I connected the two occurrences, that perhaps the influence of the then Secretary of State on the Democratic administration had not been without its effect in connection with the decision of the party at present in power to undertake this revolutionary investment of Government money in Alaska.

More recently I have listened with astonishment to the proposal, which has now been enacted into law by this Democratic Congress, to build with Government money—which means resources taken from individual business throughout the country—a Government armor plant. The testimony in regard to that proposal shows that we have in this country to-day, and have had for a quarter of a century, the most magnificent plant for the construction of armor that exists in the world; that it is ample for our needs, and, in fact, largely beyond any demand that has occurred for armor plate for several years back; that the quality of the armor plate which it produced was at least equal and, it is claimed, was superior to that produced in any other part of the world. The testimony was that the price at which the armor was sold to our Government was not over two-thirds the price that was paid for similar material in any part of the world by any other Government on earth. It was also testified that $30,000,000 had been invested in these plants, and that the construction of a Government owned plant, which would probably cost close to $20,000,000 under the conditions imposed in the bill, would destroy absolutely the privately owned plants; so that the cost to the people of the United States of the Government armor plant would not be the $20,000,000 of fresh money which would be put into it, but would be $50,000,000, including the loss incident to the destruction of the existing plants.

Then, Mr. President, I sat here and listened to the arguments that were made for another new venture in Government ownership, and I looked with astonishment upon the methods that were put in force to carry through this body a bill providing for the construction of a nitrate plant. Even at the very time when it was proposed to enter into this new Government operation there was private capital willing to go into it; and, in addition to that, there were people of the highest responsibility who said that a nitrate plant constructed on the plan proposed to be adopted by the Government would be useless, because the progress of modern chemistry and the discoveries of the last year or two had made obsolete the process that was proposed to be used in this Government plant. They did not hesitate to say to me that that plant would be antiquated before the roof was on the building, and that we might just as well, so far as any useful purpose could be accomplished, throw the money that was to be expended for it into the Potomac River.

Now, Mr. President, we come to another project for Government ownership. We come to the proposition to put $50,000,000 into Government-owned shipping, and the gentleman who has been its chief advocate, the distinguished Secretary of the Treasury, in a speech which he made last winter in the West, used as an argument for the passage of this bill the fact that the Government had started to build a railroad in Alaska; and he argued, not illogically, that if it is wise for the Government to build railroads in Alaska—and if he had made the speech later he would probably have cited the action taken in regard to the armor plant and the nitrate factory in the South—why was it not equally wise for the Government to own shipping? Well, Mr. President, from the study which I have given to this matter, if we are to have Government-owned railroads and Government-owned shipping, and Government armor-plate factories and nitrogen factories, I can see no reason why we should not also have Government-owned cotton plantations for the purpose of reducing the cost of cotton to the people of this country and to the world, or why we should not have Government-owned copper mines and wheat fields and all the other instrumentalities of commerce. One business is no more susceptible of improvement by Government ownership than another and if Government ownership is so beneficial and is to be the policy of the United States, it should be a policy that is applied not to one single industry, but to all industries upon which the prosperity of this country depends.

It is true that the objections to Government ownership on the plea of additional expense are very many. I shall not undertake at this time to make an exhaustive presentation of that side of the subject, but as an example of what sometimes occurs under Government ownership I do want to lay before the Senate an illustration which has recently come within my own experience, and which I think aptly demonstrates what occurs when a great unwieldly organization, like a national government, undertakes to substitute for the individual initiative of private enterprise the efforts of a few paid Government employees who have no special incentive to progress.

There was recently built at the torpedo station in Rhode Island a very magnificent building for the manufacture of torpedoes. It is modern in every respect, suitable for the purposes in view, and it cost somewhere in the neighborhood of $250,000. It was completed last fall, nearly a year ago, but it stands there to-day unused and idle, because the Government, which appropriated the money of the people to construct that factory, failed to provide any machinery for it. In the naval appropriation bill, which was recently under consideration here, there is provided an appropriation of $100,000 for the purchase of machinery for that building, although, in order to secure the full benefit of the expenditure already made, it would be necessary to install machinery to the amount of some $250,000. The estimate from the officer in charge of the torpedo station at Newport, admittedly intended to provide only partially for the requirements of the factory, was for $189,000. That was cut down by the department in Washington, by the Secretary of the Navy, to $100,000. The matter came to my attention, and I took occasion to lay the facts before the distinguished Secretary of the Navy. He admitted the strength of them. He is himself somewhat of an advocate of Government ownership, and he could not very well resist the plea that a factory idle is a factory useless, whether owned by the Government or owned by an individual. After several interviews I persuaded him to write to the chairman of the Naval Affairs Committee of the House of Representatives a letter recommending that the appropriation contained in the then pending bill should be increased from $100,000 to the sum of the first estimate, $189,000. The letter was written, was presented to the chairman of the committee, and taken under consideration by the committee, and I supposed that with such backing and such influence there would be no difficulty in carrying out this project of efficiency.

To my surprise I discovered a little later that although the Secretary had written this letter and had approved of the project, his lieutenant, the Chief of Ordnance, Admiral Strauss, had appeared before the committee and said that the matter might just as well go over for another year. I brought the matter to the attention of the Naval Affairs Committee of the Senate and presented the arguments, and they unanimously included the appropriation for that purpose in the naval bill in the Senate, and it passed this body. Again, before the conference committee the argument was used from the same source, from the assistant of the man who had recommended it, that it could very well go over to another year.

Mr. President, as an example of Government ownership as compared with private ownership I want to present that case to the Senate. What private individual would dare to face his stockholders if he constructed a manufacturing building and waited for more than a year to give the order for the machinery to make it available and for machinery that it would probably take the better part of another year to construct and to install? The overhead charges on an idle building of this kind, including interest, taxes, repairs, depreciation, and so forth, would often be roughly figured in manufacturing circles as 10 per cent. If it is two years before suitable machinery is installed in this particular building, it will mean $50,000—one-fifth the cost of the plant—that has been absolutely thrown away.

Another instance of a somewhat similar nature in connection with the Navy Department has come to my attention. I use it not so much in criticism of the department as in illustration of the intricacies of Government ownership. It is in connection with the manufacture of powder by the Government—a matter which has been referred to more than once in this body. I am referring to the annual report of the Secretary of the Navy for the fiscal year 1915 and his remarks upon the subject of the profitableness of making powder. Mr. Daniels says that the cost in 1915 was 24.9 cents a pound; but he says that, of course, these figures represent merely the actual cost of materials and labor; that if the estimates for the overhead charges were added the cost would be 32.1 cents a pound. He then goes on to say that the last price at which powder had been bought

from private concerns was 53 cents a pound, and inasmuch as the actual cost to the Navy was 25 cents the saving on the amount of powder that was manufactured was $1,115,793 for the year.

In other words, the Secretary of the Navy, in trying to make out a case for the Government manufacture of that article, after first admitting that the price to the United States was over 32 cents a pound, uses the figure of 25 cents a pound to measure the amount of saving that was made, because, as he says, that was the cost to the Navy, meaning the Navy Department. Mr. President, I have no doubt that that was the cost to the Navy Department, but it was not the cost to the people of the United States; and the people of the United States are as much interested in the expenses of the other departments of the Government as they are in the expenses of the Navy Department. They have to pay all the taxes that are necessary for all the departments; and when the representative of one of the great departments of this Government uses figures of that kind as an argument for Government ownership, I think it is at least worthy of attention and thought upon the part of the people who want to know the true facts in regard to this subject.

Mr. President, what I gather from all this is that we have here an administration the officials of which are subtly and quietly leading us along a path toward Government ownership, the end of which perhaps they do not exactly see; but they are incorporating into this Government a new principle of deep import which ought to be argued on its merits, and it is a situation into which the country should not be allowed to drift. If, indeed, Government ownership is the proper substitute for the individual initiative which has developed in this country a great variety of resources and produced a prosperity that is the wonder of the civilized world, then we should go into it intelligently, thoroughly, and consistently.

Mr. SHERMAN. Mr. President——

The PRESIDING OFFICER (Mr. STERLING in the chair). Does the Senator from Rhode Island yield to the Senator from Illinois?

Mr. LIPPITT. Yes; I yield.

Mr. SHERMAN. I am curious to know whether, in the overhead charges, the items are given in the Secretary's report which bring the cost of powder to 32 cents and a fraction per pound. I am curious to know how the Secretary figures the overhead charges, and I should like to know the items, if they are contained in the report.

Mr. LIPPITT. I will say to the Senator that he will find all of this on page 58 of the report to which I referred. The detail of those overhead charges is not given, but enough is given to show that those charges do not include the entire overhead charges such as would be figured by a private owner. Here is what the Secretary says about it:

> The Bureau of Ordnance estimates that the overhead charges (including pay and allowance of officers, pensions, leave, etc.) aggregate $0.072243.

There is no mention made of taxes, of insurance, or of depreciation. I am not sure whether any allowance has been made for these items. In fact, as I look further at the report of the Secretary, he says that to this additional cost that brings the total to 32 cents should be added the interest on the plant investment, in which case the total would be 34 cents per pound. But there is apparently no thought of insurance, depreciation, or other similar items. I have no doubt the overhead charges stated here are considerably less than the proper sum that should be allowed for that purpose.

Mr. SHERMAN. I will inquire further if the Senator knows of any successful private business enterprise in which each year there is not some depreciation written off in order to replace the ordinary wear and use that finally destroy a plant?

Mr. LIPPITT. Mr. President, in my commercial experience I have known of several large corporations that failed because of failure to do it, but I do not know of one that ever succeeded while failing to do it. It is, of course, a practice that is indefensible.

Mr. SHERMAN. If all those charges that ordinarily belong to a successfully conducted private business were added as overhead charges, does not the Senator think that the cost of powder would exceed even the 34 cents?

Mr. LIPPITT. Undoubtedly.

Mr. SHERMAN. And even with the 32 cents, the difference between the 24 cents and a fraction and the 32 cents is almost one-third of the amount paid by the Government.

Mr. LIPPITT. Exactly. Those figures were brought to my attention some little time ago, and I thought it was one of the most naïve financial statements I had ever come across; and it seemed to me particularly appropriate that it should be put in the RECORD in considering such a subject as that of government ownership.

Mr. SHERMAN. I think it is vital on the subject of government ownership. I wish to inquire if the Senator has investigated the matter of municipal ownership in various cities? I know I have, and I have found in every instance that they do not replace the property, they do not make charges for capital invested, and do not make charges for compensation insurance for the workmen or insurance on the property. In estimating the overhead charges in a private business they invariably include those items, while in estimating the price of the commodity or service the municipality or the Government always claims a much lower rate than in fact would be shown if there were accurate business methods of bookkeeping followed. That is generally the case.

Mr. LIPPITT. I will say to the Senator that I am not particularly familiar with the matter to which he refers, but I believe that that is usually the case.

Mr. SHERMAN. That has been my experience in every case of a municipality that I have investigated. I know that several of our municipalities in my home State have undertaken enterprises of that kind, and have made considerable advertising capital out of the cost of gas and electric light or water, as the case may be. Water, however, is one of the easiest of all the municipal undertakings, and in a manner is very successful; but when investigated it was found that there was none of these charges allowed for, no overhead charges, and the low cost of the article or the service took no account of these items that are indispensable in the successful conduct of a private business.

Mr. WADSWORTH. Mr. President, will the Senator yield?

Mr. LIPPITT. I yield.

Mr. WADSWORTH. I must apologize, to a certain degree, for my inattention. I wanted to ask the Senator at what date those prices of 24 and 32 cents, respectively, obtained?

Mr. LIPPITT. Those figures refer to the fiscal year 1915—that is, the year ending June 30, 1915.

Mr. WADSWORTH. Mr. President, will the Senator give his opinion on this query: Is it not a fact that the price of powder in the trade operated by private capital, which was then quoted at 53 cents, was considerably higher than it would have been in normal times; that had it not been for the great European war making an enormous demand for powder, it is safe to say that the price of powder manufactured by a private plant would have been below 53 cents? In other words, the Government plant is not subject to the law of supply and demand, and the private plant is.

Mr. LIPPITT. That would be the case if the Secretary had used the commercial price of powder in the figures with which he made his comparison; but the price of 53 cents was the lowest price that had been paid by the Government at any time. The Senator from New York will understand that this was for smokeless powder of a high quality. It was originally supplied to the Government at the beginning of its discovery at a very materially higher price. The figures are given somewhere here, and I think it was in the neighborhood of $1. From time to time, as the experience of the manufacturer grew, I presume, and the method of manufacture was improved by experience, those prices were reduced until the price of 53 cents was made at the time that the Government went into the manufacture of powder; and that price, as I understand, has been continued at the service of the Government by the powder manufacturers instead of the price that they are getting, as the Senator from New York well says—a very much higher price—from other parties, owing to the exigencies of the war.

Mr. President, what I have been describing is one of the circumstances that at least is worthy of consideration in considering this shipping bill. I want now to go on for a few minutes to consider some of the reasons that have been given for the passage of this bill in the few remarks that have been made upon it by its advocates on the other side.

Almost the only presentation of the subject was by the distinguished Senator from North Carolina [Mr. SIMMONS] at the time this bill was first laid before the Senate. In his remarks upon the subject he devotes almost one-third of the space which he gives to it to the importance of a naval auxiliary, and the implication is suggested that the purpose of this bill and the excuse for the investment of this money is the necessity for naval auxiliaries.

When it is difficult to get sufficient reasons for a project on its own merits it is a very familiar method to bring into the subject collateral and unimportant arguments. The attempt to vindicate this bill on the ground that we are in this way going to obtain sufficient and satisfactory naval auxiliaries is shown

by the language of the bill itself to be unfounded. All that the bill has to say on the subject of naval auxiliaries is in section 5, where it says that the vessels to be purchased, leased, or chartered shall be—

Suitable, as far as the commercial requirements of the marine trade of the United States may permit, for use as naval auxiliaries or Army transports, or for other naval or military purposes.

In other words, the language of the bill and the intent of the bill is to produce commercial ships; and commercial ships, in order to be useful, must be specially designed with reference to the commercial purposes to which they are to be put. In fact, one argument that has been used for this bill outside of this Chamber was made by the Secretary of Commerce, Mr. Redfield, who attempted to show that, under the wise leadership of Government experts, a new class of vessels was to be created in the world—standardized ships, as he called them, that were to be built on but a single model, and specially adapted by new methods to the purposes of commerce; so that the money of the Government would be spent not merely for ships but for commercial ships so particularly designed and constructed for commercial purposes that they would have an advantage from that feature alone.

It is impossible to get the highest efficiency in ships for commerce if they are to be specially designed for naval purposes—if there is to be additional expense in their construction so that they may fit some particular naval purpose—and there is nothing in the language of this bill which contemplates such an interference with the efficiency of these vessels. On the other hand, the language implies exactly the opposite purpose—that these vessels are to be built primarily for commercial purposes, and, if it can be done without expense and without interfering with their highest efficiency, then they may be adapted, so far as they can be under those conditions, to naval purposes.

Moreover, if the object of this bill is to provide naval auxiliaries, then the bill should have other provisions in it. Naval auxiliaries are specialized vessels in many cases, and those special features are such that we have to rely upon naval constructors, naval experts, for information as to how to produce them. There is no provision in this bill that the shipping board shall in any way work in harmony or in sympathy with the strategy board of the Navy or with the officers of the Navy. There is no provision for consulting them or in any way obtaining their advice or following their instructions. Therefore it seems to me that to base the argument for this bill on the purely subsidiary possibility that such vessels may be used for naval auxiliaries is neither in accordance with the spirit nor the language of the measure.

The next argument that is used by the distinguished Senator for the passage of this bill is that we are unable to obtain ships in ordinary times for the carrying of our trade to foreign ports, and particularly to South America. He urges the importance and necessity of supplying means of transportation to those nations to the south of us, and he says that because we have not had these ships we have obtained but a small share of the trade of our southern neighbors, and that the reason why Germany and France and Great Britain obtain a larger proportion of their trade is because they are supplied with steamers running on regular schedules.

Mr. President, it is easy to make statements of that kind. They are supported by no array of statistics from the shipping trade. The Senator does not take the trouble to put into the RECORD the kind of American ships, the number of ships, or the ports to which such ships were sailing during the period immediately antedating the war; and I use that period because it is manifestly useless for a bill of this kind to consider the extraordinary conditions of war times.

But during the discussion that went on over this same subject in the last Congress it so happened that there was a Senator here representing the great State of Ohio, whose knowledge of these subjects was unrivaled by any man that ever sat in this body and whose industry was phenomenal. Senator Burton during the very thorough discussion which he made on this subject at that time did not rely upon unsupported statements to maintain the position which he took. He put into the RECORD—and any Senator who is curious to examine them may find them in the RECORD of January 7, 1915—a complete list of all the vessels that had sailed during the first nine months of 1914 from America to South American ports. He gives their names, their destination, their size, and other details in regard to them; and what is demonstrated from that array of figures is the fact that we not only were not short of vessels to take care of the merchandise that this country was able to sell to South America, but that we were so oversupplied with them that many of the vessels were forced to sail with only partial cargoes, and in many cases they sailed with these partial cargoes, although their ordinary sailing dates were put back in the hope of getting a more remunerative amount of merchandise. The situation which he described and demonstrated to have existed at that time was not unusual; it was not exceptional. It had existed in our relations between South American ports and this country for some considerable time.

Therefore, Mr. President, I can not see how the necessities of our South American trade can be made the sufficient argument for enacting this revolutionary bill.

Mr. JONES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from Washington?

Mr. LIPPITT. I do.

Mr. JONES. Is there anything in the bill from which anyone can conclude that any of the ships are going to be used in the South American trade?

Mr. LIPPITT. Nothing at all, I will say to the Senator from Washington. There is nothing in the bill which indicates at all what is to be done with them, and that difficulty was apparently present in the minds of the framers of the bill, because while urging it on the ground that we need these vessels in our foreign trade they provide that in case of necessity, even if built abroad in foreign shipyards, they may enter our domestic trade. Manifestly the gentlemen who conceived this measure had no definite use for these vessels, or if they had they have not been frank enough to explain it to the Senate.

Mr. JONES. If the vessels are leased, the lessees are likely to take them where they would get the greatest return.

Mr. LIPPITT. That would seem to be the ordinary commercial process.

Mr. JONES. If there is no established business between this country and South America, that is likely to be about the last place where they would be taken, is it not?

Mr. LIPPITT. That is what I should suppose. I had supposed that to be the fact until I heard the brief argument that was made in behalf of this measure by the senior Senator from Georgia, who declared that the purposes of this bill were to regulate the price, the cost, of shipping transportation; that when these vessels were leased they would be leased upon the condition on the part of the Government that they must run in this trade or that; that the destination and the use of the vessels would be stipulated at the time the lease was made; and that instead of being put into our commerce to be used here and there as the exigencies of that commerce might demand they would be used for the arbitrary purpose of making shipping less attractive to American owners, even though the bill provides specifically that fighting ships, so called, shall not be used by private owners. Apparently it is the idea of the Senator from Georgia that these Government-owned ships are to have a license to do the very thing that is forbidden to private individuals; they are to be used by the Government as fighting ships here and there where for the time being shipping seems to be profitable.

Mr. JONES. Would not that subject the Government to the penalties provided in the bill for using fighting vessels?

Mr. LIPPITT. The Senator from Washington is a lawyer. I think I will discuss this bill from a commercial standpoint.

Another argument that the Senator from North Carolina used in reference to this matter was to congratulate himself that the bill his party has now presented to the Senate is radically different from the bill which they attempted to pass here a year ago. He urges the members of his own party to give it their unanimous support because he says that all the things that were objected to by the distinguished Democratic Senators who were unable to support the shipping bill last year are no longer included in this bill.

Mr. President, the bill that was presented here last year was constantly modified and changed to meet the political emergencies of the situation. I think there were some six different bills that were presented here at one time and another during the course of that debate in the hope of obtaining sufficient support for the measure.

It rather seems to me as I look back and remember the bitter criticism that was made of the Republicans of this body last year for their opposition to the prototype of this measure that the confession here of the Senator from North Carolina is an ample vindication of the course they took. If he can congratulate himself now that the bill, which a more ripened experience has placed before the Senate, does not contain the very things that the Republicans of the last Congress so valiantly and determinedly opposed as unwise, if a similar discussion could be had on this bill in this Congress, if it could be fairly participated in by the Senators on both

sides of this body so that the details of it might be fairly examined and judged, is it not possible the country would be saved again as it was a year ago from the enactment of law that a year later the same Democracy will be sorry they are responsible for?

Of course, in considering this bill at the present time we can not escape the influence of the atmosphere by which we are surrounded. The present situation of shipping the world over has been one of extraordinary scarcity of vessels and of an extraordinarily high range of prices, and it has not escaped the attention of the proponents of this measure that in that situation there might be found some excuse for Government assistance. The plea that it is an emergency measure was made for the predecessor of this bill a year ago and it is made now.

It is true, Mr. President, that very high prices have been in existence for the better part of two years in the shipping business, but it is also true that apparently the apex of that situation has been reached. For the last two or three months there have been steadily declining prices for ocean transportation. I have here an article from the Boston News Bureau of July 6, a month ago, in which is given the prices for various kinds of merchandise in foreign trade and the high prices which were reached in March, 1916. I find from this source that a month ago the price for grain per bushel was 20 cents from Boston to Liverpool, as compared with 48 cents in March; that general provisions and pail lard and hard lumber were at the same prices at that time as previously, $1.25, $1.31, and $1.50 per hundred pounds, respectively. Butter, however, could be carried for $1.75, as compared with $2; oil cake for 61 cents, as compared with $1; cotton for $1, as compared with $2.50; and tobacco for $2.50, as compared with $3.

Those figures were the figures of a month ago. Two or three days ago it occurred to me to see if I could obtain more recent figures. I wrote to a firm of ship brokers in New York, who are perhaps in as close connection with this subject as any people in America, and whom I have always found to be extremely well informed on everything connected with the business in which they are engaged, and I asked them if they would give me the prices of that day as compared with the highest prices for some of the representative articles. They replied that the prices of August 7 for wheat to the United Kingdom from New York was 34 cents, as compared with 54 cents at the highest; to France it was 37 cents, as compared with 57 cents; and to Italy it was 42 cents, as compared with 72 cents. Those were the prices of the regular liners. I asked them again if they could tell me what was the condition among the tramp steamers.

I find from their reply that the condition of the tramp has followed the same course as that of the regular liners. For instance, they say that flour to France from New York was at one time at as high a rate as $1.50 a hundred pounds and it has now declined to $1; that coal to Argentina was $22 per ton and it is now $15; and so on, with some other items, the condition of which does not differ from those to which I have called attention.

So I infer that so far as an emergency is concerned with reference to the present war conditions it is not necessary for us to resort to this measure. The ordinary processes of commerce are meeting that emergency; they are relieving the situation; and while the prices are far from being normal at the present time it is nevertheless true that there is being transported back and forth from this country the largest foreign commerce that the country has ever seen. I believe it amounts in value to some $6,000,000,000, which is, I understand, some 50 per cent higher than the highest point which we had reached before the war.

Under those circumstances, it does not seem as though this measure could be explained and excused on the ground that an emergency exists so unsupportable that we can not rely in this instance as we have in so many others in the commerce of the world upon the law of supply and demand to bring, in a reasonable time, a reasonable remedy.

Of course, Mr. President, the real essence of this bill is the question of the wisdom of taking such a large sum as $50,000,000 from the ordinary channels of commerce to be diverted to this particular use and put under this extraordinary management. Before the present administration came into power $50,000,000 was looked upon as a somewhat large appropriation. There were very few Republicans who had the temerity to come here and propose that such a sum as $50,000,000 should be withdrawn from private ownership and put at the disposal of the Government. Such a proposal in what now looks like the halcyon days of the past, would have met long and serious debate in this body. But we seem to have become somewhat accustomed to making these demands upon the resources of our people for experimental purposes.

We have an administration whose god seems to be something new. It started in office with the promise of a "new freedom," which, in the end, seems to be rather a freedom for foreign nations to have the benefit of our domestic markets instead of reserving them for our own people. Sometime after that the Republicans of this body and of this country were criticized because, as it was asserted, for half a century they had never proposed any new thing and because they selected nobody but grandfathers for counselors. So this new idea of appropriating $50,000,000, without explanation and without discussion, is not now so startling as it would have been in the older days. To my mind, however, it requires an ample vindication before it becomes an accomplished fact. To me it is a very serious matter to employ this large sum in a business the advocates of which admit will be transacted at a loss. The distinguished Secretary of the Treasury, the chief advocate and champion of this measure, admitted in his defense of it last winter that the business could not be conducted at a profit. He attempted to find other benefits that would compensate for the loss, but, as it seemed to me, without a great degree of success. Certainly if the Government is to adopt the policy of the public management of some portions of private industries, at least it should be able to show or claim that their management would be followed by what is the standard of private management; that is, the transaction of the business at a profit.

I see no difference between taking this sum of $50,000,000—which is large in itself, but small as compared with the industry in which it is to be put—and placing it at the disposal of some favored few, either by leasing vessels to them or selling vessels to them, at an assumed cost to the Government lower than other parties can build or afford to lease for, I can see no difference between that proposition and a subsidy. It has all the worst features of a subsidy, because the disposition which is to be made of these vessels by lease, which is the first way that the bill provides for their use, is not to be governed by some rule prescribed by law, but will be at the option of the shipping board that is to have this subject in charge.

There is another feature of the bill which seems to me very indefensible. The bill comprises two distinct portions designed to accomplish two distinct and unrelated purposes. One is the regulation of shipping; the other is the management of a particular line of vessels. One is a commercial operation; the other is a judicial operation. This same board which the bill constitutes has the control and the management of both branches of the subject. As the owners of $50,000,000 of shipping, with the duty of operating it to the best advantage, which the circumstances will enable them to do, they are on the same basis as is any other owner of vessels in the United States, or at least ought to be. They will have to go to the same customers to obtain cargoes. They will transport those cargoes from the same port of origin to the same port of destination, and on competitive terms.

It seems to me manifestly improper that all the activities of private shipowners in this country shall be turned over for regulation and for judicial consideration to one of their competitors, as this bill does. Certainly it would seem like a monstrous thing if the Government of the United States made the officers of the International Mercantile Marine the judges of what was fair competition on the part of all the other American shipowners. Nevertheless, that is the situation in which this bill puts the shipping industry of this country as regards the shipping board. It has charge of the entire regulation of the industry, in which it is itself a competitor.

We do not find that this same Democratic Party, whose first attempt at Government ownership was the Alaska Railroad, put the construction and management of that road into the hands of the Interstate Commerce Commission, which is the regulatory board for the railroads. Why, then, should the shipping industry be treated in a different manner?

The ostensible purpose of this bill is to help the development of American shipping. If it is in reality to help that development, its provisions must be such as to inspire confidence in those engaged in the industry; its provisions must be such as to insure a belief that there will be fair treatment and impartial judgment. There is not a witness, so far as I know, who came before the committee and testified on this subject, who approved of this dual capacity of the shipping board. The constant tenor of the testimony of the witnesses was that the effect of this bill would be to discourage the creation of a privately owned American commercial marine.

Any industry which is international in its character, in which one nation or another has a widely different participation, should be managed with some regard to the methods employed by that country which has the principal interest. The shipping industry of the world is largely in the hands of England.

That industry has been for centuries encouraged and developed by her statesmen, not only as a great source of her prosperity and her revenue, but on the far more important ground that it was the bulwark of her safety. England must have shipping at whatever price she has to pay for it. She must be the owner of a very large proportion of the shipping of the world, if her people are to maintain their position either in commerce or as one of the great nations of the world.

Mr. SHERMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from Illinois?

Mr. LIPPITT. I do.

Mr. SHERMAN. I will ask the Senator if he has observed from the utterances of many of the public men in the English Parliament and at the head of various departments of government in England a change in the policy of that Government? They have learned that they must not be dependent for foodstuffs upon foreign countries, and are now advocating the development of the agricultural resources of England and the utilization of land which has been devoted to game preserves and which has been lying idle, because England, with her shipping facilities, could bring from distant places breadstuffs and meat cheaper than she could raise them at home. Has the Senator noticed that tendency among the public men of England in the last 12 months?

Mr. LIPPITT. Yes; I have, I will say to the Senator from Illinois; and it very suggestive of the growing realization by England of the advantages of being self-sustaining. I was going to say a word or two about that a little later on.

I was referring at the time the Senator from Illinois interrupted me to the importance to England of the shipping industry; and the thought I was trying to convey was not alone that the methods which her experience has taught her were wise to employ and which her success in creating a controlling position in that industry justify were worthy of our consideration in framing a bill of this kind, but, further, that inevitably the regulations and methods of conducting the shipping business which the major factor in that business establishes must be the controlling and influencing method of shipping management.

So long as England has the position of supremacy in the shipping business, just so long must her methods in conducting it influence the methods of every other nation that undertakes to engage actively in it. It is true that if a nation can devise a more economical method or a more inviting method—a method that will give them some advantage in competition—they may adopt such a method successfully; but they can not successfully adopt a method that is less efficient, that is more exacting, that is less inviting to private enterprise, for it is manifest that if they do their shipping will labor under a commercial disadvantage compared to the shipping of their largest competitor.

The regulations which the shipping board are empowered and instructed to put in force will be somewhat hard for the shippers to bear; they will be somewhat expensive to them; and I want to make the point that, if we really are going to attempt to encourage shipping, we must study and imitate the methods of the other shipping countries of the world.

There are two other provisions in this bill which seem to me also to be most indefensible. I refer to the provision which provides that this board shall be allowed to build ships in foreign yards unless they can obtain their construction in American yards on equal terms, and to the provision that allows those vessels so constructed to enter into our coastwise trade.

I do not know, of course, how binding the men who may be appointed to this shipping board will consider that expression of "equal terms" to be. It would seem to imply that it would be their duty, at any time that a vessel could be obtained from England or Germany or Norway or Sweden at 1 per cent better advantage than she could be obtained in the United States, to place the business abroad.

I can not believe that the proper method to encourage our shipping is by inviting foreign competition of that kind through the agency of a board of this character. Moreover, our coastwise shipping has been of the greatest value to us for the very purpose that the distinguished Senator from North Carolina made the chief ground of his support of the measure. What little auxiliary assistance to the Navy we have comes from the fact that we have along our coasts and on our Great Lakes and rivers a magnificent maritime industry. Its tonnage is of such size that it would be a magnificent addition to the tonnage of any other nation in the world, and in consequence of it we have a force of experienced, trained navigators and sailors among our people, accustomed to the intricacies of navigation along our coasts, who know the lights, who know the channels, who know the operation of the tides and the prevailing winds, and are able to carry on our coastwise shipping with the maximum of safety.

It seems to me that to open this door for attack upon the shipping we have is one of the most reprehensible features of this measure. At least I had supposed when it was under consideration that one department of American-built and American-owned commerce would be safe from assault. If there is anything in the doctrine of a self-sustaining nation, then Americans ought to retain that coastwise shipping.

Mr. President, while I have now discussed this bill at some length, there are other points in connection with it that, if I had time, I should like to call to the attention of the Senate, and on the point which I am now discussing much more can be properly said; but the time has nearly arrived when the Senate will adjourn for the day, and I understand there are other matters that should occupy its attention, so I yield the floor.

Mr. FLETCHER. Mr. President, as bearing on some of the questions asked in the debate with regard to the reasons for the languishing of the American merchant marine, and something of the history of its rise and fall—particularly its fall—I should like to have printed in the RECORD, without reading, pages 34, 35, and 36 of the report on "Government aid to merchant shipping." It is a report from the Department of Commerce, No. 119, of the special agents' series.

Mr. LIPPITT. The Senator means in his own remarks, not in mine?

Mr. FLETCHER. No; I am doing that on my own account.

The PRESIDING OFFICER (Mr. STERLING in the chair). Without objection, it will be so ordered.

The matter referred to is as follows:

For many years prior to the Civil War the merchant marine of the United States was second only to that of Great Britain, and the bulk of the foreign trade of this country as well as much of the trade of other countries was carried in American bottoms. That was the period of the wooden sailing ship, which could be built more cheaply by the American shipbuilder than by foreign constructors, and which could be handled more efficiently by American sailors than by foreign sailors. The shipping industry was, moreover, one of the few important industries of the young Nation, and it offered a profitable field for the employment of American capital and labor. With the advent of the iron steamship the advantage of the American shipbuilder and shipowner was largely curtailed. The English builder could secure iron plates for hull and boiler more cheaply than his American rival, for the iron industry was developed much earlier in England than in the United States. Moreover, the British shipowner was keen to take advantage of the opportunity offered by the use of iron ships, while American shipowners were satisfied with the advantages which their fast clipper ships then gave them. It is not surprising, therefore, that as the superiority of iron ships came to be appreciated English shipping forged ahead and American shipping fell behind. This process had been under way, so far as over-seas shipping is concerned, for some time before the beginning of the Civil War.

The war merely accelerated the relative decline of American shipping. Not only was a large amount of tonnage destroyed on the high seas during the war, but a large amount (about 750,000 tons—Annual Report of Commissioner of Navigation, 1915, pp. 214–215) was transferred to foreign registry to avoid capture and destruction, and after the close of the war this tonnage was never permitted to be registered in the United States.

By as much as the over-seas shipping of the United States was diminished by the war, that of foreign countries, particularly Great Britain, was increased. The hold upon the carrying trade of the world which Great Britain then secured has never been relinquished and never seriously threatened.

The United States might have regained much of the ground lost during the war, (a) if the law of February 10, 1866 (R. S., 4135), prohibiting the return to American registry of ships that had held American registers and had given them up for foreign registers during the war, had not been passed; (b) if interest in the internal development of the country had not been so absorbing; (c) if the dominant protectionist theories had not been antagonistic to foreign trade; (d) if American shipowners had not clung so tenaciously to the clipper ships; (e) if American shipowners had not been restricted to domestic yards for the construction of their ships; and (f) if American shipowners had been in a position to take advantage of the opportunities offered by the change of the commerce and the trade routes of the world consequent upon the substitution of steam for sail and, later, upon the opening of the Suez Canal.

To do more than enumerate the causes for the decline of the over-seas shipping of the United States is not expedient in a report of this character. Nevertheless it is necessary to bear these facts in mind in considering ways and means by which the over-seas shipping under the American flag may be extended.

Within recent years conditions have changed greatly. Many of the adverse factors enumerated above have been converted into positive and favorable factors.

(a) As a result of the passage of the ship-registry act of August 18, 1914, the American shipowner is free to buy his ships in the cheapest market and American registry is no longer denied to foreign-built ships owned by American citizens. Between the date of this act and May 12, 1916, 180 foreign-built ships, with a total gross register tonnage of 617,183, were added to the over-sea shipping under the United States flag.

(b) Interest in the internal development of the country is no longer so absorbing as to preclude interest in over-seas trade, and large amounts of American capital have been put into ships, practically all of which sailed under foreign flags until the passage of the law of August 18, 1914. For example, the Standard Oil interests, the United Fruit Co., the United States Steel Products Co., W. R. Grace & Co., and other important American concerns had large fleets of vessels under the flags of foreign nations.

(c) The country has thrown off the influence of certain phases of the extreme protectionist system which were long and unduly emphasized by the leading exponents of that system and discouraged maritime enterprise. This point is well brought out in David A. Wells's essay on the Decay of Our Ocean Mercantile Marine, Its Cause and Cure, in which he quotes from the writings and speeches of Henry C. Carey, Horace Greeley, William P. Frye, and other leading protectionists. A system of protection so high as virtually to shut out imports could hardly be promotive of much foreign shipping, for ships require return as well as outbound cargoes to be run economically.

To-day the country is, on the whole, favorable to the development and expansion of its foreign trade, which is coming to consist, on the import side of the balance sheet, more and more of raw and partly manufactured products and, on the export side, more largely of finished manufactured products. American industry is now organized on a big production basis, and the home market, great as it is, is no longer able to absorb the whole production of many lines of manufacture. Many of the large plants, it is claimed, can be run at the greatest efficiency only when operated at maximum capacity; but this brings about a production in excess of domestic requirements. Moreover, the tendency is for exports of breadstuffs to decrease, which means that larger exports of other products, mineral and manufactured, are required to liquidate this country's indebtedness to the rest of the world for supplies of coffee, tea, cocoa, raw silk, jute, Egyptian cotton, hides, rubber, tin, antimony, nitrates, potash, and other raw materials not produced in this country, as well as for manufactured products, such as dyestuffs, that are more economically produced abroad, and to pay the interest on the investments that other countries have made in the United States and to provide the money expended by American travelers in Europe.

(d) American shipbuilders have long since given up the clipper ship and are now showing as much enterprise as foreign shipbuilders in the development and utilization of steamships. The expansion of the American Navy and of the coasting trade has given American shipyards much work to do, and has recently made possible the standardization of ship construction, which English yards have practiced for years and which has enabled American shipyards along the Great Lakes to produce great ore-carrying vessels as rapidly and as cheaply as it is possible for them to be produced.

The price of ship plates is now somewhat lower in the United States than in Great Britain, which is a reversal of former conditions. Moreover, the steel industry of this country, which is now highly organized and extensive, is in a position to render more effective assistance than formerly in the development of the shipbuilding industry. This assistance should be particularly valuable in the construction of the proposed standardized ship with a hull built of structural steel cut to the proper length at the mill and merely put together at the shipyard, in the same manner as the framework of a skyscraper is raised. The extensive use of structural steel, resulting in large-scale production, is essentially an American practice, and the idea of a standardized ship built of structural steel is also of American origin. It is clear, therefore, that if this new type of ship should prove as successful as it gives promise of doing the American shipbuilding industry would have, for a time at least and at a most auspicious time, a marked advantage.

(e) American shipping has now an opportunity such as that enjoyed by Great Britain 50 years ago. The opportunity comes at a time when American citizens owning foreign-built ships can ply them under the American flag, when interest in foreign trade is widespread and the necessity for foreign markets clearly recognized, and when the profitableness of shipping under present conditions is alluring.

(f) At this time, too, certain new trade routes may be opened up with marked advantage. For example, the west coast of South America imports large quantities of coal, which have come largely from Australia and Wales. Since the construction of efficient coal-carrying railroads, such as the Norfolk & Western, the Chesapeake & Ohio, the Virginian, and the Carolina, Clinchfield & Ohio, Virginia steam coal of excellent quality can be delivered at low cost at the Atlantic seaboard ports of Norfolk, Newport News, and Charleston, where it can be transferred from car to vessel quickly, efficiently, and at low cost. It is believed that increasingly large quantities of this coal can be sold in Chile and Peru at lower cost than Australian or Welsh coal. If this proves to be the case, the vessels carrying coal from the United States can return with nitrates from Chile, copper from American-owned mines and smelters in Chile and Peru, tin ore from American-owned mines in Bolivia, and iron ore from American-owned mines in Chile.

The development of exports of coal would cause reductions in return freights—a factor which goes far toward accounting for the maritime supremacy of Great Britain—and an extension of American shipping.

Emphasis has been laid on these facts and probabilities chiefly for the purpose of showing that natural conditions and legislation now favor the development of the American merchant marine to a greater degree than they formerly impeded that development—a fact of great importance in considering whether or not and to what extent, if any, the Government should offer direct financial assistance to American shipping.

HOUR OF MEETING TO-MORROW.

Mr. FLETCHER. I move that when the Senate adjourns to-day, it adjourn to meet at 12 o'clock to-morrow.

The motion was agreed to.

THE REVENUE.

Mr. PENROSE. I take this opportunity to present the views of the minority members of the Finance Committee on the revenue bill (S. Rept. 793, pt. 2). I think the chairman of the committee is about to make the report of the majority of the committee in a few minutes.

Mr. FLETCHER. I do not see the chairman present. He can do that later.

Mr. PENROSE. Is the Senator from Florida contemplating an adjournment at this time?

Mr. FLETCHER. I wish to have a short executive session.

Mr. PENROSE. The Senator from North Carolina can make his report in executive session.

Mr. FLETCHER. Certainly.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed a joint resolution (H. J. Res. 298) providing for the relief of flood sufferers in the State of West Virginia, in which it requested the concurrence of the Senate.

PETITIONS AND MEMORIALS.

Mr. PHELAN presented a memorial of sundry citizens of Humboldt County, Cal., remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which was ordered to lie on the table.

He also presented a petition of the Chamber of Commerce of El Monte, Cal., praying for the settlement of the difficulties between the railroads and their employees by the Interstate Commerce Commission, which was referred to the Committee on Interstate Commerce.

Mr. THOMPSON presented a petition of the Photo Engravers' Union of Topeka, Kans., praying for the enactment of legislation to further restrict legislation, which was ordered to lie on the table.

He also presented a petition of sundry employees of the Federal building custodian's force, of Topeka, Kans., praying for an increase in their wages, which was referred to the Committee on Appropriations.

LANDS IN COLORADO.

Mr. THOMAS, from the Committee on Public Lands, to which was referred the bill (H. R. 21) authorizing the city of Salida, Colo., to purchase certain public lands for public park purposes, reported it without amendment, and submitted a report (No. 799) thereon.

BILLS AND JOINT RESOLUTIONS INTRODUCED.

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MARTINE of New Jersey:

A bill (S. 6872) for the relief of John J. Flynn; to the Committee on Military Affairs.

By Mr. CURTIS:

A bill (S. 6873) granting an increase of pension to Samuel Lowery (with accompanying papers);

A bill (S. 6874) granting an increase of pension to Albert P. Leavitt (with accompanying papers);

A bill (S. 6875) granting an increase of pension to Harrison A. Donals (with accompanying papers); and

A bill (S. 6876) granting an increase of pension to Joseph S. Morgan (with accompanying papers); to the Committee on Pensions.

By Mr. LEWIS:

A bill (S. 6877) granting an increase of pension to Mary T. Seay; to the Committee on Pensions.

By Mr. SHERMAN:

A bill (S. 6878) granting a pension to Emily A. Stevenson; to the Committee on Pensions.

By Mr. NELSON:

A joint resolution (S. J. Res. 166) providing for the appointment of commissioned officers of the Organized Militia as lieutenants in the United States Army; to the Committee on Military Affairs.

By Mr. MARTINE of New Jersey:

A joint resolution (S. J. Res. 167) to waive the age limit for admission to the United States Army in the case of George A. Delatush; to the Committee on Military Affairs.

AMENDMENT TO DEFICIENCY APPROPRIATION BILL.

Mr. CHILTON submitted an amendment proposing to appropriate $225,000 for payment of interest to owners of lots, pieces or parcels of land, or to their heirs or legal representatives, which were included in the report and award of the court commissioners to the District docket case, No. 1046, to condemn lands for the enlargement of the Capitol Grounds, etc., intended to be proposed by him to the general deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

NAVAL APPROPRIATIONS—CONFERENCE REPORT.

Mr. SWANSON. Mr. President, I submit the report of the committee of conference on the bill H. R. 15947, the naval appropriation bill, and ask that it be read.

The Secretary read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15947) making appropriations for the naval service for the fiscal year ending June 30, 1917, and for other purposes, having met,

after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 41, 51, 52, and 54.

That the House recede from its disagreement to the amendments of the Senate numbered 19, 20, 24, 72, 73, 75, 76, 82, 84, 85, 174, 201, 202, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 229, 230, 231, 232, 233, 234, 235, and 237; and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 69 and agree to the same with an amendment as follows: Change total to $8,350,875; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 71, and agree to the same with an amendment as follows: In lieu of the matter inserted insert the following:

"Said commission shall also investigate and report upon the necessity, desirability, and advisability of improving existing or establishing an additional navy yard or naval station on the Atlantic coast south of Cape Hatteras or on or near the United States coast of the Gulf of Mexico or in the Caribbean Sea of a character adequate for the proper naval defense of that portion of the country. Said report shall contain all the information of like character as directed in the preceding paragraph relating to the investigation and report as to the Pacific coast.

"Said commission shall also investigate and report as to the necessity, desirability, and advisability of establishing submarine and aviation bases on the Atlantic, Gulf of Mexico, and Pacific coasts and other possessions of the United States, and as to the cost and location thereof: *Provided*, That the sum of $10,000 is hereby appropriated to defray the expenses of said commission, including drafting, technical and clerical assistance in the Navy Department or elsewhere."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 241, and agree to the same with an amendment as follows: In lieu of the matter inserted insert the following:

"The Secretary of the Navy is authorized to improve and equip the navy yards at Puget Sound, Philadelphia, Norfolk, New York, Boston, Portsmouth, Charleston, and New Orleans for the construction of such ships herein or as may be hereafter authorized as may be assigned to such yards for construction, and the sum of $6,000,000, or so much thereof as may be necessary, is hereby appropriated for this purpose: *Provided*, That the Secretary of the Navy is authorized to equip the navy yards at Norfolk, Philadelphia, Boston, and Puget Sound for the construction of capital ships.

"The Secretary of War and the Secretary of the Navy are authorized and directed to report to Congress at the earliest practicable date:

"First. Specific plans for improvement of the harbors and canals and connecting channels which, in their judgment, will best provide adequate facilities for operations of the fleet for defense of the harbors on the Atlantic, Gulf, and Pacific coasts of the United States.

"Second. The feasible extensions requisite to making existing approved projects for improvement of the aforementioned harbors, canals, and channels available for the purposes stated in the foregoing paragraph.

"Third. The cost of each such several improvements calculated upon the basis of completion thereof under contract within five years."

And the Senate agree to the same.

B. R. TILLMAN,
CLAUDE A. SWANSON,
BOIES PENROSE,
Managers on the part of the Senate.

L. P. PADGETT,
J. FRED C. TALBOTT,
ALBERT ESTOPINAL,
THOMAS S. BUTLER,
ERNEST W. ROBERTS,
Managers on the part of the House.

The VICE PRESIDENT. The question is on the adoption of the conference report.

Mr. CLAPP. Mr. President, I am not going to call for a quorum, but before that motion is put, I desire to say that I have done what I could to avoid the immense and, as I think, absolutely unjustifiable extravagance of this session of Congress. Believing, as I do, in an ample and adequate Army and Navy, yet in view of the steady day by day weakening and depleting of the great nations of Europe, exhausting themselves in men, resources, and credit, it has seemed to me that this was not a time to make these extraordinary and unnecessary appropriations, entailing such a burden and requiring additional expenditures in the future. However, as it is bound to pass, I shall not call for a yea-and-nay vote, but I simply want to say that if there were a yea-and-nay vote called for, I would vote "nay" on the question of the adoption of the conference report.

Mr. SWANSON. I ask for the adoption of the conference report.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

EXECUTIVE SESSION.

Mr. FLETCHER. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After two minutes spent in executive session the doors were reopened and (at 5 o'clock and 50 minutes p. m.) the Senate adjourned until to-morrow, Friday, August 18, 1916, at 12 o'clock meridian.

CONFIRMATION.

Executive nomination confirmed by the Senate August 17 (legislative day of August 16), 1916.

DIRECTOR OF THE MINT.

F. J. H. von Engelken to be Director of the Mint.

SENATE.

FRIDAY, *August 18, 1916.*

The Senate met at 12 o'clock m.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we pray for wisdom and grace both to know and to apply the golden rule of human conduct. Thou hast intrusted us with the application of the great principle of justice. Thou hast put so much of good into the human heart that we can apply with absolute certainty the final word of human right upon the basis of our own judgment of justice and of right. So Thou dost call us into the solemn responsibility of acting as free agents in a world. Thou hast committed much to the hands of Thy servants in this Senate in the establishment of right among men. Do Thou give to us love for men and interest in the welfare of all our fellow citizens and the consecration of our minds and hearts and life to the service of men. Do Thou, above all we can do, bless with the abundance of Thy grace and providence all the people. We ask for Christ's sake. Amen.

CALLING OF THE ROLL.

Mr. GALLINGER. Mr. President, as important business is to come before the Senate to-day, I think we ought to have a larger attendance, and I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll and the following Senators answered to their names:

Ashurst	Harding	Nelson	Smoot
Bankhead	Hardwick	Overman	Sterling
Beckham	Hughes	Owen	Stone
Brady	Husting	Penrose	Swanson
Brandegee	James	Phelan	Taggart
Bryan	Johnson, S. Dak.	Pomerene	Thomas
Chamberlain	Jones	Reed	Thompson
Chilton	Kern	Robinson	Tillman
Culberson	Lane	Shafroth	Vardaman
Cummins	Lippitt	Sheppard	Wadsworth
Curtis	McLean	Sherman	Warren
Dillingham	Martin, Va.	Simmons	Williams
Fletcher	Martine, N. J.	Smith, Ga.	Works
Gallinger	Myers	Smith, Md.	

Mr. CUMMINS. My colleague [Mr. KENYON] is absent. I make this announcement for the day.

Mr. JONES. I desire to announce that the junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent on account of illness in his family.

The VICE PRESIDENT. Fifty-five Senators have answered to the roll call. There is a quorum present. The Secretary will read the Journal of the proceedings of the preceding session.

THE JOURNAL.

The Journal of the proceedings of the legislative day of Wednesday, August 16, 1916, was read and approved.

WOMAN SUFFRAGE.

Mr. THOMAS. Mr. President, I desire to give notice that on Monday next, the 21st instant, I will submit some observations upon the pending so-called suffrage amendment as a partisan issue.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House disagrees to the amendments of the Senate to the bill (H. R. 14338) to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. ADAMSON, Mr. SIMS, and Mr. ESCH managers at the conference on the part of the House.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15947) making appropriations for the naval service for the fiscal year ending June 30, 1917.

The message further announced that the House had passed the bill (S. 6625) authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls, with amendments, in which it requested the concurrence of the Senate.

The message also returned to the Senate, in compliance with its request, the bill (S. 19) relating to bills of lading, and for other purposes, together with accompanying papers and the message.

THE REVENUE.

Mr. THOMAS. Mr. President, I wish to call attention to an item in the majority report upon the revenue bill, page 2, which reads as follows:

In the opinion of your committee, concurred in by the Treasury Department, this latter sum, namely, $130,000,000, should be financed by a bond issue.

My purpose in calling attention to this statement is to say that I do not concur in it at all.

COLLECTION OF DISCRIMINATING DUTIES.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Secretary of the Treasury, in response to Senate resolution 248 of the 15th instant, which will be printed in the RECORD and referred to the Committee on Finance.

The communication is as follows:

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, August 17, 1916.

The PRESIDENT OF THE SENATE.

SIR: By direction of the President I have the honor to acknowledge the receipt of the Senate resolution No. 248, of the 15th instant, in which I am requested to furnish the information called for by Senate resolution 133 of March 16, 1916, or report to the Senate promptly why such information can not be furnished.

In reply I have the honor to refer to my letter of June 17 last relative to Senate resolution 133 of March 16, 1916, a copy of which letter I inclose, in which all the information that I was able to obtain after an extensive search was stated and the reasons why the desired information could not be supplied fully set forth.

Search was made through the records in this department, and the collector of customs at the port of New York was called upon to furnish such information as might be disclosed by the records of that port. The Secretary of Commerce, having jurisdiction over the question of tonnage, and the auditor for this department were also consulted.

The collector at New York stated—and a copy of this letter was inclosed with my letter of June 17 last—positively that no collection of extra or discriminating duties were made since 1909, and that while it is a matter of tradition that certain discriminating duties were collected in the remote past these collections were merged with other collections of import duties and no separate account kept or rendered. The collector further stated that the records of tonnage duties collected prior to 1893 were destroyed. A list of the tonnage duties collected since 1893 was furnished by him and transmitted to you with my report of June 17.

The Secretary of Commerce stated that the statistical records of his department did not show collections of extra or discriminating duties for the reason that any such duties collected were combined with the additional duties collected on account of undervaluations of imported articles under the heading "Additional and discriminating duties."

Therefore the information can not be furnished for the reason that, as stated, there are no records from which the data can be ascertained.

Respectfully,

W. G. MCADOO, *Secretary.*

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TREASURY DEPARTMENT,
DIVISION OF CUSTOMS,
June 17, 1916.

The PRESIDENT OF THE SENATE.

SIR: I have the honor to refer to a resolution in the Senate of the United States, dated March 16, 1916, in which I am directed to furnish the Senate, first, with a tabulation showing, so far as possible, the amounts collected by the United States of extra or discriminating duties on imports in foreign vessels by years and by nationalities of vessels bringing such imports into the United States, from the passage of the act of August 10, 1790, entitled "An act making further provision for the payments of the debts of the United States," to date; second, with a tabulation showing, so far as possible, the amounts collected by the United States of tonnage duties on foreign vessels by years and by nationalities of vessels entering the ports of the United States from foreign countries, wherever and in such amounts as such tonnage duties were in excess of the tonnage duties imposed on vessels of the United States, from the first collection of such extra tonnage duties on foreign vessels in 1789 to date.

An extensive search has been made of the records of the department with the result that no record or report has been found in which the discriminating duties on imports or the discriminating tonnage duties on foreign vessels have been segregated.

The collector of customs at New York, to whom the matter was referred for such information as he might possess, reports that no information is obtainable regarding discriminating duties collected on imports in foreign vessels at that port, and submits a tabulation showing the amounts collected at that port since January 1, 1893, as tonnage duties on foreign vessels in excess of tonnage duties imposed on vessels of the United States.

The Secretary of Commerce, to whom the matter was also referred, states that his department has no record of discriminating duties for the reason that such duties have been combined with other items and not segregated, and submits a statement showing the tonnage duties collected upon foreign ships and American ships since June 30, 1883. His statement represents the entire amount of tonnage taxes collected plus small annual amounts collected as penal tonnage taxes.

I inclose herewith for your information copies of the correspondence had with the Department of Commerce and with the collector of customs at New York in the matter.

Respectfully,

W. G. MCADOO, *Secretary.*

PETITIONS AND MEMORIALS.

Mr. WADSWORTH presented a petition of sundry citizens of Charlotteville, N. Y., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. PHELAN presented a petition of the Chamber of Commerce of Santa Barbara, Cal., praying for the settlement of the difficulties between the railroads and their employees by the Interstate Commerce Commission, which was referred to the Committee on Interstate Commerce.

He also presented a memorial of the Chamber of Commerce of San Francisco, Cal., remonstrating against the proposed regulation of ocean transportation freight rates, which was ordered to lie on the table.

Mr. NELSON presented a petition of the Minnesota State Game Protective League, praying for the enactment of legislation to provide for the creation of the McKinley National Park in Alaska, which was referred to the Committee on Territories.

He also presented a petition of the Minnesota State Game Protective Association, praying that an agreement be entered into between the United States and Canada for the protection of migratory birds; which was referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES.

Mr. MYERS, from the Committee on Public Lands, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 6737. A bill for the relief of A. J. Lowary (Rept. No. 803);

S. 6716. A bill to provide for stock-watering privileges on certain unallotted lands on the Flathead Indian Reservation, Mont. (Rept. No. 802); and

H. R. 14533. An act to authorize the Secretary of the Interior to issue a patent in fee simple to the district school board No. 112, of White Earth Village, Becker County, Minn., for a certain tract of land upon payment therefor to the United States in trust for the Chippewa Indians of Minnesota (Rept. No. 804).

He also, from the same committee, to which was referred the bill (H. R. 8492) to restore homestead rights in certain cases, reported it with amendments and submitted a report (No. 805) thereon.

Mr. CHAMBERLAIN, from the Committee on Military Affairs, to which was referred the bill (S. 6850) authorizing the transfer of certain retired Army officers to the active list, reported it with an amendment and submitted a report (No. 806) thereon.

WASHINGTON-VIRGINIA RAILWAY CO.

Mr. MARTIN of Virginia. From the Committee on the District of Columbia I report back favorably without amendment the bill (H. R. 16700) to amend an act relating to the Public Utilities Commission of the District of Columbia, approved March 4, 1913, and I submit a report (No. 800) thereon. I ask unanimous consent for the present consideration of the bill. I do not think it will take more than a moment.

Mr. SMOOT. Let it be read.

The Secretary read the bill, as follows:

Be it enacted, etc., That section 8, paragraph 1, of an act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes," approved March 4, 1913, relating to the Public Utilities Commission of the District of Columbia (37 Stats. L., p. 975), as amended by an act approved February 25, 1916, be amended by adding to the names of the companies excluded from the operation of said section, after the words "and the Washington & Old Dominion Railway, excepting as to the regulation of its operation inside of the District of Columbia," in the third subdivision of said

paragraph, on page 975, the following: "And the Washington-Virginia Railway Co., excepting as to the regulation of its operation inside of the District of Columbia."

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

Mr. LANE. I should like to ask where the bill changes existing conditions.

Mr. MARTIN of Virginia. It simply provides that the utilities commission shall not control the electric line except so far as it is in the District. It has nothing in the District except the terminals, and has 44 miles of track in Virginia. The Interstate Commerce Commission now controls it.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

SCHOOL LAND IN MONTANA.

Mr. MYERS. From the Committee on Public Lands, I report back favorably without amendment the bill (S. 6704) to authorize the Secretary of the Interior to issue patent for certain land to school district numbered 9, of Sanders County, Mont., and I submit a report (No. 801) thereon. It is a local bill in regard to a school district in Montana. There is real need for it, it is a real emergency, and I ask unanimous consent for its immediate consideration.

Mr. SMOOT rose.

Mr. MYERS. It is not on the calendar.

Mr. SMOOT. I wish to hear the bill read.

Mr. MYERS. I will be glad to have it read.

The Secretary read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed, upon proper application, to issue patent to school district No. 9, of Sanders County, Mont., for block 8, designated as "Public reserve," upon the approved plat of the town site of Dixon, Mont.

Mr. MYERS. I can explain the bill in a few words. When the Flathead Reservation was thrown open the act throwing it open provided for certain town sites and in each town site a lot for a public reserve. Dixon is a little town of about 100 population. This lot is standing there; there is no public use for it, and the school district is very much in need of a building site. This is for a public purpose, and there can be no better public purpose served, in my opinion.

There being no objection, the bill was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

FISH-CULTURAL STATION IN UNICOI COUNTY, TENN.

Mr. SHIELDS. Mr. President, I ask unanimous consent for the consideration of the bill (H. R. 11474) authorizing the Secretary of Commerce to permit the construction of a public highway through the fish-cultural station in Unicoi County, Tenn.

Mr. PENROSE. I suggest that we finish the morning business first, and then, perhaps, there will be no objection to the Senator's request.

Mr. SHIELDS. This will take but a moment.

Mr. SMOOT. The Senator proposes to take the bill from the calendar, and I object, as I have done in the past to similar requests.

Mr. SHIELDS. I will ask the Senator not to object, on account of the urgency of this matter. The public authorities there are constructing the highway and this is stopping the entire work. The bill has passed the House and it has the approval of the Department of Commerce.

Mr. SMOOT. Let us get through with the morning business, and I will speak with the Senator about it.

Mr. SHIELDS. Two bills have just been passed without objection.

Mr. SMOOT. They were not on the calendar. They were reported from committees.

Mr. GALLINGER. Regular order!

The VICE PRESIDENT. The introduction of bills and joint resolutions is in order.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. STERLING:

A bill (S. 6879) granting an increase of pension to Watkin Countryman (with accompanying papers); to the Committee on Pensions.

By Mr. TAGGART:

A bill (S. 6880) granting an increase of pension to Daniel A. Shea;

A bill (S. 6881) granting an increase of pension to Washington Taylor, alias Henry Taylor;

A bill (S. 6882) granting an increase of pension to Leander Phelps;

A bill (S. 6883) granting an increase of pension to Perry C. Brooks;

A bill (S. 6884) granting an increase of pension to Enoch Craig;

A bill (S. 6885) granting an increase of pension to Lewis Robinson;

A bill (S. 6886) granting a pension to Fred Hank;

A bill (S. 6887) granting an increase of pension to Theodore M. Davis;

A bill (S. 6888) granting an increase of pension to William C. Roose;

A bill (S. 6889) granting an increase of pension to Norman E. Ellsworth;

A bill (S. 6890) granting an increase of pension to George W. Gillis;

A bill (S. 6891) granting an increase of pension to John F. Parsons;

A bill (S. 6892) granting an increase of pension to Dennis Wilson;

A bill (S. 6893) granting an increase of pension to Philip Barrett (with accompanying papers); and

A bill (S. 6894) granting an increase of pension to Russell F. Oliver (with accompanying papers); to the Committee on Pensions.

By Mr. TAGGART (for Mr. JOHNSON of Maine):

A bill (S. 6895) granting a pension to Julietta R. Gordon (with accompanying papers);

A bill (S. 6896) granting an increase of pension to William F. Morgan (with accompanying papers);

A bill (S. 6897) granting an increase of pension to Daniel J. Jeinei (with accompanying papers);

A bill (S. 6898) granting an increase of pension to King S. Hill (with accompanying papers);

A bill (S. 6899) granting a pension to Anna Elizabeth Tenney (with accompanying papers);

A bill (S. 6900) granting an increase of pension to Henry C. Sargent (with accompanying papers);

A bill (S. 6901) granting an increase of pension to Franklin Wentworth (with accompanying papers);

A bill (S. 6902) granting an increase of pension to Claudius Lane (with accompanying papers);

A bill (S. 6903) granting an increase of pension to George H. Keniston (with accompanying papers);

A bill (S. 6904) granting an increase of pension to Frederick E. Partridge (with accompanying papers);

A bill (S. 6905) granting an increase of pension to Sewell B. Harriman (with accompanying papers); and

A bill (S. 6906) granting an increase of pension to William Clements (with accompanying papers); to the Committee on Pensions.

By Mr. SHIELDS:

A bill (S. 6907) granting an increase of pension to Theodore Gerrish; to the Committee on Pensions.

By Mr. CHILTON:

A bill (S. 6908) granting an increase of pension to John Moser (with accompanying paper); to the Committee on Pensions.

STORAGE OF EXPLOSIVES.

Mr. MARTINE of New Jersey. Mr. President, I desire to make a short statement. Some days ago I introduced a bill, being (S. 6849) to regulate the shipment and storage of explosives, and it was referred to the Committee on Interstate Commerce. Since that time I have received some photographs showing the widespread devastation on the island of Black Tom, where 4,000 panes of glass of a size of 22 by 26 inches were destroyed and various other damage done, as well as the loss of life. I desire that these photographs may be referred to the Committee on Interstate Commerce to give the members of the committee a graphic idea of the extent of this great disaster. I hope that they may report the bill favorably.

The VICE PRESIDENT. Without objection, it is so ordered.

DISTRICT OF COLUMBIA APPROPRIATIONS—CONFERENCE REPORT.

Mr. SMITH of Maryland submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to bill (H. R. 15774) making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1917, and for other purposes, having met, after

full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 5, 6, 9, 11, 22, 24, 26, 28, 33, 34, 35, 36, 37, 39, 49, 50, 59, 64, 66, 75, 76, 77, 79, 83, 84, 85, 86, 92, 95, 100, 101, 102, 105, 107, 111, 112, 117, 118, 119, 120, 128, 129, 130, 131, 135, 140, 141, 142, 145, 146, 151, 183, 187, 188, 190, 191, 192, 193, 208, 210, 213, 218, 220, 221, 222, 230, 231, 233, 234, 235, 237, 239, 249, 255, 261, 263, 265, 266, 267, 270, 281, 291, 293, 296, 300, 301, 302, 311, 316, 317, 319, 321, 322, 324, 330, 331, 334, 339, 345, 346, 347, 348, 350, 351, 357 and 358.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 7, 8, 12, 14, 15, 16, 17, 18, 19, 20, 21, 23, 29, 31, 32, 38, 40, 41, 42, 43, 44, 45, 46, 47, 51, 52, 53, 54, 55, 56, 57, 60, 61, 62, 63, 65, 67, 68, 69, 70, 71, 72, 73, 74, 78, 80, 81, 82, 88, 90, 91, 94, 98, 99, 103, 106, 109, 110, 115, 116, 134, 138, 139, 144, 148, 149, 150, 152, 153, 154, 155, 156, 158, 159, 161, 162, 163, 164, 165, 167, 170, 171, 175, 176, 180, 184, 186, 195, 203, 204, 205, 206, 207, 212, 214, 215, 216, 217, 223, 224, 226, 228, 229, 232, 236, 238, 240, 241, 242, 243, 244, 245, 246, 247, 248, 250, 251, 252, 253, 254, 257, 258, 259, 260, 262, 264, 268, 273, 274, 276, 277, 278, 279, 280, 282, 283, 284, 285, 286, 287, 289, 290, 297, 303, 304, 306, 307, 308, 309, 310, 314, 318, 323, 325, 327, 328, 329, 332, 333, 335, 336, 337, 338, 340, 341, 349, 353, and 360, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: Strike out all of said amendment after the word "That," in line 13 on page 2, down to and including the word "That," in line 16 on page 3; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$9,900"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$178,690"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$20,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$1,200"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"For the purchase or condemnation of a site to contain not less than 5,400 square feet (at a cost not exceeding $20,000) and for the erection of a central garage thereon, $35,000."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$196,600"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$440,160"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 89, and agree to the same with an amendment as follows: Transpose the matter inserted by said amendment as a separate paragraph to follow line 10, page 30 of the bill, amended to read as follows:

"The Commissioners of the District of Columbia are authorized, in connection with the resurfacing of the roadway of Fourteenth Street SW., from B Street to Water Street, to increase the width of said roadway to not exceeding 55 feet."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 93, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Calvert Street Bridge: For preparation of plans for construction of a bridge to take the place of the existing Calvert Street Bridge crossing Rock Creek, $6,000."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 96, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$100,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 97, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$200,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 104, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$55,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 113, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,500"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 114, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$405,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 121, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"WASHINGTON AQUEDUCT.

"The Chief of Engineers of the War Department is authorized and empowered to enforce the following regulations of traffic for the protection of the Washington Aqueduct and Filtration Plant and their accessories, including Conduit Road: No vehicle shall, on the Conduit Road, exceed a speed of 20 miles per hour within the District of Columbia and in the State of Maryland the speed laws of that State. No reckless or careless driving shall be permitted, and drivers of all vehicles shall conform to the generally accepted rules for the use of public roads as to passing to the right, signaling desire to pass, etc., and all vehicles using this road shall carry and display the lights specified by municipal regulations for vehicles within the District of Columbia, and all such lights shall be so dimmed or masked as to obviate any blinding effect upon travelers on the road, and any violation of the above regulations shall constitute an offense upon conviction for which the party or parties offending shall be punished by a fine of not less than $1 nor more than $40: *Provided*, That for violation of said regulations committed within the District of Columbia prosecutions shall be maintainable in the United States branch of the police court of the District of Columbia and for such violations committed in the State of Maryland prosecutions shall be maintainable before the nearest United States commissioner for the district of Maryland; and said police court and said commissioner are severally vested with jurisdiction for this purpose.

"The United States District Court for the District of Maryland is directed to appoint such additional United States commissioner or commissioners, for service at convenient points adjacent to the Conduit Road, as may be requisite to carry out the above provisions of this act; schedule of fees for such services to be fixed by said court.

"Officers authorized to make arrests under the provisions of this act are also authorized, in the exercise of a sound discretion, to parole the person or persons so arrested for attendance at trial."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 122, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$22,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 123, and agree to the same with an amendment as follows: Omit the matter inserted by said amendment; on page 39 of the bill, line 3, strike out the following: "at $3,000 each," and in lieu thereof insert the following: "one at $3,500, one at $3,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 124, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "one $1,600"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 125, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$59,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 126, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Principal of the Central High School, $3,000: *Provided*, That the salary of the principal of the Central High School now

in the service of the public schools or hereafter to be appointed shall be at the rate of $3,000 per annum."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 127, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "eight at $2,500 each: *Provided*, That the salaries of the principals of the normal, high, and manual training high schools, other than the Central High School, now in the service of the public schools or hereafter to be appointed, shall be at the rate of $2,500 per annum"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 132, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "$1,400: *Provided*, That the assistant director of primary instruction now in the service of the public schools or hereafter to be appointed shall be placed at the basic salary of $1,400 per annum, and shall be entitled to an increase of $50 per annum for five years"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 133, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,443,200"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 136, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$475,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 137, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$27,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 143, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,100"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 147, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$17,100"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 157, and agree to the same with an amendment as follows: Omit the matter inserted by said amendment, and on page 43 of the bill, line 20, strike out the sum $900 and in lieu thereof insert "Janitor, $1,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 160, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,680"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 166, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 168, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,840"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 169, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,100"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 172, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,780"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 173, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 174, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,140"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 177, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 178, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,780"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 179, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 181, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,840"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 182, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 185, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$6,140"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 189, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$4,360"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 194, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 196, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$13,320"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 197, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$840"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 198, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$25,080"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 199, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$840"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 200, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$9,240"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 201, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$720"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 202, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$52,560"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 209, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$174,670"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 211, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Chief medical and sanitary inspector, who shall, under the direction of the Health Officer of the District of Columbia, give his whole time to, and exercise the direction and control of, the medical inspection and sanitary conditions of the public schools of the District of Columbia, $2,500; thirteen"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 219, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$30,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 225, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$50,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 227, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 256, and agree to the same with an amendment as follows: Strike out all after the word "purpose," in line 5 of said amendment; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 269, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$944,931.34"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 271, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$6,500"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 272, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$32,500"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 275, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$58,800"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 288, and agree to the same with an amendment as follows: On page 60 of the bill, in line 11, strike out the sum "$6" and insert in lieu thereof the sum "$7"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 292, and agree to the same with an amendment as follows: In lieu of the matter inserted by amendment insert the following:

"For the purchase of one motor wagon for use in the pound service, at a cost of not exceeding $1,500, and for maintaining and operating the same and keeping it in good order, $300; in all, $1,800."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 294, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,500"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 295, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 298, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 299, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$5,400"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 305, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$125,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 312, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$29,610"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 313, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "$45,000, of which sum $1,000 shall be available for the purchase of screens for the hospital, $200 for new surgical instruments, and $600 for the upkeep of the X-ray laboratory"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 315, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$135,610"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 320, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$73,392"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 326, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$45,980"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 342, and agree to the same with an amendment as follows: In line 3 of the matter inserted by said amendment, after the word "northwest," insert the following: "to be expended under the direction of the Commissioners of the District of Columbia"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 343, and agree to the same with an amendment as follows: On page 81 of the bill, in lines 9 and 10, strike out the following: "The Government Hospital for the Insane" and insert in lieu thereof the following: "St. Elizabeth's Hospital"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 344, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows: "not to exceed $200"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 352, and agree to the same with an amendment as follows: Omit the matter stricken out and inserted by said amendment and in lieu thereof insert the following:

"WATER SERVICE.

"The following sums are appropriated wholly out of the revenues of the water department for expenses of the Washington Aqueduct and its appurtenances and for expenses of the water department, namely:

"WASHINGTON AQUEDUCT.

"For operation, including salaries of all necessary employees, maintenance, and repair of Washington Aqueduct and its accessories, McMillan Park Reservoir, Washington Aqueduct Tunnel, the filtration plant, the plant for the preliminary treatment of the water supply, authorized water meters on Federal services, vehicles, and for each and every purpose connected therewith, including not exceeding $700 for the purchase of one new motor vehicle, $123,000.

"For ordinary repairs, grading, opening ditches, and other maintenance of Conduit Road, $5,000.

"For emergency fund, to be used only in case of a serious break requiring immediate repair in one of the more important aqueduct or filtration plant structures, such as a dam, conduit, tunnel, bridge, building, or important piece of machinery; all expenditures from this appropriation shall be reported in detail to Congress, $5,000.

"For continuation of parking grounds around McMillan Park Reservoir, $3,000.

"Nothing herein shall be construed as affecting the superintendence and control of the Secretary of War over the Washington Aqueduct, its rights, appurtenances, and fixtures connected with the same and over appropriations and expenditures therefor as now provided by law."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 362, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

POLICEMEN AND FIREMEN'S RELIEF FUND, DISTRICT OF COLUMBIA.

"SEC. —. That from and after the passage of this act the funds now authorized by law and known as the 'Police relief fund' and the 'Firemen's relief fund' shall be designated and known as the 'Policemen and firemen's relief fund, District of Columbia.'

"The said fund shall consist of all fines imposed by the Commissioners of the District of Columbia upon members of the police and fire departments of said District by way of discipline; all rewards, proceeds of gifts, and emoluments that may be received by any member of said departments (for extraordinary services), except such part thereof as the said commissioners may allow to be retained by members of said departments; a deduction of 1½ per cent of the monthly salary of each member of said departments; donations; and the net proceeds of sales of unclaimed property in the custody of the property clerk of the police department; all of which shall be paid into the Treasury of the United States to the credit of the 'Policemen and firemen's relief fund, District of Columbia,' herein provided for; and should the said fund at any time be insufficient to defray the expenditures hereinafter provided for, the Commissioners of the District of Columbia, in that event, are authorized, and it shall be their duty, to direct the collector of taxes of said District, and it shall be the duty of the said collector, pursuant to such direction, to pay into the Treasury of the United States, out of the general revenue of the District of Columbia collected by him, to the credit of the said 'Policemen and firemen's relief fund, District of Columbia,' such sums as may be necessary from time to time to meet deficiencies in said fund. The moneys to the credit of the said fund shall be available for appropriation by Congress annually only for expenditure on requisitions of the said commissioners for the purposes set forth in this act, and all expenditures from said fund shall be made and accounted for in the same manner as other expenditures of the government of the District of Columbia are made and accounted for.

"Whenever any member of the police department or the fire department of the District of Columbia shall become temporarily disabled by injury received or disease contracted in the actual discharge of his duty, to such an extent as to require medical or surgical services other than such as can be rendered by the board of police and fire surgeons of said District, or to require hospital treatment, the expenses of such medical

or surgical services, or hospital treatment, shall be paid from the policemen and firemen's relief fund, District of Columbia, provided for in this act; but no such expenses shall be paid except upon a certificate of the said board of police and fire surgeons, or two members thereof, setting forth the necessity for such services or treatment and the nature of the injury or disease which rendered the same necessary, and upon the approval of the said certificate by the superintendent of the Metropolitan police or the chief engineer of the fire department, as the case may be, and the approval of the Commissioners of the District of Columbia.

"Whenever any member of the police department or the fire department of the District of Columbia shall become so permanently disabled through injury received or disease contracted in the line of duty as to incapacitate him for the performance of duty, or, having served not less than 25 years and having reached the age of 55 years shall, for any cause, become so permanently disabled as to incapacitate him for the performance of duty and shall make written application therefor and said application shall be approved by the Commissioners of said District, or, having reached the age of 60 years, in the discretion of the said commissioners, he shall in either event be retired from the service thereof and be entitled to receive relief from the said policemen and firemen's relief fund, District of Columbia, in an amount not to exceed 50 per cent per year of the salary received by him at the date of retirement. In case of the death of any member of the police department or the fire department of the District of Columbia, before or after retirement from the service thereof, leaving a widow, or a child or children under 16 years of age, the widow shall be entitled to receive relief from the said policemen and firemen's relief fund, District of Columbia, in an amount not exceeding $35 per month, and each child under the age of 16 years in an amount not exceeding $10 per month, and in no case shall the amount paid to any one family exceed the sum of $50 per month: *Provided*, That upon the remarriage of any widow granted relief under the provisions of this act such relief shall cease, and relief granted to or for any child or children under the age of 16 years shall cease upon their reaching that age: *Provided further*, That no widow, child, or children of any deceased member of the said police department or fire department resulting from any marriage contracted subsequent to the date of retirement of such member shall be entitled to any relief under the provisions of this act.

"The Commissioners of the District of Columbia are authorized to pay from the said policemen and firemen's relief fund, District of Columbia, a sum not exceeding $75 in any one case to defray the funeral expenses of any deceased member of the police department or the fire department of said District dying while in the service thereof.

"There is created in and for the District of Columbia a board to be know as the police and firemen's retiring and relief board, to be composed of the corporation counsel of said District, to be designated by the Commissioners of the District, and one member from each the police department and fire department, to be designated by the said commissioners, and the said commissioners are authorized to change the personnel of said board from time to time, in their discretion, and they are further authorized and empowered to make, modify, and to amend from time to time regulations and rules of procedure for the conduct of the said board. The said board shall consider all cases for the retirement and relief of members of the police department and the fire department rendered necessary or expedient under the provisions of this act, and all applications for the relief of widows and children under 16 years of age. In every case of retirement of a member of either of said departments the board of police and fire surgeons shall certify, in writing, to the said retiring and relief board the physical condition of the member for whom retirement and relief is sought. The said retiring and relief board shall give written notice to any member of said departments under consideration by it for retirement and relief to appear before the board and give such evidence under oath as he may desire, and the proceedings of the board shall be reduced to writing and shall show the date of appointment of such member, his age, his record in the service, and any other information that may be pertinent to the matter of his retirement and relief. The said board is authorized and empowered to summon any person before it to give testimony, under oath or affirmation, as to any matter affecting retirement and relief under the provisions of this act; and any member of the board shall have power to administer oaths or affirmations to witnesses appearing before the said board. Such summons shall be served by any member of the Metropolitan police force, and upon the refusal or neglect of a witness to appear before the said board or to testify when required, he or she may be compelled to attend and testify as provided in the act of February 20, 1896, entitled 'An act to amend an act entitled "An act to punish false swearing before trial boards of the Metropolitan police force and fire department of the District of Columbia, and for other purposes," approved May 11, 1892,' and any witness knowingly making a false statement to the said board on any material matter shall be guilty of perjury and punishable accordingly. The said retiring and relief board shall in each case considered by it for retirement and relief submit to the Commissioners of the District of Columbia a report of its findings, and the said commissioners shall have power to approve, disapprove, or modify such findings or to remand any case for such further proceedings as they may deem necessary.

"The Commissioners of the District of Columbia, in their discretion and at any time, may cause any person receiving any relief allowance under the provisions of this act, who has served less than 25 years, to appear and undergo a medical examination, as the result of which the said commissioners shall determine whether the relief in such case shall be continued, increased, decreased, or discontinued. Should any person receiving relief under the provisions of this act, after due notice, fail to appear and undergo the examination prescribed here, the said commissioners are authorized in their discretion to reduce or entirely discontinue such relief.

"The Commissioners of the District of Columbia may, in their discretion, reduce or discontinue the relief granted to any person under the provisions of this act upon receipt of duly certified information from a court of competent jurisdiction that any person receiving such relief has been convicted in such court of any crime involving moral turpitude; and the said commissioners may also, in their discretion, reduce or discontinue the relief granted to any person under the provisions of this act when it shall appear to their satisfaction from evidence before them that such person is a habitual drunkard or guilty of lewd or lascivious conduct.

"Any retired member of the police department or fire department of the District of Columbia receiving relief under the provisions of this act may in time of flood, riot, conflagration, during extraordinary assemblages, or unusual emergencies, be called by the commissioners of said District into the service of the department from which he was retired with relief for such duty as his disability will permit of him performing, without compensation therefor; and the said commissioners shall have power to enforce compliance with the provisions hereof by withholding the payment of relief; but nothing contained in this section shall be construed to enforce residence in the District of Columbia upon any retired member of either of said departments when it shall appear to the satisfaction of said commissioners that residence elsewhere is rendered necessary by the physical condition of such member.

"All special policemen at street railway crossings and intersections in the District of Columbia, appointed pursuant to the provisions of an act, approved June 24, 1898, entitled 'An act to define the rights of purchasers of the Belt Railway, and for other purposes,' as amended by the act, approved February 28, 1901, entitled 'An act relating to the Metropolitan police of the District of Columbia,' and the act, approved February 10, 1912, amendatory thereof, are made members of the Metropolitan police force of the District of Columbia, and, as members thereof, shall be entitled to all the rights, benefits, privileges, and immunities now possessed, or which may hereafter be possessed, by other members of said Metropolitan police force. Said special policemen shall likewise be subject to the same rules and regulations and to the same discipline as other members of said Metropolitan police force, it being the true intent and meaning hereof that the said special policemen and the regular members of said police force shall, acording to the period of service and classification, be placed upon the same footing.

"In determining the classes to which said special policemen shall be assigned in the Metropolitan police force they shall be given credit for the time they have served in their present positions, in the same manner and to the same extent as is now or may hereafter be given to the regular members of said police force.

"The superintendent of police of the District of Columbia may, in his discretion, substitute other members of the Metropolitan police force for said special policemen at street railway crossings and intersections, and during such periods of substitution said special policemen shall perform whatever service may be assigned to them by said superintendent of police: *Provided*, That nothing herein shall be construed to amend, alter, or

repeal the existing law relative to the payment of the compensation of the said special policemen now appointed or those that may hereafter be appointed."

And the Senate agree to the same.

The committee of conference have been unable to agree on the amendments of the Senate numbered 1, 58, 108, 354, 355, 356, 359, and 361.

JOHN WALTER SMITH,
JOE T. ROBINSON.
J. H. GALLINGER,
Managers on the part of the Senate.
ROBERT N. PAGE,
JAMES MCANDREWS,
C. R. DAVIS,
Managers on the part of the House.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. WORKS. Mr. President, I ask the Senator from Maryland if he will briefly state the Senate amendments to which the conferees on the part of the House refuse to agree?

Mr. SMITH of Maryland. There were some 90 or 100 amendments in disagreement, and it would therefore be impossible for me offhand to state them in detail. I suggest to the Senator from California that the reading of the report will furnish the information he desires.

Mr. GALLINGER. Mr. President, if the Senator from Maryland will permit me, I think the Senator from California merely desires to know what amendments are now in disagreement, and those only number five or six.

Mr. SMITH of Maryland. Mr. President, I can state to the Senator from California the amendments still in disagreement between the conferees. They are as follows:

Amendments in disagreement.

Number.	Subject.	Page.
1	Half-and-half plan	1
58	Payment to Thomas W. and Alice N. Keller	30
108	Voluntary services, playgrounds	46
354-355	Price of gas in District of Columbia	126-127
356	Payment of fees, assessments, etc., to be credited wholly to District of Columbia revenues	127
359	Section number	129
361	Tax on intangible securities	131

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

Mr. SMITH of Maryland. I move that the Senate further insist on its amendments, and ask a further conference with the House, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to; and the Vice President appointed Mr. SMITH of Maryland, Mr. ROBINSON, and Mr. GALLINGER conferees on the part of the Senate.

DONATIONS OF CONDEMNED CANNON.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 6625) authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls.

Mr. TILLMAN. Mr. President, I move that the Senate concur in the House amendments, so that the bill may be passed.

Mr. WARREN. Mr. President, I hardly think the Senator from South Carolina knows what the amendments contain.

Mr. TILLMAN. I do know all about them. The House has merely increased the number of Grand Army posts and others to which it is intended to give these cannon.

Mr. WARREN. We have information from the War Department which shows that they have not any considerable number of condemned cannon toward this large number which is proposed to be donated. An amendment has been inserted in the House for the donation of certain brass cannon, which, I think, the Government does not possess, and also of several hundred bronze cannon and a large number of gun carriages. The bill, with the House amendments, ought to go to a committee to examine the whole matter and see what cannon and carriages the Government has that can be spared, and change the bill accordingly.

Mr. TILLMAN. Mr. President, my only anxiety is to get the bill passed so that the Daughters of the American Revolution chapter in a town in my State, who are trying to erect a monument to Col. James Williams, who was killed at the battle of Kings Mountain over a hundred years ago, can get two bronze cannon.

Mr. WARREN. I am not opposing that; but the bill in its present form should go to a committee, as the Senator from South Carolina would himself agree if he should read the RECORD and learn the action taken in the other House.

Mr. TILLMAN. I know that a large number was added.

Mr. WARREN. Too large a number altogether, and donations were duplicated, for that matter.

Mr. TILLMAN. If the Senator insists that the bill, with the House amendments, shall go to the committee, and the committee will report promptly and let the bill be passed, it is all I desire.

Mr. WARREN. I ask that in the regular way the bill go to the Military Committee or to a conference committee.

Mr. CHAMBERLAIN. Mr. President, I think the proper course is that the Senate disagree to the House amendments, request a conference with the House, and that the Chair appoint the conferees.

The VICE PRESIDENT. Does the Senator from Oregon make that motion?

Mr. CHAMBERLAIN. I make that motion.

The motion was agreed to; and the Vice President appointed Mr. CHAMBERLAIN, Mr. HITCHCOCK, and Mr. WARREN conferees on the part of the Senate.

AIDS TO NAVIGATION.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 14338) to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. CLARKE of Arkansas. I move that the Senate insist upon its amendments, agree to the conference asked for by the House, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to; and the Vice President appointed Mr. CLARKE of Arkansas, Mr. FLETCHER, and Mr. NELSON conferees on the part of the Senate.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had approved and signed the following acts:

On August 15, 1916:

S. 5172. An act to exempt from taxation certain property of the Daughters of the American Revolution in Washington, D. C.

On August 18, 1916:

S. 4654. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors; and

S. 5914. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors.

PORTSMOUTH (N. H.) NAVY YARD.

Mr. GALLINGER. Mr. President, on yesterday during my enforced absence as a member of a conference committee the conference report on the naval appropriation bill was agreed to. I regret that I was not present, because I wanted to call attention to the fact that the only important appropriation in that bill for the Portsmouth Navy Yard was an item that had been appropriated for that yard six or seven years ago, but the then Secretary of the Navy, Mr. Meyer, of Massachusetts, held it up and refused to have the appropriation extended. It was in the nature of a reappropriation, but the conference committee saw proper to reject it, which I greatly regret.

I wanted to state that fact to the Senate, which I now do, without at all criticizing the conference committee, because I know the difficulties which confronted them in the consideration of the conference report.

Mr. PENROSE. I should like to have an opportunity of stating for the information of the Senator from New Hampshire that the Senate amendment relating to the Portsmouth Navy Yard was in a class with two other amendments, one relating to the Charleston Navy Yard and the other to the New Orleans station, and it was the unanimous thought of the conferees, of whom I was one, that these three items, aggregating over a million dollars, should be left out of the bill at this time. So the Senator from New Hampshire need not feel that the Portsmouth Navy Yard was in any way discriminated against by being treated from the same point of view.

Mr. GALLINGER. Mr. President, the only suggestion I would make, in reply to the Senator from Pennsylvania, is that the item regarding the Portsmouth Navy Yard was an item that

had been appropriated for years ago and which was, as I think, illegally and unlawfully held up. It was in the nature of a reappropriation. However, as I said before, I have no criticism to make on the conference committee at all. I think they acted as they found was wise under the circumstances.

Mr. PENROSE. Without going into the confidences of the conference room, it might be well to observe that the Senate conferees were informed that the amendments for Portsmouth, Charleston, and New Orleans could not by any possibility pass the House of Representatives at this session.

Mr. LANE. Mr. President, I in no wise question the wisdom of the conferees, but I wish to observe that they passed an item carrying an appropriation of about $2,000,000 for the improvement of a certain navy yard for the building of a large type of battleship, no one of which can either get in or get out of the harbor without going under the guns of a foreign nation and by their permission—with their good and kindly consent only.

GOVERNMENT OF PORTO RICO.

Mr. SHAFROTH. I move that the Senate proceed to the consideration of the bill (H. R. 9533) to provide a civil government for Porto Rico, and for other purposes.

I will state, Mr. President, that no minority report has been filed as to this bill, and I think that there is very little, if any, disagreement as to its terms. There are a few amendments which have been reported, but I do not think it will take longer than an hour to dispose of the bill.

Mr. SMOOT. Mr. President, why would it not be better to take up the shipping bill and dispose of that, and then take the Porto Rican bill up immediately afterwards?

Mr. SHAFROTH. Because we are now proceeding in the morning hour. The shipping bill will come up automatically at 2 o'clock, and I am afraid that if I can not get the Porto Rican bill up at this time I will not be able to get it up at all.

I will state, Mr. President, that this is a very important measure. The question of the citizenship of the people of Porto Rico has never been determined. When the islands were first occupied by the United States the sentiment was almost universal in favor of at least giving the option to the Porto Ricans to become citizens of the United States, and then there was an effort made on the part of some to prevent the accomplishment of that result.

Mr. OWEN. Mr. President——

Mr. SHAFROTH. I yield to the Senator from Oklahoma.

Mr. OWEN. Mr. President, I merely wish to call the attention of the Senator to the fact that the Democratic Party platform adopted at Denver eight years ago, I think, declared in favor of giving citizenship to the Porto Ricans.

Mr. SHAFROTH. Oh, yes; and, if I recollect aright, every Democratic platform from that time to this has declared that the rights of the people of Porto Rico should be defined. This bill gives citizenship to the people of that island, and yet it does not impose it upon them. They can retain their citizenship in Porto Rico if they so desire.

The bill also provides for a senate as a constituent part of the legislative branch of the Porto Rican government. I do not think there is any objection to the bill; at least there is none on the part of any members of the committee; and I think it will take not exceeding an hour to get through with it.

Mr. GALLINGER. Mr. President——

Mr. SHAFROTH. I yield to the Senator from New Hampshire.

Mr. GALLINGER. Can the Senator give us any assurance that after we have conferred citizenship upon the people of Porto Rico the Democratic Party will not want to give away the island?

Mr. SHAFROTH. Well, Mr. President, the case of Porto Rico is entirely different from that of the Philippine Islands. The Porto Ricans came voluntarily under our governmental system, whereas the Philippine people did not do so; and there has been a grave question in the minds of many as to whether this Nation has a right to force a people to come under its jurisdiction and become its citizens against their will.

Mr. GALLINGER. Has there ever been a question as to the right of a nation to take over territory as the fruits of war?

Mr. SHAFROTH. Oh, Mr. President, that may be; but we have another declaration——

Mr. CUMMINS. I rise to a point of order.

The VICE PRESIDENT. The Senator from Iowa will state his point of order.

Mr. CUMMINS. The motion is not debatable, as I understand.

The VICE PRESIDENT. Before 2 o'clock the motion is not debatable.

Mr. LANE. I should like to ask the Senator from Colorado, for information, whether or not the people of Porto Rico have protested against having a senate foisted on them?

Mr. SHAFROTH. No, sir; they have not.

Mr. BRANDEGEE and Mr. GALLINGER. Regular order!

The VICE PRESIDENT. The motion is not debatable. The question is on the motion of the Senator from Colorado that the Senate proceed to the consideration of House bill 9533. [Putting the question.] By the sound the noes seem to have it.

Mr. SHAFROTH. I call for the yeas and nays.

The yeas and nays were not ordered.

The motion was rejected.

THE MERCHANT MARINE.

Mr. FLETCHER. I move that the Senate proceed to the consideration of House bill 15455.

The motion was agreed to.

And the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15455) to establish a United States shipping board for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a merchant marine to meet the requirements of the commerce of the United States with its Territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and interstate commerce of the United States; and for other purposes.

Mr. GALLINGER. Mr. President, under date of London, August 3, Consul General Robert P. Skinner made a report, which will be found in the Commerce Reports of Wednesday, August 16. It is very brief, and I ask that it be read by the Secretary.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

BRITISH SUBSIDY FOR TRADE-EXPANSION PURPOSES.

[Consul Gen. Robert P. Skinner, London, Aug. 3.]

A very interesting departure in British methods of securing trade in European countries was discussed in Parliament on July 31, a departure in which the Government itself appears as a full partner by the contribution of a subsidy of £50,000 ($243,325) per annum. On the occasion named the Chancellor of the Exchequer reported that a British company, under the title of the "British-Italian Corporation (Ltd.)," with a capital of £1,000,000 ($4,866,500), was registered on July 20. There will be no public issue, the capital having been subscribed privately, chiefly among banks.

The British Government agrees to contribute to the company by way of subsidy, during each of the first 10 years after its incorporation, an annual sum of £50,000 ($243,325), or the equivalent of 5 per cent upon its paid-up capital if less than £1,000,000. In consideration of the subsidy the company agrees to pay to the Government amounts equal to any dividend above a cumulative dividend of 5 per cent per annum which the directors may distribute to the shareholders in any year—after making such provisions as the directors may think desirable for bad and doubtful debts and the establishment of a reserve fund—until by such means the Government has been repaid (without interest) the amount so received by the company by way of subsidy.

A COLLABORATING ITALIAN COMPANY TO BE FORMED.

A company under the style of the Compagnia Italo-Britannica will forthwith be formed under Italian law with a capital of 10,000,000 lire, one half of which is to be taken by the British-Italian Corporation and the other half by the Credito Italiano and their friends. Out of the nine directors of the Italian company three will be British.

The chancellor concluded:

"The two companies will work together in close collaboration, and arrangements have been made by which their interests will be as far as possible identified, except that the subsidy of the British Government will naturally remain for the benefit of the British company exclusively.

"The primary object of the two companies is the development of the economic relations between the British Empire and Italy and the promotion of undertakings in the commercial and industrial field in Italy. They will carry out banking and financial operations which do not necessarily fall within the strict definition of banking as understood in this country."

The VICE PRESIDENT. The Secretary will state the first amendment reported by the committee.

The first amendment of the Committee on Commerce was, on page 2, line 3, after the word "property," to insert "on the high seas or the Great Lakes," so as to make the clause read:

The term "common carrier by water in interstate commerce" means a common carrier engaged in the transportation by water of passengers or property on the high seas or the Great Lakes between one State, Territory, District, or possession of the United States and any other State, Territory, District, or possession of the United States, or between places in the same Territory, District, or possession.

Mr. HARDING. Mr. President, I offer the amendment which I send to the desk as an amendment to the amendment reported by the committee.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The SECRETARY. On page 2, line 4, it is proposed to amend the amendment of the committee by striking out the words "or the Great Lakes."

Mr. HARDING. Mr. President, I have offered the amendment just submitted because I have yet to hear from any source a

single argument why the commerce of our Great Lakes system should be included in this bill.

Mr. GALLINGER. Mr. President, if the Senator from Ohio will permit me, I think the Senator will want to strike out the remainder of that paragraph, as well as the words he has moved to strike out.

Mr. HARDING. Well, Mr. President, I have no objection to that course being taken, if the Senator from New Hampshire thinks that the phrase following the words "or the Great Lakes" modifies only the Great Lakes provision. If that is the case, I quite agree that the remainder of the paragraph should be stricken out, but I can understand how the remainder of the paragraph might refer to commerce on the high seas between the States and Territories, and therefore I have offered the amendment to strike out only the words "or the Great Lakes."

Mr. GALLINGER. Very likely the Senator is right. It occurred to me that the remainder of the paragraph ought to go out, but very likely not.

Mr. HARDING. Mr. President, I started to say that I have yet to hear from any advocate of the bill a single reason why the commerce on the Great Lakes should be brought under the provisions of this bill. I wish some one might have said something about the impelling purpose of this extraordinary movement. On the Great Lakes we have a commerce developed which meets every requirement, and in connection with that commerce we have a shipbuilding industry that is one of our most notable American enterprises. We have so developed that industry that the shipbuilding on the Great Lakes system is the nearest American approach to a real competition in prices with the shipbuilding of the world.

I should like to ask, if they were only present, the Senators from Illinois [Mr. SHERMAN and Mr. LEWIS], and the senior Senator from New York [Mr. O'GORMAN], and the Senators from Indiana [Mr. KERN and Mr. TAGGART], and the senior Senator from Wisconsin [Mr. LA FOLLETTE], those who represent the States bordering the Great Lakes——

Mr. PENROSE. The Senator might include Pennsylvania.

Mr. HARDING. I have assumed that the Senators from Pennsylvania are very much interested and all right on this very important question—I should like to ask why they will consent for one moment to the acceptance of a proposition which proposes to hamper or hinder or in any way interfere with this splendid system of water freight carrying on the Great Lakes?

Why, Mr. President, on the Great Lakes we have built up not only enormous shipping but American shipbuilding. We are building and operating freight steamships which are capable of carrying cargoes of 15,000 tons. Some of them are more than 600 feet in length, and are comparable with the finest freight-carrying ships built in any country in all the world; and I include in the comparison, many of the best ships in the freight-carrying business on the high seas. The important thing is that these ships are built more cheaply on the Great Lakes than similar ships are built anywhere else in the United States.

One of our greatest American weaknesses, particularly upon the coast, has been the inability of our shipbuilders to build freight steamships at rates anywhere near the rates that obtain in foreign countries. High-class passenger steamships may be built in our coast yards at prices not much greater than they cost in foreign countries; but the discrepancy between American and foreign prices on freight steamships is far greater. Not so on the Lakes. Only a little longer in the development of the shipbuilding industry on the Great Lakes and we will have developed a business that will enable us, in all probability, to compete with any in the world.

Especially important is the consideration of the fact that the enlarged Welland Canal and the enlarged locks through the rapids of the St. Lawrence River will soon give us an outlet from the Great Lakes to the ocean, so that our shipbuilding industries on the Lakes can enter into competition with the world and build ocean-going ships even so large as 1,000 feet in length. Under these circumstances, Mr. President and Senators, it seems to me to be the height of folly to endanger in any way this splendid American enterprise.

If there were a complaint about the inadequacy of our Great Lakes shipping; if there were a single protest against the existing Lake shipping rates; if there were a single reason in the world for bringing this enterprise under the operation of this board, one who believes in this bill could not well object. But there is not a single cause; on the other hand, in addition to hampering and discouraging this enterprise through the inclusion of that business under the operation of this bill, you are doing more than adding a hampering bit of legislation; you are opening the Great Lakes to foreign-built ships.

I want, as a citizen of Ohio, bordering the Great Lakes system, to utter my protest against such an action on the part of the Senate.

Mr. President, I do not mean to delay action by going into extended discussion, but there is another phase of this thing that it is worth while to call attention to. For 100 years we have had peace with our neighbor on the border. I hope that we will continue that peace for long centuries to come; but in this modern age, when human passions are not changed, apparently, no one knows when this country may become involved with its greatest competitor in commerce and shipping; and in that event it will be well to have maintained this great shipping industry on the coast of the Great Lakes.

Without a reason for including it, without the consideration which the committee has evidently given to the struggling river commerce of the country, and excluded it from the provisions of the bill—that is, the House committee did so—it seems to me that it would be the wise, patriotic, and highly American thing on the part of the Senate to leave this distinctively and exclusively American enterprise alone in its splendid accomplishment.

I hope the Senators will leave the Great Lakes out of the provisions of this bill. We are so well established, we are so well satisfied with the service, we are so proud of the accomplishment, that we do not want the paralyzing Federal arm to reach out and take it in under the provisions of this bill, which I believe is designed to destroy rather than to upbuild American shipping.

Mr. FLETCHER. Mr. President, I wish to say that there is no sort of purpose or idea of harming the shipping on the Great Lakes by this bill. This amendment is a restriction, a limitation, upon the powers and jurisdiction and regulatory authority of this shipping board as compared with what was given them in the House bill. The bill as it came to the Senate gave this board jurisdiction, as far as they have it—it is the very mildest kind of regulatory power that they have—over the commerce that moves on the inland waterways as well as on the high seas and on the Great Lakes. By inserting this amendment we restrict and limit the jurisdiction and the authority of the shipping board to commerce on the high seas and on the Great Lakes, thereby entirely eliminating any jurisdiction they might otherwise have under the bill as it came from the House, over the commerce on the inland waterways. In other words, if the committee amendment is agreed to, there goes out of the bill any power or authority or jurisdiction of the shipping board over the inland waterways, the rivers, and the bays that are inland.

Mr. HARDING. Mr. President——

Mr. FLETCHER. But it is necessary to define precisely to what extent this authority may go, and we limited it by this amendment to the commerce on the high seas and the Great Lakes.

Mr. HARDING. Will the Senator yield?

Mr. FLETCHER. I will.

Mr. HARDING. I understand that very thoroughly, but I wanted to ask the Senator if there was a single call from any source for the inclusion of the Great Lakes commerce?

Mr. FLETCHER. I would not say that there was any specific call from the Great Lakes or any persons interested in the commerce on the Great Lakes. There was a demand, I think quite general and quite broad, a recommendation by the chambers of commerce and those who favored a shipping board, to give the shipping board the power that is given them in this bill over all water-borne commerce.

Mr. HARDING. Will the Senator explain why the river commerce was omitted and the Great Lakes commerce included?

Mr. FLETCHER. The Great Lakes were included, as the bill came over, along with the inland waterways and along with the high seas, too. They were included. We have not eliminated them. We have not struck out the commerce on the Great Lakes; and we had no protests, as I recall, during the consideration of the bill.

Mr. HARDING. Will the Senator explicitly answer this question: Why exclude the inland commerce characteristic of the rivers and still include the Great Lakes commerce?

Mr. FLETCHER. In the first place, the commerce on the rivers is comparatively small. It is struggling. It is more or less undeveloped as yet. We felt that there was no call, there was no real reason, for giving any board the jurisdiction to require the fixing of maximum rates, and that sort of thing, on these rivers. We thought that there was yet control, as far as there need be control, in the actual competition that was taking place there. In the next place, the Senator, of course, will agree that the Great Lakes afford a different situation. They are practically the high seas in many respects. The commerce there is both interstate and foreign. The commerce on the

Great Lakes is very largely foreign commerce as well as interstate commerce, and it is of that character that ought to be subject to the same sort of regulation or control. The supervision to which the coastwise commerce is subject is all very mild, I think, in every respect, and this commerce ought to be put on the same footing as the coastwise commerce. It is an enormous commerce, and there can be no harm, as far as we can see, in including that along with the coastwise commerce.

Mr. HARDING. Mr. President, will the Senator yield for a moment?

Mr. FLETCHER. I will.

Mr. HARDING. In passing, I want to suggest that the Senator refer his statement about the very limited commerce on the rivers to his distinguished colleague at his right, the senior Senator from Louisiana [Mr. RANSDELL].

Mr. RANSDELL. Mr. President, I did not catch the remark of the Senator from Ohio referring to myself. I wish he would repeat it.

Mr. HARDING. In perfectly good humor, I suggested to the Senator from Florida that he refer his statement about the inconsequential character of river commerce to his colleague at his right, who I know will very gladly dispute the statement.

Mr. RANSDELL. I think the Senator from Florida is well able to handle this subject, but if he wishes to refer anything to me I will do my best to handle it.

Mr. HARDING. I have no doubt of it. I wish to call the attention of the Senator from Florida to the fact that it is just as possible that a large percentage of the commerce of the Mississippi River is foreign commerce as it is possible for the Great Lakes commerce to be foreign commerce; and as a matter of fact, out of 100,000,000 tons a year of shipping on our Great Lakes, less than 5 per cent is assumed to be intended for foreign commerce.

But that does not answer the question. You have excluded the inland waterways from this regulatory provision, and manifestly you have excluded it because there came a protest from the river shipping interests that this sort of a measure would cripple their enterprise. I make the same charge with reference to the Great Lakes commerce, and contend that in all fairness the Senate ought to withhold its crippling efforts toward the commerce of the Great Lakes.

Now, I want to ask one more question, and then I will not interrupt the Senator further. Will not this bill, under the provision for enrollment of foreign-built ships, admit foreign-built ships to our Great Lakes commerce?

Mr. FLETCHER. I think so.

Mr. HARDING. Then, Mr. President, on that one admission alone, I am content to rest my objection to the passage of this bill. I am unalterably opposed to any provision in a measure for the upbuilding of an American merchant marine that will admit foreign-built vessels into our Great Lakes commerce.

Mr. FLETCHER. Of course, that is a possibility, but I think it is a very remote probability. The most of these ships will be built undoubtedly here in our own yards. If the board should acquire foreign-built ships, the bill would permit them to be registered and enrolled as American-owned ships, and admitted to our coastwise trade, if they saw fit.

Mr. HARDING. May I ask one more question? If the Senator from Florida thinks that such a thing is very remote, and that it is unlikely that foreign-built vessels will come into our Great Lakes commerce, why not remove the provision entirely, and give the assurance of this body and of Congress to our Great Lakes shipping interests that they are not to be interfered with in that way?

Mr. FLETCHER. The reason is that the restrictions and limitations already on this board and its authority to acquire these vessels particularly by purchase, charter, or lease are such that there is really no field of much consequence left to them in that direction; and I would not want to draw the line so strictly that you would create a board and pretend to give them authority to do things which really, in effect, they would have no power to do. I think we have narrowed it just as much as it is possible to do in order to make an efficacious piece of legislation.

I will not detain the Senate with discussing this question further. I think it is important to keep in the bill the amendment as it is submitted by the committee; and I think the commerce on the Great Lakes ought to be included with the commerce on the high seas under the head of common carriers by water in interstate commerce. What I meant by being foreign, of course, was mainly with reference to the commerce between our country and Canada. The Great Lakes actually border on a foreign country. The Mississippi River does not touch a foreign country. I think the amendment ought to stay as it is, and I believe no harmful results will follow such as the Senator expects. I will say, further, that when this matter was up there were no objections or protests submitted to our committee by people from the Great Lakes, so far as I can recall.

Mr. HARDING. May I ask one more question? Will the Senator from Florida say that there is no foreign commerce on the St. Johns and on the Indian River in Florida?

Mr. FLETCHER. I do not mean to say that the commerce that passes down those rivers to the Gulf does not reach foreign countries. Of course, a certain amount of commerce passing over those rivers eventually moves to foreign countries; but what I had reference to on the Great Lakes was the commerce between this country and Canada, because Canada borders on the Lakes.

Mr. HARDING. Is it not a fact that cargoes are taken from the inland waters of Florida to foreign countries?

Mr. FLETCHER. Yes; I take it that that is true, unquestionably; but it does not prevent the river itself from being an inland waterway.

Mr. HARDING. And their shipping is not included in this bill?

Mr. FLETCHER. No; commerce on inland waterways is not regulated at all.

Mr. WADSWORTH. Mr. President, I have been hoping for sometime past that the Government of the United States would, sometime in the near future, cease to shackle its own citizens, its own industries, with handicaps which our foreign competitors are not subjected to. It seems I have been mistaken.

I was not a Member of Congress when the Panama Canal act was passed, but most of the Senators here present were, and they remember very well that as a result of that act the railway companies were compelled to give up the ownership and operation of their steamers on the Great Lakes.

Mr. President, my observation has taught me that that action was a severe blow to American commerce on the Great Lakes, as contrasted with the conditions under which the Canadians operate. The Canadians have never been so foolish as to attempt to put strait-jackets upon their steamers on the Great Lakes. The one result, above all others, that has come from that order of the Interstate Commerce Commission has been to confer a direct benefit upon the Canadian Pacific Railroad, which operates a very considerable and a remarkably efficient fleet of passenger and freight ships upon the Great Lakes.

I myself have traveled upon those ships since that law and the subsequent order of the Interstate Commerce Commission went into effect. It is a matter of common knowledge that the officers of that railway company and the skippers and the mates upon the ships of the Canadian Pacific Railway Co. have been chuckling at the stupidity of the American Government in so handicapping its own people.

Mr. LIPPITT. Will the Senator yield?

Mr. WADSWORTH. I yield to the Senator.

Mr. LIPPITT. The Senator says that that has been the one result. Is it not true that there has been another result, that the cost of freight transportation and the transportation of other articles on the Great Lakes has materially increased, and in some cases has been doubled, over the price that prevailed when the ships were owned by the railroads?

Mr. WADSWORTH. I am not familiar with the figures, but I have heard that that is the case.

Mr. LIPPITT. I will inform the Senator that it is the case.

Mr. WADSWORTH. I did not mean to say the sole result of the law was the shackling of American steamers and American citizens in the way they conduct their business for the benefit of the Canadians. There were other results of course, but the thing that impresses me most is this great fact.

Mr. FLETCHER. Might I inquire of the Senator if he is referring now to the provision in the Panama Canal act, passed in 1912, section 11?

Mr. WADSWORTH. I am in so far as it refers to the result on the Great Lakes.

Mr. FLETCHER. That act was passed in 1912, and the question is not involved in this bill.

Mr. WADSWORTH. I think I may make my purpose clear in referring to it. There never was any harm done to anybody by the operation of these steamers as they were then operated, and it was entirely within the power and jurisdiction of the United States Government to regulate out of existence any evils which might have grown out of it. But the Government of the United States seems possessed under certain auspices with the idea that it shall regulate and handicap its own people, when just across the Lakes, almost within sight, we have an enterprising, vigorous people who know enough not to engage in those tactics.

Every time we have done it we have done it for their benefit; and I repeat with every assurance of the correctness of my statement that the Canadians rejoiced at that order, and they are rejoicing at this section of this bill which the Senator from Ohio seeks to have eliminated.

Under this bill this commission or board may put foreign-built steamers into the American Great Lakes coastwise traffic. Can you offer a better inducement to the Canadians? They would never subject their citizens to any such competition.

The Senator from Ohio has asked what demand there has been for including the Great Lakes shipping in this bill and the regulations provided in the bill. Thus far neither the Senator from Florida nor any other Senator who assumes to be sponsor or joint sponsor for this legislation has been able to say where that demand comes from. It seems to be an idea in this administration's mentality that it is the function of government to reach out and grasp for more power, wherever there is any opportunity to get that power, and generally that reaching out and that attempting to grasp is done without any comprehension whatsoever of the industrial problems involved.

If this bill passes in the form it is now drafted every package that is shipped in the Great Lakes traffic, every ticket that is sold to passengers in the Great Lakes traffic on American ships is to be regulated as to its form, the manner of its delivery, and all the different elements that go into the conduct of that commerce, whether it be passenger or freight. Section 19 gives the board complete power to go into the minutiæ of regulating package freight on the Great Lakes from the last dotting of an "i" to the crossing of a "t," when that traffic has been built up by enterprise and understanding between the shippers and companies. The regulation will prescribe to the last dotting of an "i" or the crossing of a "t" how every American shall do business, and the Canadians on the other side will be left perfectly free to make their own adjustments to suit the conditions which may arise from time to time, free from what has been so often called the strait-jacket which this bill attempts to put on the Great Lakes commerce.

I can not understand what demand there is for it. There has been no great public complaint; there has not been even slight public complaint; there has been no private complaint. It is simply an effort to extend the strong hand of the Government to indulge in this craze for Government ownership and operation in competition with our own citizens, who have been fulfilling all their functions in perfect freedom and with perfect satisfaction to all concerned for years and years upon the Great Lakes. The result will be to the benefit of the Canadians.

Once more. In addition to the order which prohibited the railway companies from operating any ship whatsoever on the Great Lakes, we are going to deliver another blow at the Americans who have engaged in that traffic for years to the satisfaction of all their customers and have built up, as the Senator from Ohio has said, the most significant and successful portion of the American merchant marine.

Mr. SHERMAN. Mr. President, the feature referred to this morning in the bill embraces the omission of the inland waterways and the inclusion of the Great Lakes. The significance of the omission of one and the inclusion of the other ought not to be lost on the Senate before the vote is taken. There is no more reason for the regulation of the Great Lakes' traffic than there is for traffic on the Mississippi River. The transportation in every case inland is one that is wholly within our control. There is no foreign competition on either inland waterways or on the Great Lakes. The proposed regulation or the proposed Government competition that is to be administered on the one hand or delivered as a blow on the other proposed in this bill can have no other effect manifestly than to embarrass, annoy, and ultimately to destroy the Great Lakes' traffic in our own country.

I have not had a complaint from any private source on the transportation system of the Great Lakes. In the city of Chicago at its lake ports annually a considerable traffic is found. Certain classes of bulky freight, like ores, that come from the northern peninsula are delivered at Gary and Indiana Harbor, which is really a part of the manufacturing system of Chicago. The crescent of the shore that reaches around Chicago, the entire south shore of Lake Michigan, is an area within which there is an aggregate tonnage of a very large amount annually.

If there were any abuses, if there were overcharges, if any complaint based upon any reasonable ground existed, I certainly would have had some of that complaint. I have had neither a petition, a letter, nor a communication of any kind, nor have I had anyone in person, either at home or here in this Capital, make complaint to me of the condition of the Great Lakes traffic. It seems to me like this is a voluntary effort, as the Senator from New York [Mr. WADSWORTH] has said, to reach out by the sheer force of the Government and engage in something for which there is no demand and less need.

A natural effect of it is to discourage such transportation as now exists on the Great Lakes. The unwarranted regulation of the Great Lakes traffic is one reason. The competition that would naturally be engendered is another. I have not heard from any source—any private shipper, any commercial body representing the great manufacturing or distributing public—complaint of freight rates upon the Great Lakes. It is universally recognized that within proper season and time movement can be made of freight much more advantageously than by rail, even where rail communications for the entire haul are available.

So the provisions of the bill that apply to the Great Lakes traffic I can regard in no other sense than a regulation or a method that in the end will result in embarrassing, in hindering, and in the depreciation of the present water-carrier facilities given to the shipping public on the Great Lakes.

I do not wish to take up much time, Mr. President, on this subject; I have already occupied all the time that I feel like I ought; but I can not let this bill go to a roll call without making this protest in the name of the Great Lakes transportation companies and the individuals involved who are constantly running their craft as well as the shipping interests that ultimately, I think, will suffer as a result of this provision.

There is yet another interest not so large, but an interest concerned in this bill, that I feel I ought to not leave unnoticed. It applies to many ports where tidewater ports are found. In the Chicago River—the same river, by the way, where the *Eastland* turned over after being so efficiently inspected by the Department of Commerce, drowning over a thousand of my fellow citizens—in the Chicago River there is a constant tug service.

They go and come throughout the entire season. Their services are demanded at certain times more than others. The charge made is likely more in certain seasons than others. It depends on the weather, upon the condition of the shipping making that port; but altogether the tug service is something that is regulated in its charges by the conditions of the weather, the demands made upon that branch of transportation, and upon the number of tugs available at that point for any particular line of service. They ply in and out of the river, up and down the shore, waiting such opportune time as their services will be required by the incoming water craft coming that way. So the tugs are ones whose arrangement as to charges can safely be left to those who furnish and those who require that service. I have yet a single complaint to hear from any part of the Great Lakes service complaining of a solitary tug charge for towage or for any other service incidental to the ports of any of the Great Lakes.

There is a much larger matter than this connected with the tug service. In all the ports on tidewater, in the city of New York, the largest port in the western world, the tug service is very extensive. There is the year round a constant demand there, varying somewhat with the condition of shipping, the number that make port; and the charges are regulated somewhat by that and somewhat by the weather. The idea that a shipping board here in Washington must make a schedule for a tug to my mind is utterly ridiculous, whether the tug service is rendered on the Great Lakes or in a tidewater port.

The tug service in the very nature of things can not be regulated by a board in Washington. It is something the charge for which is made on the spot. It is a question not of collective bargaining but of individual bargaining.

The testimony here in these hearings show that a tug is owned by the captain, by the engineer, and by the man in the office who solicits the business and takes care of what managerial work there is of a clerical or soliciting kind. So three men in the port of New York will own a tug. They may have $20,000 or $25,000 in a tug, or even less. They run the business themselves. They are not incorporated. Some of them run a partnership. They have been earning their livelihood for years in that way. As the testimony of one of the captains who has been in the business for 25 or 30 years, in the hearings before the committee, indicated, they make their own charges or bargains when their services are required.

As he says, they go down at the entrance, down around the cape, and in the wintertime when it is stormy weather they lie there, it may be for a day or two days, without a chance for earning a dollar. Along comes a boat, an incoming craft, that needs a tug. If it is good weather they do not need any tug service; they need no power or help other than the ordinary transportation facilities of the ship itself, but in stormy

weather they require the service of the tug. So their compensation ranges with the necessity of the incoming craft. A storm comes along and every steamship that makes the port requires their services. Then business is good. A long reach of good weather comes and they lie idle; business is bad. So at the end of the year they must average their charges in such a way that they can keep up their operating expenses, pay for what little help they need, and make a living by contributing, say, three of them together, their services and what money they put in when they buy the boat.

There is another very important service in a large part of the tidewater ports of our country—the lighterage service. The port of New York is peculiarly situated, as I remember the testimony of witnesses and from some observations made in business matters before I ever became a Member of this body. A large part of the freight coming from the West centers on the New Jersey shore at Jersey City, at Hoboken, and various other points along that side. There the railroads end for freight-carrying and freight-collecting purposes. Freight is taken across by a second system of water carriers to Brooklyn, where the great warehouses are; some of the greatest warehouses in the world are in Brooklyn. Incoming freight from all the western country collected on the Jersey shore is, therefore, carried across by water transportation to Brooklyn; it is there put in the warehouses, to await a favorable time for shipment abroad. A large part of the export freight of the country is collected in that way on the Jersey shore, transported across to the warehouses of Brooklyn, and there awaits a favorable time for export. Then, when the steamship is to be loaded, a third movement is necessary. The freight is taken out of the warehouses in Brooklyn and carried again to the freight steamers in the slips at some convenient point, wherever the company brings up its boats, when it is handled the third time and loaded into the steamship for export. The merchandise is then finally started on its voyage.

Every one of these complicated processes requires a carrier; every one of the carriers in New York City, both the tugs and lighterage service, will be affected by this bill, because here is the shipping board, and every time one of these men running a tug or having a lighterage service to render the owners of merchandise, requiring a charge to be made based upon rapidly changing conditions that present themselves every 24 hours in the port of New York he must come to Washington or reach some officer in New York City for the purpose of making a rate. By the time the rate is made, the opportunity to transact the business will be gone.

You can delay the freight trains that come in on the Jersey shore just as you can delay the freight trains which come into Chicago, and the freight will accumulate there just as it does in Chicago. Especially is that true as to perishable commodities, and also as to articles that require to be handled rapidly, even if not perishable, in order to realize the advantage of the market. What is the natural result of it? Why, the perishable commodities must be handled at once; they must be taken across and put in cold storage, if they are food products, where such accommodations can be found, and then handled a third time before they reach the steamer, whether it be in New York City or in Chicago. The charges vary with shifting conditions.

It seems to me that the principle which is embodied in one of these sections which regulate this matter was written by somebody who does not know the way business is actually transacted in this country in the transportation by land or water either inland or on shore. When this is actually worked out in practice it seems to me there is nothing but evil in such attempts, especially the provision that is sought to be eliminated by the amendment offered by the Senator from Ohio [Mr. HARDING]. These provisions will rise up to plague their inventors and their authors, because in the actual application of these measures, they can not work out, except in harm to the great interests involved and to the manifest annoyance of those who are trying legitimately to conduct their business.

For these reasons, Mr. President, it seems to me that especially the amendment proposed by the Senator from Ohio ought to be adopted.

Mr. CUMMINS. Mr. President, one error that has crept into this discussion ought to be corrected. It is not true that river transportation is wholly excluded from this bill. Foreign commerce upon the rivers of the country is included in the bill and will be subject to the same vexatious and restrictive regulations that are provided for other kinds of commerce. I am sorry that the Senator from Ohio [Mr. HARDING] has made his motion rather a local one, for I believe that every consideration which makes against the proposed regulations of commerce upon the Great Lakes is applicable with equal force, and sometimes increased force, to interstate commerce upon the high seas. I wish the Senator would include in his amendment the words "on the high seas," as well as "or the Great Lakes."

Mr. HARDING. Mr. President, if the Senator from Iowa will allow me to interrupt him long enough, I desire to say that the only reason the amendment has not yet been presented is that it is not in order under the parliamentary rules, but I have such an amendment which I intend to submit later.

Mr. CUMMINS. The Senator from Ohio could move to strike out the words "on the high seas or the Great Lakes."

Mr. FLETCHER. There is no necessity for that motion. The question is on agreeing to the amendment proposed by the committee inserting those words.

Mr. CUMMINS. That is the substance of it.

Mr. FLETCHER. That raises the whole question.

Mr. HARDING. I thought I would reach the result more effectively by proposing an amendment, upon page 7, section 9, to strike out the phraseology as to the enrollment and the licensing of vessels; that is, on page 7, line 17, to strike out the words "or both registered and enrolled and licensed."

Mr. CUMMINS. That, of course, would reach the question of the use of foreign-built ships upon the Great Lakes, but would not touch the regulations which are proposed in the bill from section 15 to its end.

Mr. President, I think no one can accuse me of looking with a prejudiced eye upon governmental regulation of common carriers, but when the Government does attempt to regulate common carriers it ought to do it with intelligence and with some regard to the conditions under which the transportation is carried on. This is not the first time the question with respect to the regulation of our water-borne commerce has arisen. I look upon the subject as a whole, for I do not think there is any difference between the regulation of our domestic commerce upon the Great Lakes and its regulation upon the high seas.

The subject came up in a very interesting and concrete way in 1910, when Congress revised what is known as the interstate-commerce law—a rather complete revision—which took into consideration all phases of the regulation of common carriers.

It was proposed then to bring within the jurisdiction of the Interstate Commerce Commission domestic commerce by water, whether upon rivers, upon lakes, or upon the high seas. The proposal was rejected, and was rejected because every student of the subject knows that the system of regulation that ought to be imposed upon water commerce is radically and essentially different from the regulation sought to be imposed upon carriers by land; or, in other words, upon the railways. It was not thought practical at that time by those who were studying the subject, and, without meaning at all to disparage the Commerce Committee, I think they had about as much knowledge of it and of the necessities of the people and of the commerce as any member of the Commerce Committee at this time; but it was concluded then that it was wholly impracticable and impossible to put upon the water commerce of the United States the regulations which had been wrought out for land commerce, and therefore there was no attempt to extend the jurisdiction of the Interstate Commerce Commission to water-borne commerce, save in one respect, to which I will call attention in a moment.

Mr. HARDING. Mr. President——

The PRESIDING OFFICER (Mr. BECKHAM in the chair). Does the Senator from Iowa yield to the Senator from Ohio?

Mr. CUMMINS. I yield to the Senator from Ohio.

Mr. HARDING. The Senator from Iowa has been conspicuously identified with the evolution of the regulation of transportation, and would know, I imagine, if anybody would know, if there is a call for this kind of regulation of water commerce. I should like to have him state to the Senate whether he has known of any demand for the regulation of this commerce, particularly on our Great Lakes.

Mr. CUMMINS. I have known of no unjust practices on the Great Lakes. I have heard, as, of course, everybody has heard, that there have been times when the coastwise traffic of the country carried on upon the high seas may have needed regulation in some respects, and I am not opposed to the regulation of water-borne traffic, whether on rivers, on lakes, or on the sea, but I am unalterably opposed to imposing upon that traffic a system of rules which will strangle and destroy it, simply because we have adopted that system of rules and applied it to the railways of the country. The regulation proposed in this bill is substantially the regulations that we have adopted for the railways. There is no essential difference, and we are trying to do at this moment what every student of this subject has rejected for years, putting upon ships the same general nature of regulations that we have put upon railway trains and railway management. It is absurd. I do not understand how Senators can summon the courage to surround our water-borne com-

merce with regulations of the character that are found in this bill. They are not the result of study; they are not the result of examination; they have simply been lifted bodily—I do not mean literally, but bodily—from the interstate-commerce law and made applicable in the hands of the shipping board to the commerce carried upon the water.

I said that some of us had examined this subject pretty carefully in 1910, and the result of our investigation was that the utmost limit of the reasonable legislation that could then be proposed was to take in the water carriage when it constituted a part of a through haul of which a railway was another part. So we enacted this provision:

> The commission may also, after hearing, on a complaint or upon its own initiative without complaint, establish through routes and joint classifications, and may establish joint rates as the maximum to be charged, and may prescribe the division of such rates as hereinbefore provided, and the terms and conditions under which such through routes should be operated, whenever the carriers themselves shall have refused or neglected to establish voluntarily such through routes or joint classifications or joint rates; and this provision shall apply when one of the connecting carriers is a water line. The commission shall not, however, establish any through route, classification, or rate between street electric passenger railways not engaged in the general business of transporting freight in addition to their passenger and express business and railroads of a different character, nor shall the commission have the right to establish any route, classification, rate, fare, or charge when the transportation is wholly by water, and any transportation by water affected by this act shall be subject to the laws and regulations applicable to transportation by water.

That simply indicates how impossible we found it at that time, although there was a complete review of the whole subject, to formulate a system of regulation of water commerce.

I would be opposed to the regulation of such commerce in this bill, even if there were no other reason than the one I have given; but there is another reason, and it is fundamental, and no matter how the bill might be amended, it would compel me to vote against it. The Government is attempting to do two contradictory things in this proposed law. It is, first, endeavoring to regulate water commerce by undertaking the commerce itself, by acquiring ships with the right to operate them under certain conditions, or to charter them to others, attaching such restrictions and limitations as it may see fit to attach for their operation. That is one way we are attempting to regulate water commerce in this measure. Not content with that, we immediately proceed to regulate all ships through a system of declarations concerning what they may do or what they may not do, and conferring power upon the shipping board to enforce such regulations.

Mr. President, there never was anything of the sort known in the history of mankind. I challenge the annals of the world to produce an instance in which a Government has attempted to regulate commerce, first, by describing how the commerce shall be carried on and subjecting those who are engaged in it to heavy penalties, and, next, by purchasing vessels and entering into competition with the very instrumentalities which it attempts to regulate. The two things, Mr. President, the two theories, are absolutely inconsistent with each other and irreconcilable, and they can not successfully live together. The one is Government ownership and operation and the other is Government regulation and restriction.

For these reasons, Mr. President, I shall favor the amendment proposed by the Senator from Ohio, although I would be very much better satisfied if our domestic commerce—that is, the coastwise commerce, including the commerce on the Great Lakes, the rivers, and the high seas—should be excluded entirely from the operation of this bill.

Of course it would leave no enforceable part of the bill if they were excluded from the regulatory provisions of the bill; but nevertheless we ought to exclude them until some one or somebody, some appointed commission or appointed committee, explores the subject of water-commerce regulation and composes a system which is applicable to it, for it is perfectly well known that the system we have established for railways will destroy water commerce if applied to it.

Mr. JONES. Mr. President, the idea is that this is a bill to develop the American merchant marine. The people of the country think this is a bill for the upbuilding of the American merchant marine, yet, Mr. President, that is far from the real object of the bill. The main features of the bill deal with the regulation of shipping, the regulation and fixing of rates, and all that sort of thing. There is not anything in the bill that looks to the upbuilding of the American merchant marine, except as it may be done by Government construction or Government purchase or Government lease.

The amendment of the committee is good as far as it goes. Before that amendment was put in, the bill provided for the regulation of rates, the regulation of domestic commerce, on the Great Lakes and on the high seas and on the rivers. By the insertion of this amendment the regulation of domestic commerce, so far as the rivers of the country are concerned, was eliminated, and that is the reason why I say it is good as far as it goes. The amendment proposed by the Senator from Ohio makes it better, because it goes a little further and relieves a little bit more of the domestic commerce from the regulations and restrictions imposed by the bill. If we were to go further and cut out the high seas, we would be doing still better.

Mr. GALLINGER. Mr. President, will the Senator permit me?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from New Hampshire?

Mr. JONES. I yield to the Senator.

Mr. GALLINGER. The bill as it came to the Senate did not include inland transportation on the rivers, did it?

Mr. JONES. Why, it includes all domestic commerce from a port of one State to a port of another State, whether by river, by Great Lakes, or by the high seas.

Mr. GALLINGER. How has the river transportation been eliminated?

Mr. JONES. By limiting it to the Great Lakes and the ocean.

Mr. GALLINGER. Oh, yes. The Senator thinks that the text of the bill as it came from the House did include rivers, although they are not specifically mentioned?

Mr. JONES. Yes; there is no question about that at all. The bill as it came from the House read in this way:

> The term "common carrier by water in interstate commerce" means a common carrier engaged in the transportation by water—

Now, that is whether by river, lake, or ocean—

> of passengers or property between one State, Territory, District, or possession of the United States and any other State, Territory, District, or possession of the United States, or between places in the same Territory, District, or possession.

So that the amendment of the committee simply restricts the application of the bill as it came from the House.

Mr. GALLINGER. That is undoubtedly right.

Mr. JONES. And, as I say, it is good to that extent.

Mr. President, this provision, if it is going to be left in and the amendment of the committee adopted, would be much better if it were further amended by providing that it shall apply only to the transportation of passengers or property by water on regular routes from port to port. Under the bill as it is and as amended by the committee this is a regulation of all sorts of these carriers by water, whether the vessel is one that is going regularly from one port to another or whether it is a vessel that goes this day to this port and then to another port to pick up a part of the cargo and to-morrow to some other port to pick up a part of the cargo and then to another port, and so on, finally going to its final destination, a port in another State.

Mr. President, I have had no experience in water transportation. I do not know very much about it from a practical standpoint; but, from what little knowledge I have and what observations I have made, it seems to me that the real tendency of this legislation, as it is proposed here, is to drive out of business what we might term the independent or the tramp carrier by water in domestic commerce, and confine the business to the regularly established steamship lines operating upon regular schedules.

I put in the RECORD the other day a letter from a practical business man, who not only has had great experience in the manufacturing business but who also has had a great deal of practical experience in water transportation; and I want to read an extract from that letter as bearing upon this particular proposition. After quoting the section of the bill providing for this regulation, he says:

> Apply this to the carrying of lumber from Oregon and Washington to California, in which service there are usually about 100 steam schooners operating under normal conditions. There are scarcely any two of them that will receive the same rate, and it is not often that they receive the same rate for two trips in succession, but change from trip to trip. Again, there is some lumber that is shipped in large lots from one mill, loading the boat in one day and unloading at the other end in one place in from one to two days. The same material is frequently shipped from a number of other mills in small quantities, so that a boat has to take three or four days more to get her cargo, sometimes taking as long as four or five days, and frequently has to deliver it at two or more places.

And, Mr. President, in the case of these vessels that do not operate on regular routes, a vessel, when it starts out, does not know whether it is going to get freight at this port or at that port, or where it is going to have to make delivery; and therefore it can not tell beforehand what its charge ought to be.

> Now, say such a boat is worth from $200 to $400 a day, according to the rate prevailing. It is very evident that the one cargo can be carried for much less than the other; and yet under this bill, as I understand it, it would have to be carried at the same rate. We have a large volume of lumber business moving in a much more exaggerated way than shown above. I have known a steamer coming in here putting on as many as 16 different parcels from a large number of mills, to be delivered to as many as 10 different places. How could any general tariff or freight rate apply to such a business as against a mill

that gives a boat a full load to a single point of delivery? In the one case each parcel has to be marked and kept separate; the boat is responsible if any of it is missing, mislaid, or delivered to the wrong party; so that you can readily see that one is worth a great deal more than the other. Yet it is the same kind of lumber, from the same point of origin, and to the same point of destination.

Oh, but, Mr. President, it is said: "This board will be a reasonable board. It will act in a reasonable sort of way. It will take all the varying conditions into account." Of course the board will attempt to act reasonably; but a board of this kind will have to make general rules. It can not make a rule that will apply to one boat at this port to-day and not apply to another boat at the same port or at a different port on the same day, or to a boat going to-morrow from the same port or from a different port to the same port of destination or some other port of destination. This board can not take up each particular case as it comes up, each particular instance and each particular ship.

That simply emphasizes what the Senator from Iowa [Mr. CUMMINS] has pointed out very clearly—the difference between this character of business and the railroad business, and the difficulty of regulating this kind of business as compared with regulating transportation by railroad. It is absolutely unworkable unless they make general rules, and the very moment they make general rules they interfere with the proper carrying out of the business as described by this gentleman here; and they will drive out, as I said, the independent or what may be termed the tramp ship from the domestic trade, and concentrate the business in the regular lines. In other words, it tends to monopoly.

This gentleman says further:

Another thing, the lumber market has always been subject to constant change either up or down, and so has the freight rate, largely in sympathy with the lumber market, but more often because of either plenty of tonnage or scarcity of it, which has been fully demonstrated during the last few years. Take, for instance, a year or two before the war, the first year of the war, and, in fact, up into last year freight was very low because tonnage was very plentiful.

Mr. FLETCHER. Mr. President, may I ask the Senator what his suggestion is as to an amendment there?

Mr. JONES. I have not suggested any amendment, except that I am supporting the amendment of the Senator from Ohio [Mr. HARDING]. I would much prefer to strike out the whole thing; but if that is not done, then I am going to propose an amendment after the words "Great Lakes" reading as follows: "on regular routes from port to port."

Mr. FLETCHER. I think I will not object to that amendment. I do not want to interfere with lines such as the Senator suggests, if he thinks his amendment will cure that. I believe this: The ocean tramp is not a common carrier and therefore is not affected by this bill; but to make it plain as to the ships that the Senator has in mind I am perfectly willing to accept that amendment.

Mr. JONES. I am very glad to hear the Senator say that, because I think myself that that will improve it very much, and I think I shall not read further from this letter, in view of the statement made by the Senator.

I just want to say this: Take it along the Columbia River, for instance, between Oregon and Washington. While I think that that is eliminated now by the language of the bill, it illustrates what would take place in some of the lake traffic where different States are involved in a very short route. Take it along that river: Here is a boat owned by some party at one point on the Washington side, and it plies up and down the river, going first over to an Oregon port and then coming back to a Washington port, and going over to an Oregon port and coming back to a Washington port between two terminal points, you might say. It is all interstate business, and yet the conditions at one port are entirely different from the conditions at another port. The vessel may stop at one port one day and go on past that port the next day to another, and so on. And so with reference to some points on the Lakes where the home port of the vessel may be near the boundary line between the States.

So, Mr. President, in view of the statement of the Senator, I shall not take further time on this matter. If the amendment of the Senator from Ohio is not adopted, then I shall offer the amendment that I have mentioned.

Mr. NELSON. Mr. President, the other day, when I first spoke on the bill, I called attention in a brief manner to the discrimination in this bill between transportation on rivers and on the Great Lakes. Now, I read from page 2. I quote the following language:

The term "common carrier by water in interstate commerce" means a common carrier engaged in the transportation by water of passengers or property on the high seas or the Great Lakes between one State, Territory, District, or possession of the United States and any other State, Territory, District, or possession of the United States, or between places in the same Territory, District, or possession.

That is the definition of a common carrier by water in interstate commerce. Now, turning to section 19, you find—

That every common carrier by water in interstate commerce shall establish, observe, and enforce just and reasonable rates, fares, charges, classifications, and tariffs—

And so forth. Then it requires, in the same section, as follows:

Every such carrier shall file with the board and keep open to public inspection, in the form and manner and within the time prescribed by the board, the maximum rates, fares, and charges for or in connection with transportation between points on its own route—

And so forth. Then, in line 17, it is provided:

No such carrier shall demand, charge, or collect a greater compensation for such transportation than the rates, fares, and charges filed in compliance with this section.

Then I read further:

Whenever the board finds that any rate, fare, charge, classification, tariff, regulation, or practice demanded, charged, collected, or observed by such carrier is unjust or unreasonable, it may determine, prescribe, and order enforced a just and reasonable maximum rate, fare, or charge, or a just and reasonable classification, tariff, regulation, or practice.

Now, under the language of the bill, with those provisions in section 19, which practically amount to the same regulation in respect to rates, and so forth, that the Interstate Commerce Commission has over railroad transportation, there can be no doubt at all but that it applies under this amendment to ships on the Great Lakes. Now, let me call attention to the discrimination, and I will put a concrete case.

New Orleans, one of the great commercial emporiums of the South, is situated on the Mississippi River somewhere about 100 miles above the mouth. It may be a little less or it may be a little more. I do not recall the exact mileage, but it is pretty near 100 miles. Now, that port would be immune from the regulations of section 19 of this bill, while the term "on the high seas" would include such ports as that of Jacksonville, in the Senator's own State. His port would be subject to the provisions of section 19. It would be regulated.

Vessels plying from Atlantic ports to Jacksonville would be subject to all the provisions and conditions of section 19, while vessels plying along the Atlantic coast or the Gulf coast up the river to New Orleans would be utterly immune under the provisions of the bill.

Now, there is the injustice of it and the discrimination. It is practically violating the spirit of the Constitution, which says that no preference shall be given to the ports of one State over those of another State. The port of New Orleans in that case would have an advantage and preference over the ports in the Gulf, over Pensacola, over Jacksonville, Miami, and all those other ports, because the term "on the high seas" includes all the ports close to the ocean, and it would include those ports, while the port of New Orleans would be utterly immune; it would be in a class by itself; and it would have an advantage in that respect over the ports on the Great Lakes.

One reason why this regulation of section 19 is dangerous and harmful arises from the fact which I briefly discussed at the outset in the consideration of this bill, and that is, it is a handicap and an embarrassment to what in common parlance are called tramp ships. All who are conversant with our lake and coastwise traffic know that there are schooners, sailing vessels, steam schooners, and a lot of vessels that can not be designated as plying on regular routes. They have not any fixed route or fixed time schedule. They go from port to port, wherever they can get any traffic to carry, and they are glad to get it at any rate they can in order not to be idle or to have to leave a port in ballast. Such tramps, and I call them that for short, in respect to rates are at the mercy of the ports at which they land and where they hope to get cargo. They must take the rate that port affords for the time being.

Now, those tramp vessels go from port to port, sometimes to one place, sometimes to another, along the coast, and how impracticable it is for them to file schedules with the shipping board. "Every such carrier," is the language on page 20 of the bill, in section 19, "shall file with the board and keep open to public inspection, in the form and manner and within the time prescribed by the board, the maximum rates, fares, and charges," and so forth.

Take a tramp vessel on the Pacific coast operating in the State which the Senator from Washington [Mr. JONES] so ably represents. Schooners ply there from the mills on Puget Sound carrying lumber to various ports along the coast. How is it possible for them to file schedules in every case? They come to a sawmill and get a cargo of lumber to carry. They do not know until they get to the mill to what port the lumber is going.

It may be a port close by and it may be a hundred miles off. As the Senator from Washington said, in order to get a full

cargo they have to take on board the ship before they proceed to sea cargoes, it may be, from a half dozen different ports along the coast, first stopping at one port and discharging, and it may be getting a little additional cargo there, or it may be not, and then going to another port, and so on, until ultimately, after they have touched at a half dozen or more ports, they may finally dispose of the cargo of lumber.

Does it not seem utterly preposterous, does it not seem perfectly impracticable to compel vessels engaged in that kind of traffic to file schedules and to adhere to those schedules? How utterly impracticable it is to have them prescribe rates in order to meet all the requirements. Those coast schooners would have to prescribe a rate for every time a boat would go to the great ports on the Pacific coast, and the same would apply to the Atlantic.

Mr. FLETCHER. Does the Senator think the amendment suggested by the Senator from Washington would meet those cases?

Mr. NELSON. I think an amendment of that kind would meet it.

Mr. FLETCHER. I am willing to accept it.

Mr. NELSON. I think an amendment of that kind ought to be inserted in that paragraph of the bill on page 1, because the phrase "running on regular routes" is open to a double construction. I think tramp steamers should be excluded both in respect to ocean traffic, as defined as common carriers in foreign commerce, and in respect to the coastwise trade. Ocean tramps, as commonly understood, should be excluded in both cases in order to make it clear.

I know the Senator from Florida, who is familiar with shipping conditions, knows more about it by experience than I do. He lives in one of the large coast cities of the South and is familiar with that traffic. He knows what a great service the ocean tramp is, whether in foreign commerce or in our domestic commerce. He knows what a great service they render to our carrying trade. I know their use on the Lakes, where they are a great advantage, because they make a lot of ports and aid people to reach ports of commerce that regular routes do not reach. But more than that, indirectly they are the regulator of rates on the regular routes. They will compel them, especially in heavy or bulky goods, such as the tramps carry, to keep down to the level of the tramp rate.

I suggest to the Senator that if an exception was made in both classes of cases of tramp carriers it would not be so bad. I can see how, in the case of vessels running on regular routes and regular schedules year in and year out, it is possible to regulate them, and how it is possible to have them file schedules of rates, and so forth, but I can not see how it is possible in the case of these tramps. Especially is it difficult in the coastwise trade.

I see the Senator from Louisiana [Mr. RANSDELL] is now here. I again call attention to the case of New Orleans and to the great advantage this gives that port. He was out of the Chamber when I spoke of it. It leaves New Orleans outside of the regulative power of section 19 of the bill. New Orleans is, as I said, about 100 miles, or near that—I forget whether it is a little less or a little more, the Senator will know—above the mouth of the river.

Mr. RANSDELL. It is about 108 miles, I will say to the Senator.

Mr. NELSON. I thought I was very near it. I called the attention of the Senate while the Senator was out to the fact that a vessel in the coastwise trade plying along the Atlantic or the Gulf coast would be utterly immune if they sailed up to New Orleans; they would not come under the regulative provisions of the bill, while a coastwise vessel entering Gulf ports, entering Pensacola, Mobile, Jacksonville, or Miami, or any of those ports, would be subject to the regulative provisions of section 19 from which I have just quoted. Mr. President, I ask that the entire section 19 be incorporated in my remarks at this point.

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Without objection, it is so ordered.

The section referred to is as follows:

SEC. 19. That every common carrier by water in interstate commerce shall establish, observe, and enforce just and reasonable rates, fares, charges, classifications, and tariffs, and just and reasonable regulations and practices relating thereto and to the issuance, form, and substance of tickets, receipts, and bills of lading, the manner and method of presenting, marking, packing, and delivering property for transportation, the carrying of personal, sample, and excess baggage, the facilities for transportation, and all other matters relating to or connected with the receiving, handling, transporting, storing, or delivering of property.

Every such carrier shall file with the board and keep open to public inspection, in the form and manner and within the time prescribed by the board, the maximum rates, fares, and charges for or in connection with transportation between points on its own route; and if a through route has been established, the maximum rates, fares, and charges for or in connection with transportation between points on its own route and points on the route of any other carrier by water.

No such carrier shall demand, charge, or collect a greater compensation for such transportation than the rates, fares, and charges filed in compliance with this section, except with the approval of the board and after 10 days' public notice in the form and manner prescribed by the board, stating the increase proposed to be made; but the board for good cause shown may waive such notice.

Whenever the board finds that any rate, fare, charge, classification, tariff, regulation, or practice, demanded, charged, collected, or observed by such carrier is unjust or unreasonable, it may determine, prescribe, and order enforced a just and reasonable maximum rate, fare, or charge, or a just and reasonable classification, tariff, regulation, or practice.

Mr. NELSON. Now, coming to the Great Lakes, I insist that the ports of the Great Lakes should have as fair a treatment as the port of New Orleans. The port of Chicago, the port of Toledo, the port of Cleveland ought to have the same privileges and enjoy the same benefits that the port of New Orleans enjoys.

We have on the Lakes two or three kinds of vessels. We have first passenger vessels that carry in addition to passengers what I call package freight. They run very fast; they run on regular routes; but the bulk of the tonnage on the Great Lakes is practically carried not by such route ships but by independent concerns, a species of tramps. They have, for instance, vessels built on the Great Lakes made expressly for the purpose of carrying iron ore from the head of the Lakes down to Chicago and ports on the Great Lakes, and then carrying coal or other bulky products back again to the Lakes. There are several kinds of vessels made for that traffic. To put those vessels under the strict regulation of this bill would be unfair and unjust.

Then, in addition to that, we have a lot of smaller concerns, independent concerns, that may own a vessel or two. There are steel sailing schooners on the Lakes and there are a great many steam schooners. We have a lot of those independent vessel owners who pick up business wherever they can get it along the shore of the Great Lakes. There are many places I have seen on the Great Lakes where large steam schooners and steel schooners touch on a port on the lake and load up with cordwood. They go to another port and they supplement their load with railroad ties. They go to another port and they put on some telegraph or telephone poles. In that way they pick up a load and do a lot of business that would not be done by vessels on regular routes.

It seems to me it would work a great hardship to compel those little independent schooners and small vessels doing that kind of a small traffic from port to port to file schedules and submit to all the regulative restrictions of this bill.

As has well been said by other Senators here, and I can say the same, there has been no demand for any of this kind of legislation that I know of from the people on the Great Lakes. None has come to me. One of the great ports on the Great Lakes, Duluth, is in the State that I have the honor, in part, to represent, and no demand has come from either the ship owners or those who employ shipping for any of this kind of legislation.

I have received one solitary single letter from a man at Minneapolis who has no interest in these matters, particularly in shipping, who thought it would be——

Mr. RANSDELL. Mr. President——

Mr. NELSON. I will yield in a minute. He thought it would be a good plan to regulate them, but he gave no reasons for his demand. Aside from him, I have not heard a word in favor of this legislation.

On the other hand, if the Senator will yield to me a little further, before we knew that this matter of the Great Lakes was to be put into the bill, before anybody supposed that they would be included within the scope of the bill, when it was thought that it only would include river navigation, the people of Minnesota, from St. Paul and Minneapolis down, protested against including river navigation within the regulative scope of the bill. Intrinsically and by itself I think it is just, but what I complain of is the discrimination between that and traffic on the Great Lakes. Why let the port of New Orleans——

The PRESIDING OFFICER. Will the Senator from Minnesota yield to the Senator from Louisiana?

Mr. NELSON. I will yield to the Senator. The Senator must excuse me; I had forgotten; I ought to have yielded to him sooner.

Mr. RANSDELL. I am very patient. I infer from the Senator's remarks that he thinks the port of New Orleans should be excluded from the terms of the bill because it is 110 miles from the Gulf. Am I correct in that?

Mr. NELSON. Certainly.

Mr. RANSDELL. Does the Senator contend that the city of Philadelphia should also be excluded from the terms of the bill because it is a considerable distance from the ocean, up the Delaware River?

Mr. NELSON. No; because there the tide ebbs and flows. The tide ebbs and flows up to Philadelphia and away beyond. It is an estuary of the ocean, while that is not the case with the port of New Orleans.

Mr. RANSDELL. It goes a long way up the river.

Mr. NELSON. The port of Jacksonville, too, I understand, is up the St. Johns River quite a distance, and I consider that within the purview of the bill under the phrase "on the high seas."

Mr. RANSDELL. I ask the Senator how he regards the port of Houston, Tex., on Buffalo Bayou, quite a distance from the Gulf?

Mr. NELSON. I think that comes within the definition as being on the high seas.

Mr. RANSDELL. It is on the high seas?

Mr. NELSON. As defined by our admiralty courts, I have not any doubt of it.

Mr. RANSDELL. What distinction does the Senator make between Houston and Philadelphia and New Orleans?

Mr. NELSON. Did the Senator refer to Houston? I thought he said——

Mr. RANSDELL. I said Houston, which is on Buffalo Bayou.

Mr. NELSON. Oh, I do not hold that in the same position as New Orleans, which is away up; it is not an estuary of the sea. The term "high seas," as defined by our courts—our admiralty courts—includes practically the ocean up to low water and it includes the estuaries and gulfs and bays of the ocean that have direct connection, but it does not include sounds. They are distinguished, as it were, from the ocean.

Mr. RANSDELL. I, of course, am not qualified to pass on a question of that kind, but I know in the minds of the committee in framing the bill all cities like Philadelphia and New Orleans and Jacksonville and Houston, which are served by ocean-going vessels, big-draft vessels, served not by river-commerce vessels at all but by vessels of the biggest draft, are regarded as subject to the terms of the bill. If they are not included in it, there certainly ought to be an amendment to include them, for there was no intention to leave them out. It is ocean-going commerce that we are trying to regulate, and all those cities have a tremendous ocean-going commerce. The Senator must not get the impression that New Orleans is enjoying any special privileges under the bill. If so, the Senator from Louisiana does not know it.

Mr. NELSON. Certainly it is. The steamboat traffic up and down the river is only nominal; it is a trifle. The shipping of New Orleans is shipping that comes up the river from the ocean and goes back to the ocean, and under the provisions of the bill there is a discrimination, because they are immune from the regulative provisions of section 19 of the bill.

Mr. RANSDELL. Will the Senator yield further?

Mr. NELSON. Certainly.

Mr. RANSDELL. I understand that the question as to whether certain commerce is ocean-going or internal must be determined by where that commerce is carried in the main. The big commerce out of New Orleans travels for 108 miles on the river. Then it goes on the Gulf of Mexico and on the Atlantic Ocean, perhaps on the Pacific Ocean, for thousands of miles. It is not river commerce; it is ocean commerce; it is commerce on the high seas, though it does travel for a small portion of the distance on that river, that estuary at the mouth of the river, that portion of the sea to that extent, for it is as deep almost as the sea up to the city of New Orleans, as you know, after you cross the bar. The distinguishing factor is, What kind of commerce is it? Is it commerce carried on internal waters or commerce carried on the high seas? Surely the great ocean commerce that passes from Philadelphia out to the sea is just as far, practically, from the sea as New Orleans. That is ocean-going commerce if it goes out on the ocean. If it is commerce merely on the Delaware River and on the bay or commerce, for instance, between Philadelphia and the city of Baltimore, that is not commerce on the high seas. But the ocean part of the commerce in the big ships I contend is just as much commerce on the high seas as that out of New York, or Boston, or Norfolk, or any of the great deep-water harbors.

Mr. NELSON. Why do you put in the term "high seas"? What is that for?

Mr. RANSDELL. That is to indicate commerce on the sea beyond the 3-mile limit.

Mr. NELSON. But you have two kinds of commerce at New Orleans. You have ships coming from foreign countries with their imports and going to foreign countries with their exports.

Mr. RANSDELL. That is true.

Mr. NELSON. They are engaged in foreign commerce; but then you come to the matter of inland commerce—that is, commerce between the different States. Let me read this language to the Senator and see how plain it is:

> The term "common carrier by water in interstate commerce" means a common carrier engaged in the transportation by water of passengers or property on the high seas.

You can not claim for New Orleans that it is on the high seas, nor that it is any estuary of the high seas.

Mr. RANSDELL. But I do claim that the commerce, while it starts on the river, has to go out and travel much farther on the high seas than it travels on the river in order to get to its destination.

Let us assume that a vessel is going from New Orleans to New York. It travels 108 miles on the river. Then it goes out in the Gulf of Mexico, passes away beyond the 3-mile limit, and travels on to New York way out of the 3-mile limit, I think, for something like 2,000 miles. Now, 2,000 miles of that voyage has been certainly on the high seas beyond the 3-mile limit. Will the Senator say that the commerce is determined by 108 miles of its journey or by 2,000 miles of its journey?

Mr. NELSON. There was a great demand which came from citizens of New Orleans and from the river towns to give them immunity from the provisions of this paragraph, and it was in order to give them immunity, in order to relieve them from the rules governing this class of shipping, provided in section 19, that that term "on the high seas" was injected. If that term was not in it, you would have no preference on the river. If the phrase "on the high seas or the Great Lakes" was not there, shipping at New Orleans would be exactly in the condition of our other coastwise shipping and would be subject to the regulations of section 19 and the other provisions of the bill. It was in order to give your river towns immunity that the phrase "on the high seas or the Great Lakes" was inserted, and the Senator knows it.

Mr. RANSDELL. I must differ respectfully with the Senator. It was to give immunity to internal commerce, commerce on the rivers of the land, but not the ocean-going portion of the commerce, to commerce carried by steamboats, as those that ply up the Ohio, for instance, the upper Mississippi, the Missouri, the Columbia, the upper Hudson, the lower Mississippi above New Orleans, the Red and all the various internal rivers of the country or the internal commerce carried on vessels other than ocean-going vessels. That is the way I understood it.

Mr. NELSON. Then let me ask the Senator, Have you any objection to striking out the term "on the high seas"?

Mr. RANSDELL. Certainly, I have objection to striking it out.

Mr. NELSON. Why do you object to it?

Mr. RANSDELL. Because I want to regulate commerce on the high seas.

Mr. NELSON. But not on the rivers?

Mr. RANSDELL. I think it stands on a very different footing.

Mr. NELSON. To show the Senator's good faith in this matter, if he wants to put his port in the same condition as the other ports in the coastwise trade, let him move to strike that out, and then there will be equality and a parity.

Mr. RANSDELL. I am entirely willing to put in the words the Senator wants to put in there, showing that New Orleans is included under the term "high seas."

The PRESIDING OFFICER (Mr. OWEN in the chair). The question is on the amendment proposed by the Senator from Ohio [Mr. HARDING]. [Putting the question.] The noes appear to have it.

Mr. SMOOT. I ask for the yeas and nays.

Mr. FLETCHER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested, and the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Gronna	McLean	Shafroth
Brady	Harding	Martin, Va.	Sheppard
Brandegee	Hughes	Martine, N. J.	Simmons
Bryan	Husting	Myers	Smith, Ariz.
Chamberlain	James	Nelson	Smith, Ga.
Chilton	Johnson, S. Dak.	Overman	Smoot
Clapp	Jones	Owen	Swanson
Clarke, Ark.	Kern	Penrose	Thomas
Cummins	Lane	Pittman	Thompson
Curtis	Lea, Tenn.	Pomerene	Wadsworth
Dillingham	Lee, Md.	Ransdell	Warren
Fletcher	Lippitt	Reed	Williams
Gallinger	McCumber	Saulsbury	

The PRESIDING OFFICER. Fifty-one Senators have answered to their names. A quorum is present.

The question is on the amendment proposed by the Senator from Ohio [Mr. HARDING] to the amendment of the committee.

Mr. SMOOT. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CURTIS (when his name was called). I am paired with the Senator from Arkansas [Mr. ROBINSON], and therefore withhold my vote. If at liberty to vote, I should vote "yea."

Mr. GALLINGER (when his name was called). I have a general pair with the Senator from New York [Mr. O'GORMAN], which I transfer to the Senator from Vermont [Mr. PAGE], and vote "yea."

The PRESIDING OFFICER (when Mr. OWEN's name was called). The present occupant of the chair transfers his pair with the Senator from New Mexico [Mr. CATRON] to the Senator from New Hampshire [Mr. HOLLIS], and will vote "nay."

Mr. REED (when his name was called). Transferring my pair with the Senator from Michigan [Mr. SMITH] to the Senator from Oklahoma [Mr. GORE], I vote "nay."

Mr. SAULSBURY (when his name was called). I have a general pair with the junior Senator from Rhode Island [Mr. COLT], and therefore withhold my vote.

Mr. SHAFROTH (when his name was called). I have a pair with the junior Senator from Washington [Mr. POINDEXTER]. I transfer that pair to the Senator from Illinois [Mr. LEWIS] and vote "nay."

Mr. SMITH of Georgia (when his name was called). I transfer my pair with the senior Senator from Massachusetts [Mr. LODGE] to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. STONE (when his name was called). I have a general pair with the Senator from Wyoming [Mr. CLARK]. In his absence I withhold my vote.

Mr. THOMPSON (when his name was called). I am paired with the Senator from Illinois [Mr. SHERMAN], but I transfer that pair to the junior Senator from Mississippi [Mr. VARDAMAN] and vote "nay."

Mr. JONES (when Mr. TOWNSEND's name was called). The Senator from Michigan [Mr. TOWNSEND] is necessarily absent on account of illness in his family. If he were present, the Senator from Michigan would vote "yea."

Mr. WADSWORTH (when his name was called). I transfer my pair with the Senator from New Hampshire [Mr. HOLLIS] to the Senator from New Mexico [Mr. CATRON] and vote "yea."

The roll call was concluded.

Mr. CURTIS. I transfer my pair with the junior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from Pennsylvania [Mr. OLIVER] and vote "yea."

Mr. STERLING. I transfer my pair with the Senator from Nevada [Mr. NEWLANDS] to the Senator from Nebraska [Mr. NORRIS] and vote "yea."

Mr. GRONNA. I have a general pair with the Senator from Maine [Mr. JOHNSON], but on this bill I am permitted to vote. I vote "yea."

Mr. WARREN. My colleague [Mr. CLARK of Wyoming] is absent. He is paired with the Senator from Missouri [Mr. STONE], as stated. If present, my colleague would vote "yea."

Mr. CHAMBERLAIN. I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER]. I understand if present he would vote as I shall, and I am therefore released from the pair. I vote "yea."

Mr. CHILTON (after having voted in the negative). I inadvertently voted. I desire to announce that I have a pair with the Senator from New Mexico [Mr. FALL], and for that reason I desire to withdraw my vote.

Mr. BECKHAM. I transfer my pair with the senior Senator from Delaware [Mr. DU PONT] to the Senator from Maine [Mr. JOHNSON] and vote "nay."

Mr. WEEKS. I wish to announce that my colleague [Mr. LODGE], who is unavoidably absent, has a general pair with the senior Senator from Georgia [Mr. SMITH]. If my colleague were present, he would vote "yea."

Mr. BRYAN (after having voted in the negative). I transfer my pair with the junior Senator from Michigan [Mr. TOWNSEND] to the Senior Senator from Texas [Mr. CULBERSON] and will allow my vote to stand.

Mr. MARTINE of New Jersey. I rise to announce the absence on official business of the Senator from Arkansas [Mr. ROBINSON], and I desire to state that he is paired with the Senator from Kansas [Mr. CURTIS].

Mr. TILLMAN. Mr. President, has the Senator from South Carolina [Mr. SMITH] voted, or has his pair been announced with another Senator?

The PRESIDING OFFICER. The Senator from South Carolina has not voted.

Mr. TILLMAN. I transfer my pair with the Senator from West Virginia [Mr. GOFF] to the Senator from South Carolina [Mr. SMITH] and vote "nay."

Mr. SMOOT. I desire to announce the absence of my colleague [Mr. SUTHERLAND]. He has a general pair with the senior Senator from Arkansas [Mr. CLARKE]. If my colleague were present, he would vote "yea."

Mr. LIPPITT. I have a general pair with the Senator from Montana [Mr. WALSH], but I am informed that I can transfer that pair to the junior Senator from Iowa [Mr. KENYON]. I will therefore make that transfer and vote "yea."

The result was announced—yeas 24, nays 36, as follows:

YEAS—24.

Borah	Curtis	Kern	Pomerene
Brady	Dillingham	Lippitt	Smoot
Brandegee	Gallinger	McNumber	Sterling
Chamberlain	Gronna	McLean	Wadsworth
Clapp	Harding	Nelson	Warren
Cummins	Jones	Penrose	Weeks

NAYS—36.

Ashurst	Johnson, S. Dak.	Phelan	Smith, Ga.
Bankhead	Lane	Pittman	Smith, Md.
Beckham	Lea, Tenn.	Ransdell	Swanson
Bryan	Lee, Md.	Reed	Taggart
Fletcher	Martin, Va.	Shafroth	Thomas
Hardwick	Martine, N. J.	Sheppard	Thompson
Hughes	Myers	Shields	Tillman
Husting	Overman	Simmons	Underwood
James	Owen	Smith, Ariz.	Williams

NOT VOTING—35.

Broussard	Goff	Newlands	Smith, Mich.
Catron	Gore	Norris	Smth, S. C.
Chilton	Hitchcock	O'Gorman	Stone
Clark, Wyo.	Hollis	Oliver	Sutherland
Clarke, Ark.	Johnson, Me.	Page	Townsend
Colt	Kenyon	Poindexter	Vardaman
Culberson	La Follette	Robinson	Walsh
du Pont	Lewis	Saulsbury	Works
Fall	Lodge	Sherman	

So Mr. HARDING's amendment to the amendment of the committee was rejected.

BILLS OF LADING.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 19) relating to bills of lading in interstate and foreign commerce.

Mr. POMERENE. Mr. President, several days ago I entered a motion to reconsider the vote by which the Senate disagreed to the amendments of the House, requested a conference with the House, and appointed conferees on the part of the Senate, and that the House be requested to return the message to the Senate. I now withdraw that motion, and in lieu thereof I move that the Senate concur in the amendments of the House of Representatives.

The PRESIDING OFFICER. The question is on the motion of the Senator from Ohio.

Mr. GALLINGER. Mr. President, we have no knowledge of what those amendments are.

Mr. CUMMINS. Is this the bill-of-lading measure?

Mr. POMERENE. It is the bill-of-lading measure.

The PRESIDING OFFICER. The question is on the motion of the Senator from Ohio [Mr. POMERENE] to concur in the House amendments.

Mr. GALLINGER. Let the amendments be read, Mr. President. We have no knowledge whatever of the amendments.

The PRESIDING OFFICER. The Secretary will read the amendments to the bill proposed by the House of Representatives.

The Secretary read the amendments of the House of Representatives, which were, on page 2, line 6, after "act," insert "unless upon its face and in writing agreed to by the shipper"; page 4, line 3, strike out "An" and insert "possession of the bill of lading and an"; page 7, line 3, after "loss," insert "theft"; page 7, line 4, strike out semicolon; page 7, line 8, strike out "the" and insert "The"; page 7, line 9, after "fees," insert "*Provided*, That a voluntary indemnifying bond without order of court shall be binding on the parties thereto"; page 9, line 6, after "him," insert "or in case of bulk freight and freight not concealed by packages the description made by him"; page 9, strike out lines 9 to 22, both inclusive, and insert in lieu thereof the following:

SEC. 21. That when package freight or bulk freight is loaded by a shipper and the goods are described in a bill of lading merely by a statement of marks or labels upon them or upon packages containing them, or by a statement that the goods are said to be goods of a certain kind or quantity, or in a certain condition, or it is stated in the bill of lading that packages are said to contain goods of a certain kind or quantity or in a certain condition, or that the contents or condition of the contents of packages are unknown, or words of like purport are contained in the bill of lading, such statements, if true, shall not make liable the carrier issuing the bill of lading, although the goods are not of the kind or quantity or in the condition which the marks or labels upon them indicate, or of the kind or quantity or in the condition they were said to be by the consignor. The carrier may also by inserting in the bill of lading the words "Shipper's weight, load, and count," or other words of like purport indicate that the goods were loaded by the shipper and the description of them made by him; and if such statement be true, the carrier shall not be liable for damages

caused by the improper loading or by the nonreceipt or by the misdescription of the goods described in the bill of lading: *Provided, however,* Where the shipper of bulk freight installs and maintains adequate facilities for weighing such freight, and the same are available to the carrier, then the carrier, upon written request of such shipper and when given a reasonable opportunity so to do, shall ascertain the kind and quantity of bulk freight within a reasonable time after such written request, and the carriers shall not in such cases insert in the bill of lading the words "Shipper's weight," or other words of like purport, and if so inserted contrary to the provisions of this section, said words shall be treated as null and void and as if not inserted therein.

On page 10, lines 1 and 2, strike out "the issuing of bills of lading" and insert in lieu thereof the following: "the receiving of goods and issuing bills of lading therefor for transportation in commerce among the several States and with foreign nations"; page 10, lines 2 and 3, strike out "the consignee named in a straight bill" and insert in lieu thereof the following: "the owner of goods covered by a straight bill subject to existing right of stoppage in transitu"; page 11, line 2, strike out "no" and insert "a"; page 11, line 2, strike out "except"; page 11, line 2, after "for," insert "all"; page 11, line 6, after the word "bill," where it first occurs, insert "and all other charges incurred in transportation and delivery"; page 12, line 8, after "negotiated," insert "free from existing equities"; page 16, line 23, after "lading," insert "purporting to represent goods received for shipment among the several States or with foreign nations"; page 17, strike out lines 14 to 16, both inclusive; page 17, line 17, strike out "43" and insert "42"; page 18, strike out line 9; page 18, strike out line 14; page 18, strike out lines 17 to 19, both inclusive; page 18, line 20, strike out "44" and insert "43"; page 18, line 22, strike out "45" and insert "44"; page 19, line 4, strike out "46" and insert "45."

Mr. NELSON. Mr. President, I wish to ask the Senator from Ohio a question. Is the shipper compelled to take such a bill of lading as is prescribed in the bill, or can he refuse to do so? If the carrier can impose such a bill of lading upon the shipper as is prescribed in the bill, I do not see but that the shipper is entirely at the carrier's mercy, and, if so, we have not made any progress in this matter.

Mr. POMERENE. Mr. President, the shipper is no more, and not so much, at the mercy of the carrier as he is under the present state of the law. I very much prefer the Senate provision, and I should like to see it adopted. The feature of shipper's load and count is only one of the many features of the bill. It is going to be impossible to get this legislation through at this session unless we accept the amendments made by the other House. I have satisfied myself of that, and I think that other Senators agree with me upon that subject.

Mr. JONES. Mr. President——

Mr. POMERENE. If the Senator will excuse me for just a moment, as I feel about this matter now I think that this bill should be adopted because of the other features contained in it, and I shall be glad to join with other Senators in seeking at the beginning of the next session to get the shipper's load and count in the shape we have been contending for.

Mr. NELSON. I desire to call the Senator's attention to the fact that, as I heard the provision read, the only exception to the imposition of such a bill of lading as is prescribed in the bill upon the shipper is in cases where there are scales on which the goods may be weighed, and the shipper then must make a written request to have them weighed. An oral request would not be sufficient. That is the only exception, and so I do not see that much advantage will be derived from the bill.

Mr. POMERENE. I think the Senator has overlooked the first part of the provision. Section 21 of the bill, as the Senate adopted it, reads:

SEC. 21. That when goods are loaded by a shipper, at a place where the carrier maintains an agency, such carrier shall, on written request of such shipper, and when given a reasonable opportunity by the shipper so to do, count the packages of goods if package freight and ascertain the kind and quantity of bulk freight, within a reasonable time after such written request, and such carrier shall not, in such cases, insert in the bill of lading, or in any notice, receipt, contract, rule, regulation, or tariff, "Shipper's weight, load, and count," or other words of like purport indicating that the goods were loaded by the shipper and the description of them made by him. If so inserted, contrary to the provisions of this section, said words shall be treated as null and void and as if not inserted therein.

The substitute for that section incorporated by the House reads as follows:

SEC. 21. That when package freight or bulk freight is loaded by a shipper and the goods are described in a bill of lading merely by a statement of marks or labels upon them or upon packages containing them, or by a statement that the goods are said to be goods of a certain kind or quantity, or in a certain condition, or it is stated in the bill of lading that packages are said to contain goods of a certain kind or quantity or in a certain condition, or that the contents or condition of the contents of packages are unknown, or words of like purport are contained in the bill of lading, such statements, if true, shall not make liable the carrier issuing the bill of lading, although the goods are not of the kind or quantity or in the condition which the marks or labels upon them indicate, or of the kind or quantity or in the condition they were said to be by the consignor. The carrier may also by inserting in the bill of lading the words "Shipper's weight, load, and count," or other words of like purport indicate that the goods were loaded by the shipper and the description of them made by him; and if such statement be true, the carrier shall not be liable for damages caused by the improper loading or by the nonreceipt or by the misdescription of the goods described in the bill of lading: *Provided, however,* Where the shipper of bulk freight installs and maintains adequate facilities for weighing such freight, and the same are available to the carrier, then the carrier, upon written request of such shipper and when given a reasonable opportunity so to do, shall ascertain the kind and quantity of bulk freight within a reasonable time after such written request, and the carriers shall not in such cases insert in the bill of lading the words "Shipper's weight," or other words of like purport, and if so inserted contrary to the provisions of this section, said words shall be treated as null and void and as if not inserted therein.

I recognize the fact that the House provision is not as satisfactory as the Senate provision, but I am satisfied it is the best we can get at this session of Congress. I have conferred as to this matter with other Senators who have been interested in it and who gave very great attention to it in the Committee on Interstate Commerce, and, after hearing from Members of the House of Representatives, I am sure those Senators agree with me that if we are to have legislation on this subject at this session it must be in the present form.

Mr. WARREN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Wyoming?

Mr. POMERENE. Yes.

Mr. WARREN. Does the Senator from Ohio believe that, on the whole, the situation will be very much benefited by the passage of this bill? I understand him to state very frankly that he is not satisfied with the bill in the form in which it was passed by the other House.

Mr. POMERENE. Oh, undoubtedly; there can be no question about it being a very great improvement upon the present law relating to bills of lading. I have had a number of letters from men who have studied this question who regret that the Senate provision was not adopted; but I think, with the exception of one association in Chicago, they have all urged that the bill in its present form be adopted, rather than fail. We can take the other matter up later.

Mr. WARREN. Let me say to the Senator that I do not understand that the failure to pass the bill at this session means a failure of the legislation, because the short session is soon to follow—perhaps almost as soon as we adjourn the present session—and it would seem to me better to let the bill go over and take it up at the next session in order that we may have it nearer right.

Mr. POMERENE. Mr. President——

Mr. WARREN. Now, here is one of the troubles—and there are others. You leave it entirely with the common carriers to say whether or not they shall afford standard facilities for loading, at some point on their system, a certain amount of freight. There they avoid all responsibility by marking the shipment "shipper's weight," and so forth, when, as a matter of right, the carrier should afford necessary facilities. It operates in this way: A great many commodities are bought and payment made as they are weighed into the cars, and the bills of lading are attached to a draft. The draft goes forward, and the consignee pays for the goods on the guarantee that he is getting the goods as described from the consignor, the shipper, and the railroad that receives it. Now, it is quite possible for a railroad to avoid all of that.

Take, for instance, the matter of wool. It goes in sacks plainly showing what it is. It is always weighed in by a railroad agent, and whether the railroad furnishes the scales or whether the shipper furnishes the scales makes no difference if the railroad accepts the weight of those scales, even though the railroad has not standard facilities or a regular agent constantly stationed there. I do not know why they should not be as responsible, whether they furnish the scales, and so forth, or not, if they accept the weight and description. They never allow a shipper to load the wool and accept it as such without having present some temporary or regular agent of the road, and they should not do it.

Mr. POMERENE. Mr. President, this bill provides that where the shipper of bulk freight installs and maintains adequate facilities for weighing such freight, and the same are available to the carrier, then the carrier must weigh it.

Mr. WARREN. But here is what they do: They erect a platform where there is no station and they either provide a little movable platform scale or the shipper does, and they send their agent there and ship the wool, and the billing is made from some other town. What would the Senator say as to whether that constituted "proper facilities" or not?

Mr. POMERENE. Mr. President, I would not presume to pass upon that question.

Mr. WARREN. The Senator can see where the question of proper facilities comes up.

Mr. POMERENE. The Senator can get no quarrel with me as to the respective merits of those proposals.

Mr. WARREN. I would not have any quarrel with the Senator under any circumstances.

Mr. POMERENE. Oh, surely; I admit that; I spoke good-naturedly, of course. I realize very fully what I believe is the great merit of the Senate provision; but this bill has been traveling a pretty rocky road. The Senate has passed it three different times, and each time when it got over to the House we never were able to get it out of the committee until very recently. After a number of hearings over there—and the committee went into it very thoroughly—there was some little objection to it on the part of certain Members of the House committee, but it finally passed the House in its present form, and I think there are only probably two amendments here to which I can take exception. One—and the principal one—is this "shipper's load and count" provision. But I am convinced that we would be making a serious mistake if we did not take this bill as it came over; and then, with further study of it, perhaps we can get those who favor as well as those who are opposed to this shipper's load and count provision to have it whipped into a shape that will meet the approval of everybody.

Mr. WARREN. That is what I want to be assured of by the Senator on behalf of his committee; because the Senator, I know, sees, and anyone who is in the habit of shipping or receiving freight knows, that there is a great wide-open, uncertain place that interferes very materially with the due course of business and gives opportunities for a carrier to avoid the responsibility it should take. I should like to be assured that the Senator will take it up again.

Mr. POMERENE. We want to prevent all that. Of course the Senator from Iowa [Mr. CUMMINS] is here, and he has given a vast deal of attention to this bill; so have the Senator from Connecticut [Mr. BRANDEGEE], the Senator from Arkansas [Mr. ROBINSON], and others; but I think we would all agree that we prefer the Senate provision, and I, for one, will not be satisfied until we get it. I think that can be taken up later, and that we can get it in such shape during the coming session that everybody will be satisfied with it.

Mr. WARREN. With that assurance from the Senator—and I know how much time and ability he has given the bill—I do not feel like opposing it; but I should certainly feel like opposing it, and opposing it strenuously, unless we have some rainbow of hope that very soon in the future we may make up for what is lacking in this measure, not only the point we have just discussed, but the matter of obliging railroads to always fully protect their through bills of lading, thus covering consignee and consignor against later attacks.

Mr. POMERENE. I think the Senator can rest assured that there will be something along that line.

Mr. GRONNA. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from North Dakota?

Mr. POMERENE. Yes; certainly.

Mr. GRONNA. I want to ask the Senator if he has taken into consideration how this bill would affect those who have to ship commodities in bulk?

Mr. POMERENE. Yes. This whole matter has been thrashed out in every conceivable way, and I can not express myself otherwise than I have thus far.

Mr. GRONNA. The Senator knows that in ninety-nine cases out of a hundred the common carriers have no scales whatever.

Mr. POMERENE. I think the Senator is correct; that is, at the distant points in the country, where, for instance, there may be lumber loaded or something of that kind.

Mr. GRONNA. Or grain of all kinds.

Mr. POMERENE. Yes; I think that is, perhaps, true.

Mr. GRONNA. Under the present system and under the present rule, when a carload of grain is being shipped out it is generally weighed by the elevators; but we compel the railroad companies, the common carriers, to pay for leakage, because it has been weighed by the elevator men. Under the provisions of this bill the common carrier is made immune, and would not have to pay for the loss of grain in transit.

Mr. POMERENE. No; I think not.

Mr. GRONNA. I want to say that I am opposed to this bill, and I hope we will be given the right to have a record vote on it. It ought not to pass in the present form.

Mr. JONES. Mr. President, I want to ask the Senator a question.

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Washington?

Mr. POMERENE. I do.

Mr. JONES. I do not know very much about this bill. I am not a member of the committee; but I have a great deal of confidence in the judgment of the Senator from Ohio [Mr. POMERENE] and the Senator from Iowa [Mr. CUMMINS], who have given this matter a great deal of attention, I know.

As I understand, the provisions from which the Senate is practically receding the members of the Interstate Commerce Committee think are quite important, and much preferable to the House provisions. It is suggested that the bill should go through now, and that we can take it up at the next session. The Senator from Wyoming [Mr. WARREN] suggested that the next session is not very far away—only two or three months, at the outside.

Now, if the provisions on which the Senate is giving way are to be taken up as a separate measure, and there is considerable objection to them in another body, there will not be very much hope of getting through such a bill as a separate measure in the next session; so it occurs to me that we would not lose a great deal by delaying the matter two or three months, and that the chances of getting this provision worked out in good shape would be a good deal better with all the other provisions in the bill.

I have no doubt the Senator has given that question consideration, and if his judgment is to the contrary of course I will not make any objection.

Mr. POMERENE. I have, Mr. President. Of course, I can not anticipate exactly what would happen if the whole bill were to go over until the next session; neither can I anticipate what may happen, either in the Senate or in the House, if we limit the new bill which we have in mind to the subject of shippers' load and count. I do know, however, from a very considerable study of this matter, that objectionable though this section of the bill is, there are so many other provisions in it that are going to be of very great benefit to the commerce of the country that it would be little short of a calamity if this bill did not pass now.

To illustrate: I referred the other day to the rule that has been announced in the Friedlander case. The Senator will remember that our Supreme Court has repeatedly held, and probably the last time in the Friedlander case, that where a freight agent issues a bill of lading without receiving the goods, and the bill of lading is negotiated as collateral at some bank and gets into the hands of an innocent holder, the railroad can make the defense that the act of the agent was ultra vires, in that he had no right to issue a bill of lading without receiving the goods called for therein, and can thereby avoid liability.

Mr. GRONNA. Mr. President, may I ask the Senator a question?

Mr. POMERENE. Yes.

Mr. GRONNA. Has the Senator any idea how that will affect the shipper of grain or the shipper of any other commodity, if we pass this bill?

Mr. POMERENE. Mr. President, my judgment is that it will leave him in somewhat better condition than he is in at the present time, but not in as good condition as I should like to have him.

Mr. GRONNA. Will it not also relieve the common carrier from any responsibility?

Mr. POMERENE. Why no; I think not, except upon the terms provided for herein.

Mr. GRONNA. Why, yes; therefore we are better off without the bill. We would be better off with present conditions than with the bill as proposed by the Senator from Ohio.

Mr. POMERENE. No; not by any means. I must differ from the Senator in that respect.

Mr. GRONNA. Mr. President, I am opposed to this bill in its present form. I believe it is a bill absolutely in the interest of the banker and the common carrier. I know something about how this business is transacted. Where a bill of lading is made out, and a draft made upon that bill of lading, this bill would to a large extent prevent and prohibit those who ship goods and take the bill of lading and make a draft upon it from getting money on it at all.

The Senator from Ohio [Mr. POMERENE] has said that this is an improvement. The Senator from Ohio can not show that it is an improvement nor that it is a benefit to anyone except the banks and the common carriers. I challenge any Senator on this floor to show that this is a benefit to the shipper. On the contrary, it is going to be a disadvantage. It is going to be a disadvantage from two points of view: First, you will practically prohibit the shipper from drawing a draft upon a bill of lading, because no banker will be foolish enough to honor that draft with these words, "shipper's weight, load, and count," written upon the face of that bill of lading. In the second place, Mr. President, the carrier will not be held responsible

for any of the leakage; and in the grain trade I want to say to you that that amounts to millions of dollars every year in our State alone.

Mr. President, I know how hopeless it is to try to prevent legislation that is being enacted nowadays by the present administration. I suppose it is absolutely useless for anyone to raise his voice against any of these measures; but I want to assure the Senator from Ohio that he and other Senators who have been instrumental in perfecting this bill will hear from the shippers when this bill has taken effect.

The PRESIDING OFFICER (Mr. BRYAN in the chair). The question is on concurring in the amendments of the House of Representatives.

Mr. GRONNA. On that I ask for the yeas and nays.

The PRESIDING OFFICER. Is the request seconded? [A pause.] It is not seconded by a sufficient number.

Mr. GRONNA. I think more than a fifth of the Senators present have seconded the request.

The PRESIDING OFFICER. The question is on concurring in the amendments of the House.

The amendments were concurred in.

THE MERCHANT MARINE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15455) to establish a United States shipping board for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a merchant marine to meet the requirements of the commerce of the United States with its Territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and interstate commerce of the United States; and for other purposes.

The SECRETARY. The question is on the reported amendment of the committee on page 2, line 4.

Mr. JONES. Mr. President, I move to amend the amendment by inserting after the words "Great Lakes" the words "on regular routes from port to port."

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The SECRETARY. After the words "Great Lakes," on line 4 and line 11, it is proposed to insert "on regular routes from port to port."

Mr. FLETCHER. Mr. President, I want to pursue the regular course and have the committee amendments acted on first, and then have the others offered. This is practically an amendment to the amendment, however——

Mr. JONES. Yes.

Mr. FLETCHER. And I have no objection to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment was, on page 2, line 14, after the word "forwarding," to strike out "ferrying, towing"; in line 15, after the word "furnishing," to strike out "transfer, lighterage"; and in line 16, after the word "facilities," to strike out "in or," so as to make the clause read:

The term "other person subject to this act" means any person not included in the term "common carrier by water," carrying on the business of forwarding or furnishing wharfage, dock, warehouse, or other terminal facilities in connection with a common carrier by water.

The amendment was agreed to.

Mr. JONES. Mr. President, I want to ask whether an amendment would now be in order striking out any of the other words in that paragraph, or whether the Senator would prefer to let that go over?

Mr. FLETCHER. I should prefer to let that go over.

Mr. JONES. Very well.

The reading of the bill was resumed.

The next amendment was, in section 3, page 3, line 10, after the words "composed of," to strike out "the Secretary of the Navy and the Secretary of Commerce, as members ex officio, and"; so as to make the clause read:

That a board is hereby created, to be known as the United States Shipping Board, and hereinafter referred to as the board. The board shall be composed of five commissioners, to be appointed by the President, by and with the advice and consent of the Senate; said board shall annually elect one of its members as chairman and one as vice chairman.

The amendment was agreed to.

The next amendment was, in section 4, page 4, line 16, after the word "board," to strike out "except the ex officio members"; so as to make the clause read:

SEC. 4. That each member of the board shall receive a salary of $10,000 per annum. The board shall appoint a secretary, at a salary of $5,000 per annum, and employ and fix the compensation of such attorneys, officers, naval architects, special experts, examiners, clerks, and other employees as it may find necessary for the proper performance of its duties and as may be appropriated for by the Congress. The President, upon the request of the board, may authorize the detail of officers of the military, naval, or other services of the United States for such duties as the board may deem necessary in connection with its business.

The amendment was agreed to.

The next amendment was, in section 5, page 6, line 3, after the word "purposes," to insert: "and to make necessary repairs on and alterations of such vessels: *Provided*, That neither the board nor any corporation formed under section 11 in which the United States is then a stockholder shall purchase, lease, or charter any vessel—

"(a) Which is then engaged in the foreign or domestic commerce of the United States, unless it is about to be withdrawn from such commerce without any intention on the part of the owner to return it thereto within a reasonable time;

"(b) Which is under the registry or flag of a foreign country which is then engaged in war;

"(c) Which is not adapted, or can not by reasonable alterations and repairs be adapted, to the purposes specified in this section;

"(d) Which, upon expert examination made under the direction of the board, a written report of such examination being filed as a public record, is not without alteration or repair found to be at least 75 per cent as efficient as at the time it was originally put in commission as a seaworthy vessel," so as to make the clause read:

SEC. 5. That the board, with the approval of the President, is authorized to have constructed and equipped in American shipyards and navy yards or elsewhere, giving preference, other things being equal, to domestic yards, or to purchase, lease, or charter, vessels suitable, as far as the commercial requirements of the marine trade of the United States may permit, for use as naval auxiliaries or Army transports, or for other naval or military purposes, and to make necessary repairs on and alterations of such vessels: *Provided*, That neither the board nor any corporation formed under section 11 in which the United States is then a stockholder shall purchase, lease, or charter any vessel—

(a) Which is then engaged in the foreign or domestic commerce of the United States, unless it is about to be withdrawn from such commerce without any intention on the part of the owner to return it thereto within a reasonable time;

(b) Which is under the registry or flag of a foreign country which is then engaged in war;

(c) Which is not adapted, or can not by reasonable alterations and repairs be adapted, to the purposes specified in this section;

(d) Which, upon expert examination made under the direction of the board, a written report of such examination being filed as a public record, is not without alteration or repair found to be at least 75 per cent as efficient as at the time it was originally put in commission as a seaworthy vessel.

Mr. JONES. Mr. President, just a word.

I think this amendment, taken as a whole, improves paragraph 5 very considerably. Personally, I should much prefer to have had a rearrangement of section 5, so as to make the auxiliary features of these vessels the primary purpose for which we are going to spend this $50,000,000, and then have them constructed, as they might be without interfering with that purpose, so as to make them adaptable for commercial needs. But the committee would not consider that proposition, and I am satisfied that the Senate would not vote contrary to the report of the committee in that respect.

I was also very anxious to cut out this proposition of purchasing or leasing or chartering ships. My idea is that if the Government is going to spend any money to get ships it ought to spend it for the building of ships, so that it will know that the ships that it gets will be new ships and that they will be additional ships to the carrying facilities of the world, and I should like to see this money all spent at home for American labor and for American materials.

I have already expressed my views with reference to the special terms of the bill. I should like to have seen the provision with reference to the construction of these ships in domestic yards and elsewhere made more restrictive than it is, so that there will be scarcely any question but that any new ships we do build or have built will be built in American shipyards. I doubt very much whether the ships that we have built under this section after normal times come to us will be built in American yards; but the limitation put on by the committee by way of amendment practically eliminates the purchase of ships, and confines the operation of this section in a practical way to the building of ships and the expenditure of the money that we appropriate herein for that purpose. Therefore I am glad to see these amendments put on, because of the limitations that they impose upon the right of the board to purchase ships abroad.

The provision with reference to the purchase of ships under registry of a foreign country engaged in war I think is a very important one. It was probably much more important when the other bill was pending than it is now. Possibly, if it had been

put in then, we would not have had this trouble at this time. We probably would have ended it before.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, in section 9, page 7, line 16, after the word "licensed" to insert "or both registered and enrolled and licensed."

Mr. NELSON. Mr. President, I have an amendment to that. I move to strike out, in the amendment, in line 16, after the word "registered," the words "or enrolled and licensed, or both registered and enrolled and licensed," so that, if amended, it will read:

That any vessel purchased, chartered, or leased from the board may be registered as a vessel of the United States and entitled to the benefits and privileges appertaining thereto.

The object of that is to exclude these vessels from the coastwise trade.

Mr. HARDING. Mr. President, will the Senator yield?

Mr. NELSON. Certainly.

Mr. HARDING. I am wondering if the Senator from Minnesota would not allow the completion of the reading of the section. Then I will submit an amendment that will make all the changes necessary to cover this point. If that is agreeable to the Senator——

Mr. NELSON. Certainly.

Mr. JONES. I suggest to the Senator that we are adopting these amendments as we go along.

Mr. HARDING. As I understand, the amendments to a section are adopted; are they not?

Mr. JONES. We are adopting each amendment as we come to it.

Mr. CLARKE of Arkansas. Mr. President, I did not understand that the amendment offered by the Senator from Minnesota had been adopted.

The PRESIDING OFFICER. No. The Chair understood that the Senator from Minnesota had withdrawn his amendment, in response to the suggestion of the Senator from Ohio that he would offer a substitute.

Mr. HARDING. I only asked that on condition that when the section is completed I may offer an amendment covering those matters in the different parts of the section.

The PRESIDING OFFICER. The Senator can; certainly.

Mr. NELSON. Under those circumstances I shall offer my amendment now, to strike out the words "or enrolled and licensed, or both registered and enrolled and licensed."

Mr. FLETCHER. Mr. President, I think the question would come up first on agreeing to the committee amendment. If the committee amendment is agreed to, then it would clearly indicate that the purpose is to have these vessels registered and enrolled. If the Senate amendment is rejected, then the Senator's amendment would be in order.

Mr. NELSON. I have no objection if my amendment will be in order after the committee amendment has been agreed to, but while that amendment is pending it is subject to amendment, and my amendment is to strike that out, together with some other words.

Mr. FLETCHER. But the Senator can not strike out something that has not been put in. The first thing would be to act on the amendment of the committee, it seems to me.

Mr. GALLINGER. Mr. President, I think the Senator is wrong about that. While there may have been an agreement—I do not know whether there was or not—to act first upon committee amendments, there is no doubt that the committee amendments are amendable.

The PRESIDING OFFICER. The difficulty is that the Senator from Minnesota is not offering an amendment to the committee amendment. He is offering an amendment to strike out part of the text of the bill, and the Chair thinks——

Mr. GALLINGER. Oh! I beg pardon.

Mr. NELSON. My motion is to strike out the committee amendment.

The PRESIDING OFFICER. The committee amendment has not been agreed to yet.

Mr. NELSON. I move to amend the committee amendment—I will put it in that form—by striking out those words, "or enrolled and licensed, or both registered and enrolled and licensed."

The PRESIDING OFFICER. Those words are not in the committee amendment. The Senator can get at it by moving to strike the words "or enrolled and licensed" out of the text of the bill.

Mr. FLETCHER. The only comment I have to make on that is that I would prefer that the amendments of the committee be first acted on. Then amendments can be offered from the floor.

The PRESIDING OFFICER. The question is upon the amendment offered by the Senator from Minnesota to the amendment of the committee.

Mr. JONES. Mr. President, as I understand the Senator from Ohio, he has what he will propose as a substitute for the various amendments proposed by the committee to this section.

Mr. HARDING. Covering the entire section.

Mr. JONES. Yes. Therefore I want to ask whether the Senator from Florida would have any objection to having all of section 9 read and then permitting the Senator from Ohio to offer his amendment as a substitute for the various amendments proposed by the committee?

Mr. FLETCHER. I should think that would be all right; but let us first perfect the section according to the committee amendments, and then we can offer the other as a substitute for the whole.

Mr. JONES. I did not understand that the Senator from Ohio had a substitute for the entire section.

Mr. HARDING. Mr. President, the amendment which I will propose affects both the bill as submitted to the Senate and the committee amendments; and it would be a very simple matter, after the reading of the section, to offer the amendment correcting the phraseology of the entire section. Then it would clear up this whole question in one submission of the amendment.

Mr. FLETCHER. That would cover the first paragraph of section 9.

Mr. HARDING. My amendment covers both the first paragraph of section 9 and the fourth paragraph.

Mr. FLETCHER. I do not see why we could not go on and act upon the committee amendment as proposed, and then afterwards the Senator would have a right to offer his as a substitute for the whole.

Mr. HARDING. I have no objection to that method of getting at it if the Senator from Florida will not object to my offering this amendment when the committee amendment is completed.

Mr. CLARKE of Arkansas. The matter may be made plain by the Senator from Ohio offering his amendment now as a substitute for the entire section. Then we shall have the privilege of amending the original text and subsequently to amend the text of the Senator's amendment, and then the question will come on the motion to strike out and insert.

Mr. HARDING. Very well; I submit the following.

The PRESIDING OFFICER. Does the Senator from Minnesota withdraw his amendment?

Mr. NELSON. I withdraw the amendment.

The PRESIDING OFFICER. The amendment proposed by the Senator from Ohio will be stated.

The SECRETARY. On page 7, section 9, line 16, strike out the words "or enrolled and licensed"; on page 7, line 17, strike out the words "or both registered and enrolled and licensed"; on page 8, line 2, reinsert after the word "may" the word "not"; on page 8, line 9, strike out the words "or enrollment and license"; and on page 9, line 1, strike out the words "or enrolled and licensed."

Mr. HARDING. Mr. President, the suggested change of language for the bill, if written into section 9, will accomplish the purpose of denying the enrollment or license of foreign-built vessels either purchased or leased in the American coastwise trade. Having somewhat discussed this question before three or four Senators the other day, I will not attempt to enter into a lengthy argument at this time. I only want to make a final appeal to this body that we let alone the one splendidly established branch of the American merchant marine which has been built up under a fostering protective policy.

I am very much opposed to the entry of foreign-built ships, of ships purchased or leased from foreign owners, into this line of American shipping. I know of no call for it. I should like to relieve from the operations of the proposed law this one branch of water shipping in which we Americans excel.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Iowa?

Mr. HARDING. Certainly.

Mr. CUMMINS. As I understood the amendment it would not accomplish what the Senator from Ohio has in view. I may not have understood it perfectly. If adopted, the section would read:

That any vessel purchased, chartered, or leased from the board may be registered as a vessel of the United States and entitled to the benefits and privileges appertaining thereto: *Provided*, That foreign-built vessels admitted to American registry under this act—

Omitting then some intermediate provision—

may engage in the——

Mr. HARDING. "May not." The amendment reinserts the word "not."

Mr. CUMMINS. That is the part I did not catch.

Mr. HARDING. The amendment carries the reinsertion of the word "not." I will be glad to have the Secretary verify it.

The SECRETARY. A part of the amendment, on page 8, line 2, proposes to reinsert, after the word "may," the word "not," and disagree to the committee amendment.

The PRESIDING OFFICER. The Chair will say to the Senator from Ohio that he has not offered a substitute for section 9. He has offered a number of amendments, some of them amendments to the amendments of the committee, some of them restoring language in the House text which the committee amendment strikes out. That question comes up on the question whether the committee amendment shall be agreed to. The Senator from Ohio is in order to offer an amendment to the amendment. He offers to strike out the words "or enrolled and licensed," in line 16. The question is on that amendment to the amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is upon the motion of the Senator from Ohio to strike out the words "or enrollment and license," on line 9, page 8. [Putting the question.] The noes seeem to have it. The noes have it.

Mr. WADSWORTH. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from New York suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Dillingham	Lea, Tenn.	Simmons
Bankhead	Fletcher	Lee, Md.	Smith, Ga.
Beckham	Gallinger	McLean	Smith, Md.
Borah	Gronna	Martin, Va.	Smoot
Brady	Harding	Martine, N. J.	Taggart
Bryan	Hardwick	Nelson	Thomas
Chamberlain	Hughes	Overman	Underwood
Chilton	Husting	Owen	Wadsworth
Clapp	James	Phelan	Warren
Clarke, Ark.	Johnson, S. Dak.	Ransdell	Weeks
Culberson	Jones	Reed	Works.
Cummins	Kern	Shafroth	
Curtis	Lane	Sheppard	

Mr. MARTINE of New Jersey. I desire to announce the necessary absence of the Senator from Kansas [Mr. THOMPSON] and the Senator from Arkansas [Mr. ROBINSON]. The Senator from Kansas is paired with the Senator from Illinois [Mr. SHERMAN].

The VICE PRESIDENT. Fifty Senators have answered to the roll call. There is a quorum present.

Mr. GALLINGER. Mr. President, before the vote is taken on the motion of the Senator from Ohio [Mr. HARDING] I want to say that during this entire discussion I have never received any intimation from any person or corporation in New England concerning the advisability of allowing foreign ships to enter the coastwise trade. The opposition to that proposition is universal and is condemned on all hands.

I am not going to occupy the time of the Senate in discussing the matter, because I have gone over that already, but I wish to put in the RECORD a letter from Capt. J. G. Crowley, of the Coastwise Transportation Co., of Boston, a man who has done as much to develop shipping as any other man in this country, who has devoted his life practically to this great interest, and who, in common with all other people in New England, feels a sense of very deep regret that this attempt is being made, regarding it as unnecessary and in the highest degree harmful to the real interests of American shipping. I ask that Capt. Crowley's letter may be read by the Secretary.

The VICE PRESIDENT. Without objection, the Secretary will read.

The Secretary read as follows:

BOSTON, MASS., *July 26, 1916.*

Hon. JACOB H. GALLINGER,
United States Senate, Washington, D. C.

MY DEAR SIR: I wish to enter an earnest protest against part of the Government ship-purchase bill whereby foreign-built ships purchased by the Government will be allowed in the coastwise trade, as I do not think foreign-built ships purchased should be allowed in the coastwise trade to compete with American-built ships.

My company now have 10 ships built in American shipyards and are building 7 more—some of these are for my company and the others are to be managed by this company.

I trust when this bill comes before your honorable body you will use every effort to have this part of the bill stricken out.

Respectfully, yours,

COASTWISE TRANSPORTATION CO.,
J. G. CROWLEY,
General Manager and Treasurer.

Mr. HARDING. Mr. President, I have sent to the desk a substitute for section 9 so written that if adopted it would eliminate entirely the possibility of the enrollment and registry of a foreign-built vessel in the American coastwise trade.

I wish to add just one sentence at this time. I believe the tendency in American legislation has emphasized the fact that there is sometimes greater necessity for preservation than attempted construction, and I want those who believe in an American merchant marine to vote for this measure to preserve that which we now have.

Mr. UNDERWOOD. Mr. President, I did not intend to engage in this debate, and I do not desire to delay the passage of the pending bill, but I do not propose to keep my seat and allow the impression to prevail that all the people of the United States believe that the existing laws in reference to a coastwise service are beneficial to the American people. There has been no greater monopoly that has ever been established under the laws of this Government than the monopoly growing out of the laws to protect the coastwise shipping. A part of the people of the United States may have been partially served under existing law, but under existing law there has been a very grave injustice done to many of the people of the United States.

I am not familiar with conditions on the seaboard or the eastern coast, neither am I familiar with conditions on the Great Lakes. On the Great Lakes, of course, all the shipping is coastwise shipping, practically, although a vessel may leave the Great Lakes occasionally for foreign trade. I presume that practically all of it is in the coastwise trade.

I am disposed to believe from what I have heard that there may be fair service on the eastern seaboard, but the man who contends that the present condition of the coastwise shipping trade meets the demands and the needs of the people on the Gulf coast or the people on the Pacific coast is contending for a proposition that the facts do not justify.

To maintain a proposition that we on the Gulf coast may have produce at our ports, that we may have cotton bales lying at New Orleans or Mobile or Pensacola, or pig iron or the other products of our people, ready for shipment to the eastern market that the present coastwise shipping is unable to handle and does not handle, and that we must be compelled to pay the freight rates to the eastern seaboard for the carrying of that freight under present conditions and that there shall be no relief, is contending for a proposition that I stand ready to repudiate. If a foreign tramp steamer comes into a southern port eastward bound we may load it with a cargo going to England or to France, but if we load our cotton or our pig iron aboard that ship going to New York or Boston we are sent to jail for it.

You created this monopoly many years ago. If the development of this industry under your laws had grown to the extent that it was able to serve the people of the United States and carry the freight that they desire shipped by sea in order to carry cheaper freight rather than send it by railroad, in which case they must of necessity pay higher freight, you might justify your position, but you can not justify your position because you have a condition on the eastern seaboard that is not satisfactory and does not serve other portions of the country.

If you intend to continue this monopoly that has existed for 75 years, then your monopoly must serve the people of the United States; but it has not done so. We are entitled to transportation by water that will compete with transportation by rail and enable us to have better and cheaper transportation facilities for the products of our soil and the products of our factories. You seek to deny that to us. You seek to deny it to us by artificial means, by passing laws that make it a criminal act for us to ship our goods in any ships except the ships that are protected by your monopoly. You have had 75 years in which to make good, and you have not made good.

The Republican Party confessed itself that it had not made good when it repealed the coastwise shipping laws in so far as they relate to some of our colonial possessions. You admitted that your law was wrong and could not serve the people. You have heard continual complaint from the Pacific coast that under the coastwise shipping laws you could not get the bottoms to carry the freight from the Pacific coast to the eastern seaboard, and you have had amendments pending before the Senate offered and considered seeking to allow foreign ships to carry goods from the Pacific coast to the Atlantic coast, which, of course, was in contravention of the clause in the Constitution of the United States that forbids you to pass laws discriminating in favor of one port as against another.

Mr. HARDING. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Ohio?

Mr. UNDERWOOD. I yield to the Senator.

Mr. HARDING. I wish to ask the Senator from Alabama if he does not believe that the repeal of the exemption of American ships from Panama Canal tolls has been the greatest discour-

agement to the coastwise shipping of the Gulf and the Pacific coasts?

Mr. UNDERWOOD. No, I do not; I do not see how that affected it, because we did not have it before we started to build the Panama Canal and we have not got it now. I do not think it has affected the situation in reference to the Gulf coast at all.

Mr. HARDING. The Senator is aware, is he not, that it has materially affected the Pacific coast shipping?

Mr. UNDERWOOD. It may have. I admit that I am not familiar with the close details in reference to the Pacific coast.

Mr. HARDING. Then may I ask one other question?

Mr. UNDERWOOD. The information that I have largely comes out of information I have heard here on the floor of the Senate in reference to the Pacific coast; but I am satisfied that it has not affected the conditions on the Gulf coast, because we did not have the ships before; we have not had them since.

Mr. HARDING. I should like to ask the Senator if he does not believe it would be more effective if we took a means of encouraging further American development than it would be to admit foreign-built ships, which might destroy that which we already have?

Mr. UNDERWOOD. Mr. President, I have never believed that the admission of ships to the American marine would destroy American shipping interests. It may affect American shipyards. Whether the ship is built somewhere else or built in an American yard, if it is owned by an American citizen, manned by an American crew, and flies the American flag, it is an American ship, and the only controversy is the question where you build it. What I object to is your insisting in season and out of season on building up American shipyards at the expense of the great commercial and business interests of the United States. You throttle commerce for the purpose of building up shipyards. That is my objection to it.

Now, I expect to support this bill, but I am free to say that the lines of the bill have never, to my mind, been the solution of this problem. The question of building up an American merchant marine is no new problem to me. I stood for the building of an American merchant marine 15 years or more ago. At that time there were few men on the side of the House to which I belonged who were in favor of the proposition. I stand for it to-day.

However, the question of building a merchant marine is not a question that is confronting the American people. We are confronted by the question of maintaining an American merchant marine, owned by American citizens, officered by American seamen, and flying the American flag. That is what we want. It is not a question of building the ships; it is maintaining the ships.

I have always believed that if you want an American merchant marine to fly the American flag, you have got to put that merchant marine on the same basis as its competitors. If our foreign competitors who come fighting for the commerce of the world are to receive subventions from their Governments; if they are to receive discriminations from their Governments; if the rate of wages paid to their seamen is less than the rate of wages which we pay to our seamen, we have to meet those conditions to keep American ships on the seas. If we do not meet those conditions, we may build all the ships that we can build with all the money in the Treasury, and yet when normal conditions return those ships will leave the seas, unless the Government of the United States runs them at a loss, which would be the same thing as a subvention.

Mr. HARDING. Mr. President——

Mr. UNDERWOOD. I yield to the Senator from Ohio.

Mr. HARDING. I like the doctrine which the Senator from Alabama is just now preaching, but I want to ask him a question. Why adopt that plan of favoring American shipping to the extent of making equal the conditions between American and foreign shipping, and not provide for making conditions equal in American shipbuilding?

Mr. UNDERWOOD. Well, I have no objection to making conditions equal for American shipbuilding. My friend from Ohio, whom I admire greatly, belongs to a party that has always played favorites; and going with his party column he could not help from playing favorites. The Senator's education along tariff lines for a protective tariff is to favor one industry at the cost of the balance of the people. You propose to do it in this same proposition. You have a coastwise shipping monopoly that serves your people under your laws, and because it does serve your people under your laws you are satisfied and want to continue those conditions, irrespective of the fact that there are other people in the United States who are suffering from your laws and are not being served by your monopoly. I am perfectly willing to put them all on the same basis.

I stood for a law, when the present tariff law was passed, giving a discriminating duty in favor of goods shipped in American bottoms; and that law is now on the statute books. The General Board of Appraisers decided in favor of it, and the question was appealed to the Court of Customs Appeals. In the main they decided for it, not as fully as had the General Board of Appraisers, but they declared in favor of it. Now it has been appealed to the Supreme Court of the United States. What may be the decision there, I do not know; but, nevertheless, so far as I am concerned and so far as the Sixty-third Congress is concerned—a Democratic Congress—we wrote on the statute books a law to discriminate in favor of American ships flying the American flag and owned by American owners. I believe if the law had been put into effect, to-day you would not have to pass this bill.

More than that, I have stood for the proposition of favoring a discrimination at the Panama Canal in favor of American ships, contending that that canal was built for the American people, to advance American commerce, to bring the people of the Gulf of Mexico and of the Atlantic seaboard into closer contact commercially with the people of the Pacific coast. I favored the provision to give American ships a discrimination. So far as I am concerned, I believe it violated no treaty and was a fair discrimination in favor of American shipping, because our great competitors were paying subsidies at the Suez Canal that equaled the discrimination that we would have given at Panama. If we are going to allow them to discriminate in favor of their ships, we must discriminate in favor of our ships if we intend to keep them on the seas.

Mr. GALLINGER. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from New Hampshire?

Mr. UNDERWOOD. Just let me finish my sentence. That law, however, was repealed, and it was repealed by your votes. You repealed it; I did not. Now, I yield to the Senator from New Hampshire.

Mr. GALLINGER. Mr. President, I rose to suggest to the Senator that I do not think the Republican Party could be held responsible for repealing that law.

Mr. UNDERWOOD. But they were particeps criminis.

Mr. GALLINGER. But it was a Democratic President who insisted that it should be done, and the Democratic Party certainly contributed a much larger proportion of votes than did the Republicans to its repeal.

Mr. UNDERWOOD. I do not know that they contributed a larger proportion of the votes. I differed with the President and I differed with my party at the time the law was repealed, and I have not changed my mind about that proposition. My party platform declared in favor of the discrimination, and if that did not announce my party's position I do not know who had the right to announce it.

Mr. GALLINGER. That is quite right, Mr. President, if the Senator will permit me; but, unfortunately, a large proportion of his party associates did not take the view which the Senator did, nor did the Senator's President take that view, and hence the law was repealed.

Mr. UNDERWOOD. I admit that as an historical fact, but I say that Senators on your side of the Chamber are just as much responsible. Your leaders on the committee before the repeal fought for the repeal. It was an opportunity to discriminate in favor of American ships, and you refused so to discriminate.

Now, I say it is idle to talk about building up a merchant marine, keeping a few ships flying the American flag, most of which in the past have been controlled by the great railroad interests of this country, and saying that you are keeping up an American merchant marine to serve the American people, when you have a close combine that is not formed to reduce freight rates, but to maintain freight rates.

Mr. WORKS. Mr. President——

Mr. UNDERWOOD. I yield to the Senator from California.

Mr. WORKS. Does the Senator from Alabama remember what the vote was on the proposition to repeal the exemption from tolls clause in the statute that had been enacted? I do not myself remember.

Mr. UNDERWOOD. I do not remember. I am free to say, though, that in the other House the bill was passed by a large majority, and I think it had a large majority in the Senate. That, however, did not change my view in reference to the proposition at all.

Mr. WORKS. I remember very distinctly that I was opposed to the repeal and voted against it, but I am not certain now what proportion there was upon each side of the Chamber on the proposition. I thought the Senator from Alabama might remember.

Mr. UNDERWOOD. But the proposition I am making is this: You pretend that you are standing for American ships

and for the upbuilding of an American merchant marine, and yet when the test comes in the only logical way that you can maintain it, you vote against it.

You know as well as I do that in maintaining this little coastwise shipping monopoly you are not building an American merchant marine in the interests of the American people. If you want to build a great merchant marine, you have to go beyond that; you have to reach out and take control of the seas. If you have control of the seas in the foreign trade for American ships, you will have plenty of American ships to carry your coastwise trade. You know as well as I do that the mere appropriation of money to build ships is not going to build up an American merchant marine, but that you have got to maintain them; and if you do not maintain them you have not accomplished any result. You will not have accomplished it for the people in the coastwise trade, and you will not have accomplished it in the foreign trade. It is idle for men who are on the other side of this Chamber to contend that they are in favor of building up an American merchant marine for the benefit of the American people, when they do not vote for the only kind of law that will maintain an American merchant marine.

So far as the provision in this bill is concerned, I am in favor of its staying in, and if you are in favor of building up an American merchant marine you would be in favor of it staying in. I do not think you are going to build up an American merchant marine by spending $50,000,000 to buy ships or to build ships; but I think it can be useful, and that you will not lose your money, on one condition; and that is, that you allow them to be used in the coastwise shipping trade. Competition is what you do not want; you do not want anybody to compete with the ships that you have now floating on the seas. Evidently you do not want any new ships.

Mr. WADSWORTH. Mr. President, will the Senator yield for a question?

Mr. UNDERWOOD. Yes; I yield.

Mr. WADSWORTH. What does the Senator mean when he constantly uses the word "you"?

Mr. UNDERWOOD. I am talking about the gentlemen who want to maintain the coastwise shipping monopoly.

Mr. WADSWORTH. Where do they live, Mr. President?

Mr. UNDERWOOD. What objection have you to having more ships? If you take this $50,000,000 and build $50,000,000 worth of ships in American shipyards, they can compete with the ships that are already afloat so far as shipping is concerned. If you buy $50,000,000 worth of ships, you will have no greater competition than if you built them.

Mr. HARDING. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Ohio?

Mr. UNDERWOOD. I yield.

Mr. HARDING. Will not the Senator from Alabama qualify his statement in that regard? I think it is clear to him that there is no one on this side of the Chamber who wants to buy fifty or sixty million dollars' worth of ships?

Mr. UNDERWOOD. I realize that. I said a moment ago you did not; but what I am contending is that there is no distinction between buying and building them. I realize that you do not want to either buy or build them, so far as the Government of the United States is concerned.

I say, if we buy or build $50,000,000 worth of ships which can only be used in the foreign trade, that when the present European war is over and normal conditions return to the shipping of the world, American shipping will not be able to compete with lines of ships that pay cheaper wages than are paid to American seamen, that are given subsidies when they go through the canals of the world, that are given discriminations in the form of loans of cheap money for their building, and that are in receipt of large mail subsidies for their maintenance. Under such circumstances American ships have not been able to compete with foreign ships in the past, and they will not be able to compete with them in the future, unless there is a change in the laws in reference to the maintenance and operation of American ships.

You, my Republican friends, did not remedy that condition in the past; you admit, as everybody admits, that you did not do it during the 40 or 50 years when you had control of the enactment and execution of laws. Of course, some headway can be made while the war is on; but when normal conditions return, you are bound to admit that American ships can not be maintained in competition with foreign vessels. Then what will you face? You will face one of two things. The Government of the United States will have to run its $50,000,000 worth of ships at a loss, which is the same thing as a subsidy, or some discriminations will have to be made in favor of American ships, in order that the American flag may be kept on the seas.

Fifty million dollars' worth of ships is no great addition to the American merchant marine. Vessels to that amount certainly are needed in our coastwise trade to-day. Fifty million dollars' worth of ships added to the coastwise trade would not destroy it, but would bring about a healthy condition of competition. That is the only effect that would be produced, and if the ships, whether they are bought or whether they are built, are admitted to the coastwise trade when the war is over, they can be run without loss to the American Government, and there will be American citizens who will be ready and willing to buy them, because if proper ships are built or bought in trade they can be used where no other ships can compete with them except American ships, in a commerce which needs them, for no man can deny that they are needed and will be needed in the intercoastal trade; they are needed on the Pacific coast to-day, and they are needed on the Gulf coast. It is a plain business proposition that if we are going to pay $50,000,000 for ships, we ought to provide that there shall be a place where they can be used, and used profitably, after the European war is over.

Mr. GALLINGER. Mr. President, I am interested in the Senator's discussion of this subject and welcome him to the ranks of those of us who believe that the Government ought to do something for American shipping.

Mr. UNDERWOOD. I have always believed that.

Mr. GALLINGER. But I had supposed that this bill was primarily intended to provide ships for the foreign commerce of the United States. Now, the Senator seems to argue that the purpose of this bill is to buy and construct ships for the coastwise trade.

Mr. UNDERWOOD. Oh, no.

Mr. GALLINGER. That has been well obscured up to the present time.

Mr. UNDERWOOD. Not at all——

Mr. GALLINGER. But the Senator is very frank in his statement that that is the purpose.

Mr. UNDERWOOD. Not at all. I think the purpose of this bill is to acquire ships to build up the foreign trade of the country and also the coastwise trade. The terms of the bill apply to both. What I say is, that under existing law, when we return to normal conditions after the war, we can not maintain under the American flag the ships which are to be bought or built except at a loss, unless they are admitted to the coastwise trade, and then we will not have to suffer any loss, but we will get our money back.

I am hopeful that other legislation will be enacted that will discriminate in favor of American shipping and that will keep American ships on the seas in foreign commerce, as well as in the coastwise commerce; but I say that the provision looking to the admission of the ships to be acquired to the coastwise trade can not be objected to by anybody, unless it be by a man who wants to maintain a monopoly in favor of the ships that are already in the coastwise trade.

So far as the bill itself is concerned, I think it has been very much improved. It has been made a great deal more satisfactory to me than it was originally. One of the improvements in the bill is that the money provided can not be used to buy ships that are already engaged and are being used in American commerce. We want to keep them there. Another provision is that no ships can be bought belonging to belligerent Governments; consequently there will be no question of involving our country in foreign complications under the bill. But, in my judgment, the best provision in the new bill, as it has been amended, is the one which requires that the ships bought with the money provided by this bill must be 75 per cent as efficient and seaworthy as at the time they were originally put in commission.

If they are not 75 per cent as efficient and seaworthy as when they were originally built, they can not be bought. The result will probably be that under the terms of the bill we will be unable to buy any ships at all, because I think most of the ships that could be bought are not 75 per cent as efficient as when originally constructed. I do not believe that there are any ships for sale to-day that are 75 per cent as efficient as when originally put into operation. Those that are 75 per cent as efficient are all comparatively new ships; they were built for commerce and are engaged in commerce that is paying them well, and unless the Government of the United States should pay enormous prices for them it could not acquire them.

Mr. WARREN. Mr. President——

Mr. UNDERWOOD. I yield.

Mr. WARREN. If I heard the Senator correctly, it would seem that the best and most attractive quality of the bill is that it amounts to nothing.

Mr. UNDERWOOD. No; I did not say that. I think there are some very good things in this bill. I was simply pointing out the fact that under the terms of this bill there are no ships

which sail the seas to-day which I think can be bought with the money proposed to be provided, and what will be the result?

Mr. WARREN. There will be no immediate relief, then.

Mr. UNDERWOOD. The result will be that we will spend $50,000,000 to build ships—for what purpose? Ships that can be used as auxiliaries to our Navy, as transports for our Army, and which can be sold or leased to American citizens who will fly the American flag over them.

Mr. WARREN. Where does the Senator think they will be built?

Mr. UNDERWOOD. Oh, well, Rome was not built in a day. I am not contending that we are going to accomplish this result to-morrow.

Mr. WARREN. Does not the Senator believe that every shipyard now has orders beyond the entertainment of any further orders for at least a couple of years, or possibly more?

Mr. UNDERWOOD. Oh, probably; but I am sure that the Senator from Wyoming does not expect us to build up a merchant marine in an hour or a day. If we can build $50,000,000 worth of ships in American shipyards when the time comes, and we can make the contracts for those ships, will not that stimulate the building of ships?

Mr. GALLINGER. Yes, Mr. President; but——

Mr. UNDERWOOD. Just one moment. And if those ships are so built that they will be available for transports and for auxiliaries to the American Navy, does not that strengthen the arm of the Government in the event of war? Furthermore, if they can be used in the coastwise trade, does the Senator say that they can not be used profitably and sold for what it cost the Government to build them?

Mr. GALLINGER. But, Mr. President, the Senator is drawing on his imagination when he says they are going to be built in American shipyards. The shipyards of Japan, of Italy, of Germany, and of France, when the war closes, will be the ones which will in all probability build the ships; and certainly the yards of Japan and of Italy at the present time are in a position to do so.

Mr. UNDERWOOD. I think the facts and the statistics show conclusively that we can build pattern ships in American shipyards just as cheaply as they can be built in English shipyards.

Mr. GALLINGER. We can do that during the continuance of the European war, but the Senator does not believe we can do it after the war is over, does he?

Mr. UNDERWOOD. We could do it before when we built pattern ships. The trouble with the American merchant marine, in connection with building ships in American shipyards, is that nearly everybody wants to build a different class of ship. In England they build pattern ships, which can be constructed cheaper than individual ships, and when we provide for $50,000,000 worth of ships to be built for the Government we can order patterns ships and have them built as cheaply as the English pattern ships are built.

Mr. GALLINGER. Very possibly that is so if the Government can have them built in one or two or three American shipyards, but the shipyards of all the world will be open to compete for the construction of the proposed new vessels.

Mr. UNDERWOOD. Suppose we can not find shipyards owned by private individuals in the United States that desire to build these ships, we have still the navy yards, which have demonstrated their capacity to build good battleships, in which to build merchant ships, if the administration wants to utilize them. We built the *Connecticut* in a Government navy yard, and we can build pattern vessels in a navy yard and employ them in commerce.

Mr. GALLINGER. But the battleships built in Government navy yards are expensive luxuries.

Mr. UNDERWOOD. Not at all. I think a fair investigation of the building of the *Connecticut* itself, when allowance is made for the time of the men that was spent on repairs and charged to the building of the *Connecticut*, and of the building of her sister ship will disclose that we built the *Connecticut* in a Government navy yard practically as cheaply as the sister ship of the *Connecticut*, the name of which I have forgotten for the moment, was built in a private yard.

But the vital thing in this bill is to keep the Government from making a bad investment of its $50,000,000; and to enable it to make a good investment of the $50,000,000, so long as we have no laws on the statute books for the maintenance of our merchant marine on the high seas in foreign commerce, it is necessary to enable the ships to be built to engage in the only commerce that an American ship can engage in profitably, and that is in the coastwise trade. If we allow the ships to be constructed under the terms of this bill to engage in the coastwise trade, no matter what the conditions may be after the war, no matter what other laws may be passed for the benefit of American shipping, this $50,000,000 worth of ships will have a field in which they can operate, in which they can run, and not lose money. I am not in favor of the Government going into the enterprise of building $50,000,000 worth of ships merely to lose money.

The coastwise trade will not be destroyed if the ships to be provided under this bill are allowed to enter that trade.

My friend from Massachusetts [Mr. WEEKS] two years ago wanted us to put some of the transports and lighter battleships or cruisers in the shipping trade. If we are going to build these ships for transports to serve the Navy, why should not the man who buys them, when he is carrying a ship to serve his country in time of war, have the privilege of the coastwise trade that you grant to a man who has his money invested in it and who has not made any contract to serve his country in time of war? Why do you want to discriminate against the man who buys this ship that is built for an auxiliary to the Navy, and say to him: "If you buy this ship you must go to foreign seas and compete in foreign markets with foreign shipping," and yet say to the capitalist who puts his money in a ship, and does not contract to turn it over to the Government in time of war, that he shall have the benefit of this exclusive market in which we can guarantee him a successful venture in the shipping business?

Mr. HARDING. Mr. President, I should like to ask the Senator a question?

Mr. UNDERWOOD. I yield to the Senator from Ohio.

Mr. HARDING. A moment ago the Senator made the very interesting statement that we could build our ships essentially as cheaply as they can be built in England. I hold before me the report of the Moseley Industrial Commission, which was sent from Great Britain to investigate labor conditions in the United States and compare them with those in England; and the testimony shows that the average wage in American shipyards is from 75 to 100 per cent higher than in England. How does the Senator mean to dispose of that difficulty in the construction of ships?

Mr. UNDERWOOD. I am not familiar with the report the Senator has in his hand.

Mr. GALLINGER. It is an English report, is it not?

Mr. HARDING. An English report.

Mr. UNDERWOOD. I am free to confess, from my general information, and not that report, that the wages in England are lower in many lines of industry—I mean, the actual wage paid to each man is less—than the wages paid to the men in many lines of industry in America. But it has been demonstrated time and time again on investigation that the efficiency of the American laborer was so much greater than the efficiency of the foreign laborer that his efficiency made up for the difference in the wage scale, and it is not necessary for me to point to particular facts in that connection. If the Senator will merely take the hearings before any of the tariff committees that have recently written tariff bills, he will find that statement sustained time and time again. But I have seen the statement, coming from reliable authority, that the reason why English ships are built cheaper than American ships is because they build pattern ships, and we do not build pattern ships, and I am satisfied that if the Senator will read the investigations of the shipping commission that we had a few years ago, he will find that statement sustained. We have advantages over the English shipbuilder and he has advantages over us, but in the end the cost of building the ship is as low in the American yard where you build a pattern ship as it is in the foreign yard, and I think that can be sustained.

Mr. GALLINGER. Mr. President, the Senator is correct in saying that the Merchant Marine Commission did make that suggestion. I happened to be a member of that commission. The Merchant Marine Commission pointed out the fact that Great Britain, building so many vessels, standardized them, while we, building so few, did not standardize them.

Now, I am quite willing to admit that if the 75 ships, more or less, that will be built under this law, if the Senator is correct in saying that none can be bought—and I think he is pretty nearly correct on that point—if they could be built in two or three American shipyards lying near together and could be standardized, if it was desirable to make them all of the same type, beyond question great economies could be gained in their construction. There is no doubt about it. But still I have no idea that they could be built as cheaply as they can in Great Britain, where, after the war, wages will be what they were before the war commenced, and there will be a great deal of idle labor there, beyond a question.

Mr. UNDERWOOD. I take it that if conditions are anywhere nearly equal, no matter what administration we have in this country, when the time comes to build these ships, they will be built in American shipyards. I say that will be done if condi-

tions are nearly equal, and I think they can be made nearly equal. But the proposition for which I am contending is that if we do build the ships, we do not want the Government to continue to own them and run them. I know the Senator from New Hampshire does not want that, and neither do I. If you want to sell them to American citizens to run them and take the Government out of the business, you have to make it fairly profitable for the American citizen to run them; and therefore I say, Why try to amend this provision in the bill that gives to the American owner of these ships an assured market, a profitable place where he can run his ships?

Before I take my seat—I did not intend to discuss this bill at all—there is just one more thing I want to say. This $50,000,000 appropriation to buy ships is only a small portion of this bill. The bill seeks to organize a commission to build up American shipping and to foster American shipping. There is not a great commercial nation in the world, there is not a nation in the world to-day that has a great shipping interest, that has not a board or a committee or some organization whose duty it is to foster it and take care of it and build it up except ourselves; and under this bill we are taking a step toward establishing a system that all our foreign rivals have had for many years, establishing a shipping board.

There are things in the establishment of this shipping board that do not entirely meet with my approval. It is not broad enough, in some respects, to suit me, but it is a start. I may be wrong about it, and others may be right about it. It is, however, laying the foundation for building up a system under which we can probably build up an American merchant marine in the future. That is why I am for this bill. That is more important than the appropriation in it. I contend that if you appoint five men under this bill who are strong, forceful, capable, competent men, who understand the shipping business, who understand the transportation question, who understand the great questions of commerce that confront our country, when they can give their entire time and attention to this one problem, they will work out a solution of the problem that we in Congress have not the time, have not the ability, and have not the opportunity to work out ourselves. Therefore, I say this bill should be passed.

Of course, the question as to whether or not the bill is going to serve the American people well is going to depend on the personnel of the board. I have confidence that the President of the United States will appoint men who will be capable of filling those positions adequately, and worthy of serving their country in that respect.

Mr. GALLINGER. Mr. President, I join with the Senator in the hope that if this bill passes the President of the United States will appoint the very best men that are available for that purpose; and I want to say to the Senate that if a bill were before the Senate to-day creating a shipping board such as is provided for in that bill, and it were not connected with so many objectionable features, I think it would receive pretty nearly a unanimous vote on this side of the Chamber. I agree with the Senator, and I think the Republican Senators generally agree with the Senator, that the provision for a shipping board is a very wise one.

Mr. UNDERWOOD. I am glad to hear the Senator say that. I am glad also to hear the Senator admit that there is not very much difference between him and me, because, as I understand, he is not seriously opposed to building ships as auxiliaries to the American Navy in American shipyards; and he admits, as I concede, that in all probability there is going to be no possibility under this bill of buying any ships, and we must build them.

Mr. GALLINGER. Mr. President, I agree with the Senator in the suggestion he has just made. It has been my privilege to introduce four or five bills which were designed, from my viewpoint, to rehabilitate the American merchant marine. In every one of those bills it was provided that the ships should be constructed upon plans and specifications furnished by the Navy Department, and that they should be constructed under the supervision of a representative of the Navy Department, and that they should be at the command of the Government in time of need. I assume, however, that even if that be not true as regards the present coastwise shipping, they could be commandeered in time of war and put into the service.

Mr. UNDERWOOD. I agree with the Senator about that. I think that any ship which flies the American flag could be commandeered in time of war; but the difference is that we would have to pay a war price at that time. If they are built in this way, we get the benefit of a peace price when we sell them to the other man and make a contract with him. In the second place, if you commandeer any ship you may get a ship that is not fit for the service. If it is built as under the terms of this bill it must be built, it will be built for the purpose of serving the Government in time of war.

Mr. GALLINGER. I think the provisions of the bill are not very well expressed on that point. I think the ships ought to be built, as was provided in other bills, upon plans and specifications of the Navy Department, and under the direction and supervision of the Navy Department. I think that is not in this bill, as I recall it now.

I approve of the shipping board provision. But, as I said a moment ago, there are other provisions in the bill that are very repugnant to my idea of building up an American merchant marine, and which I think will do more harm than good. That is the only difference between the Senator and myself.

Mr. UNDERWOOD. As I said in the beginning, I say now that I think if we keep in this bill the provision that these ships may be used in the coastwise trade we will not lose any money by it. They will serve the Government in time of war, and they will serve the American people in time of peace. But if we want to be able to sell the ships to American citizens we will have to keep in the bill the provision that will give them an opportunity to use the ships on the seas where they can profitably use them.

Mr. GALLINGER. If the Senator will permit me, I was interested in the Senator's discussion of the differential-duty proposition that is in the tariff bill that bears the Senator's honored name. I am of opinion that in view of changed conditions, and the fact that so many more articles are on the free list than were on the free list in the days of the fathers, when this scheme operated so successfully, it would not work as well as it did then, and I fear it would not work to the satisfaction of the Senator or of the Government. But as covering that point I have introduced in this Congress a bill granting a 10 per cent differential duty. I have also introduced one increasing the subventions to ships under the mail act of 1891. But those bills are slumbering somewhere, and I feel sure we shall not hear from them at this session.

Mr. UNDERWOOD. I am thoroughly in favor of building up an American merchant marine, and I am in accord with the views of the Senator from New Hampshire that if we want an American merchant marine for the over-seas trade we shall have to discriminate in favor of that merchant marine or we can not keep it on the seas.

Mr. GALLINGER. We shall have to discriminate in some way.

Mr. WEEKS. Mr. President, I want to refer briefly to the remarks that have just been made by the Senator from Alabama [Mr. UNDERWOOD]. He has partially given away the whole case which has been used in advocacy of this measure by saying that just as soon as the war is over, if these ships must be operated in the foreign trade, they are going to be a losing venture. Of course, everybody knows that is the case; but the trouble with the position taken by the Senator from Alabama is that he does not give consideration to the original cost of this enterprise.

There is ample testimony to show that it costs $2 to build a unit of shipping to-day where in normal times that unit of shipping could be built for $1. Therefore, if we build these ships, either in foreign shipyards or at home, they are going to cost twice the normal price for ships of their class. If we buy the ships, we will have to pay substantially twice the normal price for such ships.

Mr. HARDWICK. Mr. President, will the Senator yield for a question?

Mr. WEEKS. Yes.

Mr. HARDWICK. Does not the Senator believe that it will be impossible for us to have them built inside of two years?

Mr. WEEKS. Why, of course it will be impossible to have them built inside of two years.

Mr. HARDWICK. Therefore things may be normal by that time.

Mr. WEEKS. The contracts will be let, however, to be built when the yards can build them. But that any American yard can build these ships within two years is, of course, impossible, because there is more than a million tons of shipping contracted for in American yards to-day, and it will take substantially two years to construct that tonnage.

Mr. HARDWICK. If the Senator will pardon me just once more—because I am very much interested in that point——

Mr. WEEKS. Certainly.

Mr. HARDWICK. Why are we obliged to let the contracts right away? Why can we not wait two years, until we can get these ships built, and then hope we may have them built at a normal price?

Mr. WEEKS. Oh, Mr. President, this is an emergency measure.

Mr. HARDWICK. Oh, well——

Mr. WEEKS. This bill was attempted originally as an emergency measure to provide against the high rates that American shippers were having to pay for the transportation of their goods. We have lost track of all that proposition in this bill. Undoubtedly it was intended originally to buy certain interned ships; and we have been drifting far afield until now in the Senate we have taken up this proposition which the Senator from Alabama has been discussing and which was not even in the House bill which came over here within a month, admitting these ships to the coastwise trade.

The Senator from Alabama criticizes this side because we did not take an opportunity which we had to protect American shipping in the repeal of the Panama Canal tolls act. As I remember, the Senator himself, as a Member of the House, voted against his party on that proposition; but it was passed by an overwhelming vote in the House at the dictation of the President.

Conditions in the House, however, were not different from those in the Senate, for of those who voted "yea" on this proposition, the prevailing side, 37 were Democrats and 13 Republicans. Of those who voted "nay," 10 were Democrats and 25 Republicans. In other words, the Republicans voted 2 to 1 against the repeal, while the Democrats voted nearly 4 to 1 in favor of it. To charge this side with being responsible for that legislation under those circumstances seems to me to be without reason.

The Senator from Alabama says that what we want to do on this side is to protect certain individuals who are engaged in the coastwise trade. What we really want to protect is the American people, or the interests of the American people engaged in the coastwise trade; and in doing so we want to do just what every nation in the world has done since nations were organized. For the first 30 years of the existence of this Government—until 1817—we maintained a monopoly of the coastwise trade by discriminating duties. Ninety-nine years ago we adopted the policy that obtains to-day, and we did it at the instance of many of those fathers of the Democratic Party of whom the Senator from Alabama is such a follower. No Democrat of those days was in favor of any other course, and no nation has adopted any other course even down to to-day. Under the policy which we adopted at that time we have built up in this country a tonnage of coastwise shipping greater than the total shipping of Germany engaged in the foreign trade and in the coastwise trade—greater by a million tons.

The Senator says it is a monopoly. It is a monopoly to American citizens, but every American citizen may enter into it under the conditions which prevail; and if there is a part of the coast of this country which has not been properly served, it is because the rates which could be obtained from that service were not or would not be remunerative. If the people of the Gulf States were not properly served, why did they not build or buy ships to go into that service and take care of their own trade, if it were profitable to do that business? The probabilities are that it was not profitable; and the truth is that this coastwise service has been so competitive in the past that it has not been an overpopular occupation. It has not been a very remunerative business. If we refer to those companies which are most criticized and examine their financial records for the last 10 or 15 years, it will be shown that it has not been a profitable business on the whole. The stocks of any of these companies could have been purchased, before the beginning of the present war, for about 75 per cent of the replacement value of the properties which those stocks covered. What we want to do is to protect this business for the American people—not protect it for the benefit of any particular individuals or any particular companies.

I want to correct once more—it has been done many times—an impression that seems to prevail that there is a monopoly other than a national one. It was stated, in what is known as the Alexander report, that a monopoly of a certain class of the coastwise business was controlled by some 30 steamship companies. But those 30 steamship companies only controlled about 850,000 tons of shipping, while there are six and a half million tons of shipping in our coastwise trade. Therefore, those 30 steamship lines only controlled about 12 per cent of the total amount of our coastwise shipping, and not over 18 per cent of the steamers engaged in our coastwise trade. They were the regular lines, but the vast volume of the business is done, not by regular lines but by tramp steamers.

This proposition has been put into this bill by an amendment offered by the Senate committee. A similar proposition was presented when this bill was under consideration a year ago last winter, and it was voted down. And this vote came to a considerable extent from Senators on that side of the Chamber. I want to call to the attention of the Senate the names of those Senators who voted against the proposition then presented in almost exactly the same form it appears now in the bill proposed by the committee.

The vote was 33 in favor of the amendment, which was offered by the senior Senator from Alabama [Mr. BANKHEAD], and 54 against it. The Democratic Senators who voted against it were the junior Senator from Florida [Mr. BRYAN], the Senator from West Virginia [Mr. CHILTON], the senior Senator from Florida [Mr. FLETCHER], who proposes and is now defending this proposition; the Senator from New Hampshire [Mr. HOLLIS], the Senator from New Jersey [Mr. HUGHES], the Senator from Kentucky [Mr. JAMES], the Senator from Indiana [Mr. KERN], the Senator from Tennessee [Mr. LEA], the Senator from Maryland [Mr. LEE], the Senator from Illinois [Mr. LEWIS], the Senator from Virginia [Mr. MARTIN], the Senator from New Jersey [Mr. MARTINE], the Senator from Montana [Mr. MYERS], the Senator from Nevada [Mr. NEWLANDS], the Senator from North Carolina [Mr. OVERMAN], the Senator from Nevada [Mr. PITTMAN], the Senator from Ohio [Mr. POMERENE], the Senator from Louisiana [Mr. RANSDELL], the Senator from Missouri [Mr. REED], the Senator from Colorado [Mr. SHAFROTH], the Senator from Texas [Mr. SHEPPARD], the Senator from Tennessee [Mr. SHIELDS], the Senator from Indiana [Mr. SHIVELY], the Senator from North Carolina [Mr. SIMMONS], the Senator from Arizona [Mr. SMITH], the Senator from Georgia [Mr. SMITH], the Senator from Maryland [Mr. SMITH], the Senator from Missouri [Mr. STONE], the Senator from Virginia [Mr. SWANSON], the Senator from Montana [Mr. WALSH], and the Senator from Alabama [Mr. WHITE]. What I am going to be curious to see when this vote is taken is the action which these Senators who voted against this proposition a year ago next winter will take and how they will justify their action if they do not vote the same way to-day.

Mr. MARTIN of Virginia. Mr. President, if the Senator will permit me to interrupt him, I desire to correct his statement that this is the same proposition now that was voted on then. On the contrary, the proposition then was to admit all foreign-built ships to the coastwise trade. The amendment of the Senate committee admits only the vessels owned by the United States to the coastwise trade. It is a very different proposition, indeed.

Mr. WEEKS. Yes; but, Mr. President, this amendment proposes to admit ships that are purchased under the provisions of this act or built under the provisions of this act, wherever built; and naturally and almost necessarily they will be built in foreign yards, or purchased from foreign owners, the ships having been built in foreign yards.

Mr. MARTIN of Virginia. But it admits only the foreign-built ships that are brought into the registry by the Government of the United States, either by purchase or by construction.

Mr. WEEKS. Very true; but, Mr. President——

Mr. JONES. Mr. President——

Mr. WEEKS. I yield to the Senator from Washington.

Mr. JONES. It goes further than that. It also admits any vessel owned, chartered, or leased by any corporation in which the United States is a stockholder. If any of these corporations leases a vessel or charters a vessel that is foreign built, it may go into the coastwise trade.

Mr. WEEKS. The principle is the same. We are opening the door to the admission of foreign-built ships into our coastwise trade. We are taking a step which has never been taken by any nation in the world up to this time. It is a natural thing for a people to control their own coastwise business. I think it is the most ill-advised step that can be taken in connection with all of our shipping interests.

I am in favor of the establishment of a shipping board, not with the powers given this board, which are restricted and coercive and which will not, in my judgment, enlarge the merchant marine, but a shipping board with suitable powers. I am in favor of building auxiliaries for the Navy at the proper time and under the proper conditions; and if we build a sufficient number for the Navy we are sure to have more than we can use in ordinary peace times; under those conditions surplus ships could be leased or chartered to private individuals, to be used in commercial pursuits. That was the general purport of the bill to which the Senator from Alabama referred, which I introduced.

If the pending bill were limited to those two provisions, I should be glad to vote for it. But the other provisions of the bill are so restrictive that they will prevent what the sponsors for the bill hope may result from it; that is, something in the way of the development of an American merchant marine.

Taking everything into consideration, I do not think we could do anything which would be more certain than the passage of this bill to reduce the volume of our merchant marine and almost certain to put our shipyards partially, if not entirely, out of commission. That this is not a Democratic policy as the fathers knew it I want to demonstrate by reading from Thomas Jefferson what he said about building our own ships. Mr. Jefferson said, in 1794—

To force shipbuilding is to establish shipyards; is to form magazines; to multiply useful hands; to produce artists and workmen of every kind who may be found at once for the peaceful speculations of commerce and for the terrible wants of war. * * * For a navigating people to purchase its marine afloat would be a strange speculation, as the marine would always be dependent on the merchants furnishing them. Placing, as a reserve, with a foreign nation or in a foreign shipyard the carpenters, blacksmiths, calkers, sailmakers, and the vessels of a nation would be a singular commercial combination. We must, therefore, build them for ourselves.

And yet, under the provisions of this bill and almost certainly after the war is over, any ships that are purchased or built are going to be built in foreign shipyards or are going to be foreign ships purchased.

It is for all these reasons, which seem to me to be sufficient, that I oppose this legislation, and particularly oppose the amendment which has been offered by the committee, which will admit to the coastwise trade foreign-built ships.

The VICE PRESIDENT. The question is on the amendment of the committee on page——

Mr. HARDING. Mr. President, I think the question is on the substitute which I offered to section 9.

The VICE PRESIDENT. The motion of the Senator from Ohio is to strike out and insert. Under the rules of the Senate the part to be stricken out has a right to be first amended. Under that rule the amendments offered by the committee to the section are first in order. The question is on the amendment on page 7, at the end of line 16, after the word "licensed," to insert "or both registered and enrolled and licensed."

The amendment was agreed to.

The next amendment was, in section 9, page 7, line 19, after the word "vessels," to strike out "heretofore or hereafter"; in line 21, after the word "under," to strike out "the act of August 18, 1914, or under"; in line 24, after the word "stockholder," to strike out "(except the Panama Railroad Co.)" and insert "and vessels sold, leased, or chartered to any person a citizen of the United States, as provided in this act," so as to read:

Provided, That foreign-built vessels admitted to American registry or enrollment and license under this act, and vessels owned, chartered, or leased by any corporation in which the United States is a stockholder, and vessels sold, leased, or chartered to any person a citizen of the United States, as provided in this act.

The amendment was agreed to.

The next amendment was, in section 9, on page 8, line 2, after the word "may," to strike out "not," so as to read:

Provided, That foreign-built vessels admitted to American registry or enrollment and license under this act, and vessels owned, chartered, or leased by any corporation in which the United States is a stockholder, and vessels sold, leased, or chartered to any person a citizen of the United States, as provided in this act, may engage in the coastwise trade of the United States.

Mr. GALLINGER. Mr. President, that is the crux of the whole situation. The House, the Democratic House, in its wisdom, provided that these vessels should not engage in the coastwise trade of the United States, but the Senate committee has stricken out the word "not," and leaves the bill to read that they may engage in the coastwise trade of the United States.

I ask for the yeas and nays on agreeing to the amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I announce my pair with the Senator from New Mexico [Mr. FALL] and withhold my vote.

Mr. CLARKE of Arkansas (when his name was called). I have a pair with the junior Senator from Utah [Mr. SUTHERLAND], which I transfer to the junior Senator from South Carolina [Mr. SMITH], and I vote "yea."

Mr. GALLINGER (when his name was called). Repeating the transfer I announced on the former vote, I vote "nay."

Mr. GRONNA (when his name was called). I have a general pair with the Senator from Maine [Mr. JOHNSON]. I do not know how he would vote on this question. I will therefore withhold my vote.

Mr. KERN (when his name was called). I desire to announce that I am paired with the Senator from Maine [Mr. JOHNSON]. If I were at liberty to vote, I would vote "yea." If the Senator from Maine [Mr. JOHNSON] were here, he would vote "nay."

Mr. OWEN (when his name was called). I transfer my pair to the Senator from New Hampshire [Mr. HOLLIS] and vote "yea."

Mr. REED (when his name was called). I transfer my pair with the Senator from Michigan [Mr. SMITH] to the Senator from Oklahoma [Mr. GORE] and vote "yea."

Mr. SMITH of Georgia (when his name was called). Transferring my pair to the senior Senator from Nebraska [Mr. HITCHCOCK] I vote "yea."

Mr. STONE (when his name was called). I transfer the general pair I have with the Senator from Wyoming [Mr. CLARK] to the Senator from Illinois [Mr. LEWIS] and vote "yea."

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from North Dakota [Mr. MCCUMBER] and withhold my vote.

Mr. THOMPSON (when his name was called). I am paired with the Senator from Illinois [Mr. SHERMAN]. In his absence I withhold my vote. If permitted to vote, I would vote "yea."

Mr. JONES (when Mr. TOWNSEND's name was called). I have already announced the reason of the absence of the junior Senator from Michigan [Mr. TOWNSEND]. I simply wish to state that if he were present he would vote "nay" on this amendment.

Mr. VARDAMAN (when his name was called). I have a pair with the Senator from Idaho [Mr. BRADY] and in his absence I withhold my vote. If at liberty to vote, I would vote "yea."

Mr. WADSWORTH (when his name was called). I transfer my pair to the Senator from New Mexico [Mr. CATRON] and vote "nay."

The roll call was concluded.

Mr. BECKHAM. I have a pair with the senior Senator from Delaware [Mr. DU PONT]. In his absence I withhold my vote. If at liberty to vote, I would vote "yea."

Mr. BRYAN. I have a general pair with the junior Senator from Michigan [Mr. TOWNSEND]. I transfer that pair to the junior Senator from Louisiana [Mr. BROUSSARD] and vote "yea."

Mr. THOMAS. I transfer my pair to the Senator from Arizona [Mr. SMITH] and vote "yea."

Mr. CHAMBERLAIN. I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER]. In his absence I withhold my vote. If permitted to vote, I would vote "yea."

Mr. WARREN. I wish to announce that my colleague [Mr. CLARK of Wyoming] is unavoidably absent. He is paired with the Senator from Missouri [Mr. STONE]. I make this announcement for the day.

Mr. STERLING. I transfer my pair with the Senator from Nevada [Mr. NEWLANDS] to the Senator from Nebraska [Mr. NORRIS], and vote "nay."

Mr. GRONNA. I announced my general pair with the Senator from Maine [Mr. JOHNSON], but I understand that on this question he is paired with the senior Senator from Indiana [Mr. KERN]. Therefore I feel at liberty to vote. I vote "nay."

Mr. VARDAMAN. I transfer my pair with the Senator from Idaho [Mr. BRADY] to the Senator from Nevada [Mr. PITTMAN], and vote "yea."

Mr. PENROSE (after having voted in the negative). I observe that the senior Senator from Mississippi [Mr. WILLIAMS] has not voted. I am paired with that Senator, but I will transfer my pair to the junior Senator from Iowa [Mr. KENYON], and let my vote stand.

Mr. WEEKS. I wish to repeat the announcement made once before, that my colleague [Mr. LODGE] has a general pair with the senior Senator from Georgia [Mr. SMITH]. My colleague would vote "nay," if present.

Mr. SHAFROTH. I am paired with the junior Senator from Washington [Mr. POINDEXTER]. I transfer my pair to the Senator from New Jersey [Mr. HUGHES], and vote "yea."

Mr. CURTIS. I have been requested to announce that the Senator from West Virginia [Mr. GOFF] is paired with the Senator from South Carolina [Mr. TILLMAN], and that the Senator from Delaware [Mr. SAULSBURY] is paired with the Senator from Rhode Island [Mr. COLT].

The result was announced—yeas 34, nays 17, as follows:

YEAS—34.

Ashurst	Johnson, S. Dak.	Phelan	Smith, Md.
Bankhead	Lane	Ransdell	Stone
Bryan	Lea, Tenn.	Reed	Swanson
Clarke, Ark.	Lee, Md.	Robinson	Taggart
Culberson	Martin, Va.	Shafroth	Thomas
Fletcher	Martine, N. J.	Sheppard	Underwood
Hardwick	Myers	Shields	Vardaman
Husting	Overman	Simmons	
James	Owen	Smith, Ga.	

NAYS—17.

Brandegee	Gallinger	Nelson	Warren
Clapp	Gronna	Penrose	Weeks
Cummins	Harding	Smoot	
Curtis	Jones	Sterling	
Dillingham	McLean	Wadsworth	

NOT VOTING—44.

Beckham	Goff	Lodge	Sherman
Borah	Gore	McCumber	Smith, Ariz.
Brady	Hitchcock	Newlands	Smith, Mich.
Broussard	Hollis	Norris	Smith, S. C.
Catron	Hughes	O'Gorman	Sutherland
Chamberlain	Johnson, Me.	Oliver	Thompson
Chilton	Kenyon	Page	Tillman
Clark, Wyo.	Kern	Pittman	Townsend
Colt	La Follette	Poindexter	Walsh
du Pont	Lewis	Pomerene	Williams
Fall	Lippitt	Saulsbury	Works

So the amendment was agreed to.

The next amendment was, in section 9, page 8, line 3, after the words "United States," to strike out:

Except that such vessels may engage in trade with Alaska, Hawaii, or Porto Rico, whether or not en route to or from a foreign port, if the board finds such trade is not being adequately served by a regular line or lines of vessels.

The amendment was agreed to.

The next amendment was, on page 8, line 25, after the word "flag," to insert: "No vessel registered or enrolled and licensed under the laws of the United States, or owned by any person a citizen of the United States, except one which the board is prohibited from purchasing, shall be sold to any person not a citizen of the United States or transferred to a foreign registry or flag, unless such vessel is first tendered to the board at the price in good faith offered by others, or, if no such offer, at a fair price to be determined in the manner provided in section 10," so as to make the clause read:

When the United States is at war, or during any national emergency the existence of which is declared by proclamation of the President, no vessel registered or enrolled and licensed under the laws of the United States shall, without the approval of the board, be sold, leased, or chartered to any person not a citizen of the United States, or transferred to a foreign registry or flag. No vessel registered or enrolled and licensed under the laws of the United States, or owned by any person a citizen of the United States, except one which the board is prohibited from purchasing, shall be sold to any person not a citizen of the United States or transferred to a foreign registry or flag, unless such vessel is first tendered to the board at the price in good faith offered by others, or, if no such offer, at a fair price to be determined in the manner provided in section 10.

The amendment was agreed to.

The VICE PRESIDENT. The question recurs on the amendment offered by the Senator from Ohio [Mr. HARDING]. It will be read.

The SECRETARY. In lieu of section 9 as amended it is proposed to insert:

SEC. 9. That any vessel purchased, chartered, or leased from the board may be registered as a vessel of the United States and entitled to the benefits and privileges appertaining thereto: *Provided*, That foreign-built vessels admitted to American registry under this act, and foreign-built vessels owned, chartered, or leased by any corporation in which the United States is a stockholder and foreign-built vessels sold, leased, or chartered to any person a citizen of the United States, as provided in this act, may not engage in the coastwise trade of the United States.

Every vessel purchased, chartered, or leased from the board shall, unless otherwise authorized by the board, be operated only under such registry. Such vessels while employed solely as merchant vessels shall be subject to all laws, regulations, and liabilities governing merchant vessels, whether the United States be interested therein as owner, in whole or in part, or hold any mortgage, lien, or other interest therein. No such vessel, without the approval of the board, shall be transferred to a foreign registry or flag, or sold; nor, except under regulations prescribed by the board, be chartered or leased.

When the United States is at war, or during any national emergency the existence of which is declared by proclamation of the President, no vessel registered under the laws of the United States shall, without the approval of the board, be sold, leased, or chartered to any person not a citizen of the United States, or transferred to a foreign registry or flag. No vessel registered under the laws of the United States, or owned by any person a citizen of the United States, except one which the board is prohibited from purchasing, shall be sold to any person not a citizen of the United States or transferred to a foreign registry or flag, unless such vessel is first tendered to the board at the price in good faith offered by others, or, if no such offer, at a fair price to be determined in the manner provided in section 10.

Any vessel sold, chartered, leased, transferred, or operated in violation of this section shall be forfeited to the United States, and whoever violates any provision of this section shall be guilty of a misdemeanor and subject to a fine of not more than $5,000 or to imprisonment of not more than five years, or both such fine and imprisonment.

The amendment was rejected.

The next amendment was, in section 10, page 10, line 1, after the word "value," to insert "based upon normal conditions"; in line 4, after the word "value," to insert "under normal conditions"; in line 5, after the word "to," to strike out "the" and insert "such"; and in line 8, after the words "finding of," to strike out "a majority of," so as to make the clause read:

Thereafter, upon ascertainment by agreement or otherwise, the United States shall pay the person interested the fair actual value based upon normal conditions at the time of taking of the interest of such person in every vessel taken absolutely, or if taken for a limited period, the fair charter value under normal conditions for such period. In case of disagreement as to such fair value it shall be determined by appraisers, one to be appointed by the board, one by the person interested, and a third by the two so appointed. The finding of such appraisers shall be final and binding upon both parties.

The amendment was agreed to.

The next amendment was, in section 11, page 10, line 24, after the word "therein," to insert: "*Provided*, That no corporation in which the United States is a stockholder, formed under the authority of this section, shall engage in the operation of any vessel constructed, purchased, leased, chartered, or transferred under the authority of this act unless the board shall be unable, after a bona fide effort, to contract with any person a citizen of the United States for the purchase, lease, or charter of such vessel under such terms and conditions as may be prescribed by the board.

"The board shall give public notice of the fact that vessels are offered and the terms and conditions upon which a contract will be made, and may invite competitive offerings. In the event the board shall, after full compliance with the terms of this proviso, determine that it is unable to enter into a contract with such private parties for the purchase, lease, or charter of such vessel, it shall make a full report to the President, who shall examine such report, and if he shall approve the same he shall make an order declaring that the conditions have been found to exist which justify the operation of such vessel by a corporation formed under the provisions of this section," so as to read:

That the board, if in its judgment such action is necessary to carry out the purposes of this act, may form under the laws of the District of Columbia one or more corporations for the purchase, construction, equipment, lease, charter, maintenance, and operation of merchant vessels in the commerce of the United States. The total capital stock thereof shall not exceed $50,000,000. The board may, for and on behalf of the United States, subscribe to, purchase, and vote not less than a majority of the capital stock of any such corporation, and do all other things in regard thereto necessary to protect the interests of the United States and to carry out the purposes of this act. The board, with the approval of the President, may sell any or all of the stock of the United States in such corporation, but at no time shall it be a minority stockholder therein: *Provided*, That no corporation in which the United States is a stockholder, formed under the authority of this section, shall engage, etc.

Mr. CUMMINS. I do not intend to discuss the amendment proposed by the committee, but if adopted, and I assume it will be, I do not want the section so adopted as to preclude a motion to strike the entire section from the bill.

Mr. GALLINGER. Mr. President, I move an amendment to which I think there will be no objection. In line 10, page 11, I move to substitute the word "shall" for the word "may."

The VICE PRESIDENT. The amendment to the amendment will be stated.

The SECRETARY. On page 11, in the committee amendment, line 10, before the word "invite," strike out the word "may" and insert the word "shall," so as to read, "and shall invite competitive offerings."

Mr. FLETCHER. I accept that.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 12, after line 11, to strike out:

SEC. 12. That any vessel purchased, leased, or chartered from the board may be listed by the Secretary of the Navy as a vessel of the United States Naval Auxiliary Reserve. The officers and members of the crew of any such listed vessel who volunteer for the purpose and are citizens of the United States or its insular possessions may, under regulations prescribed by the Secretary of the Navy, be enrolled in various ranks and ratings corresponding to those of the United States Navy, not above the rank of lieutenant commander, as members of any naval reserve force established by law.

The amendment was agreed to.

The next amendment was, in section 14, page 13, line 21, after the word "no," to strike out "expenditure shall be made nor," and in line 22, after the word "liability," to insert "shall be," so as to make the clause read:

That for the purpose of carrying out the provisions of sections 5 and 11 no liability shall be incurred exceeding a total of $50,000,000; and the Secretary of the Treasury, upon the request of the board, approved by the President, shall from time to time issue and sell or use any of the bonds of the United States now available in the Treasury under the acts of August 5, 1909, February 4, 1910, and March 2, 1911, relating to the issue of bonds for the construction of the Panama Canal, to a total amount not to exceed $50,000,000: *Provided*, That any bonds issued and sold or used under the provisions of this section may be made payable at such time within 50 years after issue as the Secretary of the Treasury may fix, instead of 50 years after the date of issue, as prescribed in the act of August 5, 1909.

The amendment was agreed to.

The next amendment was, in section 15, page 15, line 2, after the words "beyond the," to strike out "period for which com-

puted," and insert "completion of the service for which it is paid," so as to read:

SEC. 15. That no common carrier by water shall directly or indirectly—

First. Pay or allow, or enter into any combination, agreement, or understanding, express or implied, to pay or allow, a deferred rebate to any shipper. The term "deferred rebate" in this act means a return of any portion of the freight money by a carrier to any shipper as a consideration for the giving of all or any portion of his shipments to the same or any other carrier, or for any other purpose, the payment of which is deferred beyond the completion of the service for which it is paid, and is made only if, during both the period for which computed and the period of deferment, the shipper has complied with the terms of the rebate agreement or arrangement.

The amendment was agreed to.

The VICE PRESIDENT. That completes the committee amendments as printed in the bill.

Mr. CUMMINS. Mr. President——

Mr. FLETCHER. Mr. President, I desire to offer some amendments on behalf of the committee, if the Senator from Iowa will permit me.

Mr. CUMMINS. Very well.

Mr. FLETCHER. On page 28, in lines 7 and 8—which is the statute of limitations in this proposed statute—the language is:

In a district or State court unless filed within one year from the date of the order.

It seems to me it would be advisable to strike out the words "in a district or State court," because with those words included there might be a question about the jurisdiction of territorial courts. There is not any need to specify the particular court in which a petition or suit may be filed.

The VICE PRESIDENT. The amendment proposed by the Senator from Florida will be stated.

The SECRETARY. In section 30, page 28, line 7, after the word "maintained," it is proposed to strike out the words "in a district or State court."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. FLETCHER. On page 22, in line 9, after the word "court," I move to strike out the words "of a State or of the United States."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. FLETCHER. Then I offer the amendment which I send to the desk, to come in as section 27 of the bill.

The VICE PRESIDENT. The amendment proposed by the Senator from Florida will be stated.

The SECRETARY. It is proposed to add a new section to be known as section 27, as follows:

SEC. 27. The board shall have power, and it shall be its duty whenever complaint shall be made to it, to investigate the action of any foreign Government with respect to the privileges afforded and burdens imposed upon vessels of the United States engaged in foreign trade whenever it shall appear that the laws, regulations, or practices of any foreign Government operate in such a manner that vessels of the United States are not accorded equal privileges in foreign trade with vessels of such foreign countries or vessels of other foreign countries, either in trade to or from the ports of such foreign country or in respect of the passage or transportation through such foreign country of passengers or goods intended for shipment or transportation in such vessels of the United States, either to or from ports of such foreign country or to or from ports of other foreign countries. It shall be the duty of the board to report the results of its investigation to the President with its recommendations and the President is hereby authorized and empowered to secure by diplomatic action equal privileges for vessels of the United States engaged in such foreign trade. And if by such diplomatic action the President shall be unable to secure such equal privileges then the President shall advise Congress as to the facts and his conclusions by special message, if deemed important in the public interest, in order that proper action may be taken thereon.

The VICE PRESIDENT. The amendment is agreed to, without objection.

Mr. FLETCHER. The amendment just adopted should come in following section 26, as it now appears in the bill. I ask that the Secretary be allowed to renumber the sections.

The VICE PRESIDENT. In the absence of objection, permission to do so will be granted.

Mr. NELSON. Mr. President, I offer an amendment, to come at the end of line 9, on page 1 of the bill. I move to strike out the period, to insert a colon, and to add the words which I send to the Secretary's desk.

The VICE PRESIDENT. The amendment proposed by the Senator from Minnesota will be stated.

The SECRETARY. In section 1, page 1, line 9, after the word "trade," it is proposed to insert the following:

Provided, That a cargo boat, commonly called an ocean tramp, shall not be deemed such common carrier by water in foreign commerce.

Mr. FLETCHER. Mr. President, so far as I am concerned, I do not see any objection to that amendment. It may go in the bill to go to conference, and if there is any objection to it it will develop there.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. JONES. Mr. President, I desire to offer the amendment which I send to the desk, and I call the attention of the Senator from Florida to it, as it is the amendment which I explained to him with reference to marine insurance.

The VICE PRESIDENT. The amendment proposed by the Senator from Washington will be stated.

The SECRETARY. In section 13, page 13, line 3, after the word "registry," it is proposed to insert:

It shall examine the rules under which vessels are constructed abroad and in the United States, and the methods of classifying and rating same, and it shall examine into the subject of marine insurance, the number of companies in the United States, domestic and foreign, engaging in marine insurance, the extent of the insurance on hulls and cargoes placed or written in the United States, and the extent of reinsurance of American maritime risks in foreign companies, and ascertain what steps may be necessary to develop an ample marine-insurance system as an aid in the development of an American merchant marine.

Mr. FLETCHER. So far as I can see, there is no objection to that amendment. I think it has some good provisions in it.

The VICE PRESIDENT. The amendment is agreed to, without objection.

Mr. THOMAS. Mr. President, I beg to offer the amendment which I presented a few days ago, and I now ask that it be read by the Secretary.

The VICE PRESIDENT. The amendment proposed by the Senator from Colorado will be stated.

The SECRETARY. It is proposed to insert, at the proper place in the bill, the following:

The Secretary of the Treasury is authorized to refuse a clearance to any vessel or other vehicle laden with merchandise destined for a foreign or domestic port whenever he shall have satisfactory reason to believe that the master, owner, or other officer of such vessel or other vehicle refuses or declines to accept or receive freight or cargo tendered for such port of destination or for some intermediate port of call, together with the proper freight or transportation charges therefor, by any citizen of the United States, unless the same is so declined or refused because such vessel or other vehicle is fully laden and has no space accommodations for the freight or cargo so tendered, due regard being had for the proper loading of such vessel or vehicle.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Colorado.

Mr. BRANDEGEE. Mr. President, let me ask the Senator from Colorado a question: Supposing the cargo is declined on the ground that it is not in proper condition—that it is a dangerous cargo; what then?

Mr. THOMAS. I think the amendment provides for that; it provides that it shall be a proper cargo.

Mr. BRANDEGEE. I thought the only condition was in the event there was not room for it.

Mr. THOMAS. I think not. If that is the case, however, it ought to be remedied so as to meet that objection, because the Senator's suggestion is a good one. I think, however, that is provided for.

Mr. BRANDEGEE. Very well. If it is, I have no criticism to make of the amendment.

The VICE PRESIDENT. The amendment is agreed to, without objection.

Mr. CUMMINS. Mr. President, I desire to offer three amendments to the bill. I think it is only fair to say now that on two of them, at least, I shall ask for the yeas and nays, and that possibly I shall ask for the yeas and nays on all of them.

I move to strike out section 11, and also the words "and eleven," in line 21, page 13, and the same words in line 17, page 14. I think possibly the Senate will permit these amendments to be considered as one, for they all tend toward a single object.

Section 11 is one which authorizes the shipping board to organize a private corporation under the laws of the District of Columbia, and authorizes that corporation, which may solicit private subscriptions to its capital stock, to purchase, charter, lease, sell, recharter, and release these ships. I discussed the matter the other day as fully as I care to discuss it. I am not for any part of the bill—I want no misunderstanding about that. I think it is fundamentally wrong; but as to this section, there is nothing but mischief in it. It can accomplish no good, and there is in it the opportunity for a great deal of wrong and evil. Upon the motion I have made, Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CLARKE of Arkansas. Will the Chair state the question, please?

The VICE PRESIDENT. The question is on the motion of the Senator from Iowa to strike out section 11 as amended, and also to strike out the words "and eleven," in two other places referring to section 11 and depending upon section 11. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. BECKHAM (when his name was called). I have a general pair with the senior Senator from Delaware [Mr. DU PONT].

In his absence I withhold my vote. If permitted to vote, I should vote "nay."

Mr. BRYAN (when his name was called). I have a general pair with the junior Senator from Michigan [Mr. TOWNSEND], which I transfer to the junior Senator from Louisiana [Mr. BROUSSARD], and vote "nay."

Mr. CHAMBERLAIN (when his name was called). I transfer my general pair with the junior Senator from Pennsylvania [Mr. OLIVER] to the Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. CHILTON (when his name was called). I make the same announcement of my pair as on the former vote and withhold my vote.

Mr. CLARKE of Arkansas (when his name was called). I have a general pair with the junior Senator from Utah [Mr. SUTHERLAND], which I transfer to the junior Senator from South Carolina [Mr. SMITH] and vote "nay." I will let this announcement stand for the day.

Mr. GALLINGER (when his name was called). I will again announce my general pair with the senior Senator from New York [Mr. O'GORMAN] and the transfer of that pair to the junior Senator from Vermont [Mr. PAGE]. I vote "yea."

Mr. REED (when his name was called). Making the same transfer as on the last roll call, I vote "nay."

Mr. SHAFROTH (when his name was called). I am paired with the junior Senator from Washington [Mr. POINDEXTER]. I transfer that pair to the junior Senator from New Jersey [Mr. HUGHES] and vote "nay."

Mr. SMITH of Georgia (when his name was called). I transfer my pair with the senior Senator from Massachusetts [Mr. LODGE] to the senior Senator from Nebraska [Mr. HITCHCOCK], and will let the transfer remain for the balance of the day. I vote "nay."

Mr. STERLING (when his name was called). I again announce my pair with the senior Senator from Nevada [Mr. NEWLANDS]. I transfer that pair to the Senator from Nebraska [Mr. NORRIS] and vote "yea."

Mr. STONE (when his name was called). I transfer the general pair I have with the Senator from Wyoming [Mr. CLARK] to the Senator from Illinois [Mr. LEWIS] and vote "nay."

Mr. THOMAS (when his name was called). Announcing the same pair and its transfer as heretofore, I vote "nay."

Mr. JONES (when Mr. TOWNSEND's name was called). If the junior Senator from Michigan [Mr. TOWNSEND] were present, he would vote "yea" on this motion.

Mr. WADSWORTH (when his name was called). Making the same announcement as to my pair and its transfer as heretofore, I vote "yea." I should like the announcement I have made to stand for the remainder of the day.

The roll call was concluded.

Mr. WEEKS. I desire to announce that my colleague [Mr. LODGE], if he were present, would vote "yea" on this motion.

Mr. LIPPITT. I transfer my pair with the Senator from Montana [Mr. WALSH] to the Senator from Iowa [Mr. KENYON] and vote "yea."

Mr. OWEN. I transfer my pair with the Senator from New Mexico [Mr. CATRON] to the Senator from New Hampshire [Mr. HOLLIS] and vote "nay."

Mr. SAULSBURY. I have a general pair with the junior Senator from Rhode Island [Mr. COLT]. Not being able to obtain a transfer, I withhold my vote.

Mr. BECKHAM. I transfer my pair with the senior Senator from Delaware [Mr. DU PONT] to the Senator from Maine [Mr. JOHNSON] and vote "nay."

The result was announced—yeas 20, nays 39, as follows:

YEAS—20.

Borah	Curtis	Lippitt	Smoot
Brady	Dillingham	McLean	Sterling
Brandegee	Gallinger	Nelson	Wadsworth
Clapp	Harding	Penrose	Warren
Cummins	Jones	Sherman	Weeks

NAYS—39.

Ashurst	Johnson, S. Dak.	Pittman	Smith, Md.
Bankhead	Kern	Pomerene	Stone
Beckham	Lane	Ransdell	Swanson
Bryan	Lea, Tenn.	Reed	Taggart
Chamberlain	Lee, Md.	Robinson	Thomas
Clarke, Ark.	Martin, Va.	Shafroth	Thompson
Fletcher	Martine, N. J.	Sheppard	Underwood
Hardwick	Myers	Shields	Vardaman
Husting	Owen	Simmons	Williams
James	Phelan	Smith, Ga.	

NOT VOTING—36.

Broussard	Culberson	Gronna	Kenyon
Catron	du Pont	Hitchcock	La Follette
Chilton	Fall	Hollis	Lewis
Clark, Wyo.	Goff	Hughes	Lodge
Colt	Gore	Johnson, Me.	McCumber
Newlands	Overman	Smith, Ariz.	Tillman
Norris	Page	Smith, Mich.	Townsend
O'Gorman	Poindexter	Smith, S. C.	Walsh
Oliver	Saulsbury	Sutherland	Works

So the amendment of Mr. CUMMINS was rejected.

Mr. CUMMINS. Mr. President, I move to strike from section 16 as follows: Beginning in line 18 on page 17 down to and including line 3 on page 18.

A single word of explanation. This is the part of the bill which repeals the antitrust law. On it I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BECKHAM (when his name was called). Repeating the announcement which I have made heretofore as to my pair and its transfer, I vote "nay."

Mr. BRYAN (when his name was called). Repeating the announcement made on the previous roll call, which I will allow to stand for the balance of the day, I vote "nay."

Mr. CHILTON (when his name was called). I make the same announcement as to my pair as heretofore, and withhold my vote.

Mr. GALLINGER (when his name was called). Again announcing the transfer of my pair to the junior Senator from Vermont [Mr. PAGE], I vote "aye." I will let this announcement stand for the day.

Mr. LIPPITT (when his name was called). Making the same announcement with regard to my pair which I have just made, and which I will allow to stand for the balance of the day, I vote "aye."

Mr. SAULSBURY (when his name was called). Announcing my pair as heretofore, I withhold my vote.

Mr. SHAFROTH (when his name was called). Making the same announcement that I made on the preceding roll call, I vote "nay."

Mr. STERLING (when his name was called). Making the same announcement in regard to my pair and its transfer as on the last vote, I vote "yea."

Mr. STONE (when his name was called). Making the same transfer as on the last roll call, I vote "nay."

Mr. THOMAS (when his name was called). Announcing the same pair and its transfer as heretofore, I vote "yea."

Mr. JONES (when Mr. TOWNSEND's name was called). If the junior Senator from Michigan [Mr. TOWNSEND] were present he would vote "yea" on this amendment.

The roll call was concluded.

Mr. CHAMBERLAIN. Announcing the same transfer as on the last roll call, I vote "nay."

Mr. REED. Making the same transfer as on the last roll call, I vote "nay."

Mr. WEEKS. I wish to announce that if my colleague [Mr. LODGE] were present he would vote "yea."

Mr. OWEN. I transfer my pair to the Senator from New Hampshire [Mr. HOLLIS] and vote "nay."

Mr. CURTIS. I have been requested to announce that the Senator from West Virginia [Mr. GOFF] is paired with the Senator from South Carolina [Mr. TILLMAN].

The result was announced—yeas 23, nays 37, as follows:

YEAS—23.

Borah	Dillingham	McLean	Sterling
Brady	Gallinger	Martine, N. J.	Thomas
Brandegee	Gronna	Nelson	Wadsworth
Clapp	Harding	Penrose	Warren
Cummins	Jones	Sherman	Weeks
Curtis	Lippitt	Smoot	

NAYS—37.

Ashurst	Johnson, S. Dak.	Pittman	Stone
Bankhead	Kern	Pomerene	Swanson
Beckham	Lane	Reed	Taggart
Bryan	Lea, Tenn.	Robinson	Thompson
Chamberlain	Lee, Md.	Shafroth	Underwood
Clarke, Ark.	Martin, Va.	Sheppard	Vardaman
Fletcher	Myers	Shields	Williams
Hardwick	Overman	Simmons	
Husting	Owen	Smith, Ga.	
James	Phelan	Smith, Md.	

NOT VOTING—35.

Broussard	Gore	McCumber	Smith, Ariz.
Catron	Hitchcock	Newlands	Smith, Mich.
Chilton	Hollis	Norris	Smith, S. C.
Clark, Wyo.	Hughes	O'Gorman	Sutherland
Colt	Johnson, Me.	Oliver	Tillman
Culberson	Kenyon	Page	Townsend
du Pont	La Follette	Poindexter	Walsh
Fall	Lewis	Ransdell	Works
Goff	Lodge	Saulsbury	

So Mr. CUMMINS's amendment was rejected.

Mr. CUMMINS. Mr. President, I move to amend section 15, line 18, page 14, by inserting after the word "water" the words "in interstate commerce"; to insert the same words after the word "water" in section 16, line 6, page 16; to insert the

same words after the word "water" in section 17, line 8, page 18; and to insert the same words after the word "water" in section 21, line 15, page 21.

These amendments are all for the purpose of doing a single thing. If adopted, the foreign commerce of the United States would not be hampered by the regulations which are provided for in the bill. As I pointed out the other day, we can not regulate foreign ships; and it is in the last degree unwise, in my opinion, to attempt to lay upon our own ships a burden which we can not compel their competitors to bear. The result would be to diminish the American merchant marine rather than to increase it.

I do not intend myself to ask for the yeas and nays upon this amendment, because the matter has been discussed, and, in some phases of it, has been already voted upon. Of course, some other Senator may do so if he desires. I think there could not be anything done in the way of legislation that would have a greater tendency to embarrass, if not to destroy, American ships engaged in foreign commerce than the passage of the bill as it is now proposed. These amendments would simply exclude our own ships engaged in foreign commerce only from the regulatory provisions of the bill.

Mr. GALLINGER. Mr. President, before the vote is taken on the amendments now submitted by the Senator from Iowa I wish to ask the Senator a specific question concerning the amendment that was just voted down. In the opinion of the Senator from Iowa, does the language that he moved to strike from the bill repeal to that extent the provisions of the Sherman antitrust law?

Mr. CUMMINS. Unquestionably, with respect to every combination, agreement, or understanding that is made lawful under this bill. The Senator from New Hampshire will remember that this bill provides that all this shipping must report to the shipping board concerning every agreement or understanding or conference had with respect to concerted action in the shipping business, and must report a great many other things. Until the shipping board declares these agreements unlawful, the bill expressly makes them lawful. The part which I sought to strike out provides that all these agreements and understandings and conferences, no matter what they may be, which are made lawful under the bill under consideration shall be excepted from the operation of the antitrust law, and as to all such matters the antitrust law is repealed by this bill.

Mr. GALLINGER. Mr. President, while it probably is a fact that the provisions of the Sherman antitrust law have sometimes been evaded, can the Senator from Iowa cite another instance where the Congress of the United States has actually agreed to a proposition which nullifies that statute to a certain extent?

Mr. CUMMINS. As I said the other day, I have never known the attempt to be made, even. I have heard of some people on the outside—the railway companies and other great corporations—who were venturesome enough to suggest that the antitrust law ought to be modified or repealed, but until this measure made its appearance I had never heard the suggestion made in Congress. It will be remembered that the antitrust law simply says that there shall be no agreement or combination in restraint of trade.

Now, we are abandoning that test and saying that in the shipping business there may be agreements and understandings and conferences which have the effect of agreements in restraint of trade. That is our declaration in passing this bill.

Mr. GALLINGER. Mr. President, the Senator from Iowa has suggested that he would not ask for the yeas and nays on the amendments which he has just offered. I think the matter is a very important one, and I ask for the yeas and nays on the amendments proposed by the Senator from Iowa.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BECKHAM (when his name was called). Making the same announcement as in the former roll calls as to my pair, I vote "nay."

Mr. CHAMBERLAIN (when his name was called). Making the same transfer as heretofore, I vote "nay."

Mr. CHILTON (when his name was called). I make the same announcement regarding my pair and withhold my vote.

Mr. SHAFROTH (when his name was called). Making the same transfer as previously announced, I vote "nay."

Mr. STERLING (when his name was called). Making the same announcement as to my pair and its transfer as on the last roll call, I vote "yea."

Mr. JONES (when Mr. TOWNSEND's name was called). The junior Senator from Michigan [Mr. TOWNSEND], if present, would vote "yea."

The roll call was concluded.

Mr. STONE. I transfer my pair with the senior Senator from Wyoming [Mr. CLARK] to the Senator from Illinois [Mr. LEWIS] and will vote. I vote "nay."

Mr. REED. Making the same announcement as on the previous roll call, I vote "nay."

Mr. OWEN. I transfer my pair to the Senator from New Hampshire [Mr. HOLLIS] and will vote. I vote "nay."

Mr. SAULSBURY. I transfer my pair with the Senator from Rhode Island [Mr. COLT] to the Senator from Arizona [Mr. SMITH] and will vote. I vote "nay."

The result was announced—yeas 21, nays 40, as follows:

YEAS—21.

Borah	Dillingham	McLean	Wadsworth
Brady	Gallinger	Nelson	Warren
Brandegee	Gronna	Penrose	Weeks
Clapp	Harding	Sherman	
Cummins	Jones	Smoot	
Curtis	Lippitt	Sterling	

NAYS—40.

Ashurst	Johnson, S. Dak.	Phelan	Simmons
Bankhead	Kern	Pittman	Smith, Ga.
Beckham	Lane	Pomerene	Smith, Md.
Bryan	Lea, Tenn.	Ransdell	Stone
Chamberlain	Lee, Md.	Reed	Swanson
Clarke, Ark.	Martin, Va.	Robinson	Taggart
Fletcher	Martine, N. J.	Saulsbury	Thompson
Hardwick	Myers	Shafroth	Underwood
Husting	Overman	Sheppard	Vardaman
James	Owen	Shields	Williams

NOT VOTING—34

Broussard	Gore	McCumber	Smith, S. C.
Catron	Hitchcock	Newlands	Sutherland
Chilton	Hollis	Norris	Thomas
Clark, Wyo.	Hughes	O'Gorman	Tillman
Colt	Johnson, Me.	Oliver	Townsend
Culberson	Kenyon	Page	Walsh
du Pont	La Follette	Poindexter	Works
Fall	Lewis	Smith, Ariz.	
Goff	Lodge	Smith, Mich.	

So Mr. CUMMINS's amendments were rejected.

Mr. BORAH. Mr. President, on page 8, line 18, after the word "leased," I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 8, after the word "leased," at the end of line 18, it is proposed to insert the following words:

No such vessel while employed solely as merchant vessels shall be required or permitted to transport for gain any alien immigrant to a port of the United States who can not read the English language or some other language or dialect, including Hebrew or Yiddish.

Any master of any such vessel carrying such an illiterate alien without charge or who violates this provision shall be subject to a fine of not less than $100 for each offense or imprisonment for not less than three months, or both.

Mr. BORAH. Mr. President, upon that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BECKHAM (when his name was called). Making the same announcement as before as to the transfer of my pair, I vote "nay."

Mr. CHAMBERLAIN (when his name was called). Making the same announcement of the transfer of my pair as before, I vote "nay."

Mr. CHILTON (when his name was called). I make the same announcement of my pair as on the former vote, and I withhold my vote.

Mr. REED (when his name was called). I make the same transfer as on the last vote and vote "nay."

Mr. SAULSBURY (when his name was called). I transfer my pair as on the last vote and vote "nay."

Mr. SHAFROTH (when his name was called). Making the same transfer as previously, I vote "nay."

Mr. STERLING (when his name was called). Making the same transfer of my pair as on the last vote, I vote "yea."

Mr. STONE (when his name was called). Making the same transfer of my pair as on the last vote, I vote "nay."

Mr. THOMAS (when his name was called). I announce the same pair as heretofore, and withhold my vote.

Mr. JONES (when Mr. TOWNSEND's name was called). If the Senator from Michigan [Mr TOWNSEND] were present and permitted to vote, he would vote "nay."

The roll call was concluded.

Mr. OWEN. I transfer my pair to the Senator from New Hampshire [Mr. HOLLIS]. I make this announcement for the day. I vote "nay."

The result was announced—yeas 20, nays 39—as follows:

YEAS—20.

Ashurst	Curtis	Jones	Smoot
Borah	Dillingham	Lippitt	Sterling
Brady	Gallinger	Myers	Wadsworth
Clapp	Gronna	Nelson	Warren
Cummins	Harding	Penrose	Weeks

NAYS—39.

Bankhead	Kern	Pomerene	Smith, Ga.
Beckham	Lane	Ransdell	Smith, Md.
Bryan	Lea, Tenn.	Reed	Stone
Chamberlain	Lee, Md.	Robinson	Swanson
Clarke, Ark.	Martin, Va.	Saulsbury	Taggart
Fletcher	Martine, N. J.	Shafroth	Thompson
Hardwick	Overman	Sheppard	Underwood
Husting	Owen	Sherman	Vardaman
James	Phelan	Shields	Williams
Johnson, S. Dak.	Pittman	Simmons	

NOT VOTING—36.

Brandegee	Goff	Lodge	Smith, Ariz.
Broussard	Gore	McCumber	Smith, Mich.
Catron	Hitchcock	McLean	Smith, S. C.
Chilton	Hollis	Newlands	Sutherland
Clark, Wyo.	Hughes	Norris	Thomas
Colt	Johnson, Me.	O'Gorman	Tillman
Culberson	Kenyon	Oliver	Townsend
du Pont	La Follette	Page	Walsh
Fall	Lewis	Poindexter	Works

So Mr. BORAH's amendment was rejected.

Mr. THOMAS. I move to reconsider the vote by which the amendment I offered a few moments ago was agreed to, my purpose being to clarify it somewhat in a matter of detail.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. THOMAS. I send the amendment to the desk and ask that it be read.

The SECRETARY. In lieu of the amendment heretofore offered insert as an independent section the following:

SEC. —. The Secretary of the Treasury is authorized to refuse a clearance to any vessel or other vehicle laden with merchandise destined for a foreign or domestic port whenever he shall have satisfactory reason to believe that the master, owner, or other officer of such vessel or other vehicle refuses or declines to accept or receive freight or cargo in good condition tendered for such port of destination or for some intermediate port of call, together with the proper freight or transportation charges therefor, by any citizen of the United States, unless the same is fully laden and has no space accommodations for the freight or cargo so tendered, due regard being had for the proper loading of such vessel or vehicle, or unless such freight or cargo consists of merchandise for which such vessel or vehicle is not adaptable.

Mr. STONE. Mr. President, just one word. I wonder what reason a Senator can give for not voting for this amendment.

The VICE PRESIDENT. The amendment will be agreed to without objection.

Mr. SMITH of Georgia. I move to amend the bill on page 4, line 17, by striking out "$10,000" and inserting "$7,500."

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 4, line 17, where it reads "That each member of the board shall receive a salary of $10,000 per annum," the Senator from Georgia proposes to strike out "$10,000" and insert in lieu thereof "$7,500."

The amendment was agreed to.

Mr. GALLINGER. I read on page 5, line 3, these words:

With the exception of the secretary, a clerk to each commissioner, the attorneys, naval architects, and such special experts and examiners as the board may from time to time find necessary to employ for the conduct of its work, all employees of the board shall be a part of the classified civil service.

I will ask the Senator from Florida just what that language is meant to imply. I ask the Senator what is to be inferred from it?

Mr. FLETCHER. They are to be embraced within the classified service.

Mr. GALLINGER. They are not to be appointed from the classified service but to be legislated into the classified service, are they not?

Mr. FLETCHER. They are to be selected from the classified service.

Mr. GALLINGER. It does not so say. I offer the following amendment. Before it is read I will say this matter of civil service is being debated pretty keenly at the present time and I do not believe any Senator on either side of the Chamber wants to put himself on record as having men appointed without examination and without certification, and saying that they shall be a part of the classified service.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 5, lines 7 and 8, strike out the words "a part of the classified civil service of the United States," and in lieu insert:

Appointed from lists of eligibles to be supplied by the Civil Service Commission and in accordance with the civil-service law.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from New Hampshire [Mr. GALLINGER].

Mr. FLETCHER. Mr. President, I think that is what was intended by the provisions of the bill; but the bill came over from the House with this language in it, and I would not like to change it offhand without understanding a little more clearly what the Senator is driving at.

Mr. GALLINGER. I am driving at placing these clerks and stenographers under the civil service and having them certified from the list which the Civil Service Commission now has; that is all.

Mr. FLETCHER. Of course, our friends on the other side have covered into the classified service without examination thousands of people who were not in the civil service before; but I will make no objection to the amendment.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. BORAH. Mr. President, at the end of the bill after section 35, I submit an amendment as a new section. I will say that the amendment which I propose is the immigration bill as reported from the committee. I have no desire to ask to have it read in full, but I am willing that that shall be waived. Upon the amendment I ask for the yeas and nays.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Idaho, on which he asks for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BECKHAM (when his name was called). Making the same announcement as to my pair and its transfer as heretofore, I vote "nay."

Mr. CHAMBERLAIN. Making the same announcement as heretofore concerning my pair and its transfer, I vote "nay."

Mr. CHILTON. I make the same announcement of my pair as on the former ballot and withhold my vote.

Mr. DILLINGHAM (when Mr. PAGE's name was called). I desire to announce that my colleague [Mr. PAGE] is necessarily absent from the city, and is paired. If present, he would vote "yea" on this amendment.

Mr. JONES (when Mr. POINDEXTER's name was called). My colleague [Mr. POINDEXTER] is necessarily absent. I know that if he were present he would vote "yea" on this amendment.

Mr. SAULSBURY (when his name was called). I make the same announcement as to my pair and its transfer as heretofore and vote "nay."

Mr. SHAFROTH (when his name was called). I make the same announcement as to my pair and its transfer as heretofore and vote "nay."

Mr. STERLING (when his name was called). Making the same announcement in regard to my pair and its transfer as on the last vote, I vote "yea."

Mr. STONE (when his name was called). Making the same announcement as to the transfer of my pair with the Senator from Wyoming [Mr. CLARK] as I did on the last call, I vote "nay."

Mr. SMOOT (when Mr. SUTHERLAND's name was called). I desire to announce that my colleague [Mr. SUTHERLAND] is absent. He is paired with the senior Senator from Arkansas [Mr. CLARKE]. If my colleague were present, he would vote "yea."

Mr. THOMAS (when his name was called). I again announce my pair with the Senator from North Dakota [Mr. MCCUMBER] and withhold my vote. If at liberty, I should vote "nay."

Mr. JONES (when Mr. TOWNSEND's name was called). If the junior Senator from Michigan [Mr. TOWNSEND] were present, he would vote "yea" on this amendment.

The roll call was concluded.

Mr. REED. Making the same transfer of my pair as on the last vote, I vote "nay."

Mr. WEEKS. I wish to announce that if my colleague [Mr. LODGE] were present he would vote "yea" on this question.

Mr. CURTIS. I am requested to announce that the Senator from West Virginia [Mr. GOFF] is paired with the Senator from South Carolina [Mr. TILLMAN].

The result was announced—yeas 22, nays 37, as follows:

YEAS—22.

Ashurst	Dillingham	Myers	Vardaman
Borah	Gallinger	Nelson	Wadsworth
Brady	Gronna	Penrose	Warren
Clapp	Harding	Sherman	Weeks
Cummins	Jones	Smoot	
Curtis	Lippitt	Sterling	

NAYS—37.

Bankhead	Kern	Pomerene	Smith, Md.
Beckham	Lane	Ransdell	Stone
Bryan	Lea, Tenn.	Reed	Swanson
Chamberlain	Lee, Md.	Robinson	Taggart
Clarke, Ark.	Martin, Va.	Saulsbury	Thompson
Fletcher	Martine, N. J.	Shafroth	Underwood
Hardwick	Overman	Sheppard	Williams
Husting	Owen	Shields	
James	Phelan	Simmons	
Johnson, S. Dak.	Pittman	Smith, Ga.	

NOT VOTING—36.

Brandegee	Chilton	Culberson	Goff
Broussard	Clark, Wyo.	du Pont	Gore
Catron	Colt	Fall	Hitchcock

Hollis	Lodge	Oliver	Sutherland
Hughes	McCumber	Page	Thomas
Johnson, Me.	McLean	Poindexter	Tillman
Kenyon	Newlands	Smith, Ariz.	Townsend
La Follette	Norris	Smith, Mich.	Walsh
Lewis	O'Gorman	Smith, S. C.	Works

So Mr. BORAH's amendment was rejected.

Mr. BORAH's amendment in full was to insert as a new section the following:

That the word "alien" wherever used in this act shall include any person not a native-born or naturalized citizen of the United States; but this definition shall not be held to include Indians of the United States not taxed or citizens of the islands under the jurisdiction of the United States. That the term "United States" as used in the title as well as in the various sections of this act shall be construed to mean the United States, and any waters, territory, or other place subject to the jurisdiction thereof, except the Isthmian Canal Zone; but if any alien shall leave the Canal Zone or any insular possession of the United States and attempt to enter any other place under the jurisdiction of the United States nothing contained in this act shall be construed as permitting him to enter under any other conditions than those applicable to all aliens. That the term "seaman" as used in this act shall include every person signed on the ship's articles and employed in any capacity on board any vessel arriving in the United States from any foreign port or place.

That this act shall be enforced in the Philippine Islands by officers of the general government thereof designated by appropriate legislation of said government.

That there shall be levied, collected, and paid a tax of $8 for every alien, including alien seamen regularly admitted as provided in this act, entering the United States: *Provided*, That children under 16 years of age who accompany their father or their mother shall not be subject to said tax. The said tax shall be paid to the collector of customs of the port or customs district to which said alien shall come, or, if there be no collector at such port or district, then to the collector nearest thereto, by the master, agent, owner, or consignee of the vessel, transportation line, or other conveyance or vehicle bringing such alien to the United States, or by the alien himself if he does not come by a vessel, transportation line, or other conveyance or vehicle or when collection from the master, agent, owner, or consignee of the vessel, transportation line, or other conveyance, or vehicle bringing such alien to the United States is impracticable. The tax imposed by this section shall be a lien upon the vessel or other vehicle of carriage or transportation bringing such aliens to the United States, and shall be a debt in favor of the United States against the owner or owners of such vessel or other vehicle, and the payment of such tax may be enforced by any legal or equitable remedy. That the said tax shall not be levied on account of aliens who enter the United States after an uninterrupted residence of at least one year immediately preceding such entrance in the Dominion of Canada, Newfoundland, the Republic of Cuba, or the Republic of Mexico, for a temporary stay, nor on account of otherwise admissible residents or citizens of any possession of the United States, nor on account of aliens in transit through the United States, nor upon aliens who have been lawfully admitted to the United States and who later shall go in transit from one part of the United States to another through foreign contiguous territory, and the Commissioner General of Immigration, with the approval of the Secretary of Labor, shall issue rules and regulations and prescribe the conditions necessary to prevent abuse of these exceptions: *Provided*, That the Commissioner General of Immigration, under the direction or with the approval of the Secretary of Labor, by agreement with transportation lines, as provided in section 23 of this act, may arrange in some other manner for the payment or the tax imposed by this section upon any or all aliens seeking admission from foreign contiguous territory: *Provided further*, That said tax, when levied upon aliens entering the Philippine Islands, shall be paid into the treasury of said islands, to be expended for the benefit of such islands: *Provided further*, That in the cases of aliens applying for admission from foreign contiguous territory and rejected, the head tax collected shall, upon application upon a blank which shall be furnished and explained to him, be refunded to the alien.

That the following classes of aliens shall be excluded from admission into the United States: All idiots, imbeciles, feeble-minded persons, epileptics, insane persons; persons who have had one or more attacks of insanity at any time previously; persons of constitutional psychopathic inferiority; persons with chronic alcoholism; paupers, professional beggars; vagrants; persons afflicted with tuberculosis in any form or with a loathsome or dangerous contagious disease; persons not comprehended within any of the foregoing excluded classes who are found to be and are certified by the examining surgeon as being mentally or physically defective, such physical defect being of a nature which may affect the ability of such alien to earn a living; persons who have been convicted of or admit having committed a felony or other crime or misdemeanor involving moral turpitude; polygamists, or persons who practice polygamy or believe in or advocate the practice of polygamy; anarchists, or persons who believe in or advocate the overthrow by force or violence of the Government of the United States, or of all forms of law, or who disbelieve in or are opposed to organized government, or who advocate the assassination of public officials, or who advocate or teach the unlawful destruction of property; persons who are members of or affiliated with any organization entertaining and teaching disbelief in or opposition to organized government, or who advocate or teach the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers, either of specific individuals or of officers generally, of the Government of the United States or of any other organized government, because of his or their official character, or who advocate or teach the unlawful destruction of property; prostitutes, or persons coming into the United States for the purpose of prostitution or for any other immoral purpose; persons who directly or indirectly procure or attempt to procure or import prostitutes or persons for the purpose of prostitution or for any other immoral purpose; persons who are supported by or receive in whole or in part the proceeds of prostitution; persons hereinafter called contract laborers, who have been induced, assisted, encouraged, or solicited to migrate to this country by offers or promises of employment, whether such offers or promises are true or false, or in consequence of agreements, oral, written, or printed, express or implied, to perform labor in this country of any kind, skilled or unskilled; persons who have come in consequence of advertisements for laborers printed, published, or distributed in a foreign country; persons likely to become a public charge; persons who have been deported under any of the provisions of this act, and who may again seek admission within one year from the date of such deportation, unless prior to their reembarkation at a foreign port or their attempt to be admitted from foreign contiguous territory the Secretary of Labor shall have consented to their reapplying for admission; persons whose tickets or passage is paid for with the money of another, or who are assisted by others to come, unless it is affirmatively and satisfactorily shown that such persons do not belong to one of the foregoing excluded classes; persons whose ticket or passage is paid for by any corporation, association, society, municipality, or foreign Government, either directly or indirectly; stowaways, except that any such stowaway, if otherwise admissible, may be admitted in the discretion of the Secretary of Labor; all children under 16 years of age, unaccompanied by or not coming to one or both of their parents, except that any such children may, in the discretion of the Secretary of Labor, be admitted if in his opinion they are not likely to become a public charge and are otherwise eligible; persons who can not become eligible, under existing law, to become citizens of the United States by naturalization, unless otherwise provided for by existing agreements as to passports, or by existing treaties, conventions, or agreements, or by treaties, conventions, or agreements that may hereafter be entered into; Hindus. The two provisions next foregoing, however, shall not apply to persons of the following status or occupations: Government officers, ministers or religious teachers, missionaries, lawyers, physicians, chemists, civil engineers, teachers, students, authors, artists, merchants, and travelers for curiosity or pleasure, nor to their legal wives or their children under 16 years of age who shall accompany them or who subsequently may apply for admission to the United States, but such persons or their legal wives or foreign-born children who fail to maintain in the United States a status or occupation placing them within the excepted classes shall be deemed to be in the United States contrary to law, and shall be subject to deportation as provided in section 19 of this act.

That after three months from the passage of this act, in addition to the aliens who are by law now excluded from admission into the United States, the following persons shall also be excluded from admission thereto, to wit:

All aliens over 16 years of age, physically capable of reading, who can not read the English language, or some other language or dialect, including Hebrew or Yiddish. *Provided*, That any admissible alien, or any alien heretofore or hereafter legally admitted, or any citizen of the United States, may bring in or send for his father or grandfather over 55 years of age, his wife, his mother, his grandmother, or his unmarried or widowed daughter, if otherwise admissible, whether such relative can read or not; and such relative shall be permitted to enter. That for the purpose of ascertaining whether aliens can read the immigrant inspectors shall be furnished with slips of uniform size, prepared under the direction of the Secretary of Labor, each containing not less than 30 nor more than 40 words in ordinary use, printed in plainly legible type in some one of the various languages or dialects of immigrants. Each alien may designate the particular language or dialect in which he desires the examination to be made, and shall be required to read the words printed on the slip in such language or dialect. That the following classes of persons shall be exempt from the operation of the illiteracy test, to wit: All aliens who shall prove to the satisfaction of the proper immigration officer or to the Secretary of Labor that they are seeking admission to the United States to avoid religious persecution in the country of their last permanent residence, whether such persecution be evidenced by overt acts or by laws or governmental regulations that discriminate against the alien or the race to which he belongs because of his religious faith; all aliens who have been lawfully admitted to the United States and who have resided therein continuously for five years, and who have in accordance with the law declared their intention of becoming citizens of the United States and who return to the United States within six months from the date of their departure therefrom; all aliens in transit through the United States; all aliens who have been lawfully admitted to the United States and who later shall go in transit from one part of the United States to another through foreign contiguous territory: *Provided*, That nothing in this act shall exclude, if otherwise admissible, persons convicted, or who admit the commission, or who teach or advocate the commission, of an offense purely political unless such offense is a felony: *Provided further*, That the provisions of this act, relating to the payments for tickets or passage by any corporation, association, society, municipality, or foreign Government shall not apply to the tickets or passage of aliens in immediate and continuous transit through the United States to foreign contiguous territory: *Provided further*, That skilled labor, if otherwise admissible, may be imported if labor of like kind unemployed can not be found in this country, and the question of the necessity of importing such skilled labor in any particular instance may be determined by the Secretary of Labor upon the application of any person interested, such application to be made before such importation, and such determination by the Secretary of Labor to be reached after a full hearing and an investigation into the facts of the case: *Provided further*, That the provisions of this law applicable to contract labor shall not be held to exclude professional actors, artists, lecturers, singers, nurses, ministers of any religious denomination, professors for colleges or seminaries, persons belonging to any recognized learned profession, or persons employed as domestic servants: *Provided further*, That whenever the President shall be satisfied that passports issued by any foreign Government to its citizens or subjects to go to any country other than the United States, or to any insular possession of the United States or to the Canal Zone, are being used for the purpose of enabling the holder to come to the continental territory of the United States to the detriment of labor conditions therein, the President shall refuse to permit such citizens or subjects of the country issuing such passports to enter the continental territory of the United States from such other country or from such insular posssesion or from the Canal Zone: *Provided further*, That whenever any foreign country contiguous to the United States shall, by statute, executive order, or otherwise, exclude from its territory any class or classes of citizens of the United States upon grounds different from the grounds for excluding aliens from the United States herein specified, the same class or classes of aliens residing in such contiguous country shall be excluded from the United States so long as such exclusion of the United States citizens continues: *Provided further*, That aliens returning after a temporary absence to an unrelinquished United States domicile of seven consecutive years may be admitted in the discretion of the Secretary of Labor, and under such conditions as he may prescribe: *Provided further*, That nothing in the contract-labor or reading-test provisions of this act shall be construed to prevent, hinder, or restrict any alien exhibitor, or holder of concession or privilege for any fair or exposition authorized by act of Congress, from bringing

into the United States, under contract, such otherwise admissible alien mechanics, artisans, agents, or other employees, natives of his country as may be necessary for installing or conducting his exhibit or for preparing for installing or conducting any business authorized or permitted under any concession or privilege which may have been or may be granted by any such fair or exposition in connection therewith, under such rules and regulations as the Commissioner General of Immigration, with the approval of the Secretary of Labor, may prescribe both as to the admission and return of such persons: *Provided further*, That the Commissioner General of Immigration with the approval of the Secretary of Labor shall issue rules and prescribe conditions, including exaction of such bonds as may be necessary to control and regulate the admission and return of students and others applying for temporary admission: *Provided further*, That nothing in this act shall be construed to apply to accredited officials of foreign Governments, nor to their suites, families, or guests.

That the importation into the United States of any alien for the purpose of prostitution, or for any other immoral purpose, is hereby forbidden; and whoever shall, directly or indirectly, import, or attempt to import into the United States any alien for the purpose of prostitution or for any other immoral purpose, or shall hold or attempt to hold any alien for any such purpose in pursuance of such illegal importation, or shall keep, maintain, control, support, employ, or harbor in any house or other place, for the purpose of prostitution or for any other immoral purpose, any alien, in pursuance of such illegal importation, shall in every such case be deemed guilty of a felony, and on conviction thereof shall be punished by imprisonment for a term of not more than 10 years and by a fine of not more than $5,000. Jurisdiction for the trial and punishment of the felonies hereinbefore set forth shall be in any district to or into which said alien is brought in pursuance of said importation by the person or persons accused, or in any district in which a violation of any of the foregoing provisions of this section occurs. That any alien who shall, after he has been excluded and deported or arrested and deported in pursuance of the provisions of this act which relate to prostitutes, procurers, or other like immoral persons, attempt thereafter to return to or to enter the United States shall be deemed guilty of a misdemeanor, and on conviction thereof shall be punished by imprisonment for a term of not more than two years. In all prosecutions under this section the testimony of a husband or wife shall be admissible and competent evidence against each other.

That it shall be unlawful for any person, company, partnership, or corporation, in any manner whatsoever, to prepay the transportation or in any way to induce, assist, encourage, or solicit, or attempt to induce, assist, encourage, or solicit the importation or migration of any contract laborer or contract laborers into the United States, unless such contract laborer or contract laborers are exempted under the fifth proviso of section 3 of this act, or have been imported with the permission of the Secretary of Labor in accordance with the fourth proviso of said section, and for every violation of any of the provisions of this section the person, partnership, company, or corporation violating the same shall forfeit and pay for every such offense the sum of $1,000, which may be sued for and recovered by the United States, as debts of like amount are now recovered in the courts of the United States. For every violation of the provisions hereof the person violating the same may be prosecuted in a criminal action for a misdemeanor, and on conviction thereof shall be punished by a fine of $1,000, or by imprisonment for a term of not less than six months nor more than two years; and under either the civil or the criminal procedure mentioned separate suits or prosecutions may be brought for each alien thus offered or promised employment as aforesaid. The Department of Justice, with the approval of the Department of Labor, may from any fines or penalties received pay rewards to persons, other than Government employees, who may furnish information leading to the recovery of any such penalties, or to the arrest and punishment of any person, as in this section provided.

That it shall be unlawful and be deemed a violation of section 5 of this act to induce, assist, encourage, or solicit, or attempt to induce, assist, encourage, or solicit, any alien to come into the United States by promise of employment through advertisements printed, published, or distributed in any foreign country, whether such promise is true or false, and either the civil or criminal penalty, or both, imposed by said section shall be applicable to such a case.

That it shall be unlawful for any person, association, society, company, partnership, corporation, or others engaged in the business of transporting aliens to or within the United States, including owners, masters, officers, and agents of vessels, directly or indirectly, by writing, printing, oral representation, payment of any commissions to an alien coming into the United States, allowance of any rebates to an alien coming into the United States, or otherwise to solicit, invite, or encourage, or attempt to solicit, invite, or encourage, any alien to come into the United States, and anyone violating any provision hereof shall be subject to either the civil or the criminal prosecution, or both, prescribed by section 5 of this act; or if it shall appear to the satisfaction of the Secretary of Labor that any owner, master, officer, or agent of a vessel has brought, or caused to be brought, to a port of the United States any alien so solicited, invited, or encouraged to come by such owner, master, officer, or agent, such owner, master, officer, or agent shall pay to the collector of customs of the customs district in which the port of arrival is located, or in which any vessel of the line may be found, the sum of $400 for each and every such violation; and no vessel shall be granted clearance pending the determination of the question of the liability to the payment of such fine, or while the fine imposed remains unpaid, nor shall such fine be remitted or refunded: *Provided*, That clearance may be granted prior to the determination of such questions upon the deposit with the collector of customs of a sum sufficient to cover such fine: *Provided further*, That whenever it shall be shown to the satisfaction of the Secretary of Labor that the provisions of this section are persistently violated by or on behalf of any transportation company, it shall be the duty of said Secretary to deny to such company the privilege of landing alien immigrant passengers of any or all classes at United States ports for such a period as in his judgment may be necessary to insure an observance of such provisions: *Provided further*, That this section shall not be held to prevent transportation companies from issuing letters, circulars, or advertisements, confined strictly to stating the sailing of their vessels and terms and facilities of transportation therein: *Provided further*, That under sections 5, 6, and 7 hereof it shall be presumed from the fact that any person, company, partnership, corporation, association, or society induces, assists, encourages, solicits, or invites, or attempts to induce, assist, encourage, solicit, or invite, the importation, migration, or coming of an alien from a country foreign to the United States, that the offender had knowledge of such person's alienage.

That any person, including the master, agent, owner, or consignee of any vessel, who shall bring into or land in the United States, by vessel or otherwise, or shall attempt, by himself or through another, to bring into or land in the United States, by vessel or otherwise, or shall conceal or harbor, or attempt to conceal or harbor, or assist or abet another to conceal or harbor in any place, including any building, vessel, railway car, conveyance, or vehicle, any alien not duly admitted by an immigrant inspector or not lawfully entitled to enter or to reside within the United States under the terms of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $2,000 and by imprisonment for a term not exceeding five years for each and every alien so landed or brought in or attempted to be landed or brought in.

That it shall be unlawful for any person, including any transportation company other than railway lines entering the United States from foreign contiguous territory, or the owner, master, agent, or consignee of any vessel, to bring to the United States either from a foreign country or any insular possession of the United States any alien afflicted with idiocy, insanity, imbecility, feeble-mindedness, epilepsy, constitutional psycopathic inferiority, chronic alcoholism, tuberculosis in any form, or a loathsome or dangerous contagious disease, and if it shall appear to the satisfaction of the Secretary of Labor that any alien so brought to the United States was afflicted with any of the said diseases or disabilities at the time of foreign embarkation, and that the existence of such disease or disability might have been detected by means of a competent medical examination at such time, such person or transportation company, or the master, agent, owner, or consignee of any such vessel shall pay to the collector of customs of the customs district in which the port of arrival is located the sum of $200, and in addition a sum equal to that paid by such alien for his transportation from the initial point of departure, indicated in his ticket, to the port of arrival for each and every violation of the provisions of this section, such latter sum to be delivered by the collector of customs to the alien on whose account assessed. It shall also be unlawful for any such person to bring to any port of the United States any alien afflicted with any mental defect other than those above specifically named, or physical defect of a nature which may affect his ability to earn a living, as contemplated in section 3 of this act, and if it shall appear to the satisfaction of the Secretary of Labor that any alien so brought to the United States was so afflicted at the time of foreign embarkation and that the existence of such mental or physical defect might have been detected by means of a competent medical examination at such time, such person shall pay to the collector of customs of the customs district in which the port of arrival is located the sum of $25, and in addition a sum equal to that paid by such alien for his transportation from the initial point of departure, indicated in his ticket, to the port of arrival for each and every violation of this provision, such latter sum to be delivered by the collector of customs to the alien for whose account assessed. It shall also be unlawful for any such person to bring to any port of the United States any alien who is excluded by the provisions of section 3 of this act because unable to read, or who are Hindus, or who can not become eligible under existing law to become a citizen of the United States by naturalization, as provided in section 3 of this act, and if it shall appear to the satisfaction of the Secretary of Labor that these disabilities might have been detected by the exercise of reasonable precaution prior to the departure of such aliens from a foreign port, such person shall pay to the collector of customs of the customs district in which the port of arrival is located the sum of $200, and in addition a sum equal to that paid by such alien for his transportation from the initial point of departure, indicated in his ticket, to the port of arrival for each and every violation of this provision, such latter sum to be delivered by the collector of customs to the alien on whose account assessed. And no vessel shall be granted clearance papers pending the determination of the question of the liability to the payment of such fine or while the fine remains unpaid, nor shall such fine be remitted or refunded: *Provided*, That clearance may be granted prior to the determination of such questions upon the deposit of a sum sufficient to cover such fine: *Provided further*, That nothing contained in this section shall be construed to subject transportation companies to a fine for bringing to ports of the United States aliens who are by any of the provisions or exceptions to section 3 hereof exempted from the excluding provisions of said section.

That it shall be the duty of every person, including owners, officers, and agents of vessels or transportation lines, or international bridges or toll roads other than railway lines which may enter into a contract as provided in section 23 of this act, bringing an alien to, or providing a means for an alien to come to, any seaport or land border port of the United States, to prevent the landing of such alien in the United States at any time or place other than as designated by the immigration officers, and the failure of any such person, owner, officer, or agent to comply with the foregoing requirements shall be deemed a misdemeanor, and on conviction thereof shall be punished by a fine in each case of not less than $200 nor more than $1,000, or by imprisonment for a term not exceeding one year, or by both such fine and imprisonment; or, if in the opinion of the Secretary of Labor it is impracticable or inconvenient to prosecute the person, owner, master, officer, or agent of any such vessel, a penalty of $1,000 shall be a lien upon the vessel whose owner, master, officer, or agent violates the provisions of this section, and such vessel shall be libeled therefor in the appropriate United States court.

That for the purpose of determining whether aliens arriving at ports of the United States belong to any of the classes excluded by this act, either by reason of being afflicted with any of the diseases or mental or physical defects or disabilities mentioned in section 3 hereof, or otherwise, or whenever the Secretary of Labor has received information showing that any aliens are coming from a country or have embarked at a place where any of said diseases are prevalent or epidemic, the Commissioner General of Immigration, with the approval of the Secretary of Labor, may direct that such aliens shall be detained on board the vessel bringing them, or in a United States immigration station at the expense of such vessel, as circumstances may require or justify, a sufficient time to enable the immigration officers and medical officers stationed at such ports to subject such aliens to an observation and examination sufficient to determine whether or not they belong to the said excluded classes by reason of being afflicted in the manner indicated: *Provided*, That, with a view to avoid undue delay in landing passengers or interference with commerce, the Commissioner General of Immigration may, with the approval of the Secretary of Labor, issue such regulations, not inconsistent with law, as may be deemed necessary to effect the purposes of this section: *Provided further*, That it shall be the duty of immigrant inspectors to report to the Commissioner General of Immigration the condition of all vessels bringing aliens to United States ports.

That upon the arrival of any alien by water at any port within the United States on the North American Continent from a foreign port or a port of the Philippine Islands, Guam, Porto Rico, or Hawaii, or at any port of the said insular possessions from any foreign port, from a port in the United States on the North American Continent, or from a port of another insular possession of the United States, it shall be the duty of the master or commanding officer, owners, or consignees of the steamer, sailing, or other vessel having said alien on board to deliver to the immigration officers at the port of arrival typewritten or printed lists or manifests made at the time and place of embarkation of such alien on board such steamer or vessel, which shall, in answer to questions at the top of said list, contain full and accurate information as to each alien as follows: Full name, age, and sex; whether married or single; calling or occupation; personal description (including height, complexion, color of hair and eyes, and marks of identification); whether able to read or write; nationality; country of birth; race; country of last permanent residence; name and address of the nearest relative in the country from which the alien came; seaport for landing in the United States; final destination, if any, beyond the port of landing; whether having a ticket through to such final destination; by whom passage was paid; whether in possession of $50, and if less, how much; whether going to join a relative or friend, and if so, what relative or friend, and his or her name and complete address; whether ever before in the United States, and if so, when and where; whether ever in prison or almshouse, or an institution or hospital for the care and treatment of the insane; whether ever supported by charity; whether a polygamist; whether an anarchist; whether a person who believes in or advocates the overthrow by force or violence of the Government of the United States or of all forms of law, or who disbelieves in or is opposed to organized government, or who advocates the assassination of public officials, or who advocates or teaches the unlawful destruction of property, or is a member of or affiliated with any organization entertaining and teaching disbelief in or opposition to organized government, or which teaches the unlawful destruction of property, or who advocates or teaches the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers, either of specific individuals or of officers generally, of the Government of the United States or of any other organized government because of his or their official character; whether coming by reason of any offer, solicitation, promise, or agreement, express or implied, to perform labor in the United States; the alien's condition of health, mental and physical; whether deformed or crippled, and if so, for how long and from what cause; and such master or commanding officer, owners, or consignees shall also furnish information in relation to the sex, age, class of travel, and the foreign port of embarkation of arriving passengers who are United States citizens. That it shall further be the duty of the master or commanding officer of every vessel taking passengers from any port of the United States on the North American Continent to a foreign port or a port of the Philippine Islands, Guam, Porto Rico, or Hawaii, or from any port of the said insular possessions to any foreign port, to a port of the United States on the North American Continent, or to a port of another insular possession of the United States to file with the immigration officials before departure a list which shall contain full and accurate information in relation to the following matters regarding all alien passengers, and all citizens of the United States or insular possessions of the United States departing with the stated intent to reside permanently in a foreign country, taken on board: Name, age, and sex; whether married or single; calling or occupation; whether able to read or write; nationality; country of birth, country of which citiezn or subject; race; last permanent residence in the United States or insular possessions thereof; if a citizen of the United States or of the insular possessions thereof, whether native born or naturalized; if native born, the place and date of birth, or if naturalized the city or town in which naturalization has been had; intended future permanent residence; and time and port of last arrival in the United States, or insular possessions thereof; and such master or commanding officer shall also furnish information in relation to the sex, age, class of travel, and port of debarkation of the United States citizens departing who do not intend to reside permanently in a foreign country, and no master of any such vessel shall be granted clearance papers for his vessel until he has deposited such list or lists with the immigration officials at the port of departure and made oath that they are full and complete as to the name and other information herein required concerning each person of the classes specified taken on board his vessel; and any neglect or omission to comply with the requirements of this section shall be punishable as provided in section 14 of this act: *Provided*, That in the case of vessels making regular trips to ports of the United States the Commissioner General of Immigration, with the approval of the Secretary of Labor, may, when expedient, arrange for the delivery of such lists of outgoing aliens at a later date: *Provided further*, That it shall be the duty of immigration officials to record the following information regarding every resident alien and citizen leaving the United States by way of the Canadian or Mexican borders for permanent residence in a foreign country: Name, age, and sex; whether married or single; calling or occupation; whether able to read or write; nationality; country of birth; country of which citizen or subject; race; last permanent residence in the United States; intended future permanent residence; and time and port of last arrival in the United States; and if a United States citizen, whether native born or naturalized.

That all aliens arriving by water at the ports of the United States shall be listed in convenient groups, the names of those coming from the same locality to be assembled so far as practicable, and no one list or manifest shall contain more than 30 names. To each alien or head of a family shall be given a ticket on which shall be written his name, a number or letter designating the list in which his name, and other items of information required by this act are contained, and his number on said list, for convenience of identification on arrival. Each list or manifest shall be verified by the signature and the oath or affirmation of the master or commanding officer, or the first or second below him in command, taken before an immigration officer at the port of arrival, to the effect that he has caused the surgeon of said vessel sailing therewith to make a physical and mental examination of each of said aliens, and that from the report of said surgeon and from his own investigation he believes that no one of said aliens is of any of the classes excluded from admission into the United States by section 3 of this act, and that also according to the best of his knowledge and belief the information in said lists or manifests concerning each of said aliens named therein is correct and true in every respect. That the surgeon of said vessel sailing therewith shall also sign each of said lists or manifests and make oath or affirmation in like manner before an immigration officer at the port of arrival, stating his professional experience and qualifications as a physician and surgeon, and that he has made a personal examination of each of the said aliens named therein, and that the said list or manifest, according to the best of his knowledge and belief, is full, correct, and true in all particulars relative to the mental and physical condition of said aliens. If no surgeon sails with any vessel bringing aliens, the mental and physical examinations and the verifications of the lists or manifests shall be made by some competent surgeon employed by the owners of the said vessels, and the manifests shall be verified by such surgeon before a United States consular officer or other officer authorized to administer oaths: *Provided*, That if any changes in the condition of such aliens occur or develop during the voyage of the vessel on which they are travelling, such changes shall be noted on the manifest before the verification thereof.

That it shall be unlawful for the master or commanding officer of any vessel bringing aliens into or carrying aliens out of the United States to refuse or fail to deliver to the immigration officials the accurate and full manifests or statements or information regarding all aliens on board or taken on board such vessel required by this act, and if it shall appear to the satisfaction of the Secretary of Labor that there has been such a refusal or failure, or that the lists delivered are not accurate and full, such master or commanding officer shall pay to the collector of customs at the port of arrival or departure the sum of $10 for each alien concerning whom such accurate and full manifest or statement or information is not furnished, or concerning whom the manifest or statement or information is not prepared and sworn to as prescribed by this act. No vessel shall be granted clearance pending the determination of the question of the liability to the payment of such fine, or while it remains unpaid, nor shall such fine be remitted or refunded: *Provided*, That clearance may be granted prior to the determination of such question upon the deposit with the collector of customs of a sum sufficient to cover such fine.

That upon the arrival at a port of the United States of any vessel bringing aliens it shall be the duty of the proper immigration officials to go or to send competent assistants to the vessel and there inspect all such aliens, or said immigration officials may order a temporary removal of such aliens for examination at a designated time and place, but such temporary removal shall not be considered a landing, nor shall it relieve vessels, the transportation lines, masters, agents, owners, or consignees of the vessel upon which said aliens are brought to any port of the United States from any of the obligations which, in case such aliens remain on board, would under the provisions of this act bind the said vessels, transportation lines, masters, agents, owners, or consignees: *Provided*, That where removal is made to premises owned or controlled by the United States, said vessels, transportation lines, masters, agents, owners, or consignees, and each of them, shall, so long as detention there lasts, be relieved of responsibility for the safekeeping of such aliens. Whenever a temporary removal of aliens is made the vessels or transportation lines which brought them and the masters, owners, agents, and consignees of the vessel upon which they arrive shall pay all expenses of such removal and all expenses arising during subsequent detention, pending decision on the aliens' eligibility to enter the United States and until they are either allowed to land or returned to the care of the line or to the vessel which brought them, such expenses to include those of maintenance, medical treatment in hospital or elsewhere, burial in the event of death, and transfer to the vessel in the event of deportation, excepting only where they arise under the terms of any of the provisions of section 18 hereof. Any refusal or failure to comply with the provisions hereof shall be punished in the manner specified in section 18 of this act.

That the physical and mental examination of all arriving aliens shall be made by medical officers of the United States Public Health Service who shall have had at least two years' experience in the practice of their profession since receiving the degree of doctor of medicine, and who shall certify, for the information of the immigration officers and the boards of special inquiry hereinafter provided for, any and all physical and mental defects or diseases observed by said medical officers in any such alien; or, should medical officers of the United States Public Health Service be not available, civil surgeons of not less than four years' professional experience may be employed in such emergency for such service upon such terms as may be prescribed by the Commissioner General of Immigration, under the direction or with the approval of the Secretary of Labor. All aliens arriving at ports of the United States shall be examined by not less than two such medical officers at the discretion of the Secretary of Labor, and under such regulations as he may prescribe. Medical officers of the United States Public Health Service who have had especial training in the diagnosis of insanity and mental defects shall be detailed for duty or employed at all ports of entry designated by the Secretary of Labor, and such medical officers shall be provided with suitable facilities for the detention and examination of all arriving aliens in whom insanity or mental defect is suspected, and the services of interpreters shall be provided for such examination. Any alien certified for insanity or mental defect may appeal to a Board of Surgeons of the Public Health Service, and may introduce before such board one expert medical witness at his own cost and expense. That the inspection, other than the physical and mental examination, of aliens, including those seeking admission or readmission to or the privilege of passing through or residing in the United States, and the examination of aliens arrested within the United States under this act, shall be conducted by immigrant inspectors, except as hereinafter provided in regard to boards of special inquiry. All aliens arriving at ports of the United States shall be examined by at least two immigrant inspectors at the discretion of the Secretary of Labor and under such regulations as he may prescribe. Immigrant inspectors are hereby authorized and empowered to board and search for aliens any vessel, railway car, or any other conveyance, or vehicle in which they believe aliens are being brought into the United States. Said inspectors shall have power to administer oaths and to take and consider evidence touching the right of any alien to enter, reenter, pass through, or reside in the United States, and, where such action may be necessary, to make a written record of such evidence; and any person to whom such an oath has been administered, under the provisions of this act, who shall knowingly or willfully give false evidence or swear to any false statement in any way affecting or in relation to the right of any alien to admission, or readmission to, or to pass through, or to reside in the United States shall be deemed guilty of perjury and be punished as provided by section 125 of the act approved March 4, 1909, entitled "An act to codify, revise, and amend the penal laws of the United States." Any commissioner of immigration or inspector in charge shall also have power to require by subpœna the attendance and testimony of witnesses before said inspectors and the production of books, papers, and documents touching the right of any alien to enter, reenter, reside in, or pass through the United States, and to that end may invoke the aid of any court of the

United States; and any district court within the jurisdiction of which investigations are being conducted by an immigrant inspector may, in the event of neglect or refusal to respond to a subpœna issued by any commissioner of immigration or inspector in charge or refusal to testify before said immigrant inspector, issue an order requiring such person to appear before said immigrant inspector, produce books, papers, and documents if demanded, and testify; and any failure to obey such order of the court may be punished by the court as a contempt thereof. That any person, including employees, officials, or agents of transportation companies, who shall assault, resist, prevent, impede, or interfere with any immigration official or employee in the performance of his duty under this act shall be deemed guilty of a misdemeanor, and on conviction thereof shall be punished by imprisonment for a term of not more than one year, or by a fine of not more than $2,000, or both; and any person who shall use any deadly or dangerous weapon in resisting any immigration official or employee in the performance of his duty shall be deemed guilty of a felony and shall, on conviction thereof, be punished by imprisonment for not more than 10 years. Every alien who may not appear to the examining immigrant inspector at the port of arrival to be clearly and beyond a doubt entitled to land shall be detained for examination in relation thereto by a board of special inquiry. In the event of rejection by the board of special inquiry, in all cases where an appeal to the Secretary of Labor is permitted by this act, the alien shall be so informed and shall have the right to be represented by counsel or other adviser on such appeal. The decision of an immigrant inspector, if favorable to the admission of any alien, shall be subject to challenge by any other immigrant inspector, and such challenge shall operate to take the alien whose right to land is so challenged before a board of special inquiry for its investigation.

That boards of special inquiry shall be appointed by the commissioner of immigration or inspector in charge at the various ports of arrival as may be necessary for the prompt determination of all cases of immigrants detained at such ports under the provisions of the law. Each board shall consist of three members, who shall be selected from such of the immigrant officials in the service as the Commissioner General of Immigration, with the approval of the Secretary of Labor, shall from time to time designate as qualified to serve on such boards. When in the opinion of the Secretary of Labor the maintenance of a permanent board of special inquiry for service at any sea or land border port is not warranted, regularly constituted boards may be detailed from other stations for temporary service at such port, or, if that be impracticable, the Secretary of Labor shall authorize the creation of boards of special inquiry by the immigration officials in charge at such ports, and shall determine what Government officials or other persons shall be eligible for service on such boards. Such boards shall have authority to determine whether an alien who has been duly held shall be allowed to land or shall be deported. All hearings before such boards shall be separate and apart from the public, but the immigrant may have one friend or relative present under such regulations as may be prescribed by the Secretary of Labor. Such boards shall keep a complete permanent record of their proceedings and of all such testimony as may be produced before them; and the decisions of any two members of the board shall prevail, but either the alien or any dissenting member of the said board may appeal through the commissioner of immigration at the port of arrival and the Commissioner General of Immigration to the Secretary of Labor, and the taking of such appeal shall operate to stay any action in regard to the final disposal of any alien whose case is so appealed until the receipt by the commissioner of immigration at the port of arrival of such decision which shall be rendered solely upon the evidence adduced before the board of special inquiry. In every case where an alien is excluded from admission into the United States, under any law or treaty now existing or hereafter made, the decision of a board of special inquiry adverse to the admission of such alien shall be final, unless reversed on appeal to the Secretary of Labor: *Provided*, That the decision of a board of special inquiry shall be based upon the certificate of the examining medical officer and, except as provided in section 21 hereof, shall be final as to the rejection of aliens affected with tuberculosis in any form or with a loathsome or dangerous contagious disease, or with any mental or physical disability which would bring such aliens within any of the classes excluded from admission to the United States under section 3 of this act.

That all aliens brought to this country in violation of law shall be immediately sent back, in accommodations of the same class in which they arrived, to the country whence they respectively came, on the vessels bringing them, unless in the opinion of the Secretary of Labor immediate deportation is not practical or proper. The cost of their maintenance while on land, as well as the expense of the return of such aliens, shall be borne by the owner or owners of the vessels on which they respectively came. That it shall be unlawful for any master, purser, person in charge, agent, owner, or consignee of any such vessel to refuse to receive back on board thereof, or on board of any other vessel owned or operated by the same interests, such aliens; or to fail to detain them thereon; or to refuse or fail to return them in the manner aforesaid to the foreign port from which they came; or to fail to pay the cost of their maintenance while on land; or to make any charge for the return of any such alien, or to take any security for the payment of such charge; or to take any consideration to be returned in case the alien is landed; or knowingly to bring to the United States at any time within one year from the date of deportation any alien rejected or arrested and deported under any provision of this act, unless prior to reembarkation the Secretary of Labor has consented that such alien shall reapply for admission, as required by section 3 hereof; and if it shall appear to the satisfaction of the Secretary of Labor that such master, purser, person in charge, agent, owner, or consignee has violated any of the foregoing provisions, or any of the provisions of section 15 hereof, such master, purser, person in charge, agent, owner, or consignee shall pay to the collector of customs of the district in which the port of arrival is located, or in which any vessel of the line may be found, the sum of $300 for each and every violation of any provision of said sections; and no vessel shall have clearance from any port of the United States while any such fine is unpaid, nor shall such fine be remitted or refunded: *Provided*, That clearance may be granted prior to the determination of such question upon the deposit with the collector of customs of a sum sufficient to cover such fine. If the vessel by which any alien ordered deported came has left the United States and it is impracticable for any reason to deport the alien within a reasonable time by another vessel owned by the same interests, the cost of deportation may be paid by the Government and recovered by civil suit from any agent, owner, or consignee of the vessel: *Provided further*, That the Commissioner General of Immigration, with the approval of the Secretary of Labor, may suspend, upon conditions to be prescribed by the Commissioner General of Immigration, the deportation of any aliens found to have come in violation of any provision of this act if, in his judgment, the testimony of such alien is necessary on behalf of the United States Government in the prosecution of offenders against any provision of this act or other laws of the United States; and the cost of maintenance of any person so detained resulting from such suspension of deportation, and a witness fee in the sum of $1 per day for each day such person is so detained, may be paid from the appropriation for the enforcement of this act, or such alien may be released under bond, in the penalty of not less than $500, with security approved by the Secretary of Labor, conditioned that such alien shall be produced when required as a witness and for deportation. No alien certified, as provided in section 16 of this act, to be suffering from tuberculosis in any form, or from a loathsome or dangerous contagious disease other than one of quarantinable nature, shall be permitted to land for medical treatment thereof in any hospital in the United States, unless the Secretary of Labor is satisfied that to refuse treatment would be inhumane or cause unusual hardship or suffering, in which case the alien shall be treated in the hospital under the supervision of the immigration officials at the expense of the vessel transporting him: *Provided further*, That upon the certificate of an examining medical officer to the effect that the health or safety of an insane alien would be unduly imperiled by immediate deportation, such alien may, at the expense of the appropriation for the enforcement of this act, be held for treatment until such time as such alien may, in the opinion of such medical officer, be safely deported: *Provided further*, That upon the certificate of an examining medical officer to the effect that a rejected alien is helpless from sickness, mental or physical disability, or infancy, if such alien is accompanied by another alien whose protection or guardianship is required by such rejected alien, such accompanying alien may also be excluded, and the master, agent, owner, or consignee of the vessel in which such alien and accompanying alien are brought shall be required to return said alien and accompanying alien in the same manner as vessels are required to return other rejected aliens.

That at any time within five years after entry, any alien who at the time of entry was a member of one or more of the classes excluded by law; any alien who shall have entered or who shall be found in the United States in violation of this act, or in violation of any other law of the United States; any alien who at any time after entry shall be found advocating or teaching the unlawful destruction of property, or advocating or teaching anarchy, or the overthrow by force or violence of the Government of the United States or of all forms of law or the assassination of public officials; any alien who within five years after entry becomes a public charge from causes not affirmatively shown to have arisen subsequent to landing; except as hereinafter provided, any alien who is hereafter sentenced to imprisonment for a term of one year or more because of conviction in this country of a crime involving moral turpitude, committed within five years after the entry of the alien to the United States, or who is hereafter sentenced more than once to such a term of imprisonment because of conviction in this country of any crime involving moral turpitude, committed at any time after entry; any alien who shall be found an inmate of or connected with the management of a house of prostitution or practicing prostitution after such alien shall have entered the United States, or who shall receive, share in, or derive benefit from any part of the earnings of any prostitute; any alien who manages or is employed by, in, or in connection with any house of prostitution or music or dance hall or other place of amusement or resort habitually frequented by prostitutes, or where prostitutes gather, or who in any way assists any prostitute or protects or promises to protect from arrest any prostitute; any alien who shall import or attempt to import any person for the purpose of prostitution or for any other immoral purpose; any alien who, after being excluded and deported or arrested and deported as a prostitute, or as a procurer, or as having been connected with the business of prostitution or importation for prostitution or other immoral purposes in any of the ways hereinbefore specified, shall return to and enter the United States; any alien convicted and imprisoned for a violation of any of the provisions of section 4 hereof, any alien who was convicted, or who admits the commission, prior to entry, of a felony or other crime or misdemeanor involving moral turpitude; at any time within three years after entry, any alien who shall have entered the United States by water at any time or place other than as designated by immigration officials, or by land at any place other than one designated as a port of entry for aliens by the Commissioner General of Immigration, or at any time not designated by immigration officials, or who enters without inspection, shall, upon the warrant of the Secretary of Labor, be taken into custody and deported: *Provided*, That the marriage to an American citizen of a female of the sexually immoral classes the exclusion or deportation of which is prescribed by this act shall not invest such female with United States citizenship if the marriage of such alien female shall be solemnized after her arrest or after the commission of acts which make her liable to deportation under this act: *Provided further*, That the provision of this section respecting the deportation of aliens convicted of a crime involving moral turpitude shall not apply to one who has been pardoned, nor shall such deportation be made or directed if the court, or judge thereof, sentencing such alien for such crime shall, at the time of imposing judgment or passing sentence or within 30 days thereafter, due notice having first been given to representatives of the State, make a recommendation to the Secretary of Labor that such alien shall not be deported in pursuance of this act; nor shall any alien convicted as aforesaid be deported until after the termination of his imprisonment: *Provided further*, That the provisions of this section, with the exceptions hereinbefore noted, shall be applicable to the classes of aliens therein mentioned irrespective of the time of their entry into the United States: *Provided further*, That the provisions of this section shall also apply to the cases of aliens who come to the mainland of the United States from the insular possessions thereof: *Provided further*, That any person who shall be arrested under the provisions of this section, on the ground that he has entered or been found in the United States in violation of any other law thereof which imposes on such person the burden of proving his right to enter or remain, and who shall fail to establish the existence of the right claimed, shall be deported to the place specified in such other law. In every case where any person is ordered deported from the United States under the provision of this act, or of any law or treaty, the decision of the Secretary of Labor shall be final.

That the deportation of aliens provided for in this act shall, at the option of the Secretary of Labor, be to the country whence they came or to the foreign port at which such aliens embarked for the United States; or, if such embarkation was for foreign contiguous territory, to

the foreign port at which they embarked for such territory; or, if such aliens entered foreign contiguous territory from the United States and later entered the United States, or if such aliens are held by the country from which they entered the United States not to be subjects or citizens of such country, and such country refuses to permit their reentry, or imposes any condition upon permitting reentry, then to the country of which such aliens are subjects or citizens, or to the country in which they resided prior to entering the country from which they entered the United States. If deportation proceedings are instituted at any time within five years after the entry of the alien, such deportation, including one-half of the entire cost of removal to the port of deportation, shall be at the expense of the contractor, procurer, or other person by whom the alien was unlawfully induced to enter the United States, or, if that can not be done, then the cost of removal to the port of deportation shall be at the expense of the appropriation for the enforcement of this act, and the deportation from such port shall be at the expense of the owner or owners of such vessels or transportation line by which such aliens respectively came, or, if that is not practicable, at the expense of the appropriation for the enforcement of this act. If deportation proceedings are instituted later than five years after the entry of the alien, or, if the deportation is made by reason of causes arising subsequent to entry, the cost thereof shall be payable from the appropriation for the enforcement of this act. A failure or refusal on the part of the masters, agents, owners, or consignees of vessels to comply with the order of the Secretary of Labor to take on board, guard safely, and transport to the destination specified any alien ordered to be deported under the provisions of this act shall be punished by the imposition of the penalties prescribed in section 18 of this act: *Provided*, That when in the opinion of the Secretary of Labor the mental or physical condition of such alien is such as to require personal care and attendance, the said Secretary shall when necessary employ a suitable person for that purpose, who shall accompany such alien to his or her final destination, and the expense incident to such service shall be defrayed in the same manner as the expense of deporting the accompanied alien is defrayed. Pending the final disposal of the case of any alien so taken into custody, he may be released under a bond in the penalty of not less than $500 with security approved by the Secretary of Labor, conditioned that such alien shall be produced when required for a hearing or hearings in regard to the charge upon which he has been taken into custody, and for deportation if he shall be found to be unlawfully within the United States.

That any alien liable to be excluded because likely to become a public charge or because of physical disability other than tuberculosis in any form or a loathsome or dangerous contagious disease may, if otherwise admissible, nevertheless be admitted in the discretion of the Secretary of Labor upon the giving of a suitable and proper bond or undertaking, approved by said Secretary, in such amount and containing such conditions as he may prescribe, to the United States and to all States, Territories, counties, towns, municipalities, and districts thereof, holding the United States and all States, Territories, counties, towns, municipalities, and districts thereof harmless against such alien becoming a public charge. In lieu of such bond, such alien may deposit in cash with the Secretary of Labor such amount as the Secretary of Labor may require, which amount shall be deposited by said Secretary in the United States Postal Savings Bank, a receipt therefor to be given the person furnishing said sum, showing the fact and object of its receipt and such other information as said Secretary may deem advisable. All accruing interest on said deposit during the time same shall be held in the United States Postal Savings Bank shall be paid to the person furnishing the sum for deposit. In the event of such alien becoming a public charge, the Secretary of Labor shall dispose of said deposit in the same manner as if same had been collected under a bond as provided in this section. In the event of the permanent departure from the United States, the naturalization, or the death of such alien, the said sum shall be returned to the person by whom furnished, or to his legal representatives. The admission of such alien shall be a consideration for the giving of such bond, undertaking, or a cash deposit. Suit may be brought thereon in the name and by the proper law officers either of the United States Government or of any State, Territory, District, county, town, or municipality in which such alien becomes a public charge.

That whenever an alien shall have been naturalized or shall have taken up his permanent residence in this country and shall have filed his declaration of intention to become a citizen, and thereafter shall send for his wife or minor children to join him, and said wife or any of said minor children shall be found to be affected with any contagious disorder, such wife or minor children shall be held, under such regulations as the Secretary of Labor shall prescribe, until it shall be determined whether the disorder will be easily curable or whether they can be permitted to land without danger to other persons; and they shall not be either admitted or deported until such facts have been ascertained; and if it shall be determined that the disorder is easily curable and the husband or father or other responsible person is willing to bear the expense of the treatment, they may be accorded treatment in hospital until cured and then be admitted, or if it shall be determined that they can be permitted to land without danger to other persons, they may, if otherwise admissible, thereupon be admitted: *Provided*, That if the person sending for wife or minor children is naturalized, a wife to whom married or a minor child born subsequent to such husband or father's naturalization shall be admitted without detention for treatment in hospital, and with respect to a wife to whom married or a minor child born prior to such husband's or father's naturalization the provisions of this section shall be observed, even though such person is unable to pay the expense of treatment, in which case the expense shall be paid from the appropriation for the enforcement of this act.

That the Commissioner General of Immigration shall perform all his duties under the direction of the Secretary of Labor. Under such direction he shall have charge of the administration of all laws relating to the immigration of aliens into the United States, and shall have the control direction, and supervision of all officers, clerks, and employees appointed thereunder; he shall establish such rules and regulations, prescribe such forms of bonds, reports, entries, and other papers, and shall issue from time to time such instructions not inconsistent with law, as he shall deem best calculated for carrying out the provisions of this act and for protecting the United States and aliens migrating thereto from fraud and loss, and shall have authority to enter into contract for the support and relief of such aliens as may fall into distress or need public aid, and to remove to their native country, at any time within three years after entry, at the expense of the appropriations for the enforcement of this act, such as fall into distress or need public aid from causes arising subsequent to their entry and are desirous of being so removed; he shall prescribe rules for the entry and inspection of aliens coming to the United States from or through Canada and Mexico, so as not unnecessarily to delay, impede, or annoy persons in ordinary travel between the United States and said countries, and shall have power to enter into contracts with transportation lines for the said purpose; it shall be the duty of the Commissioner General of Immigration to detail officers of the Immigration Service from time to time as may be necessary, in his judgment, to secure information as to the number of aliens detained in the penal, reformatory, and charitable institutions (public and private) of the several States and Territories, the District of Columbia, and other territory of the United States, and to inform the officers of such institutions of the provisions of law in relation to the deportation of aliens who have become public charges. He may, with the approval of the Secretary of Labor, whenever in his judgment such action may be necessary to accomplish the purposes of this act, detail immigration officers, and also surgeons of the United States Public Health Service employed under this act for service in foreign countries. The duties of commissioners of immigration and other immigration officials in charge of districts, ports, or stations shall be of an administrative character, to be prescribed in detail by regulations prepared under the direction or with the approval of the Secretary of Labor: *Provided*, That no person, company, or transportation line engaged in carrying alien passengers for hire from Canada or Mexico to the United States, whether by land or water, shall be allowed to land any such passengers in the United States without providing suitable and approved landing stations, conveniently located, at the point or points of entry. The Commissioner General of Immigration is hereby authorized and empowered to prescribe the conditions, not inconsistent with law, under which the above-mentioned landing stations shall be deemed suitable within the meaning of this section. Any person, company, or transportation line landing an alien passenger in the United States without compliance with the requirement herein set forth shall be deemed to have violated section 8 of this act, and upon conviction shall be subject to the penalty therein prescribed: *Provided further*, That for the purpose of making effective the provisions of this section relating to the protection of aliens from fraud and loss, and also the provisions of section 30 of this act, relating to the distribution of aliens, the Secretary of Labor shall establish and maintain immigrant stations at such interior places as may be necessary, and, in the discretion of the said Secretary, aliens in transit from ports of landing to such interior stations shall be accompanied by immigrant inspectors: *Provided further*, That in prescribing rules and making contracts for the entry and inspection of aliens applying for admission from or through foreign contiguous territory, due care shall be exercised to avoid any discriminatory action in favor of foreign transportation companies transporting to such territory aliens destined to the United States, and all such transportation companies shall be required, as a condition precedent to the inspection or examination under such rules and contracts at the ports of such contigious territory of aliens brought thereto by them, to submit to and comply with all the requirements of this act which would apply were they bringing such aliens directly to seaports of the United States, and, from and after the taking effect of this act, no alien applying for admission from foreign contiguous territory shall be permitted to enter the United States unless upon proving that he was brought to such territory by a transportation company which had submitted to and complied with all the requirements of this act, or that he entered, or has resided in, such territory more than two years prior to the date of his application for admission to the United States.

That immigrant inspectors and other immigration officers, clerks, and employees shall hereafter be appointed and their compensation fixed and raised or decreased from time to time by the Secretary of Labor, upon the recommendation of the Commissioner General of Immigration and in accordance with the provisions of the civil-service act of January 16, 1883: *Provided*, That said Secretary, in the enforcement of that portion of this act which excludes contract laborers and induced and assisted immigrants, may employ for such purposes and for detail upon additional service under this act when not so engaged, without reference to the provisions of the said civil-service act, or to the various acts relative to the compilation of the Official Register, such persons as he may deem advisable and from time to time fix, raise, or decrease their compensation. He may draw annually from the appropriation for the enforcement of this act $100,000, or as much thereof as may be necessary, to be expended for the salaries and expenses of persons so employed and for expenses incident to such employment; and the accounting officers of the Treasury shall pass to the credit of the proper disbursing officer expenditures from said sum without itemized account whenever the Secretary of Labor certifies that an itemized account would not be for the best interests of the Government: *Provided further*, That nothing herein contained shall be construed to alter the mode of appointing commissioners of immgration at the several ports of the United States as provided by the sundry civil appropriation act approved August 18, 1894, or the official status of such commissioners heretofore appointed.

That the district courts of the United States are hereby invested with full jurisdiction of all causes, civil and criminal, arising under any of the provisions of this act. That it shall be the duty of the United States district attorney of the proper district to prosecute every such suit when brought by the United States under this act. Such prosecutions or suits may be instituted at any place in the United States at which the violation may occur or at which the person charged with such violation may be found. That no suit or proceeding for a violation of the provisions of this act shall be settled, compromised, or discontinued without the consent of the court in which it is pending, entered of record, with the reasons therefor.

That all exclusive privileges of exchanging money, transporting passengers or baggage, or keeping eating houses, and all other like privileges in connection with any United States immigrant station, shall be disposed of to the lowest responsible and capable bidder after public competition, notice of such competitive bidding having been made in two newspapers of general circulation for a period of two weeks, subject to such conditions and limitations as the Commissioner General of Immigration, under the direction or with the approval of the Secretary of Labor, may prescribe, and all receipts accruing from the disposal of privileges shall be paid into the Treasury of the United States. No such contract shall be awarded to an alien. No intoxicating liquors shall be sold at any such immigration station.

That for the preservation of the peace and in order that arrests may be made for crimes under the laws of the States and Territories of the United States where the various immigrant stations are located, the officers in charge of such stations, as occasion may require, shall admit therein the proper State and municipal officers charged with the

enforcement of such laws, and for the purpose of this section the jurisdiction of such officers and of the local courts shall extend over such stations.

That any person who knowingly aids or assists any anarchist or any person who believes in or advocates the overthrow by force or violence of the Government of the United States, or who disbelieves in or is opposed to organized government, or all forms of law, or who advocates the assassination of public officials, or who is a member of or affiliated with any organization entertaining or teaching disbelief in or opposition to organized government, or who advocates or teaches the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers, either of specific individuals or of officers generally, of the Government of the United States or of any other organized government, because of his or their official character, to enter the United States, or who connives or conspires with any person or persons to allow, procure, or permit any such anarchist or person aforesaid to enter therein, shall be deemed guilty of a felony, and on conviction thereof shall be punished by a fine of not more than $5,000 or by imprisonment for not more than five years, or both.

Any person who knowingly aids or assists any alien who advocates or teaches the unlawful destruction of property to enter the United States shall be deemed guilty of a misdemeanor, and on conviction thereof shall be punished by a fine of not more than $1,000 or by imprisonment for not more than six months, or by both such fine and imprisonment.

That the President of the United States is authorized, in the name of the Government of the United States, to call, in his discretion, an international conference, to assemble at such point as may be agreed upon, or to send special commissioners to any foreign country, for the purpose of regulating by international agreement, subject to the advice and consent of the Senate of the United States, the immigration of aliens to the United States; of providing for the mental, moral, and physical examination of such aliens by American consuls or other officers of the United States Government at the ports of embarkation, or elsewhere; of securing the assistance of foreign Governments in their own territories to prevent the evasion of the laws of the United States governing immigration to the United States; of entering into such international agreements as may be proper to prevent the immigration of aliens who, under the laws of the United States, are or may be excluded from entering the United States, and of regulating any matters pertaining to such immigration.

That there shall be maintained a division of information in the Bureau of Immigration; and the Secretary of Labor shall provide such clerical and other assistance as may be necessary. It shall be the duty of said division to promote a beneficial distribution of aliens admitted into the United States among the several States and Territories desiring immigration. Correspondence shall be had with the proper officials of the States and Territories, and said division shall gather from all available sources useful information regarding the resources, products, and physical characteristics of each State and Territory, and shall publish such information in different languages and distribute the publications among all admitted aliens at the immigrant stations of the United States and to such other persons as may desire the same. When any State or Territory appoints and maintains an agent or agents to represent it at any of the immigrant stations of the United States, such agents shall, under regulations prescribed by the Commissioner General of Immigration, subject to the approval of the Secretary of Labor, have access to aliens who have been admitted to the United States for the purpose of presenting, either orally or in writing, the special inducements offered by such State or Territory to aliens to settle therein. While on duty at any immigrant station such agents shall be subject to all the regulations prescribed by the Commissioner General of Immigration, who, with the approval of the Secretary of Labor, may, for violation of any such regulations, deny to the agent guilty of such violation any of the privileges herein granted.

That any person, including the owner, agent, consignee, or master of any vessel arriving in the United States from any foreign port or place, who shall knowingly sign on the ship's articles, or bring to the United States as one of the crew of such vessel, any alien, with intent to permit such alien to land in the United States in violation of the laws and treaties of the United States regulating the immigration of aliens, or who shall falsely and knowingly represent to the immigration authorities at the port of arrival that any such alien is a bona fide member of the crew, shall be liable to a penalty not exceeding $5,000, for which sum the said vessel shall be liable and may be seized and proceeded against by way of libel in any district court of the United States having jurisdiction of the offense.

That no alien excluded from admission into the United States by any law, agreement, convention, or treaty of the United States regulating the immigration of aliens, and employed on board any vessel arriving in the United States from any foreign port or place, shall be permitted to land in the United States, except temporarily for medical treatment, or pursuant to regulations prescribed by the Secretary of Labor providing for the ultimate removal or deportation of such alien from the United States, and the negligent failure of the owner, agent, consignee, or master of such vessel to detain on board any such alien after notice in writing by the immigration officer in charge at the port of arrival, and to deport such alien, if required by such immigration officer or by the Secretary of Labor, shall render such owner, agent, consignee, or master liable to a penalty not exceeding $1,000, for which sum the said vessel shall be liable, and may be seized and proceeded against by way of libel in any district court of the United States having jurisdiction of the offense.

That it shall be unlawful and be deemed a violation of the preceding section to pay off or discharge any alien employed on board any vessel arriving in the United States from any foreign port or place, unless duly admitted pursuant to the laws and treaties of the United States regulating the immigration of aliens: *Provided*, That in case any such alien intends to reship on board any other vessel bound to any foreign port or place, he shall be allowed to land for the purpose of so reshipping, under such regulations as the Secretary of Labor may prescribe to prevent aliens not admissible under any law, agreement, convention, or treaty from remaining permanently in the United States, and may be paid off, discharged, and permitted to remove his effects, anything in such laws or treaties or in this act to the contrary notwithstanding, provided due notice of such proposed action be given by the master or the seaman himself to the principal immigration officer in charge at the port of arrival.

That any alien seaman who shall land in a port of the United States contrary to the provisions of this act shall be deemed to be unlawfully in the United States, and shall, at any time within three years thereafter, upon the warrant of the Secretary of Labor, be taken into custody and brought before a board of special inquiry for examination as to his qualifications for admission to the United States, and if not admitted said alien seaman shall be deported at the expense of the appropriation for this act as provided in section 20 of this act.

That it shall be unlawful for any vessel carrying passengers between a port of the United States and a port of a foreign country, upon arrival in the United States, to have on board employed thereon any alien afflicted with idiocy, imbecility, insanity, epilepsy, tuberculosis in any form, or a loathsome or dangerous contagious disease, if it appears to the satisfaction of the Secretary of Labor, from an examination made by a medical officer of the United States Public Health Service, and is so certified by such officer, that any such alien was so afflicted at the time he was shipped or engaged and taken on board such vessel and that the existence of such affliction might have been detected by means of a competent medical examination at such time; and for every such alien so afflicted on board any such vessel at the time of arrival the owner, agent, consignee, or master thereof shall pay to the collector of customs of the customs district in which the port of arrival is located the sum of $50, and pending departure of the vessel the alien shall be detained and treated in hospital under supervision of immigration officials at the expense of the vessel; and no vessel shall be granted clearance pending the determination of the question of the liability to the payment of such fine and while it remains unpaid: *Provided*, That clearance may be granted prior to the determination of such question upon the deposit of a sum sufficient to cover such fine: *Provided further*, That such fine may, in the discretion of the Secretary of Labor, be mitigated or remitted.

That upon arrival of any vessel in the United States from any foreign port or place it shall be the duty of the owner, agent, consignee, or master thereof to deliver to the principal immigration officer in charge of the port of arrival lists containing the names of all aliens employed on such vessel, stating the positions they respectively hold in the ship's company, when and where they were respectively shipped or engaged, and specifying those to be paid off and discharged in the port of arrival; or lists containing so much of such information as the Secretary of Labor shall by regulation prescribe; and after the arrival of any such vessel it shall be the duty of such owner, agent, consignee, or master to report to such immigration officer, in writing, as soon as discovered, all cases in which any such alien has illegally landed from the vessel, giving a description of such alien, together with any information likely to lead to his apprehension; and before the departure of any such vessel it shall be the duty of such owner, agent, consignee, or master to deliver to such immigration officer a further list containing the names of all alien employees who were not employed thereon at the time of the arrival but who will leave port thereon at the time of her departure, and also the names of those, if any, who have been paid off and discharged, and of those, if any, who have deserted or landed; and in case of the failure of such owner, agent, consignee, or master so to deliver either of the said lists of such aliens arriving and departing, respectively, or so to report such cases of desertion or landing, such owner, agent, consignee, or master shall, if required by the Secretary of Labor, pay to the collector of customs of the customs district in which the port of arrival is located the sum of $10 for each alien concerning whom correct lists are not delivered or a true report is not made as above required; and no such vessel shall be granted clearance pending the determination of the question of the liability to the payment of such fine, and, in the event such fine is imposed, while it remains unpaid; nor shall such fine be remitted or refunded: *Provided*, That clearance may be granted prior to the determination of such question upon deposit of a sum sufficient to cover such fine.

That the word "person" as used in this act shall be construed to import both plural and the singular, as the case may be, and shall include corporations, companies, and associations. When construing and enforcing the provisions of this act, the act, omission, or failure of any director, officer, agent, or employee of any corporation, company, or association acting within the scope of his employment or office shall in every case be deemed to be the act, omission, or failure of such corporation, company, or association, as well as that of the person acting for or in behalf of such corporation, company, or association.

That this act, except as otherwise provided in section 3, shall take effect and be enforced on and after July 1, 1916. The act of March 26, 1910, amending the act of February 20, 1907, to regulate the immigration of aliens into the United States; the act of February 20, 1907, to regulate the immigration of aliens into the United States, except section 34 thereof; the act of March 3, 1903, to regulate the immigration of aliens into the United States, except section 34 thereof; and all other acts and parts of acts inconsistent with this act are hereby repealed on and after the taking effect of this act: *Provided*, That this act shall not be construed to repeal, alter, or amend existing laws relating to the immigration or exclusion of Chinese persons or persons of Chinese descent, except as provided in section 19 hereof, nor to repeal, alter, or amend section 6, chapter 453, third session Fifty-eighth Congress, approved February 6, 1905, nor to repeal, alter, or amend the act approved August 2, 1882, entitled "An act to regulate the carriage of passengers by sea," and amendments thereto, except as provided in section 11 hereof: *Provided further*, That nothing contained in this act shall be construed to affect any prosecution, suit, action, or proceedings brought, or any act, thing, or matter, civil or criminal, done or existing at the time of the taking effect of this act, except as mentioned in the third proviso of section 19 hereof; but as to all such prosecutions, suits, actions, proceedings, acts, things, or matters, the laws or parts of laws repealed or amended by this act are hereby continued in force and effect.

Mr. JONES. Mr. President, at the close of the first paragraph of section 9, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 8, at the end of the first paragraph of section 9, it is proposed to insert:

Provided further, That no foreign vessel shall transport or participate in transporting passengers or freight from any port or place in the United States to any port or place in Alaska or from any port or place in Alaska to any port or place in the United States, either directly or by way of a foreign port or place, either for the full or any part of the voyage, or shipment. Any vessel which violates or participates or aids in violating this provision shall be subject to a penalty of $200 for each passenger so transported and the forfeiture of the freight so transported, and any person who engages or aids in the violation of this provision shall be subject to the penalty of this act.

Mr. JONES. Mr. President, I will take just a moment to explain what this amendment does, and then will let it come to a vote. The law as it now reads is as follows:

No foreign vessel shall transport passengers between ports or places in the United States, either directly or by way of a foreign port, either for the full voyage or any part thereof, under penalty of $200 for each such passenger so transported and landed.

Mr. President, it will be noted that the words are "no foreign vessel shall transport," and so forth. Under the construction of the court, because the word "vessel" is in the singular number, the provision can be evaded; that is, a foreign-built vessel can take a passenger from a port in this country destined to another port in the country to a foreign port and stop there and transfer the passenger to another foreign-built ship, and then carry him on to an American destination.

Now, that is a pure evasion of the law, and it seems to me we ought not to tolerate it.

The situation is just this: Since the Grand Trunk Pacific Railway has been constructed to Prince Rupert the Canadians have an agency in the city of Seattle and are transporting passengers from Seattle to an Alaskan port. They sell a ticket to Prince Rupert by one vessel, and then they sell a ticket from Prince Rupert to the Alaskan port by another vessel, merely changing the passenger from one to the other. The purpose of this amendment is simply to correct that state of affairs and to require the passenger to be carried in an American-built ship.

Unless you want to do away entirely with the coastwise laws, you will adopt this amendment. Unless you want to permit the evasion of those laws, you will adopt this amendment.

I will not take further time in explaining the amendment.

Mr. CLARKE of Arkansas. Mr. President, the amendment now introduced by the Senator from Washington was considered by the Committee on Commerce. That committee reached the conclusion that it had some merits, but the determination of the exact extent of its merits required a fuller investigation than they were prepared to make in connection with this particular bill. It does not pretend to deal comprehensively with the question of navigation and our relations to other countries. If the court has made any such decision as that indicated by the Senator from Washington—and I am sure it has, or he would not make the statement—it is a matter that must be disposed of at a time when we have up some measure that deals more properly with the question of foreign and coastwise shipping.

The bill we now have under consideration is limited in its scope to the construction of ships and their possible operation. I trust that the possibility of their operation will be a very remote one. We do not believe that the amendment ought to be made a part of this bill, because it may have the effect of protracting this session. If it goes to conference, and it turns out that it opens up a broader question than we are prepared to deal with at this time it may involve further investigation than it seems necessary to make at this time.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Washington.

The amendment was rejected.

Mr. KERN. Mr. President, I ask unanimous consent that the order fixing 6.30 o'clock as the hour of adjournment be suspended, so that we may pass this bill before we adjourn. I understand that a short executive session is desired.

Mr. GALLINGER. Does the Senator mean that the order shall be suspended simply for the day?

Mr. KERN. Yes; just for the day.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and it is so ordered.

Mr. GALLINGER. Mr. President, I will inquire of the Senator from Florida if there is any provision in this bill requiring that the officers and any part of the crews of these ships shall be American citizens?

Mr. FLETCHER. There is no provision in this bill referring to that matter. It is covered by other laws.

Mr. GALLINGER. So that they could be officered by foreigners, and the crews could be Japanese or Chinese or Lascars, or any other class?

Mr. FLETCHER. It simply refers to the ownership, and specifies that they shall be owned by American citizens. It does not say anything about the crews.

Mr. VARDAMAN. There is a general law on the subject.

Mr. GALLINGER. Then, Mr. President, I offer the amendment which I send to the desk, to come in after line 18 on page 8.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 8, at the end of line 18, after the word "leased," it is proposed to insert:

Provided, That all officers on the vessels herein provided for shall be American citizens, and at least 50 per cent of the crews shall also be American citizens.

Mr. FLETCHER. The bill provides that these vessels under our flag shall be subject to all the laws appertaining to those vessels that are registered, licensed, and enrolled, and there is no need of this sort of special provision as to these vessels.

Mr. GALLINGER. Is the Senator sure that the laws that are now applicable would require these officers to be American citizens?

Mr. FLETCHER. I say to the Senator that there is no need of a special provision like that, because the bill provides that these vessels shall enjoy all the rights and all the privileges of vessels that are duly registered and enrolled and licensed and sailing under the American flag; so that whatever laws appertain now to such vessels as to crews and as to officers will apply to these vessels.

Mr. GALLINGER. The Senator is quite sure of that, is he?

Mr. FLETCHER. Oh, absolutely sure.

Mr. GALLINGER. Of course it would do no harm to let this amendment go to conference and look into it a little. I have some apprehension about it.

Mr. FLETCHER. No; there is no question. If the Senator will observe the provision on page 8, he will see that it reads as follows:

Every vessel purchased, chartered, or leased from the board shall, unless otherwise authorized by the board, be operated only under such registry or enrollment and license. Such vessels while employed solely as merchant vessels shall be subject to all laws, regulations, and liabilities governing merchant vessels, whether the United States be interested therein as owner, in whole or in part, or hold any mortgage, lien, or other interest therein.

Mr. GALLINGER. I think the Senator is right, and I withdraw the amendment.

Mr. President, I want to offer another amendment, to which I call the attention of the Senator from Florida. On page 7, in line 13, it is provided that the vessels, if they are to be transferred by the board, shall be appraised and sold "at public or private sale." I want to insert the word "competitive" before "sale" and after the word "private," so that it will read "private competitive sale."

Mr. CLARKE of Arkansas. What is the amendment of the Senator?

Mr. GALLINGER. Simply to insert the word "competitive" before the word "sale" in line 13, so that they shall be appraised, leased, and sold at public or private competitive sale.

Mr. FLETCHER. There is no objection to that.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE PRESIDENT. If there be no further amendments to be proposed, the bill will be reported to the Senate.

The bill was reported to the Senate as amended, and the amendments were concurred in.

Mr. GALLINGER. Mr. President, the Senator from Florida kindly consented to have the word "competitive" placed in line 13, page 7. I want to ask him if there is any objection to inserting also the words "after due advertisement," so that it will read "competitive sale after due advertisement"?

Mr. FLETCHER. I do not like to throw too many restrictions around the board; I should like to give them a little reasonable leeway here; but I do not see any objection to that.

Mr. GALLINGER. I think it is very desirable. I offer that amendment.

Mr. FLETCHER. Will the Senator mention where it is to come in?

Mr. GALLINGER. On page 7, line 13, after the words "private competitive sale," I move to insert the words "after due advertisement."

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The question is, Shall the bill pass?

Mr. NELSON. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BECKHAM (when his name was called). I have a general pair with the Senator from Delaware [Mr. DU PONT]. He is absent and I am unable to obtain a transfer. If permitted to vote, I would vote "yea."

Mr. CHAMBERLAIN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER], which I transfer to the Senator from Texas [Mr. CULBERSON] and vote "yea." If the Senator from Texas [Mr. CULBERSON] were here, he would vote "yea."

Mr. CHILTON (when his name was called). I make the same announcement of my pair, and not having been able to obtain a transfer I withhold my vote.

Mr. CURTIS (when Mr. DU PONT's name was called). I was requested to announce that the Senator from Delaware [Mr. DU PONT] is absent and that if present he would vote "nay."

Mr. CURTIS (when Mr. FALL's name was called). I was also requested to announce that the Senator from New Mexico [Mr. FALL] is absent and that if he were present he would vote "nay."

Mr. GALLINGER (when his name was called). I have a general pair with the Senator from New York [Mr. O'GORMAN], which I transfer to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. CUMMINS (when Mr. KENYON's name was called). My colleague [Mr. KENYON] is absent from the city. If he were present, he would vote "nay."

Mr. KERN (when his name was called). I am paired with the Senator from Maine (Mr. JOHNSON). If I were at liberty to vote, I would vote "yea." If the Senator from Maine were present, he would vote "nay."

Mr. CURTIS (when Mr. NORRIS's name was called). I was requested to announce that the Senator from Nebraska [Mr. NORRIS] is absent and were he present he would vote "nay."

Mr. PENROSE (when Mr. OLIVER's name was called). My colleague [Mr. OLIVER] is absent from the city and is paired with the Senator from Oregon [Mr. CHAMBERLAIN]. Were my colleague present he would vote "nay."

Mr. REED (when his name was called). I make the same transfer as on the previous vote. I vote "yea."

Mr. SAULSBURY (when his name was called). I have a pair with the Senator from Rhode Island [Mr. COLT]. I am not able to obtain a transfer, and therefore I withhold my vote.

Mr. SHAFROTH (when his name was called). I am paired with the Senator from Washington [Mr. POINDEXTER]. I transfer my pair to the junior Senator from New Jersey [Mr. HUGHES] and vote "yea."

Mr. ASHURST (when the name of Mr. SMITH of Arizona was called). My colleague [Mr. SMITH of Arizona] is detained from the Senate. If he were present he would vote "yea."

Mr. STERLING (when his name was called). I make the same announcement of the transfer of my pair as on the last vote, and I vote "nay."

Mr. STONE (when his name was called). I make the same transfer of my pair with the Senator from Wyoming [Mr. CLARK] that was announced on the last vote. I vote "yea."

Mr. SMOOT (when Mr. SUTHERLAND's name was called). If my colleague [Mr. SUTHERLAND] were present he would vote "nay."

Mr. THOMAS (when his name was called). Announcing the same pair as heretofore, I withhold my vote. If at liberty to vote, I would vote "yea."

Mr. JONES (when Mr. TOWNSEND's name was called). The junior Senator from Michigan [Mr. TOWNSEND], if present, would vote "nay."

Mr. MYERS (when Mr. WALSH's name was called). My colleague [Mr. WALSH] is necessarily absent. If present he would vote "yea." He is paired with the Senator from Rhode Island [Mr. LIPPITT].

The roll call was concluded.

Mr. JONES. I desire to state that my colleague [Mr. POINDEXTER] is necessarily absent. I am sure that if he were present he would vote "nay" on the passage of the bill.

Mr. CURTIS. I was requested to announce that the Senator from West Virginia [Mr. GOFF] is paired with the Senator from South Carolina [Mr. TILLMAN].

Mr. CHILTON. I transfer my pair with the Senator from New Mexico [Mr. FALL] to the Senator from Arizona [Mr. SMITH] and vote "yea."

Mr. WEEKS. My colleague [Mr. LODGE] has a general pair with the Senator from Georgia [Mr. SMITH]. If my colleague were present, he would vote "nay" on this question.

Mr. WARREN. My colleague [Mr. CLARK of Wyoming] is absent. He is paired as stated with the Senator from Missouri [Mr. STONE]. If my colleague were present, he would vote "nay."

The result was announced—yeas 38, nays 21, as follows:

YEAS—38.

Ashurst	Johnson, S. Dak.	Pittman	Smith, Md.
Bankhead	Lane	Pomerene	Stone
Bryan	Lea, Tenn.	Ransdell	Swanson
Chamberlain	Lee, Md.	Reed	Taggart
Chilton	Martin, Va.	Robinson	Thompson
Clarke, Ark.	Martine, N. J.	Shafroth	Underwood
Fletcher	Myers	Sheppard	Vardaman
Hardwick	Overman	Shields	Williams
Husting	Owen	Simmons	
James	Phelan	Smith, Ga.	

NAYS—21.

Borah	Dillingham	McLean	Wadsworth
Brady	Gallinger	Nelson	Warren
Brandegee	Gronna	Penrose	Weeks
Clapp	Harding	Sherman	
Cummins	Jones	Smoot	
Curtis	Lippitt	Sterling	

NOT VOTING—36.

Beckham	Gore	Lodge	Smith, Ariz.
Broussard	Hitchcock	McCumber	Smith, Mich.
Catron	Hollis	Newlands	Smith, S. C.
Clark, Wyo.	Hughes	Norris	Sutherland
Colt	Johnson, Me.	O'Gorman	Thomas
Culberson	Kenyon	Oliver	Tillman
du Pont	Kern	Page	Townsend
Fall	La Follette	Poindexter	Walsh
Goff	Lewis	Saulsbury	Works

So the bill was passed.

COMPENSATION OF INJURED EMPLOYEES.

Mr. SMITH of Georgia. I move that the Senate proceed to the consideration of the bill (H. R. 15316) to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill.

EXECUTIVE SESSION.

Mr. STONE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

RELIEF OF FLOOD SUFFERERS.

The joint resolution (H. J. Res. 298) providing for the relief of flood sufferers in the State of West Virginia, was read twice by its title.

Mr. CHILTON. I ask unanimous consent for the present consideration of the joint resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered as in Committee of the Whole, and it was read as follows:

Resolved, etc., That the appropriation of $540,000 made by the joint resolution approved August 3, 1916, for the relief of flood sufferers in the States of North Carolina, South Carolina, Georgia, Alabama, Florida, Tennessee, and Mississippi, is made available for the same purposes and to the same extent of relief for flood sufferers in the State of West Virginia.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

RECESS.

Mr. KERN. I move that the Senate take a recess until to-morrow morning at 11 o'clock.

The motion was agreed to; and (at 6 o'clock and 40 minutes p. m.) the Senate took a recess until to-morrow, Saturday, August 19, 1916, at 11 o'clock a. m.

NOMINATION.

Executive nomination received by the Senate August 18, 1916.

PROMOTION IN THE NAVY.

Capt. James H. Glennon to be a rear admiral in the Navy from the 10th day of August, 1916.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 18, 1916.

PROMOTION IN THE NAVY.

Capt. James H. Glennon to be a rear admiral.

COLLECTOR OF INTERNAL REVENUE.

Banjamin F. Davis to be collector of internal revenue for the ninth district of Pennsylvania.

POSTMASTER.

KENTUCKY.

Lee H. Hansbrough, Hodgenville.

HOUSE OF REPRESENTATIVES.

FRIDAY, *August 18, 1916.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We thank Thee our Father in heaven that a retrospective glance through the long vistas of the past reveals the steady gain of man toward the higher, nobler civilization, which deepens our faith in Thee and in the overruling of Thy providence, the possibilities in man which inspire to nobler life, which encourage us to look forward to the day when right shall be stronger than might, peace than war, good than evil, when Thy kingdom shall at last come and Thy will be done in earth as it is in heaven. For Thine is the kingdom and the power and the glory forever. Amen.

The Journal of the proceedings of Tuesday, August 15, 1916, was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed joint resolution of the following title, in which the concurrence of the House of Representatives was requested:

S. J. Res. 165. Joint resolution for the relief of the flood sufferers in West Virginia.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15522) to establish a national-park service, and for other purposes.

The message also announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 6840. An act to authorize the Secretary of the Interior to convey title to certain lands in the State of Nevada.

The message also announced that the Senate had passed without amendment bills of the following titles:

H. R. 11860. An act for the relief of Halvor Nilsen;

H. R. 17058. An act to fix standards for Climax baskets for grapes and other fruits and vegetables, and to fix standards for baskets and other containers for small fruits, berries, and vegetables, and for other purposes; and

H. R. 15575. An act to amend the act of March 22, 1906, entitled "An act to authorize the sale and disposition of surplus or unallotted lands of the diminished Colville Indian Reservation, in the State of Washington, and for other purposes."

The message also announced that the Senate had passed without amendment the following concurrent resolution:

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H. R. 15947) entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1917, and for other purposes," the Clerk be, and he is hereby, authorized and directed to omit the word "not," in line 17 of paragraph 20 of the matter inserted by the conference under Senate amendment No. 89.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to bill (H. R. 15947) making appropriations for the naval service for the fiscal year ending June 30, 1917, and for other purposes.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 381) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands.

The message also announced that the Senate had agreed to the amendment of the House to bill (S. 3533) for the relief of Mike G. Womack.

The message also announced that the Senate had agreed to the amendment of the House of Representatives to bill (S. 5202) to authorize the maintenance and operation of dams across the St. Croix River at Baileyville and Grand Falls, Me.

ENROLLED BILLS SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 5. An act for erecting a suitable memorial to John Ericsson;

H. R. 4559. An act for the relief of C. Horatio Scott;

H. R. 16995. An act granting the consent of Congress to A. N. Alford to construct a bridge across the Savannah River;

H. R. 16914. An act permitting the Needles & Oatman Bridge Co. to construct, maintain, and operate a bridge across the Colorado River between the States of California and Arizona; and

H. R. 13984. An act granting to the city of Philadelphia, in the State of Pennsylvania, a right of way through the United States military reservation at Fort Mifflin, Pa.

The SPEAKER announced his signature to enrolled bills of the following titles:

S. 5202. An act to authorize the maintenance and operation of dams across the St. Croix River, at Baileyville and Grand Falls, Me.;

S. 1781. An act for the relief of Nathaniel Monroe;

S. 1818. An act for the relief of Nelson T. Saunders;

S. 3539. An act for the relief of John L. Moon;

S. 6331. An act authorizing the Secretary of the Interior to issue patent to William H. Ingle for homestead entry in Colorado;

S. 6013. An act to confirm the entry of John Dowd;

S. 3533. An act for the relief of Mike G. Womack; and

S. 5425. An act to standardize lime barrels.

SENATE BILLS REFERRED.

Under clause 2, Rule XXIV, Senate bills and joint resolutions of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 135. An act for the restoration of annuities to the Medawakanton and Wahpakoota (Santee) Sioux Indians declared forfeited by the act of February 16, 1863; to the Committee on Indian Affairs.

S. 6840. An act to authorize the Secretary of the Interior to convey title to certain lands in the State of Nevada; to the Committee on Indian Affairs.

S. 4764. An act to amend an act entitled "An act to prohibit the importation and use of opium for other than medicinal purposes," approved January 17, 1914; to the Committee on Ways and Means.

S. 5987. An act to amend subsection 11 of section 3244, Revised Statutes; to the Committee on Ways and Means.

S. J. Res. 165. Joint resolution for the relief of the flood sufferers in West Virginia; to the Committee on Appropriations.

S. J. Res. 59. Joint resolution authorizing the Secretary of the Interior to cause the settlement of the accounts of Special Agents Moore, Woodson, and Whitfield under the treaty of 1854 with the Delaware Indians, etc.; to the Committee on Claims.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

A message, in writing, from the President of the United States was communicated to the House of Representatives by Mr. Latta, one of his secretaries, who also informed the House of Representatives that the President had approved and signed bills of the following titles:

On August 15, 1916:

H. R. 5096. An act for the relief of Nabor and Victoria Leon; and

H. R. 5185. An act for the relief of George H. Hammond.

On August 16, 1916:

H. R. 3896. An act for the relief of John H. Janssen;

H. R. 5864. An act for the relief of Thomas P. Sorkilmo;

H. R. 11749. An act for the relief of the administrator of the estate of John M. Waples; and

H. R. 12208. An act adding certain lands to the Teton National Forest, Wyo.

On August 17, 1916:

H. R. 10116. An act for the relief of certain settlers under reclamation projects; and

H. R. 13982. An act to extend temporarily the time for filing applications and fees and taking action in the United States Patent Office in favor of nations granting reciprocal rights to United States citizens.

On August 18, 1916:

H. R. 7883. An act for the relief of Charlotte M. Johnston;

H. R. 11240. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors;

H. R. 12194. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors;

H. R. 13620. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors; and

H. R. 14576. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors.

ADJOURNMENT UNTIL TUESDAY NEXT.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet on Tuesday next.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that when the House adjourns to-day it adjourn to meet on Tuesday next. Is there objection?

Mr. HUMPHREY of Washington. Mr. Speaker, reserving the right to object, I would like to ask the gentleman a question. Can the gentleman give us any idea about the business likely to come before the House after the naval bill and the Philippine bill are disposed of?

Mr. KITCHIN. I will say to the gentleman that I do not anticipate any legislation of importance that would require the presence of a quorum even until the revenue bill comes back from the Senate, and it is my understanding that it will be at least two weeks, and, I believe, more, before that will be returned.

Mr. HUMPHREY of Washington. Then, in the opinion of the gentleman it will be two weeks before a quorum will be required?

Mr. MANN. I should take it without question that there would be ample time to give notice to Members if anything should arise that would require their presence.

Mr. KITCHIN. Oh, certainly. I think Members can take two weeks' vacation now if they wish. Of course, some of us will have to remain here to watch the other side. I shall have to stay here to watch the minority leader, and he will have to stay here to watch me, and perhaps with a little help; but others can go home for a vacation of two weeks at least.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. STEPHENS of Mississippi. Reserving the right to object, Mr. Speaker, I would like to have 30 minutes on next Tuesday.

The SPEAKER. Let us settle this matter first. There may not be any next Tuesday. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none, and when the House adjourns to-day it will adjourn to meet next Tuesday.

Mr. MANN. Which will give the Speaker a chance to make a political speech.

The SPEAKER. Yes; up in Maine. Two of them. [Laughter.]

FEDERAL RESERVE ACT.

Mr. GLASS. Mr. Speaker, I have a telegram from Mr. HAYES, the gentleman from California, who is a conferee on the bill H. R. 13391, amending the Federal reserve act, stating that he is ill and not able to return to Washington. I ask unanimous consent that my colleague, a member of the committee, Mr. EDMUND PLATT, of New York, be substituted in his place.

The SPEAKER. It does not require unanimous consent. The Chair substitutes Mr. PLATT for Mr. HAYES.

LEAVE OF ABSENCE.

Mr. HAWLEY. Mr. Speaker, I ask unanimous consent that the gentleman from Oregon [Mr. SINNOTT] be given indefinite leave of absence, on account of the death of one of his children.

The SPEAKER. The gentleman from Oregon asks unanimous consent that his colleague, Mr. SINNOTT, be given indefinite leave of absence, on account of the death of one of his children. Is there objection?

There was no objection.

LIGHTHOUSE SERVICE.

Mr. ADAMSON. Mr. Speaker, the bill H. R. 14338, an act to authorize aids to navigation, for other work in the Lighthouse Service, and for other purposes, with Senate amendments, is on the Speaker's table. I ask that it be laid before the House and that the House disagree to the Senate amendments and ask for a conference.

The SPEAKER laid before the House the bill (H. R. 14338) to authorize aids to navigation, for other work in the Lighthouse Service, and for other purposes, with Senate amendments.

Mr. ADAMSON. I ask to disagree to the Senate amendments and agree to the conference.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER appointed as conferees on the part of the House Mr. ADAMSON, Mr. SIMS, and Mr. ESCH.

EXTENSION OF REMARKS.

Mr. HUMPHREY of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the primary law in our State.

The SPEAKER. The gentleman from Washington asks unanimous consent to extend his remarks in the RECORD on the primary law in Washington. Is there objection?

There was no objection.

Mr. SIMS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD for the purpose of placing in the RECORD a statement concerning the use of my frank in distributing a speech of mine in the district of the gentleman from South Carolina [Mr. AIKEN].

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. MANN. Reserving the right to object, what kind of a statement is it?

Mr. SIMS. My colleague, Mr. AIKEN, from South Carolina, is a candidate for renomination, and there is a primary contest in his district. Some one who is trying to defeat him is circulating a speech of mine made two years ago on the cotton futures act and is using my frank in doing so. That is what my statement refers to.

Mr. MANN. If somebody is using the gentleman's frank without authority, why does not the Post Office Department stop it?

Mr. SIMS. Perhaps the Post Office Department knows nothing about it.

Mr. MANN. Somebody ought to call their attention to it.

Mr. BUTLER. He ought to go into the criminal court.

Mr. STAFFORD. Has the gentleman directed the attention of the postal authorities to the fact that his frank is being misused?

Mr. SIMS. I have not.

Mr. STAFFORD. I think it is incumbent on the gentleman, because the law is absolute that no outsider is authorized to use the gentleman's frank.

Mr. SIMS. I think the gentleman will fully understand the situation when he hears or reads my remarks.

Mr. STAFFORD. Does not the gentleman think that it is due to himself that he should prevent the wrongful use of his frank?

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

LEAVE TO ADDRESS THE HOUSE.

Mr. STEPHENS of Mississippi. Mr. Speaker, I ask unanimous consent that on next Tuesday, after the reading of the Journal and the disposition of the regular business, I may be allowed to address the House for not exceeding 30 minutes.

The SPEAKER. The gentleman from Mississippi asks unanimous consent that on next Tuesday, after the reading of the Journal and the disposition of business on the Speaker's table, he may address the House for 30 minutes. Is there objection?

Mr. MANN. Reserving the right to object, there are a number of consents for Members to address the House to-day; I suspect more than the time of the House will allow. I had intended to ask unanimous consent that if the House adjourns to-day before these orders are executed they go over until next Tuesday. Would the gentleman from Mississippi be willing to follow then?

Mr. STEPHENS of Mississippi. I think gentlemen ought to take their chances on a proposition of that kind. I shall not address the House longer than 30 minutes.

Mr. MANN. I will not object to that, but I will make the request afterwards.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? [After a pause.] The Chair hears none.

Mr. MANN. Mr. Speaker, I ask unanimous consent that any order permitting Members to address the House to-day which may not be executed by reason of the adjournment of the House before a completion of the orders in order to-day, may go over until next Tuesday, to follow the address of the gentleman from Mississippi [Mr. STEPHENS].

The SPEAKER. The gentleman from Illinois asks unanimous consent that gentlemen who have obtained consent to address the House to-day, who may not do so because of adjournment of the House before they have opportunity to address it, may be permitted to follow in their order the gentleman from Mississippi [Mr. STEPHENS] on Tuesday next. Is there objection?

Mr. ASWELL. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Illinois if I may be

permitted to follow the gentleman from Mississippi for 40 minutes before that is done?

Mr. MANN. Mr. Speaker, I think my request is a reasonable one.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ASWELL. Mr. Speaker, I ask unanimous consent that following that program I may be permitted to address the House for 40 minutes on Tuesday next.

The SPEAKER. The gentleman from Louisiana asks unanimous consent that on Tuesday next, following the program already announced, he be allowed to address the House for not to exceed 40 minutes. Is there objection?

There was no objection.

Mr. MANN. Mr. Speaker, I ask unanimous consent that on Tuesday next, after the other orders for speaking have been completed, the gentleman from Iowa, Mr. SWEET, may be permitted to address the House for not to exceed 15 minutes.

The SPEAKER. The gentleman from Illinois asks unanimous consent that on Tuesday next, after the completion of the oratorical program already fixed, the gentleman from Iowa, Mr. SWEET, be permitted to address the House for not to exceed 15 minutes. Is there objection?

There was no objection.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that on Tuesday next, after the disposition of the orders that have already been made, I may be allowed to address the House for one hour.

The SPEAKER. The gentleman from Wyoming [Mr. MONDELL] asks unanimous consent that on Tuesday, after the finishing of the orders already made, he may be permitted to address the House not to exceed one hour. Is there objection? [After a pause.] The Chair hears none.

BOARD OF MANAGERS, NATIONAL HOME FOR DISABLED VOLUNTEER SOLDIERS.

Mr. SHALLENBERGER. Mr, Speaker, I ask unanimous consent for the present consideration of House joint resolution 244, for the appointment of four members of the Board of Managers of the National Home for Disabled Volunteer Soldiers, which I send to the desk and ask to have read.

The SPEAKER. The gentleman from Nebraska asks unanimous consent for the present consideration of House joint resolution 244, respecting the Board of Managers of the National Home for Disabled Volunteer Soldiers. Is there objection?

Mr. DYER. Mr. Speaker, I object.

Mr. CANNON. Oh, I trust the gentleman from Missouri will not object. This is a unanimous report and carries out what the committee desires. I trust the gentleman will not object. He knows about the difficulty they have had upon the board.

Mr. DYER. Mr. Speaker, reserving the right to object, I would say that there are many things connected with the management of the soldiers' home and the boards that have been acting and are now acting that ought to be thoroughly discussed by Members of the House, in order that there may be pointed out some things that are happening and have been happening that are not for the best interest of the soldiers in the home, and I would like at least an opportunity to point those out.

Mr. CANNON. Mr. Speaker, I hope the gentleman will let this go through, and then by unanimous consent speak to the matters he has in mind. I am aware of what has happened, and this is to correct it, not in legislation that would change the status, but to get rid of an undesirable condition upon the board, and appoint one that would be above criticism.

Mr. DYER. Mr. Speaker, out of deference to the distinguished gentleman from Illinois [Mr. CANNON] I shall not object at this time, but I desire to state to the gentleman from Illinois and to the Members of the House that there ought to be a clear and complete investigation of the various branches of the National Home for Disabled Volunteer Soldiers in order that better service, more efficient and more expeditious and honest administration of its affairs may be had.

Mr. CANNON. To which I would have no objection.

The SPEAKER. The gentleman from Nebraska asks unanimous consent for the present consideration of H. J. Res. 244. Is there objection?

Mr. HELVERING. Mr. Speaker, I object.

The SPEAKER. The gentleman from Kansas objects.

BRIDGE ACROSS CONNECTICUT RIVER, SPRINGFIELD, MASS.

Mr. GILLETT. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 17398) granting the consent of Congress to the board of county commissioners of the county of Hampden, in the Commonwealth of Massachusetts, to construct a bridge across the Connecticut River between Springfield and West Springfield, in said county and Commonwealth.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent for the present consideration of the bill H. R. 17398. Is there objection?

Mr. STAFFORD. Mr. Speaker, let the bill be reported.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the board of county commissioners of the county of Hampden, in the Commonwealth of Massachusetts, and the city of Springfield, in said county, and their successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across the Connecticut River at a point suitable to the interests of navigation between the city of Springfield and the town of West Springfield, in the county of Hampden, in the State of Massachusetts, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. MANN. Mr. Speaker, this bill has been reported by the committee?

Mr. GILLETT. It has the unanimous report of the committee; yes.

The SPEAKER. Is there objection?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

INTOXICATING LIQUORS IN NATIONAL PARKS AND FOREST RESERVES.

Mr. RANDALL. Mr. Speaker, I ask to take from the Speaker's table the bill S. 4862, and ask that it be laid before the House for present consideration.

The SPEAKER. Is a similar House bill on the calendar?

Mr. RANDALL. There is a similar House bill on the calendar—H. R. 6814.

INTOXICATING LIQUORS IN NATIONAL PARKS AND FOREST RESERVES.

The SPEAKER. The Chair lays before the House the bill, S. 4862, a similar House bill being on the calendar.

The title was read as follows:

A bill (S. 4862) to exclude intoxicating liquors from national parks and national forest reserves.

Mr. STAFFORD. Mr. Speaker, I make the point that there is no quorum present.

The SPEAKER. The gentleman from Wisconsin makes the point of order there is no quorum present. The Chair will count.

Mr. RANDALL. Mr. Speaker, I would like to ask the gentleman from Wisconsin if he intends to insist on his point of order?

Mr. STAFFORD. I certainly do.

The SPEAKER. The gentleman made the point of order.

Mr. STAFFORD. If the gentleman will withdraw his request, I will not insist on the point.

Mr. PADGETT. Mr. Speaker, I ask the gentleman to withhold it for a moment that I may submit a conference report.

Mr. STAFFORD. I will withdraw the demand for the only purpose of allowing the gentleman to present a conference report.

The SPEAKER. The gentleman from Wisconsin withdraws his point of no quorum.

NAVAL APPROPRIATIONS—CONFERENCE REPORT.

Mr. PADGETT. Mr. Speaker, I wish to submit a conference report on the naval appropriation bill (H. R. 15947), together with the statement, and ask that it remain on the Speaker's table.

Mr. MANN. Let us dispose of it this morning.

Mr. PADGETT. Then I ask unanimous consent to waive the printing under the rule, as it was printed yesterday in the Senate proceedings, and that it be called up at the present and that the statement be read in lieu of the report.

The SPEAKER. The Chair likes to deal fairly with everybody. If the gentleman from Wisconsin [Mr. STAFFORD] withdrew his point of order temporarily, the gentleman from Tennessee might present his conference report.

Mr. STAFFORD. I withdrew the point of order with qualification.

Mr. GALLIVAN. I renew it.

Mr. MANN. Will not the gentleman withdraw it?

Mr. JONES. Mr. Speaker, I do not desire to object to the request of the gentleman from Tennessee [Mr. PADGETT] for unanimous consent, but I think there was an understanding that the conference report on the Philippine bill should come up first, and I hope the gentleman will not ask that his bill be called up until the report on the Philippine bill has been disposed of.

Mr. GALLIVAN. Mr. Speaker, I withdraw the point of no quorum.

The SPEAKER. The gentleman from Massachusetts withdraws the point of order.

Mr. PADGETT. I do not wish any conflict with the gentleman from Virginia, but I think we can dispose of this report in about two minutes. His report will require debate, I understand, and mine will not.

The SPEAKER. The gentleman from Tennessee [Mr. PADGETT] asks unanimous consent——

Mr. MANN. I think the gentleman can all get in with their conference reports.

Mr. JONES. I will not object, Mr. Speaker.

Mr. DIES. Mr. Speaker, reserving the right to object, if the gentleman will give me half a minute to state that I will vote against the bill on the final passage if we have a roll call, so that I may get myself right in the RECORD, I will not make any objection.

The SPEAKER. The gentleman has already stated that. [Laughter.] The gentleman from Tennessee [Mr. PADGETT] asks unanimous consent for the present consideration of the conference report on the naval appropriation bill without printing it in the RECORD again, inasmuch as it was printed by the Senate yesterday. Is there objection? [After a pause.] The Chair hears none.

The Clerk will report it.

The Clerk read the conference report and statement as follows:

CONFERENCE REPORT (NO. 1155).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15947) making appropriations for the naval service for the fiscal year ending June 30, 1917, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 41, 51, 52, and 54.

That the House recede from its disagreement to the amendments of the Senate numbered 19, 20, 24, 72, 73, 75, 76, 82, 84, 85, 174, 201, 202, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 229, 230, 231, 232, 233, 234, 235, and 237; and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 69 and agree to the same with an amendment as follows: Change total to $8,350,875; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 71, and agree to the same with an amendment as follows: In lieu of the matter inserted insert the following:

"Said commission shall also investigate and report upon the necessity, desirability, and advisability of improving existing or establishing an additional navy yard or naval station on the Atlantic coast south of Cape Hatteras or on or near the United States coast of the Gulf of Mexico or in the Carribbean Sea of a character adequate for the proper naval defense of that portion of the country. Said report shall contain all the information of like character as directed in the preceding paragraph relating to the investigation and report as to the Pacific coast.

"Said commission shall also investigate and report as to the necessity, desirability, and advisability of establishing submarine and aviation bases on the Atlantic, Gulf of Mexico, and Pacific coasts and other possessions of the United States, and as to the cost and location thereof: *Provided*, That the sum of $10,000 is hereby appropriated to defray the expenses of said commission, including drafting, technical and clerical assistance in the Navy Department or elsewhere."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 241, and agree to the same with an amendment as follows: In lieu of the matter inserted insert the following:

"The Secretary of the Navy is authorized to improve and equip the navy yards at Puget Sound, Philadelphia, Norfolk, New York, Boston, Portsmouth, Charleston, and New Orleans for the construction of such ships herein or as may be hereafter authorized as may be assigned to such yards for construction, and the sum of $6,000,000, or so much thereof as may be necessary, is hereby appropriated for this purpose: *Provided*, That the Secretary of the Navy is authorized to equip the navy yards at Norfolk, Philadelphia, Boston, and Puget Sound for the construction of capital ships.

"The Secretary of War and the Secretary of the Navy are authorized and directed to report to Congress at the earliest practicable date:

"First. Specific plans for improvement of the harbors and canals and connecting channels which, in their judgment, will best provide adequate facilities for operations of the fleet for defense of the harbors on the Atlantic, Gulf, and Pacific coasts of the United States.

"Second. The feasible extensions requisite to making existing approved projects for improvement of the aforementioned harbors, canals, and channels available for the purposes stated in the foregoing paragraph.

"Third. The cost of each such several improvements calculated upon the basis of completion thereof under contract within five years."

And the Senate agree to the same.

L. P. PADGETT,
J. FRED C. TALBOTT,
ALBERT ESTOPINAL,
THOMAS S. BUTLER,
ERNEST W. ROBERTS,
Managers on the part of the House.
B. R. TILLMAN,
CLAUDE A. SWANSON,
BOIES PENROSE,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House, at the second conference on the disagreeing votes of the two Houses on the bill (H. R. 15947) making appropriations for the naval service for the fiscal year ending June 30, 1917, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon and submitted by the accompanying report on the amendments of the Senate, namely:

Amendments Nos. 19, 20, 24, 72, 73, 75, 76, 82, 84, 85, and 174 provide for the expenses in the various bureaus due to the increase of the enlisted personnel agreed to by the House in amendments Nos. 80 and 83, and the House recedes.

Amendments Nos. 201, 202, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 229, 230, 231, 232, 233, 234, 235, and 237 provide for an increase in the personnel of the Marine Corps, being an increase of 20 per cent of the increase allowed the Navy in amendments 80 and 83 agreed to by the House, and the House recedes.

Amendment No. 41 provides for an appropriation of $300,000 for remodeling the old machine shop at the navy yard, Portsmouth, N. H., and the Senate recedes.

Amendments Nos. 51 and 52 provide for the enlarging of the dry dock at the navy yard, Charleston, S. C., to cost $1,085,000, with an appropriation of $750,000. It also provides an appropriation of $200,000 for a foundry and forge shop, and the Senate recedes.

Amendment No. 54 provides an appropriation of $100,000 to extend the wharf 1,650 feet at the naval station, New Orleans, La., and the Senate recedes.

Amendment No. 69 is a change of total.

Amendment No. 71 strikes out the House provision which provides for a report from a commission as to the necessity, desirability, and advisability of establishing an additional navy yard or naval station on the Atlantic coast south of Cape Hatteras or on or near the United States coast of the Gulf of Mexico or in the Caribbean Sea, and inserts a provision that the commission report as to the necessity, desirability, and advisability of establishing submarine and aviation bases on the Atlantic, Gulf of Mexico, and Pacific coasts, and other possessions of the United States, providing $10,000 to defray the expenses of said commission.

The amendment also makes an appropriation of $500,000 to secure a suitable site on the Columbia River, Oreg., for the construction of a submarine and torpedo-boat base.

The Senate amendment also provides that the commission authorized shall report on the advisability of establishing one or more additional naval academies, and the House recedes with an amendment restoring the matter stricken out by the Senate and provides for a report on the submarine and aviation bases on the Atlantic, Gulf of Mexico, and Pacific coasts with an appropriation of $10,000 to defray the expenses, but strikes out the appropriation of $500,000 for a base on the Columbia River and strikes out the provision requiring a report on the establishment of additional academies.

Amendment No. 241 strikes out the House provision whereby the Secretary of the Navy is authorized to fit up certain navy yards for ship construction in the event that he is unable to secure from the shipbuilders contracts for the expeditious construction of ships at a fair and reasonable price, appropriating the sum of $6,000,000, and inserts a provision which makes it mandatory that the Secretary of the Navy shall equip certain navy yards for ship construction and certain ones shall be equipped for construction of capital ships forthwith.

The Senate amendment also inserts a provision providing that a report be made to Congress at the earliest practicable date giving specific plans for improvement of the harbors and canals and connecting channels which will best provide adequate facilities for operations of the fleet for defense of the harbors on the Atlantic, Gulf of Mexico, and Pacific coasts of the United States; also as to any required extensions of existing projects and the cost thereof.

The Senate also inserted an amendment providing for the protection of the uniform.

The House recedes with an amendment striking out the provisions relating to the protection of the uniform and retains the provision directing a report for specific plans on the improvement of harbors and channels for the operations of the fleet and removes the mandatory provision that navy yards be fitted for ship construction, but authorizes the Secretary of the Navy to improve and equip the navy yards at Puget Sound, Philadelphia, Norfolk, New York, Boston, Portsmouth, Charleston, and New Orleans, with a proviso that the navy yards at Norfolk, Philadelphia, Boston, and Puget Sound may be equipped for the construction of capital ships. The provision agreed upon is not mandatory that the $6,000,000 shall be used for the purposes set forth as was provided in the Senate provision.

The total of the bill as it passed the Senate is $316,818,343.55.

As agreed to by conferees, $313,384,389.24.

A reduction in conference of $3,433,954.31.

L. P. PADGETT,
J. FRED C. TALBOTT,
ALBERT ESTOPINAL,
THOMAS S. BUTLER,
ERNEST W. ROBERTS,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

Mr. PADGETT. Mr. Speaker, the gentleman from Washington [Mr. HUMPHREY] has asked me to yield three minutes to him.

The SPEAKER. The gentleman from Washington [Mr. HUMPHREY] is recognized for three minutes.

Mr. HUMPHREY of Washington. Mr. Speaker, I wish to express my appreciation to the conferees, and particularly to the chairman of the committee, for the item that appears regarding the equipping of the yards. This is a day of rejoicing on the Pacific coast. We feel that with the provision in there that the equipment of the Puget Sound yard is certain, people on the Pacific now believe that we will have naval vessels constructed on the Pacific, and we will have within a reasonable time battleships upon that ocean so as to protect us and remove the invitation to attack that our weakness now gives. We have never had a battleship squadron on the Pacific Ocean except on a brief holiday visit. The old *Oregon* is the only battleship that for years has been upon the Pacific. I want publicly to express my thanks to the chairman and the other members of the committee in behalf of the people of the Pacific coast and the entire country. This provision makes certain the future of the Puget Sound yard. It is destined soon to become one of the great navy yards of the world. It shall always be a great satisfaction to me that I have had some part in passing legislation that will cause the Puget Sound yard to be equipped to build even the greatest of naval vessels.

The SPEAKER. The question is on agreeing to the conference report to the bill H. R. 15947, the naval appropriation bill.

The question was taken, and the conference report was agreed to.

On motion of Mr. PADGETT, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

EXTENSION OF REMARKS.

By unanimous consent, Mr. FLOOD, Mr. FOSS, Mr. CLINE, and Mr. DILL were granted leave to extend their remarks in the RECORD.

THE PHILIPPINES.

Mr. JONES. Mr. Speaker, I call up the conference report on Senate bill 381, the Philippine bill.

The SPEAKER. The gentleman from Virginia calls up the conference report on the Philippine bill. What request does the gentleman make?

Mr. JONES. I ask unanimous consent, Mr. Speaker, that the statement which I send to the Clerk's desk may be read in lieu of the report.

The SPEAKER. The gentleman from Virginia asks unanimous consent that the statement be read in lieu of the report. Is there objection?

Mr. MANN. Reserving the right to object, Mr. Speaker, the gentleman speaks of the statement which he sends to the Clerk's desk. What statement is it?

Mr. JONES. It is the statement of the House conferees as to the changes that have been made.

Mr. MANN. Has not that been printed?

Mr. JONES. It has not been. The report has been printed.

Mr. MANN. The gentleman would have to ask unanimous consent to consider the conference report, then.

Mr. JONES. Then, if that be necessary, Mr. Speaker, and I did not know that it was, I ask unanimous consent to do that; but I understood that the rules applied to the report.

Mr. MANN. The rules apply to both.

Mr. JONES. Then, I ask unanimous consent that the statement may be read.

The SPEAKER. The gentleman from Virginia asks unanimous consent that the rule about printing a statement accompanying a conference report be waived, and that the report be considered now and the statement read. Is there objection?

There was no objection.

CONFERENCE REPORT (NO. 1108).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 381) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 2, 3, and 4, and agree to the same.

Amendment numbered 1: That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same with an amendment as follows: In lieu of the matter proposed by the House insert the following:

"That the provisions of this act and the name 'The Philippines' as used in this act shall apply to and include the Philippine Islands ceded to the United States Government by the treaty of peace concluded between the United States and Spain on the 11th day of April, 1899, the boundaries of which are set forth in Article III of said treaty, together with those islands embraced in the treaty between Spain and the United States concluded at Washington on the 7th day of November, 1900.

"SEC. 2. That all inhabitants of the Philippine Islands who were Spanish subjects on the 11th day of April 1899, and then resided in said islands, and their children born subsequent thereto, shall be deemed and held to be citizens of the Philippine Islands, except such as shall have elected to preserve their allegiance to the Crown of Spain in accordance with the provisions of the treaty of peace between the United States and Spain, signed at Paris December 10, 1898, and except such others as have since become citizens of some other country: *Provided*, That the Philippine Legislature, herein provided for, is hereby authorized to provide by law for the acquisition of Philippine citizenship by those natives of the Philippine Islands who do not come within the foregoing provisions, the natives of the insular possessions of the United States, and such other persons residing in the Philippine Islands who are citizens of the United States, or who could become citizens of the United States under the laws of the United States if residing therein.

"SEC. 3. That no law shall be enacted in said islands which shall deprive any person of life, liberty, or property without due process of law, or deny to any person therein the equal protection of the laws. Private property shall not be taken for public use without just compensation.

"That in all criminal prosecutions the accused shall enjoy the right to be heard by himself and counsel, to demand the nature and cause of the accusation against him, to have a speedy and public trial, to meet the witnesses face to face, and to have compulsory process to compel the attendance of witnesses in his behalf.

"That no person shall be held to answer for a criminal offense without due process of law; and no person for the same

offense shall be twice put in jeopardy of punishment, nor shall be compelled in any criminal case to be a witness against himself.

"That all persons shall before conviction be bailable by sufficient sureties, except for capital offenses.

"That no law impairing the obligation of contracts shall be enacted.

"That no person shall be imprisoned for debt.

"That the privilege of the writ of habeas corpus shall not be suspended, unless when in cases of rebellion, insurrection, or invasion the public safety may require it, in either of which events the same may be suspended by the President, or by the Governor General, wherever during such period the necessity for such suspension shall exist.

"That no ex post facto law or bill of attainder shall be enacted nor shall the law of primogeniture ever be in force in the Philippines.

"That no law granting a title of nobility shall be enacted, and no person holding any office of profit or trust in said islands shall, without the consent of the Congress of the United States, accept any present, emolument, office, or title of any kind whatever from any king, queen, prince, or foreign State.

"That excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishment inflicted.

"That the right to be secure against unreasonable searches and seizures shall not be violated.

"That slavery shall not exist in said islands; nor shall involuntary servitude exist therein except as a punishment for crime whereof the party shall have been duly convicted.

"That no law shall be passed abridging the freedom of speech or of the press, or the right of the people peaceably to assemble and petition the Government for redress of grievances.

"That no law shall be made respecting an establishment of religion or prohibiting the free exercise thereof, and that the free exercise and enjoyment of religious profession and worship, without discrimination or preference, shall forever be allowed; and no religious test shall be required for the exercise of civil or political rights. No public money or property shall ever be appropriated, applied, donated, or used, directly or indirectly, for the use, benefit, or support of any sect, church, denomination, sectarian institution, or system of religion, or for the use, benefit, or support of any priest, preacher, minister, or other religious teacher or dignitary as such. Contracting of polygamous or plural marriages hereafter is prohibited. That no law shall be construed to permit polygamous or plural marriages.

"That no money shall be paid out of the treasury except in pursuance of an appropriation by law.

"That the rule of taxation in said islands shall be uniform.

"That no bill which may be enacted into law shall embrace more than one subject, and that subject shall be expressed in the title of the bill.

"That no warrant shall issue but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched and the person or things to be seized.

"That all money collected on any tax levied or assessed for a special purpose shall be treated as a special fund in the treasury and paid out for such purpose only.

"SEC. 4. That all expenses that may be incurred on account of the government of the Philippines for salaries of officials and the conduct of their offices and departments, and all expenses and obligations contracted for the internal improvement or development of the islands, not, however, including defenses, barracks, and other works undertaken by the United States, shall, except as otherwise specifically provided by the Congress, be paid by the government of the Philippines.

"SEC. 5. That the statutory laws of the United States hereafter enacted shall not apply to the Philippine Islands, except when they specifically so provide, or it is so provided in this act.

"SEC. 6. That the laws now in force in the Philippines shall continue in force and effect, except as altered, amended, or modified herein, until altered, amended, or repealed by the legislative authority herein provided or by act of Congress of the United States.

"SEC. 7. That the legislative authority herein provided shall have power, when not inconsistent with this act, by due enactment to amend, alter, modify, or repeal any law, civil or criminal, continued in force by this act as it may from time to time see fit.

"This power shall specifically extend with the limitation herein provided as to the tariff to all laws relating to revenue and taxation in effect in the Philippines.

"SEC. 8. That general legislative power, except as otherwise herein provided, is hereby granted to the Philippine Legislature, authorized by this act.

"SEC. 9. That all the property and rights which may have been acquired in the Philippine Islands by the United States under the treaty of peace with Spain, signed December 10, 1898, except such land or other property as has been or shall be designated by the President of the United States for military and other reservations of the Government of the United States, and all lands which may have been subsequently acquired by the government of the Philippine Islands by purchase under the provisions of sections 63 and 64 of the act of Congress approved July 1, 1902, except such as may have heretofore been sold and disposed of in accordance with the provisions of said act of Congress, are hereby placed under the control of the government of said islands to be administered or disposed of for the benefit of the inhabitants thereof, and the Philippine Legislature shall have power to legislate with respect to all such matters as it may deem advisable; but acts of the Philippine Legislature with reference to land of the public domain, timber, and mining, hereafter enacted, shall not have the force of law until approved by the President of the United States: *Provided*, That upon the approval of such an act by the Governor General, it shall be by him forthwith transmitted to the President of the United States, and he shall approve or disapprove the same within six months from and after its enactment and submission for his approval, and if not disapproved within such time it shall become a law the same as if it had been specifically approved: *Provided further*, That where lands in the Philippine Islands have been or may be reserved for any public purpose of the United States, and, being no longer required for the purpose for which reserved, have been or may be, by order of the President, placed under the control of the government of said islands to be administered for the benefit of the inhabitants thereof, the order of the President shall be regarded as effectual to give the government of said islands full control and power to administer and dispose of such lands for the benefit of the inhabitants of said islands.

"SEC. 10. That while this act provides that the Philippine government shall have the authority to enact a tariff law the trade relations between the islands and the United States shall continue to be governed exclusively by laws of the Congress of the United States: *Provided*, That tariff acts or acts amendatory to the tariff of the Philippine Islands shall not become law until they shall receive the approval of the President of the United States, nor shall any act of the Philippine Legislature affecting immigration or the currency or coinage laws of the Philippines become a law until it has been approved by the President of the United States: *Provided further*, That the President shall approve or disapprove any act mentioned in the foregoing proviso within six months from and after its enactment and submission for his approval, and if not disapproved within such time it shall become a law the same as if it had been specifically approved.

"SEC. 11. That no export duties shall be levied or collected on exports from the Philippine Islands, but taxes and assessments on property and license fees for franchises, and privileges, and internal taxes, direct or indirect, may be imposed for the purposes of the Philippine government and the provincial and municipal governments thereof, respectively, as may be provided and defined by acts of the Philippine Legislature, and, where necessary to anticipate taxes and revenues, bonds and other obligations may be issued by the Philippine government or any provincial or municipal government therein, as may be provided by law and to protect the public credit: *Provided, however*, That the entire indebtedness of the Philippine government created by the authority conferred herein shall not exceed at any one time the sum of $15,000,000, exclusive of those obligations known as friar land bonds, nor that of any Province or municipality a sum in excess of 7 per cent of the aggregate tax valuation of its property at any one time.

"SEC. 12. That general legislative powers in the Philippines, except as herein otherwise provided, shall be vested in a legislature which shall consist of two houses, one the senate and the other the house of representatives, and the two houses shall be designated "The Philippine Legislature": *Provided*, That, until the Philippine Legislature as herein provided shall have been organized the existing Philippine Legislature shall have all legislative authority herein granted to the government of the Philippine Islands, except such as may now be within the exclusive jurisdiction of the Philippine Commission, which is so continued until the organization of the legislature herein provided for the Philippines. When the Philippine Legislature shall have been organized, the exclusive legislative jurisdiction and authority exercised by the Philippine Commission shall thereafter be exercised by the Philippine Legislature.

"SEC. 13. That the members of the Senate of the Philippines, except as herein provided, shall be elected for terms of six and three years, as hereinafter provided, by the qualified electors of the Philippines. Each of the senatorial districts defined as

hereinafter provided shall have the right to elect two senators. No person shall be an elective member of the Senate of the Philippines who is not a qualified elector and over 30 years of age, and who is not able to read and write either the Spanish or English language, and who has not been a resident of the Philippines for at least two consecutive years and an actual resident of the senatorial district from which chosen for a period of at least one year immediately prior to his election.

"SEC. 14. That the members of the house of representatives shall, except as herein provided, be elected triennially by the qualified electors of the Philippines. Each of the representative districts hereinafter provided for shall have the right to elect one representative. No person shall be an elective member of the house of representatives who is not a qualified elector and over 25 years of age, and who is not able to read and write either the Spanish or English language, and who has not been an actual resident of the district from which elected for at least one year immediately prior to his election: *Provided*, That the members of the present assembly elected on the first Tuesday in June, 1916, shall be the members of the house of representatives from their respective districts for the term expiring in 1919.

"SEC. 15. That at the first election held pursuant to this act, the qualified electors shall be those having the qualifications of voters under the present law; thereafter and until otherwise provided by the Philippine Legislature herein provided for the qualifications of voters for senators and representatives in the Philippines and all officers elected by the people shall be as follows:

"Every male person who is not a citizen or subject of a foreign power 21 years of age or over (except insane and feeble-minded persons and those convicted in a court of competent jurisdiction of an infamous offense since the 13th day of August, 1898), who shall have been a resident of the Philippines for one year and of the municipality in which he shall offer to vote for six months next preceding the day of voting, and who is comprised within one of the following classes:

"(a) Those who under existing law are legal voters and have exercised the right of suffrage.

"(b) Those who own real property to the value of ₱500, or who annually pay ₱30 or more of the established taxes.

"(c) Those who are able to read and write either Spanish, English, or a native language.

"SEC. 16. That the Philippine Islands shall be divided into 12 senate districts, as follows:

"First district: Batanes, Cagayan, Isabela, Ilocos Norte, and Ilocos Sur.

"Second district: La Union, Pangasinan, and Zambales.

"Third district: Tarlac, Nueva Ecija, Pampanga, and Bulacan.

"Fourth district: Bataan, Rizal, Manila, and Laguna.

"Fifth district: Batangas, Mindoro, Tayabas, and Cavite.

"Sixth district: Sorsogon, Albay, and Ambos Camarines.

"Seventh district: Iloilo and Capiz.

"Eighth district: Negros Occidental, Negros Oriental, Antique, and Palawan.

"Ninth district: Leyte and Samar.

"Tenth district: Cebu.

"Eleventh district: Surigao, Misamis, and Bohol.

"Twelfth district: The Mountain Province, Baguio, Nueva Vizcaya, and the Department of Mindanao and Sulu.

"The representative districts shall be the 81 now provided by law, and 3 in the Mountain Province, 1 in Nueva Vizcaya, and 5 in the Department of Mindanao and Sulu.

"The first election under the provisions of this act shall be held on the first Tuesday of October, 1916, unless the Governor General in his discretion shall fix another date not earlier than 30 nor later than 60 days after the passage of this act: *Provided*, That the Governor General's proclamation shall be published at least 30 days prior to the date fixed for the election, and there shall be chosen at such election one senator from each senate district for a term of three years and one for six years. Thereafter one senator from each district shall be elected from each senate district for a term of six years: *Provided*, That the Governor General of the Philippine Islands shall appoint, without the consent of the senate and without restriction as to residence, senators and representatives who will, in his opinion, best represent the senate districts and those representative districts which may be included in the territory not now represented in the Philippine Assembly: *Provided further*, That thereafter elections shall be held only on such days and under such regulations as to ballots, voting, and qualifications of electors as may be prescribed by the Philippine Legislature, to which is hereby given authority to redistrict the Philippine Islands and modify, amend, or repeal any provision of this section, except such as refer to appointive senators and representatives.

"SEC. 17. That the terms of office of elective senators and representatives shall be six and three years, respectively, and shall begin on the date of their election. In case of vacancy among the elective members of the senate or in the house of representatives special elections may be held in the districts wherein such vacancy occurred under such regulations as may be prescribed by law, but senators or representatives elected in such cases shall hold office only for the unexpired portion of the term wherein the vacancy occurred. Senators and representatives appointed by the Governor General shall hold office until removed by the Governor General.

"SEC. 18. That the senate and house of representatives, respectively, shall be the sole judges of the elections, returns, and qualifications of their elective members, and each house may determine the rules of its proceedings, punish its members for disorderly behavior, and, with the concurrence of two-thirds, expel an elective member. Both houses shall convene at the capital on the 16th day of October next following the election and organize by the election of a speaker or a presiding officer, a clerk, and a sergeant at arms for each house, and such other officers and assistants as may be required. A majority of each house shall constitute a quorum to do business, but a smaller number may meet, adjourn from day to day, and compel the attendance of absent members. The legislature shall hold annual sessions, commencing on the 16th day of October, or, if the 16th day of October be a legal holiday, then on the first day following which is not a legal holiday, in each year. The legislature may be called in special session at any time by the Governor General for general legislation, or for action on such specific subjects as he may designate. No special session shall continue longer than 30 days, and no regular session shall continue longer than 100 days, exclusive of Sundays. The legislature is hereby given the power and authority to change the date of the commencement of its annual sessions.

"The senators and representatives shall receive an annual compensation for their services, to be ascertained by law, and paid out of the treasury of the Philippine Islands. The senators and representatives shall, in all cases except treason, felony, and breach of the peace, be privileged from arrest during their attendance at the session of their respective houses and in going to and returning from the same; and for any speech or debate in either house they shall not be questioned in any other place.

"No senator or representative shall, during the time for which he may have been elected, be eligible to any office the election to which is vested in the legislature, nor shall be appointed to any office of trust or profit which shall have been created or the emoluments of which shall have been increased during such term.

"SEC. 19. That each house of the legislature shall keep a journal of its proceedings and, from time to time, publish the same; and the yeas and nays of the members of either house, on any question, shall, upon demand of one-fifth of those present, be entered on the journal, and every bill and joint resolution which shall have passed both houses shall, before it becomes a law, be presented to the Governor General. If he approve the same, he shall sign it; but if not, he shall return it with his objections to that house in which it shall have originated, which shall enter the objections at large on its journal and proceed to reconsider it. If, after such reconsideration, two-thirds of the members elected to that house shall agree to pass the same, it shall be sent, together with the objections, to the other house, by which it shall likewise be reconsidered, and if approved by two-thirds of all the members elected to that house it shall be sent to the Governor General, who, in case he shall then not approve, shall transmit the same to the President of the United States. The vote of each house shall be the yeas and nays, and the names of the members voting for and against shall be entered on the journal. If the President of the United States approve the same, he shall sign it and it shall become a law. If he shall not approve same, he shall return it to the Governor General, so stating, and it shall not become a law: *Provided*, That if any bill or joint resolution shall not be returned by the Governor General as herein provided within 20 days (Sundays excepted) after it shall have been presented to him the same shall become a law in like manner as if he had signed it, unless the legislature by adjournment prevent its return, in which case it shall become a law unless vetoed by the Governor General within 30 days after adjournment: *Provided further*, That the President of the United States shall approve or disapprove an act submitted to him under the provisions of this section within six months from and after its enactment and submission for his approval; and if not approved within such

time, it shall become a law the same as if it had been specifically approved. The Governor General shall have the power to veto any particular item or items of an appropriation bill, but the veto shall not affect the item or items to which he does not object. The item or items objected to shall not take effect except in the manner heretofore provided in this section as to bills and joint resolutions returned to the legislature without his approval.

"All laws enacted by the Philippine Legislature shall be reported to the Congress of the United States, which hereby reserves the power and authority to annul the same. If at the termination of any fiscal year the appropriations necessary for the support of government for the ensuing fiscal year shall not have been made, the several sums appropriated in the last appropriation bills for the objects and purposes therein specified, so far as the same may be done, shall be deemed to be reappropriated for the several objects and purposes specified in said last appropriation bill; and until the legislature shall act in such behalf the treasurer shall, when so directed by the Governor General, make the payments necessary for the purposes aforesaid.

"SEC. 20. That at the first meeting of the Philippine Legislature created by this act and triennially thereafter there shall be chosen by the legislature two Resident Commissioners to the United States, who shall hold their office for a term of three years beginning with the fourth day of March following their election, and who shall be entitled to an official recognition as such by all departments upon presentation to the President of a certificate of election by the Governor General of said islands. Each of said Resident Commissioners shall, in addition to the salary and the sum in lieu of mileage now allowed by law, be allowed the same sum for stationery and for the pay of necessary clerk hire as is now allowed to the Members of the House of Representatives of the United States, to be paid out of the Treasury of the United States, and the franking privilege allowed by law to Members of Congress. No person shall be eligible to election as Resident Commissioner who is not a bona fide elector of said islands and who does not owe allegiance to the United States and who is not more than thirty years of age and who does not read and write the English language. The present two Resident Commissioners shall hold office until the fourth of March, nineteen hundred and seventeen. In case of vacancy in the position of Resident Commissioner caused by resignation or otherwise, the Governor General may make temporary appointments until the next meeting of the Philippine Legislature, which shall then fill such vacancy; but the Resident Commissioner thus elected shall hold office only for the unexpired portion of the term wherein the vacancy occurred.

"SEC. 21. That the supreme executive power shall be vested in an executive officer, whose official title shall be 'The Governor General of the Philippine Islands.' He shall be appointed by the President, by and with the advice and consent of the Senate of the United States, and hold his office at the pleasure of the President and until his successor is chosen and qualified. The Governor General shall reside in the Philippine Islands during his official incumbency, and maintain his office at the seat of government. He shall, unless otherwise herein provided, appoint, by and with the consent of the Philippine Senate, such officers as may now be appointed by the Governor General, or such as he is authorized by this act to appoint, or whom he may hereafter be authorized by law to appoint; but appointments made while the senate is not in session shall be effective either until disapproval or until the next adjournment of the senate. He shall have general supervision and control of all of the departments and bureaus of the government in the Philippine Islands as far as is not inconsistent with the provisions of this act, and shall be commander in chief of all locally created armed forces and militia. He is hereby vested with the exclusive power to grant pardons and reprieves and remit fines and forfeitures, and may veto any legislation enacted as herein provided. He shall submit within ten days of the opening of each regular session of the Philippine Legislature a budget of receipts and expenditures, which shall be the basis of the annual appropriation bill. He shall commission all officers that he may be authorized to appoint. He shall be responsible for the faithful execution of the laws of the Philippine Islands and of the United States operative within the Philippine Islands, and whenever it becomes necessary he may call upon the commanders of the military and naval forces of the United States in the islands, or summon the posse comitatus, or call out the militia or other locally created armed forces, to prevent or suppress lawless violence, invasion, insurrection, or rebellion; and he may, in case of rebellion or invasion, or imminent danger thereof, when the public safety requires it, suspend the privileges of the writ of habeas corpus, or place the islands, or any part thereof, under martial law: *Provided*, That whenever the Governor General shall exercise this authority, he shall at once notify the President of the United States thereof, together with the attending facts and circumstances, and the President shall have power to modify or vacate the action of the Governor General. He shall annually and at such other times as he may be required make such official report of the transactions of the government of the Philippine Islands to an executive department of the United States to be designated by the President, and his said annual report shall be transmitted to the Congress of the United States; and he shall perform such additional duties and functions as may in pursuance of law be delegated or assigned to him by the President.

"SEC. 22. That, except as provided otherwise in this act, the executive departments of the Philippine government shall continue as now authorized by law until otherwise provided by the Philippine Legislature. When the Philippine Legislature herein provided shall convene and organize, the Philippine Commission, as such, shall cease and determine, and the members thereof shall vacate their offices as members of said commission: *Provided*, That the heads of executive departments shall continue to exercise their executive functions until the heads of departments provided by the Philippine Legislature pursuant to the provisions of this act are appointed and qualified. The Philippine Legislature may thereafter by appropriate legislation increase the number or abolish any of the executive departments, or make such changes in the names and duties thereof as it may see fit, and shall provide for the appointment and removal of the heads of the executive departments by the Governor General: *Provided*, That all executive functions of the government must be directly under the Governor General or within one of the executive departments under the supervision and control of the Governor General. There is hereby established a bureau, to be known as the Bureau of Non-Christian Tribes, which said bureau shall be embraced in one of the executive departments to be designated by the Governor General, and shall have general supervision over the public affairs of the inhabitants of the territory represented in the legislature by appointive senators and representatives.

"SEC. 23. That there shall be appointed by the President, by and with the advice and consent of the Senate of the United States, a vice governor of the Philippine Islands, who shall have all of the powers of the Governor General in the case of a vacancy or temporary removal, resignation, or disability of the Governor General, or in case of his temporary absence; and the said vice governor shall be the head of the executive department, known as the department of public instruction, which shall include the bureau of education and the bureau of health, and he may be assigned such other executive duties as the Governor General may designate.

"Other bureaus now included in the department of public instruction shall, until otherwise provided by the Philippine Legislature, be included in the department of the interior.

"The President may designate the head of an executive department of the Philippine government to act as Governor General in the case of a vacancy, the temporary removal, resignation, or disability of the Governor General and of the vice governor, or their temporary absence, and the head of the department thus designated shall exercise all the powers and perform all the duties of the Governor General during such vacancy, disability, or absence.

"SEC. 24. That there shall be appointed by the President an auditor, who shall examine, audit, and settle all accounts pertaining to the revenues and receipts from whatever source of the Philippine government and of the provincial and municipal governments of the Philippines, including trust funds and funds derived from bond issue; and audit, in accordance with law and administrative regulations, all expenditures of funds or property pertaining to or held in trust by the government or the Provinces or municipalities thereof. He shall perform a like duty with respect to all government branches.

"He shall keep the general accounts of the government and preserve the vouchers pertaining thereto.

"It shall be the duty of the auditor to bring to the attention of the proper administrative officer expenditures of funds or property which, in his opinion, are irregular, unnecessary, excessive, or extravagant.

"There shall be a deputy auditor appointed in the same manner as the auditor. The deputy auditor shall sign such official papers as the auditor may designate and perform such other duties as the auditor may prescribe, and in case of the death, resignation, sickness, or other absence of the auditor from his office, from any cause, the deputy auditor shall have charge of such office. In case of the absence from duty, from any cause,

of both the auditor and the deputy auditor, the Governor General may designate an assistant, who shall have charge of the office.

"The administrative jurisdiction of the auditor over accounts, whether of funds or property, and all vouchers and records pertaining thereto, shall be exclusive. With the approval of the Governor General he shall from time to time make and promulgate general or special rules and regulations not inconsistent with law covering the method of accounting for public funds and property, and funds and property held in trust by the government or any of its branches: *Provided*, That any officer accountable for public funds or property may require such additional reports or returns from his subordinates or others as he may deem necessary for his own information and protection.

"The decisions of the auditor shall be final and conclusive upon the executive branches of the government, except that appeal therefrom may be taken by the party aggrieved or the head of the department concerned within one year, in the manner hereinafter prescribed. The auditor shall, except as hereinafter provided, have like authority as that conferred by law upon the several auditors of the United States and the Comptroller of the United States Treasury and is authorized to communicate directly with any person having claims before him for settlement, or with any department, officer, or person having official relations with his office.

"As soon after the close of each fiscal year as the accounts of said year may be examined and adjusted the auditor shall submit to the Governor General and the Secretary of War an annual report of the fiscal concerns of the government, showing the receipts and disbursements of the various departments and bureaus of the government and of the various Provinces and municipalities, and make such other reports as may be required of him by the Governor General or the Secretary of War.

"In the execution of their duties the auditor and the deputy auditor are authorized to summon witnesses, administer oaths, and to take evidence, and, in the pursuance of these provisions, may issue subpœnas and enforce the attendance of witnesses, as now provided by law.

"The office of the auditor shall be under the general supervision of the Governor General and shall consist of the auditor and deputy auditor and such necessary assistants as may be prescribed by law.

"SEC. 25. That any person aggrieved by the action or decision of the auditor in the settlement of his account or claim may, within one year, take an appeal in writing to the Governor General, which appeal shall specifically set forth the particular action of the auditor to which exception is taken, with the reason and authorities relied on for reversing such decision.

"If the Governor General shall confirm the action of the auditor, he shall so indorse the appeal and transmit it to the auditor, and the action shall thereupon be final and conclusive. Should the Governor General fail to sustain the action of the auditor, he shall forthwith transmit his grounds of disapproval to the Secretary of War, together with the appeal and the papers necessary to a proper understanding of the matter. The decision of the Secretary of War in such case shall be final and conclusive.

"SEC. 26. That the supreme court and the courts of first instance of the Philippine Islands shall possess and exercise jurisdiction as heretofore provided and such additional jurisdiction as shall hereafter be prescribed by law. The municipal courts of said islands shall possess and exercise jurisdiction as now provided by law, subject in all matters to such alteration and amendment as may be hereafter enacted by law; and the chief justice and associate justices of the supreme court shall hereafter be appointed by the President, by and with the advice and consent of the Senate of the United States. The judges of the court of first instance shall be appointed by the Governor General, by and with the advice and consent of the Philippine Senate: *Provided*, That the admiralty jurisdiction of the supreme court and courts of first instance shall not be changed except by act of Congress. That in all cases pending under the operation of existing laws, both criminal and civil, the jurisdiction shall continue until final judgment and determination.

"SEC. 27. That the Supreme Court of the United States shall have jurisdiction to review, revise, reverse, modify, or affirm the final judgments and decrees of the Supreme Court of the Philippine Islands in all actions, cases, causes, and proceedings now pending therein or hereafter determined thereby in which the Constitution or any statute, treaty, title, right, or privilege of the United States is involved, or in causes in which the value in controversy exceeds $25,000, or in which the title or possession of real estate exceeding in value the sum of $25,000, to be ascertained by the oath of either party or of other competent witnesses, is involved or brought in question; and such final judgments or decrees may and can be reviewed, revised, reversed, modified, or affirmed by said Supreme Court of the United States on appeal or writ of error by the party aggrieved within the same time, in the same manner, under the same regulations, and by the same procedure, as far as applicable, as the final judgments and decrees of the district courts of the United States.

"SEC. 28. That the government of the Philippine Islands may grant franchises and rights, including the authority to exercise the right of eminent domain, for the construction and operation of works of public utility and service, and may authorize said works to be constructed and maintained over and across the public property of the United States, including streets, highways, squares, and reservations, and over similar property of the government of said islands, and may adopt rules and regulations under which the provincial and municipal governments of the islands may grant the right to use and occupy such public property belonging to said Provinces or municipalities: *Provided*, That no private property shall be damaged or taken for any purpose under this section without just compensation, and that such authority to take and occupy land shall not authorize the taking, use, or occupation of any land except such as is required for the actual necessary purposes for which the franchise is granted, and that no franchise or right shall be granted to any individual, firm, or corporation except under the conditions that it shall be subject to amendment, alteration, or repeal by the Congress of the United States, and that lands or right of use and occupation of lands thus granted shall revert to the governments by which they were respectively granted upon the termination of the franchises and rights under which they were granted or upon their revocation or repeal. That all franchises or rights granted under this act shall forbid the issue of stock or bonds except in exchange for actual cash or for property at a fair valuation equal to the par value of the stock or bonds so issued; shall forbid the declaring of stock or bond dividends, and, in the case of public-service corporations, shall provide for the effective regulation of the charges thereof, for the official inspection and regulation of the books and accounts of such corporations, and for the payment of a reasonable percentage of gross earnings into the treasury of the Philippine Islands or of the Province or municipality within which such franchises are granted and exercised: *Provided further*, That it shall be unlawful for any corporation organized under this act, or for any person, company, or corporation receiving any grant, franchise, or concession from the government of said islands, to use, employ, or contract for the labor of persons held in involuntary servitude; and any person, company, or corporation so violating the provisions of this act shall forfeit all charters, grants, or franchises for doing business in said islands, in an action or proceeding brought for that purpose in any court of competent jurisdiction by any officer of the Philippine government, or on the complaint of any citizen of the Philippines, under such regulations and rules as the Philippine Legislature shall prescribe, and in addition shall be deemed guilty of an offense, and shall be punished by a fine of not more than $10,000.

"SEC. 29. That, except as in this act otherwise provided, the salaries of all the officials of the Philippines not appointed by the President, including deputies, assistants, and other employees, shall be such and be so paid out of the revenues of the Philippines as shall from time to time be determined by the Philippine Legislature; and if the legislature shall fail to make an appropriation for such salaries, the salaries so fixed shall be paid without the necessity of further appropriations therefor. The salaries of all officers and all expenses of the offices of the various officials of the Philippines appointed as herein provided by the President shall also be paid out of the revenues of the Philippines. The annual salaries of the following-named officials appointed by the President and so to be paid shall be: The Governor General, $18,000; in addition thereto he shall be entitled to the occupancy of the buildings heretofore used by the chief executive of the Philippines, with the furniture and effects therein, free of rental; vice governor, $10,000; chief justice of the supreme court, $8,000; associate justices of the supreme court, $7,500 each; auditor, $6,000; deputy auditor, $3,000.

"SEC. 30. That the provisions of the foregoing section shall not apply to provincial and municipal officials; their salaries and the compensation of their deputies, assistants, and other help, as well as all other expenses incurred by the Provinces and municipalities, shall be paid out of the provincial and municipal revenues in such manner as the Philippine Legislature shall provide.

"SEC. 31. That all laws or parts of laws applicable to the Philippines not in conflict with any of the provisions of this act are hereby continued in force and effect."

And the House agree to the same.

W. A. JONES,
JOE J. RUSSELL,
Managers on the part of the House.
GILBERT M. HITCHCOCK,
JOHN F. SHAFROTH,
Managers on the part of the Senate.

The SPEAKER. The Clerk will read the statement.

The Clerk read the statement, as follows:

STATEMENT.

The managers on the part of the House on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 381) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands, state that the Senate has receded from its disagreement to the amendments of the House Nos. 2, 3, and 4, and agrees to the same.

That the Senate has receded from its disagreement to the amendment of the House No. 1, and agrees to the same with an amendment in the nature of a substitute bill. The result of this agreement is as follows, to wit:

The Senate recedes from its disagreement to the action of the House in striking out section No. 34, known as the Clarke amendment. The Senate also recedes from its disagreement to the action of the House in striking out section No. 1 and substituting therefor all of House bill (H. R. No. 1), as amended and agreed upon in the House Committee on Insular Affairs, and agrees to the same with an amendment in the nature of a substitute bill. And it also recedes from its disagreement to the action of the House in striking out all the sections of the bill from No. 2 to No. 33, inclusive, and agrees to the same. It further recedes from its disagreement to the action of the House in inserting in the bill the preamble to House bill and accepts the same in its entirety.

There are a number of changes made in the bill as amended as aforesaid, as follows:

In section 2, line 14, the words "continuing to reside therein" are omitted. This is done in order to preserve the citizenship of such Filipinos as may be temporarily residing outside of the Philippine Islands at this time.

On page 5 the paragraph of the bill of rights prohibiting the making of laws respecting an establishment of religion, etc., as contained in Senate bill 381 is substituted for that of the House bill upon the same subject.

On page 9, in line 15, the words "immigration or" are inserted before the words "the currency." The effect of this will be to require that all acts of the Philippine Legislature affecting immigration as well as those relating to the currency must receive the approval of the President before they can be passed by the legislature.

On page 12, in section 15, the words "citizen of the Philippines" are stricken out and the words "person who is not a citizen or subject of a foreign power" substituted therefor. This permits citizens of the United States residing in the Philippines to exercise the right of suffrage without losing their American ctizenship.

On page 15, in line 2, the word "a" is stricken out and the words "an elective" substituted in its stead. The effect of this will be to prevent the legislature from expelling appointive senators and representatives.

On page 16, in line 8, the word "Legislature" is substituted for the words "Legislative Assembly."

In section No. 19 it is provided that the Governor General shall have 30 days after the adjournment of the legislature in which to veto bills passed by the legislature.

Section No. 20 is changed so as to make the Resident Commissioners elective by the Philippine Legislature instead of by popular vote.

Section No. 23 provides for the appointment by the President, by and with the advice and consent of the Senate of the United States, of a vice governor. The Senate bill provided for a vice governor, whilst there was no such provision in the House bill.

In section No. 24 it is provided that the President, by and with the advice and consent of the Senate of the United States, shall appoint an auditor and a deputy auditor. The Senate bill provided for the appointment of these officials, but there was no such provision in the House bill.

Provision is made in section No. 29 for a salary of $10,000 for the vice governor, $6,000 for the auditor, and $3,000 for the deputy auditor.

These are the only material, if not the only, changes made in the bill which was substituted in the House for the Senate bill.

W. A. JONES,
JOE J. RUSSELL,
Managers on the part of the House.

Mr. JONES. Mr. Speaker, I wish to point out as briefly as I can the changes which the conferees have made in the Senate bill, as the same was amended in and passed by the House.

Members will recall that the bill which was considered in the House was the Senate bill, and that it was amended in the House in four important particulars. One of those amendments struck out section 34, known as the Clarke amendment, which provided for Philippine independence in not less than two or more than four years.

Another House amendment struck out section 1 of the bill and substituted for it the entire House bill.

The third amendment—I am not stating them in the order in which they were adopted—struck out all the remaining sections of the bill—sections 2 to 33, inclusive.

The fourth amendment was the insertion of the preamble of the House bill.

The Senate has receded from its disagreement to the House amendment striking out section 34, which fixed a definite and an early period for Philippine independence. It has also receded from its disagreement to the action of the House in substituting for the first section the House bill, an amendment in the nature of a substitute bill, which has been printed in the RECORD, and which I desire briefly to explain. It has also receded from its disagreement to the preamble of the House bill.

The bill as agreed upon makes some 10 or 12 changes in the bill as it passed the House, and I will state as briefly as I can what those changes are. In section 2, line 14, the words "continue to reside therein" have been stricken out, so that those Filipinos who happen to be out of the islands when this bill is passed will not be deprived of their citizenship.

The conferees have made a slight change in the provision of the bill of rights prohibiting the appropriation of public money for sectarian purposes, adopting the language of the Senate bill as preferable to that contained in the House bill.

The third change in the House bill is that made on page 9, section 10, and line 15. Before the word "currency" the words "immigration or" are added, so that in addition to currency and coinage laws all measures relating to immigration must receive the approval of the President of the United States before they can be enacted by the Philippine Legislature. The next change is a somewhat important one.

Mr. COOPER of Wisconsin. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore (Mr. ALEXANDER). Does the gentleman yield?

Mr. JONES. Certainly.

Mr. COOPER of Wisconsin. The gentleman says the legislation must receive the approval of the President before it is enacted. Does the gentleman mean before it can become a law?

Mr. JONES. No. All propositions to change existing laws relating to currency, coinage, or immigration must receive the approval of the President before they are passed by the legislature. That is my recollection. I have not referred to the conference report.

Mr. COOPER of Wisconsin. That changes the situation which has existed heretofore. Before a law repealing the present law prohibiting the coming in of Chinese coolies can be enacted the bill must receive the approval of the President of the United States?

Mr. JONES. Yes; that, I think, is true. As it passed the House the bill provided that only bills relating to coinage and currency should receive the prior approval of the President. This report simply places immigration measures on the same footing as those relating to coinage and currency.

On page 12, in section 15, and line 4, the words "citizen of the Philippines" are stricken out and the words "person who is not a citizen or subject of a foreign country" are inserted in their stead. The purpose of this change is to allow Americans who are residents of the islands and who possess the same qualifications as those possessed by natives to vote without relinquishing their American citizenship. The House bill did not permit citizens of the United States to vote in the Philippine Islands. The House conferees yielded this point to the Senate conferees.

so that American citizens resident there may, under this change, vote in the Philippines when otherwise qualified to do so.

Another change will be found on page 15, line 2. The word "a" is stricken out and the words "an elective" substituted therefor. The legislature is only permitted to expel its elective members.

The next change in the text of the bill is to be found in line 8, page 16, where the words "legislative assembly" were inadvertently employed. For those words the word "legislature" has been substituted. Hereafter the body is to be known as the legislature.

On page 17, in line 17, section 9, the words "not be a law" are stricken out, and the words "become a law unless approved by the Governor General within 30 days after adjournment" are substituted in their stead. This change permits the Governor General to veto bills within 30 days after the adjournment of the legislature. It was argued that it would be impossible for the Governor General to examine carefully all the bills that might be presented to him during the last hours of the session of the legislature, and that therefore he would be compelled to either veto or to approve them without giving to them full and careful consideration. A similar provision is to be found in most of the constitutions of our States.

In section 20 of the House bill it is provided that the resident commissioners shall be elected by popular vote. The bill as it is now framed provides that the resident commissioners shall be elected as they are at present; that is, by the legislature and not by popular vote.

Three other important changes are made in the bill. The Senate bill created the position of vice governor, and provided that certain bureaus should be placed under the jurisdiction of that official. The House bill contained no such provision. The Senate provision, with a slight change, has been adopted by the conferees, so that there will be a vice governor to be appointed by the President of the United States, whose department shall embrace the bureaus of education and of health and such others as may be assigned to it by the Governor General.

The Senate bill also provided for the appointment by the President of an auditor and a deputy auditor. The House bill contained no such provision. The conferees on the part of the Senate insisted that it was important that there should be an auditor and a deputy auditor to supervise the accounts of the islands, and the House conferees yielded the point.

The salaries of these three officials are fixed as follows: Ten thousand dollars for the vice governor, $6,000 for the auditor, and $3,000 for the deputy auditor.

I think these are about all, if, indeed, not all, the changes that have been made by the conferees in the bill as it passed the House.

I do not care to say anything more upon this subject, unless some gentleman desires to ask me a question.

Mr. MONDELL. I have not had the opportunity to read the conference report, but from reading a newspaper statement I gained the understanding that an American citizen, in order to vote in the Philippine Islands, must become a citizen of those islands. Is that true; and if so, just what does it mean, and how does it affect his American citizenship, if at all?

Mr. JONES. The bill as it passed the House provided that citizenship should be confined to natives of the islands. Other persons, citizens of the United States and of foreign countries, must have been naturalized in order to become voters in the islands. The bill as agreed upon in conference permits Americans to become voters without their being required to relinquish their American citizenship.

Mr. MONDELL. Without their status as American citizens being affected in any way at all?

Mr. JONES. Without affecting their status as American citizens in any respect or degree.

Mr. STAFFORD. Will the gentleman yield in that particular? As I understand it, American citizens residing in the islands must comply with the naturalization requirements of the Philippine Legislature in order to permit them to vote.

Mr. JONES. No; not with any naturalization requirements, but with the registration requirements. They must have resided for one year in the islands, just as a native must have resided there a year, and must possess the requisite educational or property qualifications. The qualifications which Americans must possess are precisely those required of natives; and when an American citizen exercises the right of suffrage in the Philippines, he will not thereby lose his American citizenship.

Mr. STAFFORD. Will the gentleman kindly direct my attention to that paragraph? As I recall it from reading it last evening I gained the impression that American citizens would not be privileged to vote unless they complied with the requirements of the Philippine Legislature as to naturalization.

Mr. JONES. I read some such statement in a Washington paper this morning. The fact is just the contrary.

Mr. STAFFORD. I read the report last night, and gained my impression from it. I did not gain my impression from the newspapers.

Mr. JONES. The contrary is absolutely the fact. I will read the language of the report to the gentleman.

Mr. STAFFORD. What section?

Mr. JONES. Section 15, line 12, page 12. As the bill passed the House it read thus:

> Every male citizen of the Philippine Islands 21 years of age—

And so forth. The conferees have stricken out the words "citizen of the Philippines," and have inserted language which makes is read thus:

> Every male person who is not a citizen or subject of a foreign power.

Citizens of the United States are not citizens or subjects of a foreign power. The very purpose of that change was to enable American citizens to vote in the Philippine Islands upon precisely the same terms and under the same conditions that natives are permitted to exercise the right of suffrage.

Mr. STAFFORD. Then they still retain their citizenship of the United States and do not become citizens of the Philippines, but electors, if they can qualify under the provisions of section 15?

Mr. JONES. That is true; and the published statements were entirely incorrect.

Mr. CANNON. Will the gentleman allow me?

Mr. JONES. I yield to the gentleman from Illinois.

Mr. CANNON. Can a qualified voter in the Philippines be elected to office there and be a member of the legislature?

Mr. JONES. He can.

Mr. CANNON. Qualified voters there are citizens for the purposes of holding office?

Mr. JONES. Yes; and I may add that such is now the practice in the islands, although there has been question as to its legality. Americans now vote there, and a number of them have been actually elected to office. This permits that condition to continue.

Mr. MILLER of Minnesota. Will the gentleman kindly direct my attention to the paragraph and page of the report which deals with the matter that he has just been discussing?

Mr. STAFFORD. It is on page 5 of the report.

Mr. JONES. I have not the report before me. It is section 15, however, of the bill as it passed the House. I will say to my colleague on the committee that Senator LIPPITT, the minority conferee on the part of the Senate, suggested this change in the bill, and the suggestion was concurred in by the other conferees.

Mr. MILLER of Minnesota. I am quite confident that that was not the first time——

Mr. JONES. The gentleman well knows that originally I was opposed to it. I never did believe it was right that an American citizen should be permitted to vote in the Philippine Islands and then return to and vote in this country. I have, however, in a spirit of compromise, since it is not a matter of practical importance, conceded this point to my brother conferees.

Mr. MILLER of Minnesota. Does the gentleman think an American citizen should have no rights in the Philippines?

Mr. JONES. I think no one—not even an American citizen—should be permitted to vote in the Philippines and then return here and vote at the next election.

Mr. MILLER of Minnesota. He can not do that, never could, and never will. The gentleman knows that full well.

Mr. FESS. Will the gentleman yield?

Mr. JONES. I will, with pleasure.

Mr. FESS. As I listened to the statement the bill is really the House bill with the preamble in it and with this citizenship feature modified and with the auditor item added, and also the vice governor?

Mr. JONES. Yes; with two or three other changes which I have mentioned; and I will say to my friend that nearly all of them are provisions which were contained in the Senate bill and which the House conferees accepted.

Mr. FESS. But hardly any of them are fundamental.

Mr. JONES. I think most of the amendments had the gentleman's approval, and none was fundamental.

And now, Mr. Speaker, having briefly outlined those features in which the conference report differs from the bill as it passed the House, I crave the further indulgence of this membership for a brief moment, in order that I may give expression to a few thoughts that are uppermost in my mind as we approach the final stage in the passage of this measure of such tremendous import to the Philippine people.

First of all permit me to congratulate that people upon what is soon to become the realization of their most cherished hopes and highest aspirations. When the President of the United States affixes his signature to this already too-long-delayed measure of justice and right, it will mark an epoch in the history of this Nation as well as in that of the Philippine Islands, for the pages of the annals of the world will be searched in vain for its counterpart. For it not only bestows upon the Philippine people a measure of self-government such as they have never enjoyed under the sovereignty of this or any other nation, but it establishes what to them is dearer than all else—the everlasting covenant of a great and generous people, speaking through their accredited representatives, that they shall in due time enjoy the incomparable blessings of liberty and freedom.

As is well known, I have always favored fixing a definite date for Philippine independence. For this reason I accepted the provision of the Senate bill known as the Clarke amendment, which gave independence to the Filipinos in not less than two nor more than four years. In the Sixty-second Congress I introduced a bill granting to them independence on the 4th day of July, 1921. Had that bill been enacted into law the Filipinos would have been given eight years in which to establish a government of their own, which I then thought, and still believe, was entirely ample. I confess that I entertained misgivings as to whether the period as fixed by the Senate bill was sufficient to enable the Philippine people to establish an independent government, but so anxious was I that a fixed and definite date should be adopted that I resolved those doubts in favor of the Senate proposition. I am not prepared to say that the rejection of that proposition was not, after all, an act of wisdom. Two, or even four, years constitute a brief period in which to inaugurate a free, representative government for 10,000,000 people. Especially may this be said of a people, however intelligent and patriotic they may be, who have never been permitted to fully exercise the arts of self-government. This bill, as it has been finally agreed upon, confers the fullest opportunity for the establishment of a stable government; and when, in good time, that government shall have been established the solemn assurance is given that complete independence shall follow.

It virtually places it in the power of the Philippine people to say when they shall receive the full substance of self rule and independence. That they can and will establish a stable government upon a firm and enduring basis I have never permitted myself to doubt; and they may confidently rely upon the plighted word and good faith of the American people that when these conditions are met they will be given complete independence. For these reasons I entertain the hope—indeed, I firmly believe—that the provisions of this bill which relate to the future political status of the Philippine Islands will meet the approval of a vast majority if not of all of their educated and thinking people. It is because of my abiding faith in their intelligence and patriotism that, for one, I am willing to commit their destinies into their own hands and keeping.

The governmental features of this bill will work many important changes in the organic law of the Philippines. Without materially altering the structure of the present government, it practically confers all legislative power upon that people, thus giving to them the control of their domestic affairs in all essential particulars.

To particularize, it establishes a legislative body, both branches of which are to be elective.

It abolishes an appointive Philippine Commission, exercising both executive and legislative power and clothed with extraordinary and even autocratic authority. It is safe to affirm that to the arbitrary action of this anomalous body is to be attributed, more than to all other causes, the dissatisfaction at American control which has so long existed in the Philippines.

It confers upon an elective senate the right of confirmation of the appointees of the Governor General.

A disturbing element in the administration of the affairs of the Philippines has ever been the manner in which the lands of the public domain have been administered. Under this bill there will be an end to the exploitation of the public domain.

The bill enlarges and liberalizes the educational qualifications for voting by extending the elective franchise to those who possess the ability to read and write any native language. This will confer the inestimable privilege of participating in their political affairs upon hundreds of thousands of Filipinos who are now arbitrarily and unjustly denied that sacred right.

I shall not attempt further to enumerate the changes that are wrought by this measure in the present organic law of the Philippines. These, in my judgment, fully establish its claim to the support of every Member of this House.

Mr. Speaker, I have already trespassed further upon the attention of the House than I had intended to do. The intent and purpose of this legislation is, as is declared in the preamble, to place in the hands of the people of the Philippines as large a control of their domestic affairs as is consistent with the exercise of American sovereignty so long as that sovereignty shall exist. In my judgment, this will have been accomplished when the President affixes his signature to this bill.

I now yield five minutes to the gentleman from Iowa [Mr. TOWNER].

Mr. TOWNER. Mr. Speaker, a word, perhaps, ought to be said on behalf of the minority, considering the fact that the minority members of the conference committee, both of the Senate and the House, did not sign the conference report. I will state to the House that the only reason why that was not done was because of the preamble to the bill. As Members well understand, the preamble of the House bill is still retained in the bill as presented by the conference report. As we judge it, that preamble is purely a political matter, a restatement in terms of the Democratic platform in regard to their intention as to the Philippine Islands. The minority members of the committee believe that, in the first place, a bill of this character ought not to contain any preamble, and, second, that the preamble as stated is not a statement of their belief, at least as to what should be done with the Philippine Islands. Regarding that matter, it is sufficient to say that it has been discussed already and it is not necessary now to go any further into the matter.

The changes which have been made in the bill, however, were approved by the minority members of the conference committee. In fact, practically all of them were suggested by the minority members. Let me call attention, very briefly, to the principal features of these amendments. The first one is that under the amendment reported that has been agreed to by the conference committee immigration now is not subject exclusively to the control of the Philippine Legislature. A bill regarding immigration may be passed by the Philippine Legislature, but it can not become a law except by obtaining the signature of the President of the United States.

Mr. COOPER of Wisconsin. Will the gentleman yield?

Mr. TOWNER. Yes.

Mr. COOPER of Wisconsin. I understood the gentleman from Virginia to say practically the opposite—that the Legislature of the Philippines could not enact a law in the first instance relating to immigration without first receiving the approval of the President of the United States.

Mr. TOWNER. I do not so understand the provision of the law.

Mr. JONES. The gentleman from Iowa [Mr. TOWNER] is right. I should have said that no legislation relating to immigration can become effective until it receives the approval of the President.

Mr. TOWNER. In any event it is subject to the approval of the President. Whether the President approves it before or after is immaterial, because it reaches the same result.

Mr. FESS. Will the gentleman yield?

Mr. TOWNER. Yes.

Mr. FESS. I think there is a difference. If the President in the latter way vetoes a bill, it falls by force of his veto, while in this case he vetoes it before the law is passed, which is rather a new phase of legislation.

Mr. TOWNER. I think not. The gentlemen perhaps misunderstand each other rather than the real purpose and method of the law. In this case it is not a veto. It can not become a law affirmatively until it receives the approval of the President of the United States. Ordinarily a law passed by the Philippine Legislature becomes a law unless it is vetoed, but under this provision no law can be enacted by the Philippine Legislature unless it receives the approval of the President of the United States. That makes the President of the United States one party to the legislation in fact, instead of under the ordinary executive rule where it is subject to his veto.

The SPEAKER. The time of the gentleman has expired.

Mr. JONES. Mr. Speaker, I yield to the gentleman five minutes more.

Mr. PARKER of New Jersey. Will the gentleman yield?

Mr. TOWNER. Yes.

Mr. PARKER of New Jersey. I understand that the minority conferees did not agree to that preamble?

Mr. TOWNER. We did not.

Mr. PARKER of New Jersey. Will not a vote for the conference report be a vote for the preamble?

Mr. TOWNER. I presume so; but perhaps the good in the conference report will outweigh the bad in the preamble.

Mr. PARKER of New Jersey. I do not think anything can outweigh the preamble, and I shall vote against it.

Mr. JONES. I want to say that some Members of the majority did not vote for some things in the report.

Mr. TOWNER. The next Senate amendment is in regard to the first election. The provisions of the bill extend the electorate very much indeed. Under the present law about 275,000 persons in the Philippine Islands are authorized to vote. Under the provisions of the law as it will be changed the electorate will be enlarged, as is estimated, to between 800,000 and 900,000 voters. In other words, it will be increased threefold. The Senate amendment allows the change to be made but does not allow the first election held under the new constitution to be by the enlarged electorate but by the electorate as it now is. For obvious reasons it was deemed unwise that a new electorate, a largely—in fact, tremendously—increased electorate, ought not to take part in an election which must be held in so very short a time. The third amendment is as to the appointment by the President of a vice governor.

This is a very important provision and places the control of the bureaus of education and health directly under the vice governor, who is appointed by the President of the United States. Again, for obvious reasons, it must appear that this is a wise provision.

The next important provision is that the residents in the islands are given the right to vote. I do not need to speak further with regard to that. The matter has been already discussed, and gentlemen can obtain an intelligent view with regard to it.

The fifth important amendment provides for the appointment of an auditor and vice auditor by the President of the United States. This was regarded by many of us as a very important matter. All of the accounts of the Philippine government and of the provincial and municipal governments must be examined, audited, and approved by this auditor and his staff—a very important provision, as I think you all must admit, under the circumstances. I may say that in talking to some residents of the islands they themselves very strongly approve of this legislation and provision.

Let it be said that there was no division of opinion generally between the minority and the majority Members regarding the making up of the bill. There are, of course, many of the provisions of the bill still which I do not approve, and doubtless there is no Member, looking over all of the provisions of the bill, who could not find some provision in it which did not fully reach his approval. However, I think it may be said to both sides of the House that there never has been given to any people—to our own Territories—or yet to be found in the States, a more advanced, a fairer, a more just provision of government and form of government than is given under the present act to the Philippines. In a general way it has my unqualified approval. I think that it is an act that will redound to the credit of the Congress that gives it to the Philippine Islands. I think that it is an act that will bring to the Philippine Islands both enlarged opportunities and a wider field for every branch of progress and development than they have before experienced. I think it will very largely settle a great many of the puzzling and embarrassing questions that have arisen in the islands. I think it will divert the attention of the people of the Philippine Islands from politics to business. I think it will give them a larger measure of prosperity and hope than they have ever had in the past. [Applause.]

BILLS OF LADING.

Mr. JONES. Mr. Speaker, I now yield one minute to the gentleman from Georgia.

Mr. ADAMSON. Mr. Speaker, the gentleman from Virginia yields one minute to me in order that I may ask the Speaker to lay before the House a request to the Senate respecting the bill-of-lading bill.

The SPEAKER pro tempore (Mr. ALEXANDER). The Chair lays before the House a request of the Senate, which the Clerk will report.

The Clerk read as follows:

IN THE SENATE OF THE UNITED STATES,
August 16, 1916.

Resolved, That the Secretary of the Senate be directed to request the House of Representatives to return to the Senate the message disagreeing to the amendments and requesting a conference on the bill (S. 19) entitled "An act relating to bills of lading in interstate and foreign commerce"; also all papers accompanying said message.

The SPEAKER pro tempore. Without objection, the request of the Senate will be granted.

There was no objection.

THE PHILIPPINES.

Mr. JONES. Mr. Speaker, how much time have I consumed?

The SPEAKER pro tempore. Seventeen minutes remain.

Mr. JONES. Seventeen minutes including the time which I yielded? I yield 15 minutes to the gentleman from the Philippines [Mr. QUEZON].

Mr. COOPER of Wisconsin. Mr. Speaker, I would like to have five minutes.

Mr. JONES. I do not think anyone on this side desires to speak. The gentleman from Minnesota [Mr. MILLER] desires some time, as I understand it.

Mr. MANN. I would like to have 10 or 15 minutes.

Mr. MILLER of Minnesota. Do I understand that 17 minutes alone remain or that 17 minutes have been consumed? I understood the Chair to state that 17 minutes remained.

Mr. JONES. No; 17 minutes have been used.

The SPEAKER pro tempore. Oh, no; there are only 17 minutes remaining of the hour.

Mr. MANN. The gentleman from Virginia himself consumed half an hour.

Mr. JONES. Then I can not yield the gentleman from the Philippines 15 minutes.

Mr. MILLER of Minnesota. I think he ought to have it.

Mr. JONES. I will give notice now that after the gentleman from the Philippines [Mr. QUEZON] has spoken I shall ask that the time be extended so as to give the gentleman from Minnesota [Mr. MILLER] whatever time he desires and the gentleman from Wisconsin [Mr. COOPER] five minutes.

Mr. COOPER of Wisconsin. I would like to have 10 minutes, though I do not suppose that I shall use that time.

Mr. MANN. Mr. Speaker, the gentleman from Minnesota desires 15 or 20 minutes; I would like 10 or 15 minutes, and the gentleman from Wisconsin desires 15 minutes, and the gentleman from Tennessee [Mr. AUSTIN] 5 minutes.

Mr. JONES. Then, Mr. Speaker, I yield 15 minutes to the gentleman from the Philippines [Mr. QUEZON], and I am going to request that after he concludes the gentleman from Minnesota [Mr. MILLER] have 15 minutes, the gentleman from Illinois [Mr. MANN] 15 minutes, the gentleman from Tennessee [Mr. AUSTIN] 5 minutes, and the gentleman from Wisconsin [Mr. COOPER] 10 minutes, and I make that request now.

Mr. CLINE. Mr. Speaker, I would like to have five minutes.

Mr. BRUMBAUGH. And I would like to have five minutes.

Mr. JONES. And the gentleman from Indiana five minutes and the gentleman from Ohio five minutes. I make that request now, I to have one minute in which to conclude, in which to move the previous question.

The SPEAKER pro tempore. The gentleman from Virginia asks unanimous consent that his time be extended, that the gentleman from the Philippine Islands be recognized for 15 minutes, the gentleman from Wisconsin [Mr. COOPER] for 10 minutes, the gentleman from Minnesota [Mr. MILLER] for 15 minutes, the gentleman from Indiana [Mr. CLINE] 5 minutes, the gentleman from Ohio [Mr. BRUMBAUGH] for 5 minutes, the gentleman from Tennessee [Mr. AUSTIN] for 5 minutes, the gentleman from Illinois [Mr. MANN] for 15 minutes, and that the gentleman from Virginia have 1 minute at the conclusion of that time, debate then to close. Is there objection?

Mr. MANN. Mr. Speaker, I suggest that the gentleman couple with that request also that at the end of that time the previous question shall be considered as ordered.

Mr. JONES. Very well.

The SPEAKER pro tempore. And that at the end of that time the previous question shall be considered as ordered. Is there objection to the request of the gentleman from Virginia?

There was no objection, and it was so ordered.

Mr. BUCHANAN of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. WEBB. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. The gentleman from North Carolina asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. JONES. Mr. Speaker, I yield 15 minutes to the gentleman from the Philippines [Mr. QUEZON].

Mr. QUEZON. Mr. Speaker, the bill which is now before you is practically the same as that which passed the House of

Representatives on May 1 last, commonly known as the Jones bill. Therefore I feel justified in predicting that the conference report will be adopted. The long, continuous, hard, and sometimes very bitter contest to enact this legislation shall thus have come to a successful end, and every friend of human liberty will have reason to rejoice. [Applause.]

This bill differs from the bill which passed the Senate of the United States on February 4, 1916, in two respects. On the subject of independence the Senate bill was more definite than this bill, since the Senate bill provided not only that the Philippines shall be granted independence, but it also set the period within which that independence was to be granted; that is, from two to four years. The bill as agreed upon and reported to the House by the conferees does not undertake to determine either the date or the period when independence shall be granted, but it does declare it to be the purpose of the people of the United States to grant the Philippines their independence "as soon as a stable government can be established" in the islands.

With regard to the provisions affecting the powers of the Philippine government and its control by the Filipino people, this bill is more liberal and more logical than the Senate bill. I stood by and fought for the independence clause of the Senate bill, namely, the Clarke amendment, as it is well known to you, but I am fair enough to see and frank enough to say that, even in its present form, this bill is a remarkable progress in the right direction.

For more than three centuries the people of the Philippines were under the rule of Spain. During that long period of time they were held by the Spanish Government avowedly as subjects and were given no part in the government of their country. The laws of the realm defined as treason, punishable even by death, any attempt to free the islands though it be by peaceful means. Eighteen years ago the sovereignty of Spain was succeeded by that of the United States. During this whole time, excepting only the last three years, the Philippine government was practically, almost exclusively, in the hands of American officials appointed by the President. The policy of the United States was undefined. No one knew whether we shall be permanently held as possessions, sold to some other power, or eventually granted independence.

Thank God, those conditions which were becoming every day more and more intolerable will soon disappear, never to return. [Applause.]

Now, we have a legislative declaration that it is the purpose of the people of the United States to grant the Philippines independence as soon as a stable government can be established in the islands. To us these are no empty words—they are the solemn pledge of a great people. [Applause.] And for the speedy accomplishment of said purpose the Filipino people are intrusted with greater legislative power and more administrative control over their domestic affairs. We may now look to a future roseate with hope. The dark clouds of uncertainty have been dispelled from our horizon. Heretofore we have been the least and the last factor in Philippine affairs. Hereafter we shall be the first and most important factor. Heretofore things were done by the Philippine government not only without the consent but on many occasions against the strong opposition of the Filipino people. Hereafter nothing will be done without our consent, much less in defiance of our opposition. So I say, Mr. Speaker, this bill is a long and very decisive step toward the complete emancipation of the Filipino people. It marks an epoch in our national history. [Applause.] We are convinced that the promise of independence contained in the bill will be faithfully fulfilled, for we know that we are dealing with a Nation in the truest sense jealous of its honor and its good name. [Applause.] We are positive that when we have fully demonstrated that we can establish and maintain a government that will protect from lawlessness and from violence its own citizens as well as those of other countries who live or sojourn in the islands, the American people will consent to the setting up of a Philippine republic which will be a glory to the United States and a blessing to us. [Applause.]

Yes, the enactment of such a great piece of constructive legislation as this is to the everlasting credit of this Congress and this administration. You have done a noble work and you have every reason to feel satisfied with and proud of it. You can be sure that when a future Congress cuts forever the tie that as yet binds my country to yours, the Filipino people will not forget that it is because of this legislation that there will then have been brought about such a happy and righteous consummation of your Philippine enterprise. [Applause.]

Mr. Speaker, I know I am voicing the unanimous sentiment of my people when from the bottom of my heart I say to you here to-day we are grateful—profoundly grateful—to the American people, to the Congress of the United States, and to President Wilson for this measure.

Mr. Speaker, may I not be permitted, on this occasion, to transgress the rules of the House so that I may address personally the gentleman from Virginia and say to him: Mr. JONES, I have witnessed your untiring work on this bill; I have seen your unselfish devotion to the cause of Philippine independence, honestly believing that it was demanded not only by God's own law, but also by the best interests of both your country and mine. As the chairman of the Committee on Insular Affairs, which is in charge of legislation affecting the Philippines, you have considered it to be your paramount duty to write into law the covenant of your fathers, and the spirit of America—freedom for all. By this bill, which is the result of your hard labor—labor you have carried out at the risk of your own life, for you have been working in spite of ill-health—you are entitled, in my estimation, to a prominent place in the list of the advocates of human liberty. Surely your name will be written in letters of gold in the history of the Philippine Islands. You have earned not only the eternal gratitude but the love of every individual Filipino. God bless you! [Loud applause.]

Now, Mr. Speaker, just one word more of a personal character. Seven years ago next December I first entered the Hall of the House of Representatives as the spokesman of the Filipino people. I came with a mandate to work for the immediate independence of the Philippine Islands. Ever since that day, to the best of my ability, I have done everything I could to carry out that mandate. [Applause.] To my knowledge I have been loyal to the will of my people, and no opportunity have I let go by unused that could be employed to promote their welfare as I saw it. True, I have not secured their independence; but I shall feel, once this legislation is enacted, that I have not come to this country in vain. No one advocating certain legislation ever gets all he wants in the first attempt. Considering the time I have been here, the character of the subject, and the influences I had to fight, I feel inclined to say that I am almost surprised that I have secured as much.

Mr. TOWNER. Will the gentleman yield?

Mr. QUEZON. Yes, sir.

Mr. TOWNER. I do not desire to take the gentleman's time. I think it may perhaps be fitting for a Member of the minority to say that while he has not always been able to agree with the Commissioner from the Philippine Islands, he is ready to say that he has never known any man more devoted to the interests of his people, as he understood those interests, than has been the gentleman from the Philippine Islands. [Applause.] In season and out of season, with an ability and persistence rare and creditable to any representative in any parliament in the world, this gentleman has worked for his people.

And I desire to say that, so far as my belief is concerned, there never has been in any legislative body a representative of a people such as the Filipinos who has represented them more ably and faithfully than has the gentleman who now addresses the House [Mr. QUEZON]. [Applause.]

Mr. QUEZON. Mr. Speaker, I thank the gentleman from Iowa for his very kind words, which I sincerely appreciate.

Mr. Speaker, in the course of the campaign I have carried on to present before the American people the real aspirations of my country, I have been at times bitterly assailed and even slandered by persons who are too blind or too partisan to admit that anything but selfish motives can animate their opponents. An earnest determination on the part of some of these to destroy me, politically, and even to ruin my reputation as an honest man failed through no fault of theirs. I have never retorted in kind. The cause I advocate is too just, too sacred for me to permit it to be stained by base or merely personal animadversions. That I was only "trying to perpetuate myself in this job" in advocating independence was the least charge made against me. Well, Mr. Speaker, now the opportunity presents itself of answering that charge, which up to this moment I have ignored, because I always prefer to answer with deeds rather than with words. [Applause.] I could not very well quit my post while nothing was done by this Government to ameliorate conditions in the islands. After having started the fight, it would have seemed lack of determination or cowardice on my part to stop it or to back down. But now that a decisive battle has been won and the further work to be done is comparatively easier, I am going to show how attached I am to my office and how fearful I am of losing it. I shall not seek reelection. I do not want this or any other public office. I can manage to live, and much more to my liking, as a private citizen. The only reason why I sought this place is because I wanted to be of service to my country, not because of the honor or the salary attaching to it. Once I

served my country when there was nothing but hunger, fatigue, every kind of hardships, and danger to my life in the service.

Mr. Speaker, my people have been too generous with me. I owe them more than I shall ever be able to repay, no matter what I might have done or might do in the future for them. In leaving my present office I do not propose to abandon my duty of cooperating in the work still to be done until the islands are completely free. I am only going to occupy that place where, in my opinion, I can more effectively help, which, for the present, at least, seems to me to be that of a private citizen.

Just a few parting words, and I shall be through. My service in this House, Mr. Speaker, has been the most valuable experience in my life. Here I have met men great in mind and in heart. I have formed here friendships that I treasure as beyond price. From everyone of you I have received the most courteous treatment. The days I spent among you will always be very dear to me. I thank you, Mr. Speaker; I thank the leader of the majority, the leader of the minority, and each one of the Members of this great House, for you all have been extremely good to me. I want you all to know that I realize that each one of you, no matter how you vote on the Philippine question, is moved only by your earnest desire to do what you think is best for us. And so when I go home I shall tell my people that they have no better friends than they possess in every Member of this body. [Applause.]

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. QUEZON. I hope you will all come to the Philippines and visit me. [Prolonged applause.]

The SPEAKER pro tempore. The gentleman from Minnesota [Mr. MILLER] is recognized for 15 minutes.

Mr. MILLER of Minnesota. Mr. Speaker and gentlemen of the House, I am sure we are agreed that if the passage of this bill means the termination of the services in this House of the Commissioner from the Philippine Islands, Señor QUEZON, we will sincerely regret that the bill is passed, no matter how ardently some of us may be for it. I am especially pleased that the minority ranking member of our committee, the gentleman from Iowa [Mr. TOWNER] saw fit to pay that well-earned and splendid tribute to the Representative of the Philippine people here in Congress. I indorse all that the gentleman from Iowa said, and it has my hearty and unstinted approval. Señor QUEZON has achieved notable distinction. He is to-day easily the most popular and beloved Filipino among his own people. He has won this splendid place in the hearts of his countrymen by his unfailing devotion to the Filipino's interests as he understands them, by his honesty, his loyalty to principle, by his generous nature and those qualities of personal charm which make him the friend and comrade as well as the leader and statesman. These same qualities have endeared him to us here and enabled him to perform the great work for his cause which, in my opinion, no other living Filipino could so ably carry on. He has achieved success, in that to-day sees the passage of the bill for which he has so long labored. He should be happy to-day—happy in his success, happy in the knowledge that while attaining it he has won the esteem and admiration of the entire membership of this House.

We have before us a conference report on the measure that has been pending for a long time, in one way or another, in this House. There is no serious opposition, as you are well aware, being made to the adoption of this conference report, notwithstanding there are in it some things that are objectionable to some of us.

Personally, I do not think it wise to adopt the preamble that has been agreed upon. [Applause on the Republican side.] I do not think it is wise, for the reason that I do not think it is a concrete and fair statement of anything but a political platform, poorly and inaptly drawn for partisan purposes in the United States. I do not think it is fair to the Filipino people, in that it places them now in an unenviable light. I do not think it is fair to the people of the United States, because the fulfillment of this one test should never be the sole factor to determining the independence question. There are other considerations vital to the people of this country and vital to the Filipino people which should be considered. I think it is indefensible, furthermore, because it is poor policy, even if it is the intention of the people of the United States at some time to grant independence to the people of the Philippine Islands—and we can well imagine, perhaps, that this is their intention; it is indefensible and poor policy because it is exceedingly unwise now to say what we are going to do some time in the future without any knowledge now of what conditions may prevail in the future. [Applause on the Republican side.] Thus to declare is the poorest kind of statesmanship and fails to give any consideration to the welfare of the United States. We are altruists toward the Filipinos, it is true, and we should be, but at the same time we should give thoughtful consideration to the welfare of our own country.

There are some provisions in the body of the bill that are not entirely acceptable to me, and yet the main fundamental provisions in the bill meet with my hearty approval. [Applause on the Republican side.]

When I came back from the Philippine Islands three years ago, after making a complete journey throughout the Provinces, including the non-Christian as well as the Christian regions, I advocated here first publicly that there be given to the people of the Philippine Islands an elective senate as well as an elective house. That is the one fundamental feature in this bill. Around that are grouped sundry provisions to carry out this purpose, provisions which are more or less satisfactory. Perhaps they will prove to be more satisfactory in the working than I now anticipate, but some of them are certain to cause trouble and may jeopardize the whole program.

But I am willing to give the bill a full, fair, and generous trial, aiding in every possible way the success of the enterprise.

A great hour is at hand for the Filipinos, if they are awake to their real interests and welfare. The passage of this bill should end the political activity in the islands, and in its place should spring up a determined effort to develop the resources, increase the wealth of the islands, and promote the well-being of the people. In this hour great statesmen are needed among the Filipino people. Until recent years population in the Philippines had been practically at a standstill for 200 years.

Population in Japan has multiplied, greatly increased in China, and grown much larger in Polynesia generally. The Filipinos have been at a standstill, because of frequently recurring pestilences, and especially because of inadequate food supply of a varied character. Sanitation in the islands has now removed malignant diseases, and the schools are teaching varied and increased food supply.

But the agricultural processes in the islands need revolutionizing, and industries need to be developed. The Philippines furnish a wonderful arena for a new life. These islands are richer in natural resources and capable of supporting a more numerous people than any other equal area on the globe. The area of the Philippines is not quite that of Japan, but they have a much larger area capable of cultivation. In fact, Japan can cultivate only 13 per cent of her area, while in the Philippines fully 40 per cent is capable of cultivation. But one-half the area to-day is in the hands of the wild races. The Philippines have about 8,000,000 people, Japan 54,000,000, and yet the Philippines are capable of sustaining a larger population than Japan. There is no reason why the Philippines, with their resources reasonably developed, can not support a population of 75,000,000.

It is not my intention, however, to enter into any discussion particularly of the provisions of the conference report and bill. Rather I would like in the few minutes at my disposal to direct the attention of the Members of the House to a situation in the Orient which should be opened to the eyes of the American people. He who says that our interests stop with the Pacific coast of our continent knows not his Nation's history and knows not his Nation's purpose and knows not his Nation's future. [Applause on the Republican side.] The Pacific Ocean in the future is destined to be the greatest highway of commerce in the world. The nations of antiquity that rose to prominence and greatness were grouped about the Mediterranean, and why? The Mediterranean was the great highway of the commerce of the world. Some centuries later civilization extended and new countries came into being. The world had become larger, and we find the north Atlantic the great arena of the world's commerce.

In the centuries yet to come we will find that the north Pacific Ocean has become the greatest highway of commerce in the world. About its shores to-day lie more than one-half, almost two-thirds, of the human race. Slumbering millions are awaking to action and to growth. Resources measureless in extent soon will be seeking the markets of the world. The Panama Canal will make the Pacific. It brings London nearer Hongkong and Shanghai than she now is by way of Suez. Bremen and Hamburg and Barcelona, as well as eastern United States and all of South America, are in touch with the Orient across the Pacific. We as Americans came from Europe. Somehow we are prone to look back to the place from which we came, even though the Eldorado may lie to the westward and beyond.

I ask you, my friends, to look beyond the Rockies, beyond the Pacific coast, beyond the seas, to the Orient. There lies America's great future. We have interests in the Orient. We had them before the Spanish-American War. We have them now greater than ever before.

We should not be unmindful in this connection of the fact that gigantic deeds are being performed in the Orient. A militant, thoroughly organized, efficient, strong, virile nation is bent on conquest. The conquest is directed at the present hour toward the continent of Asia, and we see the spectacle of 55,000,000 of these people holding practically in subjection 425,000,000 of another land and another race. The heavy hand of the conqueror rests upon the neck of the meek and gentle Chinaman. As the lion leaps upon the ox, so Japan has leaped upon China.

In this subjection that is already almost accomplished America has some interest. It is not, however, my purpose to enter into any detailed discussion of that now. The Philippine Islands, when we took them 18 years ago, were thought by the American people to be isolated and away off in a remote section of the globe, among the South Sea Islands, where only pirates roved and only naked people dwelt. We knew nothing of the people. We knew nothing of their numbers. We knew nothing of their civilization; we knew nothing of the possibilities of their country. My good friends, in the 18 years that have passed such momentous changes have occurred that the Philippine Islands, to anyone whose eyes are opened, no longer are out of the way, but are directly in the center of the great events transpiring in the Orient. They are the gateway to China, India, and the southern Polynesian group for all of North and South America and all of Europe coming through the Panama Canal. And do not for a moment think that they are unimportant. It was proposed not long ago in this body that we should suddenly withdraw our sovereignty and leave those islands to drift for themselves. Perhaps we thought we had a right to do it and that we could do it, regardless of the effect upon the people of the islands, regardless of the effect upon ourselves. But, my good friends, in my opinion we can not withdraw our sovereignty from the Philippine Islands now, even if we would. Other peoples and other nations are interested in the Orient, and they are interested by reason of the conditions now existing in the world—that at least for a time and a considerable time American sovereignty shall remain in the Philippine Islands.

A gentleman of Holland, Herr Colijn, one of her greatest statesmen, and one who perhaps has had most to do of all her men with the late development in the Dutch East Indies, recently said:

> If your Congress passes the Jones bill with the Clarke amendment, giving independence to the Philippines in 1921, there will certainly be most serious consequences, not only in the Philippines but all over the Orient in the possession of European powers. I ought to say rather that there would be most serious consequences, for I do not believe that you will grant independence to the Philippines, now or soon. You can not. At the very least there must be some arrangement such as the British have in Egypt, where with a nominal native government you would have American supervision and American officials in the higher posts. If the Jones bill is passed you would have to come back to some such system after the Philippines had enjoyed a very short period of complete independence. You would have to do it for the sake of the islands themselves; but in the interval there would be disorders. If the Americans had cast aside their last hold on the islands some other power could step in under pretense of restoring order, and what could you do?

And he knew the power that he meant by "some other power," the only power in the world in whose journals and periodicals during the last eight months can be found words praising the proposal of the United States to withdraw their sovereignty from the islands. They are awake to conditions over there that means much to many of the peoples of the world.

The Dutch East Indies have long occupied an important part in the history of the human race. In 1292 Marco Polo first visited them and brought back to civilization marvelous tales of their wonderful fertility, their measureless wealth, the jewels that were to be found there, and the spices that were to be had. It was because the civilized powers of Europe were determined upon seeking a western passage to these islands that the discovery of America occurred. However, the Portuguese were the first to visit the Dutch East Indies, in 1525. Almost at the time when our Pilgrim Fathers were begging the waves to be still that the *Speedwell* and the *Mayflower* might reach this promised land ships were speeding around the other way of the globe from Holland seeking the Dutch East Indies, and they found them. In 1616 began their development in that area.

Holland has an area of about 12,000 square miles. It has a population of 5,000,000. The Dutch East Indies to-day contain an area of 750,000 square miles and a population of 42,000,000, sixty times the mother country in area and eight times the mother country in population. They consist of the islands of Sumatra, Borneo, Java, Madura, New Guinea, the Celebes, and numerous small islands. The island of Java alone, with 50,000 square miles in area, contains a number of people that will stagger you if you listen to what I say, and some of you will hardly believe me. On this little island, less in area and extent than the State of New York, there are to-day more than 30,000,000 people, more people than there are in the combined countries of Norway, Sweden, Holland, Belgium, Bulgaria, Servia, Roumania, Montenegro, and Greece—pretty nearly all the minor countries of Europe. These possessions are important to Holland. She is interested in the flag that flies over the Philippine Islands. We know by reading the periodicals of Japan that two or three years ago it was seriously proposed to build an island empire from Nippon south through the Philippines to and including the Dutch East Indies.

A fantastic dream, you say. Yes, but a fantastic dream is serious when there are bullets and bayonets behind it. To accomplish would require an armed conflict with England, Holland, and the United States. This dream passed when the present world war suddenly changed all things and gave Japan an opportunity vastly more to her liking. She speedily and at no sacrifice took the German possessions in China, Tsing Tao, also the Carolines, the Ladrones, and the Marshall Islands. She said it was to hold them and then give them back, but at once she proceeded to annex them, making them thoroughly Japanese, and now she says she did not mean what she said when she said she intended to give them back. But it is on the Continent of Asia where Japan's ambition now directs her attention, her energies, and her policies. With China a subject nation, Japan sees herself one of the greatest, perhaps the greatest, of the world's powers.

So Japan now has no designs on the Philippines. Indeed, she now would not make any sacrifice forcibly to acquire them. But should America withdraw her sovereignty it is as certain as both death and taxes, certain to everyone conversant with far eastern affairs, that Japan will seize an early pretext to acquire the islands. This would place her in a dangerous position as regards the vital interests of at least three great European powers.

It is already apparent that as soon as the present great war is over a new alignment of powers as related to the Orient will occur. Japan and England will not be together. England stands in the way of Japan's designs upon China and her general aggression in the Orient. Already Russia and Japan have come to an agreement for the further spoliation of China, and many Japanese writers now openly advocate an alliance with Germany. All agree that the present treaty between England and Japan should end.

Look at the map of the Orient; look and ponder. Think not of the facts of the past; think of the facts of the present and the future. Why would many nations of the world object to the withdrawal of American sovereignty over the Philippines and the acquisition of the islands by Japan? Your map tells the story and answers the question. Japan in the Philippines would menace all the trade routes of the Orient. To-day all ships sailing from Australia, New Zealand, and Tasmania, English territory, to Hongkong and Shanghai, the centers of England's interests in China, pass directly through the Philippines. Not only that, but the trade of England through Suez to Australia and her possessions in that quarter of the globe would be flanked by Japan in the Philippines. Not only that, but England's ships sailing from home through the Suez to Singapore, Hongkong, and Shanghai would be flanked for a thousand miles by Japan in the Philippines.

France also is concerned. She has possessions in Cochin China. Her communications would be flanked by Japan in the Philippines. It is but a step from the Philippines into North Borneo, the northerly tip of which island is British territory. England would not want such an easy step within the power of Japan.

Holland is deeply concerned. The very life of Holland is in her East Indies. She is alarmed at the very suggestion of Japanese occupation of the Philippines, because this would put Japan in the very midst of her possessions.

Nor is this all. The Panama Canal will inevitably become the trade route of much of England's and Holland's trade with the Orient. This trade must go through or near Philippine waters.

Thus you see the strategic, important location of the Philippines as related to the changed politics and present trade routes of the world.

All nations are satisfied with American sovereignty over there. They know we lust after no other people's land, wealth, or opportunity in life. They know we will live out the square deal between nations. But the withdrawal of that sovereignty would so disturb conditions that other nations would be constrained to have a voice and perhaps a hand in the matter.

We are in the Philippines, my friends. Our presence there means much to the Filipinos, much to the Orient. America's mission can not be fulfilled on the continent of America alone.

America must be a force in the world for the furtherance of those principles upon which she stands. Our work and our mission in the Orient should fill every American with patriotic pride. [Applause.]

The SPEAKER. The gentleman from Wisconsin [Mr. COOPER] is recognized for 10 minutes.

Mr. COOPER of Wisconsin. Mr. Speaker, until I asked for time a few minutes ago I had no intention of taking part in the debate on this conference report; indeed I did not know that the report had been presented to the House and printed until I was so informed by the Resident Commissioner from the Philippines [Mr. QUEZON] shortly before it was brought up and the debate opened by the gentleman from Virginia [Mr. JONES].

As I sat listening to the discussion memory went back to the day, 14 years ago, when I had the honor, as chairman of the Committee on Insular Affairs, to open the debate on a bill which in its essential features was finally enacted into the organic law of the Philippine Islands. And, while listening, I said to myself, How extraordinary the change between now and then. Then the problem of the Philippines was "paramount" in national affairs. The islands had seen bloodshed—war. The war had hardly ended. Indeed, I remember that on the day I brought up the bill the newspapers reported a new breaking out of the flames of insurrection in Mindanao. To many the future of the islands seemed desperate. The minority of the then Committee on Insular Affairs demanded in their report on the bill that we leave the islands in eight years. In that report the minority declared that our whole policy in the Philippines was unjust, cruel, and dishonoring to American citizenship. The bitterest of accusations against our Philippine policy filled the newspapers. Everywhere distinguished men were saying that it was doomed to abject failure; that it was a policy of infamous tyranny.

Men said these things—things which to-day no man believes—despite the fact that the bill contained many noble provisions, including a complete bill of rights and a provision for a Philippine legislature, of which the lower house was to be elected by the Filipino people.

Here I digress to notice the comment which the gentleman from Minnesota [Mr. MILLER] made a moment ago on the fact that we are about to give the Philippines an elective senate. I desire to remind him and the House that the Philippines would not have had an elective lower house of their legislature during the last 14 years had it not been for the work of the Committee on Insular Affairs in 1902. It was the Committee on Insular Affairs which put that provision into the bill, and it was the House conferees which secured its retention in conference. In that year no Senator said a word in the Senate in favor of an elective lower house for the Philippines, nor was there any provision for such elective house in any Senate bill. Yet it is the success of the Philippine lower house which, more than anything else, has induced Congress to provide that the islands shall have an elective senate, and which more than all else has tended to reveal the ultimate possibility of self-government.

And now, in view of all that has come to pass in the islands, may I, without being over personal, say some things which 14 years ago I said during that debate in reply to accusations hurled against the policy of our Government in the Philippines?

We are in the islands to set wider the bounds of freedom, to secure liberty and opportunity and all the benefits of the best of modern civilizations for a down-trodden race to whom, through hopeless centuries, these blessings have been denied, and in the place of an ancient, decrepit monarchy and the divine right of kings to establish the invincible young republic and the inalienable rights of man. [Applause.]

I replied then as I do now to the prophecies of failure.

We should remember what we are. We are a city set upon a hill. Our work can not be hidden. If we fail in the Philippines our failure will be seen of all the world, and seen forever.

But we shall not fail. The Nation which in the awful days of 1861 to 1865 wrought and fought through gloom and disaster to enduring success will not fail now to carry to a triumphant consummation its lesser task in the Philippine Archipelago. We will fill that land with schoolhouses. We will sever church from state, and each shall be the stronger and the better for the separation. We will establish justice and make its administration pure. We will plant firmly the principles of free government and fix forever all of the priceless guaranties of civil and religious liberty. We will emancipate a race from the thraldom of centuries and lead them in the pathway of the world's highest civilization. [Applause.] And then when in after years the current of transforming, vitalizing influences has made the Philippine Islands the home of contentment, the abode of industry and of all the arts of peace, we who are permitted to participate in this initial legislation will look back with hearts filled with grateful, honorable pride to this hour and say, "Thank God, we—we, also—bore a part in the glorious work of a people's redemption." [Applause.]

Has not the prophecy come true—the promise been fulfilled? Yes. And the great national problem of the Philippines, which so deeply concerns the good name and fame of this Republic, is surely, steadily approaching its proper solution.

History has vindicated the policy of the Republican Party in the Philippine Islands.

The pending conference report is in effect an approval—yes, more than that—an unqualified indorsement of the work nobly begun under the beloved McKinley and continued to this hour. [Applause.]

The SPEAKER pro tempore. The gentleman from Indiana [Mr. CLINE] is recognized for 10 minutes.

Mr. CLINE. Mr. Chairman, I did not want this opportunity to go by without making an observation upon the character and ability of the Representative of the Philippine Islands. After seven years of association with him, after seven years of close observation, I am glad to say to-day that he illustrates the possibilities of his race. I believe that I speak the sentiment of this House when I say that no man could have more faithfully, more honestly, more courageously, and with greater ability represented the Philippine Islands than has the gentleman from the Philippines [Mr. QUEZON]. [Applause.]

I am satisfied, further, that his constituency appreciates his efforts in their behalf. During the entire time he has served as their representative he has lost no opportunity of advocating what he believed to be the rights and duties of the Philippine Islands to secure independence. I am satisfied that he will go away from this legislative body with the understanding that the Congress of the United States has used every honorable means that the administration was convinced was best in the Philippines for the interest of the Philippine people. The remarkable advancement that has been made in the last 15 years in the Philippines is illustrative not only of the ability of the United States to care for this dependent people, but of the ability of the Philippine people themselves to come to the necessary understanding and to that sphere of development that is necessary for their own future self-government.

The Philippine people can see that gradually the United States has responded to what it believed to be the necessities of the Philippines—first, granting to them the right to elect a lower house of the legislative body; next, in enlarged representation to include the senate, and a further enlarged, as I understand, policy now is to give the entire administration of the government, with the exception of the Governor General and a few other offices, over to the Philippine people themselves.

I am satisfied, Mr. Speaker, that the work that has been done by the United States in the Philippines will bear still greater fruit than it has borne in the last 15 years. There can be no question but what these principles enunciated in the Declaration of Independence have taken firm hold of the people of these islands, and that they will in the future expect, as their merits are disclosed, that the United States will come to the execution of those measures which will give them eventually independence.

The American Government is no longer an isolated government. The great evolution of economic questions has taken it out of the sphere where it pursued lines of development according to its own selection, and has created it a world power not only in politics but in commerce, and I call attention to the fact that the introduction of the Philippines into our system of government has given rise to a new era in American politics. We have taken on additional responsibilities under the Monroe doctrine which undoubtedly will include the Philippine Islands. To that extent, Mr. Speaker, we are making ready for whatever may be necessary, not with the purpose of making any aggressive policy but for the purpose of protecting ourselves and our rights whenever we may be called upon to do so in the bill which we have just passed providing for 165 battleships of all descriptions in the construction of a navy in three years. There is to be found an indication of what we propose to do in case it is necessary to use that power to maintain our rights in the Orient as well as in this hemisphere. [Applause.]

Mr. BRUMBAUGH. Mr. Speaker, when I asked for the five minutes of time, it occurred to me that I might want to say something in defense of this bill, but since we are all in favor of the bill it will not be necessary for me to occupy that time, because I believe that the best service a Member can render in this House is in voting and not talking. It occurs to me that since we are all in favor of the bill, we have arrived at the time to vote. However, I shall use a moment for another purpose. I want to take occasion here to testify to what I

learned from my recent travels through the Philippine Islands, to the respect and confidence the people of those islands have in their Representative, Mr. QUEZON, and I want to speak this word of appreciation of the fidelity and ability with which he has represented his people upon the floor of this House. [Applause.] I found everywhere in the islands that the people had universal confidence in him as a man and as a Representative, in his integrity, and in his devotion to what they believed to be the best interest of those islands. I join with his numerous friends in wishing him long life, success, health, and happiness. [Applause.]

Mr. MANN. Mr. Speaker, the Philippine bill proposes to give a wider latitude of self-government to the Philippine Islands, and contains in the preamble some pledges, and the whole attitude of gentlemen upon the Democratic side of the House and the Senate upon this bill has been that we ought not, because we have the power, to undertake to control or dominate the people of another land against their will. I was somewhat interested the other day in reading dispatches from Copenhagen in reference to the treaty relating to the purchase by the United States of the Danish West India Islands. I assume there is such a treaty. I have seen newspaper statements to that effect, and the treaty is more or less public property in Denmark, though the administration in this country has not been kind enough so far to take the American people into its confidence and divulge the provisions of the treaty or anything relating to or leading up to it.

In view of the promises and pledges concerning the Philippine Islands, it seems to me quite interesting to read to the House a few lines from some of the cablegrams from Copenhagen. This treaty has been under discussion in what would be the congress of Denmark and has been defended by the ministry there. I read from a cablegram from Copenhagen dated August 10, 1916:

> Several of the ministers took part in the debate and the statement was made in behalf of the Government that neither domestic nor economic consideration, but the internal situation, had brought the question to a head.
>
> The finance minister, Edward Brandes, intimated that the Government had no alternative but to accede to the desire of the United States.
>
> The foreign minister, Erik de Sacvenius, in opening the debate, recommended ratification of the sale. He denied that the Government was forced to sell, and added that the Government had not favored the sale of the islands because of the favorable purchase price, but because retention of the islands might possibly involve Denmark in international complications.
>
> Those who opposed the sale, he continued, had an easy task because the Government was unable to unveil its chief arguments in favor of the sale. What should be done, for instance, if the United States took possession of the islands? he asked. Should Denmark declare war on the United States or appeal to Europe?
>
> The Government felt bound to submit to the desire of a great State; the Government regretted that the colors had to be lowered, but when a hurricane was blowing one had to turn before it.

Again, I read from a dispatch from Copenhagen dated August 11, 1916:

> The opposition speakers repeatedly offered the suggestion that the population of the islands should be allowed a referendum on the proposed sale.
>
> Replying to this argument, the minister of foreign affairs said that during the negotiations he had asked the American Government whether it was favorable to such a referendum and that the American Government refused to sanction it. He added, however, that he was willing to bring the matter again to the attention of the United States, although he was not sure that he would succeed in obaining its consent to such a proceeding.

Mr. Speaker, while we are considering the Philippine bill, with the claims made upon the Democratic side of the House that our people have no right to govern another people against their will; that the Filipinos have a right to independence, and that we have no right to deprive them of it, I would like to know just what they think of an administration which forces Denmark to run before the hurricane, to sell their islands because of fear that we might take possession of them without the consent of Denmark, and refuse to give the people there a referendum in respect to whether they wish to come to us or not. [Applause on the Republican side.]

Of course I do not know whether the statements made by the ministers of the Government in Denmark correctly represent the attitude of the United States. Neither does anyone in the House know. These dispatches are over a week old, and I have waited to see if there would be any denial on the part of anyone connected with our administration as to the correcness of the statements. There has been no denial. I would like to know whether we have been hypocritically pretending that we must give liberty to the Philippine Islands because we have no right to maintain a government there and at the same time insisting that Denmark must deliver her Danish West India Islands to us merely because we want them. There has been so much hypocrisy—well, I shall not say that—but there has been so much talk about our rights in the Philippine Islands and our respecting the rights of the native people there, that I wonder some one has not thought of the same talk in connection with those nearer home.

I have a dispatch on the desk here from Haiti, stating where our officers in charge of the Navy there have told the Government of Haiti what they had to do. Well, I am not opposed to that, but I am opposed to making the claim in one minute that we have no right to exercise our authority over the Philippine Islands, but we have the right to do what we please with Haiti and the Danish West India Islands. [Applause on the Republican side.] I am in favor of giving to the Philippine Islands the broadest latitude of self-government which is possible. I am in favor of maintaining the power of the United States over in the Philippine Islands. I hope we will gain possession of the Danish West India Islands, but I have not yet become sufficiently hypocritical to give a reason about the Philippine Islands which I would not be willing to apply to the Danish West India Islands. Suppose it were proposed here that we sell the Philippine Islands without regard to the wishes of the Filipinos. Why, our Democratic friends would have more of a cat fit in a minute than you ever heard of before; and yet the administration proposes to take the Danish West India Islands and force Denmark, if those dispatches are correct, to sell them to us and refuse to let the people of those islands express their desire or their will in regard to the matter. When will hypocrisy cease? [Applause on the Republican side.]

Mr. FESS. Will the gentleman yield?

Mr. MANN. I yield.

Mr. FESS. That would be a rather irregular statement for a minister of finance on his own responsibility to make unless there was some ground for it, would it not?

Mr. MANN. Well, it would be very unusual, I should think, for a minister of any government to make such a statement unless he had some ground for it. It has not been denied.

Mr. BRUMBAUGH. Will the gentleman yield?

Mr. MANN. Certainly.

Mr. BRUMBAUGH. The same situation prevailed at Panama, did it not, in our dealings with Colombia?

Mr. MANN. It did not.

Mr. BRUMBAUGH. What was the difference?

Mr. MANN. We did not take Panama, to begin with, and they have a Panaman Government there. By the way, I see this morning the Government refuses to recognize the election in Panama the other day. Very likely they may be justified in it. Of that I do not know. But we did not take Panama. Panama is governed by the Panaman people, except as we interfere.

Mr. MONTAGUE. Will the gentleman permit an interruption?

Mr. MANN. Yes.

Mr. MONTAGUE. Does the gentleman understand from the newspaper excerpts he has been reading that the Danish people wish to sell these islands because of fear of a storm blowing from the United States?

Mr. MANN. Did the gentleman get that understanding?

Mr. MONTAGUE. I did not.

Mr. MANN. I read the dispatch——

Mr. MONTAGUE. I understood from the newspapers that the sale was to obtain money to avert a storm emanating from some other nation than the United States. Of course, the gentleman will agree with me that we should take all these reports with a grain of salt.

Mr. MANN. I read from the statement reported to have been made by the minister of finance. He said:

> The Government—

That is, the Danish Government—

> felt bound to submit to the desire of a great state; the Government regretted that the colors had to be lowered, but when a hurricane was blowing one had to run before it.

Mr. MONTAGUE. Where was the hurricane blowing from?

Mr. MANN. From the United States.

Mr. MONTAGUE. I do not so understand the language.

Mr. MANN. There is no hurricane blowing except from the United States. No foreign country is doing anything with the West India Islands except Denmark and the United States. No other country is involved. None of the nations is interfering with the Danish West India Islands. There has been no threat on the part of any of the nations at war to seize those islands.

Mr. MONTAGUE. Has it met the gentleman's notice that the Danish Government owes a large sum of money to some European power, and that it is endeavoring to sell these islands in order to pay that debt?

Mr. MANN. That is not the case as I understand it, and the minister in making the reply stated in the Danish Parliament that it was not for such reason the islands were being sold. The statement is as plain as the face of a man that the Danish minister told the Danish Parliament the United States required them to turn these islands over to us and, if they did not do it, we might seize the islands.

Mr. MONTAGUE. Does the newspaper article say that the United States would seize the islands? Does it purport to say that?

Mr. MANN. The minister said:

What should be done, for instance, if the United States took possession of the islands? Should Denmark declare war on the United States or appeal to Europe?

Mr. MONTAGUE. Does the gentleman think the statement of a Danish minister to his own Parliament expresses the view or purpose of the United States, even assuming that the language is correct? I do not think a respectable public man in America of any party has advocated or would advocate seizure of these islands.

Mr. MANN. I think, if the statements in regard to the language of a minister in the Danish Parliament, cabled to this country, are not correct, the treaty ought to be made public, and the Government ought to deny the correctness of the statement. We have no information. The papers have stated the administration asked that this treaty be not made public. It is the usual thing to make the treaties public. [Applause.]

The SPEAKER pro tempore (Mr. HARDY). The time of the gentleman has expired. The gentleman from Tennessee [Mr. AUSTIN], who was to be recognized next, is not present. Therefore the Chair recognizes the gentleman from Virginia [Mr. JONES].

Mr. JONES. Mr. Speaker, the previous question was to be considered as ordered.

The SPEAKER pro tempore. Under the agreement, the previous question is ordered.

The question is on agreeing to the conference report on the Philippine bill.

The question was taken; and the Speaker pro tempore announced that the ayes seemed to have it.

Mr. MANN. Mr. Speaker, I ask for a division.

The House divided; and there were—ayes 34, noes 29.

So the conference report was agreed to.

On motion of Mr. JONES, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

Mr. JONES Mr. Speaker, I ask that all gentlemen who have spoken on this subject may extend their remarks in the RECORD during a period of five legislative days.

The SPEAKER pro tempore (Mr. GARRETT). The gentleman from Virginia asks unanimous consent that all gentlemen who have spoken on this subject may be permitted to extend their remarks in the RECORD for five legislative days. Is there objection?

There was no objection.

DISTRICT OF COLUMBIA APPROPRIATION BILL.

Mr. PAGE of North Carolina. Mr. Speaker, I wish to present a conference report on the District of Columbia appropriation bill (H. R. 15774), for printing under the rule; and in that connection, Mr. Speaker, I wish to ask unanimous consent that I may file the statement later in the day.

The SPEAKER pro tempore. The gentleman from North Carolina presents the conference report on the District of Columbia appropriation bill, which will be printed under the rule.

The SPEAKER pro tempore. The gentleman from North Carolina [Mr. PAGE] asks unanimous consent that the statement may be presented later in the day.

Mr. MANN. Of course it will be printed?

Mr. PAGE of North Carolina. It will be printed with the report.

Mr. STEENERSON. Will the gentleman from North Carolina state whether this is a complete agreement?

Mr. PAGE of North Carolina. No; it is not. It is a partial agreement.

Mr. STEENERSON. What is in disagreement?

Mr. PAGE of North Carolina. There are four or five different amendments on which we have not been able to agree.

Mr. STEENERSON. They will be laid before the House?

Mr. PAGE of North Carolina. Yes. The conference report will be laid before the House at the proper opportunity.

Mr. STEENERSON. Does that include the half-and-half proposition?

Mr. PAGE of North Carolina. Yes; without taking up too much time now, I may say it involves the half-and-half and the intangible tax amendment and the gas amendment, both of which I promised to bring back to the House, and some one or two other amendments that are not of much importance.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina [Mr. PAGE]?

There was no objection.

VETO MESSAGE—ARMY APPROPRIATION BILL (H. DOC. NO. 1334).

The SPEAKER pro tempore. The Chair lays before the House the following message from the President of the United States, which the Clerk will report.

The Clerk read the message, as follows:

To the House of Representatives:

I have carefully considered the bill (H. R. 16460) entitled "An act making appropriations for the support of the Army for the fiscal year ending June thirtieth, nineteen hundred and seventeen," and now take the liberty of returning it with my objections to its approval.

The bill constitutes an essential part of the legislation providing for the Military Establishment of the country and wisely and generously provides for the reorganization of the agencies of our national defense, and it is with genuine reluctance that I delay its becoming law by suggesting the elimination of one of the provisions which has been embodied in the very necessary and important revision of the Articles of War which has been added to it.

The existing Articles of War are undoubtedly archaic. They have not undergone comprehensive revision for more than 100 years. They do not always furnish the means of meeting promptly and directly the needs of discipline under modern conditions, and many contingencies now frequently arise in the government of the military forces which were not contemplated when the present code was formulated. The relations of the Government of the United States have greatly broadened within the hundred years. We now have insular possessions and national interests far away from our continental shores. Both the practice of arms and the theory of discipline have undergone many modern changes, and a manifest need for such a revision of these articles as is here presented has long existed. I, therefore, the more keenly regret to find in the proposed revision of the Articles of War a provision to which I can not give my approval.

The original act establishing the retired list of the Army (act of Aug. 3, 1861) referred to the personnel therein included as only partially retired, and provided that a retired officer should be entitled to wear the uniform of his grade, should be borne on the Army Register, and should be subject to the rules and Articles of War, and to trial by general court-martial for any breach of these articles. By the act of July 24, 1876, officers of the Army on the retired list were specifically declared to constitute a part of the Regular Army, a provision which is found repeated in subsequent acts affecting the organization of the Army; and other statutes enacted during this period made retired officers of the Army available for certain classes of active duty, in time of peace with their consent, and in time of war without their consent. By the recently enacted national defense act, the authority of the President over retired officers has been further extended so as to make them subject to his call in time of war for any kind of duty without any restriction whatever. Courts and Attorneys General have in a long line of decisions held that officers of the Army on the retired list hold public office. It thus appears that both the legislative and judicial branches have drawn a sharp distinction in status between retired officers, who are regarded and governed at all times as an effective reserve of skilled and experienced officers and a potential source of military strength, and mere pensioners, from whom no further military service is expected. Officers on the retired list of the Army are officers of the Army, members of the Military Establishment distinguished by their long service, and, as such, examples of discipline to the officers and men in the active Army. Moreover, they wear the uniform of the Army, their education and service hold them out as persons especially qualified in military matters to represent the spirit of the Military Establishment, and they are subject to active duty in time of national emergency by the mere order of the Commander in Chief. They are, therefore, members of the Army, officers of the United States, exemplars of discipline, and have in their keeping the good name and the good spirit of the entire Military Establishment before the world. Occupying such a relation, their subjection to the rules and Articles of War and to trial by general court-martial have always been regarded as necessary, in order that the retired list might not become a source of tendencies which would weaken the dis-

cipline of the active land forces and impair that control over those forces which the Constitution vests in the President.

The purpose of the Articles of War in times of peace is to bring about a uniformity in the application of military discipline which will make the entire organization coherent and effective, and to engender a spirit of cooperation and proper subordination to authority which will in time of war instantly make the entire Army a unit in its purpose of self-sacrifice and devotion to duty in the national defense. These purposes can not be accomplished if the retired officers, still a part of the Military Establishment, still relied upon to perform important duties, are excluded, upon retirement, from the wholesome and unifying effect of this subjection to a common discipline. I am persuaded that officers upon the retired list would themselves regard as an invidious and unpalatable discrimination which in effect excluded them from full membership in the profession to which they have devoted their lives, and of which by the laws of their country they are still members. So long as Congress sees fit to make the retired personnel a part of the Army of the United States, the constitutionality of the proposed exemption of such personnel from all liability under the Articles of War is a matter of serious doubt, leaving the President, as it does, without any means sanctioned by statute of exercising over the personnel thus exempted the power of command vested in him by the Constitution.

Convinced, as I am, of the unwisdom of this provision and of its baneful effect upon the discipline of the Army; doubting, as I do, the power of Congress wholly to exempt retired officers from the control of the President, while declaring them to be a part of the Regular Army of the United States, I am constrained to return this bill without my approval.

WOODROW WILSON.

THE WHITE HOUSE, *August 18, 1916.*

Mr. HAY. Mr. Speaker, I move to refer the veto message of the President to the Committee on Military Affairs.

The SPEAKER pro tempore. The gentleman from Virginia moves to refer the veto message of the President to the Committee on Military Affairs.

Mr. MANN. The bill and the veto.

Mr. HAY. Yes; the bill and the veto.

The SPEAKER pro tempore. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER pro tempore. The message and the bill are so referred.

Mr. HAY. Mr. Speaker, I will state that about two hours ago, on hearing that the President had vetoed the Army appropriation bill, I introduced a bill exactly like the Army appropriation bill as it passed the two Houses, with the exception of that part of the bill containing the Articles of War. That bill will be referred to the Committee on Military Affairs. I ask unanimous consent that it shall be in order on Tuesday next to consider that bill under suspension of the rules.

Mr. MANN. I suggest that the gentleman move to suspend the rules.

Mr. HAY. That it may be in order for me to move to suspend the rules on Tuesday and pass that bill.

The SPEAKER pro tempore. Does the gentleman know the number?

Mr. HAY. The number is H. R. 17498. I ask unanimous consent, Mr. Speaker, that that may be done. It is not necessary to have the bill reported.

Mr. MANN. The gentleman is not moving now for the passage of the bill?

Mr. HAY. No; I am not moving now for the passage of the bill. I am simply asking that it shall be in order for me on Tuesday next to move to suspend the rules and pass the bill.

The SPEAKER pro tempore. The gentleman from Virginia asks unanimous consent that on Tuesday next it shall be in order for him to move to suspend the rules and pass the Army appropriation bill.

Mr. MANN. The gentleman will have to get the number.

Mr. HAY. The bill is numbered H. R. 17498. I introduced the bill two or three hours ago.

The SPEAKER pro tempore. That is the inquiry the Chair made a moment ago.

Mr. HAY. If the Chair will put in the request the Army appropriation bill introduced by me to-day——

The SPEAKER pro tempore. The gentleman from Virginia asks unanimous consent that on Tuesday next it shall be in order for him to move to suspend the rules and consider the Army appropriation bill, H. R. 17498, introduced by him to-day. Is there objection?

There was no objection.

CHILD LABOR.

Mr. LEWIS. Mr. Speaker, I desire to ask the Chair to lay before the House the conference report on the bill (H. R. 8234) known as the child-labor bill.

The SPEAKER pro tempore. The gentleman from Maryland [Mr. LEWIS] calls up the conference report on the bill H. R. 8234, the child-labor bill, which the Clerk will read.

The Clerk read the conference report, as follows:

CONFERENCE REPORT (NO. 1107).

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 8234) "To prevent interstate commerce in the products of child labor, and for other purposes," having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same.

DAVID J. LEWIS,
J. M. C. SMITH,
Managers on the part of the House.

JOS. T. ROBINSON,
MOSES E. CLAPP,
Managers on the part of the Senate.

Mr. LEWIS. Mr. Speaker, as the members will recall, this bill, known as the child-labor bill, having passed the House went to the Senate, and the Senate passed it with certain amendments. I may say that the amendments by the Senate did not modify in any way the general objective of the bill—that is, the acts and the species of conduct intended to be prohibited by the House measure—but in considering the methods that should be employed for that purpose, especially in the leading, and what I may call the prohibitive clause, the Senate adopted a method of treatment somewhat different from that adopted by the House.

The House method of treatment was to stigmatize the particular products of child labor, in whole or in part, and prohibit the movement in interstate commerce of any such particular products. That clause, section 1, was amended by the Senate, and its treatment provides that wherever children are shown to have been employed by a manufacturer, and so forth, under the prohibited conditions, within one month of the offer of shipment of the product of such factory, then any shipment of any product of such factory shall be denied the privilege of interstate commerce.

I shall not go into any discussion of the slightly different constitutional aspects presented by the House method of treatment and the Senate method of treatment, unless discussion of that subject shall be considered necessary this afternoon. It may be said in favor of the Senate treatment that it renders the administration of the law itself, and the effectuation of the prohibitions of the law, easier than the House treatment would do, and is to be strongly recommended on that account. The difficulties in the way of obtaining evidence, of particularizing the special articles of the product of a mill which were sophisticated by child labor, in whole or in part, at once suggest themselves under the House treatment of the matter. The Senate treatment eliminates those difficulties, because any shipment of any of its products within one month after child labor has been employed in the factory makes out a case, under the indictment, for the Government. It need only prove that within one month of the objected shipment child labor was employed in the factory from which the article proceeded.

Before concluding I wish to express my appreciation of the valuable aid those in charge of the bill have received from its legislative author, Mr. KEATING, of Colorado.

If no gentleman desires any further information, I move the previous question on the adoption of the conference report.

The SPEAKER pro tempore (Mr. HARRISON). The gentleman from Maryland moves the previous question.

The previous question was ordered.

The conference report was agreed to.

On motion of Mr. LEWIS, a motion to reconsider the last vote was laid on the table.

THE NATIONAL GUARD.

Mr. HAY. Mr. Speaker, I am directed by the Committee on Military Affairs to report a privileged resolution.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

House resolution 326 (H. Rept. 1147).

Resolved, That the Secretary of War be, and he is hereby, directed, if not incompatible with the public interest, to inform the House of Representatives how many members of the National Guard taken into the service of the United States in compliance with the President's order of June 18, 1916, are recruits without any previous military experience.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

ADDITIONAL LABOR FOR FOLDING SPEECHES.

Mr. LLOYD. Mr. Speaker, I present the following privileged resolution from the Committee on Accounts.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

House resolution 335 (H. Rept. 1146).

Resolved, That the Doorkeeper is authorized to employ additional labor for folding speeches, at the rate of not exceeding $1 per 1,000, and that the sum of $2,500 is authorized to be expended out of the contingent fund for that purpose.

The resolution was agreed to.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had disagreed to the amendments of the House of Representatives to the bill (S. 6625) authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls, had asked a conference with the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. CHAMBERLAIN, Mr. HITCHCOCK, and Mr. WARREN as the conferees on the part of the Senate.

The message also announced that the Senate had passed without amendment bill of the following title:

H. R. 16700. An act to amend "An act relating to the Public Utilities Commission of the District of Columbia," approved March 4, 1913.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15774) making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1917, and for other purposes, had further insisted upon its amendments still in disagreement, had asked a further conference with the House on said amendments, and had appointed Mr. SMITH of Maryland, Mr. ROBINSON, and Mr. GALLINGER as the conferees on the part of the Senate.

The message also announced that the Senate had insisted upon its amendment to the bill (H. R. 14338) to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. CLARKE of Arkansas, Mr. FLETCHER, and Mr. NELSON as the conferees on the part of the Senate.

The message also announced that the Senate had agreed to the amendments of the House of Representatives to the bill (S. 19) relating to bills of lading in interstate and foreign commerce.

BITUMINOUS COAL.

Mr. RAINEY. Mr. Speaker, I ask unanimous consent for the present consideration of a resolution which I send to the Clerk's desk.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

House resolution 352.

Whereas it is alleged that unfair methods of competition are widely practiced in the bituminous coal-mining industry of the United States; and

Whereas it is alleged that in consequence thereof the industry in many districts has been demoralized financially, and numerous operating companies have been forced into receiverships; and

Whereas it is also alleged that in consequence thereof some 200,000,000 tons of coal are permanently lost to the Nation each year by unwise and improvident methods of mining; and

Whereas it is further alleged that in consequence thereof some 500,000 employees at the mines are kept idle from one-fourth to one-third of the working time, with much ensuing hardship and loss to themselves and those dependent upon them; and

Whereas such conditions, if existing in the bituminous coal industry, vitally touch the interests and welfare of the public as a whole: Therefore be it

Resolved, That the Federal Trade Commission be, and is hereby, directed to begin and make inquiry immediately into the conditions in the production and distribution of bituminous coal and to report the facts to Congress with recommendations.

The SPEAKER pro tempore. Is there objection?

Mr. MADDEN. Mr. Speaker, reserving the right to object, there are many other industries in the United States that are just as much in jeopardy as the coal industry is. If the Federal Trade Commission are to be authorized to investigate the difficulties that surround the coal industry, there is no reason why they should not be permitted or requested or required to investigate all the other industries. We have 250,000 corporations in the United States, and about 100,000 of these corporations lose money every year. Of course, some of them are engaged in the coal business, some of them are engaged in the stone-quarry business, some of them are engaged in manufacturing iron and steel, and all other kinds of things. Of the remaining 150,000 corporations, we have about 60,000 that do not make $5,000 a year, and we have a large number of corporations engaged in manufacturing, mining, and other industries of the country that are living from hand to mouth. Neither the men employed in them nor the owners of the institutions are able to get the income from them which their industry justifies. It does not seem to me that the coal industry ought to be specially selected for this kind of an investigation. If I give consent for the consideration of this resolution, I would like to offer an amendment which will include corporations and industries of other kinds, as well as the coal industry.

Mr. RAINEY. Mr. Speaker, I will say to my colleague that at the present time the Federal Trade Commission, under a Senate resolution (S. Res. 217, 1st sess. 64th Cong.) are investigating the anthracite coal industry of the United States. They find that the two industries, the bituminous coal industry and the anthracite coal industry, overlap and merge in such a way that an investigation of both industries can be conducted at the same time and with the same amount of difficulty and expense as the investigation of only one of them. This investigation has been requested both by the operators and by the men who labor in the mines, and has been requested by the following organizations among others: The Chamber of Commerce of the United States, the American Federation of Labor, the United Mine Workers of the World, the American Mining Congress, Pennsylvania and Ohio Coal Operators, Central West Virginia Coal Operators' Association, Splint & Gas Coal Association of West Virginia, Southern Appalachian Coal Operators' Association, Southwestern Coal Operators' Association, the Chicago Coal Merchants' Association, Indiana Coal Operators' Association, Indiana Coal Trade Bureau, Franklin County Coal Operators' Association (Illinois), Williamson County Coal Operators' Association (Illinois), Central Illinois Coal Bureau.

Mr. MADDEN. Will the gentleman yield?

Mr. RAINEY. Certainly.

Mr. MADDEN. I am willing to concede the fact that most of the people engaged in this line of industry are losing money and that the trade is in a demoralized condition, and that there is some necessity for some such investigation as the resolution my colleague contemplates, but there are industries that are in as precarious condition as this, and my thought is that while the investigation is going on that it ought to cover a wider field, but if this is simply to complete an investigation that has already begun——

Mr. RAINEY. That is all.

Mr. MADDEN (continuing). I am not going to object, but some day in the not distant future I shall ask to have other industries, just as badly off as this, turned over to the Federal Trade Commission for investigation and report.

Mr. RAINEY. And I shall not object to that.

The SPEAKER pro tempore (Mr. GARRETT). Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none.

The resolution was considered and agreed to.

JACOB HOFFMAN.

Mr. COX. Mr. Speaker, I call up House resolution 343.

The SPEAKER pro tempore. The gentleman from Indiana calls up House resolution 343, which the Clerk will report.

The Clerk read as follows:

House resolution 343.

Resolved, That the Secretary of State be, and he is hereby, requested to furnish the House of Representatives with a statement showing why Jacob Hoffman (Naeger), a citizen of the United States of America, born and raised in Dubois County, Ind., is now arrested and detained by the English military authorities at Victoria, British Columbia, Canada, and to furnish the House with information showing what crime, or crimes, if any, the said Jacob Hoffman (Naeger) has committed against the British Government in Canada, showing when he was arrested, by whom, and by what authority, whether by military or civil authority, whether arrested upon affidavit duly sworn to or upon oral authority or upon suspicion, and whether he has ever been given a trial and hearing, and if so, when and where, and before what tribunal, military or civil, and what was the judgment and decree of the court imposed upon him, and where he is now and how confined.

The SPEAKER pro tempore. The gentleman from Indiana calls this up as a privileged resolution, and the question is on its passage.

The resolution was considered and agreed to.

EMPLOYMENT OF FEDERAL PRISONERS.

Mr. HOWARD. Mr. Speaker, I ask unanimous consent for the present consideration of Senate joint resolution 151, authorizing the appointment of a special joint commission of the Senate and House of Representatives to investigate the employment of Federal prisoners in industrial occupations for the benefit of the Government of the United States.

The SPEAKER pro tempore. The gentleman from Georgia asks unanimous consent for the present consideration of the resolution, which the Clerk will report.

The Clerk read the resolution at length.

The SPEAKER pro tempore. Is there objection?

Mr. CLARK of Florida. Mr. Speaker, there are a number of special orders to-day. Gentlemen have been here all day waiting, and I do not think it is exactly right to take up the entire time of the day with these matters. If there is to be absolutely no discussion on this matter I will not object, but if there is to be any, I shall object.

The SPEAKER pro tempore. The gentleman asks unanimous consent for the present consideration of the Senate joint resolution.

Mr. HOWARD. Mr. Speaker, I desire just a minute to make a statement, and that is all. This is the resolution introduced at the instigation of the Attorney General of the United States in the Senate by Senator SMITH of Georgia, and in the House by myself. The two resolutions are identical. On or about the 1st of June, 1917, in the United States penitentiaries at Leavenworth and at Atlanta, the building program of these penitentiaries will have been completed. The object of this resolution is to appoint a general committee of the Senate and House for the purpose of making an investigation as to what uses the convicts can be put to for the Government of the United States, and to make a report at the next session of Congress for the purpose of determining what they will do, so that they will not come in contact, either locally or generally, with the free labor of the country. It is an important resolution. The Attorney General has urged that it be done; and it has already passed the Senate, and I hope that my good and distinguished friend from Illinois will not object, so that at the next session of Congress we can have some information before us that will be of some value to the House and the Senate in order that Congress may properly legislate for these convicts. If something is not done the Attorney General says that all of next year the convicts will have nothing to do, because the cell houses are already complete and the penitentiaries will be completed by that time.

Mr. MANN. I am in sympathy with the general purpose of the resolution of employing convicts in Government prisons. That matter has been under consideration for hundreds and thousands of years, and very actively under consideration in this country for a good many years. I do not think it is possible for a committee of Congress between the adjournment of this Congress and next December to settle this question. That is what is proposed by the resolution. I hope that the Attorney General will have some one go ahead and make an investigation relative to the matter. I know that Members of Congress after adjournment—and nobody knows when that is going to take place—will be mostly engaged in taking a necessary vacation or getting ready to prevent a two years' enforced vacation. I think this ought to be considered, and I shall have to object.

The SPEAKER pro tempore. The gentleman from Illinois objects. The gentleman from Florida [Mr. CLARK] is recognized for 30 minutes.

ORDER OF BUSINESS.

Mr. MANN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore (Mr. GARRETT). The gentleman will state it.

Mr. MANN. What became of the proposition of the gentleman from California [Mr. RANDALL] where he asked to have laid before the House a Senate bill, there being a similar bill on the House Calendar? Has that gone over for the afternoon?

The SPEAKER pro tempore. The present occupant of the chair was not in the chair at the time of those proceedings. He was, however, upon the floor of the House, and, as the Chair recalls, upon the gentleman calling up the bill the gentleman from Wisconsin [Mr. STAFFORD] made the point of order that no quorum was present, and then subsequently withdraw that point of order.

Mr. MANN. A privileged matter came in.

The SPEAKER pro tempore. Thereupon the Speaker recognized other gentlemen. The Chair would be of opinion, just from his personal recollection, that the matter called up by the gentleman from California is pending before the House at this time, and if the point be made the Chair will so hold.

Mr. MANN. I am not seeking to bring the matter before the House. I am only seeking to know what was going to be done with it.

The SPEAKER pro tempore. The Chair will ask the gentleman from California if he has withdrawn his motion?

Mr. RANDALL. Mr. Speaker, in view of the anxiety of a great many Members to occupy a good deal of time this afternoon I am going to ask that my matter go over until the next session of the House.

Mr. MANN. The gentleman need not ask to go over. He can simply withdraw his present request.

Mr. RANDALL. Then I withdraw the present request.

The SPEAKER pro tempore. The gentleman from California withdraws his request.

Mr. STAFFORD. With the understanding that it will not be presented again to-day?

Mr. RANDALL. Yes.

Mr. DYER. Mr. Speaker, I would like to know what is the order of business of the House for this afternoon?

The SPEAKER pro tempore. Under the order of the House several gentlemen are to be recognized for the purpose of addressing the House.

Mr. DYER. Mr. Speaker, will the Chair kindly state in what order they come?

The SPEAKER pro tempore. According to a memorandum before the Chair the gentleman from Florida [Mr. CLARK] is first to be recognized for 30 minutes, then the gentleman from Wisconsin [Mr. REILLY] for 30 minutes, the gentleman from Pennsylvania [Mr. TEMPLE] for 60 minutes, the gentleman from Connecticut [Mr. HILL] for 60 minutes, the gentleman from Ohio [Mr. ALLEN] for 15 minutes, the gentleman from Kentucky [Mr. BARKLEY] for an hour, the gentleman from Massachusetts [Mr. GILLETT] for 30 minutes, the gentleman from Illinois [Mr. SABATH] for 20 minutes, and the gentleman from Missouri [Mr. DYER] for 30 minutes.

Mr. MANN. Mr. Speaker, an order has already been entered that gentlemen who are not reached to-day in their order are to be carried over until Tuesday next.

The SPEAKER pro tempore. The Chair so understands. The gentleman from Florida [Mr. CLARK] is recognized under a previous order heretofore made for 30 minutes.

JUSTICE CHARLES EVANS HUGHES.

Mr. CLARK of Florida. Mr. Speaker, when amid the sounding of many trumpets and the blare of many bands the national Republican convention at Chicago brought forth as their candidate for the Presidency of this great Republic Justice Charles Evans Hughes, of the Empire State of New York, it was proclaimed throughout the length and breadth of the land that the distracted Republican Party had at last found a Moses who was to lead that benighted band of hungry patriots out of the wilderness. It was the most sudden, unexpected prearranged nomination ever handed to a waiting, expectant, unwilling nominee. It was the first exhibition in American political life of an active candidate for office accepting under protest a nomination which had been industriously sought for many months. For many weeks after this most remarkable political performance the people were daily regaled with columns of articles in many newspapers and magazines descriptive of this marvelous leader and his mission in the world. He was pictured as a towering giant among his fellows, especially annointed for the purpose and sent into the political world to right all the wrongs, redress all the grievances, and obliterate all the inequalities which afflict mankind. It was loudly proclaimed both by the "old guard" and the shattered remnants of the valorous legion which four years ago followed the "waving plume" of "Terrible Teddy," that under the matchless leadership of this mighty man the Republican hosts would again march to victory and direct the destinies of the Republic.

With this picture in mind the people waited expectantly for the mighty one to make his first deliverance, having every right to assume that it would be weighty with statesmanlike utterances and filled with thoughts and suggestions for the betterment of mankind. As his mission was to right the wrongs, redress the grievances, and wipe out the inequalities existing among his countrymen, they supposed he had a message to deliver which would carry some remedial suggestion. It was understood that he was too big of brain to content himself with merely complaining of existing evils, but that he would go

further and prescribe the remedy; that he would not simply criticize conditions but would also point out the necessary reforms. Carping criticism and remediless complaint are both the products of the small brain, and of course nothing of this kind was expected from the eminent justice and brilliant former governor of the greatest State in all the Union.

Finally, the great day when the oracle was to make deliverance came, and the whole people anxiously waited for the words of wisdom and statesmanship that never fell upon their ears. Mr. Speaker, when I read that speech of acceptance delivered by Mr. Hughes, I involuntarily exclaimed, "How have the mighty fallen." [Applause on the Democratic side.] A speech of some 8,000 words, filled with criticism and complaint, and not one word of remedy throughout the whole affair. He complains of the manner in which the President acted on a number of occasions, but never once does he intimate how he would have acted had he been President. He complains of the action of the President, but never once does he declare that he would have acted differently. Throughout the entire speech nothing remedial is suggested, no reform is mentioned, no constructive legislation is advocated, and on the whole the distinguished gentleman seemed to be mortally afraid that he might directly or indirectly commit himself on some inconsequential proposition. That speech reminds me of a story told on another distinguished gentleman, who was at one time governor of another State. This governor had the reputation of never taking a positive stand on any question. A newspaper man on one occasion sought to interview him on a certain pending important public question. Every time he asked a question the governor parried, and finally the newspaper man gave up in disgust, but on leaving he turned to the governor and in sarcastic tones said: "Well, governor, what do you think of the equator?" "Well, my friend," said the governor, "I hardly know; the fact is a good deal can be said on both sides of it." [Laughter.]

Mr. Hughes could find no issue in his speech of acceptance, but after he struck the trail toward the limitless West, he has found two or three issues upon which, I suppose, he wants this campaign fought out. I shall not discuss the very heinous charge he makes against the administration of supplanting two Republicans with two Democrats in minor departmental positions. Of course that was real cruel, and according to the supersensitive ideas of the great justice should not have been done, but I am a disciple of Andrew Jackson and believe that "to the victor belongs the spoils," and therefore it would have suited me exactly if every place in the Government service had been filled by a Democrat. [Applause on the Democratic side.]

What I desire to refer to briefly is the puny effort of Mr. Hughes to dig up the "bloody shirt" and wave it again for his personal advantage over a happy, united, and contented people.

Mr. Speaker, I refer to this matter with regret and sorrow. Regret that one of such supposed high ideals, patriotic impulses, and broadness of view could stoop to so unenviable a task, and sorrow that at this late day a candidate of a great party for the Presidency can be found who is willing to pitch the campaign on so low a plane. [Applause on the Democratic side.] The brave men of the North and the South—they who for four long years bore the shock of battle—ceased fighting at Appomattox. They had tested the metal of each other on many a hard-fought and blood-stained field, and finally, when the star of the Southern Confederacy went down in the gloom of defeat on the field of Appomattox, both sides to that awful conflict had a wholesome respect for the other. Arms were grounded, and the soldiers of Lee and Grant went home and set about the task of building a stronger, better, and more powerful Republic. From that April day in 1865 until this good hour no real soldier, whether he wore the blue or the gray, has been known to utter a single sentiment meant to reopen the wounds of sectional strife.

It is true that for many years after the close of that fratricidal struggle vicious politicians on both sides frantically waved the "bloody shirt" in the interest of their political fortunes, but these men never smelled gunpowder and if in view of the struggle at all it was in the capacity of camp followers. It was hoped, Mr. Speaker, that this tribe of political leaders had "gone the way of all the earth" and that we should "never look upon their like again," but in this goodly year of 1916, when our people are enjoying the fruits of profound peace and our land is smiling with plenty, this great leader of the Republican Party without any real issue to present to the people, has descended from the lofty mount of real statesmanship to the muddy plain of demagogy and is attempting to rally the Republican hosts to the standard of the "bloody shirt."

It will be remembered that the South tried to leave the Union and to leave it peaceably, but our northern brethren said, "No, you shall not leave us. You are a part of this Union and you must stay in it." Four years of war followed and the South was kept in the Union by force. Now, 51 years after the end of that war we find a Republican candidate for President going about over the land proclaiming in substance that the Southern States are in the Union—in fact that they never were out—but that they have no right to participate in the Government of the United States. He charges the present administration with being sectional and in proof of his charges he asserts that practically all the committees of Congress have chairmen from the South. Mr. Hughes knows that it has always been the custom of both parties to settle the chairmanships of committees by the rule of seniority and he further knows that as the South has steadily kept her Democratic Representatives here these gentlemen are entitled to their chairmanships under the operation of this rule of seniority.

He attempts to leave the impression upon his audiences that practically all the House committees have southern chairmen and that therefore the "South is in the saddle." I have prepared a statement showing who are the chairmen in the present (Sixty-fourth) Democratic Congress, and it will appear that the 11 seceding Southern States have 31 chairmen, the border States, and by this I mean the Middle States of Kentucky, West Virginia, Maryland, Missouri, and Oklahoma, have 11 chairmen, and the Northern States have 17 chairmen. The table is as follows:

CHAIRMANSHIPS OF HOUSE COMMITTEES HELD BY REPRESENTATIVES FROM THE 11 STATES WHICH SECEDED FROM THE UNION.

[Sixty-fourth Congress.]

DEMOCRATIC.

Asbury F. Lever, South Carolina, Agriculture.
Carter Glass, Virginia, Banking and Currency.
Edward W. Pou, North Carolina, Claims.
Dudley M. Hughes, Georgia, Education.
Hubert D. Stephens, Mississippi, Elections No. 1.
Lewis L. Morgan, Louisiana, Elections No. 3.
Ladislas Lazaro, Louisiana, Enrolled Bills.
Robert L. Doughton, North Carolina, Expenditures in the Department of Agriculture.
Rufus Hardy, Texas, Expenditures in the Navy Department.
Benjamin G. Humphreys, Mississippi, Flood Control.
Henry D. Flood, Virginia, Foreign Affairs.
John L. Burnett, Alabama, Immigration and Naturalization.
John H. Stephens, Texas, Indian Affairs. (Mr. Carter, Oklahoma, ranking member.)
William A. Jones, Virginia, Insular Affairs.
William C. Adamson, Georgia, Interstate and Foreign Commerce.
William R. Smith, Texas, Irrigation of Arid Lands. (Mr. Taylor, Colorado, ranking member.)
Edwin Y. Webb, North Carolina, the Judiciary.
James L. Slayden, Texas, the Library.
James F. Byrnes, South Carolina, Mileage.
James Hay, Virginia, Military Affairs.
Lemuel P. Padgett, Tennessee, Naval Affairs.
John A. Moon, Tennessee, the Post Office and Post Roads.
Frank Clark, Florida, Public Buildings and Grounds.
Martin Dies, Texas, Railways and Canals.
Hannibal L. Godwin, North Carolina, Reform in the Civil Service.
John T. Watkins, Louisiana, Revision of the Laws.
Stephen M. Sparkman, Florida, Rivers and Harbors.
Robert L. Henry, Texas, Rules.
William C. Houston, Tennessee, the Territories.
Alexander W. Gregg, Texas, War Claims.
Claude Kitchin, North Carolina, Ways and Means.

CHAIRMANSHIPS OF HOUSE COMMITTEES HELD BY REPRESENTATIVES FROM BORDER STATES.

[Sixty-fourth Congress.]

James T. Lloyd, Missouri, Accounts.
J. Fred C. Talbott, Maryland, Disposition of Useless Executive Papers.
Harvey Helm, Kentucky, Census.
Ben Johnson, Kentucky, District of Columbia.
William W. Rucker, Missouri, Election of President, Vice President, and Representatives in Congress.
Courtney W. Hamlin, Missouri, Expenditures in the State Department.
James C. Cantrill, Kentucky, Industrial Arts and Expositions.
David J. Lewis, Maryland, Labor.
Joshua W. Alexander, Missouri, Merchant Marine and Fisheries.
Scott Ferris, Oklahoma, Public Lands.
Dorsey W. Shackleford, Missouri, Roads.

CHAIRMANSHIPS OF HOUSE COMMITTEES HELD BY REPRESENTATIVES FROM NORTHERN STATES.

[Sixty-fourth Congress.]

Adolph J. Sabath, Illinois, Alcoholic Liquor Traffic.
John J. Fitzgerald, New York, Appropriations.
William A. Ashbrook, Ohio, Coinage, Weights, and Measures.
James A. Hamill, New Jersey, Elections No. 2.
Charles B. Smith, New York, Expenditures in the Department of Commerce.
Tom Stout, Montana, Expenditures in the Interior Department.
Warren Worth Bailey, Pennsylvania, Expenditures in the Department of Justice.
James P. Maher, New York, Expenditures in the Department of Labor.
Clyde H. Tavenner, Illinois, Expenditures in the Post Office Department.
Charles O. Lobeck, Nebraska, Expenditures in the Treasury Department.
John A. M. Adair, Indiana, Expenditures in the War Department.
Thomas F. Konop, Wisconsin, Expenditures on Public Buildings.
Isaac R. Sherwood, Ohio, Invalid Pensions.
Martin D. Foster, Illinois, Mines and Mining.
Martin A. Morrison, Indiana, Patents.
John A. Key, Ohio, Pensions
Henry A. Barnhart, Indiana, Printing.

I want to say here that among the 17 chairmen of the House who come from the North stands preeminently that gallant Union soldier, whom every patriot in this House, be he Democrat or Republican, must love, Gen. ISAAC R. SHERWOOD, the chairman of the Committee on Invalid Pensions. [Applause.] If we are not to be trusted, if we are aliens in our own land, why should we elevate this distinguished general of the Union Army? It is because he is a patriot, because he is a true representative of the people of the country, and is entitled to it by the seniority rule. As I said before, every man from the North or from the South must admire, respect, and love this gallant man, than whom there was no nobler in all the hosts that followed Grant. [Applause.] Another man, who is a younger one, from that same State is also chairman of an important committee, and I refer to that brilliant young Democrat from the State of Ohio, Mr. JOHN A. KEY, chairman of the Committee on Pensions. [Applause on the Democratic side.]

If the fact that the South has a few more chairmen in the House in this Democratic Congress than the North makes this a sectional administration, what must be thought of the administrations during the Fifty-eighth, Fifty-ninth, Sixtieth, and Sixty-first Congresses, when the Republicans controlled the House, and during which four Congresses not a solitary man from the South held a chairmanship, although in each of those Congresses there were some very able Republican Members from the South? I present tables showing the names and States of the chairmen in those four Congresses.

There sat on the Republican side during those Congresses such men as Walter P. Brownlow, of Tennessee; RICHARD W. AUSTIN, now with us, a magnificent Representative; Nathan W. Hale, of Tennessee; Grant, of North Carolina; and others; and yet in all these four Congresses not a single southern Republican was chairman of a committee. Aye, more than that, Mr. Speaker, if they will go back to the Fifty-fourth Congress, they will find that the State of Maine had only four Representatives in that Congress. Mr. Reed, of Maine, was the Speaker; Mr. Dingley, of Maine, was the chairman of the Committee on Ways and Means, and therefore the majority leader upon the floor of the House; Mr. Boutelle, of Maine, was chairman of the Committee on Naval Affairs; and Mr. Milliken, of Maine, was chairman of the Committee on Public Buildings and Grounds. Here is the lists of chairmanships in the four Republican Congresses referred to:

CHAIRMANSHIPS OF HOUSE COMMITTEES HELD BY REPRESENTATIVES FROM NORTHERN STATES IN THE FIFTY-EIGHTH CONGRESS.

Accounts: Charles Q. Hildebrant, Ohio.
Agriculture: James W. Wadsworth, New York.
Alcoholic Liquor Traffic: Nehemiah D. Sperry, Connecticut.
Appropriations: James A. Hemenway, Indiana.
Banking and Currency: Charles N. Fowler, New Jersey.
Census: Edgar D. Crumpacker, Indiana.
Claims: Joseph V. Graff, Illinois.
Coinage, Weights, and Measures: James H. Southard, Ohio.
District of Columbia: Joseph W. Babcock, Wisconsin.
Education: George N. Southwick, New York.
Elections No. 1: James R. Mann, Illinois.
Elections No. 2: Marlin E. Olmsted, Pennsylvania.
Elections No. 3: Michael E. Driscoll, New York.
Expenditures, Department of Agriculture: Charles F. Wright, Pennsylvania.
Expenditures, Department of Justice: William A. Calderhead, Kansas.
Expenditures, Department of the Interior: Edward S. Minor, Wisconsin.
Expenditures, Department of the Navy: William S. Greene, Massachusetts.
Expenditures, Post Office Department: Irving P. Wanger, Pennsylvania.
Expenditures, Department of State: John H. Ketcham, New York.
Expenditures in the Treasury Department: Robert G. Cousins, Iowa.
Expenditures, War Department: William R. Warnock, Ohio.
Foreign Affairs: Robert R. Hitt, Illinois.
Immigration and Naturalization: Benjamin F. Howell, New Jersey.
Indian Affairs: James S. Sherman, New York.
Industrial Arts and Expositions: James A. Tawney, Minnesota.
Insular Affairs: Henry A. Cooper, Wisconsin.
Interstate and Foreign Commerce: William P. Hepburn, Iowa.
Invalid Pensions: Cyrus A. Sulloway, New Hampshire.
Irrigation of Arid Lands: Frank W. Mondell, Wyoming.
Judiciary: John J. Jenkins, Wisconsin.
Labor: John J. Gardner, New Jersey.
Library: James T. McCleary, Minnesota.
Manufactures: Joseph C. Sibley, Pennsylvania.
Merchant Marine and Fisheries: Charles H. Grosvenor, Ohio.
Mileage: William A. Reeder, Kansas.
Military Affairs: John A. T. Hull, Iowa.
Militia: Edward Morrell, Pennsylvania.
Mines and Mining: Webster E. Brown, Wisconsin.
Naval Affairs: George E. Foss, Illinois.
Pacific Railroads: William Alden Smith, Michigan.
Patents: Frank D. Currier, New Hampshire.
Pensions: Henry C. Loudenslager, New Jersey.
Post Office and Post Roads: Jesse Overstreet, Indiana.
Printing: Charles B. Landis, Indiana.
Private Land Claims: George W. Smith, Illinois.
Public Buildings and Grounds: Charles W. Gillet, New York.
Public Lands: John F. Lacey, Iowa.
Railways and Canals: James H. Davidson, Wisconsin.
Reform in Civil Service: Frederick H. Gillett, Massachusetts.
Revision of the Laws: Vespasian Warner, Illinois.
Rivers and Harbors: Theodore E. Burton, Ohio.
Rules: The Speaker.
Territories: Edward L. Hamilton, Michigan.
Ventilation and Acoustics: Roswell P. Bishop, Michigan.
War Claims: Thaddeus M. Mahon, Pennsylvania.
Ways and Means: Sereno E. Payne, New York.

Chairmanships of House committees held by Representatives from the Southern States in the Fifty-eighth Congress: None.

Republican Representatives from the Southern States in the Fifty-eighth Congress:

Tennessee: Walter P. Brownlow and Henry R. Gibson.
Virginia: Campbell Slemp.

CHAIRMANSHIPS OF HOUSE COMMITTEES HELD BY REPRESENTATIVES FROM BORDER STATES IN THE FIFTY-EIGHTH CONGRESS.

Joseph H. Gaines, West Virginia, Election of President, Vice President, and Representatives in Congress.
Frank C. Wachter, Maryland, Enrolled Bills.
James A. Hughes, West Virginia, Expenditures on Public Buildings.
Richard Bartholdt, Missouri, Levees and Improvement of Mississippi River.

Republican Representatives from border States in the Fifty-eighth Congress:

Kentucky: W. Godfrey Hunter.
Missouri: Richard Bartholdt.
Maryland, William H. Jackson, Frank C. Wachter, Sydney E. Mudd, and George A. Pearre.
West Virginia: Blackburn B. Dovener, Alston G. Dayton, Joseph Holt Gaines, Harry C. Woodyard, and James A. Hughes.

CHAIRMANSHIPS OF HOUSE COMMITTEES HELD BY REPRESENTATIVES FROM NORTHERN STATES IN THE FIFTY-NINTH CONGRESS.

Accounts: H. Burd Cassel, Pennsylvania.
Agriculture: James W. Wadsworth, New York.
Alcoholic Liquor Traffic: Nehemiah D. Sperry, Connecticut.
Appropriations: James A. Tawney, Minnesota.
Banking and Currency: Charles N. Fowler, New Jersey.
Census: Edgar C. Crumpacker, Indiana.
Claims: James M. Miller, Kansas.
Coinage, Weights, and Measures: James H. Southard, Ohio.
Disposition of Useless Executive Papers: Arthur L. Bates, Pennsylvania.
District of Columbia: Joseph W. Babcock, Wisconsin.
Education: George N. Southwick, New York.
Elections No. 1: James R. Mann, Illinois.
Elections No. 2: Marlin E. Olmsted, Pennsylvania.
Elections No. 3: Michael E. Driscoll, New York
Expenditures, Department of Agriculture: Charles E. Littlefield, Maine.
Expenditures, Department of Commerce and Labor: David J. Foster, Vermont.
Expenditures, Department of Justice: William A. Calderhead, Kansas.
Expenditures, Department of Interior: Edward S. Minor, Wisconsin.
Expenditures, Department of Navy: Joseph W. Fordney, Michigan.
Expenditures, Department of Post Office: Irving P. Wanger, Pennsylvania.
Expenditures, Department of State: John W. Weeks, Massachusetts.
Expenditures, Department of the Treasury: Robert G. Cousins, Iowa.
Expenditures, Department of War: George P. Lawrence, Massachusetts.
Foreign Affairs: Robert G. Cousins, Iowa.
Immigration and Naturalization: Benjamin F. Howell, New Jersey.
Indian Affairs: James S. Sherman, New York.
Industrial Arts and Expositions: Augustus P. Gardner, Massachusetts.
Insular Affairs: Henry A. Cooper, Wisconsin.
Interstate and Foreign Commerce: William P. Hepburn, Iowa.
Invalid Pensions: Cyrus A. Sulloway, New Hampshire.
Irrigation of Arid Lands: Frank W. Mondell, Wyoming.
Judiciary: John J. Jenkins, Wisconsin.
Labor: John J. Gardner, New Jersey.
Levees and Improvements of Mississippi River: George W. Prince, Illinois.
Library: James T. McCleary, Minnesota.
Manufactures: Joseph C. Sibley, Pennsylvania.
Merchant Marine and Fisheries: Charles H. Grosvenor, Ohio.
Mileage: William A. Reeder, Kansas.
Military Affairs: John A. T. Hull, Iowa.
Militia: Edward De V. Morrell, Pennsylvania.
Mines and Mining: Webster E. Brown, Wisconsin.
Naval Affairs: George Edmund Foss, Illinois.
Pacific Railroads: Thomas S. Butler, Pennsylvania.
Patents: Frank D. Currier, New Hampshire.
Pensions: Henry C. Loudenslager, New Jersey.
Post Office and Post Roads: Jesse Overstreet, Indiana.
Printing: Charles B. Landis, Indiana.
Private Land Claims: George W. Smith, Illinois.
Public Lands: John F. Lacey, Iowa.
Railways and Canals: James H. Davidson, Wisconsin.
Reform in Civil Service: Frederick H. Gillett, Massachusetts.
Revision of the Laws: Reuben O. Moon, Pennsylvania.
Rivers and Harbors: Theodore E. Burton, Ohio.
Rules: The Speaker.
Territories: Edward L. Hamilton, Michigan.
Ventilation and Acoustics: Roswell P. Bishop, Michigan.
War Claims: Thaddeus M. Mahon, Pennsylvania.
Ways and Means: Sereno E. Payne, New York.

Chairmanships of House committees held by Representatives from Southern States in the Fifty-ninth Congress: None.

Republican Representatives from the Southern States in the Fifty-ninth Congress:

North Carolina: E. Spencer Blackburn.
Tennessee: Walter P. Brownlow and Nathan W. Hale.
Virginia: Campbell Slemp.

CHAIRMANSHIPS OF HOUSE COMMITTEES HELD BY REPRESENTATIVES FROM THE BORDER STATES IN THE FIFTY-NINTH CONGRESS.

Joseph H. Gaines, West Virginia, Election of President, Vice President, and Representatives in Congress.
Frank C. Wachter, Maryland, Enrolled Bills.

James A. Hughes, West Virginia, Expenditures on Public Buildings.
Republican Representatives from the border States in the Fifty-ninth Congress:
Kentucky: James B. Bennett and Don C. Edwards.
Missouri: Frank B. Kleppen, Frank B. Fulkerson, Edgar C. Ellis, John Wilborn, Richard Bartholdt, Marion E. Rhodes, William T. Tyndall, Cassius M. Shartel, and Arthur P. Murphy.

CHAIRMANSHIPS OF HOUSE COMMITTEES HELD BY REPUBLICAN REPRESENTATIVES FROM NORTHERN STATES IN THE SIXTIETH CONGRESS.

Charles N. Fowler, New Jersey, Banking and Currency.
Henry S. Boutell, Illinois, Charges Against Membership of the House.
James M. Miller, Kansas, Claims.
James R. Mann, Illinois, Distribution of House Rooms.
George N. Southwick, New York, Education.
James R. Mann, Illinois, Elections No. 1.
Martin E. Olmstead, Pennsylvania, Elections No. 2.
Edwin W. Higgins, Connecticut, Expenditures in the Department of Agriculture.
Gilbert N. Haugen, Iowa, Expenditures in the Department of the Interior.
John W. Weeks, Massachusetts, Expenditures in the Department of State.
Philip Knopf, Illinois, Expenditures in the Department of the Treasury.
Robert G. Cousins, Iowa, Foreign Affairs.
James S. Sherman, New York, Indian Affairs.
Augustus P. Gardner, Massachusetts, Industrial Arts and Expositions.
Henry A. Cooper, Wisconsin, Insular Affairs.
William P. Hepburn, Iowa, Interstate and Foreign Commerce.
John J. Jenkins, Wisconsin, Judiciary.
George W. Prince, Illinois, Levees and Improvements of Mississippi River.
Charles N. Brum, Pennsylvania, Mileage.
Jesse Overstreet, Indiana, Post Office and Post Roads.
Charles B. Landis, Indiana, Printing.
Thomas F. Marshall, North Dakota, Private Land Claims.
Theodore E. Burton, Ohio, Rivers and Harbors.
William H. Graham, Pennsylvania, Ventilation and Accoustics.
Kittredge Haskins, Vermont, War Claims.

CHAIRMANSHIPS OF HOUSE COMMITTEES HELD BY REPRESENTATIVES FROM BORDER STATES IN THE SIXTIETH CONGRESS.

James A. Hughes, West Virginia, Accounts.
Joseph H. Gaines, West Virginia, Election of President, Vice President, and Representatives in Congress.
Sydney E. Mudd, Maryland, Expenditures in the Department of Justice.
Republican Representatives from border States in the Sixtieth Congress:
Kentucky: Addison D. James, James B. Bennett, John W. Langley, and Don C. Edwards.
Missouri: Edgar C. Ellis, Richard Bartholdt, Henry S. Canfield, and Harry M. Cowdrey.
Oklahoma: Bird S. McGuire.
Maryland: William H. Jackson, Sydney E. Mudd, and George A. Pearre.
West Virginia: William P. Hubbard, George C. Sturgiss, Joseph Holt Gaines, Harry C. Woodyard, and James A. Hughes.
Chairmanships of House committees held by southern Representatives in the Sixtieth Congress. Republicans: None.
Republican Representatives from Southern States in the Sixtieth Congress:
Tennessee: Walter P. Brownlow and Nathan W. Hale.
Virginia: Campbell Slemp (succeeded in December, 1907 by his son C. Bascom Slemp).

CHAIRMANSHIPS OF HOUSE COMMITTEES HELD BY NORTHERN REPRESENTATIVES IN THE SIXTY-FIRST CONGRESS.

Charles F. Scott, Kansas, Agriculture.
Nehemiah D. Sperry, Connecticut, Alcoholic Liquor Traffic.
James A. Tawney, Minnesota, Appropriations.
Edward B. Vreeland, New York, Banking and Currency.
Edgar D. Crumpacker, Indiana, Census.
George W. Prince, Illinois, Claims.
William B. McKinley, Coinage, Weights, and Measures.
Arthur L. Bates, Pennsylvania, Disposition of Useless Executive Papers.
Samuel W. Smith, Michigan, District of Columbia.
James F. Burke, Pennsylvania, Education.
Charles L. Knapp, New York, Elections No. 1.
James M. Miller, Kansas, Elections No. 2.
Michael E. Driscoll, New York, Elections No. 3.
William W. Wilson, Illinois, Enrolled Bills.
William H. Graham, Pennsylvania, Expenditures in the Department of Agriculture.
David J. Foster, Vermont, Expenditures in the Department of Commerce and Labor.
Henry S. Boutell, Illinois, Expenditures in the Navy Department.
Irving P. Wanger, Pennsylvania, Expenditures in the Post Office Department.
Ebenezer J. Hill, Connecticut, Expenditures in the Treasury Department.
George P. Lawrence, Massachusetts, Expenditures in the War Department.
E. Stevens Henry, Connecticut, Expenditures on Public Buildings.
James Breck Perkins, New York, Foreign Affairs.
Benjamin F. Howell, New Jersey, Immigration and Naturalization.
Charles H. Burke, South Dakota, Indian Affairs.
William A. Rodenberg, Illinois, Industrial Arts and Expositions.
Martin E. Olmstead, Pennsylvania, Insular Affairs.
James R. Mann, Illinois, Interstate and Foreign Commerce.
Cyrus A. Sulloway, New Hampshire, Invalid Pensions.
William A. Reeder, Kansas, Irrigation of Arid Lands.
Richard Wayne Parker, New Jersey, Judiciary.
John J. Gardner, New Jersey, Labor.
Phillip P. Campbell, Kansas, Levees and Improvement of Mississippi River.
Samuel W. McCall, Massachusetts, Library.
Henry McMorran, Michigan, Manufactures.
William S. Greene, Massachusetts, Merchant Marine and Fisheries.
Charles A. Kennedy, Iowa, Mileage.
John A. T. Hull, Iowa, Military Affairs.
Halvor Steenerson, Minnesota, Militia.
George F. Huff, Pennsylvania, Mines and Mining.
George Edmund Foss, Illinois, Naval Affairs.
Thomas S. Butler, Pennsylvania, Pacific Railroads.
Frank D. Currier, New Hampshire, Patents.
Henry C. Loudenslager, New Jersey, Pensions.
John W. Weeks, Massachusetts, Post Offices and Post Roads.
Allen F. Cooper, Pennsylvania, Printing.
Ernest W. Roberts, Massachusetts, Private Land Claims.
Frank W. Mondell, Wyoming, Public Lands.
James H. Davidson, Wisconsin, Railways and Canals.
Frederick H. Gillett, Massachusetts, Reform in Civil Service.
Reuben O. Moon, Pennsylvania, Revision of Laws.
DeAlva S. Alexander, New York, Rivers and Harbors.
Joseph G. Cannon (Speaker), Illinois, Rules.
Edward L. Hamilton, Michigan, Territories.
George D. McCreary, Pennsylvania, Ventilation and Accoustics.
Charles B. Law, New York, War Claims.
Sereno E. Payne, New York, Ways and Means.
Chairmanships of House Committees held by Representatives from the Southern States, Sixty-first Congress: None.
Republican Representatives from Southern States in the Sixty-first Congress:
North Carolina: John M. Moorehead, H. H. Cowles, and John G. Grant.
Tennessee: Walter P. Brownlow and Richard W. Austin.
Virginia: C. Bascom Slemp.

CHAIRMANSHIPS OF HOUSE COMMITTEES HELD BY REPRESENTATIVES FROM BORDER STATES IN THE SIXTY-FIRST CONGRESS.

James A. Hughes, West Virginia, Accounts.
Joseph H. Gaines, West Virginia, Election of President, Vice President, and Representatives in Congress.
Bird S. McGuire, Oklahoma, Expenditures in the Interior Department.
Sydney E. Mudd, Maryland, Expenditures in the Department of Justice.
Don C. Edwards, Kentucky, Expenditures in the Department of State.
Richard Bartholdt, Missouri, Public Buildings and Grounds.
Republican Representatives from border States in Sixty-first Congress:
Missouri: Richard Bartholdt, Harry M. Coudrey, Charles A. Crow, Palitte Evans, Charles H. Morgan, Arthur P. Murphy.
Oklahoma: Bird S. McGuire, Dick T. Morgan, and Charles Creager.
Maryland: John Kronmiller, Sydney E. Mudd, George A. Pearre.
West Virginia: William P. Hubbard, George C. Sturgiss, Harry C. Woodyard, James Holt Gaines, James A. Hughes.

Talk about sectionalism! What does Mr. Hughes think of the Fifty-fourth Congress, which was Republican? Maine, as I have before stated, had four Representatives in the House in the Fifty-fourth Congress. Mr. Reed, of Maine, was the Speaker; Mr. Dingley, of Maine, was chairman of the Ways and Means Committee, and therefore majority leader on the floor; Mr. Boutelle, of Maine, was chairman of the Committee on Naval Affairs; and Mr. Milliken, of Maine, was chairman of the Committee on Public Buildings and Grounds.

But, Mr. Speaker, this is not sectionalism, and no one knows it any better than does Mr. Hughes. He simply thinks it is a "good enough Morgan" for him in his dire extremity. I regret exceedingly that he has sought to inject sectionalism into this campaign. We are all Americans and all interested in the welfare of our country, and no man can be a patriot who would seek to disturb the general feeling of brotherly affection now happily prevailing all over the land. The South has given many and indisputable evidences of her unfaltering allegiance to the better interests of this Government, and I hazard nothing in saying that her noble sons will respond as quickly and go as far in defense of "Old Glory" as will the sons of any other portion of our beloved land. The Democrats upon this floor have written into the laws of the land the greatest constructive legislation which ever blessed any country, and under the continued leadership of Woodrow Wilson we will for another four years enact beneficent legislation for the whole country, ignoring section and having in mind only the "greatest good to the greatest number" of the citizenship of this Republic. [Applause on the Democratic side.]

Mr. Speaker, I have felt constrained to say that much with reference to the speeches of Mr. Hughes. There is another matter to which I desire to refer, as I stated in the beginning, entirely disconnected from this; and I am going to have to ask, Mr. Speaker, the privilege of incorporating most of my remarks in the RECORD, because I shall not have time to cover the ground that I desire to cover. I ask that permission now.

The SPEAKER pro tempore. The gentleman from Florida asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. CLARK of Florida. How much more time have I left, Mr. Speaker?

The SPEAKER pro tempore. The gentleman has five and one-half minutes remaining.

SUPERVISING ARCHITECT'S OFFICE.

Mr. CLARK of Florida. Mr. Speaker, I shall not undertake to consume the time of the House to speak further. Suffice it to say it has been the business, apparently, of the Supervising Architect's Office for months past to send out interviews in the newspapers criticizing Congress, criticizing committees of Congress, charging them with wasteful extravagance in this public-

buildings matter, when the fact is, under the law, the whole blame for any extravagance, if there has been any, is chargeable to the Office of the Supervising Architect of the Treasury.

As I have said here before, and as I now repeat, we never undertake to do more in any case except to fix a maximum beyond which the Treasury shall not go. They are at liberty to build for any sum which they think will be sufficient under that maximum amount. And I want to state that in the bill that we reported, in almost every solitary case, the committee has cut down the estimates of the Supervising Architect's Office, in many cases more than 75 per cent. In every case, practically, there has been a reduction from what they have recommended, and yet they charge this committee and charge the different Congresses with extravagance.

Mr. Speaker, I shall close and insert the remainder of my remarks in the RECORD under the leave granted. [Applause.]

Mr. Speaker, on the 12th day of this month there was printed in the RECORD, beginning at page 12532, an attack upon the omnibus public-building bill, lately reported to the House by the Committee on Public Buildings and Grounds. In this attack it is stated that the same was prepared "by the architect's office," meaning, I suppose, the Office of the Supervising Architect of the Treasury. This remarkable document—remarkable for its failure to state the real facts—presents a lot of figures, names of towns, and so forth, for which sites and buildings are provided in the bill, and then proclaims: "These figures were prepared at the architect's office," as though that was a clincher and settled the whole business. If the gentleman who stood sponsor for this effusion had have had the experience with the Supervising Architect's Office which the Committee on Public Buildings and Grounds has had, he would not so confidently bank on figures coming from that source. So absolutely unreliable has this committee come to regard estimates and figures from the Supervising Architect's Office that very little attention is paid to them in reaching a conclusion in a given case. The fact is that a departmental lawyer is now Acting Supervising Architect, and has been such for many months past. But let us examine the complaint of the eminent gentleman who gets his figures from the "architect's office." Twelve towns are named in this effusion and, although it is not stated, I presume that objection is made to them. Before mentioning these places, however, I desire, Mr. Speaker, to make an observation or two with reference to the law and the method of procedure by the Committee on Public Buildings and Grounds. In the first place, let me state that we have an act of Congress—a part of the law of the land—which defines what cities and towns are entitled to public buildings. The senior Senator from Indiana, Senator KERN, is, if I am not badly mistaken, the author of the law. This provision of law can be found in the public-building bill approved March 4, 1913, and provides as follows:

Provided, That hereafter no authorization shall be made for the construction of a building to be used exclusively for post-office purposes at any town or city where the postal receipts have not reached the sum of $10,000 annually, nor shall any authorization for the purchase of a site for post-office purposes only be made at any town or city where the postal receipts have not reached the sum of $6,000 annually.

Thus it will be seen that under the law a city or town where there is no Federal activity other than a post office is not entitled to a site unless the postal receipts amount to $6,000 per annum and is not entitled to a building unless its postal receipts amount to $10,000 per annum. This is the law, and it is not simply a rule of the committee, as some people seem to think. Now it will be observed that this law does not undertake to fix any rule with reference to cities and towns where Federal activities in addition to the post office are located. In those cases the committee undertakes to weigh the facts and circumstances in each and determine each case upon its own merits. With these matters in mind, let me call your attention to the 12 towns named in the document referred to.

The first is Eminence, Ky. The Government already owns a site at Eminence, and the committee felt that it would be best to put buildings at the few places where sites were owned. My own opnion, Mr. Speaker, is that the law should be changed and that we should not buy a site until the place is large enough to justify a building.

Falmouth, Ky.: Site already owned. Federal activities are post office and agriculture.

Green River, Wyo.: Site already owned. Estimated population now over 2,000, and growing fast. County seat. Union Pacific Railway shops located there.

Mount Olive, N. C.: Site already owned. Present estimated population 2,000, and growing rapidly.

Rossville, Ga.: Part of town in Tennessee. Present estimated population 5,000, and growing fast. Many factories, woolen mills, and other industries.

Huntingdon, Tenn.: Site already owned.

Clearwater, Fla.: Has more than the required $10,000 annual postal receipts, and is a very thriving, growing place.

Hazard, Ky.: Site already owned. Post office and mine rescue station. Present estimated population 3,500. Center of coal region, with 15 coal mines within a radius of 4 miles.

Lewisburg, W. Va.: Post office, United States court, agriculture, and civil service are the Federal activities. Present estimated population is 2,500. I maintain that a building should be constructed by the Government wherever a Federal court is held, even if it should be held at "a little crossroad country town." And right here let me remark that as this document was inserted in the RECORD for very evident campaign purposes, it might be well for the party at interest to consider that there are a few votes in the "little crossroad country" towns as well as in the metropolitan cities.

The next place coming under the condemnation of the "architect's office" is Norton, Kans. Norton is a county seat, with an estimated population of 3,500, and has the post office, civil service, and agriculture to be housed.

Pittsfield, Ill., is the last of the 12. Pittsfield has more than $11,000 of annual postal receipts, and therefore comes squarely within the law.

It will be noticed, Mr. Speaker, that in these 12 places alone the committee in the bill reported has allowed $10,000 less than the total amount estimated by the Supervising Architect's office.

I ask leave now, Mr. Speaker, to insert at this place as a part of my remarks an analysis of the entire bill, showing the total authorizations by States, from which it will be seen that the committee has cut the estimates of the Supervising Architect's office to the tune of $4,610,500. In other words, if we had followed the estimates furnished by the office of the Supervising Architect, the grand total of the bill would have been increased by $4,610,500. It will be noticed that the committee placed in the bill items amounting to $9,575,000, on which no estimates were had.

	Treasury estimate.	Amount allowed on estimates.	Items in bill, no estimates by department.
Alabama	$640,000	$455,000	$5,000
Alaska	450,000	300,000	.....
Arizona	63,000	63,000	.....
Arkansas	409,000	319,000	25,000
California	1,582,000	1,782,000	15,000
Colorado	310,000	260,000	.....
Connecticut	260,000	240,000	.....
Delaware	40,000	30,000	.....
District of Columbia	.....	.....	4,000,000
Florida	115,000	100,000	25,000
Georgia	238,000	188,000	13,000
Idaho	153,200	153,200	.....
Illinois	5,105,500	4,965,000	220,000
Indiana	855,000	770,000	60,000
Iowa	832,000	719,000	7,500
Kansas	310,500	285,000	140,000
Kentucky	240,000	277,000	40,000
Louisiana	297,000	250,000	530,000
Maine	170,000	155,000	.....
Maryland	70,000	65,000	82,500
Massachusetts	2,075,000	2,025,000	780,000
Michigan	434,500	479,000	1,202,500
Minnesota	1,403,000	925,000	.....
Mississippi	116,000	127,000	5,000
Missouri	1,578,000	1,585,000	62,000
Montana	260,000	285,000	.....
Nebraska	85,000	50,000	5,000
Nevada	50,000	50,000	10,000
New Hampshire	280,000	280,000	.....
New Jersey	410,000	345,000	660,000
New Mexico	60,000	60,000	.....
New York	2,332,000	2,223,000	45,000
North Carolina	399,000	328,000	6,000
North Dakota	285,000	285,000	.....
Ohio	983,000	627,500	295,000
Oklahoma	552,000	495,000	12,500
Oregon	145,000	140,000	25,000
Pennsylvania	1,939,500	1,851,000	260,000
Rhode Island	85,000	85,000	.....
South Carolina	375,000	370,000	20,000
South Dakota	125,000	101,000	.....
Tennessee	20,000	20,000	68,000
Texas	2,671,000	2,272,000	561,000
Utah	40,000	35,000	.....
Virginia	1,245,000	1,050,000	.....
Washington	60,000	75,000	285,000
West Virginia	297,000	247,000	20,000
Wisconsin	719,000	467,000	20,000
Wyoming	50,000	50,000	.....

Grand total of department estimates, $32,608,500.

On these estimates the committee allowed $27,998, cutting the departmental estimates $4,610,500.

Items in the bill on which the department did not estimate total $9,575,000.

It must be understood that the bill reported by this committee carries not a dollar of appropriation. The bill only seeks to fix a maximum in each particular item beyond which the Treasury Department must not go, but that department will be at liberty under the law to build in each and every case, as cheaply as possible; and while the authorizations amount in the aggregate to approximately some $37,000,000, I am absolutely convinced that a Supervising Architect's Office conducted along commonsense lines can carry every single item in the bill into effect with an expenditure of not exceeding the sum of $20,000,000. This whole matter is in the hands of the Supervising Architect's Office, and although they have for a long time been making a desperate effort to do so, they can not shift the responsibility onto the Congress. For many months last past the Assistant Secretary of the Treasury, having public buildings in charge, has been giving out interviews to the newspapers charging Congress with gross waste of the public funds in the matter of public-building construction and painting himself as the mighty defender of the Public Treasury against the raids of rapacious Representatives. This stuff has finally become nauseating. In view of the facts it is superbly ridiculous. Mr. Speaker, I undertake to say with full knowledge of all the facts that no bureau of this Government is so badly managed as is the Office of the Supervising Architect of the Treasury. If there is, then God help the Government!

The truth of this whole business is that our committee became so thoroughly convinced of the unreliability of estimates from the Supervising Architect's Office that we ceased to pay much attention to them. There are, in subordinate capacities, many deserving and competent employees of that office, but the directing spirits, devoting most of their time to posing before the public in newspaper interviews, have developed greater thirst for office and less capacity to fill it than any people of my acquaintance. If these people would devote less time to the abuse of Members of Congress and more to Federal building construction the Government would certainly be the gainer. They would not get so much newspaper publicity, to be sure, but the finances of the Government would not suffer so severely.

Mr. Speaker, there is another reason why the Supervising Architect's Office is making war upon this bill. The reason is that this committee never consulted the Supervising Architect's Office as to the formation of this bill. This is one bill reported to Congress which is absolutely free from any departmental dictation or suggestion. These gentlemen are mad because this committee of Congress did not seek for and act upon their advice. The idea that a congressional committee would have the temerity to report a bill without their advice and consent is something which apparently they can not comprehend.

Mr. Speaker, as one Member of this House, I am tired of the arrogant assumption of the little bureaucrats who infest the departments of this Government. I am the chosen Representative of about 300,000 people upon this floor, and I propose to represent those people to the best of the ability that God may give me, holding myself responsible to them and them only. We are to make the law, and it is the duty of the executive officers to enforce it. We should compel them to do this and not allow them to usurp functions which do not concern them. [Applause on the Democratic side.]

EXTENSION OF REMARKS.

Mr. DILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of John Ericsson.

The SPEAKER pro tempore. The gentleman from Washington asks unanimous consent to extend his remarks in the RECORD on the subject of John Ericsson. Is there objection? [After a pause.] The Chair hears none.

Mr. STEENERSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech of Andrew Jay Frame to the State Bankers' Association, of Colorado, at Denver, on July 21, 1916, on the subject of Monopolization against Independent Banking.

The SPEAKER pro tempore. The gentleman from Minnesota asks unanimous consent to extend his remarks in the RECORD by printing the speech indicated. Is there objection? [After a pause.] The Chair hears none.

DAIRIES AND DAIRY PRODUCTS.

Mr. REILLY. Mr. Speaker, some time ago the gentleman from Maryland [Mr. LINTHICUM] introduced a resolution in this House asking for the appointment of a committee to investigate the dairies and dairy products of the country, to determine what legislation, if any, was necessary in order to reasonably protect the health and property of the citizens of the United States.

As a part of the said resolution there was attached a preamble which reads as follows:

Whereas it is reported by the Bureau of Animal Industry that 94.5 per cent of the creameries of the country are insanitary to a greater or less degree; that 61.5 per cent of the cream used is unclean or decomposed or both; that 72.6 per cent of the cream is not pasteurized, but is made into butter to be consumed in a raw state, in which state disease germs retain their virulence for a long time; that a large percentage of all dairy cattle are affected with tuberculosis, and that affected dairy products are active agents in spreading tuberculosis, typhoid fever, and other infectious diseases.

The preamble to the gentleman's resolution constitutes a highly sensational and unjustifiable attack upon the dairy products of the whole country, and its wide publication by its author has undoubtedly brought much joy to the enemies of the dairy industry of the country.

The one great fault with the preamble of the gentleman's resolution is that it is untrue and is not supported by any report ever made by the Bureau of Animal Industry, notwithstanding the fact that it pretends to be justified by a report of the said bureau.

REPORT STALE AND DISTORTED.

The report of the Bureau of Animal Industry referred to by the gentleman from Maryland in the preamble to his resolution was stale at the time it came to his notice; in fact, very stale, being almost four years of age. Even if the facts regarding the dairy industry as examined at that time and as set out in that report were true at that time, it can not be contended that the said facts as found represent the condition of the dairy industry of the whole country, or any part of it, at the present time.

During the months of April, May, and June of the year 1912 the Bureau of Animal Industry investigated 144 creameries and skimming stations in six States, out of about 6,000 creameries and 40,000 skimming stations in all the States. There was no attempt made to investigate the dairy interests of the whole country, and the report made by the Agriculture Department and referred to by the gentleman from Maryland in the preamble to his resolution did not pretend to cover any creameries and skimming stations other than those investigated. In other words, the report of the Bureau of Animal Industry for 1912 had reference to the 144 creameries and skimming stations examined, and not to all the creameries and skimming stations of the whole country, as the gentleman from Maryland would have the consumers of the dairy products believe.

NO ALARM AMONG OFFICIALS.

The report of the Bureau of Animal Industry for the year 1912, which apparently first came to the attention of the distinguished gentleman from Maryland in the year 1916, and which, it seems, made him extremely unhappy and caused him to introduce his now famous resolution and to launch a nation-wide propaganda in advocacy of the passage of the same, a propaganda that could not result otherwise than to cause irreparable injury to one of the great industries of the country, did not seem to disturb the Secretary of Agriculture or the head of the Bureau of Animal Industry, or the head of the Dairy Division of the Department of Agriculture.

The Secretary of Agriculture and the Chief of the Bureau of Animal Industry have each made three reports to Congress since 1912, the year of the report on which the gentleman's resolution is supposed to be based, and yet neither one of these officials, as far as I can learn, expressed in their respective reports any alarm over the dairy situation as revealed by the examination of the said 144 creameries and skimming stations in the summer of 1912, or requested an investigation by Congress of the dairy interests of this country.

Mr. B. H. Raul, Chief of the Dairy Division, Department of Agriculture, on the hearing of the gentleman's resolution, stated that—

The facts reported some three or four years ago served as an indication. I want to say, however, that the percentage given as insanitary to a greater or less degree was not intended by the department to mean that the conditions were dangerous to this extent. In other words, there are several factors involved; say, perhaps, a dozen or more essential features. Some of these creameries were deficient in one, some in two, some in four, and some in more; so that statement I think possibly has been misinterpreted by some. It certainly was not intended to be understood that that per cent was regarded as being in a dangerous condition.

The fact that a creamery is reported as insanitary by an inspector does not necessarily mean that the product turned out by that creamery is unwholesome, as Mr. Raul says.

The fact that a building was not painted on the outside and probably not whitewashed or painted on the inside; that it did not have the proper kind of sidewalks around the building or that there was too much moisture on the floor at the time the

esthetic inspector made his call would be sufficient to mark it down as insanitary.

The gentleman from Maryland, in his endeavor to secure the passage of his resolution by this House, has made two speeches in support of the same, and he has sent his resolution and speeches regarding the dairy interests of this country broadcast over the land.

The dairy men have no objection to an investigation of the dairy industry by Congress, by the Department of Agriculture, or by the different State and local authorities. They invite investigation; they invite suggestions and assistance helpful in their efforts to produce the best in the line of dairy products.

But they do most emphatically object and protest against the propaganda launched by the gentleman from Maryland in support of his resolution. The preamble to the gentleman's resolution, his speeches and circular letters that he has seen fit to send into every nook and corner of the land, are filled with misinformation and untruths regarding the actual condition of the dairy industry, and could not help but cause unjustifiable alarm among the consumers of dairy products.

In the circular letters and speeches sent out by the gentleman from Maryland in an endeavor to bring pressure to bear on Congress the gentleman asserts that Dr. Melvin, of the Bureau of Animal Industry, had testified during the hearing on his bill that a large per cent of the dairy products consumed by the American people were unfit for food, and that an investigation such as the gentleman's resolution called for would be helpful; that Dr. Schroeder, of the Department of Agriculture, had testified that 6,000 babies under 5 years of age die annually in this country from bovine tuberculosis.

It is true that Dr. Melvin did testify substantially as set forth in the letter of the gentleman from Maryland in one part of his testimony, but in another part of his testimony Dr. Melvin testified that the great bulk of the cream of the country was fit for use and that only a small part of it was unfit for food.

It is true that Dr. Melvin testified that he thought the investigation would be helpful, but he also testified that even if he knew that the dairy products of the country were perfect an investigation would still be necessary, in his judgment, because of the charges made against the dairy interests, referring to the charges of the gentleman from Maryland.

It would seem, as far as the record goes, that it never occurred to Dr. Melvin that there was any occasion for an investigation of the dairy interests of this country, as proposed by the gentleman from Maryland, until he had so distorted the report of the doctor's bureau for 1912, regarding the conditions of the 144 creameries examined as to cast a cloud over the whole dairy industry of the country.

BOVINE TUBERCULOSIS AMONG CHILDREN.

The strong card played by the gentleman from Maryland in his circular letter, sent out to the women's clubs of the country after the hearing on his resolution, was his statement that Dr. Schroeder, of the Bureau of Animal Industry, had testified that 6,000 children under 5 years of age die every year from bovine tuberculosis.

Here again the gentleman, intentionally or unintentionally, distorted, misconstrued, or misunderstood the testimony of Dr. Schroeder.

Dr. Schroeder did not testify at the hearing on the gentleman's resolution that 6,000 children below the age of 5 years die every year in this country from bovine tuberculosis. Dr. Schroeder's testimony was to the effect that from an investigation in New York City as to deaths among children from bovine tuberculosis, it would appear that 10 per cent of the children that die from all kinds of tuberculosis in New York City are the victims of bovine tuberculosis, quite a different statement from the one attributed to Dr. Schroeder in the circular letter of the gentleman from Maryland.

The United States Mortality Tables for 1913, the 1914 report being not published as yet, revealed that approximately 325,000 babies under the age of 5 years die annually in this country from all diseases; and of that number 10,137 die from all forms of tuberculosis.

Assuming the investigation in New York City as to the deaths from tuberculosis among children to indicate, as Dr. Schroeder testified, that about 10 per cent of the children that die from all forms of tuberculosis die from bovine tuberculosis, it would appear that less than 1,200 babies under 5 years of age die in this country annually from bovine tuberculosis.

That 1,200 of the 325,000 children under 5 years of age that die annually in this country from all forms of disease are the victims of bovine tuberculosis is to be regretted, but that fact does not justify the gentleman from Maryland in sending broadcast over this land the statement that 6,000 babies below the age of 5 years die annually in this country from bovine tuberculosis, thereby magnifying the real situation 500 per cent.

The gentleman from Maryland in the preamble to his resolution, in his circular letters, and in his speeches made on his resolution has given out some stale and unfounded statements regarding the prevalence of tuberculosis among the dairy herds of this country.

In the preamble to his resolution the gentleman declared that a large percentage of the dairy herds of this country are affected with tuberculosis, and in his speeches on the floor of this House he stated that 20 per cent of the dairy cattle of the country were affected with tuberculosis, and also that tuberculosis was on the increase among the dairy herds of the country. Here again the gentleman from Maryland was handing out and spreading broadcast to the consumers of the dairy products of the country statements tending to alarm the consumers of the dairy products that were untrue and wholly without support by any recognized authority in this country.

At the hearing on his resolution the expert who had made an estimate a few years ago that 20 per cent of the dairy cattle of the country were affected with tuberculosis testified that after a more careful investigation he had found that only 9 per cent of the dairy cattle of the country were affected with tuberculosis, a difference of 2,400,000 in the number of the cattle affected.

The gentleman evidently aims to be sensational, and it is certainly more sensational to charge that 20 per cent of the dairy cattle of the country are affected with tuberculosis than to charge that only 9 per cent of them are so affected; and to send out broadcast the charge that 6,000 babies below 5 years of age are the victims of bovine tuberculosis each year in this country, instead of 1,000 or 1,200 babies, is more sensational and more likely to be effective in getting action from the club women of the country.

The statement of the gentleman from Maryland that tuberculosis among the dairy cattle of the country is on the increase is also without any authoritative basis on which to rest. At the hearing on the gentleman's resolution there was no evidence produced to warrant any such statement on this point. Dr. Melvin, Dr. Schroeder, Dr. Mohler, all experts of the Bureau of Animal Industry, were examined at that hearing and these gentlemen gave no such testimony.

If tuberculosis among the dairy herds of this country is on the increase, that fact can not be proven by the death rate from tuberculosis among the children of the country.

In 1911 in the registration area of the United States 6,680 children below the age of 5 years died from tuberculosis of all kinds, while in 1913, when the registration area comprised 10,000,000 more people, the number of children below the age of 5 years that died from all kinds of tuberculosis in this country was 6,623, a very marked decrease in two years, considering the increase of population involved.

My information is to the effect that the mortality statistics for 1914, which have not as yet been published, will also show a decreased death rate in children below the age of 5 years who die each year from all kinds of tuberculosis.

I have before me the recent reports from the veterinary departments of three of the great dairy States of the Union, Wisconsin and New York being the ranking States and Pennsylvania being sixth in line.

According to the report of the State of Pennsylvania, it appears that the percentage of cows tested and found to be affected with tuberculosis decreased from 14.6 per cent in 1908 to 6.8 per cent in 1915.

In New York the percentage of cows tested and found to be tubercular decreased from 14 per cent in 1911 to 6.7 per cent in 1915.

In the State of Wisconsin during the year 1915, 69,000 head of dairy cattle were subject to the tuberculin test, and of this number only 4.5 per cent reacted and were found to be tubercular.

The fact that the tuberculin test develops that a cow has tuberculosis does not necessarily indicate that that cow's milk will contain tubercle germs. Only a small percentage of cows affected with tuberculosis give milk containing tubercle germs.

There are two kinds of tuberculosis found among the dairy herds of the country—one kind is what is known as generalized tuberculosis and the other is localized tuberculosis. A cow may be affected with what is called localized tuberculosis and not be a menace to the health of those that may drink her milk.

Mr. CLINE. Mr. Speaker, will the gentleman yield?

Mr. REILLY. I yield to my colleague from Indiana.

Mr. CLINE. What does the gentleman mean when he says that tuberculosis localized is not a menace to the public health?

Mr. REILLY. Localized tuberculosis is the situation that arises when the disease is walled off, so to speak, and it does not affect the rest of the animal. The dairy cow that is affected with what is called localized tuberculosis may go on for years giving milk absolutely free from tubercle germs, while a cow affected with generalized tuberculosis would be liable to give milk at times containing tubercle germs.

Recent investigations indicate that the per cent of dairy cows affected with generalized tuberculosis is decreasing in proportion to the per cent affected with localized tuberculosis.

The report of the State of New York shows that in 1909 and 1910, out of 3,029 dairy cattle condemned, 1,685 were affected with localized tuberculosis and 1,240 with generalized tuberculosis; in 1912 and 1913, out of 2,891 dairy cows condemned, 1,949 were affected with localized tuberculosis and 581 with generalized tuberculosis; and in 1913 and 1914, out of 2,139 cattle condemned, 1,409 were affected with localized tuberculosis and 424 with generalized tuberculosis.

The results of the tests in New York, at least, would indicate that the dairymen are eliminating from their herds the cows affected with generalized tuberculosis.

The speeches of the gentleman from Maryland in support of his resolution are notable for his failure to give all the facts contained in the Bureau of Animal Industry report on which his resolution is based, and for his severe denunciations of almost every phase of the dairy industry.

The gentleman is very much disturbed over the practice of the dairymen in coloring butter. It is a bad, pernicious, injurious practice, he thinks, to color butter, and in order to cast suspicion on the purity of the coloring matter used by the dairy people in coloring butter the gentleman refers the gentle reader to a work on chemistry, intimating that an investigation of that work will reveal how injurious to health the practice is.

In the hearing on his resolution the gentleman proceeded to develop his theory as to the injurious effects on health of the coloring matter in butter, and for that purpose he interrogated Mr. Raul, Chief of the Dairy Division of the Department of Agriculture, as follows, but with results I hardly think he expected:

Mr. LINTHICUM. What coloring matter is now used, do you know [referring to the coloring of butter]?

Mr. RAUL. Well, that is a question that I am not in a position to answer. The inspection of coloring matter that goes into interstate commerce is a matter of the Bureau of Chemistry. I believe they have ruled out mineral coloring matter, but there is a vegetable coloring matter called "annatto" that is commonly used in coloring butter.

Mr. LINTHICUM. What is annatto?

Mr. RAUL. It is a plant from which the coloring extracts are taken.

Mr. LINTHICUM. Is it healthy?

Mr. RAUL. Yes, sir; so far as it is known. I believe I am on the ground of the Bureau of Chemistry, but I believe the Bureau of Chemistry has passed upon it as entirely harmless, and it has been used for many years.

The gentleman from Maryland in his argument against the coloring of butter falls easily into the line of thought pursued by the advocates of oleomargarine in their attempt to prevent the enactment of legislation forbidding them to color their product the color of butter.

The oleomargarine manufacturers argue that if the farmer is permitted to color his butter at certain seasons of the year, then the manufacturers of oleomargarine should be allowed to color their product also at seasons of the year without interference from the law.

On the butter-coloring question I desire to quote from one of the great butter authorities of the United States, ex-Gov. W. D. Hoard, of Wisconsin, editor of Hoard's Dairyman. Mr. Hoard is one of the veterans in the dairy business, and has done much to make the dairy industry of the great Northwest what it is to-day, and he is well qualified to state the case in favor of the practice of coloring butter. He says:

When butter is made from the milk of cows grazing on grass it is yellow; certain breeds of cattle produce yellow butter the entire year, and certain combinations of feed produce yellow fat in winter, no matter what the breed may be, and under such conditions no color is needed to produce yellow butter. * * * Butter color is not made from impure and unhealthful products. The juice of carrots was used by our forefathers, and now the juice from the fruit of the annatto tree provides the material for making commercial butter color. * * *

Butter was colored by the good housewife on the farm long before there was a dairy industry or a creamery, and Congress has recognized color as an ingredient of butter. There may be consumers who do not know that butter is colored to give it a uniform shade of yellow. There are undoubtedly those who do not know that butter is made from the fat of cow's milk and that butter contains casein, milk sugar, ash, and water. It is not the fault of the butter manufacturer if the consumer does not know the composition of butter, nor does his ignorance make the use of color in butter a fraud any more than the use of salt is a fraud or a deception. If the natural color of butter were white, as is the case with oleomargarine, then some objections might be raised against the practice of coloring butter. Butter is colored to please the taste and to make it a uniform shade of yellow throughout the year, for under certain conditions, which we have mentioned, butter is a deep shade of yellow, and man can not help it. Yellow is the trade-mark of butter, and made so by nature. This, together with the long-continued practice of coloring butter, indicates that the use of color in butter is neither a fraud nor a deception. It is still butter, and never sells for anything but butter. Butter is not colored to make the consumer think it was made in June, for butter made in June and held in storage in winter is not as good as butter made in the winter. * * *

If butter were not put upon the market in a certain shade of yellow it would be misleading to the consumer. For years the consumer has been buying butter, colored yellow to suit his fancy, and if Congress had not by an enactment made color an ingredient of butter it would be so considered, because it has been used for a great many years. * * * The butter interests hold that yellow is not only a trade-mark of butter, but a demarcation for distinguishing butter from oleomargarine. Butter has a right to demand that oleomargarine be not colored in imitation of yellow butter. When oleomargarine is colored in imitation of yellow butter, fraud and deception follow. It is for this reason that the dairy interest demand that oleomargarine be sold in its natural color and not in the shade of yellow which is a trade-mark of butter. Color can not cover up impurities, flavors, or anything in butter that might be deleterious to health. If butter was a uniform shade of yellow the entire year, there would be no excuse for using any coloring matter.

The foregoing presentation of the butter-coloring proposition by ex-Gov. Hoard is a complete refutation of the arguments of the gentleman from Maryland, and the advocates of oleomargarine against the long-established practice of coloring butter at certain sensons of the year so as to give a uniform color to the product the year round.

The only difference between the dairyman coloring his butter and the oleomargarine manufacturer coloring his product is this: When the consumer purchases butter that has been colored he is getting what he bargained for, butter; while if oleomargarine can be colored the color of butter there would not be one purchaser in one hundred who would know when he bought something that looked like butter whether he was getting butter or something manufactured to be sold as butter.

The dairy interests of the country have no objection to the oleomargarine people being permitted to color their product providing the color used is such as will enable the purchaser and consumer to distinguish the manufactured substitute for butter from real butter.

There is a bill now pending before the Committee on Agriculture giving to oleomargarine manufacturers the right to color their product providing they use a color of such a shade as will make it possible for the purchaser to distinguish their product from real butter, but the oleomargarine manufacturers do not want such a law. They want the right to use one color in the manufacture of their product and that color is yellow, the trade-mark color of butter, because then they will have a chance to sell their product, not as oleomargarine, but as real butter of the cow.

At the present time the oleomargarine people can make their product in this natural color under a tax of one-quarter of a cent a pound, just enough to pay the expenses of the Government in supervising the manufacture of and sale of the article.

The dairy people do not ask for any special favors at the hands of Congress in the way of legislation favorable to their industry. All they ask is that their product be protected from the fraudulent competition of the concerns engaged in manufacturing substitutes therefor. They have no objection to the manufacture and sale of oleomargarine or any other product made as a substitute for butter, providing the product is so made that there will be no fraud or deception practiced upon the purchasing and consuming public.

In many States of the Union and particularly in Pennsylvania and Michigan colored oleomargarine is not permitted to be sold, and such legislation has the backing of the people. The proposition of coloring oleomargarine has been fought out in many of the State legislatures, and particularly in the Legislature of the State of Pennsylvania. The Hon. James H. Maurer, president of the State Federation of Labor and for many years a member of the Pennsylvania Legislature, presents the following broad-gauged view on the proposition involving the coloring of oleomargarine:

For the past six years, or the three last legislative sessions of Pennsylvania, I opposed all proposed legislation which aimed to legalize the coloring of imitation butter by manufacturers or dealers. My objections are not based on any thought that coloring matter is unhealthful or that imitation butter is not fit for human consumption. My objection is solely an economic one. At present imitation butter in its natural state sells for from 18 to 22 cents a pound in Pennsylvania, while the genuine dairy product costs 36 cents a pound. The purer the imitation is the whiter it is. If the manufacturers and dealers in the imitation article were permitted to color their product, the imitation would be complete, so much so that nothing short of an analysis would reveal its component parts. This is at least true of the great majority of consumers.

The imitation article, therefore, like any other imitation which closely resembles the genuine, comes in direct competition with it. Once we allow it to be colored its price will begin to soar dangerously close to the real article, and, as a consequence, the consumer who is now buying oleomargarine or butterine for 20 cents a pound will pay the advanced price.

One thing sure, the farmer never could hope to compete with the manufacturer of the imitation article. As a result many of the dairy farmers would be compelled to go out of the dairy business and turn

their farms to raising something else. And just as fast as this happens the price of the imitation article will rise until finally the great packing companies of the country will have a monopoly; then the consumer will pay more for the imitation article than we are paying for the genuine. Besides, the imitation will, most likely, not be as pure as it is now, if colored, because the purer the whiter, and the consumers know this. When colored, a certain amount of impure, foreign matter may be used and can not be detected by sight because of the coloring.

On the other hand, if the farmers can not find a profitable market for their milk and turn their farms to other products, it means the starving of their land, as fertilizers produced by cattle are the life of the soil.

Therefore, looking at the question from every angle possible, I can see but two reasons why some dealers and manufacturers want a law giving them the right to color their product in imitation of butter. One is to charge more for their product and the other is to give them a monopoly of the butter market

Let oleomargarine and butterine and all other substitutes stand on their own feet and sell for what they are and not for what their manufacturers can make people believe they are.

There can be no doubt at all but that if the oleomargarine manufacturers are permitted to color their product the color of butter the dairy industry of this country would be doomed. The American cow can not compete with the oleomargarine factory, and, as stated by Mr. Maurer, the consuming public would secure no benefits from the destruction of the dairy industry of this country. Butter consumers would then be compelled to pay as high a price for the bogus article as they have to pay to-day for the genuine article.

The dairy industry is the most important industry in our country to-day from the standpoint of the welfare of all our people. Our once virgin soil is rapidly being depleted of the essential requisites for large productive capacity, and in the cow to a large extent lies our hope to restore our exhausted soil and to make possible this country continuing as the great food storehouse of the world.

The gentleman from Maryland is agitated over the fact that some butter has too much moisture and again that the butter makers put too much salt in their product. Of course, it is rather difficult to understand just wherein the matter of moisture and salt in butter has any bearing on the gentleman's famous resolution. It would look very much as though he was out to give butter a black eye, and he overlooked nothing.

If the gentleman had investigated the butter question a little more thoroughly before he launched his propaganda, he would have learned that there is already a law on the statute books which takes care of the question of excess moisture in butter. The law already fixes the limit of moisture that butter can contain and be legally shipped in interstate commerce. The person who ships, in interstate commerce, butter containing more than 16 per cent moisture is liable to prosecution under the laws of the United States, and it is very doubtful if there is much butter that passes to-day into interstate commerce that contains more than the maximum amount of moisture permitted by law.

In regard to the charge the gentleman makes that butter is loaded with salt, a sufficient answer is to state that salt is put into butter to accommodate the taste of the consumer. Some consumers like more salt than others in their butter, and there are others who prefer to have their butter without any salt, so if the manufacturer of butter overloads his product with salt he is simply killing his own business, and there is very little danger of the public being imposed upon by the dairymen loading their butter with salt, notwithstanding the fears of the gentleman from Maryland on that point.

The gentleman in his speech in advocacy of his resolution did not limit himself to criticism of the butter business of the country, but he also indulged in some insinuations and unwarranted conclusions regarding the cheese industry of the country.

It would seem he thought that while at the task of indicting the milk and cream and butter products of the country he might just as well make a complete job of it and indict the whole dairy industry by including cheese also.

The gentleman referred to the fact that in 1881 our exports of cheese from this country amounted to 150,000,000 pounds annually and that our exports since that time had dwindled down and down until 1914 they had reached the level of only a few million pounds, the idea being to convey the impression to the cheese consumers of the country that American cheese is so inferior in quality and such an unsalable product that the foreigners will no longer eat it, and that we must find a market for our inferior cheese product in the United States alone.

Here again the gentleman from Maryland got hold of a few facts, jumped a long jump to an erroneous conclusion and sent the news broadcast throughout the length and breadth of this land that there was something wrong with American cheese, because the foreigners were not buying it as they had bought it in the good old days of long ago.

It is true that in 1881 we exported from this country 150,000,000 pounds of cheese, and that in 1914 we exported only a few million pounds. But what was the real cause of the decline in our export business? The cause assigned by the gentleman from Maryland that our cheese had deteriorated in quality and that the foreigner would no longer purchase it? Oh, no. The fact of the matter is we did not send as much cheese abroad in 1914 as we did in 1881 simply because we did not have the cheese to send and for the further reason that cheese has generally brought a higher price in this country than in the foreign countries.

In 1879 we produced in this country 243,000,000 pounds of cheese. This was about the time when our exports of cheese reached the high-water mark, and at this time our population was 50,000,000. In 1910, when our exports of cheese reached its low-water mark, we produced 320,000,000 pounds of cheese, and our population at that time numbered 92,000,000. Thus it will be seen that during this period of 30 years our population increased 84 per cent while our production of cheese increased only 31 per cent. In 1859 we produced 103,000,000 pounds of cheese a year and our population then was 31,000,000. In 1879 when we reached the high-water mark of our exports of cheese we produced 243,000,000 pounds, an increase during these 20 years in population of 61 per cent and in the production of cheese of 135 per cent.

During the 10 years following 1879, after which our cheese export business began to decline, our cheese production increased only 5 per cent while our population increased 25 per cent.

No other explanation is necessary to be offered as a reason for the decline of our cheese exports than the simple fact that we did not have the cheese to send abroad. The article was apparently so good that our people consumed practically all we were able to make and at a higher price than the American cheese maker could get for his product in a foreign country.

Here, again, the accusations and the insinuations of the gentleman from Maryland, as to the purity and wholesomeness of our American cheese products, are wholly unfounded and without any justification at all, in fact.

Mr. YOUNG of North Dakota. Will the gentleman yield?

Mr. REILLY. I will yield to the gentleman.

Mr. YOUNG of North Dakota. Is it not a fact that the question of cheese is largely a matter of taste, and that the foreign buyer might reject our cheese for that reason because we have not catered to his taste?

Mr. REILLY. I will state to the gentleman that on that point I am not informed. I see a reasonable explanation for the decline in our exports of cheese in the fact that our production of cheese has not kept pace with our population and that the domestic price for our cheese has ruled higher than the foreign price. I think in the matter of our imports the question of taste has had considerable to do with the increase of cheese imports, inasmuch as the increase has been made up principally of Italian cheese and Swiss cheese. We make some very good Swiss cheese in this country, some people say, as good as is made in any place in the world; but notwithstanding that fact there are a great many people who prefer and will pay more for the foreign article, simply because it is a foreign article, and not because it is a better product.

Mr. FOCHT. Will the gentleman yield?

Mr. REILLY. I yield to the gentleman from Pennsylvania.

Mr. FOCHT. While there may have been exaggeration of the number of babies who have died from impure milk, does not the gentleman believe that the governments of the States have been altogether justified in killing herds of cattle affected with disease?

Mr. REILLY. I have no doubt at all but that the different State governments and the United States Government are justified in slaughtering dairy cows for the purpose of eradicating tuberculosis from the dairy herds of this country. And I do not believe there will be any let-up by the different States in this work of applying the tuberculosis test to diseased cows affected with disease and of marking the same for slaughter. The dairy people are not objecting to the methods that are being employed by the various States and the United States Government to accomplish the eradication of bovine tuberculosis from the dairy herds of this country, and they encourage every movement along this line. I believe there has been great progress in practically all of the States of this Union in legislating with the end in view of stamping out this disease, and the dairymen themselves are rendering hearty cooperation to the different State authorities, because they realize that it is to their own interests that diseased cows be eliminated from their herds. The dairy business of to-day is being put upon a business basis, and the dairymen know better than anyone else that diseased cows are not profitable to have in their herds.

The State of Wisconsin has had since 1910 a most stringent law, written for the purpose of getting rid of tuberculosis in the dairy herds in that State. Under this law cows can not be sold

or purchased for dairy purposes without having first been subjected to the tuberculin test, and in most of the States of the Union to-day cows can not be imported for dairy purposes unless they have been subjected to and stood the tuberculin test.

Mr. FOCHT. While you and I might resent interference with your State and mine, the statement made by the Secretary of Agriculture recently delivered is that the disease is spreading very extensively over Germany, that it is almost hopeless, and in all other countries except England it is spreading. The resolution might apply more strongly where they have not had regulations as they have in your State and mine.

Mr. REILLY. The resolution of the gentleman from Maryland has no application in any State of the Union to-day in my judgment. It was based on a report almost four years old, that dealt with only a small fraction of the creameries of the country, and since that time marked improvement has been made along lines that have lead to the production of better and more healthful dairy products.

On the hearing of the resolution of the gentleman from Maryland, it conclusively appeared that in the past four or five years great progress has been made in furnishing to the consumers of dairy products a better and more wholesome article.

The Secretary of Agriculture, Mr. Houston, stated in a letter to the gentleman from Maryland, Mr. LINTHICUM, which letter was filed with the committee and became a part of the hearings that—

> Nearly every State of the Union and most of the cities have statutes, ordinances, and regulations to control the milk supply, and dairy inspections are required by most of these regulations. The quality of milk supply for use in the fluid state has improved considerably within the past few years, due to better sanitary conditions at the dairy farms and more extensive use of pasteurization.

It is not contended that the dairy industry of this country has reached a stage of perfection, but it is contended that in recent years as much if not more progress in improved and better methods for safeguarding the purity of dairy products has been made as in any other industry in the country that has to do with the food supply.

The representatives of the dairy interests who appeared at the hearing on the resolution of the gentleman from Maryland informed the committee that at the present time at least 75 per cent of the cream used in making butter that goes into interstate commerce is pasteurized. These men contended and there was other evidence to substantiate their contention, that the pasteurization of milk and cream kills all germs, and that butter made from pasteurized cream would be free from any disease germs in the milk before same was pasteurized.

It is also a fact that to-day 75 per cent and 80 per cent of the milk supply of the large cities of the country such as Chicago, New York, Philadelphia, and Boston is pasteurized, a situation that did not exist several years ago.

In the recent years certified-milk dairies have been springing up all over the country, and uncertified dairies are being subjected to closer inspection and investigation by the health officers of the cities served with milk in fluid form. The State legislatures and common councils have been giving special attention in recent years to the matter of legislation designed to improve dairy products and make it possible to produce more wholesome dairy products.

The Wisconsin Legislature passed a law in 1915 requiring all cheese and butter makers operating factories in that State to be licensed by the State food and dairy commissioner. Under this law cheese and butter makers are not only required to secure a license from the State dairy and food commissioner but that official is also given the power to revoke any license issued to a butter or cheese maker who does not operate his factory in accordance with modern methods. Several States of the Union have recently passed laws requiring all butter made in factories to be made from pasteurized milk, and in every State of the Union except two it is impossible to import a cow for dairy purposes unless the animal has been subject to and has stood the tuberculin test.

It is safe to say that in the past five years more progress has been made along various lines having in view the raising of the standard of our dairy products than has been made in any 15 or 20 years in the history of our country.

On the question as to improved conditions of the dairies of our country I quote again from Hoard's Dairyman:

> Dairy products are more wholesome now than they ever have been in the history of the dairy industry. In the past few years sanitary barn equipment companies have sprung up everywhere in the dairy sections, indicating that the dairy farmers desire to produce a better grade of milk. These companies could not have existed in the early days of dairying, as the average dairy farmer did not see the necessity of providing clean and wholesome surroundings for his cows. The demand for sanitary equipment for creameries has increased. There would not be a demand for better machinery and better equipment for our creameries, cheese factories, and milk concerns if the owners were not improving the quality and wholesomeness of dairy products. A few years ago milk or cream used for making butter was not pasteurized, but now the practice is very common, and each year finds a larger number of creameries pasteurizing both milk and cream. Within the past few years the big milk companies began to pasteurize milk for direct consumption, and now the cities like New York, Boston, Chicago, Philadelphia, San Francisco, Washington, Milwaukee, and many others are well supplied with pasteurized or certified milk, and no one of necessity must use unwholesome milk. Inspection of the dairy farms is becoming more general and there has been a substantial improvement in the production of sanitary milk the past few years.

In a recent letter from the Assistant Secretary of Agriculture, Hon. Carl Vrooman, he has something pertinent to say in reference to the report of the Department of Agriculture for 1912 and the general condition of the dairy industry of this country at the present time. I quote the following:

> To begin with, this report was based upon an investigation made by the Bureau of Animal Industry over four years ago, the investigation having begun on April 10 and having ended June 30, 1912, before either Secretary Houston or I became connected with the Department of Agriculture. Furthermore, the report itself was based on an investigation of but 144 creameries and cream-buying stations out of a total of 6,000 creameries and some 40,000 cream-buying stations.
>
> The Federal Department of Agriculture is completely out of sympathy with current misunderstandings and misinterpretations of the 1912 report. That report does not mean to say or to infer that the dairy industry is on a lower level or has lower standards of purity and cleanliness than the other industries of the country. If the department were to make out a score card for the different foods and drinks that are being produced and consumed throughout this country to-day, and especially for the vegetables, fruits, and other foods exposed for sale at the average market and grocery store, it would find that in a majority of cases similar conditions exist to those disclosed in the dairy industry.

I am not here to defend the tubercular cow, the insanitary dairy, or unclean dairy products of any kind; but I am here to protest against the wild, distorted, and unfounded charges made by the gentleman from Maryland against one of the great industries of our country.

I have the honor to represent in part upon the floor of this House the greatest dairy State in the Union. Wisconsin ranks first not only in the production of butter but also in the production of cheese. Out of the 22,000,000 head of dairy cattle in this country 1,600,000 are found on Wisconsin farms, and of the $1,000,000,000 annual dairy production of this country $100,000,000 worth of it goes to farmers in Wisconsin.

The gentleman from Maryland has had considerable to say about the so-called butter-revenue frauds. He makes no mention of oleomargarine-revenue frauds, and it would appear it was his purpose to cast onto the dairy industry of this country the odium of certain frauds committed by the bogus-butter manufacturers.

As to just what connection there is between bogus-butter revenue frauds and the improvement of the dairy conditions on the farm and in the creameries and butter factories of our country it is rather difficult to see; but I take it that the gentleman from Maryland must have seen some connection or he would not have strayed out of his way again to send out all over the country some more misleading statements liable to confuse the general public.

The gentleman from Maryland forgot even to mention in his speech the fact that the oleomargarine manufacturers had defrauded the Government in the past few years out of about $17,000,000 in taxes, and that during that time they had probably produced and offered for sale and sold as real butter more than 200,000,000 pounds of their bogus butter.

Of course, it would not be expected that the gentleman from Maryland would be deeply interested in the frauds committed on the public by the oleomargarine manufacturers. He was after the legitimate butter makers and he had no time for side issues.

A few weeks ago my colleague from Wisconsin [Mr. BURKE], who represents one of the greatest dairy constituencies of the country, saw fit to question the motives of the gentleman from Maryland in his attack on the dairy industry of the country. The gentleman from Maryland made another speech in answer to the remarks of my colleague, and in advocacy of his resolution, wherein he vehemently denied that he was representing in his attacks upon the dairy interests the oleomargarine manufacturers, and insisted he was actuated only by the purest motives in the drafting and introduction of his resolution. I acquit the gentleman from Maryland, in view of his statement, and I have no doubt but my colleague from Wisconsin [Mr. BURKE] will also acquit him, of an intentional desire to smite the dairy industry of this country to the great benefit of the oleo interests. The fact nevertheless remains that the gentleman from Maryland, in the framing of the misleading and false preamble to his resolution, in the speeches that he made in defense of the same, and in the propaganda that he carried on in sending his resolution and speeches all over the country containing false and misleading information as they did regarding the dairy interests of the country, has unintentionally or otherwise, and I freely con-

cede unintentionally, become the greatest enemy of the dairy industry and the greatest friend of the manufacturers of oleomargarine that has appeared in the public for many years.

I fear that way back in the bushes somewhere, unknown to the gentleman from Maryland, there was located an oleomargarine nigger who kindly furnished the gentleman with the stale, sensational, misleading, and untrue information that caused the gentleman from Maryland to start his so-called pure-food propaganda.

It was stated at the hearing on the gentleman's resolution by a representative of the dairy industry that some time ago the dairy people had been informed by a gentleman in Chicago, who apparently was connected with the oleo business, that if the dairy people did not cease agitating for oleomargarine legislation—and, by the way, the law that the dairy people have been agitating for is a bill now pending before the Committee on Agriculture permitting oleomargarine to be made and colored provided the color used is such as to enable the consumer to distinguish real butter from the bogus product—that he was in a position to push a button that would upset the dairy industry of the country. Well, the button was pushed and the oleomargarine people have had the happiest days they have enjoyed in a long time since the gentleman from Maryland started out with his preamble and his resolution to swat the dairy interests right and left.

It may be that the vigorous and unrelenting campaign conducted by the present Commissioner of Internal Revenue in his enforcement of the revenue laws in relation to the manufacturer of colored oleomargarine has had something to do with the button-touching episode referred to, for it is a fact that never since the oleo laws were first written have the manufacturers of that product been so squarely put up against the proposition of obeying the law or going to the penitentiary.

Internal Revenue Commissioner Osborn is entitled to the thanks of the dairymen of the entire country for his untiring efforts to protect the products of the dairy farmer and the consuming public from the frauds practiced by the oleomargarine manufacturers. Prosecutions under the oleomargarine laws are now real and not farcical. There are no more attempts to settle revenue frauds mounting up into the millions for a few thousand dollars as under former administrations. The order has gone forth to ferret out and prosecute every violator of the law in the manufacture and sale of bogus butter, and, if possible, not to take a fine, but to land the malefactors behind the doors of the penitentiary.

LEAVE TO ADDRESS THE HOUSE.

Mr. MORGAN of Oklahoma. Mr. Speaker, I ask unanimous consent that on Tuesday next, after the other speakers have concluded, I may have 45 minutes in which to address the House.

The SPEAKER pro tempore. The gentleman from Oklahoma asks unanimous consent that following the order of speaking on Tuesday next he be permitted to address the House for 45 minutes. Is there objection?

There was no objection.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. GILLETT] is recognized for 30 minutes.

EXEMPTIONS FROM CIVIL SERVICE REGULATIONS.

Mr. GILLETT. Mr. Speaker, on the 13th of April I made some remarks in this House discussing facts which I found in the annual reports of the Civil Service Commission as to the persons for whom the President issued special Executive orders which exempted them from the regular requirements of the civil-service regulations. In the course of my remarks I commented upon a few of the cases, drawing my inferences solely from the facts as stated in the report of the commission. Soon after, I received the following letter from the Postmaster General:

APRIL 21, 1916.

Hon. FREDERICK H. GILLETT,
House of Representatives.

DEAR MR. GILLETT: My attention has been called to your remarks made Thursday, April 13, on the floor of the House of Representatives with reference to the part I have had in connection with the issuance of certain Executive orders.

The following is quoted from your remarks:

"The fact that the Postmaster General had brought in with him two good men and had kept them in direct connection with his office was apparently sufficient reason to have the rules of the civil-service law set aside, so that his protégés might get permanent appointments. It is needless to say that the Civil Service Commission was not convinced by this statement and did not approve the appointments."

These two negro boys—of course, Republicans—were in the Postal Service, classified as laborers, when I became Postmaster General, one of them having been appointed in the Washington (D. C.) post office under date of February 25, 1902, and was transferred to the Post Office Department roll under date of January 26, 1907. The other was appointed a laborer December 21, 1903. They were rendering service in the office of the Postmaster General and fell under my immediate observation. They were both efficient and faithful in doing their work. They were already in the classified service, but under the law could not be paid more than $660 per annum. I thought they deserved an increase, and in order that justice be done, without any request from them or anyone else, I requested that they be classified as skilled laborers, so as to increase their pay to $720 per annum. Under date of April 23, 1915, the Executive order was issued.

As to the railway postal clerk, William R. Houston, mentioned by you, I would state that his case was originally brought to the attention of the department by the division superintendent of Railway Mail Service, at Fort Worth, Tex., in a letter in which it was stated that although the applicant was 56 years of age "he * * * is a very strong and healthy man and capable of still performing the hard physical work which might be required of him in the Railway Mail Service. His health seems to be perfect."

As stated in your remarks, this clerk was originally appointed in 1882. This was under the administration of President Arthur, and presumably he is a Republican, as you are no doubt familiar with the fact that appointments were made in the Railway Mail Service at that time only upon political indorsement.

With reference to the only other case accredited me and mentioned by you as censurable, I beg to say that the statement made by you is so indefinite that it does not enable me to identify the case, but I doubt not it is just such a case as these others.

It is due the Post Office Department that you correct the impression that has been created through your remarks to the effect that my action in the cases referred to was actuated largely, if not entirely, by partisan considerations, and I indulge the hope that you will make this correction in the RECORD. An honest investigation will disclose that under this administration in the Postal Service there has been shown as much, if not greater, regard for true civil-service principles than under previous administrations. You perhaps recall that an Executive order was issued in the closing days of the administration of President Taft classifying approximately 47,000 fourth-class postmasters without examination of any character. That political indorsements had been the primary requisites for appointment of these postmasters is, no doubt, better known to the individual Members of Congress than to anyone else. In keeping with that degree of efficiency which characterized this administration from its inception the President, upon my recommendation, issued an order requiring a civil-service test in the cases of these 47,000 fourth-class postmasters. This was a perfectly reasonable requirement, and the lack of this requirement appears to be the very thing you attempt to criticize with reference to certain isolated recipients of Executive orders issued during the incumbency of this administration.

As bearing further upon this department's policy, with respect to the civil service, and in marked contrast with the usual Republican practices, attention is invited to the report of the Postmaster General for the fiscal year 1914, wherein recommendation was made for the enactment of legislation which would permit of an Executive order placing third-class post offices—not postmasters—under the civil-service laws. In my report for the fiscal year 1915, this recommendation was renewed and extended so as to cover the second-class as well as the third-class offices.

Very sincerely,

A. S. BURLESON,
Postmaster General.

I answered this letter as follows:

MAY 1, 1916.

Hon. A. S. BURLESON,
Postmaster General, Washington D. C.

DEAR MR. POSTMASTER GENERAL: Your letter, dated the 21st, which you spoke to me on the 20th of having written, arrived at my office on the 24th in my absence at home. I am glad you called my attention to the matter, as I do not wish to do injustice on the floor of the House to any part of the administration, and least of all to you.

The first case you speak of is that of two unskilled laborers whom you appointed as skilled laborers. I see that I intimated that you brought them with you into the office, and in that I was obviously wrong, as you state that you found them there; but still those two laborers, who had come under your personal attention and who were not at all in the classified service, you had, against the protest of the commission, promoted into the classified service, where the law allows nobody to enter except by competitive examination. Admitting that they were, as you say, entitled to an increase, there were doubtless hundreds of others just as efficient and deserving who could only get it by succeeding in the competitive examination. Should the fact that these had come within the circle of your personal acquaintance and favor entitle them to promotion rather than others? It seems to me that comes precisely within the language I used, which was as follows:

"It seems to me that the cases show a deplorable laxity and easy willingness to oblige applicants, an introduction of favoritism and personal influence, which the civil-service laws and rules were intended to prevent and which is inconsistent with the professions of a believer in the civil-service principles.'

The next case to which you allude is that of William R. Houston. In that case I criticized his appointment to the Railway Mail Service because of his age. You state that he is strong and healthy, but that he is 56 years of age. You and I, who were on the Committee on Appropriations, long ago were impressed with the danger that our service was undergoing because of the age of its members, and though a man of 56 may be strong, it seems to me he can not continue to be strong long enough to justify his entrance to the Railway Mail Service. It seems to me that it must have been personal interest and not the good of the service which prompted his appointment.

The third case, which you say you could not identify, I know of, like the others, only by the published statement of the Civil Service Commission. It was the case of Mr. James J. Harley, who was reinstated to a position in the post office in Philadelphia, where he was appointed June 1, 1893, and resigned in 1900. Those facts certainly would not justify the inference which you made in the case of Mr. Houston, that he was a Republican, but the statement which I quoted in my remarks clearly showed, it seemed to me, that it was a case of personal favoritism.

I do not suppose that you personally can be at all intimately acquainted with the cases in your department where you recommend that the civil-service rules be waived or that you know the precise motives which are behind those cases, any more than I suppose the President troubles himself to know the exact facts or motives behind the pressure which is brought on him, but it does not seem to me the facts you have put before me remove those cases justly from the criticism which I made and which I have quoted above. I am perfectly willing to state the facts which you gave me in the House, if you wish.

I have no doubt you personally are now, as I know you were in the House, a genuine believer in the usefulness of the civil-service rules. It seems to me, as I stated in my remarks, that the wisest way of conforming to them would be to accept as final the decision of the commission, in whose chairman, at least, I know you have full confidence, and I regret to find that you have been unwilling to abide by their decision.

Very sincerely, yours, F. H. GILLETT.

I have had some conversation with the Postmaster General on the subject since, when he said he expected to answer my letter and thought it was but fair that I should put the correspondence in the RECORD. Having heard nothing further from him, I now do this in compliance with his request.

Regarding the observance of civil-service principles by this Post Office administration, as referred to by the Postmaster General, I am compelled reluctantly to say that from the best information I can obtain I believe that the Post Office Department has sadly disregarded the spirit of the civil-service law in its appointments. In the Middle West, particularly, I am told that appointments not only of fourth-class postmasters but of rural carriers have been systematically managed and arranged in the most wanton defiance of civil-service principles and apparently for the purpose of giving places to "deserving Democrats."

To prove these facts by legal evidence is, of course, extremely difficult. That difficulty was illustrated by the recent telegram of the Secretary of Commerce to Judge Hughes. I have not the slightest idea that Mr. Redfield intended to make a false statement in saying that Mr. Durand's resignation was not forced. I have no doubt the facts were such that he thought that he could technically make that statement and still be truthful. But, comparing the statements of Mr. Redfield and Mr. Durand and taking into account the circumstances, I think few people will doubt that, whatever may have been the language which passed between them, Mr. Durand's resignation was not a voluntary one. Of course, in most cases it will be impossible to trace the exact facts, but if a Cabinet officer will make such a statement as that, the accuracy of which was only disproved because it was so conspicuous and because the person affected chanced to be neither unwilling nor afraid to speak, what denials can we not expect from subordinate officers whose sense of responsibility and whose accuracy and whose chance of detection are less than that of a Cabinet officer?

The difficulty of proving it is illustrated by the recent statement of the officers of the National Civil Service Reform League, of which Mr. Wilson was an officer when he was nominated for the Presidency. That organization is entirely nonpartisan, and yet the partisan manipulation of offices by this Post Office administration has been so notorious that they determined to investigate it, and in attempting to do so were at once balked by the secrecy with which the facts were covered and which the President refused to remove.

That the fourth-class postmasterships would be consigned to patronage and spoils was foreboded by a public statement of the Postmaster General on November 17, 1913, soliciting congressional recommendations in violation of the spirit, if not the letter, of section 10 of the civil-service law. Although this matter was brought to the personal notice of the President by the National Civil Service Reform League, no steps were taken by him to check the dangerous innovation of the Postmaster General. On the contrary, these acts were the mere prelude to invading with the spoils system the rural free delivery, a far more important branch of the service, embracing on June 30, 1915, 43,718 carriers, with average salaries of $1,098 each, as stated in the last report of the Fourth Assistant Postmaster General. The political debauchery of a portion of this most important branch of the service has been accomplished in the following manner:

A joint resolution of Congress extending the appropriation for the Postal Service for the fiscal year ending June 30, 1916, contains this proviso:

That, in the discretion of the Postmaster General, the pay of rural carriers who furnish and maintain their own motor vehicles and who serve routes not less than 50 miles in length may be fixed at not exceeding $1,800 per annum.

Nothing in this resolution seemed to contemplate the creation of any new service. It provided simply that the carrier—presumably those then in the service—who could furnish motor vehicles and serve routes not less than 50 miles in length might have their pay increased from $1,200, the former maximum, to $1,800. All those who had served the Government as rural carriers in the competitive classified service, if they performed their duties properly, had a peculiarly strong claim to retention, because they had all purchased their outfits, including the vehicles in which rural delivery was made, at their own expense, and some already were using motor vehicles. Great numbers had secured admission to the service by competitive methods, and unless they had failed in their duties they ought to be retained in their positions, so far as compatible with the establishment of the new system. If the Post Office Department had desired to do justice to its employees and to secure efficiency without regard to politics, it would have provided that the men already in the service who were efficient and properly performing their duties should be retained. Under this plan quite a number of the old carriers would be dropped, but the most desirable ones would remain. There should be no difficulty in any well-administered office in determining from comparative records of efficiency who should go or who should stay.

But the Post Office Department, seizing this joint resolution of Congress as a pretext for abolishing great numbers of rural routes and for creating a so-called new branch of the service, named "motor rural carriers," proceeded to make a clean sweep of many hundreds of positions in the competitive classified service, turning out all the incumbents, no matter how well they had performed their duties, and appointing new men by means of a so-called new examination by the Civil Service Commission, the eligible lists from this new examination being turned over to Congressmen for recommendations in the same manner as had been done in the case of fourth-class postmasters. For this purpose it was necessary to circumvent the judicial policy of the Civil Service Commission, and the manner in which this was accomplished is disclosed in a letter written by James K. Blakeslee, Fourth Assistant Postmaster General, to the Hon. FRANK PARK, a Member of the House of Representatives from Georgia, dated December 9, 1915, and published in the CONGRESSIONAL RECORD December 15, 1915, pages 297 and 298. In this letter Mr. Blakeslee says:

The Civil Service Commission hold that a motor route is a new rural-delivery route, and whenever a new rural-delivery route is authorized or established an examination is held to secure eligibles, regardless of whether an existing eligible register is available or not. Therefore a new examination of all applicants for rural-route carriers was decided upon by the commission.

The compensation of a rural-route carrier requiring delivery by motor vehicles ranges from $1,500 to $1,800 a year. This compensation being materially greater than that of a route permitting delivery otherwise than by motor vehicles, it was held that it was necessary to hold a separate examination and maintain a separate register of eligibles for vacancies on motor routes, it not being permissible under the competitive requirements of the law to make certification from a register to a position with a materially higher compensation than that for which such a register was established.

Here is an adroit effort to create a situation to justify this clean sweep of rural-delivery carriers and then to throw the whole responsibility for this unjust proceeding upon the Civil Service Commission. The above paragraph is a verbatim copy of part of paragraph 2 of "Instructions to Applicants for the Rural Carrier Examination," issued August, 1913, by the Civil Service Commission, Form 1977, but the Fourth Assistant Postmaster General has cunningly omitted the sentence just preceding:

An appointing officer is privileged to fill any vacancy either by promotion or through open competitive examination held by the commission. For vacancies on motor rural-carrier routes the Post Office Department has requested the commission to certify eligibles from open competitive examination.

It was these omitted words which show that the responsibility for this clean sweep in the classified service rests in the first instance with the Post Office Department.

And that department can not justify itself by the pretension that this new examination was necessary because of the "materially higher compensation." The joint resolution of Congress did not fix the salary at $1,500 or $1,800. The Postmaster General might fix it himself and make it as low as he pleased. Indeed, many of the old carriers were actually using motor vehicles on their routes, which they were serving at their old salaries of $1,200 a year. Hence this "materially higher compensation" thus established by the Postmaster General himself was used as a pretext for something which he desired and which was otherwise unnecessary. There was no need whatever of making certifications for any new places from any eligible list. All that had to be done was to promote the men already in the service. No new examination by the commission was necessary for this at all. The commission bases its decision to hold new examinations when new eligibles are demanded on the theory that a place which may pay $1,800 will bring into the examination a higher class of men than a $1,200 place, and I have no doubt they are entirely judicial and impartial in their decision.

A peculiarity in making certifications for these motor routes renders it particularly easy to cover up political motives in making selections. Each county is considered the unit in holding examinations and making up the eligible lists. Now, the normal rule in other civil-service examinations is that the three highest men on the list are to be certified and the appointment must be made from these three. But an exception is made in the case of these rural carriers. Instead of certifying the three

highest names, the commission certifies the names of the two highest in the county and adds a third name, the highest in the town from which the particular rural route starts where the carrier is to be appointed. The man selected may be in fact the very lowest of all those who have passed the examination, but if there happens to be no higher from his particular town or on his particular route, he may still be appointed. If the selection then were left in the hands of the Member of Congress from the district, such Member may take his choice from the two highest in the county, or he may choose the man from the locality, however low he may stand upon the county list, and it is precisely by this kind of manipulation that the Congressman can always excuse himself by saying, if he chooses the single man, that it was in deference to the local desires of these little towns, or, if he chooses one of the higher men from the county at large, that it was on account of his superiority in passing the examination.

Now, it was just this sort of political manipulation which the civil-service law was enacted to prevent. The men who framed that law knew how strong was the influence of Members of Congress upon the various departments which depended upon Congress for their appropriations and their very existence. It was realized that if the department had its choice of one out of three that choice would still be a political one if it depended on the recommendations of Congressmen. Therefore, section 10 of the law provided:

No recommendation of any person who shall apply for office or place under the provisions of this act which may be given by any Senator or Member of the House of Representatives, except as to character or residence of applicants, shall be received or considered by any person concerned in making any examination or appointment under this act.

To turn over the eligible lists to the Congressman of the district for his recommendation is to make these places patronage offices, to make the carriers political agents and retainers of the Congressman who recommends them and practically to throw this branch of the service back again into the spoils system. These rural carriers are peculiarly valuable to Congressmen in their political work. No one else is in such close touch with the farmers as the rural carriers, and to organize this force in support of some particular Congressman in many cases is to secure his election. In this case, indeed, the Fourth Assistant Postmaster General declared:

The law specifically limits the inquiry of this department to the character and residence of the applicants, and we may not make inquiry nor accept or receive any other data or information regarding an applicant. But—

He adds—

should the relative standing of the applicants be the same, the department would, of course, give preference to that eligible whom the Representative from the district believed would make the most efficient postal employee, naturally feeling that he would have the most reliable information.

He admits in this sentence that he would consider the recommendation of the Congressman as to efficiency, and this is precisely the thing which the department is forbidden to do, since the law realized that the recommendation would not be impartial, but that the Representative would often recommend his own man. Moreover, no one in his senses will believe that where the entire eligible lists have been handed over to Congressmen for their manipulation and advice the recommendations will be confined to cases where two men stand exactly equal. The manifest purpose of Mr. Blakeslee's letter is to plead a literal conformity with the law, the substance and spirit of which is flagrantly violated.

Mr. Blakslee pretends that the real object of the examination is not to get the old men out and put new men in, and says the old men are favored because "the commission determined that applicants who had served in the position of regular rural carrier should be given additional credit in the examination." How fair! But how much should it count? The commission announced: "There will be added to the general average attained in the examination a credit of one-half of 1 per cent for each year's experience, not exceeding a total of six years of such experience, or a maximum of 3 per cent." Frankly it would be more decent to have allowed nothing. For according to the rules for rating arithmetic announced by the commission (see Form 1977, p. 10) a single error of wrong or omitted punctuation or a fraction in the answer not reduced to the lowest terms deducts from 5 to 10 per cent. Arithmetic counts as 20 per cent of the whole in examinations for rural carriers (see p. 8), therefore a single wrong or omitted punctuation or a fraction if correct yet not reduced to the lowest terms will deduct from 1 to 2 per cent, while a whole year's experience in faithful work counts for one-half of 1 per cent only! Thus it would require from two to four years' experience to make up for that omitted punctuation, and no amount of past faithful experience could atone for two or three such mistakes. But comment can not add to the irony of this method of covering up the process by which a great branch of the classified service is again consigned to patronage and spoils.

To see how this method works in practice, I will cite an illustration given me by a friend for whose accuracy I will vouch and which I presume is typical. There are several rural routes starting from his city. The majority of the carriers on these routes were Republicans and had been in the service more than five years. When it was announced that new rural routes were to be established, the Democratic postmaster, who had received his appointment on the recommendation of the Democratic Congressman from the district, had a conversation with one of the carriers in which the postmaster stated that Democrats ought to be in those places, and that he would do what he could to get them there. The postmaster showed my friend letters from the Post Office Department instructing him to discontinue certain routes, naming the carriers who were to be discontinued and establishing some new motor routes instead.

The postmaster further informed him that after the examination for motor carriers for these new routes had been held, and the eligible lists had been prepared, the Congressman came to him with these eligible lists and conferred with him as to which of the men certified in each case should be given the place. As a result of these conferences and of the Congressman's recommendations men were selected who were all Democrats.

The turning out of the old carriers has worked great hardships. They have lost, without any fault of their own, their free-delivery wagons and equipment for which they paid their own money. One of them was using a motor vehicle for his delivery. It recalls some of the worst evils that prevailed under the spoils system before the civil-service law was passed.

Moreover, it is saying to the Government employees, "No matter how well you behave or how faithfully you perform your duties you can not remain if the political interests of some Congressman demand a change." This is a poor stimulus to efficient service. All these dismissed carriers received from the Government a little book of Instructions in the Conduct of the Rural Free Delivery Service, in which section 2 states "Politics or religious affiliations of applicants are given no consideration, nor are political indorsements entertained. The merit and qualifications of the applicant and the good of the service are alone considered." Section 17 states: "A rural carrier will not be removed except upon written specific charges filed with the Post Office Department, of which he shall have full notice, nor until he has had an opportunity for defense." Can these carriers be blamed if, under these circumstances, they consider these assurances of their Government a hollow mockery?

I do not accuse the Postmaster General of being personally responsible for the conditions in his department. I appreciate that with his two duties of distributing patronage and conducting the business of that great organization, he does not have time for petty details. But he is responsible, as is the President, for what happens in his department, and it is my genuine belief that in some parts of the country there has been a deliberate and organized disregard of the civil-service spirit which has no precedent in recent times.

It was in this same speech of mine, which the Postmaster General criticized, that I compared the records of President Wilson and President Taft in making appointments by Executive order, and substituting favoritism for the regular methods of appointment. It was easy for Mr. Sweet, the Acting Secretary of Commerce, to contradict the statements of Judge Hughes, which he said were founded upon my remarks, when the newspapers had mistakenly attributed them all to the Geodetic Survey, which Judge Hughes had been discussing just before. The fact that they occurred in other branches of the service and not in the Geodetic Survey makes them no less censurable. But I observe that Mr. Sweet has made no criticism of their accuracy since the newspaper confusion was cleared up. He could not, for my facts were taken from the public reports of the commission.

I notice that a newspaper which is generally so well informed in civil-service matters as the New York Evening Post, in an editorial on Judge Hughes's criticism of the administration for these Executive appointments, while admitting that the criticism is just and that the appointments were censurable, says that President Wilson has been no worse in the matter than were his predecessors, Presidents Roosevelt and Taft. In that the Post is entirely mistaken.

President Wilson up to April 1, 1916, appointed 241 persons by special Executive order exempting them from the civil-

service requirements. President Taft, during the same period of his administration, only excepted 133, a little more than half as many. But that does not at all measure their relative adherence to the spirit of the civil service. President Roosevelt inaugurated the custom that when anyone requested him to waive the civil-service requirement in order to give a person an appointment the matter should be referred to the Civil Service Commission, and they should report upon the wisdom of the action. That, it seems to me, was a very sensible and disinterested innovation. The Civil Service Commission in such a case would be expected to sit as a judicial body, uninfluenced by political or partisan views, and forming its conclusions simply for the good of the service, and it seems to me the report of that commission ought to be conclusive to a President who wished to act for the country at large and not for his own personal or political gain. And it seems to me the genuineness of a President's devotion to the merit system could be very well measured by his acceptance or rejection of the recommendations of the commission in such cases. President Wilson excepted 38 without referring them at all to the Civil Service Commission and President Taft 12, a third as many. In both cases I assume that the reason they did not refer them to the commission for report was that they thought the report would be adverse, and so I censure them all, but President Taft sinned only a third as often as President Wilson.

Taking up the cases which were exempted after reference to the commission, President Wilson referred 203, President Taft 121. Of President Wilson's 203 the commission approved the appointment of 63 and disapproved the appointment of 140, so that in more than two-thirds of the cases President Wilson issued the order and made the exception against the advice of his commission. Of President Taft's 121 cases the commission approved the appointment of 103 and disapproved the appointment of 18, so that in only one-sixth of the cases did President Taft issue the order against the advice of the commission, as compared with two-thirds by President Wilson. How can any impartial person say that President Wilson was following the example of his predecessor? In relatively a few cases—a small minority—did President Taft fail to follow the opinion of the commission, while in a great majority of the cases President Wilson acted against the opinion of the commission. In one case, to abide by their decision was the rule; in the other case it was the exception. I hope President Hughes will set a new standard and never depart from the advice of the commission.

It should be borne in mind, moreover, that President Wilson had a commission of his own appointees, for one of his first acts was to introduce politics into the formation of the commission and make over the board, while Presidents Roosevelt and Taft both permitted the board to remain, during their terms, two Democrats and one Republican—so their deference to the opinion of the board can not be attributed to any political sympathy or subservience on the part of the board.

I have examined the exceptions which President Wilson has made since April 1, when I made my last speech on the subject, and I find that he is continuing the same custom of overruling the opinion of his Civil Service Commission. Since April 1, up to August 8, he has authorized the appointment of 52 persons outside of the regulations of the civil service. Of these 52 the Civil Service Commission approved 8 and disapproved 44, so that here more than four-fifths of them all were appointed in disregard of the opinion of the commission. It seems to me that the President's action in making these Executive orders has been akin to his action in all cases where the merit system was involved. He has approved the numerous measures adopted by Congress to narrow its scope, and this is the first administration since the civil-service law was enacted in 1883 which has limited and not extended its spirit and its influence.

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. TEMPLE] is recognized for one hour.

MEXICO.

Mr. TEMPLE. Mr. Speaker, nothing that President Wilson has done or tried to do since he took the oath of office is more worthy of study than his policy toward the Republic of Mexico. I have never been able to agree with those who say that the President has had no Mexican policy. If not a well-defined policy, he has had at least a well-known attitude, an evident and enduring purpose. He has constantly attempted to exercise a paternal oversight, a benevolent despotism, in Mexico for the advancement of what he believes to be the cause of constitutional government there; but his policy has been very costly to American citizens, whose lives and property have not been protected. It has been most unwelcome to the people of Mexico who have no faith in its benevolence and resent its despotism. Its advancement has been attempted by methods which ought not to have our approval and which have diminished our prestige and our influence among the nations of the world.

Mr. Wilson had been President of the United States only seven days when, on March 11, 1913, he announced his policy in a statement which Secretary Bryan telegraphed the next day to the diplomatic officers of the United States in all the principal Latin-American Republics. I quote the essential paragraphs:

> One of the chief objects of my administration will be to cultivate the friendship and deserve the confidence of our sister republics of Central and South America and to promote in every proper and honorable way the interests which are common to the peoples of the two continents.
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> * * * * * * *
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> We hold, as I am sure all thoughtful leaders of republican governments everywhere hold, that just government rests always upon the consent of the governed and upon the public conscience and approval. We shall look to make these principles the basis of mutual intercourse, respect, and helpfulness between our sister republics and ourselves. We shall lend our influence of every kind to the realization of these principles in fact and in practice, knowing that disorder, personal intrigue, and defiance of constitutional rights weaken and discredit government and injure none so much as the people who are unfortunate enough to have their common life and their common affairs so tainted and disturbed. We can have no sympathy with those who seek to seize the power of government to advance their own personal interests or ambitions.
>
> We are the friends of peace, but we know that there can be no lasting or stable peace under such circumstances.
>
> * * * * * * *
>
> From these principles may be read so much of the future policy of this Government as it is now necessary to forecast.

These words were ominous. What Latin American Government was there which at that time needed to be warned that we could have no sympathy with revolutionary movements growing out of unworthy personal motives? What Latin American Government needed the warning that—

> we are the friends of peace, but we know that there can be no lasting and stable peace under such circumstances.

We have now in Nicaragua a force of the United States Marine Corps protecting Americans from the violence of the turbulent and disorderly elements of that country; a much stronger force of the Marine Corps is in Santo Domingo protecting a president who came into power by means of a successful revolution; we have in Haiti a force of marines amounting now or very recently to more than seventeen hundred officers and enlisted men, who are "preserving tranquillity" there, and for the second time we have an army in Mexico which lately amounted to more than 12,000 soldiers of all arms, who were sent there, President Wilson said, to "give friendly aid to the constituted authorities of Mexico" in capturing Villa, and who were to have "scrupulous respect for the sovereignty of that Republic."

There are, therefore, no less than four Latin American Republics in which armed forces of the United States are maintained in active service at the present time. It is plain enough, however, that in March, 1913, when President Wilson announced the principles that would control his policy, neither Nicaragua nor Haiti nor Santo Domingo was brought to the attention of the reader by the warning. Events then recent in Mexico had called forth many an anxious inquiry as to the attitude of the new administration toward this nearest of our Latin American neighbors. It was Mexico, and Mexico alone, that was understood to have been warned by the President of the United States of the terms on which lasting and stable peace could be maintained.

Less than a month before Francisco Madero had been President of Mexico. On March 18 his power was taken from him. He resigned or was deposed. Pedro Lascurain, the minister of foreign affairs, succeeded him, but remained in office only long enough to appoint Gen. Huerta to that post in the cabinet, which, according to Mexican law, made him next in succession. Mr. Lascurain then resigned the presidency and was succeeded by Gen. Huerta. A few days afterwards Madero was slain, and there were many who believed that Gen. Huerta was responsible for his death. The American ambassador investigated the affair and reached the conclusion that Gen. Huerta "was in no way privy to the killing of Madero." President Wilson was reported to be of the contrary opinion, and it was commonly believed that he referred to Huerta when he announced:

> We can have no sympathy with those who seek to seize the power of government to advance their own personal interests or ambitions. We are the friends of peace, but we know there can be no lasting or stable peace under such circumstances.

And added:

> From these principles may be read so much of the future policy of this Government as it is now necessary to forecast.

It was not long until this belief was confirmed and people began to sum up President Wilson's attitude in the curt phrase, "Huerta must go." Huerta, however, was not willing to go.

For a time he was confirmed in his belief that he might continue to be President of Mexico without the consent of the President of the United States by the fact that one after another the great powers of the world recognized his government. Germany, Great Britain, France, Austria-Hungary, Italy, and Japan—all the so-called great powers, except the United States—recognized Huerta as President of Mexico, and so did Norway, Spain, Denmark, Holland, and other Governments. Several of the South American Republics refrained from granting formal recognition, but it was said they did so at the request of the United States.

From the first some of the States of northern Mexico which touch upon the American boundary refused to submit to Huerta's authority. There and in territory to the south, where Zapata remained in rebellion, even as in the days of Madero and Porfirio Diaz, civil war raged. Especially in the north much American property was destroyed and many American citizens suffered personal indignities, injury, or loss of life.

After five months of watchful waiting, on August 3, 1913, President Wilson sent to Mexico City, as his personal spokesman and representative, John Lind, who was authorized to present to Huerta certain demands on the part of the President of the United States. These demands were four: The first was that the civil war in Mexico must cease at once; a very desirable thing, but who could promise it, or promising, had power to make his promise good? The third was that Gen. Huerta must get out, and must bind himself not to be even a candidate for the Presidency. Here are the four demands in the language in which President Wilson reported them to Congress on August 27, 1913:

(a) An immediate cessation of fighting throughout Mexico, a definite armistice solemnly entered into and scrupulously observed.
(b) Security for an early and free election in which all will agree to take part.
(c) The consent of Gen. Huerta to bind himself not to be a candidate for election as President of the Republic at this election.
(d) The agreement of all parties to abide by the results of this election and cooperate in the most loyal way in organizing and supporting the new administration.

President Wilson reported to Congress that the authorities in Mexico had rejected these proposals, and in doing so, had rejected our friendship. He continued:

We can not thrust our good offices upon them. The situation must be given a little more time to work itself out in the new circumstances; and I believe that only a little while will be necessary. For the circumstances are new. The rejection of our friendship makes them new and will inevitably bring its own alterations in the whole aspect of affairs.
* * * The steady pressure of moral force will, before many days, break down the barriers of pride and prejudice and we shall triumph as Mexico's friends sooner than we could triumph as her enemies—and how much more handsomely, with how much higher and finer satisfactions of conscience and of honor.

Though at this time, August 27, 1913, the President thought that we could triumph as Mexico's friends sooner than we could triumph as her enemies, the tone and temper of his annual address at the opening of Congress in December of the same year indicated that he was beginning to contemplate the possibility of such action as was not actually taken until the following April. In that address he said:

There can be no certain prospect of peace in America until Gen. Huerta has surrendered his usurped authority in Mexico; until it is understood on all hands, indeed, that such pretended governments will not be countenanced or dealt with by the Government of the United States. * * * Little by little he has been completely isolated. By a little every day his power and prestige are crumbling and the collapse is not far away. We shall not, I believe, be obliged to alter our policy of watchful waiting.

This statement that there could be no certain prospect of peace in America until Gen. Huerta had surrendered his usurped authority in Mexico should be read in connection with what the President on March 11, nine months earlier, had called the forecast of his future policy, and in which he had spoken of the conditions on which lasting or stable peace could be expected. He thought the collapse of Huerta's power was coming soon, and therefore believed we should not be obliged to alter our policy of watchful waiting. The implication is plain that if the collapse did not come soon he might find it necessary to try something more effective than that steady pressure of moral force which, in August, he had thought would bring the result before many days.

And yet the moral force had been made to show a steadily increasing pressure. At first there was the announcement of strong disapproval in the statement which President Wilson called a forecast of his future policy. Huerta was not much disturbed by this. The great powers of the world, aside from the United States, had recognized him and his financial credit was good.

On June 3, 1913, the London Standard announced that a Mexican loan had been arranged and apportioned among the financial capitals of Europe and America. The total amount of the loan was not announced, but the sum of $30,000,000 was to be apportioned among the following financial houses: In New York, J. P. Morgan & Co., Kuhn, Loeb & Co., and the City National Bank; in London, Morgan, Grenfel & Co.; in Berlin, the Bleichroder Group; in Paris, the Banque de Paris and the Payes-Bas Group.

That this was not a mere rumor was confirmed on June 24, 1913, when the Paris banks put on the market fourteen and a half millions of the new Mexican bonds at the very respectable price of 98. They explained that these bonds were guaranteed by 38 per cent of the Mexican customs. A good market was anticipated, particularly in those countries where the Huerta government had been recognized. Señor de la Garza, Huerta's diplomatic agent in the United States, said that the total amount of the loan accepted by these banking houses was $100,000,000. Huerta's credit was good in June, 1913.

Six months later, when the world began to realize President Wilson's determination that Huerta must go, the situation changed. John Lind had done his work in Mexico and the President's message of August 27 had announced the result. The great bankers had read the President's message of December 2, in which he said: "There can be no certain prospect of peace in America until Gen. Huerta has surrendered his usurped authority in Mexico." When the bankers of London and Paris and Berlin realized the real meaning of these utterances Huerta's credit was not so good. On December 10 he asked the same banks which had taken up the loan in the spring for an advance of $6,000,000 to meet the interest payments on the Mexican National Railway bonds. This advance was to come out of the unabsorbed portion of the original loan. On December 21 it was reported that the Paris banks, although they were reluctant to do so, had agreed to advance their proportionate share, but no more.

Other efforts were made afterwards by Gen. Huerta to secure further advances, but his efforts met with no encouragement. His credit was gone. Two influences had combined to produce this result, the influence of Gen. Carranza and the influence of President Wilson. The chief of the Constitutionalist faction in Mexico had warned the world that if he should ever come into control of the Mexican Government he would not recognize as bonds of the Mexican Republic the obligations which Gen. Huerta was now incurring. It was, of course, well understood that in case such bonds were repudiated by Mexico the United States would not look with favor upon any attempt of a foreign government to force Mexico to pay either the principal or the interest. The effect, of course, was to destroy the borrowing power of the Huerta government.

There were still other means of bringing pressure to bear—"the steady pressure of moral force"—which, it was hoped, would break down the power of Gen. Huerta; and President Wilson had been making use of it more or less steadily. In the special message of August 27, 1913, the President said to Congress:

I deem it my duty to exercise the authority conferred upon me by the law of March 14, 1912, to see to it that neither side to the struggle now going on in Mexico receive any assistance from this side of the border. I shall follow the best practice of nations in the matter of neutrality by forbidding the exportation of arms or munitions of war of any kind from the United States to any part of the Republic of Mexico—a policy suggested by several interesting precedents and certainly dedicated by many manifest considerations of practical expediency. We can not in the circumstances be the partisans of either party to the contest that now distracts Mexico or constitute ourselves the virtual umpire between them.

We will pass for the present this strange declaration of impartiality and consider the announcement of an embargo on munitions of war. This was a reassertion of a policy which was at that time generally believed to have been in force from the days of the Taft administration. I wish to call attention, however, to a telegram which had been received by the authorities in Washington on August 23, from a firearms company in El Paso. It read as follows:

We sold to-day to the Mexican Federal Government 320 rifles and 97,000 cartridges to assist in filling an order for 1,000 rifles and 500,000 cartridges, for which amount a permit had been issued at Washington and received here Thursday night. Some of the arms and ammunition crossed to Juarez, Mexico, to-day. We are told that no shipment of arms or ammunition allowed to Mexico. If permits allowed, can we secure permit to export a few carloads of arms and ammunition to the Constitutionalists?

This firm had evidently applied for permits before and had been told that shipments were not allowed. It had only learned that, on the contrary, permits were sometimes issued when it was applied to for assistance in filling out an order which a competitor was shipping into Mexico under a permit. In explanation of this telegram and of press dispatches from El Paso, which made the matter public, the authorities in Washington said that the permit in question had been issued in accordance with the regular practice and at the request of the Mexican

embassy, and that it was the first permit that had been issued since June 25. Evidently, up to August 23, the date of this telegram, the administration had not been following that course which the President said on August 27 was the "best practice of nations in the matter of neutrality." As further evidence of the suddenness of the change of policy on the part of the administration, I may refer to a press telegram in the New York Times of August 28, which announced that 50,000 rifle cartridges were held up at El Paso by Government officials. The shipment reached there August 26, but was not taken by the Mexican Federal authorities at Juarez until the permit was revoked.

From this time on, however, arms and ammunition were not shipped into Mexico through the ordinary channels of trade. Gun-running expeditions were frequently undertaken and were sometimes successful, although the military forces along the international boundary were making the embargo as effective as they could by means of an energetic patrol covering those parts of the border which experience had shown them were likely to be chosen for such smuggling operations.

It is to be observed that the new policy made no change in the situation of the Constitutionalists. They had not been allowed at any time to receive open shipments of arms or ammunition. It was only the Federal authorities in Mexico, strange to say—Huerta's people—that had been allowed to receive such shipments previous to the President's announcement of an impartial embargo on August 27. After that announcement, Gen. Carranza, knowing the disfavor into which the Huerta government was sinking deeper and deeper, began to hope that permits might yet be issued for the sale of arms and ammunition to the Constitutionalists while the embargo would hereafter be maintained against Gen. Huerta and his forces. On November 7 Carranza asked for arms, and said that if his request were granted he could conquer Huerta and make peace in Mexico in three months. A week later William Bayard Hale, another personal representative of President Wilson, was in conference with Carranza at Nogales. The nature of the conference was not announced, but the New York Times correspondent expressed the belief that the subject under discussion had something to do with the guaranties that Carranza would be expected to make if arms should be furnished him.

It was not, however, until February 3, 1914, that the embargo was lifted. The President on that date issued a proclamation revoking the embargo proclamation which had been nominally in force ever since it was issued by President Taft on March 14, 1912. As reasons for this change of policy President Wilson said that the conditions on which the embargo proclamation had been issued had essentially changed, and further that it was desirable to place the United States in the same position as other powers with reference to the exportation of arms and ammunition of war to Mexico.

Together with the proclamation which lifted the embargo the President issued a statement which the gentleman from Mississippi [Mr. HARRISON] quoted on August 8 in his speech defending the President's Mexican policy. (CONGRESSIONAL RECORD, Aug. 8, 1916, p. 12323.) A paragraph from President Wilson's very interesting statement reads as follows:

> The Executive order under which the exportation of arms and ammunition into Mexico is forbidden was a departure from the accepted practices of neutrality, a deliberate departure from those practices under a well-considered joint resolution of Congress, determined upon in circumstances which have now ceased to exist.

It is interesting to compare this statement with the declaration in the President's special message to Congress August 27, seven months earlier, when he announced his intention of enforcing the embargo impartially. I quote one sentence:

> I shall follow the best practice of nations in the matter of neutrality by forbidding the exportation of arms or munitions of war of any kind from the United States to any part of the Republic of Mexico.

Can any one, speaking with authority, tell us which of these statements President Wilson now believes to be true? Is an embargo on arms and munitions of war "a departure from the accepted practices of neutrality," or is it "the best practice of nations in the matter of neutrality"? When he wished to enforce the embargo it was the best practice of nations in the matter of neutrality. When he wished to lift the embargo, then it was a departure from the accepted practices of neutrality. I fear this matter must remain in doubt; for when the President again issued an embargo proclamation, as he did on the 19th of last October, he did not tell us whether he was then following or departing from the accepted practices of neutrality.

As might have been expected, President Wilson's proclamation of February 3, 1914, lifting the embargo was greeted in various quarters with varying degrees of approval or disapproval. A signed comment of Gen. Francisco Villa was sent out from Juarez, Mexico, which reads:

> JUAREZ, MEXICO, *February 3, 1914.*
>
> Raising the embargo on arms is an act of justice on the part of the American Government toward the people of Mexico and signifies the prompt pacification of the Republic. Within three months the war will have ended.
>
> Gen. FRANCISCO VILLA.

The unprejudiced comment of intelligent foreign observers has been said by some one to be a contemporary expression of the opinion of posterity. An influential London newspaper said of the raising of the embargo:

> The expedient of sanctioning and supporting civil war in a neighboring State is a declaration of war in a form which can hardly be reconciled with the comity of nations. The danger of the situation from the point of view of the United States is that there is no retreat with honor from the uncompromising if impracticable position which President Wilson has taken up.

Its effect upon Americans in Mexico, and especially upon one in the City of Mexico who was familiar with the government of President Huerta, is interestingly shown in the intimate letters written by Mrs. O'Shaughnessy, the wife of the American chargé d'affaires in Mexico, to her mother:

> To-night has come the long-feared cable from Washington stating that the President intends to raise the embargo on arms and ammunition. * * * This act will not establish the rebels in Mexico City or anywhere else, but will indefinitely prolong this terrible civil war and swell the tide of the blood of men and women "and the children—oh, my brothers!"
>
> * * * * * * * * *
>
> I keep repeating to myself: "God! God! God!" A generation of rich and poor alike will be at the mercy of the hordes that will have new strength and means to fight and eat and pillage and rape their way through the country.

Villa's pleasure at the lifting of the embargo is readily understood. Late in December and early in January he had fought victorious battles in the beginning of his campaign toward the south. Later, however, from about the 10th of January on, his advance had been checked. Ammunition was short. Now, replenished by the abundant supplies that were rushed to him across the border, he returned from Juarez to his waiting army and resumed his advance. In March he attacked Torreon, which, after two weeks of hard fighting, he took on April 2, 1914. There, as usual, he shot many of the prisoners whom he had taken, sparing none of the officers of the Federalist Army, whom he executed on the charge that they were rebels against the true government, which he represented. From Torreon he drove out also about 700 Spaniards, not citizens of Mexico, many of whom afterwards reached El Paso destitute and starving. From Torreon Villa pushed on rapidly in pursuit of Gen. Velasco's army, which he overtook and defeated at San Pedro on April 9 and 10. In this battle it is said more than 3,000 of Huerta's soldiers were killed or wounded.

Villa, however, was not the only one of the Constitutionalist generals who was now fighting with arms and ammunition brought in since the embargo was lifted. Gen. Gonzales had attacked Tampico, and fighting was in progress there on April 9 when the incident occurred in that city which made it possible for President Wilson to increase once more the steady pressure of moral force by which he meant to hasten the collapse of Huerta's power.

On the 9th of April, 1914, Admiral Mayo sent the following telegram to Admiral Fletcher, who immediately forwarded it to Washington:

> This forenoon Mexican soldiers arrested paymaster and whaleboat's crew of *Dolphin*, part of whom were in boat with flag flying, marched them two blocks through streets and then back to boat, and there released them. Gen. Zaragoza expressed regret verbally. In view of publicity of event, I have called for formal disavowal and apology and punishment of officer in charge Mexican squad and salute to American flag within 24 hours from 6 p. m. Thursday.

A more complete statement of the incident is found in President Wilson's special address to Congress on April 20. The following is the paragraph which deals with this incident:

> On the 9th of April a paymaster of the U. S. S. *Dolphin* landed at the Iturbide Bridge landing at Tampico with a whaleboat and boat's crew to take off certain supplies needed by his ship, and while engaged in loading the boat was arrested by an officer and squad of men of the army of Gen. Huerta. Neither the paymaster nor anyone of the boat's crew was armed. Two of the men were in the boat when the arrest took place and were obliged to leave it and submit to be taken into custody notwithstanding the fact that the boat carried, both at her bow and stern, the flag of the United States. The officer who made the arrest was proceeding up one of the streets of the town with his prisoners when met by an officer of higher authority, who ordered him to return to the landing and await orders; and within an hour and a half from the time of the arrest orders were received from the commander of the Huertista forces at Tampico for the release of the paymaster and his men. The release was followed by apologies from the commander and later by an expression of regret by Gen. Huerta himself.

From these official documents we learn that the men arrested by Col. Hinojosa were escorted two blocks through the city

streets. They were met by an officer of higher rank and better judgment, who ordered that they be taken back at once to their boat. They were under arrest one hour and a half. They were released not on the demand of the American admiral, but on the appeal of a Mexican officer to the higher military authority in command of Gen. Huerta's forces at Tampico. Apology was made at once for their arrest and the officer responsible for it was himself placed under arrest to await his trial.

Admiral Mayo, believing that the publicity of the affair called for public ceremonies to make amends for it, demanded a salute. While the question of the salute was pending Gen. Huerta himself sent a written apology to the American chargé in Mexico, assuring the American Government that the Government of Mexico—

> * * * deplores what has occurred in this case, which has grown out of nothing more than the misunderstanding of a subordinate official. His superior officer also proceeded to point out that the occurrence was unintentional, and that he had imposed upon Col. Hinojosa the disciplinary punishment within the authority of Gen. Zaragoza.

Gen. Huerta also said in the same apology:

> If investigation should develop a greater responsibility on the part of Col. Hinojosa, the penalty applicable to the case will be imposed by the competent legal authorities.

President Wilson was not in Washington when this apology was received there, but was spending a short time at White Sulphur Springs. In his absence Secretary Bryan commented on the Tampico incident, saying that he believed Gen. Huerta's apology was sufficient, and that this Government could permit the matter to pass. Secretary Daniels expressed a similar opinion, saying:

> I am inclined to believe that Admiral Mayo, who, after all, has this whole matter in his hands, will regard the apology of Huerta as sufficient. The greater includes the less, and if the Federal commander at Tampico should not actually salute the flag Admiral Mayo will pass by the matter, satisfied with what Huerta has said of the incident.

There was a general feeling of relief when the Secretary of State and the Secretary of the Navy had thus expressed the belief that the crisis had passed; and not only responsible men in official life but the whole country breathed easier in the thought that whatever danger there might have been in the incident all was now happily ended.

When the President returned from White Sulphur Springs to Washington he disturbed this peaceful feeling and again aroused the apprehension of the country by declaring that the apology was not sufficient, the salute must be fired. On April 18 the President gave out the following statement:

> Gen. Huerta is still insisting upon doing something less than has been demanded and something less than would constitute an acknowledgment that his representatives were entirely in the wrong in the indignities they have put upon the Government of the United States.
>
> The President has determined that if Gen. Huerta has not yielded by 6 o'clock Sunday afternoon he will take the matter to Congress on Monday.

This statement was in Mexico City the same afternoon, and it could have no soothing effect upon the mind of the stubborn old Indian upon whose decision to salute or not to salute depended the whole issue of peace or war. It could hardly have been intended to have a soothing effect.

The President came to Congress on April 20 and asked for the support and approval of Congress in the course which it was his purpose to pursue. While Congress was still debating the resolution for which the President had asked, he ordered the beginning of hostilities. That resolution did not pass the Senate until April 22. In a letter of Secretary Daniels, addressed to the Secretary of State, and published in Senate Documen' No. 324, Sixty-fourth Congress, first session, is the following:

> In compliance with your request, I have the honor to inform you that on the night of April 20, 1914, in obedience to orders from the President of the United States, Admiral Fletcher, commanding the naval forces then stationed off Vera Cruz, Mexico, was directed to seize and hold the customhouse at Vera Cruz and not to permit war supplies to be delivered to the Huerta government or to any other party.

Marines were landed and the fight began. Nineteen Americans were killed and 70 wounded, and the Mexican loss was reported to be 126 killed and 195 wounded. What was the reason for this haste? What was the real reason for landing at Vera Cruz at all? Was it for the purpose of compelling Gen. Huerta to salute the flag in reparation for indignities put upon it at Tampico? Franklin K. Lane, then and now a member of President Wilson's Cabinet, says that that was not the reason. The gentleman from Mississippi [Mr. HARRISON], a member of the Foreign Affairs Committee and an earnest defender of President Wilson's Mexican policy, placed Secretary Lane's statement in the temporary RECORD on July 21 (p. 13207). It is as follows:

> Meanwhile the revolution had gained such headway in the north that it was difficult from day to day to say which had or occupied the greatest portion of Mexican territory. Huerta was keeping up his resistance because he was being supplied with ammunition from abroad. A ship was reported ready to land at Vera Cruz with a cargo of arms, and as a warning to Huerta and in proof of the seriousness of our purpose to bring Huerta to a recognition of our attitude, the order was given to seize the customhouse and occupy the port of Vera Cruz.
>
> We did not go to Vera Cruz to force Huerta to salute the flag. We did go there to show Mexico that we were in earnest in our demand that Huerta must go, and he went before our forces were withdrawn. * * * We had gone to Vera Cruz "to serve mankind." Our only quarrel was with Huerta, and Huerta got out on July 16, 1914.

I ask you to compare this frank, outspoken declaration of Secretary Lane with the reasons given by the President when he asked Congress to support and approve his use of the armed forces of the United States in Mexico. The President said:

> It was necessary that the apologies of Gen. Huerta should go much further; that they should be such as to attract the attention of the whole population to their significance and such as to impress upon Gen. Huerta himself the necessity of seeing to it that no further occasion for explanation and professed regrets should arise. I therefore felt it my duty to sustain Admiral Mayo in the whole of his demand and to insist that the flag of the United States be saluted in such a way as to indicate a new spirit and attitude on the part of the Huertistas.
>
> Such a salute Gen. Huerta has refused, and I have come to ask your approval and support in the course which I now purpose to pursue.
>
> * * * I therefore come to ask your approval that I should use the armed forces of the United States in such ways and to such extent as may be necessary to obtain from Gen. Huerta and his adherents the fullest recognition of the rights and dignity of the United States, even amidst the distressing conditions now unhappily obtaining in Mexico.

Mr. FESS. Mr. Speaker, will the gentleman yield?

Mr. TEMPLE. For a question.

Mr. FESS. Mr. Speaker, realizing that the gentleman is an authority on international law, having taught it in one of the American standard colleges, I desire to ask how he reconciles the refusal to recognize Huerta with the demand that he, Huerta, salute the flag, so far as its international aspect was concerned?

Mr. TEMPLE. Mr. Speaker, I have since my childhood given up the unprofitable task of working out puzzles. I can not reconcile it.

Mr. FESS. Or, taking the other horn of the dilemma, Secretary Lane's position, from the standpoint of international law, what was the act, as interpreted by a neutral country, when we forbade a German vessel landing ammunition to Huerta?

Mr. TEMPLE. We had occupied the customhouse. The German vessel might land the ammunition, but if she did, she landed it in our hands. If there had been no blockade and we had nevertheless seized the vessel, it would have been an offense against Germany, but we landed and seized the Mexican customhouse, which, of course, was an act of war upon Mexico.

Mr. FESS. Another question with respect to international law. In case we put an embargo to prevent Huerta from getting it and lifted the embargo in order that Carranza could obtain ammunition, what would that be in international law as to Mexico? Was it a recognition of belligerency?

Mr. TEMPLE. I hardly know about that, but certainly it was hardly maintaining the position that we would not constitute ourselves an umpire between these parties.

There is not a word in the President's address to Congress of that which Secretary Lane says was the real purpose of the landing at Vera Cruz, namely, "to show Mexico that we were in earnest in our demand that Huerta must go." On the contrary, the President said in the same special message on Mexico, April 20, 1914:

> I believe that I speak for the American people when I say that we do not desire to control in any degree the affairs of our sister Republic. * * * The people of Mexico are entitled to settle their own domestic affairs in their own way, and we sincerely desire to respect their rights.

We would respect it to the extent of telling them what man should not be their President—should not even be their candidate for President—and we gave expression to that earnest desire not to control their affairs by sending an army into their country to show them that we were in earnest in our demand that Huerta must go.

The vessel whose coming with a cargo of arms and ammunition for Huerta is said by Secretary Lane to have precipitated the seizure of the customhouse at Vera Cruz was the German merchant ship *Ypiranga*, of the Hamburg-American Line. She carried 15,000,000 rounds of ammunition and 200 machine guns. Secretary Daniels was quoted at the time as saying that the information as to the munitions of war on the *Ypiranga* was regarded as entirely trustworthy; not only was the Washington Government informed fully of what was on board before she sailed from Hamburg, but its information had been verified afterwards from bills of lading submitted to the examination of representatives of the United States Government. In the New York Times of April 22, printed and in the hands of its readers before the resolution approving of the use of armed force had passed the Congress, but after the landing had become an accomplished fact, Secretary Daniels was quoted as saying:

> The instructions sent to Admiral Fletcher were that the arrival of the *Ypiranga* was to be his cue for landing at Vera Cruz.

Before passing from this incident it should be remarked that after waiting in Gulf waters for a few weeks, during which time an armistice had been arranged between Gen. Huerta and the United States Government, the *Ypiranga* proceeded to Puerto Mexico, and landed the arms and ammunition there. They were shipped by rail to Gen. Huerta at Mexico City. When the *Ypiranga* returned to Vera Cruz she was seized and a fine of 894,950 pesos was imposed upon her by the American officer in charge of the Mexican customhouse at Vera Cruz for landing the goods at another port than that to which they were consigned. A fine of 118,685 pesos was imposed on the steamship *Bavaria* for a similar offense. It is understood that these fines were never paid, but were remitted by the United States upon the urgent request of the German foreign office.

It will be remembered that on February 3, 11 weeks before the landing at Vera Cruz, President Wilson had lifted the embargo on arms and ammunition, having concluded that it was a departure from the practices of neutrality. On April 24, without the formality of a proclamation, he issued Executive orders forbidding the shipment of arms or ammunition into Mexico. Secretary Garrison transmitted these orders to the troops at the border with instructions for their strict enforcement.

On April 25 the ambassadors of Argentina, Brazil, and Chile tendered their good offices as mediators between Gen. Huerta and the United States. The offer was accepted on both sides and a suspension of hostilities was arranged on April 30.

On May 6 the Mexican minister of foreign relations complained to the mediators that arms and ammunition were being shipped from the United States to the constitutionalist armies in Mexico, although the American Government had promised that during the mediation such shipments should be forbidden. The mediators forwarded the protest to Secretary Bryan, who replied that the orders forbidding the shipment of arms and ammunition into Mexico were being enforced. Upon this assurance the mediators sent the following communication to the Mexican foreign office:

WASHINGTON, *May 10, 1914.*

To the MINISTER OF FOREIGN RELATIONS, *Mexico:*

Referring to your excellency's telegram of the 6th instant and amplifying ours of the 7th, we take pleasure in communicating to your excellency that the Government of the United States when mediation was offered was not permitting the passage of arms and ammunition across the border and that since that offer the passage of the same has not been permitted.

We reiterate to your excellency the assurances of our high consideration.

This letter was signed by the ambassadors of Argentina, Brazil, and Chile.

As if the United States were desirous of making this assurance doubly sure, a quantity of ammunition that had been shipped from New York for Gen. Huerta was transshipped at Habana on May 10 to a vessel bound back to New York, and there on May 13 this Huerta ammunition was taken by Government officials and removed to the Brooklyn Navy Yard.

On the same day, May 13, it was announced that the constitutionalists had captured Tampico. Secretary Daniels immediately declared that this port would be open to arms and ammunition shipped to the constitutionalists, adding, "In fact all the Mexican ports are open, even Vera Cruz, only," he continued, "shipments to Vera Cruz would not get very far inland."

Upon this announcement Carranza's agents for the purchase of munitions of war left the border towns, where the Army was enforcing the order which forbade the shipment of arms and ammunition across the international boundary, and went, some of them to Tampico and some to New York. The result of their efforts was seen on June 2, when the steamship *Antilla*, of the Ward Line, was granted clearance papers by the officers of the port of New York and sailed for Tampico with a cargo which included 3,000,000 rounds of ammunition and two military scout aeroplanes for the Carranza forces. Other ships, including the *Susan* and the *Sunshine* from Galveston, began to deliver American arms and ammunition to the same port.

Mr. Bryan was much concerned, and on June 3 called attention to the fact that the understanding between the United States and the mediating ambassadors was that while mediation was in progress no arms from the United States should be sent to Mexico, either by land or by water. Secretary Daniels, however, issued a formal statement saying that there had been "no change in the policy of the Government in reference to its desire that the port of Tampico shall be open to all commerce."

On June 7 Gen. Huerta ordered two gunboats of the little Mexican Navy to proceed to Tampico and blockade that port. Gen. Carranza had refused to enter into any armistice and was energetically carrying on the war. Gen. Huerta saw no reason why he should not blockade this port, which was in the hands of the Constitutionalists, and was a gateway through which they were receiving war supplies.

On the 8th of June the Huerta gunboats arrived at Tampico. Admiral Mayo communicated with them and told them that his orders were to prevent a blockade of that port. After conference with them Admiral Mayo reported to Washington that the Huerta commanders had yielded to superior force. On the same day Gen. Huerta announced that his armistice with the United States would not permit him to resist the action of the American Navy.

This brought about such a situation that the Cabinet as a whole took up the matter and decided on June 9 that there should be no more shipments of arms, and Secretary Redfield ordered the cargo of the *El Sud* to be held at Galveston. Three days later, on the 12th of June, the *Antilla* landed her cargo at Tampico. Then, and not until then, President Wilson issued an order clearing up what was said to be a misunderstanding between the several departments of this Government. That order is as follows:

As matters which relate to the clearance of vessels fall within the jurisdiction of the Department of Commerce it is hereby ordered that instructions to customs officers concerning the exportation of arms and munitions of war to Mexico by sea shall be given that department. Similar instructions concerning exportations by land shall be issued by the Treasury Department.

The misunderstanding is an interesting one. Officials of the Treasury Department, with the aid of the Army under Secretary Garrison's instructions, were rigidly enforcing the order which prevented the shipment of arms across the international boundary. Secretary Daniels was persistently calling attention to Tampico as a port through which the Constitutionalists might obtain arms. Secretary Bryan was protesting that our honor was at stake and calling attention to his pledges to the three mediating ambassadors. Secretary Redfield was saying nothing but permitting officials in his department to issue clearance papers to the *Antilla*, the *Sunshine*, the *Susan*, and other vessels which were carrying arms to Tampico. The President did not issue the order clearing up the tangle until the day the *Antilla* landed her cargo at Tampico.

It is interesting to notice that just at this time the onward sweep of the Constitutionalist armies had been checked. Carranza's general, Panfilo Natero, was short of ammunition and had failed in his attack on Zacatecas on June 10 to 13. This city is about 300 miles inland from Tampico. The ammunition was landed there June 12. It is said to have been a portion of this shipment that Villa used on June 23 in a successful attack on Zacatecas, where he claimed to have killed 4,000, wounded 2,000, and captured 5,000.

Before we dismiss finally the question of the salute to the American flag, I wish to call attention to article 2, section B, of the final protocol signed June 24, 1914, as a result of the mediation at Niagara Falls between the United States and Gen. Huerta. It provided—

The Government of the United States of America will not in any form whatsoever claim a war indemnity or other international satisfaction.

The question has sometimes been asked what became of the salute. I answer that it is disposed of among the "other international satisfactions" which the American Government pledged itself not to claim.

Mr. DILLON. Mr. Speaker, will the gentleman yield?

Mr. TEMPLE. For a question.

Mr. DILLON. Can the gentleman tell us what became of the money collected at the customs house at Vera Cruz?

Mr. TEMPLE. Mr. Speaker, something over two and a half million pesos of money collected at Vera Cruz were sent to the treasury at New Orleans in a sealed safe and a sealed wooden box, and the last report is that the money is still there. It is there in the subtreasury if they have not later removed it. That interesting information is found in a communication from the Secretary of War to the Secretary of State in answer to a request for information about the Mexican money in our hands.

Mr. DILLON. Can the gentleman further tell us what is to be done with that money?

Mr. TEMPLE. That lies in the lap of the gods. I do not know.

Nevertheless, whatever became of the salute, the real purpose of the landing at Vera Cruz was accomplished. In accordance with another paragraph of that protocol, Gen. Huerta resigned his claim to the presidency of Mexico on July 15 and later departed from the country. Huerta was eliminated. So far as that is concerned, Mr. Wilson's policy succeeded. Referring to the matter a few months afterwards in a speech delivered in Indianapolis, President Wilson said:

With all due respect to editors of great newspapers, I have to say to them that I never take my opinions of the American people from their editorials. So that when some great dailies not very far from where I am temporarily residing thundered in rising scorn at watchful waiting, Woodrow sat back in his chair and chuckled, knowing that "he laughs best who laughs last."

This remark of the President's expressed a degree of satisfaction which the circumstances do not seem to have warranted. Huerta was gone, but the most appalling bloodshed since the overthrow of President Diaz was only well begun. The fighting between the forces of Carranza and those of Villa which followed the splitting of the Constitutionalist Party into two parts was not confined to northern Mexico. It spread throughout the Republic. It carried war and anarchy, bloodshed and starvation, more terrifying and more pitiful than before, into almost every part of the Republic, and the last stage of that country was worse than the first. It was precisely at this juncture that President Wilson said, in his Indianapolis address:

> It is none of my business and it is none of your business how long they take in determining it. The country is theirs; the Government is theirs; the liberty, if they can get it—and God speed them in getting it—is theirs. And, so far as my influence goes, while I am President nobody shall interfere with them.
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> Have not European nations taken as long as they wanted and spilt as much blood as they pleased in settling their affairs? And shall we deny that to Mexico because she is weak? No, I say. (CONGRESSIONAL RECORD, Jan. 9, 1915, p. 1279.)

At the time when President Wilson was thus asserting that nobody should deny to Mexicans the blessed privilege of spilling as much blood as they pleased, rifles and cartridges from the United States were going into Mexico. The embargo had been lifted in February, 1914, and the Executive orders issued after the landing at Vera Cruz to forbid such shipments had been revoked in September, 1914, "to avoid legal complications," the War Department said. These orders, it will be remembered, had been issued without the formality of a proclamation.

Many insisted that at least the embargo should be renewed. On June 2, 1914, the President issued a statement, addressed to the leaders of faction in Mexico, in which he described the situation as it then was. He said:

> A central authority at Mexico City is no sooner set up than it is undermined and its authority denied by those who were expected to support it. Mexico is apparently no nearer a solution of her tragical troubles than she was when the revolution was first kindled. And she has been swept by civil war as if by fire. Her crops are destroyed, her fields lie unseeded, her work cattle are confiscated for the use of the armed factions, her people flee to the mountains to escape being drawn into unavailing bloodshed, and no man seems to see or lead the way to peace and settled order. There is no proper protection either for her own citizens or for the citizens of other nations resident and at work within her territory. Mexico is starving and without a government.
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> I, therefore, publicly and very solemnly call upon the leaders of faction in Mexico to act, to act together and to act promptly, for the relief and redemption of their prostrate country. I feel it to be my duty to tell them that if they can not accommodate their differences and unite for this great purpose within a very short time this Government will be constrained to decide what means should be employed by the United States in order to help Mexico save herself and save her people.

The unprecedented bloodshed and anarchy in Mexico was precisely what many advisers had foretold would be the result of President Wilson's policy if he should succeed in driving out the one man that would probably have been able to restore and maintain order there. Among others the diplomatic representatives in Mexico of the European powers, in July, 1914, after a consultation among themselves, had sent identical notes to their governments suggesting that these powers should say to the United States through their representatives in Washington that the position which the United States had taken with reference to Mexico was contributing to revolutionary conditions, and that this Government ought to recognize the government of Gen. Huerta or assume responsibility for the state of affairs there. The story of this incident was told at the time by the New York Times of July 15, 1913, and has since been confirmed by the publication of the note in which the American ambassador to Mexico communicated the information to the Government at Washington. The summary of the identical notes is in language that indicates a possibility that foreign nations may in due time attempt to hold the United States responsible for the loss of property and lives of foreigners in Mexico.

The question will be asked—it is always asked—What do you think the American Government ought to have done? Ought we to have recognized Gen. Huerta? Could we have recognized a murderer?

In answer I wish to say that I do not know whether Gen. Huerta was a murderer or not. The American ambassador to Mexico investigated that question and expresses his belief that Gen. Huerta was in no way privy to the killing of Madero. I do not know whether Huerta's claim to the presidency of Mexico was legitimate or not. I do know that recognition of Huerta's government would not have been an expression of opinion upon either of these matters.

The United States Government has had an established policy upon the question of recognition of new governments. In 1870 a short-lived revolutionary government was set up in Spain. Hamilton Fish, then Secretary of State, wrote to the American minister at Madrid under date of November 16, 1870, as follows:

> We have always accepted the general acquiescence of the people in a political change of government as a conclusive evidence of the will of the Nation. When, however, there has not been such acquiescence, and armed resistance has been shown to changes made or attempted to be made under the form of law, the United States have applied to other nations the rule that the organization which has possession of the national archives and of the traditions of government, and which has been inducted to power under the forms of law, must be presumed to be the exponent of the desires of the people until a rival political organization shall have established the contrary.

In 1848 a new Government had been set up in France. James Buchanan, then Secretary of State, wrote on March 31, 1848, to the American minister in Paris:

> In its intercourse with foreign nations the Government of the United States has, from its origin, always recognized de facto governments. We recognize the right of all nations to create and reform their political institutions according to their own will and pleasure. We do not go behind the existing government to involve ourselves in the question of legitimacy. It is sufficient for us to know that a government exists capable of maintaining itself; and then its recognition on our part inevitably follows.

In July, 1899, the President of Santo Domingo was assassinated. The Vice President who succeeded him relinquished the Government to the insurgents who were responsible for the assassination. Mr. John Hay, Secretary of State, wrote the American minister in October, 1899:

> Upon your being satisfied that the new Government of Santo Domingo is in possession of the executive forces of the nation and administering the public affairs of the nation with due regard for the obligations of international law and treaties, you will enter into full relations with it.

It was not necessary to decide in haste. It would not have been out of harmony with our traditional policy to wait long enough to learn whether Huerta's government would be able to maintain itself. But we should have waited without announcing that the usurper must go—without breaking down Huerta's financial credit, without lifting the embargo to put arms into the hands of his enemies, without seizing the customhouse at Vera Cruz to prevent the landing of Huerta's supplies from the *Ypiranga*, without using the armed forces of the United States to insure the landing of Villa's ammunition from the *Antilla*.

The charge against the present administration is that against much good advice, against all tradition, contrary to all precedent, it chose to reverse the established policy of the United States and the result was disaster. [Applause on the Republican side.] It chose to sit in Washington as a benevolent despot controlling the fate of Mexico "to serve mankind," and the rash experiment failed. [Applause on the Republican side.] When all the so-called great powers and many of the smaller ones had recognized Gen. Huerta's government, it chose to rebuke them all by saying:

> There can be no certain prospect of peace in America until Gen. Huerta has surrendered his usurped authority in Mexico; until it is understood on all hands, indeed, that such pretended governments will not be countenanced or dealt with by the Government of the United States. We are the friends of constitutional government in America; we are more than its friends, we are its champions.

This warning was not meant for Huerta alone. Who are those "on all hands" by whom it must be understood that we are the champions of constitutional government in America and that we will not deal with such governments as Huerta's? One can not but wonder whether this announcement had any connection with the advice given by the European diplomatists in Mexico to the Governments which they represented in the identical notes mentioned a few moments ago.

I have finished what I had to say. I do not wish to discuss here and now the present situation in Mexico, neither how we got in nor how we are to get out. These questions are now in negotiation and the situation is still unsettled. I will, however, express the earnest wish that, without further interference by the United States, order and settled government may soon prevail in unhappy Mexico. [Applause on the Republican side.]

JACOB HOFFMAN.

Mr. FLOOD. Mr. Speaker, House resolution 343, respecting one Jacob Hoffman, was passed by the House this afternoon, and I desire now to enter a motion to reconsider it.

The SPEAKER pro tempore. The gentleman from Virginia enters a motion to reconsider the vote by which House resolution 343 was passed.

Mr. FLOOD. Mr. Speaker, I do not care to take it up now, but I ask unanimous consent to print in the RECORD a letter which I have received from the Secretary of State giving the information called for by this resolution.

The SPEAKER pro tempore. The gentleman from Virginia asks unanimous consent to print in the RECORD a letter from the Secretary of State. Is there objection?

There was no objection.

The SPEAKER pro tempore. The gentleman also enters a motion to reconsider the vote by which the motion was passed, which motion will go over for further consideration until the next legislative day.

The letter referred to is as follows:

DEPARTMENT OF STATE,
Washington, August 15, 1916.

Hon. HENRY D. FLOOD,
Chairman Committee on Foreign Affairs,
House of Representatives.

MY DEAR MR. FLOOD: In reply to a telephone message from the clerk of your committee concerning a privileged resolution in re one Jacob Hoffman (Jacob Jaeger), who has been detained by the British authorities at Vernon, British Columbia, I desire to say that the department's records show that action has been taken in this case as follows:

A letter was received from Representative Cox, May 23, 1916, transmitting a telegram from John P. Huther, Jasper, Ind., reporting that Jacob Hoffman, correct name Jacob Jaeger, was held at Vernon, British Columbia.

On May 25 the department telegraphically instructed the consul at Vancouver to investigate the matter and report fully by wire. On the same day Representative Cox was advised of this action.

On June 9 the department received a telegram from the consul general at Vancouver, stating that the British Columbia military authorities had referred Jaeger's case to Maj. Gen. Otter at Ottawa. Representative Cox was advised.

June 14 Representative Cox acknowledged this letter and stated that the department need not incur any further expenses by wiring, but he trusted that it would pursue the matter by correspondence until the facts were obtained.

On June 20 the department received another letter from Representative Cox, inclosing one from Mr. Bomar Taylor, of Jasper, Ind., in regard to the matter. He again stated that the expense of telegraphing need not be incurred, but that he hoped the nearest consul would be instructed to take the matter up and report at the earliest possible moment.

On June 26 the department, by dispatch, instructed the consul at Vancouver that Representative Cox had requested to be informed as soon as possible of the decision of the Canadian authorities in the case, and the consul was instructed to keep the department promptly informed of any developments. On the same day Representative Cox was advised of this action.

On June 30 the department received a telegram from the consul at Vancouver stating that the military authorities advised him that the major general at Ottawa did not consider the release of the prisoner desirable.

On July 7 Representative Cox was informed of the receipt of this telegram and that the department was sending written instructions to the consul general at Ottawa to report fully the grounds upon which Mr. Jaeger was detained.

On July 7 the consul general was so instructed by letter.

On July 12 the department received a letter from Representative Cox acknowledging the receipt of the department's telegram of June 29 and letter of July 7, insisting that the grounds upon which Jaeger was detained should be made known by the Canadian authorities.

On July 18 the department received another letter from Representative Cox to the same effect.

On July 18 the department advised the consul general at Vancouver of Representative Cox's request to be informed of the grounds upon which Hoffman is detained and instructed him to request of the Canadian authorities definitely the charges against Hoffman and upon what ground they decline to release him. Representative Cox was advised of this action.

On July 20 the department received a report by mail from the consul general at Ottawa, inclosing a letter from the director of internment in reply to one from the consul general inquiring the reasons for the detention of Hoffman and stating that he was captured by the police at Enderby, British Columbia, and the only reason given by them at the time of his arrest was that he was an alien enemy; but that he, the director, was writing for further particulars and would inform the consul general upon receipt of same.

On July 21 the department wired the consul general at Ottawa calling attention to its instruction and directing him to report fully by telegraph the grounds upon which Jaeger was detained.

On July 21 the department received another letter from Representative Cox urging vigorous action to ascertain the grounds upon which Jaeger was detained.

On July 22 the department received a telegram from the consul general at Ottawa stating that the internment officer had not receive a reply from Enderby concerning the detention of Jaeger and that a report was expected by the 26th or 27th of July.

Representative Cox was advised of the receipt of this letter dated July 25.

On July 29 the department received another letter from Representative Cox expressing the hope that the department would press the matter and stating that if he did not learn the reasons why Jaeger was interned he would introduce a bill to find out. On the same day the department received a telegram from the consul general at Ottawa stating that the internment officer had reported that reasons for arrest of Jacob Jaeger were the use of an assumed name and preparations for manufacturing explosives, and that no evidence was produced of American citizenship. This information was communicated to Representative Cox on August 10.

On August 8 the department received a dispatch, No. 1710, dated August 4, from the consul general at Ottawa, stating that he had made representations to the director of internment operations that Jacob Jaeger (or Jacob Hoffman), interned at Vernon, British Columbia, as a prisoner of war, was born at Ferdinand, Ind., February 26, 1866, and is therefore a native-born American citizen. With his dispatch the consul general transmitted copies of a letter of August 3 from the director of internment operations to the effect that if provision will be made for the admission of Hoffman into the United States and the necessary funds provided he will be released by the Canadian Government.

This information was communicated to Representative Cox by the department in a letter of August 11. A copy of the letter of August 3 from the director of internment operations accompanied the department's letter mentioned.

I am, my dear Mr. FLOOD,
Very truly, yours, ROBERT LANSING.

The SPEAKER pro tempore. Under the order previously made, the gentleman from Connecticut [Mr. HILL] is recognized for one hour.

OUR ECONOMIC AND FINANCIAL CONDITIONS AFTER THE EUROPEAN WAR.

Mr. HILL. Mr. Speaker, the question which will determine the result of the presidential election is—

Under which party for the next four years will the United States of America best maintain its honor, its dignity, its sovereignty, and its economic independence among the nations of the world, and under the policies of which party will the average man here be best served, for this Government is supposed to be the servant and not the master of the people.

The European war did not begin in an assertion of the peoples' rights, but to perpetuate the divine right of kings to rule the people.

It was a crisis in a long-continued war for trade and the industrial domination of the world, and when the blood shall cease to flow and the slaughter shall have stopped from sheer exhaustion of a supply of victims to the greed of kings, the economic struggle will still go on with renewed intensity.

At its outbreak the President of the United States, in a splendidly phrased appeal for neutrality, called upon the American people to hold an equal poise of speech, of sympathy, and of act toward all of the contending nations, and then seems to have ignored it as a guide for his own administration.

PEACE NOT A POLITICAL ASSET.

When the history of these passing years shall have been written, it will then be known that the insane folly of a hundred million people participating in an adjustment of kingly powers 3,000 miles away was prevented by the grim determination of the calm, intelligent, conservative membership of both political parties in the two House of Congress, inspired by a sense of patriotic duty and not by any one man or set of men who, when the crisis is past, would make the outcome a political asset for themselves.

The sympathy of the American people should be for the stricken people of Europe and not for the warring kings, for who doubts that when the final adjustments are made, regardless of who may win, they will be transferred like cattle from one owner to another for a stipulated price, and the demolished thrones will be rebuilt and the decayed dynasties restored.

For us to share in such a holocaust of humanity, to such an end, would be the colossal crime of all the ages. [Applause.]

OUR SUPREME DUTY.

Our supreme duty is to prepare this Nation for complete defense against them all at any cost, and hold this continent as the one place in all the world where "government of the people by the people and for the people shall not perish from the earth."

Under awful provocation from all sides, in spite of things done to us by all of the contending nations which would have justified instant retaliation on our part, in the face of cruelties and barbarities on both sides of the conflict which neither God nor humanity can ever condone, the Christian sentiment of the American people has kept this Nation out of the war in Europe, and at the same time an inefficient and inconceivably vacillating diplomacy has twice plunged us into all the conditions of actual war on our Mexican border at home. This House has been authoritatively advised by the Democratic leader that the Mexican expenses will be met by a bond issue. Will it be called a bond issue by a Democratic administration to meet current expenses in time of peace or a bond issue to cover the expenses of a foreign war in Mexico?

Let us hope that the European conflict may soon be ended, and that the hundred thousand American boys now guarding our southern border from pillage and plunder by an unlimited assortment of bandits and thieves, may soon be returned to their homes.

But whatever the outcome of the European war may be, we know now by the declarations of all parties to it, that the intent and purpose of both sides is to enter at its close upon a renewed struggle for industrial and trade supremacy, and it is even now being pressed home to us as to what our relation to it shall be and how we as a nation will be effected by it, for while the conflict of arms may be localized, the trade war which will follow will be sure to be world-wide.

THE DRESDEN AND PARIS AGREEMENTS.

From the best information obtainable at this time it appears that on January 25, 1916, the representatives of the central powers—Germany, Austria-Hungary, and Bulgaria—met at Dresden to appoint a commission to work out an agreement, which, according to the official declaration of the allied powers at Paris on June 22, 1916, "has for its evident object the establishment of their domination over the production and the mar-

kets of the whole world and to impose upon the other countries an inacceptable hegemony."

To meet this declaration of a renewed world-wide trade war a conference of the allied powers was held at Paris on March 28, 1916, and a convention of the representatives of Great Britain, France, Belgium, Japan, Portugal, Servia, Italy, and Russia was authorized.

The convention was held at Paris July 14 to 17, 1916, and a copy of their agreement will be appended to my remarks. Let me briefly call attention to some of the salient points that we may clearly understand the situation which will confront the United States when the war is over.

THE OPPOSING FORCES.

First. The population of the central powers will be about 160,000,000, including Turkey, if there is any Turkey when the war is over. In the raw materials essential to a world domination, aside from iron, of which Germany is the second largest producer, these powers are distinctly lacking, but Germany has the second largest foreign shipping, and excepting Japan and Italy, a lower wage scale than any of her rivals. In efficiency, utilization of by-products, technical education of her people, intensive agriculture, coordination of industries at home, and scientific selling organization abroad, she leads the world.

Second. The allies, with their colonies, number about eleven hundred million people. They either monopolize or practically control the essential world's products which the central powers lack. Now, note them. They control coal, iron, manganese, tin, nickel, platina, the metallic alloys, aluminum, wool, jute, hemp, flax, silk, and rubber. Russia has the largest reserve supply of lumber in the world, and Egypt, India, and Russia are rapidly increasing their growth of cotton.

They mine a hundred and fifty times as much gold as the central powers, and practically three-quarters of the world's production, and boldly proclaim their complete control of the seas.

These are the opposing forces. Six-tenths of the world against one-tenth, and three-tenths neutral and with no voice in the matter, and if the press reports are correct, with the request of France that the United States might be admitted to the convention of the allies, refused by Great Britain.

INFRINGING OF RIGHTS OF NEUTRALS.

We have the comforting assurance, however, given by Premier Asquith, in the British Parliament on August 2, that "the resolutions of the conference are not aimed at neutrals," but the statement is hardly consistent with the provisions of paragraph 3 of the second section of the signed agreement, which reads:

The allies declare themselves agreed to conserve for the allied powers, before all others, their natural resources during the whole period of the commercial, industrial, agricultural, and maritime reconstruction, and for this purpose they undertake to establish special arrangements to facilitate the interchange of these resources.

That may not be aimed at neutral countries but it means the commercial ruin of the smaller ones, and a bitter industrial war with the others.

The agreement provides for joint action during the war period, for the reconstruction period, and for permanent measures of mutual assistance thereafter.

NO LIMIT TO THE LAST TWO PERIODS AS TO TIME.

I do not need to review the war period restrictions upon the world's commerce, for they are being put in practice every day. As an illustration, a Member of this House has now in New York City several thousand dollars worth of machinery sold to a customer of 20 years standing in the Argentine Republic. Those articles have no more relation to the European war than they have to the Kingdom of Heaven, and yet he can not ship them on a foreign ship without the permission of a foreign consul because the consignee is blacklisted and boycotted, or on an American ship because foreign coaling stations are closed to American ships for like reasons.

A few weeks ago a manufacturer in my home city was asked for specifications and bids upon machinery for a customer in Canada. He sent them in. Two days after the other bids were opened his was returned, having never reached its destination, but marked "Opened and returned by the censor," and the contract was awarded to a Canadian bidder.

BLACK LISTS AND BOYCOTTS.

On August 4 Australia issued a black list of American firms and announced that trading with them was prohibited.

On August 5 the Holland-American Line announced their refusal to receive any cargo for vessels of their line from firms or individuals on the black list published by the allies. The reason given was that "they were under agreement with the Dutch Government to take no shipment or do any act which jeopardizes the Government or themselves."

The boycott may not be aimed at neutrals, but it hits them just the same. On August 6 France issued its black list. In addition to the British boycott of Americans by the list of July 18, the press report says:

The complete list printed in the Journal Officiel covers 24 columns and includes firms and individuals in Africa, South America, Japan, the Philippine Islands, Cuba, Denmark, Spain, Portugal, Greece, Holland, Norway, and Sweden, with whom French citizens are forbidden to trade.

We are told that our mails have been robbed, our legitimate trade with neutral nations apportioned to suit the ideas of belligerents; American cargoes have been captured and resold at large profits to countries of original destination; our ships have been blacklisted, and our merchants and manufacturers have been refused the poor privilege of paying enormous prices for raw materials, except upon pledges given that the finished products into which they go shall not be sold anywhere in foreign trade without the previous approval of the allied powers.

Orders in council have been substituted for international law, the contraband lists have been enlarged at will, and international agreements absolutely ignored.

DOMINATION OF WORLD TRADE.

Now, I yield to no man in condemnation of the barbarisms and brutal atrocities which characterize this awful war, whether it is in the sinking of unarmed merchantmen without warning, the agony of Belgium, the desolation of Poland, the use of poison gases, the bombs dropped from the sky on defenseless cities, the shooting of nurses, or the hanging of revolutionists; but these will stop with the termination of hostilities, while by the Paris agreement the avowed purpose of the allies is not only—I am quoting from the agreement—"to conserve for themselves before all others their own natural resources" after the war is over but "to develop their own economic activities to the end of assuring their independence both in regard to sources of supply and in their financial, commercial, and maritime organization." I concede that they would have a perfect right to do this if it could be done in a legitimate way without transgressing upon the rights of neutrals; but when they declare that they will—I am again quoting—"devise measures which will prevent the central powers from exercising in time of peace within their own territories the industries and professions which concern their own national defense or economic independence," they thereby declare their own intention to dominate the trade of the world for their own purposes and to compel every neutral power to surrender their own right to commercial relations with other powers on terms and conditions which any two nations may agree upon for themselves; and, whatever the smaller nations of Europe may do, I am very sure that the Western Hemisphere, under the leadership of the United States of America, will never accept the suzerainty of Europe, for the Monroe doctrine is not only a protest against the extension of the existing monarchical systems here but a notice to all the world that encroachments upon the commercial and political rights of popular governments on the Western Hemisphere will not be tolerated. [Applause.]

The time is rapidly coming in this world's affairs when the rights of belligerents must be subordinated to the rights of neutrals, and whatever Norway and Sweden and Denmark and Holland may now be compelled to submit to by reason of their geographical position and the overwhelming power of the warring nations, there is not the slightest excuse for us, 3,000 miles away, for not asserting and maintaining our rights under the law of nations against all violations of them from either side of the present conflict. [Applause.]

SAFEGUARD OUR OWN ECONOMIC INDEPENDENCE.

We have had too much of angleworm diplomacy in the past, neither backbone nor straightness, and unless we protest emphatically now against the policies outlined for the future by the Paris convention, and prepare ourselves against their enforcement, we may be ground between the upper and nether millstones of imperial combinations, and ultimately find it too late "to safeguard our own economic independence," a thing which Charles E. Hughes has just declared to be our urgent duty as a Nation. [Applause on the Republican side.]

Oh, for another Ulysses S. Grant or Grover Cleveland in the Executive chair [applause], and a Richard Olney or James G. Blaine or John Hay to control our diplomatic relations when the war is over.

DEMOCRACY INEFFICIENT.

Are the policies of the party now in power adapted to the changing conditions which await us? I say, emphatically, no. [Applause on the Republican side.]

The ink is hardly dry on their platform declaration of renewed faith in a tariff for revenue only when they admit the

complete failure of the Underwood law to meet their own extravagant expenditures by turning to direct taxation upon the industries of the Nation.

They utterly ignore the fact that the moment the war orders cease, their revenue from these sources will stop, and with the lowest tariff in the world in operation here, our markets will be wide open to the exports of our rivals while theirs will be closed to us.

AFTER-WAR PERIOD.

The first paragraph of the third section of the Paris declaration, providing for "permanent measures of mutual assistance and collaboration" after the war has stopped and the period of reconstruction has been passed, proclaims that the allied powers—

THIS IS WHAT THEY ARE GOING TO DO.

May have recourse to either enterprises subsidized and directed or controlled by the Governments themselves, or to the grant of financial assistance for the encouragement of scientific and technical research, and the development of national industries and resources, or to customs duties or prohibitions of a temporary or permanent character, or to a combination of these different methods.

The agreement adds, "Whatever may be the method adopted, the object aimed at by the allies is to increase the production within their territories, as a whole, to a sufficient extent to enable them to maintain and develop their economic position and independence in relation to enemy countries."

Do our Democratic friends imagine that this means that they intend to sell to us at competitive prices the raw materials which they control and which they say they will "conserve for themselves above all others," and that this country will sell back to them the finished products made from them, or that they intend to do the manufacturing and sell the finished product to us at prices dictated and maintained by the greatest international trust and combination which the world has ever seen?

Mr. STEENERSON. Will the gentleman yield?

Mr. HILL. Certainly, if I have any time.

Mr. STEENERSON. Does the gentleman conceive that the carrying out of this policy on the part of the allies will involve the abrogation of all commercial treaties?

Mr. HILL. Absolutely. The agreement says so, as I understand it.

And yet the Democratic Party proposes to handicap, by direct taxation, the very industries which must receive the heaviest blows in this great struggle.

"But," said a Democrat to me a few days ago, "they can not do this successfully."

Why not?

OUR FOREIGN TRADE.

For two years we have had a Federal Trade Commission struggling with the problem of how to exploit foreign trade by combinations of corporations and individuals here and yet not violate the law at home.

If we can do this thing for individual profit, why should not the allies do it on a national scale for national defense? It can hardly be expected, however, that American producers will go heavily into foreign trade under a governmental policy here which disclaims responsibility for the lives and property of its citizens outside of our own territorial limits. If such a policy is to be continued, the Federal Trade Commission might as well resign or take up some other line of work.

The reports from our consuls abroad show absolutely that the allied powers, while still engaged in a struggle for life, are rapidly increasing their industrial output. In the month of June, with our ports wide open, nearly a quarter of a billion of foreign products came into the American market place, at an average rate of duty of 8.1 per cent; and for the first six months of 1916 the imports exceed the same six months of the previous year by $433,000,000. What will it be when the 4,000 factories in England now commandeered for war supplies are restored to the arts of peace and the hives of industry in Belgium and northern France are again reopened and the accumulated products of German factories, where not a smokestack has been destroyed are all let loose upon the neutral nations to meet the demands of the staggering debts which the war has caused?

Democracy points with pride to the enormous exports of the past year, and the official statistical prevaricators to the administration have tried to show that only a small percentage of them is due to the war's demand.

They may think they are deluding the American people but they are not, they are only amusing them by their audacity, for there is not a workingman or woman in the United States who can read the newspapers who does not know that trade conditions were absolutely reversed on August 1, 1914, when the European war began, and that the scarlet fever of prosperity will instantly stop when the cannon cease to roar over the blood-stained fields of Europe. [Applause on Republican side.]

A few days ago I said to a silk manufacturer: "You ought to be glad that your industry is not disarranged by the war's requirements." He replied: "It is; the demand for silk bags to hold the charges of powder for the heavy guns has enormously increased the price of our raw materials. It is the only fiber which leaves no spark in the guns and prevents a premature explosion when loading again."

Since that incident I have concluded that our normal export and import trade has been practically revolutionized by the war. That the situation may be more clearly understood I will append to these remarks a list of contraband of war and of articles the entry of which into Great Britain is now prohibited.

Read it. I make the statement here and now that not a bale of cotton or a box of matches can go out of an American port without the consent of Great Britain to-day, either expressed or assumed.

FINANCIAL PREPAREDNESS.

Are we financially prepared for the coming contest? Since August 1, 1914, to August 1, 1916, our exportations aggregated about $7,400,000,000. Assuming that the average profit on all importations is 10 per cent, we have added to our working capital $740,000,000 from this source.

During the same time, we have made and are making foreign loans aggregating more than $1,500,000,000. It aggregated more than that this morning. The paper announces another one from Chile. Probably it will go to two thousand millions of dollars, every dollar of which has been taken from liquid capital and turned into fixed investments.

At the beginning of the war Europe held American securities estimated at from six to eight billion of dollars. Of these it is admitted that we have bought back about $2,000,000,000 worth, and every dollar of this has been taken from liquid capital and turned into fixed investments. At the lowest estimate, $4,000,000,000 of indebtedness to Europe still remains which, everyone admits, is being fed back to us as fast as it can be absorbed without smashing the market price here.

If the war continues another year, and further foreign loans are made, and more of our own securities bought back, as they will be, every dollar above the profit on exports, so invested, will be taken from working capital and turned into fixed investments. These investments, it is true, will give an average return of about 5 per cent.

BOND ISSUES.

But now we face another problem. It is estimated that the mobilization of the National Guard and the cost of the Mexican War will be $125,000,000, to be met by a bond issue, and every dollar of this will be taken from liquid working capital and used "to pay for a dead horse."

Furthermore, the enormous and unnecessary increase in Government expenses, the appropriations to satisfy sectional demands, the cost of many projects which, perhaps, worthy in themselves, might well be deferred, and added to all these the great expenditure essential to adequate national defense, will require additional taxation for the fiscal year of 1917 of at least $500,000,000, and raised, as it will be, by direct taxation on incomes and industries, every dollar of it will be taken out of the liquid working capital of the Nation, with no possible pecuniary return.

How the rural-credit law will affect the liquid capital of the Nation no man can even imagine, but according to the report of the committee the funds necessary to make it a success are to be secured by the sale of billions of bonds free of all national, State, and municipal taxes, and much of the amount they will represent will be changed from the liquid working capital of the Nation to a long-term fixed investment.

FOREIGN DEPOSITS.

Again, no man knows how much of the enormous deposits of our banks and trust companies is of foreign ownership, placed here for safety and concealed under American names, while all Europe is engulfed in the horrors of war.

The enthusiastic and irrepressible Secretary of the Treasury boasts of an increase of over $2,000,000,000 in a single year, and then adds:

These figures are so prodigious as to be almost unbelievable. Even the infallible and sanctified Republican Party could not have done better.

My friend smiles. During the Civil War there was a certain general who was "long" on earthwork construction and "short" on fighting ability. The boys made this conundrum about him: "Why is Gen. Blank like a mole?" The answer was, "Because, blind to everything about him, he still keeps on digging."

I commend to the Secretary a little prudence and caution in the disposition of these funds by the Federal Reserve Board, of which he is the master mind, for though he attributes all

the credit for them to the Democratic Party he will wake up if the war should stop suddenly and the period of reconstruction of Europe begins and find that the gold which represents them here will be called for by Europe and that it will disappear here like dew before the rising sun.

In view of all these things is it not inevitable that the time is rapidly coming when the shortage of working capital will not only compel higher interest rates and increased cost of production, but force a contraction of our industries at the very time when industrial preparedness is most needed?

STOP AND THINK.

Is it not high time to stop and think? It is easy for our Democratic friends, backed up by a party caucus vote, to pass laws providing for any kind of future expenditures, but I venture the assertion now that if the taxes to meet them were to be collected before November 1, 1916, instead of after January 1, 1917, even the solid South would go Republican in the next election. [Applause on the Republican side.]

The duty that lies before us now is financial and industrial preparation for an economic war, and to provide military and naval equipment for national defense, and my honest judgment is that we are getting neither under the policies of the party in power.

For example, I am authoritatively advised by a member of the Naval Committee that this administration will not and can not put into commission one ship, large or small, authorized during the life of the administration, and that battleships 43 and 44, authorized March 3, 1915, are not even begun.

THE FEDERAL RESERVE SYSTEM.

In a recent speech entitled "Prosperity and the Future," delivered by Secretary McAdoo, and which has already been printed three times at Government expense, and is therefore a fair subject for review. He says:

> The Federal reserve act, which is now generally conceded to be the most constructive measure placed upon our statute books in a half century, is the greatest contributing factor in this happy condition. * * * Not only has the reserve system provided ample credit resources and strengthened the financial structure of the country immeasurably, but is has caused a more equitable diffusion of credits, has reduced rates of interest and has mitigated already and in great measure the abuses of usury in those parts of the country where usury has been a serious handicap to business and enterprise.

BANK MEMBERSHIP.

I reply, first, 7,617 national banks and 19,457 State banks and trust companies do not concede the excellence of the system, for the national banks were forced in under the penalty of liquidation within a year if they did not go voluntarily, and of the 19,457 other banks, according to the last report of the comptroller, only 24 of them had joined. I understand that at the end of the second year there have been 10 more.

A lawyer once said in court that he had 16 reasons why an important witness was absent; the first of which was he was dead. The judge at once said that he need not give the other 15. In this case the statistics are a complete reply.

Much more favorable terms of membership were given to State banks than to national banks by the law itself, and even these conditions have been greatly liberalized by the Federal Board, and yet they refuse to join the system. Mr. Arthur Welton, of the American Bankers' Association, a very able man, in a published article the past week, has summarized the situation as follows. He says:

> Properly considered, the reserve system has advanced the country only from the position of having the worst currency and banking scheme to that of having one a little better. It has done just enough to demonstrate the necessity of doing more.

Second. Not $1 of banking capital has gone into the Federal reserve banks which did not come from the resources of the member banks, and their loaning power has been reduced by stock payments in the precise degree by which the loaning power of the Federal reserve banks has been established by them.

Third. The only increase of credit resources caused by the Federal reserve act is due to the reduction of required reserve. Whether it is prudent and safe to ignore the experience of the past half century has not yet been tested and settled. The board admits that it would be dangerous for State banks to do it. So far as the banks in the manufacturing sections are concerned, and I speak from experience, the weekly pay rolls have always compelled and always will compel the maintenance of reserves in excess of the old law, so that the reduction is of no benefit to them. I think that is substantially true of all so-called country banks.

Instead of increasing credit resources, as the Secretary claims, the effect of the law will probably be to reduce them, except in the reserve cities, for thus far the country banks have in most cases maintained as large balances as before with their old reserve agents, and the required reserve with the Federal reserve banks has been idle money, giving no return whatever, and the same thing is true of the 5 per cent redemption fund, which under the new law is not counted as a part of the reserve.

Fourth. The new law does not give a "more equitable diffusion of credits," as claimed by the Secretary, but the effect has been distinctly the reverse of that.

CONCENTRATION OF CREDITS.

Under the old system the reserves of the national banks were held by 367 reserve banks in 47 reserve cities and 3 central reserve cities and were placed there by the voluntary action of all the banks, and while there were controlled by between three and four thousand directors chosen without regard to their political views and for their business ability by the stockholders who had put their own money into the banking business.

Under the Federal Reserve System the reserves are concentrated in 12 banks in 12 cities and are placed there by compulsion of law and put under the absolute control of seven men here in Washington, every one of them of one political faith and always to be named by the leader of a political party, with no possibility of the owners of the property ever having a voice in the matter.

NO PLACE FOR POLITICS.

I am not saying this in criticism of the men who are now in control. I would condemn it just as strongly if they were all of my political views. The inevitable result of this under our system of government is to ultimately make a political football of the business interests of the country and to make the system a political machine. When the bill was under consideration by Congress I represented Connecticut in a specially called bankers' convention at Chicago, and was there named as one of a committee of 12 to review it and suggest amendments for its improvement.

I moved to strike out every political allusion from it, including the party division of the Federal board. One gentleman said, "Why, Mr. HILL, would you allow a President to appoint them all from one party?" I replied, "No President ever lived, none is living now, and none will ever live, who will make a great business institution such as this must be a political machine." I was mistaken. [Applause on the Republican side.] And these men, representing three different political views, unanimously voted to recommend the striking out of every such reference, and the convention, composed wholly of bankers, sent a committee of seven, headed by Mr. J. P. Morgan, of Chicago, to Washington to submit their amendments to the Senate committee. The change was made, and it has always been a matter of profound regret to me that I made the motion, for in the organization of the districts and in some rulings of the board since it has been impossible to satisfy the public and the member banks that political rather than business considerations have not sometimes prevailed.

It may be that this concentration of capital under the absolute control of seven men may possibly result in "a more equitable diffusion of credit," as the Secretary says, but who knows? Concerning it the Hon. CARTER GLASS once said that "the board could determine the welfare, happiness, and prosperity of every man, woman, and child in the United States," and Mr. UNDERWOOD declared that "it resolved itself into faith in the President's board, the whole question being whether the board was angel or devil."

Such a despotic control as this of the financial welfare of this great Nation ought to be as thoroughly divorced from politics as the Supreme Court of the United States has heretofore been supposed to be.

USURY.

Fifth. The Secretary claims that the system has mitigated the abuses of usury in certain sections of the country. There is nothing to the claim, for it is a man and not a system which has done that. The man who is entitled to credit is the Hon. John Skelton Williams, acting in the capacity of the Comptroller of the Currency, and he is entitled to the thanks of the country for it. He began the work of exposing the abuses three weeks before a Federal reserve bank was organized, taking it up first with the city banks and then following it up in the country districts.

It took nerve and courage to do it, but the effect of the publicity given to the abuses has reached straight down into the State bank system, over which the Federal Reserve Board has had no control whatever.

A review of the whole reform will be found in the last report of the comptroller.

RECOGNITION OF RESPONSIBILITY.

There is enough of good in the Federal Reserve System to justify its existence as a step toward better things.

For what good there is the country may first of all thank the Hon. CARTER GLASS, of Virginia [applause], who from the very beginning, to my personal knowledge, stood like a rock against the adoption of the financial heresies of some of his party associates of high and low degree, and it is only fair to him to say that as conditions were before Mr. Bryan was lifted out of the Cabinet, the sturdy good sense and sound-money principles of CARTER GLASS, backed up by the cooperation of the American Bankers' Association and the criticisms of the Republican Party, saved the administration from itself.

I earnestly urge upon him now a most cautious consideration of the pending recommendations of the board for the amendment of the law, for I believe that the gold-standard act, adopted by a Republican Congress, has never received a harder blow than now, when the Federal Reserve Board recommends to Congress that member banks be allowed "to count as part of their lawful reserves Federal reserve notes of their own district not exceeding in the aggregate an amount equal to 5 per cent of their net demand deposits."

That means the authorization, on the basis of the bank reports of May 1, 1916, of the substitution of three hundred and twenty-seven millions of nonlegal tender Government notes for a like amount of legal tender in the vaults of the member banks.

WHAT PREVENTED A PANIC IN 1914.

The speech of the Secretary is in itself a complete refutation of the claim made by the Secretary of the Navy not long ago, when he said:

> In the coming Democratic campaign the greatest asset is the currency measure, for if it had not been for the currency bill put through by the Democrats there would have been a panic in the United States when the European war came on.

On July 10 the President also said at Detroit that "it saved us from a ruinous panic when the stress of war came on."

If it were necessary to bring any other proof that this could not have been so than the simple fact that the Federal reserve banks were not even organized until three and one-half months after the war began, such proof is found in the report of the Secretary of the Treasury for 1914, in which he says:

> The outbreak of the European war precipitated many great problems. It is a tribute to the economic strength and soundness of the country and to the patriotism of its people in every class and walk of life that the shock has been so admirably withstood. This has been accomplished notwithstanding the fact that the Federal Reserve System authorized by the act of December 23, 1913, was at that time only in process of formation, and was therefore unable to render any service in the situation.

Furthermore, after two years of calm reflection the Secretary now says the salvation of the country from panic was an achievement of the administration, and perhaps too modestly adds:

> It was the leadership and action of the Government at Washington in cooperation with the leading bankers and business men of the country.

He never once mentions the Federal Reserve System with reference to it.

My own judgment is that the Federal reserve law had nothing to do with it, and the Aldrich-Vreeland law had very little, but that the closing of the stock exchanges of this country on July 30 and the declaration of the moratoria all over Europe prevented the closing out of collaterals there and here and stopped the dumping of our own securities from Europe and prevented a panic from starting.

Under these circumstances I would suggest that when Senator OLLIE JAMES, with his matchless oratorical ability, renews to the voters of Maine in the coming campaign the question which he put to the St. Louis convention, and which has never been answered, to wit, "What would have been the result if the old Republican system had been in effect when the world's war broke on us?" that the voters on the back seats in Maine simply answer, "It was in effect."

A GOOD FOUNDATION TO BUILD ON.

The Federal reserve act is a good foundation on which to build a banking system, but some method should be devised to draw into its membership the 19,457 State banks and trust companies which are sharing the benefits and leaving the national banks to pay the expenses of maintenance. As organized the system is top-heavy with expenses which, apparently, can never be met unless the Federal banks enter into direct competition for business with the member banks whose money they are using.

I am very confident that one central-reserve bank governed and controlled by a board of 19 directors, including the members of the present Federal board and the present board of 12 governors, with branches wherever business justified them, could be operated far more economically and effectively than the present cumbersome and expensive system ever can be.

A few months ago I said to an officer of one of the large banks in another part of the country, pointing to a Federal reserve bank near by: "Will you kindly tell me what advantage that institution is to you?" His answer was, "None whatever, except the privilege of paying part of the expense of maintaining it."

NATIONAL BANKING SYSTEM.

Through more than half a century of magnificent success the national banking system has been denounced by the Democracy in their party platforms, on the stump, and in both Houses of Congress. It had its faults, but in its inception it helped mightily to save the Nation's life, and ever since it has provided a national currency by which no man has ever lost a dollar. [Applause on the Republican side.]

The stockholders furnished the money and the brains to make it a success.

DEMOCRACY'S GREATEST ASSET.

At the close of business on July 21, 1916, the new system had drawn $547,000,000, which cost them nothing, from the funds of the old associations, and yet up to the present time it has not been able to earn its own living or, except in two cases which were specially favored by the Treasury, pay any returns to the actual owners of the institution. And this through a year and eight months of war prosperity, which Secretary McAdoo facetiously says "even the infallible and sanctified Republican Party could not have bettered."

If, as Secretary Daniels says, Democrats are going into the next campaign with this achievement as their "greatest asset," "sanctified Republicans" are perfectly content, for as victorious and triumphant Republicans in the Sixty-fifth Congress they will amend it to meet successfully the test which it has never yet had. [Applause on the Republican side.]

Gentlemen of the House of Representatives, I have stated to you the economic conditions which we must face at the end of the war and the absolute unpreparedness of the Democratic Party to meet them if it is continued in power.

It is useless to reply, as the President said to Congress on December 8, 1914, with reference to military and naval preparedness, "There is no need now to discuss it. We shall not alter our attitude now, because some amongst us are nervous and excited."

A year later that same party leader said to the citizens of Chicago, speaking of "national necessity," as he termed it then, "It has awakened me, myself. I frankly confess to you to many things and many conditions which a year ago I did not realize. I did not realize then that the things were possible which have since become actual facts."

I say to Woodrow Wilson and the Democratic Party now that full notice has been served on all the world by eight sovereign nations banded together under signed and sealed agreements on one side and by three nations on the other that when peace does come they propose to fan again into life the flame which set all Europe on fire two years ago, and contend again for the industrial domination of the world.

DYESTUFFS AND CHEMICALS.

A year ago, Democrats, you had the chance to relieve this Nation from a foreign monopoly in dyestuffs and chemicals essential to our industries, and in high explosives, the prime necessity of modern warfare. While you have delayed, at an enormous cost to our own people, a rival power has made the products and built a ship and sent it beneath the seas into our ports, and is now returning for another cargo. Now you defer till the war is over even your feeble attempt at relief from a cruel monopoly, for which this Nation has so patiently waited, and meanwhile disarm yourselves in face of the enemy.

Oh, the supreme folly of such a course.

AN APPEAL FROM WOODROW WILSON TO CHARLES E. HUGHES.

The American people demand, and have a right to demand, that in all the field of human endeavor, in everything possible to our soil, our climate, and our productive skill they shall have at least an equal chance with foreign producers in our own market place. [Applause on the Republican side.]

They demand, and they have a right to demand, that such policies shall be pursued as to make our fields laugh at their own abundance, our factories hum with the industry of contented labor, and our homes be filled with happiness and the comforts of life. They ask you for bread and you give them a stone.

They demand, as they have a right to demand, an Army consistent with the greatness of a Nation of a hundred million freemen determined to maintain their freedom as a sacred thing, and for a Navy which will give a safe and sure defense on both oceans, so that we need fear none but God.

To this end, and in utter despair of its accomplishment at your hands, I appeal from Woodrow Wilson and Democratic extravagancies in minor things and shortcomings in larger ones to Charles E. Hughes and the sure achievements of a reunited Republican Party, and patiently wait for the people's verdict at the next election. [Loud applause on the Republican side.]

APPENDIX A.

ECONOMIC CONFERENCE OF THE ALLIED GOVERNMENTS.

The representatives of the allied Governments have met in Paris, Mr. Clémentel, Minister of Commerce, presiding, on the 14th, 15th, 16th, and 17th of June, 1916, for the purpose of fulfilling the mandate which was confided to them by the conference of Paris on March 28, 1916, to put into practice their solidarity of views and interests and to propose to their respective Governments suitable measures for realizing this solidarity.

They perceive that the central powers of Europe, after having imposed upon them their military struggle in spite of all their efforts to avoid the conflict, are preparing to-day, in concert with their allies, a struggle in the economic domain which will not only survive the re-establishment of peace but, at that very moment, will assume all its amplitude and all its intensity.

They can not, in consequence, conceal from themselves that the agreement which is being prepared for this purpose amongst their enemies has for its evident object the establishment of their domination over the production and the markets of the whole world and to impose upon the other countries an inacceptable hegemony.

In the face of such a grave danger the representatives of the allied Governments consider that it is their duty, on the grounds of necessary and legitimate defense, to take and realize from now onward all the measures requisite on the one hand to secure for themselves and the whole of the markets of neutral countries full economic independence and respect for sound commercial practice, and on the other to facilitate the organization on a permanent basis of this economic alliance. For this purpose the representatives of the allied Governments have decided to submit for the approval of their Governments the following resolutions:

A. MEASURES FOR WAR PERIOD.

I. Laws and regulations prohibiting trading with the enemy shall be brought into accord, for this purpose:

(a) The allies will prohibit their own subjects and citizens and all persons residing in their territories from carrying on any trade with the inhabitants of enemy countries of whatever nationality, or with enemy subjects, wherever resident, persons, firms, and companies whose business is controlled wholly or partially by enemy subjects or subject to enemy influence, whose names will be included in a special list.

(b) The allies will also prohibit importation into their territories of all goods originating or coming from enemy countries.

(c) The allies will further devise means of establishing a system of enabling contracts entered into with enemy subjects and injurious to national interests to be canceled unconditionally.

II. Business undertakings, owned or operated by enemy subjects in the territories of the allies, are all to be sequestrated or placed under control. Measures will be taken for the purpose of winding up some of these undertakings and realizing the assets, the proceeds of such realizations remaining sequestrated or under control. In addition, by export prohibitions, which are necessitated by the internal situation of each of the allied countries, the allies will complete the measures already taken for the restriction of enemy supplies both in the mother countries and the dominions, colonies, and protectorates—

1. By unifying lists of contraband and export prohibition, particularly by prohibiting the export of all commodities declared absolute or conditional contraband;

2. By making the grant of licenses to export to neutral countries, from which export to the enemy territories might take place, conditional upon the existence in such countries of control organizations approved by the allies, or, in the absence of such organizations, upon special guarantees, such as the limitation of the quantities to be exported and supervision by allied consular officers, etc.

B. TRANSITORY MEASURES FOR THE PERIOD OF THE COMMERCIAL, INDUSTRIAL, AGRICULTURAL, AND MARITIME RECONSTRUCTION OF THE ALLIED COUNTRIES.

I. The allies declare their common determination to insure the re-establishment of the countries suffering from acts of destruction, spoliation, and unjust requisition, and they decide to join in devising means to secure the restoration to those countries, as a prior claim, of their raw materials, industrial, agricultural plant and stock, and mercantile fleet, or to assist them to reequip themselves in these respects.

II. Whereas the war has put an end to all treaties of commerce between the allies and enemy powers, and it is of essential importance that during the period of economic reconstruction the liberty of none of the allies should be hampered by any claim put forward by enemy powers to most-favored-nation treatment, the allies agree that the benefit of this treatment will not be granted to those powers during a number of years, to be fixed by mutual agreement among themselves.

During this number of years the allies undertake to assure each other, so far as possible, compensatory outlets for trade in case consequences detrimental to their commerce should result from the application of the undertaking referred to in the preceding clause.

III. The allies declare themselves agreed to conserve for the allied countries, before all others, their natural resources, during the whole period of the commercial, industrial, agricultural, and maritime reconstruction, and for this purpose they undertake to establish special arrangements to facilitate the interchange of these resources.

IV. In order to defend their commerce and industry and their agriculture and navigation against economic aggression, resulting from dumping or any other mode of unfair competition, the allies decide to fix by agreement a period of time during which commerce with the enemy powers will be submitted to special treatment, and goods originating from their countries will be subjected either to prohibitions or to a special régime of an effective character. The allies will determine by agreement, through diplomatic channels, the special conditions to be imposed during the above-mentioned period on the ships of enemy powers.

V. The allies will devise measures to be taken jointly or severally for preventing enemy subjects from exercising in their territories certain industries or professions which concern national defense or economic independence.

C. PERMANENT MEASURES OF MUTUAL ASSISTANCE AND COLLABORATION AMONG THE ALLIES.

I. The allies decide to take the necessary steps without delay to render themselves independent of enemy countries in so far as regards raw materials and manufactured articles essential to the normal development of their economic activities. These measures will be directed to assuring the independence of the allies, not only so far as concerns sources of supply, but also as regards their financial, commercial, and maritime organization. The allies will adopt such measures as seem to them most suitable for the carrying out of this resolution according to the nature of the commodities and having regard to the principles which govern their economic policy. They may, for example, have recourse to either enterprises subsidized and directed or controlled by the Governments themselves or to the grant of financial assistance for the encouragement of scientific and technical research and the development of national industries and resources, or to customs duties or prohibitions of a temporary or permanent character, or to a combination of these different methods.

Whatever may be the methods adopted, the object aimed at by the allies is to increase the production within their territories as a whole to a sufficient extent to enable them to maintain and develop their economic position and independence in relation to enemy countries.

II. In order to permit the interchange of their products, the allies undertake to adopt measures facilitating mutual trade relations, both by the establishment of direct and rapid land and sea transport service at low rates and by the extension and improvement of postal, telegraphic, and other communications.

III. The allies undertake to convene a meeting of technical delegates to draw up measures for the assimilation, so far as may be possible, of their laws governing patents, indications of origin, and trade-marks. In regard to patents, trade-marks, literary and artistic copyright which come into existence during the war in enemy countries, the allies will adopt, so far as possible, an identical procedure to be applied as soon as hostilities cease. This procedure will be elaborated by the technical delegates of the allies.

D. Whereas for the purpose of their common defense against the enemy the allied powers have agreed to adopt a common economic policy on the lines laid down in the resolutions which have been passed; and whereas it is recognized that the effectiveness of this policy depends absolutely upon these resolutions being put into operation forthwith, the representatives of the allied Governments undertake to recommend that their respective Governments shall take, without delay, all the measures, whether temporary or permanent, requisite to giving full and complete effect to this policy forthwith, and to communicate to each other the decisions arrived at to attain the object.

PARIS, *June 17, 1916.*

Have signed these resolutions:

For France: M. E. Clementel, Ministre due Commerce et de l'Industrie; M. G. Doumergue, Minister des Colonies; M. M. Sembat, Ministre des Travaux Publics; M. A. Metin, Minister du Travail et de la Prévoyance Sociale; M. J. Thierry, Sous-Secrétaire d'Etat de la Guerre (Service de l'Intendance); M. L. Nail, Sous-secrétaire d'Etat de la Marine (Marine Marchande); M. J. Cambon, Ambassadeur de France, Secrétaire Général du Ministère des Affaires Étrangères; M. A. Masse, Secrétaire Général du Ministère de l'Agriculture; M. J. Branet, Directeur Général des Douanes; M. P. de Margerie, Ministre Plénipotentiare, Directeur des Affaires Politiques et Commerciales au Ministère des Affaires Étrangères.

For Belgium: M. de Broqueville, Président du Conseil, Ministre de la Guerre; M. le Baron Beyens, Ministre des Affaires étrangères; M. van de Vyvere, Ministre des Finances; M. le Comte Goblet d'Alviella, Membre du Conseil des Ministres.

For Great Britain: M. le Marquis de Crewe, Lord President du Conseil privé; M. A. Bonar Law, Ministre des Colonies; M. W. M. Hughes, Premier Ministre d'Australie; Sir George Foster, Ministre du Commerce du Canada.

For Italy: S. Exc. M. Tittoni, Ambassadeur d'Italie à Paris; M. Daneo, Ministre des Finances.

For Japan: M. le Baron Sakatani, Ancien Ministre des Finances.

For Portugal: M. le Docteur Alfonso Costa, Ministre des Finances; M. le Docteur Augusto Soares, Ministre des Affaires étrangères.

For Russia: M. Pokrowsky, Contrôleur de l'Empire, Conseiller privé; M. Prilejaieff, Adjoint au Ministre du Commerce et de l'Industrie, Conseiller privé.

For Servia: M. Marinkovitch, Ministre du Commerce.

[Inclosure 2—Translation.]

The following persons, who are diplomatic representatives of the allied countries in Paris, have been appointed as a permanent committee of the economic conference:

Belgium: M. G. Peltzer, Vice President of the Union Economique Belge.

France: M. Denys Cochin, Minister of State, President of the Committee; M. Gout, Minister Plenipotentiary, Under Secretary of the Foreign Office; Contre Amiral Amet, Vice President of the Committee.

Italy: Prince Ruspoli, Minister Plenipotentiary Italian Embassy in Paris; Commandeur del Abbadessa, Assistant General Director of the Customs; Colonel Brancaccio.

Japan: Tatsuke, Counsellor of the Japanese Embassy in Paris.

Great Britain: Earl Granville, Counsellor of the British Embassy in Paris.

Portugal: M. de Vilhena.

Russia: Sevastopoulo, Counsellor of the Russian Embassy in Paris; Batcheff, Commercial Attaché at the Russian Embassy in Paris.

Servia: Voulovitch, Deputy; Kapetanovitch, Deputy.

General Secretary:

BOSSERONT D'ANGLADE,
Minister Plenipotentiary.

APPENDIX B.

[Transmitted by unnumbered dispatch from American Consulate General, London, England, file No. 763.72112/2527, dated Apr. 20, 1916.]

BRITISH CONTRABAND LIST—LIST OF ARTICLES DECLARED TO BE CONTRABAND OF WAR.

The articles declared to be contraband of war in the proclamations now in force have been arranged alphabetically in the accompanying list. It is hoped that this will be convenient to all parties concerned.

The list comprises the articles which have been declared to be absolute contraband as well as those which have been declared to be condi-

tional contraband. The circumstances of the present war are so peculiar that His Majesty's Government consider that for practical purposes the distinction between the two classes of contraband has ceased to have any value. So large a proportion of the inhabitants of the enemy country are taking part, directly or indirectly, in the war that no real distinction can now be drawn between the armed forces and the civilian population. Similarly, the enemy Government has taken control, by a series of decrees and orders, of practically all the articles in the list of conditional contraband, so that they are now available for Government use. So long as these exceptional conditions continue our belligerent rights with respect to the two kinds of contraband are the same and our treatment of them must be identical.

FOREIGN OFFICE, *April 13, 1916.*

LIST OF ARTICLES.

Acetic acid and acetates; acetic ether; acetones, and raw and finished materials, usable for their preparation; Aircraft of all kinds, including aeroplanes, airships, balloons, and their component parts, together with accessories and articles suitable for use in connection with aircraft; aluminium, alumina, and salts of aluminium; ammonia liquor; ammonium salts; aniline and its derivaties; animals—saddle, draught, or pack—suitable, or which may become suitable, for use in war; antimony, together with the sulphides and oxides of antimony; apparatus designed exclusively for the manufacture of munitions of war, or for the manufacture or repair of arms or of war material for use on land or sea; armor plates; arms of all kinds, including arms for sporting purposes, and their component parts; arsenic and its compounds; arsenical ore; articles especially adapted for use in the manufacture or repair of tires; and asbestos.

Barbed wire; barium chlorate and perchlorate; bauxite; benzol and its mixtures and derivatives; bladders, guts, casings, and sausage skins; bones in any form, whole or crushed, and bone ash; boots and shoes suitable for use in war; borax, boric acid, and other boron compounds; and bromine.

Calcium acetate, calcium nitrate, and calcium carbide; camp equipments, articles of, and their component parts; camphor; capsicum; carbon disulphide; carbon, halogen compounds of; carbonyl chloride; carborundum in all forms; casein; caustic potash and caustic soda; celluloid; charges and cartridges of all kinds and their component parts; chlorides, metallic (except chloride of sodium) and mettaloidic; chlorine; chrome ore; chronometers; clothing and fabrics for clothing suitable for use in war; clothing of a distinctively military character; cobalt; copper pyrites and other copper ores; copper unwrought and part wrought, copper wire, alloys and compounds of copper; cork, including cork dust; corundum, natural and artificial (alundum), in all forms; cotton, raw, linters, cotton waste, cotton yarns, cotton piece-goods, and other cotton products capable of being used in the manufacture of explosives; cresol and its mixtures and derivaties; and cyanamide.

Docks, parts of.

Emery in all forms; equipment of a distinctively military character; ethyl alcohol; and explosives, whether specially prepared for use in war or not.

Ferro alloys, including ferrotungsten, ferromolybdenum, ferromanganese, ferrovanadium, and ferrochrome; field forges and their component parts; field glasses; flax; floating docks and their component parts; foodstuffs; forage and feeding stuffs for animals; formic ether; fuel other than mineral oils; fuming sulphuric acid; and furs utilizable for clothing suitable for use in war.

Glycerine; gold; and gold mountings and their component parts.

Hair, animal, of all kinds, and tops, noils, and yarns of animal hair; harness and saddlery; harness of a distinctively military character, all kinds of; hemp; hides of cattle, buffaloes, and horses; horseshoes and shoeing material; and hydrochloric acid.

Implements designed exclusively for the manufacture of munitions of war, or for the manufacture or repair of arms or of war material for use on land or sea; implements for fixing and cutting barbed wire; iodine and its compounds; iron, electrolytic; iron, hæmatite and hæmatite iron ore; and iron pyrites.

Kapok.

Lathes capable of being employed in the manufacture of munitions of war; lead and lead ore; leather belting, hydraulic leather, pump leather; leather, undressed or dressed, suitable for saddlery, harness, military boots, or military clothing; limbers and limber boxes and their component parts; and lubricants.

Machines capable of being employed in the manufacture of munitions of war; manganese and manganese ore; manganese dioxide; maps and plans of any place within the territory of any belligerent, or within the area of military operations, on a scale of 4 miles to 1 inch, or any larger scale, and reproductions on any scale, by photography or otherwise of such maps or plans; materials especially adapted for use in the manufacture or repair of tires; materials used in the manufacture of explosives; mercury; methyl alcohol; military wagons and their component parts; mineral oils, including benzine and motor spirit; molybdenum and molybdenite; and motor vehicles of all kinds and their component parts and accessories.

Napthalene and its mixtures and derivaties; nautical instruments, all kinds of; negotiable instruments; nickel and nickel ore; and nitric acid and nitrates of all kinds.

Oils and fats—animal, fish, and vegetable—other than those capable of use as lubricants, and not including essential oils; oleaginous seeds, nuts, and kernels; and oleum.

Paper money; paraffin wax; peppers; phenol (carbolic acid) and its mixtures and derivatives; phosphorus and its compounds; phosgene; potassium salts; powders, whether specially prepared for use in war or not; projectiles of all kinds and their component parts; and prussiate of soda.

Railway materials, both fixed and rolling stock; ramie; range finders and their component parts; rattans; realizable securities; resinous products; rubber (including raw, waste, and reclaimed rubber; solutions and jellies containing rubber, or any other preparations containing rubber, balata, and gutta-percha, and the following varieties of rubber, viz, Borneo, Guayule, Jelutong, Palembang, Pontianac, and all other substances containing caoutchouc), and goods made wholly or partly of rubber.

Sabadilla seeds and preparations therefrom; cheelite; searchlights and their component parts; selenium; silver; skins of calves, pigs, sheep, goats, and deer; skins utilizable for clothing suitable for use in war; soap; sodium; sodium chlorate and perchlorate; sodium cyanide; solvent naphtha and its mixtures and derivatives; starch; steel containing tungsten or molybdenum; submarine sound-signaling apparatus; sulphur; sulphur dioxide; sulphuric acid; sulphuric ether.

Tanning substances of all kinds, including quebracho wood and extracts for use in tanning; telegraphs, materials for; telephones, materials for; telescopes; tin, chloride of tin, and tin ore; toluol and its mixtures and derivatives; tools capable of being employed in the manufacture of munitions of war; tungsten; turpentine (oil and spirit); tires for motor vehicles and for cycles.

Urea.

Vanadium; vegetable fibers and yarns made therefrom; vehicles of all kinds, other than motor vehicles, available for use in war, and their component parts; vessels, craft, and boats of all kinds.

Warships, including boats and their component parts of such a nature that they can only be used on a vessel of war; wireless telegraphs, materials for; wolframite; wood tar and wood-tar oil; wool, raw, combed, or carded; wool waste; wool tops and noils; woolen or worsted yarns.

Xylol and its mixtures and derivatives.

Zinc ore.

[Transmitted by American Embassy at London, Despatch No. 3506, April 18, 1916, File No. 763.72112/2519.]

BY THE KING.

A PROCLAMATION MAKING CERTAIN ADDITIONS TO AND AMENDMENTS IN THE LIST OF ARTICLES TO BE TREATED AS CONTRABAND OF WAR.

George R. I.:

Whereas on the 14th day of October, 1915, we did issue our royal proclamation specifying the articles which it was our intention to treat as contraband during the continuance of hostilities, or until we did give further public notice;

And whereas on the 27th day of January, 1916, we did by our royal proclamation of that date make certain additions to and modifications in the list of articles to be treated as contraband;

And whereas it is expedient to make certain further additions to and modifications in the said list: Now, therefore,

We do hereby declare by and with the advice of our Privy Council, that during the continuance of the war or until we do give further public notice, the following articles will be treated as absolute contraband in addition to those set out in our royal proclamations aforementioned:

Gold, silver, paper money, and all negotiable instruments and realisable securities.

Metallic chlorides, except chloride of sodium; metalloidic chlorides; halogen compounds of carbon.

Starch.

Borax, boric acid, and other boron compounds.

Sabadilla seeds and preparations therefrom.

And we do hereby further declare that as from this date the following amendments shall be made in schedule I of our royal proclamation aforesaid:

In item 3 the following shall be substituted for the present wording: "Lathes, machines, and tools capable of being employed in the manufacture of munitions of war."

In item 8, for "ether," shall be substituted "formic ether; sulphuric ether."

And we do hereby further declare that no gold, silver, or paper money captured after this date shall be treated as conditional contraband, except as to captures already effected, item 14 shall as from this date be struck out of schedule II of our royal proclamation aforementioned.

Given at our court at Buckingham Palace this 12th day of April, in the year of our Lord, one thousand nine hundred and sixteen, and in the sixth year of our reign.

God save the King.

[Extract from Second Supplement to the London Gazette of Tuesday, April 11, 1916.]

[NOTE.—The French Government has made changes in its contraband list practically the same as those made by the British Government in the above proclamation.]

[Telegram received from London, dated June 29, 1916.]

SECRETARY OF STATE, *Washington:*

Twenty-ninth.

Proclamation dated June 27 supplements previous contraband proclamations as follows: "Following articles will be treated as absolute contraband, in addition to those set out in our royal proclamation aforementioned: Electric appliances adapted for use and war and their component parts; asphalt, bitumen, pitch, and tar; sensitized photographic films, plates, and paper; feldspar, gold-beaters' skins; talc; bamboo."

SKINNER, *Consul General.*

APPENDIX C.

ARTICLES THE IMPORTATION OF WHICH INTO GREAT BRITAIN, EXCEPT UNDER SPECIAL LICENSE, HAS BEEN PROHIBITED.

Acids: Fatty. (Unless en route for the United Kingdom or actually purchased on or before March 24, 1916.)

Bladders, casings, and sausage skins.

Brooms and brushes.

Cement: (Unless en route for the United Kingdom or actually purchased on or before March 24, 1916.)

China, earthen ware, and pottery, excluding cloisonne ware: (Unless en route for the United Kingdom or actually purchased on or before March 24, 1916.)

Cotton: Yarn, piece goods, all cotton manufactures, excepting hosiery and lace. (Unless en route for the United Kingdom or actually purchased on or before March 24, 1916.)

(a) Knitted cotton underwear not prohibited importation into the United Kingdom.

(b) Binding cloth, if it is in the form of cotton piece goods, is prohibited.

Flowers: Bulbs, flower roots, plants, trees, and shrubs.

Fruits: Bottled, canned, dried, and preserved (except currants).

(a) Prohibition not applicable to fruits the product of any British dominion, colony, possession, or protectorate.

(b) Fresh fruit not included in prohibition.

(c) One-half quantities received in 1915 may be exported and there will be no objection to the landing of fruit en route or paid for on March 4.

(d) Beginning October 31, licenses will be granted for importation 50 per cent canned, bottled, dried, and preserved fruit imported in 1915.

Hardware: Hollow ware, cutlery. (Unless en route for the United Kingdom or actually purchased on or before March 24, 1916.)

(a) Board of trade announces that prohibition to import hardware does not apply to awl blades, bayonets, bullet molds, caps for cartridge making cartridges, cases, hammers, horse clippers, jacks, small and screw percussion cap shells, pliers, pulleys and blocks, scythes and sickles, shears, spanners, tools for carpenters, coopers, masons, and shipwrights, trenching struts, brass or copper tubes.

Horns and hoofs.

Ice.

Ivory.

Motor cars: Automobiles and automobile chassis, motor cycles, and parts and accessories of automobiles and motor cycles other than tires (with the exception of automobiles, chassis, and parts and accessories of automobiles which are at present exempt from import duty).

(a) The following motor vehicles are exempt from duty under the law of December 23, 1915: Motor cars which are proved to the satisfaction of the commissioners of customs and excise to be constructed and adapted for use and intended to be used solely as motor omnibuses or motor ambulances or in connection with the conveyance of goods or burden in the course of trade or husbandry or by local authority as fire engines or otherwise for the purpose of their fire brigade service and chassis, component parts and accessories which are so proved to be intended to be used solely for any such motor cars.

(a–1) Motor cars, chassis, parts and accessories, except tires such as were exempted from previous prohibition.

Licenses to import will be granted where goods were en route or paid for on date of proclamation, June 27.

Licenses for importation of automobiles will be issued where national interest apparent or where commercial motor cars are required for fire departments, conveyance of wounded or sick, or police or local government authorities, agricultural purposes, or conveyance of essential goods. Spare automobile parts may be imported under licenses for imported commercial vehicles already in United Kingdom.

Musical instruments. Musical instruments, including gramophones, pianolas, and other similar instruments and accessories, component parts, and records therefor.

Oilcloth: (Unless en route for the United Kingdom or actually purchased on or before March 24, 1916.)

Paper: All materials for the manufacture of paper and paper for printing or writing, on reels or not on reels, printed paper hangings, printed or coated papers, paper for packing and wrapping, strawboard, millboard, and wood-pulp board "unenumerated and articles of paper including boxes and cartons of paper or cardboard."

(a) Special committee appointed to license proposed importations of paper and paper-making materials. Secretary, John Singleton Clemons, Central House, Kingsway, London. Committee will give or withhold licenses in such manner as to reduce imports by one-third, attaching to licenses such conditions "as they may think desirable with object of securing two-thirds of supplies, and that the price charged to consumers shall be a fair one."

(b) Consignments of paper actually shipped before March 1, 1916, will be admitted without formality, but not consignments then en route to seaboard or waiting at port of shipment.

(c) Royal Commission on Paper has given positive assurances to shipping companies in London that no delay whatever will arise in discharging any such material that arrives in boats from the United States, even where no license has been granted by the commission. This ruling indicates the intention not to apply restriction order for the present to American consignments.

(d) Limited quantities of paper may be imported under special license after October 31, 1916.

(e) Any paper arriving in the United Kingdom on or after March 1, 1916, requires a license before it can be cleared by the customs and delivered to the consignees. Licenses will, as a rule, be granted on the basis of two-thirds of last year's importation, but no definite guaranty can be given

Periodicals: All periodical publications exceeding 16 pages in length imported otherwise than in single copies through the post.

(a) Paper commission for restricting importations has issued rules providing that from March 1, 1916, licenses may be granted to paper makers to import two-thirds of weight of imported materials that they consumed in standard year 1914; to importers of paper to import two-thirds of weight of paper which they imported in 1914. Where any paper maker has on March 1, 1916, large stock of materials, commission may treat such stock as part of the two-thirds supply.

(b) Books bound and unbound, including printed sheets intended to be bound, are exempt from prohibition.

Salt.

Soap (unless en route for the United Kingdom or actually purchased on or before March 24, 1916).

Spirits: Spirits and strong water of all kinds except brandy and rum.

Starch, dextrine, farina, and potato flour: Starch, dextrine, and potato flour may be imported by the issuance of general license permitting their importation.

Stones and slates.

Tobacco: Manufactured and unmanufactured (including cigars and cigarettes). (a) Tobacco licensing committee gives notice that consignments manufactured or unmanufactured dispatched from place of origin on or before February 15, 1916, may be imported on production of bills of lading or railroad receipts showing date of dispatch. Habana cigars shipped on or before March 18, 1916, from Cuba may be imported. (b) Board of trade withdraws proposal to grant licenses for importation tobacco purchased before February 15, but prepared to grant licenses for importation between June 1, 1916, and May 31, 1917, of tobacco for home consumption not exceeding one-third of quantity imported for home consumption in calendar year 1915. Quantity imported for home consumption in 1915 was 124,458,173 pounds. Stock in bond here on April 13 was 251,829,000 pounds.

Toys, games, playing cards (unless en route for the United Kingdom or actually purchased on or before March 24, 1916).

Vegetables and pickles: Canned, bottled, dried, and preserved vegetables and pickles.

Vegetable moss litter.

Wood: Furniture, furniture wood, beech, birch, elm, and oak woods, hardwood and veneers (except pine, fir, spruce, teak, ash, or wainscott, pit props or pitwood, sleepers or staves), manufactured joinery, and other wood manufactures except lacquered wares, baskets and basket ware, excluding bamboo.

The following are permitted importation: Beefwood, boxwood, dogwood, greenheart, hickory, lancewood, lignum vitæ, padouk, sabicu, sandalwood.

The following are regarded as prohibited: Acacia or locust tree, alerce, amboyna, bass, blackwood, blackbutt, cedar, cocobole, coeus, cochinella, ebony (not being green ebony), guaiacum cum, ironwood or ironbark, jarrah, juniper, karri, kingwood, letterwood, mahogany, maple, maracauba, New Zealand, olive, partridge, plane, purple, rose, Santa Maria, satinwood, snake, speckled, sweet, tulip, walnut, white (American), zebra, sanders (white or yellow).

(a) Consignments of furniture wood, hardwoods, and veneers dispatched on or before February 15, 1916, may be imported on production of bills of lading or railroad receipts showing date of despatch.

(b) Licenses will be granted for the importation of furniture, manufactured joinery, and other wood manufactures, baskets and basket ware, beech, birch, elm, and oak woods, which were en route to the United Kingdom or actually purchased on or before March 24, 1916.

Woolen and worsted manufactures of all kinds, except yarns (unless en route for the United Kingdom or actually purchased on or before March 24, 1916).

Machine tools: All machine tools and parts thereof, including small tools.

Beer.

Hops.

Leather manufactured goods (other than belting, boots and shoes, and gloves).

Matches.

Manufactures of aluminum.

Baths of metal.

Carpet sweepers.

Cash registers.

Lawn mowers.

Sewing machines.

Stoves and ranges.

Toilet articles containing glycerine.

Wringers and mangles.

Yeast: Licenses to import will be granted where goods were en route or paid for on date of proclamation, June 27.

Licenses to import yeast up to half amount imported 1915 will be granted.

Vacuum cleaners: Licenses to import will be granted where goods were en route or paid for on date of proclamation, June 27.

Cocaine: All preparations, salts, derivatives or admixtures, prepared therefrom, containing one-tenth per cent cocaine.

Opium: Raw or granulated or prepared for smoking, including any solid or semisolid mixture containing opium.

Airguns and rifles, sporting guns, carbines, and rifles.

Oranges not produce of British Empire, except under license.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that on August 16, 1916, they had presented to the President of the United States, for his approval, the following bills:

H. R. 11129. An act for the relief of the owners of the barkentine *Mabel I. Meyers*, and her master and crew, and for the relief of the owners of cargo of molasses late on board said barkentine; and

H. R. 12712. An act to amend an act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes."

BESSIE IVINS EMMERSON AND CARRIE WILSON.

Mr. LLOYD. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the Clerk's desk.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

House resolution No. 355.

Resolved, That the Clerk of the House be, and he is hereby, authorized and directed to pay, out of the contingent fund of the House, to Mrs. Bessie Ivins Emmerson and Mrs. Carrie Wilson, daughters of Joseph J. Ivins, deceased, late clerk to the Committee on the Post Office and Post Roads of the House of Representatives, a sum equal to six months of his salary as such employee and an additional amount, not exceeding $250, for funeral expenses of said Joseph J. Ivins.

Mr. LLOYD. Mr. Speaker, this is the resolution that is always passed by the House when an employee of the House dies.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

EVA M. BOWMAN.

Mr. STEPHENS of Mississippi. Mr. Speaker, I call from the Speakers' table the bill S. 136, an act for the relief of Eva M. Bowman, and ask that the House insist on the House amendments and agree to the conference.

The SPEAKER pro tempore. The gentleman from Mississippi asks unanimous consent to take from the Speaker's table the bill S. 136, insist on the House amendments, and agree to the conference. Is there objection?

There was no objection.

The SPEAKER pro tempore announced the following conferees: Mr. STEPHENS of Mississippi, Mr. GOODWIN of Arkansas, and Mr. YOUNG of North Dakota.

THE CITY OF CINCINNATI.

Mr. ALLEN. Mr. Speaker, interest manifested by Members from time to time in the past concerning the city of Cincinnati and certain of her municipal enterprises and institutions is my

justification in asking the indulgence of the House this afternoon.

Cincinnati is the oldest city in the United States west of the Allegheny Mountains, and is the largest city which can be properly described as central in relation to the whole population of the country, the center of population being not far west of Cincinnati. It is a manufacturing city surrounded by the richest and most prosperous agricultural district in the whole United States, and a glance at the map at once shows it to be the center of what will naturally form one of the new Federal land-bank districts.

The site of the city is probably the most picturesque of any in this country, and reminds the world tourist of those delightful sites along the historic Rhine. The city proper is situated on a large plateau elevated at a safe distance from the level of the beautiful Ohio River, which forms the southern boundary of the city, and borders the majestic hills of Kentucky, which form a fitting counterpart to the ridge of Cincinnati hills overlooking the lower plateau. These hills are much like the Seven Hills of Rome and form the residential districts, which are thus naturally separated from the industrial and city center. Cincinnati has just awakened to a realization of the rich endowment bequeathed her by nature. The hilly nature of the topography, with its picturesque waterways, offers attractive plots for parks, and a number of very expansive parks already beautify the city, while many more are embraced in the park plans and are being improved as rapidly as possible. The plateau of the downtown district has been dotted with children's playgrounds, and the boulevard plans provide for numerous boulevards, which are to be arteries radiating from the city to the suburban homes upon the hills.

The first ferroconcrete skyscraper in America was built in Cincinnati, and since that time many tall buildings have been erected, giving Cincinnati a truly metropolitan sky line; and one of these, the tallest building west of New York, is 34 stories high. The compactness of the buildings upon the plateau centralizes the city and makes it convenient for the residents and not difficult for the stranger to familiarize himself with the city.

The traction system, which is privately operated, is making some improvement in late years, notwithstanding the obstacles which the hilly nature of the surface offers. A new loop project has just been authorized, which will provide the much-needed rapid transit to the residential districts, the lack of which has been the largest factor in retarding the growth of the original Queen City of the West.

The gas and electric supply is also in the hands of private companies. Natural gas, piped from the fields of West Virginia, is furnished for heating and lighting at 30 cents per thousand feet, with special rates to large consumers. The introduction of natural gas and the activities of the smoke-abatement officials have done much to make Cincinnati a clean city in recent years.

The electric service and street lighting have all been greatly improved within the past few years and now rank with any other city in the Union. The electric rate to the private consumer is 8½ cents per kilowatt hour. While this rate is not so low as was desired by the citizens, it was a slight reduction from the previous rate, which was 10 cents per kilowatt hour.

The crowning glory of Cincinnati lies in its municipal achievements. It has embarked upon four great enterprises, two of which are most unusual in America and reflect the confidence which the people have in their own ability to construct and maintain great enterprises.

THE CINCINNATI SOUTHERN RAILROAD.

Under an act passed by the General Assembly of the State of Ohio, May 4, 1869, the city built the Cincinnati Southern Railway, 336 miles long, extending from Cincinnati, Ohio, to Chattanooga, Tenn. This railway was built to open the southern markets to the city, and shows the enterprising character of her people. The total amount expended by the city for its construction was $18,300,000, but its total value to-day is over $40,000,000. The property is leased to the Cincinnati, New Orleans & Texas Pacific Railway for 60 years, at an annual rental beginning with $1,050,000 and ending with $1,200,000. This annual rental sum is sufficient to pay the entire interest charges upon the bonded indebtedness, and in addition to apply over a half million dollars annually to the general interest fund of the city. In addition to the rental, the lessee is required to pay all taxes and assessments, to make all repairs, improvements, renewals, replacements, and additions, and to pay $12,000 annually to the trustees appointed on behalf of the city for the expenses of the trust.

THE UNIVERSITY.

Cincinnati early appreciated the advantages to be derived from placing the opportunity for a higher or professional education within the reach of all. The University of Cincinnati was established as a municipal institution in 1871. It has steadily grown from an academic college to a complete university, with its many technical and professional departments and its graduate school. The university has enrolled over 2,000 students, more than 1,500 of whom are residents of the city. At a recent investigation it was found that more than 1,000 of the resident students would have been denied the possibilities of a higher education had the city not offered the opportunity. The university is now an integral part of the city, for it furnishes the great majority of its professional men, teachers, and engineers, who are fast attaining leadership in their respective spheres. In 1913 the municipal reference bureau was organized under the department of political science, with quarters adjacent to the council chamber. This bureau furnishes the much-needed scientific cooperation between the city government, general public, and students. The university carries on courses in cooperative engineering, which system originated in Cincinnati, and it is destined to be the greatest among the modern educational developments. The basic philosophy of this great system is that whatever the people do, knowledge and skill should be wrought into the working organism of doing it. To instruct the students in the theory and then train them cooperatively in the practice is being successfully accomplished at this great university at the minimum cost to the student, who alternates two weeks at the university with two weeks in the shop or at the construction camp with pay. It will not be long before this excellent plan is adopted by other colleges which are fortunately situated in manufacturing communities. It has even been suggested that our Army College cooperate with the ordnance and munition factories so that the cadets may be better trained in the practical application of the instruments of war. This is an excellent suggestion and one which will ultimately prevail and reflect great credit upon the Nation.

THE WATERWORKS.

The city owns and operates an improved four-process, chemical-sterilization, water-filtering system which is second to none in the world. The water supply is drawn from the Ohio River at an intake 10 miles above, and the city is never endangered by a shortage. The installation of this great system, the estimated value of which is $17,366,561, was followed by a very marked decrease in the number of cases of typhoid fever and the mortality from that cause, the number of deaths decreasing from 239 in 1906 the year before the installation to 64 in 1908, the first year after the installation. The water rates, which are on the flat and meter basis, compare most favorably with other cities. The meter rate in the city is 8 cents per 100 cubic feet, while outside the city limits the rate is 8.8 cents per 100 cubic feet.

THE HOSPITAL.

Another monument to the unselfish character of the citizens is the Cincinnati Hospital, erected at a cost of over $4,000,000. This hospital is the most complete and finest municipal hospital in all the world.

The most valuable asset of which the city boasts is the character, integrity, and hospitality of her people. In Cincinnati the people are the city. It is the genial spirit of the Cincinnatian at home and abroad that has brought fame to his city. Cincinnati is not a city peopled with foreign born, but is a typical American city, with a lower percentage of foreign born than other large cities. Of the foreign born those coming from what is now the German Empire comprise the greatest percentage, but they only constituted 7.8 per cent at the 1910 census, the greatest majority of whom came to America when Germany was merely a group of independent States. As the Bavarian and Prussian of the former German States were fused into the loyal German of to-day, so the foreign-born German immigrant of Cincinnati has fused himself into the loyal American of to-day. In the census of 1910, 65.9 per cent of the total population were of German extraction, and they have inherited the conservative, provident, though hospitable, character of their forbears. The individual Cincinnatian is a home-loving person, and the beautiful residences throughout the city attest the truth of that statement. The homes owned free from encumbrance by the occupants comprise 14.8 per cent, while 7.8 per cent additional are owned by the occupants, although encumbered. The total assessed value of the taxable property in 1914 was $598,925,430, or $1,490 per capita.

The conservative buying ability for which the Cincinnatian is noted is the chief cause for the reduced cost of living as compared to other cities. In 1915 the average cost of fresh meats

per pound was 19.23 cents, while in New York the same meats at the same time cost 21.06 cents, an increase of approximately 10 per cent. The average cost of a pound of vegetables and grain food was 0.048 cent, while the same products in New York cost 0.057 cent, or an increase of over 19 per cent. The retail price of dry goods and other necessaries, as shown by the Bureau of Labor Statistics, also reflects the conservative buying ability of the Cincinnatian.

Of the persons engaged in manufacture, 2.6 per cent are proprietors or firm members, 14.4 per cent salaried employees, and 83 per cent wage earners. The principal industries in which they are engaged are the manufacture of clothing, shoes, soap making, machinery, pork packing, brewing, distilling, printing, and publishing.

The growth of industrial Cincinnati has been solid and substantial. It has no mushroom industries the failure of which would disturb its growth. Its products reflect the conservative mind of the individual and their quality is known the world over. Life and industry itself are dependent upon its products, so that it would be the last city to suffer serious economic depression. In addition to its natural manufacturing facilities, the geographic position which it occupies as a commercial and distributive center is most important. It is the gateway of the South, and has extensive business connections therewith. While the city is a natural transportation center, its poor terminal accommodations, both steam and electric, have hampered the greater development to which she is justly entitled. The civic sentiment has been awakened to the need of such facilities, and it will not be long until they are forthcoming.

That the climate of Cincinnati is healthful and temperate is evidenced by the following meterological data:

Altitude above sea level: Weather Bureau office, 628 feet.

	Winter.	Spring.	Summer.	Autumn.	Annual.
Average temperature	32	52	74	55	53
Normal precipitation (inches and hundredths)	9.53	10.11	10.85	7.84	38.33
Percentage of humidity	75	65	66	69	69

The death rate for the white population is 15.2 per thousand, while the birth rate for the total population is 20 per thousand, showing a healthy, natural increase in population. The average number to a family in 1910 was 4.2, while the average for the whole of the United States was 4.5, showing that Cincinnati is close to the average. The improved water filtering system and the activities of the city health department have rendered great services in decreasing the death rate. The development of the suburban districts and the better transportation facilities have caused a decrease in the tenement inhabitants and an increase in the separate dwellings. This increase was further augmented by the tenement house reform laws, and the next census should show a pronounced trend to private dwellings.

Cincinnati offers unlimited opportunities for the development of all that is worth while and beautiful in life. Its elementary and graded schools have always been the pride of the city and the standard for others, both in the completeness of the buildings and the curriculum. Three imposing, commodious, and fully equipped high schools have been built in recent years, which reflect the generosity of her citizens and their appreciation for that which is best. These high schools are equipped for all modern educational requirements, and are the last word in school architecture. A graduate from the high schools can matriculate in the university without examination and continue his education to the highest obtainable without going beyond the confines of the city limits.

The varied industries in and about the city offer every opportunity to the most varied tastes. If by circumstances a citizen is compelled to work before completing his education, the same educational advantages are open, as there are evening courses in all the schools, including the university. Vocational education and all the regular studies are taught to the night classes as well as the day, so that the city is truly the paradise of the ambitious.

The wonderful economic development has but kept pace with the development of the finer arts in this glorious city. Heralded throughout the country as the music and art center of the Middle West many years ago, it still retains that distinction. Its numerous music colleges and art academy vie with the university in attracting outside talent, while the biennial May music festival and Cincinnati Symphony Orchestra bring increasing fame each year.

Cincinnati has not neglected to provide for the outlet of the lighter indulgences in life. No city takes greater care in providing well-regulated first-class amusement to its citizens, all of which are offered at the most popular prices. A stranger needs but to tarry awhile in Cincinnati to absorb the genial hospitality and acquire the care-free contentment of the Cincinnatian, which makes Cincinnati the talk of all the country.

Although Cincinnati is a metropolitan city, it has not sacrificed that community spirit which touches the heartstrings. The Cincinnatian does not live unto himself, but is an integral part of his surroundings, and is no more tortured by the busy hum of the city itself than is the free spirit of the surrounding hills.

The era of prosperity which is spreading over the country, engulfing all in its path, has not neglected Cincinnati, where business and bank clearings were never in a more prosperous condition. This period of unprecedented prosperity will give added impetus to the new era of progress which was planned and begun several years ago. The new belt-line loop and subway entrance which is to be built will cost $15,000,000, very nearly the same amount that was expended for the Cincinnati Southern Railway, which proved such a marked success and most profitable venture. The successful municipal achievements of Cincinnati speak volumes in themselves for the character and risk of the people who authorize them. The determination of 1869 to build the Southern Railway has justified the determination of 1916 to build the belt line rapid-transit loop and subway entrance; and no one doubts the success of the undertaking.

The visitor in Cincinnati is not only impressed with the advantages and beauty of the city, but with its great expanse of territory and large population. This is due to the fact that the city embraces a territory of 31,893 acres, and the population of the city in 1910 was 352,591. However, the population of the large and well-populated outlying territory which, with the city proper, comprises the metropolitan district, was 563,804. This outlying territory, for all purposes, is just as much a part of Cincinnati as the city itself, but because of political divisions is not included within the city limits.

After lingering in Cincinnati a short while you little wonder at the inspiration that filled the heart of Henry Wadsworth Longfellow when he wrote the following verse upon the occasion of his visit there:

This greeting of mine
The winds and birds shall deliver
To the Queen of the West,
In her garlands dressed,
On the banks of the beautiful river.

[Applause.]

THE PRESIDENTIAL CAMPAIGN.

Mr. BARKLEY. Mr. Speaker, four years more of national life have rolled by, and again we find ourselves in the midst of a great campaign for the selection of a President of the Republic. Four years of transcendant world-wide influence these have been. As we look back upon the momentous history of this short period, and then look forward to whatever the future may hold in store for us, we can not fail to appreciate the part our own country has played in the shifting scenes of international life.

Scarcely any period of similar length in the world's entire history has been fraught with such tremendous problems of human interest. Scarcely any other period in the world's history has brought forth such an array of domestic and international questions for quick and just solution as have confronted every nation on this planet, whether at peace or in war.

Surely no similar period in the history of our own country approaches the past four years in the number and complexity of its paramount problems in the field alike of domestic and international politics. And the question which the voters of this Nation will be called upon to settle on the 7th day of next November is whether the manner in which these questions have been met and settled has been in accordance with their desires, in conformity to the principles of our Nation, and in keeping with the traditions of our past; whether the administration of Woodrow Wilson and those who have labored with him shall be indorsed and continued for another four years, or retired to make place for one whose only weapon is blind criticism and whose only platform is empty pretense and transparent hypocrisy. [Applause on the Democratic side.]

So far as the Democrats are concerned, we enter this fight with a confidence born of the knowledge of pledges kept and of promises fulfilled, and because we believe in both the intelligence and the justice of the American people. If the administration of Woodrow Wilson, by every humanely conceivable test, does not deserve the overwhelming approval of the people of this Republic, then it were vain for Presidents or Congresses to attempt to give audible articulation to the people's yearnings or crystallize their wishes into the law of statutes.

Political parties are of no value in a nation's life unless they are made instrumentalities to be used for the welfare of the

people. And when a party ceases to give freedom and fullness to the spirit of national hopes, it is no longer capable of service to the Nation. This has been true since the foundation of the Republic, and will continue to be true so long as we are a free and self-governing people. Consequently the road of our national life from the beginning is strewn with the wrecks of dead political parties, which died because they no longer represented or served the people. The Democratic Party is the only party whose existence is coextensive with the life of the Nation, and it has been so because the Democratic Party has always been the servant of the people, the champion of human conscience, liberty, and achievement.

To-day we behold the Democratic Party triumphant and militant, proud of its past, confident of its future, representative of the best progressive thought of the day, and the only political organization now left in the field both capable and willing to translate that thought into action for the solution of the problems of men and women who sit by the firesides of this land and dream of better days for themselves and for their children. [Applause on the Democratic side.] In support of this assertion I summon the history of the recent past.

When the Democratic Party came into power on March 4, 1913, it did not come representing reaction. It did not come representing special privilege. It did not come representing a secret alliance between big business and big policies, with a pipeline from the Treasury Department into the headquarters of both. It did not come as a special pleader for organized greed. It came to perform the herculean task of cleaning the Augean stables, left gorged by the accumulations of 16 years. It came with a commission to rechart the political seas and to give new direction and steadiness of course to our ship of state. How well those tasks have been performed we shall leave to the verdict of the people and to the truth of history.

We have been amused and entertained, as our opponents no doubt have been embarrassed, at their efforts to discover some "dominant" issue which the American people could see without a microscope. After it had been announced that the alliterative Senator from Ohio was to be the chairman of the Republican convention at Chicago, we observed that gentleman sailing nervously through the air like a familiar bird, seeking some well-known, though lifeless, object upon which he might lay hold. Alighting with ease and grace upon the fence, his eye beheld the tariff, and soon from his proximity came forth an utterance that the tariff would be the overshadowing issue in this campaign, even as it had been in ancient days among the "founding fathers." But to his dismay he soon discovered that as an "issue" with which to attempt to beguile the American voter into voting against the administration of President Wilson it had neither form nor substance.

When this administration assumed the reins of government in 1913 it was pledged to a revision of the tariff. Not a revision upward, as the Republicans in Congress had always revised it. Not a revision in the interest of monopolies which had already fed too long upon Government favoritism. Not a revision dictated by contributors to campaign funds. But it came pledged to a revision which should be the expression of an honest taxing system, adjusting the burdens of taxation somewhat in accordance with ability to pay. The result of this first task undertaken by the Democratic Party has been more successful than its most enthusiastic supporters anticipated. The Underwood tariff not only reduced the taxes upon the necessaries of life, but provided for an income tax which compels the wealth of the Nation to bear its just share of the expenses of conducting this Government. This income tax during the last fiscal year brought to the United States Treasury more than $124,000,000, to replace unjust and burdensome taxes formerly levied from the earnings of the poor. And while the Republicans predicted its utter failure as a producer of revenue for the Government and prophesied universal disaster to the business of the country, the fact remains that no period in the history of this Nation has witnessed such prosperity as now exists and has existed since this law became effective, and instead of being a failure as a revenue producer it left a surplus in the Treasury for the last fiscal year of more than $78,000,000, the greatest surplus since that of 1908. The total ordinary receipts of the United States Treasury for the year 1908, under Roosevelt's administration, amounted to $601,060,723.27; for 1912, under Taft's administration, $691,778,465.37; for 1916, under Wilson's administration, $777,480,487.96.

If the amount of a little over $42,000,000 collected from stamp taxes and other war-tax items which will be repealed by the pending revenue bill is subtracted from the figures for 1916, it still leaves a greater sum collected from tariff taxes, incomes, and internal revenue than was collected under the administrations of Roosevelt or Taft; another important difference being that under this Democratic administration a great portion of it was collected from sources which under these former administrations escaped their proper share of the expenses of the Government under which they live.

Does the Republican Party propose to repeal this law if it should be returned to power and reenact the discredited Payne-Aldrich law of unholy memory? Do they propose to repeal the income tax, which is the most just and equitable form of taxation ever devised, because it is a tax on wealth instead of a tax on consumption? It was the persistent and constant agitation of the Democratic Party that brought about the enactment of this law. While governor of New York, Mr. Hughes, now the Republican nominee for President, opposed the income-tax amendment to the Constitution and prevented the New York Legislature from ratifying it, and it was not ratified by that State until a Democratic legislature was elected and responded to the will of the people. [Applause on the Democratic side.]

Will Mr. Hughes be against the income tax if he is elected President as he was while governor of New York? Will he ask for its repeal? Will he veto any bill repealing it? If it is to be retained as a part of the taxing system, will he want it made heavier upon the comparatively poor and lighter upon the wealthy population of the country like my friend from Ohio [Mr. FESS] and other equally hidebound Republicans? Perhaps when Mr. Hughes has finished searching for an "issue" in the recesses of the Coast and Geodetic Survey, concerning which the arousal and indignation of the average voter is in proportion to his knowledge on the subject, he may find time to reply to these and other equally important and no doubt embarrassing questions.

After the enactment of the best tariff bill ever placed upon the statutes the Democratic administration might well have rested upon its laurels, knowing it had performed well the duty for which the extra session of Congress had been assembled. But the task of regeneration was scarcely begun. For more than a generation the people of this Nation had been clamoring for a modern banking and currency system. From the field, the factory, the workshop, from the merchant, the banker, and the professional man—from every source an increasing and constant demand had arisen for the reform of our archaic and out-of-date banking and currency laws. For 16 years the Republican administrations, one after another, had heard this call, but had not answered. For 16 years the Republican administrations had witnessed the contortions through which business and industry attempted to extricate themselves from the baneful effects of restricted credit and centralization of both credit and money. Still they turned no effective wheel for their relief. Whether this inactivity was due to a lack of desire or lack of intelligence is immaterial. The fact remains that during that period we witnessed business depression, financial stringency, depreciation of property, panic, and all the financial ills that follow in the footsteps of centralized control. These things the Republican administrations observed, because they occurred at their doorstep. Yet no remedy, scarcely any attempt at remedy, was forthcoming under them. [Applause on the Democratic side.]

Before the administration of Woodrow Wilson and the Democratic Party was one year in office a modern, scientific, and adequate banking and currency law was enacted, proclaiming anew the democracy of credit and withdrawing from the hands of private interests the power to control the financial policy of this Nation and placing that power in the Government of the people. To such an extent has this law infused new life into the business and commercial world that all men of every walk are now unanimous in proclaiming it the greatest piece of constructive legislation enacted in 50 years. At no time in the history of this Nation have our financial institutions been stronger than since this law became operative. Confidence has been restored. Sources of credit hitherto locked into disuse have been revealed and made available for the demands of commerce. And notwithstanding the great war that suddenly burst upon the world in August, 1914, severed the arteries of trade in every quarter of the globe, this system inaugurated by the Democratic Party under the leadership of its great President enabled this Nation to weather that storm and find anchor in the safety of financial security. Under this law America has ceased to be a debtor Nation and for the first time in our history we are enabled to dictate the financial policy of the world, compelling other nations to come to us for the money which hitherto we have sought from them.

Will the Republicans repeal or emasculate this law if they should by any misadventure be successful in the coming election? They did not dare to condemn it in their platform. Candidate Hughes has not had the temerity to assail it, although

there is hope that when his enthusiasm over Santo Domingo has subsided he may devote some time to telling the people where he stands on the really important questions about which the people desire information.

Having completed the second task which this administration had set for itself, a third rose up to demand solution with equal directness, zeal, and patriotism as had been applied in those which went before. We had heard much in this country about trusts and monopolies, fostered under the administrations of the Republican Party. We had heard the complaint that business did not know what the law was and consequently found itself violating it without intention. We had seen much noise and confusion applied to the prosecution of criminal cases involving interpretations of the antitrust laws, which prosecutions, together with the noise and confusion, were contemporaneous with the multiplied increase in these same trusts and monopolies. Business men had begun to ask for the creation of some tribunal before which they might go and before which the people might go for the redress of those grievances which were so slow of just determination in the courts of the land. The swelling volume of insistence upon a clarification of the uncertainties of the Sherman antitrust law became more audible each recurring year. The people knocked at the door of Republican administrations, but there was no response. Labor also knocked at that door, asking to be granted a legal status, asking that the toil of their hands and the sweat of their brow be not regarded as a lifeless commodity. Here, again, the Republican administrations were equally deaf and dumb. [Applause on the Democratic side.]

But in less than 18 months after the inauguration of Woodrow Wilson the antitrust laws had been amended to give impetus to honest business and lay the ax to the roots of dishonest business. A Federal Trade Commission had been created, before which both business and the Government, and the people who form the Government, might go for redress of long-standing grievances, for the adjustment of manifest wrongs. And in these enactments the Democratic Party wrote for the first time the doctrine that human labor is not a commodity, not a thing to be made the football of cruel or designing men. The Democratic Party wrote into these enactments provisions which protect the laboring man, whether in field or workshop, in the pursuit of his lawful objects, in the betterment of his condition and the condition of his fellow man. And thus the Democratic Party again demonstrated the fact that it is the friend of labor, the friend of lawful and honest business, and that instead of seeking to tear down and destroy the commercial fabric of this Nation it has applied the healing processes of reform under which confusion and friction have been largely eliminated.

If successful will the Republican Party repeal or weaken these laws? Will they abolish the Trade Commission, which has already in a thousand ways justified its creation? Will they repeal the law prohibiting the interlocking of directorates in great corporations? Will they repeal the provision of the antitrust law giving to labor its legal status, its charter of human rights? Neither in the Republican platform nor in any speech thus far made by the Republican candidate, Mr. Hughes, have these Democratic enactments been assailed. In a speech at Detroit a few days ago Mr. Hughes, rubbing his eyes as if just aroused from a long and fretful slumber, announced to an expectant world, as if newly discovered by him, the doctrine that "human labor is not a commodity." If he had kept himself informed, he would have known that two years ago under the dome of that same building in which he took refuge from the political bosses of New York the Democratic Party had crystallized that sentiment into statute law, which neither he nor his party will dare repeal, although opposing it at the time of its enactment.

In addition to the provisions of the antitrust laws in behalf of labor the Democratic Party has enacted other wholesome legislation for the benefit of those who toil since its advent into power. It created the Department of Labor, to be presided over by a member of the Cabinet, and President Wilson appointed to that position as its first Secretary a man who had come up as a laboring man and who has won a place not only in the hearts of those who toil but of the people of the entire country. We have passed an eight-hour law to be applied upon work done by the Government as well as work done by others for the Government.

We passed a law creating a Children's Bureau, to promote the welfare of the children of this Nation, who are to be the men and women of to-morrow.

We have also passed an eight-hour law for working women in the District of Columbia, legislation over which Congress has jurisdiction. We passed laws creating an Industrial Commission to investigate the conditions of employment throughout the country; laws amending the act creating the Bureau of Mines, affording better protection against accidents to those engaged in mining labor; laws prohibiting the importation of articles from foreign countries produced by convict, pauper, or detained labor; a law known as the seaman's bill, designed to improve the condition of seamen and to promote the safety of travel; a law permitting appeals to the United States Supreme Court from decisions of State courts declaring labor statutes unconstitutional; laws to promote the safety of employees and travelers on railroads by equipping railroad engines with suitable boilers, and also a law providing for more complete and adequate inspection of boilers and engines by competent inspectors employed by the Government; and laws regulating the hours of service for employees engaged in the transportation of interstate commerce.

We have also passed a law creating the Board of Mediation and Conciliation in disputes between employers and employees, which has already adjusted many important controversies involving questions of compensation, labor conditions, and hours of service, and which bids fair to be of still greater service in the future.

We have passed a child-labor law preventing the shipment in interstate commerce of articles produced or manufactured in mines or quarries employing children under 16 years of age, or in factories, mills, workshops, or manufacturing establishments employing children under 14 years of age. The Democratic Party recognizes the value of the child life of this Nation. It seeks to conserve it, to educate it, and to afford it conditions of inspiration at a period when it should be in school or on the playground instead of being sacrificed upon the altar of greed.

We have also enacted a fair and just workman's compensation law for the employees of the United States Government, applying to the army of Government employees the same humane principles now demanded of private employers; and it is the hope of this administration and of the Democratic Party to bring about the speedy enactment of a general workman's compensation law for all employees over whom Congress has jurisdiction to legislate.

What a record of achievement in behalf of the toiling masses of this Nation! Has any other party, or any other administration, ever remotely approached it? We challenge the Republican Party, and particularly do we challenge the Republican candidate for President, to point to greater or to equal accomplishment by them or by him. [Applause on the Democratic side.]

Woodrow Wilson and the Democratic Party in Congress have also recognized their duty to the farmers of the United States. Perceiving the self-evident fact that no nation can be truly prosperous that ignores the welfare of those who till the soil, this administration has done more than any other administration in the history of this Republic to advance the financial, social, and agricultural interests of the farmers. In addition to broadening the field and scope of the work of the Department of Agriculture, this administration has passed the agricultural-extension bill, designed to bring the National and State Governments into closer cooperation in bringing home to the farmer's attention the advantages of scientific knowledge of farming, and this cooperation is already having its effect in establishing more modern and economic methods of growing and marketing the products of the farm.

Further to enhance the interests of rural life, and seeking to bring the market, the church, and the schoolhouse in more easy and convenient reach of the farmer, we have enacted a law granting Federal aid in the construction and maintenance of good roads throughout the land; and during the next five years provision is made for the expenditure by the United States Government of $85,000,000 in cooperation with the States in the building of good roads. I call upon the Republican Members of Congress to point to any effort on their part to give substantial aid to the enterprises of the farm. The only attention Republican administrations have ever paid to the farmer was to tax him, and then try to fool him into the belief that he was being protected by a tariff on wheat which was never imported, and other similar exhibitions of buncombe.

We have also recently enacted, and the President has signed, a rural-credits bill, or farm-loan bill, designed to afford a source of credit to the farmer at low rates of interest and for long periods of time. For many years there has been a desire among the people for the enactment of such a law. Agricultural development has been hobbled because the farmer had never been provided with a system of credits suitable for his demands, and because he was compelled to borrow money from the same sources and upon the same terms as those who were prepared to make quick and frequent payments, he found himself handicapped. This handicap has retarded agricultural en-

terprise in many sections of the country, until a demand arose for the enactment of a law that would give to the American farmer some of the advantages long enjoyed by the farmers of Europe in the way of securing cheaper money on easier terms of payment. No Republican administration even attempted to respond to this demand. All the Republican Party has ever been able or willing to do for any class of our people was to invoke the convenient spirit of the protective tariff. If business demanded greater opportunity and better laws, the Republican Party answered by a protective tariff. If labor, agriculture, commerce, shipping, the professions, the arts, and sciences, or any other human activity called for reform or stimulation, the Republican administrations handed them the protective tariff, claiming that it, like Buncombe's pills, was a cure for every human ill.

By the enactment of this law it is believed a long step has been taken in the direction of solving the difficult problems of rural credit, and while the Republican platform seeks to criticize this Democratic law by indirection, only 10 Republican Members of the House of Representatives could be found who had the courage to vote against it and face the people.

In the light of these performances, and many others to which I might advert if time permitted, can there be any doubt concerning the willingness or the ability of the Democratic Party to interpret the will of the people and translate that will into law? Can there be any doubt that the Democratic Party is the really constructive party of the Nation? Can there be any justification for the Republican slander that the Democratic Party is a party of negation, or that it is the enemy of the legitimate commercial and industrial enterprises of the United States? Surely, in the light of the Republican membership of Congress, who have exhausted themselves finding fault, who have worked overtime seeking on the most flimsy pretexts to discredit the great administration of President Wilson, and who have offered nothing even faintly resembling a constructive policy, it can no longer be said, if in truth it ever could have been, that the great Democratic Party is not possessed of constructive statesmanship, or that it does not keep step with the tread of the Nation's progress.

Not only can the Wilson administration point to this matchless array of substantial legislation concerning particularly our domestic and economic welfare, but also it can point to the beginning of the reestablishment of our merchant marine by the passage of the shipping bill, which will give fresh hope and life to our growing foreign trade and facilitate the transportation of our products to the markets of the world. One of the humiliating embarrassments which we have been compelled to view in recent years has been our absolute dependence upon foreign nations to carry our commerce to the family of nations. There was a time when the American flag floated on the high seas in every quarter of the globe, representing the industry, the genius, and the productive ability of our people. While the Republican party was in power it saw this flag disappear and wasted its time talking ship subsidy. When the European war began we were completely at the mercy of foreign merchant vessels, and we are still dependent to a large extent upon the ships of other nations to get our commerce to foreign markets. For the purpose of reestablishing the Nation's flag upon the ships of commerce which shall carry our trade to those who await our coming, this administration has set in motion a process by which our merchant marine may be rehabilitated. As a Democrat I rejoice in the efforts of President Wilson and the Democratic Party to include in the unparalleled accomplishments of the past four years this great and substantial legislation. [Applause on the Democratic side.]

Before the adjournment of this session of Congress there will have been created a nonpartisan Tariff Commission for the investigation and assembling of information concerning trade conditions of the world for submission to Congress for use in the adjustment of the tariff. This commission will be empowered and expected to gather scientific facts and information from every available source having any bearing on the fixing of tariff rates, so that as far as possible such rates may be adjusted in accordance with proper standards of just taxation and business administration. Although the Republicans in Congress have in the past professed to favor such a commission, all except 39 of them voted against this bill when it was before the House of Representatives a few weeks ago.

During the past two years, since the outbreak of the war in Europe, there has been much consideration in this country given to the question of national defense. There have been extremes—demanding on the one hand absurd programs of military and naval expenditures, and on the other hand no expenditures at all. There have been some among us who have desired to inaugurate a policy of militarism fashioned after the systems of the Old World, and others who seemed to be content with a program somewhat Chinese in its proportions. It has been the duty of President Wilson and his advisers to ascertain the real needs of the Army and Navy and to recommend and urge upon Congress a program sufficient for the needs of the future, while yet preserving the ancient traditions of our Republic.

After great investigation, prolonged hearings, and debate extending into the whole realm of military and naval history, this Congress, under the leadership of the Democratic Party, has brought to completion the most comprehensive program of military reorganization and naval construction ever undertaken or contemplated by previous administrations. The question of preparation for national defense is not a partisan question. All men desire that we shall be adequately prepared to meet every emergency which may arise in our dealings with other nations. No man who is a patriot and who cherishes the institutions under which he lives would want our substantial rights trampled under foot. No man who believes in the destiny of this Nation as the moral and intellectual light of the world would want to see us fail in the performance of our obligations to ourselves or to others who have a right to look to us for the preservation of national liberties. But if we have been unprepared for these emergencies, it has not been the fault of the Democratic Party. If our standing army has been below the requirements of the law, it can not be laid at our door. If our Navy has slipped down from second to fourth place among the navies of the world, it can not be charged to our account. At no time in our history, in a time of peace, has the Army been in better condition from the standpoint of equipment, efficiency, morale, and numerical strength than at the present time, under the guidance of this administration. In the year 1901 our expenditures for the Navy amounted to more than $61,000,000. Under the administrations of the Republican Party it had increased to $133,000,000 in 1912. In 1901 our Navy was the second largest navy in the world. In 1912 they tell us it had gone back to fourth place. If the statesmen of the Republican Party possessed that foresight which they have always claimed for themselves, how can they escape condemnation for permitting the American Navy, which has always been the pride of the Nation, to fall back to fourth place among the navies of the world? But candidate Hughes tells us that President Wilson has been a follower and not a leader in the demand for national defense. It will be noted, however, that he has not been a follower of the Republican Party, which allowed our Navy to go backward instead of forward.

Under the leadership of this administration, it will be restored to its former position among the nations of the world, and it will be made adequate for every requirement of national honor, national security, and national prestige. Already under the efficient administration of Secretary Daniels, according to the testimony of impartial experts, both American and foreign, and falsifiers and sensational busybodies to the contrary notwithstanding, our Navy has attained an efficiency never excelled, if ever equaled, in its long and glorious history. Secretary Daniels has been able to secure enlistments in the Navy more nearly reaching the full requirements of the law than any other Secretary in recent years, and when the full and truthful history of his administration shall be known to the public, as it will be and is already known to many, the American sense of fair play and justice will demand acknowledgment of the fact that no head of that department ever brought to it a higher sense of official responsibility, or a more honorable conception of his duty to the people.

In view of these achievements, in the face of the confidence and assurance the unmatched record of this administration has established in the esteem of the American people, is it any wonder that we are now in the midst of a prosperity never approached before? Is it any wonder that the candidate of the Republican Party in his extremity strains at every political gnat that chances to fly his way? Is it any wonder that in the trip he is now making across the country he assumes the attitude of the pettifogger in order to try to blind the people to the wonderful achievements of this administration? Is it any wonder that Mr. Hughes, seeing all about him, under a Democratic administration, evidences of the most marvelous record of universal prosperity chronicled in modern times, shouts through the streets and alleys, and into the ears of contented labor and rewarded business, "It is only temporary," preferring that his doleful prophesy should be realized rather than that the American people may continue to prosper? Heretofore the Republican leaders have proclaimed prosperity as their peculiar offspring; and whenever they have found it alive and healthy under any other roof, they have either pretended that it did not exist or have charged it with an alien parentage. In the present circumstances they not only charge an alien parentage, but proclaim impending dissolution. Whether this attitude

is an example of "dominant ineptitude" or "firm" and "unflinching incertitude" it is difficult at this juncture to determine.

Heretofore the Republican leaders have told us that Democratic success would bring disaster and panic. But in the midst of the mightiest conflict that ever drenched this world in human blood; in the midst of shattered ideals, of lands laid waste, of homes made desolate, of credit strained in every other quarter of the world; in the midst of hate and brutal strife, amid the cry of war widows and battle orphans, our people thrive and are at peace, and out of the abundance of that thrift they send relief to stricken Europe and pray a speedy end to war. No panic has come. Labor everywhere finds employment. Business expands and is rewarded. Enterprise, industry, and ingenuity all awake with the break of day to set new tasks and make new records of achievement. The dinner pail is full. Our hearts are full—full of gratitude to a Providence which has vouchsafed to us a leadership whose foresight, courage, and patience have made possible the enjoyment of peace in the midst of prosperity. [Applause on the Democratic side.]

It is almost impossible to comprehend the tremendous strides we have made in the accumulation of wealth, in the circulation of money, in the volume of business, both foreign and domestic, during the past four years.

According to the official report of the Bureau of Foreign and Domestic Commerce, recently given to the public, our exports for the year ending June 30, 1916, amounted to $4,345,000,000, an increase of $1,576,000,000 over our exports for the previous year.

The imports for the year ending June 30, 1916, amounted to the sum of $2,165,000,000, an increase over the figures for the previous year of $1,070,580,400.

It is claimed by the Republican leaders that this great increase in our foreign trade is due to shipments of munitions of war to the belligerent nations of Europe; but an examination of the facts is only necessary to refute this statement. While it is true that shipments of munitions of war have greatly increased since the beginning of the conflict in Europe, it is idle and ridiculous to claim that our great and universal prosperity is entirely or even largely due to this character of foreign trade.

Enormous as our foreign trade has been in every branch of commerce, it must be remembered that our foreign trade is less than 5 per cent of our domestic trade. Less than 3 per cent of the total value of manufactures in the United States for the past 12 months represented munitions of war, and decidedly less than 10 per cent of our total exports was made up of war materials. If the total value of exports of munitions of war were subtracted from the total of our exports, it would still leave a balance in our favor greater than existed for any year under a Republican administration.

The prosperity which now abounds is nation wide and is not dependent upon trade in war materials; and, strange to say, that State which produces the greatest proportion of these substances shows the smallest percentage in growth.

According to tabulated reports received from the Interstate Commerce Commission, for the fiscal year ending June 30, 1916, 93 great railroad systems in the United States increased their net earnings over those of the previous year by the enormous amount of $184,368,933; and for the single month of June, 1916, their net earnings increased over those of the same month in 1915 by the sum of $11,624,110. The increase in net income for the year by these roads amounted to $1,687 per mile; and if the same proportion of increase for the other railroads of the country was obtained, which we have every reason to believe, the total increase in net earnings would amount to the sum of $435,000,000, notwithstanding an increase in operating expenses of approximately $240,000,000 for the same period.

While our Republican friends and their candidate for President seem to hope that our prosperity is only temporary, the business and manufacturing world appear to take a different view of the situation. The Bethlehem Steel Co. has just announced it will immediately expend the sum of $70,000,000 in improvements and extensions of newly purchased plants in the United States for the manufacture of various lines of finished steel for manufacturing and commercial purposes. This company is controlled by Charles M. Schwab, and is a competitor of the United States Steel Corporation and of the Jones & Laughlin Steel Co.

It has been announced from authoritative sources that the shipbuilding industry of the United States for the present year will exceed that of all the balance of the world for the first time in 50 years. The total output for the year will be 351 vessels, with a total tonnage of 672,106 gross tons. The total output for the first six months of the present year was more than 300,000 gross tonnage, more than the total for either the years 1914 or 1915. Does this activity give evidence of the temporary nature of our enormous commerce under this Democratic administration? We would be glad for Mr. Hughes to answer specifically with facts, but he will not.

On May 1, 1916, according to reports received by the Comptroller of the Currency, the gross deposits of the 7,578 national banks in the United States were $11,135,322,000. This was under the present Democratic administration. On the corresponding date in the year 1912, under the Taft Republican administration, they amounted to $8,015,511,000, the gain for the four years of Democratic supremacy being $3,119,811,000, or approximately 39 per cent. These increases were recorded in every section of the land, from Maine to California and from Puget Sound to the capes of Florida. Nor does this include the increases in deposits in State banks and trust companies, in savings banks, and in the postal savings banks, increases in all of which have been equally gratifying.

Not only have the deposits increased, but the number of depositors has increased in equal proportion, and the amount of money in circulation in the United States has constantly grown under the operation of the constructive legislation and Executive policies of the Democratic Party. The amount of money in circulation on July 1, 1908, under Roosevelt, was $34.74 per capita. On the same date in the year 1912, under Taft, the per capita of money in circulation was $34.34. But on July 1, 1916, under the administration of Woodrow Wilson, the amount of money in circulation for every man, woman, and child in the United States was $39.23, the total amount being $4,018,043,555.

The total amount of bank clearings for the first six months of 1912, under Taft, was $85,100,000,000. For the first six months of 1916, under Wilson, bank clearings had mounted to the sum of $118,890,000,000, or a gain in four years of approximately 40 per cent. In addition to all this, the total wealth of the United States increased from $187,000,000,000 in 1912, under Taft, to the present figures of $228,000,000,000, representing a gain in four years of more than 21 per cent.

During the present year, so far as the figures can be obtained, there have been increases of wages to labor amounting to more than $300,000,000, showing that the business revival and the increasing prosperity of this country is being shared by men in every walk of life.

Observing, as they must, the contentment of the people, the curling smoke of industry, the hum of busy spindles, and the rush of men through the congested marts of trade, and being unable to erase the unparalleled record of progressive legislation and governmental reforms to which a Democratic President and a Democratic Congress lay just and honorable claim, is it any wonder that the Republican Party and the Republican candidate for President find themselves with nothing but sham, pretense, and hollow declamation to submit to the people in their behalf? Is it any wonder that Mr. Hughes is now seeking to blind the people to these achievements by the cheap criticism of the demogogue and vague and meaningless dissertations upon "undiluted Americanism," "firm and unflinching consistency," and other equally platitudinous "incertitudes"? [Applause on the Democratic side.]

But, Mr. Speaker, we are told by the Republican leaders that the Democratic Party is not a national party, but that it is a sectional party, and that as such it has been sectional in its conduct of the Government. We are told by them that the Republican Party is the only really national party in this Nation. Arrogance has ever been the dominant quality of these presumptive leaders, but at a time like this we might have hoped that even that quality would not have been so ready to assert itself. But I am ready to refute the claim set out by them, and in support of that refutation I point to the record of history, both past and present.

The Democratic Party is the only party now in existence which has outlived every conflict, every depression, every vicissitude which has beset our national pathway. Whether in war or peace, whether in prosperity or adversity, whether in the sunless valley or on the peaks where the white light shines eternal, the Democratic Party has been the friend of liberty, the mouthpiece of conscience, and the crusader for the rights of mankind. It is to-day the dominant political party of this Nation, in whose history there is no break, in whose ancestry there is no cause for shame. Other parties have come and gone, and their several wrecks may be found in the graveyards of political history. Not so with Democracy, unterrified and undefiled. [Applause on the Democratic side.]

There are 10 States in this Union which now have not a single Republican Member of the House of Representatives, these 10 States having a total membership in this body of 77. The Democratic vote in these 10 States in 1912 was 707,184; the

Republican vote was 99,764. These 10 States are Alabama, Arizona, Arkansas, Florida, Georgia, Louisiana, Mississippi, Montana, South Carolina, and Texas.

There are also 10 States in this Union which now have no Democratic Member of this House, but the total membership of these 10 States in this body is only 22. The Republican vote in these States in 1912 was 266,616, while the total vote of the Democratic Party in those States was 296,539. These States are Connecticut, Delaware, Idaho, Nevada, New Hampshire, New Mexico, North Dakota, Oregon, Vermont, and Wyoming.

Not a national party! The State of Indiana alone in that year had more Democratic votes (281,890) than there were Republican votes in all of the last-named States.

Not a national party! In that year the State of New York alone had more Democratic votes (655,477) than there were Republican votes in all 20 of the States mentioned above, with Kentucky, Tennessee, North Carolina, and Kansas added.

Not a national party! Illinois and Ohio in that year had more Democratic votes (828,200) than there were Republican votes in all 24 of the above States, plus the States of Oklahoma and New Jersey (824,840).

Not a national party! In that year Illinois alone had more Democratic votes (405,048) than the 20 States named, plus Rhode Island and Nevada (397,279). Wisconsin had more Democratic votes (164,409) than there were Republicans in the 10 States represented here wholly by Democrats, plus the States of Wyoming, Vermont, Delaware, and New Mexico (161,356). [Applause on the Democratic side.]

But this is not the whole story, Mr. Speaker, of the national scope of the Democratic Party. There are 48 States in this Union. Out of the 48 there are 22 that have no Republican Member of the Senate of the United States, while there are only 14 States in the Union that have no Democratic Member of the Senate. Which party in the United States Senate appears to be the most national in its scope? Twenty-two States, with a total membership of 44 in the Senate, and not a Republican among them. Only 14 States without a Democratic Senator. The total Democratic vote in the States represented in the Senate wholly by Democrats was 2,503,970; while the total Republican vote in the 14 States represented in the Senate wholly by Republicans was only 811,072. The States referred to as being represented entirely by Democratic Senators are Alabama, Arizona, Arkansas, Colorado, Florida, Georgia, Indiana, Kentucky, Louisiana, Maryland, Mississippi, Missouri, Montana, Nevada, New Jersey, North Carolina, Oklahoma, Oregon, South Carolina, Tennessee, Texas, and Virginia.

The States referred to as being represented entirely by Republican Senators are Connecticut, Idaho, Iowa, Massachusetts, Michigan, Minnesota, New Mexico, North Dakota, Pennsylvania, Rhode Island, Utah, Vermont, Washington, and Wyoming.

The remaining 12 States of California, Delaware, Illinois, Kansas, Nebraska, New Hampshire, New York, Ohio, South Dakota, West Virginia, Wisconsin, and Maine are represented by one Republican and one Democratic Senator, except Maine, which now has only a Democrat in the Senate, Senator Burleigh, the Republican, having recently died.

I deem it unnecessary to go further into the facts to demonstrate that the Democratic Party is not only a national party but in truth is the only national party having either the power or the disposition to represent every section of this fair land and write the will of the people into law. Not only is it national in extent of area and distribution of its votes, but it is truly national in its aspirations, in its sympathies, in its conception of free and enlightened government, and the destiny of this Republic. [Applause on the Democratic side.]

Again, we are told by the Republican reactionaries that President Wilson is a "minority President," meaning thereby that he did not receive a majority of all the votes cast in the presidential election of 1912. Since the year 1828, when first the popular vote began to be recorded, there have been nine so-called "minority Presidents." James K. Polk was a minority President, as were also Zachary Taylor, James Buchanan, Hayes, Garfield, Cleveland, and Benjamin Harrison. The great Lincoln himself was a "minority President," during his first term, for he did not receive a majority of all the votes cast in the election of 1860. But at the end of his first term in 1864 he ceased to be a "minority President," was overwhelmingly reelected and became a "majority President," just as Woodrow Wilson will be overwhelmingly reelected in 1916 and become a "majority President" for the next four years. [Applause on the Democratic side.]

Again, they tell us that we have been extravagant and wasteful of the people's money. But, Mr. Speaker, while no administration in all our history has been more active in promoting those agencies which were necessary for the efficient conduct of the Government, the increase in expenditures during this administration has been less than that of any Republican administration of recent years, notwithstanding this administration has been compelled to deal with extraordinary conditions never existing heretofore. New agencies of Government for carrying out the mandates of the people have been created, new forces set in motion, and new goals set for our future achievements never undertaken by Republican administrations. Besides these domestic concerns, new and delicate international considerations have arisen on this and other continents which have compelled the use of funds never required in former times. Yet, notwithstanding these extraordinary conditions, the increase in expenditures from 1912 to 1916, two years under Taft and two years under Wilson, has been only $39,948,064, or 6½ per cent, while the increase from 1908 to 1911, two years under Roosevelt and two years under Taft, was $107,986,351, or 20 per cent.

The average per capita expense for conducting this Government under the first three years of President Taft was $7.03; while the average per capita expense for conducting the Government under the first three years of President Wilson's term has been only $6.97. For the year 1912, under Mr. Taft, the per capita expense of conducting the Government was $6.84; while under President Wilson for the year 1916 the per capita expense for conducting the Government was only $6.74.

But what of the Republican record? What of the pretense and humbuggery of the old guard, headed by PENROSE, by Crane, by LODGE, and CANNON, and other equally immovable statesmen whom Roosevelt four short years ago described as porch climbers and thieves? Will the people of this Nation repudiate a President and a Congress who have advanced the outposts of progressive government far beyond the hopes of optimism, only to replace them with one who speaks the language only of reaction and stupid assault? Four years ago a great majority of the Republican vote of this Nation withdrew from that party because of the hopelessness of any conceivable progress under the domination of the bosses of Republicanism. Is there any greater hope now that these same bosses, in order to clothe their schemes in apparent respectability, have invaded the Supreme Court for a candidate, hoping thus to conceal their manifest unworthiness under the folds of the judicial robe? And surely since that nomination has been made and the sphinx has become audible it can not be said that the expectant people who mistook silence for wisdom and solemn countenance for ability have anything to hope for from that source. The mountain labored and a sickly mouse came forth, and since the event those who staged the play and set the scenes have discovered to their dismay that he who before nomination grew in stature in proportion to his silence has since the nomination continued to shrink in proportion to the frequency of his utterances. Utterly bereft of moral or intellectual solvency themselves, these leaders of the Republicanism of Quay and Hanna approach through the subway the strained and eager ear of a justice of the Supreme Court with soothing words. And scarcely has the robe of sacred office fallen from his shoulders before a statement, long prepared and waiting, emerges from the reservoir of congested wisdom, revealing its author as a politician, dominant and undiluted.

While we do not wish to be understood as criticizing the Republican bosses for going to the Supreme Court for their candidate, since they were compelled to find one who had said nothing on any subject for at least six years, we may well question the judgment or discretion of a man who, from all accounts, was both willing and anxious to descend from the Nation's highest court to become trustee in bankruptcy for the Republican Party. [Laughter on the Democratic side.]

This candidate of the Republican Party, emerging from the cloister as if by magic, looks about him for an issue. Neither the character, dimensions, nor quality of the issue is material. Having said nothing for more than six years, he can with equal facility assume originality of opinion on any subject that appears to give hope of a basis for opposition to the President. Seeing the great constructive program of remedial legislation and executive reform touching our internal affairs brought about by the Democratic Party and its administration, Hughes rises in his political aeroplane to look afar in quest of an issue. To our south he sees Mexico. Poor Mexico! Rent with internal strife, half starved, weak, mostly ignorant, trying to assume the form and substance of popular government, an object of commiseration! But he sees it. Then turning his glance across the waste of waters he sees Europe. He sees it in blood and tears, with murder and superstition walking hand in hand over the graves of their victims, with scarcely a voice to whisper hope to man. And then he sees our ambassadors, and he does not like them because they are Democrats. He

sees that our President, his President, the President of all the people has invoked every honorable method in the wide realm of diplomacy to keep from plunging this fair and happy land into the vortex of bloody death and carnage, and he sees how well and how honorably that President has succeeded. [Applause on the Democratic side.]

Descending again to give report of his observations, he calls for Crane, of the Old Guard; he sends for Fall, the Concessionaire of senatorial proportions. He also sends for O'Shaughnessy and for Henry Lane Wilson, the discredited and discreditable ex-ambassador to Mexico. What a pity Huerta was not still alive, so he might have called him into consultation. But in default of this he, on motion of these others, consents to become administrator of his estate *de bonis non*. [Laughter and applause on the Democratic side.] Thus commissioned, he has entered upon a campaign of cheap abuse, a tirade of invective, a petty and partisan exhibition of littleness unworthy of a candidate for the high office which he seeks. Neither in his speech of acceptance nor in those he is now making has he given expression to an affirmative declaration, except "I accept the nomination, and I am 100 per cent a candidate." While he condemns the course of President Wilson, he offers nothing in its place. While he condemns him for not protecting the lives or property of Americans along the border, he also criticizes him for sending the National Guard to the border to afford that protection. While he condemns him for not recognizing Huerta, he will not say whether he would have recognized him if he had been President. He condemns him for sending troops to Vera Cruz and condemns him for bringing them away. He condemns him for taking action of any character and then condemns him because he did not take it sooner. And then, as if by way of climax, he condemns himself by admitting that he does not know what he would have done if he had been President instead of Mr. Wilson.

But no true American can be deluded by the efforts of Mr. Hughes and his party to hide their own lack of real issues and the record they have made in Congress by making a pretense of excitement over Mexico. The Mexican trouble is not a new trouble. For 60 years there has been in some form a "Mexican question." Mexico has something more than 15,000,000 people. More than 12,000,000 can neither read nor write, and most of these are denied the right of property. We need not attempt to defend the acts of cruelty, of rapine, and savagery which have accompanied their efforts to establish a government in which the common people are recognized. But we can not think of the ignorant and hungry children, the homeless peons, without a feeling of pity. And when we reflect that many of the wrongs suffered by these people are due to the arrogance and greed of those who have been Mexico's exploiters, we can not restrain our indignation.

It has been the office of America to be a friendly neighbor of Mexico. Hughes says we ought to act as a next friend to Mexico. "We shall have to adopt a new policy," says the Republican candidate, without giving us the faintest conception or suspicion of what it ought to be. He describes that unhappy Republic as "Mexico prostrate, impoverished, famine stricken, and overwhelmed with woe," as if she could point an accusing finger at President Wilson as the author of her woes.

It is but natural that in a country torn by strife, seeking to establish a government in which the people would have some voice, there would be destruction of property and loss of life. It was so in our Revolutionary War, when we were seeking our independence. It was so in our Civil War, when we were torn by bitterness, by hatred, and when both property and lives were sacrificed beyond estimation of value. And so, in the revolutions that have resulted from despotism, from greed, and from absentee landownership in Mexico, there has been much loss of property and destruction of lives. Unfortunately, American lives have been lost, and property owned by Americans has been damaged. But these things have not simply happened since Mr. Wilson came into office. Mr. Hughes would have the American people believe that Wilson alone has been the only President who was ever harassed by the Mexican problem. But those who will take the pains to investigate history will ascertain that every President for nearly half a century has had this problem to deal with in some form.

Sixty years ago, in Franklin Pierce's administration, the American Minister to Mexico was proclaiming that nothing but "the manifestation of the power of the United States" could bring about punishment for the "wrongs" done by the Mexicans to citizens of America. During the administration of President Buchanan the American Minister "broke off diplomatic relations with the Miramon Government" because of ill-treatment by Mexicans of American citizens. Later the Juarez Government assumed authority, and in April, 1861, while Mr. Lincoln was President, his Secretary of State, Mr. Seward, sent the following instructions to Mr. Tom Corwin, Minister to Mexico:

> Information has been received that President Juarez has overthrown his adversaries and established his Government at the capital, and that he has been chosen President at an election lately held, but there are other rumors to the effect that his Government is unable to maintain order; that robberies are frequent on the high roads; and that even a member of the American legation had been murdered on his way from the City of Mexico to Vera Cruz.
>
> The President would, therefore, use all proper influence to favor the restoration of order and authority in Mexico, and, so far as might be in his power, prevent any incursions or any other form of aggression by citizens of the United States against Mexico.

The Mexican Government had recently complained of an apprehended attempt to invade the State of Sonora by citizens of the United States.

In 1871, President Grant appointed a commission to investigate matters between the United States and Mexico, and that commission found that 60,000 American cattle, valued at $1,000,000, had been stolen; and that a certain Mexican general had gotten rich by robbing American ranches, and that agents of the Mexican Government had shared in the loot. Yet Grant did not intervene nor go to war with Mexico, nor did Lincoln before him, nor Pierce before that.

During the earlier years of Porfirio Diaz, relations with the United States had been strained. In Mr. Diaz's early Government a request was made by the United States to permit troops to cross the border in pursuit of marauders and bandits, which request was refused, although this Government had granted a similar privilege to the Mexican Government. Mr. Hubert Bancroft, in his History of the Mexican People, said:

> The outcry raised in Texas led to instructions being given Gen. Ord to cross the Rio Grande, and war appeared imminent.

How strangely similar that sounds to the conditions which so recently existed in that distressed and unhappy country.

And so the story goes, from one administration to another, and yet they do not intervene or go to war with Mexico. During the administration of President Taft a revolution overthrew the Diaz government and placed Madero at the head of the government. During that revolution and during Mr. Taft's term more than 50 Americans were killed in Mexico and much property was destroyed. But Mr. Taft did not intervene nor did he go to war. In February, 1913, Madero, the President, and Saurez, the Vice President, were murdered in the City of Mexico at the hands of the traitor Huerta and his fellow conspirators, and he wired to President Taft, "I have overthrown the government," demanded recognition, and was backed up in that demand by his friend the American ambassador, Henry Lane Wilson, who wired to this Government before Huerta's hands had ceased to drip with Madero's blood. But Taft refused to recognize him; and on the 4th of March President Wilson was inaugurated President of the United States, inheriting from his predecessor this Mexican situation.

I can not, Mr. Speaker, discuss in detail the steps which have been taken by President Wilson in his efforts to aid Mexico to get on her feet and establish a stable government. But he has been the friend of Mexico and not her enemy. He has thus far consistently adopted the policy which was given approval under the administration of President Taft in a report to the Secretary of State, Mr. Knox, in which this language was used:

> So far no one with any adequate understanding of the situation believes that we should have intervened in Mexico or that we should intervene now. There will probably never come a time to intervene if we exercise the forbearance toward them that we should desire for ourselves.
>
> But however that may be, it is clear that the time to intervene will be when we can save more American lives by going into Mexico than by staying out of Mexico.

I believe this quotation from a report made to the State Department expresses the feeling of the American people to-day. The American people do not want war, either with Mexico or with any other country. There may be some who have large investments in Mexico who would like to see intervention and conquest. There may be some who would be willing that their ranches be enriched or their profits enhanced by the blood of American boys. But go with me to the fields, to the firesides of this land, where dwell the fathers and mothers whose boys must fight the battles. Let them answer whether they want war. Let them answer whether they are willing to sacrifice the hopeful youth of this Nation upon the altar of property or for any other unnecessary purpose. They know the traditions of our history. They know when our liberty, our rights, our honor, are involved or at stake we would rise as one man to defend them. They know that we are as brave and as chivalrous as in days of glorious battle for liberty and freedom. But they know that war plants no fields, builds no schoolhouses, educates no children, endows no colleges or universities, gathers no har-

vests; and they know that it is the duty of this Nation to exhaust every means known to the ingenuity of statesmen to preserve and cultivate honorable peace with our sister nations. And especially do they know that this should be our course with weak, distracted, pitiful Mexico, struggling for freedom, for education, for the right to educate her children and live under the roofs of their own homes.

President Wilson has preserved our peace, has kept us from the vortex of war, and has maintained the honor of our flag. Not only has he done this in Mexico, but in the great war now raging across the waters, which for a time threatened to engulf all the world in its horrors, by his firmness, his patience, his great diplomacy, he has brought us safely into port. [Applause on the Democratic side.] These things do not seem to please the Republican candidate for President, for he criticizes the President, and says their contemplation causes him the deepest "shame and humiliation." But he has not yet told us what he would have done under the same conditions. He has not told us whether he would have recognized the murderer, Huerta. He has not told us whether he is in favor of intervention or war in Mexico. He has not told us whether he would have settled the controversy over the sinking of the *Lusitania* by peaceful methods, or whether he would have gone to war with Germany. He has not told us, he will not tell us, whether he would have adopted the methods of diplomacy or resorted to war in asserting our rights as a neutral nation under international law. And while he loudly proclaims that he is in favor of "firmly and unflinchingly" asserting every American right on land and sea alike, and asserts the universally recognized principle that American rights do not cease at the water's edge, he has not told us, and he will not tell us, whether he approves or condemns the 102 Republicans in the House of Representatives who voted to surrender American rights upon the high seas, rights which have the sanction of international law and were never questioned until the outbreak of the European war.

He stated in his speech of acceptance, and reiterates the statement in his subsequent speeches, that the foreign policy of President Wilson has been "weak and vacillating"; that our prestige and power are gone, and that the only thing that will revive these faded attributes is to elect him President of the United States. But, Mr. Speaker, these empty statements of a candidate for office will not overcome the testimony of the nations of the world. In France, in Italy, in England, in Austria, in Germany, in Belgium, in all the nations of both Hemispheres, President Wilson has given new meaning to the term "Americanism," and he is recognized as the foremost leader of democracy in the world. He has won greater victories in peace than all the monarchs of Europe have been able to snatch from the fire of battle; and when calm is again restored to the turbulent world, when the cannon is spiked, and the soldier returns to the quiet reflection of hearth and field and shop, the name of Woodrow Wilson will be acclaimed the greatest figure that emerged unscathed from the crucible through which the world is passing.

In the effort of Mr. Hughes to make our country appear contemptible in the eyes of the world he slanders our ambassadors abroad who represent the Stars and Stripes in the capitals of the world. It seems inconceivable that even a Republican candidate, and especially one who was so late a justice of the Nation's highest court, could stoop to the cheapness of such hypocrisy. Was there ever a time in our history when we have been more ably or more honorably represented in foreign capitals? With all of Europe at war, and with our ambassadors representing not only the United States but all the belligerent nations now at war, was there ever a more brilliant chapter recorded in behalf of American diplomacy? Did the Republicans ever send a representative who reflected more credit upon his country than Penfield in Austria, or Thomas Nelson Page in Italy, or Morgenthau in Turkey, or Page in London, or James W. Gerard in Berlin? The work of these men has received the universal and unstinted praise of all Americans except Charles E. Hughes, who while trying to instill into the minds of foreign nations a contempt for these brilliant and successful diplomats draws close about his heaving bosom the manly form of Henry Lane Wilson. He pretends to believe that experienced and useful ministers and ambassadors ought not to be displaced to meet the demands of partisan politics. But will he retain Brand Whitlock in Belgium, where he has won the love and respect of people of every nationality? Will he retain Mr. Gerard at Berlin, where he has been so signally successful in handling our relations with the German Government? But it is useless to ask these questions of him. He will not answer before the election, and after the election there will be no need for answer, because the American people will not be misled, they will not be deceived by one whose only claim to public support is an abnormal faculty for misrepresentation and pure buncombe, without the compensating quality of constructive intelligence. For not only do the American people recognize the great service that has been rendered to America and to the world by our ambassadors in Europe, but they recognize that under the "weak and vacillating" foreign policy of President Wilson, and through the ministers and ambassadors he has sent to represent us, all the nations of the Western Hemisphere have been brought into closer understanding and more sympathetic cooperation. President Wilson has done more to reestablish the United States in the confidence and esteem of the Republics of South America than all the Republican administrations that have been in power for 40 years. [Applause on the Democratic side.] This alone will in the years to come compensate for all the slander and abuse which Candidate Hughes will hurl at him from now until the election.

And so the record stands. And what if there be calumny? What if there be misrepresentation? What if there be deliberate and unworthy falsity of statement? It has ever been so with those who serve mankind.

When Washington was commander of the ragged soldiers of the Revolution, risking loss of life and fortune for the cause of American freedom, a combination was formed in Congress to supplant if not disgrace him, and the Pennsylvania Legislature passed and addressed a resolution to Congress condemning him. But they failed of their infamous purpose.

After he became President, he became the object of the grossest slander and misrepresentation ever heaped upon the head of a great Nation. He was accused of deceiving and debauching the American Nation, and after summing up a long string of similar accusations a newspaper of the period asked the following questions:

> What will posterity say of the man who has done this thing? Will it not say that the mask of political hypocrisy has been worn by Cæsar, by Cromwell, and by Washington alike?

When Thomas Jefferson was President of the United States no abuse was too vile, no epithet too scurrilous, no criticism was too unjust to be thrown into his face by his political enemies. He was accused of atheism, of fraud, and of robbery. He was even charged with being "weak and vacillating," and with having swindled his creditors by paying them in worthless currency. What mattered it to them that he was President of the new Republic? What mattered it to them that he was the author of the statute of religious liberty in Virigina? What mattered it to them that he had given to the world the immortal Declaration of Independence? They were his foes, and they sought to discredit him.

When Gen. Andrew Jackson was in the prime of his great popularity as a soldier and as President he was the object of some of the bitterest attacks ever heaped upon an American statesman. He was charged with having suspended the executive, legislative, and judicial functions with military sway; with having insulted the Executive of the Nation, and with having spurned and transcended his orders. He was charged with having usurped the power of the State, and with breaking every law known to nations and promulgating a new code of his own, conceived in madness or folly and written in blood. He was charged with executive usurpation and domination over Congress and the judiciary. They were his enemies. They sought to discredit him.

And there was Lincoln! Sad-faced, patient Lincoln! Was any man ever so misunderstood, so vilified, so abused and criticized? Even in his own party, even in his own Cabinet, he was ridiculed, sneered at, geered and mocked. He was called the "baboon at the other end of the Avenue." He was referred to as the "idiot in the White House." By some he was called a usurper, a traitor, and a tyrant; and by others he was described as "weak and vacillating," and his administration was described by "leading Republicans" as being "imbecile and vacillating, and just weak enough to waste its men and means to provoke the enemy, but not strong enough to conquer." They spoke of his "treachery," and of his having sacrificed the "honor and dignity" of the Nation. It is no wonder that in an hour of despondency he cried out against his fate, and wished that he had never been born.

But where are the traducers of Washington? Where are those who maligned Jefferson? Where are the defamers of the character of "Old Hickory" Jackson? Where are those who, with leering look and sinister smile and tongue that blistered as they lashed, sought to bedaub Lincoln's escutcheon with the infamy of imputed wrong? They lie in unmarked and unhallowed graves. They have all descended into the stillness of a deep oblivion from which they shall not arise. But the figure of Washington grows more imposing as the years go by, and each

year pilgrims by the thousand tread softly near his tomb. Jefferson's memory and his deeds are enshrined in the hearts of a grateful posterity. The heroic courage of Jackson as a soldier and statesman inspires each new generation of American patriots. And the tragic career of Abraham Lincoln gives hope to every struggling boy in this fair land, and in his honor we build monuments and cities. [Applause.]

Democracy to-day is led by one whose character and services history will accord a place by the side of these; and as they were vindicated by the overwhelming voice of a grateful people, let me indulge the confident prediction that an overwhelming vindication and indorsement on the 7th day of next November will be recorded by an equally grateful people in behalf of him who at this hour guides with strong and steady arm our ship of state, in whom are combined the foresight of Washington, the wisdom of Jefferson, the courage of Jackson, and the infinite patience of Lincoln. [Applause on the Democratic side.]

Mr. Speaker, at the request of another Member I ask unanimous consent to extend my remarks at a different place by having printed in the RECORD the letter of Mr. Bainbridge Colby, of New York, declaring himself for President Wilson for re-election in 1916.

Mr. MADDEN. Why should that be printed in the RECORD? What difference does it make whether he declares for Wilson or not?

Mr. BARKLEY. I desire it to be printed; others have been printed in the RECORD.

The SPEAKER pro tempore. The gentleman from Kentucky asks unanimous consent to extend his remarks in the RECORD by printing a letter from Bainbridge Colby. Is there objection? [After a pause.] The Chair hears none.

WITHDRAWAL OF PAPERS.

Mr. MUDD, by unanimous consent, was given leave to withdraw from the files of the House, without leaving copies, papers in the case of H. R. 22184, H. R. 20336, H. R. 17779, Sixty-second Congress, no adverse report having been made thereon.

ADJOURNMENT.

Mr. HILLIARD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 55 minutes p. m.) the House, under its previous order, adjourned until Tuesday, August 22, 1916, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Acting Secretary of the Treasury, transmitting copy of a communication from the Secretary of the Navy, reporting certain claims for damages for which vessels of the Navy were found to be responsible, and which have been considered, ascertained, adjusted, and determined (H. Doc. No. 1329); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of the Treasury, submitting item of deficiency appropriation, site for post office, Salem, N. J. (H. Doc. No. 1330); to the Committee on Appropriations and ordered to be printed.

3. A letter from the Secretary of the Treasury, submitting tentative draft of legislation to provide for a breakwater in front of Marine Hospital, Chicago, Ill. (H. Doc. No. 1331); to the Committee on Interstate and Foreign Commerce and ordered to be printed with illustrations.

4. A letter from the Secretary of the Treasury, transmitting the record of a judgment rendered by the Court of Claims, December 6, 1915, in cause No. 30447, Mille Lac Band of Chippewa Indians in the State of Minnesota *v.* The United States (H. Doc. No. 1332); to the Committee on Appropriations and ordered to be printed.

5. A letter from the Secretary of the Treasury, transmitting copy of communication from the Secretary of War, submitting an estimate of deficiency in the appropriation for pay, etc., of the Army required for the fiscal year ended June 30, 1916 (H. Doc. No. 1333); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. CARAWAY, from the Committee on the Judiciary, to which was referred the bill (H. R. 5788) to create two additional associate justices of the Supreme Court of the District of Columbia, reported the same without amendment, accompanied by a report (No. 1123), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. CALDWELL, from the Committee on Military Affairs, to which was referred the bill (H. R. 17424) authorizing transfer of certain retired Army officers to the active list, reported the same with amendment, accompanied by a report (No. 1124), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. MORRISON, from the Committee on Patents, to which was referred the bill (H. R. 17290) providing for the registration of designs, reported the same without amendment, accompanied by a report (No. 1125), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. SHALLENBERGER, from the Committee on Military Affairs, to which was referred the bill (H. R. 762) providing for the construction and equipment of a storehouse at Benicia Arsenal, State of California, reported the same with amendment, accompanied by a report (No. 1126), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. CARAWAY, from the Committee on the Judiciary, to which was referred the bill (H. R. 13926) to amend an act entitled "An act to provide for the appointment of a district judge, district attorney, and marshal for the western district of South Carolina, and for other purposes," approved March 3, 1915, so as to provide for terms of the district court to be held at Anderson, S. C., reported the same without amendment, accompanied by a report (No. 1127), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. TAYLOR of Colorado, from the Committee on the Public Lands, to which was referred the bill (S. 5082) adding certain lands to the Missoula National Forest, Mont., reported the same with amendment, accompanied by a report (No. 1128), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

He also, from the same committee, to which was referred the bill (S. 5612) providing additional time for the payment of purchase money under homestead entries of lands within the former Fort Peck Indian Reservation, Mont., reported the same with amendment, accompanied by a report (No. 1129), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

He also, from the same committee to which was referred the bill (S. 1061) to allow additional entries under the enlarged homestead act, reported the same with amendment, accompanied by a report (No. 1130), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. SMITH of Idaho, from the Committee on the Public Lands, to which was referred the bill (H. R. 17375) to amend an act entitled "An act to provide for an enlarged homestead," approved June 17, 1910, reported the same with amendment, accompanied by a report (No. 1131), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. SINNOTT, from the Committee on the Public Lands, to which was referred the bill (H. R. 17055) providing when patents shall issue to the purchaser or heirs on certain lands in the State of Oregon, reported the same without amendment, accompanied by a report (No. 1132), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. RAKER, from the Committee on the Public Lands, to which was referred the bill (S. 1059) to provide for the payment for certain lands within the former Flathead Indian Reservation, in the State of Montana, reported the same with amendment, accompanied by a report (No. 1133), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. DILL, from the Committee on the Public Lands, to which was referred the bill (S. 6561) providing for the sale at public auction of all unsold suburban lots not reserved for public purposes in the Government town site of Port Angeles, Wash., and for the issuance of patents for those previously sold under the act of May 2, 1906, on the payment of the price at which the said lots were reappraised under said act without further condition or delay, reported the same without amendment, accompanied by a report (No. 1134), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. O'SHAUNESSY, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 17398) granting the consent of Congress to the board of county commissioners of the county of Hampden, in the Commonwealth of Massachusetts, to construct a bridge across the Connecticut River between Springfield and West Springfield, in said county and Commonwealth, reported the same without amendment, accompanied by a report (No. 1137), which was ordered to be printed.

Mr. SMITH of Idaho, from the Committee on the Public Lands, to which was referred the bill (S. 5014) to amend section 1 of the act of August 9, 1912, providing for patents on reclamation entries, and for other purposes, reported the same without amendment, accompanied by a report (No. 1141), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

He also, from the same committee, to which was referred the bill (S. 1740) to repeal an act entitled "An act granting to the city of Twin Falls, Idaho, certain lands for reservoir purposes," approved June 7, 1912, and to revoke the grant made thereby, reported the same without amendment, accompanied by a report (No. 1142), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. CRAMTON, from the Committee on the Public Lands, to which was referred the bill (S. 5496) to amend sections 5 and 6 of an act entitled "An act to authorize the drainage of certain lands in the State of Minnesota," approved May 20, 1908, reported the same with amendment, accompanied by a report (No. 1143), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. TAYLOR of Colorado, from the Committee on the Public Lands, to which was referred the bill (S. 1064) to provide for the nonmineral entry of lands withdrawn, classified, or reported as containing coal, phosphate, nitrate, potash, oil, gas, or asphaltic minerals in Alaska, reported the same with amendment, accompanied by a report (No. 1148), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

He also, from the same committee, to which was referred the bill (H. R. 11258) to provide for the sale and development of certain public lands and for the construction and maintenance of public roads, reported the same with amendment, accompanied by a report (No. 1149), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills were severally reported from committees ,delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. SHERWOOD, from the Committee on Invalid Pensions, to which was referred the bill (S. 6370) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors, reported the same with amendment, accompanied by a report (No. 1135), which said bill and report were referred to the Private Calendar.

Mr. CRAGO, from the Committee on Military Affairs, to which was referred the bill (H. R. 5412) to establish the military record of Marshall M. Pool, reported the same without amendment, accompanied by a report (No. 1138), which said bill and report were referred to the Private Calendar.

Mr. TILLMAN, from the Committee on the Public Lands to which was referred the bill (H. R. 241) to relinquish, release, and quitclaim to the trustees of the Hatchie Coon Hunting and Fishing Club title to certain lands in Poinsett County, Ark., reported the same without amendment, accompanied by a report (No. 1139), which said bill and report were referred to the Private Calendar.

Mr. CRAGO, from the Committee on Military Affairs, to which was referred the bill (H. R. 10201) for the relief of Samuel Snyder, reported the same without amendment, accompanied by a report (No. 1140), which said bill and report were referred to the Private Calendar.

Mr. WISE, from the Committee on Military Affairs, to which was referred the bill (S. 1296) for the relief of John P. Wagner, reported the same without amendment, accompanied by a report (No. 1144), which said bill and report were referred to the Private Calendar.

Mr. CRAGO, from the Committee on Military Affairs, to which was referred the bill (H. R. 8838) to correct the military record of Jeremiah Stover, reported the same with amendment, accompanied by a report (No. 1150), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill (H. R. 1582) to correct the military record of Thomas J. Rose, reported the same with amendment, accompanied by a report (No. 1151), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill (H. R. 4545) to remove the charge of desertion from the military record of Clement H. Cole, reported the same with amendment, accompanied by a report (No. 1152), which said bill and report were referred to the Private Calendar.

Mr. CALDWELL, from the Committee on Military Affairs, to which was referred the bill (S. 3268) for the relief of John Duggan, reported the same without amendment, accompanied by a report (No. 1153), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills and resolutions were introduced and severally referred as follows:

By Mr. BROWNING: A bill (H. R. 17494) to provide for the erection of a public building at Salem, N. J.; to the Committee on Public Buildings and Grounds.

By Mr. HAMLIN: A bill (H. R. 17495) creating an additional judge in the western district of Missouri; to the Committee on the Judiciary.

By Mr. FOSS: A bill (H. R. 17496) to authorize the Secretary of the Treasury, in his discretion, to transfer and convey to the commissioners of Lincoln Park, of Chicago, Ill., the riparian rights of the United States as the owner of land fronting on Lake Michigan and occupied as the site of the United States Marine Hospital in Chicago, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mr. AIKEN: A bill (H. R. 17497) to pay rural letter carriers semimonthly; to the Committee on the Post Office and Post Roads.

By Mr. HAY: A bill (H. R. 17498) making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes; to the Committee on Military Affairs.

By Mr. ALEXANDER: A bill (H. R. 17499) for the protection, regulation, and conservation of the fisheries of Alaska, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

By Mr. FLOOD: A bill (H. R. 17500) providing for the investigation of a suitable site for a naval armor plant at or near Basic City, Va., and submitting an estimate of the cost thereof; to the Committee on Naval Affairs.

By Mr. COOPER of Ohio: A bill (H. R. 17501) granting the consent of Congress to the city of Youngstown, Ohio, to construct a bridge across the Mahoning River, in the State of Ohio; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Texas: A bill (H. R. 17502) providing for the appointment of an additional judge for the western judicial district of Texas; to the Committee on the Judiciary.

By Mr. LANGLEY: Resolution (H. Res. 351) requesting the President to furnish information relative to removal or reduction in salary of certain employees in the executive departments, etc.; to the Committee on Reform in the Civil Service.

By Mr. VINSON: Resolution (H. Res. 353) providing for the continued employment during the recess of nine messengers in the House of Representatives post office; to the Committee on Accounts.

By Mr. GARDNER: Resolution (H. Res. 354) directing the Secretary of the Navy to send to the House of Representatives target-practice scores of certain battleships made in battle practice in Cuban waters in February and March, 1916; to the Committee on Naval Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills were introduced and severally referred as follows:

By Mr. ALEXANDER: A bill (H. R. 17503) granting an increase of pension to Mary E. Middaugh; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17504) granting an increase of pension to Alexander M. Rainey; to the Committee on Pensions.

Also, a bill (H. R. 17505) granting a pension to Willis Arnold; to the Committee on Invalid Pensions.

By Mr. ASHBROOK: A bill (H. R. 17506) granting an increase of pension to Joseph C. Merrill; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17507) granting an increase of pension to L. W. Severus; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17508) granting an increase of pension to Johnathan M. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17509) granting an increase of pension to Franklin Jackson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17510) granting an increase of pension to Joseph Roush; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17511) granting an increase of pension to William T. O'Bannor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17512) granting an increase of pension to Thomas D. Simpson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17513) granting an increase of pension to George F. Norman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17514) granting an increase of pension to David A. Banks; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17515) granting an increase of pension to John Wharton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17516) granting an increase of pension to Ezra T. Potter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17517) granting an increase of pension to Eli Fortune; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17518) granting an increase of pension to George M. Burns; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17519) granting an increase of pension to Morgan Burgholder; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17520) granting an increase of pension to Albert Helms; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17521) granting an increase of pension to Henry Dunfee; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17522) granting an increase of pension to Joseph Finley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17523) granting an increase of pension to William Strickler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17524) granting an increase of pension to John Erwin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17525) granting a pension to Louis D. Beaumont; to the Committee on Pensions.

Also, a bill (H. R. 17526) granting a pension to David Richards; to the Committee on Invalid Pensions.

By Mr. DOOLITTLE: A bill (H. R. 17527) granting an increase of pension to James Heaston; to the Committee on Invalid Pensions.

By Mr. FLOOD: A bill (H. R. 17528) for the relief of Virgil A. Fitzgerald; to the Committee on War Claims.

By Mr. FOSS: A bill (H. R. 17529) granting an increase of pension to Edmund H. Ames; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17530) granting a pension to Maurice T. Crotty; to the Committee on Pensions.

Also, a bill (H. R. 17531) granting a pension to Arthur A. Haussner; to the Committee on Pensions.

Also, a bill (H. R. 17532) granting a pension to Ray H. Schumaker; to the Committee on Pensions.

By Mr. FULLER: A bill (H. R. 17533) granting an increase of pension to Marcus F. Nesmith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17534) granting an increase of pension to Charles Logan; to the Committee on Invalid Pensions.

By Mr. GARD: A bill (H. R. 17535) granting a pension to Walter S. Stewart; to the Committee on Pensions.

By Mr. HAMLIN: A bill (H. R. 17536) granting an increase of pension to William W. Hendricks; to the Committee on Invalid Pensions.

By Mr. HASTINGS: A bill (H. R. 17537) granting a pension to James O. Carroll; to the Committee on Pensions.

By Mr. HOLLINGSWORTH: A bill (H. R. 17538) granting an increase of pension to Benjamin B. Griffith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17539) granting a pension to William Reed; to the Committee on Pensions.

By Mr. HULBERT: A bill (H. R. 17540) for the relief of John J. Flynn; to the Committee on Military Affairs.

By Mr. KAHN: A bill (H. R. 17541) for the relief of Annie Behlendorff; to the Committee on Claims.

Also, a bill (H. R. 17542) for the relief of Pearl S. O'Neill; to the Committee on Claims.

By Mr. KEY of Ohio: A bill (H. R. 17543) granting an increase of pension to Francis S. Layton; to the Committee on Invalid Pensions.

By Mr. LAFEAN: A bill (H. R. 17544) granting an increase of pension to John W. Lee; to the Committee on Invalid Pensions.

By Mr. LANGLEY: A bill (H. R. 17545) granting an increase of pension to Elihu Cammel; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17546) granting an increase of pension to Henry Horn; to the Committee on Pensions.

By Mr. McGILLICUDDY: A bill (H. R. 17547) granting a pension to Minnie W. Jewell; to the Committee on Invalid Pensions.

By Mr. MORGAN of Oklahoma: A bill (H. R. 17548) granting a pension to Elizabeth Nay; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17549) granting an increase of pension to Noah Knisley; to the Committee on Invalid Pensions.

By Mr. NEELY: A bill (H. R. 17550) granting an increase of pension to Seymour Norman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17551) granting an increase of pension to Samuel A. Robertson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17552) granting an increase of pension to Ulysses A. Clayton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17553) granting an increase of pension to Elizabeth Peck; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17554) granting a pension to Minerva E. Layman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17555) reinstating Creedy C. Sheppard in the Coast Artillery Corps of the United States Army with the rank of captain; to the Committee on Military Affairs.

Also, a bill (H. R. 17556) granting an increase of pension to Josiah Vanscyoe; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17557) granting an increase of pension to Macey Wykert; to the Committee on Invalid Pensions.

By Mr. OAKEY: A bill (H. R. 17558) granting an increase of pension to Kate M. Britton; to the Committee on Pensions.

Also, a bill (H. R. 17559) granting an increase of pension to James F. Coakley; to the Committee on Pensions.

By Mr. O'SHAUNESSY: A bill (H. R. 17560) for the relief of Spencer Roberts, a member of the Metropolitan police force of the District of Columbia, for losses sustained by him by reason of his unjust and enforced retirement from said force from May 18, 1905, to April 1, 1909; to the Committee on Claims.

By Mr. SHALLENBERGER: A bill (H. R. 17561) granting an increase of pension to James Gray; to the Committee on Invalid Pensions.

By Mr. SHERWOOD: A bill (H. R. 17562) granting an increase of pension to Margaret E. Young; to the Committee on Invalid Pensions.

By Mr. SIMS: A bill (H. R. 17563) granting a pension to John W. Scott; to the Committee on Pensions.

By Mr. SWIFT: A bill (H. R. 17564) granting a pension to Eugene B. Richard; to the Committee on Pensions.

Also, a bill (H. R. 17565) for the relief of Walter Parks; to the Committee on Military Affairs.

By Mr. WATKINS: A bill (H. R. 17566) for the relief of the estate of Jacob A. Wolfson; to the Committee on War Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BRUCKNER: Petition of National Association of Vicksburg Veterans, relative to appropriation for peace jubilee at Vicksburg; to the Committee on Appropriations.

Also, petition of George Warnefeld, of New York City, favoring passage of the Stevens standard-price bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of Louis A. Feldman, favoring the Senate Navy bill; to the Committee on Naval Affairs.

Also, petition of Belle J. MacDonald, favoring passage of the vocational educational bill; to the Committee on Education.

Also, petition of Charles Uzel, of New York City, relative to House bill 6915, pensioning superannuated postal employees; to the Committee on the Post Office and Post Roads.

By Mr. CHARLES: Memorial of Adolph Weber, Racine, Wis., protesting against violation of neutral rights on high seas by Great Britain; to the Committee on Foreign Affairs.

Also, petition of Joseph Lyons, of Schenectady, N. Y., protesting against the action of Great Britain in opening American mails and interfering with American Red Cross shipments, etc.; to the Committee on Foreign Affairs.

By Mr. COPLEY: Petitions of citizens of Joliet, Lockport, and Lemont, all of the State of Illinois, favoring legislation protecting railroad employees; to the Committee on Interstate and Foreign Commerce.

By Mr. DALE of New York: Petition of I. P. Taft, West Upton, Mass., favoring woman-suffrage amendment; to the Committee on the Judiciary.

Also, petition of Grand Lodge, Benevolent and Protective Order of Elks, United States of America, favoring passage of the game-refuge bill, House bill 11712; to the Committee on Agriculture.

By Mr. DOOLITTLE: Petitions of sundry railroad employees of the fourth district of Kansas, favoring measures to avert a strike by trainmen; to the Committee on Interstate and Foreign Commerce.

By Mr. DYER: Petition of the Business Men's League of St. Louis, Mo., for settlement of railroad difficulties by Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

By Mr. EDMONDS: Petition of Philadelphia Board of Trade against House bill 15455, establishing a United States shipping board; to the Committee on the Merchant Marine and Fisheries.

By Mr. FESS: Petition of 196 citizens of Logan County, Ohio, favoring a Christian amendment; to the Committee on the Judiciary.

By Mr. FLYNN: Petition of H. C. Davison & Co., protesting against passage of the Ransdell amendment to the revenue bill; to the Committee on Ways and Means.

Also, petition of Grand Lodge, Benevolent and Protective Order of Elks, United States, favoring passage of game refuge bill, House bill 11712; to the Committee on Agriculture.

By Mr. FULLER: Petition of 42 railway employees of Streator and 39 of Coal City, Ill., against a general strike; to the Committee on Interstate and Foreign Commerce.

Also, petition of Grand Lodge, Benevolent and Protective Order of Elks, favoring passage of the game refuge bill, House bill 11712; to the Committee on Agriculture.

Also, paper to accompany House bill 17344 to increase the pension of Byron Lee; to the Committee on Invalid Pensions.

By Mr. HOLLINGSWORTH: Papers to accompany House bill 17538 to increase pension of Benjamin B. Griffith; to the Committee on Invalid Pensions.

By Mr. KAHN: Papers to accompany bill for the relief of Pearl S. O'Neill; to the Committee on Claims.

Also, petition of 143 citizens of San Francisco (Cal.) employees of the Atchison, Topeka & Santa Fe Railroad against a strike of railroad employees; to the Committee on Interstate and Foreign Commerce.

Also, memorial of San Francisco (Cal.) Chamber of Commerce urging that proposed railroad strike be settled by Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

Also, petition of San Francisco (Cal.) Chamber of Commerce favoring passage of House bill 16707; to the Committee on the Judiciary.

By Mr. KEISTER: Memorial of churches of Manor, Pa., asking for an investigation of the Mormon heirarchy by the Department of Justice; to the Committee on the Judiciary.

Also, memorial of churches of Manor, Pa., urging refusal of the rights of the mail to the Mormon churches; to the Committee on the Post Office and Post Roads.

Also, memorials of churches of Manor and citizens of Zelienople, Pa., favoring amendment abolishing polygamy in the United States; to the Committee on the Judiciary.

By Mr. KINKAID: Petition of railroad employees of Nebraska asking Congress to empower the Interstate Commerce Commission to settle present differences between employers and trainmen; to the Committee on Interstate and Foreign Commerce.

By Mr. FLOYD: Petition of railroad employees in the first Missouri district, protesting against the proposed strike; to the Committee on Interstate and Foreign Commerce.

By Mr. MORIN: Petition of Arthur Booth, director of Natural Gas Association of America relative to Senate bill 6843, making natural gas lines common carriers; to the Committee on Interstate and Foreign Commerce.

By Mr. O'SHAUNESSY: Petition of Washington Park Methodist Episcopal Church, Providence, R. I., favoring a Federal motion-picture commission; to the Committee on Education.

By Mr. SLOAN: Petition of Arthur Myatt and 18 others, of David City, Nebr., relative to settling wage controversy; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Michigan: Petition of J. Q. Foy and 28 others, of Battle Creek, Mich., against Senate bill 5677, compulsory Sunday observance bill; to the Committee on the District of Columbia.

Also, petition of J. Q. Foy and 30 others, of Battle Creek, Mich., against House bill 13778, to amend the postal laws; to the Committee on the Post Office and Post Roads.

Also, petition of Dr. M. Canfield and 22 others, of Battle Creek, Mich., against House bill 652, to provide for closing of barber shops in the District of Columbia on Sunday; to the Committee on the District of Columbia.

SENATE.

SATURDAY, *August 19, 1916.*

(Legislative day of Friday, August 18, 1916.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Hardwick	Overman	Smoot
Brady	Hughes	Owen	Sterling
Brandegee	Husting	Penrose	Stone
Bryan	Johnson, S. Dak.	Pittman	Taggart
Chamberlain	Jones	Robinson	Thomas
Clapp	Kern	Shafroth	Thompson
Culberson	Lane	Sheppard	Tillman
Cummins	Lea, Tenn.	Sherman	Vardaman
Dillingham	McCumber	Simmons	Wadsworth
Gallinger	Myers	Smith, Ga.	Warren
Gronna	Nelson	Smith, Md.	Williams

Mr. JONES. The junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent on account of illness in his family. I will let this announcement stand for the day.

Mr. THOMPSON. I wish to announce that the junior Senator from Louisiana [Mr. BROUSSARD] is absent on account of illness.

The VICE PRESIDENT. Forty-four Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. CURTIS answered to his name when called.

Mr. FLETCHER, Mr. JAMES, and Mr. ASHURST entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-eight Senators have answered to the roll call. There is a quorum present.

THE "BLOODY SHIRT" AND SECTIONALISM.

Mr. TILLMAN. Mr. President, we have inherited from our predecessors a custom in the Senate which is very convenient, but which to an outsider is very silly and causes much waste of time. It permits Senators who obtain the floor to address themselves to any subject and speak on any question they like regardless of the bill under consideration. Availing myself of that practice I shall not touch on the unfinished business now pending, for I think I have an equally important matter to present.

Mr. President, I will leave for my home this evening, and in taking leave of the Senate, a few days in advance of its adjournment—after having, I trust, performed the best service to my country of which I am capable—I would feel that I had still left something undone, some part of my duty unfulfilled, if I did not express my sorrow and my great surprise at what appears to be a deliberate effort to raise in our present national campaign an issue which I had hoped and believed was long since dead.

But please understand me and believe me when I say that I refer to it at this time and in this place in no partisan spirit and for no partisan purpose, for if that were my motive I would be guilty of the very thing I feel called upon to condemn.

It must have surprised and shocked you, Senators, as it has shocked most of our common country, to find that more than 51 years after Appomattox, when all the great chieftains of our fratricidal struggle have passed over to the other side—where there is no North, no South, no East, no West, but only the glory of God everywhere—that a candidate for the high office of President of these re-United States should have thought it necessary, or even permissible, to drag forth that old blood-and-mud-bespattered banner of sectionalism, the "bloody shirt," and wave it over the heads of the present generation of Americans.

Yet, as surely as we live, we have seen the presidential candidate of one of our great parties do this thing; the burden of his complaint being that a majority of the leaders of the other party hail from the southern section of this great country. Of course, if this be true as to Congress, he knows, and you and I

know, that for the most part they have attained to their present rank by reason of long service, or seniority, just as I have done. Some of our distinguished colleagues on the other side of the Chamber, from the East and West, will fall heir to similar positions should the political scales be turned next November.

But that aspect of the situation does not so much matter, nor does any of it matter so much as the mere suggestion that in this day and time there can be drawn in this country of ours a geographical line beyond which men may not aspire to high place in our National Government, or that one political party is less to be trusted than another because a majority of its leaders hail from any section of our country; that the South is a Nazareth from which no good thing can come.

If this be true, my countrymen, then our great Civil War was fought in vain, for it did not reunite, but only served to further separate us. All our heroes have died in vain.

But who will say it is true in the face of all that we have seen these 10, 20, 30 years past; that we are still seeing to-day everywhere about us?

I say I had hoped and believed that "sectionalism" was long since dead—even as a means to an end in political battle—for when some 18 years ago I heard your lamented McKinley—I will say our lamented McKinley—say, "Let's care for Confederate graves as our own, for we were but brothers after all," I said, "Surely the war is over."

And when I saw another Republican President, broad of mind and liberal of heart, elevate to the Chief Justiceship an ex-Confederate soldier, a Catholic, and a Democrat, I said, "Surely this is one country, with one flag and one God."

Then when I saw chosen as President a man born and educated in the South, of a Scotch mother and Ohio father, but elected from New Jersey, I said, "Surely we have come forth from the 'melting pot' a new race of people, and a stronger race than ever the sun shone upon. We know neither North nor South nor East nor West, but only that a good American is a good American, no matter whence he comes or where he goes."

And if this be not the America of to-day, then it is not the America for which Adams, of Massachusetts, planned and Washington, of Virginia, fought.

It is not the America that is symbolized by Bunker Hill or Valley Forge or Yorktown or Cowpens or Kings Mountain, in my own beloved Carolina.

If during the last 20 years I have done aught in this Chamber or elsewhere to keep alive the smoldering fires of sectionalism, let me say to-day that they have long since died out of my own heart and in the land from whence I come. I had no such purpose, but only to defend the South when unjustly attacked and to justify its actions under conditions which you men can never realize imposed by the reconstruction acts. There is a very small remnant among us who still treasure up the memories and hatreds of the war.

I did not earn the nickname of "Pitchfork" on account of my partisanship. It was due to the bluntness and frankness with which I spoke. One year, at the most two, sufficed to make all the Republicans in the Senate know that while radical and uncompromising, my word could be relied on always, and many of the warmest friends I have had as a Senator have been the Republicans whom I have known here. My mother taught me to despise hypocrisy and lying above all else, and I owe this personal characteristic to her. If I ever did hate the northern people—and I confessed to that the last time I spoke here—that hatred and partisanship has died out of my heart; and the pitchfork, if it was considered the emblem of it, has long since been buried. From its grave an olive tree has grown, and I am tendering the olive branch, claiming to represent the South in doing so, to all northern people.

Let me, if I may, before taking leave, to meet you again by the mercy of God, in December, hold it out to you, and through all of you, to the constituencies which you represent, in the earnest hope that it may silence this unjustifiable and unseemly cry of "sectionalism," even as it once heralded the receding waters of the deluge.

I read in the newspapers a day or two ago of a "one-man parade" up Pennsylvania Avenue; a lone Union veteran, unheralded and alone, marching in celebration of his own enlistment in the Civil War. While I accord full credit to him for the patriotism that prompted him to respond to the colors then, and can understand and excuse the vanity even of such an expression of it to-day, I could not but be reminded of that other lone figure that has gone parading and spouting about the country—a veteran of neither side in any way—waving the banner of "sectionalism" before the people who are trying to forget, if indeed they have not already forgotten.

But, in contrast with this "one-man parade," I foresaw another parade that is to take place on Pennsylvania Avenue next spring; when at the invitation of the Grand Army of the Republic the Grand Army of the Confederacy, that was, shall march shoulder to shoulder, no longer foes, but friends and fellow citizens of a reunited country. I ask you, Senators and fellow countrymen, if we may not in spirit, at least, march with them to the greater glory of God and our loved country!

Speaking more for the section of our common country from which I come, let me prophesy that should time ever be when an invading foe seeks to set foot on our country's soil, the same fort that fired the first shot in our great Civil War will blaze forth again in defense of the flag. Or rather, I should say, this would its neighboring fort do—Moultrie—which won the first victory in the Revolutionary War when it drove off Sir Peter Parker's fleet; for Sumter—like sectionalism—is long since obsolete.

In this presence, only a few day ago, I took occasion to say—and I have no desire to retract or qualify it—that I had come to believe that the great war, which that first shot at Sumter ushered in, but did not instigate, ended in the way that was best for all concerned.

In saying this, however, I waived nothing of the principle and patriotism which prompted our fathers to fight your fathers; nor would I detract one iota from the great principles and patriotism that prompted your fathers to fight our fathers. I only say that we of the present day, even we who had some glimpse of the bitterness of those days, now happily gone—in the light of new conditions, and guided by new ambitions and new hopes for our common country—we, as the sons of those patriotic fathers, and heirs to all that they and their fathers before them created for us and our children and grandchildren who are to come after us, may find comfort and glory in the thought that ours is a reunited, strong, buoyant Nation; standing shoulder to shoulder and hand in hand, looking forward, not backward—prepared for any emergency.

The country belongs to us all, and we all belong to it. The men of the North, South, East, and West carved it out of the wilderness and made it great among the nations of the earth. Let us share it with each other, then, and serve it, giving to it the best that is in us, of brain and brawn and heart.

COMPENSATION OF INJURED EMPLOYEES.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15316) to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes.

Mr. SMITH of Georgia. Mr. President, the unfinished business this morning is the bill to provide compensation for employees of the United States suffering injuries while in the performance of their duties. This bill, which has passed the other House, is practically the same bill which was introduced into the Senate by the Senator from Indiana [Mr. KERN].

Mr. OVERMAN. Is it practically the same bill which was reported from the Judiciary Committee?

Mr. SMITH of Georgia. No; it, I think, is a better bill than the one which was before the Judiciary Committee; a more comprehensive bill; a more carefully constructed bill, and a bill that will meet with more general approbation.

We amended the bill which was first introduced into the Senate, which was considered by the Judiciary Committee, in a number of respects before we approved it and reported it. The bill had already passed the other House. The simpler way of reaching the subject is to consider the House bill.

This bill has received a great deal of thought and cooperation in its preparation from the philanthropic organization in New York City, which has devoted so much time to the study of compensation bills, and which has aided in the preparation of bills for probably two-thirds of the States.

As we know, our present statute, which was passed in 1908, provides compensation in the shape of one year's salary to employees. This bill is constructed upon the theory that if permanent, complete disability follows, the compensation shall be two-thirds of the salary, the salary to be estimated at not exceeding $100 per month. Upon the same line, but, of course, not so large in the case of death, the compensation goes to the widow and the children, with about the provisions for a single child or for more than one child that are found in most compensation bills, perhaps a little more liberal than most of the State statutes.

Mr. GALLINGER. Mr. President, the Senator has examined this matter very carefully, and I will ask him if, in his judgment, the bill now before the Senate is a better bill than the bill introduced by the Senator from Utah [Mr. SUTHERLAND] and reported by that Senator and now on the calendar?

Mr. SMITH of Georgia. I think the pending bill is one to which more careful and mature thought has been given, and I think probably the organization in New York to which I have referred and which, as I understand, embraces in its membership a number of able and splendid people who have devoted themselves for a long time to the study of State bills on this subject, has contributed a good deal more to this bill than to the other; and, reading it carefully, it has impressed me as being almost perfect, if we limit the payments to an estimated salary of $100. I have favored a larger sum.

Mr. GALLINGER. I will ask the Senator if, in comparing the bills, which I have not had time to do, the allowances under the bill now before the Senate are a little more liberal than in the so-called Sutherland bill?

Mr. SMITH of Georgia. Except in one regard. We amended the bill in the Judiciary Committee so as to extend the limit as to salary to $150, and we allowed a proportion of a salary of $150 if the salary went that high. The pending bill limits the salary to $100. I have myself always been inclined to find it difficult to understand why we should accept any limitation upon the salary in arriving at a basis for payment on account of injuries received. Of course, the argument is that the purpose of this bill is to furnish a means by which a person could live conservatively and frugally.

Mr. GALLINGER. Well, after all, there is not any substantial or fundamental difference between the two bills, is there?

Mr. SMITH of Georgia. I do not think there is any fundamental difference. I think this bill is more complete, but it involves exactly the same principle.

The Senate committee has reported an amendment, for which I am responsible, and to which I concede there is a good deal of opposition. I know it presents a difficulty, but I believe very thoroughly in it. The amendment adopted by the Senate committee provides that where the negligence of the employee contributes in whole or in part to the cause of the injury, the commission in charge may lessen the amount of compensation to be given proportionate to the injury, provided that in no case shall it lessen it more than 25 per cent. I am aware of the difficulties about this suggestion. The subject of compensation to injured employees is one which has had a great deal of attention from me for a number of years past. I think we are drifting in our philanthropic purpose to serve humanity into the danger of a failure entirely to recognize the differences between men. In our public schools our greatest trouble is that we mass the pupils and give little chance for the brighter to advance more rapidly. We are moving them all up to some extent, but we are checking some too much. I think the danger lies in disregarding the opportunities of men. I know the intense feeling against the use of so-called efficiency systems in connection with Government work, whereby the amount of work each man does is carefully watched and his compensation based upon it. There is a humanitarian side to this view, but there is also a dangerous side to it. We must not stop recognizing the difference in quality of the individual men in this country. We ought to be careful to give to the man who works harder and who has developed faster from his application the chance to rise faster.

Mr. WARREN. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Wyoming?

Mr. SMITH of Georgia. I do.

Mr. WARREN. Noting the reduction sought to be made where the sufferer has contributed to the injury by carelessness, does the Senator believe that that offer that he has made is going to make men more careful?

Mr. SMITH of Georgia. I do.

Mr. WARREN. Or is it a mere matter of saving of money, or is it both?

Mr. SMITH of Georgia. I have more in view, saying to them: "Your Government recognizes somewhat the difference between the careful and the careless." I object to the compensation bill undertaking to say that the careless man shall have exactly the same amount that the careful man has; but I was illustrating my thought by what I was saying about our general tendencies in all directions. I have the utmost sympathy for every humanitarian purpose to serve the weak. I have the greatest sympathy for the injured, even though they are negligent; but I do believe that one of the dangers of our legislation in favor of social justice to-day is that we are almost entirely omitting to impress upon the people the difference between the man who will make the full effort and the man who will not. There ought to be some stimulus and some reward always held out for the vigilant and the careful. While I would treat with the utmost kindness the unfortunate, no matter from what cause, the real object I have in desiring this amendment is simply to emphasize the proposition that we do make some distinction. I would not care how little it was. I am not after the amount; I am not after punishing anybody; but I can not accept as sound the doctrine that the altogether careless should be treated just as the altogether careful.

Mr. CUMMINS. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Iowa?

Mr. SMITH of Georgia. I yield to the Senator.

Mr. CUMMINS. The Senator knows that there are some States that for years have had the standard of comparative negligence in determining liability. There are some States which have adopted the rule that any contributory negligence bars a recovery. Does the Senator think that there are fewer accidents, relatively, in those States which have the comparative rule than in those which have the absolute rule that I have mentioned?

Mr. SMITH of Georgia. I do not see why there should be.

Mr. CUMMINS. For this reason: In my State, for instance, any contributory negligence bars recovery—that is, until the passage of the compensation bill—and in Illinois there is the doctrine of comparative negligence. Now, it would seem that under the Senator's reasoning the employees of Iowa ought to be more careful and vigilant than in Illinois, and that there ought to be fewer accidents, therefore, in my State than in Illinois, relatively. I am sure the Senator would not assert that there are fewer accidents in a State that has the absolute rule of contributory negligence than in those States which permit a recovery—a partial recovery, if you please—where both contribute to the injury.

Mr. SMITH of Georgia. No; I can not say that my observation is to that effect.

Mr. CUMMINS. Then, it would not work so in this instance, would it?

Mr. SMITH of Georgia. It might; yes. To change from absolute loss of right of recovery due to negligence to entire right of recovery without reference to negligence is a far greater step than to change from absolute loss on account of negligence to comparative loss, as was the rule in Illinois. I believe that if we adopt the doctrine of complete compensation for the entirely negligent with the entirely careful the tendency will be to lessen the stimulus to care.

Mr. CUMMINS. I only suggested the illustration which I named in order to show that it did not stimulate care. The employees of my State were no more careful than the employees of Illinois, although any want of care contributing to the injury in my State defeated all recovery.

Mr. SMITH of Georgia. And I said, Mr. President, in reply, that there is a much greater step from loss of all recovery on account of negligence to entire recovery without regard to negligence than there is from loss of all recovery on account of negligence to a comparative recovery on account of negligence. In the one case there is partial recovery; in the other case there is no recovery; and in the third case there is complete recovery for the entirely negligent right alongside of the entirely careful.

I do not believe, Mr. President, in announcing the doctrine that a man entirely free from negligence is to be treated exactly in the same way as a man who is entirely negligent and entirely responsible for the injury that comes to him. I do not care how small the difference may be. I am not after taking the money away from him. I dislike to see the national standard announce the doctrine that the two stand exactly upon the same plane. I believe, as I said before, that our general tendency in legislation is not sufficiently to recognize merit, and too much it does away with those things that recognize merit.

Mr. CUMMINS. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia further yield to the Senator from Iowa?

Mr. SMITH of Georgia. I do.

Mr. CUMMINS. It is true, is it not, that this bill has for its chief object the support of dependents when injury comes to the supporter of the family—that is, to the widow if death ensues, to the children or to the family if there is total or partial disability? The penalty which the Senator from Georgia seeks to impose will fall upon the widow and the children or the dependents of the person who suffers the accident. They are not in anywise to blame, and the very thing that we are trying to do will be in part prevented if the amendment of which the Senator is speaking is adopted.

Mr. SMITH of Georgia. The Senator is mistaken in one respect. The amendment provides that the reduction shall not apply in case of death, but that the compensation to the widow or the children shall be the same.

Mr. CUMMINS. I only used what I said as an illustration. I understand the amendment.

Mr. SMITH of Georgia. Yes; I simply mentioned that.

Mr. THOMAS rose.

Mr. SMITH of Georgia. Just one word further, and then I will yield to the Senator from Colorado. The Senator says that under the other circumstances we take from the dependents. Mr. President, there are dependents on men who make a $200 salary. There are dependents on men who make a $50 salary. One makes four times as much as the other. They are equally dependent; but as the man who makes the $200 has developed greater earning capacity and has more force and effectiveness for accomplishment in him than the man who makes $50, so his dependents turn to a support with four times the resources. Now, the dependents upon a man who is negligent and who negligently brings on his own injury have not the same man to depend upon as have those who depend upon a man of care and a man of watchfulness.

Mr. THOMAS. Mr. President, if the Senator will permit me, I should like to suggest another reason in support of the position which he is asserting. I have no doubt that it has occurred to the Senator, but it is this: All the statutes with which I am familiar upon this subject make the distinction which the Senator insists should be made here. Of course, those statutes are not applicable to Government employees. Now, is it just or fair that we should establish by statute a distinction which is a preference for the Government employee that does not exist with the man who works for a private employer? Is there any reason why this distinction should exist, and is there any reason why it should be removed from the existing statutes with regard to private employment? It seems to me that it is a fundamental basis for all of these compensation acts.

Mr. SMITH of Georgia. I certainly think not.

Mr. CUMMINS. Mr. President, just a moment. I should like to ask the Senator from Colorado a question. I think there may be some misapprehension about it. The Senator from Colorado says that most liability laws recognize the distinction sought to be introduced in this bill, and I believe he is right about that; but he would not say, I think, that most compensation laws passed by the various States recognize these distinctions.

Mr. KERN. Exactly the contrary.

Mr. THOMAS. As far as my recollection goes, Mr. President, they do; and they ought to if they do not. Certainly the employee who is careful and diligent in looking after his own welfare and that of his employer should be distinguished from the negligent and careless individual whose injury is or may be the consequence of his own lack of diligence and care.

Mr. HUSTING. Mr. President——

Mr. SMITH of Georgia. I yield to the Senator from Wisconsin.

Mr. HUSTING. I want to say to the Senator from Colorado, if the Senator from Georgia will permit me, that I think in most of the States having a compensation act—and I am positive that in Wisconsin, my own State—the compensation does not depend upon negligence or contributory negligence. The only exception is willful negligence, or wanton injury brought about purposely. The principle underlying those laws is that the compensation is not given because of the diligence or denied because of the want of diligence, but is given because it is held and believed that an injury in a certain occupation, whether caused by negligence or without negligence, should be charged to that occupation as an overhead expense that ought to be paid and that this particular occupation or enterprise should sustain.

Mr. THOMAS. Mr. President, if the Senator from Georgia will permit me——

Mr. SMITH of Georgia. I yield.

Mr. THOMAS. I am not as familiar with all the statutes upon the subject as others. As far as my recollection goes, the rule, I think, is as I have stated it. Now, I have always, since 1883, contended for the abolition of the old common-law doctrines of assumed risk and negligence of a fellow employee; but I never have been able to reconcile my notions of justice with the doctrine which places the negligent and the careless and the inconsiderate upon the same plane with the careful and the efficient and the diligent.

Mr. HUGHES. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from New Jersey?

Mr. SMITH of Georgia. I do.

Mr. HUGHES. What I intended to say I expected to direct to the Senator from Colorado, who has left the Chamber; and I do not know that it is worth while, because it seems to me the view he holds can hardly be held by any great number of Senators in this body.

The distinction the Senator fails to make appears to me to be this: We are not now pretending to compensate a man for any injury he may receive. We are not compensating him as the ordinary jury would compensate him; neither do the various compensation acts of the various States of the United States. In my State any citizen of the State can waive any benefits he may derive under the act and go into an employment free from the assumed risks which the Senator speaks of, and in case of injury or death he or his representatives can lay the matter before a jury, in which case he would receive infinitely more than he would receive under this act.

This is, as the Senator from Iowa said, a compensation proposition in which the employee waives a great deal of what he might expect to receive, and in which the Government waives a great deal that it might demand even if it were a private employer, and they compromise their differences and agree that these accidents, avoidable or unavoidable—because we all know the weaknesses to which human flesh is heir—shall fall, as the Senator from Wisconsin says, upon the particular industry; and there is to be no hairsplitting and no long and fine drawn out technicality as to whether or not the man has conducted himself as he should have conducted himself at the particular moment when the injury occurred.

I was a common pleas judge of my State when the compensation law was recommended by the governor, the present President of the United States, and enacted by the legislature. It was my duty to administer the law. I can remember one case in which the Erie Railroad, a corporation operating through the public streets of my city, had an employee who, off the railroad property, was struck by an automobile and killed. The railroad company then set up the point that this man was practically not in their employ, but was killed by an outsider. I held that the mere fact that he was an employee of theirs and was killed while he was in their employ entitled him to the benefit of the compensation act. That decision was carried to the highest court of my State and was there sustained. Such a thing, of course, would be unheard of under the ordinary operation of liability laws such as the Senator was referring to.

I think this is a wonderful step that we are taking now; but I must differ with the Senator from Georgia with reference to the amendment that I see proposed in this bill.

Mr. SMITH of Georgia. Mr. President, I can not accept as sound the doctrine that by legislation you can take away one man's rights who is careful and give them to another man who is careless; and a compensation act which undertakes to force such a doctrine upon men employed in labor is unjust and, in my opinion, indefensible. This bill, however, does not occupy that position. These are employees of the Government. They can not sue the Government; they have no right of action against the Government, and it is a broad effort to provide for them with greater liberality than has been done in the past. I think I can say that it is more liberal than the laws of the States, certainly than any that I have examined. It is more liberal than the law of New Jersey, to which the Senator who has just left the Chamber referred.

Mr. HUGHES. I have not left the Chamber.

Mr. SMITH of Georgia. He is sitting behind me. I am glad he is still here. It is more liberal than their law.

Mr. President, for many, many years, for a century, an extreme doctrine was held about the nonliability of a master for injury to his servants. The negligence of his servant freed him from liability. The extreme and, I think, inexcusable doctrine also was adhered to in England for quite a length of time, until changed by statute, and in many of the States of the Union, particularly in New Jersey, that master was entirely free from liability for injuries caused by the negligence of a coemployee. I think that doctrine was extreme and almost brutal.

But, Mr. President, when we came to pass a national statute upon the subject of employers' liability in connection with corporations engaged in interstate transportation we did not provide for absolute liability to an injured employee who was negligent; we provided for comparative liability and for a reduction in proportion to his negligence.

We have in the last few years reached a new theory, one of compensation, and I think it is wise and in many respects just, but we are seeking to swing entirely away from all remnants of the recognition of negligence.

I disapprove the old rule. In my own State I succeeded in having it modified by statute years ago. I have been fighting those old rules for 30 years.

But, Mr. President, the danger always is that when we find something of evil and desire to substitute something that is good, the humanitarian spirit that makes the substitute is apt to leave out something that is good in the old law.

What I object to in the extreme compensation theory is that it gives no regard at all to the difference between the status of the careful and the status of the careless. I do not care how small it is; I only ask that the law recognize a man who does his full duty as occupying at least a little different position from the man who is careless. I think we should keep before our people all the time everywhere the inspiration to effort, the inspiration to exertion, the inspiration to development, the inspiration to the highest possible proficiency in whatever line of occupation may be pursued. I think we should seek always to inspire the highest degree of care. It is the development of our people for which we long. Our forefathers established this country; they fought for our liberties; they gave us our Constitution that we might here have an opportunity to develop the greatest, the freest, the best people whom the world has ever known.

Now, let us not do away with all things that inspire effort. Let us not in our purpose to alleviate evil forget that if our standard of manhood is to continue to grow, if the character of excellence of our people is daily and yearly to be better and higher, we must keep before them the thought of individual responsibility and individual effort.

I believe in this amendment. I do not care for the percentage. I do not care if you cut it to not more than 10 per cent. I just want to say that we recognize somewhat the difference between care and negligence.

Mr. GALLINGER. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from New Hampshire?

Mr. SMITH of Georgia. I do.

Mr. GALLINGER. I assume the Senator's amendment is a very liberal departure from the old doctrine of contributory negligence.

Mr. SMITH of Georgia. Oh, yes, Mr. President.

Mr. GALLINGER. But it recognizes the fact that negligence ought to be taken into account to some extent.

Mr. SMITH of Georgia. That is all I ask; only they can not reduce it over 25 per cent. They are not obliged to reduce it that much, but in proportion to the negligence.

Mr. GALLINGER. It strikes me that the principle involved in the amendment is a very sound one. I agree with the Senator that care should have more consideration than negligence on the part of employees everywhere.

Mr. KERN rose.

Mr. SMITH of Georgia. There is just one other amendment that I wanted to bring to the attention of the Senate. I will be through in a moment.

The only other amendment to which I desire to direct attention is one which I will offer transferring the force now connected with this work in the Department of Labor to this commission.

Mr. KERN. Mr. President, I regret exceedingly that I can not support the amendment of the committee. The Senator from Georgia seems to have confused in his mind employers' liability laws and compensation laws. Compensation laws have been enacted in 32 States of the Union. Full compensation laws have been enacted in some 22 or 25 States of the Union. In none of them which are now in force is the question of contributory negligence taken into account. These statutes that have been placed upon the statute books have been the result of great study and research on this question. The subject has received the profound thought of the best economic thinkers in the country, and it is the universal consensus of opinion that while the doctrine of comparative negligence or contributory negligence ought to have a place in the employers' liability law yet in compensation laws they are entitled to no place at all.

A compensation bill, and a very good one, was introduced by the junior Senator from Utah [Mr. SUTHERLAND]. That bill was referred to the Judiciary Committee of the Senate, and after a very thorough investigation a report was made which deals with the very question under discussion. Senator SUTHERLAND in his bill made no exception as to contributory negligence cases, and in discussing that feature of the bill the Senate Judiciary Committee makes the following comment, which with the permission of the Senate I will read:

> In the English law "serious and willful misconduct of the employee" precludes compensation; in British Columbia "the serious and willful misconduct or serious neglect" excludes compensation; Denmark and Finland "intentional or gross negligence"; in France intentional injuries are excluded and in case of inexcusable fault on the part of the employer or employee, the compensation is increased or decreased; in New Zealand "serious and willful misconduct" excludes; in Russia "intentional or gross imprudence." On the other hand, in Austria, Belgium, Greece, Hungary (unless fatal), Norway, and other countries compensation is refused only in the case of "intentional" injuries.

I might add here, Mr. President, that every country in the world save Turkey has enacted liberal compensation laws, and in the countries that I have named the employee is not denied compensation on account of contributory negligence.

Now, let us get at the reasoning of the committee. The proposition is stated very clearly.

Mr. SMITH of Georgia. If the Senator will yield to me a moment, that is the reasoning of Senator SUTHERLAND, not of the committee. He made the report for the committee. I served on the subcommittee with him, and he and I prepared the bill. He reported it. I never suggested this amendment before the committee. It is the reasoning of Senator SUTHERLAND, who alone is responsible for that report.

Mr. KERN. It is very excellent reasoning, no matter from whom it has come.

Mr. SMITH of Georgia. I am not questioning that. I just did not wish as a member of the Judiciary Committee to be considered to be a party to the reasoning.

Mr. KERN. This report was made by Senator SUTHERLAND on behalf of the Judiciary Committee, and there was no dissent, either from the report itself or from the conclusions stated by him. It will interest the lawyers of the body to know that this reasoning comes from so able and careful a lawyer as the junior Senator from Utah:

> Various laws which in any way recognize the element of negligence or misconduct as precluding or affecting compensation have led to much litigation in order to arrive at their scope and meaning. The objection to all such limiting provisions is that the law is deprived of one of its chief virtues, namely, the element of certainty. Of course, such provisions will have the effect of sometimes preventing the payment of compensation where in strict justice it ought not to be paid, but that is more than offset by relieving the administration of the law of the element of uncertainty, the presence of which would bring hardship and injustice upon a much larger number of employees. Every lawyer understands how difficult it is in modern industry to determine whether given conduct is negligent. What appears as such is sometimes only the selection, often necessarily hasty selection, of one of two methods of doing a piece of work, when upon a cool survey of the entire situation afterwards it is seen that the other method would have been safer. So-called negligence is frequently so affected by other circumstances, particularly in modern complicated industry, that it sometimes becomes exceedingly difficult to determine whether the negligence or some other circumstance was the controlling cause of the accident. Perhaps one-half of the accidents occurring under the present complex industrial conditions is the result of fortuitous circumstances for which nobody is to blame. Under these circumstances modern compensation laws are more and more rejecting the element of negligence altogether, and are basing their compensation upon the fact of injury and not of fault.

Now, the Senator from Georgia has offered another amendment, and I may consider the two together. The other amendment provides that instead of the questions growing out of this law being referred to a commission organized for that purpose they shall be determined by a division of the Department of Labor.

Mr. SMITH of Georgia. The Senator is mistaken. I have not offered any such amendment to the bill. It is that the force now engaged under the act of 1908 in the Department of Labor handling the present pay be transferred to the commission and be their employees entirely independent of the Department of Labor.

Mr. CUMMINS. Mr. President, just a moment. The Sutherland bill, the report upon which is now in the hands of the Senator from Indiana, provides that the law shall be administered by the Secretary of Labor. I intend before the consideration is finished to offer an amendment to the House bill restoring the administration of the law to the Secretary of Labor.

Mr. SMITH of Georgia. If the Senator from Indiana will pardon me one moment, on the contrary, I most cordially agree with the view of the bill that it can be best administered by this independent commission.

Mr. KERN. I am glad to know that I was mistaken in my statement as to the effect of the Senator's proposed amendment. But, however, the law is to be administered whether by a commission or whether by a division of the Department of Labor, the proposed amendment will introduce into the administration of the law a constant source of annoyance and interference. As stated in the report from which I have just read, the question as to what is contributory negligence and what is not contributory negligence comes up in a thousand different ways. It is a matter of constant dispute. Under the old system one-half the time of counsel in damage cases was occupied in discussing the question as to what was contributory and what was not contributory negligence. Pages and almost volumes of court decisions have been occupied in a discussion of the legal question as to whether or not certain actions on the part of the

employees would constitute contributory negligence. Now, it is proposed to inject into this law that kind of an element of uncertainty which will from the very start involve the commission, if it be a commission, or the division of the bureau of the Department of Labor, if it should be given the administration of the law, in all the perplexities and worries that grow out of an investigation into each particular case as to whether or not certain actions on the part of the applicant constitute contributory negligence.

Mr. CUMMINS. Mr. President, would the Senator from Indiana venture upon an estimate of the number of injuries that will occur under the bill during a year, as informed by the past.

Mr. KERN. I have no idea. The present law on the subject, which is a sort of makeshift law, applies to about one-fourth of the Government employees. The proposed law will apply to something over 400,000 persons in the employ of the Government. I imagine that of 400,000 persons entitled to the benefits of the law a very large volume of business would come before the commission, or whatever body may be charged with its administration.

Mr. CUMMINS. I have busied myself a little with an estimate upon that question. In my opinion five courts sitting continuously 300 days in a year would not be able to determine the questions of contributory or comparative negligence. Every injury practically would result in a long difficult trial in order to reach a conclusion with respect to the conduct of the injured employee whether he had in any way contributed to the injury which he had suffered.

If the Senator from Georgia will look over even the law we now have and consider its operation, he will at once be convinced that we would have to have courts enough or commissions enough to try two, three, four, or five thousand cases a year.

Mr. KERN. Mr. President, as I have already suggested, it removes the certainty, which is one of the chief beauties, if I may use that word, of this kind of legislation, and it restores uncertainty where there ought to be certainty. It will interfere very largely, I believe, with the administration of the law.

The arguments made by the Senator this morning, while they would apply with full force in a discussion of the enactment of proposed employers' liability laws, certainly can not be regarded as of great weight in a discussion of this measure, especially with those who have studied the history of the legislation and the economic aspects of the question.

Mr. CUMMINS. I desire to ask another question of the Senator from Indiana, if he will yield to me for that purpose.

Mr. KERN. Certainly.

Mr. CUMMINS. Has the Senator observed the difference in another respect between the House bill and the Senate bill—I mean the bill that was reported by the Judiciary Committee of the Senate?

Mr. KERN. Oh, yes.

Mr. CUMMINS. It is pertinent, because the Senator has read from the laws of various countries the standards which have been established in the bill considered by the Judiciary Committee as it came from a subcommittee, of which our friend the Senator from Georgia [Mr. SMITH] was a member. The only exceptions made were, first, if the injury was brought about by the willful intention of the person injured; that is, the words are, "Where it is proved that the injury or death of such employee is occasioned by his willful intention to bring about the injury or death of himself or of another"; second, that it "resulted from his intoxication." Those are the only two exceptions in the Senate bill. The House bill brings in another; and even if it were not amended in any way, it is still illiberal enough to the employee. It says:

> But no compensation shall be paid—

I am quoting from the House bill.

> But no compensation shall be paid if the injury or death is caused by the willful misconduct of the employee or by the employee's intention to bring about the injury or death of himself or of another, or if intoxication of the injured employee is the proximate cause of the injury or death.

We have therefore introduced into the bill, without the amendment of the Senator from Georgia, an additional exception, namely, an injury the result of willful misconduct. That is a very different thing from a willful intention to bring about the injury. It will be hard enough upon the employee if he is compelled to prove that the injury was not the result of his willful misconduct, without putting upon him the further burden of proving that his negligence did not contribute to the injury. I do not know whether or not the Senator from Indiana had noticed that difference in the two bills.

Mr. KERN. Mr. President, I think the rights of the Government are amply protected without the amendment of the Senator from Georgia. Therefore I hope it will not be adopted.

Mr. SAULSBURY. Mr. President, I agree fully with the distinguished Senator from Indiana [Mr. KERN] in his conclusion that this amendment would simply provoke a great deal of unnecessary litigation, would consume a tremendous amount of time, would cause great expense to the Government; and, in my judgment, more, indeed, than we would save to the Government by reducing the amount 25 per cent from that to which the bill as it stands entitles an injured employee.

I am particularly glad, Mr. President, that a bill of this character is to be passed by the Congress. I have long been interested in attempted legislation of this general character in my State, where for the past 12 or 15 years, at least, I have endeavored to do away with the old law of master and servant, which we still have in all its vigor and with all its horrors. The assumption of risk, negligence of a fellow servant, contributory negligence have been the means of practically placing upon the weakest portion of our community—in many cases the widows and orphans of men who have been killed while doing their duty as workmen as well as they could—the great burdens, the sorrows, and the distress which certainly in a measure should have been shared by the business in which they were engaged, and, in cases like this, by the Government for which they worked. Therefore it is with a great deal of pleasure that I shall give my vote for this bill.

I shall also vote to remove from the bill the amendment which proposes to inquire in each case whether the injury was due to contributory negligence, and that will be the inquiry in each case, and a multitude of special agents and a very great number of lawyers would necessarily be engaged in ascertaining the facts.

Mr. President, I have but a word more to say in regard to this matter. I have said that my own people in Delaware are still laboring under the horrors of the old laws applicable to the relation of master and servant. I desire to pay a tribute to the judges of my State, however, by saying that they have endeavored in every way possible to modify these laws in the interest of suffering humanity, by applying wherever possible and extending as far as possible the doctrine of proximate cause; but I welcome every effort that is made anywhere in this country to produce a sentiment which will grow and spread until nowhere in this country will either branch of the legislative body in any State refuse to listen to proper appeals for the modification of the old law which at this time and in this year of our Lord, in my judgment, simply works hardship, unfairness, and dreadful results to the social relations of the working people of this country.

Mr. HUSTING. Mr. President, I also wish to state that I oppose the amendment reported by the Senate committee, and I oppose it on several grounds. For one thing, I think the principle of the amendment is entirely repugnant to the real national purpose in this bill, and I believe it is unwise as a general policy for another thing. I believe that the purpose, which I fully and heartily indorse, is to put the employees of the United States in the same position as the employees of industrial concerns generally. The purpose of this bill, as I understand, is to do away with the harsh rules applied to individuals who are injured in the course of their occupation, and, in addition to that, to do away with the harsh rule which exempts the United States, in the absence of any statute, from any claim whatsoever on account of personal injury suffered by its employees.

The employees of the Government who are going to be benefited by this bill when it shall become a law, I presume will be largely engaged in industrial activities, in the service of the United States in navy yards, and in factories of various kinds where injuries are likely to occur. In framing a bill with that in mind, it seems to me that we should take into consideration not only the experience of industrial concerns generally and the experience of those engaged in industrial pursuits, but we should also take into consideration the experience and interests and purposes of the people generally. We should consider why we are going to enact the law what we are attempting to remedy, and what the remedy shall be.

As I understand it, the reason that compensation laws have been enacted in the various States—and I come from a State which enacted, I believe, one of the first ones, and a good one—is to relieve the workers of the country from the harsh rule of the common law. In the first place, under the common law, when a workmen was injured at his occupation, the entire loss and burden fell upon him and his family. The man himself may have been a careful individual, a diligent workman, who

for years pursued his activities without injury, but who in a thoughtless moment suffered an injury, perhaps suffered death; whereupon the loss fell upon that individual or his family, as the case may be, instead of falling upon the community generally, and particularly on the industry in which he was engaged. That is a very harsh rule to apply to any man who gives his life in a pursuit which conduces to the benefit of society.

Again, the rule of contributory negligence was applied, under which, when an employee was injured, if he was guilty of any want of ordinary care, he could not recover, and the loss and damage fell upon him and his family. Not only that, but it fell upon him and his family, even though his employer was guilty of negligence and he was only guilty of contributory negligence; so that the employer entirely escaped any liability if, perchance, coincident with his own negligence, there occurred contributory negligence on the part of the employee.

Furthermore, by virtue of the fact that every injury that occurred raised a question of negligence, it became necessary for the injured party to go into court to get his claim paid; in other words, every accident that occurred held within it a potential lawsuit. So poor men, men working by the day, were obliged to employ lawyers, to secure money in some way to get witnesses, and to go into court and litigate their rights against powerful corporations, which have a great deal more means, of course, than the ordinary individual had, and many of which made a business of contesting claims that were made against them, thus placing their employees under a tremendous disadvantage.

Not only that, but by virtue of the very poverty of the claimant he could only procure counsel by agreeing to divide up with that counsel the fruits of the litigation. So he had to find lawyers who were willing to take a chance and who would go into court in the hope of getting a large proportion of the amount in case of recovery. So it came about that when men were injured a large proportion of them never sued, a large proportion sued but never recovered, and a very small proportion sued and did recover; and when they did recover they lost from a third to a half or even a greater percentage of the amount that was justly due them because of their injuries in the payment of their witnesses' and attorneys' fees. As a consequence the net results to the injured person were reduced to a minimum, and he rarely got anything near what he was entitled to by reason of the injuries that he suffered. So it seems that the feeling grew all over the country that this was a very unscientific and unsatisfactory way for employers to protect men in their employment and to see that they were compensated for injuries which they received in the course of their employment.

So a new idea grew up—and that, I think, is what these compensation laws are based upon—that when manufacturers employ men to manufacture certain articles not only the cost of labor and the cost of material should enter into the cost of the article manufactured, but the injuries suffered by the men in that employment should be reckoned as a necessary and inevitable element of the cost. Now, in the case of any man who engages in the manufacturing business, when a machine breaks down, or when some accident occurs in his factory other than that in connection with his employees, that loss was always charged up to the industry. It was an overhead expense. For instance, if horses were employed in a manufacturing industry and one of them was killed, that horse was charged up as an item of expense of operation in that industry. If cars or engines are used and accidents occur and property is destroyed, that was charged up as an item of expense and added to the cost of manufacture. And so we finally got to the idea that human beings employed in an industry, who shed their blood, sacrifice their limbs or their lives in that employment—and these things are inevitable in a manufacturing establishment—should be compensated and that such compensation be charged up as an expense of that business and added to the cost of manufacture, charged up to the finished product, and be borne by the community at large.

That is the theory that I think underlies compensation laws generally. Consequently the negligence of a man does not enter into the equation at all. It is entirely repugnant to the idea of compensation laws, in my judgment, or at least is entirely irrelevant to the main question. It is merely a question of carrying out the principle and the theory that compensation of men who are injured or destroyed in a manufacturing business should be considered as a part of the cost of the business in which they are engaged, and that that cost should be charged up to the finished product to be paid by the people at large who purchase the product.

Now, men will be careless. No large manufacturing establishment that I know of runs for any length of time but that inevitably at some time, somehow, some man loses his life or his limb. Consequently the expense incurred by reason of loss of life or limb can be forecast with reasonable certainty in every manufacturing establishment of any size or consequence.

Therefore it is my judgment that it is wrong in principle, wrong in theory, and will prove to be wrong in practice to withhold compensation from any individual because he has been momentarily careless. It does not enter into the equation at all. It is not a question of who was at fault, but it is a question of whether this expense shall be borne by the injured individual and his family or whether you are going to charge it up as an overhead expense against the industry.

That should be all the more true when a man is working for the United States, although as far as this act is concerned I presume we must regard the United States purely as an employer. But as an employer having hundreds of thousands of men working for it, and one which should show a good example to our citizens, whatever loss of life or injuries may be occasioned to employees of the United States in the course of their employment—in their work for the people of the country—along manufacturing or other lines should be charged upon the whole country, and the country should stand for it just the same as individual industries are standing for it.

Under the theory of the amendment suggested by the Senate committee, we hark back to an idea that should be eliminated from a true and fair workmen's compensation act. We depart from the idea of compensating a man and his family for losses suffered in the ordinary course of his employment, and we go back to find out whether he could not have avoided it instead of going to the question of compensating him for injuries suffered.

The experience in my State—Wisconsin—under our workman's compensation act, has shown that accidents have been reduced by a very large percentage in Wisconsin, which certainly negatives the argument made by the Senator from Georgia that if workmen are going to be penalized or have their compensation reduced they will be more careful.

Mr. SMITH of Georgia. I did not say that.

Mr. HUSTING. I thought that was the effect of the Senator's argument.

Mr. SMITH of Georgia. What I said was that I rejected the idea that no discrimination should exist between the careful and the careless; that the tendency of our humanitarian legislation was unfortunate in that respect.

Mr. HUSTING. I took it that the Senator from Georgia argued that there would be a tendency to reduce the number of accidents if men were to receive less compensation when they were injured as a result of carelessness than if they were injured through no fault of their own. I want to say right here, in regard to that, that men who are injured in their employment are injured because they can not help it. The particular individual who is injured can not help it. According to his knowledge, according to his habits, he is doing the best he can. I do not suppose there is one man in ten thousand or one man in a hundred thousand who is injured because he wants to be injured or because he is indifferent to injury and suffering. He is sufficiently punished by nature by suffering the pain naturally incident to a severe accident. He does not want to be injured, and he does not purpose to be injured. His injury and the injury of every man, except one in a hundred thousand or perhaps one in a million, is to him an inevitable accident, something that is bound to occur, something that has to be reckoned with in any industrial institution in the country, no matter how careful employees may try to be. So long as men are human, men will be careless. So long as men are not perfect, men will suffer lapses in caring for themselves. We all know that accidents will happen and do happen.

It is going to happen just as surely as the sun rises in the East and sets in the West. So many men are going to be injured under given conditions, and their loss or damage should be properly charged up to the cost of the finished product and not rest upon individuals or their families.

Of course, it is entirely proper, and I agree with the Senator from Iowa [Mr. CUMMINS], that a man who willfully subjects himself to an injury, who willfully sacrifices an arm or sacrifices a leg, ought not to be taken into consideration. That is something that no one can reasonably expect, foresee, or control—that a man would willfully injure himself. But as to a man who merely is guilty of what is called contributory negligence, I say that he should not be penalized, no discrimination should be made against him in favor of his more fortunate and more careful brother in case he, not because of any law on the books, but only because nature has made him so, suffers an injury where a man more carefully constituted, more careful in his make-up, does not suffer an injury.

What is the result of these compensation laws? If it is true that fewer men will be injured if careless men do not receive as much compensation as careful men, then in States having these compensation acts more accidents should occur! But what has been the result? The result in my State has been that the law has made the employer more careful. He insures in an insurance company. The insurance company send around their inspectors to inspect these manufacturing establishments. Labor-saving devices are installed, and as a result the accidents in the industries of Wisconsin have been reduced by a remarkable percentage, not because the men have become any different, but because the employers, knowing, or rather appreciating, that when a man is injured they have got to pay an increase in insurance, that their insurance rates will be increased, have installed labor-saving devices, and have hedged about their employees every protection in order to lessen accidents and thus be able to enjoy more favorable rates of insurance. I want to go further and say that by reason of the law in Wisconsin our employers have become interested in the question of lessening injuries in their factories, and so, for humanitarian reasons as well as that of an enlightened self-interest, they are preserving the lives and health and efficiency of their employees as well as compensating the unfortunate ones.

That is the way it has worked out in Wisconsin. Only a short time ago I read a report on the showing that this law was working out, in the State in which I live, in the most satisfactory manner, and that the manufacturers themselves would not go back to the old system if they could have their own way about it. The employers are entirely satisfied and the employees are entirely satisfied.

It is true that the employee who is injured, or the family of an employee who is killed, does not get the same damages that would be obtained from a jury; but I think it is safe to say that it is working out in this way—that in the net result, eliminating the lawsuits and eliminating the attorneys and the go-betweens, he and his family are netting, for each injury, a better percentage than they would in a personal-injury suit. They are getting more for injuries suffered, a larger percentage, than they ever got under the old barbarous system in vogue theretofore. Not only that, but nearly 100 per cent of the injured are now receiving compensation as a matter of course, where formerly only a small percentage ever received one cent and suffered the loss occasioned from his injuries.

The Senator from Georgia [Mr. SMITH] says that it would not make any difference to him how small the percentage was, the deduction should be because of the employee's negligence. No matter how small the deduction, what I object to in this bill, Mr. President, is that the principle interjected is going to defeat the beneficial purposes of the bill to a very great extent. Suppose a man is injured, and assume—and I do not think it is a very violent assumption—that you are going to have some inspectors go and look up these matters and see whether that man was injured through his own negligence or not, it means that every case will have to be inspected, to start with. Now, of course there will have to be attorneys on the part of the Government to examine into these claims and present them to the commission. That will be inevitable; and while this bill authorizes the commission to sit in various parts of the country, yet it means delay, it means expense, and, above all, it means a lawsuit, because it will be the duty of the commission to sit in judgment on every case, and every case will have to stand on its merits, and the amount of compensation to be paid in each instance will depend upon the facts in each particular case. Each injury is a case by itself, and the result will be that an injured employee, instead of being compensated in the regular course of business, will find himself up against a mountain of troubles to get what is coming to him. He will be up against a hard and expensive practice if the commission does its full duty and investigates each case—not whether a given person is entitled to this extra 25 per cent or not, because I believe that there is only a very small percentage of the accidents that occur where the question of negligence will not be open to question and to litigation and adjudication.

So it will cost the Government a lot of money to make this very inquiry; but, worse than that, it will cause every man who is injured, against whom a charge will be made of contributory negligence, to have a lawsuit on his hands. He will have to subpœna his witnesses, he will have to employ counsel, and he will have to go before this board, and you will have a court instead of a commission, and they will have to try out each case just the same as it is tried out in the circuit courts, only 25 per cent is at issue instead of 100 per cent; and if you reduce that to 10 per cent you will still not eliminate the difficulty. You will have to litigate the 10 per cent, and the lower you go the less reason there will be, but not the less necessity for it, because the injured employee will have to present his case in order to get the compensation to which he is entitled; and when you do that you are heading right straight back into the old system which involves the question of contributory negligence.

It seems to me, Mr. President, that if the United States wants to take care of its employees the same as other industrial institutions or other concerns are taking care of their employees, as the Senator from Iowa said, you must eliminate the uncertainty, so that the only question of fact that should be at issue would be, Was the man engaged in this employment? Was he injured? How much should he receive for that injury? If the negligence question is left for adjudication, if anything of that kind is left for controversy, I say it means a lawsuit, and it means great expense to the Government.

But more than that; it means expense to the injured party or his family, and in the end it means that the money paid by the United States is frittered away in litigation, and does not reach those who are justly entitled to all of it, and is no compensation to amount to anything.

It seems to me that there is not sufficient reason—in fact, there is no reason, in my judgment; no good reason, if the Senator will pardon me for saying so—why that should be in the bill; but there is every reason to the contrary if the Government wants to deal justly with its employees and to keep pace with the legislation in the States upon this subject. It seems it has been the policy of most of the States on this very point, which is the point of the greatest controversy—I know it was in my State—not to put in the question of negligence at all. The right to compensation should rest upon the broad principle I stated at the outset, that when a man is working and is injured in the ordinary course of his employment, and is injured not by any willful act on his part which shows that he wanted to be injured, that injury should not be borne by him or his family alone, but should be charged up as an overhead expense in the operation of the plant, whether it is a national or an industrial plant. It should be charged up to the people who enjoy the fruits of his labor, and he should be compensated, to the end that he may not become a public charge upon the community, but that he may receive a quid pro quo for his services and for the injuries that he has received in the ordinary course of his employment. He and his family should be compensated upon broad humanitarian grounds and because it is founded upon right and justice.

Mr. CUMMINS. Mr. President, it is to be hoped, in the interest of those for whom this bill is to be passed, that the amendment proposed by the Senate committee will not be adopted. In my judgment, it would be practically useless if in every instance there must be tried out before some tribunal the question of negligence.

I hope the Senators upon this side of the Chamber will recall that the bill introduced by the Senator from Utah [Mr. SUTHERLAND], a student of this subject and an eminent lawyer, did not admit negligence into the equation. I hope they will remember that the bill was carefully considered by a subcommittee of the Judiciary Committee, of which my friend, the Senator from Georgia, was a member, that it was reported by the subcommittee unanimously to the full committee without any such provision as is now suggested, that it was considered by the full committee and reported to the Senate unanimously without any such provision, and is now on the Senate Calendar for action by the Senate.

I may be permitted here to say that while there may be a difference of opinion with regard to the subject we are now discussing and a difference of opinion with regard to the merit of the House bill as compared with the bill reported by the Judiciary Committee, in my opinion the bill reported by the Judiciary Committee is a better bill, everything considered, than the bill which came from the House. I have made, from time to time, the suggestion that when the bill was under consideration I would offer the Senate Judiciary Committee bill as a substitute. I do not intend to do it. So earnestly am I in favor of the bill itself and of the principle which is involved in it that I am willing to accept the House standard of compensation and the House provision with regard to the payment for injuries. I shall offer an amendment that will substitute the Secretary of Labor for the commission that is sought to be established in the House bill. However, that is not before us at this time.

I have mentioned the action of the Judiciary Committee upon the subject in order to assure those who have not given the subject great study that it was the opinion of members of the Judiciary Committee that compensation should be paid for injuries sustained by Government employees without regard to negligence which may have contributed to the injury, subject only to two exceptions—first, a willful intention on the part

of the injured person to bring about the injury, and, second, a state of intoxication which helped to bring about the injury.

Mr. DILLINGHAM. May I inquire of the Senator whether those provisions have been incorporated in the House bill?

Mr. CUMMINS. Both of them are in the House bill, with one additional exception, namely, willful misconduct. I am very sorry it is there. I do not believe it ought to be there, because the inquiry as to what is willful misconduct is a difficult one. It is almost as difficult as the inquiry as to contributory negligence, and it ought to be eliminated from the bill. The two exceptions, in my judgment—and I believe that is the consensus of opinion throughout the country—are sufficient.

Mr. President, I agree entirely with the view taken by the Senator from Wisconsin [Mr. HUSTING]. It is in harmony with the suggestion I made a few moments ago in an inquiry put to the Senator from Indiana [Mr. KEEN]. I asked him his estimate of the number of injuries that would occur during the course of a year among the 400,000 civil employees of the Government covered by the bill. He did not, of course, attempt to answer; but allow me to say that there are 100,000 civil employees of the Government now covered by an inadequate and imperfect law which gives certain compensation in case of injury, and, as I remember, the annual injuries suffered among the hundred thousand employees aggregate between four and five thousand.

We now propose in this bill, and wisely too, to add 300,000 civil employees to the number for whose injuries compensation shall be paid. I quite agree that the 300,000 we are about to add will not increase proportionately the number of injured, because these employees are engaged in occupations that are not so hazardous as the occupations of the 100,000 now within the scope of the law; but it is obvious that if any considerable addition is made to the number of injured and if in one-half the injuries the inquiry shall arise, Was the injured person guilty of contributory negligence, and if so to what degree? no commission of three men could make those inquiries. I understated it when I said it would require the continuous service of five independent courts. I think it would require more, if we would be compelled to enter upon a regular trial such as we have all observed in personal-injury cases to determine every circumstance connected with the accident or the injury to determine who was responsible for it and in what degree each of the persons who contributed to it was responsible or guilty. I need but mention the number of cases that would inevitably come before such a tribunal, or series of tribunals, and appeal to the knowledge of all lawyers who are familiar with the course of personal-injury trials in order to convince them that the proposal is one which is impracticable even if it were just. But it is not just. If the Government of the United States was suable, and I will assume for the moment that it is, because in fairness it ought to be, we are substituting for the liability of an employer to an employee a compensation which is so much less than the rule of liability would afford or give the employee that in justice we must give the employee some advantage that he would not have under the rigorous rule of the common law.

In my State we have an optional compensation law. I am not one of them, but some lawyers believe that a compensation law in order to be constitutional must be optional. I think that was substantially the decision of the court of errors and appeals of New York in rather a famous case. But in my State the option is influenced to some extent by a provision of the law which withdraws from the employer certain defenses which he could otherwise present, and we make that an inducement for the employer to agree to come in under the workmen's compensation act.

Mr. President, I spent 25 years in the courthouse, most of the time, and I suppose I have tried during that time as many personal-injury cases as anyone in the western country. It was my observation and is now my reflective judgment that in 75 per cent of the cases in which injury results from negligence the person injured is in some degree responsible for the injury; that is, it rarely happens that an accident is brought about solely by the carelessness or negligence of a single person. Ordinarily the accident is caused by the coordination of the negligence of two or more persons. It only happens once in a long while—I am speaking of those cases in which some one is negligent—it only happens once in a long while that the employee by the exercise of care, if he were conscious and thinking of the subject at the immediate time, could not avoid the injury.

I mention this because in its application to this measure, if this amendment is adopted, it will in my judment result in a reduction of 25 per cent of the compensation allowed in 90 per cent of all the cases to which it applies. We might just as well adopt the hard and fast rule of a 25 per cent reduction as to empower or attempt to empower the commission to administer the law of contributory negligence, because the commission would not only be required to ascertain whether there was any negligence upon the part of the person injured, but it would be required to go further and compare the degree of that negligence with the degree of the negligence upon the other side.

Now, have any of you ever attempted to compare the negligence of two persons whose joint carelessness contributed to an accident? It is an utterly impossible thing. It can not be done in the majority of instances. Once in a while we reach a case in which the negligence on the one side is so gross that the negligence upon the part of the injured man or woman is slight in comparison; but anyone who has gone through from day to day and year to year with the trial of such cases knows that in the vast majority of them there is no way of comparing the degree of negligence.

We have adopted that rule in the liability act. Many States have adopted that rule; but generally the application of the rule is given to a jury, and the jury determines the degrees of negligence and reduces the recovery accordingly. The jury has no rule; there is no review; it is a sort of equitable independent tribunal that administers justice according to its own light, and there is not much trouble about a jury giving to an injured person the sum of money that in its opinion fairly compensates him for the suffering or disability that may have been occasioned; but I should like to know how a commission supposed to be made up of men with cultured, trained, educated, disciplined minds can compare degrees of negligence. It has not the freedom and the irresponsibility which attaches to the verdict of a jury. In my opinion the effect of this law would be simply to impose a reduction of 25 per cent in every case to which the amendment is applicable and in which the commission would find that there was any degree of contributory negligence.

For these reasons, Mr. President, although recognizing the strength and force of the broad argument made by the Senator from Georgia, I am opposed to the amendment. He can not outrun me in the desire to build up individual strength of character; he can not excel me in the insistence that the safety of the country depends upon the initiative of the individual and his power to care for himself and lift himself above the common level and to accomplish great things; but I must say that his strong and persuasive argument is without value when applied to a compensation law.

Mr. SMITH of Georgia. Mr. President, I shall consume the time of the Senate upon the part of the argument which insisted that on principle there should be no difference in a compensation act between the negligent and the careful only to say it is so evidently unsound, so utterly indefensible, it needs only to be submitted from any source to destroy itself.

There is, however, a part of the argument to which I concede there is strength. I refer to the difficulty of the administration. If I thought for a moment that this rule would apply to 90 per cent of the employees, I would be as much against it as any Senator; if I thought the commission would seek to enforce it in any such a way, I would be against it.

I want to say in behalf of the committee that while the amendment comes from the committee it is only candid to admit that the majority of the committee were not disposed to be in favor of the amendment, but they yielded to my views and agreed to it.

Now, with reference to the enforcement of such an amendment, I do not expect it to be enforced at all in the way the Senator from Iowa suggests. I would not expect any considerable number to have their recovery reduced 25 per cent. I would only expect in the most flagrant cases of negligence, when there was apparent and transparent responsibility for the accident resting on the party injured, that the 25 per cent reduction would be made. I would expect that perhaps in 10 per cent of the accidents there would be a reduction ranging from a nominal reduction of 5 per cent to a very small number of reductions of 25 per cent. I would not expect any trial.

If I thought there would be trials with lawyers I would not be in favor of it. In view of the fact that we have a commission of three men, not required to take testimony to reach a conclusion, with the broadest latitude, with the broadest discretion, I would expect them simply to adopt a rule with regard to their inspectors, when it was apparent that there was negligence and substantial negligence, to let them have the information, to talk with the parties injured perhaps and take their statements in a spirit of kindness, and in the spirit of the bill to make some slight reduction, limited absolutely, never to go above 25 per cent.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER (Mr. OVERMAN in the chair). Does the Senator from Georgia yield to the Senator from New Hampshire?

Mr. SMITH of Georgia. Yes, sir.

Mr. GALLINGER. A little while ago I ventured to suggest that I thought the principle involved in the amendment was a sound one, but upon reconsideration I want to ask the Senator a further question about it. Whether it be the Secretary of Labor or a commission created according to the terms of the bill, that official or that commission will be in the city of Washington, I presume?

Mr. SMITH of Georgia. The commission under the bill have the right also to travel and visit different places.

Mr. GALLINGER. Of course, they would not do that to investigate some trifling accident.

Mr. SMITH of Georgia. Oh, no.

Mr. GALLINGER. An accident occurs in San Francisco or in Seattle or in New Hampshire, it may be. Who takes cognizance of it? Who raises the question as to negligence? The United States district attorney?

Mr. SMITH of Georgia. Not at all. There would be no presumption of negligence. The representative of the commission would have to report on the accident from Government employees, and unless there was some suggestion by superior officers of substantial negligence I would not expect the question to be raised at all.

Mr. GALLINGER. The Senator speaks of the representative of the commission. Who would that be? Would they station men at different parts——

Mr. SMITH of Georgia. No; I do not think so. I do not know how they conduct their work now. I have not looked into that. There is a force of men who handle this subject now. The superior officers representing the Government in charge of work would make reports, and they would act upon the reports of the superior officers in most instances, coupled with statements from the men.

Mr. GALLINGER. That has troubled me as I followed the discussion.

Mr. SMITH of Georgia. And I want to admit to the Senator from New Hampshire that the argument of the Senator from Iowa as to the difficulty of enforcement troubles me. I do not deny that. I insist that the principle is right, but that there is trouble about its enforcement.

I am ready to take a vote. I doubt whether anyone except myself will vote for the amendment. I have stated to the Senate that it should not be considered as the matured view of the committee, because I think the majority of the committee were averse to it, but I insisted so strongly upon the principle that they consented for me to make the report. I want to be perfectly candid about it.

Mr. CUMMINS. The Senator asked a question which I think ought to be answered. I will address this inquiry to the Senator from Georgia. Section 15 provides:

> SEC. 15. That every employee injured in the performance of his duty, or some one on his behalf, shall, within 48 hours after the injury, give written notice thereof to the immediate superior of the employee. Such notice shall be given by delivering it personally or by depositing it properly stamped and addressed in the mail.

The superior transmits it through the regular channels of the service and finally to the commission provided for. Then the commission, if it desires to do it, has the right to send an examiner and ascertain the circumstances of the injury.

Mr. SMITH of Georgia. I take it for granted that unless the original report indicated some special case of negligence the inquiry as to negligence would not be pursued at all.

I want to say with reference to the bill that came from the Judiciary Committee, that while I was on the subcommittee I did not suggest this addition in that bill, because I hardly thought that the Department of Labor was organized in a way to pass upon it. I felt with confidence that the commission in charge of this special work would direct it in a way to do no hardship to anyone and in a spirit of kindness rather than parsimony. The commission is required to pass on each case to grade the degree of injury, and passing upon negligence would not be more difficult.

I do not desire to prolong the debate on this subject. I accept as a fact, Mr. President, the view that the majority of the Senate do not approve this amendment, and without withdrawing it I am willing to have a viva voce vote and dispose of it and go on with something else in another part of the bill.

Mr. POMERENE. Mr. President, I am glad to hear the Senator take that position. I am in entire accord with the view expressed by the Senator from Iowa [Mr. CUMMINS] that with this amendment in the bill it would be utterly impossible for the commission to administer the law. If we will just pause and think that in a city of 400,000 people, with their multifarious interests, we require a number of judges of courts—probably four, five, or six judges of original jurisdiction—to take care of the litigation in that community, we can very readily come to the conclusion that where we have 400,000 people, with all the injuries which they may fall heir to in their varied employments, it would not only take one commission, but it would take several commissions to be able to adjudicate upon the injuries which those people might receive.

And bear this in mind, please: By this amendment Congress would not be reducing the length of time which would be consumed in adjudicating these matters. The limitation is as to the amount of reduction to be made in the amount to be paid to the injured employee. You can only reduce it 25 per cent; but in order to determine what ought to be done with respect to that 25 per cent it is going to take as much time and just as much skill to distinguish between the proximate cause and the remote cause as if a hundred per cent were involved.

But, more than that, I suggest this: It seems to me that the amendment itself offends against the principle which is involved in a compensation act. All of us who have been practicing lawyers have observed the amount of time that is taken in trying personal-injury cases. We have witnessed wise judges sit on the bench and announce to the jury certain general fundamental principles of law, defining the rights and obligations of the plaintiff and of the defendant; but when it comes to a determination by the jury of the particular facts involved in each case, they have a difficult task before them. Sometimes they go wrong and sometimes they go right.

I remember hearing one judge speaking of his experience in the trial of a case against a railroad company, in which he said that he had tried the case three times; three verdicts had been rendered against the corporation, and three times he was compelled to set aside the verdicts because they were against the weight of the evidence. Another lawyer present at the time suggested with much force that it did not seem to have occurred to the eminent judge that it was possible that he might be wrong and that 36 jurors who passed upon that case might be right.

It is because we have been confronted by just such situations as this that the sentiment in favor of workmen's compensation acts has been growing all over the country. But more than all this we ought to bear in mind that the public is interested in having its unfortunate people who meet with accidents properly cared for.

In my own State we have a most liberal compensation act; and while it was fought for a time by the employers of labor, I am satisfied that if they now had their choice they would not go back to the old system.

It is shocking to one's sense of justice to think that, except for a few special acts to which the Senator from Iowa [Mr. CUMMINS] referred, under the United States Government we have 400,000 employees, the most of them without any right of action against the Government at all in case of injury. It seems to me that the Government itself ought to be one of the good employers of the country, and that it ought to take care of the men who have suffered injury while in its employment.

Mr. President, we must bear in mind that whether the man who has been injured partly through his own fault or not, if he is injured to the point that he is not able to take care of himself, and does not have friends who are able to care for him, he is a public charge, and the public ought to adopt some proper means for his care.

When it comes to the Government taking care of its property, if anything happens to it, the Government sustains the loss and must bear it, except as it is protected by insurance. Here are 400,000 men, each one of them a cog in the governmental machinery, and yet up to date, except in rare instances, when these men have been injured, they have had no recourse as against the Government.

It does seem to me that the amendment which has been presented by the committee ought to be rejected, and that we ought not any longer to recognize the fact that as between employers and employees there is such a thing as contributory negligence or proximate or remote cause of the injury or the rule of negligence of fellow servants or the doctrine of comparative negligence as it existed, at least, some years ago in Illinois, but let us care for those who may be injured under some general compensation law such as that which is now before us without regard to whether they were guilty of some negligence or not. Let us remember that they are our brothers and are worthy of our care and consideration. Men are the best asset of the Nation and they should be provided for accordingly when they meet with misfortune.

Mr. HUSTING. Mr. President, inasmuch as the distinguished Senator from Georgia [Mr. SMITH] has expressed himself as

not being very violently in favor of this amendment, I do not propose to take up the time of the Senate with any very extended remarks. I merely want to reply to something which the Senator said in regard to the principle here at issue in the bill.

The Senator from Georgia is a very distinguished lawyer, and still he says it is absurd to say that this proposed amendment offends the principle of the compensation act. I want to say, in reply, that I would hesitate somewhat to put my own judgment against that of the Senator from Georgia but for the fact that in the great number of States in which laws similar to this have been enacted, the Senator would find himself in a very small minority. Those States have all accepted the principle that negligence has no place in a workmen's compensation statute and is repugnant in principle to the purpose and scope of the bill. The personal-injury action or right-to-recover rate is one that sounds in tort; it is an action ex delicto. The workmen's compensation act is an act ex contractu. The basic principle of this law, which entitles an injured person to compensation, does not primarily depend upon his want of negligence or carefulness; it depends upon his employment. He is entitled to recover if the fact of his employment and the fact of his injury are established. The Senate committee, therefore, has injected the question of negligence, not for the purpose of defeating the right to recover; therefore it can be put in as a measure of damages only. Well, that can not furnish any fair measure of damages, for the simple reason that it measures nothing. If a man injured in his employment under a workmen's compensation act is entitled to recover by virtue of his employment and by virtue of having suffered an injury in that employment, the fact that he was negligent or not negligent does not enter into the question of how much he ought to get; it does not measure his damages. The question of damages is measured in this bill, as I understand it, by the extent of his injury; whether it is partial, whether it is total, and what his pay has been. A man who has been guilty of a slight want of ordinary care is injured just as much by reason of that lack of ordinary care and is entitled to recover just as much as though he were not guilty of that slight want of ordinary care.

Not only that, but under this proposed act any negligence whatever reduces the measure of the damages that he is entitled to recover under the act. I want to say in reply that it appears to me absurd to say that when a man is injured, and by virtue of this act is entitled to compensation, any degree of negligence whatever lessens the injury that he received. He is just as badly hurt, his family and himself are just as badly in need of the money that he is to get, as though he were one of the most diligent and careful persons engaged in the employment. So I say that negligence as a measure of damages is not at all helpful; it does not get us anywhere; it does not tell us how much a man ought to get or ought not to get.

I merely want to say in conclusion that this act, as I understand it, is not a question of rewarding or punishing an employee or of punishing an employer. Under the old doctrine of the common law governing personal injuries, the employer was held liable because he was guilty of a tort; he was guilty of a wrong in that he so conducted his business that as a natural and direct consequence of his negligence an employee was injured. But this law of compensation is framed on a much broader and deeper principle than that. As I understand it, it is this: That if a man is injured, not in the commission of any offense but in the ordinary course of his employment, injured, as men will inevitably be injured in every employment, whether he alone shall suffer that injury or whether the community will suffer it for him. In a sense it is a question of insurance. The community guarantees under this bill to a man that is engaged in the ordinary courses of employment—in this instance the Government guarantees him—that if he is injured in the ordinary course of his employment he will be compensated to a certain extent. As I said before, it is not for the purpose of rewarding him, but it is merely for the purpose of taking that burden and distributing it over the whole country and letting the country stand it, which means to all of us an infinitesimal part of the injury, which otherwise would fall upon a citizen of the United States.

This is done as a matter of justice; this is done as a matter of sound public policy—that men injured in the employment of the Government shall not become a public charge. It does not help to say that if a man is injured by being somewhat at fault himself there is less need or less reason for him needing help. The moment we say that we are departing from the principle of the bill. The only question should be, Was the employee injured in the ordinary course of employment; and if so, under the terms of his employment? Then, under the terms of the law he is entitled to the compensation therein provided for, and the question of whether he in part, much or little, contributed to his own injury is not an element in the act at all.

Mr. SMITH of Georgia. Mr. President, so far as I am concerned, I am ready to vote on this amendment. I am afraid to again indicate that I do not expect it to carry, because I fear to provoke additional discussion against the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was rejected.

Mr. GALLINGER. Mr. President, I call the attention of the Senator from Georgia to section 30, which reads:

SEC. 30. That the commission shall have such assistants, clerks, and other employees as may be from time to time provided by Congress. They shall be appointed by the commission in the same manner as appointments to the competitive classified civil-service positions.

Mr. SMITH of Georgia. If the Senator will allow me, before we reach that, I wish to offer an amendment transferring the present force to the commission to be created.

Mr. GALLINGER. Certainly.

Mr. SMITH of Georgia. This is an amendment recommended by the members of the committee unanimously. I move to add, immediately after section 28, on page 17, a section, to be known as section 28a, and to read as follows:

SEC. 28a. Upon the organization of the said commission the work of the Department of Labor connected with the adjustment of claims of employees of the United States for injuries shall cease, and all pending investigations and proceedings in the Department of Labor in connection therewith shall be continued by the commission. All clerks and employees now engaged in carrying on said work exclusively in the Department of Labor shall be transferred to and become employees of the commission at their present grades and salaries.

Now, if the Senator from New Hampshire will do so, I should like to have him read his proposed amendment.

Mr. GALLINGER. Mr. President, does the Senator want action on the amendment he has just suggested?

Mr. SMITH of Georgia. I should be glad to have the Senator read his proposed amendment for information.

Mr. GALLINGER. Very well. I will again read section 30 as it now stands in the bill:

SEC. 30. That the commission shall have such assistants, clerks, and other employees as may be from time to time provided by Congress. They shall be appointed by the commission in the same manner as appointments to the competitive classified civil-service positions.

I do not know what is meant by that language. I do not understand how the commission can appoint clerks and stenographers "in the same manner as appointments to the competitive classified civil-service positions."

Mr. SMITH of Georgia. I think it means that the employees will have to come from the Civil Service Commission.

Mr. GALLINGER. Then I offer an amendment that will make that very clear; and I hope the Senator will accept it.

Mr. SMITH of Georgia. I think I will accept it, so far as I am authorized to do so.

The PRESIDING OFFICER (Mr. LEA of Tennessee in the chair). The Senator from New Hampshire offers an amendment, which the Secretary will state.

The SECRETARY. On page 18, section 30, line 5, after the word "appointed," it is proposed to strike out "by the commission in the same manner as appointments to the competitive classified civil-service positions" and to insert "from lists of eligibles to be supplied by the Civil Service Commission and in accordance with the civil-service law."

Mr. SMITH of Georgia. I submit the amendment to the Senator from Indiana [Mr. KERN], who presented the bill originally to this Senate. If he has no objection to it, I will raise none.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from New Hampshire.

The amendment was agreed to.

Mr. CUMMINS. Mr. President, I ask the Senator from Georgia if he will not withhold the amendment which he read a moment ago until the amendment which I desire to propose can be acted upon? The transfer of the present work from the Department of Labor to the commission would not be necessary if the amendment I propose to offer is adopted, and, if it is not adopted, no one could then object to the amendment suggested by the Senator from Georgia.

Mr. SMITH of Georgia. I withdraw the amendment for the present to give an opportunity to the Senator from Iowa to offer his amendment striking out the provision with reference to the commission. I want to say that I am strongly in favor of the commission, and by yielding to the motion of the Senator from Iowa I do not in any sense mean to indicate that I favor it.

Mr. CUMMINS. Mr. President, this is a fundamental amendment, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Iowa suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hardwick	Overman	Smith, Ga.
Bankhead	Hughes	Owen	Smith, Md.
Borah	Husting	Penrose	Sterling
Brady	James	Phelan	Stone
Bryan	Jones	Pittman	Taggart
Chilton	Kern	Pomerene	Thomas
Clapp	Lane	Ransdell	Thompson
Cummins	Lea, Tenn.	Saulsbury	Tillman
Curtis	Lippitt	Shafroth	Underwood
Dillingham	McCumber	Sheppard	Wadsworth
Fletcher	McLean	Sherman	Warren
Gallinger	Myers	Shields	Williams
Harding	Nelson	Smith, Ariz.	

Mr. KERN. I am requested to announce that the Senator from Oregon [Mr. CHAMBERLAIN] is necessarily absent from the Senate.

Mr. THOMPSON. I am requested to announce the unavoidable absence of the junior Senator from Mississippi [Mr. VARDAMAN]. He is paired with the junior Senator from Idaho [Mr. BRADY].

The PRESIDING OFFICER. Fifty-one Senators have answered to their names. A quorum is present.

Mr. CUMMINS. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The Secretary read the amendment, as follows:

First, strike out the word "commission" from the following lines and pages of the bill, to wit: Line 23, page 2; line 21, page 3; lines 25 and 1, pages 3 and 4; line 8, page 5; line 2, page 7; line 13, page 9; lines 4 and 5, page 10; line 7, page 11; line 11, page 12; line 20, page 12; line 22, page 12; lines 22 and 23, page 12; line 25, page 12; line 1, page 13; line 7, page 13; line 13, page 13; line 20, page 13; line 23, page 13; lines 11 and 12, page 14; line 17, page 14; line 20, page 14; line 24, page 14; line 26, page 14; line 14, page 15; line 18, page 15; line 21, page 15; line 22, page 15; line 22, page 17; line 1, page 18; line 10, page 18; line 11, page 18; line 14, page 18; line 21, page 19; line 24, page 19; line 9, page 20; line 15, page 20.

Also, strike out the words "commission or to any commissioner" in line 19, page 12, and the words "commission or any commissioner," line 21, page 17, and in lieu of the words stricken out in each of the above instances insert the words "Secretary of Labor."

Also, strike out of lines 11 and 12, page 22, the words "commission" and "its" and insert in lieu thereof the words "Secretary of Labor."

Also, strike out section 28.

Also, strike out section 30.

Also, strike out section 34.

Also, strike out lines 6, 7, and 8, page 21, and insert in lieu thereof "The powers conferred and duties imposed herein upon the Secretary of Labor may be exercised or performed by any person or persons employed in the Department of Labor, and who shall be designated in writing by the Secretary."

Mr. CUMMINS. Mr. President, the amendment just read seems to be somewhat complicated, but in fact it is exceedingly simple. I will assume that the Senate will allow me to present the several items of the amendment as a single amendment, for they all touch the same subject and are all necessary to accomplish a single purpose. If the amendment I have offered is adopted, the law which we are about to pass will be administered by the Secretary of Labor in the Department of Labor. If the amendment is not adopted, it will be administered by a commission of three persons to be appointed by the President, each with a salary of $4,000 per year, with quarters suited to the taste of the members of the commission, and with the retinue of employees, clerks, special agents, and examiners which naturally gather around every commission which we create.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Idaho?

Mr. CUMMINS. I yield.

Mr. BORAH. Does this amendment make any change at all in the law except transferring the administration of the law to the Department of Labor?

Mr. CUMMINS. None whatever.

Mr. President, I did intend—I had it originally in mind—to offer the bill which has been reported by the Judiciary Committee as a substitute for this one, and as between that bill and the one under consideration there is some difference in the standard of compensation; but upon reflection I concluded that it would be better to accept the House bill with regard to compensation and ask for no other change in it except that it should be administered by the Secretary of Labor and in his department rather than by an independent commission.

Mr. President, I have offered this amendment in justice to the Committee on the Judiciary of the Senate. As I remarked when a former amendment was under consideration, the Senator from Utah [Mr. SUTHERLAND], a master of this subject, a man who has given it great and prolonged study, introduced a bill which is substantially, so far as compensation is concerned, like the bill afterwards reported and like the bill that came from the House. The bill was referred to the Committee on the Judiciary. A subcommittee was appointed, of which the junior Senator from Utah [Mr. SUTHERLAND] was a member, and of which the distinguished senior Senator from Georgia [Mr. SMITH] was also a member. That subcommittee examined the bill and investigated the subject and unanimously reported to the full committee in favor of the bill, with certain amendments. The full committee gave the most careful and serious consideration to the bill, and finally reported it unanimously to the Senate, and it is now upon the calendar.

One of the questions discussed among the members of the Judiciary Committee was the very one that I have presented by this amendment: Shall the law be administered in the Department of Labor, or shall we create another commission in order to distribute the compensation which by the bill we award to injured employees of the Government? The Committee on the Judiciary decided that it ought to be administered by the Secretary of Labor, just where the law we now have upon the same subject is administered. The House bill, as I said before, provides for the creation of an independent commission of three members, and the law is to be administered by the commission.

I am in favor of the Senate Judiciary Committee idea, the idea of the Sutherland bill, for two reasons, and I intend to give them very briefly.

First. I am in favor of it because the law can be administered in the Department of Labor for one-tenth the expense that will be involved in the creation of another new commission. I venture to say that under the Department of Labor in the administration of this law there will not be one-tenth the number of employees doing this work that will be found by the commission to be necessary to accomplish it.

It is the history of commissions. We have enough commissions now. No; I will withdraw that. We may have to create more, and we are about to vote to create one more. We are about to vote to create a tariff commission, and I have been in favor of a tariff commission throughout my whole public life, but I do feel that we ought not to create any more commissions than are absolutely necessary. It seems to me that my friends upon the Democratic side of this Chamber ought not to rush unnecessarily into expense that is not required for the dispatch of business.

There is no necessity for a commission for the distribution of the compensation which we are providing here. If the amendment which was proposed by the Senator from Georgia [Mr. SMITH] relating to contributory negligence had prevailed, the amendment which I have now offered would not have been presented; because, in my opinion, if the commission, or any other tribunal, had to try all these cases in order to determine what negligence had occurred, it would require not only a commission but a complete court, and many of them, to dispose of all the cases that would come before the Government for compensation. That amendment, however, was rejected, and now the only matter to be determined in each case is the extent of the injury.

The bill divides the subject into three classes: First, injuries that result in death; second, injuries that result in total disability; third, injuries that result in partial disability. Through the administration of similar laws in the States this subject has been reduced to almost a formula, and it can be done with dispatch and with justice and with economy in the Department of Labor, where it now is, so far as we give compensation at all.

Mr. KERN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Indiana?

Mr. CUMMINS. I yield to the Senator.

Mr. KERN. I will inquire of the Senator from Iowa if he knows of any States in which such a law as this is being administered by an administrative officer?

Mr. CUMMINS. Oh, in most of the States there is no administrative officer who occupies the relation to the Government that the Department of Labor occupies to the Federal Government. In my own State the law is administered by a single person, and we have a population of 2,500,000.

Mr. KERN. Does not the Senator's State have a commission?

Mr. CUMMINS. We have not; no. There are States, I admit, in which a commission, I think, is necessary—in which certainly the services of more than one person is necessary—like New York and Massachusetts.

Mr. KERN. In nearly all the States there is a commission to administer the law, and I did not know that there was an exception in the case of the State of Iowa.

Mr. CUMMINS. Mr. President, that does not mean anything to me—the fact that they want to put the matter in the

hands of commissions in some States. These States which have commissions mainly empower the commission to do very many things that are not authorized in this bill. The commission has, in most instances at any rate, a function to perform really apart from the distribution of compensation; but in the case before us there is no necessity for a commission. It can not do anything except to spend money unnecessarily.

But that is not my main reason. I have another reason that I am almost reluctant to disclose. I desire that this law shall be administered sympathetically. If it is not administered by a man or a board in sympathy with labor, in sympathy with those who have suffered in the course of their employment—I mean men who labor have suffered—very much of the benefit which is expected to be derived from it will be lost. We have organized a Department of Labor, and it may be assumed that the Secretary of Labor, the head of that department, will always be in sympathy with the great mass of the laboring people of the United States. To assist him this bill is proposed; and I would rather intrust the administration of the law to him, through his department, with his association with labor, than to intrust it to an independent commission which will become in a measure hostile just as certainly as time passes on.

Mr. STONE. Mr. President——

Mr. CUMMINS. I yield to the Senator from Missouri.

Mr. STONE. I am not at the moment so much concerned about what the Senator has said as to a sympathetic administration of the law as I am about another feature of the discussion. I submit for the judgment of the Senator whether a law like this ought not to be administered impartially, not partially; whether it ought not to be administered with the one central idea of having absolute justice in every case? The establishing of an agency to administer a law, based upon the idea that that agency is to be especially sympathetic with a certain interest, does not occur to me to be a wise theory of legislation. I do not disagree, nor would any other Senator disagree, with my friend from Iowa on the general, broad ground of human sympathy, but I doubt if laws should be passed or administered on the ground of sympathy rather than of justice.

But I do not care to enter further into that now. What I rose especially to ask related to the administration of this law in the Department of Labor.

I am entirely in sympathy—since we speak of sympathy—with what the Senator has said against the multiplication of commissions. We have too many of them already. Some commissions undoubtedly ought to be created; but we have fallen into the habit of making a commission to do every little thing we start in to do here in the Congress, when it might as well be done, and done as efficiently and at less expense, by turning the administration of the law over to an agency already established.

The Senator from Iowa says that the administration of this bill, if it becomes a law, should be left to the Department of Labor. Aside from the sympathetic aspect of the matter to which the Senator has referred, it seems to me there is sound sense in his suggestion. What is the need of this commission? Why must we have a commission of three or four men with large salaries every time we start in to do anything? I believe the salary here provided for is $4,000.

Mr. GALLINGER. Yes; $4,000.

Mr. STONE. Then, the salaries of other commissions rise on a graduated scale, presumably according to the importance of the work. Now, it seems to me a $4,000 salary is not going to attract to the service men of extraordinary ability. You will get good men, men of average ability, and that is all.

In some ways what the Senator is saying appeals to me; but I should like to have him tell me just what the agencies now are in the Department of Labor through which this law could be administered. And will it not be necessary, if you strike out the commission clause in the bill, to devise some other or additional means of administration operating under the Secretary of Labor?

Mr. CUMMINS. Mr. President, it is not necessary to organize a bureau in the Department of Labor. As I understand, the Secretary of Labor now designates certain persons in his department to administer the law we have; but I hope the Senator from Missouri will remember that the law we have is a very imperfect and inadequate and rather inconsequential affair as compared with the law we are now about to pass.

Mr. KERN. And I was about to say, ineffectually administered.

Mr. CUMMINS. I do not know that. I am very glad that the Senator from Missouri agrees with me with regard to the first objection I proposed to the creation of a new commission, and I know that he would agree with me with regard to the second if we understood each other. I do not want it to be thought that when I used the word "sympathetic" I implied that the tribunal was to be partial or unfair or unjust to either side; but I think there is a great distinction between an injustice that results from a conscious hostility to a person and an injustice that arises because of the bent of mind, the tendency of the intellect, the want of sympathy with the class to which the person injured may belong.

Now, I ask the Senator this question: We have organized a Department of Labor. Suppose that a President were so far shameless as to propose a Secretary of that department who was known to be hostile to the great laboring organizations of this country and to the people who were represented in those organizations. Suppose the President of the United States should take the president of the National Association of Manufacturers for that position. The Senator from Indiana [Mr. KERN] knows some of the persons belonging to that association and their attitude toward labor. I am not criticizing them. They have a perfect right to hold their opinions; but suppose it were suggested that such a man be made the Secretary of Labor, to preside over this department, which is intended to further, promote, and encourage the cause of labor. There would be universal protest against it. Why? Not because the president of the National Association of Manufacturers is a dishonest man or would administer the law dishonestly or with conscious unfairness, but because, by reason of his position, he would be incapable of viewing the whole ground; and I meant that we ought to put the administration of this law in the hands of men who had a care for labor and a real sympathy for laborers.

Mr. STONE. Mr. President——

Mr. CUMMINS. I yield to the Senator from Missouri.

Mr. STONE. I have just been called out for a moment; but before going I should like the Senator to explain, so far as this particular matter he is discussing goes, what would be the difference, in selecting people who are sympathetic or nonsympathetic, whether the appointments related to the secretaryship or the commissionership? The President appoints both, subject to the approval of the Senate.

Mr. CUMMINS. This is the difference—and I want the Senator to wait until I answer that, because it is a pertinent question. The difference lies in this: When the President comes to select a Secretary of Labor he must have in mind a great many things, and no President would venture to select a Secretary of Labor out of sympathy with the cause which that department is supposed to represent or to protect; but when the President comes to appoint the members of a commission to administer a compensation law, having no other duties, the influences would be very different.

Mr. President, I did not intend to occupy the length of time I have occupied in the submission of this amendment. I have done it in fulfillment of a promise to members of the Judiciary Committee of the Senate, and especially in fulfillment of a promise I made to the Senator from Utah [Mr. SUTHERLAND], eulogized, and very properly eulogized, this morning by the Senator from Indiana [Mr. KERN]. This does not mean that I am not in entire accord with and earnestly in favor of the proposed amendment. I am. I believe the law will be better administered, more economically administered, and that the whole country will be better satisfied, if this work remains with the Secretary of Labor.

Mr. KERN. Mr. President, I have no pride of authorship in this bill, for, although it bears my name, I did not prepare it. It was prepared with great care, and after much thought and consideration, by an association of thinkers and workers in economic and philanthropic fields, associated in New York under the name of the Society for the Promotion of Labor Legislation. It is a patriotic association, made up of the best economic thinkers and workers of the country, who have approached the consideration of the subject from the standpoint of both employer and employee, and, above all, from the standpoint of the public good. This bill was, after great thought, worked out by that great association, brought here, and introduced by me in the Senate and by a Representative from Maine in the House.

I have not been able to give to this subject the careful thought and consideration that was given it by the scholars and thinkers who make up that society. I perhaps could not occupy quite so disinterested a standpoint as the men and the women who compose that society. We are about to pass a great piece of legislation that we hope will be a model of its kind. It affects 400,000 employees of the Government who have been helpless, in all the years of the past, in the redress of their wrongs and compensation for injuries they have received. It has been disgraceful that the great Government of the United States has lagged behind every nation in the world, civilized and half civilized,

except Turkey, in the care it has given to the people who are employed by it.

I am caring nothing about the question of commissions or the men who may be appointed on the commission. I am caring very little about the $12,000 that the commission will cost. At a time when we are voting away hundreds of millions of dollars for the implements of destruction, it seems to me that it does not sound well to have men stop and higgle about an appropriation of $12,000 for salaries for a commission that is supposed to be necessary for the successful carrying out of this great piece of legislation.

Mr. CUMMINS. Does the Senator refer to me as higgling about $12,000?

Mr. KERN. The Senator was talking about the expense of the commission. The expense of the commission is $12,000. I perhaps was unfortunate in the use of the word "higgling." I was simply employing a Hoosier term that came to my mind at the moment.

Mr. CUMMINS. The Senator from Indiana has been very industrious I know about the bill, but he has not done any more for it than I have done.

Mr. KERN. I have no doubt the Senator is in sympathy with the bill and the underlying principle of it. I am not criticizing him in anything that he has said, because I assume that he and I are equally interested and that all the friends of the bill are equally interested in having a successful administration of the measure. If it can be successfully administered by the plans suggested by the Senator I have no objection to it, but I am not convinced that it can be so successfully administered, and the people who have given months and years to the study of this question are not so convinced. The Secretary of Labor is not so convinced. Its friends care to comment on the fact that there are some Senators here, and I do not refer to the Senator from Iowa, who have perhaps not given an anxious consideration to the bill and who stand up and say, "What is the use of a commission?" putting their judgment, after no investigation at all, against the judgment of people who have given the matter such profound thought.

The Senator from Iowa proposes that there shall be no provision for a commission, but that the work of administration shall be devolved upon the Secretary of Labor; in other words, to devolve upon the Secretary of Labor this great piece of legislation which involves the work of 400,000 and say to him, "Enforce it." The Senator from Iowa must know, as we all know, that the Secretary of Labor, with the multifarious duties devolved upon him by law, has no time to even personally oversee the great work of the administration of this law. Somebody else, then, must be called in by him, and who shall he call in? Has he the head of a bureau, has he the head of a division who does not now already have duties to perform that occupy his entire time? The Senator from Iowa by his amendment designates no officer; he confers no power to procure officers, but simply says, "Enforce the law."

Mr. CUMMINS. The Senator from Indiana is mistaken about that. He has not read the amendment. Of course he has had no opportunity to read it.

Mr. KERN. I beg pardon.

Mr. CUMMINS. I say the Senator from Indiana is mistaken in his last statement.

Mr. KERN. I will be very glad to be corrected by the Senator now.

Mr. CUMMINS. The amendment provides that the Secretary of Labor may designate a person or persons in his department to do this work.

Mr. KERN. In his department. That is the very question I was calling attention to. What person is there in his department who has such leisure now or who will have such leisure in the coming years to take upon himself the difficult work, for it will be a difficult work, of enforcing the provisions of this law?

I repeat, the Senator from Iowa and myself are working to the same end precisely; I know he is interested in the successful administration of this law, and I am sure I am; the only question between us is as to how its provisions may best be carried out. I believe with this great nonpartisan association that has brought a bill here, it can be best carried out and best administered by a commission specially appointed for that purpose. I presume that no President of the United States can be found, no matter what political party has elected him, who will appoint any board to administer this law that is out of sympathy with the law. There are no adverse interests that will conflict before the board. It is only a question of a just administration of the law. The parties who apply for relief are all employees of the Government. The only question is as to whether or not they bring themselves within the purview of the law.

I have heard that the Secretary of Labor has said—he has not said it to me—that there are two difficulties about the administration of the law by his department. In the first place, all the employees of the Department of Labor who were injured in any way would have to have their claims settled by the department to which they belong, and of the administration in that way there would be criticism or there would be likely to be criticism. That is not my idea at all. If the Secretary of Labor said this he may be unduly sensitive, but I can see with a thousand or two thousand employees how he would hesitate about having any employees of his passing on claims of those in the same department who would be injured.

It was supposed, I imagine also, that the clerks who would have to be called upon for the administration of the law, because the Secretary of Labor could not give it his personal attention and would not be expected to give it his personal attention, perhaps engaged in mere routine work would not take the interest in the subject they had to consider as would a commission which was appointed and charged with the execution of the law. I suppose it was thought by those who framed the bill that if a commission were appointed it would look further into the general subject than a set of mere clerical employees would do. The question of vocational disease is very closely allied to this, and it would be interesting if this board were given power to make an investigation along those lines.

I know the general question has received very thoughtful consideration. I think that is all I care to say on this subject. I believe with those who framed the bill that the law can best be carried out by a commission. If that be true or if there be a doubt on the question, I do not think the expenditure of $12,000 ought to stand in the way of a successful administration of the law.

Mr. LANE. Mr. President, I am just as much in favor of the passage of the bill as is the Senator from Indiana, but I have my doubts about the value of a commission in handling these affairs. I think the Department of Labor would be more nearly in touch with the general conditions governing labor and therefore more easily brought into direct touch with the rights of the laboring man when he becomes injured.

Another thing, a commission does not come into close touch with the general run of the working people. They are a divided body, a composite body, and as a general rule they have never been a complete success in the administration of any public business. We have had the Galveston plan, the Des Moines plan of a commission form of city government. The idea came up in Galveston after a calamity which compelled that city to the prompt adoption of a sort of vigilance committee or commission which would be independent of anybody's interest, and it worked charmingly. Then Des Moines, Iowa, adopted it and it went all over the United States, but there has come something of a revulsion, doubts have arisen and a difference of opinion. If it is a commission of three there are three heads, if a commission of five there are five heads, or of seven, seven heads, each one differing a little from the viewpoint of the other members. "Too many cooks spoil the broth." That is a saying as old as history. When too many men govern they do not bring about ideal results. I think it is a mistake. I would much prefer to have a single commissioner rather than to have a commission. We are going to have a tariff commission, and I think it would be a good idea to have a single tariff commissioner.

If this is put into the hands of a single person, of a single department, more particularly the Department of Labor, which is intrusted with the general condition, I think you would find that workingmen employed by the Government would have their rights handled to better advantage than by an outside commission, a body composed of men who may or may not be familiar with such questions and they must become familiar with them. The strongest-minded man, the most ambitious member of that commission, will either mold the ideas of the others or cause doubts to arise either for better or for worse.

We have changed in some of our cities on the coast from a single mayor with the veto power, and a council elected from different precincts, and have adopted the commission form of government. So far as the average running of municipalities is concerned, letting things come as they will, we have not the evil that existed with the old partisan council; they have improved conditions, but they are far short of arriving at ideal management in municipal government.

I am in favor of the amendment of the Senator from Iowa, and I am in favor of it because I think it is better. I would be in favor of a single commissioner. It is not an expensive commission, but they will build up another bureau unto themselves. This Government is a government of bureaus. A lot of gentlemen are sitting around here in great dignity, and they

think they run the Government. It is a delusion. The bureaus run it.

We but make the appropriations and much talk, but the general affairs of the people are not going on in a manner which is a credit either to this body or to the Nation at large. I should like to see this work in the hands of an already existing department which is in immediate touch with the general situation and for the benefit, if you please, I will say to the Senator from Indiana, of the laboring man.

Mr. KERN. What bureau has the Senator in mind? Whom does the Senator propose shall administer this law?

Mr. LANE. The Department of Labor.

Mr. KERN. Come right down to the fact. What particular person do you propose shall personally administer the law?

Mr. LANE. I would put it in the hands of the Secretary of Labor and give him means to hire a superintendent and clerks to present the facts to him. A commission will have to hire many of them; you must construct quarters for them or rent a building. We have not now buildings enough to house those who are already employed by the Government. Commissions are removed from the people by necessity, retired, if you please, to themselves in private conference, and such is not good, in my judgment. For that reason I am in favor of the amendment of the Senator from Iowa.

Mr. SMITH of Georgia. Mr. President, from the committee I presented one amendment to the bill which the Senator from Indiana opposed and the Senator from Iowa opposed, and, finally, while I still voted for it, I practically surrendered it..

Now, in this instance I am entirely in sympathy with the framers of the bill, with the friends of the measure, who have studied it so long. I may have been wrong as to the one I advocated myself. I was against their views upon that measure. I am sure I am right now in supporting their views and in supporting the Senator from Indiana.

The Secretary of Labor can not administer this bill. He can not do anything himself about it. He is occupied now. This measure is entitled to a distinctive head, to responsible persons who will supervise the administration of this law and bear before the public the responsibility. You dump it into the Department of Labor and say to the public nominally the Secretary of Labor is responsible. He can not handle it. He must name somebody else. Under the plan of the friends of this measure, under the plan of the bill introduced by the Senator from Indiana in the Senate and now passed by the House, we will have three responsible men responsible to the country for the supervision and direction and administration of this measure.

I very cordially support the views of the Senator from Indiana upon this subject, and hope the amendment of the Senator from Iowa will not prevail.

Mr. LANE. I should like to say, with all due courtesy to the Senator who has just spoken, that he does not by this amendment secure a responsible head; but, as he states himself, he secures three heads. There is the trouble. If we had a single commissioner it would be much better, but to place it under three heads you have a divided commission.

Mr. SMITH of Georgia. I do not agree at all with the Senator from Oregon. I believe in the wisdom of numbers. I believe that three good men conferring together and cooperating to administer this law will administer it better than one, and so do the friends of the measure.

Mr. CUMMINS rose.

Mr. SMITH of Georgia. I mean the friends of this particular bill. I do not mean at all that the Senator from Iowa is not just as much in favor of legislation of this kind as I am.

Mr. CUMMINS. It is not true either that the friends of the measure outside of Congress are all for the creation of a commission. That is assumed sometimes, but it is not true. I do not say that either the Senator from Georgia or the Senator from Indiana so claim, but there is an atmosphere here that all those who have studied this subject a long time and have organized themselves into a society to develop it are in favor of creating a commission. I know that it is not true, although there are many of them; I agree to that; but most of them are for a commission for no reason given by the Senator from Georgia, but for a reason that was outlined by the Senator from Indiana. The reason is it is hoped that the commission will expand and take in a great many other subjects than mere compensation.

The Senator from Indiana said, and he said truly, that it was hoped this commission will finally become the source of investigations of vocational disease, and that is only one of a dozen things which they hope the commission will finally be empowered to do. I am not out of sympathy with all these investigations at all, but I am in favor of taking care of them as they come along and as they become absolutely necessary. We are doing a great deal of work along that line now through organized departments of the Government.

I am opposed to the commission partly because it is a mere cloak for a function that is not at all related to compensation. If you were to strip the subject down to its bare bone and look simply at the award of compensation to injured employees, I doubt whether many of those who have been interested in this subject would favor a commission rather than the Department of Labor. It is the history of this country, and every other, too, that these things develop. If this commission is created, I think one man with a fair body of examiners at his command can administer this law and do it with justice, because the commission is not to be composed of men of eminence or distinction. The commission is to be composed of men who are willing to work for $4,000 a year. You can not get men who are capable of exploring these unknown fields of disease for $4,000 a year.

Mr. SMITH of Georgia. The only place to do that work is with the Health Department, already organized, with the surgeons there. I would be utterly opposed to attaching it to this commission or to the Department of Labor.

Mr. CUMMINS. I have no doubt of that; but has the Senator any doubt that those who are laboring so diligently for a commission instead of the Secretary of Labor have that in mind?

Mr. SMITH of Georgia. I had never heard it before it was mentioned on the floor.

Mr. CUMMINS. The Senator from Indiana heard it, because he gave it utterance a few moments ago, and I have heard it from many sources since it was known that I would propose the amendment restoring this function to the Secretary of Labor.

I do not oppose a commission because it will cost $12,000 a year for the salaries of three commissioners. I am numb about the expenditure of money. It does not make any difference about the expenditure of money; I have no judgment about it any more. When we propose here, as we do every day, to spend millions and millions and millions, one gets accustomed to ignoring ordinary economical considerations. We voted yesterday to pay out $50,000,000 which I think will be entirely wasted. Do not accuse me of any particular niceties about the expenditure of money. I am opposed, however, to the distribution of power in this way and to the accumulation of men around a commission who are unnecessary to do the work.

I said in the beginning, and I say now, that it would take 10 men to do the work for the commission where one will do it if it is under the supervision of the Secretary of Labor. They must have a certain number of employees in order to secure a standing. What would a commission be considered if it had only one room and only three or four clerks? It would be utterly ignored. It will have a suite of 20 rooms.

Mr. SMITH of Georgia. We ought to have force enough to control matters of that sort and refuse to permit expenditures we deem unwise.

Mr. CUMMINS. We have not.

Mr. SMITH of Georgia. I hope we will grow in capacity to resist useless expenditures.

Mr. CUMMINS. I mean to say, if the commission is created, it will have a suite of 20 rooms in some building in Washington, and it will have a hundred clerks. I am simply estimating the subject; I do not know, but that has been the history of such things. But my chief objection is that it belongs to the Department of Labor, and the Secretary of Labor can bestow upon this work the same supervision that he bestows upon every other work which is committed to his care. He does personally but little, I assume, of the work required of the Department of Labor, but his eye surveys it all and his influence dominates it all. That is the reason why I am in favor of giving him the administration of this law.

Mr. JONES. I should like to ask the Senator a question.

The PRESIDING OFFICER (Mr. POMERENE in the chair). Does the Senator from Iowa yield to the Senator from Washington?

Mr. CUMMINS. Certainly.

Mr. JONES. This information may have been given to the Senate by the Senator in charge of the bill. I was out during a part of his remarks. The Senator from Iowa has given this matter a great deal of consideration. It was taken up, I understand, in the Judiciary Committee. I wish to ask him if there is any estimate as to how many employees of the Government would probably be injured; in other words, How many claims are likely to require adjudication annually?

Mr. CUMMINS. No such estimate has been made and probably it would be impossible. I stated when the Senator was out of the Chamber that out of the 100,000 employees now covered by the law which awards some compensation there are

between four and five thousands injuries, great and little, during the course of a year.

Mr. JONES. Out of the 100,000 who are in specially hazardous employments?

Mr. CUMMINS. They are in specially hazardous employments. The 300,000 or more who will be added by this measure will not add proportionately to the number. I am sure they include the clerks and other employees whose occupations are exceedingly safe.

Mr. President, upon this amendment I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BRYAN (when his name was called). I have a pair with the junior Senator from Michigan [Mr. TOWNSEND] which I transfer to the junior Senator from Louisiana [Mr. BROUSSARD] and vote "yea."

Mr. CURTIS (when his name was called). I am paired with the Senator from Georgia [Mr. HARDWICK] and therefore withhold my vote.

Mr. GALLINGER (when his name was called). I have a general pair with the senior Senator from New York [Mr. O'GORMAN]. I transfer that pair to the junior Senator from Vermont [Mr. PAGE] and vote "yea."

Mr. GRONNA (when his name was called). I have a general pair with the Senator from Maine [Mr. JOHNSON] which I transfer to the junior Senator from Nebraska [Mr. NORRIS] and vote "yea."

Mr. STERLING (when Mr. LODGE's name was called). I have been requested to announce the absence of the senior Senator from Massachusetts [Mr. LODGE] and to say that if present he would vote "yea" on this amendment.

Mr. REED (when his name was called). I transfer my pair with the Senator from Michigan [Mr. SMITH] to the Senator from Oklahoma [Mr. GORE] and vote "nay."

Mr. SAULSBURY (when his name was called). I transfer my pair with the junior Senator from Rhode Island [Mr. COLT] to the senior Senator from Virginia [Mr. MARTIN] and vote "nay."

Mr. SHAFROTH (when his name was called). I am paired with the junior Senator from Washington [Mr. POINDEXTER], and I therefore withhold my vote.

Mr. SMITH of Georgia (when his name was called). I transfer my pair with the senior Senator from Massachusetts [Mr. LODGE] to the senior Senator from Nebraska [Mr. HITCHCOCK], and will let that transfer remain for the balance of the day. I vote "nay."

Mr. STERLING (when his name was called). I transfer my pair with the senior Senator from Nevada [Mr. NEWLANDS] to the junior Senator from Iowa [Mr. CHAMBERLAIN] and vote "yea."

Mr. STONE (when his name was called). I have a general pair with the Senator from Wyoming [Mr. CLARK]. In his absence I withhold my vote.

Mr. TILLMAN (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. GOFF] to my colleague [Mr. SMITH of South Carolina] and vote "nay."

The roll call was concluded.

Mr. CURTIS. I am requested to announce the following pairs:

The Senator from Delaware [Mr. DU PONT] with the Senator from Kentucky [Mr. BECKHAM];

The Senator from Pennsylvania [Mr. OLIVER] with the Senator from Oregon [Mr. CHAMBERLAIN];

The Senator from Utah [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. CLARKE];

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS]; and

The Senator from Pennsylvania [Mr. PENROSE] with the Senator from Mississippi [Mr. WILLIAMS].

Mr. CHILTON. I transfer my pair with the Senator from New Mexico [Mr. FALL] to the Senator from New Jersey [Mr. MARTINE] and vote "nay."

Mr. THOMPSON. I am requested to announce the unavoidable absence of the junior Senator from Mississippi [Mr. VARDAMAN]. He is paired with the junior Senator from Idaho [Mr. BRADY].

Mr. LANE. I wish to announce the absence of my colleague [Mr. CHAMBERLAIN] on official business. If he were here, I do not know how my colleague would vote on this question.

Mr. SHAFROTH. I transfer my pair with the junior Senator from Washington [Mr. POINDEXTER] to the senior Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. OWEN (after having voted in the negative). I wish to announce the transfer of my pair with the Senator from New Mexico [Mr. CATRON] to the Senator from Illinois [Mr. LEWIS] and will let my vote stand.

The result was announced—yeas 20, nays 27, as follows:

YEAS—20.

Brandegee	Fletcher	Jones	Reed
Bryan	Gallinger	Lane	Sherman
Clapp	Gronna	McCumber	Smoot
Cummins	Harding	McLean	Sterling
Dillingham	Hughes	Nelson	Weeks

NAYS—27.

Ashurst	Lee, Md.	Saulsbury	Smith, Md.
Bankhead	Myers	Shafroth	Swanson
Chilton	Overman	Sheppard	Thomas
Husting	Owen	Shields	Thompson
James	Phelan	Simmons	Tillman
Kern	Pomerene	Smith, Ariz.	Underwood
Lea, Tenn.	Robinson	Smith, Ga.	

NOT VOTING—48.

Beckham	Fall	Lodge	Smith, Mich.
Borah	Goff	Martin, Va.	Smith, S. C.
Brady	Gore	Martine, N. J.	Stone
Broussard	Hardwick	Newlands	Sutherland
Catron	Hitchcock	Norris	Taggart
Chamberlain	Hollis	O'Gorman	Townsend
Clark, Wyo.	Johnson, Me.	Oliver	Vardaman
Clarke, Ark.	Johnson, S. Dak.	Page	Williams
Colt	Kenyon	Penrose	Wadsworth
Culberson	La Follette	Pittman	Walsh
Curtis	Lewis	Poindexter	Warren
du Pont	Lippitt	Ransdell	Works

So the amendment of Mr. CUMMINS was rejected.

Mr. HUSTING obtained the floor.

Mr. SMITH of Georgia. I desire now to present an additional amendment, to be known as section 28a, which I send to the desk.

The PRESIDING OFFICER. The Chair had recognized the Senator from Wisconsin.

Mr. SMITH of Georgia. I ask the Senator from Wisconsin to yield to me to complete the amendments of the committee?

Mr. HUSTING. I yield to the Senator for that purpose.

The PRESIDING OFFICER. The amendment proposed by the Senator from Georgia on behalf of the committee will be stated.

The SECRETARY. It is proposed to add a new section, to be known as section 28a, to read as follows:

SEC. 28a. Upon the organization of the said commission the work of the Department of Labor connected with the adjustment of claims of employees of the United States for injuries shall cease, and all pending investigations and proceedings in the Department of Labor in connection therewith shall be continued by the commission. All clerks and employees now engaged in carrying on said work exclusively in the Department of Labor shall be transferred to and become employees of the commission at their present grades and salaries.

The PRESIDING OFFICER. The question is on the adoption of the amendment.

The amendment was agreed to.

Mr. HUSTING. Mr. President, I offer the amendment which I send to the desk.

The PRESIDNG OFFICER. The amendment proposed by the Senator from Wisconsin will be stated.

The SECRETARY. On page 1, line 8, it is proposed to strike out the words "or by the employees" and to insert in lieu thereof the word "with," so that if amended it will read:

That the United States shall pay compensation as hereinafter specified for the disability or death of an employee resulting from a personal injury sustained while in the performance of his duty, but no compensation shall be paid if the injury or death is caused by the willful misconduct of the employee with intention to bring about the injury or death of himself or of another.

Mr. HUSTING. Mr. President, I offer this amendment for the reason that I think it makes clear what must have been the purpose of the bill. If it was the purpose or the intent of the bill to withhold compensation for any willful misconduct that had no connection with the injury at all, then it injects something into the bill that I do not think ought to be in it.

Putting the question of willful misconduct in this bill not in any way connected with the injury, except, perhaps, going from one machine to another or not doing his work in just exactly the manner in which he had been directed, would merely once more be putting back into this bill the question of negligence. It seems to me that if any willful misconduct is going to be penalized it should only be when that misconduct leads to or is the proximate cause of the injury. While I do not care to be holding before the Senate what other States have done, I do not believe there is any compensation act where the question of negligence has not been eliminated—that is, ordinary negligence—but that the law provides that only in case of gross negligence, which amounts to a willful purpose or a willful act on the part of the employee for the very purpose of injuring himself or subjecting himself to injury, is put in those laws. It seems to me this amendment will take care of any willful misconduct on the part of an employee who

wantonly or willfully subjects himself to an injury; in other words, as to a man who wants to injure himself. That is the kind of conduct that ought not to entitle an employee to compensation, because it is not an incident of his employment, but is something that is entirely extraneous from the employment itself. When an employee, for the purpose of receiving compensation for some reason, goes and willfully injures himself in order to secure compensation, he ought not to receive it, because it is not something that ought to be charged up to the industry; but any other misconduct which might be termed willful, such as going from one machine to another or not strictly obeying the orders received or anything else of this kind which in a court of law would be termed "ordinary negligence," ought not to be put into this bill.

I am afraid that "willful misconduct" will be construed by the commission to mean disobedience to orders or things of that kind, which, while perhaps connected with the injury, in that the injury would not have occurred had the orders been obeyed, yet under the broad terms of the compensation act they ought not to prevent a recovery. I trust the amendment may be adopted.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Wisconsin.

Mr. HUSTING. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. HUSTING. I call for a division.

The question being put, on a division the amendment was rejected.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

COST OF LIVING IN THE DISTRICT OF COLUMBIA.

Mr. REED obtained the floor.

Mr. SMITH of Georgia. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Georgia?

Mr. SMITH of Georgia. There is one little matter that I should like to have disposed of, namely, House joint resolution 91.

Mr. REED. Mr. President, if it is going to take any time or involve debate, I will have to object. I only desire about five minutes.

Mr. SMITH of Georgia. I do not think it will take any time or lead to debate. It is Order of Business 585, and provides for an inquiry by the Department of Labor into the cost of living in the District of Columbia. It has been reported favorably, and I do not believe there is any objection to it.

Mr. SMOOT. Mr. President, I shall not object to the consideration of the joint resolution, but I did intend to ask unanimous consent that the calendar be taken up for the consideration of bills to which there is no objection.

Mr. SMITH of Georgia. I will join in that just as soon as the joint resolution is disposed of, if the Senator will allow me.

Mr. SMOOT. Then I will not object to the consideration of the joint resolution.

The VICE PRESIDENT. The Senator from Georgia asks unanimous consent for the consideration of a joint resolution, the title of which will be stated.

The SECRETARY. A joint resolution (H. J. Res. 91) authorizing and directing the Department of Labor to make an inquiry into the cost of living in the District of Columbia and to report thereon to Congress as early as practicable.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

Mr. GALLINGER. Mr. President, I ask the Senator from Georgia if he seriously thinks that the expenditure of the $6,000 proposed to be appropriated by the joint resolution will result in any benefit to anybody?

Mr. SMITH of Georgia. Well, I am not prepared myself to say that it will, but the friends of the measure seem to think it will accomplish good, and I am only acting for them.

Mr. REED. I thought I had the floor. I do not want to yield it.

Mr. GALLINGER. I feel constrained to object to the consideration of the joint resolution.

Mr. SHAFROTH. I hope the Senator will not object. This is a matter in which one of the Representatives from Colorado is very much interested. There can not be anything wrong in it. It affects a solution of the question as to what sum of money women who are employed in various occupations in the District are able to live on.

Mr. GALLINGER. It does not apply only to women; it applies to all of the people of the District of Columbia, and I know of no reason why we should not investigate the cost of living in New Hampshire just as well as in the District of Columbia. I object to the present consideration of the joint resolution.

SAMUEL GOMPERS.

The VICE PRESIDENT. The Senator from Missouri is recognized.

Mr. REED. Mr. President, I would not take the time of the Senate just now, but I am obliged to leave the city this evening, and the matter I wish to call attention to has now been allowed to pass unnoticed too long.

On August 15, in the course of a speech, the Senator from Illinois [Mr. SHERMAN] saw fit to go outside of the record and outside of any question being considered by the Senate to make certain remarks regarding members of the Cabinet and officials of the Department of Labor, and regarding Mr. Gompers, president of the American Federation of Labor. The Government officials to whom he referred may, and doubtless will, if they consider the attack worthy of attention, reply in their own way. My attention has been directed to this matter by Mr. Gompers in a letter; and, in view of the fact that the attack was placed in the CONGRESSIONAL RECORD under the privileges of the Senate, I think Mr. Gompers's reply ought to be given equal publicity, especially in view of this challenge which the Senator from Illinois included in his remarks. I quote:

> Gird up your loins, Mr. Gompers, and answer me like a man. I will teach him a few degrees of active, practical civic decency in my country that he does not know of if he will only come out and give the people a chance.

Mr. President, in the course of his remarks the Senator from Illinois also used this language:

> No more insufferable control or tyranny ever cursed a country than these parasitical men who exploit labor and live off the sweat of somebody else's brow. Mr. Gompers is a public nuisance.

He also attacked another gentleman. I quote:

> Mr. Keegan is a Socialist, or in all probability what might be denominated an economic crank; and they are the ones who find lodgment in high places and are in high favor in this administration, from Redfield clear down to Mr. Keegan, or clear up, I do not know which it is.

A little further on the Senator from Illinois said:

> I will say now what I said publicly in 1914 about Mr. Gompers. Before Mr. Gompers criticizes any one in public life I ask him to remember that in the conspiracy leading to the indictment of the dynamiters at Indianapolis, Ind., before they were tried, before the instrumentalities provided by the Department of Justice had resulted in a public hearing where justice might be administered, Mr. Gompers set up a tribunal of his own and tried them and had them acquitted. He prostituted the cause of labor to the point of using the funds of the laboring men of this country to defend these criminals who had without cause, wantonly, in cold blood, sent to their death 19 men and women in the city of Los Angeles, Cal.
>
> After he had tried them and found them innocent, almost before the ink was dry upon his statement of their innocence, the McNamaras pleaded guilty, and are now engaged in penal pursuits at the behest of an indulgent State where they are removed from the scene of their murderous activities.
>
> Mr. Gompers has never apologized to the law-abiding men of the country, but here and now I say the most fortunate thing that has ever happened to Mr. Gompers is that he escaped indictment himself upon a similar charge in the same conspiracy.

Then follows this statement:

> It is high time some one said a few wholesome things of Mr. Gompers. It will serve to arrest a vicious tendency to let him run riot in the methods of intimidation and coercion he has habitually employed against men of both parties for several years.

Then the challenge "Gird up your loins, Mr. Gompers," which I already have read. Then this paragraph comes:

> Mr. Gompers is now supporting the Democratic ticket and I am perfectly satisfied to have him do so. He is welcome, and the party is welcome to his support. I do not know what his original politics was, if he ever had any. I think he follows about the same characteristics as the McNamara brothers do, and preys upon all in turn, playing no favorites at any time where benefits can be acquired.

Mr. President, a moment ago, before I took the floor, the Senator from Illinois was in his seat, but left before I rose. I at once sent a messenger to try to find him, because I wanted to make these observations in his presence. He has not returned to the Chamber, and I assume, of course, the messengers were unable to locate him.

Mr. GALLINGER. Mr. President, I think the Senator must be mistaken when he says the Senator from Illinois was in his seat a little while ago.

Mr. REED. I was not mistaken; I saw him.

Mr. GALLINGER. The Senator who sits next to him did not see him, and I did not see him.

Mr. REED. The Senator was in his seat, and I saw him a few moments ago. Perhaps he was not in his own seat, but he was in the Chamber, unless I am afflicted with bad eyesight. So what I am going to say is a very different statement than I would make if the Senator from Illinois were here, because if he were here I should make the statement very much more

forceful. I am now informed that on the last roll call, which occurred only a few moments ago, the Senator from Illinois did answer to his name. I make that statement only because it fortifies my statement that the Senator was in the room a few minutes ago.

Mr. President, I hold no brief for Mr. Gompers, but I regard it as a misfortune that a man should be practically accused on the floor of the Senate of being a murderer, if not that of being in league with murderers, and of being one who preys upon society, when the sole offense of which he appears to be recently guilty, according to the statement of the Senator from Illinois, is that he is supporting the Democratic ticket.

I sometimes think it is a misfortune that men on the floor of the Senate are immune from the pains and penalties of the law against libel and slander. I have known Mr. Gompers in a way—not intimately, but I have been thrown in contact with him—for a number of years. I have had occasion to follow his public acts; for I speak of his acts in connection with the great labor organization to which he belongs as in the nature of quasi-public acts. I have never known him to do an unjust or unlawful act. Instead of being an instigator of strife, it is well known that he is one of the most conservative advisers of that great body of men of which he is the head. I challenge any man to point to a single time when Mr. Gompers has not sought to promote the interests of the great laboring classes of this country by peaceful means.

It is true that in this vast army of organized labor there have been extremists, and it is true undoubtedly that the McNamaras dipped their hands in the blood of their fellow men; but that they represented the sentiment and desire of organized labor no decent man in this country will charge.

There have been men, there are occasional individuals, who attach themselves to every society, to every organization, whether secular or ecclesiastical, who do so for sinister and evil purposes, who reflect by their acts discredit upon the organizations to which they belong. There are men who have sat in this Chamber whose words and conduct have not added luster to this body. But only the most narrow, the most prejudiced, the most evil-minded of men will charge the individual act of one wicked man to an entire body of men.

Mr. SHERMAN entered the Chamber.

Mr. REED. I am glad to observe that the Senator from Illinois has entered the Chamber. The man who will condemn organized labor because two or three of its members individually engaged in a murder conspiracy will make a charge and issue a decree of condemnation which is discreditable to its author.

It is true a number of men were tried and convicted, but of what? Of willful murder, as the Senator's remarks would seem to charge? They were convicted under this section of the statutes, and upon no other:

> It shall be unlawful to transport, carry, or convey any dynamite, gunpowder, or other explosive between a place in a foreign country and a place within or subject to the jurisdiction of the United States, or between a place in any State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, and a place in any other State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, on any vessel or vehicle of any description operated by a common carrier, which vessel or vehicle is carrying passengers for hire.

The charge was that dynamite had been sent in that way by somebody. The great majority of these men were connected with that charge through certain letters they had written, and in a number of instances those letters were as susceptible of a perfectly innocent construction as of an evil one. I say now, touching three men who were convicted from my own State, all of whom I personally know, that I do not believe they had any more idea of engaging in a criminal enterprise than I believe the Senator from Illinois would engage in such an enterprise.

The Senator said that Mr. Gompers was fortunate in escaping indictment. Why? Does he know of any act of Mr. Gompers that is indictable? Or was that the mere explosion of the Senator under the privileges of this floor?

It is true, not that Mr. Gompers but that the controlling board of the American Federation of Labor, believing that these men were innocent, furnished them some funds for defense; and a number of men were declared to be innocent. Every man in this world is entitled to a proper defense in court; and the furnishing of money to afford him that defense is not a criminal act in and of itself; nor does it make the man who furnished the money particeps criminis, nor justly place him in a position where he can be assailed on this or any other floor as a fellow conspirator in acts of murder. Neither is such an act as I have referred to—as has been suggested to me by a Senator sitting by my side—inconsistent with the highest citizenship.

Mr. President, I do not know whether Mr. Gompers is supporting the Democratic ticket or not. I do not know whether Mr. Gompers ever takes part in politics. I do not know whether he is a Republican or a Democrat. I would naturally infer that his leanings would be toward the Democratic Party, because he has expended the forces of a truly great mind and the energies of a great heart in endeavoring to conserve the interests of the great body of the common people. When this kind of charge is made against Mr. Gompers, it is not a reflection upon him alone. For many years he has stood at the head of the organized labor of the United States—that vast body of men whose brains and energies run every great industry of this land; whose powerful backs and mighty arms are producing the wealth of this country; who guide the locomotive through the storm and the night, drawing its precious freightage of human lives; who stand within the glare of roaring furnaces, and, at the brink of death, snatch wealth for the benefit of all; who toil in the starless night of the mine and bring up the glittering gold and the shining coal for the benefit of all the world; who meet upon the Sabbath day in temples of religion and at their firesides bow before the God that made us all; who in the light and shadow of life gather their families about them and fight the battle of existence for the benefit of wife and child and country; who have enlisted in every war and died on every battle field; whose blood is our blood; whose hearts are attuned to the highest character of citizenship and manhood. That great body of men have placed and kept at their head for many years Samuel Gompers; and an attack such as has been made upon him is an attack upon the men who have so long honored him and so faithfully followed him.

Mr. GALLINGER. Mr. President, will the Senator yield?

Mr. REED. Yes; I yield.

Mr. GALLINGER. The Senator says that he does not know that Mr. Gompers has ever taken part in politics. The Senator recalls the fact that Mr. Gompers and three or four other men with him went into Maine a few years ago for the announced purpose of defeating Mr. Littlefield because Mr. Littlefield had not agreed to the matters that Mr. Gompers undertook to force through Congress.

Mr. REED. I said I did not know whether he was a Democrat or a Republican; but I expect that, when he finds a man who has absolutely stood against the interests not only of labor but of the country, he has voted against him and perhaps worked against him. Incidentally, the lobby investigations of this body will show that in that same election an organized lobby, having its headquarters in this town, sent its emissaries into Maine to work for Mr. Littlefield and the Republican ticket, and sent its funds there to corrupt labor men and to flood that State with money.

Mr. GALLINGER. Mr. President, what I meant to say to the Senator was that I think he is mistaken when he says that Mr. Gompers does not interfere in elections. Mr. Gompers invaded New Hampshire last November and issued a proclamation containing 12 counts against the Republican candidate, almost every one of which was either untrue or partially untrue, and rallied the forces all over that State.

Mr. REED. That is, against the Senator himself?

Mr. GALLINGER. It was against me personally; yes.

Mr. REED. Mr. President, I so like the Senator personally that I would dislike to vote against him in his own State; but, believing, as I do, that the Senator's whole idea of public business is a mistake, if I lived in the Senator's State I would have to bring some charges against him myself, and I have not any doubt that if he lived in my State he would reciprocate.

Mr. GALLINGER. If I lived in Missouri I would reciprocate; no doubt of it.

Mr. REED. But I would not expect, because I went into his State, that any man anywhere would accuse me of being a criminal.

Mr. GALLINGER. Well, I am not discussing that feature of it, Mr. President; not at all. I merely wanted to suggest that Mr. Gompers does interfere in politics in this country, and interferes oftentimes in a way that is utterly unjustifiable.

Mr. REED. Well, now, for instance, he went to the State of Maine when there was an organized lobby known as the Manufacturers' Association, represented by that distinguished gentleman, Col. Mulhall, doing business in that State. Mr. Gompers went there to make speeches, I presume, against him. Is there anything wicked or wrong about that?

Mr. GALLINGER. It simply disproves the Senator's contention that Mr. Gompers does not interfere in politics.

Mr. REED. I did not make that statement.

Mr. GALLINGER. I understood the Senator to say so.

Mr. REED. I said I did not know whether he was a Democrat or a Republican.

Mr. GALLINGER. The Senator went beyond that.

Mr. REED. But I can understand that, being a good citizen and being interested in labor, he naturally went up to offset the effect of the lobby that was operating in Maine in the interest of the Republican ticket.

Mr. GALLINGER. Yes. Then he was a Democrat, of course.

Mr. REED. Why, he was at that time acting not only in the cause of Democracy but in the cause of good citizenship.

Mr. GALLINGER. Perhaps so.

Mr. SHERMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Illinois?

Mr. REED. I do.

Mr. SHERMAN. Does the Senator from Missouri know whether or not Gompers, junior—Samuel J. Gompers—is on the Democratic pay roll under this administration in a political office?

Mr. REED. Mr. President, I do not know whether Mr. Gompers has a son or not. Does the Senator from Illinois?

Mr. SHERMAN. I shall in due time enlighten the Senate as to the condition of the Gompers family with reference to the public pay rolls, and also with reference to drawing subsistence from various labor unions in this country.

Mr. REED. But if Samuel Gompers has a son, and the son is upon the pay roll and is drawing a salary from the Government, is that any warrant for attacking the father? Does it close the mouth of the father so that he can not speak? Does it give occasion to intimate that he is a murderer?

Mr. SHERMAN. Mr. President, will the Senator yield?

Mr. REED. Yes; I yield.

Mr. SHERMAN. The Senator is wandering from the question. I was asking if there was not some cumulative evidence on the question of whether Mr. Gompers at times engages in politics. I will get to the question, as, no doubt, the Senator will before he concludes, of Mr. Gompers's connection with various matters of public concern other than political ones.

Mr. REED. Well, I declare I do not know why I was interrupted now. Is it the idea of the Senator that, if Mr. Gompers has a son working down here in a department, it is a crime, or that it proves that he is a Democrat? Why, it does not even prove that the son is a Democrat. It does not, under this administration, even raise a strong presumption that he is a Democrat. [Laughter.]

Mr. SHERMAN. I hope that will be heard in Missouri, as the Senator is a candidate.

Mr. REED. There is not anything I say on the floor of the Senate that I will not be glad to repeat in Missouri. The only real complaint I have against this administration is that it has kept too many Republicans in office.

Mr. SHERMAN. Let me inquire, if the Senator will permit me, whether it would be any evidence if Gompers, jr., held an office not under the civil service, but one which is political in character, or might be made so?

Mr. REED. It might be some slight evidence that Gompers, jr., was a Democrat, but what of it? It is not a crime yet for a man to have a son; and although the Senator from Illinois may differ, I venture to say that it is not yet regarded as a crime to be a Democrat.

But I am talking about this sort of language of the Senator from Illinois:

> Mr. Gompers is a public nuisance. * * * I ask him to remember that in the conspiracy leading to the indictment of the dynamiters at Indianapolis, Ind., before they were tried, before the instrumentalities provided by the Department of Justice had resulted in a public hearing where justice might be administered, Mr. Gompers set up a tribunal of his own and tried them and had them acquitted. He prostituted the cause of labor to the point of using the funds of the laboring men of this country to defend these criminals who had, without cause, wantonly, in cold blood, sent to their death 19 men and women in the city of Los Angeles, Cal.

The money that was employed was used to defend men in the city of Indianapolis not one of whom was charged with murder. I am talking about such language as this in connection with that which I have just quoted:

> I say the most fortunate thing that has ever happened to Mr. Gompers is that he escaped indictment himself upon a similar charge in the same conspiracy.
>
> * * * * * * *
>
> I think he follows about the same characteristics as the McNamara brothers do, and preys upon all in turn, playing no favorites at any time where benefits can be acquired.

It had just been charged by the Senator, and it is well known, that the McNamara brothers were murderers of the blackest type. Here is the language:

> I think he—Gompers—
>
> follows about the same characteristics as the McNamara brothers do, and preys upon all in turn, playing no favorites at any time where benefits can be acquired.

If the Senator will make that charge off the floor of the Senate, where he has not the legal protection which is afforded in this Chamber, I will guarantee a judgment in libel if he makes it in writing and in slander if he makes it orally.

Now, Mr. President, Mr. Gompers wrote the Senator from Illinois a letter. I will read a copy of it, and that is all I have to say:

> AMERICAN FEDERATION OF LABOR,
> *Washington, D. C., August 17, 1916.*
>
> Hon. LAWRENCE Y. SHERMAN,
> *Senator from Illinois,*
> *Senate Office Building, Washington, D. C.*
>
> DEAR SIR: A few days ago, among a number of things that you took occasion to discuss in addressing the United States Senate when the merchant-marine bill was under consideration, you made a violent attack upon me personally.
>
> I shall not undertake here to make answer to your misrepresentation of me; your willful, malicious, false, and unwarrantable accusations and insinuations, they may well be left for discussion at some other time. But there is not a word I have uttered nor an action I have taken but which has been directed and approved by the American Federation of Labor and its great rank and file. The only inference of your attack, therefore, is not upon me personally or officially but upon the policy, principles, and activity of the American Federation of Labor and the whole body of wage earners who has been and are striving in an American fashion and lawful manner to secure a better standard of life, and equal rights and concepts of these rights with every other citizen of our Republic.
>
> After assuring the President of the Senate that you would not occupy the floor so long as the last time you indulged in some comments on the shipping bill, you then, by way of explaining your position upon that bill, declared "Mr. Gompers is a public nuisance." It is a necessary inference that the portion of your remarks immediately following constitute the grounds for your judgment. The natural interpretation of your various assertions is that the political policy of the American Federation of Labor is displeasing to you, and inevitably raises the question whether or not you would have stigmatized the president of the American Federation of Labor as a public nuisance if he had publicly indorsed the Members of the United States Senate, including yourself, had you voted in favor of excluding associations of wage earners from the application of antitrust legislation.
>
> And I am again constrained to wonder if you would have stigmatized me as a public nuisance had you found me pliant and usable in furthering your political aspirations or if you thought my personal influence or the influence of my office could be secured by offer of reward, whether money or office.
>
> From both the tone and the context of your remarks upon the merchant-marine bill it is evident that you are addressing all those who shall vote at the polls in the November election rather than the lawmakers who constitute the United States Senate. The insinuations you make are calculated to appeal to the prejudiced, but they are repugnant to honest men who have regard for the good name of a man who for years has contributed the best that is in him to the cause of humanity.
>
> I have never attempted and do not now attempt, as I have not the power, to deliver the vote of any man or group of men. I am intrusted with the affairs of the American labor movement as guided and decided by the rank and file of the workers of America.
>
> If the truth which I state as to the antagonism toward labor and labor's interests and the interests of the people generally is intolerable to you or to any other man, that is not my fault. It is impossible for me to be either tyrannical or arbitrary, for there are no such powers vested in the president of the American Federation of Labor. As an officer in the labor movement, and as a citizen, it is my right and my duty to advise my fellow citizens and fellow workers.
>
> I am thankful that I was not indicted either with the "Indianapolis dynamiters" or with any others. I imagine that you ought to be thankful that you were not indicted with bank defaulters, trust speculators, and other buccaneers in the industrial and commercial field; simply because you believed in their innocence is no good grounds for your indictment, no more than for mine when the "Indianapolis dynamiters" declared their innocence and I believed them to be innocent.
>
> It comes with bad grace from you, Senator SHERMAN, to make so unwarrantable an attack upon one who at least can hold up his head equally with you before his fellow citizens in any assembly or before the bar of public opinion of America. You have endeavored to call me before your partisan political tribunal——

Mr. GALLINGER. Mr. President, I rise to a question of order. If that language had been uttered by a Senator on this floor, he would have been called to order under the rule, and I submit it is in bad taste to bring a letter from an outside party into the Senate and read it when it criticizes Members of the Senate. I think it ought not to be done.

Mr. REED. Mr. President, I claim it is not a criticism. I call the Senator's attention to the language. I do not think he heard it aright.

Mr. GALLINGER. If the Senator on his own responsibility had said it was fortunate that the Senator from Illinois had not been indicted because of his relations to bank robbers and all that sort of thing, the Senator would have been called to order.

Mr. REED. That is not what the letter said. The Senator did not hear it aright.

Mr. GALLINGER. That is the way I heard it.

The VICE PRESIDENT. It does not say that.

Mr. GALLINGER. I should like to have it read again and see if it does not say that.

Mr. REED. The Senator will notice the language. I am reading it again for the benefit of the Senator:

I am thankful that I was not indicted either with the "Indianapolis dynamiters" or with any others. I imagine that you ought to be thankful that you were not indicted with bank defaulters, trust speculators, and other buccaneers in the industrial and commercial field; simply because you believed in their innocence is no good grounds for your indictment, no more than for mine when the "Indianapolis dynamiters" declared their innocence, and I believed them to be innocent.

Mr. GALLINGER. If the Senate is of opinion that a man outside of this Chamber can write a scurrilous letter to a Member of this body and have it read in this body criticizing a Member of the body, then I have nothing further to say. I know the time has been in this body when it would not have been allowed, and it ought not to be allowed now.

Mr. REED. Mr. President, I think I know the courtesies and decencies of debate.

The VICE PRESIDENT. The Senator from Missouri will allow the Chair just one moment.

Mr. GALLINGER. Mr. Gompers has the public press at his disposal and he has the street corners if he wishes to occupy them, but he has not any right to come into this body and have a Senator repeat any such scurrilous talk as is in that letter.

Mr. REED. Mr. President, this is what I understand this language to be and nothing except this: He says, in effect, to the Senator from Illinois, "You charge that I ought to be thankful I was not indicted with the dynamiters, whom I believe to be innocent. I might reply to you and say with equal justice you are fortunate in not being indicted with bank defaulters whom you believe to be innocent." In other words, he simply analyzes the argument and shows the absurdity. It is not an attack upon the Senator from Illinois. If I so understood it I would not read it. I do not put the construction on it the Senator does. I think I know the decencies of debate and the rules of this forum. I have frequently received, as we have all received, letters reflecting upon some other Senator. I have not read them. This, I take, is merely in effect saying, "You are unjust when you charge me with being a party to a conspiracy simply because I believed the men to be innocent, just as I would be unjust to charge you with being a bank defaulter because you may have believed in the innocence of those men."

Mr. GALLINGER. Those men were tried in a court of the country and condemned and sentenced. Yet Mr. Gompers has the effrontery to say that he believes them innocent.

Mr. REED. He said he believed they were innocent at the time he took this action. I believe, notwithstanding the conviction, some of those men were innocent of any wrongful or criminal intent, and I say that after a considerable examination of the record.

Mr. SHERMAN. Mr. President——

Mr. REED. But I do believe that the McNamara brothers, and perhaps some others, were guilty, and that the men who were guilty deserved the sternest punishment the law could have administered.

Mr. SHERMAN. Will the Senator yield?

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Illinois?

Mr. REED. I do.

Mr. SHERMAN. Partly answering the Senator, I ask him if he believes any of the defendants in the case named were guilty—any two or more?

Mr. REED. There may have been some of them. The evidence was pretty convincing against them.

Mr. SHERMAN. You said you believed some of them were guilty?

Mr. REED. Yes.

Mr. SHERMAN. You have not said in reply to the question propounded whether you believed any two or more of them were guilty.

Mr. REED. I say that I thought from my examination of the evidence it was pretty conclusive against some of those men.

Mr. SHERMAN. I assume, then, the Senator thinks some of them were properly convicted?

Mr. REED. I think that is probably true.

I continue reading this letter:

You have endeavored to call me before your partisan political tribunal and to convict me of divers crimes, even without trial. You then advocate pitiless publicity and challenge me to answer you "like a man." I accept your challenge, and will meet you in any public forum that you may designate, whether in Washington or in the metropolis of the State you represent, in order that the people "may be given a chance" to judge as to the justice of your attack and as to the wisdom of the political policy of the American Federation of Labor.

Yours, etc.,

SAMUEL GOMPERS,
President American Federation of Labor.

Now, Mr. President, I have said this much because I think in justice it should have been said. I appreciate as much as any man the propriety that ought to be always observed upon this floor, and I say again that I do not find in this letter which I read anything which transgresses the rules or the spirit of the rules of the United States Senate.

Mr. SMOOT. I ask unanimous consent that the Senate proceed to the consideration of the calendar under Rule VIII.

Mr. GALLINGER. I object to that for the present.

Mr. SMITH of Georgia. By request of the Senator from North Carolina [Mr. SIMMONS], chairman of the Finance Committee, who is at this time engaged out of the Chamber, I move that the Senate proceed to the consideration of House bill 16763, to increase the revenue, and for other purposes. He only wishes to make it the unfinished business, and not to have it considered this afternoon.

The VICE PRESIDENT. The question is on the motion of the Senator from Georgia.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill.

Mr. SHERMAN. Mr. President, I should like to be heard on the revenue bill for a short time, for the occasion that calls forth the letter read from the distinguished gentleman was very largely an appropriation item in the sundry civil bill some time ago, and some remarks which I considered were a part of my public duty in this body, in order that I might upon the issue raised invoke the verdict of the law-abiding people of this Republic. I am content that the issue be raised in the Senate and that it end at the polls.

Mr. GALLINGER. Mr. President, will the Senator yield one moment?

Mr. SHERMAN. Yes, sir.

Mr. GALLINGER. I took exception to the language that was used in the letter which was read, saying that if the Senator had used it on his own responsibility he would have been called to order and not have been permitted to proceed. Now, I have a copy of that letter in my hand.

Mr. SHERMAN. It is the original.

Mr. GALLINGER. It is the original, and here is what this outside man says about a Senator:

Your willful, malicious, false, and unwarrantable accusations and insinuations.

Mr. President, if that had been uttered by a Senator here he would have been called to order.

The VICE PRESIDENT. That is just the difficulty as to a ruling on the part of the Chair. The Chair does not care to rule upon this question, and submits it to the Senate. It was not language used by the Senator from Missouri.

Mr. GALLINGER. No; and it is much less excusable on that account.

The VICE PRESIDENT. The rule has nothing to do except with language with which one Senator shall impute evil motives to the conduct of another Senator. The Senator from Missouri, as I understand it, is not adopting the language of the letter; I did not understand him to do anything of that kind; and whether it shall be printed or not is a matter for the Senate to settle. If the Senator from New Hampshire raises the question as to whether it shall go in or be excluded, the Chair will submit the question to the Senate.

Mr. GALLINGER. I certainly do raise that question. I intended to move that it be stricken from the RECORD.

The VICE PRESIDENT. That question the Chair leaves to the Senate.

Mr. GALLINGER. I wish simply to say in addition to what I said that a Senator who brings a letter of this kind into the Senate and reads it in his own time becomes responsible for it.

Mr. SHERMAN. Mr. President, I would not raise the question myself, because in a manner, whatever the occasion was that called out the letter, I was responsible for that occasion. What the rules of the Senate may be or what the uniform course or procedure for many years has been in the Senate I am not able to say, because I have been a Member here for a comparatively short time. Whatever the rules of the Senate are I shall not undertake to say, but leave that to be determined by the Senate. But on my own account I wish, Mr. President, to say, so that I may not be misunderstood, that I would not complain about this letter nor anything else put in the CONGRESSIONAL RECORD when I myself have furnished the initial point out of which the documents or letters have grown. If I am willing to give blows, I am equally willing to receive them.

Mr. GALLINGER. Will the Senator yield to me one moment?

Mr. SHERMAN. Certainly.

Mr. GALLINGER. In view of the statement just made by the Senator from Illinois, I will not make the motion I suggested that I would make. If the Senator is quite content with the present situation, I have no right to intervene.

Mr. SHERMAN. I am.

Mr. GALLINGER. And I content myself with entering my protest, as I did.

The VICE PRESIDENT. The Chair was further induced to take no notice of the matter because once before the Senator from Illinois said he would take care of himself, regardless of the rule.

Mr. SHERMAN. If the Senator from New Hampshire wishes or did wish to protect the dignity of the Senate or the uniform course of procedure, I would yield without question; but so far as any protection of the rules might be given the Senator from Illinois, I do not ask that they be invoked.

If Mr. Gompers is able to be elected a Senator in any State of the Union and can come upon the floor, I will meet him on the controversy growing out of the issues named. I am perfectly willing to do so, where the controversy may be discussed upon an equality; but if the laws of dueling, however pernicious they may have been at one time, and which I abhor, were still in force, I would say to Mr. Gompers that I do not fight with anybody except those of my own class.

I would decline, so far as Mr. Gompers is concerned, to engage with him in public debate on a platform politically, socially, ethically, or economically, because we would not meet upon a common footing.

I made whatever remarks I made, Mr. President, in the Senate in discharge of what I considered my official duty. It is true it was a digression from the matter immediately connected with the shipping bill, but certain things had occurred and certain arguments had been used which I thought made it proper for me to raise the question at that time. So I will consider it as properly before the Senate.

I do not think that Mr. Gompers in this letter states his case. Like every other evasive, uncertain, and somewhat vacillating antagonist, he retires behind the shelter of innocent men. He says such criticism as might have been directed against him was a criticism of the American Federation of Labor. He insists that it was a criticism upon the unionized labor of this country. It was not. No one knows it better than Mr. Gompers. He habitually runs to cover that way.

I know something, Mr. President, of the organized labor of this country. I have dealt with them in smaller areas than the jurisdiction of this Senate. I have never been classified as unfair in response to their legitimate demands, either in legislation or in administration. It was reserved for Mr. Gompers to go about over this country seeking politically to destroy all whom he could not own. That is our offense; that is my offense; that is the offense of some of you gentlemen on the other side of the aisle.

In April, 1913, before I had scarcely removed the dust from the vacant seat I then occupied, I was called on to vote in the sundry civil bill on the question of excluding farmers' organizations, horticultural societies, and labor unions from prosecution under a $300,000 item in that appropriation bill designed to prosecute violations of the Sherman antitrust law. I voted to treat union labor and the members of union labor as I vote to treat you, gentleman, in your private capacity. Not a solitary farmer, Mr. President, in all this country complained to me that he felt discriminated against because of our vote on that question; not a solitary horticulturist in all the country made complaint.

I know as much of the farmers' sentiment in this country, I think, as does the average Senator. I was a farmer until I was 23 years of age. All of my relatives, both in Ohio, Illinois, and Indiana, are yet farmers and stock raisers. I think I have produced more useful material for the food, clothing, and shelter of the human family in my time with the work of my hands than Mr. Gompers ever produced in all his life from the time when he was an alien or since he has become a naturalized citizen. I assume he has become a citizen. I never saw the court records to indicate it; but I will take it that he became naturalized before he undertook to run the American Government.

After the vote to which I have referred was taken Mr. Gompers assailed us—and if I mistake not the senior Senator from New Hampshire [Mr. GALLINGER] voted as I voted on that question——

Mr. GALLINGER. I certainly did.

Mr. SHERMAN. And others voted that way. It was not a political question. I think some of my Democratic brethren in the Senate voted that way, because they believed that way. Immediately from that issue Mr. Gompers sallied forth into this country breathing fire and slaughter. The Senator from New Hampshire has spoken of the activities of Mr. Gompers in his State and in other States. I know something of his activities. More than a hundred thousand lithograph telegrams were sent out—not at the November election but at the Republican primaries—in Illinois bearing Mr. Gompers's signature, blacklisting the Senator from Illinois, who in the following March would have served 23 months, when the term would have expired, and who was a candidate for reelection. I was blacklisted as unfair to organized labor because of my vote upon the item mentioned.

I knew well enough what would happen when I voted that way. Mr. Gompers was in Washington, if not in the Senate gallery; divers gentlemen representing him are here nearly all the time. We all know it.

The easy way would be to float with the stream of popular affairs in such legislation. We know that to do otherwise breeds trouble. Because of that, Mr. President, Mr. Gompers saw fit to blacklist and to mark for slaughter every Senator who was up for election in 1914 who had voted contrary to his orders. For myself, Mr. President, I say to Mr. Gompers that I shall continue to vote to represent the American people in this Chamber; I shall continue to vote to represent my own constituents secondarily, upon whom I must call for reelection when terms expire. I am an American. I can earn my living to-day with my hands better and more usefully than Mr. Gompers can or ever did. He is a parasite upon the body of organized labor, a creeping poison ivy upon the whole structure of the industrial world.

Mr. President and gentlemen of the Senate, I draw the distinction between legitimate organized labor and those who prostitute their righteous cause.

I have dealt with John Mitchell, with Duncan Macdonald—one of them being at one time president and the other then and still, I believe, the secretary of the Mine Workers' Union of America. We have in my own State 100,000 soft-coal miners, all of whom are unionized. After my vote in this body in April, 1913, Mr. Gompers took the course I have indicated. All the union labor outside of the city of Chicago in the great soft-coal fields in my own State were reached by his communications.

Still he is not in politics. He was interfering in a Republican primary. Unfortunately, Mr. President, he claims to be a Democrat. I do not apprehend that some of you on the other side regard him as any particular accession to your ranks, because he would as soon turn upon you and assault you when you refuse to become his punch-button messenger boy, as he did upon us who refused to do his bidding here three years ago.

He sought, therefore, to control Republican primaries in the first instance. After the nominations were settled we had a fight in the State, a three-cornered fight, Mr. President, because the triangle in politics had not then disappeared in the course of political affairs. So there were at that time three candidates. Mr. Gompers took occasion to support, I think, the Bull Moose candidate in Illinois. I do not know what he did in other States, because he is a political chameleon.

He tells of his devotion to the cause of labor. It is not; it is his devotion to the Gompers family. Samuel J. Gompers, his son, is on the Government pay roll in a $2,500 position under this administration; and if this administration should be unhorsed, Mr. President, he is just as apt, chameleon like, to change his politics and claim office under any other party. With him it is a question largely of anything to stay on the pay roll under any kind of an administration. He is a most liberal gentleman in his tastes when it comes to office holding and to getting money, I repeat, out of the sweat of somebody's else face, whether it be an iron molder in the foundry, whether a brakeman on the trains, whether a woodworker or a leather worker or a worker in the metal trade. He is just as anxious to get the wherewith as anybody in this whole country. So he is devoted to the cause of Gompers, and not the cause of union labor.

I met this gentleman, as others of us did. He was impartial in his blows. I do not know certainly whether or not he hit the Democrats quite as hard as he hit me, but that is a matter of no concern, because I always like a good fight; nobody complains about that, and it is something of that spirit that makes me offer no objection to incorporating Mr. Gompers's letter in the CONGRESSIONAL RECORD, where it may be preserved for posterity, along with certain other letters which I shall put into the RECORD before I conclude, written likewise by Mr. Gompers.

In the many years that I served in a smaller legislative body, Mr. President, some of the most acute labor questions came to the capitol where I was serving that ever engaged the attention of this country. Chicago, as all know, is in a formative state; matters are not settled, and so the continual struggle between the employer and the employee kept us on the grill a large part of the time. You will not find in the Mississippi Valley, unless based on political reasons, a solitary representative of the union laborers in Chicago or elsewhere, Mr. President, that ever clas-

sified me as unfair in dealing with the actual legislation that concerned their craft.

Long before the word "progressive" was ever used, before the phrase "social justice" was invented as a political slogan, we legislated upon questions concerned in those issues. Child-labor laws were enacted many years ago; factory-inspection acts were passed; a revision of the coal mining laws was carried into effect; the union label was protected, so that it could not be used by an unauthorized agent or body; and, without enumerating them all, more than 26 progressive laws dealing with the right of labor to be fairly treated were acted upon and passed into the statutes of the State having within its limits the second largest city on the Western Hemisphere, involving as difficult problems in the labor world as there are in the Republic.

Not a word of complaint was ever heard until Mr. Gompers took it upon his shoulders to destroy Senators in this body who would not take orders from him. I declined to do so. I did not take them then; I will not do so now; and I shall not do so hereafter.

Mr. Gompers says in his letter that organized labor was attacked when I criticized him. Is he "organized labor"? He is the president of the American Federation of Labor, it is true, but count up all who work with their hands, skilled or unskilled, in this country, and put them alongside of the few in that organization that Mr. Gompers can influence, and the latter are an infinitesimal part of the whole body.

It is true the great Federation of Labor is a much larger and more imposing and dignified body than Mr. Gompers, and when I criticized Mr. Gompers I did not criticize him because he was the executive of the American Federation of Labor; I criticized him because he prostituted the temporary power he had for ends illegitimate and foreign to his duty.

The intelligent laboring men of this country can discriminate between criticism of Mr. Gompers and criticism of the union. Mr. Gompers, true to his nature, every time he has ever been attacked, immediately runs to cover behind the shield of the organization that he claims to represent. Mr. Gompers is a bluffer.

Mr. REED. Mr. President——

The PRESIDING OFFICER (Mr. BRYAN in the chair). Does the Senator from Illinois yield to the Senator from Missouri?

Mr. SHERMAN. Yes, sir.

Mr. REED. If the Senator thinks he is a bluffer, why does he not accept his challenge to meet him in debate, and not impose the impossible?

Mr. SHERMAN. Because I have better things to do than to spend my time on a platform with a man that I regard as both a bluffer and a political coward. I decline to regard him as a fit antagonist in honorable discussion. Let him run for office the way we do. Let him go before all the people, and not before the chosen few surrounding him. Let him run for office and come into the Senate and meet on an equality. I fight with my own kind, but I resolutely refuse to engage in a scuffling match with one whose ideals of controversy are similar to the defensive methods of an American skunk.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator yield further?

Mr. SHERMAN. Yes.

Mr. REED. The language the Senator has just employed, I notice, does not at all offend the sensibilities of the defender of the rules of the Senate, the distinguished Senator from New Hampshire.

Mr. GALLINGER. Mr. President——

Mr. REED. But if the Senator regards Mr. Gompers as a bluffer and a coward——

Mr. SHERMAN. I am entirely impartial. The Senators can both talk if they do not take me off the floor.

Mr. REED (continuing). Why does not the Senator meet him? If he is too small a creature for the Senator to meet in debate after he has challenged him to do so—that is, the Senator challenged Mr. Gompers in his words which I read—why is he not too small for the Senator to attack here?

Mr. GALLINGER. Mr. President, if the Senator from Illinois will permit me, as the Senator from Missouri has alluded to me personally, I will say that if the Senator from Missouri stands in the person of Mr. Gompers, I will then invoke the rule. If he does not, I have nothing to do with Mr. Gompers except to regard him in pretty much the same light that the Senator from Illinois does.

Mr. REED. I stand in no person except my own proper person. I simply call attention to the language, not because it was an attack on Mr. Gompers, but because it was, in my opinion, an attack upon the decencies of debate.

Mr. GALLINGER. Well, Mr. President, the Senator from Illinois will take care of himself, no doubt, on that point. I will risk him.

Mr. SHERMAN. Mr. President, when I was younger, and had less experience and possibly less sense, I spent some of my time on the platform endeavoring to settle a question with a man of Mr. Gompers's type. I have found out that it is love's labor lost. Not only that, but it is casting pearls before swine. "Should a * * * man * * * reason with unprofitable talk?" querieth the man in Holy Writ, "or with speeches wherewith he can do no good?"

If I did not think I was doing the cause of law-abiding, decent American citizens some service, without regard to whether they are Democrats or Republicans, I would not take my time here this afternoon.

The Senator from Missouri asks why I decline to meet Mr. Gompers and still regard him of enough importance to take time here in the Senate on him. Mr. Gompers assumes to coerce and intimidate Senators who do not obey his orders. He assumes to set up a government above and beyond the law of the land. Any man who does this, and attempts to pervert and abuse the confidence of those who trust, to serve sinister ends is a proper subject for reference in this body. It becomes a duty of a Senator to criticize him.

I would not convince Mr. Gompers by a public debate. I would give him an importance I do not owe him. I would not convince a single one of his followers, who are deluded by his professions of being the great servitor of the laboring men of this country who came to hear either of us.

I repeat, if Mr. Gompers wants to run for the Senate and go through the same experience that every other Senator must, either to obtain or to hold a seat in this body, there is no prohibition upon his so becoming a candidate. We can then meet upon equal terms. I invite him to settle in my own State—it only takes a year's residence—and there enter the primaries of any party he pleases, become a candidate, submit his claims to the polls, and see what the voters of that or any other State of the Union think of him as a candidate for public office.

I am holding a public office, as you Senators are. I obtained it legitimately. No one ever complained about either the methods of the nomination or the methods of the election, because my present title comes in a direct primary and a direct election of the people, as some of you Senators now holding your seats likewise hold your title. So Mr. Gompers has an open field to be heard to try out his ideas of government, or of criticism of those who decline to administer government or to legislate as he demands.

I have this to say, Mr. President: I have never had any trouble with a representative of organized labor except Mr. Gompers. I have dealt with the ones named and with many more. You will not find another one who ever raised his voice to place me upon a blacklist, political or otherwise.

I believe in the cause of organized labor, and my conduct has shown the sincerity of that belief. I would extend labor to go beyond that even of the human hand, because without mingling it with intelligent thought it is nothing but unskilled labor and the crudest of human effort. So I would extend labor to include much more than Mr. Gompers's definition.

We Senators are laborers. We have no eight-hour day here at any time, whether we are approaching the end of the session or otherwise. A laborer is anyone who does anything useful in the great field of human effort, that ministers to the convenience, the comfort, the æsthetic taste or the wants in sickness or health of the human family. Anything that produces food, clothing, or shelter, or renders the human habitation or the head of his family and his family more capable of discharging his duty, making life more tolerable, embellishing, adorning, or dignifying life, can be included under the term of labor.

Three thousand years have elapsed since marbles preserved to this day rang with the sculptor's chisel. They are works of art; and the sublime genius that preserved them to our day was as much a laborer in the great vineyard of human affairs as the man who holds the plowhandle or pours the molten iron into the mold in the foundry. The canvas of Titian or of Rembrandt was as much the result of human labor as the work of the man who holds the throttle in the locomotive. Titian died at 99 years of age, of the plague. It shows how good it is for a man to work at something as long as he can stand on his feet.

So we would include all of these things, but Mr. Gompers excludes them all. Nobody is a laborer, according to him, unless he works with his hands. The more you mix your mind with it,

according to Mr. Gompers's definition, the less of a laborer you become.

I protest against the entire philosophy and doctrine of Mr. Gompers. I protest against the infamous doctrine he undertakes to execute in this country in practice, that no man is to be entitled to liberty of action without the covert threat of destruction that he makes every time he sits in the gallery and notes what a roll call discloses. For one, I have grown weary of that dictation. I shall do justice to organized labor in spite of Mr. Gompers, and not because of Mr. Gompers.

I wish to add another paragraph to these general observations. It is my duty. Organized labor in this country will forward its just purposes the more, Mr. President, when it divorces itself from such men as Mr. Gompers.

Mr. Gompers in his letter sees fit to allude to "bankers prosecuted for embezzlement, defalcations, and the like, and other buccaneers of the industrial world," as I remember the phrase, and wishes to know if I consider myself as under suspicion because I sympathized with men who said they were innocent, or because I believed they were innocent.

I never conducted a criminal practice, Mr. President, and for that reason I could do Mr. Gompers no good if I returned to the practice of my profession. I confined myself to civil business, and only upon two or three occasions in my entire lifetime of more than 30 years of miscellaneous practice did I ever defend a man charged with crime. I never in my life defended a banker charged with crime. I never defended a director or a bank officer of any kind charged with crime. I have sued them all with cheerful impartiality in the civil courts, but I never prosecuted or defended any in my life, except that upon one occasion I prosecuted a private banker under the embezzlement laws of our State.

That is the limit of my experience with bankers. I have not for more than 20 years owned shares of stock in any national bank. At one time I owned stock in the old Bankers' National in Chicago. I sold it many, many years ago, before I held any public office of any kind. I have no bank stock now. I have not been in a courtroom for five years this fall, and I have defended no bankers. I never in my life expressed my opinion of the guilt or innocence of any bankers placed upon trial. Neither have I submitted my opinions on the guilt or innocence of defendants to avoid or defeat the ends of justice. I have not undertaken to anticipate the ordinary processes and the trials of a court of justice by declaring that bankers are innocent, rushing into print, and endeavoring to forestall the verdict of a jury or the sentence of a court. I have been content to leave the administration of justice to the ordinary tribunals charged with that responsibility. I have not collected money and defended criminals who pleaded guilty.

It is worth more in this country that the American citizen should let the administration of justice proceed fairly and serenely upon its great mission in popular government than any other duty I can mention, Mr. President.

Let me say to Mr. Gompers, let me say even to those who may sympathize with him, but particularly to those who do not—and I know there are some in the ranks of unionized labor who do not—let me say something that is universal in its application, that is national in its scope, and that is vital in its necessary effects upon the American people:

The mere fact that a man is a member of a labor union gives him no superior rights under the laws of our country. Members of organized labor who break the criminal laws of the land are as much amenable to punishment, and are as justly prosecuted, as anybody else in this country. If a question were evenly balanced in civil or criminal controversy, with union labor on one side awaiting a judgment or a verdict, I would give the laboring men of this country always the benefit of the doubt, either in litigation, prosecution, or legislation. I have had and now have that tender regard for the man who sometimes is not able to present fully his side of the case.

The bane of public life to-day is that there is a double standard of criminality. It is claimed by Mr. Gompers and his school of thought that a given act committed by a union man in the cause of union labor is innocent, while if you or I or two or more of us commit the same act we are guilty of a felony.

I do not subscribe to this doctrine. I believe every union man in the country is as much under the obligation of obeying the laws of this country as I am myself.

If there is to be raised in this country an issue that no crime can be committed by unionized labor, according to Mr. Gompers's belief, then this country is not worth paying taxes for, and is not worth fighting for in war, or behaving yourself in time of peace. If this can not be a government of law, if it must become a government of classes with some punished and others exempted, it ceases to be popular government. It ceases to command my respect. It ceases to command even my allegiance, because this is either the government of all the American people or it is not worthy of the name. It is not a government of labor unions, by the labor unions, over everybody else, exempting them; but it is a government of all of us together.

The sooner we get back to that healthy, sane doctrine of American life, the sooner some of the malignant growths that have fastened themselves upon the body politic will be removed without the surgery of war.

I sound my belief here now—I make the statement advisedly—that the great American issue is not keeping out of war with the Old World, but it is keeping out of civil and internecine strife caused by arraying one class against another and proclaiming the infamous doctrine that the Government is made for some but not for others.

Happily the laboring man, union or nonunion, recognizes this basic truth.

Along with it let them understand equally that when they make an agreement that agreement must be kept. I remember some years ago in some matters connected with the soft-coal miners John Mitchell, who lived in Illinois at that time, was the chief officer of the mine workers' union. The mine worker's union made a schedule, agreed upon it with the coal operators. After a time, when the pinch came, certain of the mine workers' organizations voted to break the agreement. I have always had—whatever other errors he may have committed, this is not one—a very great respect for John Mitchell. I have read his book on labor questions, and it has in it much of value to the thoughtful reader. I have seen him many times under other conditions; but in these circumstances he acted the part of the liberal, strong man. He said to the union to return to their work, to understand that an agreement made by organized labor with their employers was as sacred as the agreement that bound the operator, and threatened them with the loss of their charters if they did not return to work within a given time. That ended that controversy.

Agreements must be kept. There is hardly a week goes past, Mr. President, that at some place the same question does not arise. First, we must abide by the law of the land; next, when agreements are made relating to wage schedules, the conditions of service, and of hours, those agreements for the term covered must be sedulously kept by the ones who sign that agreement.

With these matters, Mr. President, there ought not to be any question. There ought to be no legitimate controversy about them. Simply because certain Senators here thought that a labor union and a farmers' organization ought not to be prosecuted because they violated the antitrust law induced Mr. Gompers to seek to destroy everyone who did not take his orders on that subject. No farmers have blacklisted those who refused to obey Mr. Gompers.

That is where this immediate controversy began. It existed before the occasion referred to. It is an ancient dispute. It will never be settled, Mr. President, until it is settled right. It will be that there are no favored ones before the law. You may postpone the day, you may hesitate, you may evade, you may legislate, you may create acts of Congress, but ultimately it all returns to the same thing. You can not lawfully create classes. You can not punish some and exempt others, until at last there grows up a series of acts which are noncriminal when committed by some and criminal when committed by you and me, Mr. President. That can not endure in this country any more than the country could endure half slave and half free more than half a century ago.

The vital question in this country is that of lawlessness of the kind Mr. Gompers minimizes or condones, and on that I know no favorites. I know nothing except that when it comes to destroying property, to assaulting and beating peaceable citizens engaged in their legitimate occupations, and pursuing them in a lawful manner, to willful, cold-blooded, cruel murder, I know but one rule, and that is to prosecute and punish, to imprison, and to convict and execute those who break the law of the particular jurisdiction where the act is committed.

Let me say this to everybody, those who work with hands or minds, those in a union or out of a union, let me say to the American people that this is one of the supreme issues, not of this campaign, because it is nonpolitical, but the paramount issue for the American people to settle if our rights shall be preserved as they came to us from our ancestors of old. On that I have no politics. I would as soon vote for a Democrat on that question as anybody else. I have fixed beliefs on that subject, but I have no politics. I shall act in accordance with my understanding of the law of the country and the proper way in which civil society can be preserved.

Why, only a few weeks ago, Mr. President, in the city of Chicago a number of men were convicted of smashing plate glass all over the city. It was an organized conspiracy of the glaziers and joiners and certain branches of the metal workers' trade. What were they doing it for? For a double purpose. One was, the evidence showed pretty conclusively, they were hired by the venders and distributers. The other was that certain of the jobs were done by nonunion labor. They are now in jail for one year. They were convicted. The judge was threatened who tried the case; witnesses were threatened; a dynamite shell was set off by the house of an important witness to frighten him into silence or flight.

Have I heard Mr. Gompers raise his voice denouncing any of those gentlemen? Not once. Have I heard Mr. Gompers's voice at any time denouncing any of the numerous acts af violence that occurred by these men? Not once. Have I heard his voice at any time before the McNamaras were convicted? I have heard this. I beg to read this, dated July 27, 1911, because some letters have been placed in the RECORD, and I will be very glad now to complete that record and place one of Mr. Gompers's letters in the RECORD:

From Los Angeles last October came the news that a terrible catastrophe had occurred in that city; that the Los Angeles Times Building has been destroyed, with the loss of a number of lives. The first word spoken, even before the flames had completed their destruction, by the emissaries of the Times contained positive declarations that organized labor was responsible for the disaster. Qualifying statements were conspicuous by their absence. Wide publicity was given; warped and unsupported allegations against the organized workmen of the entire country were featured. Vast sums of money were dangled in the faces of unscrupulous men to fasten the crime upon some member or members of the trades unions. The National Manufacturers' Association, backed by the Erectors' Association, citizens' alliances, detective agencies, and a hostile press brought their every influence to bear and appropriated every available circumstance to bulwark and fix in the public mind a mental attitude that the charges against organized labor had been proven beyond the peradventure of a doubt.

This is Mr. Gompers's letter:

The authors of the charge, after months of intrigue and searching investigations, utterly failed to substantiate the flambuoyant and positive accusations that had been made. The public mind was slowly emerging from the hypnotic spell in which it had been developed, and mutterings of suspicion began to be heard against the originators of the indictments against labor men. The position of the hostile employers' association became exceedingly desperate. The Times management, with its years of relentless warfare against humanity, fearing that its Belshazzar feast of organized labor's blood was about to be denied, redoubled its efforts and demanded that a sacrifice must be furnished that its unholy appetite might be appeased, specifying that some union workman or workmen must be supplied to assuage its unnatural and abnormal hunger.

The record of events is too well known to make it necessary to recount them in detail. That "the end justifies the means" became the slogan is patent. With all the forces of greed compactly joined there began a campaign of vandalism the like of which has never before found lodgment on the pages of our American Republic's history. A prominent member of union labor was selected, J. J. McNamara, and one at whom—

Now bear this certificate of moral character from Mr. Gompers in mind, my fellow Senators—

and one at whom the finger of suspicion had never before pointed, whose life had been characterized by an uprightness of purpose and loyalty to the cause of labor, and whose activities in every walk had drawn to him the commendation of his fellows. To give the stage the proper setting and to involve other trades than the ironworkers, J. B. McNamara, the brother, was selected for the sacrifice.

With intrigue, falsehood, and an utter disregard for all forms of law, applying individual force, conniving with faithless officials, the two McNamaras were rushed in feverish haste to the scene of the alleged crime. The rights of these two men have been trampled upon willfully, flagrantly, and wantonly.

Every man, even the meanest, under the constitutional guaranties of our country is entitled to a trial by a jury of his peers, and every man is presumed to be innocent until proven guilty. Thus far the proceedings have been outside the pale of those guaranties. The charge has been lodged against organized labor, and two of its members are now before the bar to answer these charges. What is the duty of the organized-labor movement? What shall be our course? What effort shall we put forth to see to it that justice shall finally obtain?

The intellect, heart, and soul of the men of labor yield to no body or class of citizens in their fidelity in obedience to the law, and their history is replete with instances of sacrifice that humanity may be protected. If within the ranks of labor there are those who permit infractions of the law, then they should be punished, but there should not be instituted a double standard of justice—one for the wealthy malefactor and another for the workman.

The organized-labor movement believes that the McNamaras are innocent. Upon that belief there devolves upon us another duty. The accused men are workmen, without means of their own to provide a proper defense. The assault is made against organized labor equally with the McNamaras.

That is what this letter says. My criticism of Gompers he says is a criticism of the American Federation of Labor. You will notice the perverse ingenuity of the man in immediately dodging the necessary consequences of his own act and insisting that it is the cause of organized labor that is assaulted every time a criminal is prosecuted, every time a murderer is brought to book.

What would you think if every time a banker was indicted for a violation of the banking act the Pennsylvania State Bankers' Association would convene itself or, through its president and secretary, would call upon all the bankers of Pennsylvania to raise funds to defend an embezzler? What would be thought if a lawyer committed embezzlement or a murder and the American Bar Association, the bar association of his own State, should convene and pass resolutions declaring their belief in the defendant's innocence, denouncing the complaining witnesses, asking for a subscription to be made by members of the American bar or by the American bankers of the State or country to raise funds to defend a banker or lawyer who was charged with crime?

What would be thought if, in the resolution, it went further and said all the lawyers of the country are attacked, the bar is assailed, the bankers are assailed, when one of their members or more are charged with a violation of the criminal code?

There is as much reason in the one case as in the other. I shall not let my sympathies, sympathies that rise naturally in every mind and every heart for the man who works with his hands and who possesses but little means to defend himself, overbalance the sense of justice without which the country and civil society can not endure. I continue:

If we are true to the obligations we have assumed, if it is hoped to forever settle this system of malicious prosecution of the men of labor, our duty is plain.

Funds must be provided to insure a fair and impartial trial. Eminent counsel has been engaged. Arrangements are proceeding that a proper defense may be made. The great need of the hour is money with which to meet the heavy drain incident to the collection of evidence and other necessary expense.

Every man who was connected with the kidnaping of the McNamaras will be prosecuted to the full limit of the law. It is proposed that the interests of organized labor shall be fully protected and punishment meted out to detective agencies that assume to be superior to the law. The rights of the men of labor must, shall be, preserved.

The men of labor, unlike the hostile organizations arrayed against us, have not vast sums of wealth to call upon, but they are imbued with the spirit of justice and are ever ready to make sacrifice for principle.

The trial of the McNamaras is set to commence on October 11. In the name of justice and humanity all members of our organizations are urgently requested to contribute as liberally as their ability will permit. All contributions toward the legal defense of the McNamara cases and for the prosecution of the kidnapers should be transmitted as soon as collected to Frank Morrison, 801–809 G Street NW., Washington, D. C.—

The letter which was read by the Senator from Missouri is on the same letterhead, 801–809 G Street NW., Washington, D. C.—

who will forward a receipt for every contribution received by him, and after the trial a printed copy of the contributions received, together with the expense incurred, will be mailed to each contributor.

Fraternally,

SAMUEL GOMPERS,
President American Federation of Labor.

Attest.

FRANK MORRISON,
Secretary.

In pursuance of this circular, believing its representations, organized labor largely connected with the national structural iron workers possibly more than the affiliated federation, contributed $190,000. That was raised and put in the hands of a Chicago lawyer with instructions to defend the McNamaras whom this letter says represented the cause of organized labor in the courts of California.

I denounce that groundless assertion as the basest libel against the laboring men of this country. The McNamaras did not, and heaven save the mark, could not represent organized labor.

I know men, with whom I have been associated with since earliest boyhood, are in organized labor of every nationality, of every creed, from all over Europe they or their ancestors came. They are in every occupation. Looking out of the cab of a locomotive which runs out of Chicago there are many whom I knew in their early days. I fished with some of them along the branches of the Wabash River. I have lived with them all—Protestant and Catholic, Gentile and Jew. I know them in their affiliations, trades, and occupations wherever found. I denounce again as the basest libel upon these men and the law-abiding workingmen of America that the McNamaras represented them in their bloody deeds.

Divorce yourselves now and for all time from the men who prostitute your cause; who would pour into your ears the doctrine that you can rise superior to the laws of civil society; that you can survive by lawlessness and crime; that a reign of terror may be instituted, and that you can live through it all and emerge victors in deeds of violence to vindicate your rights. Turn no willing ear to such talk. Who suggests it is your enemy, not your friend. It has been tried before your generation and mine; it has been tried from ancient days. It has been tried in the earliest dawn of history when Herodotus wrote, when Josephus recited the history of the Hebrews and the Antiquities of the Jews.

You can not escape the solemn experience of mankind; you can not do violence to the immutable principles on which governments rest and the peace of society depends by following

such men as Gompers, who defends the McNamaras, who has never yet apologized, except in this letter—a weak and inefficient apology, as it is, too—who has never apologized other than by writing such a letter and committing, or seeking to commit, the righteous cause of union labor in this Republic to the guidance of such men, and stamping it with the bloody brand of murder and violence throughout our country.

May a beneficent Providence forgive such men; but you, my union-labor friends, whether I know you or not, listen to my voice this afternoon. I will end as I began. I said that in April, 1913, that I might serve out the 23 months, that they would soon circle away into eternity, but I preferred never to hold public office here or elsewhere if I must do so by the surrender of what I think is of more importance than political parties or public office—the right to pursue uninfluenced a course of conduct dictated by conscience and make laws for all and not for a few.

I am talking now not to the Senators. I am talking to the organized labor of the country. Obey the law; ask for legislation; be fair in your dealings; give to others the same liberty of thought you claim for yourselves; avoid crime and those who would counsel or commit you to crime. There is no preservation for you or for me, other than the preservation of peace and total abstention from violence.

One hundred and ninety thousand dollars were sent to California. That sum was put at the time in the possession of Clarence Darrow, who is what we commonly call a "labor lawyer," a very good lawyer, and a pleasant gentleman. I served with Mr. Darrow in the legislature of Illinois in my early days. Mr. Darrow went out and rendered service, as he had in other cases of a like kind. He encountered some obstacles of his own in that State. He himself, it so fell out, was indicted upon a charge on which he was acquitted; but, at least, there was no further difficulty in the trial of the McNamara brothers, charged with murder, for whom Mr. Gompers, by this circular, raised $190,000 to defend as he alleges innocent victims of the vicious capitalistic element of this country.

About the time that Mr. Gompers was getting ready to deliver further maledictions upon the capitalists and the capitalistic press of this country, the McNamaras pleaded guilty. They did not plead guilty in order that they might be a vicarious atonement for somebody else, but they pleaded guilty because their bloody trails had been uncovered; all the way from Cincinnati, from Indianapolis, from Portland, Ind., where they got the dynamite, clear to Los Angles; then to Springfield, Ill., where they blew up an ironworker's job, to the bridge across the Illinois River at East Peoria, to the wrecking of the plant of A. Lucas & Sons, in Peoria, to the wrecking of another piece of work in Chicago—to 40 or 45 deliberate acts of destruction, reaching through several years, the connection and the responsibility of these men were trailed and fixed beyond the peradventure of any doubt. The pleas of guilty were dictated by prudence. If they had been tried by a California jury, if there had been capital punishment in that State, they would have been hanged.

Twenty-one innocent men and women, at 1 o'clock in the morning, in Los Angeles, were, in the twinkling of an eye, sent to eternity for no offense that they had committed, save that they were working in an honest occupation to earn a livelihood. Those are the men whom Mr. Gompers, as I said on the 15th of this month, tried in his self-constituted tribunal, found them not guilty, and denounced their prosecution as a crime against the cause of labor that he represented.

I again say that Mr. Gompers is a menace to the rights of legitimate labor; that Mr. Gompers is in a double sense a public nuisance. He is likewise a public peril. He is a peril to every honest union man in the United States; he is a peril to everyone outside the union who seeks to obey the laws of the land.

This letter is signed, Mr. President, by Samuel Gompers, president of the American Federation of Labor, and by Frank Morrison, secretary. From the headquarters of the International Association of Bridge and Structural Iron Workers, at Cleveland, Ohio, under date of June 8, 1906, a letter was addressed to F. M. Ryan, as follows:

HEADQUARTERS INTERNATIONAL ASSOCIATION
OF BRIDGE AND STRUCTURAL IRON WORKERS,
Cleveland, Ohio, June 8, 1906.

Mr. F. M. RYAN,
Ashland House, New York City.

DEAR SIR AND BROTHER: Inclosed you will find an appeal for financial aid received from Local Union No. 10 of Kansas City.

By referring to President Ryan's letter of the 7th instant, you can readily see our present financial standing and future prospects.

I have forwarded Brother Gerring, the secretary of Local Union No. 28, Richmond, Va., $100 to assist them in their struggle with the A. B. Co. and Erecters' Association.

Am inclosing you statements from Borden and Elsemore, two members of No. 17. The facts in brief are as follows:

Ex-President Buchanan authorized Brother McClory to do some missionary work in Toledo. McClory thought $150 would be sufficient and I issued him check for the amount. He secured four men. Among them were Borden and Elsemore. They went to Toledo and returned to Cleveland. Shortly after their return they were arrested for assault. We secured attorney and had jury trial. Jury disagreed, 11 for conviction and 1 for acquittal.

The remainder of this letter I will ask to insert in the RECORD, without reading. I only quote it to identify Mr. McNamara and his official position, not so much for its contents. It is signed by J. J. McNamara, secretary-treasurer—the same position he held at the time he was arrested and indicted. He was then secretary-treasurer of the structural ironworkers' organization.

The PRESIDING OFFICER (Mr. HUGHES in the chair). Without objection, the matter referred to by the Senator from Illinois will be printed in the RECORD.

The remainder of the letter is as follows:

Our attorney stated that he was positive next trial would result in conviction and advised pleading guilty, with hope of securing parole before election, which was coming up. He also stated that if that was not satisfactory he would withdraw and we could get another attorney. He stated that he was positive that he could secure a parole within 10 days, and acting on his advice I assured the two men they would be recompensed for any time spent in jail. Men pleaded guilty and were sentenced to six months in jail. Attorney proceeded to get parole as promised, but about this time the Central Labor Union of Toledo adopted resolutions against two members of the board of public service, which board was composed of three men and had authority to grant paroles.

The question thus became a political issue, and there was nothing doing in the parole line. When the election rolled around in November the two members of the board of public service against whom the Central Labor Union had adopted resolutions were defeated, but their terms did not expire until January 1, 1906, and they absolutely refused to do anything relative to paroling Borden and Elsemore. When new members took office their authority to grant paroles was questioned and the case taken to court. It was not settled until the 1st of February. Borden and Elsemore were paroled after spending about five months in jail.

Elsemore received $321.30; Borden received $316.80.

They insisted on receiving more money, which I refused to give them, owing to the fact that we had all sorts of trouble and a very small income to handle it with. They seemed dissatisfied, and I told them to take it up with Ryan or executive board.

It was brought to Ryan's attention when he was at headquarters recently, and he refused to have anything to do with it other than to refer it to the board for an opinion. He stated to them that, in his opinion, when all things were considered, they had been very liberally treated by me.

The attorney fees for two trials amounted to something like $169.

Hoping to hear from you relative to the above propositions by return mail, I am,

Fraternally, yours,

J. J. MCNAMARA,
Secretary-Treasurer.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Missouri?

Mr. SHERMAN. Yes, sir.

Mr. REED. I take it that the Senator has considerable to say yet, and I therefore embrace this occasion to advise the Senator that I announced when I took the floor that I was obliged to leave on the evening train. As I only have a few moments, I am compelled to leave, and I know the Senator will not understand that I am going out of any discourtesy to him. I certainly intend none.

Mr. SHERMAN. I understand; and if the Senator wishes to leave, I shall make no personal allusion to him; that is not my purpose.

Mr. REED. That would be all right; but I wanted the Senator to understand that I was leaving because I was compelled to do so.

Mr. SHERMAN. Here are the undisputed matters of evidence showing the vigilance with which Mr. Gompers informs himself as to these people and their conduct, who are afterwards brought under suspicion, finally indicted, and pleaded guilty. This organization is one of the affiliated organizations with the American Federation of Labor. The evidence shows that more than $1,000 a month was drawn from the treasury of the organization at Indianapolis and paid to the McNamaras. This was their working fund; it was called a "fund for educational purposes." It is like the one in Chicago, where sluggers are paid out of the funds of the union. The law-abiding member knows nothing of this; it has no sanction from him. I am not saying this because I wish to do so; I am saying it because somebody has got to say it, because some union man at some time will have courage enough himself to say it, because many of them at some time will rise in their just indignation and demand that such use of their funds and such perversion of their organization shall cease.

A thousand dollars a month was drawn for several years. It was used to dynamite the places that I have mentioned and others. One of my neighbors in Springfield spent 18 months in the penitentiary for such a crime. He was caught in the net of

this widely spread criminal conspiracy that ended in murder. I never inclined to the belief that he actively engaged in any of the correspondence or deeds which he knew would result in the taking of life or even in the destruction of property. He wrote letters under the command of his superior officer in the organization, addressed to certain delegates, "to go unionize a job." That was the expression used.

He testified he did not know that "unionize" meant anything more than the ordinary method of bringing all the workmen into the Structural Iron Workers' Union. It turned out later that to unionize, in that series of letters, in the circumstances, meant to dynamite the job. So he suffered for being found in bad company under suspicious circumstances. He was drawn into the net and convicted with the rest of the defendants at Indianapolis.

With all of these men in this widespread conspiracy, with large sums of money drawn out of the treasury, with one of the most important federations, with a few officers with great power in their hands, collecting money from the law-abiding members of the organization, Mr. Gompers went innocently, serenely on his way, without knowledge of what was done with the money or how the men who handled it behaved. In any ordinary affair it would be criminal negligence not to know.

Here is a significant thing. I call upon Mr. Gompers to answer it. I advert to it so that every honest union man in this Republic may treasure it in his memory and bring his understanding to bear upon it. Has there been a job of structural ironwork dynamited in the United States since the McNamaras were convicted and the Indianapolis dynamiters sent to Fort Leavenworth? Not a case of dynamiting has afflicted this country, destroyed property, or taken life since that sentence was imposed upon those men.

It is true that the men tried at Indianapolis were not convicted of murder, nor were they tried for murder nor for the unlawful destruction of property. They were tried on the charge of unlawfully transporting dynamite contrary to the interstate-commerce law. Under that they were convicted and are now serving the terms imposed upon them in the sentence pronounced upon them at the end of their trial.

No one doubts for a moment what the purposes were in the transportation of this dynamite. No man for an instant doubts that every pound of this dynamite that was transported by these defendants or through their agency with the money paid by the checks drawn and paid to the McNamaras and others was for criminal purposes. The operations of McManigal, the operations of Herbert S. Hockins, the operations of those men who were linked together by the evidence until an Indiana jury hesitated a very short time comparatively, the length of the evidence and the duration of the trial considered, resulted in finding them guilty. Does anyone doubt what was done with the dynamite and what was intended to be done with it? No sane man doubts it. It was intended to be used for lawless purposes, and it was so used. Mr. Gompers, in his letter, says:

> The only inference of your attack, therefore, is not upon me personally or officially, but upon the policy, principles, and activity of the American Federation of Labor and the whole body of wage earners who have been and are striving in an American fashion and lawful manner to secure a better standard of life and equal rights and concepts of these rights with every other citizen of our Republic.

Mr. Gompers, in making that statement, knows better. Mr. Gompers, in making that statement, utterly perverts or departs from the point at issue. Mr. Gompers knows that I did not attack, nor have any of my friends ever attacked, the American Federation of Labor or the cause of labor at all. When he says that the attack is upon the organization of which he is the head he is no more correct than when, in this circular, he said that an attack upon the McNamaras and their arrest and prosecution was an attack upon the union labor of the country.

Any union-labor man, however radical he may be, would to-day resent what Mr. Gompers says in his letter that I will have incorporated in the RECORD. He would resent it as an infamous charge against the body with which he is affiliated, and he would be right when he resented it.

Why did not Mr. Gompers inform himself during all these years while these acts were being committed? If it be thought that Mr. Gompers has any duty in connection with the head of that organization, how did it happen that Mr. Gompers could permit one violent act after another? Ought not his duty go that far? Dynamite on the Pacific coast, dynamite in the Mississippi Valley, dynamite at Cleveland, dynamite at Buffalo, dynamite almost from coast to coast, and still Mr. Gompers did not know that a solitary union man, in the person of the McNamaras or their associates, had a thing in the world to do with it.

If I were at the head of an organization as its chief officer, and one of the principal bodies affiliated with that organization was doing what the Indianapolis defendants did and what the McNamaras did, and I did not know it, I ought to be indicted for dense and inexcusable ignorance of things I ought to know—not indicted criminally, but indicted before the tribunal of reasonable men's mind.

All these years this happened. Men were suddenly blown into eternity. Millions of dollars of property were destroyed. Mr. Gompers went placidly on his way. The bloody trail in a great tragedy was unseen by this vigilant guardian. No word of rebuke came from him. He did not know it. He says he believed the McNamaras were innocent. I presume, because he has never apologized, he believes these men convicted in Indianapolis were innocent. He never has apologized for his views on either question.

He is ready at any time to defend anybody else who claims he is a member of a union, however infamous may be the crime with which he is charged, and which afterwards may be proven against him.

Mr. Gompers never apologizes. Mr. Gompers says nothing. As soon as the ordinary penal machinery that restrains desperate characters from the commission of crimes against life and property is put in motion, and a union man is arrested charged with these offenses, Mr. Gompers flies to the rescue, collects money, employs lawyers, denounces courts, inveighs against the "capitalistic press," abuses everybody connected with the law-and-order processes of courts and civil society; and when these unfortunate, deluded men are convicted no word of explanation comes from Mr. Gompers's lips.

I repeat, Mr. President, Mr. Gompers is not a good American citizen. There is not a boy on his way to mature years in this country that ought to set up the standard that Mr. Gompers follows to be his guide and mentor in the days of his manhood. Mr. Gompers is a disgrace to organized labor. Mr. Gompers is a menace to civil society. Mr. Gompers is an apologist for criminals. Mr. Gompers is an associate and boon companion of men whose hands are reddened with the blood of their fellow men. Mr. Gompers, and such as he, would overturn civil society. We would return to aboriginal force. We would lapse to the rule of violence, when not justice but the strong hand ruled.

Mr. Gompers in his letter prates of "justice" and of "humanity." What does he know of justice? The victims whose pulseless clay is slumbering on the Pacific coast, the victims who are sleeping in their graves in Chicago, some who are living to-day maimed and mangled for life are the witnesses and the names of others carved on their monuments the pathetic reminiscences of Mr. Gompers's code of justice in America.

I will have just as many union-labor votes, if I ever run for office in my country, after I have said what I have as I ever had before. If any member of an organized union thinks he ought not to vote for me, he can vote some other ticket. If any member of any organized union thinks he can advance his cause by such methods as the McNamaras used, as Ryan used, as Hockins used, I do not want the vote of that union member. If I can not be elected by law-abiding men, in the union or out of it, I never want to hold another public office while I live. I will look you union men in the face. I have done it before.

I went into the wards of my home city within a few hundred feet of the heaps of ashes where a riotous mob for two days and nights had burned and murdered. I was a candidate for office. I went into the toughest places, into the halls above saloons, and looked in the faces of the crowds there with scars on their visages, with ears chewed off in former combats, with the marks of dissipation and crime on their faces; because that city is the half-way point between St. Louis and Chicago and a convenient rendezvous for that type of men. I said, "Do not any of you men vote for me under the impression that if I am in authority I will permit you to riot and burn and murder in Springfield two days and nights again. I will get the National Guard; you will have fair warning, and if you do not disperse and go to your rendezvous and homes after about one round of blank cartridges, the rest of the rounds will have bullets; and I propose, if I am in authority, to order the men to shoot to kill you men if you do not behave yourselves." I got more votes in those precincts than I was entitled to. I ran ahead of my ticket in the toughest wards in the town because I looked in the faces of the men and told them what I thought and what I would do.

I am saying the same thing now—that if you believe in such criminal conduct, and if you believe that human society can be kept together in that way, I do not want your votes. I do not want you to vote for my friends. I want my constituents who support me to be law-abiding men. I do not care what other ticket they vote, but I want them to vote a ticket that is consonant with the law and the peaceable usages of civilized society.

Mr. President, I think I have said possibly more than I should have said, in view of the time that I have taken; but I shall not place any more documents in the RECORD at the present time. I have a great many of them. I only wish to say, in conclusion, that so far as Mr. Gompers is concerned I will take care of myself at whatever time and place and season seems to me to be necessary. I began my criticism here in the Senate. I will conclude it in the Senate, either now or hereafter, as circumstances may require. Politically, I have no quarrel with Mr. Gompers. I have no quarrel with anybody, because in what I am talking about there is no politics. If anybody favors Mr. Gompers's creed, his indefensible conduct, his inexcusable indifference to crime, and the creed of those whom he defends and apologizes for, if he were on my ticket I would not vote for him, because there is the graver question that law-abiding citizens must unite, without regard to creed and race or politics, if we shall preserve the law of the land and the institutional government we attained by the sacrifice of our fathers.

Mr. OWEN. Mr. President, I think it is unfortunate for the peace and composure of the Senate that a distinguished citizen of the United States [Mr. Gompers] should be subjected to such a drastic attack as has been indulged by the Senator from Illinois [Mr. SHERMAN], and more particularly when that citizen has been for many years repeatedly chosen as the trusted leader of nearly two millions of the working people of the United States, representing approximately ten millions of people—nearly twice as many people as reside in the great State the Senator represents. More unfortunate yet is it when the Senator on the Senate floor calls upon Mr. Gompers and defiantly challenges him "to answer like a man":

> Gird up your loins, Mr. Gompers, and answer me like a man. I will teach him [Gompers] a few degrees of active, practical, civic decency in my country that he does not know of if he will only come out and give the people a chance.

Now, when Mr. Gompers offers to come out and give the people a chance, the Senator from Illinois imposes a condition that as a preliminary Mr. Gompers must be elected a Senator of the United States. I suppose, if Mr. Gompers wanted to pursue that amiable method of warfare, he would impose the further condition that the Senator from Illinois should be elected president of the American Federation of Labor as a necessary preliminary to this forensic combat.

The American people will not be entertained very soon by this debate which the Senator first invites and then evades by imposing impossible conditions as a prerequisite. Let us have peace.

There is one thing to which I think it is proper to call the attention of the Senate, and that is that the American Federation of Labor is governed by a particular system under which they take a referendum vote on questions affecting their policy, by which they have an initiative in which members and lodges may initiate proposals to be submitted to their people. For that reason the American Federation of Labor is in fact as well as in theory a self-governing body.

No man and none of its officers has any authority to deliver, and no man can deliver, the vote of the members of the American Federation of Labor, and to charge Gompers with the purpose or the attempt is preposterous.

The Senator from Illinois is entirely safe in denouncing those invisible and negligible members of the American Federation of Labor who are alleged to believe in murder and arson, dynamite and burglary. They are not very numerous, if they exist at all. They are quite negligible, and can be denounced with perfect impunity. The Senator is within his rights and perfectly safe in denouncing all the murderers and dynamiters, members of the American Federation of Labor, with all the enthusiasm which his convenience may seem to demand.

But Mr. Gompers, notwithstanding the denunciation of the Senator from Illinois, is a faithful, honorable citizen of the highest character. He is a man whom I have known for many years. I have a great respect for him. I believe he is a thoroughly honest man. I believe he loves justice and mercy and righteousness. Let Mr. Gompers speak for himself as far as the unjust charge of narrow partisanship is concerned.

I have in my hand a declaration from Samuel Gompers in the July number of the American Federationist, headed "Promises and Performances," in which he deals with political parties in language so sincere, so modest, and so just that not even the most violent partisan can justly criticize it. After he has stated what the demands of labor have been in their appeals to the Republican Party, to the Progressive Party, and to the Democratic Party, and after he has quoted what their answers are in their several national platforms—matters which ought to be made known to the members of the American Federation of Labor—he then makes this temperate observation:

> Thus, the workers have before them the platform declarations of the Republican, Democratic, and Progressive Parties upon the subjects which most directly affect them. Now, the workers must make up their minds as to which of these political parties is most likely, if intrusted with power, to carry their declarations into effect, and as to the adequacy of the response which each party made to labor's demands. For 30 years wage earners had vainly endeavored to secure the amendment of the Sherman antitrust law, so as to place voluntary organizations of toilers outside the pale of antitrust legislation that they should not be regarded in the same category as trusts and organizations organized for profit.

Mr. SHERMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Illinois?

Mr. OWEN. If the Senator will excuse me, I am going to occupy only about 10 minutes, then I will answer any question he would like to ask me.

> For *30 years organized labor has been vainly knocking* at the door of Congress to secure relief from the injunction abuse and to have restored the right of trial by jury in contempt cases. *For 30 years the workers of America had vainly asked Congress* to relieve the seamen from the position of bondsmen, and all this occurred under the domination of Congress and the Presidency by the Republican Party.
>
> The Democratic Congress passed and on October 15, 1914, President Wilson signed the Clayton antitrust law. Among its provisions was the declaration that the labor of a human being is not a commodity or an article of commerce. It freed the voluntary organizations of labor from the antitrust law and under which Attorney General Wickersham said no suit, such as the Hatters' case, could now be maintained in the Federal courts. Relief from the abuse of the injunctive writ was secured and trial by jury in contempt cases restored. The Democratic Congress passed the seamen's act, and on March 4, 1915, President Wilson signed the act.
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> With the workers it is not a question of partisan politics. *As the great conference in 1906 declared, the organized-labor movement is not partisan to a political party,* but *partisan to a principle,* and *that principle for justice, freedom, and humanity.* As the campaign shall proceed it may be necessary to further elucidate the questions in the coming election of both Houses of Congress, as well as the President and Vice President. *The liberty-loving citizens of our country will do their own thinking and act accordingly. They will vote as their judgment, their conscience, their patriotism,* and *their own interests and welfare, as well as the welfare of the people of the United States will direct.*

Is this leader of the organized labor unions of the country addressing his associates in this temperate language to be denounced as a bitter partisan or as an advocate of a political party from a partisan standpoint?

The record of the Democratic administration and Congress, favorable to labor is amazing and not half understood by the country. I submit a few of these items to the record, not including the present session, with its notable accomplishments fresh in your minds, such as the rural-credits act, the child-labor act, the ship-purchase act, the Government-owned nitrate plant, armor-plate plant, and so forth.

RECORD OF THE SIXTY-THIRD CONGRESS (CONVENED APRIL 7, 1913; FINAL ADJOURNMENT MARCH 4, 1915)—MEASURES OF INTEREST TO LABOR ENACTED.

1. Organizations of labor and farmers taken from the purview of the antitrust act.

2. Limitation of the use and prevention of the abuse of the writ of injunction in labor disputes.

3. Legislation defining and restricting punishment for alleged contempts of injunction writs and providing jury trial in contempt cases.

4. Department of Justice prohibited from using antitrust appropriation funds to prosecute labor and farmers' organizations under the antitrust act. First session.

5. Department of Justice prohibited from using antitrust appropriation funds to prosecute labor and farmers' organizations under the antitrust act. Second session.

6. Department of Justice prohibited from using antitrust appropriation funds to prosecute labor and farmers' organizations under the antitrust act. Third session.

7. Passage of seamen's law, abolishing involuntary servitude, providing better treatment of seamen, and improving live-saving provisions on vessels at sea.

8. Old conciliation, mediation, and arbitration act repealed. New law enacted with permanent officials appointed to administer it in behalf of railroad employees engaged in operating service.

9. Eight-hour law enacted for women and child workers of the District of Columbia. (Decided constitutional March 13, 1915, by Supreme Court of the District of Columbia.)

10. Eight-hour law passed for employees under the Alaska Coal Land Act.

11. Public construction of Alaska railroad.

12. Industrial education provided with appropriations for farmers and rural residents under the agricultural extension act.

13. Taylor system, stop-watch and speeding-up methods in United States arsenals prohibited.

14. Taylor system, stop-watch and speeding-up methods in the United States navy yards, gun factories, and torpedo stations prohibited.

15. Piecework prohibited in Post Office Department, Washington, D. C.

16. Public construction of battleships, transports, and other vessels in United States navy yards extended. Repairs to vessels of the Navy to be made in governmental instead of private yards. Steadier work assured to employees of Government navy yards.

17. Licensed officers, such as masters, mates, and pilots, guaranteed right to quit, and protected when reporting defects of their vessels to Government inspectors.

18. Bureau of mines act extended and strengthened. Ten new experiment stations and seven new safety stations provided.

19. Senatorial investigation of industrial dispute in coal fields of West Virginia, whereby peace was restored, the eight-hour day secured, check weighmen provided, and 10 per cent increase in wages gained—right of organization guaranteed and other improved working conditions included.

20. Compensation for injuries act extended to post-office employees.

21. Post-office employees—annual promotion maintained, notwithstanding the Postmaster General's efforts to substitute biennial for annual promotions.

22. Eight-hour law for post-office clerks and carriers retained, notwithstanding the effort of the Postmaster General to change radically.

23. Letter carriers' salaries restored, notwithstanding the effort of the Postmaster General to reduce the pay of letter carriers, known as collectors, from $1,200 to $1,000 per year.

24. Locomotive boiler-inspection act extended to cover locomotive engines and tenders.

25. Leave of absence with pay to employes of Government Printing Office extended from 26 to 30 days per year.

26. Impeachment proceedings of Judge Wright responsible for his resignation.

27. Special congressional investigation of industrial disputes in the Colorado coal fields and the Michigan copper region, wherein all of the complaints and charges made by the men of labor against the mining companies and the alliance of these companies with the political and military powers of the States were officially verified and substantiated.

28. An additional annual appropriation of $240,000 for the years 1914–15 was provided for the pay roll of the metal trades mechanics employed at the Washington, D. C., Navy Yard. This was equivalent to a 7.81 per cent increase in wages.

29. The statutory enactment of an income tax in conformity with the recent United States constitutional amendment.

30. An additional appropriation of $139,000 for the work of the Children's Bureau.

31. More adequate appropriations for the Department of Labor to carry on its work.

32. Senate resolution demanding information from Cabinet officials as to what uses, if any, were made of Rockefeller or Carnegie funds in their departments.

33. Prevented a reduction in wages and installation and collection of rents for employees on the Panama Canal Zone.

34. Immigration bill providing for the literacy test, passed by Congress and vetoed by the President.

I ask the privilege of putting in Mr. Gompers's modest letter in its entirety without reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

PROMISES AND PERFORMANCES.

[By Samuel Gompers.]

There has been a force in American politics that has insistently and steadily presented the human side and the human relations of all questions. This force has made itself felt with increasing vigor during recent years. The results of its work are demonstrated in the clarification of political issues, in the greater consideration that has been given to human rights in legislation and administration, and in the more general representation that has been given to human interest in all departments of government.

When the American Federation of Labor inaugurated its new policy for nonpartisan political use of labor's political power in 1906 the power of corporate wealth seemed intrenched behind impregnable control over the Government. But labor has brought a change in the attitude of Government representatives toward its demands and in the kind and number of laws enacted in the interest of workers.

When the representatives of the American Federation of Labor in 1906 presented labor's bill of grievances to those in responsible positions in the legislative and executive branches of the Federal Government they presented 10 demands. Since that presentation all but two of these original demands have been enacted into law, in addition to the long list of humanitarian legislation recently set forth in the pamphlet issued by the American Federation of Labor entitled "Labor's Legislative Achievements." Labor stands for a broad interpretation of the purposes and methods of government that they may make for freedom, equal justice, and serve the interests of humanity.

The political principles and legislative demands which labor now urges upon the Congress of the United States were in accord with the instructions of the conventions of the American Federation of Labor presented to the platform committees of the various political parties. This thought was urged upon the representatives of those parties, that the time is past when it can longer be questioned that human rights and human welfare are of paramount importance to all the Nation. The future of any political party depends upon what it will undertake to do for the masses of the people.

With the recognition of this principle, we have entered upon a period when there must be competition between the political parties as to which can do most for the citizens of the Nation. The demands which were presented to the platform committees of the Republican and Progressive Parties which met in Chicago were as follows:

"Government and all civilization exist for the service of human beings and the promotion of their betterment. Such purposes are best achieved when those who are primarily affected by policies and methods have the power of determining them. Under such conditions only will there be relations of good will between fellow citizens and a spirit of true patriotism essential to the best development and unity of our Nation. There must be reason for the conviction that citizens can rely upon the Government for impartial maintenance of rights and protection. Such an attitude can result only when principles of human welfare are made paramount to any other consideration. Experience of other countries and scientific information substantiate the contention that sweated industries, overstrain, long and burdensome hours of toil, tend to physical deterioration, loss of mental virility, and consequent decreased producing power. Standards of life and work, daily hours of toil and wages, have a direct relation to economic progress and development as well as to preparedness for national defense.

"We pledge our party to maintain the Federal law enacted by Congress securing to the workers the legal right of voluntary association, for mutual protection and welfare, protecting their rights against unwarrantable issuance of writs of injunction, and guaranteeing the right of trial by jury in alleged contempt cases committed outside the presence of courts.

"National preparedness, as well as commercial development, in keeping with the importance and the dignity of our Nation, require that we shall have competent and able American seamen. We urge as essential to this purpose the vigorous enforcement of the seamen's act and the most liberal interpretation of its provisions. We are opposed to any minimizing of present provisions for the protection of seamen and for the safety of the traveling public. It is essential to National safety, as well as to the maintenance of an American merchant marine, that conditions of work for seamen shall be such as shall induce resourceful, capable, liberty-loving Americans to follow that vocation. Such American seamen will constitute a trained reserve force in times of national peril.

"In order to protect the wages of our workingmen and their standards of living against the dangerous competition of low-priced labor, which will be largely increased at the close of the European war by the migration of such labor to this country, we demand that the immigration and contract-labor laws be thoroughly enforced and so extended as to exclude from entrance to the United States all persons who can not read some language.

"The fundamental step in national preparedness for development and growth as well as for defense is education that will develop the power and faculties of all citizens and will enable each to take advantage of opportunities for life and work. We demand that there shall be provisions for industrial education and vocational training in addition to cultural education. National industrial efficiency is not a haphazard occurrence, but is the result of carefully considered methods and policies. The initial requisite for any policy to further industrial efficiency is liberal appropriations for necessary education. As this is a matter of national concern, we demand the early enactment of a law providing for adequate assistance to public educational institutions in the various States, which shall provide for industrial education and vocational training in accord with Federal provisions and standards.

"We demand the enactment and rigid enforcement of a Federal child-labor law which shall give adequate protection to the child life of the Nation.

"We demand the faithful observance and enforcement of all the Federal eight-hour laws and their extension to comprehend all departments of Government.

"We urge the enactment of a law by Congress for a comprehensive and generous workmen's compensation act.

"We demand the enactment of legislation excluding from interstate commerce the products of convict labor.

"We demand legislation that will abolish present preventable and appalling loss of life and maiming of human beings in American industry and transportation. We favor the creation and maintenance of a bureau of safety under the Department of Labor, which shall be authorized and directed to collect and collate data dealing with industrial hazards and to devise and recommend to Congress any further legislation necessary for securing safety and conservation of human labor power, as well as to formulate and put into operation methods whereby adequate protection shall be afforded to workers from the hazards of industry and transportation.

"Under the euphonious and misleading term "scientific management" and systems of time study and stop watches many have been deceived. Any system which ignores principles of human welfare disregards consideration of fatigue and the effects of highly specialized methods of production which subdivide mechanical and other operations into such units that the individual tasks become machine-like and injurious to mind and body can not be countenanced. These systems not only have injurious effect upon the lives—the physical and mental well-being of our workers—but curb the development of skill among the toilers of America. We therefore demand that all adaptations of speeding-up systems shall be forbidden in all work in which the Government is concerned.

"For the safety and the protection of the workers of America we declare for the extension of the powers and functions of the Federal Bureau of Mines.

"We pledge our party to the enactment of a law bestowing upon the people of Porto Rico the full right of American citizenship.

"We favor adequate compensation for all employees in the civil service and legislation establishing a reasonable minimum wage for all such employees.

"We favor the creation of a tribunal to which all employees in the competitive civil service may appeal for redress of grievances.

"We favor the enactment of a comprehesive Federal compensation law to apply to all civil-service employees.

"We favor and pledge our support to secure the enactment of an equitable retirement law providing for the retirement of superannuated and disabled employees of the civil service.

"We assert that the acceptance of employment in the civil service of our Government must in no case impair the employees' right of petition.

"We favor Government ownership of telegraphs and telephones.

"We favor the absolute suffrage of women coequal with men.

The platform of the Republican Party contains the following planks of interest to labor:

"The civil-service law has always been sustained by the Republican Party, and we renew our repeated declaration that it shall be thoroughly and honestly enforced and extended wherever practicable.

"We pledge the Republican Party to the faithful enforcement of all Federal laws passed for the protection of labor. We favor vocational education; the enactment and rigid enforcement of a Federal child-labor law; the enactment of a generous and comprehensive workmen's compensation law, within the commerce power of Congress, and an accident compensation law covering all Government employees. We favor the collection and collation, under the direction of the Department of Labor, of complete data relating to industrial hazards for the information of Congress, to the end that such legislation may be adopted as may be calculated to secure the safety, conservation, and protection of labor from the dangers incident to industry and transportation.

"The Republican Party, reaffirming its faith of government of the people, by the people, for the people, as a measure of justice to one-half the adult people of this country, favors the extension of the suffrage to women, but recognizing the right of each State to settle this question for itself."

The Progressive platform contains the following response to labor's demands:

"A nation to survive must stand for the principles of social and industrial justice. We have no right to expect continued loyalty from an oppressed class. We must remove the artificial causes of the high cost of living, prevent the exploitation of men, women, and children in industry by the extension of the workmen's compensation law to the full limit permitted under the Constitution, and, by a thoroughgoing child-labor law, protect the wage earner; and by a properly regulated system of rural credits encourage the farmer and give to the landless man opportunity to acquire land.

"A country must be worth living in to be worth fighting for."

Labor's demands were presented to the Democratic Party which placed in its platform the following labor planks:

"We have lifted human labor from the category of commodities, and have secured to the workingman the right of voluntary association for his protection and welfare. We have protected the rights of the laborer against the unwarranted issuance of writs of injunction, and have guaranteed to him the right of trial by jury in cases of alleged contempt committed outside the presence of the court.

"We hold that the life, health, and strength of the men, women, and children of the Nation are its greatest asset, and that in the conservation of these the Federal Government, wherever it acts as the employer of labor, should both on its own account and as an example put into effect the following principles of just employment:

"1. A living wage for all employees.

"2. A working day not to exceed eight hours, with one day of rest in seven.

"3. The adoption of safety appliances and the establishment of thoroughly sanitary conditions of labor.

"4. Adequate compensation for industrial accidents.

"5. The standards of the 'uniform child-labor law,' wherever minors are employed.

"6. Such provisions for decency, comfort, and health in the employment of women as should be accorded the mothers of the race.

"7. An equitable retirement law providing for the retirement of superannuated and disabled employees of the civil service to the end that a higher standard of efficiency may be maintained.

"We believe also that the adoption of similar principles should be urged and applied in the legislation of the States with regard to labor within their borders, and that through every possible agency the life and health of the people of the Nation should be conserved.

"We declare our faith in the Seamen's Act, passed by the Democratic Congress, and we promise our earnest continuance of its enforcement.

"We favor the speedy enactment of an effective Federal child-labor law and the regulation of the shipment of prison-made goods in interstate commerce.

"We favor the creation of a Federal bureau of safety in the Department of Labor, to gather facts concerning industrial hazards, and to recommend legislation to prevent the maiming and killing of human beings.

"We favor the extension of the powers and functions of the Federal Bureau of Mines.

"We favor the development upon a systematic scale of the means adready begun under the present administration to assist laborers throughout the Nation to seek and obtain employement, and the extension by the Federal Government, by the same assistance and encouragement as is now given to agricultural training.

"We heartily commend our newly established Department of Labor for its excellent record in settling industrial strikes by personal advice and through conciliating agents.

"We recommend the extension of the franchise to the women of the country by the States upon the same terms as to men."

Thus, the workers have before them the platform declarations of the Republican, Democratic, and Progressive Parties upon the subjects which most directly affect them. Now, the workers must make up their minds as to which of these political parties is most likely, if entrusted with power, to carry their declarations into effect, and as to the adequacy of the response which each party made to labor's demands. For 30 years wage earners had vainly endeavored to secure the amendment of the Sherman antitrust law, so as to place voluntary organizations of toilers outside the pale of antitrust legislation that they should not be regarded in the same category as trusts and organizations organized for profit. For 30 years organized labor had been vainly knocking at the door of Congress to secure relief from the injunction abuse and to have restored the right of trial by jury in contempt cases. For 30 years the workers of America had vainly asked Congress to relieve the seamen from the position of bondmen, and all this occurred under the domination of Congress and the Presidency by the Republican Party.

The Democratic Congress passed, and on October 15, 1914, President Wilson signed the Clayton antitrust law. Among its provisions was the declaration that the labor of a human being is not a commodity or an article of commerce. It freed the voluntary organizations of labor from the antitrust law and under which Attorney General Wickersham said no suit, such as the hatters' case, could now be maintained in the Federal courts. Relief from the abuse of the injunctive writ was secured and trial by jury in contempt cases restored. The Democratic Congress passed the seamen's act, and on March 4, 1915, President Wilson signed the act.

With the workers it is not a question of partisan politics. As the great conference in 1906 declared, the organized labor movement is not partisan to a political party, but partisan to a principle, and that principle for justice, freedom, and humanity. As the campaign shall proceed, it may be necessary to further elucidate the questions in the coming election of both Houses of Congress, as well as the President and Vice President. The liberty-loving citizens of our country will do their own thinking and act accordingly. They will vote as their judgment, their conscience, their patriotism, and their own interests and welfare, as well as the welfare of the people of the United States will direct.

Mr. OWEN. Now, Mr. President, here is the declaration of a man who is the head of a great organization of labor, the greatest in the world. He merely lays the facts before his people. He leaves it to them to say what they will do in the coming election. He makes no partisan political appeal.

But I will say this, that after the experience of these organizations with 30 years of Republican rule in which they had appealed in vain time and time and time again for relief, if they now fail to show a fundamental and substantial appreciation of what the Democracy has done for them they will not deserve in future to be listened to by any political party on the ground that they are capable of gratitude or of respect for the performance of promises made them in national platforms.

Now, Mr. President, if the Senator from Illinois wants to ask me any questions I will be very pleased to answer him.

Mr. SHERMAN. Mr. President——

The PRESIDING OFFICER (Mr. CHILTON in the chair). Does the Senator from Oklahoma yield to the Senator from Illinois?

Mr. OWEN. I yield.

Mr. SHERMAN. I desire to ask the Senator if he has any documentary evidence that Mr. Gompers ever denounced any member of the organization for crime after he had been convicted and sentenced.

Mr. OWEN. I know nothing about Mr. Gompers having denounced members who belonged to any of the labor-union organizations after they have been convicted of crime. I think, however, that Mr. Gompers is not called upon as the head of the American Federation of Labor to apologize to the country whenever any member of that organization is convicted of crime any more than the Senator from Illinois is called upon to apologize to the country whenever a person is convicted of murder in the State of Illinois.

Mr. SHERMAN. I have neither apologized for crime nor have I ever failed to denounce upon proper occasion the members of my profession who have committed crime that is peculiar to the profession, such as embezzlement and failure to account for funds. I have openly said a number of times that the profession must purge itself of such faithless members. I ask if Mr. Gompers has ever used his influence publicly so that we outsiders may know anything of the effort to keep his organization free from such persons as these defendants whom I have criticized?

Mr. OWEN. Mr. President, I have no doubt that Samuel Gompers and the vice presidents and officers of that organization have done whatever they could to keep their organization clean from criminals, because, as a matter of common sense, those men thoroughly understand, as any person of average intelligence understands, that to permit their organization to be controlled or to shelter criminals and murderers would be to disorganize and break the organization asunder and grind it to powder. The assumption that Samuel Gompers is willing to condone murder, I think, is absolutely outside of the record of any evidence in this country. I do not believe that he is unfaithful in any degree to his duties. I regard him as an upright man. I know him, and I know thousands of men who have known Gompers all their lives, and who trust him and believe in him.

Mr. SHERMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Illinois?

Mr. OWEN. I yield to the Senator from Illinois.

Mr. SHERMAN. Mr. Gompers, so far as I know, has furnished no evidence of the good motives attributed to him by the Senator from Oklahoma, and I wish to inquire if the Senator knows of any such testimony?

Mr. OWEN. I sincerely attribute the highest motives and qualities to the Senator from Illinois, but I do not call upon him for further evidence of his good motives than an upright life and the confidence of those who know him best. Nor would I judge him by words spoken in anger or excitement or from resentment toward what he thought an injustice to himself.

Neither do I call for further evidence of Mr. Gompers's good motives than the overwhelming evidence I already have.

Mr. SHERMAN. I wish to state further that I have the very greatest confidence in the members of the various unions affiliated with the Federation of Labor. I do not have any confidence in Mr. Gompers or in his integrity or purpose in the guidance of that great organization.

Mr. OWEN. The Senator can not have any confidence in the judgment of organized labor in this country in denouncing as he does this man whom millions of members of the unions have trusted and whom they have elected over and over again. Have these organized labor people no common sense? Have they no judgment? Have they no evidence of the integrity and ability and worth of this man?

Mr. SHERMAN. There are many hundreds of thousands of unionized labor that are not affiliated even with the federation, and I know even in the federation the opinion of many good-standing and law-abiding members of Mr. Gompers.

Mr. OWEN. The Senator, of course, did not answer the point I made. He simply said there are some people not in that organization who do not trust him. There are 2,000,000 people in it who know him and who do trust him.

Mr. SHERMAN. I am also referring to the people who are in organizations affiliated, whose opinion of Mr. Gompers is not much better than mine. I am entitled to my opinion. The Senator has his.

Mr. OWEN. Does the Senator regard that information from these various persons as to their opinion of Mr. Gompers as confidential, or is he willing to disclose it?

Mr. SHERMAN. With whom?

Mr. OWEN. Does the Senator regard the persons who distrust Mr. Gompers as a matter of confidential import, or is he willing to disclose to the country who they are?

Mr. SHERMAN. I will communicate with them, and if it will be any satisfaction to the Senator from Oklahoma I will give him their names, with their consent.

Mr. OWEN. Well, Mr. President, I do not wish to detain the Senate on this matter. I only regret that any time of the Senate should be taken up at all in considering a matter of this kind, and I hope that in the future no citizen of the United States will be subjected to such an attack on the floor of the Senate as has been made this afternoon.

Mr. JAMES. Mr. President, does not the Senator think——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Kentucky?

Mr. OWEN. I yield to the Senator.

Mr. JAMES. Does not the Senator think it would have been more in keeping with the dignity of the Senate for the Senator from Illinois to have communicated with these gentlemen before he made this charge than to make the charge and then refuse to disclose his evidence, unless he has their consent? It seems to me that the Senate is not a proper place for a Senator representing a great Commonwealth to make broadside charges affecting the integrity and character of citizens of the Republic without being willing also to give his evidence. I do not think it is quite the right thing nor the proper place for the Senator to make the charge and then say, "I will sustain it, provided I can get the consent of the men who gave me the evidence."

PUBLICITY OF CAMPAIGN CONTRIBUTIONS.

Mr. OWEN. Mr. President, before I yield the floor I desire to call the attention of the Senate to House bill 1542, a bill relating to the publicity of campaign contributions, and so forth, which has passed the House of Representatives, come over to the Senate, and been reported to the Senate. I ask unanimous consent——

Mr. SMOOT. Mr. President, it is useless to ask unanimous consent now.

Mr. OWEN. That we may act upon this matter and vote upon it some day during the coming week.

Mr. SMOOT. The Senator knows it is impossible to get a quorum here now; but if the Senator wants to try to drag Senators back here at 6.15 o'clock, he can do so.

Mr. OWEN. If the Senator objects, of course——

Mr. SMOOT. Of course I object, and the Senator knows why I object.

Mr. OWEN. In the presence of an objection, Mr. President, I will yield the floor.

PENSIONS AND INCREASE OF PENSIONS—CONFERENCE REPORT.

Mr. HUGHES. I present the conference report on House bill 16290 and ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The conference report will be read.

The Secretary read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 16290) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 14, 19, 24, 29, 30, and 38.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 7, 8, 10, 11, 12, 13, 15, 16, 17, 18, 20, 21, 22, 23, 25, 26, 27, 28, 31, 32, 33, 34, 35, 36, 37, 40, 41, 42, and 43, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the sum named insert "$30"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows: Transpose the matter inserted by said amendment to follow the word "Cavalry," in line 15, page 62, of the bill; and the Senate agree to the same.

WM. HUGHES,
REED SMOOT,
Managers on the part of the Senate.

M. E. BURKE,
JNO. W. LANGLEY,
Managers on the part of the House.

The PRESIDING OFFICER. Is there any objection to the present consideration of the conference report? The Chair hears none.

Mr. HUGHES. Mr. President, I have listened to the debate this afternoon——

Mr. SMOOT. If that is the case, I am going to suggest the absence of a quorum, and I suggest the absence of a quorum.

Mr. SHEPPARD. Mr. President, the Senator from Utah can not take the Senator from New Jersey off his feet to suggest the absence of a quorum.

Mr. HUGHES. I make the point of order that the Senator can not make the suggestion when I have the floor.

The PRESIDING OFFICER. The point of order is well taken. What does the Senator from New Jersey wish to have done with the report?

Mr. HUGHES. I do not blame the Senator from Utah for trying to stop the discussion going on here.

Mr. SMOOT. Not at all. I am not trying to do so.

Mr. HUGHES. It is the most scandalous thing that has ever occurred in the Senate of the United States. A reputable citizen, a man who represents over two million people, has been abused here in terms that "one would have to go to a disorderly house," to use the expression of the Republican candidate for President, to find anything to equal it.

Mr. SMOOT. Mr. President, I had no idea——

Mr. HUGHES. I have the floor.

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Utah?

Mr. HUGHES. I do not yield to the Senator. The Senator sat here all afternoon in silence and listened to the abuse that was heaped upon the head of as honorable a man as he is and as honorable a man as sits in this Chamber.

Mr. SMOOT. Mr. President, I did not know——

Mr. HUGHES. I do not yield to the Senator.

Mr. SMOOT. I merely desire to say that I did not know the Senator was going to speak on this subject. I thought he was going to endeavor to bring up a bill from the calendar; but I do not care whether or not he takes the remainder of the time this afternoon.

The PRESIDING OFFICER. The Senator from Utah is out of order.

Mr. HUGHES. If the Senator does not care, then will the Senator subside and keep quiet? I am addressing my remarks to such of the Senators as are here. I am sorry that there are not more Republicans as well as more Democrats here to listen to the poor defense which I desire to make, in the minute or two which I intend to occupy, of a man whom I regard as

truly representative of the most important class of people in this country, a man who has been abused in terms that are unworthy of the traditions of the United States Senate.

There never has been a man in all the world's history who has occupied the place that Mr. Gompers occupies who has not been abused in similar terms, abused by people who hypocritically hide behind their pretended affections for certain of his people, but who in their hearts have nothing but hatred and malignancy against any man who strikes a blow for humanity. The man who raises his voice in behalf of a child, the man who raises his voice in behalf of a woman, the man who raises his voice in favor of the weak and oppressed has been since the beginning of the world subjected to the same abuse which has been heaped here this afternoon upon this representative of the toilers of America.

You can turn to any period of the world's history and ascertain the truth of my assertion. When the agitation first began to put into use the commonest and crudest appliances for safety, when it was attempted by legislative enactments to shroud the yawning jaws of the cog wheels so that the arms and limbs of the children of the United States might not be fed into those industrial agencies, you will find that the men who sought to bring about such legislation, men like Gompers, who was the pioneer along that line, were denounced as anarchists, as men who desired to subvert the institutions of this country. They won that fight, and they have won thousands of other fights, and to-day hundreds of thousands of American citizens are enjoying life and are walking the broad earth in full possession of their limbs because of the activities of these men.

They have interfered with dividends. That is the sole crime; that is the only indictment that has been made against them. They have compelled the representatives of capital to safeguard their machinery. They have driven from the factories the tender children whose sinews were ground up into dividends. They have compelled the capitalists of the country to put their hands into their treasuries and place safety appliances upon freight cars and other instrumentalities of industrialism in this country.

It has cost money to save lives; it has cost money to save the limbs of the working people of this country, and to that extent these men and thousands like them have offended. And now, forsooth, because Mr. Gompers, an American citizen, thought it well to differ with the vote cast by the Senator from Illinois on a proposition which directly affected him, he is to be subjected to the abuse that has deafened our ears here this afternoon.

Talk about arraying class against class; talk about subversion of the institutions of this country, if a man can in this Chamber be held up to public scorn for exercising his rights as a citizen, what then becomes of the sacred right of every American citizen to vote for whom he pleases? What becomes of the sacred right of a man to exercise free speech?

Aye, Mr. President, what would become of the right of a Senator himself to exercise that right here which the Constitution gives him to be questioned in no other place, and what shall be said of a Member of this body who rises here and says on the floor of the Senate what he could not safely say in any other tribunal in this land?

Mr. Gompers needs no defense at my hands. I never laid my eyes on him until I came to the city of Washington; but I have watched his course; I have watched the course of those who have been collaborating with him, and I give it as my testimony that I have never seen him put his hand to a piece of proposed legislation that was not calculated to save the lives and the limbs and better the conditions of the working people of the United States of America.

Mr. KERN. I move that the Senate adjourn until 12 o'clock on Monday.

The PRESIDING OFFICER. What does the Senator from New Jersey wish done with regard to the conference report?

Mr. HUGHES. I asked unanimous consent that it be adopted——

The PRESIDING OFFICER. Unanimous consent has been given.

Mr. HUGHES. And I thought the report had been adopted.

The PRESIDING OFFICER. Without objection, the conference report will be agreed to.

Mr. GRONNA. What is the conference report?

Mr. SMOOT. I should like to say, now that the Senator from New Jersey has subsided, since he would not yield to me, that I wanted to know, in the first place, what the matter was that he desired to bring up. I understood he had the calendar before him and had asked for the consideration of a bill, and therefore I objected. If we were going to take up a bill and were not going to adjourn, I wanted to get a quorum here.

Mr. HUGHES. I told the Senator what I was endeavoring to do.

Mr. SMOOT. No; the Senator did not tell me that he wanted to speak on Mr. Gompers.

Mr. HUGHES. I told the Senator that I was offering a conference report which the Senator himself had signed.

Mr. SMOOT. I have no objection at all to the conference report being acted upon. I thought, of course, that it had been acted upon and that the Senator was proceeding here with another proposition. I have no objection.

Mr. GRONNA. I ask for the reading of the report. I want to know what it is.

The PRESIDING OFFICER. It is a pension bill.

Mr. GRONNA. I did not hear it, Mr. President.

The PRESIDING OFFICER. It was read. The Secretary will read it again.

The Secretary again read the conference report.

Mr. GRONNA. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

MISSISSIPPI RIVER BRIDGE.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 5886) extending the time for the completion of the bridge across the Mississippi River at Memphis, Tenn., authorized by an act entitled "An act to amend an act approved July 20, 1912, entitled 'An act to authorize the Arkansas & Memphis Railway Bridge & Terminal Co. to construct, maintain, and operate a bridge across the Mississippi River,' approved August 23, 1912," which were, on page 2, line 3, after "River,'" to insert two quotation marks; on page 2, line 4, after "twelve,"" to strike out two quotation marks; on page 2, line 6, after "seventeen," to insert: "*Provided*, That the wagon-way portion of said bridge and the approaches thereto shall be completed within said time"; on page 2, after line 6, to insert: "SEC. 2. That the proviso in section 1 of said act approved August 23, 1912, be, and the same is hereby, amended to read as follows: '*Provided*, That said bridge shall be so constructed, maintained, and operated that, in addition to its use for railroad purposes, it shall provide for an adequate and a separate roadway and approaches and continuous use by the public as a highway bridge, to be used by vehicles, pedestrians, horsemen, animals, and all kinds of traffic and travel, for the transit of which reasonable rates of toll may be charged and received, but no rate for passage of a single passenger on a railroad train shall exceed 25 cents'"; on page 2, line 7, to strike out "SEC. 2" and insert "SEC. 3"; and to amend the title so as to read: "An act extending the time for the completion of the bridge across the Mississippi River at Memphis, Tenn., authorized by an act entitled 'An act to amend an act approved July 20, 1912, entitled "An act to authorize the Arkansas & Memphis Railway Bridge & Terminal Co. to construct, maintain, and operate a bridge across the Mississippi River," approved August 23, 1912.'"

Mr. SHEPPARD. I move that the Senate concur in the amendments of the House.

Mr. SMOOT. Is this a bridge bill?

Mr. SHEPPARD. It is a bridge bill.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas.

The motion was agreed to.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8234) to prevent interstate commerce in the products of child labor, and for other purposes.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 381) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands and to provide a more autonomous government for those islands.

The message further announced that the House insists upon its amendment to the bill (S. 136) for the relief of Eva M. Bowman, disagreed to by the Senate, agrees to the conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. STEPHENS of Mississippi, Mr. GOODWIN of Arkansas, and Mr. YOUNG of North Dakota managers at the conference on the part of the House.

The message also announced that the House had passed a bill (H. R. 17398) granting the consent of Congress to the

board of county commissioners of the county of Hampden, in the Commonwealth of Massachusetts, to construct a bridge across the Connecticut River between Springfield and West Springfield, in said county and Commonwealth, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED.

The message further announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

S. 1781. An act for the relief of Nathaniel Monroe;
S. 1818. An act for the relief of Nelson T. Saunders;
S. 3533. An act for the relief of Mike G. Womack;
S. 3539. An act for the relief of John L. Moon;
S. 5202. An act to authorize the maintenance and operation of dams across the St. Croix River at Baileyville and Grand Falls, Me.;
S. 5425. An act to standardize lime barrels;
S. 6013. An act to confirm the entry of John Dowd;
S. 6331. An act authorizing the Secretary of the Interior to issue patent to William H. Ingle for homestead entry in Colorado;
H. R. 5. An act for erecting a suitable memorial to John Ericsson;
H. R. 4559. An act for the relief of C. Horatio Scott;
H. R. 13984. An act granting to the city of Philadelphia, in the State of Pennsylvania, a right of way through the United States military reservation at Fort Mifflin, Pa.;
H. R. 16914. An act permitting the Needles & Oatman Bridge Co. to construct, maintain, and operate a bridge across the Colorado River between the States of California and Arizona; and
H. R. 16995. An act granting the consent of Congress to A. N. Alford to construct a bridge across the Savannah River.

PETITIONS.

Mr. ROBINSON presented a petition of sundry members of the fire department of Little Rock, Ark., praying for the enactment of legislation to provide pensions for policemen and firemen of the District of Columbia, which was ordered to lie on the table.

Mr. PHELAN presented a petition of the Chamber of Commerce, of San Francisco, Cal., praying for the settlement of the difficulties between the railroads and their employees by the Interstate Commerce Commission, which was referred to the Committee on Interstate Commerce.

REPORTS OF COMMITTEES.

Mr. ROBINSON, from the Committee on Interstate Commerce, to which was referred the bill (H. R. 549) to regulate the interstate transportation of immature calves, reported it with an amendment and submitted a report (No. 807) thereon.

Mr. KERN, from the Committee on Privileges and Elections, to which was referred the bill (H. R. 15842) to revise, amend, and codify the laws relating to publicity of contributions and expenditures made for the purpose of influencing the nomination and election of candidates for the offices of Senator and Representative in the Congress of the United States, extending the same to candidates for nomination and election to the offices of President and Vice President of the United States, limiting the amount which may be expended, providing for the publicity of campaign expenses, and for other purposes, reported it with an amendment and submitted a report (No. 808) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PENROSE:

A bill (S. 6909) granting a pension to Leonardo S. Twesten (with accompanying papers); to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 6910) for the relief of Roberdeau Buchanan, administrator de bonis non of McKean Buchanan, deceased; to the Committee on Claims.

By Mr. PHELAN:

A bill (S. 6911) granting a pension to Hugh Mackay (with accompanying papers); to the Committee on Pensions.

By Mr. JOHNSON of South Dakota:

A bill (S. 6912) granting a pension to Albert S. Clouse (with accompanying papers); to the Committee on Pensions.

By Mr. CHILTON:

A bill (S. 6913) granting a pension to J. H. Cummings (with accompanying papers); to the Committee on Pensions.

By Mr. SHEPPARD:

A joint resolution (S. J. Res. 168) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

ADJUDICATION OF PRIVATE CLAIMS.

Mr. GALLINGER submitted an amendment intended to be proposed by him to the bill (H. R. 6918) to relieve Congress from the adjudication of private claims against the Government, which was ordered to lie on the table and be printed.

WITHDRAWAL OF PAPERS.

On motion of Mr. PENROSE, it was

Ordered, That the papers accompanying the bill S. 1605, Sixty-fourth Congress, first session, granting a pension to Fannie M. Carey, be withdrawn from the files of the Senate, no adverse report having been made thereon.

On motion of Mr. PENROSE, it was

Ordered, That the papers accompanying the bill S. 5137, Sixty-fourth Congress, first session, for the relief of Jacob Swartz, be withdrawn from the files of the Senate, no adverse report having been made thereon.

GEORGE RUBLEE.

Mr. GALLINGER. I ask unanimous consent to offer a resolution for which I ask present consideration.

The resolution (S. Res. 251) was read, as follows:

Whereas on May 15, 1916, the Senate rejected the nomination of George Rublee as a member of the Federal Trade Commission; and

Whereas the act of May 1, 1884, volume 23, page 17, United States Statutes at Large, provides as follows:

"Hereafter no department or officer of the United States shall accept voluntary service for the Government or employ personal service in excess of that authorized by law, except in case of sudden emergency involving the loss of human life or the destruction of property": Therefore be it

Resolved, That the chairman of the Federal Trade Commission be directed to inform the Senate at once under what authority of law George Rublee is now acting as a member of the Federal Trade Commission.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. ROBINSON. Let it go over.

The VICE PRESIDENT. It will go over under the rule.

RURAL-CREDITS SYSTEM.

Mr. CLAPP. Mr. President, I have a copy of a communication from Hon. Marion Butler addressed to the chairman of the joint congressional committee on rural credits relative to the essentials of an efficient rural-credits system. I ask that the communication be referred to the Committee on Printing, with a view to having it printed as a public document.

The VICE PRESIDENT. The communication will be referred to the Committee on Printing for action.

CHILD LABOR—CONFERENCE REPORT.

Mr. ROBINSON. Mr. President, the conferees on the so-called child-labor bill have reached an agreement by which the managers on the part of the House of Representatives have receded from their disagreement to the Senate amendments and have agreed thereto. My understanding is that the legal effect of that action is that the bill stands passed. However, I ask unanimous consent that the Senate also agree to the conference report.

Senators have suggested that, in order to save any question, the conference report should also be agreed to by the Senate, and I make that request.

Mr. SMITH of Georgia. I have no objection to the conference report being agreed to, but I do not like to have it done with the idea that there is any necessity for it. The Senator from New Hampshire [Mr. GALLINGER] has been here a great deal longer time than I have, and I desire to inquire of the Senator that where the other House agrees to the Senate amendments to a House bill, which passes the bill in the form we have passed it, whether any further action on the part of the Senate is necessary? It would seem to me impossible that it should require action by the Senate, but I have no objection to such action.

Mr. ROBINSON. I myself think that it does not require action on the part of the Senate, but I have consulted with Senators who are members of the committee, including the Senator from Iowa [Mr. CUMMINS] and the Senator from Minnesota [Mr. CLAPP], and it was suggested that I take this course. I can see no objection to doing that, inasmuch as the action upon the part of the House is to concur in the Senate amendments.

Mr. GALLINGER. Mr. President, I was consulted as to the matter by one Senator, and I suggested that my view was that the recession on the part of the House from its disagreement to the Senate amendment passed the bill, but, to "make assur-

ance double sure," it might be well for the Senate to act. It can not do any harm to agree to the conference report.

Mr. SMOOT. Mr. President, the Senate can agree to the House report. If the Senator from Arkansas has a report to submit on behalf of the Senate conferees, that should be done.

Mr. ROBINSON. I have a report on the part of the Senate conferees, which I ask leave to present, and I move that it be adopted.

The VICE PRESIDENT. The conference report will be read.

The Secretary read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 8234) to prevent interstate commerce in the products of child labor, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same.

JOE T. ROBINSON,
MOSES E. CLAPP,
Managers on the part of the Senate.

DAVID J. LEWIS,
J. M. C. SMITH,
Managers on the part of the House.

The VICE PRESIDENT. The question is on the adoption of the conference report.

The report was agreed to.

HOUSE BILL REFERRED.

H. R. 17398. An act granting the consent of Congress to the board of county commissioners of the county of Hampden, in the Commonwealth of Massachusetts, to construct a bridge across the Connecticut River between Springfield and West Springfield, in said county and Commonwealth, was read twice by its title and referred to the Committee on Commerce.

Mr. KERN. I move that the Senate adjourn until 12 o'clock on Monday next.

The motion was agreed to; and (at 6 o'clock and 22 minutes p. m., Saturday, August 19, 1916) the Senate adjourned until Monday, August 21, 1916, at 12 o'clock meridian.

SENATE.

MONDAY, *August 21, 1916.*

The Senate met at 12 o'clock m.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, our heavenly Father, we come to Thee that we may find a larger unity of life, that is in Thee alone. We thank Thee that amid all the conflicts of opinion there ever flashes out among us expressions of fellowship and brotherhood which show that the currents of our life as a Nation are running true. We are ever looking to Thee for guidance that we may maintain this unity, that we may realize this brotherhood, that we may build up great institutions which may stand the test of time because they are founded upon the changeless law of God our Father. Hear us to-day in our prayer. Guide us in the discharge of the duties of the day. For Christ's sake. Amen.

THE JOURNAL.

The Secretary proceeded to read the Journal of the proceedings of the legislative day of Friday, August 18, 1916, when, on request of Mr. BRANDEGEE and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALLING OF THE ROLL.

Mr. SMOOT. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gronna	Myers	Sheppard
Brady	Harding	Nelson	Smith, Ariz.
Brandegee	Hardwick	O'Gorman	Smith, Ga.
Bryan	Hughes	Oliver	Smith, Md.
Chamberlain	Husting	Overman	Smith, S. C.
Chilton	Johnson, S. Dak.	Owen	Smoot
Clapp	Jones	Penrose	Sterling
Clarke, Ark.	Kern	Phelan	Stone
Culberson	Lane	Pittman	Taggart
Cummins	McCumber	Pomerene	Thomas
Curtis	McLean	Ransdell	Vardaman
Dillingham	Martin, Va.	Robinson	Warren
Gallinger	Martine, N. J.	Shafroth	

Mr. JONES. The junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent on account of illness in his family. I will allow this announcement to stand for the day.

The VICE PRESIDENT. Fifty-one Senators have answered to the roll call. There is a quorum present.

PETITIONS AND MEMORIALS.

Mr. POMERENE. I present a petition of H. M. Cramer and numerous other signers. I ask that the body of the petition without the names be incorporated in the RECORD.

Mr. SMOOT. I could not hear a word the Senator said.

Mr. POMERENE. I am presenting a petition numerously signed asking for legislation providing for arbitration in disputes between railroad companies and their employees. I ask that the body of the petition be incorporated in the RECORD without reading. It is short.

Mr. SMOOT. Without the signatures?

Mr. POMERENE. Yes; it is very numerously signed.

There being no objection, the petition was referred to the Committee on Interstate Commerce, and the body of the petition was ordered to be printed in the RECORD, as follows:

We, the undersigned citizens of the State of Ohio and among those comprising the more than 80 per cent of the employees of the railways of our State and country, being confronted with the possibility of an entire paralyzation of the railways of the country by the proposed general strike of the four orders of trainmen, a group of less than 20 per cent of the entire number of railway employees, and the consequent curtailment of income to us, and fully realizing that under this great Government, where the ruling doctrine is "The greatest good to the greatest number," we, the large majority—more than 80 per cent of the people to be directly injured by such destructive methods of the few who happen to be placed in a position where they can use them—have a clear and definite right to be protected (the general public and all other industries seriously endangered also having that right), do earnestly petition you, our Senators and Representatives, individually and as the Congress of the Nation, and pray that some definite legislative action be taken whereby the vast majority of the people of the country shall be protected from a destructive interruption of interstate commerce due to wholly selfish action of a small group of men, and that all differences which may arise between railway and employee shall be settled by proper arbitration. In this way you would recognize that fundamental principle of the Republic, that no small group of men ought to be permitted, directly or indirectly, to conspire to an end calculated to benefit them only, and directly or indirectly work wrong and loss upon the great majority.

Mr. OLIVER presented petitions of sundry labor unions of Pennsylvania, praying for the enactment of legislation to further restrict immigration, which were ordered to lie on the table.

Mr. HUSTING presented a memorial of the Wisconsin State Bankers' Association, remonstrating against the enactment of legislation to provide for branch banking, which was referred to the Committee on Banking and Currency.

He also presented a petition of the Wisconsin State Bankers' Association, relative to the deposits which country banks under the Federal Reserve System must keep on hand, which was referred to the Committee on Banking and Currency.

He also presented a memorial of the Wisconsin State Bankers' Association, remonstrating against the establishment of a general system for the clearing of checks without charge, which was referred to the Committee on Banking and Currency.

Mr. PHELAN presented a petition of the Merchants' Association of Ukiah, Cal., praying for the settlement of the difficulties between the railroads and their employees by the Interstate Commerce Commission, which was referred to the Committee on Interstate Commerce.

REPORTS OF COMMITTEE ON PUBLIC LANDS.

Mr. MYERS, from the Committee on Public Lands, to which was referred the bill (H. R. 10124) to add certain lands to the Rocky Mountain National Park, Colo., reported it without amendment and submitted a report (No. 809) thereon.

He also, from the same committee, to which was referred the bill (H. R. 15096) to amend the act entitled "An act to amend sections 2275 and 2276 of the Revised Statutes of the United States providing for the selection of lands for educational purposes in lieu of those appropriated," and to authorize an exchange of lands between the United States and the several States, reported it with amendments and submitted a report (No. 810) thereon.

SAC AND FOX INDIANS OF OKLAHOMA.

Mr. OWEN. From the Committee on Indian Affairs, I report back favorably without amendment the bill (H. R. 16093) to amend an act entitled "An act to provide for the payment of drainage assessments on Indian lands in Oklahoma." The bill has the approval of the Secretary of the Interior; it has the approval of the members of the Indian Affairs Committee who are present in the city; and no one is against it that I know of. The matter will have to be acted on within a month, otherwise the work will have to stop. I ask for its present consideration. It is a very short bill.

Mr. SMOOT. Let it be read.

The Secretary read the bill, as follows:

Be it enacted, etc., That an act entitled "An act to provide for the payment of drainage assessments on Indian lands in Oklahoma," approved July 19, 1912 (37 Stat. L., p. 194), be, and the same is hereby,

amended so as to confer upon the Secretary of the Interior authority to subject Government lands of the Sac and Fox Indian Agency or the lands of the Sac and Fox Indian School or Agency in the Sac and Fox Agency of Lincoln County, Okla., to all of the provisions touching the organization of drainage districts and the construction of drain ditches and canals across said lands, or assessment for benefits conferred by the construction of said canals or ditches of the Deep Fork drainage district of Lincoln County, Okla., and that the provisions of said act shall apply in all particulars to the Sac and Fox Indian School lands and the lands of the Sac and Fox Indian Agency of said Lincoln County, Okla.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

CONNECTICUT RIVER BRIDGE.

Mr. SHEPPARD. From the Committee on Commerce I report back favorably without amendment the bill (H. R. 17398) granting the consent of Congress to the board of county commissioners of the County of Hampden, in the Commonwealth of Massachusetts, to construct a bridge across the Connecticut River between Springfield and West Springfield, in said county and Commonwealth, and I submit a report (No. 813) thereon. I ask for the immediate consideration of the bill.

There being no objection, the bill was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

SCHOOLS AT JUNEAU, ALASKA.

Mr. PITTMAN. From the Committee on Territories I report back favorably without amendment the bill (S. 6839) to authorize the incorporated town of Juneau, Alaska, to issue bonds for the construction and equipment of schools therein, and for other purposes, and I submit a report (No. 812) thereon.

The bill provides for permitting the town of Juneau, Alaska, to issue bonds to the amount of $75,000 for school purposes. This matter has been examined into by the Senator from Minnesota [Mr. NELSON] and myself. A similar bill was introduced in the House and reported favorably by the Committee on Territories of the House. It is an emergency matter, and I think it should be passed. There is a little schoolhouse which was built in Juneau about 25 years ago. The town then had a population of about 500 people. It now has a population of 10,000, and such are the only school accommodations it possesses. It involves no liability on behalf of the Government, and I request the present consideration of the bill.

Mr. SMOOT. Let it be read first.

The VICE PRESIDENT. The Secretary will read the bill.

The Secretary read the bill, as follows:

Be it enacted, etc., That the incorporated town of Juneau, Alaska, is hereby authorized and empowered to issue its bonds in any sum not exceeding $75,000 for the purpose of constructing a schoolhouse in said town and equipping the same.

SEC. 2. That before said bonds shall be issued a special election shall be ordered by the common council of the town of Juneau, at which election the question whether such bonds shall be issued shall be submitted to the qualified electors of said town of Juneau. Thirty days' notice of any such election shall be given by publication thereof in a newspaper printed and published and of general circulation in said town before the day fixed for such election.

SEC. 3. That the registration for such election, the manner of conducting the same, and the canvass of the returns of said election shall be, as nearly as practicable, in accordance with the requirements of law in general or special elections in said municipality, and said bonds shall be issued only upon the condition that a majority of the votes cast at such election in said town shall be in favor of issuing said bonds.

SEC. 4. That the bonds above specified, when authorized to be issued as hereinbefore provided shall bear interest at a rate not to exceed 7 per cent per annum, payable semiannually, and shall not be sold for less than their par value with accrued interest and shall be in denominations not exceeding $1,000 each, the principal to be due in 10 years from date thereof: *Provided, however*, That the common council of said town of Juneau may reserve the right to pay off such bonds in their numerical order at the rate of $10,000, or less, thereof per annum from and after the expiration of four years from their date. Principal and interest shall be payable in lawful money of the United States of America at the office of the town treasurer of the town of Juneau, Alaska, or at such other place as may be designated by the common council of the town of Juneau; the place of payment to be mentioned in said bonds: *And provided further*, That each and every such bond shall have the written signature of the mayor and clerk of said town of Juneau and also bear the seal of said town.

SEC. 5. That no part of the funds arising from the sale of said bonds shall be used for any purpose other than that specified in this act. Said bonds shall be sold only in such amounts as the common council shall direct, and the proceeds thereof shall be disbursed by the school board of said town under the limitations hereinbefore imposed and under the direction of said common council from time to time as the same may be required for the purposes aforesaid.

The Senate, as in Committee of the Whole, proceeded to consider the bill.

Mr. SMOOT. I will ask the Senator reporting the bill if the rate of 7 per cent interest on the bonds is not too high.

Mr. PITTMAN. It is quite high, but they expect to take the bonds locally and that is the rate of interest prevailing locally. I am informed by Mr. King, a member of the council, that they intend to take their bonds in the local community.

Mr. SMOOT. It seems to me even if the banks there bought the bonds the district certainly should not be compelled to pay 7 per cent. I am quite sure those bonds would be used by the banks there in case they wanted to borrow money and sell them in the United States. It seems to me as though it is opening a way to them to make a large profit by purchasing bonds at 7 per cent and then selling them in the eastern or Western States where the interest rate is very low, and that they would make a large profit in the transaction.

I can not see why a 5 per cent bond at most would not sell in Juneau at par. The Senator may know some reason why, but I can not for the life of me see anything on the face of the bill that would prevent speculation in the bonds, even if they were bought locally.

Mr. PITTMAN. I must confess I do not know. The matter of interest was determined by the city council and by Delegate WICKERSHAM, of Alaska. He is in closer touch with the situation than I am. I have not been up there for a great many years, but he seems to think that to make the bonds available and raise the money that rate of interest is necessary.

Mr. SMOOT. This is a Senate bill, and I ask the Senator if he will not accept an amendment striking out "seven" and inserting "five." Then, when the bill goes to the House, the matter can be taken up with Mr. WICKERSHAM, the Delegate. I think it would be very much better if that were the case.

Mr. PITTMAN. I agree with the Senator. I should like to have the interest rate reduced, and so I accept the suggestion.

Mr. SMOOT. Then I move to strike out the word "seven" and insert "five."

The VICE PRESIDENT. The amendment proposed by the Senator from Utah will be stated.

The SECRETARY. In section 4, page 2, line 13, before the words "per cent," it is proposed to strike out "seven" and to insert "five," so that it will read:

SEC. 4. That the bonds above specified, when authorized to be issued as hereinbefore provided, shall bear interest at a rate not to exceed 5 per cent per annum, payable semiannually, and shall not be sold for less than their par value with accrued interest and shall be in denominations not exceeding $1,000 each, the principle to be due in 10 years from date thereof, etc.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

OSAGE INDIAN SCHOOL.

Mr. OWEN. From the Committee on Indian Affairs I report back favorably without amendment the bill (S. 6864) providing for the continuance of the Osage Indian School, Oklahoma, for a period of 10 years from January 1, 1917, and I submit a report (No. 811) thereon.

Mr. President, the Osage Indian School fund expires in 1916. The Secretary of the Interior asks that it be extended for 10 years, so that the school may be continued at Pawhuska. The money for that purpose comes out of the Indian fund. The bill which I have reported has a unanimous report from the Committee on Indian Affairs behind it. It is a very short bill, and, being a local matter, I ask for its immediate consideration.

The VICE PRESIDENT. The bill will be read.

The Secretary read the bill, as follows:

Be it enacted, etc., That the third paragraph of section 4 of the act of June 28, 1906 (34 Stat. L., p. 539), is hereby amended to the extent that the moneys therein provided for support for Osage schools may be used in the discretion of the Secretary of the Interior for the same purposes as provided in said paragraph for a further period of not exceeding 10 years from the 1st day of January, 1917, on the condition of establishing vocational instruction in such schools.

The VICE PRESIDENT. Is there objection to the request of the Senator from Oklahoma for the immediate consideration of the bill?

There being no objection, the bill was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

REFUNDS OF DRAWBACKS (S. DOC. NO. 532.)

Mr. FLETCHER, from the Committee on Printing, to which the subject was referred reported the following resolution (S. Res. 252), and it was considered by unanimous consent and agreed to:

Resolved, That the statement of drawbacks under the present tariff act, during the fiscal years 1914-1916, as transmitted to the Senate

by the Secretary of the Treasury, under date of July 26, 1916, in response to Senate resolutions dated January 10 and July 5, 1916, be printed as a Senate document.

MISSISSIPPI RIVER BRIDGE.

Mr. CLARKE of Arkansas. Mr. President, I move to reconsider the vote by which the Senate concurred on last Saturday in the amendments made by the House of Representatives to the bill (S. 5886) extending the time for the completion of the bridge across the Mississippi River at Memphis, Tenn., authorized by an act entitled "An act to amend an act approved July 20, 1912, entitled 'An act to authorize the Arkansas & Memphis Railway Bridge & Terminal Co. to construct, maintain, and operate a bridge across the Mississippi River,' approved August 23, 1912."

I will say, in connection with the motion, that I was quite surprised that a motion to concur in the House amendments had been made and at the circumstances under which it was made. The bill relates to an extension of the time for the completion of the bridge across the Mississippi River, at Memphis, Tenn., and into the State of Arkansas. It is not technically a bridge bill at all, although, of course, in a broad way it is; but it contains some affirmative provisions of legislation that I think ought to be the subject of conference between the Senator from Tennessee [Mr. SHIELDS], who introduced the bill, my colleague, and myself, and I think we ought to have that opportunity.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to.

The VICE PRESIDENT. What disposition does the Senator from Arkansas desire to have made of the bill?

Mr. CLARKE of Arkansas. Let the bill and amendments of the House be referred to the Committee on Commerce.

The VICE PRESIDENT. The bill and amendments of the House will be referred to the Committee on Commerce.

Mr. CLARKE of Akansas. I can not understand how the bill ever got before the Senate. Some days since, intending to reserve the right of consultation with the Senators mentioned, I got the bill from the Secretary's desk and put it in my desk, hoping thereby to prevent its inadvertent consideration. I find the statement in reference to the matter this morning in the RECORD. I am not quite advised as to how the bill could have gotten before the Senate, unless there are duplicate copies.

The VICE PRESIDENT. The Senator from Arkansas only got a copy of the bill. The original is at the desk.

Mr. CLARKE of Arkansas. Very well. I return the copy which I have. I thought I had the original in my possession.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FLETCHER:

A bill (S. 6914) granting an increase of pension to William D. Collins; and

A bill (S. 6915) granting an increase of pension to Charles P. Betts (with accompanying papers); to the Committee on Pensions.

By Mr. MYERS:

A bill (S. 6916) granting a pension to Willis McAfee; to the Committee on Pensions.

By Mr. TAGGART (for Mr. JOHNSON of Maine):

A bill (S. 6917) granting an increase of pension to John O. Bubar (with accompanying papers); to the Committee on Pensions.

By Mr. JONES:

A bill (S. 6918) granting an increase of pension to John L. Fisher (with accompanying papers); and

A bill (S. 6919) granting an increase of pension to Benjamin F. Martin (with accompanying papers); to the Committee on Pensions.

By Mr. CURTIS:

A bill (S. 6920) granting an increase of pension to John C. Ball (with accompanying papers); and

A bill (S. 6921) granting a pension to Nancy K. Sadler (with accompanying papers); to the Committee on Pensions.

By Mr. CHAMBERLAIN:

A bill (S. 6923) granting an increase of pension to Henry Janzen (with accompanying papers); to the Committee on Pensions.

By Mr. SMOOT:

A bill (S. 6924) to provide for the maintenance of a training camp on the military reservation of Fort Douglas, Utah; to the Committee on Military Affairs.

HEIGHT OF BUILDINGS IN THE DISTRICT OF COLUMBIA.

Mr. GALLINGER. Mr. President, a gentleman greatly interested in the development of the District of Columbia has handed me a bill, requesting that I introduce it. It appears to be framed very largely along the lines of an ordinance of the city of New York governing the erection of buildings, and so forth. I do not know that I approve of all the provisions of the bill, but I ask that it be received and referred to the Committee on the District of Columbia.

The bill (S. 6922) to regulate and limit the height and bulk of buildings hereafter erected, and regulating and determining the area of yards, courts, and other open spaces, and regulating and restricting the location of trades and industries and the location of buildings designed for specified uses, and establishing the boundaries of districts for the said purposes in the District of Columbia, was read twice by its title and referred to the Committee on the District of Columbia.

THE REVENUE.

Mr. O'GORMAN submitted an amendment intended to be proposed by him to the bill (H. R. 16763) to increase the revenue, and for other purposes, which was ordered to lie on the table and be printed.

TRAINING CAMP AT FORT DOUGLAS, UTAH.

Mr. CHAMBERLAIN. I desire to make a favorable report from the Committee on Military Affairs on the bill (S. 6924) to provide for the maintenance of a training camp on the military reservation of Fort Douglas, Utah, and I submit a report (No. 814) thereon. I call the attention of the Senator from Utah [Mr. SMOOT] to the bill.

Mr. SMOOT. Mr. President, I will say that this is a very urgent matter, and the reason why I want it acted upon at this time is that it may go to the House and be acted upon there to-morrow. I have the assurance that that action will be taken if the bill passes the Senate to-day. It provides for the maintenance of a training camp at Fort Douglas, Utah, that begins to-day. In conference with the Secretary of War, Gen. Scott, and Gen. Bliss on Saturday this program was agreed to, and they sent me a copy of the bill to-day. I introduced the bill this morning and asked to have it referred to the Committee on Military Affairs, and it was so referred; and the committee now report it back favorably to the Senate.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to maintain upon the military reservation at Fort Douglas, Utah, for such period within the fiscal year ending June 30, 1917, as he may deem advisable, a camp for the military instruction and training of such citizens as may be selected for such instruction and training under such regulations as he may prescribe, and to furnish to said citizens the subsistence, transportation, and uniforms authorized by the act of Congress, approved June 3, 1916; and for the purposes of this act there is hereby appropriated the sum of $30,000, to be paid out of any money in the Treasury not otherwise appropriated.

Mr. STONE. Mr. President, before the bill is passed I should like to ask my friend from Oregon how many of these military camps we have.

Mr. CHAMBERLAIN. There are several pending. There is one in New York; there will be others in the West; and there is a question in the mind of the Secretary of War as to whether there is money available at this time. This will be deducted from the regular appropriation when the Army bill becomes a law.

Mr. STONE. Yes; but that is not the point. Can any Senator answer my question? I understand there is a military training camp at Plattsburg, N. Y. What others are there, and where are they located?

Mr. CHAMBERLAIN. There is one to be held at American Lake, in the State of Washington, where the young men from Oregon and Washington, who desire to participate will assemble, and there may be one in California. They have all been determined upon; but this is the only one that is pending now.

Mr. SMOOT. I will say to the Senator that they meet to-day, and that is the reason why the Secretary of War desires the authority.

Mr. STONE. I am not objecting to the appropriation. I am merely asking for information as to the number of these training camps and their location, either existing or contemplated, and the probable expense of maintaining them. Personally I very much favor the establishment of these training camps, but at the same time we ought to have some idea as to just how far we are going in the establishing of them.

Mr. SMOOT. The Army appropriation bill provides for all of them. It provides for the maintenance and the transportation of those participating in the training camps; but in this case they are to meet to-day in Salt Lake City. I will say to

the Senator that the Secretary of War has already issued the requisition to the railroads to carry them to Fort Douglas.

Mr. STONE. Oh, well, the Senator is addressing himself to this particular occasion.

Mr. SMOOT. I do not know how many there are.

Mr. STONE. Can any Senator tell me how many of these training camps are contemplated?

Mr. CHAMBERLAIN. I do not know, Mr. President. That information, however, can be secured from the War Department, and if the Senator wants it, I will be glad to obtain it for him. I do not know that the Secretary can inform us how many applications there will be.

Mr. STONE. Then, let me ask, does the law as it stands leave this matter wholly to the War Department?

Mr. CHAMBERLAIN. To the Secretary of War; yes.

Mr. STONE. To establish them in any number he pleases and where he pleases?

Mr. CHAMBERLAIN. Within the limits of the appropriation, of course.

Mr. STONE. And the appropriation is how much?

Mr. CHAMBERLAIN. This is $30,000, but the general appropriation bill carries $4,000,000.

Mr. SMOOT. That is all it will take for the camp at Fort Douglas.

Mr. STONE. If the Secretary of War has $4,000,000 at his disposal for this purpose, why does he need a special authorization of $30,000?

Mr. SMOOT. I will say to the Senator that the Army bill has been vetoed, and it has to be passed again by the House first.

Mr. STONE. It is in view of that situation?

Mr. SMOOT. It is in view of that situation.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

GEORGE RUBLEE.

The VICE PRESIDENT. Are there concurrent or other resolutions?

Mr. GALLINGER. Mr. President, if there be no concurrent or other resolutions, I ask the Chair to lay before the Senate the resolution which I submitted on Saturday last, which went over under the rule.

The VICE PRESIDENT. The Chair lays before the Senate the resolution referred to by the Senator from New Hampshire.

The resolution (S. Res. 251) was read, as follows:

Whereas on May 15, 1916, the Senate rejected the nomination of George Rublee as a member of the Federal Trade Commission; and

Whereas the act of May 1, 1884, volume 23, page 17, United States Statutes at Large, provides as follows:

"Hereafter no department or officer of the United States shall accept voluntary service for the Government or employ personal service in excess of that authorized by law, except in case of sudden emergency involving the loss of human life or the destruction of property": Therefore be it

Resolved, That the chairman of the Federal Trade Commission be directed to inform the Senate at once under what authority of law George Rublee is now acting as a member of the Federal Trade Commission.

The VICE PRESIDENT. The question is on agreeing to the resolution.

Mr. ROBINSON. Mr. President, I should like to ask the Senator from New Hampshire a question or two concerning the resolution, if he has no objection.

Mr. GALLINGER. I have none.

Mr. ROBINSON. The resolution assumes that Mr. Rublee is acting as a member of the Federal Trade Commission. I have no information upon the subject, and I want to ask the Senator from New Hampshire whether or not it would meet his desires to so amend the resolution as to inquire whether Mr. Rublee is acting as a member of that commission?

Mr. GALLINGER. I have no objection to such an amendment. My information is that the chairman of the Federal Trade Commission has recently stated to certain parties who desired the information that Mr. Rublee, though now on a vacation, was still a member of the Federal Trade Commission. That is all I know about it. How does the Senator from Arkansas propose to amend the resolution?

Mr. ROBINSON. On line 2, after the word "once," I propose to insert the words "whether George Rublee is now acting as a member of said commission, and."

Mr. GALLINGER. "If so."

Mr. ROBINSON. So that it will read:

Resolved, That the chairman of the Federal Trade Commission be directed to inform the Senate at once whether George Rublee is now acting as a member of said commission——

Mr. GALLINGER. "And if so"——

Mr. ROBINSON (continuing)—

And if so, under what authority of law he is so acting.

Mr. GALLINGER. I have no objection to that amendment.

The SECRETARY. It is proposed to amend the resolution so that if amended it will read:

Resolved, That the chairman of the Federal Trade Commission be directed to inform the Senate at once whether George Rublee is now acting as a member of said commission; and if so, under what authority of law he is so acting.

Mr. GALLINGER. That is all right.

Mr. STONE. Mr. President, I should like to ask the Senator from New Hampshire a question.

Mr. GALLINGER. I yield to the Senator.

Mr. STONE. As I understand the facts, Mr. Rublee was appointed to be a member of the Federal Trade Commission by the President.

Mr. GALLINGER. Yes.

Mr. STONE. And his name was sent to the Senate?

Mr. GALLINGER. Yes.

Mr. STONE. And during the present session of the Senate the appointment was rejected by a vote of the Senate?

Mr. GALLINGER. Yes.

Mr. STONE. There the matter rests?

Mr. GALLINGER. Yes.

Mr. STONE. Now, the Senator assumes in his resolution that Mr. Rublee is still acting as a member of that commission——

Mr. GALLINGER. I have every reason to believe so.

Mr. STONE. Notwithstanding the action of the Senate.

Mr. GALLINGER. Yes.

Mr. STONE. I should like to ask the Senator, has it not been the rule of procedure, the recognized rule under the law, that when a man has been nominated to an office and his name has been sent to the Senate and the Senate refuses to advise and consent to his appointment, the appointee having taken office under an appointment made in vacation, as I understand to have been the case in this instance, he continues to hold the position and perform the functions of the office until his successor has been appointed, if the new appointment is made during the session of the Senate, or otherwise until the adjournment of the Senate?

Mr. GALLINGER. I know of no such law. There is a provision in the Constitution which has been cited in support of that contention. I am very well satisfied, however, that that provision of the Constitution never was intended to apply where a rejection followed the nomination.

As bearing on this question, I cited on Saturday last one provision of law, which is found in the resolution, and I will now cite another provision of law that has come to my attention, found in United States Revised Statutes, section 1761, page 313. It is as follows:

SEC. 1761. No money shall be paid from the Treasury as salary to any person appointed during the recess of the Senate to fill a vacancy in any existing office if the vacancy existed while the Senate was in session and was by law required to be filled by and with the advice and consent of the Senate until such appointee has been confirmed by the Senate.

Mr. Rublee's case comes directly under the provisions of that statute, and I think it is conclusive, he having been appointed during a recess of the Senate. It clearly shows that Mr. Rublee is not entitled to hold office; but, at best, all I have asked is that the commission inform the Senate under what authority Mr. Rublee is acting as a commissioner, if he is so acting. I feel sure that he ought not to be in that position.

In the District of Columbia appropriation bill of this year our attention was called to the fact that a certain gentleman who had been rejected as a member of the Excise Board of the District of Columbia was still performing the functions of that office. The committee having charge of the bill inserted a provision, which was subsequently agreed to in conference, that no part of the money appropriated should be paid to that gentleman while he was exercising the functions of that office in the face of a rejection on the part of the Senate.

The difficulty, as I see it, is that if Mr. Rublee is allowed to remain there until the end of this session of Congress, provided it shall then be claimed there is a vacancy, he can the very next day be appointed again; and if he is again allowed to remain until the end of that session, he can be appointed again; so that it is an endless chain.

Mr. STONE. Of course, the Senator knows that is an old contention.

Mr. GALLINGER. Yes.

Mr. STONE. We have heard that contention here time and again, and it was because of that that I asked the Senator the question as to what had apparently been the general interpretation of the Constitution and the law and what had been the

practice in this behalf. I have no personal objection to the adoption of the resolution and sending it to the chairman of the Trade Commission for a reply; but my inquiry was simply to ascertain from the Senator in advance whether it had not been for years and years the practice in cases where men had been appointed in vacation and their names sent to the Senate and rejected, for them to hold over until the end of the session; and I think it has frequently happened that, upon the adjournment of the Senate, the same person was then reappointed by the President to hold over during the vacation of the Senate.

Mr. GALLINGER. I presume that some instances can be found where men rejected by the Senate have, under the provision of the Constitution which has been alluded to, but which I feel sure does not apply in cases of rejection, have held over; but I feel very sure that if we should examine the records we would find that as a rule men rejected by the Senate——

Mr. STONE. I am free to say to the Senator that if the Senate rejects a man I think he is not entitled to be reappointed, and I doubt very seriously whether he is entitled to continue in office.

Mr. ROBINSON. Mr. President——

Mr. GALLINGER. I will complete my sentence, if the Senator from Arkansas will permit me.

Mr. ROBINSON. Certainly.

Mr. GALLINGER. I am very familiar with the provision of the Constitution which the Senator from Arkansas is going to read. I was about to say that I think the record will show and the precedents of the Senate will demonstrate conclusively that men rejected by the Senate have, as a rule, abandoned the office. I think a man ought to have fairness enough in his make-up, if not honor enough, when the Senate exercises its right under the Constitution to reject his nomination for any given position, to retire; but if he is held in office under the provision of the Constitution the Senator from Arkansas is going to read, but which I think is not applicable, it is very evident that he can be kept in forever and ever, provided it can be made to appear that a vacancy exists. He can be appointed over and over again and held in office until the end of the next session of Congress in each instance. I do not believe that the Constitution so intends, and I know very well that the two statutes I have cited do not sustain that view.

I have no feeling particularly about this matter, and never have had a great deal of feeling about it. I did believe that Mr. Rublee ought not to have been appointed as a citizen of New Hampshire, representing the minority party, and I did what I could to secure his rejection, as I had a right to do.

Mr. ROBINSON and Mr. SHAFROTH addressed the Chair.

Mr. GALLINGER. I yield to the Senator from Arkansas.

Mr. ROBINSON. Mr. President, if the Senator from New Hampshire will yield to me, I know the Senator from New Hampshire is familiar with the last clause of section 2, Article II, of the Constitution, which provides:

> The President shall have power to fill up all vacancies that may happen during the recess of the Senate by granting commissions, which shall expire at the end of their next session.

I had not intended to enter into any discussion of the matter now, and have no objection to the passage of the resolution in the form it has taken; but I do think that the question involved is quite a serious one as to the legal right of an appointee to continue in service until the end of the session of Congress following his appointment, even though he has been rejected by the Senate. I am not speaking now of the propriety of his doing so; I do not care at this time to have anything to say on that subject; but, so far as his right to continue is concerned, it seems to be governed by the section of the Constitution which I have just read. When the President makes an appointment under a literal construction of this section, no matter what happens in the Senate, the commission does not expire until the end of the session following the appointment.

Mr. HARDWICK. Mr. President, will the Senator yield just for a question?

Mr. GALLINGER. I am very familiar with the provision of the Constitution the Senator has read; but, as I have said twice already, I do not believe it can properly apply in the case of a rejection, because the Senator from Arkansas will agree with me that if that is to be the law, at the end of the present session Mr. Rublee can be again appointed and serve until the end of the next session, and at the end of that session he can be again appointed. Of course, it would be a question for the Senate to decide whether he should be paid or not.

Mr. ROBINSON. Oh, yes.

Mr. GALLINGER. Because the statute says he shall not be paid, and another statute says that no department of the Government shall accept voluntary service, unpaid service.

Mr. ROBINSON. Of course, if the President should in the meantime appoint another person, that would operate as a revocation of the commission already issued.

Mr. GALLINGER. There is not any doubt about that, and it seems to me that that ought to be done.

Mr. ROBINSON. I do not think there is any doubt about that; but that is not the case here. The appointment has not been made, and it simply becomes a question of law, as I see it.

Mr. HARDWICK. Mr. President, I want to ask the Senator from Arkansas, then, in view of the concession he has just made, whether he does not think that that provision means when the Senate takes no action?

Mr. ROBINSON. No. The Supreme Court, I think, has passed upon that matter.

Mr. GALLINGER. Mr. President, the Supreme Court has acted in one case, but that decision does not cover this case at all. I have examined it with great care. The Senator will find the citation at the foot of the section he has just read; and if the Senator, as a lawyer—and of course a much better lawyer than I am, because I am not a lawyer at all—will examine that case with care, he will see that it does not apply.

Mr. ROBINSON. I am familiar with that case. It is not exactly in point; but I think the literal language of the Constitution, providing that the commission shall expire at the end of the next session, would control unless in the meantime the commission should be revoked.

Mr. SHAFROTH. Mr. President, the junior Senator from New Hampshire [Mr. HOLLIS] was very much interested in this appointment, and he is not here. It seems to me the matter should not be pressed in his absence.

Mr. GALLINGER. What is the junior Senator from New Hampshire doing at the present time?

Mr. SHAFROTH. I think he is in Chicago, but likely temporarily.

Mr. GALLINGER. What service is he performing?

Mr. SHAFROTH. I do not know what service he is performing.

Mr. ROBINSON. The service of his country.

Mr. GALLINGER. Yes; the service of his country, for the Democratic Party.

Mr. SHAFROTH. I do not know what position he would want to take on this resolution, Mr. President. Perhaps he would agree to it.

Mr. GALLINGER. Well, Mr. President, I do not propose to postpone this so that the junior Senator from New Hampshire can be brought from the duties he is performing in Chicago at the present time.

Mr. SHAFROTH. Oh, well, he is performing the same duties that various Members on the Republican side of the Chamber have often performed in the same way.

Mr. GALLINGER. Possibly so.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The resolution as amended was agreed to.

The VICE PRESIDENT. Morning business is closed.

POST OFFICE AND COURTHOUSE, BALTIMORE, MD.

Mr. SMITH of Maryland. Mr. President, I ask unanimous consent for the consideration of an emergency bill which I think it is very important to have passed at this session of Congress. It is Order of Business 719—Senate bill 4356.

Mr. HARDWICK. What is it?

Mr. SMITH of Maryland. I will say, in explanation of the bill——

Mr. THOMAS. Mr. President——

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Colorado?

Mr. SMITH of Maryland. I do.

Mr. THOMAS. I gave notice that at the conclusion of the morning business to-day I would submit some remarks upon a topic of present interest.

Mr. SMITH of Maryland. I will say to the Senator from Colorado that this emergency bill will take only a minute, and, if he will pardon me, I should like to have it disposed of.

Mr. THOMAS. I was going to say that if it is a matter that will not lead to discussion, of course, I shall not object.

Mr. SMITH of Maryland. It will only take a minute.

Mr. THOMAS. Otherwise I should be compelled to object if it does provoke controversy.

Mr. OVERMAN. What is it about?

Mr. SMOOT. Let the title of the bill be read.

The VICE PRESIDENT. The Secretary will state the title of the bill.

The SECRETARY. A bill (S. 4356) to enlarge, extend, remodel, and repair the United States post-office and courthouse building located at Baltimore, Md.

Mr. BORAH. Mr. President, are we taking up the calendar or is this a motion?

Mr. SMITH of Maryland. This is a bill which I have asked unanimous consent to consider. It is a very important emergency bill, which I will explain if the Senate desires to hear it explained.

Mr. GRONNA. Mr. President, I shall not object to the immediate consideration of this bill, but I want to say that I think we are proceeding in a rather irregular way. The people of the West have upon the calendar a bill known as the grazing homestead bill. It has been on the calendar for this entire session. If it is passed and becomes a law, it will furnish homes for thousands of families, and yet we are unable to get time or consent to consider that important bill. However, I shall not object to the consideration of this particular bill.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Public Buildings and Grounds with an amendment, on page 2, line 12, after the word "building," to insert "including all necessary relocation and installation of street railway tracks on the site of said building," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to cause the present post office at Baltimore, Md., to be enlarged, extended, remodeled, and repaired for the better accommodation of the post office and other governmental offices in said city, at a cost not exceeding $50,000, including all changes in, extension of, or additions and repairs to the heating, hoisting, ventilating, and plumbing systems and elevators therein which may become necessary by reason of or incident to such enlargement, extension, remodeling, or repairs of said building or which it may be found expedient to make to such heating, hoisting, ventilating, and plumbing systems and elevators because of such enlargement, extension, remodeling, or repair of said building; and the annual appropriations for the general maintenance of public buildings under the control of the Treasury Department shall be construed to be available for all other repairs to and equipment of said building, grounds, and approaches, heating, hoisting, ventilating, and plumbing systems, elevators, or apparatus of such building, including all necessary relocation and installation of street railway tracks on the site of said building.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading. read the third time, and passed.

ORDER OF BUSINESS.

Mr. THOMAS. Mr. President——

The VICE PRESIDENT. The Senator from Colorado.

Mr. BORAH. Mr. President, the Senator from Colorado gave notice that he would address the Senate this morning, and of course I am not going to interfere with that; but there is a bill which was reported from the Public Lands Committee this morning, which I believe might pass without discussion. It is exceedingly important; that is, a bill which has for its purpose the ratifying of certain titles which have been jeopardized by reason of the transfer heretofore made between the Interior Department and the State. I ask unanimous consent for the consideration of that bill, if the Senator will permit me; and if it leads to any discussion I will withdraw it.

Mr. MYERS. Mr. President——

Mr. THOMAS. Mr. President, with that understanding I will yield the floor; but of course——

Mr. HARDWICK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Georgia will state it.

Mr. THOMAS. I have not yielded the floor.

Mr. HARDWICK. The Senator does not have to yield the floor.

Mr. THOMAS. Mr. President——

The VICE PRESIDENT. Any Senator has a right to make a parliamentary inquiry.

Mr. THOMAS. Oh, I beg the Senator's pardon. I did not understand what he said.

Mr. HARDWICK. A parliamentary inquiry. During the morning hour, after the conclusion of the morning business, is not any Senator who wishes to make a motion to take up any bill that is in order entitled to the floor in preference to any Senator who has not the floor?

The VICE PRESIDENT. A Senator is entitled to the floor when he is recognized by the Chair.

Mr. HARDWICK. But for what purpose? To make a speech, or to transact business that is in order under the rules? The morning hour is intended for the transaction of certain business.

The VICE PRESIDENT. The morning business is closed.

Mr. HARDWICK. Oh, but then there are certain motions that are in order during the morning hour. I think all the precedents are——

The VICE PRESIDENT. The calendar under Rule VIII is in order after the completion of the morning business——

Mr. HARDWICK. Certainly.

The VICE PRESIDENT. Unless some Senator moves to proceed to the consideration of a particular bill.

Mr. HARDWICK. Exactly. Now, the query I raise is, if a Senator wanted to make an address during that particular time when these several proceedings would be in order, whether he would not at least have to wait until he got something on which to make a speech; and whether a Senator who claims the right to make a motion that is in order is not entitled to the floor, even if he is perfectly willing—as I am sure he would be in the case I have in mind—to yield to the Senator?

The VICE PRESIDENT. There is not any doubt about the right of a Senator, after the morning business is closed and until the expiration of the morning hour, to make a motion to take up any bill on the calendar.

Mr. HARDWICK. And he is entitled to be recognized for that purpose?

The VICE PRESIDENT. He is entitled to be recognized for that purpose. The mere giving of notice on the calendar does not confer any right.

Mr. BRANDEGEE. Mr. President——

Mr. MYERS. Mr. President, will the Senator yield to me to make a statement?

Mr. THOMAS. Mr. President——

The VICE PRESIDENT. The Senator from Colorado.

Mr. THOMAS. If I am not following the unbroken precedents of the Senate in giving notice, and then claiming the floor after the close of the morning hour, I want to be set right. If an exception is to be made in my case, that also is a matter of some personal importance.

The VICE PRESIDENT. The Senator from Colorado knows, of course, that these speeches that are to be delivered during the morning hour are delivered only by the common consent of the Members of the Senate.

Mr. THOMAS. I am perfectly well aware of that, Mr. President.

Mr. SMITH of South Carolina. Mr. President——

The VICE PRESIDENT. There is no right under the rules to put these notices on the calendar.

Mr. THOMAS. I am perfectly well aware of the practice as stated by the Chair.

Mr. SMITH of South Carolina. Mr. President——

Mr. THOMAS. At the same time, I am not aware that any objection has ever been made heretofore to the practice.

Mr. HARDWICK. Mr. President, if the Senator will yield——

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Georgia?

Mr. THOMAS. Why, from the position which I understand the Chair to take, I have no right to the floor, notwithstanding my notice.

REGULATION OF IMMIGRATION.

Mr. SMITH of South Carolina. Mr. President, if the Senator from Colorado will allow me, I think I can solve this problem and give him a subject on which he can talk. As the Chair has ruled that this is still the morning hour, and that a Senator has a right to rise and make a motion, I move that the Senate proceed to the consideration of House bill 10384, generally known as the immigration bill. When the Senate shall have disposed of that motion, then the Senator can proceed with his speech.

I move that the Senate proceed to the consideration of House bill 10384.

Mr. BORAH. Mr. President, did I not prefer a request for unanimous consent? I thought I did.

Mr. MYERS. I should like to be heard on that request.

The VICE PRESIDENT. The request of the Senator from Idaho must be first disposed of.

Mr. MYERS. I wish to be heard on that.

The VICE PRESIDENT. Is there objection to the request of the Senator from Idaho?

Mr. MYERS. I want to say to the Senator from Idaho that that bill has just been reported with a large number of amendments. There are quite a number of Senators who are interested in it; and while I am quite as anxious to get the relief

which it affords as the Senator from Idaho is, I think the bill had better go over and be printed, so as to give Senators a day or two to look into the amendments that are suggested.

Mr. BORAH. Mr. President——

Mr. BRANDEGEE. I rise to a question of order.

The VICE PRESIDENT. The Senator from Connecticut will state it.

Mr. BRANDEGEE. I understood the Chair to recognize the Senator from Colorado [Mr. THOMAS], and he was proceeding; and until the question of his right to proceed was raised I did not understand that any objection was made to the Senator's proceeding. If there was an objection made, I should like to know who made it.

The VICE PRESIDENT. The Chair understood there to be an objection on the part of the Senator from Georgia [Mr. HARDWICK].

Mr. HARDWICK. Mr. President, of course the Senator from Georgia had no objection to the Senator from Colorado speaking just as long as he wanted to speak. He always enlightens the Senate. There is no Member of the Senate of whom I am fonder. But Senators have certain rights at this time, and one of the Senators, to my certain knowledge, wanted to exercise that right. The Senator from Colorado can speak just as well on this motion if it prevails, and I hope my friend from Idaho will not press his request.

Mr. BRANDEGEE. The question is whether any other motion was in order when the Senator from Colorado had the floor.

Mr. HARDWICK. Yes.

Mr. BRANDEGEE. I did not hear the Chair recognize the Senator from South Carolina, who made a motion.

Mr. HARDWICK. Oh, yes; he did.

Mr. BRANDEGEE. The Senator got up and proceeded to talk, and the Chair did not recognize him at all Now, I simply want orderly procedure here. Of course, if the morning business was closed the consideration of the calendar under Rule VIII was in order.

The Senator from Colorado rose and was recognized. If any Senator wanted to object to his proceeding with his remarks he could move to proceed to consider something else, or he could file his objection, or the consideration of the calendar under Rule VIII could go on; but until some Senator definitely objects to the Senator from Colorado pursuing his remarks I think the Senator ought to be allowed to go on.

Mr. MYERS. Mr. President, I have not yielded the floor. I wish to continue my remarks.

Mr. BRANDEGEE. The Senator never had the floor. The Chair recognized the Senator from Colorado, and he is the only one who has the floor; and I raise that question of order.

Mr. MYERS. The floor was taken away from me without my consent.

Mr. BRANDEGEE. I think the Senator from Montana is out of order.

The VICE PRESIDENT. The Senator from Connecticut [Mr. BRANDEGEE] rose to a question of order. There are two things that are privileged in the Senate of the United States: One is a question of personal privilege, and the other is a question of order. The Senator rose to the latter question, and, of course, he has the floor.

Mr. BRANDEGEE. The question of order is simply that the Chair having recognized the Senator from Colorado [Mr. THOMAS], who was proceeding, he is entitled to the floor, and unanimous consent is to be presumed, and he has the right to proceed unless an objection is made.

Mr. MYERS. Mr. President——

Mr. HARDWICK. Mr. President, I desire to address the Senate on the question of order.

Mr. MYERS. Mr. President, will the Senator yield to me for one sentence?

Mr. BRANDEGEE. If I may.

Mr. MYERS. Mr. President, a number of Senators have spoken to me and said that they wanted this bill printed; they wanted an opportunity to read it in print, and observe the amendments that were reported; and solely upon that ground, and no other, I object to the request for consideration to-day.

Mr. BORAH. Mr. President, I want to tender my apology to the Senator from Colorado, because I had no idea of taking him off the floor. I thought this bill, from what I understood, would pass without any discussion or debate, in five minutes or three minutes, and it was not my intention to interfere with his speech at all.

Mr. HARDWICK. Mr. President——

The VICE PRESIDENT. The Senator from Georgia.

Mr. HARDWICK. On the question of order raised by the Senator from Connecticut, the facts are these, as I recall them:

The Senator from Colorado had given a previous notice that at the conclusion of the morning business—not the morning hour—he expected to address the Senate. Before the Senator from Colorado could carry out that intention, when he had merely addressed the Chair, and before he had begun his remarks, or before he could get or even ask unanimous consent, the Senator from Georgia raised the question of order as to whether or not, at the conclusion of the morning business and before the expiration of the morning hour, when certain motions were in order under the rules, a Senator was not entitled to recognition who wanted to make a motion in order under the rules at that time. The Chair ruled—and ruled properly, I believe—that he could.

I want to say, merely in explanation of the position that I took and that I still take here, that there was no possible discourtesy intended to the Senator from Colorado by that. There is no Member of this body who regards that Senator more highly than I do. As a matter of fact, however, this particular time, under the rules, is dedicated to certain forms of business, and I do not think it is a discourtesy to any Senator to ask him to postpone his remarks, under the very liberal rules about debate that we have in this body, until we can transact the actual business that is before the Senate, or that is pressing for attention under the rules applicable at that particular time. The Vice President ruled, and I think ruled properly, that any Senator who desired to make a motion before the morning hour was over was in order, and had precedence in point of recognition over a Senator who had no business to offer during that period.

If the Senator from Colorado will wait until this motion is voted on, if it is voted up under the rules of the Senate he can be heard as long as he desires to be heard on the measure moved by the Senator from South Carolina. I do not see any discourtesy to him in that.

Mr. SHAFROTH. The Senator recognizes that his motion will elicit debate.

Mr. HARDWICK. That is the very point. It can not be debated. It is not subject to debate unless made after 2 o'clock.

Mr. SHAFROTH. Suppose it its adopted?

Mr. HARDWICK. Then the Senator from Colorado can take the floor and speak on it for seven hours if he desires.

Mr. SHAFROTH. Yes; but it is not on the immigration bill that he wants to speak.

Mr. HARDWICK. He can speak on that now.

Mr. SMITH of South Carolina. I rise to a question of personal provilege.

Mr. BRANDEGEE. On the question of order I should like to be heard, if the Chair will allow me.

The VICE PRESIDENT. The Senator from South Carolina rises to a question of personal privilege.

Mr. BRANDEGEE. Oh, I did not understand.

Mr. SMITH of South Carolina. I want to disclaim any discourtesy to the Senator from Colorado. The question has been raised as to the order, and it was also stated that there was nothing before the Senate, and now, out of the abundant kindness of my heart, I think I should give to the Senator from Colorado a nail to hang his speech on, if he did not have one already.

Mr. BRANDEGEE. Mr. President, I rise to another question of order. The Senator from South Carolina is not stating a question of privilege.

Mr. SMITH of South Carolina. I am stating a question of personal privilege.

Mr. BRANDEGEE. I make the point of order that it is not a question of personal privilege.

The VICE PRESIDENT. The Chair is unable to state what the Senator himself thinks is a question of personal privilege.

Mr. SMITH of South Carolina. I prefer to decide that myself, Mr. President.

Mr. BRANDEGEE. The Chair can state what the Chair thinks is a question of personal privilege.

The VICE PRESIDENT. There are a great many things done here with which the Chair does not agree.

Mr. SMITH of South Carolina. I want to disclaim any discourtesy to the Senator from Colorado, and under the ruling of the Chair I simply ask for a vote on this question. Then I will be very glad to yield the floor to the Senator or to any Senator to speak, as is done here almost every day, on any subject he pleases. I now make my motion.

Mr. MYERS. Mr. President——

The VICE PRESIDENT. The question is on the motion of the Senator from South Carolina.

Mr. MYERS. I rise to a question of personal privilege.

Mr. BRANDEGEE. I make the point of order that a Senator can not take the floor on a question of personal privilege and then make a motion to proceed to the consideration of a bill.

Mr. MYERS. I rise to a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Montana will state it.

Mr. MYERS. I just want to say in one sentence that I had no intention whatever of interfering with the speech of the Senator from Colorado. I want to hear him. I think he ought to be heard. But the Senator from Idaho [Mr. BORAH] asked unanimous consent, and I was compelled to object in order to keep his request from being granted.

Mr. GALLINGER. Mr. President, I hope Gaston will be allowed to make a statement now.

Mr. SMITH of Georgia. Mr. President——

The VICE PRESIDENT. The question is on the motion of the Senator from South Carolina, which is not debatable.

Mr. SMITH of Georgia. I do not propose to debate it. I raise the point, Mr. President, that no one has specifically objected to the Senator from Colorado proceeding.

Mr. HARDWICK. If my colleague wants to put it that way, I object.

Mr. SMITH of Georgia. That is all right; that settles it.

Mr. STONE. I should like to ask a parliamentary question. Is the motion made by the Senator from South Carolina amendable?

The VICE PRESIDENT. It is not.

Mr. STONE. By moving to take up another bill?

The VICE PRESIDENT. It is not.

Mr. STONE. I should like to take up the woman suffrage amendment, and therefore furnish a real basis for the speech of the Senator from Colorado.

The VICE PRESIDENT. It is not amendable. The question is on the motion of the Senator from South Carolina to proceed to the consideration of the immigration bill.

Mr. SMITH of South Carolina. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CLARKE of Arkansas (when his name was called). I have a pair with the junior Senator from Utah [Mr. SUTHERLAND]. He is not present, and I withhold my vote.

Mr. GRONNA (when his name was called). I have a general pair with the senior Senator from Maine [Mr. JOHNSON], which I transfer to the junior Senator from Nebraska [Mr. NORRIS] and vote "yea."

Mr. JONES (when his name was called). I have a pair with the junior Senator from Virginia [Mr. SWANSON], but upon any question with reference to the immigration bill I am at liberty to vote. Therefore I vote "yea."

Mr. OWEN (when his name was called). I ask if the Senator from New Mexico [Mr. CATRON] has voted?

The VICE PRESIDENT. He has not.

Mr. OWEN. I withhold my vote for the present, being paired with that Senator.

Mr. DILLINGHAM (when Mr. PAGE's name was called). I desire to state that my colleague [Mr. PAGE] is necessarily absent from the Senate. If he were present, he would vote "yea."

Mr. JONES (when Mr. POINDEXTER's name was called). My colleague [Mr. POINDEXTER] is necessarily absent. If present, he would vote "yea."

Mr. SMITH of Georgia (when his name was called). I transfer my pair with the senior Senator from Massachusetts [Mr. LODGE] to the senior Senator from Nebraska [Mr. HITCHCOCK] and will let that transfer remain for the balance of the day. I vote "nay."

Mr. STERLING (when his name was called). I have a general pair with the Senator from Nevada [Mr. NEWLANDS]. I transfer my pair to the Senator from Iowa [Mr. KENYON] and vote "yea."

Mr. STONE (when his name was called). I transfer the general pair I have with the Senator from Wyoming [Mr. CLARK] to the Senator from Illinois [Mr. LEWIS] and vote "nay."

Mr. THOMPSON (when his name was called). I am paired with the Senator from Illinois [Mr. SHERMAN]. In his absence I withhold my vote.

Mr. JONES (when Mr. TOWNSEND's name was called). As I announced before, the junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent. If he were present, he would vote "yea."

Mr. VARDAMAN (when his name was called). Has the junior Senator from Idaho [Mr. BRADY] voted?

The VICE PRESIDENT. He has not.

Mr. VARDAMAN. I have a pair with that Senator and can not get a transfer. In his absence I withhold my vote. If I were at liberty to vote, I would vote "yea."

Mr. WEEKS (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. JAMES], which I transfer to the junior Senator from Vermont [Mr. PAGE] and vote "yea."

The roll call was concluded.

Mr. WEEKS. I wish to state that if my colleague [Mr. LODGE] were present he would vote "yea." He has a general pair with the senior Senator from Georgia [Mr. SMITH].

Mr. BRYAN (after having voted in the negative). I have a pair with the junior Senator from Michigan [Mr. TOWNSEND], which I transfer to the junior Senator from Louisiana [Mr. BROUSSARD] and allow my vote to stand.

Mr. SAULSBURY. I transfer my pair with the junior Senator from Rhode Island [Mr. COLT] to the junior Senator from Nevada [Mr. PITTMAN] and vote "nay."

Mr. VARDAMAN. I am assured that if the junior Senator from Idaho [Mr. BRADY] were present he would vote as I do. So I will vote. I vote "yea."

Mr. BECKHAM. I transfer my pair with the Senator from Delaware [Mr. DU PONT] to the Senator from Virginia [Mr. SWANSON] and vote "nay."

Mr. CHILTON. I transfer my pair with the Senator from New Mexico [Mr. FALL] to the Senator from Arkansas [Mr. ROBINSON] and vote "nay."

Mr. CURTIS. I was requested to announce that the Senator from Ohio [Mr. HARDING] is absent and that if present he would vote "yea."

Mr. WARREN. I wish to announce that my colleague [Mr. CLARK of Wyoming] is paired with the Senator from Missouri [Mr. STONE] and that if my colleague were present he would vote "yea."

Mr. GRONNA. I was requested to announce that the senior Senator from Wisconsin [Mr. LA FOLLETTE] is necessarily absent from the city. Were he present he would vote "yea."

Mr. SHAFROTH. I am paired with the junior Senator from Washington [Mr. POINDEXTER]. I transfer that pair to the Senator from Tennessee [Mr. LEA] and vote "nay."

Mr. OVERMAN. My colleague [Mr. SIMMONS] is absent on official business. He is paired with the Senator from Minnesota [Mr. CLAPP].

Mr. SMOOT. I desire to announce the absence of my colleague [Mr. SUTHERLAND]. He is paired with the Senator from Arkansas [Mr. CLARKE].

Mr. STONE. I wish to state that my colleague [Mr. REED] has been called from the city for two or three days on important business. He is paired with the Senator from Michigan [Mr. SMITH].

Mr. CURTIS. I was requested to announce the following pairs:

The Senator from Ohio [Mr. HARDING] with the Senator from Alabama [Mr. UNDERWOOD];

The Senator from New Mexico [Mr. CATRON] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from Rhode Island [Mr. LIPPITT] with the Senator from Montana [Mr. WALSH];

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS]; and

The Senator from Michigan [Mr. TOWNSEND] with the Senator from Florida [Mr. BRYAN].

The result was announced—yeas 27, nays 24, as follows:

YEAS—27.

Ashurst	Curtis	McCumber	Smith, S. C.
Beckham	Dillingham	McLean	Smoot
Borah	Gallinger	Myers	Sterling
Brandegee	Gronna	Nelson	Vardaman
Chamberlain	Hardwick	Oliver	Warren
Culbersen	Jones	Overman	Weeks
Cummins	Lane	Penrose	

NAYS—24.

Bankhead	Lee, Md.	Ransdell	Smith, Ga.
Bryan	Martin, Va.	Saulsbury	Smith, Md.
Chilton	Martine, N. J.	Shafroth	Stone
Fletcher	O'Gorman	Sheppard	Taggart
Hughes	Phelan	Shields	Thomas
Kern	Pomerene	Smith, Ariz.	Williams

NOT VOTING—44.

Brady	Harding	Lippitt	Simmons
Broussard	Hitchcock	Lodge	Smith, Mich.
Catron	Hollis	Newlands	Sutherland
Clapp	Husting	Norris	Swanson
Clark, Wyo.	James	Owen	Thompson
Clarke, Ark.	Johnson, Me.	Page	Tillman
Colt	Johnson, S. Dak.	Pittman	Townsend
du Pont	Kenyon	Poindexter	Underwood
Fall	La Follette	Reed	Wadsworth
Goff	Lea, Tenn.	Robinson	Walsh
Gore	Lewis	Sherman	Works

So the motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 10384) to regulate the immigration of aliens to, and the residence of aliens

in, the United States, which had been reported from the Committee on Immigration with amendments.

Mr. SMITH of South Carolina. Mr. President, if it is in order, I would just like to state to the Senate that this is practically the same bill, with very slight modifications, that has been before the Senate twice. I ask that the formal reading of the bill be dispensed with and that we proceed immediately to consider the slight amendments made by the committee. I do not think any debate is really necessary in view of the fact that it practically has been debated ad libitum here for several years.

Mr. STONE. If the Senator will pardon me, I shall not object to dispensing with the formal reading of the bill if the Senator from Colorado [Mr. THOMAS] is allowed to proceed.

Mr. SMITH of South Carolina. I will take pleasure in yielding to the Senator from Colorado now.

Mr. THOMAS. In view of the occurrences of this morning I do not know what my rights are. If further objection is made, I will not speak at all under the notice which I gave on Friday.

Mr. SMITH of South Carolina. Oh, no; I yield to the Senator from Colorado.

The VICE PRESIDENT. Is there objection to dispensing with the formal reading of the bill and that it be read for action upon the amendments of the committee, the committee amendments to be first considered? The Chair hears none.

The Secretary proceeded to read the bill.

The first amendment of the Committee on Immigration was, in section 2, page 3, line 24, before the word "exceptions," to strike out "the" and insert "these," so as to read:

That the said tax shall not be levied on account of aliens who enter the United States after an uninterrupted residence of at least one year immediately preceding such entrance in the Dominion of Canada, Newfoundland, the Republic of Cuba, or the Republic of Mexico, for a temporary stay, nor on account of otherwise admissible residents or citizens of any possession of the United States, nor on account of aliens in transit through the United States, nor upon aliens who have been lawfully admitted to the United States and who later shall go in transit from one part of the United States to another through foreign contiguous territory, and the Commissioner General of Immigration with the approval of the Secretary of Labor shall issue rules and regulations and prescribe the conditions necessary to prevent abuse of these exceptions.

The amendment was agreed to.

The next amendment was, in section 3, page 6, line 13, after the words "foreign port or," to insert "their," so as to read:

Persons likely to become a public charge; persons who have been deported under any of the provisions of this act, and who may again seek admission within one year from the date of such deportation, unless prior to their reembarkation at a foreign port or their attempt to be admitted from foreign contiguous territory the Secretary of Labor shall have consented to their reapplying for admission.

The amendment was agreed to.

The next amendment was, on page 7, line 4, after the word "eligible," to strike out "Hindus and persons who can not become eligible, under existing law, to become citizens of the United States by naturalization, unless otherwise provided for by existing agreements as to passports, or by existing treaties, conventions, or agreements, or by treaties, conventions, or agreements that may hereafter be entered into" and insert "unless otherwise provided for by existing treaties, persons who are natives of islands not possessed by the United States adjacent to the Continent of Asia, situate south of the twentieth parallel of latitude north, west of the one hundred and sixtieth meridian of longitude east from Greenwich, and north of the tenth parallel of latitude south, or who are natives of any country, province, or dependency situate on the Continent of Asia west of the one hundred and tenth meridian of longitude east from Greenwich and east of the fiftieth meridian of longitude east from Greenwich, except that portion of said territory situate between the fiftieth and the sixty-fourth meridians of longitude east from Greenwich and the twenty-fourth and thirty-eighth parallels of latitude north"; and in line 23, before the word "next," to strike out "provisions" and insert "provision," so as to read:

All children under 16 years of age, unaccompanied by or not coming to one or both of their parents, except that any such children may, in the discretion of the Secretary of Labor, be admitted if in his opinion they are not likely to become a public charge and are otherwise eligible, unless otherwise provided for by existing treaties, persons who are natives of islands not possessed by the United States adjacent to the Continent of Asia, situate south of the twentieth parallel of latitude north, west of the one hundred and sixtieth meridian of longitude east from Greenwich, and north of the tenth parallel of latitude south, or who are natives of any country, province, or dependency situate on the Continent of Asia west of the one hundred and tenth meridian of longitude east from Greenwich and east of the fiftieth meridian of longitude east from Greenwich, except that portion of said territory situate between the fiftieth and the sixty-fourth meridians of longitude east from Greenwich and the twenty-fourth and thirty-eighth parallels of latitude north. The provision next foregoing, however shall not apply to persons of the following status or occupations: Government officers, ministers or religious teachers, missionaries, lawyers physicians, chemists, civil engineers, teachers, students, authors, artists, merchants, and travelers for curiosity or pleasure.

The amendment was agreed to.

The next amendment was, on page 9, line 21, after the word "years," to strike out "and who have in accordance with the law declared their intention of becoming citizens of the United States," so as to read:

All aliens who have been lawfully admitted to the United States and who have resided therein continuously for five years, and who return to the United States within six months from the date of their departure therefrom.

The amendment was agreed to.

The next amendment was, on page 10, line 6, after the word "political," to insert "unless such offense is a felony," so as to make the proviso read:

Provided, That nothing in this act shall exclude, if otherwise admissible, persons convicted, or who admit the commission, or who teach or advocate the commission, of an offense purely political unless such offense is a felony.

The amendment was agreed to.

The next amendment was, on page 11, line 14, after the word "That," to strike out "whenever any foreign country contiguous to the United States shall, by statute, executive order, or otherwise, exclude from its territory any class or classes of citizens of the United States upon grounds different from the grounds for excluding aliens from the United States herein specified, the same class or classes of aliens residing in such contiguous country shall be excluded from the United States so long as such exclusion of the United States citizens continues: *Provided further*, That aliens who have declared their intention to become citizens, and," so as to make the proviso read:

Provided further, That aliens returning after a temporary absence to an unrelinquished United States domicile of seven consecutive years, may be admitted in the discretion of the Secretary of Labor, and under such conditions as he may prescribe.

The amendment was agreed to.

The next amendment was, on page 12, line 21, after the words "return of," to strike out "students and others" and insert "otherwise inadmissible aliens," so as to make the proviso read:

Provided further, That the Commissioner General of Immigration with the approval of the Secretary of Labor shall issue rules and prescribe conditions, including exaction of such bonds as may be necessary, to control and regulate the admission and return of otherwise inadmissible aliens applying for temporary admission.

The amendment was agreed to.

The next amendment was, in section 9, page 19, line 24, after the words "or who," to strike out "are Hindus, or who can not become eligible, under existing law, to become a citizen of the United States by naturalization, as provided in" and insert "is excluded by the terms of section 3 of this act as a native of that portion of the Continent of Asia and the islands adjacent thereto described in said section," so as to read:

It shall also be unlawful for any such person to bring to any port of the United States any alien who is excluded by the provisions of section 3 of this act because unable to read, or who is excluded by the terms of section 3 of this act as a native of that portion of the Continent of Asia and the islands adjacent thereto described in said section, and if it shall appear to the satisfaction of the Secretary of Labor that these disabilities might have been detected by the exercise of reasonable precaution prior to the departure of such aliens from a foreign port, such person shall pay to the collector of customs of the customs district in which the port of arrival is located the sum of $200, and in addition a sum equal to that paid by such alien for his transportation from the initial point of departure, indicated in his ticket, to the port of arrival, for each and every violation of this provision, such latter sum to be delivered by the collector of customs to the alien on whose account assessed.

The amendment was agreed to.

The next amendment was, on page 20, line 17, after the words "of such," to strike out "fine" and insert "fines"; in line 18, before the word "unpaid," to strike out "fine remains" and insert "fines remain"; in line 19, after the word "such," to strike out "fine" and insert "fines"; and on page 21, line 1, before the words "or exceptions," to strike out "provisions" and insert "provisos," so as to read:

And no vessel shall be granted clearance papers pending the determination of the question of the liability to the payment of such fines, or while the fines remain unpaid, nor shall such fines be remitted or refunded: *Provided*, That clearance may be granted prior to the determination of such questions upon the deposit of a sum sufficient to cover such fines: *Provided further*, That nothing contained in this section shall be construed to subject transportation companies to a fine for bringing to ports of the United States aliens who are by any of the provisos or exceptions to section 3 hereof exempted from the excluding provisions of said section.

The amendment was agreed to.

The next amendment was, at the top of page 23, to strike out:

SEC. 11a. That whenever after January 1, 1918, he may deem such action necessary, the Secretary of Labor may, at the expense of the appropriation for the enforcement of this act, detail immigrant inspectors and matrons of the United States Immigration Service for duty on vessels carrying immigrant or emigrant passengers, or passengers other than first and second cabin passengers, between ports of the United States and foreign ports. On such voyages said inspectors and matrons shall remain in that part of the vessel where immigrant passengers are carried. It shall be the duty of such inspectors and

matrons to observe such passengers during the voyage and report to the immigration authorities in charge at the port of landing any information of value in determining the admissibility of such passengers under the laws regulating immigration of aliens into the United States. It shall further be the duty of such inspectors and matrons to observe violations of the provisions of such laws and the violation of such provisions of the "passenger act" of August 2, 1882, as amended, as relate to the care and treatment of immigrant passengers at sea and report the same to the proper United States officials at ports of landing. For every violation of this section any person, including any transportation company owning or operating the vessel in which such violation occurs, shall pay to the collector of customs of the customs district in which the next United States port of arrival is located the sum of $1,000 for each and every day during which such violation continues, the term "violation" to include the refusal of any person having authority so to do to permit any such immigrant inspector, matron, to be received on board such vessel, as provided in this section, and no vessel shall be granted clearance papers pending the determination of the question of the liability of such fine or while it remains unpaid, nor shall such fine be remitted or refunded: *Provided*, That clearance may be granted prior to the determination of all such questions upon the deposit of a sum sufficient to cover such fine and costs, such sum to be named by the Secretary of Labor: *Provided further*, That whenever it shall be shown to the satisfaction of the Secretary of Labor that the provisions of this section are persistently violated by or on behalf of any transportation company it shall be the duty of said Secretary to deny to such company the privilege of landing alien immigrant passengers of any or all classes at United States ports for such a period as in his judgment may be necessary to insure an observance of such provisions.

The amendment was agreed to.

The next amendment was, in section 16, page 32, line 24, after the word "shall," to insert "conduct all medical examinations and shall," so as to read:

That the physical and mental examination of all arriving aliens shall be made by medical officers of the United States Public Health Service who shall have had at least two years' experience in the practice of their profession since receiving the degree of doctor of medicine, and who shall conduct all medical examinations and shall certify, for the information of the immigration officers and the boards of special inquiry hereinafter provided for, any and all physical and mental defects or diseases observed by said medical officers in any such alien; or, should medical officers of the United States Public Health Service be not available, civil surgeons of not less than four years' professional experience may be employed in such emergency for such service upon such terms as may be prescribed by the Commissioner General of Immigration, under the direction or with the approval of the Secretary of Labor.

The amendment was agreed to.

The next amendment was, on page 33, line 12, after the word "such," to strike out "regulations as he may prescribe" and insert "administrative regulations as he may prescribe and under medical regulations prepared by the Surgeon General of the United States Public Health Service," so as to read:

All aliens arriving at ports of the United States shall be examined by not less than two such medical officers at the discretion of the Secretary of Labor, and under such administrative regulations as he may prescribe and under medical regulations prepared by the Surgeon General of the United States Public Health Service.

The amendment was agreed to.

The next amendment was, on page 33, line 18, after the word "mental," to strike out "defect" and insert "defects"; and, in line 25, after the words "appeal to," to strike out "a board of surgeons of the Public Health Service, and" and insert "the board of medical officers of the United States Public Health Service, which shall be convened by the Surgeon General of the United States Public Health Service, and said alien," so as to read:

Medical officers of the United States Public Health Service who have had especial training in the diagnosis of insanity and mental defects shall be detailed for duty or employed at all ports of entry designated by the Secretary of Labor, and such medical officers shall be provided with suitable facilities for the detention and examination of all arriving aliens in whom insanity or mental defect is suspected, and the services of interpreters shall be provided for such examination. Any alien certified for insanity or mental defect may appeal to the board of medical officers of the United States Public Health Service, which shall be convened by the Surgeon General of the United States Public Health Service, and said alien may introduce before such board one expert medical witness at his own cost and expense.

The amendment was agreed to.

The next amendment was, in section 18, page 45, line 22, after the words "under the," to strike out "provision" and insert "provisions," so as to read:

Provided further, That any person who shall be arrested under the provisions of this section, on the ground that he has entered or been found in the United States in violation of any other law thereof which imposes on such person the burden of proving his right to enter or remain, and who shall fail to establish the existence of the right claimed, shall be deported to the place specified in such other law. In every case where any person is ordered deported from the United States under the provisions of this act, or of any law or treaty, the decision of the Secretary of Labor shall be final.

The amendment was agreed to.

The next amendment was, in section 22, page 49, line 14, after the words "shall have," to strike out "taken up his permanent residence in this country and shall have filed his declaration of intention to become a citizen" and insert "resided in the United States for seven consecutive years," so as to read:

That whenever an alien shall have been naturalized or shall have resided in the United States for seven consecutive years, and thereafter shall send for his wife or minor children to join him, and said wife or any of said minor children shall be found to be affected with any contagious disorder, such wife or minor children shall be held, under such regulations as the Secretary of Labor shall prescribe, until it shall be determined whether the disorder will be easily curable or whether they can be permitted to land without danger to other persons.

The amendment was agreed to.

The next amendment was, in section 23, page 51, line 18, after the word "purpose," to strike out the semicolon and the word "it" and a period, and in the same line, before the word "shall," to insert the word "it," so as to read:

He shall prescribe rules for the entry and inspection of aliens coming to the United States from or through Canada and Mexico, so as not unnecessarily to delay, impede, or annoy persons in ordinary travel between the United States and said countries, and shall have power to enter into contracts with transportation lines for the said purpose. It shall be the duty of the Commissioner General of Immigration to detail officers of the Immigration Service from time to time as may be necessary, in his judgment, to secure information as to the number of aliens detained in the penal, reformatory, and charitable institutions (public and private) of the several States and Territories, the District of Columbia, and other territory of the United States.

The amendment was agreed to.

The next amendment was, on page 52, line 5, after the word "immigration," to strike out "officers, and also surgeons of the United States Public Health Service employed under this act for service in foreign countries," and insert "officers for service in foreign countries; and, upon his request, approved by the Secretary of Labor, the Secretary of the Treasury may detail medical officers of the United States Public Health Service for the performance of duties in foreign countries in connection with the enforcement of this act," so as to read:

He may, with the approval of the Secretary of Labor, whenever in his judgment such action may be necessary to accomplish the purposes of this act, detail immigration officers for service in foreign countries; and, upon his request, approved by the Secretary of Labor, the Secretary of the Treasury may detail medical officers of the United States Public Health Service for the performance of duties in foreign countries in connection with the enforcement of this act.

The amendment was agreed to.

The next amendment was, in section 32, page 60, line 18, before the word "convention," to strike out "agreement," so as to read:

That no alien excluded from admission into the United States by any law, convention, or treaty of the United States regulating the immigration of aliens, and employed on board any vessel arriving in the United States from any foreign port or place, shall be permitted to land in the United States, except temporarily for medical treatment.

The amendment was agreed to.

The next amendment was, in section 33, page 61, line 20, before the word "convention," to strike out "agreement," so as to read:

SEC. 33. That it shall be unlawful and be deemed a violation of the preceding section to pay off or discharge any alien employed on board any vessel arriving in the United States from any foreign port or place, unless duly admitted pursuant to the laws and treaties of the United States regulating the immigration of aliens: *Provided*, That in case any such alien intends to reship on board any other vessel bound to any foreign port or place, he shall be allowed to land for the purpose of so reshipping, under such regulations as the Secretary of Labor may prescribe to prevent aliens not admissible under any law, convention, or treaty from remaining permanently in the United States.

The amendment was agreed to.

The VICE PRESIDENT. The bill is before the Senate, as in Committee of the Whole, and open to further amendment. If there be no further amendments, the bill will be reported to the Senate.

The bill was reported to the Senate as amended.

Mr. SMITH of Georgia. Mr. President, I voted against the motion to take up this bill because I do not believe that this is the most desirable time to have it considered. I have voted for practically the same measure twice previously; and I also voted to pass it over one President's veto. I regretted that the other House failed to pass the bill at the last session over the President's veto. Had it done so, and sent the bill to the Senate, I should have cordially joined with those Senators who favored the bill to pass it over the President's veto.

I shall vote for the bill now. I am cordially in favor of it. I do not know what direction it may take later on, but if the bill should be passed and come back to us with a veto I shall vote to pass it in spite of the veto.

I believe in the literacy test as practically the best test that we have so far found. I am fully aware of the fact that there is no influx of immigrants at present and that there is no immediate necessity for the passage of the bill. Until the close of the European war the bill will really not be needed. That was one of the reasons why I desired to see the consideration of the bill postponed until the first week in December next. It has been agreed by a majority of the Members upon this side that, while they would not vote to take the bill up at this time, it should come up as the first order of business the first week in December and be kept the unfinished business until it was voted upon. This is the explanation of the vote of the majority of those Democrats who voted against taking

up the measure. Their vote was not inspired by their hostility to the bill. It was caused by the determination agreed upon in the Democratic conference to press the bill during the first week in December. Since, however, a majority of the Senate have decided to take the bill up this morning, and my vote against taking it up left me in the minority, I shall now vote for the bill. I cordially approve its provisions, as I understand them, and I shall support it whenever it comes to a vote in the Senate on every occasion, with the hope that it may become a law.

Mr. PHELAN. Mr. President, I voted against taking up this measure at this time not because I am opposed to its essential features but because its provisions relating to the exclusion of Asiatics have not been considered by the Senate. I understand that by drawing a line through the Asiatic countries, the twentieth parallel of north latitude and other limitations, as provided in the bill, there will be a neutral zone, as it were, which might allow, without violating the law, the immigration of people whose presence in the United States is not only undesirable but which the law itself, as proposed by the committee, contemplates excluding.

Inasmuch as this matter has been brought up unexpectedly, it appears to me that a subject of so much importance should be reconsidered. For that purpose, and for that purpose only, I move that the immigration bill be recommitted to the Committee on Immigration for the purpose of giving a hearing upon the sufficiency of the provisions of the bill relating to Asiatic immigration.

The VICE PRESIDENT. The Senator from California moves that the bill be recommitted to the Committee on Immigration.

Mr. SMITH of South Carolina. Mr. President, I should like to make a statement in reference to this matter. As we all know, several years ago the question of the admission of certain aliens became very acute on the Pacific coast. The then President of the United States took this matter up and solved the problem, temporarily at least, by entering into what is now known as a "gentlemen's agreement." The country from which came these aliens, who were objected to by the people of the western coast, entered into a verbal agreement that they would not permit these immigrants to come any more. That agreement is known as the passport agreement or understanding, as it appears in the meager accounts of this matter, and which has been pending here. It was to the effect that under the "favored-nation" clause we would allow them to remain in the text of the treaty as it is, with the proviso in a law which was subsequently entered into, that any infringement of this law or the breaking of the agreement on the part of the foreign country should immediately invest the President with the power to forbid any immigration whatever from that country. When we came to frame the law objection was made that the agreement should be construed as being in the same category as other laws, in that it was for that very purpose that the foreign country entered into that agreement with us, without further protest of a different nature; that it should be kept from the appearance of a law putting them in the category of other nations with whom they did not care to be classed.

We entered into the agreement, and, so far as your committee is informed, the agreement has been kept. In order to keep faith on the part of the United States your committee felt that it was their duty to carry out to the letter every agreement which this Government entered into with another Government. In order to avoid doing the very thing which we had agreed not to do we did not refer to that agreement as a convention or a treaty, but we simply drew longitudinal and latitudinal lines that excluded the very people that we wish to exclude, and kept our agreement without any offense, it being just as binding, however, as though the words were used.

A careful examination of the map will show the lines that we have drawn, with the little exception in it which takes cognizance of a treaty we have with a nation which gives them these rights. We drew a line around that. Otherwise the geographical exclusion is what the Senate and the House had voted on from time to time. We thought it better, if it met the approval of the country, and that we were less likely to give offense, after having entered into an agreement, to use longitudinal and latitudinal lines, including the islands and including that part of the continent of Asia from which we desire to exclude immigration, and not involve the delicate question—which was a very delicate one, indeed—which gave the committee considerable trouble. As a matter, of course, we were faithful and loyal in attempting to carry out the wishes and the desires of the American people by excluding those whom we were excluding, but doing it with the least possible offense under the circumstances.

Mr. SMITH of Georgia. Will the Senator not give the Senate, however, the exact part of Asia which the longitudinal and latitudinal lines exclude?

Mr. SMITH of South Carolina. I intended to hang a map on the wall, which would give that information. Under the provisions of the bill the inhabitants of the islands adjacent to the continent of Asia south of the twentieth parallel of latitude north, west of the one hundred and sixtieth meridian of longitude east from Greenwich, and north of the tenth parallel of latitude south are excluded. That will include the islands of the South Seas——

Mr. SMITH of Georgia. Does it exclude the inhabitants of China and Japan?

Mr. SMITH of South Carolina. Inhabitants of China are excluded by acts of Congress, Japan by agreement. This provision in the bill is designed to exclude others than persons from those countries. Emigration from China is covered by the Chinese-exclusion act. We have a statute with reference to that subject, so that this bill can not affect that.

Mr. SMITH of Georgia. How is it as to the Japanese?

Mr. PHELAN. Mr. President, may I interrupt the Senator?

Mr. SMITH of South Carolina. Yes.

Mr. PHELAN. The Senator has just stated that the geographical line drawn excludes immigrants from China and Japan. Does the Senator mean to state that?

Mr. SMITH of South Carolina. No; I meant to state that we have not excluded them by the geographical lines, but we have otherwise excluded inhabitants of these islands which, if their names were set forth, would compel us to use the name of Japan.

The Senator from Georgia [Mr. HARDWICK] hands me a colored map——

Mr. O'GORMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from New York?

Mr. SMITH of South Carolina. Yes.

Mr. O'GORMAN. I think, in view of the colloquy between the Senator from South Carolina and one or two other Senators who have addressed inquiries to him, that we have touched upon a subject that might with great propriety be considered in executive session, and I move that we now proceed to the consideration of this bill behind closed doors.

Mr. SMITH of Georgia. The Senator means merely this portion of the bill?

The VICE PRESIDENT. The Senator from New York, as the Chair understands, moves under the rule that the Senate proceed behind closed doors.

Mr. SMITH of Georgia. Limiting that suggestion to the portion of the bill only that deals with the immediate amendment to which the Senator from South Carolina is referring and the suggested amendment by the Senator from California, I second the motion of the Senator from New York.

Mr. VARDAMAN Mr. President——

Mr. SMITH of Georgia. That, as I understand, ends the matter.

The VICE PRESIDENT. Just a moment until the Chair can turn to the rule. [A pause.] The Sergeant at Arms will clear the galleries and close the doors.

Mr. VARDAMAN. Is not that a matter requiring a vote?

The VICE PRESIDENT. The motion has been seconded, and a vote is not required under the rule.

Thereupon the Senate proceeded to deliberate behind closed doors. After 30 minutes (at 2 o'clock p. m.) the doors were reopened.

The VICE PRESIDENT. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which is House bill 16763, to increase the revenue, and for other purposes.

Mr. SMITH of South Carolina. I move that the Senate proceed to the consideration of the bill (H. R. 10384) to regulate the immigration of aliens to, and the residence of aliens in, the United States.

The VICE PRESIDENT. The Senator from South Carolina moves that the Senate proceed to the consideration of the immigration bill.

Mr. SIMMONS. Mr. President, I do not wish to discuss the immigration question nor the advisability of legislation on that question during this session, but I think there is no reason why the unfinished business of the Senate, which is the revenue bill, should be summarily laid aside in order that the immigration bill may be considered. I think it is more important that we should dispose of the revenue bill than that we should dispose of the immigration bill at this time. We have had a program here. A part of that program is the pending revenue bill. A bill to raise the money to pay a larger part of the expenses of

the Government was, after due deliberation on the part of the Senate, made the unfinished business.

Suddenly we find the Senate has expressed itself in favor of action on the immigration bill. That new situation, Mr. President, I do not think calls for any change in the action of the Senate on Saturday in making the revenue bill the unfinished business. Of course, when we finish the revenue bill then the immigration bill can be taken up, the Senate having expressed its will that it shall be acted upon at this session of Congress; but I trust that Senators will not vote for taking up this measure and thereby displace the revenue bill as the unfinished business.

Mr. SMITH of South Carolina. Mr. President, it was evident to every Member of this body that the immigration bill was going to be considered at this time. When the action was taken by my colleagues on this side I stated that I would reserve to myself the right, when I saw fit, to bring up the immigration bill. I have not brought it up for the purpose of retarding these necessary measures, but simply because I believe that a majority of the American people intend us to face this question honestly and fearlessly and decide what we are going to do about it.

A few months, as a matter of course, might not make any difference, but I do not propose to place myself in the category of using a great question in a manner in which it certainly should not be used at all. It is nonpartisan; Republicans and Democrats alike have voted in favor of this measure, and it has been vetoed alike by a Republican and a Democratic President. It has no partisan taint or phase about it. It has been debated in this Hall for years. The terms of the present bill, with the one exception referred to a moment ago, where we have constituted longitude and latitude in place of verbal expression, have been the same as the bill to-day. There are some modifications, but they are very slight. The House passed it overwhelmingly, and it occurred to me now that as we are hoping to get through as early as possible no debate is necessary, except by those who want to defeat the bill. I certainly do not propose to debate it.

Mr. HARDWICK. Has the Senator any reasonable hope that if we proceed to the consideration of this bill we will finish it to-day, and then we can proceed with the revenue bill?

Mr. SMITH of South Carolina. So far as I am concerned in charge of the bill, I want to make this statement in justification of my position: I am chairman of the committee and heartily in favor of the bill. I believe the American people want it and want it now, and I propose, as far as I have any influence, to give it to them now or let them know why. If those who are opposed to the bill want to stand up here and debate it and defeat it, it is their right; but we are all familiar with the terms of it, and I take it we are ready to vote upon it.

Mr. SHEPPARD. Mr. President, I voted against the motion to proceed to the consideration of the immigration bill because the Democratic Party of the Senate decided in conference to postpone the matter until the next session. I believe in party solidarity and party teamwork. I was sent here by the Democracy of Texas to cooperate with the Democratic Party in the Senate. Being a Democrat, and having been elected as a Democrat, I intend to continue to do so.

I am thoroughly in favor of the immigration bill, and if in spite of my vote the Senate should vote to consider it I shall vote for it. If the President should veto it, I shall vote to pass it over his veto, as I have done in the past.

I say again, however, that in matters of party policy and party action I shall support the decisions of party conferences duly authorized and assembled, and I hope the moment will never come when I shall fail to do so.

Mr. MARTINE of New Jersey obtained the floor.

Mr. SMITH of South Carolina. If the Senator from New Jersey will yield to me just a minute, I do not think there is any question of party loyalty or party solidarity involved here. I am perfectly willing to work with my party as I have done in the past until it comes to a question that I believe involves a principle and loyalty to those who intrusted me with the great responsibility of a Senatorship. I think there are others here who have failed to be bound from time to time when questions not involving politics but involving a principle were concerned. I take it that it is different when a principle involves my relations to a question which has confronted the people, and I have faced it under my responsibility to my people. I frankly stated to my colleagues that I could not and would not be bound on this question.

Mr. KERN. Mr. President——

Mr. MARTINE of New Jersey. I yield to the Senator from Indiana.

Mr. KERN. Mr. President, my position on the immigration bill is, I think, very well known. I think the position of all Senators, especially those who were Members of this body in the last Congress, is well known. A very large majority of them are earnestly in favor of the enactment of the immigration bill.

On two occasions the question as to what measures should be taken up at the present session was brought before the Democratic conference and once or twice before the Democratic steering committee. The question of adjournment at a seasonable time was considered in connection with the question as to what measures should be taken up. There were certain measures that were regarded as imperatively necessary to be taken up. There were the ship-purchase bill, the appropriation bills, conference reports, the revenue bill, and two or three other bills that were designated. It was believed that the consideration of those bills would occupy the time of the Senate until the 1st of September, and for that reason it was decided by the Democratic steering committee and by the Democratic conference twice that as the immigration question was not so acute as it was two years ago before the commencement of the present deplorable war, the public interests would not suffer if it was permitted to go over until the first week in December. By a very large majority the Democratic conference decided that the immigration bill should go over and be made a special order for the first Monday in December. After that, by the unanimous vote of all present, the unanimous vote of 38 men, that action was declared to be binding party action, and that in face of the fact that five-sixths of the men who attended that conference were as warmly in favor of the immigration bill as the Senator from South Carolina or the Senator from Georgia or any other man.

Mr. HARDWICK. Mr. President——

The PRESIDING OFFICER (Mr. ROBINSON in the chair). Does the Senator from Indiana yield to the Senator from Georgia?

Mr. KERN. In a moment. I might say something further on this subject, to the effect that no suggestion has ever come to me from the President of the United States that he had any desire that this bill should be postponed to any time. No suggestion has ever come from him to me on the subject except that he did not care to have the immigration bill tacked on to some other bill, so that it would put him in an attitude in which he might be called upon to veto a bill for which he stood in order to defeat a bill for which he did not stand.

Mr. HARDWICK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Georgia?

Mr. KERN. I will not yield just at this time.

The PRESIDING OFFICER. The Senator from Indiana declines to yield.

Mr. HARDWICK. Very good.

Mr. KERN. We have here the question as to whether or not the party action shall be set aside. We have a question here as to whether we will set aside a bill that has been made the unfinished business of the Senate, a bill that is of the highest importance, a bill that must be passed, and take up the immigration bill, which will bring about a long discussion and which will indefinitely postpone the time of adjournment. It was because of a desire to economize time the action of the Democratic conference was taken. It was because of a similar desire—a desire that the solidarity of the Democratic Party in the Senate, which has never been broken but once, may be maintained. It is for that reason, I hope, the unfinished business, which is the very important measure now before the Senate, may be continued as the unfinished business.

Mr. MARTINE of New Jersey. Mr. President, I voted against taking up the immigration bill at this time for the reason stated by the Senator from Indiana. I understood that in our caucus we had definitely and finally agreed that the bill should not be taken up. But the decree of the Senate is otherwise; it has been taken up, and is before the Senate at this time.

Mr. KERN. I beg pardon; it is not before the Senate at this time.

Mr. MARTINE of New Jersey. I understood that the motion was carried.

Mr. KERN. The action of the Senate only put the measure before the Senate until the conclusion of the morning hour.

Mr. MARTINE of New Jersey. I believe it will be wiser and better that it shall go over until another session. But be that as it may, since the question has been brought up, I want to say very frankly I am not opposed to an immigration bill, but I am opposed to the bill in this form if the feature of it found in lines 16 and 19, on page 8, is retained:

> All aliens over 16 years of age, physically capable of reading, who can not read the English language, or some other language or dialect, including Hebrew or Yiddish:

If that feature is to remain in the bill, then I am unqualifiedly and totally opposed to it. We are fond of boasting that this is the land of the free and the home of the brave. I feel that this literacy test is absolutely unjust and utterly un-American, and that there is no reason for it in the world. Many of our fathers would have been unable to have satisfied this test. I say the question whether a man can read or write is no evidence as to his desirability for citizenship. We call this land the home of the downtrodden. In the war, when you wanted men to stop Confederate bullets, you never stopped to inquire whether those men could read or write. That was not the question. The question was whether they were in good health and bore allegiance to the United States. You were ready to receive them then. Now, thank God, we have no war. We have a need for many millions upon the farms and fields of the country. They are crying for labor, and the question as to whether a man can read or write should have no consideration for a Democratic and American Congress.

If you want to bar out the agitators and the plotters against our Government, I say you will not bar them out by barring out your so-called illiterates or those who fail to pass your literacy test. Everyone of the designers and plotters against our Government, those who scheme anarchy and seek to ruin this fair Republic, can pass your literacy test and would pass the test in almost every college to which they might be presented.

I cut out of the paper some days ago a clipping which I want to present.

A man can be well schooled, a man can be highly educated, a man can have all the acquired graces of social and scholarly standards and be a loafer, an adventurer, a dangerous scoundrel. A man can be the noblest work of God because he is honest and not know how to write his own name—

We want honest men—

Men who come here for an honest purpose, with an honest heart, an honest mind, a conscientious purpose, and a willing hand—

We want honest men to be allowed to come into this country when they know how to work and are willing to work and are going to raise good sons and daughters who will know how to read and write. We don't want scoundrels, we don't want adventurers, we don't want loafers, if they have taken all the degrees of the finest universities of Europe.

We want immigration laws that will keep out the scoundrels—

Your law would let them in—

We want immigration laws that will keep out the scoundrels, the adventurers, and the loafers as surely as they will let in the honest men, to whom fortune, where they were born, never granted the opportunity of education, but who have the parental ambition and devotion which would have their children born and raised where for everybody, at least, preliminary education is as free as air.

God help this nation when it opens wide its door to the scoundrel who is educated but slams it in the face of a better man, by all the true standards of humanity, who never went to school.

I can picture in my mind and tell you the names of many men whose fathers I knew were absolutely and utterly illiterate, who carved their way in this splendid land and brought up splendid families, and who have acquired great wealth and perhaps honor in their respective communities. A blessing it is to read and to write, but I say in free democratic America, with our free public schools, honest, conscientious men, with true hearts and willing hands and Christian purposes, should be welcomed, whether they can read and write or not. Our public schools will assimilate them, and from them will come a progeny that will be a source of pride and admiration and glory to the Republic.

Mr. GALLINGER. Will the Senator allow me?

Mr. MARTINE of New Jersey. I will vote "nay" on taking up the bill.

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from New Hampshire?

Mr. MARTINE of New Jersey. I do.

Mr. GALLINGER. I will ask the Senator if he thinks it is good policy for us to have compulsory-education laws in every State of the American Union and then admit a horde of ignorant people from southern Europe, those who have no education whatever?

Mr. MARTINE of New Jersey. What are our schools for but to educate them? Of course, I believe in a public free-school education. I never had more than a little of it myself, but I am thankful for the little that I have. I believe in opening the doors to the hordes the Senator speaks of now. Mayhap the Senator's grandfather may have been of that horde. It may be that you may have counted my father, perhaps you might have counted my mother, among them.

Mr. GALLINGER. The Senator is wrong about the grandfather of the Senator from New Hampshire. The great grandfather of the Senator from New Hampshire did come from Germany, but he was an educated man.

Mr. MARTINE of New Jersey. But that does not satisfy my position. I say it would be the most unfortunate thing, utterly unjust and absolutely un-American, for Congress to apply this test as one of the reasons before an immigrant should land. The great cities of New York, and Jersey City, Newark, and Paterson, in my State, many of our hilltops, have been made to blossom as the rose by men who when they came here could not read and write. If the Senator from New Hampshire was more fortunate in those who came, I do not know that he is any better. I would not trade or barter or change a thousand of the population which makes up the great cities of Newark, Hoboken, Jersey City, and New York for the best city that may find itself within the boundary of New Hampshire, no matter what the Senator may claim for them. I say to you, my friends, in all the earnestness and seriousness of my nature—I do not speak in a partisan way but in the broad, general way—this is the most un-American and undemocratic proposition that could be proposed in a Congress of this Republic. As I said, I shall vote nay on this question.

WOMAN SUFFRAGE.

Mr. THOMAS. Mr. President, I gave notice two or three days ago, under what I assumed to be the unwritten procedure of the Senate, that at the close of morning business to-day I should submit some remarks upon a subject somewhat foreign to the general line of the unfinished business. I had intended before the hour of 2 o'clock arrived to have submitted my remarks in accordance with that notice, and the fact that I have not been able to do so until now must be my explanation for addressing the Senate on the pending motion at this hour and upon a matter wholly foreign to it.

I may say, Mr. President, at the outset, that the sentiments I shall express upon the subject of the pending so-called Anthony amendment as a partisan issue are my own. I do not assume to speak either for the party to which I belong, for the President, or for any of my associates. My remarks upon this subject have been prompted by no suggestion from anyone and are made upon my own account solely.

Mr. President, the advocates of equal suffrage in America are sharply divided between those who demand the adoption of an amendment to the Constitution, forbidding the States to deny to women the right to vote and those who insist that the subject should be regulated and controlled by each State as it may desire. While this is a difference of procedure it has become irreconcilable.

The National Association for Equal Suffrage is the official head of the movement. It has always urged action in both directions, but preferably by national amendment. This policy is both wise and practical. It has advanced the amendment propaganda and has also secured favorable action by 12 of the States. On the other hand, the demand for a Federal amendment has been checked somewhat by a movement of recent origin which seeks to subordinate all political, social, moral, and economic problems to the adoption of a suffrage amendment to the Federal Constitution; a demand which, if continued, may indefinitely postpone if it does not defeat the accomplishment of the object desired.

With the exception of the Progressive Party, born of a great occasion, proclaiming a noble mission, and committed to a leadership which first betrayed and then assassinated it, no great political party has indorsed woman suffrage by Federal amendment. The last declaration of the Democratic and Republican Parties, both made in June of the current year, though differing in language, are identical in substance. I give them both:

DEMOCRATIC.

We recommend the extension of the franchise to the women of the country by the States upon the same terms as to men.

REPUBLICAN.

The Republican Party reaffirming its faith in government of the people, by the people, for the people, as a measure of justice to one-half the adult people of the country, favors the extension of the suffrage to women, but recognizes the right of each State to settle this question for itself.

No reasonable man will deny that these declarations commit their respective supporters to the principle of equal suffrage to be secured by State action only. Good party men will so construe them. And so construed, they will accept them. Candidates, and especially national candidates, can not do otherwise and be consistent with their party principles.

But, Mr. President, we live in an age of science and of surprises. Solomon said there was nothing new under the sun; but we encounter many novelties in these twentieth century days notwithstanding. The most recent one embodies the career of the Republican Party from June 7 to August 2, 1916. Within that brief interval it met in convention, rejected the active candidacies of half a dozen able and anxious aspirants, selected a cloistered hermit for its presidential nominee, of whose views it knew nothing and largely because it knew nothing, and

cared less. In turn the nominee threw his robes to the winds, accepted the nomination by indorsing his party platform in a brief opinion of 8,000 words, and within the next 24 hours rejected one of its planks and substituted his own for that of his party. His reason for this somewhat unusual performance was quite as unique as the action itself. Prompt and favorable consideration of the suffrage amendment will, in his opinion, end all agitation of the subject.

Mr. President, if Justice Hughes believes this to be good for the suffrage question, he should not limit the application of the rule. Why should he not have given his approval to the tumultuous candidacy of Col. Roosevelt, whose clamor for the restoration of the crown is quite as persistent and almost as old as that which Mr. Hughes would end by accepting?

But I think there were other and more plausible reasons for this performance. The Republican Party is without an issue, as it is without a policy and without intelligent leadership. Its choice was not Mr. Hughes. It had the alternative of accepting him or surrendering to the Christian soldier of Armageddon.

Having acted upon conditions it could not control, the party is striving painfully to gather strength for the contest. Its nominee has accepted the counsel of St. Paul. He is all things to all men. He will, therefore, make issues for himself where he can, and his party can accept them or remain with the platform, as it chooses. He asked for no nomination. The banner was forced into his reluctant hands, and so he will wave it as he wills.

But, Mr. President, this seemingly spontaneous utterance of an impulsive soul was well staged and confidently foretold. The ground was cleared for it long since, and the performance would doubtless have taken place with other actors had Mr. Hughes been left to his peaceful surroundings.

I have no doubt that the Congressional Union was originally organized to promote the cause of woman suffrage. It may be further conceded that this is still a largely controlling purpose.

But if one may judge an association by its acts it may be as safely affirmed that side by side with this purpose is the desire to secure Republican supremacy in national affairs through the agency of class organization and control. The Congressional Union has been militant for suffrage and against the Democratic Party ever since it came into being. The pretense for this action is not even plausible. Democracy is in power. It does not respond to the union demand, therefore destroy it. Its membership, like that of its adversary, is divided as to suffrage, therefore fight it tooth and nail everywhere, particularly in the equal-suffrage States. Funds are needed to finance all movements. Republicans can furnish them as needed, and will do so provided their use can be beneficial to Republican purposes. Could anything be simpler?

In 1914 a vote was taken in the Senate upon the suffrage amendment. Thirty-five votes were cast for it. Of these 21 were Republican and 14 were Democratic. Thirty-four votes were cast against it. Of these 12 were Republican and 21 were Democratic. The division was almost at right angles to party lines. The same may be said of the membership of the committee, where the sentiment, with the sole exception of the Republican Senator from New Mexico, is in one direction. But this seems to have been sufficient reason for Congressional Union animosity to Democracy, whose alliance with the Republican Party has since been practically unconcealed.

In 1914 it waged a dear little campaign of its own in the suffrage States. It scratched every Democratic face, whether suffragist or not, and beamed approvingly upon every Republican candidate, whether suffragist or otherwise. After the election it shouted victory in shrill cresendo over every Democrat who lost, and waved its little sling which threw the golden pebble which felled the Democratic Goliath. Indeed it partially convinced itself, and possibly its political sponsor, that it had "started something." But this was an essential policy, since its apparent importance must be a continuing quantity lest the sources of its spring run dry.

Since then the understanding has been unbroken. The clamor for a woman's party synchronized with the activities of the Republican Party. "Four million woman votes" would be massed for the party first bidding for them. Funds were being raised for the cause and the preliminaries of mobilization were under way. The preliminary powwow of the Congressional Union, culminating in a proposed convention for August, was held in Chicago simultaneously with the Republican convention and the Progressive obsequies.

The conventions ended and the scenes shifted to New York. Perhaps it was merely a coincidence that Col. Roosevelt should have administered the coup de grace to his faithful Bull Moose on June 26 by sounding one of those bugle calls that always means retreat; that Mr. Hughes should have officially indorsed his party platform on July 31 and repudiated a portion of it immediately afterwards, and that this apostasy should have been the signal for the raising of large campaign funds for the nascent woman's party. But it would seem to be the development of a prearranged program.

The New York Times of Sunday, August 6, contained this paragraph:

> Mrs. O. H. P. Belmont went to Newport yesterday to get contributions to the woman's party campaign fund of $500,000. She will make appeals to 1,000 wealthy women. The $500,000 is to be used in organizing the women voters of the country against the reelection of Woodrow Wilson.

Here is a consummation of that program. Mr. Hughes becomes the advocate of the Anthony amendment because it will be an asset to the Republican Party. The huge sum of $500,000 can be raised because of it for the corruption of the voters of 11 States. Its volume is an indication of its purpose. No party can expend that sum honestly in behalf of any political movement among their limited population, and certainly not for the mere "organization of women voters."

Everything in this day, Mr. President, must have the curse or the blessing of the distinguished director of human destiny. Mr. Roosevelt has, therefore, given this program his benediction. He could not have nestled Mr. Hughes under the shadow of his always extended pinions and withheld his approval of the new crusade. For aught I know, the suggestion may have been his own.

And since everything the kaleidoscopic colonel does is at the time the one important thing in all the universe, his indorsement of it must be superlative. Listen to his announcement of August 8:

> DEAR MISS CARPENTER: In answer to your question, I take pleasure in saying that I welcome the formation of an organization, especially organized in the suffrage States, to secure the passage of the Federal amendment.
>
> The time is ripe for the passage of the amendment. There is a more widespread demand for it than for the passage of any recent constitutional amendment. Twelve States have already enfranchised women without producing to even the smallest degree any of the evils prophesied. The women in those 12 States should certainly use this ballot on behalf of their sisters in the other States. Such action is precisely like that of the men who use their ballots to force the abolition of child labor, the passage of workmen's compensation laws, the adoption of a protective tariff, for the enactment of legislation to secure the military and naval preparedness, which is vital to the very existence of the Nation.
>
> It is absurd to stigmatize one movement as "blackmail" unless the other movements are also stigmatized as blackmail. As for "sex antagonism," that is due to the men who discriminate against women purely because of sex, and not to the women who seek to do away with such discrimination. The special women's organizations should act in this matter as men (and women) do in the movements for national defense. They should not pardon misconduct or mischievous and wrong-headed attitude in a public man merely because he is right on this question, but they should make his attitude on this question the consideration of primary importance.
>
> Mr. Hughes has unequivocally taken the right position, and, as regards all other positions, he, and not his opponent, is entitled to the support of both men and women, and therefore the women in the enfranchised States who do not in this election support him forfeit the right to say they have done their utmost for their sisters in the nonenfranchised States.
>
> Very truly, yours, THEODORE ROOSEVELT.

"The time is ripe for the passage of the amendment." "They"—the women—"should not pardon misconduct or mischievous and wrong-headed attitude in a public man merely because he is right on this question, but they should make his attitude on this question the *consideration of primary importance*."

Being the present question of primary importance with the great explorer, navigator, hunter, soldier, statesman, orator, and major general in embryo, mark the anathema:

> Mr. Hughes has unequivocally taken the right position, and as regards all other positions he, and not his opponent, is entitled to the support of both men and women, and therefore the women in the enfranchised States who do not in this election support him forfeit the right to say they have done their utmost for their sisters in the nonenfranchised States.

There you have it. The so-called Anthony amendment is the supreme issue. It is of primary importance. Mr. Hughes has monopolized it. If the enfranchised woman does not support him without regard to other issues, she is a weakling, a mollycoddle, and possibly a Sopothete.

Where are the things of yesterday? Where are the monopolists and the criminal rich, the bosses and their invisible government? Where are the demands of social and industrial justice? What has become of the crime and the criminals of 1912? Where now are Belgium and the *Lusitania*? Where is preparedness, with its fleets and standing armies, the hyphenates, and the specter of Japan? Gone! They are of exparamount consideration. The colonel has worn them to a frazzle. He now has other baubles. The River of Doubt and the whiskered bird have been supplanted by the Anthony amendment. It is the primary issue, and the colonel indorses it with

Mr. Hughes as he once indorsed tariff revision with Mr. Taft. To-morrow, next day, perhaps, some other mote will cross his vision and be in turn magnified into heroic proportions. With him primary problems "crowd each other's heels so fast they follow."

The Congressional Union, equipped with Mr. Hughes's approval and Col. Roosevelt's benediction, met at Colorado Springs on schedule time and rechristened itself the Woman's Party. It stayed a moment's hesitation over its prearranged program and then took the plunge. This is its platform:

Whereas the present administration under President Wilson and the Democratic Party have persistently opposed the passage of a national suffrage amendment; and

Whereas each of the other national parties, either by their platform or through their candidates, are pledged to the passage of a Federal amendment enfranchising women: Therefore be it

Resolved, First, that the National Woman's Party, so long as the opposition of the Democratic Party continues, pledges itself to use its best efforts in the 12 States where women vote for President to defeat the Democratic candidate for President, and in the 11 States where women vote for Members of Congress to defeat the candidates of the Democratic Party for Congress.

Resolved, Second, that we congratulate the Progressive, Prohibition, and Socialist Parties upon the definite stand which they have taken in their indorsement of suffrage for women by national action.

Resolved, Third, that we commend the position of the Republican candidate for President, Charles Evans Hughes, for the unequivocal stand which he has taken for human liberty by his indorsement of suffrage for women by national action, and assure him of our appreciation of his statesmanlike position.

The preamble begins and closes with a misstatement. The Democratic Party has not persistently or at all opposed the passage of the amendment. The President has done nothing about it, and properly so. The Republican Party has not persistently or otherwise advocated the passage of the amendment. Both parties have given little heed to the subject. The components of both differ broadly regarding it.

The preamble proceeds with the declaration that—

Each of the other parties, either by their platforms or through their candidates, are pledged to the passage of the amendment.

This is true only if a party nominee can by fiat ex cathedra change and reconstruct its official declarations as he may please. If he can do so, a party platform is worse than meaningless. It is a method of deception and changes with the view of the man whose confession of faith it is designed to be.

Has the Republican Party come to this? Has its committee or its membership accepted Mr. Hughes ipse dixit regarding the amendment or Col. Roosevelt's assertion of its primary importance? Has a single Republican Senator heretofore unfriendly to the amendment changed his attitude toward it because or since Mr. Hughes has done so? I challenge every one of them to answer this question affirmatively. On the contrary, I have some reason to know that the pronouncement of Mr. Hughes has only served to stiffen the hostility of some of them, if, indeed, it has not aroused some resentment toward himself. And I am very sure that a similar announcement by the President would produce that effect on this side of the Chamber. And I suspect that were a vote taken upon the amendment to-day the ayes would be less than it would have commanded on the 31st of July.

Mr. President, the amendment never had many friends on this floor, as the preceding one had in the last Congress. And the decrease is distributed upon both sides of the Chamber. I have it on good authority that the same is true of the House. With regard to Democratic defection, the reason is obvious. Some Senators and Representatives were opposed by the Congressional Union at the last election regardless of their suffrage views. It now proposes to defeat other Democrats who were suffragists before most of the union leaders were born. And all of them have good memories. They have political friends also. The union complains bitterly of the nonaction of the House Judiciary Committee regarding the amendment. Are they so ignorant of human nature that they can not perceive the reason?

The Congressional Union also denounces Senate Democrats, because the amendment is still on the calendar. So far as I am aware, the only effort to secure its consideration outside of my own came from the national association. The officials of the union last June requested postponement of any action until they should request it, and the request has never been made, of me at least.

Mr. President, I digress for a moment in order to read the letter of Miss Anne H. Martin, legislative chairman, of date of 30th of June last, and addressed to me as chairman of the Senate Committee on Woman Suffrage. The letter reads:

We understand that a meeting of Senators from the suffrage States has been held, and that there has been some discussion of bringing the national suffrage amendment to a vote at an early date. The amendment is known as Senate joint resolution No. 1, and is Order No. 27 on the Senate calendar.

The Congressional Union is not yet ready for a vote on this amendment, and we write to ask you to oppose any effort which may be made for an early vote. We earnestly request that no move at all be made for a vote in the Senate without consultation with the Congressional Union on this subject.

Thanking you for your cooperation, I am,

Very sincerely, yours, ANNE H. MARTIN,
Legislative Chairman.

Mr. SMITH of Arizona. What is the date of the letter?

Mr. THOMAS. It is dated June 30 last and appears in the CONGRESSIONAL RECORD on page 11417. I introduced it on the 5th of July, prompted to do so on account of certain very discourteous interruptions of the President of the United States during the delivery of a speech on the 4th of July on the occasion of the dedication, I think, of the new building belonging to the American Federation of Labor.

In that connection, Mr. President, I desire to have inserted in the RECORD, without stopping to read it, a letter from Mrs. Helen H. Gardener with regard to the incident referred to, this lady being one of the leading advocates and one of the officers of the national association.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter referred to is as follows:

JULY 6, 1916.

No one more sincerely regrets, deprecates, and opposes the heckling of the President by the militant, English branch of the suffragists than do the real suffragists of America who have carried the woman-suffrage banner with dignity and good sense from the early days to its splendid showing of complete triumph in 12 States and its promise of very early success in several others.

The bringing to America of these methods of threat and force by this handful of young women who were trained by Mrs. Pankhurst in England, and who got their first taste of publicity through their jail sentences in London, is quite as shocking to the taste and judgment of the great body of suffragists in the United States as it is to other people of dignity and propriety.

Some of the leaders of this new "Woman's Party" and Congressional Union are thirsting for martyrdom. They yearn to so place themselves as to be arrested. They want to accomplish the ends of justice by force and threat instead of by education and evolution as has ever been the method, as is to-day the method, of the National American Woman Suffrage Association and of the hundreds of thousands of steady, earnest, sane suffrage workers, both men and women, all over America.

To import at this late date from England these tactics of violence and threat, of heckling and bad breeding, is wholly out of character with American ideals, is entirely unnecessary and absolutely the worst influence that could be injected into the woman-suffrage movement at this date, when it is marching triumphantly to success.

The men and women of America have come to thinking seriously and with a fair amount of intelligence on this subject. The leaven of suffrage placed, without violence and with grasp and good will, so many years ago by Elizabeth Cady Stanton, Susan B. Anthony, and their associates is rapidly leavening the whole country. The trend of the times is carrying this movement forward with dignity and power.

To inject into the movement this note of violence and threat at this late date is to degrade the whole movement to the status of brawlers instead of leaving it, where it has always been in America, with a clean, lofty record won by brain power and high ideals instead of by squabbling, threats, and shrieks.

At the present time these young women are threatening the party in power with 4,000,000 women's votes.

They can't "deliver the goods."

Those of us who are much in the suffrage States know that the women of those States, the leaders, resent any such assumption.

These women say that they will not leave their party affiliations and vote against men whom they know and trust and believe in in order to punish a political party for not believing as those men believe.

It is not human nature for them to do so; and, above all, it is not woman nature, thank God, to punish the innocent nor to wantonly destroy her friends in order to hurt somebody else.

This is precisely what the Congressional Union urges the western women to do and claims that they will do. They sent speakers and workers into California, Colorado, and other States to try to defeat Senator CHAMBERLAIN, Senator THOMAS, Representatives TAYLOR and RAKER and others who have always been among the strongest friends of suffrage, who stood for it valiantly long before these English militants were ever heard of, yet these women went out to destroy these men politically not because of their own misdeeds or shortcomings but because these men had not so far been able to carry a majority of the other men of their party into the suffrage ranks.

Had these men been defeated, their successors would have been of a political party which also has "failed to see the light" as a party, although in power very much longer than the present one.

What would have been gained by defeating their very best friends?

Nobody knows. Let us suppose that the new, untried men had come in and the old friendly ones been defeated. What then?

Now begins a new period of threats against the old friends in the new party in power unless they made (in their first session) everybody in their party believe on this subject and vote as they did, no matter what the constituents of those new men might have dictated or wished.

The Congressional Union would now go out and try to defeat Senators SMOOT, SUTHERLAND, BORAH, CURTIS, and other good suffragists because their political party had not voted as a party on this topic as these men have voted and worked for many years past, even when woman suffrage was far more unpopular with their constituents and colleagues than it is to-day.

The voting women of the West, of whom I am one, will not be led into any such unfair, un-American conduct. Having just returned from the West, I know that the real leaders there resent any such idea and tactics and deplore the thrusting of these methods into the suffrage movement in this country.

HELEN H. GARDENER.

Mr. THOMAS. Mr. President, last month I sought permission to call the amendment up for a record vote, and I encountered the instant and persistent opposition of this organization. In view of the Colorado Springs resolution, the purpose of this opposition is now obvious.

Mr. President, the new woman's party is nothing but a Republican campaign club. It will not disturb Democrats either in or out of the suffrage States. It claims the allegiance of a few Democratic women, but they can be Democrats no longer if they subscribe to the resolutions I have read. I know that the Democratic women of my State repudiated the Congressional Union long ago. At the April convention they successfully opposed the request of that body for a hearing before the resolutions committee. Our Democratic women are too well grounded in the faith to join such a movement. They are too deeply devoted to the cause of suffrage to put it to the hazard of a class crusade. They are organized with the men voters and are content. They can not look to Newport for revenue, but such revenues can not corrupt their allegiance to Democracy. And they repudiate the pretense that their votes can be controlled by junketers from Washington or Newport for any cause or any candidate except their own.

Mr. President, I ask leave here to insert in the RECORD, without reading, an extract from the Washington Star of August 17, being an announcement of the receipt by the White House of telegrams from many western women declaring it their purpose to support him without regard to the so-called woman's party.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado? The Chair hears none, and it is so ordered.

The extract referred to is as follows:

PRESIDENT'S CANDIDACY PROMISED WOMEN'S AID—TELEGRAMS INDICATED THAT ALL FEMININE VOTERS ARE NOT ALIGNED AGAINST HIM.

The White House is gratified over the receipt of telegrams from many western women declaring it to be their purpose to support President Wilson despite the difference in his attitude toward woman suffrage and that of Charles E. Hughes, the Republican candidate. The telegrams have been reaching the White House since the gathering of the woman's party in Denver and the declaration of that organization to fight the President.

A long telegram has reached the White House from Colorado Springs, Colo., signed by 21 prominent women of that city, assuring the President they would not sacrifice other principles because of the difference between his position and that of Mr. Hughes.

"We are emphatically opposed to the purpose expressed by the recently organized woman's party to unite the women of the equal-suffrage States in an effort to accomplish your defeat and reinstate in power the party which for 50 years has turned a deaf ear to the cause of equal suffrage," the telegram says.

Mr. THOMAS. Such, Mr. President, is the attitude of women in the other suffrage States. I am in receipt of a letter from Hon. Mary Bellamy, of Laramie, Wyo., vice president of the National Council of Women Voters, dated August 2, 1916, who says:

MY DEAR SENATOR: You will greatly oblige the western women by having the inclosed marked passage from Cheyenne Tribune read into the Congressional Union.

I think the lady meant the CONGRESSIONAL RECORD.

The National Council of Women Voters has in membership leading Republicans, Democrats, Socialists, and Prohibitionists, and resents that any person or party makes claim to controlling our vote.

We are as independent as the male voter, and hope, through the educational work of the council, to become even better informed than the average male voter.

Very sincerely, MARY G. BELLAMY.

This lady is well known to the Senators from Wyoming, both of whom will, I am sure, unqualifiedly indorse her standing and her right to speak upon the subject from ripe experience and observation.

I have also received from Mrs. Bellamy a clipping from the Cheyenne Tribune of July 28, making reference to the subject, which, with the permission of the Senate, I will insert without reading.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

The clipping referred to is as follows:

[By Agnes Wright.]

By the adoption of a resolution by the National Council of Women Voters, Cheyenne is practically assured of a $50,000 equal-suffrage monument. For some time the members of this organization have been securing drawings and specifications for a monument to represent a beautiful woman, the monument typifying the sincerity and purity of a perfect woman. The chief purpose in selecting such a monument will be to use it as a symbol of equal suffrage and to eliminate the numerous caricatures which appear in press.

The national council had considered placing this monument in Washington, D. C., but instead have adopted a resolution recommending that the monument be placed at Cheyenne, as nearly as possible on the spot where equal suffrage was granted for the first time in the United States.

The resolution as it appears reads:

"To the National Council of Women Voters, assembled at Cheyenne, Wyo., July 27, 1916:

"The women of Wyoming respectfully ask your earnest consideration of the proposition to place the monument representing the enfranchised women of the United States in the city of Cheyenne, Wyo., justly called the cradle of the citizen woman.

"GRACE RAYMOND HEBARD.
"MARY BELLAMY.
"FRANCIS CLARK.
"KATHERINE MORTON."

The resolution was adopted by a rising vote, which was unanimous. The funds for the monument will be raised by the national council, and the work will be placed in the hands of splendid artists, who are now working on designs.

The cooperation of the national council with the National Woman's Suffrage Association has been assured by the acceptance of the invitation extended to the council by the association. In forming such an alliance it is distinctly understood that each association preserves its own individuality and independence, and that the basis of the alliance be the joint object of the two national bodies—the extension of equal suffrage by nonpartisan methods.

These two organizations are absolutely opposed to militant methods and desire and thoroughly believe that they may win their object by educational methods instead of by the hatchet. They are opposed to the Congressional Union and all similar organizations. Such acts as the interruptions of the speech of President Wilson by a suffragette which occurred recently are far beneath the scope of the National Council of Women Voters and are not to be countenanced. They believe that by training women in citizenship the time will come when they will be given full recognition.

Mr. THOMAS. This editorial, Mr. President, appears in the New York Times of August 12 regarding the party in Nevada:

A PARTY OF LEADERS.

The first national conference of the mysterious woman's party is in solemn session at Colorado Springs. "The party will place no ticket in the field," says its chairman. "The leaders agree," a dispatch from the seat of council tells us, "that the best plan to get the passage of the (woman suffrage) amendment is to throw their support to the party most favorable." Is the woman's party all leaders? Has it any followers? Is it anything more than a delightfully busy and magniloquent coterie? The Carson City Appeal shows this daughter of the Congressional Union for Woman Suffrage in all its mighty youth. A woman from Detroit and a woman from Chicago came to Reno the last week in July and began to form the woman's party in Nevada, a suffrage State. They seem to think that a party consists of a State committee, county committees, and so on, a machine without voters. The Appeal even doubts if the material of a skeleton organization can be found in Nevada.

This is the quotation from the Nevada paper:

As far as Nevada is concerned, the leaders of the woman's party will have a hard time in finding timber to complete a State organization. When two dozen or more representatives of the Congressional Union toured the State some weeks ago they were greeted courteously, but not enthusiastically, and here in the capital city it was impossible to find even one woman to serve on a reception committee to meet them at the station. Ladies with autos were willing to escort them to all points of interest, but when it came to being identified with the Congressional Union, Carson women, one and all, side-stepped.

The Nevada women who worked and fought for woman's suffrage for so many years stand almost as a unit against the "militant wing," and the women who did not ardently desire the right of suffrage, but who, since it has been thrust upon them, intend to exercise the privilege for the best interest of the State and Nation, will not be dictated to in their choice of parties and measures.

Is the woman's party correspondingly strong in the other suffrage States?

I might, Mr. President, digress for a moment to ask to introduce into the RECORD, without reading, a letter bearing date of August 9 to Senator PITTMAN and signed by Grace Mahan, writing for the Congressional Union, and giving to the Senator—who has been one of the most earnest and most consistent advocates of woman suffrage in the West, and who did as much, perhaps, to secure the right of women to vote in his own State as any other man in it—the reasons why they can not vote for him now and why they will support his opponent, who, so far as I know, has never been prominently conspicuous in the indorsement of suffrage to women. In saying that I do not wish to cast any undue reflection whatever upon Mr. Platt, because, for aught I know, he may be an advocate of woman suffrage and may have voted for it. He can not, however, have done more for it than the Senator from Nevada.

The PRESIDING OFFICER. Without objection, the letter referred to by the Senator from Colorado will be printed in the RECORD.

The letter referred to is as follows:

RENO, NEV., *August 9, 1916.*

Hon. KEY PITTMAN,
Washington, D. C.:

Replying to your letter to "The women of Nevada," in which you state that you realize "that you are entitled to know the position of your representatives upon every subject so that you may advise and criticize freely," I should like to advise you that the question before the Democratic convention was this, "Will you indorse the Susan B. Anthony amendment, granting national suffrage to all women?" You did not urge the adoption of this national amendment. We women of Nevada, still nationally disenfranchised, are far more interested in what you did not do for us at St. Louis than we are in the suffrage speeches which you claim to have made during the campaigns of 1910, 1912, and 1914. Of these latter we seem to have no recollection nor record.

The speech which you did make before the Democratic convention was merely a speech for creating suffrage sentiment. The time to have made such a speech on behalf of Nevada women was back in 1912, during your campaign. We needed that help then. Now when we need national suffrage we do not propose to support a Senator who will begin to talk for national suffrage four years after the amendment shall have been passed.

As your letter suggests, your "general attitude upon the suffrage question" is known to us. It is unmistakably set forth in the CONGRESSIONAL RECORD (1914), where your vote upon the Anthony amendment in the Senate stands "No," in spite of the fact that up to the time the vote was taken you had assured us that you would vote in favor of the amendment.

Yours, truly, GRACE MAHAN.

Mr. THOMAS. I could adduce similar testimony from other suffrage States if time permitted, but I do not think it is necessary.

Mr. President, if this party hews to the line of its platform—which I presume its candidates can change, if they wish, precisely as Mr. Hughes has changed his—it will furnish a spectacle for gods and men.

Speaking of Mr. Hughes, Mr. President, I notice that in his Spokane speech he receded somewhat from his New York announcement, indicating that he is perhaps not so sure of the political benefit proceeding from his astonishing utterance as when he made it. He said:

> While I did not propose to attempt to add, and could not add, to the platform of my party, I stated my personal conviction that the amendment should be submitted and ratified.

I need not say that this explanatory statement has caused much fluttering and agitation in the woman's party dovecote. The Union says it will oppose every Democratic suffragist and support every Republican nonsuffragist. In Kansas it will try to defeat the first Democratic woman ever nominated for Congress by trying to elect her opponent. And it will work hand in hand with men like the senior Senator from Pennsylvania, a fact which will point a moral, though it may not adorn a tale.

In 1914 this Senator was anxious for a reelection. He had what seemed a fight upon his hands. His State had given its electoral vote to the Progressive candidate in 1912. He needed votes, and as many as he could gather. In casting around for them he bethought himself of the pending suffrage amendment. Thereupon he focused all the resources of his intellect upon it and found it good. On March 19, 1914, a vote was taken upon it. The Senator, strangely enough, was not in his seat. But when his name was called his colleague rose and said, "My colleague is necessarily absent. If he were present to-day he would vote 'yea.'" This announcement was received with rapture.

The election came in due season, and the Senator was returned. Some time afterwards it must have occurred to him that there might be another side to the cause of suffrage which in his arduous days of campaigning had been overlooked. That he might properly discharge the functions of his high position it doubtless behooved him to ascertain if that were so.

He therefore made a second and postelection study of the problem and found it bad. He can not, therefore, in conscience cast his vote for the amendment again. He will make atonement for his past error, therefore, by voting to reject it. But since Mr. Hughes has announced his conversion this little lapse from the true path of the Pennsylvania Senator may be overlooked and the woman's party will aid him in his struggle against the Pennsylvania democracy. I wonder if Mr. Hughes will imitate the example of his supporter and after the election is over do a little further investigation. He will have ample leisure for the purpose.

On the other hand, the Senators from Arizona and Nevada, lifelong suffragists, who aided in securing to the women of their States the right to vote, will be fought by the woman's party because the President will not reject his party platform and turn the Executive offices over to the women for the promotion of an issue which just now is of minor importance. What better illustration can I give of this foolish and wholly indefensible policy?

If either of the great parties had squarely indorsed the amendment, the support of that party by women suffragists and organizations would have been logical, consistent, and defensible. Neither has done so. Both have made the same declaration regarding it. The selection of one in preference to the other under such circumstances will inevitably drive that other into an opposition that will become the more formidable as the campaign advances.

I apprehend this fact will find demonstration in those States which vote directly upon suffrage at the ensuing election. Democrats will be more than human if in these States they should not retaliate, whatever their preferences or prejudices. I would not counsel it. I would deplore it. But I perceive a situation which may make it inevitable.

In things fundamental the Democratic Party is and must always be grounded. In things relating to procedure or to transient issues its platform expressions define and limit or enlarge the party position. To such determinations all good Democrats cheerfully subscribe, since the collective decision of a convention of chosen delegates, clothed with the authority of their constituencies, must be better than the variant and conflicting currents of individual judgment. The President has respected and will respect this view with regard to all subjects upon which his party has definitely spoken, and will in turn receive renewed expression of the public confidence in his wisdom, his integrity, and his devotion to public duty.

Mr. BORAH. Mr. President, it is not necessary for me to take the time of the Senate to inform it of my view and my position on the question of woman suffrage. I have been an advocate of woman suffrage for the last 25 years, and am still a believer in the cause. I have been an opponent of the so-called Anthony amendment, and am still so, and expect to remain so until the close of my political career.

I am not going now to state the reasons why I am opposed to the Anthony amendment, because I have stated them on the floor of the Senate pretty fully heretofore, and they are well understood and in no sense are they modified by any present conditions or exigencies. But the Senator from Colorado takes issue with Gov. Hughes because, as he charges, he changed his platform or modified the platform or added to it by his individual expression of opinion. That certainly can not be a subject matter of great moment to the Democrats in this campaign. It can not be possible that our Democratic friends are going to criticize anyone for having expressed views contrary to the platform upon which he assumed to run.

This must be said for the Republican candidate and it is of deep significance, and that is that he declared his position before the election and not afterwards. We have a precedent in the one-term plank, and we have a precedent in the free-tolls plank. The only difference between the two cases—that of the distinguished President and that of the distinguished candidate for President—is that in the one instance the change took place after the election, and in the other instance the change took place before the election. Mr. Hughes takes the voters into his confidence; he tells them in advance of the election and at a time when they usually withhold, if they choose, their approval, just what his position is. He does not sail into office on solemn pledges and when it is too late for the voter to change his attitude disregard the pledges upon which he was elected.

Mr. HUGHES. Mr. President——

Mr. BORAH. I yield to the Senator from New Jersey.

Mr. HUGHES. Is there not another difference—that in one instance the change was calculated to lose votes to the man who made it, and in the other instance the change was calculated to gain votes, referring now to the Panama Canal tolls example?

Mr. BORAH. Mr. President, I do not know whether that is true or not. In my judgment Gov. Hughes stands to lose more votes than he will gain, and that he acted from conviction.

Mr. HUGHES. I think the Senator does. I am willing to take his judgment on it.

Mr. BORAH. In my opinion in no sense would that apply to the one-term plank.

Mr. HUGHES. Well, I cited the other.

Mr. BORAH. Yes.

Mr. HUGHES. I will express my views, if the Senator desires, as far as the one-term plank is concerned. I do not want to interrupt the Senator. I will state them if he will permit me.

Mr. BORAH. Yes; I have always wanted to know about that.

Mr. HUGHES. I happened to be presiding over the convention at the time the platform was adopted; and one delegate, representing three or four, came to me and asked me what the parliamentary status was and what they could do with reference to the one-term plank, and asked me what my judgment of it was. I had heard it hurriedly read by the Senator from Indiana [Mr. KERN], who, as the Senator knows, reads in a low tone of voice. I gave it as my opinion that the one-term plank did not apply to the present situation. That was my opinion then, and that is my opinion now. That is the opinion that is held by nearly every member of our party to whom I have spoken. Of course, what the Republicans think about it is a matter to which we are more or less indifferent.

Mr. BORAH. I think if the Senator will read the language of the one-term plank he will see that it could not have that interpretation. I doubt not that the Senator was under that impression at the time he gave the statement, from having heard the plank inadequately read; but a rereading of it upon the part of the Senator, I think, will change his view.

But, Mr. President, the second charge against Mr. Hughes is that this was a matter of political expediency, and that is the view that seems to be entertained by the Senator from New Jersey—that Mr. Hughes changed his mind because of the political expediency, or, rather, that he added to the platform because of political expediency. If that is an issue in this campaign, we can also meet that proposition by worthy precedents. Assuming for the sake of the argument that the Senator is correct, are our Democratic friends in a position to urge that issue?

There is no one upon that side of the Chamber who speaks with more authority and with greater political acumen than the distinguished senior Senator from Missouri [Mr. STONE]. Every one knows that as a political leader he is an exceedingly astute and close observer. He does not speak at random. After the plank had been adopted at St. Louis, Mr. STONE was interviewed on the matter, and he said:

I do not think the vote on the suffrage plank reflects the opinion of the delegates. They took the attitude that the men they had selected to draft the platform believed the plank was proper, and voted for it. It was a matter of political expediency.

There is the construction which was placed upon the platform adopted at St. Louis in a few minutes thereafter by a gentleman who had as much to do with the shaping of political affairs at St. Louis, perhaps, as any other one man, and I suspect more than any other one man. "It was adopted," said the distinguished Senator, "as a matter of political expediency"; and whether you choose to make the issue that of modifying the platform or that of political expediency, according to your own record you are not in a position to criticize in regard to such actions.

But there is more. Gov. Ferguson, in an interview, said:

The majority plank is not the belief nor the conviction of the Democratic Party, and in the desire to secure a little political advantage this fatal surrender of Democratic principles is made. The crux of the whole situation is that we were told if we did not adopt the majority proposal that we might lose three or four Western States.

Now, if it should be true, my friends, that Mr. Hughes modified his views or added to the platform, as contended—and I am assuming now for the sake of the argument which you make, and not the truth in fact—and that it was for political expediency, upon the statement of the distinguished Senator from Missouri and the able leader from Texas for what reason was the plank inserted in the platform at St. Louis other than that of political expediency, and through the fear that possibly you might sacrifice the electoral vote in some of the Western States?

Furthermore, the Senator from Montana [Mr. WALSH], in speaking from the platform, interpreting the suffrage plank, said:

He [the President] believed it vital to his success that it stay there.

Success; yes, success! One-term plank may have come under that principle. This is only another expression which emphasizes the proposition that it was put into the platform for the same reason for which the Senator from Colorado charges that the distinguished candidate for President added it to the Republican platform.

Mr. President, so far as I am individually concerned, I do not believe it added to the political strength of the candidate upon the Republican ticket to have made the declaration that he did make. I do not believe it has added one particle of strength to the platform as a vote-getting proposition; and I am disposed to believe, therefore, that it was his sincere expression with reference to this proposition. I differ with him entirely. I do not believe in the Anthony amendment. I do not believe in the principle upon which it is founded. I believe we should have fought it out through the States, and I believe it will ultimately come through the States. I could not for party's sake or for any other reason change my view. It is fundamental with me. But there are those, such as the Senator from Utah [Mr. SUTHERLAND] and other distinguished leaders, some upon that side of the Chamber, including, I think, the Senator from Colorado [Mr. SHAFROTH], who do believe in the Anthony amendment, and believe that it will ultimately and more quickly work out for the benefit of woman suffrage.

If that be true, what right have you to say that a man who takes the people into his confidence before the election is not speaking with the same sincerity?

It is entirely different, Mr. President, than if Mr. Hughes had made his campaign upon the platform and changed his position with reference to the platform thereafter. The people now understand his position. Those against woman suffrage are in a position to oppose him if they see fit. His attitude is known to the world, and with entire candor he has stated it weeks and weeks and even months in advance of the time when the people shall record their disapproval or their approval of his position.

To my mind, Mr. Hughes's declaration could not have been actuated by other than a sincere conviction as to the proper way to settle the question. As I say, while I differ with him, I do not believe that any one, in view of the time at which he has made the statement, can challenge the sincerity of purpose with which he made it. I call you to bear in mind that the States in which women vote are almost certainly Republican. They are among the least doubtful States for Republicans. The States where they have voted against suffrage, some of them are doubtful. So my judgment is that Justice Hughes saw here a great question and with his usual courage and clearness of purpose declared his position, and did so at a time when it was impossible for him to deceive a single voter.

Mr. PITTMAN. Mr. President, there is not any question but that in one sense every plank put in a platform is for political purposes, and indirectly for the purpose of getting votes, of course. It is for the purpose of letting the voters know what you stand for. It is undoubtedly true that occasions will and may arise when a party is justified in changing its pledges in a platform; but the question is with regard to the sincerity of a candidate accepting a nomination upon a platform.

It may be true that President Wilson, long after the adoption of a platform, has contended that the provisions have either become obsolete or inappropriate under changed conditions; but, mind you, what are the conditions surrounding the attitude of Mr. Hughes? It is not a question particularly of changing his mind; it is a question of consistency, which the people who favor suffrage have a right to consider.

Mr. GALLINGER. Mr. President, I desire to make a parliamentary inquiry.

The VICE PRESIDENT. The Senator from New Hampshire will state it.

Mr. GALLINGER. I left the Chamber, of necessity, a little while ago when the immigration bill was under consideration. I wish to inquire if that bill is now under consideration?

The VICE PRESIDENT. The present occupant of the chair has been absent, but he understands that the pending motion is a motion to take up the immigration bill.

Mr. GALLINGER. It had been taken up before I left the Chamber.

The VICE PRESIDENT. That was before 2 o'clock.

Mr. GALLINGER. Something must have happened to it.

Mr. PITTMAN. I thank the Senator for calling attention to the matter before the Senate.

Mr. GALLINGER. I simply wanted to find out, because I am much interested in the immigration bill, and would like to be here to vote if a vote is to be had. As the debate seems to be wandering from that bill, I wanted to be acquainted with the fact.

Mr. PITTMAN. I will incorporate the Senator's speech in mine, for economy of time.

The question is a question of consistency. The President in accepting the Democratic nomination, accepted the platform as a whole—those matters that were material and vital and the little immaterial matters. On the 31st of July Mr. Hughes, in accepting the nomination of the Republican Party and in accepting the Republican platform, accepted the declarations of the party with regard to woman suffrage in specific terms. He said:

I indorse the plank on suffrage in the platform.

It was called to his attention. He had given it consideration. He adopted the language as his own, and that language says this:

The Republican Party recognizes the right of each State to settle this question for itself.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Idaho?

Mr. PITTMAN. I yield.

Mr. BORAH. Did not the candidate for President on the Democratic ticket in 1912 accept the Democratic platform as his own platform?

Mr. PITTMAN. Mr. President, I had just stated the answer to that question before the Senator rose, and I will answer it again. The President of the United States did accept the platform. The distinction that I am making now, however, which is apparent to the Senator from Idaho, is that Mr. Hughes on the 31st day of July specifically said, in his speech of acceptance—

I indorse—

Not the whole platform; he went further—

I indorse the plank on suffrage in the platform.

And, mind you, that plank said:

The Republican Party recognizes the right of each State to settle this question for itself.

That was a definite declaration of Mr. Hughes on the 31st of July. That declaration was absolutely inconsistent with any Federal legislation. It was absolutely inconsistent with the Susan B. Anthony amendment, because it would be impossible for each State to settle it for itself if three-fourths of the States could settle it for the other fourth or if any group of States could not settle it for themselves.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Idaho?

Mr. PITTMAN. I yield.

Mr. BORAH. Has not the Senator from Nevada changed his mind on the Anthony amendment?

Mr. PITTMAN. I will explain that for the benefit of the Senator; but I shall be glad if the Senator will kindly not interrupt the course of my argument while I am trying to answer him by asking a new question. I will not forget the question that the Senator is asking me. I am now devoting myself to the inconsistencies, not of the Senator from Nevada, but of your presidential candidate, Mr. Hughes. I presume the former argument would be more pleasing to the Senator from Idaho and the Republican Party, and particularly to the Senator from Idaho, who differs with Mr. Hughes.

On the 31st day of July Mr. Hughes said, in his speech of acceptance:

> I recognize the right of each State to settle this question for itself.

And, as I said, that is inconsistent with Federal action.

After an amendment to the Constitution is submitted by Congress and ratified by a vote of the legislatures or conventions of three-fourths of the States, it is binding on all the States, and therefore it is impossible to guarantee to each State the right of individual action under such procedure.

Now, mind you, that was in his speech of acceptance on the 31st day of July. On the next morning, not months afterwards, not after the general indorsement of the platform, but the next morning after that positive declaration, we find Mr. Hughes in a public telegram saying, "I favor the amendment," meaning the Susan B. Anthony amendment, "I think it should be passed and ratified as soon as possible." There is an inconsistency within 24 hours. There is no chance whatever for him to have forgotten the plank in the Republican platform. There is no excuse that conditions had arisen that would justify him in changing his mind. He changed his mind over night, if he changed it at all. That was the statement he made.

Now, then, on the floor of the Senate on August 5 I asked the Senator from Idaho—I do not know whether he was present or not; I doubt it; but I asked him by name—and I asked others if they placed any different construction on that plank in the Republican platform than I had placed on it; that is, that it was in direct opposition to any Federal amendment to the Constitution looking to the granting of suffrage. Of course, there was no answer to it, and there will not be. It is too plain a construction. The Senator naturally denies that Mr. Hughes is attempting to use it for politics. I am not charging him with using it for politics; I am not charging anything, but only stating certain facts. On August 5 I asked him what he would do if he were elected President of the United States. I asked him if he would use the power of his office as the President of the United States or use the influence of his office to pass the Federal amendment as the President used his influence to pass the child-labor bill. I asked him what aid he would lend to the suffrage movement in this country for the passage of that amendment.

That question has been asked him all over the country, and we have not heard him answer it yet. He is trying in the Western States to pose as favorable to the Susan B. Anthony amendment and at the same time he is in hopes his party in the East will be able to explain to those who are opposed to it that that is only a personal view; that if Mr. Hughes is elected he will not turn his hand over to influence the Members of Congress.

Just the other day the distinguished Senator from Iowa [Mr. CUMMINS] attacked the President of the United States and practically charged him with a violation of the Constitution of the United States because, forsooth, he came up to the Capitol, to his office that he has in this building, and possibly urged some of the Democratic leaders of this body to hasten the passage of the child-labor bill.

Mr. CUMMINS. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Iowa?

Mr. PITTMAN. I do.

Mr. CUMMINS. Does the Senator from Nevada think the President ought to use the power of his office to influence legislation?

Mr. PITTMAN. I will answer that question. I desired to answer that same question the other day when the Senator was speaking and this matter came up, but I did not at that time wish to interrupt the course of his argument. At that time I called the attention of the Senator from Iowa to the fact that Mr. Hughes was being supported by certain women in this country because they believed he was going to use his influence with the Members of his party in Congress to pass a suffrage amendment to the Constitution of the United States, which his party had declared against. I asked him then whether he favored such a threat, and he said no; he said he would not vote for any man who would use his influence or his power as President of the United States to attempt to interfere with this legislative body. Do I quote the Senator correctly on that?

Mr. CUMMINS. The Senator from Nevada has not quoted me with precision, but he has the general idea all right. The President of the United States or a candidate for President of the United States has a perfect right to his opinion, and he may give it just such publicity as he desires, but I deny that any President, no matter to what political party he may belong, has the right, moral or constitutional, to use the power which resides in the presidential office to influence Members of Congress.

Mr. PITTMAN. Then I will answer the Senator's question with regard to my opinion, and it is only an humble opinion compared with that of the distinguished Senator from Iowa. No officer of this Government has a right to interfere with the functions of another branch of the Government.

I do not think that that can be contradicted; I certainly shall not attempt to contradict it. But while the Constituion of the United States does not direct the President of the United States to address the Senate of the United States on any question whatever, and while the power granted to him to address both branches of Congress in joint session may not be construed as a power to address himself to one of these bodies, still in determining whether or not he is violating the Constitution, as was practically charged by the Senator the other day with regard to his use of influence on behalf of the child-labor bill, we must then consider whether or not the act with regard to this body constitutes an interference with its legislative functions. Now, let us see for one instant. While the President of the United States represents the executive function, in part he performs the duty also of the legislative function. No act passed by Congress becomes a law until he has given it his approval in accordance with law. But there is granted to him further the extraordinary right in connection with the legislative power of these two bodies to veto an act passed by Congress, and after it is vetoed imposing the additional burden on these two bodies of passing it by a two-thirds vote over his head.

In the nature of things is not the President of the United States—in fact, by the very Constitution of the United States—is he not required to take an interest in legislation? That is one phase of it.

Now, let me see what the Senator charges constitutes interference by the President with this body in violation of the Constitution of the United States. The President, for instance, comes to his office provided for him in the Capitol. He meets the leaders of his party in that office. He meets with men who have helped to prepare the platform of his party. He meets with men who stood sponsor for him when he was nominated and who declared to the people of this country that he intended to enforce certain legislation, if possible; that at least he intended, as a part of his duties, to use what power he could lawfully to pass such legislation, and in carrying out those declarations he reminds these leaders of his own party, these distinguished Senators, of the platform pledge of his party to pass the child-labor bill. He urges upon them the great humanitarian question, calls to their attention that they are human beings, that there are little children being ground to pieces day by day for the purpose of profit. He convinces them that an emergency exists, and he begs them to deal with the question immediately. That is not such a transgression of Executive authority as to constitute interference with this body.

Mr. CUMMINS. Mr. President, the distinction between the proper influence of an Executive upon the affairs of the country and the improper influence upon the legislative body coordinating with him, if you please, in the government of the country is perfectly easy to define. I assume that the platform of the party to which the Senator from Nevada has referred is binding upon him as well as upon the President. Indeed, it is of greater obligation upon his part because it is addressed primarily to the legislative branch of the Government.

I think that a President, as of course everybody knows, has a right to communicate with Congress upon every matter that touches the public welfare. He has a right to veto any act of legislation which Congress may pass. I differ from the Senator from Nevada, although the difference may not be material that his power to veto makes him a part of the legislative branch of the Government. I look upon it from a very different point of view. That, however, probably is not material. He has an interest in the policy of his party and the policy of the country and he has a perfect right to announce it.

He has no right, however, by virtue of his high position, one of infinite influence almost to subordinate the conviction of the Senator from Nevada to his own conviction simply because

the Senator from Nevada desires to be in harmony with the Chief Executive. That is the influence which I deplore.

I am not going to enter into any further criticism upon the President, because I recognized the other day, and I state now that it is a tendency which has unhappily been in existence, and it seems to be growing, for a great many years. I think that no Senator and no Member of the House ought to feel that if he does not yield to a view which he knows the President holds he will be therefore any the less welcome in the White House or that his association with the President will be any the less intimate and close.

I know, and the Senator from Nevada knows just as well as I, or better, how difficult it is for a Senator or a Member of the House of Representatives to differ from the President when the latter really desires to exercise the power he has. It is a most disagreeable task or duty for a Member of Congress to disregard the earnest desire of the President, especially as the President distributes, I was about to say, millions of offices during the time of his incumbency, and inasmuch as the President is looked upon, and properly so, as the leader of an administration. It is for these reasons that I think the President ought to be exceedingly careful about the kind and character of influence which he seeks to impose upon the legislative branch of the Government.

I am perfectly sincere when I say if I believed that Mr. Hughes would use the power of his office—I emphasize the words *of his office*—to compel the Congress to enact such laws as he thinks ought to be enacted or to compel its action in any respect, I would not vote for him.

Mr. PITTMAN. Mr. President, I am glad the Senator answered my question. I forgot what it was that I asked, but he has answered it very fully, I am satisfied. Nevertheless the matter that he was discussing here on the 5th, when he made his complaint against the unconstitutional act of the President, was the child-labor bill. He was complaining because the President of the United States had taken such an interest on behalf of the people of this country as to come up to the presidential office in the Capitol and remind the members of his party of the emergency which existed with regard to that legislation.

Now, let me draw the distinction that possibly may exist between that influence by an Executive, an influence exerted with regard to the Susan B. Anthony amendment, or interference by an executive officer with Congress in the passage of any amendment to the Constitution.

The President under the Constitution is required to participate in the enactment of laws, as I have before stated, and whether it be construed as a function of legislation or not, the fact remains that the Constitution imposes upon him the duty of passing upon laws, the duty of participating in the passage of laws either by signing or by veto.

Now, with regard to the constitutional amendment, there is no such provision, there is no such intention. Had the President of the United States come to this body at the time the Susan B. Anthony amendment was under consideration and used his influence or the power of his office in the passing of that amendment or the defeating of that amendment, there might have been good ground for the argument that the Senator made against his influence in the child-labor matter, because he has no function to perform with regard to a constitutional amendment. A proposed amendment is passed by a two-thirds vote of both Houses of Congress, and then it goes directly to the several States of the Union. It does not go to the President of the United States like an act. It is not subject to his approval or to his veto. By the very terms of the Constitution itself, he is excluded from all authority over the matter. It is solely a question between Congress and the legislative bodies of the States and the people of the country.

Mr. CHAMBERLAIN. May I interrupt the Senator? I should like to ask the Senator if he sees any difference between the President of the United States coming here, conferring with a number of his friends, and the President of the United States remaining in the Executive office and calling his friends there? Ever since I have been in the Senate—and I think it has been done from time immemorial—the President for the time being has called his friends into consultation in the Executive rooms at the White House and consulted them about certain matters of legislation.

Mr. PITTMAN. I think the question has answered itself. I want to conclude as briefly as possible. I did not precipitate this debate and had no intention of taking part in it. I believe that I have drawn a distinction between the use of the office of the Executive in influencing legislation and the influencing by the Executive of the passage of an amendment to the Constitution.

The President never attempted to influence a Member of this body, to my knowledge, with regard to such Member's action upon the Susan B. Anthony amendment. I never heard him give expression during the time the matter was pending and before the last vote as to whether he favored it or did not favor it. He left that matter entirely to this body. Yet to-day Mr. Hughes, the candidate of the Republican Party, the candidate of the party of which the distinguished Senator from Iowa is such a shining light, is threatening openly throughout this country to use his name, the power that his opinion may have, to coerce the Republican Party into voting for the Susan B. Anthony amendment, or his declarations are a fraud and a deception. That is the distinction I have tried to draw. I do not know whether it appeals to the Senator or not, but it appeals to me.

Now, let me pass on for a moment. The distinguished Senator from Idaho [Mr. BORAH] attempted to confuse me in the beginning of my argument by asking me whether or not I have changed my mind with regard to the Susan B. Anthony amendment. He has a right to an answer, and he will have that answer.

Like the Senator from Idaho, I have believed in equal suffrage, and I believed in it long before the time I ever went into politics. I have believed in it on the broad principles of humanity and political economy. I have never been able to understand why one-half of the intelligent people of this country should be debarred the right to vote.

Back in 1910, when I was seeking the nomination, in every speech that I made I spoke for woman suffrage in my State and against the advice of my political advisers. I want to know if there was another Democrat or Republican in the State at that time who did it? The movement had just started. The resolution to amend the Constitution was submitted to the Nevada Legislature in 1910 and was passed. In 1912 I again supported it in every speech that I made from the stump. I want to know if there were any other candidates on the Republican or the Democratic ticket who so supported it?

I introduced it into the platform of my party in 1912. I have doubted and I do now doubt the efficacy of this constitutional amendment at the present time. I would rather delay the matter than to rashly fly in and meet defeat. That is poor strategy.

The speech the distinguished Senator from Idaho made was one of the strongest I have ever heard on this subject from his viewpoint. I know that he favors equal suffrage. I can not conceive how those women who so ardently support this amendment can expect that it will be consummated into an amendment of the Constitution of the United States until more States are converted to suffrage. There are only 12 suffrage States. The question has been fought out in a number of Northern and Eastern States in recent years and decided adversely to suffrage. I particularly refer to Pennsylvania, New Jersey, and Ohio and those great States that have so tremendous a vote. I believe that these States can be carried by another election. Other great States will follow.

If we should pass this amendment to-morrow and submit it to the States, there are only 12 States out of the 48 in which there would be any hope in my opinion at the present time of ratifying it. Why would Pennsylvania ratify when Pennsylvania has voted in the very last year against it? Why would Ohio ratify it? Why would New Jersey ratify it? They have defeated it when submitted so recently. What hope is there of the amendment being passed at this time by such method? And yet if it is submitted to the States, it will require a vote by three-fourths of all the States to ratify it. The hopelessness of it at this time is too apparent.

Let me say what the result of the suffrage amendment will be if that is accomplished. It goes to the States and fails to get the necessary three-fourths and it is killed. When they go into an individual State for the purpose of urging it upon the voters of such State the people will say, "We decided that question the other day; we decided against you, and it is over forever."

You can not expect to vote to give woman the right to vote unless woman desires it and will use it when she gets it. I am firmly convinced that whenever the women of a State are educated to the purposes and privileges of the vote they will not only demand it but receive it. It is to be regretted that any women should have made any single question the sole issue when their votes are required to sustain the great humanitarian laws of Woodrow Wilson. He has suited such women in all that is great and good. They praise him because he has kept us out of war, protected the children, protected labor, stimulated commerce and industry, and yet they are willing to kill him because he differs as to the method of getting suffrage in some other State.

Mr. BRANDEGEE. Let me suggest to the Senator that if a certain amendment is submitted it can be outstanding for 20 or 30 years; if it finally secures a vote of three-fourths of the States it will become operative.

Mr. PITTMAN. That is true, and it is the hope I may say of those who favor the national amendment that it may hang in the air for a certain length of time until it is passed, and I hope that they are right; but, on the other hand, that which I fear is that it will be submitted to a vote of the States and killed, and that that defeat will be used hereafter for the purpose of preventing further consideration in the States themselves. My fears may not be well founded and I am willing to bow to the judgment of the majority.

Now, let me go on just a little further with regard to this. I conceive that it is unfortunate for the cause of universal suffrage in this country that at this time a certain faction should arrogate to themselves the entire fight, that they should arrogate to themselves the entire sincerity, intelligence, and knowledge with regard to this whole subject.

They forget that 20 years before they came into existence there was a suffrage movement in this country, supported by some of the greatest and brightest women known to history. They have taken hold of this fight in a bitter, partisan way, forgetful of their friends and the services they have rendered. They have taken hold of it in a way that not only threatens to defeat the national amendment, but it is going to militate for years and years to come against a suffrage amendment in any State in which it is introduced.

It is impossible not to expect the male voters in States where they now have no suffrage to be affected by the experience of the men of the States who granted woman suffrage. There is no question of that. The distinguished Senator from Idaho has not had that experience. He does not have an organized movement against him by these zealous women, because he saw fit to utilize his own judgment in this matter for what he believed the best interests of women of his State. But I notice to-day that in some of the Western States where the women have been granted the right to vote some of them are fighting most bitterly the very men who fought for and obtained for them their right of suffrage.

I want to know what the effect of that example will be in the adjoining States when they reach out and ask the men there to grant their sisters the right to vote? These are practical considerations for those who desire, as I do, universal suffrage.

Let me say in passing that the only reason why these particular women are not going to forever condemn this movement is because they constitute a very small minority, and because the women of those suffrage States, like the women of Idaho, as reported by the Senator from that State, are not going to be dominated by these people coming from Newport, as the Senator from Colorado said, who are going into their midst for the purpose of telling them who have been their friends and who will be their friends.

Now, just one other thing. I voted against the Susan B. Anthony amendment in 1914. I have stated my reasons. They could be stated much more fully and much more broadly than I have stated them. I want to say that at the time the Susan B. Anthony amendment was voted upon in this body, at the time I voted against it, the question was under submission to the people of my State on a referendum vote. Since that time the people in my State by an overwhelming referendum vote have decided in favor of equal suffrage.

I might have had a right to form my own opinion with regard to the wishes of the people of my State, but I would have no right to do it after the people of my State had decided the question by a referendum vote, and it will be my duty to try to represent them as the representative of our State or to surrender my office.

I have never doubted the principle—I have differed from some of my friends as to methods—I am as sincerely interested in obtaining suffrage for all the women in every State as any member of the Congressional Union. I have helped them even this year in their efforts to present their arguments to the Senate. They then seemed to appreciate my efforts, but now I must die with my President, so they say; but they do not speak for the women of Nevada.

Mr. STONE. Mr. President, before referring to the particular matter I have in mind to discuss, I beg leave to say a few words about the controversy to which we have just been listening concerning woman suffrage—only a few words about that—for that is a subject, as now presented, in which I am not profoundly interested.

I recall with interest the fact that within the last three years—that is, since Mr. Wilson has been President—I have time and again heard what was intended to be caustic criticism from the other side of this Chamber against the President, on the ground that he was ignoring the platform adopted at Baltimore when he was first nominated. There were two things particularly in that platform to which our friends on the other side were never weary of adverting to as grounds of criticism of the President and of their Democratic colleagues in the Senate. One particularly was the plank in the platform declaring for the principle of one term only for the President; the other related to the clause in the platform concerning the exemption of coastwise vessels from tolls in passing through the Panama Canal. We have all heard the charges rung, with many variations, on these two subjects; their story is quite familiar.

The question has been asked, "Should President Wilson be again nominated by the Democrats, in the face of the Baltimore platform? Would not such a nomination be to ignore a solemn declaration of the party?" I have never flinched under those thrusts, although our friends on the other side seemed to enjoy making them, and evidently were deluded with the idea that they were profiting thereby.

Mr. President, I do not hesitate to assert that the Baltimore platform did not commit President Wilson to a promise, expressed or implied, not to be a candidate for reelection. The platform did favor, and to that extent did commit the Democratic Party to, the policy of one term for the Presidency, going on further to say that that policy should be written into the Constitution of the United States. Here is the exact language of that plank of the platform:

> We favor a single presidential term, and to that end urge the adoption of an amendment to the Constitution making the President of the United States ineligible for reelection, and we pledge the candidate of this convention to this principle.

That is to say, it is declared that it should be the policy of this Nation to have but one term for the President—whether for four or six or some other number of years is not stated; but one term—and that that policy should be written into the fundamental law. That is what the party pledged itself to and all it pledged itself to by that declaration.

I wish further to say that President Wilson was not a candidate for renomination, and certainly not any more than Mr. Justice Hughes was a candidate. The President said he was not a candidate; Mr. Hughes said he was not a candidate; but neither of them ever declared that he would not accept a nomination if tendered by his party. The Democratic Party of the United States, without a word, without an act, on the part of the President that could be construed into a solicitation, voluntarily and unanimously named him as the candidate of that party. There is nothing in that declaration of the Baltimore platform that makes his acceptance of a nomination thus tendered in the least degree inconsistent.

Mr. PENROSE. Mr. President, will the Senator from Missouri permit an inquiry?

Mr. STONE. Yes.

Mr. PENROSE. Admitting that the President, by reason of the fact that this nomination was forced on him, was not bound by this plank in the platform, how can the Democratic majority of this Congress escape responsibility for not bringing up and passing, or trying to pass, the constitutional amendment to which their party is pledged? Let us shift responsibility for the time being and for the sake of argument from the President to the Democratic Party; still the language is certainly emphatic enough and definite enough in the platform that the party shall be pledged to pass the constitutional amendment, but the constitutional amendment has not even been considered in the committee of either branch of Congress.

Mr. STONE. I think the criticism of the Senator from Pennsylvania is perhaps not without justification.

Mr. PENROSE. I am glad to see that once in my life I have got the Senator from Missouri to admit something, Mr. President.

Mr. STONE. Under this platform declaration I think the Senate and House of Representatives, where constitutional amendments are originated for submission, should have presented the matter. I will admit that.

Mr. BORAH. Mr. President——

Mr. STONE. I yield to the Senator.

Mr. BORAH. I have in my possession, though I have it not here, a letter which the President wrote to Mr. A. Mitchell Palmer, at the time the House Committee on the Judiciary was about to consider the matter, in which the President advised against it.

Mr. STONE. Mr. President, I am frank to say that, whether the President advised against it or not, I would have voted against it. Notwithstanding it was in the platform, I think it was a foolish and ill-considered declaration, so far as that goes; but I do not know the President's opinion about it; I never conferred with him in regard to it. I merely wish to say—and I do not

care to broaden the argument—that the President was not bound by the terms of this provision in the Democratic platform to refuse a renomination; and even if it had been made broader than it is, as broad as any man here for any purpose would like to make it, I undertake to say that the Democratic Party, as a whole, or the Republican Party, in like circumstances, as a whole, can, when it comes to speak upon a declaration in a platform and express the party opinion as to what a convention has said, go over a convention and speak the popular thought; and so, if the Democratic Party of the United States, who sent delegates to Baltimore to make a platform, did not approve of a declaration in that platform, certainly the great State constituencies who made the delegates can repudiate any particular declaration or change it when they have a chance to speak; and these constituencies did, with absolute unanimity, demand the renomination of the President. And that settles it.

Mr. PENROSE. Then, I understand, Mr. President, that the President repudiates this particular paragraph in the platform of the Democratic Party.

Mr. STONE. I did not say that, but the contrary.

Mr. PENROSE. Then, how is it that the President, when he came down here and violated all the proprieties by knocking at the door and seeking admission into the secret conclave known as the Democratic caucus, did not bring up this constitutional amendment among the other matters that he thought fraught with importance in carrying out party pledges?

Mr. STONE. The President, as I am told, for I did not see him on the occasion referred to—the President came to the Capitol to confer with Democratic Senators with respect to what is known as the child-labor bill. That was his mission to the Capitol on the occasion adverted to by the Senator.

Mr. PENROSE. That was not the first offense.

Mr. STONE. That was the particular "offense" to which the Senator refers. I do not know to what others the Senator especially adverts.

Mr. President, without further pursuing this subject from this side, I wish hurriedly to put the other side of this question. I listened with interest to what my friend the senior Senator from Iowa [Mr. CUMMINS] had to say in his colloquy with the Senator from Nevada [Mr. PITTMAN] a moment ago. I was reminded of a declaration in the Republican platform upon which former Justice Hughes is running, that woman suffrage is a question to be left to the States individually. That is what the Chicago platform says. The St. Louis platform, also, as has been pointed out to-day, contains a similar declaration. But Mr. Hughes has, for reasons of his own, gone across the line and declared that he is for the so-called Anthony amendment. I suppose that is what he means by what he says, although he has never said it quite so broadly or clearly. He states that he is in favor of taking a short cut to get to the end desired. He means he is for an amendment to the Federal Constitution conferring universal suffrage, if he means anything, and that is an absolute repudiation of the policy announced in the platform upon which he was nominated and which he specifically indorsed. Should he be elected President he gives assurance that whatever influence he has will be used to secure the adoption of the so-called Anthony amendment. Now, with whom is he going to use that influence? How is any amendment to the Federal Constitution submitted to the States? Ordinarily in one way, and that is through the Congress, through the action of the House and the Senate, and that is the way sought by the proponents of this scheme. Mr. Hughes must therefore use his influence to induce my friend from Iowa and the rest of you to repudiate your platform and vote to do something that your great convention at Chicago declared should not be done.

Mr. CUMMINS. Mr. President——

Mr. STONE. Perhaps he will not come over to the President's room if elected——

Mr. CUMMINS. Mr. President——

Mr. STONE. Just a moment—but I have a vague sort of an opinion that if he should send for the Senator from Iowa [Mr. CUMMINS], or the Senator from Idaho [Mr. BORAH], or the Senator from New Hampshire [Mr. GALLINGER], or the Senator from Pennsylvania [Mr. PENROSE], and take him or them in that back room in the President's offices or in the Blue Room in the White House, or take them out on the south portico, where the fountains are playing and reflecting the starlight and the moonlight, and where the flowers are smelling sweet, all enlivened by a little champagne and some fine cigars, to sit down there and talk it over, the environment would be far more seductive and probably far more effective—certainly as effective—as it would be in that hot little room in this building known as the President's Room. The difference would be this: That President Hughes would send for you to come to him, and every one of you would go, while our President, being more democratic, comes over here to talk with his own people on their own ground.

Mr. CUMMINS. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Iowa?

Mr. STONE. Yes.

Mr. CUMMINS. The Senator from Missouri describes this operation with such precision and such detail that I have no doubt he has seen it in performance.

Mr. STONE. I have in former times.

Mr. CUMMINS. And I take his word for it. No President has ever sent for me to confer around a fountain, with the flashing stars reflected in the liquid pools of the White House.

Mr. STONE. Oh, well, he has sent for others, then.

Mr. CUMMINS. He may have done so. I am not of sufficient importance——

Mr. STONE. Oh, no; not that.

Mr. CUMMINS. To be coerced. It takes a Senator, of course, of some prominence and influence to come within the sphere of coercive or seductive arguments of that sort. I suppose these prominent Senators radiate their influence among the lesser luminaries.

But I rose to ask the Senator from Missouri where has Mr. Hughes stated that he would use the power of the presidential office to induce Senators or Members of the other House to vote for the Anthony amendment or any other act of legislation? I have not read any such statement as that, and I do not believe that Mr. Hughes is so forgetful of the Constitution of his country and so lost to the proprieties of the presidential office as to do anything of that kind. I should be glad if the Senator would point out where he has even indicated anything of that sort.

Mr. STONE. Mr. President, I have not come armed with the many expressions the distinguished candidate of the Senator has seen proper to make during his campaign. Still it will not be denied by the Senator that Mr. Hughes has declared his unqualified support of an amendment to the National Constitution for woman suffrage.

Mr. CUMMINS. Mr. President, I think so. I so read his telegram——

Mr. STONE. So did I.

Mr. CUMMINS. Sent the day after his speech of acceptance; that is, as I understand, he has declared it to be his opinion that there ought to be such an amendment adopted to the Constitution; but I do not know of anything more than that.

Mr. STONE. Now, what do these good women in the country who are rallying to his support and announcing their opposition to President Wilson expect of Mr. Hughes? Is he fooling these women? [Laughter.] Is he playing with them for political purposes or is he dealing honestly with them out in the open? These women know, as well as we, that the power and influence of the President of the United States is very great. I have been here in the two Houses of Congress for many years under a good many Presidents—from Cleveland's first administration down to now—and I know about these matters. What is the use of our evading and trying to fool ourselves or anybody else? The President of the United States is looked to to lead the way in carrying forward the constructive policies of his party. Do these women, who are flocking to the standard of Mr. Hughes because of what he has said, expect him to sit in the White House with his lips closed because of a delicate apprehension that if he said a word to the Senator from Iowa or the Senator from Pennsylvania it might be thought he was intruding upon forbidden ground? You know better than that; you know these women expect and that you expect and that he expects, if he is dealing squarely, fairly, and honestly with these people, to use his influence as the Chief Executive to promote the thing he favors. If that be not true, then he is a weakling and unfit to be the President of the United States.

Now, Mr. President, after this I hope we have heard the last of Wilson forgetting the declarations of the Baltimore platform. It is utterly out of the question, utterly inconsistent—although you gentlemen on that side may not be afflicted with any serious compunctions upon the subject of consistency—it is utterly beyond reason for you ever again during this session of the Senate or during this campaign to refer to the President's attitude or to what the President has done with respect to the platform adopted at Baltimore, when the man in behalf of whom you are going on the stump absolutely ignores the declaration of your own platform upon a great social and political question of vast importance to the country. If you can do that without blushing, then your faces are adamant, and you are incapable of blushing.

Mr. CUMMINS. Or brass.

Mr. STONE. Well, "brass" is better than adamant. I merely wanted to say this much on this subject, so that we may have an end, once and for all, of this "tommyrot" about the ignoring of platforms.

Mr. PENROSE. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Pennsylvania?

Mr. PENROSE. I thought the Senator had concluded.

REGULATION OF IMMIGRATION.

Mr. STONE. No; I have not. I want to say a word—and that is what I especially rose for, Mr. President—about the motion of the Senator from South Carolina [Mr. SMITH], which I understand is the pending motion, to displace the unfinished business, namely, the revenue bill, and take up the immigration bill.

Mr. President, speaking for myself, I am ready at any moment to vote on the immigration bill. I do not see why any Senator should hesitate to vote on that bill when properly offered. I am assured that the President is utterly indifferent as to whether the bill is sent to him or not. Practically every Senator here has expressed his views on that bill or recorded his attitude by his vote, and the President has expressed his attitude by vetoing the bill when it was sent to him by the last Congress. Our individual positions on the merits of this bill and the President's position on it are all well known.

I have not changed my position. I am still opposed to it in its present form. I am willing again to vote against the passage of the bill in the form in which it is now before the Senate, which is the same form in which it has been presented in former Congresses. I can not be driven from that position.

Mr. President, I think there are Senators who are afraid of shadows. They are afraid they will get hurt at home if they vote against the bill. When Mr. Taft was President, and that bill—the same bill we now have—was here, I spoke against it. I explained why I was against it. In the main I approved of its provisions, but I was unwilling to vote for the bill with the so-called literacy test in it, and so I voted against it; and when Mr. Taft vetoed it and sent it back to us, I voted against passing it over his veto. When it was up before us in the last Congress again I opposed it; I spoke against it, and by my vote I registered my opposition to it; and when President Wilson vetoed it and sent it back, I voted against passing it over his veto. This action did not hurt me at home.

Mr. PENROSE. Mr. President, will the Senator permit an inquiry?

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Pennsylvania?

Mr. STONE. I do.

Mr. PENROSE. The Senator's position is well known on this measure, and that of every other Senator. We could pass this bill in five minutes, if the Senator would permit it, and let every one reaffirm his position. What is the objection to passing the bill now?

Mr. STONE. I am not in favor of passing it.

Mr. PENROSE. Or, what is the objection to voting on it, rather?

Mr. STONE. I am not in favor of it.

Mr. PENROSE. Is the Senator trying to obstruct a vote on the measure at this time by a filibuster?

Mr. STONE. No.

Mr. PENROSE. Is the Senator afraid of "putting the President in a hole," as the saying is, if the bill should be sent to him before the election?

Mr. STONE. No; I am not. The President's position is understood.

Mr. PENROSE. What possible object can there be in not having a vote now?

Mr. STONE. If the Senator will possess his soul in patience, he will understand what I have in mind.

Mr. PENROSE. I will sit down and listen very attentively.

Mr. STONE. Well, sit down and listen attentively. [Laughter.]

Mr. President, I am opposed to this motion of the Senator from South Carolina for one sufficient reason, without giving others—the Democratic conference or caucus, as has been already stated here, by a unanimous vote——

Mr. HARDWICK. Mr. President, if the Senator will pardon me, I wanted to correct the Senator from Indiana when he made that statement. My vote was recorded against it, and notice was given to the caucus—the Senator from Indiana made that statement——

Mr. TAGGART. Yes.

Mr. HARDWICK. That I was in favor of the bill and was pledged to my constituency to vote to take it up at this session.

Mr. PENROSE. Is there a record of the votes taken in the caucus?

Mr. STONE. I think there is a record.

Mr. PENROSE. Could that record be made available to the minority Senators?

Mr. STONE. If the Senator will sit down and be patient he will hear. I only ask him to keep his promise to me. I know he is nervous. Delicate, weakly sort of men usually are. [Laughter.] Their nerves tingle, and they can not sit down and remain quiet. Great big, strong, athletic men, like my friend here by my side [Mr. OVERMAN] and myself can be self-possessed.

Now, as I recall, there was a vote upon this subject, as stated by the senior Senator from Indiana [Mr. KERN], as to whether the immigration bill should be put upon what we called the legislative program we were trying to make. We took a vote upon that, and the Senator from Georgia voted in favor of putting it upon the program.

Mr. HARDWICK. No; I did not—oh, no, indeed. That is where the Senator is mistaken.

Mr. STONE. Did not the Senator vote in favor of putting it upon the program?

Mr. HARDWICK. Oh, yes; my vote was cast in favor of taking up the immigration bill at this session, and notice was given in the caucus that under pledges made to my constituents, I would so vote.

Mr. STONE. Yes; I know what the Senator said. That is what I was trying to state.

Mr. HARDWICK. The Senator said the vote was unanimous, though, about making it a part of the program.

Mr. STONE. I have not gotten to that yet.

Mr. HARDWICK. All right.

Mr. STONE. I said that in the first instance, as I recall the record, the proposition was, when we were making up the program of the bills that we would press before the Senate, whether or not the immigration bill should be one of them. The Senator from Georgia favored that.

Mr. HARDWICK. Yes; that is right.

Mr. STONE. But the caucus did not favor that. On the contrary, it adopted a resolution that the chairman of the Democratic caucus should approach the chairman of the Republican caucus for an agreement to this effect—now I am going into what may be called caucus secrets, but they have been spoken of here, and I do not care much about it. They are not much secrets, anyway.

Mr. GALLINGER. Mr. President, will the Senator from Missouri be careful to say "Republican conference" instead of "Republican caucus"? We never hold caucuses.

Mr. STONE. I do not want to be interrupted with such inconsequential statements.

Mr. GALLINGER. But the Senator ought to be accurate.

Mr. STONE. I am accurate. The difference the Senator makes is, in fact, no difference at all. I use the terms "conference" and "caucus" indiscriminately. The chairman of our conference was directed to interview the Senator from New Hampshire, chairman of the Republican caucus, with a view to seeing if an agreement could not be made to take up the immigration bill the first thing at the next session of Congress in December, and make it the unfinished business, and keep it the unfinished business until it was disposed of. That resolution was agreed to at a vote in our conference. Then, later, it was proposed that if an agreement of that kind could not be made with the Republican side, that the conference pledged itself on its own account, as a party organization, to put the bill forward at the beginning of the session next December, and make it the unfinished business, and keep it as such until it was disposed of, whether our friends on the other side consented or not. As I recall, on that motion there were 38 votes cast for it, and not one against it. I think the record will show that.

Mr. HARDWICK. The record will show that, but the record will show further that I was not present, and the Senator who cast my vote cast it under a misapprehension of my position, and it was afterwards changed.

Mr. STONE. That I know nothing about. I am talking about what was done at the caucus.

Mr. HARDWICK. If the Senator was present at the meeting that immediately followed that, he would have known that that change of my vote was made.

Mr. STONE. I know the Senator from Georgia expressed himself in favor of taking up the immigration bill at this session.

Mr. HARDWICK. That is it.

Mr. STONE. I have said that; but I am saying that the conference did not agree with him, and that in the final analysis

the action taken by the unanimous vote of 38 members of the caucus or conference who were present——

Mr. HARDWICK. That is exactly the point on which I am at variance with the Senator. My vote ought not to have been recorded that way.

Mr. STONE. I do not know anything about that. I never heard of that before.

Mr. SMITH of South Carolina. Mr. President, if the Senator will allow me——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from South Carolina?

Mr. STONE. Yes.

Mr. SMITH of South Carolina. I think the Senator from Missouri was present when I made the statement that in view of certain facts that had transpired prior to the caucus touching this measure I would not be bound, and for the purpose of keeping faith with the caucus I retired and was not present when the vote was taken.

Mr. STONE. Mr. President, that is not an unusual performance, I am sorry to say.

Mr. PENROSE. Mr. President——

Mr. STONE. I have more than once seen gentlemen come into Democratic caucuses or conferences—whichever term you prefer—take part in them, make speeches, express views, vote for or against motions and resolutions, until they found that a majority—may be an overwhelming majority—of their colleagues were not in accord with them and then beg to be excused, take up their hats, and leave. That is not, I am sorry to say, an unusual performance. It happens too frequently for our party good.

Mr. SMITH of South Carolina. Mr. President, I rise to a question of personal privilege. I think the Senator wants to be fair.

Mr. STONE. I do. Have I made any misstatement?

Mr. SMITH of South Carolina. Only twice have I taken action similar to this, including this in the two instances. I did not wait until the vote was taken. I did not participate in the debate any further than making my statement in the beginning of the caucus; and, as I recall, another subject was under discussion when I retired. I knew nothing about the resolution until the next morning, and was informed—as several of my colleagues will bear me out—that even the resolution was not binding; that it was simply an expression on the part of the caucus. I have tried with jealous care to avoid participation in a thing under such circumstances that, if I am whipped, I will not stand by it, and if I succeed I expect that others shall. Hence the action that I took; and I think my colleagues will exonerate me from any such imputation.

Mr. STONE. There is an old Latin adage—I think I can quote it—"De gustibus non est disputandum." There is no disputing about a matter of taste. Every Senator, every man, must regulate that sort of thing for himself. When I go into a gathering of Democrats, or any other kind of gathering with which I am affiliated, to discuss things, talk over things, and determine upon a plan of action—determine what we are going to do affirmatively and what we are going to do negatively, by which I mean what we shall put aside for the time being—I go in with the idea of standing by my colleagues, win or lose. It is the only way I know how to act.

Mr. PENROSE. Mr. President, will the Senator permit me to make an inquiry on that point?

Mr. STONE. I think the Senator from Pennsylvania had better sit down and be patient.

Mr. PENROSE. I thought I could help the Senator, and enlighten or illuminate his position a little bit.

Mr. STONE. No; I do not think the Senator can. Moreover, I am not talking to Senators on that side, and they have no right to be "butting in."

Mr. PENROSE. This is an open caucus on the floor of the Senate.

Mr. STONE. I am talking to Democrats, to my party colleagues on this side. We held conferences, and we agreed upon a program, and although there may have been one or two or three Senators, even more—two have spoken here already—who did not intend to be bound by what was done and who left the conference; still it must be remembered the conference acted. As to leaving the conference, I wish to say, without meaning to be offensive, that I have never had occasion to leave a Democratic conference, although often my views have not been acceded to. I never go in with the idea that I must have my way or quit.

Mr. HARDWICK. If the Senator will excuse me, the caucus, so far as the printed notices were concerned, was called for another purpose. How could we tell what was going to be brought up until we got there?

Mr. STONE. What was the purpose?

Mr. HARDWICK. The purpose was to consider the child-labor bill, as written on the notice, not immigration.

Mr. STONE. I can not join issue with the Senator about that, because I do not recall the facts as to that.

Mr. HARDWICK. I think I am right. Of course, I am willing to have the Senator correct me; but I think I am right.

Mr. STONE. I only know this—that we were there, as I understood, to discuss what we were going to do.

Mr. HARDWICK. The caucus notices did not state that.

Mr. STONE. I can not speak of the notice, because I do not recall it. That might be looked up, if it is of value. I do not think it is of any value.

Mr. HARDWICK. Yes.

Mr. STONE. Mr. President, here is the situation, and I am putting it to my friend from South Carolina—and I esteem him as a friend. We may differ; we may have sharp clashes, such as we are having now; but I would not have that affect my personal relations with him. Here is what I wish to say to you Democrats: We did agree—there is no doubt about that—to put forward the revenue bill. When the shipping bill, the child-labor bill, and possibly the workmen's compensation bill, were disposed of the revenue bill was to be taken up and made the unfinished business. That we did agree to. I am not mistaken about that. That was agreed to, I was about to say, with absolute unanimity, certainly with practical unanimity; and that agreement was ratified here on Saturday, on the floor of the Senate, when we agreed to make it the unfinished business.

Mr. HARDWICK. If the Senator will yield to me again, it was done by my colleague, the Senator from Georgia [Mr. SMITH], after the Senator from North Carolina had stated to me—I know there was no intent to mislead—that they did not propose to bring up the matter at all until Monday. If the effort had been made in my presence, and I had not gone off after that statement, I should have objected to the consideration of the revenue bill.

Mr. STONE. It has not been brought up until Monday.

Mr. HARDWICK. Oh, yes; it was done on Saturday, late Saturday afternoon, after the most of us had gone.

Mr. STONE. Oh! I misunderstood the Senator.

Mr. SMITH of South Carolina. This is Monday.

Mr. STONE. I know it is Monday.

Mr. HARDWICK. This was done on Saturday.

Mr. STONE. What I mean is that the consideration of the bill has not been brought up until Monday—that is to-day.

Mr. HARDWICK. But the action was taken on last Saturday, after most of us had gone home. I was not here. I would have objected to it right then if I had been here.

Mr. STONE. I know nothing about that. But in that event it would have gone to a vote.

Mr. HARDWICK. Yes, of course; and you would have had to have a quorum here to vote on it then, of course.

Mr. STONE. Yes.

Mr. HARDWICK. But the Senator must not charge us with laches in respect to that, because we had no idea that such action as that was contemplated

Mr. STONE. I am not charging laches, Mr. President—nothing of the kind. I do mean to charge, if that is the proper word—I do mean to assert—that it was agreed in the Democratic conference that the revenue bill was to come on as the unfinished business at this time.

Mr. HARDWICK. Yes; but the Senator—well, I do not want to keep bothering the Senator.

Mr. STONE. The Senator does not bother me.

Mr. HARDWICK. I will state to the Senator, then—we may just as well have this historically accurate—that there were certain Senators there who had given notice, in accordance with the rule, that on account of pledges they had made to their constituencies, so far as the immigration bill was concerned, it was excepted from any of these agreements and understandings. Now, that is the fact.

Mr. STONE. Oh, well, I will not dispute about that. It might be that some Senator, may be two or three Senators, in the Democratic conference said, "You can not bind me to this or that." Well, I am not trying to bind you. I do not want to bind you. I could not bind you if I wished.

Mr. OVERMAN. The caucus did not attempt to bind anybody.

Mr. STONE. The caucus is powerless to bind anybody. The obligation of a Democratic Senator to his party is a matter which addresses itself to his own judgment and sense of party loyalty and allegiance. Every man must judge that for himself. When the overwhelming voice of his associates determine upon a certain policy, it seems to me remarkable that two or three or four men are so much greater than their party, so much wiser than all their fellows—or think they are—that they

can cast the party view aside, throw the aggregated party conclusions to the wind, and say, "We will take our own course."

To be sure, Senators can do that; but what then becomes of party allegiance or party solidarity? How, then, will we accomplish results on this side? If we split apart in that way at the dictation of one or two or a half dozen Senators, who rise in opposition to the overwhelming judgment of their colleagues, how can we make headway?

Let us see just what has happened here to-day. A motion has been made by the Senator from South Carolina, in utter contempt of the judgment and action of the Democratic conference.

Mr. SMITH of South Carolina. Mr. President——

Mr. STONE. Wait a moment, now.

Mr. SMITH of South Carolina. But the Senator says this was done in utter contempt of the action of the conference.

Mr. STONE. Well?

Mr. SMITH of South Carolina. It was exactly along the line of my statement on the floor of the Senate before ever you held a conference that this Senate should have an opportunity to vote on the immigration bill. I stated, before ever you took action in the caucus, that I would keep that pledge. I have kept it. I would be in contempt of myself if I pursued any other course.

Mr. STONE. The Senator has kept his pledge. He has. He made his motion. Now, what happened? In effect he has turned the control of legislation in this body over to the Republican side of this Chamber. What was the vote? I looked at it. Twenty-four Democrats voted against the motion of the Senator from South Carolina and only 5 voted with him, he making one of the 5, and 22 Republicans voted with him—a total of 27; and they carried the Senator's motion over the Democratic side by a majority of three.

That may be a record of which the Senator is proud. He may be glad to take it down and display it on the outer walls before the sturdy Democracy of South Carolina. Maybe so. Maybe my friend from Georgia [Mr. HARDWICK] will find joy in exploiting this achievement before the equally sturdy Democracy of the great State he represents. These Senators have a right to enjoy these triumphs if they feel that way. For myself I do not feel that way. I would rather cast my fortunes, I would rather find myself allied, with the 24 Democrats who voted to go on with the Democratic program as agreed upon and take up this great revenue bill, than to have been one of less than half a dozen who walked across this aisle and clasped hands in fellowship and cooperation with the Republicans, thereby practically turning over the control of the Senate to that party.

Mr. President, that is the way I feel about it, and that is all I have to say about it.

Mr. HARDWICK. Mr. President, if I were able to submit in silence to the strictures of the Senator from Missouri [Mr. STONE], I should have very little respect for myself. He is neither the judge, nor can he possibly constitute himself the censor, of my conduct on this floor.

The Senator's strictures on the nine Democratic Senators who supported the motion of the Senator from South Carolina are worth but little, unless, perchance, they should happen to come to the ears of some one who does not know my good friend from Missouri and does not understand the Senator and his uncontrolled and unlimited capacity for lecturing both his Republican and his Democratic associates in this Chamber. Of course, with those who have been here and have heard the lion roar before, it is more of a joke than anything else. There is nothing either serious or terrifying about it—nothing; and for one I refuse to be either terrified or dismayed by it. I represent just about as many people as he does, and just about as good people, and just about as good Democrats. To them, and to them alone, will I give an account of my stewardship in this body. I suspect that if our records could be examined, year after year and election after election, it would be found that in my humble way I have been just about as loyal to the Democratic Party, to which we both belong, and have contributed just about as much to its success, in proportion to my small ability when compared with his, as has the distinguished Senator from Missouri.

But I am not here, Mr. President, to bandy words with the distinguished Senator over this matter. The vote I cast this morning is one for which I will neither here nor hereafter ever make an apology. It is one I am proud to have cast. Why? Because I promised my constituents in the campaign that resulted in my election to the United States Senate that I would do all in my power to secure the earliest possible passage of the immigration bill. I said to them: "I have helped to pass it once in the House of Representatives, where I reported from the Committee on Rules a special rule for its consideration. I helped try to pass it over one President's veto there; and if you will send me to the Senate of the United States, I will do all in my power to secure its early consideration and its speedy and certain passage by that body."

Senators, I tell you now that if we should establish in our conference room, or in our caucus room, the intolerant spirit that has been manifested and expressed here on this floor by the distinguished Senator from Missouri more than once, we would not have much of a Democratic Party left in 30 days. One of the rules of our caucus, and almost its first rule, is that no caucus action can bind a Senator to violate previous pledges that he has made to his constituency. Upon that basis, sound and stable—the necessary basis of honor in all public and private transactions—I rest, first of all, my conduct in this matter. So, I apprehend, will my friend from South Carolina [Mr. SMITH] and other Democratic Senators who voted with us in this matter and who are just as good Democrats as the Senator from Missouri ever dared to be.

Mr. President, we were to meet in caucus to consider one subject, and when we got there it developed afterwards—I did not know until the next morning—we had also considered another, an entirely disconnected subject, to wit, the immigration bill, and that action had been taken by, I reckon, a dozen or more of our colleagues who were present and had proxies from those who were absent, because I know the distinguished Senator who had my proxy voted me on that question wrong.

Mr. SMITH of Georgia rose.

Mr. HARDWICK. Of course, I know in my case. It was altogether unintentional.

Mr. SMITH of Georgia. The Senator left his proxy with me without any suggestion as to how to vote. I, of course, understood that I was to vote my own view, and I did so. When subsequently the Senator told me that I misunderstood his attitude on the subject and that he desired to vote the other way, I called attention to it and had it corrected.

Mr. HARDWICK. I am not charging my colleague with anything wrong.

Mr. SMITH of Georgia. I took it for granted that without instructions the Senator meant me to vote as I thought he ought to vote.

Mr. HARDWICK. The reason I did not make any specific request of the Senator was because I had made a speech that very day on the floor in which I had said I would do everything I could in honor to get a vote on the immigration bill this session. Of course, the Senator overlooked that when he cast my vote to the contrary, but I am glad to say, with the kindness and friendship and courtesy my colleague has always exhibited, he corrected the record so far as the vote cast by him for me was concerned. I appreciated his friendship and courtesy in that matter, and am far from intending to find fault with him about it.

I lay it down as a principle that the American people will never on earth submit, and they ought never on earth to submit, to the proposition that men can go into a party caucus behind closed doors and commit each other to a course of action upon matters that are not in any way embraced within the scope of the party creed. Political parties, Mr. President, are associations of individuals who meet together on common ground because they believe in common in certain principles. They ought to have, and they do have, whenever they are efficiently managed and whenever they produce good results in this Republic, party action with respect to the matters embraced in the party creed, covered by the party principles. So far so good.

Any action of that kind is within the scope of the agency. It is within the power of these men who exercise authority delegated to them by the great constituencies that they represent. But I utterly deny, and I utterly dissent from the proposition, that any number of Democratic Senators on this side or any number of Republican Senators on the other side can carry their colleagues up into some room and bind them and tie their hands and chain their consciences and still their voices and their votes about something that is not embraced in any party platform or in any way covered by the party creed. I have said once before on this floor, and I am glad to have this opportunity to say it again, that men who would undertake to do that and men who do undertake to do it display so little of real leadership that they are liable to wreck any political party that trusts them with leadership. It can never be safely done. It is undemocratic and un-American.

For one I tell you, neither now nor later or ever can you bind Democrats to something that the Democratic Party has no platform on, has declared no faith on, when a Senator's constituents demand an opposite course, when the Senator's pledge is to the opposite course, and when his own judgment and conscience impel an opposite course. If the distinguished

Senator from Missouri thinks that is treason, let him make the most of it. I defy him or the distinguished Senator from Indiana [Mr. KERN] to take me into a Democratic caucus and bind me to a course that the Democratic Party has not declared upon and that is contrary to the wishes of my constituents and to my own judgment and conscience.

I represent 3,000,000 people on this floor. I know, and my colleague knows, that fully 90 per cent of them believe with all their hearts and souls and minds that this bill ought to pass, and that just as soon as possible it ought to be enacted into law, long before the readjustment of conditions in Europe growing out of the war, which may make it more difficult to enact it then than now.

Am I to stand by with that situation before me, representing those people to whom I have promised that I would do all in my power to have this legislation enacted into law at the earliest possible moment, and because, forsooth, the Senator from Indiana or the Senator from Missouri or the Senator from somewhere else thinks it is the best policy for them not to vote on this question and see this opportunity to do so pass? No! When they undertake to bind me to such a course I simply say to them, "Your action can have no effect on me. You have no authority to bind me or any other Democratic Senator to adopt such a course. It is not within the scope of your authority, and it is not the proper subject matter for any party caucus, because the party has no creed upon this question."

Mr. OVERMAN. If the Senator will allow me, I will state that there was no binding resolution introduced.

Mr. HARDWICK. I was coming to that. I am proceeding on the theory that the Senator from Missouri stated the situation with a moderate degree of accuracy, but as my friend from North Carolina points out by his interruption there may have been no attempt to have a binding caucus agreement about it—I do not know, because I went off and I was not there and did not know that the immigration question was coming up at all. The Senator from North Carolina [Mr. OVERMAN] now suggests that there was no attempt to bind anybody about this matter.

Mr. VARDAMAN. If the Senator will pardon me, I would suggest to him that the thing that gives binding effect to caucus action was the concurrence of the steering committee in that action and the decree of that imperial body that you should do it. That was the thing that gave force and effect to the caucus action. That was the law that you and I and a few other Senators who were bold enough to violate or to question the inerrancy of that little coterie and dare to represent our constituents in this Chamber as our judgment and consciences dictated to us. That is the crime that you have committed which has brought upon your devoted head the withering sarcasm of the distinguished senior Senator from Missouri [Mr. STONE].

Mr. HARDWICK. I thank the Senator from Mississippi for his interruption.

Mr. MARTIN of Virginia. Will the Senator permit me a moment?

Mr. HARDWICK. I yield for a question.

Mr. MARTIN of Virginia. It is not for a question. It is to correct what I consider a very unjustifiable attack upon the steering committee.

Mr. HARDWICK. All right. I will yield to the Senator.

Mr. MARTIN of Virginia. I have been on the steering committee for a great many years, and I desire to say that the steering committee never has undertaken to bind anybody whatever. Whatever it has done has been in the shape of suggestion only. We never have claimed to do more than to make advisory suggestions as to the order of business.

Mr. VARDAMAN. Will the Senator from Georgia yield to me for a moment?

Mr. HARDWICK. I yield to the Senator from Mississippi.

Mr. VARDAMAN. What I said was inspired or suggested by what the honorable Senator from Indiana [Mr. KERN] said a few moments ago in the discussion of this question when he said the steering committee had outlined this program.

Mr. MARTIN of Virginia. The Senator from Indiana who sits next to me says that the Senator does not advert to the fact that he coupled the steering committee and the Democratic caucus.

Mr. VARDAMAN. I do not know about that, but I do know that the Senator from Indiana [Mr. KERN] was criticizing Senators for doing what I think they had not only the right to do but it was their duty to do.

Mr. MARTIN of Virginia. I can only say that the steering committee is a creature of the Democrats of the Senate and it is undertaking to exercise no functions that were not given to it. The only functions that were given to it and the only functions they have endeavored to exercise have been advisory.

We have advised and suggested an order of business in the interests of the dispatch of business for which Congress is in session without undertaking to bind a single Senator to pursue that course. They never undertook to dictate to them; they never undertook to exercise any restraint, any compulsion, or pressure of any sort. I defy any Senator to say that I ever endeavored to exert any pressure. I have stated the propositions to them and have given the reasons why we thought a given order of business was advantageous, and left it to the judgment of each Senator to accept those suggestions or to reject them.

Mr. HARDWICK. I am glad to have that statement made by the Senator from Virginia. It clears up the atmosphere a little. It seems, from what the Senator from North Carolina [Mr. OVERMAN] suggests, that the conference did not attempt to bind us, and now it seems, from what my friend from Virginia says, that the steering committee did not try to bind us.

Mr. MARTIN of Virginia. If the Senator will yield to me, I will ask him a question. I have talked with him scores of times, and I will ask him to state whether, as a member of the steering committee, I have ever made anything more than an advisory suggestion to him?

Mr. HARDWICK. As far as my personal knowledge goes, the Senator is entirely right.

Mr. MARTIN of Virginia. No other Senator can dissent from it.

Mr. HARDWICK. Well, we are making some progress, and now I want to say to our friends on the other side, Do not get too joyful over this Democratic family row. It is very hard for independent-minded Democrats to work together with machine smoothness at all times. We have these little tilts. It is not anything very serious, and as far as this diversity of views expressed in the Chamber is concerned I think it proves one thing—a party caucus can only undertake and ought only to undertake to have anything like binding caucus action on matters which are strictly and legitimately within the party creed. When they go beyond that they have exceeded their power. When they go beyond, it is utterly useless for them to attempt to exert any such power, because no Senator with an atom of self-respect, or with an ounce of regard for the constituency he represents on this floor, will yield his judgment in any such matter.

When it comes to matters within the common ground on which the party has met, the case is quite different, and concurrence in judgment and harmony in action is easily secured.

Mr. President, so much I have said to justify the conduct of myself and other Senators who have voted for the motion made by the Senator from South Carolina once already, and so far as I am concerned, who are willing to continue to vote for that motion whenever it is made and as often as it is made. I know the people of the State in which I live—a vast majority of them—regard the immigration bill as more important than any other legislation that is pending before this body. If I am to be faithful to them, to their interests, to their wishes, and to their views, and to my own pledges to them on this subject, I must act according to my conception of the situation and do all in my power to bring this bill to a speedy vote. I do not see how in doing so I impinge on the rights of any other Senator from any other State—Democrat or Republican—and I do not see how or why it ought to hurt the feelings of anybody else who takes a different view of the situation. But as far as I am concerned, Mr. President, there is no need for anyone to try to chain me on this question, because it simply can not be done; that is all.

Mr. SMITH of South Carolina. Mr. President, the Senator from Missouri took occasion a moment ago to say that as I offered the motion and nine Senators who voted to sustain it on the Democratic side had turned over to the Republicans the control of legislation. I am not going to stand here and attempt to defend my Democracy. As I said this morning, this is a bill, and I do not think the history of it will show there is any partisanship in it.

But be that as it may, I consulted with no one on the other side as to the action that I took. I simply promised my constituencies in the State from which I come that the bill they are so interested in should at my hands, whenever opportunity offered, have my support.

When I submitted the motion this morning to proceed to the consideration of the immigration bill I did it because on the floor of the Senate I said that I intended to do it; in the caucus I said that I intended to do it; to my constituency I said that I intended to do it; and I did it, carrying out what I thought was my duty and what I know at the bar of my conscience was my duty. It was not done with any respect to those who would back me up in the proposition to take up the immigration bill,

but in the discharge of my duty as an individual Senator sustaining a pledge to his people.

If it so happened that the Republicans solidly voted for it, they had a reason. I am not questioning it. I, too, had a reason, and have a good reason why I submitted the motion.

I think if the record of the Democracy of the Senator from South Carolina since he has been a Member of this body were compared with the record of the Senator from Missouri, not in matters touching questions that do not enter into the platform but in questions touching the very fundamental difference between the two parties, it would be found that the Senator from South Carolina has been as loyal, or more so, to his party and his party's creed as the Senator from Missouri.

But I am not here to question the Democracy of one as against the other; I am here to repudiate the insinuation on the part of the Senator from Missouri that I have entered into collusion with the opposition party to bring about embarrassment to those who do not want immigration legislation at all.

The Senator says he is opposed to the bill; that he is going to vote against the bill. His record is against the bill. Therefore, according to him, any man who is in favor of the bill is against the Democratic Party, the logic of which is that he is the Democratic Party. I am willing to follow the Democracy as expressed by some, but I refuse to take the stamp of the Senator from Missouri when it comes to questions of this kind.

Now, Mr. President, I am not responsible for the action taken. The Senator from North Carolina has said—and he is not the only one, because the proponents of the measure to postpone this bill until next December, in informing me of it the next morning in the cloakroom, said it was an agreement that was not binding; that it was persuasive.

The people of America have sense enough to know that here is legislation that they want, and they want it now. Are you going to jeopardize anybody? What does that spell? That spells that you want to carry the election by a subterfuge and then after the election do as you please.

Now, as to the implied threat that I, by virtue of this motion this morning, had turned legislation over to the opposition, I shall very heartily support such parts of the revenue measure as appeal to me. Certain features that do not I propose to oppose. I am going to reserve to myself the right of an individual, legislating for 100,000,000 people in general and for a little over a million in particular, to use the best judgment that I have for their benefit.

I do not think those who find themselves in like position with myself in voting for a bill that was overwhelmingly passed by the House time and time again and overwhelmingly passed by this body will appreciate the statement that a man fails to be a loyal Democrat because he wants to have passed now a measure which, it is said, all will want to have passed 60 days from to-day. It appears, in view of these circumstances, that the interim of 60 days spells the difference between being a Democrat and a partisan of the Republicans.

Now, Mr. President, I want to read the names of those who voted for my motion, in order that they may go in the RECORD. I presume, in the estimation of the Senator from Missouri, it would take 10 Senators who voted in favor of the motion to equal 5 Senators who voted against it, and hence he said only 5 voted for it. The names of the Democratic Senators who voted for the motion are ASHURST, BECKHAM, CHAMBERLAIN, CULBERSON, HARDWICK, LANE, MYERS, OVERMAN, SMITH of South Carolina, and VARDAMAN—10 in all. I do not know that anybody has ever seen any particular evidence of their wishing or attempting to wreck the Democratic Party. The truth of the matter is, in a nutshell, that here is a bill, passed overwhelmingly by the House and sent to the Senate, referred to the Committee on Immigration, and there reported back unanimously by those members of the committee who were present for action by the Senate. It is now pending in this body. The American people are thoroughly familiar with it; the record of both parties has been made on it; and yet we who have supported the motion to take the bill up are charged with some kind of crime because at this session, when there is time to consider and pass it, we have endeavored to have that done.

I think even those who are opposed to immigration legislation, in view of certain complications that recently arose during the consideration of measures for the preservation of America and Americanism, as some call it, should be converted to this bill. I think the time has come when we should shut the door against any further foreign importation until we can Americanize and digest the hordes of aliens now within our borders, so that Senators may stand on this floor from any State in the Union and fight for the American flag without fear of going back home and having the title to their seats questioned by half-baked foreigners who have been given the right on American soil of exercising the ballot, while in their hearts their allegiance naturally belongs to another flag.

I would go further than this bill goes; I would shut the door until the present generation of aliens, including infants recently born, shall attain the age of their majority, rather than to permit unchecked the influx of foreigners, when we have already so many that the seats of men in Congress are jeopardized because of the opportunity afforded those who really are not familar with American institutions to express their opinions by the ballot as to the genius and needs of the American system of government, and who have injected into the debate here the question as to whether or not, if immigration legislation is enacted, they will be defeated or will not be defeated because of the foreign vote in their respective States. That very thing itself ought to appeal to every true American. If it be true that seats are to be jeopardized by those who are not in sympathy with the American spirit and the genius of our Government, it is but an additional reason why we should shut the door until such time, as by association and affiliation with the American people our alien population may be won over to a true appreciation of the American system of government and become real American citizens.

I think now the time is at hand when Republicans and Democrats, forgetting the differences that may divide the parties touching our commercial and economic systems, on a question affecting the purity of American citizenship and the maintenance of those things that are dear to our republican system of government, remembering the menace that displayed itself on the floor of the Senate during the days which have recently passed, for America's sake we should so legislate that we may assimilate and digest the alien population we now have rather than dilute our population with a further influx of the foreign element to add to the danger that menaces and threatens us at this time.

EXECUTIVE SESSION.

Mr. O'GORMAN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

RECESS.

Mr. SIMMONS. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 5 o'clock and 30 minutes p. m.) the Senate took a recess until to-morrow, Tuesday, August 22, 1916, at 11 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 21, 1916.

UNITED STATES CIRCUIT JUDGE.

Charles M. Hough to be United States circuit judge, second judicial circuit.

POSTMASTERS.

IOWA.

J. F. Kerberg, Sioux City.

SOUTH DAKOTA.

J. K. Mayer, Tripp.

TEXAS.

Cyrus Eakman, Canyon.

SENATE.

TUESDAY, *August 22, 1916.*

(Legislative day of Monday, August 21, 1916.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

Mr. SMOOT. Mr. President, there are very few Senators in the Chamber, and I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hitchcock	Newlands	Sheppard
Beckham	Husting	O'Gorman	Simmons
Brandegee	Jones	Oliver	Smith, Ga.
Bryan	Kenyon	Overman	Smith, S. C.
Chamberlain	Kern	Owen	Smoot
Chilton	Lane	Penrose	Sterling
Culberson	McCumber	Pittman	Taggart
Curtis	Martin, Va.	Ransdell	Thomas
Fletcher	Martine, N. J.	Robinson	Thompson
Gronna	Myers	Saulsbury	Underwood
Hardwick	Nelson	Shafroth	Warren

Mr. JONES. The junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent on account of illness in his family. I will let this announcement stand for the day.

The VICE PRESIDENT. Forty-four Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. PHELAN and Mr. SMITH of Maryland answered to their names when called.

Mr. GALLINGER, Mr. DILLINGHAM, Mr. MCLEAN, Mr. CLARKE of Arkansas, and Mr. CUMMINS entered the Chamber and answered to their names.

The VICE PRESIDENT. Fifty-one Senators have answered to the roll call. There is a quorum present.

TARGET PRACTICE IN THE NAVY.

The VICE PRESIDENT. The Chair lays before the Senate a response from the Secretary of the Navy to Senate resolution dated August 15, 1916, which will be printed in the RECORD and referred to the Committee on Naval Affairs.

The communication is as follows:

NAVY DEPARTMENT,
Washington, August 18, 1916.

The PRESIDENT UNITED STATES SENATE.

SIR: In compliance with the Senate resolution, dated August 15, 1916, there is inclosed herewith a statement of the scores made by the Atlantic Battleship Fleet in division practice and battle practice conducted during the year 1915–16, as they appeared on the screen target and as allowed by the umpire at the time.

Sincerely, yours,

JOSEPHUS DANIELS,
Secretary of the Navy.

Day individual battle practice.

SPRING, 1916.

Vessel.	Number of shots.	Number of hits.
Arkansas	71	3
Delaware	70	3
Florida	70	4
Kansas	105	12
Louisiana	107	13
Michigan	42	9
Nebraska	115	20
New Jersey	112	17
New York	70	4
Rhode Island	114	1
South Carolina	56	9
Texas	70	8
Utah	70	5
Virginia	120	23
Wyoming	82	5

Division practice.

SPRING, 1916.

Vessel.	Number of shots.	Number of hits.
Arkansas	76	6
Delaware	70	5
Florida	70	3
Kansas	76	2
Louisiana	77	1
Michigan	42	.....
Nebraska	83	.....
New Jersey	79	3
New York	70	4
Rhode Island	84	4
South Carolina	56	3
Texas	70	10
Utah	70	7
Wyoming	84	5

REGULATION OF IMMIGRATION.

The VICE PRESIDENT. The Chair lays before the Senate a petition praying for the striking out the Hindus clause in the immigration bill. The petition is signed by a large number of petitioners. It will be printed in the RECORD with the name of the first signer and referred to the Committee on Immigration.

The petition is as follows:

To the Senators and Representatives of the Sixty-fourth Congress of the United States:

The undersigned petitioners, citizens of the United States, respectfully show:

First. That there is now pending before the United States Senate an act passed by the House of Representatives, known as H. R. 10384, and entitled "An act to regulate the immigration of aliens to and the residence of aliens in the United States."

Second. That said proposed act unduly discriminates against an entire race of a great and worthy people, of the same Aryan stock to which the great majority of our fellow citizens belong and the inheritors of a civilization which has conferred benefits upon the whole human race—the Hindus.

Third. That the retention in said proposed act of the provisions which would exclude any of the Hindus who have formerly come to this country to reside, or who are likely to do so in the near future, merely because they are Hindus, would be a lasting stain and disgrace to the honor and humanity of our country, which has hitherto stood for equal opportunity for all and an open door for the oppressed of all nations.

Fourth. That at the present time, owing to the wise and humane laws of this country respecting immigration which have hitherto prevailed, a considerable number of Hindus of the student, scholar, and professional classes have availed themselves of the educational and other opportunities which our country offers them and are now residents here; that said proposed act places upon these classes humiliating and quite unnecessary hardships, such as the procuring and giving bonds, deportation at any time within five years, making that provision retroactive, and, in case of deportation, exposing them to possible prosecution in their own country for political opinions expressed by them during their residence here.

Your petitioners therefore respectfully pray that all said invidious and harmful provisions be stricken from said proposed act.

HARRIET SCHWARTZ.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. KERN. Mr. President, when the Senate went into executive session on yesterday I was about to say a few words to disclaim any intentional discourtesy to the junior Senator from Georgia [Mr. HARDWICK] in declining to yield to him during the course of my remarks a little while before, and I shall now speak briefly on that point.

Mr. HARDWICK. Will the Senator let me interrupt him now for just a moment? Upon the Senator's personal statement to me I immediately struck from the RECORD the reference to that incident I had made. I was very sorry that I made it, but I asked the Senator twice to yield, and the RECORD shows the Senator said, "No; I will not yield."

Mr. KERN. It is the first time since I have been a Member of this body that I have had any occasion to enter such a disclaimer, for I flatter myself that every Senator here, Democrat and Republican, will bear testimony that my conduct here as Senator and as caucus chairman has been marked by uniform courtesy to all. If such testimony should be wanting, I would be deeply humiliated by the feeling that my constant effort to be courteous and mindful of the opinions and feelings of my fellow Senators had been in vain.

I have been frequently embarrassed during the past year because of imperfect hearing, which has made it extremely difficult at times for me to understand questions which have been addressed to me from various parts of the Chamber while on my feet. Those who are not thus afflicted can scarcely understand how disconcerting such an embarrassment may be. And it is for this reason, and this reason only, that I am not inclined to encourage interruptions while speaking by yielding for questions which in many instances are difficult for me to understand.

It is particularly difficult for me to hear and understand Members who are behind me in the Chamber and whom I do not at the moment see. So on yesterday when some one behind me requested that I should yield for a question, I declined to yield, not knowing who had made the request. I was not sure that a second request was made, but hearing some remark in the rear, I again announced that I do not yield.

If I had known that the junior Senator from Georgia had made the request I would have gladly yielded, for it appears that just previous to his request I had stated that 38 Senators had voted in conference to make the action of that body binding party action, and if I had seen the Senator from Georgia on his feet at that time it would have occurred to me instantly that his vote in the conference, cast by his colleague, had afterwards been changed on the record at his request, and I would have been glad to have corrected the statement without a question. The thought in my mind was that every Democratic Senator present in the conference when the vote was taken had voted in favor of that action, and the mention of the number was quite superfluous, though in fairness it should have been stated that the junior Senator from Georgia and the senior Senator from South Carolina had left the room before the vote was taken, requesting that their votes be cast by other designated Senators, and that in both instances, through a misapprehension of their instructions, their votes were not cast in accordance with their wishes.

I have a very high regard for the junior Senator from Georgia and great admiration for his remarkable ability. There was no earthly reason why I should have departed from the practice and habit of a lifetime and treated him with intentional discourtesy, and I am sure he will believe me when I say that I had no thought of doing so.

Mr. President, I have no word of criticism, certainly no word of severe criticism, for the Democratic Senators who on yesterday, during the morning hour, voted to take up the immigration bill. By that action they were only voting that that bill should

be considered until 2 o'clock, when the revenue bill, the unfinished business, would automatically come before the Senate. The junior Senator from South Carolina [Mr. SMITH], for whom I have, as he knows, the warmest personal regard, informed me of his intention to move to take up the bill during the morning hour, and I expressed not a word of objection. With nothing else pressing upon the attention of the Senate, several of the Senators, who I do not believe will vote to displace the revenue bill, voted as they did.

The question now before the Senate, Mr. President, is an entirely different question from that presented on yesterday. Yesterday the question was whether or not the immigration bill should be considered for an hour. There was no thought in the minds of many of those voting on either side that the bill which was already the unfinished business of the Senate should be displaced. But this morning the question before the Senate is not that of yesterday. The question is whether or not the business of the Senate as laid out shall be disarranged entirely, and whether or not the unfinished business of the Senate shall be laid aside and the hour of final adjournment indefinitely postponed.

I sincerely hope—and I do this without questioning the motive or action of any of the Senators who voted either way on yesterday—I sincerely hope the motion to supersede and set aside the unfinished business of the Senate will be disagreed to.

Mr. OVERMAN obtained the floor.

Mr. HARDWICK. Will the Senator from North Carolina yield to me for just a moment?

Mr. OVERMAN. I yield to the Senator.

Mr. HARDWICK. I will detain the Senate but a moment at this time on a matter more personal than otherwise. It appears by the RECORD, on page 12929, that in the course of his remarks on yesterday the distinguished Senator from Indiana made this statement:

> After that, by the unanimous vote of all present, the unanimous vote of 38 men, that action—

Speaking of the caucus action in reference to the immigration bill—

> that action was declared to be binding party action, and that in face of the fact that five-sixths of the men who attended that conference were as warmly in favor of the immigration bill as the Senator from South Carolina or the Senator from Georgia or any other man.

You will observe, of course, the Senator from Indiana called my name especially in connection with that statement. I then interrupted and addressed the President of the Senate:

> The PRESIDING OFFICER (Mr. ROBINSON in the chair). Does the Senator from Indiana yield to the Senator from Georgia?
> Mr. KERN. In a moment.

Then the Senator from Indiana went on with another statement. After he had finished his statement I interrupted again and said:

> Mr. HARDWICK. Mr. President——
> The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Georgia?
> Mr. KERN. I will not yield just at this time.

Mr. President, of course I felt a little hurt that the Senator from Indiana should make a statement, even unintentionally, misstating my position; and of course I understand that he would make no misstatement, except unintentionally, about the matter, and be unwilling to let me correct it at the very moment before any false impression about it was given to the Senate and to the country. Still I realized on yesterday, after I made the remarks I did expressing some resentment over the Senator's failure to yield, and after the Senator had told me personally that he had not heard me distinctly and did not know who was trying to interrupt him—that the Senator's infirmity, to which he has alluded and for which I have the greatest sympathy, was probably the cause of it; and I want to express my regret that I said anything at all about it or displayed any resentment over it.

There is no Senator in this body for whom I have a warmer regard than for the Senator from Indiana, and I will say for him that if the party management at all times were along the lines of conciliation and of considerate treatment that the Senator uniformly indulges in toward his fellow Senators on this side of the Chamber and on the other side the party management at times, I think, would be better.

I only say this much out of justice to the Senator from Indiana and myself. On yesterday I realized too late that the Senator's infirmity of hearing probably was the occasion of the entire incident.

I do not care at present to discuss the pending question before the Senate, because other Senators want to do so; but I rose to make this personal statement out of justice to myself as well as to the Senator from Indiana. I think it is well understood in this Chamber that I have the warmest regard for the Senator, and I regret the incident.

Mr. OVERMAN. Mr. President, it is painful to me, and I regret that the untimely remarks of my friend from Missouri [Mr. STONE] compel me to make a statement. I have no apology to make, but I do want to say to him that he knows—and I will ask him if it is not so—that the rule of the caucus is that no caucus action, even by a two-thirds vote, shall control the vote of any Senator about any matter that conflicts with his pledges made to his constituents or which conflicts with his honor or with his views of the Constitution. The Senator helped to make that rule; he was present when it was made, and I ask him whether or not that is not the rule of the caucus?

Mr. STONE. Mr. President, the Senator from North Carolina is as familiar with the rule as I, and he has stated it correctly; that is to say, the rule that where two-thirds of the entire membership of the caucus—not two-thirds of a bare majority—adopt a certain measure as a party measure, it becomes such. There are exceptions to the rule: One is where a Senator can not support a measure because he regards it as contrary to the Constitution; another is that he can not support it or oppose it, as the case may be, because of pledges that he has made to his constituents. There are those two exceptions and some others which have been made to the rule.

Mr. OVERMAN. I remember very well when the rule was adopted. It was introduced by the late Senator from Tennessee, Mr. Carmack, and advocated by the Senator from Missouri. So that is the rule.

Mr. President, some eight years ago I made a speech favoring an immigration bill containing a literacy test. I learn some million copies of that speech have been printed and sent over the country, not by myself but by certain organizations. That was about eight years ago. Since that time I have introduced in every Congress immigration bills containing the literacy test. I have in season and out of season, on the stump and by letter, pledged myself to my people time and time again that I would support an immigration bill whenever it came up.

When the matter came up in the caucus I notified the caucus that I could not vote against the immigration bill if it came up in the Senate. I did that in a colloquy with the Senator from Montana [Mr. WALSH]. I am sorry he is not here, but if he were he would bear me out in my statement. I have stated even at this session that I had written letters to the effect that I would vote for the immigration bill whenever I had an opportunity to do so. When I voted yesterday to take up the immigration bill I was within my right as a Senator, both as representing the people of North Carolina and my right as a caucus Democrat, and within the rule of the caucus, which had been voted for and advocated by the Senator from Missouri himself.

Mr. President, the motion of the Senator from South Carolina to take up the immigration bill was made when there was nothing else before the Senate. As the Senator from Indiana [Mr. KERN] states, it was made in the morning hour. I voted for it, as I had a right to vote, and I did not violate any party pledge or any party principle in doing so, but I was carrying out my pledges made to the people time and time again.

Mr. President, I am not going to play politics on this question. I have voted against a motion on the part of our friends on the other side of the Chamber to make this bill a rider to some other bill, and I propose when the motion comes up to vote against displacing the unfinished business; that is, the bill that is now before the Senate, which has been made by unanimous consent the unfinished business, to wit, the great revenue bill; but whenever the opportunity comes for me to vote to take up the immigration bill, I am going to do it.

The Senator from Missouri made some unfortunate remarks, which I did not take very seriously, and I do not think his colleagues here took them seriously. I think too much of him to assume any other attitude, for he could not reflect upon me, as I was acting within my rights as a caucus Democrat, as he now admits.

Mr. VARDAMAN. Mr. President, on yesterday afternoon the distinguished senior Senator from Missouri [Mr. STONE] appeared upon the floor of the Senate in his favorite rôle of censor of the Democratic side. Doubtless dreaming with open eyes of the victories of the days gone by, wherein he was wont to dispose of his disobedient senatorial brethren by "eating 'em alive in blocks of seven," he referred to the honorable Senators who had incurred his displeasure in this instance as "less than one-half dozen in number," while the RECORD revealed the fact that 10 Senators had failed to follow his lead, and therefore shared the rasping of his cruel verbal assault.

Mr. President, I should not have anything to say on this question this morning but for the fact that I was prohibited from

doing so on yesterday, and the further fact that I know the purpose of the distinguished Senator from Missouri is to create the false impression upon the public mind that those of us who voted to consider the immigration bill were guilty of the crime of party infidelity. I think the distinguished senior Senator from Missouri used the strong word "treachery" in his reference to us. No self-respecting Senator will sit silent and submit to such opprobrium from the lips of one who insolently assumes at all times to speak with authority, as the senior Senator from Missouri is wont to do. And I might add that no Senator with a high sense of justice would utter such words as he has spoken of his colleague. Of course, the distinguished senior Senator from Missouri can not take from or add to my record or good name, or that of any other Senator, one iota by anything he may say, but his statement might be misunderstood if it were permitted to go unnoticed.

I have no objection to fair and honest criticism of my official conduct. On the contrary, I invite it. I have never done anything in my life in the performance of a public function that I desired to conceal from my constituents. The truth is I have always invited the utmost scrutiny; I have always been willing that the sunlight of publicity might shine in upon every thought and act of mine in the performance of my official duty. As I have said on former occasions upon the floor of this Chamber, I prefer that all the acts of the Senate should be performed in the open. I am opposed to secret executive sessions. They were born of a lack of confidence in the ability of the people to understand public questions and to direct the affairs of their own country. It is a relic that has come down to us from the dark days when the old lie was believed by everybody that kings ruled by divine right and the State was the master and the citizen the subject. I do not think any question that Congress is called upon to consider should be withheld from public scrutiny. I have infinite faith in the saving grace of the intelligence, honesty, and patriotism of the American white voter. I had rather trust to the "common sense of the most." I had rather take as my guide in the performance of my duty here the consentient judgment of all the people than to trust to the wisdom of any one man or coterie of men, even the Democratic caucus or the steering committee of the Senate.

If I may be permitted, without the appearance of egotism, I wish to say further that I have never cast a vote since I came to the United States Senate which even savored of infidelity to Democratic promises as announced in Democratic platforms.

I have universally taken as my guide the platform of my party, which, however, has not always had the approval of my judgment; for instance, the ship-purchase bill which passed this body a few days ago; but the national Democratic platform approved that measure, and, therefore, I yielded to that authority. I hope that my fears regarding the effect of that piece of legislation may not be realized, but still the doubt exists. I repeat, the platform is the supreme law governing my acts in matters of policy in this Chamber; and I have without variableness or shadow of turning kept faith with the platform. I may at times have differed from the President, and a majority of my Democratic colleagues in this Chamber—and I want to say that I never differ from them without regret—but whenever and wherever we have differed, according to my judgment, they have violated the platform and not I. But I have no criticism to make of their conduct.

Mr. President, I have never been so drunk on the wine of egotism, or any other sort of wine, that I felt that I was so wise, so good, or so just that I had a corner on all the wisdom, patriotism, and political virtue in this body. I am not the keeper of the consciences of my colleagues, and I trust that I may never become so vain and self-conceited as to think that when they go contrary to my judgment they are lost irretrievably and deserve political damnation without even the benefit of clergy.

In about the first Democratic caucus I attended, I think, after I came to the Senate I stated that I would not consent to the proposition advanced by some Senators that the caucus, even by a unanimous vote, was vested with the power to absolve me from the obligations I owed to the platform or to my constituents. I hold that the caucus has no more right or authority to abrogate a plank in the platform or release a Senator from the moral obligation to keep a promise to his constituents than Congress has to abolish a section of the Constitution without referring it to the people for their approval. It is a vain and false assumption that the creature should in any circumstance become greater than the creator. Thinking that way about it, I can not justify the feelings of indignation which the honorable Senator from Missouri, in the performance of his self-created office of censor, affects to feel toward those of us who have dared to vote for the consideration of the immigration bill. I need no suggestion or guidance by the caucus in the matter of carrying out the platform, and therefore I must decline to take orders either from the caucus or the steering committee, if their orders do not accord with my sense of public duty. I am always willing to confer with my Democratic colleagues and to discuss with them matters of public concern. Such conferences are always profitable to me; but when I go into a conference I do not think I am called upon to yield all independence of thought, to sacrifice my individuality, and to follow subserviently and blindly the will of the majority, however widely their conclusions may be at variance with my own convictions. Such a course as that would absolutely destroy all independence of thought and render progress impossible. It is positively preposterous and the time is not far distant when the people at the polls will express their utter disapproval of it.

I yield to no man in this Chamber in my devotion to Democratic principles and my fealty to the Democratic Party. I come from a section of this Republic where party organization is essential to good government. I believe in the patriotism of party organization; I realize that no beneficent principle of political economy, no great governmental scheme, was ever enacted into law that did not have behind it a well-organized and intelligently disciplined political faction; but that much-desired consummation never comes from servile submission to imperious, unreasonable dictation, and I have little respect for the judgment, the intellectual honesty, and dignity of character of a Senator who will do a thing just because a majority of his colleagues in a secret caucus—perhaps moved by extraneous influences—order him to do it.

I shall not criticize the record of the self-constituted censor, the distinguished Senator from Missouri [Mr. STONE]. I am not interested in the record he has made, other than to hope it may bring him much happiness and peace of mind and promote his country's good. Those are matters that belong to him, and I am perfectly willing to concede him honesty of purpose and the loftiest of motives. Nor shall I animadvert upon the petulant criticism in which the distinguished senior Senator from Indiana [Mr. KERN] has indulged toward his recalcitrant colleagues. Assuring those distinguished Senators of my good wishes and "owning their weakness and evil behavior," I shall leave with "meakness their sins to their Savior"—and their constituents. If their records and services are satisfactory to the people who sent them here, they are entirely satisfactory to me. But that the record may be kept straight, I want to say that, if my recollection is correct, when the first Democratic caucus was called a short while ago to consider the question of a legislative program it was agreed in that caucus that the child-labor and immigration bills were both to be postponed until December. I favored both of those measures and rather preferred that both be enacted at this session, but a majority of my Democratic colleagues expressed a desire to close the session at an early date and I reluctantly consented to that program. I remember distinctly that the senior Senator from Indiana [Mr. KERN] stated in the caucus that a failure to pass the child-labor bill would militate very much against the success of the Democratic Party in Indiana and probably defeat his reelection, which of course was a matter of great concern to me. But the caucus adjourned with a program agreed upon which left out the consideration at this session of the child-labor and immigration bills. The next morning I heard that the distinguished senior Senator from Indiana—the Democratic leader, mind you—was very much dissatisfied with the caucus action and was busily engaging himself trying to create sentiment in favor of rescinding the action of the caucus the evening before.

It was also whispered about that the President would be invited to take a hand in order to save the Senator from Indiana from the evil effects of nonaction upon the child-labor bill. The correctness of these rumors was soon verified. In due time the President of the United States appeared at the Capitol and called certain Senators into consultation; but as to what he said—or ordered—I am not at liberty to speak, since I was not one of the Senators consulted. And I wish to say right here that I have no criticism to make of President Wilson for his extraordinary conduct. It was unusual; but if he thought it the proper thing to do, that is his affair, not mine. I shall not deny to any man the rights which I arrogate to myself. The next morning, however, I was advised that another caucus would be called, and that in obedience to the behest of the President the child-labor bill would be added to the legislative program with the immigration bill eliminated. The caucus in due time materialized, and the things that I had heard as mere rumors became political facts. I attended the caucus, but did not remain very long, and stated freely and frankly to Senators with

whom I consulted that I expected to vote for the child-labor bill and the immigration bill if brought before the Senate for consideration at this session.

I want to digress here just long enough to say that if the immigration bill is of the importance claimed for it, and if it has the unanimous indorsement which I have heard expressed by Democrats upon the floor of the Senate, it ought to be passed, and the time to pass it is at this session. The suggestion that it may be politically expedient to postpone action until after the November election I take no stock in whatever. It is a reflection upon the intelligence and the patriotism of the American people to imagine that anybody is going to be deceived by such a subterfuge. You can not and you should not obtain political office under false pretense. The Democratic Party will not approve such methods. You can not fool the people, and my observation is that the man who tries to fool the people usually winds up by making a fool of himself. The child-labor bill has passed and the immigration bill is before the Senate. I do not care whether it is considered now or after the revenue bill is disposed of; I do not care anything about that, and I think a Senator's vote on that question will not affect in any way his party standing. Certainly it should not do so. I shall vote for its consideration at this time, and if considered it will afford me infinite delight to vote for its passage; and in doing so I do not feel that I have violated my obligations either to the senior Senator from Missouri [Mr. STONE] or the titular leader, the amiable and much-respected senior Senator from Indiana [Mr. KERN].

I want to say further that in doing so I do not feel that I will be guilty of any "treachery" to this Democratic administration or infidelity to the Democratic Party. On the contrary, this immigration bill is distinctly a Democratic measure, having received practically the unanimous support of the Democratic Members of Congress. That my conduct in the future may not be misunderstood, I feel that I should also state that so long as I remain a Member of this body I do not expect to be bound by any order that a Democratic caucus may adopt which is violative of the Democratic platform or contrary to my sense of obligations to my constituents; that I shall not permit anybody to prescribe my official conduct, especially if it should be done by resolutions adopted in a secret caucus behind closed doors.

Mr. President, I have an ineffable aversion to the secret caucus. I have felt the effect of the dirty work and damnable deeds that are intended to destroy and deceive which are perpetrated within its pernicious portals. I think it is undemocratic and violative of the very genius and spirit of our institutions. Feeling in that way about it, I should do violence to my conscience and sense of duty if I permitted myself to be tied by any order made in that way. I hold my commission from the people—the Democratic white people of Mississippi—and to them I shall give an accounting of my stewardship; and I shall not ask anybody outside of Mississippi for a certificate of regularity of my conduct when I go to give an account of my service to my masters, *The people*. And while I realize that—

> 'Tis not in mortals to command success:
> But we'll do more, Sempronius; we'll deserve it,

I have done my best in their behalf, and I shall accept their verdict without complaint.

Mr. SHAFROTH. Mr. President, much has been said as to the political aspect of this matter, and very little has been said as to the merits of the motion. I want to say a word or two as to the merits of the motion.

The revenue bill has been reported to the Senate. It has been made the unfinished business. Usually, under those circumstances, it has the right of way until it is finished. It is a bill raising revenue to the amount of $200,000,000 with which to pay appropriations that have already been made by the Congress of the United States, and consequently it is an emergency measure. Evidently it is a measure which should be considered now, and which everybody recognizes must be considered and voted upon before the Congress adjourns.

On the other hand, the immigration bill, while I favor it, is not of the urgent nature of a bill raising revenue. We have not immigration of a great amount coming to the United States at the present time. We have not the great number of people who came here two and three years ago, nor are we likely to have until after December. Nay, more; we are not likely to have any considerable number for more than a year, or perhaps two years.

The fact that there is a shortage of labor in Europe, and will be a shortage of labor for years to come, on account of the deaths that have occurred there in the great European war, is going to make labor high priced in Europe, and that is going to keep them to a large extent from coming to the United States. So that there is nothing urgent in the bill with which it is now sought to displace the unfinished business of the Senate; but, on the other hand, we have an emergency bill in the fact that we must have the revenue, and the quicker we get it the better.

Mr. President, everybody is desirous that this session should end. It has been prolonged unnecessarily already. We can not adjourn this session without the consideration and passage of this revenue measure. It seems to me, under those conditions, no matter what my fealty may be to the immigration bill—I voted for the last one and I expect to vote for this one—I shall have to vote not to consider it as long as the revenue bill is the unfinished business before the Senate.

Mr. MYERS. Mr. President, I desire to make a few remarks about the vote which I cast yesterday upon the motion to proceed with the consideration of the immigration bill and about the vote which I shall cast on the pending motion to take it up for further consideration.

There was something said here yesterday about Democratic caucus action by the Senator from Indiana [Mr. KERN]; and later, during my enforced and temporary absence on official business from the Senate Chamber, as I learn this morning from the CONGRESSIONAL RECORD, there were some very caustic remarks made by the Senator from Missouri [Mr. STONE] in regard to those Democratic Senators who voted yesterday to take up the immigration bill and proceed with its consideration. In view of those facts I desire to make some remarks about my action, my reasons for my votes, and my attitude in relation to the immigration bill. I endeavored to make these remarks in a Democratic senatorial caucus which was considering the bill, which I thought was the proper place to make them, but after several ineffectual attempts to obtain recognition from the caucus chairman I failed utterly to secure the floor, and I did not have the opportunity of making any statement there. I now make it to the Senate and to the open world.

It is true there was a Democratic senatorial caucus held on this bill. I went to that caucus, and was in attendance upon it at the beginning of its deliberations. I waited quite a while in order to be heard and to make the very statement which I am going to make now in regard to my attitude, because I thought that was the proper place to make it. But after four or five ineffectual attempts to gain recognition from the Chair I left the caucus, and felt that I was justified in leaving. I left before a vote was taken. At the time that I left a Senator was on the floor, speaking the second time, in violation of the rule which had been adopted that speeches should be limited to five minutes and that no Senator should speak the second time, while I had not been allowed the privilege of speaking at all. I felt that caucus was no place for me.

Mr. GALLINGER. Mr. President, will the Senator yield to me?

Mr. MYERS. I yield to the Senator with pleasure.

Mr. GALLINGER. I am intensely interested in the immigration bill and should like to get a vote on it as soon as possible. I have wondered for the last half hour whether the minority ought not to absent themselves from the Chamber while our Democratic friends compose their differences. I will ask the Senator from Montana if he would feel offended if the minority should retire?

Mr. MYERS. The Senator from New Hampshire is at perfect liberty to leave the Senate Chamber now and stay out all the rest of his life, as far as I am concerned. [Laughter.]

Mr. GALLINGER. I thank the Senator for the privilege.

Mr. MYERS. And all of those who wish may leave.

Mr. GALLINGER. The Senator from New Hampshire is not in the habit of leaving the Chamber for a long period at any one time. The Senator from New Hampshire was simply wondering whether it might be less annoying to our Democratic friends if we were to retire.

Mr. MYERS. The Senator asked a question, and he got an answer, and he can regulate his conduct to suit himself. He is at perfect liberty to retire and stay out as long as he wants to, and at liberty to retire every time I take the floor, so far as I am concerned. I will say to him that I am entirely agreeable to having a vote taken on the pending motion as soon as I may quit talking, but not before.

Mr. GALLINGER. I suppose the Senator would not object to somebody else talking after he gets through?

Mr. MYERS. I have nothing to say about that. The Senator from New Hampshire can talk then as much as he may wish.

Mr. GALLINGER. The Senator is not going to conclude the debate, probably, simply because he thinks he may.

Mr. MYERS. I am going to finish what I have to say, and anybody else may talk or retire, as he thinks would be most beneficial to the Senators who are present.

Mr. GALLINGER. I thank the Senator for his courteous reply. I appreciate it.

Mr. MYERS. I gave the Senator a reply which I thought befitting to his question. I will now proceed to make my statement.

I have always voted for the immigration bill whenever it was up, and I have voted to pass it over the presidential veto whenever it was vetoed. I did it because I believed in it; because I believed it was right; because it was in accordance with my convictions. Months ago—I venture to say as much as six months or more ago—I began to receive dozens of resolutions and petitions from my State urging that the immigration bill be voted on at this session, and that I vote to take it up and dispose of it at this session of Congress. I received dozens of petitions, resolutions, memorials, and many individual letters to that effect. That began months ago, long before a Democratic caucus on the subject was dreamed of, by me at least. I never dreamed at that time that there would be a Democratic caucus on the subject. The idea had not occurred to me. It had not been suggested by anyone.

I have been here five years and a half, and I never before heard of caucus action on a program, on whether a bill should be taken up or not. I have known many Democratic caucuses to be held on how we should vote on a certain bill, on whether it should be supported by the Democratic Senators or not; but I never before in my experience here heard of Democratic caucus action on whether or not a bill should be taken up and proceeded with. I always understood that that was a matter for individual decision by the Senators. So, when I began to receive these letters and resolutions, I had no idea that there would be caucus action on the question of taking up the bill at this session, and I promptly gave my solemn promise to dozens and scores of my constituents—gave it in writing, over my signature, unqualifiedly, unequivocally—that I would vote to take up and pass the immigration bill at this session of Congress.

There was no qualification, no reservation, about my answers. There must now be two or three dozen of my letters held by constituents in my State, in writing, over my own signature, in which I solemnly promised to vote to take up the immigration bill and pass it at this session. I made those promises because I had a right to make them. There had been no intimation of caucus action at that time. Nobody had suggested that there might be a Democratic caucus on the subject of whether or not the bill should be taken up and put on its passage. I gave the promises because I had a right to give them, because I believed in them, because I believed that it was right, because it was in accordance with my convictions and within my rights. I thought it my duty to give the promises.

I never was any hand to say: "Well, I think this is right, but I will not do right now. I will do right some other time. I will not give you justice now. I will not give you your rights now. I will do what is right next December. I do not want to do what is right before the election. Just return us to power, and I will do what is right after the election." I never believed at all in taking that attitude. It does not commend itself to me. That has not been the rule of conduct which has governed my life. I have always believed that if a thing is right, now is the proper time to do it. Do what is right now, not at some other time.

Hence, I made these promises. They are in existence. They are being held and relied upon by my constituents. They are widespread over my State. They have gone to every section of my State. Now, when a Democratic caucus meets and decrees that this bill is not to be brought up for consideration at this session, what am I to do? My solemn, unqualified promise has been given to my constituents. Am I to keep my promise to my constituents, or am I to violate it?

I understand that, according to the rules of the Democratic caucus, if a Senator has made previous promises to his constituents, he is absolved from the action of the caucus. That rule alone absolves me from being governed by the action of the caucus in this instance. I understand that there is another rule of the caucus to the effect that a Senator is not bound in matters of conscience by the action of the caucus. That rule would absolve me, because I have conscientious scruples against violating my word. I entertain very strong conscientious scruples against violating my word; and when the question is put up to me, "Shall I keep my solemn promise to my constituents, made before the action of any Democratic caucus, or shall I violate it?" it does not take me a quarter of a second to decide what I shall do. It does not take me a quarter of a second to decide what is my duty.

I know not how other Senators may look upon it. I care not. I claim to be the sole and only judge of whether or not I shall keep my plighted word, my honor as an individual and as a public man, solemn and inviolate. I claim to be the sole judge of that privilege. I lay it before the other Senators here on both sides of this Chamber: If you had made a solemn promise to your constituents in regard to your public duties, and were confronted with the question whether or not you should violate it, what would you do? I leave the decision of that question to each and every Senator here individually for himself. If there be any Senator here who has given his solemn word or promise to his constituents, and he be confronted with the question of whether he shall keep it or violate it, I leave it to him and his conscience and his judgment as to whether he shall keep or violate his word. That is for him to decide and for him to reconcile with his conscience as he may be able. It is not for me to do it. If he wants to keep his promise or if he wants to violate it, that is a matter that concerns him and his constituents, and is not a matter for me to censor, and I claim the same privilege. Others may decide it as they wish. Others may equivocate, may consider themselves excused or absolved by subsequent conditions, but I claim that it is my duty to keep my word, both in public and in private life, and I claim it is my duty to keep my solemn word in public life just as much as in private life. A man who will not keep his word in public life is not fit to be in public life. A man who will not keep his word in public life will not keep his word in private life; and a man who will not keep his word is no man at all. Sink or swim, survive or perish, come what may, in public life or private life, politically or personally, be the consequences what they may, no matter what others may do, as for me, I shall under all circumstances always keep my word.

For a good many years I have made it a supreme rule of my life to keep my word inviolate in private life. I consider that the rule in public life should be the same. I think a man should put his word above everything else in this world, and I feel that I am now getting too old to begin to violate my solemn word; and I am not going to do it, whether anybody else may like it or not.

When I first came here, in fact, upon my way here to take a seat as a Member of this body, I made a promise to some of my constituents that I would not vote to bring up a certain tariff schedule for revision until the report of the Tariff Commission, which had been investigating it, had been made and was laid before Congress. Other members of my party in this body, when the question arose, voted to take up the schedule immediately for consideration and revision.

In accordance with my promise, I voted against taking it up immediately, and I was soundly condemned by some people for doing so. I admit I made an inadvertent promise in that case, but I stuck to it, regardless of how it was made. In that case, I probably made a mistake by promising to put off something which the people wanted. In this case, from the standpoint of some self-constituted critics, I seem to have made a mistake, according to their judgment, in voting not to put off what the people want. Between the two, if any mistake at all is to be made, I would rather take a chance on making a mistake in voting against putting off what the people want than to make it in voting to put off what the people want. I claim that a man in public life never makes a mistake in voting to take up at the present time what the people want. If the people want it they are entitled to it, and he makes no mistake in voting to give to the people at once what they want immediately.

If I am any judge, the people of this country want an immigration bill with a literacy test now. They have wanted it for many years, as evidenced by the tremendous majorities given in favor of it time and time again by both branches of Congress, and they still want it; and, in my judgment, I made no mistake, I committed no wrong, I did not err months ago in promising to vote to take up and pass the immigration bill at this session. Whether I did or not, my word is out, my solemn, plighted word, and I put that above all caucus action of any party, and the caucus itself puts it above caucus action. Furthermore, the immigration bill is not a party question. No mention is made of it in this year's Democratic national platform. It is not a party matter. However, a Democratic House passed it at this session by a tremendous majority. So it can not be un-Democratic.

So I voted yesterday in accordance with my word, and I am going to continue to do it as long as I am a Member of this body. If the occasion ever arises where I have to choose between remaining a Member of this body and keeping my word, I am going every time to keep my word. I may retire from this body. I may be retired, I may quit public life, but when I quit public life I am not going to permit it to be said truthfully that I violated my word or violated a promise to my constituents. That is something that can never be written

in my political epitaph. I would rather resign from this body and retire to private life now than to break my word to my constituents. To resign would be no discredit, but to break my word to constitutents would be a lasting disgrace. I never have done it and I never will do it.

Those are the reasons why I voted as I did yesterday, and I do not believe that any right-thinking man can do otherwise than approve my action when he takes into consideration all the circumstances. If he does, if any man thinks I ought to have violated my word, ought to have broken my promise to my constituents, he is at liberty to think so and to continue thinking so. I shall not agree with him and shall square my own conduct to my promises and my conscience. This is the first and only time during my service here that I have been at variance with a caucus of my party. I have stayed with my party in its great legislative program about as well as anybody here, because I thought it right. This is the first time I have been out of accord with caucus action, and this time it is not my fault, because caucus action was taken after I had made promises which I had a right to make and must keep.

There is another reason why I was justified in not being bound by the action of the caucus. When the caucus was held which passed on this matter, I endeavored four or five times to get recognition of the Chair and state the views which I have stated here and ask the caucus what in the opinion of the caucus was my duty. But I failed to get recognition, and after I had attempted unsuccessfully four or five times to get recognition I picked up my hat and walked out of the caucus, feeling that I had no place there, and I was not there when the vote was had. I do not believe any Senator ought to be bound by a caucus in which he has neither voice nor vote. I did not vote. I had left for reasons which appeared sufficient to me; and on that ground, too, I am not bound by the action of the caucus.

The Senator from Missouri [Mr. STONE], for whom I have high regard, who used such caustic language yesterday, had at the very beginning of the caucus been recognized, as he is always promptly recognized in caucus. I have never seen him have any difficulty in getting recognition. He made a long talk, giving his views, and then, sitting right across the aisle from me, after he had talked, when I had had no opportunity to talk, after making four or five attempts, the Senator from Missouri was one of the loudest to clamor for a vote and to cut off further and useless debate, as he expressed it. He clamored vociferously for a "vote, vote," after he had said all he wanted to say, while I was trying to get the floor.

I want to say to Democratic Senators here, if you want me to go into a Democratic caucus and be bound by it, it would be the part of policy, if not of wisdom, to give me a chance to express my views, along with other Senators who are older at the business than I am. If not, you have no right to consider me bound.

Mr. JONES. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Washington?

Mr. MYERS. I yield with pleasure.

Mr. JONES. Will the Senator kindly state who presided over the caucus?

Mr. MYERS. If any Democratic Senator should ask me that question, I am willing to answer, but I do not think it is a proper question from the Republican side. I do not think it concerns the other side.

I have said as much as I feel it is my right and my duty to say, and beyond that I will not go. I merely have stated so much of what occurred in the caucus as I believed, in my judgment, necessary, fit, proper, and appropriate to state. I do not desire to state more; but I think that if Democratic Senators want us to be bound by the caucus they should so conduct their caucuses that each and every Senator on the floor of the caucus, whether an old Senator or not, has an equal right to be heard there. There can not justly be taxation without representation, and in a caucus no one can be justly bound without a voice in the proceedings. However, I waive that in this instance, and base my vote of yesterday to take up the immigration bill and the one I shall cast to-day on a higher ground of previous promises to constituents.

I want to state further, while I am on the floor, in regard to the program for this session, that I read in a Washington newspaper a few mornings ago the startling information that certain Democratic Senators and certain Republican Senators had gotten together and agreed that the Owen corrupt-practices bill should not be considered at this session, and that it should go over until the next session, in December. I do not know how much truth there is in that report. I have not been consulted about it, but I want to say openly and boldly now that if there is any such agreement I shall not be bound by it. I do not believe in any such hocus-pocus juggling with the business of the Senate. I do not believe it is just to the American people; I do not believe it is just to the constituents whom I represent, if there be any truth in it. I am in favor of the Owen corrupt-practices bill. I am in favor of its being considered and enacted at this session of Congress. I am in favor of its being considered now, because now is the accepted time; because it is right and because it is needed now, and it will not be needed for four years after the 7th of November. Away with such dallying with the people's right, such trifling with needed legislation! It would be a farce to put it off until the December session.

I have no patience with any such sentiment—any plan or agreement which would take needed legislation, badly needed right now at this particular time, and put it over until after the election, when it could not do any harm to either political party for four years. I am against such a proceeding. If I get an opportunity, I shall vote to take up and pass the Owen corrupt practices bill at this session.

Something has been said by some of the Senators this morning about the desire to end this session. I tell you, my fellow Democratic Senators, in my opinion it is a great deal more important that we stay here and finish the work that we have promised to the people of the country than it is to adjourn and get away in a hurry. It is a great deal more important and essential to the success of the Democratic Party, in my opinion, that we stay here and do our duty and give the people the measures which have been promised to them rather than it is to quit in a hurry and go home in order to take our own ease and look after our reelection. I say duty first.

In conclusion, I want to thank the amiable Senator from New Hampshire [Mr. GALLINGER], for whom I have very high esteem, for the courtesy of staying here and listening to my humble remarks and not retiring, as he must have been tempted to do. I can not attribute his remaining to any fascination or interest in my poor remarks, but it must have been due solely to the courtesy which always characterizes him, and I thank him for it. I appreciate his courtesy.

MISSISSIPPI RIVER BRIDGE.

Mr. SHEPPARD. Mr. President, I wish to make a brief statement by way of personal explanation. I did not hear the remarks of the senior Senator from Arkansas [Mr. CLARKE] yesterday in connection with Senate bill 5886, a bill extending the time for the completion of the bridge across the Mississippi River at Memphis, Tenn., authorized by an act entitled "An act to amend an act approved July 20, 1912, entitled 'An act to authorize the Arkansas & Memphis Railway Bridge & Terminal Co. to construct, maintain, and operate a bridge across the Mississippi River,' approved August 23, 1912."

I wish to assure the Senator from Arkansas and the Senate that I moved to concur in the amendments of the House purely as a matter of routine. If I had known that he intended to ask for further action on the bill I would certainly not have made the motion.

Mr. CLARKE of Arkansas. Mr. President, the statement made by the Senator from Texas [Mr. SHEPPARD] justifies me in saying just a word. Under the practice in the Committee on Commerce, what are known as bridge bills, giving authority to build bridges across navigable streams under the terms laid down in the general bridge act, go, as a matter of course, after they have been passed upon by a subcommittee consisting of three members of the Committee on Commerce. The Senator from Texas is the chairman of that committee. The authority under which the subcommittee exists is as follows:

That bridge bills shall be referred to a Subcommittee on Bridges, with authority, in event they agree and there is no contest, to report the same to the Senate.

That implies, of course, that a bridge bill will be submitted to the Senators from the State affected by it. It is not intended to give to any Senator the right to bring those bridge bills forward without consultation with those directly interested in the matter.

I thought I had taken such steps as would afford me an opportunity to confer with my colleague and the senior Senator from Tennessee [Mr. SHIELDS] about that particular bill, and I was quite surprised when I found it had been disposed of on Saturday evening when very few Senators were here and I was absent. I suppose the Senator from Texas had some reason for doing it, and I did not imply otherwise in the statement I made. I want to say to him now I think the judgment of the Committee on Commerce is that whenever a bridge bill is presented he should consult the Senators from the State affected by the provisions of the bill before he presents it to the Senate, and I am sure he will do that.

Mr. SHEPPARD. Mr. President, I wish to say that I am glad to have these matters called to my attention by the Senator from Arkansas, and that I shall endeavor hereafter to observe the rule to which he refers.

AIDS TO NAVIGATION—CONFERENCE REPORT.

Mr. CLARKE of Arkansas submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 14338) to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That the Secretary of Commerce is hereby authorized to establish, provide, or improve the following aids to navigation and other works in the Lighthouse Service, under the Department of Commerce, in accordance with the respective limits of costs hereinafter respectively set forth, which shall in no case be exceeded:

"Light keepers' dwellings and appurtenant structures, including sites therefor, within the limit of cost fixed by the act approved February 26, 1907 (34 Stat. L., p. 998), $75,000.

"Constructing and equipping light vessels for general service on the Great Lakes, or for general service, $150,000.

"SECOND LIGHTHOUSE DISTRICT.

"Constructing and equipping a lighthouse depot for the second lighthouse district, $85,000.

"THIRD LIGHTHOUSE DISTRICT.

"Constructing, or purchasing, and equipping a lighthouse tender to replace tenders worn out in service in the third lighthouse district or in the Lighthouse Service generally, $150,000.

"Improving the light station, moving the fog signal, and constructing a keeper's dwelling at Great Salt Pond Light Station, R. I., $25,000.

"Improvement of the offices and laboratory at the general lighthouse depot at Tompkinsville, Staten Island, N. Y., $21,000.

"Improving the aids to navigation on the East River, N. Y., $16,000.

"FIFTH LIGHTHOUSE DISTRICT.

"Constructing and equipping a light vessel for station off Cape Charles, Va., or for general service, $130,000.

"Improving lights and fog signals leading to Cape Charles City, Va., $12,800.

"Improving aids to navigation and establishing new aids on the eastern shore of Chesapeake Bay and tributaries, Md. and Va., $29,000.

"NINTH LIGHTHOUSE DISTRICT.

"Removal and rebuilding on another site of the light station and dwelling at or near Point Borinquen, P. R., $85,000.

"TENTH LIGHTHOUSE DISTRICT.

"Aids to navigation at Huron Harbor, Ohio, $4,500.

"Improving the aids to navigation at Fairport Harbor, Ohio, $42,000.

"ELEVENTH LIGHTHOUSE DISTRICT.

"Improving aids to navigation and establishing new aids at or near the entrance to Keweenaw Waterway Harbor of Refuge, Portage River, Mich., $110,000.

"Improvement at Detroit, Mich., lighthouse depot, $53,000.

"Light station and fog signal at or near Sand Hills, Mich., $75,000.

"TWELFTH LIGHTHOUSE DISTRICT.

"Improving the light and fog-signal station at Manitowoc North Breakwater, Wis., $21,000.

"Removing and rebuilding Chicago Harbor Light Station, Ill., and establishing lights on the new breakwater in Chicago Harbor, $142,000.

"Establishing and improving aids to navigation at Indiana Harbor, Ind., $100,000.

"SIXTEENTH LIGHTHOUSE DISTRICT.

"Aids to navigation and improvement of existing aids in Alaska, $60,000.

"SEVENTEENTH LIGHTHOUSE DISTRICT.

"For the establishment of aids to navigation and improvement of existing aids in Washington and Oregon, seventeenth lighthouse district, $35,000.

"NINETEENTH LIGHTHOUSE DISTRICT.

"Constructing and equipping a temporary lighthouse depot at Honolulu, Territory of Hawaii, pending the establishment of a permanent depot, $5,000; and authority is hereby granted to erect such temporary depot on land to be leased.

"Construction and equipment of a lighthouse depot for the nineteenth lighthouse district, $90,000: *Provided*, That for the purposes herein lands and property now belonging to the United States and being used by the Navy for naval purposes shall be utilized for this purpose.

"SEC. 2. That hereafter the Secretary of Commerce is authorized, whenever he shall deem it advisable, to exchange any right of way of the United States in connection with lands pertaining to the Lighthouse Service for such other right of way as may be advantageous to the service, under such terms and conditions as he may deem to be for the best interests of the Government; and in case any expenses not exceeding the sum of $500 are incurred by the United States in making such exchange, the same shall be payable from the appropriation 'General expenses, Lighthouse Service,' for the fiscal year during which such exchange shall be effected.

"SEC. 3. That hereafter post lantern lights and other aids to navigation may be established and maintained, in the discretion of the Commissioner of Lighthouses, out of the annual appropriation for the Lighthouse Service on the Mobile, Tombigbee, Warrior, and Black Warrior Rivers, Alabama, and Lake Tahoe, California and Nevada.

"SEC. 4. That the appropriation 'General expenses, Lighthouse Service,' shall be available for the purchase and necessary equipment of one motorcycle and the repair and operation of the same for the use of the Lighthouse Service in the Hawaiian Islands.

"SEC. 5. That hereafter light keepers and assisfant light keepers of the Lighthouse Service shall be entitled to medical relief without charge at hospitals and other stations of the Public Health Service under the rules and regulations governing the care of seamen of the merchant marine: *Provided*, That this benefit shall not apply to any keeper or assistant keeper who receives an original appointment after the passage of this act, unless the applicant passes a physical examination in accordance with rules approved by the Secretary of Commerce and the Secretary of the Treasury.

"SEC. 6. Furnishing all seagoing vessels in the Lighthouse Service with radio equipment and auxiliary power for the operation thereof, $60,000."

JAMES P. CLARKE,
DUNCAN U. FLETCHER,
KNUTE NELSON,
Managers on the part of the Senate.

W. C. ADAMSON,
T. W. SIMS,
J. J. ESCH,
Managers on the part of the House.

The report was agreed to.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. SIMMONS. Mr. President, the question before the Senate is the motion of the Senator from South Carolina [Mr. SMITH] to proceed to the consideration of the immigration bill to the displacement of the revenue bill, which is the unfinished business. On yesterday the whole day was consumed in a discussion more or less relevant to that motion and this morning we have occupied nearly an hour and a half in a discussion with reference to that simple motion.

Without taking sides in the controversy that we have had and without expressing any opinion about the merits of the controversy, I feel, Mr. President, that enough of the time of the Senate and of the country has been taken up in this discussion, a large part of which I think it would have been better if it had not taken place at all. I regret many things that have been said; I wish they had not been said; but both sides have had their opportunity. Senators have been given a liberal time in which to express their views and the difficulty between the two contending factions seem this morning to have been more or less adjusted.

I hope, Mr. President, that we may now without further discussion have a vote upon the question. If the Senate desires to displace the revenue bill and take up the immigration bill let us do that and go on with the business of the country. If, on the other hand, the Senate shall vote against doing that,

then we can go on with the business of the country in connection with necessary revenue legislation.

I trust that no Senator on this side will prolong the discussion.

Mr. HARDWICK. I believe we are ready to vote.

Mr. SIMMONS. Then I ask for a vote.

Mr. HARDWICK. I make the point of no quorum.

Mr. PENROSE called for the yeas and nays, and they were ordered.

Mr. HARDWICK. I make the point of no quorum.

The VICE PRESIDENT. The Senator from Georgia suggests the absence of a quorum and the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gronna	Myers	Smith, Ga.
Bankhead	Harding	Nelson	Smith, Md.
Beckham	Hardwick	O'Gorman	Smith, S. C.
Borah	Hitchcock	Oliver	Smoot
Brandegee	Hughes	Overman	Stone
Bryan	Husting	Owen	Taggart
Chamberlain	Jones	Penrose	Thomas
Chilton	Kenon	Phelan	Thompson
Clarke, Ark.	Kern	Pittman	Vardaman
Culberson	Lane	Robinson	Warren
Cummins	Lee, Md.	Saulsbury	Weeks
Curtis	McCumber	Shafroth	Williams
Dillingham	McLean	Sheppard	
Fletcher	Martin, Va.	Simmons	
Gallinger	Martine, N. J.	Smith, Ariz.	

The VICE PRESIDENT. Fifty-seven Senators have answered to the roll call. There is a quorum present.

Mr. LANE. Mr. President, the question, as I understand, is on the motion to proceed to the consideration of the immigration bill. Is that right?

The VICE PRESIDENT. The pending question is on the motion of the Senator from South Carolina [Mr. SMITH] to proceed to the consideration of House bill 10384, commonly known as the immigration bill.

Mr. LANE. Mr. President, I think that at this session of Congress the Senate should take up and discuss and pass an immigration bill. I think that the country expects its enactment, and I believe it will be beneficial; but I do not believe, and at no time have I believed, that it should displace any other measure of consequence or importance while such measure is being considered by the Senate. The vote I cast on yesterday in favor of taking up the immigration bill was merely in accordance with my desire to have that bill brought up and considered by the Senate. I had in answer to many letters assured people writing to me from the State which I in part represent that I would vote in favor of the consideration of that bill, and the action I took yesterday was taken for no other reason than that I believed it was the proper thing to do. I think, in a general way, the country expects the passage of a measure of that kind; and, quite regardless of the opinion of anyone or of the criticism of anyone, I voted that way with the conviction that I was performing my duty.

It is my opinion that "that man serves his party best who serves his country best." I think that is a good party precept to follow. It does not make much difference to me—it never has, and it never will in the future—as to the source from which proposed legislation comes. I do not care whether it comes from the standpat or progressive Republican side of the Chamber or the Democratic side; I do not care much whether or not the caucus indorses it (I did not attend the caucus), although I am glad to have their indorsement, but I will accept a good measure or a good amendment from any source, irrespective of the politics of the man who presents it. If it is of value to the country, then it is of value to the party of which I am a member, no matter who proposes it. I would accept it from his satanic majesty if he brought it white hot out of hades on a shovel as soon as it cooled off enough to enable me to take hold of it [laughter], and thank him for it. I would even accept it from the Senator from Missouri—after carefully looking it over—and thank him.

This is my position: The only interest I have in the matter is to secure good legislation if possible. I will not, however, vote to bring up the immigration bill at this time, for the reason that I think the right of way belongs to another bill, namely, the revenue bill; but just as soon as that bill is out of the way, I shall by my vote and otherwise do what I can to bring on this floor for consideration the immigration bill, and help fight it out to a finish.

SEVERAL SENATORS. Vote!

The VICE PRESIDENT. The yeas and nays have been ordered on the motion of the Senator from South Carolina [Mr. SMITH] to proceed to the consideration of the immigration bill. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. BECKHAM (when his name was called). I transfer my pair with the senior Senator from Delaware [Mr. DU PONT] to the Senator from Virginia [Mr. SWANSON] and vote "nay."

Mr. BRYAN (when his name was called). I have a pair with the junior Senator from Michigan [Mr. TOWNSEND], which I transfer to the junior Senator from Louisiana [Mr. BROUSSARD] and vote "nay."

Mr. CLARKE of Arkansas (when his name was called). I have a pair with the junior Senator from Utah [Mr. SUTHERLAND]. He is absent, and I therefore withhold my vote.

Mr. GRONNA (when his name was called). I have a general pair with the Senator from Maine [Mr. JOHNSON], which I transfer to the junior Senator from Nebraska [Mr. NORRIS] and vote "yea."

Mr. HARDING (when his name was called). I have a general pair with the junior Senator from Alabama [Mr. UNDERWOOD]. He is not present, and I therefore withhold my vote.

Mr. GRONNA (when Mr. LA FOLLETTE's name was called). I have been requested to announce that the senior Senator from Wisconsin [Mr. LA FOLLETTE] is necessarily absent. If he were present, he would vote "yea."

Mr. WEEKS (when Mr. LODGE's name was called). My colleague [Mr. LODGE] is unavoidably absent. He has a general pair with the senior Senator from Georgia [Mr. SMITH]. If my colleague were present he would vote "yea."

Mr. JONES (when Mr. POINDEXTER's name was called). My colleague [Mr. POINDEXTER] is necessarily absent. If he were present my colleague would vote "yea."

Mr. STONE (when Mr. REED's name was called). My colleague [Mr. REED] is necessarily away and will be so for three or four days. If he were present, he would vote "nay."

Mr. SAULSBURY (when his name was called). I transfer my general pair with the junior Senator from Rhode Island [Mr. COLT] to the senior Senator from Ohio [Mr. POMERENE] and vote "nay."

Mr. SHAFROTH (when his name was called). I have a general pair with the junior Senator from Washington [Mr. POINDEXTER]. I transfer that pair to the Senator from Tennessee [Mr. LEA] and vote "nay."

Mr. SIMMONS (when his name was called). I have a general pair with the junior Senator from Minnesota [Mr. CLAPP]. I have been unable to secure a transfer, and I therefore withhold my vote by reason of that fact. If I were at liberty to vote, I should vote "nay."

Mr. SMITH of Georgia (when his name was called). I transfer my general pair with the senior Senator from Massachusetts [Mr. LODGE] to the junior Senator from Alabama [Mr. UNDERWOOD] and vote "nay."

Mr. STONE (when his name was called). I transfer my general pair with the senior Senator from Wyoming [Mr. CLARK], who is away from the city, to the Senator from Illinois [Mr. LEWIS] and vote "nay."

Mr. THOMPSON (when his name was called). I have a pair with the Senator from Illinois [Mr. SHERMAN]. I transfer that pair to the junior Senator from South Dakota [Mr. JOHNSON] and vote "nay."

Mr. JONES (when Mr. TOWNSEND's name was called). I have previously announced the reason for the absence of the Senator from Michigan [Mr. TOWNSEND]. If he were present, he would vote "yea."

Mr. BANKHEAD (when Mr. UNDERWOOD's name was called). My colleague [Mr. UNDERWOOD] is temporarily absent from the Chamber. If he were present, he would vote "nay."

Mr. WEEKS (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. JAMES], which I transfer to the junior Senator from Vermont [Mr. PAGE] and vote "yea."

The roll call was concluded.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from Rhode Island [Mr. LIPPITT] with the Senator from Montana [Mr. WALSH];

The Senator from Michigan [Mr. SMITH] with the Senator from Missouri [Mr. REED]; and

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS].

Mr. SMOOT. I desire to announce the absence of my colleague [Mr. SUTHERLAND]. He has a general pair with the senior Senator from Arkansas [Mr. CLARKE]. If my colleague were present, he would vote "yea."

Mr. WARREN. I desire to announce the absence of my colleague [Mr. CLARK of Wyoming], who is paired with the Senator

from Missouri [Mr. STONE]. If my colleague were present, he would vote "yea."

Mr. JONES. I have a pair for the week with the junior Senator from Virginia [Mr. SWANSON], but I am released from that pair on this vote, and therefore I vote "yea."

Mr. SMITH of Georgia (after having voted in the negative). Before I transferred my pair with the Senator from Massachusetts [Mr. LODGE] to the junior Senator from Alabama [Mr. UNDERWOOD] the junior Senator from Ohio [Mr. HARDING] had announced a pair with him and refrained from voting. I see that the Senator from Ohio is not in the Chamber and has not voted. Therefore I think, in deference to the situation, I should withdraw the transfer and not have my vote recorded. If at liberty to vote, I should vote "nay."

Mr. CHILTON. I have a pair with the Senator from New Mexico [Mr. FALL]. In his absence I can not vote. If permitted to vote, I should vote strategically "nay."

Mr. SAULSBURY (after having voted in the negative). During the temporary absence of the senior Senator from Ohio [Mr. POMERENE] I transferred my pair to him. As he has returned to the Chamber, I ask to withdraw my vote, as he is desirous of voting himself and as I can not obtain another pair.

Mr. PITTMAN. I have been requested to announce the necessary absence of the Senator from Montana [Mr. WALSH]. He is paired with the senior Senator from Rhode Island [Mr. LIPPITT]. If the Senator from Montana were present, he would vote "nay."

Mr. BORAH. My colleague [Mr. BRADY] is necessarily absent. If he were present, he would vote "yea."

The result was announced—yeas 23, nays 32, as follows:

YEAS—23.

Ashurst	Gallinger	McLean	Smoot
Borah	Gronna	Myers	Sterling
Brandegee	Hardwick	Nelson	Vardaman
Cummins	Jones	Oliver	Warren
Curtis	Kenyon	Penrose	Weeks
Dillingham	McCumber	Smith, S. C.	

NAYS—32.

Bankhead	Husting	Overman	Shields
Beckham	Kern	Phelan	Smith, Ariz.
Bryan	Lane	Pittman	Smith, Md.
Chamberlain	Lee, Md.	Pomerene	Stone
Culberson	Martin, Va.	Ransdell	Taggart
Fletcher	Martine, N. J.	Robinson	Thomas
Hitchcock	Newlands	Shafroth	Thompson
Hughes	O'Gorman	Sheppard	Williams

NOT VOTING—40.

Brady	Goff	Lippitt	Smith, Ga.
Broussard	Gore	Lodge	Smith, Mich.
Catron	Harding	Norris	Sutherland
Chilton	Hollis	Owen	Swanson
Clapp	James	Page	Tillman
Clark, Wyo.	Johnson, Me.	Poindexter	Townsend
Clarke, Ark.	Johnson, S. Dak.	Reed	Underwood
Colt	La Follette	Saulsbury	Wadsworth
du Pont	Lea, Tenn.	Sherman	Walsh
Fall	Lewis	Simmons	Works

So the motion of Mr. SMITH of South Carolina was rejected.

Mr. SIMMONS. Mr. President, what I shall have to say at this stage of this debate will be largely in the nature of a statement, and, as I desire that statement to be accurate, I have reduced it to writing. For that reason I hope I may be permitted to proceed without interruption, although I will not decline to answer any question that Senators may see fit to ask, pertinent to the subject which I am discussing at the time of the inquiry.

FINANCIAL STATEMENT.

The appropriations for the fiscal year 1917, according to a statement furnished me by the Treasury Department, August 19, 1916, aggregate $1,572,008,728.

This aggregate includes all appropriations passed up to this time, includes the amount carried in the Army and Navy and District of Columbia bills not yet signed by the President, and $19,000,000 carried in the general deficiency bill now pending before the House Committee on Appropriations, and $2,000,000 miscellaneous appropriations now pending in the House. It does not include the $50,000,000 provided in the shipping bill for purchase and construction of ships nor the $20,000,000 provided for the construction of a nitrate plant. These two items are to be financed as provided in the law of their creation—by the issuance of Panama Canal bonds.

Now, let me repeat that the total appropriations for the fiscal year 1917, including those made or to be made by Congress, as I have before stated, will amount to $1,572,008,728. Deduct from this amount postal appropriations and postal deficiencies payable from postal revenues and the sinking-fund requirement included in permanent appropriations, aggregating $386,471,900, and the amount estimated by the Treasury Department that will not be expended during the year under the general rule, allowing 5 per cent of the total amount appropriated as the probable amount that will not be disbursed during the year, $59,293,828, making a total of $445,765,728, and a balance will be left of $1,126,243,000.

Mr. WARREN. Mr. President, may I ask the Senator if he has estimated the general deficiency bill, which is yet to follow, and if that is included in his figures?

Mr. SIMMONS. I stated that in the estimated appropriations there was included the general deficiency bill hereafter to be passed.

Mr. WARREN. At what amount, please?

Mr. SIMMONS. Nineteen million dollars.

Mr. WARREN. It will be very much more than that.

Mr. SIMMONS. Well, I do not know. That is the amount furnished me by the Treasury Department. I also included the deficiency bills passed March 31 and July 1, 1916, carrying $53,000,000.

Mr. PENROSE. Mr. President, may I ask the Senator a question? I do not intend to interrupt the Senator, as I know he does not want to be interrupted, but it is rather difficult to hear him over here. I should like to ask him what was the date of the report of the Secretary of the Treasury to which he referred in his opening remarks?

Mr. SIMMONS. August 19, 1916—last week.

Mr. PENROSE. Is it an itemized statement?

Mr. SIMMONS. No; this is just a general statement, as I have given it to the Senator.

Mr. PENROSE. Has the Senator the original statement?

Mr. SIMMONS. No. It is a memorandum furnished me by the department.

Mr. PENROSE. It would be very interesting to have the items of the statement, and if the Senator has them I intend to ask for them.

Mr. SIMMONS. I stated, if the Senator will permit me, that the aggregate amount which I gave included all appropriations made up to this time, including the amounts carried in the Army and Navy and District of Columbia bills not yet signed by the President, and $19,000,000 carried in the general deficiency bill now pending in the House Committee on Appropriations, and $2,000,000 of miscellaneous appropriations now pending in the House; but that it did not include the $50,000,000 carried by the ship-purchase bill nor the $20,000,000 provided for the construction of a nitrate plant.

POSTAL DEDUCTION.

With reference to the deduction of postal expenses it may be stated that as a rule the postal receipts about equal postal expenses. Sometimes there is a surplus and sometimes there is a deficit. All appropriation bills, as does this one, provide for possible deficiencies in postal appropriations. During the fiscal year 1916 the postal receipts exceeded postal expenditures, and on August 19—last Saturday—the Postmaster General turned into the Treasury $5,200,000 of surplus receipts for the fiscal year 1916. It is believed that postal receipts during this fiscal year will again exceed expenditures, and that there will be a still larger surplus than for the fiscal year 1916.

Mr. WEEKS. Mr. President, may I ask the Senator on what that belief is based?

Mr. SIMMONS. That belief is based upon the fact that during the past fiscal year we had a surplus of something over $5,000,000, and I can see no reason why there should be any decrease in postal receipts. On the contrary, I have an abiding faith that this year is going to be a very prosperous one and that the receipts will probably be larger.

Mr. WEEKS. Of course postal receipts depend almost entirely on the condition of business. In fact, they reflect the condition of business. If you have a banner year's business, the postal receipts are large; otherwise, they are small.

Mr. SIMMONS. Yes.

Mr. WEEKS. But as a matter of fact the postal receipts have only exceeded the expenditures, I think, 3 years in the last 30 years.

Mr. SIMMONS. Yes. They exceeded them this year, however, by over five millions.

Mr. WEEKS. Yes; they did.

Mr. SIMMONS. And I am advised that there has been an excess of postal receipts during each of the last three years. I have not confirmed that statement.

Mr. WEEKS. I think the Senator is mistaken about that.

Mr. SIMMONS. I will correct that. I am advised that during two of the preceding three years there has been a surplus in the postal receipts.

Mr. PENROSE. Mr. President, if the Senator objects to a proper interruption I will not interrupt him.

Mr. SIMMONS. The Senator sees that if I yield to these interruptions the continuity of this statement will be entirely broken up; but I shall not object.

Mr. PENROSE. This bears so immediately on what the Senator has referred to that I should like to make the inquiry. On page 71 of the report of the Secretary of the Treasury for the fiscal year ending June 30, 1915, we read, under the heading "Postal Service," as follows:

The Post Office Department estimates that the postal revenues for the fiscal year 1917 will probably amount to $316,000,000, with expenditures for the Postal Service for the same period under existing laws of $324,000,000.

That would indicate a deficit of several million dollars in the estimate of the Secretary of the Treasury.

Mr. SIMMONS. Those estimates were made last October. Since that time it has developed as a fact that there was a surplus of over $5,000,000. Of course the Postmaster General can not look to the end of the year when he is in the middle of it.

SINKING-FUND DEDUCTION.

These appropriations, Mr. President—I have to go back now, because the continuity of the statement has been broken, and I am now referring to the total appropriations—these appropriations, as usual, carry an appropriation for the sinking fund, this year amounting to $60,000,000. This has been done ever since 1869; but, as is well known, and therefore unnecessary that I should spend any time about it, this amount is never included in the estimate of disbursements, because the amount is never actually disbursed; it is a mere matter of bookkeeping in the Treasury Department, which, I assume, is well understood.

There is always a difference between the amount appropriated and the amount actually disbursed, and, as a result of long experience, the Treasury Department estimates that this difference will average about 5 per cent of total appropriations. This year, after a thorough investigation among all the departments and offices which are to disburse these appropriations, the Treasury Department estimates that of the total appropriations $59,293,828 will not be expended during the fiscal year 1917, this being within a few thousand dollars of the 5 per cent rule usually adopted. This investigation and resultant estimate was made by the department at my request, because of my desire that this statement should be accurate.

Now, making the deductions for the postal expenditures and sinking-fund requirement and the estimated amount that will not be expended during the fiscal year 1917, we have left as the estimated total disbursements for the fiscal year 1917, $1,126,243,000.

For a clearer and more thorough understanding of the financial situation which we are now discussing, it is well to understand what part of these estimated expenditures are for normal current expenditures, what part is to meet the requirements of our preparedness program, and what part is to defray the expenses incident to the Mexican situation, involving the mobilization of the National Guard and the operation of our troops along the border and in Mexico for the six months ending December 31, 1916. In order to make this statement not only full but accurate, I have asked the Treasury Department to give me a statement of the expenses incident to the Military Establishment showing the increased appropriations for this fiscal year in excess of the estimated normal increase, what part of these increased appropriations represents preparedness, and what part represents expenditures on account of the Mexican situation, and in pursuance of that request it has furnished me with the following statement:

Total appropriations, Military Establishment, 1917.

Army		$267,596,000
Fortifications		25,748,000
Sundry civil (military)		6,351,000
Military Academy		1,225,000
Deficiencies (act of Mar. 31, 1916) (military)		8,612,000
Deficiencies (act of July 1, 1916) (military)		27,210,000
Total		336,742,000
Deficiencies pending in general deficiency bill		4,573,000
Estimated appropriations for Military Establishment		341,315,000
Increase in appropriations by Congress over the original estimates submitted by the Treasury Department Dec. 6, 1915		159,094,000
For Mexican situation	$130,000,000	
For additional preparedness	29,094,000	
		159,094,000
Estimate for preparedness, Dec. 6, 1916	67,832,000	
Additional appropriations for preparedness	29,094,000	
Total appropriations for preparedness		96,926,000

RÉSUMÉ.

Appropriations for Mexican situation	$130,000,000
Appropriations for preparedness	96,926,000
Total appropriation Mexican situation and preparedness	226,926,000

Mr. WEEKS. Mr. President, if it will not embarrass the Senator, I should like to ask him a question which will have direct application to that statement.

Mr. SIMMONS. I yield to the Senator.

Mr. WEEKS. For how many troops now doing duty on the Mexican border does that appropriation provide?

Mr. SIMMONS. I am unable to answer the question. The department did not furnish that detail.

Mr. WEEKS. The reason why I ask the question is that for the past two months there have been about 100,000 National Guardsmen there; but additional men are being sent there—some twenty-five or thirty thousand—and I wondered if it applied to all the men from all the States who have been called into the service, or simply those who are now doing duty on the border. I was going to ask, further, if the Senator knew what the policy was to be about keeping those men on the border indefinitely.

Mr. SIMMONS. I am unable to answer the question of the Senator as to the policy of the Government with reference to that. As I have stated before, in the estimate made by the department in December, 1915, before this Mexican situation arose, they included $67,000,000 for preparedness. In their subsequent estimate made to Congress, and in pursuance of which Congress increased the appropriations $159,000,000, they included $130,000,000 to finance the Mexican situation up to December 31, 1916, and $29,000,000 additional for preparedness.

EXPLANATION OF TABLE.

From this statement it will be seen that the aggregate appropriations on account of the Military Establishment, including Army, fortifications, sundry civil, Military Academy, and deficiencies, either already appropriated or provided for in the pending deficiency bill, amount to $341,315,000.

It will also be seen that on December 6, 1915, before the Mexican situation reached the stage calling for the punitive expedition into Mexico and the mobilization of the National Guard, the department had estimated that the total appropriations on account of the Military Establishment (including $67,832,000 for preparedness, would amount only to $182,221,000. By reason of the Mexican situation and the necessity for an additional amount for preparedness, the department later increased its estimate of December, 1915, and Congress appropriated, in pursuance of these new estimates, the additional sum of $159,094,000, $130,000,000 of the amount being for the Mexican situation and $29,094,000 for general preparedness purposes. This latter sum, when added to the $67,832,000 in the department's estimate of December 6, 1915, make the total amounts carried in the final appropriations for preparedness $96,926,000.

Adding the $96,926,000 for preparedness to the $130,000,000 for the Mexican situation shows that the increase in the appropriation for the Military Establishment on account of preparedness and the Mexican situation amounts to $226,926,000.

Increase in naval appropriations for preparedness purposes, 1917 over 1916.

Increase in naval appropriations, 1917 over 1916	$167,065,000
Average increase in appropriations for fiscal years 1910 to 1916 was $2,121,000 a year; this amount deducted from the increase for 1917	2,121,000
Increase in naval appropriations due to preparedness	164,944,000

As shown by the above table, the increase in the appropriations for the Navy for preparedness purposes is $164,944,000. To this add the increased appropriations for Military Establishment—$226,926,000—and we have an aggregated increase of appropriations due to preparedness and the Mexican situation of $391,870,000. Deducting 5 per cent from this, the usual amount estimated will be unexpended during the year $19,590,000, and we have left $372,280,000 as the estimated disbursements for the fiscal year on account of the Mexican situation and preparedness.

This amount deducted from the total estimated disbursements—$1,126,243,000—for the fiscal year 1917 would leave $753,963,000 as the amount required to meet the total normal disbursements of the Government for that year. Now, the total estimated receipts for the year 1917 under existing laws, as is shown in the statement of the Treasury Department filed with the report of the committee, is $762,000,000, or $8,037,000 more than the estimated normal disbursements, making it clear that but for the extraordinary increases in the appropriations for the Naval and Military Establishments which have been thought expedient and necessary on account of the emergencies of the present situation, the normal receipts of the Treasury for the fiscal year 1917 under existing law would be sufficient to pay the expenses of the Government for that year and leave a surplus of over $8,000,000 in the Treasury, just as the receipts for the year 1916, before we entered upon this preparedness program and before the Mexican situation developed, actually yielded a sufficient revenue to pay the expenses of the Government and left a surplus in the Treasury of $55,270,000—net ordinary.

It is therefore obvious from this statement that the necessity for this legislation is due to the extraordinary expenses of the Mexican situation and the broad program of preparedness upon which we have decided to enter.

Now, as to the balance, after deducting ordinary receipts, and how we propose to raise it:

As I have shown before, if you subtract from the estimated disbursements for the year 1917 the estimated receipts for the year 1917 we will have a balance to be otherwise provided for of $364,243,000. It is estimated that the pending bill will yield $205,000,000; amount to be otherwise provided for, $159,243,000. Deduct from this the amount required to meet the Mexican situation to be financed by bonds, $130,000,000, and we have a balance to be provided from the general fund of $29,243,000.

The general fund on the 16th day of August amounted to $134,337,895, and it is estimated that this amount can be taken from that fund without serious embarrassment to the Treasury.

In connection with the proposed bond issue to cover the Mexican expenditures I wish to advert to the attempt being made to create the impression that the suggestion made in the report of the Committee on Finance that this sum be financed by bonds was a new and unexpected suggestion. There is no foundation for these misleading statements.

As a matter of fact, before the bill was introduced in the House this subject was discussed, and it was then decided that this expenditure should be met by a bond issue, and accordingly the Committee on Ways and Means of the House in its report of July 5 made substantially the same statement with reference to this matter made in the report of the Committee on Finance. The financial statement then filed by the Ways and Means Committee shows, as does the report of the Finance Committee, that $130,000,000 of the increased appropriations for the Army was to be paid by the issuance of bonds.

The Secretary of the Treasury has authority, as is well known, to issue Panama bonds to reimburse the Treasury for amounts paid on account of the Panama Canal out of the current funds during the years of its construction, and it is understood that in pursuance of this authority these expenses will be provided for by the sale of such of these bonds as may be required for that purpose.

Fortunately, the Democratic Party has had no occasion at any time to issue Panama bonds. It has been able to pay all canal expenses from the current receipts. The Republican Party, not being so fortunate with its finances, found it necessary and advisable, on several occasions, both under Mr. Roosevelt and Mr. Taft, to issue Panama bonds to pay the expenses of that work.

Mr. PENROSE. Will the Senator yield?

Mr. SIMMONS. I believe in all it has issued and sold about $134,000,000. As before stated, we have never issued a single dollar's worth of these bonds to reimburse the Treasury in accordance with the Panama Canal act.

Mr. PENROSE. The Senator has undertaken to put a partisan flavor in his statistics, which, perhaps, justifies me in addressing an inquiry to him as to whether the Panama Canal was not largely completed when the Democratic Party took control of the Government.

Mr. SIMMONS. Yes.

Mr. PENROSE. So there was no occasion to issue bonds; and the fact that the bonds were unissued is a magnificent tribute to the thrift and economy of the Republican Party.

Mr. SIMMONS. I do not yield to the Senator for a speech. I hope the Senator will allow me to proceed.

Mr. PENROSE. That was the splendid legacy left to the Democratic Party. But I rose more particularly to ask the Senator whether he contends that the Secretary of the Treasury can issue these Panama Canal bonds for the shipping board, for the war on the border, and for every other purpose that he may see fit, or whether it would not require additional authority of law?

Mr. SIMMONS. Mr. President, answering the last inquiry of the Senator, I say without hesitation there is no question about the authority of the Secretary of the Treasury under the act to issue these bonds for this purpose.

Mr. PENROSE. To which act does the Senator refer?

Mr. SIMMONS. There are several of those acts. I can not specify them.

Mr. PENROSE. Does the Senator say that——

Mr. SIMMONS. There is not any question, Mr. President, about the authority of the Secretary of the Treasury to issue Panama bonds for the purpose of reimbursing the Treasury for the amount that has been expended out of the current funds of the Government for Panama Canal purposes.

Mr. PENROSE. I think——

The PRESIDING OFFICER (Mr. SHAFROTH in the chair). Does the Senator from North Carolina yield to the Senator from Pennsylvania?

Mr. SIMMONS. The Senator has asked his question, and I prefer to answer it, if he will permit me.

Mr. PENROSE. All right.

Mr. SIMMONS. In answer to the further statement of the Senator that the canal was largely completed at the time the Democrats came into power, of course in a general way that is true, but it was not completed, and since the beginning of this administration we have taken out of the ordinary current funds of the Government and applied to the discharge of Panama Canal expenses $84,000,000.

I do not know how much of the $130,000,000 estimated for the Mexican situation will have to be spent. If the present situation continues until the 1st of January, 1917, it is probable that practically the whole amount estimated will have to be spent. If it terminates before then, the amount will be less, but no more bonds will be issued than necessary to defray the actual expenses, and that will depend upon how long the present situation will continue on the border and in Mexico.

The Republican Party, not only in this Chamber but in the country at large, is making strenuous, almost frenzied, efforts to make the people believe that the increase in the appropriations of this Congress are made necessary by, and are the result of, reckless extravagance and wastefulness on the part of the Democratic Party and the Congress.

There is no foundation for this charge. Even a superficial analysis will show that it can not honestly be made. Manifestly it is an effort of the opposition in a presidential campaign to capitalize the financial demands growing out of an extraordinary situation for political capital.

This charge of extravagance involves two questions:

First. Whether this increased appropriation on account of preparedness and the Mexican situation, carrying $393,991,000, is an extravagant appropriation for the purposes for which it is made, and that necessarily involves the question of whether the purpose itself is an unworthy one.

Second. Whether the appropriations for the fiscal year 1917 for purely normal purposes is wasteful and extravagant.

Let us first consider these charges as they relate to preparedness appropriations. What was and is the attitude of the Republican Party in this Chamber with respect to these appropriations? What was and is the attitude of that party in the country as represented by its most distinguished leaders, among them the present Republican candidate for the Presidency and ex-President Roosevelt? What is to be the attitude of that party upon this question in the present national campaign? Does the Republican Party propose to put itself in the attitude of opposition to the necessary appropriation and expenditure for preparedness and for defense on the border and in Mexico? Does that party wish the country to understand that it has taken the back track upon the question of preparedness; that it has taken the back track upon the question of sending the punitive expedition into Mexico; that it has taken the back track upon the question of the mobilization of our forces to meet the situation which was created in Mexico and in the United States as the result of the Columbus and other raids and as a result of our punitive expedition in Mexico?

Did the Republican Party in this Chamber, when the Army bill, carrying $166,500,000 in addition to the usual appropriation, assail these additional appropriations as extravagant and unnecessary? On the contrary, did not the leaders of that party in this Chamber then insist upon a larger program involving a much larger expenditure, and was not the inadequacy of the program, and of these appropriations, the gravamen of their complaint and criticism of this measure?

What was the attitude of the Republican Party in this Chamber with respect to the great increases made in the naval bill in the Senate?

It is a matter of common knowledge that upon both of these measures leaders on the other side insisted upon larger appropriations for these purposes than was made instead of lesser ones. How many Republicans on the other side of the Chamber voted against these bills? The RECORD shows that there was no division on the final passage of the Army bill, which means that the vote was unanimous in favor of the bill. Upon the naval bill there were 71 yeas and 8 nays. The nays were Senators CLAPP, CURTIS, GRONNA, LA FOLLETTE, NORRIS, THOMAS, VARDAMAN, and WORKS.

Now let us consider briefly the question of whether the increases in the appropriations for normal purposes for the fiscal year 1917 are excessive or extravagant as compared with ap-

propriations during the last 10 or 15 years. We have seen that, deducting the appropriations incident to preparedness and the Mexican situation, confining ourselves to normal appropriations for 1917, the estimated appropriations for that year will, upon that basis, exceed those of 1916 by $52,000,000, and that twelve millions of this increase is due to good roads and rural credits.

Now let us compare this increase with the increases of the 10 preceding years—some Republican and some Democratic years.

For the purpose of showing the increase in appropriations, exclusive of postal and sinking fund, beginning with the fiscal year 1906 and ending with the fiscal year 1917, I attach hereto a table showing the total amount appropriated in each year, and the decreases and increases:

Total annual appropriations, exclusive of postal and postal deficiencies paid from postal receipts, and the sinking-fund requirement.

Fiscal year.	Total appropriations.	Increase over previous year.	Decrease over previous year.
1906	$579,078,097		
1907	632,510,567	$53,432,470	
1908	648,625,764	16,115,197	
1909	723,710,542	75,084,778	
1910	748,287,759	24,577,217	
1911	733,725,390		$14,562,369
1912	703,125,486		30,599,904
1913	689,938,602		13,186,884
1914	751,597,940	61,659,338	
1915	744,977,032		6,620,908
1916	739,522,066		5,454,966
1917	[1] 793,667,000	[1] 54,145,000	

[1] Estimated increase, excluding increase due to preparedness and Mexican situation.

From this statement it will be seen that the appropriations for the fiscal year 1914, made during the Taft administration, are the largest ever made up to that time during our whole history, except probably during the Civil War.

The next largest appropriation shown was during the Republican year of 1910, when the amount appropriated reached $748,286,759, being only about three millions less than that for 1914.

An analysis of this table will show that the average annual increase in appropriations made under the Republican administration from 1906 to 1914 was $21,565,000. It will also show that in the appropriations from 1914 to 1916, made under the Democratic administration, there was an annual average decrease instead of an increase in appropriations of $6,048,000. It will also show that, including the fiscal year 1917, estimated upon the basis of normal appropriations for that year, there is an average annual increase for the three Democratic (annual appropriations for the fiscal) years 1915, 1916, and 1917 of $14,023,000.

Putting it in another form, an analysis of this table will show that during the six years of Republican power in all branches of the Government from 1906 to 1912 the average annual increase in appropriations was $20,674,000, or 3.5 per cent; two years of a Republican Senate and President and a Democratic House, 1912 to 1914, the average annual increase was $24,236,000, or 3.4 per cent; three years of Democratic control in all branches of the Government, from 1914 to 1917, an average annual increase in normal appropriations of $14,023,000, or 1.86 per cent.

The annual increase in the population of the United States is a trifle less than 2 per cent, which is smaller than the average annual increase in the appropriation shown in the foregoing statement for the Republican years, but not smaller than the average normal increase shown for the Democratic years.

I have heretofore shown, I think, that there was no extravagance in connection with the $391,870,000 appropriated for preparedness and the Mexican situation; that the question with respect to those appropriations was one of policy and not of extravagance.

Mr. PENROSE. Will the Senator——

Mr. SIMMONS. No; I am not going to be interrupted now.

Mr. PENROSE. I knew that the Senator was on shaky ground and I am not surprised at him.

Mr. SIMMONS. No; the Senator sees I am finishing a statement.

The PRESIDING OFFICER. The Senator from North Carolina declines to yield.

Mr. SIMMONS. I think the figures I have just quoted show that upon the basis of comparison with the appropriations of the last 11 years there is no ground for the charge of extravagance in the appropriations for either the fiscal years 1915, 1916, or 1917 under the Democrats.

In the light of these figures, if the Republican Senators insist that these appropriations are extravagant, they should state in what particular they are regarded as extravagant and what has been their attitude and votes with reference to the specific instances of alleged extravagance.

We are entitled to specification; we have had only general charges and vague hints. Neither they nor their candidate for the Presidency have done more than to make broad and general statements based on the fact that the appropriations for the year 1917, including all this preparedness program, is in excess of that of former years; and, instead of specifications, they are throwing out vague hints of pork-barrel legislation and like innuendos.

In connection with this Republican charge of extravagance, invented and promulgated for purely political purposes, a great deal has been said about the Republican surpluses and Democratic deficits.

I have taken the trouble to look into this matter of surplus and deficits somewhat, and I find a very remarkable situation with respect to surplus and deficits dependent upon the total annual receipts of the Government by referring to page 235, report of the Secretary of the Treasury, 1915.

I find, beginning with Mr. Cleveland's first administration, that during his four years there were two surpluses and two deficits.

I find that there were deficits during each of the four years under Mr. Harrison's administration.

I find that during Mr. Cleveland's second term there were two deficits and two surpluses.

I find that under Mr. McKinley's administration there was one deficit and three surpluses.

I find that under Mr. Roosevelt's first administration there were two deficits and two surpluses.

I find that under Mr. Roosevelt's second term there were two deficits and two surpluses.

I find that under Mr. Taft's administration there was one deficit and three surpluses.

I find that Mr. Wilson has had two surpluses and one deficit.

I further find that during the last 10 years of the Republican administration the total deficits exceed the total surpluses by about $68,000,000.

It has been a favorite Republican suggestion, repeated in the report of the minority of the Finance Committee on this bill, when assailing the emergency bills and other revenue legislation of this administration, to contend that if we had the Payne-Aldrich tariff it would not be necessary to resort to such legislation as is now proposed in order to raise the money to meet the expenses of the Government, including preparedness, and that it would not be necessary to increase taxes upon incomes and to levy a tax upon inheritances, munitions, and so forth, as proposed in this bill.

The absurdity of this contention is shown by the fact that under the Payne-Aldrich tariff, including the corporation tax it carried and ordinary receipts from internal revenue and all other sources, the largest amount of revenue collected in any fiscal year during the life of that act, excluding postal receipts, was only $724,111,000 for the fiscal year 1913, which amount was about $10,000,000 less than similar receipts, exclusive of postal receipts, during the first year of the operation of the present tariff act and before the emergency taxes were levied.

The average ordinary receipts of the Government, exclusive of postal receipts, during the four years, taking them all, of the Payne-Aldrich bill were only $698,196,446.

During the Payne-Aldrich bill more than half of our dutiable imports came from Europe. There was then no embargo upon these importations other than that imposed by the high rates of that bill. As a result of the war conditions, practically shutting out importations from the great manufacturing nations of Germany, Belgium, and Austria, our imports from Europe are today only about five-eighths of normal, while our imports of the highly dutiable goods have fallen off in still larger proportion.

It is apparent if in these conditions we had the Payne-Aldrich law, even if the normal expenditures of the Government were much less than they are, it would be necessary in order to raise the nearly $400,000,000 for preparedness and the Mexican situation to levy greater additional taxes than are now proposed and than are now necessary to be raised.

It is obvious that any system of finance that depends upon customs duties for revenue would not meet the abnormal conditions of the present European war. Any such system would completely break down when subjected to the present abnormal conditions, and necessarily would yield a very inadequate revenue.

Now, Mr. President, I think I have shown, and shown conclusively, that but for the preparedness and Mexican expenses our present revenue laws would take care of the normal expenses of the Government for the next fiscal year, even with the termination of the emergency provision of the present law December 31, 1916, and that the taxes imposed in the pending bill and the bond issue contemplated are necessary only to meet the increase in our expenses due to appropriations made on account of preparedness and the Mexican situation.

In passing it may be well, in connection with the Republican suggestion as to the sufficiency of the Payne-Aldrich tariff to meet an emergency like the present, to call attention to the fact that the greatest amount of revenue the Government ever received from the tariff provisions of that act in any year was $333,600,000, and that the average annual receipts by the Government from that source during the life of the act was only $319,600,000—not enough by many millions of dollars to pay the appropriations made this year, with the approval of both parties, for preparedness and defense.

The annual average receipts of the Government from that source during the whole life of the act was only $319,600,000. That is all your Payne-Aldrich bill yielded in the nature of customs revenue—the highest amount in any year was $333,000,000, and the average amount was $319,600,000—not enough by many million dollars to pay the extraordinary expenses carried in the present appropriations for preparedness and the Mexican situation; yet you talk about your Payne-Aldrich bill meeting this situation!

The Payne-Aldrich Act was not, so far as the Government was concerned, a great producer of customs revenue, although it was a great source of revenue to the beneficiaries of the protection it afforded.

The complaint against the Payne-Aldrich Act, on the part of the people, was not on account of the amount they had to pay into the Treasury, but on account of the very much larger amount it compelled them to pay to the protected industries. The people were willing to pay the dollar into the Treasury, but they objected to paying the two or three dollars into the private pockets of the highly protected industries.

It was on account of this private bounty which the people were forced under this law to pay to the beneficiaries of protection that they repudiated the party which enacted that law and that the candidate of that party, who had declared that law the best tariff law ever enacted, received in the last national election the electoral votes of only two small States.

Mr. President, I have shown, and shown conclusively, that but for preparedness and the Mexican situation our present revenue laws would take care of the normal expenses of the Government for the next fiscal year, even with the termination of the emergency provision of the present law on December 31, 1916, and that the taxes proposed to be imposed in the pending bill and the bond issue contemplated are rendered necessary only to meet the increases in our expenses which are due, as I have stated, to appropriations made on account of preparedness and the Mexican situation.

The question is, How shall we raise the additional money needed for this purpose? How shall we provide for the payment of these appropriations that have been made with the approval and support of both parties and, it is believed, of an overwhelming majority of the people of the country? We propose in this bill to raise this money chiefly by increasing taxes upon incomes, both of individuals and corporations, and by levying a tax upon inheritances, graduating it so that it will be heavier upon larger than smaller estates, and from the profits arising from the manufacture of munitions of war in this country and the materials entering into their production.

There is no reason why the income tax should not be increased to help defray this increase. It is a tax upon wealth, so is the tax upon inheritances a tax upon wealth.

Under our old system of taxation practically the whole revenues of the Government were raised by taxes upon consumption, a tax in the main which was paid by the people and but very little by wealth. The purpose of amending the Constitution so as to allow incomes to be taxed was to remedy this inequality, that wealth might be required to pay its just part of these burdens.

The reasons why munitions have been selected for taxation is apparent to everyone. I do not think the justice of imposing this tax under the circumstances can be seriously questioned. While there has been a general advance in prices on account of the war, the price of munitions and the things which enter into their manufacture have advanced out of all proportion to the normal advance. These enormous profits have been made directly as a result of the war, and there would seem to be no reason why the recipients of these extraordinary profits should not contribute toward the payment of the additional expenses which have devolved upon the Government in the emergency out of which their profits have come.

I need not take the time of the Senate to discuss at this time dyestuffs, unfair competition, and the tariff commission provisions of the bill. They will be thoroughly discussed, I assume, in the general debate, and when these sections are reached for amendment.

Mr. President, I have covered the points I have set out to discuss, and for the present I content myself. Of course, I expect in the course of the debate to have to discuss many additional features of this subject; but I thought for the purpose of opening the discussion it was well and proper that I should confine myself to the matters which I have discussed, and should give the Senate the benefit of any information which I have derived from the rather thorough investigation which I have made into the financial conditions making it necessary to have additional revenues to meet the requirements incident to the large expenditures involved in the preparedness program upon which we have entered and the unexpected expenditures incident to the mobilization of the National Guard and of our troops upon the border and in Mexico.

Mr. PENROSE. Mr. President, if the chairman of the committee will wait for merely one moment, I want to address an inquiry to him before he leaves the Chamber. I do not intend to-day to analyze the figures submitted by the chairman of the Finance Committee. To my mind they only spell one conclusion, and that is a growing deficit in the Treasury of the United States, a revenue measure absolutely inadequate to meet the requirements of the appropriation bills passed by the present Congress, thus bringing on the inevitable necessity of postponing preparedness and withholding the contracts for the construction of battleships and the other purposes of preparedness in the several bills. But be that as it may, as I said, I do not intend to detain the Senate with this phase of the matter to-day.

The difficulties, however, in interpreting these figures are greatly increased by the variety of statements; and I should like to ask the chairman of the committee how it comes that in the report of the chairman of the Committee on Ways and Means of the House of Representatives the total estimated appropriations for the fiscal year ending June 30, 1917, are $1,579,000,000, whereas in the report of the chairman of the Committee on Finance the estimated disbursements for 1917 are $1,126,243,000?

Mr. SIMMONS. Will the Senator from Pennsylvania state that last amount again?

Mr. PENROSE. Shall I state the inquiry over again?

Mr. SIMMONS. As to disbursements. I did not catch the figures which the Senator gave as to disbursements.

Mr. HUGHES. The Senator from Pennsylvania gave the figures as $1,126,243,000.

Mr. PENROSE. Does the Senator from North Carolina desire me to repeat the inquiry?

Mr. SIMMONS. No. I think I understand the Senator.

Mr. PENROSE. I should like to know how the Senator from North Carolina explains the discrepancy of several hundred million dollars between the statements of the House chairman and the Senate chairman?

Mr. SIMMONS. I do not know that I understand the Senator.

Mr. PENROSE. Well, I will go over it again.

Mr. SIMMONS. What was the amount the Senator gave as the total appropriations?

Mr. PENROSE. Mr. President, I hold in my hand the report of Mr. KITCHIN, chairman of the Committee on Ways and Means, submitted to the House of Representatives on July 5, 1916, and I quote from that report on page 2, as follows:

> Total estimated appropriations for the fiscal year ending June 30, 1917, $1,579,000,000.

Mr. SMOOT. They will be more than that.

Mr. PENROSE. The Senator from Utah suggests that they will be more than that, but I am not arguing that question now. Then, I take the report of the chairman of the Committee on Finance of the Senate, and I quote from page 2 of his report, as follows:

> Estimated disbursements for 1917, $1,126,243,000.

I naturally ask the question how there could occur a discrepancy of over $400,000,000 between the two estimates?

Mr. SIMMONS. I do not understand that there is any such discrepancy. The estimate of total appropriations, as given by me a few moments ago in the beginning of my remarks, was $1,572,000,000. There seems to be a difference between these figures and the figures the Senator read from the House report of $7,000,000 only.

Mr. PENROSE. Well, how does the Senator reconcile the discrepancy between the estimate of Mr. KITCHIN, as found in

the report of the House committee on page 2, and the estimate of the Senate Committee on Finance? Let the Senator read his own report.

Mr. SIMMONS. The Senator is doing a very strange thing. He is comparing estimated disbursements with appropriations.

Mr. PENROSE. That is just what I want to get out of the Senator.

Mr. SIMMONS. If the Senator will pardon me, I will make it clear to him if he does not understand the statement I made. I stated in the beginning of my remarks that the appropriations—not the estimated appropriation, but the appropriations actually made—including those contained in the Army and Navy appropriation bills and the general deficiency bill, which have not yet been signed by the President, amounted to $1,572,000,000. I stated that it was usual, in order to estimate the ordinary disbursements for the year, to deduct from that sum the appropriations for the Post Office Department on account of postal expenditures.

Mr. PENROSE. Yes; that is right.

Mr. SIMMONS. And it is also usual for the purpose of ascertaining the estimated disbursements to deduct about 5 per cent as the amount of the appropriations that will not be expended.

Mr. PENROSE. We understand that; yes.

Mr. SIMMONS. That made the sum of $445,765,000, which, subtracted from the total appropriations, leaves the amount which it is estimated will be disbursed during the fiscal year for all purposes, except for the Post Office Department and the sinking fund.

Mr. PENROSE. Now I am getting the information that I wanted to get from the Senator when I addressed an inquiry to him during his statement, as to whether the Secretary of the Treasury had sent an itemized statement. The Senator's reply, as I understood, was that he had no such itemized statement. I refer to the statement of August 17, 1916.

Mr. SIMMONS. No; the Senator is mistaken. I said that the department had sent me a memorandum. They merely sent me a general statement as to the appropriations; they merely gave me a general statement as to estimated expenditures. I then asked them for a specific statement with reference to preparedness expenditures, and they gave me that specific statement, which I gave to the Senate in my remarks.

Mr. PENROSE. Will the Senator have any objection, as chairman of the committee, to writing to the Secretary of the Treasury asking for an itemized statement?

Mr. SIMMONS. I have no objection to doing that, except for the fact that the Senator, who is the ranking member of the minority on the Finance Committee, has the same authority to do that as I have, and he will get the same frank response that I would get.

Mr. PENROSE. I will be glad to do that.

Mr. SMOOT. Mr. President, I will say to the Senator from Pennsylvania that the estimate of the amount of appropriations as given by the Senator from North Carolina was $1,572,000,000, which falls far short of what the appropriations will be. The appropriations made at this session of Congress will be nearer $1,700,000,000.

Mr. SIMMONS. Oh, well, the Senator——

Mr. SMOOT. Mr. President, I do not want the Senate to take the word of the Senator from North Carolina for it, nor do I want it to take the word of the Senator from Pennsylvania or my word for it; I want the Senate to take the actual appropriation bills which have been passed at this session of Congress.

Mr. KENYON. Mr. President, what did the Senator say the amount would be?

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Iowa?

Mr. PENROSE. Yes.

Mr. SMOOT. The Senator from Iowa asks what the appropriations actually will amount to. I will say to the Senator that I am waiting now for the general deficiency bill to be passed, as it is expected it will be passed by the House within a very few days, and as soon as that bill passes the Senate I will call attention to the facts and give the exact appropriations to a cent. I say to the Senator from North Carolina now that they will be nearly $1,700,000,000. In that connection I will also say——

Mr. SIMMONS. Will the Senator pardon an interruption?

Mr. SMOOT. Certainly.

Mr. SIMMONS. The Senator will remember that I said in my remarks that I did not include, and the department did not include, in the estimate of $1,572,000,000 the $20,000,000 for the nitrate plant and the $50,000,000 for the shipping bill.

If the Senator will pardon me one moment further, the Senator's colleagues on the committee and himself in their report on the present bill state just about what the Senator has stated now, that the appropriations will amount to approximately $1,700,000,000. If the Senator will deduct $50,000,000 for the shipping bill, $20,000,000 for the nitrate plant, and $9,000,000 on account of the rural-credits act, which has been included as an appropriation, but is not an appropriation, and will also deduct the $47,000,000 which the House and the Senate conferees struck out of the Army appropriation bill, he will find that there should be deducted from his estimate $126,000,000.

Mr. SMOOT. No, Mr. President.

Mr. SIMMONS. Deducting that from his estimate of $1,700,000,000, it would leave $1,574,000,000 as the amount appropriated, instead of $1,572,000,000, the figures given by me.

Mr. SMOOT. Mr. President, the Senator is entirely wrong. The Senator from Utah, of course, has included the $50,000,000 provided for in the ship-purchase bill; he has also included $20,000,000 for the nitrate plant; but he has not included the $47,000,000 deducted from the Army appropriation bill. If we are going to exclude the appropriation of $50,000,000 on account of the ship-purchase bill, $20,000,000 for the nitrate plant, and $11,000,000 for the armor plant, we might just as well go on and exclude all other appropriations. I will say now that, taking the Army appropriation bill, the naval appropriation bill, and the fortifications bill, the additional amount appropriated this year on account of preparedness and for the expenses of the Army upon the border will not exceed $390,000,000, the amount appropriated by the last Congress under a Republican administration for similar purposes.

I will not, however, go back that far. I will only go back to the fiscal year 1915–16, ending June 30, 1916. The appropriations for that fiscal year were $1,114,000,000, in round numbers, while this year they will be, in round numbers, $1,700,000,000. With $390,000,000 admitted as the additional sum appropriated on account of preparedness over and above the appropriations for the fiscal year 1915–16, there is nearly $200,000,000 to account for in the appropriations made by the Democratic Congress at this session. They can not get away from that.

Mr. PENROSE. Mr. President——

Mr. SIMMONS. Will the Senator from Pennsylvania let me ask the Senator from Utah one more question?

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from North Carolina.

Mr. PENROSE. I yield.

Mr. SIMMONS. The Senator from Utah says that the statement of estimated appropriations includes $50,000,000 on account of the shipping bill. Does the Senator contend that there has been an appropriation of $50,000,000 on account of the shipping bill?

Mr. SMOOT. Certainly, Mr. President; the shipping bill carries an appropriation of $50,000,000, to be taken care of by the issuance of bonds.

Mr. SIMMONS. But not to be paid out of the Treasury.

Mr. SMOOT. I did not say so, Mr. President; and I want to say to the Senator now that I am surprised to find in the report brought in here at the last moment a statement that it will be necessary to issue $130,000,000 of bonds to take care of the running expenses of the Government. After piling these millions and hundreds of millions of dollars up and imposing special taxes upon the backs of the people, that is not enough; and now it is proposed to issue $130,000,000 of bonds to pay the running expenses of the Government.

Mr. HUGHES. Mr. President, will the Senator allow me to interrupt him?

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from New Jersey?

Mr. PENROSE. I yield.

Mr. HUGHES. I merely want to ask the Senator from Utah if he has read the report on the revenue bill submitted by the Ways and Means Committee of the House?

Mr. SMOOT. I have read the House report.

Mr. HUGHES. The Senator did not notice anything like that in the report of the House body, did he? With his usual fairness, the Senator states that the chairman of the committee of the Senate at the last minute brings in a recommendation for the issuance of $130,000,000 of bonds. I ask the Senator if he has read the House report?

Mr. SMOOT. In all fairness, the Senator must not charge me with saying that the House report contained that recommendation. I say that the Senate report contains it.

Mr. HUGHES. The Senator said that the chairman of the Senate committee at the last moment had called the attention of the country to the fact that expenditures amounting to $130,000,000 were to be provided for by the issuance of bonds.

Mr. SMOOT. Does the Senator deny that?

Mr. HUGHES. I deny that the chairman of the committee did any such thing at the last moment. I asked the Senator if he had read the House report. The statement was made in the House report a month or more ago that some expenditures would have to be met and cared for by a bond issue.

Mr. SMOOT. No; the House report said that perhaps they would have to issue bonds for that purpose.

Mr. HUGHES. No; the Senator is as familiar with it as I am.

Mr. SMOOT. Why, of course I am, and I have not asked the Senator for any information upon it.

Mr. HUGHES. I know the Senator did not.

Mr. SMOOT. I shall have the absolute figures to prove every statement I shall make to the Senate in relation to the appropriations and the expenditure of the money. I am not in the habit of making any statement upon the floor of the Senate that I can not substantiate.

Mr. SIMMONS. Mr. President, if the Senator will pardon me——

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from North Carolina?

Mr. PENROSE. I do.

Mr. SIMMONS. I simply wish to state that the figures I have given were furnished me by the Treasury Department. I made a clear statement of what they excepted out of those figures. If there is a controversy between the Senator and the Treasury Department, I can not help that. I am compelled myself to rely upon the statement of the Treasury Department as to the amount of money that has been appropriated and as to the amount of money that they estimate will be expended. I leave the Senator from Utah and the Senator from Pennsylvania to fight out that matter with the Treasury Department.

Mr. PENROSE. Mr. President, the Senator from Utah is entirely right. The figures will show, and it will be fully shown, that one billion seven or eight hundred million dollars have been appropriated in the present Congress—more money than was ever appropriated in any one year in the history of the American Government, several hundred million dollars more than in the preceding Congress, which appropriated $100,000,000 in excess of the amount appropriated by the last Congress under the administration of President Taft.

Mr. KENYON. Mr. President, may I ask the Senator a question?

Mr. PENROSE. Certainly.

Mr. KENYON. I should like to ask the Senator if such an amount was appropriated by any Congress during the Civil War?

Mr. PENROSE. I think not. I have been told not. I confess I have not investigated the matter accurately; but I have been told that even including the Civil War never was such an amount appropriated in any one year. The amount appropriated in the Sixty-third Congress was $100,000,000 in excess of that appropriated by any other Congress that had met in the history of the Government, or for many years; and that amount staggered the country. When the country realizes what this Congress has done, it will be simply dumbfounded.

I say, Mr. President, the present total of one billion seven to eight hundred million dollars will reach nearly two billion dollars before the end of this carnival of debauchery in lavish expenditures over former expenditures, because no account is taken of the amount of $25,000,000 for the Danish islands, the amount of $30,000,000 which the Government will probably have to refund as a result of the 5 per cent rebate allowed on importations brought over in American bottoms, and other matters which are likely to come up. So, before the fiscal year 1917 has expired, the figure will be more nearly $2,000,000,000 than any other figure. It will be shown later on in this debate, and it can not be contradicted, that taking the legitimate expenses for preparedness, subtracting the normal amount for naval and for military purposes and for fortifications, and adding up the amounts that could be legitimately charged to preparedness, it will still be found—and I think the Senator from Utah will bear me out—that they will be two or three hundred million dollars, or maybe more, in excess of the expenditures of any other Congress.

Under the circumstances, Mr. President, and after these figures have been placed in their right interpretation before this body and before the country, it will become evident that this revenue bill, which is expected to bring in some $200,000,000, will absolutely fail to meet even the requirements for the ill-advised and certainly not urgent projects authorized by the present Congress.

It is now said, and we have advanced the novel doctrine certainly not dreamed of when the Congress voted on these measures, that these projects are to be financed by the issuing of Panama Canal bonds. Mr. President, the American people will look upon that proceeding as a most questionable one. Since the issuing of bonds under Cleveland's administration helped very largely to bring about the downfall of the Democratic Party in the country, the issuing of bonds has been viewed with abhorrence by the Democracy in the United States; and now we find the party compelled, by reason of extravagance and inefficiency, to resort to the issuing of bonds. To defray the expenses of a nitrate plant and of a shipping board and numerous other projects by the issuing of Panama Canal bonds will be, in the last analysis, equivalent to paying for them by bond issues. These bonds are lying in the Treasury unissued, as the result of the thrift and economy and wise administration of the Republican Party. Only about $130,000,000 of bonds were issued in the construction of the Panama Canal. The balance of the cost of that stupendous undertaking was paid out of current revenues; and now to advance the novel doctrine that these bonds, which represent the thrift of preceding years, shall be issued for these questionable projects, is, to my mind, a preposterous doctrine. In fact, the first act, the Spooner Act, expressly provided that Panama Canal bonds should not be issued for any other purpose than that of the construction of the canal, and the ingenious theory that they can be issued now to repay the Treasury, and then that the money can be squandered by the party now in power to finance doubtful projects and to make good a deficit, will not alter the fact that such a deficit exists. No amount of ingenious reasoning on the part of the chairman of the Committee on Finance will alter the fact that outside of preparedness there has been at least $200,000,000 of wasteful appropriations and expenditures in the present Congress. That condition of the Treasury will absolutely necessitate the withholding of contracts for battleships and delay the whole scheme of preparedness. The figures of the Secretary of the Treasury may be juggled as they may, but when the Secretary of the Treasury is up against the brute fact of not having money to pay for these projects he will then find that figures will not make a surplus in the Treasury.

Mr. President, I do not intend to discuss this bill at any great length this afternoon, but I want to call attention to one feature of it which seems to me worthy of referring to briefly, and I do it good-humoredly—that is the peculiar history of this measure.

We are called upon to consider a revenue bill of extraordinary importance, introducing novel methods of taxation, so far as all precedents in American history are concerned; and this extraordinary measure has been delayed until midsummer and has been before the Congress and been before the American people but a short time. The Senate of the United States and the minority are called upon to consider this bill, to amend it, if may be, or try to amend it, in the brief period of a week and a few days which remain for the present session of Congress. This revenue measure was introduced in the House of Representatives on July 1. It must have been evident to the Democratic leaders in the House and to the administration that additional revenues would be necessary, and yet no meeting of the Ways and Means Committee was held, no public discussion was had of the methods of raising revenue; nothing whatever was done until the beginning of the fiscal year 1917, when this measure was introduced in the House on July 1, 1916. It was reported to the House on July 5 and passed on July 10. Where the bill has been during its incubation during the six months of the present session of Congress I am at a loss to imagine. I attach no importance to the rumors that many of its provisions were bandied around in New York among German chemical importers and among large contributors to the Democratic Party campaign fund who were interested in some of the income-tax provisions, or among importers who were concerned in the antidumping provisions, because I know how often such reports are spread abroad, and I confess I have not taken the trouble to investigate whether ther- is any foundation for them or not. But we have the remarkable situation of a revenue bill not presented to the Congress or to the people of the United States until July 1, after the Congress had been in session all winter and when it was evident in the speeches in the House of Representatives and in the statements of the chairman of the Committee on Appropriations that a deficit of at least two or three hundred million dollars was facing this Government. Why this delay occurred I am at a loss to understand.

What has become of the "pitiless publicity" which we read about during the campaign in 1912, when the present administration was placed in power?

Mr. STONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Missouri?

Mr. PENROSE. Yes.

Mr. STONE. The Senator was wondering why the revenue bill had not been introduced earlier than it was in the House.

Mr. PENROSE. Yes.

Mr. STONE. I remind the Senator that the Congress, responding to the popular demand or what seemed to be the popular demand, urged on by the Senator from Pennsylvania among others, was facing a situation, or a likely situation, that would require very much larger appropriations than usual, than what might be called normal appropriations; and until the congressional policy was developed and disclosed, and until the demands that would come upon the Treasury were better known, I submit to the Senator that the Ways and Means Committee of the House and the Finance Committee of the Senate were almost compelled to delay action to see what the demand upon the Treasury would be.

Mr. PENROSE. Mr. President, perhaps there is something in the contention of the Senator from Missouri, in view of the vacillation and change of front of the Wilson administration upon the question of national defense. In the beginning of his administration the President was "too proud to fight," and later on, toward the middle of it, he seemed to be getting ready to fight anybody. However, there seems to have been a defined issue in favor of preparedness early last winter; and why this bill should have been left until as late as July 1 before its introduction is to me incomprehensible, unless it is a result of that dilatory method of transacting legislative business to which I intend to refer later on in this debate.

But be that as it may, the bill was introduced on July 1, and reported to the House on July 5, four days being given to the minority Members of the Ways and Means Committee and of the House of Representatives to consider the bill. I quote from Mr. FORDNEY in the House of Representatives. In speaking on this measure, he says:

> I received a copy of this bill, I think, on Saturday last, the first real evidence I had of what was going into the bill. On Monday night, at half past 10 o'clock, I received by special messenger a copy of the report on that bill as prepared by our Democratic friends, and I want to read to you just one brief statement in that report, to show you what it has to say and what part Republicans had in its make-up. Remember, I received this report Monday night at half past 10 o'clock. It reads as follows:
>
> "The Committee on Ways and Means, to whom was referred the bill (H. R. 16763) to increase the revenue, and for other purposes, having had the same under consideration, report it back to the House without amendment."
>
> [Laughter.]
>
> I received that on Monday night, and on Tuesday morning I received a postal card stating that the Ways and Means Committee would have a meeting on Wednesday morning at 10 o'clock to consider the bill.
>
> Mr. MOORE of Pennsylvania. Will not the gentleman explain that Tuesday was the 4th of July, and Monday was by common consent a holiday?
>
> Mr. FORDNEY. Yes; every patriotic citizen knows that Tuesday was the 4th of July, and most of the Members, Democrats and Republicans, were out orating somewhere.

Then, Mr. President, the bill passed the House of Representatives July 10, five days after its report to the House, without any real consideration or proper debate, without any opportunity to have the newspapers of the country examine its provisions, without any opportunity for public sentiment to crystallize upon this question or that question arising in the bill.

Mr. HUGHES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from New Jersey?

Mr. PENROSE. I do.

Mr. HUGHES. The Senator is, of course, familiar with the fact that 1 Republican member of the Ways and Means Committee and 28 Republican Members of the House of Representatives voted for the bill.

Mr. PENROSE. I am fully aware of that fact, and I think they made a great mistake, and I believe very few of them would vote for the bill if they got another chance at it. They did not quite understand what they were doing. Those mistakes are made continually by legislators. Every gentleman who voted for the bill voted, in my opinion, under a misapprehension, and he has been very severely criticized, not only in his own district but throughout the country, since he cast that vote.

The bill came over on the next day to the Finance Committee, on July 11; and from that date until August 16 it disappeared in the dark mysteries of the locked room of the Democratic caucus. No intimation whatever was vouchsafed of the progress being made on the bill. Only an occasional revolt occurred such as we witnessed here this morning, when one or more Democratic Senators refused to obey the party lash. Contradictory reports appeared from day to day in the newspapers, one day apparently the majority in the caucus determining upon a schedule or upon a method of taxation, and the next day reversing themselves. While all this was going on, the Senate was called upon to sit from 10 o'clock in the morning until half past 6 in the evening to consider legislation of vast importance.

The minority Republicans were here, doing their duty by responding to the calls for a quorum, and really maintaining a quorum here, in their desire to close up this session at an early date, while the majority, who should have been here and maintained a quorum, were hidden behind locked doors acting upon this revenue bill.

Mr. President, I have stated frequently, and I do not intend to expand upon it now, that this method of legislation is really the nullification of all legislative procedure. The essence of legislation is that the doors shall be opened, that the public shall be witnesses of what we do here, that we shall keep a journal of our proceedings, and that a record of the votes of the Senators shall be had for the information of the public. But if a majority can absent themselves from the legislative Chamber, and a majority of that caucus can coerce the whole caucus to agree upon legislation, it amounts to legislation in the dark, and a control of legislation by a minority, perhaps, of the whole body.

Mr. President, the caucus has existed in the whole history of the American Republic. I shall not go into its history. It was primarily a method devised to select candidates. It arose in the American Congress in connection with the nomination for the Presidency. It spread into our State legislatures, where the legislative officers were nominated by each party and determined on; and it gradually became so hateful and obnoxious to the people that it ceased to exist in its original form and extent, and gradually became supplanted by the system of party conventions. The caucus has continued to some extent down to our own time for certain general purposes, such as agreeing upon the officials of the legislative body for whom the party shall vote, but never, Mr. President, has there been a more high-handed use of caucus methods to coerce the members of the majority upon legislation than has prevailed in the last Congress and the present one. It has been carried to such a pitch that, in my opinion, sooner or later the American people will become awakened to its evils and will repudiate the Democratic caucus, as it is now in vogue, as absolutely as they repudiated the caucus in the first part of the last century and adopted the system of party government through conventions.

Reference has been made to the fact that the Republicans hold conferences. Mr. President, I defy anyone to cite a single instance where the Republicans in the United States Senate have ever held a caucus upon matters of legislation. It is distinctly understood that the conferences of Republican Senators are meetings held for an interchange of views, and that no one is bound thereby. Seldom is there even a yea-and-nay vote taken. I do not recall any for a long time, if at all, during my service in this body. It is simply a meeting for the interchange of views, seldom held at all; and I do not recall, during my service in the Senate, any time when a measure of legislation was mentioned or even suggested at a conference of Republican Senators. They might meet to take up the question of when we should have an adjournment, or of the nomination of a President pro tempore, or of the appointment of committees, or some detail of party organization of that kind, but in no way approximating to the condition which we have had partly disclosed in the debate this morning, where it appears that there is a written rule that a two-thirds vote of all the Democratic Senators is morally binding upon the others in the caucus, so that, notwithstanding his oath of office, notwithstanding his convictions and his beliefs, a Democratic Senator is compelled to surrender his responsibility as a Senator of the United States to the iron-clad rule of a two-thirds vote in a party caucus.

In most cases the majority in this Chamber have succeeded in holding their members for nearly everything that was determined upon. Occasionally there has been an outbreak in this and in the preceding Congress; but the fact remains, Mr. President, that the public is kept in the dark. The theory of "pitiless publicity" which was painted in such beautiful colors by President Wilson when he ran for election seems to have fallen into innocuous desuetude.

But be that as it may, Mr. President, the bill was finally reported to the Senate committee on August 16; and on the same day, without explanation or discussion, it was ordered to be reported to this body, and is now under consideration by the Senate.

I thought it my duty, Mr. President, before going into the consideration of the merits of the measure to call attention to the methods by which the bill has been brought to its present stage. The Republicans can hardly be called upon under these circumstances to endeavor to amend or perfect the measure to any considerable extent. The responsibility for the extravagant and the reckless expenditures authorized by the present Congress is certainly not placed upon the Republican minority in either branch of Congress. While the necessity for more

revenue is recognized, the responsibility is distinctly upon the party in power, who by their appropriations have brought about this condition to provide the ways and means.

If the Republican majority had the responsibility placed upon them, they would doubtless look upon the measure from an entirely different point of view. They would first consider what could be raised from the customhouses and then what equitable proportion ought to be taken by direct taxation after that had been exhausted.

I intend, Mr. President, to speak at length during the debate on this measure later on; but other Senators desire to address the Senate this afternoon, and I shall not proceed with my formal speech until to-morrow.

Mr. THOMAS. Mr. President, there can be no doubt that the appropriations for the fiscal year are considerably in excess of those of the past year, and that the appropriations for that year were in excess of the previous one. The fact has been due to numerous causes, some of which are the natural growth of the country, the extension of Federal activities, and the constant expansion of bureaus and departments. Some of them, in my judgment, have been entirely unwarranted and unnecessary, in which I include the great bulk of the appropriations for so-called preparedness.

It is quite true, as the Senator from Pennsylvania [Mr. PENROSE] says, that the party in power is responsible for the Government including the making of appropriations and the providing of revenue. But it is equally true, Mr. President, that the minority shares this responsibility in so far as it contributes to or acquiesces in the action of the majority.

During the past Congress and the present one occasional efforts have been made in behalf of economy, sometimes by Senators upon this and sometimes by some part of the Senators upon the other side of the Chamber. I have often had occasion to call attention to the fact, however, that these efforts have been individual and have not been supported on either side of the Chamber by any unanimity or anything that approached unanimity of action. I do not recall any of the items going to make up the general aggregate of appropriations to which there has been any partisan opposition or any combined opposition from Democrats or Republicans. I do not recall in any of the bills which are called "pork-barrel" bills any more disposition upon the part of the Republicans of this Chamber than upon the part of the Democrats of this Chamber to reduce or to economize.

I know that the Senator from Iowa [Mr. KENYON] made an earnest and an honest and a hard fight against the so-called rivers and harbors bill, and that he has been equally active, although, perhaps, not so persistent, in opposing other measures designed to take money from the Treasury. But, Mr. President, these measures received constant support from Republicans as well as from Democrats, and for the obvious reason that they contained items of appropriation peculiar to the States represented here by Republican Senators. I have yet to see any instance of what may be called party opposition to the increase of appropriations made during either this or the last Congress. Indeed, I may go further and say, because the record bears me out, that the Republican Party is particeps criminis to the increasing of public expenditures and the consequent necessity for increased revenue.

Now, take the subject of preparedness. Mr. President, the appropriations made by this Congress—and which Republicans declare are inadequate—for the sole purpose of so-called preparedness aggregate a sum of money under which the imagination staggers in the attempt to comprehend it. The New York World, in its edition of August 19, published a fairly accurate statement of the appropriations for preparedness, the aggregate of which is $662,476,512.91 for the defense of the United States, as it is called, being $403,710,421.89 more than was appropriated for defense last year, the total for 1915 and 1916 being $258,766,091.02. The preparedness appropriation of the present Congress are distributed by the World as follows:

Navy, $313,384,389.24.
Army, $267,596,530.10.
Fortifications, $25,747,550.
Military Academy, $1,225,042.07.

I think, Mr. President, that is inaccurate. My recollection is that the academy appropriation is considerably larger.

Nitrate plant, $20,000,000.
Army and Navy deficiency, $34,523,000.

Mr. WARREN. Mr. President——

Mr. THOMAS. I yield to the Senator.

Mr. WARREN. I notice among the last items mentioned $20,000,000 for a nitrate plant. I have understood, and I think correctly, that that was an agricultural proposition in the main. Although convenient to call it a matter of preparation, the main issue was agricultural. It was reported from the Committee on Agriculture and Forestry and it came from that department. It would not have been passed surely upon its merits if the Army alone had been involved.

Mr. THOMAS. I know, Mr. President, that during the discussion of the measure it was insisted that the surplus products of the proposed nitrate plant should be utilized for agricultural purposes. The bill received support because of that phase of the subject, as it also inspired opposition for the same reason, a great many contending that the bill really introduced Government action and operation in the manufacture of fertilizers and was therefore objectionable. By some it was characterized as an approach to socialism. But, Mr. President, the underlying fact is that the bill was inspired by the propaganda for preparedness. The bill was supported and championed by the junior Senator from Alabama [Mr. UNDERWOOD] primarily for that reason, secondarily because of the feature to which the Senator from Wyoming adverted. But without regard to the committee which reported the bill, I think I am safe in saying that it would not have been considered, certainly it would not have been successfully considered, except for the ability of its proponents to throw about it the glamor of preparedness, calling attention to the necessity of a home supply of nitrates absolutely essential to the manufacture of explosives, calling attention to the additional fact that we were dependent entirely upon Chile for this commodity, and if our relations with Chile were in anywise interrupted we might be cut off from this needed war material, and in consequence we might suffer serious disaster.

Mr. WARREN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Wyoming?

Mr. THOMAS. I yield.

Mr. WARREN. I do not shrink personally, and I do not think my party shrinks, from the legitimate cost of preparation, and we know, of course, that the appropriations must be larger on that account; we know that funds must be raised accordingly. But I think we ought to be generous enough to give other departments credit for what they have secured benefits in.

The matter of this nitrate plant arose entirely in the Agricultural Department, and the Agricultural Committee had exhaustive hearings. Of course, it was convenient to use its availability in war measures, but it is purely agricultural. The main thing was to so hide the real purpose that the Government could sell and not directly and openly outrage the Constitution by entering into trade and commerce as such. So it was largely loaded on the Military Establishment and held there for that purpose, with the possibility (?) that we would sell the overplus, and so forth; but, as a matter of fact, it was proposed, and doubtless would have been carried out, with the strength behind it, if there had not been any such thing as preparedness, because it was insisted that it was needed in agriculture, especially in the cotton fields.

Mr. THOMAS. Mr. President, the Senator knows, of course, that while the bill for the establishment of a nitrate plant was reported from the Agricultural Committee, it was incorporated into the bill for national defense.

Mr. WARREN. Yes; for the reason——

Mr. THOMAS. And it was in that bill, and as a consequence it is legitimate to characterize it as one of the appropriations made for that purpose.

Mr. WARREN. For the World in its editorial, yes; but for the Senator and myself, who were here, it is only fair to admit, as he has done, and as I have asserted, that while it was helped in that way, and while the Military Establishment was used to carry the appropriation, it was nevertheless an agricultural measure, and its purpose was to conduce to agriculture first and foremost.

Mr. THOMAS. Mr. President, I have admitted, as of course I must admit, the agricultural feature of that appropriation. For the purpose for which I rose I do not know that it is particularly important. I mention these appropriations, however, as being among those which receive, I will not say the unanimous, but the overwhelming support of the Republican Members of the United States Senate; and that party in its platform indicates quite clearly that it is not even satisfied with this vast amount of money designed for the purposes to which I have called attention, and which, in my judgment, is two-thirds larger than there was any necessity for, two-thirds larger than it would have been but for the fact that the country is in a state of hysteria created by the tremendous conflict across the seas, and by the appeals that have been made to the American people, through which their fears have been aroused, in consequence of which they have been forced over the so-called precipice of preparation.

I want to say here and now, although I am neither a prophet nor the son of a prophet, we are only upon the threshold of appropriations for so-called preparedness. This country has taken the plunge, and from now on we shall have as large a Navy as any country in the world, while the accretions of our Army will continue until it also shall be able to measure strength with those of the empires of Europe. We have changed our policy and will become more or less a military people.

What I regret is that the Democratic Party while in power has taken the initial step in this new policy, and it is not surprising that it has not only taken the step but that the opponents of that party are now holding it responsible for its efforts to raise a part of the revenue necessary to meet these expenses. The Republican convention at Chicago said:

We must have a Navy strong and so well proportioned and equipped, so thoroughly ready and prepared, that no enemy can gain command of the sea and effect a landing in force on either our western or eastern coast. To secure these results we must have a coherent and continuous policy of national defense, which even in these perilous days the Democratic Party has utterly failed to develop, but which we promise to give to the country.

If for some punishment of our national sins our destiny should again pass under the supremacy of the Republican Party, we will find the Senator from Pennsylvania defending appropriations made by the Congress of the United States compared with which the hundreds of millions which now seem so appalling to him will be almost as nothing.

Mr. President, I have said that two or three Members of the Senate on the Republican side have fought for economy, and two or three only. Unfortunately, the Senator from Pennsylvania was not one of them. If during the passage of the laws creating appropriations, except when we discussed the naval bill, which threatened the armor-plate factories of the Senator's State, he was present here to oppose any of the appropriations which he now denounces, I am not aware of the fact.

Mr. PENROSE. Will the Senator allow me?

The PRESIDING OFFICER. Will the Senator from Colorado yield to the Senator from Pennsylvania?

Mr. THOMAS. The fight was made by two or three other Senators upon that side of the Chamber, who did not have when they needed it the powerful support of the Senator from Pennsylvania, but who now so severely denounces the Democratic Party for its extravagance.

I yield to the Senator.

Mr. PENROSE. I think the Senator will discover that I was paired during my absence. I had felt that I could not do much to stem this tide, but I want to assure the Senator that had I ever dreamed of the extent to which the party in power would have gone my return would have been much earlier than it was. It has been done only recently, and I have been astounded to witness the condition in which the majority have gotten the Government.

Mr. THOMAS. Mr. President, it is said that deathbed repentance is better than no repentance at all, and I am glad that the Senator finally learned during his absence that the Treasury of this country had been imperiled by Democratic extravagance and inefficiency, and that he hastened therefore to resume his place among us and give us the benefit of his cheerful presence and his wiser counsel.

But, Mr. President, I am afraid, and I shall refer to that subject later, that we may not have the Senator with us much longer than this session shall last. I have had, as a matter of curiosity, an examination made of the RECORD for the purpose of determining the extent of the Senator's presence and absence since the Democratic Party has been in power. Of course, I am aware that the Senator is paired; I could not be otherwise, because in about 75 per cent of the roll calls his pair announced the fact that he was paired with the Senator from Pennsylvania and therefore withheld his vote because of that Senator's absence.

Mr. President, the Senate convened in the Sixty-third Congress immediately after the inauguration and held four sessions, at each of which the Senator was present. We then had a special session, which convened in April and lasted until some time in November. The Senator was present 49 times and absent 62 times when the roll was called.

At the second session of the Sixty-third Congress, which began the first Monday of December and continued into the month of October, 1914, the Senator answered at 18 and was absent at 494 roll calls in a total of 512.

At the third session he did a little better. He was present at 29 and absent at 95 roll calls. In the first session of the Sixty-fourth Congress, up to and including August 10, 1916, he was present 44 times and absent 214 times out of a total of 258.

The RECORD upon the yeas and nays I will not read, but it shows a similar discrepancy. I have here the percentage of answers upon roll calls and also upon yeas and nays, which I ask to insert in the RECORD as a part of my remarks.

The PRESIDING OFFICER. If there is no objection, the request will be granted.

The matter referred to is as follows:

Attendance record of Senator Penrose, Sixty-third and Sixty-fourth Congresses.

Congress.	Session.	Roll call.			Yeas and nays.		
		Present.	Absent.	Total.	Voted.	Not voting.	Total.
Sixty-third	Special	4	0	4	1	4	5
Do	First	49	62	111	78	69	147
Do	Second	18	494	512	29	268	297
Do	Third	29	95	124	33	83	116
Sixty-fourth	First [1]	44	214	258	44	171	215

Congress.	Session.	Roll call.		Yeas and nays.	
		Present.	Absent.	Voted.	Not voting.
		Per cent.	*Per cent.*	*Per cent.*	*Per cent.*
Sixty-third	Special	100.00	0.00	20.00	80.00
Do	First	44.14	55.86	53.06	46.94
Do	Second	3.51	96.49	9.76	90.24
Do	Third	23.39	76.61	28.44	71.56
Sixty-fourth	First	17.05	82.95	20.46	79.54

[1] Up to and including Aug. 10, 1916.

Mr. THOMAS. Now, the Senator has been very regular in his attendance during the past month or so. It is a surprising fact. I think the fact is accounted for by a description probably based upon facts, although, of course, colored somewhat when described by the facile pen of Mr. Blythe, that it is due in part to the reception which the Senator and some of his immediate political associates received at the hands of their new-found presidential candidate some time last June. Mr. Blythe in the Saturday Evening Post gives a very amusing description of that reception, which he calls "The agony of strong men," and I will read it with the permission of the Senate:

THE AGONY OF STRONG MEN.

It was approximately high noon on June 10 when the Republicans nominated Mr. Hughes and announced they would begin an active campaign immediately. The Republican idea of an active campaign, for the space of 30 days, so far as could be discerned, consisted in the appointment of Mr. Willcox as chairman and the entertainment of Col. Roosevelt at luncheon by Mr. Hughes, the one function being about as exciting as the other, but both well calculated to have their effect on the needed Progressives; for Mr. Willcox is a nice, amiable, subdued person, who had no part in the foul crime of preventing the nomination of Mr. Roosevelt by the Republicans in 1912; and it was plainly apparent that Mr. Hughes did not have poison put in Mr. Roosevelt's soup. The colonel came away in his usual buoyant health, which showed that these two strong men stood again shoulder to shoulder in the great work of keeping their ideals herded in one place.

This was what we learned for 30 days, this and the important facts that Mr. Hughes allowed two men to sit in his drawing-room on a train and smoke; that he likes apple pie; and that the Democratic story that he trims his own beard is a canard. But it was not what we might have learned had there been full access to the interior proceedings. Oh, it is a sad, sad story, mates, the tearful tale of the agony of strong men, the slaughter of ambitions, the sobs of BOIES PENROSE—could anything be sadder than the sobs of BOIES PENROSE? The answer is, "Nothing could be."

I might digress by saying that nothing perhaps could be sadder except it be the Senator's appeal for economy here.

Picture to yourselves, if you care to, that eager and enthusiastic little company of Old Guardsters hurrying from Chicago to congratulate the candidate, confer with him, and do a modicum of innocent conniving on the side. They were in high and happy spirits, a merry little party, consisting of Murray Crane, who softly hummed to himself those immortal lines about the fierce ingratitude of forgetting auld acquaintance; BOIES PENROSE, who joined his deep and resonant bass with the murmuring tenor of Mr. Crane; REED SMOOT, who as befits his apostolic position smiled sedately; James Hemenway, all aglow with enthusiasm, Bill Barnes, blissfully letting bygones be bygones; and others all lit up with the extreme pleasure of the glad occasion.

Merrily they rolled along, rolled along, rolled along, and all was halycon.

"You see," said BOIES PENROSE, "we'll get there first, and now that we have nominated him we'll just take hold of things and run the campaign in the good old way."

"Hear! Hear!" shouted Bill Barnes. "We'll run the campaign in the good old way."

And so it went, the light-hearted committeemen joking and jesting one with another, and recounting the bountiful olden times when they put it over so expertly.

At last their journey came to an end, and entering the room where their candidate stood waiting to receive them they joyously overwhelmed him with congratulations, which he, discarding for the nonce—that's two nonces for this article—his cold and reserved and dignified judicial manner, received as joyously, and a pleasant time was had by all.

"Now, then, Mr. Hughes," said Bill Barnes, clapping the candidate heartily on the back, "let's get down to business."

"Business?" asked the candidate in a rather distant manner. "What business?"

Somewhat taken aback by the tone in which the candidate made this inquiry, Mr. Barnes endeavored to appear at ease none the less, and said familiarly: "Why, the business of running the campaign, old top. You understand what I mean, of course?"

Whereat Uncle Murray Crane and BOIES PENROSE winked in unison, a very difficult feat, for Mr. PENROSE is 6 feet 3 and Mr. Crane 3 feet 6, or some such stature, and it is almost impossible to wink in unison when there is such disparity of visional range.

Straightening himself to his full height, and stroking his carefully combed whiskers, the candidate replied: "I trust I may be believed, gentlemen, when I say to you that I positively do not understand."

There was a chill, almost a finality, in these words that sent a shudder through the assembled committeemen.

"Don't understand?" repeated REED SMOOT in his most unctuous manner.

Of course, we can in the Senate realize what that is.

"Why, Mr. President-to-be, it is very simple and regular, quite regular. We are here prepared to take the burdens of the campaign from your shoulders—conduct it for you, you know—and all at your most loyal service."

"Exactly so," whispered Murray Crane.

The candidate looked slowly round. The temperature of the room fell rapidly.

"But, gentlemen," he said, "there are the Progressives to consider."

"The Progressives," shouted Bill Barnes. "Great heavens, you are progressive enough to suit them, I dare say."

"It may be so, gentlemen; it may be so. But I fear that you are not."

It was as if 2 tons of ice had been unloaded in the room.

"We—are—not?" gasped BOIES PENROSE. "Why, Mr. Hughes, what do you mean?"

"I regret that my words have been susceptible to misinterpretation. It means that you are not progressive enough to run my campaign. It is our duty to preserve our ideals and conserve the ideals of the others. I trust I make myself clear? We must have Progressives on our committee, and men not hitherto identified with the practices that, I regret to say, have brought our grand old idealistic party somewhat into disrepute."

"But we nominated you," wailed Bill Barnes.

"I didn't ask you to," responded Mr. Hughes in his calmest and most judicial manner.

'Twas even so, and 'twas even so much more so than Mr. Hughes surmised, that the old guard were aghast. All merriment had left their hearts. Here, apparently, was a person who had the Progressive vote in mind.

WORDS HUNG WITH ICICLES.

"It must be apparent to you," said the candidate, each word having an icicle on it, "that unless we secure the return of the Progressives to the Republican Party we can not hope to win. It has appealed to me, in my consideration of this matter, that victory is the object for which we shall laudably strive. For whatever you gentlemen have done for me I am duly grateful, but I must ask you to divorce yourselves from the open conduct of my campaign, inasmuch as there would certainly be Progressive protest against you."

Well, speaking in broad and general terms, that is about the way it happened—not precisely, of course, but with enough of the high lights shown to make the picture.

Cast an eye over that executive committee, appointed at the end of the thirtieth day. The name of W. Murray Crane is not there, nor that of BOIES PENROSE, nor that of REED SMOOT, nor that of Bill Barnes. To be sure, the names of a few of the former satellites of these are there, and James Hemenway, the best politician of the lot of them, survived the smash, which proves that even in preserving ideals Mr. Charles Evans Hughes has good, workmanlike ideas as to handy preservers for the first thing; and, second, that W. Murray Crane wasn't so far in the bad books as might have been imagined.

Moreover, there you will discover the name of George W. Perkins, who ran and financed the Roosevelt campaign four years ago, who was so active at Chicago. Likewise the name of Oscar Straus, who ran for governor of New York when Mr. Roosevelt was running for President, and various and sundry other names calculated to inspire confidence in the bosoms of the Progressive brethren. It will be a stern and very set Progressive who can not find excuse for following this skillfully selected bunch of Progressives back to the old allegiance.

And it was during the course of the assault on the candidate for recognition that BOIES PENROSE sobbed. It was a sad sight, a sad, sad sight.

"Murray," he said to Mr. Crane—"Murray, can't I go on that committee?"

"No, BOIES; I am afraid not."

"Well, will you fix it so I can be appointed and decline? It breaks my heart to be thus unrecognized, and it may break my organization." Uncle Murray, being a sympathetic man, made another try. It was useless, and then those gigantic shoulders shook and that broad bosom heaved. It's a cinch that it is a sad sight to see a strong man sob. Bill Barnes didn't sob. He cussed. And even if they are now on the committee, those Progressives, headed by George W. Perkins and suggested by the Colonel, didn't have such an easy time as their Chicago maneuvers contemplated.

Mr. President, I have said that this is a grotesque description of what probably was the actual situation. The Senator from Pennsylvania [Mr. PENROSE] is not at the Republican headquarters. He is not welcome there. If he went there, Mr. Roosevelt would bite him; if he went there, the check book of Perkins would shut with a bang that would resound over the continent. Consequently the Senator is an exile; he is serving his sentence of banishment here. He is perforce occupying his seat in the Senate of the United States and finding fault with Democratic extravagance and Democratic expenditures. I think I have fully accounted for the fact that we have been blessed with his presence here, which illustrates the truth of the old adage that there is a silver lining to every cloud. The national Republican committee's loss is the Senate's gain. I have no doubt the Senator will remain here for that reason until we adjourn; and for the very good reason also that he has no other place to go. Of course the Senator can not remain here without being conspicuous, and what could make him so conspicuous as to denounce Democratic extravagance, which he might possibly have prevented, or at least might have opposed by being in his seat and calling the attention of the country to the fact at the time it occurred?

Mr. President, of course the Senator's sensitive nature shrinks from contact with caucus methods and caucus measures. It is a method of procedure which, I believe, he said had received popular condemnation about a century ago, and which should have remained in the oblivion to which it was then consigned, and would have remained so but for the fact that it was unearthed and resurrected by the unconscionable Democrats in order that a minority might be coerced into doing wrong. Mr. President, I have spoken upon the subject of the caucus once or twice before. I believe in it. There are, of course, possible abuses that inhere in every system; but in party organization there must be unity of action, and unity of action can be secured better by common agreement—conference, caucus, or what you please to call it—than by any other method that has ever addressed itself to my sense of what is efficient and proper.

The only difference in the world, so far as conclusions go, between the Democratic method and the Republican method is a difference of description. We call our meetings "caucuses," and we have no apology to make therefor. The Republicans call their meetings "conferences," and they are careful to distinguish between the two, if they can. Now that the Senator from Pennsylvania is back in his seat, it is highly probable that his political friends will respect his tender sensitiveness to the subject and rechristen their meetings by calling them "synods"; with that appellation they will be still less offensive to his conscience and high sense of political propriety.

When it comes to results and conclusions, what are the differences? I have yet to observe after a Republican conference is held anything but unanimity of action upon the floor. When these little meetings, which are so harmless in their nature, if we are to believe the Senator from Pennsylvania, are "pulled off," those who participate in them come in here, and, although they are not "coerced," they seem to act harmoniously and effectively, as witness the performance of yesterday. When the motion of the Senator from South Carolina [Mr. SMITH] was submitted to take up the immigration bill every Republican who was present voted "yea," although I am quite sure that some of them voted against the immigration bill two years ago. It was the result, no doubt, of a conference, blessed in the eyes of the pure and the good, and not a caucus, denounced in the same circles as altogether bad.

Mr. President, I never saw any reason for drawing distinctions in names when the substance was the same, and as the substance of conferences seems to be even more effective in its results than the caucuses of the Democratic party, we may congratulate our Republican friends in securing whatever virtue there may be in a name and in securing as well benefits regarding which there can be no question, if we are to consider them from the standpoint of party. So, Mr. President, the method of our procedure and the method of Republican procedure furnish only the difference which exists between tweedledum and tweedledee, especially when you consider the rules under which we act and which have been discussed so much and so frequently that the Senate and the country are as familiar with them as are the members of the caucus itself.

Another thing which seems to give offense to our friends upon the other side, who denounce it chronically and roundly and vehemently, is the interference, as they call it, of the President of the United States with the legislation of the country.

Mr. President, it is true that Woodrow Wilson has impressed his views and his ideas of legislation upon the statute books of the Nation and has cooperated, and cooperated heartily, with his party in efforts to secure needed legislation. Before his nomination, before his name was ever mentioned for the Presidency of the United States, he announced in one of his publications what his views of the Presidency with regard to that subject were, and he has consistently followed them, followed them successfully, and has thereby established his right to leadership. Because of that fact he is to-day the strongest, the most popular, and the most powerful of living statesmen the world over. His methods seem objectionable to our friends upon the other side. They would prefer such a President as the late Senator Dolliver, of Iowa, described—"a large, good-natured man, surrounded by a coterie of gentlemen who know precisely what they want."

Mr. President, if my memory serves me aright, the predecessor of that good-natured gentleman was himself something of a leader, something of a driver. He may not have come to the Capitol, but he impressed his views upon the party majority, and they never failed to obey him.

I have never been a follower of Mr. Roosevelt, but I have always admired him as a leader, a dominant master of men. When he was President he was President, indeed. I have no doubt that many Senators of his party feared and hated him while they obeyed him, and obeyed him faithfully. His hold upon the American public is due to the existence and exercise of those dominating qualities which characterize Woodrow Wilson.

Strange it is that the Republican presidential nominee is charging Mr. Wilson with being inept and vacillating, while Republican Senators declare that his will is so powerful and his domination so great that he has usurped the province of legislation and requires the enactment of statutes when and where he thinks will be best for the country—a man evidently of contradictory attributes, vacillating in some directions for political purposes and dominating in others for the same purposes.

If there be any strength at all to Mr. Hughes as a public man, it lies in his domination of his party when he was governor of the State of New York. He then impressed his views upon legislation. He was denounced for usurping the province of a coordinate branch of the Government. He took the people into his confidence, and by visiting and talking to constituencies forced the action of the New York Legislature upon all important matters.

Should he be elected, if he amounts to anything as a President, he will do precisely what he did as governor; precisely what Mr. Roosevelt and Mr. Wilson have done as Presidents. Otherwise, although not large and round, he will be a good natured man, surrounded by the same gentlemen who will know precisely what they want.

Mr. President, we have no apologies to make for our President. We are quite content to follow his leadership, for he always leads to the right and always leads to victory.

Mr. President, I propose later to have something further to say while this bill is under consideration with reference to some of its features; and I think that, notwithstanding the objections urged and to be urged by the distinguished Senator from Pennsylvania, we shall manage to present the country with a fairly good bill for the purpose of meeting some of the increases in our appropriations, for which the vote of the complaining Senators upon the other side together with our own were cast, and for which they are alike responsible.

Mr. MARTINE of New Jersey. Mr. President, I was very much interested and very much amused when the Senator from New Jersey [Mr. HUGHES], in answer to some of the remarks of the Senator from Pennsylvania [Mr. PENROSE], asked that Senator if he was not aware that some 28 Republicans in the other House had voted for the pending measure, to which the Senator from Pennsylvania responded that he was aware of that, but that he questioned their good sense and their good judgment. There is no doubt about his superior sense and general good judgment; but there are some within the ranks and pale of the Republican Party that disagree even with the distinguished Senator from Pennsylvania.

I have treasured up for some months an editorial that struck me as being very forceful. I will say that it is from that paper that you as a party believe in. Of course it is the New York Tribune. That paper had an editorial some few months ago, headed "The Bourbons." I will read this portion of it:

It is impossible to read the reports of the Republican gathering in Washington—

You Senators who were a party to it of course remember a gathering at Washington of the Republican leaders—

It is impossible to read the reports of the Republican gathering in Washington without a feeling that approximates contempt. In charge of this assemblage, it would seem, are the men whose very names have become odious to millions of American voters. Predominant in the discussions that are published is the spirit that provoked the revolt of 1912. Is it true, as every outward evidence would indicate, that the Republican leaders are now planning to return to power, as did the Bourbons, having learned nothing, having forgotten nothing?

Then further on, the editorial continues:

Here, it would appear, is the present Republican policy in a narrow compass: Avoid all questions of principle, make your appeal so general that German-Americans angry with the President for his modest efforts in behalf of national honor and American-Americans profoundly angered by the smallness of this same effort can cast votes together in perfect accord and without in the least irritating each other. The main, the sole thing is to win, and the winning is to bring back into party power Barnes and PENROSE and all the interesting figures whose names are a part of recent political history.

Now, mind you, this is not a Democratic effusion; it is from the Republican Bible and gospel.

* * * * * * *

If the Republican Party is now to place all principle at one side, if it is now to attempt to compromise, to collect all elements and factions by a facing-all-ways course, it is just conceivable that it may win another election, but it is morally certain that it will not endure, that it will presently be driven into outer darkness and be abandoned by a generation which is coming on the political field, desires leadership, is willing to stand for principles and for true doctrines and feels for the old Republican Party no allegiance founded on resentment or tradition.

The Republican Party can not endure as a mere catch-all of opposition to Mr. Wilson or to Democratic candidates. It can not exist merely as a mysterious agent of prosperity and exponent of the "capacity to rule." It can not endure or permanently hold power if it has nothing to offer the people of the United States but the mistakes of Mr. Wilson and the old phrases and campaign cries of 1896. It began its life as the party of moral indignation and national purpose; it will end it and end it ingloriously if it chooses now to be merely the party of material welfare and to rest its claims solely upon the mistakes of an opponent who has wholly adopted the same gospel and is seeking to steal the "full dinner pail" and the "business as usual" mottoes of the Republicans, with some measure of success.

I will ask my distinguished neighbor from Pennsylvania, the Senator from that State, to remember that this is an effusion of one of the exponents of the Republican gospel, the New York Tribune. I might have imagined the distinguished Senator from Missouri [Mr. STONE] saying this, or the distinguished senior Senator from New York [Mr. O'GORMAN] or myself, if I had the wit, but not a Republican paper:

In this situation could there be anything more contemptible, more provocative of indignation and wrath, than a little group of selfish politicians, already discredited by past defeat and public castigation, sitting down together solemnly in the National Capital and planning to get back to power by avoiding every semblance of courage or principle, by pandering to the passions of half a dozen mutually antipathetic factions and seeking to harness to their own cart every present popular emotion without taking firm ground or honest stand on any issue whatsoever?

There is more of the editorial than I have read, which it would be well for the Senator to read and for his party to take to heart, in order that it might not continue to make itself ridiculous. As a party you have no issue; you are just simply parading our mistakes. The public tried you, disapproved you, and condemned you. The Democratic Party is in power, and notwithstanding the loud effusions of your standard bearer in the far West, you are gaining but little headway. If you feel that you are advancing your cause by the effusions of your candidate, in God's name let him go on; but as sure as election day shall come around, the Democratic thought and the Democratic idea will be advanced and elevated and Republican policies and methods condemned in this editorial by your partisan sheet will be relegated to the background to suffer the degradation which they deserve. As sure as that day shall come the people of the United States will ratify and overwhelmingly elect President Wilson as the next President of these United States.

Mr. PENROSE. Mr. President, as I have already said, I do not intend to detain the Senate this afternoon. I prefer to make a more elaborate statement regarding the pending revenue measure to-morrow at such time as may be convenient to the Senate and to myself. I only thought it my duty to call attention to the legislative methods which have been followed in bringing the bill to its present state before the Senate. Since, however, the Senator from Colorado [Mr. THOMAS] has seen fit to refer again to the discussion regarding Democratic caucuses, I should like to call the attention of the Senate to a statement of the distinguished senior Senator from New York [Mr. O'GORMAN] during the last session of Congress, in which he said:

The Democratic Party for years has been denouncing caucus rule. The secret caucus had become so odious and infamous that during all the time I have been in the Senate, until a few days ago, no Democratic Senator would admit that the Democratic Senators ever held a caucus. When we did meet, it was insisted that we simply held conferences for the mutual exchange of views, with the object of composing differences and bringing about a common understanding. Well, Mr President, if the party has fallen on evil days and is now willing to resort to those pernicious practices which it has condemned for years, it will not affect my conduct, because while I am in this body I shall be a Senator of the United States, responsible alone to my own State and to my own conscience. What is there in the career or antecedents of the men who would dictate our conduct that would justify or incline me to yield to their views? Are they more familiar with public questions? Are they more devoted to the public weal? Have they a vision of public needs beyond that of the rest of us? I think not If it is necessary to reassert it, I declare that I shall never, in a matter of principle, allow a caucus or a conference or a group of men to tell me how I must vote. If it is a matter regarding the routine of party policy, not involving vital principle, I shall, of course, do what the majority of my party colleagues think proper, because in doing that I do not offend my own conscience.

I quote further from the senior Senator from New York:

Mr. President, the situation of the Democratic Party at this time may well excite the anxiety of those who love the party and have always supported its candidates and principles. The likelihood of New York State remaining in the Democratic column is doubtful, and if you would remove the last lingering hope of success let it be known to the

people of that State that in a secret caucus, behind closed doors, there will be 32 Democratic Senators representing a population not greater than the population that I as a single Democrat represent, and that by the operation of caucus rule these 32, or 35, Democratic Senators can bind the representative of the State of New York hand and foot, how long do you think that the people of that State will support the Democratic Party if it allows its belief in such principles?

Mr. President, 16 States, having 2 Democratic votes each, have a voting population only equal to the voting population of New York. A two-thirds vote in the Democratic caucus is 35. The vote of New York, as I have said, represents a voting population equal to that of 16 other States, which 16 States will have a representation in the caucus of 32 votes.

In 1912 the total vote cast by Alabama, Arizona, Arkansas, Florida, Georgia, Louisiana, Maryland, Mississippi, Montana, Nevada, North Carolina, Oklahoma, Oregon, South Carolina, Tennessee, and Virginia was 1,414,000, and in the same election the total vote of New York State was 1,471,695.

The Senator then proceeds to give the vote in detail, which I ask to have inserted as part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

Vote in 1912.

Alabama	117,888
Arizona	23,722
Arkansas	123,859
Florida	51,891
Georgia	121,533
Louisiana	79,372
Maryland	231,978
Mississippi	64,319
Montana	79,826
Nevada	20,115
North Carolina	243,918
Oklahoma	254,389
Oregon	137,040
South Carolina	50,348
Tennessee	247,821
Virginia	136,976
Total	1,414,000
New York, whole vote 1912	1,471,695

Mr. PENROSE. The senior Senator from New York then goes on to say:

Is it fair or is it right that when the State of New York, or any other State, large or small, sends its representative to the United States Senate—his judgment of public questions is to be suppressed because there is a majority of Democratic Senators in a secret caucus who decide upon something else? Is this representative government?

When has this become Democratic doctrine, I ask? Is it believed that the Democratic Party of the country will support it? I am confident that when the time comes it will repudiate it and repudiate the self-anointed leaders who declare such a doctrine.

Mr. President, I could quote a number of similar statements made in this Congress and in the preceding Congress by Democratic Senators who have found the caucus yoke intolerable. The Senator from Nebraska [Mr. HITCHCOCK] was driven to express similar views in November, 1913. He said, among other things:

Mr. President, if there were to be a meeting of the Senate to-morrow, I should probably defer until that time what I shall say to-day; but as the next meeting of the Senate is to be fixed for Thursday, and as a call has already been authorized for a Democratic caucus on Wednesday, I feel it timely to say some things which otherwise might be deferred.

He goes on to recite the progress of certain legislation, and then says:

At this juncture outside influences began to be felt upon the committee. The reactionary period set in. We were told that the President could not accept the decisions reached by the majority of the committee and we were urged to retrace our steps.

I know full well the force of such an appeal, and I have no criticism for those who yield to it. Were the issue political I should yield to it on proper occasion. In my opinion, however, the banking and currency question is not political or partisan, and should not become so.

Then he goes on, Mr. President:

Personally I am already on record. I would not permit myself against my convictions to be bound by the decisions of a secret caucus on an important matter of legislation like this, not political nor partisan.

The leader on the Democratic side [Mr. KERN] proceeds to interrupt, and says:

There has been no caucus called. No caucus is contemplated, so far as I am advised. As caucus chairman I received on Saturday a request signed by a majority of the Democratic Senators, asking that there be called by me, as caucus chairman, a conference of the Democratic Senators for the purpose of talking over the situation respecting the banking and currency question and considering what ought to be done in view of present circumstances. That call has not yet been issued.

But, Mr. President, perhaps we have had enough light thrown upon the caucus methods which have prevailed in this Congress and the preceding one by the illuminating debate which occurred yesterday and this morning upon the Democratic side of this Chamber, in which the Senator from Missouri [Mr. STONE] undertook openly before the country to apply the party lash to certain Senators who were unwilling to agree to his views and those of the party caucus on a measure which is entirely nonpartisan in its nature.

Mr. O'GORMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from New York?

Mr. PENROSE. Yes.

Mr. O'GORMAN. Will it involve any undue exertion on the part of the Senator from Pennsylvania to raise his voice a bit, so that we may hear what he is saying?

Mr. PENROSE. I shall endeavor to do so.

So, Mr. President, I might continue to quote the junior Senator from Mississippi [Mr. VARDAMAN] and other Senators. But, as I say, in view of the illuminating debate which we had on the subject yesterday and to-day, I will close this branch of my criticism upon the revenue bill, which does not, of course, strictly pertain to the merits of the measure, but was merely by way of preliminary, in order to serve as the basis for certain criticisms which I shall offer to-morrow, as a possible explanation of the ill-advised and incomprehensible conclusions which the House of Representatives, and to a lesser extent the Senate committee, have reached in endeavoring to supply the necessary revenues to meet a growing deficit. To-morrow I shall hope to state my views upon this matter at greater length.

I quote three excerpts from the speech of Senator VARDAMAN of February 5, 1915, in regard to the attempt of the Democratic caucus to control his vote:

To that platform I owe allegiance, and I shall not respect or recognize the right of any one man or 36 men behind closed doors, away from the searching eye of public scrutiny, under the direction, probably, of some extraneous influence, to do and utter things which many of them in their hearts may not believe or approve, to instruct me to violate that platform.

* * * * * * *

I have no fear of the withering scorn of the self-constituted censor of the secret caucus, the petulent senior Senator from Missouri; his threat of political ostracism has no terrors for me at all. I despise with all my heart and spurn with ineffable contempt the suggestion. My service to the Democratic Party in this body does not depend upon what somebody may think, say, or do. I am not a mere parasite, existing upon the patronage of power or the prestige of place. I shall live by my own convictions. I shall act the things I believe. And from the altitude of that high purpose I shall look down with pitying contempt on the unfortunate individual who would question my right to do so.

But let us go a little further. The Democrats, in the platform of 1908, had this to say:

"We believe in upbuilding the American merchant marine without new or additional burdens upon the people and without bounties from the Public Treasury."

When was that command withdrawn? Who authorized the self-idolized leaders of the immortal thirty-six to revoke that order?

* * * * * * *

But, admitting for the sake of this discussion that the majority of my Democratic colleagues are correct, can it possibly be any worse or more of a crime for me to confer with the Republicans than for the Democratic President and his Don Quixote lieutenant, the astute senior Senator [Mr. STONE] from Missouri to plow with the heifers of the Progressive element of the Republican Party? It does not lie in the mouth of you gentlemen who have been offering to members of the Republican Party the privilege of amending the bill and going into partnership with you in its formation to criticize me or any other Senator for conferring with the Republicans to the end that we may defeat what we believe to be a measure congenitally pernicious.

Mr. GALLINGER. Mr. President, I simply rise now to give notice that, if opportunity presents, on Friday, August 25, at as early an hour as convenient, I shall occupy the attention of the Senate for a short time in discussing some phases of the tariff question as related to the bill now under consideration.

Mr. SMOOT. Mr. President, I simply rise at this time for the purpose of referring briefly to the rather remarkable speech that was made by the Senator from North Carolina [Mr. SIMMONS] in relation to the appropriations that have been made in the past and the amounts that will be appropriated at this session of Congress, and his attempt to impress the country with the idea that there have been no extravagant appropriations made by the party in power during this session of Congress.

In the first place, I wish to say that the criticisms I shall offer on the so-called revenue bill shall never be directed against the amount of increased appropriations for what may be justly termed national preparedness. For the present I shall take the amount of the appropriations of the Army bill, the fortifications bill, the naval bill, and also the additional appropriations for national preparedness in the deficiency bills and compare them with the appropriations made in the last fiscal year; and I will say frankly that I have no criticisms to make for increased appropriations for preparedness. So whatever criticisms I offer will be upon the appropriations made for the regular expenses of the Government, and appropriations that would have been made if there had been no question of preparedness involved.

I am not going into the details of this subject to-day. I shall do that later; but so that the Senate will know that the figures I quoted in answer to the Senator from Pennsylvania were approximately correct, I wish to call attention now to the appropriations that have already been made, and to the appropriations that are yet to be made. I shall have to estimate the appropriations yet to be made, and I am going to estimate them so low that when those two bills are passed I think my figures will be under the amounts appropriated, rather than over.

The appropriation for the Army for the fiscal year 1916 was $101,974,195.87.

The appropriation carried in the fortifications bill for the same year was $6,060,216.90.

For the Navy, the same year, $149,661,864.88.

Or a total appropriation for the three of $257,696,277.65.

For the fiscal year 1917 the Army appropriation carries $267,596,530.10.

For fortifications, $25,748,050.

For the Navy, $313,300,095.84.

Or a total of $606,644,675.94.

Deducting the amount of appropriations for the fiscal year 1916 of $257,696,277.65 from the appropriations for this year shows an increased appropriation of $348,948,398.29. Added to that should be the amount that will be appropriated in the deficiency bills for preparedness. I will grant that there will be $40,000,000 or $42,000,000 additional appropriations made and to be made, which will make in round numbers for preparedness $390,000,000.

Mr. President, the appropriations for this fiscal year, estimating that the deficiencies will amount to $72,500,000, or that the general deficiency bill will carry not to exceed $20,000,000—I think it will be more than that—and estimating the amount for miscellaneous purposes at $85,000,000, which includes, of course, the $50,000,000 for the ship-purchase bill, the total appropriation bills that we know will pass will carry $1,630,383,682.64. The $25,000,000 for the Danish Islands, the $50,000,000 for the flood-control bill if passed, and other bills to which I could call the attention of the Senate, would run the amount far over $1,700,000,000.

I want to be perfectly fair in this, and Senators will notice that I have deducted every cent of increase in the Army bill, and there are items that could not be classified as for preparedness. I have left in the Navy bill the appropriations for the armor plant. I have left in the appropriation for the fertilizer plant, commonly called the nitrate plant.

So we will take the fiscal year 1916. The total appropriations for that year were $1,114,937,012.02. Deduct that amount from the $1,630,383,682.64, if no more is appropriated, and you will find that this Congress has appropriated for the regular running expenses of the Government, deducting every cent for national preparedness, nearly $150,000,000 more than any other session of Congress.

Mr. O'GORMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from New York?

Mr. SMOOT. Yes; I yield to the Senator.

Mr. O'GORMAN. Is it not a fact that a considerable number of Republicans voted for nearly all of the additional appropriations of which the Senator speaks?

Mr. SMOOT. Oh, Mr. President, the appropriation bills after they reach the Senate are considered by the Appropriation Committee and reported back to the Senate, and there is not one item out of a hundred where there is a vote taken in the Senate of the United States. The Senators come in from the cloak room, and all they ask is, "What does the committee want?" And whatever the committee has decided upon they vote for.

Mr. O'GORMAN. Is it not a fact that in every one of those appropriations the Republican members of the various committees joined with their Democratic colleagues in the recommendations?

Mr. SMOOT. No; I could not say that, Mr. President. I know that there have been objections made to the appropriations right along. I know that there has been opposition to them. I know that the fertilizer plant was objected to by every Republican on the committee.

Mr. O'GORMAN. Did not some Republicans vote for it on the floor of the Senate?

Mr. SMOOT. I can turn to the RECORD if the Senator wants to find out just how many there were.

Mr. O'GORMAN. I am informed that there were a number of them.

Mr. SMOOT. Very few, Mr. President.

Mr. GALLINGER. Mr. President, if the Senator will permit me, I have turned to the RECORD. In the case of the nitrogen plant there were 7 votes on this side of the Chamber in favor of it and there were 22 votes on this side against it. One Democrat voted against it and all the other Democrats voted for it.

Mr. SMITH of Georgia. Mr. President, will the Senator give us the names of the Republicans who voted for it?

Mr. GALLINGER. I can get them for the Senator.

Mr. SMITH of Georgia. If the Senator has not them there, never mind.

Mr. GALLINGER. It was almost entirely confined to our Progressive friends on this side of the Chamber. In the case of the armor-plant proposition there were 8 Republicans who voted for it and 23 Republicans who voted against it, and all of the Democrats voted for it.

Mr. O'GORMAN. Does the Senator condemn the eight Republicans who voted for it, or does he impeach their judgment?

Mr. GALLINGER. I am not condemning anybody or impeaching anybody. The Senator knows that.

Mr. OVERMAN. Mr. President, the Senator from Utah is a member of the Committee on Appropriations, and a very diligent and careful and hard-working Republican member of that committee. I will ask him if he himself, as a member of the committee, has had any opposition to most of these large appropriations? Of course there were some small amounts to which he objected; but did he make any opposition to the large ones?

Mr. SMOOT. Mr. President, the Senator knows very well that I have expressed my opposition to numbers of increases that have been made in the bills.

Mr. OVERMAN. In the case of some salaries, yes.

Mr. SMOOT. The Senator says "some salaries"; but, of course, they amount altogether to hundreds of thousands, and, in fact, millions of dollars.

Mr. OVERMAN. The whole amount to which the Senator took exception would not be a million dollars. I think the committee will bear me out in that statement.

Mr. SMOOT. I do not want to enter into a controversy with the Senator. I opposed the $50,000,000 appropriation for the ship-purchase bill.

Mr. OVERMAN. I am not talking about that.

Mr. SMOOT. Well, I know $50,000,000 is not much nowadays. [Laughter.]

Mr. OVERMAN. I am not talking about the ship-purchase bill. I am talking about the appropriations to run the Government.

Mr. SMOOT. I am talking about all the appropriations.

Mr. OVERMAN. The Senator's voice was not lifted in opposition anywhere except as to the ship-purchase bill. It might have been in regard to that bill; but I am talking about the appropriations to run the Government, for that is what he is talking about.

Mr. SMITH of Georgia. The current expenses.

Mr. OVERMAN. The current expenses. The Senator from Utah did not lift his voice except on the increase of some salaries here and there—small amounts here and there. The whole thing would not amount to a million dollars; and I do not think the other leaders of the Senate on that side of the Chamber did, either. The Senator from New Hampshire [Mr. GALLINGER] is a very faithful and able member of the Appropriations Committee. We have all worked together in the interest of the Government, I think. There is no partisanship in that committee.

Mr. SMOOT. Mr. President, in rising I did not even intend to go into these figures to-day, and would not have done so, as I said, unless it had been necessary in answer to a question that was asked by the Senator from Pennsylvania; but I had thought that I would submit this afternoon a few remarks upon the question of extravagance in general.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER (Mr. MCLEAN in the chair). Does the Senator from Utah yield to the Senator from Iowa?

Mr. SMOOT. I do.

Mr. CUMMINS. There is one statement the Senator made that is not entirely clear to me, and about which I wish to ask him.

The Senator has said that the appropriations in the naval bill amounted to $313,000,000. I speak in round numbers. I take it for granted that he does not include as an appropriation the authority which we have given the Secretary of the Navy or the President to enter into contracts for the construction of a great many ships. Suppose that all those ships were brought into the aggregate of the appropriation, what would the naval bill amount to in that event?

Mr. SMOOT. I have not figured that up, Mr. President; and I could not, I suppose, if I should undertake to do it.

Mr. SMITH of Georgia. It would add just $50,000,000 more; that is all.

Mr. SMOOT. Oh, it would be more than that. The Senator means as to the contracts for the building of the complete Navy program.

Mr. SMITH of Georgia. Oh, he means during the three years?

Mr. CUMMINS. We have incurred certain obligations, or may incur them at any day. We have authorized the President to enter into contracts for the building of 157, I think, or 167, new ships.

Mr. SMITH of Georgia. Oh, yes.

Mr. CUMMINS. I have not in mind just how much they may cost; but I wanted it to be perfectly clear that the excess of the $313,000,000 over the appropriations of last year is only a drop in the bucket as compared with the obligations we have really incurred in regard to the construction of ships for the Navy.

Mr. SMOOT. I will say to the Senator that $313,300,000 is the exact amount that has been appropriated in the bill, and covers no future contracts at all.

Mr. CUMMINS. Certainly not.

Mr. SMOOT. And of course they would be hundreds of millions of dollars.

Mr. SMITH of Georgia. If the Senator will pardon me, is he not mistaken? Is it not the estimate that that will cover the expenditures incident to our existing legislation which will mature in the coming fiscal year?

Mr. SMOOT. No, Mr. President, it is to take care of the battleships and the submarines and all the ships authorized to be built during the next three years.

Mr. SMITH of Georgia. That is exactly what I said.

Mr. SMOOT. That is all. My estimates and figures do not cover future contracts to carry out the program which has been adopted.

Mr. SMITH of Georgia. It covers the part of the expenses incident to the program which is expected to mature between now and the 1st of next July.

Mr. SMOOT. That is correct.

Mr. SMITH of Georgia. The bill goes further, for two years longer, and it does not in any sense cover the contracts we make that will mature in the year following July 1, 1917, or the year following July 1, 1918.

Mr. CUMMINS. Allow me to ask the Senator from Georgia a question. We authorized immediate contracts for eight first-class battleships, which are expected to cost $20,000,000 each. This appropriation does not cover a penny for either of them.

Mr. SMITH of Georgia. I think so.

Mr. PENROSE. Mr. President, will the Senator from Iowa permit me? I have the figures here to answer his question completely.

Mr. CUMMINS. I shall be very glad to have that information at this time.

Mr. PENROSE. Mr. President, the contracts authorized additional to appropriations—that is what the Senator is after——

Mr. CUMMINS. That is what I want to know.

Mr. PENROSE (continuing). Are as follows—and I am glad the Senator has raised the point. I had intended referring to it in the course of my formal speech, but it is well to bring it up now:

Navy increase, $488,192,027.

Authorizations: Sundry civil bill, $1,827,000; fortifications, $14,300,000; river and harbor act, $2,724,950; flood control, $50,600,000; State aid for roads, $79,000,000, making a total of $636,643,977. Adding appropriations for 1917 of $1,710,482,722 makes a grand total of authorizations and appropriations of $2,347,127,699. That is the condition of your Congress.

Mr. WILLIAMS. Mr. President——

Mr. SMOOT. Mr. President, the Senator from Kansas [Mr. CURTIS] has been good enough to yield to me. He has been waiting all day to proceed with a speech that he must make this afternoon; and I want the Senators now kindly to allow me to get through, so that the Senator from Kansas can proceed.

Mr. WILLIAMS. I have only one observation to make. The Senator surely does not want his colleague to make an absolute misstatement without permitting me to call attention to the specific item concerning which he makes the misstatement.

Mr. SMOOT. The Senator refers to the flood-control appropriation, I suppose.

Mr. WILLIAMS. I refer to the flood-control appropriation. The Senator stated that we had appropriated fifty-odd million dollars for it, when, as a matter of fact, we have not appropriated a cent.

Mr. PENROSE. No; I said these were authorizations.

Mr. WILLIAMS. It has not been even authorized.

Mr. PENROSE. Not yet.

Mr. WILLIAMS. And if the Senator is so accurate that a little matter of fifty-odd millions does not make any difference, that is about all what be said is worth.

Mr. PENROSE. Mr. President, the flood-control bill has passed the House, and I assume that it will pass Congress.

Mr. WILLIAMS. Oh, the Senator assumed it. The Senator was assuming to give the Senate accurate figures of appropriations and authorizations, and it turns out that he is just giving assumptions.

Mr. PENROSE. Not at all.

Mr. SMOOT. Mr. President, I am going to confine myself now to what I rose to speak upon.

EXTRAVAGANCE OF THE DEMOCRATIC PARTY.

If it be true, as asserted by one of the chief advocates and signers of the Declaration of Independence, that we have no way to judge the future but by the past, then the American people have ample warning that if they retain the Democratic Party in control of this Government we shall suffer an era of unequaled extravagance combined with inefficiency unsurpassed.

We have the assurance that the Democratic Party intends to keep its pledges in the future in the same manner that it has kept them in the past. In its platform of 1912, that party said:

> We denounce the profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of recent Republican Congresses, which have kept taxes high and reduced the purchasing power of the people's toil. We demand a return to that simplicity and economy which befits a democratic government and a reduction in the number of useless offices, the salaries of which drain the substance of the people.

Not content with that plain and unequivocal promise of retrenchment and economy, and fearful that the people would doubt its sincerity, the Democratic convention closed its platform with the further assurance that—

> Our pledges are made to be kept while in office as well as to be relied upon during the campaign.

If we could bring the Democratic Party into a court of justice and indict and try that party under the rules of law, the evidence that could be submitted would be more than adequate to convict it of procuring votes under false pretenses. Unfortunately, we can have no trial under the rules of law, but, which is undoubtedly better, we shall have a trial before the great tribunal of the American people, whose verdict will be given as impartially as ever was given by a jury of 12 good men and true, and we shall know on the 8th of November whether, in the opinion of the jury of juries, the Democratic Party has kept its economy pledge in office as zealously as it relied upon that pledge during the campaign.

At the close of the first regular session of the Democratic Congress it became evident that the administration had made appropriations in excess of those it declared to be "lavish" when made by Republicans. President Wilson realized the embarrassing predicament in which he and his party had involved themselves and sought to excuse the extravagance and evade censure by an adroit and somewhat plausible pretense of larger and better public service. In his annual address to Congress in December, 1914, President Wilson said:

> I assert with the greatest confidence that the people of the United States are not jealous of the amount their Government costs if they are sure that they get what they need and desire for the outlay, that the money is being spent for objects of which they approve, and that it is being applied with good business sense and management.

It is not true to say that the people are not jealous of the amount their Government costs. Governments, like individuals, should regulate their expenditures with due regard for their incomes. No man in the business world who announced that he cared not what his expenditures might be, just so he got what he wanted for his money, would remain long in the confidence of his bankers. We have made some progress in the science of finance, but we have not yet outgrown the principle that a wise man cuts his garment to suit the cloth or that it is better to go to bed supperless than to rise in debt.

A true statement would have been that the American people are not jealous of the amount their Government costs, provided there is adequate revenue properly procured, and also provided the money is wisely expended. I assert, and shall undertake to prove, that this administration has been lavish in appropriations when revenue was lacking, and that the appropriations were accompanied by inefficiency and waste.

There is no need to waste time with repetition of facts regarding the increased expenditures made by this administration as compared with the administrations under control of the Republican Party and condemned by the Democratic platform as extravagant. According to the formal statement made by the ranking Republican member of the Appropriations Committee of the House at the close of the Sixty-third Congress, the total appropriations of the first Democratic Congress were $2,231,000,000, or $177,000,000 greater than the total appropriations made by the last preceding Republican Congress. Total expenditures for the fiscal year ended June 30, 1915, exceeded receipts by $64,000,000. It is yet too early to say what will be the exact amount of the total appropriations of the first session of the Sixty-fourth Congress, but the estimate is now about $1,700,000,000, which will be at the rate of $3,400,000,000 for the entire Congress, or over a billion dollars more than the last Republican Congress appropriated.

The immensity of the appropriations having been thus established, let us see whether the American people got what they

wanted and whether the money was spent "with good business sense and management," to use the limitations applied by the President.

First what did the American people get in the way of national standing among the nations of the earth? What did we get in response to our earnest desire for an "America first"—for a prestige that would make every man proud to assert in every land and on every sea that he is an American citizen? In return for this increased expenditure of money we saw diplomats of long experience and demonstrated ability set aside for inexperienced and unqualified men whose only claim to recognition was that they were "deserving Democrats." We saw Russia rebuke our attempt to play petty politics with the ambassadorship to that country. We sacrificed a large degree of the respect of Pan American countries by sending to the Dominican Republic a man who was recalled at the instance of members of the Democratic Party. We demanded salutes that we never got; we demanded disavowals that were never given; we made bluffs that we dared not back. Were our expenditures for the Department of State made with what President Wilson terms "good business sense and management"?

What did we get in the way of promotion of American industry? A tariff law that increased our consumption of goods made by foreign labor in foreign countries at the same time that our own factories were closed or their production curtailed, so that millions of men were thrown out of employment until a foreign war brought relief. Was that what the American people wanted for their money? Was that good business sense?

What did we get in the way of domestic governmental service—in the Post Office Department, for instance? The Rural Mail Service was so demoralized that almost every Senator and Congressman was flooded with protests. Even the Senator from Georgia [Mr. HARDWICK] is authority for the assertion that the injury to the Rural Mail Service in his State was so serious that if the State were not so overwhelmingly Democratic the administration would lose the State in the coming election. Service in cities has been curtailed. Star-route contractors were thrown into bankruptcy because the administration unexpectedly forced upon them enormously increased burdens without commensurate increase in compensation. Was it good business sense, good management, or even common honesty for the Government of the United States to take technical advantage of the letter of the contractor's bond and rob him of the savings of years of toil and privation? Shall we justify increased expenditures while we are taking the pound of flesh from the breasts of star-route mail carriers?

The list of wasteful and useless expenditures is too long for extended enumeration. The number of offices has been increased by 30,000, at an annual increased expense of $40,000,000. You establish nitrate plants and build armor factories, as the forerunners of other governmental competition with private enterprise, thus discouraging individual initiative. You increase expenditures in the South and increase tax collections in the North. You increase expenditures for commercial agents in South America and let the balance of trade increase against us. You tear down the structure erected by civil-service reform and yield the place of honor to the spoilsman. You maintain publicity bureaus in the Government service whose task is largely that of promoting political partisan welfare. You persecute banking institutions of recognized standing, and when the jury has brought in a verdict of acquittal you force the people to bear the expense of publishing and distributing an argument in defense of the administration. You printed twice in the CONGRESSIONAL RECORD and once as a public document a partisan speech made by the Secretary of the Treasury, which speech, I am informed, has been distributed in envelopes addressed by clerks paid by the people of the United States.

Do the people demand that you conduct your campaign at their expense; and if so, when and how did they express their wish? You let diplomatic and consular officers leave their posts of duty at critical times in order that they may be at home during the political campaign. You violate your pledge of simplicity and economy until one of your own number, the Senator from Missouri [Mr. STONE], felt impelled to protest against increased purchase of automobiles. Your high-salaried heads of departments and bureaus go about the country making partisan speeches while Government work is delayed. You expend your energies for the passage of a ship-purchase bill when every ship on earth is already as busy as human energy and ingenuity can make it, and when every shipyard has all the orders it can fill for two years to come. You pursue policies so carelessly considered that you are forced to reverse yourselves and acknowledge the waste of time and effort. You preach pitiless publicity, but make a record that you deem best to conceal. You pretend a desire to cooperate with business, then order postmasters to compete with banks without increased compensation, then suspend your order and let bankers linger under the uncertainty of unfair competition with the Government.

Without the advice or consent of the Senate, you send special representatives to foreign countries, with expense accounts of unknown amounts.

You are guilty of all these and a multitude of other similar wasteful and extravagant acts, and yet you attempt to justify increased expenditures by the false pretense that you are giving the people something for which they have asked, and that the money is being applied with good business sense and judgment. Your conception of what constitutes good business sense is illustrated by the record you have already made, but your ideas differ from those of the American business man, with whom you are out of touch and sympathy. If the American business man, the farmer, the mechanic, the professional man, and the wage earner conducted their affairs upon the same principles that you conduct the affairs of the Government, we would soon have a Nation of debtors and delinquents. Fortunately the American people practice economy and efficiency in their private business, and, in my judgment, they will vote for the reestablishment of such a policy in the business of their Government.

Mr. CURTIS. Mr. President, an examination of the large expenditures of this administration as compared with those of the last Republican administration is the best evidence that can be offered as to the need of more revenue at this time, and these figures should be very interesting in view of the fact that this administration came into power under a promise of economy. In 1912 the Democratic convention condemned the Republicans for extravagance, but you will notice that the Democrats in their St. Louis convention were silent on this subject in the platform of 1916.

The last year of President Taft's administration the total of all disbursements amounted to $945,000,000, while for the year 1914, under President Wilson, they amounted to $1,045,000,000; for 1915 they amounted to $1,047,000,000; in 1916 they amounted to $1,114,000,000, and in addition to this large amount the passage of four deficiency appropriation bills at this session of Congress amounting to over $53,000,000 were required. The appropriations for 1917 exceed those of any other year in the history of the country, and the present status of the appropriations show that an amount of more than $1,600,000,000 will be expended, and this does not include appropriations for a number of large projects which will become a law in time to require additional appropriations for the year 1917.

In this connection I want to say I know the chairman of the committee has taken his figures from the Treasury Department. I also know, in view of the fact that Congress has not adjourned, it is impossible to tell how much will be appropriated. However, I ask to have printed in the RECORD as a part of my remarks a statement taken from the CONGRESSIONAL RECORD of appropriations made to date, with the estimates for appropriations and deficiencies.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement referred to is as follows:

Appropriations for 1916 compared with same for 1917.

Title of bill.	Law 1916.	Amount for 1917.
Agriculture	$22,971,782.00	$24,948,852.01
Army	101,974,195.87	267,590,553.19
Diplomatic and Consular	4,061,280.01	5,355,095.65
District of Columbia	11,859,584.45	12,841,907.19
Fortifications	6,060,216.90	25,748,050.00
Indian	9,771,902.76	10,967,644.88
Legislative, etc	36,904,799.75	37,925,690.25
Military Academy	1,069,813.37	1,225,043.57
Navy	149,661,864.88	313,300,095.84
Pension	164,100,000.00	158,065,000.00
Post Office	313,364,667.00	322,937,679.00
River and harbor	30,000,000.00	40,598,135.00
Sundry civil	126,922,750.79	128,299,285.24
Total	978,722,857.78	1,349,809,003.61
Deficiencies	12,316,343.90	[1]72,503,000.00
Miscellaneous	2,330,603.34	85,000,000.00
Permanent annual and indefinite appropriations	121,567,207.00	123,074,673.01
Total	1,114,937,012.02	1,630,383,682.61

[1] This amount is approximated

Increase 1917 over 1916, $515,446,670.62.

Mr. KENYON. I will ask the Senator if this statement shows greater appropriations during this Congress than during the Civil War?

Mr. CURTIS. I will give the figures a little later on showing that it is the largest amount ever expended in any one year. Nor does this include the general deficiency bill, which has not up to this date been reported. At this rate this session of Congress will appropriate about $1,700,000,000, to be expended by this administration for the year ending July 1, 1917.

There is another item to which I desire to call your attention, and that is that the largest sum ever expended in one year under a Republican administration was $1,295,099,289.58, and that was in 1865, the last year of the great Civil War; and here we have this Democratic administration not only asking for but receiving at the hands of this Congress more than $1,700,000,000 for the year ending July 1, 1917, and if the last year is any guide we may expect four or five deficiency appropriations before the year is up.

The great question is, How is this vast sum to be raised? We Republicans believe it should be raised by a protective tariff. We believe that the industries and products of our country should be so protected as to enable the American factory and farm to supply the wants of all our people. Those who prefer such products of other countries as can be produced in this country should be made to pay a duty upon such imported articles, and those who desire imported luxuries should be made to pay a high duty upon them. This has been the policy of the Republican Party since its organization, and it will continue to be so long as that party exists. It believes in the arrangement of all duties in such a way as to give ample protection to the American factory and farm and to American labor. It also believes in the collection of such duties as will not only protect all American industries but such as will yield ample revenue to pay the running expenses of our Government. As evidence of its success in this regard I call your attention to the reports of the Secretary of the Treasury during the years the Republican Party was in control. It is opposed to a war tax in a time of peace.

Now, what has been the record of the Democratic Party? When it was in power in 1894, 1895, 1896, and 1897 the expenses of the Government exceeded its receipts, so that the Cleveland administration was forced to issue bonds to the extent of $262,000,000 to raise money with which to pay the ordinary expenses of the Government. Need I tell you the experience under Mr. Wilson's administration? The ordinary internal revenue and customs receipts of the Government have been so small that it has been forced to resort to a "war tax" in a time of peace. Not only has this Democratic administration resorted to a "war tax" but it has also resorted to an income tax on individuals and corporations, and yet the party in power is now looking for more articles and industries to tax, and in this measure they are asking for $205,000,000 more of a war tax and threaten at the same time to issue $132,000,000 of bonds. For one, speaking as a Republican, I am opposed to a war tax in time of peace, and I am also opposed to the issue of bonds to raise money to pay the ordinary expenses of the Government.

Mr. CUMMINS. I wish to ask the Senator a question for information. The Senator just mentioned the $132,000,000 of bonds that were proposed to be issued. Are those bonds exclusive of the bonds that are to be issued for the ship purchase, the $50,000,000, or the $20,000,000 for the nitrate plant, or the Panama Canal bonds?

Mr. CURTIS. I can not tell the Senator. I simply took the statement from the report of the committee.

Mr. HARDING. I do not know that I can answer the question of the Senator from Iowa, but I understand the bond issue referred to by the Senator from Kansas is exclusively for the payment of expenses incident to the troubles on the Mexican border.

Mr. CUMMINS. I so understood. Therefore we propose to issue about $200,000,000 of bonds instead of $132,000,000.

Mr. NELSON. It is clear from the statement of the Finance Committee that $132,000,000 of bonds are not to be applied to the ship-purchase project, but that that $50,000,000 are to be added to the $132,000,000 and the $20,000,000 for a nitrate plant, making over $200,000,000 of bonds.

Mr. CURTIS. I thank the Senator for the interruption and also for the statement of fact.

Mr. PENROSE. The policy of "watchful waiting" will cost a bond issue of $132,000,000 and nearly $100,000,000 more if the trouble on the border continues after December, not to mention the many million dollars that have already been expended carried in deficiency bills and other measures. It will be a good deal over $200,000,000; it will be $250,000,000 before we are through.

Mr. CURTIS. Mr. President, the bill we are now considering is drawn for that purpose. I desire to print the names of the Senators who voted for the emergency or war tax in 1914 and those who voted for its extension in 1915. They are as follows:

VOTE IN 1914, YEAS 34.

Ashurst, Bankhead, Bryan, Culberson, Fletcher, Hitchcock, Hughes, James, Johnson, Kern, Lea of Tennessee, Lee of Maryland, Lewis, Martin of Virginia, Martine of New Jersey, Myers, Overman, Pomerene, Saulsbury, Shafroth, Sheppard, Shields, Shively, Simmons, Smith of Maryland, Smith of South Carolina, Stone, Swanson, Thomas, Thompson, Thornton, Walsh, West, and White.

VOTE IN 1915, YEAS 45.

Bankhead, Beckham, Broussard, Bryan, Chamberlain, Chilton, Clarke of Arkansas, Gore, Hardwick, Hitchcock, Hollis, Hughes, Husting, James, Johnson of Maine, Johnson of South Dakota, Kern, Lane, Lea of Tennessee, Lee of Maryland, Martine of New Jersey, Myers, Newlands, O'Gorman, Overman, Phelan, Pittman, Pomerene, Ransdell, Reed, Robinson, Saulsbury, Shafroth, Sheppard, Simmons, Smith of Arizona, Smith of Maryland, Stone, Swanson, Thomas, Thompson, Underwood, Vardaman, Walsh, and Williams.

There is another condition that always arises during normal times under Democratic administrations, and that is the exportation of gold. All of you remember how it was exported from this country and how it was drawn from the Treasury and hoarded in 1894, 1895, and 1896. Now, what happened under this administration? In the last six months of 1912, under President Taft's administration, the exportation of gold amounted to $13,978,000, while for the first six months of 1913, three months of the time under Mr. Wilson, the exportation of gold amounted to $63,784,616. For the year ending June 30, 1914, all under Mr. Wilson, the exportation of gold amounted to $112,038,529, and for the year ending June 30, 1915, the amount exported was $146,224,148, and of this amount $136,000,000 was exported in the last five months of 1914. This large exportation of gold did not stop until several months after the European war began and not until the large exportation of the products of our country, caused by the demands of the war, enabled our people to meet their obligations with goods in place of with gold.

There is another interesting fact which should not be forgotten by the voters and taxpayers of the country, and that is that every time we have had a Democratic administration our public debt has increased, and it has always been larger than the public debt under the former Republican administration. The last year of the Harrison administration the total debt, less cash in the Treasury, was $889,000,000; the last year of Cleveland's administration the debt amounted to $986,000,000; while the bonded debt the last year of the Harrison administration amounted to $585,000,000, and by the last year of the Cleveland administration it amounted to $847,000,000. After the Cleveland administration there was the War with Spain and the building of the Panama Canal, and yet the public debt, less cash in the Treasury, the last year of the Taft administration amounted to $1,028,000,000, while the same debt for 1915, under President Wilson, amounted to $1,090,000,000; and the bonded debt the last year of the Taft administration was $963,000,000, while last year it amounted to $969,000,000.

In this connection it is well to consider the fact that, while the present Democratic administration came into power under a promise of economy, it has been most extravagant, and this session of Congress has appropriated more money for the expenses of the Government than was ever appropriated by any previous session in the history of the country.

In this same connection it should be further remembered that Justice Hughes has gone on record as favoring the budget system and his record for governmental efficiency while governor of New York, and the fact that he appointed Mr. Williams as State comptroller and Mr. Perrine, an expert accountant, as his assistant, and these two prepared a balance sheet and an income account for the State government, is evidence that he will apply the same methods of governmental efficiency in the various departments of the Federal Government and will give the people a genuine economical and business administration. The actual cost of maintaining the Government will be known and understood, which has not been true of this Democratic administration, for instead of having one emergency deficiency measure this session of Congress has passed at least four such measures.

CAN THE TARIFF BE ELIMINATED FROM POLITICS?

A popular belief exists that the tariff can and should be taken out of politics. These good souls must have gotten the impression that there is no fundamental or irreconcilable difference between the two great parties on that issue.

If the English language has any significance whatever when applied to a Democratic tariff platform, a tariff for revenue only, it is that the tariff is for revenue and for nothing else.

Admittedly no tariff revenue can be obtained on merchandise produced within the United States. Hence a tariff for the sole purpose of raising revenue is a tariff so adjusted as to

insure the importation of each article mentioned in the schedules. Certainly the importation of merchandise previously produced at home will proportionately restrict home production. Therefore a tariff for revenue only is a tariff for the single and sole purpose of having the merchandise we consume made abroad and imported. In other words, logically and irresistibly, a tariff for revenue only is a tariff for the deliberate result of closing American shops and turning American laborers into the streets.

This view is supported by words from the lips of all Democratic leaders. In discussing the bill to revise the cotton schedule reported during Mr. Taft's administration, Mr. UNDERWOOD, chairman of the House Committee on Ways and Means and author of the present tariff law, distinctly stated that the committee estimated that the bill, if enacted, would result in increasing the imports of manufactured cotton $11,000,000. The duties imposed were expected to average 27 per cent. Add this duty (nearly $3,000,000) and it is evident that Mr. UNDERWOOD, together with his Democratic associates on the committee, reported a bill and the Democratic Congress passed one that they claimed would result in the consumption by the American people of practically $14,000,000 in imported manufactured cottons in lieu of a like amount of domestics previously consumed. Similar utterances in connection with other bills reported about the same time for the revision of the woolen and the metal schedules place them on record as deliberately planning to secure the consumption of more than $100,000,000 in imported manufactured cottons, woolens, and metal products in lieu of like amounts formerly produced in American mills and with American labor. If we compute these products as 75 per cent labor they stand convicted of deliberately planning to deprive American labor of $75,000,000 in wages, a very large per cent of which would go directly or indirectly to the farmer, and from the farmer through the merchant to the producer of merchandise, and thus again to labor.

What is their plan for taking the tariff out of politics? They claim this can be done by the creation of the tariff board, as provided in the pending measure, but before discussing that question it will be well to note the position taken by Democratic Senators on this question in previous Congresses.

March 4, 1911, the Senate voted on passage of tariff-board bill; yeas 56, nays 23, not voting 12. Of the 56 ayes 4 were Democrats and 52 Republicans, and of the 23 nays 2 were Republicans and 21 Democrats. (See RECORD, p. 4286, vol. 46, pt. 5, Mar. 4, 1911.) And I desire to say that of the present Democratic Members of the Senate who then voted "nay," we find the names of Mr. BANKHEAD, Mr. CULBERSON, Mr. FLETCHER, Mr. MARTIN of Virginia, Mr. OVERMAN, Mr. SIMMONS, Mr. SMITH of Maryland, Mr. SMITH of South Carolina, Mr. STONE, Mr. SWANSON, and Mr. TILLMAN.

July 23, 1912, the Senate voted on committee amendment to sundry civil appropriation bill for a tariff board. The ayes were 34, the nays 20, not voting 40. Of the 34 ayes 2 were Democrats and 32 Republicans, and of the 20 nays all were Democrats.

July 24, 1912, on the above amendment a vote was again had on concurring on it in the Senate. The ayes were 34 and nays 19, not voting 41, and of the 34 ayes 2 were Democrats and 32 Republicans, and the 19 nays were all Democrats.

On July 25, 1912, Senator CUMMINS offered an amendment to the wool tariff schedule bill, being the text of the tariff-commission bill which passed the Senate in 1910. On this amendment the ayes were 40 and the nays 26, not voting 28. Of the 40 ayes 4 were Democrats and 36 Republicans, and of the 26 nays 1 was Republican and 25 were Democrats.

On July 26, 1912, Senator CUMMINS offered an amendment to the excise and income tax bill to create a tariff commission. The ayes were 38 and the nays 29, not voting 27. Of the 38 ayes 1 was a Democrat and 37 were Republicans, and of the 29 nays 28 were Democrats and 1 Republican.

On September 6, 1913, Senator WORKS offered an amendment to the tariff bill for a permanent tariff commission, on which the ayes were 32 and nays 37, not voting 26. All the ayes were Republicans and all the nays were Democrats.

In considering this provision of the bill it would be well to recall what President Wilson said on the subject in the speech he delivered at Indianapolis, Ind. I quote from the President's speech:

> If by scientific treatment of the tariff they mean adjustment to the actual trade conditions of America and the world, then I am with them; and I want to call their attention, for though they voted for it they apparently have not noticed it, to the fact that the bill which creates the new trade commission does that very thing. We were at pains to see that it was put in there. That commission is authorized and empowered to inquire into and report to Congress not only upon all the conditions of trade in this country, but upon the conditions of trade, the cost of manufacture, the cost of transportation—all the things that enter into the question of the tariff—in foreign countries as well as in the United States, and into all those questions of foreign combinations which affect international trade between Europe and the United States. It has the full powers which will guide Congress in the scientific treatment of questions of international trade. Being by profession a schoolmaster, I am glad to point that out to the class of uninstructed Republicans, though I have not always taught in the primary grade.

Now, if the President was right when he made that speech, if he knew what he was talking about then, and if it were true that, as he said, "We were at pains to see that it was put in there," then I submit that there is no need for the tariff-board provisions of the pending bill. If there is in existence at this time a commission with full power to act, then why create another one of the same kind? There can be no use, unless the administration desires to make a few more appointments before election.

It will be noted that the President says, "Being by profession a schoolmaster, I am glad to point that out to the class of uninstructed Republicans, though I have not always taught in the primary grade." This is one of the great faults of the President; he has treated the Democratic majority in the House and Senate as though they belonged in the primary grade and could not get along with their legislative duties without the guidance of the master. He has also treated the people of the country as though they belonged in that grade, because he has expected them to follow him when he has changed positions on leading questions at least once every six months. But Mr. Wilson will find that the people of this country do not belong in the primary grade. He will find that they have their diplomas and can and do think and act for themselves.

In this same connection, I might say that I was surprised at what was said by the senior Senator from Colorado [Mr. THOMAS] this morning, and I want to call attention to a plank in the Democratic platform of 1912, which shows how Democrats then considered the interference of the President in legislative matters. It is found on page 168 of this little book of platforms, and is as follows:

> We believe in the preservation and maintenance in their full strength and integrity of the three coordinate branches of the Federal Government—the executive, the legislative, and the judicial—each keeping within its own bounds and not encroaching upon the just powers of either of the others.

And yet, as I understood him, the Senator from Colorado said this morning they expected such interference.

On January 24, 1916, the President wrote Mr. KITCHIN, of the House, a letter from which I take the following. I quote from his letter:

> It might further be of great assistance to the Congress and to the public and to American industry by investigating the industrial effects of proposed or existing duties on products which compete with products of American industry; the conditions of competition between American and foreign producers, including all the essential facts surrounding the production of commodities at home and abroad; the volume of importation compared with domestic production; the nature and causes of the advantages and disadvantages of American as compared with foreign producers; and the possibility of establishing new industries or of expanding industries already in existence through scientific and practical processes in such a manner as substantially to promote the prosperity of the United States.

I suppose that when the President penned the above he had forgotten his Indianapolis speech in which he told of the powers of the trade commission, and that he had taken pains to give them power to secure the data needed for a scientific treatment of the tariff. Note, too, that in this letter he desires this commission to look into "the possibility of establishing new industries or of expanding industries already in existence."

In this same connection I wish to say that if you will read the measure you will find that there is nothing in it to encourage American industry, and you will find further than when this letter was read by the leader of the Democratic side in the House it must have displeased him, because Mr. KITCHIN, as a good free-trade Democrat, did not desire to go so far. He hastened to the White House, when out came another letter from the President, from which I desire to read two extracts:

> THE WHITE HOUSE,
> *Washington, D. C., January 26, 1916.*

The previous letter was written January 24.

> THE WHITE HOUSE,
> *Washington, D. C., January 26, 1916.*

> MY DEAR MR. KITCHIN: Our conversation yesterday made me realize that in my letter of the 24th I had not set forth, as I should have set them forth, my reasons for changing my mind on the question of creating a tariff board, for I must frankly admit that I have changed my mind since I last spoke on that subject.
> * * * * * * *
> I have had in this change of mind no thought whatever of a change of attitude toward the so-called protection question. That is neither here nor there. * * *

His last speech upon the subject was in Indianapolis, and in that speech he said that he had taken pains to give the people a tariff board, and criticized the Republicans because the Repub-

licans seemed to have voted for it without knowing it, and, as he claimed, he had "put one over on them."

Now, if this is his position there is no need of creating a tariff board, because if he stands for a tariff for revenue only an expert in the Treasury Department can give all the data needed.

The President is not the only prominent Democrat who takes such a position, and in this connection I desire to call your attention to the attitude of the present Democratic leader of the Senate, Mr. SIMMONS.

Mr. WILLIAMS. Mr. President, may I ask the Senator from Kansas a question?

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Mississippi?

Mr. CURTIS. Certainly.

Mr. WILLIAMS. Is the Senator from Kansas in favor of a tariff commission or opposed to it?

Mr. CURTIS. I am in favor of a tariff commission, and have voted for a tariff commission; but I doubt the good faith of the gentlemen on the other side who every time they have had a chance to vote on the proposition of creating a tariff commission have voted against it.

Mr. WILLIAMS. Then, as I understand, the Senator is accusing us of being converted to a good thing rather too late to suit him. Is that the Senator's position?

Mr. CURTIS. No; I am accusing you and your President of playing politics, pure and simple.

Mr. WILLIAMS. Mr. President, this bill contains a provision for a tariff commission. If the bill passes, that provision will go into operation, and there will be a tariff commission. That sort of playing politics amounts to doing something. Now, I do not say that a tariff commission is right or wrong; let that be as it may; but the Senator from Kansas says it is right. He therefore accuses us of playing politics by doing a right thing, a thing right in his opinion, and his only quarrel with the President is that it comes a bit late.

Mr. CURTIS. My quarrel with it is that the President says that we already had one, and that he had "put one over on the Republicans." Now he confesses that we have not, and he is trying to get the majority side to reverse their action of years, and vote for one.

Mr. WILLIAMS. Mr. President, if the President said we had one and finally concluded that the one we had was not adequate or not sufficient, and then repented of his Democratic sins and came to the Republican position, which is the position of the Senator from Kansas, what is the quarrel of the Senator from Kansas with the President upon this particular proposition?

Mr. CURTIS. I am just trying to show the inconsistencies of the Democratic President on one subject. I would not have time in a day to show them on all subjects.

Mr. WILLIAMS. I asked the Senator what was his quarrel with the Democratic President upon this particular proposition if the Democratic President had expressed repentance or even remorse for his past sins and had agreed with the Senator from Kansas?

Mr. CURTIS. I said a moment ago that my quarrel was with him because I did not believe that he was in good faith, and I do not believe he is.

Mr. WILLIAMS. Oh! But if this bill passes with this commission in it, it must absolutely be a fait accompli—a deed performed—and therefore stands the only test of good faith that God has ever furnished to humanity.

Mr. CURTIS. What kind of a board will he appoint?

Mr. WILLIAMS. I do not know.

Mr. CURTIS. He will put all free-trade Democrats on it.

Mr. WILLIAMS. The bill requires him to appoint three Republicans; but I am rather inclined to think that whatever board he does appoint will be fallible human beings and will make a great many mistakes.

Mr. CURTIS. Probably.

Mr. WILLIAMS. But that is not the question. The Senator was willing to risk a board, and therefore was willing to risk the appointment of a board by somebody. Now, does the Senator mean to say that his real position is that he wants a tariff commission, provided it is appointed by a Republican President, but he does not want one if it is appointed by a Democratic President? If that is the Senator's real position, I can understand its frankness, though I can not understand its logic.

Mr. CURTIS. I do not want the kind this President would appoint. I will say that very frankly to the Senator.

Mr. WILLIAMS. Nor any other Democratic President?

Mr. CURTIS. Oh, I think there might be some——

Mr. WILLIAMS. What the Senator really wants, therefore, is a Republican tariff commission, is it not?

Mr. CURTIS. If the Senator from Mississippi wants my honest and candid conviction, I would rather have a Republican tariff commission than a Democratic tariff commission.

Mr. WILLIAMS. But, leaving out the Senator's preference, is it not his idea that he wants it exclusively a Republican tariff commission that can be trusted absolutely to mould the tariff in favor of high protection?

Mr. CURTIS. A nonpartisan tariff board could not be all Republicans.

Mr. WILLIAMS. But this bill provides, contrary to any bill I have ever known, that three of the commissioners shall be Republicans and three shall be Democrats. You, when in power, never gave us a bipartisan board without having a Republican majority.

Mr. CURTIS. We gave you two free-trade Democrats.

Mr. WILLIAMS. Never in your lives.

Mr. HARDING. Mr. President——

Mr. CURTIS. I yield to the Senator from Ohio.

Mr. HARDING. I want to ask the Senator from Mississippi if I did not understand him to say on the floor of the Senate one day that there is no such thing as a nonpartisan board, but it must necessarily be a bipartisan board?

Mr. WILLIAMS. I have said it a hundred times, and I say it now, and I might have replied to the Senator from Kansas in those words; but this is what they call a nonpartisan board, which is a bipartisan board. It is the first bipartisan board that I have known of in my long experience in Congress, in either House, which was ever composed of equal members of both parties. Let us call it "bi," rather than "non." There is no such thing as nonpartisanship in this world. I see sitting in front of me a distinguished Member of the House of Representatives [Mr. CANNON] who, if he had the privilege of speech upon this floor, would join me in that assertion.

Mr. CURTIS. Mr. President, as I was saying, while the present Democratic tariff bill was pending a Republican Senator, Mr. MCLEAN, of Connecticut, made an inquiry of Senator SIMMONS, of North Carolina, who had charge of the bill in the Senate, which elicited this reply:

> I do not know, Mr. President, what is the difference in the cost of producing this article here and abroad. I have not investigated that. We have not been trying to balance the difference in labor cost here and abroad, because we were not trying to make a protective bill.

A further inquiry from Senator MCLEAN provoked from Senator SIMMONS a more emphatic statement of the position of the Democratic Party:

> Now, the Senator from Connecticut is talking about protection. He says, "One gives adequate protection and the other does not give adequate protection." I have stated to the Senator that we were not trying to give protection in the duties on imports here.

The Democratic contention that the bill should not protect was fully realized. It did not protect. It invited imports. In the first 10 months of the Underwood bill, extending up to the beginning of the European war, twice as many eggs, three times as much meat and dairy products, and four times as much wheat were imported as during the corresponding period of the previous year; seven times as much corn as the aggregate of the preceding 30 years, $20,000,000 more wool; and during the fiscal year ending June 30, 1914, $375,000,000 more in agricultural products were imported than the average of the last four years of Republican administration. Before the war orders revived industrial conditions, increased importation of manufactures had thrown more than 4,000,000 men out of employment, thereby reducing the consumptive capacity of that many families. Thus, 20,000,000 people were directly affected, the remaining 80,000,000 indirectly affected, and all adversely affected by the vicious Democratic tariff law.

Only by their votes can the laborer and the farmer avert more serious disaster which must ensue when the war ends, unless this iniquitous law is repealed by a Republican Congress, Senate, and President.

May God grant them wisdom in this hour of their need!

AN IMPORTANT ADMISSION.

President Wilson admits the present tariff law was expected to injure the laborer and the farmer.

In his message to Congress of September 14, 1914, urging what he calls "a war emergency tax," President Wilson made it clear that the very large increase in imports which the Underwood tariff bill would have certainly induced but for the war was being prevented by the war, and he asked that a new revenue measure be provided that should supply the loss in revenues resulting therefrom, which he estimated at $100,000,000. The average duty on all imports under the Underwood law was at

that time nearly 15 per cent. To have raised this $100,000,000 from customs would have required, therefore, the importation of $700,000,000 additional merchandise. Add to this the average duty and we have $800,000,000 of imported merchandise which the President says he and his party intended the people of the United States should consume in lieu of an equal amount of domestic merchandise.

What would have become of our industries by this time had imported merchandise taken the place of domestic to the extent of $800,000,000 per annum? And what would have become of American workmen had they been deprived of the wages incident to the production of $800,000,000 worth of merchandise? And what would have become of the American farmers had they been deprived of the privilege of feeding these workmen? Remember that coal and other supplies, repairs and maintenance of plants, and even transportation are largely labor. The loss to labor, according to their own estimates, would have been at least $600,000,000 per annum. Truly the war, in thwarting the purposes of a Democratic President and a Democratic Congress, has been kind to American labor and American agriculture.

DIVERGENT VIEWS OF WELL-INTENTIONED MEN.

Every industrious person is a producer. One man produces labor, another employs labor and produces various products, transportation or exchange. Anyone who in any manner contributes to the sum total of our production or to the grand aggregate of our commerce is a producer.

We are all consumers. We consume necessaries, or comforts, or luxuries, or extravagances. We each have dual interests and may be appealed to from opposite angles. We like to buy what we consume as cheap as possible and to sell what we produce as high as possible.

The Democratic Party always appeals to the voter from the consumer angle and say the one thing needful to make him prosperous and happy is cheap things to consume. We appeal to him from the producer angle and tell him the one thing needful is a good price for what he produces, whether it be labor or some resultant of labor. They promise to open wide the doors of trade so that each may buy where he can buy the cheapest; for it matters not, they say, who produces, provided he gets it cheap.

We promise to compel the foreigner who seeks to bring into our market the things we produce with intent to undersell us to pay a portion of what he receives into our Treasury, to help pay the expenses of our Government to the end that the American shall have a substantial advantage in his own market. They promise the best market in the world in which to buy. We promise the best market in the world in which to sell. High-priced farm produce and cheap food are inconsistent. High wages and cheap things made by labor are incompatible. We can have either but not both. Each voter must consider which is better for him or her.

I am aware that the Democratic candidates sometimes promise the farmer high-priced wheat and the laborer cheap bread, the producer high-priced cattle and the consumer cheap meat. That is what we must expect of cheap politicians, but they can not deliver the goods.

WILL HISTORY REPEAT ITSELF?

The Napoleonic wars ended 100 years ago, and just at that time the Democratic Party enacted a new tariff law. The rate of duty collected under that tariff was 22 per cent, while the present Underwood tariff, with agricultural products free, is running at this time at less than 9 per cent—the lowest in our history. In other words, the Underwood tariff bill is twofold worse than the Democratic act of 1816, the evil effects of which are graphically told by Woodrow Wilson in the third volume of his History of the American People:

> Peace changed the face of trade. English merchants poured their goods once again into the American ports, so long shut against them by embargoes and war. Manufactories had sprung up while the ports were closed. In the year 1815 close upon $50,000,000 had been invested in the manufacture of textile fabrics alone. The new movement did not stop with the establishment of cotton fabrics. The manufacture of wool and flax and hemp and even silk was added. Iron manufactures, long ago set up, but tentative and feeble hitherto, increased from hundreds of thousands to millions in value under the stimulation of foreign trade cut off. Almost everything in general use in the country was sooner or later added to the growing list.
>
> Industry, long ago begun upon a small scale, took heart to grow, and those which Americans had hitherto not dreamed of attempting were heartily embarked upon. Distinct manufacturing regions began sensibly to develop in the Middle States and in the East, with interests and characteristics which statesmen could not afford to overlook. It was manifestly injurious to every young industry that a flood of English imports should continue to pour into the country at the open ports. The remedy was a protective tariff, such as Mr. Hamilton had wished to see at first, and the young Republican leaders of Congress did not hesitate to advocate and establish it.

Is there any reason to doubt that the American farmer and the American laborer will be as good protectionists at the polls November next as Prof. Woodrow Wilson was when a truthful historian? If they are, history will repeat itself and again Republican leaders in Congress will not hesitate to advocate and establish protection.

I desire to call your attention to a few changes made in the tariff law by this Democratic administration under the leadership of President Wilson and show the result of those changes. They will be of great interest to the farmers of this country.

Under the Republican tariff of 6 cents a pound the butter imports for the last 10 months were 1,000,000 pounds. Under the Democratic tariff of 2½ cents a pound the butter imports for the first 10 months were 7,685,000 pounds, or an increase of 688 per cent.

The Democratic tariff reduced the duty on cheese 40 per cent. The increase in importations during the first 10 months was 12,500,000 pounds.

The importations of milk under the last 10 months of the Republican tariff were $134,000. Milk was free under the Democratic tariff, and during the first 10 months of its operation the imports amounted to $1,264,000.

The Republican tariff levied a duty of 25 cents a bushel on potatoes. During the last 10 months of that tariff 314,000 bushels were imported. The Democratic tariff bill made potatoes free and also prescribed a 10-cent retaliatory duty. Under the first 10 months of its operation 3,630,000 bushels were imported.

Under the Republican tariff eggs carried a duty of 5 cents a dozen and there were small importations. Under the Democratic tariff bill they were free. During the first 10 months of the operation of the Democratic bill 6,000,000 dozen were imported and frozen eggs besides.

Horses and mules under the last 10 months of the Republican tariff were imported to the extent of $1,191,997; under the first 10 months of the Democratic tariff they were imported to the extent of $2,078,770.

Cattle during the last 10 months of the Republican tariff were imported to the extent of $5,680,733; under the first 10 months of the Democratic tariff to the extent of $16,540,435.

Sheep during the last 10 months of the Republican tariff were imported to the extent of $70,314; during the first 10 months of the Democratic tariff to the extent of $491,648.

Swine during the last 10 months of the Republican tariff were imported to the extent of $9,274; during the first 10 months of the Democratic tariff to the extent of $1,470,330.

Poultry, during the last 10 months of the Republican tariff, were imported to the extent of 588,777 pounds; under the first 10 months of the Democratic tariff to the extent of 856,859 pounds.

Corn, during the last 10 months of the Republican tariff, was imported to the extent of 139,877 bushels; during the first 10 months of the Democratic tariff to the extent of 564,699 bushels.

Oats, during the last 10 months of the Republican tariff, were imported to the extent of 38,074 bushels; during the first 10 months of the Democratic tariff to the extent of 7,600,000 bushels.

Wheat, during the last 10 months of the Republican tariff, was imported to the extent of 331,936 bushels; during the first 10 months of the Democratic tariff to the extent of 900,188 bushels.

And so I might go on with the list, Senators; but I will not detain the Senate longer this afternoon. I did not expect this afternoon to discuss the various features of this measure. I want to leave that to the members of the committee. Later on, I may have something to say in reference to various provisions in the bill.

I want to say in conclusion, that I am opposed to this war revenue in time of peace. I want to say again, that I am opposed to the issuing of bonds in time of peace to pay the ordinary running expenses of this Government.

Mr. WILLIAMS. Mr. President, there is a great deal of truth in what Lord Macaulay called "the hobnailed philosophy of the common people." That is the way in which he defined proverbs. One of the proverbs of the English-speaking race is that "consistency is the hobgoblin of small minds." As far as I have understood the Senator from Kansas, his entire speech consists of an attempt to show that Democrats and the President of the United States had been at one time in their lives inconsistent in their opinions with the opinions that they held at another time. That may be a hobgoblin to him if he chooses to fear it, but if he does he falls among small minds. I, myself, do not fear it, and therefore I do not by that token, at any rate, fall among small minds. I may by several other tokens.

Mr. President, I should hate to believe that President Wilson did not have any more sense than Prof. Wilson. I should hate

to believe that Senator Williams did not have any more sense than Cadet Williams. I should hate to believe that the Senator from Kansas did not have any more sense now than when he was a lawyer in a Kansas village. That part of humanity which goes forward with the world is inconsistent. That part of it which stays idiotic is still in infancy—perhaps not the idiocy of infancy either. Perhaps that is expressing it too strongly; but in the intellectual innocency of infancy, let us say.

Mr. President, I call attention to the fact that the press gallery is entirely empty. There is not a man in it. I call attention to the fact that the other galleries contain only 5 per cent of their usual occupants. Why?

Because it went out this morning that this was a field day for a few big guns in the Republican Party to attack President Wilson. Neither the public nor the press took any interest in it, and they all retired, and they have remained retired ever since, and they are going to remain retired until that sort of foolish game ceases.

Why, Mr. President, this has been one of the most amusing spectacles in the world to everybody except me. I have been waiting here all day in charge of the income tax and estate tax on the revenue bill in order to put before the Senate and submit it for amendment, ratification, or condemnation. When I came in I had to stay all day long. It is amusing to the public, but it is tragic to me to have been held here all day in order to hear that great economist, the Senator from Pennsylvania [Mr. PENROSE], in order to hear that great political purist, the Senator from Utah [Mr. SMOOT], and in order to hear my good friend from Kansas [Mr. CURTIS] do what? Make political speeches? Am I right in that? No; I am not right; I am wrong. Two-thirds of them did not even make speeches. They read papers that they had very carefully prepared. They will go home to their constituents as speeches made on the floor in the heat of debate, and in that coruscation of intellect against intellect and that clash between opinion and opinion which constitutes debate; but, as a matter of fact, we know and the press knew beforehand and the galleries knew beforehand that they would be written addresses read carefully with some degree of emphasis to this body. And read about what?

Mr. HARDING. Mr. President——

The PRESIDING OFFICER (Mr. LEE of Maryland in the chair). Does the Senator from Mississippi yield to the Senator from Ohio.

Mr. WILLIAMS. I yield.

Mr. HARDING. I wish to ask the distinguished Senator from Mississippi if he thinks the reading of political speeches is any innovation in the Senate?

Mr. WILLIAMS. I am sorry to have to answer no. I have noticed here, when men take themselves seriously—and for the most part very much more seriously than they deserve—they draw out careful manuscripts and come into the Senate and read them, and they go home to their constituents as if they were the sudden coruscations of political thought. I answer the Senator's question by saying frankly no. But I will go a bit further and say that the public business and public political morality and the progress of the Republic would be very much better subserved if there were no speeches made upon the floor except the speeches made in actual debate.

Mr. President, the dog days are upon us. They have been upon us for some time. Political speeches make the dog days harder to endure.

And what has all this talk been about? I ask you frankly, as man to man, what has it all been about? Simply the "outs" are seeking a raft to float to shore and oust the "ins."

Now, I do not mean that that is a big sin. The Senator from Ohio might ask me if that was not the normal condition of the American National Legislature; and if he had asked the question, I would have replied to him frankly yes. But I am getting a bit old, not only in service, but the least bit old in age, too, and I am getting tired of it. I am getting to the point where I want men to utter actual thoughts that they actually believe in, and not to read essays about things merely and solely and simply for political effect.

I ask the question of anybody who has heard what has occurred to-day, whether a thing has been uttered that had anything to do with the enactment and the operation of this revenue bill, and whether anything has been uttered on the Republican side which alluded in the most remote degree to any affirmative assertive policy of the Republican Party—whether one word has been uttered except carping criticism?

Mr. President, a little bit of a man, a child, or a dwarf can take a cheap telescope and can see spots upon the sun, but if he attempted to argue the sun ought therefore to go out of existence nobody hardly would listen to him unless he were enraptured with a degree of self-respecct induced by his own eloquence that made him for the moment a political partisan. This is about the size and sense of Republican senatorial attacks made to-day on President Wilson.

What is the question before this body? It is, Shall this revenue bill pass? Is it or is it not the best thing that we can do under the circumstances? Who has created the circumstances? I? No. You? No. The American people? No. The world and the world war? Yes; and the circumstances have got to be provided for by legislation in this way or some way else.

Now, there is another good old piece of "hobnailed philosophy" in that old proverb that you "can not eat your cake and keep your cake." If you eat it, you can not keep it, and if you keep it you can not eat it; and if you keep it or eat it you have got to pay for it, unless you have either stolen it or some one has given it to you.

The American Republic has no way of stealing money, and there is nobody on God's earth except the American people that can give it money. You on the other side of the Chamber know as well as I do that you pretended to be, and I believe, candidly speaking, you were even more in favor of the preparedness provision which we put upon the statute book than we were ourselves. I think that grows out of the fact that you were in the minority and we were in the majority. If we had been in a minority and you had been in a majority, we would have tried also to "out-Herod Herod" and quarrel because the appropriations were not still larger in response to a popular demand.

But, whether that be true or not, the fact remains that you were, if anything, still more in favor of having the preparedness cake than we were. Now, what are you going to do with it? Are you going to pay for it or not? You can not fool the American people. You might fool them for a short time. You might fool even a majority of them for a little bit of a time, but you can not fool even a respectable minority any great length of time, and much less for even the short time that is going to transpire between now and the election.

Mr. HARDING. Mr. President——

Mr. WILLIAMS. In one moment. The great apostle of economy, the Senator from Pennsylvania [Mr. PENROSE], with his magnificent training for partisan work, with his magnificent common sense, with his splendid education, even he can not make this apparent to the American people, to wit, that he joined in with his late antagonist and his present ally, a former President of the United States, in literally howling for preparedness and that the Democratic Party and the Democratic President are guilty of unforgivable extravagance in paying for the preparedness after it has been legislated for. Now I will yield to the Senator from Ohio.

Mr. HARDING. The Senator from Mississippi has alluded to his long experience in Congress, and it is a very honorable one I may say, and he has used the illustration of the inability to have one's cake and eat it at the same time. I want to ask the Senator if it is not his observation that under the protective revenue plan of the Republican Party the Government has always had the means with which to pay for its cake?

Mr. WILLIAMS. Mr. President, under every plan of American government I have ever known the American Republic has had the means to pay its debts and to pay for its cake, but it is because the American Republic has always had the honesty to appropriate the money to follow up its projects and legislative promises and provisions.

Now, whether the method of providing the money was a tariff tax upon import duties or what is infinitely better, a tax upon incomes and upon the wealth of the country, is a side issue as far as the Senator's question and my answer are concerned. My theory is that it is better to fix a tax upon the wealth of men than to fix a tax upon their backs and their bellies. His theory is that it is better to tax their backs and their bellies provided their brains do not find out that their backs and their bellies are taxed. The import duty being an indirect tax, he trusts that their brain will not discover that their backs and bellies are taxed.

Mr. PENROSE. Will the Senator permit an inquiry?

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Pennsylvania?

Mr. WILLIAMS. I do.

Mr. PENROSE. Do I understand the Senator from Mississippi to contend that this additional burden of taxation is rendered necessary solely by the preparedness program?

Mr. WILLIAMS. Oh, no, no.

Mr. PENROSE. I so drew the conclusion from the Senator's remark.

Mr. WILLIAMS. The Senator drew the conclusion like he assumed this morning that $56,000,000 had been appropriated for flood control. It was a mere assumption.

Mr. PENROSE. We have reached a period when throwing out such an insignificant sum as $50,000,000 is hardly worthy of notice.

Mr. WILLIAMS. I beg the Senator's pardon, $51,000,000 was the amount.

Mr. PENROSE. The whole $51,000,000 is an insignificant sum in view of the way millions have been thrown around this winter. Leaving that out——

Mr. WILLIAMS. I think if I owed $4,000 and had to pay $456 more the sum would not be insignificant. But go ahead.

Mr. PENROSE. Does the Senator realize that this revenue bill would have been necessary had there been no preparedness at all?

Mr. WILLIAMS. Do you ask me if I do not confess that?

Mr. PENROSE. Does the Senator realize that?

Mr. WILLIAMS. Of course not, and nobody else does who knows anything about it who was present in the Senate or on the floor of the House or in Washington giving attention to what was going on.

Mr. PENROSE. Mr. President, I believe the Senator is speaking the truth. I do not believe that it has yet sunk into the minds of the majority in this Chamber how they have squandered the public money without any consideration to the fact that even a Treasury as rich as is that of the United States must have a bottom to be reached. I am satisfied the Senator is only confessing his own dense ignorance of the extravagance which has been going on here this winter. The minority will show before this debate is over that the pretense that this legislation is necessary for preparedness is entirely misleading and does not in any way represent the facts or the condition of the revenue and the expenditures of the Government.

Mr. WILLIAMS. Mr. President, I confess that to build up a man of straw and destroy him may be a sport for me or for a man of ordinary intelligence in ordinary control and leadership; but to build up a man of straw in order to destroy him, I always thought was a thing beneath the notice of a man so grave and great as the Senator from Pennsylvania. I did not say preparation for defense, or "preparedness," as the fad phrase goes, was the only reason. What I said was that you and we had made a contract for our cake; you had to pay for our cake; that you were as much parties to the contract on the other side as we were on this side; and that the greatest thing entering into the contract was the contract for preparedness, and that you were howling more for that particular cake than even we did; and that now you are declining to pay for it, or rather quarreling with us because we thought it ought to be paid for. But I did not mean to say that that was the only expenditure, nor did I say it. That was the centerpiece around the table both parties prepared. There were all sorts of other cakes, ginger cakes, tea cakes, and various other cakes, which various Senators wanted for their particular States or for their particular interest or for the particular thing behind them somewhere.

The truth is that you will never have an economical Government, effectively administered, in the United States until you have some sort of collaboration between those who make appropriations and those who pass laws requiring appropriations. But that is another question. He would be a bold man, and even the giant from Pennsylvania, who is bold in intellect and bold in defiance of public opinion as well as now and then bold in allegiance to it, is not bold enough to say—he would be a very bold man indeed, he would be a very brave man indeed, if he said the fact that we never did have that collaboration during the entire history of this Republic was the fault of either party more than of the other party.

Now, Mr. President, the answer to all this partisan rant is this: You have bought the cake; you have gone to the confectionery store, where votes are furnished. Those of you who were not sincere in all these appropriations that you have passed stand self-confessed as having voted for them in order to get the confectionery which was before you. A part of it is preparedness, a part of it is pensions, a part of it is the ordinary Army and the ordinary naval expenditures. A part of it is the $3,000,000 expended in Alaska for a railroad to serve about 12,000 white people, I believe. A part of it is the good-roads bill, I believe, which all of us passed. A part of it is reclamation for the West. For all those things that I have thus far mentioned there were perhaps even more Republican votes than Democratic votes. A part of it is the munitions plant; the ship-purchase bill; a part of it is the armor factory.

On the last three propositions you might, if you could satisfy the American people that the three objects in view were wrong, quarrel with us about the money to be expended to accomplish the objects; but your quarrel on either or all would come back on yourselves like a boomerang. The people would not agree with you.

I can not upon my feet, without manuscript to read from and the previous assistance of a secretary and experts, tell you just what other items of this money we have spent for other things; but those are a few of the things. You know that you voted for them just as fully as we did.

Now comes pay day. It is ordinary cheap politics. You go to the American people and you say, "Yes, I am in favor of a railroad in Alaska; yes, I am in favor of good roads; yes, I am in favor of an armor-plate factory; yes, I am in favor of a big Navy to furnish the first line of defense of the American people's liberty and territory; yes, I am in favor of a big Army, or, rather, a larger Army, not yet a big one—I am in favor of all these things, but these miserable Democrats are in power, and we have got to pass a revenue bill to pay for them. I do not quarrel about the things we have agreed to buy nor about the prices we agreed to pay, but about putting our hands in our pockets to pay."

What do you offer as a method to pay for them? Do you offer anything except to go back to your old system of taxing the backs and the bellies of the people? What do you offer? Do you offer anything except the idea that the poor ought to pay as much taxes as do the rich; more, indeed, in proportion to ability to pay? What do you offer as a substitute for our income tax, our corporation tax, and our munition tax, for either or all? "Gentle shepherd," answer me, what?

You remind me of your candidate, you boys. You know how to criticize; you know how to carp; you know how to deny payment on pay day; but you do not know how or what to affirm, and you do not know how to take the initiative; you do not know how to *do* anything. You have become a party of negation, with a great big "N" and a great big "E" and a great big "G" and a great big "A" and a great big "T-I-O-N." What do you propose? You have bought your cake. How do you propose to pay for it? What method of raising the revenue do you suggest? Some few of you suggest issuing bonds, but the last Senator who represented you swore that even the small problematical issue that might take place—and that I do not think will take place—was offensive to him. What do you propose? How do you want to get the spots off the sun? What do you propose to take the place of the sun?

Mr. PENROSE. Mr. President——

Mr. WILLIAMS. I yield. Now, I wait confidently to hear what is proposed.

Mr. PENROSE. Of course there is no use of getting into an argument with the Senator from Mississippi about methods of raising revenue. He has stated on the floor of the Senate in some preceding Congress, as near as I recollect, that he would like to demolish every customhouse in the country.

Mr. WILLIAMS. Oh, the Senator from Pennsylvania is very much mistaken. He is getting me and CHAMP CLARK mixed up. The Senator gets things mixed up all the time.

Mr. PENROSE. The Senator certainly did state, when the proposition for a sugar duty was up, that he was willing to vote for free sugar even if it meant the financial and industrial destruction of the State of Louisiana.

Mr. WILLIAMS. Oh, well, I did not state that.

Mr. PENROSE. The Senator stated it in those very words.

Mr. WILLIAMS. No; I did not state that.

Mr. PENROSE. I can find the Senator's remarks. I remember them very well.

Mr. WILLIAMS. The Senator is mistaken, and I will leave it to the RECORD.

Mr. PENROSE. It was during a colloquy which I had with the Senator in which I yielded to him.

Mr. WILLIAMS. Of course, in a colloquy with the Senator I ought, in ordinary politeness, to admit that his memory is right and mine is wrong; but in this case I can not.

Mr. PENROSE. The Senator, after expressing his allegiance to Thomas Jefferson, deliberately stated that the State of Louisiana could go bankrupt, so far as he was concerned——

Mr. WILLIAMS. Oh, no; none of that occurred; not even the preamble about dear old Tom Jefferson.

Mr. PENROSE. And that he was for free sugar. Now, when a Senator deliberately proposes to demolish the customhouses, looks with complacency on the destruction of a great Democratic State, throws fifty or sixty million dollars of revenue into the ocean, which had been obtained from sugar, or is willing to do it, there is little or no use for me to argue with him about what Republicans would do. He expresses an admiration for the British system of taxation, levying direct taxes and inheritance taxes on everybody. He would not think we had a perfect system of taxation in this country unless direct taxes and inheritance taxes were as grinding and oppressive as they are in Great Britain to-day in the crisis of a great war. He would think in some way our tax collectors were derelict. He

has an abhorrence for the collection of revenues from sugar or from duties on other importations, because he, somehow or other, has argued himself into a frame of mind that it is a tax on consumption—a novel doctrine advanced in recent years—and the Senator will not have anything to do with that. So I will have to leave the Senator——

Mr. WILLIAMS. Mr. President——

Mr. PENROSE. Well, just hold on one second.

Mr. WILLIAMS. Is not the Senator from Pennsylvania just a little bit afraid that I will forget his questions before he gets to the end?

Mr. PENROSE. I shall have to leave the Senator to his complacent frame of mind to continue to express his abhorrence of the customhouse, to reiterate his willingness to view with indifference the destruction of the great Democratic State of Louisiana, to renew his expressions of admiration for British and other foreign systems of taxation, and to reserve my proposition as to how these revenues ought to be raised until to-morrow or the next day, when I can state it deliberately and fully.

Mr. WILLIAMS. Mr. President, I was engaged in an intense appeal—earnest, soul harrowing—to the Republican side of the Chamber to tell me how they were going to pay for the cake. When the Senator from Pennsylvania rose, of course, I thought that he was going to speak for the party, and I thought he was going to tell me just how in detail the money was to be raised to pay for the cake—2 pennies for the tea cake, 3 pennies for the ginger cake, and 120 pennies for the centerpiece of preparedness. The country will witness, for I notice that since I have begun to speak the press gallery has filled up again to some extent [laughter], and the country will therefore notice, through the press, how "greatly the great are fallen" and how "lame and impotent is the conclusion" made of the reply by the Senator from Pennsylvania.

The Senator indirectly accuses me of complacency. Why, Mr. President, you all know me, and you all know the Senator from Pennsylvania. I am frequently dissatisfied with myself, and, God knows, I ought to be; but who ever met the Senator from Pennsylvania when he was dissatisfied with himself? [Laughter.]

Now, Mr. President, we will go on back to the subject which was being discussed. I once had a friend in Mississippi who objected to the French word "apropos," and he turned it into English, and he called it "aproporious." Then he made another word, which he called "inaproporious." The Senator from Pennsylvania is positively and absolutely the most "inaproporious" man that ever existed—no, I will not say that—only the most "inaproporious" man that ever illustrated his characteristics upon this floor. I will say that.

The Senator accuses me of making a speech at some time in which I said I wanted to abolish every customhouse in the country. Well, there is nothing wrong about that utterance of the Senator, except that it is not founded upon history and it is not founded upon the facts—has not a leg of the record to stand on. Nothing of the sort ever occurred at any time or at any place in my career or in his.

Then, the Senator says that I said I wanted to put sugar on the free list, to "surrender Louisiana to devastation." Every Senator on this side of the Chamber knows that I fought in subcommittee and in committee and in caucus to keep a revenue duty upon sugar, the English so-called "free-trade duty," and I am prepared to defend it now as the best revenue producer imported by the American Government; and I told them at that time if they abolished it——

Mr. HARDING rose.

Mr. WILLIAMS. Wait a moment; let me get through with one gentleman before I start with another—and I told them at that time that if they totally abolished the duty on sugar they would be compelled by revenue necessities to reimpose some duty in less than two years. I was a little off in my time, but not much.

What I said upon the floor was this—the Senator from Pennsylvania has got it exactly backward—I was asked a question by some Senator as to whether I did not believe that putting sugar upon the free list would destroy the sugar industry, and my reply was, in substance, that I did not think it would destroy the beet-sugar industry, but I believed it would destroy the Louisiana cane industry, and, if the Senator's memory were as good as his partisanship is strong, he would remember that I made this argument in favor of my position——

Mr. PENROSE. Mr. President——

Mr. WILLIAMS. Wait just a moment now.

Mr. PENROSE. I will have the RECORD here in a few moments.

Mr. WILLIAMS. I am not at all afraid of that. The Senator can not introduce anything from the RECORD that does not exist in the RECORD.

Mr. PENROSE. I did not want the Senator to leave until it could be obtained.

Mr. WILLIAMS. I am not one of the horde of Philadelphia machine voters to be frightened by fictitious language threats in that manner. [Laughter.] The Senator will remember that I made this argument at that time: I said that the Louisiana cane producers had to compete with people whose entire product—I believe the Senator from New Hampshire [Mr. GALLINGER] will remember it—could go into sugar every year, whereas the Louisiana cane producer must bury a quarter, 25 per cent, of his product in the ground every year in order to have seed cane to produce fresh cane to grind the next year, because the cane dies every year and can not be reproduced in Louisiana except by the cane itself; not from seed. In the Tropics it can be cut and recut, and it springs up afresh for years.

Mr. GALLINGER. Mr. President, I do remember that; but I remember another thing. The Senator denies that he said he would dispense with the customhouses of the country; but the Senator did say in a colloquy with me that he was an absolute free trader.

Mr. WILLIAMS. I said that I was an ultimate free trader, and I am.

Mr. GALLINGER. Yes.

Mr. WILLIAMS. Now, what about that?

Mr. GALLINGER. Then the Senator would not want any customhouses if his idea were carried into effect.

Mr. WILLIAMS. I am not only a free trader but I am not afraid of the word "free" anywhere you can put it in.

Mr. GALLINGER. I have heard the Senator say that lots of times.

Mr. WILLIAMS. I am pretty much of a free thinker, in bounds of reason and revelation, and I am pretty much of a free-everything-else that you can imagine. I have never been bothered with any dread of freedom. I think that when you leave people with as little government as possible, to get along in the best manner that they can in commerce or otherwise with one another, they get along pretty well.

Mr. GALLINGER. I think likely that is so.

Mr. HARDING. Mr. President——

Mr. WILLIAMS. I did not rise for the purpose of making a long speech, but I am perfectly willing to be the target of every question that can be asked; and, if there are any of them that I do not know how to answer, I simply will not try to do so.

Mr. GALLINGER. Mr. President, if the Senator from Mississippi will permit me, I was rather surprised that the Senator from Mississippi seemed to resent the suggestion on the part of the Senator from Pennsylvania that the Senator from Mississippi had suggested that he could get along without customhouses. If he could, of course——

Mr. WILLIAMS. That is not what the Senator from Pennsylvania said. I say now that I would get along without them, if I could, if that is what you want; but I frankly confess that I can not.

Mr. GALLINGER. If the Senator ever reaches the period of "ultimate free trade," to which he has committed himself, he will not want any customhouses then.

Mr. WILLIAMS. No; but I think—I fear it will be after I am dead.

Mr. GALLINGER. I think so. That is all I care to say.

Mr. WILLIAMS. I was 62 years old on the 30th of July, I will say to the Senator, and I imagine I would be about 104 before that time came; but still that is a vision that I have had.

Mr. HARDING. Mr. President, the Senator was just saying that he would be very happy at any time to defend his attitude in favor of a revenue-producing tariff on sugar. I wanted to ask him if that came under the list of "burdens upon the bellies and backs of the American people"?

Mr. WILLIAMS. Yes; it does; but it is a tax most of which goes into the Treasury. The backs and bellies of the people are necessarily taxed to some extent in nearly every tax that is laid, but the difference between a tax laid for protection, and especially a tax laid at prohibitive rates, and a tax laid on a revenue scale, is that in the former case almost none of it goes into the Treasury as a return to the people for the burdens which they are bearing, while in the latter case nearly all of it does go into the Treasury; and the sugar tax for the most part does go into the Treasury.

Mr. HARDING. Now, may I ask one more question of the Senator?

Mr. WILLIAMS. Certainly.

Mr. HARDING. I am not endeavoring to introduce a dialogue.

Mr. WILLIAMS. No; I understand it is merely what the English call "heckling"; but I am willing.

Mr. HARDING. I do not want the Senator to look upon it in that light.

Mr. WILLIAMS. Whatever it is, let it go at that.

Mr. HARDING. The Senator has defended the attitude of his party in changing the revenue laws of the country, and has defended it on the ground that his party has taken the burden of taxation from the backs and bellies of the American people.

Mr. WILLIAMS. I wish we had. I said we were trying to do it and we were aiming to do it.

Mr. HARDING. I desire to ask the Senator if he can relate to us who are interested in this question any accomplishment in the reduction in the much-complained of high cost of living in this country?

Mr. WILLIAMS. Why, Mr. President, if I were trying to drive an obstinate mule up a hill, and the mule did not want to go and the ground was slippery and the hill was very steep, and because of the peculiar circumstances that confronted me on that road somebody were to come along, and say, "Your mule is not going very fast; it is not making much progress; I criticize you because you are not trying to drive the mule," I would not think any answer particularly necessary.

Mr. President, there are certain natural economic laws which have their *ordinary* effect, but that effect is not a *necessary* effect, because it may be interfered with—even counteracted for a time—by other factors that enter into the sum. Every man who ever laid a protective import duty, if he did not raise the price of the foreign product thus taxed in his own market, failed of his purpose. Every man who ever laid an import duty and failed in his purpose failed in it not because the natural economic law did not work but because something else interfered with its natural operation; and every man who ever reduced a duty had in view, if he had common sense, as the natural effect of that action a reduction of the price of the foreign product in his market; and if that natural and ordinary result did not follow it was owing to the counteraction of some other factor that entered into the computation. Now, the Senator from Ohio knows as well as I do that when he lays a duty upon a foreign import coming into an American harbor he lays it for the purpose of raising the price of that article so as to give the American producer "a better chance to compete"—that is, a chance to charge a higher price—so that if he, in levying a tariff tax or increasing a tariff tax, did not accomplish the purpose which he had in view he would explain it at once by saying that it was due to something else; and if I, upon the other hand, reduce it and fail to accomplish the object I have in view I can, with equal right and undeniable correctness, assert that it must be due to something else. Mr. President, the Senator from Ohio knows—the Senator from Ohio is a sincere and honest man, according to all I have heard of him—and the Senator from Ohio will not here fail to admit that he knows that in the ordinary course of transactions a reduction of duty does immediately and temporarily, if not forever, lower the price of the imported product; and the price of the imported product being once lowered, domestic competition must lower its price in order to sell its usual share of the goods on which the tax has been reduced.

So when the Senator attempts to say that the cost of living has not been reduced by the reduction of the tariff duties, he is saying something which is historically true, but he knows as well as I do that the fact that it has not been reduced has been owing to a great many other factors, and principally to the war in Europe. But it is owing to other things besides that, and in some cases to one thing and in some to another, and in some to several, but in none to the reduction of taxation levied on its way from the producer to the consumer.

Take sugar, for example: Sugar went up before we put the duty back, but everybody knew why. Prior to that time, as long as the law was in ordinary normal operation, sugar had gone down.

Now, I yield to the Senator again.

Mr. HARDING. Mr. President, the Senator has rather gotten away from the drift of the question I meant to direct to him. I had understood that the party now in majority had attributed the high cost of living to the existence of a protective tariff——

Mr. WILLIAMS. Yes; in part.

Mr. HARDING. And argued that a reduction of the tariff under Democratic policies would reduce the cost of living.

Mr. WILLIAMS. And in ordinary peace times, with ordinary, normal industrial conditions, it would have done it; and it had begun to do it, and you had begun to complain of it.

Mr. HARDING. I only want to say in reply to the Senator from Mississippi, who has been very courteous, that he has raised some questions here which are very interesting to me, and with the courtesy of the Senate I will undertake the discussion of them at a little later time, and suggest what I would do, as a Republican, to raise the necessary revenues to "pay for the cake."

Before I take my seat again, Mr. President, I want to speak for myself alone and confirm what the Senator from Mississippi has said when he made the remark that the cost of preparedness is largely chargeable to this side of the Senate. I accept the charge.

Mr. WILLIAMS. Why, of course. I knew you would boast of that, but I doubt if you are going to boast of the bill that pays it.

Now, Mr. President, I am glad to hear that the Senator from Ohio, at any rate, is ready to tell us what they would do and just exactly how they would do it and how they would "pay for the cake." In the words of the distinguished character in The Merchant of Venice—

> A Daniel come to judgment!
> Jew * * * I thank thee * * * for * * * that word.

I have been waiting for somebody that would do that for some time, and when the Senator from Pennsylvania rose I thought he had risen for the purpose of doing it; but I was for almost the first time in my life disappointed with the lack of audacity upon the part of the Senator from Pennsylvania.

Mr. PENROSE. Mr. President, will the Senator from Mississippi permit me to offer a resolution at this time?

Mr. WILLIAMS. Not right now.

Mr. PENROSE. It has some little bearing on the Senator's remarks, and I thought it might be illuminating.

Mr. WILLIAMS. Not right now, because I have not much longer to speak. I am not going to have the thread of my speech broken in that way.

Mr. PENROSE. Very well, then. I will wait until the Senator gets through.

Mr. WILLIAMS. Mr. President, while I am upon this subject—I shall be through in about two minutes if I am not interrupted—while upon this subject, and thinking about the Republican Party running around like Japhet in search of a wife, I found a piece of poetry which is written after the style of Walt Mason, but was written by a Senator from a very doubtful State, who showed it to me this morning in the cloakroom, and it illustrates this search for an issue which you gentlemen now, chaperoned in manuscript or otherwise by your "big guns," have been illustrating all day long. It is entitled "Hughes at the crossroads." It may not be verse, but it might be "werse." It may be doggerel; but if so, rhymed doggerel is a very good answer to prosaic political doggerel. It reads in this way:

HUGHES AT THE CROSSROADS.

"Old Whiskers" is a speaking in the wild and sunny West, and we all were sort of wishing that he'd try to do his best.

I hope the Senator from Pennsylvania will not talk while the muses are performing.

Mr. SMITH of Arizona. I was interrupting him.

Mr. WILLIAMS (resuming)—

"Old Whiskers" is a speaking in the wild and sunny West, and we all were sort of wishing that he'd try to do his best; so we hitched up the old buggy and we went to hear him talk, for the crossroads whar he's stopping takes a long and weary walk. Now Maw has joined the suffragettes and had to have her rights and said she'd let me go along to take in all the sights, so I had to hear the whole darned thing of Redfield and of Jones till the box that I was sitting on was rubbing on my bones.

It seems that there is not a particle of poetry in the make-up of the Senator from Pennsylvania. Listen:

That old civil-service business that PENROSE loves so well, doesn't rise to much importance when the world is smelling hell; and what are all the Joneses and the Redfields and Durant, unless a fellow's "trying to" and finds out that he can't?

Mr. PENROSE. Mr. President, do I understand that the Senator from Mississippi is the author of this poem?

Mr. WILLIAMS. Alas! No. I have no genius. I can not yield to the Senator right now—not right in the middle of a piece of poetry. Why, it would be unheard of. [Laughter.]

When he settled down to women's votes, Maw jabbed me in the side, and she jabbed a little harder when he made it Nation wide. But I saw the frown a-coming when he mentioned Mexico, and soon she made the master's sign that meant that we must go. We have a bunch of boys just like other boys, you see, but Maw once got religion and she prays for them and me; and she wouldn't give the runnings from our Andy's last stone bruise for all the Mexicans ever seen by Justice Hughes. But old whiskers keeps a-talkin'—not as well as Mr. Bryan, but you've simply got to hand it to a fellow who's a-tryin'. If his throat and lungs will stand it and they'll let him go about, he may find a living issue "if you don't watch out."

If so, whether we "watch out" or not, he will have done a heap more than you Senators have done all day to-day, when you postponed the consideration of a bill to raise the necessary revenue for the Government in order that you might make political speeches.

Mr. PENROSE. Mr. President, the Senator from Mississippi has contributed his full share toward the postponement of this measure to-day.

Mr. WILLIAMS. That was merely a counterirritant.

Mr. PENROSE. I offer a resolution, which I send to the desk, and I ask to have it read and lie on the table until to-morrow.

The PRESIDING OFFICER. The resolution will be read.

The resolution (S. Res. 253) was read, as follows:

Resolved, That H. R. 16763 be recommitted to the Committee on Finance with instructions to amend the bill so as to raise an equitable portion of the required revenue from a protective tariff, "sufficient to protect adequately American industry and American labor, and to be so adjusted as to prevent undue exactions by monopolies or trusts"; and

With further instructions to the Committee on Finance to give special attention to securing the industrial independence of the United States, to the end that "our industries can be so organized that they will become not only a commercial bulwark but a powerful aid to national defense"; and

That the bill be further amended so as to require the tariff commission to report the difference in wages and the cost of production between foreign countries and the United States.

Mr. PENROSE. I only wish to say in connection with the resolution that the language is copied verbatim from the platform of the last national convention of the Republican Party, and I commend it to the attention of the Senator from Mississippi.

The PRESIDING OFFICER. The resolution will lie on the table and be printed.

EXECUTIVE SESSION.

Mr. SMITH of Arizona. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives by J. C. South, its Chief Clerk, announced that the House had passed a bill (H. R. 17498) making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the bill (S. 6924) to provide for the maintenance of a training camp on the military reservation of Fort Douglas, Utah.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED.

The message further announced that the Speaker of the House had signed the following enrolled bills and joint resolution, and they were thereupon signed by the Vice President:

S. 19. An act relating to bills of lading in interstate and foreign commerce;

S. 381. An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands;

H. R. 11860. An act for the relief of Halvor Nilsen;

H. R. 15575. An act to amend the act of March 22, 1906, entitled "An act to authorize the sale and disposition of surplus or unallotted lands of the diminished Colville Indian Reservation, in the State of Washington, and for other purposes";

H. R. 15947. An act making appropriations for the naval service for the fiscal year ending June 30, 1917, and for other purposes;

H. R. 16700. An act to amend an act relating to the Public Utilities Commission of the District of Columbia, approved March 4, 1913;

H. R. 17058. An act to fix the standards for Climax baskets for grapes and other fruits and vegetables and to fix standards for baskets and other containers for small fruits, berries, and vegetables, and for other purposes;

H. R. 17398. An act granting the consent of Congress to the board of county commissioners of the county of Hampden, in the Commonwealth of Massachusetts, to construct a bridge across the Connecticut River between Springfield and West Springfield, in said county and Commonwealth; and

H. J. Res. 298. Joint resolution providing for the relief of flood sufferers in the State of West Virginia.

PETITIONS AND MEMORIALS.

Mr. CHAMBERLAIN presented a petition of sundry citizens of Astoria, Oreg., praying for the settlement of the difficulties between the railroads and their employees by the Interstate Commerce Commission, which was referred to the Committee on Interstate Commerce.

Mr. OLIVER presented a petition of sundry citizens of Monroe, Pa., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. PHELAN presented a memorial of sundry citizens of Los Angeles, Cal., remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which was ordered to lie on the table.

DISTRICT JUVENILE COURT.

Mr. POMERENE, from the Committee on the District of Columbia, to which was referred the bill (H. R. 8348) to amend an act entitled "An act to create a juvenile court in and for the District of Columbia, and for other purposes," reported it with amendments and submitted a report (No. 815) thereon.

BILL INTRODUCED.

Mr. TAGGART introduced a bill (S. 6925) providing for the registration of designs, which was read twice by its title and referred to the Committee on Patents.

AMENDMENT TO DEFICIENCY APPROPRIATION BILL.

Mr. CURTIS submitted an amendment proposing to appropriate $767.50 to pay two messengers whose names are now borne upon the Senate rolls, such sum being in addition to the compensation now received by them as will make their respective compensations $1,440 per annum, etc., intended to be proposed by him to the general deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

THE REVENUE.

Mr. HUSTING submitted an amendment intended to be proposed by him to the bill (H. R. 16763) to increase the revenue, and for other purposes, which was ordered to lie on the table and be printed.

Mr. O'GORMAN submitted an amendment intended to be proposed by him to the bill (H. R. 16763) to increase the revenue, and for other purposes, which was ordered to lie on the table and be printed.

Mr. CHILTON submitted an amendment intended to be proposed by him to the bill (H. R. 16763) to increase the revenue, and for other purposes, which was ordered to lie on the table and be printed.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had, on August 22, 1916, approved and signed the following acts:

S. 1159. An act authorizing the Secretary of War to grant the use of the Coos Head Military Reservation, in the State of Oregon, to the cities of Marshfield and North Bend, Oreg., both being municipal corporations, for park purposes;

S. 1351. An act providing for the discovery, development, and protection of streams, springs, and waterholes in the desert and arid public lands of the United States, for rendering the same more readily accessible, and for the establishment of and maintenance of signboards and monuments locating the same;

S. 5466. An act to open abandoned military reservations in the State of Nevada to homestead entry and desert-land entry and to amend an act entitled "An act to open abandoned military reservations in the State of Nevada to homestead entry," approved October 1, 1890;

S. 5976. An act to amend an act approved May 29, 1908, entitled "An act to amend an act to authorize the Baltimore & Washington Transit Co., of Maryland, to enter the District of Columbia," approved June 8, 1896;

S. 6308. An act to authorize the Secretary of the Interior to lease, for production of oil and gas, ceded lands of the Shoshone or Wind River Indian Reservation in the State of Wyoming; and

S. 6372. An act to authorize the counties of Baldwin and Mobile, Ala., their successors and assigns, to construct, maintain, and operate a bridge across Spanish River at or near the junction of Raft and Spanish Rivers.

HOUSE BILL REFERRED.

H. R. 17498. An act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes, was read twice by its title and referred to the Committee on Military Affairs.

RECESS.

Mr. SIMMONS. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 5 o'clock and 55 minutes p. m., Tuesday, August 22, 1916) the Senate took a recess until to-morrow, Wednesday, August 23, 1916, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 22 (legislative day of August 21), 1916.

PROMOTIONS IN THE ARMY.

CHAPLAIN.

Chaplain Thomas Livingston, Thirteenth Infantry, to be chaplain with the rank of captain from August 12, 1916, after seven years' service.

INFANTRY ARM.

First Lieut. Edwin O. Saunders, Ninth Infantry, to be captain from June 12, 1916.

First Lieut. Walter Krueger, Third Infantry, to be captain from June 17, 1916.

NOTE.—The officers named were nominated to the Senate on July 3, 1916, and their nominations were confirmed by that body on July 10, 1916, for promotion, with rank from June 17 and June 18, 1916, respectively.

This message is submitted for the purpose of conferring upon each of the nominees the date of rank to which he is entitled as the result of the dismissal on July 7, 1916, in pursuance of a sentence imposed by a general court-martial, of First Lieut. John S. McCleery, Infantry, unassigned, who was nominated to the Senate on July 3, 1916, for promotion to the grade of captain, and whose nomination was confirmed by that body on July 10, 1916. His promotion was not accomplished.

COAST ARTILLERY CORPS.

Second Lieut. Carl S. Doney, Const. Artillery Corps, to be first lieutenant from July 1, 1916, vice First Lieut. Samuel H. Tilghman, promoted.

NOTE.—The above-named officer was nominated to the Senate on August 2, 1916, for said promotion under the name Karl S. Doney, which nomination is hereby withdrawn.

APPOINTMENTS IN THE ARMY.

MEDICAL RESERVE CORPS.

To be first lieutenants in the Medical Reserve Corps with rank from August 9, 1916.

Francis Anthony Auleta, of New York.
Cornelius Oliver Bailey, of Texas.
Clarence Frank Bernatz, of Pennsylvania.
Abraham Lincoln Blesh, of Oklahoma.
Ralph Henderson Boots, of Pennsylvania.
John W. Burns, of Texas.
Alfred Henry Byars, of California.
Seth DeBlois, of Rhode Island.
Sigmund Deutsch, of New York.
Hugh John Duffy, of Illinois.
Richard Henry Edmondson, of West Virginia.
James Carlton Ferrell, of Nevada.
Henry Clement Flood, of Pennsylvania.
John Herbert Franklin, of Illinois.
Robert Lardner Gibbon, of North Carolina.
Frederick Hadra, of Texas.
McMicken Hanchett, of Illinois.
Franz Heinrich Harms, of Illinois.
George Randolph Harris, jr., of Pennsylvania.
Walter Lee Kline, of Ohio.
Melcherd Helmer Kutch, of Indiana.
Thomas Daniel McMenamin, of New York.
James Douglas Lawrence McPheeters, of Tennessee.
William Ellsworth McPherson, of Massachusetts.
Morris Isidore Mendeloff, of West Virginia.
Lloyd Howe Mott, of Oregon.
John Joseph Murphy, of Massachusetts.
Stephen Ambrose O'Brien, of Iowa.
Edward Stuart Parker, of Iowa.
William Roy Ream, of California.
Imas Pryor Rice, of Illinois.
Frederic Gilbert Ritchie, of New York.
Edd. La Fayette Robertson, of Mississippi.
Edward Winfield Rowe, of Nebraska.
George Clemens Ruhland, of Wisconsin.
Simon Seegman, of Pennsylvania.
Thad. Shaw, of Texas.
Albert Clifton Smith, of New Jersey.
Philip Moen Stimson, of New York.
Nehemiah Fay Tilton, of Ohio.
John Wesley Tope, of Illinois.
Harvey Edmund Webb, of Illinois.
George William Woodnick, of Illinois.
William John Clarke Agnew, of New York.
Francis Thomas Duffy, of New York.
Irvin Hardy, of West Virginia.
Otto Joe Cook, of Texas, late first lieutenant in the Medical Reserve Corps.

To be first lieutenants in the Medical Reserve Corps with rank from August 16, 1916.

Harold M. Hays, of New York, late first lieutenant in the Medical Reserve Corps.

Leonard Davis Frescoln, of Pennsylvania, late first lieutenant in the Medical Reserve Corps.

PUBLIC HEALTH SERVICE.

Asst. Surg. Grover A. Kempf to be passed assistant surgeon in the Public Health Service, to rank as such from August 16, 1916.

This officer has served the required time in his present grade and has passed the necessary examination for promotion.

POSTMASTERS.

CALIFORNIA.

J. J. Anderson to be postmaster at Martinez, Cal., in place of F. L. Glass. Incumbent's commission expired May 17, 1916.

COLORADO.

H. E. Farr to be postmaster at Sugar City, Colo., in place of J. M. Cravens. Incumbent's commission expired March 1, 1916.

FLORIDA.

Susie M. Craig to be postmaster at Fort Lauderdale, Fla., in place of Susie M. Bryan, named changed by marriage.

ILLINOIS.

L. L. Boyle to be postmaster at Roberts, Ill., in place of H. J. Campbell. Incumbent's commission expired February 20, 1916.

Robert E. Duff to be postmaster at Clay City, Ill., in place of H. B. Chaffin. Incumbent's commission expired July 16, 1916.

Gilbert L. Hough to be postmaster at Clayton, Ill., in place of E. E. Smith. Incumbent's commission expired February 21, 1916.

A. J. Ikemire to be postmaster at Louisville, Ill., in place of John Murvin. Incumbent's commission expired August 6, 1916.

IOWA.

T. L. Finley to be postmaster at Missouri Valley, Iowa, in place of D. J. Adlum. Incumbent's commission expired May 17, 1916.

J. W. Forward to be postmaster at Edgewood, Iowa, in place of W. E. Richards. Incumbent's commission expired June 14, 1916.

J. N. McCoy to be postmaster at Corydon, Iowa, in place of C. F. LeCompte. Incumbent's commission expired February 15, 1916.

R. A. Mortland to be postmaster at Montezuma, Iowa, in place of G. W. Wiltse. Incumbent's commission expired January 24, 1916.

KENTUCKY.

Margaret E. Green to be postmaster at Harlan, Ky., in place of N. L. Ward. Incumbent's commission expired August 20, 1916.

LOUISIANA.

Hazel L. Switzer to be postmaster at Longville, La., in place of Janie Bridges, resigned.

Ewell West to be postmaster at Bunkie, La., in place of L. P. Carter. Incumbent's commission expired June 12, 1916.

MASSACHUSETTS.

William Joseph Bell to be postmaster at Warren, Mass., in place of F. E. Nichols. Incumbent's commision expired February 20, 1916.

Charles E. Cook to be postmaster at Uxbridge, Mass., in place of C. E. Cook. Incumbent's commission expired January 11, 1915.

MICHIGAN.

Joseph E. Ladd to be postmaster at Harrison, Mich., in place of William W. Harper, deceased.

MINNESOTA.

George J. Reichert to be postmaster at Long Prairie, Minn., in place of W. T. Callahan. Incumbent's commission expired December 14, 1915.

MISSISSIPPI.

Franklin Fairly to be postmaster at Mount Olive, Miss., in place of Frank Fairly. Incumbent's commission expired April 17, 1916.

MISSOURI.

John H. Dunning to be postmaster at Deepwater, Mo., in place of R. A. Smith. Incumbent's commission expired July 13, 1916.

NEVADA.

Helen E. Rosenthal to be postmaster at Goldfield, Nev., in place of Benjamin Rosenthal, deceased.

NEW JERSEY.

Jonas E. Bair to be postmaster at Blairstown, N. J., in place of W. C. Howell. Incumbent's commission expires August 23, 1916.

Thomas H. Degnan to be postmaster at High Bridge, N. J., in place of James Degnan, resigned.

George E. Langan to be postmaster at Keyport, N. J., in place of W. E. Bedle. Incumbent's commission expired July 13, 1916

NEW MEXICO.

William C. Brannin to be postmaster at Raton, N. Mex., in place of O. C. Officer. Incumbent's commission expired July 27, 1916.

C. L. Loughridge to be postmaster at Gallup, N. Mex., in place of B. A. Wetherill, resigned.

NORTH DAKOTA.

John Mullen to be postmaster at Granville, N. Dak., in place of C. R. Kendall. Incumbent's commission expired August 9, 1916.

OHIO.

Anna B. Fox to be postmaster at Coldwater, Ohio, in place of Henry C. Fox, resigned.

OKLAHOMA.

E. M. Cowles to be postmaster at Arapaho, Okla., in place of P. H. Gallion. Incumbent's commission expires August 24, 1916.

Bertha I. Schiefelbusch to be postmaster at Yale, Okla., in place of Mathias Schiefelbusch, deceased.

OREGON.

John S. Howe to be postmaster at Lents, Oreg., in place of G. W. Spring. Incumbent's commission expired June 12, 1916.

O. Edwin Marvin to be postmaster at Wallowa, Oreg., in place of J. P. Morelock. Incumbent's commission expired July 29, 1916.

Mary O. Vail to be postmaster at Carlton, Oreg., in place of H. H. Martin. Incumbent's commission expired April 5, 1916.

PENNSYLVANIA.

W. W. Hamman to be postmaster at Emaus, Pa., in place of Richard W. Iobst, resigned.

Thomas McHail to be postmaster at Bolivar, Pa., in place of F. R. Hammond. Incumbent's commission expired December 14, 1915.

William T. Mechling to be postmaster at Butler, Pa., in place of Thomas A. Frazier, deceased.

John W. Murray to be postmaster at Rossiter, Pa., in place of Russell T. Mogle, resigned.

George W. Weinman to be postmaster at Monaca, Pa., in place of Lenore J. Pipes, deceased.

SOUTH CAROLINA.

Walter E. James to be postmaster at Greer, S. C., in place of Walter E. James. Incumbent's commission expired August 8, 1916.

SOUTH DAKOTA.

Lenora Pardy Snyder to be postmaster at Colman, S. Dak., in place of Lenora Pardy, name changed by marriage.

TENNESSEE.

Lyle W. Davidson to be postmaster at Rutherford, Tenn., in place of John W. Akin. Incumbent's commission expired August 8, 1916.

TEXAS.

Frank R. Blaydes to be postmaster at Atlanta, Tex., in place of Anna J. Roach. Incumbent's commission expires August 23, 1916.

O. L. Hamilton to be postmaster at Lewisville, Tex., in place of John C. Sims, deceased.

W. J. Moore to be postmaster at Mount Vernon, Tex., in place of J. W. Bradford. Incumbent's commission expires August 23, 1916.

Robert S. Rodgers to be postmaster at Bonham, Tex., in place of F. C. Allen. Incumbent's commission expires August 23, 1916.

W. M. Stanberry to be postmaster at Midlothian, Tex., in place of R. H. Newton, removed.

VIRGINIA.

G. L. Morriss to be postmaster at Dillwyn, Va., in place of John B. Hanes, deceased.

WEST VIRGINIA.

George A. Mason to be postmaster at Coalwood, W. Va., in place of George A. Mason. Office became presidential July 1, 1916.

WISCONSIN.

Faith A. Van Tassel to be postmaster at Whitehall, Wis., in place of Irvin H. Ecker, deceased.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 22 (legislative day of August 21), 1916.

COAST GUARD.

George Ricker Crosby, third lieutenant.

POSTMASTERS.

NORTH DAKOTA.

Fred L. Anderson, Minot.

PENNSYLVANIA.

Frank W. McCall, Morton.

WITHDRAWALS.

Executive nominations withdrawn August 22 (legislative day of August 21), 1916.

Second Lieut. John C. Walker, jr., Twelfth Infantry, for promotion to the grade of first lieutenant from June 24, 1916.

James Hoey to be postmaster at Martinez, in the State of California.

HOUSE OF REPRESENTATIVES.

TUESDAY, *August 22, 1916.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Thou who art the heart of the universe, the source of all life, all wisdom, all power, all love, may we drink deep of the fountain of life, widen our intellectual horizon, increase our strength by the power of resistance and in the overcoming of the evil tendencies within us, that love may have its full fruition in the bonds of brotherhood, that each heart may throb with faith, hope, love, each home become typical of the heavenly home and each nation vie with each in the great principle that he who serves best his fellow men serves best his God, that the dear old earth may blossom as the rose under the divine leadership of the world's great Exemplar. Amen.

The Journal of the proceedings of Friday, August 18, 1916, was read and approved.

ADJOURNMENT UNTIL FRIDAY.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet on Friday next.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that when the House adjourns to-day it adjourn to meet on Friday next. Is there objection?

There was no objection.

ORDER OF BUSINESS.

Mr. MANN. Mr. Speaker, in that connection I ask unanimous consent that any of the gentlemen who have orders permitting them to speak to-day who are not reached to-day may address the House on Friday next.

The SPEAKER. The gentleman from Illinois asks unanimous consent that those gentlemen who have permission to address the House to-day who are not reached to-day may address the House on Friday next. Is there objection?

There was no objection.

Mr. TOWNER. Mr. Speaker, I ask unanimous consent to address the House for 40 minutes on Friday next at the conclusion of the program already set.

The SPEAKER. The gentleman from Iowa asks unanimous consent to address the House for 40 minutes on Friday next after the others who have secured time have concluded, subject, of course, to the usual conditions respecting conference reports, and so forth. Is there objection?

There was no objection.

Mr. KEY of Ohio. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 6369——

The SPEAKER. The Chair feels compelled not to recognize the gentleman at this time for that purpose, in view of the necessity for disposing of the Army appropriation bill as quickly as possible. The Chair may be able to recognize the gentleman later.

Mr. WEBB. Mr. Speaker, I ask unanimous consent that it shall be in order on Friday next, not to conflict with privileged matters, to consider the bill (H. R. 17350) to promote export trade, and for other purposes.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that on Friday next it shall be in order to consider the bill H. R. 17350, not to interfere with conference reports, and so forth. Is there objection?

Mr. RUSSELL of Missouri. Mr. Speaker, reserving the right to object, I desire to inquire whether that privilege, if granted, would interfere with the consideration of an omnibus pension bill, provided it is not disposed of to-day, Friday being pension day under the rules.

Mr. MANN. I think that that could be arranged all right.

Mr. RUSSELL of Missouri. I would like at a later time to-day, if it is possible, to obtain unanimous consent to take up the pension bill to-day. It is a Senate bill already passed, and I think it is important that it should be passed to-day if it is to get through at this session of Congress.

Mr. MANN. That may be possible.

The SPEAKER. In answer to the gentleman's inquiry, if he desires an answer, the Chair thinks the bill referred to by the gentleman from North Carolina would have precedence. I suppose there will be plenty of time for both.

Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none.

EXTENSION OF REMARKS.

Mr. LOBECK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by publishing an interview with Admiral Dewey on the present naval situation.

The SPEAKER. The gentleman from Nebraska asks unanimous consent to extend his remarks in the RECORD by printing an interview with Admiral George Dewey. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, is that the interview that was published in the New York Herald on Sunday?

Mr. LOBECK. It was in the Baltimore Sun on Sunday, August 20. The interview was had by Mr. George Creel. It may have been in other papers.

The SPEAKER. Is there objection?

There was no objection.

Mr. MANN. Mr. Speaker, I would like to prefer a request in connection with that. I have here a telegram from Representative GARDNER, of Massachusetts, dated August 21, 1916, as follows:

Admiral Dewey has interview on Navy in New York Sunday Herald. I have answered that in interview which will appear in New York World to-morrow. If anyone asks to print Dewey interview in CONGRESSIONAL RECORD, please print my answer also.

I therefore ask unanimous consent that the gentleman from Massachusetts [Mr. GARDNER] may have permission to extend his remarks in the RECORD by printing the interview referred to.

The SPEAKER. The gentleman from Massachusetts [Mr. GARDNER], through the gentleman from Illinois [Mr. MANN], asks unanimous consent to print in the CONGRESSIONAL RECORD an interview in answer to Admiral Dewey's interview. Is there objection?

There was no objection.

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Mexican situation.

The SPEAKER. The gentleman from Virginia asks unanimous consent to extend his remarks in the RECORD on the Mexican situation. Is there objection?

There was no objection.

Mr. CLARK of Florida. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a statement I have here from Hon. S. H. MILLER, of Pennsylvania, a Member of this House, upon the subject of the public building at Greenville, Pa.

The SPEAKER. The gentleman from Florida asks unanimous consent to extend his remarks in the RECORD by printing therein a statement from the gentleman from Pennsylvania [Mr. MILLER] upon the subject of the public building at Greenville, Pa. Is there objection?

There was no objection.

Mr. EVANS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an editorial by William J. Bryan on "Deserving Democrats."

The SPEAKER. The gentleman from Montana asks unanimous consent to print an editorial in the RECORD from William J. Bryan on "Deserving Democrats." Is there objection. [After a pause.] The Chair hears none.

Mr. STEELE of Iowa. Mr. Speaker, I ask unanimous consent to extend my remarks on the bill H. R. 15914, known as the serum bill.

The SPEAKER. The gentleman from Iowa asks unanimous consent to extend his remarks in the RECORD on the bill H. R. 15914. Is there objection? [After a pause.] The Chair hears none.

Mr. MANN. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. SWEET] have leave to extend his remarks in the RECORD on the life and character of former Representative Birdsall.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the gentleman from Iowa [Mr. SWEET] have permission to extend his remarks in the RECORD on the life and character of the late Judge Birdsall. Is there objection? [After a pause.] The Chair hears none.

Mr. MOORE of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of Canadian imports. I would like at the same time to have permission to extend them also on the subject of the primary election in Texas.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD on Canadian imports, and also on the subject of the primary election in Texas. Is there objection? [After a pause.] The Chair hears none.

Mr. JOHNSON of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of foreign credits.

The SPEAKER. The gentleman from Washington asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

AIDS TO NAVIGATION.

Mr. ADAMSON, from the Committee on Interstate and Foreign Commerce, presented conference report on the bill (H. R. 14338) to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes, for printing under the rules.

The conference report and statement are as follows:

CONFERENCE REPORT (NO. 1167).

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 14338) to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That the Secretary of Commerce is hereby authorized to establish, provide, or improve the following aids to navigation and other works in the Lighthouse Service, under the Department of Commerce, in accordance with the respective limits of costs hereinafter respectively set forth, which shall in no case be exceeded:

"Light keepers' dwellings and appurtenant structures, including sites therefor, within the limit of cost fixed by the act approved February 26, 1907 (34 Stats., p. 996), $75,000.

"Constructing and equipping light vessels for general service on the Great Lakes, or for general service, $150,000.

"SECOND LIGHTHOUSE DISTRICT.

"Constructing and equipping a lighthouse depot for the second lighthouse district, $85,000.

"THIRD LIGHTHOUSE DISTRICT.

"Constructing, or purchasing, and equipping a lighthouse tender to replace tenders worn out in service in the third lighthouse district, or in the Lighthouse Service generally, $150,000.

"Improving the light station, moving the fog signal, and constructing a keeper's dwelling at Great Salt Pond Light Station, R. I., $25,000.

"Improvement of the offices and laboratory at the general lighthouse depot at Tompkinsville, Staten Island, N. Y., $21,000.

"Improving the aids to navigation on the East River, N. Y., $16,000.

"FIFTH LIGHTHOUSE DISTRICT.

"Constructing and equipping a light vessel for station off Cape Charles, Va., or for general service, $130,000.

"Improving lights and fog signals leading to Cape Charles City, Va., $12,800.

"Improving aids to navigation and establishing new aids on the eastern shore of Chesapeake Bay and tributaries, Md. and Va., $29,000.

"NINTH LIGHTHOUSE DISTRICT.

"Removal and rebuilding on another site of the light station and dwelling at or near Point Borinquen, Porto Rico, $85,000.

"TENTH LIGHTHOUSE DISTRICT.

"Aids to navigation at Huron Harbor, Ohio, $4,500.

"Improving the aids to navigation at Fairport Harbor, Ohio, $42,000.

"ELEVENTH LIGHTHOUSE DISTRICT.

"Improving aids to navigation and establishing new aids at or near the entrance to Keweenaw Waterway Harbor of Refuge, Portage River, Mich., $110,000.

"Improvement at Detroit, Mich., lighthouse depot, $53,000.

"Light station and fog signal at or near Sand Hills, Mich., $75,000.

"TWELFTH LIGHTHOUSE DISTRICT.

"Improving the light and fog-signal station at Manitowoc North Breakwater, Wis., $21,000.

"Removing and rebuilding Chicago Harbor Light Station, Ill., and establishing lights on the new breakwater in Chicago Harbor, $142,000.

"Establishing and improving aids to navigation at Indiana Harbor, Ind., $100,000.

"SIXTEENTH LIGHTHOUSE DISTRICT.

"Aids to navigation and improvement of existing aids in Alaska, $60,000.

"SEVENTEENTH LIGHTHOUSE DISTRICT.

"For the establishment of aids to navigation and improvement of existing aids in Washington and Oregon, seventeenth lighthouse district, $35,000.

"NINETEENTH LIGHTHOUSE DISTRICT.

"Constructing and equipping a temporary lighthouse depot at Honolulu, Territory of Hawaii, pending the establishment of a permanent depot, $5,000; and authority is hereby granted to erect such temporary depot on land to be leased.

"Construction and equipment of a lighthouse depot for the nineteenth lighthouse district, $90,000: *Provided*, That for the purposes herein lands and property now belonging to the United States and being used by the Navy for naval purposes shall be utilized for this purpose.

"SEC. 2. That hereafter the Secretary of Commerce is authorized, whenever he shall deem it advisable, to exchange any right of way of the United States in connection with lands pertaining to the Lighthouse Service for such other right of way as may be advantageous to the service, under such terms and conditions as he may deem to be for the best interests of the Government; and in case any expenses not exceeding the sum of $1,500 are incurred by the United States in making such exchange, the same shall be payable from the appropriation 'General expenses, Lighthouse Service,' for the fiscal year during which such exchange shall be effected.

"SEC. 3. That hereafter post lantern lights and other aids to navigation may be established and maintained, in the discretion of the Commissioner of Lighthouses, out of the annual appropriation for the Lighthouse Service on the Mobile, Tombigbee, Warrior, and Black Warrior Rivers, Ala., and Lake Tahoe, Cal. and Nev.

"SEC. 4. That the appropriation 'General expenses, Lighthouse Service,' shall be available for the purchase and necessary equipment of one motorcycle and the repair and operation of the same for use of the Lighthouse Service in the Hawaiian Islands.

"SEC. 5. That hereafter light keepers and assistant light keepers of the Lighthouse Service shall be entitled to medical relief without charge at hospitals and other stations of the Public Health Service under the rules and regulations governing the care of seamen of the merchant marine: *Provided*, That this benefit shall not apply to any keeper or assistant keeper who receives an original appointment after the passage of this act, unless the applicant passes a physical examination in accordance with rules approved by the Secretary of Commerce and the Secretary of the Treasury.

"SEC. 6. Furnishing all seagoing vessels in the Lighthouse Service with radio equipment and auxiliary power for the operation thereof, $60,000."

W. C. ADAMSON,
T. W. SIMS,
J. J. ESCH,
Managers on the part of the House.

JAMES P. CLARKE,
DUNCAN U. FLETCHER,
KNUTE NELSON,
Managers on the part of the Senate.

STATEMENT.

The Senate amended the House bill by striking out all of the House bill and inserting a substitute. Their substitute struck out four or five items in the House bill and inserted two new items, to wit:

"Improving the light station, moving the fog signal, and constructing a keeper's dwelling at Great Salt Pond Light Station, R. I., $25,000.

"SEVENTEENTH LIGHTHOUSE DISTRICT.

"For the establishment of aids to navigation and improvement of existing aids in Washington and Oregon, seventeenth lighthouse district, $35,000."

The Senate also changed the language of the House bill in two or three unimportant particulars. By agreement of the conferees the House items are restored and the two new items proposed by the Senate are accepted.

Conferees also added to the third section providing for post lantern lights on certain streams, "Lake Tahoe, in California and Nevada."

W. C. ADAMSON,
T. W. SIMS,
J. J. ESCH,
Managers on the part of the House.

Subsequently,

Mr. ADAMSON. Mr. Speaker, this morning I filed a conference report on the bill (H. R. 14338) to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes. The Senate has since agreed to the conference report, and it has just been messaged over and is on the Speaker's table. I would like very much to have the report taken up and considered at this time.

Mr. MANN. The gentleman asks unanimous consent for its immediate consideration?

Mr. ADAMSON. Yes.

The SPEAKER pro tempore. The gentleman from Georgia calls up a conference report on H. R. 14338 and asks unanimous consent for its present consideration. Is there objection?

There was no objection.

Mr. ADAMSON. There is a very brief and clear statement, and I ask unanimous consent that the statement be read in lieu of the conference report.

The SPEAKER pro tempore. The gentleman asks unanimous consent that the statement be read in lieu of the conference report. Is there objection?

There was no objection.

The SPEAKER pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

On motion of Mr. ADAMSON, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed with amendments bill of the following title, in which the concurrence of the House of Representatives was requested:

H. R. 15455. An act to establish a United States shipping board for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a merchant marine to meet the requirements of the commerce of the United States with its Territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and interstate commerce of the United States; and for other purposes.

The message also announced that the Senate had passed without amendment joint resolution (H. J. Res. 298) providing for the relief of flood sufferers in the State of West Virginia.

The message also announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 6704. An act to authorize the Secretary of the Interior to issue patent for certain land to school district No. 9 of Sanders County, Mont.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 16290) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war.

The message also announced that the Senate had agreed to the amendments of the House of Representatives to the bill (S. 5886) extending the time for the completion of the bridge across the Mississippi River at Memphis, Tenn., authorized by an act

entitled "An act to amend an act approved July 20, 1912, entitled 'An act to authorize the Arkansas & Memphis Railway Bridge & Terminal Co. to construct, maintain, and operate a bridge across the Mississippi River,' approved August 23, 1912."

The message also announced that the Senate had passed with amendments the bill (H. R. 15316) to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8234) to prevent interstate commerce in the products of child labor, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 6839. An act to authorize the incorporated town of Juneau, Alaska, to issue bonds for the construction and equipment of schools therein, and for other purposes;

S. 6864. An act providing for the continuance of the Osage Indian School, Oklahoma, for a period of 10 years from January 1, 1917;

S. 6924. An act to provide for the maintenance of a training camp on the military reservation of Fort Douglas, Utah; and

S. 4356. An act to enlarge, extend, remodel and repair the United States post-office and courthouse building located at Baltimore, Md.

The message also announced that the Senate had passed without amendment bills of the following titles:

H. R. 16093. An act to amend an act entitled "An act to provide for the payment of drainage assessments on Indian lands in Oklahoma"; and

H. R. 17398. An act granting the consent of Congress to the board of county commissioners of the county of Hampton, Commonwealth of Massachusetts, to construct a bridge across the Connecticut River, between Springfield and West Springfield, in said county and Commonwealth.

The message announced that the President had approved and signed bills of the following titles:

On August 15, 1916:

S. 5172. An act to exempt from taxation certain property of the Daughters of the American Revolution in Washington, D. C.

On August 18, 1916:

S. 4654. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors; and

S. 5914. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors.

SENATE BILLS REFERRED.

Under clause 2 Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 6864. An act providing for the continuance of the Osage Indian School, Oklahoma, for a period of 10 years from January 1, 1917; to the Committee on Indian Affairs.

S. 4356. An act to enlarge, extend, remodel, and repair the United States post-office and courthouse building located at Baltimore, Md.; to the Committee on Public Buildings and Grounds.

S. 6704. An act to authorize the Secretary of the Interior to issue patent for certain land to school district No. 9 of Sanders County, Mont.; to the Committee on the Public Lands.

S. 3776. An act providing for the establishment of a radio station on Unga Island, Alaska; to the Committee on Naval Affairs.

EXTENSION OF REMARKS.

Mr. STERLING. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a statement made by Thomas C. Spelling before the Committee on Industrial Relations on the antitrust law.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. GREEN of Iowa. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of certain Federal legislative acts.

The SPEAKER. The gentleman from Iowa asks unanimous consent to extend his remarks on the subject of certain Federal legislative acts. Is there objection? [After a pause.] The Chair hears none.

Mr. KENNEDY of Iowa. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of rural mail service.

The SPEAKER. The gentleman from Iowa asks unanimous consent to extend his remarks in the RECORD on the subject of rural mail service. Is there objection? [After a pause.] The Chair hears none.

Mr. CULLOP. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of settling disputes with foreign nations by this Government through diplomacy by various administrations.

The SPEAKER. The gentleman from Indiana asks unanimous consent to extend his remarks in the RECORD in order to discuss the relations of this Government to foreign Governments from the foundation of the Government down to the present time. Is there objection? [After a pause.] The Chair hears none.

LEAVE TO ADDRESS THE HOUSE.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that on Friday next, after the other gentlemen who are now on the list finish speaking, the gentleman from West Virginia [Mr. NEELY] be given the privilege of addressing the House for 40 minutes.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that at the conclusion of the speeches of the gentlemen who have received leave to speak on next Friday the gentleman from West Virginia [Mr. NEELY] be permitted to address the House for 40 minutes. Is there objection? [After a pause.] The Chair hears none.

EXTENSION OF REMARKS.

Mr. MANN. Mr. Speaker, I ask leave to extend my remarks in the RECORD very briefly.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD very briefly. Is there objection? [After a pause.] The Chair hears none.

Mr. NICHOLLS of South Carolina. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in order to answer certain charges made against my record in Congress.

The SPEAKER. The gentleman from South Carolina asks unanimous consent to extend his remarks in the RECORD on the subject of charges made against himself. Is there objection? [After a pause.] The Chair hears none.

Mr. RAKER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in regard to the Federal building at Susanville, Cal.

The SPEAKER. The gentleman from California asks unanimous consent to extend his remarks in the RECORD on the subject of the Federal building at Susanville, Cal. Is there objection? [After a pause.] The Chair hears none.

Mr. LINDBERGH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. About what?

Mr. LINDBERGH. On the state of the Union.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to extend his remarks in the RECORD on the state of the Union. Is there objection? [After a pause.] The Chair hears none.

Mr. GREENE of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the general political situation.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to extend his remarks in the RECORD on the general political situation. Is there objection?

There was no objection.

Mr. FESS. Mr. Speaker, I make the same request.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills and joint resolution of the following titles, when the Speaker signed the same:

H. R. 16700. An act to amend an act relating to the Public Utilities Commission of the District of Columbia, approved March 4, 1913;

H. R. 17058. An act to fix standards for Climax baskets for grapes and other fruits and vegetables, and to fix standards for baskets and other containers for small fruits, berries, and vegetables, and for other purposes;

H. R. 15575. An act to amend the act of March 22, 1906, entitled "An act to authorize the sale and disposition of surplus or unallotted lands of the diminished Colville Indian Reservation, in the State of Washington, and for other purposes";

H. R. 15947. An act making appropriations for the naval service for the fiscal year ending June 30, 1917, and for other purposes;

H. R. 11860. An act for the relief of Halvor Nilsen;

H. R. 17398. An act granting the consent of Congress to the board of county commissioners of the county of Hampden, in the Commonwealth of Massachusetts, to construct a bridge across the Connecticut River between Springfield and West Springfield, in said county and Commonwealth; and

H. J. Res. 298. Joint resolution providing for the relief of flood sufferers in the State of West Virginia.

The SPEAKER announced his signature to enrolled bills of the following titles:

S. 19. An act relating to bills of lading in interstate and foreign commerce; and

S. 381. An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

A message, in writing, from the President of the United States was communicated to the House of Representatives by Mr. Latta, one of his secretaries, who also informed the House of Representatives that the President had approved and signed bills and joint resolutions of the following titles:

On August 19, 1916:

H. R. 15957. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors.

On August 21, 1916:

H. J. Res. 193. Joint resolution authorizing the Postmaster General to provide the postmaster of Newark, N. J., with a special canceling die for the Newark two hundred and fiftieth anniversary celebration;

H. R. 20. An act authorizing the county of Gunnison, Colo., to purchase certain public lands for public park purposes;

H. R. 1777. An act for the relief of Frank J. Deutsch;

H. R. 2052. An act for the relief of the estate of William D. Allen;

H. R. 2555. An act for the relief of the Minnesota & Ontario Power Co.;

H. R. 5453. An act for the relief of the State Board of Harbor Commissioners of the State of California;

H. R. 6180. An act for the relief of Lillie B. Randell;

H. R. 6758. An act for the relief of the legal heirs of Hector M. McDonald, deceased;

H. R. 7062. An act for the relief of Erskine R. Hayes;

H. R. 7396. An act for the relief of Hiram P. Geaslin;

H. R. 7419. An act granting a patent to a certain strip of land to Elisha A. Crandall;

H. R. 8141. An act for the relief of the dependent widow of Patrick Curran, civilian employee of the Government, who was killed while in the discharge of his duties at the United States naval magazine at Iona Island, N. Y.;

H. R. 8200. An act for the relief of Mrs. M. E. Sitters;

H. R. 8630. An act for the relief of the Farmer's State Bank of Eureka, Woodford County, Ill.;

H. R. 9375. An act for the relief of J. M. Potter;

H. R. 10052. An act to reimburse J. T. Nance;

H. R. 10546. An act for the relief of the Illinois Central Railroad Co., and for other purposes;

H. R. 10641. An act for the relief of Fred Henderson;

H. R. 10643. An act for the relief of Theodore Bagge;

H. R. 11129. An act for the relief of the owners of the barkentine *Mabel I. Meyers* and her master and crew, and for the relief of the owners of cargo of molasses late on board said barkentine;

H. R. 11984. An act for the relief of William E. Heffner;

H. R. 12123. An act to appropriate money to build and maintain roads on the Spokane Indian Reservation;

H. R. 12248. An act for the relief of the estate of Mary H. S. Robertson, deceased;

H. R. 12712. An act to amend an act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes";

H. R. 14528. An act for the relief of W. W. Finn;

H. R. 14868. An act to accept the cession by the State of Oregon of exclusive jurisdiction over the lands embraced within the Crater Lake National Park, and for other purposes;

H. R. 14944. An act authorizing the Secretary of the Interior to transfer on certain conditions the south half of lot 14 of the southeast quarter of section 21, township 107, range 48, Moody County, S. Dak., to the city of Flandreau, to be used as a public park or playground;

H. R. 14952. An act for the relief of Mrs. John A. Fox;

H. R. 15777. An act to ratify, approve, and confirm an act duly enacted by the Legislature of the Territory of Hawaii, as amended by Congress, relating to the granting of a franchise for the purpose of manufacturing and supplying gas in the district of South Hilo, county of Hawaii, Territory of Hawaii;

H. R. 15955. An act extending certain privileges of canal employees to other officials on the Canal Zone and authorizing the President to make rules and regulations affecting health, sanitation, quarantine, taxation, public roads, self-propelled vehicles, and police powers on the Canal Zone, and for other purposes, including provision as to certain fees, money orders, and interest deposits;

H. R. 16912. An act granting the consent of Congress to Trumbull County, Ohio, to construct a bridge across the Mahoning River in the State of Ohio;

S. 1159. An act authorizing the Secretary of War to grant the use of the Coos Head Military Reservation, in the State of Oregon, to the cities of Marshfield and North Bend, Oreg., both being municipal corporations, for park purposes;

S. 1351. An act providing for the discovery, development, and protection of streams, springs, and water holes in the desert and arid public lands of the United States, for rendering the same more readily accessible, and for the establishment of and maintenance of signboards and monuments locating the same;

S. 5466. An act to open abandoned military reservations in the State of Nevada to homestead entry and desert-land entry, and to amend an act entitled "An act to open abandoned military reservations in the State of Nevada to homestead entry," approved October 1, 1890;

S. 5976. An act to amend an act approved May 29, 1908, entitled "An act to amend an act to authorize the Baltimore & Washington Transit Co., of Maryland, to enter the District of Columbia," approved June 8, 1896;

S. 6308. An act to authorize the Secretary of the Interior to lease, for production of oil and gas, ceded lands of the Shoshone or Wind River Indian Reservation, in the State of Wyoming; and

S. 6372. An act to authorize the counties of Baldwin and Mobile, Ala., their successors and assigns, to construct, maintain, and operate a bridge across Spanish River at or near the junction of Raft and Spanish Rivers.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that on August 21, 1916, they presented to the President of the United States, for his approval, the following bills:

H. R. 4559. An act for the relief of C. Horatio Scott;

H. R. 5. An act for erecting a suitable memorial to John Ericsson;

H. R. 13984. An act granting to the city of Philadelphia, in the State of Pennsylvania, a right of way through the United States military reservation at Fort Mifflin, Pa.;

H. R. 16914. An act permitting the Needles & Oatman Bridge Co. to construct, maintain, and operate a bridge across the Colorado River between the States of California and Arizona; and

H. R. 16995. An act granting the consent of Congress to A. N. Alford to construct a bridge across the Savannah River.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14338) to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes.

ARMY APPROPRIATION BILL.

Mr. HAY. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 17498) making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes, with the following amendments. I may say that these amendments are purely to correct typographical errors.

The SPEAKER. The gentleman from Virginia [Mr. HAY] moves to suspend the rules and pass the bill H. R. 17498, the Army appropriation bill, reading into it certain amendments. The Clerk will report the bill and read in the amendments at the proper place.

The Clerk read the bill, as follows:

A bill (H. R. 17498) making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes.

Be it enacted, etc., That the following sums be, and they are hereby, appropriated, out of any money in the Treasury not otherwise appropriated, for the support of the Army for the year ending June 30, 1917:

Contingencies of the Army: For all contingent expenses of the Army not otherwise provided for and embracing all branches of the military service, including the office of the Chief of Staff; for all emergencies

and extraordinary expenses, including the employment of translators and exclusive of all other personal services in the War Department or any of its subordinate bureaus or offices at Washington, D. C., or in the Army at large, but impossible to be anticipated or classified, to be expended on the approval and authority of the Secretary of War and for such purposes as he may deem proper, including the payment of a per diem allowance not to exceed $4 in lieu of subsistence to employees of the War Department traveling on official business outside of the District of Columbia and away from their designated posts, $50,000.

OFFICE OF THE CHIEF OF STAFF.

Army War College: For expenses of the Army War College, being for the purchase of the necessary stationery; typewriters and exchange of same; office, toilet, and desk furniture; textbooks; books of reference; scientific and professional papers and periodicals; printing and binding; maps; police utensils; employment of temporary, technical, or special services; and for all other absolutely necessary expenses, including $25 per month additional to regular compensation to chief clerk of division for superintendence of the War College building, $9,000.

Contingencies, Military Information Section, General Staff Corps: For contingent expenses of the Military Information Section, General Staff Corps, including the purchase of law books; professional books of reference; periodicals and newspapers; drafting and messenger service; and of the military attachés at the United States embassies and legations abroad; and of the branch office of the Military Information Section at Manila; the cost of special instruction at home and abroad and in maintenance of students and attachés; and for such other purposes as the Secretary of War may deem proper, to be expended under the direction of the Secretary of War: *Provided*, That section 3648, Revised Statutes, shall not apply to subscriptions for foreign and professional newspapers and periodicals to be paid for from this appropriation, $11,000.

Expenses of military observers abroad: For the actual and necessary expenses of officers of the Army on duty abroad for the purpose of observing operations of armies of foreign States at war, to be paid upon certificates of the Secretary of War that the expenditures were necessary for obtaining military information, $15,000.

United States service schools: To provide means for the theoretical and practical instruction at the Army service schools (including the Army Staff College, the Army School of the Line, the Army Field Engineer School, the Army Field Service and Correspondence School for Medical Officers, and the Army Signal School) at Fort Leavenworth, Kans., the Mounted Service School at Fort Riley, Kans., and the School of Fire for Field Artillery and for the School of Musketry at Fort Sill, Okla., by the purchase of textbooks, books of reference, scientific and professional papers, the purchase of modern instruments and material for theoretical and practical instruction, employment of temporary, technical, or special services, and for all other absolutely necessary expenses, to be allotted in such proportion as may, in the opinion of the Secretary of War, be for the best interests of the military service. Not exceeding $100 per month may be used for the payment of one translator, to be appointed by the commandant of the Army service schools with the approval of the Secretary of War, $35,350: *Provided*, That officers in the grade of second lieutenant in the Field Artillery may be assigned for the period of one year to batteries stationed at the School of Fire for Field Artillery at Fort Sill, Okla., for the purpose of pursuing courses of practical instruction in field artillery.

THE ADJUTANT GENERAL'S DEPARTMENT.

Contingencies, headquarters of military departments, districts, and tactical commands: For contingent expenses at the headquarters of the several territorial departments, territorial districts, tactical divisions, and brigades, including the staff corps serving thereat, being for the purchase of the necessary articles of office, toilet, and desk furniture, stationery, ice, and potable water for office use when necessary, binding, maps, technical books of reference, professional and technical newspapers and periodicals, payment for which may be made in advance, and police utensils to be allotted by the Secretary of War and to be expended in the discretion of the commanding officers of the several military departments, districts, and tactical commands, $7,500.

CHIEF OF COAST ARTILLERY.

Coast Artillery School, Fort Monroe, Va.: For incidental expenses of the school, including chemicals, stationery, printing and binding; hardware; materials; cost of special instruction of officers detailed as instructors; employment of temporary, technical, or special services; extra-duty pay to soldiers necessarily employed for periods not less than 10 days as artificers on work in addition to and not strictly in line with their military duties, as carpenters, blacksmiths, draftsmen, printers, lithographers, photographers, engine drivers, telegraph operators, teamsters, wheelwrights, masons, machinists, painters, overseers, laborers; for office furniture and fixtures, machinery, and unforeseen expenses, $10,000;

For purchase of engines, generators, motors, machines, measuring instruments, special apparatus and materials for the division of the enlisted specialists, $7,000;

For purchase of special apparatus and materials and for experimental purposes for the department of artillery and land defense, $3,000;

For purchase of engines, generators, motors, machines, measuring instruments, special apparatus and materials for the department of engineering and mine defense, $5,500;

For purchase and binding of professional books treating of military and scientific subjects for library, for use of school, and for temporary use in coast defenses, $2,500.

Provided, That section 3648, Revised Statutes, shall not apply to subscriptions for foreign and professional newspapers and periodicals to be paid for from this appropriation.

Provided further, That purchase of typewriting machines, to be paid for from this appropriation, may be made at the special price allowed to schools teaching stenography and typewriting without obligating typewriter companies to supply these machines to all departments of the Government at the same price.

OFFICE OF THE CHIEF SIGNAL OFFICER.

Signal Service of the Army: For expenses of the Signal Service of the Army, as follows: Purchase, equipment, and repair of field electric telegraphs, radio installations, signal equipments and stores, binocular glasses, telescopes, heliostats, and other necessary instruments, including necessary meteorological instruments for use on target ranges; motorcycles and motor-driven vehicles used for technical and official purposes; professional and scientific books of reference, pamphlets, periodicals, newspapers, and maps, for use in the office of the Chief Signal Officer; war balloons and airships and accessories, including their maintenance and repair; telephone apparatus (exclusive of exchange service) and maintenance of the same; electrical installations and maintenance at military posts; fire-control and direction apparatus and material for Field Artillery; maintenance and repair of military lines and cables, including salaries of civilian employees, supplies, general repairs, reserved supplies, and other expenses connected with the duty of collecting and transmitting information for the Army by telegraph or otherwise, $14,281,766: *Provided, however*, That not more than $13,281,666 of the foregoing appropriation shall be used for the purchase, manufacture, maintenance, operation, and repair of airships and other aerial machines and accessories necessary in the aviation section; and for the purchase, maintenance, repair, and operation of motor-propelled, passenger-carrying vehicles which may be necessary for the aviation section: *Provided further*, That of the sum last above mentioned $900,000, or so much thereof as may be necessary, will be available for paying and otherwise providing for such officers of the Officers' Reserve Corps of the Aviation Section of the Signal Corps and such enlisted men of the Enlisted Reserve Corps of the Aviation Section of the Signal Corps as may be called into active service: *Provided further*, That not to exceed $50,000 of the above sum will be available for the payment of all expenses in connection with the development of a suitable type of aviation motor, under such regulations as the Secretary of War may prescribe.

Provided further, That not more than $500 of the foregoing shall be used for the cost of special technical instruction of officers of said section.

Provided further, That hereafter in the settlement of transactions between appropriations under the Signal Corps, or between the Signal Corps and another office or bureau of the War Department, or of any other executive department of the Government, payment therefor shall be made by the proper disbursing officer of the Signal Corps, or of the office, bureau, or department concerned.

Provided further, That hereafter whenever contracts which are not to be performed within 60 days are made on behalf of the Government by the Chief Signal Officer, or by officers of the Signal Corps authorized to make them, and are in excess of $500 in amount, such contracts shall be reduced to writing and signed by the contracting parties. In all other cases contracts shall be entered into under such regulations as may be prescribed by the Chief Signal Officer.

Purchase of land in the State of California for aviation school purposes: For the acquisition, by purchase or by condemnation, of a site or sites in the State of California for an aviation school and training grounds of the Signal Corps of the United States Army, not to exceed $300,000.

The Secretary of War is hereby authorized to accept for the United States from any citizen of the United States a donation of a tract or tracts of land suitable and desirable in his judgment for the purposes of an aviation field and remount station, the terms of the donation also to authorize the use of the property donated for any other service of the United States which may hereafter appear desirable.

The Secretary of War is directed to investigate the suitability of the various military reservations for aviation purposes, and should any of the reservations be found not suitable and not available for aviation he is authorized, in his discretion, to acquire, by purchase, condemnation, or otherwise, for the United States of America, such land as may be necessary for aviation purposes, and there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $300,000, or so much thereof as may be necessary, for said purpose.

The Secretary of War is hereby authorized to accept for the United States from any person such tract or tracts of land suitable and desirable in his judgment for permanent mobilization, training, and supply stations; and he is directed to investigate and report to Congress as soon as practicable what additional tracts are necessary for said purposes for use by the National Guard and by the Regular Army and the probable cost of the same.

Washington-Alaska Military Cable and Telegraph System: For defraying the cost of such extensions, betterments, and maintenance of the Washington-Alaska Military Cable and Telegraph System as may be approved by the Secretary of War, to be available until the close of the fiscal year 1918 from the receipts of the Washington-Alaska Military Cable and Telegraph System which have been covered into the Treasury of the United States, the extent of such extensions and betterments and the cost thereof to be reported to Congress by the Secretary of War, $50,000.

Commercial telephone service at Coast Artillery posts: For providing commercial telephone service for official purposes at Coast Artillery posts, $8,500.

PAY OF OFFICERS OF THE LINE.

For pay of officers of the line, $10,000,000: *Provided*, That in applying section 25 of the national defense act approved June 3, 1916, the President shall assign to officers of the Army such constructive dates of original commission, from which lengths of commissioned service shall be computed, as will preserve their rights to promotion in accordance with their relative order on the lineal lists of their arms and continue in effect losses of files occasioned by sentences of courts-martial or failures to pass required examinations for promotion, said constructive dates of original commission to be subject to change whenever a change thereof may be necessary in order to carry into effect losses of files hereafter incurred by any officer through a sentence of court-martial or a failure to pass a required examination for promotion: *Provided further*, That in determining the arm from which a detail is to be made to a vacancy in the detached officers' list, as provided in the third proviso of section 25 of the national defense act approved June 3, 1916, the officer of any grade who is the senior in that grade according to the constructive dates of original commission provided for in the preceding proviso shall be considered the senior in length of commissioned service of all officers of that grade: *Provided further*, That in determining the rights of officers in the last proviso of section 24 of said national defense act, officers retired before the separation of the Field Artillery from the Coast Artillery shall be regarded as having belonged to the Field Artillery: *Provided further*, That when by reason of increase in the arm, corps, or branch of the service in which an officer is commissioned his loss of files in lineal rank due to suspension from promotion on account of failure to pass the required examination therefor exceeds the loss he would have sustained if no such increase had occurred, he shall, if promoted upon reexamination, be advanced to the position he would have occupied in the grade to which promoted had no increase occurred: *And provided further*, That the general officers of the line who were appointed as such pursuant to the act of March 4, 1915 (38 Stat. L., p. 1191), shall take rank in their present grades over all officers hereafter appointed to like grades.

Additional pay to officers for length of service, $2,225,000.
For pay of members of the Officers' Reserve Corps when ordered to temporary duty, $10,000.
For pay of members of the Officers' Reserve Corps when ordered to duty with troops or at field exercises, or for instruction, $25,000.
For pay of members of the Officers' Reserve Corps appointed temporary second lieutenants at $100 per month, $5,000.
Pay of officers National Guard, $9,000,000.

PAY OF ENLISTED MEN.

For pay of enlisted men of all grades, including recruits, $23,000,000: *Provided*, That hereafter one of the enlisted men detached from the Army at large for duty at each of the recruit depots under the provisions of the act of June 12, 1906, shall, while so detached, have the rank, pay, and allowances of a regimental sergeant major.
Additional pay for length of service of enlisted men of the line, $2,300,000.
For pay of enlisted men of the Regular Army Reserves, at $24 per year, $10,000.
For pay of enlisted men of the Regular Army Reserves while engaged in field training for a period not exceeding 15 days each year, $7,500.
For bounty at the rate of $3 per month to enlisted men of the Regular Army Reserves mobilized by order of the President, $1,000.
For bounty for reenlistments in time of war, $10,000.
For pay of members of the Enlisted Reserve Corps when called into actual service, $25,000.
For pay of members of the Enlisted Reserve Corps when called out for instruction or training for periods not exceeding 15 days in any one calendar year $5,000.
Pay of enlisted men of all grades, National Guard, $18,000,000: *Provided*, That all officers and enlisted men of the National Guard and of the Medical Reserve Corps of the Army who are Government employees and who respond to the call of the President for service shall, at the expiration of the military service to which they are called, be restored to the positions occupied by them at the time of the call: *Provided further*, That nothing in this act or previous acts of Congress shall be construed to prohibit the paying of men enlisted by State authorities of any State for militia organization for the purpose of bringing said organization up to the minimum necessary to permit of the muster in of said organization, from the date of such enlistments to the date of muster in or from date of enlistment to date of rejection, after physical examination.

CORPS OF ENGINEERS.

Pay of enlisted men, $700,000.
Additional pay for length of service, $73,000.

ORDNANCE DEPARTMENT.

Pay of enlisted men, $300,000.
Additional pay for length of service, $150,000.

QUARTERMASTER CORPS.

Pay of enlisted men, $2,000,000
Additional pay for length of service, $325,000.

SIGNAL CORPS.

Pay of enlisted men, $800,000.
Additional pay for length of service, $90,000.

MEDICAL DEPARTMENT.

Pay of enlisted men, $1,500,000.
Additional pay for length of service, $220,000.
For pay of privates, first class, when rated as dispensary assistants, nurses, or surgical assistants, $5,000: *Provided*, That hereafter the proportion of privates first class to privates in the Signal Corps and in the Medical Department shall be the same as the proportion of privates first class to privates now authorized by law in the Quartermaster Corps.

CLERKS, MESSENGERS, AND LABORERS, OFFICE OF THE CHIEF OF STAFF.

One chief clerk, at $2,250 per annum, $2,250;
Four clerks, at $2,000 each per annum, $8,000;
Six clerks, at $1,800 each per annum, $10,800;
Eleven clerks, at $1,600 each per annum, $17,600;
Fifteen clerks, at $1,400 each per annum, $21,000;
Twenty-one clerks, at $1,200 each per annum, $25,200;
Thirteen clerks, at $1,000 each per annum, $13,000;
One captain of the watch, at $900 per annum, $900;
Three watchmen, at $720 each per annum, $2,160;
One gardener, at $720 per annum, $720;
One packer, at $840 per annum, $840;
One chief messenger, at $1,000 per annum, $1,000;
One messenger, at $840 per annum, $840;
Twenty messengers, at $720 each per annum, $14,400;
One laborer, at $660 per annum, $660;
Two laborers, at $600 each per annum, $1,200;
Five charwomen, at $240 each per annum, $1,200;
In all, $121,770.

CLERKS AND MESSENGERS FOR HEADQUARTERS OF THE SEVERAL TERRITORIAL DEPARTMENTS, DISTRICTS, DIVISIONS AND BRIGADES, AND SERVICE SCHOOLS.

Seven clerks, at $2,000 each per annum, $14,000;
Eleven clerks, at $1,800 each per annum, $19,800;
Fourteen clerks, at $1,600 each per annum, $22,400;
Thirty-two clerks, at $1,400 each per annum, $44,800;
Fifty-seven clerks, at $1,200 each per annum, $68,400;
Forty-nine clerks, at $1,000 each per annum, $49,000;
Thirty-nine messengers, at $720 each per annum, $28,080;
In all, $246,480.
Additional pay while on foreign service, $9,000.
For commutation of quarters and of heat and light, $53,742.
Hereafter headquarters clerks shall be known as Army field clerks and shall receive pay at the rates herein provided, and after 12 years of service, at least 3 years of which shall have been on detached duty away from permanent station, or on duty beyond the continental limits of the United States, or both, shall receive the same allowances, except retirement, as heretofore allowed by law to pay clerks, Quartermaster Corps, and shall be subject to the rules and articles of war.
Hereafter not to exceed 200 clerks, Quartermaster Corps, who shall have had 12 years of service, at least 3 years of which shall have been on detached duty away from permanent station, or on duty beyond the continental limits of the United States, or both, shall be known as field clerks, Quartermaster Corps, and shall receive the same allowances, except retirement, as heretofore allowed by law to pay clerks, Quartermaster Corps, and shall be subject to the rules and articles of war.
For commutation of quarters and of heat and light, $67,600.
Provided, That said clerks, messengers, and laborers shall be employed and assigned by the Secretary of War to the offices and positions in which they are to serve: *Provided*, That no clerk, messenger, or laborer at headquarters of tactical divisions, military departments, brigades, service schools, and office of the Chief of Staff shall be assigned to duty in any bureau in the War Department.

ADJUTANT GENERAL'S DEPARTMENT.

For pay of officers of The Adjutant General's Department, $100,000.
Additional pay for length of service, $26,000.

INSPECTOR GENERAL'S DEPARTMENT.

For pay of officers of the Inspector General's Department, $69,500.
Additional pay for length of service, $17,500.

CORPS OF ENGINEERS.

Pay of officers of the Corps of Engineers, $675,000.
Additional pay for length of service, $150,000.

ORDNANCE DEPARTMENT.

For pay of officers of the Ordnance Department, $280,000.
Additional pay for length of service, $60,000.

QUARTERMASTER CORPS.

For pay of officers of the Quartermaster Corps, $700,000: *Provided*, That the President of the United States, in his discretion, be, and he is hereby, authorized to appoint Charles P. Daly, chief clerk, office of the Quartermaster Corps, United States Army, a military storekeeper in the Quartermaster Corps, United States Army, with the rank, pay, and allowances of a captain, mounted; and the grade of military storekeeper is hereby revived in the Army of the United States for this purpose only: *Provided further*, That hereafter the provisions of section 1191 of the Revised Statutes of the United States may, in the discretion of the Secretary of War, be waived in the cases of officers of the Quartermaster Corps who are not accountable for public funds or public property.
Additional pay for length of service, $160,000.

MEDICAL DEPARTMENT.

For pay of officers of the Medical Department, $1,800,000.
Additional pay for length of service, $250,800.
Contract surgeons, at not exceeding $150 each per month, $20,000.
One superintendent, Nurse Corps, at $1,800 per annum, $1,800.
Provided, That hereafter the superintendent shall receive such allowances of quarters, subsistence, and medical care during illness as may be prescribed in regulations by the Secretary of War.
Nurses (female), $141,000.

JUDGE ADVOCATE GENERAL'S DEPARTMENT.

For pay of officers in the Judge Advocate General's Department, $60,000.
Additional pay for length of service, $12,320.
That the Secretary of War is hereby directed to cause to be prepared, with as much expedition as may be consistent with thoroughness, to be finished within two years, a revision and codification of the military laws of the United States, which shall conform in scope and character to the revision and codification of the laws of the United States of a permanent and general nature directed by the act of March 3, 1901. The Secretary of War shall submit to Congress a report of progress of the revision and codification herein directed upon the first day of the second session of the Sixty-fourth Congress, and, when the revision and codification is completed, he shall cause a copy of the same, in print, to be submitted to Congress, that the statutes so revised and codified may be reenacted if Congress shall so determine.
For paying the expenses of clerical hire and printing and other expenses incident to the making of the revision and codification herein directed, not to exceed $5,000, to be expended upon certificates of the Secretary of War that the expenditures were necessary therefor.

SIGNAL CORPS.

For pay of officers of the Signal Corps, $375,000.
Additional pay for length of service, $50,000.
For pay of 30 aviators, Signal Corps, at $1,800 each per annum, $54,000.

BUREAU OF INSULAR AFFAIRS.

For pay of officers of the Bureau of Insular Affairs, $13,000.
Additional pay for length of service, $2,000.

RETIRED OFFICERS.

For pay of officers on the retired list and for officers who may be placed thereon during the current year, $2,700,000: *Provided*, That when by reason of the movement of troops a post is temporarily left without its regular garrison and with no commissioned officer except of the Medical Reserve Corps on duty thereat, the Secretary of War may assign a retired officer of the Army, with his consent, to active duty in charge of such post. The officer so assigned shall perform the duties of commanding officer and also any necessary staff duties at such post, and shall, while in the performance of such duties, receive the full pay and allowances of his grade, subject to the limitations imposed by the act of March 2, 1905, and the act of June 12, 1906, which limitations shall include the grades of brigadier general, major general, and lieutenant general.
Additional pay for length of service, $467,000.
For retired veterinarians, $7,140.
Thirteen retired pay clerks, $21,750.
Increased pay to retired officers on active duty, $57,275.
Additional pay for length of service, $19,137.
That the President be, and he is hereby, authorized to appoint Col. James Jackson, United States Army (retired), to the position and rank of brigadier general on the retired list.
That the President be, and he is hereby, authorized to appoint any colonel of the Army on the retired list who before retirement served more than 45 years and 6 months, including 16 years in the line of the Army, who held command in the line or staff over 9½ years, who received campaign badges for service in four Indian campaigns and in the War with Spain and the Philippine insurrection, and who was recommended by a commanding general in time of war or insurrection for appointment to the grade of general officer in the Volunteer Army, to the grade of brigadier general on the retired list: *Provided*, That such officer did not receive advanced grade upon retirement nor has since received any advance over the grade held at the date of retirement.
That the President be, and he is hereby, authorized to appoint to the grade of major general on the retired list of the Army any brigadier

general now borne on said list who served with credit in the Army throughout both the Civil War and the War with Spain, as well as during the interval between said wars, and who, being a general officer, exercised with efficiency and gallantry the command of a brigade or of a higher unit in action or in actual operations against an enemy, and who inconsideration of services so rendered was recommended to be a major general, United States Volunteers, by the commanding general of the Army, as shown by the records of the War Department: *Provided*, That any brigadier general on the retired list who as senior colonel commanded with credit a brigade or higher unit in the Civil War, though not so recommended may be advanced in grade as authorized by this paragraph if he fulfills the other requirements thereof.

That the President be, and he is hereby, authorized to appoint and place on the retired list of the Army with the rank of major general, any officer on the retired list who served not less than one year in the Regular or Volunteer forces of the United States during the Civil War prior to April 9, 1865, and who was honorably discharged therefrom, who has since served not less than 40 years as a commissioned officer of the Regular Army, and who was the last Civil War veteran on the active list of the Army for over 2 years before retirement and had ranked every general officer on the active list in length of service when he retired.

RETIRED ENLISTED MEN.

For pay of 4,300 retired enlisted men, $3,100,000.

MISCELLANEOUS.

Thirty hospital matrons, at $120 each per annum, $3,600.

For expenses of courts-martial, courts of inquiry, military commissions, retiring boards, and compensation of reporters and witnesses attending same, and expenses of taking depositions and securing other evidence for use before the same, $60,000.

For additional pay to officer in charge of public buildings and grounds at Washington, D. C., $500.

For commutation of quarters and of heat and light to commissioned officers, members of the Nurse Corps, and enlisted men on duty at places where no public quarters are available, $1,000,000.

For interest on soldiers' deposits, $150,000.

For pay of translator and librarian of the military information section, General Staff Corps, at $1,800 per annum, $1,800.

For pay of expert accountant for the Inspector General's Department, $2,500.

For extra pay to enlisted men employed on extra duty for periods of not less than 10 days in the offices of coast defense artillery engineers and coast defense ordnance officers, and as switchboard operators at seacoast fortifications, $14,803.

For extra pay to enlisted men employed on extra duty as switchboard operators at each interior post of the Army, $12,519.

For extra pay to enlisted men of the line of the Army and to enlisted men of the Quartermaster Corps and of the Signal Corps employed in the Territory of Alaska on the Washington-Alaska cable and telegraph system for periods of not less than 10 days at the rate of 35 cents per day, $30,660.

For mileage to commissioned officers, contract surgeons, and expert accountant, Inspector General's Department, when authorized by law, $712,500.

For additional 10 per cent increase of pay of officers on foreign service, $250,000.

For additional 20 per cent increase of pay of enlisted men on foreign service, $800,000.

For pay of one computer for Artillery Board, $2,500.

For payment of exchange by acting quartermasters serving in foreign countries and when specially authorized by the Secretary of War by officers disbursing funds pertaining to the Quartermaster Corps when serving in Alaska, $600.

For three months' additional pay to enlisted men reenlisting within the period of three months from date of discharge from first enlistment, $150,500.

For six months' pay to beneficiaries of officers and enlisted men who die while on active service from wounds or disease not the result of their own misconduct, $75,000.

For one year's pay to beneficiaries of officers and enlisted men who die as the result of aviation accidents, $10,000.

For additional pay to officers below the grade of major required to be mounted and who furnish their own mounts, $225,000.

For amount required to make monthly payments to Jennie Carroll, widow of James Carroll, late major, United States Army, $1,500.

For amount required to make monthly payments to Mabel H. Lazear, widow of Jesse W. Lazear, late acting assistant surgeon, United States Army, $1,500.

For amount required to make monthly payments of $100 to John R. Kissinger, late of Company D, One hundred and fifty-seventh Indiana Volunteer Infantry, also late of the Hospital Corps, United States Army, $1,200.

That the Secretary of War shall make a list of all officers of the Army who have been placed on the retired list for disability and shall cause such officers to be examined at intervals as may be advisable, and such officers as shall be found to have recovered from such disabilities or to be able to perform service of value to the Government sufficient to warrant such action shall be assigned to such duty as the Secretary of War may approve.

For temporary employment, under the direction of the Secretary of War, of additional clerks in the field on account of the induction of additional forces into the service of the United States, $50,000.

PHILIPPINE SCOUTS.

Fifty-two captains, at $2,400 each per annum, $124,800;

Sixty-five first lieutenants, at $2,000 each per annum, $130,000;

Sixty-five second lieutenants, at $1,700 each per annum, $110,500;

For pay of 13 majors, in addition to pay as captain, at $600 each per annum, $7,800;

Additional pay for length of service, $93,783.

For pay of enlisted men, $601,028.

Additional pay for length of service, $40,766.

All the money hereinbefore appropriated for pay of the Army and miscellaneous except the appropriation for mileage of officers, contract surgeons, and expert accountant, Inspector General's Department, when authorized by law, shall be disbursed and accounted for by officers of the Quartermaster Corps as pay of the Army, and for that purpose shall constitute one fund.

Subsistence of the Army: Purchase of subsistence supplies: For issue as rations to troops, civil employees when entitled thereto, hospital matrons, nurses, applicants for enlistment while held under observation, general prisoners of war (including Indians held by the Army as prisoners, but for whose subsistence appropriation is not otherwise made), Indians employed with the Army as guides and scouts, and general prisoners at posts; for the subsistence of the masters, officers, crews, and employees of the vessels of the Army transport service; hot coffee for troops traveling when supplied with cooked or travel rations; meals for recruiting parties and applicants for enlistment while under observation; for sales to officers and enlisted men of the Army: *Provided*, That the sum of $12,000 is authorized to be expended for supplying meals or furnishing commutation of rations to enlisted men of the Regular Army and the National Guard who may be competitors in the national rifle match: *Provided further*, That no competitor shall be entitled to commutation of rations in excess of $1.50 per day, and when meals are furnished no greater expense than that sum per man per day for the period the contest is in progress shall be incurred. For payments: Of commutation of rations to the cadets of the United States Military Academy in lieu of the regular established ration at the rate of 40 cents per ration; of the regulation allowances of commutation in lieu of rations to enlisted men on furlough, enlisted men and male and female nurses when stationed at places where rations in kind can not be economically issued, and when traveling on detached duty where it is impracticable to carry rations of any kind, enlisted men selected to contest for places or prizes in departments and Army rifle competitions while traveling to and from places of contest, male and female nurses on leaves of absence, applicants for enlistment, and general prisoners while traveling under orders; of commutation of rations in lieu of the regular established ration for members of the Nurse Corps (female) while on duty in hospitals, at 40 cents per ration, and for enlisted men, applicants for enlistment while held under observation, and general prisoners sick therein, at the rate of 30 cents per ration (except that at the general hospital at Fort Bayard, N. Mex., 50 cents per ration and at other general hospitals 40 cents per ration are authorized for enlisted patients therein), to be paid to the surgeon in charge; advertising; for providing prizes to be established by the Secretary of War for enlisted men of the Army who graduate from the Army schools for bakers and cooks, the total amount of such prizes at the various schools not to exceed $900 per annum; for other necessary expenses incident to the purchase, testing, care, preservation, issue, sale, and accounting for subsistence supplies for the Army, $20,000,000: *Provided further*, That hereafter the officers and enlisted men of the Navy and the Marine Corps shall be permitted to purchase subsistence supplies at the same price as is charged the officers and the enlisted men of the Army; and the officers and the enlisted men of the Army shall be permitted to purchase subsistence supplies from the Navy and Marine Corps at the same price as is charged the officers and the enlisted men of the Navy and Marine Corps.

Regular supplies, Quartermaster Corps: Regular supplies of the Quartermaster Corps, including their care and protection, consisting of stoves and heating apparatus required for heating offices, hospitals, barracks and quarters, and recruiting stations, and United States disciplinary barracks; also ranges, stoves, coffee roasters, and appliances for cooking and serving food at posts, in the field, and when traveling, and repair and maintenance of such heating and cooking appliances and the necessary power for the operation of moving-picture machines; authorized issues of candles and matches; for furnishing heat and light for the authorized allowance of quarters for officers and enlisted men; contract surgeons when stationed at and occupying public quarters at military posts; for officers of the National Guard attending service and garrison schools, and for recruits, guards, hospitals, storehouses, offices, the buildings erected at private cost, in the operation of the act approved May 31, 1902; for sale to officers and including also fuel and engine supplies required in the operation of modern batteries at established posts; for post bakeries, including bake ovens and apparatus pertaining thereto, and the repair thereof; for ice machines and their maintenance where required for the health and comfort of the troops and for cold storage; ice for issue to organizations of enlisted men and officers at such places as the Secretary of War may determine, and for preservation of stores; for the construction, operation, and maintenance of laundries at military posts in the United States and its island possessions; for the authorized issues of laundry materials for use of general prisoners confined at military posts without pay or allowances, and for applicants for enlistment while held under observation; authorized issues of soap; for hire of employees; for the necessary furniture, textbooks, paper, and equipment for the post schools and libraries; for the purchase and issue of instruments, office furniture, stationery, and other authorized articles for the use of officers' schools at the several military posts; commercial newspapers, market reports, etc.; for the tableware and mess furniture for kitchens and mess halls, each and all for the enlisted men, including recruits; of forage, salt, and vinegar for the horses, mules, oxen, and other draft and riding animals of the Quartermaster Corps at the several posts and stations and with the armies in the field, and for the horses of the several regiments of Cavalry, and batteries of Artillery, and such companies of Infantry and Scouts as may be mounted; for remounts and for the authorized number of officers' horses, including bedding for the animals; for seeds and implements required for the raising of forage at remount depots and on military reservations in the Hawaiian and Philippine Islands and for labor and expenses incident thereto, including, when specifically authorized by the Secretary of War, the cost of irrigation: *Provided*, That the accounting officers of the Treasury are hereby authorized and directed to remove any suspensions or disallowances in the accounts of Capt. Sam Van Leer, Quartermaster Corps, United States Army, for expenditures made in connection with the establishment of an irrigation system at the Fort Keogh Remount Depot, Mont.; for straw for soldiers' bedding, stationery, typewriters and exchange of same, including blank books and blank forms for the Quartermaster Corps, certificates for discharged soldiers, and for printing department orders and reports, $11,000,000: *Provided*, That no part of the appropriations for the Quartermaster Corps shall be expended on printing unless the same shall be done at the Government Printing Office, or by contract after due notice and competition, except in such cases as the emergency will not admit of the giving notice of competition, and in cases where it is impracticable to have the necessary printing done by contract the same may be done with the approval of the Secretary of War, by the purchase of material and hire of the necessary labor for the purpose. For the fiscal year ending June 30, 1917, whenever the ice machines, steam laundries, and electric plants shall not come in competition with private enterprise for sale to the public, and in the opinion of the Secretary of War it becomes necessary to the economical use and administration of such ice machines, steam laundries, and electric plants as have been or may hereafter me established in pursuance of law, surplus ice may be disposed of, laundry work may be done for other branches of the Government, and surplus electric light and power may be sold on such terms and in

accordance with such regulations as may be prescribed by the Secretary of War: *Provided*, That the funds received from such sales and in payment for such laundry work shall be used to defray the cost of operation of said ice, laundry, and electric plants, and the sales and expenditures herein provided for shall be accounted for in accordance with the methods prescribed by law, and any sums remaining after such cost of maintenance and operation have been defrayed shall be deposited in the Treasury to the credit of the appropriation from which the cost of operation of such plant is paid: *Provided*, That $250,000 of the appropriation provided for in this paragraph shall be expended in the purchase of material and the construction of tent floors, framing for screens, and screens, to be added to the equipment of the tents now being used by the Army of the United States.

Incidental expenses, Quartermaster Corps: Postage; cost of telegrams on official business received and sent by officers of the Army; extra pay to soldiers employed on extra duty, under the direction of the Quartermaster Corps, in the erection of barracks, quarters, and storehouses, in the construction of roads, and other constant labor for periods of not less than 10 days; as additional school-teachers during the school term at post schools, and as clerks for post quartermasters at military posts, and for overseers of general prisoners at posts designated by the War Department for the confinement of general prisoners, and for the United States disciplinary barracks guard: *Provided*, That hereafter the extra-duty pay to the United States disciplinary barracks guard shall be at the following rates per day: Sergeants, 35 cents; corporals, 30 cents; and privates, 20 cents; of extra-duty pay at rates to be fixed by the Secretary of War for mess stewards and cooks at recruit depots, who are graduates of the schools for bakers and cooks, and instructor cooks at the schools for bakers and cooks; for expenses of expresses to and from frontier posts and armies in the field; of escorts to officers or agents of the Quartermaster Corps to trains where military escorts can not be furnished; authorized office furniture, authorized issues of towels; hire of laborers in the Quartermaster Corps, including the care of officers' mounts when the same are furnished by the Government, and the hire of interpreters, spies, or guides for the Army; compensation of clerks and other employees to the officers of the Quartermaster Corps, and clerks, foremen, watchmen, and organist for the United States disciplinary barracks, and incidental expenses of recruiting; for the apprehension, securing, and delivering of deserters, including escaped military prisoners, and the expenses incident to their pursuit, and no greater sum than $50 for each deserter or escaped military prisoner shall, in the discretion of the Secretary of War, be paid to any civil officer or citizen for such services and expenses; for a donation of $5 to each dishonorably discharged prisoner upon his release from confinement under court-martial sentence involving dishonorable discharge; for the following expenditures required for the several regiments of Cavalry, the batteries of Field Artillery, and such companies of Infantry and Scouts as may be mounted, the authorized number of officers' horses, and for the trains, to wit, hire of veterinary surgeons, purchase of medicines for horses and mules, picket ropes, blacksmith's tools and materials, horseshoes and blacksmith's tools for the Cavalry service, and for the shoeing of horses and mules; chests and issue outfits; and such additional expenditures as are necessary and authorized by law in the movements and operations of the Army, and at military posts, and not expressly assigned to any other department, $2,000,000.

Transportation of the Army and its supplies: For transportation of the Army and its supplies, including transportation of the troops when moving either by land or water, and of their baggage, including the cost of packing and crating; for transportation of recruits and recruiting parties; of applicants for enlistment between recruiting stations and recruiting depots; for travel allowance to enlisted men on discharge, and members of the National Guard who have been mustered into the service of the United States and are discharged for physical disabilities: *Provided*, That hereafter when an enlisted man having 10 or more years' service in the Army is discharged on account of disability incurred in the line of duty, transportation of his authorized change of station allowance of baggage from his last duty station to his home in addition to other travel allowances fixed by law may be authorized by the Secretary of War: *Provided further*, That when members of the National Guard, who have been mustered into the service of the United States, have been discharged under the order of the War Department which provides that members of the National Guard with dependent families may be mustered out, transportation from their position on the Mexican border to their homes may be authorized by the Secretary of War; of persons on their discharge from the United States disciplinary barracks or from any place in which they have been held under a sentence of dishonorable discharge and confinement for more than six months, or from the Government Hospital for the Insane after transfer thereto from such barracks or place, to their homes (or elsewhere as they may elect), provided the cost in each case shall not be greater than to the place of last enlistment; of supplies furnished to the militia for the permanent equipment thereof; of the necessary agents and other employees, including per diem allowances in lieu of subsistence not exceeding $4 for those authorized to receive the per diem allowance; of clothing and equipage and other quartermaster stores from Army depots or places of purchase or delivery to the several posts and Army depots and from those depots to the troops in the field; of horse equipment; of ordnance and ordnance stores, and small arms from the foundries and armories to the arsenals, fortifications, frontier posts, and Army depots; for payment of wharfage, tolls, and ferriages; for transportation of funds of the Army; for the hire of employees; for the payment of Army transportation lawfully due such land-grant railroads as have not received aid in Government bonds (to be adjusted in accordance with the decisions of the Supreme Court in cases decided under such land-grant acts), but in no case shall more than 50 per cent of full amount of service be paid: *Provided*, That such compensation shall be computed upon the basis of the tariff or lower special rates for like transportation performed for the public at large and shall be accepted as in full for all demands for such service: *Provided further*, That in expending the money appropriated by this act a railroad company which has not received aid in bonds of the United States, and which obtained a grant of public land to aid in the construction of its railroad on condition that such railroad should be a post route and military road, subject to the use of the United States for postal, military, naval, and other Government services, and also subject to such regulation as Congress may impose restricting the charge for such Government transportation, having claims against the United States for transportation of troops and munitions of war and military supplies and property over such aided railroads, shall be paid out of the moneys appropriated by the foregoing provision only on the basis of such rate for the transportation of such troops and munitions of war and military supplies and property as the Secretary of War shall deem just and reasonable under the foregoing provision, such rate not to exceed 50 per cent of the compensation for such Government transportation as shall at that time be charged to and paid by private parties to any such company for like and similar transportation; and the amount so fixed to be paid shall be accepted as in full for all demands for such service: *And provided further*, That nothing in the preceding provisos shall be construed to prevent the accounting officers of the Government from making full payment to land-grant railroads for transportation of property or persons where the courts of the United States have held that such property or persons do not come within the scope of the deductions provided for in the land-grant acts; for the purchase and hire of draft and pack animals in such numbers as are actually required for the service, including reasonable provision for replacing unserviceable animals; for the purchase, hire, operation, maintenance, and repair of such harness, wagons, carts, drays, other vehicles, and motor-propelled and horse-drawn passenger-carrying vehicles, as are required for the transportation of troops and supplies, and for official, military, and garrison purposes; for drayage and cartage at the several depots; for the hire of teamsters and other employees; for the purchase and repair of ships, boats, and other vessels required for the transportation of troops and supplies and for official, military, and garrison purposes; for expenses of sailing public transports and other vessels on the various rivers, the Gulf of Mexico, and the Atlantic and Pacific Oceans, $23,000,000.

Provided further, That $75,000 of the appropriation hereby made shall be available for additional pay of employees on harbor boats, quartermaster service, in lieu of subsistence: *Provided further*, That authority is hereby granted the Secretary of War to sell or otherwise dispose of, in accordance with law and regulations, the United States Army transports *Meade* and *Crook*.

Water and sewers at military posts: For procuring and introducing water to buildings and premises at such military posts and stations as from their situation require it to be brought from a distance; for the installation and extension of plumbing within buildings where the same is not specifically provided for in other appropriations; for the purchase and repair of fire apparatus, including fire-alarm systems; for the disposal of sewage, and expenses incident thereto, including the authorized issue of toilet paper; for repairs to water and sewer systems and plumbing within buildings; for hire of employees; and the preparation of camp sites, including the procurement of water, installation of water and sewer systems, construction of roads and the construction of temporary kitchens, mess shelters, latrines, bathhouses and storehouses for the storage and safe-keeping of supplies at mobilization camps in the several States for the forces called or drafted into the service of the United States, and to be available from June 18, 1916, $4,000,000.

Clothing and camp and garrison equipage: For cloth, woolens, materials, and for the purchase and manufacture of clothing for the Army, for issue and for sale at cost price according to the Army Regulations; for payment for clothing not drawn due to enlisted men on discharge; for altering and fitting clothing and washing and cleaning when necessary; for equipage, including authorized issues of toilet articles, barbers' and tailors' materials, for use of general prisoners confined at military posts without pay or allowances and applicants for enlistment while held under observation; issue of toilet kits to recruits upon their first enlistment, and issue of housewives to the Army; for expenses of packing and handling, and similar necessaries; for a suit of citizen's outer clothing, to cost not exceeding $10, to be issued upon release from confinement to each prisoner who has been confined under a court-martial sentence involving dishonorable discharge; for indemnity to officers and men of the Army for clothing and bedding, etc., destroyed since April 22, 1898, by order of medical officers of the Army for sanitary reasons, $20,280,000.

Provided, That hereafter the proceeds derived from the sale of surplus cuttings of material for clothing manufactured by the Quartermaster Corps of the Army shall be deposited to the credit of that appropriation out of which the material was purchased: *Provided further*, That hereafter sewing machines and other labor-saving machinery used in the manufacture of clothing and equipage, motor trucks and passenger-carrying vehicles, and band instruments, may be exchanged in part payment for new machines, vehicles, and instruments used for the same purpose as those proposed to be exchanged.

Provided further, That hereafter the accounting for Army supplies or property and the fixing of responsibility therefor shall be according to such regulations as may be prescribed by the Secretary of War.

Provided further, That all the money hereinbefore appropriated under the titles Subsistence of the Army; Regular supplies, Quartermaster Corps; Incidental expenses, Quartermaster Corps; Transportation of the Army and its supplies; Water and sewers at military posts; and Clothing and camp and garrison equipage, shall be disbursed and accounted for by officers and agents of the Quartermaster Corps as "Supplies, Services, and Transportation, Quartermaster Corps," and for that purpose shall constitute one fund.

Horses for Cavalry, Artillery, Engineers, etc.: For the purchase of horses of ages, sex, and size as may be prescribed by the Secretary of War for remounts, for officers entitled to public mounts for the Cavalry, Artillery, Signal Corps, and Engineers, the United States Military Academy, service schools, and staff colleges, and for the Indian scouts, and for such Infantry and members of the Hospital Corps in field campaigns as may be required to be mounted, and the expenses incident thereto, and for the hire of employees: *Provided*, That the number of horses purchased under this appropriation, added to the number now on hand, shall be limited to the actual needs of the mounted service, including reasonable provisions for remounts, and, unless otherwise ordered by the Secretary of War, no part of this appropriation shall be paid out for horses not purchased by contract after competition duly invited by the Quartermaster Corps and an inspection under the direction and authority of the Secretary of War. When practicable, horses shall be purchased in open market at all military posts or stations, when needed, at a maximum price to be fixed by the Secretary of War: *Provided further*, That no part of this appropriation shall be expended for the purchase of any horse below the standard set by Army Regulations for Cavalry and Artillery horses, except when purchased as remounts or for instruction of cadets at the United States Military Academy: *And provided further*, That no part of this appropriation shall be expended for polo ponies except for West Point Military Academy, and such ponies shall not be used at any other place, $2,500,000.

Barracks and quarters: For barracks, quarters, stables, storehouses, magazines, administration and office buildings, sheds, shops, and other buildings necessary for the shelter of troops, public animals, and

stores and for administration purposes, except those pertaining to the Coast Artillery; for constructing and repairing public buildings at military posts; for hire of employees; for rental of the authorized allowance of quarters for officers and acting dental surgeons on duty with the troops at posts and stations where no public quarters are available; of barracks or authorized allowance of quarters for noncommissioned officers and enlisted men on duty where public quarters are not available; of grounds for cantonments, camp sites, and other military purposes, and of buildings or portions of buildings for occupation by troops, for use as stables, storehouses, and offices, and for other military purposes; for the hire of recruiting stations and lodgings for recruits; for such furniture for the public rooms of officers' messes and for officers' quarters at military posts as may be approved by the Secretary of War; for wall lockers in permanent barracks, and refrigerators in barracks and quarters; for screen doors, window screens, storm doors and sash, and window shades for barracks, offices, and quarters, and for flooring and framing for tents, and for the National Guard when called or drafted into the service of the United States, $3,146,000: *Provided*, That the Secretary of War be, and he is hereby, authorized and directed to acquire, by purchase or condemnation, such additional land at Fort Sam Houston, Tex., as may be suitable for adequate supply depots and terminal facilities for Fort Sam Houston and the southern department, considering present and future needs; and he is further authorized and directed to commence at the earliest practicable date the construction at Fort Sam Houston, Tex., of suitable buildings, storehouses, shops, yards, and all necessary appliances and appurtenances for the establishment of supply depots of the Quartermaster Corps, the Medical Department, the Corps of Engineers, and the Signal Corps, together with all facilities and utilities necessary for the operations of said depots, including such switch tracks, sidings, loading and entraining platforms, and devices as may be necessary, said switch tracks and sidings to be connected, under such regulations as the Secretary of War may prescribe, with such main lines of railroads as are available and with which arrangement for such connections can be satisfactorily effected, equal opportunities to make such arrangements to be extended to all competing railroads; and for the purposes of this proviso the sum of $750,000 is hereby appropriated and authorized to be expended, out of any moneys in the Treasury not otherwise appropriated, under the direction of the Secretary of War: *Provided further*, That the Secretary of War is authorized to expend from the above amount not to exceed $110,000 for the purpose of providing temporary shelter on the Canal Zone for one regiment of Infantry and one company of Engineers.

Provided further, That no part of the moneys so appropriated shall be paid for commutation of fuel or quarters to officers or enlisted men: *And provided further*, That the number of and total sum paid for civilian employees in the Quartermaster Corps shall be limited to the actual requirements of the service, and that no employee therein shall receive a salary of more than $150 per month, except upon the approval of the Secretary of War.

Provided further, That the Dowsett Co. (Ltd.), a corporation of the Territory of Hawaii, assignee of the 30-year leasehold interest granted to Harvey E. Whitney by lease dated January 14, 1882, in lands now comprised within the military reservation of Schofield Barracks, in the Territory of Hawaii, and its sublessees, be, and they are hereby, given permission to remove, within such time after the passage of this act as the Secretary of War may designate, all buildings erected by them, respectively, on said lands during the term of the said original lease to Harvey E. Whitney, but not including fences or other improvements: *Provided further*, That in the event of their failure to remove the same within such time as the Secretary of War may designate said buildings shall become the property of the United States as provided in said original lease.

For repairs to buildings, wharves, roads, and replacement of boats at Forts Barrancas, McRee, and Pickens, Fla., and Fort Morgan, Ala., damaged by the hurricane of July 5, 1916, $50,000.

Military post exchanges: For continuing the construction, equipment, and maintenance of suitable buildings at military posts and stations for the conduct of the post exchange, school, library, reading, lunch, amusement rooms, and gymnasium, including repairs to buildings erected at private cost, in the operation of the act approved May 31, 1902, for the rental of films, purchase of slides, supplies for and making repairs to moving-picture outfits, to be expended in the discretion and under the direction of the Secretary of War, $48,592.

Roads, walks, wharves, and drainage: For the construction and repair by the Quartermaster Corps of roads, walks, and wharves; for the pay of employees; for the disposal of drainage; for dredging channels; and for the care and improvement of grounds at military posts and stations, $860,534: *Provided*, That $6,000 of this sum may be used for repairing the military road in front of the east side of Arlington Cemetery.

Provided, That not to exceed $30,000 thereof shall be expended in the Presidio of San Francisco, Cal., for the construction of a road connecting Fort Winfield Scott with the road constructed by the city and county of San Francisco leading to Fort Miley, in said city and county.

That the United States hereby consents to the closing and abandoning of such public streets or parts of public streets in the city and county of San Francisco lying north of Tonquin Street therein and east of the eastern boundary of the Presidio of San Francisco and within the site heretofore selected by the trustees of the California State Normal School of San Francisco in accordance with an act of the Legislature of California, and the United States hereby waives claim to said streets within said site and hereby grants to the State of California for the uses and purposes of said State Normal School all title of the United States thereto; and to effect the purposes hereof the Attorney General of the United States is hereby authorized and requested to cause appearance to be made in the name and on behalf of the United States in any suit to condemn the property within said site for the uses and purposes of said State Normal School in the courts of the State of California wherein the State of California is plaintiff, and in said suit, upon request of the attorney general of the State of California, to file on behalf of the United States a disclaimer on its part of any interest in said streets or the land embraced within said portions of said streets and within said site: *Provided*, That in the event said streets shall not be closed and in the event said site so selected is not used for the purposes of said State Normal School all rights of the United States shall be and remain as they are at the time of the passage of this act.

That the Secretary of War is hereby authorized to grant to the Panama-Pacific International Exposition Co. and its successors in interest a permit to occupy such portion of the Presidio of San Francisco Military Reservation as may be designated by the Secretary of War for the purpose hereinafter set forth, subject to the said privilege being revoked at any time when, in the opinion of the Secretary of War, the military necessities of the United States shall require the use of said portion of said Presidio of San Francisco Military Reservation, for the purpose of maintaining thereon, making repairs upon, or alterations in said Palace of Fine Arts and its appurtenances, approaches, and planting about the same for the use of said Panama-Pacific International Exposition Co. and its successors in interest; and the United States hereby cedes to the State of California such jurisdiction over said portion of said military reservation as the said State now possesses elsewhere within its territory, such cession to be coextensive territorially with the lands, the use whereof may be granted to the Panama-Pacific International Exposition Co. and its successors by the Secretary of War in accordance herewith and to terminate without further action on the part of the State of California upon the revocation or termination of the privilege: *Provided*, That the cession of jurisdiction made by this act shall take effect upon the termination of the cession of jurisdiction made by the joint resolution of Congress approved October 22, 1914, on the condition that the same is accepted by the Legislature of the State of California at its first session after the passage of this act, this cession to be without prejudice to the jurisdiction of the United States to try and punish all crimes committed within said portion of said military reservation prior to the date jurisdiction vested in the State under said joint resolution approved October 22, 1914: *Provided further*, That when the United States shall resume possession of said lands, or any part thereof, the jurisdiction herein ceded over said lands so repossessed shall revest in the United States: *And provided further*, That in the event of the failure of said exposition company, or its successors, on the revocation of this privilege, to remove the buildings and improvements thereon, they shall then vest in and become the property of the United States: *And provided further*, That the privileges herein granted shall only apply so long as the building in question is used as an art museum, and for no other purpose.

Construction, repair and maintenance, military and post roads, bridges, and trails, Alaska: Construction, repair, and maintenance of military and post roads, bridges, and trails, Territory of Alaska, $500,000.

Barracks and quarters, Philippine Islands: Continuing the work of providing for the proper shelter and protection of officers and enlisted men of the Army of the United States lawfully on duty in the Philippine Islands, including repairs and payment of rents, the acquisition of title to building sites, and such additions to existing military reservations as may be necessary, and including also shelter for the animals and supplies, and all other buildings necessary for post administration purposes, $790,000.

Provided, That no part of said sum shall be expended for the construction of quarters for officers of the Army the total cost of which, including the heating and plumbing apparatus, wiring and fixtures, shall exceed in the case of quarters of a general officer the sum of $8,000; of a colonel or officer above the rank of captain, $6,000; and of an officer of and below the rank of captain, $4,000.

Construction and repair of hospitals: For construction and repair of hospitals at military posts already established and occupied, including the extra-duty pay of enlisted men employed on the same, and including also all expenditures for construction and repairs required at the Army and Navy Hospital at Hot Springs, Ark., and for the construction and repair of general hospitals and expenses incident thereto, and for additions needed to meet the requirements of increased garrisons, and for temporary hospitals in standing camps and cantonments, $409,963.

Quarters for hospital stewards: For construction and repair of quarters for hospital stewards at military posts already established and occupied, including the extra-duty pay of enlisted men employed on the same, $14,043.

Shooting galleries and range: For shelter, shooting galleries, ranges for small-arms target practice, machine-gun practice, field-artillery practice, repairs, and expenses incident thereto, including flour or paste for marking targets, hire of employees, such ranges and galleries to be open as far as practicable to the National Guard and organized rifle clubs under regulations to be prescribed by the Secretary of War, $49,000.

Target range, Vancouver Barracks, Wash.: For the acquisition of approximately 504 acres of land situated near the city of Vancouver, Wash., to provide suitable target ranges for each arm of the military service stationed at Vancouver Barracks, Wash., and for the construction thereon of suitable target butts, range buildings, water supply, etc., $100,000.

For the acquisition of private holdings now embraced in the Fort Bliss target range, situated in Dona Ana County, N. Mex., by condemnation or by purchase, $7,120.

For sinking additional wells to augment the present insufficient water supply and for the construction of new ranges, $28,000.

Maintenance, Army War College: For supplying the necessary fuel for heating the Army War College building at Washington Barracks and for lighting the building and grounds; also for pay of a chief engineer, at $1,400 per annum; and assistant engineer, at $900; four firemen, at $720 each; one elevator conductor, at $720; $10,700.

Rent of buildings, Quartermaster Corps: For rent of buildings and parts of buildings in the District of Columbia for military purposes, during the fiscal year 1917, as follows:

Field medical supply depot, $7,967.10;
Signal Corps test rooms, $2,100;
Quartermaster stable, $2,700;
Quartermaster stable and storehouse, $4,938;
Quartermaster stable and warehouse, $3,600;
For Army Medical School, $8,680;
For attending surgeon and retiring board, $3,000;
Depot quartermaster office, $2,500;
Garage, Quartermaster Corps, $1,500;
One room for storage purposes, Quartermaster Corps, $54.

Claims for damages to and loss of private property: For payment of claims for damages to and loss of private property incident to the training, practice, and operations of the Army that have accrued, or may hereafter accrue, from time to time, to be immediately available and to remain available until expended: *Provided*, That settlement of such claims shall be made by the Auditor for the War Department, upon the approval and recommendation of the Secretary of War, where the amount of damages has been ascertained by the War Department, and payment thereof will be accepted by the owners of the property in full satisfaction of such damages, $5,000.

MEDICAL DEPARTMENT.

Medical and Hospital Department: For the purchase of medical and hospital supplies, including motor ambulances, and motorcycles for medical service, their maintenance, repair, and operation, and disinfectants, and the exchange of typewriting machines, for military posts, camps, hospitals, hospital ships and transports, and supplies required for mosquito destruction in and about the military posts in the Canal Zone: *Provided*, That the Secretary of War may in his discretion select types and makes of motor ambulances for the Army and authorize their purchase without regard to the laws prescribing advertisement for proposals for supplies and material for the Army: *Provided further*, That hereafter, whenever contracts which are not to be performed within 60 days are made on behalf of the Government by the Surgeon General or by officers of the Medical Department authorized to make them, and are in excess of $500 in amount, such contracts shall be reduced to writing and signed by the contracting parties, but in all other cases contracts shall be prepared under such regulations as may be prescribed by the Surgeon General; for expenses of medical supply depots; for medical care and treatment not otherwise provided for, including care and subsistence in private hospitals, of officers, enlisted men, and civilian employees of the Army, of applicants for enlistment, and of prisoners of war and other persons in military custody or confinement, when entitled thereto by law, regulation, or contract: *Provided*, That this shall not apply to officers and enlisted men who are treated in private hospitals or by civilian physicians while on furlough; for the proper care and treatment of epidemic and contagious diseases in the Army or at military posts or stations, including measures to prevent the spread thereof, and the payment of reasonable damages not otherwise provided for for bedding and clothing injured or destroyed in such prevention; for the pay of male and female nurses, not including the Nurse Corps (female), and of cooks and other civilians employed for the proper care of sick officers and soldiers, under such regulations fixing their number, qualifications, assignment, pay, and allowances as shall have been or shall be prescribed by the Secretary of War; for the pay of civilian physicians employed to examine physically applicants for enlistment and enlisted men, and to render other professional services from time to time under proper authority; for the pay of other employees of the Medical Department; for the payment of express companies and local transfers employed directly by the Medical Department for the transportation of medical and hospital supplies, including bidders' samples and water for analysis; for supplies for use in teaching the art of cooking to the Hospital Corps; for the supply of the Army and Navy hospital at Hot Springs, Ark.; for advertising, printing, binding, laundry, and all other necessary miscellaneous expenses of the Medical Department, $4,500,000, of which sum $500,000 may be used under the direction of the Secretary of War in the erection or rental of temporary hospitals for the care and shelter of the sick and injured: *Provided*, That so much of the act of June 3, 1916, as relates to the age limit for eligibility to appointment of first lieutenants in the Medical Department of the Army, be, and the same is hereby, repealed: *Provided further*, That after January 1, 1918, the maximum age limit for eligibility to appointment of first lieutenants in the Medical Department of the Army shall be 32 years.

Hospital care Canal Zone garrisons: For paying the Panama Canal such reasonable charges, exclusive of subsistence, as may be approved by the Secretary of War for caring in its hospitals for officers, enlisted men, military prisoners, and civilian employees of the Army admitted thereto upon the request of proper military authority: *Provided*, That the subsistence of the said patients, except commissioned officers and acting dental surgeons, shall be paid to said hospitals out of the appropriation for subsistence of the Army at the rates provided therein for commutation of rations for enlisted patients in general hospitals, $45,000.

Army Medical Museum and Library: For Army Medical Museum, preservation of specimens, and the preparation and purchase of new specimens, $5,000;

For the library of the Surgeon General's office, including the purchase of the necessary books of reference and periodicals, $10,000.

BUREAU OF INSULAR AFFAIRS.

Care of insane Filipino soldiers: For care, maintenance, and treatment at asylums in the Philippine Islands of insane natives of the Philippine Islands cared for in such institutions conformable to the act of Congress approved May 11, 1908 (35 Stats., p. 122), $1,500.

Care of insane soldiers, Porto Rico Regiment of Infantry: For care, maintenance, and treatment at asylums in Porto Rico of insane soldiers of the Porto Rico Regiment of Infantry, $300.

ENGINEER DEPARTMENT.

Engineer depots: For incidental expenses for the depots, including fuel, lights, chemicals, stationery, hardware, machinery, pay of civilian clerks, mechanics, laborers, and other employees, extra-duty pay to soldiers necessarily employed for periods not less than 10 days as artificers on work in addition to and not strictly in the line of their military duties, such as carpenters, blacksmiths, draftsmen, printers, lithographers, photographers, engine drivers, telegraph operators, teamsters, wheelwrights, masons, machinists, painters, overseers, laborers; for lumber and materials and for labor for packing and crating engineer supplies; repairs of, and for materials to repair, public buildings, machinery, and instruments, and for unforeseen expenses, $27,500.

Engineer School, Washington, D. C.: Equipment and maintenance of the Engineer School at Washington Barracks, D. C., including purchase and repair of instruments, machinery, implements, models, and materials, for the use of the school and for instruction of engineer troops in their special duties as sappers and miners; for land mining, pontoniering, and signaling; for purchase and binding of professional works and periodicals of recent date treating on military and civil engineering and kindred scientific subjects for the library of the United States Engineer School; for incidental expenses of the school, including chemicals, stationery, hardware, machinery, and boats; for pay of civilian clerks, draftsmen, electricians, mechanics, and laborers; compensation of civilian lecturers and payment of tuition fees of student officers at civil technical institutions; for unforeseen expenses; for travel expenses of officers on journeys approved by the Secretary of War and made for the purpose of instruction: *Provided*, That the traveling expenses herein provided for shall be in lieu of mileage and other allowances; and to provide means for the theoretical and practical instruction at the Engineer School by the purchase of textbooks, books of reference, scientific and professional papers, and for other absolutely necessary expenses, $25,000.

For one power lithographic press for the Engineer School, $6,000.

For the purchase of material to be used in the construction of a trade-school building at the Engineer School, to remain available until expended, $9,000.

Engineer equipment of troops: For pontoon material, tools, instruments, supplies, and appliances required for use in the engineer equipment of troops, for military surveys, and for engineer operations in the field, including the purchase and preparation of engineer manuals and procurement of special paper for same, and for a reserve supply of above equipment, to be immediately available, $1,000,000.

Provided, That authority is granted for the purchase, maintenance, and repair and operation from this appropriation of not to exceed 38 motorcycles, including those on hand.

Civilian assistants to Engineer officers: For services of surveyors, survey parties, draftsmen, photographers, master laborers, and clerks to Engineer officers on the staffs of division, corps, and department commanders, $75,000.

Engineer operations in the field: For expenses incident to military engineer operations in the field, including the purchase of material and a reserve of material for such operations, the purchase, operation, maintenance, and repair of passenger-carrying vehicles, and such expenses as are ordinarily provided for under appropriations for "Engineer depots," "Civilian assistants to Engineer officers," and "Maps, War Department," $100,000.

Contingencies, Engineer Department, Philippine Islands: For contingent expenses incident to the operations of the Engineer Department in the Philippine Islands, to be expended at the discretion of the Secretary of War, $4,000.

The following-described tract of land on the island of Oahu, Hawaii, known as the Puuloa Military Reservation, is hereby transferred to and placed under the control and jurisdiction of the Navy Department for use for naval purposes: Beginning at a concrete monument on the beach on the west side of the entrance to Pearl Harbor situated about 90 feet south of the small pier and 122⅞ feet from the southeast corner of storehouse (from which said concrete monument Salt Lake triangulation station bears by true azimuth 238° 22′ and the spire of Puuloa Church 247° 2′) the boundary runs by true bearings as follows: Southwesterly along the shore at high-water mark to a similar concrete monument on the ocean beach; thence north 14° 20′ west 1,150 feet to a concrete monument; north 62° 10′ east 7,945 feet to the point of beginning; containing 322 and 33/100 acres, more or less.

Where the expenses of persons engaged in field work or traveling on official business outside of the District of Columbia and away from their designated posts of duty are chargeable to appropriations of the Engineer Department contained in the Army appropriation act for the fiscal year 1917, a per diem rate of $4 may be allowed in lieu of subsistence.

ORDNANCE DEPARTMENT.

Ordnance service: For the current expenses of the Ordnance Department in connection with purchasing, receiving, storing, and issuing ordnance and ordnance stores, comprising police and office duties, rents, tolls, fuel, light, water, and advertising, stationery, typewriters, and adding machines, including their exchange, and office furniture, tools, and instruments of service; for incidental expenses of the ordnance service and those attending practical trials and tests of ordnance, small arms, and other ordnance stores; for publications for libraries of the Ordnance Department, including the Ordnance Office; subscriptions to periodicals, which may be paid for in advance; and payment for mechanical labor in the office of the Chief of Ordnance; and for purchase, maintenance, repair, and operation of motor-propelled or horse-drawn passenger-carrying vehicles, $475,000.

Ordnance stores, ammunition: Manufacture and purchase of ammunition for small arms and for hand use for reserve supply, ammunition for burials at the National Soldiers' Home in Washington, D. C., ammunition for firing the morning and evening gun at military posts prescribed by General Orders, No. 70, Headquarters of the Army, dated July 23, 1867, and at National Home for Disabled Volunteer Soldiers and its several branches, including National Soldiers' Home in Washington, D. C., and soldiers' and sailors State homes, $10,000,000.

Provided, That not more than $5,000,000 of this appropriation may be used in the purchase of ammunition.

Provided further, That $250,000 of this appropriation may be used to procure gauges, dies, jigs, tools, fixtures, and other special aids and appliances, including specifications and detailed drawings necessary for the manufacture by the Government and by private manufacturers of ammunition necessary for the use of the land forces of the United States in time of war, and in the purchase of lots of ammunition to complete the object of this proviso the existing laws prescribing competition in the procurement of supplies by purchase shall not govern in orders not to exceed $50,000 in any one case.

Small-arms target practice: For manufacture and purchase of ammunition, targets, and other accessories for small-arms, hand, and machine-gun target practice and instruction; marksmen's medals, prize arms, and insignia for all arms of the service; and ammunition, targets, target materials, and other accessories may be issued for small-arms target practice and instruction of able-bodied males capable of bearing arms and at the educational institutions and State soldiers' and sailors' orphans' homes to which issues of small arms are lawfully made, under such regulations as the Secretary of War may prescribe, provided the total value of the stores so issued to the educational institutions and homes does not exceed $30,000, $3,000,000.

Provided, That not more than $1,500,000 of this appropriation may be used for the purchase of articles not manufactured by the Government and necessary for small-arms target practice.

Manufacture of arms: For manufacturing, repairing, procuring, and issuing arms at the national armories, $5,000,000.

Provided, That $200,000 of this appropriation may be used to procure gauges, dies, jigs, tools, fixtures, and other special aids and appliances, including specifications and detailed drawings, necessary for the manufacture by private manufacturers, of arms necessary to arm the land forces likely to be required by the United States in time of war, and in the purchase of lots of arms to complete the object of this proviso the existing laws prescribing competition in the procurement of supplies by purchase shall not govern in orders not to exceed $50,000 in any one case.

The Secretary of War is hereby authorized to issue, under such rules and regulations as he may prescribe, for use in target practice, targets, target materials, and other necessary accessories, to rifle clubs organized under the rules of the National Board for the Promotion of Rifle Practice and to schools having a uniformed corps of cadets and carrying on military training, in sufficient number for the proper conduct of target practice.

Ordnance stores and supplies: For overhauling, cleaning, repairing, and preserving ordnance and ordnance stores in the hands of troops and at the arsenals, posts, and depots; for purchase and manufacture of

ordnance stores to fill requisitions of troops; for Infantry, Cavalry, and Artillery equipments, including horse equipments for Cavalry and Artillery, $9,500,000.

Provided, That not more than $5,600,000 of this appropriation may be used for the purchase of ordnance stores.

The Secretary of War is hereby authorized to sell, at the prices fixed and published by the Chief of Ordnance, to the Government of Cuba such articles and quantities of ordnance and ordnance stores as may be desired by that Government for the equipment of its troops and as may be approved by the President of the United States.

National trophy and medals for rifle contests: For the purpose of furnishing a national trophy and medals and other prizes to be provided and contested for annually, under such regulations as may be prescribed by the Secretary of War, said contest to be open to the Army, Navy, Marine Corps, and the National Guard or Organized Militia of the several States, Territories, and of the District of Columbia, members of rifle clubs, and civilians, and for the cost of the trophy, prizes, and medals herein provided for, and for the promotion of rifle practice throughout the United States, including the reimbursement of necessary expenses of members of the National Board for the Promotion of Rifle Practice, to be expended for the purposes hereinbefore prescribed under the direction of the Secretary of War, $10,000.

Automatic machine rifles. For the purchase, manufacture, and test of automatic machine rifles, including their sights and equipments, to be available until the close of the fiscal year ending June 30, 1918, $6,000,000.

Automatic machine rifles: For the purchase, manufacture, and test of automatic machine rifles, including their sights and equipments, for the National Guard, to be available until the close of the fiscal year ending June 30, 1918, $6,000,000.

Armored motor cars: For the purchase and manufacture of armored motor cars, $500,000.

Field Artillery for National Guard: For the purpose of manufacturing Field Artillery material for the National Guard of the several States, Territories, and the District of Columbia, but to remain the property of the United States and to be accounted for in the manner now prescribed by law, the Secretary of War is hereby authorized, under such regulations as he may prescribe, on the requisitions of the governors of the several States and Territories or the commanding general of the National Guard of the District of Columbia, to issue said artillery material to the National Guard; and the sum of $10,000,000 is hereby appropriated and made immediately available and to remain available until the end of the fiscal year 1918, for the manufacture and issue of the articles constituting the same: *Provided*, That not more than $5,000,000 of this appropriation may be used for the purchase of Field Artillery material.

Ammunition for Field Artillery for the National Guard: For the purpose of manufacturing reserve ammunition for Field Artillery for the National Guard of the several States, Territories, and the District of Columbia, the funds to be immediately available, and to remain available until the end of the fiscal year ending June 30, 1918, $10,000,000.

Provided, That not more than $5,000,000 of this appropriation may be used in the purchase of Field Artillery reserve ammunition.

Provided further, That not more than $200,000 of this appropriation may be used to procure gauges, dies, jigs, tools, fixtures, and other special aids and appliances, including specifications and detailed drawings necessary for the manufacture by private manufacturers of field artillery ammunition necessary for the use of the land forces of the United States in time of war, and in the purchase of lots of ammunition to complete the object of this proviso the existing laws prescribing competition in the procurement of supplies by purchase shall not govern in orders not to exceed $50,000 in any one case.

Provided further, That the appropriations hereinbefore made under the heading "Ordnance Department" shall be available for the payment of an allowance not to exceed $4 per day in lieu of subsistence to civilian employees of the Ordnance Department traveling on official business outside of the District of Columbia and away from their designated posts of duty.

That the President is authorized to appoint, and, by and with the advice and consent of the Senate, to commission to the grade of first lieutenant in the Quartermaster Corps, United States Army, a pay clerk of over 31 years' service, now in active service, and who has been recommended by the then Secretary of War for such appointment.

That for the replacement of a bridge across the Republican River near Fort Riley, Kans., under the direction of the Secretary of War, $30,000, or so much thereof as may be necessary, and the Treasurer of the United States is hereby directed and authorized to retain, out of any moneys due or that may become due from the Government of the United States to the State of Kansas, a sum equal to the amount expended for the replacement of said bridge.

The President, in time of war, is empowered, through the Secretary of War, to take possession and assume control of any system or systems of transportation, or any part thereof, and to utilize the same to the exclusion, as far as may be necessary, of all other traffic thereon for the transfer or transportation of troops, war material, and equipment, or for such other purposes connected with the emergency as may be needful or desirable.

NATIONAL GUARD.

Arming, equipping, and training the National Guard: To provide for the purchase, under such regulations as the Secretary of War may prescribe, of horses conforming to the Regular Army standards for the use of Field Artillery, Cavalry, signal companies, engineer companies, ambulance companies, and other mounted units of the National Guard, said horses to remain the property of the United States and to be used solely for military purposes. Horses so purchased may be issued not to exceed 32 to any one battery, troop, or company, or 4 to a battalion or regimental headquarters, under such regulations as the Secretary of War may prescribe, $50,000.

To provide for the procurement of forage, bedding, shoeing, veterinary service, and supplies for horses that may be owned by, or issued to organizations of the National Guard, $25,000.

To provide for the compensation of competent help for the care of material, animals, and equipment thereof, under such regulations as the Secretary of War may prescribe: *Provided*, That the men to be compensated, not to exceed five for each battery, troop, or company, shall be duly enlisted therein and shall be detailed by the battery, troop, or company commander under such regulations as the Secretary of War may prescribe and shall be paid by the United States disbursing officer in each State, Territory, and the District of Columbia, $25,000.

To provide for the participation of the whole or any part of the National Guard in encampments, maneuvers, or other exercises, including outdoor target practice and field and coast-defense instruction, either independently or in conjunction with any part of the Regular Army, and there may be set aside from the funds apportioned for that purpose and allotted to any State, Territory, or the District of Columbia such portion of said funds as may be necessary for the payment, subsistence, transportation, and other proper expenses of such portion of the National Guard of said State, Territory, or the District of Columbia as shall participate in such encampments, maneuvers, or other exercises, including outdoor target practice and field and coast defense instruction; and the officers and enlisted men of such National Guard while so engaged shall be entitled to the same pay, subsistence, and transportation as officers and enlisted men of corresponding grades of the Regular Army are or hereafter may be entitled to by law: To provide for camps of instruction for the instruction of officers and enlisted men of the National Guard. Such camps shall be conducted by officers of the Regular Army detailed by the Secretary of War for the purpose, and may be located either within or without the State, Territory, or District of Columbia to which the members of the National Guard designated to attend said camps shall belong. Officers and enlisted men attending such camps shall be entitled to pay and transportation, and enlisted men to subsistence in addition at the same rates as for encampments or maneuvers for field and coast-defense instruction. To be immediately available, $500,000: *Provided*, That of this sum $100,000, or as much thereof as may be necessary, is authorized to be expended for the payment of transportation of troops of the Regular Army in connection with joint camps of instruction of the National Guard: *Provided further*, That hereafter nothing in the act of February 4, 1887, known as the act to regulate commerce, or any amendments thereto, shall be construed to prohibit any common carrier from giving reduced rates for members of National Guard organizations traveling to and from joint encampments with the Regular Army.

To provide for the attendance of selected officers or enlisted men of the National Guard who pursue a regular course of study at any military service school of the United States except the United States Military Academy; or to be attached to an organization of the same arm, corps, or department to which such officers or enlisted men shall belong, for routine practical instruction at or near an Army post during a period of field training or other outdoor exercises; and such officer or enlisted men shall receive out of any National Guard allotment of funds available for the purpose the same travel allowances and quarters or commutation of quarters, and the same pay, allowance, and subsistence to which officers or enlisted men of the Regular Army would be entitled for attending such school, college, or practical course of instruction under orders from proper military authority while in actual attendance at such school, college, or practical course of instruction, $50,000: *Provided*, That in no case shall the pay and allowances authorized herein exceed those of a captain.

To provide for pay and allowances of officers of the National Guard assigned to duty in the Militia Bureau, $12,000.

To provide for pay of property and disbursing officers of the several States, Territories, and District of Columbia, $44,150.

For providing arms, ordnance stores, quartermaster stores, camp equipage, and all other military supplies for issue to the National Guard: for the promotion of rifle practice, including the acquisition, construction, maintenance, and equipment of shooting galleries and suitable target ranges; for the hire of horses and draft animals for the use of mounted troops, batteries, and wagons; for forage for the same; and for such other incidental expenses in connection with lawfully authorized encampments, maneuvers, and field instruction as the Secretary of War may deem necessary; and for such other expenses pertaining to the National Guard as are now or may hereafter be authorized by law, $1,000,000: *Provided*, That the Secretary of War is hereby authorized to relieve any State, Territory, or the District of Columbia from further accountability for all United States property issued thereto for the use of the Organized Militia thereof which the records of the War Department show to have been lost or destroyed prior to December 31, 1911.

To provide for the necessary clerical and office expenses of the Militia Bureau authorized by section 67 of the act approved June 3, 1916: Chief clerk, $2,000; clerks—2 of class 4, 3 of class 3, 7 of class 2, 15 of class 1, 8 at $1,000 each; messenger; 2 assistant messengers; 2 laborers, at $660 each per annum;

For miscellaneous expenses, including stationery, furniture, telegraph and telephone service, and necessary printing and binding, $4,000;

Travel of Federal officers in carrying out the provisions of section 93 of the act of June 3, 1916, $17,500;

Travel of inspector-instructors and sergeant-instructors, joining at State stations for duty and returning to duty with regiments, $7,500;

Travel of inspector-instructors in making visits of instruction to armories, $30,000: *Provided*, That said inspector-instructors traveling shall not receive more than their actual expenses out of these appropriations;

Travel of Federal officers in connection with State camps of instruction and joint camps, $30,000;

Inspection of target ranges and mobilization camps for use of the National Guard, $1,000;

Inspection of material pertaining to Field Artillery and Signal Corps in the hands of the National Guard, $2,000;

Transportation of supplies (including transportation of animals bought for the use of Cavalry, Field Artillery, signal companies, Engineer companies, ambulance companies, and other mounted units) of the National Guard, $75,000;

Expenses of sergeant-instructors on duty with the National Guard, including quarters, fuel, light, medicines, and medical attendance, $50,000:

Provided, That whenever practicable inspector-instructors shall use the State armories for offices;

Office rent of inspector-instructors, $12,500.

All the money hereinbefore appropriated for arming, equipping, and training the National Guard shall be disbursed and accounted for as such and for that purpose shall constitute one fund.

Arms, uniforms, equipment, and so forth, National Guard: To procure by purchase or manufacture and issue from time to time to the National Guard upon requisition of the governors of the several States and Territories, or the commanding general, National Guard of the District of Columbia, such number of United States service arms with all accessories, Field Artillery and Coast Artillery material, engineer, signal, and sanitary material, accouterments, field uniforms, clothing, equipage, publications, and military stores of all kinds, including public animals, as are necessary to arm, uniform, and equip for field service the National Guard in the several States, Territories, and the District of Columbia: *Provided*, That of the sum herein appropriated $76,000, or so much thereof as may be required, may, in the discretion of the Secretary of War, be made available for the purchase and maintenance of material and equipment necessary for the proper instruction in military aviation of such officers and en-

listed men of the National Guard as may be authorized by the War Department to attend the United States Aviation School, $2,000,000.

Ranges for Field Artillery target practice: For the acquisition by purchase or condemnation of the necessary land for suitable ranges for Field Artillery target practice, the land to be of such general character as to permit of use for instruction of troops of other arms to be located within the eastern and western military departments, and to defray the expenses incident to locating and acquiring title thereto, $300,000.

Supplying and exchanging Infantry equipment, National Guard: For the purpose of manufacturing, procuring, exchanging, and issuing model of 1910 equipment to the Infantry, and other dismounted organizations of the National Guard of the several States, Territories, and the District of Columbia: *Provided*, That whenever in the opinion of the Secretary of War a sufficient number of Infantry equipment, model of 1910, shall have been procured and shall be available for the purpose the Secretary of War is hereby authorized to issue on the requisition of the governors of the several States and Territories, or the commanding general of the District of Columbia National Guard, such numbers thereof as are required for equipping the National Guard in said States, Territories, and the District of Columbia, without charging the cost or value thereof or any expenses connected therewith against any allotments to said States, Territories, or the District of Columbia: *Provided*, That the equipment thus issued shall be receipted for and shall remain the property of the United States and be annually accounted for by the governors of the several States, Territories, and the commanding general of the District of Columbia National Guard as now required by law, and that each State, Territory, and the District of Columbia shall, upon receipt of new equipment, turn in to the Ordnance Department of the United States Army, without receiving any money credit therefor and without expense for transportation of Infantry equipment now its possession, the property of the United States, and replaced by articles of the model of 1910 equipment, $400,000.

To establish and maintain indoor and outdoor rifle ranges for the use of all able-bodied males capable of bearing arms, under reasonable regulations to be prescribed by the National Board for Promotion of Rifle Practice and approved by the Secretary of War; to provide standard military arms and ammunition, indoor gallery rifles and ammunition; for the employment of labor in connection with the establishment of outdoor and indoor rifle ranges, including labor in operating targets; for the employment of instructors; for clerical services; for prizes, trophies, badges, and other insignia; for the transportation of employees, instructors, and civilians to engage in practice; for the purchase of materials, supplies, and services, and for expenses incidental to instruction of citizens of the United States in marksmanship, to be expended under the direction of the Secretary of War and to remain available until expended, $300,000: *Provided*, That the President be, and he is hereby, authorized, in his discretion, to appoint, as Director of Civilian Marksmanship, under the direction of the Secretary of War, an officer of the Army or of the Marine Corps.

To provide for the expense of maintaining, upon military reservations or elsewhere, camps for the military instruction and training of such citizens as may be selected for such instruction and training, under such regulations as may be prescribed by the Secretary of War, and to furnish to said citizens the subsistence, transportation, and uniforms authorized by the act of Congress approved June 3, 1916, $2,000,000: *Provided*, That so much of this appropriation as may be necessary shall be available for the subsistence and transportation of all persons between the ages of 18 and 45 years who have attended any camp authorized by the Secretary of War during the calendar year 1916.

For the payment of transportation of teams authorized by the Secretary of War to participate in the national matches, $60,000: *Provided*, That this amount shall be proportioned among the several States, Territories, and the District of Columbia, according to the distance from the seat of government to the place where the national matches are to be held: *And provided further*, That the governors of the States or Territories or the Board of Commissioners of the District of Columbia may designate which team or teams shall attend from their respective States, Territories, or District of Columbia.

Provided, That no part of the appropriations made in this act shall be available for the salary or pay of any officer, manager, superintendent, foreman, or other person having charge of the work of any employee of the United States while making or causing to be made with a stop watch, or other time-measuring device, a time study of any job of any such employee between the starting and completion thereof, or of the movements of any such employee while engaged upon such work; nor shall any part of the appropriations made in this act be available to pay any premium or bonus or cash reward to any employee in addition to his regular wages, except for suggestions resulting in improvements or economy in the operation of any Government plant.

That the sum of $2,000,000 is hereby appropriated out of any money in the Treasury not otherwise appropriated, to be expended under the direction of the Secretary of War, and under such rules and regulations as he may prescribe, for the support of, at a cost of not more than $50 per month, or so much of said amount as the Secretary of War may deem necessary, and not more than such enlisted man has been contributing monthly to the support of his family at the time of his being called or drafted into the service of the United States or during his enlistment period in the Regular Army at the time of such call or draft of the Organized Militia or National Guard, the family of each enlisted man of the Organized Militia or National Guard called or drafted into the service of the United States until his discharge from such service, and the family of each enlisted man of the Regular Army until his discharge from active service therein or until the discharge of the Organized Militia or National Guard from such service if such enlisted man is at that time in active service in the Regular Army, which family during the term of service of such enlisted man has no other income, except the pay of such enlisted man, adequate for the support of said family: *Provided*, That the action of the Secretary of War in all cases provided for in this paragraph shall be final, and no right to prosecute a suit in the Court of Claims or in any other court of the United States against the Government of the United States shall accrue to such enlisted man, or to any member of the family of any such enlisted man, by virtue of the passage of this act: *And provided further*, That this paragraph shall not apply to any such enlisted man who shall marry after the 15th day of July, 1916; and the word "family" shall include only wife, children, and dependent mothers.

That no part of the appropriations made in this act shall be available for the salary or pay of any person hereafter, in time of peace, appointed an officer in the Army who is not a citizen of the United States.

That section 125 of the act entitled "An act for further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, shall apply to the Coast Guard in the same manner as to the Army, Navy, and Marine Corps.

That section 4716 of the Revised Statutes be, and the same is hereby, repealed.

SEC. 2. That a council of national defense is hereby established, for the coordination of industries and resources for the national security and welfare, to consist of the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, and the Secretary of Labor.

That the council of national defense shall nominate to the President, and the President shall appoint, an advisory commission, consisting of not more than seven persons, each of whom shall have special knowledge of some industry, public utility, or the development of some natural resource, or be otherwise specially qualified, in the opinion of the council, for the performance of the duties hereinafter provided. The members of the advisory commission shall serve without compensation, but shall be allowed actual expenses of travel and subsistence when attending meetings of the commission or engaged in investigations pertaining to its activities. The advisory commission shall hold such meetings as shall be called by the council or be provided by the rules and regulations adopted by the council for the conduct of its work.

That it shall be the duty of the council of national defense to supervise and direct investigations and make recommendations to the President and the heads of executive departments as to the location of railroads with reference to the frontier of the United States so as to render possible expeditious concentration of troops and supplies to points of defense; the coordination of military, industrial, and commercial purposes in the location of extensive highways and branch lines of railroad; the utilization of waterways; the mobilization of military and naval resources for defense; the increase of domestic production of articles and materials essential to the support of armies and of the people during the interruption of foreign commerce; the development of seagoing transportation; data as to amounts, location, method and means of production, and availability of military supplies; the giving of information to producers and manufacturers as to the class of supplies needed by the military and other services of the Government, the requirements relating thereto, and the creation of relations which will render possible in time of need the immediate concentration and utilization of the resources of the Nation.

That the council of national defense shall adopt rules and regulations for the conduct of its work, which rules and regulations shall be subject to the approval of the President, and shall provide for the work of the advisory commission to the end that the special knowledge of such commission may be developed by suitable investigation, research, and inquiry and made available in conference and report for the use of the council; and the council may organize subordinate bodies for its assistance in special investigations, either by the employment of experts or by the creation of committees of specially qualified persons to serve without compensation, but to direct the investigations of experts so employed.

That the sum of $200,000, or so much thereof as may be necessary, is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be immediately available, for experimental work and investigations undertaken by the council, by the advisory commission, or subordinate bodies for the employment of a director, expert and clerical expenses and supplies, and for the necessary expenses of members of the advisory commission or subordinate bodies going to and attending meetings of the commission or subordinate bodies. Reports shall be submitted by all subordinate bodies and by the advisory commission to the council, and from time to time the council shall report to the President or to the heads of executive departments upon special inquiries or subjects appropriate thereto, and an annual report to the Congress shall be submitted through the President, including as full a statement of the activities of the council and the agencies subordinate to it as is consistent with the public interest, including an itemized account of the expenditures made by the council or authorized by it, in as full detail as the public interest will permit: *Provided, however*, That when deemed proper the President may authorize, in amounts stipulated by him, unvouchered expenditures and report the gross sums so authorized not itemized.

The SPEAKER. The question is on agreeing to the motion to suspend the rules and pass the bill with the amendments read into it.

Mr. KAHN. Mr. Speaker, if nobody opposed to the bill demands a second, I shall demand a second for the purpose of getting a discussion of the bill.

The SPEAKER. The gentleman from California [Mr. KAHN] demands a second.

Mr. HAY. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. The gentleman from Virginia asks unanimous consent that a second be considered as ordered. Is there objection? [After a pause.] The Chair hears none.

The gentleman from Virginia [Mr. HAY] is recognized for 20 minutes, and the gentleman from California [Mr. KAHN] for 20 minutes.

Mr. HAY. Mr. Speaker, I do not desire to take up the time of the House on this bill. I have prepared a statement in regard to the Articles of War, which I will ask to have printed in the RECORD as a part of my remarks.

The SPEAKER. The gentleman from Virginia asks unanimous consent that his remarks on the Articles of War be printed in the RECORD. Is there objection?

There was no objection.

Mr. HAY. Mr. Speaker, the Articles of War constitute a code of criminal law which applies to all persons subject thereto, including many civilians as well as officers and enlisted men of the Army. The Articles of War nullify all of their civil rights

in conflict therewith, including their right to trial by jury. This criminal code authorizes the infliction of penalties of all grades, including death, imprisonment, fines and forfeitures, deprivation of citizenship, dismissal from public office, and dishonorable discharge from the military service. Any of these penalties may be imposed by a court-martial composed of as few as seven officers, in the selection of whom the accused has no voice whatever, and from whose action there is no appeal, except to the military or other executive authorities who have ordered the trial of the accused, and have selected the members of the court to try him. No court in the land has power to modify or set aside the findings or sentence of any court-martial acting within the powers conferred upon it by this criminal code.

In view of the great importance and gravity of the issues involved in the legislation proposed by Senate amendment 139 the conferees of the House felt that it ought not to be embodied in an appropriation bill, and that only as a separate measure could the House of Representatives give it the consideration, and subject it to the scrutiny which its importance demands. Moreover the very same measure as a separate bill (S. 3191) was actually pending before and under investigation by the Military Committee of the House.

Such study of Senate amendment 139 as we could give revealed so many objectionable features that, however solicitous we might be to reach a complete agreement on the whole bill, we felt that without the elimination of at least the most of these features we could not properly take back such an agreement to this House and then compel it to accept the amendment with all of its faults or else to reject the whole report. We therefore insisted strenuously upon the elimination from the Senate amendment of those features which seemed to us to be the most dangerous.

Under the old Articles of War the power of the prosecution—i. e., the military authorities, the Secretary of War, and the President—was almost unlimited, and their action was not subject to effective review or control by any court or any other agency in the land. On the other hand, suspicion or disfavor on the part of military or other executive authorities was wellnigh defenseless against the overwhelming power and influence of these authorities. The accused had no voice in the selection of the members of the court-martial—the judges and the jury—which was to try him. And against the premeditated packing of such a court with members hostile to him or likely to be subservient to the views or desires of those conducting or instigating his prosecution his sole protection was his right of challenging any member of the court, but only for cause. This protection was slight at the best, but in the case of a hostile court, packed or otherwise, it was utterly worthless, because in any case a challenge by the accused must be decided by the court itself, and from that decision there was no appeal. Of course, the decision of a hostile court would be adverse to the accused and would leave the membership of the court unchanged.

Examination of Senate amendment 139 showed us that many of the changes proposed by it in the old Articles of War would not only increase greatly the power of the prosecution over those accused by it but would extend that power to, and would make subject to the new Articles of War, thousands of persons never before subject to the criminal law of the Army, including many civilians.

Specifically, some of the most objectionable and dangerous features of Senate amendment 139 of the Senate bill 3191, now before the Military Committee of the House, are as follows:

The proposed amendment to section 1342, Revised Statutes, as well as sections *a* and *g* of proposed article 2 would make subject to the Articles of War at all times and all places all persons now or hereafter belonging to or constituting a part of the armies of the United States. But the national defense act, approved June 3, 1916, provided for the creation of two great organizations of civilians for possible military service in time of war, to wit, the Officers' Reserve Corps and the Enlisted Reserve Corps, the members of which would be subject to the Articles of War only when ordered into active service or for purposes of instruction or training. Section 1 of said national defense act declares these two corps to be a part of the Regular Army. The new Articles of War, therefore, would make all members of these organizations, while engaged in their civilian pursuits, without having received a dollar from the Government and without having been called out for any purpose or having any actual connection whatever with the Army, at all times and all places subject to be haled before a court-martial at the whim of the local Regular Army officer empowered to convene such courts in that locality for the trial of officers or enlisted men of the Army. These unfortunate civilians would thus be deprived of some of the most valuable of their civil rights, including the right of trial by jury, for alleged offenses that some Army officer might see fit to try them for under the criminal code of the Army. It is needless to say that the enactment of any such legislation as this would be a serious if not fatal obstacle to the creation of the Officers' Reserve Corps and the Enlisted Reserve Corps created by the act of June 3, 1916. In the face of such legislation and the risk incident thereto but few prudent civilians could be expected to offer themselves for membership in either of said corps.

Section 7 of proposed Article Z would make subject to the Army criminal code and to trial by courts-martial all persons under treatment in the general hospital at Hot Springs, Ark., or the tuberculosis hospital at Fort Bayard, N. Mex.; and these hospitals are open to the admission, under authorization by the Secretary of War, of many civilians. Section 8 of the same article would make subject to this code all persons accompanying the armies of the United States without the territorial jurisdiction of the United States. This would include even the wives and children living with officers and enlisted men who might be stationed in any place occupied by the Army, possibly for a long period of time outside of such territorial jurisdiction.

These and other attempts to extend the operation of the criminal code of the Army seemed to us so alarming and dangerous that we decided to offer as a substitute for the provisions in question amendments that would restrict the operation of the Articles of War to persons having some active relation to the military service, and to exempt all persons who have no such relation but who at all times and in all places are fully subject to the operation of the civil laws. These amendments were accepted by the Senate conferees, and were embodied in the amended bill as finally reported to and passed by both Houses.

These amendments exempted from the operation of the Articles of War retired officers and retired enlisted men, not on active duty and having precisely the same status as retired judges and other pensioners, all of whom are always fully subject to the operation of the civil laws. But this exemption we regard as a relatively unimportant matter and wholly secondary to the vitally important exemptions that we insisted should be made with regard to civilians, as above described. The exemption of retired officers and enlisted men was not made at the instance or suggestion of any person outside of the conference committee. So far as the conferees of the House know, no retired officer or enlisted man approached any member of the committee with regard to the matter, either directly or indirectly. And so far as we know no retired officer or enlisted man has manifested the slightest desire to have such an exemption made. This being the case this particular and unimportant exemption may well be abandoned. But the other and far more important amendments relating to members of the two civilian reserve corps and other civilians should be most decidedly insisted upon.

Article 18 of the new code proposed to give the prosecution the statutory right of challenging members of a court-martial, a right that from time immemorial has been denied to the prosecution and given only to the accused who can have no voice whatever in selecting the membership of the court-martial which is to try him. The prosecution under the old Articles of War has full power to shape the membership of any court-martial as it pleases, utterly regardless of the interests of the accused, and it is now proposed to give it a further opportunity to shape it over again if it should be found that the original shaping is not entirely satisfactory to the prosecution or those inspiring it. Inasmuch as the court itself has the final decision as to all challenges, the proposed innovation would materially lessen the little protection that the accused now has against a court hostile to him through design or otherwise.

Article 44: From very early days the Articles of War have prohibited the infliction of the death penalty except by concurrence of two-thirds of the entire membership of a court-martial. It is now proposed to permit the infliction of this extreme penalty upon concurrence of only two-thirds of the members present. This opens the door to the manipulation of the membership of a court which may be fatally injurious to the accused. We regard it as a dangerous innovation and one that is indicative of the purpose, manifest throughout the new articles, to enhance the power of the prosecution and to diminish or destroy the few safeguards that the law now affords military subordinates against unfairness, oppression, and injustice on the part of their superiors.

Sections 56 and 57: From the earliest days the Articles of War and Army regulations have required the periodical rendition of muster rolls and returns in such a form as to give a complete military history of officers, enlisted men, and organizations comprising the Army. These records are a mine of historical information, to be found nowhere else, and which is

simply invaluable in the adjustment of pension and other claims against the Government, to say nothing of its value for current uses and as a source of historical data in the distant future. Sections 56 and 57 of the new code propose to omit the time-honored requirement that these records shall be made and preserved, thus leaving to the discretion of a constantly changing personnel in the offices of The Adjutant General, the Chief of Staff, and the Secretary of War to determine whether or not these reports and returns shall be rendered. We regard this proposed innovation as most injurious to the interests of the Government in view of the many and great interests involved, especially in view of the vast pecuniary interests of the Government and of claimants against the Government on account of the rendition or alleged rendition of military service.

There are numerous other more or less important objections which may be urged against Senate amendment 139, but I think enough has been said to show that the conferees on the part of the House would have been derelict in their duty to this House if they had brought back a complete agreement which would have accepted any of the most objectionable features which were excluded from the complete agreement which they did bring back.

Mr. MANN. Mr. Speaker, will the gentleman yield for a question?

Mr. HAY. Yes.

Mr. MANN. Just for the RECORD. My understanding is that the bill which is now pending is exactly the same as the conference report which was agreed to, both by the House and the Senate, and which went to the President, except that it leaves out the Articles of War and corrects a few typographical errors.

Mr. HAY. The gentleman is correct.

Mr. KAHN. Mr. Speaker, the gentleman from Wyoming [Mr. MONDELL] asked me for three or four minutes of time, but I assume that he does not care about it particularly, and there is nobody else on this side who desires time

Mr. HAY. Mr. Speaker, I call for a vote.

The SPEAKER. The question is on agreeing to the motion to suspend the rules and pass the bill as read.

The question was taken; and two-thirds having voted in the affirmative, the rules were suspended and the bill was passed.

Mr. HAY. Now, Mr. Speaker, I ask unanimous consent to insert in the RECORD the remarks which I have prepared upon the act approved June 3, 1916, which is known as the national-defense act.

The SPEAKER. The gentleman from Virginia asks unanimous consent to print in the RECORD as part of his remarks certain remarks which he has written out on the national-defense act. Is there objection?

Mr. MOORE of Pennsylvania. Mr. Speaker, of course I do not intend to object, but I would like to ask the gentleman from Virginia a question.

The SPEAKER. The gentleman from Virginia will give heed to the gentleman from Pennsylvania.

Mr. MOORE of Pennsylvania. A number of questions have arisen—some coming from the frontier—with regard to the effect of certain paragraphs and clauses of the national-defense act, and I want to inquire if the gentleman's remarks are an amplification of the bill?

Mr. HAY. No; my remarks simply state what the bill does in the way of preparedness.

Mr. MOORE of Pennsylvania. I understand. Certain interpretations by the War Department of the act have been published from time to time. The gentleman's remarks are not in that connection?

Mr. HAY. No; they are not in that connection.

The SPEAKER. Is there objection to the gentleman's request?

There was no objection.

Mr. HAY. Mr. Speaker, the act approved June 3, 1916, and now known as the national-defense act, contains in its provisions as much preparedness as is possible under our volunteer system. If a larger Army is thought necessary, it must be obtained through compulsory military service. Recent events have demonstrated that in time of peace it will be impossible to recruit the Army to the strength authorized by that act. And having in mind the experience of this country during the Civil War, it seems a certainty that we would be obliged to resort to the draft to raise an Army large enough to make war with a first-class power or to repel the invasion of such a power.

The national-defense act provides an Army in time of peace of 65 regiments of Infantry, 25 regiments of Cavalry, 21 regiments of Field Artillery, 30,000 men in the Coast Artillery, with the necessary complement of officers, seven regiments of Engineers, and all the other necessary corps and departments for the proper administration of our Military Establishment. The act provides for 175,000 enlisted men of the line in time of peace, besides the enlisted men of the Quartermaster Corps, the Hospital Corps, the Signal Corps, and other corps of the Army, making in all in time of peace an Army of about 216,000, which, expanded at full strength in time of war, will be about 256,000 men.

The act further provides for the officers to officer this Army and makes provision for the proper organization of the Army in such a way as will best conduce to its discipline and effectiveness.

The act makes provision for a large and effective aviation service, increases the Medical Department, and makes certain that all necessary sanitary measures will be taken to preserve the health of our soldiers in the field.

It provides for 1,022 officers whose duty it will be to train the National Guard and to instruct in military tactics the young men of the country who are attending our colleges and schools.

It provides for a Regular Army reserve which, in course of a reasonably short time, will be composed of men who have served for at least three years in the Army and who can be called to the colors whenever the emergency demands it. The act provides for an officers' reserve corps in which can be placed men from all the occupations of life who are specially fitted for service in any branch of the Army and can be called for service in time of war. Means are provided for the instruction of these officers.

There is further provided the Reserve Officers' Training Corps. This corps is authorized to be established and maintained in the civil educational institutions of the country. It will be composed of the flower of the youth of the country attending the universities, colleges, and institutions of the land, particularly of those attending institutions known as land-grant colleges. Officers of the Army will be detailed to these institutions. Enlisted men may also be detailed to them. Arms, ammunition, equipment, animals, and the necessary means of transportation are to be issued to them. Camps are to be maintained for six weeks during the year for the practical instruction of these students. When these students graduate in the military courses prescribed for these schools, they can be appointed to the Officers' Reserve Corps, and under certain circumstances may be furnished with subsistence during two years of their college course. A graduate is also eligible for temporary appointment as a second lieutenant in the Army.

The act also provides for training camps to be maintained for military training and instruction of the citizens of the country, and to provide them with everything necessary for that training, including transportation to and from the training camps.

It also provides for an enlisted reserve corps, the members of which are to be enrolled in time of peace and trained for 15 days each year, so that in time of war they will be ready for military service in the different branches of the service for which they are best adapted.

The act provides for a National Guard to consist of about 467,000 men, with the necessary complement of officers. This force is to be kept on foot at all times, and is to be regularly trained and disciplined under Federal supervision, and can be used by the President for training purposes in time of peace, or to repel invasion, to suppress insurrection, and to execute the laws of the Union. In time of war, the authority of Congress being given the President to raise more troops than there are in the Regular Army, he is authorized to draft the members of the National Guard into the service of the United States.

The act provides for the encouragement of rifle practice among the able-bodied male citizens of the country.

It provides for the purchase and procurement of military supplies in time of actual or threatened war, and provides for the coordination of the industries of the country for that purpose.

It provides for the procurement and use of gauges, dies, jigs, and so forth, for the manufacture of arms and ammunition.

The act provides for a nitrate plant, so that this country in time of war, and at all times, may be independent of foreign countries for its supply of nitrates for the manufacture of powder.

The Army appropriation bill provides for a council of national defense.

Thus this Congress has provided a complete scheme for the national defense of the country. It rests with the executive branch of the Government to bring this scheme to a successful issue.

Mr. MANN. Mr. Speaker, may I ask the gentleman from Virginia about a matter?

Mr. HAY. Yes. I yield to the gentleman from Illinois.

Mr. MANN. In the Army appropriation bill which we have just passed there is an item, I believe, of $2,000,000 for training camps.

Mr. HAY. Yes; $2,000,000.

Mr. MANN. They are starting to hold a training camp at Camp Douglas, in Utah, now, and the Senate passed a bill yesterday, making an appropriation of $30,000, so that the money would be immediately available for expenditure this week. In fact, the troops are now traveling on the train. I think the bill has not come over yet. The gentleman is willing to try to pass that, I believe?

Mr. HAY. I would be very glad to pass that. I understand that the $30,000 is to be taken from the $2,000,000.

Mr. MANN. Yes. As a matter of fact, that was the expectation on my part, but as the bill was drawn—and it was drawn in the Judge Advocate's office—it does not specifically provide that, although Senator SMOOT told me that Gen. Scott told him that it would, in fact, be taken from the $2,000,000.

Mr. HAY. It would not make any difference anyway. I think $2,000,000 is ample to take care of that camp and any more that may be desired. If I am not here when the bill comes over, I hope nobody will object when it is called up.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Virginia yield to the gentleman from Wisconsin?

Mr. HAY. Yes.

Mr. STAFFORD. What is the emergency in the case of this Utah camp as compared with the Plattsburg camp?

Mr. HAY. As I understand it, the Utah camp had been scheduled to open on the 21st of August—that is, yesterday—with the expectation that the Army bill would then be a law, as it had passed both Houses, and the young men who are attending that camp or who propose to attend it had made all their preparations to go, and the War Department had provided for their transportation and subsistence, and if there is any delay about it, the arrangements for the camp will be broken up and the camp will not be held.

Mr. STAFFORD. Will the gentleman inform the House whether the War Department, in anticipation of the enactment of the Army appropriation providing for transportation expenses for the persons attending these camps, has also made provision for the transportation of those attending Plattsburg and other camps?

Mr. HAY. Oh, yes.

Mr. KAHN. There is a provision in the bill to the effect that the money so expended shall be taken out of this bill.

Mr. STAFFORD. In the phraseology as it passed the House there was no authority granted to provide for transportation incurred prior to the enactment of the bill.

Mr. HAY. Oh, yes. It provided that that money should be expended for the camps hereafter had and those that had already been had.

Mr. STAFFORD. I have had some correspondence with the division agent, who said that no promise had been made to provide for the transportation prior to the enactment of the bill.

Mr. MANN. How could he promise?

Mr. STAFFORD. The phraseology allows the transportation?

Mr. HAY. If the gentleman has any doubt about it, I will be glad to read to him the language of the bill.

Mr. STAFFORD. If the gentleman is certain about it, I will accept his statement. I do not care about delaying the proceedings.

Mr. HAY. The bill reads:

To provide for the expense of maintaining, upon military reservations or elsewhere, camps for the military instruction and training of such citizens as may be selected for such instructions and training, under such regulations as may be prescribed by the Secretary of War, and to furnish to said citizens the subsistence, transportation, and uniforms authorized by the act of Congress approved June 3, 1916, $2,000,000.

Mr. MANN. The gentleman will find it in the proviso.

Mr. HAY. The proviso is:

Provided, That so much of this appropriation as may be necessary shall be available for the subsistence and transportation of all persons between the ages of 18 and 45 years who have attended any camp authorized by the Secretary of War during the calendar year 1916.

Mr. STAFFORD. That is entirely satisfactory.

SHIPPING.

Mr. ALEXANDER. Mr. Speaker, I desire to ask the Speaker to lay before the House the shipping bill (H. R. 15455), with Senate amendments; and when that is done, I shall move to concur in the Senate amendments.

The SPEAKER laid before the House the bill (H. R. 15455) to establish a United States shipping board for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a merchant marine to meet the requirements of the commerce of the United States with its Territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and interstate commerce of the United States; and for other purposes, with Senate amendments thereto.

Mr. ALEXANDER. Mr. Speaker, I move to concur in the Senate amendments.

Mr. GREENE of Massachusetts. Mr. Speaker, if that motion is to be pressed, I shall raise the question of a quorum.

The SPEAKER. What does the gentleman from Missouri [Mr. ALEXANDER] say to that?

Mr. MANN. I suppose no motion is in order.

Mr. GREENE of Massachusetts. I do not know of any motion that is in order, and therefore I shall raise the question of a quorum.

Mr. ALEXANDER. I sincerely hope the gentleman will not delay the passage of the bill.

Mr. GREENE of Massachusetts. I shall do so in every possible way that I can.

Mr. ALEXANDER. Of course it will result in inconvenience to gentlemen on that side as well as on this side.

Mr. GREENE of Massachusetts. I can not help the inconvenience. That is not my business at all. I shall object in every way to the consideration of this bill, and reserve the rights that I have as a Member of this House, and as a minority member of the Committee on the Merchant Marine and Fisheries.

Mr. ALEXANDER. Of course it will necessitate the bringing back here of the membership of the House.

Mr. GREENE of Massachusetts. That is not my fault.

Mr. ALEXANDER. This bill will become a law before this Congress adjourns.

Mr. GREENE of Massachusetts. Very well; if it does, it will become a law over my head. I shall object to it in every way I possibly can, from now until Congress adjourns.

Mr. MANN. Let it lie on the Speaker's table temporarily.

Mr. GREENE of Massachusetts. No; I object.

Mr. ALEXANDER. I ask that the bill lie on the Speaker's table temporarily.

The SPEAKER. The gentleman from Missouri and the gentleman from Illinois both ask that this bill lie temporarily on the Speaker's table.

Mr. GREENE of Massachusetts. I object.

Mr. MANN. What is the harm in letting it lie on the Speaker's table?

Mr. GREENE of Massachusetts. I am not going to have it called up at some time when I may not be here.

The SPEAKER. Does the gentleman from Missouri withdraw his request that the bill be laid before the House?

Mr. ALEXANDER. I do.

The SPEAKER. Without objection, this bill will lie temporarily on the Speaker's table.

Mr. GREENE of Massachusetts. I object.

The SPEAKER. There is no amendment to this bill that requires it to go to the Committee of the Whole.

Mr. GREENE of Massachusetts. I do not care whether it goes to the Committee of the Whole or not.

The SPEAKER. The Chair will hold it on the Speaker's table.

Mr. GREENE of Massachusetts. All right, hold it then.

Mr. ALEXANDER. That is where it belongs.

The SPEAKER. That is where it belongs under the rule.

PUBLIC LANDS FOR CEMETERY AND PARK PURPOSES—VETO MESSAGE (H. DOC. NO. 1335).

The Speaker laid before the House the following message from the President of the United States:

To the House of Representatives:

I herewith return without my approval House bill 11162. My reasons for not signing the bill are these:

The act of September 30, 1890, which this bill is intended to amend, authorized incorporated cities and towns to acquire unreserved public lands for certain community uses. The bill which I return is intended to extend that authorization to portions of the national forests. I respectfully call your attention to the fact that such an extension of privilege is not in fact needed for the objects sought to be promoted by this bill, and that by its becoming law many very important safeguards to the preservation and development of the national forests would be removed which it is greatly to the public interest should be preserved.

National-forest lands can not be regarded as suitable for disposition for general purposes in the same way that unreserved public lands are. They are already devoted to public uses and should not be unnecessarily alienated. Their alienation is un-

necessary because the objects of this bill can be attained, and are in large measure being attained, under existing law.

Whenever municipalities wish to secure national-forest lands for cemetery purposes it is the practice, under the act of September 30, 1890, to provide for such acquisition by eliminating the necessary tracts from the national forest domain by presidential proclamation. No representation has been received from any municipality that under this proceeding the necessary lands for cemeteries could not be obtained. Demands for national-forest lands for sewerage purposes could be similarly dealt with under the law of 1890, and the same liberal policy now obtaining would undoubtedly be pursued with regard to them.

The act of February 1, 1905 (33 Stat., 628) already provides ample means for the use of national-forest lands for municipal water supply. The Department of Agriculture is now actually providing for the protection of the water supply of a large number of western municipalities under special cooperative agreements which fully safeguard the interests of the communities concerned. The department, indeed, recognizes the protection of the watersheds from which municipalities derive their supply of water against any form of contamination or conflicting use as one of the most important functions in its administration of the national forests. It has sought to bring about the extension of this form of use and protection and has repeatedly taken the initiative in calling the attention of various municipalities to the need of utilizing national-forest watershed areas and to the possibility of doing so without purchasing the lands. The department, moreover, is already providing for special local needs for recreation purposes by making the national forests freely available for such uses and by taking steps to develop their availability as public recreation grounds.

The bill which I return would give cities and towns the right to select and acquire a total of 1,440 acres of land for the several purposes mentioned at a uniform price of $1.25 an acre, without regard to the value of the timber on it or to the need of the land for other public purposes, or to the effect of the alienation of ownership on the administration of the forests, and especially upon the administration of adjacent or neighboring areas. Counties may select 640 acres. Since the same rights would accrue to new cities, towns, and counties, this general grant might in the long run result in the alienation of a very large proportion of the national-forest areas. It would probably result at times in the selection by cities, towns, and counties of lands which would in fact have a much larger public value if put to other uses. In some cases the loss of the lands selected would seriously hamper their development. No opportunity is afforded by the bill for weighing the general public interests against the local interests directly involved.

But the most serious objection to the bill is that it subjects the national forests to disposition under a general grant. At the very time while provision is being made for purchase by the Government of forested lands in the East for the protection of watersheds, it is proposed to permit similar lands in the West to be permanently alienated. I would respectfully urge that it is unwise to permit alienation of the national forests under general legislation of this sort. If the process of piecemeal distribution is begun, independently of any oversight or control of the National Government, there is manifest danger that the forests will be so disintegrated as to make their efficient administration impossible and the purposes for which they were established unattainable. Against such a process the national forests should be carefully protected.

WOODROW WILSON.

THE WHITE HOUSE, *August 22, 1916.*

Mr. RAKER. I move that the President's message and the bill be referred to the Committee on the Public Lands.

The motion was agreed to.

EXPUNGING OF PERSONALITIES.

Mr. PAGE of North Carolina. Mr. Speaker, I present a privileged report (No. 1170) from the special committee having under consideration H. Res. 315, and I ask that the report be read.

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

The rules of the House provide that in addressing the House Members must avoid personalities (par. 1, rule 14), and this rule is amplified by the following statement in Jefferson's Manual:

"The consequences of a measure may be reprobated in strong terms; but to arraign the motives of those who propose to advocate it is a personality, and against order." (House Manual and Digest, secs. 354, 355, 356, and note, pp. 136 and 137, and Hinds' Precedents, vol. 5, secs. 5147–5155.)

This rule has been enforced even by Speakers interrupting a Member on the floor and challenging a Member for the use of personalities. In the case in question there was no opportunity either for the Member to himself object or for the Presiding Officer or another Member to call attention to the violation of the rule, because of the fact that the record shows that the words complained of were not uttered on the floor, but were inserted in the revision and extension of the speech for printing in the RECORD.

Your special committee to whom was referred House resolution numbered 315 beg leave to report:

That the language which appears in a speech made by Hon OSCAR CALLAWAY, of Texas, and which appeared in the CONGRESSIONAL RECORD of June 1, 1916, as follows:

"The Maxims, GARDNERS, and THOMPSONS have attempted to frighten the people into the belief that we were in danger of invasion. This is not the fear that disturbs the peace of mind of the gentlemen on the Naval Affairs Committee who heard the evidence. The fear that disturbs the peace of mind of the gentlemen from Pennsylvania, New York, and Massachusetts is not that our homes will be invaded, our cities bombarded, or our coasts laid waste; it is that the stocks of the Bethlehem, Midvale, Carnegie, Pennsylvania, Maryland, and New Jersey steel, ordnance, and ship manufacturing concerns will shrink when the foreign war closes unless a new market is developed. Bethlehem Steel stock increased, due to the war, from $30 a share to $530 a share. Certain powder stocks increased from $8 a share to $1,100 a share"—

was a personality, arraigned the motives of a Member, and was for that reason in violation of the rules of the House, and we recommend that said language be expunged from the RECORD.

ROBERT N. PAGE.
JOHN E. RAKER.
E. T. TAYLOR.
F. W. MONDELL.
H. M. TOWNER.

Mr. PAGE of North Carolina. Mr. Speaker, I move that the recommendations of the committee be agreed to.

The motion was agreed to.

MILITARY SERVICE.

The SPEAKER laid before the House House joint resolution 247, as follows:

Resolved, etc., That the provisions of the act approved June 16, 1898 (30 Stat. L., 473), shall be applicable in all cases of military service rendered in connection with operations in Mexico, or along the borders thereof, or in mobilization camps elsewhere, whether such service be in the military or naval organization of the United States or the National Guard of the several States now or hereafter in the service of the United States.

With the following Senate amendment:

Line 4, after "1898," insert "chapter 458."

Mr. MANN. I move to concur in the Senate amendment.

The motion was agreed to.

PENSIONS.

Mr. KEY of Ohio. Mr. Speaker, I ask unanimous consent that the bill (S. 6369) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors, be taken from the Speaker's table, and that the House insist upon its amendments and agree to the conference asked for by the Senate.

The SPEAKER. The gentleman from Ohio asks unanimous consent to take from the Speaker's table the bill S. 6369, insist on the House amendments, and agree to the conference asked for by the Senate. Is there objection?

There was no objection.

The SPEAKER appointed as conferees on the part of the House Mr. KEY of Ohio, Mr. KEATING, and Mr. SELLS.

DISTRICT OF COLUMBIA APPROPRIATION BILL.

Mr. PAGE of North Carolina. Mr. Speaker, I call up the conference report on the bill H. R. 15774, the District of Columbia appropriation bill, and I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. The gentleman from North Carolina calls up the conference report on the District of Columbia appropriation bill and asks unanimous consent that the statement may be read in lieu of the report. Is there objection?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (NO. 1145).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15774) making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1917, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 5, 6, 9, 11, 22, 24, 26, 28, 33, 34, 35, 36, 37, 39, 49, 50, 59, 64, 66, 75, 76, 77, 79, 83, 84, 85, 86, 92, 95, 100, 101, 102, 105, 107, 111, 112, 117, 118, 119, 120, 128, 129, 130, 131, 135, 140, 141, 142, 145, 146, 151, 183, 187, 188, 190, 191, 192, 193, 208, 210, 213, 218, 220, 221, 222, 230, 231, 233, 234, 235, 237, 239, 249, 255, 261, 263, 265, 266, 267, 270, 281, 291, 293, 296, 300, 301, 302, 311, 316, 317, 319, 321, 322, 324, 330, 331, 334, 339, 345, 346, 347, 348, 350, 351, 357, and 358.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 7, 8, 12, 14, 15, 16, 17, 18, 19, 20, 21, 23, 29, 31, 32, 38, 40, 41, 42, 43, 44, 45, 46, 47, 51, 52, 53, 54, 55, 56, 57, 60, 61, 62, 63, 65, 67, 68, 69, 70, 71, 72, 73, 74, 78, 80, 81, 82, 88, 90, 91, 94, 98, 99, 103, 106, 109, 110, 115, 116, 134, 138, 139, 144, 148, 149, 150, 152, 153, 154, 155, 156, 158, 159, 161, 162, 163, 164, 165, 167, 170, 171, 175, 176, 180, 184, 186, 195, 203, 204, 205, 206, 207, 212, 214, 215, 216, 217, 223, 224, 226, 228, 229, 232, 236, 238, 240, 241, 242, 243, 244, 245, 246, 247, 248, 250, 251, 252, 253, 254, 257, 258, 259, 260, 262, 264, 268, 273, 274, 276 277, 278, 279, 280, 282, 283, 284, 285, 286, 287, 289, 290, 297, 303, 304, 306, 307, 308, 309, 310, 314, 318, 323, 325, 327, 328, 329, 332, 333, 335, 336, 337, 338, 340, 341, 349, 353, and 360, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: Strike out all of said amendment after the word "That," in line 13, on page 2, down to and including the word "That," in line 16, on page 3; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$9,900"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$178,690"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$20,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$1,200"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"For the purchase or condemnation of a site to contain not less than 5,400 square feet (at a cost not exceeding $20,000), and for the erection of a central garage thereon, $35,000."

And the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$196,000"; and the Senate agree to the same.

Amendment numbered 87: That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$440,160"; and the Senate agree to the same.

Amendment numbered 89: That the House recede from its disagreement to the amendment of the Senate numbered 89, and agree to the same with an amendment as follows: Transpose the matter inserted by said amendment as a separate paragraph to follow line 10, page 30, of the bill, amended to read as follows:

"The Commissioners of the District of Columbia are authorized in connection with the resurfacing of the roadway of Fourteenth Street SW., from B Street to Water Street, to increase the width of said roadway to not exceeding 55 feet."

And the Senate agree to the same.

Amendment numbered 93: That the House recede from its disagreement to the amendment of the Senate numbered 93, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Calvert Street Bridge: For preparation of plans for construction of a bridge to take the place of the existing Calvert Street Bridge crossing Rock Creek, $6,000."

And the Senate agree to the same.

Amendment numbered 96: That the House recede from its disagreement to the amendment of the Senate numbered 96, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$100,000"; and the Senate agree to the same.

Amendment numbered 97: That the House recede from its disagreement to the amendment of the Senate numbered 97, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$200,000"; and the Senate agree to the same.

Amendment numbered 104: That the House recede from its disagreement to the amendment of the Senate numbered 104, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$55,000"; and the Senate agree to the same.

Amendment numbered 113: That the House recede from its disagreement to the amendment of the Senate numbered 113, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,500"; and the Senate agree to the same.

Amendment numbered 114: That the House recede from its disagreement to the amendment of the Senate numbered 114, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$405,000"; and the Senate agree to the same.

Amendment numbered 121: That the House recede from its disagreement to the amendment of the Senate numbered 121, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"WASHINGTON AQUEDUCT.

"The Chief of Engineers of the War Department is authorized and empowered to enforce the following regulations of traffic for the protection of the Washington Aqueduct and filtration plant and their accessories, including Conduit Road: No vehicle shall, on the Conduit Road, exceed a speed of 20 miles per hour within the District of Columbia, and in the State of Maryland the speed laws of that State. No reckless or careless driving shall be permitted, and drivers of all vehicles shall conform to the generally accepted rules for the use of public roads as to passing to the right, signaling desire to pass, and so forth, and all vehicles using this road shall carry and display the lights specified by municipal regulations for vehicles within the District of Columbia, and all such lights shall be so dimmed or masked as to obviate any blinding effect upon travelers on the road, and any violation of the above regulations shall constitute an offense upon conviction for which the party or parties offending shall be punished by a fine of not less than $1 or more than $40: *Provided*, That for violation of said regulations committed within the District of Columbia prosecutions shall be maintainable in the United States branch of the police court of the District of Columbia and for such violations committed in the State of Maryland prosecutions shall be maintainable before the nearest United States Commissioner for the District of Maryland; and said police court and said commisioner are severally vested with jurisdiction for this purpose.

"The United States District Court for the District of Maryland is directed to appoint such additional United States commissioner or commissioners, for service at convenient points adjacent to the Conduit Road, as may be requisite to carry out the above provisions of this act; schedule of fees for such services to be fixed by said court.

"Officers authorized to make arrests under the provisions of this act are also authorized, in the exercise of a sound discretion, to parole the person or persons so arrested for attendance at trial."

And the Senate agree to the same.

Amendment numbered 122: That the House recede from its disagreement to the amendment of the Senate numbered 122, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$22,000"; and the Senate agree to the same.

Amendment numbered 123: That the House recede from its disagreement to the amendment of the Senate numbered 123, and agree to the same with an amendment as follows: Omit the matter inserted by said amendment; on page 39 of the bill, line 3, strike out the following: "at $3,000 each" and in lieu thereof insert the following: "one at $3,500, one at $3,000"; and the Senate agree to the same.

Amendment numbered 124: That the House recede from its disagreement to the amendment of the Senate numbered 124, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "one $1,600"; and the Senate agree to the same.

Amendment numbered 125: That the House recede from its disagreement to the amendment of the Senate numbered 125, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$59,000"; and the Senate agree to the same.

Amendment numbered 126: That the House recede from its disagreement to the amendment of the Senate numbered 126,

and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Principal of the Central High School, $3,000: *Provided*, That the salary of the principal of the Central High School now in the service of the public schools or hereafter to be appointed shall be at the rate of $3,000 per annum."

And the Senate agree to the same.

Amendment numbered 127: That the House recede from its disagreement to the amendment of the Senate numbered 127, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "eight at $2,500 each: *Provided*, That the salaries of the principals of the normal, high, and manual training high schools, other than the Central High School, now in the service of the public schools or hereafter to be appointed, shall be at the rate of $2,500 per annum"; and the Senate agree to the same.

Amendment numbered 132: That the House recede from its disagreement to the amendment of the Senate numbered 132, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "$1,400: *Provided*, That the assistant director of primary instruction now in the service of the public schools or hereafter to be appointed shall be placed at the basic salary of $1,400 per annum, and shall be entitled to an increase of $50 per annum for five years"; and the Senate agree to the same.

Amendment numbered 133: That the House recede from its disagreement to the amendment of the Senate numbered 133, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,443,200"; and the Senate agree to the same.

Amendment numbered 136: That the House recede from its disagreement to the amendment of the Senate numbered 136, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$475,000"; and the Senate agree to the same.

Amendment numbered 137: That the House recede from its disagreement to the amendment of the Senate numbered 137, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$27,000"; and the Senate agree to the same.

Amendment numbered 143: That the House recede from its disagreement to the amendment of the Senate numbered 143, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,100"; and the Senate agree to the same.

Amendment numbered 147: That the House recede from its disagreement to the amendment of the Senate numbered 147, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$17,100"; and the Senate agree to the same.

Amendment numbered 157: That the House recede from its disagreement to the amendment of the Senate numbered 157, and agree to the same with an amendment as follows: Omit the matter inserted by said amendment and on page 43 of the bill, line 20, strike out the sum "$900" and in lieu thereof insert "Janitor, $1,000"; and the Senate agree to the same.

Amendment numbered 160: That the House recede from its disagreement to the amendment of the Senate numbered 160, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,680"; and the Senate agree to the same.

Amendment numbered 166: That the House recede from its disagreement to the amendment of the Senate numbered 166, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,000"; and the Senate agree to the same.

Amendment numbered 168: That the House recede from its disagreement to the amendment of the Senate numbered 168, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,840"; and the Senate agree to the same.

Amendment numbered 169: That the House recede from its disagreement to the amendment of the Senate numbered 169, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,100"; and the Senate agree to the same.

Amendment numbered 172: That the House recede from its disagreement to the amendment of the Senate numbered 172, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,780"; and the Senate agree to the same.

Amendment numbered 173: That the House recede from its disagreement to the amendment of the Senate numbered 173, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,000"; and the Senate agree to the same.

Amendment numbered 174: That the House recede from its disagreement to the amendment of the Senate numbered 174, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,140"; and the Senate agree to the same.

Amendment numbered 177: That the House recede from its disagreement to the amendment of the Senate numbered 177, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,000"; and the Senate agree to the same.

Amendment numbered 178: That the House recede from its disagreement to the amendment of the Senate numbered 178, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,780"; and the Senate agree to the same.

Amendment numbered 179: That the House recede from its disagreement to the amendment of the Senate numbered 179, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,000"; and the Senate agree to the same.

Amendment numbered 181: That the House recede from its disagreement to the amendment of the Senate numbered 181, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,840"; and the Senate agree to the same.

Amendment numbered 182: That the House recede from its disagreement to the amendment of the Senate numbered 182, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,000"; and the Senate agree to the same.

Amendment numbered 185: That the House recede from its disagreement to the amendment of the Senate numbered 185, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$6,140"; and the Senate agree to the same.

Amendment numbered 189: That the House recede from its disagreement to the amendment of the Senate numbered 189, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$4,360"; and the Senate agree to the same.

Amendment numbered 194: That the House recede from its disagreement to the amendment of the Senate numbered 194, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,000"; and the Senate agree to the same.

Amendment numbered 196: That the House recede from its disagreement to the amendment of the Senate numbered 196, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$13,320"; and the Senate agree to the same.

Amendment numbered 197: That the House recede from its disagreement to the amendment of the Senate numbered 197, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$840"; and the Senate agree to the same.

Amendment numbered 198: That the House recede from its disagreement to the amendment of the Senate numbered 198, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$25,080"; and the Senate agree to the same.

Amendment numbered 199: That the House recede from its disagreement to the amendment of the Senate numbered 199, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$840"; and the Senate agree to the same.

Amendment numbered 200: That the House recede from its disagreement to the amendment of the Senate numbered 200, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$9,240"; and the Senate agree to the same.

Amendment numbered 201: That the House recede from its disagreement to the amendment of the Senate numbered 201, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$720"; and the Senate agree to the same.

Amendment numbered 202: That the House recede from its disagreement to the amendment of the Senate numbered 202, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$52,560"; and the Senate agree to the same.

Amendment numbered 209: That the House recede from its disagreement to the amendment of the Senate numbered 209, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$174,670"; and the Senate agree to the same.

Amendment numbered 211: That the House recede from its disagreement to the amendment of the Senate numbered 211, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Chief medical and sanitary inspector, who shall, under the direction of the health officer of the District of Columbia, give his whole time to, and exercise the direction and control of, the medical inspection and sanitary conditions of the public schools of the District of Columbia, $2,500; thirteen"; and the Senate agree to the same.

Amendment numbered 219: That the House recede from its disagreement to the amendment of the Senate numbered 219, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$30,000"; and the Senate agree to the same.

Amendment numbered 225: That the House recede from its disagreement to the amendment of the Senate numbered 225, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$50,000"; and the Senate agree to the same.

Amendment numbered 227: That the House recede from its disagreement to the amendment of the Senate numbered 227, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,000"; and the Senate agree to the same.

Amendment numbered 256: That the House recede from its disagreement to the amendment of the Senate numbered 256, and agree to the same with an amendment as follows: Strike out all after the word "purpose" in line 5 of said amendment; and the Senate agree to the same.

Amendment numbered 269: That the House recede from its disagreement to the amendment of the Senate numbered 269, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$944,931.34"; and the Senate agree to the same.

Amendment numbered 271: That the House recede from its disagreement to the amendment of the Senate numbered 271, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$6,500"; and the Senate agree to the same.

Amendment numbered 272: That the House recede from its disagreement to the amendment of the Senate numbered 272, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$32,500"; and the Senate agree to the same.

Amendment numbered 275: That the House recede from its disagreement to the amendment of the Senate numbered 275, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$58,800"; and the Senate agree to the same.

Amendment numbered 288: That the House recede from its disagreement to the amendment of the Senate numbered 288, and agree to the same with an amendment as follows: On page 60 of the bill, in line 11, strike out the sum "$6" and insert in lieu thereof the sum "$7"; and the Senate agree to the same.

Amendment numbered 292: That the House recede from its disagreement to the amendment of the Senate numbered 292, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"For the purchase of one motor wagon for use in the pound service, at a cost not exceeding $1,500, and for maintaining and operating the same and keeping it in good order, $300; in all, $1,800."

And the Senate agree to the same.

Amendment numbered 294: That the House recede from its disagreement to the amendment of the Senate numbered 294, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,500"; and the Senate agree to the same.

Amendment numbered 295: That the House recede from its disagreement to the amendment of the Senate numbered 295, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,000"; and the Senate agree to the same.

Amendment numbered 298: That the House recede from its disagreement to the amendment of the Senate numbered 298, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,000"; and the Senate agree to the same.

Amendment numbered 299: That the House recede from its disagreement to the amendment of the Senate numbered 299, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$5,400"; and the Senate agree to the same.

Amendment numbered 305: That the House recede from its disagreement to the amendment of the Senate numbered 305, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$125,000"; and the Senate agree to the same.

Amendment numbered 312: That the House recede from its disagreement to the amendment of the Senate numbered 312, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$29,610"; and the Senate agree to the same.

Amendment numbered 313: That the House recede from its disagreement to the amendment of the Senate numbered 313, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert the following: "$45,000, of which sum $1,000 shall be available for the purchase of screens for the hospital, $200 for new surgical instruments, and $600 for the upkeep of the X-ray laboratory"; and the Senate agree to the same.

Amendment numbered 315: That the House recede from its disagreement to the amendment of the Senate numbered 315, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$135,610"; and the Senate agree to the same.

Amendment numbered 320: That the House recede from its disagreement to the amendment of the Senate numbered 320, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$73,392"; and the Senate agree to the same.

Amendment numbered 326: That the House recede from its disagreement to the amendment of the Senate numbered 326, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$45,980"; and the Senate agree to the same.

Amendment numbered 342: That the House recede from its disagreement to the amendment of the Senate numbered 342, and agree to the same with an amendment as follows: In line 3 of the matter inserted by said amendment, after the word "northwest," insert the following: "to be expended under the direction of the Commissioners of the District of Columbia"; and the Senate agree to the same.

Amendment numbered 343: That the House recede from its disagreement to the amendment of the Senate numbered 343, and agree to the same with an amendment as follows: On page 81 of the bill, in lines 9 and 10, strike out the following: "the Government Hospital for the Insane" and insert in lieu thereof the following: "St. Elizabeths Hospital"; and the Senate agree to the same.

Amendment numbered 344: That the House recede from its disagreement to the amendment of the Senate numbered 344, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows: "not to exceed $200"; and the Senate agree to the same.

Amendment numbered 352: That the House recede from its disagrement to the amendment of the Senate numbered 352, and agree to the same with an amendment as follows: Omit the matter stricken out and inserted by said amendment and in lieu thereof insert the following:

"WATER SERVICE.

"The following sums are appropriated wholly out of the revenues of the water department for expenses of the Washington Aqueduct and its appurtenances and for expenses of the water department, namely:

"WASHINGTON AQUEDUCT.

"For operation, including salaries of all necessary employees, maintenance, and repair of Washington Aqueduct and its accessories, McMillan Park Reservoir, Washington Aqueduct Tunnel, the filtration plant, the plant for the preliminary treatment of the water supply, authorized water meters on Federal services, vehicles, and for each and every purpose connected therewith, including not exceeding $700 for the purchase of one new motor vehicle, $123,000.

"For ordinary repairs, grading, opening ditches, and other maintenance of Conduit Road, $5,000.

"For emergency fund, to be used only in case of a serious break requiring immediate repair in one of the more important aqueduct or filtration-plant structures, such as a dam, conduit, tunnel, bridge, building, or important piece of machinery; all expenditures from this appropriation shall be reported in detail to Congress, $5,000.

"For continuation of parking grounds around McMillan Park Reservoir, $3,000.

"Nothing herein shall be construed as affecting the superintendence and control of the Secretary of War over the Wash-

ington Aqueduct, its rights, appurtenances, and fixtures connected with the same and over appropriations and expenditures therefor as now provided by law."

And the Senate agree to the same.

Amendment numbered 362: That the House recede from its disagreement to the amendment of the Senate numbered 362, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"POLICEMEN AND FIREMEN'S RELIEF FUND, DISTRICT OF COLUMBIA.

"SEC. —. That from and after the passage of this act the funds now authorized by law and known as the 'Police relief fund' and the 'Firemen's relief fund' shall be designated and known as the 'Policemen and firemen's relief fund, District of Columbia.'

"The said fund shall consist of all fines imposed by the Commissioners of the District of Columbia upon members of the police and fire departments of said District by way of discipline; all rewards, proceeds of gifts, and emoluments that may be received by any member of said departments (for extraordinary services), except such part thereof as the said commissioners may allow to be retained by members of said departments; a deduction of 1½ per cent of the monthly salary of each member of said departments; donations; and the net proceeds of sales of unclaimed property in the custody of the property clerk of the police department; all of which shall be paid into the Treasury of the United States to the credit of the 'Policemen and firemen's relief fund, District of Columbia,' herein provided for; and should the said fund at any time be insufficient to defray the expenditures hereinafter provided for, the Commissioners of the District of Columbia, in that event, are authorized, and it shall be their duty, to direct the collector of taxes of said District, and it shall be the duty of the said collector, pursuant to such direction, to pay into the Treasury of the United States, out of the general revenue of the District of Columbia collected by him, to the credit of the said 'Policemen and firemen's relief fund, District of Columbia,' such sums as may be necessary from time to time to meet deficiencies in said fund. The moneys to the credit of the said fund shall be available for appropriation by Congress annually only for expenditure on requisitions of the said commissioners for the purposes set forth in this act, and all expenditures from said fund shall be made and accounted for in the same manner as other expenditures of the government of the District of Columbia are made and accounted for.

"Whenever any member of the police department or the fire department of the District of Columbia shall become temporarily disabled by injury received or disease contracted in the actual discharge of his duty, to such an extent as to require medical or surgical services other than such as can be rendered by the board of police and fire surgeons of said District, or to require hospital treatment, the expenses of such medical or surgical services, or hospital treatment, shall be paid from the policemen and firemen's relief fund, District of Columbia, provided for in this act; but no such expenses shall be paid except upon a certificate of the said board of police and fire surgeons, or two members thereof, setting forth the necessity for such services or treatment and the nature of the injury or disease which rendered the same necessary, and upon the approval of the said certificate by the superintendent of the Metropolitan police or the chief engineer of the fire department, as the case may be, and the approval of the Commissioners of the District of Columbia.

"Whenever any member of the police department or the fire department of the District of Columbia shall become so permanently disabled through injury received or disease contracted in the line of duty as to incapacitate him for the performance of duty, or, having served not less than 25 years and having reached the age of 55 years shall, for any cause, become so permanently disabled as to incapacitate him for the performance of duty and shall make written application therefor and said application shall be approved by the Commissioners of said District, or, having reached the age of 60 years, in the discretion of the said commissioners, he shall in either event be retired from the service thereof and be entitled to receive relief from the said policemen and firemen's relief fund, District of Columbia, in an amount not to exceed 50 per cent per year of the salary received by him at the date of retirement. In case of the death of any member of the police department or the fire department of the District of Columbia, before or after retirement from the service thereof, leaving a widow, or a child or children under 16 years of age, the widow shall be entitled to receive relief from the said policemen and firemen's relief fund, District of Columbia, in an amount not exceeding $35 per month, and each child under the age of 16 years in an amount not exceeding $10 per month, and in no case shall the amount paid to any one family exceed the sum of $50 per month: *Provided*, That upon the remarriage of any widow granted relief under the provisions of this act such relief shall cease, and relief granted to or for any child or children under the age of 16 years shall cease upon their reaching that age: *Provided further*, That no widow, child, or children of any deceased member of the said police department or fire department resulting from any marriage contracted subsequent to the date of retirement of such member shall be entitled to any relief under the provisions of this act.

"The Commissioners of the District of Columbia are authorized to pay from the said policemen and firemen's relief fund, District of Columbia, a sum not exceeding $75 in any one case to defray the funeral expenses of any deceased member of the police department or the fire department of said District dying while in the service thereof.

"There is created in and for the District of Columbia a board to be known as the police and firemen's retiring and relief board, to be composed of the corporation counsel of said District and one member from each the police department and fire department, to be designated by the said commissioners, and the said commissioners are authorized to change the personnel of said board from time to time, in their discretion, and they are further authorized and empowered to make, modify, and to amend from time to time regulations and rules of procedure for the conduct of the said board. The said board shall consider all cases for the retirement and relief of members of the police department and the fire department rendered necessary or expedient under the provisions of this act, and all applications for the relief of widows and children under 16 years of age. In every case of retirement of a member of either of said departments the board of police and fire surgeons shall certify, in writing, to the said retiring and relief board the physical condition of the member for whom retirement and relief is sought. The said retiring and relief board shall give written notice to any member of said departments under consideration by it for retirement and relief to appear before the board and give such evidence under oath as he may desire, and the proceedings of the board shall be reduced to writing and shall show the date of appointment of such member, his age, his record in the service, and any other information that may be pertinent to the matter of his retirement and relief. The said board is authorized and empowered to summon any person before it to give testimony, under oath or affirmation, as to any matter affecting retirement and relief under the provisions of this act; and any member of the board shall have power to administer oaths or affirmations to witnesses appearing before the said board. Such summons shall be served by any member of the Metropolitan police force, and upon the refusal or neglect of a witness to appear before the said board or to testify when required, he or she may be compelled to attend and testify as provided in the act of February 20, 1896, entitled 'An act to amend an act entitled, "An act to punish false swearing before trial boards of the Metropolitan police force and fire department of the District of Columbia, and for other purposes," approved May 11, 1892,' and any witness knowingly making a false statement to the said board on any material matter shall be guilty of perjury and punishable accordingly. The said retiring and relief board shall in each case considered by it for retirement and relief submit to the Commissioners of the District of Columbia a report of its findings, and the said commissioners shall have power to approve, disapprove, or modify such findings or to remand any case for such further proceedings as they may deem necessary.

"The Commissioners of the District of Columbia, in their discretion and at any time, may cause any person receiving any relief allowance under the provisions of this act, who has served less than 25 years, to appear and undergo a medical examination, as the result of which the said commissioners shall determine whether the relief in such case shall be continued, increased, decreased, or discontinued. Should any person receiving relief under the provisions of this act, after due notice, fail to appear and undergo the examination prescribed here, the said commissioners are authorized in their discretion to reduce or entirely discontinue such relief.

"The Commissioners of the District of Columbia may, in their discretion, reduce or discontinue the relief granted to any person under the provisions of this act upon receipt of duly certified information from a court of competent jurisdiction that any person receiving such relief has been convicted in such court of any crime involving moral turpitude; and the said commissioners may also, in their discretion, reduce or discontinue the relief granted to any person under the provisions of this act when it shall appear to their satisfaction from evidence before them that such person is a habitual drunkard or guilty of lewd or lascivious conduct.

"Any retired member of the police department or fire department of the District of Columbia receiving relief under the provisions of this act may in time of flood, riot, conflagration, during extraordinary assemblages, or unusual emergencies, be called by the commissioners of said District into the service of the department from which he was retired with relief for such duty as his disability will permit of him performing, without compensation therefor; and the said commissioners shall have power to enforce compliance with the provisions hereof by withholding the payment of relief; but nothing contained in this section shall be construed to enforce residence in the District of Columbia upon any retired member of either of said departments when it shall appear to the satisfaction of said commissioners that residence elsewhere is rendered necessary by the physical condition of such member.

"All special policemen at street railway crossings and intersections in the District of Columbia, appointed pursuant to the provisions of an act, approved June 24, 1898, entitled 'An act to define the rights of purchasers of the Belt Railway, and for other purposes,' as amended by the act, approved February 28, 1901, entitled 'An act relating to the Metropolitan police of the District of Columbia,' and the act, approved February 10, 1912, amendatory thereof, are made members of the Metropolitan police force of the District of Columbia, and, as members thereof, shall be entitled to all the rights, benefits, privileges, and immunities now possessed, or which may hereafter be possessed, by other members of said Metropolitan police force. Said special policemen shall likewise be subject to the same rules and regulations and to the same discipline as other members of said Metropolitan police force, it being the true intent and meaning hereof that the said special policemen and the regular members of said police force shall, according to the period of service and classification, be placed upon the same footing.

"In determining the classes to which said special policemen shall be assigned in the Metropolitan police force they shall be given credit for the time they have served in their present positions, in the same manner and to the same extent as is now or may hereafter be given to the regular members of said police force.

"The superintendent of police of the District of Columbia may, in his discretion, substitute other members of the Metropolitan police force for said special policemen at street railway crossings and intersections, and during such periods of substitution said special policemen shall perform whatever service may be assigned to them by said superintendent of police: *Provided*, That nothing herein shall be construed to amend, alter, or repeal the existing law relative to the payment of the compensation of the said special policemen now appointed or those that may hereafter be appointed."

And the Senate agree to the same.

The committee of conference have been unable to agree on the amendments of the Senate numbered 1, 58, 108, 354, 355, 356, 359, and 361.

ROBERT N. PAGE,
JAS. MCANDREWS,
C. R. DAVIS,
Managers on the part of the House.
JOHN WALTER SMITH,
JOS. T. ROBINSON,
J. H. GALLINGER,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15774) making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year 1917 submit the following written statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of the Senate amendments, namely:

No. 2: Fixes the allowance for expenses of horse and buggy in the building inspection division at $20 per month, as proposed by the House, instead of $25, as proposed by the Senate.

No. 3: Provides for a biennial assessment of real estate, as proposed by the Senate, omitting the provision transferring from the assessor to the collector of taxes all records and accounts relating to the bookkeeping, accounting, and collecting of taxes and assessments.

No. 4: Inserts the provision, proposed by the Senate, terminating the service of any member of the Excise Board whose nomination has been, or may be, rejected by the Senate.

Nos. 5 and 6: Retains in the bill the provision, proposed by the House, prohibiting any attorney for the District withholding attorneys' fees taxed as costs in litigation to which the District is a party.

Nos. 7, 8, 9, and 10, relating to the office of superintendent of weights, measures, and markets: Provides for an additional inspector at $1,000, for three "inspectors" instead of three "assistants," at $1,200 each, and strikes out the increase in the pay of one clerk from $1,200 to $1,350, proposed by the Senate.

Nos. 11, 12, and 13, relating to the Engineer Commissioner's office: Strikes out the increase proposed in the pay of the assistant superintendent of trees and parkings from $1,350 to $1,500, and provides for an additional clerk at $720, as proposed by the Senate.

Nos. 14 and 15: Appropriates $34,000, as proposed by the Senate, instead of $30,000, as proposed by the House, for salaries of the Public Utilities Commission.

Nos. 16 and 17: Increases the salary of the superintendent of the street-cleaning division from $2,500 to $3,000, as proposed by the Senate.

Nos. 18, 19, 20, and 21, relating to the department of insurance: Provides for a "deputy and examiner" at $2,000 instead of an "examiner" at $1,700, for two additional clerks at $900 each, and reduces the amount for temporary clerks from $1,200 to $300.

No. 22: Strikes out the provision proposed by the Senate for three inspectors at $1,200 each for enforcement of the child-labor law in place of two privates of the Metropolitan police now required to perform that duty.

No. 23: Appropriates $2,000 in the terms proposed by the Senate for extra services on Sundays and holidays in the Free Public Library instead of in the terms proposed by the House.

No. 24: Appropriates $36,900, as proposed by the House, instead of $41,900, as proposed by the Senate, for contingent and miscellaneous expenses of the District government.

Nos. 25, 26, 27, 28, and 29, relating to purchase and maintenance of motor vehicles: Appropriates $20,000 therefor instead of $13,696, as proposed by the House, and $23,860, as proposed by the Senate; limits the cost of passenger-carrying vehicles to $700 and $500, respectively, as proposed by the House, instead of $1,200 and $600, as proposed by the Senate; limits the cost of an automobile for the assessor's office to $1,200 instead of $1,600 and the cost of a motor truck to $2,000, as proposed by the Senate, instead of $1,000, as proposed by the House.

No. 30: Appropriates $35,000, as proposed by the Senate, for a central garage, limiting the cost of the site, containing not less than 5,400 square feet, to not exceeding $20,000.

No. 31: Authorizes the installation of telephones for the inspector in charge of fire-alarm system, one fire-alarm operator, and two fire-alarm repairmen, and gives the commissioners authority to connect all telephones used by officials of the District government either with the system of the Chesapeake & Potomac Telephone Co. or the telephone system maintained by the District.

No. 32: Appropriates $11,500 for postage, as proposed by the Senate, instead of $11,000, as proposed by the House.

Nos. 33 and 34: Appropriates $4,400, as proposed by the House, instead of $4,800, as proposed by the Senate, for miscellaneous expenses of the coroner's office.

Nos. 35 and 36: Strikes out the appropriation of $1,500, proposed by the Senate, for a refrigerating plant for the new fish market, and strikes out the provision, inserted by the Senate, making the appropriations for the new fish wharf and market available for connecting the same with the central power plant and appointing a board to cooperate with the Commission of Fine Arts in preparing a plan for the development of the water front of the city of Washington.

Nos. 37, 38, 39, 40, 41, 42, 43, 44, 45, and 46, relating to miscellaneous expenses of the District government: Appropriates, as proposed by the Senate, $15,000 for a third steel shelter at the Farmers' Produce Market; $600 for an auto truck for the office of the superintendent of weights, measures, and markets, and $250 for its maintenance and repair; $300 for maintenance of a motor vehicle for the superintendent of weights, measures, and markets; and $9,900 for alteration and improvement at the repair shop; and strikes out the appropriations, proposed by the Senate, of $8,000 for painting and repairs of the Eastern and Western Markets; and $1,200 for a new 25-ton railroad scale.

No. 47: Authorizes the purchase and maintenance of a motor truck out of the appropriation for "assessment and permit work," for streets.

Nos. 48, 49, 50, 51, 52, 53, 54, and 55, relating to work on streets and avenues: Appropriates $196,600, instead of $186,600, as proposed by the House, and $206,800, as proposed by the Senate, for work on certain streets and avenues; makes the standard for quality of pavements the same as those laid during the

years 1914, 1915, or 1916, instead of those laid prior to July 1, 1886; and appropriates, as proposed by the Senate, $15,000 for repaving Seventh Street NW. from R Street to Florida Avenue, and $28,000 for repaving B Street NW. from Ninth Street to Twelfth Street.

Nos. 56 and 57: Appropriates $25,000, as proposed by the Senate, instead of $20,000, as proposed by the House, for grading streets, alleys, and roads.

Nos. 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, and 87, relating to the construction of suburban roads: Appropriates $17,000, as proposed by the House, for grading and improving Rhode Island Avenue from South Dakota Avenue to the District line; appropriates $25,000, as proposed by the Senate, instead of $10,000, as proposed by the House, for reconstructing the south side retaining wall on Canal Road; and appropriates for all of the suburban roads in the amounts and terms proposed by the Senate, except the following, which are stricken out:

New Hampshire Avenue from Park Road to Georgia Avenue.

Livingston Road and Second Street to District line.

Belmont Street between Sixteenth Street and Crescent Place.

Crescent Place east of Belmont Street.

Ninth Street from Kearney Street to Monroe Street.

Longfellow Street from Fifth Street to Concord Avenue; Concord Avenue from Longfellow Street to Kennedy Street; and Kennedy Street from Concord Avenue to Blair Road.

Van Ness Street from Connecticut Avenue to Idaho Avenue; and Idaho Avenue from Van Ness Street to Pierce Mill Road.

Ingomar Street from Wisconsin Avenue to Belt Road.

Connecticut Avenue from Cathedral Street to the Zoo Park.

Connecticut Avenue from Tilden Street to Pierce Mill Road.

The total amount for construction of suburban roads is $440,160 instead of $195,950, as proposed by the House, and $512,920, as proposed by the Senate.

No. 88: Inserts the provision, proposed by the Senate, requiring bonds from contractors with the District of Columbia for construction work instead of cash deposits to secure compliance with their contracts.

No. 89: Inserts the provision, proposed by the Senate, to increase the roadway of Fourteenth Street SW. from B Street to Water Street and permits the work to be done, although it does not result in a decrease in the cost of the improvement.

No. 90: Appropriates $25,000, as proposed by the Senate, instead of $15,000, as proposed by the House, for replacing and repairing sidewalks around public reservations and public buildings.

Nos. 91 and 92: Appropriates $150,000, as proposed by the House, instead of $175,000, as proposed by the Senate, for repairs to suburban roads, and limits the cost of a motor truck to $2,000, as proposed by the Senate, instead of $1,000, as proposed by the House.

No. 93: Appropriates $6,000 for plans for a new bridge across Rock Creek at Calvert Street and omits provision for plans for Klingle Ford Bridge.

No. 94: Inserts the provision, proposed by the Senate, extending the area of the Rock Creek and Potomac Parkway between Potomac Park, the Zoological Park, and Rock Creek Park so as to include the land between Twentieth Street, Ashmead Place, and Rock Creek NW., and other parcels of ground.

No. 95: Strikes out the provision, proposed by the Senate, to relocate the Bartholdi Fountain.

Nos. 96, 97, 98, and 99, relating to sewers: Appropriates $100,000 instead of $90,000, as proposed by the House, and $107,000, as proposed by the Senate, for the sewage pumping service, and $200,000 instead of $178,000, as proposed by the House, and $233,000, as proposed by the Senate, for suburban sewers.

Nos. 100 and 101: Appropriates $310,000, as proposed by the House, instead of $322,000, as proposed by the Senate, for dust prevention, cleaning, and snow removal from streets and limits the allowance to each foreman or inspector for a horse-drawn vehicle used in the service to $20, as proposed by the House, instead of $25 per month, as proposed by the Senate.

Nos. 102 and 103: Appropriates $191,620, as proposed by the Senate, instead of $179,945, as proposed by the House, for the disposal of city refuse and limits the allowance to inspectors for expenses of horse-drawn vehicles used in the service to $20 per month, as proposed by the House, instead of $25 per month, as proposed by the Senate.

No. 104: Appropriations $55,000 instead of $50,000, as proposed by the House, and $60,000, as proposed by the Senate, for the parking commission.

Nos. 105, 106, and 107: Appropriates for one watchman at $480, as proposed by the House, instead of two watchmen at $600 each, as proposed by the Senate, for the bathing beach.

Nos. 109 and 110: Appropriates $10,000, as proposed by the Senate, instead of $7,500, as proposed by the House, for two swimming pools for the playgrounds.

No. 111: Strikes out the appropriation of $18,000, proposed by the Senate, for a public convenience station at or near Wisconsin Avenue and M Street NW.

Nos. 112, 113, 114, 115, and 116, relating to the electrical department: Appropriates for a "cable splicer," as proposed by the House, instead of an "assistant electrician" at $1,200, as proposed by the Senate; $2,500 instead of $1,200, as proposed by the House, and $4,000, as proposed by the Senate, for extension and relocation of the police patrol system; $405,000 instead of $400,000, as proposed by the House, and $414,000, as proposed by the Senate, for street lighting; $2,000, as proposed by the Senate, for the purchase of a motor truck; strikes out the appropriation of $7,500, proposed by the House, for the erection of a storehouse and inserts the provision, proposed by the Senate, authorizing the sale of the land contained in the old right of way of the Baltimore & Ohio Railroad within the limit of square 857.

Nos. 117, 118, 119, and 120, relating to the Washington Aqueduct: Strikes out the transposition, proposed by the Senate, of the appropriations for the Washington Aqueduct from their place under the water department.

No. 121: Inserts a provision prescribing speed and other regulations of vehicles on the Conduit Road in the District of Columbia and Maryland.

No. 122: Appropriates $22,000, instead of $20,000, as proposed by the House, and $25,000, as proposed by the Senate, for Rock Creek Park.

Nos. 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, and 256, relating to the public schools: Fixes the pay of one assistant superintendent of schools at $3,500, instead of at $3,000, as proposed by the House, and $4,000, as proposed by the Senate, and strikes out the increase proposed by the Senate of the salary of another assistant superintendent from $3,000 to $4,000; provides for an additional clerk at $1,600 in the executive office, instead of one at $1,800, as proposed by the Senate; fixes the salary of principal of the Central High School at $3,000, without allowance for longevity pay, and the salaries of eight principals of normal, high, and manual-training high schools at $2,500 each, without allowance for longevity pay; fixes the salary of the assistant principal of the Central High School at $1,800, as proposed by the House, instead of $2,000, as proposed by the Senate; strikes out provision for a dean in charge of girls of the Central High School at $2,000, proposed by the Senate; fixes the salary of the assistant director of primary instruction at $1,400, as proposed by the House, with an allowance of $50 per annum for five years for longevity pay, instead of at $1,600, as proposed by the Senate, with the same allowance for longevity pay; appropriates $7,000, as proposed by the Senate, for vacation schools and playgrounds; appropriates $475,000, instead of $450,000, as proposed by the House, and $485,000, as proposed by the Senate, for longevity pay authorized by law; appropriates $27,000, instead of $20,000, as proposed by the House, and $35,000, as proposed by the Senate, for teachers and janitors, and $3,000, as proposed by the Senate instead of $2,750, as proposed by the House, for contingent expenses of night schools; increases the pay of the superintendent of janitors from $1,200 to $1,500; provides for the personnel for care of the Central High School building, as proposed by the House, except that the pay of a janitor is increased from $1,000 to $1,100 and an additional assistant janitor at $900 is provided; provides for the personnel and care of the new M Street High School, as proposed by the Senate; the janitors of the old Central High School, the Business High School, the J. Ormond Wilson Normal School, the Jefferson School, Eastern High School, Stevens School, McKinley High School, Armstrong High School, and the Franklin School are provided for at the uniform salary of $1,000 each; the janitor for the Western High School is provided for at $1,100; the pay of some of the laborers in those buildings is increased from $360 to $420, $360 to $480, and $420 to $480 each, respectively, as proposed by the Senate.

The engineer and instructor in steam engineering for the McKinley Manual Training School and the Armstrong Manual Training School are continued at $1,500 and $1,200, respectively; the engineer and janitor for the old M Street High School are continued at $1,000 and $900, respectively; the pay of 9 janitors and 9 laborers in the Birney and like school buildings is increased from $840 to $1,000 and $360 to $480, respectively; the pay of 22 janitors in the Brookland and like school buildings is increased from $720 to $840; the pay of 11 janitors in the Abbot and like school buildings is increased from $700 to $840 each; the pay of 73 janitors in the Adams and like school buildings is increased from $600 to $720 each; the pay of 4 janitors in the Brightwood Park and like school buildings is increased from $540 to $600 each; the pay of 12 janitors in the Bunker Hill and like school buildings is increased from $300 to $480 each; a night watchman at $600 is provided for each of the two manual training high schools; the provision for 15 matrons at $500 each in school buildings, proposed by the Senate, is stricken out; the increase of $72 per annum to $108 for care of rooms for atypical or ungraded classes, proposed by the Senate, is omitted; the total amount for janitors and care of school buildings is increased from $151,410, as proposed by the House, to $174,670, instead of $193,742, as proposed by the Senate, a total increase of $19,072 over the appropriation proposed by the House; a chief medical and sanitary inspector for schools at $2,500 is provided; the provision, proposed by the Senate, exempting the public schools from the law prohibiting the drawing of two salaries where the aggregate exceeds $2,000, is stricken out; for rent of school buildings the amount is increased from $15,000 to $16,500, as proposed by the Senate; for equipment of temporary rooms for classes above the second grade the appropriation is increased from $4,000 to $5,000.

For repairs and improvements to school buildings the appropriation is increased from $110,000 to $150,000, as proposed by the Senate; for removal and reerection of portable schools the sum of $3,000 is appropriated, as proposed by the Senate; the appropriation of $122,000 for altering and remodeling certain school buildings and grounds, proposed by the Senate, is stricken out; for purchase and repair of furniture and equipment for manual training there is appropriated $30,000, instead of $27,500 as proposed by the House and $35,000 as proposed by the Senate; for furnishing the Powell School Building there is appropriated $3,500, as proposed by the House, instead of $4,200, as proposed by the Senate; for contingent expenses there is appropriated $50,000, instead of $47,500 as proposed by the House and $55,000 as proposed by the Senate, the allowance for livery of a horse is made $240 as proposed by the House instead of $300 as proposed by the Senate, and the allowance is extended to the two assistant superintendents of schools; for books purchased under the contingent fund the limit of expenditure is increased from $1,000 to $2,000, as proposed by the Senate; authority is given to expend not exceeding $600 out of the appropriation for text books and school supplies for necessary labor; for material and labor for school gardens there is appropriated $2,000, instead of $1,500 as proposed by the House and $2,500 as proposed by the Senate.

For school buildings and grounds the appropriations proposed by the Senate are inserted, except as follows:

The increase from $80,000 to $88,000 for the addition to the Elizabeth V. Brown (Chevy Chase) School.

The increase from $72,000 to $80,000 for the addition to the Petworth School.

The increase from $40,000 to $50,000 for the addition to the Burrville School.

Addition to the Wheatley School, $97,800.

Addition to the Gage School, $60,000.

Site for a 16-room building on or near Spring Road NW., $40,000.

Site for an 8-room manual-training center to serve the eleventh division, $10,000.

Additional ground for 16-room building west of the soldiers' home, $22,000.

Site for new 16-room building in the seventh division, $35,000.

The commissioners are authorized to close streets and alleys included within the grounds of the new Eastern High School, and a provision is inserted authorizing the use of balances of appropriations for school sites for grading and improving the same.

No. 257: For the instruction of the deaf there is appropriated $13,200, as proposed by the Senate, instead of $12,250, as proposed by the House.

Nos. 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, and 275, relating to the Metropolitan police: The pay of three inspectors is increased from $1,800 to $2,000 each, of 11 captains from $1,500 to $2,000 each, of 46 sergeants from $1,250 to $1,400 each, all as proposed by the Senate; the additional compensation for 24 privates detailed for special service is increased from $5,760 to $11,520; the increase proposed by the Senate in the number of lieutenants and sergeants is stricken out; the allowance to officers and privates mounted on horses is fixed at $240 each, as proposed by the House, instead of $300, as proposed by the Senate; 4 additional drivers at $840 each are provided, as proposed by the Senate; the provision inserted by the Senate fixing the service in each of the grades of the force is stricken out; appropriations for miscellaneous items are made as follows: For repairs to police stations, $6,500; for miscellaneous and contingent expenses, $32,500; for maintenance of motor vehicles, $7,500; and there is appropriated $1,200, as proposed by the Senate, instead of $700, as proposed by the House, for a motor vehicle for the major and superintendent.

Nos. 276, 277, 278, 279, 280, and 281, relating to the fire department: Increases the pay of the chief clerk from $1,800 to $2,000, and of one clerk from $1,200 to $1,400, as proposed by the Senate; appropriates $13,500 for repairs of engine houses, as proposed by the Senate, instead of $12,000, as proposed by the House; and for permanent improvements the amounts proposed by the House are granted instead of those proposed by the Senate.

Nos. 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, and 295, relating to the health department: The pay of one clerk is increased from $1,400 to $1,600, the chief food inspector from $1,600 to $1,800, and the poundmaster from $1,200 to $1,400, and an assistant chief sanitary inspector at $1,400 is provided in lieu of a sanitary inspector at $1,200, and an assistant chief food inspector at $1,400 is provided for, as proposed by the Senate; for enforcement of the laws to prevent the spread of contagious diseases there is appropriated $30,000, as proposed by the Senate, instead of $25,000, as proposed by the House; the per diem pay of the bacteriologist is increased from $6 to $7; there is appropriated $2,500 for repairs to isolation buildings, $500 for refuse incinerator for the smallpox hospital, $1,500 for a motor wagon for the pound service, and $300 for its maintenance; $1,500 for alterations at the pound and stable; $300, as proposed by the House, instead of $400, as proposed by the Senate, for maintenance of a motor vehicle for the sanitation and food-inspection service; and the allowance for maintenance of a horse and vehicle in the service is fixed at $20, as proposed by the House, instead of $25, as proposed by the Senate.

Nos. 296, 297, 298, and 299, relating to the juvenile court: Authorizes the financial clerk to act as the deputy clerk, as proposed by the Senate, and the deputy clerk to act as the clerk in the latter's absence, as proposed by the House; appropriates $2,000 instead of $2,400, as proposed by the House, and $1,800, as proposed by the Senate, for rent.

Nos. 300, 301, and 302: Fixes the salaries of the five judges of the municipal court at $3,000, as proposed by the House, instead of $3,600, as proposed by the Senate.

Nos. 303 and 304: Fixes the salary of the alienist employed under the appropriation for execution of writs of lunacy at $1,500, as proposed by the Senate, instead of $1,000, as proposed by the House, and provides for a clerk at $900.

No. 305: Appropriates $125,000 instead of $100,000, as proposed by the House, and $150,000, as proposed by the Senate, for support of convicts.

No. 306: Appropriates $15,000, as proposed by the Senate, instead of $12,000, as proposed by the House, for miscellaneous expenses of the supreme court.

Nos. 307, 308, and 309: Increases the salary of one clerk from $1,200 to $1,400 and a driver from $780 to $900 under the Board of Charities.

Nos. 310, 311, 312, 313, 314, and 315, relating to the Washington Asylum and Jail: Increases the pay of the superintendent of nurses from $1,000 to $1,200, as proposed by the Senate; strikes out the provision for a dietician at $600, proposed by the Senate; appropriates $45,000, as proposed by the House, instead of $50,000, as proposed by the Senate, for general support, including provision for screens, new surgical instruments, and upkeep of the X-ray laboratory; and increases the pay of the van driver from $720 to $840.

Nos. 316, 317, 318, 319, and 320, relating to the Home for Aged and Infirm: Strikes out the increase proposed by the Senate from $1,200 to $1,500 in the pay of the superintendent; appropriates $3,000, as proposed by the Senate, instead of $2,500, as proposed by the House, for repairs to buildings and grounds; and strikes out the appropriation of $500, proposed by the Senate, for a piggery.

Nos. 321, 322, 323, 324, 325, and 326, relating to the National Training School for Girls: Strikes out the increase in the salary

of the superintendent from $1,200 to $1,400 proposed by the Senate; appropriates $5,000 for additional land, and $15,000 for a building for white girls, as proposed by the Senate; and strikes out the appropriation of $5,000, proposed by the Senate, for a building for the officers.

Nos. 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, and 339, relating to medical charities: Strikes out the provision proposed by the House giving the commissioners supervision over the Columbia Hospital and appropriates $20,000 for support of contract patients, as proposed by the Senate, instead of $20,000, as proposed by the House, for maintenance and operation; appropriates $16,000, as proposed by the Senate, instead of $14,000, as proposed by the House, for the Children's Hospital; appropriates $19,000, as proposed by the Senate, instead of $17,000, as proposed by the House, for Central Dispensary and Emergency Hospital; appropriates $5,000 each to the Georgetown University and George Washington University Hospitals, as proposed by the House, instead of $6,000 each, as proposed by the Senate; provides for an assistant resident physician at $300 and a roentgenologist at $600 for the Tuberculosis Hospital, as proposed by the Senate, strikes out the provision, proposed by the Senate, exempting one employee of the hospital from the operation of the law prohibiting the drawing of two salaries, appropriates $2,000, as proposed by the Senate, for additional accommodations for incipient cases and increases the sum for an X-ray machine from $2,000 to $2,360, as proposed by the Senate; and strikes out the appropriation of $150,000, together with authority proposed by the Senate, for the erection of a municipal hospital.

No. 340: Appropriates $40,000, as proposed by the Senate, for a new municipal lodging house.

No. 341: Appropriates $10,000, as proposed by the Senate, for the Southern Relief Society, instead of $6,000, as proposed by the House.

No. 342: Appropriates $5,000 for the National Library for the Blind.

No. 343: Appropriates $1,500, as proposed by the Senate, for the Columbia Polytechnic Institute for the Blind.

Nos. 344, 345, 346, 347, and 348, relating to the militia: Appropriates $30,000, as proposed by the House, instead of $46,850, proposed by the Senate, for expenses of camps; allows an expenditure of $200 instead of $50, as proposed by the House, for street car tickets; appropriates $16,900, as proposed by the House, instead of $21,125, proposed by the Senate, for rent; strikes out the provision authorizing rental of armories and other accommodations for periods of five years; appropriates $600, as proposed by the House, instead of $8,000, as proposed by the Senate, for lockers and furniture; and $1,800, as proposed by the House, instead of $2,000, as proposed by the Senate, for printing, stationery, and postage.

No. 349: Appropriates $1,500, as proposed by the Senate, instead of $1,000, as proposed by the House, for refund of erroneous collections.

Nos. 350 and 351: Strikes out the provision inserted by the Senate relating to the reclamation and development of the Anacostia River and Flats.

Nos. 352 and 353: Places the appropriations for the Washington Aqueduct under the water service and makes them payable out of the water revenues, as proposed by the House, increasing the amount for operating expenses of the aqueduct from $120,000 to $123,000; and makes a verbal correction in the text of the bill.

No. 357: Restores to the bill the provision proposed by the House requiring payment to the District for spaces occupied under sidewalks and streets.

No. 358: Restores to the bill the provision proposed by the House with reference to the so-called Borland amendment, relating to assessments of benefits for paving streets.

No. 360: Appropriates $271.76, as proposed by the Senate, for refund of taxes to the National Society of the Daughters of the American Revolution.

No. 362: Provides, as proposed by the Senate, for a "policemen and firemen's relief fund" in terms fully set forth in the conference report submitted herewith.

The committee of conference have been unable to agree on the following amendments:

No. 1. Proportion of expenses payable from the District revenues and the United States Treasury.

No. 58. Payment to Thomas W. and Alice N. Keller.

No. 108. Acceptance of voluntary services for the playgrounds.

Nos. 354 and 355. Price of gas in the District of Columbia.

No. 356. Disposal of fees, assessments, etc., received by the District government.

No. 359. Section number.

No. 361. Tax on intangible property.

ROBERT N. PAGE,
JAS. MCANDREWS,
C. R. DAVIS,
Managers on the part of the House.

Mr. PAGE of North Carolina. Mr. Speaker, I move the adoption of the conference report.

Mr. RAKER. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. RAKER. Is it in order to move to recede from a Senate amendment—for instance, Senate amendment 58—which is in disagreement?

Mr. PAGE of North Carolina. We have not reached the disagreement stage yet. This is with reference to matters that the conferees have already agreed to.

The SPEAKER. The first thing is to get rid of the conference report as far as it goes and then take up these other matters. The gentleman can not change the conference report.

Mr. RAKER. I am aware of that; but after the conference report is adopted, then will a motion to concur in a Senate amendment be in order?

The SPEAKER. Yes; but the question is on agreeing to the conference report.

The conference report was agreed to.

Mr. PAGE of North Carolina. Mr. Speaker, I move that the House further insist upon amendments 1, 58, 108, 354, 355, 356, 359, and 361, and agree to the conference asked for by the Senate.

The SPEAKER. The gentleman from North Carolina moves that the House further insist on its disagreement to amendments 1, 58, 108, 354, 355, 356, 359, and 361.

Mr. RAKER. Mr. Speaker, will it now be in order to move that the House recede from its disagreement to amendment 58 and concur in the same?

The SPEAKER. Yes.

Mr. RAKER. I want to say this, if the gentleman from North Carolina will yield.

Mr. PAGE of North Carolina. Certainly.

Mr. RAKER. This is a controverted question, and it may require the presence of a quorum here. I think possibly the same result may be obtained if I am granted permission to insert in the RECORD a statement relating to this case, and I ask to print in the RECORD a statement showing the facts of the case in behalf of Thomas W. and Alice N. Keller.

The SPEAKER. The gentleman from California asks unanimous consent to print in the RECORD a statement in regard to amendment 58.

Mr. MADDEN. Reserving the right to object, this is a case where $4,000 has been allowed to a man who lives in the District of Columbia, an employee of the Senate, for some damage said to have been done to some property owned by him, after the courts have adjudicated the case and said that there was no damage done.

Mr. PAGE of North Carolina. Mr. Speaker, what the gentleman is saying is historical. The matter that the gentleman from California wants to insert in the RECORD was inserted two years ago by myself at the instance of somebody else. I hope the gentleman from Illinois will not object, because the more people know about the case the more votes we will have against it.

Mr. MADDEN. The only question I am interested in is whether or not the House will agree to the payment of $4,000 recommended in the bill by the Senate when it refused to pay $2,000 for the same purpose last year.

Mr. PAGE of North Carolina. I will say to the gentleman that he need not lose any sleep or have any fears that it will be paid.

Mr. RAKER. Of course a general statement can be made in regard to these matters, but anyone who looks into the record of this case and sees where they paid $6,000 damages for lot 13, and then assessed $480 benefits against lots 11 and 12, owned by these people, which they had to pay into the treasury of the District of Columbia, can see the injustice of it. It does not require any great stretch of the imagination for anyone to see the absolute injustice and that these people ought to be paid in proportion to what was allowed the other lots.

The SPEAKER. Is there objection to the gentleman printing the statement in the RECORD?

Mr. DAVIS of Minnesota. I would like to ask the gentleman from California if this is a claim against the Government?

Mr. RAKER. Yes; it is in the bill.

Mr. DAVIS of Minnesota. Why not submit it to the Committee on Claims?

Mr. RAKER. Because this is a good way to pay it.

Mr. DAVIS of Minnesota. But there are gentlemen on the conference committee that disagree to that. Let me say to the gentleman that the conferees have examined this property inch by inch and foot by foot, and listened to all the arguments pro and con, and it is purely a claim, and let them submit it to the Committee on Claims and see how far they can get.

Mr. RAKER. But that does not controvert the actual facts where this piece of property adjoining was given $6,000 damages, and right side by side of it on the same street and under the same conditions these people were assessed as a benefit $480 over and above any damages which they paid into the treasury of the District of Columbia, with the same character of land.

Mr. CARLIN. Mr. Speaker, will the gentleman yield?

Mr. RAKER. Yes.

Mr. CARLIN. I would like to ask the gentleman——

The SPEAKER. The gentleman from North Carolina has the floor.

Mr. CARLIN. I thought the gentleman from California had the floor.

Mr. PAGE of North Carolina. Mr. Speaker, I merely want to state at this point that I yielded the time to the gentleman, and I hope that nobody will object to this request for unanimous consent that these papers may be put in. However, if the gentleman is going to make an argument, not for the benefit of those who are present here but for the benefit of those in another body on this much-controverted matter, I shall feel sorry that I yielded him the time, and doing that I think some one else will be entitled to enter an argument upon the other side. I do not care to enter into that, however, at this time, and I hope that there will be no further discussion of the matter now.

Mr. RAKER. I did not want to make an argument.

Mr. CARLIN. Mr. Speaker, will the gentleman yield?

Mr. PAGE of North Carolina. The gentleman did not make an argument; he made a statement.

Mr. RAKER. I tried to avoid discussion of this matter by inserting this in the RECORD, but when a matter is brought up I can not yield my convictions as to that, and therefore I was compelled most unwillingly to make this statement of facts as they appear to me.

Mr. PAGE of North Carolina. I have always found that it was dangerous to inject an interrogation into any remarks that the gentleman from California is making, if one expects him not to enter into an argument.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. The gentleman from North Carolina moves that the House further insist on its disagreement to the several amendments reported by the Clerk and agree to the conference asked by the Senate.

Mr. RAKER. Mr. Speaker, of course I yield, because I do not want to bring a quorum here.

The SPEAKER. The gentleman has just been granted permission to print his statement.

Mr. RAKER. That has been granted; but I do not call for a vote because it might bring a quorum, and I did not want to impose that hardship upon the Members.

The SPEAKER. The question is upon the motion of the gentleman from North Carolina that the House further insist upon its disagreement to the Senate amendments and agree to the conference asked by the Senate.

The motion was agreed to.

The SPEAKER appointed the following conferees: Mr. PAGE of North Carolina, Mr. MCANDREWS, and Mr. DAVIS of Minnesota.

Mr. PAGE of North Carolina. Mr. Speaker, I ask unanimous consent for the present consideration of the concurrent resolution which I send to the desk and ask to have read.

The Clerk read as follows:

House concurrent resolution (No. 55) concerning the enrollment of the District of Columbia appropriation bill.

Resolved by the House of Representatives (the Senate concurring), That in enrolling the District of Columbia appropriation bill (H. R. 15774) the Clerk is directed, on page 43, line 18, of the original bill, to enroll the salary of the janitor of the old Central High School Building and annex in the sum of $1,000 and correct the total of the amended paragraphs and the total, on page 46, in line 14, of the bill, by inserting the sums of $2,680 and $174,470, respectively.

The SPEAKER. The gentleman from North Carolina asks unanimous consent for the present consideration of the concurrent resolution which the Clerk has reported. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

LAWS IN RESTRAINT OF MONOPOLY.

Mr. CARLIN. Mr. Speaker, I ask that Senate joint resolution 129, extending until April 15, 1917, the effective date of section 10 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, be laid before the House, a similar resolution having been reported favorably from the Committee on the Judiciary.

The SPEAKER. The Chair lays before the House Senate joint resolution 129, which the Clerk will report.

The Clerk read as follows:

Resolved, etc., That the effective date on and after which the provisions of section 10 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, shall become and be effective is hereby deferred and extended to April 15, 1917.

The SPEAKER. The question is on the third reading of the Senate joint resolution.

The Senate joint resolution was ordered to be read the third time, was read the third time, and passed.

On motion of Mr. CARLIN, a motion to reconsider the vote by which the Senate joint resolution was passed was laid on the table.

NATIONAL PARK SERVICE.

Mr. RAKER. Mr. Speaker, I call up the conference report on the bill (H. R. 15522) to establish a national park service, and for other purposes, and ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The gentleman from California calls up a conference report and asks unanimous consent that the statement be read in lieu of the report. Is there objection?

There was no objection.

The SPEAKER. The Clerk will read the statement.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (NO. 1136).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill H. R. 15522 having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 2 with an amendment as follows: "except that this provision shall not apply to the Yellowstone National Park."

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same.

SCOTT FERRIS,
EDWARD T. TAYLOR,
WM. L. LA FOLLETTE,
Managers on the part of the House.

H. L. MYERS,
C. S. THOMAS,
REED SMOOT,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15522) to establish a national park service, and for other purposes, submit the following written statement explaining the effect of the actions agreed on:

Senate amendment No. 1: This amendment strikes out the provision by which other employees may from time to time be provided for by Congress, and in lieu thereof gives the Secretary that authority.

The amendment is designed to give the Secretary of the Interior a certain degree of latitude in designating the personnel of this service. It will be observed that the proviso of section 1 of this act stipulates that "not more than $8,100 annually shall be expended for salaries of experts, assistants, and employees within the District of Columbia not herein specifically enumerated unless previously authorized by law."

The Secretary of the Interior advised the Public Lands Committee of the Senate that he desired to employ clerical and other assistants in the national park service at salaries comparatively low, thus providing opportunities for advancement as the individual employee demonstrated by his interest in his assignments and by his ability to perform his duties satisfactorily that he was worthy of promotion. He believed that this arrangement would result in greater efficiency than would a sys-

tem of designated clerkships with fixed salaries attached thereto by Congress itself.

Hon. Stephen T. Mather, Assistant to the Secretary of the Interior, stated to the subcommittee of the House Public Lands Committee, which had this bill under consideration, that he hoped none of the salaries of the service would be designated. It was his desire that even the assistant director and the chief clerk be selected from among the most competent men that the service succeeded in securing after its organization. The Public Lands Committee, after full consideration of his arguments, deemed it wise to designate the more important position. The subcommittee, however, recognize the advisability of giving the Secretary of the Interior a certain degree of latitude in selecting other necessary clerical and expert assistants, and therefore recommend the adoption of the wording of amendment No. 1 now under consideration.

Amendment No. 2 relates to the grazing of live stock in the national parks. The provision which the committee of conference recommends authorizes the Secretary of the Interior to grant the privilege of grazing live stock in any national park, monument, or reservation, except Yellowstone National Park. It has long been recognized that live-stock grazing in the mountains protects forests from fire. Again, it is well established that there are certain remote sections of the various parks which at the present time are not visited by tourists, and that there are grazing lands in these remote sections which are not used for any purpose now. It is believed that in these sections of the parks live stock should be permitted to graze upon the payment of reasonable fees. Certain revenues would thus accrue to the park administration, as well as providing an additional protection against forest fires. Whenever the needs of tourists make the granting of grazing permits inadvisable the Secretary of the Interior would, of course, deny admission of live stock to the park.

All of which is respectfully submitted.

SCOTT FERRIS,
EDWARD T. TAYLOR,
WM. L. LA FOLLETTE,
Managers on the part of the House.

Mr. RAKER. Mr. Speaker, I move the adoption of the conference report.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. RAKER. Yes.

Mr. STAFFORD. This bill was given consideration under unanimous consent in the House and passed on a tacit understanding that the phraseology as embodied in the bill would be adhered to by the conferees so far as they could see their way to do so. The bill as brought back from the conference contains a very material amendment which takes away from the Congress the right to limit the amount of appropriations that may be expended for clerical service in this new national park service.

Mr. MANN. Mr. Speaker, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. MANN. When the bill was before the House I offered an amendment to it, and it went into the bill, and that is the language that the Senate struck out. It was not in the bill as reported to the House for consideration.

Mr. STAFFORD. This language?

Mr. MANN. That went in on an amendment which I offered in the House.

Mr. STAFFORD. Referring to amendment No. 1 or amendment No. 2?

Mr. MANN. I mean the one with reference to Congress appropriating for the clerical help.

Mr. STAFFORD. It is my recollection that as reported it contained this language: "Such other employees as Congress may from time to time provide for by appropriation or other act."

Mr. MANN. I said to the gentleman, and I repeat it——

Mr. STAFFORD. I heard what the gentleman said. I am giving him my recollection.

Mr. MANN. I said that the language of the bill as reported to the House was "such other employees as the Secretary of the Interior may deem necessary." When the bill was under consideration I offered an amendment changing it to make it read as it passed the House. The gentleman was assuming that these amendments were tacitly agreed to. It was after unanimous consent had been given that the amendment was offered, and nothing had been said about it before. Upon investigation I found that the department wished to put into this bureau some men it already had in the employ of the Interior Department, working in reference to the parks, but which would not be covered by the language in the bill. In fact, that statement was made to me before I offered the amendment. But I insisted upon offering the amendment, with the statement of the gentleman from Oklahoma [Mr. FERRIS] and the gentleman from California [Mr. KENT] that if upon investigation it was discovered they were right about this it could be corrected in the Senate, as was done.

Mr. RAKER. The gentleman from Illinois has explained the situation as it occurred.

Mr. STAFFORD. I do not even agree that it is a wise amendment, notwithstanding the explanation. I think that Congress ought, as in all cases, control the appropriations that are necessary in the provision for clerks or employees in this service or any other service.

Mr. MANN. The Congress will have that authority, I will say to the gentleman, in any event.

Mr. STAFFORD. I will say under this phraseology the Secretary of the Interior could impose contract obligations upon the Government without restriction as to the amount of salary.

Mr. MANN. Oh, well; the gentleman is mistaken about that. Of course, if we make a lump-sum appropriation, then the Secretary of the Interior could engage employees and pay them out of the lump-sum appropriation under the terms of the bill. There is no question about that. But if we make specific appropriations he can not do it.

Mr. STAFFORD. The very purpose of this amendment is to take away the authority of Congress over the salaries that are paid to these underling employees of this service.

Mr. RAKER. No. The total amount that can be used in the District of Columbia is $8,100.

Mr. STAFFORD. This does not apply to the employees in the District of Columbia, but to those out in the field where they can employ clerks at any salary they see fit. We have not been following that policy in the past. We have been seeking to curb these agencies, and here is a new agency seeking to make an extravagant start beyond that which Congress should authorize.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken, and the conference report was agreed to.

Mr. RAKER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the conference report.

The SPEAKER. The gentleman from California asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

PENSIONS.

Mr. RUSSELL of Missouri. Mr. Speaker, I ask unanimous consent for the present consideration of the bill S. 6370.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

An act (S. 6370) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors.

The SPEAKER. The gentleman from Missouri asks unanimous consent for the present consideration of the bill just reported. Is there objection? [After a pause.] The Chair hears none, and the Clerk will report the bill.

Mr. RUSSELL of Missouri. Mr. Speaker, I ask that the bill may be considered in the House as in the Committee of the Whole.

The SPEAKER. The gentleman from Missouri asks unanimous consent that the bill may be considered in the House as in the Committee of the Whole. Is there objection?

There was no objection.

Mr. RUSSELL of Missouri. Mr. Speaker, I ask unanimous consent that the first reading of the bill be dispensed with.

The SPEAKER. The gentleman from Missouri asks that the first reading of the bill be dispensed with. Is there objection? [After a pause.] The Chair hears none, and the Clerk will report the bill for amendment.

The Clerk read as follows:

The name of Mary E. Northend, widow of John Northend, late of Company A, Thirteenth Regiment Connecticut Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The following committee amendment was read:

Page 2, strike out lines 3 to 6, inclusive (pension of Mary E. Northend).

The amendment was agreed to.

The Clerk read as follows:

The name of Fannie M. Cutting, widow of John R. Cutting, late of the Ninth Independent Company, New York Volunteer Sharpshooters, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

Also, the following committee amendment was read:

Page 2, strike out lines 15 to 18, inclusive (pension of Fannie M. Cutting).

The amendment was agreed to.

The Clerk read as follows:

The name of Henry Swain, late of Company A, One hundred and twenty-eighth Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $15 per month.

The following committee amendment was read:

Page 3, strike out lines 7 to 9, inclusive (pension of Henry Swain).

The amendment was agreed to.

The Clerk as follows:

The name of Lydia Keatley, widow of John H. Keatley, late first lieutenant Company E, One hundred and fourth Regiment Pennsylvania Volunteer Infantry, and pay her a pension at the rate of $12 per month.

Also, the following committee amendment was read:

Page 3, strike out lines 13 to 16, inclusive (pension of Lydia Keatley).

The amendment was agreed to.

The Clerk read as follows:

The name of Mary J. Hayes, widow of James Hayes, late of Company H, Second Regiment New York Veteran Volunteer Cavalry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

Also, the following committee amendment was read:

Page 3, strike out lines 21 to 24, inclusive (pension of Mary J. Hayes).

The amendment was agreed to.

The Clerk read as follows:

The name of Jesse Abbott, late of Company G, Fifty-fifth Regiment Kentucky Volunteer Mounted Infantry, and pay him a pension at the rate of $12 per month.

Also, the following committee amendment was read:

Page 4, strike out lines 1 to 3, inclusive (pension of Jesse Abbott).

The amendment was agreed to.

The Clerk read as follows:

The name of Ida Critchell, widow of Charles Critchell, late of Company G, Forty-eighth Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

Also the following committee amendment was read:

Page 6, strike out lines 7 to 10, inclusive (pension of Ida Critchell).

The amendment was agreed to.

The Clerk read as follows:

The name of Francis J. Hart, widow of Orville A. Hart, late of Company G, Thirty-sixth Regiment Wisconsin Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

Also the following committee amendment was read:

Page 8, strike out lines 23 and 24 and on page 9 strike out lines 1 and 2 (pension of Francis J. Hart).

The amendment was agreed to.

The Clerk read as follows:

The name of Kate M. White, widow of Henry A. White, late of Company C, Sixteenth Regiment Connecticut Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

With a committee amendment, as follows:

Amend, page 10, by striking out lines 22 to 25, inclusive (pension of Kate M. White).

The amendment was agreed to.

The Clerk read as follows:

The name of Mattie Tryon Spangler, widow of John M. Spangler, late of Company C, Seventh Regiment Iowa Volunteer Cavalry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving, and $2 per month additional on account of each the minor children of the said John M. Spangler until they reach the age of 16 years.

With a committee amendment, as follows:

Amend, page 11, by striking out lines 21 to 25, inclusive, and page 12, by striking out lines 1 and 2 (pension of Mattie Tryon Spangler).

The amendment was agreed to.

The Clerk read as follows:

The name of Martha Crowley, widow of Patrick H. Crowley, late of Companies I and B Sixth Regiment United States Infantry, and Battery E, First Regiment New Jersey Volunteer Light Artillery, and pay her a pension at the rate of $20 per month.

With a committee amendment, as follows:

Amend, page 13, line 7, by striking out "$20" and inserting "$12."

The amendment was agreed to.

The Clerk read as follows:

The name of Laura E. Knox, widow of David Knox, late of Company K, Eighth Regiment Maine Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

With a committee amendment, as follows:

Amend, page 18, by striking out lines 12 to 15, inclusive (pension of Laura E. Knox).

The amendment was agreed to.

The Clerk read as follows:

The name of Robert Hedrick, late of Company F, Eighth Regiment Virginia Volunteer Infantry (subsequently Company F, Seventh Regiment West Virginia Volunteer Cavalry), and pay him a pension at the rate of $50 per month.

With a committee amendment, as follows:

Amend, page 26, by striking out lines 9 to 13, inclusive (pension of Robert Hedrick).

The amendment was agreed to.

The Clerk read as follows:

The name of Mary C. Kessinger, widow of Henderson Kessinger, late of Company G, Thirteenth Regiment Iowa Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

With a committee amendment, as fololws:

Amend, page 38, by striking out lines 13 to 16, inclusive (pension of Mary C. Kessinger).

The amendment was agreed to.

The Clerk read as follows:

The name of Horace G. Maloon, late of Company A, Fifteenth Regiment Maine Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

With a committee amendment, as follows:

Amend, page 45, by striking out lines 5 to 8, inclusive (pension of Horace G. Maloon).

The amendment was agreed to.

The Clerk read as follows:

The name of Elsina H. Rickard, widow of Henry A. Rickard, late of Company D, Second Regiment Vermont Volunteer Infantry, and pay her a pension at the rate of $12 per month.

With a committee amendment, as follows:

Amend, page 49, by inserting after line 10, the following matter:

The name of John M. Canady, late of Company A, Seventy-ninth Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of George J. Beeman, alias George Armstrong, late of First Independent Battery, Ohio Volunteer Light Artillery, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Alfred Featheringill, late of Company F, Fifty-ninth Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of John Jay Ingersoll, late of Company C, Eighty-ninth Regiment, and Company F, Fifty-ninth Regiment, Illinois Volunteer Infantry, and pay him a pension at the rate of $24 per month in lieu of that he is now receiving.

The name of Jennie Raley, former widow of Thomas Raley, late of Companies C and B, First Regiment District of Columbia Volunteer Cavalry, and pay her a pension at the rate of $12 per month.

The name of Benjamin R. Buffington, late of Company K, Fifteenth Regiment, and late of the Twenty-fifth Regiment, Ohio Volunteer Infantry, and pay him a pension at the rate of $30 per month.

The name of Barton Kearns, late of Company C, Fifty-ninth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The amendment was agreed to.

The SPEAKER pro tempore (Mr. RAINEY). The question is on the third reading of the Senate bill as amended.

The Senate bill as amended was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. RUSSELL, of Missouri, a motion to reconsider the vote whereby the bill was passed was laid on the table.

The foregoing bill is a substitute for the following Senate bills referred to the Committee on Invalid Pensions:

S. 208. Anne M. Seaver.
S. 239. Mary E. Stanton.
S. 268. Mary E. Northend.
S. 273. Sarah H. Pidge.
S. 285. Elmira H. Cowles.
S. 291. Fannie M. Cutting.
S. 294. Mary A. Clark.
S. 315. Sarah A. Brown.
S. 394. Belle Palmer.
S. 993. Henry Swain.
S. 1187. Jennie Moul.
S. 1203. Lydia Keatley.
S. 1354. Sarah M. Thompson.
S. 1450. Mary J. Hayes.
S. 1526. Jesse Abbott.
S. 1690. Charles H. Miel.
S. 1710. Maggie E. Russell.
S. 1713. Sarah J. Erdman.
S. 1752. James H. Kimberlin.
S. 1798. Edgar Ogan.
S. 1799. Andrew S. Mendenhall.
S. 1930. Virginia C. Crawford.
S. 1952. George W. Johnson.
S. 2143. John C. Matheny.
S. 2239. Jeremiah Hurley.
S. 2258. Thomas F. Green.
S. 2262. Henrietta R. Young.
S. 2270. Laura F. Eby.
S. 2310. Ida Critcheli.
S. 2340. Amos Reynolds.
S. 2597. Samuel McCord.
S. 2614. Annie B. Buell.
S. 2625. William A. Sutton.
S. 2665. George W. Kimball.
S. 2798. John Wilson.
S. 2807. Melvina J. Davis.
S. 2915. Henry G. Pickett.
S. 2968. Diantha A. Batting.
S. 2969. Charles L. Chappell.
S. 2970. Hannah Clift.
S. 2971. Ann Corey.
S. 2972. Sarah B. Davis.
S. 2974. Harriet A. Fairbanks.
S. 2976. Francis J. Hart.
S. 2977. George A. Howard.
S. 3102. Rachel R. Gwyn.
S. 3106. James M. Harrison.
S. 3108. Wesley Desart.
S. 3125. Emma M. Newmyer.
S. 3185. James B. H. McDaniel.
S. 3243. William H. Finney.
S. 3330. Susie M. Gilbert.
S. 3369. John S. Fite.
S. 3409. John S. Gilmore.
S. 3532. Darius S. Sanborn.
S. 3602. Kate M. White.
S. 3666. Henry R. Huntley.
S. 3808. Caroline L. Ackley.
S. 3815. William Mower.
S. 3924. Mary J. Roach.
S. 3971. Mary A. Newman.
S. 3996. Mattie Tryon Spangler.
S. 3997. Ledroit C. Prosser.
S. 4104. Albert L. Pickett.
S. 4109. Julia Churchill.
S. 4119. Anna W. Sapp.
S. 4153. William H. Grafton.
S. 4157. Albert W. Kelley.

S. 4161. Martha Crowley.
S. 4196. David Bethurum.
S. 4219. Zilpha A. Bush.
S. 4231. Laforest A. Norton.
S. 4237. Charles Harris.
S. 4239. David F. Pierce.
S. 4332. Frederick N. Ames.
S. 4346. William B. Brooks.
S. 4378. David McConnell.
S. 4435. Levi A. Ross.
S. 4472. Michael Archer.
S. 4481. Martha T. Scott.
S. 4497. Julia S. Brown.
S. 4522. George McDowell.
S. 4628. Thomas Williams.
S. 4637. Robert L. Hamill.
S. 4709. David Smail.
S. 4719. Henry Bohall.
S. 4755. Miranda A. Wheelock.
S. 4833. Harvey B. Stout.
S. 4858. John Eaton
S. 4910. George Jeffs.
S. 4936. Catharine Burgett.
S. 4948. Joseph O. Bovard.
S. 5012. Marion Bradford.
S. 5022. Irvine Carman.
S. 5042. Eaton Smith.
S. 5043. Samuel Feldner.
S. 5060. Julia A. Parker.
S. 5071. Ebenezer Ricketts.
S. 5091. Nancy J. Willey.
S. 5092. Laura E. Knox.
S. 5093. Francett Dickinson.
S. 5099. Charles F. Delong.
S. 5108. India Reisner.
S. 5118. John Hornback.
S. 5125. Sadie M. Likens.
S. 5191. Avril Harris.
S. 5195. Charles L. Wehe.
S. 5212. Homer H. Throop.
S. 5215. Mary L. Jeffers.
S. 5235. William W. Tibbetts.
S. 5236. Sadie L. Elliott.
S. 5238. Warren B. Monroe.
S. 5239. Edwin B. Lampson.
S. 5245. Samuel Lockwood
S. 5250. Susan G. Snowden.
S. 5329. Edwin Ayers.
S. 5360. Philip Rabuck.
S. 5366. Ira Chamberlain.
S. 5381. William Grogan.
S. 5383. Ellen Billcock.
S. 5397. Arthur M. Clark.
S. 5402. Charles Railey.
S. 5419. Marilla Barnes.
S. 5423. Sarah M. Monroe.
S. 5455. Henry Carl.
S. 5462. Rebecca Ramsey.
S. 5468. Nellie Loucks
S. 5469. Soren V. Kalsem.
S. 5473. Thomas M. James.
S. 5476. Morgan W Jones.
S. 5500. Harriet A. Streeter.
S. 5509. John W. Erwin.
S. 5533. David Roach
S. 5534. Mary F. Knowles.
S. 5535. Alfred W. Bussell.
S. 5621. Oscar D. Nutten.
S. 5623. Elmore T. Montgomery.
S. 5629. Thomas S. Henderson.
S. 5630. Corydon L. Cole.
S. 5639. Saloma V. Bedell.
S. 5646. William Mitchell.
S. 5666. Winfield S. Webster.
S. 5685. Robert Hedrick.
S. 5690. Anna L. Warren.
S. 5720. Francis E. Pellett.
S. 5722. Rose L. Gibbon.
S. 5723. Gerret G. Seger.
S. 5729. Hannah A. Holden.
S. 5737. Lewis B. Crout.
S. 5738. Catharine E. Wilson.
S. 5740. Frances A. Kniffin.
S. 5741. John Condon.
S. 5742. Stanford H. Chase.
S. 5743. Mary Lynch.
S. 5744. Simeon H. Haskell.
S. 5745. Henry M. Bennett.
S. 5753. Lucy M. Settle.
S. 5765. Eliza Jane McCoy.
S. 5767. Ezra A. Miller.
S. 5769. Joseph Burton.
S. 5779. Alanson V. Dean.
S. 5785. Zimri Stearns.
S. 5798. John W. Yount.
S. 5813. James Dunn.
S. 5814. Richard M. Clark.
S. 5815. John W. Johnston.
S. 5816. Richard Scanland.
S. 5817. Levi A. Waikle.
S. 5818. Harvey Martin.
S. 5820. Charles H. Clay.
S. 5822. John F. Nicholes.
S. 5829. Eri O. Smith.
S. 5836. Henry J. Porter.
S. 5838. Alonzo Rose.
S. 5842. Hetty R. Lynch.
S. 5843. Mary J. Yocum.
S. 5859. Stephen Rice.
S. 5860. John A. Jones.
S. 5878. Nathaniel Minks.
S. 5884. Fritz Brendler.
S. 5892. Sarah E. Aldridge.
S. 5896. Sybille Grossart.
S. 5903. Henry H. Thomas.
S. 5905. John C. Hughes.
S. 5920. Mary A. Williams.
S. 5921. Joshua M. Roller.
S. 5925. Priscilla M. Lamphier.
S. 5926. Lizzie B. Williams.
S. 5927. Annie E. Rock.
S. 5928. Lydia A. Lane.
S. 5929. Isabell Johnson.
S. 5931. Erastus T. Cressey.
S. 5932. Helen Slade.
S. 5933. Mary E. Hart.
S. 5943. Annie Davis.
S. 5944. James Kelley.
S. 5945. Eugene A. Libby.
S. 5947. Nora E. Danforth.
S. 5948. Abbie M. Fernald.
S. 5955. Charles G. Bridges.
S. 5956. Gustavus A. Thompson.
S. 5957. James Fairbrother.
S. 5958. Joseph H. Knox.
S. 5959. George W. Butterfield.
S. 5960. Thomas J. Dill
S. 5961. William E. Cunningham.
S. 5962. Aaron O. Houghton.
S. 5963. Albion K. P. Marston.
S. 5964. Elias A. Lothrop.
S. 5965. Hiram Ellis.
S. 5968. Thomas Brown.
S. 5969. Mary A. Miller.
S. 5970. Mary C. Kessinger.
S. 5993. Thomas McDonald.
S. 5998. Elize King.
S. 6009. Nathan S. Martin.
S. 6010. Reuben J. Powell.
S. 6012. Jonn W. Shepherd.
S. 6018. Insley Cook
S. 6019. Mary A. Gillogly.
S. 6020. Julius C. Wright.
S. 6061. William H. Waltman.
S. 6062. Mary E. Roberts.
S. 6065. Nelson Barber.
S. 6078. Rufina M. Sutton.
S. 6107. Thaddeus Cross.
S. 6108. Charles E. Cook.
S. 6109. Florence M. Moore.
S. 6111. Truman F. Maxim.
S. 6119. Horatio P. Abbott.
S. 6121. Alma Frambbes.
S. 6125. John S. Kephart.
S. 6126. Edward Foster.
S. 6130. Leo J. Emery.
S. 6132. John Ferguson.
S. 6137. Mary E. Gilbert.
S. 6139. Charles Apple.
S. 6140. Adolphus B. Capron.
S. 6141. Madeline A. Rowell.
S. 6142. Eliza M. Flint.
S. 6146. George L. Wait Wiltbank, alias George L. Wait.
S. 6150. Daniel A. Ray.
S. 6151. George Ellars.
S. 6176. James E. Brescit.
S. 6200. John McGuire.
S. 6210. Ludwig N. Anderson.
S. 6211. George W. Bolster.
S. 6213. Esteller Barrows.
S. 6216. John W. Bash.
S. 6220. Tillie E. Reeves.
S. 6262. Horace G. Maloon.
S. 6264. John H. Lowell.
S. 6265. Leroy Harding.
S. 6275. Helen F. Goodwin.
S. 6277. Elizabeth C. Henderson.
S. 6278. Clementine M. Gilbert, now Denslow.
S. 6282. Melissa L. White.
S. 6283. Ellen H. Croggon.
S. 6292. Austin Osmanson.
S. 6296. Mary F Ewing.
S. 6313. William C. McLaughlin.
S. 6324. Jesse Watkins.
S. 6326. Daniel W. Smith.
S. 6327. Owen Stacy.
S. 6328. Mary A. Hanson.
S. 6334. Azupah J. Batman.
S. 6338. Hannah Dowd.
S. 6339. Eaton Ferrin.
S. 6347. John A. Hawksley.
S. 6349. Benjamin King.
S. 6359. Elsina H. Rickard.

Mr. RUSSELL of Missouri. Mr. Speaker, I ask unanimous consent that the House insist upon its amendments and ask for a conference.

The SPEAKER pro tempore. The gentleman from Missouri asks unanimous consent that the House insist upon its amendments and ask for a conference. Is there objection?

There was no objection.

Mr. MANN. Mr. Speaker, the present occupant of the chair has no authority to appoint conferees except by the consent of the House.

Mr. RUSSELL of Missouri. I ask unanimous consent, Mr. Speaker, that the present occupant of the chair be permitted to appoint conferees.

The SPEAKER pro tempore. The gentleman from Missouri asks unanimous consent that the present occupant of the chair be permitted to appoint conferees. Is there objection?

There was no objection; and the Speaker pro tempore announced as the conferees on the part of the House Mr. RUSSELL of Missouri, Mr. ASHBROOK, and Mr. KINKAID.

Mr. ASHBROOK. Mr. Speaker, I call up the conference report on the bill H. R. 15494, an omnibus pension bill.

TRAINING CAMP, FORT DOUGLAS, UTAH.

Mr. MANN. Mr. Speaker, will the gentleman allow me to get up a bill?

The SPEAKER pro tempore. Does the gentleman from Ohio yield to the gentleman from Illinois?

Mr. ASHBROOK. Yes.

Mr. MANN. I ask unanimous consent, Mr. Speaker, to take from the Speaker's table Senate bill 6924.

The SPEAKER pro tempore. The gentleman from Illinois asks unanimous consent to take from the Speaker's table Senate bill 6924. Is there objection?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read the title of the bill, as follows:

A bill (S. 6924) to provide for the maintenance of a training camp upon the military reservation of Fort Douglas, Utah.

The SPEAKER pro tempore. Is there objection?

Mr. MANN. Let the bill be reported.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to maintain upon the military reservation of Fort Douglas, Utah, for such period within the fiscal year ending June 30, 1917, as he may deem advisable, a camp for the military instruction and training of such citizens as may be selected for such instruction and training under such regulations as he may prescribe, and to furnish to said citizens the subsistence, transportation, and uniforms authorized by the act of Congress approved June 3, 1916; and for the purposes of this act there is hereby appropriated the sum of $30,000, to be paid out of any money in the Treasury not otherwise appropriated.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. MANN, a motion to reconsider the vote whereby the bill was passed was laid on the table.

PENSIONS.

Mr. ASHBROOK. Mr. Speaker, I call up the conference report on the bill (H. R. 15494) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war.

The SPEAKER pro tempore. The gentleman from Ohio [Mr. ASHBROOK] calls up the conference report on the bill H. R. 15494, which the Clerk will report.

The conference report was read.

The conference report and statement are as follows:

CONFERENCE REPORT (NO. 1104).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15494) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 4, 15, 17, 18, 21, 26, 29, and 32.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 16, 19, 20, 22, 23, 24, 25, 27, 28, 30, 31, and 33, and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: Restore the amount stricken out by said amendment, and on page 9, line 20,

of the bill strike out the following: "in lieu of that she is now receiving"; and the Senate agree to the same.

M. E. BURKE,
JOUETT SHOUSE,
JNO. W. LANGLEY,
Managers on the part of the House.
WM. HUGHES,
REED SMOOT,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House of the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15494) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war, submit the following written statement in explanation of the effect of the action agreed upon by the conference as to each of the said amendments, namely:

On amendment No. 1 (case of Ellen Rohr): Provides a pension of $12 as proposed by the House.

On amendment No. 2: Strikes out the provision for pension for Elizabeth Maurer.

On amendment No. 3: Strikes out the provision for pension for Emma A. Gasper.

On amendment No. 4 (case of Marian Lemon): Provides a pension of $12 as proposed by the House.

On amendment No. 5 (case of Silas M. Abers): Provides increase of pension to $40 as proposed by the Senate instead of $50 as proposed by the House.

On amendment No. 6: Strikes out the provision for increase of pension for Samuel Prisk.

On amendment No. 7 (case of Lodema C. Hodges): Provides a pension of $20 as proposed by the House instead of $12 as proposed by the Senate.

On amendment No. 8 (case of Julia E. Crawford): Provides increase of pension to $25 as proposed by the Senate, instead of $30 as proposed by the House.

On amendment No. 9: Strikes out the provision for increase of pension for Eliza E. Sutherland.

On amendment No. 10 (case of Sarah E. Hamilton): Provides increase of pension to $24 as proposed by the Senate, instead of $30 as proposed by the House.

On amendment No. 11 (case of Elizabeth Schwing): Correction in phraseology.

On amendment No. 12 (case of Hiram Morgan): Provides increase of pension to $50 as proposed by the Senate, instead of $40 as proposed by the House.

On amendment No. 13: Strikes out the provision for increase of pension for Andrew G. Scott.

On amendment No. 14: Strikes out the provision for increase of pension for Samuel Gooding.

On amendment No. 15 (case of Della C. Ross): Provides a pension of $12 as proposed by the House.

On amendment No. 16 (case of David E. Lindsey): Provides increase of pension to $24 as proposed by the Senate, instead of $30 as proposed by the House.

On amendment No. 17 (case of Marion E. Laird): Provides increase of pension to $20 as proposed by the House.

On amendment No. 18 (case of Emma L. Edwards): Provides a pension of $12 as proposed by the House.

On amendment No. 18 (case of Elijah W. Taylor): Correction in phraseology.

On amendment No. 20 (case of John M. Gray): Correction in phraseology.

On amendment No. 21 (case of Ellen Jane Taylor): Provides a pension of $12, as proposed by the House.

On amendment No. 22 (case of Mary J. Wooley): Correction in phraseology.

On amendments Nos. 23 and 24 (case of Emma L. Porter): Provides increase of pension to $24 as proposed by the Senate, instead of $20 as proposed by the House; provides that increase continue during life of helpless child, and provides pension of $12 for helpless child in event of mother's death.

On amendment No. 25 (case of Adelaide McGreevey): Provides a pension of $12 as proposed by Senate, instead of $20 as proposed by the House.

On amendment No. 26 (case of Sarah C. Knights): Provides increase of pension to $20 as proposed by the House.

On amendment No. 27 (case of Charles H. Twomey): Provides increase of pension to $50 as proposed by the Senate, instead of $40 as proposed by the House.

On amendment No. 28 (case of James M. Minton): Correction in service.

On amendment No. 29 (case of Henry Startzel): Provides increase of pension to $36 as proposed by the House, instead of $30 as proposed by the Senate.

On amendment No. 30 (case of John H. Peck): Correction in soldier's name.

On amendment No. 31 (case of Franklin Deal): Correction in service.

On amendment No. 32 (case of Rachel S. Flood): Provides a pension of $12 as proposed by the House.

On amendment No. 33 (case of Barton Kearns): Provides increase of pension to $30 as proposed by the Senate instead of $40 as proposed by the House.

M. E. BURKE,
JOUETT SHOUSE,
JNO. W. LANGLEY,
Managers on the part of the House.

The SPEAKER pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

On motion of Mr. ASHBROOK, a motion to reconsider the vote whereby the conference report was agreed to was laid on the table.

Mr. ASHBROOK. Mr. Speaker, I call up the conference report on the bill (H. R. 16290) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war.

The SPEAKER pro tempore. The gentleman from Ohio [Mr. ASHBROOK] calls up the conference report on the bill H. R. 16290, which the Clerk will report.

The conference report was read.

The conference report and statement are as follows:

CONFERENCE REPORT (NO. 1154).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 16290) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 14, 19, 24, 29, 30, and 38.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 7, 8, 10, 11, 12, 13, 15, 16, 17, 18, 20, 21, 22, 23, 25, 26, 27, 28, 31, 32, 33, 34, 35, 36, 37, 40, 41, 42, 43, and agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the sum named insert "$30"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows: Transpose the matter inserted by said amendment to follow the word "Cavalry," in line 15, page 62 of the bill; and the Senate agree to the same.

M. E. BURKE,
JNO. W. LANGLEY,
Managers on the part of the House.
WM. HUGHES,
REED SMOOT,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House of the conference on the disagreeing vote of the two Houses on the amendments of the Senate to the bill (H. R. 16290) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war submit the following written statement in explanation of the effect of the action agreed upon by the conference as to each of said amendments, namely:

On amendment No. 1: Strikes out the provision for increase of pension for Richard H. Vanderhoof.

On amendment No. 2: Strikes out the provision for pension for Dudley G. Allen.

On amendment No. 3 (case of Eugenie B. Ballou): Provides a pension of $12, as proposed by the Senate, instead of $24, as proposed by the House.

On amendment No. 4 (case of Mary J. Wickersham): Correction in phraseology.

On amendment No. 5: Strikes out the provision for pension for George Moore.

On amendment No. 6 (case of Charles Stone): Provides a pension of $30, as proposed by the House, instead of $24, as proposed by the Senate.

On amendment No. 7 (case of Belle Shroyer): Correction in phraseology.

On amendment No. 8 (case of John A. Foster, alias John A. Bump): Provides increase of pension to $24, as proposed by the Senate, instead of $36, as proposed by the House.

On amendment No. 9 (case of Albert G. Ingraham): Provides increase of pension to $30 instead of $36 as proposed by the House and $24 as proposed by the Senate.

On amendment No. 10: Strikes out the provision for increase of pension for Laura R. Warner.

On amendment No. 11 (case of Maria C. Sinclair): Provides increase of pension to $25 as proposed by the Senate instead of $20 as proposed by the House.

On amendment No. 12 (case of Calvin D. Leuman): Correction in name.

On amendment No. 13: Strikes out the provision for increase of pension to David W. Bogard.

On amendment No. 14 (case of Reuben Clark): Provides increase of pension to $50, proposed by the House.

On amendment No. 15 (case of Thomas Stubbs): Provides increase of pension to $30 as proposed by the Senate instead of $36 as proposed by the House.

On amendment No. 16 (case of Mary H. Atkinson): Provides increase of pension to $25 as proposed by the Senate instead of $25 as proposed by the House.

On amendment No. 17 (case of John H. Burnett): Provides increase of pension to $24 as proposed by the Senate instead of $30 as proposed by the House.

On amendment No. 18 (case of Elizabeth White Orr): Correction in phraseology.

On amendment No. 19 (case of Samantha Taylor): Provides a pension of $24, as proposed by the House, instead of $12, as proposed by the Senate.

On amendmtnt No. 20 (case of Mildred J. Stolp): Provides increase of pension to $24, as proposed by the Senate, instead of $25, as proposed by the House.

On amendment No. 21: Strikes out the provision for pension for William Welsh.

On amendment No. 22 (case of Jasper Tillbery): Provides increase of pension to $30, as proposed by the Senate, instead of $36, as proposed by the House.

On amendment No. 23: Strikes out the provision for pension to Rebecca Roszell.

On amendment No. 24 (case of Jeduthian Weller): Provides increase of pension to $30, as proposed by the House.

On amendment No. 25: Strikes out the provision for pension for Nancy E. Dermit.

On amendment No. 26: Strikes out the provision for pension for George G. Richie.

On amendment No. 27: Strikes out the provision for increase of pension for Henry Hertzer.

On amendment No. 28 (case of Bridget Trainor): Correction of clerical error.

On amendment No. 29 (case of Charles Christian): Provides increase of pension to $30, as proposed by the House.

On amendment No. 30 (case of Mary A. Winsor): Provides increase of pension to $20, as proposed by the House.

On amendments Nos. 31 and 32 (case of Annie E. Welsh): Corrections in phraseology.

On amendment No. 33 (case of Elizabeth Botinier): Provides increase of pension to $24, as proposed by the Senate, instead of $25, as proposed by the House.

On amendment No. 34 (case of Sarah D. Wood): Provides increase of pension to $24, as proposed by the Senate, instead of $25, as proposed by the House.

On amendment No. 35 (case of Ellen Davenport): Provides increase of pension to $24, as proposed by the Senate, instead of $25, as proposed by the House.

On amendment No. 36 (case of Mary Clapper): Correction in phraseology.

On amendment No. 37: Strikes out the provision for pension for Sarah Katharine Dodge.

On amendment No. 38 (case of Ernestine W. Shetrone): Provides increase of pension to $20, as proposed by the House.

On amendment No. 39 (case of Nora Dickerson): Correction in phraseology.

On amendment No. 40: Strikes out the provision for increase of pension for John C. Toombs.

On amendment No. 41 (case of Daniel Stevenson): Provides increase of pension to $24, as proposed by the Senate, instead of $30, as proposed by the House.

On amendment No. 42 (case of Thomas J. Harbaugh): Correction in phraseology.

On amendment No. 43: Strikes out the provision for pension for Catherine R. Reader.

M. E. BURKE,
JNO. W. LANGLEY,
Managers on the part of the House.

The SPEAKER pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

On motion of Mr. ASHBROOK, a motion to reconsider the vote whereby the conference report was agreed to was laid on the table.

Mr. ASHBROOK. Mr. Speaker, I call up the conference report on the bill H. R. 15048, an omnibus pension bill.

The SPEAKER pro tempore. The Clerk will report it.

The Clerk read the conference report on the bill (H. R. 15048) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war.

The conference report and statement are as follows:

CONFERENCE REPORT (NO. 1103).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15048) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 4, 8, 12, 16, 20, 21, 24, 25, 26, 27, 32, and 35.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 5, 6, 7, 9, 10, 11, 13, 14, 15, 17, 18, 19, 22, 23, 28, 31, 33, and 34, and agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the matter stricken out insert the following:

"The name of Adella I. Cummings, former widow of John A. Cummings, late of Company E, Sixth Regiment New Hampshire Volunteer Infantry, and major, First Regiment New Hampshire Volunteer Caviary, and pay her a pension at the rate of $12 per month.

And the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the matter stricken out insert the following:

"The name of Benjamin F. Longenecker, late of Company B, Seventh Regiment, Company D, Fourth Regiment, and Company L, Twelfth Regiment, Illinois Volunteer Cavalry, and pay him a pension at the rate of $25 per month."

And the Senate agree to the same.

M. E. BURKE,
JOUETT SHOUSE,
JNO. W. LANGLEY,
Managers on the part of the House.
WM. HUGHES,
REED SMOOT,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House of the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15048) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war, submit the following written statement in explanation of the effect of the action agreed upon by the conference as to each of the said amendments, namely:

On amendment No. 1 (case of Laura E. Headington): Provides increase of pension to $25 as proposed by the Senate instead of $30 as proposed by the House.

On amendment No. 2 (case of Anna L. Yachmann): Provides a pension of $12 as proposed by the House.

On amendment No. 3: Strikes out the provision for pension for Jennie Raley.

On amendment No. 4 (case of Julia A. Scheck): Provides a pension of $12 as proposed by the House.

On amendment No. 5 (case of Aaron D. Egelston): Corrects the spelling of name.

On amendment No. 6 (case of Warren S. Read): Provides increase of pension to $30 as proposed by the Senate instead of $40 as proposed by the House.

On amendment No. 7: Strikes out the provision for increase of pension for Edward M. Willis.

On amendment No. 8 (case of Alice A. Wing): Provides a pension of $12 as proposed by the House.

On amendment No. 9: Strikes out the provision for increase of pension for Wallace W. Jackson.

On amendment No. 10 (case of Thomas Tirrell): Provides increase of pension to $21, as proposed by the Senate, instead of $24, as proposed by the House.

On amendment No. 11 (case of John H. Sanders): Corrects error in name.

On amendment No. 12 (case of Abbie M. Holyoke): Provides a pension of $12, as proposed by the House.

On amendment No. 13: Strikes out the provision for pension for Mary Larkin.

On amendment No. 14: Strikes out the provision for increase of pension for Ellen J. McIntire.

On amendment No. 15 (case of William B. Gere): Provides increase of pension to $50, as proposed by the Senate, instead of $60, as proposed by the House.

On amendment No. 16 (case of Kate M. Miller): Provides an increase of pension to $24, as proposed by the House.

On amendment No. 17 (case of Mary Jane Glaser): Correction in phraseology.

On amendment No. 18: Strikes out the provision for increase of pension for Silas J. Pickerill.

On amendment No. 19 (case of Fannie M. Lorain): Provides increase of pension to $25, as proposed by the Senate, instead of $24, as proposed by the House.

On amendment No. 20 (case of Annie M. Sweeney): Provides increase of pension to $20, as proposed by the House.

On amendment No. 21 (case of Sarah A. Lofton): Provides increase of pension to $20, as proposed by the House.

On amendment No. 22 (case of Lucy A. Butts): Provides increase of pension to $25, as proposed by the Senate, instead of $30, as proposed by the House.

On amendment No. 23: Strikes out the provision for increase of pension for Rose T. Wallace.

On amendment No. 24 (case of Susan A. Cross): Provides a pension of $12, as proposed by the House.

On amendment No. 25 (case of Otilla H. Smith): Provides a pension of $12, as proposed by the House.

On amendment No. 26 (case of Adelaide V. Disbrow): Provides a pension of $12, as proposed by the House.

On amendment No. 27 (case of Precilla A. Chilton): Provides a pension of $12, as proposed by the House.

On amendment No. 28: Strikes out the provision for pension for Jane C. Smith.

On amendment No. 29 (case of Adella I. Cummings): Provides a pension of $12 instead of $25, as proposed by the House.

On amendment No. 30 (case of Benjamin F. Longenecker): Provides a pension of $25 instead of $30, as proposed by the House.

On amendment No. 31 (case of Carrie Porter): Correction in phraseology.

On amendment No. 32 (same case): Provides increase of pension to $30, as proposed by the House, instead of $20, as proposed by the Senate.

On amendment No. 33, case of Alvena A. Dunham: Change of phraseology.

On amendment No. 34: Strikes out the provision for increase of pension for Thomas Lynch.

On amendment No. 35, case of William Turner: Provides an increase of pension to $50 as proposed by the House instead of $30 as proposed by the Senate.

M. E. BURKE,
JOUETT SHOUSE,
JOHN W. LANGLEY,
Managers on the part of the House.

The SPEAKER pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

On motion of Mr. ASHBROOK, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

LIME BARRELS.

Mr. ASHBROOK. Mr. Speaker, a parliamentary inquiry. I notice that on the calendar the standard lime-barrel bill still appears to be in conference. As a matter of fact, I called up the bill one week ago to-day, and it passed the House. I desire to know why the bill still appears on the calendar?

Mr. MANN. The Senate had already agreed to the conference report?

Mr. ASHBROOK. Yes.

Mr. MANN. The present occupant of the chair would not know about that. That would be a matter for the clerks.

The SPEAKER pro tempore. The Chair is informed that it is a clerical error.

Mr. STAFFORD. The bill was used as a shuttlecock between the two Houses on so many occasions that it is not surprising the clerks lost track of its legislative progress.

BRIDGE ACROSS MAHONING RIVER, OHIO.

Mr. COOPER of Ohio. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 17501) granting the consent of Congress to the city of Youngstown, Ohio, to construct a bridge across the Mahoning River in the State of Ohio.

The SPEAKER. The gentleman from Ohio asks unanimous consent for the present consideration of a bill which will be reported by the Clerk.

The bill was read, as follows:

That the consent of Congress is hereby granted to the city of Youngstown, Ohio, to construct, maintain, and operate a bridge and approaches thereto across the Mahoning River at a point suitable to the interests of navigation, at or near the city of Youngstown, in the county of Mahoning, in the State of Ohio, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The SPEAKER. Is there objection?

There was no objection.

The bill was ordered to be engrossed and read a third time, and was accordingly read the third time, and passed.

On motion of Mr. ADAMSON, a motion to reconsider the vote by which the bill was passed was laid on the table.

LEAVE TO EXTEND REMARKS.

Mr. KINKAID. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD as to my attitude on certain questions.

The SPEAKER. The gentleman from Nebraska asks leave to extend his remarks in the RECORD on his attitude on certain questions. Is there objection?

There was no objection.

NATIONAL FOREST ROADS (H. DOC. NO. 1336).

Mr. MONDELL. Mr. Speaker, I ask unanimous consent to have printed as a public document a letter from the Chief Forester of the Agricultural Department to Hon. EDWARD T. TAYLOR, of the House of Representatives, relative to the practice of the Agricultural Department in the expenditure of the funds under the national forest road law.

The SPEAKER. The gentleman from Wyoming asks unanimous consent to have printed as a House document a letter from the Chief Forester to the gentleman from Colorado [Mr. TAYLOR] as to the expenditure of forestry funds. Is there objection?

Mr. BORLAND. Reserving the right to object, how long a document is that?

Mr. MONDELL. There are five typewritten pages.

Mr. BORLAND. It is rather a small document?

Mr. MONDELL. Yes.

Mr. CANDLER of Mississippi. Reserving the right to object, I did not understand what the letter is about.

Mr. MONDELL. A letter from the Chief Forester to the gentleman from Colorado [Mr. TAYLOR] relative to the proposed practice of the department in the expenditure of the funds under section 8 of the national forest road bill.

Mr. CANDLER of Mississippi. A letter written recently by the Chief Forester?

Mr. MONDELL. Some two or three days ago.

Mr. HAWLEY. There is a great demand for this information.

Mr. RAKER. This is a letter that the Chief Forester wrote to Representative TAYLOR after the conference held by the western Representatives, and it shows the method of handling the money and the amount going to each State.

Mr. MONDELL. Yes.

Mr. RAKER. At that conference the gentleman from Wyoming and practically all the western Representatives were present.

Mr. MONDELL. Yes.

The SPEAKER. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE.

Mr. MAYS. Mr. Speaker, I ask unanimous consent that on next Friday, subject to the rules and regulations of the House, I be permitted to proceed to address the House for 30 minutes.

The SPEAKER. The gentleman from Utah [Mr. MAYS] asks unanimous consent that on next Friday, after other gentlemen who have permission to make speeches have finished their remarks, subject to the rules and regulations about conference reports, and so forth, he be permitted to address the House for 30 minutes. Is there objection?

There was no objection.

Mr. RAINEY. Mr Speaker, I ask unanimous consent to address the House for 40 minutes on Friday.

The SPEAKER. The gentleman from Illinois [Mr. RAINEY] asks unanimous consent that on next Friday, at the conclusion of the address of the gentleman from Utah [Mr. MAYS], he be permitted to address the House for not to exceed 40 minutes. Is there objection?

There was no objection.

Mr. COX. Mr. Speaker, I ask unanimous consent that on Friday, after the conclusion of the speech of the gentleman from Illinois [Mr. RAINEY], I may have not to exceed 15 minutes in which to address the House, subject to the general orders with reference to morning business, and so forth.

The SPEAKER. The gentleman from Indiana asks that on next Friday, after the conclusion of the remarks of the gentleman from Illinois [Mr. RAINEY], he be permitted to proceed for not to exceed 15 minutes, subject to the rules, regulatitons, and restrictions. Is there objection?

There was no objection.

Mr. WM. ELZA WILLIAMS. Mr. Speaker, I ask unanimous consent that on next Friday, immediately following the gentleman from Indiana [Mr. Cox], I may proceed for 30 minutes.

The SPEAKER. The gentleman from Illinois asks unanimous consent that on Friday next, immediately following the gentleman from Indiana [Mr. Cox], he may address the House for 30 minutes. Is there objection?

There was no objection.

MATTHEW C. BUTLER, JR.

Mr. BYRNS of Tennessee. Mr. Speaker, I ask unanimous consent for the present consideration of the bill S. 6740, to correct the military record of Matthew C. Butler, jr.

The SPEAKER. The gentleman from Tennessee asks unanimouse consent for the present consideration of the bill of which the Clerk will report the title.

The Clerk read as follows:

S. 6740. An act to correct the military record of Matthew C. Butler, jr.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That Matthew C. Butler, jr., deceased, who was a major in the Sixth Regiment, United States Cavalry, and who was nominated by the President for appointment as lieutenant colonel of Cavalry, to rank from the 1st day of July, 1916, said nomination being confirmed by the Senate before the death of said Butler, which occurred on the 20th day of July, 1916, before the issue to him of a commission evidencing his advancement, shall hereafter be held and considered to have become a lieutenant colonel of Cavalry in the service of the United States on the 1st day of July, 1916, and to have held that office until the date of his death; and the President is hereby authorized to issue a commission as lieutenant colonel of Cavalry in the name of Matthew C. Butler, jr., with rank to date from July 1, 1916.

The bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. BYRNS of Tennessee, a motion to reconsider the vote whereby the bill was passed was laid on the table.

AMENDMENT TO THE ENLARGED HOMESTEAD ACT.

Mr. SMITH of Idaho. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 17375) to amend the enlarged homestead act.

The SPEAKER. The gentleman from Idaho asks unanimous consent for the present consideration of the bill of which the Clerk will read the title.

The Clerk read as follows:

A bill (H. R. 17375) to amend an act entitled "An act to provide for an enlarged homestead," approved June 17, 1910.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to provide for an enlarged homestead," approved June 17, 1910, be amended by adding thereto an additional section to be known as section 7:

"SEC. 7. That any person who has made or shall make entry of less than 320 acres of lands of the character herein described, and who shall have submitted final proof thereon, shall have the right to enter public lands subject to the provisions of this act, not contiguous to his first entry, which shall not with the original entry exceed 320 acres: *Provided*, That the land originally entered and that covered by the additional entry shall first have been designated as subject to this act, as provided by section 1 thereof: *Provided further*, That in no case shall patent issue for the land covered by such additional entry until the person making same shall have actually and in conformity with the homestead laws resided upon and cultivated the lands so additionally entered and otherwise complied with such laws: *And provided further*, That this section shall not be construed as affecting any rights as to location of soldiers' additional homesteads under section 2306 of the Revised Statutes.

The following committee amendments were read:

At the end of line 7, page 1, insert the word "homestead."

On page 2, line 2, after the word "act," insert the words "or the act of February 19, 1909 (35 Stat., 639)."

In line 3, page 2, strike out the words "section 1 thereof" and insert the words "section 1 of said acts."

In line 8, after the word "laws," insert the following: "except that where the land embraced in the additional entry is located not exceeding 20 miles from the land embraced in the original entry no residence shall be required on such additional entry if the entryman is residing on his former entry."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. SMITH of Idaho, a motion to reconsider the vote whereby the bill was passed was laid on the table.

THE FORMER UNCOMPAHGRE INDIAN RESERVATION.

Mr. RAKER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill S. 43.

Mr. MANN. What is the bill?

Mr. RAKER. It is the gilsonite bill in Utah.

Mr. MANN. The Uncompahgre bill?

Mr. RAKER. No; the gilsonite bill.

Mr. MANN. The gentleman is not familiar with the history of that matter or he would recognize it as the Uncompahgre bill. I object.

The SPEAKER. The gentleman from Mississippi [Mr. STEPHENS] is recognized for 30 minutes.

REPLY TO CRITICISMS OF THE SOUTH.

Mr. STEPHENS of Mississippi. Mr. Speaker, recently the gentleman from Illinois [Mr. RODENBERG] made a speech in this Chamber in which he reflected in a most unfair and unjust way upon the people of and conditions in the South.

I desire to reply to some of his statements. In doing so my language shall be temperate. Whatever resentment I may feel or whatever contempt I may have for the sentiments expressed by the gentleman shall not be voiced in unbecoming language.

The object of the gentleman was, of course, to make political capital for himself and for the Republican Party by an appeal to sectional passion and prejudice.

This is election year; the great parties are engaged in political battle. Realizing that the Republican Party is politically bankrupt in the matter of legitimate arguments against the Democratic administration, he is endeavoring to revivify the corpse of that dear departed old party to which he belongs by giving new life to the old spirit of sectional hate and prejudice. I deplore any effort to destroy the fraternal feeling that has grown up between the people of the North and the South and any attempt to coin malice, malevolence, and hatred into political advantage.

Not simply a partisan speech, it was a wicked speech, in that it traduced millions of good citizens of this country. It was unworthy of the gentleman, unworthy of a Representative in Congress; and I really believe that if he has seriously considered his language since it was uttered he is heartily ashamed of it.

Referring to the Representatives from the South, he said:

Individually they are agreeable, affable, and courteous gentlemen, but collectively, as a political aggregation, they are an abomination in the sight of the Lord.

The complimentary language with which he began the sentence was rendered all the more flagrantly disingenuous by the harsh, sneering, and contumelious reference that closed it. His bouquet of compliment lost all its fragrance in the malodorous fumes of the stinkpots of sectionalism that he opened.

A few years ago, when the bill to locate the Panama Canal Exposition was before the House and a vote was about to be taken to determine whether it should be held at San Francisco, Cal., or New Orleans, La., the gentleman from Illinois used this language:

Mr. Speaker, I desire to advance another reason why New Orleans should be selected, a reason that is wholly sentimental, but which should appeal to every American citizen who cherishes the sacred memories of the past.

Mr. Speaker, we love to talk about a reunited country; we love to feel that sectionalism has disappeared; and so it has, and that every citizen is devoted to that flag whose stars and stripes have been baptized in the best blood of American patriotism.

On the 9th day of April, 1915, will occur the fiftieth anniversary of Appomattox. On that historic day, so full of tender and tragic memories, it is proposed to hold a grand reunion in the city of New Orleans of those who wore the colors that suggest the gray of the morning sky and the blue of full noon, and standing there, 'mid the scenes of long ago, under the folds of the Nation's flag, with hands clasped and hearts

overflowing, these grand old heroes of ours will bury forever the last vestige of bitterness growing out of that great conflict.

A sentiment? Yes; a sentiment that should strike a responsive chord in every patriotic American heart, a sentiment whose dramatic fulfillment at New Orleans in 1915 will challenge the lasting admiration of the world.

That was a noble sentiment, admirably and splendidly expressed. Alas! it was so soon forgotten by the gentleman. I had believed that he told the truth when he said that sectionalism had disappeared; and I still believe that it is true, both in the North and the South, except with a few who are so short of vision and narrow of soul that they are unable to grasp the spirit of true fraternity or to rise to the height of true manhood and forget, even for a little time, their own petty, selfish interests or to realize that it is possible for one to have an unselfish love for humanity and every portion of the common country.

In the RECORD of a few days ago I found a speech delivered within the past few days by another gentleman from Illinois, Mr. CANNON, in which he touches on the subject of sectionalism. He said:

God save you from the leadership of demagogues who raise false cries with the intent to revive the issues that grew out of the Civil War, when all those problems have been settled, and when there is good feeling in the Northland, as I believe there is in the Southland.

God save you from the leadership of men who would seek to divert your attention from the discussion of those living, wonderful important questions, and who would like to stir up the ashes of a generation gone by.

This was an earnest prayer. Coming as it did from that venerable old gentleman who has seen 80 years roll by, it sounded almost like a benediction. If they would only read what he said, what a rebuke it would be to those who would bring back to mind the hideous ghouls of the past. I earnestly commend its reading to the gentleman, Mr. RODENBERG, and to Hon. Charles E. Hughes, to whom I shall refer later.

The gentleman from Illinois [Mr. RODENBERG] condemned the treatment of negro laborers in the South, and said that—

as a rule they are kept in debt by being compelled to buy all their supplies of the plantation or company store, a system of brutal and barbarous servitude that has long since been abolished by law in every northern State.

To use the most moderate language, this expression shows a woeful ignorance of the facts. It is as far from the truth as it is possible to make it. There is no more happy or contented people in the world than the southern negro. It may happen, now and then, that a negro is not treated as he should be, and that he is not dealt with fairly and honestly; but that is the exception and not the rule. I submit that it is unfair and unjust to indict a whole section because of a few isolated instances.

"Brutal and barbarous servitude!" The gentleman has not forgotten the evidence that was produced before a committee of the House since he and I have been Members of Congress showing conditions that existed in certain factories in the great State of Massachusetts. Women and children were employed at such low wages that they were half starved, living largely upon stale bread and molasses, and, although employed in making woolens, they were too poor to own a single woolen garment, the bodies of some of them being clad in the coldest weather in a single thin garment.

Should this be charged up against the whole people of the North or the people of Massachusetts? No; it would be unjust, unfair, and untruthful to do so. As good men and women as there are in the world live there, and I know that such things are just as abhorrent to them as they are to the good people of any other section.

Since the gentleman made his speech I read an article in the Washington Times in which it was stated that prosecutions had been instituted against persons in New York who were engaged in the "white-slave" traffic. It was stated that the assistant district attorney said that he had evidence that young schoolgirls had been enticed into resorts by men and women who made their living by such nefarious and horrible business, and that they were sold for immoral purposes. He also said that "it had become a common practice to weigh these girls and sell them for a dollar a pound."

This is a terrible situation; yet no honest man would think of condemning all the people of that great city for such conduct. Hundreds of thousands of the good men and women there deplore it and condemn it as much as the good men and women elsewhere do.

I have not called attention to either of these matters to gloat over them or to cast reflections upon Massachusetts or New York. I would not have referred to them at all, but all these things have been carried in the press of the country. My desire is simply to emphasize the thought that even if a wrong is occasionally done a negro, the whole South should not have opprobrious epithets thrown at it. [Applause.]

INDUSTRIES OF THE SOUTH.

The gentleman said that the "South is not engaged in manufacturing to any considerable extent." He argued that, representing an agricultural section, the men from the South are not capable of understanding the needs of the other sections of the Nation.

The day after the gentleman spoke an editorial appeared in the Philadelphia Inquirer, a partisan Republican newspaper, the first paragraph of which is as follows:

Few persons realize that in the last few years the cotton-growing States have become the greatest users of the raw material for weaving. In the 11 months of the fiscal year up to June 1 the cotton-growing States consumed 20 per cent more bales of cotton in their mills than did all the rest of the country. The showing is more important because the outside States have 50 per cent more spindles than the cotton Commonwealths. The southern percentage is growing each year, and there is no sign of decrease.

It is true that the South is for the most part an agricultural region, yet she is making great progress along manufacturing lines. Our greatest product is cotton; that, next to food, is the most important of all human products. Last year the values of the cotton-plant by-products—seed, meal, oil, and cake—exceeded the value of all the precious metals mined in the United States, including Alaska. Besides this she produced large quantities of grain, tobacco, cattle, and other farm products. Reference is made to these things to show that the contribution of the South to the material wealth of the Nation is not a negligible factor.

During the period from 1904 to 1912, as shown by the report of the Bureau of the Census, the increase in the wealth of the Northern States was 56 per cent and of the Southern States 65 per cent. As this increase was made during a Republican administration it can not be said that it was due to any legislation particularly favorable to the South.

The census report shows that the value of manufactured products in 1909 was greater in Florida than they were in the States of Vermont, Utah, Delaware, Arizona, Idaho, North Dakota, South Dakota, Nevada, New Mexico, and Wyoming; and that the value of manufactured products in Mississippi and Arkansas not only exceed such values in the States named but also in Montana; in South Carolina it exceeds all those States and also Oregon; Alabama exceeds all these States and also Colorado; Tennessee exceeds those States and also Maine, New Hampshire, and West Virginia; Virginia, North Carolina, and Georgia exceed those States and also Nebraska; Louisiana and Kentucky exceed those States and also Washington; while Texas exceeds those States and also Iowa.

The last report of the Bureau of the Census shows that for the preceding 10 years the percentage of increase in the value of manufactured products in the Northern States was 45.57 per cent, while in the Southern States it was 90.56 per cent, nearly twice as much. I have directed attention to these statistics to show that the Representatives from the South do have great reason for feeling an interest in legislation affecting manufactures, and really greater interest than the Representatives from many of the Northern States.

It is true that our largest interest is in agriculture; but every good citizen should rejoice over the prosperity that has come to the Nation, regardless of whether it comes as a result of the efforts of the farmer, miner, or manufacturer. That at the present, owing to the war conditions that have caused such a falling off in the chief articles produced in the South—cotton, tobacco, lumber, and naval stores—a greater measure of prosperity has come to the North than to us, does not cause the southern people to indulge in churlish envy of their more fortunate brethren. We do not begrudge it to them, but are glad to witness their adaptability to opportunity to prosper themselves while adding to the wealth of the entire country.

When Mr. Taft was President he made a speech at Atlanta, Ga., in which he paid a splendid tribute to the South. Before I quote from him permit me to say that he is a man for whose honesty, intelligence, and high character I have the highest respect, and that it is my judgment that when the future historian shall write the true history of the man and his work that he will rank high as a statesman—much higher than many of his contemporaries will admit. He said:

The growth of the South in wealth, in education, in civil order, and in civilization has contributed greatly to the growth of the country. By making a greater South you have made a greater country. With what is almost a monopoly in the growth of cotton you have swelled our exports to a point never reached before. By raising in great quantity that which all nations must have and which you only can produce you have increased the dependence of the rest of the world upon American industries. * * * I congratulate you upon what you have done. I congratulate you on your prospects. There is not the slightest tinge of jealousy or envy of your good condition on the part of the northern or western manufacturer. They rejoice with you in your success and in progress more rapid than theirs.

This was the utterance of a statesman whose mind was broad enough to understand that national progress and prosperity do

not come from a single section; that each section is measurably dependent upon every other section; who was unselfish enough and honest enough to render the honor due the South; who could rise above the pettiness of sectionalism and factionalism and extend congratulations and good wishes to that part of the country whose inhabitants are, for the most part, not of his political faith. [Applause.]

Statesmen can do these things—really, the ability to do so is one of the qualities that makes them statesmen—men of lesser stature of mind and soul do not possess that ability and see nothing except cause for ridicule and contempt, and nothing worthy of praise or encomium in those who do not agree with them or who do not belong to their own section.

MEMBERSHIP OF COMMITTEES.

The gentleman also tries to make political capital out of the fact that the chairmen of a large number of the committees are from the South. Mr. Hughes, Republican candidate for President, during his speech-making tour of the West, has commented upon the subject in an effort to create sectional prejudice.

The gentleman from Illinois knows, and Mr. Hughes ought to know, that length of service in the House and on committee very largely determines the question of chairmanships.

It is true that many of these important chairmanships are held by southern men; but that is not the whole truth about the matter, and they fail to state the whole truth. To tell only a part of the truth and leave off the balance of it, intending that a wrong inference shall be drawn, is just as bad as telling none of the truth.

During the present and the two preceding Congresses the Democrats have been in the majority in the House. In that period more than half of the Democratic Members came from the North. Many Democrats from the South served here under Republican administration, and when the Republicans were ousted from power, the chairmanship of several important committees were given to southern Democrats because of seniority of service.

While that is true, it is also true that the positions on the committees given Democrats were divided among the sections so that Democratic representation would be as nearly equal as possible between the North and South. It is a fact that on every committee, except possibly one or two small committees, that there are more men from the North than from the South.

In the Senate there are 73 standing committees. Forty-three of these have a man from the North as chairman. Every section is fairly represented in the membership.

When the Underwood tariff bill became a law the following States were represented on the committee in the House that prepared the bill: Massachusetts had two members, New York had two, Pennsylvania had two, Illinois one, Indiana one, Minnesota one, Ohio one, Iowa one, Michigan one, Nebraska one, Missouri one, Kentucky one, Alabama one, North Carolina one, Tennessee one, Mississippi one, and Texas one. Of the 21 members, only 5 came from the 11 seceding States.

When that bill passed the House and went to the Senate it was referred to the Finance Committee. The following States were represented on that committee: Maine, Indiana, Colorado, New Jersey, Pennsylvania, Massachusetts, North Dakota, Utah, New Hampshire, Wyoming, Wisconsin, Missouri, Kentucky, North Carolina, Mississippi, Georgia, and Oklahoma. Of the 17 members, only 3 came from the 11 seceding States.

It will thus be seen that a large majority of the committee came from the North. I do not believe that the country is so much interested in the residence of the chairman or the members of a committee as they are in the character of legislation reported by the committee. The question is not "Where do the chairman or the members live," but "Is the legislation in the interest of the people?"

An examination of the committees of which southern men are chairman will show about the same proportion of members from the two great sections. In each case it will be found that there are more members from the North than from the South; yet these gentlemen do not mention that fact, but simply refer to the chairmanships. Everyone knows that a chairman has only one vote, just as any other member, and for that reason the gentlemen fail to give the facts in regard to membership. To do so would destroy their argument and their chance to arouse prejudice.

FEW APPEALS TO PREJUDICE.

It is very gratifying to me to note, during my term of service here, the spirit of good feeling that exists between the Members, coming as they do from the various sections of the country, and that demagogic appeals to sectionalism are very rare indeed.

It was a matter of sincere regret to me to see reports in the newspapers of such appeals coming from Mr. Hughes. However, yielding to his desire for position and recognizing that his is a desperate case, he has descended to the low plane of appealing to sectional feeling; and, as I have shown in regard to the committees, does so on a false assumption of facts.

There was a time when appeals to passion and prejudice, when waving the "bloody shirt," when denunciation of the people of a section, bore rich political fruit and won political battles. That day, I sincerely believe, is past.

Of course, now and then, there will be men who, being out of touch with the spirit of the times, or having overweening demagogic tendencies, or being unwilling that the embers of hate and prejudice may grow cold, will press the bellows in an effort to make them glow again. My judgment is that such men misjudge both the head and heart of the people of this country; and that they cast an unjust reflection on the intelligence and the kind spirit of those to whom such appeals are made.

Mr. Speaker, I sincerely sympathize with a man who harbors a feeling of prejudice, for he is in a truly deplorable condition. I have a contempt for one who, not really entertaining such sentiments, endeavors to inspire them in others, either for personal or political gain.

Prejudice! Hate! Sectionalism! He who would for any reason uproot the bonds of love, sympathy, good feeling, and good-fellowship that exists in a family—and we are all members of the same household, all American citizens—he who would ignite and kindle anew the embers of sectional strife, is an enemy of society and lacking in reverence for the higher and better things of life.

Prejudice is the foe of reason; it is the harbinger of hate; it makes one mentally color blind to facts; it distorts the vision. It makes beauty appear loathsome, honesty look like dishonesty, virtue like vice, strength like weakness. It eats into the very vitals and destroys him who harbors it. It mildews the soul and curdles the very milk of human kindness. Therefore, I repeat, one who seeks to arouse such vile passions is an enemy of society.

Mr. Speaker, I thank God that I believe that there are very few men, North and South, who can be reached by such low, contemptible appeals; that I believe there are so many reasons why the people of the North should honor, love, and respect the people of the South, and that there are so many reasons why the people of the South should honor, love, and respect the people of the North—why they should entertain mutual feelings of esteem and love—that the people of every section will condemn such efforts. [Applause.]

SENTIMENTS OF THE SOUTHERN PEOPLE.

Mr. Speaker, a native son of the South and of the great State of Mississippi, I know that I express the truth when I say that the best of feeling prevails in the Southland for our Northern brethren. Those people have no desire to fight over again the questions settled by the Civil War.

Accepting the arbitrament of the sword, they set themselves to the work of rebuilding their country. The emphasis of their thought has changed from personalities and ill will to social, industrial, economic, and intellectual progress. To-day their minds and hearts are unpoisoned by feeling of hate or desire for revenge; and they can and do sing My County 'Tis of Thee with as much fervor and earnestness as those of any other section. [Applause.]

In this connection I call attention to the language of Jefferson Davis used in a speech made before the Mississippi Legislature just a short time before his death.

> Our people have accepted the decree; it therefore behooves them, as they may, to promote the general welfare of the Union, to show to the world that hereafter as heretofore the patriotism of our people is not measured by the lines of latitude and longitude, but is as broad as the obligations they have assumed and embraces the whole of our ocean-bound domain. Let them leave to their children and their children's children the grand example of never swerving from the path of duty, and preferring to return good for evil rather than to cherish the unmanly feeling of revenge.

This typifies the sentiments that prevail among us. We of the South love our country—the whole of it; we love her free institutions; we are proud of her history and her glory and position among the nations of the world; and we are confident of her bright and successful future.

Inspired by sentiments of love and affection, dominated by patriotic impulses, we can exclaim as honestly and patriotically as can the people of the North, East, or West:

> Thou, too, sail on, O ship of state,
> Sail on, O Union, strong and great.
> * * * * * * *
> Our hearts, our hopes, are all with thee;
> Our hearts, our hopes, our prayers, our tears,
> Our faith triumphant o'er our fears,
> Are all with thee, are all with thee.

TRADITIONS AND IDEALS OF THE SOUTH.

The gentleman sneeringly remarks that many of us of my section "still cling to the traditions of a dead and buried past." While admitting a strong affection for the traditions and ideals of the South, for those things in them that make individuals and nations great, yet, as I have shown, we are not idealists simply, but are wide awake along practical lines and know something of the needs of the whole country, and that, knowing them, we are ready to do our part so that the future of the Nation may be brighter and better as time shall go by.

It is not my purpose to rehearse the splendid part that the South has played in the building of this great Nation, nor to pay tribute to the illustrious men and women who have spent themselves for the good of their beloved country. This is not the time nor place for such, and, too, it is a theme that none but the most eloquent are worthy of discussing.

Forget these things! Forget the traditions, the ideals of the South! It is asking too much. They can not be forgotten and should not be forgotten. That you may understand why this is true I shall quote what Senator George F. Hoar, a Republican from a Northern State, said several years after the Civil War:

Although my life politically and personally has been a life of almost constant strife with the leaders of the southern people, yet as I grow older I have learned not only to respect and esteem but to love the great qualities which belong to my fellow citizens of the Southern States. They are a noble race. We may well take pattern from them in some of the great virtues which make up the strength, as they make the glories of the free States. Their love of home, their chivalrous respect for women, their courage, their delicate sense of honor, their constancy, which can abide by an opinion or a purpose or an interest for their States through adversity and through prosperity, through the years and through the generations, are things by which the more mercurial North may take a lesson. And there is another thing, covetousness, corruption, and the low temptation of money have not yet formed any place in our southern politics.

Now, my friends, we can not afford to live, we don't wish to live, and we do not live, in a state of estrangement from a people who possess these qualities. They are friends of ours, born of our borning, flesh of our flesh, blood of our blood, and whatever may be the temporary error of any Southern State I for one, if I have a right to speak for Massachusetts, say, "Entreat me not to leave thee nor return from following after thee. For where thou goest I will go, and where thou stayest I will stay also. And thy people shall be my people, and thy God my God."

Four or five years ago ex-President Roosevelt made a speech to a body of southern men in Atlanta, Ga. Among other things he said:

I earnestly hope that in taking your full share of that material development you will not lose the fine quality of your forefathers. That you will keep their capacity of fealty to a high ideal, their understanding that the things of the body, important though they are, are important chiefly as serving for the foundation upon which the superstructure of a higher life can be built. * * * Remember what your fathers were. Remember to keep alive their spirit, their capacity, their power of devotion to an ideal * * * You are the architects of your own fortunes. When you build up the South you build up the North and West also.

I have quoted from these men who attained great prominence in the councils of the Republican Party and who are numbered among the great men that the Nation has produced that it may be seen how we are regarded by men with statesmanlike views.

No, Mr. Speaker, we will not forget those high and noble ideals. Remembering them, we will be inspired to better efforts in serving the best interests of the Nation. Working in our fertile fields, in the forests, the mines, the manufacturing establishments, and attending to whatsoever business our hands find to do, we will continue to add to the wealth of the Nation and, at the same time, teach our children that theirs is a blessed heritage and that they can be worthy of it only by giving the very best service of body, mind, and soul to our common country. [Applause.]

MR. HUGHES, THE REPUBLICAN CANDIDATE.

I have said something as to the character of the speeches the Republican candidate for the Presidency, Hon. Charles E. Hughes, is making on his tour of the West.

Before the Republican convention he preserved a discreet silence. Like the owl, he acquired a great reputation for great wisdom, and, like that bird, when he opened his mouth he lost that reputation. I imagine the Republicans would be in much better spirits if he had been as close-mouthed after the convention as he was before.

Immediately after word reached him that he had been nominated he wired Chairman HARDING that he would accept the nomination. He began the telegram with these words: "I have not desired the nomination. I have desired to remain on the bench."

I shall not comment on this statement, made in about 15 minutes after he was nominated, except to say that everyone acquainted with the circumstances preceding the action of the convention just "sniggered."

It was a matter of common knowledge that a shrewd game of politics was being played by the "old guard" Republicans in order to prevent the nomination of Roosevelt, and everyone believed that it was being played with the connivance and consent of Mr. Hughes. It was good politics to have him say, "I am not a candidate," and keep his mouth closed on public questions. His friends could enlarge upon his virtues and splendid qualities, his statesmanship, and masterly knowledge of the great questions of the hour. It gave shrewd politicians like Crane, SMOOT, and Hitchcock just the kind of material they needed to work up a sentiment for him. It gave opportunity to play upon the imagination of the country. Here is the candidate for us, his friends say great things for him, and what they say must be true, for he has never uttered one word that contradicts what they say. If Mr. Hughes was really a party to it, he showed himself a large-bore politician.

But the time came when he could no longer sit silent and look wise. The nomination had been won; the campaign for election was ahead. The candidate must speak for himself; he must let the people hear from him. No longer ensconced behind the shell of judicial reticence, he was forced to come out into the open and prove himself to the public.

The Republican newspapers and the party leaders prepared the public for the appearance of a great statesman. They began to tell what tremendous things he would do and what splendid impression he would create when he went into the campaign. "Just wait until Mr. Hughes gets into the campaign," was an expression heard on every side.

Being a Democrat, I listened to these expressions, and, seeing that they were made with such confidence, I became alarmed. I have seen dark clouds gather, with the lightning flashing and the thunder rolling, and, believing that a terrible storm was coming, have stood almost aghast with fear and awe. Then the clouds would brighten, the lightning would cease flashing, the thunder would subside, the storm would fail to come, and my feeling of fear and awe would disappear.

So it was with me when I heard his friends telling us what we might expect when he went on the stump, but when he began making his speeches my fear of any bad effect for the Democratic Party entirely subsided.

What a humiliating spectacle it must be to his Republican friends to witness his efforts in the campaign. The "grand old party," a party that has lived for many years, that has had strong men, veritable giants, for leaders, who were able to go out and give battle to their political adversaries, who could discuss great questions in a statesmanlike manner, who showed, by their utterances, that they were able to cope with the vexing and vexatious problems that arise in a great Nation like ours; I say, what a humiliation to the Republicans who have seen and followed such leaders to hear now the speeches of Mr. Hughes.

The North American, published at Philadelphia, once a Republican paper, later Progressive, and after the nomination of Mr. Hughes friendly to him, said yesterday in an editorial:

Mr. Hughes's letter of acceptance left much to be desired. As to his present speechmaking campaign, not even his most ardent admirers will assert that up to this time he has convinced the waiting public that he possesses exceptional strength. * * * It is undeniable that six years of the cloistered existence of the Supreme Court bench kept him apart from the great issues and changes of that period, and he has much to learn of the forces operating in American life to-day. * * * Another ominous factor is that Mr. Wilson is able to do things, while Mr. Hughes can only criticize and promise.

His speeches prove conclusively that the North American is correct in its statement that he has been out of touch with the great issues of the day and that he is unacquainted with the mighty forces that are operating among us. That paper has stated a fact that is patent to every one who has kept in touch with the issues of the day and who have read his speeches.

He has gone before the country whining around like a whipped schoolboy because a few men that the general public did not know were living, or had ever lived, were not allowed to hold some small official position here in the city of Washington. He endeavors to make a campaign issue out of the fact that one Durand was not retained as Director of Census. He criticizes because a Democrat was placed at the head of the Geodetic Survey.

What does the country care about the name of the man who heads some department? What they are interested in is the character and efficiency of the men that President Wilson appoints to position. The work of the departments is not criticized, and nothing is shown against them. If they are efficient, there is no room for complaint. I am afraid that the gentleman is interested simply in having some friend get the place, that his mind is more on the "loaves and fishes," the spoils of the game, than on improving the service.

He lays great stress on the fact that money has been spent on the improvement of some small river and on the fact that

money has been appropriated to construct a public building that he thinks ought not to be built. Grant that these are just criticisms, I submit that they are too small to engage the attention of a candidate for President in momentous times like these.

While having in mind the question of extravagance it may be well to call attention to a statement in the public press to the effect that while governor of New York the expenses of his administration were nearly 34 per cent higher than under the preceding administration. I simply mention that fact; I do not know whether there was any extravagance or not.

Back to his criticisms. A small politician could very well discuss such matters; it would not be expected that his mind could rise above the range of little things; but a statesman, a candidate for the most exalted political office in the world, a man who desires to be the head of such a great Nation and direct the destinies of a hundred million people should have the mentality and breadth of vision that will enable him to comprehend the needs and necessities of such a Nation and to discuss such things in an intelligent manner.

Some one commenting on Mr. Hughes's speeches has described them as being composed of 50 per cent cheap criticism and 50 per cent bid for office, with no per cent of practical solution of what he condemns. I really think that the per cent of criticism was fixed rather low. I notice in the papers that he was greeted several times recently by some one in the crowd calling to him "Hello, Charlie." This was carried in the Republican papers as an evidence of the personal touch that he is giving the campaign. If he continues to make the kind of speeches he has been making, he is likely to earn for himself the name of "Old Criticism" or "Carping Charlie."

THE PEOPLE HAVE THE RIGHT TO KNOW.

If Mr. Hughes has any thing to offer that will advance the interests of humanity, that will lessen the burdens of the toilers, that will promote peace and prosperity, that will increase the glory and prestige of our Nation, that will strengthen our institutions, he should tell the people what those things are.

This is the most important period, probably barring one, through which the Nation has ever passed. There is important work to be done, there are great problems to be met, there are splendid opportunities to be taken advantage of, there are serious dangers to be avoided, and the people are entitled to hear from him on these matters.

Tell us, Mr. Hughes, what your position would have been if the legislation passed by the Democrats had been put up to you. If you would have improved on the laws that have been enacted under Democratic administration, in what way would you have done so?

If the Democratic Party has failed to meet the needs and necessities of the business interests of the country, specify in what particular. What would you have done that would have brought greater prosperity to the Nation?

What would you have done the better to promote the peace and happiness of the people? What would you have done the better to preserve and promote the honor and integrity of the United States?

How would you have dealt with Mexico, with Germany, with England, or any other foreign power, with any assurance that conditions would have improved?

How would you have given stronger assurances to the countries of South America that they have our friendship and that we desire a continuance of those friendly relations? or, what more would you have done to strengthen our trade relations with them?

What more could you have done to insure peace with all the world?

The people would like to know; they are entitled to know. Simply to scoff and sneer, to carp and criticise, does not answer the queries; nor will it satisfy the intelligent voters.

Although he will not give a satisfactory answer to these questions that are of such prime importance to the people, but will continue his discussion of petty matter and will continue his small criticisms, we should not censure him too severely. Like the old fiddler, he is doing the best he can. [Laughter on the Democratic side.]

The truth of the matter is that there has been so much splendid legislation enacted in the interest of the people of the country since the Democrats have been in power that legitimate arguments against Woodrow Wilson and the Democratic Party are just about as scarce as drops of water in the desert of Sahara, and that is the reason the gentleman has not made more progress on his speech-making tour. [Applause on the Democratic side.]

The SPEAKER pro tempore (Mr. TILLMAN). The time of the gentleman has expired.

Mr. HARRISON. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for five minutes more.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. STEPHENS of Mississippi. Mr. Speaker, I thank the gentleman and the House for this kindness.

DEMOCRATIC ACHIEVEMENT.

Mr. Speaker, I wish that I had time to refer specifically to the many laws that have passed during this administration, but I can not do so; they are too numerous. I shall mention a few of the more important ones:

The income-tax law was passed so that the wealth of the country might be required to bear its just share of the burdens of Government.

The Clayton antitrust law was passed to more clearly define the Sherman antitrust law, enlarge its provisions, prohibit interlocking directorates, prevent monopolies, and give relief long needed in other respects.

The cotton-futures act was passed in the interest of the cotton farmers of the country.

The rural-credit bill was passed in an effort to give many homeless men and women an opportunity to own a home, by providing means by which money could be borrowed on long time at a low rate of interest.

The Federal reserve act was passed in order that a few great banking houses might not longer control the money and credit of the country, and to insure against panics that are so disastrous to every section of the country.

The good-roads bill was passed because the importance of improved roads was recognized and because it was believed that the Federal Government should aid in this work that would do so much to build up the whole country.

Bills for a Federal Trade Commission, for agricultural-extension work, for campaign publicity, for the various branches of agricultural work, for the improvement of the health of the country, for national preparedness, for the election of Senators by vote of the people, bills in the interest of labor, the warehouse bills, as well as many others, have become the law under the present administration.

The public had been demanding this character of legislation for many years. Although the Republican Party was in power for nearly 50 years, the demand was not heeded. It was often promised, but the promise was never fulfilled.

As soon as the Democratic Party came into power in all the branches of the Government, the cry of the people for relief from oppressive conditions and from industrial slavery was heeded. It was not until our party—a party that has sympathy and enthusiasm for the individual man, that has a broad faith in humanity in general, that opposes class favoritism, that believes in equal rights—came into control, that the shackles of industrial slavery that had been fastened upon the common people were broken, and that we truly became a Government run in the interest of the masses and not the few. Every member of the party who has been true to the trust is entitled to some of the credit.

REASONS FOR DEMOCRATIC SUCCESS.

"The force of the ship is in the trade wind that sweeps it on, and the joy of the sailor is in the harbor toward which he moves." So the force that propels the old "ship of state" lies in the humane, beneficent, the glorious principles of Democracy, as put into effect under the wise and able leadership of Democratic statesmen, under which justice has been put into law, ethics into politics, and greater industrial freedom given the people.

The harbor into which she has proudly sailed is called, and rightly so, "Prosperity," where live those who are enjoying an abundance of food and raimant; where is to be found full opportunity to have all those things that make life seem good and worth the living; and where each one, happy and joyous, may rest secure in the knowledge that as the sun rises in the morning its beneficent rays will fall upon a land undisturbed by the roar of cannon and the rattle of musketry.

Woodrow Wilson is at the helm, and the people feel secure. He has the confidence of the country, because they believe that he has those exalted ideas of justice and benevolence that Washington commended to the country; that he has adopted the policy of "peace, commerce, and honest friendship with all nations, entangling alliances with none," advocated by Jefferson; and that he is imbued with the spirit of Lincoln's splendid utterance, "malice toward none; charity for all."

Mr. Speaker, the Nation is prosperous. We are at peace. No eyes are dim, no hearts are sorrow stricken because of war. The avalanche of murder and bestiality that prevails in so many portions of the earth; the millions of maimed, diseased, and blind; the tears, the groans, the heartaches; the untimely

deaths and the millions of newly made graves; the devastations and deprivations that fill all Europe, are enough to make the American people stop and think.

When they do think of these matters, with the shout of "Peace and prosperity" on their lips they will reelect Woodrow Wilson. The result seems sure. I have the utmost confidence in the intelligence of the people. [Applause on the Democratic side.]

LEAVE TO ADDRESS THE HOUSE.

Mr. BENNET. Mr. Speaker, I ask unanimous consent that on Friday next, after the remarks of the gentleman from Illinois [Mr. WILLIAMS], I may address the House for not to exceed 25 minutes upon the subject of Ellis Island.

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent that after the conclusion of the remarks of the gentleman from Illinois [Mr. WILLIAMS] on Friday next he be permitted to address the House for 25 minutes on the subject of Ellis Island. Is there objection?

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Missouri [Mr. DYER] for 30 minutes.

PENSIONS.

Mr. DYER. Mr. Speaker, the Democratic party in its platform adopted at St. Louis in June last bragged about its record in having been liberal in granting pensions to the veterans of our country. They not only bragged about it in their platform at St. Louis, but Democratic speakers have taken occasion to eulogize and praise the Democratic Party for what it has done in Congress for the veterans who have served our country. This is another effort on the part of the Democratic Party to deceive and mislead the people in order that it may still enjoy the spoils of office.

The Democratic Party is not satisfied with claiming for itself the temporary and sectional prosperity that we now enjoy, and which prosperity is so blood stained with the maimed and dead of Europe that I am suprised that even the Democratic Party would point with pride to it. The Democratic Party has also, and equally unmerited, laid claim to the fact that this country being out of war is due to the great work of that party, when, as a matter of fact, there has never been any danger of this country getting into war except so far as a weak, vacillating, and an un-American administration has bungled things. The record of the administration as regards Mexico is and has been most disgraceful to the United States and to the civilized world.

But, Mr. Speaker, the Democratic Party is so eager for offices for its faithful followers that it does not hesitate to make any false claims possible. The thing is to fool the people. At the last Democratic convention, held in St. Louis in June last, this party wrote into its platform a declaration praising itself for "its record of performance" in granting pensions to the soldiers and sailors of the Nation.

This declaration of the Democratic Party in its convention has been emphasized time and again by Democratic speakers, many of them no doubt believing that that party had really done something along that line. Why, Mr. Speaker, one would think, did he not know better, that all the pension laws on the statute books had been put there by Democratic legislation. The truth is, though, that not a single piece of legislation has been enacted when that party controlled the Congress in both branches and the Executive. The records bear this out, and I have them here to convince all those who want to know the truth and facts.

Mr. Speaker, all the facts are against the Democratic Party. What pension legislation have we passed since the Democratic Party has been in control under the Woodrow Wilson administration? Take, for instance, the Spanish War widows' and orphans' pension bill. It has been pending in the Senate for months and the Democratic leaders there will not allow it to come to a vote. I wonder why? All the Republicans of the Senate are in favor of it, and there are enough Democrats who will vote with the Republicans to pass it. Then, why not do this small act of justice to these poor widows and orphans of our brave soldiers and sailors? Is it because the Democrats fear President Wilson will veto it? Are the leaders of the Democratic Party in the Senate against this act of simple justice and right? It must be one or the other. President Wilson has told the Congress a number of times what legislation he wanted passed before Congress adjourned, but never has he said a word to help the Spanish War widows' and orphans' pension bill. It is very evident now that its passage can only come about when the Republican Party is again in control of the Congress and the White House.

Mr. Speaker, if there is one thing in our national life more than another that is established by the facts of history it is that our liberal pension system was established and has been maintained by the Republican Party. The Republican Party was practically in control of every branch of the Government from the close of the Civil War to 1885. During that time the Republican Party laid well and deep the foundation upon which was built a pension system that testifies nobly to the fact that this Republic is grateful to its Nation's defenders.

Even while the Civil War was in progress the Republican Party enacted that celebrated fundamental pension law, the act of July 14, 1862, which made what was then considered most ample and beneficent provisions for soldiers and sailors disabled in the service, and for their widows and dependents in case of their death. But this great party, mindful of its promises to those who so gallantly went to the front in the dark days of 1861–65, was not satisfied that this act fully acquitted the Nation of its obligations, and ever since the close of the war it has been amplifying its scope, increasing the rate of pensions, providing national homes for the veterans, artificial limbs for those who had lost these members or money commutation therefor, giving them preference in appointments to Government positions, culminating in the passage of the act of May 11, 1912, granting pensions based on age and service. This act was the logical outcome and result in the evolution of pension legislation of its notably liberal predecessor, the act of June 27, 1890, known as the dependent-pension act. These generous enactments had the approval of Republicans in Congress, were signed by Republican Presidents, and in the main carried out by Republican administrations in a spirit of friendship for the old soldiers and sailors and their widows and minor children.

Far be it from me to pass over or to detract from the fact that the act of May 11, 1912, bears the name of that distinguished soldier and Democrat, Hon. ISAAC R. SHERWOOD, of Ohio.

I say this in fairness to him. But in equal fairness it should be said that the RECORD will show—the fact can not be successfully controverted—that on the passage of the Sherwood bill in a House in which the Democrats had a majority of 69 only 97 Democrats out of a total membership of 225 voted for the bill, while 130 Republicans voted for it. And of the 93 votes cast against the bill 90 were Democrats. This was in the Sixty-second Congress. The Senate was in control of Republicans. There, on the passage of the bill, 40 Republicans voted for it and only 11 Democrats. All of the votes cast against the bill—16—were cast by Democrats.

On the conference report the vote in the House is equally significant. The conference report was agreed to. Yeas 176, nays 57. Of the 176 votes for the report 99 were Republicans and 77 were Democrats. All but one of the 57 votes against the report were cast by Democrats; the other negative vote was cast by Mr. KENT, an Independent. There was no record vote in the Senate on the conference report. If anybody doubts the accuracy of these figures, let him examine and analyze the votes for himself. They may be found on pages 284, 285, 4015, and 6242 of the CONGRESSIONAL RECORD for the second session of the Sixty-second Congress.

The bill was approved by a Republican President—Taft—on May 11, 1912.

Mr. Speaker, upon the single fact that Gen. SHERWOOD, a Democrat, reported the age-service pension act from the Committee on Invalid Pensions, every Republican member of which supported it enthusiastically, rests the entire claim of the Democratic Party to the credit of passing that law. Whereas if it had not been for Republicans, who have always consistently been the real friends of the soldiers, the law would not have been passed. Even with the name of the distinguished Gen. SHERWOOD attached to it there would have been no hope of its passage without Republican support. As an individual I give Gen. SHERWOOD all due praise, and I commend the Democrats who followed him. But the action of these individual Democrats is an exception that proves the rule. The historical attitude of the Democratic Party as a party has been and is opposed to a liberal pension system, as shown by the votes of a majority of Democrats in Congress whenever the matter has been put to the test. Because certain individual Democrats have voted now and then for more liberal pensions does not reflect the true position of their party. Certain individual Democrats may justly be proud of their own votes on pension legislation, but they can not point with pride to the record of the Democratic Party as a whole. For that record, covering over 50 years' time, will not sustain their claim. On the contrary, it is not a record of which any Democratic friend of the soldier—even Gen. SHERWOOD himself—can boast or to which he can point with pride.

It is my purpose, as briefly as possible, to review the pension legislation enacted since the Civil War, and by the RECORD to give credit to whom credit is due, without fear or favor. I do

this, Mr. Speaker, because the Democratic Party at this late day in the history of pension legislation is pretending before the country to be the only friends of the old soldier and his dependents, ignoring their past party record and closing their eyes to the glorious achievements of the Republican Party on this subject.

Time will not permit me to more than refer by title or substance to the pension laws in chronological order, my chief purpose being to show the respective attitude of the Democratic and Republican Parties as reflected by the votes cast in Congress, where a roll call shows a division of sentiment, to sustain my opening assertion that the Republican Party established and maintained and liberalized our pension system.

I have already mentioned the act of July 14, 1862, which is the chief corner stone in the foundation of the present pension system.

This act was passed by the Thirty-seventh Congress, Republican in both branches, and Abraham Lincoln, a Republican President, signed it. This act specified the rates of pensions for officers, soldiers, sailors, and marines disabled by reason of wounds received or diseases contracted in the service of the United States and in the line of duty. It was broadened and liberalized by later enactments, to which I shall refer in their order of time. At the time this law was passed, in 1862, the total amount paid as pensions was only $852,170.47; in 1865, at the close of the Civil War, we paid $16,347,621.34 to 10,232 pensioners. By 1871 the number of pensioners had increased to 207,495 and the amount paid to $33,077,383.

The act of March 3, 1873, the provisions of which constitute sections 4692–4791 of the Revised Statutes, under the title "Pensions," superseded the law of 1862 and other prior laws. This act, as well as the revision of the statutes, were the work of the Forty-second Congress, both branches being Republican, and the President—Gen. Grant—a Republican.

Up to this time pension legislation was enacted free from party division or contention. It was not until the Democratic Party came into control of the House in the Forty-fourth Congress, 1875–1877, and when that party controlled both branches of Congress in the Forty-fifth and Forty-sixth Congresses, 1877–1881, giving it full responsibility for legislation save that the President throughout that period was a Republican, that antagonism of pension legislation by the Democratic Party, or a majority of its members, manifested itself. There were then, as there are now, individual Democrats who voted with the Republicans for liberal pensions, but those Democrats formed a minority of their party.

In the House June 19, 1878, Forty-fifth Congress, second session, the arrears of pension bill was passed under suspension of the rules on a motion by Mr. Haskell, a Republican, by a vote of 164 yeas to 61 nays. The entire negative vote was cast by Democrats. Of the 164 voting for the bill, 116 were Republicans and 48 were Democrats. In the Senate January 16, 1879, the arrears of pension bill passed, 44 yeas, 4 nays. All of the latter being Democrats. Only 16 out of the 44 who voted for the bill were Democrats, while 28 were Republicans. This, too, in a Democratic Congress. The bill was approved by President Hayes, a Republican, on January 25, 1879.

At the next session of Congress (3–45), on February 3, 1879. Mr. Burchard, a Republican, moved to suspend the rules and pass a bill providing for the payment of the arrears of pensions authorized by the act of January 25, 1879, by the sale of bonds. This, requiring a two-thirds vote, was defeated by the Democrats, who cast 81 votes against it, all that were cast against it. One hundred and nine Republicans and only 31 Democrats constituted the affirmative vote.

On February 17, 1879 (3–45), Mr. Sparks (Democrat), of Illinois, reported from the Appropriations Committee and moved to suspend the rules and pass a bill appropriating $25,000,000 for arrears of pensions and $1,800,000 for ordinary pensions, and prescribing graded rates of arrears of pensions. The vote was, yeas 183, nays 67 (two-thirds in favor). Again the entire negative vote was cast by Democrats. The Democratic vote for the bill was only 66, one less than the Democratic negative vote, and 117 Republicans voted for the bill, making possible its passage. When this bill came up in the Senate February 28, 1879, Senator Vorhees, Democrat, of Indiana, offered a new section providing for the payment of arrears of pensions by the proceeds of a bond issue. This was defeated: yeas 22, nays 35. Nineteen Democrats, 1 Independent, and 2 Republicans voted aye, and 27 Republicans and 8 Democrats voted nay.

Numerous other amendments were offered and voted upon, one being agreed to making the law granting pensions to the soldiers and their widows of the War of 1812 applicable to the soldiers and sailors who served in the War with Mexico of 1846. Later this was reconsidered and to it an amendment was offered providing "that no person who served in the Confederate Army during the late War of the Rebellion or held any office, civil or military, in the Confederacy shall be entitled to receive any pension under this act." On a close vote, yeas 24, nays 26, the amendment was defeated, all of the 24 yea votes being Republicans, and 25 Democrats and 1 Republican voting nay.

The bill was passed, 44 to 3, the latter being cast by Democrats.

In the House the Senate amendments which involved no political question were agreed to, yeas 203, nays 61, all of the latter being Democrats.

The bill was approved by President Hayes, a Republican.

President Grant signed the act of August 15, 1876, providing for the issuance of artificial limbs, or commutation therefor, to disabled soldiers and seamen, and providing transportation for the purpose of having the same properly fitted. President Grant also approved the act of February 28, 1877, increasing the pension of those who lost both an arm and a leg.

These two laws were passed by the Forty-fourth Congress, the Senate being Republican and the House Democratic.

Having already shown the adverse attitude of the Democratic Party, when in control of Congress, on the subject of granting arrears of pensions from the date of discharge, it is hardly necessary to say that the act of June 17, 1878, approved by a Republican President, Mr. Hayes, increasing to $72 per month the pensions of those who lost both hands, both feet, or the sight of both eyes incident to the service, was heartily supported by Republicans in a Democratic Congress. The original act of June 18, 1874, granting $50 per month to this class of soldiers was passed by a Republican Congress and signed by a Republican President—Grant.

Claim is made by the Democratic Party, or certain of its members, to the pension legislation of this period when the Democratic Party was in full possession of both Houses of Congress. But it is an indisputable fact that on 14 of the most important pension measures passed by Congress from the close of the Civil War to the enactment of the dependent-pension law in 1890 only 417 Democrats voted in favor of those laws, while 648 Democrats voted against them. On the other hand 1,068 Republicans voted for the bills, and not one Republican voted against them.

If any further evidence be necessary to show how a majority of Democrats felt toward the soldiers when Democrats were in power in Congress at the time to which I have referred let me call attention to this fact: On May 20, 1880 (2 to 46), the House voted on an amendment offered by Mr. Aldrich (Republican) to the District of Columbia Code, providing that at least 75 per cent of all appointments hereafter made to the police force, and made prior to January 1, 1885, shall be made from persons who served in the Army and Navy of the United States in the late war and were honorably discharged, and so forth. The amendment was agreed to—yeas 95, nays 78. The affirmative vote was composed of 77 Republicans, 14 Democrats, and 4 Nationals, while all except one of the votes against the amendment were cast by Democrats. The other negative vote was that of a National (G. W. Jones, of Texas).

Again, in the Forty-seventh Congress (1881–1883), the Republicans having a plurality in the House and the Democrats a plurality of one vote in the Senate, David Davis, an Independent, holding the balance of power, to a bill to increase the police force of the District of Columbia, Mr. Robeson (Republican) offered an amendment to strike out the second section of the bill repealing the law giving preference in appointments as policeman or watchman to honorably discharged soldiers and sailors of the Army and Navy of the United States. The amendment was agreed to—yeas 104, nays 77. Seventy-five Democrats, 1 Readjuster, and 1 National voted against the amendment, while only 12 Democrats voted for it. Ninety Republicans and 2 Nationals voted for it. President Arthur (Republican) signed the law of March 3, 1883, increasing the pensions of soldiers and sailors who lost an arm or leg in the service, passed by the Forty-seventh Congress.

In the Forty-eighth Congress (1883–1885) Republicans controlled the Senate and the Democrats the House. On April 21, 1884, Mr. Warner, of Ohio (Democrat), reported from the Committee on Pensions, Bounty, and Back Pay a bill providing in part a dependent pension to soldiers and sailors, and to pension dependent parents, and moved to suspend the rules and pass the bill. There were yeas 165, nays 57. All of the negative votes were cast by Democrats. Eighty-four Republicans, 79 Democrats, and 2 Independents votes for the bill. The bill was not considered in the Senate.

On January 5, 1885 (2–48), Gen. Keifer (Republican), of Ohio, moved to suspend the rules and agree to the Senate amendment to the Mexican War pension bill. This would have

passed the bill finally. But the motion was voted down, not receiving the necessary two-thirds vote, the yeas being 129 and the nays 85. With one exception, that of an Independent, all of the nays were Democrats. Republicans voting aye were 74, Democrats 54, and Independent 1.

By defeating this motion relief to Mexican War veterans was delayed for several years.

On February 7, 1885, in the Senate, an amendment to a private pension bill was agreed to increasing the pensions of widows from $8 to $12 per month. Thirty-one Republicans and 6 Democrats voted aye, and 11 Democrats and 1 Readjuster voted nay.

Another amendment was agreed to on the same day to increase the pensions of dependent parents from $8 to $12 per month—yeas 30, nays 17. All of the affirmative vote were Republicans, and all of the negative vote were Democrats, except one Readjuster. The House did not act on the amendments. The Forty-ninth Congress was divided, the Senate being Republican and the House Democratic—Cleveland (Democrat) was President.

On February 1, 1886 (1–49), Mr. Matson (Democrat), of Indiana, moved to suspend the rules and pass the bill increasing the pensions of widows, minor children, and dependent relations to $12 per month, which was agreed to—yeas 198, nays 66. Again, as on many previous votes, those voting "no" were all Democrats. Republicans furnished 118 of the "aye" vote, Democrats 79, and Greenbacker 1. This is another fair sample of a pension vote in a Democratic House. This bill was passed without a division March 16, 1886, by a Republican Senate, and was signed March 22, 1886, by President Cleveland, one of the few acts of his administration that displayed any degree of friendship for soldiers and their dependents.

The next few years (1886–1890) was a vital and important period in the history of pension legislation. It furnished the real test of friendship for soldiers who were then beginning to feel the effects of the passing years, and many of them were facing the stern realities of old age and poverty. Then it was that a dependent pension was first suggested, based upon the degree of disability to perform manual labor, culminating by the enactment of the dependent pension law of June 27, 1890, by a Republican Congress.

On May 18, 1886 (1–49), the Senate passed, by a vote of 34 to 14, a bill for the relief of soldiers of the late war, honorably discharged after three months' service, who are disabled and dependent upon their own labor for support, and of dependent parents of soldiers who died in the service or from disabilities contracted therein.

All of the 14 votes against this pioneer measure were cast by Democrats. Twenty-seven Republicans and only 7 Democrats voted for it. Before the bill passed there were votes on various amendments—one to make the minimum pension $4 instead of $8, on which the Democrats furnished 13 of the 18 votes in its favor, and only 3 of the 22 votes against it.

An amendment by Gen. Logan to make all soldiers' pensions not less than $8 per month was voted down, Democrats casting 20 out of 27 votes against it. All but 2 of the 22 votes for the amendment were Republican votes. A motion to recommit to ascertain how much the bill would cost was disagreed to, 14 to 28, all of the 14 in favor being Democrats and 24 of the 28 against being Republicans.

The bill went to the Democratic House, where a substitute was reported from committee, but no further action was taken.

Two other important bills were passed by the Republican Senate at that session (1–49), one increasing pensions of soldiers and sailors who have lost an arm or leg in the service, and the other increasing the rate of pensionable period therefor. Neither of these bills were acted upon by the Democratic House.

At this session also the Democrats in the House proposed a new rule for taxation for the payment of pensions, which Mr. Reed (Republican) moved to lay on the table. This was voted down, 127 to 139, every negative vote being Democratic. Ten Democrats voted with 117 Republicans to lay the rule on the table. The Republicans resorted successfully to filibustering to prevent further consideration.

During this period (49th Cong.) President Cleveland vetoed 123 private pension bills and "pocketed" 21. These vetoes were referred to the Committee on Pensions and Invalid Pensions. On several occasions Republicans moved to add instructions that the committee make report by a day stated, but these motions were defeated by a party vote. Ten cases were reported back favorably and one adversely. Ten of these came to vote on reconsideration and only one was passed over President Cleveland's veto.

The votes in the House and Senate were as follows, two-thirds required for passage:

	For passage.			Against passage.
	Republicans.	Democrats.	Greenbackers.	Democrats.
IN THE HOUSE.				
Elizabeth Luce case	105	9	1	124
Joseph Romiser case	101	72	2	8
Catharine McCarty case	103	19	2	55
Andrew J. Wilson case	84	20	2	85
Maria Hunter case	85	16		102
Mary Anderson case	98	30	2	93
IN THE SENATE.				
Mary Nottage case	26			10
John S. Williams case	[1] 19			14
Joseph Romiser case	(2)			
John W. Farris case	101	30		93
Thomas L. Hopkins case	123	30		99

[1] No quorum. [2] Passed 30 to 0.

Twenty-five Senate bills were vetoed, all of which were reported from the Senate Committee on Pensions faborably, but only two were voted upon.

On January 17, 1887 (2–49), Mr. Matson (Democrat), of Indiana, moved to suspend the rules and pass the dependent pension bill. The Matson bill was substantially the bill which had been reported from the Invalid Pensions Committee at the previous session as a substitute for the more liberal bill passed by the Republican Senate. The Senate bill fixed $24 per month as the maximum rate of pension; the Matson bill reduced this to $12 per month for total inability to perform manual labor, and failed to provide for lesser rates.

The bill was passed—yeas 180, nays 76. This was the first vote taken in the House on a dependent pension bill, the analysis of which shows, just as in the case of the Sherwood bill, that the bill could not have passed in a Democratic House without Republican votes. The negative vote of 76 was solidly Democratic. Sixty-eight Democrats (8 fewer than the total negative vote) voted for the bill and 111 Republicans and 1 Greenbacker were recorded in its favor.

The bill passed the Republican Senate January 27, 1887, without a division.

Then, on February 11, 1887, President Grover Cleveland, a Democrat, returned the bill to Congress with a veto and a long message stating his objections to it. He was ably answered by the Committee on Invalid Pensions, the members of which took exceptions to many of his statements, especially the one that "there exists a widespread disregard of truth and good faith" in the prosecution of pensions claims. That committee recommended that the bill be passed over President Cleveland's veto. This required a two-thirds vote. The vote was taken on February 24, 1887, and resulted—yeas 175, nays 125, not the necessary two-thirds; so the bill failed. The 125 Members voting against the bill and to support the President were Democrats, every one. On the other hand, 136 Republicans voted for the bill and to override the veto, and only 38 Democrats and 1 Greenbacker voted with them.

Thus a Democratic President and a Democratic House showed unmistakably the hostile attitude of that party toward liberalizing the pension laws.

There was then, as now, a notable individual exception to his party's position, in the person of Hon. Courtland C. Matson, of Indiana, chairman of the House Committee on Invalid Pensions. He was a staunch and able friend of the old soldier, but in this he was not in harmony with the Democratic Party.

Undismayed by President Cleveland's veto, the Republican Senate in the next Congress (50th, 1887–1889) proceeded early (February 27, 1888) to pass a dependent pension bill. Again the opposition came wholly from Democrats, the negative vote, 16, being all Democrats. Thirty-one Republicans and 13 Democrats, a total of 44, voted for the bill. Beyond the reporting from committee in the House of a substitute for the Senate bill, no further action was taken by the Democratic House.

Thus the opportunity for the Democratic Party to go on record in favor of a dependent pension law, when that party controlled the House in the Forty-eighth, Forty-ninth, and Fiftieth Congresses (1883–1889) and the Presidency from 1885 to 1889, passed away, and it remained for a Republican Congress and a Republican President to do for the soldiers what the Democratic Party had failed to do.

Before leaving the Fiftieth Congress to take up the constructive pension record of Republicans in the Congress following, I desire to refer to President Cleveland's vetoes of private pension bills during that Congress and to the antipathy of the Democratic Party toward a liberal pension system.

To the pension appropriation bill Mr. Conger (Republican), of Iowa, offered an amendment in the House, which was agreed to, providing "that in all pensions to widows payments shall be made from the date of the death of the husband."

A more comprehensive provision was recommended by the Senate committee, to wit:

That all pensions which have been, or which may hereafter be, granted under the general laws regulating pensions to widows in consequence of death occurring from a cause which originated in the service since the 4th day of March, 1861, shall commence from the date of the death of the husband.

On May 17, 1888, Mr. Cockrell (Democrat), of Missouri, moved to strike from the proposed amendment the words "have been, or," making the operation prospective; that is, to apply to pensions thereafter granted instead of to those already granted. This was disagreed to—yeas 20, nays 23. All of the "ayes" were Democrats and all of the noes but one were Republicans. The broad and liberal provision of the committee was then agreed to and became the law. This law gave thousands of needy and deserving widows back pension from the time of the death of their husbands.

In the Fiftieth Congress, covering the last two years of President Cleveland's first administration—1887–1889—he vetoed 127 private pension bills and "pocketed" 26, making a grand total of 297 of this class of bills vetoed and "pocketed" by him in four years. Prior to this the number of presidential vetoes of all kinds, from Washington's administration to Arthur's, inclusive, was only 109. President Cleveland vetoed altogether 304 bills, of which 251 were pension bills, 250 private and 1 public—the dependent pension bill.

Of the private pension bills vetoed in the Fiftieth Congress none were brought to a vote on reconsideration.

This is the record of a Democratic President and of the Democratic Party in Congress, when they had a chance to do something for the Nation's defenders, which I commend to the careful consideration of latter-day Democrats who now profess to stand as the only simon-pure champions of the old soldier. I submit that it is not a record of which men like Gen. SHERWOOD and Courtland C. Matson, or any other individual Democratic friend of the soldier can be proud.

Now, Mr. Speaker, let us turn away from Cleveland and his vetoes and the antagonism of the Democratic Party in Congress toward pension legislation and look upon a brighter side of the picture. Let us examine the record of the Republican Party in the Fifty-first Congress, and of Gen. Benjamin Harrison, a Republican, in the White House. Here we will find the promise fulfilled to the hope as well as made to the ear.

The Republican Party, in its national platform of 1888, upon which Gen. Harrison was elected President of the United States, and upon which a Republican Congress was elected, contained this declaration and promise:

THE PROMISE.

The gratitude of the Nation to the defenders of the Union can not be measured by laws. The legislation of Congress should conform to the pledge made by a loyal people, and be so enlarged and extended as to provide against the possibility that any man who honorably wore the Federal uniform should become the inmate of an almshouse or dependent upon private charity. In the presence of an overflowing Treasury it would be a public scandal to do less for those whose valorous service preserved the Government. We denounce the hostile spirit of President Cleveland in his numerous vetoes of measures for pension relief, and the action of the Democratic House of Representatives in refusing even a consideration of general pension legislation.

THE PROMISE FULFILLED.

Soon after the organization of the Fifty-first Congress a comprehensive dependent pension bill was formulated and reported to the Senate by Senator Davis (Republican).

This bill was entitled "A bill granting pensions to soldiers and sailors who are incapacitated for the performance of labor, and providing for pensions to widows, minor children, and dependent parents." What it provided, what it accomplished, and how it was administered by the Republicans I shall show further on. I want now to record its passage through Congress. Remember this, in substance, is the bill against which the Democratic Party voted and which President Cleveland vetoed.

On March 31, 1890, the bill came to a vote in the Senate. Forty-two Senators voted for it—32 Republicans and 10 Democrats. Twelve Senators voted against it, all of them Democrats. Before this vote was taken several amendments were voted down, including one by Senator Vest (Democrat) providing an income tax for the purpose of raising the money necessary to meet the appropriations made by the bill. The Vest amendment was laid on the table—yeas 29, nays 17. Only 1 Democrat voted with 28 Republicans to table the amendment, while 16 Democrats and 1 Republican voted against tabling.

When the bill came up in the House—April 7, 1890—on a motion of Mr. Morrill (Republican), chairman of the Committee on Invalid Pensions, to suspend the rules and pass the same with an amendment in the nature of a substitute, the motion was defeated (two-thirds being required)—yeas 169, nays 87. The entire "no" vote was made up of Democrats, with one exception. Mr. Moore, a Republican, of New Hampshire, voted "no." Afterwards, on the passage of the bill, Mr. Moore voted for it. One hundred and thirty-four Republicans, 34 Democrats, and 1 Independent voted for the bill.

On April 30, 1890, the bill again came up and was open to amendment. The Morrill substitute, section 1 of which provided for service pension and fixing 62 years as the minimum age, was pending. This was amended on motion of Mr. Cheadle (Republican), of Indiana, by making the minimum age 60 years. The Morrill substitute was then agreed to—yeas 183, nays 71. The entire negative vote save one (Brower, Republican, of North Carolina) was composed of Democrats. One hundred and forty-three Republicans and 40 Democrats voted for the substitute.

On the final passage of the bill the yeas were 179 (Republicans 142, Democrats 37), nays 71 (Democrats 70, Republican 1; Brower of North Carolina).

The title of the bill was amended in conformity with the age-service provision by making it read:

An act providing for a service pension for the soldiers of the Rebellion and their widows, and for other purposes.

The bill then went to a conference committee of the two Houses, where it underwent some changes, including the restoration of the original title.

The statement made by the House conferees as to the changes is as follows:

The effect of the changes made by the conferees is to substitute the bill in relation to dependent parents, passed by the House January 30, for the first section of the Senate bill, and the second section of the Senate bill is amended by striking out the dependent clause and inserting the word "manual" before the word "labor"; also by making a graded rate of from six to twelve dollars instead of the fixed rate of twelve. The service-pension sections of the House bill, granting pensions to widows, is retained. The section of the Senate bill pertaining to pension attorneys is retained.

The House agreed to the conference report June 11, 1890—yeas 145 (Republicans 117, Democrats 28), nays 56 (all Democrats).

The Senate agreed to the conference report June 23, 1890—yeas 34 (Republicans 31, Democrats 3), nays 18 (all Democrats).

The bill was approved and signed by President Harrison on June 27, 1890, a day in the history of pension legislation, known to soldiers and soldiers' widows throughout the Nation for the last 26 years as the day on which was fulfilled the promise of the Republican Party—

To provide against the possibility that any man who honorably wore the Federal uniform should become the inmate of an almshouse or dependent upon private charity.

This was the most far-reaching pension legislation enacted after the close of the Civil War, and recognized a higher obligation of the people to their disabled veterans than was ever before formulated into law. Previous to 1890 pensions for service in the Civil War were granted only to those who were wounded in the service or who had contracted some disability therein, and likewise pensions were granted only to widows, minor children, and dependent parents of those who died from injuries received or disabilities contracted in the service. The act of June 27, 1890, granted pensions to all persons who served 90 days or more during the Civil War and who were disabled from earning a support by manual labor from disabilities not due to vicious habits, without requiring the applicant to prove that the disability or disabilities were incurred in the service. The act also granted pensions to dependent widows of all such persons without requiring them to prove that their husbands died of wounds received or disabilities contracted in the service. The rate of pension under the act of June 27, 1890, was from $6 to $12 per month to the survivors of the Civil War in accordance with the degree of disability and $8 per month to all widows.

Before passing on to other liberal pension legislation enacted by the Republican Party, I want to show how the act of June 27, 1890, was administered by Democratic and Republican administrations, to the great disadvantage of soldiers and widows under the former and with liberality and justice by the latter.

When the act was first passed the Commissioner of Pensions promulgated the following order, No. 164:

DEPARTMENT OF THE INTERIOR, BUREAU OF PENSIONS,
Washington, D. C., October 15, 1890.

In regard to fixing rates of pensions under the act of June 27, 1890:

That all claimants under the act of June 27, 1890, showing a mental or physical disability or disabilities of a permanent character, not the result of their own vicious habits, and which incapacitate them from the performance of manual labor, rendering them unable to earn a support in such a degree as would be rated under former laws at or above $6 and less than $12, shall be rated the same as like disabilities of service origin, and that all cases showing a pensionable disability which, if of service origin, would be rated at or above $12 per month, shall be rated at $12 per month.

GREEN B. RAUM, *Commissioner.*

Approved:

CYRUS BUSSEY, *Assistant Secretary.*

The administration of the act of June 27, 1890, continued under the operation of this liberal order until a Democratic administration abrogated it and issued in its place the following order, No. 225:

DEPARTMENT OF THE INTERIOR, BUREAU OF PENSIONS,
Washington, D. C., June 9, 1893.

As to adjudicating and fixing rates of pensions under the act of June 27, 1890:

1. A claim for pension under the second section of the act of June 27, 1890, can only be allowed upon proof of mental or physical disability of a permanent character, not the result of the claimant's own vicious habits, incapacitating him for the performance of manual labor in such a degree as to render him unable to earn a support.

2. No specific injury or disability can, as such, have a pensionable rating under that act, nor be considered otherwise than as it affects the capacity of the claimant to perform ordinary manual labor.

3. Proof that the disability is not the result of the claimant's own vicious habits is requisite; and therefore the causes and circumstances of the origin of the disability should be shown by the evidence furnished in support of the claim for pension, so far as can be done, and by persons other than the claimant.

4. To give the claimant a pensionable status under this act the disability must be such as to incapacitate him for the performance of manual labor in such a degree as to render him unable to earn a support, yet the act recognizes differences in the degree of such pensionable disability, giving $12 per month in case of the greatest and $6 per month in case of the lowest degree of such pensionable disability rendering the claimant unable to earn a support by manual labor. It also provides for intermediate ratings proportioned to the intermediate degrees of such pensionable disability. The proper ratings under this act will therefore be made in accordance with such rules for rating as the medical referee shall prescribe, subject to the approval of the commissioner.

WM. LOCHREN, *Commissioner.*

Approved:

HOKE SMITH, *Secretary.*

The effect of this technical and illiberal order was that many deserving soldiers could get no pension at all under the act of 1890, and some got less than they deserved. The change in the construction of the law was the result of Democratic unfriendliness to pension legislation and a disposition to reduce the number of pensioners on the roll. Mr. Cleveland had come back into power breathing threatenings and slaughter against pensioners, and in his message of 1893 to Congress declared that "thousands of neighborhoods had their well-known fraudulent pensioners." And so a general and indiscriminate campaign was entered upon by Mr. Cleveland's administration against the men and women on the pension roll. An army of special pension examiners were put into the field; 60,000 Democratic postmasters were used as spies, scouts, and guides; all the multitudes of Democratic newspapers brought up their heavy artillery and joined in the bombardment; and at least $1,000,000 were expended in the tremendous effort to brand almost every pensioner as more or less a fraud and almost every person trying to get a pension as trying to perpetrate a fraud.

What was the result? How many fraudulent pensioners were found as the result of all this tremendous accusation and searching investigation? Only 39 out of 970,000 pensioners. Never was so serious an accusation found to have so little foundation in fact.

Another distinctly hostile act of the Democratic Commissioner of Pensions, Mr. Lochren, was his interpretation of the obnoxious order No. 225, that disabilities should not be combined so as to establish the minimum rating of $6 per month. This, however, raised such a protest that it was withdrawn by order No. 241, as follows:

DEPARTMENT OF THE INTERIOR,
BUREAU OF PENSIONS,
Washington, D. C., September 2, 1893.

The circular of June 12, 1893, in respect to rating cases under the act of June 27, 1890, is withdrawn.

Hereafter in affixing rates under this act the medical referee or the medical officer in the board of revision shall weigh each disability and determine the degree that each disability or the combined disabilities disable the claimant from earning a support by manual labor, and a rate corresponding to this degree shall be allowed.

In cases in which the pensioner has reached the age of 75 his rate shall not be disturbed if he is receiving the maximum, and if he is not a pensioner he shall receive the maximum for senility alone, if there are no special pensionable disabilities shown.

WM. LOCHREN, *Commissioner.*

During the first year of that Democratic administration the amount paid for pensions fell off $16,000,000 as the result of the unfriendly orders and practice of the Pension Bureau.

The former Republican ruling friendly to widows was also changed.

Ruling 241 of Commissioner Raum, of May 12, 1891, was as follows:

In considering the testimony alleging that the widow is without other means of support than her daily labor, it is proper to keep in view the fact that the support contemplated by this act includes both shelter and raiment for the widow and children of the deceased soldier who are dependent upon her. When it is shown that the income of the widow is inadequate for such support, and that she is dependent for the same upon her daily labor, the pension should be granted.

Under this ruling widows with incomes of $300 or less were granted pensions, but when Mr. Cleveland came into the office of President his Commissioner of Pensions, William Lochren, changed this ruling as to widows, as he also changed the ruling as to soldiers, and denied a pension to widows, under the act of 1890, whose income was $96 a year or more. Later, under a Republican Congress, the amount of income was fixed by law at $250.

Mr. Speaker, when William McKinley was elected President and the Republican Party again came into power in 1896 Maj. McKinley told Commissioner Evans "to be generous within the limits of the law," whereupon Mr. Evans reinstated, in accordance with the law giving preference to ex-Union soldiers and sailors in the matter of appointments, 157 ex-Union soldiers who had been discharged under former administrations, besides promoting 287 of those now employed in the bureau. He also reinstated 23 ex-Union soldiers in the different agencies and promoted 29 to higher places, and in addition reinstated and promoted 64 widows and orphans of deceased soldiers.

One of the first official acts of Commissioner Evans was to revoke the obnoxious orders of his Democratic predecessor, for which action he received the thanks of the National Encampment of the Grand Army of the Republic.

The act of June 27, 1890, was then interpreted in the most liberal manner possible.

Under Commissioner Ware, a Republican and ex-Union soldier, an order was issued, the famous Order No. 78. This order said that when a man arrived at the age of 62, instead of piling up affidavits in the Pension Bureau establishing this or that infirmity, it should be presumed—as a matter of fact—that a disability existed that entitled him to $6 a month, and when he reached the age of 65 years it should be presumed that he had certain other disabilities which entitled him to $8 a month.

No single act of that Republican administration aroused such determined opposition from the Democratic minority in Congress as this order, which I will insert here in full:

PENSION BUREAU ORDER IN RELATION TO PRESUMPTION OF DISABILITIES ARISING FROM AGE.

DEPARTMENT OF THE INTERIOR,
Washington, March 15, 1904.

The COMMISSIONER OF PENSIONS.

SIR: Your letter has been received, submitting for my consideration an order touching the rate of pension allowed under the act of June 27, 1890. The order in question is as follows:

DEPARTMENT OF THE INTERIOR,
BUREAU OF PENSIONS,
March 15, 1904.

ORDER No. 78.]

Whereas the act of June 27, 1890, as amended, provides that a claimant shall "be entitled to receive a pension not exceeding $12 per month and not less than $6 per month, proportioned to the degree of inability to earn a support, and in determining such inability each and every infirmity shall be duly considered, and the aggregate of the disabilities shown to be rated"; and

Whereas old age is an infirmity the average nature and extent of which the experience of the Pension Bureau has established with reasonable certainty; and

Whereas by act of Congress in 1887, when 39 years had elapsed after the Mexican War, all soldiers of said war who were over 62 years of age were placed on the pension roll; and

Whereas 39 years will have elapsed on April 13, 1904, since the Civil War, and there are many survivors over 62 years of age: Now, therefore,

Ordered (1). In the adjudication of pension claims under said act of June 27, 1890, as amended, it shall be taken and considered as an evidential fact, if the contrary does not appear, and if all other legal requirements are properly met, that when a claimant has passed the age of 62 years he is disabled one-half in ability to perform manual labor, and is entitled to be rated at $6 per month; after 65 years at $8 per month; after 68 years at $10 per month; and after 70 years at $12 per month.

2. Allowances at higher rate, not exceeding $12 per month, will continue to be made as heretofore, where disabilities other than age show a condition of inability to perform manual labor.

3. This order shall take effect April 13, 1904, and shall not be deemed retroactive. The former rules of the office fixing the minimum and maximum at 65 years and 75 years, respectively, are hereby modified as above.

E. F. WARE,
Commissioner of Pensions.

In response thereto I have to state that one copy of the order has been approved by indorsement thereon and is herewith transmitted for the files of your office.

Very respectfully, E. A. HITCHCOCK, *Secretary.*

The feeling among Democrats in Congress against this liberal construction of the law, a construction which was within the always acknowledged competency of the department, took form in a resolution offered by Mr. Cockran—Democrat—in the Fifty-eighth Congress, authorizing the Committee on the Judiciary to inquire and report whether the order was a usurpation or invasion of the powers of Congress. This resolution was reported from the Committee on Rules April 9, 1904, and Mr. Dalzell—Republican—moved to lay it on the table. In a heated debate Republicans contended for the validity of the order, while certain prominent Democrats declared against and criticized it.

On a close vote—yeas 103, nays 100—the resolution was tabled. All of the 103 voting "aye" were Republicans; 97 Democrats and 3 Republicans voted in the negative.

Two years afterwards Order 78 was confirmed by the act of April 24, 1906, as follows:

That the age of 62 years and over shall be considered a permanent specific disability within the meaning of the pension laws.

It is a well-known fact that during the 16 years from the Fifty-fourth to the Sixty-first Congresses, when the Republican Party was in control of Congress and the Presidency our pension system was still further and greatly liberalized, action in the Pension Bureau simplified and expedited, and that the policy in Congress grew more and more liberal in private pension legislation. It was by Republicans that the simpler method of omnibus private pension bills was inaugurated, the only opposition thereto coming from a few Democrats.

Mr. Speaker, the fundamental laws, the most far-reaching laws, and the great preponderance of pension laws under which we are operating to-day were passed by Republicans, and even such laws as were passed by Democrats when they controlled either House of Congress received solid Republican support, which can not be said of the Democratic Party, either when it was in power or when it was out of power.

In the Fifty-second Congress, the House being Democratic and the Senate Republican, the following were the bills considered and the votes thereon:

Bill relating to the execution of declarations and other papers in pension claims, April 12, 1892. Vote on passage: Yeas 162, nays 23, not voting 143. The negative vote was all Democratic. Affirmative vote: Republicans 43, Democrats 110, Populists 9. The Democrats had a majority in the House of 148.

Bill granting pensions to Army nurses, June 28, 1892. Vote on passage: Yeas 125—Republicans 45, Democrats 73, Populists 7. Nays 56—Democrats 55, Populist 1.

Pension appropriation bill, March 7, 1892, Mr. Grout—Republican—moved to increase the appropriation for Army and Navy pensions from $133,000,000 to $144,000,000. Rejected. Yeas 70—Democrats 10, Populists 6, Republicans 54. Nays 162—Democrats 161, Populist 1.

Pension appropriation bill: Amendment to exclude payment to any person in receipt of an income of $1,000 a year, February 7, 1893. Rejected. Yeas 125—Democrats 124, Populist 1. Nays 134—Republicans 64, Populists 8, Democrats 62.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. DYER. Mr. Speaker, I ask unanimous consent for five minutes more.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

Mr. DYER. During the period from 1893 to 1897, when Cleveland was President and the House was alternately controlled by Democrats and Republicans, President Cleveland vetoed many more private pension bills, bringing his total of such vetoes to 550 for his two terms.

Presidents Lincoln, Johnson, Grant, Hayes, Garfield, Arthur, Harrison, McKinley, Roosevelt, and Taft, all Republicans, did not veto a single pension bill.

Next in importance to the dependent-pension act was the act of February 6, 1907, also passed by a Republican Congress and signed by a Republican President, granting pensions to certain enlisted men, soldiers, and officers who served in the Civil War and the War with Mexico. Under this act any person who served 90 days or more in the military or naval service of the United States during the late Civil War or 60 days in the War with Mexico and who was honorably discharged is entitled to a pension of $12 per month on reaching the age of 62 years, $15 per month on reaching the age of 70 years, and $20 per month on reaching the age of 75 years.

The legislation next in importance to be passed by a Republican Congress was the act of April 19, 1908, to increase the pensions of widows, minor children, and so forth, of deceased soldiers and sailors of the late Civil War, the War with Mexico, the various Indian wars, and so forth, and to grant a pension to certain widows of the deceased soldiers and sailors of the late Civil War. Under this act all widows, minors, and helpless children on the rolls at a less rate were increased to $12 per month, and the widows of those who served 90 days during the Civil War and who received an honorable discharge therefrom are entitled to pension under this act, provided they were married prior to June 27, 1890, dependence not being considered. This act granted an increase of pension to some 200,000 widows and children of deceased soldiers and sailors of the Civil War and the War with Mexico and the various Indian wars. Pensioners were not required to file an application in the Bureau of Pensions to secure the increased rate provided by the act of April 19, 1908, as the pension agents were instructed to pay all pensioners on the roll affected by this act at the increased rate at the first quarterly payment occurring after the passage of said act.

Now, Mr. Speaker, I want to refer to the so-called Sulloway bill of the Sixty-first Congress, which passed the House and failed in the Senate. That bill was an age-and-service bill; it required a minimum service of 90 days and allowed very liberal rates of increase. The bill passed the Republican House without a record vote. It has been contended by Democrats that the Republican Party was responsible for its failure in the Senate. This is untrue, and in support of what I say I refer to the remarks of the gentleman from Kentucky [Mr. LANGLEY], who is as familiar with the facts as he is with pension legislation, having had long experience in such matters both in the Pension Bureau and in Congress.

Mr. LANGLEY, on May 18, 1914, said:

The CONGRESSIONAL RECORD shows repeated efforts of Republican Senators to get the bill considered and passed and that these efforts were blocked by Democratic Senators. I ask you to look at page 2883 of the RECORD of February 18, 1911. Senator Scott, of West Virginia, a Republican, asked unanimous consent to take up the bill, and Senator OVERMAN, a Democrat, from North Carolina, objected. Thereupon Senator Scott moved to take up the bill notwithstanding the objection. There were 49 votes in favor of this motion, and 46 of them were Republicans; there were 35 votes against the motion, and 28 of them were cast by Democrats. The RECORD also shows that the action of the Democratic Senators prevented a final vote on the passage of the bill at that time. Again, on the 4th of March following (see pp. 4320–4321 of the RECORD), the last day of the session, and the last chance the bill had to become a law in that Congress, a Republican Senator, Mr. CURTIS, of Kansas, asked unanimous consent to take up the bill, and objection was made by Mr. GORE, a Democrat, from Oklahoma. A Republican Senator then moved to take it up notwithstanding this objection, and the vote on that motion showed practically the same political alignment as it did on the other occasion referred to, on February 18. I wish that every soldier in the country and their relatives and friends knew the exact truth about the entire procedure in connection with that bill.

Mr. Speaker, coming down to the last prominent piece of pension legislation—the Sherwood Act of May 11, 1912—I will only reiterate what I said in the beginning, that this law would never have passed a House with a Democratic membership of 225 and a clear majority of 68, without the aid of Republicans. I have given the figures to prove this statement. And the further facts are that the bill was passed by a Republican Senate and signed by a Republican President.

Mr. Speaker, actions speak louder than words. Belated declarations of latter-day Democrats can not change the record. Our splendid pension system, which has no precedent in the world's history, and no peer in justice and generosity among the nations of the earth, is a distinctively Republican institution.

Words are but leaves;
Deeds are fruits.
Words are easy, like the wind,
Faithful friends are hard to find.

The Republican Party points to its deeds in behalf of the Nation's defenders and their widows, as a guaranty that it still holds to the sentiment which on a great banner met the gaze of the soldiers and sailors of the Union Army and Navy who marched down Pennsylvania Avenue, in this city, May 27, 1865:

There is one debt this Nation owes which it can never pay; that is the debt it owes to its soldiers and sailors.

[Applause.]

The SPEAKER pro tempore. The Chair recognizes the gentleman from Louisiana [Mr. ASWELL] for 40 minutes.

THE NATIONAL CAMPAIGN.

Mr. ASWELL. Mr. Speaker—

A time like this demands
Strong minds, great hearts, true faith, and ready hands;
Men whom the lust of office does not kill,
Men whom the spoils of office can not buy,
Men with opinions and a will,
Men who have honor, men who will not lie;
Men who can stand before the demagogue and scorn his treacherous flatteries without winking,
Tall men—sun-crowned—who live above the fog in public duty and in private thinking

Such a time as this demands men large enough, brave enough, and true enough to place our country's welfare above the lust for public office and political advantage. [Applause on the Democratic side.] Such a time has no place for the petty demagogue, the sectional firebrand, or the partisan agitator.

Such a time teaches that men and women of all sections united and patriotic should strive to quiet impending conflicts, hush the wrangling of creeds, harmonize conflicting interests, and make every section a stronger fabric in the Nation's life. Such a time calls upon men of all classes and creeds to give themselves for the peace, the happiness, and the prosperity of this people—united as never before, loving and honoring one flag, working for one purpose, and worshiping one God. [Applause on the Democratic side.]

It is a pitiable aspect in this twentieth century to see men in high positions encouraging the Republican candidate for the Presidency under baneful influences to seek to rekindle the flames of sectional strife, as he belittles the high office to which he aspires in a vain effort to be benefited by sectional bitterness.

It is regrettable to see a man retire from the highest court in the land and destroy himself by his own blundering hand; but Mr. Hughes is not wholly to blame for the low order of his campaign speeches, for he has been for many years removed from the activities of men, and must necessarily take dictation from those who are vainly seeking the return of a discredited Republican control of the Government.

In a State legislature some years ago a member representing the county of Buncombe was making a speech. A majority of the members left the chamber, and the speaker paused and said to those who remained, "You may go, too, if you wish; for I am only talking for Buncombe."

The brilliant and eloquent gentleman from Illinois [Mr. RODENBERG], who made a speech in this Chamber on August 4, evidently for a Republican campaign document, made statements so extravagant and unfounded that it is evident that he was "only talking for buncombe." [Applause on the Democratic side.]

Knowing that the Republican candidate for the Presidency is a cold, austere man, afflicted with a superabundance of inflated egotism, his advisers insisted that he put pep into his speeches. He evidently read the speech of the gentleman from Illinois delivered "only for buncombe" and thought it was pep. [Laughter.]

When the Republican candidate for the Presidency discovered that a certain unknown Republican in the Geodetic Survey had lost his job, he immediately seized upon the loss of that Republican job and made it one of the foremost issues of a national campaign. He thought that was pep.

When the Republican candidate for the Presidency was told that a good Republican job in the Census Bureau had been lost he seized upon that incident, attacking the Democratic appointee, and made this the next great issue in a national campaign. He thought that, too, was pep, but the people of the country know it is buncombe. The American people who have had dealings with William J. Harris, the Democratic appointee, will render the unanimous verdict that as a patriotic statesman of purpose and power, that as a man of force and ability, and that as a man possessing superior skill and expertness in business, William J. Harris, by whatever standard the two may be measured, is the peer of the Republican candidate for the Presidency. [Applause on the Democratic side.]

Forgetting that the Republican Party for 16 years had complete control of the Government and utterly failed to make adequate preparation for our national defense, forgetting that the Republican Party is wholly responsible for the condition of our Army and Navy, and not knowing that more has been done for preparedness in the Sixty-fourth Congress than during the 16 years of Republican control, the Republican candidate for the Presidency denounces the preparedness program of this Congress as inadequate and incomplete. He had to say something to catch Mr. Roosevelt. In the next breath he howls extravagant appropriations. He thinks that is pep. He is inconsistent and insincere enough to shout for more preparedness and in the next breath denounce appropriations for preparedness.

The extravagance to which Mr. ex-Justice Hughes refers includes appropriations for the Army and Navy made necessary by 16 years of Republican misrule and neglect, and appropriations for the farmers, including the rural-credits act, the good-roads act, labor legislation, agricultural extension, the conservation acts, and the ship-purchase act to provide a market for farm products. He calls it extravagance, but the people of the country know that it is just, proper, and legitimate support of the farmer, the laboring man, and the industrial interests of the country. Which of the above acts would he repeal? [Applause on the Democratic side.]

He evidently does not know that under Republican control more than the total expenditures of this Congress was donated to the special interests from the public domain in the form of land grants. How will he and his party meet this fact?

When the Republican candidate for the Presidency, while still a justice of the Supreme Court of the United States, the most nonpartisan and exalted position in the world, taking advantage of the high standing in the community of a well-known woman's college, slipped over to that noble institution, placed typewritten copies of his speech in reach of the newspaper reporters for the Chicago convention then in session, delivered a speech in honor of the flag, then stole away and waited breathlessly to be shocked and surprised by "the unexpected" notice of his Republican nomination, he evidently thought it a shrewd and cunning scheme to bring himself prominently before the Republican convention, but the American people think it was a most remarkable act for a justice of the Supreme Court of the United States to take advantage of a great woman's college to begin his cheap and partisan political campaign. [Applause on the Democratic side.]

When the Republican candidate for the Presidency rejected his own party platform and announced for a Federal amendment for woman suffrage in a vain effort to make the women of the country believe that he is anxious to give them equal opportunities, he evidently thought that that was the most pep that he had used, but, Mr. Speaker, let the women of the great city of New York answer the Republican candidate in this political expediency of his. Let the women of the city of New York tell the women of the country how Mr. Hughes's honeyed words now square with his acts while governor of New York. In that great city there was a demand to pay for the same service equal salaries to women and men in the teaching profession. The women teachers of New York City had clamored for years for the same pay as men, provided they did the same quality and amount of work. The legislature of that State in 1907 passed such a bill. What did the present noisy would-be champion of women do when governor of New York when he had a real opportunity to act? He vetoed that bill in the following language:

STATE OF NEW YORK, EXECUTIVE CHAMBER,
Albany, May 29, 1907.

To the senate:

I return herewith, without my approval, senate bill No. 1218, entitled "An act to amend the Greater New York charter in relation to the fixing of the salaries of members of the supervising and teaching staff of the public schools of the city of New York."

The board of education of the city of New York consists of 46 members, appointed by the mayor for terms of five years, respectively. They are excepted from the general provisions of the charter authorizing the mayor to remove public officers holding by appointment from him whenever in his judgment the public interest shall so require, and are removable only upon sustained charges. While styled the head of an administrative department, the board of education, by the terms of the charter, possesses the powers and privileges of a corporation. As such it sues and may be sued. It has the management and control of the public schools and of the public-school system of the city, subject only to the general statutes of the State relating to public schools and public-school instruction and to the provisions of the charter. It has power to establish schools, to appoint administrative officers, principals, heads of departments, and teachers, and to adopt by-laws and regulations for the proper execution of its duties. It also has the power to fix the salaries of all members of the supervising and the teaching staff, subject to the provision that there shall be established a uniform schedule providing for an equal annual increment and that the salaries and annual increments paid to men and women, respectively, shall not be less than specified amounts.

The board of education annually submits to the board of estimate and apportionment an estimate of the moneys needed for the entire school system during the next succeeding year, and the board of estimate and apportionment is required to appropriate for the general school fund an amount not less

than 3 mills on every dollar of assessed valuation of the real and personal estate in the city of New York liable to taxation. The board of education administers all moneys so appropriated, subject to the general provisions of the charter relating to the audit and payment of salaries and other claims by the department of finance, and in case the amount appropriated exceeds the amount needed the surplus becomes part of the general school fund for the following year.

Apart from the power of the mayor to appoint and remove as stated and the duty of the city to supply the funds required, the board of education exercises its powers independently. It is not subject to control by the city authorities. There is no contract or official relation between the teachers and the city. The city can not be sued upon the contracts made by the board. This results, as the court of appeals has said, from "the settled policy of the State from an early date to divorce the business of public education from all other muncipal interests or business" and from the creation of the board of education as a corporate body "to conduct a system of public education in a designated division of the State and manage and control the schools therein." (Gunnison *v.* Board of Education, 176 N. Y., pp. 16, 17.)

The board of education is thus directly subject to the control of the legislature, and whatever provisions may be found necessary or wise for the purpose of defining its powers or prescribing its policy must be prescribed by the legislature. No other authority is competent to make such provision.

But while the legislature has power to deal with every phase of the matter, the course which experience approves is that certain general principles of action should be laid down, and that within these principles freedom with reference to details of management should be left to the subordinate body acting with peculiar knowledge of local conditions.

When the so-called Davis law was passed in 1899, it was thought important to the educational interests of the city that certain minimum salaries for teachers should be prescribed, as well as minimum annual increments, presumbaly to improve the service. In these prescribed minima wide differences appear between the amounts payable to men and to women. These control the board of education only as minimum requirements, but the practice has been to pay women less than men, and under the by-laws adopted by the board glaring inequalities now exist.

The motive of the present bill is to compel equal pay for men and women holding the same positions under any particular schedule of salaries. The provisions of the bill relating to classification, schedules, and the raising of additional funds by taxation turn upon this central requirement and are for the purpose of giving it effect. And inasmuch as the question is one of general principle it is claimed that it is a requirement proper to be established by the legislature in laying down the rules under which the board of education shall exercise its powers.

Now, without taking up the alleged ambiguities of the bill, it clearly appears, with respect to this fundamental matter, to be open to serious objection.

It is proposed by legislative enactment to establish the proposition that for the work of a given position women shall receive equal pay with men. It is for this principle that the supporters of the bill contend and not for mere increased pay. The gross inequalities which have been permitted by the board of education, and which clearly should not be continued, are pointed to for the purpose of emphasizing the principle in question.

The proposition as it is put—"equal pay for equal work"—is an attractive one, and set forth on behalf of the worth, public servants who are engaged in this important calling it has elicited a large measure of support, while at the same time it has provoked vigorous opposition from those who believe that the desired legislation would be unfortunate both for the schools and the women teachers.

But it is manifest that the principle is one of general application, and it should not be adopted by the State unless the State is prepared to apply it generally. The question is necessarily one of State policy, and as such it should be presented and debated before action is taken.

There is no reason why the principle should be applied to teachers in New York and not to those in Albany, Syracuse, Rochester, Buffalo, and elsewhere in the State, nor is there any reason why it should be limited to school-teaching. If sound, it should be applied in our State hospital service, in our charitable and reformatory institutions, and generally through the civil service of the State. It is indefensible that a principle of grave importance to the State as a whole should be established in connection with a local measure inviting only the consideration which as such it receives. The consideration of such a matter should be under circumstances directing the attention of every member of the legislature to its importance with reference to his own constituency and to the State at large, and not upon the assumption that it is a question of purely local concern.

What local authorities or subordinate boards may do within the limits of their discretion, while locally important, is a very different matter from the establishment by legislation of a principle of action which has no appropriate local limitation. By acting in such matters through local bills the State finds itself committed to a course which, as State policy, has never received thorough consideration.

For this reason I can not approve this bill. The matter should be left to the board of education to be dealt with locally as may seem best, unless the legislature is prepared to lay down the general principle for the entire State and the entire public service.

(Signed) CHARLES E. HUGHES.

He refused to give the women of his own State justice in the matter of earning a living. How far can the women of the country trust him now? [Applause on the Democratic side.] He was not willing then to give the women of his own State an equal chance to earn a living, but he is anxious now to fool them into voting the Republican ticket. A few months ago the question of woman suffrage was voted on in New Jersey and New York. President Wilson had the frankness and the courage to go to New Jersey and vote for suffrage, but Mr. Ex-Justice Hughes sat in Washington and did not feel interest enough to go to New York and cast his ballot. [Applause on the Democratic side.] In fact, has Mr. ex-Justice Hughes cast his ballot in six years? Has he not for six years failed to exercise the highest right and duty of an American citizen, the right of suffrage? Mr. Speaker, does this record of Mr. Hughes reveal statesmanship or demagogy? Let the women of the country answer in the next November election. [Applause on the Democratic side.]

If the Republican candidate for the Presidency is not the candidate of the monopolistic interests of the country, let him explain why, while governor of New York, he vetoed the full-crew bill. Let him try again to explain why he protested against the Federal income tax amendment. In view of his frantic efforts to win support in the Middle West, let him explain his astounding and amazing veto of the 2-cent railroad-fare bill. Read his veto message in part in the following language, and decide for yourselves what his political alignments are:

STATE OF NEW YORK, EXECUTIVE CHAMBER,
Albany, June 11, 1907.

To the assembly:

I return herewith, without my aproval, assembly bill No. 2269, entitled "An act to amend the railroad law, in relation to rates of fare."

This bill, with specified exceptions, provides for a maximum passenger fare of 2 cents per mile upon the railroads in this State. Steam railroads less than 150 miles in length which are not within the counties of New York and Kings, or within the limits of an incorporated city, are permitted a higher maximum charge of 3, 4, and 5 cents a mile according to length of line, unless through consolidation, lease, or control they form part of a system whose combined lines exceed 150 miles, in which case the provision for a maximum rate of 2 cents a mile is applicable.

* * * * * * *

I do not mean to be understood as saying that a maximum 2-cent passenger rate would be unreasonably low. It might be high enough in many cases. Possibly it would be high enough in all cases. I fully appreciate the fact that those who have promoted this bill believe that such a rate would be fair. But I deem it most important that the policy of dealing with matters of this sort arbitrarily, by legislative rule of general application without reference to the demands of justice in particular cases, should be condemned. Every workingman, every tradesman, and every citizen believing himself to have aught at stake in the prosperity of the country, should determinedly oppose it. For it not only threatens the stability of business enterprise which makes our prosperity possible, but it substitutes unreason for sound judgment, the ill-considered demands of resentment for the spirit of fair play, and makes impossible patient and honorable effort to correct abuses.

* * * * * * *

If this bill were to become a law, it would most probably lead in many cases—on account of pretended or real necessity—to economies in service and to readjustment of rates now lower, to the annoyance and injury of considerable numbers of the traveling public for which the gain to others would not necessarily compensate. Again, the validity of such a statute would almost certainly be contested in protracted litigation, the result of which, to say the least, would be in doubt. At a critical time,

when the interests of all demand that reason and judgment should control in dealing with such matters, we should have abandoned our true line of action and facilitated still wider departures.

I therefore disapprove this bill.

CHARLES E. HUGHES.

When President Wilson settles the impending railroad strike, which he will in the interest of the American people, Mr. ex-Justice Hughes had better come on home, save his vested interest backers further expense, and retire to private life, to which obscurity he is surely going with perfect safety.

The Republican candidate for the Presidency reveals a shocking, amazing, and humiliating lack of information when he says:

> The river and harbor bill, known to the people as the pork-barrel bill, is largely moneys wasted, as there is no expert examination to determine what expenditures are needed. * * * That is a matter of logrolling. It brings the blush of shame to the cheeks of every American. It ought to be stopped. If I am elected President, to the best of my ability I propose to stop it.

He also calls attention to the fact that the men at the head of these committees in the House and the Senate are both southern men, in an effort to raise the question of sectionalism in his criticisms of the bill.

Mr. Speaker, no other bill in the whole legislative program is as carefully safeguarded against fraud as is the river and harbor bill. No project is adopted unless approved by the Engineers of the Army and by the Chief of Engineers. First, by authorization of Congress a preliminary survey is made of each project by the district officer, a report is made to the division engineer, then to the Board of Engineers, then to the Chief of Engineers, whose report is final. If unfavorable, it ends the matter. If favorable, it goes back to the district officer for final survey and estimate of cost, then back again to the division engineer, to the Board of Engineers, and to the Chief of Engineers. It is clear to every intelligent citizen that every precaution is taken against needless expenditures.

In the river and harbor act passed by this Congress there are numerous instances where this principle of caution by the Government has been emphasized. After the bill passed the House the Senate added $50,000 for Key West Harbor and it was stricken out in conference because the project had not been surveyed. It was stricken out by the chairman of the committee, Mr. SPARKMAN, near whose home in Florida the harbor is located. For the Sabine-Neches Canal in Texas, near the home of the second member of the committee, $70,000 was stricken out because no survey had been made. Another item of $25,000 for Arcadia Harbor in Michigan was stricken out for the same reason, thus showing that every item in this bill does actually have expert examination in advance, which fact, in view of his own statement, reveals the stupendous ignorance and inexcusable demagogy of the Republican candidate for the Presidency.

He calls it pork and insinuates that it is largely southern pork. The river and harbor act passed by this Congress carries $40,598,135. It carries for the perfectly loyal southern State of Maryland $21,000 and for the northern State of New York $2,500,000 in direct appropriations and authorizes $1,100,000 to be expended later, thus carrying to the State of New York three and one-half million dollars, 166 times the amount appropriated for Maryland.

This bill carries for the southern State of North Carolina $267,600, while the northern State of Michigan receives $1,500,000. This bill authorizes the expenditure of $2,500,000 for continuing projects, while not a penny of this sum goes to any southern State. Of the $42,886,085 appropriated and authorized, exactly 39.2 per cent goes to the Southern States. It is clear, therefore, that if this bill is pork that a large part of the hog goes into the northern sections of our country and a good fat ham goes to the home State of the Republican candidate for the Presidency. [Applause on the Democratic side.] I am glad to see the liberal and just appropriations go to all sections of our great country to improve our rivers and harbors. I voted for it, because when it comes to national legislation I am a citizen of the Republic and of no one section of the country. [Applause.]

The charge is made that the civil service, "kept sacred by the Republicans," has been raided by the Democratic Party and that too many Democrats have been appointed to office.

During the 16 years of Republican rule employees in the Government service were supposed to have secured their positions through civil-service examination, and yet the startling fact stands forth that during these years over 75 per cent of the people who secured such positions were Republicans and less than 25 per cent were Democrats. In some departments 90 per cent were Republicans. If the Republicans were nonpartisan, how can they explain this absurd inequality in the civil service? Even now, under Democratic rule, an overwhelming majority of the chiefs in the departments of the Government, who recommend promotions and practically control appointments in the departments, are Republicans. Of the 119 chiefs of divisions under Republican rule in the Department of the Interior exactly 99 are now holding the same position, and not one of the 20 changes was made for political reasons.

I take the Post Office Department as an example, because in that department are about 87 per cent of all the Federal employees of the country. The Republican Party took the chief inspector of that department out of the classified service. The present Postmaster General secured an executive order and had him put back into the classified service. Four years ago there was not a Democratic post-office inspector in charge. To-day there are eight Democratic and eight Republican inspectors in charge, thus making that department nonpartisan.

Four years ago there were 300 Republican post-office inspectors, with only 39 Democrats in the service. Certain States were not represented at all. The doubtful States had most of the inspectors under Republican rule. To-day every State is getting equal representation and the nonpartisan spirit pervades the Post Office Department to an unreasonable degree. [Applause on the Democratic side.]

The present Postmaster General has repeatedly recommended that second and third class post offices be placed in the classified service and that all applicants, including the present postmasters, be required to take a civil-service examination. A Republican President placed fourth-class post offices in the classified service, but covered in the 40,000 Republican postmasters whom he had appointed without examination, and he also covered in all assistant postmasters in the first and second class post offices practically all of whom are Republican and have never been examined. Mr. ex-Justice Hughes is evidently not aware of this Republican outrage.

The present Postmaster General made an ironclad rule that no Republican postmaster can be removed for pernicious political activity by the mere formality of charges. They must be proved, and no action is taken until he receives the report of an inspector, and most of the inspectors now are Republicans, for which injustice to the Democrats of the country the Postmaster General is responsible.

For two years the Postmaster General kept in office in this administration the Republican Second Assistant Postmaster General, and still retains him in the service in another position, because he is efficient, when there were numerous equally competent Democrats who should have had that position under a Democratic administration.

Under the law one of three eligibles may be appointed to a fourth-class post office or as rural carrier, but the present Postmaster General has embarrassed Members of Congress with their constituents by not recognizing any statement affecting appointment except that which bears directly upon the man's residence or character. He has refused repeatedly to consider any letter urging other reasons for the appointment of fourth-class postmasters or rural carriers. The records of the Post Office Department show that 89.5 per cent of these appointments have been taken from the first on the eligible list, 8 per cent have been taken from the second on the eligible list, and 2.5 per cent have been taken from the third on the eligible list, thus showing that the Postmaster General has given scant attention to the Democrats on the eligible list unless they happened to be first.

The fact is, Mr. Speaker, the weakness of this administration is that it has kept too many Republicans in office. [Applause on the Democratic side.] The position of the administration is that great parties are builded not upon patronage but upon service through constructive legislation.

The Postmaster General is irrepressible on the subject of efficiency. A Member of Congress can not even get a hearing from him on any question in the Postal Service except on efficiency. He has been instrumental in disappointing and discouraging many of the Democrats of the country by following vehemently his policy of keeping "efficient" Republicans in office far beyond the time that they had any just claim to such office. A clean sweep of Republicans for the good of the service should have been made three years ago. [Applause on the Democratic side.]

The most worthy of our citizens are the old soldiers; yet the Postmaster General has issued an order or request that he does not wish anyone recommended for postmaster who is over the age of 65, thus sacrificing the old soldiers upon the altar of efficiency.

The Department of Agriculture is another example. More than 90 per cent of the employees in Washington in that department under civil service are now Republicans, and all the bureau chiefs with one exception are Republicans. The chief

clerks of the various bureaus, who have the making up of the efficiency lists from which promotions are made, are to the best of my knowledge all Republicans.

The present chief clerk of the department was for 16 years stenographer and private secretary to Hon. James Wilson, former Republican Secretary of Agriculture, at a salary of $2,500 per annum. When the Democrats came into power he was made chief clerk, at a salary of $3,500 per year, an increase of $1,000.

The Democrats in the Department of Agriculture, on account of civil-service rules, have received scant consideration for the last three years. When there was a vacancy the promotion has gone to a Republican, because Republicans, who secured their positions under corrupt Republican rule, were in charge of the machinery as to the fixing of the ratings of the clerks.

Another method adopted by the Republicans in charge is to assign a quality of work to the Democrats that is 'uferior, so that no matter how hard the Democrats may strive to obtain a good rating it is impossible to do so.

Among the supervising officers of the department there is one real Democrat having authority (not in the classified service, but appointed by the President), and he is the Assistant Secretary, Hon. Carl Vrooman, of Illinois, but matters relating to the rank and file are not referred to him. Under a Democratic administration the Department of Agriculture is Republican, which proves that the civil service has not been raided by the Democratic Party, as Mr. ex-Justice Hughes charges. [Applause on the Democratic side.]

Take the record of the Bureau of the Census as another emphatic proof of the false and absurd partisan and silly charges of the Republican candidate for the Presidency. Complaint was made to the National Civil Service Reform League, of New York City, that Hon. William J. Harris, Director of the Bureau of the Census, had not observed the rules of civil service in the matter of making appointments. Mr. Harry W. Marsh, assistant secretary of this league, came to Washington for the purpose of making a thorough investigation of these charges. Mr. Harris welcomed his coming and voluntarily directed his chief clerk, his private secretary, and the appointment clerk to cooperate with Mr. Marsh fully, to allow him full access to all records in regard to appointments, and to see to it that he obtained information wanted in every particular. Mr. Marsh did make a thorough investigation, and at its conclusion he was of the opinion that the charges were untrue, unwarranted, and unjustified. [Applause on the Democratic side.] Under date of August 18, 1916, Mr. Harris sent Mr. Marsh the following telegram:

Mr. HARRY W. MARSH,
Assistant Secretary National Civil Service Reform League,
79 Wall Street, New York, N. Y.:

While Director Census I was charged with violating civil-service rules in appointments. I voluntarily directed chief clerk, secretary, and appointment clerk to show you complete records. Thorough investigation proved charges untrue and unjustified, and you complimented my observance of civil-service rules. Please wire me immediately corroborating above facts.

(Signed) W. J. HARRIS.

The following is Mr. Marsh's reply:

NEW YORK, *August 18, 1916.*

Hon. WILLIAM J. HARRIS,
Federal Trade Commission,
Commerce Building, Washington, D. C.:

Glad to corroborate statements in your telegram of even date.

(Signed) HARRY W. MARSH.

[Great applause.]

The brilliant orator and gentleman from Illinois [Mr. RODENBERG], whom the South once thought its friend, says: "The southern Democrats collectively are an abomination in the sight of the Lord." That statement is to laugh, for recent and prospective Democratic successes show that the Lord pays scant attention to Republican demagogic gyrations and appeals for votes, especially when their candidate's record as governor of New York proves him inseparably connected with vested interests. [Laughter and applause.] The gentleman from Illinois further says:

"The American people are in some respects a peculiar people. They are always restless, and they are never entirely satisfied. They are constantly looking forward to something new, and when they have found it they are willing to experiment with it simply because it is new, and especially is this true when everything is moving along smoothly and there are no signs of impending disaster in the skies. It is then that the demagogue appears upon the scene. It is then that the agitator flourishes. It is then that successful appeal is made to passion and to prejudice and seeds of discontent are sown in fertile and productive ground. It is then that the finger of suspicion is pointed at everybody and everything, and men for the first time in their lives question the honesty and integrity of their friends and neighbors. It is then that honor is assailed, that motives are impugned, that confidence is destroyed."

This is the cue the Republican candidate for the Presidency seized upon—to play the demagogue in an effort to arouse sectional strife and to "point the finger of suspicion to everybody and everything" in this hour of unprecedented prosperity brought to the country by Democratic constructive legislation. Mr. Hughes would turn the attention of the country away from the real issues of the campaign to Mexico, but he has not the frankness or the courage to say what he would have done in Mexico or what he would do if elected. Would he intervene and plunge our country into the midst of the world war? Would he send the sons, the brothers, the husbands, and the sweethearts of the country to face the storm of conflict against musketry and shell on bloody battlefields in foreign lands? In all fairness and decency, let him say what he would do. He offers nothing to the country except to offer himself for a job. [Applause on the Democratic side.]

He makes a vain effort to have the country believe that we are kept out of war by some miracle and not by the President's superior diplomacy; that our amazing prosperity is caused by the European war, and that when the period of reconstruction comes after the war ends the old discredited Republican Party could handle the business of the country better than can the efficient, purposeful, and virile Democratic Party. In all his lumbering circumlocution he has not suggested one intelligent reason for such claim. He knows, but has not the courage or the sincerity to admit, that the Democratic Party has a masterful grasp of world conditions and has the ability and the purpose to handle them as no other party could. The American people, whose faith in President Wilson and the Democratic Party grows stronger day by day, will answer him in November by perpetuating Democratic control. [Applause on the Democratic side.]

But for the moment the gentleman from Illinois [Mr. RODENBERG] forgets his partisanship and says:

"Having full control of the Government, the Democratic Party is properly chargeable with full responsibility for everything that has been done or left undone, and they can not escape that responsibility."

The Democratic Party readily accepts the responsibility for all that has been done, and its glorious vindication by the American people is not three months away. [Applause on the Democratic side.]

Again he says, and Mr. ex-Justice Hughes as usual reechoes the partisan sentiment:

"The Republican Party and the Republican Party alone has always been the one true and genuine national party. * * * Having control of all the committees, the South to-day exercises a dominating influence in national legislation."

During the last years of Republican control there was not a committee chairmanship from the South. Was that nationalism or blind ignorant partisanship?

Let us see what kind of legislation a Democratic Congress charged with being dominated by southern Members has enacted. If the legislation enacted is sectional or partisan, the Republican candidate might find something above the peanut politician's class to criticize, but if it is national in scope and purpose the people will send him back to private life and rejoice that a man of such caliber as he is now displaying is removed from the Supreme Court of the United States. [Applause on the Democratic side.]

Let the people decide whether the following great measures enacted by this so-called South-controlled Congress are sectional or national:

The Underwood tariff law, just to the consumer as against the special privileged class, followed by a nonpartisan tariff commission removing the tariff question from politics.

The income-tax law, causing the rich to pay their just proportion of the expenses of the Government.

The rural-credits law, the first legislation solely for the farmers.

The establishment of rural routes, the extension of the parcel post, and better mail service for our rural population.

The good-roads law for all sections and for all our people.

Farm-extension laws, including Smith-Lever Act, grain and cotton standards, regulating cotton futures, and so forth.

Numerous just labor laws, the most beneficial in a century by the American Congress.

The child-labor law for the children of the whole country and for civilization.

The Federal reserve act, giving an elastic currency and preventing financial panics—the greatest act ever passed in the history of our Government.

Conservation acts for the people as against special interests.

Antitrust laws and arbitration laws, preventing special-interest control.

Shipping act for open markets for our products and commercial mastery of the seas.

Federal Trade Commission act, protecting the individual as against the vested interests.

The seamen's law for the workmen, and public safety.

Legislation supporting the President in keeping us out of the European war while maintaining peace with honor to the American flag.

Mr. Speaker, for the sake of the great dignity of the high office he seeks and in the name of common decency, let Mr. ex-Justice Hughes specify and name the sectional measures in the above list and mention those he would repeal.

His speeches are the pitiable wailings of the personal representative of the special vested monopolistic interests, crying in the wilderness, seeking to be saved from the just retribution he and his party are to receive in November at the hands of the American people.

Compare such an insincere, trimming politician as the Republican candidate by his own words proves himself to be, with the scholarly, brilliant, courageous, nonpartisan, frank, purposeful, consecrated world citizen, Woodrow Wilson, the candidate of the Democratic Party. There can be no doubt of your decision to continue him in office and keep our country in honorable peace, our Government efficient, and our people prosperous and happy. Thank God for Woodrow Wilson, prosperity, and peace! [Loud applause on the Democratic side.]

The SPEAKER pro tempore. The gentleman from Oklahoma [Mr. MORGAN] is recognized for 45 minutes.

COMMERCIAL AND INDUSTRIAL PROSPERITY.

Mr. MORGAN of Oklahoma. Mr. Speaker, no political party should be retained in national power whose economic policies do not promote the industrial growth of our country, the expansion of our commercial interests, and the enlargement of the various business enterprises in which our people are engaged. It matters not what other virtues a political party may have, it should not be perpetuated in national power unless its economic policies are favorable to the production of wealth by our people. In directing the affairs of nations there is no substitute for policies which promote the production of wealth and the preservation of that wealth for the people who produce it.

We hardly realize to what extent the activities of our National Government are related to wealth in some of its phases. We legislate with a view to the conservation of wealth, the taxation of wealth, the regulation of wealth, the dissemination of wealth, and the creation of wealth.

Our national wealth should be conserved; it should bear its equitable share of taxation; when controlled by large corporations it should be properly regulated; so far as possible, it should be equitably distributed among those who produce it; and every nation should follow those economic policies which will promote the production of wealth by its citizens. Legislation along all these lines is important. But a nation must produce wealth before it can be conserved, before it can be taxed, before it can be regulated, and before it can be distributed.

In its early history the Republican Party rendered inestimable service to the country in the mighty struggle for the preservation of the Union. No less conspicuous and creditable was the part it played in the cause of human liberty and freedom. But with the Union preserved and human slavery abolished, the Republican Party in later years achieved its greatest successes through its wise and sound financial and economic policies. These policies have been most favorable to the production of wealth. When the Republican Party came in power in 1861 the entire wealth of this country was estimated at only $16,000,000,000. The Department of Commerce in a recent bulletin places the present wealth of this country at $187,000,000,000.

There has been much said in recent years about the regulation and control of wealth. However important this may be, the production of wealth is a greater problem. Logically the first thing is to adopt and pursue national policies that will insure the production of wealth. Herein lies the great superiority of Republican economic policies over those of its chief and long-time antagonist, the Democratic Party. Whatever other merits the Democratic Party may have, its economic policies are not favorable to the production and accumulation of wealth, and this is sufficient reason why it should not and will not long hold national power.

The chief sources of wealth in the United States are agriculture, manufacturing, and commerce. Agriculture and manufacturing are the two great producing industries of the Nation. Fully two-thirds of all our wage earners are employed therein. Seventy millions of our population are directly supported thereby. In a large measure all mercantile, transportation, and commercial interests are dependent thereon.

Democratic economic policies, with a tariff for revenue only as the chief exponent thereof, are unfavorable to the production of wealth in agriculture, in manufacturing, and in trade with foreign nations.

When the present Democratic administration made the Underwood tariff bill a law, it meant that every producer must share his home market with foreign producers.

Now, the 8,000,000 of men who are employed in our manufacturing establishments are vitally interested that their products shall have a market wherein they can be sold at reasonable prices. The 6,500,000 farmers are interested in having a market wherein their products will sell at good prices. Neither those who produce manufactured articles nor those who produce farm products can be benefited by surrending a part of their home market—their best market—to foreign producers. But this is what the Underwood tariff law compelled them to do. The Underwood tariff law put cattle, hogs, sheep, corn, broom corn, wheat, rye, potatoes, milk, eggs, all kinds of meats, wool, wheat-flour bread, and other products of the farm on the free list. It greatly reduced the tariff on practically all farm products. In the main the reductions are so great as to leave no protection to American farmers. This gives the farmers of Canada, of the Central and South American Republics, of Australia and New Zealand, and of all other countries free access to the markets of the United States. Before the European war began farm products from some of these countries were sold in the markets of the United States in large quantities. The European war has made an enormous demand for the surplus farm products of all non-European countries. For the time being farm products are selling at good prices. But the war will end.

Then will come the flood of beef and corn and wheat and other farm products into the markets of the United States. That this will tend to lower the prices of farm products there can be no question. A reduction of 5 per cent on the price of all farm products would mean an annual loss to the farmers of the United States of $500,000,000. We have passed a rural-credit bill, perhaps the most important measure passed by Congress in recent times. But a rural-credit law that would loan money to farmers without interest would hardly compensate the farmers of the United States for what they will lose if free trade in farm products becomes the permanent policy of the United States. And it is not the farmers alone who are interested. We are expending vast millions to enlarge our Military and Naval Establishments. But the party in power is pursuing a policy which makes us depend on other countries for our food supply. This country should feed its own people. We should pursue a policy that will develop, expand, and enlarge our agricultural interests and make us self-sufficient as a Nation. This is the policy of the Republican Party.

Mr. Speaker, commerce aids both agriculture and manufacturing. It promotes the production of wealth in both of these great industries. Profitable trade with foreign nations transfers wealth produced in other countries to the permanent wealth of our own people. Unprofitable trade with other nations transfers the wealth produced by our own farmers, mechanics, artisans, and wage earners to the permanent wealth of other nations. Every great nation in the world is seeking to add to its wealth through profitable trade with other nations. Supremacy in the commerce of the world is the ambition of every great nation. The object of promoting foreign commerce is to make money for our own people. For years we have been talking about the necessity of a merchant marine. The purpose of building a merchant marine is to extend our trade with foreign nations. However, if foreign trade is unprofitable the less we have of it the better.

Here are a few propositions which to my mind are self-evident:

We grow rich by what we sell abroad, not by what we buy abroad.

To make foreign trade profitable we must sell abroad more than we buy abroad.

When our imports exceed our exports we are doing business with other nations at a loss.

The excess of exports over imports represents what other nations are contributing, through trade relations, to the permanent wealth of this Nation.

The excess of imports over exports represents what we contribute to the permanent wealth of other nations.

In our exchanges with other nations, a favorable trade balance means profit, and an unfavorable trade balance means loss.

An unfavorable trade balance and the export of gold are danger signals, invariably signifying that there is something wrong with our economic policies.

Through a long series of years, in their application, it has been demonstrated beyond a question of a doubt that the economic policies of the Republicain Party are favorable to the production of wealth.

With equal certainty it has been shown that the economic policies of the Democratic Party are not favorable to the production of wealth. Herein, is the fatal defect in the Democratic Party. [Applause on the Republican side.]

Prior to the ascendency of the present Democratic administration to power, this Nation enjoyed the most profitable foreign trade in all its history—a foreign trade more profitable than any other nation had ever enjoyed.

Democratic management of national affairs and Democratic economic policies, prior to the outbreak of the European war, completely destroyed that profitable trade and reduced us to the point where we were actually doing business with other nations at a loss. Excluding Europe, where war orders dominate our trade, we are to-day doing business with all the rest of the world at a tremendous financial loss to the American people. The truth of these assertions is demonstrated by the official trade statistics of the Nation.

For the fiscal year ending June 30, 1914, compared with 1913, our imports increased $80,917,423 and our exports decreased $101,305,001. For 1914, compared with 1913, our purchases abroad were increased $80,917,423, our sales abroad were decreased $101,305,001. Our favorable trade balance was reduced $182,222,424. This vast wealth was lost to this country, just the same as if it had been consumed in a great conflagration, or swept away by a mighty flood, or destroyed by an earthquake.

But only eight full months of 1914 were under the tariff-for-revenue-only policy. As a further test, let us examine our foreign-trade statistics for the seven months in 1914, immediately preceding the outbreak of the European war, compared with the corresponding seven months in 1913.

For the seven months immediately preceding August 1, 1914, compared with the corresponding seven months in 1913, our imports increased $121,944,698 and our exports decreased $125,814,446. In the seven months of 1914, compared with 1913, there was a net loss in our favorable trade balance of $247,759,144. That is what our tariff-for-revenue-only policy cost the people of the United States during the seven months of foreign trade of 1914. It represents an average monthly loss of $35,000,000 and an annual loss of $420,000,000. [Applause on the Republican side.]

That is what occurred when times were normal, when trade conditions were natural, when foreign commerce was unrestricted, when the world was at peace and there was full and free competition between the great nations in the markets of the world. We come now to consider our foreign trade since the outbreak of the European war.

Excluding Germany and Austria-Hungary, the European war has greatly stimulated our exports to practically all other European countries. Upon our trade with European countries the war has had the effect of a protective-tariff policy. It has restricted imports and stimulated exports. It has made our trade with Europe enormously profitable. In the fiscal year ending June 30, 1914, the last fiscal year preceding the European war, our favorable trade balance with all European countries amounted to $590,895,861. For the fiscal year ending June 30, 1916, our net favorable trade balance with Europe was $2,382,930,680. Our net favorable trade balance for that year with all the world was only $2,135,775,355. Outside of Europe for 1916 we lost in our foreign trade $247,155,325. In 1913, under a protective-tariff policy, with the world outside of Europe we had a favorable trade balance of $66,667,538. Going from a favorable trade balance of $66,667,538 to an unfavorable balance of $247,155,325 means an annual loss of $313,822,863. In our trade with non-European nations in 1916, compared with 1913, we lost $313,822,863.

Let us examine our trade with non-European countries covering the entire three years in which the Democratic Party has been in power. Compared with the favorable trade balance in 1913 the net loss in our favorable trade balance with all North American countries in 1914 was $154,223,746; in 1915, $251,473,423; and in 1916, $114,474,869. The total net loss in our favorable trade balance with all North American countries in these three years, compared with 1913, was $520,172,038.

The net loss in our favorable trade balance with South American countries for these three years was, for 1914, $26,550,530; for 1915, $90,578,970; for 1916, $139,619,827. The total net loss in our favorable trade balance with all South American countries for these three years, as compared with 1913, was $256,749,327. For North and South American countries for these three years there was a grand total net loss in our favorable trade balance of $776,921,365. In these three years there was a net gain in our favorable trade balance with Asia of $18,777,055. But excluding our trade with Russia in Asia, where our exports have been enormously increased by war orders, there has been in these three years a net loss in our favorable trade balance of $132,883,387.

In these three years there has been a net loss in our favorable trade balance with Africa of $16,920,685.

In these three years there has been a net loss in our favorable trade balance with Oceania, as compared with 1913, of $54,996,556.

In these three years there has been a total loss in our favorable trade balances with the countries of North America, South America, Asia, Africa, and Oceania of $830,060,751. Excluding Russia in Asia, the total net loss has been $962,944,138.

These losses in our net favorable trade balance have been growing greater year by year. The loss for 1914 was $186,900,908; for 1915, $329,327,980; and for 1916, $313,822,863. At this rate in four years of Democratic economic policies in our net favorable trade balances with all countries outside of Europe we will lose more than $1,200,000,000.

The statistics heretofore given show that in our trade with non-European countries for the fiscal year ending June 30, 1916, we did business at an actual loss of $247,155,325. At this rate in four years of Democratic rule we would lose in trade with countries outside of Europe $988,621,300. This means that in four years of trade with non-European countries we will transfer from wealth actually produced in this country—produced by the 12,500,000 toilers on our farms and by the 8,000,000 wage earners in our manufacturing establishments and by the toilers in other fields of labor—from this wealth we will transfer to the inhabitants of other countries the immense sum of one thousand millions of dollars. Under the conditions of trade with these countries under Republican policies in four years we would have transferred from these countries to the permanent wealth of this country $266,000,000. Think of it! Under Republican rule over two hundred millions gained, under Democratic rule a thousand millions lost.

This is not all. There is another line of statistics which illuminate the subject under discussion. During the fiscal year ending June 30, 1913, the last year under the protective-tariff policy, the balance of trade in favor of this country was $652,875,915. In that year in our trade with foreign nations we made an average net profit of over $54,000,000 per month, $13,500,000 per week, and $2,000,000 for every day in the year. Prior thereto for 16 years in succession under Republican rule we did business with foreign nations at an immense profit. Our total foreign trade increased by leaps and bounds. Our favorable trade balance grew from $102,882,264 in 1896 to $652,875,915 in 1913. Going back for a period of 38 years, there were only 3 years when the balance of trade was against us. Two of these years were during Cleveland's first administration and the other was in 1893, partly under his second administration.

For the 16 years under McKinley, Roosevelt, and Taft the grand total of the balance of trade in our favor was $8,382,515,026. In these 16 years, in their trade with us, other nations contributed to the permanent wealth of this Nation the stupendous sum of $8,382,515,026.

With this splendid showing under a Republican protective-tariff policy, extending over a period of 39 years, it is almost unbelievable that within a period of 5 months and 12 days this favorable trade balance could have been completely wiped out. But that is what is shown by official statistics of the Department of Commerce, as recorded, tabulated, and published under a Democratic Secretary of Commerce. The Underwood tariff bill became a law October 3, 1913. In the month of April, 1914, the balance of trade against us was $11,345,606; in May the balance against us was $2,456,896; for June it was $653,523; and for July it was $5,003,592. The total balance of trade against us for these four months was $20,014,368.

In 16 years in succession of Republican policies in our foreign trade we had, in round numbers, a net annual profit of $500,000,000. In less than six months under Democratic economic policies we were doing business with foreign nations at an actual loss.

PROTECTION.

The Republican Party in its platform of 1860 enunciated its chief economic policy in the following language:

That while providing revenue for the support of the General Government by duties upon imports, sound policy requires such an adjustment of these imposts as to encourage the development of the industrial interests of the whole country; and we commend that policy of national exchanges which secures to the workingmen liberal wages, to

agriculture remunerative prices, to mechanics and manufacturers an adequate reward for their skill, labor, and enterprise, and to the Nation commercial prosperity and independence.

[Applause on the Republican side.]

Fifty-six years have come and gone. The keynote sounded in 1860 will echo and reecho in the campaign of 1916. On the tariff question the Republican Party stands where it stood in 1860. Where the founders of our party stood, we stand. Where Lincoln stood in 1860, Charles Evans Hughes stands in 1916. [Applause on the Republican side.]

The protective-tariff policy, as expounded and administered under Republican rule, has been a mighty factor in our material development, in the growth of our industries, in the expansion of our trade and commerce, in the production of our wealth, and in promoting the well-being, the prosperity, the contentment, and happiness of all our people.

In the language of the platform of 1860, the protective-tariff policy has "encouraged the industrial development of the whole country" and secured "to workingmen liberal wages, to agriculture remunerative prices, to mechanics and manufacturers an adequate reward for their skill, labor, and enterprise, and to the Nation commercial prosperity and independence."

For 16 years in succession prior to March 4, 1913, the Republican Party was in power. In all these years it pursued the protective-tariff policy enunciated in the platform of 1860. These were years of growth, of development, of expansion, of enlargement. [Applause on the Republican side.]

There was a growth in both our exports and imports; growth in the balance of trade in our favor; growth in the value of the annual products of our industries; growth in the number of persons employed in gainful occupations, in the amount of wages paid to employees, and in the average daily wage paid to wage earners in all lines of industry; growth in the total amount of money in circulation and in the per capita circulation for each individual; growth in the amount of our bank deposits and in the average amount to the credit of each depositor; growth in the deposits of our savings banks, which represent the surplus earnings of our wage earners and other persons of small means; growth in the mileage of our railroads, in the volume of their business, and in the character of the service rendered the public; growth in the annual revenues of the Government, sufficient to meet the natural and necessary increase of expenditures; growth in the amount of cash in the general fund of the Treasury, adequate in amount to give the United States a credit superior to that of any other nation in the world; growth in the credit power of our financial institutions, sufficient to supply the ever-increasing demands of the business interests of the country; growth in the purchasing power of the American people in ratio with the increased production of our industries; growth in the supply of the necessaries of life found in the average home in the land; growth in the amount of luxuries within the reach of the masses of the people; growth in our educational facilities, in the number of our schools and churches, in the opportunities for self-improvement, culture, and recreation; and as an inevitable consequence, during all these 16 years, there was a constant and ever-increasing growth in the power, in the influence, in the prestige, in the greatness, and in the glory of this Republic. [Applause on the Republican side.]

HOUR OF MEETING FRIDAY.

Mr. RAINEY. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock on Friday next.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. RAINEY] asks unanimous consent that when the House adjourns to-day it adjourn to meet on Friday next at 11 o'clock a. m. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 50 minutes p. m.) the House, under its previous order, adjourned until Friday, August 25, 1916, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, a letter from the Acting Secretary of the Treasury, transmitting copy of a communication from the Secretary of War submitting an estimate of appropriation to reimburse the Standard Dredging Co., of Seattle, Wash., for damages by the United States dredge *Chinook* (H. Doc. No. 1337), was taken from the Speaker's table, referred to the Committee on Claims, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and a joint resolution were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. PARKER of New York, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 17235) granting the consent of Congress to W. H. Crosby, W. H. Andrews, E. G. Connette, Daniel Good, Henry May, Robert C. Gaupp, Edward Kener, jr., William F. MacGlashan, and William A. Morgan to construct a bridge across Niagara River within or near the city limits of Buffalo, and for other purposes, reported the same without amendment, accompanied by a report (No. 1156), which said bill and report were referred to the House Calendar.

Mr. DEWALT, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 17501) granting the consent of Congress to the city of Youngstown, Ohio, to construct a bridge across the Mahoning River in the State of Ohio, reported the same without amendment, accompanied by a report (No. 1157), which was ordered to be printed.

Mr. CLARK of Florida, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 14391) authorizing the purchase of a site and the erection of a public building thereon at Madison, Wis., and for other purposes, reported the same without amendment, accompanied by a report (No. 1158), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. MADDEN, from the Committee on the Post Office and Post Roads, to which was referred the joint resolution (H. J. Res. 282) authorizing the Postmaster General to provide the postmaster at Springfield, Ill., with a special canceling die for the one hundredth anniversary of the admission of the State of Illinois into the Federal Union, reported the same without amendment, accompanied by a report (No. 1159), which said joint resolution and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. WISE, from the Committee on Military Affairs, to which was referred the bill (S. 1691) for the relief of Edward S. Farrow, reported the same without amendment, accompanied by a report (No. 1159), which said bill and report were referred to the Private Calendar.

Mr. GORDON, from the Committee on Military Affairs, to which was referred the bill (H. R. 15696) for the relief of John P. Purdon, reported the same without amendment, accompanied by a report (No. 1160), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill (H. R. 11567) for the relief of Robert McFarland, reported the same without amendment, accompanied by a report (No. 1161), which said bill and report were referred to the Private Calendar.

Mr. LENROOT, from the Committee on the Public Lands, to which was referred the bill (S. 6497) for the relief of Oleanne Marie Zahl Branum, reported the same without amendment, accompanied by a report (No. 1162), which said bill and report were referred to the Private Calendar.

Mr. LITTLEPAGE, from the Committee on Military Affairs, to which was referred the bill (H. R. 10185) for the relief of Alfred E. Lewis, reported the same with amendment, accompanied by a report (No. 1163), which said bill and report were referred to the Private Calendar.

Mr. CALDWELL, from the Committee on Military Affairs, to which was referred the bill (H. R. 11528) to correct the military record of John R. Smith, deceased, reported the same without amendment, accompanied by a report (No. 1164), which said bill and report were referred to the Private Calendar.

Mr. GORDON, from the Committee on Military Affairs, to which was referred the bill (H. R. 4094) for the relief of Charles Fridley, reported the same without amendment, accompanied by a report (No. 1165), which said bill and report were referred to the Private Calendar.

Mr. McKENZIE, from the Committee on Military Affairs, to which was referred the bill (S. 2545) for the relief of John Chick, reported the same without amendment, accompanied by a report (No. 1166), which said bill and report were referred to the Private Calendar.

Mr. LITTLEPAGE, from the Committee on Military Affairs, to which was referred the bill (H. R. 16648) for the relief of Isaac J. Reese, reported the same without amendment, accompanied by a report (No. 1168), which said bill and report were referred to the Private Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 2785) granting a pension to Amelia Davis; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 13202) granting a pension to Lawrence P. Williams; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills and resolutions were introduced and severally referred as follows:

By Mr. CASEY: A bill (H. R. 17567) to authorize the county of Luzerne, State of Pennsylvania, to construct a bridge across the east branch of the Susquehanna River from the city of Wilkes-Barre, county of Luzerne, Pa., to the borough of Dorranceton, county of Luzerne, Pa.; to the Committee on Interstate and Foreign Commerce.

By Mr. STEPHENS of Texas: A bill (H. R. 17568) to create a new division of the northern judicial district of Texas, and to provide for terms of court at Wichita Falls, Tex., and for a clerk for said court, and for other purposes; to the Committee on the Judiciary.

Also, a bill (H. R. 17569) to amend section 108, chapter 5, of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; to the Committee on the Judiciary.

By Mr. FLOOD: A bill (H. R. 17570) providing for the investigation of a suitable site for a naval armor plant at or near Goshen, Va., and submitting an estimate of the cost thereof; to the Committee on Naval Affairs.

Also, a bill (H. R. 17571) providing for the investigation of a suitable site for a naval armor plant at or near Buena Vista, Va., and submitting an estimate of the cost thereof; to the Committee on Naval Affairs.

By Mr. LANGLEY: A bill (H. R. 17572) to provide for increasing the rates of pension of totally disabled, needy, and helpless soldiers, sailors, and marines of the Civil and Mexican Wars; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17573) to pension the survivors of the War with Spain and Philippine insurrection; to the Committee on Pensions.

By Mr. MADDEN: Resolution (H. Res. 356) requesting the President to furnish information as to military service on the Mexican border; to the Committee on Military Affairs.

By Mr. McLEMORE: Resolution (H. Res. 357) authorizing an embargo on munitions of war; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 17574) granting an increase of pension to Samuel Gilbert; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17575) granting an increase of pension to Mary Jane Lynch; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17576) granting an increase of pension to Henry A. Williams; to the Committee on Invalid Pensions.

By Mr. CROSSER: A bill (H. R. 17577) for the relief of Samuel Schmitz; to the Committee on Invalid Pensions.

By Mr. GANDY: A bill (H. R. 17578) granting an increase of pension to Harmon C. Olmstead; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17579) granting an increase of pension to Josephus Mason; to the Committee on Invalid Pensions.

By Mr. GARD: A bill (H. R. 17580) granting an increase of pension to Stephen Mullen; to the Committee on Invalid Pensions.

By Mr. JACOWAY: A bill (H. R. 17581) granting a pension to C. B. Chamness; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 17582) granting a pension to Delila A. Devendorf; to the Committee on Invalid Pensions.

By Mr. KEARNS: A bill (H. R. 17583) granting a pension to Anna Jacobs; to the Committee on Invalid Pensions.

By Mr. LITTLEPAGE: A bill (H. R. 17584) granting an increase of pension to Meredith Landers; to the Committee on Invalid Pensions.

By Mr. McGILLICUDDY: A bill (H. R. 17585) granting an increase of pension to Samuel M. Joy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17586) granting a pension to Carrie E. Noble; to the Committee on Invalid Pensions.

By Mr. NEELY: A bill (H. R. 17587) granting an increase of pension to Oliver Brier; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17588) granting an increase of pension to William J. Shreve; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17589) granting an increase of pension to Frank L. Youst; to the Committee on Pensions.

Also, a bill (H. R. 17590) granting a pension to Howard Shaver; to the Committee on Pensions.

By Mr. POWERS: A bill (H. R. 17591) granting a pension to Jacob C. Wright; to the Committee on Pensions.

By Mr. RUSSELL of Missouri: A bill (H. R. 17592) granting an increase of pension to Franklin A. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17593) granting a pension to Calvin H. Klapp; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17594) for the relief of Jefferson Y. Smith; to the Committee on Military Affairs.

By Mr. SHERWOOD: A bill (H. R. 17595) granting an increase of pension to John C. Ort; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17596) granting an increase of pension to Frank Winsel; to the Committee on Invalid Pensions.

By Mr. SMITH of Michigan: A bill (H. R. 17597) granting an increase of pension to James M. Fink; to the Committee on Invalid Pensions.

By Mr. TAGUE: A bill (H. R. 17598) granting an increase of pension to Annie L. Casey; to the Committee on Invalid Pensions.

By Mr. TOWNER: A bill (H. R. 17599) for the relief of Thomas W. Killion; to the Committee on Claims.

By Mr. DYER: A bill (H. R. 17600) granting a pension to Louise Furst; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ASHBROOK: Evidence to accompany House bill 6121, for the relief of Thomas Harmon; to the Committee on Invalid Pensions.

By Mr. CARY: Memorial of Supreme Council of the Order of United Commercial Travelers of America, relative to permanent improvement of public roads, etc.; to the Committee on Roads.

Also, petition of C. A. Kause Milling Co., Milwaukee, Wis., urging passage of House bill 9409, known as the Rainey bill; to the Committee on Ways and Means.

Also, petition of Wisconsin stock fire insurance companies against stamp tax for insurance companies; to the Committee on Ways and Means.

By Mr. CURRY: Petition of George W. Cartwright and George W. Teltier, representing 600 stockholders of the Pacific National Fire Insurance Company, against stamp tax as applied to insurance companies; to the Committee on Ways and Means.

By Mr. DALE of New York: Petition of Mary Brooks Picken, of New York City, favoring the vocational education bill; to the Committee on Education.

Also, petition of H. C. Davidson & Co., relative to amendment to the general revenue bill; to the Committee on Ways and Means.

Also, petition of Supreme Council, Order of United Commercial Travelers of America, favoring improvement of public roads; to the Committee on Roads.

Also, petitions of sundry insurance companies against revenue stamps on insurance policies; to the Committee on Ways and Means.

Also, memorial of Board of Directors of the Italian Chamber of Commerce of New York favoring the Webb bill (House bill 16707); to the Committee on the Judiciary.

By Mr. DARROW (by request): Memorial of Joseph Edelman, of Philadelphia, Pa., against seizure of our mails by Great Britain; to the Committee on Foreign Affairs.

By Mr. DAVIS of Texas: Memorial of the cattlemen of San Antonio, Tex., favoring the Borland resolution; to the Committee on the Judiciary.

Also, petitions of railroad employees of Sanderson, Tex., relative to demand for eight hours a day; to the Committee on Interstate and Foreign Commerce.

Also, memorial of members of the Dock and Marine Council of Galveston, Tex., against passage of Senate bill 5451, relative to Spider law; to the Committee on Interstate and Foreign Commerce.

By Mr. DILLON: Memorial of the Order of United Commercial Travelers of America, favoring improvement of public roads; to the Committee on Roads.

By Mr. EAGAN: Petition of National Association of Vicksburg Veterans, relative to reunion of soldiers at Vicksburg; to the Committee on Appropriations.

Also, petition of Pond's Extract Co., of New York, relative to suspension of drawback payments; to the Committee on Ways and Means.

Also, petition of the Society of Friends, relative to a declaration for constructive peace and against militarism; to the Committee on Military Affairs.

Also, memorial of Supreme Council of the Order of United Commercial Travelers of America, relative to improvement of public roads; to the Committee on Roads.

By Mr. FLYNN: Petition of London Assurance Corporation, against revenue stamps on insurance policies; to the committee on Ways and Means.

Also, petition of National Retail Dry Goods Association, relative to salaries of the new tariff commission board; to the Committee on Ways and Means.

Also, petition of Mary Brooks Picken, of New York City, favoring vocational education bill; to the Committee on Education.

Also, memorial of Italian Chamber of Commerce in New York, favoring the Webb bill (H. R. 16707); to the Committee on the Judiciary.

By Mr. LAFEAN: Memorial of Grand Lodge Benevolent and Protective Order of Elks, favoring passage of the "game-refuge bill"; to the Committee on Agriculture.

By Mr. MADDEN: Petition of railroad employees of the State of Illinois, against a general strike; to the Committee on Interstate and Foreign Commerce.

By Mr. MANN: Petition of Richard Thomas, of Chicago, Ill., against seizure of United States mails by Great Britain; to the Committee on Foreign Affairs.

By Mr. MORIN: Petitions of sundry insurance companies of the State of Pennsylvania, against revenue stamps on insurance policies; to the Committee on Ways and Means.

By Mr. PHELAN: Petition of Young People's Society of Christian Endeavor, Washington Street Baptist Church, Lynn, Mass., favoring Federal motion-picture commission; to the Committee on Education.

By Mr. SCULLY: Petition of Supreme Council of the Order of United Commercial Travelers of America, favoring immediate and progressive campaign for Federal aid and supervision of the highways of the country; to the Committee on Roads.

By Mr. SMITH of Idaho: Papers to accompany House bill 17016, granting an increase of pension to Henry Cummings; to the Committee on Invalid Pensions.

By Mr. SMITH of Minnesota: Petition of C. T. Jaffray, vice president First & Security National Bank; George A. Mowrey, president Twin City Fire Insurance Co.; R. W. Webb, vice president Northwestern Fire & Marine Insurance Co.; E. Eickhorn & Sons; A. E. Sherman, executive secretary Insurance Federation of Minnesota, all of Minneapolis, Minn., protesting against a continuance of the stamp tax upon insurance policies, etc.; to the Committee on Ways and Means.

By Mr. TAGUE: Petitions of sundry citizens of the State of Massachusetts, against the seizure of our mails, etc., by Great Britain; to the Committee on Foreign Affairs.

By Mr. WILLIAMS of Ohio: Petition of 600 Ohio stockholders of the industrial fire insurance companies, against stamp tax on insurance policies; to the Committee on Ways and Means.

SENATE.

WEDNESDAY, *August 23, 1916.*

(Legislative day of Monday, August 21, 1916.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

GEORGE RUBLEE.

The VICE PRESIDENT. The Chair has received a communication from the Federal Trade Commission in response to the resolution of the Senate, which the Chair orders printed in the RECORD.

The communication referred to is as follows:

FEDERAL TRADE COMMISSION,
Washington, August 22, 1916.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES.

SIR: In response to Senate resolution 251, adopted August 21, 1916, requesting me to inform the Senate whether, and under what authority, Mr. George Rublee is now acting as a member of the Federal Trade Commission, I have the honor to transmit the following:

The act creating the Federal Trade Commission was approved September 26, 1914. On February 22, 1915, the President nominated Mr. Rublee for membership on the commission. March 4, 1915, the Senate adjourned without having acted upon the nomination. March 5, 1915, the President filled the vacancy by commissioning Mr. Rublee to act as a member of the Trade Commission "until the end of the next session of the Senate of the United States, and no longer."

On December 10, 1915, the President transmitted Mr. Rublee's nomination to the Senate, which, on May 15, 1916, the Senate refused to confirm. Thereafter, on August 1, 1916, Mr. Rublee tendered to the President his resignation in the following letter:

AUGUST 1, 1916.

DEAR MR. PRESIDENT: When the Senate last May refused to confirm your nomination of me as Federal Trade Commissioner and then the motion to reconsider its action failed my inclination was to resign at once, as I felt that my continuance in office might be misunderstood.

The circumstances, however, were such that it seemed to be my duty to go on until certain work in which my help was needed should be finished.

My colleagues on the commission also urged me strongly to keep on serving, at least until my retirement would not seriously disturb the work of the commission. So I went on.

The situation now has changed. The matters for which I was particularly wanted are either wound up or are in such a condition that my further participation in them is not necessary. My withdrawal from the commission would not affect its work more now than a few weeks later.

For these reasons it seems proper that I should resign, and I hereby tender to you my resignation as Federal Trade Commissioner.

I hope that in accepting it you will agree with me that I am doing the right thing.

I appreciate deeply the confidence in me which you have shown, both by appointing me in the first place and by continuing to support me after the appointment was opposed in the Senate.

Very respectfully, yours,

GEORGE RUBLEE.

The PRESIDENT,
The White House, Washington, D. C.

On August 3, 1916, the President expressly requested Mr. Rublee to withhold his resignation and to continue to serve on the commission. His letter follows:

AUGUST 3, 1916.

MY DEAR MR. RUBLEE: It is with the most genuine regret that I receive your letter of August 1, tendering your resignation as Federal Trade Commissioner, and I am going to ask if you will not be generous enough to withhold the resignation for the present, at any rate, and continue to serve on the commission as long as it is possible. I know how highly the commissioners value your counsel and cooperation, and I share, as I hope you know, their high estimate of your work and service. I hope that you will not insist upon the immediate acceptance of your resignation, which I am very loath indeed to accept.

Cordially and sincerely, yours,

WOODROW WILSON.

Hon. GEORGE RUBLEE,
The Crossways, Cornish Hills, N. H.

In compliance with the President's request, Mr. Rublee has continued to serve on the commission, meanwhile leaving his resignation in the President's hands, to take effect whenever the President may desire.

For your further information I wish to say that Mr. Rublee has served as a member of the Federal Trade Commission from March 16, 1915, to the present time wholly without compensation. His comprehensive grasp of business conditions, his legal knowledge and sound judgment have been invaluable in the work of organizing and directing the commission's activities. A few days ago he returned to Washington from his vacation at my special request to assist and advise on a very important matter now pending before us. He has devoted himself unstintedly to the best interests of the commission, and I feel that I would fail of my duty if I did not say that in the eyes of his associates on the commission he is respected as an efficient and able public servant.

Mr. Rublee acts as a member of this commission by virtue of his recess appointment made by the President under authority expressly conferred by the last paragraph of section 1, Article II, of the Constitution, which provides:

"The President shall have power to fill up all vacancies that may happen during the recess of the Senate, by granting commissions which shall expire at the end of their next session."

Under this provision it has been held repeatedly since the beginning of this Government that the President has constitutional authority to issue commissions during the recess of the Senate, notwithstanding the fact that the vacancy filled first happened when the Senate was in session. It was so decided by Mr. Justice Woods, of the United States Supreme Court, sitting on circuit, in the case of In re Farrow and Bigby (4 Woods, 491, 495), and the same conclusion has been reached by Mr. Tracewell, Comptroller of the United States Treasury (14 Comp. Dec., 901, 903) and by the Attorneys General in the following instances among others: Mr. Wirt, 1 Opinions A. G., 631; Mr. Taney, 2 Opinions A. G., 525; Mr. Legare, 3 Opinions A. G., 673; Mr. Mason, 4 Opinions A. G., 523; Mr. Cushing, 7 Opinions A. G., 186; Mr. Bates, 10 Opinions A. G., 356; Mr. Stanbery, 12 Opinions A. G., 32; Mr. Evarts, 12 Opinions A. G., 455; Mr. Williams, 14 Opinions A. G., 562; Mr. Devens, 16 Opinions A. G., 522; Mr. Brewster, 17 Opinions A. G., 521; Mr. Miller, 19 Opinions A. G., 261; Mr. Moody, 25 Opinions A. G., 258; Mr. Hoyt (acting), 26 Opinions A. G., 234; Mr. Gregory, 30 Opinions A. G., 314.

As pointed out by Attorney General Devens (16 Opinions A. G., 531), the act of February 9, 1863 (R. S., sec. 1761), prohibiting the payment of compensation "to any person appointed during the recess of the Senate to fill a vacancy in any existing office, if a vacancy existed while the Senate was in session," until the appointee has been confirmed by the Senate, constitutes a recognition by Congress itself of the power of the President to make such appointments.

Nor is there any difference in the exercise of this constitutional power between cases which originate during the session by the new creation of the office and those which so originate by the termination of a previous incumbency. "The need of the official service in the public interest is presumptively as great in one case as the other, and the executive duty of the President, for the discharge of which this constitutional power is vested in him, is not qualified by the circumstance that the office is to be filled for the first time." (Attorney General Evarts, 12 Opinions A. G., 455, 457; Attorney General Miller, 19 Opinions A. G., 261, 263; Acting Attorney General Hoyt, 26 Opinions A. G., 234, 235; Mr. Tracewell, Comptroller of the Treasury, 14 Comp. Dec., 901, 903.)

A commission issued by the President during a recess of the Senate continues until the end of the next session of the Senate, unless sooner determined by the President, even though the individual commissioner shall have been meanwhile nominated by the President to the office and the nomination rejected. It was so held in the case of In re Marshalship (20 Fed., 379), where the court said (382):

"The authorities on this subject—that is, the nature and duration of a temporary appointment made by the President to fill a vacancy—are that a commission issued by the President during a recess of the Senate continues until the end of the next session of the Senate, unless sooner determined by the President, even though the person commissioned shall have been in the meantime nominated by the President to the office and his nomination rejected."

As early as 1830 the same conclusion was reached by Attorney General Berrien in the case of Isaac Hill (2 Opinions A. G., 336, 337), as follows:

"In the exercise of the power thus conferred upon the President, Mr. Isaac Hill was, during the present session of Congress, nominated by him to the Senate, and the nomination has been rejected by that body. I apprehend that the commission granted to Mr. Hill in the recess remains untouched by this nomination and the rejection of it."

This precedent has been followed by other Attorneys General and acquiesced in by the Senate. (Attorney General Taney, 2 Opinions A. G., 525, 526; Attorney General Legare, 4 Opinions A. G., 30; Attorney General Stanbery, 12 Opinions A. G., 32.)

With regard to the act of May 1, 1884 (23 Stat., 17), prohibiting any officer of the United States from accepting "voluntary service" for the Government, I am advised that if this statute were applicable to recess appointments it would be an unconstitutional attempt to impose a limitation upon the President's power. I am further advised, however, that the words "voluntary service," within the meaning of this statute, do not include services in an established office, which Congress itself has provided may, under certain circumstances, be filled without compensation, but rather services intruded by a private person as a "volunteer." It was so held by Attorney General Wickersham with regard to the act of February 27, 1906 (34 Stat., 48), which is a reenactment ipsis verbis of the act of May 1, 1884. Mr. Wickersham said (30 Opinions A. G., 51):

"It seems plain that the words 'voluntary service' were not intended to be synonymous with 'gratuitous service,' and were not intended to cover services rendered in an official capacity, under regular appointment to an office otherwise permitted by law to be nonsalaried. In their ordinary and normal meaning these words refer to service intruded by a private person as a 'volunteer' and not rendered pursuant to any prior contract or obligation, and they were exactly so construed (though not as a part of this statute) in Board of Commissioners *v.* Richardson (54 Ind., 153–156.)"

I am advised, therefore, that Mr. Rublee, having been appointed by the President under power expressly given by the Constitution and under circumstances such that Congress itself has provided that the appointee shall serve without compensation, is not a "volunteer" within the meaning of the statute.

Respectfully, EDWARD N. HURLEY, *Chairman.*

Mr. GALLINGER subsequently said: Mr. President, my attention has been called to a report from the chairman of the Federal Trade Commission in response to the resolution I offered a few days ago in reference to Mr. George Rublee. Since entering the Chamber I have hurriedly read the reply and note the argument that has been made by Mr. Hurley, chairman of the Federal Trade Commission, that Mr. Rublee is constitutionally performing his duties as a member of that commission, and cites authorities to sustain that view. While I think otherwise, I do not propose this morning to discuss the matter at all. The citations that I gave a few days ago from the statutes, to my mind, cover this case very conclusively.

I notice that Mr. Hurley goes out of his way to pay a tribute to Mr. Rublee, which he was not asked by the resolution to do, but as Mr. Hurley came to the Capitol during the proceedings of the Senate on the Rublee nomination and, as I think, improperly exerted his influence in behalf of Mr. Rublee, it is not remarkable that he should come to the rescue of Mr. Rublee at this time.

I assume that the communication has been ordered printed; and if so, I have nothing further to say about it.

The VICE PRESIDENT. The Chair did not read it, but the Chair ordered that it be printed, it being in answer to a resolution of the Senate.

Mr. GALLINGER. That course is agreeable to me.

CALLING OF THE ROLL.

Mr. SIMMONS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Chamberlain	Gallinger	Lee, Md.
Bankhead	Chilton	Gronna	McCumber
Beckham	Culberson	Hardwick	McLean
Brady	Curtis	Jones	Martin, Va.
Brandegee	Dillingham	Kenyon	Myers
Bryan	Fletcher	Lane	Nelson
O'Gorman	Ransdell	Smith, Ga.	Thompson
Overman	Shafroth	Smith, Md.	Underwood
Owen	Sheppard	Smith, S. C.	Vardaman
Penrose	Sherman	Smoot	Wadsworth
Pittman	Shields	Sterling	Warren
Pomerene	Simmons	Thomas	Williams

Mr. JONES. The junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent on account of illness in his family. I will allow this announcement to stand for the day.

The VICE PRESIDENT. Forty-eight Senators have answered to the roll call. There is a quorum present.

ARMY APPROPRIATIONS.

Mr. CHAMBERLAIN. Mr. President, out of order, I ask leave to report with an amendment from the Committee on Military Affairs the bill (H. R. 17498) making aprpropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes, and I submit a report (No. 816) thereon. I ask that the bill be taken up for consideration at this time.

Mr. SIMMONS. I ask unanimous consent that the unfinished business be temporarily laid aside for the consideration of the Army appropriation bill, with the understanding that it will not take over an hour.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 17498) making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes.

Mr. CHAMBERLAIN. Mr. President, in reference to the pending bill, I desire to state to the Senate that the bill as it passed the Senate originally was vetoed by the President because the Articles of War exempted from their provisions the retired officers and enlisted men of the Army. That, as I understand it, was the only objection urged by the President in his veto message.

When the message and the bill went back to the House the bill was reintroduced in the House of Representatives exactly as it passed the House and Senate, eliminating, however, the Articles of War. When it came over to the Senate yesterday it was referred to the Military Affairs Committee and the committee now report the bill back to the Senate exactly as it heretofore passed Congress, inserting in the House bill the Articles of War, including within their terms the retired officers and enlisted men of the Army.

I am advised that if the bill goes to the House of Representatives in this form the amendment will now be concurred in, and I am very much in hopes that it may be passed by the Senate and go back to the House without any other change. In its present form it is exactly as it passed Congress the first time, with a few grammatical changes only.

Mr. BRANDEGEE. Mr. President, there was attached to the Army appropriation bill an amendment known as No. 52, which purported to retire with the rank of lieutenant colonel of Cavalry in the Army Gen. Edward W. Whitaker, late lieutenant colonel of the First Regiment Connecticut Volunteer Cavalry. That matter had passed the Senate as an independent bill. Everybody agrees as to its merits. Gen. Whitaker was an officer of most distinguished gallantry. His record is phenomenal in that respect and has been placed at length in the CONGRESSIONAL RECORD. Owing to the situation in the House there is little prospect that the bill the Senate passed will be passed by the House as an independent measure at this time, there being no quorum in the House. I ask the Senator from Oregon if he can not let that amendment go on the bill and let it go to conference?

Mr. CHAMBERLAIN. Mr. President, I have been in conference with the chirman of the Military Affairs Committee of the House this morning and the bill as it is prepared now, I am sure, will not meet any opposition in the House of Representatives.

In reference to Gen. Whitaker, while the committee recognized his services and his ability as a Volunteer Army officer, the others who were included in the bill were Regular officers and Gen. Whitaker was the only Volunteer officer whose name was proposed for promotion. There is a bill which has already been passed by the Senate for his relief and it is now pending before the committee of the House. The committee thought that the House would take that bill up and dispose of it. For that reason, amongst others, it was not included in the bill here.

I would rather not have the bill amended if the Senate can see fit to consider it as it is, because I am sure that it would very much hasten its final passage if no amendment were made.

Mr. BRANDEGEE. This matter has been before Congress for the last 20 years. Gen. Whitaker has session after session, ever since I have been here, labored until this session in vain to get his magnificent war record from the War Department.

It was not until this session that he was able to get it from the department and Congress had to pass a resolution ordering the department to send it here. The minute the record was seen the Committee on Military Affairs agreed unanimously that the case was an extraordinary one and hastened to do justice to this old general who is now ill and in his declining years.

The amendment went on the bill with a unanimous report from the committee. The Senator from New Mexico [Mr. CATRON] told me that he had never seen such a magnificent military record of one of that rank, and he could not understand why this simple act of recognition had been deferred so long. The Senate unanimously placed it upon the bill.

It is about the last chance this old gentleman has to be retired with the very modest rank of lieutenant colonel. His services to his country in the hour of need were magnificent, and he has letters, indorsements, and appreciations from the highest officers in the Army. His record is without a stain or flaw, and this old man is to-day utterly unrecognized and in need.

Of course I have no desire to embarrass the passage of the Army appropriation bill, but I do not think it will embarrass it. Since the appropriation bill was agreed to in conference without this amendment, the Senate conferees being persuaded to recede by some of the House Members, every effort has been made to get the House to pass the bill as an independent measure. Senators must know that the House being in the situation in which it is now, with no quorum, it is impossible for this man to get what is really due to him from the Government. I appeal to the Senator from Oregon to let it go to conference once more, and if he finds that it is at all imperiling the passage of the bill he need not insist any further than his good judgment dictates that he should. He can recede at any time.

Mr. President, I feel compelled to offer this as an amendment to the bill now reported from the committee. I would rather have the Senator agree to let it go to conference as the Senate has passed it already.

Mr. CHAMBERLAIN. I will state that I do not believe the bill will go to conference in its present form. I am inclined to believe from advices I have received that the Senate amendment will be concurred in and that there will be no difficulty about the passage of the bill now in the House of Representatives.

Mr. BRANDEGEE. Is not the Senator willing to give the House a chance to concur in the amendment again?

Mr. CHAMBERLAIN. We had a serious controversy in the last conference over this one item. I understood that the independent bill was going to be favorably reported to the House and taken up in the House. I do not believe we could retain it in the bill even if the bill went to conference with the amendment. That is my judgment about it after the experience we had in the last conference on the subject.

Mr. BRANDEGEE. Well, Mr. President, of course I realize that if the chairman of the Senate Military Affairs Committee feels in that way about it, it would be no use to ask that the matter go to conference, because without his active advocacy of it in conference it would be stricken out. So I shall have to content myself at this time, Mr. President, with simply saying that in the future I shall offer this amendment to every appropriate bill. I hope, if not at this Congress, that at the next Congress justice may be done to this officer.

Mr. UNDERWOOD. Mr. President, do I understand that the Senator from Connecticut has presented an amendment? Is there an amendment pending?

The VICE PRESIDENT. No.

Mr. BRANDEGEE. I refrained from offering the amendment after the expressions of the Senator from Oregon [Mr. CHAMBERLAIN].

Mr. UNDERWOOD. Mr. President, I desire to offer an amendment to be inserted at the proper place in the Articles of War, which, as I understand, are embraced in this bill, to read as follows:

That no person under the age of 21 years shall be enlisted or mustered into the military service of the United States without the written consent of his parents or guardians: *Provided, however,* That such minor has such parents or guardians entitled to his custody and control; and this proviso shall be applicable to all minors enlisted or mustered into the military service of the United States on and after June 3, 1916.

Mr. President, since shortly after the days of the Civil War the law has been on the statute books that no man under the age of 21 could be lawfully enlisted in the military forces of the United States, which included the Regular Establishment as well as the National Guard, without the consent of his parents or guardian. When the bill known as the Army reorganization bill was before the two Houses that provision of law was not changed. Subsequently, when the bill went to conference, the conferees changed the lawful age of enlistment from 21 years to 18 years without the matter being brought before the two Houses, except in so far as the conference report itself brought it before the Houses of Congress. In other words, the age of enlistment for men in the military service of the United States was changed in conference and not by the two Houses of Congress. Under ordinary circumstances I would not attempt in any way to delay the passage of this bill, but the House of Representatives has never taken a direct vote on this question. When the military appropriation bill was before the Senate some days ago the Senate by more than a two-thirds majority—by practically a three-fourths majority—inserted an amendment changing the age of enlistment back to 21 years.

Mr. President, this proposition in regard to enlistment is a vital one. It is a question that affects the homes throughout the States of this country. It is a radical change in our military law. In view of the vote of the Senate restoring the age of 21 a few days ago, a mere formal disagreement in the House of Representatives to all the Senate amendments, and its rejection again by the conferees on the part of the two Houses, notwithstanding the overwhelming vote of the Senate on this subject, I feel that this proposition should again go back to the House of Representatives and that the conferees on the part of the Senate should demand a vote on the question directly in the House of Representatives before the provision is excluded from the bill.

I do not care to go into a lengthy discussion of this question at this time, Mr. President, or to delay the Senate in the consideration of the bill, but I feel that it is a vital question. In time of war the country would probably call on boys 18 years of age to follow the flag. It has called on boys of much younger age to do so in the past, and no one could question the right, in case of necessity, for the Government to do so; but we are in a condition of profound peace; even the war clouds that hovered a few weeks ago on the Mexican border are passing away. The probabilities are that there will decades roll by before this Government is again involved in actual warfare; and yet, under the terms of the law that is enacted in the Army reorganization bill, a recruiting sergeant can go to any country town in this country and persuade an 18-year-old boy that it is his duty to his country to enlist; that there is glory in his following a military life. That boy may be a mere child. You propose to allow that recruiting sergeant to drag that boy away from his home and his family, without the consent of his father or his mother, and when you have placed the manacles of the military power of the United States about his wrists that home is broken up; there is no relief. When the father and the mother write you and ask you to secure redress and to secure the discharge of that boy, who was enlisted without their consent, from military service in the United States Army, the answer you will send back will be that the law of the country has been changed; that the legal age of enlistment in the military service of the United States has been made 18 years. But it will have been made 18 years by your consent and without your protest. If it were necessary, no one would agree to the proposition more cheerfully than would I; but I know it is not necessary, and you know it is not necessary.

I understand where this proposition comes from, and it is very natural that it should come from that source. If the military men of our Government were not imbued with the idea in their own minds that military service is of more importance to this country than is any other service or than is any other life, they would probably not be possessed of those characteristics essential to make them great generals on the firing line, and which would enable them to sacrifice thousands and hundreds of thousands of their fellow citizens in order to carry their point at the cannon's mouth. But this country is not yet governed by the military men of the Army nor controlled by the military sentiment which they would seek to inculcate in the minds of the people throughout the United States. This country has been governed, except in times of actual war, by the civilian and the civilian sentiment. It has recognized that the right of the home is greater than the right of the military forces of this Republic, and that right of the home guarantees to the fathers and the mothers of this country that they shall say whether the boys of this land shall engage in a military life before the age of 21 or whether they shall not.

Mr. McLEAN. Mr. President——

Mr. UNDERWOOD. I yield to the Senator.

Mr. McLEAN. I suggest to the Senator from Alabama that boys under 21 years of age when they enlist in the Army are still infants in the eye of the law, and are held incapable of even making a contract. I heartily agree with the position the Senator has taken.

Mr. UNDERWOOD. They were infants in the eyes of the law and incapable of making a contract until the Committees on Military Affairs gave them the right to make this contract of enlistment. That is what I am complaining of. Until the Military Committees of the two Houses gave these boys the right to make this contract they were prohibited by law from doing so. I recognize that there are some boys who are grown men when they are 18 years of age. They have faced the reponsibilities of life; they are able to take care of themselves; they are able to mold their own futures; but there are many boys at 18 years of age who are children. They do not know what vocation in life they want to follow; they do not know what is best for them; they do not know how to plan their lives. If you throw a boy of that kind into the Army, place him in association with men who have been drawn from the great cities, men whose lives are not Christian lives, whose bringing up is not that of the country boy with his surroundings, you are apt to destroy a young life instead of making one.

I recognize the fact that this great military machine of ours will, in answer, say that 18 years is the age when some of the great nations of Europe summon a boy to the colors; that 18 years is the age when the boy is most susceptible to military training; and that if he is enlisted in the army at 18 years of age, when he reaches 21 he will have had three years of active service and will be a trained soldier who can be held in reserve until the age of 25, between 21 and 25 being the best ages for reserves. Well, if we had determined to be a military Nation, if we had determined by our legislation that the most important question confronting the American people is the beating drum, the blare of the bugle, and the screech of the shrapnel, or, in other words, the defense of our country against enemies who are not threatening us, we might listen to the appeals of these military geniuses; but if we should listen to them, the logical conclusion to which we would come and to which they desire us to come would be compulsory military enlistment throughout the United States. They would have us say that every boy 18 years of age must serve in the military forces of the United States for three years actively and four years in the reserves. If we intended to adopt such a policy, and it met with the approval of the popular sentiment of the country, then it might be wise to say that every boy 18 years of age must commence service in the Army; but we have not adopted that policy, and we will not adopt that policy in either branch of the Congress of the United States, because if we try to do so the result will be vacant seats at the end of the next election.

Mr. WARREN. Mr. President, the Senator knows, of course, that the age prescribed for enlistments in the Army corresponds with the age in the Navy. Has the Senator ever raised a voice against the admittance into the Navy of boys of the age of 18?

Mr. UNDERWOOD. No; I have not, because the question as to the age of enlistment of boys in the Navy had been determined by the statutes of the United States before I had any hand in framing legislation.

Mr. WARREN. But, on the other hand, with the Senator's keen sense of right and justice and his experience in legislation, without doubt he would have raised his voice heretofore if complaints had reached him as to the ill effects in the Navy of such enlistments.

Mr. UNDERWOOD. Well, I will say to the Senator that I have had complaints, and sometimes serious complaints, arising from the enlistment of boys from my State in the Navy; but they have not been as serious as the complaints which have arisen in connection with the enlistment of boys of 18 in the Army. I have not the opportunity to-day to endeavor to repeal the law in reference to the Navy. I would if I could, but I can not. I know, however, from past experience that boys have run away from home in my State, made false affidavits in reference to their age, and they have caused their fathers and their mothers much suffering and much heartburning to get them out of the service.

There is no necessity for this provision. It was not the law; it has not been the law of the land. There is no demand from the American people that it should be the law. It comes here vouched for solely by the military machine. So far as my vote is concerned, when the provision is not necessary, I am not going to surrender my constituency or the homes of the people whom I represent to a military machine to have unbridled power to determine the fate of the young men of my country who are under 21 years of age. Enlist some of them in the Army, and they may make a great success of it. Carry some to the Army, and it means their eternal ruin.

Now, this provision was not put in the bill by the consent of the Senate or by the consent of the House of Representatives. It was put in this bill by the conferees; and I am not going to sit quiet and consent to its remaining in the bill until the Senate, by a majority vote, votes me down on the question, and then I shall have to consent.

Mr. LEE of Maryland. Mr. President, I have sought recognition from the Chair ever since the first amendment was propounded to the Senate, and wish to reserve the right, if that seems desirable, to make objection to it as general legislation.

The amendment just offered by the Senator from Alabama illustrates the viciousness of including fundamental changes of law in these great supply bills. This supply bill has been tied up here for a long time, not because of differences of opinion on the elements of supplies—quite the contrary—and this bill has been vetoed once by the President, not because he objected to any provision for supply but on account of proposed general legislation, the revision of the Articles of War of the United States, which have been unrevised for nearly a hundred years, and could be revised at any time. That has been already the cause for setting aside once this large appropriation bill.

Mr. President, I will not make the point of order. I hope the Senate of itself will see the advisability of absolutely limiting these provisions of a general nature, whenever they are made, to provisions of such a character as will pass both the Houses of Congress without objection. I understand, as the Senator from Oregon [Mr CHAMBERLAIN] has just said, that these Articles of War, as changed, are practically now agreed upon by the representatives of both bodies; and though these changes, as I have said, have been neglected for a hundred years, and the Army is not suffering for the lack of them, yet so far, so good; let that matter pass.

But now comes the Senator from Alabama with an entirely new proposition, a proposition that was heretofore resisted by the House conferees. He wants to add that to the impediments in the way of this great supply bill. In effect, while pleading the rights of the family and of some one child whose absence he alleges destroys the home, he wishes to disintegrate and demoralize, so far as his proposition would apply, the forces of the United States now assembled on the frontier of a foreign country.

I wish I could agree with the Senator from Alabama that we are in a condition of profound peace. I wish I thought about it as he seems to think about it; but we have 110,000 National Guardsmen on the Rio Grande to-day, with the addition of Regular United States forces, whatever their numbers may be, and also 40,000 other guardsmen assembled in camps under the President's call. Clashes of various kinds on the Rio Grande are not unusual, and the internal conditions of Mexico are perhaps the same to-day that they have been for the last two or three years. The condition is more imminent than it has ever yet been, so far as assembled men in arms is concerned, and yet the Senator from Alabama chooses to close his eyes to this great general condition and proposes a demoralization of these forces of the United States by directing the withdrawal of men lawfully enlisted, a retroactive amendment to the Articles of War—an amendment that will go back and turn out of the service men who have been heretofore lawfully enlisted in the service. The time to have objected was when the change was proposed.

I sympathize to some extent with the Senator's criticism of rather undue liberties taken with the feature of the military law by the conference committee in the changing of so fundamental a proposition as the age for enlistment, and, generally speaking, it might be well to raise for the future the limit from 18 years to 19 years.

Mr. President, I have no objection to a change applying to the future, preventing young men under 19 years from being enlisted for the future, but I can not agree with the Senator's general statement that a home is endangered when a hard-headed boy goes off and enlists without the consent of his parents. I took the position before, and I take it now, that this kind of a boy gets a great deal of good out of military discipline, and that about the only hope for such a boy is for him to enlist and get real discipline before his overindulgent and probably weak parents have utterly ruined him for the rest of his life.

Mr. President, I shall not make the point of order suggested, but simply call the attention of the Senate to the advisability of acting, without introducing further general questions, upon this great supply bill, which provides, among other items, $6,000,000 for machine guns for the Regular Army of the United States and $6,000,000 for machine guns for the National Guard of the United States. Do you want to stop that supply? Do you want to have these forces of ours on the Rio Grande stay there, as they are to-day, less well equipped than are the soldiers of other nations? That is the real proposition the Senator from Alabama is up against. This money should be promptly available to equip the troops of the United States at least equally with the troops of other nations, and the sentimentality de-

veloped over one or two individual cases should not interfere longer with the whole military progress and equipment of the soldiers of the United States.

Mr. CHAMBERLAIN. Mr. President, I can not impress upon the Senate too strongly the urgency of this general appropriation bill. A general resolution passed Congress providing for continuing appropriations for emergencies until the regular appropriation bills could be acted upon; but that resolution does not cover pay and other appropriations for the National Guard not in the service of the United States. There has been no appropriation made in the past, as the Senator from Maryland very well remembers, that would cover certain conditions affecting the National Guard not in the service of the United States; so that until this bill can become a law there is no provision for the pay of such National Guardsmen. In addition to that, Mr. President, there is no provision under existing law for relief to the dependent families of the National Guardsmen, and this bill provides the money necessary for that purpose.

I greatly fear that to undertake to amend the bill now will imperil its passage in the House of Representatives, and I think if it is not changed it will pass without any question.

Mr. President, with reference to the age limit for enlistment, the Senator from Alabama seems to forget that under the law as it affects the National Guard now in the country they can be enlisted between 18 and 21 without the consent of the parents. Assuming that the National Guardsmen are enlisted under the State laws in the National Guard, and it becomes necessary to draft them into the service of the United States, all of those boys who have enlisted in the National Guard, if this amendment of the Senator is adopted, will naturally be exempted from the draft. It was largely to make the Federal statute with reference to the age limits for enlistment in the Regular Army and the State laws with reference to enlistment in the National Guard conform to each other that this change was made.

The whole question was up in conference here when this bill was up before. The Senate added the La Follette amendment, which is the one the Senator proposes now, to the Army appropriation bill; and when it got into conference we held out for it as long as we deemed it possible to hold out, in the hope that we might have that amendment, as then proposed by the Senator from Wisconsin and as now proposed by the Senator from Alabama, remain in the bill. But it went out; and now, Mr. President, I have no reason to believe, from the position that was taken by the House conferees at that time, that any change has taken place in the feeling of the House with regard to this amendment. It will disorganize the Army and disarrange the attempt made by Congress to conform the Regular Army to the National Guard as proposed by the Senator, and I hope the amendment will be voted down.

Mr. UNDERWOOD. Mr. President, what the Senator says about the National Guard is one of the good reasons why this amendment should be agreed to. For a boy to enlist in the National Guard in his home town, where he sleeps every night in his own bed at home, where his only service is within the borders of his State, where his own people come in contact with him, and if he is ordered out for service it is only for a few weeks, and it does not interfere with the channel of his life, is a very different thing from taking him out and making him a part of the military service of the United States for three years.

Now, mark you, here is the wrong of this question; here is the deceit of this legislation: When these young men back in your State and in my State enlisted in the National Guard at 18 years of age the law of your country provided that they could not serve in the military service of the United States under 21 years of age, and if they had been mustered in at that time their parents would have had a right to stop them. But the President orders the National Guard to the Mexican line and then a conference committee—not the Congress—takes upon itself the responsibility of changing the contract that those boys had made with their parents' consent, and when they reach the border they find that if they made a contract at 18 years of age they have to stand by it under changed conditions.

Mr. CHAMBERLAIN. Mr. President, may I call the Senator's attention to a statement he made that is not quite in accordance with the facts? I know the Senator does not intend to make a statement that is not correct. Under the Dick bill the minimum age of enlistment was 18. Boys could enlist between 18 and 21 without the consent of the parents or the guardian.

Mr. UNDERWOOD. Certainly; but——

Mr. CHAMBERLAIN. That bill and the amendments thereof authorized the calling forth of the National Guard into the service either within or without the territory of the United States. Of course, the provision with reference to the use of the militia outside the United States was subsequently held to be unconstitutional by the Attorney General and the Judge Advocate General of the Army. Still, those who enlisted under the Dick law of 1903 and the amendatory act of May 27, 1908, have not had any contract of enlistment changed as to them, because the provision in the national defense act of June 3, 1916, with reference to the minimum age is really a confirmation of the Dick law.

Mr. UNDERWOOD. The Senator is talking in the index and not in reference to facts. He himself stated a moment ago that the conferees changed this provision in the law so they could hold in the National Guard these young men under 21 years of age.

Mr. CHAMBERLAIN. Yes; but that was in view of an opinion of the Attorney General of the United States that under the Dick law they could not be sent outside of the limits of the United States.

Mr. UNDERWOOD. Why, certainly; and the decision that under the Dick law they could not be carried out of the State was made so long ago that there is not a boy in the National Guard this year who did not enlist since the decision was made that under the Dick law he could not be ordered out of his State without a further enlistment. The Senator knows that as well as I do. Therefore his argument is merely sounding in the index of the proposition, and not going to the substance of the proposition that is before the Senate.

The argument is made that we must not delay this bill; that the necessity for guns and cannon at the front is so great that we can not delay the passage of the bill for 24 hours or 48 hours for the sake of humanity, for the sake of the homes of this country. The President of the United States did not think the necessity for the construction of cannon and the making of shells was so great and the necessity for the immediate enactment into law of this bill was so great that when he found in it an error relating to some retired Army officers he did not feel justified in vetoing the bill and delaying its passage. And what is the question of the status of a few retired Army officers compared with the boys and the homes of this country?

Why, the committee itself answered the Senator's own argument.

This bill was due for passage to make appropriations for the fiscal year commencing the 1st day of July next. To-day is the 23d day of August. The Senate committee did not think it was so necessary to rush this appropriation bill through to final passage that it should even begin at the date when the appropriations should have become available—at the beginning of the fiscal year. I know the reason why they did not, and I am not criticizing them because they did not pass it before the 1st day of July; but I say it is a very lame argument to come here and say that this bill can not wait 24 or 48 hours until the House of Representatives has a chance to vote on this proposition, when the committee itself has delayed the passage of the bill for nearly two months.

Mr. President, there is no reason in the world why this bill will not be just as effective if it becomes a law next week as it will if it passes to-day and is signed to-morrow. It will not expedite the purchase of a single cannon or the firing of a single shell to send this bill to the President to-day instead of sending it to him at the end of the week, after the House of Representatives has voted on the question. I am not complaining about the action of my colleagues if they act. I say, however, that a three-fourths majority of the Senate, at the only time it has ever had a chance to pass on this proposition, said that in time of profound peace these boys should not be enlisted under 21 years of age.

Mr. WARREN. Mr. President, if I am wrong, the Senator will correct me; but I do not take it for granted that the item was put in originally in conference in the bill which was passed and approved July 3. I think it was put in in the regular way by the Senate on a House bill.

Mr. UNDERWOOD. Which amendment is the Senator talking about?

Mr. WARREN. I am talking about the change of law that permits the enlistment of boys 18 years of age and over without the consent of their parents.

Mr. UNDERWOOD. I will be very glad if the Senator will show me that that is the fact, because I understand the fact to be absolutely to the contrary. That is my understanding of the situation, and I have not heard it contradicted up to this time.

Mr. WARREN. Well, I will state it as a fact, from my remembrance, and leave it for the Senator to correct me if I am wrong.

Mr. UNDERWOOD. Then I will challenge the Senator from Wyoming to put in the RECORD the provision of the bill as it

passed the Senate that contained this change of status in the Army.

I was informed, as a matter of fact the Senator from Wisconsin announced on the 21st day of July, when this matter was pending in the Senate before, that this question was put in in conference. The Senator from Oregon, the chairman of the Committee on Military Affairs of the Senate, did not deny the proposition when it was asserted, and has not denied up to this hour that this provision was put in in conference and in neither of the Houses, and the Senator from Oregon is sitting within the sound of my voice now.

Mr. President, I do not want to delay the Senate. I am not opposed to a reasonable Military Establishment in the United States. I am not criticizing the Army officers of the United States for being ultramilitary in their manner and their mode of living and in their thoughts of life, but I say that that may be justified in them because it is their profession. But it is not justifiable in the Senate of the United States; it is not a justifiable position for a man who represents the great civic forum of the United States, the very life and heartbeat of this country.

Mr. NELSON obtained the floor.

Mr. SIMMONS. Will the Senator yield to me for a moment?

Mr. NELSON. For what purpose?

Mr. SIMMONS. I stated that I would yield to the Senator from Oregon for one hour, but I think, since this matter is up, it would be just as well to finish it, taking as long as may be necessary to pass the bill.

Mr. NELSON. Mr. President, I am utterly surprised at the sentiments expressed by the Senator from Alabama [Mr. UNDERWOOD]. He places his opposition to the enlistment of soldiers upon high humanitarian grounds. The theory involved is that it is something disreputable; that it is something out of the ordinary run to have a young man go into the Army of the United States when he is 18 years old; that it is taking him out of civil employment, and so forth.

To my mind, and I speak from experience, the best school a young man of 18 years can enter is the Army, where he must conform to the discipline and regulations there enforced. I enlisted in the Army of the United States as a private soldier at 18 years of age and served through a large period of the Civil War. I have always regarded that as the best part of my education and my best schooling in life.

I would never have gotten along as well as I have had it not been for the teaching, the experience, and the discipline I received in the Army of the United States. What better school is there for a young man 18 years of age than to enter the Army of the United States and for two or three years to subject himself to the training and discipline which the Army affords?

It is belittling the Army of the United States to say that it is a mistake to put young men 18 years of age in the Army. I hold that the Army of the United States is as reputable a body as any that can be found within the broad confines of the Republic. It is as good a place to put our young men, under the charge of skilled and competent officers, as any other of which I have knowledge; and, Mr. President, service in that Army is as honorable as is even service in the Senate of the United States.

What is more, Mr. President, our experience during the Civil War demonstrated beyond a doubt that the best soldiers we had, the men who could stand more marching and endure more hardships than any other class of men, were the boys between 17 and 21. The older ones, those who had been taken from pampered homes and removed from their parents, who would not consent to have their dear children shoulder a musket, were the ones who flunked on the march, on the battle field, in the camp, and in the bivouac.

The sentiment expressed by the Senator from Alabama is belittling to the youth of this country. The young men of this country are not possessed of such a feeble spirit, they are not afflicted with such a species of infantile paralysis, if I may use the expression, as to be afraid to render service to their country or to believe that it would be wrong for them to enter the ranks of the Army before they have arrived at the age of 21.

Bless your soul, a good many people enter into matrimony before they are 21 and make a success of it; and I do not know why, in the case of a young man who is healthy and vigorous, it can be said to be a disgrace to him or that it would be improper to permit young men to join the Army at 18 years of age. If I had a son 18 years of age, I would be very glad to have him supplement his education and training by going into the Regular Army and learning the discipline and training that soldiers get there.

It makes me sick and tired, Mr. President, as an old soldier of the Civil War to hear all the maudlin sentiment that I have heard in these recent days. We had a militia company in our State of university boys who had been parading and soldiering around the university campus for months and months. They were brave fellows, no doubt, but when they were about to be mustered into the United States Army to go to the Mexican border, some of their dear parents, inspired, I think, to some extent by the boys, begged that they might not be obliged to go; that it would interfere with their education; and they sent appealing letters to me that it would break the university course or the college course of those boys. What do you think, Mr. President, I wrote to those people? I said the break in their college course would be to their greatest advantage; that if they could get three or four months' training in the Army, it would be worth more to them than all the football and all the baseball they could get on the college campus.

We hear talk about our boys not being fit to go in the Army at 18 years of age, and it is said that it is a shame to keep them out of their work. What better and nobler work is there than to be a soldier in the Army of the United States and to endure that discipline to which I have referred? Whenever I see one of these boys dressed in a khaki uniform parading the streets I feel like taking off my hat to him. I would much sooner take my hat off to him than I would to a fourth or fifth rate politician; and I tell these boys in the purlieus who are outside here to keep bad people out, but if they ever see a man wearing Uncle Sam's uniform, whether a soldier or a sailor, to let him in, and charge it to Senator NELSON.

The idea that a boy is too tender or that it would mar his future prospects to go into the Army before he is 21, it seems to me, is the most preposterous idea in the world; and I trust that no such provision will ever be ingrafted in this bill.

Mr. CHAMBERLAIN. Mr. President, the Senator from Alabama [Mr. UNDERWOOD] is usually fair, but it seems to me that he has not only unjustly criticized the War Department and the Army, that in this instance is entirely free from criticism, but he has also unjustly criticized the committees of the House and Senate who have had this bill in charge. As a matter of fact, Mr. President, neither the War Department nor any Army officer has ever recommended any change in the term of enlistment, so far as I know. The change was made largely to give the law on the subject the order and method of a code.

The proposition of the enlistment of boys is not any new thing. In the Navy they are enlisted for service between the ages of 18 and 21 without the consent of their parents or guardians, and the law has been found beneficial. They are enlisted now in the National Guard between the ages of 18 and 21. Large appropriations are made by the appropriation bills to meet the requirements of the act of June 3, 1916, for the training of young men to fit them for service before they are 21, at the ages the Senator now condemns.

But I am not going to say anything more about that, Mr. President. The Senator treats the committee a little bit unfairly when he talks about our urging this bill through in order that cannon may be furnished for the border, that shot and shell may be sent down there for use by the United States troops. I base my support of the bill on no such ground as that, Mr. President. I have stated that the bill provides for the pay of the very young men whom the Senator is now undertaking to care for. It also provides for the pay of the National Guard; it provides for the dependent families of those who are over 21, if you please, who have gone to the front. The matter of guns and ammunition is a matter that could be very safely postponed. But the Senator is doubtless receiving letters from guardsmen now complaining that they have not received their pay since they went into the service of the United States.

With respect to the criticism of the committee, the Senator says that the committee ought to have got to work before the 1st of July and made these appropriations. I venture to say there never was a committee that acted with greater promptness on an appropriation bill than this committee did. The bill was referred to the committee on the 28th day of June. It was reported to the Senate July 3. The committee worked all the intervening time on the bill, a bill embracing over $300,000,000 of appropriations. So it was in committee less than a week. It was considered from July 21 to July 27. It passed the Senate July 27 and was sent to conference July 29. The conference report was made to the Senate August 7 and agreed to in the Senate August 8, and agreed to in the House August 9.

Mr. President, between July 3 and July 21, when the Senate took up the bill for consideration, the delay was not due to the committee. The delay was due to the fact that two great appropriation bills were pending which had the right of way in

the Senate. One of them was the naval appropriation bill and the other was the Agricultural appropriation bill. So there was absolutely no delay in reporting the bill to the Senate, and there ought not to be any further delay now; but Senators seem disposed to impose delay by undertaking to put amendments on in which the House conferees absolutely refuse to concur. I refer particularly to the amendment in reference to the enlistment period.

For the reasons I have stated, however strong the arguments made and however sentimental the ground in favor of the amendment suggested by the Senator, I hope the Senate will vote it down and let the bill pass the Senate as it has come from the committee.

Mr. UNDERWOOD. I ask for the yeas and nays on agreeing to the amendment.

The VICE PRESIDENT. Are we to proceed upon the theory that the bill is as in Committee of the Whole and that its formal reading has been dispensed with?

Mr. CHAMBERLAIN. I ask that the formal reading be dispensed with.

The VICE PRESIDENT. If there is no objection, that will be done, on the statement of the Senator from Oregon. The pending amendment is the amendment of the Senator from Alabama. The Senator from Alabama will send his amendment to the desk.

Mr. JONES. I wish to ask the Senator from Alabama if this is the amendment that was offered by the Senator from Wisconsin [Mr. LA FOLLETTE] when the bill was up before and which the Senate voted to suspend its rules in order to make it in order on the bill.

Mr. UNDERWOOD. It is, so much of it as relates to the age of enlistment. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BRYAN (when his name was called). I am paired with the junior Senator from Michigan [Mr. TOWNSEND] and therefore withhold my vote.

Mr. CHILTON (when his name was called). I announce my pair with the Senator from New Mexico [Mr. FALL]. In his absence I withhold my vote.

Mr. JONES (when his name was called). I have a pair for the week with the junior Senator from Virginia [Mr. SWANSON] and therefore I withhold my vote. If I were at liberty to vote, I would vote "yea."

Mr. ROBINSON (when his name was called). I am paired with the Senator from Connecticut [Mr. BRANDEGEE]. If he were present, I would vote "yea."

Mr. SIMMONS (when his name was called). I have a general pair with the junior Senator from Minnesota [Mr. CLAPP]. I transfer that pair to the Senator from Arizona [Mr. SMITH] and vote "nay."

Mr. UNDERWOOD (when his name was called). I have a general pair with the junior Senator from Ohio [Mr. HARDING]. I transfer that pair to the junior Senator from Louisiana [Mr. BROUSSARD] and vote "yea."

Mr. WADSWORTH (when his name was called). Has the junior Senator from New Hampshire [Mr. HOLLIS] voted?

The VICE PRESIDENT. He has not.

Mr. WADSWORTH. I am paired with that Senator and in his absence withhold my vote.

The roll call was concluded.

Mr. SMITH of Georgia. I have a general pair with the senior Senator from Massachusetts [Mr. LODGE] and withhold my vote.

Mr. OWEN. I transfer my pair with the Senator from New Mexico [Mr. CATRON] to the Senator from New Jersey [Mr. MARTINE] and vote "yea."

Mr. MYERS. I announce that my colleague [Mr. WALSH] is necessarily absent. He is paired with the Senator from Rhode Island [Mr. LIPPITT].

Mr. SHAFROTH. I am paired with the junior Senator from Washington [Mr. POINDEXTER]. I transfer that pair to the Senator from Tennessee [Mr. LEA] and vote "yea."

Mr. SAULSBURY. I have a general pair with the junior Senator from Rhode Island [Mr. COLT], and therefore withhold my vote.

Mr. DILLINGHAM (after having voted in the negative). I inquire whether the Senator from Maryland [Mr. SMITH] has voted.

The VICE PRESIDENT. He has not.

Mr. DILLINGHAM. Then I have to withdraw by vote, having a pair with that Senator.

Mr. WEEKS. I have a general pair with the senior Senator from Kentucky [Mr. JAMES], which I transfer to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

I wish to announce that my colleague [Mr. LODGE] is unavoidably absent, and I will let this announcement stand for the day. He has a general pair with the Senator from Georgia [Mr. SMITH].

Mr. GRONNA. I have a general pair with the senior Senator from Maine [Mr. JOHNSON], which I transfer to the junior Senator from Nebraska [Mr. NORRIS] and vote "yea."

Mr. BECKHAM. I have a general pair with the senior Senator from Delaware [Mr. DU PONT]. I understand that if he were present he would vote as I do. I vote "nay."

Mr. STONE. I transfer my pair with the Senator from Wyoming [Mr. CLARK] to the Senator from Illinois [Mr. LEWIS] and vote "nay."

Mr. WADSWORTH. I have a general pair with the junior Senator from New Hampshire [Mr. HOLLIS]. I transfer that pair to the junior Senator from California [Mr. WORKS] and vote "nay."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Delaware [Mr. DU PONT] with the Senator from Kentucky [Mr. BECKHAM];

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from Michigan [Mr. SMITH] with the Senator from Missouri [Mr. REED]; and

The Senator from Utah [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. CLARKE].

Mr. ROBINSON. I transfer my pair with the Senator from Connecticut [Mr. BRANDEGEE] to the Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. SMITH of Georgia. I transfer my pair with the senior Senator from Massachusetts [Mr. LODGE] to the junior Senator from South Dakota [Mr. JOHNSON] and vote "yea."

The result was announced—yeas 23, nays 25, as follows:

YEAS—23.

Bankhead	Husting	Overman	Smith, Ga.
Borah	Kern	Owen	Smith, S. C.
Culberson	Lane	Robinson	Thompson
Gronna	McLean	Shafroth	Underwood
Hardwick	Myers	Sheppard	Vardaman
Hughes	O'Gorman	Shields	

NAYS—25.

Beckham	Martin, Va.	Ransdell	Wadsworth
Brady	Nelson	Sherman	Warren
Chamberlain	Oliver	Simmons	Weeks
Curtis	Penrose	Sterling	Williams
Fletcher	Phelan	Stone	
Gallinger	Pittman	Taggart	
Lee, Md.	Pomerene	Thomas	

NOT VOTING—47.

Ashurst	du Pont	La Follette	Saulsbury
Brandegee	Fall	Lea, Tenn.	Smith, Ariz.
Broussard	Goff	Lewis	Smith, Md.
Bryan	Gore	Lippitt	Smith, Mich.
Catron	Harding	Lodge	Smoot
Chilton	Hitchcock	McCumber	Sutherland
Clapp	Hollis	Martine, N. J.	Swanson
Clark, Wyo.	James	Newlands	Tillman
Clarke, Ark.	Johnson, Me.	Norris	Townsend
Colt	Johnson, S. Dak.	Page	Walsh
Cummins	Jones	Poindexter	Works
Dillingham	Kenyon	Reed	

So Mr. UNDERWOOD's amendment was rejected.

The VICE PRESIDENT. The question is on the amendment reported by the committee.

The amendment, which was to insert a new section, was agreed to, as follows:

SEC. 3. That section 1342 of the Revised Statutes of the United States be, and the same is hereby, amended to read as follows:

"SEC. 1342. The articles included in this section shall be known as the Articles of War and shall at all times and in all places govern the armies of the United States.

"I. PRELIMINARY PROVISIONS.

"ARTICLE 1. Definitions: The following words when used in these articles shall be construed in the sense indicated in this article, unless the context shows that a different sense is intended, namely:

"(a) The word 'officer' shall be construed to refer to a commissioned officer.

"(b) The word 'soldier' shall be construed as including a noncommissioned officer, a private, or any other enlisted man;

"(c) The word 'company' shall be understood as including a troop or battery; and

"(d) The word 'battalion' shall be understood as including a squadron.

"ART 2 Persons subject to military law: The following persons are subject to these articles and shall be understood as included in the term 'any person subject to military law,' or 'persons subject to military law,' whenever used in these articles: *Provided*, That nothing contained in this act, except as specifically provided in article 2, subparagraph (c), shall be construed to apply to any person under the United States naval jurisdiction, unless otherwise specifically provided by law.

"(a) All officers and soldiers belonging to the Regular Army of the United States; all volunteers from the dates of their muster or acceptance into the military service of the United States; and all other persons lawfully called, drafted, or ordered into, or to duty or for

training in, the said service, from the dates they are required by the terms of the call, draft, or order to obey the same.

"(b) Cadets;

"(c) Officers and soldiers of the Marine Corps when detached for service with the armies of the United States by order of the President: *Provided*, That an officer or soldier of the Marine Corps when so detached may be tried by military court-martial for an offense committed against the laws for the government of the naval service prior to his detachment, and for an offense committed against these articles he may be tried by a naval court-martial after such detachment ceases;

"(d) All retainers to the camp and all persons accompanying or serving with the armies of the United States without the territorial jurisdiction of the United States, and in time of war all such retainers and persons accompanying or serving with the armies of the United States in the field, both within and without the territorial jurisdiction of the United States, though not otherwise subject to these articles;

"(e) All persons under sentence adjudged by courts-martial;

"(f) All persons admitted into the Regular Army Soldiers' Home at Washington, D. C.

"II. COURTS-MARTIAL.

"ART. 3. Courts-martial classified: Courts-martial shall be of three kinds, namely:

"First, general courts-martial;

"Second, special courts-martial; and

"Third, summary courts-martial.

"A. COMPOSITION.

"ART. 4. Who may serve on courts-martial: All officers in the military service of the United States, and officers of the Marine Corps when detached for service with the Army by order of the President, shall be competent to serve on courts-martial for the trial of any persons who may lawfully be brought before such courts for trial.

"ART. 5. General courts-martial: General courts-martial may consist of any number of officers from 5 to 13, inclusive; but they shall not consist of less than 13, when that number can be convened without manifest injury to the service.

"ART. 6. Special courts-martial: Special courts-martial may consist of any number of officers from three to five, inclusive.

"ART. 7. Summary courts-martial: A summary court-martial shall consist of one officer.

"B. BY WHOM APPOINTED.

"ART. 8. General courts-martial: The President of the United States, the commanding officer of a territorial division or department, the Superintendent of the Military Academy, the commanding officer of an army, an army corps, a division, or a separate brigade, and, when empowered by the President, the commanding officer of any district or of any force or body of troops, may appoint general courts-martial; but when any such commander is the accuser or the prosecutor of the person or persons to be tried, the court shall be appointed by superior competent authority, and no officer shall be eligible to sit as a member of such court when he is the accuser or a witness for the prosecution.

"ART. 9. Special courts-martial: The commanding officer of a district, garrison, fort, camp, or other place where troops are on duty, and the commanding officer of a brigade, regiment, detached battalion, or other detached command may appoint special courts-martial; but when any such commanding officer is the accuser or the prosecutor of the person or persons to be tried, the court shall be appointed by superior authority, and may in any case be appointed by superior authority when by the latter deemed desirable; and no officer shall be eligible to sit as a member of such court when he is the accuser or a witness for the prosecution.

"ART. 10. Summary courts-martial: The commanding officer of a garrison, fort, camp, or other place where troops are on duty, and the commanding officer of a regiment, detached battalion, detached company, or other detachment may appoint summary courts-martial; but such summary courts-martial may in any case be appointed by superior authority when by the latter deemed desirable: *Provided*, That when but one officer is present with a command he shall be the summary court-martial of that command and shall hear and determine cases brought before him.

"ART. 11. Appointment of judge advocates: For each general or special court-martial the authority appointing the court shall appoint a judge advocate, and for each general court-martial one or more assistant judge advocates when necessary.

"C. JURISDICTION.

"ART. 12. General courts-martial: General courts-martial shall have power to try any person subject to military law for any crime or offense made punishable by these articles and any other person who by the law of war is subject to trial by military tribunals: *Provided*, That no officer shall be brought to trial before a general court-martial appointed by the Superintendent of the Military Academy.

"ART. 13. Special courts-martial: Special courts-martial shall have power to try any person subject to military law, except an officer, for any crime or offense not capital made punishable by these articles: *Provided*, That the President may, by regulations, which he may modify from time to time, except from the jurisdiction of special courts-martial any class or classes of persons subject to military law.

"Special courts-martial shall not have power to adjudge dishonorable discharge, nor confinement in excess of six months, nor to adjudge forfeiture of more than six months' pay.

"ART. 14. Summary courts-martial: Summary courts-martial shall have power to try any person subject to military law, except an officer, a cadet, or a soldier holding the privilege of a certificate of eligibility to promotion, for any crime or offense not capital made punishable by these articles: *Provided*, That noncommissioned officers shall not, if they object thereto, be brought to trial before a summary court-martial without the authority of the officer competent to bring them to trial before a general court-martial: *Provided further*, That the President may, by regulations, which he may modify from time to time, except from the jurisdiction of summary courts-martial any class or classes of persons subject to military law.

"Summary courts-martial shall not have power to adjudge confinement in excess of three months, nor to adjudge the forfeiture of more than three months' pay: *Provided*, That when the summary court officer is also the commanding officer no sentence of such summary court-martial adjudging confinement at hard labor or forfeiture of pay, or both, for a period in excess of one month shall be carried into execution until the same shall have been approved by superior authority.

"ART. 15. Not exclusive. The provisions of these articles conferring jurisdiction upon courts-martial shall not be construed as depriving military commissions, provost courts, or other military tribunals of concurrent jurisdiction in respect to offenders or offenses that by the law of war may be lawfully triable by such military commissions, provost courts, or other military tribunals.

"ART. 16. Officers; how triable: Officers shall be triable only by general courts-martial, and in no case shall an officer, when it can be avoided, be tried by officers inferior to him in rank.

"D. PROCEDURE.

"ART. 17. Judge advocate to prosecute: The judge advocate of a general or special court-martial shall prosecute in the name of the United States, and shall, under the direction of the court, prepare the record of its proceedings. The accused shall have the right to be represented before the court by counsel of his own selection for his defense, if such counsel be reasonably available, but should he, for any reason, be unrepresented by counsel, the judge advocate shall from time to time throughout the proceedings advise the accused of his legal rights.

"ART. 18. Challenges: Members of a general or special court-martial may be challenged by the accused, but only for cause stated to the court. The court shall determine the relevancy and validity thereof, and shall not receive a challenge to more than one member at a time.

"ART. 19. Oaths: The judge advocate of a general or special court-martial shall administer to the members of the court, before they proceed upon any trial, the following oath or affirmation: 'You, A. B., do swear (or affirm) that you will well and truly try and determine, according to the evidence, the matter now before you, between the United States of America and the person to be tried, and that you will duly administer justice, without partiality, favor, or affection, according to the provisions of the rules and articles for the government of the armies of the United States, and if any doubt should arise, not explained by said articles, then according to your conscience, the best of your understanding, and the custom of war in like cases; and you do further swear (or affirm) that you will not divulge the findings or sentence of the court until they shall be published by the proper authority, except to the judge advocate and assistant judge advocate; neither will you disclose or discover the vote or opinion of any particular member of the court-martial, unless required to give evidence thereof as a witness by a court of justice in due course of law. So help you God.'

"When the oath or affirmation has been administered to the members of a general or special court-martial, the president of the court shall administer to the judge advocate and to each assistant judge advocate, if any, an oath or affirmation in the following form: 'You, A. B., do swear (or affirm) that you will not divulge the findings or sentence of the court to any but the proper authority until they shall be duly disclosed by the same. So help you God.'

"All persons who give evidence before a court-martial shall be examined on oath or affirmation in the following form: 'You swear (or affirm) that the evidence you shall give in the case now in hearing shall be the truth, the whole truth, and nothing but the truth. So help you God.'

"Every reporter of the proceedings of a court-martial shall, before entering upon his duties, make oath or affirmation in the following form: 'You swear (or affirm) that you will faithfully perform the duties of reporter to this court. So help you God.'

"Every interpreter in the trial of any case before a court-martial shall, before entering upon his duties, make oath or affirmation in the following form: 'You swear (or affirm) that you will truly interpret in the case now in hearing. So help you God.'

"In case of affirmation the closing sentence of adjuration will be omitted.

"ART. 20. Continuances: A court-martial may, for reasonable cause, grant a continuance to either party for such time and as often as may appear to be just.

"ART. 21. Refusal to plead: When the accused, arraigned before a court-martial, from obstinacy and deliberate design stands mute or answers foreign to the purpose, the court may proceed to trial and judgment as if he had pleaded not guilty.

"ART. 22. Process to obtain witnesses: Every judge advocate of a general or special court-martial and every summary court-martial shall have power to issue the like process to compel witnesses to appear and testify which courts of the United States, having criminal jurisdiction, may lawfully issue; but such process shall run to any part of the United States, its Territories and possessions.

"ART. 23. Refusal to appear or testify: Every person not subject to military law who, being duly subpœnaed to appear as a witness before any military court, commission, court of inquiry, or board, or before any officer, military or civil, designated to take a deposition to be read in evidence before such court, commission, court of inquiry, or board, willfully neglects or refuses to appear, or refuses to qualify as a witness, or to testify, or produce documentary evidence which such person may have been legally subpœnaed to produce, shall be deemed guilty of a misdemeanor, for which such person shall be punished on information in the district court of the United States or in a court of original criminal jurisdiction in any of the territorial possessions of the United States, jurisdiction being hereby conferred upon such courts for such purpose; and it shall be the duty of the United States district attorney or the officer prosecuting for the Government in any such court of original criminal jurisdiction, on the certification of the facts to him by the military court, commission, court of inquiry, or board, to file an information against and prosecute the person so offending, and the punishment of such person, on conviction, shall be a fine of not more than $500 or imprisonment not to exceed six months, or both, at the discretion of the court: *Provided*, That the fees of such witness and his mileage, at the rates allowed to witnesses attending the courts of the United States, shall be duly paid or tendered said witness, such amounts to be paid out of the appropriation for the compensation of witnesses.

"ART. 24. Compulsory self-incrimination prohibited: No witness before a military court, commission, court of inquiry, or board, or before any officer, military or civil, designated to take a deposition to be read in evidence before a military court, commission, court of inquiry, or board, shall be compelled to incriminate himself or to answer any questions which may tend to incriminate or degrade him.

"ART. 25. Depositions—When admissible: A duly authenticated deposition taken upon reasonable notice to the opposite party may be read in evidence before any military court or commission in any case not capital, or in any proceeding before a court of inquiry or a military board, if such deposition be taken when the witness resides, is found, or is about to go beyond the State, Territory, or District in which the court, commission, or board is ordered to sit, or beyond the distance of 100 miles from the place of trial or hearing, or when it appears to the satisfaction of the court, commission, board, or appointing author-

ity that the witness, by reason of age, sickness, bodily infirmity, imprisonment, or other reasonable cause, is unable to appear and testify in person at the place of trial or hearing: *Provided*, That testimony by deposition may be adduced for the defense in capital cases.

"ART. 26. Depositions—Before whom taken: Depositions to be read in evidence before military courts, commissions, courts of inquiry, or military boards, or for other use in military administration, may be taken before and authenticated by any officer, military or civil, authorized by the laws of the United States or by the laws of the place where the deposition is taken to administer oaths.

"ART. 27. Courts of inquiry—Records of, when admissible: The record of the proceedings of a court of inquiry may be read in evidence before any court-martial or military commission in any case not capital nor extending to the dismissal of an officer, and may also be read in evidence in any proceeding before a court of inquiry or a military board: *Provided*, That such evidence may be adduced by the defense in capital cases or cases extending to the dismissal of an officer.

"ART. 28. Resignation without acceptance does not release officer: Any officer who, having tendered his resignation and prior to due notice of the acceptance of the same, quits his post or proper duties without leave and with intent to absent himself permanently therefrom shall be deemed a deserter.

"ART. 29. Enlistment without discharge: Any soldier who, without having first received a regular discharge, again enlists in the Army, or in the militia when in the service of the United States, or in the Navy or Marine Corps of the United States, or in any foreign army, shall be deemed to have deserted the service of the United States; and, where the enlistment is in one of the forces of the United States mentioned above, to have fraudulently enlisted therein.

"ART. 30. Closed sessions: Whenever a general or special court-martial shall sit in closed session, the judge advocate and the assistant judge advocate, if any, shall withdraw; and when their legal advice or their assistance in referring to the recorded evidence is required, it shall be obtained in open court, and in the presence of the accused and of his counsel if there be any.

"ART. 31. Order of voting: Members of a general or special court-martial, in giving their votes, shall begin with the junior in rank.

"ART. 32. Contempts: A court-martial may punish at discretion, subject to the limitations contained in Article XIV, any person who uses any menacing words, signs, or gestures in its presence, or who disturbs its proceedings by any riot or disorder.

"ART. 33. Records—General courts-martial: Each general court-martial shall keep a separate record of its proceedings in the trial of each case brought before it, and such record shall be authenticated by the signature of the president and the judge advocate; but in case the record can not be authenticated by the judge advocate, by reason of his death, disability, or absence, it shall be signed by the president and an assistant judge advocate, if any; and if there be no assistant judge advocate, or in case of his death, disability, or absence, then by the president and one other member of the court.

"ART. 34. Records—Special and summary courts-martial: Each special court-martial and each summary court-martial shall keep a record of its proceedings, separate for each case, which record shall contain such matter and be authenticated in such manner as may be required by regulations which the President may from time to time prescribe.

"ART. 35. Disposition of records—General courts-martial: The judge advocate of each general court-martial shall, with such expedition as circumstances may permit, forward to the appointing authority or to his successor in command the original record of the proceedings of such court in the trial of each case. All records of such proceedings shall, after having been finally acted upon, be transmitted to the Judge Advocate General of the Army.

"ART. 36. Disposition of records—Special and summary courts-martial: After having been acted upon by the officer appointing the court, or by the officer commanding for the time being, the record of each trial by special court-martial and a report of each trial by summary court-martial shall be transmitted to such general headquarters as the President may designate in regulations, there to be filed in the office of the judge advocate. When no longer of use, records of special and summary courts-martial may be destroyed.

"ART. 37. Irregularities—Effect of: The proceedings of a court-martial shall not be held invalid, nor the findings or sentence disapproved, in any case on the ground of improper admission or rejection of evidence or for any error as to any matter of pleading or procedure unless in the opinion of the reviewing or confirming authority, after an examination of the entire proceedings, it shall appear that the error complained of has injuriously affected the substantial rights of an accused: *Provided*, That the act or omission upon which the accused has been tried constitutes an offense denounced and made punishable by one or more of these articles: *Provided further*, That the omission of the words 'hard labor' in any sentence of a court-martial adjudging imprisonment or confinement shall not be construed as depriving the authorities executing such sentence of imprisonment or confinement of the power to require hard labor as a part of the punishment in any case where it is authorized by the Executive order prescribing maximum punishments.

"ART. 38. President may prescribe rules: The President may by regulations, which he may modify from time to time, prescribe the procedure, including modes of proof, in cases before courts-martial, courts of inquiry, military commissions, and other military tribunals: *Provided*, That nothing contrary to or inconsistent with these articles shall be so prescribed: *Provided further*, That all rules made in pursuance of this article shall be laid before the Congress annually.

"E. LIMITATIONS UPON PROSECUTIONS.

"ART. 39. As to time: Except for desertion committed in time of war, or for mutiny or murder, no person subject to military law shall be liable to be tried or punished by a court-martial for any crime or offense committed more than two years before the arraignment of such person: *Provided*, That for desertion in time of peace or for any crime or offense punishable under articles 93 and 94 of this code the period of limitations upon trial and punishment by court-martial shall be three years: *Provided further*, That the period of any absence of the accused from the jurisdiction of the United States, and also any period during which by reason of some manifest impediment the accused shall not have been amenable to military justice, shall be excluded in computing the aforesaid periods of limitation: *And provided further*, That this article shall not have the effect to authorize the trial or punishment for any crime or offense barred by the provisions of existing law.

"ART. 40. As to number: No person shall be tried a second time for the same offense.

"F. PUNISHMENTS.

"ART. 41. Certain kinds prohibited: Punishment by flogging, or by branding, marking, or tattooing on the body is prohibited.

"ART. 42. Places of confinement—When lawful: Except for desertion in time of war, repeated desertion in time of peace, and mutiny, no person shall under the sentence of a court-martial be punished by confinement in a penitentiary unless an act or omission of which he is convicted is recognized as an offense of a civil nature by some statute of the United States, or at the common law as the same exists in the District of Columbia, or by way of commutation of a death sentence, and unless, also, the period of confinement authorized and adjudged by such court-martial is one year or more: *Provided*, That when a sentence of confinement is adjudged by a court-martial upon conviction of two or more acts or omissions any one of which is punishable under these articles by confinement in a penitentiary, the entire sentence of confinement may be executed in a penitentiary: *Provided further*, That penitentiary confinement hereby authorized may be served in any penitentiary directly or indirectly under the jurisdiction of the United States: *Provided further*, That persons sentenced to dishonorable discharge and to confinement not in a penitentiary shall be confined in the United States Disciplinary Barracks or elsewhere as the Secretary of War or the reviewing authority may direct, but not in a penitentiary.

"ART. 43. Death sentence—When lawful: No person shall, by general court-martial, be convicted of an offense for which the death penalty is made mandatory by law, nor sentenced to suffer death, except by the concurrence of two-thirds of the members of said court-martial and for an offense in these articles expressly made punishable by death. All other convictions and sentences, whether by general or special court-martial, may be determined by a majority of the members present.

"ART. 44. Cowardice; fraud—Accessory penalty: When an officer is dismissed from the service for cowardice or fraud, the crime, punishment, name, and place of abode of the delinquent shall be published in the newspapers in and about the camp and in the State from which the offender came or where he usually resides; and after such publication it shall be scandalous for an officer to associate with him.

"ART. 45. Maximum limits: Whenever the punishment for a crime or offense made punishable by these articles is left to the discretion of the court-martial, the punishment shall not, in time of peace, exceed such limit or limits as the President may from time to time prescribe.

"G. ACTION BY APPOINTING OR SUPERIOR AUTHORITY.

"ART. 46. Approval and execution of sentence: No sentence of a court-martial shall be carried into execution until the same shall have been approved by the officer appointing the court or by the officer commanding for the time being.

"ART. 47. Powers incident to power to approve: The power to approve the sentence of a court-martial shall be held to include:

"(a) The power to approve or disapprove a finding and to approve only so much of a finding of guilty of a particular offense as involves a finding of guilty of a lesser included offense when, in the opinion of the authority having power to approve, the evidence of record requires a finding of only the lesser degree of guilt; and

"(b) The power to approve or disapprove the whole or any part of the sentence.

"ART. 48. Confirmation—When required: In addition to the approval required by article 46, confirmation by the President is required in the following cases before the sentence of a court-martial is carried into execution, namely:

"(a) Any sentence respecting a general officer;

"(b) Any sentence extending to the dismissal of an officer, except that in time of war a sentence extending to the dismissal of an officer below the grade of brigadier general may be carried into execution upon confirmation by the commanding general of the Army in the field or by the commanding general of the territorial department or division;

"(c) Any sentence extending to the suspension or dismissal of a cadet; and

"(d) Any sentence of death, except in the cases of persons convicted in time of war of murder, rape, mutiny, desertion, or as spies; and in such excepted cases a sentence of death may be carried into execution upon confirmation by the commanding general of the Army in the field or by the commanding general of the territorial department or division.

"When the authority competent to confirm the sentence has already acted as the approving authority no additional confirmation by him is necessary.

"ART. 49. Powers incident to power to confirm: The power to confirm the sentence of a court-martial shall be held to include:

"(a) The power to confirm or disapprove a finding, and to confirm so much only of a finding of guilty of a particular offense as involves a finding of guilty of a lesser included offense when, in the opinion of the authority having power to confirm, the evidence of record requires a finding of only the lesser degree of guilt; and

"(b) The power to confirm or disapprove the whole or any part of the sentence.

"ART. 50. Mitigation or remission of sentences: The power to order the execution of the sentence adjudged by a court-martial shall be held to include, inter alia, the power to mitigate or remit the whole or any part of the sentence, but no sentence of dismissal of an officer and no sentence of death shall be mitigated or remitted by any authority inferior to the President.

"Any unexecuted portion of a sentence adjudged by a court-martial may be mitigated or remitted by the military authority competent to appoint, for the command, exclusive of penitentiaries and the United States Disciplinary Barracks, in which the person under sentence is held, a court of the kind that imposed the sentence, and the same power may be exercised by superior military authority; but no sentence extending to the dismissal of an officer or loss of files, no sentence of death, and no sentence approved or confirmed by the President shall be remitted or mitigated by any other authority.

"The power of remission and mitigation shall extend to all uncollected forfeitures adjudged by sentence of a court-martial.

"ART. 51. Suspension of sentences of dismissal or death: The authority competent to order the execution of a sentence of dismissal of an officer or a sentence of death may suspend such sentence until the pleasure of the President be known, and in case of such suspension a copy of the order of suspension, together with a copy of the record of trial, shall immediately be transmitted to the President.

"ART. 52. Suspension of sentence of dishonorable discharge: The authority competent to order the execution of a sentence including dishonorable discharge may suspend the execution of the dishonorable discharge until the soldier's release from confinement; but the order of suspension may be vacated at any time and the execution of the

dishonorable discharge directed by the officer having general court-martial jurisdiction over the command, exclusive of penitentiaries and the United States Disciplinary Barracks in which the soldier is held, or by the Secretary of War.

"ART. 53. Suspension of sentences of forfeiture or confinement: The authority competent to order the execution of a sentence adjudged by a court-martial may, if the sentence involve neither dismissal nor dishonorable discharge, suspend the execution of the sentence in so far as it relates to the forfeiture of pay or to confinement, or to both; and the person under sentence may be restored to duty during the suspension of confinement. At any time within one year after the date of the order of suspension such order may, for sufficient cause, be vacated and the execution of the sentence directed by the military authority competent to order the execution of like sentences in the command, exclusive of penitentiaries and the United States Disciplinary Barracks, to which the person under sentence belongs or in which he may be found; but if the order of suspension be not vacated within one year after the date thereof the suspended sentence shall be held to have been remitted.

"III. PUNITIVE ARTICLES.

"A. ENLISTMENT; MUSTER; RETURNS.

"ART. 54. Fraudulent enlistment: Any person who shall procure himself to be enlisted in the military service of the United States by means of willful misrepresentation or concealment as to his qualifications for enlistment, and shall receive pay or allowances under such enlistment, shall be punished as a court-martial may direct.

"ART. 55. Officer making unlawful enlistment: Any officer who knowingly enlists or musters into the military service any person whose enlistment or muster in is prohibited by law, regulations, or orders shall be dismissed from the service or suffer such other punishment as a court-martial may direct.

"ART. 56. Muster rolls—False muster: At every muster of a regiment, troop, battery, or company the commanding officer thereof shall give to the mustering officer certificates, signed by himself, stating how long absent officers have been absent and the reasons of their absence. And the commanding officer of every troop, battery, or company shall give like certificates, stating how long absent noncommissioned officers and private soldiers have been absent and the reasons of their absence. Such reasons and time of absence shall be inserted in the muster rolls opposite the names of the respective absent officers and soldiers, and the certificates, together with the muster rolls, shall be transmitted by the mustering officer to the Department of War as speedily as the distance of the place and muster will admit. Any officer who knowingly makes a false muster of man or animal, or who signs or directs or allows the signing of any muster roll knowing the same to contain a false muster or false statement as to the absence or pay of an officer or soldier, or who wrongfully takes money or other consideration on mustering in a regiment, company, or other organization, or on signing muster rolls, or who knowingly musters as an officer or soldier a person who is not such officer or soldier, shall be dismissed from the service and suffer such other punishment as a court-martial may direct.

"ART. 57. False returns—Omission to render returns: Every officer commanding a regiment, an independent troop, battery, or company, or a garrison, shall, in the beginning of every month, transmit through the proper channels, to the Department of War, an exact return of the same, specifying the names of the officers then absent from their posts, with the reasons for and the time of their absence. Every officer whose duty it is to render to the War Department or other superior authority a return of the state of the troops under his command, or of the arms, ammunition, clothing, funds, or other property thereunto belonging, who knowingly makes a false return thereof shall be dismissed from the service and suffer such other punishment as a court-martial may direct. And any officer who, through neglect or design, omits to render such return shall be punished as a court-martial may direct.

"B. DESERTION—ABSENCE WITHOUT LEAVE.

"ART. 58. Desertion: Any person subject to military law who deserts or attempts to desert the service of the United States shall, if the offense be committed in time of war, suffer death or such other punishment as a court-martial may direct, and, if the offense be committed at any other time, any punishment, excepting death, that a court-martial may direct.

"ART. 59. Advising or aiding another to desert: Any person subject to military law who advises or persuades or knowingly assists another to desert the service of the United States shall, if the offense be committed in time of war, suffer death, or such other punishment as a court-martial may direct, and, if the offense be committed at any other time, any punishment, excepting death, that a court-martial may direct.

"ART. 60. Entertaining a deserter: Any officer who, after having discovered that a soldier in his command is a deserter from the military or naval service or from the Marine Corps, retains such deserter in his command without informing superior authority or the commander of the organization to which the deserter belongs, shall be punished as a court-martial may direct.

"ART. 61. Absence without leave: Any person subject to military law who fails to repair at the fixed time to the properly appointed place of duty, or goes from the same without proper leave, or absents himself from his command, guard, quarters, station, or camp without proper leave, shall be punished as a court-martial may direct.

"C. DISRESPECT—INSUBORDINATION—MUTINY.

"ART. 62. Disrespect toward the President, Vice President, Congress, Secretary of War, governors, legislatures: Any officer who uses contemptuous or disrespectful words against the President, Vice President, the Congress of the United States, the Secretary of War, or the governor or legislature of any State, Territory, or other possession of the United States in which he is quartered shall be dismissed from the service or suffer such other punishment as a court-martial may direct. Any other person subject to military law who so offends shall be punished as a court-martial may direct.

"ART. 63. Disrespect toward superior officers: Any person subject to military law who behaves himself with disrespect toward his superior officer shall be punished as a court-martial may direct.

"ART. 64. Assaulting or willfully disobeying superior officer: Any person subject to military law who, on any pretense whatsoever, strikes his superior officer or draws or lifts up any weapon or offers any violence against him, being in the execution of his office, or willfully disobeys any lawful command of his superior officer, shall suffer death or such other punishment as a court-martial may direct.

"ART. 65. Insubordinate conduct toward noncommissioned officer: Any soldier who strikes or assaults, or who attempts or threatens to strike or assault, or willfully disobeys the lawful order of a noncommissioned officer while in the execution of his office, or uses threatening or insulting language, or behaves in an insubordinate or disrespectful manner toward a noncommissioned officer while in the execution of his office, shall be punished as a court-martial may direct.

"ART. 66. Mutiny or sedition: Any person subject to military law who attempts to create or who begins, excites, causes, or joins in any mutiny or sedition in any company, party, post, camp, detachment, guard, or other command shall suffer death or such other punishment as a court-martial may direct.

"ART. 67. Failure to suppress mutiny or sedition: Any officer or soldier who, being present at any mutiny or sedition, does not use his utmost endeavor to suppress the same, or knowing or having reason to believe that a mutiny or sedition is to take place, does not without delay give information thereof to his commanding officer shall suffer death or such other punishment as a court-martial may direct.

"ART. 68. Quarrels; frays; disorders: All officers and noncommissioned officers have power to part and quell all quarrels, frays, and disorders among persons subject to military law and to order officers who take part in the same into arrest, and other persons subject to military law who take part in the same into arrest or confinement, as circumstances may require, until their proper superior officer is acquainted therewith. And whosoever, being so ordered, refuses to obey such officer or noncommissioned officer or draws a weapon upon or otherwise threatens or does violence to him shall be punished as a court-martial may direct.

"D. ARREST; CONFINEMENT.

"ART. 69. Arrest or confinement of accused persons: An officer charged with crime or with a serious offense under these articles shall be placed in arrest by the commanding officer, and in exceptional cases an officer so charged may be placed in confinement by the same authority. A soldier charged with crime or with a serious offense under these articles shall be placed in confinement, and when charged with a minor offense he may be placed in arrest. Any other person subject to military law charged with crime or with a serious offense under these articles shall be placed in confinement or in arrest, as circumstances may require; and when charged with a minor offense such person may be placed in arrest. Any person placed in arrest under the provisions of this article shall thereby be restricted to his barracks, quarters, or tent, unless such limits shall be enlarged by proper authority. Any officer who breaks his arrest or who escapes from confinement before he is set at liberty by proper authority shall be dismissed from the service or suffer such other punishment as a court-martial may direct; and any other person subject to military law who escapes from confinement or who breaks his arrest before he is set at liberty by proper authority shall be punished as a court-martial may direct.

"ART. 70. Investigation of and action upon charges: No person put in arrest shall be continued in confinement more than eight days, or until such time as a court-martial can be assembled. When any person is put in arrest for the purpose of trial, except at remote military posts or stations, the officer by whose order he is arrested shall see that a copy of the charges on which he is to be tried is served upon him within eight days after his arrest, and that he is brought to trial within 10 days thereafter, unless the necessities of the service prevent such trial; and then he shall be brought to trial within 30 days after the expiration of said 10 days. If a copy of the charges be not served, or the arrested person be not brought to trial, as herein required, the arrest shall cease. But persons released from arrest, under the provisions of this article, may be tried, whenever the exigencies of the service shall permit, within 12 months after such release from arrest: *Provided*, That in time of peace no person shall, against his objection, be brought to trial before a general court-martial within a period of five days subsequent to the service of charges upon him.

"ART. 71. Refusal to receive and keep prisoners: No provost marshal or commander of a guard shall refuse to receive or keep any prisoner committed to his charge by an officer belonging to the forces of the United States, provided the officer committing shall, at the time, deliver an account in writing, signed by himself, of the crime or offense charged against the prisoner. Any officer or soldier so refusing shall be punished as a court-martial may direct.

"ART. 72. Report of prisoners received: Every commander of a guard to whose charge a prisoner is committed shall, within 24 hours after such confinement, or as soon as he is relieved from his guard, report in writing to the commanding officer the name of such prisoner, the offense charged against him, and the name of the officer committing him; and if he fails to make such report he shall be punished as a court-martial may direct.

"ART. 73. Releasing prisoner without proper authority: Any person subject to military law who, without proper authority, releases any prisoner duly committed to his charge, or who, through neglect or design, suffers any prisoner so committed to escape, shall be punished as a court-martial may direct.

"ART. 74. Delivery of offenders to civil authorities: When any person subject to military law, except one who is held by the military authorities to answer, or who is awaiting trial or result of trial, or who is undergoing sentence for a crime or offense punishable under these articles, is accused of a crime or offense committed within the geographical limits of the States of the Union and the District of Columbia, and punishable by the laws of the land, the commanding officer is required, except in time of war, upon application duly made, to use his utmost endeavor to deliver over such accused person to the civil authorities, or to aid the officers of justice in apprehending and securing him, in order that he may be brought to trial. Any commanding officer who upon such application refuses or willfully neglects, except in time of war, to deliver over such accused person to the civil authorities or to aid the officers of justice in apprehending and securing him shall be dismissed from the service or suffer such other punishment as a court-martial may direct.

"When under the provisions of this article delivery is made to the civil authorities of an offender undergoing sentence of a court-martial, such delivery, if followed by conviction, shall be held to interrupt the execution of the sentence of the court-martial, and the offender shall be returned to military custody, after having answered to the civil authorities for his offense, for the completion of the said court-martial sentence.

"E. WAR OFFENSES.

"ART. 75. Misbehavior before the enemy: Any officer or soldier who misbehaves himself before the enemy, runs away, or shamefully abandons or delivers up any fort, post, camp, guard, or other command which it is his duty to defend, or speaks words inducing others to do the like, or casts away his arms or ammunition, or quits his post or colors to plunder or pillage or by any means whatsoever occasions false alarms in camp, garrison, or quarters, shall suffer death or such other punishment as a court-martial may direct.

"ART. 76. Subordinates compelling commander to surrender: If any commander of any garrison, fort, post, camp, guard, or other command is compelled by the officers or soldiers under his command to give it up to the enemy or to abandon it, the officers or soldiers so offending shall suffer death or such other punishment as a court-martial may direct.

"ART. 77. Improper use of countersign: Any person subject to military law who makes known the parole or countersign to any person not entitled to receive it according to the rules and discipline of war, or gives a parole or countersign different from that which he received, shall, if the offense be committed in time of war, suffer death or such other punishment as a court-martial may direct.

"ART. 78. Forcing a safeguard: Any person subject to military law who, in time of war, forces a safeguard shall suffer death or such other punishment as a court-martial may direct.

"ART. 79. Captured property to be secured for public service: All public property taken from the enemy is the property of the United States and shall be secured for the service of the United States, and any person subject to military law who neglects to secure such property or is guilty of wrongful appropriation thereof shall be punished as a court-martial may direct

"ART. 80. Dealing in captured or abandoned property: Any person subject to military law who buys, sells, trades, or in any way deals in or disposes of captured or abandoned property, whereby he shall receive or expect any profit, benefit, or advantage to himself or to any other person directly or indirectly connected with himself, or who fails whenever such property comes into his possession or custody or within his control to give notice thereof to the proper authority and to turn over such property to the proper authority without delay, shall, on conviction thereof, be punished by fine or imprisonment, or by such other punishment as a court-martial, military commission, or other military tribunal may adjudge, or by any or all of said penalties.

"ART. 81. Relieving, corresponding with, or aiding the enemy: Whosoever relieves the enemy with arms, ammunition, supplies, money, or other thing, or knowingly harbors or protects or holds correspondence with or gives intelligence to the enemy, either directly or indirectly, shall suffer death, or such other punishment as a court-martial or military commission may direct.

"ART. 82. Spies: Any person who in time of war shall be found lurking or acting as a spy in or about any of the fortifications, posts, quarters, or encampments of any of the armies of the United States, or elsewhere, shall be tried by a general court-martial or by a military commission, and shall, on conviction thereof, suffer death.

"F. MISCELLANEOUS CRIMES AND OFFENSES.

"ART. 83. Military property—Willful or negligent loss, damage, or wrongful disposition of: Any person subject to military law who willfully, or through neglect, suffers to be lost, spoiled, damaged, or wrongfully disposed of, any military property belonging to the United States shall make good the loss or damage and suffer such punishment as a court-martial may direct.

"ART. 84. Waste or unlawful disposition of military property issued to soldiers: Any soldier who sells or wrongfully disposes of or willfully or through neglect injures or loses any horse, arms, ammunition, accouterments, equipment, clothing, or other property issued for use in the military service, shall be punished as a court-martial may direct.

"ART. 85. Drunk on duty: Any officer who is found drunk on duty shall, if the offense be committed in time of war, be dismissed from the service and suffer such other punishment as a court-martial may direct; and if the offense be committed in time of peace, he shall be punished as a court-martial may direct. Any person subject to military law, except an officer, who is found drunk on duty shall be punished as a court-martial may direct.

"ART. 86. Misbehavior of sentinel: Any sentinel who is found drunk or sleeping upon his post, or who leaves it before he is regularly relieved, shall, if the offense be committed in time of war, suffer death or such other punishment as a court-martial may direct; and if the offense be committed in time of peace, he shall suffer any punishment, except death, that a court-martial may direct.

"ART. 87. Personal interest in sale of provisions: Any officer commanding in any garrison, fort, barracks, camp, or other place where troops of the United States may be serving who, for his private advantage, lays any duty or imposition upon or is interested in the sale of any victuals or other necessaries of life brought into such garrison, fort, barracks, camp, or other place for the use of the troops, shall be dismissed from the service and suffer such other punishment as a court-martial may direct.

"ART. 88. Intimidation of persons bringing provisions: Any person subject to military law who abuses, intimidates, does violence to, or wrongfully interferes with any person bringing provisions, supplies, or other necessaries to the camp, garrison, or quarters of the forces of the United States shall suffer such punishment as a court-martial may direct.

"ART. 89. Good order to be maintained and wrongs redressed: All persons subject to military law are to behave themselves orderly in quarters, garrison, camp, and on the march; and any person subject to military law who commits any waste or spoil, or willfully destroys any property whatsoever (unless by order of his commanding officer), or commits any kind of depredation or riot shall be punished as a court-martial may direct. Any commanding officer who, upon compiaint made to him, refuses or omits to see reparation made to the party injured, in so far as the offender's pay shall go toward such reparation, as provided for in article 105, shall be dismissed from the service, or otherwise punished, as a court-martial may direct.

"ART. 90. Provoking speeches or gestures: No person subject to military law shall use any reproachful or provoking speeches or gestures to another; and any person subject to military law who offends against the provisions of this article shall be punished as a court-martial may direct.

"ART. 91. Dueling: Any person subject to military law who fights or promotes or is concerned in or connives at fighting a duel, or who having knowledge of a challenge sent or about to be sent fails to report the fact promptly to the proper authority shall, if an officer, be dismissed from the service or suffer such other punishment as a court-martial may direct; and if any other person subject to military law shall suffer such punishment as a court-martial may direct.

"ART. 92. Murder—Rape: Any person subject to military law who commits murder or rape shall suffer death or imprisonment for life, as a court-martial may direct; but no person shall be tried by court-martial for murder or rape committed within the geographical limits of the States of the Union and the District of Columbia in time of peace.

"ART. 93. Various crimes: Any person subject to military law who commits manslaughter, mayhem, arson, burglary, robbery, larceny, embezzlement, perjury, assault with intent to commit any felony, or assault with intent to do bodily harm, shall be punished as a court-martial may direct.

"ART. 94. Frauds against the Government: Any person subject to military law who makes or causes to be made any claim against the United States, or any officer thereof, knowing such claim to be false or fraudulent; or

"Who pretends or causes to be presented to any person in the civil or military service thereof, for approval or payment, any claim against the United States, or any officer thereof, knowing such claim to be false or fraudulent; or

"Who enters into any agreement or conspiracy to defraud the United States by obtaining, or aiding others to obtain, the allowance or payment of any false or fraudulent claim; or

"Who, for the purpose of obtaining, or aiding others to obtain, the approval, allowance, or payment of any claim against the United States or against any officer thereof, makes or uses, or procures, or advises the making or use of, any writing or other paper, knowing the same to contain any false or fraudulent statements; or

"Who, for the purpose of obtaining, or aiding others to obtain, the approval, allowance, or payment of any claim against the United States or any officer thereof, makes, or procures, or advises the making of, any oath to any fact or to any writing or other paper knowing such oath to be false; or

"Who, for the purpose of obtaining, or aiding others to obtain, the approval, allowance, or payment of any claim against the United States or any officer thereof, forges or counterfeits, or procures, or advises the forging or counterfeiting or any signature upon any writing or other paper, or uses, or procures, or advises the use of any such signature, knowing the same to be forged or counterfeited; or

"Who, having charge, possession, custody, or control of any money or other property of the United States, furnished or intended for the military service thereof, knowingly delivers, or causes to be delivered, to any person having authority to receive the same, any amount thereof less than that for which he receives a certificate or receipt; or

"Who, being authorized to make or deliver any paper certifying the receipt of any property of the United States furnished or intended for the military service thereof, makes or delivers to any person such writing, without having full knowledge of the truth of the statements therein contained and with intent to defraud the United States; or

"Who steals, embezzles, knowingly and willfully misappropriates, applies to his own use or benefit, or wrongfully or knowingly sells or disposes of any ordnance, arms, equipments, ammunition, clothing, subsistence stores, money, or other property of the United States furnished or intended for the military service thereof; or

"Who knowingly purchases or receives in pledge for any obligation or indebtedness from any soldier, officer, or other person who is a part of or employed in said forces or service, any ordnance, arms, equipment, ammunition, clothing, subsistence stores, or other property of the United States, such soldier, officer, or other person not having lawful right to sell or pledge the same;

"Shall, on conviction thereof, be punished by fine or imprisonment, or by such other punishment as a court-martial may adjudge, or by any or all of said penalties. And if any person, being guilty of any of the offenses aforesaid while in the military service of the United States, receives his discharge or is dismissed from the service, he shall continue to be liable to be arrested and held for trial and sentence by a court-martial in the same manner and to the same extent as if he had not received such discharge nor been dismissed.

"ART. 95. Conduct unbecoming an officer and gentleman: Any officer or cadet who is convicted of conduct unbecoming an officer and a gentleman shall be dismissed from the service.

"ART. 96. General article: Though not mentioned in these articles, all disorders and neglects to the prejudice of good order and military discipline, all conduct of a nature to bring discredit upon the military service, and all crimes or offenses not capital, of which persons subject to military law may be guilty, shall be taken cognizance of by a general or special or summary court-martial, according to the nature and degree of the offense, and punished at the discretion of such court.

"IV. COURTS OF INQUIRY.

"ART. 97. When and by whom ordered: A court of inquiry to examine into the nature of any transaction of or accusation or imputation against any officer or soldier may be ordered by the President or by any commanding officer; but a court of inquiry shall not be ordered by any commanding officer except upon the request of the officer or soldier whose conduct is to be inquired into.

"ART. 98. Composition: A court of inquiry shall consist of three or more officers. For each court of inquiry the authority appointing the court shall appoint a recorder.

"ART. 99. Challenges: Members of a court of inquiry may be challenged by the party whose conduct is to be inquired into, but only for cause stated to the court. The court shall determine the relevancy and validity of any challenge, and shall not receive a challenge to more than one member at a time. The party whose conduct is being inquired into shall have the right to be represented before the court by counsel of his own selection, if such counsel be reasonably available.

"ART. 100. Oath of members and recorder: The recorder of a court of inquiry shall administer to the members the following oath: 'You, A. B., do swear (or affirm) that you will well and truly examine and inquire, according to the evidence, into the matter now before you, without partiality, favor, affection, prejudice, or hope of reward. So help you, God.' After which the president of the court shall administer to the recorder the following oath: 'You, A. B., do swear (or affirm) that you will, according to your best abilities, accurately and impartially record the proceedings of the court and the evidence to be given in the case in hearing. So help you, God.'

"In case of affirmation the closing sentence of adjuration will be omitted.

"ART. 101. Powers; procedure: A court of inquiry and the recorder thereof shall have the same power to summon and examine witnesses as is given to courts-martial and the judge advocate thereof. Such witnesses shall take the same oath or affirmation that is taken by witnesses before courts-martial. A reporter or an interpreter for a court of inquiry shall, before entering upon his duties, take the oath or affirmation required of a reporter or an interpreter for a court-martial. The party whose conduct is being inquired into or his counsel, if any, shall be permitted to examine and cross-examine witnesses so as fully to investigate the circumstances in question.

"ART. 102. Opinion on merits of case: A court of inquiry shall not give an opinion on the merits of the case inquired into unless specially ordered to do so.

"ART. 103. Record of proceedings—How authenticated: Each court of inquiry shall keep a record of its proceedings, which shall be authenticated by the signature of the president and the recorder thereof, and be forwarded to the convening authority. In case the record can not be authenticated by the recorder, by reason of his death, disability, or absence, it shall be signed by the president and by one other member of the court.

"V. MISCELLANEOUS PROVISIONS.

"ART. 104. Disciplinary powers of commanding officers: Under such regulations as the President may prescribe, and which he may from time to time revoke, alter, or add to, the commanding officer of any detachment, company, or higher command may, for minor offenses not denied by the accused, impose disciplinary punishments upon persons of his command without the intervention of a court-martial, unless the accused demands trial by court-martial.

"The disciplinary punishments authorized by this article may include admonition, reprimand, withholding of privileges, extra fatigue, and restriction to certain specified limits, but shall not include forfeiture of pay or confinement under guard. A person punished under authority of this article who deems his punishment unjust or disproportionate to the offense may, through the proper channel, appeal to the next superior authority, but may in the meantime be required to undergo the punishment adjudged. The commanding officer who imposes the punishment, his successor in command, and superior authority shall have power to mitigate or remit any unexecuted portion of the punishment. The imposition and enforcement of disciplinary punishment under authority of this article for any act or omission shall not be a bar to trial by court-martial for a crime or offense growing out of the same act or omission; but the fact that a disciplinary punishment has been enforced may be shown by the accused upon trial, and when so shown shall be considered in determining the measure of punishment to be adjudged in the event of a finding of guilty.

"ART. 105. Injuries to person or property—Redress of: Whenever complaint is made to any commanding officer that damage has been done to the property of any person or that his property has been wrongfully taken by persons subject to military law, such complaint shall be investigated by a board consisting of any number of officers from one to three, which board shall be convened by the commanding officer and shall have, for the purpose of such investigation, power to summon witnesses and examine them upon oath or affirmation, to receive depositions or other documentary evidence, and to assess the damages sustained against the responsible parties. The assessment of damages made by such board shall be subject to the approval of the commanding officer, and in the amount approved by him shall be stopped against the pay of the offenders. And the order of such commanding officer directing stoppages herein authorized shall be conclusive on any disbursing officer for the payment by him to the injured parties of the stoppages so ordered.

"Where the offenders can not be ascertained, but the organization or detachment to which they belong is known, stoppages to the amount of damages inflicted may be made and assessed in such proportion as may be deemed just upon the individual members thereof who are shown to have been present with such organization or detachment at the time the damages complained of were inflicted as determined by the approved findings of the board.

"ART. 106. Arrest of deserters by civil officials: It shall be lawful for any civil officer having authority under the laws of the United States, or of any State, Territory, District, or possession of the United States, to arrest offenders, summarily to arrest a deserter from the military service of the United States and deliver him into the custody of the military authorities of the United States.

"ART. 107. Soldiers to make good time lost: Every soldier who in an existing or subsequent enlistment deserts the service of the United States or without proper authority absents himself from his organization, station, or duty for more than one day, or who is confined for more than one day under sentence, or while awaiting trial and disposition of his case, if the trial results in conviction, or through the intemperate use of drugs or alcoholic liquor, or through disease or injury the result of his own misconduct, renders himself unable for more than one day to perform duty, shall be liable to serve, after his return to a full-duty status, for such period as shall, with the time he may have served prior to such desertion, unauthorized absence, confinement, or inability to perform duty, amount to the full term of that part of his enlistment period which he is required to serve with his organization before being furloughed to the Army reserve.

"ART. 108. Soldiers—Separation from the service: No enlisted man, lawfully inducted into the military service of the United States, shall be discharged from said service without a certificate of discharge, signed by a field officer of the regiment or other organization to which the enlisted man belongs or by the commanding officer when no such field officer is present; and no enlisted man shall be discharged from said service before his term of service has expired, except by order of the President, the Secretary of War, the commanding officer of a department, or by sentence of a general court-martial.

"ART. 109. Oath of enlistment: At the time of his enlistment every soldier shall take the following oath or affirmation: 'I, ———, do solemnly swear (or affirm) that I will bear true faith and allegiance to the United States of America; that I will serve them honestly and faithfully against all their enemies whomsoever; and that I will obey the orders of the President of the United States and the orders of the officers appointed over me, according to the Rules and Articles of War.' This oath or affirmation may be taken before any officer.

"ART. 110. Certain articles to be read and explained: Articles 1, 2, and 29, 54 to 96, inclusive, and 104 to 109, inclusive, shall be read and explained to every soldier at the time of his enlistment or muster in, or within six days thereafter, and shall be read and explained once every six months to the soldiers of every garrison, regiment, or company in the service of the United States.

"ART. 111. Copy of record of trial: Every person tried by a general court-martial shall, on demand therefor, made by himself or by any person in his behalf, be entitled to a copy of the record of the trial.

"ART. 112. Effects of deceased persons—Disposition of: In case of the death of any person subject to military law, the commanding officer of the place or command will permit the legal representative or widow of the deceased, if present, to take possession of all his effects then in camp or quarters, and if no legal representative or widow be present, the commanding officer shall direct a summary court to secure all such effects; and said summary court shall have authority to convert such effects into cash, by public or private sale, not earlier than 30 days after the death of the deceased, and to collect and receive any debts due decedent's estate by local debtors; and as soon as practicable after converting such effects into cash said summary court shall deposit with the proper officer, to be designated in regulations, any cash belonging to decedent's estate, and shall transmit a receipt for such deposit, accompanied by any will or other papers of value belonging to the deceased, an inventory of the effects secured by said summary court, and a full account of his transactions to the War Department for transmission to the Auditor for the War Department for action as authorized by law in the settlement of the accounts of deceased officers or enlisted men of the Army; but if in the meantime the legal representative, or widow, shall present himself or herself to take possession of decedent's estate, the said summary court shall turn over to him or her all effects not sold and cash belonging to said estate, together with an inventory and account, and make to the War Department a full report of his transactions.

"The provisions of this article shall be applicable to inmates of the United States Soldiers' Home who die in any United States military hospital outside of the District of Columbia where sent from the home for treatment.

"ART. 113. Inquests: When at any post, fort, camp, or other place garrisoned by the military forces of the United States and under the exclusive jurisdiction of the United States, any person shall have been found dead under circumstances which appear to require investigation, the commanding officer will designate and direct a summary court-martial to investigate the circumstances attending the death; and for this purpose such summary court-martial shall have power to summon witnesses and examine them upon oath or affirmation. He shall promptly transmit to the post or other commander a report of his investigation and of his findings as to the cause of the death.

"ART. 114. Authority to administer oaths: Any judge advocate or acting judge advocate, the president of a general or special court-martial, any summary court-martial, the judge advocate or any assistant judge advocate of a general or special court-martial, the president or the recorder of a court of inquiry or of a military board, any officer designated to take a deposition, any officer detailed to conduct an investigation, and the adjutant of any command shall have power to administer oaths for the purposes of the administration of military justice and for other purposes of military administration; and in foreign places where the Army may be serving shall have the general powers of a notary public or of a consul of the United States in the administration of oaths, the execution and acknowledgment of legal instruments, the attestation of documents, and all other forms of notarial acts to be executed by persons subject to military law.

"ART. 115. Appointment of reporters and interpreters: Under such regulations as the Secretary of War may from time to time prescribe, the president of a court-martial or military commission, or a court of inquiry shall have power to appoint a reporter, who shall record the proceedings of and testimony taken before such court or commission and may set down the same, in the first instance, in shorthand. Under like regulations the president of a court-martial or military commission, or court of inquiry, or a summary court, may appoint an interpreter, who shall interpret for the court or commission.

"ART. 116. Powers of assistant judge advocates: An assistant judge advocate of a general court-martial shall be competent to perform any duty devolved by law, regulation, or the custom of the service upon the judge advocate of the court.

"ART. 117. Removal of civil suits: When any civil suit or criminal prosecution is commenced in any court of a State against any officer, soldier, or other person in the military service of the United States on account of any act done under color of his office or status, or in respect to which he claims any right, title, or authority under any law of the United States respecting the military forces thereof, or under the law of war, such suit or prosecution may at any time before the trial or final hearing thereof be removed for trial into the district court of the United States in the district where the same is pending in the manner prescribed in section 33 of the act entitled 'An act to codify, revise, and amend the laws relating to the judiciary,' approved March 3, 1911, and the cause shall thereupon be entered on the docket of said district court and shall proceed therein as if the cause had been originally commenced in said district court and the same proceedings had been taken in such suit or prosecution in said district court as shall have been had therein in said State court prior to its removal, and said district court shall have full power to hear and determine said cause.

"ART. 118. Officers, separation from service: No officer shall be discharged or dismissed from the service except by order of the President or by sentence of a general court-martial; and in time of peace no officer shall be dismissed except in pursuance of the sentence of a court-martial or in mitigation thereof; but the President may at any time drop from the rolls of the Army any officer who has been absent from duty three months without leave or who has been absent in confinement in a prison or penitentiary for three months after final conviction by a court of competent jurisdiction.

"ART. 119. Rank and precedence among Regulars, Militia, and Volunteers: That in time of war or public danger, when two or more officers of the same grade are on duty in the same field, department, or command, or of organizations thereof, the President may assign the command of the forces of such field, department, or command, or of any organization thereof, without regard to seniority of rank in the same grade. In the absence of such assignment by the President, officers of the same grade shall rank and have precedence in the following order, without regard to date of rank or commission as between officers of different classes, namely: First, officers of the Regular Army and officers of the Marine Corps detached for service with the Army, by order of the President; second, officers of forces drafted or called into the service of the United States; and, third, officers of the volunteer forces: *Provided*, That officers of the Regular Army holding commissions in forces drafted or called into the service of the United States or in the volunteer forces shall rank and have precedence under said commissions as if they were commissions in the Regular Army; the rank of officers of the Regular Army under commissions in the National Guard as such shall not, for the purposes of this article, be held to antedate the acceptance of such officers into the service of the United States under the commissions.

"ART. 120. Command when different corps or commands happen to join: When different corps or commands of the military forces of the United States happen to join or do duty together the officer highest in rank of the line of the Regular Army, Marine Corps, forces drafted or called into the service of the United States or Volunteers, there on duty, shall, subject to the provisions of the last preceding article, command the whole and give orders for what is needful in the service, unless otherwise directed by the President.

"ART. 121. Complaints of wrongs: Any officer or soldier who believes himself wronged by his commanding officer, and, upon due application to such commander, is refused redress, may complain to the general commanding in the locality where the officer against whom the complaint is made is stationed. The general shall examine into said complaint and take proper measures for redressing the wrong complained

of; and he shall, as soon as possible, transmit to the Department of War a true statement of such complaint, with the proceedings had thereon."

SEC. 4. The provisions of section 3 of this act shall take effect and be in force on and after the 1st day of March, 1917: *Provided*, That articles 4, 13, 14, 15, 29, 42, 47, 49, and 92 shall take effect immediately upon the approval of this act.

SEC. 5. That all offenses committed and all penalties, forfeitures, fines, or liabilities incurred prior to the taking effect of this act, under any law embraced in or modified, changed, or repealed by this act, may be prosecuted, punished, and enforced in the same manner and with the same effect as if this act had not been passed.

SEC. 6. All laws and parts of laws in so far as they are inconsistent with this act are hereby repealed.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. McLEAN. Mr. President——

The VICE PRESIDENT. The Senator from Connecticut.

Mr. McLEAN. Is the revenue bill now before the Senate.

Mr. GALLINGER. Mr. President, will the Senator from Connecticut yield to me for a moment?

Mr. McLEAN. I yield.

Mr. GALLINGER. I have received scores of telegrams in reference to the item concerning insurance companies in the revenue bill. I have read in the newspapers that the Senator from North Carolina [Mr. SIMMONS] proposes to offer an amendment to the bill covering that feature of it. Could the Senator now state in a few words just what he proposes to do in reference to the matter?

Mr. SIMMONS. I am not sure that I know exactly to what feature of the bill the Senator from New Hampshire refers, but I think I know.

Mr. GALLINGER. If the Senator will permit me, I will say that a telegram which was this moment handed me—and I have scores of them on my desk, for they are all similar—states:

CLAREMONT, N. H., *August 23, 1916—10.30 a. m.*

Senator JACOB H. GALLINGER,
Washington, D. C.:

I protest against the continuance of the stamp tax on insurance policies and the 50-cent tax on each thousand dollars of capital and surplus. It seems unjust.

S. RICHARDSON,
General Insurance.

Mr. SIMMONS. Mr. President, I have made no statement to the newspapers with respect to those two matters. What I did state to the newspapers was that the House bill carried a provision wih reference to deductions in making income-tax returns of the reserve funds of insurance companies. Immediately above that in the House bill was the provision with reference to deductions on account of timber actually cut and sawed during the year. The Senate committee amended the provision with reference to timber, but left the provision of the House bill with reference to the deduction of reserve by insurance companies, but the clerk of the committee, in preparing the bill for the printer, inadvertently, in lining out the House provision with reference to timber, also lined out the provision immediately under it with reference to the reserves of insurance companies. It is a mere clerical mistake. I have so stated to the newspapers, and stated that, of course, that would be remedied on the floor of the Senate.

Mr. GALLINGER. I will content myself by asking the Senator from North Carolina if he is in receipt of telegrams concerning this matter?

Mr. SIMMONS. Yes; I have received telegrams and protests in reference to it.

Mr. GALLINGER. They are coming to me by scores, I may say.

Mr. SIMMONS. I also have received a great many telegrams and protests, just as the Senator from New Hampshire has.

Mr. GALLINGER. And the Senator from North Carolina will give them consideration, I take it for granted.

Mr. WEEKS. Mr. President, I want to ask the Senator from North Carolina if the provisions of the Senate and House bill are so different that possibly these senders of telegrams may be basing them on the provisions of the House bill instead of the provisions of the Senate bill?

Mr. SIMMONS. That is what they are doing. They have seen that this provision in the House bill is cut out of the Senate bill—that is, lines are run through it—and they are sending these telegrams based upon the assumption that the Senate committee has cut them out. As the bill is reported they do appear to be cut out, and they are cut out; but, as a matter of fact, I say that that part of the elimination which relates to the reserves of insurance companies was not the action of the Senate committee, but were lined out by the inadvertence of the clerk in preparing the bill for the printer.

Mr. WEEKS. Then, the Senator has reason to think that these telegrams would not be sent if that provision were restored to the House bill?

Mr. SIMMONS. Not with respect to that item; but other telegrams are also coming protesting against the continuance of the stamp tax upon insurance policies and also protesting against the imposition of the tax of 50 cents on a thousand dollars' capital stock not only of insurance companies but of all other corporations.

Mr. NELSON. Will the Senator from North Carolina listen to me for a moment?

Mr. SIMMONS. Certainly.

The VICE PRESIDENT. The Senator from Connecticut [Mr. McLEAN] has been recognized by the Chair.

Mr. NELSON. Then I will ask the Senator from Connecticut to yield to me for a moment.

Mr. McLEAN. If it is only for a moment, I yield to the Senator.

Mr. NELSON. I will only take a few moments. What I desire to call the attention of the Senator from North Carolina to in reference to the insurance companies is the fact that I have been receiving scores of telegrams for the last three or four days relating to one subject, and it is not the subject to which the Senator from North Carolina has just referred. They relate to the stamp tax on insurance companies. I will read a brief statement from a letter which epitomizes the whole thing, so that the Senator can see the main issue that the insurance companies in my section of the country make on this question.

Mr. SIMMONS. Mr. President, if the Senator will pardon me, I do not think he heard the statement I made. I have myself received quite a number of telegrams protesting against the stamp tax on insurance policies, and I know that a great many other Senators have received similar protests. They are based almost entirely upon the ground of discrimination against them in that, as they claim, they are the only corporation singled out for the continuance of the stamp tax.

Mr. NELSON. I want to say to the Senator that I have avoided referring the telegrams to the committee or asking to have them read or printed in the RECORD; but here is the way in which the objection is stated by one of my correspondents:

From information received it seems that the new revenue bill increases the income tax from 1 per cent to 2 per cent, and also imposes a tax of 50 cents upon each thousand dollars of capital and surplus. It also continues in force the policy or premium tax, which I believe is one-half of 1 per cent on each dollar of premium written.

It is to that tax that they object. It is not the income tax, it is not the tax on capital surplus; but they say that this stamp tax on insurance policies which they will have to pay is a discrimination against them.

Mr. SIMMONS. That is what I have said.

Mr. McLEAN. Mr. President——

Mr. PENROSE. Mr. President, if the Senator from Connecticut will permit me one moment——

Mr. McLEAN. Certainly.

Mr. PENROSE. As I understand, the Senator from Connecticut is now going to speak on the revenue bill, and I shall hope to follow him with a few observations on the measure.

The VICE PRESIDENT. Well, the Chair has adopted the ordinary procedure of the Senate, not in accordance with any rule of the Senate, but according to custom, to take the names of the speakers.

Mr. PENROSE. I do not want to interfere with any other Senator who desires to speak. I did not know that any other Senator wanted to address the Senate.

The VICE PRESIDENT. The Chair has on the list the name of the Senator from Connecticut [Mr. McLEAN] and then the name of the Senator from Alabama [Mr. UNDERWOOD].

Mr. PENROSE. Very well; that is agreeable to me.

The VICE PRESIDENT. And he will place the Senator from Pennsylvania next.

Mr. PENROSE. Very well.

Mr. SIMMONS. I did not hear the request of the Senator from Pennsylvania.

Mr. PENROSE. I simply desired to advise the Chair that after the conclusion of the remarks of the Senator from Connecticut I hoped to address the Senate; but the Chair informs me that the Senator from Alabama desires to address the Senate; and, of course, I do not desire to interfere with that Senator.

The VICE PRESIDENT. There is no law governing this matter and no rule, but it has been the invariable custom.

Mr. PENROSE. I understand that, and it suits me.

Mr. McLEAN. Mr. President, Federal obligations created at this session will fall little short of seventeen hundred millions of dollars. Nearly four hundred millions of this sum can be classed as extraordinary appropriations for the Army and Navy, and under existing conditions they are justified. But the thirteen hundred millions remaining are far in excess of those of any preceding session of Congress, and it is clear to me that at least one hundred millions might well have been saved. But it is too late now to reduce totals. It is probably too late to modify or change the ways and means by which it is proposed to raise this vast sum of money, but I consider it to be my duty to enter an emphatic protest against the indefensible scheme adopted by the framers of this bill. Waste and extravagance are inevitable in Government expenditure. The people will endure high taxes if they get their money's worth, but they will not endure unequal, unwise, or unnecessarily burdensome taxes. It is our plain duty to raise this enormous sum of money, if possible, in ways that will not reduce the producing or purchasing power of the people or embarrass and cripple State and community treasuries. The 1912 platform of the Democratic Party contains this declaration:

> We denounce the profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of recent Republican Congresses, which have kept taxes high and reduced the purchasing power of the people's toil. We demand a return to that simplicity and economy which befits a democratic government and a reduction in the number of useless offices, the salaries of which drain the substance of the people.

In the light of Democratic performances this promise reads like a joke. But there is a line in this plank of the Democratic platform of 1912 which is not a joke. It expresses one of the soundest of economic principles, namely, "high taxes reduce the purchasing power of the people's toil."

Granting that all the means and sources of revenue embraced in the pending bill are legitimate in the abstract, that they should all be monopolized by the Federal Government is utterly indefensible. It should always be borne in mind by Congress that under our system of State and community control of domestic and local affairs the number of separate and distinct public treasuries needing an annual influx of money runs into the tens of thousands. States, counties, and cities, besides school, fire, water, and sewage districts, all need money, and there is only one way in which it can be secured. It must be taken in taxes from the pockets of the people. The obligations of the States and their subdivisions now outstanding and the money required to meet current expenses are little short of astounding, according to the latest census returns:

1915.

Total bonded indebtedness of States	$478,536,745
Total bonded indebtedness of cities of 30,000 and over	3,148,584,718

1913.

Total bonded indebtedness of States	364,836,427
Total bonded indebtedness of counties	349,396,068
Total bonded indebtedness of incorporated places of 2,500 and over	3,254,031,015

Now let us look for a moment at the revenues that are required to meet current expenses by the States and their subdivisions:

1915.

Total revenue receipts of States	$458,232,597
Total revenue receipts of cities having a population of over 30,000	940,385,311

1913.

Total revenue receipts of States	367,585,331
Total revenue receipts of counties	370,043,046
Total revenue receipts of incorporated places of 2,500 and over	1,108,272,751

It is safe to say that the bonded indebtedness of the States and their subdivisions is in excess of $4,200,000,000 to-day, and that the annual revenues required to pay the running expenses of the States, counties, and incorporated places of 2,500 and over is in excess of $1,600,000,000. If we include all other incorporated public organizations, this sum must be increased by $500,000,000.

How are these vast sums of money to be raised? This most vital of all questions to the American people was apparently of no consequence to the framers of this bill.

Experience has taught that there is a clear choice of systems or norms of taxation to meet the requirements of the different corporate entities requiring public revenues. The American writers upon this subject who are not in politics, and whose arguments seem to me to be clearly unanswerable, insist that our Federal system of Government necessitates a most careful consideration of the means and methods by which public revenues are secured. From the very beginning down to the present day American statesmen and economists have recognized the wisdom of reserving certain separate and distinct sources of income for the Nation and leaving other sources to the States and their subdivisions; and up to date, except in times of war or great stress, neither political party has attempted to go outside of excise revenue and customs duties for money with which to pay the expenses of the Federal Government. An income tax has been resorted to in times of stress by both political parties. Probably the strongest advocate of this tax in the history of the country was Senator John Sherman in 1870, and its bitterest opponent was that great Democratic Senator, David B. Hill, in 1894. President Cleveland secured an income tax in 1895, which was afterwards declared unconstitutional. President Roosevelt recommended an income tax in his message of 1901, and President Taft, in June, 1909, sent a special message to Congress urging the immediate submission of a constitutional amendment giving Congress the power to lay an income tax.

There is nothing new in the income tax. The State of Connecticut collected an income tax from 1775 to 1800, and most of the States of the Union collected faculty or income taxes in the early days.

But the question as to whether or not it should be retained as a Federal tax or left entirely to the States or municipalities is an important one. If protective tariffs are to be abandoned, the Federal Government will be compelled to look to the income tax to make good the loss of customs duties. I realize that the party now in power is bound by political dogmas, sanctified by inheritance and reiterated platform pledge, to oppose protective tariffs as unconstitutional and extortionate; and whatever some of the northern and irresponsible members of the party may say on the stump before election, and however skillfully they may adjust the bait, the free-trade hook is still there and will remain as long as the Democratic Party remains.

Personally, I am in favor of an income tax as a Federal tax in the event reasonable customs duties should fail to produce sufficient money to meet Government expenditures. But why go beyond and cover every other field of taxation? This bill exhausts every source of income but the best one—the one approved by every civilized nation on earth.

I believe in a State inheritance tax, and I also believe that it should be left solely to the States. I challenge the gentlemen upon the other side of this Chamber to suggest any sound economic reason for resorting to this tax as a Federal tax. It was not done even in the stress of the Civil War, when the Nation was sorely pressed for funds. Why invoke its aid in times of peace? The nonpartisan writers upon this subject all insist that certain taxable norms and sources of revenue should be left to the States and their subdivisions. Prof. Seligman, of Columbia University, whose recent work upon the income tax is recognized as both sound and nonpartisan, expresses himself very positively upon this subject in the following language:

> The third objection is one to which we have already alluded—the incorporation of an inheritance tax into the income-tax law. It was discussed above rather from the point of view of the theory of income. To say, however, that the inclusion of inheritance is unscientific does not settle the question whether it was correct to tax inheritances as such. It is, after all, immaterial whether the law provides for a separate inheritance tax or whether it is made a part of a nominal income tax. The real question is, Was it wise to impose an inheritance tax at all?
>
> To answer this query it is necessary to consider the relations between Federal and State taxes. From the very origin of our Government it has been the practice to make a difference between the two and to apportion to each Government certain sources of revenue upon which the other should not encroach. This principle has been violated only in some periods of extraordinary emergency or at other times in some minor legislation, as, for instance, in the case of the whisky taxes in Delaware and Kentucky, which conflict with the national internal-revenue system. But the introduction of the inheritance tax, even in the modified form of a tax on successions to personal property only, is a serious break with this principle of differentiation or segregation of source. One of the chief steps in the reform of American finance has been the growth of the inheritance tax as a Commonwealth tax and its development, together with the corporation tax, as a main, or in some cases almost an exclusive, source of Commonwealth revenue, thus permitting the other sources of revenue to be relegated to the local divisions. The imposition of a Federal inheritance tax, while perfectly justifiable in itself, would tend to check this salutary development. It would supply the Commonwealth with a reason for not adopting the inheritance tax as a source of State revenue, and it would render far more difficult a rounding out and logical arrangement of the entire tax system. It may be said that just as an income tax is far better as a national than as a State tax, because so many complicated questions of domicile and double taxation are avoided, so in the same way, and largely for the same reasons, a Federal inheritance tax is preferable to a State inheritance tax. But even if this be true, the advantage is dearly purchased at the cost of an entire reversal in the march of progress toward a consistent and logical revenue system for the entire country. It may be possible to find some method of filling the gap created in the Commonwealth tax system, but it seems a pity, to say the least, to check a promising movement when the difficulty of making any changes at all are so great as in the local tax systems of the United States at present.

It will be observed that Mr. Seligman also recommends that corporation taxes be left to States and municipalities. If you usurp and monopolize all sorts of income, except taxes on land, you will compel the States and towns to increase land taxes beyond endurance. Is it wise to go back to the farm upon such an errand? Our census reports show that State and municipal debts are growing by hundreds of millions of dollars every year. The people will have and ought to have good roads and schools and hospitals, and so forth, and the bills will constantly increase. If you insist upon rejecting the best means of securing Federal revenues, namely, customs duties, you should collect from other legitimate Federal sources, including the income tax, and leave the inheritance and corporation tax, or one of them at least, to the States.

If the Republican Party should be returned to power in November it will at once establish reasonable protection for American industries, I trust. The tariffs collected will certainly render the continuation of the inheritance tax unnecessary. It is easy to see the inequalities and injustices that must necessarily follow. Tens of thousands of estates probated in 1917, when the pending bill is in operation, will pay millions of dollars of inheritance taxes, but the tens of thousands of estates probated in 1918 will go free. This tax once adopted, as it has been in the States, is permanent, and while injustices result they will be fairly equalized in the course of time. If inheritance taxes are to be raised, let the States have the full benefit of them.

It has been often said that we do not know much about taxation in this country. Protective tariffs, however high, have largely been paid by the foreigner, and they have greatly encouraged diversity of industry and general prosperity. The time has now come apparently when we are to know all about all kinds of taxes in this country. It is of vital importance that we should start right and, if possible, keep right in our efforts to raise the vast sums of money that will be needed. Why should we tax the American over and over again in every single activity in which he is interested and let the foreigner do business in this country practically free from any taxes at all? The gentlemen on the other side of the Chamber have frequently announced that they intend to make the rich pay the expenses of the Government. I am not rich as riches go in these days, but I pay an income tax willingly and I see no special virtue in that willingness. The purpose of any man or set of men who stand up in legislative bodies and try to secure political success by assailing the rich is very apparent. But any man possessed of common sense knows that taxes must be paid before wages are paid. Not only taxes but all overhead charges and dividends will be paid before wages are paid. Individuals with large incomes can, and should willingly, pay a reasonable income tax, but if this tax or any other tax becomes vindictive and confiscatory it will soon find its way back to the producer and be taken from wages, and that will happen, which the Democratic Party in 1912 said would happen under high taxes, to wit, "The purchasing power of the people's toil will be reduced."

Again, the whole tendency and effect of this bill will be to encourage Federal dictation in State and community affairs. If the Federal Government exhausts the tax-paying power of the people the Federal Government must pay the public obligations. The State highways will soon have to depend entirely upon the Federal Treasury. A fair start in this direction has already been made by the good-roads bill passed this session. Next in order will come the schools, as evidenced by the Smith-Lever vocational education bill which was passed this session and for which millions of dollars were appropriated. Good roads and good schools are most worthy objects of public regard, but if turned over to Federal support the result will be to hasten the centralization of every governmental activity. This is one of the great dangers of the present day. If the States refuse or are unable to secure for the people all the social and political blessings to which they are entitled, Congress may well come to their rescue. But to encourage dependence upon Federal aid when State aid and community supervision will be far more satisfactory and far less expensive is a great mistake. I do not say that we have crossed the dead line yet, but I do say that the wholesale usurpation of local revenues under this bill will encourage if not make necessary Federal intermeddling with State and community control over all our local and domestic interests.

One more suggestion. If you are sincere in your desire to create a tariff commission to inquire into the cost of production abroad, you as a party must expect in the future to take the cost of production into consideration in laying customs duties. Of course, if you do that, you must recognize the principle of protection. If the tariff commission created by the pending bill finds the cost of production abroad far below that in this country, what do you expect to do? I see that the Senator from Alabama [Mr. UNDERWOOD] is in his seat, and he is to follow me, and I should be glad to have him answer that question. You ought as a party to frankly answer this question now. You also have an antidumping clause in this bill, but it applies only where the foreign producer attempts to unload his goods in this country at prices below those prevailing abroad. Now, what remedy do you propose if the goods are not offered below prevailing prices where manufactured but nevertheless are, in fact, sold here far below the cost of production of similar goods in this country? Certainly in such cases your antidumping law will be of no avail, yet the American producer will be subjected to disastrous competition. You ought to frankly state now what American industries may expect if such conditions are met. You propose in this bill to protect the manufacturer of dyestuffs after the war in order to start the industry in this country. Suppose after you have done this it develops that the industry can not continue to live without protection. Do you not see that when you protect an infant industry you concede the whole argument of protection and you must cease to be a tariff-for-revenue-only party? Do you not see that it is just as important to protect an industry 100 years old as one a month old when that industry is vital to the industrial life of the Nation? These questions that I have propounded you should answer before election day. It is clear to me that you are fooling yourselves and trying to fool the American people. Your latest tariff plank has been published to the world for more than two months. It emphatically indorses the Underwood tariff bill. You insist that the idea of protection was not entertained in framing that bill. Then your 1916 tariff plank proceeds with a lot of weasel phrases which seek to draw the free-trade blood out of the sentence indorsing the Underwood act and substitute protection serum. You have had more than two months to demonstrate to the people what you really mean by your latest platform jumble on the tariff. If as a party you had any idea of recognizing the protection principle, why do you not do it now? Why did you not do it when you framed this bill? You have enormous and extraordinary sums of money to raise. You have gone out into the byways and hedges and called to your aid every source of revenue but protective tariffs. Judged by your deeds rather than by your platform promises, you are trying to wiggle and slip by another election and then do as you please. You have no right to expect the confidence of the people. The reason why you have never been able to retain power for more than four years at a time is because of your mendacious and deceptive record upon this most vital of all questions to the American people. Why do you not now go into caucus and try to find out what your party means by its 1916 platform? Try to find out where you stand, and let the people know. There is time enough, and I can assure you that the great industrial interests of this country and the wage earners of this country would like to know where you stand.

Mr. UNDERWOOD. Mr. President, when Thomas Jefferson founded the Democratic Party he made it enduring by imparting to it a broad philosophy and profound human interest. Principle, not expediency, distinguished it in the early days of the Republic. Shall it fail to so distinguish it to-day? In the nature of things the Democratic Party was always the party of the people, and all men who felt an impulse to champion the cause of the weak or the oppressed found themselves in the ranks of our party. So long as it battles for great principles and stands square to the rights of the common masses of the American people it will continue to be a great dominating force in American politics, whether it is in office or whether it is out of office; but once allow it to compromise principle for expediency, forget justice to the masses of the people in order that special interests may be placated, then defeat and disaster will inevitably come.

Among the great principles that have come down to us from the days of a Jefferson, a Madison, and a Jackson is the principle that in equality of taxation there is justice; that in the abuse of the taxing power of the Government there can only result injustice and oppression to the men and women of America. Of all the great powers that the several States surrendered to the Federal Government at the time of the adoption of our Constitution the most important was the granting of the right to the Federal Government to levy and collect taxes.

This is necessarily so. Without the power to tax the Federal Government could not exist. Without the power to raise revenue we could not maintain an Army and Navy, we could not organize the courts of the land—in fact, the machinery of the Government would stop.

But as the taxing power is the greatest power, the most necessary power, that was delegated to the Federal Government by

the several States, it can also be said the power to tax is the most dangerous power that the several States surrendered to the Federal Government. The power to tax carries with it the power to destroy. The power to tax carries with it the power to build up one man at the expense of the many. The power to tax gives the Congress of the United States the opportunity to discriminate in favor of the few as against the many.

I think at this time it is well to take stock of the present political conditions. It is well for us to define the great principles that control the party in power in levying taxation before we attempt to analyze the legislation that has already been passed by the present administration and the legislation that will be passed before we adjourn this Congress. If we sail the ship of state true to our principles we may make minor mistakes, but we will carry it safely into port. But if we compromise with our principles in writing legislation there is no telling what dangers may confront us now and in the future, and we abandon all justification for our having been returned to power four years ago.

The principle which guides the Democratic Party when it is writing revenue bills has been clearly defined in its party platforms, but I know of no clearer definition of the principle than that which is defined in the party platform of 1892, when the party won a great victory in the country, and in the party platform of 1912, when it again was returned to power by a tremendous majority in both branches of Congress and succeeded in regaining the Presidency of the United States. The Democratic platform of 1892 made this declaration:

> We denounce Republican protection as a fraud—a robbery of the great majority of the American people for the benefit of the few. We declare it to be a fundamental principle of the Democratic Party that the Federal Government has no constitutional power to impose and collect tariff duties, except for the purposes of revenue only, and we demand that the collection of such taxes shall be limited to the necessities of the Government when honestly and economically administered.

In 1912 there was the second great victory of the Democratic Party after the War between the States, because while it is true that we elected Mr. Cleveland President of the United States in 1884, at no time during that administration did the Democratic Party control absolutely the legislative branch of the Government, and it was only following the election in 1892 and in 1912 that we succeeded to the control of both the Presidency and the legislative branches of the Government so that we were enabled to write our principles into law on the statute books of the country.

The platform of 1912 says:

> We declare it to be a fundamental principle of the Democratic Party that the Federal Government, under the Constitution, has no right or power to impose or collect tariff duties except for the purpose of revenue, and we demand that the collection of such taxes shall be limited to the necessities of government honestly and economically administered.

We are not limited in our declaration of principles to our party platform. We have statements coming from the great party chieftains who carried the banner of Democracy in these respective victories. After the election of 1892 Grover Cleveland, in delivering his inaugural address on the 4th day of March, 1893, referring to the question of taxation and customs duties, made this statement:

> When we tear aside the delusions and misconceptions which have blinded our countrymen to their condition under vicious tariff laws, we but show them how far they have been led away from the paths of contentment and prosperity. When we proclaim that the necessity for revenue to support the Government furnishes the only justification for taxing the people, we announce a truth so plain that its denial would seem to indicate the extent to which judgment may be influenced by familiarity with perversions of the taxing power. And when we seek to reinstate the self-confidence and business enterprise of our citizens by discrediting an abject dependence upon governmental favor, we strive to stimulate those elements of American character which support the hope of American achievement.

There can be no question, Mr. President, about the meaning of that ringing declaration of Democratic principles coming from a man who supported the principles of the Democratic Party with courage and without compromise.

But we can come to a later declaration on this subject. After the Democratic Party was returned to power its first official act was to rewrite the customs tariff laws. Those laws were written in accord with the principles of the party, the fundamental principles, that taxes should be levied for the purpose of raising the necessary revenue to support the Government and not for the purpose of building up special interests.

I take it that there is not a man on the Democratic side of this Chamber who will deny the proposition that the tariff act of October, 1913, was written to accord with Democratic principles and to harmonize with the doctrine that the purpose of levying taxation was for the purpose of raising revenue.

I am satisfied that there is no Senator on the Republican side of this Chamber who will contend that the present tariff law was not written for the purpose of revenue and was not enacted for the purpose of protecting industries. There may be an incidental protection growing out of the levying of any tax. There is; we are bound to admit it. But the purpose of writing your revenue bills is the question that governs, and I am satisfied that there is not a Republican Senator who will deny the purpose that supported the action of the membership of the Democratic Party in the House and in the Senate in enacting the present tariff law.

That law was signed by the President of the United States on the evening of October 13, 1913. At the time of the signing of the act he invited the members of the Ways and Means Committee of the House of Representatives and the members of the Finance Committee of the Senate and others to be present to witness the signing of that bill, and after affixing his signature to the document he made this statement to those who were present.

> I feel a very peculiar pleasure in what I have just done by way of taking part in the completion of a great piece of business. It is a pleasure which is very hard to express in words which are adequate to express the feeling, because the feeling that I have is that we have done the rank and file of the people of this country a great service. It is hard to speak of these things without seeming to go off into campaign eloquence; but that is not my feeling. It is one very profound, a feeling of profound gratitude that, working with the splendid men who have carried this thing through with studious attention and doing justice all around, I should have had part in serving the people of this country as we have been striving to serve them since I can remember.
>
> JUSTICE IN UNITED STATES.
>
> I have had the accomplishment of something like this at heart ever since I was a boy, and I know men standing around me who can say the same thing, who have been waiting to see the things done which it was necessary to do in order that there might be justice in the United States. And so it is a solemn moment that brings such a business to a conclusion, and I hope I will not be thought to be demanding too much of my colleagues when I say that this, great as it is, is the accomplishment of only half the journey. We have set the business of this country free from those conditions which have made monopoly not only possible, but in a sense easy and natural.

Mr. President, could the leader of his party announce in more solemn and sincere language his approval of a party measure and his commitment to party principle than Woodrow Wilson announced when, as President of the United States, he gave life and vitality to the present revenue laws of this land by affixing his signature to the bill that had just been enacted by his party?

So I say there can not be any difference of opinion as to where the Democratic Party has stood in the past and for what principles it contended when it enacted the present revenue law. There was no doubt on that subject in the House of Representatives when the bill was originated. In presenting the tariff bill to the House of Representatives at that time, standing as the representative of my party, I made this statement:

> The Democratic Party stands for a tariff for revenue only, with emphasis upon the world "only." We do not propose to tax one man for the benefit of another, except for the necessary revenue that we must raise to administer this Government economically.
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> Then, how do we arrive at a basis in writing a revenue tariff bill? We adopt the competitive theory. We say that no revenue can be produced at the customhouse unless there is some competition between the products of foreign countries and domestic products; that if you put the wall so high that you close the door to importation no revenue can be raised; and that if you want to raise revenue at the customhouse you must admit some importations before the tax will fall upon them and revenue be derived.

I was speaking to the Republican side of the House—

> You have for 50 years played favorites. You have given to your chosen minions the power to tax the American people by building prohibitive tariff walls and you have opened the gates of those walls to get revenue from those for whom you did not care. In this bill we have not been able at one fell swoop to wipe out all iniquities, the injustices, and the favoritism that you have ingrafted on the body politic in five decades. But so far as this committee and our party is concerned, we have played favorites with no man. No favored manufacturer has sat behind the closed doors of the Ways and Means Committee to dictate the taxes that he should be allowed to levy on the American people.
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> The real question that we have to consider is that of the rights and interests of the consuming masses of the American people. The question of industry in this country is, and from our standpoint must always be, seconded to the right and necessities of the great American consuming public.

Mr. President, I do not think it is possible for a party to have more clearly defined its principles in the enactment of legislation that the Democratic Party has defined its principles in the enactment of the present law. There is no particular charm, there is no fetishism in declaring that we stand for the principle that taxation should be levied only for the purpose of raising revenue. There is nothing in the word; it is the great principle that stands behind the word that gives vitality and life and substance to the declaration of our party. From the beginning we recognized that the taxing power should only be used in the interest of the people; that it should only be used to support the Government.

Almost from the beginning the Republican Party has acted upon the principle that the power to tax at the customhouse should be used for the purpose primarily of building up industry

in the United States; that the primary purpose should be to prevent competition, and, ultimately, to foster monopoly by the use of the taxing power. The question of raising revenue was a secondary principle. Fortunately for you and your principles, in the early days after your party came into power you could levy taxes at the customhouse to build up industry and at the same time secure revenue; but you and the American people may as well realize now as to-morrow that that day has passed. You were enabled to levy very high rates of taxation at the customhouse upon foreign products competing with home industry, and yet raise large amounts of revenue. Why? Because when you came into power the industries of this country had not developed to be the great monopolies that exist to-day. There was hardly a branch of industry in the United States, if one, when your party first came into power, and during the first two decades of your administration, that was able to manufacture sufficient of its products to supply the needs of the American people. You had a growing and an expanding West, with immigration coming in from foreign lands and continually building up new markets for your industries within the confines of continental United States, with the result that you were enabled to levy high taxes at the customhouse, and yet importations had to come through, because your home products were not sufficient to supply the American market.

Take the great steel and iron industry. Some time between the seventies and the eighties—I do not recall the exact date—you raised in the neighborhood of $25,000,000 of revenue from that schedule alone. At that time, if my recollection serves me aright, you had a tax on steel rails of $13.44 a ton; you had a tax on pig iron of $6.72 a ton, and the remainder of your iron and steel schedule was fixed on that basis; and yet you raised enormous revenue at the customshouse from that schedule, because your industry had not then grown to the extent that it could supply the needs of the American people. You ground out of them these enormous taxes to make princes in the iron and steel business, to make fabulous fortunes for private individuals that have come down to us to-day.

But under this hot-house development, encouraged by the enormous artificial profits that you had created, the revenue dropped and dropped and dropped at the customhouse, and you reduced and reduced and reduced your tariff taxes on the iron and steel schedule, until the day came when you went out of power, when you hardly raised one-fourth of the revenue at the customhouse on iron and steel that you had formerly raised, and you had reduced your tax on steel rails to $3.92 a ton and you had reduced your tax on pig iron to $2.50 a ton, if my recollection serves me aright. That was the result of protection and overprotection.

Now, what is true of the iron and steel schedule—and I only give it by way of illustration—is true of other great schedules, and of most of the great industries of this country. You have developed them until on most lines they are able to supply the American people with the entire product that they desire to consume; and when you put a protective tariff duty back on those schedules at the customhouse, you will not get revenue, but you will cut off revenue entirely, and only make the strain on other sources of revenue the greater if you follow your avowed principles.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER (Mr. VARDAMAN in the chair). Does the Senator from Alabama yield to the Senator from Oklahoma?

Mr. UNDERWOOD. I do.

Mr. OWEN. Is not the doctrine that you may put a prohibitive tariff for the purpose of preventing imports under the plea of raising revenue unconstitutional and a fraudulent interpretation of the Constitution?

Mr. UNDERWOOD. So far as the interpretation that our fathers in the Democratic faith have given us, they accord with the views which the Senator from Oklahoma has expressed. So far as to what the Supreme Court of the United States may say, that is a different question, because the court will not interpret the purpose of our act.

I do not wish it to be said that I have announced that no more revenue could be raised at the customhouse than we raise under the present law. Additional revenue could be raised under a revenue tariff. If you played no favorites and gave every industry in this country a like protection under a protective tariff, you would cut down the revenue that we would raise and would not increase it; but you never have distributed your favors with even-handed justice. There never has been a day in the legislative history of your party when you were confronted with enacting customs laws that you did not play favorites, and you will do it again. You will give to the selected few the right to monopolize and abuse the American market, and you will open the sluice gates of competition on those for whom you do not care. You could raise more revenue at the customhouse. We lost $19,000,000 of revenue by taking the tax off raw wool; but we did it in order that we might reduce taxes at the top, in order that we might lessen the burden of taxes on the man who wears a woolen shirt, and on the American people who consume woolen goods, in order that our woolen industries might develop and grow and have an opportunity with free raw materials to go beyond the seas and to build up their industry in foreign markets, as the iron and steel industry has done in the past under a lessening tariff.

Your system of taxation as applied to the wool industry was to establish a prohibitive tax and you kept it so high that the industry never grew, and it never developed a foreign market.

Mr. McLEAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Connecticut?

Mr. UNDERWOOD. In one moment. I shall yield as soon as I finish this sentence.

In your policy on the iron and steel schedule conditions forced you to make continual reductions, these reductions broadened and strengthened it and made it a great industry, that grew by leaps and bounds and developed immense trade in foreign countries. Now I will yield to the Senator from Connecticut.

Mr. McLEAN. Mr. President, I am very much interested in the Senator's exposition of his views on the tariff question. I know he always states frankly and freely what he stands for, but I am sometimes puzzled to reconcile the statements made by him and the leading members of his party before election and subsequent action on the part of Democratic Congresses. Therefore, with the Senator's permission, I want to call his attention to some remarks which he made in Connecticut in 1912. He may remember that at that time he engaged in a joint debate with Representative HILL in Waterbury. I now quote from the leading Democratic paper of Connecticut, the issue of October 16, 1912, the remarks of the Senator from Alabama, as follows:

> Now, let me see where the difference between these two great parties is. He [Mr. HILL] says we are a free-trade party. I deny it. There is a clean distinction. Whenever you cut off competition, then you are damming back revenue, and your tariff is levied for the purpose of protecting somebody's profits, and not for the purpose of getting revenue for the Government. When you equalize exactly the difference in cost at home and abroad, if you can do it—it is impossible to do it exactly, but you can approximate it—but when you do that, you have got a competitive tariff.

As I understand, the Senator from Alabama at that time was in favor of what he called "a competitive tariff," and was endeavoring to define his position. Then he goes on to say:

> Now, there are two sides to this question. There is not a particle of possibility that the Democratic Party will not equalize the difference in labor cost at home and abroad.

Now, we come to Congress and we get a tariff bill after the election, and in the report of the Committee on Ways and Means, of which the Senator from Alabama was chairman, I find this language:

> The statement is therefore made that no part of the committee's work has been founded upon a belief in the cost of production theory, and the theory is absolutely rejected as a guide in tariff making.

I understand that the Senator from North Carolina [Mr. SIMMONS], chairman of the Committee on Finance of the Senate, most positively and emphatically reiterates that in the framing of that tariff law the cost of production theory was rejected, and all idea of protection was rejected.

The Senator from Alabama has explained here his view as to the necessary protection which may come from a revenue tariff. What I would like to have him state now is whether, in framing a tariff law, he believes, as he stated in Waterbury, that cost of production at home and abroad should be taken into consideration in equalizing the economic differences in cost of production?

Mr. UNDERWOOD. The Senator is drawing his own conclusions from what I said. What I said in Waterbury is in absolute accord with what I said in the report which I had the privilege of making as chairman of the Ways and Means Committee to the House when the present tariff law was reported, and what I have just stated is in entire accord with what I stated in Waterbury. I did not state in Waterbury that I believed in taking the difference in cost of production as the guide in writing a tariff bill. I stated there that the Democratic Party stood for the principle of writing a tariff for revenue only; but I did state that the dividing line between a revenue tariff and a protective tariff was clearly defined at the point where the difference in cost at home and abroad is found, because whenever you had the costs equalized you had competition; you were not damming back competition for the purpose of protecting profits; but when you went one cent above

the difference in the cost of production at home and abroad, then you were protecting profits, you were not levying tariff taxes for revenue, but you were levying them for protection, in order that some man might make more profit out of his industry than he would if he had fair competition.

There is no conflict between what I said at Waterbury and what I say here. The only respect in which the Senator might challenge my statement is that I said that the Democratic Party would not reduce the tariff below the difference in the wage cost; and, save only in exceptional instances, where we were compelled to put articles on the free list, we have not done so, as I will demonstrate by authentic reports of governmental departments before I get through this speech.

However, while the Senator has that point in view, and in order to show exactly what I did say on the subject, I should like to have the Secretary read from the report I made for the Ways and Means Committee on the 22d day of April, 1913, which accompanied H. R. 3321, commonly known as the tariff bill. I will ask the Secretary to read the first two pages that are marked, first, what was stated with reference to the cost-of-production theory, and, second, what was said in reference to a competitive tariff.

The PRESIDING OFFICER (Mr. OWEN in the chair). Without objection, the Secretary will read as requested.

The Secretary read as follows:

COST-OF-PRODUCTION THEORY REJECTED.

The so-called theory of cost of production as a regulator of rates was fully discussed at the time tariff-revision bills were introduced by the Ways and Means Committee during the Sixty-second Congress. It will be recalled that much was said by protection advocates in support of the view that it was incumbent upon the United States to maintain a system of tariff rates that would cover differences in cost of production between the United States and foreign countries in addition to a reasonable margin of profit. That doctrine became the basis of the work of the tariff board, which furnished reports to the President, later transmitted by the Executive to Congress, concerning wool and woolens, cottons, pulp, and paper. Many manufacturers have presented arguments based on the doctrine of comparative costs. The statement is therefore made that no part of the committee's work has been founded upon a belief in the cost-of-production theory, and the theory is absolutely rejected as a guide to tariff making. The general basis for this position the committee gives in its Report No. 455 (62d Cong., 2d sess., to accompany H. R. 22195), stating that the view that the proper basis for tariff duties is found by comparing money costs of production, is based upon the idea that money costs represent the relative degrees of sacrifice involved in turning out commodities of a given kind in various countries. For instance, if it is assumed that a given unit of a certain commodity can be produced in England at $1, or the equivalent of that sum, while in the United States the money expenses of production are $1.25, it is necessary to have a tariff duty equal to the difference in these money expenses of production, or certainly to the difference in money expenses minus the allowance for variations in freight rates, in order to place the producers in the two countries upon an equal market footing. Continuing the assumption, if this is not done, it will be possible for the producer in the country where money expenses are lowest to drive out of business the producer in the country where money expenses are highest. This assumption is based upon an erroneous view of international trade, and finds no warrant whatever in economic reasoning.

In certain classes of goods prices or selling values are fixed not by the cost of producing at the point of lowest cost but by the cost of producing at the point of highest cost. This is true of every commodity subject to the law of diminishing returns. In the case of such commodities the price is universally admitted to be fixed ultimately by the cost of producing that portion of the supply which is brought into existence under the least favorable conditions, provided that all portions of the supply are necessary to satisfy a given demand. Thus, if the price of wheat is 75 cents a bushel, wheat will command that figure independent of whether it is produced at 25, 50, 75 cents, or $1 per bushel. The price is fixed by a comparison of demand and supply, and cost of production merely affords the limit which determines the range of prices. This is a familiar condition in connection with agricultural commodities, in which production continues on unfertile lands, even though very much beter soil may be in use. The better soil does not drive the poorer soil out of cultivation unless there is so much of the better that it is unnecessary to cultivate the poorer soil. Where soils of different grades are employed the price of the product has nothing to do with cost of production, but is determined ultimately by the cost of production of the most expensive unit of the desired supply. It is evident in these cases that a study of the difference in cost of production would have no relation to the amount of tariff needed to protect industries in one country against the competition of those in another.

There are also numerous commodities whose production is carried on in countries which have a much smaller natural aptness for them than do others, because the latter, which might compete successfully with them, have a far greater advantage in producing some other commodity. Thus, if State No. 1 can produce both corn and wheat more cheaply than State No. 2, it does not follow that it will do so. If its advantage in the production of wheat is disproportionately greater than its advantage in the production of corn, it will devote attention chiefly or wholly to that commodity in which it has the greatest surplus of productive power. In this case a study of the difference of money expenses of production will throw no light whatever upon the amount of tariff needed in order to equalize conditions of production. There are numerous instances in which a condition of this kind exists—a country having the decided advantage in a certain commodity, but producing it only to a very limited extent, because there is a greater field for its capital in other directions. In such cases ascertaining that the money cost of producing a given article in the country of great advantage is lower than in the less favored country does not indicate the necessity of a tariff duty upon this article in the less favored country, because the more favored will not produce it to any considerable extent in any event.

Even in those instances where two countries are actively and extensively engaged in producing a manufactured article whose price is determined by cost of production under the most favorable conditions, as is the case with many largely manufactured articles, such as shoes, cloth, and the like, a difference in money cost of production is no indication of comparative competitive power. In order to have it do so there must be an ascertainment of the relative efficiency of labor, as well as of the extent to which given money expenses are the result of already existing tariff duties. If expenses of production have been rendered higher by tariff duties, so that the cost of producing an article whose raw material is increased in price by tariff duties, the fact of higher money expenses of production does not necessarily indicate inferiority in productive power as to that particular article.

It should also be noted that in every country there is a great range of difference in cost of production. Scarcely any commodity has a uniform cost of production. There is more difference, as a rule, between factories in the same country than between the best and poorest factories in one country and those of corresponding grades in another. In the report of the Tariff Board on pulp and paper little difference was found in money cost of production between the United States and Canada in the best mills, but a very great difference in expense of production was found between the best and poorest mills in the United States. The conclusion would have been, therefore, that while protection was not needed by the best factories in the United States against the Canadian factories it was needed by the poorer factories in the United States against the better factories, but not against those in Canada. Owing to this variation in cost of production within the same country, it is not possible to compare in absolute terms the productive power of one country with that of another.

Only averages can be taken, and these show nothing as to any given case. In order to have the cost-of-production theory mean anything, it must be qualified by provisions showing whether it is intended to apply to differences between the best factories in two countries or the difference between the poorest factories in one country and the best in another. Otherwise it will indicate nothing, since a tariff which would protect the best factory in one country will not protect the poorest factory there, or perhaps even the average factory. A duty which will equalize the average difference in cost of production between two countries protects no one, since it is more than is needed by the most efficient producer and less than is needed by the least efficient producer.

The following are some of the reasons why costs are not obtainable:

1. Money expenses of production must be ascertained from books designed to show manufacturing costs. There is no uniformity in methods of cost accounting, and many factories employ no cost-accounting system. Cost figures obtained without cost books are of very little service. Such figures obtained from sets of books which are kept in different ways are of equally little service. This is true in the textile industries to a very great extent, a condition admitted by the Tariff Board throughout their report.

2. Even if money costs could be actually ascertained on a comparative basis in an unquestionable manner, they must be secured not merely from one country but from every competing country, so that the extent or scope of competition against which the United States must exert itself may be known. It might very well be that one country would have a low money cost of production, but this would be of little significance, as that country could not indefinitely increase the amount of its production.

3. Even if the facts could be ascertained in absolutely accurate form for all competing foreign countries, the figures would be of little service as a guide in fixing tariff duties because it would not be known in any given case whether such costs afforded the basis for fixing prices. They do not invariably afford such a basis. Wherever monopoly conditions exist, wherever the export price system exists, and wherever patents are an important factor in production, the mere ascertainment of the cost of production is of little importance. It is far more significant in such cases to know the range of actual selling prices over a long period.

4. Inasmuch as variations in money cost of production have no particular significance unless they correspond to relative sacrifice of labor and capital, and inasmuch as they do not so correspond except in countries whose price levels are about the same, no safe conclusion can be drawn from differences in cost regarding the extent to which a country with a low money cost will be able to undersell or compete with a country subject to a high money cost.

The situation is exemplified in the case of railroad rates, where the constant effort is to fix the rates upon a reasonable basis; yet this almost invariably results in giving to the well-built and efficiently managed roads too large a margin of profit, while it does not give sufficient margin to those overcapitalized, badly constructed, or inefficiently managed. The addition of a "reasonable profit" over and above the difference in the cost of production very greatly complicates the problem and makes the impossible in theory positively absurd in application.

Mr. UNDERWOOD. Mr. President, I have had read what the committee said in rejection of the theory of the difference in cost of production as a basis for levying customs taxes. Now I ask the Secretary to read what the report stated in reference to a competitive tariff, which I think will demonstrate to the Senator from Connecticut that what I said at Waterbury is carried out by what I said in reporting the tariff bill to the House.

The PRESIDING OFFICER. In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

THEORY OF A COMPETITIVE TARIFF.

The dividing line between the positions of the two great parties on this question is very clear and easily ascertained in theory. Where the tariff rates balance the difference in cost at home and abroad, including an allowance for the difference in freight rates, the tariff must be competitive, and from that point downward to the lowest tariff that can be levied it will continue to be competitive to a greater or less extent. Where competition is not interfered with by levying the tax above the highest competitive point, the profits of the manufacturer are not protected. On the other hand, when the duties levied at the customhouse are high enough to allow the American manufacturer to make a profit before his competitor can enter the field, we have invaded the domain of the protection of profits. In our judgment the

protection of any profit must of necessity have a tendency to destroy competition and create monopoly, whether the profit protected is reasonable or unreasonable.

We should bear in mind that to establish a business in a foreign country requires a vast outlay, both in time and capital. Should the foreign manufacturer attempt to establish himself in this country, he must advertise his goods, establish selling agencies and points of distribution before he can successfully conduct his business. After he has done so, if the home producer is protected by a law that not only equals the difference in cost at home and abroad, but also protects a reasonable or unreasonable profit, it is only necessary for him to lower his prices slightly below the point that the law has fixed to protect his profits and his competitor must retire from the country or become a bankrupt, because he would then have to sell his goods at a loss and not a profit. The foreign manufacturer having retired, the home producer could raise his prices to any level that competition would allow him, and it is not probable that the foreigner, who had already been driven out of the country, would return, no matter how inviting the field, as long as the law remained on the statute books that would enable his competitor to put him out of business.

Thirty or forty years ago, with a large number of small manufacturers, honest competition, no attempt to restrict trade, and a home market more than able to consume the production of our mills and factories, the danger and the injury to the consumer of the country was neither so great nor so apparent as it is to-day, when the control of many large industries has been concentrated in the hands of a few. Domestic competition then regulated prices to a reasonable extent even where foreign competition was prohibited. When we ceased having competition at home, and the law prohibits competition from abroad by protecting profits, there is no relief for the consumer except to cry out for Government regulation. There is no more reason or justice in having the Government attempt to protect the profits of the manufacturers and producers of this country than there would be to protect the profits of the merchant or the lawyer, the banker or the farmer, or the wages of the laboring man. By reason of the efficient use of American machinery by American labor, in most of the manufactures of this country the labor cost per unit of production is no greater here than abroad. It is admitted, of course, that the actual wage of the American laborer is in excess of European countries, but as to most articles the labor wage in this country is not more than double the labor wage abroad.

Mr. McLEAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama further yield to the Senator from Connecticut?

Mr. UNDERWOOD. Certainly.

Mr. McLEAN. Unless the Senator desires to comment on this report, I should like to suggest that it does not seem to me that it demonstrates harmony between the statement made by the Senator in Waterbury and his statement as chairman of the Ways and Means Committee of the House, and I will indicate to him why, to the best of my ability.

The report that has been read takes the ground that it is impossible to estimate the difference in cost of production at home and abroad, or so nearly impossible that it is impracticable.

Mr. UNDERWOOD. It is. There is no question about that.

Mr. McLEAN. And the Senator in Waterbury clearly stated that you may approximate it. Then he went on to say in Waterbury that there is not a particle of possibility that the Democratic Party will not equalize the difference in labor cost at home and abroad.

Mr. UNDERWOOD. Certainly; labor cost; but I did not say that we would write our tax on the basis of the difference of cost of production. That is a very different question.

Mr. McLEAN. Wait just one minute. I do not care to prolong this debate. If I understand the Senator, it will not be necessary for me to continue my questions. As I understand him, his position is that while the difference in economic cost of production can not be ascertained so as to be of any practical benefit, nevertheless, accidentally or incidentally, his tariff may give protection.

Mr. UNDERWOOD. Oh, no; the Senator misunderstands me. I do not contend at all that the present tariff was written to give protection or would give protection in the sense that the Senator from Connecticut defines protection; that is, a protection that will protect the profits of a manufacturer.

Mr. McLEAN. Mr. President——

Mr. UNDERWOOD. I shall be glad if the Senator will allow me to answer him—in other words, a protection that will more than equalize the difference in cost at home and abroad. I do not contend that. I never have contended it. What I mean when I say that any revenue tariff will give some protection is not in the technical sense in which the Senator uses the word, but is in the broader sense that any tax levied at the customhouse to some extent dams back competition; and the damming back of that competition, no matter how infinitesimally small it may be, to that extent is an advantage to the man inside the tariff wall.

Mr. McLEAN. That is just what I say. It is incidental. It is not intentional.

Mr. UNDERWOOD. Certainly not; and I have never contended for intentional protection.

When I was interrupted by the Senator from Connecticut I was discussing the possibility of the Republican Party raising the revenue to support this Government under its theory of a protective tariff, and I had stated that I did not contend that more tariff taxes could not be raised at the customhouse than were raised in normal times under existing law. You can levy a tax on raw wool; but would the representatives of the people of New England and New York, the great manufacturers of wool, who may some day desire to go to foreign markets to sell their surplus products, desire to return to a Republican system of taxing raw wool at the customhouse, enhancing and increasing enormously the burden on the American people, and hampering the industry in its efforts to build up foreign trade?

The Democratic Party can raise more revenue at the customhouse under its theory of taxes for revenue only. It can levy a tax on tea. There would be no protection in that. Practically no tea is grown in this country.

It could levy a tax on coffee. There would be no protection in that, because outside of the small amount of coffee that is grown in Porto Rico, most of which goes to Europe, there is no coffee grown in this country. There are many items on which you could levy a revenue tariff at the customhouse and raise additional revenue, but there are few items on which you could levy a protective tariff—a tariff that was greater than the difference in cost of production at home and abroad, a tariff levied to protect profits—in which you would not dam back revenue instead of increasing it.

The hour has come in this country where, on the one hand, the growth of the great American industries has supplied the consuming public, and on the other hand an enormous additional need for revenue has been presented to us by the increase of the Army and the Navy, when you must adopt one or two methods of collecting taxes: You must levy your tax on wealth or you must levy your tax on consumption. You must levy your tax on the accumulations of mankind or you must levy your tax on the numbers of mankind.

I believe in an income tax. I think one of the greatest provisions of the present revenue law is the fact that for the first time in the history of this country as a matter of permanent legislation it established the principle of taxing wealth, and no matter whether you return to power some day in the distant future or not the Republican Party will not repeal the income-tax law, because it will not deny recognition of the principle the Democratic Party has put on the statute books, that wealth receives a greater protection from this Government than poverty, and wealth should bear a larger percentage of the burdens of government than poverty.

If you were returned to power to-morrow, you would keep the income tax on the statute books as a matter of necessity. You might changes its details, but you could not change the principle. If you were returned to power to-morrow, you would find that you could not increase your revenue at the customhouse by applying Republican principles, and the only way you could get an increased revenue at the customhouse would be by levying your taxes for revenue and not for protection, which you never have done heretofore.

But the charge has been made that the Democratic Party, in enacting its tariff legislation, has injured the great industrial development of America; and when it is pointed out to you that there is a wonderful era of prosperity in the United States, that bank balances and bank clearances have never been so large, that there has never before been the amount of idle money in the country hunting investment that there is at present, that interest rates have never been lower, that every man in the United States who desires employment can get it, that the production of our furnaces and our factories has never been greater—when you are faced with these indisputable facts of American prosperity and American success under the laws that are now on the statute books, you answer by saying that this is brought about by the European war; that it did not exist prior to the beginning of the European war; that this country was then threatened with a deluge of importations; that disaster and hard times threatened the country.

You must remember that we inherited dull times from your administration when our party came into power; that times after we came into power were gradually improving and getting better, money conditions were being relieved, men were beginning to be employed, until the outbreak of the war in Europe; and when that great calamity happened it paralyzed trade, it destroyed confidence, it closed down establishments. Men were unable to look into the future. They knew that a large portion of their goods had crossed the seas and gone into foreign trade; that the contending nations of Europe were battling for the sea and destroying commerce; that their markets in a large portion of Europe were closed. They hesitated about conducting their business. They slowed down the machine to see what was going to happen by reason of this foreign war. More than that, the great banking interest of this country became paralyzed

with an unwarranted fear for the future. It came to the floor of Congress and told us that if relief were not granted immediately American markets would be deluged by the dumping of American securities, and that something must be done to protect against it.

Well, the Democratic Congress did endeavor to protect the country against an untoward disaster, if it should ever happen; but it never happened. Those business men were unduly alarmed. Europe did not dump its securities; and an attempt is being made by laws in Europe to-day to make Europeans sell their American securities, in order that they can settle their balance of trade to this country. But it was that apprehension and that fear that for a few months temporarily paralyzed certain great business interests in this country. It was only temporary. As soon as confidence was restored, business not only moved back to the ordinary channels of trade but has developed to an unprecedented extent.

But you, in your contentions, will not admit what I say. You attempt to confess and avoid; you have stated that before this war in Europe came on the present tariff laws enacted by the Democratic Party were injuring and destroying this country.

Now I wish to call to your attention the facts in reference to the effect foreign imports have had on domestic production as shown by Government reports. I hold in my hand Senate Document 366, Sixty-fourth Congress, first session, entitled "Foreign Commerce and the Tariff, 1899–1915." On page 11, under the head of "Recent trade movement," I find a statement, which I will read, in reference to imports coming into the United States. Now, this is not a statement of mine; it is not an idle criticism, but it is a statement of facts as shown by the statistics gathered from the importations coming into the customhouse. This report says:

> During the 17 years covered by the report, 1899–1915, there has been a gain in imports of approximately $1,000,000,000. The general movement therefore has been decidedly upward at the rate computed arithmetically of about $60,000,000 a year. If the gain is computed according to a fixed percentage rate, say 6 per cent each year, the annual increase at the beginning of the period would be about $40,000,000, and at the close $100,000,000. In 12 of the 17 years embraced in Table 1 an increase in imports over the previous year is shown, varying from $245,000,000 in the fiscal year 1910 to $80,000,000 in the fiscal year 1902, and in percentage varying from 22 per cent in the fiscal year 1900 to 4 per cent in the fiscal year 1914. The only years showing decreases are 1901, 1904, 1908, 1911, and 1915.

Again, on the same page, the statement is made:

> Measured on the basis of general imports, the fiscal year 1914 shows an increase of only $81,000,000, or 4.5 per cent, as compared with an increase of $160,000,000, or 9.7 per cent, in the fiscal year 1913.

Which, I will say in passing, was the last year of your Republican tariff law, as compared with 1914, the first year of our tariff law.

It goes on to say:

> The percentage gain in the fiscal year 1914 is less than in any of the other 11 years that show an increase. Measured on the imports for consumption basis, however, the increase in the fiscal year 1914 is slightly greater than the increase in the fiscal year 1913, amounting to $140,000,000, or 7.9 per cent, in the fiscal year 1914 against $126,000,000, or 7.7 per cent, in the fiscal year 1913. The actual increase in the fiscal year 1914 was exceeded in 3 years, and the relative increase was exceeded in 9 years of the 17 years covered by the report.

And mark you, of the 17 years covered by this report, 16 were under your tariff law, and only 1 was under our tariff law.

The report goes on to say:

> It appears, therefore, that the increase in the imports during the fiscal year 1914 can not be regarded as abnormally large even if measured on the imports for consumption basis, while the percentage increase in the general imports is much less than that for the majority of the years from 1899 to 1915.

Now, where is your theory that under Democratic tariffs the sluice gates were opened so wide that American industry was about to be destroyed by foreign importations when the actual increase in 1914 was only 7.9 per cent and the actual increase in the last year of your tariff law was 7.7 per cent, a difference in percentage of increase of importations between the last year of your law and the first year of our law of only two-tenths of 1 per cent?

More than that, this report says that the percentage increase in general of imports is much less than that for the majority of the years of the past 17 years; and 16 of those 17 years your years, when your increases were greater than the increases that came from a Democratic tariff law; and that was before the 30th day of June, 1914, and before the war in Europe disturbed conditions in any way.

Mr. PENROSE. Will the Senator permit an inquiry right there?

Mr. UNDERWOOD. I yield.

Mr. PENROSE. How does the Senator from Alabama account for the fact that during the 8 or 10 months prior to the war in Europe, under this tariff law, there was universal industrial depression in Pennsylvania and all over the eastern part of the country? The Senator certainly can not deny that that was the condition which existed.

Mr. UNDERWOOD. The Senator was not in the Chamber when I answered that charge.

Mr. PENROSE. No; I was not. I should like to ask the question again of the Senator.

Mr. UNDERWOOD. I stated that we inherited industrial depression from your party, but that the country undoubtedly was moving toward better times and better industrial conditions until the war in Europe commenced; and then, due to the fact that it disturbed business conditions all along the line, especially the great banking interests, made uncertain the export trade, and paralyzed the cotton market, that temporarily for a few months during that summer there was a depressed business condition, but that the business condition revived as soon as the country discovered that there was no danger to American business interests from the war in Europe and that the predictions about Democratic legislation had proven untrue. Then we went into the greatest era of prosperity that the country has ever known.

Mr. PENROSE. I am sorry that I was called out of the Chamber when the Senator made his explanation.

Mr. UNDERWOOD. Now, Mr. President, the gentlemen on the other side of the Chamber have charged that there has been a tremendous reduction in the duties levied at the customhouse which has endangered American industry. I stated when this bill was written we intended to write a tariff for revenue; that we intended to reduce the taxes at the customhouse in accordance with revenue theory, not in accordance with protective theory; but I also stated at that time that we recognized that established industries had been built up under the Republican theory of a protective tariff and that we did not intend to destroy American industry; that we did not intend to tear down the Republican protective house by cutting out its underpinning with an ax, but that we intended to lower it with a jackscrew, so it would not disturb existing business conditions.

We have lowered it, and we have not disturbed existing business conditions, and the lowering that we made, as shown by these statistics, has not been of that drastic nature that gentlemen on the other side of the Chamber were so fond of declaring and predicting. This is an official report. This is not a guess. This is a statement based on facts.

On page 13, under the heading "Average ad valorem duty under recent tariffs," the report says:

> The average rate of duty on imports under the Underwood-Simmons tariff shows a less marked decrease from the previous rates than is frequently inferred.
>
> The fairest comparison is undoubtedly from the date when the law became effective to the end of the fiscal year 1914, just one month before the outbreak of the European war. Since the provision admitting wool free of duty did not become effective until December 1, 1913, and the new rates of duty on manufactures of wool did not become effective until January 1, 1914, imports of these articles are included only for the six months, January 1 to June 30. Similarly, imports of sugar and molasses are included only from April 1 to June 30, the first full quarter in which the reduced rates (effective March 1, 1914) were in force. Wool and manufactures of wool are similarly included only for the last two quarters, and sugar and molasses only for the final quarter of the statement covering the nine months ending June 30, 1913.
>
> By this means returns may be compared with no overlapping of tariffs. Throughout the later period the Underwood-Simmons rates were in force, and throughout the earlier period, October, 1912, to June, 1913, the Payne-Aldrich rates were in force.
>
> The average rate of duty from October 1, 1912, to June 30, 1913, was 15.5 per cent ad valorem, calculated on total imports, and 37.8 per cent ad valorem, calculated exclusively on dutiable imports. Similarly, the average rate of duty from October 4, 1913, to June 30, 1914, was 12.3 per cent ad valorem calculated on total imports and 34 per cent ad valorem calculated on dutiable imports. In both periods wool and manufactures of wool are included only for the last six months and sugar and molasses only for the last three months. (Table 9.)
>
> The comparison of the results under the two periods shows that for approximately nine months under the present tariff the average rate of duty was 3.2 per cent ad valorem less than under the former tariff, when the average is calculated on total imports, and 3.8 per cent ad valorem less than under the former tariff, when the average is calculated on dutiable imports.
>
> An increase or decrease in the level of duties may be compared on two bases: On the value of imports or on the former average duty. Suppose that all articles imported were subject to a uniform rate of duty of 10 per cent ad valorem and a new law was passed substituting a uniform rate of duty of 8 per cent ad valorem. In such a case the reduction might be described either as 2 per cent ad valorem—that is, 2 per cent of the value of the imports—or 20 per cent of the former duty (2 divided by 10).
>
> The reduction in duty under the present tariff being from 15.5 to 12.3 per cent ad valorem calculated on total imports, means that for the same amount of imports the customs receipts were reduced about 20 per cent of the former duty (3.2 divided by 15.5). Similarly the calculation on dutiable imports alone shows a reduction from 37.8 to 34 per cent ad valorem. These latter figures indicate that the reduction, considering only the goods that remained subject to duty, represented approximately 10 per cent of the former ad valorem duty. The net effects of the law, so far as shown by the nine-month returns, are therefore a considerable increase in the free list, namely, from 59.2 to 63.8 per cent of the total imports, and a reduction averaging 10 per cent in the rates of duty on the articles that remained subject to duty.

In other words, from 37.8 per cent on dutiable imports to 34 per cent.

It is fair to say the estimate made under the Payne law of dutiable imports and the estimate under the present law of dutiable imports do not include all the same articles. It includes all the articles that were taxed when the Payne law was on the statute books and all the articles that are taxed with the present law on the statute books, but it does not include in the calculation for the present law articles that were taken out of the dutiable list and put on the free list under the present law. If that had been included, it would have shown an average reduction of duty under the present law to about 26 and a fraction per cent, between 26 and 27 per cent of the value of dutiable goods imported in the fiscal year ending June 30, 1913. Do you contend we have ruined the country by putting certain necessities on the free list? I have not heard a great deal of complaint coming from the other side of the Chamber about our having put boots and shoes on the free list, about our having put steel rails on the free list, about our having put raw wool on the free list.

No; those industries have not been driven out of existence because we put them on the free list. What you have been complaining about is the tax we have left on articles that are still taxed, dutiable articles, and, according to this report, our reduction has been only 10 per cent of the old tax that you had. Is that drastic? Is that destructive of industry? What I stated a while ago from these reports as to these importations coming in as dutiable imports demonstrated conclusively that it was not. The theory advocated by the Republican Party that a Democratic tariff has destroyed American industry is not sustained by the facts; it is not sustained by the reports of the customhouse.

Mr. OWEN. Mr. President——

Mr. UNDERWOOD. I yield.

Mr. OWEN. Would it interrupt the Senator for me to call his attention to the ratio existing between the labor cost and the value of the article imported?

Mr. UNDERWOOD. I am coming to that, I will say to the Senator.

Mr. OWEN. Then, I will not interrupt the Senator further, because I wanted that the RECORD might show the ratio of labor cost to the total cost of the article itself or the total value of the article itself, the chemical schedule, for instance, having approximately 38 per cent tariff and 8 per cent total labor cost.

Mr. UNDERWOOD. I intend before taking my seat to insert those figures in the RECORD and comment upon them.

I do not intend to go into a discussion this afternoon, as I have discussed it heretofore, as to whether the tariff law written by the Democratic Party justified itself as a revenue measure. Some months ago I made a statement that satisfied myself if it did not satisfy others that the tariff law met all existing conditions at the time it was written, and that when you add the income tax it produced more revenue than either the Dingley law or the Payne law during the lifetime of those laws, or more than the Payne law and the corporation tax added together produced. But this report makes a statement on that subject which I desire to call to the attention of the Senate in passing:

> The close correspondence between the estimated receipts and the actual receipts under the Underwood-Simmons tariff is striking. It was estimated that the measure, as it passed the House of Representatives, would produce during its first full year of operation $258,000,000; as it passed the Senate, $248,000,000; and as it was finally enacted, $249,000,000. Since the new rates on sugar and molasses became effective March 1, 1914, the law was in full operation only five months before the outbreak of the European war. This covered only one full quarter, that extending from April 1 to June 30, 1914. During that quarter the duties amounted to $63,000,000, and at this rate the returns for a full year would have been $254,000,000. The receipts, therefore, exceeded by some $5,000,000 the expected proceeds.

In other words, the receipts, as demonstrated by the last quarter when the law was actually in effect and when there was no European war, calculated at that rate for a whole year, produced $5,000,000 more than the Ways and Means Committee predicted it would produce when the bill was passed.

Now, of course, it did not produce as much revenue at the customhouse as the Payne tariff law produced, but it was not intended to do so, because we had inaugurated a new system of taxation. We had said that the great wealth of this country must bear a portion of the burden of taxation. We had levied an income tax. That income tax that year produced something more than $80,000,000. Add the $80,000,000 to the amount produced by the Democratic tariff law and you have a result that exceeds the amount of revenue collected any year under the Payne tariff law at the customhouse, with your corporation tax added. So, for the governmental expenditures that the bill was written to meet, it would have met every condition and more if the European war had not come along to cut off one-third of the imports at the customhouse and, necessarily, one-third of the revenue. In fact, it would have produced a great deal more, because the income tax this year produced $124,000,000 and the law has not been changed. The customs laws have not been changed, and, of course, the first year the income tax did not have a full year to operate. It did not go into effect, a part of it, until March, and a part of the January dividends and bond interest were not taxed. It was a comparatively dull year in which it was operating. But if we should take this year as the basis of the receipts from our income tax and add $124,000,000 to the average receipts under the customs law before the European war came on, you would have $378,000,000—vastly more income than the requirements of the Government at that time. And the law was written to meet those conditions. Of course, now that the Congress—and both sides of the Congress are responsible—has determined to increase the Army and increase the Navy and add to the expenditures of this Government four or five hundred million dollars for military preparedness, a bill written in 1913 could not be expected to take care of the new and increased expenditures.

I wish to call to your attention that there has been very slight increase in importations, but without you allow some imports to come in you can not get revenue, and no matter how much you may talk about the protection of American industries and the American workmen entitled to the last dollar of the American market, you know just as well as I do if you wrote a tariff on that basis you would not get any revenue at all, because when you put your tariff so high that no imports can come in no revenue follows.

This report on page 19 says:

> II. COMPARISON WITH DOMESTIC INDUSTRY.
>
> 1. GENERAL IMPORTS AND DOMESTIC EXPORTS COMPARED WITH DOMESTIC PRODUCTION.
>
> The comparatively slight dependence on foreign industries for the supply of the manufactured goods consumed in this country was brought out clearly by the comparison of the production and manufactures, as shown by the latest census report, and the value of imports.
>
> As compared with the domestic output of manufactures, valued at $20,700,000,000 by the census in 1909, or, after deduction of payments for contract work, at $20,500,000,000; the $449,000,000 worth of manufactures ready for consumption imported in the fiscal year 1914 seems very small.

The production of American industries in the year 1909, and it was greater in 1914, amounted to $20,500,000,000. This Democratic tariff law of which you complain brought into competition with that enormous output of American industries only $449,000,000 worth of manufactured goods, or about 2 per cent. It averaged 2 per cent of importations as compared to 98 per cent of American production and consumption of like goods. Two per cent, forsooth, on which to levy your revenues to support this Government and 98 per cent of American control of American products in American markets. Do you suppose that you can fool the American people into believing that American industry has been endangered by Democratic legislation when those are the facts of record assembled in the statistical bureaus of this Government? The report goes on to say:

> As compared with the domestic output of manufactures, valued at $20,700,000,000 by the census in 1909, or, after deduction of payments for contract work, at $20,500,000,000, the $449,000,000 worth of manufactures ready for consumption imported in the fiscal year 1914 seems very small. Even if the comparison likewise takes account of the imports of partly and wholly manufactured foodstuffs and manufactures for further use in manufacturing, the total can not be brought quite up to the billion-dollar mark.
>
> The imports of manufactured goods finished and only partly manufactured combined represent, therefore, less than 5 per cent of the output of our domestic factories five years previous, and were more recent statistics available the percentage of imports would appear much smaller. (Table 20.)
>
> If the comparison is made in respect to individual industries, much the same results are shown. Owing to the differences in classification between the census returns and the statistics of imports, it is not possible to compare production and imports for all lines. Out of the 260 industries specified by the census of manufactures, 121 produced goods that can be compared fairly with the statistics of imports. Twelve of the industries specified by the census had to be combined with others for comparison with the import classes, thus reducing the number of industries shown in Tables 19, 20, 24, and 25 from 121 to 109 and correspondingly decreasing the total number of industries from 260 to 248. These 109 industries are large enough to produce about 69 per cent of the value of the products of all industries. Fifty-one of these industries, representing an output equal to 50 per cent of the product of the 109 specified industries and 34 per cent of the product of all the industries, so completely fill the domestic market that the imports of similar commodities represent less than 2 per cent of the domestic product. Imports represent from 2 to 10 per cent of the value of domestic products in the case of industries, 29 in number, which produce 28 per cent of the output of the specified industries and 19 per cent of the output of all the industries. The industries which meet foreign competition to the extent of 10 to 20 per cent represent 17 per cent of the product of the specified industries and 11 per cent of the product of all industries. Five per cent of the output of the specified industries and 4 per cent of the output of all the industries is produced in the 16 industries which meet competition to the extent of more than 20 per cent. In the case of only 5 of these industries do imports ex-

ceed domestic production. These are toys and games, dressed furs, essential oil, lapidary work, dressed flax, and hemp. (Table 19.)

From the above comparison it appears that 80 industries, producing 78 per cent of the output of all the industries for which comparison can be made, meet foreign competition to the extent of less than 10 per cent. Even if the industries not susceptible of comparison are assumed to fall outside of this group—an assumption that does not correspond with the facts—it is clear that the imports constitute less than 10 per cents of the domestic product in the case of more than one-half of the industries of the whole country measured in value of output.

In other words, you have complained that the Democratic tariff bill was going to flood the American market and destroy American industries, and yet in 78 per cent of the industries of this country the importations of foreign goods as compared with the production of that particular industry amount to less than 10 per cent of the American consumption. Can not the monopolistic spirit of American production consent that the Government of the United States may have 10 per cent of importations on which to levy its taxes in order to produce some revenue to support this Government? Must that monopolistic spirit be fed by the entire 100 per cent? The table on which these figures are based is most interesting, and, without objection, I shall include it as a part of my remarks.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER (Mr. THOMAS in the chair). Does the Senator from Alabama yield to the Senator from New Hampshire?

Mr. UNDERWOOD. I do.

Mr. GALLINGER. I hope the Senator from Alabama will insert the table. I regret that I have not been privileged to listen to the Senator during his entire address. I ask the Senator if any of the industries he has singled out are dealing in the manufacture of munitions of war?

Mr. UNDERWOOD. Some of them are dealing in munitions of war, but it is a comparatively small amount. The production of the American industries which I have singled out is about $20,000,000,000. Of that production I have excepted from my statement about $3,000,000,000—that is, this document singles them out. Of course, the comparison could not be made further than that, because a great many of the articles come in under general terms in the tariff law, of which the record is not kept.

Mr. GALLINGER. But does it not follow, if the manufacture of munitions of war is included, which we expect will cease before long, that the percentage of importations would be larger as a result?

Mr. UNDERWOOD. I do not know how the manufacture of munitions of war could affect importations. It might and probably would affect exportations.

Mr. GALLINGER. The Senator did not quite understand me. As I understood, the Senator made a comparison between what was consumed in this country and what was imported.

Mr. UNDERWOOD. Yes.

Mr. GALLINGER. So that that would make a difference, would it not?

Mr. UNDERWOOD. But the increased amount of munitions of war that are made in this country does not figure in the question of American consumption at all, because, of necessity, I had to go back and take the last census report, which was that of 1909, showing the industries of this country prior to the beginning of the European war. They are necessarily much greater now.

Mr. GALLINGER. That I did not understand, and I simply asked the Senator for information. I shall be very glad to examine the table if he puts it in the RECORD, as I trust he will.

Mr. UNDERWOOD. I will put the whole table into the RECORD.

The table refered to is as follows:

TABLE 19.—*Value of products during calendar year 1909, shown by the census of manufactures, imports entered for consumption, fiscal year 1914, and per cent such imports were of products in 1909, for comparable commodities, arranged in the order of percentages.*

Industries.	Value of products, census, 1909.	Imports for consumption, fiscal year 1914.	
		Amount free of duty and dutiable.	Per cent of product, 1909.
Flavoring extracts	$8,827,254	$361	(1)
Screws, wood	6,198,955	590	(1)
Carriages and wagons and materials	159,639,035	[2]8,900	(1)
Typewriters and supplies	19,717,757	4,903	0.02
Malt	38,247,086	16,085	.04
Locomotives, not made by railroad companies	31,582,302	28,322	.09

[1] Less than 0.01 per cent.
[2] Not including farm wagons, classed with agricultural implements.

TABLE 19.—*Value of products during calendar year 1909, etc.*—Contd.

Industries.	Value of products, census, 1909.	Imports for consumption, fiscal year 1914.	
		Amount free of duty and dutiable.	Per cent of product, 1909.
Bread and other bakery products	$396,774,399	$417,677	.11
Boots and shoes of leather, including cut stock	485,330,564	555,647	.11
Smelting and refining lead, including lead, bar, pipe, and sheet	176,500,236	207,518	.12
Corsets	53,040,353	92,711	.16
Agricultural implements	146,235,636	298,881	.20
Confectionery	134,659,728	289,465	.21
Lime	17,895,934	42,926	.24
Smelting and refining, zinc	34,185,894	81,549	.24
Oil, linseed	36,718,694	91,544	.25
Ink, printing	8,847,481	21,999	.28
Flour and grist mill products	882,915,134	2,730,027	.31
Blacking and cleansing and polishing preparations	14,664,170	48,502	.33
Turpentine and rosin	24,637,011	83,502	.34
Cement	63,117,322	247,261	.39
Marble and stone work, including slate	111,661,704	475,539	.43
Furniture and refrigerators	239,096,581	[1]1,104,163	.46
Candles	3,059,042	14,348	.47
Automobiles, and parts of	248,651,746	1,354,955	.54
Saws	11,513,805	63,570	.55
Coke	95,678,693	530,221	.55
Rubber, belting and hose, boots and shoes, rubber goods, n. e. s.	197,360,539	1,080,966	.55
Fur goods	55,544,595	345,113	.62
Explosives	40,136,596	274,980	.69
Oil, cottonseed and cake	147,825,294	1,099,917	.74
Iron and steel, steel works and rolling mills	985,628,297	7,309,421	.74
Soap	111,238,164	831,414	.75
Ink, writing	2,500,154	18,941	.76
Liquors, malt	374,459,649	2,966,702	.79
Petroleum, refining	236,878,049	1,886,144	.80
Glucose and starch	48,795,491	449,498	.92
Brass and bronze products	149,866,057	1,587,060	1.06
Pens, fountain, stylographic, and gold pens	4,723,587	51,531	1.09
Iron and steel, blast furnaces	391,360,675	4,891,319	1.25
Phonographs and graphophones	11,725,737	147,384	1.26
Silverware and plated ware	42,080,778	530,235	1.26
Tobacco manufactures	416,452,961	5,308,450	1.27
Jewelry	79,944,862	1,057,300	1.32
Wire and wire work, including wire rope and cable	126,210,278	1,667,061	1.32
Vinegar and cider	8,442,048	114,605	1.36
Umbrellas and canes	15,788,365	219,530	1.39
Hats and caps, fur felt	47,537,933	664,717	1.40
Gold and silver, leaf and foil	2,621,136	36,835	1.41
Hair work	11,062,285	169,247	1.53
Files	5,690,705	101,949	1.79
Paint and varnish	124,797,873	2,358,557	1.89
Sewing machines, cases, and attachments	28,262,102	586,945	2.08
Firearms and ammunition	34,111,025	712,819	2.09
Musical instruments, pianos, organs, and materials	92,709,755	2,044,512	2.21
Lumber and timber products	1,123,637,505	25,241,133	2.25
Mineral and soda waters	43,485,875	1,064,820	2.45
Bicycles, motor cycles, and parts of	10,650,153	260,931	2.45
Hosiery and knit goods	197,985,449	6,164,905	3.11
Tinplate and terneplate	47,960,645	1,510,636	3.15
Liquors, distilled	204,645,493	7,309,135	3.57
Salt	11,205,427	456,426	4.07
Leather, tanned, curried, and finished	327,400,318	14,244,760	4.35
Hair cloth	2,226,533	106,803	4.80
Butter, cheese, and condensed milk	274,256,060	14,916,387	5.44
Woolen, worsted and felt goods, and wool hats and shoddy	439,964,957	25,521,464	5.80
Pottery, terra-cotta, and fire-clay products, and bricks and tiles	168,117,641	10,787,047	6.42
Wall paper, or paper hanging	14,417,903	956,339	6.49
Glass and cutting, staining, or ornamenting	108,089,287	7,360,800	6.81
Chocolate and cocoa products	22,386,861	1,539,534	6.88
Pencils, lead	7,378,515	512,579	6.95
Grindstones	1,685,039	118,695	7.04
Charcoal	852,157	60,266	7.07
Carpets and rugs, other than rag	71,015,279	5,023,179	7.07
Optical goods	11,732,017	858,312	7.32
Brooms and brushes	28,844,511	2,175,255	7.54
Matches	11,351,138	869,619	7.66
Oilcloth and linoleum	23,311,377	1,877,329	8.05
Buttons	22,441,081	2,122,461	9.46
Cotton goods, including small wares	626,234,744	60,918,048	9.73
Oil, castor	904,825	88,053	9.73
Slaughtering and meat packing	1,370,153,206	137,207,261	10.01
Smelting and refining copper	378,771,924	40,366,558	10.66
Fireworks	2,268,749	242,654	10.70
Paper and wood pulp and paper goods n. e. s.	322,126,105	35,791,885	11.11
Rice, cleaning and polishing	22,371,457	2,540,532	11.36
Clocks and watches, including cases and materials	35,014,282	4,275,208	12.21
Glue	13,697,798	1,792,612	13.09
Canning and preserving	156,600,028	22,587,080	14.42
Hones and whetstones	267,932	43,902	16.39
Artificial flowers and feathers and plumes	23,792,591	3,929,879	16.52
Needles, pins, hooks and eyes	6,658,316	1,102,388	16.56
Tin foil, bottle caps, and collapsible tubes	3,418,818	598,108	17.49
Wool, scouring	3,276,773	628,438	19.18
Silk and silk goods, including throwsters	184,902,923	37,985,715	20.54
Fertilizers	103,923,278	23,060,912	22.19

[1] Not including metal furniture or refrigerators.

TABLE 19.—*Value of products during calendar year 1909, etc.*—Contd.

Industries.	Value of products, census, 1909.	Imports for consumption, fiscal year 1914.	
		Amount free of duty and dutiable.	Per cent of product, 1909.
Hats and caps, straw	$21,419,017	$5,480,361	25.59
Oakum	338,497	94,796	28.00
Pens, steel	575,696	174,044	30.23
Sugar, molasses, and sirup	327,327,121	110,474,605	33.75
Gloves and mittens, leather	22,638,382	9,366,899	41.38
Cork, cutting	5,931,702	3,834,559	64.65
Liquors, vinous	13,076,477	9,982,309	76.34
Dyestuffs and extracts	15,949,836	12,232,748	76.70
Mats and matting	2,381,488	2,200,508	92.40
Toys and games	8,226,270	9,090,972	110.51
Furs, dressed	2,390,324	3,299,698	138.04
Oil, essential	1,737,214	3,017,237	173.68
Lapidary work	9,167,329	21,452,677	234.01
Flax and hemp, dressed	467,346	1,630,593	348.90

Mr. SMITH of Georgia. As I understand the Senator from Alabama, his comparisons were between American consumption of articles produced in America and the consumption of those which were imported into America.

Mr. UNDERWOOD. Yes; including foreign productions which were imported into America.

Mr. SMITH of Georgia. And foreign productions which were imported into America; so that the munitions problem would have practically nothing to do with it?

Mr. UNDERWOOD. It has not; but, anyway, it is not included in the table, because I had to take the census reports of 1909. Of course, as I have stated, American production would be much greater now. But I am merely making a comparison and going back to 1909, because that report is official, and it is the last official document on the subject.

Now, let me point out a few of the leading industries to show that this Democratic tariff law, even before the European war began, was not destroying American industry. Take carriages, wagons, and other articles of that kind. The value of the products under the census of 1909 was $159,639,035 and the total dutiable imports were $8,900. The percentage of competition in that item of a great industry was less than one-hundredth part of 1 per cent.

Take boots and shoes, an industry that produced in this country in 1909 $485,330,564, and the importations under this law, in which we put most of the boots and shoes on the free list, only amounted to eleven one-hundredths of 1 per cent—vitally destructive of a great American industry. And when the articles go to the free list the importations that come from abroad in competition with this tremendous production amount to eleven one-hundredths of 1 per cent!

Take the iron and steel industry. Listen to this. As to iron and steel, the product of the steel works and rolling mills, the value of the product, according to the census of 1909, was $985,628,297, and the total imports coming into this country under this Democratic tariff law amounted to $7,269,421, or a percentage of seventy-four one-hundredths of 1 per cent. The "drastic competition" which the Democratic tariff has brought up against the American iron and steel industry from imports from abroad—three-fourths of 1 per cent of their total production—is really alarming, yet Senators on the other side of the Chamber are fearful lest a continuation of this theory of writing a tariff for revenue only and of the Democratic Party standing to the principles of the fathers will destroy the great industries of this country!

Of lumber and timber products the American production was $1,123,679,505; total importations, $25,241,133; 2.25 per cent of importations compared to the production of the American industry.

Of woolen goods the total production was $439,964,957; importations, $25,521,464; average importations as compared to American production, 5.81 per cent. This Democratic tariff is about to destroy the entire woolen industry of America, when, as shown by the census reports, compared with the importations at the customhouse, a Democratic tariff has allowed to come into this country but 5.81 per cent, less than 6 per cent of imports, as compared with 94 per cent of American production and consumption. Do you expect to fool the American people into believing that competition of that kind is going to destroy an industry?

Here is another one of the great industries, namely, cotton goods, including small wares. The value of the product of that industry in 1909 amounted to $626,234,744, with $60,918,048 of importations, or 9.73 per cent. It is only fair to say that the larger percentage of imports under the cotton schedule is of the higher-grade fabrics that are not made in this country, and that a comparison of the really competitive fabrics with American production would reduce the percentage about one-half. These are the great American industries. It is possible to pick out some small ones where the percentage of importations will be greater, but I have enumerated the great American industries, and the figures show that under the Democratic tariff law the highest average of imports as compared to the American production in 1909 is under 10 per cent. The American market is absolutely controlled by the American manufacturers to the extent of more than 90 per cent, even in the case of cotton goods; 94 per cent in the case of woolen goods; and 99 per cent in the case of iron and steel manufactures.

Mr. OWEN. Mr. President, I call the attention of the Senator to a recent compilation showing that the total value of primary production in the United States was $45,000,000,000, and the total imports are not more than 5 per cent of that sum.

Mr. UNDERWOOD. I am sure the percentage does not run that high; but I did not have the advantage of having figures later than those for 1909 on which to base my comparisons.

There is another challenge which our Republican adversaries have made to the Democratic Party in connection with this subject, and that is on the question of wages. They informed us that our tariff law, if levied for revenue only—and that is the kind of law we placed on the statute books—would destroy the American workingman. I want to call attention to what this report says in reference to the wage scale. On page 20, under the heading of "Expenditures for wages," it states:

2. EXPENDITURE FOR WAGES.

As a general average, expenditures for wages represent, according to the census of manufactures for 1909, practically 17 per cent of the value of the product after deduction of the amount paid for contract work. If calculated directly from census returns the percentage would be slightly smaller.

The relation of wages to value of product for each industry enumerated by the census is shown by percentages in Tables 21 and 22. From this comparison it appears that in a surprisingly large number of industries in this country the expenditure for wages is low. In the case of industries with an output representing more than one-fifth of the entire production of the country wages constituted less than 5 per cent of the value of the product. In the case of industries contributing another one-fifth of the total output, wages represented from 5 to 15 per cent of the value of the product. In industries contributing still another one-fifth, wages represented from 15 to 20 per cent of the value of the product. Wages in most of the remaining industries represented 20 to 30 per cent of the value of the product, while in the case of only one-twentieth of the entire production did the expenditure for wages exceed 30 per cent. (Table 23.)

Now, I desire to insert in connection with my remarks, if there be no objection, Tables 21, 22, 24, and 25.

The PRESIDING OFFICER. Without objection, the tables referred to by the Senator from Alabama will be printed in the RECORD.

The tables referred to are as follows:

2. EXPENDITURE OR WAGES.

Table 21 shows for each industry the value of the products manufactured in the United States in 1909 and the expenditure for wages in the manufacture of such products, as reported by the census of manufactures. The percentage that the expense for wages was of the total value of the product is also shown. In Table 22, showing this percentage only, the industries are arranged in the order of the size of this percentage.

TABLE 21.—*Value of products and amount of wages paid during calendar year 1909, shown by the census of manufactures, and per cent wages were of value of products.*

Commodities.	Value of products, 1909.	Expense for wage earners, 1909.	
		Amount.	Per cent of value of products.
Agricultural implements	$146,235,636	$28,608,615	19.56
Artificial flowers and feathers and plumes	23,792,591	3,973,801	16.70
Artificial stone	18,527,776	5,342,063	28.83
Artists' materials	2,338,178	307,040	13.13
Automobiles, including bodies and parts	248,651,746	48,693,807	19.58
Awnings, tents, and sails	14,495,667	2,187,651	15.09
Axle grease	1,480,811	88,318	5.96
Babbitt metal and solder	19,767,935	560,804	2.84
Bags, other than paper	54,675,473	2,942,309	5.38
Bags, paper	15,687,020	1,306,342	8.33
Baking powders and yeast	20,774,229	1,045,544	5.03
Baskets, and rattan and willow ware	5,667,463	1,747,394	30.83
Beet sugar	48,120,792	4,808,446	9.99
Belting and hose, leather	23,685,295	1,860,880	7.86
Belting and hose, woven and rubber	24,729,221	2,956,211	11.95
Bicycles, motor cycles and parts	10,650,153	2,908,199	27.18
Billiard tables and materials	5,874,857	1,010,716	17.20
Blacking and cleansing and polishing preparations	14,664,170	1,146,112	7.82
Bluing	1,074,084	113,812	10.60

TABLE 21.—*Value of products and amount of wages paid, etc.*—Contd.

Commodities.	Value of products, 1909.	Expense for wage earners, 1909.	
		Amount.	Per cent of value of products.
Bone, carbon, and lampblack	$1,093,494	$149,327	13.66
Boots and shoes, including cut stock and findings	510,835,983	98,462,695	19.27
Boots and shoes, rubber	49,720,567	8,544,252	17.18
Boxes, cigar	8,487,092	2,234,329	26.32
Boxes, fancy and paper	54,343,439	14,015,383	25.79
Brass and bronze products	149,866,057	23,677,383	15.80
Bread and other bakery products	396,774,399	59,351,386	14.96
Brick and tile	92,207,067	37,138,584	40.28
Brooms	14,266,033	2,363,088	16.56
Brushes	14,578,478	3,041,145	20.86
Butter, cheese, and condensed milk	274,256,060	11,081,308	4.07
Butter, reworking	8,200,383	185,572	2.26
Buttons	22,441,081	6,789,177	30.25
Calcium lights	52,216	11,422	21.87
Candles	3,059,042	246,290	8.05
Canning and preserving	156,600,028	19,081,843	12.19
Card cutting and designing	1,024,366	237,775	23.21
Carpets and rugs, other than rag	71,015,279	15,536,050	21.88
Carpets, rag	2,559,958	860,400	33.61
Carriages and sleds, children's	8,800,106	2,216,861	25.19
Carriages and wagons and materials	159,639,035	37,594,919	23.55
Cars and general shop construction and repairs by steam railroad companies	405,335,691	181,344,296	44.74
Cars and general shop construction and repairs by street railroad companies	31,939,081	14,486,009	45.36
Cars, steam railroad, not including operations of railroad companies	123,385,500	27,135,222	21.99
Cars, street railroad, not including operations of railroad companies	7,576,358	2,176,949	28.73
Cash registers and calculating machines	23,615,346	5,311,890	22.49
Cement	63,117,322	15,319,662	24.27
Charcoal	852,157	253,397	29.74
Chemicals	117,507,876	14,084,501	11.99
China decorating	786,293	190,860	24.27
Chocolate and cocoa products	22,386,861	1,268,613	5.75
Clocks and watches, including cases and materials	35,014,282	12,944,169	36.97
Cloth, sponging and refinishing	1,537,661	651,203	42.35
Clothing, horse	4,128,740	491,598	11.91
Clothing, men's, buttonholes	772,728	389,032	50.35
Clothing, men's, including shirts	522,031,811	106,277,319	20.36
Clothing, women's	374,565,597	78,568,261	20.98
Coffee and spices, roasting and grinding	110,280,087	3,676,316	3.33
Coffins, burial cases, and undertakers' goods	24,510,816	4,632,713	18.90
Coke	95,678,693	15,454,345	16.15
Confectionery	134,659,728	15,615,388	11.60
Cooperage and wooden goods, not elsewhere specified	60,042,095	11,714,582	19.51
Copper, tin, and sheet-iron products	199,511,868	39,500,794	19.80
Cordage and twine and jute and linen goods	61,006,411	9,132,999	14.97
Cordials and syrups	9,662,076	503,455	5.21
Cork, cutting	5,931,702	1,098,019	18.51
Corsets	33,040,353	6,464,144	19.56
Cotton goods, including cotton small wares	626,234,744	132,859,145	21.22
Crucibles	1,849,326	180,216	9.74
Cutlery and tools not elsewhere specified	53,206,163	17,581,244	33.04
Dairymen's, poulterers', and apiarists' supplies	15,441,065	2,671,297	17.30
Dentists' materials	10,833,449	744,416	6.87
Drug grinding	6,001,999	464,128	7.73
Dyeing and finishing textiles	83,219,010	21,226,924	25.51
Dyestuffs and extracts	15,949,836	1,291,379	8.09
Electrical machinery, apparatus, and supplies	220,940,514	49,381,145	22.35
Electroplating	4,504,832	1,652,315	36.66
Emery and other abrasive wheels	6,702,566	1,155,624	17.24
Enameling and japanning	3,312,669	921,667	27.82
Engravers' materials	919,904	95,505	10.38
Engraving and diesinking	2,242,529	821,472	36.63
Engraving, wood	694,420	258,578	37.23
Explosives	40,136,596	4,304,370	10.72
Fancy articles, not elsewhere specified	22,478,765	5,095,980	22.50
Fertilizers	103,923,278	7,477,179	7.20
Files	5,690,505	1,977,877	34.75
Firearms and ammunition	34,111,025	8,427,249	24.70
Fire extinguishers, chemical	751,515	126,728	16.86
Fireworks	2,268,749	579,001	25.52
Flags, banners, regalia, society badges and emblems	8,074,923	1,488,620	18.43
Flavoring extracts	8,827,254	557,736	6.32
Flax and hemp, dressed	467,346	64,007	13.70
Flour-mill and gristmill products	882,915,134	21,464,386	2.43
Food preparations	125,240,117	7,042,689	5.62
Foundry and machine-shop products	1,221,821,332	321,520,917	26.31
Foundry supplies	2,297,050	276,201	12.02
Fuel, manufactured	311,010	49,874	16.04
Fur goods	55,544,595	7,787,845	14.02
Furnishing goods, men's	86,150,489	15,092,988	17.52
Furniture and refrigerators	239,096,581	65,617,975	27.44
Furs, dressed	2,390,324	806,468	33.74
Galvanizing	7,290,470	786,796	10.79
Gas and electric fixtures and lamps and reflectors	44,939,778	10,393,073	23.13
Gas, illuminating and heating	166,699,801	20,930,697	12.56
Glass	92,009,339	39,299,624	42.71
Glass, cutting, staining, and ornamenting	16,079,948	5,249,277	32.64

TABLE 21.—*Value of products and amount of wages paid, etc.*—Contd.

Commodities.	Value of products, 1909.	Expense for wage earners, 1909.	
		Amount.	Per cent of value of products.
Gloves and mittens, leather	$22,638,382	$4,763,830	21.04
Glucose and starch	48,795,491	2,666,483	5.46
Glue	13,697,798	1,579,643	11.47
Gold and silver, leaf and foil	2,621,136	636,967	24.30
Gold and silver, reducing and refining, not from the ore	23,607,498	345,738	1.46
Graphite and graphite refining	1,139,587	88,768	7.79
Grease and tallow	23,390,284	2,629,239	11.24
Grindstones	1,685,039	637,610	37.84
Haircloth	2,228,533	252,279	11.33
Hair work	11,962,285	1,609,788	14.55
Hammocks	575,538	95,242	16.55
Hand stamps and stencils and brands	3,649,150	951,814	26.08
Hat and cap materials	8,236,129	946,526	11.49
Hats and caps, other than felt, straw, and wool	13,623,691	3,421,055	25.11
Hats, fur-felt	47,537,933	14,223,192	29.92
Hats, straw	21,419,017	4,470,831	20.87
Hones and whetstones	267,952	71,578	26.71
Horseshoes, not made in steel works or rolling mills	1,014,526	166,278	16.39
Hosiery and knit goods	197,285,449	44,740,223	22.69
House-furnishing goods, not elsewhere specified	18,477,340	2,034,903	11.01
Ice, manufactured	42,870,769	9,778,970	22.81
Ink, printing	8,847,481	772,528	8.73
Ink, writing	2,500,454	203,155	8.12
Instruments, professional and scientific	10,228,147	2,925,087	28.60
Iron and steel, blast furnaces	391,360,675	24,606,590	6.29
Iron and steel, steel works and rolling mills	985,628,297	163,200,738	16.56
Iron and steel bolts, nuts, washers and rivets, not made in steel works or rolling mills	24,417,710	5,793,243	23.73
Iron and steel, doors and shutters	3,005,253	874,340	29.09
Iron and steel forgings	20,276,815	5,009,181	24.67
Iron and steel, nails and spikes, cut and wrought, including wire nails, not made in steel works or rolling mills	8,181,945	1,352,555	16.53
Iron and steel pipe, wrought	30,985,008	3,963,075	12.85
Jewelry	79,944,802	18,357,950	22.96
Jewelry and instrument cases	3,113,158	955,666	30.63
Kaolin and ground earths	4,671,697	897,458	19.21
Labels and tags	4,630,144	1,122,548	24.14
Lapidary work	9,107,329	889,485	9.70
Lard, refined, not made in slaughtering and meat-packing establishments	10,326,471	179,606	1.74
Lasts	4,122,895	1,202,982	29.18
Lead, bar, pipe, and sheet	9,118,418	510,047	5.59
Leather goods	104,508,813	17,920,628	17.15
Leather, tanned, curried, and finished	327,400,318	32,102,845	9.81
Lime	17,895,934	5,980,174	33.31
Liquors, distilled	204,645,493	3,074,395	1.50
Liquors, malt	374,439,642	41,205,761	11.00
Liquors, vinous	13,076,477	971,502	7.43
Locomotives, not made by railroad companies	31,582,302	8,914,266	28.23
Looking-glass and picture frames	13,434,237	3,260,622	24.27
Lumber and timber products	1,123,637,505	318,739,207	28.36
Malt	38,247,086	1,348,067	3.52
Marble and stone work	111,661,704	42,546,384	38.10
Matches	11,351,138	1,580,749	12.24
Mats and matting	2,381,488	385,434	16.18
Mattresses and spring beds	35,757,108	5,771,334	16.14
Millinery and lace goods	84,808,292	16,307,560	19.23
Mineral and soda waters	43,485,875	6,902,054	15.87
Mirrors	9,563,561	1,763,397	18.44
Models and patterns, not including paper patterns	8,831,855	2,929,252	33.16
Moving pictures	4,192,408	334,794	7.98
Mucilage and paste	4,915,881	285,627	5.81
Musical instruments and materials not specified	3,213,118	992,275	30.88
Musical instruments, pianos and organs and materials	89,496,637	22,761,568	25.43
Needles, pins, and hooks and eyes	6,658,316	2,064,378	31.00
Oakum	338,437	42,183	12.46
Oil, castor	904,825	32,174	3.56
Oil, cottonseed, and cake	147,825,294	5,835,249	3.95
Oil, essential	1,737,214	122,990	7.08
Oil, linseed	36,718,694	802,612	2.43
Oil not elsewhere specified	30,857,115	1,060,566	3.44
Oilcloth and linoleum	23,311,377	2,825,545	12.12
Oleomargarine	8,147,629	413,284	5.07
Optical goods	11,782,017	3,394,340	28.93
Paint and varnish	124,797,873	8,270,713	6.63
Paper and wood pulp	267,129,040	40,801,502	15.28
Paper goods, not elsewhere specified	54,907,656	8,168,773	14.85
Paper patterns	2,592,541	406,883	15.69
Patent medicines and compounds and druggists' preparations	141,576,879	9,896,674	6.99
Paving materials	6,222,116	749,572	12.05
Peanuts, grading, roasting, cleaning, and shelling	9,728,051	351,254	3.61
Pencils, lead	7,378,515	1,711,961	23.20
Pens, fountain, stylographic and gold	4,723,587	711,795	15.07
Pens, steel	575,696	230,690	39.96
Petroleum, refining	236,878,049	9,830,078	4.15
Phonographs and graphophones	11,725,737	2,840,503	24.22
Photographic apparatus and materials	22,557,319	3,037,077	13.46
Photo-engraving	11,484,012	4,750,016	41.36

TABLE 21.—*Value of products and amount of wages paid, etc.*—Contd.

Commodities.	Value of products, 1909.	Expense for wage earners, 1909.	
		Amount.	Per cent of value of products.
Pipes, tobacco	$5,271,080	$1,254,842	23.81
Pottery, terra-cotta, and fire-clay products	75,910,574	29,753,495	39.20
Printing and publishing	701,491,728	164,628,180	23.47
Pulp goods	1,768,435	377,079	21.32
Pumps, not including steam pumps	5,558,221	1,258,224	22.63
Rice, cleaning and polishing	22,371,457	563,538	2.52
Roofing materials	19,177,284	1,338,697	6.98
Rubber goods, not elsewhere specified	128,410,648	14,119,848	11.00
Rules, ivory and wood	138,540	51,394	37.10
Safes and vaults	8,476,487	2,071,762	24.44
Salt	11,205,427	2,531,446	22.59
Sand and emery paper and cloth	4,357,792	369,603	8.48
Saws	11,513,805	2,856,291	24.81
Scales and balances	8,778,476	2,186,230	24.90
Screws, machine	3,013,760	970,088	32.19
Screws, wood	6,198,955	1,453,932	23.45
Sewing machines, cases, and attachments	28,262,102	11,102,026	39.28
Shipbuilding, including boat building	72,174,736	25,267,686	35.01
Shoddy	7,442,783	906,691	12.18
Show cases	7,136,376	2,016,838	28.26
Signs and advertising novelties	13,295,334	3,104,593	23.35
Silk and silk goods, including throwsters	184,902,923	38,570,085	20.86
Silverware and plated ware	42,080,778	10,281,761	24.43
Slaughtering and meat packing	1,370,153,206	51,644,720	3.77
Smelting and refining, copper	378,771,924	13,395,719	3.54
Smelting and refining, lead	167,390,818	5,430,652	3.24
Smelting and refining, zinc	34,185,894	4,210,341	12.32
Smelting and refining, not from the ore	28,065,940	1,281,124	4.56
Soap	111,238,168	6,226,882	5.60
Soda-water apparatus	6,553,897	1,239,450	18.91
Sporting and athletic goods	10,961,206	2,165,434	19.77
Springs, steel, car and carriage	9,001,962	1,852,917	20.58
Stationery goods, not elsewhere specified	16,534,812	2,735,860	16.55
Statuary and art goods	3,387,599	1,339,063	39.53
Steam packing	12,118,449	1,811,421	14.96
Stereotyping and electrotyping	6,368,050	2,312,104	36.31
Stoves and furnaces, including gas and oil stoves	78,516,276	22,944,279	29.22
Sugar and molasses	30,577,670	1,862,751	6.09
Sugar refining, not including beet sugar	248,628,659	5,620,971	2.26
Sulphuric, nitric, and mixed acids	9,883,845	1,494,894	15.12
Surgical appliances and artificial limbs	12,389,226	2,128,927	17.18
Tin plate and terneplate	47,969,645	3,314,874	6.91
Tin foil	3,418,518	303,711	8.88
Tobacco manufactures	416,452,961	69,354,594	16.65
Toys and games	8,226,270	2,227,412	26.95
Turpentine and rosin	24,637,011	9,363,359	37.02
Type founding and printing materials	4,696,348	1,190,720	25.32
Typewriters and supplies	19,717,757	6,221,423	31.55
Umbrellas and canes	15,788,365	2,252,858	14.20
Upholstering materials	13,013,173	1,689,191	12.98
Vault lights and ventilators	914,288	227,761	24.91
Vinegar and cider	8,442,048	723,488	8.57
Wall paper	14,417,903	2,038,937	14.14
Wall plaster	12,765,987	2,391,413	18.73
Washing machines and clothes wringers	5,817,076	903,789	15.54
Waste	11,398,011	715,663	6.28
Wheelbarrows	1,625,478	321,222	19.76
Whips	3,939,711	703,527	17.86
Windmills	6,675,293	1,403,147	21.02
Window shades and fixtures	18,564,486	1,917,692	10.33
Wire	84,480,008	10,315,722	12.21
Wirework, including wire rope and cable	41,730,270	6,331,158	15.17
Wood carpet	490,389	138,151	27.76
Wood distillation, not including turpentine and rosin	9,721,462	1,462,848	15.05
Wood preserving	14,074,726	1,066,466	7.58
Wood, turned and carved	22,139,899	6,213,224	28.06
Woolpulling	5,158,396	386,915	7.50
Wool scouring	3,276,773	557,718	17.02
Woolen, worsted, and felt goods, and wool hats	432,522,174	72,426,619	16.75
All other industries	399,206	66,600	17.06
All industries	20,493,406,235	3,427,037,884	16.72

TABLE 22.—*Percentages that the expenses for wage earners were of the value of products, in 1909, arranged in order of magnitude, by industries.*

Industries.	Per cent wages were of value of products.	Industries.	Per cent wages were of value of products.
Gold and silver, reducing and refining, not from the ore	1.46	Flour-mill and gristmill products	2.43
Liquors, distilled	1.50	Rice, cleaning and polishing	2.52
Lard, refined, not made in slaughtering and meat-packing establishments	1.74	Babbitt metal and solder	2.84
Butter, reworking	2.26	Smelting and refining, lead	3.24
Sugar refining, not including beet sugar	2.26	Coffee and spice, roasting and grinding	3.33
Oil, linseed	2.43	Oil not elsewhere specified	3.44
		Malt	3.52
		Smelting and refining, copper	3.54

TABLE 22.—*Percentages that the expenses for wage earners were of the value of products, in 1909*—Continued.

Industries.	Per cent wages were of value of products.	Industries.	Per cent wages were of value of products.
Oil, castor	3.56	Bread and other bakery products	14.96
Peanuts, grading, roasting, cleaning, and shelling	3.61	Cordage and twine and jute and linen goods	14.97
Slaughtering and meat packing	3.77	Wood distillation, not including turpentine and rosin	15.05
Oil, cottonseed, and cake	3.95	Pens, fountain, stylographic, and gold	15.07
Butter, cheese, and condensed milk	4.07	Awnings, tents, and sails	15.09
Petroleum, refining	4.15	Sulphuric, nitric, and mixed acids	15.12
Smelting and refining, not from the ore	4.56	Wirework, including wire rope and cable	15.17
Baking powders and yeast	5.03	Paper and wood pulp	15.28
Oleomargarine	5.07	Washing machines and clothes wringers	15.54
Cordials and sirups	5.21	Paper patterns	15.69
Bags, other than paper	5.38	Brass and bronze products	15.80
Glucose and starch	5.46	Mineral and soda waters	15.95
Lead, bar, pipe, and sheet	5.59	Fuel, manufactured	16.04
Soap	5.60	Mattresses and spring beds	16.14
Food preparations	5.62	Coke	16.15
Chocolate and cocoa products	5.75	Mats and matting	16.18
Mucilage and paste	5.81	Horseshoes, not made in steel works or rolling mills	16.39
Axle grease	5.96	Iron and steel, nails and spikes, cut and wrought, including wire nails, not made in steel works or rolling mills	16.53
Sugar and molasses	6.09	Hammocks	16.55
Waste	6.28	Stationery goods, not elsewhere specified	16.55
Iron and steel, blast furnaces	6.29	Broomse	16.56
Flavoring extracts	6.32	Iron and steel, steel works and rolling mills	16.56
Paint and varnish	6.63	Tobacco manufactures	16.65
Dentists' materials	6.87	Artificial flowers and feathers and plumes	16.70
Tin plate and terneplate	6.91	Woolen, worsted, and felt goods and wool hats	16.75
Roofing materials	6.98	Fire extinguishers, chemical	16.86
Patent medicines and compounds and druggists' preparations	6.99	Wool scouring	17.02
Oil, essential	7.08	All industries not specified	17.06
Fertilizers	7.20	Leather goods	17.15
Liquors, vinous	7.43	Boots and shoes, rubber	17.18
Wool pulling	7.50	Surgical appliances and artificial limbs	17.18
Wood preserving	7.58	Billiard tables and materials	17.20
Drug grinding	7.73	Emery and other abrasive wheels	17.24
Graphite and graphite refining	7.79	Dairymen's, poulterers', and apiarists' supplies	17.30
Blacking and cleansing and polishing preparations	7.82	Furnishing goods, men's	17.52
Belting and hose, leather	7.86	Whips	17.86
Moving pictures	7.98	Flags, banners, regalia, society badges, and emblems	18.43
Candles	8.05	Mirrors	18.44
Dyestuffs and extracts	8.09	Cork, cutting	18.51
Ink, writing	8.12	Wall plaster	18.73
Bags, paper	8.33	Coffins, burial cases, and undertakers' goods	18.90
Sand and emery paper and cloth	8.48	Soda-water apparatus	18.91
Vinegar and cider	8.57	Kaolin and ground earths	19.21
Ink, printing	8.73	Millinery and lace goods	19.23
Tin foil	8.88	Boots and shoes, including cut stock and findings	19.27
Lapidary work	9.70	Cooperage and wooden goods, not elsewhere specified	19.51
Crucibles	9.74	Agricultural implements	19.56
Leather, tanned, curried, and finished	9.81	Corsets	19.56
Beet sugar	9.99	Automobiles, including bodies and parts	19.58
Window shades and fixtures	10.33	Wheelbarrows	19.76
Engravers' materials	10.38	Sporting and athletic goods	19.77
Bluing	10.60	Copper, tin, and sheet-iron products	19.80
Explosives	10.72	Clothing, men's, including shirts	20.36
Galvanizing	10.79	Springs, steel, car and carriage	20.58
Liquors, malt	11.00	Brushes	20.86
Rubber goods, not elsewhere specified	11.00	Silk and silk goods, including throwsters	20.86
Housefurnishing goods, not elsewhere specified	11.01	Hats and caps, straw	20.87
Grease and tallow	11.24	Clothing, women's	20.98
Haircloth	11.33	Windmills	21.02
Glue	11.47	Gloves and mittens, leather	21.04
Hat and cap materials	11.49	Cotton goods, including cotton small wares	21.22
Confectionery	11.60	Pulp goods	21.32
Clothing, horse	11.91	Calcium lights	21.87
Belting and hose, woven and rubber	11.95	Carpets and rugs, other than rag	21.88
Chemicals	11.99	Cars, steam-railroad, not including operations of railroad companies	21.99
Foundry supplies	12.02	Electrical machinery, apparatus, and supplies	22.35
Paving materials	12.05	Cash registers and calculating machines	22.49
Oilcloth and linoleum	12.12	Fancy articles, not elsewhere specified	22.50
Shoddy	12.18		
Canning and preserving	12.19		
Wire	12.21		
Matches	12.24		
Smelting and refining, zinc	12.32		
Oakum	12.46		
Gas, illuminating and heating	12.56		
Iron and steel pipe, wrought	12.83		
Upholstering materials	12.98		
Artists' materials	13.13		
Photographic apparatus and materials	13.46		
Bone, carbon, and lampblack	13.66		
Flax and hemp, dressed	13.70		
Fur goods	14.02		
Wall paper	14.14		
Umbrellas and canes	14.20		
Hair work	14.55		
Paper goods, not elsewhere specified	14.85		
Steam packing	14.95		

TABLE 22.—*Percentages that the expenses for wage earners were of the value of products, in 1909*—Continued.

Industries.	Per cent wages were of value of products.	Industries.	Per cent wages were of value of products.
Salt	22.59	Instruments, professional and scientific	28.60
Hosiery and knit goods	22.60	Cars, street railroad, not including operations of railroad companies	28.73
Pumps, not including steam pumps	22.63	Artificial stone	28.83
Ice, manufactured	22.81	Optical goods	28.93
Jewelry	22.96	Iron and steel, doors and shutters	29.09
Gas and electric fixtures and lamps and reflectors	23.13	Lasts	29.18
Pencils, lead	23.20	Stoves and furnaces, including gas and oil stoves	29.22
Card cutting and designing	23.21	Charcoal	29.74
Signs and advertising novelties	23.35	Hats and caps, fur-felt	29.92
Screws, wood	23.45	Buttons	30.25
Printing and publishing	23.47	Jewelry and instrument cases	30.63
Carriages and wagons and materials	23.55	Baskets, and rattan and willow ware	30.83
Iron and steel bolts, nuts, washers, and rivets, not made in steel works or rolling mills	23.73	Musical instruments and materials not specified	30.85
Labels and tags	24.14	Needles, pins, and hooks and eyes	31.00
Phonographs and graphophones	24.22	Typewriters and supplies	31.55
Cement	24.27	Screws, machine	32.19
China decorating	24.27	Glass, cutting, staining, and ornamenting	32.64
Looking-glass and picture frames	24.27	Cutlery, and tools not elsewhere specified	33.04
Gold and silver, leaf and foil	24.30	Models and patterns, not including paper patterns	33.16
Silverware and plated ware	24.43	Lime	33.31
Safes and vaults	24.44	Carpets, rag	33.61
Iron and steel forgings	24.67	Furs, dressed	33.74
Firearms and ammunition	24.70	Files	34.75
Saws	24.81	Shipbuilding, including boat building	35.01
Scales and balances	24.90	Stereotyping and electrotyping	36.31
Vault lights and ventilators	24.91	Engraving and diesinking	36.63
Hats and caps other than felt, straw, and wool	25.11	Electroplating	36.66
Carriages and sleds, children's	25.19	Clocks and watches, including cases and materials	36.97
Type founding and printing materials	25.32	Turpentine and rosin	37.02
Musical instruments, pianos and organs and materials	25.43	Rules, ivory and wood	37.10
Dyeing and finishing textiles	25.51	Engraving, wood	37.23
Fireworks	25.52	Grindstones	37.84
Boxes, fancy and paper	25.79	Marble and stone work	38.10
Hand stamps and stencils and brands	26.08	Pottery, terra-cotta, and fire-clay products	39.20
Pipes, tobacco	26.30	Sewing machines, cases, and attachments	39.28
Foundry and machine-shop products	26.31	Statuary and art goods	39.53
Boxes, cigars	26.32	Pens, steel	39.96
Hones and whetstones	26.71	Brick and tile	40.28
Toys and games	26.95	Photoengraving	41.36
Bicycles, motor cycles and parts	27.18	Cloth, sponging and refinishing	42.35
Furniture and refrigerators	27.44	Glass	42.71
Wood carpet	27.76	Cars and general shop construction and repairs by steam railroad companies	44.74
Enameling and japanning	27.82	Do	45.36
Wood, turned and carved	28.06	Clothing, men's, buttonholes	50.35
Locomotives not made by railroad companies	28.23		
Show cases	28.26		
Lumber and timber products	28.36		

8. WAGES AND RATES OF DUTY.

Table 24 shows the percentage of expenditures for wages in the calendar year 1909, compared with the average computed ad valorem rates of duty paid on imports during the first nine months of the present tariff; that is, from October 4, 1913, to June 30, 1914. As in previous tables, the comparison is made only between such articles and groups of articles as are sufficiently similar in the census and in the import classifications to justify the comparison.

While the import data on which this table is based are for the above-mentioned nine-months period, the exceptions are made in the case of wool and sugar. The imports of wool and of manufactures of wool are considered for the six months from January to June, 1914, only, and the imports of sugar and molasses for the three months, April, May, and June, 1914.

TABLE 24.—*Average rates of duty on imports entered for consumption, Oct. 4, 1913, to June 30, 1914, computed on the ad valorem basis on dutiable and total imports, with per cent wages, were of value of product, calendar year 1909, shown by census of manufactures, for comparable commodities.*

GROUP I.—INDUSTRIES IN WHICH THE PERCENTAGE OF EXPENSE FOR WAGE EARNERS IS LESS THAN THE AVERAGE RATE OF DUTY ON TOTAL FREE AND DUTIABLE IMPORTS.

Commodities.	Average rate of duty, ad valorem on—		Per cent wages were of value of product.
	Dutiable imports.	Total imports.	
Liquors, distilled	148.40	148.10	1.50
Flour-mill and gristmill products	10.61	9.59	2.43
Oil, linseed	21.14	21.14	2.43
Rice, cleaning and polishing	29.34	29.34	2.52
Smelting and refining lead, including lead bar, pipe, and sheet	25.00	24.03	3.37

TABLE 24.—*Average rates of duty on imports entered for consumption, Oct. 4, 1913, to June 30, 1914*—Continued.

GROUP I.—INDUSTRIES IN WHICH THE PERCENTAGE OF EXPENSE FOR WAGE EARNERS IS LESS THAN THE AVERAGE RATE OF DUTY ON TOTAL FREE AND DUTIABLE IMPORTS—Continued.

Commodities.	Average rate of duty, ad valorem on—		Per cent wages were of value of product.
	Dutiable imports.	Total imports.	
Malt	18.50	18.50	3.52
Oil, castor	25.85	25.85	3.56
Sugar molasses, and sirup (including beet-sugar and sugar refining)	49.55	47.09	3.70
Butter, cheese, and condensed milk	18.64	17.10	4.04
Glucose and starch	36.14	36.14	5.46
Soap	15.53	15.53	5.63
Chocolate and cocoa products	12.48	12.48	5.67
Flavoring extracts	20.00	20.00	6.32
Paint and varnish	13.92	13.89	6.63
Tinplate and terneplate	15.00	14.58	6.91
Oil, essential	15.91	15.58	7.08
Liquors, vinous	65.53	65.49	7.43
Blacking and cleaning and polishing preparations	15.00	15.00	7.82
Candles	14.49	14.49	8.05
Dyestuffs and extracts	26.11	20.40	8.12
Ink, writing	15.00	15.00	8.12
Vinegar and cider	10.96	10.96	8.57
Ink, printing	15.00	15.00	8.73
Tin foil, bottle caps, and collapsible tubes	19.96	19.96	8.88
Lapidary work	20.00	20.00	9.70
Liquors, malt	64.47	64.47	11.00
Glue	14.83	14.83	11.47
Confectionery	23.52	23.51	11.60
Oilcloth and linoleum	32.01	32.01	12.12
Matches	15.42	15.42	12.24
Smelting and refining, zinc	14.84	14.84	12.32
Fur goods	46.47	46.47	14.02
Wall paper, or paper hangings	25.00	25.00	14.14
Umbrellas and canes	33.09	33.09	14.30
Hair work	34.75	34.72	14.55
Pens, fountain, stylographic, and gold pens	25.00	25.00	15.07
Wire and wirework, including wire rope and cable	18.48	17.78	13.19
Mineral and soda waters	27.53	27.53	15.95
Mats and matting	31.99	31.99	16.19
Tobacco manufactures	82.46	62.49	16.65
Woolen, worsted, and felt goods, and wool hats and shoddy	[1]31.61	29.99	16.67
Artificial flowers, etc	59.85	59.85	16.70
Brooms and brushes	34.97	34.97	18.74
Corsets	58.79	58.79	19.56
Automobiles and parts of	34.04	33.92	19.58
Silk and silk goods, including throwsters	46.35	41.01	20.86
Hats and caps, straw	27.76	26.80	20.87
Gloves and mittens, leather	33.14	33.13	21.01
Cotton goods, including small wares	30.04	26.68	21.23
Carpets and rugs, other than rag	48.87	48.87	21.88
Pencils, lead	25.81	25.81	22.12
Hosiery and knit goods	39.72	39.72	22.59
Jewelry	29.47	29.41	22.96
Screws, wood	25.15	25.15	23.45
Phonographs and graphophones	25.00	25.00	24.22
Gold and silver leaf and foil	34.42	34.42	24.30
Silverware and plated ware	30.00	29.89	24.43
Fireworks	95.52	95.52	25.52
Musical instruments, pianos, organs, and materials	34.31	34.31	25.62
Toys and games	35.00	35.00	26.95
Optical goods	30.74	30.74	28.93
Hats and caps, fur felt	45.00	45.00	29.92
Buttons	36.02	34.97	30.25
Pottery, terra-cotta and fire-clay products, and bricks and tiles	48.98	48.94	39.79

GROUP II.—INDUSTRIES IN WHICH THE PERCENTAGE OF EXPENSE FOR WAGE EARNERS IS MORE THAN THE AVERAGE RATE OF DUTY ON TOTAL IMPORTS BUT LESS THAN THE AVERAGE RATE ON DUTIABLE IMPORTS.

Slaughtering and meat packing	16.01	0.26	3.77
Iron and steel, blast furnaces	15.00	.98	6.29
Leather, tanned, curried, and finished	10.20	1.60	9.81
Canning and preserving	21.81	12.14	12.19
Bread and other bakery products	25.00	10.48	14.96
Paper and wood pulp and paper goods n. e. s	24.45	5.36	15.20
Brass and bronze products	21.44	13.58	15.80
Cork cutting	19.36	12.23	18.51

GROUP III.—INDUSTRIES IN WHICH THE PERCENTAGE OF EXPENSE FOR WAGE EARNERS IS MORE THAN THE AVERAGE RATE OF DUTY ON EITHER DUTIABLE OR TOTAL IMPORTS.

Fabrics	7.59	7.59	11.33
Rubber, belting and hose, boots and shoes, and rubber goods n. e. s	10.72	10.72	12.98
Iron and steel, steel works and rolling mills	11.63	9.66	16.56
Carriages and wagons and materials	[2]15.85	[2]15.85	23.55
Cement	10.00	3.16	24.27
Firearms and ammunition	22.92	15.21	24.70
Saws	12.00	12.00	24.81
Bicycles, motorcycles, and parts of	25.00	25.00	27.18
Furniture and refrigerators	15.00	15.00	27.44
Locomotives, not made by railroad companies	15.00	15.00	28.23
Lumber and timber products	12.21	.53	28.37
Needles, pins, hooks and eyes	19.76	11.25	31.00

[1] From Jan. 1, 1914, to June 30, 1914.
[2] Not including farm wagons, classed with agricultural implements.

GROUP III.—INDUSTRIES IN WHICH THE PERCENTAGE OF EXPENSE FOR WAGE EARNERS IS MORE THAN THE AVERAGE RATE OF DUTY ON EITHER DUTIABLE OR TOTAL IMPORTS.—Continued.

Commodities.	Average rate of duty, ad valorem on—		Per cent wages were of value of product.
	Dutiable imports.	Total imports.	
Lime	5.00	5.00	33.31
Furs, dressed	30.00	30.00	33.74
Files	25.00	25.00	34.75
Clocks and watches, including cases and materials	26.76	26.71	36.97
Grindstones	6.87	6.87	37.84
Marble and stone works, including slate	34.36	34.36	38.10
Pens, steel	32.78	32.78	39.96
Glass, including staining, cutting, ornamenting	33.60	30.80	41.21

GROUP IV.—INDUSTRIES IN WHICH COMMODITIES SIMILAR TO THEIR PRODUCTS ARE ADMITTED FREE OF DUTY.

Smelting and refining, copper	Free.	Free.	3.54
Oil, cottonseed and cake	Free.	Free.	3.95
Petroleum refining	Free.	Free.	4.15
Fertilizers	Free.	Free.	7.20
Explosives	Free.	Free.	10.72
Oakum	Free.	Free.	12.46
Flax and hemp, dressed	Free.	Free.	13.70
Coke	Free.	Free.	16.15
Wool scouring	[1] Free.	[1] Free.	17.02
Agricultural implements	Free.	Free.	19.56
Boots and shoes, of leather, including cut stock	Free.	Free.	19.68
Salt	Free.	Free.	22.59
Hones and whetstones	Free.	Free.	26.71
Charcoal	Free.	Free.	29.74
Typewriters and supplies	Free.	Free.	31.55
Turpentine and rosin	Free.	Free.	38.01
Sewing machines, cases and attachments	Free.	Free.	39.28

[1] From Dec. 1, 1913, to June 30, 1914.

Table 25 shows the ratio of the domestic products in each of the four groups to the production in the 109 industries, and the ratio of the domestic products in each group to the total production in all industries.

TABLE 25.—*Summary of Table 24.*

Groups.	Number of industries.	Value of products, 1909.	Per cent of value of product, 1909.	
			109 specified industries.	All industries.
I. Industries in which the percentage of expense for wages is less than the average rate of duty on total of free and dutiable imports	64	$6,091,979,562	43.26	29.73
II. Industries in which the percentages of expense for wages is more than the average rate of duty on total imports but less than the average rate on dutiable imports	8	3,120,212,490	22.15	15.23
III. Industries in which the percentage of expense for wages is more than the average rate on dutiable imports	20	3,148,233,184	22.35	15.36
IV. Industries in which commodities similar to their products admitted free of duty	17	1,723,805,036	12.24	8.41
Total specified industries	109	14,084,230,272	100.00	68.73
Total industries not specified	139	6,409,175,963	.....	31.27
Total	248	20,493,406,235	.....	100.00

Mr. UNDERWOOD. In passing I desire to make a few comments on what is shown in Tables 24 and 25. For instance, taking flour-mill and gristmill products, the average rate of duty ad valorem on dutiable imports from October 4, 1913, to June 30, 1914, amounted to 10.61 per cent, and the percentage of wages to the value of the product was 2.43 per cent; in other words, the tariff duty was nearly five times as much as there was labor to protect.

The tin-plate industry affords another good illustration. It was fostered and built up by the Republican Party for many years. The average rate of duty ad valorem for the same period was 15 per cent under the existing law; the average rate of duty on total imports was 14 per cent; while the percentage of wages to the value of the product was only 6.91 per cent.

Coming to the woolen and worsted industry, you have complained that labor is going to be destroyed on account of the Democratic tariff, but the figures show that the average rate of duty under the Democratic tariff law is 31.61 per cent and the average wages paid only 16.67 per cent of the value of the product, amounting to nearly twice as much as the wages paid. Under those circumstances do you expect the American public to believe that a Democratic tariff is destructive of American industry?

But to return to the text of this document. On page 21, under the caption of "Wages and rates of duty," this statement is made:

3. WAGES AND RATES OF DUTY.

It is of special interest to compare the expenditure for wages with the average rate of duty on imports. Differences in classification between the census returns and commercial statistics have made it necessary to limit this comparison to the 109 industries for which the returns are fairly comparable. In the case of industries producing 43 per cent of the output of the 109 specified industries, the percentage of expense for wages is less than the average rate of duty on all imports, and in the case of another 22 per cent, the expense is more than the average rate of duty on all imports of similar products but less than the average rate of duty on dutiable imports. These two classes represent 65 per cent of the value of the product of the specified industries and 45 per cent of the value of the total output of manufactures. (Table 25.)

In the case of industries representing 12 per cent of the output of the specified industries, or 8 per cent of the output of all industries, similar commodities are admitted free of duty, while in the case of 22 per cent of the value produced by the specified industries and 15 per cent of the value of all industries, the expenditure for wages exceeds the average rate of duty on dutiable imports of similar commodities.

There can be little doubt that the industries compared are strictly representative of all industries in the country. The 109 specified industries represent 69 per cent of the total output of manufacturing industries recorded by the census. Moreover, the average expenditure for wages in all industries is 16.72 per cent, while the average expenditure for the 109 industries is 14.39 per cent.

The close correspondence shown brings out clearly the representative character of the comparison of the 109 specified industries.

Which clearly demonstrates that the present rates of duty, except as to those articles which are placed on the free list, far exceed in most instances the percentage of labor cost as compared to the value of the manufactured product.

In passing, I will say that the Senator from Connecticut [Mr. McLEAN] called my attention to a statement made by me in a speech at Waterbury, Conn., previous to the election of 1912, to the effect that the tariff would not be reduced below the difference in the labor cost. The fact is that in but few instances has it been reduced below the entire labor cost, and so far as the great industries of this country are concerned it has been reduced much less than the difference in labor cost.

Mr. President, I have endeavored to define the Democratic position in reference to levying a tariff at the customhouse. I have endeavored to review the operation of the present tariff. I think I have demonstrated conclusively from the figures that the tariff taxes that are now on the statute books do not jeopardize American industry and do not threaten American labor, but that they have been written in the interest of bringing about some fair competition, in recognition of the principle that taxes at the customhouse should be levied primarily for the purpose of furnishing the Government with revenue, and in repudiation of the Republican doctrine that they should be levied primarily for the purpose of maintaining a protective tariff to foster and build up special industries.

It was my intention, when I rose to make this statement, to discuss certain features of the pending bill, especially the provision relating to dyestuffs and the provision relating to a tariff commission. But as I have occupied several hours in discussing the questions that I have considered, I prefer to postpone the discussion of those two particular items until the time when they are reached for consideration in the bill; and I hope that at that time I may have an opportunity to express fully and fairly my views on those particular items.

I differ with the committee in reference to the writing of those two particular items, and will express my reasons for differing with them when the time comes. I wish to say, however, that in the main I concur in the action of the committee in writing this bill. The great burden of taxation carried by this bill has been distributed to the wealth of this country. It has not been distributed by taxes on consumption, where the burden would have fallen on the mass of the American people.

The necessity for this legislation grows out of the fact that the Congress has very largely increased the cost of maintaining an Army and a Navy. The increase of the Army and Navy has come from a demand from the representatives of wealth in this country. They are entitled to that protection. They demand that protection. They will largely get the benefit of that protection, and it is but just that they should pay for that protection.

So, in regard to the main features of the bill, I agree with the committee, and cheerfully support the result of their labors. As I say, there are one or two items in regard to which I am compelled to differ with them on what I regard as matters of prin-

ciple, and I will express my views on those questions when the items are reached for consideration in the bill.

Before taking my seat I ask you not to forget that many of our great industries are producing a greater product than the home market can consume; these surplus products must be sold in foreign countries or the volume of output must be reduced, unless we continue to sell abroad there will be some reduction in output and a corresponding reduction in the employment of labor. You can not sell abroad with profit unless you receive payment for your goods. We have already drained the world of its gold. How can you get your pay for your export goods? How can you enlarge or even continue your export trade unless you are willing to allow some foreign goods to come into this country? You say you will allow only noncompetitive articles to enter. You know as well as I do that we have already exhausted that field; that our demand for noncompetitive articles will not begin to equalize the trade balance created by our export trade, and unless you allow some competitive articles to enter our country you must curtail our sales abroad. To live and let live is the golden rule of humanity the world over; in the wars of commerce the same rule applies as on the field of actual combat, where the weight of artillery and battleships decide the fate of nations; destruction of your adversary or your competitor in the end will spell destruction of yourself. Let us play the game of commerce fairly and we will play it well for ourselves. Let us understand that life, health, and opportunity that comes to the common men and women through fair dealing and fair trade is more vital to the life of this Nation than all the special privileges you can grant at the customhouses to make a few men very rich. Let us remain true to our principles, whether we win or lose, for in the true faith of our fathers is found the preservation of the freedom, the liberty, and the prosperity of the American people.

Mr. PENROSE obtained the floor.

Mr. GALLINGER. Mr. President, will the Senator yield to me for a moment?

The PRESIDING OFFICER (Mr. THOMAS in the chair). Does the Senator from Pennsylvania yield to the Senator from New Hampshire?

Mr. PENROSE. Yes.

Mr. GALLINGER. I have listened with great interest to a portion of the speech just made by the distinguished Senator from Alabama [Mr. UNDERWOOD], the author of the tariff bill that is now on the statute books. An hour ago I was looking over the platforms of the parties, particularly the platform of the Democratic Party of 1912, where the Republican Party were denounced as being extravagant and as having brought a great deal of suffering to the American people because of their legislation, and I discovered in that platform a pledge of the Democratic Party that if they were placed in power they would reduce the cost of living to the American people.

I have in my hand a newspaper, the Washington Times, printed about one hour ago, and my attention has been directed to this headline:

Cost of living soars 25 per cent in the year. Price of canned goods and beans doubled. Flour continues to rise. A 50 per cent boost in coal is slated at Chicago.

It seems, Mr. President, that the Democratic Party have failed conspicuously to carry out the promise in their platform in reference to the cost of living, and I think it will be made to appear before this discussion closes what the reasons are for the greatly increased price to the consuming public. I thank the Senator.

Mr. PENROSE. Mr. President, the Senator from New Hampshire can imagine the answer which will be given to him. The war in Europe covers every sin of omission and commission of the Democratic Party in the last two years and a half. If it had not been for the war in Europe, the party would hardly be running a candidate for President this fall.

Mr. SIMMONS. Mr. President, before the Senator from Pennsylvania begins his speech, will he yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from North Carolina?

Mr. PENROSE. Certainly. I yield to the chairman of the committee.

Mr. SIMMONS. On yesterday the Senator expressed the desire that I should obtain from the Treasury Department a detailed statement of the amount of total appropriations for 1917 as compared with 1916 and also an itemized statement of the estimated disbursements from the general fund for the year 1917. I have here, sent to me this morning, a statement of date of August 18 showing the total amount of appropriations.

Mr. PENROSE. I should like to have it printed.

Mr. SIMMONS. The total amount is $1,572,008,718, leaving out the shipping bill and the nitrate plant, these omissions are referred in the note to statement.

Mr. PENROSE. On what ground are they left out?

Mr. SIMMONS. Because that is not an appropriation.

Mr. PENROSE. Oh, yes.

Mr. SMOOT. Well, certainly, Mr. President——

Mr. SIMMONS. It is a matter of argument whether they should be included or not. I do not want to enter into any argument now about that. We discussed that at length yesterday.

Mr. PENROSE. That is the McAdoo system of bookkeeping, which would land a bank cashier in jail.

Mr. SIMMONS. The Senator can discuss the question of bookkeeping as much as he pleases. The Senator can discuss the question of whether the purchase of these ships with bonds is a legitimate current expense of the Government or not. I do not desire now to enter into that discussion, because we went over it yesterday. I am simply complying at this time with the request of the Senator to file a detailed statement of the Treasury Department.

I also file a detailed statement of the Treasury Department embracing the estimated disbursements for the fiscal year 1917, showing the estimated disbursements of the fiscal year 1917 to be $1,126,243,000.

The PRESIDING OFFICER. In the absence of objection, the statements will be printed in the RECORD.

The matter referred to is as follows:

Statement of appropriations for 1916 and present condition of bills for 1917, showing increases for 1917 over the preceding year.

Title of bill.	Appropriations, 1916.	Present condition of 1917 bills.	Increase, 1917 over 1916.
Army	$101,974,195.87	[1] $267,596,530.10	$165,622,334.23
Agriculture	22,971,782.00	[2] 24,948,852.00	1,977,070.00
Diplomatic	4,061,280.01	[2] 5,355,096.66	1,293,816.65
District of Columbia	11,859,584.45	[3] 13,827,734.72	1,968,150.27
Fortifications	6,080,216.90	[2] 25,747,550.00	19,667,333.10
Indian	9,771,902.76	[2] 10,967,644.88	1,195,742.12
Legislative	36,904,799.75	[2] 37,925,690.25	1,020,890.50
Military Academy	1,089,813.37	[2] 1,225,043.57	135,230.20
Navy	149,661,864.88	[3] 316,726,556.54	167,064,691.66
Pensions	164,100,000.00	[2] 158,065,000.00	[4] 6,035,000.03
Postal Service	313,364,667.00	[2] 322,937,679.00	9,573,012.00
Rivers and harbors	30,000,000.00	[2] 40,598,135.00	10,598,135.00
Sundry civil	126,922,750.79	[2] 128,299,285.24	1,376,534.45
Total annual appropriations	978,722,857.78	1,354,220,797.06	375,497,940.18
Permanent and indefinite appropriations, exclusive of $4,000,000 for militia in 1917, duplicated in Army act	121,567,207.00	131,074,673.00	9,507,466.00
Total annual and permanent appropriations	1,100,290,064.78	1,485,295,470.96	385,005,406.18
Good roads		6,000,000.00	6,000,000.00
Rural credits, Farm Loan Board, including organization [5]		6,100,000.60	6,100,000.00
Miscellaneous appropriations, including the expected appropriation of $1,000,000 for floods, etc., in 1917	2,330,903.34	2,000,000.00	[4] 330,903.34
Deficiency appropriations, claims and judgments (63d Cong., 3d sess., 1915, and prior years)	12,316,343.90		
Deficiency appropriations, claims and judgments (64th Cong., 1st sess., 1916, and prior years, to Mar. 31, 1916), largely paid during 1916		$25,771,954.30	$13,455,310.00
Deficiency appropriations, Army and Navy, act July 1, 1916		27,536,068.83	2,536,068.83
Deficiency estimates, including $798,650.30 claims and judgments in general deficiency bill before House Committee on Appropriations		19,305,524.21	19,305,524.21
Appropriations for 1916 and 1917, including Panama Canal	1,114,937,012.02	1,572,008,718.30	457,071,706.28
Deduct: Postal act and postal deficiencies payable from postal revenues	314,245,638.39	325,744,908.82	11,499,270.43

[1] Agreed to in conference.
[2] Enacted into law.
[3] In conference.
[4] Decrease.
[5] $6,000,000 of interest-bearing deposits from Treasury in farm-loan banks authorized.

Statement of appropriations for 1916 and present condition of bills for 1917, showing increases for 1917 over the preceding year.—Continued.

Title of bill.	Appropriations, 1916.	Present condition of 1917 bills.	Increase, 1917 over 1916.
Deduct—Continued. Sinking-fund requirement included in permanent appropriations	$60,723,000.00	$60,727,000.00	$4,000.00
Total appropriations, exclusive of postal service payable from postal revenues and sinking-fund requirement	739,968,373.63	1,185,536,809.48	445,568,435.85

NOTE.—The above statement does not include the following:

Shipping bill, bonds authorized	$50,000,000
Nitrate plant, bonds authorized	20,000,000

TREASURY DEPARTMENT, *August 18, 1916.*

Statement of estimated disbursements, fiscal year 1917.

Legislative		$14,100,000
Executive proper		685,000
Department of State, including $3,000,000 for Nicaraguan treaty		9,000,000
Treasury Department, exclusive of public buildings		57,000,000
Public buildings, construction, sites, etc		11,000,000
Farm Loan Board, rural credits		6,100,000
War Department, salaries and expenses		2,700,000
Department of Justice		11,000,000
Post Office Department, salaries and expenses		1,700,000
Navy Department, salaries and expenses		1,175,000
Interior Department, exclusive of Indians and pensions		32,000,000
Department of Agriculture, including $3,000,000 during 1917 for good roads		34,000,000
Department of Commerce		13,500,000
Department of Labor		4,000,000
Independent bureaus and offices		7,500,000
District of Columbia		14,000,000
Miscellaneous claims, judgments, flood relief, and other relief acts		2,200,000
		221,660,000
Additional estimates, deficiencies, claims, and judgments, estimated, to be presented to the second session Sixty-fourth Congress, which would probably be paid during the last four months of 1917		25,000,000
War Department:		
Military Establishment	$332,040,000	
Rivers and harbors	50,000,000	
War, miscellaneous, civil	9,193,000	
		391,233,000
Navy Department:		
Naval Establishment, exclusive of building programs	131,000,000	
New building program	91,000,000	
Old building program	28,000,000	
		250,000,000
Indian Service		25,000,000
Pensions		155,000,000
Interest on the public debt		23,300,000
Total estimated ordinary disbursements		1,091,193,000
Panama Canal: Disbursements for the canal from general fund of the Treasury		25,000,000
Public debt:		
Excess of retirements of national-bank notes over deposits therefor	$10,000,000	
Miscellaneous redemptions of the debt	50,000	
		10,050,000
Total estimated disbursements from general fund of the Treasury		1,126,243,000

NOTE.—These figures exclude disbursements for the Postal Service payable from postal revenues, the sinking fund, and bond authorizations for the shipping bill and nitrate plants.

TREASURY DEPARTMENT, *August 23, 1916.*

Mr. PENROSE. I appreciate the courtesy of the Senator in getting this detailed information. I will examine it carefully. I am not so much interested in estimated disbursements as in actualities—what is really going to be received and disbursed. I am having some figures compiled which disclose a startling difference between the actual condition of the Treasury and its condition as represented by Mr. McAdoo and Mr. KITCHIN and the chairman of the Committee on Finance here in the Senate; and these figures will be illuminating to me, I have no doubt, in perfecting those figures to present to the Senate.

Mr. SIMMONS. If the Senator will pardon me for a minute——

Mr. PENROSE. Yes.

Mr. SIMMONS. The Senator from Utah [Mr. SMOOT] on yesterday gave two estimates of expenditure for 1917, one of $1,630,000,000. This estimate included $50,000,000 carried in the shipping bill and to be paid by sale of bonds. He also gave an estimate of $1,700,000,000, including not only the $50,000,000 for the shipping bill but $25,000,000 for the purchase of the Danish islands and $50,000,000 for the flood-control bill, neither of which amounts have yet been appropriated. If you will subtract the $50,000,000 which he includes for the shipping bill, the $20,000,000 for the nitrate plant, the $25,000,000 he includes for the Danish islands, and the $50,000,000 that he includes for flood control, you will see that his total would be $1,555,000,000, or considerably less than the amount estimated by the Treasury Department.

Mr. PENROSE. Mr. President, does the Senator from North Carolina deny that it is the intention of his party to pass the flood-control bill?

Mr. SIMMONS. It is my impression that the flood-control bill will not pass at this session of Congress.

Mr. PENROSE. Oh, no; but during the life of the present Congress?

Mr. SIMMONS. At this session of Congress, I say, it is my understanding that the flood-control bill will not pass.

Mr. PENROSE. I ask the Senator whether he denies that it is the intention of the Democratic majority to pass the flood-control bill prior to the 4th of March, 1917?

Mr. SIMMONS. They may pass it during the next Congress, but that will not go in the appropriations for the present fiscal year—the fiscal year 1917.

Mr. PENROSE. Some of it will.

Mr. SIMMONS. That will be an appropriation for the fiscal year 1918.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Utah?

Mr. PENROSE. Yes.

Mr. SMOOT. I was called out of the Chamber just a moment to see a party, and I did not hear what the Senator from North Carolina had to say with relation to the amount of appropriations that I claimed had been made and would be made at this session of Congress. I will look at the RECORD to-morrow, Mr. President; but I will say now that the amounts of the appropriations that I gave yesterday were the actual appropriations, with the exception of the deficiency bill and the miscellaneous appropriations that are yet to be definitely decided. But, as I stated yesterday, the estimates that I have made are within the limits of what the appropriations will be. There is no question at all about that.

I want to say to the Senator from North Carolina further that it is a strange position for him to take to claim that an appropriation of $50,000,000 for the purchase of ships to be paid for through the sale of Government bonds is not an appropriation. The money necessary to pay for the ships will be secured by the sale of bonds, which is exactly the same as an individual borrowing money to meet an individual obligation. The money secured from the bond sale goes into the Treasury of the United States and will be paid out of the Treasury whenever the ships are purchased. There is not a particle of difference in principle between a transaction of that kind than the payment of money that is collected from the customs receipts and paid out for anything else for which an appropriation is made by Congress.

Mr. SIMMONS. Mr. President, will the Senator pardon me?

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from North Carolina?

Mr. PENROSE. I do.

Mr. SIMMONS. The Senator made two statements with reference to appropriations. One estimate is that the appropriations would amount to $1,630,000,000.

Mr. SMOOT. And I say so yet, Mr. President.

Mr. SIMMONS. The Senator included in that $50,000,000 of bonds for the purchase of ships.

Mr. SMOOT. I included in that an appropriation for $50,000,000 for the purchase of ships.

Mr. SIMMONS. Yes. Then the Senator made another estimate of $1,700,000,000, and the Senator included in that estimate $25,000,000 for the Danish Islands and $50,000,000 for flood control.

Mr. SMOOT. No; I did not make such an estimate. I simply said, referring to the statement that was made by the Senator from Pennsylvania, that if we paid $25,000,000 for the Danish Islands, and if the flood-control bill was passed, then, with the other appropriations that were made and would be made, the amount would be over $1,700,000,000. That is exactly what I said.

Mr. SIMMONS. So it amounts to this: If we purchase the Danish Islands for $25,000,000, and if we appropriate $50,000,000 for flood control, those two sums added to the $50,000,000 for the purchase of ships and the $20,000,000 for the nitrate plant would make $145,000,000. Now, my statement is that if you subtract those sums, two being provided for already according to law by the issuance of Panama Canal bonds, the other two measures not having been passed by the Senate, and one of them not having been passed by either branch of Congress—

if you deduct that $145,000,000 from the Senator's total estimate of $1,700,000,000, it would leave $1,555,000,000. If you deduct the $50,000,000 for the purchase of ships from his estimate of $1,630,000,000, then you would have a total appropriation of $1,580,000,000. So that there is not much difference between the figures presented by the Senator and those presented by myself, except that in one case the Senator exempts the $50,000,000 for ships, and in the other case he exempts the $50,000,000 for ships, $20,000,000 for nitrate plant, $25,000,000 for the Danish Islands, and $50,000,000 for flood control. That is the only practical and substantial difference between us.

Mr. President, the question here is as to the amount appropriated for current expenses of the Government. The opposition says that the Democratic Party in Congress has been extravagant in its appropriations for the current expenses of the Government. I say that the current expenses of the Government are $1,572,000,000, according to the Treasury Department's statement. The ships that we are going to buy, the Danish Islands, if we buy them, will neither be a part of the current expenses. They will be purchases, but not a part of the current expenses.

If the question is, What are the current expenses of running my farm? I am not required to add to those current expenses the purchase of another farm, and that is the Senator's proposition here. His proposition is, if we go out and purchase Cuba, or purchase some other island of the seas, in addition to the Danish Islands, every time we purchase an island we must add the price we pay for it to the current expenses of the Government. I say that is a mere investment. It has nothing to do with the question of the current expenses of the Government, and it is not a question of extravagance. It is a question of policy. It is a question of whether it is good policy to buy those islands. It is a question of whether it is good policy to build these ships. The amount appropriated for the construction of the ships being only the actual amount that will be expended, and the amount appropriated for the purchase of the islands being only the price paid, it is not a matter of extravagance; it is a matter of policy.

Mr. SMOOT. Mr. President, there is no difference between the Government of the United States purchasing a battleship and purchasing $50,000,000 worth of auxiliary ships, as the ship-purchase bill is supposed to provide. The money for both will come out of the Treasury of the United States. The appropriation for the purchase of ships has been made in the same way as the appropriation of $313,000,000 was made for the Navy.

Mr. SIMMONS. Does the Senator contend that the purchase of the Danish Islands for $25,000,000 is a part of the current expenses?

Mr. SMOOT. The Danish Islands are worrying the Senator. I will read to the Senator what I said in relation to the Danish Islands; and the only reason that I referred to the Danish Islands was because if they were purchased the total would exceed the amount of appropriations of this Congress that I had stated to the Senate. This is what I said yesterday:

> Deducting the amount of appropriations for the fiscal year 1916 of $257,696,277.65 from the appropriations for this year shows an increased appropriation of $348,948,398.29. Added to that should be the amount that will be appropriated in the deficiency bills for preparedness. I will grant that there will be $40,000,000 or $42,000,000 additional appropriations made and to be made, which will make in round numbers for preparedness $390,000,000.
>
> Mr. President, the appropriations for this fiscal year, estimating that the deficiencies will amount to $72,500,000, or that the general deficiency bill will carry not to exceed $20,000,000—I think it will be more than that—and estimating the amount for miscellaneous purposes at $85,000,000, which includes, of course, the $50,000,000 for the ship-purchase bill, the total appropriation bills that we know will pass will carry $1,630,383,682.64.

And I defy the Senator to say that that is not true.

Mr. SIMMONS. The Senator has defied me to say that it is not true. I suggested that, leaving out the shipping bill and nitrate plant, the appropriations would be $1,572,000,000. Now, if you include it—and you do include it and the nitrate plant—there is not much difference between the Senator's figures and mine.

Mr. SMOOT. Oh, well, Mr. President, even with the $50,000,000 out it would be $1,580,000,000, with further appropriations coming.

Mr. SIMMONS. My estimate was $1,572,000,000.

Mr. SMOOT. I will now proceed, if the Senator will permit. What I just read referred to actual appropriations, but I did follow it with this statement, calling attention to the fact that even with this enormous amount of appropriations there was a likelihood of its being increased beyond that amount, and I said:

> The $25,000,000 for the Danish Islands, the $50,000,000 for the flood-control bill, if passed, and other bills to which I could call the attention of the Senate, would run the amount far over the $1,700,000,000.

Mr. President, I did not say that the bills would pass. I did not make any argument upon the assumption that they would pass. I simply said that over and above the amount I had named that I was positive the appropriation bills would amount to, there was a likelihood of these two measures passing. So, if they do not pass, they will not be added. If they do, they will be added to the amount that I named.

Mr. SIMMONS. What I have said is that if the $50,000,000 for the shipping bill, the $20,000,000 for the nitrate plant, the $25,000,000 for the Danish Islands, and the $50,000,000 for the flood-control bill—neither of the last two having become law—are taken from the Senator's estimate of $1,700,000,000, it will leave not quite the same but just about the same as the Treasury estimate—$1,572,000,000.

Mr. SMOOT. Mr. President, I am perfectly willing for the Senator to take out the flood-control bill and the Danish Islands purchase bill, because I have never added them, but I do object to taking out the $50,000,000 that we have already appropriated for the purchase of ships. The appropriation for that purpose is just the same as any other appropriation that has ever been made by Congress, whether at this session or at any other.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from New Hampshire?

Mr. PENROSE. I do.

Mr. GALLINGER. Does not the Senator from Utah think it was rather cruel for the Senator from North Carolina to compel us to debate that bill for a week, pointing out the extravagance of appropriating $50,000,000 for that purpose which we thought was useless, and now to come in and say it ought not to be included in the appropriations? It seems to me rather absurd.

Mr. SIMMONS. I say it is not part of the current expenses of the Government, and therefore not properly included in appropriations for current expenses. It is an investment, and the question with relation to that and the only question is the question whether that was a matter of good policy or not. It is not a question of extravagance.

Mr. SMOOT. The position taken by the Senator would be perfectly correct if the Government of the United States did not have to redeem its bonds; but the Government of the United States, if it issues a bond, has to redeem it at some time or other. In order to pay the bonds, the money must be taken from the Treasury of the United States; and in order to get the money into the Treasury of the United States, to pay the appropriation for the purchase of ships, the party in power has decided that they will sell Government bonds.

Mr. SIMMONS. If the ships are continued in Government possession they will be an asset equal to the amount paid; and if they are sold that they will be an asset equal to the amount they sell for. It is an investment; whether good or bad, the future must determine.

Mr. SMOOT. I want to say to the Senator that if $50,000,000 worth of ships are purchased and are sold by the Government of the United States after the close of the war the Government will not get $20,000,000 for them. I want to make that prediction right now. If the Government gets $20,000,000 for the $50,000,000 it pays for the ships it will do very well, and better than it did at the time it purchased ships during the Spanish-American War.

Mr. SIMMONS. Mr. President, when we were discussing the shipping bill we heard from that side constantly the statement that private capital was so eager to get ships that it had all the shipyards of the country busy building ships.

Mr. SMOOT. It has.

Mr. SIMMONS. And it cost private capital as much to build as it costs the Government to build. Now, if the Senator is right in the statement that these ships will not be worth 50 cents on the dollar, will he please explain why private capital is so eager to invest money in the construction of ships to be used as these Government ships will be used? If it is such a reckless venture for the Government, why is private capital investing to the extent claimed?

Mr. SMOOT. Why, it is so simple that it seems to me the Senator should hesitate to ask the question. To-day private ships are making in some cases almost the cost of the ship in one round trip across the Atlantic. The Government of the United States can not do that, for she can not get her ships built for two years, if within that time.

Mr. SIMMONS. It can get them built as well as private capital can get them built.

Mr. SMOOT. Private parties have their ships already in operation. If the Government of the United States goes into the market and tries to purchase ships to-day she will no doubt pay $160 a gross ton for them, whereas ordinarily the price is not to exceed $40 to $50 a gross ton. Not only that, I want to say to the Senator that the same thing will be repeated which was brought home to us so forcibly when the Government of the United States bought ships for the Spanish-American War and did not get 20 cents on the dollar for them.

Mr. LANE. That was under a Republican administration.

Mr. SMOOT. Yes; and I am perfectly willing to admit that they got more than they would if it had been under a Democratic administration. There is no doubt that we got more for those ships than we would have obtained if the Democrats had been in power.

But private capital that is in the shipping business to-day intends to continue in the shipping business. The shipping bill provides that at the end of five years the Government of the United States is to go out of the business.

Mr. SIMMONS. After the war.

Mr. SMOOT. After the war, but not to exceed five years; and, of course, the war is not going to last for five years, but if it is only two years, so much the worse for the Government of the United States, the greater will be the loss.

Therefore, Mr. President, it seems to me it is perfectly absurd to try to make the country believe that the appropriation of $50,000,000 for the purchase of ships is not an appropriation during this session of Congress.

Mr. PENROSE. Mr. President, a resolution which I introduced yesterday is on the table proposing to recommit the pending bill with instructions. I should like to have it read, and I desire to address myself to the resolution and the bill.

Mr. SIMMONS. Is the Senator calling up the resolution for action?

Mr. PENROSE. Either this afternoon or to-morrow. I think it would be a good resolution to vote on.

Mr. SIMMONS. We are ready to vote on it now.

Mr. PENROSE. I should like to have it read and to make a few observations on its merits.

Mr. SIMMONS. I have no objection to that. I thought the Senator was calling it up for immediate action.

The PRESIDING OFFICER. The resolution will be read.

The Secretary read Senate resolution 253, submitted yesterday by Mr. PENROSE, as follows:

Resolved, That H. R. 16763 be recommitted to the Committee on Finance with instructions to amend the bill so as to raise an equitable portion of the required revenue from a protective tariff, "sufficient to protect adequately American industry and American labor, and to be so adjusted as to prevent undue exactions by monopolies or trusts"; and

With further instructions to the Committee on Finance to give special attention to securing the industrial independence of the United States, to the end that "our industries can be so organized that they will become not only a commercial bulwark but a powerful aid to national defense"; and

That the bill be further amended so as to require the tariff commission to report the difference in wages and the cost of production between foreign countries and the United States.

Mr. PENROSE. Mr. President, the language of the resolution is largely taken from the platform of the Republican Party declared at Chicago last June and is an answer to those who state that the Republicans in this Chamber have no proposition to make looking toward ways and means to increase the revenue. If the pending measure can be recommitted to the Committee on Finance and adequate time allowed for the consideration of proper protective duties, the majority will find the cordial cooperation of the minority to bring about a result as indicated in the resolution.

Mr. President, there are many objections to the present bill entitled "An act to increase the revenue, and for other purposes," concerning which I shall speak later, but the radical objection to the measure is that it presents a cumbersome and illogical system of direct taxes without first having resort to an effort to obtain necessary revenues for the Government by duties upon imports. The Constitution of the United States conferred upon Congress the exclusive right to levy duties upon imports and withheld from it all power to raise revenue by direct taxation, save according to a rule which the conditions of modern times have rendered impracticable. Congress was given the power to lay and collect taxes, duties, imposts, and excises to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises were required to be uniform throughout the United States.

It was further provided that no tax or duty should be laid on articles exported from any State; and, further, that no preference should be given by any regulation of commerce or revenue to the ports of one State over those of another; nor should vessels bound to or from one State be obliged to enter, clear, or pay duties in another.

Above all, the Constitution originally provided that Representatives and direct taxes should be apportioned among the several States which may be included within this Union according to their respective numbers.

The right to levy a direct tax has in the history of the Government been exercised only upon a few occasions until quite recently, and all direct taxes were surrendered to the use of the States, which it is assumed require objects of taxation for their growing needs and are able to collect them upon a practical basis.

Within recent years, as is well known, the sixteenth amendment was adopted, providing that—

Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States and without regard to any census or enumeration.

This amendment doubtless was necessary to provide for the increasing needs of the Government, and, at any rate, as the amendment has been adopted, there is no occasion for discussing the question now. The fact, however, seems to stand out conspicuously that it was the evident intention of the framers of our Government, and that intention is clearly set forth in the several paragraphs of the Constitution to which I have referred that the revenues of the Government necessary to pay the debts and provide for the common defense and general welfare of the United States should be collected by duties, excises, and imposts.

Moreover, the larger part of the revenues of the Government has actually been collected from such duties and imposts throughout its history, together with an excise tax upon certain articles of luxury and consumption; and, further, the great and speedily growing States of the Union have been left largely undisturbed in the power of levying direct taxes for their rapidly expanding needs.

The States of the Union and the large municipalities therein all require large revenues for purposes not thought of a few years ago. Our municipalities are nearly all heavily in debt, and are in most cases restricted to a limited field of taxation. The municipal needs, however, are ever enlarging in a constantly increasing ratio without any prospect of relief from debt or the securing of revenue to meet the demands necessary for projects in the interest of the health and well-being of the citizens. The States themselves and the cities therein are called upon to maintain elaborate boards of health, systems of sewage disposal, continually increasing requirements of educational and eleemosynary institutions, and, over and above all, to cite one instance of development to an extraordinary degree of magnitude in the last few years, the imperative demand for good roads has caused an expenditure running into a staggering amount of money in the aggregate from one end of the country to the other.

Now the States are expressly excluded by the Constitution from levying duties or imposts, and are obliged to resort to the various well-known forms of State taxation of a direct character. The Federal Government, under the doctrines recently advanced that no taxes should be imposed upon articles of consumption and, apparently, that as little revenue as possible should be collected from imports, encroaches upon the field of direct taxation belonging to the States and abandons a source of revenue from the customhouse, to which the Government has the exclusive right. This seems to me illogical in principle and unfair in practice. The ultimate effect necessarily following is that the State revenues will greatly be limited, if not impoverished, and the outlook for many of our municipalities from a financial point of view is not very hopeful.

The wrongful and injurious tendency of appealing to the Federal Government for appropriations for projects which should be of State concern will become stronger every year. We have had an illustration of this tendency at this session, in the bill recently approved making an appropriation of $85,000,000 to aid the States in road construction. From a practical point of view I am not prepared to say that this bill was undesirable. I do assert, however, that it is a radical departure from our traditions, and is only excusable on the ground that the Federal Government is gradually absorbing all the available objects of direct taxes. But, regardless of the merits of the road legislation, the fact remains that it is doubtless only the beginning of other propositions looking to Federal aid for objects and purposes which should be of State concern and which until a few years ago no one would ever have dreamed of bringing to the attention of the Congress.

A consideration of these facts, briefly stated, seems to me to lead inevitably to the conclusion that Congress ought first to provide for the revenues of the Government by imposts and

duties and the usual excise taxes, and that direct taxes should be levied secondly and to the amount required for the actual needs of the Government.

Reflection upon the argument here set forth will cause the admission that the strongest opponent of the income tax never made objection to it in theory or in event the Government really needed the revenue from an income tax in case of war.

The revenue bill under discussion contains a striking instance of the ill-advised and unfair encroachment of the Federal Government in levying direct taxes upon an object which has been for many years the established practice of many of the States of the Union to rely on for a considerable part of their revenues. Thirty States have laws imposing inheritance or share taxes both upon direct and collateral heirs; 12 other States have laws imposing inheritance taxes upon collateral heirs. Now the Federal Government steps in and attempts to collect its share of tribute by a Federal tax upon inheritances.

The total inheritance-tax receipts of the 42 States having inheritance taxes amounted in 1913 to $26,470,964 and in 1915 to $28,217,735.

It is difficult for me to conceive of any reasonable argument which justifies the Government of the United States in interfering with the States in this particular source of revenue. The inheritance tax is peculiar in character; and while it may be theoretically fair it certainly has never been popular. Burdens are thereby added, when if such additional burdens were necessary the States should have been left with the right of making their own increases.

It is argued that the inheritance-tax laws of the various States never have been a source of large revenue. This argument seems to be based on the fact that the amount collected is small compared to the receipts from "death duties" or inheritance taxes collected by Great Britain, which amounted in 1914 to $132,000,000. If this is the only argument, I sincerely trust that it will never be met by an increase of taxation comparable to that now collected by Great Britain in the crisis of the greatest war in her history. It is estimated that when the law is in complete and normal operation it will yield $54,000,000 annually and that for the year ending June 30, 1917, the revenue from this source is estimated at $17,000,000.

I make the statement that the intention of the Constitution and the very nature of the federation of States is that the Government should primarily resort to the customs for revenues.

I shall not make a general argument at this time as to whether such revenues should be levied with a view to the protection of American industry, as in the McKinley, Dingley, and Payne laws, or whether these revenues should be collected by duties based upon a low ad valorem rate systematically and uniformly applied solely for purposes of revenue. It is needless for me to say that I belong to the school of protection, and even in this day of novel propositions in finance and taxation I do not waver in my support of the doctrine or belief that it is now more necessary than ever to the welfare of the country. I intend, however, to confine myself, as far as possible, to a discussion of the objections to the pending measure, and shall not run the risk of making myself tedious or diverting attention from the issues before the Senate by making a tariff argument, as much as I would like to. I am content to abide in the school of political economy of which Alexander Hamilton was the original and greatest exponent, which Henry Clay defended with masterly eloquence, and which has been sustained by Republican statesmen down to the present day.

There have been many arguments urged in behalf of the protective system to encourage diversified industries or to protect the home market or to protect the wage standard of the American laborer, but there is one argument that I feel at liberty to refer to and discuss at the present time as being one of immediate concern and involving our very near future. I refer to the necessity of industrial preparedness for the United States in the expectation of the ending of the war in Europe. This question of industrial preparedness has received definite recognition in the pending bill in the provision relative to dyestuffs. This concession, made by those who abhor imposts and duties and tend to the thought that nearly all the expenses of the Government so far as possible should be raised by taxes on incomes and other direct taxes, seems to me to constitute a surrender which gives up their whole case.

If dyestuffs require a protective duty and if they are essential to our industrial independence, because the manufacture of cotton, woolen, and other fabrics, and many other products of the arts and sciences would cease in this country unless we have dyestuffs, I conclude that the same argument can be applied all along the line, and that we have a right to demand a similar protective duty upon every article which we do not manufacture in sufficient quantities ourselves so that we will be industrially independent when the European war closes, and will continue to be independent industrially should any war happen in the future. There are many other things which we need to the same extent, and dyestuffs for silk, cotton, wool, paint, and wall paper do not cover all American requirements.

According to the report of the House committee, when the European war began there were in the United States six factories, employing about 400 operatives, manufacturing coal-tar colors to the extent of 3,300 short tons annually. Imports from Europe amounted to 25,700 short tons annually, thus making an annual consumption of about 29,000 short tons, valued at between $10,000,000 and $12,000,000. Of this quantity about 22,000 short tons came from Germany. After an existence of about 37 years the American coal-tar dyestuff supply prior to the European war was confined practically to the assembling of semimanufactured products termed intermediates and the making of a very limited number of colors. At the present time our production of coal-tar dyes is very inadequate. In this respect, as in many others, the chemical schedule had failed to receive adequate attention even in protection bills, with the result that we subsequently discovered that we were almost entirely dependent upon Germany for the essential articles of dyestuffs. A tax is therefore proposed in the pending bill which is declared to be of a protective nature, calculated to invite American investment. However, the provisions relating to the tax and the rates fixed are so inadequate and deceptive that no investment is likely to be made should this provision become a law.

I shall discuss the dyestuff paragraph when I speak upon the details of the bill. It is sufficient now to say that, regardless of the ineffective character of the paragraph as a protectionist measure, the fact that it is in the bill constitutes a complete admission that we must be industrially independent, at least with respect to dyestuffs; and since I do not think that the American civilization depends entirely and exclusively on dyestuffs, I follow the argument further and say that we should have protective duties that will maintain diversified industries and protect the home market and insure ample wages and a high scale of living to American workmen, and over and above all else shall make us industrially independent in everything hereafter of all the nations in Europe.

The fact of the matter is that it was the purpose to become independent for military and naval munitions which first inspired the idea of protection and prompted the House of Representatives, in 1790, to address a communication to Alexander Hamilton, the Secretary of the Treasury, relating to manufactures in general, and particularly to the means of promoting such as would tend to render the United States independent of foreign nations for military and other essential supplies.

Hamilton never displayed his fertile genius to a greater advantage than in his reply to Congress in response to this communication, in which he presented an argument in favor of protection of the most comprehensive character, and hardly surpassed even by the light which has been thrown upon the subject by the great development of modern industry since his day.

In fact, Mr. President, without going into, as I have said, a tariff discussion, I may be permitted to urge the necessity of industrial preparedness as a paramount reason, outside of the argument which I made in the beginning of my remarks, as to why Congress should at this time have made an effort to secure as much revenue as possible by duties upon imports, together with an adequate antidumping clause, so that we may be prepared for the invasion of importations which everyone confidently looks for as the war in Europe draws to a close.

In this particular the bill apparently gives absolutely no consideration to this issue, which, in my opinion, is to-day uppermost in the minds of the American people.

I will refer, in leaving this general consideration of the subject, to a few extracts from the remarkable speeches of Henry Clay in the House of Representatives and in the Senate. In his speech in the House of Representatives he says:

> Every nation should anxiously endeavor to establish its absolute independence, and, consequently, be able to feed, clothe, and defend itself. If it rely upon a foreign supply, that may be cut off by the caprice of the nation yielding it, by war with it, or even by war with other nations, it can not be independent.

I further quote from another speech in the House—and Clay's words are remarkably appropriate to the present situation—as follows:

> Need I recall to our painful recollection the sufferings for the want of an adequate supply of absolute necessaries to which the defenders of their country's rights and our entire population were subjected during the late war? Or to remind the committee of the great advantage of a steady and unfailing source of supply, unaffected alike in war and in peace?

He was referring in these speeches to the necessity of a protective tariff.

And, again, he describes conditions of prosperity due to the war in Europe, which seem to be almost identical with the conditions of temporary and apparent prosperity which prevail now as the result of the war in Europe, when he says:

Let us suppose, Mr. Chairman, that Europe was again the theater of such a general war as recently raged throughout all her dominions—such a state of the war as existed in her greatest exertions and in our greatest prosperity—instantly there would arise a greedy demand for the surplus produce of our industry, for our commerce, for our navigation. The languor which now prevails in our cities and in our seaports would give way to an animated activity. Our roads and rivers would be crowded with the produce of the interior. Everywhere we should witness excited industry. The precious metals would reflow from abroad upon us. Banks which have maintained their credit would revive their business and new banks would be established to take the place of those which have sunk beneath the general pressure.

And, finally, in his speech in the Senate he makes this remarkable statement:

We have enjoyed near 20 years of peace, but who can tell when the storm of war shall again break forth? Have we forgotten so soon the privations to which not merely our brave soldiers and our gallant tars were subjected, but the whole community, during the last war for the want of absolute necessaries? To what an enormous price they rose. And how inadequate the supply was, at any price. The statesman who justly elevates his views will look behind as well as forward and at the existing state of things, and he will graduate the policy which he recommends to all the probable exigencies which may arise in the Republic.

The fact of the situation is, Mr. President, that history at the present time is repeating itself. It has been frequently asserted, and it is true, that the present apparent and unhealthy prosperity in this country, so far as there is prosperity, is due entirely to the war in Europe.

The tariff bill of the present administration failed to produce revenue and was suddenly bringing about a condition of industrial depression and the menace of industrial disaster before the present European war occurred. The threat to hang employers "as high as Haman" and the declaration that hard times were the result of a psychological condition did not in any way relieve the situation. In the opinion of nearly everybody conversant with financial and industrial conditions, we were rapidly approaching a condition of industrial paralysis even greater than that which it is well known existed under Cleveland's second administration as the result of the operation of the Wilson-Gorman law. Many persons, entitled to speak with authority, declared that we were approaching conditions which were likely to be worse than any in the history of the country. It is not a theory with me, because I actually witnessed the scenes in a very thorough tour which I took through every county of Pennsylvania during 1914. The war in Europe was the salvation of the situation, as far as the Democratic Party was concerned. Of course, the relief can only be temporary. Many persons predict a still worse outcome as the war in Europe draws to a close, unless we are industrially prepared by an adequate protective tariff, including an antidumping clause that is effective. When the military and naval warfare is over the industrial warfare will begin in grim earnest. Such has been the state of affairs upon several occasions in the history of our country.

Mr. SHAFROTH. Mr. President, will the Senator yield to me?

Mr. PENROSE. Certainly.

Mr. SHAFROTH. I desire to read a little paragraph of an editorial in this morning's Washington Post.

Mr. PENROSE. I yield to the Senator for that purpose.

Mr. SHAFROTH. I will read the last part of it. Speaking of the United States Steel Corporation, it says:

As against the net earnings for 1909, amounting to more than $131,000,000, the net earnings of 1916 are estimated at $312,000,000. There could be no better evidence of the firm foundation on which the prosperity of the country rests. The United States Steel Corporation is not engaged in manufacturing munitions of war. Its business responds to the demand for railroad extensions, the construction of steel bridges, and the need for new buildings. The enormous prosperity of the company is an indication that the country is forging ahead steadily, with abundant prosperity in sight.

Mr. PENROSE. Well, Mr. President, I do not want to brand that argument with an epithet which occurs to me as an expression of my real opinion, because it might perhaps hurt the Senator's feelings and I might afterwards regret it, but there is nothing in it. Of course, the United States Steel Corporation and every other steel concern in the United States is making money now. I have made a labored effort for the last 10 minutes to recite that fact. That does not contradict the fact, however, that within a few months of the opening of the war in Europe the United States Steel Corporation was about to suspend all dividend payments of every kind. The Baldwin Locomotive Works, in Philadelphia, is to-day employing 30,000 or 40,000 men and extending its works 15 miles below the city, yet before the war in Europe, under the operation of the Underwood tariff law, so called, instead of 30,000 men there were not 3,000 men being employed by that company. I think that there ought to be some appreciation on the other side of the fact that the war in Europe is being worked overtime, and I say, without any exaggeration, that if it had not been for the war in Europe the Democratic Party would not be running a candidate for President this year.

Mr. SHAFROTH. Mr. President, the Senator concedes that the United States Steel Corporation does not manufacture munitions of war, does he not?

Mr. PENROSE. No; they do not make any munitions.

Mr. SHAFROTH. And does not the Senator concede that nearly all of the products that are put forth by that corporation are used in the general upbuilding of enterprises and industries in connection with railroad extension and the erection of buildings throughout the United States?

Mr. PENROSE. I have no doubt that part of their product goes into the manufacture of munitions, but they have no contracts, as I understand, with belligerent nations. However, every company that makes munitions must buy from the United States Steel Corporation or some similar concern some of the component parts of the articles it manufactures.

Mr. SHAFROTH. Has not the Senator noticed that the railroads throughout the entire United States are ordering enormous quantities of steel rails and have been ordering them for the past eight months or a year, and does not the Senator think that these great orders for steel rails indicate that there is a demand from the railroads to utilize them; and that that means unquestionably that they are supported by the communities through which they run?

Mr. PENROSE. The railroads have been placing a few orders for equipment, but not to any extraordinary extent.

Mr. SHAFROTH. I noticed in the paper that the steel corporation was 9,000,000 tons behind in its orders.

Mr. PENROSE. That may be.

Mr. SHAFROTH. That is an enormous quantity.

Mr. PENROSE. Well, I hope the Senator will get all the consolation he can out of the meretricious prosperity which comes from the war in Europe. It will be a transient dream, and the awakening will be rude.

Mr. President, I shall make another passing reference to Clay, and mention the fact that in his speech on protection of home industry, delivered in the House of Representatives in 1820, he bewailed the fact that we had no consistent protective policy and that we only had prosperity when there was a war in the continent of Europe. He said:

First there came the embargo; and then nonintercourse and other restrictive measures followed; and then finally that greatest of all stimuli to domestic fabrication, war. During all that long period we were adding to the positive effect of the measures of Government all the moral encouragement which results from popular resolves, legislative resolves, and other manifestations of the public will and the public wish to foster our home manufactures, and to render our confederacy independent of foreign powers. The peace ensued, and the country was flooded with the fabrics of other countries; and we, forgetting all our promises, cooly and philosophically talk of leaving things to themselves; making up our deficiency of practical good sense by the stores of learning which we collect from theoretical writers. I, too, sometimes amuse myself with the visions of these writers (as I do with those of metaphysicians and novelists), and, if I do not forget, one of the best among them enjoins it upon a country to protect its industry against the injurious influence of the prohibitions and restrictions of foreign countries which operate upon it.

And finally he said—and this is my doctrine, Mr. President, and that of everyone who is a patriotic lover of his country, in my opinion, at the present day—

The entire independence of my country on all foreign States, as it respects a supply of our essential wants, has ever been with me a favorite object. The war of our revolution effected our political emancipation. The last war contributed greatly toward accomplishing our commercial freedom. But our complete independence will only be consummated after the policy of this bill shall be recognized and adopted.

Thus the wars which convulsed Europe, with the accompanying embargoes, blockades, and restrictions of trade and importations, temporarily promoted the prosperity of this country and started our American merchant marine upon a development which in time brought it to rank next to that of England, and even to surpass it. Our supremacy on the seas was only destroyed during our Civil War. But, as the speeches of Clay continually declare, this prosperity was of an evanescent character, and with peace in Europe American industry and prosperity languished, unless aided by a protective tariff.

I shall detain the Senate with only one more illustration from history, but I think it is worth recalling.

The famous Walker tariff was passed in 1846. It was based upon the theory that no more money should be collected than was necessary for the wants of the Government, economically administered; that no duty should be imposed upon any article above the low rate which will yield the largest amount of

revenue; that below such rate discrimination may be made descending in the scale of duties, or for imperative reasons the article may be placed in the list of those free from all duty; that the maximum revenue duties should be imposed upon luxuries; that all minimums and all specific duties should be abolished and ad valorem duties substituted in their place; that the duty should be so imposed as to operate as equally as possible throughout the Union, discriminating neither for nor against any class or section.

In his report Mr. Walker suggested that while it is impossible to adopt any horizontal scale of duties, or even any arbitrary maximum, experience proves that, as a general rule, a duty of 20 per cent ad valorem will yield the largest revenue.

The Walker tariff at least was different from a good many so-called free-trade tariff laws subsequently put upon the statute books by being reasonably consistent in theory and ostensibly nonsectional in character. It has been frequently claimed, with an appearance of justification, that the usual hard times which appear to follow upon the heels of free-trade legislation did not so occur after the Walker bill was passed, but, on the contrary, that there was prosperity under it. As this is a famous measure in the history of tariff legislation, and as this claim of its success is quite frequently made, just as similar claims are put forth regarding the happy effects of the present Democratic tariff law, I will call attention to Mr. James G. Blaine's reply to Gladstone in the North American Review of January, 1890, entitled "Free trade or protection," as the reasons given by Mr. Blaine for the temporary success of the Walker free-trade or low-tariff law, reciting the causes which disguised the real effect of the law for some time, but did not prevent its ultimate disastrous consequences, are a good deal like the conditions of the war in Europe, which are disguising the operations of the Underwood law, which assumed a menacing front just prior to the breaking out of that war. I will read them:

> The American people had by repeated experience learned that the periods of depression in home manufactures were those in which England most prospered in her commercial relations with the United States, and that these periods of depression had with a single exception, easily explained, followed the enactment by Congress of a free-trade tariff (the phrase "free-trade tariff" involves a contradiction of terms; it is used to designate that form of duty which is levied with no intention to protect domestic manufactures) as certainly as effect follows cause. One of the most suggestive experiments of that kind has its origin in the tariff to which I have just referred, passed in 1846 in apparent harmony with England's newly declared financial policy. At that moment a southern President (Mr. Polk) and a southern Secretary of the Treasury (Mr. Robert J. Walker) were far more interested in expanding the area of slave territory than in advancing home manufactures, and were especially eager to make commercial exchanges with Europe on the somewhat difficult basis of cotton at high prices and returning fabrics at low prices.
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> Under ordinary circumstances the free-trade tariff of 1846 would have promptly fallen under popular reprobation and been doomed to speedy repeal. But it had a singular history, and for a time was generally acquiesced in, even attaining in many sections a certain degree of popularity. Never did any other tariff meet with so many and so great aids of an adventitious character to sustain it as did this enactment of 1846. Our war with Mexico began just as the duties were lowered, and the consequence was the disbursement of more than $100,000,000 in a way that reached all localities and favorably affected all interests. This was a great sum of money for that period, and for the years 1846, 1847, and 1848 it considerably more than doubled the ordinary outlay of the Government. In the middle of this period the Irish famine occurred and called for an immense export of breadstuffs at high prices. The discovery of gold in California the succeeding year flushed the channels of business as never before by rapidly enlarging the circulation of coin in all parts of the country. Before this outpouring of gold had ceased the three great nations of Europe, as precedence was reckoned at that time—England, France, and Russia—entered upon the Crimean War. The export of manufactures from England and France was checked, the breadstuffs of Russia were blockaded and could not reach the markets of the world. An extraordinary stimulus was thus given to all forms of trade in the United States. For 10 years, 1846 to 1856, these adventitious aids came in regular succession and exerted their powerful influence upon the prosperity of the country.
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> The withdrawal or termination of these influences by a treaty of peace in Europe and by the surcease of gold from California placed the tariff of 1846 where a real test of its merits or demerits could be made. It was everywhere asked with apprehension and anxiety, Will this free-trade tariff now develop and sustain the business of this country as firmly and securely as it has been developed and sustained by protection? The answer was made in the ensuing year by a widespread financial panic, which involved the ruin of thousands, including proportionately as many in the South as in the North, leaving the country disordered and distressed in all the avenues of trade. The disastrous results of this tariff upon the permanent industries of the country are described in President Buchanan's well-remembered message, communicated to Congress after the panic: "With unsurpassed plenty in all the elements of national wealth, our manufacturers have suspended, our public works are retarded, our private enterprises of different kinds are abandoned, and thousands of useful laborers are thrown out of employment and reduced to want." This testimony as to the result of a free-trade tariff is all the more forcible from the fact that Mr. Buchanan, as a member of President Polk's Cabinet, had consented to the abandonment of protection, which in his earlier career he had earnestly supported.

As I have said, Mr. President, history repeats itself; and as soon as these foreign complications have passed away, which have disguised the effects of the so-called Underwood law, the same disastrous results will follow that were experienced under the Walker free-trade proposition, when the foreign complications which environed it had disappeared.

I claim, therefore, that it is the duty of the Government to first apply itself to the customhouse for sources of revenue. I put aside for the moment any argument as to whether the duties should be founded upon a strictly revenue basis and an ad valorem duty, or whether they should be fixed upon a protective duty with specific rates and stand on the proposition that what revenue we can reasonably get from this source should be first tried out by the Government. The States are deprived of this source of revenue. The Federal Government has the exclusive right thereto, and, having the exclusive right to a field of great resourcefulness, it does not seem fair to abandon it and thereby unduly encroach upon the sphere of the municipalities and the States. Experience has proven that such imposts and duties are paid by the foreigner and not by the American consumer, and the best illustration of this fact—which I do not intend to get into an argument about—is that the price of living has not gone down under present free-trade legislation, but, on the contrary, has constantly gone up, and was going up even before the war in Europe. However, I am compelled to go further and state that the invariable experience of American history during the Napoleonic wars and subsequent wars in Europe down to our time furnish proof conclusive that our periods of prosperity have only been assured while such conflicts were raging abroad, and that invariably hard times have resulted in America when peace was declared on the other side of the Atlantic. Therefore, at this time beyond all others, whether we are free traders or protectionists, we ought to have, not only for revenue but for industrial preparedness, an adequate protective tariff to prepare us against conditions following the closing days of the war. Full concession is made of this necessity when an alleged protective duty is put upon dyestuffs in the present measure. If on dyestuffs, why not upon everything else which enters into the uses and necessities and comforts of the American people?

The pending measure seems to be drawn without any definite purpose, and is certainly not the result of any preliminary, consistent, logical process or investigation. Thus, when it was clearly demonstrated that the present administration tariff law was not going to produce sufficient revenues for the Government, the emergency-tax law was passed, with stamp taxes most objectionable and unpopular. Of course, the necessity for the passage of this emergency law, so called, was blamed upon the war in Europe, and yet it can easily be demonstrated by statistics, which I expect later on to submit to the Senate, that before the war in Europe it had become very evident that the bill was a failure as a source of revenue, and that some additional system of taxation would have to be adopted. Now, the stamp taxes have been wiped out in the House and largely retained in the Senate, and in the meanwhile we have words of wisdom from the President of the United States regarding taxation. In an address of his delivered at a joint session of the two Houses of Congress December 7, 1915, he declares as follows:

> And there are many additional sources of revenue which can justly be resorted to without hampering the industries of the country or putting any too great charge upon individual expenditure. A tax of 1 cent per gallon on gasoline and naphtha would yield, at the present estimated production, $10,000,000; a tax of 50 cents per horsepower on automobiles and internal-explosion engines, $15,000,000; a stamp tax on bank checks, probably $18,000,000; a tax of 25 cents per ton on pig iron, $10,000,000; a tax of 25 cents per ton on fabricated iron and steel, probably $10,000,000. In a country of great industries like this it ought to be easy to distribute the burdens of taxation without making them anywhere bear too heavily or too exclusively upon any one set of persons or undertakings. What is clear is that the industry of this generation should pay the bills of this generation.

The Senator from North Carolina [Mr. SIMMONS] is not in the Chamber, and he has probably overlooked this statesmanlike utterance about "this generation paying its own bills" when he talks about issuing canal bonds for everything for which the Treasury is unable to pay.

Notwithstanding this statement, delivered with an appearance of profound economic wisdom, every one of these suggestions of the President turned out to be impracticable and impossible. The mere suggestion of any of them caused such an outcry throughout the whole country that each of his suggestions was dropped almost as quickly as made, and even the statesmanlike declaration that "the industry of this generation should pay the bills of this generation" is not as clear to the mind of the President or the Democratic leaders as it was then declared to be, because it is openly announced by the chairman of the House Committee on Ways and Means that it is intended to use the Panama Canal bonds for expenses incident to the mobilization of the National Guard, and for other purposes, in time of profound peace and when no one yet knows why the guard was ever summoned to the Mexican border or what they are remaining there for.

The bill as amended in the Senate provides for such bond issue, and it is further disclosed in the report of the chairman of the Finance Committee of the Senate that it is evidently the intention of the Democratic Party to issue bonds for the purchase of ships under the shipping bill and for any other matters the expenses of which there may not be enough money in the Treasury to defray.

It is declared in the report of the Committee on Ways and Means that the necessity for this legislation grows out of the extraordinary increase in the appropriations for the Army and Navy and the fortification of our country. The statement is misleading. The fact is, the tariff and revenue laws passed under the present administration have proved inadequate to raise sufficient revenue. Moreover, reckless obligations have been created, unnecessary projects and schemes of doubtful utility have been authorized, and a general course of lavish expenditure and extravagance has been indulged in, which has not only rendered the raising of additional revenue necessary, but which will prove in the final outcome to continue a very large deficit in the Treasury, on account of the excess of expenditures, made and authorized, over revenues.

Perhaps the chief merit of the bill in the eyes of its framers is that it constitutes a great advance toward the consummation of that long-desired historic purpose and policy of the party now in the majority in Congress to substitute direct taxation for the protective tariff. In this way they can doubtless contemplate with complacency the fact that this bill doubles the rates of the income tax, while the Treasury is losing over $100,000,000 from customs revenues by reason of the free list and the low rates of the present tariff law.

If rigid economy had been practiced by which millions of dollars authorized and appropriated for useless or doubtful purposes would have been saved, if expensive new undertakings had been at least temporarily postponed, if a policy of firmness in dealing with Mexico had been pursued which would have rendered unnecessary the expenditure of $125,000,000 estimated as required to send troops into Mexico and on its border, there would not have been the menace of bankruptcy now facing the Government, nor would there exist the necessity of a bond issue for the expenses of the Army in Mexico in time of peace.

The Sixty-third Congress appropriated $100,000,000 more than any of its predecessors, illustrating how the promises of economy by the Democrats, like their many other pledges made in the campaign, were forgotten or violated; but the record of the present Congress in lavish expenditures during peace surpasses that of the preceding one or indeed of any other Congress in the history of the country. Touching this, attention might be called to the $20,000,000 for a nitrate plant; the river and harbor bill exceeded the appropriation of the last Congress by $22,000,000, despite the efforts of the Republicans to save the entire amount of $42,000,000 appropriated this year; the bill to help the States build public roads commits the Government to the expenditure of $85,000,000, $6,000,000 of which was appropriated this year; the flood-control bill calls for $50,000,000 more for a project of questionable utility, the purpose of which seems to be control of floods at the outlets of streams and not their sources, and incidental to its purpose is the reclamation of overflowed lands. This money was not appropriated outright, but the bill permits the Government to contract obligations which must be met.

Then we have the so-called rural-credits bill with its $15,000,000 of appropriations and providing a large number of political appointments which are specifically taken out of the civil-service regulations.

When the bill was before the Senate, the Senator from Utah [Mr. SMOOT] tried ineffectually to reduce the number of commissioners created by the bill from five to three, and the salaries from $10,000 to $5,000 each, and every vote cast against the amendment except one was cast by the Democratic majority in this body.

Large salaries and ample appropriations are characteristic of the legislation providing for innumerable commissions with an army of employees for every conceivable purpose.

Again, the shipping bill calls for $50,000,000 to buy ships to meet an alleged emergency. An appropriation for an armor plant amounts to $11,000,000, from which the Government will realize little if any benefit, whilst three large concerns which any other government in the world would be only too glad to have working at as full time as possible, in order to be able to fall back upon them in case of need, are likely to be closed up and ultimately abandoned if the Government plant should ever be constructed.

It is easy to put direct taxes upon a few persons confined largely to one section of the country, and then to spend the money with a lavish and irresponsible hand. That the danger line is at last being recognized as nearly reached is shown by the suggestion that the bill for public buildings, amounting to $30,000,000, is not to be passed at this session.

In addition to the schemes above mentioned are other propositions carried in the various appropriation bills for which an aggregate of $45,000,000 is appropriated over and above the amount carried in last year's bills. With care and scrutiny probably the greater part of this large sum could have been saved.

In other words, these various items actually appropriated amount to $170,000,000 that might have been saved or postponed, to which should be added contract obligations for flood control, river and harbor projects, and perhaps later on public buildings, making another $100,000,000; and these expenditures are all exclusive of preparedness.

Perhaps the most striking instance of extravagance calculated to startle the country is found in the astounding number of additional places created under the present administration. One of the promises of the Democratic Party in 1912 was to return

to that simplicity and economy which befits the democratic government and a reduction in the number of useless offices the salaries of which drain the substance of the people.

Not only has this promise not been kept, but new offices have been created in a most reckless way, and with salaries unheard of heretofore. The Republican platform of 1916, probably following the statement of Congressman GOOD, of Iowa, a member of the House Committee on Appropriations, states the number to be 30,000. The additional amount of appropriations involved to pay these employees was stated by Mr. GOOD to be $45,000,000. Other figures and estimates have been made by those who have investigated the subject, but the fact remains that the number of new offices created is greatly in excess of the number ever created in any preceding Congress in the history of the Government. Moreover, the civil-service pledges have been completely disregarded. Thousands of old and new employees have been taken out of the civil service; and the Internal-Revenue Service to-day, by reason of these exceptions, has been converted into a political machine, without any regard for the efficiency of the service in the interest of the taxpayers. The most flagrant instance occurred in the rural-credits bill, where, notwithstanding a full discussion in the Senate, the large force of employees under this scheme were deliberately relieved of the civil-service requirements, with a cunningly devised provision that later on the President might apply the civil service, presumably after the places had all been filled with Democrats.

Running all through the arguments of the advocates of the pending bill is to be heard the note of regret that we do not collect as large an amount of direct taxes as does Great Britain and the nations of Europe. Admiration is expressed for the fact that 58 per cent of the total revenues of Great Britain come from taxes on incomes and inheritances in time of peace. With less than one-half of the population and wealth of the United States, the revenues from incomes and inheritances, including "death duties," in Great Britain were more than four times the revenues derived from these sources by the United States. Similar facts might be cited, it is argued further, as to some of the other leading nations.

The purpose to adopt a fiscal policy modeled after Great Britain and other European nations is openly avowed, securing needed revenues from direct taxes. At last the ideal and the purpose of modern Democracy is being achieved. Taxes are to be placed upon individuals largely residing in a few Northern States and the revenues expended with a lavish hand and no sense of responsibility.

Mr. NELSON. Will the Senator yield to me?

Mr. PENROSE. I yield.

Mr. NELSON. For the first time they have adopted a double scheme of taxation; first, to assess property, and, in the next place, to assess the income. That is the case in reference to insurance companies. They are first taxed on their capital and surplus so much and then they have to pay an income tax. Then, in addition to that, there is a third tax that they have to pay.

Mr. PENROSE. The Senator is entirely right.

Mr. NELSON. It is a system of taxation, I want to say, that we have never had before. The income tax is one thing, the customs tax is another, and what we call the ordinary excise tax is another; but you have now for the first time in this bill an entirely new system taken from the European countries, as the Senator suggests.

Mr. PENROSE. It is a question of hit the head wherever you see it; at any place where a dollar is seen, a tribute must be levied. The Senator is an able lawyer, and he doubtless has grave suspicions as to whether this double taxation is likely to pass muster in our Supreme Court should the matter be taken into litigation.

Mr. SMOOT. I suggest the Senator call attention to the one industry that has not been stamp taxed, and also the reason why. The present law imposes a tax on each package of gum, but when the number of gum-chewing voters was discovered by the Democratic caucus, there being 700,000 of them in the United States who were voters, the caucus immediately decided gum should not be taxed and would be a splendid thing to eliminate from the pending bill. I must compliment the country that there is one business that has escaped stamp taxation. Because of the many users of gum, the caucus promptly decided it would be the best policy to get taxes from some other source where there were not so many voters involved.

Mr. PENROSE. The Senator's illustration is very striking.

Mr. NELSON. If it will not embarrass the Senator——

Mr. PENROSE. No; I am very glad to be interrupted.

Mr. NELSON. In connection with what I just stated a moment ago I should like to read a brief letter bearing on this question. I read an extract from it this morning. It is from the Fire & Marine Insurance Co., of St. Paul, Minn., dated August 19:

Hon. KNUTE NELSON,
Washington, D. C.

DEAR SIR: Yesterday I wired you as follows:

"Proposed revenue bill retains tax on policies in addition to increased income and capital stock tax My understanding no other corporation taxes on documents issued by it. We can not collect policy tax from insured. Regard unjust to increase income and capital stock tax and retain policy tax. Can you not strike out latter?"

This is the telegram that was sent. Then the letter proceeds:

From information received it seems that the new revenue bill increases the income tax from 1 per cent to 2 per cent, and also imposes a tax of 50 cents upon each thousand dollars of capital and surplus. It also continues in force the policy or premium tax, which, I believe, is one-half of 1 per cent on each dollar of premium written—

That is, the stamp tax—

We are willing to pay our fair share of taxes, but we believe that we are paying far more than the average individual pays, either to the State or the Nation. We believe that the premium tax—

That is, the stamp tax—

should be repealed. Originally it was supposed that the consumer would pay the tax, but we have found it impracticable and impossible to collect it from the consumer or the insured. As a rule, the tax is so small and the complaint is so vigorous and well sustained against any increase in the premium rate that we have to pay the tax and swallow the loss. It amounts to a very large sum in the course of a year. On the 1st of January, 1916, our assets were $11,228,418.82. They were about a million less than that on the 1st of January, 1915. During the year 1915 we paid in taxes to the Federal Government, State government, and municipal corporations over $214,000 for taxes; that is, $14,000 more than we paid in dividends to our stockholders. It was over 2 per cent on the actual value of our assets. I believe that no other corporation or individual pays a tax of 2 per cent on the actual value of all his property except insurance companies. In the minds of a good many people there is a strong prejudice against insurance companies and a belief that they should be taxed to the limit; but it seems to me that justice requires that taxes should be made as equal as possible, consequently I wired you asking you to use your influence in eliminating, if possible, the premium tax.

That is, the stamp tax.

Mr. PENROSE. Mr. President, the letter brings up the thought that I endeavored to explain at the beginning of my remarks. This is a confederation of States. We are not a highly centralized Government like that of England or France. When they talk about direct taxes paid by an Englishman or an English corporation that is all the taxes the Englishman pays, except some poor rates and parish rates and a few local taxes; it may be his municipal taxes. But here these insurance companies and the individuals and other corporations are burdened by city tax and State taxes. Ours is not a centralized Government. It is a good deal more centralized nowadays than I like to see it, but there is still a little saving grace and a remnant of State sovereignty. These great States must be supported. This bill piles up the pyramid of taxation and puts on a final tax when underneath are all the State taxes, making us in a time of profound peace the most heavily taxed people in the world to-day.

Mr. SIMMONS. Mr. President——

Mr. PENROSE. I yield to the Senator.

Mr. SIMMONS. The Senator from Pennsylvania a few minutes ago, if I understood him correctly, stated that the additional appropriation required for the payment of the salaries of new offices created by this administration would amount to about $40,000,000 or $45,000,000, I believe.

Mr. PENROSE. Of course, the matter is an approximation; but all those who have investigated the subject agree that the cost of the extra places runs from $20,000,000 to $30,000,000, and that the added expense is about $40,000,000, more or less.

Mr. SIMMONS. The amount of salaries to be paid to the new officers that have been created by this administration the Senator says will be about $40,000,000?

Mr. PENROSE. Yes; that was confirmed to me only yesterday.

Mr. SIMMONS. That was the Senator's statement. Mr. President, the appropriations for the payment of the salaries of all officers of the Government outside of the Army and Navy are included in the legislative, executive, and judicial appropriation bill. It is true, I believe, that the salaries of all the civil employees of the Government are carried in the legislative, executive, and judicial appropriation bill.

Mr. PENROSE. Oh, no.

Mr. SMOOT. The Senator is mistaken.

Mr. SIMMONS. Outside of those of the Army and the Navy.

Mr. PENROSE. The Post Office.

Mr. SMOOT. There is the Post Office appropriation bill, and there is the sundry civil appropriation bill.

Mr. PENROSE. And the Department of Agriculture.

Mr. SMOOT. The Department of Agriculture.

Mr. SIMMONS. The Post Office officials would not be appropriated for in the legislative appropriation bill; neither those of the Agricultural Department would be.

But all the officers in the legislative department, in the executive department, and in the judicial department have their salaries paid out of the appropriations made in what is known as the legislative, executive, and judicial appropriation bill.

Mr. PENROSE. That is not the way the increases are made. There are a lot of commissions.

Mr. SIMMONS. Yes; in that bill and in the Post Office and the Agricultural bills.

Mr. PENROSE. And the Army and Navy.

Mr. SIMMONS. I stated the Army and Navy. Of course, if we go into this preparedness program we will have to enlarge our Army and we will have to enlarge our Navy, but the Democratic Party is not any more responsible for that enlargement than the Republican Party. Of course, when we established the Parcel Post System and the Free Rural Delivery System and the City Delivery System more officials were required to perform those functions and duties of those new activities.

Mr. PENROSE. And a dozen commissions.

Mr. SIMMONS. But I do not suppose that the Senator from Pennsylvania will admit that the Democratic Party is entitled to the entire credit of establishing the Parcel Post System, which has called for the increase of employees to administer it. I do not know that he would be ready to admit that the Democratic Party is entitled to the entire credit for the rural mail system. I wish he would. I would be very glad if he would. It has been necessary, of course, to increase very largely the employees of the Government in order to carry the mails to the farmers of this country. Many millions have had to be added to the Post Office appropriations for that purpose. Many millions were added before the Democratic Party came into power. The Democratic Party has been extending the rural mail service, and, of course, the Democratic Party has been compelled to employ more men for the purpose of extending it, so that the farmers of the country might more largely get the benefits of that service than they did under the Republican Party.

We have increased the pay of the rural carriers, because they were not getting enough; and I think both sides of the Chamber favored that increase. As our cities have grown and as we have extended the mail-delivery system in the cities, of course we have had to increase the number of employees for that purpose. It is a legitimate increase; an increase that the people of the country demanded and required, and good public policy and the welfare of the country demanded it and called for it. We have made it, and as long as we remain in power we will continue to increase these services as required to efficiently serve the public.

Mr. SHAFROTH. Mr. President, will the Senator yield to me to read an extract from a report which has just been made by the Post Office Department showing that there is a postal surplus of $5,742,445?

Mr. SIMMONS. I called attention to that yesterday.

Mr. PENROSE. Mr. President, I want it understood that I have the floor. I am perfectly willing to yield for——

Mr. SIMMONS. The Senator from Pennsylvania yielded to me to interrupt him at this point.

Mr. PENROSE. I am willing to be interrupted by the chairman of the committee, but not by all others.

Mr. SIMMONS. If the Senator will pardon me——

The PRESIDING OFFICER. Does the Senator from Pennsylvania refuse to yield to the Senator from Colorado?

Mr. PENROSE. I yield to the Senator from North Carolina, but not to everyone.

Mr. SIMMONS. Mr. President, of course the Democratic Party has always claimed that it was a friend of the farmer, and it has always in its legislation and its practices shown that it was a friend of the farmer. We have enlarged—and I am

very proud of it, and it is one of the great assets of the Democratic Party that it has enlarged—the work and the activities and the functions of the Agricultural Department. We could not, of course, enlarge it without increasing the force. I am not at all ashamed of the fact that we have increased the activities of our Post Office Department, especially in the Rural Delivery Service and the City Delivery Service, and that we have also increased the activities of the Agricultural Department in ministering to the wants and needs of agriculture.

If there be any interest that the Republican Party especially ignored, if there be any interest that the Republican Party especially neglected when in power, it was agriculture. The Republican Party seemed to think that it could build up a great country by establishing and expanding its manufacturing industries at the expense of the farming interests of the country. The Democratic Party does not take that view. We are trying through the Agricultural Department to give the farmers the full benefit of all the help that it is possible for the Federal Government to extend.

In extending that help, in enlarging that help, and making it effective to aid in the development and the rehabilitation of the agriculture of the country, we have increased the employees in that department. I am glad we have done so, for it was proper to do it.

Now, when we come to the other departments, the legislative department, the executive department, and the judicial department, these great departments that we have here in Washington City, the employees being located chiefly here, what has been the increase with respect to them? I undertake to say that if the Senator will examine the record he will find that in those departments there has been practically no increase—certainly not more than a normal increase, an increase in employees commensurate with the increase in the business of those departments, due to the expansion and the growth of the country.

Let me give the Senator some figures if there is any controversy about that. I have the appropriations here which have been made each year, beginning with the year 1912, for the legislative, executive, and judicial departments, which include the salaries of all the employees of those departments.

In 1912 the appropriation amounted to $35,378,000; in 1913 it amounted to $34,245,000; in 1914 it amounted to $35,172,000; in 1915 it amounted to $37,631,000; in 1916 it amounted to $36,905,000; and in 1917, the present fiscal year, it amounted to $37,926,000—an increase since 1912 for the salaries of the employees and all other purposes of these three great departments of only a little over $2,000,000. The Senator is talking without information when he makes the statement which he has just made.

Mr. McCUMBER. Mr. President, will the Senator from Pennsylvania yield to me for just one moment?

Mr. PENROSE. Yes.

Mr. McCUMBER. The Senator from North Carolina [Mr. SIMMONS] has stated what the Democratic Party has done for the farmers since it came into control of the Congress. Let me call the Senator's attention to what the Democratic Party really did.

It took 22 of the leading products of the Northern States, placed 10 of them upon the free list, and compelled the American farmer to compete with the world. It reduced upon the other 5 more than 60 per cent of our defense in the matter of a protective tariff. The immediate result of that was that in my own State of North Dakota the importations of oats, for instance, increased during the first nine months before the war broke out in Europe 22,000,000 bushels—an increase of more than 28,000 per cent over previous importations—and of the increased importations during that period none were less than about 5,000 per cent. Everything that we produced "jumped onto the toboggan" and went plunging down the hill in value until August 3, 1914, when the war in Europe, of course, sent all prices skyward.

Had it not been, Mr. President, for the European war, which created an enormous demand for our food products, the farmers of the Northern States would have been in as bad a condition as they were during the last Cleveland administration. We thank the god of war, and not a Democratic administration, for saving us from this catastrophe.

I have had reason—and I have the table, which I will present probably in this debate—to make a study of this question to determine what benefit the farmers have secured from the Democratic administration. The benefit to the farmer is not measured by what is done in the matter of appropriations for the purpose of providing additional employees, but it is in giving adequate protection. The right of the American farmer is the right to the American market, just so long as he can supply that market for a reasonable compensation in return for the labor he has expended upon the products which he places in that market. The Democratic administration has deprived him of that market, and he has only been saved the natural consequences of an enormous slump in his prices because of the war demands.

But, Mr. President, I rose to call the attention of the Senator to another matter relating to the question of double taxation upon the insurance companies which he was discussing a few moments ago. This morning I received the following telegram from my State:

GRAND FORKS, N. DAK., *August 21, 1916.*

Senator P. J. McCUMBER: Are advised amended revenue bill provides included income tax against insurance companies and continues stamp tax, while other lines are relieved from stamp tax. We maintain insurance second only to transportation in importance and necessity to delivery business of the country, and vitally affects all individual and business interests, large and small. As insurance men and as purchasers of insurance, and on behalf of thousands of individual purchasers of insurance, we protest against this unjust, unwarranted attack on insurance business—

Now, here is a vital matter—

State and local taxes are already very heavy; all efforts to decrease cost to purchaser are defeated by much unjust special taxation, which increases operation expense and cost of insurance protection. Thousands of purchasers in this State and millions of country at large are ultimate sufferers. We ask your active efforts to prevent enactment of this or other legislation result of which is to increase unjustly insurance taxes and the cost of insurance.

The telegram is signed by the Northern Fire & Marine Insurance Co. and by a large number of insurance agents. Accompanying it is another telegram which reads:

AUGUST 21, 1916.

Senator P. J. McCUMBER: Please exert your influence in protecting insurance companies against proposal in revenue bill to continue stamp tax on them alone. Of all corporations this tax cost the National Fire Insurance Co. $50,000 last year and was not borne by the policyholders, as it should have been. The National paid in taxes of all sorts last year over $400,000, which was more than our trade profit.

Now, of all things in the world that should be encouraged in this country it is thrift on the part of our people and the saving of their earnings. Instead of making the cost of insurance to the American people greater than ever, we should make it as little as possible. That one business which looks to the protection of old age ought to be interfered with as little as possible. Insurance rates ought to be lessened to the insured and not increased. We all understand if the cost of conducting the insurance companies is increased, that increase must necessarily be borne in the end by the policyholders, and we ought to refrain from that, Mr. President, if possible. I thank the Senator for giving me this opportunity.

Mr. GALLINGER, Mr. OWEN, and Mr. SIMMONS addressed the Chair.

The PRESIDING OFFICER. To whom does the Senator from Pennsylvania yield?

Mr. PENROSE. I yield first to the Senator from New Hampshire.

Mr. GALLINGER. Mr. President, in connection with the proposed tax on insurance companies, I called attention some hours ago to the fact that I had received scores of telegrams, one of which I placed in the RECORD. I find on my desk two telegrams, which I feel I ought to read into the RECORD, because, under a mistaken notion, having seen in the newspapers that the Senator from North Carolina had stated that an error had been made in the bill and that the desired remedy would be forthcoming, I have notified those telegraphing and writing me that I thought before the bill was enacted their interests would be protected.

Mr. SIMMONS. Mr. President, I do not wish the Senator from New Hampshire to misunderstand what I said this morning.

Mr. GALLINGER. No; I do not.

Mr. SIMMONS. What I said this morning was with reference to the provision allowing the insurance companies to deduct on account of their reserves.

Mr. GALLINGER. Yes; I understood that. I was simply saying that, under a mistaken notion on my part, I had written these people that I thought their complaints would be considered and that a remedy would be found. The first telegram I desire to read is as follows:

MANCHESTER, N. H., *August 22, 1916.*

Senator JACOB H. GALLINGER,
Washington, D. C.:

May we have your assistance in defeating the Federal revenue bill amendment proposing additional taxation on fire insurance companies, and also discriminating against fire insurance companies by continuing indefinitely the stamp tax on policies when other corporations are exempt? We believe it discriminating and unfair.

That telegram is signed by Walter M. Parker, Nathan P. Hunt, and Frank W. Sargeant, three of the leading citizens of the great industrial city of Manchester, N. H.

From Portsmouth, N. H., I have this telegram, dated, August 22:

Hon. J. H. GALLINGER,
United States Senate, Washington, D. C.:

Federal revenue bill, as amended by Senate committee, provides 2 per cent per annum tax; also 50 cents per thousand capital stock and surplus; also prohibits deduction on increase of reserve, and continues indefinitely stamp tax on insurance policies. Insurance companies are the only corporations compelled to continue the use of stamps, which seems very unfair.

That is signed by Alfred F. Howard, secretary of a very prosperous local insurance company in the city of Portsmouth, which is serving the people not only of the State of New Hampshire, but of the entire country to some extent, with safe insurance at a low rate. I simply wished to put the telegrams in the RECORD.

Mr. SIMMONS. Mr. President, the Senator from New Hampshire, I take it, understands that the tax of 50 cents a thousand dollars on capital stock and surplus is not a tax imposed exclusively upon insurance companies.

Mr. GALLINGER. No.

Mr. SIMMONS. It is a tax upon all corporations.

Mr. GALLINGER. Yes.

Mr. SIMMONS. It is a license tax, a tax to do business, imposed upon all corporations. With reference to the stamp tax I am not able to say to the Senator now what will be done about that. The insurance companies make the point that they have been discriminated against. That is entitled to consideration, and, as I said to the Senator this morning, it shall have consideration.

Mr. GALLINGER. Mr. President, I do not quite understand what the Senator means by a "license tax." The insurance company, represented by Hon. Alfred F. Howard, is a State insurance company, licensed to do business by the State and it has to secure a license to do business in every other State if it wishes to expand its business. Now, what does the Senator mean by a license tax?

Mr. SIMMONS. I will state to the Senator that it is characterized in the bill as a special tax for doing business, I think. We have imposed a tax upon brokers, which is in the same category, and on commission merchants. It is in the nature of a license tax. These companies do an interstate business as do brokers and commission merchants. I do not know that it is entirely analogous, but it is in the nature of a tax to do business. The States very frequently impose similar taxes upon corporations for doing business in the State.

Mr. GALLINGER. It seems to me that it is double taxation with a vengeance—treble taxation, in fact. This company pays a large tax to the State. It comes into the District of Columbia and pays a license tax here to do business, and in every other State where it goes to expand its business it is compelled to pay a license tax. Then the Federal Government steps in, and in addition to the State tax and the tax imposed on the company in every other State of the Union the Federal Government puts upon it another so-called license tax.

However, I put these telegrams in the RECORD for the purpose of calling the matter to the attention of the Senator from North Carolina, feeling quite sure that the Senator will find some way to give relief to this industry, which I feel is being heavily burdened.

Mr. SIMMONS. The Senator does not understand that that stamp tax applies to any insurance companies except fire insurance companies, does he?

Mr. GALLINGER. No. This is a fire insurance company.

Mr. SIMMONS. If the Senator from Pennsylvania will permit me, in connection with his statement, I should like to call his attention also to the fact that the entire increase in the expenses of the Agricultural Department, which includes salaries and everything else, during the last year was less than $2,000,000. The entire increase in the expenses of the Post Office Department, which includes not only salaries but everything else, was less than $10,000,000. In fact, the entire increase of the Post Office expenses since this administration has come in is less than $30,000,000, including everything.

If the Senator will pardon me further, it will be seen, therefore, that the increase of the legislative, executive, and judicial appropriations since 1912 is only about $2,000,000; the Post Office appropriations $9,000,000, covering everything over last fiscal year; the Agricultural appropriations $2,000,000, covering everything over last fiscal year.

If the Senator will pardon me further, I should like to refer briefly to what the Senator from North Dakota [Mr. MCCUMBER] has said as to what has been done for the farmers of this country. I am not going to make a tariff argument. The Senator has made the same argument that he has made here to-day half a dozen times before. In fact, I think if I were to say a dozen times I would not exaggerate it.

Mr. PENROSE. Mr. President, let me correct the Senator. I have never before made an argument such as I have made to-day, because I never before had the spectacle of extravagance pictured to my mind that I had to-day.

Mr. SIMMONS. I am speaking about the Senator from North Dakota. The Senator from Pennsylvania makes a great many speeches. He forgets them, sometimes. There are so many of them that he forgets about them. But the Senator from North Dakota [Mr. MCCUMBER] is the Senator about whom I was talking. I say he has made here to-day the same tariff speech with regard to the farmer that he has made here a great many times in the past.

We did put some things that the farmer produces on the free list, as we put some things other people produced upon the free list; and we did it properly, and it has been very beneficial. But we put many things that the farmer buys, also, upon the free list. Nearly everything that the farmer has to buy for the purpose of making his crop we put upon the free list in order to enable him to get them at a reduced price.

Mr. OLIVER. Mr. President, will the Senator yield to me?

Mr. SIMMONS. No; not at this minute. We did this, Mr. President, and up to the time the war began the farmer was doing splendidly, notwithstanding the statement of the Senator from North Dakota. The prices of his products had not decreased.

I remember, and the Senator from Pennsylvania will remember, that before the war broke out we had many debates here in the Senate about the continued high cost of living, and nearly every day Senators on the other side were rising in their places and twitting the Democrats upon the fact, as they alleged it to be, that the cost of living had not gone down as we had promised as a result of the reductions in tariff exactions. They singled out eggs and meat and nearly everything the farmer produces to show we had not reduced the cost of living as we had promised. The cost of living consists chiefly in the consumption of the things which the farmer produces, and we were twitted with the fact that instead of a reduction in the price of these things that enter so materially into the cost of living they had been advanced. Now, the Senator from North Dakota [Mr. MCCUMBER], when he thinks we have forgotten about that, comes here and sings a song of woe about the falling off in the price of farm products before the war.

The truth is, Mr. President, that from the day of the passage of the Democratic tariff act up to the present time, the farmer has been getting on better than he ever did before, and to-day he is enjoying unexampled prosperity.

EXECUTIVE SESSION.

Mr. O'GORMAN. Mr. President——

The PRESIDING OFFICER. The Senator from Pennsylvania [Mr. PENROSE] has the floor.

Mr. O'GORMAN. I understand that the Senator from Pennsylvania is willing to yield for the purpose for which I rise. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After six minutes spent in executive session the doors were reopened.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the following bill and joint resolution:

S. 6740. An act to correct the military record of Matthew C. Butler, jr.; and

S. J. Res. 129. Joint resolution extending until April 15, 1917, the effective date of section 10 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15774) making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1917, and for other purposes, further insists upon its disagreement to the amendments of the Senate Nos. 1, 58, 108, 354, 355, 356, 359, and 361 to the bill, agrees to the further conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. PAGE of North Carolina, Mr. MCANDREWS, and Mr. DAVIS of Minnesota managers at the conference on the part of the House.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 14338) to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15494) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15048) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 16290) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15522) to establish a national park service, and for other purposes.

The message also announced that the House insists upon its amendments to the bill (S. 6369) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War and to certain widows and dependent relatives of such soldiers and sailors, agrees to the conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. KEY of Ohio, Mr. KEATING, and Mr. SELLS managers at the conference on the part of the House.

The message further announced that the House had passed the bill (S. 6370) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors, with amendments, and requested a conference with the Senate thereon, and had appointed Mr. RUSSELL of Missouri, Mr. ASHBROOK, and Mr. KINKAID managers at the same on its part.

The message also announced that the House had passed a concurrent resolution providing that in the enrollment of the District of Columbia appropriation bill (H. R. 15774) the Clerk be directed, on page 43, line 18 of the original bill, to enroll the salary of the janitor of the old Central High School building and annex in the sum of $1,000, and correct the total of the amended paragraph and the total on page 46, in line 14 of the bill, by inserting the sums of $2,680 and $174,470, respectively, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 17501. An act granting the consent of Congress to the city of Youngstown, Ohio, to construct a bridge across the Mahoning River, in the State of Ohio; and

H. R. 17375. An act to amend an act entitled "An act to provide for an enlarged homestead," approved June 17, 1910.

PETITIONS AND MEMORIALS.

Mr. OVERMAN presented petitions of sundry citizens of North Carolina, praying for the compulsory arbitration of the differences between the railroads and their employees, which were referred to the Committee on Interstate Commerce.

Mr. CHAMBERLAIN presented a memorial of sundry citizens of La Grande, Oreg., remonstrating against the enactment of legislation to refer the question of an eight-hour day for railroad employees to the Interstate Commerce Commission, which was referred to the Committee on Interstate Commerce.

Mr. TAGGART (for Mr. JOHNSON of Maine) presented a petition of sundry citizens of Kennebunkport, Me., praying for Federal censorship of motion pictures, which was referred to the Committee on Education and Labor.

Mr. JONES. I present a telegram from the Insurance Federation of Washington protesting against the reinsertion by the Finance Committee of a tax on insurance companies, which I ask may be printed in the RECORD and be referred to the Committee on Finance.

There being no objection, the telegram was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

[Telegram.]

SPOKANE, WASH., *August 22, 1916.*

Senator WESLEY L. JONES,
Washington, D. C.:

Spokane Branch Insurance Federation of State of Washington, membership consisting of every branch of the insurance business, also business and professional men, are advised that House of Representatives eliminated stamp tax on insurance companies. Senate committee restored stamp requirement. All corporations except insurance companies have been relieved of stamp tax. This tax is discriminatory and unjust. We by resolution are unanimous in urging that you use every honorable means to secure its elimination.

INSURANCE FEDERATION OF WASHINGTON,
T. K. BINNIE, *Vice President.*
W. S. MCCREA,
F. S. JONES,
JOHN J. CADIGAN,
H. W. NEWTON,
Executive Committee.
THEODORE GENTSCH, *Secretary.*

Mr. JONES. I also present telegrams from the Frank B. Grinnell Co., and sundry other business firms of Spokane; from E. A. Strout & Co., James J. Dennis, and Pliny L. Allen, of Seattle; and from H. J. Schwinn & Co. (Inc.), Hellar Lyon & Co., Fowler & Whithouse Insurance Corporation, and R. E. Anderson & Co., of Tacoma, all in the State of Washington, remonstrating against a stamp tax on the insurance companies. They are of substantially the same character, and I ask that they be referred to the Committee on Finance.

The VICE PRESIDENT. The telegrams will be referred to the Committee on Finance.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TAGGART (for Mr. JOHNSON of Maine):

A bill (S. 6926) to correct the military record of Charles K. Bolster; to the Committee on Military Affairs.

A bill (S. 6927) granting an increase of pension to Charles H. Dunton (with accompanying papers);

A bill (S. 6928) granting an increase of pension to Henry Ramsdell (with accompanying papers); and

A bill (S. 6929) granting an increase of pension to Eugene H. Otis (with accompanying papers); to the Committee on Pensions.

By Mr. SHIELDS:

A bill (S. 6930) for the relief of the city of Knoxville, Knox County, Tenn.; and

A bill (S. 6931) for the relief of the Tennessee Deaf and Dumb School, of Knoxville, Tenn. (with accompanying paper); to the Committee on Claims.

RESERVE OFFICERS' TRAINING CORPS.

Mr. POMERENE. I introduce a joint resolution, and I ask that it be referred to the Committee on Military Affairs. For the information of the Senate I request that the joint resolution be printed in the RECORD. It is brief, and I think its merits will appeal to Senators.

The joint resolution (S. J. Res. 169) interpreting section 50 of the act of June 3, 1916, for making further and more effectual provision for the national defense, and for other purposes, was read twice by its title, referred to the Committee on Military Affairs, and ordered to be printed in the RECORD, as follows:

Resolved, etc., That in the interpretation and execution of section 50 of the act of Congress approved June 3, 1916, credit shall be given as for service in the senior division of the Reserve Officers' Training Corps to any member of that division for any period or periods of time during which such member has received or shall have received at an educational institution under the direction of an officer of the Army, detailed as professor of military science and tactics, a course of military training substantially equivalent to that prescribed by regulations under this section for the corresponding period or periods of training of the senior division, Reserve Officers' Training Corps.

THE REVENUE.

Mr. THOMAS submitted two amendments intended to be proposed by him to the bill (H. R. 16763) to increase the revenue, and for other purposes, which were ordered to lie on the table and be printed.

Mr. PHELAN submitted an amendment intended to be proposed by him to the bill (H. R. 16763) to increase the revenue, and for other purposes, which was ordered to lie on the table and be printed.

Mr. OVERMAN submitted two amendments intended to be proposed by him to the bill (H. R. 16763) to increase the revenue, and for other purposes, which were ordered to lie on the table and be printed.

FEDERAL TRADE COMMISSION DOCUMENTS.

Mr. POMERENE. Mr. President, I have copies of two pamphlets which have been issued by the Federal Trade Commission. One is an article on "A system of accounts for retail merchants" and the other is entitled "Fundamentals of a cost system for manufacturers." These pamphlets have been printed by the Federal Trade Commission in limited numbers only because of the small appropriation for that purpose. There is a very great demand for both of them, however, and I desire to have them printed as Senate documents. I have no objection to the documents being first referred to the Committee on Printing for action if that is the desire of the committee.

The VICE PRESIDENT. The documents presented by the Senator from Ohio will be referred to the Committee on Printing.

POSTAL SURPLUS.

Mr. BANKHEAD. Mr. President, I present a short article taken from the Washington Post of Tuesday, August 22, 1916, being a report of the Auditor for the Post Office Department relative to the postal surplus, which I ask may be printed in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

POSTAL SURPLUS $5,742,445—AUDITOR MAKES REPORT TELLING OF BIG IMPROVEMENTS IN 1916.

The Auditor for the Post Office Department yesterday reported an audited surplus of the department for the fiscal year 1916 of $5,742,445, according to a statement given out yesterday by the Postmaster General. The announcement of this result at this time is the earliest date in the history of the Postal Service that such a report has ever been made, and is due to improved system of accounting and of the high standard of efficiency among postmasters, which the auditor reports as being "higher at present than at any time during the past quarter of a century."

During the four years of this administration the Postmaster General has paid into the Treasury $12,500,000, being a net gain to the general revenue of $1,162,061.

"This successful handling of postal finance by this administration has been brought about," says the report, "while at the same time it increased the number of rural routes and extensions by more than 10,000 and the number of people served on rural routes from 23,278,290 to 26,307,685.

"It has also extended the City Delivery Service to more than 5,000,000 additional patrons of the post office, including 243 cities which heretofore had never had free delivery, and it has increased its mail transportation by service on 6,248.09 miles of railway." Moreover, "it has several times increased the weight and size limit and twice reduced the rates on parcel-post matter.

"The delivery by automobile and other conveyances has increased in three years by 17,484,408 parcels, or 100 per cent, at the 50 largest offices in the United States. It also developed and simplified the Postal Savings System so as to increase the number of deposits from 310,000 to 616,000 and the amount deposited from $30,036,325 to over $92,000,000.

"The postal efficiency at this time is higher than was ever known in the history of the service."

ADDRESS BY THOMAS WALL SHELTON.

Mr. OVERMAN. Mr. President, I have a copy of an address by Thomas Wall Shelton, of Norfolk, Va., chairman of the committee on uniform judicial procedure of the American Bar Association, delivered before the North Carolina State Bar Association at Wrightsville Beach, N. C., June 27, 1916. I desire to have the address printed as a public document and I ask that it be referred to the Committee on Printing for action.

The VICE PRESIDENT. The paper will be referred to the Committee on Printing.

CLARENCE C. KRESS.

Mr. SHEPPARD. I ask that Order of Business No. 718, being the bill (S. 3180) to authorize the appointment of Clarence C. Kress to the grade of captain, United States Army, Medical Corps, be taken from the calendar and be recommitted to the Committee on Military Affairs.

The VICE PRESIDENT. The bill will be recommitted to the Committee on Military Affairs.

DISTRICT OF COLUMBIA APPROPRIATIONS.

The VICE PRESIDENT laid before the Senate the following concurrent resolution (No. 55) of the House of Representatives, which was read:

Resolved by the House of Representatives (the Senate concurring), That in enrolling the District of Columbia appropriation bill, H. R. 15774, the Clerk is directed, on page 43, line 18, of the original bill, to enroll the salary of the janitor of the old Central High School building and annex in the sum of $1,000, and correct the total of the amended paragraph and the total on page 46, in line 14 of the bill, by inserting the sum of $2,680 and $174,470, respectively.

Mr. MARTIN of Virginia. I ask that the Senate concur in the resolution of the House.

The resolution was agreed to.

AMENDMENT OF FEDERAL RESERVE ACT—CONFERENCE REPORT (S. DOC. NO. 533).

Mr. OWEN. I submit a conference report on the bill (H. R. 13391) to amend the act approved December 23, 1913, known as the Federal reserve act, by adding a new section, which I ask may be read.

The Secretary read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13391) to amend the act approved December 23, 1913, known as the Federal reserve act, by adding a new section, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"That the act entitled 'Federal reserve act,' approved December 23, 1913, be, and is hereby, amended as follows:

"At the end of section 11 insert a new clause as follows:

"'(m) Upon the affirmative vote of not less than five of its members the Federal Reserve Board shall have power, from time to time, by general ruling, covering all districts alike, to permit member banks to carry in the Federal reserve banks of their respective districts any portion of their reserves now required by section 19 of this act to be held in their own vaults.'

"That section 13 be, and is hereby, amended to read as follows:

"'Any Federal reserve bank may receive from any of its member banks, and from the United States, deposits of current funds in lawful money, national-bank notes, Federal reserve notes, or checks, and drafts, payable upon presentation, and also, for collection, maturing bills; or solely for purposes of exchange or of collection, may receive from other Federal reserve banks deposits of current funds in lawful money, national-bank notes, or checks upon other Federal reserve banks, and checks and drafts, payable upon presentation within its district, and maturing bills payable within its district.

"'Upon the indorsement of any of its member banks, which shall be deemed a waiver of demand, notice, and protest by such bank as to its own indorsement exclusively, any Federal reserve bank may discount notes, drafts, and bills of exchange arising out of actual commercial transactions; that is, notes, drafts, and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes, or the proceeds of which have been used, or are to be used, for such purposes, the Federal Reserve Board to have the right to determine or define the character of the paper thus eligible for discount, within the meaning of this act. Nothing in this act contained shall be construed to prohibit such notes, drafts, and bills of exchange, secured by staple agricultural products, or other goods, wares, or merchandise from being eligible for such discount; but such definition shall not include notes, drafts, or bills covering merely investments or issued or drawn for the purpose of carrying or trading in stocks, bonds, or other investment securities, except bonds and notes of the Government of the United States. Notes, drafts, and bills admitted to discount under the terms of this paragraph must have a maturity at the time of discount of not more than 90 days, exclusive of days of grace: *Provided*, That notes, drafts, and bills drawn or issued for agricultural purposes or based on live stock and having a maturity not exceeding six months, exclusive of days of grace, may be discounted in an amount to be limited to a percentage of the assets of the Federal reserve bank, to be ascertained and fixed by the Federal Reserve Board.

"'The aggregate of such notes, drafts, and bills bearing the signature or indorsement of any one borrower, whether a person, company, firm, or corporation, rediscounted for any one bank shall at no time exceed 10 per cent of the unimpaired capital and surplus of said bank; but this restriction shall not apply to the discount of bills of exchange drawn in good faith against actually existing values.

"'Any Federal reserve bank may discount acceptances of the kinds hereinafter described, which have a maturity at the time of discount of not more than three months' sight, exclusive of days of grace, and which are indorsed by at least one member bank.

"'Any member bank may accept drafts or bills of exchange drawn upon it having not more than six months' sight to run, exclusive of days of grace, which grow out of transactions involving the importation or exportation of goods; or which grow out of transactions involving the domestic shipment of goods provided shipping documents conveying or securing title are attached at the time of acceptance; or which are secured at the time of acceptance by a warehouse receipt or other such document conveying or securing title covering readily marketable staples. No member bank shall accept, whether in a foreign or domestic transaction, for any one person, company, firm, or corporation to an amount equal at any time in the aggregate to more than 10 per cent of its paid-up and unimpaired capital

stock and surplus unless the bank is secured either by attached documents or by some other actual security growing out of the same transaction as the acceptance and no bank shall accept such bills to an amount equal at any time in the aggregate to more than one-half of its paid-up and unimpaired capital stock and surplus, except by authority of the Federal Reserve Board, under such general regulations as said board may prescribe, but not to exceed the capital stock and surplus of such bank, and such regulations shall apply to all banks alike regardless of the amount of capital stock and surplus.

"'Any Federal reserve bank may make advances to its member banks on their promissory notes for a period not exceeding 15 days at rates to be established by such Federal reserve banks, subject to the review and determination of the Federal Reserve Board, provided such promissory notes are secured by such notes, drafts, bills of exchange, or bankers' acceptances as are eligible for rediscount or for purchase by Federal reserve banks under the provisions of this act, or by the deposit or pledge of bonds or notes of the United States.'

"Section 5202 of the Revised Statutes of the United States is hereby amended so as to read as follows: 'No national banking association shall at any time be indebted, or in any way liable, to an amount exceeding the amount of its capital stock at such time actually paid in and remaining undiminished by losses or otherwise, except on account of demands of the nature following:

"'First. Notes of circulation.

"'Second. Moneys deposited with or collected by the association.

"'Third. Bills of exchange or drafts drawn against money actually on deposit to the credit of the association or due thereto.

"'Fourth. Liabilities to the stockholders of the association for dividends and reserve profits.

"'Fifth. Liabilities incurred under the provisions of the Federal reserve act.

"'The discount and rediscount and the purchase and sale by any Federal reserve bank of any bills receivable and of domestic and foreign bills of exchange, and of acceptances authorized by this act, shall be subject to such restrictions, limitations, and regulations as may be imposed by the Federal Reserve Board.

"'That in addition to the powers now vested by law in national banking associations organized under the laws of the United States any such association located and doing business in any place the population of which does not exceed 5,000 inhabitants, as shown by the last preceding decennial census, may, under such rules and regulations as may be prescribed by the Comptroller of the Currency, act as the agent for any fire, life, or other insurance company authorized by the authorities of the State in which said bank is located to do business in said State by soliciting and selling insurance and collecting premiums on policies issued by such company; and may receive for services so rendered such fees or commissions as may be agreed upon between the said association and the insurance company for which it may act as agent; and may also act as the broker or agent for others in making or procuring loans on real estate located within 100 miles of the place in which said bank may be located, receiving for such services a reasonable fee or commission: *Provided, however*, That no such bank shall in any case guarantee either the principal or interest of any such loans or assume or guarantee the payment of any premium on insurance policies issued through its agency by its principal: *And provided further*, That the bank shall not guarantee the truth of any statement made by an assured in filing his application for insurance.

"'Any member bank may accept drafts or bills of exchange drawn upon it having not more than three months' sight to run, exclusive of days of grace, drawn under regulations to be prescribed by the Federal Reserve Board by banks or bankers in foreign countries or dependencies or insular possessions of the United States for the purpose of furnishing dollar exchange as required by the usages of trade in the respective countries, dependencies, or insular possessions. Such drafts or bills may be acquired by Federal reserve banks in such amounts and subject to such regulations, restrictions, and limitations as may be prescribed by the Federal Reserve Board: *Provided, however*, That no member bank shall accept such drafts or bills of exchange referred to this paragraph for any one bank to an amount exceeding in the aggregate 10 per cent of the paid-up and unimpaired capital and surplus of the accepting bank unless the draft or bills of exchange is accompanied by documents conveying or securing title or by some other adequate security: *Provided further*, That no member bank shall accept such drafts or bills in an amount exceeding at any time the aggregate of one-half of its paid-up and unimpaired capital and surplus.'

"That subsection (e) of section 14 be, and is hereby, amended to read as follows:

"'(e) To establish accounts with other Federal reserve banks for exchange purposes and, with the consent of the Federal Reserve Board, to open and maintain accounts in foreign countries, appoint correspondents, and establish agencies in such countries wheresoever it may deem best for the purpose of purchasing, selling, and collecting bills of exchange, and to buy and sell, with or without its indorsement, through such correspondents or agencies, bills of exchange arising out of actual commercial transactions which have not more than 90 days to run, exclusive of days of grace, and which bear the signature of two or more responsible parties, and with the consent of the Federal Reserve Board to open and maintain banking accounts for such foreign correspondents or agencies.'

"That the second paragraph of section 16 be, and is hereby, amended to read as follows:

"'Any Federal reserve bank may make application to the local Federal reserve agent for such amount of the Federal reserve notes hereinbefore provided for as it may require. Such application shall be accompanied with a tender to the local Federal reserve agent of collateral in amount equal to the sum of the Federal reserve notes thus applied for and issued pursuant to such application. The collateral security thus offered shall be notes, drafts, bills of exchange, or acceptances rediscounted under the provisions of section 13 of this act, or bills of exchange indorsed by a member bank of any Federal reserve district and purchased under the provisions of section 14 of this act, or bankers' acceptances purchased under the provisions of said section 14. The Federal reserve agent shall each day notify the Federal Reserve Board of all issues and withdrawals of Federal reserve notes to and by the Federal reserve bank to which he is accredited. The said Federal Reserve Board may at any time call upon a Federal reserve bank for additional security to protect the Federal reserve notes issued to it.'

"That section 24 be, and is hereby, amended to read as follows:

"'SEC. 24. Any national banking association not situated in a central reserve city may make loans secured by improved and unencumbered farm land situated within its Federal reserve district or within a radius of 100 miles of the place in which such bank is located, irrespective of district lines, and may also make loans secured by improved and unencumbered real estate located within 100 miles of the place in which such bank is located, irrespective of district lines; but no loan made upon the security of such farm land shall be made for a longer time than five years, and no loan made upon the security of such real estate as distinguished from farm land shall be made for a longer time than one year nor shall the amount of any such loan, whether upon such farm land or upon such real estate, exceed 50 per cent of the actual value of the property offered as security. Any such bank may make such loans, whether secured by such farm land or such real estate, in an aggregate sum equal to 25 per cent of its capital and surplus or to one-third of its time deposits and such banks may continue hereafter as heretofore to receive time deposits and to pay interest on the same.

"'The Federal Reserve Board shall have power from time to time to add to the list of cities in which national banks shall not be permitted to make loans secured upon real estate in the manner described in this section.'

"That section 25 be, and is hereby, amended to read as follows:

"'SEC. 25. Any national banking association possessing a capital and surplus of $1,000,000 or more may file application with the Federal Reserve Board for permission to exercise, upon such conditions and under such regulations as may be prescribed by the said board, either or both of the following powers:

"'First. To establish branches in foreign countries or dependencies or insular possessions of the United States for the furtherance of the foreign commerce of the United States, and to act if required to do so as fiscal agents of the United States.

"'Second. To invest an amount not exceeding in the aggregate 10 per cent of its paid-in capital stock and surplus in the stock of one or more banks or corporations chartered or incorporated under the laws of the United States or of any State thereof, and principally engaged in international or foreign banking, or banking in a dependency or insular possession of the United States either directly or through the agency, ownership, or control of local institutions in foreign countries, or in such dependencies or insular possessions.

"'Such application shall specify the name and capital of the banking association filing it, the powers applied for, and the

place or places where the banking operations proposed are to be carried on. The Federal Reserve Board shall have power to approve or to reject such application in whole or in part if for any reason the granting of such application is deemed inexpedient, and shall also have power from time to time to increase or decrease the number of places where such banking operations may be carried on.

"'Every national banking association operating foreign branches shall be required to furnish information concerning the condition of such branches to the Comptroller of the Currency upon demand, and every member bank investing in the capital stock of banks or corporations described under subparagraph 2 of the first paragraph of this section shall be required to furnish information concerning the condition of such banks or corporations to the Federal Reserve Board upon demand, and the Federal Reserve Board may order special examinations of the said branches, banks, or corporations at such time or times as it may deem best.

"'Before any national bank shall be permitted to purchase stock in any such corporation the said corporation shall enter into an agreement or undertaking with the Federal Reserve Board to restrict its operations or conduct its business in such manner or under such limitations and restrictions as the said board may prescribe for the place or places wherein such business is to be conducted. If, at any time the Federal Reserve Board shall ascertain that the regulations prescribed by it are not being complied with, said board is hereby authorized and empowered to institute an investigation of the matter and to send for persons and papers, subpœna witnesses, and administer oaths in order to satisfy itself as to the actual nature of the transactions referred to. Should such investigation result in establishing the failure of the corporation in question, or of the national bank or banks which may be stockholders therein, to comply with the regulations laid down by the said Federal Reserve Board, such national banks may be required to dispose of stock holdings in the said corporation upon reasonable notice.

"'Every such national banking association shall conduct the accounts of each foreign branch independently of the accounts of other foreign branches established by it and of its home office, and shall at the end of each fiscal period transfer to its general ledger the profit or loss accrued at each branch as a separate item.

"'Any director or other officer, agent, or employee of any member bank may, with the approval of the Federal Reserve Board, be a director or other officer, agent, or employee of any such bank or corporation above mentioned in the capital stock of which such member bank shall have invested as hereinbefore provided, without being subject to the provisions of section 8 of the act approved October 15, 1914, entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes."'"

Amend the title so as to read: "An act to amend certain sections of the act entitled 'Federal reserve act,' approved December 23, 1913."

And the Senate agree to the same.

ROBT. L. OWEN,
G. M. HITCHCOCK,
KNUTE NELSON,
Managers on the part of the Senate.

CARTER GLASS,
CLAUDE U. STONE,
EDMUND PLATT,
Managers on the part of the House.

STATEMENT.

The managers on the part of the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13391) to amend the act approved December 23, 1913, known as the Federal reserve act, by adding a new section, submit the following written statement in explanation of the action agreed upon by the conference committee:

The amendments of the Senate to the bill have been accepted by the House conferees with some slight verbal modifications, except that the House declined to agree to, and the Senate receded from, its amendment of section 16 of the Federal reserve act which would have explicitly authorized and encouraged Federal reserve banks to issue Federal reserve notes based upon gold or gold certificates.

The House conferees declined to agree to the Senate amendment proposing to permit national banks in cities of more than 100,000 inhabitants, and possessing a capital and surplus of $1,000,000 or more, to establish branches, and the Senate conferees have agreed to recommend that the Senate recede from this amendment.

The House conferees insisted upon an amendment to section 11, which was accepted by the Senate conferees, permitting the Federal Reserve Board, upon an affirmative vote of not less than five, to permit member banks to carry in the Federal reserve banks any portion of their reserves now required to be held in their own vaults.

ROBT. L. OWEN,
G. M. HITCHCOCK,
KNUTE NELSON,
Managers on the part of the Senate.

Mr. SMOOT. Does the Senator desire consideration of the report this evening? If not, I ask that it be printed.

Mr. OWEN. No; I ask that the conference report lie on the table and be printed.

The VICE PRESIDENT. The conference report will be printed.

Mr. PHELAN. Mr. President, for the information of the Senate I desire to have printed in the RECORD certain letters from the Secretary of Agriculture and from the Secretary of the Treasury.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

DEPARTMENT OF AGRICULTURE,
Washington, August 14, 1916.

Hon. JAMES D. PHELAN,
United States Senate.

DEAR SENATOR: In accordance with your request, this department desires to call your attention to certain provisions of H. R. 16763, an act to increase the revenue, and for other purposes, as amended and referred to the Committee on Finance. You will remember that this matter was discussed with you within the last few days by Mr. Husmann, of this department.

Specific reference is made to section 301, under Title IV, "Miscellaneous taxes." You will note that this section incorporates in the bill a definition of wine within the meaning of the food and drugs act, with the enforcement of which this department is concerned. This provision permits the addition of "a solution of water and commercially pure cane, beet, or dextrose sugar to the must or to the wine," within a maximum limit of 35 per cent, with certain restrictions as to acidity and alcoholic content, and provides that the article so prepared shall "be deemed to be wine * * * within the meaning of the food and drugs act of June 30, 1906." The restriction as to acidity and alcoholic content would not in practice prevent material dilution in the majority of cases, so that this provision practically amounts to permission to add 35 per cent of a solution of cane, beet, or dextrose sugar to the must or wine.

The attitude of this department relative to the term "wine" under the provisions of the food and drugs act has been published in food-inspection decision 156, copy of which is inclosed herewith for your information. This decision was prepared on the basis of information which is believed to be complete and reliable with reference to the practices of wine making prevalent in this country and the meaning of the term "wine" as understood by the consumer. You will note that this decision permits the addition of sugar under certain circumstances, but does not provide for the addition of water as given in section 301 of H. R. 16763, as amended. It is evident that this provision of the latter will apply both to dry and sweet wines.

This department would regard the enactment into law of the above provisions of section 301 as extremely prejudicial to the interests of the consumer of wine, as well as contrary to the purpose and intent of the food and drugs act, inasmuch as the department feels assured from the results of its investigations that such addition of water is no less than a form of adulteration which is prohibited by that act.

This matter was called to the attention of this department by Hon. CLAUDE KITCHIN, chairman of the Ways and Means Committee, when H. R. 16763 was before that committee, and there are inclosed herewith, for your information in this respect, copies of Mr. KITCHIN'S letter and the reply of this department.

The department deems it desirable to call this matter to your attention as outlined above, inasmuch as section 301 if enacted into law would nullify to a great extent the provisions of the food and drugs act with respect to adulteration and misbranding of wine. For illustration: Under the terms of section 301 the producer of a wine of the general characteristics of a genuine Burgundy, produced in France, may label it "Burgundy wine," without qualification and without any statement on the label to indicate otherwise than that it is a genuine French product. Furthermore, the insertion in a statute like this of a definition of a food or drug subject to the food and drugs act, especially where, as here, the result would be exemption from the consequences of adulteration or misbranding under the food and drugs act, is a dangerous precedent.

Very truly, yours,

D. F. HOUSTON, *Secretary.*

DEPARTMENT OF AGRICULTURE,
Washington, August 21, 1916.

Hon. F. M. SIMMONS,
Chairman Committee on Finance, United States Senate.

DEAR SENATOR SIMMONS: It has come to the attention of this department that section 53 of H. R. 16763, "an act to increase the revenue, and for other purposes," as reported to the Senate by the Committee on Finance, contains provisions which materially affect the administration of the food and drugs act of June 30, 1906.

As reported, section 53 defines wine within the meaning of the food and drugs act as well as within the meaning of the revenue act, and includes within the definition "the product made from the juice of sound, ripe grapes by complete fermentation of the must under proper cellar treatment and corrected by the addition (under the supervision of a gauger or storekeeper-gauger in the capacity of gauger) of a solution of water and commercially pure cane, beet, or dextrose sugar to the must or to the wine, when such addition shall not increase the volume more than 35 per cent, so that the resultant product does not contain less than five parts per thousand of acid before fermentation and not more than 13 per cent of alcohol after complete fermentation."

The section also authorized the labeling, transportation, and sale of this product under the unqualified name of wine, permits it to be designated by its type or variety or locality where produced, and further permits the addition of a solution of sugar and water to the must or wine in excess of 35 per cent in unlimited amounts, products of this latter class to be labeled under the direction of the Department of Agriculture.

As you are aware, the object of the food and drugs act is to prevent the shipment in interstate and foreign commerce and sale in the Territories and the District of Columbia of adulterated and misbranded articles of food and drugs. This department regards wine in the process of the manufacture of which more water is added than is necessary to correct natural defects in the must as being both adulterated and misbranded. The food and drugs act confers no authority upon this department to supervise the manufacture of wine. In food inspection decision 120 the three Secretaries charged with the duty of making regulations for the enforcement of the food and drugs act authorized the addition of a sugar solution to grape must before fermentation for corrective purposes. Investigations of the department showed that this decision resulted in abuses, in that water was added to the must in amounts greatly in excess of that necessary to make merchantable products. Food inspection decision 120 was therefore abrogated and the views of the department with reference to wine under the food and drugs act announced in food inspection decision 156, copy inclosed. This decision permits the addition to the must of sugar and neutralizing agents, but does not permit the addition of any water.

The addition of water in any amount to the must is not now countenanced under the food and drugs act, because under that act the department has no authority to control the amounts which are actually added, and experience has shown that permission to add water without Government supervision of the process of manufacture leads to the addition of water in unlimited amounts. It is suggested, if the addition of water is to be authorized, that adequate supervision by internal-revenue officers be provided, and that the amount which may be added be limited to such an amount as may be required to produce a merchantable product. According to the information of the department, it is unnecessary for this purpose to add in any case water in an amount which will increase the volume more than 25 per cent.

Section 53 of the bill permits the addition of a sugar solution of 35 per cent, irrespective of whether it is necessary to add the sugar solution for the purpose of correcting natural defects. The section contemplated that the sugar solution may be added under the supervision of internal-revenue officers, but no authority is conferred upon such officers to specify how much shall be added to any particular batch of the must; and, further, this department is informed that the current appropriations for the Internal Revenue Office are inadequate for the employment of storekeeper-gaugers or gaugers to perform the work of supervision.

The department recognizes the fact that Congress, desiring to tax wine, must state what it is, and it believes that producers should be permitted to correct natural defects in the must, but the addition of water should be safeguarded so as not to authorize the transportation and sale of articles which are adulterated and misbranded under the food and drugs act and thereby open the door to fraudulent practices. Unless adequate powers are conferred and adequate means provided for governmental supervision of the process of manufacture, the department knows of no means by which undue stretching of wines can be prevented. Furthermore, the department regards the inclusion of a definition of wine in a revenue act for the purpose of affecting the administration of the food and drugs act as an undesirable precedent, especially where, as in House bill 16763, the effect of the definition is to sanction the sale and shipment of articles which are considered to be adulterated under that act.

There is submitted for your consideration the inclosed tentative draft of a substitute for section 53, in which reference to the food and drugs act is omitted; the maximum of the sugar solution which may be added is limited to 25 per cent; the maximum of the sugar solution which may be added in any must is limited to the amount necessary for the production of a merchantable product; the addition of the sugar solution is made subject to the rules and regulations of the Commissioner of Internal Revenue, approved by the Secretary of the Treasury; and it is specifically provided that no article included within the section shall be labeled, transported, or sold under any name, statement, design, or device which is false or misleading in any particular.

The department communicated its view regarding the amelioration of wine by the use of sugar and water to the chairman of the Ways and Means Committee of the House of Representatives when House bill 16763 was under consideration by that committee. Copy of the department's letter of June 26, 1916, to Representative KITCHIN is inclosed for your information.

Very truly, yours,

D. F. HOUSTON, *Secretary.*

UNITED STATES DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D. C.

FOOD INSPECTION DECISION 156.

WINE.

As a result of investigations carried on by this department and of the evidence submitted at a public hearing given on November 5, 1913, the Department of Agriculture has concluded that gross deceptions have been practiced under food-inspection decision 120. The department has also concluded that the definition of wine in food-inspection decision 109 should be modified so as to permit correction of the natural defects in grape musts and wines due to climatic or seasonal conditions.

Food-inspection decisions 109 and 120 are, therefore, hereby abrogated, and, as a guide for the officials of this department in enforcing the food-and-drugs act, wine is defined to be the product of the normal alcoholic fermentation of the juice of fresh, sound, ripe grapes, with the usual cellar treatment.

To correct the natural defects above mentioned the following additions to musts or wines are permitted:

In the case of excessive acidity, neutralizing agents which do not render wine injurious to health, such as neutral potassium tartrate or calcium carbonate;

In the case of deficient acidity, tartaric acid;

In the case of deficiency in saccharine matter, condensed grape must or a pure dry sugar.

The foregoing definition does not apply to sweet wines made in accordance with the sweet-wine fortification act of June 7, 1906 (34 Stat., 215).

A product made from pomace, by the addition of water, with or without sugar or any other material whatsoever, is not entitled to be called wine. It is not permissible to designate such a product as "pomace wine," nor otherwise than as "imitation wine."

D. F. HOUSTON,
Secretary of Agriculture.

WASHINGTON, D. C., *June 12, 1914.*

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D. C., June 26, 1916.

Hon. CLAUDE KITCHIN,
House of Representatives.

DEAR SIR: Receipt is acknowledged of your letter of June 23, 1916, addressed to Dr. Alsberg, regarding the amelioration of wine with sugar and water.

This department sees no reason to doubt the statement that the amelioration of wine with sugar or water has been practiced to a greater or less extent since 1836 in Ohio and Missouri. There is no doubt, however, that such use of sugar and water has been subject to great abuse and has not been limited to the bounds established by varying climatic conditions. This abuse of the addition of water represents, in fact, the crux of the entire situation, inasmuch as it results in lowering the standard of wines other than fortified sweet wines, thus working a hardship to the producer of pure wines, as well as being confusing and misleading to the purchaser in case such diluted wines are sold under the simple designation "wine" without any explanatory statement showing the presence of water. The addition of water and sugar to fortified sweet wine is, as you doubtless are aware, subject to limitation under the terms of existing statutes, and food-inspection decision does not, therefore, apply to such wines.

The statement that the amelioration of wine with sugar and water was recognized as a legitimate practice in wine making by this department until about two years ago, when food-inspection decision 120 was abrogated by food-inspection decision 156, is not correct, inasmuch as food-inspection decision 109, which represents the first pronouncement of opinion with respect to the designation "wine" under the food and drugs act, was issued August 24, 1909. Food-inspection decisions 109, 120, and 156 are inclosed herewith for your convenience in noting the action which has been taken from time to time. Food-inspection decision 109 states that "the addition of water or sugar, or both, to the must prior to fermentation is considered improper, and a product so treated should not be called 'wine' without further characterizing it." On the basis of representations which were made in behalf of the Ohio and Missouri wine makers, food-inspection decision 109 was modified by the issuance of food-inspection decision 120, so as to provide that wine other than fortified sweet wine made from Ohio and Missouri grapes might, when made by the addition of a sugar solution within specified limits, be properly designated as "Ohio Wine" or "Missouri Wine," as the case might be, qualified by the particular kind of type to which such wine belonged. In view of the fact that gross deception was practiced under the terms of this decision, both with respect to so-called "pomace wine" and wines other than fortified sweet wines, and the trade practices employed thereunder resulted in a degradation of the standards for such wines, it was deemed advisable to modify this decision, as indicated in food-inspection decision 156. The latter opinion, as you will note, provides means for correcting excessive acidity, deficient acidity, and deficiency in saccharine matter, but does not provide for the addition of water, inasmuch as it is believed that natural defects may be corrected by the means indicated without the necessity for dilution with water.

It has not been held that the amelioration of wine with sugar and water renders the article deleterious to health or makes it in any wise unwholesome. The objection to such use of both sugar and water is based on the fact that permission to practice such amelioration under terms such as are indicated in food-inspection decision 120 has invariably resulted in gross abuses which, through force of competition, have lowered the standards for wine. There can be no question that it is highly undesirable that undiluted wines and wines which have been subjected to varying degrees of dilution should in common be designated by the simple term "wine" without any qualifying statement to show that the latter have in fact been diluted with water. Such indiscriminate use of the designation "wine" is quite misleading to the purchaser and is believed to come squarely within the provisions of the food and drugs act which prohibit such misleading and deceptive practices.

Your attention, however, is called to the fact that food-inspection decision 156 does not prohibit the production and sale of wine made from fresh grapes when ameliorated with sugar and water, but simply has the effect of requiring that wine so treated shall be labeled and designated in such a manner that the purchaser is informed of the nature of the article, and does not believe it to be a pure, undiluted wine. The last decision, No. 156, as you will note, applies to all wines other than sweet wines made in accordance with the sweet-wine fortification act, as well as to so-called "pomace wine."

In conclusion, the department believes that it is highly important under the terms of the food and drugs act that the simple designation "wine" without qualification shall not be applied indiscriminately to pure wine and wine which has been subjected to dilution with water. I shall be pleased to furnish you with such further available information as you may require in connection with this matter.

Very truly, yours,

D. F. HOUSTON, *Secretary.*

PROPOSED AMENDMENT RECOMMENDED BY THE AGRICULTURAL DEPARTMENT, AND TO BE OFFERED BY MR. PHELAN.

SEC. 53. That wine for the purposes of this act shall be deemed to be the product made from the normal alcoholic fermentation of the juice of sound, ripe grapes without addition or abstraction, except such as may occur in the usual cellar treatment of clarifying and aging: *Provided, however*, That the product made from the juice of sound, ripe grapes by complete fermentation of the must under proper cellar treatment and corrected by the addition, under the supervision of a gauger or storekeeper-gauger in the capacity of gauger and subject to rules and regulations prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, of a solution of water and commercially pure cane, beet, or dextrose sugar, to the must or to the wine in amounts necessary to correct natural defects; when such addition shall not increase the volume more than 25 per cent, so that the resultant product does not contain less than five parts per thousand of acid before fermentation and not more than 13 per

cent of alcohol after complete fermentation, shall also be deemed to be wine for the purposes of this act: *And provided further*, That wine as defined in this section may be sweetened with cane sugar or beet sugar or pure condensed grape must and fortified shall be considered sweet wine for the purposes of this act: *And provided further*, That no product included within this section shall be labeled, transported, or sold under any name, statement, design, or device which is false or misleading in any particular.

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JUNE 3, 1916.

Hon. CLAUDE KITCHIN,
Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.

MY DEAR MR. KITCHIN: I have the honor to acknowledge the receipt of your letter of the 3d instant, inclosing a copy of H. R. 13282, entitled "A bill to provide revenue by taxing wine, and for other purposes," with certain proposed amendments which you submit for such suggestions as I may deem proper.

The amendments consist:

1. In a reclassification of the wines and the imposition of the following rates of tax in place of those now contained in the bill, namely, on wines containing not more than 14 per cent of absolute alcohol, a tax of 3 cents a gallon; on wines containing more than 14 per cent and not exceeding 21 per cent, 10 cents a gallon, with a proviso that all wines containing more than 21 per cent of absolute alcohol shall be classed as distilled spirits and shall pay tax accordingly.

Regarding these proposed amendments, I would state that the classification and rates contained in the bill and recommended in my letter to you under date of March 6, 1916, and also in a letter addressed to Representative KENT under date of March 15, were the rates which, from the best information obtainable, seem to be the most likely to produce the maximum revenue at this time without injury to the wine industry.

It was then represented that the various classes of wines covered by the bill could not bear a higher rate of tax than then recommended, and, in the absence of any further information on this subject, I do not feel to be in a position to pass judgment upon the proposed higher rate of tax and the proposed tax of 10 cents a gallon on brandy for fortification of wines; nor does the time in which reply to your letter is requested enable the department to give this matter fuller consideration. It is, however, estimated that, under the proposed readjustment of the taxes on all classes of wines, and the proposed tax of 10 cents per gallon on brandy used in fortifying wines, that the amount of revenue would, under this amended bill, somewhat exceed that estimated for the pending bill, provided the increased rate of tax did not adversely affect the production of wines. If the imposition of the rates now proposed will have no detrimental effect on the wine-growing and wine-making industries, I see no objection to the same.

2. Regarding the further proposed amendment by striking out section 3 of the bill and substituting therefor a provision, to follow section 1, for levying and assessing against the wine maker or producer of "all wines fortified under the provisions and conforming to the requirements of the sections of the tariff act of October 1, 1890, relating to the fortification of pure sweet wines, as amended, and as further amended by this act, a tax of 10 cents on each taxable gallon of grape brandy or wine spirits used by him in the fortification of such wines," I would state that in the opinion of this department those portions of the act of October 1, 1890, and of the amendatory act of June 7, 1906, relating to the fortification of wines were repealed by the emergency revenue law of October 22, 1914. As this last-named act will expire by limitation December 31, 1916, the question might arise whether a provision, based on a repealed statute, would not be void and of no effect. If this provision is included in the law, it should be changed to meet that possibility, and it should be modified and incorporated in section 3 as follows:

That under such regulations and official supervision and upon the giving of such notices, entries, bonds, and other securities as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe, any producer of wines taxable under the provisions of this act may withdraw from any fruit distillery or special bonded warehouse grape brandy or wine spirits for the fortification of such wines on his winery premises: *Provided*, That there shall be levied and assessed against the producer of such wines a tax of 10 cents on each taxable gallon of grape brandy or wine spirits so used by him in the fortification of such wines during the preceding month, which assessment shall be paid by him within 90 days from the date of notice thereof: *Provided further*, That nothing herein contained shall be construed as exempting any still wines, cordials, liqueurs, or similar compounds from the payment of any stamp tax provided for in this act.

Regarding the proposed amendment providing for the addition of sugar or water, or both, to the pure grape juice before or during fermentation, or to the fermented product of such grape juice, I would state that this subject is one which seems to come within the province of the Secretary of Agriculture; and it is therefore suggested that the same be referred to him for his consideration. I would, however, add that the proposed amendment as now drawn might be construed as permitting wines to be so modified on premises other than where the wines are to be fortified.

If so construed, it might become necessary to detail an officer to each winery. This, if not impracticable, would involve a very large expense to the Government in providing the necessary force of officers to supervise this work.

3. Regarding the further proposed amendment by striking out in said section 3 the following provision: "But nothing contained in this act shall be held as authorizing the manufacture of wine from any material which, in the opinion of the Commissioner of Internal Revenue, constitutes a mash fit for distillation within the meaning of section 3282 of the Revised Statutes of the United States."

I would state that this provision was inserted in the bill, on the recommendation of the Commissioner of Internal Revenue, for the purpose of preventing the use of mash fit only for distillation, which, it has been found, has been used by certain wine makers in the production of spurious wines. The use of such mash, except on distillery premises, is positively prohibited by said section 3282, Revised Statutes, and I therefore recommend that this portion of section 3 above quoted be retained in the bill.

Respectfully,

W. G. MCADOO, *Secretary.*

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TREASURY DEPARTMENT,
Washington, May 19, 1916.

Hon. HENRY T. RAINEY,
Chairman Subcommittee on Ways and Means,
House of Representatives, Washington, D. C.

MY DEAR MR. RAINEY: I have the honor to submit herewith for consideration in connection with the pending wine bill (H. R. 13282) statements and estimates, prepared by Representative KENT, of the production of wines, cordials, etc., and the quantity of brandy used in the fortification of wines during certain stated periods.

The statement of collections under the present wine law is found to agree with the records of this department, except as to the tax collected on brandy during the period from November, 1914, to October, 1915, which, including the month of October, 1915, is found to be $162,997.40, instead of $162,197.14, as given in the statement submitted. While somewhat less than the tax assessed on the brandy so used, the actual collections from this source, as well as the tax on the wines produced, would seem to furnish a fair basis for comparing such receipts under the present law with the estimated receipts under the proposed law.

The records show that since the enactment of the present wine law there has been a large falling off not only in the production of certain grades of wines but in the quantity of brandy used for fortifying purposes. This large decrease is doubtless due mainly, if not wholly, to the high rates of tax now imposed; and it is reasonable to conclude that, under the reduced rates of tax provided for in the pending bill, the wine industry will again assume normal proportions, and that the revenue to be derived therefrom will at least equal that now estimated by Mr. KENT.

In view of the probable increase in revenue, under the lower rates of tax, and the fact that the administrative features of the bill would doubtless prove far more effective than those contained in the present law, I regard the bill as now drawn a meritorious one, and would recommend its passage.

Respectfully, W. G. MCADOO, *Secretary.*

The monthly reports of the Internal-Revenue Bureau show that the amount of fortification of sweet wine in August to October, 1914, was unprecedented. It is obvious that wine makers rushed fortification so as to evade the burdensome fortification tax of 55 cents a gallon, which was then being discussed.

It was assumed at that time that the next season would show a return to normal conditions, under the operation of the emergency law, as the next season's output would be unaffected by change of legislation.

Furthermore, the wines on which taxes under the emergency revenue law were collected were the product of a season which started long before the enactment of the law itself, and a comparison of 12 months subsequent to its enactment (which period, from October, 1914, to October, 1915, included the end of one normal season and the beginning of another season, an abnormal season), a comparison of receipts from mixed seasons with receipts from a normal season, is not a fair nor an accurate method of computation. The division of the year, as October to October, brings into calculations the productions of two different seasons, one of which may be extremely large and the other extremely small, and there is consequently difficulty in proving the cause of reduced production.

The law having been in effect about 18 months, the only reasonably accurate method of estimating the effect of the law is to compare the receipts of the first 12 months with the receipts of the last 12 months, and then to compare the gallonage producing this revenue with the output of an average year prior to the enactment of the present intolerable tax. Inasmuch as the past 12 months, from April, 1915, to March, 1916, inclusive, practically covers a season's production under the operation of the emergency revenue law, the production during this period as compared with the production of any season prior to the enactment of the emergency law will show conclusively the effect of the law on the wine industry.

Inasmuch as official figures are available on the sweet-wine industry only, as against the total of all other branches, the effect of the law can most readily be ascertained on this branch of the industry, as, for instance, the normal production of sweet wines prior to the enactment of the emergency revenue law was about 20,000,000 gallons, whereas during the last 12 months only 6,000,000 gallons of sweet wine have been fortified.

The tax on the sweet-wine industry was increased by the emergency law from three-fourths of a cent a gallon to about 23 cents a gallon, or approximately 3,000 per cent.

When the law went into effect it was confidently expected that 20,000,000 gallons of sweet wine would alone produce, at the rate of 23 cents a gallon (8 cents stamp tax and 15 cents fortification tax), $4,600,000. The actual collections, however, were as follows:

November, 1914, to October, 1915, inclusive.

Sales of wine stamps	$2,985,022.33
Assessments (includes penalties) on unstamped wines	28,995.57
Tax collected on brandy used in fortification	162,997.40
Total	3,177,025.30

April, 1915, to March, 1916, inclusive.

Sales of wine stamps	$2,498,276.28
Assessments (includes penalties) on unstamped wines	78,534.19
Tax collected on brandy used in fortification	307,861.29
Total	2,884,665.76

The following table shows the revenue which can reasonably be expected under the pending bill, as based on the estimates contained in the letter from the Secretary of the Treasury, March 15, 1916. The revenue figures on domestic cordials, sparkling wines, and champagnes were obtained from recent letters from internal-revenue collectors, furnished through the courtesy of Commissioner Osborn, and do not pretend to be comprehensive:

Estimated revenue, exclusive of domestic cordials, sparkling wines, and champagnes	$3,684,914.00
Domestic cordials, etc. (incomplete)	653,762.43
Domestic champagnes, sparkling wines, etc. (incomplete)	103,080.96
Total	4,441,757.39

November, 1914, to October, 1915, inclusive.

Estimated receipts	$4,441,757.39
Actual collections	3,177,025.30
Difference	1,264,732.09

April, 1915, to March, 1916, inclusive.

Estimated receipts	$4,441,757.39
Actual collections	2,884,665.76
Difference	1,557,091.63

The above figures, based on incomplete returns, show conclusively that the pending bill, even though it reduces the present rates of taxation from 35 to 50 per cent, will provide an increase of revenue of over a million and a half annually.

Moreover, the bill provides a permanent tax, whereas the present law was enacted merely to provide a temporary source of revenue.

Another advantage is that with the improved administrative features of the pending bill there will be little opportunity to evade payment of taxes. Under the present law there have been discovered flagrant abuses and evasions.

It is reasonable to assume that for the next year or two there may be a slight increase in revenue under the present law over actual production, inasmuch as much of the sweet wine that is now being marketed was fortified under the 3-cent fortification tax, and the Government is collecting stamp tax on this old stock. As soon as this stock of wine is sold off (it is alleged that there were 40,000,000 gallons in California at the time of the passage of the law) it is evident that the Government will then be collecting revenue from the annual production, which will afford an opportunity of computing the actual effect of the emergency law on the wine industry.

It is furthermore evident that the Government is receiving revenue at the present time from only 35 per cent of the normal production of still wines, and unless the present rates of taxation are lowered there is no reason to hope that receipts can be increased. On the other hand, an immediate reduction of 65 per cent of production during the first year and a half under the operation of the emergency revenue law raises the presumption that, without relief, the discouragement and the fight for actual existence will tend to create a progressive decrease in production and consequently in revenue.

Table showing percentage of reduction in production of sweet wine.

	Gallons.
July, 1914, to March, 1915, inclusive	17,133,228.66
July, 1915, to March, 1916, inclusive	6,051,565.49
Difference	11,081,663.17

Or a drop of 65 per cent in production.

The season of 1914–15 was divided between two rates of tax. A comparison between the season of 1915–16 and an average of the seasons of 1910–11, 1911–12, and 1912–13 follows:

	Gallons.
Sweet wine produced in 1910–11	19,498,767.24
Sweet wine produced in 1911–12	24,198,626.19
Sweet wine produced in 1912–13	19,281,758.12
Total	62,979,151.55

Average for three seasons, 20,993,050.516 gallons.

Production, 1915–16 season, 6,051,565.49 gallons, or a drop of about 72 per cent.

RECESS.

Mr. SIMMONS. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 5 o'clock and 53 minutes p. m., Wednesday, August 23, 1916) the Senate took a recess until to-morrow, Thursday, August 24, 1916, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 23 (legislative day of August 21), 1916.

POSTMASTERS.

KANSAS.

Jerome B. Lewis to be postmaster at Preston, Kans., in place of C. G. Williams, resigned.

MASSACHUSETTS.

Thomas F. Lyons to be postmaster at Billerica, Mass., in place of Thomas F. Lyons. Incumbent's commission expired January 11, 1916.

MINNESOTA.

C. H. Leighty to be postmaster at Glenville, Minn., in place of A. N. Hutchins. Office became presidential July 1, 1916.

MISSISSIPPI.

E. J. Lockhart to be postmaster at Magee, Miss., in place of W. H. Gardner. Incumbent's commission expired March 13, 1916.

NEBRASKA.

J. J. Sazama to be postmaster at St. Paul, Nebr., in place of A. N. Conklin, deceased.

NORTH DAKOTA.

Annie A. Bjornson to be postmaster at Kulm, N. Dak., in place of Lydia Doering, resigned.

TEXAS.

H. T. Campbell to be postmaster at Alvarado, Tex., in place of L. E. Hill. Incumbent's commission expires August 23, 1916.

W. W. Puckett to be postmaster at Buda, Tex., in place of D. M. Wilson, jr. Office becomes presidential October 1, 1916.

W. C. Young to be postmaster at Garrison, Tex., in place of John G. Ross. Incumbent's commission expires August 23, 1916.

VIRGINIA.

W. Clarence Greever to be postmaster at Graham, Va., in place of C. P. Greever, deceased.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 23 (legislative day of August 21), 1916.

UNITED STATES DISTRICT JUDGE.

Martin T. Manton to be United States district judge for the southern district of New York.

APPOINTMENTS IN THE ARMY.

MEDICAL RESERVE CORPS.

To be first lieutenants with rank from August 9, 1916.

Francis Anthony Auleta.
Cornelius Oliver Bailey.
Clarence Frank Bernatz.
Abraham Lincoln Blesh.
Ralph Henderson Boots.
John W. Burns.
Alfred Henry Byars.
Seth DeBlois.
Sigmund Deutsch.
Hugh John Duffy.
Richard Henry Edmondson.
James Carlton Ferrell.
Henry Clement Flood.
John Herbert Franklin.
Robert Lardner Gibbon.
Frederick Hadra.
McMicken Hanchett.
Franz Heinrich Harms.
George Randolph Harris, jr.
Walter Lee Kline.
Melcherd Helmer Kutch.
Thomas Daniel McMenamin.
James Douglas Lawrence McPheeters.
William Ellsworth McPherson.
Morris Isidore Mendeloff.
Lloyd Howe Mott.
John Joseph Murphy.
Stephen Ambrose O'Brien.
Edward Stuart Parker.
William Roy Ream.
Imas Pryor Rice.
Frederic Gilbert Ritchie.
Edd. La Fayette Robertson.
Edward Winfield Rowe.
George Clemens Ruhland.
Simon Seegman.
Thad. Shaw.
Albert Clifton Smith.
Philip Moen Stimson.
Nehemiah Fay Tilton.
John Wesley Tope.
Harvey Edmund Webb.
George William Woodnick.
William John Clarke Agnew.
Francis Thomas Duffy.
Irvin Hardy.
Otto Joe Cook.

To be first lieutenants with rank from August 16, 1916.

Harold M. Hays.
Leonard Davis Frescoln.

PROMOTIONS IN THE ARMY.

INFANTRY ARM.

First Lieut. Edwin O. Saunders to be captain.
First Lieut. Walter Krueger to be captain.

COAST ARTILLERY CORPS.

Second Lieut. Carl S. Doney to be first lieutenant.

TO BE CHAPLAIN.

Chaplain Thomas Livingston, with the rank of captain from August 12, 1916.

POSTMASTERS.

KENTUCKY.

Margaret E. Green, Harlan.

TEXAS.

Robert S. Rodgers, Bonham.

SENATE.

THURSDAY, *August 24, 1916.*

(Legislative day of Monday, August 21, 1916.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Jones	Nelson	Smoot
Brandegee	Kenyon	O'Gorman	Sterling
Chamberlain	Kern	Penrose	Taggart
Culberson	Lane	Pittman	Thomas
Curtis	Lea, Tenn.	Robinson	Thompson
Dillingham	Lee, Md.	Sheppard	Vardaman
Fletcher	McCumber	Sherman	Wadsworth
Gallinger	McLean	Simmons	Weeks
Hardwick	Martin, Va.	Smith, Ga.	Williams
Hitchcock	Myers	Smith, S. C.	

Mr. JONES. I desire to announce that the junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent on account of illness in his family. I will allow this announcement to stand for the day.

The VICE PRESIDENT. Thirty-nine Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. BRADY, Mr. OLIVER, Mr. OVERMAN, and Mr. RANSDELL answered to their names when called.

Mr. GRONNA, Mr. HUGHES, Mr. STONE, Mr. CHILTON, and Mr. PHELAN entered the Chamber and answered to their names.

The PRESIDING OFFICER (Mr. LEA of Tennessee in the chair). Forty-eight Senators have answered to the roll call. There is a quorum present.

TARIFF COMMISSION.

Mr. THOMAS. Mr. President, this morning I received a letter from the executive secretary of the National Retail Dry Goods Association in regard to the compensation of the members of the proposed tariff commission, which I ask may be printed in the RECORD without reading.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL RETAIL DRY GOODS ASSOCIATION,
New York, August 21, 1916.

Hon. CHARLES S. THOMAS,
United States Senate, Washington, D. C.

DEAR SIR: We notice that it is proposed to place the salaries of the members of the new tariff commission board, the bill for which is now before Congress, at less than salaries paid to the Federal Trade Commission members.

It seems to us that this board, if properly empowered and if its personnel is of such a character as to command respect of the business interests of the country, should rank in importance with the Federal Trade Commission. If the compensation of its members is placed at less than that of the Federal Trade Commission members, we should consider such action a reflection upon the members of this tariff commission board, and this fact alone will have a tendency to keep from the board the class of men it seems necessary to secure to insure general respect and fullest success.

The National Retail Dry Goods Association therefore urges Congress not to cripple this important commission by such a course, and we sincerely hope that in its deliberations Congress will decide to provide salaries for the members of the tariff commission board at least equal to those of the Federal Trade Commission.

Very truly, yours,

NATIONAL RETAIL DRY GOODS ASSOCIATION,
E. L. HOWE, *Executive Secretary.*

TAX ON INSURANCE COMPANIES.

Mr. LANE. I present certain telegrams, which I ask may appear in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The telegrams are as follows:

PORTLAND, OREG., *August 22, 1916.*

Hon. HARRY LANE,
Washington, D. C.:

Insurance agents and interests here consider that stamp-tax requirements are unfair, inasmuch as all other corporations have been relieved of same, and especially so in view of bill providing 2 per cent income tax on insurance corporations, which is 100 per cent increase, and the 50 cents per thousand tax on capital stock and surplus tax on insurance is a tax on the public. As citizens of Oregon urgently request you to oppose this unfair legislation.

McCargar, Bates & Lively; Hartmand & Thompson; Rodgers Hart Gibson, Dooley & Co.; Davie E. M. Dunne; Jas. McIwood & Co.; Harvey O'Bryan; Martin & Campbell; A. H. Birrell Co.; Gerlinger & Co.; F. E. Atkins; G. Rosenblatt & Co.; Pettis, Grossmayer Co.; W. G. Lloyd, Adjuster; W. J. Clemens; Wakefield, Fries & Co.; Whitmir, Kelley & Co.

PORTLAND, OREG., *August 22, 1916.*

Hon. HARRY LANE,
United States Senate, Washington, D. C.:

I earnestly protest against prohibition of deduction of increase in reserve as basis for income tax as applied to all classes of insurance; also protest against tax of 50 cents per thousand on capital stock and surplus. And I am strongly opposed to the continuance indefinitely of stamp tax on insurance policies and ask your aid.

JAC. MCL. WOOD,
311 Railway Exchange.

PORTLAND, OREG., *August 22, 1916.*

Senator HARRY LANE,
Washington, D. C.:

We earnestly protest against prohibition of deduction of increase in reserve as basis for income tax as applied to fire insurance companies; also protest against tax of 50 cents per thousand on capital stock and surplus. And we are strongly opposed to the continuance indefinitely of stamp tax on insurance policies and ask your aid on these points.

LYMAN & SENGSTAKE,
511 Neuy Building.

PORTLAND, OREG., *August 22, 1916.*

Hon. HARRY LANE,
United States Senate, Washington, D. C.:

Understanding that a bill has passed the House and is before the Senate, with modifications proposed by the Senate that have not been approved by the House, providing that there must be a stamp tax on policies issued by insurance companies, also that income tax on capital stock and surplus has been doubled, and believing that the bill is most discriminatory in that all other corporations are exempt from stamp-tax provision I urgently request that you use your efforts to oppose the continuation of the stamp-tax requirement on policies. This feature of the present law is most inconvenient and expensive, and it is a tax that must ultimately be borne by the public.

JOHN D. COLEMAN,
617 Board of Trade.

PORTLAND, OREG., *August 21, 1916.*

Hon. HARRY LANE,
United States Senate, Washington, D. C.:

My attention has been called to a bill which has passed the House and is before the Senate, with modifications proposed by the Senate which have not been approved by the House, to the effect that there must be a stamp tax on policies issued by insurance companies; also an income tax on capital stock and surplus and that same has been increased 100 per cent. Furthermore that this bill is discriminatory in that all other corporations are exempt from the stamp-tax provision. I most vigorously oppose the continuance of the stamp tax on policies. While this is passed along to the policyholders indirectly in premium charges nevertheless, it is because of loading charges of this kind, which are unexplainable to the general public, that insurance corporations are constantly on the defense and the object of violent legislative attacks throughout the entire country in explaining the reasons why the public have to pay the bills, all of which results in radical and extreme prejudicial legislation as against insurance corporations.

PAUL C. BATES.

PORTLAND, OREG., *August 21, 1916.*

Hon. HARRY LANE,
United States Senate, Washington, D. C.:

Insurance interests and agents here consider that stamp-tax requirement is unfair, inasmuch as all other corporations have been relieved of same, and especially so in view of bill providing 2 per cent income tax on insurance corporations, which is 100 per cent increase, and the 50 cents per thousand tax on capital stock and surplus. As citizens of Oregon we urgently request you oppose this unfair legislation.

JAS. N. MCCUNE,
Secretary Underwriters Equitable Rating Bureau.

SALEM, OREG., *August 23, 1916.*

Senator HARRY LANE,
Washington, D. C.:

In the matter of Federal revenue bill I earnestly protest against prohibition of deduction of increase in reserve as basis for income tax as applied to fire insurance companies; also protest against tax of 50 cents per thousand on capital stock and surplus, and I am strongly opposed to the continuance indefinitely of stamp tax on insurance policies, and ask your aid on these points.

W. M. BURGHHARDT, Jr.

ASHLAND, OREG., *August 23, 1916.*

Senator HARRY LANE,
Washington, D. C.:

In the matter of Federal revenue bill I am strongly opposed to the continuance indefinitely of stamp tax on insurance policies. I earnestly protest against prohibition of deduction of increase in reserve as basis for income tax as applied to fire insurance companies; also protest against tax of 50 cents per thousand on capital stock and surplus, and ask your aid on these points.

G. F. BILLINGS.

Mr. GRONNA. I send to the desk a number of telegrams, which I ask to have printed in the RECORD. Most of them are protests against the double taxation on insurance companies.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

GRAND FORKS, N. DAK., *August 21, 1916.*

Senator A. J. GRONNA,
Washington, D. C.:

Are advised amended revenue bill provides increased income tax against insurance companies and continues stamp tax, while other lines are relieved from stamp tax. We maintain insurance second only to transportation in importance and necessity to daily business of the country, and vitally affects all individuals and business interests, large and small. As insurance men and as purchasers of insurance, and on behalf of thousands of individual purchasers of insurance, we protest

against this unjust, unwarranted attack on insurance business. State and local taxes already very heavy; all efforts to decrease cost to purchaser are defeated by such unjust special taxation, which increases operation expense and cost of insurance protection. Thousands of purchasers in this State and millions in country at large are ultimate sufferers. We ask your active efforts to prevent enactment of this or other legislation the result of which is to increase unjustly insurance taxes and the cost of insurance.

Northern Fire & Marine Insurance Co.; D. M. Holmes; H. Bendeke & Co.; John C. Boe & Co.; A. H. Clifford & Co.; E. A. Fladeland; Chas. E. Garvin; E. H. Kelsey; E. J. Lander & Co.; Nelson & Forester; B. F. Brockhoff; O. A. Webster & Son; W. L. Wilder, Northern Trust Co.; Implement Dealers' Mutual Insurance Co.; Commercial Mutual Insurance Co.

—

NEW ROCKFORD, N. DAK., *August 22, 1916.*

Hon. A. J. GRONNA,
Washington, D. C.:

As representative of New York Underwriters in North Dakota, I vigorously protest against amendment to stamp-tax revenue bill as discriminatory and excessive, in view of heavy taxes now paid by insurance companies.

JOHN BOYLE, *State Agent.*

—

FARGO, N. DAK., *August 22, 1916.*

Hon. A. J. GRONNA,
Washington, D. C.:

Insurance Federation of North Dakota, representing all branches of the insurance world and organized throughout the State, protests against amended revenue bill. Increasing income taxation of insurance companies and continuing stamp tax on policies, while relieving other lines of insurance business, so intimately affects welfare of all people that imposition of added burden merely unjustly increases insurance cost and unfairly adds to burden of public. Letter follows. Advise us of your stand.

INSURANCE FEDERATION OF NORTH DAKOTA,
By HARRY CURRAN WILBUR, *Executive Secretary.*

—

FARGO, N. DAK., *August 21, 1916.*

Hon. A. J. GRONNA,
Washington, D. C.:

Please exert your influence in protecting insurance companies against proposal in revenue bill to continue stamp tax on them. Alone, of all corporations, this tax cost the National Fire Insurance Co. $50,000 last year and was not borne by the policyholders, as it should have been. The National paid in taxes of all sorts last year over $400,000, which was more than our trade profit.

LOUIS L. NEWBERG.

—

FARGO, N. DAK., *August 19, 1916.*

Senator A. J. GRONNA,
Washington, D. C.:

Federal revenue bill, as amended by the Senate, providing increased income taxation of insurance companies and unlimited use of revenue stamps, is unjust and discriminating. Please do what you can against the measure.

THOMAS BAKER, JR., & CO.

—

FARGO, N. DAK., *August 21, 1916.*

Hon. A. J. GRONNA,
2219 California Avenue, Washington, D. C.:

Please exert your influence in protecting insurance companies against proposal in revenue bill to continue stamp tax on them alone. Of all corporations this tax cost the National Fire Insurance Co. $50,000 last year and was not borne by the policyholders, as it should have been. The National paid in taxes of all sorts last year over $400,000, which was more than our trade profit.

THOS. B. HULL.

—

BISMARCK, N. DAK., *August 21, 1916.*

Hon. A. J. GRONNA,
Washington, D. C.:

We will appreciate your opposition to feature of Federal revenue bill providing increased taxation on insurance companies and continuation of stamp tax, which we believe is unwarranted and unjust.

H. T. MURPHY & CO.

—

SPOKANE, WASH., *August 22, 1916.*

Senator ASLE J. GRONNA,
Washington, D. C.:

We are advised House of Representatives eliminated stamp tax on insurance. Stop Senate; committee restores stamp requirements. All corporations except insurance companies have been relieved of stamp tax. Stop this tax; is discriminatory and unjust. We urge you to use every honorable means to secure its elimination.

R. L. RUTTER,
President Western Union Life Insurance Co.

Mr. SMOOT. Mr. President, I desire to state that I have received several hundred telegrams similar to those which have been presented protesting against the tax on insurance companies. I do not offer them, however, because every Senator has received the same messages. I think the protest in the telegrams is just.

Mr. OLIVER. I wish to say that I also have received a large number of telegrams of the same character. I have refrained from putting them in the RECORD, because the RECORD is covered with such protests which are coming from all sections of the country against this provision of the proposed revenue bill.

HOUSE BILLS REFERRED.

H. R. 17375. An act to amend an act entitled "An act to provide for an enlarged homestead," approved June 17, 1910, was read twice by its title and referred to the Committee on Public Lands.

H. R. 17501. An act granting the consent of Congress to the city of Youngstown, Ohio, to construct a bridge across the Mahoning River, in the State of Ohio, was read twice by its title and referred to the Committee on Commerce.

PENSIONS AND INCREASE OF PENSIONS.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives insisting upon its amendments to the bill (S. 6370) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HUGHES. I move that the Senate disagree to the amendments and agree to the conference asked for by the House, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to; and the Vice President appointed Mr. HUGHES, Mr. TAGGART, and Mr. SMOOT conferees on the part of the Senate.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. PENROSE. Mr. President, when I yielded the floor yesterday afternoon to the senior Senator from New York [Mr. O'GORMAN] so that he could make a motion to go into executive session, I gave notice that I hoped to be able to continue my remarks this morning upon the pending bill and the resolution to commit the same introduced by me.

It is going back a good way to refer to Thomas Jefferson, and yet I suppose he still occupies his niche in the Democratic temple as the patron saint of the party. He would hardly be recognized to-day, however, and perhaps would not care to own the allegiance of those claiming to be his modern disciples. During his first inaugural address Jefferson referred to "the throes and convulsions of the ancient world" and declared that "it was not wonderful that the agitation of the billows should reach even this distant and powerful shore." Among the essential principles of our Government he mentioned "peace, commerce, and honest friendship with all nations, entangling alliances with none."

Nine months later Jefferson, in his first message to Congress, in December, 1801, although the foreign situation still interfered with the revenues of the Government, assured Congress that—

> There is reasonable ground of confidence that we may now safely dispense with all the internal taxes and that the remaining sources of revenue will be sufficient to provide for the support of Government, to pay the interest of the public debts, and to discharge the principals within shorter periods than the laws or the general expectation had contemplated.

Jefferson looked forward with confidence to dispensing with all internal taxes. His Democratic successors to-day, now in control of the Government, increase internal taxation beyond anything ever known in the country.

Jefferson believed that all revenues of the Government should be raised by customs duties. Many of his followers to-day would abolish the customhouses, and the Democratic Party, in the face of extraordinary need of revenue and the menace of an industrial invasion after the war in Europe comes to a close, keeps on the statute books the lowest tariff law in a hundred years. It has gone as far as it dares in suppressing customs duties, a policy which, as Jefferson said, gives advantage to foreign over domestic manufactures. Instead we have openly expressed admiration for British free trade and direct taxes. It is forgotten that most of the Governments in Europe are highly centralized and many of them have gone to extremes of paternal legislation. With us there still remains the fact that we have 48 great States in a Federal Union, and our Government is not entirely centralized, but much is left to these States in the way of administration and legislation, and their needs and purposes, expanding every year, require ever-increasing revenue, which must be collected somewhere. I know very well that every year there seems to be a growing tendency to ignore the States and to concentrate everything upon the Congress and the Government in Washington. I am one of those who deplore this condition. I would like to see revived, with some of its old-time vigor and vitality, those doctrines of State rights which modern Democracy seems to have entirely forgotten. This country is too big to be controlled in everything by a centralized Government. The Union covers too vast a territory, with its diversity of climate and race, to render such centralized control either practicable or tolerable; and yet, if the Federal Government is going to absorb all the revenues of the country, such absorption will only precipitate the tendency—which has been going on to too great an extent—of having the Central Govern-

ment legislate and appropriate for nearly every requirement from one end of the land to the other.

We are drifting to a system of direct taxes at a time when nearly every civilized nation is going in the other direction. Before the outbreak of the war in Europe every nation in Europe, except England, had a protective tariff. Bismarck openly declared, in urging a protective tariff for Germany, that the wonderful recuperation of the United States after what had, up to that time, been the greatest war in history, our Civil War, was due to our protective-tariff legislation. If Germany had not had a protective tariff and been able to meet a large part of her requirements from protected home industries and agriculture, the war would have been over long ago, as far as Germany was concerned. And there is every reason to believe that with the close of the war new trade alliances and treaties will be made which will make it more imperative than ever that the United States should get ready for industrial preparedness. In fact, Mr. Joseph Chamberlain, when colonial secretary, as early as 1903, declared in a memorable speech that under the English system of free imports Great Britain was losing both ways; the foreign markets were lost because whenever English trade assumed any size the tariff door was closed.

And, as if that was not enough—

He said—I quote his exact words—

the same foreigners who shut us out invade our markets and take the work out of the hands of our working people and leave us doubly injured.

But even now we hear every day rumors that Great Britain will completely abandon free trade and adopt protection as the result of the present war. The change will involve, it is said, the enforcement of practically prohibitory tariffs on the products of British enemies and moderate tariffs on products from neutral and friendly countries. At a meeting of the Council of the London Chamber of Commerce held on January 13, 1916, a number of important recommendations were adopted on the subject of trade during and after the war. These recommendations were made at the instigation of the special committee. In the main the recommendations provide—

For preferential reciprocal trading relations between all parts of the British Empire;

For reciprocal trading relations between the British Empire and the allied countries;

For the favorable treatment of neutral countries; and

For regulating, by tariffs and otherwise, trade relations with all enemy countries so as to render impossible a return to pre-war conditions and for stimulating the development of home manufactures and the consequent increased employment of native labor.

Attention is called in the proceedings to what is termed the "new opportunity." It is declared that the war now waged against the alliance, by stopping the great imports of German and Austrian manufactures, affords a unique opportunity for recuperating lost trade and industry. But it is urged that immediate action is imperative, so that English manufacturers may be in a position to supply the demand that must arise as soon as the war is ended. It will be impossible, it is said, however, for the English manufacturers to lay down the plant necessary to regain lost ground unless they have some guaranty that their struggling industries will not be crushed by unlimited foreign imports. The nation must therefore, it is further declared, adopt a distinct and decided policy, which should embrace the following points—I quote them, and many of them almost read as if they were taken from the speech of some Republican protectionist:

1. To secure employment and good wages for our workers.
2. To draw our revenue from foreign nations instead of taxing our own subjects.
3. To open an enormous market in our colonies and dependencies that will render us independent of foreign trade and furnish us with supplies at moderate prices.
4. To levy the following duties:

From German and Austrian and other hostile nations, heavy duties on all goods

From favored nations, moderate duties on manufactured goods and light duties on raw materials that can not be produced in our own country, such as cotton, jute, tea, coffee, cocoa, etc.

From our colonies and dependencies, light duties on manufactured goods and admission duty free of raw materials that can not be produced at home.

5. To enter into agreements with our colonies and dependencies for reciprocity and preferential treatment on the above-mentioned principles.

It is urged by the same chamber of commerce that immediate action is imperative; that it would be the height of folly to postpone preparation until the war is over; that even after the adoption of tariff reform, as above described, it would be very difficult to stem the inrush of German goods at the close of the war.

As late as June 20 last we all saw the cable dispatches relating to the action of the economic conference in Paris, in which the allied Governments of France, England, Russia, and Italy were represented by members of their respective cabinets. The conference agreed upon sweeping measures of tariff restriction to be put in force during and after the war. According to the cable dispatches during the war citizens of the allied nations are forbidden to engage in any commerce with enemy subjects. All merchandising from enemy countries is likewise forbidden. Commercial houses having enemy connections are sequestered. During the reconstruction period the allies declare their purpose to carry on joint action in restoring their industries, agriculture, and merchant fleets. All treaties with the enemy being abrogated, the allies agree that favored-nation treatment shall not be accorded to enemy powers during a number of years, to be agreed upon by the allies after hostilities cease. They further declare in favor of the allied nations dealing among themselves, so far as possible, in their natural resources.

The allies agree to prevent "dumping" of enemy goods by fixing a time during which enemy commerce shall be subject to special rules and prohibitions. They further agree upon joint collaboration after the war to procure complete independence from enemy countries relative to raw products and manufactured goods essential to the development of their economic activities. They will adopt subventions and advances to encourage enterprises and research, scientific and technical. Besides subventions and advances to certain industries, the allies will consider tariff changes and prohibitions, temporary or permanent.

Here, Mr. President, we have a proposition going further than any protectionist American statesman ever dared to go except perhaps in one or two instances. Here is an advocacy of subventions and advances of money to certain industries, together with Government research and scientific investigation, and, on top of it all, temporary or permanent tariff changes, which may be prohibitory. The mutual exchanges of goods among the allies will be encouraged by rapid transit, reduced freight rates, and common arrangements concerning postal and telegraph communication.

If such an alliance has been perfected or should be made, and should result in preventing the selling of goods of any description by the Germans, Austrians, and Turks in any of the countries controlled by the allied powers, and should such an agreement be strictly enforced, then practically the only market open to the Germans, Austrians, and Turks is the United States and South America, which means that they will be compelled to sell their wages in these countries at any price obtainable, not from choice but from necessity.

Thus it will be seen what the United States is likely to be exposed to in industrial warfare, waged more systematically than any that the country has been confronted with down to the present time. The military war in Europe will come to a close and the industrial war will begin. England, France, Russia, and Italy will practically cease all trade with Germany, Austria, and Turkey, which, in their turn, will likewise cease trade with the allies. The surplus products of these countries must find new markets.

The answer to the inquiry which will arise is found in the following quotation from the Economist, which I will ask the Secretary to read.

The PRESIDING OFFICER (Mr. LEA of Tennessee in the chair). Without objection, the Secretary will read as requested.

The Secretary read as follows:

Where are the markets which the warring nations must seek for the export of vast quantities of industrial products which heretofore have found sale in European markets? In the strain and struggle for neutral markets the competition will be the fiercest ever known. The biggest neutral market in the whole world—bigger than all the rest of the world—is the United States. The consuming power of this country in manufactured products alone amounts to more than $22,000,000,000 a year. Under protective tariffs the American people have consumed 95 per cent of American manufactured products. This tremendous total of over twenty billions of consuming power is a rich prize for the Europeans to struggle for. They are looking toward this country as their main hope of a market, as their salvation. They will not look in vain if the return of peace shall find the Underwood free-trade tariff doors wide open. They will flood our market with goods cut to the bone in prices. Of this there can be no possible doubt.

Mr. SHAFROTH. Mr. President, does not the Senator recognize the fact that, on account of the death and destruction which have occurred in Europe by which probably 10,000,000 men have lost their lives or been permanently disabled, it is going to make a shortage in the labor market there, and that that shortage will necessarily involve an increased price for labor; and that increased price for labor will of necessity be reflected in every article manufactured in Europe and sent to this country? Is it not also a fact that because of those conditions our European competitors will not be able to sell as low as they were selling before the war?

Mr. PENROSE. Mr. President, I do not agree at all with the theory of the Senator from Colorado. Recuperation after a war is wonderfully rapid. There will be plenty of men there

to work the mills; and the women, too, will work in them, as they are doing now, and their products, regardless of the cost of production, will be dumped on the American market. Almost every manufacturer in this country thinks that.

Mr. SHAFROTH. Does not the Senator also recognize that in order to pay the interest upon the enormous debt that all Europe is contracting at the present time it will be necessary to levy enormous taxation upon the factories; and, if the raw material is raised upon the land in the respective countries, also upon the land which raises the material, and that that will be reflected in the price of articles which they send to this country to compete with similar articles produced here?

Mr. PENROSE. Well, Mr. President, from the manner in which direct taxes are being piled up in the United States on top of State taxation, I do not think there will be much to choose between the citizen of Colorado or of Pennsylvania running a mill and a German running a similar establishment, so far as direct taxes are concerned.

Mr. SHAFROTH. The Senator surely does not think that the amount of taxes in the United States will be anything near as large as the taxes that will be imposed by the belligerent countries in Europe upon their land and upon their property?

Mr. PENROSE. I do think that we are the most heavily taxed people in the world, and I so stated yesterday. The Senator loses sight entirely of the fact that in the highly centralized Governments of Europe the people pay their direct taxes, and that ends it, unless there may be a poor tax or some other small local tax levy; but in America we pay taxes to the municipality, we pay them to the county, we pay them to the school district, we pay them to the State; and now the Federal Government is coming in and laying its heavy hand to require an additional toll upon a people already overburdened. I think I can prove that, in many instances, we are more heavily taxed than is any nation in Europe.

Mr. SHAFROTH. Mr. President, does not the Senator recognize that they have political subdivisions, just like we have in this country?

Mr. PENROSE. No; they do not. England does not have States.

Mr. SHAFROTH. Does not the Senator recognize that they have municipalities that impose taxes, and Provinces or counties in which they impose a tax also?

Mr. SMITH of Arizona. And taxes on incomes.

Mr. PENROSE. Absolutely not, Mr. President. England is not split up into States with legislatures, with millions appropriated for good roads, with health departments, with a national guard, nor is Germany; and no more fatally erroneous conclusion can be reached, in my opinion, than a comparison of conditions in the United States, a federation of 48 States, covering a continent, with a little country like England or a comparatively small country like Germany.

Mr. SHAFROTH. Does not the Senator recognize that the counties in England have a political organization, just like the counties in the States——

Mr. PENROSE. They have a political organization, but not like the States.

Mr. SHAFROTH. And that they raise by taxation the means to maintain their government, just like our States or our counties raise money for the same purpose?

Mr. PENROSE. Oh, no; they are not anything like our States. I do not care to pursue such an argument with the Senator; but they have no badges of sovereignty, no legislatures, no militia, no health departments, and they do not build roads.

Mr. SHAFROTH. They have to pay for their armies and their navies by some means, and the expense is a great deal more proportionately than in our case.

Mr. PENROSE. I think the Senator will find that we are the most heavily taxed people in the world to-day.

Mr. SHAFROTH. I want to call the Senator's attention to this fact: Some four or five years ago I noticed the amount of taxes imposed in this country as compared with European countries, and the statement was made that it was 5 per cent of the income that was taxed—not in the shape of an income tax, but that that constituted the total tax in America—whereas England took 10½ per cent and France took 13 per cent of the income of the country in the shape of taxes. That was compiled by a foreign writer, I think Mr. Mulhall. If that is true, of course this enormous taxation that must be placed upon the properties and factories and lands of these belligerent countries must make it a great deal more than that in the future.

Mr. PENROSE. Mr. President, the writer to whom the Senator refers was probably describing conditions prevailing under a Republican administration; but even if these countries are heavily taxed, there is no reason why we want to approximate to their condition. I do not think there is any doubt that if the Senator will take the capital invested in corporations and partnerships and other forms of investments, and pile up the different State taxes and county taxes and city taxes, and then put the top on the pyramid with a Federal tax, he will find that it compares very closely in severity with anything existing in Europe.

The fact of the matter is, Mr. President, that while we are sitting here discussing a revenue measure that utterly fails to recognize the industrial crisis confronting us and the industrial invasion which is almost certain to occur, and burdening the taxpayer already oppressed with all forms of double taxation, England has already taken long steps toward the abandonment of free trade under the pressure of war conditions; and by the time the war is about over the United States will stand naked and exposed, the only nation in the world of civilized nations practically on a free-trade basis. That is my great complaint against the pending bill—that regardless of whether we are protectionists or Democrats there is absolutely no consideration given to the question of industrial preparedness.

Early in the war England imposed a very restricted and unscientific tariff on a few articles, with the double purpose of raising revenue and restricting imports. Recently Mr. Runciman, president of the board of trade, speaking as a member of the cabinet and a representative Liberal, threw over definitely the doctrines of the late Mr. Cobden and other free-trade advocates and declared that the time had come for a radical departure in economic policy. When it is recalled that he is one of the leading members of the Liberal wing in the coalition cabinet, and, more than that, he is one of the leaders of the old free-trade party, we can realize the significance of his declaration.

Added significance is given to his statement by the fact that he is a large shipowner and has always stood in Parliament and in the cabinet for the interests of the shipowning class, who, most of all among English business men, benefited by the old system.

It would further appear that Mr. Runciman's declaration was carefully thought out and prepared doubtless in consultation with his colleagues in the cabinet. It was made in discussing a resolution by Prof. Hewins, member of Parliament for Hereford, the great English protectionist, urging the Government to enter into immediate consultation with the Dominions in order, with their aid, to bring the whole economic strength of the Empire into cooperation with its allies in a trade policy directed against the enemy.

Quite as significant as Mr. Runciman's speech was that made by Sir Alfred Mond, member of Parliament for Swansea, the great free-trade chemical manufacturer, whose own business has been protected by a series of international trade agreements. After reviewing the former predominance of Germany in the chemical and metal trades, he said:

> Our own trade will require very careful nursing after the war, with all the burden of taxation and competition with enriched America. It may be necessary for us to take steps which we think economically unsound in order to tie ourselves and our allies closely together.
>
> Chancellors of the exchequer require money, and very few chancellors of the exchequer will be ready to give up any source of revenue after the war.

Prof. Hewins's resolution referred to was agreed to by Parliament without a division.

Only the other day we noted in the newspapers a reference to the revolution in trade after the war and the British preparations to meet it, as outlined by Premier Asquith in the House of Commons. The premier opened the discussion of the resolutions of the Paris economic conference and declared that the British Government had entered the conference with two objects in view. The first was to convince the central powers that the entente allies were resolved to wage war in complete unity and determination in economic as well as in military spheres. The second was to prepare for the period following the declaration of peace, in view of the known German attitude and purpose. The premier said:

> Our eyes have been opened as to the meaning of the manifold ramifications of the German system of economic penetration and commercial and financial control of vital interests and the use to which, with advantage, this system could be put in time of war.

Germany, Mr. Asquith further said, would be animated with the same spirit when the war was over. The Germans were already organizing their industries for an attack on the markets of the entente allies, he declared, and for a vigorous, if possible, attack upon neutral markets.

The Germans would start with obvious advantages, the premier continues, through their action in destroying works and factories in the invaded countries, and because they had a large maritime fleet interned in German and neutral ports, and it would be necessary to make preparations for the coming of

peace, and the resolutions of the conference represented the general lines upon which these preparations would proceed.

Dealing briefly with the measures proposed during the course of the war and during the period of reconstruction, the premier said it was the clear duty of the allies to take every step to secure for their own use the supplies produced by their own countries.

So far as Great Britain is concerned, he continued, the omens for the future were encouraging. British industries had shown extraordinary enterprise and resourcefulness, and there was a greater disposition among manufacturers to cooperate and call in the available scientific and mechanical resources of the country to increase the output and improve the organization.

Certain commercial changes, said Mr. Asquith, amounted to a revolution. The board of trade was engaged in a scheme to render the country independent of supplies from hostile sources in respect to dyes, spelter, and so forth. The plans for research had already been perfected.

The question of industrial and commercial policy generally has been referred to a committee, and the Government was in communication with India and with the Dominions, and the whole matter of the Empire's trade policy would be considered. The Government was in consultation with labor representatives with a view to the formulation of an after-the-war policy in social and industrial matters intended to secure a fairer distribution among all classes of the results of modern industry. Mr. Asquith said:

> The attention of the Government has been called to the fact that some apprehension has arisen in neutral countries, more especially in the United States, with regard to these resolutions, that the resolutions might be directed against neutrals. That is not the case. The resolutions contemplated only necessary measures of self-defense against economic aggression threatening the allies' most vital interests, and in carrying them into effect every endeavor will be made to insure neutrals against suffering.

This last statement of the premier is at once a candid admission and a most uncertain message of consolation. Of course, the result of these protective tariffs and trade agreements among the allies and the central powers will hurt the United States, and it is not likely that a spirit of philanthropy will prevail anywhere to save either the feelings or the interests of the people of this country. If we do not look out for ourselves and prepare ourselves we will only have ourselves to blame. It would be the height of folly to rely on assurances of any foreign minister that either our feelings or our interests would not be hurt. Even if the English Government wanted to prevent it, they would absolutely fail in preventing English manufacturers and German manufacturers from dumping their cheap products into the greatest and richest market in the world—the American market—underselling our fabrics and other manufactures, to the speedy ruin of our home industries.

Mr. GALLINGER. Mr. President, will the Senator yield?

Mr. PENROSE. Yes, sir.

Mr. GALLINGER. In connection with the argument the Senator is making, I should like to place in the RECORD a couple of paragraphs from an editorial in the New York Herald a few days ago. This great newspaper, which certainly can not be claimed to be a Republican newspaper, says:

> Are not the signs of the times enough to convince doubters that there will be no time for a tariff commission to mess and muddle over a situation which will require immediate statecraft? Our present tariff schedules will be no protection for this country against the vast accumulation of goods stored up abroad. Protection will be needed against the Prussians most of all. * * *
>
> It will not do to say that Prussia can not take the seas as her merchant marine is depleted, for that would be untrue. A greater fleet of ships than existed before the war is being built, and these will come with full cargoes, bringing in cheaply produced goods that will simply swamp the American manufacturers, who are producing at high cost of labor, material, and transportation.

That is a very important contribution to this discussion from a newspaper which is anti-Republican rather than pro-Republican.

I thank the Senator.

Mr. PENROSE. Mr. President, I am very glad the Senator from New Hampshire has called attention to this interesting and illuminating article.

How complete the change of policy and of theory has been brought about is illustrated by the final statement of the premier that there was no more hardened free trader than he, but no one could be so blind to the fact that this war, with its upheaval of social, political, and industrial conditions, suggested new problems and modifications in the solution of all problems.

And yet, Mr. President, in the face of these developments already occurring and with the likelihood of still more portentous aspects of trade war arising in the near future, we are called upon to pass the pending revenue measure, without any regard whatever for the menacing situation which will inevitably confront us as the war in Europe draws to a close. The only recognition occurring in the bill of such a menace is found in the antidumping paragraph. Here, again, we have an act of inconsistency similar to that which we find in the instance of dyestuffs. If a protective tariff is justified in creating the dyestuff industry, it can be argued logically that as dyestuffs are not the only articles upon which American civilization and well-being depends we might very easily extend the protective system so as to cover all articles which ought to be manufactured here regardless of any zollvereins or trade pacts or wars among foreign nations. So, if it is considered important enough to provide for the possibilities of dumping, why ought we not to go logically a step further and provide a constant, uniform, and adequate protective barrier, which will furnish a reliable and sufficient rampart against industrial invasion and dumping of cheap products and render our prosperity secure?

Realizing the inadequacy of the present tariff law to extend even a measure of protection to American industries, and apparently awakening to the necessity of providing this protection, the House committee recommended an antidumping clause. It is true that in the present tariff law the House of Representatives passed the bill containing an antidumping clause and declaring in its report that it is to—

> guard the producers of the United States against the demoralization of American markets because of low-priced importations.

The clause provided, in substance, that upon imported foreign articles not upon the free list, also manufactured in the United States, a substantial duty, not to exceed 15 per cent, should be levied whenever the foreign price was less than the fair market value at home. This antidumping clause was not drawn so as to be effective. But as it was struck out of the bill in the Senate it does not require more than a reference at this time.

That was the recommendation made by the chairman of the Ways and Means Committee, Mr. UNDERWOOD, when he made his report upon what is now known as the Underwood tariff law. The bill as it came over to the Senate, as will be recalled by those Senators who were here at that time, did contain an antidumping clause, which was promptly eliminated by the Senate Committee on Finance. When the bill was up for consideration on the floor of the Senate an amendment was offered by myself to restore the antidumping clause to the bill, and upon a yea-and-nay vote it was defeated.

The fact that after the antidumping clause had been repudiated in one Congress by the party in power it now comes up in a very inadequate form in the pending bill is only another illustration of the continual shifting and changing of views exhibited by the various leaders of the majority. It is particularly shown in the annual report for 1915 of the Secretary of Commerce, in which he admits the necessity for legislation to provide that unfair competition from abroad at the close of the war shall not be permitted to injure American industry.

The report of the House Committee on Ways and Means declares in this connection as follows:

> In order that persons, partnerships, corporations, and associations in foreign countries, whose goods are sold in this country, may be placed in the same position as our manufacturers with reference to unfair competition, your committee recommends:
>
> (1) The adoption of a provision making it unlawful for a person, partnership, corporation, or association to import and systematically sell any article at a price substantially less than the actual market value or wholesale price of such article at the time of exportation, with the intent of destroying or injuring an industry in the United States, or of preventing the establishment of an industry in the United States, or of restraining or monopolizing any part of trade and commerce in such articles in the United States; and
>
> (2) The levying of a special and additional duty equal to double the amount of such duty upon any article produced in a foreign country and imported into this country under any agreement, understanding, or conditions, shall the importer thereof or any persons in the United States be restricted in any manner in his using, purchasing, or dealing in the articles of another person, partnership, corporation, or association.

Mr. BRADY. Mr. President——

Mr. PENROSE. I yield to the Senator.

Mr. BRADY. I understood the Senator to say that at a previous Congress he introduced an amendment relative to antidumping.

Mr. PENROSE. Yes; in the last Congress.

Mr. BRADY. And the same also was rejected?

Mr. PENROSE. Yes.

Mr. BRADY. And at this session the Democratic majority are now trying to pass a measure similar to one the Senator endeavored to have enacted?

Mr. PENROSE. Yes; somewhat similar.

Mr. BRADY. It seems, then, that they realize the necessity of such a measure as the Senator introduced in a former Congress.

Mr. PENROSE. It would seem so.

Mr. BRADY. I wish to ask the Senator whether he did not realize at that time and does not realize now that it was only a temporary measure and would not afford permanent relief to the industries of the country.

Mr. PENROSE. There is no doubt of that.

Mr. BRADY. I ask the Senator whether he thinks it would not be better at this time or as near in the future as possible to enact an adequate protective-tariff law that would not necessitate an emergency measure such as is introduced at this time?

Mr. PENROSE. The Senator is entirely right on that. The antidumping clause is not a bad thing to have in tariff legislation, but it is only a makeshift. We must have the permanent protective schedules with stringent regulations against undervaluations, and an honest and rigid enforcement of laws against undervaluation at the ports of entry. The Senator is entirely right on the question, and I am glad he has risen to drive home the point.

This antidumping clause in the pending bill is entirely ineffective and will accomplish no purpose whatever. It does not matter whether it is passed or omitted. The proviso alone destroys its effectiveness in declaring—

That such act or acts be done with the intent of destroying or injuring an industry in the United States, or of preventing the establishment of an industry in the United States, or of restraining or monopolizing any part of trade and commerce in such articles in the United States.

What an absurdity, Mr. President, to prove that some chemical trust in Germany dumping their cheap products on the American market and exterminating the American manufacturer intended to do it.

By the time that such intent was established more than likely the American manufacturer's establishment would be closed. A more effective dumping law is that one which has proved the test of time and experience and is contained in the tariff laws of Canada. It does not open the door for any discretion or for any complication of circumstances, but recites the bald fact of underselling, as follows:

SEC. 6. In the case of articles exported to Canada of a class or kind made or produced in Canada, if the export or actual selling price to an importer in Canada be less than the fair market value of the same article when sold for home consumption in the usual and ordinary course in the country whence exported to Canada at the time of its exportation to Canada, there shall, in addition to the duties otherwise established, be levied, collected, and paid on such article on its importation into Canada a special duty (or dumping duty) equal to the difference between the said selling price of the article for export and the said fair market value thereof for home consumption; and such special duty (or dumping duty) shall be levied, collected, and paid on such article although it is not otherwise dutiable: *Provided*, That the said special duty shall not exceed 15 per cent nd valorem in any case.

I do not urge the practicability of this Canadian antidumping clause, but in its automatic operation it certainly is infinitely superior to the complicated provision which is now before the Senate.

From time to time since 1907 regulations by order in council and by the department of customs have been issued on the subject of special duty, or "dumping duty," as it is called. For some years the Canadian regulations provided that when it appeared from the invoice that the purchase price was more than 7½ per cent (or 5 per cent in case of some iron and steel products) lower than the fair market value the dumping clause should be immediately applied. For certain products no exemption allowance at all was granted. New regulations were put in force on September 1, 1914. The dumping duty was made applicable in all cases when the difference between the fair market value and the selling price of the goods to the importer in Canada would exceed 5 per cent of their fair market value.

Mr. President, as an illustration of how all over the world there is growing up this tendency to protect the home markets and home industries it is interesting to note that in 1914 the Government of the Union of South Africa included an antidumping clause in its new tariff. This clause, likewise, was modeled almost exactly after the Canadian clause.

The Australian Government, as far back as 1906, enacted legislation against dumping.

The inclusion of an antidumping clause in the pending bill is an admission of the necessity of the application of the protective-tariff principle in certain cases. The question naturally arises, If protective duties are logically applicable in emergency, why should not they be made permanent where it is demonstrated that the home product can be permanently undersold by reason of unfair competition due to foreign trusts, syndicates, and combinations, as is notoriously the case in the chemical trust in Germany or in the case of Government subsidy and Government-owned railroad systems or conditions of labor which would not be tolerated in this country. And over and above all, why should not the permanent protection be afforded when we are menaced by the prospect of tariff combinations among the nations of Europe and a general industrial invasion of our home market as soon as peace is declared?

It is argued that the task of raising revenue for the Government is a very difficult one, that it must be raised from some source or other, and the question is naturally asked, What would the Republicans do or propose were they framing a revenue measure? This inquiry will inevitably arise, and the answer to it is easily at hand. The Republicans are not responsible for the lavish and reckless way in which the public revenues have been squandered; they are not responsible, but, in fact, have generally opposed many of the ill-advised, ill-considered, and untimely projects for which millions have been appropriated and which I have already referred to.

The Republicans have endeavored at every turn to check this extravagance and to keep the appropriations within the revenues. The party in the minority at the present time is not responsible for the loss of over $100,000,000 from customs revenue by reason of the free list and the low rates of duty in the present tariff law. They view with abhorrence and astonishment the apparent recklessness in creating places and making appropriations, as if even a public treasury as wealthy as that of the United States could not ultimately be exhausted. Moreover, being in the minority, it is our duty primarily to criticize the inequalities and inexpediency of the pending measure, with the general proposition that the revenues should be primarily raised from duties at the customhouse. Under Republican administration there were ample revenues. At the end of the last Republican administration an ample balance was in the Treasury and the Panama Canal was largely built out of current revenues. We are not responsible for the fact that the Democratic Party has proclaimed a protective tariff to be unconstitutional and branded it as robbery. We are willing to fall back upon direct taxes so far as they may be necessary, but the American people in adopting the income-tax amendment to the Constitution never contemplated that this additional grant of taxing power to the Government would be exercised to destroy the protective-tariff principle, nor did they expect an income tax would be so laid as to furnish more than a fair share of revenue by supplementing revenue from customs duties and from ordinary internal-revenue receipts. They never contemplated that the whole theory and system of the Federal Government which has existed up to the present time should be overthrown and that we should embark upon the perilous proposition of a highly centralized Government with the functions of the State emasculated or eliminated and with the revenue of the country pouring exclusively into the Treasury at Washington.

Nor are the Republicans responsible for the lax method of conducting the legislative business pertaining to appropriations which has been observable in this Congress and the preceding one and shows a series of scandalous extravagance and actual loss to the Treasury in the administration of the public departments.

It is a notorious fact that in the present Congress and in the last one the appropriation bills have been invariably delayed. During this present month appropriation bills intended for the departments during the current fiscal year have been delayed well into the fiscal year 1917. This is a great embarrassment to the Government and works unnecessary expense. I have referred to extravagance. This is an illustration of shiftlessness which is a marked characteristic of the present régime.

This practice, when the Democratic Party is in power, was severely criticized by the Secretary of Commerce in his last annual report. He said:

Finally, money loss arises from failure to make appropriations in time to keep the work of the Government moving. The serious results of these latter losses are probably not appreciated. They undoubtedly amount to more than some of the economies thought to be effected by clipping estimates.

During the 16 years of Republican control preceding the present administration the appropriation bills were invariably passed before they were needed and before the beginning of the fiscal year for which they were intended, and an extension resolution was never resorted to; on the other hand, a study of the record of the appropriation bills since the House of Representatives has been under the control of the Democratic majority discloses the startling fact that 15 regular appropriation bills have failed to pass before the necessary date, and that fifteen times a resolution extending the appropriation of the previous year had to be passed. This method of appropriation is an admission of incompetency and inefficiency in itself. It causes a great financial loss in the work of every department of the Government. It complicates accounts, hinders the making of plans in advance, prevents the execution of contracts for necessary work,

and prevents the allotting of funds equitably for the different seasons of the year.

Two of this year's great supply bills, one appropriating funds for the Post Office Department and the other for the Indian Bureau, failed of passage last March. All the work of preparing estimates, planning new projects, and the intelligent continuation of former works has been absolutely wasted by the failure of these bills. The affairs of those two branches of government had to be conducted under plans nearly two years old, which are absolutely foreign to conditions at the present time. A tremendous waste of time and money is inevitable, and the service that should be rendered to the public has been seriously impaired.

Thus in the present Congress the chairman of the Committee on Appropriations of the House of Representatives was compelled to report a bill extending the appropriations made for the necessary operations of the Government for the fiscal year 1916 during the month of July of the fiscal year 1917. The enactment of this bill, he declared, was made necessary because of the failure of the final passage of eight appropriation acts before the beginning of the fiscal year 1917, namely, Agriculture, Army, District of Columbia, Military Academy, Navy, Pension, Post Office, and sundry civil.

What excuse, Mr. President, can there be for such a makeshift method of conducting the legislative business of the country—to sit here all winter and keep Congress in session all through the summer until the 1st of September, and, even then, have 8 or 10 of the great supply bills not ready at the beginning of the fiscal year, and having to resort to a joint resolution continuing the old appropriations in order to keep the departments running until the bills can be acted upon? These things have never happened under Republican control of Congress, and they are a distinct admission of incapacity in managing the affairs of the Government.

Those of us who have been sitting here for a part of the summer recall that the agricultural appropriation bill was not sent to conference until July 18, considerably after the beginning of the fiscal year. I have not at hand the date when it was finally sent to the President for approval, but I recall that the chairman of the Committee on Agriculture and Forestry having the bill in charge left Washington while the bill was under consideration and has not appeared in the Senate since that time. The military bill was sent to conference on July 29 and only passed this body yesterday, upon the President's veto, after two months of the fiscal year for which the appropriation was intended had elapsed.

In the same way the Military Academy bill went to conference late in July; the naval bill did not go to conference until the 27th of July; and it was only a few days ago that it passed the Senate, when the conferees, after a prolonged discussion, agreed on the report, and the bill has become a law, two months of the fiscal year for which the appropriations were intended having elapsed, thus delaying the great projects contained in the bill—the building of dreadnaughts, cruisers, and other vessels of the Navy, and many other projects connected with preparedness contained therein. I can find for these delays, Mr. President, absolutely no excuse; but I find only incompetence and wasteful methods ensuing therefrom. It will doubtless be argued in connection with the naval and military bills that the delay in the matter of preparedness was the cause of the delay in these measures. But even the delay in taking up the question of preparedness is one which the American people are supposed to condemn the party in power for most severely. In this connection the President has changed his mind quite frequently, and only within a comparatively recent period has he awakened to the necessity of preparedness. We should have begun preparations for preparedness as soon as the war in Europe broke out and not awaited and postponed the inevitable problem until this late day, in the midsummer of 1916.

I have referred to the negligent method of conducting the public business and have also referred to the extraordinary expenditures which have been made without any regard to the resources of the Treasury for many ill-advised projects. I refer, in passing, to one more instance where the revenues have been depleted by improvident methods of legislation. I refer to the case now before the Supreme Court, where the court is expected to interpret the meaning of the provision in the present tariff law proposing to give a 5 per cent discount in customs duties on merchandise imported in American vessels. Thus far that clause has failed in its purpose, just as the tariff measure, of which it is a part, failed to provide adequate revenue. The question was raised immediately with the Secretary of the Treasury as to the validity of the 5 per cent discount provision. He appealed for advice to Attorney General McReynolds, who is now on the Supreme Bench. The provision was pronounced inoperative, it being declared that the 5 per cent discount to American vessels can not be given without impairing the stipulations of existing treaties between the United States and various other powers, and consequently the subsection was declared inoperative. Acting on this opinion the Secretary of the Treasury instructed the customs collectors to make no allowance of discount on duties under this provision. An appeal was taken by the importers to the Board of General Appraisers. Their ruling resulted in further confusion, and, neither side being satisfied, the case was taken to the Court of Customs Appeals more than a year after the law had passed. It is interesting to recall the report of the majority members of the Ways and Means Committee on the 5 per cent provision, when they defined it as—

> A discrimination in favor of American shipping, designed to build up our merchant marine and keep at home millions of dollars now being paid to foreign vessels to carry our products to foreign markets.

The provision in general was quite clumsily drawn and subject to other points of litigation. During the debate in Congress the Republican Members repeatedly warned the Democratic majority that, quite apart from its policy, the phraseology was meaningless and should be corrected to become effective. It was pointed out in the debate that its provisions would apply to goods coming in vessels of every country with which we had a favored-nation treaty; but those arguments were unheeded. The Government then carried the case to the United States Supreme Court. Owing to the fact that Mr. Justice Day is ill, Mr. Justice McReynolds is disqualified from passing an opinion, due to the fact that he passed on the case while Attorney General, and that Justice Brandeis has not heard the case argued, it can not be passed upon until after the fiscal year, and $25,000,000, the total of the rebates which will have to be paid out of the United States Treasury, will not appear in the disbursements for the fiscal year 1916, but will in 1917, provided the court sustains the contention that the provision is illegal.

And, Mr. President, we have the $25,000,000, which could properly be referred to in connection with this supposed refund for the purchase of the Danish Islands. I do not say that these expenditures are normal annual expenditures of the Government; that to my mind is a technical distinction; but I do say that they are expenditures that money will have to be drawn from the Public Treasury for, and that they will have to be paid out of current revenues or by bond issues. Whether they are, strictly speaking, current expenditures for the maintenance of the Government or not, or whether they are for luxuries, or the result of errors and blunders in legislation, the fact remains that they are liabilities, and I think that in the discussion of a revenue bill and in the consideration of the revenues which are likely to be had under the bill as well as under existing law, we have a right also to take into consideration everything for which appropriations have been made or for which authorizations have been made, as liabilities against those revenues; and there will not be much difficulty, Mr. President, if we take them all into consideration, in showing that neither this revenue bill nor other revenue bills will raise enough money to pay for all the unnecessary and ill-advised projects authorized by the present Congress, in addition to extravagance and waste in every direction.

Mr. President, I have some further observations to make upon the pending bill, but I will now yield the floor, as I am informed that there are other Senators who desire to address the Senate.

Mr. SHAFROTH. Mr. President, the Senator from Pennsylvania has commented upon the present prosperity in this country; he has stated that it exists because of the European war, and that it is really a prosperity of manufacturers of war materials. I wish to read into the RECORD just a few statements that seem to absolutely negative his contention, and which show that the prosperity which we are now enjoying is general and unprecedented in extent in the history of this country. I desire to read, first, an extract from an editorial in the Washington Post of August 13, 1916. The Washington Post is an able, conservative, independent newspaper. It can not be said to be an administration organ, as it has opposed more of the policies of the present administration than it has advocated.

Mr. GALLINGER. Not of late.

Mr. SHAFROTH. Well, I do not know about that; but the editorials in the Washington Post which I have in mind have been published during the past year. That paper has an editorial writer who has been collecting statistics from Bradstreet's, Dun's, and other statistical agencies, and he has produced a series of able editorials which show the condition of the country to-day and for the past year. He has abundant

authority for the statements he makes. In the editorial of August 15, 1916, which I have mentioned, this language is used:

Every section of the Union—North, South, East, and West—reports unprecedented activities in every line of business affairs.

The banks of the country are in the very best of condition, with ample sums of cash at the disposal of those worthy of credit or financial support.

The manufacturers never before have had such large unfilled orders as now and never have paid out such huge sums to skilled and unskilled labor as at present.

The mining districts are swarming with men making overtime in many cases, and this at rates of pay far beyond the records of recent years.

The railway companies are making immense earnings, and their employees are now getting pay on the highest record schedules, and hoping to get more.

Mr. President, I quote from the issue of the Washington Post of August 15, 1916, an editorial entitled "Huge expansion in building operations," as follows:

The Post has several times directed the attention of its readers to the great building boom which is in evidence in every State of the Union, and which must be accepted as indubitable evidence of the prosperity of the masses of the people.

It is an evidence of financial ease, an evidence of the confidence of owners and investors in continuing good times, an evidence of expansion in the business affairs of the Union, for it means not only huge demands for all classes of materials which enter into construction but it furnishes tonnages to the transportation lines and gives steady employment at high wages to skilled workers.

Returns from all sections of the country for the month of July, received by Dun's Review from 87 centers of business, show that the permits for new construction during that month contemplate an expenditure of $103,016,666, an increase of nearly 73 per cent, as compared with July, 1915

Of this large sum the permits in the city of Greater New York involved $50,526,144, but this aggregate in the one month was occasioned by the rush to obtain permits for construction before the new law which limits the height of buildings went into effect.

We include below statistics covering the valuation records of permits issued from January 1, 1915, to August 1, 1915; also those covering the same months in the present year. It will be noticed that every month in 1916 shows a decided increase as compared with the corresponding month of 1915:

	1916	1915
July, 87 cities	$103,016,666	$59,597,079
June, 86 cities	72,408,488	57,733,981
May, 84 cities	100,149,723	74,372,076
April, 83 cities	76,927,863	66,930,612
March, 85 cities	72,933,633	63,390,427
February, 82 cities	47,580,578	40,105,569
January, 81 cities	46,378,478	34,013,692
Since Jan. 1	519,395,431	396,143,436

The total for the first seven months of 1916 exhibits a gain of fully 30 per cent, as compared with the seven months of 1915, amounting to nearly $125,000,000 in values.

When the farm-loan banks get into practical operation huge additions to the values will be added monthly to new construction work in the United States, and material men and members of the various building trades will enjoy unparalleled prosperity.

Mr. President, if there is any indication that points clearly to the condition of business in the United States it is the building operations of the leading cities of the Union.

Mr. FLETCHER. Mr. President——

Mr. SHAFROTH. I yield to the Senator.

Mr. FLETCHER. I suggest to the Senator that doubtless the claim of the Senator from Pennsylvania that the prosperity of the country at present is only temporary is based upon his belief that the Republicans will win in the approaching election.

Mr. SHAFROTH. Well, Mr. President, he will be mistaken in that. I do not think his prognostication will be verified. Here is an indication, gathered from statistics as to the increase in building operations during a seven months' period in more than 80 of the principal cities of the Republic, scattered throughout the entire Union. These figures show an increase of $125,000,000. In view of those figures it seems to me it is idle to talk about there being no prosperity, or to state that, if there is prosperity, it can be attributed only to war conditions. None of the materials used in building operations forms a part of the shipments to foreign countries, nor is the demand for buildings in the United States accelerated by the foreign war. There has been a great growth in the building operations in our cities in the last seven months, and it will be found that the activities in that line had been increasing on a large scale for fully a year previous to that time, the increase for July being 73 per cent, as compared with the corresponding month in 1915. This evidence, it seems to me, Mr. President, can not be questioned, and consequently it demonstrates the contention that great prosperity is here in the administration of Woodrow Wilson.

Mr. President, this morning I clipped from Bradstreet's statement of bank clearings during the week ending August 17, 1916, which I hold in my hand. It shows a gain in bank clearings of $240,418,000 over those of the preceding week, and a gain of $940,754,000 over those of the corresponding week of last year. It shows an increase of from 7.3 per cent to 69.1 per cent in the clearings of every city in the Union except Albany, N. Y. Why, Mr. President, those are gigantic figures. They indicate transactions in all lines of business. They indicate that there is activity in every branch of industry. Such enormous gains as those must of necessity demonstrate that prosperity in all branches of business exists in the United States.

Some time ago I had a controversy with the Senator from Kansas [Mr. CURTIS] relative to the number of failures that had occurred in the United States, and he had some statistics which he read into the RECORD which I find are not exactly in accordance with what Dun's Review gives concerning these failures. I want to put into the RECORD the number of these failures, and also the amount of the liabilities involved in them.

For the calendar year 1914 the failures were 18,280 and the liabilities were $358,053,859. In 1915 the failures were 22,102 and the liabilities were $300,680,874, a decrease of $58,000,000. The number of failures from January 1 to June 30, 1916, amounted to 9,495, with liabilities of $111,241,421, showing exactly the condition which I was contending for at that time, namely, that there were a smaller number of failures in 1916 than in 1915, and that the liabilities were enormously less.

I have calculated, according to this list, the number of failures and the liabilities for the fiscal years, because we have just had the close of a fiscal year. The number of failures for the fiscal year 1915 was 22,477, and the liabilities for the fiscal year ending June 30, 1915, were $361,541,664. For the fiscal year 1916 the number of failures was 18,857, showing a decrease of 3,620 in the fiscal year 1916 as compared with those of the fiscal year 1915. The liabilities for the fiscal year 1916 were $233,334,760—an enormous decrease—a decrease from $361,000,000 to $233,000,000 as between the fiscal year 1915 and the fiscal year 1916.

Mr. President, it is just as I contended at that time. It takes time for failures to mature. A man's failure may be caused by some kind of indiscreet investment or injudicious extension of credit made some years before the failure actually takes place. In fact, companies usually delay failure as long as possible; the real cause of the failure often goes back to a time three or four years before the actual failure takes place. For that reason the failures that took place in 1915, though they were large, were not caused during that year. They were caused by indiscretions in business transactions occurring no doubt one, two, three, and perhaps four years before that time.

I have heard it said as to bank failures that the banks had been in a failing condition for 10 years, and yet by reason of covering up their accounts they had not been exposed. But, Mr. President, for the fiscal year ending June 30, 1916, we show that there are nearly 4,000 less failures than in the fiscal year 1915, and in addition to that there is a decrease in the liabilities of those failures from $361,000,000 to $233,000,000—an excellent showing in favor of the existence of good business conditions in the United States. There are always a large number of failures for fraudulent purposes, and they take place both in good and bad times.

Mr. President, these facts, it seems to me, should be sufficient to convince everyone that there is great prosperity not only among the manufacturers of war materials, but in all the occupations and industries of the land.

Mr. President, I have a number of clippings here which I desire to add to my remarks without reading them.

The PRESIDING OFFICER. In the absence of objection, permission to do so will be granted.

The extracts referred to are as follows:

[Associated Press dispatch of Oct. 16, 1915.]

Dun's Review says:

"With cross currents diminishing in force, the tide of business is rising at an accelerated pace and an era of wide-spread activity is in prospect. Usually during a transition period gains are recorded slowly, but strictly mercantile conditions have passed the stage where progress is difficult of discernment, and of late industrial expansion has been phenomenally rapid. Reports from nearly all sections of the country tell of the unchecked growth of new enterprises, which, while manifest in varying degrees in different lines and locations, is everywhere stimulated by the exceptional strength of the fundamental situation. Assurance of agricultural success, together with almost unlimited financial resources, has given the commercial world the confidence essential to the development of national prosperity, and the notable improvement in some and change of spirit is now more clearly reflected in the volume of current transactions. The latter, with few exceptions, are steadily enlarging, as is evidenced by the comparisons of bank clearings, railroad earnings, commodity prices, unfilled steel tonnage, idle freight cars, and other statistical barometers."

[Associated Press dispatch to Denver Post of Oct. 30, 1915.]

BUSINESS CONDITIONS CONTINUE GOOD, SAYS DUN'S WEEKLY REVIEW.

Dun's Review says:

"Not only is there no step backward in general business, but each week the pendulum of progress swings over a wider area and confidence is further strengthened. Recent vagaries of weather have not been conducive to the best results in retail distribution, yet substantial gains are nevertheless apparent in this direction. The forward movement gathers momentum in spite of various opposing influences, such as the unstability of foreign exchange, the congestion of freight at terminal points, and continued dissension in the ranks of labor; and while expansion is still most pronounced on war lines, the whole conditions and prospects are much less checkered and irregular than formerly.

"Few discordant notes mar the cheerful tone of reports from the leading centers and trades, and, since popular impressions largely control events, the notable improvement in sentiment has an important bearing upon the future trend of affairs. No one now doubts that the brighter day has definitely dawned, but change of spirit finds expression in the launching of many deferred undertakings, while more new enterprises are being started than for several years past. Instead of the marked hesitancy and caution previously manifest, large projects are conceived and carried into effect in a manner that attests the increased confidence pervading the commercial world.

"Weekly bank clearings, $3,990,733,378."

—

[From Current Events of Nov. 19, 1915.]

STEEL SHOWS THE BOOM.

The United States Steel Corporation began this month with unfilled orders for 6,165,452 tons of steel. That is the largest amount for years, and is an increase of 847 834 tons over the figures of October 1. Most of the steel is said to be for railroads, bridges, steel-frame buildings, and manufacturing. This seems to show a healthy state of general business.

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[Associated Press dispatch of Dec. 4, 1915.]

BRADSTREET'S WEEKLY REVIEW.

NEW YORK, *December 4.*

Bradstreet's says:

"Apparently the week has been the busiest in a long time. Activity in trade as well as in leading industries is unabated—is more marked, in fact, than heretofore. Jobbers, wholesale dealers, retailers, manufacturers, and bankers are a unit in reporting activity, and sold up for months to come is the condition of numerous industries. Complaints spring from inability to get supplies and from chagrin at not having bought at lower price levels than now prevail rather than from a lack of demand.

"Incidentally, the steady demand being made for immediate shipments corroborate reports as to depleted stocks, a widespread condition. Industry swings along at an active gait, the iron and steel trade leading, with mills unable to supply demands, despite augmented capacity, while new domestic business is unchecked by higher prices. But in other industries the circuit of activity is widening.

"Weekly bank clearings, $4,913,174,000."

—

[Associated Press dispatch of Dec. 11, 1915.]

DUN'S REVIEW.

NEW YORK, *December 11.*

Dun's Review says:

"There is no longer complaint of deferred buying, but of difficulty in meeting the steadily expanding requirements. Consumptive demand exceeds supply in some lines and distributing channels are obstructed by the congestion of freight, rail and over-sea shipping facilities still being inadequate to cope with the rush of traffic. This tends to act as a brake on commercial progress, yet the forward movement has not perceptibly slackened either in domestic or foreign commerce. On the contrary, exports, in spite of the shortage of vessels and other obstacles, continue in notably heavy volume, while internal trade is further swelled as the holiday season approaches. Development of Christmas business fulfills the most optimistic expectations.

"Weekly bank clearings, $3,831,001,525."

—

[Associated Press (News) dispatch of Feb. 27, 1916.]

TRADE AND INDUSTRY STILL MOVE BRISKLY AND PRICES ADVANCE—SUPPLIES OF MONEY PLETHORIC AND COLLECTIONS GOOD, SAYS BRADSTREET'S.

Bradstreet's to-morrow will say:

"Trade, as well as industries, still moves at a brisk pace; prices continue to advance, deliveries of raw and finished materials are complained of as slow, railway traffic is congested, supplies of money are plethoric, collections are good and buyers of some lines, fearing insufficient supplies or still higher prices, have put out orders for fall delivery. In brief, most producing units of the country are choked with orders, and instead of seeking business for far-off shipment the tendency is to move more slowly in this respect.

"There is, however, a disposition in parts of the country to proceed with caution, to ask if prices are not soaring too rapidly, and to question the ability of purveyors to obtain normal profits on final selling prices. But this recurring note of doubtfulness must be considered in conjunction with the fact that consumption is at an insatiable rate, that incomes of profit-sharing investments keep on rising, that wages as well as employment are good, and that the consuming power of the public has been greatly increased."

—

[Associated Press (Denver Post) dispatch of Mar. 25, 1916.]

Bradstreet's says:

"A tale now rather commonplace is told by this week's reports. A prominent characteristic is unprecedented activity in all of the larger lines, distributing as well as manufacturing, with, however, a rift or two in the steady, easy onflow being furnished by the inclement weather retarding retail trade in the East, by growing concern over high prices, and by the less pleasant aspect of Mexican affairs. Shortage of goods, steadily climbing prices, and widespread complaints of inability to get supplies, either of raw materials or semimanufactured products or finished goods, due in part to insufficient production or lack of transportation facilities, create fears of further acuteness in this respect, but rather accentuate buying not only for filling-in purposes but for fall delivery as well."

[Extract from editorial of Washington Post of Jan. 16, 1916.]

BUSINESS STEADILY EXPANDING IN VOLUME AND INCREASING IN VALUES.

The pushing forward of extensions to industrial establishments, the increase of capacities to output in mines, mills, shops, and factories; the construction of new mills, new shops, new factories continue to be marked features of business in the United States.

The increase of wages of employees in important branches of employment of labor is an accompaniment of the expansion of outputting.

The fact that building operations noted in December, 1915, were of a value, take the country over, of more than 65 per cent increase as compared with the total of December, 1914, is most significant and speaks very encouragingly for building work during the present year.

The balance of trade in favor of the United States of rising $50,000,000 as the result of the first week of 1916 exports and imports indicates that the high tide of the last four months of 1915 is still running in full force.

The fact that exports of coal during the year 1915 were double those of 1914 tells the story of prosperity in the mining regions north, south, and west of the District of Columbia, as well as of the railways which transport the coal and the ports which are benefited by the greater commerce it brings to their people.

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[Extract from editorial of Washington Post of Apr. 2, 1916.]

ENORMOUS DEMANDS OF THE PUBLIC FOR MANUFACTURERS' PRODUCTS AND MERCHANTS' STOCK OF MERCHANDISE.

As all business men well know, for the first three months of 1916 labor in every branch, labor skilled and unskilled, was employed in greater numbers of persons and in a greater percentage of the available total than ever before in the history of the United States at that period of the year. The reports of State and National officials have also shown that during the last quarter of 1915 the average wage paid was higher than at any other period of our records.

The past three months have witnessed advances in wages of employees over those paid in 1915 to an extent that has increased the daily, weekly, monthly earning power of more than 1,000,000 of our industrial workers.

Our mills, our furnaces, our factories, our shops, our manufacturing establishments, and our mines are not only crowded with employees earning good wages, but the unfilled orders upon the books of the companies, firms, or individuals controlling these are so large that they guarantee full capacity output for many months ahead, and this is in itself a guaranty of steady, constant employment to the workers, heavy pay rolls, and enormous demands for materials.

Some of the great steel companies are already booking orders for hundreds of thousands of tons of their outputs for delivery to their customers in 1917.

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[Extract from editorial of Washington Post of Mar. 25, 1916.]

There are no persons idle in this country now who are capable of work and desire employment. Farms, mines, shops, mills, factories, the trades—all offer employment to persons capable of doing the necessary work, and they offer steady jobs and at wages that have never been surpassed in amount.

There never were so many people in the United States as there is at this writing; there never was so large a percentage of the population employed as there is now, and never at such continuous work and such high average scale of pay as the present moment.

With the opening of the spring the calls for labor in this country will grow more urgent, and the business activities, already unparalleled in extent, will become still more extended.

With the opening of the spring the earning powers of our 100,000,000 of inhabitants will assume enormous proportions, and this earning power carries with it a purchasing power that will increase proportionately.

If our sales to foreign countries have exceeded all expectations and broken all records, so has the purchasing power of our own people, and the best records of the retail trade in the year 1915 will be far exceeded in the retail trade of this country during the months of the year 1916.

The ability of our people to pay for what they need or desire was never equaled in our history, and our manufacturers and merchants have before them many months of huge demands for outputs and merchandise.

The masses of the people are earning above and beyond any time in the past; they have liquidated debts accumulated during the years of depression, and are now ready to use their earnings in current purchasing for their needs.

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[Associated Press (Washington Star) dispatch of Apr. 23, 1916.]

STEEL MILLS ARE CROWDED WITH ORDERS FROM RAILROADS.

The railroad companies, large and small, are still ordering rails for 1917 shipment as heavily as the mills can be induced to make sales. The manufacturers find much difficulty in declining orders from importunate buyers. Trolley lines, industrial roads, and manufacturers of frogs and switches, as well as contractors of railroad construction, also are anxiously making efforts to secure places on rail-mill schedules before May 1.

In the past week contracts for light and heavy sections, reported specifically, amounted to nearly 150 000 tons, including 30,000 tons for the Great Northern, 28,000 tons for the Southern Railroad, 12,000 tons for the Chesapeake & Ohio, 6,000 tons for the Clover Leaf, 15,000 tons for the Pere Marquette, and 3,700 tons for the Lake Superior & Ishpeming. Four southern roads bought an aggregate of 35,000 tons standard sections. There were also orders of girder rails and light sections aggregating 16,000 tons. Since the 1st of April rail contracts have amounted to nearly 800,000 tons.

[Associated Press dispatch of May 28, 1916.]

NEW HIGH RECORDS BY BANKS—RESOURCES IN CENTRAL RESERVE AND RESERVE CITIES $8,000,000,000.

Resources of nearly $8,000,000,000, a new high record, were held by national banks of the central reserve and reserve cities of the country on May 1, Comptroller Williams announced last night. He issued this statement:

"The abstract of condition of all national banks in the central reserve and reserve cities as of May 1 shows that their resources have reached another high-water mark, total resources being reported at $7,976,000,000, an increase of $259,000,000 over the call of March 7.

"The deposits in these national banks were $6,593,000,000, an increase of $249,000,000, while loans and discounts increased only $48,000,000, or from $4,164,000,000 to $4,212,000,000 on May 1.

"In the central reserve cities of New York, Chicago, and St. Louis deposits increased $180,000,000, while there was an actual reduction in loans for the period of over $24,000,000.

"In reserve cities deposits increased $62,000,000, while loans increased $73,000,000."

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[Summary of report of Geological Survey of June 30, 1916, published in Washington Post of July 4, 1916.]

BIG SOFT-COAL OUTPUT—RECORD ESTABLISHED IN FIRST SIX MONTHS OF THE YEAR—261,000,000 TONS ARE MINED—INCREASED CONSUMPTION BY RAILROADS AND IRON AND STEEL INDUSTRIES GIVEN AS CAUSE IN GEOLOGICAL SURVEY REPORT—EXPORTS INCREASE 10 PER CENT OVER LAST YEAR.

Bituminous coal production in the United States during the first half of the present year was the greatest ever recorded in any half-year period, the Geological Survey announced last night. Estimates by the survey put the six months' output at 261,000,000 tons, a 35 per cent increase over the first half of 1915 and a 5 per cent increase over the last six months of that year.

The amount mined in the six months' period exceeds by several million tons the record production of the first half of 1913. Increased consumption by railroads and the iron, steel, and other industries is given as one cause of the increased output.

Exports in the period given were about 10 per cent greater than in the corresponding period of the year before. Movement of coal through the Soo Canal shows an increase of 80 per cent, and coal used in coking has increased about 50 per cent.

EXPECT STILL LARGER OUTPUT.

"From April, 1915, to January of this year production increased at a rapid rate, with but temporary slackening due to car shortage," said the survey's statement. "The output in January, 1916, was more than 60 per cent greater than in April, 1915, and the production in February and March this year was nearly as great.

"Users, fearing shut-downs on account of labor troubles, laid in large stocks, and the production in April declined, but May and June showed successive increases, and there is every indication that the production during the coming six months will equal, if not exceed, that of the six months just past and that the output for 1916 will exceed 500,000,000 tons, establishing a new record."

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[Associated Press dispatch of July 6, 1916.]

HIGH PRICES FOR WOOL—35 CENTS PAID IN MONTANA FOR CLIP OF 30,000 POUNDS.

BOSTON, *July 6.*

The American Wool and Cotton Reporter says:

"Considerable activity is noted in the wool market, with a great demand for medium scoured and fine wools for Government purposes. Speculation has also been a feature of the market. Wools suitable for blanket purposes have experienced a little flurry. Practically all the old territory wools have been disposed of.

"Record prices for the season, and, in fact, for a number of years, have been paid for wool in the primary market. In the West wool dealers saw their way clear to meet the price ideas of the wool growers. As high as 35 cents is reported to have been paid in Montana for clip of about 30,000 pounds. It is estimated that there is still approximately 20,000,000 pounds unsold in the West."

—

[Extract from letter of Holland, the financial writer of New York, of July 27, 1916.]

NEW YORK, *July 27.*

Simultaneously with the publication of the statement by the Secretary of the Treasury, William G. McAdoo, in which he directed attention to our continued prosperity and banking strength, there appeared a list of 20 of the largest banks in the world, each one having deposits in excess of $200,000,000. Secretary McAdoo's statement is probably without parallel. No financial minister of any other nation, so far as brief research reveals, has been able to make a statement that compares with this.

Even in the financial district, it has caused much comment, probably because there they are so near the conditions set forth by Secretary McAdoo that it is impossible fully to realize them.

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[From Washington Times of July 2, 1916.]

TREASURY BALANCE LARGEST SINCE 1908—M'ADOO REPORTS UNCLE SAM HAS $174,965,231, AND ENDS 1916 WITH $78,737,810 SURPLUS.

Secretary McAdoo reported last night that the balance in the United States Treasury is $174,965,231.97, the largest since 1908. The surplus for 1916 was $78,737,810.11, as compared with 1915's $59,436,580.15 deficit.

Income-tax receipts mounted from $79,000,000 to $124,867,430.28; internal-revenue receipts increased phenomenally to $512,740,769.58.

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[From Washington Post of Aug. 22, 1916.]

POSTAL SURPLUS $5,742,445—AUDITOR MAKES REPORT TELLING OF BIG IMPROVEMENTS IN 1916.

The Auditor for the Post Office Department yesterday reported an audited surplus of the department for the fiscal year 1916 of $5,742,445, according to a statement given out yesterday by the Postmaster General. The announcement of this result at this time is the earliest date in the history of the Postal Service that such a report has ever been made, and is due to improved system of accounting and the high standard of efficiency among postmasters, which the auditor reports as being "higher at present than at any time during the past quarter of a century."

During the four years of this administration the Postmaster General has paid into the Treasury $12,500,000, being a net gain to the general revenue of $1,162,061.

"This successful handling of postal finance by this administration has been brought about," says the report, "while at the same time it increased the number of rural routes and extensions by more than 10,000 and the number of people served on rural routes from 23,278,290 to 26,307,685.

"It has also extended the City Delivery Service to more than 5,000,000 additional patrons of the post office, including 243 cities which heretofore had never had free delivery, and it has increased its mail transportation by service on 6,248.09 miles of railway." Moreover, "it has several times increased the weight and size limit and twice reduced the rates on parcel-post matter.

"The delivery by automobile and other conveyances has increased in three years by 17,484,408 parcels, or 100 per cent, at the 50 largest offices in the United States. It also developed and simplified the Postal Savings System so as to increase the number of deposits from 310,000 to 616,000 and the amount deposited from $30,036,325 to over $92,000,000.

"The postal efficiency at this time is higher than was ever known in the history of the service."

Mr. SMITH of Georgia. Mr. President, in connection with the admirable presentation by the Senator from Colorado [Mr. SHAFROTH] of the condition of prosperity, which extends all over our land, I think it would be well at this time to add also a statement of our exports and our imports for the past four years. These figures are as surprising and as gratifying as those presented upon other lines by the Senator from Colorado. I hold in my hand a letter from the Department of Commerce. The exact figures, as furnished in this letter, I ask to print in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Fiscal year ended June 30—	Imports.	Exports.
1913	$1,813,008,234	$2,465,884,149
1914	1,893,925,657	2,364,579,148
1915	1,674,160,740	2,768,589,340
1916	2,197,883,510	4,333,658,865

Mr. SMITH of Georgia. These figures show that our exports for 1916 were $4,333,658,865. Mr. President, you may deduct all of the munitions sent abroad, and still our exports will remain the largest in the history of the country.

I always regret partisan debate or partisan consideration of questions that come before the Senate. I have scarcely ever participated in a partisan debate. But, Mr. President, we have heard for the past few days, under the leadership of the Senator from Pennsylvania [Mr. PENROSE] and the Senator from Utah [Mr. SMOOT], criticism of the financial condition of the Treasury and of our revenue collections and our appropriations, which were the action of both Houses of Congress. These criticisms were intended evidently not to aid in perfecting legislation, but for political purposes. As we may naturally expect the regular Republicans—or, as they are usually termed, the "standpatters"—to adhere solidly to Mr. Hughes, and as the debatable class of our citizens are called Progressives, and as both sides are seeking the support of this part of our people, I take it for granted that the Senator from Pennsylvania and the Senator from Utah are seeking by their speeches upon this subject to make an appeal to that class of their fellow citizens.

For the past three years or more we have been hearing a wail from the other side of the Chamber about deficient revenue bills passed by Democrats, and excessive appropriations made by Democrats. So far as the appropriations were concerned, there were few of them—none until just at this time that I recall—which did not receive the support of the Senators on the other side of the Chamber equally with the Senators on this side of the Chamber.

But, Mr. President, I have requested the Treasury Department to furnish me a statement of revenues collected and disbursements made for the past four years, starting with 1913, the last year of Republican administration, and following on down to the present time. I ask that this statement may be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Statement of receipts and disbursements, fiscal years 1913 to 1916, inclusive.

	1913	1914	1915	1916
RECEIPTS.				
Ordinary receipts	$724,111,229.84	$734,673,166.71	$697,910,827.58	$779,718,040.30
Panama Canal receipts, tolls, etc.			[1]	2,889,905.28
Public debt receipts	23,400,850.00	23,021,222.50	22,486,955.00	58,332,402.50
Total receipts	747,512,079.84	757,694,389.21	720,397,782.58	840,940,438.08
DISBURSEMENTS.				
Ordinary disbursements	682,770,705.51	700,254,489.71	731,399,759.11	724,447,649.19
Panama Canal disbursements	41,741,258.03	34,826,941.76	29,187,042.22	17,503,728.07
Public debt disbursements	24,191,610.50	26,961,327.00	17,253,491.00	24,668,913.50
Total disbursements	748,703,574.04	762,042,758.47	777,840,292.33	766,620,290.76
Excess of ordinary receipts over ordinary disbursements	41,340,524.33	34,418,677.00		55,270,391.11
Excess of ordinary disbursements over ordinary receipts			33,488,931.53	
Excess of Panama Canal disbursements over Panama Canal receipts	41,741,258.03	34,826,941.76	29,187,042.22	14,633,732.79
Excess of public debt receipts over public debt disbursements			5,233,464.00	33,683,489.00
Excess of public debt disbursements over public debt receipts	790,760.50	3,940,104.50		
Excess of all receipts over all disbursements				74,320,147.32
Excess of all disbursements over all receipts	1,191,494.20	4,348,369.26	11,333,308.97	
Postal revenue	266,619,525.65	287,934,565.67	287,248,165.27	311,970,897.96
Postal expenditure	262,108,874.74	283,558,102.62	[2]298,581,474.24	306,228,452.76

[1] Included in ordinary receipts for 1915.

[2] Includes $6,636,592.60 grants from the Treasury for deficiencies in postal revenues in ordinary disbursements, and $4,693,716.37 paid from postal balances. These sums will make the $11,000,000 difference in the last two figures in third column.

NOTE.—Figures for 1916 subject to slight change after final revision of accounts.

Mr. SMITH of Georgia. I call attention to the fact that in spite of the prophecies of evil which have come from the other side of the Chamber, we have the gratifying result for the fiscal year 1916 of an excess of all receipts over all disbursements, amounting to $74,320,147. The prophets of evil were mistaken. Their lamentation it was necessary to make in advance, because it could not be presented as a criticism afterwards.

Mr. CURTIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Kansas?

Mr. SMITH of Georgia. Yes.

Mr. CURTIS. The Senator realizes, does he not, that the Secretary of the Treasury, in his annual report submitted to this Congress, estimated that there would be a deficit for the year ending July 1, 1916, of $64,000,000?

Mr. SMITH of Georgia. When?

Mr. CURTIS. December 6, 1915.

Mr. SMITH of Georgia. Then, Mr. President, it is gratifying to find that the Secretary of the Treasury, in anticipation of conditions, caused us to realize through additional legislation a most fortunate result, better even than he had hoped.

Mr. CURTIS. Mr. President——

Mr. SMITH of Georgia. I will yield to the Senator for a question, but not for a speech or for any comment.

Mr. CURTIS. I want to ask the Senator if, instead of the surplus being the amount given by the Senator in the statement made a minute ago, whether the excess of ordinary receipts was not $55,000,000 instead of the seventy-odd million dollars given by the Senator, not excluding Panama Canal or public-debt transactions?

Mr. SMITH of Georgia. I will answer the Senator. My statement was absolutely accurate, and the statement which I have already put into the RECORD shows that the excess of ordinary receipts over ordinary disbursements was $55,270,391, while the excess of receipts over all disbursements from all sources was $74,320,000, the figures that I gave.

I have given for publication in the RECORD an accurate and exact statement of the figures for each one of these years, furnished by the Treasury Department, and I am simply commenting upon some of those figures, which will appear in the RECORD. It is certainly a gratifying result that the last year of the Democratic administration, in spite of the prophecies of evil, in spite of the wail of woe in advance, left in the Treasury over $74,000,000 of additional surplus.

Mr. CURTIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Kansas?

Mr. SMITH of Georgia. For a question.

Mr. CURTIS. Does the Senator deny that nearly all of that came from enormous profits in the sale of war materials?

Mr. SMITH of Georgia. Yes; I deny it. The Senator has his answer.

Mr. CURTIS. Mr. President, the Senator will have hard work making anyone believe that they came from any other source.

Mr. SMITH of Georgia. I decline to yield for anything but a question. The Senator can ask me any question he wishes.

Now, Mr. President, I come to the appropriations for 1917. We have heard the most remarkable statements from the two great leaders of the Republican Party, the Senator from Pennsylvania [Mr. PENROSE] and the Senator from Utah [Mr. SMOOT]. We have heard the facts that they have presented, by which they expect to win the Progressives of this country in support of their candidate whom they selected and nominated at Chicago. I desire to take up the appropriations and discuss them somewhat in detail. I have a statement from the Treasury Department which I had intended to put in the RECORD, but as the Senator from North Carolina [Mr. SIMMONS] put a statement from the Treasury Department into yesterday's RECORD I will base my discussion upon that statement rather than upon the statement which I have, which is made up in somewhat different form.

The statement is as follows:

Statement of appropriations for 1916 and present condition of bills for 1917, showing increases for 1917 over the preceding year.

Title of bill.	Appropriations, 1916.	Present condition of 1917 bills.	Increase, 1917 over 1916.
Army	$101,974,195.87	[1] $267,596,530.10	$165,622,334.23
Agriculture	22,971,782.00	[2] 24,948,852.00	1,977,070.00
Diplomatic	4,061,280.01	[2] 5,355,096.66	1,293,816.65
District of Columbia	11,859,584.45	[2] 13,827,734.72	1,968,150.27
Fortifications	6,060,216.90	[2] 25,747,550.00	19,687,333.10
Indian	9,771,902.76	[2] 10,967,644.88	1,195,742.12
Legislative	36,904,799.75	[2] 37,925,690.25	1,020,890.50
Military Academy	1,069,813.37	[2] 1,225,043.57	155,230.20
Navy	149,661,864.88	[3] 316,726,556.54	167,064,691.66
Pensions	164,100,000.00	[2] 158,065,000.00	[4] 6,035,000.00
Postal Service	313,364,667.00	[2] 322,937,679.00	9,573,012.00
Rivers and harbors	30,000,000.00	[2] 40,598,135.00	10,598,135.00
Sundry civil	126,922,750.79	[2] 128,299,285.24	1,376,534.45
Total annual appropriations	978,722,857.78	1,354,220,797.96	375,497,940.18
Permanent and definite appropriations, exclusive of $4,000,000 for militia in 1917, duplicated in Army act	121,567,207.00	131,074,673.00	9,507,466.00
Total annual and permanent appropriations	1,100,290,064.78	1,485,295,470.96	385,005,406.18
Good roads		6,000,000.00	6,000,000.00
Rural credits, Farm Loan Board, including organization [5]		6,100,000.00	6,100,000.00
Miscellaneous appropriations, including the expected appropriation of $1,000,000 for floods, etc., in 1917	2,330,603.34	2,000,000.00	[4] 330,603.34
Deficiency appropriations, claims and judgments (63d Cong., 3d sess., 1915, and prior years)	12,316,343.90		

[1] Agreed to in conference.

[2] Enacted into law.

[3] In conference.

[4] Decrease.

[5] $6,000,000 of interest-bearing deposits from Treasury in farm-loan banks authorized.

Statement of appropriations for 1916 and present condition of bills for 1917, showing increases for 1917 over the preceding year.—Continued.

Title of bill.	Appropriations, 1916.	Present condition of 1917 bills.	Increase, 1917 over 1916.
Deficiency appropriations, claims and judgments (64th Cong., 1st sess., 1915, and prior years, to Mar. 31, 1916), largely paid during 1916		$13,771,654.30	$13,455,310.00
Deficiency appropriations, Army and Navy, act July 1, 1916		27,536,068.83	27,536,068.83
Deficiency estimates, including $798,650.30 claims and judgments in general deficiency bill before House Committee on Appropriations		19,305,524.21	19,305,524.21
Appropriations for 1913 and 1917, including Panama Canal	$1,114,937,012.02	1,572,008,715.30	457,071,703.28
Deduct:			
Postal act and postal deficiencies payable from postal revenues	314,245,638.30	325,744,908.82	11,499,270.43
Sinking-fund requirement included in permanent appropriations	60,723,000.00	60,727,000.00	4,000.00
Total appropriations, exclusive of postal service payable from postal revenues and sinking-fund requirement	739,968,373.63	1,185,536,809.48	445,568,435.85

NOTE.—The above statement does not include the following:

Shipping bill, bonds authorized	$50,000,000
Nitrate plant, bonds authorized	20,000,000

TREASURY DEPARTMENT, *August 18, 1916.*

The leader from Pennsylvania [Mr. PENROSE] talked about $2,000,000,000 as the appropriations for 1917. That statement from him was ludicrous. I want to know what appropriations he has been opposing here. I will discuss later on two or three that he has opposed. I do recall now the appropriation for the armor-plate plant, which the Senator from Pennsylvania attacked aggressively. Oh, what a leader he is to appeal on this subject, against our action, to the Progressives of the country! What power and what persuasive influence his utterances upon this subject will have to capture the Progressives for his candidate!

But, Mr. President, I do not desire to digress. He talked on this estimate about buying the Danish Islands. Did he say he would vote against buying them? I do not know whether I will vote in favor of buying them. I do not know whether we will ever have a chance, because it looks as if the Danish Government will not confirm the treaty. But if he votes to buy them, what kind of sincerity is there on his part in criticizing an appropriation bill that contains an item to pay for them because of the increase made by the payment?

I do not think that is the kind of conduct that will appeal to the Progressives. It might suit Pennsylvania politics, but not the liberal thinking men of the land.

The Senator from Utah puts his figures at $1,700,000,000. He was something over $50,000,000 too high. He did not, however, I must say, give that as a definite figure; it was in the nature of an estimate without the exact figure.

Mr. President, the Treasury statement shows appropriations for 1916 and 1917, including the Panama Canal, $1,572,000,000.

The Senator from Utah will say that this does not include a deficiency bill for the next Congress. I will admit that, but it does include the deficiency bill that was passed for 1916, and the two will balance each other. I do not add a deficiency bill which will pass the next Congress, but if I did would deduct something over $25,000,000 for the deficiency bill passed for 1916, contained in the statement above. One of the two should not be in the estimates for 1917. The figures $1,572,000,000 are fairly accurate and cover appropriations for 1917. I grant they do not include two items to which the Senator from Utah referred, one $50,000,000 authorization of use of bonds for the purchase of vessels under the ship-buying bill, the other $20,000,000 authorization of use of bonds for the erection of a nitrogen plant. It is utterly immaterial whether you add these two items as a part of the appropriations or whether you deal with them separately as an authorized bond sale, so far as I am concerned, for we have authorized the bond issue for these purposes. I am willing to go with the Senator from Pennsylvania and the Senator from Utah to the Progressive voters of this country, and ask them whether they will follow these two great old-line Republicans against the ship purchase and against the nitrogen plant, or whether they are not in favor of both.

But now we are told that it will be very expensive and almost impossible to buy the ships. I think that is possibly true, and I think the purchase may necessarily be deferred for some time; but why was it deferred? Why did we not make the purchase more than 12 months ago? It was because of the almost solid vote of the other side of this Chamber, backed by the Senator from Pennsylvania and the Senator from Utah, in preventing it.

Mr. GALLINGER. Will the Senator permit me?

Mr. SMITH of Georgia. Yes.

Mr. GALLINGER. The postponement of it enabled the Democratic Party to present a very different bill from what they did a year ago.

Mr. SMITH of Georgia. But if they had been bought a year ago by a bond issue, they would have more than paid for themselves before this time. We would have them as an asset, with the money turned back into the Treasury which they cost. The filibuster led by the Senator from Pennsylvania and the Senator from Utah prevented the Government and the people from owning the vessels to-day, and from having earned their cost before the present time.

Mr. GALLINGER. Does the Senator think they could have purchased or built those ships in the last year?

Mr. SMITH of Georgia. At the time the bill was pending, if we had been allowed to pass it at once, I know we could have then bought vessels and put them at once to work at less than half what we would have to pay to-day.

Mr. GALLINGER. There is no authority for that except the Senator's statement.

Mr. SMITH of Georgia. Yes; I furnished in the RECORD then, I will say, a letter from the Secretary of the Treasury pointing out vessels entirely other than the German vessels in New York which he had in contemplation.

Mr. GALLINGER. Will the Senator permit another question?

Mr. SMITH of Georgia. Yes.

Mr. GALLINGER. Does the Senator recall the fact that the filibuster he speaks of could not have been successful except for the aid of Democratic votes?

Mr. SMITH of Georgia. It would have been successful without it. There were only seven Democrats who joined you. Those men did no filibustering. The filibustering was done by the Senators on the other side, and day after day and day after day Senators on your side of the Chamber wasted time to prevent us from voting. It is true that seven of our colleagues finally voted with you, but we had the votes to pass the bill without them by the aid of certain Progressives. Except for the fact that the Senators on your side would not let us vote, the bill would then have become a law.

Mr. FLETCHER. If the Senator will permit me, I will say further that we had every assurance—and I have not a question in my mind about it at all—that we could have built those ships, a ship of 8,000 tons, within nine months. We had propositions to that effect. The ships could have been built and they would have been worth twice as much to-day as they were then.

Mr. SMITH of Georgia. The responsibility for the Government not owning those vessels to-day, paid for from the profits of their use, rests upon the leadership of the Senator from Pennsylvania and the Senator from Utah.

But what will these vessels be? They will be a necessary adjunct of our Navy. They will be essential to round out the Navy. They are essential as a matter of preparedness, if we are to use that term. I have no question they can be leased out to private companies for use in a manner that will pay 4 per cent on the investment and pay back the original cost. It may be that we will be compelled to use some of them upon the Pacific.

I am deeply interested in the development of our trade with China. I do not believe there is in the world a broader field for trade development and I am opposed to having our trade go through Liverpool. I am in favor, if the Government must build the vessels, of direct trade from the ports of the Atlantic and the ports of the Pacific to the ports of China, and I am glad we have enlarged our Navy and will have a Navy strong enough to see to it that our commercial vessels are always free to travel from the United States to the ports of China.

I wish to know if the Republican Senators believe they will make any Progressive votes by their attack upon the ship-purchase bill.

I take up the nitrate plant. What is it for? To-day we are absolutely dependent upon Chile for the basic material of the bulk of our powder. If we were cut off by the vessels of any great power from communication with Chile before we had built a nitrate plant, we would be almost helpless. It is utterly impossible to say that our country is

prepared to sustain itself in a contest with any other great nation of the world unless we are ready to produce through a nitrate plant the necessary raw material for our explosives.

I would rather have cut $20,000,000 off of our shipbuilding or cut off nearly any other branch of our preparedness that much than not to have taken the step to have in our own country a nitrate plant which will make us independent of Chile in producing our explosives.

I am willing to go to the country with the Senator from Pennsylvania and the Senator from Utah and leave that issue to the Progressive voters.

Mr. SIMMONS. All voters.

Mr. SMITH of Georgia. I am talking about the Progressive vote. I stated when the Senator from North Carolina was out of the Chamber that we are contesting for those votes; that the Senator from Pennsylvania and the Senator from Utah, good politicians as they are, having nominated their candidate at Chicago can rely on standpat Republicans and they have their hooks out to catch the Progressives, and naturally I have a right to judge that the political speeches they are making here are intended as appeals to the Progressives. I simply want to tell them, as I just now did, that as to the shipping bill and the nitrate bill, if they can make anything out of those measures with which to catch the voters they are after, they are welcome to them.

Now, Mr. President, I desire to go on with the consideration of these figures. I have eliminated the shipping bill. That is an authorization to issue bonds. I have eliminated the nitrate plant. That is the same. If you consider them as appropriations then I have disposed of those two items of appropriation in a manner which I think will be satisfactory to the bulk of the independent voters of the country. That leaves us $1,572,000,000 in the appropriation bills. But these figures include the sinking fund of $60,727,000 and the Post Office appropriation of $325,744,000. The sinking fund is not an expenditure and it is always eliminated in calculating expenditures.

I come to the Post Office appropriation, which is $50,000,000 more than the appropriation of 1913. But let us see about the Post Office appropriation. That is not consumed. That is the money incident to the operation of our great business enterprises carried on in the interest of the people of this country. Why this $50,000,000 increase? Because the Democratic administration has given the country a genuine parcel post, and because the growth and the development of the parcel post as well as the balance of the post-office service required this sum for 1917. But it would be entirely misleading to suppose we were consuming this money from the Treasury. The last year shows that the Post Office Department netted $5,700,000 from its operation. The figures that I have in my hand furnished me by the Treasury Department states the net at $5,700,000.

When we appropriate money for the Post Office Department we do not consume the money paid into the Treasury by the taxpayers; we only provide for the operation of this great public-service organization. Last year at this time the Secretary of the Treasury feared a loss, but before the year was out there was a net of $5,700,000. The post office has to turn into the Treasury its receipts. This is an authorization to draw them out. All the post-office receipts are deposited in the Treasury, and our appropriation allows them drawn upon for operation expenses. I have no doubt that the Post Office Department will again this year net a profit.

Mr. GALLINGER. The Senator says he is willing to answer questions?

Mr. SMITH of Georgia. Yes.

Mr. GALLINGER. I think my memory is accurate when I say to the Senator that in a debate a little time ago on the Rural Delivery Service the Senator condemned it, and his colleague condemned it, and they said it was so badly administered that if Georgia was not so strong a Democratic State it would go Republican at the next election.

Mr. SMITH of Georgia. I did not go that far.

Mr. GALLINGER. The Senator's colleague did.

Mr. SMITH of Georgia. But I was just going to refer to the mismanagement of the department in certain parts of its rural service during the past year.

Mr. GALLINGER. I am glad the Senator is going to do that.

Mr. SMITH of Georgia. I am going to mention the fact that the Fourth Assistant Postmaster General undertook to force into my State automobile service where the roads were not suited to it. But the Democratic Party is able to protect the people from difficulties of that kind, and in the bill we passed we have thrown restrictions around his discretion in that respect, so that local opinions that the roads are suited to the service will be necessary in future before such changes can be made. The difficulty we had from too keen a purpose to introduce automobile service has been prevented by legislation.

Mr. GALLINGER. Mr. President, if the Senator will permit me, the automobile part of the controversy may have been somewhat corrected, but the disruption of the service, which was notorious the country over, has not been corrected.

Mr. SMITH of Georgia. I referred to the subject only as it applied to my own State, and I know that corrections have been made of the mistakes. Inspectors unfamiliar with local conditions had undertaken to advise automobile service over roads that were unsuited to it. We have succeeded now in getting those matters adjusted and the service restored, and I have no doubt this has been done everywhere. You occasionally have a man in a department here and there who is a little too smart for the place. I remember that the last Postmaster General under Mr. Taft, Mr. Hitchcock, was so much too smart for the place that he was not admitted before the Post Office Committee of the Senate to give counsel, though the committee was Republican. We can not help that in our system. It is the duty of the legislative department to check men who get a little brash in the executive departments, and I am always glad to join in such a course.

Mr. GALLINGER. Mr. President, I have wondered what has happened to the Democratic official who was very brash before the committee a while ago, and we were told that he was going to be removed because of his brashness.

Mr. SMITH of Georgia. The Senator was not told by me.

Mr. GALLINGER. I was told by a Democratic Senator.

Mr. SMITH of Georgia. I do not know. Very frankly, if I had had charge of it I would have fired him. I let the Senator have the benefit of my view on that subject. But you can not conduct an administration without an occasional situation of that sort. It is hypercritical to pick out a little thing of that kind and undertake to make a national disturbance over it.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Will the Senator from Georgia yield to the Senator from Ohio?

Mr. POMERENE. I should like to see justice done in these matters.

Mr. SMITH of Georgia. I will yield to the Senator for a question.

Mr. POMERENE. I was going to make a statement which will take me two minutes, but I will not insist.

Mr. SMITH of Georgia. I will yield to the Senator, though I objected, on the other side, to a statement. I yield because I do not wish to leave an unjust criticism on anyone.

Mr. POMERENE. I simply wanted to make a statement that ought to go in the RECORD. We had our difficulties in Ohio over this motorizing of the routes. I took this matter up with others of my office force with the Fourth Assistant Postmaster General. Every courtesy was extended to us. My investigation showed that in my own State there were in the neighborhood of 300, and perhaps more, of the rural-route carriers who covered their routes in less than four hours, many of them in less than three hours. The purpose of the department was to reduce the expenses of the department and to increase the number of people who might be served. Of course, if that could be done without in any way prejudicing the service which was to be rendered to those who had been served by the department for some years before, no objection could be seriously made thereto.

Necessarily, when it would come to the working out of a plan of this kind the Fourth Assistant Postmaster General would have to depend very largely upon the subordinates in his department. There were something over 140 subordinates in that department, and 95 per cent of those subordinates were Republicans. So if there is any fault to lie with that department for what it did or failed to do, it is in large part administrative, and was due to the subordinates quite as much as it was to the man who was at the head of the department.

Mr. SMITH of Georgia. The statement of the Senator from Ohio is no doubt correct, and yet I do not exonerate the Fourth Assistant Postmaster General. I condemn him for putting Republican strangers into my State and taking their reports about the feasibility of routes when I, familiar with the facts, presented statements from men locally who understood, and which he would not heed. I think when a department assistant gets so big that he can not receive advice from the Senators of a State representing the people on a subject of this kind the place is better filled by his absence.

Mr. President, I do not intend to be diverted from my discussion of the splendid record of the Democratic Party during the past four years in the administration of the finances of the Government to consider a matter so unimportant as a Fourth

Assistant Postmaster General. I want to go on with a discussion of these figures. I want to take from them the misleading effect of their use as they have been presented by the Senator from Pennsylvania and the Senator from Utah.

I have shown that the total appropriation in 1917 was $1,572,000,000. I have shown that $60,000,000 of that was for the sinking fund and $325,744,000 for the Post Office Department, neither of which is considered in estimates of appropriations. They are always eliminated in final calculations of the appropriations for the expense of the administration of the Government.

The Post Office appropriation is an authorization to use in the operation of the Post Office Department money which the Post Office Department will take in and turn in to the Treasury. The other is the standing appropriation for refunding the Government's indebtedness.

Deducting those two figures from $1,572,000,000 we have $1,185,000,000, the appropriation for 1917.

Now, how much of that is for preparedness, added for the coming year by the call of the people of this country? I do not concede that it was supported more earnestly by Republicans than by Democrats. No Republican was more for it than I was for it. I believed in strengthening the Army and I believed in strengthening the Navy, and I voted for every dollar of those appropriations, and I am proud of it.

But how much extra did we put on for that reason? Three hundred and ninety-one million dollars. The Senator from Utah concedes $390,000,000. The exact figures are a little over $391,000,000. Do the Senator from Pennsylvania and the Senator from Utah expect to fool the Progressives of this country? Do they expect to deceive them into believing that there has been reckless Democratic extravagance in that appropriation? If not, why have they not frankly deducted it and come down to the real figures?

The only criticism that the great colonel would make would be that we had not appropriated enough. He would probably have doubled it. Are his followers to line up at once behind the Senator from Pennsylvania and the Senator from Utah with wild huzzas in condemnation of the Democratic administration and the Democratic Congress because the Senator from Pennsylvania and the Senator from Utah attack our appropriations as being extravagant? Honesty and candor require that they deduct this amount, which they voted for and conceded was right, and in the handling of appropriations come down to the normal appropriations.

When we deduct that amount we have left $794,000,000. Why do they not talk about $794,000,000 and be frank? Ah, I warn them that the Progressives are not a class of men to be captured by misleading statements, even though handled by the two great leaders of the party, the Senator from Pennsylvania and the Senator from Utah.

Now, let us think a little about some of these items. Six million dollars of the increase is for good roads to help stimulate the development of good roads all over the United States, to cooperate with the States, to furnish knowledge of how roads should be constructed, to aid in their selection, and to contribute something toward their construction.

A good road in Virginia is a matter of interest and value to a resident of Maryland or of the District of Columbia. The good-road problem is, in a sense, a national problem. What we have done has been to provide a wise cooperation between the Government and the State, to stimulate the construction of good roads. I want the Senator from Pennsylvania and the Senator from Utah to attack that appropriation and to go to the Progressives on it.

Another appropriation is $6,100,000, estimated, in 1917 for rural farm-loan associations. This is an effort to bring down the rate of interest that the farmers of the country pay. It is an effort to collect their various mortgages, to put them together, in an organized way to pass upon their titles, and to give the indorsement of the farm-loan organization to titles, to watch the collection of the mortgages and the interest in an organized way, and to raise the money by issuing bonds—bonds of the association—which are secured dollar for dollar by mortgages on farms, put in a shape where they will be an attractive investment for the average investor, who simply desires a reasonable rate of interest and no care or doubt about the certainty of the payment of the principal. It is an organization to eliminate the doubt about the security offered and to transfer the responsibility of collection to the organization.

I have no doubt it will bring down from 2 to 4 per cent, and perhaps more, the rates of interest now paid by the farmers of the country on their mortgage loans. It is estimated that they carry $4,000,000,000 of farm-mortgage loans. It will help the small farmer to pay for his farm; it will help the small farmer to develop his farm; it will help build up rural life; it will help strengthen that great body of our people—the very backbone of the Nation. The Senator from Illinois [Mr. SHERMAN], who honors me with his presence, feels no deeper interest in them than do I. Will anybody question the advisability of that appropriation of $6,100,000? I do not think so.

A part of this increase is for agricultural extension work, carrying the work of the agricultural colleges and of the experiment stations to the homes of the farmers, in order that those who have not been able to attend the agricultural colleges may have laid down at their doors by demonstrators, by masters of the subject, that information which for 50 years we have been gathering in the agricultural colleges, for 25 years in the experiment stations, and for more than 25 years in the Agricultural Department. That expenditure amounts this year to something like $6,000,000. I have not the exact figures before me. Will the Senator from Pennsylvania or the Senator from Utah go to the Progressives of this country and attack that increase?

Ten millions of the increase is for river and harbor increases over last year; but when I turn back to 1913 I find that the Republicans then appropriated as much for rivers and harbors as the Democrats have appropriated at this session. Frankly, I think there ought to be a little more critical examination of river and harbor bills. I think that the bulk of the items in those bills are good, but I think considerable trash gets into them. I think trash got into the bill in 1913, when the appropriations were as big as they now are, and I have no doubt there is some trash in the bill which we have passed at this session. I believe that we ought, without regard to parties, to study the question and thin out the trash. Legitimate and proper river and harbor appropriations ought to be made; but no money should be spent except where real substantial benefit can be shown, not simply to the locality from having the money spent but from the results to be brought about by the expenditure.

Mr. President, the expenditure last year being $729,916,000 and the increase being about $54,000,000, if you will go through the various bills and hunt for the places where the increases occurred you can easily find them. One was in the District of Columbia, amounting to nearly $2,000,000. What Republican opposed that expenditure? One was a million and a half dollars, in round numbers, increase for the Diplomatic Service, an expenditure caused by the increased burden placed upon the State Department growing out of the international war. So we will find them; so they come down; so we pick out items bringing the total almost down to last year's appropriations. Nobody can criticize them. Where are the items in those differences that the Senator from Pennsylvania and the Senator from Utah criticized when they were being made? Where are the speeches they made against them as they were going through?

Ah, Mr. President, it would be almost as high a service to watch the appropriations as they came along, and, if they were improper, to criticize them then as it is after they have been passed to seek to arouse party prejudice against them when you did nothing but vote for them as they passed along.

I realize, however, the exigency that confronts these two great statesmen and great party leaders. They have named their candidate; they have picked him and put him over with adroit skill; and now the burden is on them to elect him. There stands off the Progressive vote of the country, and the responsibility falls upon the Senator from Pennsylvania and the Senator from Utah to corral the Progressive vote. What a delightful task is theirs! The Progressives in many ways are a splendid body of men, sometimes misguided, but earnest and patriotic in their purposes.

I am not afraid to submit fairly, item by item, the record of the Democratic Party to them and to let them vote on it. I will do it, and willingly do it, despite my recognition of the tremendous influence, so justly and deservedly exercised, by the Senator from Pennsylvania and by the Senator from Utah upon the Progressives.

Mr. President, I have some additional remarks which later on I shall present on this bill, but for the present I do not desire to discuss this feature of the measure further.

Mr. SHERMAN. Mr. President, unless prevented by the act of God or the public enemy, I shall draw on old Father Time for probably at least a couple of hours. I give due and timely notice to the brethren in the Senate, so that they may conduct themselves accordingly if they have other and more important business elsewhere.

Mr. KENYON. Mr. President——

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Does the Senator from Illinois yield to the Senator from Iowa?

Mr. SHERMAN. Yes, sir.

Mr. KENYON. I simply desire to request that the Senator speak loud enough so that we may all hear him.

Mr. SHERMAN. Yes, sir; I shall endeavor to make my Republican friends, as well as my Democratic ones, hear what I have to say. Whether I shall convince all of them or not I can not guarantee, Mr. President, especially as to those on the majority side of the Chamber.

I am unable to state, and I shall not undertake to solve, Mr. President, the cause of the alleged Democratic prosperity. In a very certain way I have my suspicion, but probably this condition is incapable of mathematical demonstration to my perverse neighbors of the majority. Whether the prosperity is due to the Federal Reserve System, or the Federal Trade Commission, or the rural-credits legislation, or the resignation of William J. Bryan, or the distribution of post offices, I am unable to say. This wave of prosperity might be caused by any one or more of them, as it affects those fortunate enough to hold some of the appointments. Those who have received the benefits, I am sure, would think that the country was in a very prosperous condition.

We are, however, accused of worse things than misrepresenting the cause of prosperity, Mr. President. It is said that a year or so ago we prevented the passage at that time of a merchant shipping act. Well, in so far as I could contribute to that end, I did so, and I take my full share of blame with the minority side of this Chamber. Thereby the delay, it is suggested, caused the increase in the price of shipping and the cost of construction. If we had permitted, say, in the late winter or early spring of 1915, the passage of the shipping bill, we could have built or bought or leased, it is charged, probably twice as much in the way of tonnage as we shall be able to do under this $50,000,000 appropriation—this summer's appropriation—passed at this first session of the Sixty-fourth Congress.

The argument, however, carried out to its logical conclusion, proves more than the Senators anticipate. I have heard the principle announced and the specific application of that principle applied to those who are primarily responsible for the defeat of the shipping bill. I shall not content myself, Mr. President, merely with stopping with the particular application made by the Senator from Georgia [Mr. SMITH]; I will carry it somewhat further.

Preparedness has cost us a round sum of money, running into many millions of dollars, and the minority side of the Chamber, along with the majority, take their full share of the responsibility that attaches to the passage of appropriations having that object in view, but if we are responsible for the increased cost of merchant shipping by delaying the passage of the shipping bill at the last session of the Sixty-third Congress, with the constantly increasing price of everything, likewise our brethren on the majority side of the Chamber are responsible for the greatly increased cost of preparedness.

I remember full well certain messages delivered by the Chief Executive. In one message he took occasion to remark that, while the Old World was disturbed with war, we happily had peace. There were some nervous and excited souls, he said, who wished to prepare and to spend considerable sums of money in military and naval increases; but he suggested that no such appropriations were needed; that we were at peace, and would remain at peace; that we were, in substance, the masters of our own destiny in the New World; that, however the fields of Europe might run red with war, this Republic would remain at pence with all the world, including even Mexico.

The Chief Executive suggested further on a certain occasion that it was idle to think of increasing the Navy to any considerable degree. He suggested that no sooner would we build a certain type of ship designed for defensive purposes than the advance in knowledge of naval architecture and warfare would render the latest type of battleship obsolete and useless. He called attention, by inference if not by expressed words, to the submarine, intimating that it would eventually change the character of naval warfare. So, he said, these nervous and excited souls were becoming agitated without cause, and suggested that we ought not to spend any large sums of money for the purpose of advancing military and naval preparation.

We on this side of the Chamber were in the minority; we could not legislate. The majority could. The chief of the majority favored delay. So delay ensued. We had, it is true, some votes on this side that might have presented and supported a bill, but they would have accomplished nothing beyond a few vociferous exercises and the mere printing of the bill. In public matters with the majority party always rest both the power and the responsibility. The majority has that responsibility; they have had it since the 4th day of March, 1913; they have it now in both branches of Congress; they have it in the executive departments. Every great governmental department, every bureau—in fact, every agency charged with legislation, with administration, with the exercise of discretionary power in this country—is in the hands of the Democratic Party.

So that if there was any delay, Mr. President, in the military and naval preparation it was because the chief of that party and the responsible leaders of that party thought it unnecessary to hasten preparation or to go much beyond the ordinary appropriations which had been devoted to that purpose for a good many years. So nothing was done.

It would be as fair, there would be as much reason, Mr. President, in charging from 25 to 50 per cent of the cost of military and naval preparation to the Democratic Party as to charge the Republicans with the increased cost of the merchant shipping to be built under the bill lately passed by the Senate.

If it is a good argument in one place, it is equally good in the other place; and the responsibility, as well as the result, in the latter case an increase in the cost of military and naval preparation which, because of the delay, has exceeded by many million dollars the increased cost involved in the purchase of merchant shipping must be charged to the Democratic Party.

It is estimated that the revenue bill will raise some $205,000,000 of additional revenue. I wish to submit a few observations on the fiscal policy and financial record of the majority party. Their methods of taxation are basically different from those of the minority party. The appropriations have aggregated a considerable sum, and all the increase in appropriations over previous years can not be properly charged to military and naval preparation. There is a very large increase in connection with other matters, in other items not connected with the public defense. There are some millions of dollars unnecessarily appropriated, I believe, on a great many things that are not even indirectly connected with national preparedness. But the increases to which I refer are none of them a part of the plan of public defense.

I wish to speak in detail, Mr. President, of certain objectionable features of the revenue bill. I have specifically a criticism to make on page 30 of the bill, and I shall mention the particular objections before I shall submit any criticisms of a general character.

On page 30, section 10, in part 2, referring to taxation of corporations, I find this provision:

SEC. 10. That there shall be levied, assessed, collected, and paid annually upon the total net income received in the preceding calendar year, from all sources, by every corporation, joint-stock company or association, or insurance company organized in the United States, no matter how created or organized, but not including partnerships, a tax of 2 per cent upon such income; and a like tax shall be levied, assessed, collected, and paid annually upon the total net income received in the preceding calendar year from all sources within the United States by every corporation, joint-stock company or association, or insurance company organized, authorized, or existing under the laws of any foreign country—

So that it includes both domestic and foreign corporations. I continue to quote from the bill—

including interest on bonds, notes, or other interest-bearing obligations of residents, corporate or otherwise, and including the income derived from dividends on capital stock or from net earnings of resident corporations, joint-stock companies or associations, or insurance companies whose net income is taxable under this title: "The term 'dividends' as used in this section shall include any distribution of the profits or earnings of a corporation or association, whether made in cash or stock dividends."

This section as written will result in a manifest injustice. The senior Senator from New York [Mr. O'GORMAN] has offered an amendment, which was ordered to lie on the table and be printed on August 21, 1916. This amendment is designed to, and will, if adopted, correct the manifest injustice referred to.

The injustice would work a particular hardship upon the fire insurance companies of the United States. A fire insurance company that has back of its policies resources which can be made instantly available to meet its contingent liabilities is known as an "old line" company or a "stock" company; in fact, various terms are applied to it, amounting to the same thing, but they describe a particular class of fire insurance companies as distinguished from mutual companies, which have no capital stock, no investments to lie back of the companies, and nothing on which to rely, except the collection from the various certificate holders or members of an assessment upon the happening of a loss making them liable under the terms of the contract which the companies issue to their members.

Section 10 broadly applies to the old line fire insurance companies having a capital stock and shares which represent an investment, and investments to safeguard the policies which they have issued are particularly affected by this provision.

What is the purpose of a fire insurance policy? It is to make reimbursement upon the happening of the contingent event, whether it be fire or the hazards of the sea, whether it be some convulsion of the elements or the happening of some contingent event that is dependent upon man alone. The risks that are covered by a great variety of stock companies aggregate, over 12 months, many hundred millions of dollars. They do not represent a matured liability. It is contingent. That contingent liability is a part of the business and credit resources of this country.

The value of a fire insurance policy as the basis of credit is not properly considered, I think, by some Members of the Senate. The business of this country, the credit extended to many lines of mercantile and manufacturing enterprise, is based almost directly in some instances upon the contract that the policyholder takes out covering certain lines of hazard. The more the cost of doing a fire insurance business is burdened, the higher the premium rises, and the greater the consequent cost upon the property owner who seeks to protect his line of credit by an insurance contract. The value of a fire insurance policy consists in obtaining the money when the contingency happens; not that you shall have it a year from now, Mr. President, not that it shall be paid at the pleasure of the company assuming the obligation. Its value depends upon practically the immediate payment of the sum contracted to be paid by the company.

In the great fires that have scourged our country the uniform experience of the business world has demonstrated the truth of this. In the great Chicago fire of 1871 it was shown. In the fire at Boston it was shown. And without enumerating other great calamities that have afflicted the country, a few years ago an earthquake on the Pacific coast laid in ruins the principal city of the Pacific slope. The value of a fire insurance policy to a property holder in San Francisco was dependent upon the promptness with which the company met the loss. He needed the money to rebuild, to continue his business, to meet his maturing obligations, and without prompt payment a large part of the value of fire insurance protection would have vanished.

Mr. President, $240,000,000 of fire insurance obligations matured within 36 hours of the time the first tremor disturbed the people of San Francisco. Two hundred and forty million dollars were paid, paid without litigation, paid promptly. The remittances came in from the domestic companies of the United States and from all the foreign countries that were admitted to do business in the several States of the Union. The $240,000,000 helped rebuild San Francisco. They helped the business men of San Francisco continue on their course.

Fifteen million dollars of liabilities matured a week or 10 days ago when the explosion came on the island in the port of New York. There was enough of an explosion at Black Tom Island to have caused the entire prosperity the Democratic Party talks about. It deals in comparatively little things. There was enough property destroyed in the twinkling of the eye to cause enough prosperity to build the argument on we have heard here for weeks. A single explosion can cause prosperity in the Democratic Party, just as when there was a drought in Kansas or Illinois, or when the chinch bugs or grasshoppers used to eat up the crops, the Democrats always read the news and said: "Well, now, that looks good for us, don't it? We will beat them next time."

What became of the $15,000,000 of liabilities in the explosion? It was covered by fire insurance contracts. Where did they get the money? Did they borrow it at the banks? No. Some of it was borrowed, but not all. From what source was it derived? They took stocks, securities that were current on the market, and converted them into cash.

There is not a single responsible fire insurance company in this country, none admitted from the various countries of Europe to do business in the States, that does not carry as a part of its resources a very large amount of securities currently negotiable on the market. Comparatively few of them are bonds, but a very large quantity of them are negotiable securities in the form of shares of stock that can be readily assigned to anybody that wants to buy them. So a part of the necessary resources of the fire insurance company that intends to cash in on its contract when called upon is found in these securities. They are the kind known to the banking business as liquid assets, readily convertible into cash to meet the liabilities upon their policies in case of the happening of these great public calamities.

What is the natural result? Under this provision they are taxed—

> including interest on bonds, notes, or other interest-bearing obligations of residents, corporate or otherwise, and including the income derived from dividends on capital stock or from net earnings of resident corporations, joint-stock companies or associations, or insurance companies.

The amendment offered by the senior Senator from New York [Mr. O'GORMAN] provides:

> That the income embraced in a return of an insurance company organized in the United States shall be credited with the amount received by such company as dividends upon the stock or from the net earnings of resident corporations, joint-stock companies, or associations whose net income is taxable under this title.

This amendment covers the remedy. These dividends, drawn from these securities held as liquid assets, have at their source by the issuing corporation already paid one income tax. Then, when the dividends are included in the income of the holding company the fire insurance company that keeps the securities for the purposes I have indicated they are charged to it, under the bill as written, as a part of its income, and the holding company is again compelled to pay an income tax on them.

It might be said that ordinarily there is some offense in one corporation holding stock in another corporation; but in this particular instance there is no question raised as to the holding corporation controlling the issuing corporation. They hold these securities or shares in a great variety of companies—industrial, transportation, banking, or whatever it may be. Whatever on the market offers in safe investment and dividends of the amount they have to purchase they invest in and hold, not for the purpose of unifying corporate control, but for the purpose of obtaining an asset readily converted into money. So if they are charged as the bill is written it becomes double taxation—a tax upon the source and a tax upon the receiver again.

This injustice applies to life insurance companies as well, it seems to me.

I doubt very much whether it was the intention of the framers of the original act that this should be done when it is figured out how it will apply. Why should fire insurance companies be so taxed? To them war has brought losses, not gains. Whatever munitions manufacturers have made, they have had nothing but loss. Fire has taken its toll.

There is another burden. I am going to adhere to my illustration about insurance companies. On page 99 of the bill, section 56, it is provided:

> Corporations, joint-stock companies, and associations shall pay 50 cents for each $1,000 of capital, surplus, and undivided profits used in any of the activities or functions of their business, including such sums as may be invested in or loaned upon stocks, bonds, mortgages, real estate, or other securities.

I doubt very much whether the full force of that provision is appreciated. The investments of both the fire and life insurance companies are covered in section 56. This section, for instance, would have the following effect upon the fire insurance companies:

There are held many millions of dollars as investments. The double taxation criticized a moment ago upon the dividends paid, unless the amendment offered by the Senator from New York should be adopted, is one burden. The one in section 56, on page 99 of the bill, is another burden of 50 cents per thousand on capital, surplus, and undivided profits used in the business, including such sums as may be invested in bonds, mortgages, and the like. This will put an additional burden upon these companies.

The third burden I find on page 115 of the bill, in the following words:

> Each policy of insurance or other instrument, by whatever name the same shall be called, by which insurance shall be made or renewed upon property of any description (including rents or profits), whether against peril by sea or on inland waters, or by fire or lightning, or other peril, made by any person, association, or corporation, upon the amount of premium charged, one-half of 1 cent on each dollar or fractional part thereof.

Exempting companies that are purely mutual in character.

This is a third burden, Mr. President. I have computed, from the premiums paid on fire insurance alone in the United States, what this additional burden will mean to the fire insurance business of this country. In 1915 there were paid by property owners in the United States $349,647,280 in premiums. One-half of 1 per cent of the premium will mean $1,748,236 alone added to the cost of carrying fire insurance by the property owners of the country.

Neither fire nor life insurance companies can stand indefinite burdens heaped upon them. Either class of companies—and I apply my reasoning now to both of them—when the burdens reach a certain point must pass the burden on to the person or property insured or the companies eventually must go into bankruptcy. These excessive burdens laid upon the insurance interests of the country will have one or the other effect inevitably. Senators must not look alone to the large resources

of such companies. Large resources are balanced by nearly as large liabilities, leaving only a prudent margin of safety.

There is yet another burden carried by the fire insurance company. The rates of fire insurance are regulated by the statutes of the several States. In addition to that, in every State where the regulation occurs they are charged a license fee upon the business done, and, in addition to that, charges are made for licensing their agents that represent them in the State.

This license fee is not a mere license fee; it is a revenue measure. Under the guise of inspecting and examining and licensing them to do business and protecting the policyholders, the State makes it a source of revenue; and the larger States and some of the smaller ones, in proportion to their revenues received from the taxation of property, show that they receive many millions of dollars annually from this source alone. About $15,000,000 are collected every 12 months from the life insurance companies of the United States alone under the guise of license fees. In fact, they are mere revenue measures, taxing the companies for the privilege of doing business in the States.

Here, then, are at least four burdens laid upon the fire insurance companies of the country. One is a 2 per cent tax under this bill—doubling the present rate—upon the net income. Another is a tax of 50 cents per thousand proposed upon the capital, surplus, and undivided profits of the company, including such sums as may be invested in the various securities I have named. Another is one-half of 1 per cent on $349,000,000 and over of premiums collected annually. The fourth is the rates that are fixed by the States and the charges for inspection and license fees in the several States of the Union.

It seems to me, in view of the necessary character of insurance, that it should be the last thing in the world to be singled out and burdened with additional taxes. In addition to all those proposed burdens, all the companies pay the usual property taxes of all other citizens.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER (Mr. SHAFROTH in the chair). Does the Senator from Illinois yield to the Senator from New Hampshire?

Mr. SHERMAN. I do.

Mr. GALLINGER. On yesterday I suggested that this seemed to be not only double taxation but treble taxation; and now, from the statement made by the Senator, it seems that it is quadruple taxation.

Mr. SHERMAN. It is quadruple taxation; yes, sir. The more the Senator from New Hampshire and others investigate this matter the more unjust the burden will appear to be upon not only a legitimate enterprise but a necessary enterprise for the people of New Hampshire and Illinois. Our business men can not survive without adequate property insurance. It is as legitimate and necessary an occupation as I know of in the country.

Before I leave this subject I wish to make some comments which will apply to all forms of insurance—life insurance, fire insurance, casualty insurance, surety bonds, compensation bonds, bonds covering the action of the elements, either the wind or marine risks, or whatever the form of hazard that is to be written, whether it be as extended in the covering of the risk as written by the Lloyds or confined simply to the issuing of a policy against the hazards of fire.

There are in the United States 28,000,000 policyholders of life insurance alone, including the ordinary policy and the industrial policy, the individual policy, and the group policy that is written. I have a paper protesting, in behalf of the numerous companies in the United States, representing the 28,000,000 policyholders, against the radical departure proposed in this bill in the levying of additional taxes upon this necessary form of contract:

> How can the imposition in peaceful America of such taxation as is proposed by no war-ridden country in the world be defended?—

It asks.

I might amplify this statement by saying that with all of these powers there is no proposal to levy a burden upon the life or fire insurance companies of the foreign countries named hereinafter. It continues:

> Recently in South Africa, upon the suggestion of proposing a tax on life insurance, the members of Parliament were immediately polled, and over two-thirds at once telegraphed their opposition to this measure, notwithstanding the great need of this part of the British Empire.
>
> The Canadian minister of finance has stated that life insurance will be the last thing that Canada would attempt to tax.
>
> England since 1857 has exempted a sixth part of every person's income from income tax. If a person has an income of $6,000 a year, $1,000 of it is exempted totally if used for life insurance. It may be devoted to life-insurance purposes, to carrying any kind of policy he pleases, paid out in the premium, but that much of it is exempted as a premium on his thrift in providing for the unseen contingencies of the future. So the amount paid for life insurance is a deduction, just like a property tax in that country, and has been for many years.
>
> Germany is contributing heavily, by governmental aid, to compulsory life insurance.

In the face of the great military and financial burden she is carrying, her fiscal policy has never been so extended as to tax the life-insurance interests of that empire.

Peaceful America is the only place I know of, in the history of legislation of the civilized powers, where it is proposed to put this burden upon the life-insurance and fire-insurance interests of the country. We are at peace, and yet we are penalizing these great beneficial companies that protect our lives and write risks upon our property to protect us from bankruptcy in case of disaster.

What possible defense can there be for such a fiscal policy?

There is yet another provision, Mr. President, in part 2, affecting corporations. There is an exemption made of a certain part of the capital stock of the company carrying a risk. Ninety-nine thousand dollars of the capital stock is exempted. All above that is taxed. There is only one basis upon which to put the $99,000 exemption in the insurance business. It is that the insurance policies issued are guaranteed by the $99,000 of capital. That is the fund that lies behind the policy to secure its payment in the event of loss.

I think this provision of the bill was written without specific knowledge of the requirements of various States of the Union as to the amount of capital stock. The State of New York, as I remember, provides that a minimum capitalization of $300,000 is necessary for the organizing of a fire insurance company. The State of Illinois provides a minimum capital stock varying with the conditions that present themselves. I think 10 or 11, as I recall now from memory, of the largest States of the Union have a minimum capitalization for a fire insurance company. They have the same thing for a life insurance company, for that matter, too.

The capital stock of a company in the first instance is the resource behind the policy that is written. It is a liability. It is like the premiums collected, some of which are set aside as a reserve to add to the securities as the liability increases with the writing of policies. It is like the premiums collected on life insurance policies. What becomes of them? Are they the resources of the company, belonging to the corporate entity that we call the company? Not in the least. The premiums collected, together with the capital stock, if there be any—if it be not wholly mutual in form—constitute a fund set aside for the security of the policyholder, to make good the contract upon the happening of the contingency.

It is proposed to take the income in premiums each year and tax it, by the bill as it is reported here.

I do not see the Senator from North Carolina [Mr. SIMMONS], the chairman of the Finance Committee, present, but I have no doubt he could tell me—he need not be sent for; he probably is busy upon something else; I only wish to make the inquiry now, and he can answer it at any time before the matter is disposed of—whether the provision on page 36 of the bill as reported by the Senate Committee on Finance has been changed, or whether any change is contemplated.

As the bill came from the House, in lines 13, 14, 15, 16, and 17 the House provided:

> And in the case of insurance companies the net addition, if any, required by law to be made within the year to reserve funds and the sums other than dividends paid within the year on policy and annuity contracts—

May be deducted.

I think this is a necessary deduction. Conceive for a moment of the infinite injustice of permitting this provision to stand stricken out. I prefer to think it was an oversight and was inadvertently omitted.

As the bill came from the House it only reenacted the provision found in section 2 of the act of 1913. Section 2 is the income section of the Underwood tariff act.

What are these net additions to the reserve each year? An elementary knowledge of life insurance is all that is necessary, I think, to show the fairness of such an exemption. The person receiving a life insurance policy at a certain age belongs to his class. For each $1,000 of life insurance written at his age the mortality tables say that it is necessary to charge a given premium. He pays that given premium at the stipulated age at which he enters. The premium is based upon the expectancy. The mortality table is the product of years of experience. Without it and its guiding hand no life insurance company could successfully maintain itself in the country.

One hundred thousand persons are taken at a given age or at birth. It is noted each year how many die, and the records are kept of the hundred thousand human beings until the last relic of mortality has gone to his grave. The expectancy at a given age is estimated from the number of years that each lives, beginning at this certain age, whatever it may be. The premium with a man 25 years of age necessarily is less than one at 50. The premium at 25 is fixed upon the idea that as he grows older, based upon his expectation in the mortality table, the cost of carrying his risk would necessarily increase. He pays more at 25 than the risk really costs, but the life insurance company equalizes the contract, and when he reaches the age of 50 or beyond he pays less than his risk is worth. Paying more at one time and at the other less, it equalizes itself so that the amount paid per thousand is a fair paying rate for the risk at the age at which he receives the policy issued by the company.

This premium that he pays each year in every well-conducted insurance company in this country is no more of a resource or an asset individual to the company than the deposits in a savings bank or commercial bank is a part of the individual or corporate property of the bank or banker.

For every thousand dollars of life insurance there is set aside a reserve to cover the maturity of the contract, whether it be an endowment, life policy, annuity, or in whatever form it may be written. So when the premium is paid annually the reserve laws of, say, the State of New York apply to it. Some of the largest insurance companies in the world have their home offices in New York City. Many others, though doing business all over the country, have their offices in certain others of the Eastern States. These companies are all of them doing business on the level-up premium plan, but the largest companies in the world now are mutual companies. Some of them started as stock companies years ago, but the very philosophy of life insurance companies precludes the idea of its being a profit-making enterprise except to the policyholder, because if one idea has developed it is that the mutualizing of the companies is the natural tendency of the business. Consequently some of the original stock companies now have a mutual department, so that you can write one kind of policy or another according to your wishes.

The policyholder each year pays a premium. The laws of New York, the laws of Massachusetts, the laws of Pennsylvania, the laws of Ohio, the laws of Illinois, the laws of every State that I ever had any occasion to investigate, require, if I pay, for instance, $35 premium on a thousand at my age, a certain proportion of that to be set aside as a reserve. What for? For the guarantee of the performance of the promise to pay my policy when the event happens.

What becomes of the other, some one says? Does that become an asset of the company, increasing the profits of the stockholders? It can not, if it is a mutual; it is an impossibility. The net reserve that is set aside for each thousand dollars of insurance represents a liability and a resource to meet that liability. It is equally so with a stock company. The net reserve laws require it to be done by them.

What becomes of this net addition to the reserve required by the laws of New York State? Does it lie idle? Is it deposited in some favored bank and nothing done with it? Certainly not. It becomes a resource for investment purposes. It goes into your State, Mr. President [Mr. SHAFROTH in the chair], in the cities and in the agricultural districts, it goes into my State, and into many of the Southern States.

I have a list of the investments of one of the principal companies in New York City; a company of more than $800,000,000 of resources and of almost an equal amount of liabilities, excepting only their surplus. That is set aside as a prudent dictate of the business men who conduct this great enterprise. The people of Alabama, Louisiana, Illinois, Colorado, all pay premiums. In every State in the Union, all over Canada, in Europe, you find premiums collected. I go down into the State of Alabama, and I find more money loaned in Alabama by this company than is taken out in premiums. I find more money loaned in my own State than is paid out by the policyholders to the company in premiums annually.

These premiums then are set aside as a net addition to the reserve annually under the laws of the State where the life insurance company is created and are invested in interest-bearing securities, bonds, mortgages, investments that are approved by the insurance department of the State and of the several other States where these companies do business.

The interest is collected. It is added to the principal. I am speaking now of the premium. I am speaking of it as a principal sum for the guarantee of the policyholder.

Now, what is the cost of insurance? It is the original cost based on the mortality table, carrying a thousand dollars, let us say. Then in addition to that there is a cost which I suppose a manufacturer would call overhead charges, the managerial labor that is rendered at the different offices, the president, and other executive officers who have a general knowledge and supervision of the business, the actuarial department, the investment department, the department of the local agent who solicits and receives new business. Commissions are paid to the soliciting agent. This is a part of the cost of management. This belongs to the charge that is loaded on the premium in addition to the cost of carrying, based upon the experience of mortality tables.

Now, what else? The reserve set aside for each thousand is invested and bears some rate of interest. In a mutual policy we pay so much annually based on the mortality table and the cost of doing business. At the end of the year, if the interest rates are high, better than common, the income will be high, more will be collected and credited to your thousand dollars insurance earned out of your net reserve for the addition of the whole amount of the reserve for the year. That and all preceding payments are cumulative. If the cost is lower than calculated and interest rates better, a refund to the policyholder is made. They form a pool set aside and invested to run a race with the liability on your policy.

What is the natural result? The better the interest rates are and the lower costs and taxes the lower your charge will be. If the rates of interest go down your premium goes up. This is true of either a mutual or stock company.

What else is there charged in outside of the cost or risk and doing the business? The taxation, the $15,000,000 of tax charged the life insurance company, to illustrate by different States of the United States, under the guise of license fees, but in reality a revenue rate that is charged to the cost of carrying life insurance. Every additional tax, everything in this revenue bill, will be loaded on the premium carried down the line and charged to the policyholder when he takes out a policy of insurance, or if it is a mutual company it will increase the cost of carrying each thousand dollars of the risk.

That is what it means as written in this bill. It means loading a charge upon the policyholder and making the burden that much more.

So I am opposed to it. I do not think it ought to be allowed. I think it is a bad place to collect money, the last place in the world. I want to collect money not from all people who are prudent and thrifty enough and think enough of their families and those dependent upon them to provide for the contingency that comes some time to all of us.

I have already adverted to the fact that Great Britain since 1857 has exempted the sixth of a man's income to encourage and to buy life insurance.

That was done when Queen Victoria was on the throne of England, at the beginning or when she was a young woman in her reign, and in all the mutations of earthly affairs that have swept over the United Kingdom, in all the great parliamentary struggles ending in the difficulty consequent upon the dispute between the House of Commons and the House of Lords in England on the taxation of ground values, the questions raised by Lloyd-George, and all of those controversies of an acute character, this great citadel of life insurance has never been attacked in the United Kingdom. Gladstone, John Bright, Cobden in his palmiest days, never offered to tax life insurance. In the days when England was waging desperate war for her life, when Napoleon sought the domination of Europe, even then in those days England rose and said it would be a crime to impose a burden upon life insurance. In all that time no one ever for a moment said that this was a proper source to raise money, even in the supreme struggle for the preservation of the nation's life. Not from the days of Waterloo to the days of the Battle of the Marne, Mr. President, has England undertaken to lay a burden upon life insurance.

I am at a loss to understand why this is proposed. I depart from the political aspect of it and address myself to the economic side of the question. I can not think that it has been well considered. I can not think it is deliberate. I can not think that this burden would be added to a contract that is so beneficent in character and so philanthropic in its ultimate purpose.

I hold no stock in any life insurance company, fire insurance company, or in any bank. I should like to know why a bank ought to be taxed on its circulation, which I think is just, why it ought to be taxed on its income, like the rest of us, which still I think is just, and why then ought it to be taxed 50 cents on its capital stock, surplus, undivided profits, and the money invested in any form of bond or mortgage that it uses in its activities.

Why single out the banks? It is said that they have large resources. Have they? Have they liabilities? All the banks

that I know anything about are the ones I investigated after they went into the hands of a receiver, and I found that with the very large resources of a bank went a correspondingly large liability. It is not their money; first, it is the stockholders' money, and after that the greater part of it is the depositors' money. It is the same way with these companies I am talking about.

Now, why burden them unduly? It is said we shall have to have revenue. Where will we get revenue? From whom? You say that we on the minority side of the Chamber are in favor of preparedness, adequate sums for the military establishment, for the upbuilding of the Navy, for fortifications, military posts inland, and so on, and you ask where will we get the money for it? You say that we are great in preparation until you come to devise methods of taxation.

I will tell you where I would get the money in a moment. I want as preliminary to state that out of the $777,000,000 that was collected the last fiscal year, ending the 30th of June, 1916, $211,000,000 came from customs duties and $514,000,000 of it came from direct taxes. The direct taxes are divided in about $304,000,000 from ordinary internal revenue receipts, $84,000,000 from the emergency tax of October 22, 1914, and about $124,000,000 from the corporation and individual income tax paid throughout this country.

If I were levying taxes, Mr. President, and had power to write a bill I have a pretty well-defined notion of how I would write it. I am not merely criticizing the majority side of this Chamber, but I am constructively criticizing it. I would substitute the method of taxation that I favor.

They say you are in favor of a high protective tariff. I am not. I am in favor of a reasonably protective tariff.

I am in favor of a protective tariff that is adequate to give the advantage to our producers and our markets and to raise a large part of our revenues from customs duties and not from direct taxes.

They say a large part, how much? As much as we have levied in the times when we were in authority in Congress and in the Executive authority. How much is that? We have uniformly raised from 45 to 50 per cent of our total ordinary revenue from customs duties. In 1910 under the Republican act, which ceased to exist October 3, 1913, we raised nearly $333,000,000 from customs duties alone.

In the fiscal year ending June 30, 1916, under the tariff act of October 3, 1913, we raised $211,000,000 from customhouse taxation, as our Democratic brethren call it, and as we say we raised it from customs duties, that impose a larger part of the burden upon the importer, the man abroad who sells in our market. We charge him a license fee for getting in here. How much is that?

There was $122,000,000 less of customs duties raised in 1916 than were raised in 1910.

In 1915, the fiscal year ending that year, it was a little worse than it was this year. We raised then from customs duties $209,000,000, in round figures, under the Democratic administration since the 3d day of October, 1913.

Mr. President, instead of collecting from 45 to 50 per cent and a fraction of our total revenues from customs duties, we have collected from 27 to 30 per cent of our total revenues from customs duties under the Underwood law since October 3, 1913.

There is where the difference comes in. We can not forever appropriate without some time taxing. When we tax, we have got to tax either the one way or the other. It must be either a direct or an indirect tax.

I reprobate the fiscal policies of the party now in power, because they inevitably drive toward the system of direct taxation.

We favor on this side of the Chamber the placing of the burden upon the shoulders of those who live outside of our country. If they are to share in our benefits, we tax them at the customhouse and make them pay it.

The criticism is—I have heard it here in this Chamber so many times—that whatever is charged by way of a duty on a like domestic article is added to the price of the article in our domestic market, and that the proprietor, the manufacturer, the dealer, whoever he may be, gets the enhanced price and puts it in his pocket, and that it is a consumption tax.

The answer to that is the price of beef before the war began. When the great packing houses of Chicago built their slaughterhouses in Argentina, constructed their refrigerator boats to come to New Orleans and other of our port cities, under the free list of meat products, it was confidently predicted—and I heard it on the majority side of the Chamber—that the price of meat would be thereby diminished.

It had the same effect it has always had from the earliest times that this process has been tried. The beef coming up from a boat clearing out of Buenos Aires selling its products in our market did not reduce the price; but in our country they raised the price of beef to the prices found on our markets and sold it at that enhanced price after the product was free listed. That was before the European war broke out.

In imports and exports connected with this same subject there is some very interesting matter. I shall not read it at length. I shall content myself with some general observations, quoting such part as I need to illustrate from memory, embodying the details later into the CONGRESSIONAL RECORD if I am permitted when I ask that permission.

The PRESIDING OFFICER. Does the Senator ask permission now?

Mr. SHERMAN. I will ask permission now that at the close of my address I may be permitted to place in the RECORD extracts from various documents.

The PRESIDING OFFICER. If there is no objection, the request will be granted. The Chair hears none.

Mr. SHERMAN. So instead of reading at any length from those documents I shall merely recite some facts which are apparent.

For instance, in 1906 our free imports were $549,000,000; our dutiable imports were $676,000,000. Our total imports were $1,226,000,000. There were free of those imports 44.81 per cent. There was dutiable 55.19 per cent. Our dutiable and ordinary receipts that year were $554,000,000; duties collected $300,000,000; and to divide it on a 50 per cent basis of customhouse collections and from all other sources, including internal revenue, 50 per cent. It runs in the ratio of from 45 to 50 per cent down to 1913. On the 3d day of October of that year the Republican protective tariff act ceased to exist. In its place came the Democratic act of October 3, 1913.

In 1914 the 30th of June ended the greater part of that fiscal year. It was not entirely a year under the Democratic tariff. Certain rates had been postponed. Certain results evidently were had from the schedules that remained in force for a time from the old tariff act. The free imports of 1914 were $1,127,000,000. The dutiable imports were $766,000,000. The total imports were $1,893,000,000. There were free 59.44 per cent and 40.56 per cent were dutiable. Seven hundred and thirty-four million dollars was collected as the dutiable revenue receipts of the Government; $292,000,000 were the receipts from customs duties. Thirty-nine per cent of our total revenues of the country passing into the Public Treasury were customhouse receipts, and 61 per cent were receipts from other sources, all of them direct taxes with the single exception of a portion of the miscellaneous receipts and a couple of battleships were sold for $12,000,000. That was before the price of shipping had gone up.

In 1915, without reading the figures, I wish only to quote that there were 61 per cent of the imports dutiable, 61 and a fraction as against 38 and a fraction, 61 per cent free as against 38 per cent dutiable, and the total proportion of customs revenues for that year was 39 per cent of our total revenues and 61 per cent from direct taxation.

In 1915 it ran 30 to 70. In 1916 it ran 27 to 73. Out of the total of $777,000,000 of public revenues collected for the fiscal year ending June 30, 1916, 27 per cent of it was derived from customs duties and 73 per cent from direct taxation. That is charged to the war. That is a misapprehension. Our customs duties decreased.

Let me quote some other figures: Our total foreign trade is composed of our imports and exports combined. In 1906 under Republican tariff schedules for every article of merchandise that came in of our total foreign trade our exports were 58 per cent and our imports were 42 per cent.

It ran in something like the same ratio down to 1913. In the last year mentioned—1913—57 per cent of our total foreign trade was exports and 43 per cent imports. Beginning with 1914, 55 per cent, under the Democratic act of October 3, 1913, which was claimed to be a revenue tariff, our exports were 55 per cent and our imports were 45 per cent of our total foreign trade. In 1916, 66 per cent of our total foreign trade consisted of exports and 34 per cent of imports.

It will be observed that, with the tremendous exports of the fiscal year 1916, our per cent of exports of our total foreign trade was only 66, which is only 8 per cent higher than the per cent of exports in 1906.

In conducting a business, Mr. President, I do not care to look at the sum total in dollars and cents when I go to figure the profit and loss side of the ledger; what I want to ascertain is what per cent net I have gained at the end of the year. If I am running a cotton mill I will do the same thing; if I have an iron foundry or am making brake shoes in South Chicago, I ask the same thing—how much have I made at the end of my business year; what per cent have I earned on the amount of money invested? It does not make any difference how small

it is, if it is earning a profit and is still on the safe side; equally it does not make any difference how small the percentage is, if it is on the other side of the ledger I have lost something for the year. It is, after all, the percentages that are significant, Mr. President; it is the percentage that counts; it is the percentage that indicates the direction in which we are traveling.

So in 1906—a Republican protective-tariff peace year, with all the world-peace merchandise—our percentage of exports was 58 per cent of our total foreign trade and our imports were 42 per cent; while in 1916, with Europe at war, with the nations of the Old World in deadly conflict, with armed legions covering all Europe, with the pursuits of peace largely lost to the industrial world, at that time, Mr. President, when they drew upon us for vast sums, when they borrowed our money, when they bought our merchandise and sent us their gold, when they exchanged their credit for our products—in that year, Mr. President, our exports equaled only 66 per cent of our foreign trade—8 per cent more than in a peace year!

How much were our exports then? Four billion three hundred and thirty-three million dollars, and only 8 per cent more than in the peace year of 1906. I repeat, Mr. President, it is the per cent that counts; it is the per cent which indicates the direction in which we are traveling.

Without referring to any tabulations which I have made, let me add in 1916 some invidious comparisons with 1913. We have segregated the peace merchandise from the war merchandise; the peace years from the war years. The peace merchandise is the kind that the ordinary person, not drawing lines too tight by way of distinction, would understand comprises those articles that do not enter directly into military or naval operations. I do not include even footgear as a part of the munitions of war, although every great St. Louis boot and shoe house has an unprecedented balance in its foreign trade caused by this form of export.

The war merchandise is the kind that enters, without further change of form, except the mere putting it together, if it be shipped in the knocked-down form, directly into military or naval operations. In that division, therefore, between peace merchandise and war merchandise is a most significant explanation of this difference of 8 per cent.

I take all of the peace merchandise of 1913—the last year of a Republican protective tariff, when there was no thought of war—and I figure all of the peace merchandise in that year in one column. I turn to the identical articles in the war year of 1916 and figure them in another column. If I place the peace merchandise of 1916 in the ledger alongside of the peace merchandise of 1913—1916 being a war year and 1913 a peace year—the comparison is very significant.

In 1916 the industrial energies of the great powers of Europe were engaged in battle; they were not developing their export trade. The merchant shipping of England had in a large part been withdrawn from peaceful transportation and had been devoted to warlike naval purposes. The mines and the mills of England were turning out shells and guncotton. The employees who had been on the great pay rolls of England were carrying muskets in the field.

In spite of those conditions our exports of peace merchandise in 1913 were $100,000,000 more than the like identical articles of peace merchandise in 1916. In other words, in the war year of 1916 the exports of peace merchandise were a hundred million dollars less than the exports of the same articles in 1913.

Our exports of peace merchandise have diminished, even in a war year, with $2,197,000,000 of export trade, ending in June, 1916—with that tremendous volume, the greatest in the history of the Republic—our exports of peace merchandise in the war year of 1916, under a Democratic tariff, are $100,000,000 less, in round figures, than the exports of similar articles in 1913.

Let me draw the deadly parallel, Mr. President, with another double column. I take the war merchandise of 1913—a peace year—and compare it with the war merchandise of 1916—a war year. In that war merchandise I do not include either horses or the "Government mule," but still $73,000,000 worth of horses went out last year from our country and about $23,000,000 worth of mules. I exclude those in order to be accurate and to be fair. The war-merchandise exports for the year ending June 30, 1916, aggregated $1,500,000,000 more than the exports of the war merchandise of 1913; and still it is said that all of this prosperity is caused by a Democratic tariff.

Our Democratic friends say, "Look at our export trade; look at our direct taxes; look at the Federal reserve act; look at the Federal Trade Commission; look at the rural-credits bill; look at our legislation." That is given by them as the cause of the alleged prosperity which they claim is sweeping over the country.

Why, the rural-credits law is a joke in most places—an idle jest. We do not need that half so much as we need something else. I know what the farmers of this country need. I think I can speak with as much authority for the farmers as can anybody else in this Chamber.

What we need in this country, in every place, North and South as well, is more farmers.

What we need now is not so much 3 per cent money as a farmer who is willing to go out on the land and work 14 hours a day, who is willing to work with his hands in sunshine and in storm; a boy who is willing to stay on the farm, do that kind of work, and get the rewards and the sturdy, manly independence that inevitably follow from a well-managed agricultural occupation.

There is not a farmer in all the great Northwestern country that I know of who is not meeting the problem daily, Mr. President, of getting farm help. Our educational system is to blame; public sentiment is to blame; the false sense of pride that some of us have is to blame.

I would not give a rap, Mr. President, for an education in a university that sends the boy home with the degrees consequent upon a five years' course; I would not pay his passage money across the ocean to old Oxford, if it brings him back home with degrees and still he is ashamed of his father, with his old overalls and the work-hardened palms of his hands. If it only gives him degrees that start him on the highway to being a human loafer, and looking upon men who work with their hands as following a menial occupation it were better he never left home. Our universities and our colleges have done too much of that in the last 30 years.

I have more respect for the man who will work with his hands and not be ashamed of it than I have for the graduate of Harvard, Yale, or Oxford who will blush every time he is asked how his father makes a living, and he says he is a farmer, or that he works on a farm or in a foundry or that he is a carpenter or a shoemaker or a blacksmith.

What we need in this country, Mr. President, is not rural credits; we need more men who will work. There is more laziness in this country than there is want. More men looking for a job than are looking for work.

I never have seen the time in my life since I left home at 13 years of age that I have been out of a job, and I have been through a good part of three Democratic administrations, and that is saying considerable.

If I could not get my kind of a job, I took the kind I could get; and as soon as I could do better I did so, as everybody ought to do, I believe. However, as I have said, I never have seen the time yet that I was out of work.

Instead of pluming ourselves on our superior wisdom as statesmen who are going to solve the question of "back to the farm" with a rural-credits bill, with cheap money which will not cheapen elbow grease 5 cents on the dollar, we should do something to get men who will farm. If you do not, and if you give them money, when you get through all you will have will be a bad Government debt.

A good old Puritan, whose ancestors came from New England, once asked me why I was against the literacy test in the immigration bill. I said, "Because we are educating too many American-born boys whose ancestors run back to the *Mayflower* not to work."

Down South, where you have a good many darkies, some of you got an idea they ought to do the manual labor. I do not think there is anybody in the Senate that I know of shares that idea. I have a very great respect and a positive liking for many of you fellow Senators who come from down in that country, for you are pretty stalwart Americans, but every once in a while there is somebody with a mistaken notion there that anybody who goes out and digs in the ground or pushes a jack plane or swings an ax or pulls a crosscut saw is working just like a negro.

Why, the strength and the greatness of Germany are due to the fact that her people will work at anything that is legitimate. Why is it that little Belgium once blossomed like a garden? For the same reason. Colonies of Belgians came to my section of the country long ago, before the war broke out, and I know of their thrift and industry. Why has Holland with her dikes wrested from the sea her fertile gardens? Because she will work; she has done it with the labor of her own hands. The best artificers in the world come from the low countries; the best polishers and cutters of precious stones come from Antwerp and Amsterdam; and all of them work. England's glory and the greatness of her race is in the colonists who work, whom she has sent around the world, from Plymouth Rock to Australia.

Why, the rural-credits bill has had no more to do with the prosperity of this country than a canceled postage stamp in diminishing the resources of the postal revenue.

A rural-credits bill! I hope some of you who need it will get cheap money, and that you will persuade others to go out in the fields and work. But if you are going to get 3 per cent money in order to hire somebody to do something you ought to do yourself, I will vote to repeal it the first chance I get.

I do not want cheap money from a land bank to be a sort of vicarious atonement for a man who will not work himself.

That is what is the matter with this country. You always want to get something for nothing. Release credits! Yes; we are going to have free credit. It is always something free.

I heard Tim Murphy, the old-time actor, on one occasion. He did not have a very good crowd when he started, but he got out on the stage and went on with a sort of monologue. Finally he rose upon his toes, and he said, "What I have to offer now is the great attraction of my show. Everybody come, because it is absolutely free." And they came running in from the outside, like a house on fire.

So whenever the Democratic Party wants to stay in or wants to get in it always has something free. You are going to have money borrowed by the farmers free or at 2 per cent or 3 per cent or, like Coxey's bonds of 25 or 30 years ago, noninterest-bearing bonds.

Who would want them? I do not know. I would not want them for any funds that I might be custodian of. No life insurance company would want them, for they have to secure some income from their investments.

But, nevertheless, our Democratic friends want something free. As far back as I can remember, Mr. President, they cried "free trade"; just 20 years ago this summer we were in the throes of "free silver"; and now it is "free credit." Nobody but the Infinite knows what will be free next.

Can anybody have free credit? Credit is like character; it is made by your life, your industry, your thrift, your conduct, your standing with your fellow men; and all the legislation that can proceed from this Chamber, and all the Federal reserve banks and rural-credit systems that may be created may come and go, and all the other devices that seek to relieve us of the burden of the curse or the blessing that Adam put on us in the garden may come and go, but we shall still be under the painful necessity of observing and obeying the economic laws that lie at the foundation of thrift and gain. There will be nothing free. Our credit will be what we make it.

I have no objection to an eight-hour day. I have voted for it several times in smaller jurisdictions than we are acting for now. So far as I myself am concerned, I do not want for my work any eight-hour day. Under certain exacting conditions and surroundings of service, I am willing to give it to others who follow occupations that I never have followed, but I do not want any limitations on my hours of effort, and I do not want any free credit. I do not want any free silver.

I am just as much opposed to free credit as I am to free trade—and that is almost what the bill is which was called by Speaker CLARK up in Maine last week "the best tariff bill the country ever saw." What has it produced? A deficit.

What kind of a tariff is it? If the platform were to be taken as a guide, it would be a tariff for revenue only; but unhappily the reports of the Committee on Finance of the Senate and of the Committee on Ways and Means of the House call it a "competitive tariff."

Well, what is a "competitive tariff," anyhow? That is a new thing which has appeared on the horizon, a new constellation which arose in 1913 in the economic heavens. A competitive tariff is a mongrel. It is a mixture, born of a tariff for revenue only and free trade; and, like a mule, it has all the unholy instincts of both ancestors and the virtues of neither.

"Free trade" and "tariff for revenue only" always produced industrial chaos in the days of your ancestors, as your "competitive tariff" produced industrial ruin before the present war broke out.

Some of our friends on the other side of the Chamber were telling us a while ago—and while the dogs are barking over there, to use the classic language of my friend the senior Senator from Missouri [Mr. STONE], we might just as well bark a little ourselves and get some facts in the RECORD—how prosperity came right after the tariff bill was passed, in October, 1913.

I saw some of it in Chicago. In the winter of 1914 I went down on Michigan Boulevard one morning, Mr. President, to see some of my constituents. I got up about daylight, and I went down to the church of Johnston Myers, the Emmanuel Baptist Church, a great stone church. I reached there about sunup. In the basement of that church they had arranged a very large space in the rear as a kitchen, a place where breakfast could be prepared. I went down by invitation. I did not know whether anything of that kind was occurring. I had been down in Washington all winter. So I went home to see how my constituents were getting along. I observed the men who came in and went out. They were given their breakfast. We counted them. We counted 1,700 men that morning who ate breakfast at the Emmanuel Baptist Church on Michigan Boulevard, in the city of Chicago.

I saw one man with a leather coat on, which indicated that he was a freight handler. I tapped him on the shoulder, and I said, "How does it happen that you need a breakfast." He said, "I am out of work." I said, "Where do you work?" He replied, "In the Illinois Central yards; I am a freight handler." I asked him what was the matter. He said, "I have nothing to do." "What is the reason?" I inquired. He answered, "The trains are taken off; the freight trains have been killed; shopmen are laid off; there is no construction work; we only repair what we have to repair; there is not anything doing in my line; the crews of my train were laid off on the 1st day of September, 1913."

That was a few months after the sun had risen in the heavens of prosperity.

As I have said, there were 1,700 men in that church. For safe measure, we might assume that one-third of them were tramps, but that would leave something like 1,100 or 1,200 men who had as good-looking faces as any of my constituents and who were absolutely out of employment and thrown upon charity.

This was in the beginning of the winter of 1913–14. What happened? It grew worse all winter. Once after that, in February following, I happened to be in the city of Chicago, and I went over to what is called by the man on the street the "Down and Outers' Hotel," on the West Side. That is what the boys who are out of a job call it, too. It is really a 5 and 10-cent hotel, built and run at cost by Charles G. Dawes. At that hotel, if a man is out of work, he is able to get a clean bed, a bath, and a meal for from 10 to 12 cents. He is given, in a ward in an open room, a clean bed, with clean sheets, with enough of them almost for every comer, for 5 cents. Not only that, but a bath is required, and that is one of the godliest things I know about any institution. A man is required to take a bath before he is allowed to go to bed.

A Democrat said to me that he objected to that because it tended to make Republicans out of the men. I said to him, "You are mistaken; my Democratic neighbor is as clean as I am." I guess we will let that pass for a jest. I only referred to it to place it in your memory, where you will not forget it.

To continue, I went over to that hotel, where for 10 cents a man can get a bed that is closed in, with the same regulations in regard to a bath. He would still have to take a bath. When you advance in wealth and become the possesser of affluence you still are not allowed to indulge in uncleanly habits. You can get a doughnut for 1 cent; you can get a cup of coffee for 2 cents; you can get a piece of pie for 3 cents, and, if you only had a dime, by the time you spent the dime you would be ready to hunt a job the next day under a Democratic administration.

I went over there in February, 1914, Mr. President, toward the evening. They do not open the doors right away; they open them at a given hour; and in February, 1913, there was a string waiting like a procession to buy tickets here in Washington when the circus comes to town, and they were running both ways, north and south—a string of men standing in line waiting for their turn to go in and get a meal and a bath. That institution, until warm weather came, was compelled to turn away men who wanted lodging not because they wanted cheap accommodations but because they had only a few cents left in their possession. This hotel is a monument built by Charles G. Dawes to the memory of a noble son who died a few years ago. It is a perpetual memorial to the kindly heart and sympathetic soul of its founder. Now, that continued—and I am reciting the record of my own personal experience on those things—until about 1915—the fall of 1914 or the winter of 1915—and it is the history of every large city in this country during that time.

Then a change came. I am going to read from Democratic testimony, Mr. President. In the hearings had on this bill are the statements of some men that I think material on this question. I read from page 228 of the hearings before the subcommittee of the Finance Committee of the Senate. This is the testimony of Mr. Lamont, president of the American Steel Foundries, of Chicago and New York. This was the hearing on taxing munitions of war:

When these original munition makers were filled up—and that was very soon after the opening of the war—there were still large num-

bers of contracts that were available. There was very little business in our own particular line—what we did was mostly for the railroads. The business was slack.

This was at the opening of the war. The business was slack, he says.

We had two or three of our establishments shut down. We had a great many men idle.

Now, this is where the curtain rises when nobody seems to be thinking about it. You know, if you ever examined men in the witness chair, that it is a good plan to talk to them about something else for a long time, to get their thoughts directed to something else, and then, especially if they do not want to reveal the whole truth, to ask them about it when they are not thinking. I am disposed to think that the matter was not in issue here. I do not mean this of the witnesses, but of those who conducted the hearings. They were talking about something else, and the witnesses answered when the Senators were not thinking of its bearing, maybe, or not thinking about what we are thinking of just now, at least.

He said:

We had a great many men idle. Ordinarily we employed about seven or eight thousand. We accordingly decided to take some ammunition contracts. I have here a copy of a contract which we made with His Britannic Majesty's Government, through J. P. Morgan & Co., agents, for 400,000 eight-inch howitzer high-explosion shells, involving about $18,000,000. Of said total contract price about one-half thereof, namely, $9,000,000, goes for machining the entire 400,000 of shells. We were not equipped to do any of this machining. At about the same time we made this contract with Messrs. Morgan & Co. we made a contract with the Westinghouse Electric & Manufacturing Co. to do the machining, as we were not in position to do the machining.

Then he goes on to explain how it was sublet and that he did not make as much out of it as otherwise would appear, which, then becomes material on the subject of the hearing. But here is some testimony of this gentleman that business was slack and that the war then gave them contracts.

On page 229 Mr. Lamont continues:

The provision taxing gross receipts and not net profits and the provision exempting subcontractors were so startling, so revolutionary, so hard upon our company, that we at once asked for the courtesy of this hearing, determined to present these thoughts to your committee.

Then, on page 239 of the same pamphlet, is the testimony of Mr. Stedman, vice president of Curtis & Co., of St. Louis, Mo.:

If we had to pay that tax, it would be so heavy that we could hardly afford to pay it and compete with them, and we would have to shut down our shops and probably sell our equipment to them. The proposed tax is so heavy that I think it would simply result in the cessation of that kind of business here.

Senator THOMAS. How many men would be deprived of employment on that account in this country, approximately?

Mr. STEDMAN. Some of these other gentlemen are more familiar with that than I am.

Senator THOMAS. I want only a rough guess. I do not expect you to be very accurate.

Mr. STEDMAN. I should say 25,000 or 50,000.

Mr. KINNEAR More than that. The Westinghouse Co. has 23,000 working in their shops.

The CHAIRMAN. Not all of those are engaged in the manufacture of munitions, however?

Mr. STEDMAN. Not all of them, but a large percentage of them.

Mr. GALLAGHER. Probably 100,000 in all. I employ 3,500, and I am arranging to employ 1,500 more.

Senator THOMAS. Where is your place of business?

Mr. GALLAGHER. Erie, Pa., sir.

The CHAIRMAN. What per cent of the 3,500 men would be engaged in the manufacture of these munitions?

Mr. GALLAGHER. At my plant, all of them; they would make nothing else.

Again, on page 251, I desire very much to have with the other in the RECORD the statement of Mr. Scott, president of the American Steel Foundries, Chicago, Ill.:

I should like to say one word, and that is that practically every line of business in the United States has benefited directly or indirectly through the war in Europe and in the number of exports that have been sent over there for war supplies, which has made money in this country plentiful, and which has increased the sale of ladies' shirt waists and men's garters and chewing tobacco and everything else consumed in this country. They have all benefited directly or indirectly through the prosperity that partly comes from the large exportation of materials, food products, and supplies that we are furnishing to the warring nations in Europe. Now, as they all have benefited, would not the most equitable way to distribute the tax be to put it on incomes and corporations, and then everybody would stand their share?

Then, again, on page 267, there is some more corroborative evidence of Mr. Andrew C. Gray, attorney at law, representing the Chamber of Commerce of Wilmington, Del., speaking of the Du Pont Co.:

They took the contract at the beginning at a dollar a pound for military powder for foreign Governments and the representatives of foreign Governments. On the faith of these contracts, and the price they were getting—and allow me to say one thing to show you that the price was not excessive or extortionate; the military powder which they sold for a dollar a pound they had been selling prior to the war for 90 cents a pound with 10 per cent off, which would be 81 cents net. They fixed the price of $1 a pound and increased it only 19 cents a pound, in view of the vast expenditure they would have to make for plant and other purposes and getting the organization together. They spent in the construction of new plants out of their gross receipts—and those expenditures have extended almost up to the present day, well up to 1916—I know of my own knowledge, from information brought me, some $60,000,000 in plant development. That was out of the gross receipts, and realizing when they spent it that at the conclusion of this war 90 per cent or more of that expenditure would be a total loss. In the manufacture of this powder in 18 months they have paid in wages to laborers, without counting overhead, upward of $45,000,000, in the equipment of their plant, in obtaining new machinery, etc. They paid war prices. They did not stop at dispute over the price. This terrific amount of powder which they sold abroad, and for which the money was sent to this country, was not kept by the Du Pont Co., but has been distributed all through this country in all ramifications of trade, and at the same time the people of whom they bought machinery or anything else that was necessary in their business did not keep their prices down.

As you gentlemen know, the price of nearly every commodity in every line of trade has been rapidly increasing in the last 18 months. The raw material which goes into the manufacture of powder has increased—not doubled or trebled—but increased from twenty times up to as much as one hundred times as much as it was two years ago. They have had to take that into consideration in the making of these contracts. They estimated that their plant would cost about 10 cents a pound—that is, new construction, but they found out that it cost over 14. Fourteen and 8 per cent gross receipts which this bill proposes to put on would be 22, so that the net result would be less than what they were receiving before the war, and that in the face of the fact that everything that goes into the composition and manufacture of powder has been very largely increased. In addition to that, I think at the beginning of the war they employed a total of five or six thousand men. They have rapidly run that up until to-day in Delaware, New Jersey, and Virginia—in those three States alone—they employ upwards of 50,000 men—I think nearer 60,000 than 50,000

MR. DU PONT. Say 50,000.

Mr. GRAY. About 50,000 to-day. Ever since the beginning of the war they have been paying every man whom they employed higher wages—and I am speaking now of actual laborers in the plant and not the office force or anything of that kind, which, of course, is very huge, to look after its business—they have paid the laborers in that plant higher wages than were ever paid munition workers before. In addition to paying them these higher wages in order to get a better organization and preserve their working force intact, they have been giving monthly bonuses of 20 per cent on top of those wages. So that they have distributed in wages in 14 months $25,000,000 and bonuses of 20 per cent to their employees besides.

On page 269, I wish to insert something that is not strictly material here, and I am going to read it so as to have it in the CONGRESSIONAL RECORD with the rest of my observations. I have heard a good deal of talk—somewhat loosely and inconsiderately, I think—of the lack of patriotism of large concerns; that the man who controls millions, or who himself is worth millions, ceases to be a patriot; that his millions own him; that he does not own his millions. I have heard that the man of wealth has no regard for the public defense. I have heard that criticism a great many times.

Here is Mr. Gray's testimony on that subject. I anticipate that he would not put such evidence in a hearing of the Finance Committee of the Senate unless it were true. I wish, in justice to those men who are reputed to handle millions and to be millionaires themselves, to read into the CONGRESSIONAL RECORD what they did when the War Department went to them to buy some of the munitions of war that our own country needs.

I do not know how—if this tax is imposed on military powder, which comprises such a great percentage of the Du Pont Co.'s business—they can pay this tax without raising the price on their blasting powder and dynamite. This company has been engaged in a huge business and has been selling its product abroad. It has been buying its raw material at a greatly increased price in this country. It has been dividing up the money it has received from abroad. It has not raised its price upon commercial powder—that is, blasting powder and dynamite. The American people are getting powder, among the very few things they are getting, at no higher price to-day than they were getting it before the war began. The United States Government is getting powder from the Du Pont Co. at the same price they got it before the war began. Gen. Crozier went to one of the vice presidents of the Du Pont Co. and said he wanted from 780,000 to 800,000 pounds of powder. That was last winter. The vice president said, "Of course we will look after our own country first. We have contracts up to capacity, but we will work you in." Gen. Crozier said, "Well, my hands are tied. I am limited to 53 cents a pound." The vice president said, "Very well; the United States Government shall have it at 53 cents a pound." Gen. Crozier said, "But you can sell all your powder at $1 a pound." The vice president said, "I know it; but we will look after the United States Government as we have always done."

Somewhat later, a representative of either the Army or Navy came to the Du Pont Co. and said that they could not get any toluol in the market—that is the explosive charge in a shell—and that it was $1 a pound, but they could not get it even at that price. The Du Pont Co. said, "We will set aside what you need, if you will tell us how much you need." They told them, and they said, "Very well, we will set that much aside for you." The representative said, "But we can not pay $1 a pound. Our appropriation is not large enough." They said, "We will let you have it at just what it costs us, 40 cents."

Now, that is the way the Du Pont Co. has treated the Government always. That company has been patriotic, and, as I said before, we Delawareans claim to be patriotic. They made the Government a present of about $350,000 worth of powder and over $300,000 on that toluol.

This is not strictly in point, but I digress in order to bring it in with the rest of the testimony.

Resuming, now, on the main question in controversy:

Allow me to call your attention to something that I know the Du Pont Co. is trying to do. They had not made a contract, they had not signed a contract with any foreign nation since the 1st of January. They have 60,000 workmen in their plants whom they are trying to

keep at work, and to whom they are paying high wages on a short day's work, and to whom they are paying a bonus of 20 per cent. They are spending their pay in New Jersey, in Virginia, and in Delaware, and in order to keep them at work and keep their organization going, they have been reducing their offers of powder to foreign nations from $1 to 90 cents, to 85 cents, and to 80 cents, and they are now offering it at 65 cents, and have not received a suggestion of interest on the part of any foreign power. In the meantime the price of all the materials has gone up to a great extent. Another thing Gen. Crozier stated, and which was quoted recently, was that at the Government powder plant without any overhead charge at all the mere factory cost was before the war 38 cents a pound for the large-grain powder; that owing to the increase in price of raw materials, without the overhead, the plant cost of the manufacturer of that large-grain powder had increased from 38 cents to 53 cents, the exact price at which the Du Pont Co. sold it to the Government—and that is in the Government plant without any overhead charge.

Now, the Du Pont people have had to meet the increased cost of raw material. They can go no lower. In other words, to secure business, if this tax is put on, they will have to withdraw that offer which they have made in the endeavor to get business and keep this huge assembly of workmen together and at work at good wages.

Again, on pages 273 and 274, which will conclude all that I desire to submit out of this pamphlet, Mr. Gray continues:

The CHAIRMAN. What material do they buy for the manufacture of military powder?

Mr. GRAY. I really do not know very much about it. Mr. Irenee du Pont knows. I think he could tell you exactly what goes into the composition. There is cotton. They have bought upward of 1,200,000 bales of short-fiber cotton. It was 2 cents a pound when the war began and now is 8 cents a pound.

Senator THOMAS. They use a great deal of alcohol, do they not?

Mr. GRAY. They use a great deal of alcohol, sir. That is one way in which the Du Pont Co. helped this company in the distribution of its product. Do you want to know the other things that go into the manufacture?

The CHAIRMAN. There has been urged here by the manufacturers of arms shells, shrapnel, and things of that kind, that instead of levying the whole tax on the gross earnings against the original primary contractor, the one with the foreign Government, the tax should be distributed among all who participated in the manufacture of the——

Mr. GRAY. The raw material?

The CHAIRMAN. Yes; down to the raw material.

Mr. GRAY. Take sulphur—and, for instance, while the price of powder has been decreasing, sulphur has gone up from $18 a ton to $150 a ton. Cotton, which was 2 cents a pound for the short fiber, we are buying it now at 8 cents a pound.

Senator THOMAS. There has been a great advance, too, in the price of nitrates?

Mr. GRAY. Oh, yes, sir; there has been a terrific rise in everything that goes into the Du Pont Co.'s products.

The CHAIRMAN. What am getting at is, can a tax levied on powder, whether it be on the gross or the net receipts, be passed down, in part, to those who furnish the material or parts of material out of which the powder is made?

Mr. DU PONT. The principal ingredients which go into smokeless powder, which is a large part of munitions, are sulphuric acid and alcohol. Besides that, there is nitrate of soda, which is all imported from Chile, and I do not think we could follow that back. But the three large and important ones, cotton, alcohol, and sulphuric acid—part of our sulphuric acid we make ourselves from the sulphur, which becomes a further raw material that could be followed back. It comes from Louisiana and Texas.

These are the distributions of the profits on war munitions, which reach every avenue of life. The farmer to-day out in the corn belt will get his share of war-munition profits. The cotton-plantation man will get his share of it. The short-fiber cotton is used in the manufacture of high explosives at Chicago, at Gary, and at Indiana Harbor.

At a single plant in Gary, Ind., there go out every 24 hours, with three shifts of men working eight hours a shift, 48,000 pounds of guncotton. That company uses up its proportional share of the linters or the short-fiber cotton which is a necessary ingredient in the manufacture of this explosive.

It goes into the corn belt, because alcohol is used in the manufacture of powder. The great distilling companies of Peoria and Pekin, Ill., where more than 40,000 bushels of corn are used every 24 hours, have been running on full time. They do not ship all that alcohol down into Kentucky and bring it back again and call it "Sunnybrook Rye." There is a vast quantity of that output that goes into the manufacture of war munitions, and that has kept the distilleries running. So that their alcohol has gone to Delaware, it has gone down to Hopewell, Va., it has gone into Chicago, it has gone into every place where explosives are made.

It is just like the enterprise down in Louisiana, where the greatest supply of sulphur in our country is found. Some man had enough enterprise to risk investing some money in it some time ago. He put all he had in it, as the story runs, at a venture. Suddenly war conditions developed, and sulphur went from $18 a ton—the then commercial price on the general market of this country—to $150, as Mr. Gray says; and, of course, this man is making some money. Probably he will be taxed under the component-parts paragraph of the munitions war tax. I will get to that later on.

I read these extracts from these hearings, Mr. President, principally to emphasize the fact that I submitted a while ago. I showed then that the increase of exports of distinctly war material in 1916 was $1,500,000,000 greater than it was on the like articles in 1913.

Then I know what has become of the 1,700 men that got their breakfast down on Michigan Boulevard in the winter of 1913–14. I know what became of the men that applied to Mr. Dawes's hotel for lodging in 1914. Where are there idle men to-day? Nowhere. Where is their pay roll? They are included among the fifty or sixty thousand men with the Du Pont Co., the men at Gary, at Indiana Harbor, in Chicago, in Peoria, in New York, in Wilmington, Del.—every place where these plants and all other industries alive with the direct or indirect result of war orders are that produce the articles that go directly into the manufacture of war supplies.

Then, as to the indirect results, I do not suppose any of us ought to call cotton a war supply or a munition of war, any more than we ought to call corn a war supply, although indirectly both of them enter into the manufacture of war materials. Not more than five weeks ago, Germany amended its articles of contraband and included cotton among contraband of war, just because we were manufacturing high-grade explosives in this country, one of the essential elements of which was cotton, and were getting them across to the allies, who control the ocean carrying trade to a very large degree; so much so that Germany must depend upon herself for supplies of a warlike nature for the central powers.

I think, when all of these things are taken together, it establishes what the lawyers would call the case. I think it proves it. It shows that these changes that have occurred since 1913–14 are because of these pay rolls that have absorbed these lines of men who were without work and who were asking for charity for breakfast.

There is another feature about the munitions contracts on which I wish to remark. Originally this bill was written so as to tax the gross receipts. That would have been a manifest injustice. The gross receipts are entirely different from the net receipts, because between the two must be taken out all the charges, and what is left would be the net profit. But as amended the bill taxes the net receipts, without any reference, too, to the time the contract is made. It imposes a 10 per cent charge on the net profits.

To me it savors yet of injustice. A contract has been made. We know what the income tax is; we know what wages are; we can make a reasonable estimate upon what our raw materials will cost that we must buy from others to complete our article in its finished state; we know the amount invested in the physical property; we know the amount necessary for depreciation or the amortization of the plant, if it is one of these that is destined in the nature of things to be temporary in its character. All of that a business man can figure on; but how can he figure on the unanticipated burdens that may be laid upon him by some act of this kind?

I think it is fair to exempt from the tax on the net profits of munition manufacturers contracts that are existing at the time this law becomes operative. I have prepared an amendment of that kind, which in due time I shall offer and ask to have lie on the table and be printed.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER (Mr. OVERMAN in the chair). Does the Senator from Illinois yield to the Senator from Oklahoma?

Mr. SHERMAN. Yes, sir.

Mr. OWEN. I wish to ask the Senator whether it would interrupt him to dispose of the conference report on the amendments to the Federal reserve act at this time?

Mr. SHERMAN. I have no objection, if I can resume the floor.

Mr. WEEKS. Mr. President, I will say to the Senator from Oklahoma that I desire to discuss that measure when it comes up.

Mr. SHERMAN. I do not wish to lose the floor.

Mr. OWEN. I do not wish to have the Senator lose the floor.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. SHERMAN. I will say to the Senator from Oklahoma that I shall conclude what I have to say before the hour of adjournment arrives, and I shall be glad then, of course, to have the conference report taken up. I may quit a little sooner than I otherwise would, if it is necessary.

There is the additional feature of the inheritance tax. I am not opposed to an inheritance tax. I think 42 out of the 48 States of the Union levy an inheritance tax. I have a list of them, showing that, outside of the two Territories—Porto Rico and Hawaii—the 42 States collected in the year 1914–15, $24,381,547 of inheritance tax, or death rates, or succession duties,

as they are known by various names in the several States of the Union.

The State of New York, for instance, is listed in 1914–15 as deriving from its inheritance taxes a revenue of $8,263,893; the State of Pennsylvania, $2,516,790; my own State, $2,092,960. Our inheritance tax is nearly 20 years old. It is a fixed source of revenue.

A letter from the State treasurer of Illinois, dated July 14, 1916, in reply to a telegram reports to me that the inheritance taxes averaged nearly $2,000,000 a year for the last five or six years. The larger the estate, of course, the more the tax that goes into the public treasury. The provisions of our law exempt estates of less than $500, and prescribe a low rate for smaller estates. When they go above a certain figure, so as to be large enough to go beyond want, the rate is increased. It is a graduated inheritance tax. It has been litigated, so there is no question about the validity of an inheritance tax graduated. It passed through the State supreme court, and was also decided by the Federal Supreme Court some years ago, and all features of it were discussed, making the graduated inheritance figure a large tax upon the larger estates and diminishing in proportion as the estate grew smaller, and exempting certain smaller estates altogether.

I am opposed, Mr. President, to the levy of an inheritance tax by Federal authority unless that inheritance tax is divided with the State. In Great Britain the last fiscal year of 1915, the latest I have been able to get, they collected about $140,000,000 or $142,000,000 in our currency on the inheritance tax. Great Britain has about $85,000,000,000 of total wealth. We have in this country of total wealth about $187,000,000,000, not far from twice the total estimated wealth of Great Britain.

There is no good reason why we should not collect without unduly burdening the estates or their beneficiaries at least $100,000,000 divided. Fifty per cent ought to go to the several States and the other 50 per cent ought to go into the Federal Treasury. I do not think a double tax ought to be levied upon inheritance. The State ought not to collect what they are collecting at present under their own statutes and this measure, the burden of which is unknown, be added to the estate at the same time.

The natural result will be, if the burden is laid on by the Federal Government, the general assemblies of the several States will either greatly reduce or will entirely repeal the statutes authorizing the levying and collection of an inheritance tax.

If these estates be segregated into classes, the revenue so realized varies from $8,000,000 in New York to $4,415,000 in New Jersey. Three States other than New York collected over $2,000,000—Pennsylvania, Massachusetts, and Illinois. Two States collect $1,000,000—California and New Jersey. Ten States collect between $200,000 and $500,000 annually—Colorado, Indiana, Iowa, Kentucky, Maine, Maryland, Missouri, Tennessee, Utah, and West Virginia.

Four States collect over $500,000 annually—Connecticut, Minnesota, Michigan, and Wisconsin. A great part of the revenues of a State where it rises up to a half million a year or to eight million a year, as in the State of New York, is collected from the inheritance tax.

If that be taken away by imposing burdens by the Federal Government under this revenue bill, then a Senator will be faced by his constituents with the question, "Why did you take this burden that we are now levying upon the inheritance tax and transfer it to the Federal Treasury, thereby increasing it on our own, making it necessary that the general assembly of the State shall repeal it? Why did you take that source of revenue away from us? What justice is there in it? Does not the State fix the statute of wills and the laws of inheritance and does not the State furnish the probate force, the clerical department, the constabulary that serves process, all the sheriffs or marshals' forces, whatever name may be given to that branch of officers in the judicial machinery of a State?

Does not the State furnish and sustain the instrumentalities, create the rules for the devolution of the property from the dead to the living? Why, then, should not this State, as it stands at the gateway for the devolution of this property, receive the revenue or at least a portion of it?

I believe the Senators who vote without protest against this feature of the revenue bill will be asked, and justly asked, by their constituents why they permitted it to be done.

I believe in the lawful rights of the State. An inheritance tax is nothing more than an excise tax. It is taxing the privilege that society exacts for the passage of property from the ancestors to the heirs. That is an artificial right, it is true, and it is subject to excise rate. It is just like the privilege of being a corporation; it can be taxed for the privilege. It is just like munitions or any other article; it can be taxed because the Government has the power and needs the money.

The laws of the State furnish the method of transmission; they lay down the rules, paying the expense; every dollar of it is appropriated by the local taxpayers. It is true the office earns fees that go into the Treasury, but otherwise it would lighten the burden of the general property tax if it were not done.

Why should the States not have a half and equitable portion of the inheritance tax which is collected under the rules for the devolution of property that the State authority makes?

I do not have very much sympathy with this idea that because the laws of inheritance permit property to descend, being an artificial rule, you could take it away and destroy the laws of inheritance. That is true technically. Governmentally the power exists, but it would be void of justice to deny to the owner the right to pass to his kin or the object of his bounty, whoever he might be, the proceeds of either his industry or his inheritance.

Away along back in 1215, in the days of the great charter, when the farmers of England got together and took from King John some of his arbitrary power and made a written constitution limiting what he might do by the decrees of the Crown, there were some wise provisions in that document. If you turn back to that ancient charter you will find the laws of exemption there; you will find a recognition of the right to inherit property, not the fee in real estate, but the personalty. It is more than 700 years old, and still we are taxing it here by the Federal Government, and, according to the argument of some very learned gentlemen, as if it were a crime for a man to claim the right to pass his property under the laws of descent or to make a will.

There are some features of it that probably are sociological. I do not care to discuss that very much. I rather incline to making the larger estate bear a larger burden in a graduated-tax plan, partly because the larger estates require more protection in time of turmoil. In the event of civil war or in riot and great public disorders they must be protected and ought to pay a large share.

Sometimes there is an irresponsible ownership of wealth created by the laws of descent or by the statute of wills. I know to-day of persons who acquired property by the laws of descent or by a will operating great public utilities who themselves seem to have no adequate idea of what that utility means or their duties in handling it in its relation to the general public. It creates in me no hostility to the institution of property, only that society ought to take a larger share of taxation from such property than it otherwise would in order that it may create an impression that the burden is properly distributed, at least, and that it may help argue against the prejudice thereby aroused.

I come now, after leaving the inheritance tax, in the order of the bill and the income tax, which I will refer to after a while again, to the duty on dyes and dyestuffs and materials. This is the article that Brother Redfield referred to as being proper to encourage, as it was an incipient industry.

I remember years ago when I had the mumps the old family doctor came and felt my jaws and he said, "My boy, you have mumps in the incipient stage."

Whenever Brother Redfield, the Secretary of Commerce, sees any new industry that might be languishing or has not started yet he does not say that a protective tariff is the right thing, but he says it is all right to levy a rate of duty that will permit an "incipient" industry to be developed and sustain itself; an incipient industry, as if it were an economic disease. Whenever we begin to manufacture something in this country it is in its incipient stages. It is like smallpox and foot-and-mouth disease, protected while it is in its incipient stages, Mr. Redfield says. He uses an unfortunate phrase, does this great authority of the Democratic Party at the head of the Department of Commerce.

So dyestuffs are to be protected in the incipient stage. After it gets to be a well-developed disease, after the malady spreads all over the country and they may make enough dyes for everything from a beauty parlor clear down to a hosiery factory, then we are to repeal it and abate the disease, presumably.

Here are the provisions, two kinds of duty, and again they are most solicitous about terms. I notice in the bill it says on the material, which would be a raw material to a dyestuff manufacturer, 15 per cent is to be levied ad valorem and on the dyes in their finished state a duty of 30 per cent ad valorem, and then in addition to that a special tax of 2½ and 5 cents is to be levied.

Now, what is that special tax? What do we call it here on the protectionist side of the Chamber? We call it a specific duty.

They are so careful in terms they will not mention a specific duty any more than they will mention a protective duty. They call it an incipient thing and they call it a special tax. It is just like paying a tax to go out and sell whisky and to manufacture tobacco, a special tax of 2½ and 5 cents a pound.

How long does that continue? The thing will be in its incipient stages for a while after the war ends. Right now the war furnishes all the barrier needed. Consequently the time of the taking effect of this act is limited to the time peace is concluded among the belligerent nations in the Old World. Then for five years the special taxes are to be remitted, one-fifth each year after the act becomes operative, until in five years' time they will be gone, provided, however, that if it be ascertained after the act becomes operative that they are not manufacturing at any time before the five-year period runs out 60 per cent of the domestic consumption of dyes, the President may by proclamation suspend the whole of the Federal tax, of the special taxes of 2½ and 5 cents a pound, any time. It leaves, however, a 15 and 30 per cent ad valorem duty in force all the time.

I turn here on the subject of a permanent duty of 15 and 30 per cent ad valorem on dyes to the fact that sugar, wool, and chemicals were turned loose on the free list here in the summer of 1913. I remember the senior Senator from Utah [Mr. SMOOT] in his effort to preserve some semblance of protection for the dyestuffs of this country. I remember well when he stood in his seat and warned those in charge of that legislation that sometime there would be a barrier necessary to make the manufacture of dyes in this country permanent, so that we might be independent of other countries. Inside of two years from that time, more or less, after the war broke out, the warning was verified by the actual market conditions of our own country.

Now, we go back and put a duty that is 15 and 30 per cent on it permanently. There is no provision, so far as automatically ending it or giving power to the President to end it; there is no provision for ending it at any time. So it seems to me it is purely a protective tariff, designed to become operative after the war shall have ended.

Here is what Brother Bryan says about a protective tariff. This is an extract from Bryan's Commoner of October, 1915:

REPUBLICANS WILL LAUGH US OUT OF CAMPAIGN.

What Democrat will be rash enough to propose an increase in import duties? The party has been trying for a generation to reduce the tariff, and has at last succeeded. It required an almost superhuman effort. Shall we now turn around and undo the work? The Republicans would laugh us out of the next campaign. They would say that preparedness was only a pretext—that the increase was a confession that tariff reform was a failure.

Alongside of the dyestuff industry is the restoration of the tariff on sugar. This came out in the Sixty-fourth Congress, and is now operative. I do not know what the motives of all who voted for it may have been; I know what my motive was. It was twofold: I believe primarily in the protection of sugar, either cane or beet; I believe that in sugar, as in dyestuffs, we have the opportunity, the soil, the climate, the money, and the labor to produce them in quantities enough for our own use here at home. For that reason I voted to restore, and favored at all times a restoration of, the duty on sugar.

Some of my Democratic brethren undoubtedly voted for the duty because they needed the revenue. There is collected from sugar a definite amount, almost unfailing in its resources, running from, say, fifty to as high, possibly, as sixty-two million dollars a year. This revenue was needed. The condition of the Treasury made it indispensable. So it was passed as a revenue measure, we will assume, by our Democratic neighbors across the aisle.

I notice in the platform on that subject, which was written at St. Louis in 1916, last June, that it contained no plank or denunciation of a tariff on account of its unconstitutionality, even if it be protective in character. For what possible purpose is the 15 to 30 per cent ad valorem duty provided in this "revenue-only" bill if it is not protective? Will it collect any revenue now? Not a penny. Will it collect anything until after the war has concluded? No. What is its purpose, then? Its purpose now is to put into tangible form some kind of a barrier behind which the dyestuff industry of this country may build itself up.

There has been a demonstration on a large scale in our country of our dependence upon other manufacturers for this article, which is so essential to certain of our fabric manufacturers in the conduct of their business. So, I take it, that it is not for revenue that the dyestuff schedule is put into the revenue bill, but that it is there for the purpose of safeguarding the future when peace shall be concluded, when the great military hosts shall return to industrial life, and when the importation of dyestuffs will be renewed manyfold over anything this country ever saw; that it is proposed now to take time by the forelock and to prepare, so that the manufacturers may develop the industry here in order that we may be independent and subsist in that particular upon our own resources. Let us prepare for another grim reminder from the Commoner.

Now, I come to discuss the antidumping clause. It is essentially different, as the senior Senator from Pennsylvania [Mr. PENROSE] pointed out this morning, from the antidumping clause that was proposed by the Republican minority in the summer of 1913. It is sufficient to say that while a deathbed repentance is not evidence of very great sincerity, it is better than no repentance at all. If an antidumping clause of any kind is of any value now, it was of equal value in 1913.

War conditions will cease; the stocks of merchandise are accumulating, not only of dyestuffs but of all the nearly 5,000 different articles that pass through the customhouses of the country. They will continue to accumulate until a treaty of peace is concluded. Then, unless there is a barrier built up, we know the vast flood of imports that will pour into the American market. I do not believe in building the barrier any higher than is necessary any more than I believe in building a levee along the Mississippi any higher than is necessary.

When it is high enough you do not need to waste money and time by building it any higher when it is adequate to the highest flood tide and to the crest of the waves that rush down with the great snows and the great rains when the freshets come; but I want it high enough. If it is an inch too low, or if it is only on a level with the flood, it is too low, and there might just as well be no barrier at all, because the whole of it will go.

I have heard at considerable length about the beauties of an income tax. I believe in the principle of an income tax: I have uniformly voted that way; I have so announced myself wherever it became proper to do so. An income tax levied in the way this tax is levied is unjust.

I have one objection to the wording of that portion of this bill relating to an income tax. The House bill is a better bill in at least one particular. The House bill provides an exemption of $3,000 for every person who is single. It also provides for an exemption of $4,000 for the head of a family. The present law, which is found in section 2 of the tariff act of 1913, provides for $4,000 exemption for a married person where the husband and wife live together. There is many a head of a family who is not a married person, who by misfortune and bereavement has a greater burden than the married man who is the head of a family. I know single men, many of my associates, who by death have been deprived of their helpmates, and yet they have a family of children.

I know others who not only have children who are dependent upon them for support, but who have aged relatives who are near of blood and who are a proper charge upon their industry. There is as much equity in the exemption provided by the House bill as any that could be written, making the exemption apply to the head of a family, and not measuring it arbitrarily by the mere fact of whether or not the person be married.

I know a good many married people who are without children, whose principal family consists of canines and servants, who have not as much merit in an exemption because they are married as have hundreds of men who are themselves single, widowers or women who are widows with families dependent on them. They are heads of families; they have a just right to call for an exemption, whereas a husband and wife who are childless are prone to spend their affections upon dogs of various degrees of social culture and pedigree, who "toil not, neither do they spin, and yet * * * Solomon in all his glory was not arrayed like one of these" dogs.

What natural justice is there in exempting such a couple and giving them $4,000 exemption, and as to somebody else, who has a houseful of children—girls growing up to be housewives and boys growing up to be soldiers in time of need, producers of wealth when they reach the age of earning power—still he is a widower, or their mother is a widow, there is no such exemption of $4,000 for them?

It is not very much, but it is all a little; it shows the drift of it. I think the House provision to exempt the head of a family has in it the elements of inherent justice.

Another thing. I never for my part was greatly impressed, as a permanent source of revenue, with the corporation tax. It came here at a time when the Republican Party was in power and thought it was pledged to revise the tariff downward. So it revised it in a way that produced less revenue than it ought legitimately to have produced. To make up what was lost in that way there was devised an excise tax levied upon corporations.

That is the second period to which the chairman of the Committee on Ways and Means of the House alluded in his report, where he referred to the excise tax on corporations which was introduced in the administration of President Taft. I think that was caused largely by a departure from sound protective principles. I look on it as a result of the Canadian reciprocity idea. Canadian reciprocity was advocated by President Taft and was voted for by some Republicans. I criticize neither. It was voted for by Democrats, and could not have been passed except by the help of Democratic votes. I do not criticize my Democratic friends for their action, but if I were disposed to criticize anyone, I would omit them and criticize my Republican associates, because a Democrat would be consistent in that particular at least, as he believes in a revenue tariff or in free trade, and reciprocity is a modified form of free trade, exchanging one benefit for another.

So the contemplated loss of revenue in framing the schedules of the tariff act of 1909 and the anticipated loss of revenue by the Canadian reciprocity act, in case Canada ratified it at the polls, led to the introduction of the excise tax. I think that is an unfair tax as a permanent source of revenue, and I will explain why, Mr. President.

I heard at least three Senators in the summer of 1913, when the tariff act was under discussion and while we were framing it, say that they proposed to take the taxes from the customhouse, to cease collecting customs duties and put the tax upon the wealth of the country. The distinguished chairman of the Committee on Ways and Means in the House at that time, who is now an honored and useful Member of this body, declared that to be the purpose of that series of schedules. Last December, at the beginning of this session, or very near that time, he renewed the explanation in this body. He said that the tariff act of 1913 was designed to transfer taxes from the customhouses, to distribute them, and to impose them upon the wealth of the country.

I shall not argue at this time whether a tariff is a tax. That sounds almost like a voice from the wilderness resurrecting ancient issues, and I do not care to take it up at this time. What I do wish particularly to analyze is, whether the "tariff for revenue only," or a "competitive tariff," as it has been denominated in the controversy in this body, has transferred the burden of the duties collected at the customhouses, on whomsoever the burden might have been, and placed it on the wealth of the country. I want to show just how that has been accomplished.

Here are the three New England States of Maine, New Hampshire, and Vermont. Maine has an aggregate wealth of $1,069,000,000; New Hampshire, $649,000,000; and Vermont, $527,000,000. The three together pay an income tax of $1,064,000. Together they have an aggregate wealth of $2,200,000,000. North Dakota alone has a wealth of $2,141,000,000; South Dakota has $1,398,000,000. Together they have a wealth of $3,500,000,000. That is the estimated wealth of those two States alone. The income tax paid by the three New England States is $1,064,000, while the income tax paid by North and South Dakota is $234,000. The two States of North Dakota and South Dakota, having 50 per cent more wealth, pay one-quarter as much income tax as the States of Maine, New Hampshire, and Vermont.

Iowa has $8,000,000,000 of wealth, while Louisiana has $2,100,000,000 of wealth, a little over one-fourth as much as Iowa has. Louisiana pays $702,000 on account of the income tax, while Iowa, with nearly four times as much wealth, pays $790,000 income tax. One is a Southern State, so called, and the other a Northern State. It is as unfair applied to Louisiana compared with Iowa as it is applied to the three New England States I have named as compared with the two Northwestern States of North and South Dakota.

The two comparatively small States of Connecticut and Rhode Island together have a total estimated wealth of $3,250,000,000. They pay in the aggregate $3,825,000 income tax. Nebraska has an estimated wealth of $3,700,000,000, and pays $492,000 income tax—less than one-seventh as much income tax as Connecticut and Rhode Island pay, although she has a greater estimated wealth than that of the two New England States.

Let me take the State of Massachusetts, the total wealth of which is estimated at $7,000,000,000, and which pays an income tax of something over $6,250,000. Compare that with the figures as to the State of North Dakota, which has over $2,000,000,000 of property, one-third as much wealth as Massachusetts, but pays only $136,000 in income tax, which is less than one-seventieth of the amount paid by Massachusetts. Under the present system there is no distribution of the burden according to the wealth of the country, but there is a distribution according to the classification of the wealth, the occupation, and the way it is employed.

Now, let me explain in detail, Mr. President, what I mean by that: In the New England States it is well known that the inhabitants have availed themselves of every natural advantage. Some of their soil, especially along the coast, is not fertile; sometimes the winters are long in certain parts of that section of the country; they have no mines of precious metals; but they depend upon the industry, the thrift, the intelligence, the business ability, and the inventive genius of their people to develop their resources and to accumulate some of this world's goods. In every town and mountain valley of New England, in every brook, every river or branch of a river, it will be found that they have utilized to the fullest nature's resources. Even the surface of the water is not allowed to go to waste, but the watershed is found by surveys, a dam is built, the brook is caught, the surface water is utilized, a reservoir created, water power is developed, and the electric energy is used in manufacturing.

Now, whether they are making currycombs or clocks in Connecticut, whether they are manufacturing cotton goods in Rhode Island, whether they are quarrying marble and granite in New Hampshire and Vermont, most of these business enterprises are carried on by corporations. It is not to escape individual responsibility, because they pay their debts. It is because of the business advantage that necessarily goes with a corporate form of existence.

If an individual dies, his administrator or executor must wind up his business. If he is in a partnership, it has the same effect, because the death of a partner acts as a dissolution of the partnership and requires a settlement of its business. A corporation is endowed with perpetual life. Its shareholders may die, but the corporation exists.

The shares pass to the heirs at law and the business of the concern still goes on. If it is a going concern, all the shareholders may die, and it continues in its operation without interruption. So there is more than a mere escape of personal responsibility. There is the great economic fact that our industries can not be developed; our business can not be conducted; our manufactures can not be carried on; our banks can not be conducted; our great or small industrial enterprises in small country towns or the mighty metropolis can not be conducted, save through the agency of a corporation.

So, in New England, the manufacturing corporation is frequently found. In Louisiana, in the larger cities, it is frequently found. Some of what is classified as manufacturing machinery is on the cotton and sugar plantations. There the crude sugar requires a certain amount of machinery. The ginning of the cotton and the baling requires a certain amount of machinery. This particular kind of property is not classified under the head of farm machinery or implements. So, in the larger manufacturing States of New York, Pennsylvania, Ohio, Indiana, Illinois, Connecticut, Rhode Island, and the New England States generally, the corporation is a manufacturing concern because that is the only way in which a continuous business can be carried on.

If 25 farmers put in $25 each and form a company with a capital of $100,000, they are taxed upon their net income. There are no exemptions for the corporation.

If the farmer keeps his $4,000 and lends it out at 5 per cent, the current rate on good securities in the part of the country where land is worth from $150 to $250 an acre, farm loans are available for from 5 to 10 years at 5 per cent, so he can keep his $4,000 and loan it out at 5 per cent in a kind of investment that he knows something about. He need not invest in a municipal bond or in United States Steel common and wait for it to come up to 96 and a fraction. He does not need to speculate on anything of that kind. He can loan on an asset that he knows about, because he plows it every day of his life, in the season. If he invested it at 5 per cent, he would get an income of $200 out of the $4,000. It would take a long time before he would reach the point where his investment, at 5 per cent, would make him liable to pay an income tax. If he is a single man, with an exemption of $3,000, he would have to have $60,000 and upward of that before he would pay a cent of income tax. He would have to have $80,000 if he is the head of a family or a married man before he paid a cent.

So the farmer, when he keeps his $4,000 in a loan or a bond, does not pay a dollar of income tax. I have no objections to that.

If 25 of them incorporate to carry on some business, with a capital of $100,000, and they make 5 per cent on the $100,000, they are taxed $50 on the $5,000 income. That taxes the 25 farmers just $2 apiece. It penalizes the farmer that much for changing the form of his investment. It puts a premium upon keeping it out, scattered in some way, so that manufacturing can not be conducted in his neighborhood by local capital. That is the necessary effect of it.

It has the same effect upon a corn producer or a cattle raiser in the Northwest or the Southwest that it has on the producer of cotton, sugar, or peanuts. That leads to the classification to which I alluded. Let me take the agricultural States first.

I will select the State of Iowa. I do not take my own State, because while there is a very large assessed value of real estate and a very large quantity of the wealth of that State in live stock, farm implements, and the like, there is likewise a large amount of our wealth in manufacturing machinery. Some of the great factories in Moline, Rock Island, Chicago, Peoria, and other points employ many hundreds of millions of dollars, all of it in corporate form; and so, being both an agricultural and a manufacturing State, it is hardly a fair State for the comparisons that I intend to make. I choose, rather, my neighboring State of Iowa, across the river, which is relatively more of an agricultural and less of a manufacturing State than Illinois.

The real estate and improvements of Iowa amount to $5,100,000,000. Their live stock amounts to $491,000,000. Their farm implements amount to $103,000,000. They pay $794,000 income tax. Connecticut and Rhode Island together pay $3,825,000 income tax, of which Rhode Island pays $1,103,000 and Connecticut pays two million seven hundred and some thousand dollars income tax. Now, note that Connecticut has $1,450,000,000 of real estate and improvements. It has only $22,000,000 of live stock and only $7,000,000 of farm machinery, as against the $102,000,000 farm machinery of Iowa and the $491,000,000 of live stock and the $5,100,000,000 of real estate and improvements. But Connecticut has $167,000,000 worth of manufacturing machinery. That is in those corporations I talked about a moment ago. In all the hills and valleys and in all her rivers that run down to the sea, in all New England, in all her corporate undertakings necessary for manufacturing purposes, the New England and other manufacturing States of the East and Northeast have a large proportion of their wealth in manufacturing machinery, which means shares of corporate stock when you trace it down to the individual owner.

So Connecticut has $167,000,000 of manufacturing machinery as against Iowa's $58,000,000 of manufacturing machinery; but the income tax paid by the single State of Iowa is less than the income tax paid by the State of Rhode Island by nearly $200,000, and is only in round numbers about one-fifth of the tax paid by the State of Connecticut. Rhode Island, for instance, has $600,000,000 of real estate and improvements; it has about $7,000,000 of live stock; about $1,883,000 of farm implements; it has $93,000,000 of manufacturing machinery, as against in South Dakota $6,000,000 in manufacturing machinery. South Dakota, on the other hand, has $38,000,000 of farm implements, $145,000,000 of live stock, and $639,000,000 of real estate and improvements. North Dakota has only $5,000,000 of manufacturing machinery, $49,000,000 of farm implements, and $125,000,000 of live stock, and $1,261,000,000 of real estate and improvements. North Dakota and South Dakota pays $234,000 income tax, while the two small States of Connecticut and Rhode Island in income tax, manufacturing machinery, pay together 16 times as much; and it is because their property is in corporate undertakings for manufacturing purposes, and is liable to income tax, while the farmer of North or South Dakota, having his land or his income or his manufacturing machinery in such a way that it is not collected in an aggregate form in corporate holdings, escapes the tax altogether.

Now, the income tax is fair enough. I think the corporation ought to pay it. I do not think the excise tax on a corporation which is manufacturing in character, and gives work to the pay roll that absorbs some of these idle men I talked about in 1913–14, ought to be permanently burdened in that way, because the manufacturer is an employer of labor.

Here are some compensations, however, that go along with it. The State of Massachusetts, with real estate and improvements of $4,100,000,000, and an area of 8,000 square miles, has an average value per square mile of $512,000. Here is the State of Florida, which has in real estate and improvements $429,484,000, with 54,861 square miles. That is an average value per square mile of $7,828. Rhode Island has $600,000,000 and over of real estate and improvements. It is 1,067 square miles in area, and every one of its square miles is worth $563,024—the highest valuation per square mile of any State in the Union, not excluding even the States of New York and Illinois, with the two largest cities in the Western Hemisphere. Still, little Rhode Island, because of the great aggregation of manufacturing machinery and the great development of her resources in a comparatipely small area, has accumulated the valuations named.

There is another aspect of it, Mr. President, which, I think, indicates that the taxation is unfair as I have described it. I am going to take Rhode Island again, with 114,000 wage earners, $55,000,000 of wages, and $280,000,000 of the value of their products, and put it alongside of Mississippi, for instance, with 50,000 wage earners, $18,000,000 wages, and with only $80,000,000 of the total value of her products. The States all run the same way. You penalize the States that develop their resources and furnish employment for the pay rolls of the country, that take up the idle men, that make it possible to make preparedness an assured fact. They carry the burdens of this revenue bill.

Mr. President, it is now 5 o'clock. I forbear to take more time. I believe that this bill ought to proceed to a roll call in due time, and other Senators wish to be heard.

I wish to conclude by recalling to the Senate the time when the senior Senator from Idaho [Mr. BORAH], in the summer of 1913, said that the most pathetic chapter in the history of Great Britain's political economy was the decay of her farming communities; that great areas of her land were turned into game preserves; that her sons had gone to the fertile fields of other countries around the world, and that her own plows had rusted in the furrow. That was true. The war broke out, and when the war broke out there came a change. Great Britain's leading men in Parliament and out of Parliament are now saying that England must begin to produce her own foodstuffs. She must develop her colonial resources, and the resources of England, Scotland, Ireland, and Wales. She must not depend upon her merchant shipping to draw her foodstuffs from around the world. She must not only be industrially independent, but she must be, as to the production of her provision supply, independent of the rest of the world.

So the war is driving the people of Great Britain back to the land. The submarine has done more in two years to shatter the free-trade doctrines of Cobden and the university professors of Oxford and Cambridge than the arguments of free traders for 150 years. When the *Deutschland* came into the port of Baltimore it was an answer to all those who would make us dependent upon the rest of the world for our supplies. It was notice served upon us to develop our own resources, because our merchant shipping, if we draw supplies from around the world, can be cut off by a submarine from all the high seas where the tide ebbs and flows. So England has learned this lesson.

I now wish, in conclusion, to place in the RECORD, in the order I have used them, the tables to which I alluded at the beginning of my address.

The PRESIDING OFFICER (Mr. SMITH of South Carolina in the chair). Without objection, it will be so ordered.

The matter referred to is as follows:

Free and dutiable imports into the United States for years 1906 to 1916, inclusive.

Year.	Free imports.	Dutiable imports.	Total imports.	Free.	Dutiable.
				P. ct.	*P. ct.*
1906	$549,623,878	$676,938,568	$1,226,562,446	44.81	55.19
1907	644,029,761	790,391,664	1,434,421,425	44.90	55.10
1910	755,311,396	801,636,034	1,556,947,430	48.51	51.49
1913	987,524,162	825,484,072	1,813,008,234	54.47	45.53
1914	1,127,502,669	766,422,958	1,893,925,657	59.54	40.46
1915	1,033,526,675	640,643,065	1,674,169,740	61.73	38.27
1916	1,492,765,118	705,219,724	2,197,984,842	67.91	32.09

Year	Total ordinary receipts.	Duties collected.	Total ordinary revenue derived from—	
			Customs duties.	Direct taxes
			Per cent.	*Per cent.*
1906	$594,717,942	$300,251,878	50	50
1907	663,125,660	332,233,363	50	50
1910	675,511,715	333,683,445	50	50
1913	724,111,230	318,891,396	45	55
1914	734,673,167	292,320,015	39	61
1915	697,910,827	209,786,672	30	70
1916	777,480,487	211,866,222	27	73

The Dingley protective tariff act was in force in 1906 and 1907.

The Payne-Aldrich protective tariff act was in force in 1910 and 1913.

The Democratic free-trade tariff act of 1913 was in force in 1914, 1915, and 1916.

Of our total foreign trade, the following shows the per cent of imports and the per cent of exports. The enormous exports of war supplies in 1915 and 1916 under a free-trade tariff keep the percentages of exports but a small per cent above the comparative exports of 1906, 1907, 1910, and 1913 under a Republican protective tariff.

Aggregate of United States exports and imports make our total foreign trade.

Total foreign trade.

	Exports.	Imports.
	Per cent.	*Per cent.*
1906	58	42
1907	57	43
1910	51	49
1913	57	43
1914	55	45
1915	62	38
1916	66	34

Total imports of 1916, $2,197,984,842, under a Democratic free-trade tariff distributed on the per cents free of duty and the per cents dutiable under the Republican protective-tariff acts for the years 1906, 1907, 1910, and 1913, with the customs-duties receipts for each year estimated at the average ad valorem rates on dutiable imports actually collected in those years showing the loss of revenue to be supplied by direct taxation under a Democratic administration.

Republican tariff applied to imports of 1916 for years named.

Year.	Free of duty.	Dutiable.	Free imports.	Dutiable imports.
	Per cent.	*Per cent.*		
1906	44.81	55.19	$984,876,678	$1,213,018,164
1907	44.90	55.10	986,854,794	1,211,040,048
1910	48.51	51.49	1,066,198,807	1,131,696,035
1913	54.47	45.53	1,197,193,320	1,000,701,522

Total imports fiscal year ending June 30, 1916, $2,197,894,842.

Average ad valorem rate on dutiable imports under Republican tariff would have collected, applied in 1916 for years named, as follows:

Customs receipts if Republican protective rates were applied to dutiable imports, 1916.

1906—44.16 per cent of $1,213,018,164 producing $535,668,821
1907—42.55 per cent of $1,211,040,048 producing 515,297,540
1910—41.52 per cent of $1,131,696,035 producing 469,880,193
1913—40.05 per cent of $1,000,701,522 producing 400,780,955

If total imports under Democratic tariff of October 3, 1913, had been 45.53 per cent, dutiable as in 1913, the last year of a Republican tariff, the dutiable imports for the years named below would have been as follows:

Year.	Total imports.	Dutiable.
1914	$1,893,925,657	$862,294,351
1915	1,674,169,749	762,249,482
1916	2,197,894,842	1,000,742,498

And at the average ad valorem rate of 40.05 per cent on dutiable imports for 1913, would have produced in customs:

1914 ..... $345,348,887
1915 305,280,917
1916 400,797,370

The foregoing estimated customs, compared with $211,866,222 actually collected in 1916, show why the difference of from $94,000,000 to nearly $190,000,000 must be met by direct taxes.

Total corporation and individual income-tax receipts, fiscal year ending June 30, 1916 ..... $124,867,430.28
Paid in—
New York $45,230,685.17
Pennsylvania 13,102,434.30
Illinois 10,745,841.90
Massachusetts 6,862,017.90
75,940,979.27
All the other 44 States 48,926,451.01
Total wealth of the foregoing 4 States 62,256,074,124.00
Total wealth of all the other 44 States 125,482,998,966.00

The four States named pay income tax on each dollar of aggregate wealth of $0.001219, more than 1¼ mills.

All of the other 44 States named pay income tax on each dollar of aggregate wealth of three hundred and eighty-nine one-thousandths, or less than two-fifths, of 1 mill.

Ordinary internal revenue:
New York $60,298,983.56
Pennsylvania 21,715,069.99
Illinois $54,541,708.18
Massachusetts 9,197,606.78
Ohio 27,699,556.69
Indiana 29,616,283.01
$203,068,608.21
Income tax:
New York 45,230,685.17
Pennsylvania 13,102,434.30
Illinois 10,745,841.90
Massachusetts 6,862,017.90
Ohio 6,043,919.72
Indiana 1,224,528.04
83,209,427.03

Aggregate receipts internal revenue, 6 States named 286,278,035.24

Of total internal-revenue receipts of $512,740,769.58, the foregoing six States pay 55.83 per cent.

Illinois:
Ordinary internal revenue $17,323,020.91
Do 28,089,033.81
Do 7,354,945.08
Do 974,108.38
Total 54,541,708.18
Income tax 10,745,841.90
Total 65,287,550.08

Pennsylvania:
Ordinary internal revenue 12,006,044.52
Do 3,232,158.64
Do 3,399,505.07
Do 13,077,361.76
Total 31,715,069.99
Income tax 13,102,434.30
Total 44,817,504.29

New York:
Ordinary internal revenue 12,520,067.94
Do 18,524,649.74
Do 13,950,212.89
Do 7,073,115.38
Do 3,925,936.09
Do 4,305,061.52
Total 60,298,983.56
Income tax 45,230,685.17
Total 105,529,668.73

Ordinary internal revenue and income tax:
Illinois 65,287,550.08
New York 105,529,668.73
Pennsylvania 44,817,504.29
Ohio 33,743,476.41
Total 249,378,199.51

Ohio:
Ordinary internal revenue 17,997,115.02
Do 3,103,418.26
Do 1,777,839.65
Do 4,821,183.76
Total 27,699,556.69
Income tax 6,043,919.72
Total 33,743,476.41

Population:
New York 9,113,614
Pennsylvania 7,665,111
Illinois 5,638,590
Ohio 4,767,121
Total (being 29½ per cent of the total population of 91,072,266) 27,184,436

Total internal revenue 512,740,769.00
Total internal revenue of 4 States named (48.6 per cent 249,378,199.00
New York pays 20½ per cent of internal revenue.
Illinois pays 12.73 per cent of internal revenue.
Pennsylvania pays 8.74 per cent of internal revenue.
Ohio pays 6.58 per cent of internal revenue

For the year 1912.

State.	Wealth.	Income tax.	Manufacturing machinery.	Farm implements.	Live stock.	Real estate (includes improvements).	Square miles land area.
Maine	$1,069,594,027	$1,064,107.29	$39,941,215	$15,628,096	$32,745,172	$485,958,919	29,895
New Hampshire	649,320,469		38,561,611	6,020,570	16,015,159	335,212,257	9,031
Vermont	527,261,775		19,089,082	10,094,725	30,651,098	255,994,278	9,124
North Dakota	2,141,626,961	234,741.21	5,244,543	49,878,002	125,614,381	1,261,388,140	70,183
South Dakota	1,398,573,425		6,043,576	38,100,632	145,815,404	639,661,792	76,868
Iowa	7,968,454,211	794,986.41	58,520,370	102,981,405	491,613,546	5,111,230,343	55,586
Nebraska	3,704,986,781	492,912.00	35,084,497	48,111,360	265,473,943	2,316,850,464	76,808
Oklahoma	4,581,091,918	894,015.88	21,965,234	30,404,140	174,193,395	3,138,755,253	69,414
Colorado	2,286,923,583	937,606.11	91,353,941	14,400,570	88,059,546	1,223,511,598	103,658
Wyoming	353,844,827		3,043,914	4,128,753	54,434,914	90,280,515	97,594
Louisiana	2,164,437,746	702,757.80	88,307,350	17,065,106	64,772,977	1,028,988,975	45,409
Arkansas	1,829,521,736	156,352.90	30,524,602	18,487,026	88,301,395	890,976,538	52,525
Connecticut	2,285,454,659	2,826,050.32	167,155,250	7,310,718	22,976,457	1,452,015,297	4,820
Rhode Island	970,802,690		93,860,055	1,883,634	6,874,870	600,747,009	1,067
Alabama	2,127,054,930	457,105.91	95,250,311	17,812,825	86,921,130	933,661,266	51,279
Mississippi	1,344,860,020		35,119,725	18,375,013	89,797,680	476,622,845	46,362
Massachusetts	6,302,988,392	6,862,017.90	377,873,043	12,110,883	43,148,947	4,118,215,738	8,039
Texas	6,859,909,141	1,570,127.07	81,345,736	62,123,171	394,904,283	3,608,063,739	262,398

For the year 1909.

State.	Wage earners.	Wages.	Value products.	Capital.
Texas	70,230	$37,907,000	$272,896,000	$216,876,000
Maine	79,955	37,632,000	97,101,000	202,260,000
New Hampshire	78,658	36,200,000	164,581,000	139,990,000
Vermont	33,788	17,272,000	68,310,000	73,470,000
North Dakota	2,789	1,787,000	19,137,000	11,585,000
South Dakota	3,602	2,207,000	17,870,000	13,018,000
Iowa	61,635	32,542,000	259,238,000	171,219,000
Nebraska	24,336	13,948,000	199,019,000	99,901,000
Oklahoma	13,143	7,240,000	53,682,000	38,873,000
Colorado	28,067	19,912,000	130,044,000	162,668,000
Wyoming	2,867	2,081,000	6,249,000	6,195,000
Louisiana	76,165	33,386,000	223,949,000	221,816,000
Connecticut	210,792	110,119,000	400,272,000	517,546,000
Rhode Island	113,538	55,234,000	280,344,000	290,901,000
Alabama	72,148	27,284,000	145,962,000	173,180,000
Arkansas	44,982	19,113,000	74,916,000	70,174,000
Mississippi	50,384	18,768,000	80,555,000	72,393,000
Massachusetts	584,559	301,174,000	1,490,529,000	1,279,687,000

Inheritance-tax revenue by States.

State.	Year.	Revenue.
Arizona	1914-15	$12,132.45
Arkansas	1913-14	44,361.49
California	1913-14	1,796,478.57
Colorado	1912-14	[1] 232,531.51
Connecticut	1914-15	807,293.27
Delaware	[2] 1914-15	13,463.96
Georgia	1914	6,066.40
Hawaii	1913-14	30,634.00
Idaho	1913-14	9,994.90
Illinois	1913-14	2,092,960.20
Indiana	1914-15	233,559.83
Iowa	1912-14	[1] 318,565.70
Kansas	.....	([3])
Kentucky	1914-15	270,429.89
Louisiana	1913	97,200.72
Maine	1914	283,869.36
Maryland	1914-15	256,814.84
Massachusetts	1913-14	[4] 2,308,460.46
Michigan	1913-14	501,710.02
Minnesota	1913-14	650,756.85
Missouri	1914	411,160.94
Montana	1913	31,273.94
Nebraska	.....	([3])
Nevada	1915	4,415.10
New Hampshire	1914-15	114,014.61
New Jersey	1913-14	1,090,298.78
New York	1914-15	8,263,893.67
North Carolina	1913-14	19,899.19
North Dakota	1914-15	7,680.57
Ohio	.....	([3])
Oklahoma [5]	1912-14	[1] 4,822.14
Oregon	1913-14	85,051.61
Pennsylvania	1913-14	2,516,790.43
Porto Rico	1914-15	33,431.65
South Dakota	1913-14	25,412.04
Tennessee	1913-14	210,831.10
Texas	1913-14	43,105.75
Utah	1913-14	487,228.55
Vermont	1913-14	93,280.30
Virginia	1914-15	42,497.89
Washington	1913-14	141,319.57
West Virginia	1913-14	281,660.20
Wisconsin	1914-15	570,170.73
Wyoming	.....	([3])
42 States	.....	24,381,547.53
2 Territories	.....	30,634.00
Total	.....	24,412,181.53

[1] One-half of receipts for two years.
[2] Fiscal year ending Jan. 12, 1915.
[3] Revenue paid to counties.
[4] Interest not included ($23,352.28 interest).
[5] Common-school fund, p. 11.

Sources.

State.	Source.
Arizona	Treasurer's report.
Arkansas	Do.
California	State comptroller's report.
Colorado	Treasurer's report, p. 11.
Connecticut	Do.
Delaware	Do.
Georgia	Comptroller general's report, p. 22.
Hawaii	Treasurer's report.
Idaho	Auditor's report, p. 31.
Illinois	Do.
Indiana	Treasurer's report.
Iowa	Report of the executive council, p. 83.
Kentucky	Auditor of public accounts.
Louisiana	Treasurer's report.
Maine	Do.
Maryland	Comptroller of the treasury.
Massachusetts	Treasurer's report.
Michigan	Do.
Minnesota	Treasurer's report.
Missouri	Auditor's report.
Montana	First report of the tax commissioner, p. 11.
Nevada	Treasurer's report.
New Hampshire	Do.
New Jersey	Do.
New York	Comptroller's report, p. 14.
North Carolina	Treasurer's report.
North Dakota	Do.
Oklahoma	Do.
Oregon	Do.
Pennsylvania	Do.
Porto Rico	Do.
South Dakota	Do.
Tennessee	Comptroller's report.
Texas	Treasurer's report.
Utah	Do.
Vermont	Do.
Virginia	Do.
Washington	State tax commissioner's report.
West Virginia	Treasurer's report.
Wisconsin	Do.

TREASURER OF THE STATE OF ILLINOIS,
Springfield, July 14, 1916.

Hon. LAWRENCE Y. SHERMAN,
Washington, D. C.

DEAR SENATOR: In reply to your letter of the 11th instant, would say that I wired you yesterday as follows:

"Inheritance-tax receipts in the State treasurer's office for the year 1914 were $1,600,000, and for the year 1915 were $1,995,000."

This department has gotten to be quite a revenue producer, and it will make a big difference to the citizens of Illinois if it should be cut off.

When you are here in August I hope to see you.

With my best regards, I am,

Yours, very truly, ANDREW RUSSEL.

ILLINOIS INHERITANCE ACT.

Less than $500 estate, all exempt.
Exceeds $100,000, direct heirs, $2 per $100.
One hundred thousand dollars or less, direct heirs, $1 per $100.
Twenty thousand dollars or less in above cases exempt.

COLLATERAL HEIRS.

Exceeds $2,000 and exceeds $20,000 received by each person, $4 per $100.
Two thousand dollars and is $20,000 or less received by each person, $2 per $100.

ALL OTHER CASES.

Ten thousand dollars or less at the rate of $3 per $100.
Over $10,000 and not exceeding $20,000, at the rate of $4 per $100.
Over $20,000 and not exceeding $50,000, at the rate of $5 per $100.
Over $50,000 and not exceeding $100,000, at the rate of $6 per $100.
Over $100,000 at the rate of $10 per $100.

Mr. SHERMAN. I also ask permission to insert editorials from the St. Louis Globe-Democrat of several issues and an article from the Chicago Tribune headed "Two years of British snubs, United States unruffled," written by Arthur Sears Henning.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

[From the St. Louis Globe-Democrat.]

ANOTHER INADEQUATE REMEDY.

The Senate Finance Committee, bent on political preparedness, has adopted a provision for the alleged purpose of preventing discriminations against American trade "after the war." It authorizes the President and the Secretary of the Treasury to retaliate against any country which forbids the importation of American articles by forbidding imports from those countries. The provision is not broad enough to prevent any discrimination short of absolute prohibition of American imports. The last Congress deliberately discarded the maximum and minimum provisions of the Payne tariff, which gave the President the power to meet any discriminations against American goods. It was to gather data for guidance of the President in the discharge of this duty that the tariff board was created. The Democratic House of the Sixty-second Congress showed its opposition to this principle by refusing to continue appropriations for the support of the board. As soon as the Democrats got control of the White House and both Houses of Congress they threw the whole system overboard, notwithstanding the fact that most countries of the world had tariffs and that they could use them to our disadvantage.

There are already complete prohibitions against certain imports now in force, being provided by the British orders in council. Their pretense of military necessity is a humbug. They are designed primarily to foster British industries. The proposed remedy is inadequate, for after Congress adjourns the orders in council may be modified so as to levy a huge import duty. The President will be powerless to retaliate under the provision as adopted

But this is not the chief danger to American industries. That lies in a flood of European products following the war. No safeguard against this is provided by the pending measure, except as to dyestuffs and as to goods that are to be sold here at less than the current market price at home, with the criminal intent of establishing an American monopoly. For practical purposes this will afford no protection at all.

[From the St. Louis Globe-Democrat.]

CAUSES OF PRESENT PROSPERITY.

The Democratic Party would like very much to make it appear that the Wilson administration is responsible for present business conditions. The reports of the Federal Government totally disprove such a claim.

The enormous crops of last year added approximately $500,000,000 more to the national wealth and circulation than did the crops of 1914. That, in itself, was enough to make a vast difference in relative prosperity. Neither Mr. Wilson, nor Mr. Wilson's policies, influenced agricultural production, although the Democrats are disposed to take credit for it. But figures just published by the Department of Commerce prove beyond all question that it is the war trade and the war trade alone that has expanded our foreign commerce far beyond all previous records and has made the country richer by many hundreds of millions.

In this report the exports and imports of 1913, 1914, and 1915 are presented by countries. The total exports in 1913 were $2,484,000,000; in 1915, $3,547,000,000, an increase of $1,063,000,000. All of this increase, and more, is shown by the report to be due to the sale of war munitions and supplies. Our exports to England were increased by $577,000,000, to France by $340,000,000, to Italy by $192,000,000, to Russia by $139,000,000, making a total increase to the allied countries of $1,248,000,000. To the countries bordering upon the war zone—Holland, Sweden, Norway, Denmark, Greece, and Switzerland—our exports increased $218,000,000, all of which is due to abnormal demand growing out of war. To suppose that our normal trade with these countries could be increased in the least under present conditions is manifestly absurd. Therefore we have a total gain in exports resulting from the war, of $1,466,000,000, as compared with 1913. Against this we have a loss, consequent upon the war, of $381,000,000 to Germany and Belgium, making a net gain from this cause of $1,085,000,000. Our exports to the rest of the world have decreased $22,000,000.

Our imports in 1913 amounted to $1,792,000,000; in 1915 to $1,778,000,000. Our balance of trade, therefore, in 1915 was $1,769,000,000. Directly or indirectly the country is that much richer; we have sold to foreign nations that much more than we have bought from them. The war brought us in 1915 an average of over $17 per capita for the entire population of the United States. Eliminating the sales to the allies and the border nations our balance of trade in 1915 is seen to be only $303,000,000. Our balance of trade in 1913 was $692,000,000. So it is apparent that, outside of war sales, we have lost almost $400,000,000.

It is quite plain from these official figures that every dollar of our gain from foreign commerce is due to the war demand, and that the war and the crops have given us a prosperity not because of but in spite of the Democratic administration.

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[From the St. Louis Globe-Democrat.]

BRITISH TO DROP FREE TRADE.

It has been known for years that sentiment in Great Britain for a protective tariff system has been growing. The late Mr. Chamberlain was an avowed advocate of protection. Even the most confirmed believers in Cobdenism admitted that England was at a disadvantage in the making of commercial treaties because it had nothing to give in return for concessions it asked. Although enjoying certain peculiar advantages in commerce with the British colonies, which have tariffs, some of the latter have been at times inclined to drive hard bargains with the mother country. But it was not until the great war came to show the folly of the millennial dreamers that protection sentiment became crystallized. At a meeting of the Association of Chambers of Commerce in London this week, attended by 1,000 delegates, a resolution was adopted unanimously to the effect that the experience of the war has shown "that the strength and safety of the British nation in time of national peril lie in the possession by this nation of the power to produce its requirements from its own soil and its own factories, rather than in the possession of values which may be exported and exchanged for products and manufactures of foreign countries."

Washington, Hamilton, Clay, Lincoln, Blaine, and McKinley adopted this theory. The American principle of diversifying industries in this country was adhered to in spite of free-trade dreamers, who would have left this country dependent upon its agricultural resources, as they imagined "nature intended." Our great trade now would have been impossible had free-trade theories prevailed. Our chief difficulty is that we did not go far enough. We should have built up the dye industry, for example. But many of our most thriving industries were built up by protection, over the protest of free traders, who contended that they could never be made a success in this country.

When this war ends there will not be a free-trade country left in the world. Each will strive to develop its own interests and there will be the most intricate tariffs and the framing of commercial treaties will require the most accurate information and the keenest wits on the part of statesmen.

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[From the St. Louis Globe-Democrat of July 14, 1916.]

A LONESOME FREE-TRADE COUNTRY.

The importations into the United States for the 11 months ending June 1 amounted to $1,952,033,212, of which $1,338,892,072, more than two-thirds, paid no duty. In 1914 the imports for the same period were $1,736,396,207, of which $1,034,056,637 were admitted free. It will thus be seen that the free imports have increased the enormous amount of $304,835,435 in two years. In the same time the dutiable imports have decreased close to $90,000,000. In 1911, under the Payne-Aldrich law, the free imports were 50 per cent of the total. Now, under the Democratic tariff they are 70 per cent of the whole. While our revenue-producing imports are dwindling, the quantity of free goods dumped on our shores is increasing at an appalling rate. These figures are taken from the official reports of the Department of Commerce.

It is plain, then, that the law that is obstensibly a revenue measure is nothing of the sort. It is, in effect, a free-trade law, putting into actual operation the foundation principle of the Democratic Party. The United States is now, in fact, a free-trade country. While practically all the rest of the world has accepted and adopted the protection principle, our country has moved in the opposite direction, going backward instead of forward. Great Britain and Holland are the only two other countries still holding to free trade, and Great Britain is preparing to abandon that iridescent theory in a commercial combination with her allies. Soon, unless the people turn its face in the other direction, the United States will have none but little Holland to keep it company, and the story of the 10 little Indians will approach its climax.

Is there no lesson in these facts? Is the unanimous conclusion of virtually all the nations of the earth, founded upon the experience and judgment of those nations, of no value to us? Are we to stand alone as the one land whose gates are wide open to the commerce of the world, the one land which refuses to protect its people from the competition of other countries? Are we to continue to hold fast to a discarded and discredited doctrine because the Democratic Party persists in its blunders? We think not. We are sure we shall not. November will answer these questions.

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[From the St. Louis Daily Globe-Democrat of Aug. 17, 1916.]

THE BLINDNESS OF DEMOCRACY.

It is one of the congenital failings of the Democratic Party that it always blames Providence for the inevitably disastrous consequences of its tariff legislation. Never in the checkered career of the United States has there been a Democratic tariff law enacted that did not put the country upon its back, and yet the Democratic Party continues to say that if it hadn't been for this or if it hadn't been for that, Providence alone being responsible, prosperity beyond computation would have surely followed the enactment. All of the rest of the world—England and Holland alone excepted among civilized countries—has established the protective tariff as a permanent principle of government, and England is moving rapidly toward its adoption. The Democratic Party in the United States is numerically the strongest support that the vanishing theory of free trade yet retains upon the earth. And the Democratic Party hangs to it because it obstinately refuses to accept the evidences of its own senses. It looks, but it will not see. It listens, but it will not hear.

And now we are gravely told that the calamitous results of the Underwood tariff before the European war opened were due to a drought in 1913. It does not matter that the crop of 1913 was short only in comparison with the record-breaking crop of 1912; it does not matter that it was in fact an average crop, greater than that of 1911, nor that it brought higher prices and sold, on the whole, for some $200,000,000 more than the total crop of 1912. Providence must shoulder the responsibility. In other parts of the world the people have learned from experience. Many were enamored with the theories of free trade, but they were convinced of its fallacy by the weight of proof. Premier Hughes, of Australia, said not long ago: "When fiscalism was a live question in Australia I was a free trader of free traders. The 'Wealth of Nations' was my Bible; Adam Smith was my prophet." Experience changed his views. "I am no more concerned to deny," he says, "that a case can be made out in favor of allowing trade to flow along what are termed its 'natural channels' than I am to deny the virtues of the Spartan methods of producing a virile nation by exposing its weaklings to certain death. Much might be said for both, but modern sentiment is definitely against the one and the inexorable circumstances of the modern world are against the other."

Some of these days the Democratic Party will learn that it is not Providence but "the inexorable circumstances of the modern world" that are against its pet policy.

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FACING THE COMMERCIAL FUTURE.

Not everybody is hugging the delusion that the present enormous export trade is a normal development and that it will be permanent. Mr. Hughes has aptly called those who do dwellers in a fools' paradise. The National Foreign Trade Council is not indulging in such idle dreams. It is facing the future with its eyes open. It is planning for strengthening American commerce. One of the ways is by exempting our foreign trade from the operations of the Sherman Act, so as to permit American exporters to fight European competitors on equal terms. There is much merit in their proposal, but we are especially interested just now in the succinct statement the council's committee on cooperation in foreign trade makes concerning our present abnormal foreign trade. It declares that the excess of exports rests largely on the following circumstances:

"Abnormal war demand and prices for munitions, foodstuffs, and raw materials.

"Elimination of normal European competition through occupation of European factories in munitions production.

"Loss of labor through enlistment or conscription and belligerent restriction of normal exportation.

"Curtailment of investment of European capital in neutral markets, normally a stimulus to European export trade."

The statement continues:

"No greater fallacy is possible than to neglect to expect after the war the following developments:

"Cessation of war demand and prices for munitions, reduction of prevailing high prices for exported foodstuffs and raw materials by reason of restored European competition, normal transportation, and international movement of raw materials.

"Resumption of normal European competition in home and neutral markets by reason of return of soldiers to industry and the lifting of military embargoes from exportation.

"Renewed activity of European export and import combinations, with increased governmental support and possible preferential tariff and navigation arrangements under economic alliances.

"Renewal, as rapidly as business conditions and national, or even international, fiscal policy will permit, of European investment in neutral markets, the most effective method of creating a foreign preference for merchandise of leading nations. European war finance has been molded to protect trade-winning foreign investments; their nourishment will not be neglected with peace."

There is no evading these plain facts. This is not the argument of politicians, but of business men who have large investments which they are trying to safeguard.

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[From the St. Louis Daily Globe-Democrat of Aug. 16, 1916.]

"KEEPING US OUT OF WAR."

Secretary of War Newton D. Baker is authority for the statement that "keeping the United States out of war" is the principal claim upon which President Wilson bases his fight for reelection. "The fact that we are at peace," he says, "is the greatest argument of all for President Wilson."

It is true that we are at peace, although our entire Army is massed upon the Mexican border; but the extent to which Mr. Wilson is to be credited with our peacefulness is a proper subject of inquiry. Are we at peace because of him and his acts or in spite of him and his acts? Let us consider. In the first place, no nation has sought a quarrel with the United States. No deed has been done, no word has been said of direct enmity toward the United States. With nations, as with individuals, it takes two to make a quarrel. There are but two countries with which our relations have been strained during the administration of Mr. Wilson. The acts of Germany which incurred our displeasure were committed in the course of a war with another nation and were

not directed against us. Germany has at no time shown a desire to come into conflict with this country. The only possibility of war with Germany was in consequence of demands coming from us. It was we, not Germany, who were threatening war. But, as a matter of cold fact, President Wilson could not have got us into actual war with Germany if he had deliberately tried to do so. For obvious reasons Germany could not have fought us, and, for reasons equally obvious, we cold not have fought Germany unless we had joined with the allies, an inconceivable possibility. We might have had a theoretical state of war, but not a gun would have been fired, not a drum would have sounded. Mr. Wilson did not keep us out of war with Germany. Circumstances utterly beyond his control or direction attended to that.

Mr. Wilson did not keep us out of war with Mexico. The only danger of war with that country has grown out of the acts of Mr. Wilson himself. At the beginning of his administration nothing was further from the thought of Mexico than war with the United States. Its people, its intelligent people, realized that the friendship of this country was necessary to their peace and prosperity. A firm demand for the protection of our rights and interests would have been respected and obeyed without recourse to arms, if we had not made that protection impossible by our unwarranted interference in the internal affairs of Mexico. Our blundering, untactful, unjustifiable course during the past three years has made enemies out of those who desired to be our friends, and because of that enmity our troops are arrayed upon the border. The question of war or peace with Mexico is yet to be settled, but if it should be peace, as we earnestly hope, Mr. Wilson will deserve no encomiums for avoiding the consequences of his own errors.

[From the Chicago Tribune of Apr. 23, 1916.]

TWO YEARS OF BRITISH SNUBS—UNITED STATES UNRUFFLED—DIPLOMATIC RECORD SHOWS CONTRAST IN WILSON'S ATTITUDE TOWARD BELLIGERENTS—JOHN BULL WINS 10, LOSES 1.

[By Arthur Seats Henning]

WASHINGTON, D. C., *April 22.*

While President Wilson is threatening to sever diplomatic relations with Berlin because of German disregard of the rights and safety of Americans on the high seas Great Britain continues its depredations upon American foreign trade and its defiance of the sovereignty and dignity of the United States.

The President has arraigned Great Britain in unsparing language as a violator of international law, but has taken no step more drastic than the lodgment of protests to enforce observance of the American rights England has disregarded. In only 1 of 11 disputes has the President induced the British Government to change its policy.

LIVES VERSUS DOLLARS.

Critics of the President point to this record as proof of their charge that he is prone to be lenient with Great Britain and severe with Germany; that he is prejudiced in favor of the British cause and has carried this prejudice into an unneutral policy; and that he is either unconsciously or deliberately "playing England's game."

Defenders of the President resent these charges and insinuations. If, they say, the President appears to be dealing more harshly with Germany than with Great Britain it is because Germany has caused the irreparable sacrifice of American lives, while England has occasioned only the reparable loss of profits and property. Human life, they argue, can not be weighed in the same scale as commercial dollars.

ENGLAND'S STEADY DISDAIN.

Nevertheless, with a rupture of diplomatic relations and eventual war with Germany a possibility of the near future, the United States faces the prospect of becoming the ally of a power that has treated its interests and rights with contumely ever since the beginning of the great struggle in Europe.

The disputes between the United States and Great Britain and their disposition or present status may be summarized as follows:

Demand that British merchantmen cease the use of the American flag to deceive German submarine commanders—compliance refused by British Government.

Protest against the establishment of an illegal and unprecedented contraband system—still maintained in spite of the remonstrance of this Government.

Protest against the maintenance of an illegal blockade by Great Britain of the neutral ports of Norway, Sweden, Denmark, and Holland—still maintained in spite of these protests.

Dispute by the United States of the right of Great Britain to control the shipping of neutral nations by refusing to allow their products to proceed to friendly ports without sanction of the British Admiralty—protests ignored in part and practice defended on the ground of military expediency.

Protest against the seizure of approximately 2,000 ships carrying American products and detained in British ports at tremendous cost to the American charters: System still continued.

Protest against the violation of American sovereignty and interference with the internal affairs of this country by dictating to ship companies plying between American and ports of friendly countries and blacklisting as "undesirable" American merchants who have ever dealt with persons in the central Empires: Protest not pressed because of the lack of official proof of these practices.

BEFORE PRIZE COURTS.

Protest against the seizure of four American ships on charges that they were "tainted" with part German ownership: Cases now before British prize courts.

Protest against the seizure and detention of American mails, including diplomatic correspondence and securities: Practice defended and continued by the British Government on the ground that the mails have been used for the transport of contraband, but pledges given that diplomatic and legitimate personal correspondence will not be interfered with.

Protest against the holding up of American ships and the arrest of passengers of German birth: Protest ignored on the ground that in the specific instances complained of the persons arrested were known to be German reservists.

ONE PROTEST RECOGNIZED.

Protest against the violation of American neutrality by the invasion of the 3-mile international limit by British warships and the improper use of the wireless telegraph: Apologies made and practices discontinued.

Protest against the prohibition by Great Britain on importations of goods to England for the manifest purpose of attempting permanently to destroy American trade with Europe: Protest ignored and practice daily increasing.

Trade secrets have been taken over by the British, who have studied American methods, listed every buyer of American goods in Europe, illegally increased her list of prohibited exports, seized and paid for American goods which have been sold to neutral countries as English goods, all to the obvious disadvantage of the American manufacturer both during and after the war and in promotion of the British policy of permanently controlling the markets of the world.

ENGLAND WORLD DICTATOR.

The practice of Great Britain in seizing all cargoes intended for neutral countries contiguous to the central Empires has practically put the whole of Europe upon a ration basis, with England determining the amount each is to have.

Since the beginning of the war 149 notes, memoranda, representations, and formal telegrams have been passed between Washington and London. Of these, 59 have originated in Washington and 91 in London. These messages have been compiled by the State Department as relating to important issues in dispute between the two Governments. The tabulation, however, represents less than 5 per cent of the informal notes and cablegrams which have actually passed between the United States' Department of State and the British Foreign Office covering matters of relatively minor importance arising from day to day.

Tabulated in chronological order, the general issues between the United States and Great Britain, with the official correspondence relating to each specific instance, have been as follows:

1914.

August 5 (the second day of the war): Ambassador Page reported to the State Department that Great Britain had promulgated a list of articles which would be treated as contraband and conditional contraband during the progress of hostilities.

September 30. The United States received its first official warning that Great Britain had decided to substitute military expediency for law by changing the contraband lists adopted by it so as to include articles not hitherto regarded as contraband—copper, lead, glycerin, ferrochrome, hematite iron ore, magnetic iron ore, skins, hide, and rubber.

October 29: Great Britain increased list of contraband by an order in council which decreed that all goods shipped "to order" to the countries adjacent to the central powers were liable to seizure unless the owners could prove that they were not destined to reach "enemy countries."

It was this order which provoked the first protest of the United States against the innovation to international law introduced by England and one that has not, even after 18 months, been adjusted to the satisfaction of the United States.

December 26: Inspired by a flood of demands from American ship owners that the United States protest against the raids on American commerce, President Wilson sent his first formal note to London demanding that the rights of American citizens be respected. The President displayed deep chagrin at the failure of the British Government to pay proper attention to the specific complaints made by this Government from time to time. The British Government pleaded as an excuse the exigencies of the disorganized situation provoked by the war. In his note the President revealed in a general way the activities of Britain's warships and demanded their practices be stopped.

1915.

January 8: Sir Edward Grey, the British Foreign Minister, replying to this note of the President, said: "His Majesty's Government cordially concurs in the principle enunciated by the Government of the United States that a belligerent in dealing in trade between neutrals should not be interfered with unless that interference is necessary to protect the belligerent's national safety, and then only to the extent which it is necessary. We shall endeavor to keep our action within the limits of this principle upon the understanding that it permits our right to interfere when such interference is not with bona fide trade between the United States and another neutral country, but in trade in contraband designed for the enemies' country we are ready whenever our action may unintentionally exceed this principle to make redress."

March 1. Sir Cecil Spring-Rice, the British ambassador at Washington, formally notified the State Department that in retaliation for the submarine warfare adopted by Germany, it had decided to prevent commodities of any kind from reaching or leaving Germany.

March 11: In meeting this second stage of the controversy over the rights of Americans on the high seas the United States demanded an explanation of the new policy adopted by the allies.

March 22: In his reply to the representations made by the United States Sir Edward Grey evaded the main issue and fell back upon the statement that the new policy of Great Britain and her allies had become necessary as a retaliatory measure against Germany for her treatment of Belgium and France, together with her submarine policy.

March 13. An order in council practically set aside the sovereign rights of all neutrals without legalizing the action by announcing an actual blockade.

March 30: The United States Government protested at great length against the policy of Great Britain to treat neutral shipping as if a blockade of German ports actually existed. The President took the position that the orders in council "would constitute a practical assertion of unlimited control of belligerents' rights over neutral commerce within the whole European area, and an almost unqualified denial of the sovereign rights of nations at peace.

June 22: Lord Crewe, acting British minister of foreign affairs, addressed a note to the United States Government dealing at length with the complaints made by it. He insisted American shippers had received fair treatment at the hands of the British Admiralty and that little pecuniary loss had actually resulted to Americans from the operations of orders in council.

July 14: Secretary Lansing notified the British Government that the United States would not respect the decisions of the British prize courts on the ground that they were operating under the orders in council, which in themselves were illegal. The obvious purpose of this communication was to pave the way for a general diplomatic discussion of the various claims of shipowners after the war.

October 21: Secretary Lansing addressed to Sir Edward Grey the final demands of the United States that the orders in council be vacated. Attached to his demand was an appendix giving the names of more than 300 vessels which had been taken into British ports and detained for indefinite periods on various pretexts. The list covered only cases arising between March 11 and June 16, 1915.

December 23: The seizure by the British Government on the Holland-American steamship *Nieuw Amsterdam* of mails intended for the United States provoked a protest from this Government.

1916.

January 4: Secretary Lansing followed with another note of protest to Great Britain instancing the seizure of mails from the United States to the Scandinavian countries on the steamships *Stockholm*, *United States*, *Frederick VIII*, and *Helig Olav*.

January 19: Great Britain promulgated an order known as an extension of the "trading with the enemy act," by which persons, "though not resident or carrying on business in enemy territory by reason of their enemy nationality or associations," are excluded from doing business with England, which means with all of the countries affected by the present British "blockade." This act was aimed at Germans and firms of German capitalization in the United States.

MUST PROVE INNOCENCE.

March 30: Ambassador Page informed the State Department that an amendment to the orders in council had been promulgated for the purpose of carrying out "an absolute blockade" of neutral ports, based apparently upon the theory of "continuous voyage." An unofficial report of the text of the order stated that "that provision of the declaration of London shall not be deemed to limit or to have limited in any way the right of His Majesty, in accordance with the law of nations, to capture goods on the law that they are contraband or to have affected the liability of conditional contraband to the carriage of the goods to their destination redirect or entail transshipment or subsequent transport by land." The order concludes with the statement "that it shall lie upon the owners of goods to prove that their destination was innocent."

PATIENTLY WAITING.

What the United States most desires is an answer to the communication sent by Secretary Lansing on October 21 last demanding that the British Government change its methods of dealing with American commerce. It is anticipated that when the British Government finally makes up its mind to reply its answer will merely attempt to justify the action of the commanders of warships which have been seizing American vessels and cargoes ever since the outbreak of the war.

Mr. SHERMAN. I wish also to call attention to the fact that this gentleman named Keegan, who delivered himself of an interview in St. Louis three weeks ago, does not appear to be quite as unjustified as the public thought, because I have now to offer practically the same kind of interview from President Wilson that Keegan, attached to the Labor Bureau, gave out at St. Louis three weeks ago, and which I put in the CONGRESSIONAL RECORD a week or two ago.

Mr. Keegan said that he would welcome the day when the Government would take the railroads, and he said that they would never go back to private owners because the Government would continue, and we would have Government ownership of railways. He welcomed the strike because it would hasten the day of Government ownership. That same threat is in the address made by President Wilson to the railway managers on the question whether the strike shall be declared or whether they will settle it. He threatened them in substance with the Government ownership of railways if they did not yield the control of their property. So I ask that this among the others be incorporated in the CONGRESSIONAL RECORD.

The matter referred to is as follows:

YIELD OR FACE UNITED STATES OWNERSHIP, WILSON WARNS—PRESIDENT TELLS RAILROAD CHIEFS PUBLIC MAY DEMAND FEDERAL OPERATION OF ROADS.

The chairmen of the big four brotherhoods, by a vote of approximately 3 to 1, yesterday accepted President Wilson's plan to avert the threatened railway strike.

Thirty-one executives declared they stood by the managers' committee and were opposed to settlement by any means other than arbitration.

President Wilson, in a spirited reply, warned the railway chiefs that they were risking governmental ownership of all railroads. He added that he personally did not favor Government ownership, but that public opinion might demand the reform.

The President in vigorous terms advised the railroads to accept his plan—the eight-hour day and investigation by commission of collateral issues—if they wished to avert Government intervention by force.

He reminded them of the threatened strike in France two years ago, when the French Government called the employees to the colors and then detailed them to operate the railroads.

The President's more specific suggestion was that the railroads operate under the eight-hour-day plan for a year, pending investigation by a special commission to be created by Congress.

The President laid emphasis upon the danger of bringing about Government ownership of railroads by a great railway strike which might force the Government to take over the operations of the roads in the national interest. He stressed the fact that a national railway strike would open up the whole question of Government ownership of railroads because the private management of them had failed.

Mr. SHERMAN. I also wish to incorporate an extract from a letter written by President Wilson to John Brisben Walker the 26th day of February, 1912. Mr. Walker had written him a very complimentary letter saying that Mr. Wilson was more progressive than he thought, and he had been wrong about the gentleman; he did not get a good view of him in the classic shades of Princeton, but since he had gotten out where the glare of the limelight was on him it illuminated his progressive principles, so that Mr. Walker was satisfied.

In reply the President wrote him a letter, February 26, 1912, saying it was very kind of him and afforded him much pleasure to read it, and he said:

Your generous letter of February 19 has gratified me very deeply indeed. It is indeed true that things are perfectly plain to me now which formerly I could not see at all.

I have no doubt of it.

Then a clipping from Representative SISSON, in which he talks about the rampant tendency of his own party. He is from Mississippi.

The matter referred to is as follows:

Principle has gone to the four winds of the earth, and we are writing ourselves down in the history of the country as being the most outrageously and most criminally extravagant Congress that ever sat on the American Continent.

Mr. SHERMAN. Another from Mr. Messenger a few days ago, who is a newspaper man traveling with Gov. Hughes on his tour over the country. It relates to the lumber and shingle industry of Washington. I wish to insert that.

The PRESIDING OFFICER. Without objection it is so ordered.

The matter referred to is as follows:

HOW THE TARIFF HURTS.

Washington is essentially a protectionist State and has suffered actual loss by the Democratic tariff, which has not been offset, as in some other Commonwealths, by temporary war prosperity. The State has shared very little in the industrial prosperity engendered in this country by the war.

It has, however, seen millions of dollars' worth of British Columbia shingles and lumber, cut from raw material which was 20 per cent cheaper than theirs and manufactured by coolie and Hindu cheap labor, pass the very mills of its lumbermen to compete in American markets under the reduced tariff. It has seen New Zealand butter, Argentine beef, and eggs from China sold in Seattle markets lower than home-raised products, being admitted free of duty. The lumber trade is in straits, and the workingmen charge it to the Democratic tariff.

Mr. Hughes, in his speech here, said to his audience that he didn't have to talk tariff, as every man in the crowd knew the subject thoroughly from practical everyday business experience. The audience assented.

Progressives are in the main protectionists in Washington, and many a lumberman who is a Democrat from principle looks ruefully at the practical operations of the tariff of his party.

Mr. SHERMAN. I wish also to insert an article from the Washington Post:

WAR TO DRIVE PEOPLE OF BRITAIN BACK TO THE LAND; ENGLAND MUST FEED HERSELF IS THE NEW SLOGAN—INCREASED CROP AREAS OF GRAIN ALREADY REPORTED—SHORTAGE OF LABOR MET BY WOMEN, DESPITE OPPOSITION—PLANS UNDER WAY TO REPOPULATE COUNTRYSIDES WITH SOLDIERS AND SAILORS WHEN MEN RETURN FROM THE FRONT.

[Correspondence of the Associated Press.]

LONDON, *July 20*.

One of the effects of the war will be seen in a great revival of agricultural life in England and the United Kingdom. The outbreak of the conflict caught the British Isles dependent on foreign commerce for four-fifths of their food supply, barring meat, of which between 60 and 70 per cent is produced at home.

The motto of a few years ago, "Back to the land," thus has given way to the slogan, "England must feed herself." Lord Selborne, the leader of the crusade, declares that the attainment of this object is the country's sacred duty, and he emphasizes the point that the farmer can do as much for the country as the soldier in the trenches.

Plans for the great reform include a number of important measures that are to be put into effect at the earliest possible moment. They include the following:

1. The repopulation of the rural districts and afforestation. The war office has just consented to the exchange of many of the older men who in the earlier days of the war left farm work for the firing line for men between 19 and 30 to take their places at the front. This exchange will begin immediately.

2. The setting aside of thousands of acres for the settlement on the cooperative plan of England's soldiers and sailors after the war. This expediency is provided for by the small-holding colonies' act, now half way through Parliament. The scheme will provide for model villages, better housing, with a garden to every cottage, reading rooms, libraries, and good schools. Conceived by Lord Selborne, the idea has aroused so much enthusiasm that a wide demand has been made for increasing the land to be devoted to it by almost as much again as is specified in the bill.

3. The importation of natives from South Africa for agricultural labor during the remainder of the war, though so many objections have been raised to this that there is little likelihood of its being adopted.

LABOR FROM THE FRONT.

It is believed that the plan for bringing back soldiers from the front will have the effect of providing sufficient farm labor practically immediately. In announcing the war office's consent to the transfers, an expert told the agricultural society that in England and Scotland, as well as in Ireland, the farms in many districts had fallen far below their minimum needs in the matter of labor.

The tendency to regard more seriously the country's capacity for growing larger crops is illustrated by the figures of the wheat, barley, and oats crops in England and Wales. Wheat and oats were grown in larger quantities, though the barley crops were much smaller. There were 5,489,939 acres devoted to the three cereals in England and Wales in 1915, an increase of 248,044 acres, as compared with 1914. The greatest increase in acreage was devoted to wheat, or 2,170,170 acres in all, the figures representing an increase of 362,672 acres (20 per cent) greater than in 1914, and 25 per cent greater than during any of the years between 1905 and 1915. Every country returned increased areas, the total for Wales of 11,023 acres (31 per cent) being the greatest.

INCREASE IN OATS ALSO.

The returns for 1915 give 2,088,047 acres under oats, an increase of 158,421 acres, as compared with 1914, but only 24,869 acres above the average for the past 10 years. The whole of this increase was in England. The reduction of the areas under barley amounted to 158,421 acres, the total acreage of 1,231,722 being the lowest yet recorded.

Perhaps to no individual as much as to the Earl of Selborne is due the credit of bringing home to the people of all classes the importance

of taking prompt means of making the country more nearly self-supporting in foodstuffs. In all of his addresses in recent years he has laid stress on the point. A practical farmer and enthusiast on his large and fertile tract in Hampshire, he has been able to meet the objections of opponents of expert knowledge to the great advantage of his crusade.

As undersecretary for the colonies between 1895 and 1900, as well as during his term of office as high commissioner of South Africa immediately after the war, he had further opportunity of enlarging his knowledge as to agriculture.

PEOPLE RESPONDING WELL.

Just before resigning as president of the board of agriculture the other day as a matter of principle, due to his views on the Irish question, Lord Selborne consented to review briefly the situation as to agriculture in an interview with a representative of the Associated Press.

"I have been highly gratified by the ready response of the people generally to the idea of making the country more nearly self-supporting from the soil," he said. "I have made my plea for the cultivation of the soil on the grounds of patriotism; the farmers and laborers came forward first to meet the emergency, and then the girls and women from the villages and even cities—some of the best type of women, including many of independent means, answering my call out of pure, unadulterated patriotism.

"These women have taken to the soil enthusiastically and with the intelligence that seems to characterize everything they are undertaking. They are living like laborers and are doing remarkably well all of the farm laborer's work—milking and feeding and looking after the stock like veterans. Many of these even have mastered the work of handling horses, and can get as much work out of a team as any man.

"Because of the splendid manner in which the women have risen to the occasion in this respect at a time when farm work is of vital importance to the nation, we feel justified in the belief that we are going to pull agriculture through this crisis in spite of many apparently insuperable difficulties.

"We realize that the problem of making as much progress as we should in war time presents its handicaps. Among these, in addition to the shortage of farm labor already indicated, is the difficulty of obtaining sufficient supplies of fertilizers and modern machinery that are so necessary in farming to the greatest advantage now. Then there is the shortage in shipping tonnage, restricting at many turns our requirements in the matter of supplies from overseas.

"We have asked the farmer to maintain the full cultivation of the soil and the upkeep of his flocks and herds during the course of the war, and to increase them whenever possible. Under the unparalleled difficulties encountered he has responded wonderfully. The difficulties of this particular season will be understood, in view of our efforts to replace with women the men absent from the soil.

OPPOSE WOMEN IN FIELDS.

"Owing to the custom being against women working on the land in England, the problem has been particularly difficult. The English type of farm laborer is highly skilled and a fine fellow. He would rather have his womenfolk looking after the home and maintaining the children and working less about the farm.

"The only English counties in which exception is found to this attitude or where women work habitually on the land are Northumberland, Cumberland, and Westmoreland, and parts of Durham.

"Of course, there is a distinction betwen what countries with highly centralized governments, like those of France and Germany, can accomplish in such a change in national life as we are attempting here in England and in what we can accomplish. I refer to their facilities for quick organization. In France, for instance, there is a prefect in every department and a mayor in every commune, while practically the whole of Germany's population is at the order of the Government. What those countries can do by compulsion we must accomplish by voluntary and spontaneous effort. And the machine here, therefore, is necessarily slower.

"But the spirit of the people here is aroused and, as usual when that is so, the desired result is bound to follow.

"While we are not as well equipped in this respect of agricultural colleges as a country of larger rural population, like the United States, we are paying State grants to institutions scattered over the entire country that are directing their energies into this vital channel of instructing the people in the art of agriculture. When they are further along in their task our goal of accomplishing the repopulation of the agricultural districts will be simplified, if not solved. Likewise a splendid impetus will be given the work of afforestation, so badly needed throughout the country.

DECLINE IN BRITISH FARMING.

"Cambridge University and schools and colleges at Leeds, Bristol, and Reading are among the institutions that are aiding in this work of training our future farmers.

"But perhaps the condition to which farming had dropped in the United Kingdom may be better understood by a reference to its history. It must be remembered first that up to the time of the passing of the great reform bill, in 1832, land in this country was a source of great political power.

"The bill's effect in transferring the basis of power from land ownership was manifested gradually, and that depression which was the greatest catastrophe in the history of agriculture did not begin until the end of the seventies. That was with the fall in the price of wheat to 24 shillings a quarter, and of corn and other farm produce in proportion. Farming, of course, ceased to be a business proposition.

"Millions of pounds were lost and thousands of farmers were absolutely ruined. Conditions remained very bad for farming for 35 years.

"Owing to a variety of causes, an improvement occurred between 1900 and 1905. This improvement was being maintained and was increasing when the war broke out. Although it had placed the farmer so he was making a good commercial profit 10 years before the war, every year saw less land under cultivation and more acres devoted to grass. The increase in the areas going to grass was due to the fact that farmers could make a good living in that way with less risk and the memory of the terrible experience of the depression."

WILL CONTINUE HIS WORK.

Lord Selborne will have something to do with the revival of agriculture, even now that he has resigned his place as president of the board of agriculture, as the prime minister has invited him to cooperate with him in the task of reconstruction of agriculture after the war.

Speaking before the Agricultural Organization Society, Lord Selborne said:

"Increased food production during the war is a sacred national duty. The man on a Hampshire farm can strike a blow for England equally with his son in Flanders. The manner in which women have responded to the call of duty in this war should make it impossible for any man to think them less patriotic, less capable of comprehending a great issue, less firm in purpose, or less prone to sacrifice than men."

He made a plea for better wages for farm laborers, better houses, and for a multiplication of the occupying owners of land drawn from the laboring classes.

I wish also to quote an article from the Protectionist, entitled "The death of free trade":

Reginald McKenna, chancellor of the exchequer, and Bonar Law, colonial secretary, speaking, respectively, for the Liberal and Unionist members of the cabinet, have announced that the British Government will join its allies in such a movement. The self-governing dominions of the British Empire have long ago repudiated the free-trade policy of the mother country, and have erected tariff walls even against English goods. India threatens revolution unless she is allowed to do the same.

The frankest confession of this change of mind and the clearest expression of the reasons for it comes from Premier Hughes, of Australia, who took part in the Paris conference. In an address to the British Imperial Chamber of Commerce he said:

"I certainly approach the matter without bias against what is called free trade. When fiscalism was a live question in Australia I was a free trader of free traders. The 'Wealth of Nations' was my Bible; Adam Smith was my prophet. But it was always disconcerting to me to see how blind the world has been to the great virtues of free trade. Tried by this standard, it would appear that Britain was the only country in the world that was in step!

"But if it were a question of trade only affecting our pockets, the fiscal question might fairly be left to settle itself. But it reaches down into the very roots of our lives. You can not proceed upon the assumption that the economic policy of a nation has no relation to its national welfare. The relations between the two are inseparable, intimate, and complex. This fact is fundamental; to ignore it is not only to invite but to insure national destruction. For a time the trade of a nation that treats trade as if it had no connection with national safety may make great strides, as did ours, but there comes a day of reckoning to such nations, as it has come to us.

"I am no more concerned to deny that a case can be made out in favor of allowing trade to flow along what are termed its natural channels than I am to deny the virtues of the Spartan method of producing a virile nation by exposing its weaklings to certain death. Much might be said for both, but modern sentiment is definitely against the one and the inexorable circumstances of the modern world are against the other."

The present and prospective abandonment by Great Britain of the policy on which its commercial dominance has been built up leaves Holland as the only free-trade nation in the world. Holland is quite a country when the tide is out, but in comparison with others it constitutes hardly more of an exception than the Freibezirk or free port district of Hamburg.

Up to 1860 it seemed likely that free trade would sweep over the world. But the tide has been ebbing ever since. In 1861 the Morrill tariff bill was passed as a war measure, and protection was more firmly intrenched by the McKinley bill of 1890 and the Dingley bill of 1897. The Wilson bill of 1894 and the Underwood bill of 1913 made some reduction in the duties, but left the principle of protection essentially unshaken. France had been tending toward free trade up to the Franco-Prussian War, but after that turned in the other direction, and the tariff laws of 1881 and 1892 were planned deliberately as protective rather than revenue measures. Italy, Austria, Belgium, Switzerland, and Spain changed their policy during the same period in the same direction. The Prussian policy has always been protection, so much so that one is tempted to translate Hohenzollern as "high tariff." The German Empire grew out of a customs union, the Zollverein of 1831, and it must be admitted that it has prospered as much commercially under protection as its great rival, England, has under the opposite policy.

The war, by increasing the fiscal burdens and by intensifying the national spirit, will drive in the same direction, and we can not expect any country to stand out against it. Free trade is undeniably dead, and whether we may hope for a resurrection depends upon the strength of our faith in the coming of the great day when all artificial barriers between the nations shall be removed.

Also, a letter from Edward A. Woods, president National Association of Life Underwriters:

AUGUST 21, 1916.

MY DEAR SENATOR SHERMAN: I inclose copy of protest against increase in tax upon life insurance, which I have to-day sent to Senator F. M. SIMMONS and the President of the United States, also copy of paper referred to therein.

Yours, very truly,

EDWARD A. WOODS,
President.

Hon. LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.

AUGUST 21, 1916.

The National Association of Life Underwriters, representing through its membership over 6,000 representatives of life insurance companies, in all sections of the country, and indirectly the 125,000 life insurance salesmen in the country, interested not for themselves but for their 28,000,000 policyholders, respectfully protests against the increase from 1 per cent to 2 per cent of the tax upon policyholders of American life insurance.

We make this protest in behalf of our clients. Life insurance will be sold whether taxed or not, because it is a necessity, but we object to the radical departure from the practice of every other nation in imposing upon 28,000,000 thrifty American policyholders, themselves endeavoring to avoid the burden of dependency that would otherwise fall heavier upon the State.

The 28,000,000 policyholders constitute more than a majority of the voters of this country.

How can the imposition in peaceful America of such taxation as is proposed by no war-ridden country in the world be defended?

Recently in South Africa, upon the suggestion of imposing a tax on life insurance, the members of Parliament were immediately polled and over two-thirds at once telegraphed their opposition to this measure, notwithstanding the great need of this part of the British Empire.

The Canadian Minister of Finance has stated that life insurance will be the last thing that Canada would attempt to tax.

England exempts the amount paid for life insurance up to one-sixth of a man's income.

Germany is contributing heavily by a governmental aid to compulsory life insurance.

How can peaceful America defend penalizing its thrifty, provident insurers, when the same kind of thrift is being encouraged by all the rest of the world?

What possible defense can there be in properly exempting those carrying 8,000,000 policies in assessment companies and yet imposing a tax upon the over 40,000,000 policies carried in companies, 90 per cent of which are doing business entirely on the mutual plan, and in all of which cases the tax falls entirely upon the policyholders?

The defense can not be made by anyone familiar with the subject that this tax falls upon anyone else than the policyholder and increases the cost of his life insurance or diminishes its amount.

We beg respectfully to resubmit a paper presented to the President of the United States and many Members of both Houses when a previous finance bill was before Congress, which resulted in the exemption of some proposed taxation of life insurance policyholders.

We submit the memorandum unchanged, because all the facts presented therein are of even greater force to-day, particularly in view of the fact that with most of Europe driven to discover every new possible source of revenue they are not penalizing life insurance, as is proposed in peaceful America.

Shall the 125,000 active and aggressive life-insurance salesmen in all sections of the country, coming into daily contact with their 28,000,000 policyholders, be obliged to explain that the future increased cost of their insurance is due to such unusual action on the part of the present Congress?

Very truly, yours, ——— ———, *President.*

—

TAXING OF LIFE INSURANCE UNECONOMIC IN PRINCIPLE.

(Evidenced by: ——— ———.)

I. NATURE OF BUSINESS.

Life insurance in its essence is not a money-making enterprise, but a method of distributing a loss by combining large numbers of people.

It promotes thrift and reduces poverty and a consequent burden of dependents upon the State.

II. EXEMPTION OF KINDRED INSTITUTIONS.

Mutual savings banks are properly exempted. Page 26, lines 17–18.

Domestic building and loan associations are properly exempted. Line 25.

Fraternal life insurance companies are properly exempted. Lines 19–24.

Regular life insurance companies, with whom 25,000,000 Americans carry nearly 35,000,000 policies for $18,000,000,000—an average of $550 each and paying annually but $20 each—are included.

Large numbers of these companies—transacting 90 per cent of the life insurance business of the country—and especially the largest of them, are absolutely mutual companies, having none but the policyholders who can possibly pay this tax. Other companies are specifically required to conduct the life insurance branch of their business on the mutual plan, distributing all profits to policyholders. In all companies, of course, the ultimate tax falls finally and directly upon the policyholders.

III. TAXATION OF LIFE INSURANCE CONSISTENTLY AND UNIFORMLY OPPOSED BY—

(A) Economists: John Stuart Mill declares that a tax on life insurance "is a direct discouragement of prudence and forethought." (Principles of Political Economy, 5th London Edition, vol. 2, pp. 407–408 and 463.)

J. R. McCulloch stated that a tax on insurance "discourages that prudence and foresight the encouragement of which ought to be an object with all prudent governments."

"Seeing the vast importance of insurance, it may well be doubted whether it ought to be charged with any duty, however slight." (A Statistical Account of the British Empire. Taxation of Insurance Companies, vol. 2, p. 511.)

Sir S. Morton Peto: "A tax on insurance is a tax not only upon industry but upon prudence and frugality, and the American system seems to be far worse than that of which we have so long been complaining in Great Britain." (Taxation, Its Levy and Expenditure, pp. 58, 73, 118, 121, 220. New York.)

New York Evening Post: "It is a fundamental principle of social science that the insurance contract itself ought to be free from taxation. Taxation ought to be on property, on production. Insurance companies produce nothing. If any tax is imposed on insurance companies or insured persons as such, it should be imposed on their property and not on their contracts. The taxation of premium receipts is utterly unscientific."

S. S. Huebner, University of Pennsylvania: "Encouragement and not repression should be the keynote of our tax system as applied to life insurance companies."

A. C. Pleydell, secretary of the New York Tax Reform Association: "These social and individual benefits are the result of prudence and thrift. Many States exempt savings bank deposits. If those who save primarily for themselves are to be encouraged by exemption from taxation, how absurd it is to discourage by taxation those who save for the benefit of others by insurance and protect society to that extent against pauperism." (The Injustice of Life Insurance Taxation, March, 1908.)

S. S. Huebner: "In striking contrast to the unscientific and heavy taxation of life insurance companies in America may be mentioned the fair treatment of the business by European countries. The treatment accorded to life insurance in these countries shows a proper understanding of the fundamental character of this form of insurance and reflects the progress which Europe is making in solving the whole complex problem of taxation." (National Tax Association, Columbus, Ohio.)

Lester W. Zartman, Ph. D.: "We conclude, then, that taxation of life insurance assets and premiums is wrong. If it is wrong, the taxes should not be levied. Life insurance is not a business which requires repressive measures in the way of penalties for its continuance."

TAXATION OF LIFE INSURANCE CONSISTENTLY AND UNIFORMLY OPPOSED BY STATESMEN AND OTHER PUBLIC OFFICIALS.

William Pitt: "Laying aside the proud idea of the vigor, permanence, and renewing energy which the measure secured, there is one case which, with view to the class who are really willing to save for the benefit of those for whom they are bound to provide, makes some modification. It is in favor of those who have recourse to that easy, certain, and advantageous mode of providing for their families by insuring their lives." (Debates on the first income-duty bill in the Commons, 1798.)

Charles Sumner: "The business of life insurance, as it seems to me, is peculiar. It differs from others in being not strictly, if I may say so, a money-making business. I know that persons get up insurance companies in order to advance their own interests, but the primary object of the insurance office is to protect other people, particularly the poor; it is to help the poor. I say, therefore, it is not primarily, as compared with many other businesses, a money-making business. On that account, as it seems to me, it has a title to certain consideration. Now, what is proposed? A tax on premiums. What are the premiums? The premiums are themselves a tax. The premiums constitute the tax which the person insured pays for his insurance.

"This is contrary to all sound policy. Here you are proposing to tax those who have taxed themselves that the Nation might not have to support them. You are pulling down the pillars of the temple. You are undermining the structure." (Congressional Globe, 37th Cong., 2d sess., pt. 3, p. 2335 et. seq.)

Ralph W. Breckenridge: "The most unmoral, uneconomic, unjust, and oppressive form of taxation is the tax levied upon gross premiums." (Argument before the national convention of insurance commissioners, 1907.)

"This is a tax on a tax, and can not be justified on any principle of morals or economics."

"It was never intended that the several States should annually filch from the policyholders of America $25,000,000, which, in the aggregate, the companies are compelled to pay under one form of exaction or another."

"Some States, overlooking the fact that this Nation is a Union of States and not a pack of wolves, have enacted laws under which that species of tax known as retaliatory is exacted."

"It is just as dishonest to steal under protection of a legislative enactment as without it. It is just as dishonest for a State to lay unholy hands on trust funds as for an individual to do it."

"It is a monstrous injustice for a State government to maintain itself by legislative raids upon trust funds, and the climax of cowardice to commit extortion in the name of the police power." (Committee on insurance law of the American Bar Association.)

"The State should insist upon the faithful conservation of life-insurance funds and their application to their intended use. It should be as reluctant itself to divert them from their intended use as to permit individuals to employ them for political purposes or in extravagance of management."

"All life insurance companies pay, in round numbers, in all the States $10,000,000 annually under these premium income-tax laws. If this sum were not paid into the State treasury, it would be used under the law and the policy contracts to reduce the premiums the policyholders are obligated to pay or employed to purchase paid-up additions to the policies. In the one case it would diminish the cost of insurance, in the other it would increase the amount insured. In both cases it would be used for the benefit of dependent people of the State." (National convention of insurance commissioners, 1907.)

Elizur Wright. "Life insurance deserves the fostering care of wise and liberal legislation. It should be freed from all unnecessary burdens. Government should as soon tax its asylums and hospitals as to seek a gain or revenue from the deposits which foresight and affection has set apart for the protection of thousands among the most helpless of its own citizens. A tax upon life insurance is nothing more than a tax upon widows and orphans." (Massachusetts Insurance Report for 1867.)

"Life insurance taxes either increase the cost of insurance or diminish the amount of it. In the one case they fall on the policyholders; in the other on the beneficiaries of the insured."

"The mere desire to raise revenue does not warrant imposing upon life insurance a special form of premium income tax." (National Convention of Insurance Commissioners, Detroit, Aug. 24, 1908.)

TAXATION OF LIFE INSURANCE CONSISTENTLY AND UNIFORMLY OPPOSED BY (C) THE EXAMPLE OF OTHER NATIONS.

No other Government in the world places an income tax upon life insurance companies.

England, besides not taxing the incomes of life insurance companies, specifically exempts from income taxation what a man pays for life insurance up to one-sixth of his income. (Sec. 54 of 16 and 17 Victoria, ch. 34.)

In 1906 and 1907 the amount of income allowed to be deducted on account of life insurance premiums amounted to £9,155,000. In the five years ending 1908 England returned £100,000 to the taxpayers on account of overpayment made in ignorance of this salutary provision of law.

Holland, besides not taxing life insurance, exempts up to $40, if paid for life insurance, from the personal income tax.

Germany, where taxes and fees of all kinds amount to less than one-eighth of what American companies are now paying to the States alone, contributes nearly $12,000,000 toward compulsory governmental insurance; about the same now being exacted from American companies by the various States.

TAXATION OF LIFE INSURANCE OPPOSED TO (D) THE PREVIOUS EXAMPLE OF OUR OWN FEDERAL GOVERNMENT.

The Federal Government has never taxed the incomes of life insurance companies previous to the Federal corporation tax bill passed during the last administration, except an emergency tax levied during the close of the Civil War, June 30, 1864, repealed in 1870. In the earlier years of the Civil War and during the Spanish War Congress properly exempted life insurance from taxation beyond the documentary stamp tax on new policies taken those years.

IV. AMERICAN LIFE INSURANCE COMPANIES NOW PAY BURDENSOME TAXES TO EACH OF THE 48 DIFFERENT STATES.

The aggregate State taxation has become increasingly exacting, burdensome, and discouraging to life insurance policyholders and their beneficiaries; is already a crying evil, peculiar only to this country, without the additional imposition of Federal taxes.

William J. Graham: "Twenty-five million American men, women, and children, for the most part poor, and whose insurance averages for the whole less than $600 a policy, not only pay the cost of their own insurance and of State supervision and regulation, that should be much more economical than it is, but in addition contribute an uncontemplated profit to the States of over $8,000,000. If the companies continue their normal growth and tax rates remain unchanged, within the next 10 years the provident policyholders of the United States will be

called upon to pay to Government authorities more than $100,000,000. In other words, the policyholders of the country can have their insurance within the next 10 years cost them less by $100,000,000 by achieving the removal of taxation from life insurance." (The World To-Day.)

The taxation of life insurance has increased from $0.70 on every $100 of premium income in 1860 to $1.23 in 1875, $1.42 in 1890, $2.15 in 1909, and $2.26 in 1911; from $2,249,148 in 1890 to $14,323,509 in 1911. Exclusive of taxes on real estate, in 1911 policyholders paid $12,017,595, or $1.90 per $100 of premiums.

V. FEDERAL GOVERNMENT LACKING AN EXCUSE OFFERED BY STATES.

The Government has not even the excuse of "cost of supervision" of life insurance companies as reason for taxation. Taxation by States was admittedly originated for the purpose of paying "cost of supervision." Owing to the wonderful American growth of life insurance, already it has become such a source of State revenue as to become an American disgrace in the view of foreign statesmen.

An English statesman has said that any British cabinet proposing such a tax on life insurance as is charged in America would not hold office 24 hours.

VI. PRESENT BILL INCONSISTENT WITH ITS PURPOSE.

(a) It imposes a direct tax upon 25,000,000 persons, the vast majority of whom have incomes of less than $4,000 and are under the express terms of the bill supposed to be exempt.

While no other civilized country in the world taxes the income of 25,000,000 policyholders, who are taxed $12,000,000 by 48 States, they were recently taxed in addition by the Federal Government. Now the present bill adds to this tax by taxing the nearly $90,000,000 in return premiums or refunds, annuity payments, cash surrender values, matured endowments, and in payments made to such living policyholders as bring their incomes to over $4,000. England and Holland not only do not tax the income of life insurance companies, but go further and expressly exempt certain portions of individual incomes if paid for life insurance. America not only makes no exemption but taxes on certain policies and persons life insurance funds repeatedly, as follows:

First. If the income is over $4,000, that part paid for life insurance is taxed instead of exempted.

Second. The income of the life insurance company is taxed.

Third. In almost every State in the Union the premium is taxed.

VII. SHOULD AMERICAN LIFE INSURANCE COMPANIES BE PENALIZED?

Although life insurance did not originate in this country, Americans have voluntarily, not only without compulsion of Government, but against discouragement of Government, adopted this as their favorite method of providing against poverty and want for themselves and their children. In 1860 there were less than 50,000 policies in force. In 1880 there were less than 600,000. There are now nearly 35,000,000 policies, held by probably 25,000,000 persons. What Germany compels by law, what England has just adopted as governmental policy, Americans have voluntarily, in 56 years, assumed for their widows, orphans, homes, and old age to a greater extent twice over than all the rest of the world put together. Is it wise, in inaugurating a new fiscal policy, to handicap the measure by incorporating therein as subject to taxation things exempted by every other civilized Government? Is it wise to create 25,000,000 taxables in a bill intending to tax less than 500,000? Is it wise to force the 100,000 active life insurance agents, as well as the officers and directors, of the various companies to explain the increased cost of life insurance by the present fiscal policy of the present administration? Is it just to tax persons in bulk that the bill expressly purposes should not be taxed separately? Is it just to tax as income what is really capital? Is it just, under an income tax, to tax money three and four fold?

In half a century the Americans voluntarily availing themselves of this certain method of saving for self and family have grown to exceed in number all the depositors of banks of all kinds, plus all the owners of real estate, plus all the owners of stock in building and loan associations, plus all the owners of stock in all other corporations, plus all those engaged in active business for themselves. All these persons combined, including duplicates, fall far short of the 25,000,000 persons interested in life insurance.

Shall this administration handicap a measure which is a departure from former American fiscal policy by imposing a tax difficult to defend in principle and still more difficult to defend as applied to this bill, and which the trustees and other representatives of companies will be, as a matter of self-defense, obliged to explain to their 25,000,000 clients as contrary to morals, sound economics, and, until the previous administration, to all Federal precedent? Can anyone defend the selection of legal-reserve life insurance for such multiple taxation, when savings banks, building and loan associations, assessment and fraternal organizations, and even mutual fire insurance companies are expressly exempted?

Letter from H. N. Kelsey, manager of the Hamburg-Bremen Fire Insurance Co.:

NEW YORK, *August 22, 1916.*

Hon. LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.

DEAR SIR: We are advised that the Senate committee has amended the Federal revenue bill, known as the income-tax measure, to provide for a 2 per cent income tax, with a further provision of 50 cents per thousand on the capital stock and surplus of companies (with a permissible deduction of $99,000), and it further prohibits any deduction on account of increase in reserves required by law; and it also continues indefinitely the stamp tax upon insurance policies. While the income and capital-stock features apply to all corporations, insurance companies are the only corporations required to continue the application of stamps, with the exception of stamps on conveyances, etc. The stamps formerly provided for from railroads, telegraphs, etc., have been discontinued.

This revenue stamp tax on fire insurance policies is equivalent to 1 per cent of our net income. The other two measures are an added burden to this heavy tax besides the tax already imposed by the various States. There is not a business in this country that has been taxed to such an excess, and it is an outrage upon the frugality of every policyholder, to say nothing of the tax in itself being far in excess of any profit derived from the business from the standpoint of the stockholders.

We therefore most earnestly protest to you, and ask if you will not lend your most careful and effective assistance to the defeat of this measure as a matter of fair play and justice to a class of business which is the backbone of the credit of the country, and at the same time a business which has been continuously for the past 10 years performing its mission of an actual loss, amounting for the years 1906 to 1915, inclusive, to 1.04 per cent. The percentage of taxes, exclusive of real estate, to actual net income, by years, as compiled by the National Board of Fire Underwriters, is as follows:

	Percentage of taxes.
1909	26.61
1910	33.53
1911	57.07
1912	52.54
1913	57.90
1914	Loss.
1915	50.33

Trusting that you will see that we get a square deal in the matter, and with assurances of our high regard, believe us to be,

Yours, respectfully,

H. N. KELSEY, *Manager.*

Mr. CURTIS. Mr. President, I make the point of no quorum.

The PRESIDING OFFICER (Mr. SMITH of South Carolina in the chair). The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Chamberlain	Lane	Phelan	Smith, S. C.
Chilton	Lea, Tenn.	Pomerene	Smoot
Culberson	McLean	Ransdell	Thomas
Curtis	Martin, Va.	Shafroth	Underwood
Gallinger	Martine, N. J.	Sheppard	Vardaman
Harding	Oliver	Sherman	Wadsworth
Hitchcock	Overman	Simmons	Warren
Kenyon	Owen	Smith, Ariz.	Weeks
Kern	Penrose	Smith, Ga.	Williams

The PRESIDING OFFICER. Thirty-six Senators have answered to their names. There is not a quorum present. The Secretary will call the names of absentees.

The Secretary called the names of the absent Senators, and Mr. NELSON, Mr. PITTMAN, Mr. SHIELDS, Mr. STONE, and Mr. THOMPSON answered to their names when called.

Mr. BECKHAM and Mr. O'GORMAN entered the Chamber and answered to their names.

The PRESIDING OFFICER. Forty-three Senators have answered to their names. There is not a quorum present. What is the pleasure of the Senate?

Mr. SIMMONS. I move that the Sergeant at Arms be directed to notify absent Senators to attend the session of the Senate.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

Mr. MCCUMBER and Mr. SAULSBURY entered the Chamber and answered to their names.

After some little delay Mr. FLETCHER and Mr. ASHURST entered the Chamber and answered to their names.

Mr. GALLINGER. Mr. President, it is very tedious remaining here awaiting the attendance of absent Senators, and I move that the Senate adjourn.

The PRESIDING OFFICER. The Senator from New Hampshire moves that the Senate adjourn. The question is on that motion.

The motion was rejected.

Mr. NEWLANDS entered the Chamber and answered to his name.

The PRESIDING OFFICER. Forty-eight Senators have answered to their names. A quorum is present.

APPOINTMENTS IN THE STATE DEPARTMENT (S. DOC. NO. 534).

The PRESIDING OFFICER. The Chair lays before the Senate the following message from the President of the United States:

Mr. PENROSE. I ask that the message and accompanying papers be printed in the RECORD for the information of the Senate and the House of Representatives.

The PRESIDING OFFICER. The message and accompanying papers will be printed and printed in the RECORD and referred to the Committee on Civil Service and Retrenchment.

The message and accompanying papers are as follows:

To the Senate:

In response to the resolution adopted by the Senate on August 16, 1916, reading as follows—

Resolved, That the Secretary of State be, and he is hereby, requested to inform the Senate as follows:

First. The number of employees who have been appointed to positions in the State Department since July 1, 1913.

Second. What increase in the force of employees in the State Department has been made since July 1, 1913.

Third. The number of employees appointed since July 1, 1913, from eligible lists upon certification by the United States Civil Service Commission.

Fourth. The number of employees appointed temporarily without any civil-service examination or certification by the Civil Service Commis-

sion, and who subsequently were covered into the civil service under an Executive order dated May 18, 1916, being Executive Order No. 2383.

I transmit herewith a report from the Secretary of State containing the information requested.

WOODROW WILSON.

THE WHITE HOUSE, *August 24, 1916.*

—

The PRESIDENT:

The undersigned, the Secretary of State, in response to the resolution adopted by the Senate on August 16, 1916, reading as follows—

"*Resolved*, That the Secretary of State be, and he is hereby, requested to inform the Senate as follows:

"First. The number of employees who have been appointed to positions in the State Department since July 1, 1913.

"Second. What increase in the force of employees in the State Department has been made since July 1, 1913.

"Third. The number of employees appointed since July 1, 1913, from eligible lists upon certification by the United States Civil Service Commission.

"Fourth. The number of employees appointed temporarily without any civil-service examination or certification by the Civil Service Commission, and who subsequently were covered into the civil service under an Executive order dated May 18, 1916, being Executive Order No. 2383,"

has the honor to lay before the President, with a view to its transmission to the Senate, if his judgment approves thereof, the following report:

First. From July 1, 1913, to June 30, 1916, 76 employees were appointed to statutory position in the Department of State to fill vacancies occasioned by death, resignations, or transfers within the service. Of these 76 employees 50 were appointed through certifications of the Civil Service Commission or by transfers from other executive departments with the approval of the Civil Service Commission, 2 by reinstatement under civil-service rules, and 4 upon individual Executive orders. The 20 remaining appointments covering this period were to positions without the civil service, 7 of them to confidential positions provided by law, 4 by promotions within the department, and 11 upon selections by the Secretary of State.

From August 1, 1914, to July 1, 1916, 158 temporary employees were appointed in connection with vastly increased departmental duties arising from European war conditions—the relief and protection of American citizens abroad, etc. The terms of service of these temporary clerks varied from a few weeks each to as much as 22 months each, depending upon the exigencies of the current work and the efficiency shown in the performance of their duties. Because of the urgency of the situation and the pressing emergency confronting the department it was necessary to secure these needed temporary clerks in the shortest possible time and not to await the usual and necessary delays incident to calls upon and certifications from the eligible temporary lists of the Civil Service Commission. Most of them were therefore secured through Washington business colleges and the registry lists of various typewriter firms in the city. It was found that by this method competent people could be secured with the minimum of delay.

Second. From July 1, 1913, to June 30, 1916, there was no increase in the permanent clerical force of the department. For the fiscal year beginning July 1, 1916, an increase of 94 permanent employees was provided in the legislative, executive, and judicial appropriation bill. The necessity of this additional force is fully set forth on page 1229 of House Document No. 27, Sixty-fourth Congress, first session (Book of Estimates).

Third. Since July 1, 1913, 50 employees of the department were appointed from eligible lists upon certification of the United States Civil Service Commission, or by transfers from other departments, or reinstatement, under civil-service rules and regulations.

Fourth. On July 1, 1916, 80 employees were transferred from the temporary to the statutory rolls of the department in accordance with the Executive order of May 18, 1916 (No. 2383), which provided as a requisite for such transfer a continuous service in the Department of State of at least six months prior to July 1, 1916, or the passage of an appropriate civil-service examination. The Executive order provided further that the temporary employees should have satisfactorily performed their respective duties and should have attained a competent rating by the department board of efficiency. It is understood that a considerable number of those eligible to appointment under the six-months clause of the order were also eligible as having passed an appropriate civil-service examination.

The above order was issued upon the request of the Secretary of State, who set forth the reasons therefor in the following letter to the President, dated May 17, 1916:

"MY DEAR MR. PRESIDENT: The legislative, executive, and judicial appropriation bill, approved on the 10th instant, provides for 70 additional permanent clerkships and 14 additional permanent nonclerical positions in the Department of State, all of which in the ordinary course of procedure would be filled through certifications of the Civil Service Commission.

"Since the outbreak of the European war in August, 1914, the department has employed a number of temporary clerks who have been paid from special appropriations authorized by Congress. The new legislative bill makes no provision for the retention of these clerks beyond July 1 next, and specifically provides that after that date no funds appropriated by any other act shall be used for temporary employees in the Department of State. A large percentage of those now temporarily employed have been in the department from 6 to 18 months and during that time have acquired such experience and familiarity with the work as to make their retention more desirable than to replace them with new and inexperienced people. In addition, during the many extraordinary demands upon the department they have willingly and uncomplainingly labored long beyond the usual hours of Government employment and have well earned the reward of permanent appointment in the service. Furthermore, to drop out at this trying time those employees who have been doing such excellent and efficient work and fill their places with others lacking in experience and requiring a course of special training would mean almost demoralisation throughout the department.

"In the circumstances it would seem proper, and in the best interest of the public service, to permit by Executive order, appointments to the lower permanent grades provided in the new appropriation bill, from those temporary employees who have served at least six months, who have performed satisfactory service, who have been given a competent rating by the efficiency board of the department, or who may have already successfully passed an appropriate examination by the Civil Service Commission.

"The persons comprising our temporary force, with but few exceptions, have shown commendable interest and zeal in their work. The department has gradually dispensed with the services of those who have not maintained a desirable standard of efficiency, so that those remaining comprise a force of competent employees which, in view of actual experience gained, can not be dispensed with without serious detriment to the urgent and important work of the department.

"I inclose herewith the draft of an Executive order which will accomplish the object above set forth. The requirement for six months' service coincides with the probationary period under which civil-service appointments are made, the desire being to formulate an order complying with the spirit of the civil-service regulations. It would be unfortunate to disarrange the present organization of the department by disposing of one-third of its trained clerical force and substituting for it a number of new, uncertain, and inexperienced employees.

"I have given this matter my serious personal consideration, and with the interest of the department solely in mind, earnestly recommend the approval of the accompanying order.

"I am, my dear Mr. President,

"Faithfully, yours, ROBERT LANSING."

Respectfully submitted.

ROBERT LANSING.

DEPARTMENT OF STATE,
Washington, August 21, 1916.

TAX ON INSURANCE COMPANIES.

Mr. VARDAMAN. I present a number of telegrams received from citizens of my State relative to the provision in the revenue bill relating to the continuance of the stamp tax upon fire insurance policies. I ask that the telegrams may be printed in the RECORD and referred to the Committee on Finance.

There being no objection, the telegrams were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

JACKSON, MISS., *August 21, 1916.*

Senator JAMES K. VARDAMAN,
Washington, D. C.:

Am informed that amended Federal revenue bill provides for indefinite continuance of stamp tax upon fire insurance policies, while railroad, telegraph, and others have been exempted. This looks like unfair discrimination, and will appreciate it if you can consistently oppose retention of stamp tax on insurance policies.

J. H. WELLS.

—

JACKSON, MISS., *August 21, 1916.*

Senator JAMES K. VARDAMAN,
Washington, D. C.:

We note new revenue bill provides for retention of stamp tax on fire insurance policies, while freight bills and express receipts are exempted. This looks like unfair discrimination, as the consumer pays the freight in both instances. Your many insurance friends and policyholders will appreciate it if you can consistently oppose retention of stamp tax on insurance policies.

VARDAMAN & VARDAMAN.

—

MERIDIAN, MISS., *August 21, 1916.*

JAMES K. VARDAMAN,
United States Senate, Washington, D. C.:

We think action of Senate committee in retaining stamp tax against insurance companies is unjust and discriminatory. We hope insurance companies shall bear no greater burdens than other corporations.

L. D. CALDWELL.

—

JACKSON, MISS., *August 21, 1916.*

Hon. JAMES K. VARDAMAN,
United States Senate, Washington, D. C.:

In the matter of Federal revenue bill I earnestly protest against the prohibition of deduction of increase in reserve as basis for income tax, as applied to fire insurance companies; also protest against tax of 50 cents per thousand on capital stock and surplus, and I am strongly opposed to the continuance indefinitely of stamp tax on insurance policies, and ask your aid on these points.

I. B. BEARD.

—

VICKSBURG, MISS., *August 21, 1916.*

Hon. JAMES K. VARDAMAN,
Senate, Washington, D. C.:

Revenue bill now before Congress provides a stamp tax on all fire insurance policies, to continue indefinitely; other corporations such as railroad, telegraph, and telephone companies exempted; this I think an injustice to fire insurance company, and ask you use your good influences in placing the fire insurance companies on same basis as other corporations by exempting them also from this tax.

ALBERT A. WEILLE.

—

GREENWOOD, MISS, *August 21, 1916.*

Senator J. K. VARDAMAN,
Washington, D. C.:

We hope you will protest against the continuance of revenue stamp on insurance policies.

WM. PETETE, *Agent.*
ASHCRAFT & WELLS, *Agents.*
DELTA INSURANCE AND REALTY AGENCY.
GREENWOOD INSURANCE AGENCY CO.

—

GREENVILLE, MISS., *August 22, 1916.*

Hon. JAMES K. VARDAMAN,
Senate, Washington, D. C.:

We will appreciate your efforts toward having fire insurance companies exempted from the continuation of the stamp tax on fire policies,

which is included in the amended revenue bill. Railroad telegraph companies and others have been exempted from this tax, and we feel that this is unfair discrimination.

BERGMAN, HEBRON & STARLING.
GEO. WHEATLEY.
J. ALBERT LAKE.
ROBB & MOYSE.
MAX LEMLER.
A. G. RUSSELL.

SUNDAY OBSERVANCE IN THE DISTRICT OF COLUMBIA.

Mr. PHELAN presented a memorial of sundry citizens of San Fernando, Cal., remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

REPORTS OF COMMITTEES.

Mr. POMERENE, from the Committee on the District of Columbia, to which was referred the bill (H. R. 14824) to prevent fraud at public auctions in the District of Columbia, reported it without amendment and submitted a report (No. 819) thereon.

Mr. WEEKS, from the Committee on Military Affairs, to which was referred the bill (H. R. 7045) for the relief of Caleb T. Holland, reported adversely thereon, and the bill was postponed indefinitely.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 3180) to authorize the appointment of Clarence C. Kress to the grade of captain, United States Army Medical Corps, reported it with an amendment and submitted a report (No. 818) thereon.

MAHONING RIVER BRIDGE.

Mr. SHEPPARD. From the Committee on Commerce, I report back favorably without amendment the bill (H. R. 17501) granting the consent of Congress to the city of Youngstown, Ohio, to construct a bridge across the Mahoning River, in the State of Ohio, and I submit a report (No. 817) thereon. I call the attention of the Senator from Ohio [Mr. HARDING], who is very much interested in the bill, to the report.

Mr. HARDING. I ask unanimous consent for the present consideration of the bill.

Mr. GALLINGER. I think we had better continue with the consideration of the unfinished business, and I object.

The PRESIDING OFFICER. The Senator from New Hampshire objects, and the bill will be placed on the calendar.

Mr. GALLINGER subsequently said: Mr. President, a moment ago I objected to the consideration of a bill which the Senator from Texas [Mr. SHEPPARD] reported from the Committee on Commerce. I now withdraw the objection, and I hope the bill will be considered.

Mr. HARDING. I ask unanimous consent for the present consideration of the bill.

There being no objection, the bill was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LEE of Maryland:

A bill (S. 6932) for the relief of John P. Hanlon; to the Committee on Military Affairs.

By Mr. REED:

A bill (S. 6933) removing the disabilities of Richard W. Hocker; and

A bill (S. 6934) removing the disabilities of Thomas B. Cassel; to the Committee on Military Affairs.

AFFAIRS IN MEXICO.

Mr. SHERMAN. I ask that Senate joint resolution 117, authorizing the President to call for volunteers for Mexico, introduced by me and now on the table calendar, be taken from the table and referred to the Committee on Military Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE REVENUE.

Mr. SHIELDS. I submit an amendment intended to be proposed by me to the revenue bill (H. R. 16763), which I ask may be read and lie on the table.

Mr. SIMMONS. I hope the Senator will allow the amendment to be printed in the RECORD without reading.

Mr. SHIELDS. I should like to have the amendment read. It is very short.

The amendment was read and ordered to lie on the table and be printed, as follows:

On page 58, line 7, insert the following:

"*Provided*, That where any tax heretofore due and payable has been duly paid by the taxpayer it shall not be re-collected from any person or corporation required to retain it at its source, nor shall any penalty be imposed or collected in such cases from the taxpayer, or such person or corporation whose duty it was to retain it, for failure to return or pay the same, unless such failure was fraudulent and for the purpose of evading payment."

Mr. HITCHCOCK submitted an amendment intended to be proposed by him to the bill (H. R. 16763) to increase the revenue, and for other purposes, which was ordered to lie on the table and be printed.

Mr. POMERENE submitted an amendment intended to be proposed by him to the bill (H. R. 16763) to increase the revenue, and for other purposes, which was ordered to lie on the table and be printed.

Mr. OWEN. Mr. President, I ask unanimous consent that, after the Senate shall have voted on the pending revenue bill, it proceed to the consideration of House bill 15842, and to the disposition of that measure.

Mr. SIMMONS. What is the measure?

Mr. OWEN. It is the corrupt-practices act.

Mr. SMOOT. Nobody in the Senate can tell when the revenue bill is going to pass; that has not been decided. It seems to me that it is unwise for the Senator now to ask unanimous consent to take up the bill to which he has referred after the revenue bill shall have passed. We do not know when a resolution will be agreed to providing for final adjournment. We are right in the last days of the session of Congress, and for that reason Mr. President, I shall object.

Mr. OWEN. Mr. President, on the first day of this session the chairman of the Democratic conference, Senator KERN, introduced a bill providing for the control of corrupt practices in this country. The bill is similar to one which was reported during the last Congress, but was not acted on by the Senate. The House passed a similar measure at this session and sent it to the Senate. It has been reported back to the Senate and is now on the calendar. The bill is not a long bill; it is not an involved bill. It ought to be capable of disposition in one or two days. The House of Representatives acted in a few hours in considering and acting on the measure.

After the revenue bill shall have been acted on by the Senate that bill must go to conference, and it certainly will take several days to reconcile the differences between the two Houses, and in that time this bill can be considered, amended if necessary, and disposed of.

There is no reason why Senators should not in the meantime read this bill; should not study this bill; should not be completely prepared to express themselves upon it, unless it is the desire of Senators to prevent action just before the pending election. The American people, I believe, will not approve of the old system of the use of money on a gigantic scale to influence and control the elections of this country. As one of their Representatives, keenly sensible of my duty toward them, under my oath as a public servant, I shall resolutely insist upon action now. I earnestly hope I may have the sympathy and cooperation of all Senators, whether Democratic or Republican, in getting immediate constructive action and that I may not be impeded by the old Senate game of a substantial filibuster under the pretense of debate, but that the debate shall be simple and straightforward, and amendments suggested sincere and of constructive and not of obstructive purpose.

This bill is easily understood. The first section simply defines what "political committees" are, what the word "candidates" and the word "elections" shall be construed to mean, what the words "political purposes," the words "disbursement," "person," and "Representative" shall be construed to mean, in order that the text of the bill shall not be susceptible of misconstruction.

Section 2 of the bill provides for the organization of political committees of citizens who desire to take part in influencing elections, and provides a method by which such committees can be organized.

Section 3 requires each of the committees to have a chairman and a treasurer.

Section 4 provides that every political committee must keep a bank account and keep a complete record of receipts and disbursements.

Section 5 requires receipts to be preserved.

Section 6 provides for an account to the treasurer and a record of contributions.

Section 7 requires statements by the treasurer to be filed with the Clerk of the House of Representatives.

Section 8 requires the details of the contributions, where they are above $100 and where they are below $100, and the aggregate of contributions and disbursements in like fashion.

Section 9 requires statements by others than political committees of expenditures where they exceed $50, and compels a private person who contributes more than $50 to make a report

as if he were a committee, and provides further that no individual citizen shall contribute to any election a sum exceeding $5,000.

Section 10 puts a limitation on expenditures of $400,000 on national committees in the election of presidential and vice presidential electors, and makes the chairman and treasurer of each national political committee responsible for preventing the aggregate of such disbursements exceeding this amount.

It provides further that the chairman and treasurer of the congressional campaign committees shall be charged with the responsibility of accounting to the treasurers of their respective national committees for disbursements made by them. It limits the aggregate of disbursements for a presidential candidate to $50,000, for a vice presidential candidate to $25,000, and provides that no political committee or any member or officer thereof and no personal campaign committee shall make any disbursements for the nomination of such candidates except under the direction and with the consent of such candidates. It makes the amount which a Senator may expend for a nomination or for an election $5,000, but provides for certain exemptions in the way of postage, circulars, etc., on condition that those expenditures shall be reported, together with other expenditures. It provides that the aggregate of disbursements by a Member of Congress for his nomination or election shall not exceed the sum of $2,500. It provides that candidates shall, within certain times, make these reports to the Secretary of the Senate, if a candidate for the Senate, or to the Clerk of the House of Representatives, if a candidate for the House. It provides that no candidate for Representative or Senator shall make a promise of patronage in order to secure his election or nomination. It requires the statements to contain a statement that no promise has been made. It requires the statements to be made under oath. It provides that the bill shall not be construed to annul or vitiate the laws of any State not directly in conflict with the bill, and provides that no disbursement may be lawfully made except for the following purposes—and this is a very important part of the bill, which ought to meet the approval of every Senator on both sides of this Chamber:

First. For the traveling expenses and expenses of subsistence of the candidate and of the members of political committees and their bona fide officers and assistants.

Second. The payment of fees or charges for placing the name of the candidate upon the primary ballot.

Third. The hire of clerks and stenographers and the cost of clerical and stenographic work and of addressing, preparing, and mailing campaign literature.

Fourth. Telegraph and telephone calls, postage, freight, and express charges.

Fifth. Printing and stationery.

Sixth. Procuring and formulating lists of voters.

Seventh. Headquarters or office rent.

Eighth. Newspaper and other advertising.

Ninth. Renting of halls or providing places for public meetings, and all expenses of advertising and other expenses usually incident to holding such meetings.

Mr. President, these affirmative declarations are intended to exclude the use of money in buying voters, in bribing men under the pretense of using their services for legitimate purposes when in point of fact the man is really hired to vote, and a multitude of crafty means of evasion.

The bill provides further that any person who, otherwise than in compliance with the provisions of the bill, shall hire or employ, or offer to hire or employ, or shall reward or give to any person anything of value for his services, or for loss of time, or for reimbursement of his expenses in consideration of such person directly or indirectly working, electioneering, or making public addresses for or against any candidates or candidate, or who rewards or offers to reward any person for his vote or influence, or the promise of his vote or influence, for or against any candidate for the office of President, Vice President, or Senator of the United States, or Member of the House of Representatives, shall be deemed guilty of a felony—not a misdemeanor, Mr. President, because the basest crime of all crimes is to befoul the ballot box of this country and to steal the governing powers of the people of the United States by fraudulent practices in the ballot box—and upon conviction thereof shall be punished by imprisonment in the penitentiary for a term of not less than 1 year nor more than 10 years.

Section 11 of the bill provides that the statements required by the bill shall include the name and post-office address of the opponents of the candidate making a report, with instructions that the Clerk of the House of Representatives or the Secretary of the Senate, as the case may be, shall require such opponents, even if not successful, to make a proper report of their expenditures under penalties for failure to do so.

Section 12 requires that the Clerk of the House and the Secretary of the Senate shall, on or before the 15th day of January next after any general or special election for Representative in Congress or Senator of the United States, report to the House and Senate, respectively, the names of these candidates and their reports, and that these reports shall be printed as a public document, in order that the people of this country may see to what extent and how far money is being used in the control of the election of the President of the United States and of Members of this body and of the House of Representatives.

Section 13 provides that jurisdiction over all violations of the act is conferred upon the United States district court.

Section 14 provides that personal expenses for stationery, traveling expenses, circulars, advertising, postage, and telegraph and telephone service shall not be subject to the provisions of the bill, except that an account shall be kept of all moneys expended for circulars and postage and advertising authorized by the section, which shall be reported in the statements required by the bill as an addendum thereto, but not subject to the limitations in amount fixed by section 10 of the bill.

This provision is a matter of grave doubt as to the exception; but, nevertheless, it will permit the people of the United States to pass their judgment on whether or not the abuse will justify striking out this exception. We have proceeded very slowly in this matter. This question has been up for years.

We have taken one poor, little, weak, inadequate step from time after time, and we now have on the statute books a law that is fundamentally and essentially as contemptible as any law that was ever written upon the statute books of any intelligent people. I say so because the present so-called corrupt-practices act deals only with committees handling two or more States and exercises no control whatever over committees inside of a State and no control whatever over individuals inside of a State, and as far as the present law is concerned, an individual, as a private person, could go into the different States and spend a million dollars or ten million dollars corruptly without the laws of the United States holding him to an account for the stealing of the presidential office or the stealing of the senatorships upon this floor.

The idea of the Senate of the United States refusing now to act upon this matter, right in the face of a pending election and of this acknowledged state of the law, I do not believe will meet with the approval of the people of the United States, and I do not think it ought to meet with the approval of the people of the United States, whose sworn representatives we are.

It shall be no fault of mine if the Senate does not act at this session on this bill on the calendar. The newspapers have announced—and announced without any justification, in my opinion—that there was an implied agreement between the Senators on this side of the aisle and Senators on the other side of the aisle that they were not going to permit this matter to be heard. Mr. President, they are going to permit it to be heard. It is going to be heard. No such pretended agreement exists. I do not know who is responsible for the false report, but it assuredly is not a friend of the bill.

There was an impression that the parliamentary status of this bill was such that even if the Senate acted it could not be disposed of by the House. That is not true.

The House bill has passed and we have reported it, and the matter can be disposed of in conference within 24 hours. No parliamentary difficulty is in the way except a possible Republican filibuster, if they dare face the country with it.

Mr. PENROSE. Mr. President, will the Senator permit an inquiry?

Mr. OWEN. I yield to the Senator from Pennsylvania.

Mr. PENROSE. Is the Senator's anxiety to pass this bill chiefly to remedy conditions in Oklahoma? I ask because I have heard that the greatest laxity prevails there, to put it mildly, in the methods of conducting elections and the expenditure of money.

Mr. OWEN. I will say to the Senator that I should be glad to have it apply to Oklahoma; but I will also say to the Senator that there is no State in the Union that will require it more than the State of Pennsylvania.

Mr. PENROSE. Of course, there is a difference of opinion on that.

Mr. OWEN. Hardly.

Mr. PENROSE. But I think investigation will disclose the fact that the most corrupt elections in the country are in the State of Oklahoma.

Mr. OWEN. If that were true as to Oklahoma—which it is not—as it assuredly is as to Pennsylvania, Mr. President, then

this act will put an end to it. I will say to the Senator that there is some basis for his inaccurate observations, because when I was a candidate I was informed, and I verily believe, that the Lumber Trust sent $40,000 into my State to defeat my nomination, being offended because of the demand which I made and voiced on this floor that Mr. Lorimer should not retain his seat in the Senate, because the Lumber Trust had bribed the Illinois legislators to elect Mr. Lorimer, at a cost estimated at between $100,000 and $200,000.

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Mississippi?

Mr. OWEN. I yield to the Senator.

Mr. VARDAMAN. If the Senator will pardon an interruption, I should like to emphasize the fact that this bill is not intended for any particular State but for all the States.

Mr. OWEN. Absolutely.

Mr. VARDAMAN. And if there are irregularities in Oklahoma or Mississippi or Pennsylvania, they ought to be corrected in so far as legislation can correct them. I agree with the Senator that the bill ought to be considered at this time.

Mr. OWEN. I have no doubt that there is more or less irregularity in all of the States. I do not claim any extraordinary virtue for Oklahoma. Those people are only human beings, subject to the same temptations as people elsewhere, but public sentiment there is absolutely overwhelmingly in favor of honesty in our elections. I represent the people of my State truly when I demand this statute.

Mr. SAULSBURY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Delaware?

Mr. OWEN. I do.

Mr. SAULSBURY. I simply want to say that it seems surprising to one coming from this part of the country that in a large State like Oklahoma $40,000 seems to shock the public conscience so greatly. There is one case which I know could be disclosed by the records of the Senate in which over $50,000 was contributed for the purpose of influencing an election in my State on the Saturday before the election which was held on the following Tuesday. I thoroughly agree with what the Senator from Oklahoma says about the necessity of passing this bill.

Mr. O'GORMAN. Mr. President, to avoid any ambiguity as to the application of the last statement, I should be glad to know from the Senator from Delaware whether the $50,000 to which he refers was used for the election of the candidate of the Republican Party.

Mr. SAULSBURY. Most assuredly it was, as many Senators now sitting in this body know.

Mr. PENROSE. Mr. President, there was a million dollars spent to elect President Wilson—over a million.

Mr. O'GORMAN. Is it not a fact that two and a half million dollars were used in 1896 to elect Mr. McKinley?

Mr. PENROSE. That might have been.

Mr. O'GORMAN. The rate has been going down since that time.

Mr. OWEN. If what the Senator [Mr. PENROSE] says is true—and I do not know whether it is true or not—I want to put a stop to the practice. I do know that no such sum was officially reported as spent in the election of Mr. Wilson, but it was currently reported in 1896 that Mark Hanna raised $16,000,000 to elect McKinley and the "Big Boys" successfully threatened a panic besides and voted every poor employee the corporations could coerce to elect McKinley; and I do not want these great parties rivaling each other in raising gigantic funds in a contest of money for the purpose of dishonestly and corruptly influencing votes.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from New Hampshire?

Mr. OWEN. I yield.

Mr. GALLINGER. Has the Senator noticed that the treasurer of the Republican National Committee is asking $10 contributions to enable him to get a fund for the coming campaign?

Mr. OWEN. I wish it might be confined to $10 contributions. I would be much more content if both parties were confined to small contributions.

The suggestion of the Senator that innocently assumes the Republicans will rely on small contributions will not be taken seriously by the people, much less by Republican leaders who know better. They will raise millions in big contributions if not prevented, and every well informed man believes it.

Mr. O'GORMAN. The Democratic committee in 1912 solicited $1 contributions, which was quite reasonable.

Mr. GALLINGER. I have not seen their certificate yet. I have seen the advertisement of the Republican treasurer.

Mr. OWEN. Mr. President, I have in my hand now a memorandum showing conditions in Ohio, and, according to the report filed with the secretary of state under the Ohio law, Mr. Herrick, who was the successful candidate for the Republican nomination at the recent primaries held in that State, spent the following amounts:

By Herrick personally, $22,175.

By the Herrick Voters' League, $29,000.

By the Stark County Herrick Voters' League, $413—a total of $49,588.

And the reports from nearly a hundred other counties have not apparently come in yet. I do not know how much it will be, but I say this is an abuse that ought to stop.

I do not think the Republican Senators on that side of the line should filibuster against this bill. I do not think they should refuse their consent that a vote may be taken upon it. I do not see how they reconcile themselves in refusing to permit a vote on this bill.

Mr. PENROSE. Mr. President——

Mr. OWEN. I yield to the Senator from Pennsylvania.

Mr. PENROSE. Does the Senator expect the Republicans in this Chamber or any individual Senator to take this bill exactly as he has framed it, without consideration?

Mr. OWEN. Not at all.

Mr. PENROSE. It will take some time to form a good corrupt-practices act.

Mr. OWEN. The threat of taking some time is an old, old story and an old, old joke. It means a filibuster threatened under words the people would not understand in reading the RECORD, but which every Senator knows means filibuster under pretense of debate.

Mr. PENROSE. It will be applicable to this bill also.

Mr. OWEN. But a filibuster will be well understood by the people when it presents itself, even if under the false color of debate.

Mr. PENROSE. No one is filibustering.

Mr. OWEN. And it will not be done without being exposed, I can tell the Senator.

Mr. STONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Missouri?

Mr. OWEN. I yield.

Mr. STONE. My friend from Oklahoma said he could not understand why our friends on the Republican side of the Chamber could object to the passage of this bill. He certainly did not mean in that statement to have any doubt as to the reason. The reason is that they expect to try to buy this election.

Mr. GALLINGER. If the Senator will permit me, I have heard it stated from several sources that the Democratic Party is proposing to buy it——

Mr. STONE. We are ready to vote to-morrow to pass this bill.

Mr. GALLINGER. That they have already raised a very large sum for that purpose which they have distributed in part.

Mr. OWEN. The Democrats are ready to act now, and I challenge the Senators on the other side to action.

Mr. PENROSE. If the Senator will permit me, the supposition throughout the country is that an enormous corruption fund has been collected by the Democratic Party, and now they want to lock the door.

Mr. OWEN. I have heard that statement made with regard to the Republican Party. I do not know whether it is true or not, but I believe the Senator himself would certainly know if it were true that the Republicans had gathered and distributed a gigantic fund for such purpose.

Mr. PENROSE. No; I have been down here attending to my official duties. I do not know what is going on.

Mr. OWEN. This bill will disclose the fact if such funds have been collected and will prevent the corrupt use of such funds in either party if they have been collected.

Mr. VARDAMAN. I wish to suggest that the statements which have been made by Senators on either side of the aisle have proven beyond any sort of question the necessity for this legislation. After the admissions made and the suspicions expressed I do not see how any Senator can afford to antagonize the passage of this bill at this session. To do so would be almost criminal inconsistency.

Mr. OWEN. Absolutely.

Mr. VARDAMAN. If that money has been collected, the enactment of this law will disclose the fact, and it may be the means by which a few distinguished gentlemen can be sent to the penitentiary for using it, a thing that might contribute mate-

rially toward the purification of the political atmosphere in this country about election time.

Mr. OWEN. They will not use it if this act is passed.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Ohio?

Mr. OWEN. I yield to the Senator.

Mr. POMERENE. I wish to suggest that even if such a fund has been collected, this legislation can be so framed that it can not be used.

Mr. OWEN. It would not be used in any event until just before the election; but if this bill is passed it can not be used in any improper way without great jeopardy to the political thieves guilty of corruption. I do not believe that the people of the United States are going to stand any more buying of elections in this country.

Mr. President, the parliamentary way is clear. This bill is on the calendar. The House of Representatives has acted. A conference can dispose of the matter within a day after the Senate shall consider it and, if it requires amendment, after it shall be properly amended. But to say that it will take a good deal of time, with the sinister suggestion that it will be debated to death, will not go in this Chamber any more without prompt exposure. If filibustering is really privately and secretly proposed by the Republicans against this bill, they are going to be compelled to publicly filibuster against it.

I notify the Senate that in due time I shall move the Senate to act upon it and it will be then for the Republicans to conduct an open filibuster if they see fit. They can not do it under cover. I know at least six good Republicans who will vote to take this bill up.

I say to the Senator that as far as I am concerned I am willing to stay here as long as is necessary to demonstrate either the passage of this bill or to determine to the satisfaction of the people of the United States the sinister opposition that will prevent it from being voted upon.

Mr. GALLINGER. Mr. President——

Mr. OWEN. I yield to the Senator.

Mr. GALLINGER. The Senator has not been very constant in attendance here and his colleague has disappeared from view.

Mr. OWEN. The Senator from Oklahoma, now addressing the Senate, has been here sufficiently to fully discharge every duty incumbent on him, and at this session has been as continuously present as the Senator, except for a visit to Oklahoma of two days on an urgent business trip.

The Senator from Oklahoma has, through his committee, delivered the rural-credits bill, taken active part in having the child-labor bill he introduced passed, obtained a favorable report on cloture in the Senate, and is now presenting the corrupt-practices act, not to mention very many other acts he has personally prepared and had passed.

The presence of the Senator from Oklahoma and his urgent demand for a corrupt-practices act at all events will demonstrate that he is present now.

Now, Mr. President, I want to say to my colleagues that on the 15th day of July this corrupt-practices act was made a part of the legislative program of the Democrats for this session. I carefully examined the records of the Democratic conference in the hands of the secretary of that conference, Senator PITTMAN. I read with painstaking care every single resolution passed from that time to this. There has been no change either directly or indirectly of that action of the conference.

It is true that in an attempt to reconcile the Republicans to vote upon the legislative program which we had, they insisted upon naming certain particular bills and leaving off of the list the corrupt practices act. It is also true that on this side a poll was taken and a number were found who, because of the long time the session was taking and because of the anxiety to get home and appear in their States, where they had campaigns pending, yielded to the suggestion; but the matter was not accepted then by the Republican side, and no obligation whatever rests on those who tentatively and conditionally consented to such proposed program, as the conditions utterly failed.

Mr. GALLINGER. Mr. President——

Mr. OWEN. I yield to the Senator from New Hampshire.

Mr. GALLINGER. I thank the Senator for yielding, because I want to say to the Senator that he has made a misstatement.

Mr. OWEN. I shall be glad to correct any statement I have made, if it be inaccurate.

Mr. GALLINGER. The majority submitted a list of measures which they desired to have passed at this session, and the corrupt-practices act was not on that list; so that the Senator must not say that the minority is responsible for keeping it off the list submitted by the majority.

Mr. OWEN. I am very glad to hear that disclaimer. I was certainly under the impression that the minority were responsible for keeping it off, but since the minority disclaims the paternity of this illegitimate child I know that no Democrat will consent to be known as its father.

Mr. PENROSE. And, Mr. President, if the Senator will permit me one brief observation——

Mr. OWEN. Certainly.

Mr. PENROSE. So far as I am concerned personally, I will go as far as the Senator from Oklahoma or any other Senator to pass a corrupt-practices law. I would even go to the extent of arbitrarily prohibiting the use of money in any election, completely stopping it; and I am willing to stay here all the rest of the summer and until the day before election, if the Senator wants to stay here with me and a sufficient number of other Senators will remain to make a quorum, to consider this bill, the immigration bill, and everything else on the calendar; but, in view of the fact that Senators want to go home and that we have been here a long while, anyhow, it seems reasonable that a bill like this, that requires the most careful thought, should have full opportunity to be considered. I will help the Senator get it up next winter, and help him pass some kind of a bill.

Mr. OWEN. The willingness of the Senator to stay here until the day before the election, possibly until the day after the election, considering the corrupt-practices act is really pathetic.

Mr. PENROSE. I take it, from all I have heard, that the Senator did not have this interest in election reforms during his own candidacy for reelection to the Senate.

Mr. OWEN. Well, the Senator might hear more and know less. I should not like to say what I have heard about some of the States and some of the things that have gone on in some of the States, very near the Senator from Pennsylvania, for fear that it would not be parliamentary. What I want to do is to stop the suspicions that are going around, even if they are not well founded, and to stop the corrupt practice that has dishonored our country.

This bill provides that—

> No corporation or officer thereof on behalf of such corporation or from corporate property shall make any contributions whatever for political purposes. No funds shall be transmitted from one State into another for political purposes in excess of $1,000 for each congressional district.

That will keep some of the money out of Oklahoma that might otherwise go there, and it will keep money out of Wisconsin, where, I am informed, on one occasion $250,000 was sent by the chairman of the Republican national committee to defeat LA FOLLETTE for the Senate.

For that reason, among others, Senator LA FOLLETTE and his Republican friends, like Senators KENYON, CLAPP, NORRIS, and others, are for an adequate corrupt-practices act, as is every true Progressive, I suppose. Since the Republicans have pledged their loyalty to Progressive principles (and Progressive votes), let them show the integrity of their high and virtuous purposes now by voting for this bill, by helping constructively (and not destructively) to perfect this bill.

Mr. GALLINGER. Did the Senator observe how much money had been contributed to elect him [Senator LA FOLLETTE] on a certain occasion?

Mr. OWEN. I do not know that I have, but it would take some money to meet that kind of a fund against him. I want to stop the war of these funds. I do not believe that these large funds ought to be used either for or against a Senator. I think he ought to be allowed to go to his constituency with a clean case and contend for his cause on its merits, and not have it unduly influenced by money one way or the other.

Mr. PENROSE. Mr. President——

Mr. OWEN. I yield to the Senator.

Mr. PENROSE. If the Senator has not read it, I will say that former Senator Stephenson, in his memoirs, states that he spent about half a million dollars in Wisconsin in connection with the then regular organization there.

Mr. OWEN. Well, I have seen that statement also very vigorously denied by the Senator from Wisconsin [Mr. LA FOLLETTE], and I believe Senator LA FOLLETTE against his corrupt enemies.

Section 15 of the bill provides:

> That every candidate and political committee shall securely keep and preserve, for a period of two years from the date of any primary or election at which such candidate was voted for or in which such political committee participated, all records, accounts, ledgers, cash books, canceled checks, check stubs, and other written or documentary evidence and the records of all receipts and expenditures made by him or it or on his or its behalf, and these records shall be, and are hereby, declared to be public records.

Not private records, but public records. They belong to the public; they vitally concern the public. This is not a private

matter. A railroad president a few days ago had the unparalleled impudence to tell an officer of the United States—Mr. Folk—that the contributions of the railroads for political purposes were private matters; and yet those roads come here and claim to represent twelve thousand millions of dollars of property, and if they can use money ad libitum as a private matter the liberties of common citizens working at from $2 to $20 a day are gone to destruction.

Mr. GALLINGER. Mr. President, I will ask the Senator in all seriousness if the law that is now on the statute books does not prohibit corporations from contributing to political campaigns, and does it not cover substantially the same ground as his bill in that respect?

Mr. OWEN. Mr. President, the narrow limitation of the question of the Senator would carry an implication that is thoroughly untrue. It is true that corporations as corporations are forbidden from making such contributions; but this bill goes much further. It prevents the funds belonging to corporations being used, directly or indirectly; it prevents the hiring of employees for corrupt purposes. It goes much further, and prevents private individuals from being guilty of corrupt practices. Under the present law, I will say to the Senator from New Hampshire, the so-called publicity of the present statute relates only to committees operating in two or more States. It allows any committee to go on the inside of a State and allows any individual to go on the inside of a State and resort to any corrupt practice he pleases, without the Federal law laying a hand upon him. The law on the statute books is a fraud; it is—I was about to use unparliamentary language—it is an unspeakable fraud on the American people. It seems to promise them protection against corrupt practices, when, in fact, it does not protect them in the slightest degree. The so-called reports of campaign expenditures which are now sent to the Secretary of the Senate and Clerk of the House of Representatives are ridiculous. They do not include all the money expended on Federal elections, and the law does not require it. I know this law is a dastardly fraud, and every Senator here must know the same thing. How long, O Lord; how long!

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Mississippi?

Mr. OWEN. I yield to the Senator.

Mr. VARDAMAN. With the permission of the Senator, I will suggest that this bill is intended to strengthen the present law, to carry out the purpose of the American people in the enactment of that law. It does not impair the efficiency of the present law at all; but it is rather to strengthen it, to help to carry out, to execute, and make more effective the law already upon the statute books prohibiting corporations from contributing to campaign funds. If Senators desire purity in politics; if they really are in favor of preventing the corrupt use of money in elections, knowing, as they do, the utter inefficiency of the present law, it seems to me that they should embrace with enthusiasm the opportunity to perfect the bill proposed by the Senator from Oklahoma [Mr. OWEN] and pass it at once.

Mr. OWEN. I am praying you now, Senators, to make effective what the people of the United States thought they were getting when they got that old law. The old law they got was nothing but a cloak, behind which thieves could perpetrate the most dangerous, the most vicious of all crimes—stealing the governing powers of the people of the United States; stealing the presidential office; stealing the Senate; stealing the House of Representatives; stealing the power of taxation; and stealing the power to deny the right of life, liberty, and the pursuit of happiness to the citizens of this country.

Mr. President, I feel very strongly about this matter. I caused the corrupt-practices bill to be introduced on the first day of this session. It was duly reported. The House acted on a bill introduced in that body, and now the improved bill introduced in the Senate comes before the Senate in lieu of the House bill, or as a substitute for the House bill. The parliamentary status is clear. There is nothing now to prevent action on the part of the Senate except a fundamental unwillingness on the part of some of our distinguished opponents on the other side of the aisle, who, under the color of debate, may, if they please, carry on a filibuster until the election.

Mr. SHEPPARD. Mr. President——

Mr. OWEN. I yield to the Senator.

Mr. SHEPPARD. Was objection made when the Senator asked unanimous consent?

Mr. OWEN. Every time when I have asked unanimous consent to vote on this bill at a fixed time Republican objection has been made. Last Saturday I asked unanimous consent, and to-day I asked unanimous consent.

Mr. SHEPPARD. Was objection made to-day?

Mr. OWEN. It was made to-day.

Mr. SHEPPARD. Who made the objection?

Mr. OWEN. It was made by the leader of the Republican side, the Senator from Utah [Mr. SMOOT], who is the chosen leader of that side and who vigilantly acts for the Republicans on all occasions.

One of the most important sections of this bill is section 16, which provides that no person not a candidate, and no organization, association, partnership, or committee not a political candidate under the terms of the bill shall contribute, pay, or expend, directly or indirectly, any money or thing of value for the purpose of influencing the elections except as a contribution to a candidate or to a political committee authorized by law to act.

I do not care to dig up the past. I understand perfectly well that the American people move slowly, move gradually as experience justifies, and they improve their system of government step by step, as knowledge justifies. All that I want to do is put a stop to the buying of elections in this country by private citizens who are multimillionaires, and who can spend millions of dollars without feeling it and then recoup themselves through the taxing power of the people by practices generally known as those of the "invisible government."

Mr. STONE. And expect to get it back.

Mr. OWEN. They would have defeated me in my State if money could have done it, and but for the honesty of the people of Oklahoma I would not now be here or making this appeal.

The bill further provides that no person shall contribute or pay to any candidate or political committee any money, funds, credits, or anything of value that belongs to or is under the control of any other person.

That is another loophole that is stopped up by this bill, because in dealing with thieves you must have a bill that is closely knit together. This bill has been carefully gone over by the Department of Justice and by the friends of justice, and we believe that it will hold water.

It provides also that legal expenses in election contests shall not be limited or affected by the bill.

It provides for punishment by imprisonment of those who violate it; and section 20 gives an immunity bath to persons who are testifying on behalf of the Government.

If a man is used as an instrumentality for buying up votes, he can be summoned and compelled to testify under this bill, being given an immunity bath under the bill. He can not throw himself behind the shield of the constitutional provision that no citizen shall be required to testify where his testimony will incriminate himself, by means of which skillful lawyers now prevent corrupt and corrupting witnesses from giving testimony, because this bill proposes to give an immunity bath. The man does not put himself in jeopardy, and he can be compelled under this bill to tell the truth, and it is the truth that the American people want. It is honesty in elections. It is that the jury passing upon the great issues of statecraft between the two great parties shall not be, by sinister means, misled, suborned, bribed, or coerced, and that no member of our great electorate shall be subjected to such temptation because of poverty or because of dependence for employment upon those who have the power of life and death over him and his wife and his child, because he must have employment in order to eat bread.

Mr. President, I do not wish to detain the Senate on this matter, but I give notice that immediately after the vote on the revenue bill I shall move that the Senate proceed to the consideration of the corrupt-practices act. If my distinguished friends on the opposite side of the aisle want to conduct a filibuster—or as they more politely and craftily put it, if they "want to take sufficient time to consider carefully and discuss this important measure"—we will give them an opportunity. We will ascertain whether it is for the purpose of perfecting the bill or whether it is for the purpose of killing time. It will not take 24 hours to develop that fact, and only a few days to satisfy the American people perfectly well what the purpose of certain Republican leaders is in their hostility and opposition to the passage of a corrupt-practices act.

RECESS.

Mr. SIMMONS. I move that the Senate take a recess until to-morrow morning at 11 o'clock.

The motion was agreed to; and (at 5 o'clock and 27 minutes p. m., Thursday, August 24, 1916) the Senate took a recess until to-morrow, Friday, August 25, 1916, at 11 o'clock a. m.

SENATE.

FRIDAY, *August 25, 1916.*

(Legislative day of Monday, August 21, 1916.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

Mr. GALLINGER obtained the floor.

Mr. SMOOT. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gronna	Overman	Smoot
Bankhead	Hardwick	Penrose	Sterling
Beckham	Husting	Phelan	Taggart
Brady	Jones	Pittman	Thomas
Bryan	Kenyon	Ransdell	Thompson
Chamberlain	Kern	Robinson	Underwood
Colt	Lane	Shafroth	Vardaman
Culberson	McLean	Sheppard	Wadsworth
Cummins	Martin, Va.	Sherman	Weeks
Curtis	Martine, N. J.	Simmons	
Dillingham	Myers	Smith, Ga.	
Gallinger	Nelson	Smith, S. C.	

Mr. JONES. The junior Senator from Michigan [Mr. TOWNSEND] is absent on account of illness in his family. I will let this announcement stand for the day.

The VICE PRESIDENT. Forty-five Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of absent Senators, and Mr. SHIELDS answered to his name when called.

Mr. CHILTON and Mr. REED entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-eight Senators have answered to the roll call. There is a quorum present.

Mr. GALLINGER. Mr. President, it is a matter of regret to me that in the closing days of the session so much valuable time is lost every morning in securing a quorum, but I presume there is a good reason for it.

Mr. SIMMONS. There is so much noise in the Chamber that we can not hear what the Senator is saying.

Mr. GALLINGER. I was expressing regret. I will say to my friend the Senator from North Carolina, that in the closing days of the session so much valuable time is lost each morning in securing a quorum, but I ventured to add that I presume there is a good reason for it.

Mr. SIMMONS. If the Senator will pardon me, I want to join him in that expression of regret, and I want to say to Senators on this side of the Chamber especially, as well as Senators on the other side of the Chamber, that I think the business of the Senate would be greatly facilitated and we would finally get away from here much earlier if Senators would recognize the obligation and the importance of being here promptly when the Senate convenes every day. We lose nearly half an hour by reason of the delay of just a few Senators to be in the Chamber on time.

Mr. POMERENE. Mr. President——

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Ohio?

Mr. POMERENE. I was not aware that the Senator had the floor.

Mr. GALLINGER. I yield to the Senator.

Mr. POMERENE. I simply desire to say that I was detained at a meeting of the Foreign Relations Committee. Otherwise I would have been here.

Mr. O'GORMAN. I will offer the same explanation for the rest of the membership of the Committee on Foreign Relations.

Mr. GALLINGER. I suggested that I had no doubt that there was a good reason for the absence of Senators.

TARGET PRACTICE IN THE NAVY.

The VICE PRESIDENT. The Chair lays before the Senate a further communication from the Acting Secretary of the Navy, touching upon target practice in the Navy, which will be inserted in the RECORD and referred to the Committee on Naval Affairs.

The communication is as follows:

NAVY DEPARTMENT,
Washington, August 23, 1916.

The PRESIDENT OF THE SENATE.

SIR: In order to avoid any misunderstanding of my letter of August 18, 1916, attention is invited to the fact that the number of hits recorded therein for day individual practice of the various ships are the hits as determined on a 30 by 90 foot target from the results of the camera observations of the practice.

The number of hits assigned by the umpires at the time are not accurate, as many of the hits are obliterated by succeeding shots during the course of the firing.

For the division practice the table of hits are those assigned by the umpires, as it is impracticable to obtain accurate camera observations of four targets with four ships firing at the same time.

Forwarded herewith is a table giving the number of hits assigned by the umpires for the day individual practice.

Sincerely, yours,

W. S. BENSON,
Acting Secretary of the Navy.

Hits on 30 by 90 foot screens, at day individual practice, as assigned by the umpires:

Arkansas	0
Delaware	0
Florida	3
Kansas	5
Louisiana	10
Michigan	7
Nebraska	9
New Jersey	16
New York	8
Rhode Island	1
South Carolina	6
Texas	2
Utah	2
Virginia	12
Wyoming	4

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

PROTECTION HAS VINDICATED ITSELF.

Mr. GALLINGER. Mr. President, if there is one subject which, more than all others, affects the well-being of the United States as a Nation and as individuals—employer and employee alike—and therefore merits careful and conscientious consideration at our hands, it is the protective tariff. During the long period of my service in this body the tariff has been the topic which has the most deeply attracted my attention, and I have frequently taken the opportunity of addressing the Senate upon the subject in the hope that such observations as I might make would so impress themselves upon my fellow Senators and the country as to leave no doubt in the mind of any fair-minded man that the theory and practice of protecting home industries by levying an import duty upon competing products is not only the correct idea in the abstract but that so to do is our bounden duty as legislators in the exercise of our functions under the Constitution.

While I have always endeavored to be liberal and open-minded on the subject, and have sometimes been almost persuaded that in some respects others have been nearer right than I when they differed from my preconceived opinions, yet never under any circumstances have I found occasion to believe that I have been in the slightest measure wrong or inconsistent in my loyal adherence to the principles of protection. And now at this important epoch in the world's history, and at a most critical juncture in the affairs of our own Nation, it is with a conviction stronger than ever that I again proclaim myself an apostle of the doctrine of adequate protection to American industries and American labor.

In the presentation of tariff matters heretofore I have covered facts in a more or less chronological order, so that I now find that a compendium of my discussions of this subject would form a sort of history of the United States in its tariff aspects from the first act of Congress, July 4, 1789, down to that period when, in and around 1906, there appeared to be a pronounced reaction in the minds of many who had been up to that time stalwart in their maintenance of the standards of protection. It is, therefore, principally of events which have occurred since 1906 that I wish to direct attention to-day.

MAGNIFICENT PROSPERITY UNDER DINGLEY LAW.

Up to that time the country ever since the enactment of the Dingley law, in 1897, had been rejoicing in magnificent prosperity; and if we ever had reason to be truly thankful for ideal conditions, it was in 1906, when we were reaping to the fullest the advantages of that most beneficent legislation in all our history. It is true that we had by degrees adopted more expensive modes of living, just as had the other progressive peoples of the world, but this was indicative of the prosperity that had visited us, and which had enabled us to regard as necessaries the luxuries of former days—but, of course, at an increased cost. Our National Treasury was full, our business concerns solvent; all the wheels of industry were turning; every smokestack was kept hot; wages were higher and hours shorter than ever before; and the farmer was receiving adequate returns for his labor and investments.

A MISTAKEN POLICY.

There was no definite, fixed starting point to the movement of which I am about to speak, but along in 1906 it had become evident that certain forces were working to unsettle the minds of

the people and to create dissatisfaction with the order of things as they then existed. The field was being prepared for the sowing, and the seeds of discord were about ready for planting. Certain politicians began to make speeches in which pointed allusions were made to "the spirit of unrest" said to be abroad in the land. Certain other men took up the cry and further spread the news that discontent was brewing—or that if it was not, it ought to be. This was the planting of the seed. It was noticeable that most of this talk emanated from a certain coterie of men who had determined by every possible means at their command, fair and unfair, to break down the protective policy of the Republican Party and to discredit the acknowledged leaders of that policy. It was then that spellbinders gave currency to the startling theory that the increased cost of living was due to the excessive rates provided by the Dingley law. Free traders eagerly seized upon this idea and made the best possible use of it for their purposes.

The Democratic press found in the propaganda an alluring field for agitation and denunciation. Magazine publishers and contributors found this a prolific topic for space writing. By this time the infection had spread to large proportions, and the "unrest" that started as a figment of the imagination had become something real, being then no "fitful dream" by any means. The seed was bearing fruit. The germs had been spread so rapidly and so thoroughly, and so many had been inoculated, that the belief had become epidemic. And it is no wonder, for the propagandists were being hailed (as they intended to be) as the apostles of a new gospel, and this was the political capital which they were seeking. And then the Democrats everywhere could see the chances that it afforded them. The Democratic leaders had so often told the masses that they were "unrestful" that they really began to feel the symptoms in their blood.

Never before had a people, supposed to be staid, dignified, and conservative, like our own, been so carried off its feet by a single falsehood. Thousands of our citizens were made to believe that the protective tariff had caused the advance in prices. If they have not long since seen their error, they surely can find it in the even higher prices under our present near-free-trade régime.

I have mentioned this incident at some length because it has an important bearing on the history of the country, and contributed largely to Republican defeat in 1912.

FALSE TEACHING AND ITS RESULT.

Remarkable as it may seem, a few men who had been, and who even then called themselves, Republicans went about making speeches all over the land as well as in both Houses of Congress that were printed in the Democratic campaign textbook and used with great effect on the stump. Some newly elected Congressmen, from Republican districts, came to Washington to await the opening of Congress and spent their time getting interviewed, in which interviews they were quoted as saying that, first of all, they favored a "perpendicular" revision of the tariff, an utterly absurd and unscientific method. One of the greatest political forces at work, however, was the Publishers' Trust, which sought the free admission of paper and pulp, especially from Canada. Women also demanded reductions in the tariff on gloves and hosiery. Shoe manufacturers demanded free hides so that, as they claimed, shoes might be cheaper. Many demanded a reduction of the wool tariff so that clothes would cost less. The thing once started, there seemed to be no end to the demands. Some of the demands had the outward appearance of reasonableness, but it made no difference to the so-called "tariff reformers" whether or not they were logical. It was useless to show them that prices had advanced as well on articles on the free list as on protected articles and to remind them that prices on protected articles were in many cases cheaper than they had been before protection. Professional importers were, of course, busy with arguments against protection. Democratic newspapers were in their element and had no scruples against making proselytes by any method possible. One of the leading dailies of the country openly charged that under the protective tariff beef from the United States was being sold in England for less than here, when Government statistics showed that no beef was being shipped out of this country, the entire production being consumed at home. So far did this disaffection go and so long did it continue that in the campaign of 1908 Republican State conventions made modified tariff demands in their platforms, and some failed to pledge their hearty allegiance to the principles of protection, as had been customary theretofore.

GOOD MEN SACRIFICED.

Certain Republicans began to disclaim responsibility for what they called the radical provisions of the Dingley law, and began looking about for a Jonah upon whom they might heap the burden of blame and visit the penalties attaching thereto. These men, with the active assistance of the Democrats, selected for this sacrifice a man who had served his country in the House of Representatives 30 years, and at all times with more than ordinary honor and distinction, and who, in that position, had consistently, continuously, and honorably advocated the protective tariff system as the one sure and logical means for the perpetuation of an industrial system which never has had a parallel in the history of the world. This man who had so earnestly and ably, so long and so successfully defended the best interests of our country, and than whom no greater patriot nor more faithful servant has ever been in the public service, was JOSEPH GURNEY CANNON. They declared that "Cannonism must go," and this cry was echoed all over the land. The chorus was joined in, it must be remembered, by a few Republicans of unquestioned power, whose word became law. And then, to show the sincerity of their convictions and their willingness to throw overboard all who stood in their way, the Democrats were permitted to select as Mr. CANNON'S confederate a man who, out of the abundance of his learning and energy, had for years performed the difficult task connected with the chairmanship of the Senate Committee on Finance; a man who had always, in season and out of season, been true to the Republican faith, and who had constantly and untiringly worked to bring out invaluable facts that have been used to advantage for the benefit of the Nation.

This man, Nelson W. Aldrich, was chosen for attack and defamation. His clear view enabled him to penetrate the beyond; and he was able to render service of such inestimable value that few of us can even now realize the worth of the man or appreciate the value of his services to the country. But the word had passed that Aldrichism and Cannonism were responsible for all the wrongs that existed in the body politic, including the increased prices of everything, whether the articles were on the free list or not. And I regret to say that many of those who knew better assisted in discrediting those men, hoping thereby to persuade the country into the belief that they were trying to purify the party. But the great bulk of the party remained true to the fundamental principles of their political faith, and they now have the satisfaction of seeing a united Republican Party going forth under the banner of protection to win back the country from the political fate that befell it.

AN UNFORTUNATE PLATFORM DECLARATION.

Conditions were such, upon the eve of the 1908 elections, that even the Republican national convention went so far as to adopt a plank in its platform declaring for a revision of the tariff and "the imposition of such duties as will equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries." It was not the flat-footed, square-toed declaration of unabated allegiance that we were accustomed to; and "for the first time in its history the Republican Party entered upon a campaign of defense and apology," as was well said by the American Economist in commenting on it about two years later. This paper went on to say:

> It framed an indictment against itself and then pleaded guilty to that indictment. It confessed to having enacted a bad tariff law, a tariff law with "too much protection" in it.

However, upon this platform William Howard Taft was elected, and promptly, in 1909, Congress proceeded to prepare a bill in conformity with the platform and with pledges made upon the stump.

During the 50 years from 1860 to 1909, inclusive, our population had increased from thirty millions to ninety millions, or 200 per cent, and our savings bank deposits had increased from one hundred and fifty millions to four billions, or 2,700 per cent. The principle of protection had been thoroughly proven as the wisest possible legislation; we had the best tariff law ever framed, and the power to continue it in force; but the platform pledges of a party must be kept, as those of the Republican Party always have been, and this was to be no exception.

Hon. Sereno E. Payne, of New York, with his long experience as a member of the Ways and Means Committee of the House, became chairman; and under his skillful guidance, ably seconded by the Finance Committee of the Senate, then headed by Mr. Aldrich, there was finally evolved the act of August 5, 1909, known as the Payne-Aldrich Act—a monument to the wisdom of the Republican majority in both Houses, and to the everlasting honor of the party, as the bill was in strict compliance with the party pledge.

There was no pledge of downward revision in the tariff plank of 1908, but nevertheless reductions were made in the new tariff law, but in such fashion as to hurt American industries as little as might be. Of the 2,024 numbers in the entire list, material

reductions were made upon 654 items, all of which were necessaries and were valued at five billions, and some of these were put on the free list. All of the increases that were made were upon luxuries, 220 in number and valued at two hundred and forty-one millions, and the duties remained unchanged on 1,120 articles.

IMPORTS INCREASED, EXPORTS DIMINISHED.

Under this law imports were not discouraged, but they increased at a rapid rate, the total for the fiscal year 1910 being two hundred and forty-six millions greater than during the previous year under the Dingley Act, and one hundred and twenty-three millions more than for any year in the history of the Nation. Exports diminished at an even greater ratio, and our trade balance fell to one hundred and eighty-seven millions—the smallest since 1896. Under the Dingley law our trade balance had averaged five hundred and twelve millions. In fact, we were, before long, selling American securities in London to pay for our increased imports. The corporation-tax law was a part of this legislation, and this assisted somewhat in making up the deficit in import duties.

It is needless to say that prices not only remained as high as before, but actually increased, not only in the United States but in free-trade England, as well as throughout Europe generally. The placing of hides on the free list was a great boon to Germany and Argentina. Many American tanneries closed; our producers received less money for their hides, which were tanned abroad, and leather sold here for higher prices. Fifty cents per pair was added to the price of shoes, and these prices have continued to advance. So late as June 27 of this year a committee from the National Retail Shoe Dealers' Association was reported in the Washington Post as saying that shoes had already advanced on an average $1 per pair. Thus if each person in the United States bought one pair it would be a tax of $100,000,000 on the consuming public. To be sure, this fact was charged to the European embargo upon raw hides; but long before the war we lost the leather industry and paid an advance of several millions in our shoe bill alone because of this one item on the free list in the Payne-Aldrich bill. Had we retained the duty we would have retained the industry and paid to our own labor at least a part of what we were and are contributing to foreign tanneries, as well as keeping our shoe bill down. This was a Republican mistake, protection having been abandoned for free trade, with the usual result.

If there have been instances of saving in price by means of removing or reducing the tariff, the facts have not been so widely advertised as to be of common knowledge. On the other hand, in practically every case the opposite effect has resulted, the amount of reduction of the duty having often been added to the price of the commodity, and in some cases the foreign countries have put an export tax on the items from which the duty had been removed.

Mr. President, these instances are pointed out to show not that the Payne-Aldrich Act was bad, but that the "little journeys" which it made in the direction of tariff reduction and free trade were disastrous, as far as they extended. On the whole the law proved wholesome, for the protection which it retained was very beneficial, and prosperity was generally preserved along the lines covered by a sufficient rate of duty, and by the end of 1911 we had again become exceedingly prosperous, notwithstanding we suffered from the loss of business wherever concessions had been made to the free-trade demands.

The act of 1909 also contained a section authorizing the President to exercise his discretion in applying the maximum or minimum tariff rates under certain conditions prescribed in the act, and also authorized him to employ such persons as he required to furnish him information to assist in the discharge of the duties imposed upon him and to assist the officers of the Government in the administration of the customs laws. The persons so employed were improperly styled a "tariff board," and they acted as such, rather than in the capacity contemplated by the law. While the board did some good work, the results were not what was expected, and the board went out of existence.

The Senate, in the meantime, appointed a committee to investigate the causes of the high cost of living, in order that it might be demonstrated whether or not the protective tariff was in any way responsible, which was asserted by the Democratic Party. Protracted investigations were made, and I need not now remind the Senate that no such indictment was found.

THE UNFORTUNATE CANADIAN RECIPROCITY AGREEMENT.

One of the most striking events in the tariff history of the country was the agitation, commenced by President Taft, for an agreement between the United States and the Dominion of Canada whereby each country was to waive all or a part of the customs duties upon certain imports to one country from the other. January 26, 1911, the President transmitted to the House of Representatives the result of his negotiations with two cabinet ministers from Canada, providing for certain reciprocal relations that were to be established, subject to the approval of Congress on the one hand and of the Canadian Parliament on the other. There was a joker in it, however, which abolished the duty on paper and pulp coming from Canada, without any corresponding concession from that country, and which was overlooked until too late. The other concessions were also grossly unequal, for we were at that time selling to the Dominion two hundred and forty millions annually, with a trade balance in our favor of about eighty millions, and besides that the changes contemplated appeared to be very largely directed against the agricultural products of the United States, which were to be unprotected against Canada.

This caused much consternation among the Republicans, but the Democrats were of course delighted with the proposition, and the American farmers were aghast. The measure was characterized, in no uncertain terms, as "jughandled," and "lopsided," and it could not have passed the House of Representatives as then constituted had it been submitted to that body. However, the fall elections of 1910 (in which the high cost of living had been adroitly used and in which the farmer vote had shown its resentment toward the President for his "reciprocity" policy) had resulted in the assurance that the next House would be Democratic by a majority of 63, and the indications were that the Senate would have but a small Republican margin, so that it was clearly probable that the House would pass any measure that smacked of free trade, and it was barely possible that the Senate would follow suit.

Canadian reciprocity, so called, was properly branded as a free-trade measure, and the chairman of the House Committee on Ways and Means said of it, with reference to the protective tariff, "This will make a break in the dike." It was certain to lead to difficulties with other countries under the "favored nation" clause, and there would have been reprisals visited upon us. These and other strong arguments were used against the measure, but to little use. Certain words uttered by President McKinley in his Buffalo speech in September, 1901, were distorted in the attempt to make it appear that this heresy had been in his mind at the time and that he had given it to the people as his last will and testament. What President McKinley said on that occasion was this:

> We should take from our customers such of their products as we can use without harm to our industries and labor—

and he declared that he believed in "sensible trade relations" with countries producing noncompetitive products; but he certainly never favored reciprocity with our nearest competitor, producing the same class of articles that we do, and would not have regarded the sacrifice of an $80,000,000 trade balance as "sensible trade relations."

But the bait of cheaper potatoes, eggs, butter, flour, and so forth, was greedily swallowed by the masses dwelling in the cities, even if the American producers of these foodstuffs were made to suffer. They had no chance. President Taft called an extraordinary session of the Democratic Congress for the purpose of passing the measure, and it was carried in the House by a vote of 267 to 89, aided by the votes of 66 Republicans. The Senate passed it by a vote of 53 to 27, some of the most radical of the Republican Members of this body being induced to stand by the Republican President; but I am happy to say that practically all of these have since declared themselves against that kind of legislation.

It later developed that the Canadian Parliament refused to accept our proffer—or, rather, to back up its cabinet ministers—and "Canadian reciprocity" was dead, except that the clause relating to free admission of paper and paper pulp from Canada was in force without any reciprocal action in our favor, and it has never yet been repealed. That mistake has resulted in giving the business almost entirely to Canada, and in a very material increase in prices of paper to American publishers.

During 1911 there were several abortive attempts on the part of the new Congress to secure other free-trade legislation. To soothe the wounded feelings of the farmers, whose products were to be injured by those from Canada, a so-called farmers' free list was enacted by the Democrats, but President Taft vetoed the absurd measure. Another bill, reducing the tariff on cotton goods, metals, and chemicals, met the same fate, and an act making sweeping reductions in the wool schedule fared no better.

A FREE-TRADE NOMINATION.

The Democratic convention at Baltimore in 1912 placed in nomination the present incumbent of the White House, Gov.

Woodrow Wilson, of New Jersey, an avowed believer in the doctrine of free trade. Such a nomination was not justified by the attitude of the country, either before or after the campaign, and would have left little trace upon the history of the Nation but for the factional differences among Republicans. Not even the Democrats, as a rule, were able to share the radical views of Mr. Wilson upon the tariff, and he could not have secured the nomination by a primary election; but, by a set of circumstances which could not possibly have been foreseen, and after the convention had practically indicated its preference for another, the hand of fate pointed to the advocate of free trade. His platform declared it—

to be a fundamental principle of the Democratic Party that the Federal Government under the Constitution has no right or power to impose or collect tariff duties except for the purpose of revenue.

And demanded that—

the collection of such taxes shall be limited to the necessities of government honestly and economically administered—

Charging that—

the excessive prices result in a large measure from the high-tariff laws enacted and maintained by the Republican Party.

Not content with the object lessons that had so recently been enacted before their very eyes, by which the entire country had been conclusively shown that free trade, and not a protective tariff, was responsible for high prices, the Democratic Party started out to accomplish by misstatements the destruction of all the prosperity which had been so hard won through generations by the protective tariff exactly in proportion to the degree of protection granted.

Among other things the nominee of the Democratic Party said at Seagirt, in his speech of acceptance, that tariff schedules had been made up for the purpose of keeping as large a number as possible of the rich and influential manufacturers of the country in good humor with the Republican Party, which desired their continued financial support. He openly advocated the purchase of foreign goods rather than to further the production of such articles at home under a protective tariff; boasting that he bought his socks in Scotland because he could thereby save 50 per cent on them—the while he was drawing a $10,000 salary from the State of New Jersey, raised by the taxation of a people very largely dependent upon manufacturing.

Notwithstanding the fact that the Democratic platform contained a clause favoring the ultimate attainment of the principles therein enumerated "by legislation that will not injure or destroy legitimate industry," this candidate went up and down the country declaiming against the tariff—of the practical bearings of which he evidently knew little or nothing—and threatening it with near extinction the while he was admitting that much of our industry was indebted to it for existence. He was so imperfectly informed regarding the tariff that he should have avoided its discussion; but, as it was the only issue, and as he had insisted that it should be so, he had to do his best to mislead the people. When a delegation of farmers visited him during the campaign, he sought to augment their dissatisfaction with President Taft and with the Republican Party by saying that—

the farmer does not produce any of the things that get any of the material benefit from the tariff, and consumes all of the things which are taxed under the tariff system.

He should have known that the direct opposite was true; and when he said that if the metals bill had not been vetoed it would have cheapened agricultural implements, the farmers themselves knew that agricultural implements were already admitted free from countries that charged no duty upon imports of the same class from this country, and hence they understood the fallacy of the claim.

A STRIKING CONTRAST.

In direct contrast to the principles enunciated by the Democrats, the Republican platform reaffirmed its belief in the protective tariff, expressing the conviction that it had been of the greatest benefit in developing our resources, diversifying our industries, and protecting our workmen against competition with cheaper labor abroad; and holding—

that the import duties should be high enough, while yielding a sufficient revenue, to protect adequately American industries and wages.

It will be noted that this plank provides first for revenue and then for protection; but we have done better since then, and now assert that protection is the paramount consideration, adequate revenue being thereby assured.

As between the two parties and the principles enunciated by them, there was a strong predilection among the voters for the policy that is constructive—a developer of industries and a creator of wages. They were and are opposed to the Democratic Party on general principles, and especially when Democratic leaders make threats most terrifying to labor and capital. Added to these was the threat of the presidential nominee to "hang as high as Haman any man or set of men who should start a panic," when he alone was already creating a panic by declaring his policies and by his intemperate utterances, which destroyed whatever confidence may have been inspired by the promise in the Democratic platform not to injure or destroy any legitimate industry.

A DISASTROUS CAMPAIGN.

It is needless for me to recount the unfortunate circumstances under which the Republican Party was disrupted in 1912, and the votes of protectionists divided between two candidates. It is also well known that Mr. Taft's Canadian policy had alienated the farmer vote, and that many others joined them in supporting the Progressive candidate, whereby the Democratic ticket received a majority of the electoral vote. It is gratifying, however, to remember that a large majority of the votes cast in that election were for protection, and that the party now in power was the choice of a minority of 1,300,000 votes. And it should also be borne in mind that the administration does not now, never has, and steadily refuses to follow the behest of the majority of the country's electorate.

Notwithstanding the administration had been placed in power by a minority of the people, and in spite of the wishes of the great majority, President Wilson called a special session of Congress for the purpose of repealing the Payne-Aldrich Act and passing legislation to suit himself. The bill that was framed "for revenue purposes only" was intentionally remiss even in this respect, thus making necessary direct taxation of incomes, stamp taxes, and other methods of that character, which would have been rendered unnecessary by sensible and patriotic tariff legislation.

PROTECTION IGNORED.

When the Underwood-Simmons tariff bill was being considered the Ways and Means Committee of the House of Representatives held its sessions behind closed doors, refusing to hear the testimony offered by American manufacturers and hastily prepared a bill to be rushed through Congress at railroad speed in face of the fact that it lopped off one hundred and fifty millions of our revenues and made no pretense of protecting the manufacturing or agricultural industries of the country. The bill was founded upon the principles enunciated in the constitution of the Confederate States, which was enacted for the benefit of an agricultural, slave-holding section of the country 50 years ago, before manufacturing had become a part of the industrial system of the South.

In my discussion of that bill before the Senate September 2, 1913, I suggested that the caption should be amended by entitling it—

A bill to reduce tariff duties, to destroy American industries, and to provide employment for the laboring men and women of foreign countries.

That proposed caption, in my opinion, correctly described what the law would inevitably bring about, for it was as unpatriotic as it was illogical, and as defective as it was inefficient. I suggested then that it was as bad a measure as any that had ever been conceived for the Government of the United States—and I have never had occasion to amend my finding in that regard. My remarks upon that occasion were brought to a conclusion by a few paragraphs which I take the liberty of now repeating—not because I was gifted with the spirit of prophecy, but to show that a little observation and the application of some common sense would have averted the disastrous effects caused by this greatest fiasco in American legislation. I said:

If our Democratic friends had only had the gift to see themselves as the country is now seeing them and the wisdom to appreciate the fact that the legislation they are engaged in will of necessity do harm to all classes of our people, the bill now under consideration would never have been prepared.

It will be recalled that Gen. Grant is credited with the wise remark that "You can always trust the Democratic Party to make a mistake at the right time," and what is occurring to-day is a fresh illustration of the correctness of Gen. Grant's observation. The bill is a monumental blunder the magnitude of which can not be overestimated.

It can well be imagined how, when the crash comes and the people of the country have risen in their might to overthrow the Democratic Party because of this legislation, the Senators on the Democratic side of this Chamber will see the unwisdom of what they are now doing; but in view of the circumstance that they will be responsible for the destruction of American industries and the lessening of the demand for American labor, they will find little comfort in contemplating the fact that the result was due to their party's political blindness and folly.

I am not an alarmist in any sense of the word, but I can not bring my mind to any other conclusion than that the contemplated legislation will inevitably bring disaster to the industries of the entire country, with suffering and sorrow as a necessary result, and I would be doing myself an injustice did I not sound a warning note. But, Mr. President, the die is cast. A Democratic President, a Democratic Congress, and a Democratic caucus have ordained that the bill shall become a law; and while it does not represent the honest convictions of a majority of the American people, it is to be forced upon the country by the representatives of a political party that has always stood in opposition to the

protective doctrines of the Republican Party. The triumph will be complete, but it will be short lived, and those of us who contemplate with solicitude the result of the legislation can find satisfaction and comfort in the belief that the Government will soon again be placed in the hands of the party of protection and that this statute will in due time be superseded by a law that will adequately protect our people from the cheap labor of European and Asiatic countries.

DRUNK WITH POWER.

But the Democratic Party was drunk with power—power that had been conferred upon it by a minority of the voters—and reckless in its intoxication. When President Wilson was adding the culminating touch to that "dumping bill" he said, among a great many other things, to the jubilant coterie that had been invited to witness the deed. "I feel a very peculiar pleasure in what I have just done by way of taking part in a piece of business." It certainly was a great "piece of business," as we shall in due time see—the lowest tariff in 75 years.

The act provided for one thing which materially affected Louisiana, the abolition of the duty on sugar, to be effective three years after its passage. Whether this was genuine or a subterfuge to give the legislation the appearance of nonsectional consistency I am not certain; but it caused such a storm of protest as threatened "a break in the dike" of the solid South, and so this clause was repealed before going into effect. This event and the fact that free trade in sugar was postdated point strongly to a suspicion as to the sincerity of the original intention.

A further cut in the revenue was attempted by a provision in the act for a 5 per cent reduction of the tariff on goods imported in United States ships, but the administration held that this was violative of the international agreements then in force, and as a result it has not been put into operation.

BURDENSOME DEMOCRATIC TAXES.

The same law levied an income tax that had been made possible as an emergency measure by an amendment to the Constitution, and this was seized upon as a possible remedy for the loss in import duties; but this fell short of the expectations of the astute statesmen who devised it, and it is now proposed to increase the rates ad libitum. As most of the income is derived from the industrial States of the North, it can safely be increased by the party in power.

The corporation tax was by no means eliminated by this law, but, on the contrary, was increased by it, so that no method of direct taxation might be neglected.

All of these taxes being still insufficient, we are subjected to what the administration is pleased to call a "war tax," although it bears no relation to the European war, but is a surcharge upon our already overtaxed citizens in order to provide the necessary revenues at the expense of the American people instead of at the cost of their foreign competitors, and it is also proposed to issue bonds to meet the deficit that will even then exist in our revenues.

Numerous other vexatious forms of taxation are provided in the bill, the chief burden of which will also fall on the Northern States.

The war in Europe, which broke out in August, 1914, when the near-free-trade tariff act had been in force only 10 months, created a temporary market for much of what we produce, and imports have been somewhat obstructed by embargoes, difficult transportation, shortage of foreign production, and the consumption abroad of the ordinary surplus; but, nevertheless, the low rate of duties has resulted in very large importations of foreign goods, while at the same time the war has not lessened our excise taxes or income tax, nor has it furnished an excuse for the surcharge.

A DISASTROUS 10 MONTHS UNDER THE UNDERWOOD ACT.

The history of the 10 months during which the Underwood Act was operative under normal conditions is sufficient to justify our predictions, and to further put the stamp of disapproval upon the law which, but for the war, would have ruined most of the industries of the United States, and which, if still in effect at the close of that war, will make this country the dumping ground for all the surplus products of foreign labor.

The first direct result of the tariff reductions was to bring into the United States the first day that it was in force immense quantities of foreign-made goods that had been stored in bonded warehouses in anticipation of this legislation. In the first 10 months of the Underwood law there was an increase of $88,000,000 in imports and a decrease of $342,000,000 in exports.

Sugar factories closed down, or were operated under reduced conditions.

Steel mills drew their fires.

Woolen mills retrenched.

Many cotton mills were forced out of business.

Factories that remained open reduced their output.

Stocks depreciated. The Philadelphia Press estimated this loss to be $1,000,000 per day.

Three million wage earners were out of employment, the largest percentage since 1894–1897.

Freight cars to the number of 350,000 were idle, as were the locomotives, engineers, freight handlers, firemen, and others depending upon their operation.

Sixty per cent of the railroad mileage of the country was in the hands of receivers.

Dividends were passed.

Railroad gross earnings dropped one hundred millions in the 10 months, or ten millions a month.

Bread lines were the longest ever known, and there was the greatest demand for charity.

When we predicted these things we were called "calamity howlers," but I am reciting *history* now.

Disappointed and suffering citizens, grown desperate by these conditions, when they ventured to ask for relief, were told by the President that the apparent distress was "purely psychological."

By June of 1915 our trade balance was wiped out and reversed, showing imports of two hundred and thirty-three millions more than our exports.

What an array of incriminating evidence; what an indictment of the men who set themselves up as superior to the will of the people; what an account of their stewardship to give to the 100,000,000 innocent people whose confidence had been abused. The record is certainly a terrible indictment against the Democratic Party, and it does not require a great stretch of the imagination to predict that never again will such an industrial catastrophe occur as was brought about by this minority-elected administration.

FREE TRADE A RELIC OF THE PAST.

There is a fictitious prosperity at the present time, due to the European war, but when the war ends the deadly work of the Democratic tariff law will again be in full operation.

Mr. President, free trade is but a relic of the old colonial days when our struggling ancestors were powerless to assert themselves, but it was expelled with the first breath drawn by the American Congress on Independence Day of 1789. That was the "new freedom," and any retrogression to free trade is but a resubmission to the yoke of foreign power. Nowhere among the nations is free trade longer tolerated. England, with her vast capital invested in the producing countries is finding it intolerable and is getting ready for a protective tariff of some kind. But, with all our experience and with all the advantages to be gained from the experience of others, we have men, prominent in the councils of the Nation, so blind that they can not, or so obstinate that they will not, see the folly of our present course of adopting the very policy which became intolerable to our forefathers and which never will again be borne by a free and enlightened Republic.

Our imports of foreign goods for May of this year—notwithstanding the war in Europe—were the largest on record, totaling $229,000,000, an increase of $11,000,000 over April and an excess of $82,000,000 over the May average from 1911 to 1914.

For the year ending with May our imports totaled $2,110,000,000, an increase of $436,000,000 over the preceding year. Of the May imports, 65.7 per cent were entered free of duty. If anybody thinks that we have become the "dumping ground for Europe," just let him wait until the war is over. The worst is yet to come. Of course, this added surplus of foreign goods displaced an equal amount of goods of American manufacture.

PROTECTION A NECESSITY.

We are urged by our friends on the other side of the Chamber to take the tariff out of politics. What we are going to do is to take politics out of the tariff and treat it as a natural, matter-of-fact business affair, just as we treat any other phase of our governmental operations. It can be perfectly adjusted to our conditions and requirements so that it need not cause a ferment every time it is mentioned. It should be a staple article, like our currency or water supply or transportation facilities. When we realize the immense sums of money invested in this country that can be swept away by a single fluctuation of tariff rates, it is readily understood why the tariff should be permanent and steady. It is possible for an American manufacturer to estimate his cost of production by summing up the fixed charges of operation and to add his overhead, selling, advertising, interest, and depreciation accounts and to then calculate a fair profit upon the whole; but whenever a concatenation of circumstances like those of 1912 shall change the political complexion of the administration and of Congress the manufacturer's product may be rendered unsalable by the stroke of a pen or by the moving of a decimal point in the rate of duty. So long as it is possible for an act of Congress to confiscate the property of a citizen, it

is possible for ignorant or unprincipled politicians to commit a wholesale crime against society.

PROTECTION DEVELOPS COMPETITION.

The protective tariff is not a friend of monopoly. On the contrary, it is and always has been, in principle and in practice, the parent of domestic competition, and has worked out for the benefit of independent enterprise in the manufactures and arts. On the other hand, free trade is fully capable of and certain to foster monopoly. For instance, take a highly capitalized industry like the steel business, in which there are a few tremendous concerns and hundreds of small ones, each operating successfully in its own sphere and in proportion to the capital invested under a protective tariff, as heretofore. Now, then, take away the tariff and the two or three big concerns would possibly be able, because of their organization, equipment, and holdings of iron mines, to compete with foreign rivals, but the hundreds of independents not similarly situated would surely go to the wall. In this way free trade would be creating a monopoly that protection has prevented.

As to the Democratic charge that it is a breeder of high prices, the protective tariff has been completely vindicated. The accusations so frequently made have been so often exploded that the subject is perhaps unworthy of further discussion; but I will venture to point out a few facts which absolutely refute this contention. The history of the tin-plate industry in this country is well known as having been created and fostered by the tariff until tin plate was produced at a cost to the consumer which was a fraction of the former prices paid to foreigners. Steel rails furnish another most striking instance. Silk, pearl buttons, wire nails, woolen manufactures, and other commodities, have been similarly reduced in cost to our citizens, while our manufactures have made possible a state of society in which the wage earner has become a self-respecting, well-to-do, prosperous citizen of whom we are proud, and not the object of charity, which free trade would make him.

A FREE-TRADE EXPERIMENT AND THE RESULT.

You may say, "Yes; but having now established our infant industries, why not let them stand, creep, walk, or fall down, according to their strength?" Why, we have tried that for the last three years on several items. The present war has obscured many of the facts; but take, for instance, the matter of hides again. Free trade in hides has not only discouraged the production of cattle, but has closed our tanneries, so that we have been dependent upon foreign countries for the finished product. Our breeders and tanners have lost their living, our hides bring less, and we pay more for leather and shoes. This is a glaring example now in everyday operation of how free trade compels us to sell in the cheapest and buy in the dearest market; and, incidentally, it conclusively shows, what I started out to show, that the protective tariff does not raise prices, while *free trade frequently increases the cost of living.*

NEED OF PROTECTION AGAINST CHEAP LABOR.

There is no question as to the present and future need of protection against the cheap labor of Oriental countries. The most complete and convincing proof of this need is to be found in the tables setting forth the wages paid in Japan that have appeared from week to week in the American Economist for several months past. These tables are taken from the official reports for the year 1915 of the Japanese Department of Finance. They show conclusively that in similar lines of labor wages in the United States are many times higher than in Japan. Surely we must have protection to meet that kind of competition.

Labor in the production of finished products is conservatively estimated to be 90 per cent of their value. This is the strongest argument that I can offer in support of a protective tariff. Let us manufacture our products here, and maintain the prosperity and well-being of our own people and of those who crowd our shores asking for work; men who are helping us to build up a commonwealth of strong, home-loving, well-informed citizens, who take a pride in the country and its institutions; a race that improves with each succeeding generation by reason of better conditions and increased opportunity. If we spend our money at home and give work to our own people they are bound to spend the proceeds of their labor in our communities, and it is their money that makes for our prosperity.

NO SUCH THING AS RAW MATERIALS.

Some will perhaps say that I am right, but that I should except raw materials from these statements. My answer is that there is no such thing as raw material, except what is known in the law as real estate. Everything that we possess in this country is, at least partly, a manufactured product, except the soil and what it contains—and the trees go with the soil. The moment the ore or coal or gas or oil is extracted from the ground, or the tree is felled in the woods, or the hay is cut in the meadow, it is a manufactured article—the product of labor. Let us not then deceive ourselves with the argument that wool or hides or lumber or iron ore or ingot copper is raw material and therefore entitled to entry at our customhouses free of duty, for every pound or ton or foot of such material imported into the United States has deprived us of something to which we are entitled, and has injured our fellow citizens to that extent.

LABOR, NOT CAPITAL, NEEDS PROTECTION.

The underlying principle of protection is not that capital requires protection but that labor needs it. This comes largely from the fact that the efficiency which we demand, the living conditions that are necessary in this country, the education which is compulsory, the high standards of morals required under our laws—all looking to the bettering of the social fabric—can not be maintained or enjoyed without each receiving a rate of pay that is commensurate with what is expected of the earner.

For these reasons our wages are higher, and for that reason our country is better, our standards are the loftiest, our labor the most efficient, our people the most intelligent and prosperous of any nation on the globe.

Now, then, if exactly the same conditions obtained in foreign countries as here, and if competing products were made by people who enjoyed the same rates of compensation and the same high privileges, and worked the same number of hours, we would need no protective tariff. We could not have absolute free trade, even under those conditions, but would require a tariff for revenue.

College professors who teach free trade seem to stop short in their economics, for they fail to grasp the true principle of protection. They omit the analysis and jump to the conclusion that all men are equal—taking this for an axiom. And then they try to argue that this is a natural conclusion, when, in fact and in philosophy, it is most unnatural and preposterous.

FREE TRADE BREAKS DOWN OUR SOCIAL SYSTEM.

To succeed under the one theory that the tariff can be abolished, or under the other that a tariff for revenue only can be Americanized, they must first break down our social system and reduce our American mechanics and farmers, indeed, of everyone who helps with his hands to produce anything in the United States, to the standard of the underpaid subservient, low-class artisan that he is in Europe and the Orient to-day. Not only this, but these theorists must again make over the able, educated, God-fearing father of an American family into the poorly paid laborer of Europe, or the rice-eating, idolatrous, hut-dwelling coolie that his competitor in Asia is to-day.

I do not know that I have made myself clear; but all will see the inequality of asking our people, upon whom we are depending for all that we expect our race to be, to work for the wages that are paid in producing the goods that compete with our own; nor would it be fair to ask a man to work 12 or 14 hours a day because it is done in foreign countries; nor would we wish to have our children work in the factories five or six hours a day, after having been in school from 7 o'clock in the morning, as is practiced in Germany and elsewhere.

These are a few of the reasons why I say that protection is largely a sociological problem and that revenue must be a by-product only. The real principle and the true economic spirit of our new Nation requires a protective tariff first, "and all these shall be added unto you."

THE DEMOCRATIC TARIFF PLANK.

Mr. President, the Democratic tariff plank in the St. Louis platform is evidently the result of superficial reasoning; otherwise it would have been less contradictory and evasive. As it is, it means so little as to be hardly worthy of careful analysis. It says:

> We reaffirm our belief in the doctrine of a tariff for the purpose of providing sufficient revenue for the operation of the Government economically administered, and unreservedly indorse the Underwood law as truly exemplifying that doctrine.

How can a party declare for a "sufficient revenue" and then unreservedly indorse the Underwood law, which does not and was never intended to provide sufficient revenue for the Government? But perhaps the committee on resolutions thought that if the Government had been economically administered (which it has not), then the Underwood law would have been "sufficient." It is no secret that the revenues under the Underwood law, with the greatest imports ever known, have fallen miserably short of the requirements of government, and that with all the special, excise, corporation, income, and other taxes we still face a big deficit, with a bond issue confronting us in the ultimate. Again, the plank reads:

> We recognize that tariff rates are necessarily subject to change to meet changing conditions in the world's production and trade.

Such considerations have no place in a tariff-for-revenue-only platform. All that they have to do in framing a revenue tariff

is to figure out the budget and fix the rates accordingly, just so as to raise the certain amount of money that seems to be necessary. It seems rather inconsistent to take anything else into account after making the declaration first quoted. But if they are going to give weight to other considerations, should they not consider the welfare of our own people rather than the interests of our foreign competitors?

AN IMPOSSIBLE TARIFF COMMISSION.

While the platform indorses the plan for "a nonpartisan tariff commission to make impartial and thorough study of every economic fact that may throw light upon either our past or upon our future fiscal policy with regard to the imposition of taxes or with regard to the changing conditions under which our trade is carried on," it is not stated to whom this commission shall report, if to anyone, nor just what functions it shall perform. It looks like an attempt to create the impression that the Democratic Party is willing to make an intelligent study of the tariff if it should be allowed to retain power. As to this each will draw his own inference. In reality it means that the correction of existing Democratic tariff wrongs and blunders is to be indefinitely postponed if that party remains in power. The term "nonpartisan" is a paradox, as no American citizen, outside of schools for the feeble-minded, can be nonpartisan as regards the tariff.

The platform does not make any mention of the deficit in the Treasury nor of the more than one and one-half billion dollar budget for the current fiscal year, but it simply indorses the Underwood law, under which the ship of state is kept on a course that brings her nearer to the rocks each succeeding day. Possibly the convention recognized, as do we, that in November next the whole country will rise up and speak, in a voice that can not be mistaken, condemning the policies outlined for the future by the Democrats, and that men will be chosen for public office who are known to have genuine convictions in favor of protection.

A PROTECTION PLATFORM.

In striking contrast to the St. Louis platform is the clear, concise, and unequivocal creed adopted at the Chicago convention, which says, regarding the tariff:

The Republican Party stands now, always has, in the fullest sense for the policy of tariff protection to American industries and American labor, and does not regard an antidumping provision as an adequate substitute. Such protection should be reasonable in amount, but sufficient to protect adequately American industry and American labor and be so adjusted as to prevent exactions by monopolies or trusts. It should, moreover, give special attention to securing the industrial independence of the United States, as in the case of dyestuffs.

Through wise tariff and industrial legislation our industries can be so organized that they will become not only a commercial bulwark but a powerful aid to national defense.

The Underwood tariff act is a complete failure in every respect. Under its administration imports have enormously increased, in spite of the fact that intercourse with foreign countries has been largely cut off by reason of the war, while the revenues of which we stand in such dire need have been greatly reduced.

Under the normal conditions which prevailed prior to the war it was clearly demonstrated that this act deprived the American producer and the American wage earner of that protection which enabled them to meet their foreign competitors, and but for the adventitious conditions created by the war would long since have paralyzed all forms of American industry and deprived American labor of its just reward.

It has not in the least reduced the cost of living, which has constantly advanced from the date of its enactment. Welfare of our people demands its repeal and the substitution of a measure which in peace as well as in war will produce ample revenue and give reasonable protection to all forms of American production in mine, forest, field, and factory.

This requires no comment, for every word means something, and its meaning is clear. Besides that, the party has a long record of kept campaign promises, and the American people always know in advance that a Republican President and a Republican Congress will carry out the pledges made to the electorate.

The fearless manner in which Republicans stand now, in the fullest sense, for the policy of tariff protection to American industries and American labor, is the attitude of men who know that they are right and know that everyone else should know it. There is no backing away from the question, no evidence of faint courage, no figuring on foreign cost plus this or that; just the plain, simple statement of what we know to be right, backed by the courage of our convictions.

It is easy to believe that everyone who reads this platform and contrasts it with the halting, vacillating, uncertain expressions of the Democratic platform, which favor a revenue tariff and then indorses a measure that has failed even as a revenue producer, will regard with favor the outspoken declaration of the Republican Party.

Many a man who has been on the political fence ever since 1906 will read the tariff planks of the two opposing parties and will say to himself, "Whatever I am or may have been, I am hereafter a member of and a worker for the party that has for its slogan the welfare of the American people and of its industries; and never again will I countenance the party that disdains to consider, in its platform or in its legislation, the well-being of the people whose affairs they seek to control."

THE EARLY PRESIDENTS WERE PROTECTIONISTS.

Mr. President, I have often quoted the early Presidents of the United States, every one of whom expressed himself in most definite terms in favor of protection. I will not take time now to repeat the inspiring language of these greatest of all American statesmen, but that all may be sure that the next President will be in full accord with his party and its policy of protection, see what Gov. Hughes said during the Taft campaign in 1908:

A policy that proposes, after the years of our development under protection, to put this Nation upon a free-trade basis *is opposed to the legitimate business of the country and the common welfare.*

It is not difficult to agree with Justice Hughes when he declared that free trade is opposed to the common welfare of the country. I have said in former tariff speeches, as I believed in my heart, that the Senators on the other side of the Chamber are just as patriotic and just as sincere in their convictions as I am; but I can not understand how anyone can espouse a policy so diametrically opposed to the best interests of the country and which so studiously ignores the welfare of the individual citizen.

PROTECTION SHOULD BE NATIONAL, NOT SECTIONAL.

A true patriot and a real protectionist is in favor of legislating on tariff matters for the whole country and not for the respective States or districts. We should be as strong for protection on Arizona copper as we are on New England cotton goods, as much in favor of protecting Minnesota wheat as Pennsylvania steel; as friendly to the lead and zinc of Missouri as to the manufactures of New York; in fact, our legislation should be national in its broadest sense. A witness before the Senate Finance Committee during the hearings on the Underwood bill brought out this idea in telling of what he observed in Germany. It was Mr. W. S. Rogers, of Connecticut. He was telling why the Germans could sell ball bearings in this country for less than we can produce them here, and said, in response to a question:

Why is that? Because Germany, as a Government, is protecting the Empire, while our Government is trying to protect the local fellow in each State. There they have a common desire to protect the Empire. The Saxon hates the Prussian to such an extent that he would like to see him sick abed half the time, but when it comes to the good of the 60,000,000 people in that little Empire it is "protect all of them," and the Government works hard to do it.

The tariff is for all of the people all of the time. If we are in favor of any special interest, that interest is the laboring element of the country, and that includes, of course, the farmer, the stock raiser, and every other American producer. Take away protection and in a short time we would be in a state of chaos while attempting to readjust our industrial system so as to meet the wages, hours, and living conditions of Europe and Asia.

In view, then, of what I have submitted, it will be understood why I regard it the patriotic duty of every man under our national emblem to work for, build up, and maintain a system which makes for the upbuilding of our industrial institutions—not because of the wealth that it incidentally creates, but because it is the only way in which we can contribute with certainty to the happiness, health, morals, and well-being of the people who make—the people who are—the country, which we all love and cherish.

THE VIEWS OF M'KINLEY.

On August 2, 1892, four years before he was elected President of the United States, the great apostle of protection and Americanism, William McKinley, uttered these words:

Thirty years of protection has brought us to the first rank in agriculture, in mining, and in manufacturing development. We lead all nations in the three great departments of industry. We have outstripped even the United Kingdom, which had centuries the start of us. Her fiscal policy for 50 years has been the free-trade revenue-tariff policy of the Democrats, ours for 31 years the protective-tariff policy of the Republicans. Tried by any test, measured by any standard, we lead all the rest of the world.

Mr. President, what McKinley said 24 years ago is equally as true to-day as when his words were uttered, and it requires no spirit of prophecy to discern the fact that the country will repudiate next November the tariff policy of the Democratic Party and return to the principles for which McKinley stood, and to which the Republican Party is absolutely and unqualifiedly committed.

Mr. GRONNA obtained the floor.

Mr. GALLINGER and Mr. OWEN addressed the Chair.

The PRESIDING OFFICER (Mr. WADSWORTH in the Chair). Has the Senator from New Hampshire concluded?

Mr. GALLINGER. I have concluded, but I will listen, if the Senator from North Dakota wishes to ask a question.

Mr. GRONNA. I thought the Senator from New Hampshire had concluded.

Mr. GALLINGER. I have concluded for the present.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Oklahoma?

Mr. GRONNA. I shall take only a few moments, and I prefer not to yield at this time.

The PRESIDING OFFICER. The Senator from North Dakota declines to yield.

Mr. GRONNA. Mr. President, there is no Member of this Senate for whom I entertain a higher regard and esteem than the Senator from New Hampshire [Mr. GALLINGER]. After listening to his very able speech, I would not now take the time of the Senate, nor do I intend to criticize what the Senator has said with reference to the protective-tariff policy; but, Mr. President, after listening carefully to what the Senator has said—and the Senator has prepared his speech with care and diligence, as he always does—I can not remain silent and admit that the revolt in the House of Representatives some years ago against the then leader JOSEPH G. CANNON was on the question of a protective tariff. The Senator from New Hampshire is mistaken. That revolt in the House of Representatives—and I may say that I was a Member of that body at that time and was also one of those who joined in that revolt—was against the policy pursued by the Presiding Officer. The revolt was made to liberalize the rules and to give every Member of the body an opportunity to be heard.

Mr. President, speaking for myself, I have no regret, nor have I any apology to make, for the action I took in then opposing Members of my own party in the House of Representatives.

One who is not entirely familiar with the record might think from the remarks made by the Senator from New Hampshire that the free-trade measure, the reciprocity agreement which President Taft tried to force upon us was supported by the so-called progressive Republicans. The record does not bear out such a statement. In order to make it perfectly clear, I want to take the opportunity at this time to insert in the RECORD the vote upon that measure.

Upon the final passage of the so-called reciprocity agreement, the RECORD shows that there were in the Senate 53 yeas and 27 nays. The Republicans who voted for the free-trade measure were as follows: Mr. Bradley, Mr. Brandegee, Mr. Briggs, Mr. Brown, Mr. Burton, and Mr. Crane——

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from North Carolina?

Mr. GRONNA. I yield.

Mr. SIMMONS. I understood the Senator from North Dakota to say that he was giving the names of Senators who voted for a free-trade measure.

Mr. GRONNA. These are the Republican Senators who voted for the free-trade measure.

Mr. SIMMONS. Of what free-trade measure does the Senator speak?

Mr. GRONNA. The Canadian reciprocity agreement.

Mr. SIMMONS. Oh. The Senator is giving the names of the Republicans who voted for a free-trade measure?

Mr. GRONNA. Yes, sir.

Mr. SIMMONS. Does the Senator recall the date of the passage of that act?

Mr. GRONNA. Yes; I will give the date. It was July 22, 1911.

Mr. President, repeating the names of the Republicans who voted for this measure, they are as follows:

Senators Bradley, Brandegee, Briggs, Brown, Burton, Crane, Cullom, Guggenheim, Jones, Lodge, McLean, Nixon, Penrose, Perkins, Poindexter, Root, Stephenson, Townsend, Wetmore, and Works.

Among those Republicans I find three progressive Republicans—Mr. JONES, Mr. POINDEXTER, and Mr. WORKS. Of the 27 Senators who voted against the measure I find 24 Republicans and 3 Democrats. Among the Republicans voting against this free-trade measure were Senators Borah, Bourne, Bristow, Burnham, Clapp, Clark of Wyoming, Crawford, Cummins, Curtis, Dixon, Gamble, Gronna, Heyburn, Kenyon, La Follette, Lippitt, Lorimer, McCumber, Nelson, Oliver, Page, Smith of Michigan, Smoot, and Warren.

Mr. GALLINGER. Mr. President, I will ask the Senator if he has the pairs before him?

Mr. GRONNA. Yes, Mr. President, I also wish to announce the pairs. The Republican Senators paired against this measure were the Senator from Vermont [Mr. DILLINGHAM], the Senator from New Hampshire [Mr. GALLINGER], and the Senator from Utah [Mr. SUTHERLAND]. The Senator from Delaware [Mr. DU PONT] and the then Senator from Maine, Mr. Frye, were paired, but I do not know whether they were paired against the measure or not.

It would appear from this list, Mr. President, that the Senator from New Hampshire is hardly warranted, especially at this time, in making an attack upon those who had been known—and I am glad to say, so far as I am concerned, and I believe there are others who would be glad to join me in the statement that they are still progressive Republicans, and had it not been that some of those who are in favor of unduly high tariff rates had insisted upon those rates there would have been no revolt in the Republican Party, because the men who are known as progressive Republicans are Republicans from the standpoint of protection as much so as is the Senator from New Hampshire.

Mr. GALLINGER. Mr. President, I have no desire to get into a controversy with my good friend the Senator from North Dakota. I think he must have misunderstood my language. I made no attack upon anybody, and I will state to the Senator that in alluding to Mr. CANNON I did not say that the revolt was because of his protective principles; I said he was a very strong protectionist, and I simply stated the historical fact that there was a revolt. I knew that the question of the rules had much to do with the revolt. That is all. I criticized nobody, and have no disposition now to criticize anybody. I know the Senator is just as good a protectionist as I am, and I know he holds his convictions just as strongly as I do mine, and I respect him for it.

Mr. GRONNA. Mr. President, I am sure that there will be no quarrel between the Senator from New Hampshire and myself. I said at the outset that there is no Senator on this floor for whom I have a higher regard and respect or whom I hold in higher esteem than the Senator from New Hampshire, but I can not, Mr. President, let the statement of the Senator from New Hampshire go unchallenged.

Mr. KENYON. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Iowa?

Mr. GRONNA. Certainly.

Mr. KENYON. I was not in the room when the statement to which the Senator referred was made, and I should like to inquire what was the statement of the Senator from New Hampshire?

Mr. GRONNA. Well, Mr. President, of course the RECORD will speak for itself. The inference that I got from the statement made by the Senator from New Hampshire was that there was a revolt within the Republican Party by the so-called Progressives, although he did not mention them by name, against the protective principle. So far as the revolt in the House was concerned, the question of protection did not enter into that fight at all.

Mr. GALLINGER. Mr. President, if the Senator will permit me, I want now to state most emphatically that I made no such assertion as the Senator says I did. I did not use the word "Progressive." I cited an historical fact, but I did not say what was the occasion of it.

Mr. GRONNA. The Senator from New Hampshire said that certain men in the Republican Party led in a revolt and made an attack upon a distinguished Member of the House, JOSEPH G. CANNON, who was then Speaker of the House. That is true. The attack was made upon the Speaker of the House, and it was made by Republicans.

Mr. GALLINGER. Yes; and I said nothing to the contrary.

Mr. GRONNA. But it was not made on account of tariff principles, nor was it made because of a demand for a reduction in tariff schedules.

Mr. GALLINGER. Nor did I say that it was.

Mr. GRONNA. Mr. President, I have said about all I care to say. I wanted the RECORD to show that the men who were responsible for the revolt in the House of Representatives are not responsible for any free-trade measure. When it was proposed by the then leaders of the Republican Party to force down upon a class which by the very nature of things can not combine and create a monopoly—the farmers of this country—to give them free trade in all their products, that scheme was championed by the ultraprotectionists, by the "old guard," by what we called the "stand-pat Republicans," and not by the progressive Republicans.

Mr. GALLINGER. If the Senator will permit me, the Senator will not include me in that list, so far as the Canadian reciprocity act was concerned, because the Senator well remembers that I took a pretty active and pronounced position in opposition to it. If I have criticized anybody in what I said this morning, I think I criticized my associates who voted for that

measure, because I said most of them were sorry for having done so, as I happen to know they are.

Mr. GRONNA. I admit, Mr. President, that my good friend the Senator from New Hampshire was consistent, as he always is. He opposed the reciprocity agreement, and, although he was not present when the final vote was taken, he was paired against the measure.

Mr. GALLINGER. I was present, but I was paired.

Mr. GRONNA. The RECORD shows that the Senator was paired against it.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER (Mr. LEA of Tennessee in the chair). Does the Senator from North Dakota yield to the Senator from North Carolina?

Mr. GRONNA. I yield.

Mr. SIMMONS. If I understand the Senator, his position is that the difference of attitude of the so-called Progressives and the Republicans in regard to the protective principle is a matter of percentages. They both believe in protection. The Progressives believe in protection, but they do not believe in the kind of protection that the Senator from New Hampshire [Mr. GALLINGER] believes in, or the kind of protection the Senator from Pennsylvania [Mr. PENROSE] believes in, or the kind of protection the Senator from Utah [Mr. SMOOT] believes in. Am I correct in that?

Mr. GRONNA. If the Senator from North Carolina will leave out the Senator from New Hampshire and the Senator from Utah, I can answer the question. The Progressives were not in favor of such a tariff as the Senator from Pennsylvania [Mr. PENROSE] favored, as the RECORD shows, because the Senator from Pennsylvania was in favor of free trade in agricultural products, and the progressive Republicans were not.

Mr. SIMMONS. Then, I will put it in another way if the Senator objects on account of my individualizing. As I understand, the Progressives believe in protection, but they do not believe in the kind of protection the Republican Party as it was organized and controlled in the campaign of 1912 believed in.

Mr. GRONNA. Well, Mr. President, the progressive Republicans are perfectly willing—I have no right to speak for anyone except myself—and speaking merely for myself, I was perfectly willing to follow the platform of 1912, and I believe that all the Republicans, regardless of what they may be called, were willing to live up to the provisions of that platform. But I believe that the leaders of our party misconstrued that platform. There was a demand all over this land for a reduction of tariff schedules. It was used upon the stump by Republicans who were candidates for office.

Mr. SIMMONS. Then, if the Senator will pardon me again, as I understand the Senator now, while the Progressives believe in protection, they do not believe and did not believe in protection as exemplified in the Payne-Aldrich bill.

Mr. GRONNA. Mr. President, again speaking for myself only, if the Senator from North Carolina wants to know my belief with respect to the protective principle, I believe in a protective tariff, but I believe in a tariff that will protect all industries alike, and especially those industries where there is no combination in control of products, either the large majority or the entire products of the country.

Mr. SIMMONS. Let me ask the Senator again whether the Progressive Party was not in part organized as a protest——

Mr. GRONNA. I hope the Senator will not ask me anything about the Progressive Party. I never have belonged to the so-called Progressive Party. I never have belonged to any other party than the Republican Party.

Mr. SIMMONS. But the Senator has been differentiating the position of the Progressives and the Republicans on the tariff, and I think I have a right to ask him a question with reference to that to get his viewpoint. As I understand the Senator, his position with respect to this matter is that the organization of the Progressive Party was in the nature of a protest against the abuses of protection and the high rates carried in the Payne-Aldrich bill.

Mr. GRONNA. I want to be perfectly frank with the Senator from North Carolina. There was a revolt within the Republican Party against the unduly high protective rates on certain schedules. There is no question about that.

Mr. SIMMONS. That was my understanding. Now, I want to ask the Senator another question. As I understand the position of the old-line Republicans who have spoken upon this bill—the Senator from New Hampshire [Mr. GALLINGER], the Senator from Pennsylvania [Mr. PENROSE], and others, the representatives of the old guard—propose to the country that the large additional sum of money that we must have on account of our preparedness program should not be raised by direct taxation, increases in the income tax, inheritance taxes, and so on; that it should not be raised by issuing any bonds, but that it should be raised by and through the customhouse. Now, the Payne-Aldrich bill averaged during its life, from the customs revenues, only about $320,000,000 per annum. If we are to get the additional money needed to finance the preparedness program through customs duties, we would have to double the tariff duties; they would have to be greatly increased or greatly expanded.

Mr. WEEKS rose.

Mr. GALLINGER. Mr. President, before the Senator answers that question——

The PRESIDING OFFICER. Does the Senator from North Dakota yield, and to whom?

Mr. GRONNA. I yield to the Senator from New Hampshire.

Mr. GALLINGER. Will the Senator permit me to suggest to him—I have no doubt it has already suggested itself to his mind—that no one of us has ever argued that we ought to raise all the money from customs duties, but that we ought to raise more than we are raising under the law that is now on the statute books. Is not that our contention?

Mr. GRONNA. I agree with the Senator.

Mr. GALLINGER. And to that extent we would save the necessity of direct taxes.

Mr. WEEKS. Mr. President——

Mr. GRONNA. I now yield to the Senator from Massachusetts.

Mr. WEEKS. I simply wanted to comment on the fact that the Senator from North Carolina has frequently lectured the Senate during the consideration of this bill for delaying action.

Mr. SIMMONS. I have never lectured the Senate in my life.

Mr. WEEKS. The Senator himself is delaying the proceedings at this time, not for the purpose of enlightening the situation but for the purpose of gaining a political point. I want to call to his attention the fact that both the Progressive and the Republican platforms of 1912 stood for protection, and also that if the lowest Payne-Aldrich rates were now in force, based on our present importations, there would be an added revenue of $176,000,000 a year.

Mr. SIMMONS. If the Republican revenue laws were in force to-day our revenues would be less than under the present law. The present law raises more than would the Republican laws they supersede.

Mr. SMOOT. Then how does the Senator figure——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Utah?

Mr. GRONNA. I yield.

Mr. SIMMONS. The largest amount of revenue ever raised in this country in any one year was $734,000,000, under the present law in 1914. The Payne-Aldrich law, supplemented by the other revenues of the Government, never did yield in any year of our history that much money.

Mr. SMOOT and Mr. CUMMINS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota has the floor. To whom does he yield?

Mr. GRONNA. I yield to the Senator from Utah.

Mr. SMOOT. The Senator made the statement just a moment ago that in order to raise the amount necessary to pay the running expenses of the Government we would have to double the rates of the Payne-Aldrich bill.

Mr. SIMMONS. Or expand them.

Mr. SMOOT. Now, he simply makes the statement that if the Payne-Aldrich rates were in force, the present bill would raise more money. Mr. President, of course that will not deceive anybody in the United States. The income tax and all of the other taxes that were put on, of course, raised more than the Payne-Aldrich bill; but I say now to the Senate that, taking the importations for the fiscal year 1916, the customs tax collected was $211,000,000, and the average rate was 9.72 per cent. The average rate of the Payne-Aldrich bill was 18.8 per cent; and if the importations were the same this year as they were for 1916, there would be a gain of $183,000,000 in customs receipts.

Mr. CUMMINS and Mr. SIMMONS addressed the Chair.

The PRESIDING OFFICER. To whom does the Senator yield?

Mr. GRONNA. I yield to the Senator from Iowa.

Mr. CUMMINS. Mr. President, I am probably as responsible for the differences of opinion which arose some years ago among members of the Republican Party with respect to the tariff as any one man. I am not willing to allow the Senator from North Carolina to define the economic faith of progressive Republicans. I fear he does not understand the subject, at least from their point of view; and if the Senator from North Dakota will permit me, I want to correct to a degree the opinions which are evidently entertained by the Senator from North Carolina.

Mr. SIMMONS. Mr. President, will the Senator pardon me? I have not expressed any opinion of my own. I was trying to get the opinion of the Senator from North Dakota.

Mr. CUMMINS. Mr. President, there is nothing more common in the Senate than to express an opinion through the form of an inquiry or a question.

Mr. GRONNA. Before the Senator from Iowa answers that I will say to the Senator from Iowa that I have not as yet had the opportunity of answering the Senator; but I shall be very glad to yield to the Senator from Iowa.

Mr. CUMMINS. I know that the Senator from North Dakota has been rather excluded from the controversy by the insistence of other Senators. If he will permit me——

Mr. GRONNA. I shall be glad to do so.

Mr. CUMMINS. The progressive Republicans, so called—and I was one of them—believed sincerely that there were many duties in the Dingley tariff law which were too high, higher than necessary to completely protect domestic producers from unfair competition arising in other countries, and the struggle began with that assertion. These Republicans believed that the law which was substituted for the Dingley tariff law in 1909 contained many duties that were higher than necessary to embody the doctrine of protection as declared in Republican platforms, and some of us voted against the Payne-Aldrich tariff law of 1909. I was one of the Senators who so voted.

But the Senator from North Carolina is wholly mistaken when he assumes that the revenue derived from a tariff law depends entirely upon the duties which may be imposed. He is endeavoring now to put the progressive Republicans in the position of saying that the present law is adequate, because if a law were substituted like the Payne-Aldrich law one hundred millions more would be derived from the customhouses, and, therefore, that we ought not to object to the present tariff law.

The existing statute is more objectionable to the progressive view than any Republican tariff law that was ever passed. It is easy to raise the duties so that there will be no revenue at all, and yet the Senator from North Carolina seems to incline to the opinion that the higher the duties the more the revenue. That is only true of those things which we do not produce ourselves and must import. The tariff law for which I stand would present duties which would raise, in my opinion, $100,000,000 more at the customhouses than is raised by the present tariff law, and yet would contain no duty so high that fair competition was not possible under it.

Mr. SIMMONS. Mr. President, will the Senator pardon me?

Mr. CUMMINS. If we have a fair tariff law which accurately equalizes the difference between the cost of producing things abroad and the cost of producing things here, we will have adequate protection and at the same time we will raise the maximum revenue.

I thought I ought to say this, because the question—not any answer that the Senator from North Dakota has made, because he has had no opportunity to make any—but the question seemed to imply that progressive Republicans were in favor of a tariff law that would produce less revenue than the Payne-Aldrich bill. It is mere speculation, but as my views are formulated in my own mind I am not in favor of any such law. I believe in raising at the customhouses every dollar of revenue possible by attaching to competitive commodities duties that will fairly represent the difference between the cost of manufacturing or producing them abroad and here, coupled with the further condition that the duties, in the case of competitive commodities, must admit the domestic producer to the markets of his own country and enable him to do business there with fair opportunity for success.

Mr. SIMMONS. Mr. President——

Mr. CUMMINS. That is my view with regard to the tariff, and I did not want any misapprehension to arise about it. I supplement what the Senator from North Dakota has said. I should like to bury these differences at the present time; but, inasmuch as they will arise, I must record my opinion to the effect that if the Republicans had followed the suggestions of the progressive Republicans in composing the tariff law of 1909 our Democratic friends would still be languishing in obscurity and in the minority. I hope that when the Republicans do come to make up a tariff law—and I think that opportunity will present itself before long—the general rule which I have suggested will prevail, for we have all come to know each other better and we are more persuaded of the mutual desire to construct a tariff law that will accomplish the real purpose of the Republican doctrine, and accomplish no more.

Mr. SIMMONS. Mr. President, will the Senator permit me to interrupt him now, with the consent of the Senator from North Dakota?

Mr. GRONNA. I have only a very little more to say, but I yield to the Senator.

Mr. SIMMONS. I want to say to the Senator from Iowa that I think I very thoroughly understand the Senator's views upon the tariff. He very fully and elaborately discussed them several years ago when we were considering this question, pending the consideration of the present tariff act. I did not understand that he differed very materially from such Senators as the late lamented Senator Dolliver. He made it clear then, as he does now, that he was a protectionist, but he protested against the abuses of protection as exemplified in the Payne-Aldrich bill. He was a protectionist, but he was opposed to some of the high and some of the prohibitive rates of the Payne-Aldrich bill. I understood that to be the position of the Progressive Party.

Mr. President, the Senator certainly knows that I am as well aware as he is that you can make a tariff rate so high that it becomes prohibitory and no revenue will accrue to the Government from it. I think that was true of many of the duties of the Payne-Aldrich law.

What I meant a little while ago in my question was this: The Progressives protested against the high rates of the Payne-Aldrich bill. Now we are confronted with an extraordinary situation. We have got to raise about $360,000,000 for preparedness purposes. The Republicans say it should not be raised by direct taxes, excise taxes, internal-revenue taxes, that no part of it should be raised by the issue of bonds, but all of it should be raised at the customhouse through tariff impositions.

Now, I said, and I want to repeat, that the Payne-Aldrich law in its best year only yielded $333,000,000. The average yield was only $320,000,000. We only realized about just enough money to pay expenses, with a little surplus sometimes, with a little deficit sometimes. How would you raise the additional $360,000,000 through the customhouse without increasing customs taxes enormously?

Mr. CUMMINS. I answered that.

Mr. SIMMONS. I tried to interrupt the Senator, and he would not yield. So let me finish. I understand the Senator from Iowa says that we will raise it from the customhouse, not by increasing the Payne-Aldrich rates, that he is opposed to, but by reducing the Payne-Aldrich rates.

Mr. CUMMINS. I would reduce some of them; not all. Some of the rates of the Payne-Aldrich law are perfectly just from the Republican standpoint; but I believe——

Mr. SIMMONS. The Senator did not let me finish my sentence before he interrupted me. I did not do the Senator that way. The Senator said he would raise it through customs tariffs, not by increasing the Payne-Aldrich rates, but by reducing the Payne-Aldrich rates. Then, wherein does the Senator differ from us? We have reduced those rates, but have not received as much revenue as we expected because of the great curtailment of dutiable imports on account of the war. We may have to reduce them lower than the Senator would have reduced them, but it was our purpose, first, to get revenue, and, next, to do justice to the consumers of the country.

Mr. CUMMINS. There is no Republican of whom I know who believes that a tariff law could be rewritten which would increase the revenue over the present revenue in the sum of $360,000,000.

Mr. SIMMONS. Exactly.

Mr. CUMMINS. But there are Republicans, and I am one of them, who believe that a tariff law could be written which during the course of the next year would raise $100,000,000 or $125,000,000 more than the Democratic law will raise without imposing any duty which is excessive as tested by the Republican standard, namely, a duty which will give to American producers a fair chance to enter their own markets——

Mr. GRONNA. Mr. President——

Mr. CUMMINS. And do business there successfully.

Mr. SIMMONS. If the Senator will just pardon me one moment——

The PRESIDING OFFICER. The Senator from North Dakota has addressed the Chair. Does he yield further?

Mr. SIMMONS. That is exactly what I have been trying to get at. We have to raise $360,000,000 more money by reason of preparedness. Now, the Senator says that you could not through the customhouse raise more than $100,000,000 of that money. The Republican Party are denouncing us for proposing to raise a part of this money by direct taxation.

I want to ask the Senator this question, and that is the gravamen of my purpose in making this interruption. I have the Senator's statement now that he does not believe that by a proper revision of the Payne-Aldrich rates more than $100,000,000 additional could be raised. The amount of customs revenue raised through the Payne-Aldrich law in 1913 was $318,000,000. That would still leave two hundred and sixty-odd million dollars to be raised. The Senator did not indicate how he would raise that money. I want the Senator, if he is not going to raise that additional $260,000,000 through the customhouse, to indicate what is his plan. What would be his scheme if he could write the law to raise that additional $264,000,000?

Mr. CUMMINS. The first thing I would hav done——

The PRESIDING OFFICER. The Senator from North Dakota has the floor. Does he yield?

Mr. GRONNA. Yes.

Mr. CUMMINS. The first thing I would have done would have been to have omitted appropriations to the extent of $100,000,000 or $200,000,000, and then there would not have been so great a deficiency to provide for. But I say frankly I have no expectation in the immediate future of a tariff law that will raise more than $325,000,000 or $350,000,000 at the customhouse; and if, with a Government economically and prudently administered, the revenues at the customhouses are not sufficient, then I am in favor of raising the remainder through an income tax——

Mr. GRONNA. Mr. President——

Mr. CUMMINS. Or an increase in the income tax.

Mr. LIPPITT. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield further?

Mr. GRONNA. I shall conclude in a few moments.

The PRESIDING OFFICER. The Senator from North Dakota declines to yield further.

Mr. GRONNA. Mr. President I did not rise for the purpose of entering into a general discussion of the tariff. I propose to-morrow to make some observations on the pending revenue bill, and will then discuss the tariff. But since the Senator from North Carolina [Mr. SIMMONS] has raised the issue, I will say to him that, in the first place, I would not have burdened the American people with $600,000,000 of taxes that they will have to pay under your administration, because the amount which you appropriated for the year 1917 will total more than $1,700,000,000. If I had something to say about how this Government should be run, I would have kept expenses down and I would have kept appropriations down to about the same as you had them last year, $1,115,000,000. That will be increased this year more than $600,000,000.

The Senator from North Carolina asked me how I would increase the revenue above that of the Payne-Aldrich law. I will say to him I would levy a duty on hides and all other agricultural products. The Democratic Party, with the aid of the stand-pat Republicans, if they will pardon me for the expression, said to us, and told the farmers who are interested in the question of hides, "If you will place hides on the free list we will sell you shoes at 50 cents a pair cheaper." What was the result? The Senator from Mississippi [Mr. WILLIAMS] knows, and every Senator here knows, that shoes have advanced ever since, and that never in American history have shoes sold as high as they do to-day. The price of hides went down to the farmer, the manufactured product increased, the leather increased in price, and, as every intelligent citizen of the country knows, the price of shoes has continually been increasing.

Mr. GALLINGER. Mr. President, just a word. The Senator from North Dakota is always fair. The Senator should exempt the stand-pat Republican from New Hampshire in the matter of hides.

Mr. GRONNA. I did not mean to include the Senator from New Hampshire with respect to the tariff, because he really is becoming a Progressive.

Mr. SIMMONS. I do not understand that the Democrats placed hides on the free list——

Mr. GALLINGER. Mr. President, I have had recognition. I simply wanted to say, as the Senator already knows, that I fought with as much zeal against removing the duty from hides as I did against the foolish reciprocity agreement that was proposed.

Mr. GRONNA. That is absolutely true, and I am sorry I did not make myself understood and make my statement more specific. But the Senator from New Hampshire knows that some of the leading Republicans of the manufacturing districts were responsible for the plan of free hides in a Republican tariff bill.

Mr. GALLINGER. Yes; and they did a very foolish thing.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Ohio?

Mr. GRONNA. Just in a moment I will yield. I want to answer the Senator from North Carolina. The Senator from North Carolina, the chairman of the Committee on Finance, asked me the question how I would raise sufficient revenue by a customs tariff. I say to the Senator from North Carolina that if the so-called Progressive Republicans could have had their say in writing the Payne-Aldrich tariff law the duties would have been lowered on some things and they would have been restored on some of the articles that were placed on the free list.

I am going to try to show to the Senator from North Carolina to-morrow, if he will honor me with his presence, that under such a rate, based upon the importations this year, we would have raised three hundred and eighty-odd million dollars of customs taxes, which is more than $170,000,000 above what you are raising under your present tariff law. The Senator from North Carolina knows that every article produced on the farm was placed on the free list in your law. The Senator from North Carolina, who is chairman of the committee, knows that there is not a single item of farm product that is protected in your free-trade law. It is not a free-trade law in manufactured goods. You have protected some of your industries and your own industries, but you failed to protect ours.

Mr. President, I have occupied the time of the Senate far longer than I intended. I simply rose for the purpose of calling to the attention of my good friend, the Senator from New Hampshire [Mr. GALLINGER] the fact that he was mistaken in assuming, if he did assume, that the revolt in the House of Representatives was due to a tariff question. It was due, as we believed, to unfair treatment by those who at that time were in control of the Republican Party; and, as one who participated in that revolt, I have never felt sorry nor felt ashamed of my action.

Mr. WEEKS obtained the floor.

AMENDMENT OF FEDERAL RESERVE ACT.

Mr. OWEN. I ask the consent of the Senator from Massachusetts to present a conference report on House bill 13391, to amend the act approved December 23, 1913, known as the Federal reserve act, by adding a new section.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield for that purpose?

Mr. WEEKS. I yield for that purpose.

Mr. OWEN. I want to call the attention of the Senate to an error in the print where section 13 is described. The words—

except by authority of the Federal Reserve Board, under such general regulations as said board may prescribe, but not to exceed the capital stock and surplus of such bank, and such regulations shall apply to all banks alike regardless of the amount of capital stock and surplus—

should be stricken out; they were stricken out in section 14. The omission was not observed until the print came in.

Mr. GRONNA. Will the Senator yield to me for a question?

Mr. OWEN. I call the attention of the Senator from North Dakota to the first part of the report in which there was inserted a clause relating to reserves which he opposed and which the Senate struck out.

Mr. GRONNA. I wanted to ask the Senator, with the permission of the Senator from Massachusetts——

Mr. WEEKS. Very well.

Mr. GRONNA. By what authority the committee of conference has reinserted the provision relating to section 19. If the Senator from Oklahoma will take the RECORD and follow the debate on this floor, he will see that he agreed to eliminate the section, the part relating to section 19, which provided that all the reserves of a bank may be taken out and deposited in some Federal reserve bank?

Mr. OWEN. If the Senator from North Dakota will permit me, the amendment to the House bill was one amendment which in being perfected on the floor of the Senate was objected to in this item by the Senator, but the House of Representatives through their conferees insisted upon restoring it.

Mr. GRONNA. Mr. President, the Senator knows that there was no such provision at all in the bill when it came from the House.

Mr. OWEN. Certainly not. There was no part——

Mr. GRONNA. It was not in the bill when it passed this body, but your conference committee inserted something which was never in the bill.

Mr. OWEN. The House of Representatives through their members had a right to amend the Senate amendment as a matter of parliamentary propriety and as a matter of parliamentary right. The Senator evidently thinks this matter is a bill which had passed both Houses where there were only particular differences to be considered. He would be right in his criticism if that were true.

Mr. GRONNA. If the Senator——

Mr. OWEN. Just a moment. But in this case the House provision was stricken out, the Senate provision was put in, and the House demands the amendment to the Senate amendment. That is all there is about it.

Mr. GRONNA. May I ask the Senator what difference it made whether the House provision was stricken out or the Senate provision was stricken out, so long as the provision was not placed in the bill by either House?

Mr. OWEN. I call the attention of the Senator again to the parliamentary fact that the Senate amendment to the House bill was one amendment, including a number of sections, and that the House of Representatives had a right to perfect that by demanding changes in it. I am speaking of the parliamentary

right now of the House conferees. They exercised that right and made the demand.

Mr. GRONNA. Mr. President, I want to say to the Senator from Oklahoma that I wish to be heard on that, but I do not wish to take the Senator from Massachusetts from the floor now.

Mr. OWEN. The conference report is before the Senate now. If the Senator wants to be heard, I take it he will address himself to that question.

Mr. SIMMONS. Is the Senator simply offering the conference report now?

Mr. OWEN. I ask for the adoption of the conference report now.

The PRESIDING OFFICER. There has been no motion made to take up the conference report.

Mr. GRONNA. I object to taking it up.

Mr. SIMMONS. The Senator from Oklahoma asks that the report be taken up?

Mr. OWEN. I did not move to take it up. I only asked that it be taken up.

The PRESIDING OFFICER. The Senator from North Dakota objects to unanimous consent to taking up the report. It can not be taken up without a motion.

Mr. SIMMONS. I would be willing, if the Senator from Oklahoma desires, to temporarily lay aside the unfinished business that the conference report may be acted on.

Mr. OWEN. I would have brought this matter up yesterday, but the Senator from North Dakota was not present, and because of that the matter was postponed until to-day to give him an opportunity to be present. These conference reports have got to be disposed of, and this report may as well be disposed of now as at another time.

Mr. SIMMONS. I ask unanimous consent that the unfinished business be temporarily laid aside for that purpose.

The PRESIDING OFFICER. Is there objection?

Mr. GRONNA. I shall have to object at this time.

The PRESIDING OFFICER. The Senator from North Dakota objects.

Mr. OWEN. I move that the report be taken up.

Mr. SIMMONS. Mr. President, a parliamentary inquiry. I understand the matter before the Senate is the motion of the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Massachusetts yielded to the Senator from Oklahoma to make a request for unanimous consent to present the conference report, and that was objected to by the Senator from North Dakota. So the Senator from Massachusetts still has the floor. If he yields to the Senator from Oklahoma for the purpose of a motion, of course the motion will be entertained.

Mr. WEEKS. I think as long as the conference report is likely to be debated to a considerable extent, based on what I hear about me, it would be better to take it up at another time.

Mr. OWEN. I call the attention of the Senator to the fact that the House of Representatives will not meet again until next Tuesday. It is in session to-day.

Mr. WEEKS. Personally, I do not want to object to the adoption of the conference report.

Mr. SIMMONS. I think the Senator from Oklahoma is in error about the House not meeting until next Tuesday.

Mr. OWEN. I was so told.

Mr. SIMMONS. My understanding is that this is a privileged motion and that its adoption would not displace the unfinished business except so long as it is necessary to dispose of the conference report.

Mr. GALLINGER. The Senator is quite wrong about that. It is not a privileged motion.

Mr. SIMMONS. I rose for the purpose of having the decision of the Chair upon that question, because I was advised by a distinguished parliamentarian that it is privileged.

Mr. SMOOT. To consider a conference report is not a privileged motion. The presentation of a conference report is privileged.

Mr. GALLINGER. That is all.

Mr. SIMMONS. I simply wish the ruling of the Chair.

The PRESIDING OFFICER. The ruling of the Chair is that the reception of the report is a privileged matter, but the adoption of the report is not.

Mr. GALLINGER. That is right.

Mr. OWEN. I move that the Senate proceed to the consideration of the conference report.

The PRESIDING OFFICER. The Senator from Oklahoma moves that the Senate proceed to the consideration of the conference report on the disagreeing votes of the two Houses on House bill 13391.

Mr. GRONNA. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from North Dakota suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Hughes	Nelson	Smith, Md.
Borah	Husting	O'Gorman	Smoot
Bryan	Jones	Oliver	Sterling
Chilton	Kenyon	Overman	Stone
Clarke, Ark.	Lane	Owen	Taggart
Colt	Lea, Tenn.	Penrose	Thomas
Cummins	Lee, Md.	Pittman	Thompson
Curtis	Lippitt	Reed	Warren
Dillingham	McCumber	Shafroth	Weeks
Fletcher	McLean	Sheppard	Williams
Gallinger	Martin, Va.	Simmons	
Gronna	Martine, N. J.	Smith, Ga.	

Mr. MARTINE of New Jersey. Mr. President, I was requested to announce that the Senator from Oregon [Mr. CHAMBERLAIN] and the Senator from Mississippi [Mr. VARDAMAN] are absent on official business.

Mr. SIMMONS. Mr. President, has the roll been called a second time for absentees?

The PRESIDING OFFICER. It has not yet been called a second time. Forty-six Senators have answered to their names. There is not a quorum present. The Secretary will call the names of absentees.

The Secretary called the names of absent Senators, and Mr. HARDING, Mr. POMERENE, Mr. RANSDELL, Mr. SMITH of South Carolina, and Mr. UNDERWOOD answered to their names when called.

Mr. HARDWICK, Mr. BECKHAM, and Mr. SAULSBURY entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty-four Senators have answered to their names. There is a quorum present.

The question is on the motion of the Senator from Oklahoma [Mr. OWEN] to proceed to the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13391) to amend the act approved December 23, 1913, known as the Federal reserve act, by adding a new section.

Mr. OWEN. Mr. President, while I am well within my rights in asking for this action, and while under Rule XXVII a conference report when presented as a privileged matter has the right to immediate disposition without debate, because of the sentiment of the Senator from North Dakota [Mr. GRONNA] I am willing to withdraw my request and to let the matter go over until to-morrow. I give notice, however, that to-morrow I shall demand the disposition of this question.

The PRESIDING OFFICER. Without objection, the motion is withdrawn.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. GALLINGER. Mr. President, I ask unanimous consent that I may, at some future day, have printed in the RECORD the following titles of speeches, which I have heretofore delivered in the Senate on the tariff question, including my remarks of to-day, with subheads from the context and with an appropriate index. The titles I propose are as follows:

"American tariffs from Plymouth Rock to McKinley and Dingley."

"Prosperity is the issue."

"Protection is panic proof."

"Protection has vindicated itself."

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THOMPSON. I desire to have printed in the RECORD, without reading, an editorial from the Washington Post of August 23, 1916, relative to the financial condition of the country. The editorial is short.

The PRESIDING OFFICER. Without objection, the request is granted.

The matter referred to is as follows:

FORGING AHEAD.

When steel common made its high record of 95 recently it topped the previous peak of 1909 by an eighth of a point. The high point reached in 1909 followed a bitter competition in which prices were cut and wages were lowered. The war in the steel industry sent the price of the stock down to 41½. The recovery was one of the most sensational ever observed in the stock market. Whereas the net earnings of the company for the first quarter of 1909 were a little over $22,000,000, the earnings for the final quarter nearly reached $41,000,000.

The rise of the present year has been equally sensational. In February of 1915 the stock had dropped to 38. There had been a recovery of 57 points when the high record of 95 was reached.

As against the net earnings for 1909, amounting to more than $131,000,000, the net earnings of 1916 are estimated at $312,000,000. There could be no better evidence of the firm foundation on which the pros-

perity of the country rests. The United States Steel Corporation is not engaged in manufacturing munitions of war. Its business responds to the demand for railroad extensions, the construction of steel bridges, and the need for new buildings. The enormous prosperity of the company is an indication that the country is forging ahead steadily, with abundant prosperity in sight.

Mr. OWEN. Mr. President, the request of the Senator from New Hampshire [Mr. GALLINGER] to have printed in the RECORD speeches previously made by him on the tariff encourages me to ask permission to have inserted in the RECORD at some future time my remarks on the tariff delivered on June 15, 1909.

The PRESIDING OFFICER. Without objection, permission is granted.

Mr. WEEKS. Mr. President, if a political party were to be given credit for the volume of legislation for which it is responsible, I am sure that the present administration would stand high in the records of our past administration; but if it were to be charged with the character of the legislation for which it is responsible, I am confident that it would take a very low place in those records. It is true that a vast amount of legislation has been passed. Many of the bills to which I am going to make reference I have opposed, because I thought they were illogical, unsound, and unwise; but I do not recall any one of them that, from the standpoint of a correct public policy, seems to me to be so unwise and undesirable as the bill which is now pending before the Senate.

Something has been said here to-day about protection and about some differences which may exist between Republicans on that subject. Of course, there are differences between Republicans as to the rates of duty which shall be imposed on some particular articles. It would not be human that that condition should be different. We represent different sections of the country; we represent, to some degree, different interests. We are here especially charged with the care of things which are transpiring in our immediate vicinity. We may, therefore, very naturally take a different view of something with which we are very familiar from the view taken by Senators who live at a distance. There is no difference, however, among Republican Senators on the question of the protective policy. We all believe in protection, and there is where we differ from Senators sitting on the other side of the aisle.

They have broken down protection, and will continue to do it at every opportunity. It is the policy which this bill represents that I think is so unwise from a public standpoint that I want to take time to discuss it. At the expense of some repetition I wish to insert a few figures in the RECORD relating to the needs for this legislation at this time.

There are two reasons for it. One is that we have been making unusual preparations for war or defense; another is that this administration, notwithstanding its party pledges—and I want once more to insert in the RECORD the party platform on that subject—notwithstanding its pledges has been more extravagant than has any administration which has controlled our Government.

We appropriated for war purposes in the appropriation bills of 1916 $257,696,000; we have appropriated for military needs this year in all of the bills that we have thus far considered $606,644,000, or $348,000,000 more than we did in 1916; it is estimated that the deficiency bills will carry about $40,000,000 more; so that substantially $390,000,000 will be appropriated this year for war purposes more than was appropriated last year. That is one reason for this large additional appropriation, but our total appropriations for this year will exceed $1,700,000,000; just how much can not at this time be determined. The total appropriations for the year 1916 were $1,114,000,000, so that this year they will be approximately $585,000,000 greater than they were in 1916.

As the war appropriations cover, as I figure them, $389,000,000, it leaves an excess over 1916 for other than war purposes of $196,113,000. As a further comparison which may be of some interest I want to suggest that the appropriations with which those of 1916 are being compared exceeded by something like $177,000,000 those which were made in the last Republican Congress. The reasons why we have not revenues enough for these purposes are that the appropriations are greater and the returns at the customhouses are less than ever before.

We had a panic following the Wilson tariff law of 1895, when the average rates of duty were 22 per cent, which resulted from those rates, very largely. The average rate for the fiscal year 1916 has been 9.6 per cent.

The President and others connected with his party have frequently said that the reason we have not revenue enough is because of the falling off of importations due to the European war; but, as a matter of fact, the importations for 1916 have increased more than $500,000,000 over those of 1915, and are more than $300,000,000 greater than they have ever been in the history of the country. The trouble is that the average rate of duty which these importations bear at the customhouse is 3 per cent less than it was in 1915, and is 8 per cent less than it was at the lowest rate imposed during the life of the Payne-Aldrich bill; in other words, if we added that 8 per cent to the importations that came in last year we should have produced a revenue of $176,000,000, more than the revenue which the importations actually produced; and that $176,000,000 added to the more than $200,000,000, which has been appropriated for purposes outside of the ordinary activities of the Government, would almost exactly offset this $889,000,000 which we must raise for war purposes; in other words, we would have had revenue enough if the Democratic Party had not appropriated money for various unusual purposes which I will enumerate, and had it left the rates of duty as high as the lowest rate of the Payne-Aldrich bill.

Mr. President, I ask permission to put into the RECORD a table of the importations from the year 1910 to the year 1916, the duties collected as a result of those importations, and the average rates for each year.

The PRESIDING OFFICER (Mr. HUSTING in the chair). The Chair hearing no objection, it will be so ordered.

The matter referred to is as follows:

Importations, duties collected, and average rate of duty on all imports, by fiscal years.

Fiscal year.	Value of imports.	Duties collected.	Rate.
			Per cent.
1910[1]	$1,556,947,430	$333,683,445	21.4
1911[2]	1,527,226,105	314,498,071	20.6
1912[3]	1,653,264,934	311,257,348	18.8
1913[4]	1,813,008,234	318,142,344	17.6
1914[5]	1,893,925,657	292,128,528	15.4
1915[6]	1,674,169,740	209,268,107	12.5
1916[7]	2,197,883,510	211,866,222	9.6

[1] Payne law took effect Aug. 6, 1909—eleven months.
[2] First full year, Payne law.
[3] Democrats took control of House. Tariff revision by schedules, vetoed by President Taft.
[4] Democrats assume complete control; general revision under way.
[5] Underwood law took effect Oct. 4, 1913—nine months.
[6] Eleven months war period.
[7] Full war period. High record on imports, low record average duty rate.

Mr. WEEKS. The Senator from Alabama [Mr. UNDERWOOD] in a speech made the day before yesterday used this expression:

> Among the great principles that have come down to us from the days of a Jefferson, a Madison, and a Jackson is the principle that in equality of taxation there is justice; that in the abuse of the taxing power of the Government there can only result injustice and oppression to the men and women of America.

Instead of raising this money in a just way, in a fair way, I insist that the bill which is now before the Senate is unfair; it is unjust to individuals; it is unjust to localities; it is a measure prepared for the purpose of getting as much revenue as possible and to affect as few people as possible. Why did not the Democratic House and the Democratic Senate or the Democratic caucus adopt the suggestion of the President, made at the beginning of the year, that we impose a tax on gasoline or that we impose a tax on automobiles? The Democratic caucus did not do that because there are millions of people in the United States running automobiles and millions of people using gasoline, and it did not want to affect the votes of the users of those articles. Instead of that they raised the tax on incomes, as it has been done, because they know that it will affect comparatively few people.

The tendency to which I have referred of the Democratic Party in legislation to pass bills which relate to subjects outside of the usual activities of government is one which is largely responsible for the present condition of the Treasury. For example, we have appropriated $5,000,000, and that amount has been set aside, to establish a war-risk insurance company. We have appropriated $30,000,000 for the purpose of building a railroad in Alaska. We are so anxious to tax the rich that we are proposing to spend $20,000,000 for a nitrate plant; we have appropriated $11,000,000 for an armor-plate factory, and we know perfectly well that if the armor plant is to be large enough to carry out the purposes which its sponsors hope it will cost substantially twice that amount.

A bill appropriating $50,000,000 for flood protection is now pending—a new object of governmental expenditure—and a $50,000,000 appropriation has been made for the purposes of carrying out the provisions of the shipping bill. All told, taking the extraordinary appropriations of this character which have been made by this Congress, they aggregate something like $266,000,000, which again substantiates the statement I have made that if the revenue which could have been derived from the rates imposed under the Payne-Aldrich Act were added to the amount obtained at the customhouses last year, and that total were

added to the present extraordinary appropriations to which I have referred, the total would amount to more than the appropriations for war purposes made this year in excess of those made for the year ending June 30, 1916.

Mr. THOMAS. Mr. President——

Mr. WEEKS. I yield to the Senator.

Mr. THOMAS. I am sure the Senator intends to be entirely fair in his statement, particularly with regard to the items of appropriation. I desire to remind the Senator that the appropriation for the Alaska Railroad was not made by the present Congress, as the Senator has intimated, but by the Sixty-third Congress.

Mr. WEEKS. I understand that part of the appropriation was made in one Congress and part in the other.

Mr. THOMAS. The authorization for the total amount was made in the previous Congress.

Mr. WEEKS. I am much obliged to the Senator for calling my attention to that, because I, of course, do not wish to make any misstatement in regard to it.

Mr. THOMAS. I am satisfied the Senator did not intend to do so.

Mr. WEEKS. Now, in adopting the course which the Democratic Party has taken in framing this bill, it seems to me that it has entirely changed its party policy; it has become a socialistic party instead of a Democratic Party. A few days ago I happened to be reading an address made by a distinguished leader of the Democratic Party some 30 years ago, a man who was thought by many members of his party as a suitable presidential candidate, a man who adorned both the Senate and our Diplomatic Service, and I could not help note the difference between the activities of the old Democratic Party as represented by the views which Thomas F. Bayard expressed as the correct policy for the Government to follow and the course which that party has pursued in recent years. Let me read briefly from this address to which I have referred. He said:

> All tendencies of legislation which, ignoring individual responsibility, substitute governmental control in matters social and personal, weaken the powers of the individual and, enfeebling them by disuse, lessen their agency in the good government of himself and his family. In this mischievous substitution of governmental power in matters social and personal lies the objection to sumptuary laws, interference with conscience in social and religious affairs, the invasion of the domain of private opinion and personal liberty, which seeks to impose penalties for anticipated acts and offenses as yet uncommitted. * * *
>
> It is, in fact, the principle of socialism, of communism, of paternal oversight of the Government substituted for individual endeavor, guided by intelligent self-interest and restrained by individual conscience.
>
> It is to promote the healthy sentiment and habit of self-reliant manhood that the Democratic Party throughout the United States insists upon the fullest degree of individual liberty of conscience and action consistent with public safety and the rights of others; and for that reason we deprecate all unnecessary interference with the rights of local self-government, and all class legislation by the General Government which assumes guardianship and protection over the business of the private citizen, and functions of control over matters of domestic and local interest.

Compare that statement with what has been done by the Democratic Party during this administration. But if that were not enough to condemn it, let me quote a present-day leading Democrat, the present occupant of the White House on that particular subject. He said in an article in the American Review two months after the conclusion of President Roosevelt's term of service:

> Government control, which we are undertaking so extensively and with so light a heart, sets up, not a reign of law, but a reign of discretion and individual judgment on the part of Government officials in the regulation of the business of stock companies owned by innumerable private individuals and supplying the chief investments of thousands of communities. I can see no radical difference between governmental ownership and governmental regulation of this discretionary kind. There is no logical stopping place between that and the actual conduct of business enterprises by the Government. Such methods of regulation, it may be safely predicted, will sooner or later be completely discredited by experience.

Mr. MARTINE of New Jersey. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from New Jersey?

Mr. WEEKS. Certainly.

Mr. MARTINE of New Jersey. I desire to ask the Senator the name of the author of the little extract which the Senator has read?

Mr. WEEKS. The last extract is from the President of the United States, Woodrow Wilson.

Mr. MARTINE of New Jersey. Now, may I ask who was the author of the first quotation the Senator read?

Mr. WEEKS. The speech from which I first read a paragraph or two was made by Thomas F. Bayard in 1882. What I am trying to point out is that the Democratic Party as at present constituted has entirely departed from the spirit and the principles which governed the fathers of that party and which have governed the leaders of that party down to the present administration; it is for that among other reasons that we are now faced with the necessity for these large and unusual appropriations, made not according to the principles of democracy or republicanism, but of socialism, pure and simple.

Mr. MARTINE of New Jersey. May I not ask is it not the view of the Senator from Massachusetts that the Republican Party also has wandered from its moorings since the days of Abraham Lincoln?

Mr. WEEKS. Mr. President, we occasionally wander, but we get back very quickly when we find that we are wrong. The Democratic Party keeps on wandering until it has gotten so far in the wilderness that I fear it will never get back.

Mr. MARTINE of New Jersey. If the Senator will pardon me, I think the Republican Party are many, many leagues from the foundations builded by the immortal Lincoln.

Mr. WEEKS. Mr. President, the junior Senator from Alabama [Mr. UNDERWOOD], who, from the important position he has occupied in connection with fiscal legislation, is justly considered one of the leaders of his party, in the speech to which I have referred, made day before yesterday, stated that this bill is an ideal Democratic measure and fully carries out the Democratic principles of taxation. Which bill did he mean, the House bill, which relieved the country from $45,000,000 additional stamp taxes, or the Senate bill, which includes them; the House bill, which put a surtax of 100 per cent upon the existing minimum income tax—that is, doubled the normal taxes of 1 per cent and raised the rate on larger incomes—or the Senate bill, which increased the higher rates to 13 per cent; or did he mean the Senate bill, which reduced the exemptions from four thousand to three thousand dollars and three thousand to two thousand dollars, or the caucus bill, which put the exemptions back to the limit in the present law?

Incidentally I want to say, Mr. President, that I see no objection to the principle of an income tax, but I have opposed the Government levying an income tax at any other time than during a period of great emergency. The income tax now proposed, however, is absolutely unfair. If the tax applied to incomes down to and including $1,000, it would affect hundreds of thousands and millions of citizens who now bear no part in supporting the Government under such measures of taxation as this bill provides. It would be better for the Government, it would be better for our revenues, it would be better for the individuals themselves, if the law were made to apply to all incomes from $1,000 up. The reason the law is not so applied is perfectly apparent. It is not the purpose of the Democratic Party to embarrass any more citizens than possible. Therefore it imposes such a tax as one of 13 per cent on incomes of more than $2,000,000. I do not expect to excite any sympathy in the minds of anyone for the man who has an income of $2,000,000, even if 13 per cent of it is taken; but if it is logical to take 13 per cent, why is it not logical to take 26 per cent or 52 per cent or 75 per cent? He would have enough left for any of the needs of any possible family. If any of the taxes which are imposed in this bill relating to incomes are logical, then it is just as logical and just as easy to double them. We are doubling them now over what they were in the law which is now on the statute books; and next year, if we happen to want more money, we will double them again. But we will be pretty sure not to impose this tax on the great body of citizens, because that would affect the possibilities of reelecting those who have a voice in so doing.

There is no logic in this method of taxation. I heard a distinguished leader of the House of Representatives during my service there, when asked what limit he would place on taxing the income of an individual, said, "Well, if a man had a hundred thousand dollars income, I would take a quarter of it for the Government. Yes," he said, "I would take half of it; and, even then, the individual would have enough left to maintain himself." Mr. President, that is not taxation; that is confiscation; and this bill is partial confiscation as it is now framed.

When you take 13 per cent of any man's income and apply it to the expenses of the Government, taxing another man 5 per cent, another man 2 per cent, and another man nothing, there is no logic in it; there is no soundness in it; it is unfair and unsafe. As I have said, I do not expect to excite any sympathy for the individuals with very large incomes, and I have no particular desire to do so, but they are citizens of the Republic and they are entitled to fair treatment by those who are sent here to represent them.

Mr. PENROSE. Mr. President, would the Senator object to an interruption on that point?

Mr. WEEKS. Not at all.

Mr. PENROSE. The Senator might also refer to the fact that these people all pay State and local taxes, which pyramid the burden. A gentleman very well known to the Senator—I do not know that he is a man of very great means, though he is well off—informed me yesterday that he figured out that his total personal taxes were 33 per cent of his income, counting his State, city, and Federal taxes.

Mr. WEEKS. Undoubtedly that is true. I know, Mr. President, that in the State of Massachusetts the tax for State, county, and municipal purposes is $26 per capita. The tax which we impose under the law which is now on the statute books for governmental purposes is less than $8 per capita. In other words, these individuals are paying more than three times as much in the State of Massachusetts for local purposes than they are asked to pay for governmental purposes under this unfair legislation.

Mr. PENROSE. And even in the midst of this great war in Europe I am informed that the personal taxes abroad do not much exceed 25 per cent of the incomes, so that under this law we will be the most heavily taxed Nation in the world.

Mr. WEEKS. Now to return to the particular phase of the bill which I was discussing. Did the Senator from Alabama mean the House provision which placed a discriminatory and extremely burdensome tax on copper as a profitable war industry, or the Senate bill which completely makes over that schedule and simply taxes the part that goes into military uses?

Did he mean the House bill, which does not tax steel, alcohol, cotton, and other similar articles used in the manufacture of war materials, or the Senate bill, which puts a tax on all such products? Did he mean the House bill, which placed no tax on the profits of a business selling munitions abroad or the Senate bill, which provides for such a tax? And, incidentally, to my mind—which is not a legal one—such a tax comes pretty near the verge of being unconstitutional, for it is very close to the dividing line of placing a duty on exports. Did he mean that it was a principle of the Democratic Party to place the Government in the position of being a beneficiary of the plunder obtained in making war materials to be used in slaughtering human beings? For the tax on munitions presupposes large profits and also presupposes large sales, and therefore our Government, which is attempting to maintain a neutral position, is, in effect, in direct partnership with every munition maker who is selling his products abroad, and the money obtained from this tax is to be used in providing for our own preparedness measures. Hence, there is a direct connecting link between the destruction of human lives in Europe and every vessel we are to construct for our Navy as a result of this legislation.

Did Mr. UNDERWOOD mean that a tariff on dyes is a Democratic measure; and if so, how long has it been the policy of the Democratic Party to place a duty on a product for the purpose of building up or protecting an industry? Naturally, putting this law into effect is postponed until peace, because there is now a prohibitive duty on dyes due to the blockade. Is it a Democratic measure to prevent a citizen of the United States from buying a bargain abroad at as low a price as possible, and is it a Democratic policy to put into the hands of the President the power to retaliate for any unfair discriminations levied upon goods from this country by after-the-war economic alliances?

And so I might go through the whole bill. It may be Democratic policy, but to a thoughtful investigator it is in reality a bill attempting to collect revenue from sources from which it can be obtained and affect as few voters in so doing as possible. If it is logic to levy an income tax as it was levied in last year's bill, it is equally logical to double that tax and very materially increase surtaxes. If a tax of 13 per cent is to be levied on incomes of over $2,000,000, why not levy a tax of 26 per cent on such incomes or 52 per cent or 78 per cent? That would leave the owner of the income a sufficient amount on which to live. It strikes me that this policy is simply one of expediency, and that the Democratic Party has lost such character as it had as an organization having principles and has become purely socialistic in matters of this kind.

It is hardly worth while to criticize this bill as discriminating between classes of citizens and sections of the country, for it was evidently the intention of the framers of the bill that it should be so. Neither is it worth while to criticize the bill because it has not been amended in the respects in which the country has found taxes unnecessarily burdensome. Neither is it worth while to criticize it because it imposes a tax on the last one of those sources of income which should be reserved to the State, namely, the inheritance tax. There is no objection to an inheritance tax, but there is vital objection to doubling and tripling taxes on such sources of revenue. Many States have income taxes and inheritance taxes. Local demands for all kinds of developments and improvements are rapidly increasing, and the income and inheritance taxes are two of the sources of revenue which should either be collected by the State and a percentage turned over to the National Government, or, better, should not be imposed at all by the National Government in time of peace.

This whole bill from its inception has been vacillating in its purposes, and, I am frank to say, unskillful in its execution. Neither House agrees with the President in his suggestions, one of which was a tax on gasoline and automobiles—a tax which would certainly be productive of revenue and of much more permanence than a tax on ammunition, which necessarily must end with the war—but that affected millions of voters and the prudent Democracy which hopes to win an election by deceiving the people can not stand for it, although it was recommended by its own leader.

The Federal income tax, authority for which was given by amending the Constitution, was supposed to be used as an emergency tax; yet it has been deliberately levied in time of peace, is now being doubled in a time of unprecedented, even if it is a mushroom, prosperity, and this occurs at a time when many States have found it necessary to impose such a tax. Massachusetts has recently passed a law levying an income tax. The Federal inheritance tax comes at a time when New York has added to the burdens of its inheritance tax.

I have been told that the inheritance tax as imposed by the State of New York under present conditions in some cases requires a payment of 8 per cent of the total inheritance to the State. Possibly the copper-producing States would have liked to have levied a tax on copper for their own purposes, but they naturally and very properly objected to a discrimination in the tax as proposed in the House bill.

I have suggested that this is class legislation, and to some degree that it was sectional legislation. I do not charge that it is sectional legislation with a purpose to make it sectional; but in its effect it does impose on certain States of the Union an unreasonable part of the burdens of taxation imposed in this way. I refer particularly to my own State, which has, to a considerable degree, it is true, accumulated wealth; and there is no disposition on the part of the people of that State to avoid their proper responsibility in taxation matters. Before I leave this subject, Mr. President, I should like to put in the RECORD, because I think it is of value under these conditions, the estimated true value of all property in the United States, being a part of the census reports, table 5, for 1912.

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Without objection, it is so ordered.

Mr. WEEKS. And also the revenues of all kinds obtained from the different States during the past year through ordinary, emergency, corporation, and personal income taxes.

The PRESIDING OFFICER. Without objection, they will be incorporated in the RECORD.

The matter referred to is as follows:

Estimated true value of all property and of specified classes of property, by geographic divisions and States: 1912.

Geographic division and State.	Total.	Real property and improvements.	Live stock.	Farm implements and machinery.	Manufacturing machinery, tools, and implements.	Gold and silver coin and bullion.	Railroads and their equipment.	Street railways, shipping, waterworks, etc.	All other.
Total	[1]$187,739,071,090	$110,676,333,071	$6,238,388,985	$1,368,224,548	$6,091,451,274	$2,616,642,734	$16,148,532,502	[1]$10,265,207,321	$34,334,290,655
New England	11,805,422,012	7,248,043,478	152,411,703	53,648,227	766,480,256	168,386,104	501,391,191	667,812,193	2,247,248,860
Maine	1,069,594,027	485,858,919	32,745,172	15,628,096	69,941,215	14,779,215	149,196,850	77,912,060	223,532,500
New Hampshire	649,320,469	335,212,237	16,015,159	6,020,570	38,561,611	8,023,193	76,619,613	31,072,620	137,795,466
Vermont	527,261,775	255,994,278	30,651,098	10,694,726	19,089,082	6,499,412	66,338,921	20,642,085	117,352,173
Massachusetts	6,302,988,392	4,118,215,738	43,148,947	12,110,883	377,873,043	101,876,063	135,123,384	348,842,372	1,165,797,962
Rhode Island	970,802,690	600,747,009	6,874,870	1,883,634	93,860,055	13,603,256	12,483,737	53,771,682	187,578,447
Connecticut	2,285,454,659	1,452,015,297	22,976,457	7,310,318	167,155,250	23,604,965	61,628,686	135,571,374	415,192,312
Middle Atlantic	46,211,667,778	30,315,701,320	519,253,198	177,725,806	1,994,416,371	899,203,161	1,500,820,231	2,792,249,523	8,012,298,168
New York	25,011,105,223	16,910,262,952	263,577,707	89,172,586	813,601,441	632,554,526	553,314,487	1,787,201,570	3,961,419,954
New Jersey	5,743,032,278	3,856,914,601	45,847,959	13,865,402	303,596,418	54,897,349	165,778,631	302,215,110	999,916,808
Pennsylvania	15,457,530,277	9,548,523,767	209,827,532	74,687,818	877,218,512	211,751,286	781,727,113	702,832,843	3,050,961,406

Estimated true value of all property and of specified classes of property, by geographic divisions and States: 1912—Continued.

Geographic division and State.	Total.	Real property and improvements.	Live stock.	Farm implements and machinery.	Manufacturing machinery, tools, and implements.	Gold and silver coin and bullion.	Railroads and their equipment.	Street railways, shipping, waterworks, etc.	All other.
East North Central	$39,502,313,584	$23,748,446,047	$1,301,591,448	$289,229,016	$1,415,243,372	$488,763,883	$3,079,251,197	$2,035,016,810	$7,144,771,811
Ohio	8,908,432,943	5,173,708,410	273,611,491	54,181,255	423,068,286	112,275,002	607,038,239	584,792,883	1,679,757,427
Indiana	5,194,682,500	2,957,867,352	227,006,381	43,733,375	178,384,997	57,444,477	480,251,362	286,566,614	963,427,942
Illinois	15,484,450,232	10,046,319,512	386,701,265	79,473,427	451,299,068	205,185,274	926,403,787	748,713,023	2,640,354,876
Michigan	5,427,022,651	3,067,378,894	184,782,900	54,140,466	199,266,379	63,658,411	584,884,648	268,201,502	1,004,709,451
Wisconsin	4,487,725,258	2,503,171,879	229,489,411	57,700,493	163,224,642	50,200,719	480,673,161	146,742,838	856,522,115
West North Central	31,208,417,942	18,690,288,308	1,838,987,471	403,249,087	363,455,087	285,898,127	3,313,503,472	843,052,977	5,469,983,413
Minnesota	5,547,327,017	3,391,615,408	217,832,281	56,775,152	83,647,680	51,531,987	564,672,082	231,846,178	949,426,249
Iowa	7,868,454,211	5,111,230,343	491,613,546	102,981,406	58,520,370	49,566,432	635,695,172	133,831,854	1,285,015,088
Missouri	5,842,017,009	3,264,058,859	308,100,681	55,328,257	125,037,985	93,140,304	613,546,469	267,556,780	1,113,247,674
North Dakota	2,141,626,961	1,261,388,140	125,614,381	49,878,002	5,244,543	12,453,723	277,870,640	17,051,547	392,125,985
South Dakota	1,398,573,425	639,661,792	145,815,404	38,100,632	6,043,576	12,334,760	258,641,210	25,801,674	272,174,377
Nebraska	3,794,986,781	2,316,850,464	265,473,943	48,111,560	35,081,497	30,453,382	384,432,025	79,476,484	635,104,426
Kansas	4,615,432,538	2,705,483,302	284,537,235	52,074,078	49,876,436	36,417,539	578,665,874	87,488,460	820,889,614
South Atlantic	14,843,963,211	7,535,324,781	485,664,137	107,212,399	545,733,504	226,711,255	1,976,695,855	680,270,319	3,285,350,961
Delaware	307,948,613	172,148,377	8,794,481	3,417,202	16,693,931	3,936,059	20,908,048	20,411,455	61,639,060
Maryland	2,177,958,864	1,345,483,922	45,903,766	12,509,481	85,042,692	28,722,903	91,591,546	165,625,265	403,079,289
District of Columbia	1,173,857,112	902,023,891	1,794,926	83,608	13,785,676	8,778,789	19,468,338	64,167,592	163,754,292
Virginia	2,289,913,786	1,176,103,685	85,954,360	19,756,852	66,657,021	37,836,727	296,128,318	103,841,555	503,635,268
West Virginia	2,303,571,209	1,399,189,713	55,993,204	7,405,732	60,271,939	23,590,424	232,878,472	67,305,992	456,935,733
North Carolina	1,807,573,780	709,300,022	85,068,318	20,315,423	85,119,631	37,626,636	326,771,879	44,410,575	507,961,296
South Carolina	1,351,400,753	506,607,276	61,304,088	15,604,670	98,942,660	25,507,035	220,932,828	55,766,258	366,735,938
Georgia	2,382,600,866	904,983,602	106,429,447	23,176,865	90,428,881	45,623,056	465,999,385	129,508,626	616,460,004
Florida	1,049,138,228	429,484,293	34,421,547	4,942,566	28,791,073	15,089,626	302,026,041	29,233,001	205,150,081
East South Central	7,680,040,736	3,381,631,974	439,418,056	80,653,752	222,238,538	149,231,864	1,137,275,275	304,139,933	1,945,457,344
Kentucky	2,267,777,525	1,139,433,836	135,524,104	21,961,843	41,218,821	41,650,223	247,266,327	91,799,742	547,922,629
Tennessee	1,920,348,261	831,914,027	126,175,142	22,504,071	50,649,681	39,058,353	253,394,762	118,787,097	477,855,128
Alabama	2,127,054,930	933,661,266	86,921,130	17,812,825	95,250,311	38,211,885	352,614,162	65,268,571	537,314,780
Mississippi	1,344,860,020	476,622,845	89,797,680	18,375,013	35,119,725	30,304,403	284,000,024	28,275,523	382,364,807
West South Central	15,434,960,541	8,666,784,508	722,172,650	128,079,443	250,665,542	175,407,024	2,107,781,380	346,620,452	3,037,449,542
Arkansas	1,829,521,736	890,976,538	88,301,395	18,487,026	30,524,632	27,064,086	333,824,378	32,908,222	407,435,459
Louisiana	2,164,437,746	1,028,988,975	64,772,977	17,065,106	88,307,350	32,739,070	390,189,948	93,342,172	449,035,148
Oklahoma	4,581,091,918	3,138,755,256	174,193,995	30,404,140	21,965,234	34,258,132	383,688,745	48,415,760	749,410,656
Texas	6,859,909,141	3,608,063,739	394,904,283	62,123,171	109,868,326	81,345,736	1,000,081,309	171,954,298	1,431,568,279
Mountain	6,753,014,065	2,799,845,396	460,554,283	55,554,446	163,747,325	69,651,582	1,499,071,030	564,515,334	1,140,074,669
Montana	1,149,732,986	450,271,730	91,707,546	11,913,204	6,199,272	11,119,466	275,535,572	106,010,526	196,975,670
Idaho	608,305,157	143,201,061	58,398,555	11,912,252	18,598,415	7,757,979	159,755,166	95,201,419	113,489,310
Wyoming	353,844,827	90,280,515	54,434,914	4,128,753	3,043,944	3,593,443	103,078,595	26,723,620	68,561,073
Colorado	2,386,923,583	1,223,511,598	88,039,546	14,400,570	91,333,941	23,696,056	369,238,739	197,641,592	379,021,541
New Mexico	513,733,036	147,056,680	55,003,870	4,716,452	3,661,788	6,644,604	187,646,905	18,070,248	90,929,479
Arizona	501,852,186	183,408,911	43,997,336	1,992,308	12,603,832	4,729,163	130,657,476	37,982,596	86,474,364
Utah	781,613,390	376,008,261	39,301,735	4,777,304	24,491,145	9,580,423	129,582,931	57,963,901	139,907,690
Nevada	457,008,910	186,106,640	29,650,581	1,713,603	3,786,018	2,530,448	143,575,646	24,921,432	64,724,542
Pacific	13,626,919,363	8,289,267,259	318,336,039	72,872,372	369,471,279	153,386,734	1,032,742,871	1,339,186,922	2,051,655,887
Washington	3,218,360,623	1,888,850,453	68,242,365	18,797,487	111,048,892	35,799,788	351,546,678	227,341,952	516,733,008
Oregon	1,944,354,463	1,163,594,445	74,362,095	14,545,429	38,107,957	25,133,773	179,916,887	145,746,770	302,941,107
California	8,464,204,277	5,236,822,361	175,731,579	39,529,456	220,314,430	92,447,173	501,279,306	966,098,200	1,231,981,772

[1] Includes $402,351,858, value of ships belonging to the U. S. Navy, and $290,000,000, value of privately owned water-supply systems, not distributed by States.

ORDINARY, EMERGENCY, AND INCOME-TAX RECEIPTS.

Supplemental statement showing by States and Territories ordinary receipts only, "emergency revenue" (act of Oct. 22, 1914, which was extended to and including Dec. 31, 1916, by public resolution No. 2, approved Dec. 17, 1915), and income-tax receipts under act of Oct. 3, 1913, during the fiscal year ended June 30, 1916.

States, Territories, etc.	Ordinary, exclusive of emergency revenue.	Emergency revenue.	Corporation income tax.	Individual income tax.
Alabama	$91,320.15	$264,967.02	$201,568.82	$109,983.51
Alaska	15,426.94	15,819.01	5,697.20	10,741.56
Arizona	10,767.72	107,549.46	182,694.64	50,607.07
Arkansas	66,064.81	240,191.64	112,074.11	44,278.79
California	8,385,137.97	3,407,417.56	1,886,379.17	1,488,184.98
Colorado	321,312.31	536,946.50	464,293.67	342,478.80
Connecticut	1,451,227.60	1,123,038.88	1,275,389.68	1,446,218.16
Delaware	332,769.19	223,641.36	1,078,185.89	1,441,431.59
District of Columbia	502,594.93	268,839.18	152,892.39	493,682.99
Florida	1,264,683.73	309,379.62	108,600.12	133,461.34
Georgia	173,855.29	651,579.58	367,291.95	199,546.46
Hawaii	99,514.48	140,540.05	341,938.37	112,144.95
Idaho	27,138.33	109,794.07	129,392.94	40,932.61
Illinois	45,757,773.68	8,783,789.10	5,579,151.99	5,166,689.91
Indiana	28,024,055.01	1,599,705.69	814,207.98	410,320.05
Iowa	586,426.07	1,181,446.60	517,887.96	277,098.45
Kansas	140,997.32	599,136.62	377,189.51	139,303.47
Kentucky	35,870,087.11	795,135.49	411,845.54	165,112.75
Louisiana	8,562,260.33	917,970.24	406,416.45	296,341.35
Maine	75,958.62	248,679.10	320,841.32	193,181.89
Maryland	6,178,812.76	1,248,778.67	555,687.34	806,216.58
Massachusetts	5,586,322.87	3,610,683.91	2,668,189.60	4,193,828.30
Michigan	6,102,953.86	2,370,278.24	2,020,472.80	1,876,745.98
Minnesota	1,939,692.45	2,166,679.89	1,854,447.24	866,557.91
Mississippi	12,443.02	146,888.01	78,096.61	67,456.97
Missouri	10,439,488.85	3,627,064.98	1,583,236.61	1,206,728.67

Supplemental statement, etc.—Continued.

States, Territories, etc.	Ordinary, exclusive of emergency revenue.	Emergency revenue.	Corporation income tax.	Individual income tax.
Montana	$360,910.05	$347,006.74	$174,529.91	$90,952.95
Nebraska	3,360,394.38	829,502.60	332,705.69	160,206.31
Nevada	48,651.50	51,149.84	5,207.40	5,224.54
New Hampshire	451,607.48	266,111.01	103,162.65	101,777.92
New Jersey	11,312,065.40	2,788,394.16	1,037,733.80	2,928,300.13
New Mexico	45,796.36	77,937.63	138,868.57	43,916.16
New York	36,579,000.27	23,131,431.50	14,947,802.46	30,252,255.39
North Carolina	18,709,871.54	333,033.35	323,927.03	176,754.33
North Dakota	15,317.23	236,461.59	97,939.34	38,432.79
Ohio	22,968,942.71	4,730,613.99	3,627,218.61	2,416,701.11
Oklahoma	31,251.57	442,021.61	404,575.80	489,440.08
Oregon	381,216.15	334,602.68	197,795.61	118,437.49
Pennsylvania	24,170,235.56	7,544,834.41	6,789,242.89	6,313,191.41
Porto Rico	588,551.78			
Rhode Island	758,645.10	541,505.04	416,816.44	686,626.04
South Carolina	112,233.52	236,863.00	173,188.91	76,250.01
South Dakota	105,517.45	233,851.70	78,211.48	20,161.60
Tennessee	1,742,918.51	604,744.63	329,015.11	207,316.37
Texas	944,375.55	1,517,773.42	807,670.97	672,456.10
Utah	172,403.68	246,334.55	430,493.93	85,452.71
Vermont	20,973.03	95,585.08	83,533.01	259,470.85
Virginia	7,982,385.52	647,808.77	647,833.93	289,932.99
Washington	557,739.96	765,485.16	374,240.51	298,425.57
West Virginia	1,276,999.95	357,513.46	332,149.92	132,064.13
Wisconsin	8,474,945.77	3,180,685.91	778,335.91	570,948.98
Wyoming	48,602.98	70,708.23	109,210.07	21,623.57
Philippine Islands	258,097.63			
Total	303,507,733.03	84,278,302.13	[1] 56,972,729.88	67,943,594.63

[1] Does not include $29,937.10 income tax on Alaska railroads.

Mr. WEEKS. When this matter came to my attention, as I was referring to the Senator from Alabama, I naturally looked at the taxes imposed on the State of Alabama and compared them with those imposed upon the State of Massachusetts. The total wealth of the State of Massachusetts in 1912 was $6,302,000,000. It pays an emergency tax of $3,610,000, a corporation income tax of $2,668,000, a personal income tax of $4,193,000, or a total in new forms of taxation of $10,471,000. That is a tax of $1 on every $625 of its wealth.

The State of Alabama—and Alabama is not peculiar in this respect; there are many other States in different parts of the country where the figures would not be very different—has a total wealth of $2,127,000,000, or something over one-third the total wealth of Massachusetts. It pays an emergency tax of $264,000, a corporation tax of $201,000, a personal income tax of $109,000, or a total tax for these three purposes of $576,000, which amounts to $1 of tax on every $3,700 of its wealth; or, Massachusetts pays six times as much per dollar of wealth.

I heard the Senator from Alabama say on the floor of the Senate last winter, when defending the Underwood-Simmons bill, that it was the deliberate purpose of the Democratic Party to tax wealth, or to make wealth pay its proportional part of the burdens of government. I do not think there is any great objection to that, but there is a vital objection to an unfair tax, wherever it is, or on whomever it may be imposed, and when $1 of tax is raised in Alabama on $3,700 of wealth and $1 of tax is raised in Massachusetts on $625 of wealth, that is unfair and unreasonable taxation. This law, whether intentionally or not, Mr. President, is so drawn that the few will be taxed and the many will escape; and it may be, as has been charged—I do not charge it—that it is drawn with a particular purpose to impose the burdens of government on a few States.

One of the most unreasonable and unwarrantable propositions in this bill, to my mind, is the attempt to prevent unfair competition. It proposes to punish an individual in the United States who buys goods abroad at a price that would prevent the same class of goods being produced in this country without loss to the producer. When the Underwood tariff bill was before the Senate I discussed at some length the proposition of selling abroad at lower prices than goods sold in this country by the same manufacturer or producer. Republicans have been criticized for advocating this course and manufacturers have been criticized for following it. I tried to demonstrate then, and I thought I did, that it was a wise business policy for us to encourage sales abroad, even if the sales were made at materially lower prices than the sales made to our own citizens.

What are the two elements that enter into manufacturing industries and the results which we hope to obtain? They are, first, to employ labor at as high prices as the industry can afford, and continuously, and, secondly, to employ capital in such a way that there will be a reasonable return on the investment. Unless there is a reasonable return, of course, capital will not go into manufacturing industries; and unless it can be employed reasonably continuously, and unless the wages conform to what can be obtained in other industries, labor will not become employed in that way.

Those are the two things which we are required to do. Now, it is impossible to find in the home market a market all of the time for all the products of our mills. There are times when we must go abroad to sell, and there are times when the foreign manufacturers must find a market elsewhere, because their total product is much greater than their local demands. One of the greatest values of the protective policy, in my judgment, is that while in times of abundance, when business is good abroad and in this country, it makes comparatively little difference whether we have a tariff or not; but when business is poor abroad and it is necessary to sell here a large part of the product of their manufacturing plants, the protective policy prevents those products from being dumped on us without our obtaining some recompense for it in the shape of the duties which are imposed.

The plan which is proposed in this bill for preventing the dumping of goods in the United States is unscientific and is unsound. I want to refer a little more in detail to some of the reasons why I think it is unsound.

Take, for example, a shoe manufacturer. It is generally agreed that when a factory is running three-fourths of its time the cost of manufacturing the average pair of shoes is 5 cents a pair greater than would be the cost if the plant were running at full capacity. If it were running one-half of the time, the cost of manufacturing the same shoes would be 10 cents a pair greater than it would be if the factory were running at its full capacity.

After a very careful investigation it has been developed that the average profit in ordinary times made on shoes manufactured in this country is about 7 cents a pair. Now, if a factory is running at full capacity and making 7 cents a pair on the shoes it produces, and it costs 5 cents more if it is only running at three-fourths of its capacity, of course under those conditions it only makes 2 cents a pair; and if it costs 10 cents a pair more if it is only running at half capacity, why, of course, on every pair of shoes it puts out under those conditions there is a loss of 3 cents.

What does that mean? It means that if the manufacturer runs his manufactory at full capacity and sells a part of his product at cost the workman is employed all of the time. It does not make any difference to the workman. But if the workman is employed only a portion of the time that not only directly reduces his income but it affects the prosperity of the community in which he lives. The average workman in a shoe manufactory in Massachusetts makes about $560 a year, if employed continuously. If the factory only runs three-quarters of the time, it reduces his income to $420 a year, or about that, and he has $140 a year less to spend. I think those figures are not quite accurate, but they are relatively so. In other words, it is important not only for the workman but it is important for the people in the community where he lives that such plants shall be run all the time, even if some of the goods sold do not bring a profit to the owners of the plant.

Now let me go on and give some further illustrations.

In the case of weaving worsted cloth—these are actual figures taken from the books of a manufacturing concern in Massachusetts—if the factory were running at three-fourths of its full capacity, the increased cost was 14.8 per cent. If it were running at one-half of its capacity, the increased cost was 36.7 per cent. If it were run at one-fourth its full capacity, the increased cost was 92 per cent. In other words, if we want to get the lowest possible cost in this country, whether we sell all of the goods here or not, or sell them all at a profit or not, we must run our plants at full capacity.

I will give one other illustration to demonstrate what this increased cost is when a factory is run at a portion of its full capacity.

In the case of cotton yarn the full-time production, of course, is 100 per cent; three-fourths time, increased cost 13.2 per cent; one-half time production, increased cost 40 per cent; one-fourth time production, increased cost 119 per cent.

Therefore it seems to me that it is demonstrated that it is absolutely for the interests of the community, for the interests of the workmen, and for the interests of economical production, that a plant should be run at full time. Now, if we can not sell all of our goods in our home markets, what are we going to do with the balance? We would sell them abroad at whatever price we can get.

I will return for an illustration to the shoe manufacturer. Let me take the case of a manufacturer who makes a profit of 8 cents a pair on his output if he runs his factory at full capacity. If he ran it at full capacity three-fourths of the time and shut down one-fourth of the time, his profit would be 3 cents a pair; but if he sold three-fourths of his output at full price and the balance, one-fourth, at cost, he would make 6 cents a pair on his output. Let us assume that he manufactures a million pairs of shoes a year when running at full capacity. He would make 8 cents a pair, or his profit for the year would be $80,000. If he ran at full capacity, but sold one-fourth of his product at cost, his profit would be $60,000. If he ran three-fourths of his time at full capacity and shut down his factory one-fourth of the time, his profit would be $22,500. In other words, he could afford to run his factory at its full capacity, selling one-fourth of his output at a loss of 15 cents a pair, and come out at the end of a year with the same net profit that he would have if he had run his factory three-fourths of the time at its full capacity and shut down for the remainder of the year.

It seems to me, Mr. President, that that demonstrates four propositions: That the community, the employee, the manufacturer, and the profits of the stockholders are all served well if a plant is run at its full capacity, even if a portion of the goods are sold somewhere at less than cost.

Mr. STERLING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from South Dakota?

Mr. WEEKS. I do.

Mr. STERLING. I want to ask the Senator from Massachusetts if he has any figures relative to agricultural implements and their manufacture and their sale abroad?

Mr. WEEKS. Mr. President, I have not any figures on that particular subject. My figures all refer to establishments manufacturing cottons, woolens, and shoes.

Mr. STERLING. I noted some criticism of manufacturers, and some criticism of the policy of protecting the manufacturers of such implements, because they were able to manufacture and sell abroad more cheaply than they were selling at home. I suppose the Senator from Massachusetts would say that the same principle applies there as in the illustrations he has given?

Mr. WEEKS. Absolutely. If they employed workmen to manufacture those goods, those workmen have had that additional money to spend; it has been spent in the communities where they live; and the net returns to the stockholders in the manufacturing concerns are as large or larger than they would be if they shut down.

Mr. WADSWORTH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from New York?

Mr. WEEKS. I do.

Mr. WADSWORTH. Perhaps the Senator from Massachusetts will permit me to answer in part the inquiry made by the Senator from South Dakota.

It so happens that in a series of hearings which were held this year by a subcommittee of the Committee on Agriculture and Forestry, on an entirely different topic, nevertheless some attention was paid in the hearing to the question of the sale of agricultural machinery, particularly with respect to the exportation of agricultural machinery, and the prices received in foreign markets for machinery made by the great American manufacturers. The testimony before the subcommittee was to the effect that the agricultural machinery made in this country by the great corporations which are often alluded to has never been sold below cost abroad.

Mr. WEEKS. Mr. President, I now want to give one more example, and this example was taken from the books of a manufacturing concern in New England.

A cotton mill capitalized at a million and a half dollars, operating 135,000 spindles, running full time, produced 30,000,000 yards of colored cotton cloth during a six-months' period. The net earnings, based on actual results of this operation, were one-sixteenth of a cent a yard, or $20,700 for the six months. If this mill had been forced to curtail production by shutting down for one-fourth of the time, its production would have been reduced to 23,000,000 yards, which reduction, combined with the increased burden of fixed charges, would have changed the profit of one-sixteenth of a cent per yard into a loss of four-tenths of a cent per yard, or an actual loss of $93,600.

In other words, the manufacturer, by running his mill at full capacity, could have sold one-fourth of the mill's output at a loss of twenty-two one-hundredths of a cent per yard and come out without net loss for the six months.

I do not care to make any further comments on that particular subject, Mr. President; but it seems to me, as the bill is drawn, that it will be extremely difficult to operate, that it will be ineffective in its results, and that it will disappoint even those who believe it may have value, and I do not believe any such provision of law should be on the statute books, for the reasons which I have stated.

What are the conditions which are going to develop at the end of this war? It seems to me that this is the time when we should be making preparation, and permanent preparation, for the protection of our interests when the war prosperity has passed. We know that it is admitted on all hands that there is going to be a change in our industrial profits and in our industrial affairs at the end of the war. Even the Secretary of the Treasury in a recent statement used these words:

> With the restoration of peace in Europe customs duties collected under existing laws will greatly increase as the imports from countries now at war are gradually restored to a normal basis.

That means larger importations and less similar products manufactured at home. What we also know is that after the war we are going to have to deal with a people who are better disciplined than ever before. Millions of men are going to return to industrial employments who are now engaged in war, and they will do better work than they did before the war, because they are better disciplined. Moreover, as the result of the war great numbers of people have become employed in industrial pursuits who were not so employed before the war broke out.

This condition is also going to be affected by some action which has been taken in Europe already. One of these is what is known as the Paris economic pact, which has agreed to certain definite policies. This pact proposes (1) to devise joint means to secure to countries suffering from acts of destruction and spoliation of their raw materials, plants, and so forth, the restoration of the same, or to assist them to reequip themselves in these respects—that would mean Belgium; this agreement was entered into by the allied powers, by England, Russia, France, Belgium, and all others allied with them; (2) conservation for and interchange between the allied countries of their natural resources; (3) denial to the central powers, for a period to be fixed, of "most favored nation" treatment; (4) protection against "dumping" by the central powers. The foregoing are contained in the plans adopted for what is known as the reconstructive period. Under the heading of "Permanent measures of mutual assistance," the allies will take steps (1) to render themselves self-sufficient in regard to raw materials and manufactured articles essential to the normal development of their economic activities, which may include subsidies or Government direction and control, customs duties or prohibitions, or to combinations of these methods; (2) to facilitate and improve the interchange of their products; (3) to assimilate laws governing patents, trade-marks, and so forth, and for the adoption of an identical procedure in regard to same. Measures quite similar in character to those contained in the Paris pact have been agreed upon by the central powers.

It is worth noting that those nations which have agreed to the Paris pact invited Japan to become one of the parties to it, but the United States was not invited to become a party to it. In other words, there are going to be two great industrial alliances in Europe at the end of the war, and we are to have no part in either one of them; and probably, as ours will be the best market in the world, we are to be the natural prey of both.

It seems to me that instead of adopting this antidumping proposition, which I do not believe to be effective, we should be taking some permanent action which will give us suitable protection at the end of the war.

I wish to read an editorial from the New York Herald of August 16, which emphasizes this necessity. The New York Herald is far from being a protectionist organ. It has, I believe, very largely opposed the policy of protection. Yet this is what it says of the course which we should follow:

PROTECTION IS THE PREPAREDNESS THIS COUNTRY WILL MOST NEED SOON.

The Herald has been criticized severely for suggesting to Mr. Hughes, the Republican nominee for the Presidency, that he indicate to the public the type of man he would place in each important Cabinet place. It was said by the Republican press that the suggestion was made for the purpose of embarrassing Mr. Hughes. But the Democratic press saw the point according to its own lights and declared that it was proof that the Herald was a "Hughes paper."

It was merely a tentative hint to Mr. Hughes, more to test him than to tease him. The Herald now says that Mr. Hughes would be doing his cause more good if he stopped finding fault with relatively unimportant spoils grabbing by the Wilson administration and announced that the question of protection to American industries was a matter touching the very future life of the country. It would like to have him say that he would place in his Cabinet, to stand behind his economic policies, the most important and most successful business men to be found between the two oceans.

It is true that Mr. Hughes has proclaimed his fidelity to protection, but he has touched on that just as he has touched on many keys. He has not touched high C on the tariff. Those who prate of tariff commissions and treat the old doctrine of straight-out protection as something unfashionable have no comprehension of the situation which this country must confront at the termination of the war. These persons Mr. Hughes must educate.

Are not the signs of the times enough to convince doubters that there will be no time for a tariff commission to mess and muddle over a situation which will require immediate statecraft? Our present tariff schedules will be no protection for this country against the vast accumulation of goods stored up abroad. Protection will be needed against the Prussians most of all. And there will be no protection unless Mr. Hughes forces the issue.

It will not do to say that Prussia can not take the seas, as her merchant marine is depleted, for that would be untrue. A greater fleet of ships than existed before the war is being built, and these will come with full cargoes, bringing in cheaply produced goods that will simply swamp the American manufacturers, who are producing at high cost of labor, material, and transportation. Wake up, Mr. Hughes!

The fact is, Mr. President, that that article outlines a correct economic policy. What we should be considering now is what rates of duties we are going to impose on imports into this country which will prevent the destruction, or the partial destruction, of our manufacturing industries when the war is over, and this antidumping power is simply a makeshift, which, as I have said, I believe will be ineffective and without value.

During the discussion which took place this morning something was said about the relative values of the policies of the two political parties. I wish to briefly state the results which have come from a protective policy, as it represents the Republican Party, and a policy such as the present law, which is indorsed by the Democratic Party.

Perhaps no better illustration could be given of the results obtained from the operation of a law based on the theory of protection in contradistinction to one based on revenue than what has actually resulted since the 1st of August, 1897, when the Dingley bill became effective, down to the end of the calendar year 1915. Protective-tariff laws were in effect 194 months of that time, the total receipts from customs being $4,455,724,771, a monthly average of $22,967,653. During the same time the internal-revenue receipts, largely obtained from liquor and tobacco, averaged $22,53[illegible],842, bringing the monthly

average revenue from these two sources to $45,502,495. The total monthly receipts of the Government from all sources were $49,886,351, while the average monthly expenditures during that period were $47,902,492, leaving an average monthly balance of $1,983,859.

During the remaining part of the period to the 1st of January, 1915, 27 months, a tariff for revenue only has been in force. During this time the receipts from customs have been $513,641,546, or $19,023,760 a month, while the receipts from internal-revenue taxes have averaged $34,116,302 a month. The total receipts of the Government during this period have averaged $58,505,483, while the expenditures have averaged $60,070,670, an excess of expenditures over receipts of $1,565,187. In other words, the receipts from customs have been reduced more than 15 per cent; the receipts from internal taxes have increased 50 per cent, and the total taxes collected have increased about 18 per cent, while the total expenditures of the Government have increased 25 per cent. Therefore the claim made after the Underwood bill was passed that the tariff bill would produce ample revenue falls to the ground.

There is one other matter that I want very briefly to call to the attention of the Senate and I should like the attention of the Senator from North Carolina. On page 79 of the bill there is a provision relating to the sale of products to ammunition makers. Commencing with line 10 in the second paragraph this expression is used:

> And every corporation selling to or manufacturing for any corporation mentioned in paragraph 1.

What I want to inquire of the Senator from North Carolina is whether "corporation" means any other organization than that to which the usual term would apply?

Mr. THOMAS. The Senator will find a definition of the term "corporation" in the preceding section.

Mr. SIMMONS. It is found on page 71.

Mr. WEEKS. "The term 'corporation' includes corporations, joint-stock companies, and associations." I notice that that does not include sales made by individuals to ammunition makers. Is it intended to omit sales made by individuals?

Mr. THOMAS. It is. They were intentionally excluded.

Mr. WEEKS. That is the point I want to call attention to.

Mr. THOMAS. Does the Senator want a reason for it?

Mr. WEEKS. If there can be a reason.

Mr. THOMAS. There are several reasons. The best reason is that individuals are subject to the surtax under the income-tax provisions of the law and corporations are not. Consequently the tax is confined to those who are not subject to any surtax.

Mr. WEEKS. Most of the products which go into ammunition, like copper, zinc, lead, antimony, steel, and iron are produced by corporations, and I assume that a corporation which produces copper and sells it for the manufacture of munitions is going to be taxed.

Mr. THOMAS. Its profit will be taxed to the extent which it goes into the manufacture of munitions.

Mr. WEEKS. I anticipate that the producer of zinc and the producer of lead and the producer of iron will be in exactly the same class.

Mr. THOMAS. Not at all.

Mr. WEEKS. To the extent that their product is the production of a corporation.

Mr. THOMAS. Not at all, unless they sell directly to the manufacturer, directly for the manufacturer of munitions.

Mr. WEEKS. I do not quite understand the Senator.

Mr. THOMAS. Perhaps I can make myself clear by an illustration. If I am the owner of a mine producing zinc or lead or copper, and the Senator is the owner of a smelter or an institution which refines the metals and separates them, and he sells or deals with munition makers, that would be the case. The tax falls upon his profits and not upon me. Do I make myself clear?

Mr. WEEKS. He would pay you that much less for your raw material.

Mr. THOMAS. I do not think so; but that is a matter of argument.

Mr. WEEKS. It seemed to me that all these articles that go into the manufacture of ammunition, whether they are produced by an individual or by a corporation, should be taxed on the same basis. My attention was particularly called to the production and the use of linters, because I was looking up some figures relating to the relative cost of articles that go into a 3-inch shrapnel and other classes of projectiles; it developed in that investigation that there had been since the beginning of the war something like a million bales of linters or cotton scrapings, whatever they are called, sold to the munition manufacturers of this country, that the prevailing price before the war was not in excess of 2 cents a pound for such a product, while the prevailing price under war conditions has been from 7 to 8 cents a pound. It seemed to me that if such industries as copper and lead and iron were to be taxed directly or indirectly through corporations or otherwise somebody dealing in linters should pay a tax, as I have the figures—as many as 500,000,000 pounds of linters have been converted into gunpowder since the beginning of the European war.

Mr. THOMAS. They are included.

Mr. WEEKS. Who pays that tax?

Mr. THOMAS. As I said before, those who deal directly with the ammunition makers pay the tax.

Mr. WEEKS. Suppose the producer of linters is an individual.

Mr. THOMAS. If the producer is an individual and sells directly, he does not pay the tax.

Mr. WEEKS. That is the point I want to make.

Mr. THOMAS. Because he is liable to a surtax under the income-tax law.

Mr. SIMMONS. It may be that I can help to clear up the matter for the Senate as far as linters are concerned. Linters are the product of cottonseed-oil makers, all of which are corporations.

Mr. WEEKS. Possibly. I do not know about that.

Mr. SIMMONS. The tax would be paid by the corporations that sell linters to the manufacturers of munitions. Cotton would be probably on a different basis. Where cotton is used it is not sold by manufacturers; it is sold by farmers to brokers who represent cotton houses, generally in New York. Whether they are corporations or not I do not know. I do not think myself any very great amount of cotton has been used in the manufacture of munitions, although it is declared by some that a large amount has been used. I think the cotton that has been used has been in the form of linters, the product of corporations.

Mr. WEEKS. I wish to say to the Senators in charge of the bill that they ought to be congratulated for having made the House bill in this paragraph so much better than it is. The bill as it passed the House in that particular provision was absolutely indefensible. In this case I assume that it is the purpose of the Senate committee to require a payment of a duty on every article that goes into ammunition, and that should be the case from whatever source it comes, either from an individual or from a corporation. If it is possible that any considerable quantity of cotton or any considerable quantity of linters, or any considerable quantity of any other product, goes into munitions which are produced by an individual, then this tax should be made to apply to individuals as well as to corporations to make it equitable and fair.

Mr. SIMMONS. I think, if the Senator from Massachusetts will permit me before he leaves the Chamber, I understood the Senator from Colorado to state the reason why he had not included individuals. Am I correct about that?

Mr. THOMAS. Yes. The Senator from Massachusetts does not accept the reason as sufficient.

Mr. WEEKS. It does not seem to me that the tax would apply in cases where the individual sold his product to the manufacturer of ammunition, if there were such cases.

Mr. SIMMONS. My recollection is that where this tax is imposed upon the manufacturer of munitions we permit the corporations in making their returns under the income-tax law to deduct the amount of tax paid to the Government on their product, thereby exempting them from the income tax upon that product. The Senator will see that they are corporations, and corporations do not pay any surtax, but an individual does pay a surtax. If the individual was required to pay this tax and then required to pay a surtax upon his income, the corporation and the individual would be taxed on a different basis.

Mr. WEEKS. I do not think that that would be unusual in this bill; but let me put a concrete case to the Senator from North Carolina. Suppose he owned a copper mine, and owned a smelter as an individual, and he sent his ore to his own smelter and then sold the product to a manufacturer of ammunition—would the Senator from North Carolina pay any tax under this provision of the bill which we are now discussing?

Mr. THOMAS. He would not, but if his profits exceeded $20,000, he would pay a surtax; and that tax increases, as the Senator knows, in proportion as the income increases.

Mr. WEEKS. Has the Senator any figures to indicate whether that would put a corporation and an individual on an equality?

Mr. THOMAS. No; I have no definite figures on the subject. In regard to the concrete case assumed by the Senator, I think I can say with perfect safety that there is no such case. I know of no instance where a mine owned by an individual is of sufficient importance to justify the running of a smelter in conection with it. I think all that work is corporate work.

Mr. President, I wish to read into the RECORD a clipping from the Washington Post of August 6. My purpose in so doing is to contrast this statement with the assertion made by the Senator from Pennsylvania [Mr. PENROSE] yesterday and reiterated this afternoon that the people of the United States were at present more heavily taxed than any other. The headline of this article is "American women in England pay $500,000,000 yearly to war fund." The article seems to be a telegram from London, dated August 5:

AMERICAN WOMEN IN ENGLAND PAY $500,000,000 YEARLY TO WAR FUND.

LONDON, *August 5.*

The sum of $500,000,000 will be contributed annually to the allies by American women who have married Englishmen and made England their home, according to the last estimates of the tax officials. The incomes of these women are derived almost entirely from American real estate and American securities. All will have to pay the Government a third of the revenue.

Which, of course, is an income tax of 33⅓ per cent, very much larger than anything which so far as I know has been imposed as an income tax by any nation anywhere in time of peace.

A few of the more prominent American heiresses and their contributions to the British war chest are as follows:

The Duchess of Roxburghe, née Miss Goelet, $500,000.
The Duchess of Marlborough, née Miss Consuelo Vanderbilt, $150,000.
The Duchess of Manchester, née Miss Helen Zimmerman, $100,000.
Mrs. William B. Leeds, who makes England her home, $300,000.
Lady Beatty, wife of Admiral Beatty, a Chicago girl, $200,000.
The Countess of Granard, daughter of Ogden Mills, $100,000.
Viscountess Maidstone, daughter of Anthony Drexel, $100,000.
The Ladies Curzon, granddaughters of Levi Z. Leiter, $200,000.
The Countess of Suffolk, daughter of M. Leiter, $100,000.
The Countess of Craven, daughter of Mr. and Mrs. Bradley Martin, $200,000.
Viscountess Durhurst, daughter of John W. Bonynge, $50,000.
Lady Naylor Leyland, née Miss Jennie Chamberlain, $50,000.
Countess of Ancaster, née Miss Eloise Breese, $75,000.
Lady Cheylesmore, daughter of F. O. French, of New York, $50,000.
Mrs. Lewis Harcourt, niece of the late J. Pierpont Morgan, $100,000.
Lady Decies, née Miss Vivian Gould, one of the daughters of George J. Gould, $50,000.
Lady Camoys, née Miss Mildred Sherman, of New York, $10,000.

I think it would be extremely difficult for the Senator from New Hampshire or anyone else to convince any of those upon whom this burden of tax rests that the United States is the most oppressive of all countries in its methods and rates of taxation.

Mr. OWEN. Mr. President, quite a little has been said on the floor of the Senate with regard to the free-trade tariff, and I wish to call attention——

Mr. SIMMONS. Will the Senator permit me a moment?

The PRESIDING OFFICER (Mr. WADSWORTH in the chair). Will the Senator from Oklahoma yield to the Senator from North Carolina?

Mr. OWEN. I yield to the Senator.

Mr. SIMMONS. I wish to have printed in the RECORD a page from the present tariff law, concerning agricultural products and provisions. It is in line with the discussion I think the Senator is about to enter upon, from his opening remark. The Senator from North Dakota [Mr. GRONNA] in an outburst in his speech said that everything the farmer produces has been placed upon the free list in the present tariff law. I wish simply to have incorporated in the RECORD a list of farm products upon which duties are imposed. It covers a little over a page.

In addition to that I wish to add the fact that while wheat is nominally upon the free list it is clearly subject to a duty. Because of Canada's failure to comply with the conditions we imposed upon wheat going upon the free list, there were only 59 bushels of wheat introduced into this country last year without the payment of a duty, and in the year 1916 there have been 5,703,000 bushels dutiable.

I ask that page 22 of the present law and the part of page 23 which I have marked be included in my remarks without reading.

The PRESIDING OFFICER. Without objection it is so ordered.

The matter referred to is as follows:

SCHEDULE G—AGRICULTURAL PRODUCTS AND PROVISIONS.

186. Horses and mules, 10 per cent ad valorem.
187. All live animals not specially provided for in this section, 10 per cent ad valorem.
188. Barley, 15 cents per bushel of 48 pounds.
189. Barley malt, 25 cents per bushel of 34 pounds.
190. Barley, pearled, patent, or hulled, 1 cent per pound.
191. Macaroni, vermicelli, and all similar preparations, 1 cent per pound.
192. Oats, 6 cents per bushel of 32 pounds; oatmeal and rolled oats, 30 cents per 100 pounds; oat hulls, 8 cents per 100 pounds.
193. Rice, cleaned, 1 cent per pound; uncleaned rice or rice free of the outer hull and still having the inner cuticle on, ⅘ of 1 cent per pound; rice flour and rice meal and rice broken which will pass through a No. 12 sieve of a kind prescribed by the Secretary of the Treasury, ¼ cent per pound; paddy, or rice having the outer hull on, ⅗ of 1 cent per pound.
194. Biscuits, bread, wafers, cakes, and other baked articles, and puddings, by whatever name known, containing chocolate, nuts, fruit, or confectionery of any kind and without regard to the component material of chief value, 25 per cent ad valorem.
195. Butter and butter substitutes, 2½ cents per pound.
196. Cheese and substitutes therefor, 20 per cent ad valorem.
197. Beans and lentils not specially provided for, 25 cents per bushel of 60 pounds.
198. Beets of all kinds, 5 per cent ad valorem.
199. Beans, peas, prepared or preserved or contained in tins, jars, bottles, or similar packages, including the weight of immediate coverings, 1 cent per pound; mushrooms and truffles, including the weight of immediate coverings, 2½ cents per pound.
200. Vegetables, if cut, sliced, or otherwise reduced in size, or if parched or roasted, or if pickled or packed in salt, brine, oil, or prepared in any way, any of the foregoing not specially provided for in this section, and bean stick or bean cake, miso, and similar products, 25 per cent ad valorem.
201. Pickles, including pickled nuts, sauces of all kinds, not specially provided for in this section, and fish paste or sauce, 25 per cent ad valorem
202. Cider, 2 cents per gallon.
203. Eggs, frozen or otherwise prepared or preserved in tins or other packages not specially provided for in this section, including the weight of the immediate coverings or containers, 2 cents per pound; frozen or liquid egg albumen, 1 cent per pound.
204. Eggs, dried, 10 cents per pound; eggs, yolk of, 10 per cent ad valorem.
205. Hay, $2 per ton.
206. Honey, 10 cents per gallon.
207. Hops, 16 cents per pound; hop extract and lupulin, 50 per cent ad valorem.
208. Garlic, 1 cent per pound; onions, 20 cents per bushel of 57 pounds.
209. Peas, green or dried, in bulk or in barrels, sacks, or similar packages, 10 cents per bushel of 60 pounds; split peas, 20 cents per bushel of 60 pounds; peas in cartons, papers, or other similar packages, including the weight of the immediate covering, ¼ cent per pound.

Mr. OWEN. Mr. President, no nation can pay for its imports except by its exports. It can not pay for imports with gold except for a very limited period. There is an economic reaction when a State deprives itself of gold or when another State has a grossly undue preponderance of gold. The effect in a State which has a very large volume of gold and currency is to give less purchasing power to the dollar. That brings about its own ultimate correction, so that the principle of economic law should be fully recognized and freely acknowledged.

That exports are paid for by imports. That a nation must permit and encourage imports if it would encourage its own exports.

If the people of the United States desire to enlarge their exports they will be compelled by a law of economic necessity to permit and to encourage imports into this country. I agree that the encouragement of these imports should be in a large degree of those things which are not produced in kind or quantity sufficient in this country, of those things which are not produced in quality in this country.

I think, therefore, that our policy should be a system under which we would encourage imports of a character which would not subject our own production to any unfair or harmful competition.

The measure now on the statute books, a strictly revenue tariff, although a highly protective tariff incidentally—the Democratic tariff law—has been *viciously and unjustly* denounced by partisan Republican Senators as a *free-trade measure*. The term "free trade" seems to be regarded by them as a political epithet with which to conjure votes, as free trade in our custom-houses might admit dangerous foreign competition. I venture to remind the Senate that it is the "free trade" between our 48 sovereign Commonwealths, freedom from interruption of our industries and commerce between the States that has resulted in the gigantic development of the United States in so large a measure, a measure so gigantic that it is difficult for a man to grasp its significance.

I send to the desk and ask that it be inserted, without reading, a statement of the bank clearings in more than 100 cities in the United States for the week ending August 17, as reported by Bradstreet's. They were $4,306,000,000. At the same rate for the year they would amount to $223,000,000,000 of exchanges in these particular banks. When it is remembered, Mr. President, that these exchanges only measure the checks which one bank receives upon the correspondent clearing house banks in the same city, when it is remembered that these exchanges do not cover the vast volume of checks which come in upon a bank for transfers of credits on the internal books of the bank, when it is remembered that they do not cover cash transactions, when it is remembered that these exchanges do not measure the volume of checks in those local institutions that are not connected with exchanges, covering tens of thousands of banks, it will be no exaggeration, I take it, to say that the present current exchanges in this country will amount to approximately $400,000,000,000.

The PRESIDING OFFICER. Without objection, the matter referred to by the Senator from Oklahoma will be inserted in the RECORD.

The statement referred to is as follows:

THE COUNTRY'S BANK CLEARINGS.

Bank clearings in more than 100 cities in the United States in the week ending August 17, as reported by Bradstreet's, were 4,306 million dollars—27.9 per cent larger than a year ago. Outside of New York there was an increase of 34.5 per cent.

The clearings in the leading cities and percentages of increase and decrease are here shown:

City.	Amount.	Increase.	Decrease
		Per cent.	*Per cent.*
New York	$2,498,841,000	23.6	
Chicago	382,565,000	29.5	
Philadelphia	232,367,000	49.0	
Boston	162,529,000	16.5	
Kansas City	105,205,000	53.9	
St. Louis	96,201,000	17.5	
San Francisco	70,287,000	22.4	
Pittsburgh	57,907,000	17.0	
Baltimore	37,456,000	30.8	
Cleveland	49,039,000	69.1	
Detroit	57,438,000	66.9	
Cincinnati	33,041,000	29.1	
Minneapolis	28,387,000	70.9	
Los Angeles	26,256,000	25.4	
Omaha	25,708,000	47.4	
New Orleans	20,414,000	39.7	
Milwaukee	19,571,000	31.7	
Louisville	16,304,000	12.4	
Atlanta	11,950,000	10.8	
St. Paul	13,608,000	28.7	
Seattle	15,670,000	32.4	
Portland, Oreg	12,014,000	33.1	
Richmond	15,867,000	75.3	
Denver	13,717,000	62.6	
Houston	7,938,000	21.6	
Fort Worth	7,897,000	25.5	
Washington, D. C	8,184,000	11.4	
St. Joseph	9,871,000	47.9	
Des Moines	5,183,000	7.3	
Galveston	4,277,000	39.7	
Wichita	5,378,000	37.1	
Oklahoma City	2,635,000	96.3	
Topeka	1,683,000	5.5	
Tulsa	3,176,000	133.5	
Muskogee	1,014,000	45.9	

Mr. OWEN. It has been this free trade among the States—freedom of intercourse, freedom from interruption, freedom from annoyance, freedom from the red tape appertaining to the customhouses—that has permitted and developed this gigantic commerce in the United States. Free competition has developed our industries in the 48 States and has not stifled them.

Mr. President, the truth is that this so-called Democratic "tariff for revenue only" bill is an incidental protective tariff of an extremely high rate. No matter what you may call it, it is a protective tariff that is very much higher than it ought to be right now on an average. The Republicans say in their platform that they favor only a "*tariff high enough to measure the difference of cost in production at home and abroad.*" Well, what are the factors that enter into the difference of cost at home and abroad? Labor, and practically nothing else. We are as free to buy raw materials as anybody in the world, except in so far as we hamper our own hands by our own statutes. The only remaining element is the element of labor and capital.

Capital we have in greater abundance than any nation on earth.

It has been demonstrated that the efficiency of American labor—which amounts to $2,400 per annum per capita for the laborers engaged in these industrial enterprises—so far exceeds the per capita production of European labor that the theory that European labor is cheaper than ours can not be sustained as an economic truth.

But, Mr. President, if it should *cost nothing for labor in Europe*, nevertheless the tariff act, known as the Payne-Aldrich bill, was far higher in every case in every schedule than the total labor cost.

I send to the desk a table compiled on this subject on April 12, 1909, which I desire to have inserted in the RECORD at this point in my remarks.

The PRESIDING OFFICER. In the absence of objection, it will be so ordered.

The table referred to is as follows:

Estimated revenues.

RECAPITULATION.

[Compiled by Committee on Finance, Apr. 12, 1909. The ad valorems are based on the dutiable values.]

Schedules	Value of merchandise (dutiable and free).	Revenue under Payne-Aldrich bill.	Equivalent ad valorems (average rate).	Census of manufactures, 1905 [1] (calendar year 1904). Wages.	Census of manufactures, 1905 [1] (calendar year 1904). Value of products, including custom work and repairing.	Percentage of labor cost to value of products by wages and value, as shown, 1904. [2]
			Per ct.			
A—Chemicals, oils, and paints	$42,067,649.85	$11,754,112.86	28.20	[3] $44,258,256	[4] $572,848,476	7.5
B—Earths, earthenware, and glassware	31,306,008.97	15,247,487.70	48.70	154,652,719	420,944,049	36.7
C—Metals, and manufactures of	68,016,829.55	21,523,669.22	31.65	652,109,633	3,130,253,195	20.8
D—Wood, and manufactures of	24,493,810.90	2,723,058.08	11.21	378,461,021	1,393,489,978	27.1
E—Sugar, molasses, and manufactures of	92,784,081.69	59,635,940.54	65.30	23,536,189	413,333,428	5.6
F—Tobacco, and manufactures of	29,959,081.79	26,113,185.29	87.18	62,640,303	331,117,681	18.9
G—Agricultural products and provisions	63,925,575.30	20,594,283.57	32.28	100,839,004	2,194,833,894	4.5
H—Spirits, wines, and other beverages	23,083,420.03	20,518,168.77	88.89	43,924,676	474,487,379	9.2
I—Cotton manufactures	31,869,814.07	15,023,742.16	47.14	217,955,322	1,014,094,237	21.4
J—Flax, hemp, and jute, and manufactures of	114,172,202.94	50,353,163.25	44.07	27,223,574	185,094,092	14.6
K—Wool, and manufactures of	62,818,797.81	36,554,815.89	58.19	135,069,063	767,210,990	17.6
L—Silks and silk goods	38,816,869.20	23,581,996.60	60.76	26,767,943	133,288,072	20.0
M—Pulp papers and books	20,005,025.62	4,042,076.14	21.88	123,903,633	548,957,239	22.5
N—Sundries	135,821,484.06	31,307,603.27	23.06	[5] 340,596,182	[6] 1,954,228,027	18.3
Total from customs	779,140,621.87	338,973,303.34	.....	[7] 2,331,938,518	[8] 13,534,180,743	.....
Net increase	.....	9,862,388.95	.....	.....	.....	.....
Total luxuries, articles of voluntary use, dutiable	289,411,904.28	160,454,103.74	55.47	.....	.....	.....
Total necessaries, dutiable	489,728,717.50	178,519,199.60	36.69	.....	.....	.....
Total entries for consumption, dutiable and free	1,415,402,284.78	338,945,001.07	23.95	.....	.....	.....
Total necessaries, dutiable and free	1,125,990,380.50	178,519,199.60	15.85	.....	.....	.....

[1] Industries grouped to conform as nearly as possible with the articles enumerated in the respective schedules of the tariff law. Industries with products named in two or more schedules are credited to the schedule which includes the major product. The value of products for each group is the sum of all products of all industries in the group, and hence includes a large amount of duplication due to the product of one industry serving as material for another.

[2] Percentage of wages to value of product calculated and inserted by R. L. OWEN.

[3] Should be $56,796,143; addition erroneous.

[4] Should be $767,401,417; addition erroneous.

[5] Should be $273,959,320 (see p. 67).

[6] Should be $1,495,686,437 (see p. 67).

[7] Should be $2,277,838,543.

[8] Should be $13,270,192,088.

Mr. OWEN. From this table it appears that under the chemical schedule—Schedule A of the Payne-Aldrich Act—the value of products, including custom work and repairing, was $572,000,000 and the wages were $44,000,000; the total ratio of wages to the value of the product was 7½ per cent and yet the tariff was 28 per cent—400 per cent greater than the total labor cost. Is it necessary to protect labor by having a tariff *four times as high as the total labor cost?* In reality the purpose of putting up this Payne-Aldrich tariff to such a high figure was not honest protection nor merely to produce revenue, but was for the purpose of preventing foreign shipments in here, and preventing any manner of competition with American manufacturers in order that American corporations might establish monopolies and speculate on stocks and bonds on this artificial legislative basis. So on many of these schedules the tariff rates went as high as 100 per cent of the actual value of the product.

On earthenwares and glassware—Schedule B—the ratio of labor was 36 per cent to the cost of the product, and the tariff was 48 per cent, although there is a natural protection on earths and earthenware of a very high freight charge, because of their heavy weight bulk and low relative values as to weight.

In the case of metals—Schedule C—the ratio of wages to the value of the product was only 20 per cent, whereas the tariff was 31.65 per cent—150 per cent as compared to the total cost of labor.

So with regard to wood and manufactures of wood—Schedule D; so with regard to sugar, molasses, and manufactures in Schedule E, where the labor cost was only 5 per cent, and yet the tariff was 65 per cent; in other words, it was 13 times as much as the total labor cost.

In the matter of Schedule F, tobacco, the labor bore the relation of 18 per cent of the whole value, and the tariff was 87 per cent. These schedules, E and F, are really revenue-producing items, and these high rates are intended in large measure to raise revenue and not merely to protect labor.

In the matter of spirits, wines, and beverages—Schedule G—the labor cost is only 9 per cent, and the tariff rate was 88 per cent; in other words, a tariff rate, as compared to the labor cost, of over 900 per cent more than the total labor cost. This is a revenue producer but highly prohibitive incidentally.

In the case of cotton manufactures—Schedule H—the labor cost was 21 per cent, and the tariff was 47 per cent—over 200 per cent of the total labor cost.

In the case of flax, hemp, and jute—Schedule I—the total labor cost was only 14 per cent, and the tariff was 44 per cent—over 400 per cent of the total labor cost.

In the case of wool—Schedule K—the total labor cost was 17 per cent, and the tariff was 58 per cent—over 300 per cent of the total labor cost.

In the case of silk—Schedule L—the total labor cost, compared to the value of the product, was 20 per cent, while the tariff was 60 per cent—over 300 per cent of the total labor cost.

In the case of pulp, papers, and books—Schedule M—the total labor cost, compared to the product, was 22 per cent and the tariff was 21.88 per cent—approximately the same as the entire labor cost. In this case, because of the bulk and the weight, there is an important natural protection by virtue of freight and distance.

In the case of sundries, the total labor cost was 18 per cent and the total tariff was 23 per cent.

So this talk about free trade and tariff is perfectly preposterous and should mislead no thoughtful, patriotic citizen. We have in every instance but one a tariff which far more than measures the full cost of labor in these products, and in the case of some of these schedules the tariff is from 200 to 300 and 400 per cent of the total labor cost. This talk about any of these tariffs being anything but protective tariffs is not justified in fact, and would be ridiculous were it not so tragical in its evil results. This tariff, so far as the question of protection is concerned, on many of these schedules could be cut down in the most substantial way without reaching the level of honest protection and without reaching the measure of what would be a fair protective tariff based on the theory of the Republican Party itself—that the tariff should measure the difference in the cost of production at home and abroad.

Mr. President, I merely wanted to point out this truth to the country. I rose for that purpose, and for that purpose only. I am not going into a detailed discussion of the tariff. I am not going to take any more of the valuable time of the Senate. I want, however, to call attention to another matter which I think is of great importance, with regard to the question of the prosperity of the country springing from Democratic policies and point out on what it is based.

It has been repeatedly suggested here that the prosperity of the country is fictitious and not real. Therefore, when I call attention to the fact that our internal commerce amounts to $400,000,000,000 and the outside estimate of our shipments to Europe of munitions amounts to only $2,000,000,000, or one-half of 1 per cent of what our internal commerce is, it is perfectly obvious that the shipments of munitions of war to Europe are almost a negligible part of the business of the United States.

The real thing which has developed in the last two years the tremendous activity in the United States is that, for the first time in this country, we have the assurance given to our business men—our manufacturers, merchants, miners, and so forth—that the credit upon which they must transact their business can not artificially nor by conspiracy be taken from them again by Wall Street conspiracies, but that they can certainly get money when they need it upon a legitimate basis. That vital and stupendous credit fact has given hope to men, and they have gone into new enterprises of all kinds. The era of our prosperity has only begun. Happily for us it is a condition which will be equally beneficial both to Democrats and Republicans, Socialists and Prohibitionists and woman suffragists throughout our great Republic.

I want, Mr. President, without reading, to put into the RECORD a statement of Theodore H. Price upon this question, which I think of great interest.

The PRESIDING OFFICER. Without objection, permission to do so is granted.

The statement referred to is as follows:

PRESIDENT WILSON AND PROSPERITY—IS THE LATTER DUE TO THE WAR OR THE ADMINISTRATION? THE POLITICAL SIGNIFICANCE OF THE ANSWER.

[By Theodore H. Price.]

Not long ago I was talking with the superintendent of a large manufacturing establishment in New England. He had about 6,000 employees under him. I asked him how they were going to vote. He replied that, though they lived in a State that was nominally Republican, and most of them usually voted the Republican ticket, as he did, he thought they would nearly all vote for Wilson next election. I inquired why. "Well," he said, "there are two reasons: First, Wilson has kept us out of war, and these people feel that if there had been any fighting they would have had to take the bullets, though New York might have had to raise the money; second, they have had more work at better wages than ever before in my recollection."

I reminded him that the Republicans claimed that our remarkable prosperity was not due to the Democratic administration but existed in spite of it; that they urged that the advantage of a protective tariff had been demonstrated by a war which shut out all foreign competition; and that they insisted that the loss of our national honor was the price we had to pay for peace.

"That's all very well," he retorted, "but Wilson has given us prosperity—he hasn't asked us to be content with promises; and as to our honor, time enough to consider that when the rights of some of those who live here and are willing to stay here are attacked. Most of those who are here, or their fathers, left Europe to escape the enforced military service that would be their lot if we went to war, and Wilson is right in leaving a lot of bloated aristocrats to fry in their own grease, while they hide behind the poor devils that they put on the firing line.

"These fellows here are brave enough," he said, "but they care a lot more about their wives and children than they do about all the kings and princes that ever lived."

I report this conversation because it expresses what I am convinced is the attitude of a large majority of the wage earners of the United States.

Their political conclusions are admittedly subjective. They have no use for economic theories. Most of them are spending the larger portion of what they make. The first duty of government, as they conceive it, is to provide them with an opportunity to earn a living and to live in comparative happiness and comfort. The party or the administration that does this will get their votes and retain their support until employment is not to be had, or the purchasing power of the wages paid is seriously diminished. I do not mean to indorse this view. From the standpoint of the political or the patriotic idealist there is much to be said against it; but there is also much to be said in favor of it, if it be true that the greatest happiness of the greatest number is the chief end of government. Since it is the view that will largely control in the approaching presidential campaign, it is in order to review the politico-economic development of the United States under the Wilson administration, and to contrast the conditions that prevailed in 1912 and 1913, which were the last years of Republican ascendency, with those which exist in 1916, after only 40 months of Wilson.

It would not be difficult to present pages of figures that would show the marvelous economic progress of the United States since 1912–13, but they would be tiresome in the monotony of expansion that they would disclose, and the following brief comparison between the more important indicia of business activity and progress under Wilson and his Republican predecessors will suffice. Wherever possible this comparison is made between the figures for the fiscal year ending June 30, 1916, and that ending June 30, 1912, but in many cases the statistics for these dates have not been available, and others covering an interval nearly as significant have been used.

There are other facts equally important that can not be subjected to the telling comparison of the parallel column. In all parts of the country transportation lines, rail and water, are taxed beyond their capacity. Freight embargoes have been resorted to in many instances. Shipbuilding is progressing on a scale unknown since the Civil War.

So far as labor is concerned, we have the word of Samuel Gompers that never before in the history of the world were so many people employed at such high wages and under such excellent conditions as is the case in the United States to-day. No capable man need be idle. Throughout the West farm hands are offered $3 a day and board, and farmers themselves have rarely experienced such prosperity.

According to an analysis made by the bureau of statistics and information of the State Industrial Commission of New York, the number of employees was 21 per cent greater and wages paid were 37 per cent higher for factory employees in New York State in April, 1916, than in April, 1915. The same thing is approximately true of most other industrial communities.

Another interesting side light on present business conditions is furnished by a comparative summary of the number of agate lines of advertising published during the month of June this year and last in the newspapers of the larger cities. Here it is:

Summary of total advertising for June.

Papers.	1916	1915	Gain.
17 New York	9,434,822	8,510,585	924,237
7 Philadelphia	3,268,200	2,599,800	668,400
7 Chicago	4,967,650	4,344,372	623,278
6 Los Angeles	3,864,000	3,566,700	297,300
5 Baltimore	3,240,867	2,490,693	750,174
5 St. Louis	3,148,301	2,566,642	581,659
4 Cleveland	3,083,475	2,612,325	471,150
4 Minneapolis	2,580,988	2,308,937	272,051
4 San Francisco	2,181,252	2,070,932	110,320
4 Detroit	3,770,914	3,000,816	770,098
4 Washington	2,337,210	2,126,173	211,037
4 Cincinnati	1,877,103	1,673,700	203,400
2 St. Paul	267,084	234,464	32,620
Total	44,021,863	38,106,139	5,915,720

Commenting upon this showing, the New York Evening Post says:

"Business conditions throughout the country have an excellent general barometer in the counting rooms of the leading daily newspapers in the large cities. When the advertising columns of such newspapers show substantial gains in all cities, there is but the one conclusion to be drawn—the public has money to spend and is spending it. The big manufacturers, who constitute the national advertisers, and the stores and shops are enjoying increased prosperity."

Facing this summarized record of the Nation's growth since they were removed from power, the Republicans, through their candidate, endeavor to belittle the showing by saying: "No intelligent man is deceived by the temporary prosperity due to abnormal conditions." The implication intended is that the European war is entirely responsible for a prosperity that we would not otherwise have enjoyed. Let us analyze the facts. It will be admitted that whatever profit the United States has derived from the war in Europe is measured exclusively by the increase in the balance of trade in our favor.

As our imports have varied but slightly since 1912, the increase in our exports must include everything that we have gained from the expansion in our foreign trade.

This increase in exports is about equal to the increase in our trade balance, and while it can not all be profit—for the cost of producing the things exported should be deducted from it—we will, for the purposes of this argument, assume that our war gains equal the entire amount by which our balance of trade has exceeded the normal average before the war.

For the four fiscal years ending June 30, 1914, our favorable balance averaged $550,000,000 a year. For the last two years it has been as follows:

For the year ending June 30, 1915	$1,094,000,000
For the year ending June 30, 1916	2,136,000,000
Total	3,230,000,000
Normal for two years, $550,000,000 each	1,100,000,000
Increase for two years of war	2,130,000,000

This increase of $2,130,000,000 is manifestly in excess of our entire gain from the war. It is equal to our profits plus the cost of production, and it is only through the increase in our foreign trade that the war can have profited us at all. Our maximum possible gain from the war is therefore $21.30 per capita.

This, then, is the measure of our abnormal prosperity. Against it we find that our national wealth has increased by $41,000,000,000, or $410 per capita. Our debt to Europe has been reduced by $3,340,000,000, or $33 per capita; our total bank deposits have increased by $6,570,000,000, or $65 per capita; and the value of our manufactured products by $9,400,000,000, or $94 per capita. If the war in Europe has been the only reason for our prosperity, by what alchemy has the gain of only $2,130,000,000 from our foreign trade been multiplied nearly twenty times in the growth of our national wealth? The Republicans must supply the answer if they can.

Until they do, the nonpartisan economist will believe that, while the war has undoubtedly stimulated the foreign demand for some things, our prosperity has been mainly due to the encouragement that has been given to business and enterprise by the Democratic Party under the leadership of President Wilson.

The work of the administration in this respect is unparalleled. Never before have so many sound and necessary economic reforms been enacted into law in so short a time. The list is a long one. Our political memory is short. Let us refresh it.

Since Woodrow Wilson became President Congress has passed:

1. The Federal reserve act, which stands out as the most superlatively beneficial legislation that any party has ever given to the people. Through it business has been unfettered and panics have become almost impossible. The strength and mobility that have been given to our financial resources through the Federal Reserve System have enabled us to withstand the shock of the greatest war in history and have converted what might have been a period of utter prostration into one of extreme prosperity.

2. The rural credit bill, which gives the farmer the same access to credit that has hitherto been reserved to the business man.

3. The income-tax law, under which the inordinately rich are contributing a larger share toward the maintenance of a Government which protects them in the possession of their large and unnecessary fortunes.

4. The Federal Trade Commission act, which seeks to remedy industrial injustice, prevent unfair competition, and protect both the business man and the public. It provides for a continuing and careful investigation into business conditions. In the words of the President, it "substitutes the gentler processes of counsel for the harshness of criminal law," and attempts to correct abuses without injuring the innocent.

5. The Clayton bill, which defines the indefinite negations of the Sherman law, prohibits interlocking directorates, delegalizes the monopolistic control of one corporation by another, and declares "that the labor of a human being is not a commodity or article of commerce."

6. The good-roads law, which extends Federal aid to the States in road building and promises greatly to facilitate human intercourse in the country districts, reverse the cityward tendency of our population and enormously increase the value of our agricultural land by making it more accessible.

7. The Smith-Lever agricultural education act, which provides for Federal cooperation with the States in extending a knowledge of progressive farming and responds to the demand that "the last load of illiteracy shall be lifted from American youth."

To these should be added the child-labor bill, now advocated by the President, and numerous other less important measures which evidence the wise solicitude of the administration for the business of a Nation that consists chiefly of business men.

This solicitude has been manifest not only in constructive legislation, but in the manifold activities of the various great departments of the Government.

The Agricultural Department has extended its work aggressively and variously.

The Secretary of the Treasury has taken the lead in organizing many movements for the relief and extension of commerce.

The Post Office Department has been conducted at a profit instead of a loss, as under Taft and Roosevelt. The Rural Free Delivery Service has been greatly extended. The parcel post has been popularized, and the depositors in the postal savings banks have increased from 165,000 in 1913 to 550,000 in 1915.

The Department of Justice, while pursuing real criminals relentlessly, has inaugurated no political prosecutions for the glory of trust busting, and has preferred to caution rather than persecute those who were guiltless of any intent to transgress our complex laws.

The State Department, under the personal direction of the President, has secured for us the benefits of peace without the loss of honor, and the candid-minded man must admit that we have benefited humanity more by our diplomacy than we could have done by a resort to arms that would have cost millions of lives and billions of treasure.

It is true that mistakes have been made, but they have been quickly corrected. "A wise man changes his opinion, a fool never," and considering the difficulties of his position and the divided public opinion of the country, the President has shown marvelous skill in guiding the ship of state through the most troublous period of the world's history.

The hindsight of the critic is naturally more accurate, though less necessary, than the foresight of the statesman, but the fact that his detractors can find nothing except the idealism of the President's Mexican policy to attack shows how remarkably correct most of his judgments have been.

Through it all he has never lost sight of or sympathy with American business, industry, and labor. Toward them his policy has been one of constant solicitude. It has found expression in the Halls of Congress, in the White House, and in all his public utterances.

If there is any relation whatever between constructive legislation and business progress, between conservation and prosperity, and between the statutory enactment of economic law and material advancement, then we must conclude that the marvelous business development in America during the past two years is due to the policies of the President rather than to the war in Europe.

Can there be any doubt as to the disposition of the people toward a public servant who can give such an account of his stewardship? In one of his essays upon the United States John Stuart Mill said that "the American people, when confronted with grave economic questions, often seemed upon the point of doing the wrong thing, but in the end the common sense of the people has prevailed and they have done the right thing."

Since the time of Mill the common sense and economic sanity of the American people have not diminished. Thanks to the conservatism, tact, and statesmanship of President Wilson, we have become the most powerful Nation in the world, both morally and economically.

That the majority of the American people recognize this and will insist upon retaining the services of a man who has served them so well is a conclusion of both logic and observation.

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Comparative statistics of the four years of the Wilson administration.

	1912	1916	Increase or decrease.	Percentage of increase or decrease.
				Per cent.
Population	94,736,000	101,200,000	+ 6,464,000	+ 6.8
National wealth (official estimate Commerce Department)	$187,000,000,000	$228,000,000,000	+$41,000,000,000	+ 21.9
United States debt to Europe (official estimate Commerce Department)	6,500,000,000	3,160,000,000	− 3,340,000,000	− 51.4
Bank clearings, as per Financial Chronicle, year ending June 30	166,408,000,000	224,338,000,000	+ 57,930,000,000	+ 34.9
National-bank resources as of May 1	10,792,149,000	14,195,595,000	+ 3,403,446,000	+ 31.5
National-bank deposits as of May 1	8,015,1 ,00	11,135,322,000	+ 3,119,811,000	+ 38.9
Deposits of all State banks, including trust companies and savings banks, June 30 (partly estimated)	11,500,818,000	14,951,063,000	+ 3,450,245,000	+ 30
Total bank deposits (approximate, probably larger)	19,516,329,000	26,086,385,000	+ 6,570,056,000	+ 33.6
National-bank loans as of May 1	5,882,167,000	7,606,428,000	+ 1,724,261,000	+ 29.3
Money in circulation as of Jan. 1	3,276,786,613	4,018,043,555	+ 741,256,942	+ 22.6
Stock of gold in United States as of July 1	1,818,000,000	2,439,000,000	+ 621,000,000	+ 34.1
Total foreign commerce United States, year ending June 30	4,278,000,000	6,531,000,000	+ 2,253,000,000	+ 52.7
Exports, except gold and silver, year ending June 30	2,204,000,000	4,333,000,000	+ 2,129,000,000	+ 96.6
Imports except gold and silver. Year ending June 30	1,653,000,000	2,197,000,000	+ 544,000,000	+ 32.9
Balance trade in favor United States. Year ending June 30	551,000,000	2,136,000,000	+ 1,585,000,000	+287.6
Net imports gold. Year ending June 30 (1912 exports)	8,000,000	401,000,000	+ 412,000,000	.....
Agricultural exports. Year ending June 30	1,020,000,000	1,470,000,000	+ 450,000,000	+ 44.1
Manufactured exports. Year ending June 30	1,020,000,000	2,600,000,000	+ 1,580,000,000	+155
Railway operating revenue, gross. Year ending June 30 (closely estimated for June)	2,740,000,000	3,500,000,000	+ 760,000,000	+ 27.6
Railway operating revenue, net. Year ending June 30 (closely estimated for June)	845,679,000	1,161,000,000	+ 318,321,000	+ 37.6
Value crops and live stock produced (calendar years 1912 and 1915)	9,342,000,000	10,500,000,000	+ 1,158,000,000	+ 12.4
Farm value wheat crop (calendar years 1912 and 1915)	555,000,000	930,000,000	+ 375,000,000	+ 67.5
Estimated output pig iron (tons)	29,700,000	40,000,000	+ 10,300,000	+ 35
Estimated production steel (tons)	31,000,000	42,000,000	+ 11,000,000	+ 35.5
Farm lands (census valuation 1910. Estimated valuation 1916)	31,839,000,000	35,899,000,000	+ 4,060,000,000	+ 12.7
Employed in manufacturing industries (closely estimated for 1916 upon basis Census figures for previous year)	6,900,000	8,500,000	+ 1,600,000	+ 23.2
Wages paid in manufacturing industries (closely estimated for 1916 upon basis Census figures for previous year)	3,760,000,000	5,320,000,000	+ 1,560,000,000	+ 41.5
Capital employed in manufacturing industries (closely estimated for 1916 upon basis Census figures for previous year)	21,000,000,000	27,500,000,000	+ 6,500,000,000	+ 30.9
Value manufactured products (closely estimated for 1916 upon basis Census figures for previous year)	22,800,000,000	32,200,000,000	+ 9,400,000,000	+ 41.2

Mr. OWEN. Mr. President, I desire to say that the farmers have not been hurt by the Democratic tariff. Practically no wheat has been brought into the United States from Canada, as it was prophesied by the Republicans it would be, and the prices of farm products ought to be satisfactory to the farmers, if not to Republican statesmen seeking to discredit the Democratic administration. In this connection I quote the following prices of farm products:

Prime steers, per hundredweight	$10.65
Hogs, per hundredweight	10.80
Spring lambs, per hundredweight	10.65
Hard wheat, per bushel	1.55
Soft wheat, per bushel	1.58
Oats, per bushel	.45
Kafir, per bushel	1.65
Rye, per bushel	1.25
Barley, per bushel	.80

Cotton to-day—August 25, 1916—reached 16 cents a pound.

Mr. President, when the Payne-Aldrich tariff bill was up, in June, 1909, I pointed out several substantial principles which I believed were most thoroughly established in the comments which I made in the Senate on June 15, 1909, and which will be printed in the RECORD of Saturday, August 26, 1916. I wish to call attention to them, and shall do so very briefly.

In the course of that speech I said:

"LABOR COST.

"Labor cost in wages *in the protected industries, measured by efficiency* and *the purchasing power of wages* paid to labor, is approximately the same in the United States as in Europe, except where the American wage-earner is highly organized.

"1. I shall undertake to show that this is true by showing that the money paid American labor *in protected industries* is approximately on an average but little more than that paid in Europe.

"2. That the American workman is *twice as efficient*, and because of efficiency is entitled to twice the wage of the European workman, and that the difference in labor cost compared to the value of the product is in favor of the American manufacturer.

"3. I shall undertake to show that $150 of wages in the United States buys only what $100 buys in Europe in manufactured goods, and for this reason the American manufacturer does not pay his labor as much in proportion to work done as the European manufacturer.

"4. I shall undertake to show, finally, that the total percentage of wages to the gross product of all American manufacturers is only 17.8 per cent of the gross value of the product, and, therefore, that the difference in the cost of production in the United States and abroad must be on an average less than this percentage. If labor abroad cost half as much as in the United States, as the high protectionists pretend, then the difference in cost of production necessary to be provided for by a purely protective tariff would be less than the average of 10 per cent, while a revenue tariff would be between 30 and 40 per cent.

"I shall undertake to show the bad effect of a prohibitive tariff on wages, on commerce, on distribution of wealth, and in corrupting of public and private life.

"*3. Effect of prohibitive tariff.*

"ON WAGES.

"(a) Has lowered wages relative to product.

"(b) Has lowered wages in protected industries compared to unprotected industries.

"(c) Has lowered purchasing power of wages.

"(d) Has established monopoly, and, consequently,

"1. Has prevented or obstructed the organization of labor.

"2. Restricted output and diminished demand for labor.

"3. Has substituted foreign pauper labor for American labor.

"4. Has required ruinous hours.

"5. Subjected labor to bad housing, bad water, insanitary conditions.

"6. Has increased mortality of labor.

"7. Has destroyed political liberty of its labor in large measure.

"8. Has impaired labor's commercial independence.

"9. Has appropriated all the net proceeds of labor and accumulated it in the hands of the few.

"ON COMMERCE.

"(a) Has weakened our imports and exports.

"(b) Has diminished the output of smaller factories, depending for material on monopolies.

"(c) Has raised prices in United States 50 per cent above the prices abroad, thus *diminishing consumption.*

"1. This means a ruinous tax on the man or woman with fixed income. A man with income of $1,500 *has one-third of income* confiscated by monopolies' high prices.

"*This affects all men with fixed income.* The clerk, the servant, the Government employee, the pensioner, the man receiving fixed return from investment, yields one-third of it all to monopoly.

"ON DISTRIBUTION OF WEALTH.

"1. It has piled up enormous wealth in few hands, which now grows with accumulating force, absorbing all *natural opportunities* of life. The oil fields, coal, ore, timber, transportation and transmission services, municipal franchises, real estate, water powers, with the inevitable result, if not checked, of

commercial mastery and commercial slavery and destruction of political independence.

"2. It has *corrupted our public life*, our elections, our cities, our courts, legislatures, and executive officers, and our private citizens."

Mr. President, in justification of that arraignment I set forth the overwhelming evidence fully at that time. I have asked permission of the Senate to reinsert that speech in the RECORD, and I call the attention of my fellow countrymen to that evidence. It will be found in the RECORD following the remarks I am now making when published.

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). The Chair understands the Senator from Oklahoma has already received permission to print the speech referred to by him in the RECORD.

Mr. OWEN. I have, but I should like to have it printed in the RECORD at the earliest practicable moment.

The PRESIDING OFFICER. Without objection, that will be done.

Mr. FLETCHER. Mr. President, I will ask the Senator if his attention has been directed to page 20 of Document No. 366 of the present session of Congress, where this statement is made:

> In the case of industries with an output representing more than one-fifth of the entire production of the country wages constituted less than 5 per cent of the value of the product. In the case of industries contributing another one-fifth of the total output, wages represented from 5 to 15 per cent of the value of the product. In industries contributing still another one-fifth, wages represented from 15 to 20 per cent of the value of the product. Wages in most of the remaining industries represented 20 to 30 per cent of the value of the product, while in the case of only one-twentieth of the entire production did the expenditure for wages exceed 30 per cent. (Table 23.)

Mr. OWEN. Mr. President, I have observed it, and have pointed out that the tariff rate was equal to from 100 per cent to 1,300 per cent of the total labor cost. I was calling attention to a table which I had made up on June 15, 1909, when the Payne-Aldrich bill was under discussion, where for the first time, so far as I know, the facts were shown that the tariff was invariably higher than the total labor cost, and therefore much higher than required if the tariff duties should merely represent the difference between the cost of labor at home and abroad. I have been much interested in and enlightened by the detailed statement of the facts in connection with the present tariff law, because in making up these figures in 1909 I dealt with the schedules as schedules of the Payne-Aldrich Act, and did not go into separate items. But the Democrats were fully justified in reducing it.

Mr. SIMMONS. I should like to ask the Senator from Oklahoma if his attention has been called to the table on pages 70 and 71 of the document referred to by the Senator from Florida [Mr. FLETCHER] a few moments ago, in which there is given the percentage of labor cost in 1909, according to the census of manufactures of that year—which afforded the last reliable information we have on which to base such figures—giving the percentage of labor to the total value of product? In that table there is also given the percentage of labor cost compared with the average rate of duty carried under the present bill, showing that it more than equals in many industries, which are enumerated, the total labor cost, and in other industries more than equals any possible difference in the wage cost here and abroad. I will hand the table to the Senator, and ask him if he does not desire to incorporate it in his remarks?

Mr. OWEN. Mr. President, I am glad to have it, and will be glad to incorporate it in my remarks. It confirms what I have heretofore said.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table referred to is as follows:

Average rates of duty on imports entered for consumption, Oct. 4, 1913, to June 30, 1914, computed on the ad valorem basis on dutiable and total imports, with per cent wages were of value of product, calendar year 1909, shown by census of manufactures, for comparable commodities.

GROUP I.—INDUSTRIES IN WHICH THE PERCENTAGE OF EXPENSE FOR WAGE EARNERS IS LESS THAN THE AVERAGE RATE OF DUTY ON TOTAL FREE AND DUTIABLE IMPORTS.

Commodities.	Average rate of duty, ad valorem on—		Per cent wages were of value of product.
	Dutiable imports.	Total imports.	
Liquors, distilled	148.40	148.10	1.50
Flour mill and grist mill products	10.61	9.59	2.43
Oil, linseed	21.14	21.14	2.43
Rice, cleaning and polishing	29.34	29.34	2.52
Smelting and refining lead, including lead bar, pipe, and sheet	25.00	24.03	3.37
Malt	18.50	18.50	3.52
Oil, castor	25.85	25.85	3.56

Average rates of duty on imports, etc.—Continued.

GROUP I.—INDUSTRIES IN WHICH THE PERCENTAGE OF EXPENSE FOR WAGE EARNERS IS LESS THAN THE AVERAGE RATE OF DUTY ON TOTAL FREE AND DUTIABLE IMPORTS—, continued.

Commodities.	Average rate of duty, ad valorem on—		Per cent wages were of value of product.
	Dutiable imports.	Total imports.	
Sugar, molasses, and sirup (including beet sugar and sugar refining)	49.55	47.69	3.78
Butter, cheese, and condensed milk	18.64	17.10	4.04
Glucose and starch	36.14	36.14	5.46
Soap	15.53	15.53	5.60
Chocolate and cocoa products	12.48	12.48	5.67
Flavoring extracts	20.00	20.00	6.32
Paint and varnish	13.92	13.89	6.63
Tin plate and terneplate	15.00	14.58	6.91
Oil, essential	15.91	15.58	7.08
Liquors, vinous	65.53	65.49	7.43
Blacking and cleaning and polishing preparations	15.00	15.00	7.82
Candles	14.49	14.49	8.05
Dyestuffs and extracts	26.11	20.40	8.12
Ink, writing	15.00	15.00	8.12
Vinegar and cider	10.96	10.96	8.57
Ink, printing	15.00	15.00	8.73
Tin foil, bottle caps, and collapsible tubes	19.96	19.96	8.88
Lapidary work	20.00	20.00	9.70
Liquors, malt	64.47	64.47	11.00
Glue	14.83	14.83	11.47
Confectionery	23.52	23.51	11.60
Oilcloth and linoleum	32.01	32.01	12.12
Matches	15.42	15.42	12.24
Smelting and refining, zinc	14.84	14.84	12.32
Fur goods	46.47	46.47	14.02
Wall paper and paper hangings	25.00	25.00	14.14
Umbrellas and canes	33.09	33.09	14.20
Hair work	34.75	34.72	14.55
Pens, fountain, stylographic, and gold pens	25.00	25.00	15.07
Wire and wirework, including wire rope and cable	18.48	17.78	13.19
Mineral and soda waters	27.53	27.53	15.95
Mats and matting	31.90	31.90	16.19
Tobacco manufactures	82.46	62.49	16.65
Woolen, worsted, and felt goods and wool hats and shoddy	[1] 31.61	[1] 29.99	16.67
Artificial flowers, etc	59.85	59.85	16.70
Brooms and brushes	34.97	34.97	18.73
Corsets	58.79	58.79	19.56
Automobiles and parts of	34.04	33.92	19.58
Silk and silk goods, including throwsters	46.35	41.01	20.86
Hats and caps, straw	27.76	26.80	20.87
Gloves and mittens, leather	33.14	33.13	21.04
Cotton goods, including small wares	30.04	26.68	21.22
Carpets and rugs, other than rag	48.87	48.87	21.88
Pencils, lead	25.81	25.81	22.12
Hosiery and knit goods	39.72	39.72	22.59
Jewelry	59.47	59.41	22.96
Screws, wood	25.15	25.15	23.45
Phonographs and graphophones	25.00	25.00	24.22
Gold and silver leaf and foil	34.42	34.42	24.30
Silverware and plated ware	50.00	49.89	24.43
Fireworks	95.52	95.52	25.52
Musical instruments, pianos, organs, and materials	34.31	34.31	25.62
Toys and games	35.00	35.00	26.95
Optical goods	30.74	30.74	28.93
Hats and caps, fur felt	45.00	45.00	29.92
Buttons	36.02	34.97	30.25
Pottery, terra-cotta, and fire-clay products, and bricks and tiles	48.98	48.94	39.79

[1] From Jan. 1, 1914, to June 30, 1914.

GROUP II.—INDUSTRIES IN WHICH THE PERCENTAGE OF EXPENSES FOR WAGE EARNERS IS MORE THAN THE AVERAGE RATE OF DUTY ON TOTAL IMPORTS, BUT LESS THAN THE AVERAGE RATE ON DUTIABLE IMPORTS.

Slaughtering and meat packing	16.01	0.36	3.77
Iron and steel, blast furnaces	15.00	.98	6.29
Leather, tanned, curried, and finished	10.20	1.60	9.81
Canning and preserving	21.81	12.14	12.19
Bread and other bakery products	25.00	10.48	14.96
Paper and wood pulp and paper goods n. e. s	24.45	5.36	15.20
Brass and bronze products	21.44	13.58	15.80
Cork cutting	19.36	12.23	18.51

GROUP III.—INDUSTRIES IN WHICH THE PERCENTAGE OF EXPENSE FOR WAGE EARNERS IS MORE THAN THE AVERAGE RATE OF DUTY ON EITHER DUTIABLE OR TOTAL IMPORTS.

Haircloth	7.59	7.59	11.33
Rubber, belting and hose, boots and shoes, and rubber goods, n. e. s	10.72	10.72	12.98
Iron and steel, steel works and rolling mills	11.63	9.66	16.56
Carriages and wagons and materials	[1] 15.85	[1] 15.85	23.55
Cement	10.00	3.16	24.27
Firearms and ammunition	22.92	15.31	24.70
Saws	12.00	12.00	24.81
Bicycles, motorcycles, and parts of	25.00	25.00	27.18
Furniture and refrigerators	15.00	15.00	27.44
Locomotives, not made by railroad companies	15.00	15.00	28.23
Lumber and timber products	12.21	.53	28.37
Needles, pins, hooks and eyes	19.76	11.25	31.00
Lime	5.00	5.00	33.31
Furs, dressed	30.00	30.00	33.74
Files	25.00	25.00	34.75
Clocks and watches, including cases and materials	26.76	26.71	36.97
Grindstones	6.87	6.87	37.84
Marble and stone works, including slate	34.36	34.36	38.10
Pens, steel	32.78	32.78	39.96
Glass, including staining, cutting, ornamenting	33.60	30.80	41.21

[1] Not including farm wagons, classed with agricultural implements.

Average rates of duty on imports, etc.—Continued.

GROUP IV.—INDUSTRIES IN WHICH COMMODITIES SIMILAR TO THEIR PRODUCTS ARE ADMITTED FREE OF DUTY.

Commodities.	Average rate of duty, ad valorem on—		Per cent wages were of value of product.
	Dutiable imports.	Total imports.	
Smelting and refining, copper	Free.	Free.	3.54
Oil, cottonseed and cake	Free.	Free.	3.95
Petroleum refining	Free.	Free.	4.15
Fertilizers	Free.	Free.	7.20
Explosives	Free.	Free.	10.72
Oakum	Free.	Free.	12.46
Flax and hemp, dressed	Free.	Free.	13.70
Coke	Free.	Free.	16.15
Wool scouring	[1] Free.	[1] Free.	17.02
Agricultural implements	Free.	Free.	19.56
Boots and shoes, of leather, including cut stock	Free.	Free.	19.68
Salt	Free.	Free.	22.59
Hones and whetstones	Free.	Free.	26.71
Charcoal	Free.	Free.	29.74
Typewriters and supplies	Free.	Free.	31.55
Turpentine and rosin	Free.	Free.	38.01
Sewing machines, cases and attachments	Free.	Free.	39.28

[1] From Dec. 1, 1913, to June 30, 1914.

Mr. OWEN. That table shows overwhelmingly and conclusively that labor in this country, under the revenue tariff passed by the Democratic Congress, is fully and completely protected; and the only difficulty about it is that the protection the Democrats have tried to give to labor has been so largely diverted and "sneaked" into the pockets of other people.

THE TARIFF.

SPEECH OF HON. ROBERT L. OWEN, DELIVERED IN THE SENATE OF THE UNITED STATES, TUESDAY, JUNE 15, 1909.

Mr. OWEN. Mr. President, no consideration would induce me to propose or contend for a tariff reduction which would seriously harm any American industry whose existence is justified by the natural resources of our country.

Upon my oath as a Senator of the United States I feel charged with a solemn responsibility of defending the welfare of the people of the United States, including as vigorously and as distinctly the interests of the people of Maine, of Rhode Island, or of California as the interests of the people of Oklahoma. I shall discharge that duty as an American in a broad and liberal spirit, with patience, with tolerance, and perfect fairness.

By that sense of duty I have felt impelled to submit to the Senate the reasons which make it impossible for me to support H. R. 1438. I can not agree to the passage of this bill without the registration of a solemn protest against it. I plainly see the evil results upon the people of the United States which have followed the McKinley bill and the Dingley bill and which must follow the passage of a worse measure.

Mr. President, I am not unmindful that what I shall say will not deter the managers of this bill in the Senate in the least from their predetermined course, but I deem it my duty to place upon the records of the Senate and of the United States the reasons which justify my protest and from which future students may perhaps find something of value in determining this question, when they shall consider it with intellectual and moral integrity and not in a spirit of trade, of barter, or of easy compliance with the demand of special interests whose lobbyists swarm the corridors of this Capitol.

Mr. President, mere denunciation of a bill, or of the managers of the bill, I regard as serving no good purpose unless proof is offered which shall be convincing to thoughtful and honest men that the condemnation is thoroughly justified.

In pointing out the injurious effects of what I shall demonstrate to be a monopoly-protecting tariff upon our entire people, including every class of consumers, every class of producers, every class of manufacturers or distributers or merchants except the masters of monopoly, I shall do so dispassionately, with a composed temper and with an earnest desire to offer reasons, at least, to those now trusted by our people with power why they should not persist in a policy full of injury and harm to the Republic.

I shall be compelled in this discussion to point out the logical consequences of a monopoly-protecting tariff; its effect, its dangerous effect, in piling up stupendous wealth on the one side in the hands of its favorites and in causing great wretchedness and poverty on the other side among the weaker and more defenseless classes of our people.

When I point out the unavoidable effect of extreme poverty as the necessary complement of unlimited wealth in the hands of the few accumulated under the shelter of law, I wish it distinctly understood that the dark picture of human misery which the truth compels me to portray breathes from me no spirit of pessimism, because I am full of hope. I recognize the immediate dawn of better things and an early remedy. The increasing intelligence of our people already begins to understand the causes of these conditions and to formulate the natural and reasonable remedy for their correction. The spirit of benevolence and of patriotism which characterizes the great body of our people and, I rejoice to say, moves a multitude of the beneficiaries of our unwise system gives promise for an early correction of the injurious consequences which naturally follow a prohibitive tariff, with its necessary brood of successful monopolies, by the reduction of that tariff; if not now, through the party in power, then by the unwearied Democracy that has been faithfully pointing out its evil for 25 years. I shall endeavor to point out some of the injurious consequences of the tariff-engendered monopolies and their crushing effect upon human life, but in doing so I shall not be understood as a pessimist, because I am precisely the contrary.

OPTIMIST.

Mr. President, I am an optimist; because I feel that the Anglo-Saxon race and the Teutonic blood represented in this country by millions of men of the northern races of Europe and Great Britain and the adopted sons of other great nations in our land have an unquenchable love of liberty, of justice, and of compassion, and will correct every evil of our great Government; because our forefathers distinguished themselves by a love of liberty that dared death in every form to establish it and maintain it in the bosom of this Republic; because our immediate forefathers not only loved liberty, but they practiced that form of government which made liberty a working force in the administration of this Government from the days when the town meeting in New England, in Massachusetts, Mr. President, in Connecticut, and in Rhode Island instructed their representatives according to the will of a free people. In those good old days when the Representative was not a machine-made politician, but was a Representative in the highest and best sense—of representing directly the opinions and the commercial interests of the common people who sent him.

I am an optimist because of my perfect confidence in the great body of the American people, whose stability, patriotism, and common sense will control this country and direct it along sound paths of good government; because I see in many directions the gradual restoration of the right and power of the people to select their public servants directly, and directly require them to carry out their will. I rejoice to see the establishment of the initiative and referendum in Maine and in Oregon and in other States, as well as in Oklahoma, and the establishment of the direct primary in so many of our States.

I rejoice to see the people instructing their legislatures in the selection of Senators, and while I did not receive any report from the Senator from Michigan, as chairman of the Committee on Privileges and Elections, of the proposed amendment to the Constitution of the United States, I had the honor to submit during the last Congress, for the election of Senators by direct vote of the people, I have felt justified in being an optimist because I was able to point out 24 States in the Union that had requested from their legislative assemblage this restoration to the people of their ancient right of rule.

Now, Mr. President, I am an optimist, notwithstanding the hostile attitude of the leaders now in control of the Senate, because already there are 29 States, including Michigan, the State of the distinguished chairman of the Committee on Privileges and Elections, in which the election of Senators is controlled by the direct voice of the people. (Alabama, Arkansas, California, Florida, Georgia, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maryland, Michigan, Missouri, Mississippi, Nebraska, Nevada, New Jersey, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Virginia, Washington, and Wisconsin. Of these California, Nevada, Idaho, and Michigan came in this year—1909.) It will only be a few short years when 46 of the States will be controlled in this manner; and when that day comes no Senator in this Chamber will be so callous as to mock the pledges made to the people in national platforms.

I am an optimist, Mr. President, because of the magnificent growth of our Republic under the blessings of liberty.

From 5,000,000 people in 1800 we have over eighty-five millions in 1907. From five billions of wealth in 1800 we have a hundred and twenty-five billions in 1909. From a weak Nation we have become potentially the greatest Nation in the world; but above all, Mr. President, has been our increase in the means of intelligence.

Forests are now converted into paper with lightning speed. Volumes innumerable, filled with learning upon every subject, are crowding into the pathway of knowledge; but chief of all the modern newspapers, filled with learning, wit, and humor, illustrated with splendid descriptions and photographs of everything "in the heavens above, the earth beneath, and the waters under the earth," are thrust into the hands of the wayfaring man for a price incredibly small, so that he who runs may read and instantly learn what is transpiring in regard to everything of human interest at home and abroad, so that every citizen may know at breakfast every fact transpiring on earth that he cares to know, from the diplomatic questions of foreign courts to the wonderful home run of Casey on the Chicago ball grounds, from the market quotations of London and New York to the astonishing description of the last wild beast slain on the eastern coast of Africa by one of our very distinguished fellow citizens.

While it is true that thirty-five thousand millions of dollars of the proceeds of human labor in the United States have passed into the hands of various corporations, and a very large part of all of the net proceeds of American labor have been improperly acquired by monopoly; and while 7,000,000 women have been driven from out the peaceful shelter of the American home into commercial rivalry with men; and while 5,000,000 children in like manner are being driven under the commercial whip to sacrifice their youth, in large part, to the demand of Mammon; and while there are many millions of men who regard life with great anxiety, constantly in fear of the drastic power of extreme poverty and lack of employment, still I see that the American workman, in the factories of our land, have exhibited a net output per capita of over twelve hundred dollars, from which the legitimate demand on him for the support of an American family can be met and still leave a large surplus earning.

The American people have shown that they are far more than abundantly capable of sustaining themselves and making the most substantial contribution to the wealth of the Republic and of the world and still leave themselves reasonable leisure.

And, finally, Mr. President, I am an optimist because I believe that the American people—who love liberty, who believe in self-government, who believe in mercy and in charity as well as in industry and providence—will see to it that this Government is so conducted by their representatives that in the future there shall be *a more equitable distribution of the proceeds of human labor;* that we shall change the present policy, whose inevitable tendency is the useless, the vulgar, and insane enrichment of the few at the expense of the misery and sorrow and of the physical and spiritual degeneration of millions of men, women, and children who are now submerged by the devices of commercialism gone mad.

The bill should not pass.

BECAUSE IT IS CONTRARY TO THE WILL OF THE AMERICAN PEOPLE.

Mr. President, the American people were promised by both parties a reduction of the tariff, and had a right to expect substantial reduction. The representatives of one-half of the people, assembled at Denver, emphasized this matter most vigorously in the Democratic platform in the following language:

> We welcome the belated promise *of tariff reform* now offered by the Republican Party. * * *
>
> This platform declared:
>
> The people can not safely intrust the execution of this important work to a party which is so *deeply obligated to the highly protected interests as is the Republican Party.*
>
> This platform states:
>
> We call attention to the significant fact that the promised relief *was postponed until after the coming election*—an election to succeed in which the Republican Party must have *the same support from the beneficiaries of the high protective tariff as it has always heretofore received from them;* and to the further fact that during years of uninterrupted power no action whatever has been taken by the Republican Congress to correct the admittedly existing tariff iniquities.
>
> This platform further declared:
>
> We favor immediate revision of the *tariff by the reduction of import duties.* * * *

The party to which I have the honor to belong has, since 1876, demanded a proper reform of the inequalities, injustices, and false pretenses of a tariff controlled by selfish interests at the expense of the American people.

It never has, Mr. President, at any time contemplated so reducing the tariff as to injuriously affect any legitimate industry whatever. On the contrary, while it has pointed vigorously to the fraud and false pretenses of the monopoly protecting tariff, it always has been mindful of the rights of capital legitimately employed in manufacture, and equally mindful of labor employed in industries established under the shelter of our tariff system.

In 1884 the Democratic national platform said:

> Many industries have come to rely upon legislation for successful continuance, so that any change of law must be at every step regardful of the labor and capital thus involved. The process of reform must be subjected in the execution to this plain dictate of justice; *all taxation shall be limited to the requirements of economical government.* The necessary reduction of taxation can and must be effected *without depriving American labor of the ability to compete successfully with foreign labor and without imposing lower rates of duty than will be ample to cover any increased cost of production which may exist in consequence of the higher rate of wages prevailing in this country.*

The practice of writing these schedules at prohibitive rates and preventing competition and engendering monopoly has been fiercely condemned by the Democracy as "robbery of the great majority for the benefit of the few" (1892). It has demanded a constitutional tariff drawn for the purpose of revenue, but has not condemned the unavoidable incidental protection which any tariff for revenue, or for revenue only, unavoidably affords, and which will always be found sufficient for the incidental protection of legitimate industry.

The reason why protection AS PRACTICED has been denounced as "robbery" is because such schedules have been drawn not for constitutional revenue purposes, but to shelter monopoly and permit monopoly to wrongful tax the people under the color of a pretended revenue law.

The party to which I have the honor to belong, therefore (1908), welcomed the promise of tariff reform offered by the Republican Party in 1908 on the basis of "the difference between the cost of production at home and abroad," for the obvious reason that a tariff so drawn would necessarily be a tariff for revenue with only such incidental protection as justice and common sense requires.

It was this kind of tariff law drawn in 1846, with which both parties were well satisfied in 1856. If this law were now so drawn, the contention between the two great parties on this issue would necessarily cease. [For party platforms compared see Exhibit 11.]

The party leaders of both great parties declared the purpose of reducing the tariff downward. No manner of explanation or evasion can alter the substantial truth that it was the expressed will of the American people making itself felt through both party platforms and through both party leaders that there should be a substantial reduction of tariff duties.

The Republican platform of 1908 declares "*unequivocally*"—a remarkable word in a platform, and suggests the purpose of equivocation—"for revision of the tariff by *special* session of the Congress *immediately* following the inauguration of the next President," and says:

> In all tariff legislation the true principle of protection is best maintained by the imposition *of such duties as will equal the difference between cost of production at home and abroad,* together with a reasonable profit to American industries.

The platform also says that it is the Republican policy—

> To preserve *without excessive duties* the security against foreign competition to which American manufacturers, farmers, and producers are entitled, but also to maintain the high standard of living of the wageworkers of this country, who are the most direct beneficiaries of the protective system.

Excessive duties are here condemned by the leaders of the Republican Party, and in 1904 the Republican platform declared:

> *The measure of protection should always at least equal the difference in the cost of production at home and abroad.*

Even in the majority report of the House committee, page 2, section 1, they declared:

> *While duties should be protective,* they should be adjusted as nearly as possible *to represent the difference in cost of production at home and abroad.*

IT VIOLATES THE REPUBLICAN PLEDGES.

The rates of the bill submitted by the Finance Committee average higher than the Dingley bill and are not a reduction at all.

The chairman of the Committee on Finance ostentatiously sets forth 379 items on which reductions are made.

These reductions, as will appear in the CONGRESSIONAL RECORD of May 5 and by Exhibit 12, I here submit, are items of no national importance. Two hundred and seventy-four of these items involve articles whose imports are less than $25,000, or severally less than one-thirtieth part of 1 penny gross imports per capita. The table which I submit gives the items in excess where the imports of such articles amounted to over $25,000, and the table discloses the fact that the total imports excepting lumber was extremely small, and that the pretended reductions are of no importance, while the increases are of substantial importance.

Mr. President, this bill should not pass, because it violates the pledges of the Republican Party and of the Republican leader during the last campaign. The party platform, I have shown above, is unequivocal. Its reasonable and natural interpretation is plain. The Senator from Indiana on May 25 set forth

at great length the declarations of the President of the United States, quoting him as pledging the American people—

Genuine and honest revision * * * substantially a *revision downward*, though there will probably be a few exceptions—

As delivered by the President September 24, 1908.

No wonder the Republican Senator from Minnesota [Mr. NELSON] demands to know what this special session was called for, if it was merely to rewrite the Dingley bill.

No wonder the Republican Senators from Iowa, Indiana, Nebraska, Minnesota, and Wisconsin and other States *vehemently protest* against this betrayal of the party pledge. The Senator from Massachusetts will explain in vain to the American people that it was not the purpose of the party to have a substantial revision downward, as the President said, September 24, 1908, at Milwaukee.

The President in his inaugural address reiterated his construction of the purposes of the party, as was strongly pointed out by the Senator from Indiana, and stated in the most positive manner:

It is imperatively necessary, therefore, that a tariff bill be drawn in *good faith* in accordance with *promises made before the election* by the party in power.

And on December 17 last the President is quoted as having said before the Ohio Society:

Better no revision at all, better that the new bill should fail, unless we have an honest and thorough revision on the basis laid down and the principles outlined in the party platform.

The Republican platform declared in 1904 for a tariff law merely "equal to the difference in the cost of production at home and abroad," and in 1908 likewise declared for—

Such duties as will equal the difference between the cost of production at home and abroad.

And yet the leaders of that party, neither in the House nor in the Senate, have concerned themselves to compile "the difference in the cost of production at home and abroad," although they have submitted many volumes of thousands of pages of confused miscellany, a small portion under oath, a large portion not under oath, with no safeguard whatever, and coming from selfish interests seeking the privilege of monopoly over the American people.

When I, as a Senator of the United States, representing the people of the United States from Maine to California, and entitled by the honor and dignity of my position to a proper answer, demand to know "why the difference in the cost of production at home and abroad" had not been compiled as a basis for the drafting of this statute, the Senator from New Hampshire rises in his place and solemnly advises me that my inquiry is "absurd." [Turning to the Senator from New Hampshire, Mr. GALLINGER.] He will find his remarks on page 2214 of the CONGRESSIONAL RECORD.

The suggestion is made by other Republican leaders that the information can not be obtained, and when I myself offer over 446 items which had been compiled 10 years ago by Carroll D. Wright, Commissioner of Labor, they show themselves acquainted with the matter, confess that this information can be obtained, and plead that the report is not up to date.

The Senator from Rhode Island, chairman of the Committee on Finance, rises in his place, and, with a fine sense of humor excited by my request and inquiry why the difference in cost of production had not been compiled, advises me with amused satire that he will have a clerk compile for me a list of publications relating to the tariff, but will be unable to furnish me with the intelligence to digest them.

I shall not question the intelligence of the chairman of the Committee on Finance, nor shall I reply to him in kind. I appeal from him to the American people, who will not hold him guiltless for his callous and reprehensible conduct in this matter.

Mr. President, I keenly regret to feel impelled to comment in this manner upon the conduct of public business in the Senate. Not only has the chairman of the Committee on Finance not furnished the Senate "the difference in the cost of production at home and abroad;" not only has he not made a proper report to the Senate in regard to this matter; not only has he replied with satirical indifference to a respectful demand for proper information which he was charged with the duty of obtaining, but he has withheld information upon this point obtained by our Department of State, through the German Government, for the express purpose of our enlightenment. He has done, Mr. President, what is infinitely more reprehensible; he has refused to the Senator of Virginia and to the other Democratic members of the Senate Finance Committee the privilege of having the same information as he himself has enjoyed by virtue of being an officer of this body; and when, Mr. President, his attention is called to this unjust and unconstitutional conduct, he justifies it by quoting from an evil precedent of Democratic origin and seemed to think he had fully answered for this breach of duty.

Mr. President, a bad Democratic precedent is no more respectable to me than a bad precedent from any other source.

The conduct of the chairman of the Committee on Finance in holding secret meetings with regard to this public matter and in giving repeated confidential audiences to the agents of monopoly, whose advice is influencing the various paragraphs of this bill in their own interests against the interests of the American people, is a bad precedent either to set or to follow, and puts the management of the Senate of the United States under the suspicion of a want of frankness and of a want of sincerity in drawing these schedules. It is of the highest national importance that the Senate of the United States and every Member of it should not only be above suspicion, but, as far as possible, beyond danger of being deceived or misled.

This evil precedent has already borne bad fruit, and the chairman of the Committee on Finance has been induced to put into this bill and to retain in this bill many so-called "jokers"—that is, words and phrases, innocent in appearance, with far-reaching consequences, favorable to the beneficiary and unfavorable to the people. These devices have already been pointed out on the floor, and I shall not pause to enumerate them. No court of justice, and no high official of Government charged with a sacred trust should permit himself to conduct "star-chamber proceedings," because it is almost sure to bring upon himself the odium of suspicion and public hostility as a Member of the United States Senate.

I enter my emphatic protest against this conduct of the public business as a precedent. It should not be permitted to stand as a precedent.

The poor excuse that the Democratic Members were lately furnished with the assistance of two statisticians does not in the least degree excuse this grossly improper method of conducting the public business. These experts were not furnished until it was too late to use their services advantageously for the proper digest and amendment of this bill.

For over a year the Republican Members have given it out that they were preparing this bill, and yet with all this time they have never yet furnished either the House or Senate with "the difference in the cost of production at home and abroad" of the items in the paragraphs of the Dingley bill, which they were honor bound to do by the platform of 1904 and by the platform of 1908, which required the redrawing of these paragraphs on this precise basis.

They can furnish no explanation of this astonishing and shocking neglect of duty, except perhaps the explanation offered by the Senator from South Carolina, who humorously apologized for them—

That they could not be expected to furnish a rope with which to hang themselves.

Is it possible, Mr. President, that men of nobility and character, that Senators trusted by the people with such power, have knowingly refused to compile "the difference in the cost of production at home and abroad" on the items of the Dingley bill for our present guidance because they intended to break faith with the American people and did not dare to make the truth manifest by compiling this damning evidence of their betrayal of their party pledges?

Whatever the purpose, Mr. President, the responsible authorities of the Senate in charge of this bill have furnished everything else except the evidence in point, and have obscured the issues both in the Senate and House by many volumes of undigested and undigestible matter, as well calculated to confuse the mind of an intelligent and laborious legislator as the huge volumes of testimony bundled before the petit jury in the criminal-rich cases, for the purpose of befogging the issue and assuring a miscarriage of justice.

In answer to my resolute demand for this information, the managers of the Senate, presenting and sustaining this bill, undertook to ridicule and discourage the inquiry. The chairman of the Committee on Finance [Mr. Aldrich] indulges in satire, evasion, and suggests a lack of intelligence in the inquiry. The Senator from New Hampshire [Mr. GALLINGER] declares the inquiry absurd. The Senator from Montana [Mr. Carter] suggests that Senators can not expect to be fed with an intellectual spoon, and so forth. And this is the utterly contemptible and pusillanimous manner in which party pledges are redeemed. This is the answer made to a respectful inquiry, why this information is not furnished as to "the difference in the cost of production at home and abroad," and why this bill is not written in the light of this evidence, as the party pledged itself to do to the American people.

Mr. President, the Republican leaders in charge of this bill occupy a position absolutely and utterly indefensible. They have boldly and openly violated the pledges of the party and have sacrificed the interests of the American people to benefit those selfish interests which are using these high schedules for the purpose of sheltering monopoly.

Mr. President, I can not help but believe that the Republican leaders, acting through the subtle influence of machine politics, have been led into a support of these high schedules without fully realizing that they are violating their party pledges, which confines them to the difference of the cost of production at home and abroad, but having made the error, defend it from false pride of opinion.

They have been, not perhaps quite hypnotized, but overwhelmed with the "power of suggestion" enveloping them and creating the atmosphere and controlling environment established by a swarm of attorneys, special pleaders, and fasinating representatives of the high-tariff beneficiaries.

They seem to have entirely lost sight of the principle of protection taught by their forefathers and defended by their own platform. This bill ought not to pass.

BECAUSE IT VIOLATES THE TRUE PRINCIPLE OF LEGITIMATE PROTECTION, WHICH DOES NOT ENGENDER OR DEFEND MONOPOLY.

This bill ought not to pass, because it violates the principle of protection from beginning to end.

Mr. President, if there is one thing that ought to be more thoroughly understood than another in this country it is—

The principle of legitimate protection.

There is not the slightest doubt about what it means from the days of Alexander Hamilton to this good day. The meaning of protection is absolutely clear to all students of economy, and that is a duty under a constitutional revenue tariff, so levied as to equal "the difference in cost of production at home and abroad," and thus enable the American manufacturer *to meet on equal terms the competition of the foreign manufacturer*, who enjoys cheaper labor or more favorable conditions, but not to establish monopoly by prohibitive duties.

Alexander Hamilton, in his famous report on the encouragement of manufacturers, gives the reasons for this policy. It was accepted by Washington, by Jefferson, by Madison, by Andrew Jackson, and various Democratic leaders down to the days of Samuel J. Tilden and Grover Cleveland, and has not been denied, as far as I am informed, by any great Democratic leader.

The Democratic platform of 1884 vigorously declared that in reducing the tariff the reduction—

Must be effected without depriving American labor of the ability to compete successfully with foreign labor, and without imposing lower rates of duty than will be ample to cover any increased cost of production which may exist in consequence of the higher rate of wages prevailing in this country.

And the Republican platform of 1904 says:

The measure of protection should always, at least, equal the difference in the cost of production at home and abroad.

And this doctrine is repeated again in the tariff of 1908 in the following words:

The true principle of protection is best maintained by the imposition of such duties as will *equal the difference between the cost of production at home and abroad.*

The Republican platform of 1908, however, adds the words:

Together with a reasonable profit to American industries.

This latter is not the doctrine of protection. It is the political wedge of monopoly. It is the latest political device of those who have been fraudulently building up monopoly under color of the doctrine of protection.

The Democrats have sincerely and justly declared "Republican protection" a fraud and the shelter of monopoly. The Republicans have unjustly and deceitfully declared the Democratic tariff for revenue to be free trade.

I shall undertake, Mr. President, to show that the tariff under the doctrine for revenue would be three times as high as a tariff drawn purely for purposes of protection under the principles laid down in the Republican platform of equaling the difference in the cost of production at home and abroad, if it were honestly drawn.

The Democratic doctrine of a tariff for revenue is not free trade or anything which approximates it. It is a tariff high enough to abundantly afford every protection to any American industry which it has an honest right to ask, as I shall immediately show.

The Democratic doctrine has been the correct one; that is, a tariff as low as economical government will permit, and not so low as to injure any legitimate industry established under our tariff system, contending that a tariff for revenue properly drawn will meet by incidental protection every legitimate demand.

I shall not pause to discuss the difference between the two parties. I shall content myself with showing that this bill does not conform to the principle of legitimate protection, absolute or incidental, laid down by either party, but under the pretense of protecting American labor and American capital legitimately employed it is written in such a manner as to utterly ignore the principles of protection as taught by the Republicans themselves. This will be perfectly obvious to any man who will take the schedules submitted under the head of "Estimated revenues of this bill," of April 12, 1909, showing the rates proposed by this present bill and the comparison of the rates with the Dingley bill.

THE DIFFERENCE IN THE COST OF PRODUCTION AT HOME AND ABROAD.

The cost of production depends on materials and labor.

Materials are as cheap in the markets of the world to the American as to the European, except as we tax import of raw material by our own statute. Our policy, with few exceptions, is to admit raw material free, so that the question of the relative cost of materials is of very small relative importance.

Our manufacturers get free raw materials for their export business by refund of duties paid.

Many materials are cheaper in the United States than they are abroad, except where controlled by our unrestrained monopolies.

LABOR COST.

Labor cost in wages *in the protected industries, measured by efficiency* and *the purchasing power of wages* paid to labor, is approximately the same in the United States as in Europe, except where the American wage earner is highly organized.

1. I shall undertake to show that this is true by showing that the money paid American labor *in protected industries* is approximately on an average but little more than that paid in Europe.

2. That the American workman is *twice as efficient*, and because of efficiency is entitled to twice the wage of the European workman, and that the difference in labor cost compared to the value of the product is in favor of the American manufacturer.

3. I shall undertake to show that $150 of wages in the United States buys only what a hundred dollars buys in Europe in manufactured goods, and for this reason the American manufacturer does not pay his labor as much in proportion to work done as the European manufacturer.

4. I shall undertake to show, finally, that the total percentage of wages to the gross product of all American manufacturers is only 17.8 per cent of the gross value of the product, and, therefore, that the difference in the cost of production in the United States and abroad must be on an average less than this percentage. If labor abroad cost half as much as in the United States, as the high protectionists pretend, then the difference in cost of production necessary to be provided for by a purely protective tariff would be less than the average of 10 per cent, while a revenue tariff would be between 30 and 40 per cent.

I shall undertake to show the bad effect of a prohibitive tariff on wages, on commerce, on distribution of wealth, and in corrupting of public and private life.

3. Effect of prohibitive tariff.

ON WAGES.

(*a*) Has lowered wages relative to product.
(*b*) Has lowered wages in protected industries compared to unprotected industries.
(*c*) Has lowered purchasing power of wages.
(*d*) Has established monopoly, and, consequently,
1. Has prevented or obstructed the organization of labor.
2. Restricted output and diminished demand for labor.
3. Has substituted foreign pauper labor for American labor.
4. Has required ruinous hours.
5. Subjected labor to bad housing, bad water, insanitary conditions.
6. Has increased mortality of labor.
7. Has destroyed political liberty of its labor in large measure.
8. Has impaired labor's commercial independence.
9. Has appropriated all the net proceeds of labor and accumulated it in the hands of the few.

ON COMMERCE.

(*a*) Has weakened our imports and exports.
(*b*) Has diminished the output of smaller factories, depending for material on monopolies.

(c) Has raised prices in United States 50 per cent above the prices abroad, thus *diminishing consumption.*

1. This means a ruinous tax on the man or woman with fixed income. A man with income of $1,500 *has one-third of income* confiscated by monopolies' high prices.

This affects all men with fixed income. The clerk, the servant, the Government employee, the pensioner, the man receiving fixed return from investment, yields one-third of it all to monopoly.

ON DISTRIBUTION OF WEALTH.

1. It has piled up enormous wealth in few hands, which now grows with accumulating force, absorbing all *natural opportunities* of life. The oil fields, coal, ore, timber, transportation and transmission services, municipal franchises, real estate, water powers, with the inevitable result, if not checked, of commercial mastery and commercial slavery and destruction of political independence.

2. It has *corrupted our public life*, our elections, our cities, our courts, legislatures, and executive officers, and our private citizens.

FIRST. RELATIVE LABOR COST.

Mr. President, I wish to point out the relative labor cost, because in considering this matter as a student, I have faithfully undertaken to do so. What I shall say will be as a student of this matter and not as a mere controversialist—and I defy the Committee on Finance to challenge the accuracy of the figures which I submit to the Senate—the labor cost of material is the first great factor that ought to be considered by the Senate. The percentage which labor bears to various products, as shown by our statistical tables, is carefully set forth in Exhibit 1, taken from volumes 7–10 on manufactures of our Federal census.

It is true that the Census Bureau neglected to work out the percentages of labor cost, but that is a mathematical problem easy of solution, to which I have given industrious attention. I call the attention of the Senate to these percentages, which are of vital importance if this bill is to be written in a spirit of integrity. From this table it appears that labor's share of the gross product in the food industries was 5.7 per cent; in textiles, 19.5 per cent; in iron and steel, 22.10 per cent; lumber, 27.4 per cent; leather industries, 16.5 per cent; in paper and printing, 21.6 per cent; in liquors and beverages, 8.9 per cent; in chemicals and allied products, 8 per cent; clay, glass, and stone products, 37.1 per cent; in metals and metal products, 12.7 per cent; tobacco products, 18.9 per cent; for vehicles for land transportation, 34.4 per cent; in shipbuilding, 35.2 per cent; in miscellaneous industries, 19.9 per cent.

The average of wages paid to labor, compared with the gross product in the 14 great industries, therefore, is only 19.7 per cent of the gross product. And yet the leaders bring in this bill with the average three times as high as the total labor cost and ask us, representing the people of the United States, to accept it without a murmur and without a protest. They have neglected to point out the difference of the cost of production at home and abroad. I have undertaken to do so, and to put upon the records of the Senate a lasting memorial of what this cost is, that they shall not leave this matter without explanation to the people of the United States. It shall be recorded and it is recorded by the tables which I shall immediately submit.

Mr. President, before I submit these tables, however, I wish to call attention to the report of Carroll D. Wright. I have suggested heretofore to the managers of this bill that they might consult the tables of Carroll D. Wright with advantage. He offers 446 different articles, with the total labor cost measured to the cent in each and every one of them, taking this information from the United States, from Germany, from Belgium, from England, and he verifies in these particular instances the accuracy of our general tables taken from the Census Bureau.

Obviously, the difference in the percentage which the wages of labor abroad would bear to manufactured products in like great industries will be somewhat similar to the percentage in this country. Wages are somewhat cheaper abroad in the protected industries than they are in this country; and if the average wage was only half abroad what it is at home, the difference in the cost of wages at home and abroad would not exceed 10 per cent ad valorem on the gross products of labor in all of our 14 great groups of manufacturing industries; but when it is remembered that American labor is twice as productive in this country as it is abroad, even this 10 per cent disappears. Notwithstanding this important and vital fact, the representatives of high protection continually declaim that a 50 per cent tariff is almost solely and exclusively in the interest of the American laborer and for the protection of the American manufacturer from bankruptcy.

THE LOWER WAGES IN EUROPE OFFSET BY GREATER EFFICIENCY OF AMERICAN LABOR.

James G. Blaine once said:

That the actual labor cost of the American product is less because the effectiveness of American labor was superior to that of the workingman of any other nation on earth.

Prof. William G. Clark, indorsed as an authority by the Senator from New Hampshire [Mr. GALLINGER], in the Engineering Magazine for May, 1904, submits a table, which he bases on official data, showing the comparative productivity of American labor for the year 1900, as follows, to wit:

American, average annual output	$2,450
Canadian, average annual output	1,455
Australian, average annual output	900
French, average annual output	640
England, average annual output	556
German, average annual output	460

I do not assert that these figures are strictly correct, but believe it will be generally conceded that the American workman has at least twice the efficiency of the European workman, because of the use of superior machinery, modern appliances, and more effective invention.

PER CENT OF WAGES TO VALUE OF PRODUCT NOT CONSIDERED IN TARIFF RATES OF PENDING BILL.

The percentage which labor receives upon the gross product in the textiles industry, for example, as compiled by our own census on manufactures, is only 19.5 per cent; and yet when the woolen schedule, for example, is examined, the present bill puts yarn, 143 per cent (par. 373); knit fabrics, 141 per cent (par. 374); plushes and other pile fabrics, 141 per cent; wool advanced in any manner beyond scouring, 140 per cent; woolen cloths or worsted, 134 per cent (par. 374); blankets, 107 per cent; flannels for underwear, 143 per cent; dress goods, coat linings, and so forth, 105 per cent (par. 376); felts, not woven, 95 per cent; wearing apparel, clothes, dolman, jackets, ulsters, and so forth, for ladies and children, 80 per cent; hats of wool, 92 per cent; shawls, 92 per cent; woolen carpets, 114 per cent (par. 389).

Grossly violating the principle of protection, even from the Republican standpoint, and even in cotton cloth, which is particularly needed by our poorest people, cotton carpets are taxed 50 per cent (par. 389). Cotton cloth, 42 per cent, and as high as 61 per cent for different kinds of cotton cloth; cotton handkerchiefs, 55 per cent; cotton sleeve linings, 58 per cent.

Mr. President, the cost of labor in transforming wool and cotton into cloth is small. It does not exceed an average of 25 per cent, and in England it is slightly more than in the United States, because the labor there is not so efficient as in the United States; and the difference in the cost of production at home and abroad as far as the labor cost in cotton and woolen cloth is concerned is almost a negligible quantity.

It will not do, Mr. President, to attempt to deceive anyone by pretending that the difference in cost of production of items on this bill at home and abroad is not available, or that it would take years to compile it, as the managers of this bill have asserted on the floor of the Senate during this debate. It is available, and it has been collected on many sample products.

I had the honor to submit to the Senate, during the present session, the report of Carroll D. Wright, Commissioner of Labor, of 1898, who carefully examined into this question of costs, giving the precise amounts of costs in 446 instances. And in regard to woolen goods he shows that No. 1 woolen yarn can be made at a labor cost of 5.44 per cent of the finished product (S. Doc. 20, 55th Cong., 3d sess., p. 84); that woolen yarn No. 2 could be made with a labor cost of 4.74 per cent of the finished product; that woolen yarn No. 3 could be made for 7.11 per cent of the finished product; that woolen yarn No. 4 could be made for 6.49 per cent of the finished product; that woolen yarn No. 5 could be made at a cost of 7.71 per cent of the finished product; that woolen yarn No. 6 could be made at a labor cost of 9.29 per cent of the finished product; and including the entire cost of labor in transformation materials, which are shown in No. 426, that woolen cloth in the United States, 55 inches wide, 24 ounces to the yard, can be made at a labor cost of 16.44 per cent of the finished product.

But the Committee on Finance approve a rate of 143 per cent on woolen yarn.

Mr. President, if I should point out all of such inequalities between the cost of production at home and abroad and the rates fixed by this bill, with its 4,000 items, it would require a volume and many days of time. I therefore content myself with a complete demonstration of the general character of this bill in its indifference to the principles of protection as laid down in the Republican platform, and will then proceed with other considerations.

I take a few items from Carroll D. Wright's report, giving the cost of labor in transforming wool into blankets in the United States, compiled by him under the instructions of the Senate 10 years ago, and of woolen cloth.

He explains that this work was obtained directly from the manufacturers by the Department of Labor, using "experts from the department detailed for that purpose."

He shows the total cost of labor in blankets, cloth, and woolen yarns to be from 5 per cent to 30 per cent.

[From report of Carroll D. Wright, Commissioner of Labor, 1898, by experts on cost, in answer to Senate resolution.]

Woolen goods.

No. 390.—*Blankets:* United States; 1897; unit, 1 pound.
White; best grade; all wool; warp, 16 cut; filling, 10 cut; 46 threads of warp and 38 picks of filling per inch; size, 72 x 80 inches; weight, 6 pounds.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.145	15.56
Cost of materials and all other items except labor	.787	84.44
Total cost	.932	100.00

No. 391.—*Blankets:* United States; 1897; unit, 1 pound.
White; navy; all wool; warp, 7½ cut; filling, 6½ cut; 24 threads of warp and 24 picks of filling per inch; size, 58 x 78 inches; weight, 3¼ pounds.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.0978	15.28
Cost of materials and all other items except labor	.5422	84.72
Total cost	.6400	100.00

No. 392.—*Blankets:* United States; 1897; unit, 1 pound.
White; medium grade; all wool; same general description as product No. 390, but made of cheaper quality wool.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.13	18.57
Cost of materials and all other items except labor	.57	81.43
Total cost	.70	100.00

No. 393.—*Blankets:* United States; 1897; unit, 1 pound.
All wool; warp, 11 cut; filling, 9 cut; 23¾ threads of warp and 27 picks of filling per inch; size, 58x76 inches; weight, 2 pounds.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.1417	31.40
Cost of materials and all other items except labor	.3096	68.60
Total cost	.4513	100.00

No. 394.—*Blankets:* United States; 1897; unit, 1 pound.
White; best grade; cotton warp and wool filling; warp, No. 16; filling, 10 cut; 52 threads of warp and 42 picks of filling per inch; size, 60x72 inches; weight, 5 pounds.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.125	15.76
Cost of materials and all other items except labor	.668	84.24
Total cost	.793	100.00

No. 395.—*Blankets:* United States; 1897; unit, 1 pound.
White; mixed cotton and wool; warp, 10 cut; filling, 10 cut; 36 threads of warp and 36 picks of filling per inch; size, 60x72 inches; weight, 5 pounds.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.135	16.71
Cost of materials and all other items except labor	.673	83.29
Total cost	.808	100.00

Woolen goods—Continued.

No. 396.—*Blankets:* United States; 1897; unit, 1 pound.
Brown-gray; low grade; cotton warp and wool filling; warp, No. 10; filling, 4 cut; 24 threads of warp and 22 picks of filling per inch; size, 50x72 inches; weight, 5 pounds.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.0825	48.13
Cost of materials and all other items except labor	.0889	51.87
Total cost	.1714	100.00

No. 397.—*Blankets:* United States; 1897; unit, 1 pound.
Blue-gray; cotton warp and wool filling; warp, No. 10; filling, 6 cut; 34 threads of warp and 32 picks of filling per inch; size, 60x72 inches; weight, 6 pounds.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.0750	29.90
Cost of materials and all other items except labor	.1758	70.10
Total cost	.2508	100.00

No. 398.—*Blankets:* United States; 1897; unit, 1 pound.
Blue; cotton warp and wool filling; warp, No. 10; filling, 4 cut; 33⅓ threads of warp and 38 picks of filling per inch; size, 60x76 inches; weight, 3½ pounds.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.0892	29.56
Cost of materials and all other items except labor	.2146	70.44
Total cost	.3038	100.00

No. 399.—*Blankets:* United States; 1897; unit, 1 pound.
Horse; best grade; all wool; warp and filling, both 5 cut; 24 threads of warp and 24 picks of filling per inch; size, 84x90 inches; weight, 7½ pounds.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.1050	20.22
Cost of materials and all other items except labor	.4144	79.78
Total cost	.5194	100.00

No. 400.—*Blankets:* United States; 1897; unit, 1 pound.
Horse; medium grade; all wool; warp and filling, both 5 cut; 22 threads of warp and 22 picks of filling per inch; size, 84x90 inches; weight, 7 pounds.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.0850	19.07
Cost of materials and all other items except labor	.3607	80.93
Total cost	.4457	100.00

No. 401.—*Blankets:* United States; 1897; unit, 1 pound.
Horse; plaid; all wool; warp and filling, both 4½ cut; 21½ threads of warp and 17 picks of filling per inch; size, 78x80 inches; weight, 5 pounds.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.1000	21.42
Cost of materials and all other items except labor	.3669	78.58
Total cost	.4669	100.00

No. 402.—*Blankets:* United States; 1897; unit, 1 pound.
Horse; low grade; mixed wool and cotton; warp and filling, both 4 cut; 20 threads of warp and 20 picks of filling per inch; size, 84x90 inches; weight, 7 pounds.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.0550	32.09
Cost of materials and all other items except labor	.1164	67.91
Total cost	.1714	100.00

No. 403.—*Blankets:* United States; 1897; unit, 1 pound.
Horse; blue; cotton warp and wool filling; warp, No. 10; filling, 4 cut; 32½ threads of warp and 48 picks of filling per inch; size, 84x90 inches; weight, 7 pounds.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.0714	24.43
Cost of materials and all other items except labor	.2209	75.57
Total cost	.2923	100.00

Woolen goods—Continued.

No. 404.—*Blankets:* Belgium: 1897; unit, 1 pound.
White; all wool, medium quality.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.0525	14.99
Cost of materials and all other items except labor	.2977	85.01
Total cost	.3502	100.00

No. 405.—*Cloth:* United States; March, 1898; unit, 1 yard.
Beaver; 54 inches wide; weight, 29 ounces per yard; warp yarn, No. 16 colored cotton; weft yarn, ⅝ of 2¼ run and ⅜ of 1 run shoddy; 85 ends of warp and 62 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.243	28.20
Cost of materials and all other items except labor	6.11	71.80
Total cost	.851	100.00

No. 406.—*Cloth:* United States; March, 1898; unit, 1 yard.
Cassimere; 54 inches wide; weight, 20½ ounces per yard; warp yarn, 2¼ run; weft yarn, 2⅜ run; 50 ends of warp and 36 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.20	23.81
Cost of materials and all other items except labor	.64	76.19
Total cost	.84	100.00

No. 407.—*Cloth:* United States; March, 1898; unit, 1 yard.
Cassimere; 54 inches wide; weight, 22 ounces per yard; warp yarn, 2-run; weft yarn, 2¼-run; 50 ends of warp and 36 picks of filling per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.2100	23.80
Cost of materials and all other items except labor	.6725	76.20
Total cost	.8825	100.00

No. 408.—*Cloth:* United States; 1897; unit, 1 yard.
Cassimere; 54 inches wide; weight, 26 ounces per yard; warp yarn, 4-run; weft yarn, 5-run; 75 ends of warp and 64 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.3654	28.31
Cost of materials and all other items except labor	.9252	71.69
Total cost	1.2906	100.00

No. 409.—*Cloth:* United States; 1897; unit, 1 yard.
Cassimere; 54 inches wide; weight, 20 ounces per yard; warp yarn, 4-run; weft yarn, 5-run; 60 ends of warp and 52 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.2801	28.09
Cost of materials and all other items except labor	.7172	71.91
Total cost	.9973	100.00

No. 410.—*Cloth:* United States; 1897; unit, 1 yard.
Cassimere; 55 inches wide; weight, 22 ounces per yard; 4½-run yarn, single, double, and twisted, is used in both warp and weft; 38 ends of warp and 38 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.2163	17.30
Cost of materials and all other items except labor	1.0337	82.70
Total cost	1.2500	100.00

Woolen goods—Continued.

No. 411.—*Cloth:* United States; November, 1897; unit, 1 yard.
Cheviot; 56 inches wide; weight, 32 ounces per yard; warp yarn, 2-ply No. 24 worsted face and 2¼-run wool; back weft yarn, 2½-run face and 2-run back; 86 ends of warp and 60 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.42	28.00
Cost of materials and all other items except labor	1.08	72.00
Total cost	1.50	100.00

No. 412.—*Cloth:* United States; November, 1897; unit, 1 yard.
Cheviot; 55 inches wide; weight, 28 ounces per yard; 1¼ run yarn used in both warp and weft; 38 ends of warp and 32 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.22	22.45
Cost of materials and all other items except labor	.76	77.55
Total cost	.98	100.00

No. 413.—*Cloth:* United States; 1897; unit, 1 yard.
Cheviot; half shoddy; 56 inches wide; weight, 22 ounces per yard; 1⅜-run yarn is used in both warp and weft; 28 ends of warp and 26 ends of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.15	28.30
Cost of materials and all other items except labor	.38	71.70
Total cost	.53	100.00

No. 414.—*Cloth:* United States; November, 1897; unit, 1 yard.
Cheviot, piece dyed; 55 inches wide; weight, 20 ounces per yard; 2 threads of 3¾ runs each, doubled and twisted, used in both warp and weft; 40 ends of warp and 30 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.1688	22.51
Cost of materials and all other items except labor	.5812	77.49
Total cost	.7500	100.00

No. 415.—*Cloth:* United States; 1897; unit, 1 yard.
Kersey; high grade; finely finished; 55 inches wide; weight, 20 ounces per yard; 4½-run yarn is used in both warp and weft; 48 ends of warp and 48 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.54	30.86
Cost of materials and all other items except labor	1.21	69.14
Total cost	1.75	100.00

No. 416.—*Cloth:* United States; November, 1897; unit, 1 yard.
Kersey; 55 inches wide; weight, 27 ounces per yard; warp yarn, 4 run; weft yarn, 4½-run face and 2-run back; 76 ends of warp and 60 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.38	31.93
Cost of materials and all other items except labor	.81	68.07
Total cost	1.19	100.00

No. 417.—*Cloth:* United States; November, 1897; unit, 1 yard.
Kersey; piece dyed; 55 inches wide; weight, 32 ounces per yard; warp yarn, ⅝ of 7 run and ½ of 2¼ run; weft yarn, ⅝ of 5 run and ½ of 2½ run; 88 ends of warp and 66 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.4202	22.47
Cost of materials and all other items except labor	1.4498	77.53
Total cost	1.8700	100.00

Woolen goods—Continued.

No. 418.—*Cloth:* United States; 1897; unit, 1 yard.
Kersey; one-third shoddy; 56 inches wide; weight, 28 ounces per yard; warp yarn, 20 ends of 3½ run and 20 ends of 1½ run per inch; weft yarn, 2 run; 40 ends of warp and 40 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.288	25.09
Cost of materials and all other items except labor	.860	74.91
Total cost	1.148	100.00

No. 419.—*Cloth:* United States; November, 1897; unit, 1 yard.
Kersey; half shoddy; piece dyed; 55 inches wide; weight, 32 ounces per yard; warp yarn, ⅝ of 3 run and ⅜ of 1 run; weft yarn, 2¼ run; 54 ends of warp and 40 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.2388	28.09
Cost of materials and all other items except labor	.6112	71.91
Total cost	.8500	100.00

No. 420.—*Cloth:* United States; November, 1897; unit, 1 yard.
Frieze; 55 inches wide; weight, 32 ounces per yard; warp yarn, 3½ run; weft yarn, 1½ run; 44 ends of warp and 44 picks of weft per inch.

	Amount.	Per cent of total
Cost of labor in transforming materials	$0.26	25.49
Cost of materials and all other items except labor	.76	74.51
Total cost	1.02	100.00

No. 421.—*Cloth;* United States; 1897; unit, 1 yard.
Melton; 54 inches wide; weight, 28 ounces per yard; warp yarn, 3 run; weft yarn, 3¼ run; 58 ends of warp and 54 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.2549	25.67
Cost of materials and all other items except labor	.7381	74.33
Total cost	.9930	100.00

No. 422.—*Cloth.* United States; November, 1897; unit, 1 yard.
Thibet; 55 inches wide; weight, 23 ounces per yard; 3½ run yarn used in both warp and weft; 95 ends of warp and 46 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.32	28.57
Cost of materials and all other items except labor	.80	71.43
Total cost	1.12	100.00

No. 423.—*Cloth:* United States; November, 1897, unit, 1 yard.
Thibet; piece dyed; 55 inches wide; weight, 22 ounces per yard; warp yarn, 5 run; weft yarn, 1½ run; 46 ends of warp and 32 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.1825	28.08
Cost of materials and all other items except labor	.4675	71.92
Total cost	.6500	100.00

No. 424.—*Cloth:* United States; November, 1897; unit, 1 yard.
Tricot; piece dyed; 32 inches wide; weight, 3½ ounces per yard; 6½ run yarn used in both warp and weft; 35 ends of warp and 26 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.035	25.00
Cost of materials and all other items except labor	.105	75.00
Total cost	.140	100.00

Woolen goods—Continued.

No. 425.—*Cloth:* United States; November, 1897; unit, 1 yard.
Whip cord; 55 inches wide; weight, 22 ounces per yard; warp yarn, 5¾ run and 9 run, twisted; weft yarn, 4 run; 98 ends of warp and 40 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.38	24.36
Cost of materials and all other items except labor	1.18	75.64
Total cost	1.56	100.00

No. 426.—*Cloth:* United States; November, 1897; unit, 1 yard.
Woolen cloth; 55 inches wide; weight, 23 to 24 ounces per yard; warp yarn, 2-ply 3½ run wool; weft yarn, 2-ply $\frac{5}{16}$ worsted; 30 picks per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.24	16.44
Cost of materials and all other items except labor	1.22	83.56
Total cost	1.46	100.00

No. 427.—*Cloth:* Great Britain; 1897; unit, 1 yard.
Cheviot; 54 inches wide; worsted warp and woolen weft; warp 2 fold No. 10 worsted; weft No. 9½ and No. 30 twist; 20 picks per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.2233	29.45
Cost of materials and all other items except labor	.5349	70.55
Total cost	.7582	100.00

No. 428.—*Cloth:* Great Britain; 1897; unit 1 yard.
Melton; 54 inches wide; woolen warp and weft; warp No. 12; weft No. 12; 32 picks per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.2026	29.89
Cost of materials and all other items except labor	.4752	70.11
Total cost	.6778	100.00

No. 429.—*Cloth:* Great Britain; 1897; unit, 1 yard.
Undress worsted; 56 inches wide; woolen warp and weft; warp No. 18; weft No. 18; 50 picks per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.2407	25.15
Cost of materials and all other items except labor	.7162	74.85
Total cost	.9569	100.00

No. 430.—*Woolen yarn:* United States; 1897–98; unit, 1 pound.
No. 1 yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.0260	5.44
Cost of materials and all other items except labor	.4522	94.56
Total cost	.4782	100.00

No. 431.—*Woolen yarn:* United States; December, 1897; unit, 1 pound.
No. 2 yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.0287	4.74
Cost of materials and all other items except labor	.5773	95.26
Total cost	.6060	100.00

No. 432.—*Woolen yarn:* United States; November, 1897; unit, 1 pound.
No. 2 yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.0800	21.82
Cost of materials and all other items except labor	.2866	78.18
Total cost	.3666	100.00

Woolen goods—Continued.

No. 433.—*Woolen yarn:* United States; 1897–98; unit, 1 pound. No. 3 yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.0382	7.11
Cost of materials and all other items except labor	.4987	92.89
Total cost	.5369	100.00

No. 434—*Woolen yarn:* United States; December, 1897; unit, 1 pound. No. 3 yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.0337	5.50
Cost of materials and all other items except labor	.5788	94.50
Total cost	.6125	100.00

No. 435.—*Woolen yarn:* United States; November, 1897; unit, 1 pound. No. 3½ yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.1000	23.12
Cost of materials and all other items except labor	.3325	76.88
Total cost	.4325	100.00

No. 436.—*Woolen yarn:* United States; December, 1897; unit, 1 pound. No. 4 yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.0412	6.49
Cost of materials and all other items except labor	.5938	93.51
Total cost	.6350	100.00

No. 437.—*Woolen yarn:* United States; 1897–98; unit, 1 pound. No. 5 yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.0640	10.48
Cost of materials and all other items except labor	.5469	89.52
Total cost	.6109	100.00

No. 438.—*Woolen yarn:* United States; December, 1897; unit, 1 pound. No. 5 yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.0512	7.71
Cost of materials and all other items except labor	.6133	92.29
Total cost	.6645	100.00

No. 439.—*Woolen yarn:* United States; November, 1897; unit, 1 pound. No. 5½ yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.1200	22.37
Cost of materials and all other items except labor	.4165	77.63
Total cost	.5365	100.00

No. 440.—*Woolen yarn:* United States; 1897–98; unit, 1 pound. No. 6 yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.0742	11.88
Cost of materials and all other items except labor	.5505	88.12
Total cost	.6247	100.00

Woolen goods—Continued.

No. 441.—*Woolen yarn:* United States; December, 1897; unit, 1 pound. No. 6 yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.0637	9.29
Cost of materials and all other items except labor	.6218	90.71
Total cost	.6855	100.00

No. 442.—*Woolen yarn:* United States; 1897–98; unit, 1 pound. No. 8 yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.0941	13.51
Cost of materials and all other items except labor	.6025	86.49
Total cost	.6966	100.00

No. 443.—*Woolen yarn:* United States; November, 1897; unit, 1 pound. No. 9 yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.1500	19.85
Cost of materials and all other items except labor	.6055	80.15
Total cost	.7555	100.00

No. 444.—*Woolen yarn.* United States; 1897–1898; unit, 1 pound. No. 10 yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.1085	14.65
Cost of materials and all other items except labor	.6322	85.35
Total cost	.7407	100.00

No. 445.—*Woolen yarn:* Belgium; 1897; unit, 1 pound.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.0700	26.66
Cost of materials and all other items except labor	.1926	73.34
Total cost	.2626	100.00

No. 446.—*Woolen yarn:* Belgium; 1897; unit, 1 pound.

	Amount.	Per cent of total.
Cost of labor in transforming materials	$0.0306	11.65
Cost of materials and all other items except labor	.2320	88.35
Total cost	.2626	100.00

CENSUS TABLES, SHOWING PERCENTAGE OF LABOR TO VALUE OF PRODUCT IN COST OF PRODUCTION.

Mr. OWEN. Mr. President, I submit the following tables, taken from Table 156 of the Abstract of the Census of 1900, relative to 15 groups of industries. While these tables can not be called microscopically exact, they certainly comprise the best evidence available to show the relative return to labor and to capital affected by the tariff, and in so far as they lack precision are more favorable to capital than to labor, because these figures were obtained from the reports of manufacturing establishments controlled by capital, and the evidences, therefore, are out of the mouths of the manufacturers themselves, but are based on watered stocks, and cover returns to capital contained in salaries and miscellaneous items which can not be determined.

These tables which I shall submit will show the capital alleged to be invested in 1890, 1900, and 1905, with the expenses, including salaries of officers, amounts paid in wages, amounts paid under the head of "Miscellaneous," and the amount paid for "materials," with the value of the product and the profit, showing the percentage of profit to capital and the percentage paid to labor out of the proceeds of labor, and the percentage of wages to the increase of value by manufacture.

I have been compelled to make these compilations, and am indebted for the caluculations to Mr. Josiah H. Shinn, of Washing-

ton, a statistical expert of high standing, and to Mr. J. J. McCoy, Actuary of the United States Treasury. The Census Bureau neglected to point out in its tables the comparative reward of capital and labor, and I have done so, in order to show the truth with regard to it.

Neither the Committee on Finance nor the Committee on Ways and Means in the House has seen fit to furnish this information to the country, and yet only in this direction and by like methods and tables can be determined "the difference in cost of labor or of production at home and abroad" on which this tariff bill is falsely pretended to be drawn.

The percentage of labor is worked out in every one of the great tables affecting the 14 groups of industries in the United States from details gathered with infinite care from the manufacturer himself, and are therefore as favorable to him as they might naturally be expected to be. A very interesting ratio of the relative wages is found in these tables; that is to say, that under this high prohibitive tariff, engendering monopolies, the result has followed which might be expected to follow—that labor continually receives a diminishing share of that which it produces. For instance, taking the textile industry, in 1890 labor received 22 per cent of the gross product; in 1902 it received 20.8 per cent of the gross product; and in 1905 it received 19.5 per cent. So it will be found all through these tables that the monopolies which have been built up upon these tariffs have gradually diminished the part which labor receives.

Look at these wonderful tables, showing the profits of the various manufacturers of the country by groups of industries. Remember the enormous stock-watering operations shown by Moody's Manual and by Poor's Manual and the corporation statistics of the last 15 years, and then consider what it means when this watered capital on food products pays 16.4 per cent interest, with a fairly estimated profit, considering water, of 32 per cent; on textiles, of 12 per cent, which fairly estimated profit of 24 per cent; on iron and steel, of 10.6 per cent, which would be probably 30 per cent; on lumber, of 18.7 per cent, and probably of nearly 50 per cent; on the industries of leather, 13.5 per cent, when it should be at least three times that; and so all through the list.

These monopolies are shown to have the certain enormous rates of profits which these tables point out. These tables necessarily include a multitude of companies whose profits are reasonable and just in every respect, who are not monopolistic, who are doing business on a fair competitive market, so that the profits of monopoly are the special profits which swell this total to a high figure, and which stand above, and far above, the averages which are given. When there is also taken into consideration the fact that on a physical valuation they would not have probably one-third of the capital invested which they pretend to have by their capital stock; when it is remembered that under the head of salaries and miscellaneous expenses and other artful methods of bookkeeping the earnings of these monopolies are being secretly used and concealed and being invested in various forms of property, it is no exaggeration to say that the earnings on physical valuation are probably three times what they appear to be on the face of the census reports.

Mr. President, I call the attention of Senators in considering these tables and invite them to remember that since 1890 the United States has gone through the most remarkable stock-watering operation that the civilized world has ever seen. And *the earning power of labor and of public franchises has been capitalized in a multitude of monopolies*, which have been established by combining competing enterprises into single companies, so that, while the capital of 1890 was in a large measure watered stock, it is probably no exaggeration to say that the capital of 1905 will average probably 66 per cent of "water"; so that when you consider the percentage of profit on the capital in these tables it should be at least doubled and should be probably trebled to give a fair estimate.

Another item which should be kept in mind is that the men who control corporate organizations can allow themselves such enormous rewards under the head of salaries that this item is also an important additional item in favor of capital. With this explanation, it will be seen that labor's share of the return of the work done in this aggregate group of all the great industries relating to manufactured products is very small, and after supplying the necessaries of life leaves labor no surplus. The profit of capital, confessedly, is 16.4 per cent.

Now, Mr. President, I submit a tabulated abstract showing the profits of capital conceded; also a table of estimated profits and a table of probable profits in the 14 great groups of our national industries.

THE MEANING OF WORDS USED IN THE TABLES.

Salaries.—Covers the salaries of officials, salesmen, bookkeepers, clerks, stenographers; in some cases superintendents and foremen.

Wages.—The word "wages" means the wages of workingmen.

Miscellaneous.—Means (see Special Report of Census, Manufactures, vol. 1, 1905, p. xcix):

1. Amount paid for rent of factory or works.
2. Amount paid for taxes, not including internal revenue.
3. Amount paid for *rent of offices and buildings* other than factory or works, and for *interest, insurance*, internal-revenue tax, *ordinary repairs of buildings and machinery, advertising, traveling expenses*, and *all other sundry expenses not reported under the head of "Materials."*

Materials.—The word "materials," page cl, means:

1. Cost of components of the product.
2. Cost of fuel, oil, and waste.
3. Packing boxes, and materials to make them.
4. Wrapping paper.
5. Freights paid by the manufacturers.
6. Rent of power and heat.

The salaried officials include the administration force, whether of *sales, manufacturing, purchasing, advertising, or mail orders* (p. lxxiv).

See Exhibit I.

EXHIBIT I.

Summary of manufactures by 14 groups of industries.

[Special Census Report, Manufactures, pt. 1, 1905, p. 28 et seq.; Twelfth Census, 1900, Manufactures, pt. 1, p. 20 et seq., and pp. cxliv and cxlv; with special calculations by Josiah H. Shinn and J. J. McCoy, actuary of United States Treasury.]

	1905	1900	1890
1. Food-products industries:			
Capital	$1,173,151,276	$940,889,838	$507,678,328
Expenses—			
Officers	$51,456,814	$39,313,664	$33,313,664
Wages	$164,601,813	$129,910,070	$90,373,450
Miscellaneous	$131,773,642	$77,986,185	$52,926,982
Materials	$2,304,416,564	$1,839,256,143	$1,318,963,830
Total	$2,652,248,833	$2,086,466,062	$1,495,587,926
Profit	$192,986,067	$191,235,948	$140,609,265
Gross product	$2,845,234,900	$2,277,702,010	$1,636,197,191
Per cent profit on capital stock	16.4	20	27.6
Labor's share of gross product, per cent	5.7	5.7	5.5
Value of gross output	$2,845,234,900	$2,277,702,010	$1,636,197,191
Cost of materials	$2,304,416,564	$1,839,256,143	$1,318,963,830
Increase in value	$540,818,336	$438,445,867	$317,233,361
Cost of labor	$164,601,813	$129,910,070	$90,373,450
Per cent of cost of labor to increase in value	30.4	33.7	35.1
2. Textile industries:			
Capital	$1,744,169,234	$1,366,604,058	$1,008,050,268
Expenses—			
Officers	$69,281,415	$49,982,357	$35,496,486
Wages	$419,841,630	$341,734,399	$278,167,709
Miscellaneous	$199,066,264	$128,481,214	$78,404,675
Materials	$1,246,562,061	$895,984,796	$705,004,909
Total	$1,934,751,370	$1,416,182,766	$1,097,073,839
Profit	$212,690,048	$221,301,718	$164,598,665
Gross product	$2,147,441,418	$1,637,484,484	$1,261,672,504
Per cent profit on capital stock	12	16.1	16.3
Labor's share of gross product, per cent	19.5	20.8	22
Value of gross output	$2,147,441,418	$1,637,484,484	$1,261,672,504
Cost of materials	$1,246,562,061	$895,984,796	$705,004,909
Increase in value	$900,879,358	$741,499,688	$556,667,595
Cost of labor	$419,841,630	$341,734,399	$278,167,709
Per cent of cost of labor to increase in value	46.6	46.1	50
3. Iron and steel industries:			
Capital	$2,331,498,157	$1,528,979,076	$997,872,488
Expenses—			
Officers	$100,444,686	$58,090,781	$36,583,536
Wages	$482,357,503	$381,875,499	$285,351,714
Miscellaneous	$166,806,587	$91,492,127	$57,694,853
Materials	$1,179,981,458	$987,198,370	$617,554,236
Total	$1,929,680,234	$1,518,656,777	$997,184,329
Profit	$247,059,492	$274,834,131	$146,872,208
Gross product	$2,176,739,726	$1,793,490,908	$1,144,056,537
Per cent profit on capital stock	10.6	17.9	14.7
Labor's share of gross product, per cent	22.10	21.2	24.9

Summary of manufactures by 11 groups of industries—Continued.

	1905	1900	1890
3. Iron and steel industries—Continued.			
Value of gross output	$2,176,739,726	$1,793,490,908	$1,144,056,537
Cost of materials	$1,179,981,458	$987,198,370	$617,554,226
Increase in value	$996,758,268	$806,292,538	$526,502,311
Cost of labor	$482,357,503		
Per cent of cost of labor to increase in value	48.5	45	46
4. Lumber industries:			
Capital	$1,013,827,138	$946,116,515	$844,418,472
Expenses—			
Officers	$48,571,861	$28,982,927	$30,863,184
Wages	$336,058,173	$212,201,768	$201,558,706
Miscellaneous	$130,850,824	$42,142,321	$45,510,782
Materials	$518,908,150	$561,501,302	$462,658,350
Total	$1,034,389,008	$844,828,318	$740,591,022
Profit	$189,341,328	$186,078,261	$137,363,898
Gross product	$1,223,730,336	$1,030,906,579	$877,954,920
Per cent profit on capital stock	18.7	19.6	16.2
Labor's share of gross product, per cent	27.4	20.6	22.9
Value of gross output	$1,223,730,336	$1,030,906,579	$877,954,920
Cost of materials	$518,908,150	$561,501,302	$462,658,350
Increase in value	$704,822,186	$469,405,277	$415,296,570
Cost of labor	$336,058,173	$212,201,768	$201,558,706
Per cent of cost of labor to increase in value	47.7	45.2	48.5
5. Leather industries:			
Capital	$440,777,194	$343,600,513	$246,795,713
Expenses—			
Officers	$18,372,722	$14,186,690	$15,348,267
Wages	$116,694,140	$99,759,885	$98,432,593
Miscellaneous	$40,737,343	$22,942,594	$18,587,831
Materials	$471,112,921	$395,551,232	$294,446,011
Total	$646,917,126	$532,440,401	$426,814,702
Profit	$58,830,344	$51,290,645	$60,741,328
Gross product	$705,747,470	$583,731,046	$487,556,030
Per cent profit on capital stock	13.3	14.9	24.6
Labor's share of gross product, per cent	16.5	16.9	20.1
Value of gross output	$705,747,470	$583,731,046	$487,556,030
Cost of materials	$471,112,921	$395,551,232	$294,446,011
Increase in value	$234,634,549	$188,179,814	$193,110,019
Cost of labor	$116,694,140	$99,759,885	$98,432,593
Per cent of cost of labor to increase in value	49.7	53	51
6. Paper and printing:			
Capital	$798,758,312	$557,610,887	$344,003,723
Expenses—			
Officers	$81,808,311	$48,974,138	$34,625,986
Wages	$185,547,791	$140,092,453	$117,611,864
Miscellaneous	$138,245,437	$76,069,663	$59,524,277
Materials	$308,209,655	$214,158,423	$149,597,579
Total	$713,811,194	$479,294,677	$361,359,706
Profit	$143,301,062	$127,023,091	$84,227,724
Gross product	$857,112,256	$606,317,768	$445,587,430
Per cent profit on capital stock	17.9	22.7	24.4
Labor's share of gross product, per cent	21.6	23.1	26.5
Value of gross output	$857,112,256	$606,317,768	$445,587,430
Cost of materials	$308,209,655	$214,158,423	$149,597,579
Increase in value	$548,902,601	$392,159,345	$295,989,851
Cost of labor	$185,547,791	$140,092,453	$117,611,864
Per cent of cost of labor to increase in value	33.8	35.7	39.7
7. Liquors and beverages:			
Capital	$659,547,620	$534,101,049	$310,002,635
Expenses—			
Officers	$21,421,353	$16,803,405	$11,118,673
Wages	$45,146,285	$36,946,557	$29,140,916
Miscellaneous	$223,446,420	$188,754,387	$117,046,590
Materials	$139,854,147	$122,218,073	$109,830,410
Total	$429,868,205	$364,812,422	$267,136,589
Profit	$71,398,400	$60,691,745	$74,018,772
Gross product	$501,266,605	$425,504,167	$341,155,361
Per cent profit on capital stock	10.8	11.3	23.8
Labor's share of gross product, per cent	8.9	8.6	8.5
Value of gross output	$501,266,605	$425,504,167	$341,155,361
Cost of materials	$139,854,147	$122,218,073	$109,830,410
Increase in value	$361,412,458	$203,286,094	$231,324,951
Cost of labor	$45,146,285	$36,946,557	$29,140,916
Per cent of cost of labor to increase in value	12.5	12.2	12.6

Summary of manufactures by 11 groups of industries—Continued.

	1905	1900	1890
8. Chemicals and allied products:			
Capital	$1,504,728,510	$498,300,219	$322,543,674
Expenses—			
Officers	$49,864,233	$26,335,164	$14,154,587
Wages	$93,965,248	$43,870,602	$33,872,540
Miscellaneous	$128,879,323	$49,825,945	$29,568,992
Materials	$609,351,160	$356,192,334	$239,915,794
Total	$882,059,964	$476,224,045	$317,468,913
Profit	$149,905,299	$76,667,832	$82,587,584
Gross product	$1,031,965,263	$552,891,877	$380,056,497
Per cent profit on capital stock	9.9	15.3	19.4
Labor's share of gross product, per cent	8	7.9	8.9
Value of gross output	$1,031,965,263	$552,891,877	$380,056,497
Cost of materials	$609,351,160	$356,192,134	$239,915,794
Increase in value	$422,614,103	$196,699,543	$140,140,703
Cost of labor	$93,965,248	$43,870,602	$33,872,540
Per cent of cost of labor to increase in value	22.2	22.3	24.2
9. Clay, glass, and stone products:			
Capital	$553,846,682	$350,902,367	$217,386,297
Expenses—			
Officers	$21,555,724	$13,718,966	$11,370,622
Wages	$148,471,903	$109,022,582	$90,541,771
Miscellaneous	$37,822,036	$19,185,657	$14,091,740
Materials	$123,124,592	$94,615,281	$68,999,146
Total	$330,974,055	$236,542,483	$184,997,279
Profit	$60,256,367	$57,021,749	$41,893,724
Gross product	$391,230,422	$293,564,235	$226,891,003
Per cent profit on capital stock	10.8	16.2	20.6
Labor's share of gross product, per cent	37.1	37.4	39.3
Value of gross output	$391,230,422	$293,564,235	$226,891,003
Cost of materials	$123,124,592	$94,615,281	$68,999,146
Increase in value	$268,105,830	$198,948,954	$160,815,857
Cost of labor	$148,471,903	$109,022,582	$90,541,771
Per cent of cost of labor to increase in value	55.4	54.8	56.3
10. Metals and metal products other than iron and steel:			
Capital	$598,340,758	$410,646,057	$204,285,820
Expenses—			
Officers	$24,854,590	$16,059,194	$14,924,017
Wages	$117,599,837	$96,749,051	$64,055,644
Miscellaneous	$41,595,062	$21,295,406	$14,731,078
Materials	$644,367,583	$496,979,368	$179,169,940
Total	$828,417,072	$631,083,019	$272,881,579
Profit	$93,845,384	$117,712,445	$44,026,571
Gross product	$922,262,456	$748,795,464	$316,908,150
Per cent profit on capital stock	15.6	28.6	21.5
Labor's share of gross product, per cent	12.7	12.9	20.4
Value of gross output	$922,262,456	$748,795,464	$316,908,150
Cost of materials	$644,367,583	$496,979,368	$179,169,940
Increase in value	$277,894,873	$251,816,096	$137,738,210
Cost of labor	$117,599,837	$96,749,051	$64,055,644
Per cent of cost of labor to increase in value	42.3	38.4	46.5
11. Tobacco:			
Capital	$323,983,501	$124,089,871	$96,094,753
Expenses—			
Officers	$8,800,434	$8,951,534	$10,241,271
Wages	$62,640,308	$49,852,484	$44,550,735
Miscellaneous	$80,145,016	$79,495,422	$37,561,681
Materials	$126,088,608	$107,182,656	$92,304,317
Total	$277,674,361	$245,482,096	$184,658,004
Profit	$53,443,320	$37,594,450	$27,088,619
Gross product	$331,117,681	$283,076,546	$211,746,623
Per cent profit on capital stock	16.4	30.2	28.1
Labor's share of gross product, per cent	18.9	17.6	21
Value of gross output	$331,117,681	$283,076,546	$211,746,623
Cost of materials	$126,088,608	$107,182,656	$92,304,317
Increase in value	$205,029,073	$175,893,890	$119,442,306
Cost of labor	$62,640,303	$49,852,484	$44,550,735
Per cent of cost of labor to increase in value	30.5	28.3	37.3
12. Vehicles for land transportation:			
Capital	$447,697,020	$330,778,672	$248,224,770
Expenses—			
Officers	$24,334,118	$15,191,444	$11,172,134
Wages	$221,800,517	$164,614,781	$118,212,379

Summary of manufactures by 14 groups of industries—Continued.

	1905	1900	1890
12. Vehicles for land transportation—Continued.			
Miscellaneous	$29,107,649	$19,842,332	$9,460,374
Materials	$334,244,377	$268,278,205	$174,624,639
Total	$609,486,661	$467,926,762	$313,469,526
Profit	$34,837,781	$40,722,367	$31,006,717
Gross product	$643,924,442	$508,649,129	$344,476,243
Per cent profit on capital stock	7.6	10.2	12.4
Labor's share of gross product, per cent	34.4	32.4	34.3
Value of gross output	$643,924,442	$508,649,129	$344,476,243
Cost of materials	$334,244,377	$268,278,205	$174,624,639
Increase in value	$309,680,065	$240,370,924	$169,851,604
Cost of labor	$221,800,517	$164,614,781	$118,242,379
Per cent of cost of labor to increase in value	71.6	68.5	69.6
13. Shipbuilding:			
Capital	$121,623,700	$77,362,701	$53,393,074
Expenses—			
Officers	$3,339,741	$2,608,537	$1,194,870
Wages	$29,241,087	$24,839,163	$14,833,977
Miscellaneous	$5,255,506	$3,685,661	$1,392,551
Materials	$37,463,179	$33,486,772	$16,925,109
Total	$75,299,513	$64,020,133	$34,346,507
Profit	$7,469,726	$10,558,025	$5,995,608
Gross product	$82,769,239	$74,578,158	$40,342,115
Per cent profit on capital stock	6.1	13.6	11.2

Summary of manufactures by 14 groups of industries—Continued.

	1905	1900	1890
13. Shipbuilding—Continued.			
Labor's share of gross product, per cent	35.2	33.3	35.7
Value of gross output	$82,769,239	$74,578,158	$40,342,115
Cost of materials	$37,463,179	$33,486,772	$16,925,109
Increase in value	$45,306,060	$41,091,386	$23,417,006
Cost of labor	$29,241,087	$24,839,163	$14,833,977
Per cent of cost of labor to increase in value	64.5	60.4	63.3
14. Miscellaneous:			
Capital	$974,316,571	$1,348,920,721	$768,870,929
Expenses—			
Officers	$50,655,229	$49,199,283	$33,303,252
Wages	$187,514,312	$202,746,162	$136,643,444
Miscellaneous	$101,198,364	$81,933,611	$49,025,824
Materials	$460,205,501	$490,073,705	$300,231,853
Total	$799,573,406	$823,952,761	$519,203,879
Profit	$142,031,467	$180,139,583	$126,310,583
Gross product	$941,604,873	$1,004,092,294	$645,574,462
Per cent profit on capital stock	14.5	13.3	16.4
Labor's share of gross product, per cent	19.9	24.6	23.0
Value of gross output	$941,604,873	$1,004,092,294	$645,574,462
Cost of materials	$460,205,501	$490,073,705	$300,231,853
Increase in value	$481,399,372	$514,018,589	$345,342,609
Cost of labor	$187,514,312	$202,746,162	$136,643,444
Per cent of cost of labor to increase in value	38.9	39.4	39.5

Average percentage of wages to labor compared to gross product in the 14 great classes of industries.

Industries.	Profit on capital, 1905.	Ratio of wages to gross product.			Estimated profit on capital.	Probable profit on capital.	Per cent of labor wages to gross product.	Per cent of wages to increase of value in manufactured by labor.		
		1905	1900	1890				1905	1900	1890
1. Food products	16.4	5.7	5.7	5.5	32.8	49.2	5.7	30.4	33.7	33.1
2. Textiles	12	19.5	20.8	22	24	36	19.5	46.6	46.1	50
3. Iron and steel	10.6	22.1	21.2	24.9	21.2	31.8	22.1	48.5	45	46
4. Lumber	18.7	27.4	20.6	22.9	37.4	56.1	27.4	47.7	45.2	48.5
5. Leather	13.3	16.5	16.9	20.1	26.6	39.9	16.5	49.7	53	51
6. Paper and printing	17.9	21.6	23.1	26.5	35.8	53.7	21.6	33.8	35.7	39.7
7. Liquors and beverages	10.8	8.9	8.6	8.5	20.6	32.4	8.9	12.5	12.2	12.9
8. Chemicals and allied products	9.9	8	7.9	8.9	19.8	29.7	8	22.2	22.3	21.2
9. Clay, glass, and stone	10.8	37.1	37.4	39.3	20.6	32.4	37.1	53.4	54.8	56.3
10. Metal and metal products other than iron and steel	15.6	12.7	12.9	20.4	31.2	46.8	12.7	42.3	38.4	40.5
11. Tobacco	16.4	18.9	17.6	21	32.8	49.2	18.9	30.5	28.3	37.3
12. Vehicles for land transportation	7.6	34.4	32.4	34.3	15.2	22.8	34.4	71.6	68.5	69.6
13. Shipbuilding	6.1	35.2	33.3	36.7	12.2	18.3	35.2	64.5	60.4	63.3
14. Miscellaneous	14.5	19.9	24.6	21.1	29	43.5	19.9	38.9	39.4	39.5

For full details see Exhibit I. Average rate of wages to gross product in all industries, 17.8 per cent, calculating from table of totals of wages and value of products.

RELATIVE LABOR COST.

Mr. OWEN. The first important deduction shown from these tables is the relative cost of labor as compared with the gross product. It is less than 6 per cent in food products, and yet the tariff on food products is an average of 32 per cent, in order to measure the cost of difference at home and abroad.

The total labor cost in textiles is 19.5 per cent, and yet the tariff in this bill on flax manufactures is over 44 per cent, on cotton manufactures over 47 per cent, on wool manufactures over 58 per cent, and on silk manufactures over 60 per cent to measure the difference in the cost of production at home and abroad; a patent and ridiculous fraud on its face, which has not been explained, which will not be explained, and which can not be explained by the managers of this bill, and so it goes all through this table.

The total percentage of the value of the product paid in wages in textiles is 19.5 per cent.

If we concede that the labor cost in Europe is absolutely nothing; if we concede that the foreigner would not have to pay any freight to bring his goods to America, would pay nothing for ocean insurance, for breakage, wharfage, dockage, leakage, rattage, or stenlage, still 19.5 per cent would be high enough to protect the American manufacturer *on an average.*

Granting, however, that the European laborer earns half as much, then one-half of 19.5 per cent would be sufficient.

Granting that the American laborer has twice the efficiency of the European laborer, then no tariff whatever is necessary to protect the American manufacturer; and granting that the wages paid in Europe buy more of manufactured products and as much of food products as in America, the European manufacturer would be entitled to a bonus from his home government to put him on a parity with the American manufacturer.

In some cases a duty is necessary for protective purposes, but the cases are few and the rate not high. A tariff for revenue intelligently drawn will be more than three times as high as a tariff for pure protection drawn in a spirit of perfect honesty.

If the Finance Committee can show any justification for the schedules on the basis of the "difference of the cost of production at home and abroad," I am willing to concede this measure of incidental protection under a tariff for revenue, but to conceal the facts, to refuse to hear, to ridicule the inquiry, and ignore the facts when proven is surely indefensible.

This abstract briefly exhibits the ratio of wages to gross products and affords a basis of comparison with the ratio of wages to gross products in countries competing with ours. This supplies a basis for a generalization showing the difference in the cost of production at home and abroad.

It will be seen, for example, that the average ratio of wages paid to the gross product in the textile industry averages 19.5 per cent—less than 20 per cent. The difference in the wage cost in the United States and abroad, conceding that the foreign workman receives a wage only half of that paid the American workman and conceding that he is equally efficient and conceding that his wages (half in money) has a purchasing power of half the wages of the American workman, the difference in the

cost of production based on such wages would be an average of less than 10 per cent.

But it is not true that the wages paid foreign workmen buys only half as much, but the fact is that every dollar paid the foreign workman buys at least 50 per cent more than the dollar paid the American workman, so that $10 paid an European workman is equivalent to $15 in purchasing power in the United States.

So that the difference in the amount paid in wages because of this factor as compared to the value of the gross product is less than an average of 10 per cent, as above estimated.

Another factor of vital importance is the superior efficiency of the American workman. Ten dollars paid to him turns out twice as much goods as that paid the European workman; consequently the difference in wages compared to gross product is not only not against the American workman but it is in his favor, although he does not get the benefit of it from the man who employs him.

It is not surprising, in view of these calculations based upon our national statistics and well-established facts, that the managers in charge of this bill dare not answer the question whether this bill is being written in accordance with the pledge of the party that the rates should be determined by the difference in the cost of production at home and abroad.

The monopolist can not and does not consume his profit. So that the result is that the capital of monopoly is rolling up like a huge snowball, picking up every opportunity offered by God to mankind in our natural resources—the forests, the mines, the waterpowers, the highways, and the land, both of city and of the countryside; and labor, the creator of wealth, languishes and grows weaker as the creature of wealth grows stronger and exercises a natural but unrestrained appetite by "acquiring" the title to every visible and invisible natural resource.

Mr. President, I am a firm friend of capital and always ready to befriend its just rights. I believe in giving it safety and stability, protecting it in its right to earn a fair reward upon its employment. It is of great importance that the incentive should be removed neither from the capitalist nor from the business man who uses capital nor from the laborer who is employed by capital, but I do not believe that all of the net proceeds of human labor and every opportunity of human life should be appropriated by capital and all the reasonable opportunities of life cut off from millions of wage earners who have no more wisdom or knowledge of how to protect themselves against the crafty schemes of monopoly than if they were so many blind girl babies. The Senate and the Senators on this floor, it seems to me, are under a solemn personal responsibility to find the way to protect the weaker elements of society, and they ought not to write the laws of this country to serve monopoly at the expense of the defenseless citizen wage earner.

The incentive ought not to be taken away from capital; neither should the incentive be taken away from the small business man who may be crushed by gigantic organizations of capital, and above all the incentive of a reasonable reward, of a reasonable return for labor, of the power to support a family by labor, industry, and providence. The power to have some leisure for playtime should not be taken away from the American workingman or the American working woman or the American working child by the grinding process of unthinking corporate monopoly.

Under the head of "Miscellany" are concealed many items favorable to capital by increasing the capital itself under color of repairs, and so forth.

The estimate of the profit on capital is also too small, because more than half of the capital claimed is water.

All of the return on capital, except a small percentage, necessary to provide for a reasonable return on capital, is a net profit, while the return on labor contains no net profit worth mentioning, although it is true that by long, hard hours of labor, great deprivation, rigid economy, and careful saving, the labor classes, through the savings banks exhibit a considerable accumulation out of the proceeds of their labor.

Statistics of the savings banks of the United States for 1906.

[Comptroller Currency Report, 1907.]

	Total depositors.	Amount of deposits.	Average.
New England	2,987,261	$1,168,148,705	$391.04
Eastern States	3,562,804	1,656,905,727	405.06
Southern States	31,598	6,143,167	194.41
Middle States	1,087,746	385,503,885	354.41
Pacific States	357,782	265,435,714	741.89
Total United States	8,027,192	3,482,137,198	433.79

The savings under 40 years of high protective tariff average $433.79 to those who have been able to save, and these figures include hundreds of millions of the savings of the well-to-do and many of the capital class; but only one person in ten, after all, has a savings account, and the savings between the laboring people and actual want will not average $43 per capita for our entire productive population, counting all savings as the savings of labor, while many millions are utterly defenseless against the exactions of capital.

When it is remembered what the enormous product of the labor of the average American workman is—$2,500 per annum—it will be observed that these savings of many years comprise but a small part of the proceeds of labor.

In the table exhibited—the industries engaged in "food products"—labor's share of the gross product is very small, because of the very large amount of raw material used, out of which labor had previously been paid in the process of production.

The same thing is relatively true of the industries dealing with liquors and beverages.

It is also true that labor's share in lumber and iron and steel, and clay, glass, and stone products, and in vehicles and shipbuilding reaches a high percentage relative to the product, for the simple reason that nearly all of the value in lumber outside of the stumpage is pure labor. Labor goes into the woods, cuts the tree down, hauls it to the mill, puts it on the runway, saws the log, planes it, stacks the lumber, and puts the lumber on the car. Capital, having acquired the land, furnishes the sawmill, and permits labor to have a part of its own profits in wages, but no more than labor can command in a free, competitive market for labor.

The same thing is true with regard to clay products. The workman digs the clay out of the ground, puts it through every process with the work of his hands, and converts it into a finished product. Capital, having acquired the title to the clay, permits the workmen to dig upon the earth owned by the capitalist, and furnishes the workmen with tools, and pays the workmen precisely as much, and no more, as his labor commands in a free, competitive labor market.

The laborer has a very narrow margin, and unless he be exceptional in self-denial, in providence, and is free from accident or sickness or other incidental loss, he may perhaps save enough to lift himself from the severe conditions which so environ him to a more fortunate place, where he can join the capital class and get the benefits of a system which is well devised to make the rich richer and the poor poorer.

THE HIGH TARIFF HAS LOWERED THE WAGES OF AMERICAN WORKMEN.

Mr. President, the advocates of a high tariff have always professed, and I suppose usually felt, the greatest solicitude for the welfare of the laboring man, and have believed, or appeared to believe, that a high tariff would protect the American laboring man against the injurious competition of the "pauper labor" of Europe. I shall show by our own statistics that *the wages of the American workman have been lowered under the operation of this tariff.*

Wages are not valued alone by dollars and cents; dollars change in purchasing power, depending on the number of dollars put in circulation in any given country and the intimacy of its commercial relations with other countries, and the whole world is confused in the question of prices by the grossly unequal distribution of currency in the different nations of the world; a great problem, which is now undergoing and will undergo a more rapid readjustment under the fast increasing improvement of rapid modern intercourse.

Attention is expressly called to the fact that labor's share of the proceeds of labor has not increased in the highly protected industries—it has decreased.

In the textile industries labor received 22 per cent of the gross product in 1890, 20.8 in 1900, and 19.5 in 1905.

In iron and steel labor received 24.9 per cent in 1890 and 22.1 per cent in 1905.

In leather goods labor received 21.1 per cent of the proceeds of labor in 1890, 16.9 per cent in 1900, and 16.5 per cent in 1905.

In paper and printing labor received 26.5 per cent of the proceeds of labor in 1890, 23.1 per cent in 1900, 21.6 per cent in 1905.

In chemical and allied products labor received 8.9 per cent in 1890, 8 per cent in 1905.

In clay, glass, and stone products labor received 39.3 per cent in 1890, 37.1 per cent in 1900.

In metal and metal products, other than iron and steel, labor received 20.4 per cent in 1890 and 12.7 per cent in 1905.

In tobacco labor received 21 per cent in 1890 and 18.9 per cent in 1905.

In shipbuilding labor received 36.7 per cent in 1890 and 35.2 per cent in 1905.

In miscellaneous industries labor received 21.1 per cent in 1890 and 19.9 per cent in 1905.

It is perfectly obvious that under the high tariff the reward of labor has diminished relatively to the gross product of labor.

When we compare the increase of the value of products, the increase of the cost of materials, and the number of wage earners, and the total wages between 1890 and 1900, we find that the growth of capital value corresponding with that of the value of products is decidedly more than the increase of total wages; that the average wage for all classes of wage earners, in dollars and cents, is less in 1900 than in 1890. The increase of earnings is 25 per cent; that of wages only a little over 22 per cent.

	Capital value.	Value of products.	Cost of materials.	Number of wage earners.	Total wages.	Average value, product of the wage earner.	Per cent.
1900	$9,813,834,390	$13,000,149,159	$7,343,627,875	5,306,143	$2,320,938,168	$2,450	17.8
1890	6,525,050,759	9,372,378,843	5,162,013,878	4,251,535	1,891,953,795	2,204	20.2
Increase	3,288,783,631	3,627,770,316	2,181,613,997	1,054,608	428,984,373	.....	.....

Nineteen hundred average wage, $437; annual weekly wage, $8.60, to support 3 people, a labor loss of 10 per cent in wages relative to value of product.

The percentage of wages to value of products was 17.8 per cent in 1900, 20.2 per cent in 1890, a loss for labor of 10 per cent.

Here is an increase of $3,627,740,316 in the value of the products of labor under the "value of products," and $428,984,373 goes to 1,054,608 additional laborers, while $3,198,755,943 is the net value of the products of such labor. One million fifty-four thousand six hundred and eight new workmen get $428,984,373 with which to sustain approximately 3,000,000 people; to feed, clothe, and shelter them; *leaving no surplus for enforced idleness, sickness, accident, or death;* and a vast profit goes to capital that does not have the same exacting demands for food and clothing. The annual weekly wage is only $8.60 to support three people. How does this compare with Europe, where the dollar buys 50 per cent more, and $8.60 here is only equal to $5.73 there? Look at their wages, their earning power, and ask what is the difference in the cost of production here and there. Do these census records teach us nothing?

The above figures demonstrate beyond the possibility of dispute that wages are being lowered under the operation of a monopoly-protecting tariff. It shows more, that a tariff averaging nearly 50 per cent is thoroughly unjustifiable on the Republican theory of protecting labor, since the gross amount of labor's wages only comprises an average of 19.7 per cent of gross product value (Exhibit I), much less on the theory of providing only the "difference in the cost of labor," since the difference in the cost of labor will not approximate 20 per cent nor equal the half of it.

The plain truth is the bill will not protect labor, but will gratify the clamorous demand of organized greed and avarice urged by the lobby of numerous monopolies. This tariff, in the pretended interest of the American workman, does not properly include over 1,000,000 *out of 29,000,000 workmen*, while it taxes all.

It has been convincingly shown by Edward Atkinson, in his learned report of December, 1902 (Exhibit 2), that not over 1,000,000 persons out of 29,000,000 persons would be affected in an adverse way if the tariff were absolutely abolished. This calculation, made in great detail, goes far to show the utterly false pretense of a great public demand for a high protective or prohibitive tariff. Attention is earnestly called to it in Senate Document No. 46, Sixty-first Congress, first session, from which I submit the essential part as Exhibit 2.

THE HIGH TARIFF HAS LOWERED THE WAGES OF AMERICAN WORKMEN IN PROTECTED INDUSTRIES MORE THAN THE WAGES OF WORKMEN IN UNPROTECTED INDUSTRIES.

I submit as Exhibit 3 a carefully compiled table of the labor wages of our American railways (Statistics of Railroads in United States, 1907, Interstate Commerce Commission, p. 59), showing the wages of railroad employees in the unprotected industries of the railroad service, and also a table of the wages of employees in building trades, which are not protected, but which are duly organized, prepared by William J. Spencer, secretary of the building-trade department of the American Federation of Labor, for 1908 (Exhibit 4), showing the average wages of masons and bricklayers, structural iron setters, ornamental iron setters, plasterers, lathers, hoisting engineers, tile setters, plumbers, steam fitters, steam fitters' helpers, gas fitters, carpenters, stonecutters, marble cutters and setters, painters, sheet metal workers, electricians, roofers, cement finishers, laborers, and hod carriers. Their wages per hour will be seen to be, on an average, at least twice as high as the wages of labor in protected industries (Exhibit 5), as shown by Census Bulletin 77 of the Bureau of Labor of 1907.

Mr. President, here will be seen that the cheapest workmen (Exhibit 3) in the railroad service, for brakemen, received an average throughout the United States for 1907, $1.46 a day; section foremen, $1.90; other shopmen, $2.06; carpenters, $2.40; machinists, $2.87; firemen and other trainmen, $2.54; conductors, $3.69; engineer men, $4.30; station agents, $2.05; general office clerks, $2.30; other officers, $5.99; general officers, $11.93. These wages in unprotected industries are decent, are reasonable, are just according to service, in the transportation work of the United States. These people have their wages influenced to an important degree by labor organization.

Now, Mr. President, I wish to call the attention of the Senate to the fact—and a vital fact in this matter—that in the protected industries of the United States the wage-earner does not receive one-half as much as in the unprotected industries, and these tables abundantly exhibit it.

Exhibit No. 4 shows that masons and bricklayers get from 45 to 87 cents an hour; structural iron setters, 30 to 62 cents an hour; ornamental iron setters, 30 to 70 cents an hour; plasterers, 50 to 87½ cents an hour; lathers, 45 to 62½ cents an hour; hoisting engineers, 50 to 75 cents an hour; tile setters, 35 to 75 cents an hour; plumbers, 50 to 75 cents an hour; steam fitters, 35 to 75 cents an hour; steam fitters' helpers, 15 to 37½ cents an hour; gas fitters, 35 to 81 cents an hour; carpenters, 35 to 62½ cents an hour; stonecutters, 45 to 70 cents an hour; marble cutters and marble setters, 30 to 62½ cents an hour; painters, 25 to 56 cents an hour; sheet metal workers, 30 to 62½ cents an hour; electricians, 25 to 65 cents an hour; roofers, 25 to 75 cents an hour; cement finishers, 35 to 75 cents an hour; laborers and hod carriers, 15 to 50 cents an hour.

Mr. President, these people are outside of the protected industries; they have some degree of organization and can demand the value from capital for their labor.

The laws of human nature operate upon the laboring man precisely as they do upon the capitalist, and he tries to get the greatest return for his wares. Labor organizations have sometimes gone to extremes and put the price of labor above a reasonable market value and lowered the demand to the point of putting themselves out of business. The urgency of labors' need for supplying food and clothing is an extenuating circumstance even when the demand itself is unreasonable and foolish; but when the demand of monopoly puts an exorbitant price upon the necessaries of life its motive is not hunger for food or need for clothing or shelter for children, but merely ambition for power or mere greed for gain.

Now, Mr. President, I wish to call the attention of the Senate to the astonishing difference between the wages of men in unprotected industries with the wages in the "protected industries," so called, and you will observe that the wages in the protected industries, except where modified by a powerful organization of the laborers, as in the glass industry, are far below the wages in unprotected industries. Organized capital has beaten down the wages of labor to a point at which the proper support of a family required by a decent American standard is often impossible. This meanness on the part of such offending manufacturers is painfully apparent.

THE PROTECTED INDUSTRIES HAVE DRIVEN OUT THE AMERICAN AND SUBSTITUTED THE FOREIGNER.

It has resulted in driving out the native American who was able to escape and has substituted in his place the oppressed people of other races, who, having been under the grinding monopoly of the landed nobility and powers which have seized every opportunity in European countries, do not feel so keenly the crushing conditions imposed upon them in these offending factories.

I call attention to the low wages which are paid in the protected industries, so low as not to be sufficient to sustain an American family upon the wages of the head of the family, who may be devoting all his time to that purpose. The average wage in the cotton and wool industry will not exceed a dollar a day, and that is shown by our census tables, which I submit.

Now, Mr. President, the protected industries have driven out the American and substituted the foreigner. We have been listening for years to talk about the protection of American labor against the pauper labor of Europe; and yet our census shows how shallow and how hollow that pretension is. I call your attention to what is shown by our census.

The Boston Traveler in the article of June 2, 1909, ridicules the argument of the Senator from Massachusetts [Mr. LODGE], and says:

> He made an impassioned plea for the mill operatives of New England, who "must not be deprived of their right to work for wages," and for the manufacturers, who must be protected against "cheap labor abroad." The mill operatives, for whom the Nahant Senator's eloquence was unloosed, are practically all Greeks, Syrians, Poles, Armenians, and Italians, who have driven out every other kind of labor, because, under present wages in the cotton mills, to bring up a family under American conditions is absolutely impossible * * *
>
> Mr. LODGE's defense of the cotton manufacturers, whose mills are filled with aliens on starvation wages, is paralleled in history only by the arguments made in Parliament at the time England was attempting to abolish the slave trade, that if the bringing of black people from Africa to America and elsewhere was prohibited shipowners would not find any use for their vessels, and that these slave ships furnished the only market for decayed fish and other putrid food, on which there would be a dead loss if the slave trade was outlawed.

The Pittsburg Survey gives a tabulated map showing that the Carnegie mills at Homestead, from which organized labor was driven by private armed military power in the Homestead riots, is filled with Slovaks, 6,477 of them; with Poles, 611 in number; with Bohemians and Germans, in another group; with Croatians, 1,249 in number; with Hungarians, 1,323 in number; with Roumanians, 410 in number; with Poles, 1,644 in number; with Lithuanians, 476 in number. Austria-Hungary furnished 10,421; Russia, 2,577; and so forth.

Representatives on behalf of these monopolies make "impassioned appeals" to protect the American workman against the foreign pauper labor which the monopolies have imported and are using wholesale with the effect of driving the native American to despair.

Mr. President, examine the census of 1900, volume 1, pages cxxxi and 698, on population, and see what it exhibits.

Table of foreign born, etc.

Census 1900, Volume I.	Foreign born (cxxxi).	White population foreign parentage (p. 698).	Total foreign born and of foreign-born parentage.	Total population.	Percentage of population foreign born and of foreign-born parentage.
Massachusetts	846,324	897,386	1,743,710	2,805,346	62.1
Rhode Island	134,519	140,292	274,811	428,556	64.1
Connecticut	238,210	282,245	520,455	908,420	57.3
New York	1,900,425	2,415,845	4,316,270	7,268,894	59.3
New Jersey	431,831	556,294	988,125	1,883,669	52.4
Pennsylvania	985,250	1,430,028	2,415,278	6,302,115	38.3

It will be seen by the table which I submit that Massachusetts has 1,743,710 persons foreign born or of foreign-born parentage out of 2,805,346 total population, having, therefore, 62.1 per cent of people who are foreign born or of foreign-born parentage; Rhode Island, in like manner, has 64.1 per cent of its population foreign born or of foreign-born parentage; Connecticut has 57.3 per cent of foreign born or of foreign-born parentage; New York has 59.3 per cent of its people foreign born or of foreign-born parentage; New Jersey has 52.4 per cent of its population foreign born or of foreign-born parentage, thus disclosing in the completest manner the extent to which this use of foreign labor has driven out the American.

Mr. KEAN. What is the date of that?

Mr. OWEN. The last census of 1900, to which I invite the Senator's prayerful attention.

Mr. DILLINGHAM. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Vermont?

Mr. OWEN. With pleasure.

Mr. DILLINGHAM. I will be glad to have the Senator give, if he has them, the figures of the percentage of foreign born as distinguished from their children.

Mr. OWEN. I have it, Mr. President, in the table which I submit, giving the exact details.

I call attention to this matter because too much has been said in behalf of protecting the American laborer and keeping out the pauper labor of Europe. The pauper labor of Europe to-day fills the very factories of these protected monopolies, and those same pauper laborers of Europe are coming into this country at the rate of 100,000 a month. It is time that this hypocrisy should cease.

Mr. GALLINGER. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from New Hampshire?

Mr. OWEN. Certainly.

Mr. GALLINGER. Has the Senator the statistics for the State of Wisconsin?

Mr. OWEN. The statistics will be found in the same tables to which I have referred.

Mr. GALLINGER. The Senator has them not at hand?

Mr. OWEN. Not at hand. I have them available, but not so as to easily read them.

I will say that, of course, on the eastern coast, with our country inviting foreigners into this land, we should expect a large percentage; and I do not speak that in any sense of reproach to those States. I, for one, am not at all in favor of closing our ports by any tax upon these poor souls who seek a refuge in our land from a monopoly which is worse by far than that which we endure. I invite them, and bid them God-speed and welcome. This Republic is under the deepest obligations to those who have come from abroad and to their children. I honor them, and I am glad, as one American, to give them a cordial welcome. I wish they were better paid; and when they go West and enter the fields of the West perhaps they will find conditions more congenial to human life and more profitable and beneficial to them.

Mr. President, I am glad to see America, the land of liberty, made an asylum for the oppressed of other lands, and recognize the fact that the United States is under enormous obligations to people who have come from foreign lands, and I only call attention to these figures to show that the plea of the monopolies that they are deeply concerned about high wages for the American workman is so offensively hypocritical and absurd that no words known to the English language are capable of describing it.

I have submitted Table 5, showing the wages of workmen in American industries; and I call your attention to the fact that, except where they are organized, they are on almost starvation wages. The papers were full a few days ago of the slavery of white women brought into these protected factories from Italy, sold by their kinspeople, and all their wages practically taken for their keep and to pay to the foreign home—a substantial exhibition of white slavery under the color of freedom and under the protection of the American flag, which ought not to endure slavery either of the white man or the black man.

WAGES IN PROTECTED INDUSTRIES LOWER THAN IN UNPROTECTED INDUSTRIES.

I respectfully submit a table (Exhibit 5) showing the wages of workmen in the protected industries of every class—in the industry of making carpets; of clothing; cotton goods; foundry and machine shops; furniture; glass; fur hats; hosiery and knit goods; iron and steel, bar, and iron and steel, Bessemer; iron and steel, blast furnace; lumber, paper, and wood pulp; pottery; printing and binding; shipbuilding; silk goods; woolen and worsted goods. I have indicated in every case in these tables the condition of labor organization.

It will be seen by the tables of Exhibit No. 5, in the grouped industries, for example, that in 1907 burlers got 14 cents an hour; dyers, 16 cents an hour; loom fixers (who must be men of a high class), 28 cents an hour; spoolers, 13 cents an hour; twisters, 12 cents an hour; weavers, Wilton (high-class experts), 30 cents an hour; weavers, ingrain, 15 cents an hour; winders, 13 cents an hour; and, except where the workmen must be trained experts, their wages are very low.

Buttonhole makers (female), 12 to 14 cents an hour; examiners (female), 11 to 14 cents an hour; finishers, 10 to 13 cents an hour; pressers (male), 19 to 26 cents an hour; sewing-machine operators, 22 to 31 cents an hour; carding-machine tenders, 10 to 13 cents an hour; dyers, 11 to 15 cents an hour; loom fixers, 16 to 24 cents an hour; spinners, 9 to 13 cents an hour; spinners (female), 7 to 12 cents an hour; weavers (male), 11 to 19 cents an hour; weavers (female), 9 to 16 cents an hour; bleachers, 13 cents an hour; calenderers, 14 cents an hour; color mixers, 14 cents an hour.

In the hat business colorers get 19 cents an hour; fitters, 12 cents an hour; flower blowers, 17 cents an hour; trimmers, 15 cents an hour; weighers, 13 cents an hour.

Silk goods.—Beamers get 19 cents an hour; doublers, 11 cents an hour; dyers, 19 cents an hour; loom fixers, 27 cents an hour; pickers, 12 cents an hour; quillers, 9 cents an hour; spinners, 10 cents an hour; weavers, female, 10 cents an hour; weavers, female, 17 cents an hour.

Woolen goods.—Burlers get 11 cents an hour; carders, 12 cents an hour; card strippers, 13 cents an hour; combers, 12 cents an hour; combers, female, 9 cents an hour; dyers, 15 cents an hour; loom fixers (experts), 26 cents an hour; male spinners, 11 cents an hour; male weavers (expert), 21 cents an hour; female weavers (expert), 18 cents an hour.

It must be remembered that these figures, low as they are, are not uniformly paid; that the laborer who misses an hour from sickness or weakness, or who is thrown out of employment by the closing of the shop for repairs or for any other reason, must then rely upon his accumulation in savings out of the wages paid. The matter which I wish to call attention to is that under the pretense of protecting the American workman in protected industries, the most of whom are foreigners, they are paid only about half of the wages that workmen received in unprotected industries, and with these pretenses of "passionate interests" in the American workman is an unspeakable fraud which ought not to be endured by men who regard this matter soberly and seriously from a standpoint of patriotism and the better interests of the American Republic.

A great advantage which men have who are organized and not in the "protected industries," so called, is that they no longer submit to the long, grinding, sweat-shop hours, but have an eight-hour day.

Mr. GALLINGER. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from New Hampshire?

Mr. OWEN. With pleasure.

Mr. GALLINGER. Will the Senator kindly inform me in what part of the country the wages are paid that he has just read?

Mr. OWEN. Table No. 5, which I submit with this matter, shows the wages paid in different parts of the country.

THE ORGANIZATION OF AMERICAN WORKMEN.

Mr. President, I have been gratified to observe the growing organization of workingmen, which is steadily advancing in the United States. Only by such organization and by the solidarity of their interests can labor make effective its righteous hope for a decent market for its wares; only in this way can men, under present conditions of organized capital, obtain a fair return for their labor.

It is true that sometimes the unwise members in certain labor organizations compel their leaders to stand for wages "higher than the traffic will bear," and in this case they throw themselves out of employment and are thus compelled to be more moderate in their demands. It is true that sometimes thoughtless men force their leaders into gross error and compel them to make demands that are unreasonable, but all men make errors, and all men are unreasonable at times, and these things are self-correcting.

Examine these tables which I submit, and you will observe that just in degree as they are organized just in that degree do they receive proper compensation and obtain decent hours.

They deserve the greatest credit for what they have done in obtaining the eight-hour rule among the organized trades and in promoting legislation to protect labor and to promote its interest. If Congress had heretofore seen more clearly its duty, their organization would have been in large measure unnecessary.

Shall the organization of labor be condemned because of the thoughtless or even criminal act of some occasional individuals out of this vast army? It would be as reasonable to condemn the church because of the sins of its occasional members. The organization of labor stands in the main for good order, for respect to law, for patriotism, for the upbuilding of our country, for the preservation of human life and a decent reward to those who perform the hardest labors of life and bear the sweat and dust, exposure and danger, of life's hard places.

These great organizations are a bulwark to society and stand for the future stability and preservation of our institutions, while their chief antagonists, the captains of monopoly, who, I trust, will soon be led by public opinion to better methods, have been often misled by avarice and greed, have been thus blinded to their duty toward the working people, and are blindly pursuing a policy whose results constitute a menace to the stability of our present peaceful progress.

I think the less of the management of the United States Steel, and of the American Tobacco Co., and of the Sugar Trust, and the Cramp shipbuilding yards, and others, that they have so opposed organized labor that no member of organized labor can be employed by these monopolies.

Prof. John R. Commons, of the University of Wisconsin (vol. 2, Publications of the American Sociological Society, p. 141), says:

> The unions have practically disappeared from the trusts, and are disappearing from the large corporation as they grow large enough to specialize minutely their labor. The organized workmen are found in the small establishments like the building trades or the fringe of independents on the skirts of the trusts; on the railways where skill and responsibility are not yet displaced by division of labor; in the mines where strike breakers can not be shipped in; on the docks and other places where they hold a strategic position.

Aaron Jones, Esq., master of the National Grange, November 11, 1903, at Rochester, N. Y., said:

> Combinations and trust methods in the sale of supplies and in the purchase of the products of the farm have in previous addresses been set out. A striking and forceful illustration of these methods and their effect on both the producer and the consumer is furnished by the market reports of meats. October 10, 1902, market reports show that in one of the leading live-stock markets of the country the price of hogs has been lowered during the year 30 per cent and the price of pork raised 10 per cent. These manipulations add 40 per cent profit to the meat trust, taking 30 per cent from the farmer and 10 per cent from the consumer. Beef steers in the hands of farmers were reduced 20 per cent and dressed beef raised 10 per cent, thus adding 30 per cent profit to the trust and taking 20 per cent from the farmer and 10 per cent from the consumer. More than $150,000,000 has been lost to the live-stock industry in the past year by the manipulations of the Meat Trust. This may in a measure explain how the Meat Trust may contribute $50,000 to place the official management of a single city under obligations to it If the entire product of the farm—wheat, corn, hay, cotton, live stock, dairy, and fruit—is taken into account, farmers have lost more than $700,000,000 in the past year through manipulations of combines and trusts, and because farmers have not developed and maintained a wise, safe, and well-guarded business system of selling the products of the farm. Farmers have also suffered another great loss in the purchase of supplies needed in this business.

Monopolies prefer unorganized labor; they prefer that labor should be helpless and incapable of making effective any demand for its comfort or convenience, or for its rights.

The law should firmly and unhesitatingly demand and require of labor, organized or unorganized, strict obedience to the law; but it should also demand and require of monopoly considerate and decent treatment of labor and of its rights both as producer and consumer.

The tables indicating the wages of working people in high-tariff industries are taken from Bulletin No. 77 of the United States Bureau of Labor for 1907.

I call upon the chairman of the Committee on Finance to explain the astonishing parallel between the low rate of wages paid to people in protected industries and the high wages paid those in industries not protected.

What satisfactory explanation can the Senator from Rhode Island offer for the difference in the pay of masons and bricklayers, who receive 60 cents an hour in Boston, and the burler in the carpet factory receiving 14 cents; the dyer, 16 cents, the loom fixer, 28 cents; the spooler, 13 cents; the twister, 12 cents; the weaver of Brussels and Wilton, 30 cents; the weavers of ingrain, 16 cents; and the winders, 13 cents an hour?

How does the Senator from Rhode Island explain why the plasterer receives 60 cents an hour in Boston and the workers in cotton goods can not possibly receive half as much, and do not average one-third as much?

In good old Boston the plasterer gets 60 cents an hour; the tile setter gets 60 cents an hour; the plumber, 55 cents an hour; the steam fitter, 53 cents; the stonecutter, 50 cents; the carpenter, 40 cents; the marble cutter, 56 cents; and side by side with these unprotected industries the carding-machine tender in the cotton goods protected industry receives 13 cents; the dyers, 15 cents; the loom fixers, 24 cents; the spinners, 13 and 14 cents; the mule spinners, 24 cents; the weavers, 20 cents; the female weavers, 17 cents; the bleachers, 14 cents; the color mixers, 14 cents; the male dyers, 15 cents; the male engravers, 45 cents; the male printers, 44 cents; and this remarkable comparison is most striking all the way through these tables, except in cases where labor itself, by its own organization, has prevented itself from being plundered by the employer.

PROTECTION AS IT IS PRACTICED IS AN OPEN, OBVIOUS FRAUD.

It is time that the New England Senators were dropping the mask of superior knowledge and of mysterious learning with regard to the protective tariff.

The worst enemy of protection, as it is practiced, is detection.

The infinite pains taken by the committee in charge of this bill to furnish Members of this body with all sorts of data except the vital facts with regard to "the difference in cost of production at home and abroad," does not argue well for their judgment or for their sincerity in dealing with this question.

I am more than willing to believe that they have merely followed a beaten track and trodden the pathway of greatest convenience, of easy good nature, but I can not but feel that a generous complaisance to those who have contributed to their successful campaigns is also responsible for the lack of this essential information. I wish to make record here that the information which I have obtained with regard to this matter is due to no effort of theirs. I have been compelled as a Member of this body to dig out laboriously the information which I lay before the Senate.

How does the Senator from Rhode Island explain the fact that in the unprotected industries of New England, of transportation for example, the station agents get an average daily pay of $2.03, while a carding machine tender in the protected cotton-goods industry receives 13 cents an hour, and the dyers 15 cents an hour, and the spinners 13 cents an hour, and the weavers 19 cents an hour?

How does he explain that enginemen in the unprotected industry on the railway service receive $3.78 a day and conductors $3.26 a day, and in the protected industry of printing textiles the bleachers receive 13 cents an hour, the calenderers 14 cents an hour, the color mixers 14 cents an hour, and dyers 15 cents an hour?

How does the Senator from Rhode Island explain why it is that in the unprotected industry of railways in New England firemen receive $2.20 a day, trainmen $2.32 a day, carpenters $2.25 a day, section foremen $2.24 a day, laborers $1.85 a day, when in the protected industry of hosiery and knit goods the knitters receive only 20 cents an hour for men and 13 cents an hour for women, loopers 14 cents an hour, the menders 13 cents an hour, the men pressers 17 cents, and the women pressers 10 cents an hour?

And how do these higher wages in unprotected industries contrast with the blast-furnace men and cinder snappers receiving 15 cents an hour, the hot-blast men 19 cents an hour, the keepers' helpers 17 cents an hour, and the top fillers 17 cents an hour?

The plain truth is that in the unprotected industries of transportation, as shown by the compilation of wages by the Interstate Commerce Commission and the labor in the unprotected industries of the building trades, compiled by the American Federation of Labor, by William J. Spencer, secretary, is far better paid than in the protected industries of the cotton mills, the hosiery mills, the woolen mills, and iron mills, and other factories.

The tables submitted of the wages of the building trades, which are unprotected, show that they receive a wage over 200 per cent higher than the wages in the protected industries, and the reason for this is not difficult to see. Labor in the building trades and in the railroad business is comparatively easy of organization, because the men in the railroad and building trades are out of doors and can be reached and talked to and organized. They are not locked up inside of the jail-like inclosures of private factories, where it is almost impossible to reach the employees or to organize them.

Labor has rarely succeeded in thoroughly organizing itself in any of the great manufacturing industries, which are usually controlled by monopolies and mechanical corporate power.

Organized labor was practically driven out of the shops of Andrew Carnegie and of the United States Steel Corporation. American Tobacco Co., Cramps' shipyards, and various others of the existing monopolies.

Mr. GALLINGER. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from New Hampshire?

Mr. OWEN. Certainly.

Mr. GALLINGER. The Senator has put in tables—I have not seen them—showing the wages in protected and unprotected industries. In the New York Sun of the 13th instant there is a dispatch from London giving the wages paid in unprotected industries in Great Britain. Is the Senator willing that I should have this inserted in the RECORD?

Mr. OWEN. I am perfectly willing that it should be inserted in my remarks.

Mr. GALLINGER. Thank you.

The VICE PRESIDENT. Without objection, it will be inserted.

Mr. OWEN. I will state to the Senator from New Hampshire that in my examination of this matter I have tried not to make a partial statement giving the facts favorable to my view and those unfavorable to the other side, but have tried to give, in a just measure, both sides, because the only purpose which I have in view is to arrive at the truth and to make it manifest. I do not know what the quotation from the Sun is nor its sources nor its accuracy.

Mr. GALLINGER. It is a dispatch bearing a London date, I will say to the Senator.

Mr. OWEN. I have heard of dispatches from London which were not reliable.

The matter submitted by Mr. GALLINGER is as follows:

WOMEN ON STARVATION PAY—REVELATIONS OF THE "SWEATING" SYSTEM IN LONDON—FACTS BROUGHT OUT BY A POOR SEAMSTRESS'S ATTEMPT AT SUICIDE—HOME WORKERS, 62 CENTS TO $1.10 A WEEK—AVERAGE WEEKLY PAY OF ENGLISH WOMEN $1.75.

[From New York Sun, June 13, 1909.]

LONDON, *June 2.*

A poor little seamstress attempted suicide in London recently. She jumped into the Thames and was ignominiously fished out, not drowned, and not in the least repentant. Then questioned as to reasons for her act she had only one to give. She simply could not keep body and soul together by working her hardest at her trade, and in utter fatigue she had decided to end her struggles.

There was nothing very new in her story, but when she explained that she always had plenty of work to do, the only difficulty being to live on the prices paid for her labors, London was roused from its apathy long enough to protest against the "sweating" of women thus revealed.

The House of Lords once defined "sweating" as a condition under which work is carried on in insanitary surroundings and for low wages. There are those who would add that it is a condition of labor which does not give the laborer, in return for a fair day's work, enough to maintain himself and his family in decency and comfort.

In England it is women who are the greatest sufferers from sweating. Their average wage, taking it all the year round and allowing for sickness and slackness, is not much more than $1.75 a week. The Lancashire textile trade average is $3.75, and in some districts as much as $6; but this comparatively high rate is pulled down by the East End home worker, who earns anything from 62 cents to $1.10 a week.

In the unskilled women's trades there is no standard by which wages are computed. For instance, one famous firm of cocoa manufacturers pays women for filling bags with cocoa 28 cents a thousand bags, and exactly the same work is done for 16 cents for another firm. In East London there is a firm whose girls earn $3.50 a week by packing tea. In the same locality there is another firm, the head of which is a well-known sportsman and yachtsman, where the earnings of the girls average only $1.87 a week.

The manager of a tin-plate factory recently fixed time rates at $1.50 a week for his women workers, and he openly gave the reason that they had taken advantage of piecework rates to make too much. Some had earned $4!

The average wage paid to waitresses in tea shops or restaurants throughout the country does not exceed $2.50 a week. On this the girls must keep up a neat and well-dressed appearance. Then wages are likely to be interfered with and even, if "necessary," reduced.

Many firms don't pretend to pay their girls a living wage. The head of a large company was asked recently how he expected the girls in his employment to live on $1.50 a week.

"I don't expect it," he answered. "Immediately we hear that a girl has lost her father or that she has no outside means of support, she is discharged."

This same firm employs what it calls "half-day waitresses." They work from 11.30 a. m. till 6.30 p. m. for $1 a week. All tips are forfeited.

The lot of the home worker is the worst of all. Miss Mary MacArthur, secretary of the Women's Trade Union League, gave a picture of the home worker in the East End in an interview.

"So terrible is their life that I wonder that they take the trouble to exist at all," she said. "Here is a single room in a Stepney slum. The furniture consists of a table, a chair, and a bed. The unfinished trousers at which the woman stitches serves as a blanket at night.

"She slaves from daybreak until her eyes fail, and she never earns more than 5 shillings a week. She sustains herself mainly, almost entirely, upon weak tea. Some days she drinks 14 cups, making the same tea leaves do service again and again. That is one of the women slaves of England, and there are thousands in similar plight.

"I know many women who make men's shirts at 1 shilling or 9 pence a dozen. I have even found the actual worker making at 8 pence a dozen shirts which had originally been given out at 1 shilling a dozen.

"There is a girl in Woolwich; she has one child, aged 2 years, entirely dependent upon her. She is a shirt finisher and does buttoning and buttonholing by hand. She is paid 5 shillings a dozen for collars. Remember, this is high-class work. Cotton costs her from 3 pence to 4 pence a week. Her average earnings are 4 shillings 6 pence a week, or from one-half pence to three-fourths pence an hour.

"Every day she has to spend an hour and a half in fetching her work, as it is only given out in small quantities. Sometimes she has worked with hardly any break for 20 hours, from 6 a. m. until 2 a. m. the following morning. The rent of the room is 1 shilling and 6 pence a week.

"All this she told the parliamentary committee. The members of Parliament were aghast. Some were incredulous. 'But how do you live, you and the child?' asked one member of Parliament. 'We don't live,' the woman replied, with a passion in her tone I had never heard before. 'Often we have no food at all.'"

Miss MacArthur contends that goods are not sold any cheaper when made by sweated labor. She tells of a fur-lined motor coat, marked at $105, which was made for $1.88 by sweated labor; and of a $5.25 nightdress for which the home worker who made it got 5 cents—63 cents for a dozen of these nightdresses. The employer of the girls who made these nightdresses said he could not pay more, as there was no profit in his trade.

There are many persons who are struggling to organize and help the women workers of England. There is a scheme for a trades board, which shall fix a legal minimum wage, and there are other propositions which will help to do away with the present sweating system, if they are ever put into practice.

Mr. OWEN. Mr. President, the Senator from New Hampshire might have struck out the London heading and inserted New York, Pittsburgh, or Jersey City, and the cruel oppression of labor by organized capital, *uncontrolled by law*, would not be overdrawn, as I shall abundantly show before I conclude.

The Senator and the party of which he is a conspicuous leader have a duty to perform in which they seem strangely oblivious.

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Utah?

Mr. OWEN. With pleasure.

Mr. SMOOT. The Senator has made a comparison about a man, a bricklayer——

Mr. GALLINGER. Or a plumber.

Mr. SMOOT. In an unprotected industry, receiving 60 cents an hour, while a little girl who does spooling in a woolen mill gets 14 cents. Is that a fair comparison?

Mr. OWEN. I should say it is not a fair comparison. That comparison has not been made.

Mr. SMOOT. The Senator just made a comparison that was even worse than that, because he spoke of burlers in a woolen mill, and they were receiving 11 cents.

Mr. OWEN. I gave, in extenso, the wages paid to burlers and to all other employees in woolen mills and in silk mills and in cotton mills, stating what it was, whether they were male or whether they were female. I have given them all, and the comparison is just which I have made, substantially, and no comparison the Senator might suggest of a little girl and a big, burly brick mason, who weighs 247 pounds, will affect the general comparison in the slightest degree.

Mr. SMOOT. That is exactly the comparison which the Senator makes. And in relation to the wages paid here for weavers, I may say I do not know a weaver in any part of this country who earns so small an amount as that stated by the Senator. I have many times seen weavers earn as high as $3 a day, and the higher the wage they earn the better it is for the manufacturer, because they are all on piecework.

Mr. OWEN. Does the Senator challenge the accuracy of the census in this matter?

Mr. SMOOT. I challenge the figures the Senator gave here as to the wages paid to woolen weavers in this country.

Mr. OWEN. Then I commend the Senator to the United States census, from which the table was taken, and he may dispute the authoritative tables of the Federal Government; but he can not correct the accuracy of my quotation from the census reports.

Mr. SMOOT. I am not saying that the figure quoted by the Senator was not quoted from some table, but I do positively say that weavers in this country are not paid the price the Senator quoted.

Mr. OWEN. I appeal from the evidence of the Senator from Utah, as a special pleader, to the evidence of the Federal census and of the London Board of Trade, and prefer to take the census of the United States and the official figures to his off-hand comments.

Mr. DOLLIVER. Mr. President——

Mr. OWEN. I cordially yield to the Senator from Iowa.

Mr. DOLLIVER. I have been very much interested in the Senator's statistics and figures, but it has often occurred to me that the industries to which he refers as unprotected industries are really the only perfectly protected industries we have in the United States, for the reason that if a man is to build a brick house here at all he has no competition from any quarter on earth. A man making a horseshoe has to be protected by a law, but a man shoeing a horse has an absolute, perfectly natural protection, because the horse has to be shod where he is and not in some other country, and no competition, direct or indirect, beats upon those occupations which are naturally and perfectly protected.

Mr. OWEN. I think there is force in the observation of the Senator from Iowa, and I shall not quarrel with it, but content myself with saying that like industries abroad are also much better paid than factory labor. But I do call attention to the fact that these men who are in the railway service and in the unprotected building trades and not in the business of manufacturing woolen or cotton or flax textiles are receiving a very much higher reward than those who are in those industries, and I have shown by thes tables that they could be paid a much larger price without depriving the factories of a just reward. If there were some competition, it would be far better for labor; and if there were some measure of competition in this country, I believe it would be better for the manufacturers themselves.

LABOR HAS NOT BEEN ABLE TO SHARE EQUITABLY WITH TH.. EMPLOYERS IN THE VALUES THAT LABOR HAS INCREASINGLY CREATED.

In volume 8, page 982, of the Twelfth Census, 1900, is the following table. It shows that labor received in 1850 23.21 per cent of the total value of products, while in 1900 it received only 17.8 per cent of the product, although the per capita increase in production was greater by 130 per cent in 1900 than in 1850.

Year.	Average number of wage earners.	Total annual wages.	Total annual value of products.	Average per capita production.
1850	957,059	$236,755,464	$1,019,106,616	$1,064
1900	5,321,389	2,330,578,010	13,039,279,566	2,451

Year.	Average annual wage.	Per cent of product paid in wages.	Per capita increase in production in the 50 years.	Per capita increase in wages in 50 years.
			Per cent.	*Per cent.*
1850	$247	23.21		
1900	437	17.80	130	77

From Exhibit 1 labor shows a diminishing wage as compared to value of its product.

In textiles labor received 22 per cent of the product in 1890, 20.8 per cent in 1900, 19.5 per cent in 1905.

In the iron and steel industries labor received 24.9 per cent of the product in 1890, 22.1 per cent in 1900, 16.5 per cent in 1905.

In the leather industries labor received 20.1 per cent of the product in 1890, 16.9 per cent in 1900, 16.5 per cent in 1905.

In paper and printing industries labor received 26.5 per cent in 1890, 23.1 per cent in 1900, 21.6 per cent in 1905.

In metal and metal products labor received 20.4 per cent of the gross product in 1890, 12.9 per cent in 1900, 12.7 per cent in 1905.

In tobacco industries labor received 21 per cent in 1890, 18.9 per cent in 1905.

Labor has constantly grown in efficiency, but has not been able to share equitably in the value it has created.

Taking a special industry, such as iron and steel, including rolling mills and blast furnaces, as shown by the special report of the United States Census Office, Part IV, selected industries, 1905, on pages 5 and 16, will be found the tables for the years 1890 and 1905. I submit an analysis which shows that the per capita increase of the product of labor by weight was 50 per cent; by value, 33.5 per cent; while the increase in wages is only 11 per cent.

Year.	Average number of wage-earners employed.	Total annual wages paid.	Total value of products.	Total weight of products in tons.
1890	171,181	$89,273,956	$478,087,519	16,261,478
1905	242,740	141,639,906	905,854,152	34,844,933

Year.	Per capita increase in production in 15 years in values.	Per capita increase in production by weight.	Per capita increase in wages in 15 years.	Average weekly wage.
	Per cent.	*Per cent.*	*Per cent.*	
1890				$10.02
1905	33.5	50.5	11.5	11.20

These figures might be multiplied indefinitely in all of the monopoly-controlled industries.

I submit a table of the wages in the woolen and cotton goods factories of New England. It shows that they do not receive today an average wage of exceeding a dollar a day, a fact of special interest in connection with this controversy where the schedules are supposed to be written for the protection of labor.

Wages 1860 and 1900 compared in woolen and cotton goods factories of New England.

Year.	Number of employees.	Wages.	Wages per capita.	Value of product.	Value of output per capita.	Pounds of cotton used.	Actual increase in output by weight.
							Per ct.
Cotton:							
1860	81,403	$16,720,920	$205	$79,359,000	$794	283,701,306	
1900	164,941	56,258,202	341	191,690,913	1,162	940,908,114	331
Woolen:							
1860	25,583	6,144,847	240	47,722,814	1,474		
1900	82,472	31,230,772	378	161,566,277	1,934		

This schedule shows that, counting the best paid labor, the annual average wage of the employees in the cotton and woolen mills do not exceed $1 a day, and that, therefore, the pretense of better paid labor in the United States in the cotton and woolen mills, at least, is not true, because such wages do not greatly exceed the wages in Europe; and measured by purchasing power, probably do not exceed them at all; and measured by the output of American labor, which is twice as efficient as European labor, the American labor is not as well paid as European labor. The American manufacturer gets all the net profit. It has been shown in this debate what the enormous profits of the cotton and woolen mills have been, and our statistics clearly demonstrate the inequitable manner in which these profits have been proportioned between the American monopolists and his foreign-born workmen.

AMERICAN AND EUROPEAN WAGES IN PROTECTED INDUSTRIES COMPARED.

I submit this comparison of wages in the United States, Germany, France, and the United Kingdom, with the proper authorities, showing that the wages paid in the United States in the textile industry do not very greatly exceed those paid in Germany, France, and England, while it is conceded that the output of the American laborer is twice as much as in Europe.

The spinners, for example, in Germany in 1905, at Mulhausen, received from $6.57 to $7.30 per week. In France they received $5.91, and in the United States $4.12. The weavers, on the contrary, received in Germany $4.02 to $4.75; in France $4.48 to $5.19; in the United Kingdom, $5.11 to $7.06; and in the United States, $8.29. So that the weavers in our country received double as much as they did in Germany, and the spinners in our country received a smaller money wage than in either Germany or France.

Mr. SMOOT. Does the table show that the weavers receive less than the spinners in Germany?

Mr. OWEN. Yes, sir.

Mr. SMOOT. Whoever prepared the table does not know a thing about manufacturing, and it can not possibly be true.

Mr. OWEN. The Senator from Utah having corrected the United States census with regard to employees in cotton factories, may now correct the tables used by the Board of Trade of the United Kingdom in their report to Parliament, from which this is taken.

Mr. SMOOT. I know just as well as I know I am alive that there is no country that can employ weavers at a less price than they can spinners. Spinners are boys and girls. Weavers are men and women. It can not be possible. It is a mistake.

Mr. OWEN. I again appeal from the personal assurances of the Senator from Utah [Mr. SMOOT] to the records of the Board of Trade of London and of the United States census, from which these figures are accurately taken; and I call attention to the fact that the Senator from Rhode Island, the chairman of the Committee on Finance, when he was giving these tables, confined himself to those parts of the tables favorable to his contention and failed to insert those parts of the tables which were unfavorable to his contention, and such a leadership I neither approve nor follow.

These tables show the differences which I have pointed out, and they speak for themselves and are easily capable of their verification.

Wages in textile industry in Germany, France, United Kingdom, and United States.

In the protected industries.	Germany, 1905, Mulhausen.		France, 1905, Lille.		United Kingdom. Weekly pay, 1906 (W. K. Preston).	United States. Average, 1904.	Hours.
	Weekly pay.	Hours work.	Weekly pay.	Hours work.			
COTTON INDUSTRY.							
Spinners:							
Male	$6.57-$7.30	66	$5.91	60		$4.12	64.55
Female						5.16	61.01
Weavers:							
Male	4.02- 4.75	66	$4.48- 5.19	60	$5.11-$7.06	8.29	60.42
Female						7.58	60.13
Piecers	4.42- 4.87	66	3.51- 5.19	60			
Laborers	3.81	66	4.10	60			
Dyers	3.65- 4.62	58½-63	4.66- 5.25	60-66		6.89	62.48
Mule spinners			11.78-12.45	60	8.52-10.95	11.24	59.32
WOOLEN INDUSTRY.	Mulhausen.		Roubaix.		Bradford.		
Spinners	7.20- 7.79	61	6.22- 6.81	60	1.95- 2.68	6.52	58.34
Weavers (Aschen):							
Male	5.11- 5.84	60	5.45- 5.84	60	3.16- 4.14	9.87	58.47
Female	4.38	60				8.79	57.57
Combers (Leipzig):							
Male	4.38	65	4.20- 4.26	60	4.87- 5.60	7.11	58.33
Female					2.68- 3.41	5.49	57.40
Dyers (Leipzig)	5.60	65	3.79- 3.91	60	5.84	7.86	59.11
SILK INDUSTRY.							
Weavers:	Crefeld, 1905.		Lyon, 1905.				
Silk—							
Male	5.11- 5.84	58-58½	3.20- 3.51	60		9.74	56.52
Female						8.19	57.82
Velvet	5.84- 6.57	58-58½	4.10- 4.97	60			
Ribbon—							
Male	7.30	58-58½	[1]3.51- 4.66	60		10.93	52.98
Female						9.84	50.71
Dyers	6.57	60	5.84- 6.81	60		10.98	55.05

[1] St. Etienne.

NOTE.—In 1905 the wages received at St. Etienne, France, by ribbon weavers varied from $3.51 to $4.66 per week. In 1906 it was over 100 per cent more than this. In August, 1907, it was from 30 per cent to 50 per cent higher than in 1905. These weavers received as pay, in piecework, from one-half to two-thirds the value of their product.

Authority for United States figures: Bulletin of the Bureau of Labor, No. 59, July, 1905.

Authority for foreign figures: Cost of Living in German Towns (1908); Cost of Living in French Towns (1909); Cost of Living of Working Classes, United Kingdom, 1908; Report of Board of Trade to Parliament.

I exhibit a comparison of wages in the United States, Germany, France, and the United Kingdom in the nonprotected industries, which present a very much more favorable wage to the unprotected American workingman and much more favorable hours.

Comparison of wages in United States, Germany, France, and United Kingdom.

Class of labor. (In the unprotected industries.)	Berlin (1905).		London (Oct., 1905).		Paris (Oct., 1905).		United States—North Atlantic (1904).	
	Weekly wages.	Number of hours.	Weekly wages.	Number of hours.	Weekly wages.	Number of hours.	Weekly wages.	Number of hours.
Bricklayers and masons	$9.51	53¼	$10.65	50	$9.35	60	$25.52	46.92
Carpenters	9.51	53½			10.50	60	18.03	47.80
Joiners and cabinetmakers	7.77	52			9.35	60		
Plumbers	7.81	53½	11.16	50	9.35	54	20.00	48.00
Painters	7.16	53½	8.77	50	9.35	60	16.95	48.40
Laborers (building trades)	6.25	53½	7.10	50	5.84	60	9.50	54.70
Hod carriers (building trades)	8.86	53½	7.10	50	5.84	60	13.88	46.72
Molders	8.27–9.41	58½–60	9.49	50	[1] 11.97 [2] 8.17	60 60	17.17	56.38
Turners	9.02–9.41	58½–60	9.49	50	[1] 11.23 [2] 8.17	60 60	15.34	56.07
Smiths	7.30–7.58	58½–60	9.49	50	[1] 12.73 [2] 9.05	60 60	16.73	57.03
Pattern makers	8.77–9.01	58½–60	10.56	50	[1] 12.60 [2] 8.88	60 60	17.87	56.25
Brewers	7.79	57	7.30	54	6.43	60	17.54	58.20
Compositors (printing)	8.73	54	9.49	50	[3] 11.09 [4] 12.86	48 42	18.24	52.16
Street sweepers	5.11–5.84	63			6.59	60	9.50	58.28

[1] Piecework. [2] Time work. [3] Day. [4] Night.

Report of board of trade: Cost of living in German towns, 1908; Cost of living in French towns, 1909; cost of living of working classes, United Kingdom, 1904.

Mr. GALLINGER. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from New Hampshire?

Mr. OWEN. With pleasure.

Mr. GALLINGER. I will ask the Senator if he has consulted Bulletin No. 80, published in January, 1909? It is four years later than the one he quoted from. If the Senator will turn to page 63, he will find that in Dundee male shifters are working for $2.29 a week in the textile mills, and male preparers are working for $2.51 a week. It seems to be an extraordinary low wage. There is nothing like it in this country, I take it, and yet that is in the unprotected textile mills of Great Britain and from a recent publication by our Commissioner of Labor.

Mr. OWEN. I have these tables of 1904 and 1905, which compare the dates as nearly as they could be compared, and have not attempted to compare the tables of Great Britain, made by the board of trade there, with the tables made at a very different period. I have compared them as nearly as they were available of adjacent years. But, I will say to the Senator from New Hampshire, that the question of "the difference in the cost of production at home and abroad" is easily discovered, and he illustrates that he knows how to do it.

I now take a table—Exhibit No. 6, the wages and cost of living in the United Kingdom, Germany, and France, showing the average family income, the cost of living, the articles of food, and so forth. I ask that it may be printed in my remarks without reading.

As Exhibit No. 6, I submit the wages and cost of living in the United Kingdom, Germany, and France.

EXHIBIT 6.

Wages and cost of living in United Kingdom, Germany, and France.

Limit weekly income.	Under $6.08.			$6.08 and under $7.40.			$7.40 and under $8.52.			$8.52 and under $9.73.			$9.73 and over.		
	United Kingdom.	Germany.	France.	United Kingdom.	Germany.	France.	United Kingdom.	Germany.	France.	United Kingdom.	Germany.	France.	United Kingdom.	Germany.	France.
Number of returns	261	1,065	614	289	1,329	931	416	1,223	1,065	382	992	821	596	737	1,951
Average family weekly income	$5.20	$5.30	$5.58	$6.56	$6.59	$6.73	$7.77	$7.75	$7.87	$8.89	$8.92	$9.08	$12.65	$11.85	$12.88
Average number of children	3.1	2.3	1.77	3.3	2.5	1.80	3.2	2.5	1.92	3.4	2.8	2.13	4.4	3.8	2.91
COST OF LIVING.															
Bread and flour:															
Cost	$0.74	$0.64	$0.73	$0.81	$0.70	$0.76	$0.80	$0.74	$0.82	$0.82	$0.83	$0.89	$1.05	$1.09	$1.15
Amount.....pounds	28.44	23.04	24.10	29.97	25.05	24.58	29.44	26.06	26.19	29.99	27.62	27.76	37.76	38.21	35.89
Meat:															
Cost	$0.79	$0.99	$0.92	$1.01	$1.18	$1.12	$1.25	$1.41	$1.38	$1.32	$1.57	$1.55	$1.75	$2.10	$2.11
Amount.....pounds	6.42	5.83	5.55	7.57	6.60	6.49	8.66	7.82	7.81	9.25	8.77	8.57	11.87	11.35	11.55
Fish, cost	$0.15	$0.06	.....	$0.18	$0.06	.....	$0.20	$0.06	.....	$0.24	$0.07	.....	$0.32	$0.09	.....
Eggs:															
Cost	$0.12	$0.11	$0.13	$0.17	$0.15	$0.15	$0.22	$0.17	$0.18	$0.24	$0.19	$0.19	$0.34	$0.24	$0.26
Amount.....number	6.2	6.9	6.9	8.7	9.2	8.1	11.3	10.2	9.3	12.0	11.06	10.2	16.3	14.4	13.4
Milk:															
Cost	$0.16	$0.25	$0.15	$0.23	$0.31	$0.18	$0.31	$0.34	$0.20	$0.33	$0.40	$0.22	$0.41	$0.44	$0.27
Amount.....pints	5.54	10.57	5.81	7.72	12.30	6.88	9.85	12.83	7.6	10.34	14.45	8.1	12.63	16.10	9.73
Cheese:															
Cost	$0.10	$0.06	$0.08	$0.11	$0.08	$0.10	$0.12	$0.09	$0.12	$0.12	$0.10	$0.14	$0.16	$0.13	$0.19
Amount.....pounds	0.67	0.40	0.46	0.70	0.46	0.55	0.79	0.62	0.68	0.77	0.60	0.75	1.02	0.77	1.09
Butter, lard, etc.:															
Cost	$0.41	$0.49	$0.42	$0.51	$0.60	$0.47	$0.58	$0.65	$0.50	$0.62	$0.72	$0.55	$0.90	$0.90	$0.72
Amount.....pounds	2.05	2.56	2.25	2.47	2.79	2.41	2.67	3.07	2.59	2.87	3.45	2.80	3.96	4.23	3.62
Potatoes															
Cost	$0.18	$0.20	$0.15	$0.20	$0.21	$0.16	$0.21	$0.21	$0.16	$0.20	$0.23	$0.18	$0.28	$0.29	$0.24
Amount.....pounds	14.05	26.04	12.30	15.84	23.96	13.93	16.11	23.81	14.64	15.87	21.63	15.85	19.93	33.55	20.59
Fruit, cost	$0.10	$0.11	$0.24	$0.14	$0.16	$0.28	$0.20	$0.19	$0.33	$0.23	$0.21	$0.35	$0.32	$0.27	$0.48
Macaroni, oat meal, etc., cost	$0.09	$0.07	$0.08	$0.10	$0.09	$0.10	$0.12	$0.09	$0.10	$0.11	$0.10	$0.11	$0.14	$0.12	$0.13
Coffee, cocoa, and tea:															
Cost	$0.23	$0.15	$0.15	$0.29	$0.19	$0.16	$0.33	$0.21	$0.20	$0.35	$0.24	$0.21	$0.46	$0.30	$0.30
Amount.....pounds	.....	.....	0.44	.....	.....	0.46	.....	.....	0.55	.....	.....	0.55	.....	.....	0.82
Sugar:															
Cost	$0.16	$0.09	$0.11	$0.20	$0.10	$0.11	$0.22	$0.10	$0.12	$0.23	$0.11	$0.13	$0.30	$0.13	$0.16
Amount.....pounds	3.87	1.83	1.48	4.62	1.96	1.50	4.97	1.68	1.72	5.21	2.14	1.83	6.70	2.67	2.22
Sirups, condiments, etc., cost	$0.26	$0.13	$0.01	$0.33	$0.17	$0.01	$0.41	$0.17	$0.02	$0.46	$0.20	$0.03	$0.62	$0.24	$0.04
Meals away from home	$0.03	$0.09	$0.22	$0.05	$0.13	$0.32	$0.08	$0.16	$0.42	$0.14	$0.18	$0.53	$0.18	$0.31	$0.75
Total expenditure for food:															
Per week	$3.50	$3.44	$3.38	$4.34	$4.10	$3.94	$5.05	$4.58	$4.56	$5.43	$5.14	$5.09	$7.22	$6.66	$6.81
Per year	$182.00	$178.88	$175.70	$225.68	$213.20	$204.88	$262.60	$238.16	$237.12	$282.36	$267.28	.....	$375.44	$346.32	.....

NOTE.—Totals are found by converting the totals in foreign money into United States money and may differ from true totals.

Authority for above table: Report of an inquiry by the Board of Trade for both Houses of the English Parliament, 1908, as to cost of living in German towns 1909, as to cost of living in French towns.

As Exhibit No. 7, I submit the income and cost of living in the United States of workingmen's families.

EXHIBIT 7.

Workingmen's families, income and cost of living in the United States, 1901.

Geographical division.	Number of families noted.	Average size of family.	Average income of family.		Average expenditure of family.		Average expenditure per unit.	
			Annual.	Weekly.	Annual.	Weekly.	Annual.	Weekly.
North Atlantic States	1,415	5.25	$834.83	$16.05	$778.04	$14.96	$338.10	$6.50
South Atlantic States	219	5.30	762.68	14.67	700.62	13.47	298.64	5.74
North Central States	721	5.46	842.60	16.20	785.95	15.11	321.60	6.18
South Central States	122	5.65	715.46	13.76	693.11	13.27	292.68	5.56
Western States	90	4.69	891.52	17.15	751.46	14.45	308.53	5.32
United States	2,567	5.31	827.19	15.91	768.54	14.78	326.90	6.99

Authority for above table: Bulletin of the Bureau of Labor, United States, No. 59, July, 1905.

As Exhibit No. 8 I submit the quantity and value of the food consumed by workingmen's families in the United States per week, 1901:

EXHIBIT 8.

Quantity and value of certain articles of food consumed by workingmen's families in the United States per week, 1901.

(Average income, $14.78 per week. Number of families, 2,567.)

Article.	Amount.	Cost.
Bread and flour.....pounds..	17.95	$0.56
Meats.....do....	14.78	1.97
Fish.....do....	1.54	.15
Eggs.....number..	19.7	.32
Milk.....pints..	13.7	.41
Cheese.....pounds..	.31	.05
Butter and lard.....do....	3.87	.73
Potatoes.....do....	17.0	.25
Vegetables and fruit.....	.....	.68
Rice.....pounds..	.48	.04
Coffee and tea.....do....	1.10	.31
Sugar.....do....	5.16	.30
Condiments, molasses, etc.....	.....	.11
Other food.....	.....	.39
Total expended for food per week.....	.....	6.27
Total expended for food per year.....	.....	326.90

Authority: Bulletin of the Bureau of Labor, No. 59, July, 1905.

As Exhibit No. 9 I submit the weekly rents workingmen paying England, Germany, France, and United States.

EXHIBIT 9.

Weekly rents in England, Germany, France, and United States.

Tenements.	London.	Berlin.	Paris.	United States.
Two-room	$1.46	$1.34	$1.12	[1]$1.91
Three-room	1.82	1.98	1.46	
Four-room	2.19	.....	1.67	

[1]Average of 2,567 families, 1901, irrespective of size of tenement, in total United States.

Report of board of trade to Parliament: (1908) cost of living in German towns; (1909) cost of living in French towns; (1908) cost of living of working classes, United Kingdom.

Exhibit No. 10 is the per cent of income of workingmen's families spent for food.

EXHIBIT 10.

Per cent of income of workingmen's families spent for food.

Limit of income.	United Kingdom, 1905.	Germany, 1905.	France, 1905.	United States.
	Per cent.	Per cent.	Per cent.	Per cent.
$6.08–$7.30 per week	66	62	59	[1]42½
$7.30–$8.52 per week	65	59	58	
$8.52–$9.73 per week	61	58	56	

[1]2,567 workingmen's families.

Authority: Bulletin of United States Bureau of Labor No. 59. Report of board of trade to Parliament on cost of living (1908–9).

IT WOULD NOT BE DIFFICULT TO DETERMINE WITH COMPARATIVE PRECISION THE DIFFERENCE IN THE COST OF PRODUCTION MEASURED BY THE COST OF MATERIALS AND OF WAGES, THE RELATIVE EFFICIENCY OF LABOR, AND THE PURCHASING POWER OF THE WAGE RECEIVED. FUTURE TARIFFS SHOULD BE BASED UPON SUCH INFORMATION COMPILED BY EXPERTS EMPLOYED FOR THE PURPOSE. THIS WOULD GIVE A PROPER BASIS FOR DETERMINING THE DIFFERENCE IN COST OF PRODUCTION AT HOME AND ABROAD, AND FOR DETERMINING THE EXTENT TO WHICH THE AMERICAN MANUFACTURER WOULD BE PROTECTED IN PERCENTAGES OVER AND ABOVE THE DIFFERENCE IN THE COST OF PRODUCTION, AND WOULD ESTABLISH A SOUND FOUNDATION UPON WHICH TO WRITE A TARIFF FOR REVENUE WHICH WOULD AFFORD A LEGITIMATE AND REASONABLE INCIDENTAL PROTECTION, WITHOUT GIVING SHELTER TO MONOPOLY.

It will be observed from these tables the vital fact that the American laborer in the protected industries, and especially in the cotton and woolen industries, does not receive the enormous wages in comparison with the European workman in like industries which the advocates of high tariff would have us believe. On the contrary, their wages are very little, if any, better than those of the European workman, and that the workman in the United States, especially in the textiles, has been compelled to supplement his own wages by compelling his wife and his daughter and his children of tender years to help earn sufficient to enable them to keep body and soul together.

THE EXTREME USE OF WOMEN AND CHILDREN IN THE RACE FOR MONEY-MAKING.

An untutored, full-blood Sioux Indian was taken East and shown the glories of its civilization and, when he had been surfeited with sight-seeing, the question was asked him, what had struck him as the most important thing he saw, and he replied: "The way in which the white man makes his little children work."

So evil has been this result of a monopoly-breaking tariff in this Nation that a general alarm has been widely excited, and various States and committees throughout the Nation are engaged in attempting its correction. (Proceedings of the fifth annual conference, Chicago, Ill., National Child Labor Committee, 105 East Twenty-second Street, New York.)

Bulletin No. 69, on Child Labor, Department of Commerce and Labor, shows that 26 per cent of the male children of the United States between 10 and 15 years of age are breadwinners; 1,264,000 male children between 10 and 15 years are breadwinners; 485,000 female children between 10 and 15 years are breadwinners.

2. If the number of children over 15, wage earners, and not yet adults were classified, it would be found very large. Table 164, Census Bulletin, page 69, for example, gives the number of children at home, at school, and employed as breadwinners in families in which there are female textile workers 10 to 14 years of age, for Chicago and New York, and out of 3,595 children over 15 years of age, 190 were at home, 52 at school, and 3,353 employed in gainful occupations. No record is made by the census of children not employed in gainful occupations under 10 years of age nor over 15 years of age; so that it is probably no exaggeration to state that four or five million of children are engaged in labor when they ought to be in school or at play.

By Census Volume 2, page cxxxi, it is shown that the number of females engaged in gainful occupations outside of domestic service was 5,329,292, and the probable number of women and girls now engaged in gainful occupations will probably exceed seven millions, 28 per cent being so employed in Massachusetts, 29.6 per cent in Rhode Island, 24.3 per cent in Connecticut, 20.8 per cent in New Jersey, 23 per cent in New York, and 7.9 per cent in Oklahoma. The reason for women being compelled to go into competition with men in the gainful occupations is largely because the men of the family do not receive enough to maintain the family and enable the women to have the means they require and to remain at home, where they properly belong, in a civilization of a high order. The driving of the American woman from the home, where her activities would best be em-

ployed in promoting her own happiness and the happiness of mankind, and where her services to the race would be best employed in raising children and teaching them the lessons of religion, morality, and the sturdy virtues taught by our forefathers, is not the least of the crushing effects of modern monopoly engendered by a monopoly protecting tariff and by the unrestrained avarice and ambition, with their false standards of life, which are thus set up in a mad race for power.

It will be seen by the wages in the textile industries that the cotton spinners of Germany and France are paid more in money than in the United States, the weavers less, and the mule spinners of France more, than those of the United States; that the woolen spinners of Germany and France are paid more money than they are in the United States, while the weavers are paid less, but in considering the fact that the money of the cotton spinners and woolen spinners of France and Germany will buy 50 per cent more than in the United States, the wages they receive are decidedly better. When it is remembered the American workman turns out twice as much as the German or Frenchman, then the ungenerous treatment of the American cotton and woolen spinners is obvious. It is also obvious that the plea of the Massachusetts and Rhode Island *manufacturer* that the HIGHER WAGES he is compelled to pay his cotton and wool spinners in order to meet the pauper labor competition of France and Germany is a *monumental falsehood* used to hoodwink the patriotism of the American people and lead them to tax themselves for the poor spinner's sake who toil in the cotton and woolen mills.

It is interesting to observe that labor in the protected industries of Germany, France, and the United Kingdom are paid much smaller wages than in the unprotected industries, and labor might well question the value of a protective system which operates throughout the world to give them less remuneration for their labor than in the unprotected industries.

A COMPETITION-PROHIBITING TARIFF HAS SERVED TO INCREASE PRICES AND LOWER THE PURCHASING POWER OF ALL WAGES AND OF ALL INCOMES.

In the Journal of the Royal Statistical Society for March, 1909, page 68, A. Sauerbeck, an acknowledged authority, gives a comparison of world prices, based on 45 commodities, and using as an index the standards fixed by the period of eleven years, 1867–1877, which in the aggregate was the equivalent of the average of the twenty-five years preceding; that is, from 1853–1877. The index number is 100.

Prices of commodities in 1908.

[By A. Sauerbeck.]

The following table shows the course of prices of 45 commodities during the last 20 years as compared with the standard period of 11 years, 1867–1877, which in the aggregate is equivalent to the average of the 25 years, 1853–1877. (See the Society's Journal, 1886, pp. 592 and 648; and 1893, pp. 220 and 247.)

[Summary of index numbers. Groups of articles, 1867–1877=100.)

Year.	Vegetable food (corn, etc.).	Animal food (meat, etc.).	Sugar, coffee, and tea.	Total food.	Minerals.	Textiles.	Sundry materials.	Total materials.	Grand total.	Silver.	Wheat harvest.	Average price of consols.	Average Bank of England rate.
													Per cent.
1889	65	86	75	75	75	70	68	70	72	70.2	103	98	3⅝
1890	65	82	70	73	80	66	69	71	72	78.4	106	96⅛	4⅛
1891	75	81	71	77	76	59	69	68	72	74.1	108	95½	3⅝
1892	65	84	69	73	71	57	67	65	68	65.4	91	96⅞	2⅝
1893	59	85	75	72	68	59	68	65	68	58.6	90	98⅛	3½
1894	55	80	65	66	64	53	64	60	63	47.6	106	101	2½
1895	54	78	62	64	62	52	65	60	62	40.1	91	100½	2
1896	53	73	59	62	63	54	63	60	61	50.5	115	111	2½
1897	60	79	52	65	66	51	62	59	62	45.3	100	112½	2½
1898	67	77	51	68	70	51	63	61	64	44.3	127	111	3½
1899	60	79	53	65	92	58	65	70	68	45.1	83	107	3½
1900	62	85	54	69	108	66	71	80	75	46.4	99	99½	4
1901	62	85	46	67	89	60	71	72	70	44.7	106	94	3½
1902	63	87	41	67	82	71	71	71	69	39.6	113	94⅛	3⅝
1903	62	84	44	66	82	66	69	72	69	40.7	104	90⅝	3½
1904	63	83	50	68	81	71	67	72	70	43.4	93	88½	3⅝
1905	63	87	52	69	87	72	68	75	72	45.7	113	89½	3
1906	62	89	46	69	101	80	74	83	77	50.7	116	88½	4½
1907	69	88	48	72	107	77	78	86	80	49.6	117	84	4⅝
1908	70	89	48	72	89	62	73	74	73	40.1	111	86	3
Average:													
1889–1908	64	86	48	68	92	67	71	75	72	44.6	109	92½	3⅞
1888–1897	62	81	66	70	70	59	66	65	67	61.0	101	101½	2⅝
1878–1887	79	95	76	84	73	71	81	76	79	82.1	97	99½	3⅞

It will thus be observed that as compared with 100 for 1853–1877, the grand total index number of world prices for 1889 was 72, and for 1899 to 1908 it was 72, a fall in prices due to the demonetization of silver throughout the world.

It will also be observed that the index number for 1889 and 1905 was 72; for 1908 it was 73, thus indicating a singular stability in the grand total of the world prices (London) since 1889, notwithstanding important intermediate variations.

Conceding that the volume of metallic money in the world, together with the law of supply and demand of other materials, are the determining factors fixing the average of world prices, it should be observed that the wonderful increase in the output of modern machinery as applied to all classes of products seems to have been about equaled by the output of metallic money, whose annual rate of gold output has approximately doubled since 1896.

This table also shows the effect upon world prices by the disturbance of commercial credits of the world by financial panic; the panic of 1893 being followed by the lowest world prices in a generation.

It would seem to follow that the lowering of prices stimulated purchases and exchanges and led to a corresponding reaction. The panic of 1907 was followed by an immediate reaction in world prices.

It is important to point out that, notwithstanding the increased output of merchantable articles, the increase of gold circulation available for the use of the world markets has been very large, and that this probably accounts for the substantial stability of world prices since 1889. These figures are of intense interest when compared with the changes in prices which have taken place in the United States. Taking the tables of the Statistical Abstract of 1907, it will be seen that middling cotton which was 11.07 cents in 1890 was 11.5 cents in 1906, having reached a very low price of 6.94 cents in 1894, just after the panic, and a still lower point of 5.94 cents in 1898, just after the Dingley bill passed; while standard sheetings for 1890 was 7 cents, and 1906, 7.25 cents, reaching a low point of 5.11 cents in 1894, just after the panic, and its lowest point, 4.2 cents, in 1898, just after the passage of the Dingley bill.

In like manner standard drillings and other cotton cloths fluctuated similarly following the panic and following the Dingley bill.

Mr. President, I now submit a table (No. 202) from the Abstract of Our National Statistics (1907), giving the relative wholesale prices of raw and of manufactured commodities of 1890 to 1906 and per cent of increase in prices for 1906 over prices for each preceding year; and also Table 203, giving the relative wholesale prices of commodities from 1890 to 1906 and the per cent of increase in prices from 1906 over prices for each preceding year by group of commodities.

Great increase in prices under Dingley Act—Relative wholesale prices of raw and of manufactured commodities, 1890 to 1906, and per cent of increase in prices for 1906 over prices for each preceding year.

Calendar year.	Raw commodities.		Manufactured commodities.		All commodities.	
	Relative price.	Per cent of increase in 1906 over each preceding year.	Relative price.	Per cent of increase in 1906 over each preceding year.	Relative price.	Per cent of increase in 1906 over each preceding year.
1890	115.0	9.5	112.3	8.3	112.9	8.4
1891	116.3	8.3	110.6	9.9	111.7	9.6
1892	107.9	16.7	105.6	15.2	106.1	15.4
1893	104.4	20.6	105.9	14.8	105.6	15.9
1894	93.2	35.1	95.8	25.6	96.1	27.4
1895	91.7	37.3	94.0	29.4	93.6	30.8
1896	84.0	49.9	91.9	32.3	90.4	35.4
1897	87.6	43.7	90.1	35.0	89.7	36.5
1898	94.0	33.9	93.3	30.3	93.4	31.0
1899	105.9	18.9	100.7	20.8	101.7	20.4
1900	111.9	12.5	110.2	10.3	110.5	10.8
1901	111.4	13.0	107.8	12.8	108.5	12.8
1902	122.4	2.9	110.6	9.9	112.9	8.4
1903	122.7	2.6	111.5	9.1	113.6	7.7
1904	119.7	5.2	111.3	9.3	113.0	8.3
1905	121.2	3.9	114.6	6.1	115.9	5.6
1906	125.9		121.6		122.4	

NOTE.—From reports of the Bureau of Labor, Department of Commerce and Labor. This table summarizes wholesale prices of 258 staple commodities. The commodities designated as "Raw" are such as are marketed in their natural state and also such as have been subjected to only a preliminary manufacturing process; this group includes 50 articles. The commodities designated as "Manufactured" are such as have been subjected to more than a preliminary factory manipulation and in which the manufacturing labor cost constitutes an important element in the price; this group includes 208 articles. A relative price, or index number, as it is technically called, of any article is the per cent which the price of that article at any date is of the price of the same article at a date or period which has been selected as the base or standard. The base selected by the Bureau of Labor for this compilation is the average price for the 10-year period 1890 to 1899. The relative prices shown under each group are simple averages of the relatives of all articles included within the group. Average price for 1890–1899=100.

EXHIBIT 6.

Relative wholesale prices of commodities, 1890 to 1906, and per cent of increase in prices for 1906 over prices for each preceding year, by groups of commodities.

Calendar year.	Farm products.		Food, etc.	
	Relative price.	Per cent of increase in 1906 over each preceding year.	Relative price.	Per cent of increase in 1906 over each preceding year.
1890	110.0	12.4	112.4	0.2
1891	121.5	1.7	115.7	[1]2.7
1892	111.7	10.7	103.6	8.7
1893	107.9	14.6	110.2	2.2
1894	95.9	28.9	99.8	12.8
1895	93.3	32.5	94.6	19.0
1896	78.3	57.9	83.8	34.4
1897	85.2	45.1	87.7	28.4
1898	96.1	28.6	94.4	19.3
1899	100.0	23.6	98.3	14.5
1900	109.5	12.9	104.2	8.1
1901	116.9	5.7	105.9	6.3
1902	130.5	[1]5.3	111.3	1.2
1903	118.8	4.0	107.1	5.1
1904	126.2	[1]2.1	107.2	5.0
1905	124.2	[1].5	108.7	3.6
1906	123.6		112.6	
1907			117.8	

Calendar year.	Cloths and clothing.		Fuel and lighting.	
	Relative price.	Per cent of increase in 1906 over each preceding year.	Relative price.	Per cent of increase in 1906 over each preceding year.
1890	113.5	5.7	104.7	23.7
1891	111.3	7.8	102.7	26.1
1892	109.0	10.1	101.1	28.1
1893	107.2	11.9	100.0	29.5
1894	96.1	24.9	92.4	40.2
1895	92.7	29.4	98.1	32.0
1896	91.3	31.4	104.3	24.2
1897	91.1	31.7	96.4	34.3
1898	93.4	28.5	95.4	35.7
1899	96.7	24.1	105.0	23.3
1900	106.8	12.4	120.9	7.1
1901	101.0	18.8	119.5	8.4
1902	102.0	17.6	134.3	[1]3.6
1903	106.6	12.6	149.3	[1]13.3
1904	109.8	9.3	132.6	[1]2.3
1905	112.0	7.1	128.8	.5
1906	120.0		129.5	

[1] Decrease.

Relative wholesale prices of commodities, 1890 to 1906, etc.—Continued.

Calendar year.	Metals and implements.		Lumber and building material.	
	Relative price.	Per cent of increase in 1906 over each preceding year.	Relative price.	Per cent of increase in 1906 over each preceding year.
1890	119.2	13.4	111.8	25.3
1891	111.7	21.0	108.4	29.2
1892	106.0	27.5	102.8	36.3
1893	100.7	34.3	101.9	37.5
1894	90.7	49.1	96.3	45.5
1895	92.0	47.0	94.1	48.9
1896	93.7	44.3	93.4	50.0
1897	86.6	56.1	99.4	55.0
1898	88.4	56.5	65.8	46.2
1899	114.7	17.9	105.8	32.4
1900	120.5	12.2	113.7	21.1
1901	111.9	23.8	116.7	20.1
1902	117.2	15.4	118.8	17.9
1903	117.6	15.0	121.4	15.4
1904	109.6	23.4	122.7	14.2
1905	122.5	10.4	127.7	9.6
1906	135.2		140.1	

Calendar year.	Drugs and chemicals.		House furnishing goods.	
	Relative price.	Per cent of increase in 1906 over each preceding year.	Relative price.	Per cent of increase in 1906 over each preceding year.
1890	110.2	[1]8.2	111.1	[1]0.1
1891	103.6	[1]2.3	110.2	.7
1892	102.9	[1]1.7	103.5	4.2
1893	100.5	.7	104.9	5.8
1894	89.8	12.7	100.1	10.9
1895	87.9	15.1	96.5	15.0
1896	92.6	9.3	94.0	18.1
1897	94.4	7.2	89.8	23.6
1898	105.6	[1]5.1	92.0	20.7
1899	111.3	[1]9.1	95.1	16.7
1900	115.7	[1]12.5	103.1	4.6
1901	115.2	[1]12.2	110.9	.1
1902	114.2	[1]11.4	112.2	[1]1.1
1903	112.6	[1]10.1	113.0	[1]1.8
1904	110.0	[1]8.0	111.7	[1].6
1905	103.1	[1]7.2	109.1	1.7
1906	101.2		111.0	

Calendar year.	Miscellaneous.		All commodities.	
	Relative price.	Per cent of increase in 1906 over each preceding year.	Relative price.	Per cent of increase in 1906 over each preceding year.
1890	110.3	9.8	112.9	8.4
1891	109.4	10.7	111.7	9.6
1892	106.2	14.0	106.1	15.4
1893	105.9	14.4	105.6	15.9
1894	99.8	21.3	96.1	27.4
1895	94.5	28.1	93.6	30.8
1896	91.4	32.5	90.4	35.4
1897	92.1	31.5	89.7	36.5
1898	92.4	31.1	93.4	31.0
1899	97.7	24.0	101.7	20.4
1900	109.8	10.3	110.5	10.8
1901	107.4	12.8	108.5	12.8
1902	114.1	6.1	112.9	8.4
1903	113.6	6.6	113.6	7.7
1904	111.7	8.4	113.0	8.3
1905	112.8	7.4	115.9	5.6
1906	121.1		122.4	

[1] Decrease.

NOTE.—From reports of the Bureau of Labor, Department of Commerce and Labor. The group farm products includes 16 commodities; food, etc., 53; cloths and clothing, 75; fuel and lighting, 13; metals and implements, 38; lumber and building material, 27; drugs and chemicals, 9; house furnishing goods, 14; and the miscellaneous group, 13. Average price for 1890–1899=100.

I also submit Dun's tables showing the variations in prices in the United States.

It should be kept clearly in mind that the Federal census is to a very appreciable degree influenced by the manufacturing industries of the country favorably to themselves, and this dif-

ference is demonstrated by Dun's tables, which show the increase of prices to be much larger in the United States than as shown by Census Abstract Tables 202 and 203:

Leading classes of necessary articles of daily consumption—Prices, at primary markets, from July 1, 1860, to May 1, 1907.

[Index number, from Dun's Review.]

Date.	Breadstuffs.	Meats.	Dairy and garden.	Other food.	Clothing.	Metals.	Miscellaneous.	Total.
July 1—	*Dolls.*	*Dolls.*	*Dolls.*	*Dolls.*	*Dolls.*	*Dolls.*	*Dolls.*	*Dolls.*
1860	23.530	8.973	12.662	8.894	22.439	25.851	15.842	115.101
1861	15.749	7.485	10.813	7.653	21.147	22.500	16.173	101.920
1862	18.057	7.150	13.406	10.987	24.413	23.207	17.290	118.510
1863	26.154	10.115	13.530	16.359	15.679	37.079	24.264	173.150
1864	45.616	15.685	26.053	27.303	73.485	59.192	31.653	278.987
1865	25.404	16.112	18.049	21.057	49.377	38.956	25.551	194.436
1866	31.471	17.153	23.472	20.821	45.377	41.702	27.922	207.578
1867	36.537	14.278	18.418	21.167	38.169	35.420	25.529	188.524
1868	38.416	13.210	23.614	19.720	35.694	27.385	21.786	182.825
1869	29.116	13.181	18.121	16.347	35.309	28.355	24.201	164.630
1870	25.322	14.161	16.112	13.308	31.480	26.612	21.786	148.781
1871	24.809	12.177	20.799	13.823	30.624	27.371	21.907	151.510
1872	22.171	11.055	16.019	14.845	32.427	32.613	21.319	150.479
1873	20.460	10.114	15.629	13.625	29.411	32.298	21.355	143.089
1874	25.657	11.500	19.142	13.678	27.290	25.254	19.582	143.133
1875	24.818	13.287	14.918	14.418	25.318	23.515	18.398	134.702
1876	18.777	10.726	15.912	12.914	21.747	20.452	15.951	116.479
1877	21.812	10.036	11.790	13.321	21.850	15.578	15.160	109.547
1878	15.672	8.181	10.603	11.346	19.838	15.789	14.836	96.268
1879	17.054	8.239	10.253	9.881	20.420	15.119	16.286	97.285
1880	17.461	9.230	12.594	11.539	21.984	18.708	17.139	108.655
1881	20.369	11.381	11.311	11.663	20.982	19.205	16.900	111.901
1882	25.494	13.740	14.685	11.627	21.202	19.832	16.550	123.230
1883	19.018	11.210	12.250	10.726	20.209	18.071	15.764	107.248
1884	17.871	11.172	11.389	9.323	19.014	16.272	14.685	99.706
1885	16.370	9.205	10.872	8.712	17.740	14.132	13.666	90.697
1886	15.311	8.906	10.241	8.570	18.053	14.466	13.669	89.226
1887	15.156	8.667	11.188	9.259	18.174	16.035	15.153	93.624
1888	16.984	9.416	11.849	9.917	17.447	15.366	14.155	95.134
1889	14.351	8.244	9.695	10.912	17.107	14.782	14.600	89.691
1890	14.897	8.036	10.711	9.749	17.254	15.506	15.416	91.519
1891	19.782	9.217	12.455	9.339	16.501	15.107	13.691	96.092
1892	17.426	8.700	10.403	8.733	15.648	14.827	14.252	90.105
1893	14.963	10.135	11.710	9.188	15.871	14.030	14.716	90.613
1894	15.115	9.389	10.394	8.478	13.890	12.015	14.01	83.292
1895	14.765	8.622	9.874	8.689	15.315	11.021	13.233	81.519
1896	10.504	7.058	7.872	8.529	13.602	13.232	13.520	7.317
1897—January 1	11.729	7.327	10.56	8.170	12.07	13.014	12.399	75.502
July (low)	10.587	7.529	8.714	7.887	13.808	11.62	12.288	72.55
1898—January 1	13.511	7.336	12.371	8.312	14.65	11.572	12.184	79.90
July 1	12.783	7.694	9.37	8.826	14.663	11.843	12.522	77.768
1899—January 1	13.816	7.520	11.458	9.096	14.150	11.843	12.540	80.423
July 1	13.483	7.988	10.974	9.157	15.021	15.635	12.969	85.227
1900—January 1	13.254	7.258	13.702	9.200	17.484	18.085	16.312	95.295
July 1	14.898	8.905	10.901	9.482	16.324	14.834	16.070	91.415
1901—January 1	14.486	8.407	15.556	9.504	16.024	15.810	15.884	95.668
July 1	14.904	9.430	11.030	9.086	15.068	15.344	16.617	91.509
1902—January 1	20.002	9.670	15.248	8.952	15.547	15.375	16.793	101.587
July 1	20.534	11.628	12.557	8.748	15.533	16.084	16.826	101.910
1903—January 1	17.104	9.522	14.613	9.418	15.938	17.185	16.578	100.356
July 1	17.473	9.289	13.083	9.186	17.136	16.544	16.765	99.456
1904—January 1	17.102	8.138	15.287	9.653	17.316	15.887	16.759	100.142
July 1	18.244	9.033	10.648	10.406	16.514	15.428	16.919	97.192
1905—January 1	18.278	7.950	13.948	10.699	16.319	16.188	16.936	100.318
July 1	18.831	8.614	9.982	9.922	17.986	15.916	17.061	98.312
1906—January 1	16.554	8.426	14.399	9.822	19.313	17.141	18.809	104.464
July 1	17.923	9.677	12.590	9.645	19.177	16.649	19.555	105.216
1907—January 1	16.079	9.350	14.965	9.760	19.637	18.087	19.386	107.264
May 1	18.165	9.641	14.461	9.824	20.098	17.524	19.242	108.955

NOTE.—In the above table the course of prices of commodities is shown, and in each case the price is multiplied by the annual per capita consumption, which precludes any one commodity having more than its proper weight in the aggregate. Breadstuffs include many quotations of wheat, corn, oats, rye, barley, beans, and peas; meats include live hogs, beef, sheep, and many provisions, lard, tallow, etc.; dairy and garden products embrace eggs, vegetables, fruits, milk, butter, cheese, etc.; other food includes fish, liquors, condiments, sugar, rice, tobacco, etc.; clothing covers the raw material of each industry, and many quotations of woolen, cotton, silk, and rubber goods, as well as hides, leather, boots, and shoes; metals include various quotations of pig iron and partially manufactured and finished products, as well as the minor metals, tin, lead, copper, etc., and coal and petroleum; miscellaneous includes many grades of hard and soft lumber, laths, brick, lime, glass, turpentine, hemp, linseed oil, paints, fertilizers, and drugs. The third decimal is given for accuracy of comparison.

There thus appears by Dun's more accurate tables an increase from 1896 to May 1, 1907, of 46.7 per cent on total average of prices of 1896, and on clothing the increase from January 1, 1897, to May 1, 1907, was 69 per cent, and on miscellaneous articles was 55 per cent.

The two tables from our own census contain overwhelming evidence of the injurious results of the Dingley bill upon labor; it shows, for example, Mr. President, that prices have been increased on raw commodities 25.9 per cent over the average prices from 1890 to 1900, and 49.9 per cent over the prices of raw commodities under the Wilson bill.

Our prices were already in 1906 much higher than in Europe, so that these increases are the more striking.

Mr. President, do not the manufacturing classes themselves see that such an enormous raise in prices of raw commodities is injurious both to their domestic and foreign trade? Do they not see it necessarily limits the consumption of the people, whose little salaries are fixed, whose little pension can not be increased in dollars and cents, whose purchasing power is limited to a fixed wage, a wage not exceeding, among the manufacturing laboring classes, $160 per annum per capita?

The obvious result is to restrict consumption of goods, limit the output of goods, lower the factory output, and limit the demand for labor.

Mr. President, in like manner the increase of manufactured commodities in price, including a group of 208 articles, has been 35 per cent since the lower prices under the Wilson bill and an increase of 36.5 per cent upon all commodities above the more reasonable prices under the Wilson bill.

What corresponding increase of wages has labor received? Their wages are relatively less than they were 10 years ago, both in relation to the output of labor and in relation to the purchasing power of the wage received; and the demand for labor has been necessarily diminished by preventing the consumption of manufactured and other commodities, because of prices which could not be paid out of the limited number of dollars the ordinary American has received. Such a policy is injurious to the manufacturer, to the wage earner, to the common citizen consumer, to the business men of the entire Nation, and to our national growth and development.

And differentiating these increases of prices, it will be seen by Table 203 that the prices of 1906 for food are 34 per cent higher than they were in 1896 under the Wilson bill; that cloths and clothing have increased 31.4 per cent above the prices of 1896 under the Wilson bill; that fuel and lighting have increased 40 per cent since 1894 under the Wilson bill; that metals and metal implements have increased 56 per cent above the prices under the Wilson bill; that lumber and building material have increased 55 per cent over the prices under the Wilson bill; that house furnishings have increased 23.6 per cent above the lower prices of the Wilson bill; and miscellaneous articles of various kinds have increased 32.5 per cent above the more reasonable prices of the Wilson bill. Are the American people utterly oblivious to these striking and conclusive facts?

It is perfectly obvious from Sauerbeck tables of the prices of the world and from Dun's table of American (United States) prices that American (United States) prices have increased far beyond European prices since the low price of 1896, notwithstanding American (United States) prices were then much higher than they were in Europe. It therefore follows, beyond question, that the purchasing power of American wages, even of the starvation wages paid in the cotton and woolen mills, has been lowered in such a way as to greatly harm the American workmen, even in protected industries, and has harmed equally the entire American people, workmen, consumers generally, and even the manufacturers, who are severely taxing each other by high prices—the finished product of the one being the raw material of the other. The only people who have a net profit are those who own and control the successful monopolies.

Is the Finance Committee so committed to the demands of the representatives of organized greed in this country that they will refuse to deal justly by the American people?

Or do they believe that by making the rich richer and the poor poorer they will receive adequate political benefit at the hands of those whom they enrich?

I know, Mr. President, that it has been easy to finance Republican campaigns, and I know many good men have not stopped to think that this money was extorted from the misery and sweat of helpless men, women, and children.

Members of the Senate do not often visit the sweat shops, nor do they often see the sorrow and distress of the individuals who compose the weaker elements of our great Nation. I remind them that 500,000 die annually by our neglect, as shown by the comparison between the death rate of New Zealand and Australia, where better laws prevail, where the maxim of the law is "Better reduce want than increase wealth."

Mr. President, I feel charged with a solemn duty to make a record before the Senate of these conditions, and I deem it a great opportunity to have the privilege of submitting a prayer to the leaders of the Senate that they do not be unmindful or inconsiderate of the need and the rights of the inarticulate mass, and that they do not lend too complacent attention to the trained advocates of unsatisfied greed.

Senator Orville H. Platt, the late distinguished Senator from Connecticut, once said, in substance, in commenting on the faults of the American legislator, that "The American legislator should not be charged with incompetency. As a rule, he is fairly well qualified; neither can he be justly charged with dishonesty. There are a few who may be dishonest, perhaps, but they do not exercise any control of legislation. The fault of the American legislator is 'good-fellowship' and doing for a friend what under no other circumstances would the legislator for a moment consider. For that reason," said he, "I deem it the highest legislative virtue to be cross and crabbed to all the world, especially in the last 10 days of the session."

It will be thus seen that from Sauerbeck's tables the increase of the world prices has been much lower than the increases of prices in the United States, and that this difference must be accounted for in some reasonable manner.

The most natural way in which to account for it is to show that the prices in the United States are artificially controlled by monopoly.

And this average high increase must be interpreted in the light of a great offset of the lowering of prices of all products produced by the American people of which monopoly controls the price. For example, crude oil is produced by Oklahoma in vast quantities—approximately 50,000,000 barrels per annum—which sells for less than 1 cent a gallon, while the refined product retails for over 11 cents a gallon. It costs half a cent a gallon to refine it. The low price is fixed by the Standard on the crude and the high price is fixed by the Standard on the refined. And the increase of all prices is in the face of the vital fact that monopoly fixes an extremely low price on the articles produced by the people of which the monopoly controls the price. *The average high price would be far higher except for the very low price,* fixed by monopoly on its purchases, as on crude oil. This is not only true with regard to oil, but also is true with regard to cattle, hogs, sheep, hides, wool, various minerals, tobacco, and so forth. This low price of articles bought by monopoly prevented the general average from reaching the high point which they would otherwise reach in the statistical tables is a factor of great importance.

Without regard to statistics, everybody knows that the prices are now very much higher than they have ever been.

The schedules of this bill are approximately 50 per cent on the value of proposed imports and this is proof that the prices in the United States are 50 per cent higher than they are in Europe and abroad on the articles of these schedules by the open confession of the managers of this bill, and I therefore do not need to furnish further proof of this matter as the schedules confess that the prices in this country are approximately 50 per cent higher than they are abroad on articles affected by the present tariff law.

Mr. President, it is of great importance to observe these differences between our present prices and the increase of our present prices as compared with the increase of the prices of the world, because it thus enables us to determine to what extent local conditions have raised our prices above the level of the prices of the world.

WORLD PRICES AND PRICES IN THE UNITED STATES—RISE IN PRICES IN THE UNITED STATES NOT DUE TO INCREASE IN PER CAPITA CIRCULATION.

At first thought it might occur to some one that the higher prices in the United States were due to the larger per capita circulation, but this conclusion is impossible because, while our per capita circulation December 31, 1906 (Statistical Abstract, 1907, Table 269), was $33.99; France had a per capita of $40.88 and Germany $25.03 and the British Empire $28.12, with no substantial differences in competitive prices at London, thus exhibiting the interesting fact that this enormous increase of prices in the United States, and the fact that United States prices are much higher than the level of world prices, is not due to our increased circulating medium, but is due to the monopolies in this country which have for commercial purposes raised these prices in America far above the prices in the markets of the world.

That these high prices are not necessary for the maintenance of a reasonable profit is shown by the table of lower prices at which these same American goods are sold abroad by the protected monopolies in this country.

A few of these prices are submitted to prove that the prices in the United States under monopoly will average 50 per cent higher than in the markets of the world.

As evidence of this I submit tables from James G. Parsons showing the differences in discounts between export and home prices:

TABLE I.—*Showing differences in discounts between export and home prices.*

[By James G. Parsons, Senate Document No. 54, Sixty-first Congress, first session.]

Articles and description.	Export discount from list.	Home discount from list.	Per cent difference.
Auger bits:	*Per cent.*	*Per cent.*	
Irwin's solid center	60, 10, and 10	50 and 10	39
Snell's	70	60	33⅓
Snell's "King"	60 and 10	50	39
Auger handles, Gunn's No. 5, adjustable and rachet	35	15 and 10	18
Bells, Texas cow	50 and 10	50	11
Bird cages, Hendryx's brass	50	30	40
Bolt clippers, "New Easy"	60, 10, and 5	50, 10, and 10	18
Bolts:			
Carriage, ¾ by 6 inches and smaller	80 and 10	75 and 10	25
Machine, ⅜ by 4 inches and smaller	80 and 10	75, 10, and 5	19
Tire	80, 10, and 5	80	17
Borers, bunghole, Enterprise	40 and 2	25	27
Braces:			
Fray's genuine "Spoffords"	70	60	33⅓
Fray's ratchet, Nos. 81-161	60 and 10	50	39
Fray's ratchet, Nos. 83-143	60 and 10	50	39
Fray's ratchet, Nos. 62-142	70	50	66⅔
Fray's ratchet, Nos. 66-166	60 and 10	50	39
Fray's sleeve, Nos. 207-214	60, 10, and 10	50	54
Fray's sleeve, Nos. 407-414	60 and 10	50	39
Fray's sleeve, Nos. 606-614	60 and 10	50	39
Fray's plain, Nos. 306-314	70	50	66⅔
Can openers, "King"	25	0	33⅓
Cartridges, rim fire	60, 10, 10, and 5	50	64
Chains, kennel	60 and 10	60	11
Coffee mills, Enterprise	40 and 10	20 and 25	11
Door rollers and hangers, Lane's	60, 10, 10, and 5	60 and 10	17
Gauges, Disston's steel and center	45	25, 7½, and 10	12
Harness snaps:			
Covert's "Trojan"	50 and 10	40	33⅓
Covert's "Yankee"	50	30 and 2	37
Covert's "Derby"	40 and 10	25	39
Lawn sprinklers, Enterprise	40 and 2	30	19
Levels, Starrett's bench and pocket	40 and 5	33⅓ and 5	11
Oilstones, "Lily White" and "Washita" No. 1	50	33⅓	33⅓
Plumbs, levels, etc., Disston's	70, 10, 10, 10, and 5	60 and 10	72
Sausage stuffers, Enterprise	40 and 2	25 and 7½	18
Saws			
Disston's Nos. 7, 107, 107½, 3, and 1	45 and 7½	30 and 7½	27
Disston's combination	45 and 7½	30 and 7½	27
Disston's Nos. 12, 16, 108, 120, 76, 8	40 and 10	25 and 7½	28
Disston's compass and keyhole	40 and 10	25 and 7½	28
Disston's butcher	50	30	40
Disston's framed wood	50	25	50
Disston's band	70, 10, and 10	60	65
Scroll saws, Barnes's velocipede	30	20	14
Screw-drivers, Disston's electric	70, 10, 10, and 10	70	37
Smoked beef shavers, Enterprise	40 and 10	25 and 7½	28
Squares			
Disston's try, rosewood handle	70, 10, 10, 10, and 5	60 and 10	72
Disston's steel	45	25, 7½, and 10	13
Traps, Lovell's rat and mouse	50	33⅓	33⅓
Trowels, Disston's brick	45 and 7½	25	47
Vises:			
Armstrong's plain and hinged	80 and 10	60	122
Armstrong's pipe	60	50	25
Bonney's	50	30 and 10	25

TABLE II.—*Showing difference between export and home prices of certain specified articles.*

Articles and description.	Export price.	Home price.	Difference.
			P. ct.
Auger bits:			
Irwin's solid center, 4-16.....per doz..	$1.30	$1.80	39
Irwin's solid center, 16-16.....do....	2.92	4.05	39
Auger handles, Gunn's No. 5.....do....	9.75	11.48	18
Bird cages, Hendryx's No. 316.....do....	13.00	18.20	40
Bolt clippers, "Easy" and "New Easy," No. 1.....each..	1.71	2.03	18
Bolts:			
Carriage, ¾ by 6 inches.....per 100..	.60	.75	25
Machine, ⅜ by 4 inches.....do....	.57	.68	19
Tire, ⅜ by 6 inches.....do....	.65	.76	17
Braces:			
Fray's genuine "Spofford," No. 107.....per doz..	6.30	8.40	33⅓
Fray's ratchet, No. 81.....do....	10.44	14.50	39
Fray's ratchet, No. 62.....do....	6.90	11.50	66⅔
Fray's sleeve, No. 207.....do....	7.11	11.00	54
Fray's sleeve, No. 606.....do....	7.53	10.50	39
Fray's plain, No. 306.....do....	3.61	6.00	66⅔
Bunghole borers, Enterprise, No. 1.....do....	.74	.94	27
Can openers, "King".....per gross..	4.50	6.00	33⅓
Coffee mills, Enterprise, No. 1.....each..	1.22	1.35	11
Files, Nicholson's:			
Mill and round bastard, 3 to 4 inch.....per doz..	.41	.64	60
Mill and round bastard, 5-inch.....do....	.48	.68	45
Mill and round bastard, 6-inch.....do....	.59	.75	27
Flat bastard, 3 to 4 inch.....do....	.40	.79	98
Flat bastard, 5-inch.....do....	.48	.83	73
Flat bastard, 6-inch.....do....	.59	.92	55
Flat bastard, 7-inch.....do....	.75	1.03	37
Flat bastard, 8-inch.....do....	.88	1.13	28
Flat bastard, 9-inch.....do....	1.01	1.35	34

TABLE II.—*Showing difference between export and home prices of certain specified articles*—Continued.

Articles and description.	Export price.	Home price.	Difference.
Files, Nicholson's—Continued.			
Flat bastard, 11-inch	per doz	$1.51	$1.84	22
Flat bastard, 13-inch	do	2.11	2.52	19
Square bastard, 3 to 4 inch	do	.40	.81	102
Square bastard, 5-inch	do	.48	.88	83
Square bastard, 6-inch	do	.59	.98	66
Square bastard, 7-inch	do	.75	1.09	45
Square bastard, 8-inch	do	.88	1.18	34
Square bastard, 9-inch	do	1.01	1.41	40
Square bastard, 10-inch	do	1.26	1.58	25
Square bastard, 11-inch	do	1.51	1.94	29
Square bastard, 12-inch	do	1.82	2.18	20
Square bastard, 13-inch	do	2.11	2.67	27
Gauges:				
Disston's combined steel	each	.55	.62	12
Disston's center	do	.17	.19	12
Harness snaps:				
"Trojan," 1½ oop	per gross	2.70	3.60	33⅓
"Yankee," 1½ loop	do	2.90	3.98	37
"Derby," No. 733	do	2.70	3.75	39
Lamp chimneys:				
Macbeth's No. 502	per doz	.40	.68	70
Macbeth's No. 504	do	.50	.82	64
Lawn sprinklers, Enterprise, No. 2	each	1.78	2.10	19
Levels, Starrett's 24-inch bench	do	1.28	1.42	11
Plumbs and levels, Disston, No. 12	per do	5.82	10.08	72
Pocketknife and tool kit, Glery's	per set	1.15	1.50	30
Rifle:				
Stevens's "Little Scout," No. 14	each	1.35	1.75	30
Stevens's "Maynard Jr.," No. 14	do	1.80	2.20	22
Stevens's No. 16	do	2.00	2.60	30
Stevens's "Little Krag," No. 65	do	2.50	3.00	20
Stevens's "Favorite"	do	3.47	4.50	30
Sausage stuffers, Enterprise, No. 5	do	2.20	2.61	18
Saws:				
Disston's hand, 30-inch, No. 7	per doz	13.74	17.48	27
Disston's hand, 30-inch, No. 16	do	15.39	19.98	28
Disston's combination, No. 43	do	15.26	19.42	27
Disston's butcher, 24-inch, No. 7	do	8.50	11.90	40
Disston's framed wood, No. 60	do	6.00	9.00	50
Disston's band, 2-inch, 18-gauge	per foot	.157	.23	65
Barnes's combined scroll and circular	each	28.00	32.00	14
Screws, flat-head iron, wood:				
Size, ¼ inch, Nos. 1 to 4	per gross	.034	.073	115
Size, ⅜ inch, Nos. 1 to 4	do	.034	.073	115
Size, ½ inch, Nos. 1 to 3	do	.034	.073	115
Size, ⅝ inch, No. 4	do	.038	.076	100
Size, ¾ inch, No. 4	do	.04	.079	97½
Screws, flat-head brass, wood:				
Size, ¼ inch, No. 1	do	.072	.136	89
Size, ⅜ inch, No. 6	do	.084	.195	132
Size, ½ inch, No. 6	do	.084	.211	151
Size, ⅝ inch, No. 6	do	.096	.227	136
Size, ¾ inch, No. 6	do	.108	.251	132
Screws, round-head iron, wood:				
Size, ¼ inch, No. 1	do	.034	.087	156
Size, 1 inch, No. 6	do	.06	.112	87
Size, 1½ inches, No. 10	do	.10	.17	70
Size, 2 inches, No. 16	do	.228	.378	66
Size, 3 inches, No. 18	do	.412	.67	63
Screws, round-head brass, wood:				
Size, ¼ inch, No. 1	do	.072	.168	133
Size, 1 inch, No. 6	do	.16	.329	106
Size, 1½ inches, No. 10	do	.336	.776	131
Size, 2 inches, No. 16	do	.768	1.955	155
Size, 3 inches, No. 18	do	1.24	3.648	194
Screw-drivers, Disston's electric, 12-inch	per dozen	1.36	1.86	37
Shoe dressing:				
Whittemore's "Gilt Edge"	do	1.20	1.75	46
Whittemore's "Baby Elite"	do	.60	.67	12
Shotguns:				
Stevens's No. 105	each	2.80	4.25	52
Stevens's No. 107	do	3.00	4.50	50
Stevens's No. 225	do	8.67	9.75	12
Smoked-beef shavers, Enterprise No. 23	do	4.33	5.55	28
Squares:				
Disston's try, rosewood, 10-inch, No. 1	per dozen	1.66	2.88	72
Disston's steel, 4-inch	each	1.10	1.46	13
Traps, Lovell's mouse and rat, metallic	per gross	5.50	7.33	33⅓
Trowels, Disston's brick, 8-inch, No. 1	per dozen	4.07	6.00	47
Vises:				
Armstrong's hinged, No. 1	each	1.80	4.00	122
Armstrong's combination, with leg sockets	do	6.40	8.00	25
Bonney's No. 11	per dozen	2.25	2.84	26
Watches:				
Elgin movement, 20-year gold-filled case	each	7.98	10.23	28
Elgin movement, silveroid case	do	3.04	4.47	47
Wrenches, Hawkeye "5 in 1"	per dozen	3.60	4.50	25

It is thus seen that our own manufacturers, to obtain the protection from foreign competition, not only do not give American consumers the low prices they are entitled to, but they give all the benefit to foreigners. These tables demonstrate that the pretense of high tariff to protect themselves against the cheap labor of Europe is false; that our manufacturers can compete and do compete in the open markets of the world, and that they actually do give to foreigners the benefits they deny to Americans, of whose patriotic self-sacrifice they take wrongful advantage.

Protection's favors to foreigners is strongly set forth in Senate Document No. 54, Sixty-first Congress, first session, prepared by James G. Parsons, and submitted by me to the Senate, and to which I refer for the most abounding evidence for the truth of my contention—that this bill and its immediate predecessors, the Dingley bill and the McKinley bill, were written under the color of serving the American laborer, when, in point of fact, it has done nothing of the kind, but, on the contrary, favors the foreigner at the expense of the American.

The defense of this indecent practice has been abundantly answered in Document 54, and I shall not take the time to further comment upon it.

A similar table, showing that our prices are 50 per cent higher than world prices, is submitted (Exhibit 12), prepared by Byron W. Holt, of New York.

Our great agricultural products have their prices fixed by the markets of the world, except where freight prevents.

The price of corn per bushel was 55 cents in 1892 and 53 cents in 1906, and wheat was 93 cents in 1891 and 82 cents in 1906, and exported cattle in 1891, $81.25, and $93.17 in 1906 under improved methods of feeding and transportation, while cotton was 10 cents in 1890 and 11 cents in 1906.

We have a right to expect cheapening of manufactured products because of the constant increasing improvements in machinery—and in this we are disappointed—and a rise in the price of agricultural products produced from an area necessarily limited, and in this we are not gratified.

The prohibitive tariff has increased the cost of living of the workman and of every other person in the United States, and therefore *has diminished the purchasing power of the wages received.*

I have submitted Table No. 202, Abstract of Census, 1907, page 577, which shows that raw commodities have increased since the Dingley bill went into effect 49.9 per cent, manufacturers' commodities have increased 32.3 per cent up ot 1906, and all commodities have increased 35.4 per cent up to 1906, and still higher in 1909.

Mr. President, I now submit Tables 197 and 206, which show in detail the increase of price of food products, showing lard to have increased, since 1896, 38 per cent, corn meal 29 per cent, fresh pork 41 per cent, salt pork 55 per cent (Statistical Abstract of Census, 1907), and similar increases in other things required by the consumer.

LABOR IS HARMED BY THESE HIGH PRICES.

Mr. President, it is obvious that the laboring man who receives a fixed wage, or the laboring woman who receives a given number of dollars, whether in the factory, on the farm, in the mine, in the forest, or in domestic service, by an increase of 34 per cent in the price of all articles to be bought with wages received will be required to pay $134 to buy the same amount of goods which cost $100 in 1896 under the Wilson bill.

This means the equivalent of a flat loss of 25 per cent of the narrow wages received by the working people, and shows that the results of this tariff have been seriously injurious to the working people, because of these artificial prices.

HIGH PRICES INJURIOUS TO SALARIED PEOPLE.

Under these high prices it would take, in 1906, $1,354 to buy as much as $1,000 bought in 1896; in other words, a salaried man who received a salary of $1,354 in 1896 could save out of it $354, but to buy the same things in 1906 would take his entire salary of $1,354, and leave him nothing saved.

The effect of these high prices on the salaried man is to diminish the purchasing power of his salary 25 per cent.

This is the probable reason why Congress raised the salaries of Members of Congress and of Senators 50 per cent; it was to keep the Senators and Members of Congress from suffering the injury which the Dingley bill inflicted on the balance of the country.

HIGH PRICES ARE INJURIOUS TO THE MANUFACTURERS.

High prices on raw material (and one manufacturer's raw material is the finished product of another manufacturer) has the effect of making it more difficult for American manufacturers to compete in the markets of the world, because their first cost on this very account is heavier than would be the case with their foreign competitors.

Our manufacturers do compete, however, on a considerable scale, because of the greater efficiency of the American workman and of American invention and improved processes, and because of rebates in *foreign material* bought and reshipped in manufactures.

In this way a market is afforded foreign material and denied our own materials unless they compete with foreign material at world prices.

But if the manufacturers could obtain a uniform cost of material 35 per cent less than it is now our commerce would be greatly multiplied, the activity of our factories wonderfully stimulated, all of America's laboring elements would be employed, and the productive energies of the Nation brought to the highest degree of activity and efficiency.

If lower prices should prevail, we would avoid the evil of underconsumption and need have no fear of overproduction.

The percentage of weekly earnings, retail prices, and the weekly earnings as measured by retail prices is shown by the Bureau of Labor bulletin, July, 1905:

	Weekly earnings per employee.	Retail prices.	Weekly earnings as measured by retail prices.
	Per cent.	*Per cent.*	*Per cent.*
1890	101.0	102.4	98.6
1891	100.8	103.8	97.1
1892	101.3	101.9	99.4
1893	101.2	104.4	96.9
1894	97.7	99.7	98.0
1895	98.4	97.8	100.6
1896	99.5	95.5	104.2
1897	99.2	96.3	103.0
1898	99.9	98.7	101.2
1899	101.2	99.5	101.7
1900	104.1	101.1	103.0
1901	105.9	105.2	100.7
1902	109.2	110.9	98.5
1903	112.3	110.3	101.8
1904	112.2	111.7	100.4

100 equals the standard prices averaged between 1890–1900.

It will be observed that even by these tables, coming from sources interested in putting the best face on the matter, the weekly earnings bought no more in 1904 than they did between 1890 and 1900, while they rose in 1896 to 104.2 from 96.9 in 1894, showing an increased purchasing power of over 7 per cent following the passage of the Wilson—lower tariff—Act.

Mr. President, the tables prepared by Edward Atkinson, of Boston (Exhibit 2), showing the relative number of persons who could be affected by a tariff, as far as their wages are concerned, in the so-called "protected or partially protected industries," should not be forgotten. It will be shown by these tables that 10,381,765 persons are farmers, planters, overseers, agricultural laborers, gardeners, florists, nurserymen, dairy men and women, and other agricultural pursuits, lumbermen and raftsmen, stock raisers, herders and drovers, turpentine farmers and laborers, and wood choppers, to which must be added all persons in professional service, 1,258,739; all persons in domestic and personal service, 5,580,657; and all persons in trade and transportation, 4,766,964; making a total of 21,788,125; and estimating those who are engaged in other services which could not be regarded as in any degree open to competition, it is found that out of a total of 29,074,117 there could not be exceeding 600,000 persons occupied in arts which would require a protective duty. This table is very carefully drawn and is convincing to a sincere and disinterested student. It therefore appears that very little over 2 per cent of the American people are employed in such a way as to really require any measure of so-called "protection," while 100 per cent of our people are taxed about 50 per cent on an average on all dutiable goods, to their very great injury, and without even benefiting the 2 per cent who are employees, mostly of foreign birth or parentage, in the so-called "protected industries," while nearly all of such industries are owned by monopolies who give their foreign employees the lowest wages in America and keep millions for themselves.

MONOPOLY.

This bill ought not to pass, because similar bills heretofore have established, and this bill will continue to maintain, monopoly, labor's chief oppressor, and will be followed by high prices, low wages, greater mortality to labor, increased crime, and extravagant and corrupt standards.

Mr. President, no man familiar with history of his country will seriously question that when the tariff has its schedules so high as to prevent competition from abroad it must engender monopoly at home.

The first step of triumphant monopoly is to cut off foreign competition; the next step is easily effected by any of a variety of successful expedients.

First. By the policy of placing a control of the stock of competing companies in the hands of a trustee for the purpose of preventing competition. This was nothing more nor less than a conspiracy in restraint of trade. The courts in due time pronounced the so-called "trust" an unlawful combination. The reason why it was unlawful was because it violated the common law of the English-speaking people. *It violated the common law, which holds as void any contract in restraint of trade.* The common law of our States holds a man is entitled to buy at a price fixed in a free competitive market, and that any restraint of trade denying the citizen this common law right is a fraud upon him. *The present tariff law and the proposed law is conspicuously guilty of this sin,* although its error has not yet been declared by the courts. A test case should be brought.

Indeed, it is a form of robbery under the color of law and carried on under the safeguards of organized society; *it is a fraud to impose a prohibitive tax under the pretense of raising revenue, but in reality to protect monopoly.* It is a species of immoral conspiracy which ought not to be endured by any nation of intelligent and liberty-loving men.

The contracts putting the control of the stock of competing companies in the hands of a "trustee," being the first form in which organized monopoly became conspicuously bad, has led to the term "trust" being loosely and incorrectly used to describe any monopoly.

Second. Another expedient by which monopoly was established was "a gentleman's agreement," by which prices were fixed by verbal agreement and not by contract. This was nothing more nor less than a verbal conspiracy, and was no less a fraud and unlawful than if the verbal agreement had been a legal contract in writing. The only difference between the two was the greater difficulty of detection of the combination.

The gentleman's agreement usually proved inefficient, because men engaged in this character of fraud could not trust each other.

Third. Another form by which the American people have been defrauded by monopoly is where a giant corporation, like the Standard Oil Co., sets a fixed price on crude oil and a price on the refined products, and because of its power intimidates the independent refiner and compels the refiner, through fear of destruction, in the crafty ways so fully described by Ida Tarbell in the history of Standard Oil, to recognize and maintain the prices so fixed. In this way the Standard Oil Co., through its subsidiary companies, sets the price of crude oil in Oklahoma of the best quality at 41 cents a barrel. No refiner wishes to violate this rule for fear of the Standard, and no refiner dares to offer to sell refined oil at less than the Standard price for fear of the Standard. It only cost one-half cent a gallon to refine petroleum, and crude oil costs 41 cents a barrel in Oklahoma. The people ought to get very cheap oil, but they do not get it, because the Standard Oil Co. overshadows the land and controls the market, both of crude oil and of the refined products.

It is a common practice for the independent refiners to stand on the prices fixed by the Standard, both on crude and refined, for fear that they will be destroyed. The history of the past is strewn with the wreckage of companies who have ventured to cut the prices of the Standard Oil Co.

I think the Congress of the United States ought to impose a rule on interstate corporations using the mails and enjoying public protection that they shall not vary their price to the consumers of the United States, except in so far as the difference in freight justifies. In this way the Standard Oil Co. could not put the price of refined below cost locally for the purpose of running out an independent competitor in a local field while the Standard at the same time raises the price in another field, with which to make the consumer pay the cost of this illegitimate warfare on a competitor. If the Standard were compelled to give the same price plus freight in all parts of the United States to the consumer, the Standard could not in that event afford to lower its local price for the purpose of killing off a petty competitor. And I appeal to the leaders of the Republican Party in the Senate of the United States to bring in an amendment to this bill providing this remedy.

I am sure the chairman of the Committee on Finance will appreciate the force of this observation, and if he does not afford the country the relief which I invite him to do he at least shall have no complaint of me that he did not receive a wise and virtuous suggestion from Oklahoma. I assure him that if he will submit the proper amendment he can rely upon the Senators from Oklahoma giving him enthusiastic support in such a policy.

I pause to ask the chairman of the Committee on Finance whether he will bring in or support such an amendment?

I appeal to the leaders of the Republican Party in the Senate of the United States to bring in an amendment to the bill providing this simple, effective remedy against monopoly. If we want to establish competition in the United States, if we hope

to maintain competition in the United States, we must protect the little competitor and not permit him to be killed off by ingenious processes. Otherwise we might as well recognize now that monopoly is fixed and is to be dealt with as monopoly. If we deal with it as monopoly, then a different process would be available, which I suggest to the Senate of the United States, and that is, conceding monopoly to be established, conceding that we can not control or that we will not control monopoly, I suggest that monopoly, having the power of taxation of the American people without limitations, shall be controlled by being limited in the dividends it may pay upon its invested capital, determined by physical valuation.

Fourth. But another and far more dangerous form of monopoly, skillfully drawn to avoid the decisions of the Supreme Court of the United States with regard to contracts in restraint of trade, is the more recent successful plan of merging one corporation with another, such as illustrated in the United States Steel Corporation, by which all competitors of any importance were absorbed. It was organized in 1901, and at that time absorbed a number of gigantic concerns, to wit: Federal Steel, National Tube, American Steel and Wire Company, National Steel, American Tin Plate, American Steel Hook, American Sheet Steel, American Bridge, Shelby Steel Tube, The Carnegie Company, The Lake Superior Consolidated Iron Mines, and acquired interests in numerous other companies, such as the Pittsburg Steamship Company, The Oliver Iron Mining Company, The National Steel Company, including The Sharon Steel Company, The Union Steel Company, The Donora Mining Company, The Republic Coke Company, The River Coal Company, The Sharon Coke Company, The Sharon Ore Company, The Sharon Sheet Steel Company, and a controlling interest in the companies of the Sharon Coal and Limestone Company and the Sharon Tin Plate Company, and directly and indirectly controlling the American Coke Company, The Continental Coke Company, The H. C. Frick Coke Company, The McClure Coke Company, The Southwest Connellsville Coke Company and the United Coal and Coke Company, consolidated under the title of H. C. Frick Coke Company, acquiring also the Clairton Steel Company in May, 1904, The St. Clair Furnace Company. This contract carried with it the stock of the Champion Iron Company, The Clairton Land Company, the St. Clair Terminal Railroad Company, and 51 per cent of the stock of the St. Clair Limestone Company; in April, 1905, the Heckler Coke Company was acquired. On April 15, 1907, by lease United States Steel obtained the control of the Great Northern Railroad Company ore properties through the Great Western Mining Company, a subsidary company of the United States Steel Corporation, and so forth.

These gigantic mergers of the various companies, by which their competition with each other was effectually destroyed, formed the new company, which issued a total of stocks and bonds of about fourteen hundred millions, a large part of which was "watered," having no physical value corresponding with the face values of the stocks and bonds issued.

In 1907 this gigantic merger company took over the Tennessee Coal, Iron and Railroad Company, which was itself composed of various companies merged together in the same fashion as the United States Steel Corporation, and was its only great competitor; under the control of this great merger company are various water-supply plants, natural-gas properties, pipe lines, ore docks, a multitude of iron mines, and some 25 railroad companies.

By these gigantic mergers competition is effectually controlled under the forms of law, and the resulting giant corporation has such a dominating and masterful position that smaller corporations dare not compete or cut the price or attempt to do so. Competition is thus utterly destroyed.

Moody's Manual for 1907, page 2320, gives over 1,000 companies absorbed or merged by or into other companies for 1907.

The smaller corporations engaged in the same business are indeed of some use to the giant monopoly, because the smaller corporation being in existence and doing business at the same prices fixed by the larger corporation, the greater concern can point to the smaller concern as evidence to the common people that there is active competition in the field. The common people may accept the testimony, but it will be a Barmecide feast when they test the prices .

When the people threaten to remove the monopoly tariff, which shelters monopoly, all of the agents of monopoly join in one mighty chorus in defense of the poor little independent man who will be utterly ruined if the tariff is lowered a particle. But the smaller concern is used as a highwayman might hold up a child to ward off a merited chastisement. It is, however, no chastisement and no injustice whatever to the monopoly to take down the tariff wall that shelters monopoly from reasonable competition, but merely a just action in restoring the competition which never should have been interfered with.

The United States Steel Corporation, I am informed, permits no organized labor in its service. The thoughtlessness of this monopoly of its labor, and its forgetfulness of its moral obligation toward poor human beings engaged in its service has been shown with great force in a recent philanthropic investigation conducted under the Russell Sage Foundation in the "Pittsburgh Survey." What these giant monopolies are capable of doing when not restrained by any other consideration than what is called "business" and the pressure for "dividends," "dividends," "dividends," is set forth in great detail in the "Journal of Constructive Philanthropy," published by the "Charity Organization Society of the city of New York," 105 East Twenty-second Street, New York; Robert W. deForest, president; J. P. Morgan, treasurer; Edwin T. Devine, general secretary, 105 East Twenty-second Street, New York City, in "Charities and the Commons" in the issues of January, February, and March, 1909.

What a monopoly tariff does for its protected workmen is abundantly set forth in this wonderful report of the unspeakable conditions which have grown up under our system of government, where the beneficiaries of the tariff have forgotten manhood, and have forgotten womanhood, and even childhood in their insane pursuit of wealth and power.

Ida M. Tarbell, a critical and learned student of sociology, has described it in a few words in the American Magazine of May, 1909:

A TARIFF-MADE CITY—WHAT IT DOES FOR THE WORKMEN.

The city of Pittsburgh is the greatest monument in this country to the practice of high protection. For 50 years it has been the stronghold of the doctrine. For 50 years it has reaped, as no other center in the United States, the benefits of prohibitive duties.

The town lies at the heart of a district in which is produced from one-quarter to one-half of all the various kinds of American iron and steel, as well as a goodly proportion of all our tin, plate glass, and machine-shop products. All of these articles have for years had the American market practically to themselves. All of these articles have for years been exported and sold at less prices than the American consumer can buy them. All these industries have produced enormous fortunes. So many, so conspicuous are they, that a recognized American type in Europe and the United States is the "Pittsburgh millionaire." Now, it is certain the tariff produced the Pittsburgh millionaire, but that was not what the tariff was fixed for by the Congress of the United States. The tariff was laid to protect and help the Pittsburgh workman. According to the protectionist argument, Pittsburgh, as the bulwark and center of protected industries, should produce the happiest, most prosperous, and best conditioned workmen in the United States. How is it?

There has just been published in *Charities and The Commons* (now *The Survey*) one of the most significant pieces of investigation the country has seen. It is the result of a year or more of work on the part of a band of trained investigators commissioned by the Charities Publication committee. It gives a blue print of Pittsburgh—the place itself, the people, and their work. What does this blue print show of the workingman under protection?

It shows him working *twelve* hours a day for SEVEN days in the week, and once in two weeks filling a "long turn," or a 24-hour shift. It is not simply the exceptional man who overworks in this cruel fashion. The 12-hour day is the extreme of an "altogether incredible amount of overwork by everybody," so the survey declares. Can you make a man by these hours? Is it any wonder that those who lived and walked among these men preparing this survey report their saying: "Too tired to read—too tired to think. I work and eat and sleep." Any wonder that they report the God-fearing women crying out for the old country: "We might not have been able to live so well there, but, oh, man, we could have brought up the children in the fear o' God and in a land where men reverence the Sabbath." Any wonder that those men who have not the restraining influence of a family drown fatigue at night in saloons and brothels?

And what do they earn for their toil? In the tariff-protected industries, steel and iron, the greatest number receive a wage, says the report, "so low as to be inadequate to the maintenance of a normal American standard of living—wages adjusted to the single man in the lodging house, not to the responsible head of a family." And this in industries where "to protect the workingman" this country has for years taxed itself millions upon millions of dollars. The estimated tariff profit in the Steel Trust alone in 1907 was $80,000,000. Who got the money? Go look at the steel palaces and chateaux in New York and Paris. Go ask the Pittsburgh millionaires who fill the glittering places of pleasure in the great cities of Europe and this country, who figure in divorce and murder trials, who are writing their names on foundations and bequests and institutions.

How does this "protected" workingman live? What kind of households are these "builded on steel?" The reporter of the situation summarizes them: *"Evil conditions were found to exist in every section of the city. Over the omnipresent vaults graceless privy sheds flouted one's sense of decency. Eyrie rookeries perched on the hillsides were swarming with men, women, and children—entire families living in one room and accommodating boarders in a corner thereof. Cellar rooms were the abiding places of other families. In many houses water was a luxury, to be obtained only through much effort of toiling steps and straining muscles. Courts and alleys fouled by bad drainage and piles of rubbish were playing grounds for rickety, pale-faced, grimy children. An enveloping cloud of smoke and dust, through which light and air must filter, made housekeeping a travesty in many neighborhoods; and every phase of the situation was intensified by the evil of overcrowding—of houses upon lots, of families into houses, of people into rooms."*

Among the worst illustrations of these *typical* conditions are certain properties owned by the very corporations who are reaping wealth from the tariff-protected products. These beneficiaries of the generosity of the American people, these gentlemen who, when they see the taxation

in their interest threatened, hold up the laborer and his good as a reason for continuing it, what do *they* say when these conditions are pointed out to them: *"We don't want to go into the housing business. We are manufacturers, not real estate dealers. We may be forced to build houses in certain new districts in order to attract and hold labor, but in an old, settled community let the laboring man take care of himself. We don't believe in paternalism."*

They have had no more interest in preserving the lives of the men who do the terrible toil necessary to their wealth than in giving them decent housing. For years the death rate from typhoid fever in Pittsburg has been the highest of any city in the civilized world. Everybody knew it. Everybody knew why. There was no supply of pure drinking water. A filtration plant was needed. Did any Pittsburg millionaire offer to build it—insist that the industries which called the vast army of labor to Pittsburgh should build it? No; they left a corrupted city government to fight over the appropriations for the work and scattered in endowments and in institutions in other cities and other States many times the five millions needed in Pittsburgh to save the lives of the workmen. They hold up to the world for admiration their love of great material problems—they argue with the American people that their skill in solving these problems is a good and sufficient reason for continuing general taxation in their favor. But a problem which, worked out, would benefit nobody but the humble two-dollar-a-day man who sweats out his life in the heat of their profitable furnaces does not interest them. It might savor of paternalism!

Not even the child has touched them. The conditions under which the children of the poor are brought up in Pittsburgh are such that babies die like flies. Of those along the river, a settlement worker told Samuel Hopkins Adams, when he was working on health conditions for the Survey: *"Not one child in ten comes to us from the river-bottom section without a blood or skin disease, usually of long standing. Not one out of ten comes to us physically up to the normal for his or her age. Worse than that, few of them are up to the mental standard, and an increasing percentage are imbecile."*

As to the schools, here is what an authority says: *"The school buildings are in many cases crowded, dark, dirty, often of three stories, and bad fire risks. The condition of the children in these schools, good and bad, rich and poor, may be known by the large proportion having defective teeth, reduced hearing, impaired vision. An excessively large number of them are mouth breathers, partially so because they are unable to breathe through their noses in the smoky air of Pittsburgh, and a very considerable number are below the stature and the weight determined for the average child. In a large percentage the defects of teeth, nose, and throat bring them below the physical normal. These are the children that wear out in childhood."*

Is it a wonder that this gentleman suggested:

"Ought not the Pittsburgh schools to be closed and the children repaired?"

This Pittsburgh survey is the most awful arraingment of an American institution and its resulting class pronounced since the days of slavery. It puts upon the Pittsburgh millionaire the awful stamp of greed, of stupidity, and of heartless pride. But what should we expect of him? He is the creature of a special privilege which for years he has not needed. He has fought for it because he fattened on it. He must have it for labor. But look at him and look at his laborer and believe him if you can.

Justice takes a terrible revenge on those who thrive by privilege. She blinds their eyes until they no longer see human misery. She dulls their hearts until they no longer beat with humanity. She benumbs their senses until they respond only to the narrow horizon of what they can individually possess, touch, feel. She makes, as she has in Pittsburgh, a generation of men and women who day by day can pass hundreds of tumbled-down and filthy homes, in which the men and women who make their wealth live, and feel no shock; who can know that deadly fevers and diseases which are preventable are wiping out hundreds of those who do their tasks, and raise no hand. Little children may die or grow up stunted and evil within their sight and no penny of their wealth, no hour of their leisure, is given them. Women may pass hours of incessant toil and die, broken and unhonored, within their sight, and they raise no hand. Wealth which comes by privilege kills. The curse of Justice on those who will not recognize injustice is the sodden mind, the dulled vision, the unfeeling heart.

I. M. T.

I was interested after reading this distressing record of the misery and degradation of the employees in protected industries at Pittsburgh, and their great poverty, to observe, in striking contrast, that Mr. H. C. Frick, one of the masters of the iron, steel, and coke monopoly, was reported by the public press as trying to buy an oil painting by Holbein from the Duke of Norfolk for $350,000. I could not help thinking how scandalous it was to take the labor of these poor people and dissipate it in such folly.

The papers announce also that Mr. Schwab, another steel magnate, was successfully "bucking the tiger" at Monte Carlo and gambling on a gigantic scale. No doubt he has millions which he may hazard at the gambling table and not feel the loss; but where does he get it? He gets it out of the grimy sweat of a labor so poorly paid that the women and children must, of necessity, suffer degradation and physical, social, and spiritual degeneration.

The morning papers state that a New York lady now suing her husband for divorce has spent in the last 10 years $770,000 in various interesting and fanciful extravagances, paying from $500 to $800 for dresses, having scores of servants to dance attendance and promote the wildest vagaries of fashion. One can not pick up a paper without reading the unseemly and indecent waste of the national resources by those beneficiaries who profit by monopolies sheltered under a noncompetitive tariff, one which prevents all competition and gives them the power to combine at home for the purpose of fleecing the American people and picking their pockets wholesale by prices which are 50 per cent higher than the prices in the markets of the world. Side by side are babies dying like flies for want of proper food and air and decent environment. The omnipotent God will surely punish a nation or a party that sees these evils with callous heart and offers no remedy.

Some one might say that Ida Tarbell's picture is too graphic. I do not think it possible to convey in two pages the terrific arraignment of our civilization which is exhibited in the Pittsburgh Survey.

But I submit another authority, whose calm and disinterested judgment and statement of the facts ought to command the attention of the entire Nation.

RESULTS OF PITTSBURGH SURVEY.

Prof. Edward T. Devine, of New York City, general secretary of the Charity Organization Society of the City of New York (see Vol. III, Amer. Sociological Soc., May 1, 1909), gives a sketch of the results of the Pittsburgh Survey, describing what was found to be the actual fact at this great center of the protective industries. He says they found the following results:

I. An altogether *incredible amount of overwork* by everybody, reaching its extreme in the 12-hour shift for 7 days in the week in the steel mills and the railway switch yards.

II. *Low wages for the great majority* of the laborers employed by the mills; not lower than in other large cities, but low compared with the prices—so low as to be *inadequate to the maintenance of a normal American standard of living; wages adjusted to the single man*, not to the responsible head of a family.

III. Still *lower wages for women*, who receive, for example, in one of the metal trades in which the proportion of women is great enough to be menacing, *one-half as much as unorganized men in the same shops* and *one-third as much as the men in the union*.

IV. *An absentee capitalism*, with bad effects strikingly analogous to those of absentee landlordism, of which also Pittsburgh furnishes noteworthy examples.

V. A *continuous inflow of immigrants with low standards* attracted by a wage which is high by the standards of southeastern Europe, and which yields a net pecuniary advantage because of *abnormally low expenditures for food and shelter*, an inadequate provision for *sickness, accident, and death*.

VI. The *destruction of family life*, not in any imaginary or mystical sense, but by the demands of the day's work, and by the very demonstrable and material method of typhoid fever and industrial accidents, both preventable, but costing last year in Pittsburgh considerably more than a thousand lives, and irretrievably shattering many homes.

VII. *Archaic social institutions*, such as the aldermanic court, the ward school district, the family garbage disposal, and the unregenerate charitable institution, still surviving after the conditions to which they were adapted have disappeared.

VIII. *The contrast*—which does not become blurred by familiarity with details, but on the contrary becomes more vivid as the outlines are filled in—*the contrast* between the *prosperity* on the one hand *of the most prosperous of all the communities* of our western civilization, with its vast natural resources, the generous fostering of government, the human energy, the technical development, the gigantic tonnage of the mines and mills, the enormous capital of which the bank balances afford an indication, and, *on the other hand, the neglect of life, of health, of physical vigor, even of the industrial efficiency of the individual*. Certainly no community before in America or Europe has ever had such a surplus, and *never before has a great community applied what it had so meagerly to the rational purposes of human life*. Not by gifts of libraries, galleries, technical schools, and parks, but by *the cessation of toil 1 day in 7, and 16 hours in the 24, by the increase of wages, by the sparing of lives, by the prevention of accidents, and by raising the standards of domestic life, should the surplus come back to the people of the community in which it is created*.

The details of this tragic condition is found in the January, February, and March numbers of Charities and Commons, 1909, published in New York.

Mr. President, I have not the slightest doubt that the great and powerful city of Pittsburgh, supplied as it is with some of the best brains and best men in the world, will correct, or at least abate, in some degree these conditions. I have no doubt that public sentiment throughout the United States will so influence our great commercial monopolies that they themselves will be led to a more considerate treatment of their laborers and cease to regard them as machines of iron or wood, to be worn out in production and renewed by others. I have the confidence in the patriotism and good sense of the leaders of both of the great parties of our country to believe that they will not endure the prolonged continuance of these conditions.

THE PROFITS OF MONOPOLY.

The Senator from Iowa gave us a graphic description of the unreasonable profits of the United States Steel upon its watered stock. Its net earnings after paying interest on bonds of subsidiary companies and the accounts of miscellaneous expenditures and charges amounted to one hundred and fifty-six millions. Its products for 1906 amounted to 13,511,149 tons of ingots, out of which was produced 10,578,433 tons of finished products.

Its assets for 1906 are stated (Moody's Manual, p. 2282) at $1,681,309,769; its net profits for dividends, 1906, were $98,219,088, exceeding $9 a ton on 10,578,433 tons of product, not counting profits to subordinate corporations.

Its profit on the finished product has exceeded $9 a ton, collected from the consumers of the United States under a tariff which prohibits the consumer buying elsewhere, and thus

enables this gigantic corporation and its independent allies to exercise a complete monopoly of all our people.

The proposed schedule in this bill of 31.65 per cent average tariff upon all metal and all manufactures of metal operates not for the benefit of labor, but to establish monopolies which control labor, compel it to disorganize, imposes cruelty and extraordinary conditions upon labor, and, together with other monopolies, established in like manner, pick the pockets of the laboring men and of all other men from the Atlantic to the Pacific by artificial prices, which the retailer and jobber is compelled by penalties to observe, so that the wages received by labor is craftily and fraudulently taken out of his pockets by these stealthy organizations, whose lobbyists now infest this Capitol and falsely advise Senators and Members with regard to their duty in the premises.

Side by side with these abnormal developments will be found hundreds of thousands of honest companies, working at reasonable profits, engaging in legitimate competition, content with the ancient maxim of—

Live and let live,

and who are also victimized by the exactions of monopoly in greater or less degree, as the case may be.

The prices which are lowered in the United States by legitimate competition are so far offset by the unreasonable high prices of monopoly that the general average has gone far above the markets of the world, as I have heretofore shown.

Mr. President, several Senators have shown on the floor the enormous profits made by various monopolies.

The authoritative record can be found in Moody's Manual of 1907, a volume of twenty-five hundred pages, giving the accounts of the corporations doing business in the country, but not by any means all of the monopolies. In these tables will be found the enormous profits which have been advertised to the public, stating what they have made. The record does not tell the entire story, by any means, but it tells enough. The manner in which the people of the United States are unjustly taxed by these artificial high prices in the interest of monopoly is shown by sugar.

Our record shows that the people of the United States consume 2,993,979 tons of sugar per annum. The London price is 2 cents a pound less than the New York price, so that the people pay about $40 a ton for sugar in excess of the London price—approximately $130,000,000—while the duty collected is only sixty millions, leaving a profit of seventy millions to the monopolies and interests protected by the tariff, amounting in this one item to about $5 per annum for every family in the United States.

In similar manner will be shown the profits to the trusts on pig iron, on steel billets, on steel rails, as compiled by the Actuary of the Treasury. (S. Doc. 45, 61st Cong., 1st sess.)

PIG IRON.

	Per ton.
United States	$17.75
United States duty	4.00
United States price, less duty	13.75
Germany	11.21
France	11.25
Belgium	11.75
England	11.00

United States production of pig iron, 1907, 25,781,361 tons; duty, $4 per ton; tax on consumer, $103,125,444; Government revenue, 1907, $1,466,825.

BILLETS, STEEL.

	Per ton.
United States	$24.71
United States duty	6.72
United States value, less duty	17.99
Germany	14.88
France	15.00
Belgium	15.50
England	15.14

United States production, 1906, 23,398,136 tons; duty, $6.72 per ton; tax on consumers, $157,235,474; Government revenue, 1906, $590,663.

RAILS, STEEL.

	Per ton.
United States	$25.41
United States duty	7.84
United States price, less duty	17.57
Germany	17.84
France	17.99
Belgium	18.59
England	18.14
Average of above—Europe	18.14
United States price	25.41
Difference	7.27

United States production of steel rails, 1907, 3,977,872 tons; difference in price, home and abroad, $7.27; tax on consumer, $28,919,129; Government revenue, 1907, $30,670.

NAILS.

	Per ton.
United States	$47.13
United States duty	11.20
United States price, less duty	35.93
Germany	33.60
France	34.60
Belgium	33.00

United States production, wire nails, 1906, 512,800 tons; United States duty, $11.20 per ton; tax on consumer, $5,743,360; Government revenue, 1907, $91; cost to the people for each dollar collected by the Government, $63,114.85.

RÉSUMÉ.

	United States revenue.	People pay additional.	Cost to the people for each $1 tax collected by the Government.
Sugar	$60,135,181.00	$70,641,821.00	$2.17
Pig iron	1,466,825.00	103,125,444.00	71.23
Steel billets, etc	590,663.00	157,235,474.00	267.05
Steel rails	30,670.00	28,919,129.00	943.91
Nails, wire	91.00	5,743,360.00	63,114.85

Census Bulletin 57, 1905, points out the confessed profits on various manufacturing enterprises, a few of which I give.

CENSUS PROFITS ON WOOL MANUFACTURING, CLOTHING, AND TILE.

Census Bulletin No. 57, 1905, gives the following statistics on woolen and worsted goods and clothing manufactures, and so forth, from which the profit can be calculated:

Number of establishments	8,873	
Expenses:		
Salaries paid 28,454 officials and clerks		$30,015,521
Wages paid 394,893 workmen		163,503,042
Miscellaneous expenses		98,564,867
Cost of materials		514,002,738
Total expenses		806,086,168
Value of product		911,399,841
Profit		105,313,673
Capital		529,892,740

Approximately 20 per cent.

MEN'S CLOTHING.

Number of establishments	4,504	
Expenses:		
Salaries paid 13,210 officials and clerks		$13,703,162
Wages paid 137,190 workmen		57,225,506
Men over 16	58,769	
Women over 16	75,468	
Children under 16	2,963	
Miscellaneous expenses		57,695,240
Materials		185,793,436
Total expenses		314,417,344
Value of product		355,796,571
Profit		41,379,227
Capital		153,177,500

About 27 per cent.

WOMEN'S CLOTHING.

Number of establishments	3,351	
Salaries paid 10,920 officials and clerks		$9,975,944
Wages paid 115,705 workmen		51,180,193
Men over 16	42,614	
Women over 16	72,242	
Children under 16	849	
Miscellaneous expenses		24,349,282
Materials		130,719,996
Total expenses		216,225,415
Value of product		247,661,560
Profit		31,436,145
Capital		75,947,823

About 42 per cent.

BRICK AND TILE.

Number of establishments	4,634	
Salaries paid 3,690 officials and clerks		$3,530,474
Wages paid 66,021 workmen		28,646,005
Miscellaneous expenses		6,969,161
Cost of materials		16,316,499
Total expense		55,462,139
Value of product		71,152,026
Profit		15,689,923

About 22 per cent.

The profits of men's clothing amounts to 27 per cent, on women's clothing 42 per cent, and yet side by side with this manufacturer's profit the sweating system is in full force (an interesting account of which will be found in H. R. Report 2309, 52d Congress, 2d session), with ruinous conditions under which oppressed labor earns its miserable bread; industrious young

women, 12 hours a day in the shops of unremitting industry, and increasing speed, earning $4, $5, and $6 a week. For a $10 suit 85 cents is paid for the making of a coat, 25 to 35 cents for the pants, and 20 to 25 cents for the vest; for a $15 suit $1.50 is paid for making the coat, and so on. It is no wonder, of course, people living in abject wretchedness of the sweatshops exhibit a very great mortality as compared with other people, and develop tuberculosis and other diseases.

The CONGRESSIONAL RECORD of June 4, 1909, gives a table of some of the profits of the cotton mills of the country, submitted by Senator SMITH of South Carolina. I ask that it be printed in the RECORD.

Statistics relative to cotton-mill stocks as investments.

Name of company.	Date of incorporation.	Capital.	Surplus.	Debt.	Earnings per share, 1907.	Dividends, 1907.	Total dividends for eight years.	Average dividends for eight years.	Book surplus per share.	Capitalization per spindle.	Par value.
							Per cent.	*Per cent.*			
Amoskeag	1831	$5,760,000.00	$3,720,691.00	$1,125,000.00	$21.30	$16.00	126	15.75	$64.59	$10.76	$100.00
Androscoggin	1860	1,000,000.00	1,173,884.00	16,559.00	24.91	10.00	75	9.37	112.38	13.93	100.00
Bates	1852	1,200,000.00	1,376,361.00	117,565.00	41.87	35.00	130	16.25	114.61	14.61	100.00
Border City	1880	1,000,000.00	332,598.00	500,000.00	37.50	23.50	119	14.87	33.25	12.51	100.00
Richard Borden	1871	1,000,000.00	502,174.00	541.00	32.62	20.00	101	12.62	50.21	10.37	100.00
King Philip	1871	1,500,000.00	851,765.09	150,431.00	25.65	6.00	108½	21.25	56.78	14.10	100.00
Dartmouth	1895	600,000.00	685,105.00	470,529.00	82.50	66.00	158	19.75	114.18	5.03	100.00
Dwight	1841	1,200,000.00	1,299,219.00	735,749.00	103.94	12.00	100	12.50	108.26	5.45	500.00
Great Falls	1823	1,500,000.00	960,000.00	338,693.00	21.33	12.00	117	14.62	64.00	11.36	100.00
Laurel Lake	1881	600,000.00	184,951.00	None.	28.24	14.50	190½	23.75	37.08	10.03	100.00
Massachusetts Cotton	1839	1,800,000.00	1,431,690.00	2,160,763.00	41.30	5.00	50	6.25	79.53	14.13	100.00
Lawrence	1831	1,250,000.00	787,000.00	500,000.00	25.27	8.00	122	15.25	62.96	12.53	100.00
Pacific	1853	3,000,000.00	6,332,854.00	None.	550.00	320.00	124	15.50	2,110.95	.....	1,000.00
Pepperell	1899	2,556,000.00	1,628,187.00	117,940.00	.....	12.00	158	19.75	82.71	14.27	100.00
Sagamore	1879	900,000.00	255,693.00	607,500.00	48.55	30.00	85	10.63	39.52	9.86	100.00
Troy	1814	300,000.00	474,294.00	2,856.00	335.00	67.00	189	23.62	794.90	6.31	500.00
Union	1879	1,200,000.00	584,044.00	None.	48.00	35.50	183	22.87	48.67	10.89	100.00
Whitman	1895	1,500,000.00	945,411.00	474,215.00	29.76	8.00	58½	7.25	63.02	11.35	100.00

[1] In addition to which a 25 per cent dividend was paid.

[2] In addition to which a 100 per cent dividend was paid.

For eight years average annual dividends for groups, 15.85 per cent.

The merger in the capital of earnings is not shown, nor in plant improvements out of earnings, which would make the earnings still larger. W. Irving Bullard, of Danielson, Conn., a great cotton manufacturer, is quoted as saying at Boston April 16, 1908:

A summary of 100 cotton mills in Oldham district, in England, shows the following remarkable facts: Capital invested, $30,501,230; net earnings, $6,605,785; average earning per mill, $66,055; dividend, 15⅞ per cent.

The average dividend disbursements for these 100 mills was 15⅞ per cent, while the net earnings show an average of 35½ per cent.

The indecent treatment of helpless labor by organized capital is not confined to America, but we ought to lead the world in the conservation of human life and unrewarded toil by laws wisely and humanely drawn.

The recent giant monopolies, engendered and sheltered by the prohibitive tariff, are responsible for the unrest of the country.

The American Tobacco Co., which has become sufficiently powerful to fix the price of all tobacco raised in the United States, advertises its assets for 1906 at $278,628,564. By merger and otherwise it controls the American Cigar Co., American Stogie Co., the Havana Tobacco Co., with various subcompanies, the American Snuff Co., the Lorillard Co., and so forth. The impatience and violence of the tobacco raisers in Kentucky and Tennessee, known as the "Night Riders," is due directly to the tyranny of this company, which, being strong enough to control prices, is enabled to exercise its will on the tobacco growers, who have been making a blind effort to protect themselves by force. In like manner the crushing effect of extreme poverty, due to the processes which I have described, is leading to actual crime in many ways and is responsible for the growth of radical socialism and anarchism throughout the world.

DISTRIBUTION OF WEALTH.

In "The Social Unrest," John Graham Brooks, on page 161, quoting Thorold Rogers (Oxford Economy), says:

In a vague way they (the laborers) are under the impression that the greater part of the misery which they see is the direct product of the laws enacted and maintained in the interest of particular classes. *And on the whole they are in the right.*

Quoting Prof. Smart, of Glasgow:

But when machinery is replacing man and doing the heavy work of industry, it is time to get rid of that ancient prejudice that men must work 10 hours a day to keep the world up to the level of the comfort it has attained. Possibly, if we clear our minds of cant, we may see the reason why we still wish the laborer to work 10 hours a day is that we, the comfortable classes, may go on receiving the lion's share of the wealth these machines, iron and human, are turning out.

So Prof. Cairnes, an economist noted for ability and caution, in his "Leading Principles" (ibid., 162), says:

Unequal as is the distribution of wealth already in the country, the tendency of industrial progress—on the supposition that the present separation between industrial classes is maintained—is toward an inequality still greater. The rich will be growing richer; the poor at least relatively poorer. It seems to me, apart altogether from the question of the laborers' interest, that these are not conditions which furnish a solid basis for a progressive social state; but, having regard to that interest, I think the considerations adduced show that the first and indispensable step toward any serious amendment of the laborer's lot is that he should be, in one way or another, lifted out of the groove in which he at present works and placed in a position compatible with his becoming a sharer in equal proportion with others in the general advantages arising from industrial progress.

Spahrs's table for the distribution of wealth in the United States, taken from his work, "The Present Distribution of Wealth in the United States," when our national wealth was $60,000,000, is as follows:

Class.	Families.	Per cent.	Average wealth.	Aggregate wealth.	Per cent.
Rich	125,000	1.0	$263,040	$32,880,000,000	54.8
Middle	1,362,500	10.9	14,180	19,320,000,000	32.2
Poor	4,762,500	38.1	1,633	7,800,000,000	13.0
Very poor	6,250,000	50.0	.....	.....	.....
Total	13,500,000	100.0	4,800	60,000,000,000	100.0

The inequalities have been steadily growing worse, and when a single person's fortune is estimated at a thousand millions and is gathering in $50,000,000 per annum of the net proceeds of the products of the labor of this country, while millions of human beings can not lay aside $50 apiece per annum, what must be the inevitable result? It is this condition, half understood, that is developing rapidly a sentiment of radical socialism, discontent, and social unrest.

Moody's Manual of 1907, page 30, presents a "General Summary" of corporations offering stocks and bonds for sale to the stock exchanges and recorded by him in great detail in a volume of nearly 3,000 pages, as follows:

	Total stocks and bonds.
Steam railroad division	$15,436,758,000
Public utilities division	8,130,464,000
Industrial division	10,156,333,000
Mining division	2,525,173,000
	36,248,668,000
Page 10, Report (1907) Comptroller of the Currency, resources national banks	8,390,328,402
Page 35, Report (1907) Comptroller of the Currency, resources other banks and trust companies	11,168,511,516

In addition to this enormous volume of corporate wealth, which comprises a registered one-third of our national wealth, there is an unregistered volume of corporations which are close corporations which do not sell stock, which are personal corporations, amounting to thousands of millions of dollars.

I respectfully call your attention to the Statistical Abstract of 1907, Table 244, which sets forth the wealth of the United

States, which shows clearly where its approximate ownership may be found, to wit:

Table 244, Statistical Abstract, 1907.

Total wealth in United States	$107,104,211,917
Real property	62,341,492,134
Live stock	4,073,791,736
Farm implements and machinery	844,989,863
Manufacturing machinery, tools, etc	3,297,754,180
Railroad equipment	11,244,752,000
Street railway, shipping, waterworks	4,840,546,909
Agricultural products	1,899,379,652
Manufactured products	7,409,291,668
Imported merchandise	495,543,685
Mining products	326,851,517
Clothing and personal ornaments	2,000,000,000
Furniture, carriages	5,750,000,000
Total for United States	107,104,211,917

Where do the city laborers under protection come in as joint heirs of modern prosperity?

What part of this wealth created by labor is theirs?

They have no real estate, no live stock, farm machinery, manufacturing machinery, railroads, or under any visible classification. The only thing that they can have under this tabulation is clothing and a little personal property.

And yet the products of the labor in our specified manufacturing industries of 1905 reached a total of $14,802,147,087, for 5,470,321 wage earners, whose product was therefore worth $2,708 per capita.

These people received $2,611,540,532 in wages (Stat. Abst. U. S., 1907, p. 144), or $479 per capita.

This $479 each must feed and shelter and clothe and educate and provide leisure and the joyous participation in the common providences of God for an average of three people, on about $160 each per annum, or about an average of $13.33 per month.

There can hardly be much margin of saving under the circumstances for sickness, ill health, accident, or loss of employment.

In New York City, with over four millions of people, less than 1 in 40 has any real estate.

LESS THAN 100,000 OWN CITY.

[From the New York Times.]

Lawson Purdy, president of the board of taxes and assessments, in a speech at the City Planning Municipal Art Exhibition, said that the value of the taxable property in New York City is now estimated to be about $6,800,000,000. Two-thirds, or 67 per cent, of this property, he added, is land. Mr. Purdy said that it is estimated that less than 100,000 persons own every particle of the land.

Our wealth increases over $4,500,000,000 every year over and above our expenses. What proportion does labor, the creator of wealth, retain net out of its own creation?

A beggarly part, Mr. President. Our national policy can be improved; our national policy should be changed.

We ought not to persist in a policy artfully designed to make the rich richer and the poor poorer.

FALSE STANDARDS OF LIFE.

Piling up enormous wealth in few hands is setting false standards of life and making classes whose sympathies are very far apart.

One can not help but be struck with the enormous cost of hotel services, for example, in the New York hotels conducted expressly for the patronage of the rich; $15 to $20 a day for a bedroom, sitting room, and bath is nothing unusual; $15 for a dinner for two persons is not regarded as extravagant; and side by side with this will be found families who can not save $30 net out of their labor of a year's time.

This may seem unimportant; I regard it as a matter of very great importance, illustrating the grossly unequal distribution of the proceeds of human labor; a condition which pampers one class and starves another; a condition which ought not to be encouraged by a nation which desires to preserve its liberties.

TIPPING.

The whole tipping system which in sections where these differences of wealth are most pronounced is an evidence offering itself on every hand to show that the servants who render service are not properly paid, and that the well-to-do class ought voluntarily to pay the servants for every little act. This system degrades the servant and puts him in an attitude of a beggar—a beggar which the giver of tips encourages in spite of himself. The whole practice which universally prevails in Europe emphasizes the relation of master and servant, of master and dependent, in which the servant is to be thankful for gifts, and it is injurious both to the one who gives and the one who receives and illustrates the false standards of living which are being established in this country. Men who serve ought to be properly paid in the first instance and not compelled to be put in the attitude of beggars in order to make a living. It lowers the moral tone of the American Republic.

MONOPOLIES' EVIL AND DANGEROUS METHODS.

Mr. President, piling up stupendous wealth in a few hands is dangerous to the welfare of the country. The Senator from Wisconsin, in his remarks on Senate bill No. 3023 a year ago, pointed out that practically 100 directors, interlocked with each other, controlled all of the great corporations of transportation, telegraph, telephone, express, and industrials in the United States. He gave their names and the corporations which they controlled in part.

In the remarks which I had the honor to submit on February 25, 1908, upon this bill (S. 3023), I pointed out the ability of a few men in New York to create a panic whenever they wanted to, and I pointed out how they could profit by it.

A few men control the management of the banks in New York City, Boston, Philadelphia, and Chicago, with associate banks throughout the country, and can make the stock market go up or down as they please by the simplest of all processes, to wit:

BY RESTRICTING CREDITS

when they want the market to go down—

BY EXTENDING CREDITS FREELY

when they want the market to go up.

The panic of 1893 was an artificial panic, because it was brought about in this manner for the purpose of putting an end to the talk of remonetizing silver, and as a political argument, ingeniously and powerfully exerted, it did finally put an end to it.

I was in the banking business myself at that time, and received a circular letter from New York pointing out the mischievous character of the discussion favoring remonetization of silver; that it was driving gold abroad. Several letters followed along the same line, and, I am informed, and believe, that these circulars were sent out at the instance of a committee representing banks belonging to the New York clearing house; that it was the definite and predetermined policy then and there to constrict credits; and that, finally, these banks struck the crowning blow by "calling," in June, 1893, the large volume of demand loans then on the street for immediate payment, when the usual credit accommodations were already quite cut off by these banks and their associate institutions and other associated financiers.

When this panic was over the weaker elements of the financial world by thousands had been compelled to give up their properties to the financial masters, who had accumulated cash for the purpose of taking over the property of less far-sighted and powerful operators.

I pointed out in my remarks February 25, 1908, the astonishing manner in which these forces had caused the stock market to go up and down, by which the unwary have been fleeced of their property during the preceding 10 years.

The panic of 1907 was an artificial panic, brought about by conspiracy, in my opinion, of men discussed by President Roosevelt as "malefactors of great wealth."

I think his description was precise and apt, and I think that the Senate ought never to be content until a proper inquiry has been made into the panic of 1907, to determine who the beneficiaries were of that artful, crafty, far-reaching, and terrible conspiracy, which has thrown millions of men out of employment and brought tears and grief to the unnumbered women and children in this land who have suffered the consequence of that financial panic.

I was informed with regard to what might be expected to happen nearly a year before it did happen.

The panic of 1907 was brought about by a prolonged bull movement, free extension of credits, maintaining stocks and bonds at a high figure until in sufficient volume they were loaded upon the unwary, to whom money was freely loaned on a proper margin, and then began the process of restricting credits, slowly, steadily, firmly, the masters of the market, the high priests of monopoly, having accumulated an immense volume of cash and cash credits, to be used when the market struck bottom. This they did, with the most magnificent results, making unnumbered millions out of the weaker elements who had been led into the trap of obtaining credits.

It is true that the panic resulted in paralyzing productive energies of the American people, disturbing credits throughout the whole world, and throwing millions of men out of employment and causing unspeakable suffering to many millions of women and children. But monopoly had its reward, if the accumulation of money beyond the needs of a human being can be called a reward; if a callous heart and deadened sensibilities to the sufferings of human kind can be called a reward.

I wish to say to the chairman of the Committee on Finance that his committee is, in my judgment, honor bound to determine who the beneficiaries of that financial panic were and to take steps against the possibility of its repetition. There was a double purpose in this panic. One was that the very powerful financially might double their holdings of property by smashing values, accumulating cash and cash credits, and buying

in the stocks and bonds of weak financiers who could not stand the storm.

Another purpose was to discredit Theodore Roosevelt, whose heart had been moved by a resolute purpose to protect the people against such sinister forces.

In his message of January 31, 1908, he said:

WHO COMMIT HIDEOUS WRONG.

The attacks by these great corporations on the administration's actions have been given a wide circulation through the country, in the newspapers and otherwise, by those writers and speakers who, consciously or unconsciously, act as the representatives of predatory wealth—of the wealth accumulated on a giant scale by all forms of iniquity, ranging from the oppression of wageworkers to unfair and unwholesome methods of crushing out competition and to defrauding the public by stockjobbing and the manipulation of securities. Certain wealthy men of this stamp, whose conduct should be abhorrent to every man of ordinary decent conscience and who commit the hideous wrong of teaching our young men that phenomenal business success must ordinarily be based on dishonesty, have during the last few months made it apparent that they have banded together to work for a reaction. Their endeavor is to overthrow and discredit all who honestly administer the law, to prevent any additional legislation which would check and restrain them, and to secure, if possible, a freedom from all restraint which will permit every unscrupulous wrongdoer to do what he wishes unchecked provided he has enough money. The only way to counteract the movement in which these men are engaged is to make clear to the public just what they are seeking to accomplish in the present.

The absurd fluctuations of stocks controlled by these high financiers, I set forth at the time, illustrate the unspeakable folly of any citizen trusting himself upon a market capable of such uncontrolled manipulation. Monte Carlo is perfectly innocent by the side of this gigantic gambling house with its wonderfully improved modern machinery for misleading the judgment of the ordinary citizen, with its secret pitfalls and ingenious traps by which to defraud our people.

The spirit of monopoly—the idea of getting something for nothing—has done a great harm to the American people. Hundreds of thousands of people are the beneficiaries of it and many millions are the victims of it. Those who are enriched by it set new standards of extravagant living, of wasteful expenditure, and of false pride and bad example, the imitation of which has made the American citizen notorious throughout the whole world.

This bill, Mr. President, is a taproot from which monopoly partly draws its power, fattens, grows strong, and overshadows the land like an evil tree killing and impairing the life of those who stand beneath.

The violent manner in which the monopolists of this country juggle the stock market subjects it to tremendous changes from time to time, as shown in the following quotations:

These ranges are since 1900, and will be found in the New York Times Weekly National Quotation Review, page 13, of October 21, 1907:

	High.	Low.
Adams Express	315	114
Allis-Chalmers Co	27	4
Amalgamated Copper	130	33
American Beet Sugar Co	36	9
American Cotton Oil	57	24
American Express	272	142
American Grass Twine	62	3
American Hide & Leather	13	2
American Ice Securities	94	20
American Linseed Co	30	5
American Snuff Co	250	26
American Steel Foundries	18	3
American Woolen Co	48	7
Atchison, Topeka & Santa Fe	110	18
Baltimore & Ohio	125	55
Delaware, Lackawanna & Western	560	171
Denver & Rio Grande	53	16
Duluth, South Shore & Atlantic	24	4
General Electric	334	109
Great Northern preferred	348	140
Iowa Central	57	11
Kanawha & Michigan	76	10
Kansas City Southern	39	7
Knickerbocker Ice	85	8
Lake Erie & Western	76	12
Manhattan Beach	22	4
Missouri, Kansas & Texas R. R	43	9
National Biscuit Co	86	23
New York, Chicago & St. Louis	76	11
New York Central	174	99
Norfolk & Western	97	22
Northern Pacific	700	45
Northern Central	250	150
Ontario Mining	13	1
Pennsylvania R. R	170	110
Peoria & Eastern	50	5
Pere Marquette	106	20
Pullman Co	268	148
Reading	164	15
Tennessee Coal and Iron	166	25
United Railways Investment	98	9
United States Cast Iron	53	6
United States Express	160	45
United States Leather	20	6
United States Steel	55	8

I call attention to some of these figures, however: Adams Express went from 114 to 315, about 300 per cent; the Allis-Chalmers Co. went from 4 to 27, over 600 per cent. Amalgamated Copper, one of the giant concerns of this country, from 33 to 130, 400 per cent. And so it goes on through the list.

THE MONOPOLY-PROTECTING TARIFF SHORTENS THE LIFE OF LABOR AND EXPOSES IT TO GREATER MORTALITY.

Mr. President, in the last 40 years the world has wonderfully improved in medical knowledge. It has wonderfully improved in inventive processes, which have led to increased conveniences of life, which have developed the most important economies of production, manufacture, and distribution.

All of these things have tended to the prolongation of human life where people could receive the full benefit of them; so much so that it is probably no excessive estimate to say that the average of human life in the well-to-do classes has been increased by a period of 10 years. It has been one of the wonderful developments of increasing modern intelligence.

It is a grievous thing, therefore, to observe that notwithstanding these great benefits, which ought to be a common heritage of the human race, and notwithstanding the increasing longevity of the well-to-do classes, the entire average of life shown by the mortality tables has not been improved. The number of persons who die per thousand is substantially the same.

Mr. President, I submit the comparative mortality statistics of our country and the other civilized nations of the world.

The mortality statistics exhibit the remarkable fact that just in degree as poverty obtains and governments permit monopoly, without protecting the weaker elements from dangerous exposure, just in that degree the number of deaths from all causes rises in the annual average.

It is a very important matter, and it shows that just in degree as thoughtful men write their laws for the preservation of human life to that degree is human longevity extended; to that degree there is the conservation of the best of all national resources—the lives of the children, the lives of the workingmen and working women of the country.

The following table gives the number of people per thousand who died in the following countries from 1903 to 1906 (p. 28 of the Mortality Statistics of the Census Office for 1907):

Country.	1903	1904	1905	1906
Ceylon	25.9	24.9	27.7	24.3
Hungary	26.1	24.8	27.8	24.8
Roumania	24.8	24.4	25.4	.....
Spain	25	25.8	25.9	26.2
Austria	23.8	23.7	25	.....
Italy	22.4	21.1	21.9	20.8
Japan	20	21.2	21.9	.....
France	19.2	19.4	19.6	19.9
German Empire	20	19.6	19.8	.....
United States	16.1	16.6	16.2	16.1
Netherlands	15.6	15.9	15.3	14.8
Norway	14.8	14.3	14.8	13.7
Denmark	14.7	14.1	15	13.5
United Kingdom	15.8	16.5	15.5	15.6
Australasia	11.8	10.8	10.5	10.6
New Zealand	10.4	9.6	9.3	9.3

There is no table which has ever been read in this body that has such vital significance as that table, which shows that if the people of the United States took the same pains to preserve the life of the Nation that New Zealand has done, we would save over six to the thousand; and, measured by our 80,000,000 people, it would mean a saving to this country of over 500,000 lives annually. Pittsburgh is no exception in the exposure of human life to bad conditions. It is merely illustrative.

The policy of New Zealand is expressed in their great motto, "Better reduce want than increase wealth"; and when you reduce want, even if it be at the expense of increasing wealth, you prolong human life. You make life worthy to be lived, and you raise the standard of men physically, morally, and spiritually.

Let our national standard be, "*Men first, then wealth.*"

New Zealand has abolished monopoly and given a more even distribution of the opportunities of life to willing labor than any other country in the world, and it offers to the United States an example of how to care for its people, because the difference of these vital statistics of an average of 9.9 deaths per annum out of a thousand and 16.3 per thousand, makes a difference of 6.4 per thousand, or the vast multitude of 512,000 people who annually die in the United States in excess of the deaths that would occur under more favorable conditions of life. Are they not worth preserving as fully as we agree on the conservation of our other national resources?

The death rates in our cities, especially the industrial cities, seems to run still higher than the general average; for example, the annual average number of deaths from all causes per thousand population for 1901 to 1905 was as follows (id., pp. 91 and 92):

In Massachusetts:	
Boston	18.8
Fall River	20.3
Lowell	20.2
Providence, R. I.	18.8
New York City	19.0
Pittsburgh, Pa.	20.7
Philadelphia	18.2
Norristown, Pa.	24.5

Notwithstanding the fact that the cities with their opportunity of cooperation in improved water supply, sewerage, hospital service, and sanitary supervision ought to have better health than those less favorably situated. The heavy death rate in cities is due to the extreme high death rate among the very poor, who are compelled to live in insanitary places and are otherwise exposed, while the more favored population of the cities would show a better rate than the average.

TABLE 21.—*Death rates from all causes per 1,000 population in registration States in 1900.*

Connecticut	169.77
Maine	174.93
Massachusetts	177.36
Michigan	138.67
New Hampshire	179.79
New Jersey	173.78
New York	179.21
Rhode Island	190.78
Vermont	169.62

Table 95, Abstract of the Census, 1900, shows a heavy mortality in manufacturing cities and in cities where negroes live. For example, per thousand, from all causes:

Augusta, Me.	26.4
Baltimore, Md.	21.0
Biddeford, Me.	23.2
Boston, Mass.	21.1
Cincinnati, Ohio	19.1
Hoboken, N. J.	21.1
Jersey City, N. J.	20.7
Pittsburgh, Pa.	20.0
Philadelphia, Pa.	21.2

The Census Bulletin No. 77 gives an interesting account of 42 of the so-called "dusty trades," showing, for example, that of polishers who die between 25 and 34 years, 56 per cent of such deaths are due to consumption. That the per cent of like deaths due to consumption in each age group is very high; for example, between the ages of 25 and 34 years, 70 per cent of the grinders who die, die of consumption; 59 per cent of the tool makers, 50 per cent of the gold-leaf makers, 50 per cent of brass workers, 56 per cent of printers, 66 per cent of compositors, 61 per cent of engravers, 52 per cent of stone workers, 50 per cent of marble workers, 56 per cent of glass blowers, 46 per cent of glass cutters, 44 per cent of plasterers, 49 per cent of paper hangers, 62 per cent of lithographers, 68 per cent of the hosiery and knitting mill employees, 50 per cent of spinners, 53 per cent of weavers, 50 per cent of rope makers, 55 per cent of cabinetmakers, 62 per cent of wood turners, 55 per cent of hatters, 52 per cent of silk-mill employees, 58 per cent of upholsterers, showing that workers in these dusty trades are very liable to die of tuberculosis.

This table shows that the exposure of human life to dust and hard conditions leads to the destruction of human life by tuberculosis in a serious way. I think these tables are of interest.

Mr. President, I deem it my duty to call the attention of the country to the fact that this death rate stands in startling contrast to the death rate of New Zealand, where the average for 1901 to 1906 was less than 10 deaths per thousand. It is equally important, in considering the reason for the greater security of life in New Zealand, to remember that in New Zealand the people take great care to prevent the destruction of human life by the extremes of poverty.

Finally, Mr. President, I wish to call the attention of the Senate to the fact that in New Zealand great pains is taken to protect the people against monopoly, against the appropriation of everything in heaven and on earth, everything visible or invisible by men, because they happen to have piled up available credit at their command. In New Zealand they believe that the land was made for the use and benefit of the living generation, who make it desirable to live in. Therefore they control monopoly in that great Republic. We have copied them before in their political processes when we adopted the greatest of all means for the control of fraud in elections by the adoption of the Australian ballot, and we will do well to imitate them in other matters, where they protect the living generation against the uncontrolled and natural ambition and greed of man for wealth and power.

BETTER REDUCE WANT THAN INCREASE WEALTH.

In New Zealand they do not impose a tariff tax artfully drawn to make the poor poorer and the rich richer. In New Zealand they do not establish a tariff under the false pretense of raising revenue, where the legislator openly or secretly intends the tariff rate not to raise revenue, but to prevent importation, to prevent competition, and to protect monopoly in the home market.

THE PURPOSES OF TAXATION.

Constitutionally, a tax can have no other basis than the raising of a revenue for public purposes, and whatever governmental exaction has not this basis is tyrannical and unlawful. A tax on imports, therefore, the purpose of which is not to raise a revenue, *but to discourage and indirectly prohibit some particular import for the benefit of some home manufacture, may well be questioned as being merely colorable*, and *therefore not warranted by constitutional principles.* (Cooley, Prin. Con. Law, 57.)

The Supreme Court of the United States, in the Topeka case, said:

"To lay with one hand the power of the Government on the property of the citizen and with the other to bestow it upon favored individuals to aid private enterprises and *build up private fortunes is none the less a robbery because it is done under the forms of law and is called 'taxation.'* This is not legislation; it is a decree under legislative forms." (20 Wall., 664, in Loan Asso. *v.* Topeka.)

New Zealand pursues the policy

BETTER REDUCE WANT THAN INCREASE WEALTH

and imposes a 10 per cent inheritance tax on estates of one hundred thousand and more, and imposes also an income tax.

New Zealand does not hesitate to protect her working units from excessive house rent, providing concrete houses at a low rate of interest.

I am not unaware of the fact that this latter suggestion will furnish occasion to the clamorous advocates of special privileges to burst into a chorus of denunciation against New Zealand, that this is socialism. It is true that it is socialistic. But no wise policy should be condemned by a mere epithet "socialism," for our post-office system and common-school system, and munipical waterworks, sewers, and streets system are "socialistic." New Zealand believes that the land upon which the New Zealanders live and move and have their being ought not to be monopolized by the very rich, nor used by them through the acquirement of titles to dictate terms upon which the New Zealanders shall be allowed to live.

The New Zealanders must be a very foolish people. They actually believe that the land upon which they live should be controlled in the interest of the living generation of men who cultivate it and make it beautiful. I understand that this foolish doctrine is contrary to the fundamental canons of monopoly.

It violates the fundamental law of Continental Europe and of Great Britain. It would overthrow the idea of the good old days of William the Conqueror when he took charge of Britain and parceled the lands among his warlike leaders.

These titles have thence come down in the good old way, and the dukes and princes of England, and of Germany, of Austria, and of Russia still hold the titles and in measure still impose their will upon the inhabitants thereof. It is also true that this special class of landed nobles, who exercised monopoly of the land, having finally learned that they could only eat so much and only wear so much and only occupy a given number of palaces were obliged to throw out the younger brothers of each succeeding family, and, human selfishness having become satiated in princely and luxurious living, have turned themselves to some extent to the service of their fellow-men. But they have had the wisdom and been compelled to limit the extortion which their legal rights made possible.

Indeed, they had a great example in France, which was serviceable in teaching them not to go too far. It was this monopoly of land—the Senator from New York [Mr. Depew] to the contrary notwithstanding—which caused the French revolution, sending the land monopolists to the guillotine, and resulted in the minute subdivision of the lands of France among those who tilled the soil and made it productive.

Mr. President, one might be misunderstood in discussing the greed of modern times. I do not blame an individual for exhibiting the natural tendency of human life. I do not blame a man for becoming greedy for wealth and power; all of us have these impulses; but I do blame the laws which persist in sheltering him at the expense of those who are entitled to protection in the constitutional right to life, liberty, and the pursuit of happiness.

I wish to call attention to what is the effect of monopoly. Monopoly is worse in Europe than in our country because under the rule in Europe the land was monopolized in the first place by imperial power, and the control of the land was handed down to dukes, princes, and various others, and those people who come to our shores and are willing to submit to any kind of treatment do so because they come from conditions of monopoly more severe than those which we have in our own country.

It was the monopoly of land which led to the French revolution, notwithstanding the comments of the Senator from New York, who attributed it to other reasons. Thomas Jefferson, when minister to France in 1785, pointed out the terrific effect of land monopoly in that Empire. He said:

The property of France is absolutely concentrated in a very few hands, having revenues of from half a million of guineas a year downward. These employ the flower of the country as servants, some of them having as many as 200 domestics, not laboring. They employ also a great number of manufacturers and tradesmen, and, lastly, the class of laboring husbandmen. But, after all, there comes the most numerous of all the classes: that is, the poor, who can not find work. I asked myself what could be the reason that so many should be permitted to beg who are willing to work in a country where there is a very considerable proportion of uncultivated lands? Those lands are undistributed only for the sake of game. It should seem, then, that it must be because of the enormous wealth of the proprietors, which places them above attention to the increase of their revenues by permitting these lands to be labored.

I have always felt sorry for the French nobility, for the so-called "flower of France," and have wondered why it was they were incapable of realizing the fatal danger which their greed, their extravagance, and their frivolity engendered. They played with a powder magazine of human passion which finally exploded.

Our laws should protect the people in the peaceful enjoyment of life, liberty, the pursuit of happiness, and of the fruits of their own industry. If the laws fail, there will be built up in this country a powder magazine of human passion that may some day explode with fatal consequences.

A safety valve has been furnished, for possible danger to the land monopolist and other thence engendered monopolists of continental Europe, by modern transportation, which has permitted their great surplus of population to go to other parts of the world and build up homes by their peaceful labor, where they would not be subject to princes or potentates or to tyranny in any form, whether governmental, religious, or plutocratic; and our forefathers came to this land to free themselves from this tyranny and to establish a government whose fundamental doctrine was that the precious privileges of life, liberty, and the pursuit of happiness were inalienable. That is to say, Mr. President, the individual could not deprive himself of them if he would; that he had no right to deprive himself of these things.

It has remained for the representatives of the people in Congress to permit the dangers of monopoly to grow up by special privileges granted by statute, by building up a monopoly breeding tariff, by which foreign competition has been cut off and home competition controlled and commercial mastery of our people established by the organization of trusts, by secret agreements, and by gigantic mergers, which embraced in one corporate body every competitor.

Mr. President, there is no evil to a free people more dangerous in every way than financial and commercial monopoly.

When a monopoly is organized strong enough to dictate the prices of the product of labor, or to dictate the prices of the necessaries of life to the laborer and the entire people, there has also been established a *commercial master on the one side and a commercial slavery on the other.* The Standard Oil Co., which fixes the price of crude oil to the producer and fixes the price of kerosene and gasoline to the consumer, regardless of values either to one or the other, exercises a commercial mastery that differs in degree, but does not differ in kind, with the mastery which Paraoh exercised over the Egyptians when he established a monopoly in corn in Egypt.

Mr. President, under the advice of Joseph, Pharaoh and his captains stored all the surplus corn of Egypt during seven years of plenty. They exercised their legal rights. During the seven years of drought which followed they had the richest monopoly recorded in history.

The price of corn went up; the price of corn went sky-high under this monopoly of the home market. The Holy Bible advises us that, in exchange for enough of this monopolized product—

Joseph gathered up all the money that was found in the land of Egypt, and in the land of Canaan, for the corn which they bought. * * *

And when money failed in the land of Egypt, and in the land of Canaan, all the Egyptians came unto Joseph and said, "Give us bread, for why should we die in thy presence? for the money faileth."

And Joseph said, "Give your cattle; and I will give you for your cattle, if money fail."

And they brought their cattle unto Joseph, and Joseph gave them bread in exchange for horses, and for the flocks, and for the cattle of the herds, and for the asses.

And the Egyptians then gave up to this triumphant monopoly all of their land in exchange for corn for bread.

And Joseph bought all the land of Egypt for Pharaoh, for the Egyptians sold every man his field because the famine prevailed over them, so the land became Pharaoh's.

Then Joseph said unto the people, "Behold I have bought you this day, and your land for Pharaoh: lo, here is seed for you, and ye shall sow the land.

"And it shall come to pass in the increase, that ye shall give the fifth part unto Pharaoh, and four parts shall be your own, for seed of the field, and for your food, and for them of your households, and for food for your little ones."

Mr. President, we probably in this day of greater liberty and greater enlightenment would rise in revolution against the dictation of Pharaoh in this form, but the practice upon which Pharaoh acted, the principle upon which he established a monopoly in a necessary of life by the exercise of his legal rights and thereby acquired, by mastery of prices, all of the property of the Egyptians and made them his commercial servants and slaves, are in full play in this Republic under the operation of a thousand varieties of monopolies, dictating prices upon all of the necessaries of life and gradually absorbing, I may say, Mr. President, rapidly absorbing, all of the property of this Republic.

Pharaoh and his captains gave the Egyptians four-fifths of what they produced. The present masters of monopoly do not give to labor so large a part of what it produces. I have demonstrated by Exhibit 1 the wages paid as compared to the value of the gross product, and have demonstrated by those tables that taking the raw materials at the factory and calculating the additional value created directly by labor, it does not receive one-half of the value it actually creates, much less four-fifths, which was the rule established by Pharaoh.

Mr. President, it may seem austere to recall the monopoly of Pharaoh, but I think it very important that the Senate of the United States should consider and feel itself more actively responsible for the development and care of the interest of the productive masses of the Republic. I have no desire to hold the leaders of the Republican Party responsible for the drift of modern times. I shall be content to see them exert themselves to retain its good features and restrain its bad features.

I am willing to exculpate them. I will be very glad to see them take advantage of a great opportunity to make themselves permanently the representatives of the people if they will only give those things to the people which they are in honor bound to give to enable them to enjoy life, liberty, the pursuit of happiness, and the fruits of their own industry, which are now filched from them by prices 50 per cent higher than the prices of the world.

WHO IS GETTING ALL THE NET PRODUCTS OF LABOR IN THIS COUNTRY?

Mr. President, it is perfectly obvious to thoughtful men that the tremendous accumulation of wealth in a few hands is leading to the rapid monopolization of every natural opportunity. Nearly all of our national transportation is so controlled. There is obvious control by monopoly of telegraph, telephone, the express, of lumber, of building material, of coal, of cotton manufactures and woolen manufactures, of farm machinery, of oil, of iron, of steel and their products; and on the other hand we have a rather pitiful condition of extreme poverty exhibiting itself in all of our great cities, side by side with this enormous concentration of wealth.

Mr. President, I believe we have the best people in the world; that even our masters of monopoly have shown a greater measure of liberality in their gigantic benefactions to the people from whom their fortunes have been drawn than any men in the history of the world. I rejoice in their benevolence. I know that they are neither hard-hearted nor lacking in generous impulse; they have simply been following the rules of business established by a rigorous commercial age, where "dividends" were emblazoned on every battle flag and "success"—"financial success"—was the only standard. It is no wonder that the weak and the poor and the inarticulate mass have been forgotten in the fierce contest for wealth and power.

We have a wonderful country and a great and magnificent people. We have a great mass of the middle classes of people, who are not in penury, have neither riches nor poverty, but comprise the bulwark of this Republic, whose patriotism, whose wisdom, whose penetrating intelligence can be perfectly relied upon; and the petty larceny of the two millions of our revenue by the Sugar Trust, to which they pleaded guilty in New York within the last few days, being but a trivial circumstance beside the universal plundering of the national pocketbook by the wholesale fraudulent prices fixed by the monopolies of this country, our great middle class, conservative and sound, will soon correct these evils at the ballot box.

I am deeply disappointed that the party in power has apparently lost its opportunity to serve the people by removing the tariff wall sheltering monopoly and by lowering prices in the United States.

MONOPOLY HAS SUBJECTED LABOR TO IRREGULAR EMPLOYMENT.

The panic of 1907 was caused by monopoly and by the dangerous plutocracy our system has erected in the United States, as I fully set forth on February 25, 1908. This panic threw out of employment millions of men, two millions of whom are out of employment now, according to the recent report of Samuel Gompers, president of the American Federation of Labor, from whose report I quote:

Permit me to call attention to this: At the beginning of December, 1908, I sent out a circular letter to the executive officers of a number of international trade-unions of America and got from them a report as to the state of employment and unemployment, and from the reports which were made to me within 15 or 20 days I culled the following information:

The blacksmiths report during the past year about 50 per cent of the trade unemployed; those employed averaging about four days a week.
Boiler makers and iron-ship builders, 30 per cent unemployed.
Boot and shoe workers, 25 per cent unemployed.
Bridge and structural-iron workers, 25 per cent unemployed.
Carpenters and joiners, 40 per cent unemployed.
Wood carvers, 30 per cent unemployed.
Cement workers, 30 per cent unemployed.
Cigar makers, 10 per cent unemployed.
Commercial telegraphers, 15 per cent unemployed.
Coopers, 15 per cent unemployed; two-thirds of the employed working half time.
Elevator constructors, 40 per cent unemployed.
Steam and hot-water fitters, employment in the West fair; in the East fully 40 per cent unemployed and working about 180 days a year.
Freight handlers, about 30 per cent unemployed.
Glass-bottle blowers, about 20 per cent unemployed. On account of conditions of the trade, no work is performed during July or August.
Window-glass blowers, 20 per cent unemployed.
Granite cutters, about 15 per cent unemployed.
Hatters, men working about three-fourths time.
Hod carriers and building laborers, 60 per cent unemployed.
Hotel and restaurant employees, 30 per cent unemployed.
Machinists, 20 per cent unemployed.
Railway maintenance-of-way employees, 25 per cent unemployed.
Butcher workmen, 40 per cent unemployed.
Coal miners, work about 200 days during the year.
Painters and decorators, 70 per cent unemployed.
Pattern makers, 30 per cent unemployed.
Pavers and rammer men, 25 per cent unemployed.
Printing pressmen, 20 per cent unemployed.
Shipwrights, joiners, and caikers, 50 per cent unemployed.
Tile layers, "state of employment very poor."
Tin-plate workers, 40 per cent unemployed.
Tobacco workers, working on two-thirds time.
Iron molders, 70 per cent unemployed.

I am sure it is not an exaggeration to say that there are now in our country, and have been with little variation since October, 1907, nearly 2,000,000 of wage earners unemployed.

Secretary STRAUS. Do you mean by that that before that period those 2,000,000 were employed?

Mr. GOMPERS. I do, sir.

Secretary STRAUS. Are there not always some unemployed?

Mr. GOMPERS. In some trades, some callings, and seasons, yes, sir; but up to October, 1907, and for a few years just prior thereto it was a practical fact that any man who could work could find work to do. I refer to the condition now of the men who want to work and who can find no work to do.

It is probably one of the greatest tributes that can be paid to all our people—and I think in a great measure that credit belongs to the organized workers, organized labor—that during that whole period of nearly 18 months and two winters, with so vast a number of unemployed, life and property have been secure and public order has been maintained; and I know of no force in all our country so potent as a conservator of the public peace as the much-abused and maligned labor organizations. In this morning's papers we read of a demonstration of the unemployed in Berlin yesterday, where the sabers of the soldiery were drawn to disperse hungry crowds. It is set forth in the cablegrams that the unemployed there proposed socialistic remedies for relief. I do not know of what those remedies or propositions for relief consisted. I take it that any proposition coming from the poor crowd of fellows who want work or relief would be regarded as extremely radical. But the American workmen ask for no relief that can at all be construed as socialistic. The relief which we ask for the men and women of our country who have been walking the streets in idleness for 18 months we ask upon high patriotic, practical, and humane grounds and for good economic reasons. I know, of course, that we are often met when these matters are presented with the statement that they are paternalistic and that our form of government does not admit of the Government undertaking projects that would smack of paternalism. Yet in the great calamity which overtook the people of Italy quite recently the Government of our country generously and promptly appropriated $800,000 as the direct gift of the American people as a whole—this in addition to the many generous contributions of our people in their individual capacity. No word of adverse criticism has been indulged in. On the contrary, the appropriation of this vast sum of money was looked upon as a duty which in common humanity the people of our country owed to a stricken people. It is only referred to to illustrate the thought that the lingering hunger and misery due to the unemployment of our people, brought about by forces entirely beyond their control, should receive consideration at the hands of our Government, both national and State.

THE MONOPOLY PROHIBITIVE TARIFF HAS EXPOSED AMERICAN LABOR TO TYRANNY.

Mr. President, the monopolies established under the prohibitive tariff have almost entirely destroyed the organizations of labor among their employees and have driven out in large measure the liberty-loving Americans and have introduced in their place foreigners who know but little of liberty—Slovaks, Bulgarians, Hungarians, Poles, Greeks, Italians.

The American workman has been subjected to foreign pauper competition; he has been refused the right to organize for his own protection.

He has been denied his political liberty.

He has been compelled to march in political parades against his will.

He has been compelled to vote against his conscience under the threat of being discharged or denied the opportunity of working for his living.

THE DEFENSE OF THESE SCHEDULE UNSOUND.

Mr. President, the chairman of the Committee on Finance, on June 4, made the only defense which has been offered of these high schedules, and in discussing the matter he said:

In general, it may be stated that the wages of textile operatives in America are double those of England, France, and Germany. A very exhaustive inquiry has recently been made into the subject of wages by the British Board of Trade, which shows that in Germany the wages of cotton weavers run from 16s. 6d. to 19s. 6d., or from $4.12 to $4.87 per week; that in France the wages run from 16s. 10d. to 19s. 2d., or from $4.20 to $4.79 per week; that in Great Britain the wages run from 16s. to 24s. 11d., or from $4 to $6.22 per week.

For the United States the Bureau of Labor, in Bulletin No. 77, July, 1908, shows that the average wages of all cotton weavers for the year 1907 was $9.74. In addition, I may state that in many of the fine yarn mills of New England making high-priced fancy fabrics the weavers earn from $11 to $13 per week.

Many of the fabrics that will be dutiable under these provisions are valued at a dollar a pound. The cost of the cotton is 20 cents a pound at the outside, leaving 80 cents a pound for cost of labor in various forms in this country. Suppose that that labor costs twice as much in the cotton-manufacturing States of the United States as it does in our competing countries abroad, it is easy to see by a mathematical calculation that 50 per cent ad valorem, to say nothing about 45 per cent, will not equalize the conditions on these various high-priced goods between our own and competing countries.

If this was an original proposition, and we were to submit to the Senate rates which were protective and adequate, in view of the difference in the cost of production, we could not make them any lower than those fixed in these specific rates which we have asked the Senate to adopt.

The chairman takes the wages of the cotton weavers of Germany, France, and Great Britain for 1905, reported by the British Board of Trade to Parliament, just after the panic, and compares these wages with the weavers in the United States for 1907, and withholds the statement made in the report from which he quotes that the wages of ribbon weavers at St. Etienne, France, was twice as great in 1906 as in 1905 and 50 per cent higher in 1907 than in 1905.

The chairman does not point out that the spinners, both male and female, in the United States, by these same tables, were paid less wages in the cotton industry in the United States than they were in Germany or France. The male spinners received $4.12 a week in the United States, $5.91 in France, and $6.57 in Germany, and the spinners in the woolen industries were paid $6.52 in the United States, $6.22 to $6.81 in France, and $7.20 to $7.79 in Germany. The foreign weavers were paid less than our weavers, and the foreign spinners were paid more than our spinners, and the chairman of the Committee on Finance withholds this important fact.

It is impossible to follow a leadership that is either careless or inaccurate in making statements for the guidance of the Senate. The chairman has withheld information from this body, and the quotations he offers, being a partial truth, are wholly untrustworthy and misleading.

Mr. President, this is the only defense that has been made, and in effect it amounts to this, that a pound of fabric of cotton costs 20 cents a pound for the cotton and 80 cents a pound for the cost of labor.

The chairman proves too much; he leaves nothing for capital. The statement is obviously false. He leaves nothing for capital, for the enormous dividends paid by the cotton mills of his State.

He is flatly contradicted by the census, which shows that the total labor cost in the entire textile industry is 19.5 per cent of the gross value of the product.

He is flatly contradicted in his contention by the census reports as to every schedule.

He is flatly contradicted by Carroll D. Wright's report on relative labor cost in 446 individual cases.

The aggregate value of the products of cotton mills for 1900 was $332,806,156 (vol. 10, Table 14). The materials used cost $116,108,879 (Table 13), and the total wages (Table 9) amounted to $86,689,752, and for cotton small wares amounted to $63,194.

Total cost	$332,806,155
Material cost	$116,108,879
Total wages	$86,689,752
Per cent of labor to gross product	26
Average per cent of tariff rate fixed by the Senate bill	47.14

Approximately twice as much as the total wages paid the American workmen, thus sheltering the manufacturer in monopoly by excluding foreign goods.

The chairman of the Committee on Finance, in the face of these census reports, rises in his place as an expert and tells

this Senate that the labor cost of these manufacturers is 80 per cent, when the truth is 26 per cent, and he justifies the cotton schedules upon this gross and indefensible error.

Granting that foreign goods have no labor cost whatever, 26 per cent is the maximum schedule to protect the American workmen; 26 per cent is the maximum average rate required if the Republican platform is to be carried out of providing the difference in the cost of production at home and abroad.

If the labor cost abroad is one-half the labor cost in the United States, the rate required to prevent the foreign manufacturer from having the advantage in cheaper labor would be 26 per cent, the American cost, less 13 per cent, the European cost, or a net rate of 13 per cent.

The difference in the labor cost at home and abroad would therefore be 13 per cent and not 47 per cent, as the schedule is written.

Mr. President, the gross error, to use the mildest terms possible, of the Committee on Finance and the advocates of a prohibitive tariff runs in like manner through other schedules, the proof of which I submit. Taking the table of the committee itself in print No. 3 of April 12, 1909, page 68, I place side by side with the proposed ad valorem rate the total percentage of labor cost to the value of the product, the proof of which will be found in Exhibit 1, taken from the census reports, and in the volumes on manufactures, of census, 1900, and is verified by the figures of the Committee on Finance giving wages and the value of products in columns 8 and 9.

I ask attention to the recapitulation compiled by the Committee on Finance April 12, 1909, and ask permission to print that table with an interlineation which I have placed in it showing, from the figures submitted by the chairman of the Committee on Finance in that table, what is the percentage of wages to value of product as shown in 1904.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma? The Chair hears none.

The matter referred to is as follows:

Estimated revenues.

RECAPITULATION.

[Compiled by Committee on Finance, Apr. 12, 1909. The ad valorems are based on the dutiable values.]

Schedules.	Value of merchandise (dutiable and free).	Revenue under—		Equivalent ad valorems.		Volume IX, Census 1900.[2]	Census of manufactures, 1905[1] (calendar year 1904).		Percentage of labor cost to value of products by wages and value, as shown, 1904.[4]
		Present law (act of 1897).	Proposed bill (H. R. 1438).	Present.	Proposed.	Percentage of labor cost to value of product.	Wages.	Value of products, including custom work and repairing.	
				Per ct.	*Per ct.*				
A—Chemicals, oils, and paints	$42,067,649.85	$11,187,405.69	$11,754,112.86	27.62	28.20	8.0	[3] $44,258,256	[4] $572,848,476	7.5
B—Earths, earthenware, and glassware	31,396,008.97	15,350,019.67	15,247,487.70	49.03	48.70	37.1	154,652,719	420,944,049	36.7
C—Metals, and manufactures of	68,016,829.55	21,812,195.72	21,523,669.22	32.44	31.65	12.7	652,109,633	3,130,253,195	20.8
D—Wood, and manufactures of	24,493,810.90	3,705,024.34	2,723,055.08	15.12	11.21	.....	378,461,021	1,393,489,978	27.1
E—Sugar, molasses, and manufactures of	92,784,081.69	60,338,523.31	59,635,940.54	65.03	65.30	.....	25,536,189	413,333,428	5.6
F—Tobacco, and manufactures of	29,959,081.79	26,125,037.41	26,113,185.29	87.20	87.18	18.9	62,640,303	331,117,681	18.9
G—Agricultural products and provisions	63,925,575.39	19,181,915.96	20,594,283.57	30.16	32.28	5.7	100,859,004	2,191,833,894	4.5
H—Spirits, wines, and other beverages	23,083,420.03	16,318,120.14	20,518,168.77	70.69	88.89	8.9	43,921,676	471,187,379	9.2
I—Cotton manufactures	31,869,814.07	14,291,026.65	15,023,742.16	44.84	47.14	26.0	217,955,322	1,014,694,237	21.4
J—Flax, hemp, and jute, and manufactures of	114,172,202.94	49,900,580.31	50,353,163.25	43.67	44.07	13.3	27,223,574	185,094,092	14.6
K—Wool, and manufactures of	62,818,797.81	36,554,815.89	36,554,815.89	58.19	58.19	19.7	135,069,083	767,210,990	17.6
L—Silks and silk goods	38,816,839.29	20,313,706.39	23,581,996.60	52.33	60.76	22.6	26,767,943	133,288,072	20.0
M—Pulp papers and books	20,005,025.62	4,138,029.42	4,042,076.14	20.67	21.88	16.2	123,903,633	548,957,239	22.5
N—Sundries	135,821,484.06	29,896,513.49	31,307,603.27	22.50	23.06	19.9	[5] 340,596,182	[6] 1,954,228,027	18.3
Total from customs	779,140,621.87	329,110,914.39	338,973,303.34	.....	.....	.....	[7] 2,331,938,518	[8] 13,534,180,743	.....
Net increase	.....	.....	9,862,388.95	.....	.....	.....	.....	.....	.....
Total luxuries, articles of voluntary use, dutiable	289,411,904.28	149,837,286.47	160,454,103.74	52.48	55.47	.....	.....	.....	.....
Total necessaries, dutiable	489,728,717.59	179,273,627.92	178,519,199.60	36.77	36.69	.....	.....	.....	.....
Total entries for consumption, dutiable and free	1,415,402,284.78	.....	338,945,001.07	.....	23.95	.....	.....	.....	.....
Total necessaries, dutiable and free	1,125,990,380.50	.....	178,519,199.60	.....	15.85	.....	.....	.....	.....

[1] Industries grouped to conform as nearly as possible with the articles enumerated in the respective schedules of the tariff law. Industries with products named in two or more schedules are credited to the schedule which includes the major product. The value of products for each group is the sum of all products of all industries in the group, and hence includes a large amount of duplication due to the product of one industry serving as material for another.

[2] Percentage of wages to value of product calculated and inserted by R. L. OWEN.

[3] Should be $56,796,143; addition erroneous.

[4] Should be $767,401,417; addition erroneous.

[5] Should be $273,959,320 (see p. 67).

[6] Should be $1,495,686,437 (see p. 67).

[7] Should be $2,277,838,543.

[8] Should be $13,270,192,088.

SCHEDULE A—CHEMICALS, ETC.

Mr. OWEN. This table shows that the percentage of labor to the value of the product in Schedule A, for example, by the very figures given by the Finance Committee itself, is only 7.5 per cent, while the proposed schedule is 28 per cent—four times as high as the entire labor cost involved in the product.

SCHEDULE B—GLASSWARE, ETC.

In like manner in Schedule B the total labor cost is 36 per cent. The total labor cost in Europe, if it were half as much, would leave the net difference in labor cost only 18 per cent, while the proposed tariff is 48 per cent for Schedule B.

SCHEDULE C—METALS, ETC.

In like manner, Schedule C exhibits a total labor cost of 20 per cent. The difference in this labor cost and the European labor cost, accepting the statement of the chairman of the Committee on Finance that the labor cost in Europe is only half as much, would be 10 per cent, and the difference in labor cost for which the protection might be required would not exceed 10 per cent, but the proposed rate is 31 per cent—three times as high as it ought to be for protective purposes.

SCHEDULE D—WOOD, ETC.

In Schedule D the total labor cost is 27 per cent, and the difference in labor cost in this country and abroad would be 13½ per cent, not counting freight, which would be as much more in favor of this heavy material; and here the proposed rate is 11 per cent, and this schedule ought to be absolutely free in order to protect our forest and conserve our natural resources otherwise, as well as supply our people with cheap building material and our publishers with cheap paper.

SCHEDULE E—SUGAR, ETC.

In Schedule E, sugar, and so forth, the labor cost is 5.6 per cent; the difference in labor cost would be less than 3 per cent, which would be more than offset by freight; and here the proposed duty is 65 per cent, giving a complete monopoly to the Sugar Trust, which takes nearly all the profit, leaving a small fraction of the profit to the sugar planter.

SCHEDULE F—TOBACCO, ETC.

The total percentage of labor cost in tobacco manufacture is 18.9 per cent. The difference in this country and abroad, taking the word of the chairman of the Committee on Finance,

would be approximately 9½ per cent; the ad valorem rate of the Senate bill is 87 per cent.

SCHEDULE G—AGRICULTURAL, ETC.

Here the labor cost is 4.5 per cent; the difference in labor cost could not possibly equal the freight, and these products might as well be free, with some very minor exceptions, even from a standpoint of absolute protection.

But instead of corresponding with the rate required to protect, the rate is put at 32 per cent, which is perfectly silly, and should not deceive the most stupid man that ever plowed a furrow. For example, the tariff on corn is 15 cents a bushel (par. 227), and the total amount imported in 1907 was 9,000 bushels, and the amount raised was 2,595,320,000 bushels.

And the farmers of the country are flattered with 15 cents a bushel tax to keep the pauper labor of Europe from running them out of their cornfields. The American farmer who does not see the hypocrisy of this schedule and the profound contempt which it exhibits for his intelligence is assuredly incapable of reason.

SCHEDULE I—COTTON MANUFACTURES.

The labor cost in cotton manufactures, according to the figures of the chairman of the Committee on Finance, is 21.4 per cent. The difference in the labor cost in the United States and abroad would be between 10 and 11 per cent. The schedule is put at 47 per cent.

SCHEDULE J—FLAX, ETC.

In like manner the difference in the cost of labor in the production of flax, hemp, and jute goods is 7 per cent. The schedule is 44 per cent.

SCHEDULE K—WOOL, ETC.

The difference in the cost of production measured by labor in this country and abroad is about 8 per cent. The tariff is 58 per cent.

SCHEDULE L—SILK, ETC.

Silk and silk goods: The difference in labor cost of production is 10 per cent, but the proposed tariff is 60 per cent, so as to insure a monopoly.

SCHEDULE M—PAPER, ETC.

Pulp, paper, and books: In this schedule the difference in the labor cost of production at home and abroad is between 11 and 12 per cent. The tariff schedule is 21 per cent.

SCHEDULE N—SUNDRIES.

And, finally, in sundries the difference of labor cost in this country and abroad is 9 per cent, while the Committee on Finance imposed an equivalent ad valorem of 23 per cent.

I challenge the chairman of the Committee on Finance to answer this exhibit, and invite him to use all of his experts, and to put on the pages of the CONGRESSIONAL RECORD his answer, where it may be critically examined by the scholars of the country.

I charge him before the country and before the eyes of civilized mankind with writing these schedules, under the pretense of protecting the American workingman, far above the total cost of the labor in the gross product, which would not be justified even if the percentage of labor cost in similar articles abroad was absolutely nothing. But granted that the labor cost abroad is one-half of what it is in the United States, I put in this table the maximum average rate, thus measuring the difference in the cost of production at home and abroad, and call the attention of the country to it.

The defense of these monopoly protecting schedules has been as remarkable as the schedules themselves. To my inquiry as to why the rates were not adjusted to the difference in the cost of production at home and abroad, the first defense was that of the Senator from New Hampshire, that the inquiry as to what was the difference in the cost of production at home and abroad was absurd.

Mr. President, I have demonstrated that the answer of the Senator from New Hampshire is itself absurd, if it were offered in perfect good faith, as I am sure it was.

The next answer would appear to come from the Senator from Massachusetts, who, having explained a question I did not ask, saw fit to suggest he could not give the Senator from Oklahoma the understanding with which to comprehend, and when I succeeded in enabling him to understand my question he confessed that he was not prepared to answer it.

The Senator from Rhode Island, the chairman of the Committee on Finance, whose genuine good temper at least I always admire, suggested as a proper answer to my inquiry that I was "new to the Senate," a polite way of suggesting a lack of learning and understanding which is commonly practiced by the managers of the Committee on Committees when they can not answer intelligently an embarrassing question.

The Senator from Montana, another one of the able defendants of this totally indefensible bill, with its monopoly-protecting schedules, thought it a sufficient answer to suggest that the Senator from Oklahoma could not expect to be furnished with intelligence.

Mr. President, I invite the defenders of this bill to put upon the face of the CONGRESSIONAL RECORD an answer to these tables which I have submitted, showing the relative labor cost of our manufactures and the gross disparity of the schedules they submit in comparison with the lower rates which would properly measure the difference in the cost of production at home and abroad.

The proponents of these schedules, in my opinion, can not answer my objections without putting themselves to utter confusion, if they answer in a spirit of perfect moral and intellectual integrity and frankness, because it contains a multitude of items which are practically prohibitive, which produce no revenue worth mentioning, and has resulted necessarily in the exclusion of foreign competition, followed by combinations in restraint of trade and the establishment of monopoly prices—charging the people too much for what they buy from monopoly and paying them too little for what they sell to monopoly. This is why the Republican organization pledged itself to revise the tariff and made the people believe it would be a downward revision.

I give a table of examples of these prohibitive duties, together with the paragraph of the bill, duty, the revenue, and the table from which the information is drawn.

These are but a few of the items which might be multiplied indefinitely.

EXHIBIT 14.

It should be remembered that in products of wholesale international use our imports may be prevented by a small tax where it makes the imports unprofitable, so that the prohibitive rates which average just high enough to prevent competition, as shown by the table below, serve as a great check to international commerce and lower the amount of revenue which we ought to receive under a system of liberal imports and exports.

The trivial reductions claimed to have been made by the Senate bill as amended are of no consequence, because the rates lowered were so far above the prohibitive point that lowering the rates leaves them still prohibitive and reminds me of the quotation of my colleague from Macbeth:

> Then be these juggling fiends no more believed,
> Who palter with us in a double sense,
> Who keep the word of promise to our ear,
> And break it to our hope.

TAXING RAW MATERIALS INJURIOUS TO AMERICAN MANUFACTURERS AND NATIONAL COMMERCE.

Mr. President, when we tax by the tariff the materials needed by our manufacturers, whether such materials are raw materials or partly in the process of manufacture, we put our American manufacturers at a serious disadvantage in competing with foreign manufacturers in the markets of the United States and obstruct our own commercial expansion.

Foreign countries provide their manufacturers in large degree with free raw material, and therefore with cheaper materials needed for manufacture. Foreign manufacturers have, therefore, this advantage over our manufacturers in competing for the markets. Taxing raw materials used by our manufacturers will, for this reason, limit our foreign exports of manufactured goods. This means limiting the production of American factories. This means restricting the number of our workmen, lessening the demand for their labor, lowering their wages, and, what is more, means also a smaller output and a consequent greater cost to the consumer—over and above the increased cost imposed by higher raw materials—for the reason that the greater the output the more economic the production.

Cheaper material means a greater foreign market for American productions; it means increased demand for American labor; it means higher wages for American labor; and it means cheaper prices for American consumers, always believing, as I believe, that the artificial prices now fixed by monopoly will be in due season abated.

American manufacturers are at a further disadvantage because *they sell to foreigners* the goods needed in more advanced manufactures *cheaper than they do to each other within our own borders.* Because of this, millions of capital created by American labor is going abroad to get the advantage of these cheaper prices and to employ, not American workmen, but foreign workmen. (See North's report.)

ANY OBSTRUCTION TO COMMERCE LIMITS THE OPPORTUNITIES FOR THE LEGITIMATE EMPLOYMENT OF BOTH CAPITAL AND LABOR.

Mr. President, it is perfectly obvious that, having provided a tariff high enough to equal "the difference in the cost of production at home and abroad," so as to put our manufacturers

on a perfect level with the manufacturers of foreign lands in the cost of production, that any further tax upon our imports or our exports, or upon their imports or exports is merely a barrier to a free interchange of commerce, limiting both our commerce and their commerce.

There is a very important factor in commerce separate and apart from the question of equality of cost. We import woolen goods, cotton goods, silk goods, and we export goods of the same material to the very countries from which we import such goods. The factor entering into the proposition is not one of cold economy alone, for it obviously would be more economical to buy our woolen goods in our own country and save the difference of freight and the same thing would be true for the Europeans—that it would be better for them to keep their goods at home from a standpoint purely of economy.

But the question of economy is not the only factor controlling or guiding exports and imports. It is a question of taste and of personal fancy that causes Americans to buy French, Scotch, or English goods, and which causes the Scotch, English, and French to buy American goods. We enlarge their markets by buying their stuff. They enlarge our markets by buying our stuff. We increase the demand for their labor; they increase the demand for our labor; and we export no more than we import, for the volume of our exports is determined by the volume of our imports (using these terms to cover credits and expenditures).

VOLUME OF EXPORTS CONTROLLED BY VOLUME OF IMPORTS.

This question can be reduced to a mathematical demonstration, properly interpreted. It is only necessary to take the unit of the export or of the import to determine this question. When the American exports $100,000 worth of goods in any form, whether in cotton bales or in cotton cloth, he receives from his foreign customer a hundred thousand dollars in money, or credit, which he may convert at his will into cash or into goods, and his export will be balanced with an import or its mercantile equivalent in cash, in credit, or expenditure abroad, or with work performed, as in carrying freights, and so forth.

A vast multitude of such transactions do not alter this substantial truth. It merely enlarges and emphasizes it, and it may be taken as a sound commercial maxim that our exports are balanced by our imports and our imports are balanced by our exports, and when we obstruct our imports we obstruct our exports, and thereby diminish the world's demand for the goods of our manufacturers; we thereby diminish the world's demand for the products of American labor; we thereby diminish the demand for American labor; we thereby diminish the employment of American labor and lower the wages of American labor.

BALANCE OF TRADE.

[Giffen Essays in Finance, 161.]

Tables showing the balance of trade are apt to mislead men. For example, our statistics will exhibit in one column our imports, in another column our exports, and the balance is called the "balance of trade." If we have exports more than we have imports in these tables the balance of trade is said to be in our favor.

This conclusion of the balance being in our favor is unmitigated nonsense. Whenever we ship goods from the United States we get what our citizens regard as the equivalent, in cash, credits, or other property.

He who attempts to draw any conclusion whatever as to a nation's wealth or poverty from the mere fact of a favorable or unfavorable balance of trade has not grasped the first fundamental principle of political economy. (R. T. Ely, Problems of To-day, p. 28.)

The plain truth is our statistics, showing merely "exports" and "imports," do not and can not take into account our credits abroad or the credits of foreigners in the United States.

They do not and they can not take into account the payment by the United States of exceding $100,000,000 annually for ocean-going freight and passengers carried exclusively in foreign bottoms. These tables can not take into account expenditures of citizens of the United States abroad, which probably exceed $100,000,000 per annum.

These tables do not take into account millions of dollars shipped abroad by foreigners working in the United States.

These tables do not take into account numerous foreign investments made by citizens of the United States in foreign lands and by foreigners in our land.

These tables do not take into account even the transfer of great estates from the United States abroad by international marriages.

The plain truth, which can not be disputed without stultification, is this, that for every export we receive its equivalent in cash or credit, and for every import we pay in cash or credit.

The available gold in the world, which is the basis of what we call "cash," is a comparatively small amount. The total gold in the United States amounted to one thousand five hundred and ninety-three millions December 31, 1906. (Statistical Abstract of the United States, 1907, p. 742.)

The annual production of gold in the world amounted to four hundred millions in 1906. Germany had over a thousand millions in gold and France about a thousand millions in gold and the British Empire about a thousand millions in gold in 1906, and all of the gold money on earth combined did not exceed seven billions.

No thoughtful man will pretend that we can pursue a policy by which our exports would be paid in gold and not paid in the goods and credits and properties of foreign countries. It can therefore be taken as true *that our exports are paid for by imports*, and that *when we limit our imports we limit our exports* and our national commerce under *a law as fixed as the law of gravitation*.

Mr. President, the Senator from New Hampshire made a single defense with regard to these schedules which I desire to answer, and it is the only defense, outside of that of the chairman, so far as I have observed in the RECORD, that I regard as meeting the matter in any degree, and that is the statement, in effect, that by lowering these schedules we would invite into this country the imports of other countries, which would throw out of employment our own laborers.

This theory, Mr. President, is not sustained by the theory of economic teaching which shows that inevitably exports are always paid for by imports and imports are paid for by exports. If we examine into the individual transactions of which the aggregate is composed, we will observe that when any American ships abroad any export, whether it be cotton or cotton goods of any kind, he is immediately paid in cash or cash credits or its equivalent, and therefore there comes back to the United States the immediate equivalent of that which the American exports. That individual export is instantly balanced. Since the whole must be composed of its several parts, it follows that exports are paid for by imports and imports are paid for by exports, and when we reduce the tariff and invite into our country foreign exports in effect we stimulate American industries; we enlarge the productive power of the American factory; we increase the demand for labor and the employment of capital; and we put ourselves in the attitude of shipping abroad more things than we now ship and enlarging both our exports and imports in like volume. I think the reason why our imports and our exports compare so unfavorably with the other nations of the earth is largely because we have followed the Chinese method of excluding, in large measure, the products of other lands.

I wish to call attention to our status as to imports and exports per capita.

COMPARISON OF THE COMMERCE OF THE UNITED STATES AND OTHER COUNTRIES.

We plume ourselves on our tremendous commerce in exports and imports when, in point of fact, our rank among other nations of the world in the quantity of our foreign commerce per capita is entirely discreditable to us. In the quantity of our exports and imports we rank far inferior to every highly civilized country in Europe, as the following table will exhibit, taken from the Statistical Abstract of the United States for 1907, page 738:

Imports and exports per capita of countries, 1906.

Country.	Imports.	Exports.
United States	17.30	22.10
Argentina	34.87	54.87
New Zealand	70.23	85.70
Australia	53.77	79.70
Belgium	93.00	75.30
Canada	45.08	39.84
Costa Rica	22.53	25.25
Chile	21.25	26.89
Cuba	62.31	66.06
Denmark	64.82	55.55
France	25.86	24.77
German Empire	28.05	22.56
Netherlands	184.36	143.01
Norway	36.22	21.91
Sweden	29.23	22.93
Switzerland	81.97	59.97
United Kingdom	68.45	42.49
Uruguay	21.13	38.34

The imports of the German Empire, of France, United Kingdom of the Netherlands, of Norway and Sweden, of Switzerland, exceed their exports by hundreds of millions, but the ex-

ports of Siam, Egypt, Peru, British Indies, Haiti, Cuba, Mexico, Russia, Santo Domingo, and the Congo have their exports exceeding their imports, and we are not in a good class if civilization and intelligence are considered.

We are in the activity of our foreign commerce, however, decidedly ahead of the Congo Free State, Persia, Peru, Paraguay, India, Siam, and Turkey. Our country can feel but little pride in the school of political economy, if organized blind greed can be called a school of political economy, controlling the United States and its pitiful comparison with the foreign output of the other intelligent nations of the world. Let us at least equal Great Britain, which has learned the economic truth that prohibitive tariffs obstruct and do not promote commerce, and let us act upon that policy, retaining our tariff for revenue, high enough for honest incidental protection and no higher.

Our patriotic citizenship has been grossly misled by the leaders of the party in power as to our comparative commercial activities.

The growth of our exports and imports show a small relative increase:

Our total imports:	
1881	$650,000,000
1890	773,000,000
1900	830,000,000
1907	1,415,000,000
Our total exports:	
1881	883,000,000
1890	845,000,000
1900	1,370,000,000
1907	1,853,000,000
Population in—	
1881	58,000,000
1890	62,000,000
1900	75,000,000
1907 (estimated)	88,000,000

It will be seen from these tables that notwithstanding the tremendous improvement in modern machinery and the increased output from that source, and the wonderful growth of seagoing vessels and their freight-carrying capacity, our exports and imports have about doubled in 26 years and have not increased much faster than our population. This is a discreditable showing to the intelligence of the American people.

It will thus be seen, Mr. President, that our exports and imports are small compared to the exports and imports of nations whom we have been taught to believe inferior to us; but in the building of a nation we are ourselves vast consumers of our own products, and this must stand to our credit.

It will also be seen that our exports and imports have not grown in the last quarter of a century much more rapidly than our population, which shows in fact that we have not kept pace in foreign exports with the enormous productive capacity of modern machinery and invention.

These are facts worthy of consideration, which tend to show the natural consequences of obstructing our imports by prohibitive taxes, by vexatious and difficult regulations; and the present bill is peculiarly unwise because instead of providing a substantial reduction on the prohibitive tariff rates and removing the obstructions to our commerce it has utterly failed to do so. On the contrary, it has increased many items and the average of all items, and the crowning absurdity is offered in proposing to penalize foreign countries, who are already largely excluded from our markets, by threatening them with a 25 per cent advance on rates now largely prohibitive unless they promptly remove within the year the tariff obstructions which are obnoxious to us, and thus we invite the retaliation of the nations of all the world. Nations are composed of individuals, and the law of human nature which governs the individual will govern nations to a substantial degree.

OUR NATIONAL PROSPERITY IS NOT DUE TO A PROHIBITIVE TARIFF, BUT IN SPITE OF IT.

Mr. President, it has been a common practice for the advocates of the high tariff to claim that the prosperity of the people of the United States and the employment of its people is due to the so-called "protective tariff"; nothing could be more utterly fallacious.

Modern prosperity is due to the dissemination of human knowledge through the printing press, inventions of labor-saving machinery, hundreds of thousands of inventions under the reward of personal patents granted by the United States, granted by Great Britain, by Germany, by France, by Norway and Sweden, by Italy, by Japan, by every civilized country in the world.

The United States has granted over 900,000 different patents covering art in manufacture, but the art to which we are chiefly indebted for our modern prosperity is the development of paper making and the printing presses, by which the learning and the knowledge of all men is made the common property of every man and enriched him beyond all computation.

Out of these inventions have sprung the incredibly cheap manufacture of cloth and fabrics of every description; of metals in a multitude of forms, from Bessemer steel to the Waterbury watch, made by machinery and distributed to man at an incredibly cheap price. The telegraph, the telephone, the modern railway, the mail service, and every agency of civilization have been brought into service by the wonderful increase of the intelligence of man. China has just completed its first railway built by Chinese engineers and workmen and soon will be the joint heir of the wonderful increase in human knowledge.

All of the nations of the world prosper in this magnificent development of the human race, due to the increased intelligence of man, due to modern processes, springing chiefly, and above all, from the great invention of Gutenberg.

Mr. President, not long since I stood upon the banks of the Niagara River. Down the canal below the great falls I saw a great wood yard, and saw two men passing pieces of wood to an endless belt. I followed it down the bluff nearly 200 feet; below a giant penstock of 7 feet in diameter delivered a column of water upon a turbine wheel developing over 1,000 horsepower, which caused to spin with lightning speed French burr wheels, against which these pieces of wood were placed and pressed by hydraulic pressure.

They melted almost instantly, and the macerated fiber by an endless belt, passing immediately into the paper factory on top of the bluff, was automatically delivered into a circular vat with moving arms; adjacent was a man engaged in putting into this vat sizing; the prepared mixture was fed upon an endless belt, porous—the water dripped through, the sheet of wet paper emerged, passing through a series of rolls, the last ones heated by steam, and at the end of the comparatively small room the material which a few minutes before had been logs of wood appeared as rolls of news paper ready for the Hoe press.

At Herald Square, New York, I saw these same rolls being fed like lightning into giant printing presses and emerging a modern newspaper, a miracle of design; hundreds of thousands of copies turned out in a few short hours, full of learning, literature, art, full of business, full of wit and humor, full of the news of the whole world gathered together by the ablest men with the aid of the telephone and telegraph; filled with beautiful illustrations and photographs of everything conceivable.

Mr. President, where is the advocate of the prohibitive tariff so lacking in common sense or intellectual integrity that he will assert that these great advances of the human race, which are common to all the civilized nations, whether they have or whether they have not a protective tariff, nevertheless enjoy all of these things. Let those who believe that these things are due to the protective tariff support this bill and applaud it. But those that see that these things are due to the development of the human race and to the providence of God can be misled by no such shallow sophistry.

Mr. President, England has been very prosperous; she is the mistress of the seas; the sun never sets upon her dominions; her wealth is enormous. The prosperity of England is not due to the protective tariff, but to the policy of the greatest freedom of international commerce.

France and Germany have the protective tariff and are likewise prosperous, but they are prosperous in spite of the protective tariff and not because of it. The prosperity of the whole world is due to the increasing intelligence of the human race, its mastery over the forces of nature, its substitution of machinery for the labor of man.

"Protectionists justly contend that the high tariff of 1897 has not ruined the foreign trade of the United States, which on both its import and export sides has exhibited a great advance." Undoubtedly this contention is true, but the obstructions interposed in commerce has not served to make the imports and exports of the United States contrast favorably with the exports and imports of other nations. The imports and exports of the United States do not compare favorably with those of the civilized nations of the world, as I have already shown.

One thing should be settled for all time, and that is such prosperity as we have can not be due to the artificial obstruction of our international commerce.

HOW THE PRESENT SYSTEM WAS ESTABLISHED.

It would seem incredible that the monopoly engendering policy could be established and persisted in against the will of the people, and I shall endeavor to show how this has occurred and its proper remedy.

In 1856 both parties were agreed on a low revenue-producing tariff. For 15 years everybody had been content with the low

Walker tariff of 1846. The exigency of the civil war required a high tariff for the extra revenues demanded at that time.

Like all tariffs this Morrill tariff of 1861 raised the prices on the consumer and gave the American manufacturer a special opportunity to make money at the expense of the consumer.

When the war was over the question of lowering the tariff began to be considered.

The Protective Tariff League was thereupon organized, with far-reaching affiliations, powerful press agencies, with an educational bureau which instructed every boy who approached the voting age throughout the United States in the sophistry of a high tariff, appealing to his patriotism to stand by American labor. This policy has had abundant success, but it could not have succeeded except for the political changes in party administration which had taken place prior to the war.

This change to which I refer was the transfer of the power directly from the people through the agencies of precinct conventions, nominating delegates to county conventions, county conventions composed of delegated delegates to select delegates for the State convention, State conventions composed of delegates delegated by delegated delegates.

These political functionaries were thrice removed from the people, the State delegates being delegated by county delegates, the county delegates being delegated by precinct delegates, and the precinct delegates probably delegated by the local representatives of what is known as the "machine politician" and his petty circle.

In machine politics the precinct manager will call a primary at some place convenient for his control and probably inconvenient for the attendance of the people. He will notify his strikers in advance and be sure of a sufficient number to put through a slate and plan agreed upon. In this manner the machine can evade a wholesome public opinion and manipulate the delegates to the county convention, and with this machine county convention a machine State convention is assured.

In this manner any person having an important material interest to serve, such as establishing or maintaining a policy of government, permitting some people to tax other people for their benefit, have a political opportunity.

All that the Protective Tariff League and its commercial and political allies had to do under this system of government was to have a proper bureau established, see to it that representatives of the system were in place to manage the machine politics; and in this way they have been able to control nominating conventions—county, State, and national—and the will of the great body of the people could not make itself freely felt, being unorganized and not clearly realizing the manner in which the monopoly producing system was taxing them.

The Protective Tariff League and the representatives of selfish commercial interests, the beneficiaries of the manipulations of our statutes, have intertwined and interwoven themselves with the organization of the Republican Party in such a manner as to be inextricable. They have successfully appealed to the well-known patriotism of the great body of Republican citizens and skillfully trained them to believe as true, things which were not true in fact, and were sophistical in reason and unsound in conclusion. This process has gone on until it has become impossible to separate the political and patriotic impulse from the commercial, so that men of high character and upright purposes find themselves used against their will and are more often used in total unconsciousness of the fact that they are being used by commercial interests under the color of patriotism and party pride. The machine method of politics is a bad method and ought to be abated.

BOTH PARTIES HAVE BEEN AFFECTED BY THIS EVIL.

It is this method which sometimes sends to the Senate of the United States representatives who would not be the choice of the people at a popular election.

It is natural therefore that the election of Senators by direct vote, or the nomination of Senators by direct vote should not be approved by those who have been or might expect to be indebted to machine politics hereafter for their own preferment.

It was a recognition of this abuse, which has grown up in our country, that led the Democratic Party at Denver, which, I freely confess, is not entirely purged of this evil of machine politics, to put the query to the people of the United States, Shall the people rule?

The true remedy for this condition is not by an inconsequential debate with the chairman of the Committee on Finance, who has spent months and years over these schedules without ever touching the only question of importance, to wit, the difference in the cost of the production at home and abroad, but it is to be found by reducing the political machine to innocuous desuetude and the restoration of the people's rules by the direct primary, allowing each citizen, regardless of party, to nominate and elect his representative in county, State, and Nation, and to establish an "initiative and referendum," with its salutary check on the representatives of the people.

Machine politics glorifies organization and forgets that the best safeguard of society is to allow the actual sentiment of the majority of the people having appreciable education to rule and not take that power out of their hands by clever machine manipulation.

When we follow delegation of power from the citizen to the primary delegate, from the primary delegate to the county delegate, from the county delegate to the nominee for the legislature, from the member of the legislature to the United States Senate, a Senator chosen in this manner is four degrees removed from the people.

Through machine politics selfish interests can exercise an undue influence in our parties and in our administration of government. I can not but feel that the influences of monopoly in this country are in present control; that this bill is written to serve their purposes; to make the rich richer and the poor poorer; to benefit the few at the expense of the many.

In making this comment I do so with the profound conviction that this condition can not be greatly prolonged, but that the American people will in a short time cause the laws to be so amended as to promote the greatest of all modern needs—*the more equitable distribution of the proceeds of human labor.*

> Ill fares the land to hastening ills a prey,
> Where wealth accumulates and men decay.

Mr. President, I do not desire to detain the Senate longer. I have taken some pains to show that in the protected industries the labor of the country is not paid as well as in the unprotected industries; that labor has continued to receive a diminishing part of the proceeds of labor; that labor has not received a fair share of its own product. I have undertaken to show how labor was naturally oppressed by the upbuilding of gigantic monopolies in this country, whose policy was to close up factories, to pay labor as small a wage as possible, to raise prices, and to limit the output; to tax the people as high as they thought the "traffic would bear," and to control their wage-earners, both commercially and politically. That is a very natural thing for them to do. They are not greatly to blame if the law permit. The lawmaker is greatly to blame if the law continues to permit.

But I have also demonstrated that our census shows, in the most overwhelming and convincing manner, that this bill has paid no attention whatever to "the difference in cost of production at home and abroad;" that that difference, even if the foreign manufacturer paid nothing whatever for his labor, could not exceed nineteen and a fraction per cent for pure protective purposes, while many of the rates in this bill exceed 100 per cent. Having shown this, having pointed out what the effect has been upon the wages and general conditions of labor and upon the mortality of human life under this system of government which we have been following; having submitted the suggestions for the amendment of these conditions, in the hope that perhaps in the future they may be of some use to future students of these questions, I am done.

I have called attention to the policy of New Zealand, which protects human life first, which has controlled monopoly, in order that the poorer and the weaker elements of society may have a better opportunity to live. I have called attention to what the necessary result is of gigantic fortunes piling up until the fortune of a single individual will reach nearly a thousand millions; that its only effect upon this country must be to absorb all of the transportation and transmission companies, all the coal mines, all of the purchasable lumber and ores, all of the purchasable real estate, all of the things visible and invisible desired by men and generally grouped together and called the "opportunities of life."

There can be but one result, and the Senate is in honor bound to consider this and to find a way to control it and correct it, in order to protect the children and the women, as well as the men of this country.

I can do nothing more than appeal to the Senate and to call their attention to their responsibility in this matter. Having done so, I have discharged the only duty which it is possible for me to discharge. I have given many days of hard labor to this question, and of unremitting industry, in a desire to place upon this record the truth, and nothing but the truth, in the hope that it might appeal to the leaders of the Senate, and, if it did not, that it might appeal to the people of the United States.

Mr. JONES. Mr. President, I do not propose to enter the inviting field of political discussion which has been so eloquently invaded during the last two or three days. I am not going to

call attention to the fact that our Democratic friends denounced so vigorously the extravagant appropriations made by the Republican Party and then proceeded to appropriate $100,000,000 or $200,000,000 more for the normal expenses of the Government than was appropriated by the Republicans during any year of their administration. I am not going to discuss the merits or the demerits of the principle of free trade, which has been so earnestly advocated by the Senator from Oklahoma [Mr. OWEN], or the policy of protection, which has been so ably presented by the Senator from Massachusetts [Mr. WEEKS]. I am not going to call attention to the probabilities of the tremendous commercial conflict with which we are going to be confronted in a very short time, and the fact that our Democratic friends are making no preparation to enable us to meet that situation upon anything like equal terms with our opponents. I am not going to engage in a criticism or denunciation of this bill at this time. As a matter of fact, Mr. President, I am going to commend one feature of this bill, and commend the majority side for inserting it in the measure, and I am going to take the time of the Senate briefly to present and place in the RECORD some facts which I think justify the action of the committee, in the hope that they may be of some service possibly when the bill gets into conference.

I am glad that the Senate of the United States, at any rate, proposes in some way to stand by the rights of the United States and to assert the rights of the United States and attempt to protect the interests of the people of the United States and of the Government itself, and I hope that other branches of the administration will feel encouraged by the independent action of the Senate to stand a little bit more firmly hereafter for American rights and American interests; and I hope that another body, to which I can not refer here, will see the justice and the merit and the patriotism of the action of the Senate committee and will confirm the action of the Senate in inserting a certain provision in this bill. The section to which I refer is section 103, on page 144, and reads as follows:

SEC. 103. That from and after 90 days after the passage of this act no fresh or frozen halibut or salmon from the North Pacific Ocean or its tributary waters shall be admitted into the United States through any foreign country, except when the same shall be in bond from an American port.

Mr. President, that is a very simple provision. It appears to be a very innocent one, and yet it means a great deal to one of the very rapidly developing industries of this country. It means a great deal to American citizens who have invested their capital in a certain industry, and I want to call attention to the difficulties that are thrown in the way of American enterprise and American capital and American energy in developing the industry that is affected by this provision. I want to present the facts justifying the insertion of the provision in this bill.

Mr. President, "but if any provide not for his own, especially for those of his own house, he hath denied the faith and is worse than an infidel."

Great Britain acts on this theory. She promotes and protects first the interests of her own people at all times. Our Government seems to act upon the opposite principle. We promote and regard the interests of others above those of our own. The methods of both countries are nowhere more clearly shown than in connection with the halibut industry.

Prior to 1915 nearly all of the halibut supply for the East was obtained through Alaskan ports and Seattle. The halibut banks lie largely about 700 miles north of Seattle and extend for 1,500 miles along the Alaskan coast but outside of the 3-mile limit. They are thought to be the most extensive halibut banks in the world. About 100 vessels were engaged in the industry, employing over 2,000 sailors and fishermen and bringing in a catch of over 60,000,000 pounds of the value in their raw state of over $3,000,000. The larger part of this output was shipped to American markets in the East.

The magnitude of the industry on the Pacific coast, as compared with the Atlantic, is shown by the following figures from the United States Bureau of Fisheries: Four millions two hundred and eighty-nine thousand nine hundred and fifty-two pounds of halibut were landed at New England ports during the year 1915, while over 60,000,000 pounds were landed in Pacific ports. Ninety-five per cent of the halibut supply to the people of the United States comes from the Pacific coast.

This is an industry worth encouraging. It means for the American ports of Seattle and Alaska the employment of thousands of men, the investment of millions of dollars, the establishment of large packing plants, the building up of a local fleet, and the training of a large number of seamen. Whatever can be done in a reasonable way to encourage the employment of citizens, the training of American seamen, the use of American capital, the building of American homes, and the keeping at home of the purchase money for the fish which largely supply our home market should be done.

What is Great Britain doing to get this great industry, and what are we doing to retain it? The methods pursued by the two Governments strikingly illustrate the policy pursued by each toward its citizens and their interests.

Early in 1915 the Grand Trunk Pacific Railroad was completed to Prince Rupert. It was largely financed by the Canadian Government, which laid out the town site of Prince Rupert at the terminus of the railroad. Prince Rupert is about 600 miles north of Seattle and within 32 miles of the Alaskan coast. It is 600 miles nearer the halibut grounds than Seattle, lying directly on the line between Seattle and the Alaskan ports and fishing banks. The shipment of from forty to sixty millions of pounds of halibut to the eastern market is an important item of freight to the Grand Trunk Railroad, the greater part of it taking express rates as perishable cargo and paying five times the rate charged upon ordinary merchandise. The Canadian authorities saw this at once and with characteristic energy and methods proceeded to get it. They saw that if they could induce the fishing fleet to locate at Prince Rupert, make its headquarters there, and unload its catch there they would get the benefit accruing from it. They would get the benefit not only of the freight charges but also very largely the value of the catch. Prince Rupert had the natural advantage of being 600 miles nearer the fishing grounds with rail connections to the eastern market. Special efforts were made and special inducements offered, customs regulations were waived, and import duties on gasoline and distillate used on American ships were rebated. In December, 1914, the Canadian Government passed an order in council permitting the minister of customs to make such regulations and conditions as he found necessary to induce foreign corporations and American vessels to bring their business to Canadian ports. This order in council provided that during the year 1915 foreigners and foreign corporations bringing fresh fish in vessels registered in the United States could land such fish at any Canadian port without the payment of duty and transship the same in bond to any port in the United States. This order in council also provided that foreigners and foreign corporations bringing fish into Canada would be permitted to purchase supplies at any port in British Columbia; all of these things to be done, however, under such regulations and conditions as the minister of customs should determine.

A cash subsidy of $80,000 was given by the Canadian Government to the Canada Fish & Cold Storage Co. This company actively engaged in the halibut industry, sent its vessels to the Alaskan banks, and shipped its fish by rail from Prince Rupert to the eastern markets. Under a subsequent order in council, which I shall later refer to, the Canada Fish & Cold Storage Co. was enabled to furnish special facilities, inducements, and encouragement for the purchase and shipment in bond of American-caught fish to American ports.

Under these conditions the halibut industry was rapidly diverted to Canadian ports, especially Prince Rupert. Many of the Seattle firms were compelled to open offices at Prince Rupert. Alaskan plants were shut down and much of their business transferred to Prince Rupert. Over 28,000,000 pounds of the halibut trade in the nine months of the year 1915 were diverted to Prince Rupert and other Canadian ports, and under subsequent orders in council it is estimated that for the year 1916 from forty to fifty million pounds of halibut will be handled at Prince Rupert. During the month of February, 1916, out of a total catch of 3,013,545, 2,520,895 pounds were discharged at Canadian ports, leaving only 960,650 pounds at all American ports combined. If nothing is done by our Government, this entire industry will very soon be transferred to Canada and largely centered at Prince Rupert. This will be accomplished very largely through plain, palpable, and rank discrimination against our citizens and apparently without any protest on our part and without any serious attempt to meet such discriminations, unless, Mr. President, we are able to secure the passage of legislation along the lines of the amendment inserted in this bill by the committee.

Under our laws Canadian ships can land their cargoes of fresh halibut at any port. The fish is admitted free of duty and can be sold for consumption locally or sent to any market in the country.

How are our people treated in Canada? An order in council was enacted under date of December 10, 1914, under which American ships bringing fresh fish into any of the ports of Canada could land them without the payment of duty and transship them in bond to any port in the United States. Under this order in council, however, no fish could be sold in Canadian markets for local consumption. The fish could be sent directly from the vessel to any port in the United States, but had to be

shipped in bond. Under this order the vessels whose cargoes did not make up a carload could not very well avail themselves of the privilege of shipping in bond; and the result of that was that a good many of the smaller vessels with the smaller catch did not land their catch in Canada, but took it to some ports in the United States.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Does the Senator from Washington yield to the Senator from Colorado?

Mr. JONES. I do.

Mr. THOMAS. I should like to ask the Senator whether it is not a fact that under the regulations of the Canadian Government American fish shipped from Prince Rupert must be shipped without any sorting?

Mr. JONES. I shall come to that just a little later.

Mr. THOMAS. Of course, I knew the Senator was familiar with it, but I did not know whether or not he had spoken of it in my absence.

Mr. JONES. I shall come to that a little later.

In order to meet some of these conditions and further encourage the bringing of American fish into Canada, another order in council, under date of March 9, 1915, was passed.

Mr. President, it is very interesting, when we consider how we legislate here, to consider the facility and expedition with which they enact legislation up in Canada. Apparently, whenever they see something wrong, in order to correct it they pass an order in council. I am going to quote one of these orders in council in a moment, and it will give us some light—and from a very interesting viewpoint, I think—as to how they legislate.

I call special attention to the reasons for this order, as set out in the preamble, and the results to be accomplished. The order with the preamble, or whereases, is as follows:

P. C. 468. Privy Council, Canada. At the Government House at Ottawa, Tuesday, the 9th day of March, 1915.

Present: His Royal Highness the Governor General in council.

Whereas by order in council, dated 10th December, 1914, it is provided that for a period of 12 months, from the 1st of January, 1915, foreigners or foreign corporations bringing fresh fish in vessels registered in the United States of America to any port in British Columbia shall be permitted to land such fresh fish at any such port without payment of duties, and transship the same in bond to any port in the United States (without the right, however, to sell in Canada any of such fresh fish so landed), and foreigners and foreign corporations bringing fresh fish in vessels so registered in the United States of America to any port in British Columbia shall be permitted to purchase supplies at any port in the said Province of British Columbia, the whole under such regulations and conditions as the minister of customs shall determine.

It will be noted, Mr. President, that this is what we might term an amendment of the order in council of December 10, 1914, which was issued for the purpose of covering the year 1915. In March, 1915, they find that order in council of 1914 does not exactly meet the situation, and so they promptly get together, and on March 9, 1915, they issue this order in council which I am now reading to meet special conditions that they did not anticipate in the order in council of December, 1914.

And whereas the said privileges are restricted to foreigners and foreign corporations bringing fish in vessels registered in the United States of America and shipping such fish in bond direct from the vessels.

Now, this is one of the matters that they want to correct:

And whereas this prevents smaller vessels or boats, the catches of which will not make up a carload, or the owners or operators of which may not be in a position to themselves ship their fish to the eastern United States markets, from availing themselves of the privileges.

That is one of the situations that they want to meet by this new order in council; and here is another:

And whereas the minister of the naval service is informed that, in view of the fact that Prince Rupert is several hundred miles nearer the fishing grounds than is Seattle, and as the Grand Trunk Pacific Railway is now operating, so that fish can as readily be shipped to the eastern United States markets from Prince Rupert as from Seattle, if such boats and smaller vessels were permitted to go to Prince Rupert and sell their catches to some person or corporation which would in turn ship them in bond to the United States, and if such vessels or boats were then permitted to purchase supplies for their fishing operations, a considerable number of them would transfer their base of operations from Seattle to Prince Rupert—

Note this, Mr. President:

and would probably later transfer their vessels or boats to the Canadian registry and permanently operate from Prince Rupert.

That is one of the special things to be accomplished by this new order in council which we should consider. They hope by this new order in council not only to get these small boats to bring their catches of fish to Prince Rupert, but they hope eventually to have the American registry of these vessels given up, and that they will take Canadian registry.

And whereas the bonding and outfitting privileges have been renewed to vessels shipping their own catches direct, and it is deemed advisable that such privileges should for this year be available to smaller vessels and boats, therefore His Royal Highness the Governor General in council is pleased to order and it is hereby ordered as follows.

That is a very effective method of legislation, and it is a very expeditious method of legislation, too.

Mr. MARTINE of New Jersey. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from New Jersey?

Mr. JONES. I do.

Mr. MARTINE of New Jersey. May I ask whether that is done without any order of the Canadian Parliament?

Mr. JONES. There is no record of any other proceeding than this. The Governor General apparently has authority to do these things.

Mr. MARTINE of New Jersey. I am very much interested in this. I was appealed to some months ago or thereabouts by a gentleman representing the fishery interests with reference to the very matter about which the Senator is now talking.

Mr. JONES. The Governor General, apparently—I have not looked into the details of their form of government—has some legislative power vested in him with reference to matters of this kind, and he seems to use it to the advantage of the English people and the Canadians.

Mr. MARTINE of New Jersey. He uses it to our disadvantage.

Mr. JONES. Oh, yes; he is not looking after our interests at all. That is up to us, and that is what I am glad to say the committee is trying to do by this proposition here. I am glad to find something in a Democratic measure that I can commend, and I commend this very heartily.

Mr. MARTINE of New Jersey. The Senator need not limit himself to this. He will find much in it that he will commend.

Mr. JONES. I hope so.

The said order in council of December 10, 1914, is hereby amended to provide that—

"During the present calendar year (1915) foreigners or foreign corporations bringing fresh fish in vessels registered in the United States of America to any port in British Columbia shall be permitted to land such fresh fish at such port without payment of duties and transship the same in bond to any port in the United States—

Now, here is the change that is made in the order of December, 1914—

or to sell such fish in bond to such local dealer or dealers as may be properly and duly licensed therefor, under the regulations and conditions thereinafter mentioned, which dealer or dealers shall export the same in compliance with the bonding requirement (without the right, however, in either instance, to sell in Canada for consumption therein, or otherwise except in bond, any of such fresh fish so landed); and such foreigners and foreign corporations bringing fresh fish in vessels registered in the United States of America to any port in British Columbia shall be permitted to purchase supplies and ship crews for such vessels at any port in the said Province of British Columbia—

But note they keep control over the purchase of these supplies and the shipment of crews. Our vessels are not permitted perfect liberty in the purchase of supplies up there, or in the securing of crews.

the whole under such regulations and conditions as the minister of customs may determine."

RODOLPHE BOURDEAU,
Clerk of the Privy Council.

I shall call attention a little bit later to some of the regulations that are imposed upon these vessels with reference to the purchase of supplies or the shipment of crews.

Now, Mr. President, I come to the point suggested by the Senator from Colorado [Mr. THOMAS] a while ago with reference to the sorting of fish; and the difficulty under which they operate grows out of this situation:

The cargoes of fish fresh from the fishing grounds are composed of fish of various sizes. These are graded, some being suitable for the eastern market and some not. As I understand, the eastern market wants halibut of a certain size. That size is classed as No. 1, and in order to get the best prices and to command the best market the fish, of course, need to be graded so as to be sent of the character and quality desired.

Under the foregoing order in council an American vessel had the opportunity to grade its fish and sort them at the Canadian port, and those suitable for the eastern market could be disposed of for shipment to the eastern market, and those not suitable for transcontinental shipment could be boxed, packed, and shipped by boat to Seattle and other western markets, provided, of course, always that they were shipped in bond. The small vessel with the small catch could come into Prince Rupert and sell its catch to local dealers, who, however, were under bond to ship them on to some American port. They could not be used for local consumption.

After the fishing boats became accustomed to going to Canadian ports and the industry was being generally diverted to these ports and business connections established the Canadian Government deemed it fitting to make a further order in council with the specific purpose of centering this industry at Prince Rupert and in Canadian vessels. Again I call attention to the facility with which they make legislative enactments to meet

special conditions and to overcome special difficulties or accomplish definite purposes. Another order in council was passed prohibiting absolutely the shipment of any American cargoes out of Canada in any way except by rail.

The following is taken from the United States Consular Reports, dated at Prince Rupert, British Columbia, June 9, 1916:

The minister of customs of the Dominion of Canada has made a regulation under authority given him by the Dominion order in council of March 9, 1915.

I referred to this a moment ago as another order in council. It apparently is not exactly an order in council, but it is a regulation which the minister of customs was authorized to make under the 1915 order. It amounts to the same thing as a new order in council, amending the former one:

This order in council permitted American fishing vessels to sell their catches in the ports of British Columbia, but the same must be shipped in bond to the United States, and it authorized the minister of customs to make regulations for its carrying out.

The present regulation is to the effect that fish sold by American vessels in British Columbia ports must be shipped to the United States by rail only and may not be sent by steamship to American ports.

This not only stops all shipments by water but it prevented sorting and grading, as none could be shipped to the Pacific coast ports because there is no rail connection. Thus, the entire cargo had to be shipped by rail to the Eastern States. This placed a most serious handicap on American firms and vessels, and, in fact, placed a valuation on fish caught by Canadian vessels of from 25 to 33⅓ per cent above that paid for fish caught by Americans. The Canadian could sell his fish for consumption in Canada. He could send them to the Pacific coast markets and also to the East. In other words, he had three clear markets for his fish, while the American vessel was compelled to ship its fish ungraded and unsorted only to the Eastern States.

Mr. SIMMONS. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from North Carolina?

Mr. JONES. Yes; I yield to the Senator.

Mr. SIMMONS. It was stated to the committee that by authority either of an order in council or by some action of the department—I do not now recall which—there was an absolute prohibition against the sale of fish caught by American fishermen at any point in Canada.

Mr. JONES. For local consumption.

Mr. SIMMONS. For local consumption.

Mr. JONES. Oh, yes. I have read that in the order in council here.

Mr. SIMMONS. I was not present when the Senator did so.

Mr. JONES. Yes; that is specifically mentioned in the order in council which I have read.

Mr. President, by a recent order issued at Ottawa an American in need of ice, bait, or other supplies can not get the same unless the master declares that he will return to a Canadian port with his catch of fish in order to ship the same by rail to American markets. I think I have here a copy of that order, which I desire to read. I sometimes wish that we had a system of legislation like they have up in Canada, and that we would put it in operation.

This order reads as follows:

During the present calendar year (1916) foreigners or foreign corporations bringing fresh fish in vessels registered in the United States to any port in British Columbia shall be permited to land such fresh fish at such port without the payment of duties, and transship the same in bond to any port in the United States, or to sell such fish in bond to such local dealer or dealers as may be properly and duly licensed therefor under the regulations and conditions hereinafter mentioned, which dealer or dealers shall export the same in compliance with the bonding requirements, but without the right, however—

This is what the Senator from North Carolina called attention to; it is reinserted in the order in council in 1916—

but without the right, however, in either instance, to sell in Canada for consumption therein or otherwise, except in bond, any of such fresh fish so landed; and such foreigners and foreign corporations bringing fresh fish in vessels registered in the United States of America to any port in the said Province of British Columbia, shall be permitted to purchase bait and supplies, and ship crews for such vessels at any port in the said Province of British Columbia: *Provided*—

Now note, Mr. President, the condition imposed by this legislation upon shippers desiring to purchase supplies or ship through:

Provided, also, That such foreigners and foreign corporations, before bringing fresh fish to a port in British Columbia, may be permitted to purchase bait at any port in said Province of British Columbia upon an undertaking to the satisfaction of the minister of customs that catches of fish made with any baiting so supplied shall be landed at any port on the mainland of British Columbia, and be thence forwarded in bond to a port in the United States, the whole under such regulations and conditions as the minister of customs may determine.

It also appears that when an American vessel has discharged her fish at a Canadian port and may be inclined to go to an American port for supplies it is hinted to her master that relations will be more cordial and it will be to his interest to invest his money and buy his supplies at a Canadian port.

I have here a letter from a fish dealer in Seattle under date of August 4, 1916, in which he says:

Just this week fishing vessels have arrived that have taken bait and ice in British Columbia but did not go back there with their catch, and they have been blacklisted and denied the privilege of again entering a British port and discharge cargo, and one of them, calling again for bait at a Canadian port, the Canadian dealer refused to supply him with any, having been listed as one of the undesirable by this Government that is working so hard to benefit the American fishermen.

That last sentence is put in there in that way because it has been suggested that the Canadian officials claim that they have established at Vancouver facilities in the interests of American fishermen rather than in their own interests. That explains the last sentence I have read.

So, Mr. President, under this last order an American ship going up there and getting supplies will be at once blacklisted unless it brings its catches back into Canadian ports.

Contrast the treatment accorded Americans by Canada with the treatment accorded Canadians by this country. Note the disadvantages of the one and the advantages of the other under the latest regulations. American fish can not be sold in Canada for home consumption. Canadian fish can be sold in Canada for home consumption and may be taken to and sold in any American port free of duty. American fish can be transshipped from a Canadian port only in bond to an American market and only by rail.

A vessel coming in from sea with a load of fish should grade, sort, and size them, as no market seems capable of handling all grades to the best advantage. Under Canadian regulations, however, the American catch must be placed in cars without grading or sorting and shipped by the only rail route leading across the continent, and the entire catch, good or bad, large or small, dumped in our eastern markets ungraded. The Canadian vessel, which has caught its fish on the Alaskan banks, alongside the American vessel, reaches port at the same time with American fish. She can grade her fish and sort them, send what she desires to the American eastern markets, sell some for home consumption, and bring the remainder to our Pacific coast markets.

An American firm buying halibut for the western and Pacific coast markets can not buy American fish, but must buy fish from the Canadian ships. The Canadian firm can buy Canadian fish for any market and can buy such American fish as it desires for the eastern American market.

The situation is well described in a letter from the National Independent Fisheries Co., of Seattle, as follows:

No doubt you are also aware that a few months ago they made a new interpretation of an order passed in council something like a year or two ago this being that no American fish can be shipped from a Canadian port to an American port unless it is shipped via rail. There is absolutely no way in the world that we can ship via rail from Prince Rupert to Seattle and do it in such a manner that the fish would arrive in usable condition. Neither is there any reason why, after a law is in operation for a year, that they should find a new interpretation which will operate directly and only against the American interests in Prince Rupert. At present two-thirds of the halibut industry is being carried on at Prince Rupert. In other words, the United States fishing industry on the Pacific coast is a thing of the past, at least the halibut part of it is, and now that they have a few American companies located at Prince Rupert they are proceeding to drive them out because they have fulfilled their purpose, the initial purpose being that if American companies would come to Prince Rupert naturally the American boats would follow. They now have the American boats, so they are proceeding to drive out the American companies, and they will soon buy fish at their own price. In fact, practically all of the halibut that is brought into Prince Rupert is bought at a margin of from 1 cent to 5 cents per pound less than what we are paying for the same fish at Seattle.

It will do no good to put a small duty on fish shipped from Canada to the United States, because a number of years ago, when there was a duty of 1 cent per pound, the Canadian Pacific Railway rebated this amount to the shipper. If at any time a duty on fish is to be enacted, it should be made high enough to make it impossible for the Canadian railways to rebate the duty.

We can also say that the Canadian people claim that shipping the fish from Prince Rupert means cheaper fish for the public. We can positively show by present statistics that prices on halibut since the opening of the Grand Trunk road from Prince Rupert have been higher than ever before in Boston, New York, Chicago, Buffalo, and in fact all the Middle West and East.

The Booth Fisheries Co., of Seattle, says:

I understand the Canadian Government or its representatives claim that they are not trying in any way to injure the halibut business or fishing industry of the United States, but they are simply trying to encourage Americans to come into Prince Rupert and do business; but they do not explain to you that when they get us there we are entirely in their hands.

I understand that the only rail connection with Prince Rupert is to the eastern points. The only other place in Canada where there is rail connection is down at Vancouver, and under this order in council that prohibits the shipment except by rail into the United States, fish that are brought into Prince Rupert that

are not desirable to ship into the eastern market must be taken by boat from Prince Rupert to another Canadian port where there is rail connection. The only one is Vancouver. So they have to take them there by boat and then transship them by rail. For a while they could not do that. The Canadian Pacific raised some objection because they were not able to take any of those fish to the eastern market. So by a regulation right off the trigger they amended the order in council or construed it by a new regulation, so that they could ship out of Vancouver.

Now, you can readily see what effect this would have on fresh fish.

This last arrangement, Mr. President, occurred before the latest regulation or order in council. They have modified the order so as to assist the Canadian Pacific Railway Co.

In reference to the effect of this regulation in regard to fishermen, I desire to read an extract from a very comprehensive statement prepared by the Chamber of Commerce of Seattle that came to hand after I had prepared the other. The writer says:

At the present, American fishermen may accompany American vessels to Canada and temporarily are accorded permission to reship on other American vessels in Canada. They must not, however, under restrictions imposed by order in council, go from Puget Sound to British Columbia for the purpose of joining an American vessel there, and any shortage which occurs in an American fishing crew in Canada entails filling the vacancy with a Canadian fisherman, unless there is an American fisherman available who has been discharged in Canada from some other vessel. The objections interposed to the coming into Canada of Americans of the working classes has even been applied to prevent American houses from sending bookkeepers from Puget Sound to handle accounts at the Prince Rupert branches.

Yet they say they are doing all this in the interest of America; that they are not discriminating against us; and if we try to protect ourselves they threaten us with retaliation, as I shall show a little later on.

The result of all these regulations, discriminations, and special inducements is to center at Prince Rupert the halibut industry of the Pacific coast, through which the almost entire supply of the eastern market comes. The American fishing fleet has been drawn to Canadian ports and the benefits from this important industry are being transferred to Canada. American ships are giving up American registry and are registering in Canada, just as they hoped to accomplish, as expressed in one of the whereases in the order in council which I read. Sailors and fishermen are transferring their homes from the United States to Canada. The United States is, in fact, furnishing a great resource for Canada. It is also supplying the market for Canada and it is also paying to Canada American money for a real American product. American money is being largely disbursed at a Canadian port, and largely remains there for an American product to supply an American market.

What are we doing to remedy this? Prior to this amendment here we have been doing nothing. Apparently we have not even protested against these unfair and unjust discriminations. Two years ago the serious effect which the opening of a new Canadian port with rail connections would have upon our Pacific shipping and commercial interests was called to the attention of the Government. Nothing was done. Eighteen months ago a delegation of some of the best business men from Washington and Alaska came here for the purpose of securing regulations or legislation which would prevent the anticipated effect. Nothing was accomplished, and the committee went home completely discouraged. The administration would not consider at all suggestions of a tariff to meet the situation.

I want to say, Mr. President, that the Secretary of Commerce gave the other committee every consideration and did everything in his power to secure or to find some method to meet the situation there and to meet this discrimination. We have had his hearty cooperation at all times in trying to work out a solution of this matter. The department has submitted a report on the condition and has taken a strong stand in favor of the amendment which was incorporated in a bill introduced in the House of Representatives.

This bill as introduced would meet the situation fully and fairly. It would place American fish in American markets on an equal footing with Canadian fish. It would not, of course, do away with the prohibition against the sale of American fish for consumption in Canadian markets, but it would place the Canadians upon an equality with the Americans in the American markets. It would encourage American capital, American fishermen, and American industry in American ports. American fishermen would take their fish into American ports, where they could be met with ferries connecting with the Grand Trunk Railroad, if it was necessary to have the fish shipped over the Grand Trunk Railroad. In fact, all that the Grand Trunk Railroad would have to do would be to establish a regular ferry service between some Alaskan port to which the American fishing fleet would bring its cargoes. This would also be less expensive to American ships than to have to go to Prince Rupert. This bill—now incorporated as an amendment to this bill—seems to meet with the hearty approval of the Department of Commerce. It very strongly urged its passage. The bill was being favorably considered by the Ways and Means Committee of the House and there was every prospect that it would be favorably reported. The Canadian Government heard of the measure. It acted promptly in the interests of its people and industry, and on July 12 the Department of State received an informal and confidential communication from the British ambassador stating that the Canadian Government had requested him to say that the passage of H. R. 15839 might affect the friendly relations of the two countries.

Canada and Great Britain are very prompt to act locally in the interest of their own people and they are also very prompt to act in their dealings with other Governments in the interest of their own people, and, as I said, immediately upon the reading of this bill they got busy. I have here a letter from the State Department, under the date of July 31, which I will read. I asked for information with reference to this matter. I had heard that the Canadian Government had protested against this legislation, and I asked the State Department for the facts, and this is what the department writes:

On July 12 the department received an informal and confidential communication from the British ambassador stating that the Canadian Government had requested him to say that the passage of House bill 15839 would affect the relations of the two countries and might cause the Canadian Government to enact retaliatory legislation.

There were no further details in the letter. The bill in the House was held up on this information being conveyed to it; no report could be secured. Apparently we could not legislate in our own interests without the consent of Great Britain. They could continue to discriminate against us. We could not legislate for fear of additional retaliation on their part.

I am glad that the Senate committee did not yield to such a protest. I am glad that the committee have inserted a provision in this bill to meet our own needs and our own conditions and our own situation, and that they are not deterred from taking this action by the fear that Great Britain or Canada may retaliate if we enact this legislation.

Mr. President, is it conceivable that in the face of regulations such as I have read here, in the fact of discriminations plain and palpable against our citizens, Canada or Great Britain would really have the effrontery to suggest to us that if we enact this legislation they would retaliate?

Mr. THOMAS. I think I am authorized to say that no such intimation was made to the committee at any time during the consideration of the amendment. Of course it would have reported the amendment in any event.

Mr. JONES. What is proposed is a small piece of legislation; but without it we surrender the fisheries of our North Pacific coast to the British Empire. We have no industry more important to the development of our northern coast, and, above all, we should encourage and hold under our flag the seafaring class of citizenship, and this bill will do it. It does not interfere with Canadian vessels in our markets or theirs. It simply brings the fish caught for our markets directly to our ports, and from there in bond, if they take a Canadian route across the continent.

What will the Senate do in the matter? Will we submit supinely to the declaration of Great Britain in a matter affecting vitally the interests of our people and refrain from doing what we have a perfect right to do and what any self-respecting, independent Government would do in behalf of its citizens, capital, and industry?

In conclusion, Mr. President, I want to read the last paragraph of a protest prepared by the Seattle Chamber of Commerce, which very clearly and concisely summarizes the whole situation:

What would be the inevitable result of further permitting present conditions?

They ask this question, and then they answer:

No. 1. A purely American industry would be permanently diverted from American to Canadian ports.

No. 2. The $5,000,000 capital investment of American citizens would become valueless and be absorbed by Canada.

No. 3. The fishing fleet, numbering hundreds of vessels, would pass from American to Canadian registry.

No. 4. Thousands of American fishermen would eventually be displaced by Canadian subjects.

No. 5. American transportation companies—water and rail—would be robbed of the transportation of fish caught on our own coasts destined to American markets.

No. 6. American commerce would lose the trade benefits incidental to operation of this $5,000,000 industry, yet in its infancy.

No. 7. The control of a valuable American food supply and of its cost to American consumers would pass from the United States to Canada.

The judgment of a Solomon is not a requisite to a just determination of the question. Shall we rob Americans of the results of their enterprising industry at the instance and for the benefit of Canada, or shall we conserve American interests regardless of Canadian protests, confident in the knowledge that our act of self-preservation imposes no unfair competition on like interests of Canada? There can be but one answer. Self-preservation is the first law. If we destroy ourselves, we must gain but the contempt of other nations, who attribute our concessions to inefficiency or fear.

To acquiesce in the protest by Great Britain in the face of the evidence is to shame the spirit of '76 and to humbly and submissively extend our wrists to be manacled as evidence of our commercial and industrial vassalage. We therefore voice our protest on behalf of American institutions and ask the small protection for our industry and our employees that would be afforded—

By this amendment.

Mr. President, as I said before, I am very glad indeed to see that the committee has put this amendment on the bill. I heartily commend it, and I trust that not only will the Senate accept it, but that when the matter goes to conference there will be no question about it being accepted and made a part of our law in the interest of our own people and of our own industries.

Mr. McCUMBER. Mr. President, with the advent of another Democratic administration of the affairs of this Government, history, following the inevitable rule that like causes will always produce like results under like conditions, has recorded again its usual verdict, "Treasury deficit." This verdict is no surprise to those who have studied the application of Democratic policies to the fiscal affairs of this country for years. Every line of the past history of that party may well be written in that single word "deficit," and every prophecy of its future expressed in the same word.

That party came into power on March 4, 1913. It enacted its new tariff law October 3 of the same year. That law had not been enacted six months before it foreshadowed the usual deficit, that the ordinary revenues of the Government would not meet the ordinary expenses of government. Worse than that, Mr. President, it showed that even the extraordinary taxes levied under that law would not meet the operating expenses of government.

Notwithstanding the fact that the new administration, after collecting revenues through tariff and ordinary internal-tax methods, reached the hand of direct taxation into the pockets of the American people and drew from them an extra $30,813,640 from income during the fiscal year ending June 30, 1914, and another $47,283,714, corporation tax for the same year, or a total of $78,097,354, it was compelled to admit, even with that addition to the Treasury, that it was still $100,000,000 short, and a new revenue bill was introduced in Congress on September 21, 1914, to meet that shortage.

This country, then at peace and at a time when world conditions were specially favorable to us, was forced to levy an additional and burdensome war tax on its people. With an ever-increasing importation of foreign goods, due to our tariff act of 1913, displacing our own products in our own markets, thereby diminishing the consumption of those products in that market, and depriving our farmers and our manufacturers and our laborers of their legitimate profits in producing them, we were compelled to add further to their discomfort by devising new methods of taxation to separate them from their earnings.

During the fiscal year ending June 30, 1915, in addition to our customs duties and our ordinary internal revenues, the present administration collected in round numbers $52,000,000 from its war-revenue measure and about eighty million from income taxes, or $132,000,000 in extraordinary taxes. And yet, Mr. President, notwithstanding that additional draft on our people, our expenses exceeded our income that year by $57,442,509. During that year we had not added to our Army or our Navy program. There was not one extra dollar for preparedness.

Excuses were made that the war in Europe had so checked importations that the customs duties would fall below the Treasury estimates. The administration attempted to excuse its maladjustment of customs duties on that ground. But, Mr. President, that claim is more than refuted. It is confounded by the actual facts. For notwithstanding this great war which did check the importations of some commodities of manufacture, the first two years of the operation of this revenue law show imports nearly equal to the imports under the last year of the Republican tariff law, and the year 1916 shows the greatest importation ever recorded in our history. Still our income therefrom is going ever lower and lower, as our markets are being supplanted more and more by this unscientific, un-American tariff bill.

Let the following table of imports and revenues which I shall ask to insert in my remarks speak not only the gradual surrender of our markets to the foreigner but also the gradual decrease in the revenues heretofore charged to the foreigner for the privilege of sharing our better markets. I ask unanimous consent that the table referred to be inserted at this point.

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Without objection, it is so ordered.

The table referred to is as follows:

	Amount.	Revenues collected.	Per cent collected.	Loss.
Imports 1912, Republican law.	$1,818,000,000	$326,340,000	18	.....
Imports 1913, 9 months Republican, 3 months Democratic	1,792,250,000	310,800,000	17.4	.....
Imports 1914, Democratic 5 months; war	1,789,250,000	241,250,000	13.5	$85,090,000
Imports 1915, Democratic, all war year	1,778,600,000	198,606,000	11.1	127,634,000
Imports 1916, Democratic, all war year	2,197,883,000	211,866,000	9.72	114,474,000

Mr. McCUMBER. You will observe, Mr. President, by this table that instead of the importations being checked by this war, the year ending June 30, 1916, shows an increase of $379,800,000 over the year ending June 30, 1912, and $405,630,000 over the year ending June 30, 1913. When I refer to any year I am speaking of the fiscal year ending June 30.

Glancing at the revenue column of this table we will find that on our importations for 1912, under a Republican tariff, we collected $326,340,000. In the year 1914, nine months of which were under the Democratic tariff law, with an importation of nearly the same amount, we collected only $241,250,000, or a loss of $85,000,000. For the year 1915, with nearly the same volume of importations, our receipts were only $198,606,000, or a loss of $127,730,000; and for the year 1916, with an importation of goods nearly half a billion dollars more than in the year 1912, we collected in revenue only $211,866,000, or $114,470,000 less than we collected in 1912. Had we retained the average Republican duty on the importations of 1916, our revenue therefrom would have been $395,619,000, instead of $211,866,000, the amount collected, or a saving of $183,753,000.

Running through the column showing the percentage which the collection of revenue bears to the imports, we find for the year 1912, under the Republican tariff law, we collected 18 per cent; in 1913, nine months Republican administration, 17.4; in 1914, under the Democratic tariff law, 13.5; in 1915, under the Democratic tariff law, 11.1; and in 1916, under the Democratic tariff law, 9.72. It will be observed, therefore, that in the three years of the operation of the Democratic tariff law the percentage of collections to the amount of our importations fell from 18 to 9.72 per cent.

As the importations go up and displace our own products—and, therefore, ought to put a greater amount into the Treasury—both the average rate of duties paid and the amount collected go down. If that is not frenzied finance, I do not know the proper name to apply to it.

Mr. President, since the present administration came into power it has spent most of its time in searching for additional sources of taxation, scanning every field of production to find some business or some property upon which it could levy a tax.

In the law of 1913 additional tolls were exacted from manufacturers of and dealers in tobacco. An increased tax was laid on wines and liquors. You then levied a toll upon every banker and broker. You taxed theaters, circuses, shows, and pool halls. You then hunted up the commission merchants and taxed them. Then you made every man who gave a note, a bond, a deed, or a power of attorney pay heavy tribute to your demands. You made every man who took out an insurance policy, who made a bill of sale or a bill of lading, answer to your demand for cash. You held up every man who bought a ship ticket, every man who sent a telegram or a telephone message. You levied a tax on every man who entered a sleeping car or a parlor car. You charged a tax to every woman who bought a bottle of perfume or a toilet article of any character. Still the leakage is greater than the supply.

Now comes the demand for a still greater increase in our taxes, a deeper plunge into the pockets of the taxpayers. But here you dare not load that tax burden directly on all the people. You are fearful that it will be resented by an army of voters at the November election, and so you seek to so adjust it that the number who suffer will be comparatively few, ignoring the juster rule that in times of peace each person should share in the support of his Government in proportion to his means, and that only in times of war or great distress is the Government justified in confiscating the fortunes of the individual to subserve the interests of the Nation.

Mr. President, the $130,000,000 which we are called upon to raise to defray the expenses of defending our border is the price we are paying for our first experience in attempting to dictate to an independent country who should and who should not be a candidate for office in that country. It is the penalty

which we are called upon to pay for the attempted conversion of the right of the Executive of this country to refuse to recognize the head of another Government into the right to persecute, drive into exile, and hound to death the head of another Government. It is the penalty we pay for invading that country, killing its citizens in furtherance of a set purpose to destroy an individual citizen of that country. It is the harvest of hatred which we are reaping through our arrogant demands and unwarranted war upon President Huerta.

And, Mr. President, $130,000,000 is but the beginning. It covers the expenses, not for the fiscal year, but only up to December 1, a little more than two months, and it is admitted that another $80,000,000 will be needed if the defense of our border is continued.

However, this excessive taxation is not to pay this $130,000,000. That sum is to be met by a bond issue, whose principal and interest are to be taken care of by the next Republican administration. Neither is the ship-purchase bill, involving $50,000,000, included in the extra expense for which we are exacting further taxes from the public. Neither is the nitrate plant, involving another $20,000,000, included in these extra expenses. All these are to be met by a bond issue, to be shouldered onto the next administration. Two hundred millions is to be met by such bond issue in addition to the amount that must be raised by taxation.

What, then, are the extraordinary expenses that must be cared for by a further levy of exorbitant war taxes? Preparedness! That is, preparedness in addition to the usual charges incident to the normal development of our Army and Navy and fortifications. The appropriations for the fiscal year 1916 for this purpose must be regarded as the normal expenditure. That appropriation totaled $257,696,277. The appropriation for the same war purposes for the fiscal year 1917 totals $606,664,675. The preparedness increase, therefore, amounts to a difference of $348,968,398.

It is admitted that the deficiency bills will carry from $40,000,000 to $42,000,000 additional for preparedness, making a total of about $390,000,000 that may be properly charged to the additional preparedness program.

But your appropriation bills for 1917, including deficiency appropriation bills, will carry more than $1,630,000,000. The appropriations for 1916 were a little less than $1,115,000,000. The appropriations for 1917 therefore exceed those of 1916 by $515,000,000.

The preparedness is but $390,000,000, leaving an excess of other expenditures of $225,000,000. That sum represents the extraordinary and ever-increasing extravagances of this administration, in the face of an ever-diminishing income, demanding an ever-increasing tax burden and bonded indebtedness to meet it.

I ask leave to insert here a table showing the several items of the 1916 and 1917 appropriation bills for more detailed comparison.

The PRESIDING OFFICER. Without objection, that course will be pursued.

The matter referred to is as follows:

Appropriations for 1916 compared with same for 1917.

Title of bill.	Law, 1916.	Amount for 1917.
Agriculture	$22,971,782.00	$24,948,852.00
Army	101,974,195.87	267,596,530.10
Diplomatic and consular	4,061,280.01	5,355,096.66
District of Columbia	11,859,583.45	12,841,907.10
Fortifications	6,060,216.90	25,748,050.00
Indian	9,771,902.76	10,967,644.88
Legislative, etc	36,904,799.75	37,925,690.25
Military Academy	1,069,813.37	1,225,043.57
Navy	149,661,864.88	313,300,095.84
Pension	164,100,000.00	158,065,000.00
Post office	313,364,667.00	322,937,679.00
River and harbor	30,000,000.00	40,598,135.00
Sundry civil	126,922,750.79	128,299,285.24
Total	978,722,857.78	1,349,809,009.64
Deficiencies	12,316,343.90	[1]72,500,000.00
Miscellaneous	2,330,603.34	[1]85,000,000.00
Permanent annual and indefinite appropriations	121,567,207.00	123,074,673.00
Total	1,114,937,012.02	1,630,383,682.64

[1] This amount is approximated.

Increase 1917 over 1916, $515,446,670.62.

Mr. McCUMBER. Mr. President, these increasing extravagances and growing deficits become the more glaring and inexcusable when we remember that without any of these war tax levies, previous Republican administrations, through the ordinary channels of Federal tax levies, and with very little interference with those subjects of taxation left to the State for the conduct of State and municipal affairs, expended for the Panama Canal more than $300,000,000, carried to a successful issue the war with Spain and maintained armies in the Philippines at a cost estimated more than a billion dollars, paid principal and interest on all bonds issued therefor, met the demands of pension legislation when it was at its highest point in our history, and issued bonds only to cover a small portion of the expenses of the Panama Canal of about $134,000,000, and turned over to Democracy, March 4, 1913, a well-filled treasury.

Our appropriation bills show that in 1911 we appropriated $87,855,000 for the Panama Canal; in 1912, the last year of Republican administration of the affairs of the country, $45,560,000. Your 1916 appropriation for the Panama Canal was but $16,940,000 as against the Republican appropriation for 1911 of $87,855,000, or a saving of $70,915,000, or, as compared with our 1912 expense, a saving of $28,620,000.

The last year of the Republican administration we appropriated for pensions for the year ending June 30, 1913, $165,000,000. Your 1917 appropriation bill calls for $158,000,000. On that you have been relieved of $7,000,000.

Notwithstanding that you have been relieved of these heavy expenses which Republican administrations met out of the ordinary revenues; notwithstanding the fact that by invading the tax domains of the State, you collected for the year 1916 by new tax levies, over and above the 1915 tax levies on incomes an increase of $44,735,000, on ordinary revenues an increase of $52,306,000, or a total increase of $97,000,000, still you are demanding that the jackscrew of taxation shall be applied with mightier power to squeeze out additional dollars to meet your extravagant appropriations.

And outside of these additional expenses for preparedness, what great benefit is the country to receive? Your only unanswerable answer is that you have made positions for about 30,000 deserving Democrats. You have created that many new offices. You have established an additional annual charge of $40,000,000 to pay their salaries. I am forced to admit the truth of that answer. You were office hungry when you came into control. Your generals, your colonels, your captains, your corporals had received no compensation for their fidelity for 16 years. Your first impulse in assuming the reins of government was to open the Treasury vault that your army might be fed.

No sooner were the heads of some of the departments settled in their positions than a systematic assault on all Republican officeholders, that must have been premeditated, was inaugurated. Charges of the most frivolous character were immediately made against every postmaster in my State in charge of an important office who had more than a year to serve, and telegrams were sent to them asking for their immediate resignations. The mails were too slow for your purpose. The same process was inaugurated with reference to land offices and other Federal positions in the State. There has not been a piece of what you call constructive legislation that the merits of the bill have not been subordinated to the demand for official places. Constructive legislation, like the rural-credits bill, has been made top-heavy, complex, expensive, and absolutely worthless that a few positions might be secured.

Mr. President, since this administration came into power all industrial progress has been checked. There have been no new lines of railway. The rolling stock of the railway companies of the country has not been even kept up to the standard. No new factories, no new lines of business, have been established, except to supply the demand of the European war. We propose now to increase our bond issue $130,000,000 for defense against Mexico, $50,000,000 for the ship-purchase bill, $20,000,000 for a nitrate plant—$200,000,000. I do not criticize bond issues by a Democratic administration. I believe such issues represent the normal workings of that party when in control of the Government. The only fault I find is that, instead of levying excessive taxes to cover the country's losses due to their maladministration, those losses should be measured by a bond issue. If the Democratic Party would only fund its deficit and the sums of money raised by additional taxes, war taxes, and so forth, into a bond issue, the total would always be the measure of Democratic inefficiency more easily understood by the public. It would be a clear and simple way of striking a balance between the policies of the two great parties touching revenue and expenses. If we should fund into a bond issue the losses of the people due to such administration, it would amount to billions yearly.

Mr. President, the American people have never been so successful, have never been so free from burdensome taxes, as when such taxes have been levied on imports and the usual internal-revenue tax. Those simple methods have furnished

sufficient revenue for all ordinary purposes of government. Whenever a Democratic administration has had control of the country, it has adopted a tariff schedule which has checked our industries, surrendered our markets, and vastly diminished our receipts from customs. So, too, whenever that party has obtained control it has increased our expenses without in the slightest degree reducing the cost of living or in any way benefiting the public. Therefore I am in favor of issuing Government bonds rather than submitting the people to further extortionate taxation. The issue of bonds would serve three purposes: First, it would give proof of Democratic inefficiency and stand as a danger signal to the public; second, it would save the people from the double and treble taxation necessary to meet our losses; third, it could be met and taken care of by the next incoming Republican administration through the proper adjustment of customs duties in conjunction with the usual internal revenues.

Mr. President, we ought not to have any Federal income tax in times of peace. We ought not to levy any of the added taxes mentioned in this revenue bill in time of peace. This bill invades the recognized exclusive rights of the States. We are living in a most progressive age. The people of our cities as well as of the country are demanding greater and ever greater conveniences and higher and ever higher standards of living. To meet these demands every town and city and State is adding enormously to its tax burden. The State can not levy taxes upon imports. It must seek its revenue by direct taxation, by taxes on incomes, on inheritances. It must secure its funds from licenses on divers lines of business. The policy of the Government, which represents the people of every State, ought to refrain as much as possible from invading these fields of State revenue. We ought not to duplicate State taxation. We ought not to double taxation. We ought to be able to meet the expenses of this Government by customs duties supplemented by the internal revenue derived from the liquor and tobacco stamp tax; and, Mr. President, we could meet them by a proper adjustment of such customs and internal revenues.

Mr. President, few people realize to what extent the present industrial welfare of this country is dependent upon the European war and the crash that will inevitably follow the moment peace is declared unless we return to our protective policy. So long as we can feed, munition, and clothe their armies our agricultural and manufacturing welfare is secure. The moment that war demand ceases every industry based on that demand will come toppling to the earth.

Mr. President, the increase in our exports due to war demands amounts to at least $2,000,000,000. It follows that the close of this war will entirely eliminate that much of our export business, which alone has sustained this Government since the advent of the new administration. When Europe turns its present army of destroyers and consumers into producers, with all their energies accentuated to make good their losses and all their habits schooled by necessity to the most rigid economy in consumption, her people will purchase from us less than before the war.

Mr. President, the year ending June 30, 1914, just before the conflagration of war burst forth in Europe, was a normal export year in the United States. In order to determine just what influence this war has exerted on our industrial destiny, just to what extent it has saved us from an industrial catastrophe, I have prepared a table covering 36 items of export products which feed, arm, munition, clothe, and keep an army, showing the exports of those articles during the normal year of 1914 and the year 1916.

I ask permission, Mr. President, to have inserted this table.

The PRESIDING OFFICER. Without objection, that course will be pursued.

The matter referred to is as follows:

Exports of domestic merchandise used as war materials for fiscal year ending June 30, 1914, before the war, and for the corresponding period ending June 30, 1916, showing normal exports in 1914 and increases due to war for 1916, which will drop to normal when war is ended.

[Taken from Monthly Summary of Foreign Commerce for June, 1916, Department of Commerce.]

Article.	Year ending 1914.	Year ending 1916.	Increase.	Increase.
				Per cent.
Horses	$3,388,819	$73,531,146	$70,142,327	2,060
Mules	690,819	22,946,312	22,255,338	3,320
Brass and manufactures of brass	7,472,476	164,876,044	157,403,568	2,100
Breadstuff, flour, etc	165,302,385	435,696,629	170,394,244	103
Aeroplanes and parts	226,149	7,002,005	6,775,856	3,000
Automobiles and parts	33,198,806	120,000,866	86,802,060	260
Railway cars	11,177,766	26,661,015	15,483,249	139
Sulphuric acid	125,892	1,990,532	1,864,640	1,500
Other acids	357,035	22,717,335	22,360,300	6,200
Other chemicals	9,019,582	56,091,428	47,070,846	521
Cotton knit goods	2,222,533	20,861,288	18,638,755	833
Explosives	6,272,197	467,081,928	460,809,731	7,400
Canned salmon	7,999,293	15,032,497	7,033,204	87
Rubber, manufactures of	12,441,220	35,180,006	22,738,876	180
Steel rods and bars	7,392,163	37,693,359	30,301,196	590
Firearms	3,442,297	18,065,485	14,623,188	420
Horseshoes	98,835	2,135,079	2,036,244	2,070
Railway locomotives	3,692,225	12,665,877	8,973,652	243
Nails and spikes	2,599,485	10,142,793	7,543,308	281
Barbed wire	4,039,590	23,909,209	19,869,619	490
Other wire	3,799,561	16,052,030	12,252,469	340
Other manufactures of iron and steel	18,230,560	138,905,456	120,674,896	660
Men's shoes	10,117,965	36,889,966	26,772,001	260
Harness and saddles	786,455	7,529,720	6,743,265	850
Canned beef	$461,901	$9,353,450	$8,891,549	1,900
Bacon	25,879,056	78,615,616	52,736,560	205
Hams and shoulders	23,767,447	40,803,022	27,035,575	110
Cheese	414,124	7,430,089	7,015,965	1,600
Condensed milk	1,341,140	12,404,384	11,063,244	820
Fuel oil	13,747,863	24,770,296	11,022,433	80
Lubricating oil	27,852,959	37,451,607	9,598,648	34
Naphthas, etc	5,653,210	29,472,233	23,819,023	420
Alcohol	67,728	8,784,742	8,717,014	13,000
Beans and peas, dried	875,493	5,914,198	5,038,705	570
Sugar, refined	1,839,983	79,390,147	77,550,164	4,200
Wearing apparel, wool	2,148,235	19,368,501	17,220,266	700
Total increases due to war on 36 articles			1,740,271,978	

Exports of domestic merchandise used as war materials, etc.—Continued.

Mr. McCUMBER. I should like Senators to listen to just a few of these changes and note to what an extent we are dependent upon this European war for our prosperity.

In the year 1914 we exported $3,000,000 worth of horses; in the year 1916, $73,000,000 worth, an increase of 2,060 per cent.

We exported of mules in the year 1914, $690,000 worth; in 1916, $22,000,000 worth, or an increase of 3,320 per cent.

In brass and manufactures of brass we exported in 1914 $7,000,000 worth; in 1916, $164,000,000 worth, or 2,100 per cent increase.

We exported in aeroplanes in 1914, $226,000 worth; in 1916, $7,000,000 worth, an increase of 3,090 per cent.

We exported in 1914 of automobiles and parts $33,000,000 worth; in 1916, $120,000,000 worth, or 260 per cent increase.

We exported of sulphuric acid in 1914 $125,000 worth; in 1916, nearly $2,000,000 worth, or 1,500 per cent increase.

Of other acids we exported $357,000 worth in 1914 and $22,000,000 worth in 1916, or 6,200 per cent increase.

Of explosives we exported in 1914 $6,000,000 worth; in 1916, $460,000,000 worth, or 7,400 per cent increase.

Our horseshoes increased 2,070 per cent, our barbed wire 490 per cent, our manufactures of iron and steel 660 per cent, and so on through this list of 36 articles.

The total increase on these 36 articles alone, due to war demands, is $1,740,271,978. Were we to include the hundreds of less important items called for by this war, our increase would be more than $2,000,000,000.

What will be the effect on our prosperity when this demand ceases? Hundreds of thousands of laborers will be thrown out of employment. Our markets will be flooded with the agricultural and manufactured products of the world. What, then, is our imperative duty to-day?

Mr. President, our paramount duty is to put ourselves in readiness to meet that condition. Our duty is industrial preparedness. How may we meet that duty? By a patriotic policy which shall assure the American market to the American producer; by a policy that will shield that market against foreign invasion so long as its demands can be supplied by our own citizens for a fair and reasonable compensation; by the reinstatement of our Republican policy of protection; by a return to a wise and economic administration of the affairs of the Government; by relieving our people from these excessive, annoying, unjust, unequal, and iniquitous systems of taxation.

Mr. WADSWORTH. Mr. President, it is not my purpose to discuss the relative merits of the policies of protection, a tariff for revenue only, or free trade, but to discuss some of the features of this bill and its effect upon the great constituency which in part I represent, and also the theory and practice of taxation which the bill exhibits.

I assume, Mr. President, that no one enjoys paying taxes. It is one of the necessary evils, however, which nearly every citizen is confronted with from time to time to a greater or less degree, made necessary by reason of the fact that Governments must be supported for the protection of society from the evils which grow up within and might destroy it, and from evils or

dangers which may arise outside of a society or a nation like the United States and threaten its existence.

The average man understands perfectly well that taxation is necessary, and he is willing to pay it with a reasonable degree of cheerfulness if he is under the distinct impression that he is getting a dollar's worth of service for the dollar which he contributes to the support of the Government, and also if he is under the impression that he is not taxed unjustly or out of proportion to his wealth or his ability to pay in comparison with his neighbor.

I assume it must be granted that the success of tax measures should be measured very largely by the ability of the legislative body to so impose taxes as to conform with those principles of fair play which every citizen, as a taxpayer, desires to see enforced.

To my mind, Mr. President, this bill, prepared in the conference of the Democratic Members of this body, and I assume representing the last and therefore the best thought of the Democratic Party, should be considered as the beginning of a new theory and practice of taxation in the United States so far as taxes levied by the Federal Government are concerned.

It has been repeated so often that I hesitate to repeat again, but, nevertheless, I shall to this extent, that up to this time, or up to the period of a year or two or three years ago, the Federal Government has been in a large measure dependent for its revenues upon the moneys collected at the customhouse and upon two or three forms of what might be termed direct taxation—taxes upon tobacco and taxes upon liquor—which taken together with the taxes upon imports have been relied upon to support the Federal Government. That theory and practice of taxation has existed, Mr. President, and has been accepted by the American people for a great number of years. I think it can not be denied that the people of the United States have never indicated by their votes or otherwise their desire to have that system changed to the extent that the chief burden of taxation should be borne by the citizens or any portion of the citizens of the United States in the form of a direct payment into the Treasury.

I think it can not be denied that the people have never registered their verdict upon the proposal of the Democratic majority that hereafter the Federal Government shall not rely upon indirect methods of taxation, but that in future it must rely and should rely upon the taxation of citizens directly. Apparently, however, the party in power is determined through its policy, a tariff for revenue only, which failed unfortunately to produce the revenue in a sufficient amount to meet the running expenses of the Government, from this time forth if it remains in power to raise the great bulk of Federal funds by direct taxes and to raise only incidental funds, if I may use that descriptive term, from indirect taxes.

So this bill, which, I take it, is the first serious effort of the Democracy to change the theory and practice of our Federal taxation system, should hold a peculiar significance to the people of this country. For one I doubt very much whether the great public of the United States realizes the fundamental change in our theory of taxation as represented by the presentation of this bill and the avowed purpose of the Democracy to pass it and place it upon the statute books.

Mr. President, each and every State in this Union is almost entirely dependent upon direct taxes for the support of its own government and for the government of its counties and its municipalities. For the United States to commence upon a large scale, as this bill proposes, to duplicate, as it were, the direct taxes imposed upon the citizens within the States is a matter which should receive the careful consideration of every taxpaying citizen, and the careful consideration not only of this body and the House of Representatives but of every State legislature in the Union.

If once the Federal Government has embarked upon the imposition of direct taxes without limit there of course can be no prophesying as to the extent to which the Federal Government may or can go.

The duplication of taxes upon citizens within the State is not the only disturbing element in this new theory and practice, but there is another disturbing element in the fact that by reason of the necessity of selecting different industries or forms of business upon which to impose taxes the Congress of the United States may be tempted to indulge in grave injustice. I take it that we are human, that we are entirely willing, most of us, as representatives of constituencies great or small, if we have regard for our political future, and some of us have, to be able to go back to our constituents and say that by our votes they have not been subjected to any very heavy Federal taxation. I take it that as this theory and practice of direct taxation is enlarged and extended and as more resources must be developed for Federal taxation as the years go by, and therefore more industries selected upon which to impose taxes and more forms of business searched out upon which to impose the burden, we will have a repetition in the Congress of the United States of the raising of local issues, the voicing of local needs, and protests with which we are already so familiar in some of the great appropriation bills, and to which state of affairs there has been directed very severe criticism in recent years, and to which there has been given a definition, namely, "pork-barrel" legislation.

The gentlemen on this side of the Chamber have not been permitted to have anything to do with the writing of this measure. While it was being hammered together behind the doors of the Democratic conference only rumors of what was going on reached our ears. But to my mind some very significant rumors came floating through the cracks of that door, and they were to the effect that various Senators on the Democratic side, while the different forms of business and different industries were being selected by the Democratic conference to bear the burdens of taxation, protested in that conference on the ground that their political future in their home States would be jeopardized if such and such an industry were taxed.

Mr. President, I do not at this time direct any criticism at a Senator who thinks best to bring to bear that kind of argument when the matter of Federal taxes is under discussion and is being decided by a party conference. I do not take this opportunity to criticize the raising of local issues and injecting into such a discussion the political fortunes of individuals. But I do assert, Mr. President, that a bill such as this—and any other bill that is to follow in the Congresses to come, written along the lines of direct taxation imposed upon specially selected industries—will inevitably lead to that spirit of localization; will inevitably lead to a consideration on the part of individual Senators of their own political fortunes, and as a result these annual taxation measures, changing as I assume they will have to change from year to year in rates and amounts, if this theory is to continue under a continuance of power on the part of the Democratic Party—I assume that from year to year we will find the Congress of the United States legislating on the great matter of taxation in the "pork-barrel" spirit, precisely as the river and harbor bill is framed in regard to some of the States of the Union.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Ohio?

Mr. WADSWORTH. I yield to the Senator from Ohio.

Mr. POMERENE. I was very much interested in the statement which the Senator has just made, to the effect that he had heard that objections were made to sundry provisions of the bill because it might affect the political fortunes of certain Senators. Without discussing that question or what may or may not have been said, if it be a fault, did not the Senator himself here a short time ago object to the income tax because an undue proportion of it would bear upon the citizens of his own State?

If the Senators to whom the distinguished Senator from New York is now referring were guilty of anything improper, would not the same criticism lie against the Senator's argument when he was speaking against the proportion of the income tax which would be borne by his fellow citizens in his own State?

Mr. WADSWORTH. Mr. President, I would seek, in answer to the question of the Senator from Ohio, to divide my answer into two phases. In the first place, when I criticized, not the theory or the principle of the income tax, but the specific provisions of the present tax, I did it in the open, upon the floor of the Senate. Secondly, when I did protest in my humble way against the disproportionate amounts which some of the people of the State of New York are compelled to pay for the support of the Federal Government, I uttered that protest in the interest of justice in the matter of taxation. It is not confined to the State of New York; it extends to many other States.

I did it in connection, as I remember, with the so-called good-roads bill, which was to appropriate $85,000,000 out of the Federal Treasury to embark the Federal Government upon the building of good roads, and I called attention to the fact that the citizens of New York, acting on their own initiative and with their own spirit of enterprise, by heavily taxing themselves, infinitely more heavily than the citizens of many another State in the Union, had built and completed their own roads without any help, without ever thinking of coming to the Federal Government to ask for help. In that connection I called attention to the fact that the Federal taxes were now so contrived as not to tax the people whom I in part represent in proportion to their wealth, but only to tax a certain class of wealth and spend the proceeds of those taxes a thousand miles away from where the tax was collected. That was my purpose in pro-

testing against the income tax as it is now upon the statute books.

However, Mr. President, I do not think it can be successfully denied that if this theory of direct taxation is to be perpetuated by either political party the action of future Congresses will be replete with efforts on the part of Members of the House and Members of the Senate to so contrive those taxes as to fall least heavily upon their own districts.

To my mind, the inherent danger to the spirit of our democracy is the fact that the Federal Government proposes to support itself in the future by selecting certain industries to pay the taxes; sitting here in Washington, we are to reach out when we spy upon the horizon some fortunately prosperous industry, and select it to bear the burden, and to select none others. To my mind, Mr. President, it is undemocratic, it is unjust, it is absolutely unscientific in its method of imposing taxation. It will tend to debauch the public spirit of the United States and rob great masses of people of that sense of responsibility which they should have in the support of the Government that protects them.

It is apparent, and it has been apparent for some time, that the gentlemen who have been writing this bill have been groping for some industry or set of industries upon which to lay the heavy hand of taxation. It is quite evident that they have disagreed on many of the particulars. They have even disagreed with the occupant of the White House. The Senator from Massachusetts [Mr. WEEKS] has already called attention to the utter abandonment of every proposal that Mr. Wilson has made with respect to the industries or occupations or businesses to be taxed. They have even abandoned his proposal that the income tax should be modified with respect to the taxable incomes.

I have here, Mr. President, a copy of the address of the President of the United States which was delivered to Congress on December 7, 1915. I well know, of course, that he has been quoted upon this floor more often than has any other writer in human history; and yet, I make so bold as to call the attention of the Senate to what the President said on this very matter, and to indicate, at least, that the majority side have very little confidence in his suggestions and judgment as to the industries or kinds of business which should be selected to bear the burden of Federal taxation. The President said:

> To what sources, then, shall we turn? This is so peculiarly a question which the gentlemen of the House of Representatives are expected under the Constitution to propose an answer to that you will hardly expect me to do more than discuss it in very general terms. We should be following an almost universal example of modern governments if we were to draw the greater part or even the whole of the revenues we need from the income taxes. By somewhat lowering the present limits of exemption and the figure at which the surtax shall begin to be imposed, and by increasing, step by step throughout the present graduation, the surtax itself, the income taxes as at present apportioned would yield sums sufficient to balance the books of the Treasury at the end of the fiscal year 1917.

And yet the responsible leadership in the Democratic Party in the Senate has absolutely declined to follow that suggestion. Likewise, his suggestions for taxing gasoline, automobiles, and iron and steel products. All have been abandoned, apparently, as unworthy of consideration.

Mr. HARDING. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Ohio?

Mr. WADSWORTH. I yield to the Senator from Ohio.

Mr. HARDING. The Senator from New York has just stated that the message of the President from which he has read was delivered on the 7th of last December. I want to know if he meant to convey that this was the suggestion of the Presidential mind in August, 1916?

Mr. WADSWORTH. Mr. President, I am not a mind reader. The present occupant of the White House has reserved the human right to change his mind so many times, or to permit others to change it for him, or to permit his friends to disagree with him and apparently to override his suggestions, that I confess myself powerless to diagnose the state of mind of the President of the United States with respect to taxation any more than I am able to diagnose it with respect to the Mexican problem.

We heard coming through the crack of that door that a subcommittee of the Finance Committee of the Senate, composed entirely of Democrats, had made up its mind at one time in the course of the proceedings to reduce the taxable incomes in the individual income tax law to $2,000; that would have been in line with one of the President's suggestions; but I apprehend that they thought better of it, not because it was an unjust proposal—for it can not be considered unjust—not because it would fail to bring in revenue, but because upon the eve of a presidential campaign it would tax too many people, and so the President's own suggestion was thrown by the board in that respect.

It is entirely true that the surtax figures were crowded down and the rate of the surtax increased, but that did not tax any additional voters. The Democratic Party, of course has no hesitancy in raising the taxes upon those who already bear a large share of the burden.

I am not myself sorry for the man with an enormous income who is to be taxed under the provisions of this new law, but I am sorry for the effect it is going to have, if continued and emphasized, upon the spirit of our democracy, for it is class legislation. It is not an injury to the class that bears the burden so much as it is an injury to the great mass of people who are being taught to understand and believe that they can get something for nothing, and that they shall not be called upon to bear even a proportionate share of the burdens of taxation.

Mr. President, I think any student of ancient history will recall that when the democracy of Rome reached that stage of evolution when the party in power distributed corn in the forum and taught the people of Rome to believe and to insist later that they should bear none of the burdens of supporting the Government, but rather that they should be fed by the Government, then the Roman democracy started on its decline; the spirit of the Roman people was poisoned; and I for one, Mr. President, dread the growth, even in a minute degree, of any such spirit as that in this great democracy of ours.

Mr. President, coming to two or three of the details of this bill, may I suggest, in no spirit of captious criticism, that there are features in it that are exceedingly crude and which indicate that it was hammered together at the last moment in a desperate effort to pass it at this session in time for its proponents and defenders to take the stump in the presidential campaign?

Referring again to the income tax, somewhat ahead of my discussion, I have stated my belief that the normal taxable income should be reduced in order that a greater number of the people should gain and hold a sense of responsibility toward their Government. But may I also call attention to the fact, Mr. President, that the income-tax law which is now upon the statute books—and this bill makes no change in this respect—perpetrates, in my judgment, a very severe injustice; this phase of the matter I hope some day will be taken into serious consideration by the Congress. In our income-tax law we make no distinction as to the character of incomes which individuals obtain from their work or from their investments. The English income-tax law, it seems to me, is much wiser in this respect, for, as I understand it, they classify the income which an Englishman receives into earned and unearned incomes, and they are taxed at different rates—the unearned income, if my recollection is correct, being taxed at a higher rate than the earned income.

What does that mean? Take a young man who graduates from a law school. He has had to study mighty hard. Probably he has gone through the high school and through college and then entered a law school. He or his family have gone to great expense in procuring for him that education. At the age of 25 or 30 he "hangs out his shingle" and waits for clients. If he is fortunate, he begins to get some clients before he is 35. He knows no limitation as to the hours of his labor; he studies and toils and works to his capacity whenever he can find any work to do, and, through the exercise of tireless industry and the application of intelligence in his profession, he finally, perhaps at the age of 40, attains an income, we will say, of $10,000 a year.

The Government steps in and taxes him upon that income at the rate of 2 per cent, after subtracting $3,000. He pays on $7,000, roughly speaking, at the rate of 2 per cent, that being the normal tax. Contrast that man who has hammered and worked his way to a position where he has become useful to his community and has accumulated something by his own earning capacity, with the man who sits and clips coupons, bringing him in $10,000, but who never does a stroke of work to get that $10,000. The worker is taxed just as much as the drone.

If we understood a little better the refinements of taxation, I think we would make a distinction in the United States between the earned and the unearned income. It may be that had not our friends upon the other side of the aisle been in such a hurry to hammer this remarkable bill together, they would have given some consideration to those phases of the income tax which perpetrate injustice upon many deserving people and constitute a discouragement to thrift, enterprise, and industry, and an indirect encouragement to those who have inherited incomes and who do nothing more than to cash the dividend checks.

Mr. President, there is one phase of this bill which, to my mind, is exceedingly important, for it is new, so far as I know,

as a matter of Federal taxation. I refer to the inheritance tax. Reverting once again to the responsibility which every citizen owes in the support of his Government and the danger of teaching people to abandon that sense of responsibility by imposing taxes on a small class of people and relieving the great number from the burden, I simply desire to say that, entirely outside of the merits of the inheritance tax, I, for one, very, very much regret the $50,000 exemption. That is along the same line as the exemption under the income-tax law. No State in this Union would think of setting up such a high exemption as that; and, Mr. President, I doubt if either political party would think of placing such a high exemption in the inheritance tax if the presidential campaign were not about to start.

Let us consider the effect of the proposed inheritance tax upon the State which I have the honor to represent in part. The Senator from Illinois [Mr. SHERMAN] has already called attention to the fact that nearly all of the States have relied to a very considerable extent upon inheritance taxes to aid them in support of their respective governments. I think it fair to say that no State has placed as great a reliance upon inheritance taxes as has the State of New York. For many years the State has imposed such a tax. The rates and conditions of collection of the tax have changed from time to time, but through a series of years we have derived sufficient experience, Mr. President, so that I feel no uncertainty as to the truth of the assertion when I say that the State of New York has at last settled upon an inheritance tax which bids fair to be permanent, or reasonably permanent, in its rates, unless disturbance occurs from without.

Again, the State of New York has had more regard for the refinements of taxation. New York classifies estates into three classes before it seeks to impose a tax upon them. For instance, a direct descendant, such as a son or a daughter, does not have to pay, in the State of New York, as high a rate upon the estate that he or she inherits as a cousin or a nephew or an aunt. Then, too, persons inheriting property in the State of New York who are not related to the decedent pay a still higher tax. I do not know whether the Congress of the United States regards that as a proper classification, but through a long term of years in the State of New York we have made up our minds that that represents justice in the imposition of inheritance taxes. The further removed in kinship from the decedent, the more fortunate in proportion is the heir, and in one sense the luckier; his expectations up to the time of the death of the owner of the property presumably had not been as high, and he is indebted in a greater degree to the State for his protection in the transfer than the heir of closer kinship. So we ask him to pay more.

Mr. SHERMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Illinois?

Mr. WADSWORTH. I yield to the Senator from Illinois.

Mr. SHERMAN. We also have an inheritance tax in my own State, graduated not only as to the size of the estate but according to the degree of kinship. As the blood grows more remote the amount of the tax paid increases, which I consider a very fair way of raising revenue.

Mr. WADSWORTH. Mr. President, the State of Illinois, as the Senator says, has come to the same conclusion as has the State of New York. If I may repeat the expression again, it is one of the refinements which every legislative body should consider very carefully. In other words, we ought not to impose taxes with an axe; we ought to think of the various elements which exist among the people upon whom we are imposing the taxes.

Mr. President, on direct inheritances in the State of New York the State taxes every estate in excess of $5,000. Contrast that with the $50,000 exemption in this proposed law. The rate is 1 per cent on any amount up to and including the sum of $25,000, 2 per cent on the next $75,000, 3 per cent on the next $100,000, and 4 per cent on the amount representing the balance of each individual transfer. The Senators are already familiar with the rates of the Federal inheritance tax as set forth in this bill. But, Mr. President, I have gone to the trouble of getting up a little table showing what the estates of New York will pay under the combined State and Federal inheritance taxes.

The first table has to do only with direct inheritances in the State of New York. Let us take an estate of $100,000 left by a citizen of the State of New York to his son. The State of New York will collect from that estate $1,750; the Federal Government will collect $500, a total of $2,250, or, roughly speaking, 2¼ per cent upon the value of the estate. And there is this distinction to be borne in mind when we are comparing the State tax and the Federal tax, and once again it has to do with the refinements of taxation:

The State of New York does not place an inheritance tax upon those portions of an estate which are left to charitable institutions or to churches or to educational societies or organizations or schools or colleges or universities. The Federal tax is to be imposed without any distinction as between the money received by a son for his personal enjoyment and the money received by a great charitable institution which is to be devoted to the good of the community in alleviating distress.

It seems to me, Mr. President, that if we were bound to have an inheritance tax imposed by the Federal Government those who framed the bill might have taken that point into consideration and relieved the charitable institutions of the United States from this burden of taxation, for, Senators, this inheritance-tax provision as drafted and on our desks at present will discourage the giving of money by private individuals in their wills to charitable institutions, and any such result, I think, is very greatly to be regretted.

Take an estate of $200,000 in New York. The State will collect $4,750, the Federal Government $2,500, a total of $7,250, or 3⅝ per cent.

Take an estate of half a million dollars. The State of New York will collect $16,750, the Federal Government will collect $13,500, a total of $30,250 from a half-million-dollar estate. If an estate is invested in securities which bring in an average rate of income of 5 per cent, its total income will be in the neighborhood of $25,000 on a half-million-dollar estate. The combined taxes of the Federal Government and the State government in the State of New York will more than wipe out the entire first year's income of that estate.

In my judgment, neither of these taxes is too high; but the combination of the two is something that the Democratic Party have not thought of or they would make some allowance in this bill for the estates which pay such high taxes under State laws.

Take an estate of a million dollars. The State of New York will collect $36,750; the Federal Government will collect $38,500—a total of $75,000. That is the income for a year and a half from that estate. The rate will be 7½ per cent.

Take an estate of $2,000,000. The State of New York will collect $76,750; the United States will collect $98,000. From this point on the Federal tax grows higher than the State tax. The total will be $174,000.

Mr. President, I am not particularly sorry for the son or the daughter that inherits an estate of $2,000,000 and contributes $174,000 in taxes; but I contend that the collection of such an amount of money as that from one estate in the sight of all men, when 99 men out of 100 are not called upon to pay anything, is a poisonous influence in the community.

Take an estate of $5,000,000. The State of New York will collect $196,000, the United States $336,000, a total of $533,000, or 10 per cent.

In the case of an estate of $10,000,000 the combined taxes will be $1,232,000, or 12⅓ per cent.

Mr. President, it is very easy to draft an inheritance-tax law to be placed upon the Federal statute books when not all the States in the Union tax their people the way the State of New York taxes her people. The people of the State of New York pay $22.80 per head in State taxes every year. We are one of the most heavily taxed communities in this country. We are heavily taxed because we have gone ahead with our internal improvements, and we have enormous burdens forced upon us by our geographical situation; and it does become a serious matter for the government of that State to tell where it is going to get its revenue in the future. Its State budget in 1912 was $52,000,000. The educational system of the State costs the taxpayers, including local taxes, $100,000,000 a year, because we have the most expensive and comprehensive educational system of all the Union. We want the best; but where is New York going to get the money in the future? The imposition of this Federal inheritance tax absolutely estops New York from taking any more money than she is taking now from her own citizens when their estates are transferred.

That does not seem like a serious situation to a Senator who comes from a State that does not tax its citizens heavily. There are States in this Union that tax their citizens only $4.50 a head ad valorem. New York taxes hers $22.80 a head, not including the license and corporation taxes. The ad valorem taxes on property per head amount to $22.80.

The Senator from Massachusetts [Mr. WEEKS] has called attention to the fact that one State in this Union contributes $1 of taxation for every $625 of property value. That is the State of Massachusetts. But there is another State that he mentioned that only contributes $1 on $3,700 of value. The State

that collects but $1 out of every $3,700 does not mind this direct tax. Of course it does not.

Mr. HARDING. Mr. President, I think the Senator from New York means to state that the Federal authorities collect that amount of tax, because the State collects even more. The Federal levy of taxes as they now exist amounts to that sum, if I am not mistaken.

Mr. WADSWORTH. Mr. President, the statement was made by the Senator from Massachusetts, and of course the RECORD will contain his statement correctly. I understand now that it is the Federal tax alone.

Mr. President, I shall not continue with figures on the inheritance tax and the effect it will have upon the State of New York, except to say that the figures which I have already submitted will not equal those to be imposed upon the people of that State under the collateral inheritance tax, the collateral rates in New York being higher.

Mr. PENROSE. Mr. President, will the Senator permit an inquiry?

Mr. WADSWORTH. I yield to the Senator from Pennsylvania.

Mr. PENROSE. The Senator perhaps is going to refer later on in his remarks to our municipalities—the great cities of New York and Philadelphia. They all need revenue for growing needs.

Mr. WADSWORTH. Mr. President, later on I did intend to refer to that, and to say that the taxes which are imposed by the State are in a large measure so contrived as to give the municipalities, or the subdivisions, some of the benefit. They do not all go into the State treasury. Once again, asserting the seriousness of this proposition, we must remember that the city of New York has a bonded indebtedness nearly if not quite as large as that of the Federal Government, and the sinking-fund and interest charges on those bonds must be paid by local taxation. The Federal Government does not lift its finger to help those people bear their burden. It is not surprising that many good people are alarmed at this indication that the Federal Government is going to come in and duplicate the taxes of the States and thereby deprive them of their sources of revenue. If the policy is to be extended, if the theory and practice is to be permanent, Mr. President, it will be inevitable that the Federal Government will have to take over some of the functions of the States in order to relieve them of that burden.

Now, Mr. President, a word about that provision of this bill which imposes a tax upon the capital stock, surplus, and undivided profits of corporations whose capital is in excess of $99,000. Why the figure "$99,000" was set, I do not know. However, having been set at that figure, the tax has a peculiar effect in some of the communities of the United States and with respect to some of the corporations.

The law of New York provides that no fire-insurance company can be organized in that State unless it has a paid-in capital stock of $200,000; so that kind of an organization, of course, falls within the tax provision of this bill. But scores and scores of fire-insurance corporations organized in other States which do not prescribe such a standard can go out and do business and not pay a cent. Why this $99,000 exemption? If some of the States of this Union, as the Senator from Illinois [Mr. SHERMAN] has said, think it wise to force their own fire insurance companies to be of sufficient financial strength to meet the emergencies which may confront them from time to time, why should they be penalized because they are strong and because they protect the policyholders, when scores of smaller companies, of less than $99,000 capital, organized in States that take no such precaution to protect their people from insolvent fire-insurance companies, are exempt from the tax?

There are some very suspicious aspects of this bill with respect to the taxation of industries and forms of business, and I think that particular phase of it is as strange, if not stranger, than any of them. Its effect upon life insurance companies has already been enlarged upon by the Senator from Illinois [Mr. SHERMAN] in a very able diagnosis. As I read this bill, a mutual life-insurance company will have to pay a tax upon its contingency reserve, because it is in the nature of a surplus. If I am wrong, I am sure the Senator from Illinois will correct me.

Mr. President, what is a contingency reserve? It is not an asset of the company. In no sense is it a form of wealth which should be taxed. It is a liability. It belongs to the policyholders, and in pursuance of laws or regulations of the States in a large number of cases it is set aside for their protection, to meet some great emergency which may arise, in order that their policies may be worth their face value. Why should it be taxed? This is not a tax on wealth. There seems to be a confusion of thought here as to what wealth consists of. Some people are apt to think, when they read of the assets and liabilities of a great mutual life insurance society or corporation, which has hundreds of millions of dollars of policies, that the corporation itself is like some individual who can be picked out and taxed on the ground that he is rich.

But, Mr. President, those assets in the case of a mutual life-insurance company do not belong to the president and board of directors, if there are such. They belong to the policyholders. Three-fourths of the great life-insurance companies of the United States are mutual companies, and when a tax of this sort is imposed upon the contingency reserve of a mutual life-insurance corporation you are not only imposing a penalty upon prudence, but you are imposing a tax upon the policyholder, not upon the corporation as such.

It seems to me, Mr. President, that if these things had been taken into more careful consideration that provision would not have appeared in this bill.

There are many other features here which are susceptible of discussion. I do not, however, at this time care to take the time of the Senate much longer. If we are to have a system of direct taxes imposed by the Government of the United States, I wish some effort would be made to make those taxes truly democratic, so as not to leave the suspicion that they are sectional in spirit, nor the suspicion that they are intended to single out some class of people and relieve other classes of people.

I feel very deeply in this matter. If a system of direct taxation, carried out in the spirit of this bill, is enacted, it can undoubtedly raise the revenue, but it will raise it in such a way as to atrophy the democratic spirit of many a community in the country.

Sometimes I think I am more of an old-fashioned Democrat than some of the men on the other side of the Chamber. Time was when the Democratic Party took a pride in what was termed the doctrine of home rule. Time was when the Democratic Party insisted that there should not be overcentralization of power. Time was when the Democratic Party endeavored to lead us on to believe that the communities of the United States could and should solve a majority of their problems. In some respects I have always had a sympathy with those doctrines. I have always believed—and I believe to-day—that no democracy can live unless its inspiration springs from the farms, villages, small towns, and cities of the country. I do not believe that any democracy can live any great length of time that receives its inspiration or its instructions or its commands from above; and if we are not careful in so distributing throughout all the little communities scattered over this continent a democratic sense of responsibility, if we are not careful to teach the people not only in our schools but through our legislation that they owe something to the Government of the United States, whether it be only a 2-cent revenue stamp or a 50-cent or a $5 payment of some sort, no matter how small it is—if we do not teach them that they owe something to this great Government that protects them we can not survive as a democracy; we will become ruled by classes, and eventually not only the form of government but our whole theory of self-government will collapse.

CORRUPT PRACTICES.

Mr. O'GORMAN. I move that the Senate proceed to the consideration of executive business.

Mr. OWEN. I will ask the Senator to withhold that motion for a moment.

The PRESIDING OFFICER. Does the Senator from New York withhold the motion?

Mr. O'GORMAN. Yes, sir.

Mr. OWEN. I wish to submit a resolution and ask that it lie on the table until to-morrow.

The PRESIDING OFFICER. Without objection, the resolution will be received.

Mr. PENROSE. Let it be read.

The PRESIDING OFFICER. It will be read.

The Secretary read the resolution (S. Res. 254), as follows:

Resolved, That immediately following the disposition by the Senate of the revenue bill (H. R. 16763), the corrupt practices act (H. R. 15842) shall be made the unfinished business of the Senate.

The PRESIDING OFFICER. The Chair is informed that the Senate is unable to make unfinished business by a resolution of this kind.

Mr. PENROSE. Let the resolution go to the table.

The PRESIDING OFFICER. All right. That is understood.

Mr. SMOOT. Just for the RECORD, I wish to call attention to the fact that it is impossible to make any bill the unfinished business by a resolution. The only way that a bill can be made unfinished business is at the time when pending unfinished

business is disposed of and then it can only be made the unfinished business by a motion.

The PRESIDING OFFICER. The Chair was so informed and so stated.

Mr. OWEN. I will ask the Senate to consider that question when the resolution comes up.

The PRESIDING OFFICER. The resolution will be laid on the table.

Mr. GALLINGER. I give notice that when the resolution comes up I will make a point of order against it; that it can not be received.

Mr. OWEN subsequently submitted the following resolution (S. Res. 255) for consideration:

Resolved, That immediately following the disposition by the Senate of the revenue bill (H. R. 16763), the corrupt practices act (H. R. 15842) shall be immediately taken up for consideration.

EXECUTIVE CIVIL SERVICE.

Mr. SIMMONS. I desire to insert in the RECORD without reading a letter from Charles M. Galloway, acting president of the Civil Service Commission, to Hon. J. P. Tumulty, of date August 11, 1916, in which he gives a statement as to the increase of offices under this administration.

There being no objection the letter was ordered to be printed in the RECORD, as follows:

AUGUST 11, 1916.

Hon. J. P. TUMULTY,
Secretary to the President.

MY DEAR MR. TUMULTY: I am in receipt of your letter of August 9, asking for information regarding a query contained in a letter which was inclosed.

The letter referred to is from Mr. H. E. Gregory, Briarcliff Lodge, New York, in which he requests to know whether the statement in the platform of the Republican Party that under the present administration 30,000 offices have been created is true, and also whether most, if not all, of such offices were exempted from the provisions of the civil-service law regarding examinations of candidates, etc.

The extract from the Republican platform referred to states that the Democratic Party has created since March 4, 1913, 30,000 offices outside the civil-service law, at an annual cost of $44,000,000 to the taxpayers of the country.

The commission publishes in each of its annual reports a statement of the extent of the executive civil service, classified and unclassified, based upon information officially collected by the Bureau of the Census and other reliable sources, and reports received from the different departments and offices, as required by the civil-service rules. The figures are published merely as approximations, but it is believed they are reliable. These published statements show that the grand total number of employees in the executive civil service on June 30, 1912, was 395,460, and on June 30, 1915, 476,363.

On June 30, 1913, the commission included for the first time certain employees of the Post Office Department, as follows:

Clerks in fourth-class post offices	62,000
Mail messengers	7,725
Star-route contractors	12,432
Total	82,157

When these classes of employees are eliminated the figures show that there has been no increase in the number of employees in the executive civil service. There has been growth in certain branches of the service, but there has been a reduction in the number of employees in other branches. The number of positions subject to competitive examination has increased greatly during the period. The number of exemptions from examination of newly created positions has been small. The largest number was the force for the assessement and collection of the income tax, which was exempted for a period of two years. This number was 630.

Very sincerely, yours,

CHAS. M. GALLOWAY, *Acting President.*

EXECUTIVE SESSION.

Mr. O'GORMAN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House agrees to the amendment of the Senate to the bill (H. R. 17498) making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills and joint resolutions, and they were thereupon signed by the Vice President:

S. 6740. An act to correct the military record of Matthew C. Butler, jr.;

S. 6924. An act to provide for the maintenance of a training camp on the military reservation of Fort Douglas, Utah;

H. R. 8234. An act to prevent interstate commerce in the products of child labor, and for other purposes;

H. R. 14338. An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes;

H. R. 15048. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war;

H. R. 15494. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war;

H. R. 15522. An act to establish a national park service, and for other purposes;

H. R. 16093. An act to amend an act entitled "An act to provide for the payment of drainage assessments on Indian lands in Oklahoma";

H. R. 16290. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war;

H. R. 17501. An act granting the consent of Congress to the city of Youngstown, Ohio, to construct a bridge across the Mahoning River in the State of Ohio;

H. R. 17498. An act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes;

S. J. Res. 129. Joint resolution extending until April 15, 1917, the effective date of section 10 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914; and

H. J. Res. 247. Joint resolution extending the provisions of the act approved June 16, 1898.

TAX ON INSURANCE COMPANIES.

Mr. PHELAN presented a memorial of sundry citizens and business firms of San Francisco, Oakland, and San Jose, all in the State of California, remonstrating against the retention of the stamp tax affecting insurance companies, which was ordered to lie on the table.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TAGGART:

A bill (S. 6935) granting a pension to Frederick E. Lamb (with accompanying papers); to the Committee on Pensions.

By Mr. TAGGART (for Mr. JOHNSON of Maine):

A bill (S. 6936) granting an increase of pension to John G. Jackson;

A bill (S. 6937) granting an increase of pension to Norris J. Thomas (with accompanying papers); and

A bill (S. 6938) granting a pension to Stephen B. Lovejoy (with accompanying papers); to the Committee on Pensions.

By Mr. FLETCHER:

A bill (S. 6939) for the relief of occupants of certain premises within the naval station at Pensacola, Fla.; to the Committee on Naval Affairs.

By Mr. POMERENE:

A bill (S. 6940) granting an increase of pension to William R. Browning (with accompanying papers); to the Committee on Pensions.

By Mr. DILLINGHAM:

A bill (S. 6941) granting a pension to Frank J. Conway (with accompanying papers); and

A bill (S. 6942) granting an increase of pension to Mary Chapin Buck (with accompanying papers); to the Committee on Pensions.

AMENDMENT TO DEFICIENCY APPROPRIATION BILL.

Mr. GALLINGER submitted an amendment proposing to appropriate $4,000 for labor and material for construction and installation of awnings, frames, and screens for windows and porches at the Columbia Hospital for Women and Lying-in Asylum in the District of Columbia intended to be proposed by him to the general deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

THE REVENUE.

Mr. PHELAN submitted an amendment intended to be proposed by him to the bill (H. R. 16763) to increase the revenue, and for other purposes, which was ordered to lie on the table and be printed.

PENSIONS AND INCREASE OF PENSIONS—CONFERENCE REPORT.

Mr. HUGHES submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 6370) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent rela-

tives of such soldiers and sailors, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 1, 2, 4, 5, 7, 8, 12, and 15.

That the Senate recede from its disagreement to the amendments of the House numbered 3, 6, 9, 10, 11, 14, 16, 17, 18, 19, 20, 21, and 22, and agree to the same.

That the Senate recede from its disagreement to the amendment of the House numbered 13, and agree to the same with an amendment as follows:

Restore the matter stricken out by said amendment, amended to read as follows:

"The name of Robert Hedrick, late of Company F, Eighth Regiment Virginia Volunteer Infantry (subsequently Company F, Seventh Regiment West Virginia Volunteer Cavalry) and pay him a pension at the rate of $30 per month."

And the House agree to the same.

WILLIAM HUGHES,
T. TAGGART,
REED SMOOT,
Managers on the part of the Senate.

JOE J. RUSSELL,
WILLIAM A. ASHBROOK,
M. P. KINKAID,
Managers on the part of the House.

The report was agreed to.

RECESS.

Mr. SIMMONS. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 6 o'clock and 11 minutes p. m., Friday, August 25, 1916) the Senate took a recess until to-morrow, Saturday, August 26, 1916, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 25 (legislative day of August 21), 1916.

PROMOTION IN THE ARMY.

INFANTRY ARM.

Lieut. Col. Erneste V. Smith, Seventeenth Infantry, to be colonel from August 10, 1916, vice Col. Charles W. Penrose, Infantry, unassigned, retired from active service August 9, 1916.

APPOINTMENTS IN THE ARMY.

MEDICAL RESERVE CORPS.

To be first lieutenants in the Medical Reserve Corps with rank from August 19, 1916.

James Norment Baker, of Alabama.
Samuel Clifton Baldwin, of Utah.
Carlton Mann Beebe, of Wisconsin.
John Marshall Beffel, of Wisconsin.
Thomas Cleland Bell, of Kentucky.
Nelson Miles Black, of Wisconsin.
William Parsons Boardman, of Massachusetts.
Horace Manchester Brown, of Wisconsin.
Polk Duncan Brown, of Tennessee.
Coleman Graves Buford, of Illinois.
Nuckols Thornton Davie, of Alabama.
George Strong Derby, of Massachusetts.
Thomas Patrick Foley, of Illinois.
William Brown Ford, of Wisconsin.
Louis Julian Genella, of Louisiana.
Robert Goldthwaite, of Alabama.
Chester Sigmund Harris, of California.
James Barnard Hastings, of Illinois.
John Robert Hume, of Missouri.
Thomas William Jenkins, of New York.
Walter Arthur Jillson, of Massachusetts.
Norman Emmett Jobes, of Indiana.
Otto Anthony Kreml, of Illinois.
Roger Irving Lee, of Massachusetts.
Francis Hector McNaught, of Colorado.
Earle Hobart McRae, of Florida.
Nathaniel Robert Mason, of Massachusetts.
Fitch Champlin Edmunde Mattison, of California.
Norman Randolph Price, of West Virginia.
George Samuel Reiss, of the District of Columbia.
Robert Lewis Rhodes, of Virginia.
William Frederic Andrew George Rienhoff, of Virginia.
Augustus Washington hea, of New Hampshire.
Edward Bernard Sheehan, of Massachusetts.
Jesse Pickrell Simpson, of Illinois.
John Paul Spooner, of Indiana.
James Leavitt Stoddard, of Massachusetts.
Thomas Cromwell Stunkard, of Indiana.
Henry Ladd Stickney, of New Hampshire.
Bert Tillery, of Alabama.
Carl Christian Vogel, of Wisconsin.
Fred Cecil Watson, of Tennessee.
Harry Bernard Zimmermann, of Minnesota.

To be first lieutenants in the Medical Reserve Corps with rank from August 21, 1916.

Charles Carlin Ayres, of Maryland.
Harold Augustus Benson, of New York.
Joseph Edward Campbell, of New Jersey.
Walcott Denison, of Missouri.
Gouverneur Vincent Emerson, of Pennsylvania.
Roy Macleay Fortier, of the District of Columbia.
William Archer Hagins, of Georgia.
Paul Ramsey Hawley, of Ohio.
Robert Burns Hill, of North Carolina.
Leroy Taylor Howard, of the District of Columbia.
William Rogers Klingensmith, of Arkansas.
Charles Le Baron, jr., of Alabama.
Alva Burton McKie, of Mississippi.
Emery Bowers Neff, of Illinois.
Oramel Henry Stanley, of New Hampshire.
Prescott Stearns Tucker, of the District of Columbia.
Otto Emil Utzinger, of Maryland.
Bascom Lee Wilson, of North Carolina.
William Roy Cain, of Texas.
Thomas Lee Gore, of North Carolina.
Asa Margrave Lehman, of Nebraska.
Benjamin Norris, of Ohio.
John Roy Oswalt, of Alabama.
Cary Robert Pollock, of Colorado.
William Clark Thomas, of Georgia.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

Ensign Carl K. Martin to be a lieutenant (junior grade) in the Navy from the 8th day of June, 1915.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 7th day of June, 1916:

Charlie P. McFeaters,
William B. Jupp,
Ellsworth Davis,
Roy Pfaff,
Tunis A. M. Craven,
Arthur W. Dunn, jr.,
Horace W. Pillsbury, and
Franklin B. Conger, jr.

Asst. Surg. John Buckley to be a passed assistant surgeon in the Navy from the 4th day of February, 1916.

Asst. Civil Engineer Ralph Whitman to be a civil engineer in the Navy from the 25th day of May, 1916.

Asst. Civil Engineer Gaylord Church, with rank of ensign, to be an assistant civil engineer in the Navy, with rank of lieutenant (junior grade), from the 25th day of May, 1916.

Boatswain Franklin E. Chester to be a chief boatswain in the Navy from the 21st day of December, 1915.

The following-named citizens to be assistant surgeons in the Medical Reserve Corps of the Navy from the 10th day of August, 1916:

Jaques C. Rushmore, a citizen of New York, and
Gordon Gibson, a citizen of New York.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 25 (legislative day of August 21), 1916.

PROMOTION IN THE ARMY.

INFANTRY ARM.

Maj. Lorenzo P. Davison (retired) to be colonel.

POSTMASTERS.

CALIFORNIA.

J. J. Anderson, Martinez.
W. Stairley, Richmond.

COLORADO.

H. E. Farr, Sugar City.

IOWA.

E. W. Chapman, Bonaparte.

LOUISIANA.

George S. Eastin, St. Martinville.

MARYLAND.

John W. D. Jump, Easton.

NEVADA.

Helen E. Rosenthal, Goldfield.

NORTH DAKOTA.

John Mullen, Granville.

TEXAS.

Frank R. Blaydes, Atlanta.
O. L. Hamilton, Lewisville.
W. J. Moore, Mount Vernon.

HOUSE OF REPRESENTATIVES.

FRIDAY, *August 25, 1916.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We bless Thee, infinite Spirit, for the sublime faith which enables us to see, back of all that we perceive with our physical senses, a supreme intelligence, a moral order, a spiritual realm. Help us, we beseech Thee, through the glorious example of the Jesus of Nazareth, to adjust our lives to the higher order of things, that in thought, word, and deed we may fulfill our mission here in this world, and pass on triumphantly to the larger life in the realms of eternity. This we ask in the spirit of the Master. Amen.

The Journal of the proceedings of Tuesday, August 22, 1916, was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed with amendment bill of the following title, in which the concurrence of the House of Representatives was requested:

H. R. 17498. An act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes.

The message also announced that the Senate had passed without amendment the following concurrent resolution:

Resolved by the House of Representatives (the Senate concurring), That in enrolling the District of Columbia appropriation bill, H. R. 15774, the Clerk is directed, on page 43, line 18, of the original bill, to enroll the salary of the janitor of the old Central High School building and annex in the sum of $1,000, and correct the total of the amended paragraph and the total on page 46, in line 14, of the bill, by inserting the sum of $2,680 and $174,470, respectively.

The message also announced that the Senate had passed without amendment bill of the following title:

H. R. 17501. An act granting the consent of Congress to the city of Youngstown, Ohio, to construct a bridge across the Mahoning River in the State of Ohio.

The message also announced that the President had, on August 22, 1916, approved and signed bills of the following titles:

S. 1159. An act authorizing the Secretary of War to grant the use of the Coos Head Military Reservation, in the State of Oregon, to the cities of Marshfield and North Bend, Oreg., both being municipal corporations, for park purposes;

S. 1351. An act providing for the discovery, development, and protection of streams, springs, and waterholes in the desert and arid public lands of the United States, for rendering the same more readily accessible, and for the establishment of and maintenance of signboards and monuments locating the same;

S. 5466. An act to open abandoned military reservations in the State of Nevada to homestead entry and desert-land entry, and to amend an act entitled "An act to open abandoned military reservations in the State of Nevada to homestead entry," approved October 1, 1890;

S. 5976. An act to amend an act approved May 29, 1908, entitled "An act to amend an act to authorize the Baltimore & Washington Transit Co., of Maryland, to enter the District of Columbia," approved June 8, 1896;

S. 6308. An act to authorize the Secretary of the Interior to lease, for production of oil and gas, ceded lands of the Shoshone or Wind River Indian Reservation in the State of Wyoming; and

S. 6372. An act to authorize the counties of Baldwin and Mobile, Ala., their successors and assigns, to construct, maintain, and operate a bridge across Spanish River at or near the junction of Raft and Spanish Rivers.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 6370) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors.

SHIPPING.

Mr. GREENE of Massachusetts. Mr. Speaker, in the consideration of the bill H. R. 15455 on Tuesday last there was some discussion as to the proper disposition of that bill. The Speaker ruled that the amendments of the Senate made no charge upon the Treasury, and that, therefore, the bill and amendments were entitled to remain on the Speaker's table.

The SPEAKER. The Chair thinks the gentleman is mistaken about what the Speaker held. But whether it was right or wrong, what the Speaker said or held was that, according to the information he had, the amendments were not subject to the rule, and——

Mr. GREENE of Massachusetts. That was what I understood—according to the information that the Speaker then had. He had information that there had been no change in the financial status of the bill by the Senate amendments. But the point I make is that there had been a change in the financial part; that the several amendments that were adopted in the Senate changed the financial status of the bill; and, if so, the bill was not entitled to remain upon the Speaker's table, but should go to the Committee on the Merchant Marine and Fisheries for consideration.

The SPEAKER. Which amendment does the gentleman claim involves a charge upon the Public Treasury?

Mr. GREENE of Massachusetts. Well, I will cite them. The commissioners—there were five commissioners originally in the bill, and——

The SPEAKER. What is the number of the amendment?

Mr. GREENE of Massachusetts. Number 9. There were two department secretaries on the commission, and there were two commissioners added instead, who would draw compensation, not provided for in the House bill. I have not examined the proposition fully, but I am informed by those who have examined it that there are nine different propositions that affect the financial status of the bill in the amendments which have been adopted by the Senate and which were sent here from that body.

Now, of course, I agree that the Speaker took the information that was given to him. He was like myself, and I did not know anything about these amendments. I was not conferred with, and could not know what the amendments were, only as I happened to notice in the newspaper that there were some amendments. I had no information that there were any amendments offered to the bill of any kind whatsoever, but it is my belief that the amendments offered to the bill were of such a nature that they affected the financial status of the bill. There are propositions in the Senate amendments for repairs of the vessels that may be bought or leased. That expense was to come out of the Treasury. That was not provided for originally in the bill. That is amendment No. 11, and there are several other amendments; enough amendments, at any rate, in my belief, to send the bill to the committee under the rules. Of course if the Speaker had known of the conditions that existed I have no question but that he would have sent the bill to the committee, where I believe it rightfully belongs.

I make no criticism of the Speaker, and I do not wish in any way to offer criticism of his action. He acted in the best light he had. He was told that there were no changes adding burdens on the Treasury in the amendments made in the Senate, but I claim that there are several changes made by these amendments, and without enumerating any more I am of the opinion that these two that I have mentioned are sufficient to send it to the committee. And I make the point of order that it is not properly on the Speaker's table, but should at once be referred to the Committee on the Merchant Marine and Fisheries, where it may be considered.

And I wish to say, further, while I am on my feet, that I think the practice of bringing any bill from another body to this House and passing upon it without the membership of the House knowing anything about the amendments, or that any Senate amendments should be brought before this body without the amendments being printed for the use of Members and the advantage of information given to the House, is a reprehensible practice. The paper that was printed relative to the amendments is so indefinite in character that it is like looking at a Chinese puzzle to know what is referred to. I sent a messenger for a copy of the amendments, but he returned stating none had been printed. Subsequently the Republican leader furnished me a copy of the Senate amendments. To my mind, that is a very reprehensible practice on a bill that represents the amount of money that this bill represents. The salaries of these men, I will agree, are not paid for out of the $50,000,000

of bonds, but they are to be appropriated for by the House. It goes beyond the $50,000,000.

This increase in salaries provided in the bill—because there are two additional members—changes entirely the status of the bill. Therefore it is not properly on the Speaker's table, and I do not think the Speaker would have so ruled if he had had full information as to the character of the amendments to which he was entitled, and to which this House was entitled.

Mr. KITCHIN. Mr. Speaker, will the gentleman refer to the page as to the increase of salaries or increase of membership?

Mr. GREENE of Massachusetts. I did not say "increase of membership." There was a Secretary of the Navy and a Secretary of Commerce on the board or commission, two members of that commission who were to serve without any compensation. Those were stricken out in the Senate, and two additional members were added to the bill in the Senate. There is no increase in the number, but there is an increase in the amount of money to be taken out of the Treasury of the United States.

I may say that I proposed an amendment of that character in the committee myself when the bill was under consideration, but I was met with this proposition: "Do you intend to support the bill?" I said, "I can not tell what the bill will be. I will see what the bill is before I will agree to support it or to support any proposition. I can not promise to support the bill when I do not know what it will be when finally reported. I shall not agree to support anything in advance."

I was told that if I would not support the bill my amendments should not be considered by the committee. Now, we find that the Senate came to the same conclusion that I did, that they would wipe out these two secretaries, who would probably be mere figureheads and probably would not meet with the commission except when their votes were wanted to put something through the shipping board. For that reason I thought no Cabinet officer should be a member of the board. The Senate saw fit to change the board membership, and that I hold adds to the expense; and on that account, without enumerating any other cases, the bill ought to go to the committee.

Mr. ALEXANDER. Mr. Speaker——

Mr. TOWNER. Before the gentleman from Missouri speaks will he allow me to make an additional suggestion, so that the gentleman may have an opportunity to reply in full?

Mr. PARKER of New Jersey. I should like to have the same opportunity.

Mr. ALEXANDER. Yes.

Mr. TOWNER. Mr. Speaker, I am not at all sure that the position of the gentleman from Massachusetts [Mr. GREENE] is sustained with regard to the commissioners. Since my attention has been called to it, I have not had an opportunity to look into it carefully, but it appears to me that there is no increase in the commissioners, and therefore no increase of demand from the Treasury. That is amendment No. 7.

But, Mr. Speaker, I want to call attention to another amendment and to the provision of the rule.

The rule, as the Speaker well knows, is Rule XX of the House, which is the prohibitory rule. It is as follows:

> Any amendment of the Senate to any House bill shall be subject to the point of order that it shall first be considered in the Committee of the Whole House on the state of the Union if, originating in the House, it would be subject to that point.

Interpreted briefly and without reservation that means simply that if there shall be an amendment put to a House bill by the Senate which in and of itself necessarily increases the amount of the appropriation or increases the amount of the charge on the Treasury, then certainly it must be considered in the House in Committee of the Whole. I am well aware, Mr. Speaker, of the distinction that is made here in the note which follows and says:

> A Senate amendment which is a modification merely of a House proposition, like the increase or decrease of the amount of an appropriation, and does not involve new and distinct expenditure, is not required to be considered in Committee of the Whole.

I take it that it is not necessary to say to the Chair that if, however, it does necessarily involve a new and distinct expenditure, then in such case it must be considered by the Committee of the Whole. Nor need I say to the Speaker that it need not in terms specify that a larger amount of money shall be taken from the Treasury. If by the terms of any Senate amendment the effect of the amendment will be to increase materially the expenditure in and of itself, and not merely increase any expenditure for any particular object already made by the House, then in such case it would be subject to the point of order.

The SPEAKER. Will the gentleman allow the Chair to ask a question?

Mr. TOWNER. Certainly.

The SPEAKER. Take the first rule which the gentleman read, Rule XX, where it says "if originating in the House it would be subject to that point." Does the gentleman contend that amendment No. 7 would be subject to any point of order if it originated in the House?

Mr. TOWNER. I do not, Mr. Speaker, and I am not arguing that now. What I have said is not in regard to the objection that has been made, but in regard to the amendment found on page 25 of the bill, to which I call attention, and which is numbered 46.

Now, I want to call attention very briefly to what the bill provides in regard to the duties of these commissioners. They are, first, enabled under the terms of the bill to either purchase or to build ships, and under certain conditions to operate them. Under conditions in other sections of the bill they are allowed to organize the corporations for the purpose of operating and leasing these ships. There are other duties granted to the commissioners. For instance, amendment 28, on pages 12 and 13: They are there given the power to investigate the relative cost of building merchant vessels in the United States and in foreign maritime countries. That particular power is extended, and an amendment has been made by the Senate which adds very largely, or rather suggests very largely, additional duties in the same line as we provided by the text in the House bill.

Then, as illustrating the power and the right of the Senate to amend, is inserted here a long amendment, which, however, is in the same line, and grants further powers to the commission along the same line as that indicated in the text of the House bill. That is not within the rule, and would not require the amended bill to be sent to the committee.

But when we come to an examination of this section 46, we shall find that it imposes upon the commission an entirely new and distinct power and duty, a power and duty that has very little, if any, relevancy to the preceding sections of this act. It says that the commission shall have the power, and it shall be its duty, whenever complaint shall be made to it, to investigate the action of any foreign Government with respect to the privileges afforded and burdens imposed upon vessels of the United States engaged in foreign trade, whenever it shall appear that the laws, regulations, or practices of any foreign Government operate in such a manner that vessels of the United States are not accorded equal privileges, and so forth.

There, Mr. Speaker, is a new and independent and an entirely distinct duty, and certainly an enlarged appropriation will be necessary to enable the board to carry it into effect. In fact, I think I am justified in saying that this particular section—this new amendment that is inserted as a new section by the Senate—will entail upon the commission as much duty as all the other sections in the bill. It embraces the whole scope of the foreign trade in the United States. It not only affects the ships which this commission is to purchase, lease, or control, but it also refers to all American ships and American shipping and to the rights of the American in foreign markets.

It can not be done, Mr. Speaker, without entailing a large expense and charge upon the Treasury. It is an entirely separate and distinct proposition. It is an amendment, therefore, that must be considered by the House in the Committee of the Whole. Certainly an important amendment of this kind that must necessarily entail a charge on the Treasury would be outside of the rules of the House, unless it could be considered by the Committee of the Whole House on the state of the Union; and if so, Mr. Speaker, then, as I understand it, it is the duty of the Speaker to send this bill now on the table to the committee for their consideration, in order that it may be returned to the House and there considered in the Committee of the Whole House on the state of the Union.

Mr. PARKER of New Jersey. Mr. Speaker, I desire to call the attention of the Chair to page 6 of the bill, the eleventh amendment. It adds the power to expend money in a new way by granting the privilege to make necessary repairs and alterations upon such vessels. I would likewise call attention—though it is not a matter of spending money—to the amendment made by the Senate, the last one, on pages 30 and 31, being amendment 48, which would have been held entirely out of order in the House, and as not germane.

The SPEAKER. Which amendment is that?

Mr. PARKER of New Jersey. The last one, pages 30 and 31, a section which is added authorizing the Secretary of the Treasury to refuse a clearance when the master refuses to accept freight. That is entirely distinct from anything included in the bill, and would have been subject to a point of order under the rules of the House as new matter.

The SPEAKER. That is true; but, unless it involves some appropriation, it is not an amendment to be considered in this discussion. You can not raise the point of order against the Senate amendment simply because it is not germane or would

not have been germane in the House. If that were the rule, we would never get through.

Mr. PARKER of New Jersey. The rule provides that any amendments of the Senate to any House bill shall be subject to the point of order; that it shall be first considered in the Committee of the Whole; and if originating in the House it would be subject to that point. I call attention also, I say, to certain changes which are material as to money matters. One of those is on page 7, which changes the mode of sale, and provides that it must be on competitive sale after advertisement. It is a mode of sale. There is another amendment, No. 20, on pages 8 and 9, which provides that no vessel shall be sold to foreigners unless first tendered to the board in good faith at the price offered by others. Again, on page 11, amendment No. 25, it is provided that the corporation must not engage in the operation of the vessel unless the board is unable to contract with a person, a citizen of the United States, for purchase, lease, or charter, and then provides that public notice must be given that vessels are offered, and the terms and conditions on which the contract shall be made, and that it shall invite competitive offerings. That is a provision with reference to business matters to be carried on by the board in which they necessarily will have to make various expenses and which changes the scheme of the bill with reference to these matters.

Mr. ALEXANDER. Mr. Speaker, the gentleman from Massachusetts [Mr. GREENE] is mistaken in his statement that the Speaker was not informed of these amendments.

Mr. GREENE of Massachusetts. Mr. Speaker, I do not understand what the gentleman says.

Mr. ALEXANDER. I stated that the gentleman from Massachusetts was mistaken when he said that the Speaker was not informed about these amendments.

Mr. GREENE of Massachusetts. I have the Speaker's own statement to me.

The SPEAKER. The Chair will clear that up himself. The gentleman from Missouri [Mr. ALEXANDER] brought the bill to the Speaker. Before doing so he talked with the Speaker. The Chair took the bill down to the hotel with him at night, intending to examine it thoroughly, but some one called about other public business and the Chair did not do so. That is the situation. The gentleman from Missouri did his duty, but the Speaker perhaps was lax in his.

Mr. ALEXANDER. And the bill with Senate amendments had been printed and was available to the membership of the House when we met on Tuesday last. The gentleman from Massachusetts [Mr. GREENE] took the position that the Senate amendments involved financial expenditure. I do not know of any rule of this House which applies to just such a situation as he may have in mind. Just what he meant I do not know, because he did not make himself clear. The bill is properly on the Speaker's table and should only be referred to the Committee on the Merchant Marine and Fisheries or to the Committee of the Whole House on the state of the Union, if it involves one of the following conditions enumerated in Rule XIII. Rule XIII provides that there shall be three calendars to which all business reported from committees shall be referred, viz:

First. A calendar of the Committee of the Whole House on the state of the Union, to which shall be referred bills raising revenue—

Neither this bill nor the Senate amendments belong to that class—

general appropriation bills—

Neither this bill nor the Senate amendments belong to that class—

and bills of a public character directly or indirectly appropriating money or property.

This bill, as reported from the Committee on the Merchant Marine and Fisheries and as considered in the House, does appropriate money out of the Treasury of the United States, and was properly referred to the Committee of the Whole House on the state of the Union and was considered and was reported back to the House and passed.

Rule XXIV, paragraph 2, provides as follows:

Business on the Speaker's table shall be disposed of as follows:

Messages from the President shall be referred to the appropriate committees without debate. Reports and communications from heads of departments, and other communications addressed to the House, and bills, resolutions, and messages from the Senate may be referred to the appropriate committees in the same manner and with the same right of correction as public bills presented by Members; but House bills with Senate amendments, which do not require consideration in a Committee of the Whole, may be at once disposed of as the House may determine.

If the provision above quoted, relating to House bills with Senate amendments, is taken in connection with Rule XX, to which the gentleman from Iowa [Mr. TOWNER] called attention, it makes it clear that the Senate amendments to this bill are such as do not require to be referred to the Committee of the Whole House on the state of the Union or the Committee on the Merchant Marine and Fisheries.

Rule XX reads:

Any amendment of the Senate to any House bill shall be subject to the point of order that it shall first be considered in the Committee of the Whole House on the state of the Union if, originating in the House, it would be subject to that point.

Now, taken in connection with paragraph 2 of Rule XXIV it makes clear that the provision of paragraph 2 of Rule XXIV applies to Senate amendments to House bills, and not to House bills with Senate amendments. The language of the rule, "which do not require consideration in a Committee of the Whole" refers to the Senate amendments only, and not to House bills with Senate amendments.

The gentleman from Massachusetts [Mr. GREENE] says that by the elimination of the Secretary of the Navy and the Secretary of Commerce from this board the expenses of the board are increased. Just by what process of reasoning he arrives at that conclusion I am at a loss to know. This bill, as it passed the House, provides that the Secretary of the Navy and the Secretary of Commerce shall be ex officio members of the board and shall serve without pay. The bill further provides for five additional members of the board at a salary of $10,000 each. How the elimination of the Secretary of the Navy and Secretary of Commerce from the board would increase the expenditures I do not know.

The SPEAKER. Well, the Chair would like to ask the gentleman a question. Does this amendment leave the same number of members of the board as when those two Cabinet members were in?

Mr. ALEXANDER. There were seven members of the board with the Cabinet members.

The SPEAKER. Originally?

Mr. ALEXANDER. Originally. The two Cabinet members are eliminated, and there are left five members to be appointed by the President and confirmed by the Senate.

The SPEAKER. Now, does this substitute two outside members appointed by the President?

Mr. ALEXANDER. No; it does not change the bill in that regard at all and it does not increase the membership of the board. The House bill provided for five members plus the two Cabinet Members. The Senate strikes out the two Cabinet Members and leaves the five members as provided in the House bill. The Senate reduces their salary from $10,000 to $7,500, and I do not assume that anyone will contend that that involves an increase of appropriation out of the Treasury.

The SPEAKER. What section is it that provides for these commissioners?

Mr. ALEXANDER. Section 3, page 3, of the bill as it passed the House provides as follows:

The board shall be composed of the Secretary of the Navy and the Secretary of Commerce, as members ex officio, and five commissioners, to be appointed by the President by and with the advice and consent of the Senate.

Now, the Senate amendment strikes out these words, Senate amendment numbered 7—

The Secretary of the Navy and the Secretary of Commerce, as members ex officio, and—

Leaving the section to read:

The board shall be composed of five commissioners, to be appointed by the President, by and with the advice and consent of the Senate.

Now, on page 4, section 4, Senate amendment 8 strikes out the words "except the ex officio members," to make section 4 conform to section 3 as amended, and strikes out "$10,000" and inserts "$7,500" in lieu thereof, the effect of which is to reduce the salary of the five commissioners to $7,500.

Now, I will take the other amendments as I come to them. In my opinion none of the Senate amendments can be construed as directly or indirectly appropriating money or property within the meaning of the rule.

The gentleman from New Jersey [Mr. PARKER] suggests that amendment numbered 11, which provides that the board may make or cause to be made necessary repairs or alterations of vessels purchased or constructed by them, will involve increased expenditures for which provision must be made by further appropriation. The section, as the Chair will note, provides (sec. 5, p. 5)—

That the board, with the approval of the President, is authorized to have constructed and equipped in American shipyards or navy yards or elsewhere, giving preference, other things being equal, to domestic yards, or to purchase, lease, or charter vessels suitable, as far as the commercial requirements of the marine trade of the United States may permit, for use as naval auxiliaries or Army transports, or for other naval or military purposes.

Now, the effect of amendment numbered 11 is to provide that they may make necessary repairs on and alterations of such vessels. Now, it is a question of construction whether or not the board under the power to purchase or construct ships, would not have had the power to make alterations or repairs. There can not be any increased expenditures involved on that account by the Senate amendment as I will make plain by reference to another section of the bill. Now, if the Chair will turn to section——

The SPEAKER. The Chair would like to ask the gentleman a question. Amendment 11 provides:

And to make necessary repairs on and alterations of such vessels.

Can they make repairs and alterations of a vessel without paying for it?

Mr. ALEXANDER. I say it is a question of construction whether they had the power to make such repairs and alterations under the provisions of section 5 without the Senate amendment; but, conceding that it would involve expenditures for that purpose, which to my mind is obvious, the limit of the expenditure that the board may make to construct, purchase, repair, or alter vessels is limited in section 13, page 14, to $50,000,000.

Section 13 provides:

That for the purpose of carrying out the provisions of sections 5 and 11—

Section 5 is the one to which we have just referred—

no liability shall be incurred exceeding a total of $50,000,000.

Now, the limitation in section 13 on the expenditures which may be made by the board under section 5 to build or purchase or repair ships is $50,000,000. If the repair or alteration of ships involves expenditures, as it would necessarily, it would limit the sum available to buy or build ships; but section 13 limits the expenditures to $50,000,000 for all these purposes, and that is not changed by the Senate amendment. And by no stretch of the imagination can it be said that the Senate amendment involves an increased expenditure of money within the provisions of the bill, because the bill as it passed the House limited all of the expenditures to $50,000,000.

The SPEAKER. Does not that amendment authorize a new line of expenditure?

Mr. ALEXANDER. It does not. But suppose it did? There is a limit on the expenditures as it passed the House, and they do not increase that limit. Now, with reference to the suggestion made by the gentleman from Iowa that——

Mr. TOWNER. Will the gentleman allow a question in that connection?

Mr. ALEXANDER. In just a moment. Amendment No. 28 is the one to which the gentleman from Iowa [Mr. TOWNER] called attention. Section 13 of the bill as it passed the House provided that the board should investigate the relative cost of building merchant vessels in the United States and in foreign maritime countries, and the relative cost, advantages, and disadvantages of operating in the foreign trade vessels under United States registry and under foreign registry.

Senate amendment No. 28 undertakes to extend the powers of the board and provides:

It shall examine the rules under which vessels are constructed abroad and in the United States, and the methods of classifying and rating same; and it shall examine into the subject of marine insurance, the number of companies in the United States, domestic and foreign, engaging in marine insurance, the extent of the insurance on hulls and cargoes placed or written in the United States, and the extent of reinsurance of American maritime risks in foreign companies, and ascertain what steps may be necessary to develop an ample marine insurance system as an aid in the development of an American merchant marine.

That does ostensibly enlarge the powers of the board, so far as investigations are concerned. But it is purely speculative whether that would involve any increased expenditure. I think I could get all that information without the expenditure of any sum of money beyond postage stamps and the cost of correspondence, because this information is available if called for from the proper sources, and the rules of the House provide that in determining whether or not the amendment referred to comes within the rules resort shall not be made to mere speculation. (Hinds' Precedents, Vol. IV, secs. 4809, 4810, 4811, and 4818.)

Mr. TOWNER. Will the gentleman yield?

Mr. ALEXANDER. Yes.

Mr. TOWNER. I think perhaps the gentleman misunderstood me. I agree that is a proper amendment. I was only using that as an illustration to show what I conceive to be a proper amendment in the extension of the language or powers of the bill, admitting that No. 28 is a proper amendment, but trying to draw a distinction between that and amendment No. 46. I think the gentleman misunderstood my point.

While I am on my feet, I want to call the gentleman's attention to amendments Nos. 30 and 31, to which he alluded just before taking up amendment No. 28. As the language originally stood, Mr. Speaker, it said:

That for the purpose of carrying out the provisions of sections 5 and 11 no expenditure shall be made nor liability incurred.

That is on page 14. The Senate, however, struck out the language "expenditure shall be made nor," and let the word "liability" remain, so that it reads now under the Senate amendment:

That for the purpose of carrying out the provisions of sections 5 and 11 no liability shall be incurred.

There is no limitation, then, on the expenditures, according to the amendment of the Senate.

Mr. ALEXANDER. If I understand the meaning of the two words, "liability" is a broader word than "expenditure," and if no liability may be incurred beyond a certain sum, surely there can not be any expenditure authorized beyond that sum.

The Senate struck out the words "expenditure shall be made nor," because they took the view that the word "liability" was the larger word, and the one that would limit expenditure as well, and that is the common-sense view to take of it.

Mr. TOWNER. The gentleman thinks that the liability is really enlarged by striking out the limitation on expenditures?

Mr. ALEXANDER. I did not say so. I say, when you strike out the word "expenditure" and leave in the word "liability" you include "expenditure." They left in the word of the most comprehensive meaning. Both words were in the bill when it passed the House. The expenditures of the board must come within the sum for which they may incur liability, and they can not incur liabilities beyond $50,000,000. There can not be anything clearer than that.

It is my opinion that the amendment to which the gentleman from Iowa refers, amendment No. 28, does not increase the power of the board at all. They have the power to make these investigations set out specifically in Senate amendment No. 28 under section 13 of the bill as it passed the House. Senate amendment No. 28 does not confer any additional power on the board, hence can not create any additional charge on the Treasury. But be that as it may, it does not on its face involve any increased expenditure unless we should go into the realm of speculation, and if we did it would be very difficult then to determine what, if any, the increased expenditure would be, and the rules of the House are not aimed at anything of that sort, as is clearly shown by the authorities cited.

Senate amendment No. 46, page 25, provides:

The board shall have power, and it shall be its duty, whenever complaint shall be made to it, to investigate the action of any foreign Government with respect to the privileges afforded and burdens imposed upon vessels of the United States engaged in foreign trade whenever it shall appear that the laws, regulations, or practices of any foreign Government operate in such a manner that vessels of the United States are not accorded equal privileges in foreign trade with vessels of such foreign countries or vessels of other foreign countries, either in trade to or from the ports of such foreign country, or in respect of the passage or transportation through such foreign country of passengers or goods intended for shipment or transportation in such vessels of the United States, either to or from ports of such foreign country or to or from ports of other foreign countries—

And so forth. Now, it is purely speculative as to whether or not the exercise of that power would involve any increased expenditures. The amendment further provides that—

It shall be the duty of the board to report the results of its investigation to the President with its recommendations, and the President is hereby authorized and empowered to secure by diplomatic action equal privileges for vessels of the United States engaged in such foreign trade. And if by such diplomatic action the President shall be unable to secure such equal privileges, then the President shall advise Congress as to the facts and his conclusions by special message, if deemed important in the public interest, in order that proper action may be taken thereon.

I again call the Speaker's attention to the language of section 13 of the bill as it passed the House, and venture the opinion that the board is given the power by that section to make every investigation specifically called for in Senate amendment 46, which I have just quoted; but if I am wrong in that, and I am very sure I am not, I concede that there is no provision made in the bill for any increased appropriation to cover any such investigation, and it is purely a matter of speculation whether or not it would involve any increased expenditure. As much may be said with reference to the last Senate amendment, numbered 48, which has been incorporated as section 36 in the amended bill, which provides for the enforcement of our laws against certain vessels leaving certain ports of the United States if they refuse to take cargo tendered by American citizens under certain conditions named in the section.

The SPEAKER. The Chair would like to ask the gentleman a question right there as to whether liabilities in addition to the $50,000,000 can be incurred. Suppose they go on and expend

the $50,000,000 and make this investigation, which would cost $50,000. Would a point of order lie against this extra appropriation to pay for this investigation, or is this language that is in this bill sufficient authorization to make this additional expenditure?

Mr. ALEXANDER. The $50,000,000 has nothing to do with any investigation. It is to be expended by the board in the construction or purchase or repair or operation of ships and for the creation of a corporation or corporations, and so forth, as provided by section 11 of the bill. The expenditure of the $50,000,000 is limited to the objects named in sections 5 and 11. I wish to make that clear. I was going to call the Chair's attention to section 35——

The SPEAKER. The Chair would like to ask the gentleman another question right there: If this $50,000,000 appropriation was to be applied to that section before the amendment was put on, then if they made an expenditure under this amendment, would not that be taken by Congress, when the question came up or the point was considered, as a sufficient authorization to make the expenditure or incur a liability beyond the $50,000,000?

Mr. ALEXANDER. If the Chair will refer to section 13, page 14, he will find that for the purpose of carrying out the provisions of sections 5 and 11 no liability shall be incurred exceeding a total of $50,000,000, and neither one of those sections refers to or grants power to make these investigations. Hence if there is no other authority in the bill for an appropriation to pay for these investigations it could not be gotten from sections 5, 11, and 14 of the bill as it passed the House.

Mr. TOWNER. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Missouri yield to the gentleman from Iowa?

Mr. ALEXANDER. In a moment. I call the attention of the Chair to section 35, which provides—

That for the fiscal year ending June 30, 1917, the sum of $100,000 is hereby appropriated, out of any moneys in the Treasury of the United States not otherwise appropriated, for the purpose of defraying the expenses of the establishment and maintenance of the board, including the payment of salaries herein authorized.

The SPEAKER. Suppose they turn up at some future day with a deficiency bill making an appropriation to recover the expenses incurred in this investigation that is authorized; would a point of order lie against the appropriation, or would this language in this amendment that the gentleman just quoted, No. 48, be taken as a sufficient license or authorization for that kind of an expenditure? What does the gentleman say about that?

Mr. ALEXANDER. If they would undertake to incur a liability beyond the amounts appropriated in this bill, I do not know how we would prevent it. We are providing for deficiencies all the time. But the point is that the Senate does not by any amendment increase the appropriations in this bill.

The SPEAKER. Is this amendment an authorization for an expenditure, or is it not?

Mr. ALEXANDER. It is if it enlarges the power of this board to make certain investigations over and beyond the power conferred under section 13 of the bill as it passed the House. Whether or not it will involve additional expenditures, as I said, we do not know. In my opinion it will not. But that is a question upon which we may differ, and the Chair is not called on to speculate about that.

The SPEAKER. The Chair would like to ask the gentleman another question, although it has nothing to do with this, but it may be of interest. Is there not a provision in the statutes that no department or head of a department shall exceed the appropriation made by Congress, and if it does is subject to prosecution? Would that provision apply to these commissioners or not?

Mr. GARRETT. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. In a moment. I did not catch the Speaker's tables.

The SPEAKER. There is a provision in the statute that a department or head of a department can not create a liability beyond an appropriation made by Congress, but it was disregarded, and at last Congress hitched on a provision to the statute making it a criminal offense to do that thing. Now, the question that the Chair asks, for his own information—not that it will throw light on this point of order—is this: Would that provision apply to the commissioners if they contracted a debt or liability beyond this authorization of $50,000,000?

Mr. ALEXANDER. It would in my opinion. I do not think they are authorized in any event to incur a liability beyond $50,000,000 in carrying out the provisions of sections 5 and 11. There can not be anything clearer than that. But these investigations do not come within sections 5 and 11, as the Chair will note. They are embraced in other provisions of the bill and bear no relation whatever to the provisions of sections 5 and 11. But I say it is possible that if they make investigations they may incur additional liability, but this bill, in section 35, expressly provides that their expenditures outside of $50,000,000 shall not exceed $100,000, and I repeat that the board had conferred upon it the power to make the investigations set out in extenso in the Senate amendments under the terms of section 13 of the bill as it passed the House; that no additional power is conferred; hence any possible expenditures that the board incurred in making such investigations was authorized by the House bill.

Mr. HARDY. Mr. Speaker, will the gentleman yield to me for just a moment?

Mr. ALEXANDER. Yes.

Mr. HARDY. In regard to that amendment, No. 28, I think I can make more forcibly clear what has already been stated by the chairman of the committee, that that really adds nothing to the language used in its right interpretation by the House bill. Section 13 of the House bill was prepared by myself and Mr. ROWE, a Member from New York, he being a Republican Member and I a Democratic Member, with the intention of clothing this board with the authority to investigate everything connected with the building and operating of ships here and abroad, so as to give this board authority to examine the whole field and report back to Congress, so as to enable Congress to pass laws necessary to help us in our competition with foreign ships and shipbuilding. I might add that Mr. ROWE himself introduced a bill containing a section having the same purpose, expressed very much in detail. We had a great many of these detailed provisions, that are now incorporated by the Senate amendment, written out in the section as Mr. ROWE and I had prepared it. We made it very elaborate and specific as to powers and duties of the board to make investigation, but when we brought it before the subcommittee, we studied it very carefully, and we came to the conclusion that the best form of legislation was to condense in broad and general terms the authority and duty of investigation with which this board was clothed, and we struck out details and used general terms, saying—

That the board shall investigate the relative cost of building merchant vessels in the United States and in foreign maritime countries, and the relative cost, advantages, and disadvantages of operating in the foreign trade, vessels under United States registry and under foreign registry.

And we concluded that under that authority this commission would have the right to make every investigation that would help to explain the differences in the cost of operation or construction of ships abroad and ships here, ships under our flag and registry, and ships under other flags and registry.

The SPEAKER. The Chair would like to ask the gentleman a question. Can he give any elucidation of how amendment 46 would or would not be construed as necessitating an appropriation?

Mr. HARDY. That is—

The board shall have power, and it shall be its duty whenever complaint shall be made to it to investigate the action of any foreign Government with respect to the privileges afforded and burdens imposed upon vessels of the United States engaged in foreign trade whenever it shall appear that the laws, regulations, or practices of any foreign Government operate in such a manner that vessels of the United States are not accorded equal privileges in foreign trade with vessels of such foreign countries or vessels of other foreign countries.

I take it, Mr. Speaker, that every power and duty specifically mentioned in that Senate amendment is clearly included in section 13 of the bill as it passed the House. The board was authorized and required to make that investigation by the bill as it passed the House even without any complaint, and therefore this Senate amendment could not necessitate any appropriation not necessitated by the House bill.

I do not see how section 13 of the original bill, which provides—

that the board shall investigate the relative cost of building merchant vessels in the United States and in foreign maritime countries, and the relative cost, advantages, and disadvantages of operating in the foreign trade vessels under United States registry and under foreign registry—

could be fully carried out unless this board had the authority to investigate all the privileges accorded by foreign Governments to other ships, and all the disadvantages or burdens imposed by foreign Governments on our shipping, since these would be distinctly relative advantages and disadvantages. I know it was our intention in section 13 to clothe this board with the authority to make every investigation of every question touching the operation of the shipping of foreign countries and our country, and the treatment of our shipping by foreign countries, either by their laws or practices.

The SPEAKER. If the Chair understands the gentleman's argument, he treats amendment 46 as mere surplusage?

Mr. HARDY. It is.

The SPEAKER. Now, the Chair will ask both the gentleman from Texas [Mr. HARDY] and the gentleman from Missouri [Mr. ALEXANDER] one question: Suppose that a separate bill had been introduced by the gentleman from Missouri or the gentleman from Texas embodying amendment 46 and nothing else. To what committee would that bill go and to what calendar would it go?

Mr. ALEXANDER. It might go to the House Calendar, if it contained nothing more.

I want to call the attention of the Chair to the fact that whether or not this will involve any increased expenditure is a matter of speculation, and does not bring it within the rules of the House to which I have called attention. As a matter of fact, I now have in my possession all the facts that this amendment is aimed at. The amendment was framed and sent to me, and I sent it to the Senate committee. The ascertainment of these facts does not involve any expenditure at all. The facts are known, against which this amendment is framed, and its purpose is to enforce equality of treatment between vessels under the American and foreign flags. But whether it involves expenditure or not, I call the attention of the Chair to the fact that the limitation of expenditure in the bill in the first instance is $50,000,000 and in the other $100,000, and the Senate has not increased either amount.

The SPEAKER. If the gentleman, or anyone else connected with the Government whom he knows of, has all these facts for the ascertainment of which this amendment provides, what was the sense of putting in the amendment?

Mr. ALEXANDER. Because we want this board to have the power to correct certain evils. That is the reason for it. I do not agree that it is mere surplusage, unless the Chair should hold, and, I think, correctly, that it adds nothing to the powers of the board under section 13, as I have pointed out. I think it is intended to correct an existing condition, the result of which is discrimination against our American shipping, and confers on the board, in express terms, the powers conferred in general terms under section 13 of the bill as it passed the House.

The amendment was unnecessary, in my opinion.

Mr. TOWNER. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Missouri yield to the gentleman from Iowa?

Mr. ALEXANDER. Yes.

Mr. TOWNER. Mr. Speaker, in that connection I desire to call attention to the fact that there is no limitation on the amount of money for the expenses of the board. There is only an appropriation for this year, so that to enlarge the duties of the board, which would necessarily entail additional expenditure, would, of course, make a liability on the Treasury. If this bill had already been a law and section 46 had been introduced as a separate bill, there would not be a particle of question but that it would go to the Committee of the Whole House on the state of the Union as entailing additional expenditure.

I want to call attention to another fact, and that is that this makes this board an investigating committee. It makes it just the same as the Interstate Commerce Commission is now, a commission to investigate on complaint, so that any American who claims in any way that he has been unjustly treated by a foreign country can make complaint to this board, and they will be compelled to hear and determine it, as the Interstate Commerce Commission hears complaints now.

Mr. ALEXANDER. You must not overlook the fact that we are considering amendments to a House bill.

The remedy under that section in part is through the State Department and through the machinery of the Government already organized, and does not involve any increased expenditure. It simply points out how the investigation shall be made. You might as well say that section 36 involves increased expenditure. It provides—

> The Secretary of the Treasury is authorized to refuse a clearance to any vessel or other vehicle laden with merchandise destined for a foreign or domestic port whenever he shall have satisfactory reason to believe that the master, owner, or other officer of such vessel or other vehicle refuses or declines to accept or receive freight or cargo in good condition tendered for such port of destination or for some intermediate port of call, together with the proper freight or transportation charges therefor, by any citizen of the United States, unless the same is fully laden and has no space accommodations for the freight or cargo so tendered, due regard being had for the proper loading of such vessel or vehicle, or unless such freight or cargo consists of merchandise for which such vessel or vehicle is not adaptable.

That simply invokes the machinery of the law as it exists. It does not involve any increased expenditure or appropriation out of the Treasury any more than does section 26.

Now I yield to the gentleman from Tennessee [Mr. GARRETT].

Mr. GARRETT. Mr. Speaker, I think the only point of order raised that involves the necessity of serious consideration is that raised by the gentleman from Iowa [Mr. TOWNER] with reference to Senate amendment 46, which inserts as section 26 the language that has been several times quoted, and which it is not necessary now to repeat. And, of course, it is true, Mr. Speaker, that under Rule XXIV, section 3, any proposed legislation carrying a charge on the Treasury must be considered in Committee of the Whole House on the state of the Union; and under section 20 any Senate amendment which, if it should be offered as an original proposition in the House, would require consideration in Committee of the Whole House on the state of the Union must itself be considered in that way.

I desire to call the attention of the Chair to certain language in this bill on page 4:

> The board shall appoint a secretary at a salary of $5,000 per annum, and employ and fix the compensation of such attorneys, officers, naval architects, special experts, examiners, clerks, and other employees as it may find necessary for the proper performance of its duties and as may be appropriated for by the Congress.

Now, under the provisions of that language the terms of amendment 46 will be carried out according as Congress shall hereafter appropriate the money. The language which I have read was in the bill as it passed the House. There is no change in that language. There is no amendment to that section. There is no amendment in any part of the measure which in any way detracts from the authority therein given to future Congresses to appropriate money for the purposes specified in the act.

Section 35, on page 30 of the bill, which has been read, simply provides an appropriation for the fiscal year ending June 30, 1917. That is $100,000. That $100,000 is to cover every activity of the board, including any activities that may be imposed upon it under the provisions of Senate amendment 46. It will lie within the power of the Congress before the expiration of that time, under the language I have read from page 4, to appropriate additional amounts without being subject to a point of order, but the limitation, so far as this bill is concerned, is fixed in section 35 at $100,000. So it does not seem to me that it can be fully construed as carrying any additional charge upon the Treasury by the passage of the Senate amendment 46.

In that connection I beg to call attention of the Chair to a certain paragraph contained in Hinds' Precedents, beginning with paragraph 4810, page 1037, of volume 4. I read:

> A bill that may incidentally involve expense to the Government but does not require it is not subject to the point of order that it must be considered in Committee of the Whole. On July 25, 1876, the House was considering a bill to utilize the product of gold and silver mines, reported from the Committee on Mines and Mining and pending when the morning hour expired on the 19th instant.
>
> Mr. John A. Kasson, of Iowa, made the point of order that the bill must first receive its first consideration in the Committee of the Whole House in accordance with the requirements of Rule CXII.

That is now section 3 of Rule XXIII.

The Speaker pro tempore, Mr. Milton Sayler, of Ohio, overruled the point of order, holding that the rule under consideration did not make an appropriation of money or property or in any way require an appropriation to be made, and that the fact that the bill may incidentally involve expense does not bring it within the rule cited, it being necessary that the bill should directly require an appropriation to subject it to the provision of the rule in question.

The record of debate gives the words of the Speaker pro tempore, but I hardly think it necessary to read the words. The substance has been stated.

Mr. TOWNER. Will the gentleman yield?

Mr. GARRETT. Certainly.

Mr. TOWNER. I will say to the gentleman that I conceded that at the commencement of my argument, and I agree entirely that unless this does entail necessarily an additional expenditure that the point is not well taken. But I want to call the gentleman's attention to the language of the amendment. I do not think that gentlemen have apprehended the language. It creates of this board a commission to hear and determine practical complaints. Any person who has a grievance in any way, any shipper, any shipowner, or any person interested in any way in foreign shipping can make a complaint to this board, and it is made the duty of this board to investigate the matter, which, of course, would necessarily imply an investigation beyond the seas; and then they are to report to the President, that the President may take it up in a diplomatic manner in order to have the matter corrected.

It occurs to me that the amendment is not worth anything unless the increase of duties and the entire new state of duties imposed upon the board would necessarily require and incur a larger obligation of the country.

Mr. GARRETT. Will the gentleman permit a question?

Mr. TOWNER. Certainly.

Mr. GARRETT. Does the gentleman think that under any authority given in Senate amendment 46 it would be possible

for the board to exceed the expenditure of $100,000, as provided for in section 35?

Mr. TOWNER. I think the gentleman would not contend that that could not be exceeded, because that is only an expenditure for this year. There is no limitation whatever on the expenditure that may be incurred with regard to the expenses of the board. There is only $100,000 appropriated to pay the expenses for this year. Of course, the gentleman is well aware that unless additional appropriations were made they could not exceed the appropriations made; and my point is it would incur in the performance of these duties additional expenditure. To-morrow a hundred people and perhaps a thousand may make complaints which would require them under this amendment to investigate, and which would under the performance of those duties necessarily make a charge on the Treasury that would have to be paid by additional appropriations.

Mr. GARRETT. Mr. Speaker, a further inquiry, if the gentleman will permit, and that is, Does not the language used in section 4 on page 4 cure all possible objection, so far as the parliamentary situation is concerned?

Mr. TOWNER. I hardly think so. I do not quite see the force of the gentleman's objection, because, of course, while they have already under the terms of the bill as we formed it, been given the power under this section to employ the necessary help to perform the duties, still, it gives them additional powers, additional duties, which means that they must obtain additional help and incur additional expense. It seems to me that that does not help the position of the gentleman.

Mr. GARRETT. Mr. Speaker, following briefly the line of argument just made by the gentleman from Iowa, I desire to call the attention of the Chair to paragraph 4811 of Hinds' Precedents, volume 4, in which this is said:

To require consideration in Committee of the Whole a bill must show on its face that it involves an expenditure of money, property, etc. On May 17, 1884, the House was considering a bill of the House (H. R. 6074) to change the eastern and northern judicial districts of the State of Texas, and to attach a part of the Indian Territory to said districts, and for other purposes.

Mr. John H. Rogers, of Arkansas, made the point of order against the bill that it should be considered in the Committee of the Whole. He said that by providing for holding a term of court twice a year at a certain point increased expenditure in the way of rent would be involved. Also there would be expenses for seals, etc., as processes would have to be issued. Then there would be new offices, for marshal, clerk, etc.

The Speaker (Mr. Carlisle) said:

The Chair overrules the point of order. He thinks it goes beyond the limits of propriety on questions of this kind. It would be really difficult to imagine any legislation enacted by Congress that does not involve some expenditure. This may, but the expenditure is so clearly an incident that the Chair does not think it brings the bill within the rule. The point of order is overruled.

Again—

On April 24, 1886, the House was considering a bill of the House to amend the act dividing the State of Missouri into two judicial districts, and to divide the eastern and western districts thereof into divisions, establish district and circuit courts of the United States therein, and provide for the times and places for holding such courts and for other purposes.

Mr. Richard P. Bland, of Missouri, made the point of order that the bill should go to the Committee of the Whole. After debate the Speaker overruled the point of order, and his decision is quoted here in full, but I shall not stop to read it now.

Mr. CULLOP. Mr. Speaker, will the gentleman yield?

Mr. GARRETT. Yes.

Mr. CULLOP. The gentleman has been reading precedents which apply simply to bills originating in the House and considered in their initiatory condition. The objections here apply to amendments made by the Senate to the bill, and I would like to call the gentleman's attention to this language in construing Rule XX:

A Senate amendment which is a modification merely of a House proposition, like the increase or decrease of an amount of an appropriation, and does not involve a new and distinct expenditure, is not required to be considered in Committee of the Whole.

Is there any amendment here offered which is anything more than an increase or a decrease of the House proposition, and is not the origin of a new proposition one of increase or decrease of the original proposition as it passed the House? And it does not involve a new, substantive proposition. For instance, the first amendment to which the gentleman from Massachusetts [Mr. GREENE] objected merely reduced the number of the commissioners. It neither increased nor decreased the expenditure, because they were Cabinet officials. The same could be said of the next following amendment, which is merely a definition of what is understood to be covered by the original proposition. Here it is only adding to or decreasing the amount which was required in the original bill as it passed the House. Under this proposition in the precedent only an amendment would go back to the House, and it would not be required to go to the Committee of the Whole. I call the gentleman's attention to sections 4797 to 4806 of volume 4 of Hinds' Precedents, which clearly define the procedure to be followed here in this matter, and under them the proper procedure is in the House and not the Committee of the Whole.

Mr. GARRETT. Mr. Speaker, there is just one other case which I shall read, and then I shall conclude. I refer to section 4818 of the same volume, as follows:

Where the expenditure is a mere matter of speculation the rule requiring consideration in the Committee of the Whole does not apply.

On February 27, 1897, Mr. Eugene S. Loud, of California, from the Committee on the Post Office and Post Roads, called up the bill to extend the uses of the mail service by admitting to the mails the postal cards and envelopes of the United States Economic Postage Association, under proper guaranties to recompense to the Government for the service.

Mr. Henry H. Bingham, of Pennsylvania, having made the point of order that the bill should be considered in Committee of the Whole after debate, the Speaker overruled it.

On March 1 Mr. Bingham was permitted to renew the point of order and made the point that in consequence of the number of such postal cards and envelopes there would be needed an extraordinary increase in the clerical force of the country.

The Speaker (Mr. Reed) said:

"The Chair does not see anything to change his ruling on the subject. It may be possible that it will increase the expenses, but that is a mere matter of speculation as to whether they will be larger or not; and the Chair overrules the point of order."

It seems to me that those cases are directly in point, Mr. Speaker, and if the Chair will bear with me I will call attention to just one other, on page 1042, paragraph 4821:

On December 14, 1904, during the call of committees for the consideration of business on the House Calendar, the Committee on Mines and Mining proposed for consideration the bill to authorize the exploration and purchase of mines within the boundaries of private land claims.

Mr. Sereno E. Payne, of New York, made the point of order that the bill required consideration in the Committee of the Whole, and therefore was not properly on the House Calendar.

After debate, Mr. Speaker CANNON overruled the point of order, and I shall not take up the time now to read his ruling, but it is in direct line with all of the reasoning which has been given in all of the cases which I have read, and which seem to me directly applicable to the particular case now at issue.

Mr. PARKER of New Jersey. Mr. Speaker, I would like to emphasize one point that has been made here that I do not think the gentlemen on the other side have understood. The board having been given power to expend money for clerks, investigation, and experts, a new obligation is put upon them which will of course involve the duties of those experts and those clerks, and which will cause more expense. That is one point, and the Speaker understands that. But there is another point that has been made by the gentleman from Iowa [Mr. TOWNER] in reference to amendment numbered 30, on page 14. I wish the Speaker would look at it. Amendment numbered 30 strikes out——

The SPEAKER. What page?

Mr. PARKER of New Jersey. Page 14, line 5. It strikes out the words "expenditure shall be made nor," so that it no longer limits expenditure but only liability, and reads now, "no liability shall be incurred exceeding a total of $50,000,000." Now, it is to be remembered, as shown by the whole bill and by lines 21, 22, and 23 of this same page, that the proceeds of United States bonds and the net proceeds of all sales, charters, and leases of vessels and sales of stock made by the board are to be used in the business of this board, which is to buy and sell vessels. Under the original provision of this bill they could not spend more than $50,000,000 in buying and selling vessels. Now, under the changed provisions of this bill they can expend from time to time a thousand million dollars in buying and selling vessels if only they do not run in debt during that time above $50,000,000. The change is vital when the amendment strikes out the limit of expenditure and makes it only a limit of debts.

Mr. SAUNDERS. Mr. Speaker, there are two appropriations provided in this bill that relate to and cover two entirely distinct subjects. The appropriation of $50,000,000 relates to the subject matter contained in sections 5 and 11. Those sections provide the creation of corporations to purchase and operate merchant vessels in the commerce of the United States. The appropriation of $50,000,000 has nothing to do with the payment of expenses incurred under other sections of the act. If we look to page 30, section 35, we will find another appropriation. This is an appropriation of $100,000 to cover the salaries of the commissioners, pays the ordinary working expenses in the office of the board, and defrays the cost of the investigations which have been the subject of discussion to-day. This fund can not be used for any other purposes than those just mentioned. It is important to keep in mind that these funds are distinct and that they respectively impose limits of expenditure upon the board created by this act. The Speaker is asked to have these

fundamental facts in mind in passing on the points of order that have been raised. I recall that the Speaker asked my colleague who preceded me upon what calendar a certain Senate amendment would be placed, in the event that it had been offered as an original bill in the House. I submit, Mr. Speaker, that that is not the test that should be applied. These amendments should be considered in their relation to and their effect upon the bill to which they have been offered, and I submit that there is not one of these Senate amendments that proposes an expenditure that is not contemplated by this bill, or directs any action that is not clearly within the powers given to the board by the original bill. If I am not mistaken in this statement, and I expect to show by reference to the contents of various sections of the bill that this statement is absolutely correct, then the point of order raised by the gentleman from Iowa, according to his own admission, is not well taken.

Mr. MADDEN. Will the gentleman yield to me for a question?

Mr. SAUNDERS. Yes; certainly.

Mr. MADDEN. I am a little in doubt about what amendment 46 means, and I would like to have the gentleman's explanation if he can give it. Does the gentleman contend that amendment 46 does not establish what might be properly termed a court of inquiry independent of the board which is authorized to operate the ships, and would this board or court be authorized under the amendment to sit and hear complaints of shippers, people owning private ships who might think they had been injured in any way, or hear complaints against foreign Governments, or against anybody; and if they are so authorized, would not that be a function entirely outside the function of the board authorized for the purchase and operation of ships? I would like to hear the gentleman in reference to that.

Mr. SAUNDERS. I will be very glad to undertake to answer the gentleman. In my judgment the suggestion made by the gentleman from Illinois, that the language of the amendment creates a formal court, can not be maintained. If the gentleman will look to the language of the amendment he will find that the board is given power upon complaint "to investigate the action of any foreign Government with respect to privileges afforded and burdens imposed upon vessels of the United States." In other words the board is authorized to conduct an inquiry on a large scale with reference to ascertaining whether the ships of the United States are subjected to any burdens, or any impositions by foreign Governments which will put them at a disadvantage when seeking the trade of other nations. Now, Mr. Speaker, I desire to call attention——

Mr. MADDEN. If the gentleman will allow to ask him one more question there, Does the gentleman contend that authority granted to investigate simply applies to vessels owned by the Government of the United States against which discriminations may be practiced?

Mr. SAUNDERS. No, I have not discussed that question. It was not raised by the gentleman's inquiry.

Mr. MADDEN. I thought it was.

Mr. SAUNDERS. I referred to the subject matter which could be investigated by this board, if complaints were made, and particularly to the scope of the investigation.

Now, Mr. Speaker, I desire to assert with all the emphasis in my power that no additional authority is lodged in the board by the Senate amendments. The amendments do not enlarge by one jot, or one tittle, the power of the commission to make the investigations referred to in these amendments. In order to make this clear I will read the language of the House bill:

SEC. 12. That the board shall investigate the relative cost of building merchant vessels in the United States, and in foreign maritime countries, and the relative cost, advantages, and disadvantages of operating in the foreign trade vessels under United States registry and under foreign registry.

If it is possible to devise a more sweeping grant of power to investigate than is afforded by this language I can only say that if the committee which formulated the House bill could have been advised to that effect, it would have adopted the new phrasing in lieu of the language that is found in the bill. What is it that concerns and relates to vessels operating under United States registry, that can not be investigated under this section, to the end that all discriminations and impositions anywhere existing may be ascertained and removed? If it should turn out that foreign countries by virtue of their domestic laws have put burdens upon our ships, or afforded advantages to their own ships, is not that a disadvantage in respect to the world trade under which ships flying the American flag would operate, in seeking international trade, as compared with ships flying the flag of the country affording these advantages, or imposing these burdens? Is there any question, therefore, that whenever it is suggested that anywhere in the world our ships are at any disadvantage by reason of the laws, or the practices of foreign countries, that these laws and these practices, so far as ships flying our flag are concerned, may be inquired into under the language of the original bill, without regard to the Senate amendment?

Permit me to call the attention of the Speaker in this connection to the action of the House committee in framing this section. When we first drafted that section we descended into many details of matters and things to be investigated. Indeed it embraced in terms many of the provisions contained in the Senate amendment. It went into details at considerable length. But after going over the language in conference we concluded that we were merely multiplying words, without enlarging the powers of the board. Hence we decided to give the board the largest possible grant of power, by the use of the most general and comprehensive terms that we could employ. For this reason we reduced the length of section 12, and expressed the power intended to be conveyed in terms of the most general import.

Mr. MADDEN. Will the gentleman yield to a further question?

Mr. SAUNDERS. Yes.

Mr. MADDEN. Does the gentleman contend that the language of the bill printed on page 12, line 23, and over on page 13, line 3, including the word "registry," which is as follows:

That the board shall investigate the relative cost of building merchant ships in the United States and in foreign maritime countries, and the relative cost, advantages, and disadvantages of operating in the foreign trade vessels under United States registry and under foreign registry—

Would grant the authority to the board to sit as a court and investigate complaints of shippers?

Mr. SAUNDERS. I do not think so. The language used merely says that the board, on complaint shall have authority to investigate certain actions of foreign Governments. This power it already possessed under section 12.

Any burden whatever, any inequality, that is imposed by any foreign country, however it may be created, however it may be devised, upon a ship flying the American flag, engaged in the world's commerce, is a disadvantage to the American shipowner, and if it is a disadvantage to the American shipowner, it is perfectly clear that under section 12, it can be investigated, inquired into, and a report made. That is the very reason that in drawing this act, we used the word "disadvantage."

Again, permit me to call the attention of the Speaker to the fact that if he will read clear through the amendment on the part of the Senate to section 26, he will not find, as I said before, and I repeat it, anything in the amendment which enlarges the powers, or increases the duties of the board. The only new matter in the section is that requiring the board to make a report to the President, and the President to take up the substance of the report with the foreign countries affected, by the way of diplomatic action. The making of the report to the President, may involve some cost not contemplated by the bill, but it is de minimis, and I do not think that the gentlemen who have made this point of order would seriously contend that this item of cost would make this amendment out of order.

So far as the direction to the President to take diplomatic action is concerned, it may be said that this direction does not confer any new authority upon the President. He already enjoys that authority as a constitutional prerogative. So that the only difference between this amendment and section 12, to which I have adverted, is that the inquiries which the board is authorized to make under section 12 shall, in addition to being reported to the House of Representatives, be reported to the President.

Another matter, Mr. Speaker, with respect to the use of the words "expenditure" and "liability."

The SPEAKER. The gentleman need not argue that.

Mr. SAUNDERS. I was merely going to say that expenditure is confined to a fund to one's credit. If you exceed that fund, you incur a liability. The bill gives the board $50,000,000 to expend, and provides that they shall not incur any liability beyond that sum. Hence it would be a violation of law for the board to expend a greater sum than $50,000,000, or incur any liability. These then are the two limits imposed, first $50,000,000 with reference to two designated sections, and $100,000 as to expenses incurred under other sections. The Senate amendments merely go into details with respect to the duties to be discharged by the board. They do not add to its duties, nor increase its powers. Hence it is perfectly clear that these amendments should not be considered in the Committee of the Whole. This case is covered by the precedents which have been stated, and I submit, Mr. Speaker, that for the reasons given, and the precedents cited the point of order should be overruled.

The SPEAKER. As an original proposition, and if there had not been numerous precedents on this subject, the Chair would rule that this bill ought to go to the Committee of the Whole House on the state of the Union. Since what occurred the other morning, the Chair has made a pretty thorough investigation of this matter and finds this set of circumstances: Away back in the early days it seems to have been an open question. Mr. Speaker Winthrop held that unless it was clear that an appropriation was involved, it did not go to the Committee of the Whole House on the state of the Union. Mr. Speaker Stevenson, in the days of Gen. Jackson, rendered rather an elaborate opinion, in which he said if it was possible that there would be an appropriation under it, it ought to go to the Committee of the Whole.

I find this also to be the case: Speaker Keifer, Speaker Carlisle, Speaker Crisp, Speaker Reed, Speaker Henderson, and Speaker CANNON have all sustained the view taken by these gentlemen from Virginia, Missouri, and Tennessee that this bill, with Senate amendments should not go to the Committee of the Whole House on the state of the Union. There is a long string of these decisions. There must be 10 or 15 of them. There is no use to read but two or three of them. As a matter of fact, the present occupant of the Chair ruled once himself on a similar question in harmony with Speakers Keifer, Carlisle, Reed, Crisp, Henderson, and CANNON. I first quote section 4809 of Hinds' Precedents:

A bill which might involve a charge upon the Government but does not necessarily do so need not go to the calendar of a Committee of the Whole. On February 8, 1900, Mr. GEORGE E. FOSS, of Illinois, during the call of committees in the morning hour, called up the bill (H. R. 969) relating to the relief of certain men of the Navy from the charge of desertion. The effect of the bill was to remove the limitation of time which applications for relief might be received and acted on.

Mr. Sereno E. Payne, of New York, made the point of order that the bill did not properly belong to the House Calendar, since it might involve a charge upon the Treasury in the shape of pensions or bounties.

After debate, Mr. Speaker Henderson held:

The Chair overrules the point of order, believing this does not impose any burden on the Government; it is simply extending the time within which application may be made for the removal of the charge of desertion. Effacing the record of desertion is the thing aimed at by this bill. Non constat that a dollar is due to anyone. The assumption is entirely too remote, and it seems to the Chair clear that if any bill can properly be on the House Calendar this can be.

It turned out that Mr. Milton Sayler, of Ohio, was temporarily in the Chair once, and he rendered a decision. Mr. Sayler was a very able Member of this House. I read section 4810 of Hinds' Precedents:

A bill that may incidentally involve expense to the Government, but does not require it, is not subject to the point of order that it must be considered in Committee of the Whole. On July 25, 1876, the House was considering a bill to utilize the product of gold and silver mines, reported from the Committee on Mines and Mining, and pending when the morning hour expired on the 19th instant.

Mr. John A. Kasson, of Iowa, made the point of order that the bill must receive its first consideration in a Committee of the Whole, in accordance with the requirements of Rule CXII.

That is now section 3 of Rule XXIII. Mr. Kasson quoted this language of the bill:

That coin notes of the denomination of $50 and multiples thereof up to $10,000 may, in the mode hereinafter provided, be paid by the several mints and assay offices at San Francisco, Carson City, Philadelphia, and New York for the net value of gold and silver bullion deposited thereat.

And said:

Now, if this bullion is purchased by authority of law, it can not be paid without money, and no money can be taken, or property of any kind, without authority of law; so that in the very first few lines of the bill you find that there is an express appropriation either of money or property.

Mr. Sayler overruled the point of order.

Here is one of Mr. Speaker Carlisle's decisions. I read section 4811 of Hinds' Precedents:

SEC. 4811. To require consideration in Committee of the Whole a bill must show on its face that it involves an expenditure of money, property, etc. On May 17, 1884, the House was considering a bill of the House (H. R. 6074) to change the eastern and northern judicial districts of the State of Texas, and to attach a part of the Indian Territory to said districts, and for other purposes.

Mr. John H. Rogers, of Arkansas, made the point of order against the bill that it should be considered in the Committee of the Whole. He said that by providing for holding a term of court twice a year at a certain point, increased expenditure in the way of rent would be involved. Also, there would be expenses for seals, etc., as processes would have to be issued. Then, there would be new offices for marshal, clerk, etc.

Mr. Speaker Carlisle said:

The Chair overrules the point of order. He thinks it goes beyond the limits of propriety on questions of this kind. It would be really difficult to imagine any legislation enacted by Congress that does not involve some expenditure. This may, but the expenditure is so clearly an incident that the Chair does not think it brings the bill within the rule. The point of order is overruled.

I read also section 4812:

On April 24, 1886, the House was considering bill of the House (H. R. 2929) to amend the act dividing the State of Missouri into two judicial districts, and to divide the eastern and western districts thereof into divisions, establish district and circuit courts of the United States therein, and provide for the times and places for holding such courts, and for other purposes.

Mr. Richard P. Bland, of Missouri, made the point of order that the bill should go to the Committee of the Whole.

After debate, the Speaker—Mr. Speaker Reed—held:

The Chair desires to call the attention of the gentleman from Missouri [Mr. Bland] to the rule which has heretofore been adhered to in the decision of questions of this kind. It has been uniformly held that before a point of order of this character can be sustained it must appear with certainty that an additional appropriation will be required to execute the law if the bill should be passed. Now, it is true that this bill provides for summoning jurors and for holding courts at these additional places in certain contingencies; that is, in case the county authorities provide the necessary rooms, offices, etc. But all these courts are to be held merely for the purpose of transacting the judicial business in what now constitutes one district. Civil and criminal proceedings are to be commenced in these courts; but the Chair has no means of determining that the creation of these costs will not in fact diminish the cost of litigation instead of increasing it.

So he overruled the point of order.

Hinds' Precedents, section 4821: On December 14, 1904, during the call of committees for the consideration of business on the House Calendar, the Committee on Mines and Mining proposed to consider the bill (H. R. 1954) to authorize the exploration and purchase of mines within the boundaries of private land claims. Mr. Sereno E. Payne, of New York, made the point of order that the bill required consideration in Committee of the Whole, and therefore was not properly on the House Calendar. After debate, Speaker CANNON ruled:

The point of order is made to the legislation here in the bill under Rule XXIII, which is as follows—

Then he quotes the rule:

The Chair has read hurriedly this bill, and takes the statement of the gentleman from Iowa, which conforms to the general recollection of the Chair, that the grant made by the Spanish or Mexican Government prior to the treaty of peace with Mexico reserved minerals.

Mr. Speaker CANNON concluded:

Upon the face of this bill there does not seem to be any charge upon the Treasury in the language of the rule "involving a tax or charge upon the people." In other words, it takes a roundabout argument to show that the Government is to be charged, or that the people are to be charged, by virtue of this legislation. And after the argument is made, the Chair apprehends that it would still be in the air as to whether a charge is made against the people by the proposed legislation. So that under prior decisions that the Chair will not now take time to read, made by Mr. Speaker Carlisle and by Mr. Speaker Reed, it seems to the Chair that the point or order is not well taken.

There are 10 or 12 other decisions along the same line.

The point of order is overruled.

LEAVE TO EXTEND REMARKS.

Mr. PADGETT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the naval appropriation bill and naval legislation.

The SPEAKER. The gentleman from Tennessee [Mr. PADGETT] asks unanimous consent to extend his remarks in the RECORD on the naval appropriation bill and naval legislation. Is there objection?

There was no objection.

ARMY APPROPRIATIONS.

Mr. HAY. Mr. Speaker, I call up the Army appropriation bill, and move to concur in the Senate amendment.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read the title of the bill (H. R. 17498) making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes.

The SPEAKER. The Clerk will read the Senate amendment.

Mr. HAY. I ask unanimous consent that the reading of the Senate amendment be dispensed with.

The SPEAKER. The gentleman from Virginia asks unanimous consent that the reading of the Senate amendment be dispensed with. Is there objection?

Mr. MANN. Reserving the right to object, it seems to me the least we can do is to read the amendment. Here is a long amendment that has never been considered in the House, never been considered in the Senate, never been considered by a committee of the House, never been considered by a committee of the Senate. I think at least we ought to read it.

Mr. HAY. It was considered——

Mr. MANN. It was considered by the gentleman from Virginia and the conferees.

Mr. HAY. Considered by the Senate committee.

Mr. MANN. Oh, it never was considered by the Senate committee. It ought to be read.

The SPEAKER. The gentleman from Illinois objects, and the Clerk will read the amendment.

The Senate amendment was read.

The SPEAKER. The question is on concurring in the Senate amendment.

Mr. HAY. Mr. Speaker, I have promised to yield some time to the gentleman from Illinois if he desires it. I also promised to yield to two gentlemen from Minnesota, Mr. STEENERSON and Mr. MILLER.

The SPEAKER. How much time does the gentleman from Wyoming want?

Mr. MONDELL. About 10 minutes.

Mr. HAY. I yield 10 minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Speaker, the acceptance of the Senate amendments to the Army bill illustrate very interestingly a number of things, among others the subserviency of the Congress to the Executive. We are not in war.

Mr. BORLAND. Is this the weak and vacillating Executive that has been talked about?

Mr. MONDELL. Sometimes weak, sometimes vacillating.

Mr. BORLAND. It is the same Executive criticized by Candidate Hughes, is it not?

Mr. MONDELL. And sometimes exceedingly stiff necked. Weak and vacillating when strength and continuity of purpose would be wise and well, and stiff necked and persistent when that attitude is harmful and injurious to the interests of the country.

We are not at war, but, as the President says, we are seeing sparks all around, and we have all of our forces on the Mexican border, including 125,000 of the militia. We are well into the fiscal year, and yet no provision has been made for our Military Establishment except the provision extending the appropriations of last year.

In this condition of affairs when the President is insisting that everybody everywhere shall give way in their views and opinions in order to aid preparedness the President has the military bill brought to him. There is no claim that it does not provide adequately for the Military Establishment. There is no doubt about the importance of having these moneys available. But the President had insisted that Congress, contrary to the rules of both bodies, should place on this military appropriation bill legislation providing for the entire revision of the Articles of War, and because that revision of the Articles of War in one rather unimportant particular did not square with the President's view or that of the War Department, did not exactly follow the draft of the bill that the War Department sent to Congress, because of that situation the military bill with the fiscal year well begun and no provision for the care of the troops except a resolution continuing old appropriations, the President vetoes the Army bill and takes the chances of a controversy or disagreement with Congress on a difference of opinion as to one relatively unimportant matter, holding up appropriations for the Army indefinitely.

What Congress should have done was to have passed the bill over the President's veto and then proceeded properly and decently and in order to consider the question involved between the Executive view and the House view in this matter of legislation.

That is one of the important things that this situation illustrates.

It illustrates furthermore how little the executive departments understand just what it is they desire in legislation, how little they understand the effect of the legislation that they call on Congress to enact, and on behalf of which bills are vetoed if Congress does not follow the Executive dictation. It is certainly not over three weeks, possibly less time than that, that this legislation was sent to the Senate from the War Department with the expectation that it be enacted in just the form in which it was presented. The Senate did its part. Some gentlemen in the House objected to certain provisions, and they were taken from the bill. The bill was vetoed, reintroduced without the Articles of War, passed the House, and the Articles of War restored in the Senate, and comes back to the House. Does it come back in the form that the Executive wanted it a short time ago? No. It is true that in substance the Congress has now placed in the bill the provision demanded by the President; but as a matter of fact the language differs considerably from the language originally insisted upon by the executive department, and except for the fact that the gentleman from Virginia knew more about these things than the executive department knew we would have written into law at the behest of the executive department a provision that nobody would have approved and that nobody wanted.

The controversy all arose over the question of whether or not men on the retired list should be under military control. As the language stated it, as originally presented to the Congress by the War Department, it was:

all officers and soldiers belonging to the armies of the United States.

So, had we accepted the language of the Executive we would have placed, as I understand it, under military control all of the civilian reserves of the country—Officers' Reserve Corps and Enlisted Reserve Corps.

What I am curious about is this: Had we accepted the provisions just as they were handed to us from the executive department, would the bill have been vetoed because not satisfactory, or is the department still willing to accept its own language when enacted by Congress, although it accomplishes much more than they set out to accomplish? I am not altogether certain that there is not something in the contention of the Executive, I am not altogether certain that the bill as we passed it in the first instance was not somewhat objectionable along the lines suggested by the President; but the way to remedy that defect, if defect it was, was by calling the attention of Congress to it when the bill was signed and urging legislation to cure the situation thus created if in the opinion of Congress it was a situation which ought to be cured. It seems to me it is about time that the Congress asserted its independence occasionally in matters of this sort. When we have taken care of the departments of the Government, provided for the needs of the Army at a time when the troops in the field need these appropriations, no Executive, in my opinion, is justified in vetoing a bill because of some minor matter in disagreement between the Executive and the Congress. [Applause on the Republican side.]

Mr. HAY. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. ELLSWORTH].

Mr. ELLSWORTH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the subject of the real issues and the Democratic hurdy-gurdy.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to extend his remarks in the RECORD in the manner stated. Is there objection?

There was no objection.

Mr. HAY. Mr. Speaker, I yield now to the gentleman from Virginia [Mr. SAUNDERS].

Mr. SAUNDERS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the general conditions of business in the country and also upon the Democratic revenue bill.

The SPEAKER. The gentleman from Virginia asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. HAY. Mr. Speaker, I yield now to the gentleman from Oklahoma [Mr. MCCLINTIC].

Mr. MCCLINTIC. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in reply to certain charges that are being circulated in my district.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to extend his remarks in the RECORD in reply to certain charges circulated in his district. Is there objection?

There was no objection.

Mr. HAY. Mr. Speaker, I yield now to the gentleman from Minnesota [Mr. MILLER] for 10 minutes.

Mr. MILLER of Minnesota. Mr. Speaker, we have recently heard in this House groanings and lamentations because the Republican Party has as its nominee one who had been a Justice of our Supreme Court. Something of those same bewailings has been noted also in a few papers of the country. It is significant that in every instance they come from Democratic Party workers, never from the American people; from the blindly partisan Democratic press, never from those publications that reflect public sentiment.

It is a desperate effort on the part of those whose place of power depends upon Democratic victory to find something they can criticize in the opposing candidate. Their extremity reveals the strength and greatness of the Republican nominee. [Applause on the Republican side.] Naturally they are troubled, and deeply so.

These idle and petty whines demonstrate that Democracy has searched the character and public life of the Republican candidate in vain to find a single trait, a single act, they dare to attack. Charles E. Hughes stands a mountain of true worth. In that majestic presence Democracy does well to whine. They are sore troubled. They are deeply worried. They are grasping at straws. So they complain that we reached into too high a place to secure the next President. They forget that no character is too high, no position too exalted, to yield when our country calls. No citizen of this land, no matter what his place or position, should ever be beyond the call of his country in the hour of his country's need. [Applause on the Republican side.] And what a need is that of our country to-day! A country whose national honor is all but lost, whose finances are in ruins,

whose millions are crying out for help, needs the highest, the strongest, the best in all the land. So our country asks for Hughes. He is a candidate only because the Nation so wills. He sought no added glory, no honor for himself. He was never a seeker for the nomination. He refused to ask for it or consent that he be considered a candidate for it. Yet the Nation knew it wanted Hughes, and the Nation would not be denied. Our country in distress drafted him to redeem our national honor and secure future prosperity for our land. He is to be the next President, because the people of our country demand him. [Applause on the Republican side.]

And so Democracy is sad. Very sad when they reflect how their candidate thrust himself upon them. He was elected on a platform that pledged him to but one term. Most of the Democrats hereabout desired him to have one term, just one term. [Laughter on the Republican side.] That desire has been growing as the recent months, with all their miserable mistakes, have rolled by. But he willed otherwise. Whether Democrats want him or not, whether Democrats believe in him or not, whether Democrats think he can win or not, they have no choice; him they must have. No Democrat in Washington is allowed to breathe unless he shouts for Wilson. Wilson wills to be the Democratic nominee, and Wilson is the Democratic Party. So Democracy eats the platform of 1912, and conscious of its own burden whines because the Republicans have named such a splendid man.

But in this they use poor judgment. One would think from some of these remarks that no court judge was ever a candidate for a political office before. They should enlarge their knowledge of history and that of their party.

In practically every presidential election from the days of Washington till now Supreme Court Justices have been either prominently mentioned or actual candidates for party nomination.

Indeed, our first Chief Justice, John Jay, of New York, a most distinguished jurist, was twice a candidate for the office of governor of the State of New York while he was a member of our Supreme Court. The first time, in 1792, he did not resign and was defeated. The second time he resigned as Chief Justice and was elected.

In the election of 1796 we find James Iredell, of North Carolina, a Justice of our Supreme Court, a candidate for the Presidency, and he received three electoral votes.

A few years later, in 1816, we find that the great John Marshall, of Virginia, probably the most influential jurist that ever sat on any court, while serving as Chief Justice of our Supreme Court, was a receptive candidate for the Vice Presidency, receiving four electoral votes. Thus we see at the very outset of our history, in the very beginning of our Government, during the lifetime of those giant men who formed the structure of our Government and infused the spirit into our institutions, it was considered meet and proper in the highest sense, and, in fact, conducive to the best interests of our Nation that Justices of our Supreme Court should be available material for the high office of President.

John McLean, of Ohio, was a Supreme Court Justice for a third of a century, and we find that during a period of almost 30 years he was at every presidential election a candidate for the Presidency. In 1832 he was Ohio's candidate. In 1848 he came before the Buffalo convention of the Free Soil Party a candidate for the Presidency. Again, in 1856, when the Republican Party held its first national convention at Philadelphia, he was a candidate for the nomination and received 196 votes against John C. Fremont. Again, in 1860, he was a candidate for the Republican nomination in the Chicago convention that nominated Abraham Lincoln.

Then in 1868 we find another distinguished Democrat, no less a personage than Salmon P. Chase, Chief Justice of the Supreme Court, a candidate for the Democratic nomination to the office of President of the United States. But he was defeated by Horatio Seymour. Perhaps some of my Democratic friends will object to this designation of Salmon P. Chase as a Democrat, inasmuch as he was a member of Lincoln's Cabinet. Mr. Chase was selected by President Lincoln solely on account of his ability and his well-known and vigorous views on the slavery question. Mr. Chase was a Democrat. In his letter to the Democratic national committee, written just before the Democratic convention, Mr. Chase wrote:

> For more than a quarter of a century I have been in my political views and sentiments a Democrat.

In 1872 we find David Davis, a member of our Supreme Court, nominated by the Labor Reform Party for the office of President of the United States. A little later on, but the same year, we find him a candidate for the nomination before the Liberal Republican convention at Cincinnati, that finally nominated Horace Greeley. Five years later, in 1877, this same Supreme Court Justice, while still a member of the court, was elected by the Democrats of Illinois to the office of United States Senator to succeed John A. Logan. In accepting the nomination of the Labor Reform Party, Justice Davis correctly expressed that attitude which should be assumed and maintained by the justices of our court. He said:

> The Chief Magistracy of the Republic should neither be sought nor denied by any American.

Again in 1880 we find another prominent Democrat, a member of our Supreme Court, a candidate for the Presidency. I refer to Justice Stephen J. Field, of California, who was an active candidate for the Democratic nomination at the Cincinnati convention. His nomination was only prevented by the sudden rising of a strong sentiment against him on account of a decision rendered, which marked him, as the people thought, as one who held pro-Chinese opinions. Again in 1884 Justice Field was before the country a candidate for the Democratic nomination. However, the Democratic State convention of California passed a resolution opposing his candidacy, apparently on the same old grounds, and Mr. Field was defeated.

But let us come down near the present hour. Can it be possible that Democracy can not remember back a dozen years? Can it be they have forgotten that their convention at St. Louis, refusing to accept Bryan—the only time they did refuse him—reached over into the highest court of the State of New York, took Judge Alton B. Parker therefrom, and made him their presidential nominee?

In that same year the State Democratic convention of New York nominated Justice Herrick of their supreme court for governor.

Even now, in the campaign at hand, Democracy in the State of New York is about to nominate as its candidate for governor Justice Seabury of their supreme court. Some Democrat may arise to remark that there is a difference between selecting a State judge and a United States judge for a political office. No sophistry in the world, no political bias can possibly spell any difference between the two. The principle is identically, exactly the same. Any difference that can be shown is less than the difference between tweedledum and tweedledee. Any attempt to show a difference is but puerile effort, making them ridiculous as they vainly endeavor to justify their own nomination of Parker, and at the same time attack the nomination of Hughes.

Away with this chicanery, quibbling, and whining. Democratic justices of the Supreme Court from the beginning of our Government have aspired to the office of President of the United States. Democracy throughout the land has at frequent intervals, and quite consistently, engaged itself in an effort to have a Supreme Court judge nominated and elected President. It now does not lie in their mouth to criticize, if criticism were well founded. But it is not well founded. It has no foundation at all. The people of our country rule the land. They made their own governmental institutions; they elect and place in power men to discharge the functions of government. It is in their power and it should be within their power at any time to call upon any citizen for any important work. In this hour the people of our land have emphatically called Mr. Hughes from the work of a judge to the work of the Chief Executive of this land. The call is clear and emphatic; it is his duty to obey. In so doing he responds to the call of patriotism and is in accord with the spirit of our institutions. [Applause on the Republican side.]

Mr. HAY. Mr. Speaker, I now yield five minutes to the gentleman from Minnesota [Mr. STEENERSON].

Mr. STEENERSON. Mr. Speaker, some time ago, in response to inquiries of the War Department, the Secretary announced that after September 1 members of the National Guard mustered into the service of the United States who could show bona fide intention of entering or returning to colleges or schools at the beginning of the fall term would be sent home. This was in response to a considerable clamor on the part of parents throughout the country, who desired that their boys should not lose the advantages of education. This demand has been extended to others. I received a letter to-day from a prominent man in my district in which he explains that his son is also a member of the National Guard in the service of the country on the border, that he has been a newspaper reporter, that he has been intending to get an education as soon as he could earn money enough by his own efforts to pay for it, but that he would have to earn some more money than he has now, and that he is not getting any more than he spends while serving the country, and, therefore, this gentleman desires his son should be released because he wants him to have a chance to get an education in that way, by first earning the money and going to school and taking a

course in journalism. He says that it is all right to provide that boys whose parents are rich enough to send them to school should be released, but that it is a discrimination in favor of the rich and against the poor man. If you allow a wealthy man's boy to be released, but keep the poor man's boy there, it is an unjust discrimination. Speaking of his own son, he says that he is not figuring on going to school this coming year for the reason that he is not financially situated so that he can afford to send him. Mr. Speaker, as a matter of fairness I believe that young men of poor parents should be treated as favorably by the Government as young men whose parents are more capable of equipping their sons with a suitable education. This gentleman continues:

If boys are allowed to go from the front back to school, then my son ought to be allowed to go back to his work and in that way secure funds to pay the expenses of an education. If he is kept at the front and the schoolboy is let go, then who can say that the Government is not in favor of the classes, who can say that the boy of poor parents is given the same chance as the boy of rich parents?

Mr. Speaker, I believe such letters would not be written if we were facing a great emergency or a great national crisis, but the fact is that it is dawning upon the people of the United States that there is no sufficient reason for the taking of these 120,000 boys of the National Guard and keeping them on the border.

The exigency is not apparent to them. Many of them seem to think that it looks as if it were more of a political campaign than anything else. Now, I noticed in the morning paper that the great Secretary of War, who no doubt has earned his military laurels on many a hard-fought battlefield, is also at the front, imitating, I suppose, the emperors and kings of Europe, who before, or rather behind, the battle front are encouraging their soldiers to the last measure of sacrifice—although there is a slight difference between that example and the example of the Secretary of War of the United States——

The SPEAKER. The time of the gentleman has expired.

Mr. HAY. I yield the gentleman from Minnesota three minutes.

Mr. STEENERSON. Mr. Speaker, the Secretary of War has gone to the front, not to the front of Mexico but to the battle front of Maine, where he tells these anxious parents in Minnesota and the other States that their boys are at the front; that their boys are winning bloodless victories on the border. Here is a Cabinet officer, drawing $12,000 or $12,500 a year, taking a week's time at a cost of three or four hundred dollars to the Government, neglecting very important duties at Washington and going off on an electioneering tour [laughter on the Republican side] at public expense! In view of these performances can we blame the American people for suspecting that possibly the whole military movement may have something to do with politics. I am not making any charge, but I say these letters we are receiving show that the people of the United States are beginning to be more and more suspicious that this mobilization is one dictated more by political than military reasons, and to suspect that there is no hope of getting the boys back until after election. [Applause on the Republican side.]

While the Secretary of War is on the stump, let us hope he will tell the people something about this subject. It requires explanation and the people look to him to give it.

Mr. HAY. Mr. Speaker, I yield 10 minutes to the gentleman from Alabama [Mr. HUDDLESTON].

Mr. HUDDLESTON. Mr. Speaker, the matter now before us illustrates what terrible doses the American people are being compelled to take as the result of the agitation for preparedness. Measures which would not have been considered for a moment under ordinary circumstances are now being put through Congress without a moment's consideration. We have before us the Army appropriation bill with a Senate amendment, which means the adoption of new articles of war. We are expected to accept without reading and without the pretense of consideration, so far as the details are concerned, a complete code of laws for the government of our Army. These laws not merely define all military offenses, but also constitute a complete code of procedure and govern to the remotest detail the soldier's life. They are comprised in many articles. They contain many serious and important provisions. We are laying down rules and establishing regulations for the control of men and for the deprivation of their liberty, and even of their lives. One of these articles of war provides that if an enlisted man shall make any show of violence whatever against a superior officer he shall suffer death no matter what his provocation may have been. That penalty, that extremely severe article, this Congress, the representatives of the great American people, are adopting without debate, without consideration, and I dare say, Mr. Speaker, absolutely without knowledge of what we are doing. [Applause.]

We are doing this because the Senate—I will not say Senate, because the Senate is the mere puppet of the situation, just as the House is—but because the militaristic influences that have clutched this country by the throat, have seized this occasion as an opportunity to take advantage of the terror which they have deliberately inspired in the breasts of the people. The militarists are taking advantage of the opportunity to force down the throats of the people measures which otherwise Congress would not for a moment seriously consider.

But this is a small part of what we are having to bear. We ought not to gag at this kind of thing because we are standing for a great many worse things. I stand on the floor and protest against the enormous waste of money, against the hundreds of millions being cast to the winds. However, my attitude is that I would much rather take this money and dump it in the middle of the ocean than to spend it in the way it is being spent by Congress. I would rather see this money lost entirely. I would rather see the amount of labor and property that it represents completely destroyed by some great catastrophe than to see the creation of un-American militaristic organizations such as are provided for in these so-called preparedness measures.

I got upon my feet, Mr. Speaker, chiefly, however, to call attention to a provision in the national-defense act, approved June 3, 1916. I think the attention of the American people ought to be called to the fact that we have had conscription incorporated into our laws. It is now possible, as a general provision of law and as a permanent part of our law, to take peaceable citizens out of their homes, who have never belonged to the militia, and put them into the ranks and send them to the front to fight. This power of conscription is not retained by Congress, as it ought to be, but is given to the Executive, and may be exerted by him without consulting Congress. Did you know that, gentlemen of the Congress? Do the American people realize that? No. I will guarantee there are not a dozen Members who realize that the condition to which I refer has arisen. The purpose of my rising is to call attention to it. I think Congress ought to know, and I think the people we speak for ought to know.

I refer to section 79 of the national-defense act, the section which provides for militia reserves, and particularly to a clause of that section, as follows:

If for any reason there shall not be enough voluntary enlistments to keep the reserve battalions at the prescribed strength, a sufficient number of the unorganized militia shall be *drafted* into the service of the United States to maintain each of such battalions at the proper strength.

By the phrase "unorganized militia" all men between 18 and 45 years of age who do not belong to the National Guard are included.

Section 79 provides that when militia regiments have been called into the Federal service, as provided by other sections of the act, reserve battalions shall be created at home to supply any losses the militia may suffer while in service. The entire section 79 is as follows:

SEC. 79. Reserve battalions for recruit training: When members of the National Guard and the enlisted reserve thereof of any State, Territory, or the District of Columbia shall have been brought into the service of the United States in time of war, there shall be immediately organized, either from such enlisted reserve or from the unorganized militia, in such State, Territory, or District, one reserve battalion for each regiment of Infantry or Cavalry, or each 9 batteries of Field Artillery, or each 12 companies of Coast Artillery, brought into the service of the United States, and such reserve battalion shall constitute the fourth battalion of any such regiment or 12 companies of Coast Artillery. Reserve battalions shall consist of 4 companies of such strength as may be prescribed by the President of the United States. When the members of three or more regiments of the National Guard of any State, Territory, or District shall have been brought into the service of the United States, the reserve battalions of such regiments may be organized into provisional regiments and higher units. *If for any reason there shall not be enough voluntary enlistments to keep the reserve battalions at the prescribed strength, a sufficient number of the unorganized militia shall be drafted into the service of the United States to maintain each of such battalions at the proper strength.* As vacancies occur from death or other causes in any organization in the service of the United States and composed of men taken from the National Guard, men shall be transferred from the reserve battalions to the organizations in the field so that such organizations may be maintained at war strength. Officers for the reserve battalions provided for herein shall be drafted from the National Guard Reserve or Coast Artillery companies of the National Guard or the Officers' Reserve Corps, such officers to be taken, if practicable, from the States, respectively, in which the battalions shall be organized. Officers and noncommissioned officers returned to their home stations because of their inability to perform active field service may be assigned to reserve battalions for duty, and all soldiers invalided home shall be assigned to and carried on the rolls of reserve battalions until returned to duty or until discharged. [Italics not in original.]

Mr. HAY. That section only applies in time of war?

Mr. HUDDLESTON. Certainly.

Mr. HAY. But the gentleman says when they are called into the service. It is only in time of war.

Mr. HUDDLESTON. Certainly. That is the time they can be called into service.

Mr. HAY. They can be called like they are now.

Mr. HUDDLESTON. I trust the gentleman will not lead me away on that, unless he will give me more time.

Mr. HAY. I wanted to call attention to the fact.

Mr. HUDDLESTON. Let us not get away from the point, gentlemen, and that is this: That section 79 of the national defense act provides for the creation of reserve battalions for the militia when in time of war the militia is called into service. Are those reserve battalions going to be created by voluntary enlistments? Are men to be given the option of saying that they shall be enlisted in these reserve battalions? Not at all. They are to be conscripted. That is the thing I protest against. If there is anything hateful to me it is the conscription of American citizens for compulsory military service. It is slavery to militarism wholly at war with American ideals.

Now, then, how did section 79 get into the bill? It was not in the national-defense act when it was introduced. When the committee reported it and laid the act before the House it was not there. During the consideration of the bill in the Committee of the Whole the chairman of the Committee on Military Affairs presented what he called "a committee amendment." The discussion occurred on March 22, 1916, and may be found on page 4648 of the CONGRESSIONAL RECORD. The gentleman from Virginia [Mr. HAY] at that time said that it was a committee amendment. The gentleman said:

> This proposition was prepared by the gentleman from Arizona [Mr. HAYDEN] and was presented to the committee after we had perfected the bill. The committee thought it was a very excellent provision, to provide the recruiting of these regiments in time of war when the regiments were in the field. During the Civil War there was a great deal of trouble about that, and if this is done the trouble which then occurred will be obviated.

Some further discussion on the subject ensued. The gentleman from Arizona discussed it, and other remarks were made on it, but never once was the attention of Congress called to the fact that it was proposed by that amendment to place in the power of the Executive the right to conscript men that had never belonged to the militia. It was contemplated, so far as the discussion indicates, that they would be enlisted, and, mark you, gentlemen, the word "drafted" did not appear in the amendment. The word "called" was used, which was wholly consistent with the voluntary enlistment.

The amendment offered was long and prolix. It was impossible for a Member sitting here and hearing it read and not having his attention particularly directed to it to understand that under that amendment men might be conscripted into service. The gentleman from Illinois [Mr. MANN] said:

> Mr. Chairman, this seems to be rather an important provision and we can not tell from hearing it read just what it does.

When the explanation as to what it meant was made, was there anything said about conscription? Not a word.

The SPEAKER. The time of the gentleman has expired.

Mr. HUDDLESTON. Mr. Speaker, I would like some more time.

Mr. HAY. How much more time?

Mr. HUDDLESTON. Five minutes.

Mr. HAY. I will yield to the gentleman five minutes more.

Mr. BUCHANAN of Illinois. Mr. Speaker, I ask unanimous consent that the gentleman may have 10 minutes more. This is a treat to me. I did not hear the truth about these things at all.

Mr. HAY. Mr. Speaker, I believe I control the time, and I have given the gentleman the time he asked for, namely, five minutes.

Mr. HUDDLESTON. I hope to finish in that time.

The SPEAKER. The gentleman is recognized for five minutes.

Mr. HUDDLESTON. In that form, using the word "called," the bill was passed by the House. It went into the Senate and was reported with the word "called" in there, and the Senate passed it in that form. I hope the gentleman from Virginia [Mr. HAY] will note what I am saying, because I do not want to misrepresent this thing, and I want him to call my attention to it if I am in error. The Senate passed the bill with many amendments, but not changing section 79, leaving the word "called" in it, and it came back here to the House. The House dissented from the Senate amendments and appointed conferees. The conferees consulted and came back and reported. The conferees' report was quite voluminous. It consisted of the act in the form in which it was subsequently signed by the President. But the conferees had changed the word "called" to "drafted."

Nothing was said by the conferees in their report about this word having been changed. Nobody called attention to it. I ask you gentlemen who feel some curiosity about this matter to look into the RECORD and see the report of the committee of conference and see if you can find a syllable there that would call your attention to the fact that an important change had been made in the language of section 79.

But what do we find in the conference committee's report that was adopted by the House? We find that the word "drafted" has been substituted for "called." Now what have we got? If we have war declared against some little country to-morrow, these militia regiments that have been sent to the border would have their reserve battalions created if the law is carried out. In recruiting them will the President say, "Let all good, patriotic men come forward and enlist"? No. He need not say that if he does not think well of it. He can go to your home and can take your boy against his will, who never belonged to the militia, who knows nothing about it. He can go into your home, into the home of your neighbor, into the home of the good Quaker, whose soul rebels against war and the thought of war. As soon as there is sickness or any other loss in the ranks, these young men can be conscripted and put into the ranks and obliged to do duty as soldiers.

Never before in American history has such a thing been done. Congress has passed conscription measures—one or two feeble attempts at coercion into the military service—but never before has the American Congress authorized the President in time of war or at any other time at his discretion to conscript citizens for service in the Army.

I protest against conscription. I protest against it as un-American. I protest against the way by which this measure was passed. I protest against such a thing being done without the people of this country being consulted. We have departed from our ideals. We have departed from the things that are consistent with American institutions, and we have done it ignorantly and blindly. We have not been fully advised of what we were doing. As one who has only recently entered the House I protest against such methods. I protest against such a departure from our ideals.

I protest against the abdication by Congress of its proper functions and authority. Never shall I agree that the American Congress shall surrender to any executive or military authority its right and duty to say when our citizens shall be forced into line and fed to cannon. [Applause.]

Mr. HAY. Mr. Speaker, how much time have I?

The SPEAKER. The gentleman has 14 minutes.

Mr. HAY. I yield 5 minutes to the gentleman from Illinois [Mr. MANN.]

Mr. MANN. Mr. Speaker, I just want to refer to a little matter in a somewhat facetious vein. One of our distinguished Members [Mr. EVANS] the other day obtained leave to insert in the RECORD an editorial by that distinguished gentleman, William Jennings Bryan, entitled "Deserving Democrats," and it was inserted in the RECORD of the day after the House last met. I happened to notice this little statement in the editorial:

> As an official, I enforced the civil-service law to the letter, and upon my resignation received from the employees of the State Department, more than 90 per cent of whom were under the civil-service law, a watch which I prize as a priceless treasure.

Mr. Bryan has been accused of putting men in the State Department regardless of the civil-service law. Holding up his hands to heaven, he says:

> I enforced the civil-service law to the letter.

Far be it from Mr. Bryan to violate any law. I read now section 1784 of the Revised Statutes, which undoubtedly is entirely familiar to such a distinguished gentleman and law giver. This is in reference to the watch presented to him by employees, 90 per cent of whom he says were in the classified service. Section 1784 of the Revised Statutes reads:

> Sec. 1784. No officer, clerk, or employee in the United States Government employ shall at any time solicit contributions from other officers, clerks, or employees in the Government service for a gift or present to those in a superior official position; nor shall any such officials or clericals superiors receive any gift or present offered or presented to them as a contribution from persons in Government employ receiving a less salary than themselves; nor shall any officer or clerk make any donation as a gift or present to any official superior. Every person who violates this section shall be summarily discharged from the Government employ.

I suppose that is the reason the President fired him. [Laughter on the Republican side.] Declaring in one moment, with virtuous indignation, that he enforced the letter of the civil-service law, which statement itself is not correct, in the next he prizes the result of the violation of the law which he committed when he accepted a watch given to him as a donation by the employees under him.

Mr. GOODWIN of Arkansas. Mr. Speaker, will the gentleman yield?

Mr. HILL. Mr. Speaker, may I interrupt the gentleman a moment?

Mr. MANN. Yes.

Mr. HILL. Is not a question of veracity distinctly raised between Secretary Bryan and Secretary Lansing by Secretary Lansing's statement this morning that a certain large number

of employees were taken into the State Department without regard to the civil-service law?

Mr. MANN. Oh, of course, I do not take that part of Mr. Bryan's statement seriously about his having enforced the civil-service law to the letter.

Mr. GOODWIN of Arkansas. Is it not a fact——

Mr. MADDEN. Mr. Speaker, will my colleague yield?

Mr. GOODWIN of Arkansas. Is it not a fact that Mr. Bryan accepted the watch after his resignation had been presented and accepted?

Mr. MANN. No. The money was raised while Mr. Bryan was Secretary of State. The watch was purchased while he was Secretary of State. He knows it, and he knew he was violating the law. But what difference does it make? He is above the law. [Laughter on the Republican side.]

Mr. HAY. Mr. Speaker, after the remarks of the gentleman from Alabama [Mr. HUDDLESTON], in which he undertakes to charge, by inference if not specifically, that either I or the members of the Committee on Military Affairs put something over on the Congress about which they did not know anything, I think I ought to make some answer to that charge.

If the gentleman did not know about it, he ought to have known about it. It was his duty to know about it, and if he did not know about it he does not understand the English language. Here was an amendment offered on the floor of the House, discussed in the Committee of the Whole for half an hour or more. Yet the gentleman says that the Congress and the people of the country did not know it and do not know it now, until he has been kind enough to enlighten us and tell us what we have done. He bases his criticism on the fact that the word "call" was stricken out and the word "draft" substituted in conference. I do not now recollect whether that is true or not, but what is the difference between the President being authorized to call men out and to draft them? There is no difference, so far as the President is concerned. But the history of this legislation is that when the committee came to consider the proposition made by the gentleman from Arizona [Mr. HAYDEN] as to the raising of these reserve battalions in time of war—and it is only in time of war—the committee believed that it was a good thing to do, in view of the experience of this country during the Civil War. The gentleman seems to forget that Congress has the power to confer upon the President the power to draft. That is all that the Congress has done in this case. It has conferred upon the President the power to draft under certain circumstances and in time of war, not in time of peace. The gentleman forgets that the United States Government in the Civil War resorted to the draft, and had to do it. He forgets that the Confederate States of America resorted to the draft, and had to do it.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. HAY. I will.

Mr. HUDDLESTON. Were not those drafts under direct authorization of Congress?

Mr. HAY. And is not this under a direct authorization of Congress?

Mr. HUDDLESTON. Has Congress ever before in the history of our country authorized the President to draft generally, as a part of the general law?

Mr. HAY. Yes; during the Civil War; and we have done the same thing now, nothing more, except to give the President the power to draft in time of war to fill up certain battalions in order to take the place of regiments which are in the field, and which may be decimated, members of which may be sick or sent home invalided. That is all we have done, and I assert that it is a wise provision. It is a provision taken in time. It is a provision of preparedness, and everybody who knows anything knows that if this country ever gets into a war with a first-class power, or any other power, you will never be able to raise an army through the volunteer system, but you will be compelled to resort to the draft. There can be no question about that. If it was true in the Civil War on both sides, it will inevitably be true in any other war which we may wage.

Mr. HUDDLESTON. Mr. Speaker, will the gentleman yield?

Mr. HAY. I will.

Mr. HUDDLESTON. I would like to ask the gentleman, with reference to the Civil War draft, if that was not an exercise of the power of Congress directly and for a specific purpose and for a specific time, and was it not wholly different in its nature from a general authorization of the Executive in all cases and any cases where we may be at war to conscript men for service?

Mr. HAY. No; there is no difference whatever between the two. This is the exercise of the power of Congress to confer upon the President the right to draft in time of war, in specific circumstances and for a specific purpose, and not a general draft. The President under this could not draft everybody in the country.

He could only draft a certain number of men to fill up certain battalions.

The gentleman, with tears in his eyes, talks about drafting Quakers into the service of the United States, not knowing that the very act which he is criticizing provides that men who have religious opinions which prevent them from going to war are exempted from all service. The gentleman ought to know what he is talking about when he undertakes to make criticisms of that character. I now call for the previous question.

Mr. HUDDLESTON. I should like to ask the gentleman a question.

Mr. HAY. I yield for a question.

Mr. HUDDLESTON. I would like the gentleman to call the attention of the House to the specific provision to which he refers.

Mr. HAY. If the gentleman will give me a copy of the national-defense act, I will do it.

Mr. HUDDLESTON. The provision which exempts Quakers.

Mr. HAY. It does not mention them by name, but it exempts all persons whose religious opinions prevent their going to war.

Mr. KAHN. Men whose religious scruples are against war.

Mr. GREENE of Vermont. It is on page 36.

Mr. HAY. The provision is—

> And all persons who because of religious belief shall claim exemption from military service if the conscientious holding of such belief by such person shall be established under such regulations as the President shall prescribe shall be exempted from militia service in a combatant capacity.

Mr. HUDDLESTON. What section?

Mr. HAY. Section 59, page 36.

Now, Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on concurring in the Senate amendment.

The Senate amendment was concurred in.

On motion of Mr. HAY, a motion to reconsider the vote by which the Senate amendment was concurred in was laid on the table.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. CARTER, for 10 days, on account of sickness.

ADJOURNMENT UNTIL TUESDAY NEXT.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet on Tuesday next at 11 o'clock.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that when the House adjourns to-day it adjourn to meet next Tuesday at 11 a. m. Is there objection?

There was no objection.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills and joint resolution of the following titles, when the Speaker signed the same:

H. R. 15522. An act to establish a national park service, and for other purposes;

H. R. 15048. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war;

H. R. 17498. An act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes;

H. R. 8234. An act to prevent interstate commerce in the products of child labor, and for other purposes;

H. R. 16093. An act to amend an act entitled "An act to provide for the payment of drainage assessments on Indian lands in Oklahoma";

H. R. 14338. An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes;

H. R. 15494. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war;

H. R. 16290. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war;

H. R. 17501. An act granting the consent of Congress to the city of Youngstown, Ohio, to construct a bridge across the Mahoning River in the State of Ohio; and

H. J. Res. 247. Joint resolution extending the provisions of the act approved June 16, 1898.

The SPEAKER announced his signature to enrolled bills and joint resolution of the following titles:

S. 6924. An act to provide for the maintenance of a training camp on the military reservation of Fort Douglas, Utah;

S. 6740. An act to correct the military record of Matthew C. Butler, jr.; and

S. J. Res. 129. Joint resolution extending until April 15, 1917, the effective date of section 10 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914.

SENATE BILLS REFERRED.

Under clause 2 of Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 5718. An act to provide for an auxiliary reclamation project in connection with the Yuma project, Arizona; to the Committee on Irrigation of Arid Lands.

S. 703. An act to provide for the promotion of vocational education; to provide for cooperation with the States in the promotion of such education in agriculture and the trades and industries; to provide for cooperation with the States in the preparation of teachers of vocational subjects; and to appropriate money and regulate its expenditure; to the Committee on Education.

COMPENSATION FOR INJURED FEDERAL EMPLOYEES.

Mr. WEBB. Mr. Speaker, I ask the Speaker to lay before the House the bill H. R. 15316, and I move to concur in the Senate amendment with an amendment.

The SPEAKER laid before the House the bill (H. R. 15316) to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes, with Senate amendments.

The Senate amendments were read, as follows:

Page 17, after line 9, insert:

"SEC. 28a. Upon the organization of the said commission the work of the Department of Labor, connected with the adjustment of claims of employees of the United States for injuries, shall cease, and all pending investigations and proceedings in the Department of Labor in connection therewith shall be continued by the commission. All clerks and employees now engaged in carrying on said work exclusively in the Department of Labor shall be transferred to and become employees of the commission at their present grades and salaries."

Page 17, line 19, strike out all after "appointed" down to and including "positions," line 21, and insert: "from lists of eligibles to be supplied by the Civil Service Commission, and in accordance with the civil-service law."

Mr. WEBB. In regard to Senate amendment No. 1, I desire to move to concur in that amendment with an amendment. I offer this in lieu of the Senate amendment No. 1.

The Clerk read as follows:

Strike out all of amendment 1 and insert the following:

"SEC. 28a. Upon the organization of said commission and notification thereof to the heads of all executive departments, all commissions, or independent bureaus by or under which payments for compensation are now provided, to the effect that the commission is ready to take up the work evolved upon it by this act, the adjustment and settlement of such claims shall cease and determine by such executive departments, commissions, or independent bureaus, and all pending claims shall be transferred to and administered by the said commission. All clerks and employees now engaged in carrying on said work exclusively in the various executive departments, commissions, and independent bureaus shall be transferred to and become employees of the commission at their present grade and salaries."

The SPEAKER. The gentleman from North Carolina moves to concur in the Senate amendment No. 1 with the amendment just read.

The motion was agreed to.

Mr. WEBB. Mr. Speaker, I move that the House concur in Senate amendment No. 2.

Mr. STAFFORD. Before the Chair puts that motion will the gentleman from North Carolina yield to me for a question? It is beside the amendment that is before the House, and is a matter that I suggested to the gentleman from Ohio [Mr. GARD] subsequent to the passage of this bill. That is, whether a widow who marries an employee after he is injured will be entitled to the compensation provided in this measure?

Mr. WEBB. I do not think that is specifically provided for. I should think, however, that they would not allow it.

Mr. STAFFORD. As I read the bill there was no exception of such cases. In the District appropriation bill providing a pension fund for the firemen and policemen a distinct and special exemption was made applying to those widows who married subsequent to the retirement age or injury. I think such a provision should be incorporated in this measure.

Mr. WEBB. That is not in controversy, and we have no power to offer such an amendment now.

Mr. STAFFORD. I am aware of that; but I was asking the gentleman if he was aware of any provision in the pension bill that would cover that.

Mr. WEBB. I am not, but I would be ready to support one.

The SPEAKER. The question is on concurring in the Senate amendment.

The Senate amendment was agreed to.

EXPORT TRADE.

Mr. WEBB. Now, Mr. Speaker, I call up the special order, H. R. 17350, to promote export trade, and for other purposes.

Mr. BUCHANAN of Illinois. Mr. Speaker, if that bill is called up to be considered, I shall make the point of order that no quorum is present.

Mr. MANN. The only way that the gentleman from North Carolina can call up the bill is to move to go into Committee of the Whole House on the state of the Union. It is a Union Calendar bill.

Mr. WEBB. It ought not to be on the Union Calendar.

Mr. MANN. But it is; and the only way it can be considered is to make a motion to go into Committee of the Whole.

Mr. WEBB. Very well, Mr. Speaker; I do not want it considered if the gentleman from Illinois is going to make the point of no quorum. I shall ask unanimous consent to withdraw the bill.

Mr. MANN. The gentleman need not ask unanimous consent; he has a right to withdraw his motion.

The SPEAKER. Does the gentleman from Illinois insist on his point of no quorum?

Mr. BUCHANAN of Illinois. If the gentleman from North Carolina withdraws his motion and the bill is not to be considered to-day, I do not desire to make the point of no quorum.

The SPEAKER. The gentleman from North Carolina withdraws his motion and the gentleman from Illinois withdraws his point of order.

SETTLEMENT BETWEEN KANSAS CITY & MEMPHIS RAILWAY BRIDGE CO. AND CRITTENDEN COUNTY, ARK.

Mr. CARAWAY. Mr. Speaker, I ask that the Chair lay before the House the bill H. R. 10251, on the Speaker's table.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk read as follows:

H. R. 10251. An act to authorize the Kansas City & Memphis Railway Bridge Co. to make a settlement with Crittenden County, Ark., and for other purposes.

The Senate amendment was read.

Mr. CARAWAY. Mr. Speaker, the bill which originally passed the House authorized the Secretary of War to release the Kansas City & Memphis Railway Bridge Co. from the necessity of reconstructing an approach to a wagon way upon its paying to the county of Crittenden the sum of $12,000. The bill went to the Senate and that was amended so as to read $25,000. I move to concur in the Senate amendment; but the bill does not make it obligatory on the part of the bridge company to accept the provisions of the bill. It may or may not do it, as it sees fit. It can avail itself of the advantages of the bill and not reconstruct the approaches or it may refuse to do it.

The SPEAKER. The gentleman from Arkansas moves to concur in the Senate amendment.

The question was taken, and the Senate amendment was agreed to.

Mr. CARAWAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Arkansas asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. CARAWAY. Mr. Speaker, I wish to insert the copy of contracts, telegrams, and letters so that it may be apparent on what information I first acted. This gives the whole transaction, as I understand it:

[In the Crittenden County court, January term, 1914, March 2.]

In re Wagonway Approach to the Frisco Bridge—3666.

The court having under consideration ways and means whereby this matter might be adjusted between Crittenden County and the bridge company along the lines heretofore discussed between the parties interested—that is, the payment by the bridge company to Crittenden County, Ark., for the use and benefits of public highways leading to the Rock Island Bridge now being constructed across the Mississippi River at Memphis, Tenn., an equitable sum of money in consideration of permission granted by Congress permitting the bridge company to abandon its wagon way and approaches to its bridge across the Mississippi River at Memphis, Tenn.

And in order to get this matter before this court the court hereby names the following citizens a committee of three to take this matter up with the bridge company and report their findings to this court as early as possible: R. J. Southall, H. A. McGee, and W. R. McDaniel are hereby named as the committee.

The clerk of the county court will notify them and furnish them a copy of this order, also send a copy of this order to J. E. Hutchinson, Springfield, Mo.

J. B. THOMPSON,
Judge.

MARCH 2, 1914.

[In county court, Crittenden County, Ark., Oct. 5, 1914.]

To Hon. J. B. THOMPSON,
County Judge:

We, the undersigned committee, heretofore appointed by this court to undertake the settlement or compromise with the Kansas City & Memphis Railway & Bridge Co., with reference to a reconstruction of the west approach to said bridge or a money settlement in lieu thereof, beg leave to report that we at once took up this matter with the officials of the Kansas City & Memphis Railway & Bridge Co., and also with the proper officials of the St. Louis & San Francisco Railroad Co., also with the receivers thereof, James W. Lusk, W. C. Nixon, and William B. Biddle, and after considerable correspondence pro and con have reached a settlement which we believe will be fair and equitable to all parties concerned.

We have made a proposition to the above-named receivers to pay to Crittenden County the sum of $12,000 to be used in the construction of and improvement of public highways in said county, and that this committee with the consent and approval of the county court would have our Representatives in Congress to pass a bill relieving said Kansas City & Memphis Railway & Bridge Co. from reconstructing and maintaining the west approach to said bridge.

This proposition was accepted by F. G. Jonah, chief engineer of the St. Louis & San Francisco Railroad Co. on August 28, 1914.

We requested the receivers, James W. Lusk, W. C. Nixon, and William B. Biddle, to enter into a written contract with us to this effect and this contract has been received by us and is hereto attached and will be subject to the approval of the committee and the county court.

R. J. SOUTHALL, *Chairman.*
H. A. MCGEE, *Secretary.*
W. R. MCDANIEL.

And the court, after being fully advised in the premises, hereby approves the action of the above committee and authorizes the said committee to request the passage of a bill embodying the conditions of the above report, through the Congress of the United States, of our Senator and Representative in Congress.

J. B. THOMPSON, *County Judge.*

STATE OF ARKANSAS, *County of Crittenden:*

I, Dolph Smith, clerk of the county court, within and for the county and State aforesaid, hereby certify that the above and foregoing is a true and complete copy of the report of the committee in the matter of the settlement with the Kansas City & Memphis Railway & Bridge Co., relative to old bridge wagon way, and the order of the court in said matter.

Witness my hand and seal as such clerk this 7th day of October, 1914.

[SEAL.] DOLPH SMITH, *Clerk.*

ST. LOUIS & SAN FRANCISCO RAILROAD—JAMES W. LUSK, WILLIAM C. NIXON, AND WILLIAM B. BIDDLE, RECEIVERS.

OFFICE OF RECEIVERS,
St. Louis, Mo., September 28, 1914.

To R. J. SOUTHALL,
Chairman Crittenden County Committee:

Whereas by an act of Congress approved April 24, 1888, entitled "An act to authorize the construction of a bridge across the Mississippi River at Memphis, Tenn.," Kansas City & Memphis Railway & Bridge Co., a corporation created and organized under and by virtue of the laws of the State of Arkansas, its successors and assigns, was authorized and empowered to erect, construct, and maintain a bridge over the Mississippi River from or near the town of Hope, in the State of Arkansas, to or near the taxing district of Shelby County, commonly known as the city of Memphis, in the State of Tennessee, under the terms and conditions in said act prescribed; and

Whereas it was provided by said act that said bridge should be constructed to provide for the passage, among other things, of "wagons and vehicles of all kinds, for the transit of animals, and, at the option of the corporation by which it was to be built, for foot passengers, for such reasonable rates of tolls as may be approved from time to time by the Secretary of War"; and

Whereas said act above referred to was amended by an act of Congress, approved April 28, 1904, entitled "An act to amend an act, 'An act to authorize the construction of a bridge across the Mississippi River at Memphis, Tenn.'"; and

Whereas by said act approved April 28, 1904, it was, among other things, provided that "said bridge should be constructed to provide for the passage (among other things) of wagons and vehicles of all kinds, for the transit of animals, and, at the option of the company by which it may be built, for foot passengers"; and

Whereas said bridge was duly constructed, and has been operated and maintained as in said acts and each of them provided; and

Whereas during the year 1913 the west approach to and of said bridge was destroyed; and

Whereas Crittenden County, in the State of Arkansas, and the citizens thereof at the west end of said bridge, have requested the St. Louis & San Francisco Railroad Co., the lessee of said bridge, and the receivers of the railroad and property of said railroad company to contribute to said Crittenden County the sum of $12,000 to be used in the construction or improvement of the public highways in said county, and in consideration of said contribution have offered to said railroad company and said receivers to procure the passage by Congress of an act relieving said Kansas City & Memphis Railway & Bridge Co., its successors and assigns, forever from any and all obligation or obligations imposed by said acts of Congress above referred to, or either of them, or otherwise, to reconstruct said approach and to construct and maintain said bridge to provide for the passage thereover of wagons and vehicles of all kinds, for the transit of animals and foot passengers:

Now, therefore, the undersigned, as receivers of the railroad and property of said St. Louis & San Francisco Railroad Co., and not individually, hereby promise and agree to and with said Crittenden County, in the State of Arkansas, and the citizens thereof, to contribute to said Crittenden County the sum of $12,000, to be used in the construction or improvement of public highways in said county, when said Crittenden County or the citizens thereof shall have procured the passage by Congress and the approval thereof of an act forever relieving said Kansas City & Memphis Railway & Bridge Co., its successors and assigns, from the following obligation:

First. To reconstruct the west approach to said bridge; and

Second. To construct and maintain said bridge so as to provide for the passage of wagons or vehicles of every kind, for the transit of animals and foot passengers thereon or thereover; so that the said Kansas City & Memphis Railway & Bridge Co., its successors and assigns, shall not be obligated to or required to reconstruct the west approach to said bridge or to construct or maintain said bridge so as to provide for the passage of wagons or vehicles of any kind or for the transit of animals or foot passengers thereon or thereover.

This obligation and promise shall cease and terminate when the undersigned receivers and their successors shall cease to be receivers of the railroad and property of St. Louis & San Francisco Railroad Co.

(Signed) JAS. W. LUSK,
WILLIAM C. NIXON, and
WILLIAM B. BIDDLE,
As Receivers of the Railroad and Property of St. Louis & San Francisco Railroad Co., and not Individually.
By W. C. NIXON,
Their Chief Operating Officer.

MARION, ARK., *March 16, 1916.*

Hon. T. H. CARAWAY,
Washington, D. C.

DEAR SIR AND FRIEND: I am in receipt of bill 10251, with reference to release of Kansas City Railway Co. from rebuilding approach. I have looked this over and think it meets all the requirements of the contract entered into with the company by the county commissioners. When this bill is passed you can let me know and send me an authenticated copy, and I will take it up with the proper authorities and "get the money."

I notice the bill calls for $12,500 payment. I am under the impression and my copy of the contract only calls for $12,000. You can have the figures changed before passage.

Thanking you for your interest in this matter, I am

Your friend,

R. J. SOUTHALL.

[Telegram.]

WASHINGTON, D. C., *July 6, 1916.*

Judge J. B. THOMPSON:

Following your letter I passed through the House the bill giving the road fund of Crittenden County $12,000 from the Kansas City & Memphis Railway & Bridge Co. In the Senate it is amended to read $25,000. What action is to be taken? I want to comply with the contract.

T. H. CARAWAY, M. C.

MARION, ARK., *July 1½, 1916.*

Hon. T. H. CARAWAY,
Washington, D. C.

DEAR SIR: In the matter of the Frisco bridge approach, since receiving your telegram I have conferred with a number of our citizens, and the opinion seems to be to concur in the Senate amendment. I doubt if this is the best thing for us, but you can see the position it places me in. However, the agreement our committee made with the bridge company depended on the passage of an act relieving them of the rebuilding and maintenance of their approach. If the bill does not pass as per our agreement, and they refuse to be bound by the bill as amended, I suppose the next thing to do would be to have them rebuild their approach, as it looks now as though there is going to be delay in getting over the new bridge. Please return letters inclosed from files which I am sending you. Show how this settlement was reached.

Yours, truly,

J. B. THOMPSON.

SPECIAL CANCELING DIE FOR POSTMASTER AT SPRINGFIELD, ILL.

Mr. WHEELER. Mr. Speaker, I ask unanimous consent for the present consideration of House joint resolution 282.

The Clerk read the joint resolution, as follows:

Joint resolution (H. J. Res. 282) authorizing the Postmaster General to provide the postmaster of Springfield, Ill., with a special canceling die for the one hundredth anniversary of the admission of the State of Illinois into the Federal Union.

Whereas the city of Springfield, Ill., is making extensive preparations to celebrate the one hundredth anniversary of the admission of the State of Illinois into the Union, the celebration to begin an April 18, 1918, and to continue until December 3, 1918; and

Whereas the projected celebration in said city will include industrial and other exhibitions, pageants, athletic games, tournaments, parades, conventions, and many other interesting features that will attract visitors from all parts of the United States; and

Whereas the citizens' committee, cooperating with the Illinois Centennial Commission, created by the Illinois General Assembly, are widely advertising the approaching events, with the result that a great increase of incoming and outgoing mail matter is anticipated at the Springfield post office; and

Whereas the size and importance of the city of Springfield, Ill., and the extensive preparations being made by its citizens, cooperating with State organizations created for the purpose of celebrating the one hundredth anniversary of the admission of Illinois into the Federal Union give to said celebration a national character and significance: Therefore be it

Resolved, etc., That the Postmaster General of the United States be, and he hereby is, authorized to prepare and deliver to the postmaster of Springfield, Ill., a special canceling die to be used in the cancellation of mail matter in the post office of that city from December 1, 1917, to December 3, 1918, said die to be of such design as may be agreed upon by the Postmaster General and the Illinois Centennial Commission.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. WHEELER. Mr. Speaker, I ask unanimous consent to consider the resolution in the House as in Committee of the Whole House on the state of the Union.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the resolution be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

The preamble was agreed to.

On motion of Mr. WHEELER, a motion to reconsider the vote whereby the joint resolution was passed was laid on the table.

MISSISSIPPI CENTENNIAL EXPOSITION.

Mr. HARRISON. Mr. Speaker, I ask unanimous consent for the present consideration of House joint resolution 237.

The Clerk read as follows:

Joint resolution (H. J. Res. 237) authorizing the Postmaster General to provide the postmaster of Gulfport, Miss., with a special canceling die for the Mississippi Centennial Exposition celebration.

Whereas the city of Gulfport, Miss., is making extensive preparations to celebrate the one hundredth anniversary of the admission of the State of Mississippi into the Union, the celebration to begin on October 1, 1917, and to continue until April 1, 1918; and

Whereas the projected celebration in said city will include industrial, agricultural, horticultural, and other exhibitions, pageants, national athletic games, tournaments, parades, conventions, and many other interesting features that will attract visitors from all parts of the United States; and

Whereas the Mississippi Centennial Exposition Commission having the celebration in charge will widely advertise the approaching events, with the result that a great increase of incoming and outgoing mail matter will be handled by the Gulfport post office; and

Whereas the governor of the State of Mississippi has issued a proclamation inviting all the States of the Union to participate and will invite the countries of South and Central America and Mexico to participate in the celebration; and

Whereas the extensive preparations being made by the citizens of Gulfport and the State of Mississippi for the celebration give to said celebration a national character and significance: Therefore be it

Resolved, etc., That the Postmaster General of the United States be, and he hereby is, authorized to prepare and deliver to the postmaster of Gulfport a special canceling die to be used in the cancellation of mail matter in the post office of that city from July 1, 1916, to April 1, 1918, said die to be of such design as may be agreed upon by the Postmaster General and the Mississippi Centennial Exposition Commission

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. STAFFORD. Reserving the right to object, and I do not intend to object, I question the practice of embodying advertising matter in joint resolutions such as are here incorporated in this resolution in the preamble.

Mr. MANN. Mr. Speaker, my recollection is that we passed two resolutions some time ago—one for a city in New Jersey, and even the advertisement in that did not fix the name in my mind, and for some other eastern city. I think we left the advertisements in both of them. I think the gentleman from Mississippi is entitled to a reasonable advertisement.

Mr. STAFFORD. As far as the gentleman from Mississippi is concerned, he needs none.

The SPEAKER. The gentleman from Mississippi asks unanimous consent for the present consideration of the resolution. Is there objection?

There was no objection.

Mr. HARRISON. Mr. Speaker, I desire to ask that the resolution be amended, on line 7, page 2, by striking out "July" and inserting "January" and striking out the word "sixteen" and inserting "seventeen."

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Page 2, line 7, strike out "July" and insert "January" and strike out the word "sixteen" and insert "seventeen."

The amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

The preamble was agreed to.

On motion of Mr. HARRISON, a motion to reconsider the vote whereby the joint resolution was passed was laid on the table.

CHARLESTON-DUNBAR TRACTION CO.

Mr. LITTLEPAGE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 5103) authorizing and directing the Secretary of War to lease to Charleston-Dunbar Traction Co. a certain strip or parcel of land owned by the United States Government on the Great Kanawha River in West Virginia, and that it be considered at this time.

The SPEAKER. The gentleman from West Virginia asks unanimous consent for the present consideration of the bill S. 5103, which the Clerk will report.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to lease, at a nominal rental value of not exceeding $25 per year, to the Charleston-Dunbar Traction Co., a corporation, its successors or assigns, the strip of land 15 feet wide and 601⅛ feet long, or approximately twenty-one hundredths of an acre, which said strip of land is situated at or near United States Government Lock and Dam No. 6 of the Great Kanawha River improvement, near the city of Charleston, in the State of West Virginia, which said strip of land said Charleston-Dunbar Traction Co. is now occupying with its track: *Provided*, That said annual rental shall be promptly paid as required by the Secretary of War, and that the United States Government shall sustain no loss or expense by reason of said lease to said traction company: *And provided further*, That said traction company shall not fence up said strip of land unless required to do so by the Secretary of War; and shall at its own expense keep up and maintain the existing crossings over said traction company's line on the Government property: *And provided further*, That said traction company shall not remove its station or stop upon or near the Government's said property as said stop and station is at present located.

The SPEAKER. Is there objection?

There was no objection.

Mr. LITTLEPAGE. Mr. Speaker, I offer to amend on page 1, line 5, by striking out "$25" and inserting in lieu thereof "$50."

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Page 1, line 5, strike out "$25" and insert "$50."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed.

EXTENSION OF REMARKS.

Mr. BUCHANAN of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a statement made by the Illinois trainmen to the representatives of the State of Illinois.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD by inserting a statement made by certain trainmen. Is there objection?

There was no objection.

M'CABE, MONT.

Mr. EVANS. Mr. Speaker, I call up from the Speaker's table the bill (H. R. 600) to validate title to the town site of McCabe, in the State of Montana, with Senate amendments thereto.

The Senate amendments were read.

Mr. EVANS. Mr. Speaker, I move to concur in the Senate amendments.

The motion was agreed to.

PENSIONS.

Mr. RUSSELL of Missouri. Mr. Speaker, I ask unanimous consent to consider at this time the conference report upon the bill (S. 6370) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of said soldiers and sailors, notwithstanding the rule which requires the printing of the conference report before it can be considered.

The SPEAKER. The gentleman from Missouri asks unanimous consent to take up a conference report upon an omnibus pension bill, S. 6370, notwithstanding the rule which requires it to be printed for one day. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, is this an omnibus pension bill?

Mr. RUSSELL of Missouri. This is a Senate omnibus pension bill. The conference report upon it has already been acted upon by the Senate.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report as follows:

CONFERENCE REPORT (NO. 1173).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 6370) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 1, 2, 4, 5, 7, 8, 12, and 15.

That the Senate recede from its disagreement to the amendments of the House numbered 3, 6, 9, 10, 11, 14, 16, 17, 18, 19, 20, 21, and 22, and agree to the same.

Amendment numbered 13: That the Senate recede from its disagreement to the amendment of the House numbered 13, and agree to the same with an amendment as follows: Restore

the matter stricken out by said amendment, amended to read as follows:

"The name of Robert Hedrick, late of Company F, Eighth Regiment Virginia Volunteer Infantry (subsequently Company F, Seventh Regiment West Virginia Volunteer Cavalry), and pay him a pension at the rate of $30 per month."

And the House agree to the same.

JOE J. RUSSELL,
WILLIAM A. ASHBROOK,
M. P. KINKAID,
Managers on the part of the House.

WM. HUGHES,
T. TAGGART,
REED SMOOT,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House of the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 6370) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors, submit the following written statement in explanation of the action agreed upon by the conference as to each of the said amendments, namely:

On amendment No. 1 (case of Mary E. Northend): Provides increase of pension to $20 proposed by the Senate.

On amendment No. 2 (case of Fannie M. Cutting): Provides increase of pension to $20 as proposed by the Senate.

On amendment No. 3: Strikes out the provision for pension for Henry Swain.

On amendment No. 4 (case of Lydia Keatley): Provides a pension of $12 as proposed by the Senate.

On amendment No. 5 (case of Mary J. Hayes): Provides increase of pension to $20 as proposed by the Senate.

On amendment No. 6: Strikes out the provision for pension to Jesse Abbott.

On amendment No. 7 (case of Ida Critchell): Provides increase of pension to $20 as proposed by the Senate.

On amendment No. 8 (case of Francis J. Hart): Provides increase of pension to $20 as proposed by the Senate.

On amendment No. 9: Strikes out the provision for increase of pension for Kate M. White.

On amendment No. 10: Strikes out the provision for increase of pension for Mattie Tryon Spangler.

On amendment No. 11 (case of Martha Crowley): Provides a pension of $12 as proposed by the House, instead of $20 as proposed by the Senate.

On amendment No. 12 (case of Laura E. Knox): Provides increase of pension to $20 as proposed by the Senate.

On amendment No. 13 (case of Robert Hedrick): Provides a pension of $30, instead of $50 as proposed by the Senate.

On amendment No. 14: Strikes out the provision for increase of pension for Mary C. Kessinger.

On amendment No. 15 (case of Horace G. Maloon): Provides increase of pension to $40 as proposed by the Senate.

On amendment No. 16 (case of John M. Canady): Provides increase of pension to $36 as proposed by the House.

On amendment No. 17 (case of George J. Beeman, alias George Armstrong): Provides increase of pension to $36 as proposed by the House.

On amendment No. 18 (case of Alfred Featheringill): Provides increase of pension to $50 as proposed by the House.

On amendment No. 19 (case of John Jay Ingersoll): Provides increase of pension to $24 as proposed by the House.

On amendment No. 20 (case of Jennie Raley): Provides pension of $12 as proposed by the House.

On amendment No. 21 (case of Benejamin R. Buffington): Provides a pension of $30 as proposed by the House.

On amendment No. 22 (case of Barton Kearns): Provides increase of pension to $40 as proposed by the House.

JOE J. RUSSELL,
WILLIAM A. ASHBROOK,
M. P. KINKAID,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

On motion of Mr. RUSSELL of Missouri, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

BRIDGE ACROSS MISSISSIPPI RIVER, AITKIN COUNTY, MINN.

Mr. ADAMSON. Mr. Speaker, I call up from the Speaker's table the bill (H. R. 13835) to authorize the county commissioners of Aitkin County, Minn., and the town board of Logan Township, in said county, in said State, to construct a bridge across the Mississippi River on the line between sections 26 and 27, township 49 north, range 25 west, fourth principal meridian, with Senate amendments thereto.

The SPEAKER. The Clerk will report the Senate amendments.

The Senate amendments were read.

Mr. ADAMSON. Mr. Speaker, I move to concur in the Senate amendments.

The motion was agreed to.

On motion of Mr. ADAMSON a motion to reconsider the vote by which the Senate amendments were concurred in was laid on the table.

BRIDGE ACROSS NIAGARA RIVER.

Mr. ADAMSON. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 17235) granting the consent of Congress to W. H. Crosby, W. H. Andrews, E. G. Connette, Daniel Good, Henry May, Robert C. Gaupp, Edward Kener, jr., William F. MacGlashan, and William A. Morgan to construct a bridge across Niagara River within or near the city limits of Buffalo, and for other purposes.

The SPEAKER. Is there objection?

Mr. MANN. Oh, this is a bridge across the Niagara River, and the gentleman will have to have some information about that before he passes such a bill as that. I object.

The SPEAKER. The gentleman from Illinois objects.

AMENDING SECTION 2971, REVISED STATUTES UNITED STATES.

Mr. ALLEN. Mr. Speaker, I ask unanimous consent for the present consideration of House joint resolution 292.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Joint resolution (H. J. Res. 292) proposing to amend section 2971 of the Revised Statutes of the United States.

Resolved, etc., That the limitation of section 2971 of the Revised Statutes of the United States limiting the time for the withdrawal of merchandise from bonded warehouses for exportation to Mexico be, and the same hereby is, extended until such time as in the opinion of the Secretary of the Treasury conditions in that country will permit such merchandise to be exported: *Provided*, That the extension of time for the withdrawal of merchandise for export shall be limited to merchandise that was in a bonded warehouse of the United States on the 1st day of August, 1916.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. ALLEN. Mr. Speaker, I ask unanimous consent that the joint resolution be considered in the House as in the Committee of the Whole House on the state of the Union.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. ALLEN. Mr. Speaker, I desire to yield to the gentleman from Texas [Mr. SLAYDEN] to offer an amendment.

Mr. SLAYDEN. Mr. Speaker, in order to meet the views of the Treasury as to the precise language that should be incorporated in this resolution I send two amendments to the Clerk's desk, which I desire to offer.

The SPEAKER. The Clerk will report the amendments.

The Clerk read as follows:

Amend by striking out of lines 4, 5, and 6 the words "limiting the time for the withdrawal of merchandise from bonded warehouses," and substitute therefor the words "as to the period during which merchandise may remain in bonded warehouse without payment of duty."

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

Strike out all after the word "extended" in line 7 and insert in lieu thereof the following: "to all merchandise which was in bonded warehouses on August 1, 1916, and intended for exportation to Mexico until such time as in the opinion of the Secretary of the Treasury the conditions in Mexico are such as to make it commercially practicable to export the merchandise to that country."

The question was taken, and the amendment was agreed to.

The House joint resolution as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. ALLEN, a motion to reconsider the vote by which the joint resolution was passed was laid on the table.

Mr. ALLEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting the letter of the Acting Secretary of the Treasury in reference to this matter.

The SPEAKER. Is there objection to the request of the gentleman? [After a pause.] The Chair hears none.

The letter is as follows:

TREASURY DEPARTMENT,
Washington, August 24, 1916.

The CHAIRMAN COMMITTEE ON WAYS AND MEANS,
House of Representatives.

SIR: I have the honor to acknowledge the receipt of your letter of the 22d instant, transmitting a proposed amendment to H. J. Res. 292, to amend section 2971 of the Revised Statutes by extending the period during which merchandise may remain in bonded warehouse to all merchandise intended for exportation to Mexico and in bonded warehouse on August 1, 1916, until such time as, in the opinion of the Secretary, conditions in Mexico are such as to make it commercially practicable to export the merchandise to that country.

The department is of the opinion that the amendment as drafted will accomplish the purpose intended, and that the carrying out of the proposed legislation presents no administrative difficulties. The department therefore perceives no objection to the enactment of the joint resolution as amended.

Respectfully,

B. R. NEWTON,
Acting Secretary.

EXTENSION OF REMARKS.

Mr. BORLAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on "The stop watch and the human scrap heap."

The SPEAKER. On the stop watch, and what else?

Mr. BORLAND. The human scrap heap.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

BRIDGE ACROSS THE NORTH BRANCH OF THE SUSQUEHANNA RIVER.

Mr. ADAMSON. Mr. Speaker, I ask unanimous consent for the present consideration of the bill H. R. 17567, which the Clerk now has.

The SPEAKER. The gentleman from Georgia asks unanimous consent for the present consideration of the bill H. R. 17567, which the Clerk will report.

The Clerk read as follows:

A bill (H. R 17567) to authorize the county of Luzerne, State of Pennsylvania, to construct a bridge across the East Branch of the Susquehanna River from the city of Wilkes-Barre, county of Luzerne, Pa., to the borough of Dorranceton, county of Luzerne, Pa.

Be it enacted, etc., That the county of Luzerne, State of Pennsylvania, be, and it is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the East Branch of the Susquehanna River, at a point suitable to the interests of navigation, from the city of Wilkes-Barre, county of Luzerne, and State of Pennsylvania, to the borough of Dorranceton, in the county of Luzerne, State of Pennsylvania, at or in prolongation of Market Street, as the same is now established and used in the respective municipalities, to replace the present structure erected at the same location, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The committee amendment was read, as follows:

Page 1, line 5, strike out the word "East" and insert the word "North," so that the line will read "across the North Branch of the Susquehanna River."

The question was taken, and the amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to authorize the county of Luzerne, State of Pennsylvania, to construct a bridge across the North Branch of the Susquehanna River from the city of Wilkes-Barre, county of Luzerne, Pa., to the borough of Dorranceton, county of Luzerne, Pa."

On motion of Mr. ADAMSON, a motion to reconsider the vote by which the bill was passed was laid on the table.

OMNIBUS PENSION BILL.

Mr. KEY of Ohio. Mr. Speaker, I present the conference report on the bill S. 6369 and ask unanimous consent that the printing under the rule in the RECORD may be dispensed with and the report be immediately considered.

The SPEAKER. The gentleman calls up the conference report on Senate bill 6369 and asks unanimous consent for its present consideration notwithstanding the rule about printing. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, is this an omnibus pension bill?

Mr. KEY of Ohio. Yes.

The Clerk read as follows:

A bill (S. 6369) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors.

The conference report was read.

The conference report and statement are as follows:

CONFERENCE REPORT (NO. 1174).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 6369) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors, having met, after full and free conference have agreed to recommend, and do recommend, to their respective Houses as follows:

That the House recede from its amendments numbered 1, 3, 4, 5, 6, and 7.

That the Senate recede from its disagreement to the amendments of the House numbered 2 and 8, and agree to the same.

JNO. A. KEY,
EDWARD KEATING,
Managers on the part of the House.

WM. HUGHES,
REED SMOOT,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House of the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 6369) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors, submit the following written statement in explanation of the action agreed upon by the conference as to each of the said amendments, namely:

On amendment No. 1 (case of Mary A. Johnson): Provides a pension of $12, as proposed by the Senate, with the usual additional allowance of $2 for each of the soldier's minor children under the age of 16 years.

On amendment No. 2: Strikes out the provision for increase of pension for Alan P. Wilson.

On amendment No. 3 (case of Elizabeth Dunn Howe): Provides a pension of $30 for the widow of Brig. Gen. Walter Howe, as proposed by the Senate.

On amendment No. 4 (case of Hepsie C. Holway): Provides a pension of $20, as proposed by the Senate.

On amendment No. 5 (case of Henry Schlobohm): Provides an increase of pension to $24, as proposed by the Senate, instead of $17, as proposed by the House.

On amendment No. 6 (case of George W. Dawson): Provides increase of pension to $17, as proposed by the Senate, instead of $12, as proposed by the House.

On amendment No. 7 (case of Emma E. Boswell): Provides increase of pension to $25, as proposed by the Senate.

On amendment No. 8 (case of James M. Brown): Provides increase to $12, as proposed by the House, instead of $17, as proposed by the Senate.

JNO. A. KEY,
EDWARD KEATING,
Managers on the Part of the House.

The conference report was agreed to.

DRAINAGE OF LANDS IN MINNESOTA.

Mr. RAKER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill S. 5496.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk read as follows:

An act (S. 5496) to amend section 5 of an act entitled "An act to authorize the drainage of certain lands in the State of Minnesota," approved May 20, 1908.

Mr. RAKER. Mr. Speaker, would it be in order to ask unanimous consent that the amendment be read in lieu of the bill? The amendment strikes out all after the enacting clause.

The SPEAKER. No; the bill has never been read in the House. It is a very poor practice, and the Clerk will read the bill.

The Clerk read as follows:

Be it enacted, etc., That section 5 of an act entitled "An act to authorize the drainage of certain lands in the State of Minnesota," approved May 20, 1908 (35 Stat., p. 169), is hereby amended to read as follows:

"SEC. 5. That at any time after any sale of unentered lands has been made in the manner and for the purpose mentioned in this act patent shall issue to the purchaser thereof upon payment to the receiver of the minimum price of $1.25 per acre, or such other price as may have been fixed by law for such lands, together with the usual fees and commissions charged in entry of like lands under the homestead laws. But purchasers at a sale of unentered lands shall have the qualification of homestead entrymen, and not more than 160 acres of such lands shall be sold to any one purchaser under the provisions of this act. This limitation shall not apply to sales to the State, but shall apply to purchases from the State of unentered lands bid in for the State. Any part of the purchase money arising from the sale of any lands in the manner and for the purposes provided in this act, which shall be in excess of the payments herein required and of the total drainage charges assessed against such lands, shall be paid to the county treasurer of the county in which the land is situated to be used for the construction and maintenance of canals, ditches, and other

work connected with the drainage of swampy, wet, and overflowed lands in such county."

The amendment, in the nature of a substitute, was read, as follows:

Strike out, page 1, beginning line 3, down to and including line 20 on page 2, and insert in lieu thereof the following——

The SPEAKER. This bill is on the Union Calendar.

Mr. RAKER. I ask unanimous consent that the bill be considered in the House as in the Committee of the Whole House on the state of the Union.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, as I understand this bill, though the department questions somewhat the propriety, it does not take away any of the rights of the Chippewa Indians in these lands that they have already ceded or agreed to their cession under some prior law?

Mr. RAKER. That is the intention of the bill and view of the committee in the matter.

Mr. STAFFORD. It merely transfers the surplus funds from the Indians to the respective counties which undertake this drainage work?

Mr. RAKER. The gentleman is correct. The development——

Mr. STEENERSON. And does it not, for instance, expedite the sale of the unsold lands which will be greatly to the advantage of the Indians?

Mr. RAKER. The gentleman is right.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the amendment.

The Clerk read as follows:

That section 5 of the act entitled "An act to authorize the drainage of certain lands in the State of Minnesota," approved May 20, 1908, be, and the same is hereby, amended so as to read as follows:

"SEC. 5. That at any time after any sale of unentered lands has been made in the manner and for the purposes mentioned in this act patent shall issue to the purchaser thereof upon payment to the receiver of the minimum price of $1.25 per acre, or such other price as may have been fixed by law for such lands, together with the usual fees and commissions charged in entry of like lands under the homestead laws. But purchasers at a sale of unentered lands shall have the qualification of homestead entrymen, and not more than 160 acres of such lands shall be sold to any one purchaser under the provisions of this act. This limitation shall not apply to sales to the State, but shall apply to purchases from the State of unentered lands bid in for the State. Any part of the purchase money arising from the sale of any lands in the manner and for the purposes provided in this act which shall be in excess of the drainage charges then delinquent shall be paid to and used by the county in which such land is located for the purpose of maintenance, improving, and extending such drainage works within the area benefited by the drainage project in which such land shall have been assessed for such drainage charge."

That section 6 of said act be, and the same is hereby, amended so as to read as follows:

"SEC. 6. That any entered lands sold in the manner and for the purposes mentioned in this act may be patented to the purchaser thereof at any time after the expiration of the period of redemption provided for in the drainage laws under which it may be sold (there having been no redemption) upon the payment to the receiver of the fees and commissions and the price mentioned in the preceding section, or so much thereof as has not already been paid by the entryman; and if the sum received at any such sale shall be in excess of the payments herein required and of the drainage assessments and cost of the sale, such excess shall be paid to the proper county officer for the benefit of and payment to the entryman. That unless the purchasers of unentered lands shall, within 90 days after the sale provided for in section 3, pay to the proper receiver the fees, commissions, and purchase price to which the United States may be entitled, as provided in section 5, and unless the purchasers of entered lands shall, within 90 days after the right of redemption has expired, make like payments, as provided for in this section, any person having the qualifications of a homestead entryman may pay to the proper receiver for not more than 160 acres of land for which such payment has not been made: First, the unpaid fees commissions, and purchase price to which the United States may then be entitled; and, second, the sum due at the sale for drainage charges; and, in addition thereto, if bid in by the State, interest on the amount bid by the State at the rate of 7 per cent per annum from the date of such sale, and thereupon the person making such payment shall become subrogated to the rights of such purchaser to receive a patent for said land. When any payment is made to effect such subrogation the receiver shall transmit to the treasurer of the county where the land is situated the amount paid for drainage charges, together with the interest paid thereon."

The question is on agreeing to the amendment.

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. RAKER, a motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. RAKER. Mr. Speaker, and, further, I move that a similar bill, H. R. 13570, lie on the table.

The motion was agreed to.

Mr. MANN. Mr. Speaker, I ask for the regular order.

The SPEAKER. The regular order is five and one-half hours of speech making.

Mr. VOLSTEAD. Mr. Speaker, I ask that the title to the bill just passed be amended by the insertion of section 6 after section 5, according to the text of the bill.

The SPEAKER. Without objection, the title will be amended to conform to the text.

There was no objection.

The SPEAKER. The gentleman from Illinois [Mr. MANN] calls for the regular order. And the regular order is the speech making.

EXTENSION OF REMARKS.

Mr. STEENERSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE.

Mr. GOODWIN of Arkansas. Mr. Speaker, I ask unanimous consent to address the House for one hour on next Tuesday after the reading of the Journal and the disposal of business on the Speaker's table and other business that may be in order.

The SPEAKER. The gentleman from Arkansas asks unanimous consent that on next Tuesday, after the reading of the Journal and the clearing up of the business on the Speaker's table, he shall be permitted to address the House for one hour, without interfering with the conference report and revenue bill.

Mr. MANN. Now, Mr. Speaker, I think the gentlemen who are already on the list ought to be continued on the list.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the speeches on the list heretofore made be taken up seriatim, and at the end of that time the gentleman from Arkansas [Mr. GOODWIN] shall be permitted to address the House for one hour. Is there objection? [After a pause.] The Chair hears none.

Mr. RAKER. Mr. Speaker——

Mr. MANN. Mr. Speaker, I ask for the regular order.

The SPEAKER. The gentleman demands the regular order, and the regular order is to recognize the gentleman from Illinois [Mr. SABATH] for 20 minutes. However, inasmuch as he is not here, the gentleman from Wyoming [Mr. MONDELL] is recognized for one hour.

EXTENSION OF REMARKS.

Mr. RANDALL. Will the gentleman yield until I can get unanimous consent to extend my remarks in the RECORD?

Mr. MONDELL. Yes.

Mr. RANDALL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing therein the national platform of the Prohibition Party and the convention addresses at that convention of W. G. Calderwood and Daniel A. Poling.

The SPEAKER. The gentleman from California asks unanimous consent to extend his remarks in the RECORD by printing therein the platform of the Prohibition Party and convention addresses mentioned by him. Is there objection? [After a pause.] The Chair hears none.

Mr. RANDALL. And also, Mr. Speaker, I ask unanimous consent to extend my remarks upon the subject of newspaper and magazine postal rates and their relation to 1-cent letter postage.

The SPEAKER. The gentleman also asks to extend his remarks in the RECORD on the subject of newspaper and magazine postal rates and their relation to 1-cent letter postage. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE.

Mr. STONE. Mr. Speaker, I ask unanimous consent that on next Tuesday, following the other gentlemen, I have 30 minutes in which to address the House.

The SPEAKER. The gentleman from Illinois [Mr. STONE] asks unanimous consent that at the conclusion of the remarks of the gentleman from Arkansas [Mr. GOODWIN] next Tuesday, he may be permitted to address the House for 30 minutes. Is there objection. [After a pause.] The Chair hears none.

Mr. BRUMBAUGH. Mr. Speaker, I also ask unanimous consent for 10 minutes, following the gentleman from Illinois [Mr. STONE].

The SPEAKER. The gentleman from Ohio [Mr. BRUMBAUGH] asks unanimous consent to address the House for 10 minutes at the completion of the remarks of the gentleman from Illinois [Mr. STONE] on Tuesday next. Is there objection? [After a pause.] The Chair hears none.

EXTENSION OF REMARKS.

Mr. LONDON. Mr. Speaker, I ask unanimous consent to revise, correct, and extend my remarks in the RECORD, made on the 21st of July and on the 15th of August.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD on certain

speeches made in July and August. Is there objection? [After a pause.] The Chair hears none.

NATIONAL GUARDSMEN IN UNITED STATES SERVICE.

The SPEAKER laid before the House the following letter from the Secretary of War, in answer to a resolution of inquiry, for printing in the RECORD:

WAR DEPARTMENT,
Washington, August 21, 1916.

Hon. CHAMP CLARK,
Speaker House of Representatives.

DEAR SIR: I have the honor to acknowledge the receipt of the House resolution of the 16th instant, directing the Secretary of War, if not incompatible with the public interest, to inform the House of Representatives how many members of the National Guard taken into the service of the United States, in compliance with the President's order of June 18, 1916, are recruits without any previous military experience.

In response thereto you are advised that the War Department is not in possession of the information requested. Some time ago, however, a movement for obtaining the data in question was begun. As you are aware, the troops that have been accepted into the United States service under the provisions of the order mentioned are widely separated, and it will undoubtedly require considerable time to procure the data to enable the department to comply fully with the terms of the resolution. However, as soon as the desired information can be obtained it will be promptly furnished to the House of Representatives.

Sincerely, yours,

NEWTON D. BAKER,
Secretary of War.

THE DEMOCRATIC ADMINISTRATION.

Mr. MONDELL. Mr. Speaker, those who seek and obtain power assume responsibility and must accept criticism. It is the duty of the citizen under our form of Government to be informed relative to the conduct of public officials and to criticize acts which he believes deserving of criticism. Only thus can the fountains of authority be cleansed and dangerous and evil tendencies corrected. The Republican Party has never resented—has, in fact, welcomed—fair discussion and criticism of its acts and policies. Even the notoriously unfair and untruthful assaults, inspired by malice and inflamed by demagoguery, so frequently launched by the opposition have been philosophically accepted as the price of power and responsibility.

To-day conditions are reversed. The Democratic Party, long in opposition, strong in criticism, is at the bar of public opinion charged with an account of its stewardship. And behold! Some of its members who have been most conspicuous and notorious for the recklessness and injustice of their attacks on Republicans and Republicanism, in cheap heroics and ridiculous philippics, now proclaim that criticism of their party and their administration savors of treason! We gladly leave to our Democratic friends a monopoly of the doctrine that the king—the President—and the party can do no wrong, while we pursue the painful duty of pointing out truthfully without malice how persistently wrong the President and the Democratic Party have been, wrong not only when there was some slight excuse for going astray, but wrong when the path of wisdom and reason was perfectly plain and clear.

The administration of President Wilson assumed control of the Government affairs under peculiarly favorable and fortuitous circumstances. While President Wilson lacked 655,000 votes of receiving a majority of the votes cast for President in 1912, the division of the opposition, based on a temporary family quarrel, was of a character calculated to measurably reconcile to his election many who had not voted for him and to dispose a large majority of the people of the country to view the new administration with an unprejudiced eye and an open mind and give it and the Democratic Congress the benefit of every doubt in the carrying out of their legislative and administrative programs. The honeymoon period as between Presidents and the people, usually quite brief, was unusually long extended in the case of President Wilson, and served to discourage analysis and criticism even in the face of growing anxiety and uncertainty as to the outcome of the administration's policies.

CONDITIONS OF PROSPERITY.

The condition of the country at the beginning of the administration was peculiarly favorable to its successful establishment. The long years of Republican administration had been years of general and abounding prosperity. Under the wise legislation and administration of the Republican Party we had as a people progressed and developed to a degree and extent unparalleled in the world's history.

Farm and factory, mill and mine, and lines and avenues of transportation by land and water presented a picture of general and healthy prosperity, with every prospect of its continuance. At the time Woodrow Wilson and the Democratic Party took the helm all was well at home, and, except for a cloud on the southern border, we enjoyed friendly and harmonious and satisfactory relations with all the peoples of the world. A Republican tariff bill, much criticized, had nevertheless produced sufficient revenue to keep the machinery of Government running smoothly and leave in the National Treasury a free, available, and unobligated working balance of one hundred and fifty millions, or what would, under the form of Treasury statements since adopted by this administration amount to a balance of over $220,000,000.

REPUBLICAN LEGISLATION.

In the field of legislation the new administration and Congress took up its duties and responsibilities under conditions extraordinarily favorable to successful accomplishment. Problems and questions that had been agitating the public mind for years had either been successfully disposed of or were in a fair way to solution with the pathway clearly blazed. After having three times passed the House of Representatives when controlled by Republican majorities, a resolution for the election of Senators by the direct vote of the people for the fourth time passed the House in the Sixty-second Congress almost unanimously, was adopted by the Republican Senate, ratified by the States, promulgated by President Taft, and thus removed from the theater of controversy. Still earlier, the Republican House and Senate in the Sixty-third Congress, having adopted the resolution for an amendment providing for an income tax, and the States having ratified it, it was promulgated by President Taft in time to be utilized by the new administration as a part of its revenue legislation.

The question of statehood for the last remaining Territories within our continental boundaries, which had been agitating the country and Congress for years, had finally been settled by the signature of President Taft to the statehood bill, in August, 1911. The new administration thus came into power with congressional representation from all our continental area, with popular election of both branches of Congress provided for, and with a new and rich source of revenue available.

BANKING AND CURRENCY.

The way had also been smoothed and the trail blazed for other legislation of great importance. For 20 years and more the best minds of the country had wrestled with the problem of the extension and coordination of our national banking legislation. No end of plans and devices had been put forward or suggested as currency measures.

Democratic opposition to our national banking laws had been so persistent, ill-tempered, and unfair that the day of amendment, expansion, and coordination was long delayed in the vain search for some entirely new system. In spite, however, of Democratic opposition, it finally came to be admitted by honest and sincere men of all parties that the best plan to meet our needs was the extension and coordination of the system that had served us long and reasonably well, even under the severest strains.

Fortunately for the new administration, the Vreeland-Aldrich currency act had been enacted to meet any possible emergency, and the Currency Commission appointed to formulate and recommend legislation had concluded its thorough and exhaustive studies and made its unanimous report recommending a plan of currency legislation. The report of the Currency Commission gave the administration and the Congress the outline and plan on which to base its legislation, and the emergency act stayed and protected and maintained the national credit in the trying early period of the European war.

ANTITRUST AND OTHER LAWS.

The Republican Sherman antitrust law, long denounced and ridiculed by Democrats; the legislation establishing the Interstate Commerce Commission and extending and supplementing its authority and control, such as the safety-appliance law; the creation of the Departments of Commerce and Labor and their various bureaus, including such as the Bureau of Foreign and Domestic Commerce, the Commission of Mediation and Arbitration, and the Children's Bureau—all these and many other wise provisions of legislation and administration, such for instance as the Federal employees' compensation act, exerting their influence along legitimate lines of development and expansion—paved and marked the way for further evolution in proper Federal regulation and control.

In fact, so wisely had Republican legislation and administration solved problems, smoothed pathways, and pointed the proper direction to further legislative development that it is not to be wondered at that a distinguished Democratic Member on this floor recently laid the claim that in this Congress his party had largely pursued Republican lines of policy or fulfilled Republican promises. That is true as to a few of the best features of their legislation. Unfortunately for the country, they have not generally legislated wisely even when the wise course and proper plan and direction has been clearly pointed out.

Mr. BENNET. Mr. Speaker, will the gentleman allow me to interrupt him with a brief question?

The SPEAKER pro tempore (Mr. CARAWAY). Does the gentleman yield?

Mr. MONDELL. If the gentleman is brief, I will.

Mr. BENNET. Has the gentleman overlooked, in citing his authorities, the fact that the President of the United States in his Indianapolis speech said the Republican Party had never had a new idea or passed any new constructive legislation in 30 years?

Mr. MONDELL. Well, the President of the United States says a great many widely differing things at different times, and, judging from the many changes that have taken place in the President's opinion and attitude on matters and things from time to time, I am inclined to think that the President does not always know what he is talking about. [Laughter on the Republican side.]

CONDITIONS OF GOOD FORTUNE.

Mr. Speaker, thus briefly have I outlined some features of the unprecedented conditions of good fortune under which the present administration entered upon its career and the Democratic Congress began its work. Not only that, but the new Congress contained a minority, most of the members of which had been so profoundly impressed by the events of the preceding campaign and their astounding results as to be indisposed to partisan contention and predisposed to support such legislative proposals of the Democratic majority as possessed any slight semblance or discernible attribute of virtue or wisdom. Furthermore, there sat in Congress more than a score of earnest men, some of marked ability, elected as Progressives, who stood ready to cooperate with the majority in support of any proposition which possessed even a minimum of merit, their theory being that it was their duty to overlook much that was objectionable in legislative proposals in order to register their support of those features which met their approval.

It is interesting to now recall how little credit Republicans or Progressives ever received from the majority for their patriotic efforts to cooperate with them in good faith, even to the extent of voting for measures which had only their limited or partial approval. About all one hears from the majority on this subject is defense of some of their questionable or doubtful legislation on the ground that some Republican or Progressive voted for the bills which carried it.

TARIFF LEGISLATION.

Urged by the President to act promptly for the purpose, he said, of relieving the people from burdens, and with a view, so he told us, of allowing our workers and merchants to become accustomed to the excitement of whetting their wits against those of the rest of the world, the Democratic brethren promptly, on the assembling of Congress, at the call of the President soon after his inauguration, took up the revision of the tariff.

Wearied and half convinced by continuous and persistent assaults on Republican tariff legislation, the country, against its better judgment, was inclined to hope for the best as the outcome of Democratic tariff legislation, and though doubts and misgivings were widespread, the Underwood bill, which became a law on October 3, 1913, had the fairest and the best chance of any tariff legislation ever enacted by an American Congress.

No sooner was it on the statute books, however, than its unfortunate effects began to be felt. For the 10 months from the date of its enactment to the breaking out of the European war imports increased over $100,000,000 in value over and above the imports for same period the year before, while customs revenues decreased more than $30,000,000 below the revenues of that former period.

STAGNATION AND DEPRESSION.

Despite the favorable conditions under which the administration started and which the momentum of prosperity for a time maintained, eventually the increase of imported manufactures produced their inevitable effect. They were none the less tangible because the President characterized them as psychological. So gradually at first as to be scarcely realized, but with ever-widening horizon, ever-extending and increasing effect with the lessening of the orders, spread the stilling of the looms, the banking of the fires, the dulling of the hum of industry. Out upon the steel lines of communication the shuttling of the ever-moving trains thinned and slackened, and on the sidetracks gradually accumulated those long lines of empty cars, which in the spring and summer of 1914 became the symbol of the industrial palsy which was settling upon the land. In these days it was estimated that 3,000,000 men were out of work.

The Democratic Party had had its wonderful opportunity to reasonably modify tariff rates, to make the modifications and adjustments which a considerable portion of the country believed necessary and advisable—to reform but not destroy. But that was impossible; impossible then, impossible now; will be impossible any time in the future to a party that clings to the ancient errors of free trade and tariff for revenue only; a party with whom protection if tolerated must be incidental, accidental, or sporadic. The measure they evolved was neither free trade, tariff for revenue, or protection, but a miserable, indefensible, illogical combination of them all, a failure as a revenue producer, a joke as a measure of proper protection. Its presence on the statute books presents a menace which the close of the European war will translate into a calamity.

WAR-REVENUE BILL.

Not only did the Democratic Party fail to sense or foresee or to prepare for the conditions created by the European conflict, much less those that would arise at its close, but they made no sort of effort to adjust our affairs to the war-created conditions. Instead of a careful, thoughtful, logical readjustment of tariff schedules after the outbreak of the European war to meet war conditions they gave us the so-called war-tax bill. It was so called, no doubt, because it warred against reason, against thrift, and against the people's peace of mind, in taxes on powers of attorney and promises to pay, telephone calls, and chewing gum. Its exasperating and vexatious provisions wrung from the exasperated people, above the cost of collection, much less than the forty-six millions lost to the Treasury by the reduction of the duty on sugar before the spur of necessity prodded the Democratic Party into rectifying that economic blunder.

KITCHIN REVENUE BILL.

But our Democratic friends have had another opportunity to correct their tariff mistakes to meet the conditions the war has produced, to prepare for the crises in industry which its close will present. It came to them recently when the demands of a Treasury, impoverished by their unwise fiscal policy, depleted by their extravagance, was to be replenished on the pretense of financing preparedness. The action taken in the House, and in the main adhered to at the other end of the Capitol, illustrates more clearly and strikingly the difference between a policy of statesmanship and one of fiscal plunder than any act of legislation I now recall.

At a time when conditions demanded the collection of revenues and adjustment of tariffs with a view of safeguarding the Nation's industrial life and insuring its industrial independence, in the face of conditions calculated to test the very foundation of our industrial system and to imperil the entire fabric of our wage scale, Democratic leaders deliberately abandoned the highways of statesmanship and grasping the cudgels and bludgeons of the footpad set out to replenish the National Treasury from the savings of thrift and the earnings of industry. By the one act of placing wool on the free list foreign importers had, between the time of the passage of the Underwood bill and the 1st of last July, been relieved from the payment of over one hundred and twenty-two millions of import duties, which they would have been compelled to pay under the Payne Act. Having made this present, along with many others, to foreign importers, with a corresponding loss to the Treasury and with no corresponding benefit to any American citizen, they proceeded in their recent revenue bill to load upon the industries and savings, mostly of a comparatively few States, in direct taxation the burden of the losses thus sustained.

WHAT OF THE FUTURE?

Armed and embattled Europe, in the throes of the mightiest struggle of history, must have our inexhaustible supplies of war munitions, of military equipment, of foodstuffs in limitless quantities, or perish, and under the spur of their necessity the volume of our exports leaped from $2,364,579,148 in value in the fiscal year ending a month before the outbreak of the European war to $4,333,698,604 in the fiscal year which closed June 30 last, the second year of war. This is an increase of $1,969,119,456, or 84 per cent, in the second year of war over the last year of peace. This stupendous increase was almost wholly in exports to the warring allied powers and neutrals directly affected by the war. It is, none of it, the ordinary, legitimate expansion of trade. And this increase, it should be remembered, was in spite of a loss of over $400,000,000 in our exports to Germany, Austria, and Belgium. This war-created business is 46 per cent of our entire present export trade and is destined to largely vanish like the morning mist on the return of peace. This war traffic is in volume equal to more than 90 per cent of our total export trade in the fiscal year 1912. What preparation has the Democratic Party made for the wrenching and disarrangement of business when peace shall close these stupendous trade opportunities which war has created?

But startling as are the problems which peace shall bring through the check of exports, more alarming are the problems which the situation presents and trade figures prophesy in the matter of imports. Practically all imports from Germany,

Austria, Belgium, and Turkey have ceased, resulting in a reduction of over $220,000,000 in value of imports from those countries in the second year of war below the imports of the last year of peace. Notwithstanding these decreases our total imports increased in that period; that is, during the fiscal year ending June 30, 1916, above those of the fiscal year ending June 30, 1914, in the sum of $304,059,185. With every energy bent and every nerve strained in the prosecution of a war which threatens the very foundations of her Empire, England has found it possible to increase her shipments of merchandise to our ports in the past year of war to the amount of $10,000,000 in value above those of the last year of peace. These increases of imports from nations in the midst of war of frightful proportions prophesy eloquently of the avalanche of merchandise that threatens to engulf us when the allies and the central powers shall alike seek our markets with renewed energy and persistency as they proceed to rebuild their fortunes on the reestablishment of peace. What has the Democratic Party done to meet this situation? What does it propose? Absolutely nothing, except a ridiculous antidumping joker in their late revenue bill.

BLACK LISTS AND TRADE COMPACTS.

The recent black list of many American firms issued by the allied powers, the June trade agreement of the central powers, followed by the amazing mutual trade compact entered into by the allied powers last month in Paris, considered in connection with the necessities for wider markets which will confront all the powers when the frightful destruction of war shall give way to the feverish and desperate activities of rehabilitation, presents a situation of industrial menace such as no great industrial people like ours have faced in all the world's history. And yet the Democratic Party has done nothing—absolutely nothing—useful or effective in preparation for this crucial crises which is certain to come as mutual exhaustion in the no distant future rings down the curtain on the horrors of Europe's battle fields and wasted territory.

Briefly this is the story of this administration's revenue legislation: Increased imports, accompanied by decreased revenues, in the period before the opening of the European war, a situation calculated to put us on the toboggan which leads through ruined industries to a bankrupt Treasury. Then a tax on notes and chewing gum, and, lastly, direct taxes, sectional and discriminatory. Nowhere through it all an intelligent attempt to make revenue raising an ally and handmaiden of American labor and industry; the foreign importer given the free run of our markets, the industrious citizen taxed at every turn; the trying day of pence and readjustment in Europe approaching and no proper effort to prepare for it. One may search the pages of modern history in vain to find another example of such stupendous folly and limitless inaptitude for wise government.

BANKING AND CURRENCY BILL.

Under the favorable conditions to which I have heretofore referred, touching currency legislation, with the researches, the report, and recommendations of the Currency Commission to guide them, there would seem to have been little opportunity for the Democratic framers of currency legislation to go wrong; but what opportunity there was, was utilized to the utmost. Whatever the Federal reserve act contains that is sound in principle, it owes to the crystallization of opinion as expressed in the report and recommendations of the Currency Commission. Its doubtful provisions, its faults, and its financial heresies it owes to Mr. Bryan, the administration, and the Democratic Congress. Fortunately for the country and thrice fortunately for the administration, it was not in operation when the financial crisis of the European war came. Four days before the outbreak of the war the Secretary of the Treasury announced:

The Aldrich-Vreeland bill is still in force, and under its provisions there are in the Treasury, ready for issue, $500,000,000 in currency, which the banks can get upon application under that law.

Before October 31 the Treasury had shipped $269,558,000 of that currency to various banks, and over $360,000,000 of it was outstanding on that date. On December 7 the Secretary of the Treasury, claiming credit for having averted a panic by the use of the Aldrich-Vreeland notes, said, "The Federal Reserve System was at that time only in process of formation, and was therefore unable to render any service in the situation." Less than three million in Federal reserve notes had been issued up to December 1, 1914, as against three hundred and sixty million Aldrich-Vreeland notes then outstanding.

Mr. GLASS. Mr. Speaker, will the gentleman be interrupted?

Mr. MONDELL. Very briefly.

Mr. GLASS. Does not the gentleman know that the Vreeland-Aldrich bill as originally enacted could not have been used at all, and that never a dollar was issued under it, and that the Secretary of the Treasury was only enabled to issue $385,000,000 of currency because of amendments made by the Sixty-third Congress?

Mr. MONDELL. No; the gentleman does not know that what the gentleman from Virginia says is accurate. On the contrary, he knows that it is not entirely accurate.

Mr. GLASS. In what respect is it inaccurate?

Mr. MONDELL. Because the Vreeland-Aldrich bill when enacted was a perfectly workable measure.

Mr. GLASS. It was an absolutely unworkable measure.

Mr. MONDELL. Fortunately for the country the period during which it was to operate was extended and it was slightly amended, so as to make its conditions easier in the matter of interest for the banks. It was the Vreeland-Aldrich bill that saved the country at the outbreak of the war, as everybody knows, and according to the statement of the Democratic Secretary of the Treasury.

Mr. GLASS. Will the gentleman yield?

Mr. MONDELL. I am sorry I have not the time to yield further.

Mr. GLASS. The gentleman has not time to be corrected, he means?

Mr. MONDELL. Oh, the gentleman can not put that statement into my speech.

Mr. GLASS. I do.

Mr. MONDELL. I have made an absolutely correct statement, that it was the Vreeland-Aldrich bill that saved the country at the outbreak of the European war, and no one denies it, not even the gentleman from Virginia who is now interrupting me, who endeavors to shift the issue by referring to some amendments that were made to the bill in the Taft administration after it was first passed. The important fact is that it was the Vreeland-Aldrich bill and not the Federal reserve act that saved the situation.

Mr. HILL. The amendments only amounted to an inflation; they did not help the situation at all.

Mr. MONDELL. Before the Federal Reserve System was organized and in operation the crisis had passed, and the continuous flood of foreign gold sent in exchange for war munitions and supplies had set in, the upward trend of prices was accelerated and still continues, creating a condition under which the banking and currency situation of the country would be safe and sound under any system.

Up to the date of my latest information but 2 or 3 of the 12 Federal reserve banks had paid dividends.

Mr. GLASS. Mr. Speaker, will the gentleman yield?

Mr. MONDELL. Two or three more had earned only enough to pay their running expenses.

Mr. GLASS. Will the gentleman yield?

Mr. MONDELL. No; I do not. I have not time to conclude my remarks as it is.

The SPEAKER pro tempore. The gentleman declines to yield.

Mr. MONDELL. Half of the twelve had not earned enough to pay their rent and clerk hire. We all wish the Federal Reserve System success, but we realize that it must be cured of the faults and the fallacies the Democratic administration fastened upon it before it can be. The passing of time has but served to emphasize the dangerous character of the enormous powers lodged in the reserve board, enhanced as they have been by the partisan character of its organization. The sorry consequences of the gross favoritism displayed in the location of some of the reserve banks and in establishing the boundaries of some of the districts in defiance of the fixed currents of trade and business becomes more apparent every day. In the meantime the reserve system is holding millions of the reserves of the banks and, in some districts at least, rendering practically no service to the institutions and the people whose reserves are thus held. On the contrary, some, at least, of the reserve banks are entering largely into competition with the banks which have furnished them the funds with which they do business. We hope for the perfection of the Federal Reserve System, but it can only be fully perfected by a change of policy that can only come through a change of administration.

RURAL CREDITS.

A system of credits applicable to investment as distinguished from commercial banking, and available particularly for farm loans was a natural and logical feature of the extension, development, and coordination of our national banking system, but with the best opportunity in the world to proceed along right lines, the administration and the party made, if possible, a worse job of rural credits than of the Federal Reserve System. They provided a system which may work where it is not essential, but which will be the least workable where most needed.

It is another illustration of Democratic capacity to do even a good thing in a disappointing way.

CONSERVATION.

If there was any one field of legislation in which the Democratic administration might have hoped to accomplish something worth while it was in the field of constructive legislation embraced under the term "conservation." Long-continued agitation, wide discussion, the adjustment and crystallization of opinion, all gave promise of early and beneficial results in wise legislation, particularly in view of the spirit of earnest cooperation with which Republicans and Progressives approached the consideration of the problems involved. What has been the result? With the exception of the Alaska coal-leasing bill, under which no leases have as yet been made or coal mined, not a single important measure for the conservation, or the wise utilization of our natural resources has become a law under this administration. At the same time opportunities for reasonable and legitimate development under present laws, particularly for the development of oil lands, have been continuously and systematically curtailed. Had the Republican Party been in power and pursued the policy of continued restriction of oil development in the public-land States which has been pursued by this administration, every Democrat, big and little, would have howled at the top of his lungs that the Republicans were in league with John D. Rockefeller in raising the price of gasoline.

Whatever settlement and development has occurred on the public lands under this administration has been under laws which were on the statute books when it came into power. Even the laws under which they have claimed to protect the public domain are Republican laws. If anything more than this record were needed to prove the incapacity of the Democratic Party to agree upon or enact needed legislation, it would be found in the fact that the bills relating to these matters which have been proposed and acted upon in one or the other branch of Congress have none of them fully met the approval of any considerable portion of the people of the regions to which they mostly apply.

LABOR LEGISLATION.

Much has been and will be claimed for the Democratic Party and the administration for its alleged friendly attitude toward labor, but one may search the record in vain for legislation even remotely tending to enlarge, extend, or render more inviting the field of labor's opportunity. On the other hand, the Democratic policy tends to curtail these opportunities in favor of the foreign workingman. The child-labor law, made necessary by conditions in the mills and factories of southern Democratic States, had almost no opposition in Congress except from Democrats. It would have failed of passage on account of persistent Democratic opposition in the Senate, as the Democratic caucus had decreed, had not the President, as reported in the newspapers, at the last moment after conference with his campaign managers, insisted on its being passed before election. Immigration legislation, which organized labor has earnestly and persistently asked and petitioned for, after having passed the House met its defeat in another body by the solid vote of the President's party, and it has been claimed, and not denied, that this action was taken on orders from the White House. In hazy definitions, in involved legislative phraseology, in the froth of doubtful definition, the Democratic Party has attempted to prove its friendship for labor, but in those things which serve or tend to protect labor's standards, maintain its wage, increase its dignity, or widen its opportunity the party is and has been sadly lacking.

FOREIGN POLICY.

When we turn from domestic to foreign policies we find the same characteristics of government by platitude, of shifting and vacillation, of personal domination by the Chief Executive, of foolish and futile pursuit of policies undertaken in the hope of catching the popular fancy, rather than serve the public interest, which have characterized domestic policies. The result has been what might have been expected—American citizens slaughtered wantonly without apology or reparation, American rights denied, American trade embargoed, American business blacklisted, American mails rifled, American cargoes, including some between American ports, confiscated.

In the instances and to the extent that our diplomatic correspondence has been correct, forceful, and praiseworthy its force and effect have been largely nullified and its effectiveness dulled by the impression which has been created, consciously and intentionally or otherwise, that what we said and what was demanded were to be understood as being Falstaffian or Pickwickian in character and to be taken with due consideration of the fact that the administration could be depended upon to take no action calculated to make its demands good.

None of the warring powers of Europe has had the least disposition, none has been in position where it could afford to bring any question at issue with the United States to the point of a breach of diplomatic relations. A proper attitude of firmness and unwavering determination to maintain our rights and insistence upon respect for them would have unquestionably resulted in their complete recognition by all of the warring powers at all times, even as they have been grudgingly and partially recognized by some of them some of the time.

MEXICO.

No President has ever had a freer hand, no President has ever had a fairer opportunity to develop his policy in foreign affairs unhampered by interference or criticism than President Wilson. In the matter of our dealings with Mexico this was particularly and peculiarly true. For months after the country had become fairly well satisfied that the policy being pursued was radically wrong and likely to lead to serious consequences, judgment was suspended in the hope that by some chance the outcome might justify the extraordinary procedure that was followed.

I feel qualified to bear witness to these facts, as I was one of the first in the House to call in question the administration's dealings with Mexico and to call attention to what seemed to me the inevitable outcome of the policy being pursued, and my first statement in the House on the subject was on the 28th of February, 1913, almost a year after the administration assumed the reins of government. The outcome has been what I then believed it would be—the breaking down of all strong and responsible authority in Mexico, the spread and continuation of the reign of revolution, rapine, murder, and misery throughout the Republic.

Those who waste their sympathy on the administration and are inclined to condone its faults in the handling of foreign affairs, should recall that the administration's embarrassments in our dealing with Mexico are almost wholly of its own making.

Those who fondly and foolishly imagine that the monotonous repetition of the phrase, "Wilson has kept us out of war," is a complete answer to the country's exasperated protest against the deep dishonor, the fathomless futility of the course pursued, are destined to have a rude awakening. The outrages and humiliations and losses suffered by Americans, the lamentable lowering of American prestige, which cry out for vengeance and demand reparation, are not the necessary or logical effects of the condition of revolution in Mexico, but the inevitable, the logical consequence of the administration's faults and follies. The only reason why we have not had war with Mexico is because the Huerta government had not the strength to attack us at Vera Cruz, nor Carranza sufficient force to follow up the war he inaugurated at Carrizal.

The administration began by ignoring and spurning the advice of our regularly accredited diplomatic and consular agents in Mexico, and based its policies on the biased and prejudiced reports of secret and semiofficial representatives of the President. On such advice it adopted a policy of hostility to the strong government of Huerta and of rank favoritism toward the bandit and revolutionary forces, or dictating who should govern and whom should be candidates for the Presidency of Mexico. The administration intervened by force of arms to prevent the landing of ammunition for the Government in Mexico which protected our citizens, and juggled ammunition embargoes to aid the factions of lawlessness.

ABANDONMENT OF CITIZENS.

The administration continued a policy of alternate bluffing and cajoling, of coquetting and spurning first one and then another bandit chieftain, until it had lost the confidence and respect of every force and faction in Mexico. The administration intervened by force of arms three distinct and separate times: First, in the taking of Vera Cruz; second, in the transportation of Carranza troops over our territory; third, in the late punitive expedition. The first cost us 17 American lives and the lowering of the flag at Vera Cruz—unsaluted. Nineteen Americans paid with their lives at San Ysobel for our second intervention, and no reparation or apology for it to this day. The massacre at Carrizal has passed into history unpunished.

The administration has not at any time boldly announced and resolutely backed up a demand for the protection of American citizens. On the contrary, outrages against American citizens have been overlooked, minimized, ignored, particularly in the pursuit of the President's personal war against Huerta. In order to avoid the possibility of the joining of Huerta and constitutional troops at Tampico several hundred of American men, women, and children were abandoned, by the sailing of American ships from that port on repeated and peremptory orders from Washington, to the mercy of an infuriated Mexican

mob, and only saved by the timely intervention of German and English forces. No American who has followed the course of events in Mexico but has blushed with shame and boiled with indignation at the treatment of our citizens there, due to the wicked and indefensible policy of our administration, but for cold-blooded abandonment of citizens in the face of the most frightful danger this incident at Tampico stands out the crowning infamy of the whole miserable record.

WHAT WOULD WE HAVE DONE?

The defenders of the administration's course, when not engaged in cuckooing "he has kept us out of war," unable to defend the record, fall back on the query, "Well, what would you have done?" apparently fondly imagining that this is an unanswerable conundrum. Nothing is simpler. First, and foremost, no American administration following a policy in harmony with our traditions would have interfered in the domestic and internal affairs of Mexico. Such an administration would have adhered to the established usages of international diplomacy laid down and adhered to hitherto by Democratic and Republican administrations alike, would have respected Mexican sovereignty and refrained from attempts to limit their freedom of choice in the government or the leaders they chose or accepted. Such an administration would have given all factions in Mexico to understand that we had no favorites among them, but insisted that wherever each or any of them claimed or exerted authority American lives and American property must be respected and protected at the peril of immediate and condign punishment.

Had we followed these rules of conduct and been unwavering and determined in the attitude I have outlined, the probability is that peace would have long since been restored in Mexico. In any event, American citizens and American property would have been at least reasonably safe throughout Mexico, and, in all human probability, no incident would have occurred that would even have suggested the necessity for general armed intervention.

Ours should have been a policy of firm, dignified neutrality, of respect for Mexican sovereignty, and stern insistence on the protection of American rights. Such a policy would have served the ends of peace and order, would have given us no problems save the minor problems incident to a period of disorder. Yours has been a policy of miserable meddling, of pestiferous fussing, of bandit coddling, of alternate bluff and surrender, of apparent disregard for American lives, American honor, and American prestige in the persistent pursuit of a fatuous and indefensible personal policy. It has bred and produced outrage, lawlessness, murder, spread and continued the reign of rape and rapine, cost us hundreds of American lives, the outrage and humiliation of thousands of American citizens, and the destruction of hundreds of millions of their property. It has cost the Government more than a hundred millions of dollars. It has led to the calling from their usual avocations of 125,000 citizen soldiers to the discomforts of the border. It now confronts us at the end of a lane of horrors with a situation intolerable for all concerned.

UNPREPAREDNESS.

Stung and prodded to action, the administration, which had failed to use appropriations at its command to buy machine guns or to utilize available funds or material in preparation for mobilization or defense, which had delayed, and still delays, the beginning of construction of war craft, great and small, long since authorized by Congress, suddenly became the advocate of great military and naval establishments. From decrying all demand for preparedness as mere nervousness, from seeing no cloud on the horizon, and being "too proud to fight," the President and his advisers suddenly saw sparks all around and declared for continental armies of half a million men and the greatest navy in the world. The administration has been as halting, wavering, and inconsistent in its preparedness policy as in all others; as hysterical, impractical, and unsound in its recent actions as it was slothful, indifferent, and inefficient in proper measures of defense up to within the last few months. After having faced the Mexican situation for three years, with full realization of the possibilities which it presented, and abundant time to make preparation, the calling out of the National Guard, its equipment and mobilization developed a woeful condition of lack of proper distribution of equipment and absence of plan or arrangement for quick and satisfactory transportation. Roused from its slothfulness and inactivity at the last moment, the administration, in response to what it assumed to be a popular demand, sought to outstrip all others in its schemes of military and naval expenditures. In the meantime, however, not a blow has been struck toward the beginning of construction of two dreadnaughts and various minor craft authorized by Congress nearly a year and a half ago. By their fruits ye shall know them.

PROSPERITY.

When all other appeals fall on deaf ears our Democratic friends exclaim, "See the prosperity we have brought." Yes, we see prosperity of a certain kind, and we are mighty thankful for it, for prosperity of any kind is certainly a welcome novelty under a Democratic administration. It surprises no one as much as it does the Democrats themselves. The Democratic Party came into power howling against the high cost of living and charging it to the Republicans. They proposed and promised to reduce the cost of living. But the cost of living has increased steadily, and yet they claim prosperity and credit for it.

The fact is the European war saved the country from black disaster, which was coming on apace when the war opened. It brought enormous orders for munitions and goods and supplies of all kinds, a demand so great it has been difficult to find cars to haul it to the seaboard, ships to carry it over the seas. Because these enormous exports have not all been munitions of war Democratic spellbinders attempt to minimize the effect of the war on business.

For every dollar's worth of shot and shell there must be furnished at least $5 worth of raw material and finished products of apparel, of foodstuffs, of forage and supplies, and this enormous demand has boosted the price of almost every product of the farm, the ranch, the mine, and the factory. These increases in values as they have been converted into cash or credits have added many billions to the wealth of the country. Increasing and unceasing demands from the hellish battle fronts of Europe for munitions have created a demand for labor in munition factories that has sent wages in such employment skyward and temporarily shortened labor supply elsewhere. But everywhere back from the currents and eddies of this war-born trade is a strange and ominous stagnation and depression. It is reflected in the largest number of failures last year of any year in our history. It is startlingly emphasized in the fact that one must go back two generations, almost half a century, to find two years in American history in which we have built so few miles of railway as in the last two years. So long as the war-stimulated flood of gold reaches our shores and the stream of our inexhaustible resources flows ceaselessly in return there is certain to be a kind of prosperity in the land, though in the meantime the cost of living which our Democratic friends promised to reduce mounts higher every day, and the average citizen finds it harder than ever to live decently within his income.

Thank Heaven that all we make and sell is not war munitions; that while we sell the things that wound and maim and torture and kill we do also provide the bandages that bind the wounds and supplies to feed and clothe those on the battle lines and by the stricken firesides. If it were not so, then this so-called prosperity would be a thing of unmitigated horror. War, born as it is, let him gloat over it who will. A party that needs it as a campaign slogan is welcome to it. I prefer a party that plans rather for the prosperity of peace and seeks to put our house in order against that day when war-born trade shall cease and we must readjust our industries to the trying conditions of peace.

BROKEN PLEDGES.

In the final analysis parties, like individuals, must stand or fall on their record and reputation for honesty, steadfastness, and sincerity. To warrant or retain confidence and support their acts must square with their promises and professions. Judged by that standard, which is the unchanging and immutable law, the Democratic Party as now constituted, organized, and officered must fall.

The very candidacy of their leader is an indictment of good faith. President Wilson was nominated in 1912 on a solemn pledge given on his behalf by his party and accepted by him of a single term for the Presidency. On that pledge he and his party sought the support of the American people, and in the repudiation of that pledge in President Wilson's renomination all who are a party to it stand condemned out of their own mouths and on their solemn declarations of repudiation and insincerity in a matter of the highest moment.

The Democratic Party pledged and promised a free canal at Panama for American shipping. They repudiated that pledge at the behest of the President under circumstances that gave grounds for a strong suspicion that the repudiation was part and parcel of a secret understanding which bartered American rights in Panama for a free hand in an indefensible program in Mexico.

The SPEAKER. The time of the gentleman from Wyoming has expired.

Mr. MONDELL. I would like to have five minutes more.

Mr. BENNET. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for five minutes.

The SPEAKER. The gentleman from New York asks unanimous consent that the gentleman from Wyoming may proceed for five minutes more. Is there objection?

Mr. RAINEY. Mr. Speaker, reserving the right to object, I wish to say there are a number of other gentlemen who desire to speak this afternoon. They expect to run until quite a late hour.

Mr. MONDELL. I shall not take over five minutes.

Mr. BENNET. The gentleman from Iowa [Mr. TOWNER] will take less than his 40 minutes and I will take less than my 25 minutes.

Mr. RAINEY. Well, Mr. Speaker, with that notice, I shall say that hereafter I will have to object to further extensions.

The SPEAKER. Is there objection?

There was no objection.

Mr. MONDELL. The Democratic Party and administration pledged the country a faithful administration of the civil-service law. They have flagrantly and outrageously ignored and violated that pledge in taking hundreds of lucrative positions from civil service and in the exemption from civil service of thousands of new places which have been created.

The Democratic Party and administration solemnly pledged the American people that in the filling of public offices "merit and ability should be the standard rather than services rendered to a political party." They have spurned and repudiated, ignored and trampled upon that declaration by the most unconscionable trafficking in public offices as political rewards known to our history. The highest officials of the administration have been the worst offenders in this prostitution of public office to political ends. The late Secretary of State proffered an embassadorial appointment to pay a political debt, with notice that no serious or important service need be performed. He stands convicted under his own signature as a seeker of public jobs "to reward deserving Democrats," including several members of his own family.

That the Democratic claim of following the rules of civil service in the appointment of fourth-class postmasters is a piece of shameless hypocrisy is notorious in communities in which there have been contests for such offices between Republicans and Democrats. I do not criticize the appointment of Democrats as fourth-class postmasters. I do denounce the hypocrisy which attempts to masquerade a purely political system of appointments as a civil-service system.

The Democratic Party and the administration, while accusing Republicans of criminal extravagance, made no earnest effort at retrenchment, but increased the public expenditures in the first Congress under their administration by more than $112,000,000 above those of the Congress which preceded it. The present Congress has boosted expenditures, exclusive of those properly chargeable to preparedness, $200,000,000 more, or $312,000,000, exclusive of preparedness, more than the Congress they charged with criminal extravagance.

The Democratic Party made its last campaign largely on the issue of alleged control of Congress by the Executive and by certain leaders under caucus control.

It is the unchallenged fact that never before in our history has Congress been so dominated by and so subservient to the will of the Chief Executive as have Congresses under this administration. Never in our history has Congress been so completely under caucus domination, so frequently bound and gagged by special rule, as has the present and the last Congress.

The Democratic Party in its platform of 1912 demanded and promised a reduction of the number of what they were pleased to call "useless offices," the salaries of which, they said, "drain the substance of the people." In the teeth of this declaration they have created many more new offices, with higher salaries, than ever before in the same length of time in our history. They approximate 30,000, with salaries aggregating upward of $40,000,000.

The Democratic Party and administration solemnly pledged itself "to preserve the sacred rights of American citizens abroad," but thousands of American lives have been wickedly and wantonly sacrificed on land and sea; millions of American property has been ruthlessly destroyed. American mails have been held up, American trade blacklisted, and American commerce embargoed and confiscated; American prestige challenged and imperiled everywhere.

Such are the important features of the record, fairly stated. They are particularly illuminating in view of the oft-repeated declarations of candidate Wilson in the campaign of 1912, that they meant business, that their platform pledges were not a spread of molasses to catch flies, but promises to be fulfilled and the declaration of the President's Warwick and premier consigning to perdition he who would break a platform pledge. The entire record is one of solemn pledges and promises brazenly and wantonly broken, repudiated, ignored, and by their own record they stand condemned. No promises or pledges now made are entitled to the slightest credence or consideration in view of the record of broken promises in the recent past, and such, in my opinion, will be the judgment of the American people.

WEIGHED AND FOUND WANTING.

In the days of old Babylonia there was a ruler and an administration which came to power by reason of the faults of its predecessor and under circumstances calculated to enjoin the pursuit of the paths of rectitude and sound discretion. But that ruler and that administration, forgetful of the conditions which gave them their opportunity, unmindful of their obligations and unfaithful to their pledges, followed with stiff-necked persistency after false gods and through the devious paths of error. At the height of their power and pride, in the midst of their fancied security, the moving finger wrote the fatal words that sealed their density. Administrations and rulers brought to the bar of righteous judgment must stand the same test to-day as in that olden time and weighed, measured, and judged by its record, the verdict of the American people on the Democratic Party in the coming campaign can not be otherwise than that of the judgment of Belshazzar, "Thou are weighed in the balances, and art found wanting."

AMBASSADOR TO FRANCE.

Mr. BENNET. Mr. Speaker, I ask unanimous consent that the House stand in recess for five minutes for the purpose of enabling the Members to greet our former colleague, Mr. Sharp, the present ambassador to France, who has achieved the difficult task of making himself persona grata to opposing belligerent nations at the same time—to the French people by being a truly American ambassador, and to the people of the central powers by his assiduous care for their prisoners in French camps. [Applause.]

The SPEAKER. The gentleman from New York [Mr. BENNET] asks unanimous consent that the House stand in recess for five minutes to greet the American ambassador to France. Is there objection?

There was no objection.

The SPEAKER. The ambassador will please come down in front of the Speaker's stand and shake hands with the Members.

Accordingly (at 4 o'clock and 20 minutes p. m.) the House stood in recess for five minutes.

The recess having expired, the House resumed its session.

HATCHIE COON HUNTING AND FISHING CLUB.

Mr. TILLMAN. Mr. Speaker, I desire to file the report supplemental to report 1139 on the bill (H. R. 241) to relinquish, release, and quitclaim to the trustees of the Hatchie Coon Hunting and Fishing Club title to cerain lands in Poinsett County, Ark.

The SPEAKER. The supplemental report will be filed and referred to the House Calendar.

WESTERN DISTRICT OF SOUTH CAROLINA.

Mr. AIKEN. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 13926) to amend an act entitled "An act to provide for the appointment of a district judge, district attorney, and marshal for the western district of South Carolina, and for other purposes," approved March 3, 1915, so as to provide for terms of the district court to be held at Anderson, S. C.

The SPEAKER. The gentleman from South Carolina asks unanimous consent for the present consideration of a bill which will be reported by the Clerk.

The Clerk read as follows:

Be it enacted, etc., That section 5 of an act entitled "An act to provide for the appointment of a district judge, district attorney, and marshal for the western district of South Carolina, and for other purposes," approved March 3, 1915, be, and the same is hereby, amended so as to read as follows:

"SEC. 5. That the terms of the district court for the eastern district shall be held at Charleston on the first Tuesday in June and December; at Columbia, on the third Tuesday in January and first Tuesday in November; at Florence, first Tuesday in March; and at Aiken, on the first Tuesday in April and October.

"Terms of the district court of the western district shall be held at Greenville on the first Tuesday in April and the first Tuesday in October; at Rock Hill, the second Tuesday in March and September; at Greenwood, the first Tuesday in February and November; and at Anderson, the fourth Tuesday in May and November.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. This bill is on the Union Calendar.

Mr. AIKEN. I ask unanimous consent to consider this bill in the House as in Committee of the Whole House on the state of the Union.

The SPEAKER. The gentleman asks unanimous consent to consider this bill in the House as in Committee of the Whole. Is there objection?

There was no objection.

The bill was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

On motion of Mr. AIKEN, a motion to reconsider the last vote was laid on the table.

OLEANNE MARIE ZAHL BRANUM.

Mr. MILLER of Minnesota. Mr. Speaker, I ask unanimous consent to proceed for two minutes, in order that I may ask permission for the present consideration of the bill (S. 6497) for the relief of Oleanne Marie Zahl Branum.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to address the House for two minutes. Is there objection?

There was no objection.

Mr. MILLER of Minnesota. Mr. Speaker, the bill (S. 6497) for the relief of Oleanne Marie Zahl Branum passed the Senate, was referred to the Committee on the Public Lands of the House, was unanimously reported to the House, and is now on the calendar. It proposes to validate the homestead entry of Mrs. Branum, who made a homestead entry in the wooded country of northern Minnesota, thinking that she had a right to enter the same, having declared her intention to become a citizen of the United States. Unfortunately in her earlier life she was married—for her husband proved worthless and she left him, and subsequently came to this country, bringing her two children. Her declaration of intention to become a citizen was received, and she filed on a homestead and made all of her improvements; but when she came to prove up a short time ago she found, of course, that she was not a citizen and could not become one. The seven-year period within which she has a right to prove up expires in a very short time. It is therefore necessary that this bill receive immediate consideration. It is recommended by the Secretary of the Interior, at whose request it was introduced in the Senate. It is unanimously reported, and I ask unanimous consent that the bill be now considered.

The SPEAKER. The Clerk will report the bill.

The bill was read, as follows:

Be it enacted, etc., That homestead entry No. 07718, Duluth (Minn.) series, made November 29, 1909, by Oleanne Marie Zahl Branum for the north half of the southwest quarter, southwest quarter of the southwest quarter section 4, and northwest quarter of the northwest quarter section 9, township 62 north, range 21 west, fourth principal meridian, be, and the same hereby is, validated; and the Secretary of the Interior is authorized and directed to accept commutation proof in support of said entry and issue patent thereon, provided said proof shows compliance with the requirements of the homestead law with respect to residence, cultivation, and improvements.

Mr. BENNET. Mr. Speaker, I will say that the tacit understanding was that no bill should be taken up this afternoon except the bill of the gentleman from South Carolina [Mr. AIKEN] I know nothing about the bill, but I have no doubt that if presented on Tuesday it will go through.

Mr. MILLER of Minnesota. I can not be here on Tuesday. I did not know of any understanding like that. I did not enter into it. I never heard of any such understanding.

The SPEAKER. Is there objection?

Mr. BENNET. I insist on the objection.

Mr. MILLER of Minnesota. I trust the gentleman will not do that.

The SPEAKER. The gentleman from New York objects.

Mr. MONDELL. I hope the gentleman from New York will withdraw his objection. It is an unusual situation.

Mr. MILLER of Minnesota. I beg to assure the gentleman that the gentleman from Illinois [Mr. MANN] favors the passage of this bill.

The SPEAKER. The Chair announces that he is not going to recognize anybody this afternoon except for the purpose of making speeches, after this matter is disposed of one way or the other.

Mr. MILLER of Minnesota. I withdraw the request for the present upon the objection of the gentleman from New York.

The SPEAKER. The gentleman from New York [Mr. BENNET] objects.

Subsequently,

Mr. BENNET rose.

The SPEAKER. For what purpose does the gentleman from New York rise?

Mr. BENNET. To ask unanimous consent that I may be permitted to withdraw my objection to Senate bill 6497. I have consulted with gentlemen on the other side of the Chamber, and they all think the bill ought to be passed.

The SPEAKER pro tempore (Mr. CULLOP). Without objection, the objection made will be withdrawn.

There was no objection.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER pro tempore. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, was read the third time, and passed.

Mr. RAINEY. Mr. Speaker, is that bill on the Union Calendar?

The SPEAKER pro tempore. It is on the Private Calendar.

THE REVENUE AND THE TARIFF.

The SPEAKER pro tempore. The gentleman from Iowa [Mr. TOWNER] is recognized for 40 minutes.

Mr. TOWNER. Mr. Speaker, it appears necessary upon each recurring national campaign to discuss the fundamental fiscal policies of the Nation. Our revenue system is an ever present subject of discussion because it is always necessary to consider ways and means to carry on the Government. Expenditures are required, and these can not be made without first being obtained. How to obtain the required funds to carry on the Government with the least possible injury to the people is our perennial problem.

The Constitution not only gives Congress power to impose customs, but it expressly prohibits the States from exercising that power. It reserves that means of revenue exclusively to the General Government, and it is the only one so expressly reserved. It is undisputed that custom dues were from the first designed to furnish a part of the national revenue. How large that part should be, what proportion of the national revenue should be derived from a tariff is now, as it ever has been, a question of commanding importance.

Thomas Jefferson believed that at least the larger part of our revenues should be derived from custom dues. During his administration 83 per cent of the revenue was obtained from custom dues. In his first message he felicitates the Congress that "there is reasonable ground of confidence that we may now safely dispense with all the internal taxes." Evidently Mr. Jefferson did not hold to the modern Democratic theory that to reduce customs dues to a minimum and increase direct taxes to a maximum was taking "burdens from the backs of the people."

The Republican Party throughout its history has stood for a fiscal policy that derived a large part of the national revenue from custom dues. During its last administration approximately one-half the revenue of the Government was derived from that source.

Illustrative and typical of the Republican system I give a few years in round numbers:

REVENUE, FISCAL YEAR 1909.

Customs	$300,000,000
Internal revenue	246,000,000
Miscellaneous	56,000,000
Total ordinary revenue	602,000,000

1912.

Customs	311,000,000
Internal revenue:	
Ordinary	293,000,000
Corportaion tax	29,000,000
Miscellaneous	59,000,000
Total	692,000,000

1913.

Customs	318,000,000
Internal revenue:	
Ordinary	309,000,000
Corporation tax	35,000,000
Miscellaneous	61,000,000
Total	723,000,000

The year 1913 was the last year under Republican legislation. The fiscal year ended June 30, 1913, and the Underwood tariff law was enacted October 4, 1913.

THE REPUBLICAN SYSTEM IN OPERATION.

During the 16 years of Republican administration the total ordinary receipts of the Government were $9,677,000,000, or an average of about $49,000,000 a month. The total ordinary disbursements were $9,293,000,000, or an average of about $47,000,000 a month. An average surplus of over $2,000,000 per month was sufficient to pay all the ordinary expenses of the Government and leave a satisfactory surplus. Although bonds were authorized to build the Panama Canal, $240,000,000 of

them were not issued, but that amount was taken from the ordinary receipts. When the Government was turned over by the Republican administration to the present Democratic administration there was an available cash balance in the Treasury of $150,000,000.

No unprejudiced person can examine the record and withhold a tribute of praise to the party which so admirably and successfully managed the fiscal affairs of the Government during those years.

Under this system the burdens of government sat lightly upon the people. During those years it was at least approximately true that no one was compelled to contribute to the National Treasury. Articles which were needed and which could not be produced in this country, such as tea and coffee, were admitted free. More than half in value of all imports paid no tariff. On competitive articles the schedules were for the most part representative of the difference in the cost of production abroad and in this country. The heavy burden was placed on luxuries. If anyone preferred to buy imported luxuries he contributed to the National Treasury, but he was not compelled to do so. The internal-revenue dues were arranged upon the same principle. Nearly all of such revenue was derived from taxes on liquor and tobacco. If anyone chose to drink liquor or use tobacco he contributed to the support of the Government, but he was not compelled to do so. On the whole, it was almost a voluntary system under which individuals could determine whether or not they would pay any national taxes. They were not required to do so.

Under the Republican system indirect or voluntary taxes were collected by the General Government, and direct or compulsory taxes left to the States, where they properly belong. The sum of State and municipal taxation in this country exceeds by many times the sum of national taxation. Local taxation for local needs, for schools, for roads, for police and sanitation, is a heavy burden. It is borne, however, without great complaint, for it is self-imposed. The people determine for themselves what schools they need and then tax themselves to pay for them. And so with other local needs.

This local taxation is necessarily direct taxation. The taxpayer usually is required to pay directly into the local treasury all local impositions. It is a heavy burden, and often is borne with great difficulty and at great sacrifice. For that reason the field of direct taxation necessarily used by the States should be invaded as little as possible by the General Government. If the Nation can maintain itself and meet its requirements without adding additional direct and compulsory burdens, it should do so. If it can contrive to compel the foreigner seeking our market to pay for the privilege of using it, the Government should do so. If it can arrange the schedules so that our people shall not be compelled to pay custom dues, unless they determine to use imported luxuries, and thus deliberately choose to impose the burden on themselves, certainly no harm is done. If the General Government can so arrange the internal-revenue system that it shall rest only on the users of liquor and tobacco, no one can complain.

Never at any time in our own history has the revenue system of the Government been so well arranged as it was under the Republican system during its operation in recent years. Never in any other country has a system been devised to harm as little and help as much as the Republican revenue system which I have described.

Owing to a calamitous division in the Republican Party the election of 1912 put the Democrats in power. At once the Republican system of simplicity and symmetry was overthrown and destroyed. Instead we have confusion and disorder in our fiscal policy. We have unheard of extravagance in appropriations and a perpetual deficit and an empty Treasury. We have the States' field of direct taxation invaded in a frantic endeavor to get money to run the Government. We have increased imports with decreased customs. We have war taxes and stamp taxes, income taxes and inheritance taxes, taxes imposed or proposed on almost every enterprise and every object in sight. Such is the spectacle given us by the introduction of the Democratic "tariff-for-revenue-only" system.

PROTECTION V. FREE TRADE.

But the Republican system contemplates a tariff not alone for revenue but for protection as well. There was no difference of opinion on the subject in the early days of the Republic. The first tariff act passed after the Constitution was adopted was designated in its title for protection as well as revenue. Not only were Washington and Hamilton and Adams protectionists, but Jefferson and Madison and Jackson as well.

Mr. Jefferson stood for the domestic manufacturer.

Shall we—

He said—

suppress the import and give that advantage to foreign over domestic manufacturers?

Jefferson was an American. He believed in "America first." He advised his countrymen "to keep pace with me in purchasing nothing foreign." He was for a real independence, commercial as well as political. He said that if we are to be "independent for the comforts of life we must fabricate them ourselves."

The orthodoxy of Madison is pretty well established. The father of the Constitution said:

Until all other nations concur in free trade the interests of the United States will be best protected by further restrictions and high protective duties.

Andrew Jackson was another good Democrat. He said:

Adequate protection should be extended to our farmers, manufacturers, and laborers so that they may be placed in fair competition with Europe.

That is the Republican doctrine now. It is not the creed of modern Democracy. Modern Democracy declares that protection is unconstitutional; that it is a fraud; that it is the robbery of the many for the benefit of the few. It declares for a "tariff for revenue," but arranges the schedules so as to derive just as little revenue as possible. It declares it is not committed to the doctrine of free trade, but in its first tariff act approaches it as nearly as it can.

In the campaign of 1912 the Democratic leaders declared that while they proposed to lower tariff rates they would not injure in so doing "any legitimate American industry." The people believed they would be benefited by a revision, but they did not desire a revolution. Instead of a reasonable reduction tariff rates were cut in two. Under the Payne law they were 18 per cent. Under the Underwood law they were cut to 9 per cent; for some months of this year as low as 8 per cent. Seventy-one per cent of all our imports is now admitted free of any duty whatever.

For the first 10 months under the operation of the Underwood law the imports increased $102,000,000 and the exports decreased $159,000,000. This constituted a loss to American industry of $261,000,000. Although the imports increased $102,000,000 the customs revenues decreased $30,500,000. So that with increased imports there were decreased revenues. This was all before the war in Europe broke out, so it can not be said that such results were occasioned by the war. The effect of the war was to check imports at first. Probably they have been lessened materially because of the war throughout its entire period. Under the operation of the Underwood law increased imports are inevitable. No one can tell to what extent they will be increased when the war shall end. To increase imports was the Democratic purpose. With the best market in the world to attract foreign producers, and the smallest tariff rates of any among the great nations, a veritable flood of foreign goods may be expected when the war shall cease.

Under present conditions the result is the same—increased imports but lessened revenues, as the following tables will show:

Total value of imports year ending June 30, 1916	$2,197,000,000
Total value of imports last Republican year, 1913	1,813,000,000
Increase of imports	384,000,000
Customs revenue, 1913	318,000,000
Customs revenue, 1916	210,000,000
Decrease of revenue	108,000,000

So that with imports increased in the amount of $384,000,000, we nevertheless derived less revenue by $108,000,000 than was received under a Republican tariff.

The Democrats have always complained of the enormous tariff taxes that were wrung from the people by Republican tariffs. Yet never under Republican rule has the per capita amount of tariff dues collected been as high as those collected by Great Britain, the Democratic Party's exemplar and model in revenue legislation. In 1905 Great Britain collected tariff dues amounting to $4.01 per capita of her population. In the same year the tariff duties collected in the United States amounted to $3.11 per capita. In 1916 Great Britain imposed $6.77 per capita; the United States but $2.10 per capita.

It is impossible to believe the American people desired any such radical change in their fiscal policy. Yet the Democratic Party in its last platform announces its loyalty to the system and its approval of the Underwood law.

DEMOCRATIC "SIMPLICITY AND ECONOMY."

During the Taft administration an earnest and successful effort was made to keep down appropriations. The President insisted on the most rigid economy in all the departments of

the Government. He recommended a budget system and appointed an efficiency commission. So well did he succeed that the increase in the ordinary expenditures of the Government during the entire four years was very slight, as is shown by the following table:

Disbursements.

Total ordinary disbursements in 1910	$650,000,000
Total ordinary disbursements in 1911	654,000,000
Total ordinary disbursements in 1912	654,000,000
Total ordinary disoursements in 1913	682,000,000

This is a remarkable showing, considering the growth and development of the country during that period.

Yet in the Democratic platform of 1912 this splendid record of economy and efficiency is denounced as follows:

We denounce the profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of recent Republican Congresses, which have kept taxes high and reduced the purchasing power of the people's toil. We demand a return to that simplicity and economy which befits a democratic government and a reduction in the number of useless offices, the salaries of which drain the substance of the people.

We have seen how the money collected under the Republican system was "wrung from the people by oppressive taxation." It was collected by a system so arranged that ninety out of every hundred of our population never paid any national taxes, and the others did not realize it when they did contribute. We have seen how "lavish" were the appropriations of "recent Republican Congresses," which in four years' time increased the ordinary disbursements of the Government less than 3½ per cent. We shall now consider how the Democratic Party returned to "that simplicity and economy which befits a democratic government."

In 1914, the first year under the Democratic reign of economy, the total appropriations exceeded those of 1913, the last year of Republican "lavish" expenditures, by $100,000,000.

In 1915 the excess was $102,000,000.

In 1916 the excess was $169,000,000.

In 1917 the excess will be, on present estimates, $365,000,000. This estimate does not include the additional expenditures required for increases in the Army and Navy, neither does it include the amount required for our Mexican expenditures. These are estimated at $390,000,000.

Instead of an era of "that simplicity and economy which befits a democratic government" we have had a perfect riot of extravagance in every department of the Government.

We will now consider how the Democrats have complied with their promise of a "reduction in the number of useless offices, the salaries of which drain the substance of the people."

In a speech delivered on the floor of the House May 15, 1916, by the gentleman from Iowa [Mr. GOOD], a member of the Committee on Appropriations, he said:

I find that in the appropriation bills for 1913, 1914, and 1915, instead of a reduction in the specific positions, as promised in your platform, you have increased the number by 17,428, carrying additional appropriations aggregating $20,442,979.16. But this is not all. In the same appropriation bills you made lump-sum appropriations for the salaries of persons other than those specified amounting to $15,830,401.53. In other words, while your platform stated there were too many persons employed in the Government service, and you proposed to reduce the number and decrease the appropriations, during the first three years you added more than 30,000 to the number of Government employees, and you are now appropriating for the salaries of these new additional positions $36,273,380.69 more every year than was ever appropriated by the Republican administration which you so boldly denounced. These figures are in every case the net increases, and are arrived at by deducting from the grand total of increases all positions that were abolished.

So that instead of decreasing the number of "useless offices" the Democratic administration has increased them in number more than 30,000. In the determination to find places for "deserving Democrats" the administration has falsified its promise and broken the record. Instead of reducing salaries which "drain the substance of the people," it has added $36,000,000 to the expenditures for that purpose.

In fixing the salaries of the numerous commissions it has created the administration has gone the limit in lavish expenditures. It placed the salaries of members of the Federal Reserve Board at $12,000 per annum each, of the Trade Commission at $10,000 each, of the Farm Loan Board at $10,000 each. It is a subject of conjecture at what figure these salaries would have been fixed had not the administration been governed by Democratic "simplicity and economy."

THE INCOME TAX.

With a reduction of $108,000,000 in the amount of revenues derived from customs dues, together with the reckless, unnecessary, and extraordinary increase of national expenditures, it was inevitable that there should be a large increase in direct taxes imposed on the people. This is the system approved by the Democratic Party, and it will be interesting to observe how it works.

In 1909 the Republican Party reduced the tariff rates materially. The free list was enlarged from 47 to 51 per cent. Nine of the fourteen schedules were reduced. Reductions were made on 654 items, increases were made on 220 items, and on 1,150 items the rates were not changed. Two-thirds of the increases were made on luxuries. The general average of tariff rates during the 12 years the Dingley law was in operation was about 25 per cent. The general average for the four years under the Payne law was 19 per cent. The last year under the Dingley law the rate was 22.29 per cent. The last year under the Payne law it was 17.69 per cent.

To meet the loss which it was estimated would follow the reduction of the tariff and to provide for future emergency demands the Republicans levied an income tax on all corporations and submitted an amendment by which an income tax on individuals might be levied.

Democrats are fond of asserting that by the income tax they have for the first time compelled the wealth of the country to bear its share of the burdens of the Government. July 12, 1909, a Republican House, a Republican Senate, and a Republican President submitted an amendment authorizing Congress to levy an income tax on individuals. At the same time the Republicans enacted an income-tax law on corporations, which is still in existence, and which has during the Democratic administration furnished the principal part of their boasted income taxes.

But the Democratic idea of the income tax is not that it is to be used merely as an additional source of revenue, but as a substitute for tariff revenue, as a means to kill the Republican protective tariff system. The Republican Party instituted the income-tax legislation, but not for the purpose of destroying the protective tariff. In order to understand the purpose of the Democratic Party with reference to the income tax it is only necessary to refer to the declarations of its leaders in Congress. The framing of the present income-tax law was committed to the gentleman from Tennessee [Mr. HULL]. In a speech denouncing the Republican system he said:

How long will, or can, the country endure this system? Until we can secure the imposition of an income tax and thereby destroy it.

The limit of the application of the tax was placed at $3,000. Unless the individual has at least that much income he is not subject to its imposition. But the income tax is to be increased. That is openly avowed. The increase can be made in two ways: One by increasing the rate, the other by lowering the limit. The first method has already been effected. The rate on ordinary incomes has been increased from 1 to 2 per cent, and on larger incomes in a larger proportion. The other method is also under consideration.

In his message to Congress last December the President recommended, among other methods of increasing the revenue to meet the deficit, lowering the exemption of the income-tax law so that the tax should apply to lesser incomes. The House did not favorably consider the President's recommendation, but the Senate subcommittee recommended an amendment lowering the exemption to $2,000. The Senate refused to act on this recommendation, but Senator UNDERWOOD earnestly advocated the amendment on the floor of the Senate.

There is little doubt that after the election the Democrats will act favorably on the President's recommendation. Just how this will affect the people can be imagined. There is hardly a business man whose gross income does not exceed $2,000. He will have to account for every transaction of the year. He will have to note every sale. He will have to estimate every profit. There is hardly a farmer whose gross income does not exceed $2,000. He will have to account for every horse and steer he sells, for every bushel of grain, for every ton of hay, for every basket of apples. The housewife must account for every chicken and turkey she sells, for every pound of butter and dozen of eggs she trades for groceries. Even if the expenses are such as to avoid the tax, the showing must be made under oath to the collecting agent of the Government, and he must be satisfied with the showing made. This is the price that must be paid for "free trade and direct taxation."

OTHER DIRECT TAXES.

But the income tax is by no means the only direct tax that has been and will be levied. I shall hereafter describe more in detail the effects of the Underwood law. It is sufficient now to say that its effects when put into operation were disastrous in the extreme. Our industries were almost ruined, millions of workingmen were thrown out of employment, and our National Treasury was empty. A universal depression settled upon the land.

The Underwood tariff law was passed October 4, 1913. The European war broke out in August, 1914. The lamentable con-

ditions following the enactment of the Underwood law, which I have described, occurred before the war. Directly following the announcement of the war, within a month after its outbreak, and before its effect could possibly be known, the President came before Congress asking for an emergency tax to raise money to run the Government. This country was not at war, and it was not to prepare for war that the President wanted the money. At that time the President thought the country fully prepared. It was proposed in time of profound peace to levy a war tax on the people to keep the country from bankruptcy caused by Democratic extravagance and incompetence.

The "war" taxes were levied. The law increased slightly the regular internal-revenue rates. It levied special taxes on bankers, brokers, and commission merchants. It taxed theaters, amusement halls, and circuses. It placed a stamp tax on deeds, mortgages, bonds, contracts, agreements, promissory notes, and other evidences of indebtedness. It required a bill of lading for every shipment of stock or merchandise and required that it be stamped. It taxed all telegraph and telephone messages. It taxed all policies of life and fire insurance. It taxed passenger tickets on vessels. It taxed parlor and sleeping car tickets on railways. It taxed tooth powder, perfumery, essences, extracts, and chewing gum.

Still there was not enough. Again the next year the President came before Congress demanding more taxes. As we have seen, he recommended lowering the exemption on the income tax so as to reach the smaller incomes. He also recommended that a tax be levied on the following articles:

President's proposed new taxes.

Gasoline	$10,000,000
Automobiles and engines	15,000,000
Bank checks	18,000,000
Pig iron	10,000,000
Fabricated iron and steel	10,000,000

The President's proposed taxes, in his opinion, would produce about $100,000,000. He thought such taxes would hurt nobody. "What is clear," he said, "is that the industry of this generation should pay the bills of this generation." There is no doubt that such taxes as he proposes would be levied on the "industry" of the people. They would not be levied on the foreigner for the privilege of selling in our markets. They would not be levied on luxuries the people could do without. They would be levied directly on the necessities of the people.

It is interesting to note that although the President declares we must pay as we go, the administration announces that bonds will be issued to the amount of over $200,000,000.

The President's plan for raising money has been postponed at least until after the election, when another levy will have to be made. A bill to raise new taxes to the amount of $234,000,000 has passed the House and is now pending in the Senate. It levies the following additional taxes:

NEW "WAR" TAXES.

Doubling and otherwise raising income tax	$107,000,000
Inheritance tax	54,000,000
Tax on manufacturers of munitions of war	71,000,000
Miscellaneous	2,000,000
Total	234,000,000

It should be observed that while the income tax is at first arranged to tax only the larger incomes, the President proposes to lower the limitation, so as to tax the smaller incomes as well.

Also, that whereas the first "war" tax included many luxuries, the President's second "war" tax proposal included items every one of which is a necessity. This is directly in accord with the President's declaration that the expenditures of the Government should be borne by the "industries" of the people. What will be the extent to which this policy may be carried under the constant demand for more money to pay extravagant appropriations no man can say.

Such is the Democratic scheme of revenue. Such is the substitute for the Republican policy which has been forced on the country with such disastrous results. It can not be that it has or will receive the approval of the people.

EFFECTS OF THE UNDERWOOD TARIFF LAW.

We have already noted how during the first 10 months, or from its enactment until the commencement of the European war, under the operation of the Underwood tariff law, the imports had increased and the exports had decreased; that notwithstanding such increase of imports there had been a decrease of over $30,000,000 in customs revenue; that notwithstanding an increase of imports for the year 1916 over the year 1913 of over $384,000,000 there had been a decrease of customs revenue of over $108,000,000. That is but a small portion of the record of disaster.

The next day after the Underwood tariff law was passed, Mr. UNDERWOOD said it would do four things:

1. It would reduce the cost of living.
2. It would not disturb the business of the country.
3. It would increase our foreign trade.
4. It would collect revenue sufficient to run the Government.

It seems almost cruel to discuss now whether these promises have been fulfilled. Yet for those who were induced to believe them it will be worth while at least to show to what extent they were deceived.

FARM PRODUCTS AND COST OF LIVING.

The Underwood tariff took most of the farmers' products from the dutiable list and placed them on the free list. On the 22 leading agricultural products of the Northwest 17 were placed on the free list and the remainder were reduced 60 per cent. It transferred from the dutiable list and put on the free list cattle, sheep, wool, beef, mutton, corn, eggs, milk, and cream. It put wheat and potatoes on the free list conditionally. It reduced by about 60 per cent the tariff rates on horses, poultry, oats, hay, cheese, and butter.

The result of these reductions was to greatly increase the importations of farm products. The increase for the fiscal year 1914, nine months of which was under the Underwood law, over the year 1912 was $140,000,000. Secretary Redfield boasted that the tariff act had increased foreign importations in three months of cattle, from 112,000 head to 341,000 head; corn, from 253,000 bushels to 4,450,000 bushels; potatoes, from 41,000 bushels to 2,880,000 bushels; meat, from 865,000 pounds to 35,500,000 pounds.

The effect of these importations broke the farmers' market all over the country. The price of wheat in American markets declined about 15 cents per bushel. The price of corn declined about 10 cents per bushel. Cattle and sheep both declined in price.

This was all according to the Democratic program. The tariff duties on farm products were to be removed in order to bring foreign farm products into our market to force the price down. The foreign products did come and the price to the farmers was forced down. But the difficulty was that the prices of food products to the consumer were not reduced.

The only beneficiaries of the reductions were the foreigners who shipped the products and the importers, the trusts, and the market manipulators who received them. The Corn Products Refining Co. and the National Starch Co., two Standard Oil corporations, managed to take most of the corn imported along the Atlantic seaboard; but the market manipulators, who wanted to buy the American corn crop as cheaply as possible, used the importations offered at a lower price to force down the price of corn all over the country. They did not sell any more cheaply to the consumer, but their margin of profit was greater. The Beef Trust controlled the importations of cattle and meat, so that the prices of live stock to the farmer declined while the prices of meats to the consumer steadily advanced. The high cost of living continued and has increased ever since.

Mr. MORGAN of Oklahoma. Will the gentleman yield?

Mr. TOWNER. I will be glad to do so.

Mr. MORGAN of Oklahoma. I understand the gentleman does not believe this free-trade policy has been of any benefit to the farmers.

Mr. TOWNER. I certainly do not. I wish I had time to go into it more fully.

Mr. MORGAN of Oklahoma. The gentleman is making a most effective speech and I do not want to interrupt him, but I desired to emphasize that fact.

Mr. TOWNER. I thank the gentleman, and I regret I cannot discuss the matter fully.

Mr. NEELY. Will the gentleman yield?

Mr. TOWNER. I will.

Mr. NEELY. Will the gentleman state to what extent it has injured the farmer by virtue of his wool having been put on the free list by the Underwood law?

Mr. TOWNER. I would like to discuss the wool question with my friend from West Virginia if I had time.

Of course the gentleman knows that since the European war began the demand for woolen goods for export has greatly increased. We exported ten times as much woolen products last year as we did in the year before the war. Not only has the demand increased for export, but our importations of wool are now practically shut off. In the year before the war we imported over 300,000 pounds of wool. I do not know what our importations were last year, but they were not large. As the gentleman knows, Great Britain ordered an embargo on wool from Australia, New Zealand, and Canada, the countries from

which we derived our principal importations of wool, and since then sheep and wool have been very high.

Mr. NEELY. Will the gentleman pardon me? Is it not a fact that before the European war began our farmers' wool was worth more in the markets of this country than it has been at any time under preceding Republican administrations?

Mr. TOWNER. I do not think so.

Mr. MONDELL. I will say to the gentleman, if he will yield to me, that that is not true.

Mr. TOWNER. Of course, the gentleman from West Virginia is mistaken. It is true, however, that sheep and wool were high. Our farmers had so reduced their flocks that this could not help but be true. The destruction of the western ranges and the fact that even with a Republican tariff Australia and New Zealand, with their free ranges and cheap labor, were able to contend on favorable terms with our farmers, had driven our own people out of the business of sheep raising to a great extent. Before the war we consumed about 600,000 pounds of wool yearly. We produced about 300,000 pounds, and we imported 300,000 pounds. Australia and New Zealand produced about 800,000 pounds. They consumed but 100,000 pounds and exported 700,000 pounds. They ought not to be allowed to enter this country on terms that will drive our farmers from their own market. Wool is one of the necessities of life. The sheep industry can not be created in a day. We should not allow this country to become dependent for this absolute necessity on a foreign supply. As a measure of preparedness we ought to make our tariff rates high enough to develop the sheep industry to at least the extent of making it self-supporting and independent.

Mr. DAVIS of Texas. Will the gentleman answer whether it is a historic fact that for all these years, as long as we have had any statistics, that in cotton, wheat, and a major portion of the farmers' crops he has always had to meet the foreign price, the export price, that was put on the bulletin boards in London and other foreign markets and set the price here? Is not that especially true of wheat and cotton, no matter what tariff laws you have? Is not that a fact?

Mr. TOWNER. I will say to my friend from Texas that that statement is more nearly true of cotton than anything else. Three-fourths of that crop is exported, and the foreign demand is more nearly controlling. But with other farmers' products it is not true that the foreign market sets the price. On these the domestic consumption is large, our exports small, and the price is most largely determined by our domestic supply and demand.

But the influence of the foreign market price on our price should not leave our market open to the world. We can not afford to drive our farmers from stock raising and grain raising because a foreign price is lower than they can profitably produce those products. Under the threat of free trade the sheep raisers of Texas have sent their flocks to Kansas City and sold them at $2 a head. Nobody was benefited by that. Nobody got cheaper clothing or cheaper meat. The traders, the market manipulators, and the packers are the only persons who profit by such transactions.

We need to build up and encourage by every means in our power food production in this country. Our meat supplies are dangerously low now. Excessive war demands are decimating our flocks and herds. We must not allow ourselves to become dependent on foreign supplies. There never was a time in our history when we needed to increase our flocks and herds so much as now. There never was a time when we needed to build up every essential product of the country so much as now. That is true Americanism.

When we leave the farmers' products on the free list, open to the competition of every country with cheap lands and cheap labor, we drive our farmers from their lands and make the country dependent on foreign supplies. To-day if war should come with a nation or combination of nations that could drive our Navy from the seas as Germany's has been driven in the European war, we could not produce wool enough to clothe our own people, we could not supply them with sugar or many other necessities of life. This condition ought not longer to exist.

But I must now take up another failure of the Underwood tariff to fulfill the promises made in its behalf.

EFFECT OF UNDERWOOD TARIFF ON BUSINESS.

The second promise made on behalf of the Underwood tariff law was that it would not disturb the business of the country.

It is within the memory of many how the threat of free trade and the enactment of a Democratic tariff law in Cleveland's administration paralyzed business and brought disaster to the country. A like condition followed the enactment of the Underwood law during the 10 months preceding the commencement of the European war. Factories closed, the mills were idle. Thousands of workmen were daily dismissed from their employment.

The Iron Age, a trade journal, said that within three months after the enactment of the law one-third of the iron and steel mills closed. In this industry alone 1,000,000 men were thrown out of employment and over $2,000,000 per day lost in wages. Never did the revival come until the shrapnel orders commenced coming from the belligerents in Europe.

The steel production fell to 40 per cent of capacity. In the woolen industry one-third of the looms were idle. April 1, 1914, there were 228,000 idle freight cars on the sidetracks; 242,000 railroad men were laid off.

Mr. Wilson said that these acts of the manufacturers and railroads in shutting down and dismissing their men was a conspiracy against the administration. His Secretary of Commerce, Mr. Redfield, declared that he would put detectives after them and bring them to the bar of public opinion for condign punishment. But the mills kept on closing, first by units, then by scores, then by hundreds, and finally by thousands. There were so many of them Mr. Redfield did not have detectives enough to go around.

The President told visiting deputations that the tariff was all right, that the depression was merely "psychological," and that the want and suffering was merely a "state of mind." In June, 1914, the President assured the Virginia Press Association that there were symptoms of a revival of business. On the same day the press announced that as a result of investigations it was shown that there were 3,000,000 wage earners in the United States unemployed and looking for work. There were more failures during the year following the Underwood law than during any other year since Cleveland's administration. Charitable institutions were taxed to the utmost. Cities issued bonds for public improvements in order to afford work for idle laboring men.

Then, like a bolt from the blue sky, came the European war. Within a month half the world was at arms. Twenty million men were taken from the producing classes of Europe and became consumers. One-third of the world's commerce was directed to war purposes. Twelve nations began to make frantic endeavors to obtain arms and ammunition anywhere they could be obtained. Soon their orders began coming to the United States. They wanted everything—war materials at any price, foodstuffs and clothing, supplies of all kinds.

The effect on American industry was magical. Everybody got busy. The iron and steel mills, the Baldwin Locomotive Works, automobile factories, cream-separator manufacturers, agricultural implement producers—all went to making arms and munitions of war. Nor was that all. The demand for grain emptied the elevators. Flour and meat and all food products responded to the unprecedented demand. The manufacturers of clothing, boots and shoes, and all kinds of supplies were put to work. The railroads could not get enough cars to carry these products to the seaboard. There were not enough ships to carry them to their destinations.

Then the golden stream to Europe turned backward. Six hundred millions of gold came across the seas to pay for part of their purchases. We loaned them over $500,000,000 more to pay ourselves. Our total exports leaped from $2,364,000,000 in 1914 to $4,333,000,000 in 1916.

Mr. Wilson, in his History of the American People, in felicitous phrase and in graphic fashion, describes the depression which occurred while another Democratic tariff was in operation during Cleveland's adminstration. He said:

> There was real distress in the country, long-continued, hopeless, as if the springs of wealth and prosperity had dried up. There was a marked depression in all kinds of business, as if enterprise were out of heart and money nowhere to be had except among a few great capitalists in Wall Street.

And in closing his description he adds these significant words:

> Not until the very year, 1897, when the new Republican administration came in did the crisis seem to be past.

In our day a like depression from a like cause settled on the land. Instead of McKinley bringing joy and plenty, it was the mightiest calamity, the saddest and most awful tragedy in all human history that brought prosperity to our land. The poignant pathos of the remembrance brings sadness rather than exultation as we recall it. But it will not be without some compensation if we shall not forget the cause.

AFTER THE WAR.

But what will be our condition when the European war ends, when these unprecedented war orders no longer shall come, when the golden stream of payments for purchases shall cease?

In the first place, it is reasonable to expect that the country will revert to conditions as they existed before the war and until

they were changed by the war. Foreign conditions caused the change, and when that influence ceases the country will return to its former status. That means that unless the Democratic system of revenue is abandoned and the Underwood tariff law repealed the same disastrous conditions, magnified and intensified, will return.

The war on American industries following the Napoleonic wars made by European nations, and especially by Great Britain, is a matter of history. Lord Brougham, the English premier, in a speech in Parliament, described how English manufacturers sent over their goods and sold them below cost to drive the American manufacturers out of business. Henry Clay in one of his greatest speeches tells of the effect in America; of the ruined industries, of the failures and bankruptcies, of the workingmen begging for bread and seeking in vain for employment. Mr. Wilson, in his History of the American People, still better describes conditions. He says:

Peace changed the face of trade. English merchants poured their goods once again into the American ports. * * * It was manifestly injurious to every young industry that a flood of English imports should continue to pour into the country at the open ports. The remedy was a protective tariff, such as Mr. Hamilton had wished to see at first, and the young Republican leaders of Congress did not hesitate to advocate and establish it.

Is it not reasonable to suppose that at the close of the present war peace will again change "the face of trade"? May we not again expect that not only English, but German, French, and all other European merchants will pour "their goods once again into American ports"? Will it not be true now as it was then that it will be "manifestly injurious" that a flood of imports should pour into the country at the open ports? Is it not evident that our only sure remedy for conditions that will exist at the close of this war will be what Mr. Wilson said was the remedy a century ago, namely, "a protective tariff such as Mr. Hamilton had wished to see at first"? Mr. Wilson says, "the young Republican leaders of Congress did not hesitate to advocate and establish" such a protective tariff. It is to be hoped that not only Republican leaders but the whole body of the people able to understand our condition and our danger will demand before the war shall end a protective tariff, and insist that it shall be established before the flood shall devastate our country and destroy our industries. If the Democratic Party could break from its slavery to a discarded dogma and rise to a real patriotic Americanism it would cease to follow the leadership of Wilson the politician and would enter and pursue the course approved by Wilson the historian.

EFFECT ON OUR FOREIGN TRADE.

The Democrats promised that the Underwood tariff law would increase our foreign trade. It would be of no advantage to our people to increase our foreign trade merely by increasing imports. If our imports can be kept within bounds and our exports continually increase that would establish a condition of prosperous foreign trade. When a nation sells more than it buys it is prospering so far as foreign commercial transactions are concerned. When a nation buys more than it sells it can not boast of its foreign trade. Every dollar's worth of foreign goods, such as can be produced in this country, which is imported drives out a dollar's worth of American products.

The average annual balance of trade in our favor during 16 years of Republican tariffs averaged over $500,000,000. The last year, 1913, it was $652,000,000. During the last four years under the Payne law our imports increased but $256,000,000, while our exports increased $720,000,000. The first year of the Underwood law, as compared with the last year under the Payne law, shows a decrease of our exports of $101,000,000 and an increase of our imports of $80,000,000. This is a disadvantageous change in our foreign trade to the amount of $181,000,000. Our favorable balance of trade was decreased to that amount.

In October, 1913, when the Underwood law was passed, the balance of trade in our favor for that month was $138,000,000.

In November it was	$97,000,000
In December	48,000,000
In January, 1914	49,000,000
In February	25,000,000
In March	4,000,000

In April the balance of trade was against us to the amount of $11,000,000.

In May it was	$2,000,000
In June	653,000
In July	6,000,000
In August	19,000,000

In that month the European war broke out, and under the impetus of war orders our export trade has increased tremendously. The last year our exports amounted to the unprecedented sum of $4,333,000,000, almost twice as large as the amount exported in any previous year in our history. It is evident that since the war our foreign trade has been but little influenced by tariff laws. The increase of our exports has been abnormal, and the increase will certainly cease when the cause of the abnormal increase ceases.

The steady decrease of our favorable balance of trade under the Underwood law down to the very month of the opening of the European war tells an eloquent and illuminating story of the effect of a Democratic tariff on the foreign trade of the Nation. The descent from a favorable balance of $138,000,000 to a deficit of $19,000,000 at the close of 10 months under a Democratic tariff shows what we may expect if the law remains after the war closes. Instead of a yearly balance of trade in our favor of over $500,000,000 we shall have the balance against us to the extent of hundreds of millions of dollars.

NOT SUFFICIENT TO RUN THE GOVERNMENT.

The fourth and last promise made for the Underwood tariff law, that it would collect revenue sufficient to run the Government, I have already discussed. It is not only a failure in that regard, but its failure is so conspicuous as to induce the inquiry whether it was ever intended to be a revenue-producing tariff. Instead of tariff for revenue only it is a tariff not even for revenue.

ABRAHAM LINCOLN AND PROTECTION.

As early as 1832, in almost his first political pronouncement, Abraham Lincoln declared that he favored "a high-protective tariff."

In the campaign of 1860, in his great speech at Pittsburgh, he said that the Chicago Republican platform would be the "law to the incoming administration."

The platform declared:

That while providing revenue for the support of the General Government by duties upon imports, sound policy requires such an adjustment of these imposts as to encourage the development of the industrial interest of the whole country; and we commend that policy of national exchanges which secures to workingmen liberal wages, to agriculture remunerative prices, to mechanics and manufacturers adequate reward for their skill, labor, and enterprise, and to the Nation commercial prosperity and independence.

Abraham Lincoln declared for a tariff which would encourage "the development of the industrial interest of the whole country." The Democratic Party declares such a policy wrong and "unconstitutional."

Abraham Lincoln believed in a policy which "secures to workingmen liberal wages." The Democratic Party believes our workingmen should compete on equal terms with countries whose standards of living are low, where working-days are 12 and 14 hours, where women and children are allowed to do men's work, and where wages are but a fraction of what are paid here.

Abraham Lincoln advocated a tariff system that would insure "to agriculture remunerative prices." The Democratic Party advocates a system which deprives the American farmer of every vestige of protection, which places practically all his products on the free list, and compels him to compete in his own markets with Argentina and Australia and every other country in the world where land is free and labor cheap.

Abraham Lincoln stood for a system that would bring to American manufacturers "adequate reward" for their enterprise. The Democratic Party proclaims the manufacturer a robber; it declares that he ought not to prosper; and if he can not compete on equal terms with the manufacturers of Japan, who pay their workers less than 30 cents a day, he ought to fail. It demands that he shall meet that kind of competition by "sharpening his wits." The Democratic Party believes that in some mysterious manner manufacturers can be induced to invest capital that will yield no profit, and that the mills can be kept running and the working people employed at a loss to the employer. Abraham Lincoln believed that the employer and employee must stand or fall together; that it is impossible to devise a defensible, practical system that will profit the one and not the other; that while it hurts the employer to close his mills, it injures infinitely more the thousands of employees who depend on their daily wage for their daily bread.

Abraham Lincoln believed that protection would bring "the Nation commercial prosperity and independence." The Democratic Party believes in depending on the foreigner for even the necessities of life, if there is even a prospect of buying them cheaper, forgetting that when foreign competition has destroyed the home industry the American consumer must pay any price the foreigner demands. Abraham Lincoln believed in independence, both political and economical. He believed that every important article, and especially every article of necessity which can be produced in this country, should be encouraged and protected to secure prosperity in peace and security in war.

The Democratic Party declares for "preparedness," and yet professes and practices a policy which destroys American industries whose products are among the necessities of life, forget-

ting that unless the United States can control the seas against any hostile nation or combination of nations a war would leave this Nation helpless to its foes.

Conditions are different now from Lincoln's day; but the necessity for protecting American industries is even greater now than it was then. Foreign competition is stronger. It is supported by every influence and power of their Governments. Subsidies, special privileges, authorized combinations, and every possible aid is given to their producers to extend their foreign trade. The present war can not last much longer, and there will follow a trade war the like of which, for vigor and intensity, the world has never seen before. Every other great nation in the world—even those now at war—is preparing for this trade war by building up its industries and strengthening its defenses.

For this coming conflict we are doubly weak. Our market is the richest and most attractive in the world. Its conquest will be the great prize for which the nations will struggle. Our industries cost more to establish than in other lands. Our Government helps less than others. Our workingmen are paid more wages. Our standards of living are higher. Our laws prevent long hours, prevent the unregulated labor of women and children, require of employers safety devices. Our laws make it impossible in this country to wring from labor the uttermost exertion that is wrung from it in other countries. We have legislated, as Lincoln advised, for the man and not for the dollar.

And yet these things—commendable, admirable, necessary, from our standpoint—put us at a disadvantage in this coming trade war. To leave our country unprotected against nations which are not thus handicapped will be to surrender to them in advance. It will bring ruin to our industries, make mendicants of our workingmen, and bring disaster such as we have never before experienced upon the land.

Will it not be better—nay, is it not our immediate and imperative duty—to make our defenses adequate and our safety certain? Should we not give emphatic and unqualified condemnation to those theories that ever bring disaster to our people and return to the policy and practice of Lincoln, who stood for the protection of American interests at all times and at whatever cost? The answer will be given, I am confident in believing, by the election next November of a Republican Senate and a Republican House and of Charles Evans Hughes to the Presidency of the United States.

WHAT DEMOCRACY HAS DONE.

Mr. NEELY. Mr. Speaker, through the gracious favor of Almighty God, and the superior statesmanship of the Democratic Party our country is at peace with all the world. [Applause on the Democratic side.]

Three and a half years of this administration have passed away, and to-day every dinner pail in the United States is full and running over; beneath the Stars and Stripes there is not one idle man. Many periods of prosperity have been recorded in history, but no prosperity of the past has ever approached the prosperity of the present. [Applause on the Democratic side.] This Democratic prosperity is not local; it is nation-wide; it is not confined to one industry or to one occupation; it extends to every honest enterprise and to every field of legitimate endeavor. Prosperity, all pervading and irresistible, is to be seen in the flame of the furnace and the fire of the forge; in the field of the farmer and the output of the manufacturer; in the smoke of industry that dims the sun by day and hides the stars by night. It is heard in the ring of the anvil and the rumble of the locomotive; in the whir of the spindle and the click of the shuttle; in the sound of the hammer and the hum of the saw. It has housed the homeless; employed the idle; enriched the wealthy; fed the hungry, and clothed the poor. [Applause on the Democratic side.] From the wheat fields of the North to the cotton fields of the South; from the lumber camps of Washington to the orange groves of Florida; from the great financial empire of the opulent East to the great agricultural kingdom of the golden West, Democratic prosperity with lavish hands is bestowing its blessings and its bounties upon every man and woman and child. [Applause on the Democratic side.] It is so great and so general as to satisfy the desire of cupidity and surpass the dream of avarice. In this marvelous era of matchless prosperity there is but one man who is without lucrative employment now, and who will be without the shadow of an occupation after the seventh day of November, and that is the man who is running for an office on the stand-pat Republican ticket. [Applause and laughter on the Democratic side.]

Under present conditions and existing circumstances do the people want a change? Will they surrender the overflowing bowl of Democratic prosperity for the empty cup of Republican campaign promises? Will they assassinate their own well-being in order to give offices to Republican politicians? The sound sense and the self-preserving sagacity of the American people will answer that when conditions are ideal, and when every man is prosperous, happy, and content, it is the part of wisdom to let well enough alone.

Let it be understood in the beginning that while contrasting Democratic action with Republican inaction; Democratic deeds with Republican defaults, and while criticizing Republicans for what they have done and failed to do, our criticism is aimed at Republican officeholders and politicians who, under trust ownership and corporate control, have repudiated the principles upon which their party was founded and despised its statesmanship of former days. We have no syllable of censure, but, on the contrary, words of praise for the rank and file of the Republican Party, who are always patriotic, sincere, and just. And, since the masses of Republicans are without leadership that represents their aspirations and ideals, they are cordially invited to join the militant progressive and united Democracy that is making this the greatest nation beneath the stars. [Applause on the Democratic side.]

THE TARIFF.

Our first undertaking was to repeal the Payne-Aldrich tariff law, which had been enacted feloniously and with malice aforethought by our Republican predecessors, in order to enable the protected interests to plunder the consuming poor. This burdensome and iniquitous law exacted an average tribute of $23 per year from every person in the United States. Of the $23 tariff collected from each individual, $3.20 reached the Federal Treasury as revenue, while the remainder of $19.80 reached the treasury of the plutocratic pets of the Republican Party as a reward for generous campaign contributions with which the party of high protection had kept itself in power. [Applause on the Democratic side.] We repealed the Payne law. We enacted the Underwood law, which makes a reduction in former tariff rates of almost 30 per cent, and Democracy's reduction means an annual saving of more than $30 to every average family in the land. [Applause on the Democratic side.]

This very year, under the income tax provision of the Democratic tariff law, we are raising $120,000,000 of the revenue needed to defray the expenses of the Government by direct taxation of corporations, and persons whose net annual incomes are more than $3,000. Under the Payne Act, and under every other Republican act, this stupendous sum would have been obtained by taxing the food of the lowly and the clothing of the poor. If the masses of the people approve of the income tax law, that annually saves them the payment of $120,000,000 in taxes, let them vote the Democratic ticket, for since the Republican Party always opposed the passage of an income tax law it can not be trusted to perpetuate the law that is now in force.

In order to free business entirely from the menace of future tariff tinkering, and in order to transfer the tariff question from a political to a scientific basis, this House has passed, and the Senate soon will pass, the Rainey tariff commission bill, which is an expression of the wisdom of a large majority of the American people.

The passage of the Underwood tariff law was a great accomplishment in the interest of all the consumers of the country, but the Wilson administration has done that which is infinitely greater than the enactment of a just and beneficent tariff law; it has secured the people in the enjoyment of prosperity and peace; it has kept this country out of war. [Applause on the Democratic side.]

CURRENCY.

In strict obedience to the scriptural injunction to "be not weary in well-doing," the administration proceeded from the enactment of a tariff law to a reformation of the currency law. Never was reformation more needed; never was it more thorough and complete.

The old currency law, which the Republican Party, through more than 40 years of power, made no effective efforts to improve, was a financial straight-jacket that permitted neither expansion when needed nor contraction when desired. Under it the business of this country helplessly and hopelessly struggled in vain for liberty and freedom for almost 50 years. This administration has substituted the new Federal reserve act for the old Republican reserve act; it has moved the Federal Treasury from Wall Street to Washington; it has taken the control of the Nation's finances out of the hands of the money changers and put it in the hands of the people themselves.

Under the old system the reserve money of the Nation was kept in New York City, where it was ruthlessly gambled away

on the stock exchange, while the legitimate business of the farmer and the merchant and the manufacturer and the laborer suffered for want of funds with which to finance the legitimate and productive affairs of the Nation.

Under the old law 12 men, through a system of interlocking directorates, absolutely controlled the country's supply of money. These 12 men held in their hands the power of financial life and death to every business in the land. If they smiled on the crossroads grocery store, its success was assured; if they frowned on the most stupendous enterprise it perished in an hour.

Thanks to this administration, this dangerous power, so often perverted, so often abused, has been taken from the 12 men who formerly wielded it and put into the hands of the hundred million people who own this country. [Applause on the Democratic side.]

We now speak of the new Federal reserve act, not in the unknown terms of prophecy, but in the exact terms of history.

Mr. MORGAN of Oklahoma. Will the gentleman yield?

Mr. NEELY. Certainly.

Mr. MORGAN of Oklahoma. I am very much interested in what my friend is saying, but I would like to ask him a question. Although there might have been some imperfections in the Republican currency law, is it not a fact that from the time the Republican party gave the currency law to the country up to the time it went out of power the wealth of the country increased from $16,000,000,000 in 1861 to $187,000,000,000 in 1913?

Mr. NEELY. I believe that the gentleman from Oklahoma [Mr. MORGAN] has correctly stated the figures, which simply show that the American people were great enough to make progress even in spite of the pernicious old currency law which we have repealed. I will further say that the former currency system, the evil effects of which the gentleman seeks to palliate, was responsible for every financial panic that has afflicted this country since the Republican Party was born. [Applause on the Democratic side.]

Our financial condition under the new currency system is fully disclosed in a recent report of the Comptroller of the Currency, based on returns of national banks, as of March 7, 1916. Among many other interesting things, the report shows the following amazing state of affairs:

Total resources of national banks are more than $13,800,000,000—an increase of more than two and a half billion dollars in 12 months. Total deposits in national banks are $10,790,000,000—an increase of $2,198,000,000, or nearly 25 per cent in one year. The aggregate of surplus and undivided profits show an increase of $18,000,000 during a period of 12 months. There was an increase in circulation of $3.67 for every man, woman, and child in the Nation during the past year. The increase alone in deposits in national banks during the past 12 months exceeds the total deposits in 1896. After loaning more than half a billion dollars to European countries, our reserves on March 7, 1916, were 3100,000,000 greater than on any previous March 7 in our history.

The aggregate resources of our national banks to-day, under a Democratic administration and under Democratic law, exceed by $3,000,000,000 the combined resources of the Bank of England, the Bank of France, the Bank of Russia, the Reichsbank of Germany, the Bank of the Netherlands, the Swiss National Bank, and the Bank of Japan.

The foregoing facts and figures are so startling that the mind can not readily comprehend them; but they present to the thinking man an unanswerable argument in favor of continuing in power the party that has made possible the unparalleled prosperity of which they speak in conclusive terms.

The enactment of the Democratic Federal reserve law is the greatest legislative achievement of any age or of any country, but this administration achieved something greater and better still—it kept this country out of war.

ANTITRUST LAWS.

The Baltimore platform pledged the Democratic Party to the enactment of such antitrust legislation as would make it impossible for a private monopoly to exist. We have redeemed that pledge by passing the Federal Trade Commission law and the Clayton antitrust law. These measures taken together provide ways and means of compelling big business to deal fairly with its weaker competitors as well as with the public at large; they protect the people against the lawless and disastrous tyranny of the trusts; they furnish business a map by which to travel, a chart by which to sail; they protect competition that is lawful and destroy competition that is unlawful; they close the labyrinths in which big criminals formerly found refuge and open the door of equal opportunity to every lawful enterprise, whether it be great or small.

MERCHANT MARINE.

We have passed the ship-purchase bill, authorizing the Government to acquire and operate a merchant marine. As a result of the European war many of the foreign-owned vessels formerly engaged in carrying our commerce have been destroyed or driven from the seas. In consequence of the resulting scarcity of transportation facilities ocean freight rates have soared, while to our irreparable loss, we have been unable to send our commodities to foreign markets. With this law in operation we shall cease to depend upon other nations for ocean transportation. By virtue of this measure the products of the American farm, factory, and mine will be carried at reasonable rates to the markets of the world in American vessels manned by American seamen and flying the American flag.

POPULAR ELECTION OF UNITED STATES SENATORS.

As early as the year 1900 the Democratic Party went on record in favor of electing United States Senators by direct vote of the people. Eight years later, in its national convention assembled, the Republican Party rejected a resolution in favor of this reform by a vote of more than six to one. Through the persistent efforts of Democracy, the Constitution has, at last, been amended so that the people now elect their Senators at the polls. The Senate was formerly a reactionary body, it is now a progressive body; it formerly legislated for a few, it now legislates for all; it formerly represented the wealthy, it now represents both the rich and the poor. As a result of this capital Democratic reform, the people can at last take complete control of their own Government and make it just what they want it to be.

FARMERS.

Under this administration the farmers have been "clothed in purple and fine linen"; they have "fared sumptuously every day." The Democratic Party has bestowed upon farmers a bountiful share of legislative favors; for their particular benefit it has passed many salutary laws. [Applause on Democratic side.]

We have established a system of farm agents whose duty it is to develop agriculture and improve its methods. This system is now in successful operation in 48 States, and under it most valuable assistance is being given to those who till the soil.

We have established a Division of Markets in the Department of Agriculture by virtue of which machinery is at work organizing the distributing agencies through which 100,000,000 people obtain their food.

We have enacted a law providing for the establishment of a Government-owned plant to manufacture nitrate to be used in making gunpowder for military purposes. Nitrate is one of the most valuable fertilizers known, and the surplus product of this plant is to be sold directly to the farmers to be used in reclaiming their impoverished soil.

We have enacted the Shackleford good-roads law, authorizing the expenditure of $75,000,000 in cooperation with the various States in building permanent highways throughout the rural sections of the United States. The enactment of this law marks the beginning of a policy that will be abandoned only when every road in the country has been made a good road, serviceable to the farmer every day in the year.

We have appropriated $360,000 for the eradication of hog cholera, a disease that in the year 1913 caused the death of 6,000,000 hogs and a loss to the farmers of the country of $65,000,000.

We have enacted the Lever agricultural extension law, which brings the agricultural college, the experiment station, and the Federal Department of Agriculture to the very door of every farmer in the land. By virtue of this act the farmers' wives and daughters are enabled to learn domestic science and home economics around their own firesides.

For the special benefit of the farmer and the accommodation of the public at large this administration has developed the Parcel Post System into one of the most useful and efficient instrumentalities of the Government. In 1913 the Post Office Department increased the weight limit of packages from 11 to 20 pounds and reduced the rates. On January 1, 1914, the weight limit was increased to 50 pounds and the rates were again reduced. Thus the farmer is enabled to ship at low rates packages weighing not more than 50 pounds from his local post office to almost any other place in the civilized world.

Under the terms of the Federal reserve act we have authorized national banks to lend money on the security of farm land and to rediscount farmers' notes that are secured by staple agricultural products. By virtue of this act the sum of $500,000,000 has been made available for the use of those engaged in agriculture.

For the protection of the farmer we have enacted a law preventing the injurious practice of gambling in products of the farm.

For the exclusive benefit of the farmer we have passed the Federal farm loan or rural-credit law, the object of which is to promote agricultural prosperity by enabling farmers to borrow money on farm-mortgage security at a low rate of interest and for a long period of time. This law provides two farm-mortgage systems, one operating through regional land banks and the other through joint-stock land banks. Both systems are under the supervision of a Federal farm-loan board, composed of the Secretary of the Treasury and four members appointed by the President.

Under this law those who own and cultivate, or are about to own and cultivate, farm lands are enabled to borrow money with which to purchase land, equipment, fertilizers, and live stock, and with which to provide buildings and improvements, and for the liquidation of the indebtedness of the owner of the mortgaged land. Loans may be made for not less than $100 and for not more than $10,000, and shall run not less than 5 and not more than 40 years. Under no circumstances will the borrower ever be charged more than 6 per cent interest, while it is commonly believed that the average interest rate will be 5 per cent or less. It is no idle boast to say that the farmers will derive greater benefits from the Democratic rural-credit law than from all the legislation ever enacted for them by the Republican Party. Despite hostile newspaper criticism of this great constructive measure, 108 of the ablest Republican Members of this House voted for its passage.

The Democratic Party has served the farmers zealously and faithfully in the past; if continued in power, it will serve them faithfully and zealously in the future. But Democracy has not only legislated for the farmers and kept them prosperous and contented; Democracy has kept this Nation at peace; it has kept this country out of war.

LABOR.

The record of Democratic legislation in behalf of those who toil shines with untarnished splendor. During the six years that it has controlled the House, and the four years that it has controlled both the House and the Senate, the Democratic Party has done more for the protection of the laborer, and more for the preservation of the laborer's rights, than was done for similar purposes by the Republican Party during its entire 44 years of power. This is not an extravagant campaign assertion, but an accurate statement of a startling truth to demonstrate which "let facts be submitted to a candid world."

We have established an eight-hour day for laborers on all national public works.

We have established an eight-hour day for female employees in the District of Columbia.

We have enacted the dredge-workers' law, establishing an eight-hour day for laborers doing dredging work in the improvement of our rivers and harbors.

We have established an eight-hour day for civilians engaged in making powder and ordnance for the Government.

We have established an eight-hour day for all post-office clerks and letter carriers.

We have established an eight-hour day for those who mine coal for the use of our Navy.

We have enacted the Children's Bureau law, the object of which is to promote the welfare of children and safeguard their interests.

We have passed the Industrial Commission law, providing for a thorough investigation of the entire subject of industrial relations, in order that the best methods of settling industrial disputes may be ascertained and adopted.

We have enacted a law prohibiting the deadly work of manufacturing white phosphorus matches, a work that formerly destroyed the health and life of many laborers every year.

We have enacted the trades dispute law, regulating the issuance of injunctions in cases affecting labor, and establishing the right of trial by jury of alleged contempts committed outside the presence of the court.

We have enacted the seaman's law, which among other things abolishes imprisonment as a penalty for desertion and corporal punishment on board ship.

We have enacted a law creating the Department of Labor and making its head a Member of the President's Cabinet. By virtue of this law labor is represented at the council table of the Nation by one whose business it is to safeguard its interest and plead its cause. Between March 4, 1913, and June 6, 1916, this new department amicably adjusted 149 trades disputes that vitally affected the interests of hundreds of thousands of men, women, and children. Between February, 1915, and April, 1916, this department obtained employment for more than 62,000 men. In 1914 this department found employment for 75,000 field workers for an average of four weeks each at a rate of $2.75 per day. All told, the Department of Labor has during the past two years procured over $7,000,000 in wages for the laborers of the country—a remarkable achievement in behalf of those who toil.

We have enacted the child-labor law, making it illegal to ship in interstate commerce the output of any mine or quarry produced by the labor of children under 16 years of age, or the product of any cannery, workshop, or manufacturing establishment produced by the labor of children between the ages of 14 and 16 years, or who work more than eight hours in one day, or more than six days in any week, or before 7 o'clock in the morning or after 7 o'clock in the evening. This measure is designed to protect those who can not protect themselves. It says that in spite of greed the children of the Nation shall have a chance.

We have amended the Bureau of Mines act so as to provide miners greater protection against accidents, and also more efficacious rescue service when accidents occur.

We have enacted a law prohibiting the importation of articles from foreign countries made by convicts, paupers, or detained laborers.

We inserted a provision in the Post Office appropriation bill rescinding the "gag rule" laid down by Mr. Roosevelt and enlarged by Mr. Taft, and by reason of which no post-office employee could present his grievances to Congress without danger of being discharged for so doing.

Mr. DAVIS of Texas. Will the gentleman yield?

Mr. NEELY. I yield to the gentleman from Texas.

Mr. DAVIS of Texas. Does the gentleman know that the compensation law has just passed the Senate, too, and has become a law as part of the system affecting workmen?

Mr. NEELY. I do, and I was just about to refer to the employees' compensation act as one of our great achievements in behalf of labor.

This law provides that an employee injured while in the service of the Government, shall, during the continuance of the disability caused by the injury, be paid compensation at a rate not exceeding two-thirds of the salary or wages previously received by him. It is further provided that if the employee die as a result of his injury, liberal compensation shall be paid to the dependent ones who survive him.

We have enacted a law providing for appeals to the Supreme Court of the United States from the decisions of State courts holding labor legislation unconstitutional. Under the former act those attacking the constitutionality of labor laws had the right of appeal to the Federal courts from State court decisions upholding the validity of such laws, although the laborer was denied the right of appeal when the State court held labor legislation invalid. Thus we have given the laborer the standing in court that was formerly enjoyed exclusively by his employer.

We have enacted a law amending the Erdman Act, which provides for mediation, conciliation, and arbitration in controversies between employers and employees. This amended law afforded the means by which the President succeeded in preventing the threatened eastern railway strike in 1913, which involved 54 railroads and more than 80,000 of their laborers. By virtue of this law the President in 1914 prevented an industrial strike involving the western railroads and their employees.

We have enacted the Clayton Anti-Trust Law, commonly known as Labors Bill of Rights. That the colored man is not a chattel or a commodity was decided by the Civil War, but that the toiling masses who belong to labor organizations are not chattels or property was unknown to many of our Federal courts until the Clayton Law was put upon the statute book by the Wilson administration. [Applause on the Democratic side.] Under this law the laboring man can never again be subjected to the remorseless rules that govern property; for all future time he will be tried by the merciful rules that govern humanity.

This is a naked recital of our achievements in behalf of labor. On this unparalleled record Democracy submits its case to those who toil. Since laboring men are not wanting in gratitude or lacking in appreciation, we confidently rely upon their voting to continue in power the Democratic Party that has so loyally and effectually defended their rights and redressed their wrongs throughout the last four years. While legislating for labor, this administration preserved peace in the Nation; it kept this country out of war.

LOBBY INVESTIGATION.

During long years of uninterrupted sway the Republican Party permitted a powerful and pernicious lobby to infest the Capitol. This lobby dictated the measures the interests wanted and defeated the measures the people wanted. It poisoned the source of Federal legislation, harrassed Federal officials, and

made it impossible to pass reformatory laws. The stand-pat party was powerless to eradicate this usurping evil. It was impotent to purge the country of this national disgrace, because the special interests that kept the Republican Party in control of the Government kept the lobby in control of the Republican Party.

The Democratic administration being under obligations to no monopoly, trust, or combination, and seeking only to serve the whole people, and to promote their welfare, drove the iniquitous lobby from the city of Washington as the patriots drove the infamous Tarquins from the city of ancient Rome. With the annihilation of the lobby, the invisible, intangible, and indefensible government of privilege perished, and the visible government of the people triumphantly resumed its sway.

PENSIONS.

The Republican Party in its national convention assembled at Chicago in June, 1916, had a golden opportunity to express its gratitude to the surviving soldiers who left their homes, gave up their business, and risked their lives to preserve this Government and save this country during the dark days and the starless nights of the Civil War. But the grand old party's convention exhausted its energy in setting traps for Progressives and forgot to declare itself on the subject of pensions. To-day, the Republican Party stands indicted at the bar of public opinion for adopting a national platform in which the veterans of the Civil War are treated with silent and brutal contempt and their widows and orphans are mercilessly ignored. On the other hand, the Democratic Party's convention, recently assembled in St. Louis, declared itself on the subject of pensions in the following lucid language: "We renew the declaration of recent Democratic platforms relating to generous pensions for soldiers and their widows, and call attention to our record of performance in this particular."

From August 15, 1876, to May 11, 1912, inclusive, no less than 25 general and liberal laws in favor of soldiers and their dependent ones were passed by a Democratic House of Representatives, or approved by a Democratic President, and this was accomplished in spite of the fact that the Democratic Party controlled the office of President but eight years, and both the executive and legislative departments of the Government but two years from the beginning of the war to the end of the year 1912.

It was a distinguished Democrat that introduced, and a Democratic House of Representatives that in 1912 passed, the Sherwood bill, the most generous, just, and satisfactory pension measure that was ever drafted; but the Sherwood bill as passed by the Democratic House was so liberal that the Republican Senate, by amendment, stripped it of remedial value to the extent of $2,500,000 per year.

The comparative justice and liberality of the two great political parties toward the country's soldiers is clearly disclosed by the following facts. In the year 1902, when every department of the Federal Government was under Republican control, 999,436 pensioners received from the treasury a total of less than $142,000,000; while in 1913, under the Wilson administration, when the number of those on the Nation's roll of honor had been reduced by death to 820,190, there was paid out in pension money a grand total of more than $176,700,000. In other words, while death decreased the number of pensioners by more than 179,000 during the 11 years from 1902 to 1913, the Democratic Party in the latter year increased the pension compensation to the old soldiers, their widows and orphans, by more than $35,000,000.

This Democratic Congress has, for the benefit of our veterans, enacted a law providing special pensions for those whose names are on what is known as the "Army and Navy Medal of Honor Roll." Soldiers will be surprised to know that the distinguished Republican leader of this House [Mr. MANN] voted against this meritorious bill.

The Democratic House of the present Congress has passed, and it is believed that the Senate will eventually pass, the Key bill, which provides liberal pensions for the widows and orphans of the veterans of the Spanish-American War.

This Democratic House has passed a bill to increase the pensions of widows who were the wives of soldiers during the Civil War from $12 to $20 per month. It is generally believed that this bill will be passed by the Senate and approved by the President before this Congress finally adjourns on the fourth day of next March.

If the old soldiers will study the history of pension legislation during the recent past they will find that as the Nation's heroes have decreased in number so has Republican interest in their cause declined. But as the wants of the veterans and their dependent ones have been multiplied by disease and their needs increased with passing years, so the zeal of Democracy to serve this most deserving and distinguished portion of our people has grown stronger and stronger, until to-day the Democratic Party is universally recognized as the soldier's most fearless and most faithful friend.

PREPAREDNESS.

Out of the destruction and desolation of the European war, attended by innumerable violations of the rights of neutral nations, there arose in this country a demand for an increase of military preparedness. That demand was urgent, emphatic, and persistent. It was voiced by a vast majority of 100,000,000 people. In keeping with its time-honored traditions, Democracy promptly responded to the demand of the public and fully discharged its duty by providing additional security for the Nation. The problem of determining to just what extent preparedness should be increased proved to be one of most difficult solution. Some urged that the United States be turned into an armed camp in competition with the war-crazed countries of Europe and that military training be made universal and compulsory, while the extreme pacifists protested against any unusual increase in either our Army or Navy. An illustration of the wide divergence of views on the important subject of preparedness is found in the following personal experience: On a certain day last December a wise, conservative, and patriotic lawyer informed me that he considered it the duty of Congress to appropriate $1,000,000,000 to be expended immediately in building up the greatest navy in the world. He further stated that in his opinion the appropriation for the Army should be in keeping with the appropriation suggested for the Navy. On the following day I asked a most intelligent, patriotic, and successful minister of the Gospel for his opinion on the subject of preparedness. He said:

If this country has been as righteous as it should have been, there is no necessity for a larger Army or a more powerful Navy.

You remember that the Lord sent hornets before the children of Israel to drive out the Hivites, the Canaanites and the Hittites, and if any other country should invade the United States, Providence could repeat the miracle wrought in Canaan 3,400 years ago; the Lord could send innumerable hornets to sting our enemies away from our shores.

It must be confessed that the preacher's theory is at once economical and sublime, but unfortunately both for ourselves and the theory, a deplorable occurrence has recently proved that it is not advisable for us to adopt it at the present time. When the Mexicans invaded our territory a little while ago, the hornets failed us completely; and if hornets will not sting invading Mexicans, they cannot be relied upon to sting at all.

This Congress has not quite accepted the suggestion of the lawyer who desired a billion-dollar Navy, nor has it staked the safety of the country on the warlike proclivities of the faithless hornets, but excluding from its consideration all supernatural influences, and barring extreme views of every type, Democracy has dealt with this question so as to attain what Horace calls the "golden mean." Provisions have been made for an increase of preparedness that will not unduly burden the taxpayers of the Nation, but that will afford the nucleus of adequate protection for this country in any crisis that may arise.

We have enacted a law which provides that the Regular Army be recruited to 210,000 men—an increase of more than 162 per cent in one year. We have provided that the militia be federalized and recruited to 450,000 men. By virtue of this legislation 660,000 trained soldiers will constitute the authorized strength of our military establishment. We have appropriated a quarter of a billion dollars more for military preparedness than was ever appropriated for the same purpose in any one year by a Republican Congress in time of peace.

The naval bill, as recently passed, carries an appropriation of more than $313,000,000. The appropriations made by the present Congress for naval construction and maintenance are two and a third times as great as the largest appropriation ever made by a Republican Congress in one year for the same purposes in time of peace. The naval appropriation which we have just made is $78,000,000 greater than the largest naval appropriation ever made by Great Britain in one year in time of peace and $55,000,000 greater than the largest appropriation ever made by Great Britain for the same purpose in one year in time of war. The Democratic Congress made these vast appropriations not as a matter of choice, but as a matter of necessity. They were required by menacing conditions abroad for which Democracy is not responsible; by conditions which no party in this country could control. The prudence that provides a fire department before a fire; that provides a police department before a riot; that insures property before it has been destroyed, is the same prudence that prompted us to provide so liberally

for the protection of this country and the preservation of its peace.

Yet in spite of the enormous appropriations we have made to provide adequate defense for this Nation, both by land and by sea, the Republicans criticize us and denounce us for not having appropriated more. But when the Republicans are speaking of preparedness, they are not thinking of the people who pay the taxes, but of the Munitions Trust, the Steel Trust, the Armor Plate Trust, and all the other trusts that make profits out of the traffic of war, and later donate generously of their gains to the campaign fund of the stand-pat party.

With a patriotism that would have exalted the conscript fathers, the Democracy of the Sixty-fourth Congress has amply provided for the defense of the Nation and the security of the American people. The money with which to pay for carrying out our program of preparedness is to be raised, not as the Republicans desired, by increasing the tariff on the food and clothing of the poor, but it is to be raised, as Democracy demanded, by levying taxes on munition makers and by increasing the taxes of those whose net incomes exceed $3,000 per year. While making these unusual preparations for the continued maintenance of this country's peace at home and prestige abroad, the Wilson Administration also kept this country prosperous, its labor employed, and its people out of war.

FOREIGN POLICY.

Of the many questions involved in this campaign there is one that is paramount and supreme. There is one question that overshadows all others as the pyramids of Egypt overshadow the sands of the River Nile. That is the question of this country's foreign policy. Shall we settle our international difficulties by means of diplomacy, as this administration has done, or by means of arms, as the jingoes and giant killers assert that we should have done? Shall we, as patriots, support the President in his maintenance of American rights, or, as partisans, repudiate an administration that has served the best interests of this Government as they have never been served before? Shall we stand as friends with those who are defending the honor of the Republic, or as enemies, with those who are assailing it?

The Republican platform by plain implication and the Republican candidate for President in plain words condemn this administration for not having dealt more firmly with the Mexican situation, and this is equivalent to their saying that we should have either intervened in Mexico or declared war against her. Neither the facts in the case nor the precedents applicable to them would have justified this Government in resorting to either of these drastic measures. The facts are known to the world, but what does precedent say? During the administration of Mr. Taft much American property and 47 American lives were destroyed by Mexican revolutionists and outlaws, but this country did not deal more firmly with the situation then than this administration is dealing with it now; this country did not intervene; it did not go to war.

Depredations such as were committed by Mexican bandits under the last Republican administration have been repeated under this administration. Again, American lives have been lost and American property has been destroyed, but we have not intervened, and we have not gone to war—and why? Is it, as our traducers allege, because we are too cowardly to fight? A thousand times, no. If any people anywhere think that Americans are afraid to go to war, or shed their blood or lose their lives for their country or its cause, let them disabuse their minds by taking a short course in American history. Let them read of Lexington, Concord, Bunker Hill, and Yorktown; of Santiago and Manila Bay, of Chickamauga and Gettysburg; let them read of Israel Putnam, John Paul Jones, Mad Anthony Wayne, Commodore Perry, Ulysses S. Grant and Robert E. Lee [Applause]; let them follow in the footsteps of the superb soldiers in blue and the grand soldiers in gray as they fought with Sheridan at Winchester and Stonewall Jackson at Bull Run, and thus will they learn that American valor has seldom been equaled, and never surpassed, in the history of the world. We have fought and won bloody wars in the past for our liberty and our freedom, and if necessity dictate it and duty demand it, we shall fight other wars in the future and defend our rights against the world. But when this country goes to war, reason will carry our standard; honor will blow the bugle; justice will beat the drum; humanity will order the charge, and righteousness will pronounce a benediction on our conquering hosts when they come marching home. [Applause on the Democratic side.]

No cowardice on our part, or want of power, or fear of results has prevented us from intervening in Mexico or declaring war against her. The reasons for our inaction are as benevolent as charity and as righteous as the golden rule. Hear them as they were assigned more than a half a century ago under conditions parallel to those existing now ,and by one whose wisdom can not be questioned; by one whose statesmanship can not be doubted; by one whose courage can not be denied. Soon after the Juarez Government came into power President Lincoln wrote a letter to the American minister to Mexico, in which he expressed himself as follows:

> For a few years past the condition of Mexico has been so unsettled as to raise the question on both sides of the Atlantic whether the time has not come when some foreign power ought, in the general interest of society, to intervene, to establish a protectorate or some other form of government in that country and guarantee its continuance there.
>
> You will not fail to assure the Government of Mexico that the President neither has, nor can ever have, any sympathy with such designs, in whatever quarter they may arise or whatever character they may take on. The President is hopeful of the ultimate triumph of this (the republican) system over all obstacles, as well in regard to Mexico as in regard to every other American State; but he feels that those States are nevertheless justly entitled to a greater forbearance and more generous sympathies from the Government and people of the United States than they are likely to receive in any other quarter.
>
> I find the archives here full of complaints against the Mexican Government for violation of contracts and spoliation and cruelties practiced against American citizens. It is not the President's intention to send forward such claims at the present moment. He willingly defers the performance of a duty, which at any time would seem ungracious, until the incoming administration in Mexico shall have had time to cement its authority.

This is the Mexican policy as laid down by Mr. Lincoln, first and greatest of Republican Presidents, and as followed and enforced to the letter by the greatest of succeeding Presidents of the Republic—Woodrow Wilson. [Applause on the Democratic side.]

For five years past Mexico has been in a state of revolution; it has been filled with countless warring factions; it has been without a stable Government that could be held responsible for the offenses of its lawless citizens. In such circumstances for us to have made war on Mexico would have been for a giant to assault a cripple—for a full-grown man to beat a little child. God forbid that this country shall ever degrade itself by playing such an ignoble part. [Applause on the Democratic side.]

Our reasons for not having gone to war with Mexico are adequate and complete. Our reasons for nonintervention in Mexican affairs are equally valid. By intervening we would have destroyed Pan-Americanism, which this administration has done so much to encourage and strengthen; we would have made enemies of all the Republics to the south of us; we would have taken the first step toward acquiring Mexican territory and committing this Nation to an imperialistic policy; we would have repudiated every principle upon which Democracy is founded. [Applause on Democratic side.] We do not want the territory of the Mexicans or of any other people on earth. Democracy believes in Mexico for Mexicans as firmly as it believes in America for Americans.

Not satisfied with their denunciation of our Mexican policy in particular, our opponents proceed to criticise the general foreign policy enforced by this administration, and by virtue of which this country has remained at peace in the midst of a world that is running red with human gore.

During the last two years there has raged in Europe the most appalling war the world has ever witnessed. That war is raging now. No man knows when it will end or what havoc will follow in its wake. While we are speaking it is causing thousands to die, hundreds of thousands to suffer, and millions to shed tears. It has impoverished kingdoms, depopulated countries, destroyed cities, plundered churches, and ruined cathedrals. It has robbed the wife of her husband, the child of its father, the girl of her lover, and the mother of her boy. It has banished happiness and enthroned sorrow; it has driven weal from every European fireside, and brought woe to every European home. It has murdered millions of men on the battle field; it has crazed millions of boys in the trenches; it has starved millions of babes in their mothers' arms. Such are the melancholy results of the European War. The countries engaged in this titanic struggle, battling not only for victory but for national existence, impelled by hatred, blinded by fury, and guided by desperation have abrogated treaties, invaded the rights of neutral nations, and violated the very laws of humanity. In their reckless and remorseless work of exterminating each other, the belligerent nations have incidentally rifled our mails, seized our ships of commerce, and destroyed the lives of our citizens.

Many times during the last two years conservative and courageous men have feared that we would be forced to appeal to arms to save American rights from utter annihilation. But as often as it has seemed that no earthly hand could rescue us and no earthly power could deliver us from the European inferno, just so often the great scholar, statesman, and pacificator has proved himself the savior of his country, the champion of its honor, and the defender of its flag [applause on the Democratic side]; just so often the Wilson administration has kept this country out of the European war. [Applause on the Democratic

side.] The President, with his incomparable diplomacy, has obtained the fullest possible measure of redress for every injury we have suffered at the hands of the war-crazed countries of Europe, and his victories have been won without the surrender of a single American right, without the loss of a single American life, without the loss of a single drop of American blood.

In spite of our diplomatic triumphs, in spite of the fact that we have by peaceful means wrung full recognition of our rights under international law from the proudest, haughtiest nations of Europe, the Republican platform, "darkening counsel by words without knowledge," declares for a "courageous foreign policy," while the Republican candidate for President scolds Democracy for not having put such a policy into operation. But while the Republican platform condemns and the Republican candidate scolds, the thoughtful patriotic Republican voters, as well as the voters of all other parties, will remember that when Woodrow Wilson settles our international difficulties with the pen of diplomacy instead of the crimson sword of war he is following the example set by the most illustrious statesmen that this country has ever produced or the world has ever seen. All but the fire-eaters and the jingoes know that the Father of his Country, the elder Adams, Thomas Jefferson, Franklin Pierce, Benjamin Harrison, Ulysses S. Grant, and the immortal Lincoln all settled our difficulties and adjusted our differences with other countries by means of diplomacy, just as the President has done. Let it be borne in mind that to repudiate the foreign policy of Woodrow Wilson is to repudiate the foreign policy of George Washington, Thomas Jefferson, and Abraham Lincoln.

When our opponents urge a "courageous foreign policy" upon the country, we shall remind the people whom we represent that Austria and Servia adopted "courageous policies" two years ago and that Austria and Servia went to war; we shall remind them that England, France, Germany, and Russia all adopted "courageous policies" a little while ago, and that all these great nations are now at war; we shall further remind the people that "courageous policies" have, during the last two years, cost the warring nations of Europe, including killed, missing, and wounded, the grand and gloomy total of 13,033,000 men. With these startling figures before them, and these appalling results to warn them, do the American people want to experiment with "courageous policies" on American soil? This is the question that must be answered by the voters on the 7th day of November. If a "courageous" policy means in the United States what it has meant in the blood-soaked countries of Europe, to adopt such a policy here would be to thrust a spear into the quivering side of Peace; it would be to crucify the civilization and the Christianity of the Western Hemisphere upon a cross, carved by the hand of cruelty from the tree of hate, and planted by the demons of destruction upon the calvary of despair. [Applause on the Democratic side.]

In the exalted name of the greatest and grandest Government on the globe, in the sacred name of American patriotism, in the hallowed name of the human race, let the "courageous policy" of the Republican platform and party be rejected before it casts a blight upon the American people, before it seats the ghost of a slaughtered soldier at every American fireside, before it hangs crêpe on the door of every American home. And as the voters, with their ballots, reject the "courageous" policy of our opponents, so let them continue the priceless policy of peace of the Wilson administration until the dark days of war in Europe and danger in America are ended; until the flames of Europe's conflagration have been extinguished; until the last spark from Europe's fire has ceased to glow in our sky. Let the policies of Woodrow Wilson be supported by patriotic men of all parties until war ceases in every country and peace prevails in every land; until hate dies and love lives in the hearts of all the children of men. [Applause.]

"Till the war drum throbs no longer and the battle flags are furled,
In the parliament of man, the federation of the world."

[Prolonged applause on the Democratic side.]

The SPEAKER pro tempore. The time of the gentleman from West Virginia has expired.

EXTENSION OF REMARKS.

Mr. NEELY. Mr. Speaker, I ask unanimous consent to revise my remarks and extend them in the RECORD.

The SPEAKER pro tempore. The gentleman from West Virginia asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. CARAWAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing the speech of Secretary McAdoo on the occasion of the induction into office of the new Farm Loan Board.

The SPEAKER pro tempore. The gentleman from Arkansas [Mr. CARAWAY] asks unanimous consent to extend his remarks in the RECORD on the subject indicated by him. Is there objection?

Mr. BENNET. Mr. Speaker, reserving the right to object, I would like to ask the gentleman if this speech has already been printed in another body?

Mr. CARAWAY. I am sure I do not know. It was given to me by Mr. EAGLE.

Mr. BENNET. Another speech of Mr. McAdoo's was printed two or three times in the RECORD.

Mr. CARAWAY. This is a good speech, and it will do no harm to print it several times. [Laughter.]

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

Mr. RAINEY. I presume, Mr. Speaker, if it has already been printed consent can be granted, subject to the discretion of the Public Printer, and if it has not been printed before it can be printed now.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in reply.

The SPEAKER pro tempore. The gentleman from Connecticut asks unanimous consent to extend his remarks in the RECORD as stated by him. Is there objection?

There was no objection.

Mr. KEATING. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the state of the Union.

The SPEAKER pro tempore. The gentleman from Colorado [Mr. KEATING] asks unanimous consent to extend his remarks in the RECORD on the state of the Union. Is there objection?

There was no objection.

The SPEAKER pro tempore. The gentleman from Utah [Mr. MAYS] is recognized for 30 minutes.

Mr. MAYS. Mr. Speaker, I will first ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER pro tempore. The gentleman from Utah asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection?

There was no objection.

PROGRESSIVE PLATFORM PRINCIPLES AND DEMOCRATIC LEGISLATION.

Mr. MAYS. Mr. Speaker, having been reared in a district of eastern Tennessee more consistently Republican perhaps than any other district in the United States I grew up a Republican, with prejudice against everything Democratic.

Realizing finally that the Republican Party had become so involved that it was not the medium through which the will of the common people could find expression, I became a Progressive and assisted in the organization of that party, being sent from my State—Utah—as a delegate to the first national convention held in Chicago in 1912, by which this platform entitled "A contract with the people" was adopted. Upon that platform I was elected to this House as a Progressive.

Having been a Republican by heredity, a Progressive through conviction, I desire to state my reasons for supporting the administration of President Wilson. [Applause on the Democratic side.]

Mr. HILL. Mr. Speaker, will the gentleman yield for a question?

Mr. MAYS. Yes, sir.

Mr. HILL. That platform upon which the gentleman was elected contained a protective tariff plank and a tariff commission plank, did it not?

Mr. MAYS. Yes.

Mr. HILL. Do you still support them?

Mr. MAYS. I support them as set out in this platform. It does not call for a high tariff. I will refer to that briefly.

Mr. HILL. It calls for a tariff sufficient to provide for the difference between the cost of production at home and abroad. I do not wish to embarrass the gentleman, but I would be glad if the gentleman would answer and explain that.

Mr. MAYS. Yes; it also denounced the Payne-Aldrich bill as unjust to the people and demanded a revision.

Mr. HILL. And got it.

Mr. MAYS. Yes; got it in the Underwood law.

Mr. CARAWAY. It also denounced the Republican Party as it was organized then and as it is now organized.

Mr. MAYS. It certainly did in terms of the severest nature.

While never taking active part in the councils of the Republican Party, I believed it to be a party of progress and of freedom. All my life I had heard its orators state that the party had overcome the most colossal rebellion in the world's

history; that it had stricken the shackles from the limbs of 3,000,000 slaves and made them citizens; that it had preserved the Union; that it was the party of Lincoln, Garfield, and McKinley; that it pointed with pride to its "unparalleled" record of legislative achievements. This argument, especially that of pointing with pride, was, of course, most convincing to its loyal membership.

Through a long process of education, however, the unwelcome conviction gradually came to many members of that party that it was controlled by interests who paid for, demanded, and received an undue share of the country's wealth and prosperity. As asserted by men high in the party's councils, it had become the agency through which the interests, grown by special privilege, operated to further exploit the people.

ONLY REPUBLICANS CAPABLE OF GOVERNING.

The statement often made, even until the present time, that the Republican Party alone was capable of governing the country caused some apprehension in my mind, lest the leaders and bosses should not be spared to us. It seemed proper that training should be given to others in order that the people's independence of any party might be preserved.

Having voted for Taft in 1908, upon the emphatic promise of his party that the tariff which had admittedly worked great injustice to the consuming masses would be revised downward, many Republicans were surprised at the enactment of the Payne-Aldrich tariff law. Many others were discouraged and disgusted at the exhibition of bossism in the Congress of the Nation. These influences caused the defeat of the Republican Party in the election of 1910, and, together with the high-handed methods of arrogant leaders of that party, caused its disruption at its national convention in 1912 and the organization of the Progressive Party.

Republicans now encourage themselves by saying that the party then formed was the result of a spasm of anger, and that when the anger cooled the members would return to the old régime. Some will return, but will the larger number? The causes were far deeper seated and of much longer duration.

In the campaign of 1912 Woodrow Wilson received over 6,300,000 votes; Roosevelt received over 4,100,000; Taft received 3,600,000, carrying the great States of Utah and Vermont. The time allotted me on this occasion would not be sufficient to repeat the charges and accusations made by the Progressives against the Republican Party. The rules of the House would not permit the use of language employed by either side. However, the same old guard, against which these bitter charges were made, are now in the saddle controlling, dominating, and directing the affairs of that party.

Mr. CARAWAY. Mr. Speaker, will the gentleman yield again?

Mr. MAYS. I will.

Mr. CARAWAY. How do the Progressives of Utah regard the recent attempt to sell and deliver the Progressive Party to the Republicans?

Mr. MAYS. They repudiated the bargain, and they have an independent ticket.

Mr. CARAWAY. They are not abiding by the contract?

Mr. MAYS. No. A positive lack of confidence, an absolute distrust, was expressed by Progressives everywhere. Who can say that any evidence of reform or change of heart has been furnished? The question as to the new allegiance of the 4,000,000 votes supporting the Progressive ticket of 1912 is really the most important, politically, of the hour. They will represent a larger body of independent voters than ever before exercised the franchise in any campaign. They are not to be controlled by the old-time prejudices or traded to any party at the dictation of any self-appointed boss. These people were sincere and of high average intelligence. They were intensely patriotic and deeply interested in the welfare of the humble people of moderate means and those unfortunate people without any means. They were students of economic conditions. They adopted a platform which for clearness of expression of humanity's needs has rarely been equaled. The rank and file of that party firmly believed in the necessity of the enactment of those principles and promises into legislation. They still believe so. They still distrust the bosses and representatives of the interests who ruled the Republican Party in 1910 and 1912, and rule it now with even more arrogance and self-assurance. What will the Progressives do? An answer to that question decides the election. Hughes must get at least 75 per cent of their vote. Does he and the party by which he was nominated deserve such support? Wilson must receive a small percentage of the Progressive vote. Does he, and the party cooperating with him, through actual deeds done, deserve such support? That is the question I desire to discuss to-day. [Applause on the Democratic side.]

Early in this session of Congress, having occasion to visit New York, I was invited to call upon the financial head of the Progressive Party. The conference disclosed to me that this gentleman was so much interested in such corporations as the United States Steel, the Bethlehem Steel, the Harvester Trust, and was so desirous of a large preparedness program, and incidentally was so tired of financing the Progressive Party that he was ready to accept practically any candidate the Republicans would nominate and enter into an agreement to sell and deliver the Progressive Party to the Republicans like so many sheep and cattle. His sole objection offered to the administration was its tendency to place some limit upon expenses for the Naval and Military Establishments and for failure to go into war with Mexico. This war has made many millions for himself and associates, and he was willing to realize many millions more. He believed the Republicans to be better friends—more subservient friends—to the vast enterprises in which he was so deeply interested.

I then let it be known that I had joined the Democratic Party because the obituary of the Progressive Party seemed only postponed for trading purposes and because not a solitary ray of hope appeared of remedial legislation from the Republican Party in the interests of the people, and because the Democratic Party, under its leader, the President, had been offering convincing proof of its sincere interest in the general good by putting on the statute books a program of wise and wholesome legislation. [Applause on the Democratic side.]

Mr. BENNET. Will the gentleman yield?

Mr. MAYS. I yield to the gentleman from New York.

Mr. BENNET. Does the gentleman by his remarks intend to charge that Mr. George W. Perkins was guilty of any corrupt bargain?

Mr. MAYS. The gentleman may put his own conclusion upon my words.

Mr. BENNET. I was rather anxious to get the gentleman's conclusion.

Mr. MAYS. I do not know whether the gentleman would consider such a bargain and sale corrupt or not.

I want, therefore, to compare the demands of the Progressives with the actual performance of the party now in power. If it can be shown that the essential principles enunciated by that platform have been crystalized into legislation, and if the Progressives were sincere enough in their profession of interest in the supreme needs of the Nation to care more for their country and for its people than for any party's success, then they will sustain the administration, lest their refusal to do so might cause the beneficial legislation to be repealed.

I have here the platform in question. On its face it states:

If you want these things done, ratify this contract on November 5.

Let us recite briefly the essential things promised and determine in what measure the actual performances of the administration of President Wilson square with the demands of that great body of American people.

PAYNE-ALDRICH TARIFF BILL.

It is admitted that the revulsion of the people against the Payne-Aldrich tariff law, so evidently written at the dictation of the favored few, chiefly caused the defeat of the party responsible in the election of 1910, and finally caused the disruption of the party and its overwhelming defeat in 1912. What did the Progressives demand in the way of tariff legislation? The platform on that subject declares as follows:

We demand tariff revision, because the present tariff is unjust to the people of the United States. Fair dealing toward the people requires an immediate downward revision of those schedules wherein duties are shown to be unjust and excessive.

Evidently the Progressives repudiated the time-worn Republican doctrine that the foreigner pays the tariff. Otherwise, what mattered if it was excessive? [Applause on the Democratic side.]

The platform affirmed the tariff unjust to the people and demanded its downward revision. What did the Democrats do? They revised the tariff downward, giving due regard to the needs of revenue of the country, and especial attention to the necessities of life and to the consumers of the same. They constructed a bill which reduced the tax paid by the common consumer to the extent of about $100,000,000 per year, and raised the amount in lieu thereof by increasing the corporation tax and by enacting an income-tax law. What would the Republican Party do to the tariff? According to the statements of their leaders, they would call a special session of Congress and substantially reenact the Payne-Aldrich law. Do the Progressives desire that done? They emphatically say not in their platform. They use this language:

We declare the Payne-Aldrich bill to be unjust to the people. The Republican organization is in the hands of those who have broken and can not again be trusted to keep the promise of downward revision.

TARIFF AND WAGES.

Evidently they doubt the beneficial effect of Republican tariff upon wages, because they say:

We believe the benefit of any tariff should be disclosed in the pay envelope of the laborer.

If so, the verdict must be in favor of the present law, as the pay envelope of the laborer discloses more wages per day, of shorter hours, and a higher degree of prosperity than under any previous tariff law in the history of the country.

Asserting that Republican policies confined prosperity to a favored few, the Progressives demanded that "prosperity be passed around," such results are being developed by the administration. Mr. Hughes, busy explaining this prosperity, as if he were personally grieved, and expressing the hope that it is only temporary, claims that it is caused by the shipment of less than 3 per cent of our manufactured goods as war munitions. In this, however, he is not sustained by the captains of industry supporting him.

Realizing that the consumer pays the tariff, the Progressives declare that no industry deserves protection which is unfair to labor and which is operating in violation of the Federal law.

We believe that the presumption is in favor of the consuming public.

TARIFF COMMISSION.

Knowing that the tariff question had disturbed business more than all other questions combined; that the continual threats to revise the tariff laws by the old logrolling, unscientific methods had resulted disastrously to the honest business of the country and assisted in plunging the Nation into periods of depression and panic, the Progressives used this language:

We pledge ourselves to the establishment of a nonpartisan, scientific tariff commission.

This administration is establishing just such a commission, supplying it with just such powers, and charging it with substantially the same duties as the Progressives demanded. Should not this great piece of legislation be approved and sustained by the Progressive voters?

HIGH COST OF LIVING.

On the subject of the high cost of living the Progressive Party said:

The high cost of living is due partly to world-wide and partly to local causes. The measures proposed in this platform, such as the tariff, the trusts, and conservation, will of themselves tend to remove the artificial causes. There will remain other elements, such as a tendency to leave the country for the city, waste, extravagance, bad system of taxation, poor method of raising crops, bad business methods in marketing crops.

Has the administration given intelligent attention to all of these causes? Has it enacted beneficial legislation? With the exception as to those causes which are world-wide, over which it has no jurisdiction, it has done so. It has revised the tariff downward. It has curbed the trusts; it has provided for conservation both of human and natural resources. It has endeavored to prevent the exodus from the country to the city by establishing a just system of rural credits, enacting good-roads legislation, passing avocation laws, suggesting better business methods, establishing an Office of Markets, and passing other measures in the interest of country life. Should not the Progressives sustain the power that thus performs?

INVISIBLE GOVERNMENT.

Throughout the Progressive platform the severest criticism is aimed at what is called the invisible government. They said:

Behind the ostensible government, sits enthroned an invisible government, owing no allegiance and acknowledging no responsibility to the people.

That was said of the Republican régime after 16 years of uninterrupted Republican control. Are the Progressives willing to reinstate that same invisible government? They say not. Instead they say:

To destroy this invisible government, to destroy this unholy alliance between corrupt business and corrupt politics is the first task of the statesmanship of the day.

Can they perform that first task of statesmanship by voting back into power the same old guard that established on its throne the invisible government and formed the unholy alliance between corrupt business and corrupt politics? Is not that invisible government supporting the Republican candidate? It is. Are not the same old elements in complete control? They are. Will Progressives place them back in power? They will not. [Applause on the Democratic side.]

THE FEDERAL RESERVE AND CLAYTON ANTITRUST ACTS.

What has the Democratic Party done to destroy the invisible government? Undoubtedly the interests constituting the invisible government were fostered most by the unjust tariff system. That was revised. A few trusts, through interlocking directorates, wield an insidious power. The Clayton antitrust law was directed at the evil. The unscientific currency system permitted the money kings in the great financial centers to throttle business to create panics that they might compel the Government to do their bidding. The Progressives realizing this stated that "there exists imperative need for prompt legislation for the improvement of our national currency system." They denounced the methods inaugurated and continued by the Republicans as harmful and unscientific. They stated that—

the issue of currency is fundamentally a Government function, and the system should have as basic principles, soundness and elasticity. The control should be lodged with the Government and should be protected from domination or manipulation by Wall Street or any special interest.

They denounced the Aldrich currency bill, to which the Republican Party was committed. How has the administration met that very proper demand of the Progressive Party? By enacting the Federal reserve law—the greatest single piece of constructive legislation placed upon our statute books in 50 years. It has been well said by nonpartisans that if the administration had done nothing else it would have deserved the commendation of the American people. In the Republican platform no criticism or threat to repeal this measure occurs. Will the Progressives sustain the legislation, the need of which they emphatically announced and which they promised to enact? If sincere, they must do so.

SOCIAL AND INDUSTRIAL JUSTICE.

We Progressives asserted in the platform that the supreme duty of the Nation is the conservation of human resources through an enlightened measure of social and industrial justice. We pledged ourselves to work "unceasingly in State and Nation" for a long list of industrial reforms. We demanded a child-labor law. The administration is now performing. We asked for an eight-hour-a-day law. Such a law is in operation. We asked for a workman's compensation law. The measure has been constructed and passed by this Congress. We demanded safety for railroad employees. Such a law has been put into force. We asked for a bureau of labor safety. It has already been granted by a bill now on the statute books. A large portion of the legislation demanded by the Progressives in the interest of social and industrial justice and for the benefit of labor has either passed or is pending in Congress. [Applause on the Democratic side.] Since the days when I worked as an ordinary miner in the zinc mines of Kansas and Missouri labor has asked for an anti-injunction law. Labor had petitioned and supplicated the Republican Party for such a law, but in vain. The Progressive platform demanded it. The Democrats have actually enacted it, every Democrat and every Progressive voting for the same upon its final passage. Should labor not remember and reward those who answer labor's just demands? In the further interest of labor we, as Progressives, "pledged our party to establish a Department of Labor, with a seat in the Cabinet and with wide jurisdiction over matters affecting labor."

The administration realized the importance and justice of this demand and responded, and such a department is installed in the Cabinet and is working out the problems relating to the life of the laborer and working masses of our country.

FEDERAL TRADE COMMISSION.

We Progressives solemnly asserted that—

the existing concentration of vast wealth under a corporate system, unguarded and uncontrolled by the Nation, has placed in the hands of a few men enormous, secret, irresponsible power over the daily life of citizens—a power insufferable in a free government and certain of abuse.

No severer condemnation of the party responsible for such conditions has ever been recorded. Would the Progressives reinstate the same guilty culprits into power? We think not. What remedy did the Progressives suggest? They demanded as a remedy for this intolerable abuse, this flagrant misuse of power—

a strict regulation by a strong Federal administrative commission.

To this demand the Democrats can show ready response in the law creating a Federal Trade Commission. This commission would have made impossible the accumulation of such vast wealth and power in the hands of a few, as is illustrated by the Standard Oil Co. and other like monopolies fostered and sanctioned by the Republican Party. That party might have promised such legislation, but would not have been permitted by the controlling interests 'till doomsday to redeem the promise.

The Progressives stated that such a commission must enforce complete publicity of corporate transactions of public interest, must attack unfair competition, false capitalization, and special privilege, and by continual trained watchfulness guard and keep open equally to all the highways of American commerce. They predicted just such results as are being obtained by the operations of the law. Would the Progressives rebuke the administration that thus measures up to their platform standards and so substantially complies with their demands?

MERCHANT MARINE.

Our Progressive platform recognized the supreme necessity of extending the scope of America's commercial activity. The necessity of a merchant marine, to enable our products to be delivered to the markets of the world, has been apparent for many years. The ship-purchase bill, passed by this House, is the first step toward the solution of that problem.

CONSERVATION.

The Progressives have a decided opinion in favor of the conservation of our natural resources. Every essential demand made in their platform in this regard has been met by laws either pending or passed or in process of passage.

FLOOD CONTROL.

The platform demanded the improvement of our waterways, and especially the Mississippi River, whose devastating floods, carrying the water of 32 States, annually bring destruction to hundreds of lives and many millions of property, causing scarcity and high prices of farm products. All parties promised to extend such Federal aid. This administration has developed a special committee on flood control, which carefully investigated the actual conditions and formed and passed a bill designed to bring the long-sought relief.

GOOD ROADS.

In the Progressive platform we find a demand for good roads. A law is passed and signed by the President appropriating a total of nearly $100,000,000 during the next 10 years toward that very essential improvement.

CORRUPT PRACTICE.

Realizing the evils growing out of the misuse of wealth toward perpetuating men and parties in power, the Progressives stated that they pledged legislation—

Compelling strict limitations on campaign contributions and expenditures and detailed publicity of both.

Such a law the Congress has enacted and supplemented. Every Democrat and every Progressive supported it in its final passage.

DIRECT ELECTION OF UNITED STATES SENATORS.

The Progressives demanded the election of United States Senators by a direct vote of the people in order to avoid repetition of the deadlocks and scandals due to the fraudulent use of money. Such a law has been given the country by the administration. Every Democrat, every Progressive, and every progressively inclined Republican supported the bill. Every standpatter, every reactionary opposed it. Will the Progressives forget so soon and refuse to sustain the administration for such legislation?

PENSIONS.

On the subject of pensions, the Progressives used this significant language:

We pledge ourselves to a wise and just policy of pensioning American soldiers and sailors and their widows and children by the Federal Government, and we approve the policy of the Southern States in granting pensions to their Confederate soldiers and sailors and their widows and children.

Nothing like the last sentiment probably ever occurred in a national platform. It signifies the disappearance of prejudices, growing out of the Civil War. This Congress has provided generously for the welfare of the country's defenders in their hour of need. The Republican platform never mentions the old soldiers and sailors.

PARCEL POST.

The Progressives pledged—

the creation of a parcel post, with rates proportionate to distance and service.

This important piece of legislation, the Democrats have placed on the statute books, and its beneficial effects have been extended to the people generally.

PREPAREDNESS.

On the important subject of preparedness, the Progressives pledged the building of two capital ships a year. This administration has provided for the building of four times that number.

RURAL CREDITS.

The Progressives were solicitous for the welfare of the farmer, stating when he is properous the country is prosperous, and realizing that his rights and interests have been shamefully neglected by the Republican Party. It therefore pledged itself to—

Foster the developement of agricultural credit and cooperation.

The rural-credits bill meets this demand. That bill, too long deferred, was supported by every Democrat, every Progressive, and all but 10 of the Republicans in the House. Did the standpat party ever enact such legislation? Through the tedious years of their control they never did do it. As to whether they ever would have done so, a resolution recently passed against the measure by the New York State Chamber of Commerce is the most significant criterion.

The laws demanded by the Progressives in the interest of the great agricultural classes have been passed by this administration with few, if any, exceptions. The warehouse law, the law preventing gambling in farm products, the grain-grade bill, the Lever Agricultural extension bill, the good roads bill, and others have been given the farmer, all of which are to his peculiar interest and in accord with the spirit of the Progressive platform. Will not the farmers, who are fair-minded and just, give credit where credit is due? We believe that they will do so. [Applause on the Democratic side.]

REVENUE.

The extension of governmental aid in so many new directions has, together with the vast appropriations of more than $600,000,000 toward naval and military establishments, necessitated the collection of much revenue. How would the Republican Party have accomplished this? By the imposition of still higher tariff laws. Yet even the Payne-Aldrich tariff law, denounced by the Progressives and repudiated by the whole country as too high, would produce less than one-fourth of the amount required. How would the Progressives raise this money? Not by higher tariffs, because they severely denounced the Republican measure as being too high. Undoubtedly the Progressives would have pursued essentially the same course as has the present administration. We find in the Progressive platform the following:

INHERITANCE AND INCOME TAXES.

"We believe in a graduated inheritance tax." The Democrats are now in process of perfecting that law.

Further the platform says:

We favor giving the Government power to levy an income tax.

Beyond question, Mr. Speaker, an income tax law is by far the most equitable means of producing revenue for the necessities of the Government ever devised by the wisdom of man. It seeks to secure the money from those who can pay without hardship or deprivation. A widow might have to sell her cow to pay the tax on her humble home, but a man with an income of $20,000 per year has the money at hand. The Progressives favor this tax; the Democrats have enacted it into law. The President urged it.

The candidate of the Republican Party for the Presidency is on record against it, causing its defeat before the Legislature of New York when he was governor, and greatly jeopardizing the success of the law. Do Progressives want to repeal the income-tax law? The great interests that influenced the governor of New York are still just as much opposed to the system, are just as powerful in the councils of the Republican Party. Would the Progressives relieve the colossal fortunes, already swollen to a dangerous condition, of their proper share and place the burdens upon the consuming public? We believe they will very generally refuse to do that. If sincere in desiring the enactment of such wholesome legislation, they will sustain the administration and uphold the hands held out to their rescue from oppression and injustice.

The present income-tax law was supported by every Democrat, every Progressive, and by 34 patriotic Republicans, who loved their party not less but their country more. Every standpatter, whose kind absolutely controlled the Chicago convention and now dominate the Republican Party, voted against this measure. What will the Progressives do?

SUBSTANTIAL COMPLIANCE TO PROGRAM DEMANDS.

Mr. Speaker, in going over the Progressive platform again and again I find that there remain for future consideration the demands of the Progressives for initiative, referendum, and recall; for legislation touching suffrage; the power of the courts and recall of judicial decisions. The President stands upon the platform of his party on suffrage. Our platform was essentially the same. The platform of the Republican Party is no more favorable. Candidate Hughes showed his real concern in the rights of women by vetoing the bill seeking to secure the same wages for women school-teachers as men for the same work and by failing to vote for suffrage. The President has shown his attitude toward the reactionary tendency of the courts by such appointments as that of Louis Brandeis to the Supreme Court of the United States. Every standpatter voted against his confirmation.

The platform of that party called for a most beneficent program of constructive legislation. The founders of that party are to be commended for their high sense of justice, for their sincere interest in the rights and welfare of the people of every class and condition; and if we are to be fair we must see that the President and his associates be commended and sustained in carrying through to effective legislation the great ideas expressed in our platform. [Applause on the Democratic side.]

This contract with the people has been fulfilled by the present administration more fully than any party ever carried out its promises. The tariff was to be reduced downward. The Underwood law accomplished that result. The consumers were to be given the benefit of such revision. The Underwood law has done that. A tariff commission was demanded. It is to be accomplished fact, ready for duty. The currency was to be reformed to give elasticity and free our country from the domination of Wall Street. A masterpiece of legislation is the response to this demand. Monopoly was to be suppressed. The Clayton Antitrust Act is in operation. An administrative Federal commission in the interest of honest business was demanded. The Federal Trade Commission is at its duty. The invisible government was to be dethroned. That is done.

A parcel post was to be established and extended to those oppressed by the railroad and express monopoly. The people are now enjoying its benefits.

Corrupt practice was denounced. A law now will prevent it.

United States Senators were to be elected by the people. Such a law is in operation and working perfectly, though denounced by every standpatter.

Social and industrial justice was to be of first importance. Practically all the suggested laws to that end are passed or are in process of passage.

Labor was to come into its own and receive its just dues. No administration ever passed one-half of the remedial legislation in the interest of labor.

The farmer was to be given a long-neglected consideration. Never in the history of the Nation have so many constructive laws in his interest been passed.

An inheritance and income tax was pledged. Just such legislation is enacted.

Conservation of our great natural resources was emphasized. All laws suggested are passed or are in process of passage.

PEACE.

In conclusion I will refer briefly to the sentiment of the Progressive platform on the subject of peace. It reads as follows:

The Progressive Party deplores in this age of civilization the barbaric system of warfare among nations, with its enormous waste of resources and the consequent loss of life of the toiling masses. We pledge the party to use its best endeavors to substitute judicial and other peaceful means of settling international differences.

Would not the patriotic people who gave deliberate utterance to that sentiment approve the President's course in so managing this country's negotiations with foreign nations in such extreme crises as to keep our people at peace with all the peoples of the world? The conflict now raging throughout two-thirds of Christendom is a disgrace to civilization. Words can not describe its atrocities; reason can not conceive its blighting effect upon humanity's hopes and aspirations. It is as if the world had lapsed into the savagery of the dark ages, retaining only the sinister ingenuity to slay.

The President has met every crisis with patient firmness. He has maintained the Nation's honor. [Applause on the Democratic side.] The candidate of the Republican Party for the Presidency, with an astonishing lack of dignity, charged in his first speech the loss of life by the sinking of the *Lusitania* to the President of his country, thereby implying that other nations, the lives of whose citizens were lost, might look to this country for reparation. He charges mistakes as to Mexico but does not say what he would have done, except to recognize an assassin as ruler. Later he assumes the rôle of a common scold. Can any but those calloused hopelessly with party prejudice give such utterances the favor of a passing thought?

A former President, now supporting that candidate, states that his man would write but one note on any subject. He seems to speak advisedly and with authority, as his statement is not denied. The President has written more notes than one on such complicated subjects as the submarine question. Many claim he was too firm and severe; some say that he was too lenient. However that may be, he has kept us out of war with honor to the Nation, just as the Progressive platform so wisely demanded.

Should Progressives now forget the demands of their platform? Should they now refuse credit where credit is due? Should they ignore the blessing of peace preserved to their country? They will not show such ingratitude. On the contrary, they will sustain the President. They will uphold his hands. They will rebuke the scheming demagogues and intemperate jingoes. They will repudiate the bargain of the bosses selling their birthright without their consent. This is evidenced by the action of Progressives in many States. They will not be delivered as planned at the billion-dollar dinner. They will justly approve those acts which have crystallized into laws the fundamental principles of the party's "contract with the people." [Applause on the Democratic side.]

MIXED FLOUR.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. RAINEY] is recognized for 40 minutes.

Mr. RAINEY. Mr. Speaker, in a remote corner of the Egyptian quarter of the British Museum can be seen to-day a little group of farming implements—a rusted sickle, a broken wooden plow, some sticks tied together with a leathern thong, and some tassels that probably hung on the horns of oxen. These farming implements were taken out of the tomb of an Egyptian Emperor who died 3,000 years ago. They were the bread tools of Egypt, used by her when she had an army and navy and a complicated system of government, and when there was a high development of the arts and sciences. These were the same tools used by her savage neighbors in that far-away period. They were the tools used by farmers for 3,000 years. The center of civilization moved slowly around the Mediterranean, and farmers still laboriously cut grain with a sickle as the centuries passed. During all that period of time every bushel of wheat gathered consumed three hours of a man's time. England was famine swept repeatedly as the centuries slowly passed. Herbert A. Casson, in his interesting publication, "The Romance of the Reaper," to which I am indebted for some of these facts, calls attention to the hunger which prevailed in the world for 3,000 years. During that period of time Rome said, "The first thing is empire"; Egypt said, "The first thing is fame"; Greece said, "The first thing is genius"; not one of them said, "The first thing is bread."

BREAD TOOLS OF TO-DAY.

In 1831 Cyrus H. McCormick, one of the greatest men this country has yet produced, the son of a Virginia farmer, perfected his reaper, and as he drove into a Virginia wheat field a mob of white laborers followed him up and down the field with boisterous expressions of disapproval. Here was an invention which threatened to deprive them of the right to work. To-day we have the self-binder, which has reduced the time of harvesting wheat to 10 minutes a bushel. Five or six hundred combined harvesters and thrashers are manufactured in this country each year for use in the Northwest. Drawn by 32 horses, they thrash and sack eleven hundred bushels of grain per day. Four hundred thousand mowers and grain harvesters are manufactured each year, but 30,000 of the old back-breaking cradles are still manufactured each year here for use in the eastern and southern portions of the United States. I can remember myself when a thrashing machine consisted of a separator operated by horsepower; there were two band cutters, two feeders, three measurers and sackers, and three or more men stacked straw in a cloud of dust. I can remember myself when a small army of men were required to harvest a field of wheat. To-day in the entire wheat field there is but one man—the man who drives the binder. This work may even be done by a boy. To-day a thrashing-machine outfit comprises a self-feeder, an automatic band cutter, automatic weighing and sacking devices, and an automatic swinging stacker, with a steam or gasoline engine for power.

PRICE OF BREAD TO BE INCREASED.

Yet, with all these time-saving and labor-saving devices, we are to-day advised that the rapidly forming food trust of this country proposes to increase the price of bread. To-day wheat is selling for $1.50 per bushel. This seems to be the excuse for increasing the price of bread. In July, 1915, wheat sold in Chicago for $1.53 a bushel and nothing was said about increasing the price of bread. In June, 1909, wheat sold in Chicago for $1.60 a bushel, and in July of that year for $1.40 a bushel. In May, 1898, wheat sold in Chicago for $1.85 a bushel. In September, 1888, wheat sold in Chicago for $2 a bushel. In May, 1876, it sold for $1.76 a bushel; in July, 1868, for $2.20 a bushel; in May, 1867, for $2.85 a bushel. Yet during all those years bread sold to the ultimate consumer at 5 cents a loaf. Frequently during that period of time 5-cent loaves of bread were larger and heavier than they are now.

PRICE OF BREAD IN EUROPE.

In view of the threat to increase the price of bread now being heard throughout the land, it is interesting to note the price of bread made out of pure wheat flour in other sections of the world. In some of the cities of the United States the weight of a loaf of bread is regulated by city ordinances. There are, so far as I know, no State laws on the subject. A 5-cent loaf of bread usually contains 12 or 13 ounces. Last Friday I purchased in the Washington market five loaves of bread of different popular brands. They each weighed on the morning I purchased them 13 ounces. On the next day at the same hour they weighed approximately 12 ounces, and on the next day at the same hour these same loaves weighed approximately 11 ounces each. Each loaf lost an ounce in weight each day.

In 1914, after the European war started, according to our consular reports, 26 ounces of bread sold for 7½ cents in Munster, Ireland. This bread was made out of Minneapolis flour, which at that time cost the bakers there $11 per barrel. Minneapolis flour is selling in the United States at $8.75 per barrel at the present time. At this rate, in 1914 war-time prices in Ireland to the ultimate consumer were at the rate of 3¾ cents for each 13 ounces of pure wheat bread made out of Minneapolis flour at $11 per barrel. On August 27, 1915, in Trieste, Austria, 35 ounces of wheat bread could be purchased for 12 cents. At this rate 13 ounces would cost 4 cents. On January 28, 1915, in London, England, 64 ounces of bread could be purchased for 15 cents, at the rate of 3 cents for each 13 ounces. Before the war, in London, on March 16, 1914, 64 ounces of bread sold for 13 cents. At that rate 13 ounces would cost there approximately 2⅝ cents at that time. Before the war, in Paris, France, on December 22, 1912, 16 ounces of bread sold for less than 4 cents. At that rate 13 ounces would cost a little over 3 cents. On November 13, 1911, in Lyon, France, 35 ounces of bread sold for less than 8 cents. At that rate 13 ounces would cost a little over 2½ cents. On September 2, 1910, in London, England, 64 ounces of bread sold for 12 cents, at the rate of 3 cents for each 13 ounces. In 1900, in Havre, France, bread sold for 3 cents for 16 ounces. In 1900 in the same place 16 ounces of bread cost 4 cents.

The war-time prices I have just quoted are for pure wheat-flour bread. In portions of German and Austria potato flour and wheat flour are being mixed at the present time, and a bread still cheaper than this is being manufactured. Under these circumstances it is difficult to understand under any rule of ordinary common honesty why the large commercial bakers of the country propose to increase the cost of a loaf of bread. There is absolutely no reason for it except that the rapidly forming Food Trust in the United States demands even larger profits than the unreasonably large profits now accruing to them.

PRICE OF WHEAT BREAD IN ARGENTINA.

Yesterday a representative of this administration in Argentina called attention to the fact that under the direction of the Government wheat bread was being sold at less than 9 cents for 38 ounces without the loss of a single cent.

CHICAGO PACKERS LEADING THE MOVEMENT.

Paul Schultz, the executive head of one of Chicago's largest baking concerns, seems to be conducting the publicity campaign and is at the head of the movement in this country to increase the price of bread. In a recent interview given out by him he insists that—

If flour prices remain at their present high figure, and I fear they will go higher, it will be impossible for bakers to sell the small-size loaf for 5 cents.

And in his interview he gives out the information that bakers throughout the country are preparing to act concertedly in advancing the price of a 5-cent loaf of bread to 6 cents. This interview was given out on August 17, 1916. At the present time the best standard spring wheat patent flours are selling at from $7.90 to $8.75 per barrel. It is exceedingly difficult to understand why if 13 ounces of bread made in Munster, Ireland, can be sold to the ultimate consumer for 4 cents, made out of Minneapolis flour at $11 per barrel, the price of 13 ounces of bread, made out of Minneapolis flour at $8.75 per barrel in the United States, should be increased at the present time to 6 cents per loaf. In this connection it is interesting to note that the Chicago packers, who control the meat supply of the country, are declaring dividends on their capital stock of from 18 per cent to 77 per cent a year, and it is interesting to note that the firm of Swift & Co., which in 1914 paid a dividend on its capital stock of over $5,000,000 and in 1915 paid a like dividend, and during those two years added to their surplus nearly $13,000,000, control the Schultz Baking Co. in Chicago, which is leading in this movement for a 6-cent loaf. Therefore the packing interests in Chicago are leading the movement in the United States for a 6-cent loaf of bread.

MIXED FLOUR.

The Spanish-American War-tax measure of 1898 imposed a tax of 4 cents a barrel on mixed flour, and an occupation tax of $12 per year. It was discovered in the early nineties that 20 per cent of corn flour and 80 per cent of wheat flour made a most excellent bread mixture, and from a mixture of that kind a loaf of bread could be made as valuable for human food and hardly to be distinguished from bread made from pure wheat flour. A new industry commenced to develop in the country and wheat flour and corn flour were mixed and sold as flour. About that time there was also an attempt to place on the market mineral adulterants. All this lead to the insertion of the mixed-flour tax in the Spanish-American War tax measure of 4 cents per barrel. Every vestige of the Spanish-American War tax disappeared long ago except this tax of 4 cents per barrel on mixed flour. It has never yielded a revenue.

In 1899 it yielded nearly $8,000, and at that time there were 116 persons or firms engaged in the business of manufacturing, packing, or repacking mixed flour. By 1905, however, the total collections amounted to only $1,600, and there were only 17 persons engaged in the business. In 1915, on account of the great price differences between corn and wheat, 35 persons or firms were engaged in the business, and a little over $5,000 was collected. It has never been a revenue measure, and it has always cost more than the amount collected to collect the tax. The effect of the tax and the moonshine whisky regulations which go with it, to wit, the destruction of containers, the keeping of books, and so forth, has completely destroyed the business. The small amount of tax collected is collected principally from the makers of the so-called health flours and the makers of pancake flours. I introduced in the last Congress a bill to repeal the tax on mixed flour used in the manufacture of health flours and pancake flours. Later on I introduced a bill in the House to remove the entire tax. The objection made to this throughout the country was that it might permit adulterations of flour and might permit again the sale of mixed flours at home and abroad under representations that the packages contained pure wheat flour. I thereupon drew the bill upon which hearings have been had before the Ways and Means Committee, and which bill is now pending before that committee. The repeal of the mixed-flour tax has been recommended by the Treasury Department, and the mixing of corn flour and wheat flour has been recommended by the Agricultural Department in numerous press bulletins issued by them. The pending bill, known as the "Rainey mixed-flour bill," requires that mixed flour shall contain only the product of wheat or wheat flour ground and mixed together with the product of other grains, and the bill requires that the packages containing it be labeled "Mixed flour," and the percentage of the ingredients be plainly and conspicuously marked upon the package. It is impossible under the mixed-flour bill to mix mineral substances with mixed flour. This can be done, however, under the mixed-flour law as it now stands. At the present time, on account of the existing mixed-flour law, no mixed flour is made in this country for the purpose of making bread, except for the purpose of making the pancake flours and the health flours to which I have called attention. Some corn flour is made, however, for other purposes. Notwithstanding the fact that my bill has been indorsed by farmers' organizations throughout the country and by the food departments of various States—in fact, by almost every agency to which the proposition has been submitted—it is being fought most vigorously by the wheat millers of the country and by the commercial bakers, headed by the Schultz Baking Co., of Chicago, by the Minneapolis millers, the Minneapolis Board of Trade, and by the wheat elevator interests of the country generally.

WHAT THE RAINEY MIXED-FLOUR BILL WILL ACCOMPLISH.

If the mixed-flour bill should become a law, it will increase at once the available bread supply of the country 20 per cent, and if the mixed-flour bill should pass, there will be no 6-cent bread. The Chicago packers, the Minneapolis millers, and the wheat elevators of the country together make up the food menace in the United States to-day. The assistance of small bakers throughout the United States is being invoked in the movement, and the assistance of the smaller wheat millers throughout the country. Some Members of Congress have received as many as 100 telegrams from millers in their districts, who know nothing at all about this bill, protesting against its passage. The milling papers of the country, influenced by their advertisers, are almost without exception advancing the interests of the rapidly forming Food Trust of the country and protesting first of all against the mixed-flour bill. Throughout the corn belt of the country small wheat millers with waving fields of corn growing up to their very doors are protesting most violently against the passage of the mixed-flour bill. They accept the advice of the rapidly forming Food Trust of the country, as contained in the trade papers they receive, and blindly protest against the passage of a measure of which they will be the principal beneficiaries.

THE FIGHT FOR CHEAPER BREAD.

The movement in the world for cheaper bread has always been attended by such opposition as this. It was claimed that the use of iron and steel plows poisoned the land, and for that reason wooden plows should not be abandoned. It was claimed that steam power for thrashing machines would lessen the price of the horses the farmers might have to sell, and for that reason the old horsepow methods should prevail. The mobs which followed Cyrus H. McCormick through a Virginia field

as he demonstrated his first reaper protested against this device upon the theory that it would deprive them of the right to labor, and it was 10 years before he succeeded in selling any of his machines. The millers of the country fought most violently the displacement of the old burstones by roller mills, and the modern system of roller mills was only adopted after a long fight; and so to-day we find wheat millers in the corn belt of the country protesting against the adoption of a measure which will place upon the market a perfectly wholesome flour under regulations which will make it the purest flour known to the trade, as well as the cheapest. The Minneapolis millers, the elevator interest, and the great commercial bakeries understand the situation. They realize the menace presented by this bill to the enormous profits they now enjoy, and the small wheat millers of the country seem inclined, without investigating things for themselves, to accept as true the statements made to them by the larger millers.

THE REASON FOR THE OPPOSITION TO MIXED FLOUR.

In the hearings before the Ways and Means Committee Gov. Lind, of Minnesota, representing the milling interests of his section, very frankly admitted that those interests were prospering, that it was not the tax that prevented the mixing of wheat flour and corn flour, but it was the odium carried by the Government stamps and the implication of impurity which saved them from competition with mixed flour, and this was the reason they did not want the stamps removed. Therefore at the present time we are keeping off the market, by taxing it and imposing upon it moonshine whisky requirements, a perfectly wholesome food product—a loaf of bread made out of mixed flour that will contain 16 ounces and sell for 5 cents.

MIXING GRAIN.

Alison Secor, in Successful Farming for February, 1916, calls attention to a mixing process at the Duluth elevators which prevails throughout the country. In 1902 the Duluth elevators took in 15,000,000 bushels of No. 1 northern wheat and shipped out 19,000,000 bushels of the same kind of wheat. They took in 19,000,000 bushels of No. 2 northern wheat in that year and shipped out only 15,000,000 bushels. They took in 892,000 bushels of rejected wheat and shipped out 94,000 bushels of rejected wheat. They took in 2,500,000 bushels of no-grade and shipped out only 268,000 bushels of no-grade wheat. In 1904 the Duluth elevators took in 12,500,000 bushels of No. 1 northern wheat and by a sleight-of-hand process shipped out 18,000,000 bushels. In that year they took in 2,500,000 bushels of No. 2 northern wheat but shipped out only 283,000 bushels. What happened at Duluth is going on throughout the country in the larger elevators. The way in which this is accomplished is that they simply mixed the rejected wheat and the no-grade wheat with the No. 1 northern and the No. 2 northern, and the result is that in these two years they shipped out at Duluth many million bushels more of No. 1 northern wheat than they took in. By the method in vogue of grading wheat at the great elevators wheat farmers are robbed and the Food Trust reaps enormous profits, and yet the same interests which mix wheat of different grades or of no grade in the great elevators of the country are opposed, all of them, to the mixed-flour bill, which would permit the sale on the market of perfectly pure corn flour and perfectly pure wheat flour combined. The process of mixing different grades of wheat which goes on in the elevators of the country goes on, of course, in the large flour mills of the country, and perhaps also in many of the smaller flour mills, and yet these industries, which consider that sort of practice perfectly proper, are objecting most strenuously to this bill which means cheaper bread.

OUR PRINCIPAL PRODUCT.

We raise more corn than can ever be raised in all the rest of the world. We have a monopoly of the world's supply of corn. Wheat, however, is a world crop. They raise half as much wheat in France as we raise in the United States. They raise in Europe three times as much wheat as we raise in the United States. They have in Europe a hundred and twenty million acres of land in wheat. We have in the United States only 47,000,000 acres of wheat. James J. Hill, a short time before his death, called attention to the fact that we had completely developed our wheat lands and that the yield per acre was constantly decreasing. He also called attention to the fact that before many years pass we will be importing wheat in the United States. Notwithstanding all these facts, the Food Trust of the land continues its advocacy of the present mixed-flour tax, which operates as a discrimination against our greatest cereal. The action of the Food Trust ought to receive the severest condemnation from every farmer in the land who raises corn, whether his local wheat miller favors the retention of the mixed-flour tax or not.

OUR GREAT COMMERCIAL BAKERIES.

In the great bakeries located in our large cities we convert flour into bread cheaper than they do in any other country in the world. Our bakeries are marvels of efficiency and economy, not exceeded in this particular by the great plants of the Chicago packers. Without being touched by human hands, flour and the other ingredients which make bread are mixed, move on endless belts through ovens, and come out golden-brown loaves ready for consumption, even labeled with the trade-mark of the maker. They are gradually driving out of existence the small bakers in our smaller towns and cities who make bread by cruder methods. Thousands of carloads of bread leave our cities every morning consigned to rural communities. Bread making in our homes is getting to be a lost art. The commercial bakers of our great cities practically control the bread supply of this country to-day, and have commenced to demand already a 6-cent loaf.

WATER IN BREAD.

One reason for the opposition of the great commercial bakers to a loaf of bread made out of mixed flour is this: The loaf will be an honest loaf, and it will be impossible for it to carry as much moisture as a loaf made entirely out of wheat flour. I have in my possession a number of clippings made from milling papers, some of them being made from the Northwestern Miller, one of the principal organs of the Food Trust, others being made from the trade papers which reach bakers. The Northwestern Miller, which protests so vigorously against the iniquity of mixed flour, announces that the firms advertising in that paper are thoroughly reliable and responsible. In the issue of the Northwestern Miller of February 16 of this year the National Milling Co., of Toledo, Ohio, advises the commercial bakers of the land that they are the "strategic millers," for the reason that the "Osota flour" they manufacture will produce from 5 to 20 more loaves to the barrel than any other flour, and that if you use the flour made by this mill you will be able to "bake more loaves for less money and sell more for more money." The Star & Crescent Milling Co., of Chicago, Ill., advertise that their flour has "great water-absorption power." The Campbell Milling Co., of Owatonna, Minn., advises commercial bakers that their flour will "absorb enough water to insure the baker of the greatest number of loaves to the barrel." The Eagle Roller Mill Co., of New Ulm, Minn., advises bakers that their flour will "absorb large quantities of water." The Akin-Erskine Milling Co., of Evansville, Ind., advises bakers that they produce "a thirsty bread flour for bakers' use." The Acme-Evans Co., of Indianapolis, Ind., represent that their flour has "high absorption power." The Red Wing Milling Co., of Red Wing, Minn., insist that their flour is the "big bread producer." The Ismert-Hincke Milling Co., of Kansas City, Mo., advises bakers that with their "Thunderbolt" flour they can "use more water." Every one of these mills advocating this character of dishonest flour is, of course, protesting against my mixed-flour bill. Every great commercial baker in the country anxious to sell water mixed with bread is opposed to my mixed-flour bill. The weights I have made myself of bread, and to which I have called attention in this address, produced here in Washington show what can be done in the matter of weighing out water with bread. This can not be done with a loaf made out of mixed flour and the commercial bakers of the country and the great wheat millers of the country know it; therefore their opposition to the mixed-flour bill.

Durham wheat was in disrepute a few years ago. It was known as goose wheat, bastard wheat, and other opprobrious terms were applied to it. When it was found, however, that flour made out of it had tremendous water-absorption power flour made from it became at once a popular flour. Durham wheat now is more in demand than any of the northern wheats. Not many years ago milk dealers mixed water with milk but a growing public sentiment has produced a change in that particular, and the milkman who would advertise at the present time that his milk could carry more water than other milk would not find many customers.

HOW MIXED FLOUR IS MARKED UNDER THE PRESENT LAW—HOW IT WILL BE MARKED UNDER THE PROPOSED LAW.

Many of the smaller millers of the country are flooding Members of Congress with letters and telegrams asking them to vote against the Rainey mixed-flour bill, for the reason that if the present tax is repealed it will be possible to mix mineral substances with mixed flour, and most of these smaller millers have been lead to believe, by the misrepresentations in the trade papers controlled by the rapidly growing Food Trust of the country, that this would be true. As as a matter of fact, mineral substances if not injurious to health can be included now in mixed flour under the law this bill seeks to repeal. The

only thing which prevents the addition of mineral substances to pure-wheat flour or mixed flour is the pure food law of 1906. This is the only law which has prevented injurious food adulterations so common prior to its enactment. Under the proposed mixed-flour law nothing can be mixed in making flour except wheat flour and the flour of some other grain. It will be impossible under its terms to mix anything with it except leavening agents; and leavening agents consist merely of such substances as salt, bicarbonate of soda, and so forth, which are now contained in the self-raising flours used for the purpose of making biscuits, pancakes, and so forth, sold in small packages. Under the testimony of departmental officials, produced at the hearing before the Ways and Means Committee under the present mixed-flour law, a sack of mixed flour labeled as indicated on the card I now produce would be sufficiently marked:

Doe's best fancy patent flour, 49 pounds net. Richard Doe & Co., Minneapolis, Minn. Mixed flour: Wheat and corn flour.

Under the proposed mixed-flour law the labeling would be as indicated on the card I now display, under the testimony of departmental officials, which reads as follows:

Fourty-nine pounds net. Star brand mixed flour: Corn flour 20 per cent, wheat flour 80 per cent, John Doe & Co., Chicago.

I respectfully submit that the labeling under my proposed bill is much more satisfactory and stronger than that provided for in the existing law.

MINERAL SUBSTANCES IN FLOUR.

Recently I addressed to the Commissioner of Internal Revenue a letter containing four questions and received his answer to the same. The questions had reference to the mixed-flour bill now pending (H. R. 9409, 64th Cong., 1st sess.). The questions and answers are as follows:

1. Question. Under the definition of mixed flour therein contained can any mineral substances be added to the product sold under the designation mixed flour as provided in the bill, whether injurious to health or not?

1. Answer. Under the definition of mixed flour as provided in this bill, no mineral substance whether injurious or not, could be legally added to a product sold under the name of mixed flour, unless the clause on line 14, page 2, "Whether the same contains a leavening agent or not," offers a loop hole for this to be done, as the term "leavening agent" might possibly be construed so broadly as to include some mineral substances. For instance, under a technical and chemical definition certain leavening agents, such as salt, bicarbonate of soda, etc., might be termed "mineral substances or compounds."

2. Question. Under the definition and under the labeling provided for in this bill can any products other than such food products as may be obtained from the grinding or mixing together of wheat or wheat flour with any other grain or with the product of any other grain be included in any package sold as mixed flour?

2. Answer. This is answered in part by the first. The definition and labeling provided for by this bill would limit the term "mixed flour" to a product composed of wheat or wheat flour mixed with other grains, or the product of other grains.

3. Question. It is insisted that a number of years ago mineraline and similar products were mixed with flour. If the bill H. R. 9409 is enacted into law will it be possible to mix with the product known as mixed-flour mineraline or similar products whether injurious to health or not?

3 Answer This office has received no direct official information of the use of mineraline as an adulterant of flour.

If H. R. 9409 is enacted into law it will prevent the use of such substance as mineraline in flour or mixed flour, unless it is combined with some other ingredient and used under the provision permitting a leavening agent.

4. Question. Under the pure-food laws as they now stand is it possible to mix mineraline marble ground into flour, or similar materials with flour provided said products are not injurious to health?

4 Answer This office is not in a position to answer this question concerning the effectiveness of the present pure-food laws, as these are under the jurisdiction of the Department of Agriculture, but if this question refers to the internal-revenue acts relating to mixed flour, there is nothing in this act to prevent the use of mineraline, marble dust, or any other substance in mixed flour if any manufacturer desired to use the same, pay the tax on the product, and brand it as required by the law and regulations.

If any manufacturer at the present time should use a deleterious substance in mixed flour, the only law, if any, to which resort could be made to prevent such practice, would be the pure-food law, act of June 30, 1906, as the act of June 13, 1898, as amended, would not cover such a case.

RECENT CONVENTION OF THE ASSOCIATION OF MASTER BAKERS.

This convention met in Salt Lake City a short time ago. The Bakers' Weekly, in its convention issue of August 19, calls attention to the fact that President Burns of the association, in his keynote speech, announced that a "comprehensive publicity campaign" would be inaugurated for a higher selling price of bread "which would require many thousands of dollars," but the master bakers were assured that arrangements had been made to raise the necessary funds.

The statement of the treasurer submitted at that convention showed that in 11 months which preceded the 1st day of August, 1916, he had collected in dues a little over $9.000 and in that period of time had expended considerably over $13,000. There seems, however, to have been some cash in bank on the last day of August, 1915, which prevented a deficit. The statement shows that during that period of time over $4,000 was expended in salaries. It is therefore apparent that this organization is not in a position to pay for a publicity campaign costing many thousands of dollars out of its funds. Just why a publicity campaign is necessary in order to bring about simultaneously throughout the country an increase in the price to the consumer of a loaf of bread is not easily understood. An examination, however, into recent events makes the whole matter plain enough. The campaign, however, is going on at the present time. Anyone who reads the papers can see what it is and where this enormous publicity fund, in part at least, may be obtained.

WHAT THE CHICAGO PACKERS HAVE TO DO WITH THE PROPOSED INCREASE IN THE PRICE OF BREAD.

On August 16 the Associated Press carried the interview with Paul Schultz, head of one of the largest baking concerns in the world, to which I have called attention. Representatives of the Swift Packing Co. interests own controlling shares of stock in this bakery. Mr. Schultz, in this interview, said, "Bakers throughout the country are preparing to act concertedly in advancing the price of a 5-cent loaf of bread to 6 cents. The advance may come within the next two weeks." With this interview the publicity campaign announced by the president of the Association of Master Bakers commenced, and every newspaper in the country to-day is discussing the proposed increase in the price of bread. In this way the concerted action mentioned by President Burns is brought about. They expect that small country bakers, who sell an honest loaf of bread at an honest price, will join in this Nation-wide movement. Already in a few localities in the country the price of bread has been increased to 6 cents a loaf, and it is hoped by the bakers that the movement will continue.

Part of the propaganda was to expel from the National Association of Master Bakers the Columbus Laboratories of Chicago. The Columbus Laboratories have been admitted to associate membership. Dr. Wesener, of the Columbus Laboratories, had testified before the Ways and Means Committee in the hearing on the mixed-flour bill that under the proposed bill mineral substances could not be used, and that flour made out of pure wheat flour mixed with corn flour would make a pure food suitable for human consumption. Dr. Wesener is a chemist of world-wide reputation and one of the greatest food experts in the United States. This was the offense committed by the Columbus Laboratories. This firm was expelled, and their expulsion is being published in all the papers that reach bakers, in order to more completely terrorize the members of that organization.

It is interesting to note in this connection that a great commercial bakery, which has its establishments in New York, Brooklyn, Cambridge, and other cities, recently admitted to Mayor James M. Curley, of Boston, that a certain brand of flour used in making bread put out by this bakery contained gypsum or plaster of Paris. This firm belongs to the National Association of Master Bakers, and was represented at the Salt Lake City convention, and there was not the slightest protest at that convention against this kind of food adulteration, and yet the report of the convention bristles with resolutions, reports, and speeches protesting against the mixing of perfectly wholesome corn flour and wheat flour.

The publicity campaign, which is to cost thousands of dollars, is on at the present time. The packers, the Minneapolis millers, and the great commercial bakers of the country seem about to win their fight for higher prices for bread. They can only be prevented from doing it at the present time by an aroused public sentiment and by removing the restrictions placed in this country upon a perfectly wholesome product created by the mixing of corn flour and wheat flour.

Mr. BENNET. Mr. Speaker, I ask unanimous consent that the gentleman from Oklahoma [Mr. MORGAN] may proceed for 10 minutes.

Mr. RAINEY. Reserving the right to object, I want to ask who is next on the Speaker's list?

The SPEAKER pro tempore. Next on the list is the gentleman from Indiana [Mr. Cox].

Mr. RAINEY. I would like to inquire if he is present.

The SPEAKER pro tempore. The gentleman from Indiana [Mr. Cox] is not present. Next after him is the gentleman from Illinois [Mr. WM. ELZA WILLIAMS].

Mr. RAINEY. I would like to inquire if he is present?

The SPEAKER pro tempore. He is not.

Mr. RAINEY. That completes the program on our side for to-day, I believe.

Mr. KEATING. Mr. Speaker, I make the point of no quorum.

Mr. RAINEY. I hope the gentleman will not do that.

Mr. MORGAN of Oklahoma. I would like a few minutes.

Mr. RAINEY. How much time does the gentleman want?

Mr. MORGAN of Oklahoma. I will take only a few minutes.

Mr. KEATING. I will reserve the point of no quorum.

The SPEAKER pro tempore. The gentleman from New York [Mr. BENNET] asks unanimous consent that the gentleman from Oklahoma [Mr. MORGAN] may proceed for 10 minutes. Is there objection?

There was no objection.

FREE TRADE IN FARM PRODUCTS.

Mr. MORGAN of Oklahoma. Mr. Speaker, I have listened this afternoon to a number of political speeches. I have been entertained and instructed. The other day I was down in the Bureau of Printing and Engraving. In that wonderful workshop I witnessed the employees manufacturing paper money of all kinds, stamps, and so forth. I came to one division where it was the duty of the employees to detect imperfections in the work the others had done. Like these employees, it is the duty of the Republicans at this time to point out the imperfections in the policies and in the management of national affairs by the party now in power. In the Bureau of Printing and Engraving it is necessary that those people whose business it is to point out the errors, mistakes, and imperfections of others shall have a high degree of skill. They must be experts.

But that is a qualification we Republicans as critics do not need to possess. It does not require a high degree of skill to point out the mistakes and blunders of the present Democratic administration or to show the imperfections of its economic policies.

There was a bill called up in the House this morning (H. R. 17350) entitled "A bill to promote export trade." There is another bill which has passed both Houses of Congress, but which has not become a law, which is known as the administration shipping bill. The object of this bill is to promote export trade. These bills have a good purpose in view. There never has been a time during the last half century when there was so great a need of promoting export trade. The shipping bill proposes to appropriate $50,000,000 to aid in the purchase or construction of merchant ships. The other bill to which I referred repeals the antitrust law and permits the organization and operation of trusts or combines among American manufacturers and producers who are engaged entirely in export trade. Without passing on the merits of these two measures, in my opinion they will not accomplish their purpose so long as this Nation follows the present Democratic economic policies.

The fact is that outside of Europe, where the favorable trade conditions are entirely the result of the European war, our foreign trade is in a deplorable condition, and has been going from bad to worse since the tariff-for-revenue-only policy of the present administration went into effect.

In the fiscal year of 1913 this country in its trade with non-European countries had a favorable trade balance of $66,667,538. In other words, in our trade in that year with non-European nations we made $66,667,538 net profit. In the fiscal year ending June 30, 1916, in our trade with non-European countries there was an unfavorable trade balance against us of $247,155,325. We lost this amount in our trade with non-European nations in 1916. In going from a favorable trade balance to an unfavorable trade balance in the amounts indicated above means an annual loss to us in net profits of $313,822,863. Taking all non-European countries in groups, including North America, South America, Asia, Africa, and Oceania, and comparing our favorable trade balances of 1914, 1915, and 1916 with our favorable trade balances with these countries in 1913, the United States has had a net loss in its favorable trade balance of $830,060,751. Excluding Russia in Asia, where war orders have enormously increased our exports, our total net loss in favorable trade balance for these three years has been $962,944,138. Now, the way to regain our profitable trade balance with these countries is to return to the Republican protective tariff policy under which the United States for half a century enjoyed the most profitable trade balance that has ever been carried on by any nation in the history of the world.

Mr. BENNET. Will the gentleman yield?

Mr. MORGAN of Oklahoma. Yes.

Mr. BENNET. Is the gentleman aware of the fact that we would have exported a good deal more from the United States if it had not been for the British black list, under which Americans can not export in American ships from American ports goods to South America?

Mr. MORGAN of Oklahoma. I have no doubt that the course that some nations have been pursuing has had some bad effect upon our export trade; but I want to say to the gentleman from New York that the "black list" has only been in force a few weeks, while the loss of the foreign trade has been going on since October 3, 1913, when the new tariff policy was put in force, so it can not be charged to the "black list."

But, Mr. Speaker, the tariff-for-revenue-only policy has not only destroyed our profitable trade with non-European countries but it has had an injurious effect upon our two great fundamental industries, namely, agriculture and manufacturing. The Underwood Tariff Act was approved October 3, 1913. It is a tariff-for-revenue-only measure. I did not vote for it, because I believe in a protective tariff policy. A number of gentlemen on the Democratic side of the aisle have boasted of the good times we are now having, and, of course, attribute present business conditions to the effect of Democratic policies. I do not care to make a political speech in this House and I certainly shall not make a partisan speech anywhere.

I do not, however, believe in free trade or in a tariff for revenue only. I believe in the policy of protection. The prosperity we have now, all candid men will admit, has been brought about by the large demand the European war has made for both our manufactured products and the products of the farm. The war orders have stimulated the work of the factory and the farm. The increased demand has greatly enhanced the price of farm products as well as the products of our mills, mines, and factories. Thousands of men engaged in various fields of labor have been called home to Europe to join the colors in the armies of Europe. The war has also largely stopped immigration, so that from this source labor has not received the usual increase of supply.

The result has been to make labor scarce, and as the general result wages have increased. All this is only temporary. The European war will not last always. We all devoutly hope it will soon end. But when the European war closes things will be different. We must go back to normal conditions. The 30,000,000 men now in arms in Europe will return to the avocations of peace. The abnormal and extraordinary demands for our goods, merchandise, munitions, war supplies of all kinds, and including the great demand for farm products and foodstuffs will cease. The demand for labor will not be so great. The tendency will be to reduce wages. The war market now boosting the price of farm products will not exist. That the prices of farm products will go down is certain. The farmers of this country should also bear in mind that the European war has taken the surplus supply of farm products from every neutral country in the world. But when this great war is over, the countries which have a surplus of farm products will be seeking a market. Now, this brings me down to the main question I wish to discuss.

The tariff law, approved October 3, 1913, so far as farm products are concerned, establishes a free-trade policy. The chief farm-products are placed on the free list. I do not believe that free trade in farm products is a good thing for our farmers or a good thing for our country. I think the farmers of the United States, before they cast their votes for President and for Representatives and Senators in Congress should know the facts, reach a conclusion as to what policy they think will best serve their interests, and then vote accordingly. Most of my constituents are farmers. I represent an agricultural district. The people who live in the cities, towns, and villages of my district are dependent upon the wealth produced by our farmers. Under no circumstances would I cast a vote which I thought was inimical to the welfare of my constituents. In politics my constituents are fairly evenly divided. I am desirous of serving all my constituents regardless of politics. But I can not understand how farmers, living in the same State, in the same county, and the same community can hold opposite views on the question of whether or not there shall be some protection in the home market for the American farmers. I do not comprehend how an American farmer can vote for free trade in farm products—vote to give the farmers of Canada, of Mexico, of all the Central and South American Republics, and of Australia, New Zealand, and China and Japan free access to their markets.

The American farmers know that in Canada, in Mexico, in the Central and South American Republics, and in Australia and New Zealand land is cheaper, farm labor is cheaper, the cost of production is less, the standard of living is lower, and that especially in Mexico and in the Central and South American Republics the character of citizenship is far inferior. I can not see how the farmers of the United States should want to be placed in free competition with these countries and their people. Yet, I fear that many good American farmers will go to the polls on election day and vote for the Democratic candidate for President and for Democratic candidates for Representatives and Senators in Congress, knowing these men, if elected, will vote to perpetuate the present policy of free

trade in farm products. I know why the tariff was taken off of farm products. It was done to gain political favor with the millions of voters living in the great cities. I do not believe in building up antagonism between those who live in our great centers of population and those who live in agricultural districts. But the farmers of the United States and those who live in the smaller towns and cities, where agriculture is the chief source of wealth for everybody, should be keenly alive to their own interests and to the prosperity of the great industry which sustains them. It must not be forgotten that the great commercial, industrial, and financial interests centered in our great cities look out for their interests. The farmers, on economic policies, which vitally affect their industry, their prosperity, and their welfare, should vote together.

I shall now submit a table. The left-hand column shows the rates of duty upon farm products under the Republican tariff law of 1909, and the right-hand column shows the rate of duty under the Democratic tariff act approved October 3, 1913:

AGRICULTURAL ARTICLES.

Under act of 1909.	*Under act of Oct. 3, 1913.*
CATTLE.	
Cattle, if less than 1 year old, $2 per head; all other cattle, if valued at not more than $14 per head, $3.75 per head; if valued at more than $14 per head, 27½ per cent ad valorem.	Free list (except when such importations would spread disease among cattle of the United States).
SWINE.	
$1.50 per head.	Free list.
HORSES AND MULES.	
Horses and mules valued at $150 or less per head, $30 per head; if valued at over $150, 25 per cent ad valorem.	10 per cent ad valorem.
SHEEP.	
Sheep 1 year old or over, $1.50 per head; less than 1 year old, 75 cents per head.	Free list.
POULTRY.	
Poultry, live, 3 cents per pound; dead, 5 cents per pound.	Poultry, live, 1 cent per pound; dead, 2 cents per pound.
BROOM CORN.	
$3 per ton.	Free list.
CORN.	
15 cents per bushel.	Free list.
CORN MEAL.	
40 cents per 100 pounds.	Free list.
OATS.	
15 cents per bushel.	6 cents per bushel.
OATMEAL AND ROLLED OATS.	
1 cent a pound ($1 per 100 pounds).	30 cents per 100 pounds.
OAT HULLS.	
10 cents per 100 pounds.	8 cents per 100 pounds.
BUTTER AND SUBSTITUTES.	
6 cents per pound.	2½ cents per pound.
RYE.	
10 cents per bushel.	Free list.
MILK.	
2 cents per gallon.	Free list.
EGGS.	
5 cents per dozen.	Free list.
POTATOES.	
25 cents per bushel.	Free list.
HAY.	
$4 per ton.	$2 per ton.
APPLES, PEACHES, ETC.	
25 cents per bushel.	10 cents per bushel.
PEANUTS.	
Unshelled, one-half of 1 cent per pound. Shelled, 1 cent per pound.	Unshelled, three-eighths of 1 cent per pound. Shelled, three-fourths of 1 cent per pound
BACON AND HAMS.	
4 cents per pound.	Free list.
FRESH BEEF, PORK, ETC.	
Fresh beef, veal, mutton, lamb, and pork, 1½ cents per pound.	Free list.
WOOL.	
First class, 11 cents per pound. Second class, 12 cents per pound. Third class, 4 cents per pound (when valued at less than 12 cents per pound).	Free list.
WHEAT.	
25 cents per bushel.	Free list.
WHEAT FLOUR.	
25 per cent ad valorem.	Free list.
BISCUIT AND BREAD.	
25 per cent ad valorem.	Free list.
MEATS.	
Not specially provided for, 1½ cents per pound.	Free list.

From the foregoing table it will be observed that cattle, swine, sheep, poultry, corn, corn meal, rye, milk, eggs, potatoes, bacon and hams, fresh beef, veal, mutton, lamb and pork, wool, wheat, wheat flour, biscuit and bread, and meats were placed on the free list. There is a countervailing duty on wheat, but this is not protection to the American wheat producers, as it is within the power of the foreign Government to remove this duty at any time and obtain free access to our markets. Besides, the countervailing duty may not be sufficiently high to afford the necessary protection to the American wheat producers.

Upon the other articles mentioned in the above list the duties have been reduced to such a point that they will not afford adequate protection to American farmers.

On September 30, 1913, when the Underwood tariff bill was pending, I protested against the policy of free trade in farm products as being an injustice to American farmers. I predicted that the effect of this free-trade policy would result in a large increase in the importation of farm products to be sold in the markets of the United States in competition with the products of our own farms. As shown by the CONGRESSIONAL RECORD, among other things, I said:

"The reduction of the duty on many farm products below the point of protection and the placing of all other farm products on the free list will largely increase the importation of such products. These importations will come from Canada, Australia, Cuba, Mexico, South American Republics, and from every other country that has cheap lands, cheap labor, cheap living, or cheap men. The supply of farm products in the United States will be greatly augmented. These imported farm products will be on sale in all the great markets of the United States in competition with the farm products of Oklahoma and of all other States of the Union. These imported farm products will come in the main from countries where land is cheaper than it is generally in the United States, where the cost of production is less, where farmers receive less compensation for their services, where farmers and their families live on a low standard and occupy an inferior social position. All this must have a tendency to lower the price of lands in the United States, to reduce the compensation which our farmers receive for labor upon the farm, and to place our farmers and their families in their manner of living and the social position they occupy upon a level with the poorest and most ignorant farmers of the world."

The prediction which I made came true. There was a large increase in the importation of various kinds of farm products.

Under the Republican tariff law of 1909, during the months of October, November, and December of 1912, and January of 1913, there were imported into the United States 250,000 bushels of corn. In the same months of October, November, and December of 1913, and January of 1914, under the free-trade policy established under the Underwood tariff law, there were imported into the United States 7,034,159 bushels of corn. This importation of corn came from Argentina, one of the progressive and rapidly growing South American Republics. Argentina has a vast area and has wonderful opportunities for the expansion of agricultural interests.

During the same months for 1912 and 1913 the importation of oats was 23,580 bushels and under the present law in the same months in 1913 and 1914 the importation of oats was 16,194,145 bushels.

During the same months in 1912 and 1913 butter to the value of $122,000 was imported into the United States. During the same months for 1913 and 1914 butter to the value of $1,631,000 was imported into the United States.

Under the old law in these four months potatoes to the value of $84,000 were imported and during the same four months in 1913 and 1914 potatoes to the value of $1,476,000 were imported into the United States.

Under the old law there were no importations of eggs during the four months of 1912, but during the four months of 1913 and 1914 $612,000 worth of eggs were imported into the United States. Grouped together—10 agricultural products—the total importations in 1912 and 1913 under the old law in these four months were valued at $14,503,000—while under the new law—for these 10 agricultural products—the importations were valued

at $54,750,000. I insert here a table showing the importations of the 10 farm products above referred to:

Recapitulation of imports of principal farm products during months of October, November, December, 1912, and January, 1913, and the corresponding four months of 1913–14.

Products.	1912-13	1913-14
Corn	$139,765	$4,656,213
Oats	11,704	5,626,406
Potatoes	122,309	1,031,759
Animals	3,464,392	12,278,166
Breadstuffs	5,364,523	18,534,956
Eggs		612,759
Beans	141,728	331,730
Peas	160,370	268,634
Wool	3,545,669	5,219,138
Woolens	1,468,228	4,668,349
Total	14,503,330	54,706,929

August 1, 1914, the European war broke out, as I have heretofore pointed out, and this war created extraordinary demands for many kinds of farm products not only in the United States but in the Central and South American Republics, and in Australia, and in every neutral country. This demand not only stimulated exports of farm products from the United States to European countries but stimulated the exportation of farm products from every other neutral country to the European countries at war. The effect of the war, therefore, was to check the importation of farm products into the United States.

However, the European war has not entirely overcome the inflow of farm products into the markets of the United States in competition with the products of her own farms. This is shown by the following statistics published by the Department of Commerce. The importation of all kinds of foodstuffs, including food animals, into the United States for 1913 to 1916 were as follows:

Imports of all foodstuffs, including food animals.

1913	$405,719,720
1914	475,591,950
1915	509,654,655
1916	561,542,511
In 1914, increase over 1913	69,872,230
In 1915, increase over 1913	103,934,935
In 1916, increase over 1913	155,822,791
Total for 3 years	329,629,956

An examination of the above table shows that the imports of all kinds of foodstuffs and food animals for the fiscal year ending June 30, 1914, were $69,872,230 in excess of the imports of such articles for 1913; the imports for 1915 were $103,934,935 in excess of 1913; and the imports for the fiscal year 1916 were $155,822,791 in excess of 1913. The total increase in the value of the imports of all kinds of foodstuffs and food animals in 1914, 1915, and 1916, compared with 1913, was $329,629,956. The result has been as I predicted. Since we have adopted the policy of free trade in farm products we have largely increased our purchases of foodstuffs and food animals from abroad. The increase has averaged more than $100,000,000 annually. This great influx of farm products from other countries has come notwithstanding the demands created by the European war. Had times been normal the importations of food products would have been much larger. Now, this extra $329,000,000 was sent abroad to help the farmers of other countries. It should have gone to our own farmers. Fortunately for our farmers the demands of the European war have in a large measure counteracted the natural effect of the free trade in farm products policy. It has limited importations and made prices high. But the intelligent farmers of the United States know the war will soon end and that the flow of farm products from other countries will come with ever-increasing volume.

DECLINE OF PRICES.

With an increased supply, with no material increase in the demand, and with a diminished and restricted market, naturally, logically, and inevitably there will be a decline in the prices of farm products in the markets of the United States.

The problem of prices is as important as the problem of production. The profits of the farmer depend as much upon the prices he receives as upon the quantity of his products. The annual wealth produced by the farmers of Oklahoma is not measured in pounds and bushels but in dollars and cents. Any marked decline in the price of farm products in the United States would be a public calamity. No one can with any accuracy foretell how much decline there will be in the prices of farm products of the United States as a result of the new tariff policy. But before we enact any legislation that will tend to reduce the prices of farm products we should carefully estimate the possibilities of loss to our farmers. Take my own State, Oklahoma. Our annual farm products are valued at approximately $250,000,000. If the new tariff policy would cause a reduction in price of only 1 per cent, the annual loss to the farmers of Oklahoma would be $2,500,000; if prices declined 5 per cent, the annual loss to the farmers of Oklahoma would be $12,500,000; and if prices should decline 10 per cent, which is not improbable, the annual loss to the farmers of Oklahoma would be $25,000,000. If this annual loss should continue for four years in succession it would entail a loss upon the farmers of Oklahoma of $100,000,000—one-fourth the amount that it has cost to build the Panama Canal.

A reduction of 10 per cent in the prices of farm products of the entire country would mean an annual loss to the farmers of the United States of $900,000,000. Should these low prices continue for a period of five years the farmers of the United States will have lost the incomprehensible sum of $4,500,000,000—a sum that is four times the total interest-bearing national debt and a sum larger than the total amount paid in pensions to the soldiers of this country and their widows and orphans since the Revolutionary War.

FARMERS HELPLESS.

When prices are low the farmers have no means within their power to arbitrarily advance them. It is different in many other lines of business. When transportation rates are low the great interstate railway companies may secure an advance of rates to insure profits. When the prices of manufactured products are low the great industrial corporations, having large monopolistic power, may at their will increase prices to enable them to declare proper dividends. When business is dull the bankers who have in custody the money of the people may at their pleasure adjust interest rates to make their business profitable. When trade is slack the merchants may mark their prices up or down to meet the conditions of business. When wages are low, hours of labor long, and conditions of labor unsatisfactory, organized labor may, through mediation, conciliation, and arbitration, or, finally, by a strike, secure redress of grievances. How different with the farmer! When farm products are low, hours of labor long, or when labor conditions are unfavorable to health and comfort, they have no alternative except to sell at the market price, toil on 16 hours per day, contending with the elements, facing storm and drought, patiently bearing their burdens, until a better day shall come.

I believe free trade in farm products is unjust to the farmers, and I believe it is an unwise policy for the Nation. We are appropriating vast sums in the line of preparedness and increasing the Military and Navy Establishments, but we really can not be prepared unless we are self-sufficient as a nation, and above all we ought to provide our own food, we ought to feed our own people. If you pursue a policy of free trade in farm products, you are pursuing a policy which discourages the farmer, reduces the prices of his products and the profits of his business, which restricts and limits the amount of the products of his farm, and I believe it is wholly unwise.

This Congress has passed a rural-credit bill, which I think is the greatest of the measures we have passed; and yet if free trade in farm products should go on permanently as the policy of the Nation, the farmers will lose more through that than they gain through the rural-credit system, even if the Government should lend the farmers money free.

Mr. DAVIS of Texas. Will the gentleman yield?

Mr. MORGAN of Oklahoma. Yes.

Mr. DAVIS of Texas. Does the gentleman understand that as long as the export surplus must go to foreign countries that the price of that surplus sets the price at home, and that the tariff in no way relieves the farmer?

Mr. MORGAN of Oklahoma. Now, I am surprised that a gentleman usually sound in economics as is the gentleman from Texas, should really present that idea.

Mr. DAVIS of Texas. Is it not a fact that the bulletin boards in Liverpool set the price of cotton before the farmer in the South gets up every morning on God's earth, and set the price of wheat before the wheat raiser gets up, and the message comes on the cable line setting the price in this country?

Mr. MORGAN of Oklahoma. I do not know so much about cotton, because we export so large a percentage of our cotton crop. The European market doubtless affects the price here. In other farm products we export but a small per cent of it. The home market dominates the price. The exportation of our farm products to foreign markets means more freight, more shrinkage, more commissions, more fees and charges, more exactions from middlemen, and less money for the farmer. If I were a voter and a candidate for Congress should say to me that Liverpool was a good enough market for my farm products, I would say to him that Liverpool was a good enough place in which for him to get votes, and I would give my vote

to some one else. [Applause on the Republican side.] I never will vote for any tariff bill which does not give the farmer the same protection that it gives to the manufacturer. [Applause on the Republican side.]

DEVELOPMENT OF MANUFACTURING.

I now turn from agriculture to manufacturing. What will be the effect of the new tariff policy upon the development of our manufacturing interests? I will use Oklahoma as an illustration and example.

Oklahoma possesses all the natural advantages to enable it to become a great manufacturing State. She has 10,000 square miles of coal land, which are said to cover 79,000,000,000 tons of coal. She has more than 24,000 producing oil wells, adding every week more than a million of dollars to the wealth of the State. She has a natural-gas supply not equaled in any other State in the Union. In some localities immense water power may be developed. At the very minimum of cost power may be developed to turn countless wheels of thousands of mills, factories, and manufacturing establishments.

Hidden beneath the surface of the soil are vast deposits of lead, zinc, asphaltum, glass sand, cement rock, gypsum, granite, limestone, clays, shales, and other mineral awaiting the coming of men with means and men with intelligence, energy, and industry to transform this great storehouse of mineral wealth into bright, shining, golden dollars, to go out into circulation to bless and help the people of Oklahoma and to contribute to the strength and greatness and glory of this mighty Republic.

With these natural advantages in wealth-producing power manufacturing should be in equilibrium with agriculture. But manufacturing lags far behind. We have 200,000 farmers with only 18,034 persons employed in manufacturing. We have 1,100,000 people supported by agriculture with less than 100,000 supported by manufacturing. In 1910 our farmers produced over $200,000,000 in wealth, while our manufacturing establishments added to the wealth of the State but $19,529,000.

In 1910 North Carolina's 281 cotton mills added to the wealth of the State $23,992,000. We produce as much cotton as North Carolina and have cheaper fuel. In 1910 Massachusetts's 182 cotton mills added to the wealth of the State $81,305,000. Massachusetts sends thousands of miles for her cotton and transports her fuel from Pennsylvania and Canada. Oklahoma has one small cotton mill. The State will lose $40,000,000 annually until she has the mills to manufacture raw material. To defer for five years the building of these mills will be a loss to the State of $200,000,000. The new tariff will defer the building of our cotton mills. Low rates of duty will encourage importations from abroad, and the markets of the United States will be flooded with cotton goods manufactured in Europe. Our people will become patrons, customers, and supporters of foreign cotton mills.

Our lead, zinc, asphaltum, glass sand, cement rock, gypsum, granite, limestone, clays, shales, and other minerals—all found in abundance in the State—offer vast possibilities for the development, expansion, and enlargement of mining and manufacturing in Oklahoma.

But the new tariff policy makes sweeping reduction in the duty upon glass and cement and upon zinc, asphaltum, gypsum, and all the products of these minerals. Importations of these minerals from abroad will make less demand for the products of Oklahoma mines, reduce the price thereof, lessen the annual wealth obtained therefrom, and materially retard the development of our mineral resources. As a consequence our mineral wealth will lie dormant, while an ever-increasing stream of wealth goes abroad to develop the mineral resources of other countries.

Nowhere in the United States is there a more attractive field for the development of manufacturing industries than in Oklahoma. Natural advantages are great, local conditions are favorable, and the people, through their commercial clubs and other organizations, are ready to offer every reasonable encouragement and inducement to secure any substantial manufacturing establishment.

With all this in our favor, the National Government is pursuing a tariff policy that will deter men from investing capital in mills and factories in Oklahoma. Our natural advantages will count for nothing, and the efforts of our people will be in vain, while ships are daily landing in our harbors to unload great cargoes of foreign-made goods that will be distributed throughout the entire country, displayed in every shop window, and sold over every counter.

Capital will seek other lines of investment. Oklahoma's industrial progress will be delayed. Our natural resources will remain undeveloped. Our natural gas will continue to be wasted, our coal will be unmined, our gypsum, cement rock, limestone, glass sand, granite, asphalt, zinc, and lead will be unused. Our material development will be dwarfed, stunted, restricted, and circumscribed. In the long years of waiting that must follow our farms and city real estate will not advance in value, our business will not expand, our commerce will not enlarge, our villages, towns, and cities will not grow, and the people of the State will suffer incalculable loss through the unwise tariff policy pursued by the party in power.

The new tariff policy will not add an acre to the cultivated area of Oklahoma; it will not cause the erection of a single new mill, factory, or manufacturing establishment within the State; it will not build a single new railway, open a new mine or quarry, or establish a single important industry; it will not furnish a new market for or add to the price of a single product produced within the State; it will not give employment to a single additional man or in any way contribute to the material development of the State; it will not add to the wealth of the State, contribute to the happiness of the people, or aid them in the upbuilding of their institutions.

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that on August 23, 1916, they had presented to the President of the United States, for his approval, the following bills and joint resolutions:

H. R. 16700. An act to amend an act relating to the Public Utilities Commission of the District of Columbia, approved March 4, 1913;

H. R. 15575. An act to amend the act of March 22, 1906, entitled "An act to authorize the sale and disposition of surplus or unallotted lands of the diminished Colville Indian Reservation, in the State of Washington, and for other purposes";

H. R. 11860. An act for the relief of Halvor Nilsen;

H. R. 17058. An act to fix standards for Climax baskets for grapes and other fruits and vegetables, and to fix standards for baskets and other containers for small fruits, berries, and vegetables, and for other purposes;

H. R. 17398. An act granting the consent of Congress to the board of county commissioners of the county of Hampden, in the Commonwealth of Massachusetts, to construct a bridge across the Connecticut River between Springfield and West Springfield, in said county and Commonwealth;

H. R. 15947. An act making appropriations for the naval service for the fiscal year ending June 30, 1917, and for other purposes;

H. R. 15522. An act to establish a national park service, and for other purposes;

H. R. 15048. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war;

H. R. 17498. An act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes;

H. R. 8234. An act to prevent interstate commerce in the products of child labor, and for other purposes;

H. R. 16003. An act to amend an act entitled "An act to provide for the payment of drainage assessments on Indian lands in Oklahoma";

H. R. 14338. An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes;

H. R. 15494. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war;

H. R. 16290. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war;

H. R. 17501. An act granting the consent of Congress to the city of Youngstown, Ohio, to construct a bridge across the Mahoning River in the State of Ohio;

H. J. Res. 247. Joint resolution extending the provisions of the act approved June 16, 1898; and

H. J. Res. 298. Joint resolution providing for the relief of flood sufferers in the State of West Virginia.

ADJOURNMENT.

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 51 minutes p. m.), in accordance with the order heretofore made, the House adjourned until Tuesday, August 29, 1916, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Acting Secretary of the Treasury, transmitting copy of a communication from the Secretary of War, submitting supplemental estimates of appropriations required by the War Department for the service of the fiscal year ending June 30, 1917 (H. Doc. No. 1338); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Acting Secretary of the Treasury, transmitting copy of a communication from the Acting Secretary of War, submitting a supplemental estimate of appropriation required by the War Department for the service of the fiscal year ending June 30, 1917 (H. Doc. No. 1339); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and a joint resolution were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. ALLEN, from the Committee on Ways and Means, to which was referred the joint resolution (H. J. Res. 292) proposing to amend section 2971 of the Revised Statutes of the United States, reported the same without amendment, accompanied by a report (No. 1171), which said joint resolution and report were referred to the House Calendar.

Mr. DEWALT, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 17567) to authorize the county of Luzerne, State of Pennsylvania, to construct a bridge across the East Branch of the Susquehanna River from the city of Wilkes-Barre, county of Luzerne, Pa., to the borough of Dorranceton, county of Luzerne, Pa., reported the same with amendments, accompanied by a report (No. 1172), which was ordered to be printed.

Mr. KITCHIN, from the Committee on Ways and Means, to which was referred the bill (S. 5987) to amend subsection 11 of section 3244, Revised Statutes, reported the same with amendment, accompanied by a report (No. 1176), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills and resolutions were introduced and severally referred as follows:

By Mr. BRITTEN: A bill (H. R. 17601) to amend section 3354 of the Revised Statutes of the United States, as amended by the act approved June 18, 1890; to the Committee on Ways and Means.

By Mr. STEENERSON: A bill (H. R. 17602) granting the consent of Congress to the county commissioners of Polk County, Minn., and Grand Forks County, N. Dak., to construct a bridge across Red River of the North on the boundary line between said States; to the Committee on Interstate and Foreign Commerce.

By Mr. CARAWAY: A bill (H. R. 17603) to authorize the construction, maintenance, and operation of a wagon bridge across the St. Francis River at a point one-half mile northwest of Parkin, Cross County, Ark.; to the Committee on Interstate and Foreign Commerce.

By Mr. GALLIVAN: A bill (H. R. 17604) authorizing the Secretary of the Treasury to accept a deed of Gallops Island, in Boston Harbor, Mass., subject to certain covenants and agreements; to the Committee on Interstate and Foreign Commerce.

By Mr. SPARKMAN: A bill (H. R. 17605) to amend the first and seventh paragraphs of section 4414 of the Revised Statutes of the United States, as amended by the act of April 9, 1906; to the Committee on the Merchant Marine and Fisheries.

By Mr. KITCHIN: A bill (H. R. 17606) to amend an act entitled "An act to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes," approved December 23, 1913; to the Committee on Banking and Currency.

By Mr. GLASS: A bill (H. R. 17607) to amend section 6 of an act to define and fix the standard of value, to maintain the parity of all forms of money issued or coined by the United States, to refund the public debt, and for other purposes, approved March 14, 1900, as amended by the act of March 4, 1907, and by the act of March 2, 1911; to the Committee on Banking and Currency.

By Mr. RANDALL: A bill (H. R. 17608) for the reduction of the rate of postage chargeable on first-class mail matter for local or rural delivery; to the Committee on the Post Office and Post Roads.

By Mr. CARY: A bill (H. R. 17644) to increase the pay of privates in the United States Army; to the Committee on Military Affairs.

By Mr. BENNET: Resolution (H. Res. 358) inquiring as to the feasibility of withdrawing certain militia from the Texas border; to the Committee on Military Affairs.

By Mr. WEBB: Resolution (H. Res. 359) for the consideration of H. R. 17350; to the Committee on Rules.

By Mr. SUTHERLAND: Joint resolution (H. J. Res. 290) to empower the President to better protect the commerce of the United States; to the Committee on the Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 17609) granting an increase of pension to William T. O'Bannon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17610) granting an increase of pension to Daniel Gormley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17611) granting an increase of pension to Ezra J. Potter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17612) granting an increase of pension to Joseph Roush; to the Committee on Invalid Pensions.

By Mr. BORLAND: A bill (H. R. 17613) granting an increase of pension to Frances A. Hervey; to the Committee on Invalid Pensions.

By Mr. BYRNS of Tennessee: A bill (H. R. 17614) granting an increase of pension to Thomas Waters; to the Committee on Invalid Pensions.

By Mr. COADY: A bill (H. R. 17615) granting an increase of pension to Joseph Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17616) granting a pension to Henry L. Wiessner; to the Committee on Pensions.

By Mr. CULLOP: A bill (H. R. 17617) granting an increase of pension to Archibald McGinnis; to the Committee on Invalid Pensions.

By Mr. DENT: A bill (H. R. 17618) for the relief of Bertram T. Clayton, jr.; to the Committee on Military Affairs.

By Mr. DOOLITTLE: A bill (H. R. 17619) granting an increase of pension to Calista Patterson; to the Committee on Invalid Pensions.

By Mr. GOOD: A bill (H. R. 17620) granting an increase of pension to Sarah A. Rudisill; to the Committee on Pensions.

By Mr. HAWLEY: A bill (H. R. 17621) granting a pension to K. Shannon Taylor; to the Committee on Invalid Pensions.

By Mr. KENNEDY of Iowa: A bill (H. R. 17622) granting an increase of pension to William McBeth; to the Committee on Invalid Pensions.

By Mr. NEELY: A bill (H. R. 17623) granting an increase of pension to Theodore M. Reynolds; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17624) granting an increase of pension to Pheba J. Hawkins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17625) granting an increase of pension to George W. Linn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17626) granting an increase of pension to Michael P. Wells; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17627) granting an increase of pension to Annie E. Patterson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17628) granting an increase of pension to Ezekiel Trickett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17629) granting a pension to Pauline K. Boden; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17630) granting a pension to Charles H. Payne; to the Committee on Pensions.

Also, a bill (H. R. 17631) granting a pension to Stanley W. Lemley; to the Committee on Pensions.

By Mr. OLDFIELD: A bill (H. R. 17632) for the relief of John A. Hinkle, guardian of the minor heirs of H. L. Collie, deceased, and others; to the Committee on Claims.

By Mr. POWERS: A bill (H. R. 17633) granting a pension to Buster Davis; to the Committee on Pensions.

By Mr. RAKER: A bill (H. R. 17634) for the relief of Kathleen B. Watkins; to the Committee on Claims.

By Mr. REAVIS: A bill (H. R. 17635) granting an increase of pension to William R. Sheeler; to the Committee on Invalid Pensions.

By Mr. RUSSELL of Missouri: A bill (H. R. 17636) granting a pension to Robert Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17637) granting an increase of pension to James C. Sims; to the Committee on Invalid Pensions.

By Mr. SPARKMAN: A bill (H. R. 17638) for the relief of T. L. Marquis; to the Committee on Claims.

By Mr. STONE: A bill (H. R. 17639) granting an increase of pension to William Sims; to the Committee on Invalid Pensions.

By Mr. VAN DYKE: A bill (H. R. 17640) granting a pension to Nicholas Krey; to the Committee on Invalid Pensions.

By Mr. WILSON of Florida: A bill (H. R. 17641) granting a pension to Isabel Romero Rockwell; to the Committee on Pensions.

By Mr. YOUNG of North Dakota: A bill (H. R. 17642) to correct the military record of Alfred J. Henry; to the Committee on Military Affairs.

By Mr. STEELE of Iowa: A bill (H. R. 17643) granting an increase of pension to Emanuel Rickman; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Memorial of War Department Branch of the Federal Employees' Union, relative to additional clerical force in the War Department; to the Committee on Appropriations.

By Mr. ASHBROOK: Evidence to accompany House bill 17514, granting an increase of pension to David A. Banks; to the Committee on Invalid Pensions.

Also, evidence to accompany House bill 17429, granting an increase of pension to Frank Nouse; to the Committee on Invalid Pensions.

Also, evidence to accompany House bill 17199, granting a pension to Mary Moffitt; to the Committee on Invalid Pensions.

By Mr. BYRNS of Tennessee: Papers accompanying bill granting an increase of pension to Thomas Waters; to the Committee on Invalid Pensions.

By Mr. CHARLES: Petitions of R. Douglass Boyd and S. Elmor Burton, of Gloversville, N. Y., against stamp tax on insurance policies; to the Committee on Ways and Means.

By Mr. DALE of New York: Petition of Benjamin T. Fairchild, of New York City, favoring passage of Chamberlain-Hayden bill relative to wild game; to the Committee on Agriculture.

Also, petition of National Retail Dry Goods Association of New York City, relative to salaries of tariff commission board; to the Committee on Ways and Means.

Also, petitions of W. P. Phillips and Edson S. Lott, of New York City, against stamp tax on insurance policies; to the Committee on Ways and Means.

By Mr. DARROW: Memorial of Grand Lodge Benevolent and Protective Order of Elks, favoring passage of game-refuge bill; to the Committee on Agriculture.

By Mr. DOOLING: Petition of Grand Lodge of Benevolent and Protective Order of Elks, favoring passage of House bill 11712, game-refuge bill; to the Committee on Agriculture.

By Mr. GALLIVAN: Memorial of the Order of United Commercial Travelers of America, relative to improvement of public roads; to the Committee on Roads.

By Mr. KAHN: Memorial of San Francisco (Cal.) Chamber of Commerce, favoring passage of House bill 15839; to the Committee on Ways and Means.

Also, petitions of Chamber of Commerce and J. R. Hanify Co., of San Francisco, Cal., favoring passage of House bill 16707, the Webb bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of Edward Brown & Sons, R. W. Osborn, Bernard Faymonville, Board of Marine Underwriters, Ætna Insurance Co., M. R. Johnson, George O. Hoadley, W. A. Chowen, London Assurance Corporation, Waymen & Henry, and Insurance Federation of California, all of San Francisco, Cal., protesting against stamp tax on insurance policies; to the Committee on Ways and Means.

By Mr. KEARNS: Petitions of sundry insurance agents of Portsmouth, Ohio, against stamp tax on insurance policies; to the Committee on Ways and Means.

By Mr. KENNEDY of Rhode Island: Petition of C. D. Paige, of Providence, R. I., against stamp tax on insurance policies; to the Committee on Ways and Means.

By Mr. KENNEDY of Iowa: Petition of citizens of Ainsworth, Iowa, favoring amendment to prohibit polygamy in the United States; to the Committee on the Judiciary.

By Mr. KETTNER: Petitions of P. S. Castleman, Riverside; London Insurance Corporation, A. W. Thornton, San Francisco; Wheeler Bros. & Pierce (Inc.), Los Angeles; Leighton McMurtrie, San Diego; Los Angeles Fire Underwriters' Association, Los Angeles; Christensen & Goodwin, San Francisco; John P. Fisk, Redlands; Ray Edgar, El Centro; Ed Fletcher, San Diego, all in the State of California; and T. J. Murphy, Lewistown, Mont., protesting against items in Federal revenue bill, prohibition of deduction of increase in reserve as basis for income tax, tax of 50 cents per thousand on capital stock and surplus, and continuance indefinitely of stamp tax on insurance policies; to the Committee on Ways and Means.

Also, petition of H. L. Miller, Barstow, Cal., and Carl Heilbron, president Southern Electrical Co., San Diego, Cal., favoring passage of Smith-Hughes bill for motion-picture censorship; to the Committee on Education.

Also, petition of Mrs. E. W. Smith, San Diego, Cal., favoring Susan B. Anthony amendment for national suffrage; to the Committee on the Judiciary.

Also, petition of William L. Combs, Vallejo, Cal., urging passage of House bill 54, widows' and orphans' bill; to the Committee on Pensions.

Also, petition of George H. Sutliff, Sunnyside, Cal., protesting against House bill 16307, introduced by Mr. McDERMOTT, providing for national board of registration of pure-bred live stock; to the Committee on Agriculture.

By Mr. LINTHICUM: Petitions of sundry citizens of Baltimore, Md., against stamp tax on insurance policies; to the Committee on Ways and Means.

By Mr. MADDEN: Petitions of sundry railroad employees in the State of Illinois against a general strike; to the Committee on Interstate and Foreign Commerce.

By Mr. MEEKER: Petitions of eight citizens of St. Louis, Mo., favoring woman-suffrage amendment; to the Committee on the Judiciary.

Also, petition of Henry W. Kiel, mayor of St. Louis; Charles H. Danes, city counselor, St. Louis; and Otto F. Karbe, Indiana Reduction Co. of St. Louis, protesting against the passage of House bill relative to the transportation of garbage; to the Committee on Rivers and Harbors.

Also, petition of Joseph Delevar and Ewald Lungstrass, of St. Louis, Mo., favoring preservation of American rights on seas; to the Committee on Foreign Affairs.

Also, memorial of Central Trades and Labor Unions of St. Louis, Mo., urging investigation into the causes of proposed increase in price of bread; to the Committee on Rules.

By Mr. MORIN: Petition of Pittsburgh Foreign Trade Commission favoring passage of the Webb bill; to the Committee on Interstate and Foreign Commerce.

By Mr. STINESS: Petition of C. D. Paige, of Providence, R. I., against stamp tax on insurance policies; to the Committee on Ways and Means.

By Mr. TAGUE: Petitions of sundry citizens of State of Massachusetts against seizure of our mails, etc., by the British; to the Committee on Foreign Affairs.

By Mr. WILLIAMS of Ohio: Petition of C. H. Cranz, president of Summit County Branch Ohio Association of Insurance Agents and Joseph Winum, in re stamp tax on insurance policies; to the Committee on Ways and Means.

SENATE.

SATURDAY, *August 26, 1916.*

(Legislative day of Monday, August 21, 1916.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

PRINTING OF TITLES OF SPEECHES.

Mr. GALLINGER. Mr. President, I desire to correct the RECORD in a little matter. On yesterday I asked unanimous consent to have printed in the RECORD at some future time the titles to certain speeches that I have made on the tariff, but I did not mean to ask that the speeches themselves should be reprinted.

The reason for my request was that a technical gentleman ruled some time ago that nothing would ever appear in a reprinted speech except what was found in the RECORD. Those titles were not found in the RECORD and an index that I used was not found in the RECORD. I asked simply to have consent at some future time to print the titles and index in the RECORD so that they might be used in the reprint; that was all; but not to reprint the speeches.

ENLARGED HOMESTEAD.

Mr. MYERS. I ask consent to submit a report from the Committee on Public Lands, and I call the attention of the Senator from Idaho [Mr. BORAH] to it.

Mr. SIMMONS. I ask that the unfinished business be temporarily laid aside for the consideration of this bill. I understand it will provoke no debate.

Mr. OWEN. What bill is it?

Mr. BORAH. It is a public land bill to correct a mistake in the bill which we passed about three weeks ago.

Mr. MYERS. I report back favorably from the Committee on Public Lands the bill (H. R. 17375) to amend an act entitled "An act to provide for an enlarged homestead," approved June 17, 1910, and I submit a report (No. 820) thereon. I ask for the present consideration of the bill.

There being no objection, the bill was considered as in Committee of the Whole and it was read, as follows:

Be it enacted, etc., That the act entitled "An act to provide for an enlarged homestead," approved June 17, 1910, be amended by adding thereto an additional section to be known as section 7:

"SEC. 7. That any person who has made or shall make homestead entry of less than 320 acres of land of the character herein described, and who shall have submitted final proof thereon, shall have the right to enter public lands subject to the provisions of this act, not contiguous to his first entry, which shall not with the original entry exceed 320 acres: *Provided*, That the land originally entered and that covered by the additional entry shall first have been designated as subject to this act or the act of February 19, 1909 (35 Stats., p. 639), as provided by sections 1 of said acts: *Provided further*, That in no case shall patent issue for the land covered by such additional entry until the person making same shall have actually and in conformity with the homestead laws resided upon and cultivated the lands so additionally entered, and otherwise complied with such laws, except that where the land embraced in the additional entry is located not exceeding 20 miles from the land embraced in the original entry no residence shall be required on such additional entry if the entryman is residing on his former entry: *And provided further*, That this section shall not be construed as affecting any rights as to location of soldiers' additional homesteads under section 2306 of the Revised Statutes."

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BUSINESS OF THE SESSION.

Mr. OWEN. Mr. President, I observe in the Washington Post, second page, column 5, that—

Congress is getting ready to adjourn next Friday, if possible, ignoring all threats of Members to press special bill for consideration over the protests of administration leaders.

It is expected that a joint resolution to provide for adjournment Friday evening will be submitted to both Houses next week, as soon as the general deficiency appropriation bill has passed the House, probably on Tuesday. Democratic leaders declare the resolution will be adopted, and that this will operate to check a threatened prolonged fight in the Senate over the Owen corrupt-practices bill, which aroused a fusillade of charges and countercharges of political corruption Thursday.

OWEN MAY MAKE FINAL EFFORT.

Senator OWEN'S determination to demand a vote on a motion to take up the corrupt-practices bill still hangs over the Senate, and Senator SMITH of South Carolina intends to seek another opportunity to pass the immigration bill.

To clear the way for adjournment, Majority Leader KITCHIN sent urgent telegrams yesterday to all House absentees, asking that they return at once for the final legislative drive of the session. The House has the shipping bill as amended and the forthcoming revenue bill conference report to dispose of next week. In the Senate it is planned to lay aside the revenue bill to pass the deficiency appropriation bill as soon as it gets through the House.

TO RUSH REVENUE BILL THROUGH.

"When that is done," said Senator SIMMONS, chairman of the Finance Committee, "all general debate on the revenue bill will halt, and it will be rushed through. In the meantime Senate amendments to the House bill are being informally considered with Ways and Means Committee members, and a final report will be ready almost as soon as the bill reaches the House to be sent to conference. With the revenue bill passed, I do not think that anything can stop adjournment of Congress, unless something entirely unexpected should develop."

Mr. President, I desire to ask the Senator from North Carolina, the chairman of the Finance Committee, whether there is an agreement with the Republican side or an understanding of any kind that general debate on the revenue bill will halt under those conditions?

Mr. SIMMONS. Mr. President, there has been no agreement with the Members of the Senate representing the other side. There has been a great deal of formal interchange of views with a view to ascertaining what is the real legislative situation with reference to legislation and prospective adjournment.

Of course I am not to be held strictly to the representations of newspapers as to what I have stated in conversations with their reporters. However, speaking generally, while there has been no understanding, no agreement, as the result of conferences that I have held with individual Senators on the other side expressing their attitude with reference to matters discussed there, I can say to the Senator now that I have the impression from what has been said to me by representatives of the other side that there is not likely to be any final vote upon the revenue measure until after the urgent deficiency appropriation bill has come over from the House.

Now, that does not represent my attitude nor the attitude of this side. We would like to have a vote as soon as we can. We would like to take up the amendments and have action upon them——

Mr. OWEN. I so understand.

Mr. SIMMONS. Without any further debate; but my understanding is—not an agreement, but my understanding from conversations that I have had with Senators on the other side—that they are not willing that the revenue bill shall come to a vote until after the urgent deficiency bill has come from the House and been acted upon by the Senate. My understanding from them is that as soon as we have finished the consideration of the amendments we can then fix by agreement if necessary with the other side a date certain or an hour certain for beginning the vote upon the bill and all the amendments to it. But until that is done our friends on the other side I understand are not willing to come to any agreement with us with reference to a time to vote on the bill.

I think I have stated the situation about as well as I can, and if I have misstated it Senators on the other side can correct me.

Mr. SMOOT. I wish to say to the Senator that as I understand it, when the amendments are to be taken up there will be a great deal of discussion upon them, and most of that discussion will be upon the Democratic side of the Chamber. Therefore, as far as I am personally concerned, I think the Senate ought to take up the bill now for action on the amendments and let those amendments be disposed of. I have heard different Senators upon the other side say that they are going to discuss the amendments at length. Therefore I take it that the best thing to do would be to take up the amendments and discuss them first before we talk about the date of final adjournment or anything else.

Mr. SIMMONS. I understand the Senator to mean that until the deficiency appropriation bill is passed they will not consider any request for unanimous consent to fix a time for voting upon the revenue bill.

Mr. SMOOT. It would be impossible to agree on a time to vote upon the bill now. That is out of the question.

Mr. OWEN. Mr. President, I should like to ask the Senator from Utah whether he understands that general debate on the revenue bill will halt and it will be rushed through after the date of adjournment is fixed?

Mr. SMOOT. I do not so understand, but I want to say to the Senator if the deficiency appropriation bill should come over to the Senate and be passed before the revenue bill should be and there were any Republicans who wanted to speak upon the revenue bill they are going to do so. It does not make a particle of difference whether the revenue bill is passed first or not.

Mr. OWEN. I should like to ask the Senator whether he has acquiesced in this proposal?

Mr. SMOOT. I have not acquiesced in anything.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Idaho?

Mr. OWEN. I yield.

Mr. BORAH. It is not within the power of any Senator to cut off debate, but I desire to say to the Senator from Oklahoma that any report in the newspapers or elsewhere to the effect that any program has been agreed upon binding the Republicans as to any specific bills that are to be passed is not founded upon facts.

Mr. OWEN. I understand very well the methods of negotiation between the two sides of the Chamber, and I should like to have the country understand equally well that when leaders on the other side give a certain intimation in delicate language that is thoroughly well understood by the leaders on this side it has the effect to all intents and purposes of a binding agreement on that side. That is what it means, and it does not mean anything less than that.

Mr. BORAH. It has not a particle more effect on this side than it has upon that.

Mr. OWEN. That may be true.

Mr. BORAH. If the Senator will take the time to examine into the RECORD for the last three weeks, he will find that——

Mr. OWEN. I am familiar with the RECORD——

Mr. BORAH. I say to the Senator now there has been no agreement, and there will be no agreement upon the part of anyone to bind the Republicans upon this side as to a program. No one is authorized or will be authorized to make any such agreement.

Mr. OWEN. I think that may be the attitude of the Senator from Idaho, and I have no question whatever about his sentiment in regard to it as being his own opinion.

Mr. SIMMONS. I wish the Senator to understand that I have not stated, and I do not state now, that there has been any agreement between this side or representatives of this side and representatives of the other side.

Mr. OWEN. I understand that.

Mr. SIMMONS. I mean simply to say as the result of information as to the situation which exists here, gathered from some conversations with the other side, I have assumed that when the deficiency bill was acted upon there would be no further disposition upon the part of the other side to needlessly hold this measure up.

Mr. OWEN. Mr. President, I think the country ought to know, and certainly the Senate does know, the Senate perfectly well understands, that the minority have a power to coerce and compel the majority to yield to their demands by threatening endless debate, through well-understood intimations that convey the meaning though too cowardly to assume the responsibility before the country.

Mr. BORAH. Mr. President——

Mr. OWEN. I yield to the Senator.

Mr. BORAH. The country ought to know and the country undoubtedly does know that there can not be any contract made without contracting parties, and there can not be any program agreed upon here without authorized representatives from both sides agreeing.

Mr. OWEN. Yes, the Senator may understand; but I do not think the country really does understand that under the rules of 1806, the lack of a previous question in the Senate, the power of unlimited debate in the Senate puts a threat in the hands of the minority that can dictate to the majority, and is dictating to the majority now to prevent the passage of the corrupt-practices act though the minority is too cowardly to confess the truth of this matter.

Mr. BORAH. Mr. President——

Mr. OWEN. I yield to the Senator.

Mr. BORAH. The RECORD will, in my opinion, show that during the last 90 days, for every six hours which have been utilized in debate here, four hours have been utilized by the Democratic side.

Mr. REED. I should like to ask the Senator if he has made an estimate of that kind, or if it is simply a sort of a guess?

Mr. BORAH. I will leave it to the Senator from Missouri to look at the RECORD and make the calculation himself. I have looked into it and I believe it a correct estimate.

Mr. REED. I have been away some, but when I was here I heard an awful lot of long talk on the other side of the Chamber, at least it seemed to me awfully long.

Mr. BORAH. We have been furnished to the same by the other side.

Mr. REED. I should like, with the permission of the Senator from Oklahoma, to ask the Senator a question. He has always stood, I believe, for clean politics. I think he is of that part of his political organization which has protested in the past against many of the methods employed by its management. I do not think he was in accord with the program of Mr. Hanna to fry the fat out of the protected industries and to use the funds for corrupting the electorate.

I am sure in times past and gone so far that they are almost forgotten; if the Senator was taking any part in politics, he was opposed to the Dudley program of buying voters in "blocks of five." I believe the Senator wants to see elections conducted in this country, not with money but with ideas. I want to ask him if he is not willing to cooperate in the passage of a corrupt-practices act, and if not, why not?

Mr. BORAH. Is that addressed to the Senator from Idaho?

Mr. REED. Yes.

Mr. BORAH. I said to the Senator from Oklahoma [Mr. OWEN] four or five days ago in the Republican cloakroom that I would vote with him at any time to take up his bill. The Senator from Oklahoma understands that.

Mr. OWEN. I do. That is true, and I am rejoiced to know that.

Mr. BORAH. And I have stood ready to do so. It is for that reason, in connection with the immigration bill, that I say that there has been no program agreed upon, and there will be no program agreed upon.

Mr. REED. I am glad to know now that the Senator from Idaho is willing to cooperate in the passage of a corrupt-practices act. There are some more Senators on the other side of the Chamber who, I hope, are in the same frame of mind. If they are, and if all Senators on the other side are willing to pass a law that will protect the ballot boxes of this country against fraud, corruption, and bribery, then this bill could be passed with but one or two days' debate.

Mr. BORAH. Now, may I ask the Senator from Missouri, will he cooperate with me in passing the immigration bill?

Mr. REED. I am opposed to the immigration bill. That is well known. I made so many speeches against it at the last session of Congress when it was up that my position can not be doubted. I am opposed to it on principle; I am opposed to it because the test that is put in the immigration bill is not a test that will protect this country against the evils we suffer from foreign immigration. I am in favor of passing a stringent immigration bill, embracing what I think is a proper test.

Now, since the Senator from Idaho has spoken, and because he has always been regarded as among the progressive Republicans, if I may trench further upon the time of the Senator from Oklahoma [Mr. OWEN], I should like to put the question pointedly, if I can do so without offense, to the Senator from Iowa [Mr. KENYON], and ask him if he is not willing to cooperate in the passage of a corrupt-practices act at this session?

Mr. KENYON. Mr. President, the Senator from Oklahoma, I know, is thoroughly conversant with my desire in that matter. I am not only willing, but I am anxious to cooperate for the passage of an adequate corrupt-practices act, and I shall vote at any time to take up the bill of the Senator from Oklahoma. I think possibly there should be some amendments to it, in order to make it more workable; but I shall be found at all times helping in the passage of the corrupt-practices act.

Mr. REED. I felt sure that was the Senator's position.

Mr. MYERS. As the Senator from Missouri is asking questions, will he permit me to ask a question of the Senator from Idaho?

Mr. GALLINGER. Who has the floor, Mr. President?

Mr. REED. The Senator from Oklahoma has the floor.

Mr. MYERS. I will ask the Senator from Idaho, if I agree to stay here and try to pass the immigration bill, will he agree to stay here and pass the corrupt-practices act?

Mr. BORAH. I have a couple of dates very late in October in the Senator's State, if that is what he has reference to. [Laughter.]

Mr. MYERS. While I am always delighted to hear the Senator from Idaho speak, I should be very glad if some program would prevent him from keeping those dates.

Mr. BORAH. Well, I feel sure I will be here helping with the immigration bill and the corrupt-practices act as long as the Senator from Montana shall remain.

Mr. OWEN. Mr. President, not only the Senator from Idaho [Mr. BORAH] is in favor of a corrupt-practices act, as I understand, and the Senator from Iowa [Mr. KENYON] is also in favor of it, but the Senator from Wisconsin [Mr. LA FOLLETTE], I am sure, is also in favor of it, and the Senator from Nebraska [Mr. NORRIS]. The Senator from Minnesota [Mr. CLAPP] certainly is in favor of it; and I think there are other Progressive Senators on the other side in favor of it. I believe that it is practically the unanimous desire on this side of the Chamber that we should have a corrupt-practices act. The only thing that stands in the way is a threat of a filibuster under cover of debate on the revenue bill from the Republican side of the Chamber. If that is not true, I should like some Senator on the other side to rise and dispute it.

Mr. GALLINGER. Mr. President, has the Senator from Oklahoma seen any evidence of a filibuster on the revenue bill? Does the Senator not think the debate has been legitimate up to the present time?

Mr. OWEN. I think that legitimate debate would have confined itself to a consideration of the bill itself and to the proposed amendments; but speeches have been made here for days of a generally discursive character. I do not think that is proper debate of a revenue bill.

Mr. GALLINGER. The Senator from Oklahoma has set a shining example for that kind of debate.

Mr. OWEN. Oh, yes; I may have set a shining example; but now I want a corrupt-practices act.

Mr. GALLINGER. And he has set a shining example of what one Senator can do at the end of a session as a filibusterer. The Senator has done that very successfully on one occasion.

Now, let me say this much: I know of no agreement concerning any matter of legislation as between the two sides of the Chamber, and it is not very courteous in the Senator to say that we have agreed to or that we intend to filibuster on anything. This revenue bill is a very important bill. The amendments are yet to be considered; the members of the committee have not yet given their reasons for the amendments that are in the bill. Some of us propose to discuss them, and we shall discuss them in our own way, of course, not to be dictated to by the Senator

from Oklahoma or by any other Senator on either side of the Chamber.

Mr. OWEN. We perfectly well understand what that means, Mr. President.

Mr. GALLINGER. Well, the Senator is altogether too intellectually acute; he is a mind reader of the first water when he undertakes——

Mr. OWEN. One does not have to be a mind reader, Mr. President——

Mr. GALLINGER. When he undertakes to say what Senators on this side of the Chamber propose to do. Possibly the Senator is within his rights when he charges us with a purpose that we have not assented to, and when he continues to charge us, as he has done during the past few days——

Mr. OWEN. Well, does the Senator deny that it is his purpose to prevent the passage of the corrupt-practices act?

Mr. GALLINGER. I have no desire or wish to answer any question of that kind propounded by the Senator from Oklahoma.

Mr. OWEN. Well, the Senator can not answer it.

Mr. GALLINGER. I shall take care of myself. I do not recognize the right of the Senator to ask that question.

Mr. OWEN. The Senator can not answer it; and therefore he evades it.

Mr. GALLINGER. It is not relevant; and it is impertinent.

Mr. OWEN. But the Senator does not answer the question. He can not answer it without saying that he will oppose the corrupt-practices act.

Mr. GALLINGER. The Senator has no right to ask the question; he has no right to stand there and interrogate a Member of this body as to what he is going to do. He is not within his rights when he does it.

Mr. OWEN. The Senator from New Hampshire constantly does that very thing.

Mr. GALLINGER. The Senator from New Hampshire does not agree to that proposition.

Mr. OWEN. I am sorry that the Senator does not.

Mr. GALLINGER. I hope the Senator understands my position.

Mr. OWEN. I do not; but I well know what the Senator's position is—that he is going to oppose the corrupt-practices act to a finish but that he will not say so.

Mr. GALLINGER. The Senator from Oklahoma does not understand the position of the Senator from New Hampshire.

Mr. OWEN. That is what I believe.

Mr. GALLINGER. The Senator may believe it.

Mr. OWEN. The Senator will not deny it.

Mr. GALLINGER. The Senator has doubtless a great many false beliefs in his alleged brain.

Mr. OWEN. The Senator will not deny it; the Senator can not deny it.

Mr. GALLINGER. I do not recognize the right of the Senator to interrogate me on anything.

Mr. OWEN. But the Senator does not deny it, and he can not deny it.

Mr. GALLINGER. Oh, well, I will express my views at the proper time.

Mr. OWEN. After the election?

Mr. GALLINGER. Well, Mr. President, that is not a very courteous question.

Mr. OWEN. I withdraw the comment.

Mr. GALLINGER. Yes. Well, you had better withdraw your criticisms of this side of the Chamber and attend to your own side of the Chamber.

Mr. SAULSBURY. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Delaware?

Mr. OWEN. I yield to the Senator.

Mr. SAULSBURY. Mr. President, I want to ask the Senator from Oklahoma if he discovers any change of heart on the other side of this Chamber toward permitting the passage of the corrupt-practices bill?

Mr. OWEN. I have a number of times asked unanimous consent to have a day fixed for a vote upon it, but the other side constantly, through their chosen representative, the Senator from Utah, has refused consent. I now ask that one week from to-day or 10 days from to-day we may have a definite vote upon a corrupt-practices act.

Mr. GALLINGER. Mr. President, we have been in session nine months. I have sat here through the heated term for the purpose of helping to make a quorum. The Senator from Oklahoma, who is now lecturing the Senate and assuming to lecture the minority side of the Senate, during the present session has been away a great part of the time. From the beginning of the present session of Congress to August 23, 1916, there have been 226 record votes and 283 quorum calls. The Senator from Oklahoma has responded to 90 of the quorum calls, or 31.8 per cent, and he has voted on 87 of the record votes, or 38.5 per cent. Why has not the Senator been here during these nine months to urge consideration of the measures in which he is interested?

Mr. OWEN. It is not necessary for a Senator to vote upon formal votes when he is paired. I do not respond on every vote that is had when I know, being paired, that my vote will not change the result a particle. I sit in this Chamber and do not vote in the absence of my pair, the Republican colleague of the Senator from New Hampshire, who is now absent on his campaign in New Mexico.

Mr. GALLINGER. The Senator could not get up his bill when he was absent from the city. The Senator has been disporting himself at the seashore, while we have been sitting here doing the best we could. But now the Senator comes in and lectures us as to what we shall do in the closing hours of the session.

Mr. SAULSBURY. Mr. President, I was interrupted by the eloquence of the Senator from New Hampshire. I think I ought to explain to the Senator from Oklahoma why I asked the question I did.

It is very evident to me, from the recent Republican convention held in Delaware and the nominations made at that convention, that, if those nominees should be elected the Senate will probably be called upon in some proceedings before it to act in a very disagreeable way after the next election; and I want to avoid that, if I can.

We in Delaware have had a very sad experience. It has come to the point where the motto upon the flag of the Democrats of Delaware is that "A briber is a traitor and a grafter is a thief"; and that is the main plank of the Democratic platform in Delaware. I sincerely hope that the Senate before this session of Congress adjourns will consider the corrupt-practices bill.

I know there are many Senators on the other side who will vote with us, and that we have enough votes in this body to pass this bill, if we can ever get it considered.

I am thoroughly in accord with the efforts of the Senator from Oklahoma to get this bill up, and it is because of the experience that we have had in my own State that I am so much in earnest and so insistent in my support of the Senator from Oklahoma.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Idaho?

Mr. OWEN. I yield to the Senator from Idaho.

Mr. BORAH. Mr. President, it seems to me that, in all probability, this bill will not come up by unanimous consent, but it does seem to me beyond a question that at the proper time the bill can be brought up by motion. I think there are votes enough here to take it up by motion.

Mr. OWEN. I offered a resolution on yesterday, which reads as follows:

> That immediately following the disposition by the Senate of the revenue bill (H. R. 16763) the corrupt-practices act (H. R. 15842) shall be made the unfinished business of the Senate.

The Senator from New Hampshire [Mr. GALLINGER] gave notice that when the resolution came up he would make a point of order against it, that it could not be received. He may do that on parliamentary grounds. I then changed the form of it, so as to read:

> That immediately following the disposition by the Senate of the revenue bill the corrupt-practices act shall be immediately taken up for consideration.

I do not know whether the Senator from New Hampshire [Mr. GALLINGER] will make a point of order against that or not.

Mr. GALLINGER. Mr. President, I would have made the point of order on parliamentary grounds against the Senator's resolution, because it is manifestly contrary to our procedure and our rules.

As to the political matter which the Senator has in mind, which he now puts in the shape of a proposed unanimous-consent agreement, I will say to the Senator that I much prefer that the immigration bill should be made the continuing order of the Senate after the present bill is out of the way and the deficiency bill shall have been acted upon. I believe the immigration bill is of infinitely greater importance than the Senator's bill.

Mr. OWEN. Well, I ask unanimous consent that we vote upon the corrupt-practices act on Thursday next.

Mr. SMOOT. Mr. President, the Senator knows very well that he is taking his present course for no other purpose than to try to secure some political advertisement throughout the country. The Senator knows that he can not be deprived of the opportunity of moving to take up the bill, and if the Senate

wants to vote to take it up, it will be taken up. So there is no need at this time for the Senator to undertake to ask unanimous consent that the bill shall be considered on next Thursday, as it is impossible to do so.

Mr. OWEN. I ask unanimous consent, nevertheless.

Mr. SMOOT. Well, Mr. President, then I object.

Mr. OWEN. Then I ask whether the Senator from Utah represents the other side in objecting?

Mr. SMOOT. I do not represent anybody but myself, Mr. President.

Mr. GALLINGER. The Senator does not need to.

Mr. SMOOT. And I do not need to; I have the right to object; and the Senator knows very well that, so far as the corrupt-practices act is concerned, I am perfectly willing to enter upon the consideration of a corrupt-practices act at the proper time, and I will go as far as the Senator in passing such a bill; but in the closing hours of this session is not the proper time. The Senator is trying to secure unanimous consent, which he knows he can not secure while the revenue bill is under consideration.

Mr. OWEN. It only took two or three hours to dispose of it in the House, and why should it take an indefinite number of days in the Senate?

Mr. SMOOT. I have not stated the number of days it may take, Mr. President.

Mr. STONE. Mr. President, I should like to ask the Senator, if I may——

Mr. OWEN. I yield to the Senator from Missouri.

Mr. STONE. I should like to ask the Senator from Utah or the Senator from New Hampshire, who are very prominent, and deservedly prominent and influential Members on the other side, why they, parrotlike, repeat each what the other says about adjournment and the closing days of this session? What do they mean by that?

Mr. GALLINGER. Mr. President, I mean that I have been here every day but one in the last nine months. The Senator from Missouri has been here part of the time and the Senator from Oklahoma a third of the time. I feel that it is time that the closing days were reached, and they are reached, and we ought to adjourn. That is what we ought to do.

Mr. STONE. The Senator, then, is simply expressing his desire that there shall be an adjournment?

Mr. GALLINGER. Yes.

Mr. STONE. Of course, I should dislike to part with the Senator, but still we would excuse him for a little vacation.

Mr. GALLINGER. We have disliked to part with the Senator from Missouri frequently, but he has disappeared, and we could not help it. We mourned over it, of course.

Mr. STONE. The Senator is at perfect liberty to himself exercise the same privilege.

Mr. GALLINGER. Yes.

Mr. STONE. But that is neither here nor there. I wanted to understand by what authority or on whose assurance the Senator from New Hampshire and the Senator from Utah undertake to tell the Senate that these are the closing days of the session? We have from now until December to hold this Congress, and we have sat here much later than the 1st of September. I suppose the Senators have some authority, or they think they have, for making that statement.

Mr. GALLINGER. Mr. President, the only authority the Senator from New Hampshire has is his own opinion; that is all. If, however, we are going to turn the Senate into a schoolhouse to have certain schoolmasters here interrogate us and compel us to answer questions that are irrelevant and, as I suggested a moment ago, impertinent, then we will never do anything. I think we ought to go on with the business of considering the bill that is before the Senate.

Mr. REED. Mr. President, with the permission of the Senator from Oklahoma, and notwithstanding the intimation of the distinguished Senator who has just taken his seat, that any one is impertinent who asks another Senator a question, and waiving the right to suggest that that objection might well be made by the Senator who was interrogated, instead of being made for and in his behalf by the Senator from New Hampshire, I nevertheless venture to ask the Senator from Utah, who, a moment ago, said that we were simply trying to play politics by calling up this bill, how we can gain any political advantage out of it, unless it be by demonstrating to the country that the Democracy and the progressive Republicans are willing to pass a law that would insure, as far as laws can, an honest election, and that the old standpat element of the Republican Party, that is now running the party and running the candidate, wants a corrupt election?

Mr. SMOOT. Mr. President, if the Democracy and the progressive Republicans want to pass a corrupt-practices law at this session of Congress there is no power that can prevent it.

Mr. REED. Oh, yes, there is; the power to talk 16 or 17 hours, as the Senator did in a celebrated filibuster not long ago; the power of other men with equal lung power and physical endurance to stand and not only wear out the bodies of their associates but wear out the time. That is the power; and that is the power that I venture to charge the Senator from Utah will employ, and intends to employ. If not, why not consent to vote on a day certain, and that will end all that question?

Mr. SMOOT. Mr. President, it ill-becomes the Senator from Missouri to talk to the Senator from Utah about the number of hours that he speaks in this body. I think if the RECORD is measured up it will be found that the Senator from Missouri occupies five or six pages to one of the Senator from Utah.

Mr. REED. I am willing to jeopardize my seat in the Senate on that and resign if that is true, if the Senator from Utah will do the same thing.

Mr. SMOOT. Mr. President, I have not any doubt but that that statement is true. Now, I want to say also, as far as a filibuster is concerned, that there is no intimation, so far as I know, of any particular filibuster.

Mr. REED. Not "any particular filibuster"!

Mr. SMOOT. I think, as far as the country is concerned, everybody who prevented the passage of that vicious, undemocratic, unrepublican, un-American shipping bill at the last session of Congress will at some time or other receive the plaudits of the American people for its defeat.

Mr. REED. Mr. President——

Mr. SMOOT. I will ask the Senator to allow me just to finish what I have to say. I shall be brief; and then the Senator can ask any question he desires, although I am trespassing on the time of the Senator from Oklahoma.

Mr. OWEN. I yield to the Senator.

Mr. SMOOT. Mr. President, the revenue bill is before the Senate now; that is, I think it is before the Senate.

Mr. THOMAS. No one would ever suspect it, but it is before the Senate. [Laughter.]

Mr. SMOOT. I will say that I think it is before the Senate. We can proceed with the consideration of that bill; and, as I say, if a majority of this body wants to consider the corrupt-practices bill a vote can be taken, and it will be taken up. The Congress can not adjourn until a majority of the Senate votes for the adjournment, and the Senator from Oklahoma and the Senator from Missouri know it. Therefore this is a waste of time, as far as the Senate is concerned; but, of course, if the Senator from Oklahoma thinks he can get the headlines of the papers of the country, and in the meantime make political capital by bringing up this matter every day, under the rules of the Senate he can do so, and I am not going to object as long as the Senator is within the rules of the body.

Mr. REED. Mr. President, I simply want to say this: The Senator from Utah, in reply to a remark I made, undertakes to justify the filibuster at the last session by saying that those who filibustered to prevent the passage of the shipping bill were engaged in a great work of serving the country. Mr. President, they have so well served it that the shipping rates across the ocean on everything the farmer raises are about five or six times, and in some instances ten times, what they were before the war, and very much higher than they would have been if there had been some Government ships to transport the farmer's grain. That great burden has fallen upon the farmer, because the cost of transportation to the market comes, in most instances, from the producer. There is such a shortage of ships now that only within the last few days railroads have refused to receive grain for shipment to ports, because when the grain arrived at the ports there was no ship to carry it. There is such a shortage of ships that the municipality of Portland is now raising money for the purpose of building ships to be operated by the municipality or under its direction. So that the Senator who stood here and talked 17 hours, I believe, against the passage of that bill——

Mr. OWEN. Twenty-six hours, I think.

Mr. SMOOT. Thirty-six. [Laughter.]

Mr. REED. I beg the Senator's pardon.

Mr. SMOOT. The Senator might as well say 46, or 56. Make it a little larger.

Mr. REED. Well, I thought it was 26. It sounded longer. [Laughter.]

Mr. SMOOT. The Senator was not present.

Mr. REED. Oh, I was here, and I have never quite had my nervous system restored to its usual normal condition since then. [Laughter.] The Senator can be as proud as he likes of that glorious achievement. He postponed this relief. He held it back from the people.

The Senator can make as many statements as he desires about the ability of this side, by a majority vote, to make the

corrupt-practices bill the unfinished business of the Senate. We all know that. We understand that; but we also understand that the only way it can be passed in a reasonable length of time is by securing unanimous consent to fix a day to vote—in other words, for the other side of the Chamber to waive its right to filibuster; and we are simply asking that that right to filibuster be now waived. One man, of course, can prevent a unanimous-consent agreement, and the Senator from Utah is entitled to the glorious distinction of having been the first man to object.

Mr. OWEN. Mr. President, I ask unanimous consent that the revenue bill be voted on next Thursday.

Mr. SMOOT. Mr. President, I stated to the Senate that no one could tell whether discussion on the revenue bill will cease by next Thursday or not, and it has not been the practice in this body to ask unanimous consent to vote upon a bill until after the discussion had been virtually exhausted. It has not been exhausted in this case—and by that I mean legitimate debate. Even members of the committee have not spoken upon the bill yet; and I shall object to any such unanimous-consent agreement at this time.

Mr. SIMMONS. Mr. President, will the Senator from Oklahoma permit me?

Mr. OWEN. I yield to the Senator.

Mr. SIMMONS. The Senator from Oklahoma has just made a request to which, of course, I have no objection; but the Senator spoke to me about making a similar request early after he took the floor, and I told him that I was so thoroughly satisfied, from my knowledge of the situation, that it was impossible to secure unanimous consent that I did not think it was worth while to make the request, and for that reason I did not do it at that time. I will make that request whenever I think there is the slightest possibility of its being acquiesced in.

Mr. OWEN. I thank the Senator for that purpose. I hardly had any hope that it would be acquiesced in, but since the adjournment was announced for next Friday I thought perhaps it might be done.

Mr. SIMMONS. The Senator did not understand me as referring to the corrupt-practices bill.

Mr. OWEN. Oh, no.

Mr. SIMMONS. I was referring to the revenue bill.

Mr. OWEN. Yes; I know. And I really was not within my rights in asking unanimous consent in regard to the revenue bill, which is especially in charge of the Senator from North Carolina.

Mr. SIMMONS. I have no objection. I simply wanted it understood——

Mr. OWEN. I did so without really thinking of the usual practice.

Mr. SIMMONS. The Senator will not understand me as complaining.

Mr. OWEN. No; I did not.

Mr. SIMMONS. I was simply giving the reason why I had not myself made that request in the open Senate.

Mr. OWEN. I do not wish to detain the Senate longer. I gave notice yesterday that I would bring up the conference report on the amendments to the Federal reserve act and would present it to the Senate and ask for its present consideration under Rule XXVII.

Mr. GALLINGER. Mr. President, as I have been interrogated very sharply as to why I suggested that we were in the closing days of the session, I want to read the record of a recent meeting of the Republican conference, held on the 10th day of August, 1916. As this has been in the newspapers, I feel at liberty to read it:

> The conference met at 10 o'clock a. m., and, a quorum being present, the chairman laid before the conference a resolution presented by the Democratic steering committee, which read as follows:
>
> "*Resolved*, That it is the judgment of this committee that no seriously contested legislation should be undertaken during the present session except—
>
> "First. The appropriation bills and conference reports.
>
> "Second. The shipping bill.
>
> "Third. The revenue bill.
>
> "Fourth. The workmen's compensation bill.
>
> "And that the Congress should adjourn sine die as soon as said matters are disposed of."

I read this, Mr. President, to refute the repeated and reiterated charges against the minority that we are obstructing legislation.

Mr. OWEN. Mr. President, I will ask what action the conference took on that, by the Republican conference?

Mr. GALLINGER. The conference took this action, which I think is very wise:

> That the power to control both legislation and adjournment rests with the Democratic majority in Congress. The Republican Senators reserve the right to support or oppose or request action on any legislation now pending, and they further urge that the immigration bill shall be taken up, considered, and acted on at this session.

Mr. OWEN. Then, if that was a Democratic proposal, it was not accepted by the Republicans?

Mr. GALLINGER. It was not accepted.

Mr. OWEN. I should like, therefore, to have my colleagues on this side understand that if there was a proposal made, it was not accepted and that they are in no way bound. I thank the Senator for giving the record.

Mr. GALLINGER. It was prefectly understood. Of course the Senator was not here to know what happened at that time.

Mr. THOMAS. Mr. President——

Mr. OWEN. I yield to the Senator from Colorado; or, if he will permit me, I should like first to answer the suggestion of the Senator from New Hampshire.

The Senator from Oklahoma spent two days on business within the last month. He spent a week-end, Saturday and Sunday, with his family on Long Island. When the Democratic convention met at St. Louis, he attended it. Otherwise, he has been in Washington. There has been no record vote made where the Senator's absence cut any figure whatever, or where his vote was not adequately recorded.

I now yield to the Senator from Colorado.

Mr. THOMAS. Mr. President, I desire to occupy the attention of the Senate for a few moments in regard to the discussion that just ended.

Quite a number of the Members of the majority of this body, and of the minority as well, acting upon the theory that their duties in the Senate involved close attention to its official affairs, have stayed here, and many of them have been paired as well, for the purpose of keeping a quorum and transacting business. I count myself one of that number, having been absent on two or three occasions only. I have been here almost constantly since the first Monday of last December. So have a great many of my associates. They have not spent week ends anywhere, believing that too many absences might result in the complete suspension of business, a situation for which we did not care to be responsible.

Mr. President, it has been a long time from the month of December to the month of August with those of us who have been constant in our attendance upon the Senate and in the transaction of Senate business. We indulged the hope some days ago that we might be able to get away from here in time to obtain at least a little recreation before the next regular session of the Senate shall convene in due course, and were upon the eve of what seemed to be a possible agreement or understanding whereby the end of the session could be attained and the unfinished business go over, so that we could get away from here. But with the first intimation of a possible adjournment various measures have been pressed, I will not say for the first time, but pressed with unusual vigor and determination—the immigration bill, the corrupt-practices bill, and some others.

Mr. President, I am in favor of the immigration bill. I shall probably vote for the corrupt-practices bill, if we shall decide to remain here for its consideration. But I for one am getting weary of my long attendance here. We hear a good deal about the people and the interest they are manifesting in these measures. I think the people want Congress to adjourn. My impression is that they are tired of this long session, and would welcome a resolution of adjournment more than anything that we could do—more than an immigration act, more than a corrupt-practices act, more than anything except the dispatch of the business that is absolutely exigent and which, of course, demands our attention.

But it is now quite evident, Mr. President, that we shall not secure this desired vacation.

Certainly we will not if it is intended to press these measures to a final vote. Those who are anxious to pass them—and, of course, I do not in the slightest degree question their motives—have by their queries and by assertions which have not been challenged revealed the fact that if the bills are to be pressed they will provoke controversy, they will encounter opposition, they will in all probability inspire a resort to those parliamentary practices which are so common here, and so easy to resort to for the purpose of defeating or postponing objectionable legislation.

Mr. WILLIAMS. And easy to resort to without detection.

Mr. THOMAS. Yes; as the Senator suggests, easy to resort to without detection.

Now, of course, I shall remain here, Mr. President, cancel whatever engagements I have made, and be at my post as long as my health will permit if the program that after we get through with these important measures is to continue with other matters that are assumed by others to be so important. But I, for one, declare that I shall vote against a motion to

take up either of these measures at this time. They are important, but I do not think they are the most important things before the country; and as one of the Members of the Senate who has been here all the time, I think I am justified in making this announcement, to the end that, if possible, we may obtain a slight respite from our duties between now and the first Monday of December.

The PRESIDING OFFICER (Mr. LEA of Tennessee in the chair). The Senator from Oklahoma moves that the Senate proceed to the consideration of the conference report on House bill 13391.

Mr. SMOOT. Before the motion is put, I will ask the Senator from Oklahoma if he will not withhold the motion until I can get word to the Senator from Massachusetts [Mr. WEEKS]?

Mr. OWEN. I will withhold it for an hour.

Mr. SMOOT. I will not ask the Senator to withhold it longer than the Senator from Massachusetts can be present.

Mr. OWEN. I know exactly what the Senator from Massachusetts desires. He does not object to the report, but he wanted to make a comment on the rejection of the amendment of the Senate with regard to branch banks in cities, which he thought ought to remain in. The reason why it was left out was because when the House passed the bill the first time it was imposed as a condition by the Republican leader [Mr. MANN] that that provision should not go into the bill, and when it came back from the Senate the chairman of the Banking and Currency Committee of the House felt bound by parliamentary conditions to object to it, and it was dropped out.

Mr. SMOOT. The Senator understands I have no objection to taking up the report.

Mr. OWEN. I understand that. I am willing to wait for another hour, but I would like to dispose of it to-day, because I gave notice yesterday, and this is the fourth time I have tried to get it up.

Mr. SMOOT. The Senator from Massachusetts will no doubt be here soon.

Mr. OWEN. I withdraw the motion.

Mr. SIMMONS. As soon as the Senator is ready, I will ask to lay aside the revenue bill and let him take it up.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. LIPPITT. Mr. President, there has been some discussion lately about what the issues of the presidential campaign should be. Different individuals will decide that question for themselves in accordance with their information, their temperaments, and their occupations. Several important and fundamental policies are involved in it, concerning which I entertain strong convictions, but the importance of one consideration so far exceeds all others in my examination of the situation that before this Congress adjourns I desire to have it stated in the RECORD.

Believing that national honor and good faith must be placed above all other considerations of public policy, to my mind the unforgivable thing done by President Wilson was the lifting of the embargo on February 3, 1914, to allow munitions of war to go to Villa and Carranza in Mexico. According to the New York Sun, 72,000 rifles and more than 35,000,000 rounds of ammunititon went there by August 15. As Col. Harvey described it in the following September the result was that Mexico has been "a shambles compared with which devastated Belgium is as a German garden."

The President had been trying to depose Huerta by what he called "the steady pressure of moral force." He had sent a message ordering him to resign, he had sent John Lind to persuade him to resign; but this method was not succeeding very fast, so he concluded to arm all the robbers and bandits that Villa could collect to force him to resign. To strengthen this generous and noble program two months later, on April 20, when he heard of the expected arrival of a German cargo of munitions for Huerta he sent the Navy in hot haste to Vera Cruz to prevent its landing, on the pretext of a salute to the flag, which perhaps added to the respect entertained in Mexico and South America for a flag which later at Kansas City he said stood for "honor and not for advantage."

Mr. Wilson could not have been in ignorance of the horrible deeds his action would cause. It was not done impulsively as the result of a crisis; John Lind had been urging it for several weeks, while Nelson O'Shaughnessy was protesting against it from Mexico City, and Dr. Ryan went from there to Washington to add his protest, in vain. A policy was at stake, peaceful means had failed, so a President whose campaign cry is that he has kept this country out of war used as an instrument the most horrible and indefensible kind of warfare; and all the forces of murder, robbery, and unbridled passion and lust were armed and encouraged to conduct a conflict in which nothing was sacred, not even the altars of religion.

With what does it compare? How does it differ from Gen. Burgoyne arming the Indians against America in 1777, with instructions that though they might scalp the men, women, and children of the American frontier, they must see that their victims were dead before they were scalped—a system denounced by Edmund Burke in the Parliament of England and defended by Lord Suffolk on the ground that it is "perfectly justifiable to use every means which God has put into our hands." So God, 140 years later, gave the power to an American President to arm these Indians of Mexico and start them on a no less bloody career, and the verdict of the American people will decide whether such an act is justifiable in this generation. History will decide it later according to the facts, as it has decided about Burgoyne and Suffolk.

Or, it compares with Warren Hastings in India four years before Burgoyne imitated him in America. Hastings sold the armies of England to the Nabob of Oude to destroy a neighboring people, the brave and warlike Rohillas, for some hundreds of thousand pounds that were very acceptable to the exchequer of the East India Co., and then turned upon the dynasty he had made an alliance with, robbed and despoiled it of its possessions, even as Wilson used the brutal capacity for war of Villa to destroy Huerta, and in turn uses Carranza to destroy Villa. Those who are curious can read the story in the seething indictment of the same Edmund Burke who protested against the use of Indians in civilized warfare, when, on behalf of the Commons of England, he impeached Hastings before the House of Lords; or it can be found condemned in the sonorous sentences of Lord Macaulay.

The American public knows almost as little of the things that have been happening in Mexico as it remembers of Burgoyne and Hastings. It has not been a history that the administration cared to call attention to. When Americans in Mexico, protesting against what Secretary Lansing subsequently described as "outrage after outrage, atrocity after atrocity," and "uncivilized acts of mutilation," declared that their lives were being threatened and their property destroyed, and asked that their statement be made public, the Secretary of State, Mr. Bryan, replied:

> Your message has been laid before the President. He does not think it would contribute to the welfare of Americans there to give your statement to the press.

But no censorship is strong enough to entirely conceal such events as were happening in Mexico. Rumors of them appeared in the press, and criticisms were being published. They were appearing when President Wilson was talking about morality and honor in the West, and the President's answer, made at Indianapolis, was that though the editors—

> thundered with rising scorn at watchful waiting, Woodrow sat back in his chair and chuckled, knowing that he laughs best who laughs last.

That was the attitude of the man who now asks for an indorsement of his acts from the humanity of America; an attitude not of sorrow, of pity, nor of regret, for sufferings across our border no less appalling than the massacres in far-off Armenia that have often aroused Americans, but delight that such a policy could be pushed to success. So amid all these horrors Wilson laughed—Woodrow chuckled—while Mexico was being despoiled, as Nero fiddled when Rome was burning.

What will historians in the next century say of Americans to-day if they reelect to office this laughing and chuckling President, and so make themselves partners in the shambles of Mexico?

Mr. GRONNA obtained the floor.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Will the Senator from North Dakota yield to the Senator from North Carolina?

Mr. GRONNA. I yield.

Mr. OWEN. Will the Senator from North Dakota permit me now to make a disposition of the conference report?

Mr. SIMMONS. If the Senator from Oklahoma will pardon me, I have just had a conference with the Senator from North Dakota, and, with his consent, I wish to ask that the bill be taken up for amendment at this time.

I suggest that the Secretary begin the reading of the bill for the purpose of considering first the committee amendments and that the formal reading of the bill be dispensed with. The first title of the bill relates to income taxes, the second to inheritance or estate taxes. The Senator from Mississippi [Mr. WILLIAMS], who is a member of the Finance Committee, has given special attention to those two titles of the bill, and during their consideration he will have charge.

The PRESIDING OFFICER. The Senator from North Carolina asks unanimous consent that the formal reading of the bill be dispensed with, that the bill be read for amendment, and that the committee amendments be first considered. Is there objection? The Chair hears none, and it is so ordered. The Senator from North Dakota [Mr. GRONNA] is entitled to the floor.

Mr. OWEN. Will the Senator yield to me to let me dispose of the conference report?

Mr. GRONNA. I will say to the Senator from Oklahoma that I am going to leave the city this afternoon, and I wish to make some remarks on the pending bill.

Mr. OWEN. I will yield for the present.

Mr. SMITH of Georgia. Will the Senator from North Dakota yield to me for a moment to correct a statement in the RECORD?

Mr. GRONNA. I yield to the Senator for that purpose.

Mr. SMITH of Georgia. I discovered it only last night.

On page 15275 of the RECORD there is a table of figures furnished me from the Treasury Department. At the close of the table there is a note 2, which says:

Exclusive of $6,636,592.60 grants from the Treasury for deficiencies in postal revenues in ordinary disbursements.

It should be "inclusive" instead of "exclusive," and at the close of the sentence there should be the words "and $4,696,716.37 paid from postal balances," so that the entire note would read:

NOTE 2.—Includes $6,636,592.60 grants from the Treasury for deficiencies in postal revenues in ordinary disbursements and $4,696,716.37 paid from postal balances. These sums will make the $11,000,000 difference in the last two figures in third column.

I corrected the statement, but I had two tables, and by mistake the reporter received the one that was not corrected.

Mr. SMOOT. Let me ask the Senator to make a further correction, because the figures furnished him by the department are not correct.

In the District of Columbia appropriation bill, in the table furnished the Senator, the amount for the fiscal year 1917 is given as $13,827,734.72. The real amount that the law calls for is $12,841,907.10.

Again, in the fortifications bill——

Mr. SMITH of Georgia. Before I yield to the Senator, let me state that my sole object was to make the statement in the RECORD conform to the statement furnished me by the department. I had two tables. The department telephoned me and called attention to the fact that they were not correct, and I corrected it, but I had two, and by mistake the reporter was given the one which was not corrected instead of the one which was corrected. I only wanted to give the figures as the department furnished them to me.

Mr. SMOOT. Then I will continue and tell the Senator about errors which were in the figures furnished him by the department. I have already stated that there was an error of $985,827.62 in the District of Columbia appropriation bill. In the fortifications bill the figures given by the Senator——

Mr. SMITH of Georgia. To which table is the Senator referring?

Mr. SMOOT. I am referring to the table the Senator gave.

Mr. SMITH of Georgia. I gave two.

Mr. SMOOT. The one that gives the amounts of appropriations in the different appropriation bills.

Mr. SMITH of Georgia. For 1915-16?

Mr SMOOT. For the fiscal year 1917.

Mr. SMITH of Georgia. That is a different table. I will turn to it.

Mr. SMOOT. I know the Senator does not want to have the figures given incorrectly. I will say that the error was made by the department by giving the Senator the figures as the bill passed the Senate, but not as the conferees agreed upon them.

In the fortifications bill there is a difference of $500. In the naval appropriation bill, as it became a law, the amount was $313,300,095.84, whereas the figures furnished the Senator by the department were $316,726,556.54, or a difference of $3,426,460.70. That $3,426,460.70 was taken out of the bill in conference.

Mr. GRONNA. Mr. President——

Mr. SMITH of Georgia. It was based on the then condition of the bill.

Mr. SMOOT. At the date the statement was made.

Mr. GRONNA. Mr. President——

The PRESIDING OFFICER. The Senator from North Dakota is entitled to the floor.

Mr. GRONNA. I do not wish to be discourteous, but I yielded to the Senator from Georgia at his request to make a correction.

Mr. SMITH of Georgia. I thank the Senator. I did not intend to go into a discussion of the matter.

Mr. GRONNA. Mr. President, we have before us again a bill to increase the revenues. Less than three years ago we passed a tariff bill that contained a provision levying a new tax—the income tax. About two years ago we passed another revenue bill—the so-called emergency revenue bill—levying new taxes, among them the annoying stamp taxes; this was necessary because the revenues did not equal the expenditures. And now we are called upon to pass still another revenue measure for the reason that the expenditures of the Government for this fiscal year will be far in excess of the revenues. This bill increases the income tax, continues most of the taxes provided for in the revenue act of 1914, and levies in addition thereto an inheritance tax and a tax on the manufacture of munitions of war.

The reason for this further tax legislation is the astounding increase in appropriations. Never before in our history, not even during the Civil War, have the appropriations reached the totals of this year. According to the statement of the Treasury Department, submitted by the chairman of the Finance Committee, the appropriations for this year are as follows:

Appropriations for the fiscal year 1917.

Army	$267,596,530
Agriculture	24,948,852
Diplomatic	5,355,097
District of Columbia	13,827,735
Fortifications	25,747,350
Indian	10,967,645
Legislative	37,925,630
Military Academy	1,225,044
Navy	316,726,557
Pensions	158,065,000
Postal Service	322,937,679
Rivers and harbors	40,598,[illegible]
Sundry civil	128,299,285
Permanent appropriations	131,074,[illegible]
Good roads	6,000,000
Rural credits	6,100,000
Miscellaneous	2,000,000
Deficiencies	45,077,178
Deficiency, Army and Navy	27,536,069
Shipping bill	50,000,000
Nitrate plant	20,000,000
Total	1,642,108,719

I have included the items for the nitrate plant and the shipping bill, which the Treasury Department did not include in its table of appropriations, but referred to in a footnote. In addition to these there is a flood bill pending in Congress providing for an appropriation of $50,000,000, and there is a treaty pending which, if ratified, will necessitate an appropriation of $25,000,000 for the purchase of the Danish West Indies. Besides the general deficiency bill has not as yet been reported from the House Committee on Appropriations, and it may be found that when passed the amount carried by this bill will be in excess of the estimate.

At any rate, if the flood bill is passed—and it will make no difference whether it is passed at this session or postponed until next session, as the appropriation will be made during this fiscal year—the total appropriations for the year ending June 30, 1917, will be well in excess of $1,700,000,000. As the total appropriations for the fiscal year of 1916 were $1,115,000,000 this means that the appropriations for this year will be about $600,000,000 greater if the flood bill is passed, and if the flood bill should not be passed, about $550,000,000 greater. And it deserves to be noticed that, except the last year of the Civil War, the appropriations for last year were the largest in our history up to that time.

In the platform adopted by the Democratic national convention of 1912, the platform on which the present administration came into power, I find the following:

We denounce the profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of recent Republican Congresses, which have kept taxes high and reduced the purchasing power of the people's toil. We demand a return to that simplicity and economy which befits democratic government and a reduction in the number of useless offices the salaries of which drain the substance of the people.

The appropriations made by the last session of Congress in which the Republicans were in control of both Houses totaled $1,027,000,000. If these were denounced as lavish and extravagant appropriations, how is the party now in power going to justify appropriations totaling almost $700,000,000 more?

It is rather interesting to note that the economy declaration in the 1912 platform is almost word for word the same as in the platform of 1896, adopted when a Democratic administration was in power.

The Democratic platform of 1908 contains the following:

The Republican Congress in the session just ended made appropriations amounting to $1,008,000,000. * * * We denounce the needless waste of the people's money, which has resulted in the appalling increase, as a shameful violation of all prudent considerations of government and as no less than a crime against the millions of working men and women, from whose earnings the great proportion of these

colossal sums must be extorted through excessive tariff exactions and other indirect methods. * * * We demand that a stop be put to this frightful extravagance, and insist upon the strictest economy in every department compatible with frugal and efficient administration.

If the Republican appropriations were "appalling," constituted "a shameful violation of all prudent considerations of government," and were "no less than a crime" against the taxpayers, what can be said of the appropriations of a Democratic Congress which total almost twice as much?

And I may call attention to the fact that during those years when our friends on the other side of the Chamber took such pleasure in denouncing Republican appropriations we built the Panama Canal, appropriating each year from $30,000,000 to $50,000,000 for construction, besides paying the French Canal Co. $40,000,000 and Panama $10,000,000.

In spite of this Democratic record of appropriations piled on appropriations, of taxing acts after taxing acts being enacted in order to provide funds for the payment of these enormous expenditures, the Democratic platform of 1916 actually declares:

We demand careful economy in all expenditures for the support of the Government.

As to whether our friends the Democrats are better platform writers than administrators, or whether this plank was inserted in the expectation that the next administration will be Republican, I shall not discuss at this time.

It has been usual for the Democrats to blame the deficit on the European war, contending that the war caused such a falling off in our imports that the present tariff law as a consequence produced far less revenue than it would otherwise have done. It is a fact, however, that our imports, except during the first few months of the war, have been greatly in excess of our imports under the Payne Tariff Act, and that the deficiency in the customs revenue is not due to a lack of imports, but to the removal or reduction of the tariff on those imports. I submit herewith a table showing the value of imports, customs revenues, proportion of imports admitted free, average tariff rates on dutiable imports, and average tariff rates on all imports for the last six years. Mr. President, I do not wish to take up the time of the Senate by reading all of these figures, but I ask that the table may be inserted in the RECORD without reading.

The PRESIDING OFFICER (Mr. FLETCHER in the chair). Without objection, that will be done.

The table referred to is as follows:

Year.	Imports.	Revenues.	Per cent free.	Average rate, dutiable imports.	Average rate, all imports.
1911	$1,527,226,105	$314,497,071	50.84	41.22	20.20
1912	1,653,264,934	311,321,672	53.33	40.12	18.58
1913	1,813,608,234	318,891,396	54.47	40.05	17.69
1914	1,893,925,657	292,128,528	59.53	37.60	14.88
1915	1,674,169,740	209,268,109	61.74	33.43	12.40
1916	2,197,883,510	211,866,222	67.91	30.04	9.72

Mr. GRONNA. I simply want to call attention to the year 1916. For that year the imports were $2,197,883,510 and the revenue collected was only $211,866,222; the percentage of imports free was 67.91; the average duty on dutiable imports 30.04 per cent; and the average rate on all imports 9.72 per cent.

Mr. President, I want to say in passing that my figures agree, or very nearly agree, with those of the distinguished Senator from Alabama [Mr. UNDERWOOD]. He called attention to the fact that the rate of duty had been decreased. He did not, however, call attention to the fact that 67.91 per cent of all our imports came in free, and that only 32.09 per cent were taxed.

To further analyze the figures in the table, the imports for the year ended June 30, 1915, the first year of the war, were greatly in excess of the imports for any year under the Payne Tariff Act except the year of 1913, yet the revenues for that year were 50 per cent less. For last year our imports exceeded by almost $400,000,000 the greatest imports under the Payne law, and the revenues were more than $100,000,000 less. In 1911 almost 50 per cent of our imports paid a duty; in 1912, 47 per cent; and in 1913, 46; while in 1916 duties were paid on only 32 per cent of our imports. In 1911 the average rate of duty collected on all imports was 20.29; in 1916, as I have said, it was 9.72. Yet the distinguished Senator from North Carolina [Mr. SIMMONS], chairman of the Finance Committee, asked me on yesterday how I would increase the customs revenues.

Obviously if you cut the tariff rate in two you necessarily reduce the revenues collected from the tariff. The failure of the present tariff law to produce the needed revenues is not due to a failure in imports, but to the fact that the American markets have been thrown open to the foreign producer and his products are admitted free or at greatly reduced rates. In 1916, 68 per cent of our imports were admitted free. If a tariff bill is to produce revenue, it must levy tariff duties on the goods imported. When the present law is pointed to as a revenue producer on the strength of the collections during the year 1914 it must be remembered that for three months of that year imports paid duties under the Payne tariff law.

Several days ago the Senator from Georgia [Mr. SMITH] submitted a statement showing an excess of receipts over disbursements for the year 1916, the first year under this administration, in which there has not been a deficit if we include the Panama Canal expenditures. It can not be maintained, however, that this showing for the year 1916 is due to the present tariff law. In October, 1914, we passed the so-called emergency revenue act, increasing the former internal-revenue taxes and adding others, among them the annoying stamp taxes, which had theretofore been resorted to only in times of war; and last December we passed a joint resolution continuing those taxes, and the fact that we had a surplus instead of a deficit last year is due to the amounts raised by these taxes. If we had not had those taxes the deficit would have reappeared at the end of last June with its customary regularity.

In order to raise sufficient revenue to run the Government in time of peace, practically every available source of revenue is to be tapped. And yet, even these new taxes will not be sufficient for the increased expenditures. The $130,000,000 which it is estimated the experiment of keeping the National Guard on the Mexican border will cost up to the end of December, the $50,000,000 for purchasing and building ships, and the $20,000,000 for the nitrate plant—all these sums are to be raised by the sale of bonds. And with all these taxes and this bond issue there will still be a deficit of $30,000,000 to be taken out of the general fund, according to the estimate of the chairman of the Finance Committee. And this does not take into consideration the $25,000,000 which we are to pay for the Danish West Indies nor the $50,000,000 which will be appropriated if the flood bill passes.

Mr. President, a good deal has been said about the present era of prosperity, and the country is being appealed to to let well enough alone and reelect the present administration in order that the prosperity may continue. As showing the effect of the enactment of the present tariff law on the prosperity of this country, I wish at this point to insert a few tables taken from a report by the Chief of the Bureau of Foreign and Domestic Commerce, showing the imports and exports of gold, the receipts of railways, bank clearings, and business failures for the calendar years 1912, 1913, 1914, 1915, and the first four months of 1916, which I ask to have printed as part of my remarks.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The matter referred to is as follows:

Imports of gold in ore, bullion, and coin into the United States.

Month.	1912	1913	1914	1915	1916
January	$5,141,243	$6,210,360	$10,442,373	$6,896,398	$15,008,232
February	2,937,274	5,356,471	3,208,853	12,726,492	6,016,006
March	4,335,678	4,380,993	7,842,249	25,620,467	9,776,839
April	3,892,599	4,013,537	3,460,424	16,203,028	6,121,788
May	3,346,491	4,561,260	1,972,411	31,136,311	
June	5,611,057	3,386,974	3,817,112	52,341,740	
July	3,747,869	7,859,512	3,391,715	17,262,938	
August	5,576,900	5,803,753	3,045,219	61,641,191	
September	4,200,682	4,626,748	2,761,590	42,062,449	
October	11,887,492	5,391,085	5,945,603	79,669,359	
November	4,474,480	7,040,782	7,391,729	60,981,540	
December	11,397,007	5,073,357	4,109,063	45,412,677	
Total	68,548,772	63,704,832	57,387,741	451,954,590	

Exports of gold in ore, bullion, and coin from the United States.

Month.	1912	1913	1914	1915	1916
January	$1,915,202	$17,237,648	$6,914,056	$601,509	$10,213,517
February	10,589,295	12,373,409	9,078,778	1,075,879	13,884,667
March	7,453,589	18,076,584	2,632,049	925,891	10,775,353
April	1,816,816	3,010,168	407,386	813,705	11,502,999
May	4,450,899	12,467,492	16,835,262	1,277,554	
June	7,171,035	569,315	48,107,064	2,821,988	
July	7,264,664	8,653,969	33,669,424	2,191,735	
August	2,498,472	1,194,657	18,125,617	1,128,428	
September	568,302	496,037	21,887,202	2,033,960	
October	330,270	483,780	50,301,972	2,538,800	
November	2,709,594	6,662,958	14,526,482	3,661,153	
December	656,704	10,572,593	130,924	11,869,285	
Total	47,424,842	91,798,610	222,616,156	31,425,948	

Gross operating receipts of all steam railway companies in the United States whose total operating revenues exceed $1,000,000.
[From reports of the Interstate Commerce Commission.]

Month.	1912	1913	1914	1915	1916
January	$201,593,770	$241,991,969	$226,618,121	$214,196,786	$260,054,308
February	211,812,779	225,376,929	203,022,222	205,112,212	261,904,120
March	231,261,933	241,048,818	242,832,681	231,495,126	289,176,150
April	214,468,469	237,362,425	230,534,172	230,997,430	280,987,306
May	227,072,605	256,426,057	232,567,938	237,976,843	
June	237,364,296	253,356,490	244,123,428	249,489,452	
July	247,311,017	260,675,397	256,036,418	258,526,363	
August	269,636,988	273,602,766	267,084,222	272,306,183	
September	268,423,793	277,558,806	269,581,592	286,403,834	
October	292,122,141	290,605,915	266,793,864	302,888,696	
November	270,470,699	261,598,215	233,812,429	298,274,613	
December	258,975,689	247,398,764	226,318,739	287,367,343	
Total	2,933,514,169	3,067,002,551	2,899,325,826	3,075,038,881	

Bank clearings in the United States, in millions of dollars.
[From the Commercial and Financial Chronicle.]

Month.	1912	1913	1914	1915	1916
January	15,064	16,283	16,198	13,478	20,070
February	12,975	13,639	12,865	11,907	18,236
March	14,457	14,166	14,253	13,843	20,680
April	14,975	14,313	14,897	15,008	19,314
May	14,822	14,143	13,105	14,620	
June	13,629	13,731	13,948	14,117	
July	13,946	13,554	14,493	14,925	
August	13,208	12,391	9,932	14,269	
September	13,077	13,447	10,028	15,760	
October	17,146	15,720	11,736	20,144	
November	15,366	13,895	11,081	19,383	
December	15,455	14,701	12,644	20,303	
Total	174,120	169,933	155,240	187,757	

Number of business failures in the United States.
[From Dun's Review.]

Month.	1912	1913	1914	1915	1916
January	1,807	1,814	1,857	2,848	2,009
February	1,539	1,454	1,505	2,278	1,688
March	1,392	1,190	1,464	2,090	1,690
April	1,279	1,314	1,336	2,063	1,399
May	1,204	1,246	1,221	1,707	
June	1,006	1,145	1,160	1,754	
July	1,220	1,169	1,411	1,739	
August	1,102	1,148	1,272	1,396	
September	1,167	1,235	1,615	1,414	
October	1,150	1,434	1,686	1,599	
November	1,175	1,377	1,815	1,565	
December	1,311	1,514	1,938	1,704	
Total	15,452	16,037	18,280	22,156	

Total liabilities of business failures in the United States.
[From Dun's Review.]

Month.	1912	1913	1914	1915	1916
January	$19,770,530	$22,972,769	$39,374,347	$49,640,575	$25,863,286
February	21,477,923	28,141,258	22,354,193	32,404,630	18,744,165
March	21,763,870	25,718,250	21,493,286	23,658,130	16,885,295
April	16,974,727	18,445,555	20,549,144	43,517,870	18,382,037
May	15,277,162	16,863,804	23,447,496	21,053,212	
June	12,847,711	20,767,625	57,881,264	18,313,118	
July	16,098,460	20,325,705	26,377,118	18,934,903	
August	16,153,166	20,818,916	43,668,116	17,733,552	
September	13,280,511	22,662,694	23,018,027	16,208,070	
October	15,762,337	20,245,466	29,702,178	25,522,380	
November	15,646,105	24,109,485	25,489,498	15,694,434	
December	18,164,589	31,480,961	30,899,162	19,605,274	
Total	209,117,391	272,672,488	356,053,859	302,286,148	

Mr. GRONNA. The falling off in our favorable trade balance during the year following the enactment of the Underwood tariff law—in the months of April, May, June, and July, 1914, our imports actually exceeded our exports—resulted in heavy exports of gold, and during the calendar year 1914 we exported $150,000,000 more gold than we imported. It was not until the war began, with its disarrangement of the commerce of the European countries, that this steady stream of gold leaving this country stopped, and since that time the placing of huge war orders in this country has resulted in enormous imports of gold, $450,000,000 being imported in the calendar year 1915.

Mr. President, it seems to me that our present prosperity, at least in so far as it depends on our foreign commerce, is in a precarious condition. I submit herewith two tables, one showing our exports for the last three years of articles the demand for which is due wholly or mainly to the war, and one showing the exports of articles the demand for which has been directly increased by the war, which I ask to have printed without being read. The figures for 1914 and 1915 were taken from Commerce and Navigation for 1915, and the figures for 1916 were taken from the Monthly Summaries of Foreign Commerce.

The PRESIDING OFFICER. Without objection, that will be done.

The matter referred to is as follows:

TABLE I.—*Value of articles exported the demand for which is due wholly or mainly to the war.*

Articles.	1914	1915	1916
Horses	$3,388,819	$64,046,534	$73,531,146
Mules	690,974	12,726,143	22,946,312
Brass, bars, etc	791,629	6,149,183	35,669,500
Brass, manufactures of	3,966,645	12,819,373	128,331,820
Aeroplanes and parts of	226,149	1,541,446	7,002,907
Automobiles and parts	33,198,806	68,107,818	120,000,807
Motorcycles	1,234,194	1,494,176	3,360,646
Other vehicles and parts of	2,939,742	8,535,240	8,417,331
Sulphuric acid	125,892	516,435	1,900,502
Other acids	357,035	2,611,741	22,717,435
Other chemicals	9,019,582	22,476,269	56,000,428
Cartridges	3,521,533	17,714,205	37,087,488
Dynamite	1,587,181	924,079	3,893,672
Gunpowder	247,200	5,091,542	173,736,374
Other explosives	915,280	17,746,362	252,368,391
Rubber tires for automobiles	3,505,267	4,963,270	17,956,227
Rubber tires, other	583,372	576,602	3,003,077
Scrap iron	841,450	359,109	2,481,087
Bar iron	502,132	446,146	3,952,120
Steel bars and rods	7,392,163	10,829,699	37,036,350
Steel billets, ingots, etc	1,042,854	4,815,233	42,421,081
Firearms	3,442,297	9,474,947	18,065,185
Horseshoes	98,835	2,001,258	2,135,979
Metal-working machinery	14,011,359	28,162,968	61,315,952
Manufactures of iron and steel not specified	18,230,500	20,397,825	138,901,435
Lead and manufactures of	2,610,207	9,044,479	13,787,774
Men's shoes	10,117,965	17,679,931	36,800,966
Harness and saddles	785,455	17,460,519	7,329,720
Woolen manufactures	4,730,087	27,327,451	53,983,655
Zinc, pigs, bars, etc., and manufactures	405,208	21,243,935	45,885,150
Total	130,552,875	417,283,929	1,432,193,175

TABLE II.—*Value of articles exported, the demand for which has been directly increased by the war.*

Article.	1914	1915	1916
Aluminum and manufactures of	$1,101,920	$3,245,799	$5,644,340
Cattle	647,288	702,847	2,383,357
Barley	4,253,129	18,184,079	20,663,591
Oats	757,527	57,463,964	47,903,606
Wheat	87,953,456	333,552,226	215,332,684
Wheat flour	54,454,175	94,863,343	87,347,805
Cars, for steam railways	7,403,558	1,507,830	24,119,386
Bark, extracts of	639,941	2,226,457	5,907,290
Dyes and dyestuffs	356,919	1,177,925	5,109,902
Copper and manufactures of, except ore	146,224,556	99,558,030	173,906,250
Cotton knit goods	2,546,822	13,080,445	20,867,288
Other cotton wearing apparel	5,999,887	14,743,148	11,213,181
Canned salmon	7,999,293	9,072,083	15,032,407
Locomotives, steam	3,602,225	2,115,866	12,665,877
Railway rails, steel	10,259,109	4,537,978	17,687,102
Wire and manufactures of	9,934,614	17,268,807	48,502,317
Sole leather	7,475,843	21,351,434	27,186,761
Manufactures of leather, not specified	1,881,223	13,102,714	11,645,361
Canned beef	461,901	11,973,530	9,353,470
Fresh beef	788,793	21,731,633	28,886,115
Bacon	25,879,056	47,326,129	78,615,616
Hams and shoulders	23,767,447	29,049,931	40,803,022
Pork	5,748,577	6,131,036	16,091,350
Butter	877,453	2,392,480	3,592,415
Cheese	414,124	8,463,174	7,430,089
Gas oil and fuel oil	13,747,863	18,543,976	24,770,236
Naphthas	5,653,210	10,296,928	29,472,243
Lubricating and paraffin oil	27,852,959	28,499,786	37,451,097
Sugar, refined	1,839,983	25,615,016	79,390,147
Total	459,618,851	917,990,594	1,109,086,606
Exports, Table I	130,552,875	417,283,929	1,432,193,175
Exports, Table II	459,618,851	917,990,594	1,109,086,606
Total	590,171,726	1,335,274,523	2,541,279,781
Total exports	2,329,684,025	2,716,178,465	4,272,397,774

Mr. GRONNA. Mr. President, I want to call the attention of the Senate to just a few of these articles.

In 1914 we exported horses to the value of $3,388,819, in 1915 we exported horses to the value of $64,046,534, and in 1916 we exported horses to the value of $73,531,146.

Of manufactures of brass we exported in 1914 only $3,966,645 and in 1916, $128,331,820.

Of gunpowder we exported in 1914 only $247,200 and in 1916 we exported gunpowder of the tremendous value of $173,736,374, an increase of more than 70,000 per cent.

Of other explosives we exported less than a million dollars' worth in 1914, while in 1916 we exported $252,368,391.

Mr. President, I wish to call attention to a few of the items in the table which I have prepared, designated as Table No. 2.

In 1914 we exported wheat of the value of $87,953,456 and in 1915, $333,552,226. And yet the Democrats say to us that they

have been the cause of this prosperity, that their tariff bill has really been a blessing in disguise and has helped to increase the value of the products of the farm!

In constructing these tables care has been taken to include only those articles the increased exports of which have gone to the countries at war, and the increased demand for which may consequently be considered due directly to the war. Articles the increased exports of which have gone to neutral countries have not been included, although the increased demand for these has probably been due to the war, and although in many cases there might be reason to believe that a considerable portion of such exports ultimately reached some country now at war. Many articles have also been excluded where the statistics for 1916 showed great increases in their export but did not show to what country such increased exports were sent. In view of this, I believe it safe to say that these tables understate rather than overstate the facts.

Exports of articles the demand for which is wholly or mainly due to the war are found to be, in round numbers, $130,000,000 in 1914, $417,000,000 in 1915, and in 1916 they had reached the staggering total of $1,432,000,000, 11 times as great as in 1914, an increase due to the war of $1,300,000,000.

The value of articles exported, the increased demand for which is directly due to the war, is found to be as follows: 1914, $460,000,000; 1915, $918,000,000; 1916, $1,109,000,000. The increase for 1916 over 1914 in the export of these articles is, in round numbers, $650,000,000.

Of both classes of articles our exports were of the value of, in 1914, $590,000,000; in 1915, $1,335,000,000; and in 1916, $2,541,000,000. Our exports of these articles in the year ended June 30 last were almost $2,000,000,000 greater than in 1914. In other words, $2,000,000,000 of our exports last year is due to the war. We pride ourselves on our exports for the year 1916, having a value of $4,272,397,774, a record to which no other country in the world can point, and yet it must be confessed that one-half of this is represented by goods the demand for which is directly due to the war.

As a matter of fact, the exports due to war orders are even greater than these tables show. In addition to the reasons for this given above is the further fact that the allied powers have placed restrictions on our commerce with the neutral countries of Europe, which in many cases have reduced our exports to them below those in time of peace. For instance, in 1914 we exported to the Netherlands 958,000 barrels of flour; in 1916 only 220,000 barrels. In 1914 we exported to the Netherlands 179,000,000 pounds of copper; in 1916 less than 5,000,000 pounds. In 1914 we exported to the same country almost 14,000,000 gallons of lubricating oil; in 1916 a little over 2,000,000 gallons. The result of this is when we compare the exports for 1916 with those for 1914 to make the increase due to the war orders smaller than it really is.

I submit herewith a table showing our exports to the allied powers, the only countries now at war with which we have an appreciable commerce remaining, for the years 1914 and 1916. I ask that this may be inserted without reading.

The PRESIDING OFFICER (Mr. LEA of Tennessee in the chair). Without objection, it will be so ordered.

The matter referred to is as follows:

Country.	Exports, 1914.	Exports, 1916.
Belgium	$61,219,594	$21,844,638
Finland	3,902,940	420,493
France	139,818,924	630,672,504
Gibraltar	771,038	4,333,292
Italy	74,235,012	270,489,922
Portugal	5,223,048	14,721,874
Russia in Europe	30,088,643	183,259,605
Russia in Asia	1,214,506	130,255,759
Serbia, Montenegro, and Albania	9,462	385,995
United Kingdom	594,271,863	1,518,046,263
Canada	344,716,981	466,884,415
Newfoundland and Labrador	5,735,026	7,217,997
British East Indies	15,625,195	24,696,035
Japan	51,205,520	75,098,188
British Oceania	54,986,635	74,679,257
British Africa	18,960,770	28,340,948
Egypt	1,930,016	7,791,421
French Africa	2,554,225	2,393,527
Total	1,426,571,701	3,461,532,133

Mr. GRONNA. The total exports to the countries were in 1914 of the value of $1,427,000,000, in round numbers, and in 1916 $3,462,000,000, an increase of $2,035,000,000, practically all of which may be considered due to the war, a result which agrees very closely with that arrived at from the tabulation of the exports.

Mr. President, the war had two effects on our industries. In the first place it cut off a very large part of the imports which were competing with the products of our industries, in the case of some countries cut them off completely. It served the same purpose as a protective tariff. In the second place it created a vastly increased demand for a number of articles which the United States was the only Nation able to supply on a large scale.

This surrendering of the American markets to the American producer and at the same time throwing open an immense new market to our producers necessarily revived our languishing industries. But, to the extent that the resulting prosperity is based on the production of these articles, the main demand for which exists only in time of war, to this extent it rests on a false foundation, and when the demand is withdrawn it may have a more disastrous effect than the creation of the demand had a beneficial one.

In June, 1916, our exports of the articles enumerated in Table No. 1, which are almost wholly articles the demand for which will not outlast the war, amounted to between $175,000,000 and $180,000,000, and the exports of articles listed in Table No. 2 amounted to almost $100,000,000. If the war should suddenly end, the demand for the first class of articles would immediately stop; the demand for the second class of articles would decrease, the rapidity and extent depending on the ability of the belligerent powers to supply their own needs at the end of the war, and also depending on what steps will be taken by the different governments, in accordance with the recommendations of the recent Paris conference, to conserve their markets for their own producers and those of their allies. That this demand of between $200,000,000 and $300,000,000 a month can suddenly be stopped without having a serious effect on our industries I do not believe.

In addition to the withdrawal of the demand for these articles, there will be the further effect of the suddenly renewed competition of European industries with our own. Remembering the industrial depression caused by this competition before the war, can we expect, unless we take steps to protect our industries, to escape without injury after the war, intensified as the competition will be by the urgent necessity of our competitors and with their efforts directed and perhaps directly aided by their own Governments?

We do not, perhaps, ordinarily realize the full extent to which the conditions created by this war protect us against foreign competition. We all know that the energies of the different nations have been so fully occupied with the stupendous struggle in which they are engaged that those countries with which we have had free intercourse have not been able to retain the hold they had gained in our own markets or in other neutral markets. We do not usually stop, however, to reflect that the present high ocean freight rates have also served as a protection. Such of our foreign competitors as have been able to continue to manufacture goods for export have no longer been able to ship their goods across the Atlantic for the same freight charge as a manufacturer in this country would have to pay for shipping his goods a few hundred miles. The high ocean freight rates have served the same purpose as a protective tariff.

It has been one of the contentions of our friends, the Democrats—and I heard the junior Senator from Missouri [Mr. REED] say so this morning—that when a tariff is levied on an article imported into this country the American consumer has to pay the tariff on that article as well as a higher price for every similar article manufactured in this country. If this were true in regard to the tariff charges, it would also be true of every other charge incident to bringing such article into this country. And yet it has been maintained in connection with the shipping bill that because of the high ocean freight rates we have received less for our goods exported than we should otherwise have received. In other words, it has been contended that if goods are imported we have to pay the tariff and other charges, and that if goods are exported we have to pay the charges in that case also.

I shall not consume any time on this phase of the matter except to say that in this case it appears to me that the facts are exactly the reverse. When, as has been the case during this war, we are not selling the goods in competition with others, when the foreign countries have purchased our goods because they were in urgent need of them—could not, as a matter of fact, get them elsewhere—after having purchased them in this country, the cost of getting them over to the foreign country, including the cost of ocean carriage and any tariff charges they might have to pay, would be borne by the buyer. And the high ocean freight rates have operated to raise the prices in Europe rather than to depress them in this country. On the other

hand, when a foreign producer attempts to invade our own markets, when he sends his goods over here to sell in our markets in competition with the goods of our producers, he must pay the cost of getting those goods to our markets, including ocean carriage and tariff duties.

There have been indications that the European war is to be followed by a commercial war, and not as we would usually understand the term, but a commercial war where the attacks on the other countries' commerce are to be directed and perhaps financially aided by the Governments of the respective countries acting in conjunction with the Governments of their allies. While the reports as to the aims of the central powers of Europe do not so far indicate anything beyond a customs union, which would of course make it impossible, or at least very difficult, for us to compete in the markets of any country that was a member of such union in the sale of any articles produced by another member of the union, the agreement of the allies at the Paris conference indicates that these countries are prepared to take much more extreme steps. While there are no specific statements as to the measures to be adopted, the Paris resolutions indicate a determination to prosecute economic warfare ruthlessly against German commerce, and some find in those resolutions suggestions of a control of the relations of neutral countries with the Teutonic nations. In view of the unjustified restrictions placed upon our commerce during this war, and the even greater restrictions placed upon that of other neutral countries, it may be doubted whether any commercial warfare would long be carried on against the Teutonic countries without seriously interfering with our trade with the various European countries.

Even if the action of the allied powers should extend only to the establishment of preferential tariffs whereby their allies would be given preference in their markets, this would be a serious blow to our trade. It must be remembered that the allied countries and their dependencies have an aggregate area of more than 30,000,000 square miles, or more than one-half of the earth's land surface. Their total population is more than one-third of the earth's total population. They produce practically everything that those countries may need, and there would be very few commodities for which they would be dependent on the outside world. If formed into a customs union, we could secure entry into their markets only if we could offer in return privileges in ours. If our markets are open to their producers without any concessions on their part, we should receive no concessions.

And I may say here that, strange as it may seem to those who have always been so ready to throw the farmers' market in this country open to the producers of agricultural products in other countries, even England is now considering whether it would not be an act of the highest wisdom to encourage its agriculturists in order that the land which is now lying waste may produce crops and thus reduce the amount which they are now paying for food brought from other countries.

As showing that the English Government has already begun subsidizing commercial concerns, one of the steps suggested in the resolutions adopted by the Paris conference, I submit herewith a report from Consul General Skinner, contained in the Commerce Reports for August 16:

BRITISH SUBSIDY FOR TRADE-EXPANSION PURPOSES.

[Consul General Robert P. Skinner, London, Aug. 3.]

A very interesting departure in British methods of securing trade in European countries was discussed in Parliament on July 31, a departure in which the Government itself appears as a full partner by the contribution of a subsidy of £50,000 ($243,325) per annum. On the occasion named the chancellor of the exchequer reported that a British company, under the title of the British-Italian Corporation (Ltd.), with a capital of £1,000,000 ($4,866,500), was registered on July 20. There will be no public issue, the capital having been subscribed privately, chiefly among banks.

The British Government agrees to contribute to the company by way of subsidy, during each of the first 10 years after its incorporation, an annual sum of £50,000 ($243,325), or the equivalent of 5 per cent upon its paid-up capital if less than £1,000,000. In consideration of the subsidy the company agrees to pay to the Government amounts equal to any dividend above a cumulative dividend of 5 per cent per annum which the directors may distribute to the shareholders in any year—after making such provisions as the directors may think desirable for bad and doubtful debts and the establishment of a reserve fund—until by such means the Government has been repaid (without interest) the amount so received by the company by way of subsidy.

A COLLABORATING ITALIAN COMPANY TO BE FORMED.

A company under the style of the Compagnia Italo-Britannica will forthwith be formed under Italian law, with a capital of 10,000,000 lire, one-half of which is to be taken by the British-Italian Corporation and the other half by the Credito Italiano and their friends. Out of the nine directors of the Italian company three will be British.

The chancellor concluded:

"The two companies will work together in close collaboration, and arrangements have been made by which their interests will be as far as possible identified, except that the subsidy of the British Government will naturally remain for the benefit of the British company exclusively.

"The primary object of the two companies is the development of the economic relations between the British Empire and Italy and the promotion of undertakings in the commercial and industrial field in Italy. They will carry out banking and financial operations which do not necessarily fall within the strict definition of banking as understood in this country."

These things to my mind indicate that the present prosperity is not a healthy one, having for its foundation immense war orders and the shutting out of competition by the war. When the war is over the European countries will stop taking our products on this immense scale, they will, if their reported intentions are carried out, to a large extent close their markets against our products, they will attempt to displace our goods in neutral markets, and they will invade our markets if they remain open and undefended. And it must be borne in mind that this is not likely to be the competition experienced before the war, but a competition of greater intensity perhaps directed and directly aided by the respective Governments.

The proper steps for us to take would appear to be to conserve our markets for our own producers and to strengthen our own industries. It seems to be a fact that many of our iron and steel manufacturers in catering to the demand from abroad for articles useful in war, are imposing hardships on those of our manufacturers who are dependent upon supplies of iron and steel in their industries, and the purchasers of such manufactures in turn are compelled to bear the burden. The Implement and Tractor Trade Journal says in regard to this situation:

FOREIGN ORDERS BLOCK OUR MATERIAL MARKET—IN BOOKING SO MUCH INORDINATELY PROFITABLE WAR BUSINESS THE STEEL PRODUCERS ARE CRIPPLING THE FARM-EQUIPMENT INDUSTRY AND MENACING THE EFFICIENCY OF AMERICAN AGRICULTURE.

In presenting these facts and opinions on the desperateness of the steel situation, as viewed from the standpoint of the manufacturer and distributor of farm operating equipment and the user of that equipment, the Implement and Tractor Trade Journal has no wish to set up as a "trust buster." High-pitched protest will avail little in the direction of actual relief. That is what the farm operating equipment trade wants above all else. It is glad and willing to forego the pyrotechnics of a "campaign" if only what has come to be very like a crisis in the material market can be substantially alleviated.

Conditions have arisen in the steel trade because of the war abroad that have begun to work almost unbearable hardships on the manufacturers dependent upon the mills for most of their material. Prices are rapidly approaching the prohibitive and deliveries are so "certainly uncertain" that many manufacturers are in despair. Such a situation has never before confronted the farm operating equipment industry.

Ultimately, it is not the manufacturers who will suffer most. It is the farmers and the people at large. Advances in price have been steady, each following hard upon the one before. Most of these have been explicable. The implement trade does not expect to see the world undergoing such a cataclysm as the great war without feeling something of its inevitable effects. Any other attitude would be utterly unreasonable.

A SPECIAL COMMITTEE IS AT WORK.

Some months ago a special committee of the National Implement Vehicle Association was appointed to investigate the steel situation in behalf of the farm operating equipment manufacturers. This committee has attended at least one conference in New York City with representatives of the steel producers. No report has yet been made public, although the committee expects to make an announcement to the implement and vehicle trade eventually. No doubt progress has been made in the direction of adjustment.

* * * * * * *

Several days ago the president of an Illinois manufacturing organization asked the manager for his latest information on steel. The manager dictated this note, from which the names only have been omitted:

"A large manufacturer advises that he had a contract for a large tonnage of steel at a low price with one of the largest mills in the Pittsburgh district and was promised delivery last August. In August they again promised rolling in September; in September they again promised rolling in October; in October they again passed it over to November, and at that time advised him that date of rolling particular sizes mentioned was uncertain.

"The party then placed order for the identical material with one of the large steel warehouses in Chicago, and in two weeks got two carloads of the steel, which had come from the same mill with whom he was under contract.

"I was also advised by parties in touch with the steel business that the mills were furnishing thousands of tons of shrapnel steel at $90 per ton—this in view of the fact that our own contract for steel at $24 per ton is not so attractive to the rolling-mill people as $90 business, and again explains the difficulties in securing materials.

WHY DOMESTIC CONTRACTS SUFFER.

"The above incidents partially explain the inability of manufacturers to obtain supplies as needed and go to show that steel producers, in some cases at least, are apparently giving preference to higher-priced orders or premium business rather than taking care of domestic contracts at a lower price."

This is the sort of inside information that passes to and fro among manufacturers within their own organizations. If these were only egregious examples, things might not present so gloomy a front, but they seem to be typical, although, in fairness, it should be said that a few manufacturers report no difficulty.

One manufacturer ordered material about a year ago this month for September and October delivery, 1915. The material has not yet been delivered, and the mills do not promise it sooner than February or March, 1917—virtually 20 months between order and delivery. This may be an extraordinary case, but manufacturers relate many other instances of similar purport.

Finding it impossible to get delivery in time to manufacture goods for this year's market, the manufacturer in question instructed one of his executives to go out and buy the needed material wherever it could be had outside of the mills. This was done, and the executive bought $50,000 worth for $100,000, or just 100 per cent in advance of the soaring market price.

CONTRAST OF TWO ATTITUDES.

Not typical, possibly, but very indicative of the drastic measures to which some manufacturers are forced to resort in order to supply their trade. Contrasted with the general behavior of the steel men, such expensive solicitude for the customer shines like a beacon.

For a good many months the steel situation as it directly affects most manufacturers of agricultural implements has been becoming more and more critical. War orders at inordinate profits have been too alluring for the steel producers to withstand. Inevitably, domestic manufacturers have borne the brunt of the resulting difficulties. And it is far more than a matter of price; it is a question of getting the material at any price.

Mr. President, if the Democratic Party is sincere in its support of some of the provisions of the pending measure, I welcome their conversion to the policy of protection. Both the duties proposed for the encouragement of the dye industry and the provision for a tariff commission are tacit admissions that our policy henceforth, no matter which party is in power, must be protection for American industries. I may say that I have long favored a tariff commission, but a commission reporting to Congress and not to the President. In a speech which I made in 1909, when the Payne tariff bill was under consideration in the House, I said:

The only way in which we can obtain information that will enable us to construct a tariff with any approach to scientific exactness is to create a tariff commission which will obtain the data necessary in order to determine what rates ought and ought not to be fixed—a commission that would not merely have hearings where interested persons often succeed in avoiding giving any information that would not advance their interests, but that would investigate the different industries and examine the books of the different concerns in order to determine the cost of production, and that would also examine into the matter of the prices that foreign producers could afford to sell their products at, and that would reduce the results of their investigation to such a form that each Member of Congress could have it at his disposal in a usable form before the drafting of a tariff bill was begun.

It was not until 1916 that the Democratic Party in its platform indorsed "a nonpartisan tariff commission to make impartial and thorough study of every economic fact that may throw light either upon our past or upon our future fiscal policy with regard to the imposition of taxes on imports or with regard to the changed and changing conditions under which our trade is carried on." Our versatile-minded President, however, declared for a tariff commission about 18 months ago and further declared that he had obtained one through a "joker" in the Trade Commission act. Presumably he has changed his mind on the question of whether or not he has a tariff commission, since he favors creating one by express legislation. Exactly what the plank in the Democratic platform means, whether it means that the commission is to determine whether we shall pursue a protective-tariff or free-trade policy, I presume we shall be duly enlightened as to during the campaign.

It is rather interesting at this time to note the different platform declarations of the Democratic Party on the subject of the tariff.

The Democratic platform of 1868 declared for—

A tariff for revenue upon foreign imports and such equal taxation under the internal-revenue laws as will afford incidental protection to domestic manufactures, and as will, without impairing the revenue, impose the least burden upon and best promote and encourage the great industrial interests of the country.

The platform of 1872 did not declare either for or against protection.

The platform of 1876, after denouncing the then existing tariff as "a masterpiece of injustice, inequality, and false pretense," concludes "We demand that all customhouse taxation shall be only for revenue."

The platform of 1880 declares for "a tariff for revenue only."

The platform of 1884, after denouncing the existing tariff law and demanding a reduction of duties, continues:

The necessary reduction and taxation can and must be effected without depriving American labor of the ability to compete successfully with foreign labor, and without imposing lower rates of duty than will be ample to cover any increased cost of production which may exist in consequence of the higher rate of wages prevailing in this country.

The platform of 1888 contains the following on the subject of tariff reform:

Our established industries and enterprises should not and need not be endangered by the reduction and correction of the burdens of taxation. On the contrary, a fair and careful revision of our tax laws, with due allowance for the difference between the wages of American and foreign labor, must promote and encourage every branch of such industries and enterprises by giving them assurance of an extended market and steady and continuous operations.

The Democratic platform of 1892 is more outspoken. It declares:

We denounce Republican protection as a fraud—a robbery of the great majority of the American people for the benefit of the few. We declare it to be a fundamental principle of the Democratic Party that the Federal Government has no constitutional power to impose and collect tariff duties, except for the purposes of revenue only.

The platform of 1896 declares:

We hold that tariff duties should be levied for purposes of revenue, such duties to be so adjusted as to operate equally throughout the country and not discriminate between class or section.

The platform of 1900 condemns the Dingley Act and declares:

Tariff laws should be amended by putting the products of trusts upon the free list to prevent monopoly under the plea of protection.

The platform of 1904 declares:

We denounce protection as a robbery of the many to enrich the few, and we favor a tariff limited to the needs of the Government, economically administered.

The platform of 1908 says:

We favor the immediate revision of the tariff by the reduction of import duties. Articles entering into competition with trust-controlled products should be placed upon the free list; material reductions should be made in the tariff upon the necessaries of life, especially upon articles competing with such American manufactures as are sold abroad more cheaply than at home; and gradual reductions should be made in such other schedules as may be necessary to restore the tariff to a revenue basis.

The platform of 1912, upon which this administration was elected, is interesting at this time. It says in part:

We declare it to be a fundamental principle of the Democratic Party that the Federal Government, under the Constitution, has no right or power to impose or collect tariff duties except for the purpose of revenue, and we demand that the collection of such taxes shall be limited to the necessities of government honestly and economically administered.

This fundamental principle of Democracy appears to have been lost since President Wilson was inaugurated. At least it does not reappear in the platform adopted last June. This platform declares:

We reaffirm our belief in the doctrine of a tariff for the purpose of providing sufficient revenue for the operation of the Government economically administered, and unreservedly indorse the Underwood tariff law as truly exemplifying that doctrine. We recognize that tariff rates are necessarily subject to change to meet changing conditions in the world's production and trade.

The platform declarations of the Democratic Party vary from flat assertions that the Federal Government has no constitutional power to levy any tariff duties except for revenue to more or less vague declarations in favor of a reduction of tariff duties. In one platform the declaration is for a tariff for revenue only, in others the declaration is for a tariff for revenue. At times the "fundamental principle of the Democratic Party" is emphasized, and at other times it seems to be indirectly intimated that if the voters will elect a Democratic administration the party will in turn consent to waive at least for a while the fundamental principle.

This administration was elected on a platform which reaffirmed the "fundamental principle." Now, at the end of three years, we find a bill before us, drafted by a Democratic committee, agreed to by a Democratic caucus, and agreeable to a Democratic President, which provides for new duties which in their nature are frankly protective duties and submitted without any pretense that such duties will add materially to the customs revenues. What has become of their constitutional scruples about duties of that kind has not been stated by the committee drafting the measure. Whether the explanation is that the Democrats have come to the conclusion that the principle which they enunciated four years ago is fundamentally wrong or whether they are sacrificing principle to expediency I shall leave for some spokesman of the party to declare.

In addition to these new protective duties on dyestuffs, provision is also made for a tariff commission. It is difficult to explain the need of a tariff commission except on a protective tariff basis. If a tariff is to be levied for revenue only, there is no need of a commission to ascertain the necessary facts. The data which the Treasury and Commerce Departments can furnish are sufficient on which to base a fairly reliable estimate as to what given tariff duties will produce. It is when we come to consider what effect the tariff rates will have on American industries, when we attempt to determine what rate it is necessary to levy in order that the cost of production at home and abroad may be equalized—in other words, when we come to levy a protective-tariff duty—that we find the necessity for a tariff commission. And it is further to be noted that this law provides for a permanent commission. If its work was to be merely an investigation of the exceptional conditions which will follow the present European war, as the Democratic platform suggests, a temporary and not a permanent commission would be provided for.

The Democratic Party came into power on a promise to reduce the cost of living; it has had no success in that, but has succeeded admirably in reducing the revenues of the Government. The administration was elected on a platform condemning Republican extravagance and promising the strictest economy in the conduct of the Government; this session has almost doubled the largest appropriations ever made in time of peace by a Republican session of Congress. The Democratic Party promised to reduce the burdens of taxation; they have piled taxation upon taxation, increasing the old taxes and imposing many new ones. The Democratic Party has in the past been the implacable foe of the policy of protection; realizing that events have proved them wrong on this question, as well as on other great questions which have in the past confronted our people, at least part of the party is now tacitly confessing the error of its ways and taking halting and reluctant steps toward the maintenance of a protective tariff.

AMENDMENT OF THE FEDERAL RESERVE ACT—CONFERENCE REPORT (S. DOC. NO. 533).

Mr. SIMMONS. Does the Senator from Oklahoma desire to take up the conference report on the bill amending the Federal reserve act?

Mr. OWEN. I should be glad to have that taken up now. I move that the Senate proceed to the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the bill (H. R. 13391) to amend the act approved December 23, 1913, known as the Federal reserve act, by adding a new section.

Mr. CURTIS. I make the point of no quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Beckham	Hughes	Oliver	Smith, Ariz.
Brady	Husting	Owen	Smith, S. C.
Bryan	Jones	Penrose	Smoot
Chilton	Kenyon	Pomerene	Sterling
Clarke, Ark.	Kern	Ransdell	Stone
Curtis	Lane	Reed	Thomas
Dillingham	Lea, Tenn.	Saulsbury	Warren
Fletcher	Lee, Md.	Shafroth	Williams
Gallinger	McLean	Sheppard	
Gronna	Martine, N. J.	Sherman	
Harding	Nelson	Simmons	

Mr. JONES. I desire to announce that the junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent on account of illness in his family. I will allow this announcement to stand for the rest of the day.

Mr. MARTINE of New Jersey. I desire to announce that the Senator from Oregon [Mr. CHAMBERLAIN] and the Senator from Mississippi [Mr. VARDAMAN] are absent on departmental business.

The PRESIDING OFFICER. Forty-one Senators have answered to their names. A quorum is not present.

Mr. SIMMONS. I ask that the Secretary call the roll of absent Senators.

The PRESIDING OFFICER. The Secretary will call the names of the absentees.

The Secretary called the names of the absent Senators, and Mr. PITTMAN, Mr. SMITH of Georgia, Mr. THOMPSON, and Mr. WEEKS answered to their names when called.

The PRESIDING OFFICER. Forty-five Senators have answered to their names. There is not a quorum present.

Mr. SIMMONS. I move that the Sergeant at Arms be instructed to request the absent Senators to attend the session of the Senate.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

Mr. O'GORMAN, Mr. COLT, and Mr. MARTIN of Virginia entered the Chamber and answered to their names.

The PRESIDING OFFICER. Forty-eight Senators have answered to their names. There is a quorum present.

The Senator from Oklahoma has moved that the Senate proceed to the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13391) to amend the act approved December 23, 1913, known as the Federal reserve act, by adding a new section.

The motion was agreed to.

Mr. OWEN. I suggest that it is not necessary to read the conference report. Printed copies are on the desks of Senators, and the matter is understood.

Mr. GRONNA. Mr. President, I ask that the conference report may be read.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13391) to amend the act approved December 23, 1913, known as the Federal reserve act, by adding a new section, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"That the act entitled 'Federal reserve act,' approved December 23, 1913, be, and is hereby, amended as follows:

"At the end of section 11 insert a new clause, as follows:

"'(m) Upon the affirmative vote of not less than five of its members the Federal Reserve Board shall have power, from time to time, by general ruling, covering all districts alike, to permit member banks to carry in the Federal reserve banks of their respective districts any portion of their reserves now required by section 19 of this act to be held in their own vaults.'

"That section 13 be, and is hereby, amended to read as follows:

"'Any Federal reserve bank may receive from any of its member banks, and from the United States, deposits of current funds in lawful money, national-bank notes, Federal reserve notes, or checks, and drafts, payable upon presentation, and also, for collection, maturing bills; or solely for purposes of exchange or of collection, may receive from other Federal reserve banks depsits of current funds in lawful money, national-bank notes, or checks upon other Federal reserve banks, and checks and drafts, payable upon presentation within its district, and maturing bills payable within its district.

"'Upon the indorsement of any of its member banks, which shall be deemed a waiver of demand, notice and protest by such bank as to its own indorsement exclusively, any Federal reserve bank may discount notes, drafts, and bills of exchange arising out of actual commercial transactions; that is, notes, drafts, and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes, or the proceeds of which have been used, or are to be used, for such purposes, the Federal Reserve Board to have the right to determine or define the character of the paper thus eligible for discount, within the meaning of this act. Nothing in this act contained shall be construed to prohibit such notes, drafts, and bills of exchange, secured by staple agricultural products, or other goods, wares, or merchandise from being eligible for such discount; but such definition shall not include notes, drafts, or bills covering merely investments or issued or drawn for the purpose of carrying or trading in stocks, bonds, or other investment securities, except bonds and notes of the Government of the United States. Notes, drafts, and bills admitted to discount under the terms of this paragraph must have a maturity at the time of discount of not more than 90 days, exclusive of days of grace: *Provided*, That notes, drafts, and bills drawn or issued for agricultural purposes or based on live stock and having a maturity not exceeding six months, exclusive of days of grace, may be discounted in an amount to be limited to a percentage of the assets of the Federal reserve bank, to be ascertained and fixed by the Federal Reserve Board.

"'The aggregate of such notes, drafts, and bills bearing the signature or indorsement of any one borrower, whether a person, company, firm, or corporation, rediscounted for any one bank shall at no time exceed 10 per cent of the unimpaired capital and surplus of said bank; but this restriction shall not apply to the discount of bills of exchange drawn in good faith against actually existing values.

"'Any Federal reserve bank may discount acceptances of the kinds hereinafter described, which have a maturity at the time of discount of not more than three months' sight, exclusive of days of grace, and which are indorsed by at least one member bank.

"'Any member bank may accept drafts or bills of exchange drawn upon it having not more than six months' sight to run, exclusive of days of grace, which grow out of transactions involving the importation or exportation of goods; or which grow out of transactions involving the domestic shipment of goods provided shipping documents conveying or securing title are attached at the time of acceptance; or which are secured at the time of acceptance by a warehouse receipt or other such document conveying or securing title covering readily marketable staples. No member bank shall accept, whether in a foreign or domestic transaction, for any one person, company, firm, or corporation to an amount equal at any time in the aggregate to more than 10 per cent of its paid-up and unimpaired capital stock and surplus unless the bank is secured either by attached

documents or by some other actual security growing out of the same transaction as the acceptance and no bank shall accept such bills to an amount equal at any time in the aggregate to more than one-half of its paid-up and unimpaired capital stock and surplus, except by authority of the Federal Reserve Board, under such general regulations as said board may prescribe, but not to exceed the capital stock and surplus of such bank, and such regulations shall apply to all banks alike, regardless of the amount of capital stock and surplus.

"'Any Federal reserve bank may make advances to its member banks on their promissory notes for a period not exceeding 15 days at rates to be established by such Federal reserve banks, subject to the review and determination of the Federal Reserve Board, provided such promissory notes are secured by such notes, drafts, bills of exchange, or bankers' acceptances as are eligible for rediscount or for purchase by Federal reserve banks under the provisions of this act, or by the deposit or pledge of bonds or notes of the United States.'

"Section 5202 of the Revised Statutes of the United States is hereby amended so as to read as follows: 'No national banking association shall at any time be indebted, or in any way liable, to an amount exceeding the amount of its capital stock at such time actually paid in and remaining undiminished by losses or otherwise, except on account of demands of the nature following:

"'First. Notes of circulation.

"'Second. Moneys deposited with or collected by the association.

"'Third. Bills of exchange or drafts drawn against money actually on deposit to the credit of the association, or due thereto.

"'Fourth. Liabilities to the stockholders of the association for dividends and reserve profits.

"'Fifth. Liabilities incurred under the provisions of the Federal reserve act.

"'The discount and rediscount and the purchase and sale by any Federal reserve bank of any bills receivable and of domestic and foreign bills of exchange, and of acceptances authorized by this act, shall be subject to such restrictions, limitations, and regulations as may be imposed by the Federal Reserve Board.

"'That in addition to the powers now vested by law in national banking associations organized under the laws of the United States any such association located and doing business in any place the population of which does not exceed 5,000 inhabitants, as shown by the last preceding decennial census, may, under such rules and regulations as may be prescribed by the Comptroller of the Currency, act as the agent for any fire, life, or other insurance company authorized by the authorities of the State in which said bank is located to do business in said State, by soliciting and selling insurance and collecting premiums on policies issued by such company; and may receive for services so rendered such fees or commissions as may be agreed upon between the said association and the insurance company for which it may act as agent; and may also act as the broker or agent for others in making or procuring loans on real estate located within 100 miles of the place in which said bank may be located, receiving for such services a reasonable fee or commission: *Provided, however*, That no such bank shall in any case guarantee either the principal or interest of any such loans or assume or guarantee the payment of any premium on insurance policies issued through its agency by its principal: *And provided further*, That the bank shall not guarantee the truth of any statement made by an assured in filing his application for insurance.

"'Any member bank may accept drafts or bills of exchange drawn upon it having not more than three months' sight to run, exclusive of days of grace, drawn under regulations to be prescribed by the Federal Reserve Board by banks or bankers in foreign countries or dependencies or insular possessions of the United States for the purpose of furnishing dollar exchange as required by the usages of trade in the respective countries, dependencies, or insular possessions. Such drafts or bills may be acquired by Federal reserve banks in such amounts and subject to such regulations, restrictions, and limitations as may be prescribed by the Federal Reserve Board: *Provided, however*, That no member bank shall accept such drafts or bills of exchange referred to this paragraph for any one bank to an amount exceeding in the aggregate 10 per cent of the paid-up and unimpaired capital and surplus of the accepting bank unless the draft or bill of exchange is accompanied by documents conveying or securing title or by some other adequate security: *Provided further*, That no member bank shall accept such drafts or bills in an amount exceeding at any time the aggregate of one-half of its paid-up and unimpaired capital and surplus.'

"That subsection (c) of section 14 be, and is hereby, amended to read as follows:

"'(c) To establish accounts with other Federal reserve banks for exchange purposes and, with the consent of the Federal Reserve Board, to open and maintain accounts in foreign countries, appoint correspondents, and establish agencies in such countries wheresoever it may deem best for the purpose of purchasing, selling, and collecting bills of exchange, and to buy and sell, with or without its indorsement, through such correspondents or agencies, bills of exchange arising out of actual commercial transactions which have not more than 90 days to run, exclusive of days of grace, and which bear the signature of two or more responsible parties, and with the consent of the Federal Reserve Board to open and maintain banking accounts for such foreign correspondents or agencies.'

"That the second paragraph of section 16 be, and is hereby, amended to read as follows:

"'Any Federal reserve bank may make application to the local Federal reserve agent for such amount of the Federal reserve notes hereinbefore provided for as it may require. Such application shall be accompanied with a tender to the local Federal reserve agent of collateral in amount equal to the sum of the Federal reserve notes thus applied for and issued pursuant to such application. The collateral security thus offered shall be notes, drafts, bills of exchange, or acceptances rediscounted under the provisions of section 13 of this act, or bills of exchange indorsed by a member bank of any Federal reserve district and purchased under the provisions of section 14 of this act, or bankers' acceptances purchased under the provisions of said section 14. The Federal reserve agent shall each day notify the Federal Reserve Board of all issues and withdrawals of Federal reserve notes to and by the Federal reserve bank to which he is accredited. The said Federal Reserve Board may at any time call upon a Federal reserve bank for additional security to protect the Federal reserve notes issued to it.'

"That section 24 be, and is hereby, amended to read as follows:

"'SEC. 24. Any national banking association not situated in a central reserve city may make loans secured by improved and unencumbered farm land situated within its Federal reserve district or within a radius of 100 miles of the place in which such bank is located, irrespective of district lines, and may also make loans secured by improved and unencumbered real estate located within 100 miles of the place in which such bank is located, irrespective of district lines; but no loan made upon the security of such farm land shall be made for a longer time than five years, and no loan made upon the security of such real estate as distinguished from farm land shall be made for a longer time than one year nor shall the amount of any such loan, whether upon such farm land or upon such real estate, exceed 50 per cent of the actual value of the property offered as security. Any such bank may make such loans, whether secured by such farm land or such real estate, in an aggregate sum equal to 25 per cent of its capital and surplus or to one-third of its time deposits and such banks may continue hereafter as heretofore to receive time deposits and to pay interest on the same.

"'The Federal Reserve Board shall have power from time to time to add to the list of cities in which national banks shall not be permitted to make loans secured upon real estate in the manner described in this section.'

"That section 25 be, and is hereby, amended to read as follows:

"'SEC. 25. Any national banking association possessing a capital and surplus of $1,000,000 or more may file application with the Federal Reserve Board for permission to exercise, upon such conditions and under such regulations as may be prescribed by the said board, either or both of the following powers:

"'First. To establish branches in foreign countries or dependencies or insular possessions of the United States for the furtherance of the foreign commerce of the United States, and to act if required to do so as fiscal agents of the United States.

"'Second. To invest an amount not exceeding in the aggregate 10 per cent of its paid-in capital stock and surplus in the stock of one or more banks or corporations chartered or incorporated under the laws of the United States or of any State thereof, and principally engaged in international or foreign banking, or banking in a dependency or insular possession of the United States either directly or through the agency, ownership, or control of

local institutions in foreign countries, or in such dependencies or insular possessions.

"'Such application shall specify the name and capital of the banking association filing it, the powers applied for, and the place or places where the banking operations proposed are to be carried on. The Federal Reserve Board shall have power to approve or to reject such application in whole or in part if for any reason the granting of such application is deemed inexpedient, and shall also have power from time to time to increase or decrease the number of places where such banking operations may be carried on.

"'Every national banking association operating foreign branches shall be required to furnish information concerning the condition of such branches to the Comptroller of the Currency upon demand, and every member bank investing in the capital stock of banks or corporations described under subparagraph 2 of the first paragraph of this section shall be required to furnish information concerning the condition of such banks or corporations to the Federal Reserve Board upon demand, and the Federal Reserve Board may order special examinations of the said branches, banks, or corporations at such time or times as it may deem best.

"'Before any national bank shall be permitted to purchase stock in any such corporation the said corporation shall enter into an agreement or undertaking with the Federal Reserve Board to restrict its operations or conduct its business in such manner or under such limitations and restrictions as the said board may prescribe for the place or places wherein such business is to be conducted. If at any time the Federal Reserve Board shall ascertain that the regulations prescribed by it are not being complied with, said board is hereby authorized and empowered to institute an investigation of the matter and to send for persons and papers, subpœna witnesses, and administer oaths in order to satisfy itself as to the actual nature of the transactions referred to. Should such investigation result in establishing the failure of the corporation in question, or of the national bank or banks which may be stockholders therein, to comply with the regulations laid down by the said Federal Reserve Board, such national banks may be required to dispose of stock holdings in the said corporation upon reasonable notice.

"'Every such national banking association shall conduct the accounts of each foreign branch independently of the accounts of other foreign branches established by it and of its home office, and shall at the end of each fiscal period transfer to its general ledger the profit or loss accrued at each branch as a separate item.

"'Any director or other officer, agent, or employee of any member bank may, with the approval of the Federal Reserve Board, be a director or other officer, agent, or employee of any such bank or corporation above mentioned in the capital stock of which such member bank shall have invested as hereinbefore provided, without being subject to the provisions of section 8 of the act approved October 15, 1914, entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes."'"

Amend the title so as to read: "An act to amend certain sections of the act entitled 'Federal reserve act,' approved December 23, 1913."

And the Senate agree to the same.

ROBT. L. OWEN,
G. M. HITCHCOCK,
KNUTE NELSON,
Managers on the part of the Senate.

CARTER GLASS,
CLAUDE U. STONE,
EDMUND PLATT,
Managers on the part of the House.

STATEMENT.

The managers on the part of the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13391) to amend the act approved December 23, 1913, known as the Federal reserve act, by adding a new section, submit the following written statement in explanation of the action agreed upon by the conference committee:

The amendments of the Senate to the bill have been accepted by the House conferees with some slight verbal modifications, except that the House declined to agree to and the Senate receded from its amendment of section 16 of the Federal reserve act which would have explicitly authorized and encouraged Federal reserve banks to issue Federal reserve notes based upon gold or gold certificates.

The House conferees declined to agree to the Senate amendment proposing to permit national banks in cities of more than 100,000 inhabitants and possessing a capital and surplus of $1,000,000 or more to establish branches, and the Senate conferees have agreed to recommend that the Senate recede from this amendment.

The House conferees insisted upon an amendment to section 11, which was accepted by the Senate conferees, permitting the Federal Reserve Board, upon an affirmative vote of not less than five, to permit member banks to carry in the Federal reserve banks any portion of their reserves now required to be held in their own vaults.

ROBT. L. OWEN,
G. M. HITCHCOCK,
KNUTE NELSON,
Managers on the part of the Senate.

Mr. WILLIAMS obtained the floor.

Mr. GRONNA. Mr. President——

Mr. WILLIAMS. I yield to the Senator from North Dakota.

Mr. GRONNA. Mr. President, I shall not invoke the rule and ask to have the bill sent back to conference, although it is contrary to the rules of the Senate to insert new matter in a conference report. On yesterday the Senator from Oklahoma [Mr. OWEN] stated that this conference report was not subject to a point of order, because, as I understood him to say, the committee of conference rejected both bills and wrote a new bill.

Members of the Senate who are now present will remember that I objected to the provision in the bill authorizing banks to take all of their cash reserves and to deposit those reserves in some other bank. I believe that is fundamentally wrong. I know from what little experience I have had in the banking business that it is absolutely unsafe. In the old banking act there was a provision penalizing any banker who did not keep a certain percentage of cash in his own vaults, and it was a good law.

Mr. President, in 1907, when we had a panic, that panic was due directly to the fact that the little banks all over the country had their deposits with the larger banks, and the larger financial institutions became involved. In some of the banks in my State—the little banks there, for they are all small banks in North Dakota—we had as high as 60 per cent reserves, and yet some of the banks had to refuse payment of checks which were presented to them. I do not wish to criticize the Senator from Oklahoma, but I must say that I am surprised that he is willing to permit a provision of this kind to be written into law.

I think we can all remember the campaigns that have been made against Wall Street. It is not very many years ago since political campaigns were fought on that issue and against the danger of money being hoarded and concentrated in large commercial centers; and yet, here we are to-day writing a law making it possible for the Federal Reserve Board to dictate a policy under which every penny in the little banks throughout the country may be compelled to deposit in a Federal reserve bank, in a central reserve city, all of the bank's cash. It is wrong from a financial standpoint; it is wrong fundamentally.

The Senator from Oklahoma, of course, will answer my statement by saying that some of the large banks have asked for the enactment of this provision. They want to be permitted to keep their reserves with the Federal reserve banks; but that is a mighty poor excuse for allowing a few large banks to inaugurate a policy for the entire country, under which, in fact, the banks may be compelled to keep all of their cash, not in their own vaults, but in the vaults of some other institution. Mr. President, the policy is unsound. I hope that I am mistaken; but I believe the Senator from Oklahoma and I will both see the day when we will regret that this provision was inserted in this law.

I do not wish unnecessarily to delay the Senate. I debated this question at length when it was before the Senate on a former occasion, and the Senator from Oklahoma agreed to take the provision to which I object out of the bill; and it was taken out of the bill by the Senate. The provision never has been in the House bill, and it was not in the Senate bill. Whatever excuse the Senator from Oklahoma may offer, it occurs to me that it is taking advantage of me. Of course, I am in the minority, and I know the majority can pass any bill they want to pass; but I desire to call the Senator's attention to the fact that I am not responsible for this legislation and I am one of the members of the Committee on Banking and Currency. I do not wish to stand here as a Progressive, as a reformer, and be placed in the attitude of assisting to pass legislation which I believe to be detrimental to the common

man, and to be in the interest of the great trusts and of Wall Street. They are the only ones who will get any benefit from this law. The Senator knows that. There was a demand from the big banks for a system of branch banks, but the voice of the people all over this country was heard on that proposition, and the committee of conference did not dare to put that provision in the bill, but struck it out.

Mr. President, I have said all I care to say on this subject. I shall vote against the conference report.

Mr. SHAFROTH. Mr. President, I should like to ask the Senator a question.

Mr. WILLIAMS. I have the floor, I believe.

Mr. SHAFROTH. Very well, then; I will not insist.

Mr. WILLIAMS. I am very anxious to see this matter disposed of, so that we may go on with the revenue bill, which is before the Senate.

Mr. OWEN. I will only detain the Senator one minute, if he will allow me.

Mr. WILLIAMS. Well, I yield once more.

Mr. OWEN. Mr. President, the provision objected to by the Senator from North Dakota permits member banks to keep any part of their reserves with a Federal reserve bank, which is a public, not a private, institution, and from which they can get currency whenever they want it, which they could not do from a private bank in a panic. Some of the banks desired this provision; the Federal Reserve Board recommended it, and the committee agreed to it. The Senator from North Dakota objected to it, and because of his objection it went out in the Senate. The bill went to conference. The House Members insisted upon this provision being reinstated; they thought it ought to be in the bill, and, in order to reconcile the differences between the two Houses it was put in. I am sure that no bad consequences will follow from it, and I am perfectly willing to take the responsibility, if any there be, for having it go in.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. WEEKS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Massachusetts?

Mr. WILLIAMS. Mr. President, I understood that the conference report would take about five seconds. If it is going to lead to further debate, I shall proceed with the revenue bill.

Mr. WEEKS. I will say to the Senator from Mississippi that I will not take more than two or three minutes.

Mr. WILLIAMS. I yield to the Senator from Massachusetts.

Mr. WEEKS. Mr. President, one point which I wish to bring to the attention of the Senate with relation to this conference report is the omission from the bill of the provision relating to the establishment of branch banks. We in Congress are responsible for the national banking system and for the promotion of the business interests of the national banking system along reasonable lines. It happens that the laws of certain States permit State banks to establish branches in the municipality where they are chartered to do business. The national banking law forbids that, and there was inserted in the bill which is now before the Senate a provision giving national banks the privilege of establishing branches in the municipality where they are organized to do business in those States where State banks have a similar provision. It has been left out of the bill in conference.

I understand very well the reasons why this was done, and I do not make any criticism of the Senate conferees for yielding in that respect; but I want to say that unless we provide a law which will enable national banks to do that the national banking system is going to suffer materially. For example, in the city of Boston, near which I live, I believe there has not been a national bank established for 15 years, and during that time there have been 25 or 30 State banks or trust companies established. One great bank in New York City—the Corn Exchange National Bank, a State institution—has some 25 or 30 branches. It is in direct competition with the national banking system, and the national banking system can not stand that kind of competition.

I hope the chairman of the Banking and Currency Committee will bring in a bill at the convening of Congress next winter which will give this privilege to national banks, and it is for that reason that I have made this brief statement.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. WILLIAMS. Mr. President, so much time has been taken up with general debate upon the revenue bill that I shall forego the general observations that I might have offered in relation to the income tax and the estate tax, and shall ask the Secretary to proceed with the reading of the bill for amendment.

I want to give notice that I shall attempt to answer any question when a committee amendment is reached, provided the question is relevant to the amendment itself; but in order to save time I shall neither answer any question nor discuss any subject which is not relevant to the amendment immediately under consideration at the time the question is asked.

I ask that the reading of the bill proceed.

The PRESIDING OFFICER. Under the previous order the Secretary will read the bill for amendment.

The Secretary proceeded to read the bill.

The first amendment of the Committee on Finance was, after the enacting clause, on page 1, after line 2, to insert:

That unless otherwise herein specially provided, this act shall take effect on the day following its passage, and all provisions of any act or acts inconsistent with the provisions of this act are hereby repealed.

The amendment was agreed to.

The next amendment was, under the head of "Title I.—Income tax," subhead "Part I.—On individuals," in section 1, page 3, line 5, before the words "10 per cent," to strike out "and"; in line 7, after the numerals "$500,000," to insert "and does not exceed $1,000,000, 11 per cent per annum upon the amount by which such total net income exceeds $1,000,000 and does not exceed $1,500,000, 12 per cent per annum upon the amount by which such total net income exceeds $1,500,000 and does not exceed $2,000,000, and 13 per cent per annum upon the amount by which such total net income exceeds $2,000,000," so as to read:

(b) In addition to the income tax imposed by subdivision (a) of this section (herein referred to as the normal tax) there shall be levied, assessed, collected, and paid upon the total net income of every individual, or, in the case of a nonresident alien, the total net income received from all sources within the United States, an additional income tax (herein referred to as the additional tax) of 1 per cent per annum upon the amount by which such total net income exceeds $20,000 and does not exceed $40,000, 2 per cent per annum upon the amount by which such total net income exceeds $40,000 and does not exceed $60,000, 3 per cent per annum upon the amount by which such total net income exceeds $60,000 and does not exceed $80,000, 4 per cent per annum upon the amount by which such total net income exceeds $80,000 and does not exceed $100,000, 5 per cent per annum upon the amount by which such total net income exceeds $100,000 and does not exceed $150,000, 6 per cent per annum upon the amount by which such total net income exceeds $150,000 and does not exceed $200,000, 7 per cent per annum upon the amount by which such total net income exceeds $200,000 and does not exceed $250,000, 8 per cent per annum upon the amount by which such total net income exceeds $250,000 and does not exceed $300,000, 9 per cent per annum upon the amount by which such total net income exceeds $300,000 and does not exceed $500,000, 10 per cent per annum upon the amount by which such total net income exceeds $500,000 and does not exceed $1,000,000, 11 per cent per annum upon the amount by which such total net income exceeds $1,000,000 and does not exceed $1,500,000, 12 per cent per annum upon the amount by which such total net income exceeds $1,500,000 and does not exceed $2,000,000, and 13 per cent per annum upon the amount by which such total net income exceeds $2,000,000.

The amendment was agreed to.

The next amendment was, on page 3, line 16, after the word "income," to insert "the income derived from," so as to make the clause read:

For the purpose of the additional tax there shall be included as income the income derived from dividends on the capital stock or from the net earnings of any corporation, joint-stock company, or association, or insurance company, except that in the case of nonresident aliens such income derived from sources without the United States shall not be included.

The amendment was agreed to.

Mr. PENROSE. Mr. President, I think, in the case of an important measure like this, the whole bill ought to be read without the Secretary skipping paragraphs.

The PRESIDING OFFICER. The Chair will say to the Senator from Pennsylvania that, under the former order of the Senate, the formal reading of the bill was dispensed with and the bill was ordered to be read for amendment.

Mr. PENROSE. I did not understand that that was the order of the Senate or I certainly should have objected, had I been here.

The PRESIDING OFFICER. The order was adopted by unanimous consent. The Secretary will proceed with the reading of the bill for amendment.

The reading of the bill was resumed.

The next amendment was, on page 4, line 6, after the word "each," to insert "calendar," so as to make the clause read:

(c) The foregoing normal and additional tax rates shall apply to the entire net income, except as hereinafter provided, received by every taxable person in the calendar year 1916 and in each calendar year thereafter.

The amendment was agreed to.

Mr. O'GORMAN. Mr. President, I am quite impressed with the view suggested by the Senator from Pennsylvania as to the importance of this bill and the importance of having the entire bill read, notwithstanding some order that may have been heretofore made—inadvertently, perhaps, so far as I am concerned. I do not know that anyone should object to its being read, and I move that the entire bill be read.

The PRESIDING OFFICER. The Chair is of opinion that it will take unanimous consent to rescind the order that was adopted by unanimous consent.

Mr. WILLIAMS. The Senator from New York does not understand the situation. The order that has been adopted by the Senate was simply that the first reading of the bill be dispensed with and that the bill be read for amendment. It is the duty of the Secretary to read the bill, of course.

Mr. PENROSE. Mr. President, does the Senator state that the Senate has given unanimous consent to dispense with the reading of the bill?

Mr. WILLIAMS. No; to dispense with the first reading of the bill and to proceed to read the bill for amendment; and it was also agreed that the Senate amendments shall be considered first. That is the order, and that is all. It is the usual order.

Mr. PENROSE. It is the usual order in the case of some unimportant bill, in order to save time; but here is a measure of very great importance, and it seems to me that the bill ought to be read at length.

Mr. WILLIAMS. The bill will be read at length, and each amendment will be considered when read.

The PRESIDING OFFICER. Without objection, the Secretary will be so instructed.

Mr. WILLIAMS. But the first, or formal, reading of the bill—which, as the Senator knows, is absolutely useless—has been dispensed with.

Mr. PENROSE. I do not consider it useless; and I understand that the Chair has directed the Secretary to read the bill at length, which is satisfactory to me.

Mr. OWEN. The order has already been established by unanimous consent that the bill shall be read, but that the committee amendments shall be considered first as the bill is read.

Mr. WILLIAMS. Of course the bill must be read.

The PRESIDING OFFICER. Without objection, the Secretary will be instructed to read the bill at length. The Secretary will proceed.

Mr. WILLIAMS. And each amendment as it is read will be considered.

Mr. PENROSE. That is right. As it is to be read, that is all I ask.

Mr. O'GORMAN. I suggest that the Secretary be instructed to begin on line 9, page 4, and to read every line.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The reading of the bill was resumed, beginning on line 9, page 4.

The next amendment was, under the subhead "Income defined," in section 2, page 4, line 22, after the word "corporation," to insert "joint-stock company, association, or insurance company"; in line 24, after the word "profits," to insert "accrued since March 1, 1913"; on page 5, line 1, after the word "corporation," to insert "joint-stock company, association, or insurance company"; and in line 3, after the word "income," to strike out "to the amount of its cash value," so as to make the clause read:

SEC. 2. (a) That, subject only to such exemptions and deductions as are hereinafter allowed, the net income of a taxable person shall include gains, profits, and income derived from salaries, wages, or compensation for personal service of whatever kind and in whatever form paid, or from professions, vocations, businesses, trade, commerce, or sales, or dealings in property, whether real or personal, growing out of the ownership or use of or interest in real or personal property, also from interest, rent, dividends, securities, or the transaction of any business carried on for gain or profit, or gains or profits and income derived from any source whatever: *Provided*, That the term "dividends" as used in this title shall be held to mean any distribution made or ordered to be made by a corporation, joint-stock company, association, or insurance company, out of its earnings or profits accrued since March 1, 1913, and payable to its shareholders, whether in cash or in stock of the corporation, joint-stock company, association, or insurance company, which stock dividend shall be considered income.

The amendment was agreed to.

The next amendment was, on page 5, line 8, before the word "income," to insert "such"; in line 9, before the word "kind," to strike out "and" and insert "any"; in the same line, before the word "income," to insert "such"; in line 11, after the word "interests," to insert "and income held for future distribution under the terms of the will or trust"; in line 13, after the word "instance," to insert "except when the income is returned for the purpose of the tax by the beneficiary"; in line 18, before the word "legatees," to strike out "or"; and in the same line, after the word "legatees," to insert "or beneficiaries," so as to make the clause read:

(b) Income received by estates of deceased persons during the period of administration or settlement of the estate, shall be subject to the normal and additional tax and taxed to their estates, and also such income of estates or any kind of property held in trust, including such income accumulated in trust for the benefit of unborn or unascertained persons, or persons with contingent interests and income held for future distribution under the terms of the will or trust shall be likewise taxed, the tax in each instance, except when the income is returned for the purpose of the tax by the beneficiary, to be assessed to the executor, administrator, or trustee, as the case may be: *Provided*, That where the income is to be distributed annually or regularly between existing heirs, legatees, or beneficiaries the rate of tax and method of computing the same shall be based in each case upon the amount of the individual share to be distributed.

The amendment was agreed to.

The next amendment was, on page 6, after line 3, to strike out:

(c) Of the gain derived or loss sustained from the sale of real estate, stocks, bonds, securities, or other property, acquired before March 1, 1913, not bought and sold in the course of trade by the taxpayer, only such proportion shall be included as the time between March 1, 1913, and the date of sale bears to the entire time between the date of acquisition and the date of sale.

And insert:

(c) For the purpose of ascertaining the gain derived from the sale or other disposition of property, real, personal, or mixed, acquired before March 1, 1913, the fair market price or value of such property as of March 1, 1913, shall be the basis for determining the amount of such gain derived.

The amendment was agreed to.

The next amendment was, under the subhead "Additional tax includes undistributed profits," in section 3, page 7, line 18, after the word "names," to insert "and addresses"; and in line 19, after the word "individuals," to insert "or shareholders," so as to make the clause read:

SEC. 3. For the purpose of the additional tax, the taxable income of any individual shall include the share to which he would be entitled of the gains and profits, if divided or distributed, whether divided or distributed or not, of all corporations, joint-stock companies, or associations, or insurance companies, however created or organized, formed or fraudulently availed of for the purpose of preventing the imposition of such tax through the medium of permitting such gains and profits to accumulate instead of being divided or distributed; and the fact that any such corporation, joint-stock company, or association, or insurance company, is a mere holding company, or that the gains and profits are permitted to accumulate beyond the reasonable needs of the business, shall be prima facie evidence of a fraudulent purpose to escape such tax; but the fact that the gains and profits are in any case permitted to accumulate and become surplus shall not be construed as evidence of a purpose to escape the said tax in such case unless the Secretary of the Treasury shall certify that in his opinion such accumulation is unreasonable for the purposes of the business. When requested by the Commissioner of Internal Revenue, or any district collector of internal revenue, such corporation, joint-stock company, or association, or insurance company shall forward to him a correct statement of such gains and profits and the names and addresses of the individuals or shareholders who would be entitled to the same if divided or distributed.

The amendment was agreed to.

The next amendment was, under the subhead "Income exempt from law," in section 4, page 8, line 5, before the word "property," to strike out "specific," so as to make the clause read:

SEC. 4. The following income shall be exempt from the provisions of this title:

The proceeds of life insurance policies paid to individual beneficiaries upon the death of the insured; the amount received by the insured as a return of premium or premiums paid by him under life insurance, endowment, or annuity contracts, either during the term or at the maturity of the term mentioned in the contract or upon the surrender of the contract; the value of property acquired by gift, bequest, devise, or descent (but the income from such property shall be included as income); interest upon the obligations of a State or any political subdivision thereof or upon the obligations of the United States or its possessions; the compensation of the present President of the United States during the term for which he has been elected, and the judges of the Supreme and inferior courts of the United States now in office, and the compensation of all officers and employees of a State, or any political subdivision thereof, except when such compensation is paid by the United States Government.

Mr. GALLINGER. Mr. President, I want to ask the Senator why the language "the present President of the United States during the term for which he has been elected" is inserted here?

Mr. WILLIAMS. Because the Constitution of the United States forbids us to decrease his compensation during the term for which he has been elected.

Mr. GALLINGER. This law, then, would apply to future Presidents?

Mr. WILLIAMS. Yes; and it will apply to him when he is elected again.

Mr. GALLINGER. That is a very dim prospect. Now, I will ask why the compensation of officers and employees of States should be exempted? What is the theory?

Mr. WILLIAMS. That is because of the principle announced in the case of McCulloch against Maryland, where it was said that one of these two dual sovereignties of ours could not tax

the agencies or instrumentalities of the other, because, if it could, it could tax them out of existence and destroy them.

Mr. O'GORMAN. That is in the present law.

Mr. WILLIAMS. Oh, yes; it is in the present law.

Mr. GALLINGER. Yes; I remembered that it was, but I wanted to ask why it was.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, under the subhead "Deductions allowed," in section 5, page 9, line 5, after the word "country," to strike out "and" and insert "or under the authority of," and, in line 6, after the word "or," to strike out "municipal taxes" and insert "municipality, or other taxing subdivision of any State," so as to make the clause read:

Third. Taxes paid within the year imposed by the authority of the United States, or its Territories, or possessions, or any foreign country, or under the authority of any State, county, school, or municipality, or other taxing subdivision of any State, not including those assessed against local benefits.

The amendment was agreed to.

The next amendment was, on page 9, line 10, before the word "business," to insert "his"; in line 11, after the word "when," to insert "such losses are"; and, in line 12, after the word "otherwise," to insert:

Provided, That for the purpose of ascertaining the loss sustained from the sale or other disposition of property, real, personal, or mixed, acquired before March 1, 1913, the fair market price or value of such property as of March 1, 1913, shall be the basis for determining the amount of such loss sustained.

So as to make the clause read:

Fourth. Losses actually sustained during the year, incurred in his business or trade, or arising from fires, storms, shipwreck, or other causualty, and from theft, when such losses are not compensated for by insurance or otherwise: *Provided*, That for the purpose of ascertaining the loss sustained from the sale or other disposition of property, real, personal, or mixed, acquired before March 1, 1913, the fair market price or value of such property as of March 1, 1913, shall be the basis for determining the amount of such loss sustained.

The amendment was agreed to.

The reading of the bill was resumed, and the Secretary read paragraph 5, on page 9, as follows:

Fifth. In transactions entered into for profit but not connected with his business or trade, the losses actually sustained therein during the year to an amount not exceeding the profits arising therefrom.

Mr. O'GORMAN. Mr. President, at the proper time I shall move to have the fifth section, just read, amended. As I understand the order under which we are acting, we are at this time considering only committee amendments.

The PRESIDING OFFICER (Mr. SMITH of South Carolina in the chair). That is correct.

Mr. O'GORMAN. And these other amendments may be subsequently presented. However, so that the Senators may know the point I have in mind and may consider it if it had not occurred to them, I shall propose at the proper time to strike out, on lines 22 and 23, the words "to an amount not exceeding the profits arising therefrom."

Mr. FLETCHER. As I understand, that will be in order later, although if there is an amendment to a committee amendment that can be disposed of now.

Mr. O'GORMAN. Yes.

The reading of the bill was resumed.

The next amendment was, on page 10, line 3, after the word "trade," to strike out "and in the case of mines, including oil wells or gas wells, a reasonable allowance for depletion of ores and of other natural deposits, not to exceed 5 per cent of the gross value at the mine of the output for the year for which the computation is made; and in the case of timber, a reasonable allowance for stumpage not in excess of the cost of, or capital actually invested in, the timber sold or removed during the year for which the return is made, but with respect to timber purchased prior to March 1, 1913, a reasonable allowance not in excess of the fair cash value of such timber on March 1, 1913," and to insert:

Eighth. (a) In the case of oil and gas wells a reasonable allowance for actual reduction in flow and production to be ascertained not by the flush flow, but by the settled production or regular flow under rules and regulations to be prescribed by the Secretary of the Treasury; (b) in the case of mines a reasonable allowance for depletion thereof not to exceed the market value in the mine of the product thereof, which has been mined and sold during the year for which the return and computation are made; (c) and in the case of timber a reasonable allowance for stumpage not in excess of the market value of the standing timber actually sawed and sold during the year for which such return and computation are made.

Mr. PENROSE. Mr. President, I will ask the Senator from Mississippi to permit this amendment on page 10 to go over for a little while, until I have an opportunity to see one or two members of the committee.

Mr. WILLIAMS. I am willing to have that done. Let that amendment go over.

The PRESIDING OFFICER. The amendment will be passed over.

The next amendment was, under the subhead "Nonresident aliens," on page 12, line 12, after the word "possessions," to strike out "and" and insert "or under the authority of," and, in line 14, after the word "or," to strike out "municipal taxes" and insert "municipality, or other taxing subdivision of any State paid," so as to make the clause read:

Third. Taxes paid within the year imposed by the authority of the United States, or its Territories, or possessions, or under the authority of any State, county, school, or municipality, or other taxing subdivision of any State paid within the United States, not including those assessed against local benefits.

The amendment was agreed to.

The next amendment was, on page 12, line 21, after the word "when," to insert "such losses are," so as to read:

Fourth. Losses actually sustained during the year, incurred in business or trade conducted by him within the United States, and losses of property within the United States arising from fires, storms, shipwreck, or other casualty, and from theft, when such losses are not compensated for by insurance or otherwise.

The amendment was agreed to.

The next amendment was, on page 12, in line 22, after the word "otherwise," to insert:

Provided, That of such loss or losses sustained in trade, or speculative transactions not in trade, from the same or any kind of property acquired before March 1, 1913, only such proportion shall be included as the time between March 1, 1913, and the date of sale bears to the entire time between the date of acquisition and the date of sale.

Mr. PENROSE. Mr. President, I ask that the amendment beginning on line 22 go over for a little while, until I can see the chairman of the committee.

Mr. WILLIAMS. Before that is done, Mr. President, I will state that by an error the proviso to which the Senator refers is wrong as it appears in the bill. That is to say, an amendment to a previous part of the bill was adopted, and it ought to have been carried forward to this point, but it was not carried here. In order that it may be, I move now to strike out the amendment beginning on line 22, page 12, to and including line 4, on page 13, and insert in lieu of it the matter which I send to the desk. It is a mere failure to carry the amendment forward to this place, and I think if the Senator from Pennsylvania will pay attention to the amendment he will find that it meets what is in his mind.

The PRESIDING OFFICER (Mr. SHAFROTH in the chair). The amendment to the amendment will be stated.

The SECRETARY. In lieu of the proviso on pages 12 and 13 insert:

Provided, That for the purpose of ascertaining the amount of such loss or losses sustained in trade or speculative transactions not in trade from the same or any kind of property acquired before March 1, 1913, the fair market price or value of such property as of March 1, 1913, shall be the basis for determining the amount of such loss or losses sustained.

Mr. PENROSE. It ought to be "accrued," not "acquired."

Mr. WILLIAMS. No; "acquired" is the right word.

Mr. PENROSE. That is the amendment I had in mind. I thought the chairman of the committee had it, and that is where I made my mistake.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Mississippi to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 13, after line 4, to insert:

Fifth. In transactions entered into for profit but not connected with his business or trade the losses actually sustained therein during the year to an amount not exceeding the profits arising therefrom.

Mr. O'GORMAN. Mr. President, this presents the same proposition I had in mind a few moments ago on page 9, but on page 9 it was not a committee amendment, and therefore was not a subject of inquiry at this time. On page 9 a provision is made with respect to the residents of the country. In the committee amendment, on page 13, lines 5 to 8, substantially similar language is used with respect to nonresidents. In both cases this is the point presented.

In providing for deductions that may be made out of incomes it is stated that the losses sustained in the business of the individual will be deducted. There is no objection to that, but then these two paragraphs present this distinction. The committee recommend and the House recommended that losses sustained outside of the individual's regular business or profession will not be allowed as a credit or deducted except in so far as the individual has made profits from his outside businesses or ventures.

Assuming that a man is a farmer and purchases stock in a corporation, a perfectly legitimate investment but not a part of his business, if he should sustain a loss on that stock he would not be credited under this provision unless he had made a profit from other like outside ventures. To give a concrete example, if a farmer, in the operation of his farm, or a business man, in the conduct of his business, made $10,000 profit, and if, owing to an unfortunate investment in stock, not necessarily a speculative investment on the exchange, but if he made a loss on a legitimate stock investment of two or three thousand dollars, he is not permitted to deduct that from his gross profits, although, as a matter of fact, in the given case his actual net income for the year is $7,000.

It is difficult in my mind to justify such a limitation, and I move that the amendment of the committee be further amended by striking out all after the word "year," on line 7, page 13, so that it will read:

Fifth. In transactions entered into for profit, but not connected with his business or trade, the losses actually sustained therein during the year.

Mr. WILLIAMS. Mr. President, the present law admits of no deductions whatsoever in these cases. We thought that was rather too drastic. These are transactions entered into for profit but not connected with the taxpayer's business or trade. It is intended to provide for speculative profits and speculative losses.

In the present law now no deduction for any losses of that character is made at all. We thought it right to give a reduction, but we thought it also right to limit the deduction to the amount of the speculative transaction, an amount not exceeding the profit arising therefrom. Otherwise we were afraid that we would open the door to rather extensive frauds upon the revenue.

When a man comes up and says that while he made an income of $10,000 in his business in some speculative enterprise, he lost $12,000, or if he says he made $10,000 in his business and in some speculative enterprise he lost $10,000, it is right hard to determine whether he has or has not, because in his regular business he keeps no books concerning these outside transactions.

That was the reason of the committee. I see myself, personally speaking, a good deal in what the Senator from New York says, but the House thought this way about it, and we thought this way about it, and I think, upon the whole, it is better to leave the provision as it is, and in that way not run the risk which the Treasury Department fears, which is that it may lead to extensive frauds upon the revenue.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from North Dakota?

Mr. WILLIAMS. I yield.

Mr. McCUMBER. Why does the Senator say this is intended to cover merely speculative business when as a matter of fact it must refer to any character of business? There are a great many persons who may have a dozen different kinds of business in which they are engaged, and there might be one transaction in which such a person would be engaged in any particular year that was not what we generally understand to be speculative. Why should he not be allowed to deduct his losses?

Mr. WILLIAMS. It may be true that a man may have several sorts of business and if he has then each business is his business or trade. If, for example, as used to be the case, I were both a farmer and a lawyer, farming would have been just as much my business as law and law just as much my business as farming, and I would have made a return according to the other provisions of the bill with the deductions therein provided without this limitation, both in connection with my law business, which was my business, and in connection with my farming business, which was my business. In those cases I would have law-firm books on one side and farm books upon the other. This is not intended to provide for cases like that.

If under those circumstances I had gone out and concluded to take a flier in the market by buying or selling some futures or had concluded to buy certain stocks of some sort which were sold upon the exchange, transactions fugitive in their character, not connected with my regular business in either of its two phases, then the present law allowed no deduction at all absolutely. This will permit a deduction for losses sustained in a poker game even, but to let a man deduct unlimited poker losses or unlimited losses by gambling upon the exchange, when it is impossible almost to find it out from any record testimony, from any books which he keeps in connection either with his one business or his other business, the Treasury thought and we thought was going a little too far. A man may very well be a Member of the Senate and a lawyer, a farmer, and a mine operator. That is the case with one gentleman who sits upon the floor of the Senate. This is not intended to cover that. It is not intended to interfere with that. It has never been so construed.

Mr. McCUMBER. Mr. President, if I may have the attention of the Senator again, suppose, as the Senator suggests, he is engaged in the business of farming and also as an attorney, and that he should conclude at one particular time that he could make a little money by buying cattle and shipping them to the Chicago market; and, after he had bought the cattle, which is not his ordinary line of business, and shipped them the market would suddenly drop in Chicago, and he would lose instead of making, could he, under the provision of the bill as it now stands, deduct that loss, that not being his regular line of business?

Mr. WILLIAMS. I think not, except up to the limit herein defined. His losses in business would be deducted to the amount but not exceeding the profits which he had made in the cattle transaction to which the Senator referred.

Mr. McCUMBER. Suppose he made but one shipment, and he learns his lesson in cattle buying by that and does not continue it any further, and he has made a loss. It is a legitimate business; it is not speculative. Why should he not be allowed to deduct that loss from whatever he might have made either out of his farm or out of his law business?

Mr. WILLIAMS. I have stated the reason to the best of my ability. I have some sympathy with the amendment, but, upon the whole, we thought that, balancing the chance of fraud upon the revenue against injustices which would very seldom happen, it was better to put in this limitation. That is all I can say.

Mr. O'GORMAN. Mr. President, apparently the only objection which occurs to the Senator from Mississippi, who has this branch of the bill under control, is that there might be an attempt to evade the law. Attempts will be made not only under this feature of the law but under other provisions; and we all have confidence in the intelligent and efficient administration of the law by the Treasury Department. In the extreme case the Senator from Mississippi suggests, where the return of a citizen showed profit for the year, he might say he speculated on the exchange and he lost it, but he would be required at the instance of the Treasury Department to give the details of the transaction, the broker's house through which he dealt, and to give such other evidence as would satisfy the department that the deduction was a legitimate one and should be made.

Of course there is the other extreme case the Senator suggests, that some person eager to evade the law might say he lost a large part of the profits in some form of gambling; but I think we could leave it to the officials of the Treasury Department to sift out and examine those cases where such pleas were made. Surely the honest and worthy citizen should not have a burden improperly and unwisely placed upon him because of the danger of some disreputable citizen at some time to evade the law.

Mr. POMERENE. Mr. President——

Mr. O'GORMAN. I yield to the Senator from Ohio.

Mr. POMERENE. Under this Senate committee amendment, if a man generally was engaged in a stock-brokerage business, he, of course, would deduct his losses from his profits; but the man who is individually dealing with that firm in an occasional way would not have that privilege.

Mr. O'GORMAN. He would not have that privilege.

Mr. POMERENE. That certainly does not seem to be fair.

Mr. WILLIAMS. I have said all I desire to say. I do not care much about it. I ask for a vote, unless some one else wishes to be heard.

Mr. CUMMINS. Mr. President, I desire to suggest to the Senator from New York, who I assume is the author of the proposal to amend——

Mr. O'GORMAN. Yes.

Mr. CUMMINS. I suggest if the word "lawful" were inserted between "in" and "transactions," in line 5, some of the dangers suggested by the Senator from Mississippi would disappear.

Mr. O'GORMAN. I gladly accept that suggestion. I think it may remove all the objections the Senator from Mississippi has to provide that in lawful transactions the losses here incurred may be deducted from the profits.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The SECRETARY. On page 13, line 5, after the word "in," and before the word "transactions," insert "lawful," so as to read:

In lawful transactions entered into for profit.

Mr. O'GORMAN. And strike out at the end of the paragraph the words "to an amount not exceeding the profits arising therefrom."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New York to the amendment in line 7 to strike out the words "to an amount not exceeding the profits arising therefrom."

Mr. CUMMINS. I desire to suggest further that it would be very unwise to adopt the amendment offered by the Senator from New York, although I am in entire sympathy with it, unless it is understood that a similar amendment will be made to the House text, which covers citizens of the United States.

Mr. O'GORMAN. I gave notice that I would make such a motion to amend.

Mr. WILLIAMS. That is not in order now. It will come up later.

Mr. CUMMINS. That ought to be understood, because we ought not to treat aliens any better than we treat our own people.

Mr. WILLIAMS. If it is adopted here it will be adopted there.

The PRESIDING OFFICER. The question is on the amendment of the Senator from New York to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. O'GORMAN. So that we may not have to go over this again, with the approval, I hope, of the Senator from Mississippi, I ask unanimous consent——

The PRESIDING OFFICER. Will the Senator from New York wait until we see what becomes of the amendment offered by the Senator from Iowa to insert the word "lawful."

Mr. WILLIAMS. I shall, of course, right now have to withhold my consent to the unanimous consent asked by the Senator from New York, because it would set a bad precedent.

Mr. O'GORMAN. Very good; I will withdraw the request.

Mr. WILLIAMS. But undoubtedly that will be done, and the committee itself will have no objection. If it is adopted in one place, it should be adopted in the other.

Mr. O'GORMAN. I desire to ask whether the word "lawful" was inserted in line 5.

The PRESIDING OFFICER. It has not been adopted yet. That is the amendment offered by the Senator from Iowa.

Mr. O'GORMAN. I accept it as a part of my amendment.

Mr. WILLIAMS. I ask unanimous consent that the word "lawful" be inserted.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. OLIVER. Mr. President, I have a further amendment to offer to the amendment. In line 5 I move to strike out the words "entered into for profit but."

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The SECRETARY. On page 13, line 5, strike out the words "entered into for profit but," so as to read:

In lawful transactions not connected with his business or trade.

Mr. OLIVER. I do not see why these deductions should be confined to transactions entered into for profit. A man may incur serious losses in transactions that he enters into not for profit. He may, for instance, be an indorsor for his neighbor to the extent of a thousand dollars and be compelled to pay it; his neighbor may become bankrupt. There is no intention of profit in the original transaction, but the loss happens nevertheless. I think, therefore, he should be allowed to deduct for legitimate losses that arise from lawful transactions, whether for profit or not.

Mr. WILLIAMS. Mr. President, I think that that would be going almost too far. If we struck out here "entered into for profit" and it read "lawful transactions," then it is a perfectly lawful transaction for a man to give a charity hospital $100,000.

Mr. OLIVER. No, Mr. President, that is not a lawful transaction——

Mr. WILLIAMS. It is a lawful transaction. It is a perfectly lawful transaction.

Mr. OLIVER. No sane man would call that a loss in speaking of losses. You can trust the Government officials to see that no deductions are made except for losses.

Mr. WILLIAMS. It would be a loss when he came to estimate his net income during the year.

Mr. OLIVER. The Senator from Mississippi surely knows better than that. If a man makes a gift——

Mr. WILLIAMS. The Senator from Mississippi surely never knows anything better than what he says. He has the honor always of saying what he thinks, and if he makes a mistake it is because he does *not* know better. If a man had an annual income of $10,000 and gave away $5,000 of it, my opinion is that under that clause, as it would stand after your amendment, he could deduct it. "Transaction" is a very broad word.

Mr. OLIVER. Mr. President, I have far less respect for the opinion of the Senator from Mississippi than I had before he made that assertion, because I can not conceive how anybody could for a moment contend that such a thing as that was a loss.

Mr. WILLIAMS. Mr. President, in reply to the rather——

Mr. OLIVER. I rather think when the Senator from Mississippi comes to carefully consider what he has said he will reconsider his opinion.

Mr. WILLIAMS. That may or may not be. I am in the habit to reconsider a thing when I find a good reason to come to a different conclusion. But in reply to the little side remark made by the Senator from Pennsylvania, the Senator's opinion of my ability is a matter of no consequence at all to me—not the slightest.

Mr. OLIVER. I can say, Mr. President——

Mr. WILLIAMS. That is my opinion.

Mr. OLIVER. The Senator's opinion of me is a matter of great consequence. I would highly regard the Senator's opinion of me. I know, of course, that my opinion of him may not be considered so highly in his mind.

Mr. WILLIAMS. I never would be discourteous enough to say just what the Senator a moment ago said, and if I were discourteous enough, then I would put myself where he ought not to have any regard for my opinion. But let us go on with this matter. I think we had better let it go just as it is, and if I should afterwards change my mind about it, I can change it before we get through it in conference as well as now.

Mr. OLIVER. I am willing to let it go at that. I wish to say before I take my seat that if anything I have said to the Senator or concerning him could be construed into anything like discourtesy, it was not so intended.

Mr. WILLIAMS. Mr. President, I will not be outdone in courtesy. Now the Senator's opinion of me becomes a matter of very much consequence.

The PRESIDING OFFICER. Does the Senator from Pennsylvania withdraw his amendment to the amendment?

Mr. OLIVER. For the present I withdraw it, with the understanding that I can offer it again before the consideration of the bill is concluded.

Mr. O'GORMAN. Mr. President, I hope the Senator from Pennsylvania will not withdraw it, and I rather think that the Senator from Mississippi will be in accord as to the meaning of the language after they perhaps read it with a little more care. If the amendment of the Senator from Pennsylvania is favorably considered the provision will then simply read, speaking of deductions:

Fifth. In lawful transactions not connected with his business or trade, the losses actually sustained therein during the year.

As the Senator from Pennsylvania properly said, a citizen may lose a great part of his year's profit in a transaction into which he did not enter for the purpose of profit. The Senator from Mississippi seems to be under the impression that possibly a benefaction might be deducted at the end of the year as an item which should be deducted. I do not quite see how the Senator reaches that view, because no court, in my judgment, would ever hold that a gift or a benefaction could be embraced among the losses sustained by the individual during the year.

Mr. CHILTON. Mr. President——

Mr. O'GORMAN. I yield.

Mr. CHILTON. May I suggest to the Senator that the idea would be carried out if the paragraph should be made to read as follows:

In lawful business transactions not connected with his regular business or trade.

Mr. O'GORMAN. I have no objection to that.

Mr. WILLIAMS. The word "transactions" by itself means anything.

Mr. OLIVER. I think it is greatly improved by the suggestion of the Senator from West Virginia.

Mr. O'GORMAN. Instead of "regular," would you take the word "ordinary"?

Mr. CHILTON. Either one would make the distinction between a private transaction, so to speak, and the regular business.

Mr. O'GORMAN. Very good; that is quite satisfactory to me.

The PRESIDING OFFICER. Does the Senator from West Virginia offer that as an amendment?

Mr. CHILTON. I offer tnat amendment to the amendment.

The PRESIDING OFFICER. The Secretary will read the amendment to the amendment.

Mr. WILLIAMS. It ought to be clearly understood. I ask the attention of the Senator from West Virginia and the Senator from New York and the Senator from Pennsylvania, and

then I will ask unanimous consent that the amendments shall be considered, reading as follows:

Fifth. In lawful business transactions entered into but not connected with his regular business or trade, the losses actually sustained therein during the year.

Mr. O'GORMAN. Do you strike out "entered into"?

Mr. WILLIAMS. No; it is not necessary to strike that out. They have to enter into them. It does not make any difference.

In lawful business transactions entered into but not connected with his regular business or trade, the losses actually sustained therein during the year.

Mr. O'GORMAN. That is satisfactory to me.

Mr. WILLIAMS. I ask unanimous consent that that may be inserted in lieu of what appears as amended.

The PRESIDING OFFICER. It will be read.

The SECRETARY. In lieu of the amendment as printed in the text, on page 13, lines 5 to 8, inclusive, insert:

Fifth. In lawful business transactions entered into but not connected with his regular business or trade, the losses actually sustained therein during the year.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 13, line 9, to change the side title from "Fifth" to "Sixth."

The amendment was agreed to.

The next amendment was, on page 13, line 13, to change the side title from "Sixth" to "Seventh."

The amendment was agreed to.

The next amendment was, on page 13, line 15, after the word "trade," to strike out:

And in the case of mines within the United States, including oil wells or gas wells, a reasonable allowance for depletion of ores and of other natural deposits, not to exceed 5 per cent of the gross value at the mine of the output for the year for which the computation is made; and in the case of timber within the United States, a reasonable allowance for stumpage not in excess of the cost of, or capital actually invested in, the timber sold or removed during the year for which the return is made, but with respect to timber purchased prior to March 1, 1913, a reasonable allowance not in excess of the fair cash value of such timber on March 1, 1913.

And to insert:

(a) In the case of oil and gas wells a reasonable allowance for actual reduction in flow and production to be ascertained not by the flush flow, but by the settled production or regular flow under rules and regulations to be prescribed by the Secretary of the Treasury; (b) in the case of mines a reasonable allowance for depletion thereof not to exceed the market value in the mine of the product thereof which has been mined and sold during the year for which the return and computation are made; (c) and in the case of timber a reasonable allowance for stumpage not in excess of the market value of the standing timber actually sawed and sold during the year for which such return and computation are made.

Mr. OLIVER. Mr. President, I will state that this amendment is similar to the one which my colleague [Mr. PENROSE] asked to have passed over temporarily, and I suggest that this also go over.

Mr. WILLIAMS. Very well. This is identically a similar amendment, and therefore we will pass it over.

The PRESIDING OFFICER. The amendment will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, under the subhead "Personal exemption," on page 15, after line 1, to strike out:

SEC. 7 (a). That for the purpose of the normal tax only, there shall be allowed as an exemption in the nature of a deduction from the amount of the net income of each individual taxpayer, the sum of $3,000; except where such person is the head of a family, when the said exemption shall be $4,000: *Provided*, That the aggregate net income of all the members of any family, composed of one or both parents and one or more minor children, or of husband and wife living together, shall, for the purpose of the normal tax only, constitute one taxable income to be returned by, and taxed to, the husband or the head of said family, and the tax thereon shall be payable by such husband, or head of the family, but if not paid by him may be enforced against any person whose income is included in the assessment; but the member of the family who pays the tax shall have the legal right of reimbursement against each other member of the family in the proportion that the net income of such other member bears to the combined net income: *Provided further*, That the wife may elect to make an independent return of income derived from her separate estate, in which case she shall be entitled to an exemption of $2,000, and the husband to an exemption of $2,000; but the total exemption to husband, wife, and minor children living together shall in no case exceed $4,000: *Provided further*, That guardians or trustees shall be allowed to make this personal exemption as to income derived from the property of which such guardian or trustee has charge in favor of each ward or cestui que trust: *Provided further*, That in no event shall a ward or cestui que trust be allowed a greater personal exemption than $3,000 or $4,000, as provided in this paragraph, from the amount of net income received from all sources.

And insert:

SEC. 7 (a). That there shall be deducted from the amount of the net income of each of said persons, ascertained as provided herein, the sum of $3,000, plus $1,000 additional if the person making the return be a married man with a wife living with him, or plus the sum of $1,000 additional if the person making the return be a married woman with a husband living with her; but in no event shall this additional exemption of $1,000 be deducted by both a husband and a wife: *Provided*, That only one deduction of $4,000 shall be made from the aggregate income of both husband and wife when living together: *Provided further* That guardians or trustees shall be allowed to make this personal exemption as to income derived from the property of which such guardian or trustee has charge in favor of each ward or cestui que trust: *Provided further*, That in no event shall a ward or cestui que trust be allowed a greater personal exemption than $3,000 or, if married, $4,000, as provided in this paragraph, from the amount of net income received from all sources.

Mr. UNDERWOOD and Mr. WADSWORTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. UNDERWOOD. Mr. President, I do not desire to detain the Senate for any length of time, but I move to strike from this paragraph the words "four thousand dollars" wherever they occur, and to insert "three thousand dollars," and to strike out the word "three" and to insert "two" where the word "three" occurs. The purpose of my amendment is to reduce the exemption from the imposition of the income tax from $4,000 for married men and $3,000 for unmarried men to $3,000 for married men and to $2,000 for unmarried men.

Mr. President, I am thoroughly in favor of an income tax; I do not think there is any tax that can be so well justified as an income tax, because it fairly distributes the burdens of taxation; and I am for it because it does equalize the burdens of taxation. A tax of 1 per cent on $1,000 after a man has $3,000 exempt to him, is not a great burden; in other words, if my amendment prevails, if a man has an income of $4,000, under the terms of this bill—I had in mind the original bill when I spoke a moment ago—there is a normal tax of 2 per cent, and a man with an income of $4,000 under the terms of this bill, if he is a married man, is exempt from all income taxation to the Federal Government.

I recognize the fact that all men pay the indirect tax, the tariff tax and the internal-revenue taxes. That burden is very heavy on the poor man, but I contend that a man with an income of $4,000 is not a poor man. He may not be a rich man, but he is not a poor man.

If you adopt my amendment, a man with an income of $4,000 a year will have to pay $20 a year to the Federal Government to support it. His property is protected; his life is protected; and I believe it will equalize this tax to a greater degree if this amendment is adopted than if the language is allowed to stand as it now is in the bill.

I stood for this proposition when the original bill was enacted, but had to yield because I was outvoted. So far as I am personally concerned, I do not believe that the burdens of taxation ought to be oppressive; but I believe that all men, except the very poor, ought to be willing to pay a reasonable share of the burden of taxation to support their Government. I think it makes better citizens of them.

When you consider that more than one-half of all the families in the United States live on an income of a thousand dollars a year, I think it is idle to say that a man who has $4,000 a year income is a poor man, or that a man who has $4,000 a year income ought not to be willing to pay some share of the burdens of this Government.

I think, if this amendment were adopted, Mr. President, it would make this law more satisfactory than it would otherwise be. The great burden of this tax falls on the wealth of the country, and properly so; I do not object to that. I think the great wealth of the country receives the greater protection under an income tax, and that it ought to pay a large percentage in the support of the Government; but if you leave this bill as it stands, with all men who are married exempt from taxation unless they have over $4,000 of income, and all men who are unmarried exempt, unless they have $3,000 of income, you are narrowing down the scope of the men who are required to pay these taxes to between four hundred and five hundred thousand individual citizens of the United States.

We have 100,000,000 people; and if you exclude from any participation in this tax and in the support of the Government 99,500,000 people, you put the burden on a half million people. If that half million people have enough property that is protected, I do not object to their paying the tax, and they ought to pay it, but when you narrow them out in such small numbers, they will naturally feel apprehensive that they will be singled out in the future to have their property confiscated.

Mr. GALLINGER. Mr. President——

Mr. UNDERWOOD. I yield to the Senator.

Mr. GALLINGER. If the Senator's amendment is agreed to, will the Senator state the additional number that will be reached by virtue of that change in the law?

Mr. UNDERWOOD. I have not the facts. I wish I could state to the Senator the number. It will not very greatly increase the number, I admit.

Mr. GALLINGER. It will practically double the number, will it not?

Mr. UNDERWOOD. I am informed by the Senator from Georgia [Mr. SMITH], who has looked into the matter, that it will probably double the number.

Mr. GALLINGER. Yes; it will probably double the number.

Mr. UNDERWOOD. But it will not greatly increase the revenue.

Mr. GALLINGER. If the Senator will permit me, that would leave 99,000,000 exemptions even then?

Mr. UNDERWOOD. It would leave 99,000,000 outside.

Mr. SMITH of Georgia. When the Senator from Alabama says 99,000,000 he includes women and children, of course?

Mr. UNDERWOOD. Yes.

Mr. SMITH of Georgia. If you really treat it from the standpoint of the heads of families, the figures would be vastly different.

Mr. UNDERWOOD. That is true; but I am talking about population. Of course, women are taxed, and they have to pay the income tax; and children are taxed, and they have to pay the income tax if they have incomes sufficiently large. The women may not have as much to pay as the men, or the children may not have as much to pay as the men, but they are all included; they all have to pay if they have the incomes. So it comes down practically, under the present law, to less than half a million, as you have got this bill written, and to less than a million if my amendment is adopted; but you would thereby give stability to the law, you would give more confidence and get more consent on the part of the men who must pay this tax if they felt that there was a small portion of this tax being imposed in communities in the United States where it will reflect public sentiment against the injustices that might be done them in the future. That is all there is in it; and I believe it is a wise thing to do.

Mr. OLIVER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Pennsylvania?

Mr. UNDERWOOD. I do.

Mr. OLIVER. I am very much interested in what the Senator is saying, and I venture to interrupt him, because I should like to hear, before he takes his seat, what his view is of a suggestion to extend this proposition still further and to reduce the exemption limit to, say, a thousand dollars, and make the tax upon incomes, say, between $4,000 and $1,000 only 1 per cent, my idea being not to put a burdensome tax upon small incomes, but as far as possible to give all citizens the opportunity to contribute to the support of the Government.

Mr. UNDERWOOD. Well, I will say to the Senator from Pennsylvania that I would myself cheerfully vote for an amendment to tax all incomes between $1,000 and $4,000 at the rate of 1 per cent and let the law go on as it is; but I think the proposition which I have made is more likely to be adopted. I prefer to have a vote on that proposition, because I think that is a logical move in the right direction. I am informed that if my amendment were adopted it would add to the revenues of the Government $8,000,000, which is a fair amount of revenue, an amount that should be considered; but it is not the amount that I have offered the proposition to meet; it is to give stability and life and confidence to this great piece of legislation that we are considering. I do not believe that the man who is paying a tax on $100,000 of income will object to the paying of the tax or the system nearly as much if he feels that he is going to be treated on a fair basis, and that he will have an opportunity to be heard by the American people, and all the American people down the line to be able to respond to the sentiment, as he will if he is put out in a small class by himself where he feels that he is in the power of any Congress to confiscate his property. I do not believe that the Congress is going to confiscate his property; but you leave the man who is put in a small class by himself and taxed where he feels he is in danger of confiscation.

I think that this income tax is a great piece of legislation; it is a piece of legislation along the right lines in the interest of the masses of the American people. It ought to be popularized, and not only popularized at the bottom, but it ought to be popularized at the top to make it stable and a part of the existing financial system of our Government.

The best way to give it stability is, within reasonable limitations, to let it extend at fair and reasonable rates to men who can afford to carry their share of the burden of this Government. I do not believe it is going to be unpopular to reduce the exemption. Point me to a man in a local community having an independent income of $4,000 who comes out and attacks this bill because he is called upon to pay the Government of the United States $20 a year to support the Government and I will show you a man in that community whose neighbors will point at him the finger of scorn.

I do not believe the amendment I have offered, if agreed to, will make the bill unpopular; I believe it will popularize the bill, and, more than that, I believe it is right. I have therefore proposed the amendment and hope it will be adopted.

Mr. WILLIAMS. Mr. President, the Senator from Alabama has some of his figures wrong. He has spoken about 500,000 people paying the present income tax, but he forgets that when a man has an exemption of $4,000, that man has a family. From the returns of the Treasury there are 282,806 families paying this tax, and if a family is composed of a man and wife and three children there would be 1,110,000 people, in round numbers, paying the tax in that class alone, if it be supposed that the wife and children must, of course, contribute their share of the burden of taxation levied upon the husband. Then there are 75,000 individuals paying the tax, and then there are something like 3,000,000 stockholders in 100,000 corporations in this country who pay the tax, because when a corporation pays it their dividends are necessarily that much less. But leaving out that, which is a minor consideration, the Senator says that he wants to equalize the burden of taxation. That is well expressed and that is the wish, I take it, of everybody. In other words, it is desired to make men pay taxes in proportion to their ability to pay taxes. Solon, of Athens, about a thousand years before Christ, made a very good short speech in favor of a graduated income tax upon the theory, to turn it into American coinage, that if a man had to pay 10 per cent upon $50 of annual income, he paid out of his necessities; if he paid 10 per cent upon $500, he paid out of his comforts; and if he paid 10 per cent upon $100,000, let us say, he would only pay out of his luxuries; and even of the income tax as now graduated that is true. Those at the bottom pay out of their necessities; a little higher up they pay out of their comforts; and still higher up they pay out of their luxuries only. We have sought by the graduation only to reduce that characteristic, which is almost essential to the taxation itself.

The Senator says that every man ought to bear his burden of taxation and feel proud, too, that he has a part in sustaining the Government which protects him. I agree to that, and every man in this country, except paupers, pays his share of the taxes—I mean, he pays a share; it may or it may not be his share. Every man who wears a hat or a coat, every man who buys a thing that has an import duty on it pays his share. Every man who indulges in a single article which is subject to an internal-revenue tax pays a tax. Every poor farmer in the State of Mississippi, with 1 mule and 30 acres of land, pays more tax in proportion to his ability to pay than the richest man in New York does.

If this were the only tax that a man paid in the United States, the Senator from Alabama would be right; but this is not the only tax that he pays. He pays his import taxes; he pays his internal-revenue taxes; he pays his State and county and municipal taxes; he pays his water rates; he pays his light rate; he pays every rate that he must pay. He does not get his transportation upon the railroads or the street railways any cheaper than the richest man in the world; in other words, the amount which must come out of his pocket every year, and especially taxation expenses, is already greater in proportion for the married man, with children and a wife, who does not possess an income of over $4,000 a year, than for any other man under this income tax. His sacrifice is greater in proportion to what he receives.

I said a moment ago that if this were the only tax, the Senator would be right; and I meant by that he would be right in his main proposition that everybody ought to pay something to the support of the Government; but even there he would not be right, because he would be absolutely illogical. There is not a particle of logic in making the argument which he makes and then stopping at $3,000 for a family or $2,000 for a single person. If he is to follow out the logic of his observations, then he wants no exemption at all. If by this tax alone we can equalize the taxation burden, then there ought to be no exemption, and the man who gets only $100 a year ought to pay 50 cents of it or a dollar of it, and the man who gets only $10 a year ought to pay a nickel of it, or whatever the tax might be.

There is another objection to it, Mr. President. An income tax has only one disadvantage, and that is in its administration. In its administration it is a troublesome tax to the taxpayer. It requires him to go into all of his business, and the fewer number of people you can make do that without doing injustice to those who are taxed, the less trouble and worry

and espionage there is to be endured by the citizens of the United States.

Mr. President, if a man has a wife and seven children—and he ought to have that many—or a wife and five children even, and has only $4,000 a year, it is about all that he can do to clothe and educate them properly, without burdening him with further taxes added to the taxes with which he is already burdened. If he uses tobacco, or if he is a poor man and takes his glass of beer—on a dozen articles on which an internal-revenue tax is levied—he must pay his share of it; and he must pay his share of every other tax levied. I doubt if Mr. Rockefeller, with his habits of dress, pays any more import duty per annum than a mechanic who earns $75 a month, so far as dress is concerned.

It seems to me we have got this about right, and we had better leave it right where it is and not let the income-tax collector enter the household of as many more people as would be involved.

Mr. O'GORMAN. Mr. President, I desire to say a word. One might infer from the attitude of the Senator from Mississippi [Mr. WILLIAMS] on this proposition that he thinks a citizen earning no more than $4,000 a year should at certain times be treated as a ward of the Nation. A man who earns $4,000 a year is generally regarded as very fortunate. As has been stated by the Senator from Alabama [Mr. UNDERWOOD], more than one-half of the households in the United States subsist on salaries or incomes of less than $1,000 a year, and the household that has a $4,000 income is well circumstanced. I am sure the Senator from Mississippi would not say that men in his State who earn $4,000 a year are poor men.

Mr. WILLIAMS. The Senator from Mississippi never has said that.

Mr. O'GORMAN. I rather suspect that they would regard themselves as very well to do.

The great objection to this system, as we have attempted to administer it in the present law and in the proposed law, is the gross inequality which has received the sanction of the American Government. Equality of citizenship was the fundamental basis upon which this Government was reared and upon which it maintained itself for over a century.

We have taken what I regard as one of the most efficient methods, if not the most efficient method of taxation, namely, an income tax; but we have so restricted and hedged it about as to make it a burden on less than one-half of 1 per cent of the American people. I have no fault with the system which will make wealth bear its just burden of the expenses of a great Government, because the man of wealth derives a greater measure of protection and benefit from our Government than is derived by the man without wealth; and I have during the administration of the present law heard no man of wealth object to the tax he pays; but I have heard many of them regret that the American Congress should pass a law with pauperizing tendencies, telling 99½ per cent of the American people: "We have devised a plan, we have conceived a method by which we can make you immune from the burdens of taxation; we will take it in large quantities from those who have."

How does this system work out? Under the existing income-tax law you have taken more from the single State of New York than has been taken from all of the combined States in the South and west of the Mississippi River. There is something wrong under our form of Government when such inequalities are possible, and I am deeply impressed with the thought that we are weakening the foundations of our Government when we are making millions of our citizens understand that while they may enjoy all the advantages they are to be exempt from the responsibilities of Government.

I agree with the Senator from Alabama. In my judgment, the exemption should be reduced so that in the case of a family it will be not to exceed $2,000, and in the case of an individual without a family not to exceed $1,000. But I am also impressed with the fact that there may be more likelihood of making the moderate change which he recommends than the larger change which the facts would seem to justify. I shall vote for the amendment of the Senator from Alabama.

Mr. WILLIAMS. Mr. President, just one word, and then, so far as I am concerned, I should like to have a vote; and that word only to answer one point made by the Senator from New York. It is made not now for the first time, but all the time. Another Senator from New York—Mr. Root—when we first adopted the income tax some years ago, made the same point, that New York paid the income tax.

Well, New York does not. It just so happens that New York is a great metropolis, and it just so happens that nearly all the great, rich corporations have their headquarters in New York; and it just so happens, therefore, that the income-tax returns go out from New York; but the activities of those corporations are not confined to New York. Their activities extend from the Lakes to the Gulf and from the Atlantic to the Pacific, and the people everywhere pay their share of what they earn.

It reminds me that once I heard a man say that Kentucky paid a great, big, enormous share of the internal-revenue taxes because she produced so much tobacco and so much whisky. The truth was, of course, that the man who drank the whisky or smoked or chewed the tobacco paid the tax, and these were the mere intermediaries; and New York is a mere intermediary—that is all. Why, if the people in New York City were confined to the incomes which they earn from purely New York City enterprises—they could not be, because they would all go broke, so far as that is concerned—but if those of them who were left after they were confined to that paid an income tax you would see at once that this fallacy would disappear of its own force. The tax is not sectional.

A corporation having its headquarters in New York owns a railroad in Mississippi. A man in New York owns a majority of the stock. He pays the tax, but the railroad is down in Mississippi. It is in Alabama. It runs through to Florida. A copper mine has its headquarters up in New York and the tax is paid at that collector's office, but the mine that earns the money is down in Arizona; and so with the coal mine which is down in West Virginia, perhaps, or the silver mine which is in Colorado.

We ought to have a surcease of that sort of talk. New York is not taxed to death nor abused, and it never has been. It is the great reservoir toward which the earnings of the American people are concentrated for distribution again and in which they are handled.

Mr. THOMAS. Mr. President, I think what the Senator from Mississippi [Mr. WILLIAMS] has just said is absolutely true, but I do not think it militates against the argument of the Senator from Alabama [Mr. UNDERWOOD] with regard to the lowering of the exemption. It may or may not be true, but in theory it is practically the accepted doctrine that men interest themselves in the financial affairs of their government in proportion as they are made to bear its burdens directly.

The great objection that I have always had to indirect taxation is that it deprives the citizen of that consciousness of contribution which is essential to the stimulating of his interest in the method in which the revenues are expended. I think, too, it is democratic to make direct taxes not only the chief source—and, if it were possible, the only source—of Government revenue, but also to distribute them as far as possible, of course keeping in mind the general principle of equality. The more men are burdened with direct taxes in this country—and of course they all receive the protection of the Government—the more likely it will be that some movement in the direction of that economy which we all preach, but which none of us practice, will be observable in the administration of public affairs.

I am heartily in favor of this reduction. My one criticism of it would be that the reduction is not enough; and I think it was a great mistake which the Senate committee made two years ago when, instead of accepting the House rates, we substituted for them the rates which are in the present law and which are in the pending bill.

I shall vote for the amendment.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Alabama to the amendment of the committee.

Mr. UNDERWOOD. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WILLIAMS. If the yeas and nays are going to be called, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Kern	Pittman	Smoot
Bankhead	Lane	Pomerene	Sterling
Bryan	Lea, Tenn.	Ransdell	Stone
Chilton	McCumber	Reed	Taggart
Culberson	Martine, N. J.	Robinson	Thomas
Cummins	Myers	Saulsbury	Thompson
Fletcher	Nelson	Shafroth	Underwood
Gallinger	Newlands	Sheppard	Vardaman
Gronna	O'Gorman	Sherman	Wadsworth
Harding	Oliver	Simmons	Warren
Hughes	Overman	Smith, Ariz.	Williams
Husting	Penrose	Smith, Ga.	

The PRESIDING OFFICER. Forty-seven Senators have answered to their names. There is not a quorum present.

Mr. WILLIAMS. I ask that the names of the absentees be called.

The PRESIDING OFFICER. The Secretary will call the names of absentees.

The Secretary called the names of absent Senators, and Mr. SMITH of South Carolina answered to his name when called.

Mr. BECKHAM, Mr. CURTIS, and Mr. DILLINGHAM entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty-one Senators have answered to their names. There is a quorum present.

Mr. STONE. Mr. President, as I understand the situation, the yeas and nays have been ordered on the motion of the Senator from Alabama [Mr. UNDERWOOD] to reduce the income-tax exemptions from $4,000 to $3,000 for heads of families and from $3,000 to $2,000 for persons not heads of families. Do I understand correctly?

The PRESIDING OFFICER. That is correct.

Mr. STONE. Mr. President, I want to say something about that, and I promise brevity in saying it. Speaking for myself, I say frankly I am not out of sympathy with the idea embodied in the Senator's motion, although wholly out of sympathy with the motion itself as offered at this time. I am of those who believe that, as far as practicable, every man who enjoys the protection of the Government should contribute to its support, and contribute in the same way as others contribute; the rich and the poor in the same way, as far as practicable—every man according to his ability. I do not like the idea of creating by law, in any form of legislation, a class throughout the United States—that is, a class made up of rich people alone—upon whom the burden is imposed in some special sense of supporting the Government, exempting men of lesser means from the burden of taxation on particular lines. I would have any tax law we passed apply to everybody—that is, I would, if I could have my way, make every tax law universal in its application. I would have even the widow's mite contributed to the maintenance of the Government. I want all men and women to feel that when the Government needs money they are willing to contribute something, according to their means, even though it be but little. I am as much opposed to a tax-paying aristocracy as to any other kind of aristocracy. I stand for a democracy in sharing the privileges of government, and e converso I stand for a democracy in sharing the burdens of government. I would not build up a class inflated with the idea that they were by law separated from the masses and clothed with some special dignity of supporting the national credit.

Mr. President, I made a motion in the Committee on Finance, like that here made by the Senator from Alabama, to reduce this exemption from four thousand to three thousand dollars in the case of married people and from three thousand to two thousand dollars in the case of unmarried people. I venture to make this statement with some hesitancy, for it occurred in the committee room; but I make it because it concerns no other Senator but myself, and I am willing to have it known. But after a prolonged discussion in the committee no action was finally taken. I am, of course, speaking of the Democratic members of the committee. No final action was taken by the committee, and this provision as it came from the House of Representatives, copied from the existing law, was reported by the committee to the Democratic conference, and the chairman of the Committee on Finance, by the authority of his colleagues on the committee, supplemented by the authority of his Democratic colleagues in conference or caucus, reported this provision of the bill to the Senate.

I am not going to say much about this motion of my friend from Alabama. What he does is his business. He can take his own course; but I wish here now, in the beginning of the assaults I understand are to be made from this side under the Senator's leadership upon this bill, to register my protest as a Democrat against such a course. It is whispered about the Chamber on this side that there is a combination of Democratic Senators who mean to pursue this obstructive course. We will see what we shall see. Mr. President, as I turn I look into the smiling faces of my friend from New Hampshire [Mr. GALLINGER], of my friend from Massachusetts [Mr. WEEKS], and of my friend from Utah [Mr. SMOOT], all happy at the prospect of this accession to their forces. I wish here and now, in the beginning, to register a protest against this breakaway.

That is all I care to say.

Mr. UNDERWOOD. Mr. President, the distinguished Senator from Missouri registers a protest. I wonder who he registers the protest with and against whom? And, forsooth, for what purpose does the Senator from Missouri register a protest? Has the Senate of the United States degenerated to a point where the individual Senators of this body must take orders from other Senators, forsooth, who may serve on committees because their constituencies have kept them for a number of years in this body?

If that be the case, why should we proceed further with the consideration of the bill? Why not allow the Senator in charge of the measure to announce to the Senate what conclusions have been reached by those who assume to dictate the votes of other Senators, and let us close up our business at once and not delay final adjournment of this session?

I have great respect for the men on the Finance Committee. They have done earnest work, and hard work, and good work. I stated the other day that in the main I approve of the conclusions they have reached; but I have never yet since I have been a member of a legislative body found that anybody had a right to protest against another member of that body exercising his individual views as to what was best for his constituency and best for his country.

I know of no reason whatever why the Committee on Finance, with all the good work it has done, should see fit to arrogate to itself the right to dictate to its colleagues on the floor of this Chamber. If the members of the committee desire to occupy that attitude, I want it distinctly understood now, for this time and for the future, that I do not recognize the right of any member of any committee to dictate to me my attitude on any legislative matter when I am trying to legislate for the best interests of the constituency I represent.

I need not waste any further words about that. If that is treason, make the most of it.

Now, as to a Democratic caucus, we have not had a Democratic caucus. No man can question my loyalty to the Democratic Party. In victory and in defeat I have stood by the Democratic flag. I have stood by the Democratic flag when there was no provender that came to my portion of the camp.

When the Democratic Party wants to go into a binding caucus, though I do not believe that is the best way to legislate, and say that all men shall be bound on every question that comes before that caucus, I will bow my neck and accept the result. I have done so. I have done so this very week.

It was easy for the Senator from Missouri to vote against the consideration of an immigration bill on the floor of the Senate when his attitude has always been against it. But my attitude has always been in favor of an immigration bill. I believe in it from my heart. I have voted for it a number of times. I voted to pass the immigration bill over President Taft's veto and I voted to pass the immigration bill over President Wilson's veto, and I would do it again if I had an opportunity. When I went into a caucus that my colleagues said was binding and they took the responsibility and placed it on the Democratic Party of saying that they would not take up an immigration bill at this session of Congress, I unwillingly accepted the result, but I accepted it.

I was invited into a conference on this bill. No binding resolution was passed. The committee itself was not bound. The committee itself has offered amendments to this bill that were not proposed in caucus. Does the committee propose to arrogate to itself privileges which are not accorded to other Members of this body? If they do, I for one would like to know whence comes their authority.

Mr. SIMMONS. Mr. President, I do not think the committee has undertaken to present any amendment that it was not authorized to present by the caucus. The caucus after finishing the bill gave the committee rather broad powers with reference to forming it and with reference to changing certain titles of the bill. I do not think the Senator can say anything of that sort.

Mr. UNDERWOOD. The caucus also gave to the membership of this House certain broad powers toward the amendment of the bill because they did not seek to limit them in their action. Does the Senator from North Carolina contend that there was any binding resolution passed in reference to this bill?

Mr. SIMMONS. No; I do not contend that there was any binding resolution passed in reference to the bill; as a matter of fact there was none. But I wish to ask the Senator from Alabama does he think that the action of the caucus has no appealing force to members of the majority?

Mr. UNDERWOOD. Certainly, I think it has just that; it has an appealing force; and so far as I am concerned I follow that appealing force when it goes to lines that I think I can agree to.

The committee has reported an amendment to this bill putting a tax on dyestuffs. Some of the rates under its amendment that the committee proposes to the bill run as high as 130 and 140 per cent. They have written their dyestuff tax by giving free raw material, a slightly higher tax on intermediates, and a much higher tax on the finished product. They have not been content with that. They have adopted a compound duty, a specific duty and an ad valorem duty added together. If they had attempted with all the power resting in them to copy the Republican protective tariff bill, they could not have more

effectively done it, in my judgment, as to that one particular item.

I am not now talking of the general scope of the bill, because, as I said the other day and I say it now, I approve of it. But does the Senator mean to say, does any Senator mean to say, that when I have stood for a lifetime as a Democrat, repudiating protection, standing for a tariff for revenue, that I should be bound to follow the committee or the caucus? It is persuasive force. If the Democratic caucus wants to bind me on Republican doctrine, let it declare that it is going to be a binding caucus, and then I will exercise the privilege whether I will separate myself permanently from that organization or accept the result and bow to the desecration of Democratic principles.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from North Carolina?

Mr. UNDERWOOD. I yield.

Mr. SIMMONS. The Senator has been and was for a long time a distinguished Member of the other House. The Senator was chairman of the Ways and Means Committee. The Senator held during his incumbency of that position a number of caucuses. I do not know what the rule there was, but my impression is that the committee regarded themselves as bound by the action of the caucus and the Democrats of the House regarded themselves as bound by the caucus.

Now, we have had in the Senate a rule that when it was decided at the conclusion of the labors of the conference to make the bill under consideration a party measure, all Democrats, whether they were present in caucus or not, should be bound by that action.

Mr. UNDERWOOD. The Senator has just stated himself that this was not a binding caucus.

Mr. SIMMONS. Just let me finish, if the Senator will pardon me a minute. On the other hand, we have held caucuses, and that was the case with this bill, where we discussed the subject in detail and took action upon the different propositions embraced in the general project of legislation, and adjourned without passing a binding resolution. But our custom has been that when Senators entered the caucus, participated in the debates, if they did not desire to be bound by the result of the action, they have, so far as I know, invariably announced in caucus that they would reserve the right upon the floor of the Senate to take such action with reference to that particular caucus action as they saw fit.

Now, the Senator was present, I think, when the matter now under discussion was considered. I do not remember that the Senator announced that he would reserve the right of independent action upon the floor of the Senate, but I do remember that when the dyestuffs proposition was under consideration and was decided adversely to the contention and position of the Senator he did announce that upon that question he would pursue his own course.

Mr. UNDERWOOD. The Senator from North Carolina does not remember anything of the kind.

Mr. SIMMONS. I may be mistaken, but that is my recollection about it.

Mr. UNDERWOOD. The Senator is mistaken.

Mr. SIMMONS. If the Senator says I am mistaken, I am mistaken; but my recollection is that way. I will ask the Senator if he did not make that statement? Some one made it.

Mr. UNDERWOOD. There is not one single act the Senator has stated that is warranted by the fact.

Mr. SIMMONS. I will ask the Senator——

Mr. UNDERWOOD. I will tell you why.

Mr. SIMMONS. Let me ask the Senator——

Mr. UNDERWOOD. Certainly.

Mr. SIMMONS. If I am mistaken, I accept it. I admit the Senator's recollection about that is better than mine, because he was an actor, rather than myself. But I will ask the Senator if he did not say that with reference to some other subject matter we had up there upon which he was defeated? My recollection may not be as good as his about it, but my recollection is that it was with reference to the matter of section 2, the munitions title.

Mr. UNDERWOOD. I do not wish to reflect on the Senator from North Carolina. I would not have taken the floor if the Senator from Missouri had not seen proper and right to lecture me for making this motion to amend, and nobody can do that.

Mr. SIMMONS. I did not.

Mr. UNDERWOOD. I know the Senator did not. The Senator came in during this debate and stepped in inadvertently without knowing the situation; but I tell the Senator he is entirely mistaken. He has imagined the case as far as I am concerned, and he is entirely mistaken in reference to it. I was not at the caucus at all when the dyestuffs schedule came up. I had left the conference and refused to go back because——

Mr. SIMMONS. If the Senator will pardon me, I think that very likely I have in mind when the conference had under consideration the amendment to section 2. I ask the Senator if he did not make that statement on that subject?

Mr. UNDERWOOD. I did not. I had left the caucus.

Mr. SIMMONS. Then nobody else did, if you did not.

Mr. UNDERWOOD. I left the Democratic caucus or the Democratic conference before that question ever came up, and I did not return. I will tell the Senator why I did not return. No; that is a question that will be personal between the Senator and myself, and I will refrain from doing it. It was in reference to section 2 of the munitions title that I did not return, but I did not make any statement in reference to it, because I have seen other men go to the conference since I have been a Member of the Senate and take such a position on the floor of the Senate as they thought proper. I think this idea about a man going into a conference that is not a binding caucus and having to follow the will of a committee is fiction, a dream that is invented by Senators to try to whip people into line.

Let me tell the Senator what is the fact and what is the law of that caucus. If they want to build theories outside of it, it is all right.

These Senators know that there is a rule in the Democratic caucus or conference, whichever you want to call it—it is immaterial to me. The same rule prevails in the House of Representatives. The rule is that a measure to be binding must receive a two-thirds vote of the entire membership of the caucus, not of those present. Does the Senator agree with me about that?

Mr. SIMMONS. I agree it is the rule.

Mr. UNDERWOOD. That is the rule. It is the rule as I understood it, and it is the rule as I understand it now.

Mr. SIMMONS. If the Senator will pardon me, in our caucus, without any reference to whether we are going to make it party action or not, it is the custom for a Senator, if he does not propose to be bound by some particular action, to give notice that he will pursue an independent course in pursuance of the right he has under the caucus.

Mr. UNDERWOOD. I have not been a member of the conference as long as the Senator from North Carolina, and I am not prepared to state what is the custom; but if it was the custom, I do not know of it. If it is the custom, I have seen it violated since I have been in the United States Senate without any question being made. I have seen committees go into conference and then change their action when they came out of it. I do not mean to say when there was binding action in the conference the committees having legislation in charge changed their bills when they came out here. It may have been the custom in the conference, but if it was the custom, why do you maintain a two-thirds rule?

In the House of Representatives we had caucuses. We never attempted to make them binding unless we passed deliberately a binding rule and gave notice that we would do so, and everybody knew it; and then under our caucus rules, just as under the caucus rules of the Senate, if a man said that he believed the provision was contrary to the Constitution of the United States or made him violate a pledge to his constituency he had a right to get up and exempt himself from the caucus. I have had them do it when I was leader, and I want to say that under the leadership I had in the House no man can ever point to the fact that I thought it necessary to attempt to lecture anybody.

I recognized that the men of that House represented a constituency, that they were men who had a right to be treated as men, and if they thought upon their consciences that they were violating their promise to their constituency they had a right not to be bound. No man ever heard me question or attempt to lecture a man for his act. But when you come here with a rule of the caucus which says it takes two-thirds to make a binding vote, and when you never attempted to have a two-thirds binding vote, how do you know that you have gotten it? How do you know that you have gotten a two-thirds binding vote for this bill? Probably if you had thought you could, you would have tried to put it over; but without attempting to do it, when you come here and attempt to lecture me because I dare to stand here and repudiate a portion of your bill that is opposed to the great principles of the Democratic Party for a hundred years on the tariff question, I want this committee to understand if that is the basis on which I have to associate in the Democratic conference and not be able to stand by my views and my constituency, that I am asked to swallow Republican doctrine or be lectured for it, you can understand

that from this hour I am willing to stand alone. I propose to stand here for the great principles of my party, as I understand them, and for the constituency I represent, and I do not propose to allow any man to question my position. There is no man who desires to treat his colleagues with more kindness and with more courtesy on the floor of the Senate than I do; I have tried to pursue that course; but when I see proper for the interest of this country and my constituency to differ from them and I have made no binding contract to stand with them, I do not propose to have my motive questioned, and I will not take it.

Mr. WILLIAMS. Mr. President, paraphrasing what Daniel Webster said, "After the storm has blown, after the waves have rolled high and the lightning has flashed, the mariner resorts to his compass to find out where he is." The yeas and nays have been called on the pending question, and I hope that now the Senate is ready to vote upon the motion.

Mr. STONE. Mr. President, I desire a few moments——

SEVERAL SENATORS. Vote! Vote!

Mr. STONE. I will speak when I desire to, and will not ask that liberty of any gentleman here. To call out aloud for a vote when a Senator is on the floor is a contemptible act, and I have a personal contempt for any man who does it. That is enough to say on that subject.

Mr. President, it is not my province to lecture the junior Senator from Alabama or to lecture any other Senator; I do not presume to do that; but I am a Democratic Senator, old in service here, and older still in party service; I always take part in Democratic conferences or caucuses, and I believe that Senators who take part in these party gatherings ought to respect what is done in such meetings. I am yielding now in this very matter to the judgment of the majority of my colleagues. Unless that is done, party solidarity, cohesion, and cooperation are impossible.

The oratorical heroics displayed by the junior Senator from Alabama are but a repetition of like heroics we have witnessed on this floor on former occasions. Of course the Senator can not be dragooned or coerced, and should not be. The honorable Senator comes to this Chamber with a great name, built upon great service to his party and country, and it astounds me that, coming, as he does, from the House of Representatives, where he had long been the party leader, where he was the head of the Ways and Means Committee—which committee, in a large way, controlled the policies of the House, and in which committee there was a rule that the majority of the committee should control its action—it astounds me that this great Democrat should come here to the Senate and advise, counsel, and strive to lead us into a course of conduct that would make party conferences worse than useless. I had supposed he would stand for party regularity; I am amazed that he would countenance any movement promotive of party disorganization. What is the use of having conferences if they mean nothing?

Mr. President, I do not lecture anybody, but I do speak my own thought. I do not wish to offend, but I shall speak without fear or favor whenever I think there is occasion to speak. For days a rumor has been going about this side of the Chamber that a certain coterie of Senators, under the leadership of the Senator from Alabama, mean to attack certain important provisions of this bill. To this obstructive and destructive movement it is understood that the Senator from Alabama is lending the great influence of his name. Very well; so be it. This bill has been approved by a Democratic conference in the Senate; also in the main by a Democratic House; also by a Democratic President. If an effort is to be made here now to tear apart and disorganize our forces, let us know it. If unhappily he so desires, the Senator from Alabama can take the responsibility of it. He can lead, and he knows how to lead as well as any man amongst us. He is a man of conceded influence and power. He may group about him and under his leadership Senators enough to make the passage of this bill difficult, if not impossible. As to that we shall see.

No, Mr. President; I do not lecture the Senator; I do not lecture any Senator. The term is ill chosen. But I have a right as a Democrat, the same right of any other Democrat, talking to his own people, to protest against what I consider wrong. The Senator asks by what right I use the word "protest," and I used it intentionally. I answer him that I protest against his party right, not his official right; against his right as a Democrat, not his official right as a Senator, to fight his party. No man has a right to take a place in the rank of his party, participate in its organization, its councils, its work, unless he means to stand by what his party does. I can not understand how any honorable man could have any other view than this.

Mr. President, we had this immediate question covered by the motion of the Senator from Alabama before our caucus, and if there was a vote in that caucus or a voice there raised against the acceptance of this provision as it appears here in the bill, I do not recall it.

Mr. UNDERWOOD. Does the Senator mean to say that I made any motion about the provision being considered here to-day in the Democratic caucus?

Mr. STONE. No; I am saying that if the Senator did anything of that kind I never heard it.

Mr. UNDERWOOD. I understood the Senator to say that I made the motion.

Mr. HUGHES (to Mr. UNDERWOOD). The Senator from Missouri stated that you made the motion here to-day.

Mr. UNDERWOOD. No; he said in the caucus. I had nothing to do with it in the caucus.

Mr. STONE. Let this be perfectly understood. I may have inadvertently used the word "caucus"—although I think not—but what I meant to say was that if the provision of the bill covered by the motion now made here by the Senator from Alabama was before the caucus, if the Senator from Alabama or any other Senator then made any motion about this provision, if it was then in any way brought into controversy, I do not recall it. This provision was agreed to unanimously—not by a two-thirds vote, but unanimously. The Senator from Alabama did not give his party friends in the conference a chance to pass upon the idea he is now advancing. He springs it upon us here.

Protest! Mr. President, if the Senator asks me by what right I protest, I reply I have a right to protest because of more than 40 years of faithful service to the Democratic Party, both in and out of official life. My service may not have been as distinguished or as able as that of the Senator from Alabama, but certainly it has been as consistent and as faithful as that of any living man. Protest! I do protest that if the Senator from Alabama wanted to change this provision he should have taken the judgment of his party colleagues upon it in the caucus instead of throwing it in here to distract us, and that, too, after the caucus of which the Senator was a part and in which he took part, had by a unanimous vote directed the chairman of the Finance Committee to report this provision just as it appears.

The Senator can not get me to talk now about the immigration bill, dyestuffs, or other matters entirely foreign to the question before the Senate. I am talking now about this provision of the bill, and will not be diverted.

Why abuse the Finance Committee? The prestige and power of that committee are not now at issue. Back of that committee, and above it, is the unanimous voice of my friend's party associates, instructing the chairman of the Finance Committee to report this provision. The Senator on his motion and responsibility seeks to overturn the decision of his party colleagues. Is this the first wedge to be driven into the bill by this reported combination, and is it to be followed by another and another and another?

Yes, Mr. President, I do protest, and I have a right to protest as a Democrat.

God knows I do not want to offend any man here. I had rather spill blood out of my veins than to offend my friend from Alabama or any other Democrat among my colleagues here. I love these men—all of them. I have a reason to love them, and I have no other feeling than one of the greatest kindness toward them. Mr. President, I may be, as the junior Senator from Georgia [Mr. HARDWICK] said the other day, "roaring," and, as he said, my roaring may have become a joke. I did not reply in kind, and will not now, although I might have said something about conduct of his which has long since ceased to be a joke.

Mr. HARDWICK. Mr. President, if the Senator will pardon me, the Senator need not refrain from saying anything he wants to say about me.

Mr. STONE. I prefer to refrain.

Mr. HARDWICK. I hope the Senator will not do so.

Mr. STONE. On some future occasion I may not.

Mr. President, as I was saying, I do not like to offend these men; but when the integrity of our party organization is at stake, so help me Heaven, if I be the only man on the floor of the Senate to do this thing, I shall speak out with such force and energy as I can in protest. I want my party here to be cohesive and cooperative; I want that we should do things. I will fight anybody, at any time, who undertakes to break up our organization. That is all I care to say.

Mr. UNDERWOOD. Mr. President, I will not detain the Senate long. I dislike to have this controversy; it is very unsatisfactory to me. I have never scratched a Democratic ticket; I have never failed to support Democratic platforms; I have never failed to support the candidates of my party; and I think my record will compare very well with that of the Senator from Missouri.

Mr. STONE. In that respect; certainly.

Mr. UNDERWOOD. If the Senator from Missouri had anything here but a made-up case, a case that is concocted out of his imagination and that of certain gentlemen who desire to dictate to this side of the House what they shall do, I would listen with great consideration and endeavor to yield to him.

We have rules as to when a man shall be governed in a Democratic conference or caucus. I have always abided by the rules. I do not recall whether I was in the caucus or not when this particular provision was passed.

Mr. WILLIAMS. Yes; the Senator was there.

Mr. UNDERWOOD. I may have been there at that time or I may not have been; but if there was any vote taken on it, I do not recall it. I know the courtesy that is accorded to a committee as a general rule, although not always, of one member notifying the other members of the committee what he is going to do; but I never heard of it being necessary to notify other members of a caucus that was not binding as to what steps any member of the caucus was going to take, because it is assumed, when the caucus is not binding, that every member of the caucus has a right to do what he pleases when he walks out of it.

The Senator from Missouri seeks to build up a case. Of course I understand perfectly well what the Senator is driving at. He does not care anything about this amendment; it is a minor matter. The Senator knows I am going to repudiate that portion of the bill that he has reported to the Senate in reference to the dyestuffs schedule, because I say it is un-Democratic and a retreat from the principles of the Democratic Party.

I do not know who has been giving out any rumors that I was going to lead an attack on the bill. That grew out of the imagination of the Senator from Missouri, because I have not tried to organize anybody to fight this bill or that schedule of the bill. I will say to the Senator from Missouri candidly that I know as well as he knows that before I start to move my amendment in reference to the dyestuffs schedule, before the vote is taken, I am going to be overwhelmingly defeated, because it is a Republican proposition; it is a Republican provision in this bill. It is for a protective tariff. I suppose every Senator on the other side of the Chamber is going to vote for it, and I do not know that I can name any man on this side of the Chamber who is going to vote against it but myself. I know in their hearts and consciences there are many men on this side of the Chamber who do not approve of that provision in the bill, but they may follow the committee because they may feel they ought to follow the committee, or they may feel that the Senator from Missouri will question their standing in the party if they do not follow the committee on that item. The Senator from Missouri can not expect me to follow his committee unless there has been a binding caucus according to the rules. When I have been given notice and I take part in a caucus and submit my chances to the result, I have always stood by its action. I stood by its action the other day when I did not want to do so, and whenever I take part in a binding conference or caucus I will stand by it; no man can ever question that I have not done so in a single instance; but I did not go into a binding caucus on this bill. I went into a conference, and when a conference expect me to follow their position, they have got to remain Democratic, or, at least, without reflecting upon their opinions about the matter, they have got to remain within the lines that I believe are covered by the great principles of the Democratic Party.

I did not intend to take up the time of the Senate, but the Senator from Missouri has referred to the fact that I was a leader of my party in the other House; that I was the leader of the party when the present revenue law which it is sought to amend was written on the statute books. I call the attention of the Senator from Missouri to the fact that I led that party there, if I led it, to stand for Democratic principles, to stand for a revision of the tariff downward, to repudiate the idea of a protective tariff. If now I meekly submit my neck to the yoke of a conference that it is conceded was not binding according to the rule, and bow my head to accept an amendment to the present tariff law that in many cases imposes a tariff tax at the customhouse of above 60 per cent, and in some cases as high as 130 or 140 per cent, that is written under a compound duty—an ad valorem with a specific added—that the party has never stood for as far as my knowledge of it is concerned as a principle; if I follow this conference into that position, and in the coming November election we should be so unfortunate as to lose the battle, and a Republican President and a Republican Congress should be elected, and the Senators on the other side of the Chamber next March meet here to prepare a Republican tariff bill, and they take the cotton schedule and the woolen schedule and the iron and steel schedule and make them conform to the rates that the Senator from Missouri has put in this bill on the dyestuffs schedule, in what position would I be, when they were preparing to repeal the bill that I aided to put on the statute books, to say to them, "You must not write Republican laws in place of Democratic laws," when they could reply and say, "Mr. UNDERWOOD, did you vote for the dyestuffs paragraph in the revenue bill? Did you approve of the dyestuffs paragraph in the revenue bill? And if you did, in theory, in practice, in principle, what objection have you?"

Mr. STONE. Mr. President, will my friend allow me to say a word?

Mr. UNDERWOOD. Certainly.

Mr. STONE. The matter before the Senate concerns the motion to reduce the exemptions on incomes from $4,000 to $3,000, and from $3,000 to $2,000.

Mr. UNDERWOOD. Certainly.

Mr. STONE. I have not said anything about the dyestuffs schedule; and, with all due respect, I submit to my friend that we might discuss that when we get to it.

Mr. UNDERWOOD. I am not discussing the dyestuffs schedule. I am discussing my right to move to strike the dyestuffs schedule out of this bill. Of course, I know I am not going to succeed in striking it out, but I know I am going to take the Democratic position, the position that I, as a good party man, am compelled to take, and I know that is what lies behind this proposition. I will come right down to the facts.

Of course, I know that what the Senator said about the little motion I made here has nothing to do with the case. I know where the real issue lies. I am not any more bound by this conference than my good friend over here from Mississippi [Mr. WILLIAMS], who has charge of this item. I did not take any part of it. But a few minutes ago I sat here and listened to the consideration of this bill, and on page 13, line 5, I find a paragraph that reads as follows:

Fifth. In transactions entered into for profit but not connected with his business or trade, the losses actually sustained therein during the year to an amount not exceeding the profits arising therefrom.

That was the committee amendment. I ask the Secretary to read from the desk the way that paragraph reads now.

The VICE PRESIDENT. The Secretary will read as requested.

The Secretary read as follows:

Fifth. In lawful business transactions entered into but not connected with his regular business or trade, the losses actually sustained therein during the year.

Mr. UNDERWOOD. Mr. President, that is a very important amendment to this paragraph. It is a material amendment to the paragraph. The amendment was agreed to by the Senator from Mississippi.

Mr. WILLIAMS. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Mississippi?

Mr. UNDERWOOD. I do.

Mr. WILLIAMS. The Senator from Alabama has brought me into this controversy, into which I did not care to come. The Senator from Mississippi did nothing of the sort. The Senator from Mississippi opposed the amendment offered by the Senator from New York [Mr. O'GORMAN]; and then, after it was agreed to over his vote, the Senator from Mississippi asked unanimous consent that it be put in its present shape, with some other amendments added to the amendment offered by the Senator from New York.

Mr. UNDERWOOD. I suppose I got in here in time to hear the Senator from Mississippi ask unanimous consent to do that.

Mr. WILLIAMS. Now, understand me as having nothing to do with this.

Mr. UNDERWOOD. I do. I am not referring to the Senator from Mississippi. But regardless of whether it was the Senator from Mississippi or some other Senator, the motion was made, and agreed to, to amend that paragraph. None of the Democratic Senators objected. Nobody raised any question. The leadership on this side of the Chamber saw no reason why that provision should not be amended. I have no doubt that before we pass this bill there will be other amendments offered by other Democratic Senators that they are preparing to offer now, some of them on the committee, to the text of the bill. They will be all right. There will be no objection to it, because, forsooth, the committee do not think it is of enough importance

for them to interfere. That is all there is to it. There was no binding caucus. They admit it. There is no gentleman's agreement. They know it.

But the Senator from Missouri let the cat out of the bag when he said that he understood that I was going to lead certain attacks on this bill. I do not know where he got his information, because I am not going to lead anybody. I am not attempting to lead anybody. If I were going to lead anybody on this matter I would know that I was going to lead them to defeat in regard to the main proposition that we have under consideration, because I know that the Republican Members of the Senate are not going to vote to strike the dyestuffs tax out of the bill, and I know that enough Democrats will vote for it to pass it; so why should I try to lead anybody? The only thing that I am preserving myself against when my party has not attempted to bind me, has not had a binding caucus, has left it open to everybody else to amend the bill, is that I am not going to stay here and tamely submit because certain Senators want to insist that I should do so; that I can not stand for the great principles of the Democratic Party when they are at stake; that I can not stand for the principles that my constituency in Alabama sent me here to represent.

When Senators on this side of this Chamber want to go to a caucus, call it a caucus, make it binding, and are willing themselves to stand by the results regardless of what happens, they will find that I am ready to go there and never fail to go. But I am not going into a conference that Senators can agree to if it goes their way and repudiate if it does not go their way and then say that I can not exercise my own independent judgment about things that I consider matters of principle.

Mr. WILLIAMS obtained the floor.

Mr. THOMAS. Mr. President——

Mr. WILLIAMS. I yield to the Senator from Colorado.

Mr. THOMAS. Mr. President, just one word.

A few moments ago I announced my intention of voting for the amendment of the Senator from Alabama [Mr. UNDERWOOD]. The Senator from Missouri [Mr. STONE], however, in his remarks, called attention to the fact that when this bill was finally disposed of by the Committee on Finance everyone acquiesced in the result, and no notice of further dissent was given. Under the circumstances I feel that I can not honorably vote against the committee amendment.

Mr. PENROSE. Mr. President, will the Senator from Mississippi permit me to make a brief statement?

Mr. WILLIAMS. Certainly.

Mr. PENROSE. A short time ago I asked the Senator from Mississippi to have an amendment passed over. I desire now to withdraw that request. I have had an opportunity to look further into it and am satisfied with it.

Mr. WILLIAMS. Very well.

Mr. President, we have discussed the Democratic caucus, we have discussed the dyestuffs provision of this bill, we have discussed one another. I hope now that we may have a vote on the pending motion; and for fear the Senate may have forgotten during this long time what the pending motion is, I will state that it is a motion by the Senator from Alabama [Mr. UNDERWOOD] to strike out the $4,000 exemption for families and substitute $3,000, and to strike out the $3,000 exemption for single men or women and substitute $2,000. I sincerely hope that the amendment will be rejected.

I ask for a vote.

The VICE PRESIDENT. The yeas and nays have been ordered. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. BRYAN (when his name was called). I have a pair with the junior Senator from Michigan [Mr. TOWNSEND], which I transfer to the junior Senator from Louisiana [Mr. BROUSSARD] and will vote. I vote "nay."

Mr. CHILTON (when his name was called). I have a pair with the Senator from New Mexico [Mr. FALL], which I transfer to the Senator from Illinois [Mr. LEWIS] and vote "nay."

Mr. CURTIS (when Mr. HARDING's name was called). I have been requested to announce that the junior Senator from Ohio [Mr. HARDING] is absent. Were he here, he would vote "yea" upon the amendment of the Senator from Alabama.

Mr. OVERMAN (when his name was called). I have a general pair with the junior Senator from Wyoming [Mr. WARREN]. He has been called away on business. If he were present, he would vote "yea" and I would vote "nay."

Mr. SHAFROTH (when his name was called). I am paired with the junior Senator from Washington [Mr. POINDEXTER]. I transfer that pair to the junior Senator from California [Mr. PHELAN] and will vote. I vote "nay."

Mr. SIMMONS (when his name was called). I have a pair with the junior Senator from Minnesota [Mr. CLAPP]. I transfer that pair to the junior Senator from South Dakota [Mr. JOHNSON] and will vote. I vote "nay."

Mr. SMITH of Georgia (when his name was called). I transfer my pair with the senior Senator from Massachusetts [Mr. LODGE] to the senior Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote "nay."

Mr. STONE (when his name was called). I transfer my standing pair with the senior Senator from Wyoming [Mr. CLARK] to the senior Senator from Virginia [Mr. MARTIN], who is temporarily absent, and vote "nay."

Mr. THOMAS (when his name was called). I ask to be excused from voting.

Mr. WADSWORTH (when his name was called). I transfer my pair with the junior Senator from New Hampshire [Mr. HOLLIS] to the junior Senator from Vermont [Mr. PAGE] and will vote. I vote "yea."

Mr. WEEKS (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. JAMES], which I transfer to the senior Senator from California [Mr. WORKS], and will vote. I vote "yea."

I wish to announce that if my colleague [Mr. LODGE] were present he would also vote "yea." My colleague has a general pair with the senior Senator from Georgia [Mr. SMITH].

The roll call was concluded.

Mr. REED. I have a pair with the senior Senator from Michigan [Mr. SMITH], which I transfer to the senior Senator from Arizona [Mr. ASHURST], and will vote. I vote "nay."

Mr. ROBINSON (after having voted in the negative). I am informed that the senior Senator from Connecticut [Mr. BRANDEGEE] has not voted. I have a pair with that Senator, which I transfer to the junior Senator from Tennessee [Mr. SHIELDS], and will allow my vote to stand.

Mr. BECKHAM. I am paired with the senior Senator from Delaware [Mr. DU PONT]. In his absence I withhold my vote. If at liberty to vote, I would vote "nay."

Mr. DILLINGHAM. I have a pair with the senior Senator from Maryland [Mr. SMITH], which I transfer to the junior Senator from Nebraska [Mr. NORRIS] and will vote. I vote "yea."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Washington [Mr. JONES] with the Senator from Virginia [Mr. SWANSON];

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from Rhode Island [Mr. LIPPITT] with the Senator from Montana [Mr. WALSH];

The Senator from Utah [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. CLARKE];

The Senator from North Dakota [Mr. GRONNA] with the Senator from Maine [Mr. JOHNSON]; and

The Senator from Oklahoma [Mr. OWEN] with the Senator from New Mexico [Mr. CATRON].

The result was announced—yeas 19, nays 31, as follows:

YEAS—19.

Bankhead	Gallinger	Nelson	Sterling
Brady	Hardwick	O'Gorman	Underwood
Colt	Kenyon	Oliver	Wadsworth
Cummins	Lane	Penrose	Weeks
Dillingham	McCumber	Smoot	

NAYS—31.

Bryan	Kern	Reed	Smith, Ga.
Chamberlain	Lea, Tenn.	Robinson	Smith, S. C.
Chilton	Lee, Md.	Saulsbury	Stone
Culberson	Martine, N. J.	Shafroth	Taggart
Curtis	Myers	Sheppard	Thompson
Fletcher	Pittman	Sherman	Vardaman
Hughes	Pomerene	Simmons	Williams
Husting	Ransdell	Smith, Ariz.	

NOT VOTING—45.

Ashurst	Gore	Lodge	Smith, Mich.
Beckham	Gronna	McLean	Sutherland
Borah	Harding	Martin, Va.	Swanson
Brandegee	Hitchcock	Newlands	Thomas
Broussard	Hollis	Norris	Tillman
Catron	James	Overman	Townsend
Clapp	Johnson, Me.	Owen	Walsh
Clark, Wyo.	Johnson, S. Dak.	Page	Warren
Clarke, Ark.	Jones	Phelan	Works
du Pont	La Follette	Poindexter	
Fall	Lewis	Shields	
Goff	Lippitt	Smith, Md.	

So Mr. UNDERWOOD's amendment to the amendment of the committee was rejected.

Mr. WADSWORTH. Mr. President, the bill as it came here from the House apparently permits an exemption of $4,000 for the head of a family. The Senate committee amendment changes that to this extent, that there is an exemption of $4,000 to a married man or a married woman, the husband living with his wife in the case of the husband or the wife living

with her husband in the case of the wife. Mr. President, it occurs to me that a widower with five or six children dependent on him should have that exemption which the Senate committee language forbids and which the House language permits.

Mr. WILLIAMS. The Senate committee amendment restores the language of the present law. We thought we could not go into the question of a widow with five children, nor could we go into the question of a man with a dependent family not his own, or what is worse a married woman leaving her husband, if her husband were living; not always, however. It is also true that a man with a dependent family of nieces and nephews is in as bad a fix as a man with a family of children and also a man who has widowed or dependent sisters to take care of.

Mr. WADSWORTH. Mr. President, I think the result of the change made by the Senate committee is exactly the opposite of that described by the Senator from Mississippi. He says that the Senate committee's language draws the line at the family. It does no such thing. A man may be without any family at all and be exempt provided he is married. The House language provides that the head of a family representing the unit of our social organization shall be exempt. It occurs to me that that is the proper way to do it.

Mr. WILLIAMS. The bill as passed by the House went so far that if a clerk down here was in receipt of $2,500 and married a female clerk in receipt of $1,800 the next day they should be mulcted and made to pay upon what the House called a "family income." Add the $2,500 to the $1,800 and you have $4,300, so that the two of them would become liable for the tax as a family, although neither was taxable before marriage. The House gave each one of them in that case an exemption of $2,000. It was absolutely penalizing the parties for coming together in lawful wedlock. We thought the present law was more satisfactory than the House provision, and we therefore struck out the House provision and restored the present law. That is what the Senate amendment means. It means the present law.

Mr. WADSWORTH. It seems to me that the Senate amendment has gone further than to meet a case similar to the one just described by the Senator from Mississippi.

Mr. WILLIAMS. I did not mean to say that that was the only case.

Mr. WADSWORTH. I have not raised the question as to the advisability of taxing the joint income of husband and wife, which is the case just now described by the Senator from Mississippi. I have raised the question as to the policy of failing to exempt the head of a family unless that head of a family happens to have a wife or a husband alive and they are living together. I ask the Senator if he would consider favorably an amendment to the Senate committee amendment striking out the words "married man" and the next two lines and all of line 15, including the word "her," and substituting the single expression "head of a family"?

Mr. WILLIAMS. I would object to that very materially. A clerk in a store who is getting $3,000 a year might have a sister or a mother and get exemption as the head of a family. A great many cases might present themselves. The main trouble about it is, you do not know where it will end. If only purely for the sake of the revenue, I would object to that.

Mr. WADSWORTH. There are very few clerks in stores who get $4,000 a year. It seems to me that the law which is on the statute book now works very grave injustice to people who have sisters dependent upon them or those who, through some grave misfortune, have lost their wives or, in the case of a woman, one who has lost her husband. As soon as that misfortune overtakes a person in that situation the Government of the United States commences to penalize them by refusing them any exemption under this law.

Mr. SHAFROTH. Does not the Senator believe that if you put in that provision there would be no such thing as a single person without a family? Would they not all claim that they are the heads of families and say, "I am maintaining this one and that one," and thereby practically wipe out the distinction between married persons at the head of a family and the single man and the single woman?

Mr. WADSWORTH. It seems to me that the Treasury Department or the internal-revenue collectors and the attorneys there could very well place the proper interpretation of the term "head of a family." It is a term of common acceptance. The head of a family is a term which is used day in and day out. It seems to me that a ruling or regulation of the Treasury Department could be made in the spirit of the Congress which enacted the bill and used the term. I offer that amendment.

Mr. WILLIAMS What is the amendment?

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to amend the committee amendment, on page 16, beginning in line 12, by striking out the words "married man with a wife living with him, or plus the sum of $1,000 additional if the person making the return be a married woman with a husband living with her" and to insert "head of a family."

Mr. WILLIAMS. If that amendment is adopted, every man who has a sister he is providing for will claim that he is the head of a family. As far as I am concerned, I do not care to argue it, but I should like to have a vote.

Mr. WADSWORTH. To meet the objection of the Senator from Mississippi, would he agree to a further amendment using the expression "head of a family containing dependent children"?

Mr. WILLIAMS. No; I would not consent to the substitution.

The VICE PRESIDENT. The question is on the amendment of the Senator from New York to the amendment.

Mr. WADSWORTH. On that I ask for the yeas and nays.

Mr. GALLINGER. I will ask the Senator if he modifies it.

Mr. WADSWORTH. The Senator from Mississippi declined to accept any modification.

Mr. GALLINGER. The Senator can modify it himself.

Mr. SHERMAN. Mr. President, I shall take only a moment. I have already expressed myself at length upon the merits of the amendment offered by the Senator from New York.

The Senator from Colorado [Mr. SHAFROTH] suggested that the married relation is the definite line that should be drawn; that it is not only legal but moral; that it makes a good dividing line which can be safely relied upon for the collection of revenue, because it is readily established. I regret to say that merely the marriage relation in our decadence of civilization in dense centers of population is no longer a safe guide.

Mr. WILLIAMS. The Senator will notice the language is "a married man with a wife living with him."

Mr. SHERMAN. That is merely formal. Nobody can establish that. If the Senator had been around Reno, Nev., or had been around any modern city, he would know that is merely a formal matter. They may live under the same roof and still the carpet never wear out by visits of the one to the other. I venture this assertion, that there is as much absence on moral ground among married people in this classification as there would be the absence of moral reason on the head of a family, who might fraudulently impose upon the Government, where a man might claim that he was the head of a family.

The most moral obligation in the world is where some one not a husband or a wife, the widow or the widower, may support dependent relatives. It is the most moral obligation in the world, to take those who are immediately dependent upon them and discharge that obligation—an invalid brother, the children of a deceased brother or sister. I regard those obligations as equally binding, under the impulses on the human heart for the resources of the pocketbook, as I do the married relation.

If any burden is charged upon the community, it becomes equally a burden upon the taxpayers. It seems to me that merely drawing the technical line of husband and wife is no more a moral ground than the other, and especially in view of the question asked by the Senator from New York, where the head of a family has dependent children. Still, the objection is made to the amendment. I shall vote against the whole committee amendment in its present form and for the House provision.

Mr. SHAFROTH. It seems to me that inasmuch as the language of the present bill refers to the single man or the single woman and the married man and the married woman, and there has been no great difficulty in the administration of the act, and inasmuch as there can be imposition, because almost everyone could claim to be the head of a family, you would wipe out any revenue whatever as to the distinction between a married man or a married woman on the one hand and a single man or a single woman upon the other. The law having been admitted to be satisfactory, and that being the language of the old act, the fact that it would be subject to this claim upon the part of any person who wants to claim that he is the head of a family, it seems to me the action of the committee should be sustained.

Mr. SHERMAN. It is true that under the present law there has been no difficulty in administering it, but there has been a rank injustice. I know of a widow woman who has about $4,200 income, and she was fortunately left with seven children by her husband several years ago. Every one of them is of tender years, a minor, and requiring support. She keeps them, be it said to her credit, but she does not get an exemption. Right across the street from her lives a married man and his wife, living together, and they have $4,000 exemption, and

the widow has $3,000 exemption. There is no justice in a rule of that kind.

Mr. SHAFROTH. If the Senator will allow me, I should like to refer to the fact that she saves by that under the present law $12 a year, and all she would save under this new law would be $24 a year. Surely if she gets a $4,000 exemption it can work hardship to no great degree.

Mr. SHERMAN. That is very true, but $12 a year is $1 a month. What was the value of the tea thrown in Boston Harbor? A few pence, but still the fight came down the Concord Valley and all of the rest of it.

The amount of money involved does not settle the matter of principle. It is only $12, it is true, but it is $12 that you have taken from the widow woman, when the married man across the street gets $4,000 exemption and is not a father and neither husband nor wife will ever become a parent.

Mr. WADSWORTH. Mr. President, may I submit the amendment in a little different form? Instead of striking out the language in lines 12, 13, 14, and 15, may I suggest that there be inserted, in line 15, after the word "her," the words "or be the head of a family of one or more dependent children," so that the language will read:

SEC. 7 (a) That there shall be deducted from the amount of the net income of each of said persons, ascertained as provided herein, the sum of $3,000, plus $1,000 additional if the person making the return be a married man with a wife living with him, or plus the sum of $1,000 additional if the person making the return be a married woman with a husband living with her or be the head of a family of one or more dependent children.

The VICE PRESIDENT. The question is on the amendment of the Senator from New York to the committee amendment.

Mr. CURTIS. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BECKHAM (when his name was called). I am paired with the senior Senator from Delaware [Mr. DU PONT]. In his absence I withhold my vote. If at liberty to vote, I would vote "nay."

Mr. BRYAN (when his name was called). I have a pair with the junior Senator from Michigan [Mr. TOWNSEND], which I transfer to the junior Senator from Louisiana [Mr. BROUSSARD] and vote "nay."

Mr. CHILTON (when his name was called). Making the same announcement that I did on the former vote, transferring my pair as before, I vote "nay."

Mr. DILLINGHAM (when his name was called). Again transferring my pair with the senior Senator from Kentucky [Mr. JAMES] to the Senator from Nebraska [Mr. NORRIS], I vote "yea."

Mr. OVERMAN (when his name was called). I again announce that I have a general pair with the junior Senator from Wyoming [Mr. WARREN]. He is not present and I withhold my vote. If I were at liberty to vote, I would vote "nay."

Mr. ROBINSON (when his name was called). I transfer my pair with the Senator from Connecticut [Mr. BRANDEGEE] to the Senator from Tennessee [Mr. SHIELDS] and vote. I vote "nay."

Mr. SAULSBURY (when his name was called). Has the junior Senator from Rhode Island [Mr. COLT] voted?

The VICE PRESIDENT. He has not.

Mr. SAULSBURY. I have a pair with that Senator and withhold my vote.

Mr. SHAFROTH (when his name was called). I am paired with the junior Senator from Washington [Mr. POINDEXTER]. I transfer that pair to the Senator from California [Mr. PHELAN] and vote "nay."

Mr. SIMMONS (when his name was called). I transfer my pair with the Senator from Minnesota [Mr. CLAPP] to the Senator from South Dakota [Mr. JOHNSON] and vote "nay."

Mr. STONE (when his name was called). Making the same announcement as on the last vote as to the transfer of my pair, I vote "nay."

Mr. UNDERWOOD (when his name was called). I am paired with the junior Senator from Ohio [Mr. HARDING]. He is absent. I do not know how he would vote if present. Therefore I withhold my vote. If the Senator from Ohio were present and I could vote, I would vote "nay."

Mr. VARDAMAN (when his name was called). I desire to ask if the junior Senator from Idaho [Mr. BRADY] has voted?

The VICE PRESIDENT. He has not.

Mr. VARDAMAN. I have a pair with that Senator. In his absence I withhold my vote; but if I were permitted to vote I should vote "nay."

Mr. WADSWORTH (when his name was called). Making the same announcement that I did on the prior roll call, I vote "yea."

Mr. WEEKS (when his name was called). Making the same announcement of my pair and its transfer that I did on the last vote, I vote "yea." I also make the same announcement relative to my colleague [Mr. LODGE] that I made before.

The roll call was concluded.

Mr. SMITH of Georgia. Again transferring my pair to the senior Senator from Nebraska [Mr. HITCHCOCK], I vote "nay." I will let that transfer remain for the balance of the day.

Mr. REED. I transfer my pair with the Senator from Michigan [Mr. SMITH] to the Senator from Louisiana [Mr. RANSDELL] and vote "nay."

Mr. OVERMAN. I transfer my pair with the Senator from Wyoming [Mr. WARREN] to the Senator from Nevada [Mr. NEWLANDS] and vote "nay."

Mr. CURTIS. I am requested to announce the following pairs:

The Senator from Washington [Mr. JONES] with the Senator from Virginia [Mr. SWANSON];

The Senator from New Mexico [Mr. CATRON] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from Rhode Island [Mr. LIPPITT] with the Senator from Montana [Mr. WALSH];

The Senator from Utah [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. CLARKE]; and

The Senator from North Dakota [Mr. GRONNA] with the Senator from Maine [Mr. JOHNSON].

The vote resulted as follows:

YEAS—17.

Cummins	Lane	Oliver	Wadsworth
Curtis	McCumber	Penrose	Weeks
Dillingham	McLean	Sherman	
Gallinger	Martine, N. J.	Smoot	
Kenyon	Nelson	Sterling	

NAYS—29.

Ashurst	Hughes	Reed	Stone
Bankhead	Husting	Robinson	Taggart
Bryan	Kern	Shafroth	Thomas
Chamberlain	Lea, Tenn.	Sheppard	Thompson
Chilton	Lee, Md.	Simmons	Williams
Culberson	Myers	Smith, Ariz.	
Fletcher	Overman	Smith, Ga.	
Hardwick	Pomerene	Smith, S. C.	

NOT VOTING—49.

Beckham	Gore	Martin, Va.	Smith, Mich.
Borah	Gronna	Newlands	Sutherland
Brady	Harding	Norris	Swanson
Brandegee	Hitchcock	O'Gorman	Tillman
Broussard	Hollis	Owen	Townsend
Catron	James	Page	Underwood
Clapp	Johnson, Me.	Phelan	Vardaman
Clark, Wyo.	Johnson, S. Dak.	Pittman	Walsh
Clarke, Ark.	Jones	Poindexter	Warren
Colt	La Follette	Ransdell	Works
du Pont	Lewis	Saulsbury	
Fall	Lippitt	Shields	
Goff	Lodge	Smith, Md.	

The VICE PRESIDENT. On the amendment of the Senator from New York [Mr. WADSWORTH] to the amendment of the committee the yeas are 17 and the nays are 29. Senators BECKHAM, SAULSBURY, UNDERWOOD, VARDAMAN, CHAMBERLAIN, NEWLANDS, and PITTMAN being present and not voting, the amendment to the amendment is lost.

The question now recurs on the committee amendment.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, under the subhead "Returns," on page 17, line 24, before the word "legal," to insert "his"; in the same line, after the words "residence or," to strike "has his"; and on page 18, line 1, after the word "or," to strike out "in the case of a person residing in a foreign country, in the place where his legal residence or principal business is carried on within the United States, or," so as to read:

SEC. 8. (a) The tax shall be computed upon the net income, as thus ascertained, of each person subject thereto, received in each preceding calendar year ending December 31.

(b) On or before the 1st day of March 1917, and the 1st day of March in each year thereafter, a true and accurate return under oath shall be made by each person of lawful age, except as hereinafter provided, having a net income of $3,000 or over for the taxable year, to the collector of internal revenue for the district in which such person has his legal residence or principal place of business, or, if there be no legal residence or place of business in the United States, then with the collector of internal revenue at Baltimore, Md., in such form as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, setting forth specifically the gross amount of income from all separate sources, and from the total thereof deducting the aggregate items of allowances herein authorized.

The amendment was agreed to.

The next amendment was, on page 19, line 4, after the word "that," to strike out "he has sufficient knowledge of the affairs

of such person, trust, or estate to enable him to make such return and that the same is," and to insert "such return is, to the best of his knowledge and belief," so as to make the clause read:

(c) Guardians, trustees executors, administrators, receivers, conservators, and all persons, corporations, or associations acting in any fiduciary capacity, shall make and render a return of the income of the person, trust, or estate for whom or which they act, and be subject to all the provisions of this title which apply to individuals. Such fiduciary shall make oath that such return is, to the best of his knowledge and belief, true and correct, and be subject to all the provisions of this title which apply to individuals. *Provided*, That a return made by one of two or more joint fiduciaries filed in the district where such fiduciary resides, under such regulations as the Secretary of the Treasury may prescribe, shall be sufficient compliance with the requirements of this paragraph.

The amendment was agreed to.

The next amendment was, on page 20, line 13, after the word "required," to strike out "except in the case of estates or trusts, not entitled to any exemption and," and in line 14, after the words "except as," to strike out "hereinafter" and insert "in this title," so as to make the clause read:

That in either case mentioned in subdivisions (c) and (d) of this section no return of income not exceeding $3,000 shall be required, except as in this title provided.

The amendment was agreed to.

The next amendment was, on page 20, after line 15, to strike out:

(e) Persons carrying on business in partnership shall be liable for income tax only in their individual capacity, and the share of the profits of a partnership to which any taxable partner would be entitled if the same were divided, whether divided or otherwise, shall be returned for taxation and the tax paid, under the provisions of this title, and any such partnership, when requested by the Commissioner of Internal Revenue, or any district collector, shall render a correct return of the earnings, profits, and income of the partnership, setting forth the items of gross income and the deductions allowed by this title, and the names of the individuals who would be entitled to the net earnings, profits, and income, if distributed.

And insert:

(c) Persons carrying on business in partnership shall be liable for income tax only in their individual capacity, and the share of the profits of the partnership to which any taxable partner would be entitled if the same were divided, whether divided or otherwise, shall be returned for taxation and the tax paid under the provisions of this title: *Provided*, That from the net distributive interests on which the individual members shall be liable for tax, normal and additional, there shall be excluded their proportionate shares received from interest on the obligations of a State or any political or taxing subdivision thereof, and upon the obligations of the United States and its possessions, and all taxes paid to the United States or to any possession thereof, or to any State, county, or taxing subdivision of a State, and that for the purpose of computing the normal tax there shall be allowed a credit, as provided by section 5, subdivision (b), for their proportionate share of the profits derived from dividends. And such partnership, when requested by the Commissioner of Internal Revenue, or any district collector, shall render a correct return of the earnings, profits, and income of the partnership, setting forth the item of the gross income and the deductions allowed by this title, and the names and addresses of the individuals who would be entitled to the net earnings, profits, and income, if distributed.

The amendment was agreed to.

The next amendment was, on page 22, after line 8, to strike out:

(g) The collector or deputy collector shall require every return to be verified by the oath of the party rendering it. If the collector or deputy collector have reason to believe that the amount of any income returned is understated, he shall give due notice to the person making the return to show cause why the amount of the return should not be increased, and upon proof of the amount understated may increase the same accordingly

The amendment was agreed to.

The next amendment was, on page 22, line 17, to insert as a paragraph classification "(g)."

Mr. WILLIAMS. Mr. President, we have discovered since the bill was printed that the language on page 22, embraced in the clause from line 17 to line 21, inclusive, and marked "(g)" is in the wrong place. So we want it stricken out, and shall insert it later on in the right place. I move that those words be stricken out.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. WILLIAMS. In consequence of that amendment, I move that the small letter "(h)" in the next clause, beginning in line 22, be changed to "(g)."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 22, line 23, after the word "unless," to strike out "the Commissioner of Internal Revenue finds that," so as to make the clause read:

(g) An individual keeping accounts upon any basis other than that of actual receipts and disbursements unless such other basis does not clearly reflect his income, may, subject to regulations made by such commissioner, with the approval of the Secretary of the Treasury, make his return upon the basis upon which his accounts are kept, in which case the tax shall be computed upon his income as so returned.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, under the subhead "Assessment and administration," in section 9, page 23, line 15, after the word "due," to strike out "or return made is found to be erroneous, false, or fraudulent," and insert "or has been made," so as to read:

SEC. 9. (a) That all assessments shall be made by the Commissioner of Internal Revenue, and all persons shall be notified of the amount for which they are respectively liable on or before the 1st day of June of each successive year, and said amounts shall be paid on or before the 15th day of June, except in cases of refusal or neglect to make such return and in cases of erroneous, false, or fraudulent returns, in which cases the Commissioner of Internal Revenue shall, upon the discovery thereof, at any time within three years after said return is due, or has been made, make a return upon information obtained as provided for in this title or by existing law, or require the necessary corrections to be made, and the assessment made by the Commissioner of Internal Revenue thereon shall be paid by such person or persons immediately upon notification of the amount of such assessment; and to any sum or sums due and unpaid after the 15th day of June in any year, and for 10 days after notice and demand thereof by the collector, there shall be added the sum of 5 per cent on the amount of tax unpaid and interest at the rate of 1 per cent per month upon said tax from the time the same became due, except from the estates of insane, deceased, or insolvent persons.

The amendment was agreed to.

The next amendment was, on page 24, line 8, before the word "mortgagors," to strike out "lessees or"; on page 25, line 2, after the word "same," to strike out "and they are each hereby made personally liable for such tax"; and in line 6, after the word "title," to insert "or failing so to do they are each hereby made personally liable for such tax, but shall not be liable for any penalty if they make certified returns of information concerning the same to the collector of the district," so as to read:

(b) All persons, firms, copartnerships, companies, corporations, joint-stock companies, or associations, and insurance companies, in whatever capacity acting, including mortgagors of real or personal property, trustees acting in any trust capacity, executors, administrators, receivers, conservators, employers, and all officers and employees of the United States having the control, receipt, custody, disposal, or payment of interest, salaries, wages, premiums, annuities, compensation, remuneration, emoluments, or other fixed or determinable annual or periodical gains, profits, and income of another person, exceeding $3,000 for any taxable year, other than income derived from dividends on capital stock, or from the net earnings of corporations and joint-stock companies or associations, or insurance companies, the income of which is taxable under this title, who are required to make and render a return in behalf of another, as provided herein, to the collector of his, her, or its district, are hereby authorized and required to deduct and withhold from such annual or periodical gains, profits, and income such sum as will be sufficient to pay the normal tax imposed thereon by this title, and shall pay the amount withheld to the officer of the United States Government authorized to receive the same; and they are each hereby indemnified against every person, corporation, association, or demand whatsoever for all payments which they shall make in pursuance and by virtue of this title or failing so to do they are each hereby made personally liable for such tax, but shall not be liable for any penalty if they make certified returns of information concerning the same to the collector of the district.

The amendment was agreed to.

The next amendment was, on page 25, line 18, after the word "him," to insert "or with the collector of internal revenue of the district of his residence or chief place of business," and on page 26, line 3, after the words "penalty of," to insert "not exceeding," so as to read:

In all cases where the income tax of a person is withheld and deducted and paid or to be paid at the source, such person shall not receive the benefit of the personal exemption allowed in section 7 of this title except by an application for refund of the tax unless he shall, not less than 30 days prior to the day on which the return of his income is due, file with the person who is required to withhold and pay tax for him, or with the collector of internal revenue of the district of his residence or chief place of business, a signed notice in writing claiming the benefit of such exemption, and thereupon no tax shall be withheld upon the amount of such exemption: *Provided*, That if any person, for the purpose of obtaining any allowance or reduction by virtue of a claim for such exemption, either for himself or for any other person, knowingly makes any false statement or false or fraudulent representation, he shall be liable to a penalty of not exceeding $300.

The amendment was agreed to.

The next amendment was, under the head of "Part II—On corporations," in section 10, page 31, line 1, after the word "title," to insert "The term 'dividends' as used in this section shall include any distribution of the profits or earnings of a corporation or association, whether made in cash or stock dividends," so as to make the clause read:

SEC. 10. That there shall be levied, assessed, collected, and paid annually upon the total net income received in the preceding calendar year from all sources by every corporation, joint-stock company or association, or insurance company, organized in the United States, no matter how created or organized, but not including partnerships, a tax of 2 per cent upon such income; and a like tax shall be levied, assessed, collected, and paid annually upon the total net income received in the preceding calendar year from all sources within the United States by every corporation, joint-stock company, or association, or insurance company organized, authorized, or existing under the laws of any foreign

country, including interest on bonds, notes, or other interest-bearing obligations of residents, corporate or otherwise, and including the income derived from dividends on capital stock or from net earnings of resident corporations, joint-stock companies or associations, or insurance companies, whose net income is taxable under this title: The term "dividends" as used in this section shall include any distribution of the profits or earnings of a corporation or association, whether made in cash or stock dividends.

Mr. SMOOT. Mr. President, I will ask the Senator having the bill in charge to accept an amendment, as follows: After the word "association," insert "accrued since March 1, 1913." I do that in order to make it conform to all the other provisions of the bill which the Senator has already had amended; for instance, lines 12 to 17, on page 6. Not only that, but the title of the bill is, "Income tax to become effective March 1, 1913"; and certainly you can not go back of March 1, 1913, or else you will have to change your title.

Mr. WILLIAMS. Mr. President, the language "accrued since March 1, 1913," ought to be inserted there in order to keep this part of the bill in conformity with the previous part. It was mere negligence upon my part that it was not so worded. I ask unanimous consent that that may be done.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The SECRETARY. On page 31, line 3, after the word "association," it is proposed to insert "accrued since March 1, 1913."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 31, after line 20, to insert:

Of the gain derived from the sale, by a corporation, joint-stock company or association, or insurance company, of real estate, stocks, bonds, securities, or any other property acquired prior to January 1, 1909, only such proportion of the gain or loss shall be included as income as the time between January 1, 1909, and the date of sale bears to the entire time between the date of acquisition and the date of sale.

Mr. WILLIAMS. In order to keep this portion of the bill in conformity with the preceding portion of it, I move to strike out the language, on line 21, down to and including line 25, and substitute for it the provision which I send to the desk.

Mr. SMOOT. The Senator ought also to strike out the first three lines on page 32.

Mr. WILLIAMS. Yes; the language to be stricken out begins with and includes line 21, page 31, and extends to and includes line 3 on page 32.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The SECRETARY. On page 31 it is proposed to strike out lines 21 to 25, both inclusive, and on page 32, lines 1 to 3, both inclusive, and to insert:

For the purpose of ascertaining the gain derived or loss sustained from the sale or other disposition by a corporation, joint-stock company or association, or insurance company, of property, real, personal, or mixed, acquired before March 1, 1913, the fair market price or value of such property as of March 1, 1913, shall be the basis for determining the amount of such gain derived or loss sustained by sale of such property.

The VICE PRESIDENT. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, under the subhead "Conditional and other exemptions," in section 11, page 33, line 10, before the word "mutual," to insert "or other," and, in line 11, after the word "company," to insert "mutual ditch or irrigation company," so as to make the clause read:

Tenth. Farmers' or other mutual hail, cyclone, or fire insurance company, mutual ditch or irrigation company, mutual or cooperative telephone company, or like organization of a purely local character, the income of which consists solely of assessments, dues, and fees collected from members for the sole purpose of meeting its expenses.

The amendment was agreed to.

The next amendment was, on page 33, line 21, after the word "them" and the semicolon, to strike out "or," so as to make the clause read:

Eleventh. Farmers', fruit growers', or like association, organized and operated as a sales agent for the purpose of marketing the products of its members and turning back to them the proceeds of sales, less the necessary selling expenses, on the basis of the quantity of produce furnished by them;

The amendment was agreed to.

The next amendment was, on page 34, line 2, after the word "title," to strike out the period and insert a semicolon and the word "or," so as to make the clause read:

Twelfth. Corporation or association organized for the exclusive purpose of holding title to property, collecting income therefrom, and turning over the entire amount thereof, less expenses, to an organization which itself is exempt from the tax imposed by this title; or

The amendment was agreed to.

The next amendment was, on page 34, after line 2, to insert:

Thirteenth. Federal land banks and national farm-loan associations as provided in section 26 of the act approved July 17, 1916, entitled "An act to provide capital for agricultural development, to create standard forms of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to create Government depositaries and financial agents for the United States, and for other purposes."

Mr. SMOOT. Mr. President, I thought I had here the correspondence touching this amendment, but I find that I have not. I will ask the Senator in charge of this part of the bill to allow it to go over until Monday.

Mr. WILLIAMS. Very well. I ask that that may be done.

The VICE PRESIDENT. The amendment will be passed over.

Mr. WILLIAMS. By the way, Mr. President, interrupting the reading of the bill here for a moment, this afternoon the senior Senator from Pennsylvania [Mr. PENROSE] requested that the amendment on page 10 with regard to reductions in the case of oil and gas wells, coal mines, and so forth, go over. He has since looked into it and announces that he is satisfied with it, and I ask that that amendment be agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WILLIAMS. Now, Mr. President, on pages 13 and 14 precisely the same amendment again presents itself. That also went over at his request, and I ask that it be now adopted.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The reading of the bill was resumed, and the Secretary read to line 10, on page 35.

Mr. WILLIAMS. I move that when the Senate takes a recess this afternoon it take a recess until 11 o'clock on Monday morning.

The motion was agreed to.

EXECUTIVE SESSION.

Mr. WILLIAMS. Mr. President, I have understood that some Senators desire a short executive session. I therefore move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After eight minutes spent in executive session the doors were reopened.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the bill (S. 6497) for the relief of Oleanne Marie Zahl Branum.

The message also announced that the House had passed the bill (S. 5103) authorizing and directing the Secretary of War to lease to Charleston-Dunbar Traction Co. a certain strip or parcel of land owned by the United States Government on the Great Kanawha River, in West Virginia, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the bill (S. 5496) to amend sections 5 and 6 of an act entitled "An act to authorize the drainage of certain lands in the State of Minnesota," approved May 20, 1908, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House agrees to the amendment of the Senate numbered 2 to the bill (H. R. 15316) to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes, and agrees to the amendment of the Senate numbered 1 with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House agrees to the amendment of the Senate to the bill (H. R. 10251) authorizing the Kansas City & Memphis Railway & Bridge Co. to make settlement with Crittenden County, Ark., and for other purposes.

The message also announced that the House agrees to the amendment of the Senate to the bill (H. R. 600) to validate title to the town site of McCabe, in the State of Montana.

The message further announced that the House agrees to the amendments of the Senate to the bill (H. R. 13835) to authorize the county commissioners of Aitkin County, Minn., and the town board of Logan Township, in said county and said State, to construct a bridge across the Mississippi River on the line between sections 26 and 27, township 49 north, range 25 west, fourth principal meridian.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 6369) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 6370) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors.

The message also announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 13926. An act to amend an act entitled "An act to provide for the appointment of a district judge, district attorney, and marshal for the western district of South Carolina, and for other purposes," approved March 3, 1915, so as to provide for terms of the district court to be held at Anderson, S. C.;

H. R. 17567. An act to authorize the county of Luzerne, State of Pennsylvania, to construct a bridge across the North Branch of the Susquehanna River from the city of Wilkes-Barre, county of Luzerne, Pa., to the borough of Dorranceton, county of Luzerne, Pa.

H. J. Res. 237. Joint resolution authorizing the Postmaster General to provide the postmaster of Gulfport, Miss., with a special canceling die for the Mississippi Centennial Exposition celebration;

H. J. Res. 282. Joint resolution authorizing the Postmaster General to provide the postmaster of Springfield, Ill., with a special canceling die for the one hundredth anniversary of the admission of the State of Illinois into the Federal Union; and

H. J. Res. 292. Joint resolution proposing to amend section 2971 of the Revised Statutes of the United States.

PETITIONS AND MEMORIALS.

Mr. GRONNA. Mr. President, I have received more than 100 telegrams from citizens of my State with reference to the controversy that is now going on between the railroads and their employees. I do not feel that I should burden the RECORD with all these telegrams, but I ask unanimous consent to have one of them printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

BISMARCK, N. DAK., *August 24, 1916.*

Senator A. J. GRONNA,
Washington, D. C.:

I have to-day telegraphed E. Pennington following message, viz: "Remembering that Grover Cleveland earned the approbation of the entire American people when he used the power of Government to enforce law, and compelled railroad strikers to put down the torch during their destruction of hundreds of cars of merchandise and millions of dollars' worth of property at Chicago, for which Illinois and other people paid, I unreservedly commend the present attitude of the railroad officials in demanding arbitrament of law before acceding to the demands of organized railroad labor or any outside influence. The American farmer and consumers generally must pay the freight and are entitled to resort to and the enforcement of law. Railroad employees are no better than other people, and their demands must be made through lawful channels and not through political influence or combine of any character. Were I in your unenviable position, I should insist upon arbitration and final resort to law, with its protection, in every case."

ISAAC P. BAKER.

Mr. OLIVER presented a petition from a union meeting of the congregations of all the churches of Manor, Pa., praying for an investigation to determine the right of Senator SMOOT to hold his seat in the Senate, which was referred to the Committee on Privileges and Elections.

He also presented petitions of James E. Hyatt Council, No. 127, Sons and Daughters of Liberty, of Philadelphia; of Local Division No. 52, Order of Railway Telegraphers, of Beaver; and of State Council of Pennsylvania, Sons and Daughters of Liberty, of Philadelphia, all in the State of Pennsylvania, praying for the enactment of legislation to further restrict immigration, which were ordered to lie on the table.

Mr. PHELAN presented telegrams in the nature of memorials from sundry citizens of San Francisco, Redlands, and Eureka, all in the State of California, remonstrating against the retention of the stamp tax on insurance companies, which were ordered to lie on the table.

REPORTS OF COMMITTEE ON PUBLIC LANDS.

Mr. MYERS, from the Committee on Public Lands, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 6783. A bill for the relief of William F. Carter (Rept. No. 822);

S. 6670. A bill authorizing the State of Montana to select other lands in lieu of lands in section 16, township 2 north, range 30 east, within the limits of the Huntley irrigation project and the ceded portion of Crow Indian Reservation in said State (Rept. No. 826);

S. 6692. A bill to amend section 6 of an act to expedite the settlement of title to lands in the State of California (Rept. No. 821);

S. 5611. A bill providing for noncontiguous homestead entries within the former Fort Peck Indian Reservation, Mont., of land of the character described in the enlarged homestead act of February 19, 1909 (Rept. No. 823);

S. 6829. A bill to provide for the disposition of public lands withdrawn and improved under the provisions of the reclamation laws, and which are no longer needed in connection with said laws (Rept. No. 824); and

S. 6671. A bill to validate the homestead entries of Anna W. Thrailkill (Rept. No. 825).

DISTRICT COURT AT ANDERSON, S. C.

Mr. O'GORMAN. Mr. President, about 8 or 12 months since Congress passed an act for the appointment of an additional district judge in South Carolina and for the establishment of the district. A bill was recently introduced in the House amending that act by providing for the holding of a term of court in another county within the district at Anderson, S. C., on the fourth Tuesday in May and November. That is the only change made in the original act. The bill has been passed by the House and was received by the Senate this morning and referred to the Judiciary Committee.

On behalf of the Committee on the Judiciary, I report back favorably without amendment the bill (H. R. 13926) to amend an act entitled "An act to provide for the appointment of a district judge, district attorney, and marshal for the western district of South Carolina, and for other purposes," approved March 3, 1915, so as to provide for terms of the district court to be held at Anderson, S. C., and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered as in Committee of the Whole.

Mr. PENROSE and Mr. JONES. Let the bill be read.

The Secretary read the bill, as follows:

Be it enacted, etc., That section 5 of an act entitled "An act to provide for the appointment of a district judge, district attorney, and marshal for the western district of South Carolina, and for other purposes," approved March 3, 1915, be, and the same is hereby, amended so as to read as follows:

"SEC. 5. That the terms of the district court for the eastern district shall be held at Charleston on the first Tuesday in June and December; at Columbia on the third Tuesday in January and first Tuesday in November; at Florence, first Tuesday in March; and at Aiken, on the first Tuesday in April and October.

"Terms of the district court of the western district shall be held at Greenville on the first Tuesday in April and the first Tuesday in October; at Rock Hill, the second Tuesday in March and September; at Greenwood, the first Tuesday in February and November; and at Anderson, the fourth Tuesday in May and November.

"The office of the clerks of the district court for the western district shall be at Greenville, and the office of the clerk of the district court for the eastern district shall be at Charleston."

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

THE SUPREME COURT.

Mr. SMOOT. I ask unanimous consent for the present consideration of Order of Business 705, being the bill (H. R. 15158) to amend the Judicial Code, to fix the time when the annual term of the Supreme Court shall commence, and further to define the jurisdiction of that court.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered as in Committee of the Whole.

The amendment of the Committee on the Judiciary was to strike out all after the enacting clause and insert:

That section 230 of an act to codify, revise, and amend the laws relating to the judiciary, approved March 3, 1911, known as the Judicial Code, be, and it hereby is, amended so as to read as follows:

"SEC. 230. The Supreme Court shall hold at the seat of government one term annually, commencing on the first Monday in October, and such adjourned or special terms as it may find necessary for the dispatch of business."

SEC. 2. That section 237 of the Judicial Code, as amended by "An act to amend an act entitled 'An act to codify, revise, and amend the laws relating to the judiciary,' approved March 3, 1911," approved December 23, 1914, be, and it hereby is, amended so as to read as follows:

"SEC. 237. A final judgment or decree in any suit in the highest court of a State in which a decision in the suit could be had, where is drawn in question the validity of a treaty or statute of, or an authority exercised under the United States, and the decision is against their validity; or where is drawn in question the validity of a statute of, or an authority exercised under any State, on the ground of their being repugnant to the Constitution, treaties, or laws of the United States, and the decision is in favor of their validity, may be reexamined and reversed or affirmed in the Supreme Court upon a writ of error. The writ shall have the same effect as if the judgment or decree complained of had been rendered or passed in a court of the United States. The Supreme Court may reverse, modify, or affirm the judgment or decree of such State court, and may, in its discretion, award execution or remand the same to the court from which it was removed by the writ.

"It shall be competent for the Supreme Court, by certiorari or otherwise, to require that there be certified to it for review and deter-

mination with the same power and authority and with like effect as if brought up by writ of error, any cause wherein a final judgment or decree has been rendered or passed by the highest court of a State in which a decision could be had, where is drawn in question the validity of a treaty or statute of, or an authority exercised under the United States, and the decision is in favor of their validity; or where is drawn in question the validity of a statute of, or an authority exercised under any State, on the ground of their being repugnant to the Constitution, treaties, or laws of the United States, and the decision is against their validity; or where any title, right, privilege, or immunity is claimed under the Constitution, or any treaty or statute of, or commission held or authority exercised under the United States, and the decision is either in favor of or against the title, right, privilege, or immunity especially set up or claimed, by either party, under such Constitution, treaty, statute, commission, or authority."

SEC. 3. That section 4 of "An act to amend an act entitled 'An act to codify, revise, and amend the laws relating to the judiciary,' approved March 3, 1911," approved January 28, 1915, be, and it hereby is, amended so as to read as follows:

"SEC. 4. That judgments and decrees of the circuit courts of appeals in all proceedings and causes arising under 'An act to establish a uniform system of bankruptcy throughout the United States,' approved July 1, 1898, and in all controversies arising in such proceedthe liability of common carriers by railroad to their employees in cerings and causes; also, in all causes arising under 'An act relating to the liability of common carriers by railroad to their employees in certain cases,' approved April 22, 1908; also, in all causes arising under 'An act to promote the safety of employees and travelers upon railroads by limiting the hours of service of employees thereon,' approved March 4, 1907; also, in all causes arising under 'An act to promote the safety of employees and travelers upon railroads by compelling common carriers engaged in interstate commerce to equip their cars with automatic couplers and continuous brakes and their locomotives with driving-wheel brakes, and for other purposes,' approved March 2, 1893; and, also, in all causes arising under any amendment or supplement to any one of the aforementioned acts which has been heretofore or may hereafter be enacted, shall be final, save only that it shall be competent for the Supreme Court to require by certiorari, upon the petition of any party thereto, that the proceeding, case, or controversy be certified to it for review and determination, with the same power and authority and with like effect as if taken to that court by appeal or writ of error."

SEC. 4. That no court having power to review a judgment or decree rendered or passed by another shall dismiss a writ of error solely because an appeal should have been taken, or dismiss an appeal solely because a writ of error should have been sued out, but when such mistake or error occurs it shall disregard the same and take the action which would be appropriate if the proper appellate procedure had been followed.

SEC. 5. That no judgment or decree rendered or passed by the Supreme Court of the Philippine Islands more than 60 days after the approval of this act shall be reviewed by the Supreme Court upon writ of error or appeal; but it shall be competent for the Supreme Court, by certiorari or otherwise, to require that there be certified to it for review and determination, with the same power and authority and with like effect as if brought up by writ of error or appeal, any cause wherein, after such 60 days, the Supreme Court of the Philippine Islands may render or pass a judgment or decree which would be subject to review under existing laws.

SEC. 6. That no writ of error, appeal, or writ of certiorari intended to bring up any cause for review by the Supreme Court shall be allowed or entertained unless duly applied for within three months after entry of the judgment or decree complained of: *Provided*, That writs of certiorari addressed to the Supreme Court of the Philippine Islands may be granted if application therefor be made within six months.

SEC. 7. That this act shall take effect 30 days after its approval, but it shall not apply to nor affect any writ of error, appeal, or writ of certiorari theretofore duly applied for. The right of review under existing laws in respect of judgments and decrees entered before this act takes effect shall remain unaffected for the period of six months thereafter, but at the end of that time such right shall cease.

The amendment was agreed to.

The bill was reported to the Senate as amended and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

INTERNATIONAL ARBITRATION AGREEMENTS (S. DOC. NO. 535).

Mr. FLETCHER, from the Committee on Printing, reported the following resolution (S. Res. 256), which was read, considered by unanimous consent, and agreed to:

Resolved, That the manuscript submitted by the Senator from Colorado [Mr. SHAFROTH] on August 5, 1916, entitled "International arbitration agreements," by Oscar T. Crosby, be printed as a Senate document.

FEDERAL FARM-LOAN ACT.

Mr. FLETCHER. From the Committee on Printing I report back a concurrent resolution (S. Con. Res. 26) providing for the printing of 150,000 additional copies of Senate Document 500, Sixty-fourth Congress, entitled "The Federal Farm-Loan Act."

Mr. SMOOT. Let that resolution go to the calendar.

Mr. FLETCHER. I will say to the Senator that the House desires additional copies of this act.

Mr. SMOOT. That may be, Mr. President; but we will take up the calendar again.

Mr. PENROSE. Mr. President, I represent in this Chamber 8,000,000 people, and I have not had a request for a copy of this act.

Mr. FLETCHER. The Senator's people have not waked up yet.

Mr. PENROSE. Pennsylvania is the third or fourth agricultural State in the Union.

Mr. FLETCHER. One of the commissioners is from Pennsylvania, and he is probably giving them all the information they require.

The VICE PRESIDENT. The resolution will go to the calendar.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MYERS:

A bill (S. 6943) for the relief of Frederick Tessman; to the Committee on Public Lands.

By Mr. CURTIS:

A bill (S. 6944) granting an increase of pension to James N. Yates (with accompanying papers); to the Committee on Pensions.

By Mr. LANE:

A bill (S. 6945) granting a pension to Jennie Beamer (with accompanying papers); to the Committee on Pensions.

By Mr. FLETCHER:

A bill (S. 6946) granting a pension to Isabel Romero Rockwell; to the Committee on Pensions.

By Mr. KERN (for Mr. HOLLIS):

A bill (S. 6947) for the relief of Robert Jackson (with accompanying papers); to the Committee on Finance.

By Mr. RANSDELL:

A bill (S. 6948) to permit the purchase of certain public lands in Louisiana at private sale; to the Committee on Public Lands.

By Mr. LEE of Maryland:

A bill (S. 6949) for the relief of the Chicago, Milwaukee & St. Paul Railway Co.; the Chicago, St. Paul, Minneapolis & Omaha Railway Co.; and the St. Louis, Iron Mountain & Southern Railway Co.; to the Committee on Claims.

THE REVENUE.

Mr. POMERENE submitted an amendment intended to be proposed by him to the bill (H. R. 16763) to increase the revenue, and for other purposes, which was ordered to lie on the table and be printed.

Mr. HUGHES submitted three amendments intended to be proposed by him to the bill (H. R. 16763) to increase the revenue, and for other purposes, which were ordered to lie on the table and be printed.

Mr. SMOOT submitted an amendment intended to be proposed by him to the bill (H. R. 16763) to increase the revenue, and for other purposes, which was ordered to lie on the table and be printed.

Mr. THOMAS submitted an amendment intended to be proposed by him to the bill (H. R. 16763) to increase the revenue, and for other purposes, which was ordered to lie on the table and be printed and to be printed in the RECORD, as follows:

SEC. 102a. That whenever, during the existence of a war in which the United States is not engaged, the President shall be satisfied that there is reasonable ground to believe that any vessel, American or foreign, is, on account of the laws, regulations, or practices of a belligerent Government, making or giving any undue or unreasonable preference or advantage in any respect whatsoever to any particular person, company, firm, or corporation, or any particular description of traffic in the United States or its possessions or to any citizens of the United States residing in neutral countries abroad, or is subjecting any particular person, company, firm, or corporation or any particular description of traffic in the United States or its possessions, or any citizens of the United States residing in neutral countries abroad to any undue or unreasonable prejudice, disadvantage, injury, or discrimination in regard to accepting, receiving, transporting, or delivering, or refusing to accept, receive, transfer, or deliver any cargo, freight or passengers, or in any other respect whatsoever, he is hereby authorized and empowered, in his discretion, to direct the detention of such vessels by withholding clearance or by formal notice forbidding departure, and to revoke, modify, or renew any such direction as in his opinion the public interest may require.

That whenever, during the existence of a war in which the United States is not engaged, the President shall be satisfied that there is reasonable ground to believe that under the laws, regulations, or practices of any belligerent country or Government American ships or American citizens are not accorded any of the facilities of commerce which the vessels or citizens of that belligerent country enjoy in the United States or its possessions, or are not accorded by such belligerent equal privileges or facilities of trade with vessels or citizens of any nationality other than that of such belligerent, the President is hereby authorized and empowered, in his discretion, to withhold clearance from one or more vessels of such belligerent country until such belligerent shall restore to such American vessels and American citizens reciprocal liberty of commerce and equal facilities of trade; or the President may, in his discretion, direct that similar privileges and facilities, if any, enjoyed by vessels or citizens of such belligerent in the United States or its possessions be refused to vessels or citizens of such belligerent; and in such case he shall make proclamation of his direction, stating the facilities and privileges which shall be refused, and the belligerent to whose vessels or citizens they are to be refused, and thereafter the furnishing of such prohibited privileges and facilities

to any vessel or citizen of the belligerent named in such proclamation shall be unlawful; and he may change, modify, revoke, or renew such proclamation as in his opinion the public good may require; and any person or persons who shall furnish or attempt or conspire to furnish or be concerned in furnishing or in the concealment of furnishing facilities or privileges to ships or persons contrary to the prohibition in such proclamation shall be liable to a fine of not less than $2,000 nor more than $50,000 or to imprisonment not to exceed two years, or both, in the discretion of the court.

In case any vessel which is detained by virtue of this act shall depart or attempt to depart from the jurisdiction of the United States without clearance or other lawful authority, the owner or master or person or persons having charge or command of such vessel shall be severally liable to a fine of not less than $2,000 nor more than $10,000, or to imprisonment not to exceed two years, or both, and in addition such vessel shall be forfeited to the United States.

That the President of the United States is hereby authorized and empowered to employ such part of the land or naval forces of the United States as shall be necessary to carry out the purposes of this act.

AMENDMENTS TO DEFICIENCY APPROPRIATION BILL.

Mr. HARDWICK submitted an amendment proposing to appropriate $14,500 to pay the widow of Joseph R. Lamar, late justice of the Supreme Court of the United States, intended to be proposed by him to the general deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. NEWLANDS submitted an amendment proposing to appropriate $3,102.92 to pay to the Copper River & Northwestern Railway Co., a corporation of Nevada, in refund of the gross income tax paid by that company to the collector of internal revenue at Tacoma, Wash., May 21, 1915, etc., intended to be proposed by him to the general deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

ADDRESS BY DR. A. CASWELL ELLIS.

Mr. SHEPPARD. Mr. President, I have a copy of an address delivered before the National Fraternal Congress of America, August 22, 1916, on a method of controlling preventable disease in rural districts. The address is by Dr. A. Caswell Ellis, director of the department of extension in the University of Texas. I ask that the address be referred to the Committee on Printing with a view to having it printed as a public document if the committee so desires.

The VICE PRESIDENT. The address will be referred to the Committee on Printing.

CONDITIONS IN IRON-ORE MINES.

Mr. CHILTON. On July 29 the Senator from Minnesota [Mr. CLAPP] submitted a resolution, being Senate resolution 242, which was ordered to lie over under the rule. I ask that the resolution be taken up for consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

The resolution was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Surgeon General of the Public Health Service transmit to the Senate copies of the reports of Drs. Olson and Bolton, of the United States Public Health Service, made in November, 1914, concerning conditions in the iron-ore mines of Minnesota and Michigan.

RECORD OF DEMOCRATIC LEGISLATION.

Mr. REED. Mr. President, I desire to announce that on Tuesday morning, August 29, 1916, as soon as the business of the Senate will permit, I intend to address the Senate on the record of Democratic legislation, and pay some slight attention to the attacks now being made upon that legislation.

PENSIONS AND INCREASE OF PENSIONS—CONFERENCE REPORT.

Mr. THOMAS (for Mr. HUGHES) submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 6369) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of the wars other than the Civil War and to certain widows and dependent relatives of such soldiers and sailors, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 1, 3, 4, 5, 6, and 7.

That the Senate recede from its disagreement to the amendments of the House numbered 2 and 8, and agree to the same.

WILLIAM HUGHES,
REED SMOOT,
Managers on the part of the Senate.
JOHN A. KEY,
EDWARD KEATING,
Managers on the part of the House.

The report was agreed to.

LANDS IN MINNESOTA.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 5496) to amend section 5 of an act entitled "An act to authorize the drainage of certain lands in the State of Minnesota," approved May 20, 1908, which were that section 5 of the act entitled "An act to authorize the drainage of certain lands in the State of Minnesota," approved May 20, 1908, be, and the same is hereby, amended so as to read as follows:

SEC. 5. That at any time after any sale of unentered lands has been made in the manner and for the purposes mentioned in this act patent shall issue to the purchaser thereof upon payment to the receiver of the minimum price of $1.25 per acre, or such other price as may have been fixed by law for such lands, together with the usual fees and commissions charged in entry of like lands under the homestead laws. But purchasers at a sale of unentered lands shall have the qualification of homestead entrymen, and not more than 160 acres of such lands shall be sold to any one purchaser under the provisions of this act. This limitation shall not apply to sales to the State, but shall apply to purchases from the State of unentered lands bid in for the State. Any part of the purchase money arising from the sale of any lands in the manner and for the purposes provided in this act which shall be in excess of the drainage charges then delinquent shall be paid to and used by the county in which such land is located for the purpose of maintenance, improving, and extending such drainage works within the area benefited by the drainage project in which such land shall have been assessed for such drainage charge.

That section 6 of said act be, and the same is hereby, amended so as to read as follows:

"SEC. 6. That any entered lands sold in the manner and for the purposes mentioned in this act may be patented to the purchaser thereof at any time after the expiration of the period of redemption provided for in the drainage laws under which it may be sold (there having been no redemption) upon the payment to the receiver of the fees and commissions and the price mentioned in the preceding section, or so much thereof as has not already been paid by the entryman; and if the sum received at any such sale shall be in excess of the payments herein required and of the drainage assessments and cost of the sale, such excess shall be paid to the proper county officer for the benefit of and payment to the entryman. That unless the purchasers of unentered lands shall within 90 days after the sale provided for in section 3 pay to the proper receiver the fees, commissions, and purchase price to which the United States may be entitled, as provided in section 5, and unless the purchasers of entered lands shall within 90 days after the right of redemption has expired make like payments, as provided for in this section, any person having the qualifications of a homestead entryman may pay to the proper receiver for not more than 160 acres of land for which such payment has not been made: First, the unpaid fees, commissions, and purchase price to which the United States may then be entitled; and, second, the sum due at the sale for drainage charges; and in addition thereto, if bid in by the State, interest on the amount bid by the State at the rate of 7 per cent per annum from the date of such sale, and thereupon the person making such payment shall become subrogated to the rights of such purchaser to receive a patent for said land. When any payment is made to effect such subrogation the receiver shall transmit to the treasurer of the county where the land is situated the amount paid for drainage charges, together with the interest paid thereon.

Mr. NELSON. The amendments relate wholly to the drainage of swamp lands in the State of Minnesota and meet with the approval of the Interior Department. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

CHARLESTON-DUNBAR TRACTION CO.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 5103) authorizing and directing the Secretary of War to lease to Charleston-Dunbar Traction Co. a certain strip or parcel of land owned by the United States Government on the Great Kanawha River in West Virginia, which was, on page 1, line 5, strike out "$25" and insert "$50."

Mr. CHILTON. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had approved and signed the following acts:

On August 23, 1916:

S. 1781. An act for the relief of Nathaniel Monroe;

S. 1818. An act for the relief of Nelson T. Saunders; and

S. 5425. An act to standardize lime barrels.

On August 24, 1916:

S. 3539. An act for the relief of John L. Moon.

On August 25, 1916:

S. 5202. An act to authorize the maintenance and operation of dams across the St. Croix River at Baileyville and Grand Falls, Me.;

S. 6013. An act to confirm the entry of John Dowd; and

S. 6331. An act authorizing the Secretary of the Interior to issue patent to William H. Ingle for homestead entry in Colorado.

On August 26, 1916:

S. 3533. An act for the relief of Mike G. Womack.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED.

H. R. 13926. An act to amend an act entitled "An act to provide for the appointment of a district judge, district attorney, and marshal for the western district of South Carolina, and for other purposes," approved March 3, 1915, so as to provide for terms of the district court to be held at Anderson, S. C., was read twice by its title and referred to the Committee on the Judiciary.

H. R. 17567. An act to authorize the county of Luzerne, State of Pennsylvania, to construct a bridge across the North Branch of the Susquehanna River from the city of Wilkes-Barre, county of Luzerne, Pa., to the Borough of Dorranceton, county of Luzerne, Pa., was read twice by its title and referred to the Committee on Commerce.

The following joint resolutions were each read twice by their titles and referred to the Committee on Post Offices and Post Roads:

H. J. Res. 237. Joint resolution authorizing the Postmaster General to provide the postmaster of Gulfport, Miss., with a special canceling die for the Mississippi Centennial Exposition celebration; and

H. J. Res. 282. Joint resolution authorizing the Postmaster General to provide the postmaster of Springfield, Ill., with a special canceling die for the one hundredth anniversary of the admission of the State of Illinois into the Federal Union.

RECESS.

Mr. KERN. I move that the Senate take a recess until Monday morning at 11 o'clock.

The motion was agreed to; and (at 6 o'clock p. m. Saturday, August 26, 1916) the Senate took a recess until Monday, August 28, 1916, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 26 (legislative day of August 21), 1916.

PROMOTIONS IN THE ARMY.

CORPS OF ENGINEERS.

Capt. Henry H. Robert, Corps of Engineers, to be major from July 1, 1916, vice Maj. John J. Kingman, detailed in the General Staff Corps.

To be captains with rank from July 1, 1916, to fill original vacancies.

First Lieut. Lindsay C. Herkness, Corps of Engineers.
First Lieut. Albert K. B. Lyman, Corps of Engineers.
First Lieut. Frederick S. Strong, jr., Corps of Engineers.
First Lieut. Creswell Garlington, Corps of Engineers.
First Lieut. Daniel D. Pullen, Corps of Engineers.
First Lieut. Carey H. Brown, Corps of Engineers.
First Lieut. Oscar N. Sohlberg, Corps of Engineers.
First Lieut. Beverly C. Dunn, Corps of Engineers.
First Lieut. Donald H. Connolly, Corps of Engineers.
First Lieut. Raymond F. Fowler, Corps of Engineers.
First Lieut. David McCoach, jr., Corps of Engineers.
First Lieut. James G. B. Lampert, Corps of Engineers.
First Lieut. Philip B. Fleming, Corps of Engineers.
First Lieut. John W. Stewart, Corps of Engineers.
First Lieut. Joseph C. Mehaffey, Corps of Engineers.
First Lieut. Paul S. Reinecke, Corps of Engineers.
First Lieut. Raymond A. Wheeler, Corps of Engineers.
First Lieut. W. Morris Chubb, Corps of Engineers.

To be captains with rank from July 1, 1916, to fill casual vacancies.

First Lieut. Howard S. Bennion, Corps of Engineers, vice Capt. William H. Rose, promoted.

First Lieut. William C. Sherman, Corps of Engineers, vice Capt. Richard C. Moore, promoted.

First Lieut. Rudolph C. Kuldell, Corps of Engineers, vice Capt. Lewis M. Adams, promoted.

First Lieut. Roscoe C. Crawford, Corps of Engineers, vice Capt. Charles R. Pettis, promoted.

First Lieut. Earl G. Paules, Corps of Engineers, vice Capt. William D. A. Anderson, promoted.

First Lieut. Bradford G. Chynoweth, Corps of Engineers, vice Capt. Ralph T. Ward, promoted.

First Lieut. Milo P. Fox, Corps of Engineers, vice Capt. Robert P. Howell, promoted, subject to examination required by law.

First Lieut. John C. Gotwals, Corps of Engineers, vice Capt. Henry H. Robert, promoted.

To be first lieutenants with rank from July 1, 1916, to fill original vacancies.

Second Lieut. George J. Richards, Corps of Engineers.
Second Lieut. Alexander P. Cronkhite, Corps of Engineers.
Second Lieut. John S. Smylie, Corps of Engineers.
Second Lieut. Lehman W. Miller, Corps of Engineers.
Second Lieut. Douglas L. Weart, Corps of Engineers.
Second Lieut. Earl E. Gesler, Corps of Engineers.
Second Lieut. Edwin A. Bethel, Corps of Engineers.
Second Lieut. John F. Conklin, Corps of Engineers.
Second Lieut. Alfred L. Ganahl, Corps of Engineers.
Second Lieut. John E. Harris, Corps of Engineers.
Second Lieut. William F. Tompkins, Corps of Engineers.
Second Lieut. Douglas H. Gillette, Corps of Engineers.
Second Lieut. Paul A. Hodgson, Corps of Engineers.
Second Lieut. Donald A. Davison, Corps of Engineers.
Second Lieut. Thomas B. Larkin, Corps of Engineers.
Second Lieut. Edwin C. Kelton, Corps of Engineers.
Second Lieut. Mason J. Young, Corps of Engineers.
Second Lieut. Layson E. Atkins, Corps of Engineers.

To be probational first lieutenants with rank from July 1, 1916, to fill casual vacancies.

Probational Second Lieut. George Mayo, Corps of Engineers, vice First Lieut. Lindsay C. Herkness, promoted.

Probational Second Lieut. Paul T. Bock, Corps of Engineers, vice First Lieut. Albert K. B. Lyman, promoted.

Probational Second Lieut. Charles O. Boynton, Corps of Engineers, vice First Lieut. Frederick S. Strong, jr., promoted.

Probational Second Lieut. Arthur P. von Deesten, Corps of Engineers, vice First Lieut. Creswell Garlington, promoted.

Probational Second Lieut. Edward N. Whitney, Corps of Engineers, vice First Lieut. Daniel D. Pullen, promoted.

To be first lieutenants with rank from July 1, 1916, to fill casual vacancies.

Second Lieut. John H. Wills, Corps of Engineers, vice First Lieut. Carey H. Brown, promoted.

Second Lieut. Raymond G. Moses, Corps of Engineers, vice First Lieut. Oscar N. Sohlberg, promoted.

Second Lieut. Wilhelm D. Styer, Corps of Engineers, vice First Lieut. Beverly C. Dunn, promoted.

Second Lieut. John W. Fraser, Corps of Engineers, vice First Lieut. Donald H. Connolly, promoted.

Second Lieut. Charles H. Cunningham, Corps of Engineers, vice First Lieut. Raymond F. Fowler, promoted.

Second Lieut. Dwight F. Johns, Corps of Engineers, vice First Lieut. David McCoach, jr., promoted.

Second Lieut. William A. Snow, Corps of Engineers, vice First Lieut. James G. B. Lampert, promoted.

Second Lieut. Thomas D. Finley, Corps of Engineers, vice First Lieut. Philip B. Fleming, promoted.

Second Lieut. William H. Britton, Corps of Engineers, vice First Lieut. John W. Stewart, promoted.

Second Lieut. Elroy S. J. Irvine, Corps of Engineers, vice First Lieut. Joseph C. Mehaffey, promoted.

Second Lieut. Notley Y. Du Hamel, Corps of Engineers, vice First Lieut. Paul S. Reinecke, promoted.

Second Lieut. Wilburn H. Henderson, Corps of Engineers, vice First Lieut. Raymond A. Wheeler, promoted.

Second Lieut. Robert G. Guyer, Corps of Engineers, vice First Lieut. W. Morris Chubb, promoted.

Second Lieut. Edward C. Smith, Corps of Engineers, vice First Lieut. Howard S. Bennion, promoted.

Second Lieut. Robert A. Sharrer, Corps of Engineers, vice First Lieut. William C. Sherman, promoted.

Second Lieut. Ludson D. Worsham, Corps of Engineers, vice First Lieut. Rudolph C. Kuldell, promoted.

Second Lieut. Edward G. Bliss, Corps of Engineers, vice First Lieut. Roscoe C. Crawford, promoted.

Second Lieut. Ralph G. Barrows, Corps of Engineers, vice First Lieut. Earl G. Paules, promoted.

Second Lieut. Holland L. Robb, Corps of Engineers, vice First Lieut. Bradford G. Chynoweth, promoted.

Second Lieut. Frederick W. Bonfils, Corps of Engineers, vice First Lieut. Milo P. Fox, promoted.

Second Lieut. Robert R. Neyland, jr., Corps of Engineers, vice First Lieut. John C. Gotwals, promoted.

RECEIVER OF PUBLIC MONEYS.

James J. O'Keane, of Vancouver, Wash., to be receiver of public moneys at Vancouver, Wash., vice Christopher Kalahan, term expired.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 26 (legislative day of August 21), 1916.

POSTMASTERS.

FLORIDA.

Susie M. Craig, Fort Lauderdale.

KANSAS.

Jerome B. Lewis, Preston.

MASSACHUSETTS.

Thomas F. Lyons, Billerica.

MICHIGAN.

Joseph E. Ladd, Harrison.

MISSISSIPPI.

Franklin Fairly, Mount Olive.
E. J. Lockhart, Magee.

MISSOURI.

John H. Dunning, Deepwater.

NEBRASKA.

J. J. Sazama, St. Paul.

NEW JERSEY.

Jonas E. Bair, Blairstown.
Thomas H. Degnan, High Bridge.
George E. Langan, Keyport.

NORTH DAKOTA.

Annie A. Bjornson, Kulm.

OHIO.

Anna B. Fox, Coldwater.

OKLAHOMA.

E. M. Cowles, Arapaho.
Bertha I. Schlefelbusch, Yale.

OREGON.

John S. Howe, Lents.
O. Edwin Marvin, Wallowa.
Mary O. Vail, Carlton.

PENNSYLVANIA.

W. B. Ferguson, Chicora.
W. W. Hamman, Emaus.
Thomas McHail, Bolivar.
William T. Mechling, Butler.

SOUTH CAROLINA.

Walter E. James, Greer.

SOUTH DAKOTA.

Lenora Pardy Snyder, Colman.

TENNESSEE.

Lyle W. Davidson, Rutherford.

TEXAS.

H. T. Campbell, Alvarado.
W. W. Puckett, Bada.
W. C. Young, Garrison.

VIRGINIA.

W. Clarence Greever, Graham.
G. L. Morriss, Dillwyn.

WEST VIRGINIA.

George A. Mason, Coalwood.

WISCONSIN.

Faith A. Van Tassel, Whitehall.

SENATE.

MONDAY, *August 28, 1916.*

(Legislative day of Monday, August 21, 1916.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

Mr. GALLINGER. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll and the following Senators answered to their names:

Beckham	Jones	Owen	Smith, S. C.
Brandegee	Kenyon	Penrose	Smoot
Bryan	Kern	Pittman	Stone
Chamberlain	Lee, Md.	Pomerene	Taggart
Culberson	McCumber	Robinson	Thomas
Cummins	Martine, N. J.	Shafroth	Vardaman
Dillingham	Myers	Sheppard	Williams
Fletcher	Nelson	Simmons	
Gallinger	Oliver	Smith, Ariz.	
Husting	Overman	Smith, Ga.	

Mr. JONES. The junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent on account of illness in his family. I will let this announcement stand for the day.

The VICE PRESIDENT. Thirty-seven Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of absent Senators, and Mr. HARDWICK, Mr. LANE, Mr. MCLEAN, Mr. PHELAN, Mr. SHERMAN, Mr. STERLING, Mr. SWANSON, and Mr. UNDERWOOD answered to their names when called.

Mr. MARTIN, of Virginia, Mr. JAMES, Mr. LEA of Tennessee, Mr. BORAH, Mr. O'GORMAN, Mr. RANSDELL, and Mr. CURTIS entered the Chamber and answered to their names.

The VICE PRESIDENT. Fifty-two Senators have answered to the roll call. There is a quorum present.

Mr. SIMMONS obtained the floor.

Mr. OWEN. Will the Senator yield to me for a moment?

Mr. SIMMONS. I yield to the Senator.

ELECTION OF 1912 IN OKLAHOMA.

Mr. OWEN. Mr. President, several days ago in the RECORD, in referring to the Lumber Trust having sent money into Oklahoma for the purpose of defeating my nomination in 1912, I wish to say that I had no reference to the manufacturers of lumber known as the National Lumber Manufacturers' Association, but particularly to a group of men who were behind Lorimer in the purchase of a senatorship in Illinois.

Mr. MARTINE of New Jersey. Mr. President——

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from New Jersey?

Mr. SIMMONS. I yield.

PHILOSOPHY OF MR. HUGHES.

Mr. MARTINE of New Jersey. Mr. President, I wish to make a single observation. Philosophers tell us that the world is growing better and wiser each day. God knows, I trust that is true; but I confess many times I have grave doubts of it. However, it seems to me such contributions as that which recently came to my hand will add very little to the wisdom and progress of our country, particularly the wisdom of it. I quote:

> Contented America will be successful America; discontented America will be unsuccessful America.

What superb philosophy that is! Mr. Hughes should have added, when the weather is hot you will be hot; when the weather is cold you will be cold; and, again, when a man is thirsty he wants to drink, and when he is not thirsty he does not want to drink. What philosophy to be gathered from the candidate of a greaty party!

Perhaps the hot weather will enable Mr. Hughes to get away with this kind of campaign talk, but he ought to remember that there will be changes of temperature before election day. When frost comes, it will be easier to think, and then such epigrams will fail to pass muster. Contentment has never been an "open sesame" to success, and we have not noticed any particular change in human nature to warrant such an obiter dictum. When America becomes contented, the only safe thing to do will be to put out the cat, shut the windows, and turn off the light.

But suppose it were true, how would Mr. Hughes go to work to weave this spell of contentment? Prosperity is the quick answer; yet prosperity invites discontent unless it is satisfactorily distributed, and the great problem no one has yet been wise enough to solve is how this distribution can be made satisfactorily. Prosperity, on the other hand, creates the desire for more and more prosperity. With new riches come new wants, new obligations, new responsibilities, and in the end about as much dissatisfaction as at the beginning.

Satisfaction with the internal and external policies of the Government is another answer Mr. Hughes might make. So far his campaign has been pretty much of an effort to create discontent with the way the present administration has handled national affairs. Obviously, it is his intention to promise that he, if elected, will give the people something with which they will be contented. To succeed he must formulate policies upon which the people can unite, which is a large order.

At present the Nation seems to be pretty evenly divided between those who are very contented with being kept out of war and those who feel deeply humiliated that we have not ventured nearer war. It would take a very skillful compromise to reconcile these divergencies, and, if it could be done, it would be a good deal of question whether it would result in a successful America. Middle-of-the-road programs do not usually lead to great accomplishments. It is not clear that America, contented in this way, would cut much of a figure in the world.

The contentment theory is a pretty unreliable campaign idea. We can not imagine Mr. Roosevelt, for instance, trying to lull the people by such talk. If he were on the stump, he would expect to create discontent and make enemies. He would not strive for any such enchantment. His way would be to announce what he intended to do and persuade the people it was the thing to be done, whether it meant contentment or not.

It is a pity Mr. Hughes has not been coached from Oyster Bay.

It seems to me, Mr. President, it does not add very much in public estimation to the thoughts of the great man we anticipated in the Republican candidate for President by this little effusion and epigram.

Here is another epigram. A week or two ago I read that Justice Hughes said we were living in a fool's paradise. He has been a party to the fool's paradise. He was governor of the great Commonwealth of New York for a while, and since that time was one of the Justices of the Supreme Court receiving a very liberal stipend, I do not say too much, but receiving at least a liberal stipend from the pockets of the Nation that is living in this fool's paradise. I feel that Justice Hughes knew full well when he was making the assertion that we were living in a fool's paradise that it was ungenerous and absolutely and utterly untrue. I ask leave to read this from a trade journal, a journal that is not in sympathy with the administration, showing that instead of living in a fool's paradise we are living in the very lap of luxury, of progress unparalleled in this country:

Business increases exceedingly large.
Reports show doubling of trade in some instances within year—prosperity not dependent upon war.

Then it goes on to cite from various parts of the country—from Philadelphia:

Trade continues to be brisk in the Philadelphia district despite the continued rise in prices in most lines. Manufacturing plants are working to capacity. Reports of various lines of industry embracing May follow.

Then there are reports from Minneapolis, Kansas City, Dallas, Tex., and a report from San Francisco. There is just one continued reflection of prosperity from the business hives of industry the land over.

But I think it would be well, perhaps, that these two things this contentment thought of candidate Hughes—contented America will be successful America and discontented America will be unsuccessful America—this answer to Mr. Hughes's assertion of a fool's paradise may be published in the RECORD that the world may see the splendid caliber of this man whom we once deemed a great Justice of the Supreme Court of the United States.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

THE ONWARD MARCH OF AMERICAN TRADE—BUSINESS INCREASES EXCEEDINGLY LARGE—REPORTS SHOW DOUBLING OF TRADE IN SOME INSTANCES WITHIN YEAR—PROSPERITY NOT DEPENDENT UPON WAR.

Carefully gathered statistics and reports show that the general conditions of industry throughout the United States are thoroughly sound, wonderfully improved over those of a year ago, and that prosperity is not confined to lines affected by the great war of nations.

Not only the facts gathered by the Federal Reserve Board, but independent reports of a reliable character reaching this office from widely separated districts show in some instances business increases of 100 per cent, and more within the last 12 months. Also it is to be noted that the volume of production has grown so steadily that from month to month the increase has not been so marked as to excite comment; but it has been so persistent that in the aggregate in some lines it is amazing. Prices are generally high, with no sign save of a further possible advance. Consequently there seems to be a general desire among the more conservative business elements to check as far as possible heavy advance purchases, which, if carried to excess, are likely to develop into a speculative character, in the event of which a reaction, it is believed, would follow.

The facts and figures here presented do not indicate in any sense a business spurt or any movement of a sporadic nature. They show, on calm consideration, a wonderful but healthy growth, not confined to any section of the country, but widely dispersed and covering all fundamental industries. Country districts in New York report that merchants are buying more goods than at any time since 1907. There has been a decrease in the military orders in the leather trade, but the heavy domestic demand has more than counterbalanced this, and prices are well up. There is a strong demand for prints and colored goods, with prices advancing. The lumber trade is increasing with prices going upward. Building throughout the country, with the exception of the New York district, shows marked activity. In the New York district prices of raw material have checked building to some extent, the margin of profit not yet having been effectually adjusted. Department stores in the larger cities report more sales and a constant demand for a better class of goods. The sales of diamonds and pearls are remarkably advanced.

PHILADELPHIA REPORT.

Trade continues to be brisk in the Philadelphia district despite the continued rise in prices in most lines. Manufacturing plants are working to capacity. Reports of various lines of industry embracing May follow:

Carpets and rugs: The plush business is thriving. Prices are well advanced. Carpet wool has gone up 100 per cent since last year.

Silks: Fall business is now being taken at high prices. The entire industry is working to its capacity. Many additions to plants are contemplated. The belief is that prices will advance.

Textiles: Hoisery and underwear mills are sold up to the limit, but deliveries have improved and consequently there have been a slight falling off in retail buying. Recent purchases of goods have been abnormal. Hence a reduction is expected.

Paper: The demand is the greatest in the history of the country. Orders are sufficient to keep the mills going for months. All quotations have been withdrawn. Prices are made from day to day, due to the uncertainty in obtaining chemicals and dyes. Demand and not cost of production, however, seems to be fixing prices. There is a serious lack of raw material. Discounts are well above the average, collections being exceptionally good. The condition of the trade indicates a heavy increase in newspaper and magazine advertising, and a heavy increase in package deliveries by retail stores. Paper demand is largely governed by these factors.

Lumber and building material: Conditions are better than in many years. Orders for lumber are heavy. Prices are $5 to $6 per thousand feet higher than a year ago. There is a sharp advance in building material.

Shoes and leather: Wholesalers and jobbers in the shoe business are hard pressed to keep up their stocks. Dyes and tanning material shortage are causing uneasiness and help to advance prices. Demand for glazed kid is active. If it keeps up it will tax the supply. Delivery of imported skins is backward, shipping conditions seriously affecting the trade.

Cotton and cotton goods: There is an active demand for cotton yarn. Prices are firmer and advancing slightly. Mills making cotton goods are taking orders for future delivery. The outlook is bright.

Paints, oils, varnishes: The demand far exceeds the production. Plants are working to capacity. Scarcity of dyes seriously felt.

Tobacco: Prices are well advanced, owing to heavy purchases by France, England, and Russia. Continued buying tends toward further increases. On account of unfavorable weather conditions few seed beds have been made. There will be late planting.

REPORT FROM BOSTON.

Business continues to improve. A comparison of conditions to-day with those prevailing a year ago shows the improvement in many cases has been extreme.

The freight situation on the New England railroads has greatly improved.

Building and engineering operations in New England from January 1 to date make the highest record in many years. The nearest approach to these figures was in 1912.

Manufacturers of boots and shoes report exceptionally good business at advancing prices, with fall orders coming in well. The high and increasing cost of leather is forcing prices upward.

Cotton mills are sold far enough ahead to insure running at capacity for many months to come. Lack of certain classes of skilled labor is felt.

REPORT FROM CLEVELAND.

Earnings of steel companies and concerns in kindred lines are continuing at an unprecedented rate. Official figures and unofficial estimates from leading corporations in this district, if continued during the balance of the year, will assure profits which will stand as the apex of industrial earnings for some years to come.

There is the growing feeling among some of the largest concerns that output and shipments of finished products have probably reached the maximum, due to a shortage of raw materials. Some nut and bolt factories are now operating only about 70 per cent because of inability to obtain bars. An inadequate supply of sheets and plates reduces the output of shops and factories using semifinished products.

Glass: Plate and window glass has now reached a new maximum output. It finds a ready market at the highest price ever quoted.

REPORT FROM RICHMOND.

Manufacturers are doing well. Fertilizers are high and a reduction in volume is looked for, the agricultural sections taking a conservative attitude. The farming districts show improved conditions and more than a satisfactory prosperity. The financial condition of farmers is remarkably good.

Conditions in the cotton-spinning industry, seriously depressed for several years, show marked improvement. Many mills which have failed to earn enough to take care of even the wear and tear on their plants are now finding a ready market for their goods at satisfactory prices. This increased demand has developed both in Europe and South American trade.

CHICAGO REPORT.

Business activity in Chicago continues up to its advanced standard. Bankers, manufacturers, and merchants are optimistic, but some sound a warning against tremendously heavy purchases at high prices. There is an effort to squeeze out the speculative element. Reports from Michigan and Wisconsin are strong. Industrial reports follow:

Automobiles: Heavy demand is kept up. No decrease is looked for. Manufacturers are sold some months ahead. There is difficulty in obtaining material.

Furniture: Grand Rapids reports a strong volume of business.

Liquor: Tax payments for the fiscal year are said to be at the rate of 34,000,000 to 35,000,000 gallons, with a prospective production of 1916 Kentucky whisky at between 20,000,000 and 22,000,000 gallons. Prices are firmer. A number of distilleries are working capacity, due to alcohol contracts.

Live stock: The packing industry reports an exceptionally strong foreign demand, with an increased scarcity of bottoms. By-products, such as wool, hides, glue, and fertilizer, are in excellent demand. Live-stock prices are holding firm.

REPORT FROM MINNEAPOLIS.

The wholesale and retail trades are prosperous. Wholesale prices are well advanced over a year ago. Production in the iron mines in Minnesota will be greatly increased, and similar conditions exist in the copper districts of northern Michigan and the iron and copper districts of Montana. A large amount of building is in progress. Car shortage is relieved a little but is still felt. Railroad earnings are good.

KANSAS CITY REPORT.

The car shortage has been somewhat relieved by the daily receipt of cars formerly tied up on eastern lines. Railroad earnings show material improvement in the report from Kansas City.

The prices of cattle, hogs, and sheep continue satisfactory. Price records continue to be broken.

Oil production and drilling continues on an extensive scale. There are more than 1,700 well-drilling rigs up in the Kansas-Oklahoma district. New fields are being opened in nearly every State in the district. There were 1,200 wells completed last month.

REPORT FROM DALLAS, TEX.

Building operations in the Dallas district show a healthy improvement. There is an unusual demand for material. Lumber is bringing

strong prices, and the business is active. Cement also shows steady advance. Mills are running continuously with a ready demand. In the oil fields business has advanced 80 per cent in a year.

REPORT FROM SAN FRANCISCO.

Acute shortage has caused unparalleled activity in shipbuilding. Seattle reports contracts aggregating nearly four times the total at this time last year. The principal builder at San Francisco is said to have contracts in excess of $20,000,000, with no diminution of demand even with important advances in price because of increased prices for material and labor.

Copper holds a precedence in metal mining, but there is also great activity in mining gold, silver, lead, zinc, and such metals as tungsten, antimony, magnesite, and molybdenite, valuable deposits of which are reported discovered.

MERCHANDISE IN BOND.

Mr. SIMMONS obtained the floor.

Mr. SHEPPARD. Mr. President——

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Texas?

Mr. SIMMONS. I will yield, if the purpose the Senator has in view does not lead to any debate.

Mr. SHEPPARD. I am sure it will not. I merely desire to ask that House joint resolution 292, which came over from the House on Saturday last, be laid before the Senate.

The VICE PRESIDENT. The Chair lays before the Senate House joint resolution 292, which will be read by title.

The joint resolution (H. J. Res. 292) proposing to amend section 2971 of the Revised Statutes of the United States, was read twice by its title.

Mr. SHEPPARD. A similar joint resolution has already been reported to the Senate and is now on the calendar. It is a matter of some urgency, and I ask that the House joint resolution be considered at this time.

Mr. SMOOT. From the reading of the title of the joint resolution, no Senator can tell what the joint resolution proposes.

Mr. SHEPPARD. The Senator from North Carolina [Mr. SIMMONS] is familiar with the matter, and I will ask him to explain it to the Senate.

Mr. SIMMONS. This is a joint resolution similar to one reported by the Finance Committee of the Senate on the 8th of August, and is now on the calendar. It is very brief. I think I can explain it quicker by reading it than by undertaking to make a statement of its purpose. It reads as follows:

Resolved, etc., That the limitation of section 2971 of the Revised Statutes of the United States as to the period during which merchandise may remain in bonded warehouse without the payment of duty for exportation to Mexico be, and the same hereby is, extended to all merchandise which was in bonded warehouse on August 1, 1916, and intended for exportation to Mexico, until such time as in the opinion of the Secretary of the Treasury conditions in Mexico are such as to make it commercially practicable to export the merchandise to that country.

Mr. SMOOT. I have no objection to the consideration of the joint resolution.

Mr. SIMMONS. The joint resolution as it passed the House is substantially the same as the joint resolution reported by the Finance Committee.

The VICE PRESIDENT. Is there objection to the request of the Senator from Texas for the present consideration of the joint resolution (H. J. Res. 292) proposing to amend section 2971 of the Revised Statutes of the United States?

There being no objection, the joint resolution was considered as in Committee of the Whole.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

COMPENSATION OF INJURED EMPLOYEES.

Mr. SMITH of Georgia. Mr. President, will the Senator from North Carolina yield to me a moment?

Mr. SIMMONS. Certainly.

Mr. SMITH of Georgia. The United States employees' compensation bill has come back from the House with an amendment. I desire to examine the amendment somewhat this morning, and I ask that no action be taken upon the measure during any time I may happen to be out of the Senate. We may find it necessary to ask for a conference with reference to the amendment, and before we act upon it I wish to consult with some of the departments to ascertain what will be the effect of the proposed amendment.

MEMORIALS.

Mr. PHELAN presented memorials of sundry citizens of San Francisco and Los Angeles, in the State of California, remonstrating against the proposed retention of a stamp tax affecting insurance companies, which were ordered to lie on the table.

He also presented a memorial of sundry citizens of Fresno County, Cal., remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HARDWICK:

A bill (S. 6950) to amend an act entitled "An act to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes," approved December 23, 1913; to the Committee on Banking and Currency.

By Mr. CHAMBERLAIN:

A bill (S. 6951) granting a pension to Walter D. Matheny (with accompanying papers); to the Committee on Pensions.

By Mr. PHELAN:

A bill (S. 6952) for the relief of Augusta Reiter; to the Committee on Claims.

By Mr. TAGGART (for Mr. JOHNSON of Maine):

A bill (S. 6953) granting an increase of pension to David F. Sanborn (with accompanying papers); to the Committee on Pensions.

By Mr. BANKHEAD:

A bill (S. 6954) for the relief of W. H. Cleere; to the Committee on Post Offices and Post Roads.

By Mr. O'GORMAN:

A bill (S. 6955) granting an increase of pension to Daniel Killigan; to the Committee on Pensions.

AMENDMENTS TO REVENUE BILL.

Mr. OLIVER submitted three amendments intended to be proposed by him to the bill (H. R. 16763) to increase the revenue, and for other purposes, which were ordered to lie on the table and be printed.

Mr. GALLINGER submitted an amendment intended to be proposed by him to the bill (H. R. 16763) to increase the revenue, and for other purposes, which was ordered to lie on the table and be printed.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. SIMMONS. Mr. President, I rise simply for the purpose of asking that we now proceed with the consideration of Senate committee amendments to the pending bill, and to add my expression of hope that Senators will permit us to go along with these amendments without injecting speeches that are not pertinent to the amendments. I understand that the general debate has not yet been concluded, but I hope it may be held in abeyance until we get through with the amendments.

Mr. OLIVER. Mr. President, I ask the Senator from North Carolina whether he expects to conclude the consideration of the committee amendments during the day? I ask this because I may be called away, and I want to submit some remarks on the pending bill. I shall not take much time, but I want to speak at some time during the present day.

Mr. SIMMONS. I can not give the Senator from Pennsylvania any assurance that we can finish all the amendments today. I am satisfied that we can finish the amendments to the income tax and the inheritance tax sections of the bill. I can not speak so definitely about the munitions section; but if the Senator will let us go on, and if it develops during the afternoon that we are not going to get through with the amendments, then I shall certainly make no objection to his proceeding with his speech, if he desires to leave the city. I meant merely to express the hope that, unless it was very inconvenient to Senators, they would hold their general speeches in abeyance until we get through with the consideration of the Senate committee amendments.

Mr. JONES. Mr. President, the Senator from North Carolina is not asking any unanimous consent or anything of that sort, is he?

Mr. SIMMONS. Not at all. I was merely expressing a hope.

Mr. JONES. I did not want it understood by nothing being said on this side of the Chamber that there was an agreement to that effect.

Mr. SIMMONS. No, there is no agreement whatsoever; and I have not referred to any agreement.

Mr. OLIVER. I will not interfere with the suggestion of the Senator from North Carolina.

Mr. WILLIAMS. Mr. President, I ask that the Secretary proceed with the reading of the amendments.

The reading of the bill was resumed.

The next amendment was, under the subhead "Deductions," in section 12, on page 35, line 21, after the word "property," to strike out "to which the corporation has not taken or is not taking title, or in which it has no equity," so as to make the clause read:

First. All the ordinary and necessary expenses paid within the year in the maintenance and operation of its business and properties, in-

cluding rentals or other payments required to be made as a condition to the continued use or possession of property.

The amendment was agreed to.

The next amendment was, on page 35, line 22, after the word "sustained," to insert "and charged off," so as to read:

Second. All losses actually sustained and charged off within the year and not compensated by insurance or otherwise, including a reasonable allowance for the exhaustion, wear, and tear of property arising out of its use of employment in the business or trade.

The amendment was agreed to.

The next amendment was, on page 36, line 2, after the word "trade," to strike out "and in the case of mines, including oil wells or gas wells, a reasonable allowance for depletion of ores and of other natural deposits, not to exceed 5 per cent of the gross value at the mine of the output for the year for which the computation is made; and in the case of timber, a reasonable allowance for stumpage not in excess of the cost of or capital actually invested in the timber sold or removed during the year for which the return is made; but with respect to timber purchased prior to March 1, 1913, a reasonable allowance not in excess of the fair cash value of such timber on March 1, 1913; and in the case of insurance companies the net addition, if any, required by law to be made within the year to reserve funds and the sums other than dividends paid within the year on policy and annuity contracts," and insert "(a) in the case of oil and gas wells, a reasonable allowance for actual reduction in flow and production, to be ascertained not by the flush flow but by the settled production or regular flow; (b) in the case of mines, a reasonable allowance for depletion thereof not to exceed the market value in the mine of the product thereof which has been mined and sold during the year for which the return and computation are made; (c) and in the case of timber, a reasonable allowance for stumpage not in excess of the market value of the standing timber actually sawed and sold during the year for which such return and computation are made, under such rules and regulations as may be prescribed by the Secretary of the Treasury."

Mr. LANE. Mr. President, I should like to ask the Senator in charge of this bill what is meant by "the settled production or regular flow"? What is meant by "the regular flow" from an oil well or a gas well?

Mr. WILLIAMS. That means the flow after an oil well or a gas well recovers from its first flush and settles down to "regular business."

Mr. LANE. As it settles down to "regular business," as I understand, there is a variation from month to month; there is no regular flow; there is no such thing, as I am told.

Mr. WILLIAMS. What was intended to be meant by that language was its normal flow, which, of course, varies now and then.

Mr. LANE. In relation to that I wish to say that a similar matter was brought up before the Indian Committee in connection with the leasing of the Osage Indian oil lands, and it was certified to in that committee by experts that a well which would run a thousand barrels to-day in six months from now may be running 500 barrels, and in a year from now not over 15 or 20 barrels, and then down to 1 barrel; that it may begin to decrease in a short time and go clear down until it becomes a dry well, and that there is no settled production upon which any estimate can be made except by daily measurement. Then it would be necessary to average the flow for the whole period; but that can not be done in this instance. It is merely arbitrary, and it is uncertain. It is a proposition that no man can define; no facts can ever be ascertained in relation to it, so far as I have been able to find out.

Mr. WILLIAMS. Mr. President——

Mr. OWEN rose.

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Oklahoma?

Mr. WILLIAMS. I shall do so in a moment. This language, the Senator from Oregon [Mr. LANE] will note, is not "by the flush flow, but by the settled production or regular flow"; that is, the regular production of the well during the year after it has settled down to regular business. This amendment was suggested by the Senator from West Virginia [Mr. CHILTON], who has a great deal of knowledge of oil wells gained by a large experience, and the committee accepted it. The amendment throws the entire matter into conference.

Mr. LANE. It ought not to have to go to conference; it ought to be settled here and settled right. If you are going to take the average flow for the period of a month and measure it up and average it, that is all right; but there is no settled regular flow. The flow is always irregular; it is as visionary as a dream. The well may be a "gusher" which will make a man immensely wealthy, and in a few months or a year there may be nothing there at all but a dry hole. That is the peculiarity of the flow of oil, as the evidence produced before the committee of which I am a member and to which I have referred shows. So this matter attracted my attention.

Mr. OWEN. Mr. President, the matter of settled production is fixed under the customs of the oil fields, and means the amount of flow after 12 months. Of course, what the Senator from Oregon says is true, that even then the flow is not regular; it fluctuates; but what is meant is the flow after 12 months.

Mr. LANE. That is what I should like to know. If it means the flow after 12 months, then it means that the man operating an oil well is exempt all the time that his well is paying enormously; when it is a gusher, when it is a well that may be paying him $10,000 a day we get no taxes from it, but we wait until it settles down, until it reaches the state of minimum flow or low flow, and then we begin to assess it.

Mr. WILLIAMS. This is not the provision levying the tax.

Mr. LANE. It ought to be reversed. In the case of oil and gas wells, if it is desired to secure revenue for the Government the tax should be levied at the time when a man is prosperous and will feel it the least. The tax ought to be imposed at the time of the well's flush flow, and then stopped when the production gets to be below a certain number of barrels.

Mr. WILLIAMS. I think that is what this does.

Mr. LANE. It does not say so. It says:

(a) In the case of oil and gas wells a reasonable allowance for actual reduction in flow and production, to be ascertained not by the flush flow but by the settled production or regular flow.

Mr. WILLIAMS. I think the Senator forgets that this is not the provision for the tax; this is the provision covering the deductions on account of depreciation, and this is the measure of the depreciation. Instead of letting them deduct the full flush flow, which might deprive the Government of all taxes, we allow them to deduct only after the flush flow is over in accordance with the regular or settled flow.

Mr. LANE. Then why does the committee not make it perfectly fair to both parties and base it upon the average production, when it is flush and after the flush flow has ceased, and average it all up and at the end of the year impose a tax on that?

Mr. WILLIAMS. If the well continued in operation over five years, it would be impossible for any one year of that time in advance to take the average of the whole five. There would be several years to come.

Mr. LANE. But we do not tax five years ahead.

Mr. WILLIAMS. I say we do not, and that is the reason we can not do what the Senator suggests.

Mr. LANE. You can have an estimate of the flow overnight; you can have it once a month; you can have it weekly; you can have a tabulation annually. You can have an estimate of the flow any day you want it for any time.

Mr. WILLIAMS. That is what this is intended to do. The settled production after the flush flow is over is the only thing they are allowed to deduct. Of course that settled production for the year when the tax is levied would be the average production of the entire year.

Mr. LANE. Perhaps so.

Mr. WILLIAMS. The only idea was to keep them from deducting the flush flow.

Mr. LANE. I do not read it in that way.

Mr. WILLIAMS. If they were allowed to do that, they might deduct the whole tax.

Mr. LANE. I do not read it in that way.

Mr. OWEN. Mr. President, it also happens frequently that in the case of what are called "gushers" the first violent flow from the well is impossible to be controlled, and the oil runs down the creeks and streams until proper tankage can be supplied and the flow placed under control. Consequently a great deal of the oil is lost. That is a matter that would have to be considered to some extent, I take it.

Mr. LANE. Oh, yes; you can not measure anything which is unmeasurable, and you should not tax it.

Mr. OWEN. That was what I was calling attention to. It sometimes happens that what I have described takes place.

Mr. THOMAS. Mr. President, the Senator from West Virginia [Mr. CHILTON] is now in his seat. He is the author of the provision under discussion.

Mr. CHILTON. To what does the Senator refer?

Mr. LANE. To the provision in regard to oil and gas wells on page 36.

Mr. WILLIAMS. No amendment has been offered. The Senator from Oregon is satisfied with the provision, as I understand.

Mr. CHILTON. What is the motion, Mr. President?

Mr. LANE. I was inquiring in relation to the expression "settled production or regular flow of a well," in connection

with oil and gas wells. There is no well which flows regularly for any period of time.

Mr. CHILTON. The expressions "flush flow" and "settled production" are perfectly well understood among oil men and producers. They are well known to the operators and to the men who own the land, the men who own what we call the "royalty."

Mr. LANE. Then, the measurement can be arrived at.

Mr. CHILTON. There is no question about that.

Mr. BRADY. They are terms used among producers of oil.

Mr. CHILTON. They are technical terms, and are perfectly well understood and may be taken into consideration when ligislating.

Mr. POMERENE. Mr. President, if I may call the attention of the Senate to the provision, it is to the effect that the deductions shall be made under such rules and regulations as the Secretary of the Treasury may prescribe. So I have no doubt that, with their experience, they can adopt some rule which will be equitable and just both to the Government and to the other parties.

Mr. LANE. I will say, for the information of the Senator from Ohio, they may be able to arrive at an equitable measurement; but they have not been able to do so in the past.

Mr. PHELAN. Mr. President, in this connection I have just received a telegram, which I desire to submit to the Senators who are familiar with this subject. It is signed by the Independent Oil Producers' Agency, comprising 176 companies in California, and reads:

The committee amendment, Senate Calendar No. 722—

It refers specifically to the item of the Senate bill found on page 36—

The committee amendment, Senate Calendar No. 722, H. R. 16763, fixes deduction for depletion of oil wells as a reasonable allowance for actual reduction in settled production. This will deny depletion to all oil-producing companies that maintain their production by new developments and new capital. We beg of you to use every effort immediately to secure for oil companies depletion on same basis as proposed for mines, being a reasonable amount annually, not to exceed the market value of oil in the ground, of the product which has been brought to the surface. Present amendment causes oil producers to pay tax on capital and not upon income. All oil producers in California deeply interested.

INDEPENDENT OIL PRODUCERS' AGENCY
(Comprising 176 companies).

If it is true that it forces producers to pay taxes on capital and not upon income, I am sure the committee will meet the objection. As I understand, it seems that an income tax is charged upon the production value of the product, to be ascertained not by the flush flow but by the settled production or regular flow. These gentlemen, in order to meet the constant diminution of their product sink new wells and invest new capital so that when the collector comes around there will be no deduction whatever for depletion, because they have made it good by the investment of new capital. I should like to submit that to the committee, and ask that immediate action be not taken until a little later, in order that it may be studied. As I have said, the telegram has just been received.

Mr. OLIVER. Mr. President, I merely desire to say that I think the Senator from California [Mr. PHELAN] is right about that, and that the owner of an oil well should be allowed to charge off as depreciation what is termed in this bill the "flush flow" as well as the average flow afterwards; in other words, he should be allowed credit for the value of his oil in the ground, no matter whether it comes at the rate of a thousand barrels a day when the well is first opened, or settles down to its normal or average product after the gas which forces the flush product out of the well is exhausted. I think it would be well for the committee to carefully consider this question, because I think that the committee in framing this amendment intended to do abstract justice to the people who bring oil and other minerals out of the ground. I suggest that perhaps this amendment ought to be passed over in order to give the committee an opportunity of carefully considering the proposition set forth by the Senator from California.

Mr. WILLIAMS. Mr. President, in answer to what was said by the Senator from California, the committee does not think that this will result in taxing any part of the capital as income. Of course we had to fix a rule, and the rule can not work with mathematical precision in the case of things which differ so much from one another as oil wells do. Under the present law, Mr. President, they are allowed to deduct only 5 per cent of the gross value of the product in the place of output. We thought that that deduction was too little and that there ought to be a deduction more equitable in its character.

I will say to the Senator from Pennsylvania there has been no part of the bill which has been more anxiously studied and which presented more difficulties than this part of it. After consulting those in the Senate who were most familiar with the operation of oil wells we finally adopted this provision, which was presented by the Senator from West Virginia [Mr. CHILTON], who is thoroughly acquainted with the business. On the one side was the House bill and the present law, which allowed a deduction of only 5 per cent. Upon the other side was the danger that a deduction of the entire flush product of the well might be made, and as a consequence no taxes paid at all.

Now, Mr. President, a few general observations in this connection.

Mr. OLIVER. Mr. President, will the Senator allow me to interrupt him just for a moment, before he proceeds?

Mr. WILLIAMS. Certainly.

Mr. OLIVER. I want to say that I know that this provision was the subject of very careful and earnest consideration on the part of the committee, and that the committee is aiming to do what is fair; and my remarks were only intended to direct the attention of the committee to the fact that perhaps this provision in regard to oil wells was not exactly what the committee intended to do. I have no criticism to pass upon the intent.

Mr. WILLIAMS. Yes; this is what the committee intended, and means, I think, precisely what the committee wants. Under the present law there was an attempt to fix an artificial and fictitious rule, it having been realized that exact mathematical accuracy could not be arrived at in any of these things. The rule that was fixed by the present law applied not only to oil wells and gas wells but to coal mines and to metallic mines and to timber and to that entire class of industries with a self-consuming plant. It goes without saying that in all those cases a part of the product which is sold by the industry is a part of its capital. The desire was to tax the income part of what was sold and not to tax the capital part. We found that in connection with coal mines we could do that by fixing the value of the coal in the ground, but you can not do that with oil or with gas. No living human being would know how to do it. The suggestion made in the telegram which the Senator has just read is thoroughly impracticable, for the reason that 40,000 experts could not determine that with regard to gas and oil wells.

Mr. PHELAN. Mr. President, may I ask the Senator a question?

Mr. WILLIAMS. Certainly.

Mr. PHELAN. The Senator referred to coal.

Mr. WILLIAMS. Yes.

Mr. PHELAN. This is a general provision referring to mines. Can you ascertain the value of other minerals than coal when in the ground?

Mr. WILLIAMS. If the Senator will notice the bill, he will see that we have adopted a different rule for metallic mines and for coal mines, for the very reason that I have stated. The Senate committee undertook to try to fix a rule that would be just in each case. Of course you can tell the value of the coal in the ground, because coal is coal; but you can not tell the value of copper in the ground, nor the value of gold, nor the value of silver, because the ore when it comes out is neither gold nor silver nor copper; it is mixed with various other things. So we kept the old 5 per cent provision with regard to them, and then we made a new rule as to gas and oil, and then we made a new rule as to coal, and then we changed the rule with regard to metallic mines by hedging it around so that the department could not, by ruling, do what it has done.

Mr. CHILTON. Mr. President, I think the Senator will find he is mistaken in that statement. We tried to find a rule that would apply to all mines, and hence it was provided that they should have a deduction for all of the product mined and sold during the year, and I think the Senator is mistaken in saying that there was a different rule for metallic mines.

Mr. THOMAS. The Senator said there was originally a different rule.

Mr. CHILTON. Originally; but there is not now.

Mr. WILLIAMS. Oh, I remember now that in caucus that was changed upon the motion of some Senator. I think the Senator from Colorado made it, did he not?

Mr. SHAFROTH. It was done upon my motion.

Mr. THOMAS. The value can be ascertained just as easily in one case as in the other. The method of procedure is different; that is all.

Mr. PHELAN. Do I understand, then, that there is no rule, and that the department is to ascertain the value of copper and gold and silver buried in the ground in order to determine the amount of income tax?

Mr. THOMAS. Mr. President, if the Senator will permit me to answer him, the only difference is a difference of process. The assay determines the metalliferous contents of metallic ore, while, of course, coal is a commodity all of which in the vein is a commercial product. It is therefore merely a difference in the

method of ascertaining the value. The output of a copper mine or of a lead mine for 12 months yields certain metalliferous contents, and the value in the mine of these contents is thus easily ascertainable. I will say to the Senator from California that the principle is one which occurs very commonly in his State and mine as a result of trespasses by one mine owner upon the property of another, sometimes willful and sometimes unintentional. Where it is unintentional the damages are based upon the value of the ore in the mine; and that is ascertainable, as I say, by assaying the contents and ascertaining them by chemical analysis. It is a perfectly simple and perfectly easy method of procedure.

Mr. PHELAN. I should like to ask the Senator, in view of this telegram, whether he believes that any injustice would be done the oil operators in the event the rule proposed in the amendment should be adopted.

Mr. THOMAS. With regard to the oil feature of the measure I am not competent to answer. I was endeavoring to reply to the Senator's query with regard to the market value in the ground of metalliferous ore. The proviso regarding oil was made at the suggestion of the Senator from West Virginia [Mr. CHILTON], whose ample experience regarding the subject justified our referring the matter to him and bespeaking his assistance. With regard to that he is much more competent to answer than I possibly could be. We have no oil wells of any consequence, unfortunately, in our country.

Mr. CHILTON. Mr. President, the Senator is mistaken in saying that I am the only one competent to speak upon this matter. My knowledge is somewhat limited, but I do know something about it, because it is quite an industry in my State. I want to call the attention of the Senator from California to this proposition:

The old law, making a deduction of not exceeding 5 per cent, after it was explained to the committee, of course, struck the committee as being absolutely an arbitrary one, and based upon no reason. Therefore, in establishing a rule for these deductions, they reasoned in this way: Suppose you were to fix the value of the production of a well for the purpose of fixing its income. You would not do that by the flush flow; that is, the first flow of the well, when it is producing largely. You would want to get at the settled flow of the well. Then it seemed to us that if you wanted to make a deduction, the honest and straightforward rule would be to make the deduction upon the same basis; and this is, in my judgment, as nearly a fair rule as it is possible to get.

The oil and gas producers do not want anything unfair. They want only the actual depletion. This they failed to get under the old law, and they will get it under this amendment. The amendment as reported by the committee was the result of many conferences; it is fair; I have given my assent to it in conference and know that it is much nearer a just rule than the one which it supersedes. I hope it will not be changed.

Mr. PHELAN. Will the Senator explain the rule governing mines?

Mr. CHILTON. In the case of mines it is "a reasonable allowance for depletion thereof"—that is, for the depletion of the mine—"not to exceed the market value in the mine of the product thereof which has been mined and sold during the year for which the return and computation are made." Now, that is absolutely fair. No matter what it is, whether it is a coal mine or a copper mine or a silver mine. What we are trying to do is to ascertain the exact value of the depletion of the mine. What has been put upon the product in the way of labor or refining processes should not be estimated, but the value of what is taken out when in the mine; and that is perfectly fair, no matter what it may be, whether it is silver, gold, copper, or coal.

Mr. PHELAN. Would there be any income tax whatever if the whole deduction were made, the value of the whole product taken out of the mine for that year?

Mr. CHILTON. Why, certainly; the profit on it. This refers to a deduction, and it fixes that deduction at the value in the mine. We are determining how much the mine has been depleted, and to do that we want to know the value of the product in the mine, not after it has been refined.

Mr. PHELAN. Not the admixture of labor with it?

Mr. CHILTON. Why, certainly not.

Mr. SHAFROTH. Mr. President——

Mr. PHELAN. One minute before the Senator yields. This telegram would indicate that whereas that rule would be applicable to one oil well to determine what deduction should be made on account of depletion, yet what of another oil well immediately constructed by the investment of new capital, where the flow would be increased, which would obliterate and wipe out any possible deduction if the assessment were made to the same company operating both of them?

Mr. CHILTON. Mr. President, there is no such thing as developing an oil well without drilling the well and putting in capital and labor and time upon it, and these terms here mean this: When you first drill in an oil well it has a flush flow. It has gas behind it; it has a head pressure, so to speak; and the flow is larger at the beginning than it will ever be thereafter. It gradually goes down. What we want to do is to find an average, find what is right, find what it has been depleted during the year. This rule is that you must take it, not by the flush flow, but by the settled flow. When the head pressure, as they call it, goes off, there is a settled production, and we take a reasonable amount, based upon the settled flow of the well during the year. I think that is fair.

Mr. POMERENE. Mr. President——

Mr. PHELAN. Will the Senator permit me a moment while this is being explained by the Senator, who I understand is the author of the section?

Mr. POMERENE. Certainly.

Mr. PHELAN. What objection would there be, then, to applying the same rule to oil? Is not the value of the oil after it is taken out easily ascertainable? That would be the measure of the amount of deduction or depletion.

Mr. CHILTON. I think so. I thought so at the time. Yes; you can ascertain the actual value of the oil taken out. There is not any doubt about that.

Mr. PHELAN. Then you would know what the labor is and the investment of capital and ascertain the value of that oil when it was in the ground.

Mr. CHILTON. That is one point that would be a little harder than in the other case.

Mr. POMERENE. Mr. President, if I may suggest, there is a very radical difference between coal and oil or gas, because your coal is stationary. You know how many acres of coal you have in a given locality. You may have a certain flow of gas or a certain flow of oil to-day and your neighbor may put down an oil well or a gas well right next to it, and in that way cut off your flow. We lawyers speak of oil and gas as being feræ naturæ, partaking of the nature of wild animals.

Mr. PHELAN. Fugacious.

Mr. POMERENE. It flows here and there when there has been a well drilled, so that you have to have an entirely different rule to determine the value.

Mr. PHELAN. But the rule established here in the case of mines is that the deduction shall be made for the depletion, and the limit of depletion shall be the value in the ground of the coal which has been abstracted from the ground by the admixture of labor and machinery during the period of that year. So it does not matter whether, if applied to oil, the oil is fugacious, whether it goes hither and thither or not, because the measure is determined by what has been abstracted during that year, and I understand that that rule can be safely applied.

Mr. CHILTON. Will the Senator from Mississippi let this go over for about an hour, so that I may look at that telegram?

Mr. WILLIAMS. I would rather have it settled now.

Mr. CHILTON. The Senator can bring it up in the course of an hour. Just let me look at that telegram.

Mr. SHAFROTH. Mr. President, I want to say just a word.

Mr. WILLIAMS. Before this is done, I want to say that as far as I am concerned I have no pride in this. This amendment in its present shape was put through over my protest, and I thought at the time that as we had it when we carried it into the caucus it was in better shape. I think so yet. If Senators request that it go over, I can not very well refuse.

Mr. CHILTON. Just subsection "(a)".

Mr. WILLIAMS. I would infinitely rather, however, that the bill be settled as we go along and not leave behind us a lot of things.

Mr. CHILTON. Let it go over for about an hour and let me look at that telegram and see what it is.

Mr. SHAFROTH. Mr. President, I want to state to the Senator from California the situation as it existed at the time this provision was adopted.

The committee have made the rule applicable to coal mines, giving them the right to a reasonable allowance for depletion, not to exceed the market value in the mine of the production thereof, but had made a different rule as to metalliferous mines, namely, the rule of reasonable allowance, not to exceed 5 per cent of the gross value at the mine of the output for the year. Now, that is a very indefinite thing. It is only for one year—5 per cent for one year—whereas, if we are entitled to anything, we are entitled to the value in the mine of the ore taken out that year. When the attention of the caucus was called to it, they readily conceded that that part of it should apply to the

entire provision, the reasonable value, the same as in coal mines. Consequently we struck out the word "coal" and made it "mines," so that it would be applicable to all mines, for it can be ascertained just as readily in the case of metalliferous mines as in the case of coal mines.

As to the oil provision, the Senator from West Virginia [Mr. CHILTON], who knows a great deal about this subject, wrote the amendment himself, explained it, and it was adopted; and I think it is a good provision.

Mr. CURTIS. Mr. President——

Mr. WILLIAMS. Mr. President, is a request made that this go over?

Mr. PHELAN. Yes; I make the request.

Mr. WILLIAMS. I ask unanimous consent that the amendment may be passed over for the present.

Mr. CURTIS. That is, the oil provision?

Mr. CHILTON. Yes.

Mr. WILLIAMS. Mr. President, by the inadvertence of the clerk, certain language on page 36 that was not intended to be stricken out was stricken out. The language is on lines 13, 14, 15, 16, and 17. The clerk was instructed to strike out the House provisions as to these deductions on account of depletion and depreciation, but he went further and struck out this language:

And in the case of insurance companies the net addition, if any, required by law to be made within the year to reserve funds and the sums other than dividends paid within the year on policy and annuity contracts.

The committee therefore desires to reinsert that same language in the bill, but to insert it after the word "Treasury," on line 4 of page 37. I send it to the desk.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The SECRETARY. On page 37, line 4, after the word "Treasury," the last word in the proposed committee amendment, it is proposed to insert:

And in the case of insurance companies the net addition, if any, required by law to be made within the year to reserve funds and the sums other than dividends paid within the year on policy and annuity contracts.

The VICE PRESIDENT. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The next amendment was, on page 37, line 10, after the word "fire," to insert "and mutual employers' liability and mutual workmen's compensation and mutual casualty," so as to make the additional proviso read:

Provided further, That mutual fire and mutual employers' liability and mutual workmen's compensation and mutual casualty insurance companies requiring their members to make premium deposits to provide for losses and expenses shall not return as income any portion of the premium deposits returned to their policyholders, but shall return as taxable income all income received by them from all other sources plus such portions of the premium deposits as are retained by the companies for purposes other than the payment of losses and expenses and reinsurance reserves.

The amendment was agreed to.

The next amendment was, on page 39, line 10, before the word "property," to strike out the word "personal," so as to make the additional proviso read:

Provided further, That in the case of indebtedness wholly secured by property collateral, tangible or intangible, the subject of sale or hypothecation in the ordinary business of such corporation, joint-stock company, or association as a dealer only in the property constituting such collateral, or in loaning the funds thereby procured, the total interest paid by such corporation, company, or association within the year on any such indebtedness may be deducted as a part of its expenses of doing business, but interest on such indebtedness shall only be deductible on an amount of such indebtedness not in excess of the actual value of such property collateral.

The amendment was agreed to.

Mr. WILLIAMS. On page 39, in line 3, occurs the word "only," and it creates an ambiguity. It might refer to a "corporation, joint-stock company, or association as a dealer," and it might refer to the word "property," which follows. I therefore move that the word "only" be stricken out.

The amendment was agreed to.

The next amendment was, on page 39, line 23, after the word "country," to strike out "and" and insert "or under the authority of," and in line 24, after the word "or," to strike out "municipal taxes" and insert "municipality or other taxing subdivision of any State," so as to make the clause read:

Fourth. Taxes paid within the year imposed by the authority of the United States, or its Territories or possessions, or any foreign country, or under the authority of any State, county, school, or municipality, or other taxing subdivision of any State, not including those assessed against local benefits.

The amendment was agreed to.

The next amendment was, on page 40, line 14, after the word "property," to strike out "to which the corporation has not taken or is not taking title, or in which it has no equity," so as to make the clause read:

First. All the ordinary and necessary expenses actually paid within the year out of earnings in the maintenance and operation of its business and property within the United States, including rentals or other payments required to be made as a condition to the continued use or possession of property.

The amendment was agreed to.

The next amendment was, on page 40, line 21, after the word "trade" and the semicolon, to insert "(a)," and in the same line, after the word "case," to strike out "of mines, including oil wells and gas wells, a reasonable allowance for depletion of ores and of other natural deposits, not to exceed 5 per cent of the gross value at the mine of the output for the year for which the computation is made; and in the case of timber, a reasonable allowance for stumpage not in excess of the cost of or capital actually invested in the timber sold or removed during the year for which the return is made, but with respect to timber purchased prior to March 1, 1913, a reasonable allowance not in excess of the fair cash value of such timber on March 1, 1913; and in the case of insurance companies, the net addition, if any, required by law to be made within the year to reserve funds and the sums other than dividends paid within the year on policy and annuity contracts," and insert "of oil and gas wells a reasonable allowance for actual reduction in flow and production, to be ascertained, not by the flush flow, but by the settled production or regular flow; (b) in the case of mines, a reasonable allowance for depletion thereof not to exceed the market value in the mine of the product thereof which has been mined and sold during the year for which the return and computation are made; (c) and in the case of timber, a reasonable allowance for stumpage not in excess of the market value of the standing timber actually sawed and sold during the year for which the return and computation are made under such rules and regulations as may be prescribed by the Secretary of the Treasury," so as to make the clause read:

Second. All losses actually sustained within the year in business or trade conducted by it within the United States and not compensated by insurance or otherwise, including a reasonable allowance for the exhaustion, wear, and tear of property arising out of its use or employment in the business or trade; (a) and in the case of oil and gas wells a reasonable allowance for actual reduction in flow and production, to be ascertained, not by the flush flow, but by the settled production or regular flow; (b) in the case of mines, a reasonable allowance for depletion thereof not to exceed the market value in the mine of the product thereof which has been mined and sold during the year for which the return and computation are made; (c) and in the case of timber, a reasonable allowance for stumpage not in excess of the market value of the standing timber actually sawed and sold during the year for which the return and computation are made under such rules and regulations as may be prescribed by the Secretary of the Treasury.

Mr. GALLINGER. I will ask the Senator from Mississippi concerning the language in line 18, "not compensated by insurance or otherwise." I ask the Senator if property is insured for a much less amount than its value the whole value is to be taken into consideration or would only the amount for which it is insured be deducted?

Mr. WILLIAMS. My construction of the language "not compensated by insurance" would be that if there is a loss of $5,000 and the insurance was $10,000, there would be no deduction, but if the loss was $10,000 and the insurance was $5,000, there would be a deduction of $5,000. The word "compensated" means an equal amount. That is my construction.

Mr. GALLINGER. That is what I wanted to have clear.

Mr. SMOOT. Did I understand the Senator to say that if the loss was $10,000 and the insurance only $5,000, all they could deduct would be the $5,000?

Mr. WILLIAMS. The difference between the amount for which they were compensated by insurance and the amount of the loss.

Mr. GALLINGER. I hoped that was so, and I presume that that would be the effect.

Mr. WILLIAMS. That is my construction of it.

Mr. SMOOT. Or if the loss is $20,000 and the insurance is only $5,000, they could deduct $15,000.

Mr. WILLIAMS. The difference between whatever was the loss by the special cause and the insurance. "Compensated" in the sum there, I think, covers it.

Here occurs precisely the same amendment which a moment ago I was asked to let go over. The request was made by the Senator from California [Mr. PHELAN] and the Senator from West Virginia [Mr. CHILTON]. So let this take the same course.

The VICE PRESIDENT. The amendment will be passed over.

Mr. WILLIAMS. In line 23, page 41, at the end of the Senate committee amendment, which has gone over, I wish to offer the amendment which was just a moment ago offered and

adopted on a previous page. The previous page referred to resident corporations, and this refers to nonresident corporations.

This is to cure the same clerical error, after the word "Treasury," in line 23, striking out too much of the House provision.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 41, after the word "Treasury," in line 23, insert:

(d) And in the case of insurance companies, the net addition, if any, required by law to be made within the year to reserve funds and the sums other than dividends paid within the year on policy and annuity contracts.

The amendment was agreed to.

The next amendment was, on page 42, line 5, after the word "fire," to insert "and mutual employers' liability and mutual workmen's compensation and mutual casualty," so as to make the proviso read:

Provided further, That mutual fire and mutual employers' liability and mutual workmen's compensation and mutual casualty insurance companies requiring their members to make premium deposits to provide for losses and expenses shall not return as income any portion of the premium deposits returned to their policyholders, but shall return as taxable income all income received by them from all other sources plus such portions of the premium deposits as are retained by the companies for purposes other than the payment of losses and expenses and reinsurance reserves.

The amendment was agreed to:

The next amendment was, on page 43, line 17, after the word "imposed," to insert "or any other tax paid pursuant to such guaranty," so as to make the clause read:

Third. The amount of interest paid within the year on its indebtedness to an amount of such indebtedness not in excess of the proportion of the sum of (a) the entire amount of the paid-up capital stock outstanding at the close of the year, or, if no capital stock, the entire amount of the capital employed in the business at the close of the year, and (b) one-half of its interest-bearing indebtedness then outstanding, which the gross amount of its income for the year from business transacted and capital invested within the United States bears to the gross amount of its income derived from all sources within and without the United States: *Provided*, That in the case of bonds or other indebtedness which have been issued with a guaranty that the interest payable thereon shall be free from taxation, no deduction for the payment of the tax herein imposed or any other tax paid pursuant to such guaranty shall be allowed; and in case of a bank, banking association, loan or trust company, or branch thereof, interest paid within the year on deposits by or on moneys received for investment from either citizens or residents of the United States and secured by interest-bearing certificates of indebtedness issued by such bank, banking association, loan or trust company, or branch thereof.

The amendment was agreed to.

The next amendment was, on page 44, line 2, after the word "possessions," to strike out "and" and insert "or under the authority of," and, in line 4, after the word "or," to strike out "municipal taxes" and insert "municipality, or other taxing subdivision of any State," so as to make the clause read:

Fourth. Taxes paid within the year imposed by the authority of the United States, or its Territories or possessions, or under the authority of any State, county, school, or municipality, or other taxing subdivision of any State, paid within the United States, not including those assessed against local benefits.

The amendment was agreed to.

The next amendment was, under the subhead "Returns," in section 13, on page 46, line 5, after the words "United States," to insert "or if it have no principal place of business, office, or agency in the United States, then to the collector of internal revenue at Baltimore, Md.," so as to make the clause read:

(b) Every corporation, joint-stock company or association, or insurance company, subject to the tax herein imposed shall, on or before the 1st day of March, 1917, and the 1st day of March in each year thereafter, or, if it has designated a fiscal year for the computation of its tax, then within 60 days after the close of such fiscal year ending prior to December 31, 1916, and the close of each such fiscal year thereafter, render a true and accurate return of its annual net income in the manner and form to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, and containing such facts, data, and information as are appropriate and, in the opinion of the commissioner, necessary to determine the correctness of the net income returned and to carry out the provisions of this title. The return shall be sworn to by the president, vice president, or other principal officer, and by the treasurer or assistant treasurer. The return shall be made to the collector of the district in which is located the principal office of the corporation, company, or association where are kept its books of account and other data from which the return is prepared, or, in the case of a foreign corporation, company, or association, to the collector of the district in which is located its principal place of business in the United States, or, if it have no principal place of business, office, or agency in the United States, then to the collector of internal revenue at Baltimore, Md. All such returns shall, as received, be transmitted forthwith by the collector to the Commissioner of Internal Revenue.

The amendment was agreed to.

The next amendment was, on page 47, line 1, after the word "unless," to strike out "the Commissioner of Internal Revenue finds that"; so as to make the clause read:

(d) A corporation, joint-stock company or association, or insurance company, keeping accounts upon any basis other than that of actual receipts and disbursements, unless such other basis does not clearly reflect its income, may, subject to regulations made by such commissioner, with the approval of the Secretary of the Treasury, make its return upon the basis upon which its accounts are kept, in which case the tax shall be computed upon its income as so returned.

The amendment was agreed to.

Mr. SMOOT. Mr. President, I desire to call the attention of the Senator from Mississippi to page 47, lines 1 and 2. The Senate at that point has agreed to the committee amendment striking out the words "the Commissioner of Internal Revenue finds that." In lines 3 and 4 of the same page the language reads, "subject to regulations made by such commissioner." The word "commissioner" refers to the Commissioner of Internal Revenue, which has been stricken out in the previous part of the sentence.

Mr. WILLIAMS. Mr. President, the word "such," in line 4, should be stricken out, and the words "of Internal Revenue" should be inserted after the word "Commissioner."

Mr. SMOOT. That is what I desired to call to the Senator's attention.

Mr. WILLIAMS. I move, on page 47, line 4, to strike out the word "such" before the word "Commissioner," and after the word "Commissioner" to insert "of Internal Revenue."

Mr. CHILTON. The word "the" should also be inserted before the word "Commissioner."

Mr. WILLIAMS. Yes. I desire to include that in my amendment.

The VICE PRESIDENT. The amendment proposed by the Senator from Mississippi will be stated.

The SECRETARY. On page 47, line 4, before the word "Commissioner," it is proposed to strike out the word "such" and to insert "the"; and after the word "Commissioner" in the same line to insert "of Internal Revenue."

Mr. SMOOT. That is right.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 47, after line 7, to insert:

(e) All the provisions of this title relating to the tax authorized and required to be deducted and withheld and paid to the officer of the United States Government authorized to receive the same from the income of nonresident alien individuals from sources within the United States shall be made applicable to incomes derived from interest upon bonds and mortgages or deeds of trust or similar obligations of domestic or other resident corporations, joint-stock companies or associations, and insurance companies by nonresident alien firms, copartnerships, companies, corporations, joint-stock companies or associations, and insurance companies not engaged in business or trade within the United States and not having any office or place of business therein.

(f) Likewise, all the provisions of this title relating to the tax authorized and required to be deducted and withheld and paid to the officer of the United States Government authorized to receive the same from the income of nonresident alien individuals from sources within the United States shall be made applicable to income derived from dividends upon the capital stock or from the net earnings of domestic or other resident corporations, joint-tock companies or associations, and insurance companies by nonresident alien companies, corporations, joint-stock companies or associations, and insurance companies not engaged in business or trade within the United States and not having any office or place of business therein.

The amendment was agreed to.

Mr. CHILTON. Mr. President, I wish to say to the member of the committee having this matter in charge that as to clause (a), on page 36, which was passed over, the conclusion has been reached that it is all right as it is written. The Senator from California [Mr. PHELAN] does not want to pursue the matter any further, and the amendment may be adopted without further amendment.

Mr. WILLIAMS. Then, Mr. President, I ask unanimous consent to recur to page 36, and I ask that the committee amendment at that point be adopted.

The VICE PRESIDENT. The amendment referred to will be stated.

The SECRETARY. On page 36, line 2, the committee amendment proposes to strike out, after the word "trade," down to and including the word "contracts," in line 17, and to insert the words printed in the bill, beginning after the word "contract," in line 17, down to and including the words "Secretary of the Treasury," on page 37, line 4, as amended.

The VICE PRESIDENT. Without objection, the amendment as amended is agreed to.

Mr. WILLIAMS. Following that up, on pages 40 and 41, I ask that the same course be pursued, and that the Senate committee amendment be adopted.

The VICE PRESIDENT. The amendment referred to will be stated.

The SECRETARY. On pages 40 and 41, the committee amendment proposes to strike out the language beginning with the words "of mines," in line 21, on page 40, down to and including the word "contracts," on page 41, line 11, and to insert the words printed in italics, beginning after the word "contracts,"

on page 41, line 11, down to and including the words "Secretary of the Treasury," in line 23, on the same page, as amended.

Mr. LANE. Mr. President, I do not see any reason why we should not insert in the amendment the words "average production based upon actual measurement." That would make it certain and would be fair to both parties.

Mr. WILLIAMS. If the Senator from Oregon will read the provision he will notice that the whole matter is to be conducted under such rules and regulations as may be adopted by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. They can not possibly provide for it without actual measurement.

Mr. LANE. Oh, yes; they can. If you will insert the language I have suggested then there will be a rule or regulation that will be very easy for them to follow.

Mr. WILLIAMS. But would the Senator have internal-revenue collectors stay there all the time to make the measurements?

Mr. LANE. No; the product would be measured by meter, which would be read just as other meters are read.

Mr. WILLIAMS. Then there would have to be a Treasury official at each place to watch the meters.

Mr. LANE. No; the official would go to a given place once a month or once in six weeks or in two months and look at the meters and see what they register. Upon that meter register the charge would be based. The trips the inspectors would take would be valuable. The Government would not lose money because of his expenses.

Mr. WILLIAMS. I do not see any necessity for such an amendment. It seems to me that the rules and regulations of the Treasury Department can be trusted to take care of it.

Mr. LANE. But they know nothing about it, unless the product is metered and measured.

Mr. WILLIAMS. If the Treasury officials find that they must do that, they will do it.

Mr. LANE. Very well.

Mr. WILLIAMS. They are bent on collecting the tax.

The VICE PRESIDENT. Without objection, the amendment as amended is agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, under the subhead "assessment and administration," in section 14, on page 49, line 15, after the words "becomes due," to insert:

Provided, That upon the examination of any return of income made pursuant to this title if it shall appear that amounts of tax have been paid in excess of those properly due, the taxpayer shall be permitted to present a claim for refund thereof notwithstanding the provisions of section 3228 of the Revised Statutes.

The amendment was agreed to.

The next amendment was, on page 49, line 22, after the word "the," to strike out "assessment" and insert "assessments of any corporation, joint-stock company or association, or insurance company," so as to make the clause read:

(b) When the assessments of any corporation, joint-stock company or association, or insurance company, shall be made, as provided in this title, the returns, together with any corrections thereof which may have been made by the commissioner, shall be filed in the office of the Commissioner of Internal Revenue and shall constitute public records and be open to inspection as such: *Provided*, That any and all such returns shall be open to inspection only upon the order of the President, under rules and regulations to be prescribed by the Secretary of the Treasury and approved by the President: *Provided further*, That the proper officers of any State imposing a general income tax may, upon the request of the governor thereof, have access to said returns or to an abstract thereof, showing the name and income of each such corporation, joint-stock company or association, or insurance company, at such times and in such manner as the Secretary of the Treasury may prescribe.

Mr. HUSTING. Mr. President, I should like to offer an amendment to that provision.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The SECRETARY. It is proposed to amend the committee amendment, on page 49, line 22, by inserting, after the word "any" and before the word "corporation," the word "individual," so as to read:

When the assessments of any individual, corporation, joint-stock company or association, or insurance company, etc.

Mr. HUSTING. Mr. President, this amendment proposes to extend the provisions of this subsection to individuals as well as to corporations, joint-stock companies, associations, and insurance companies. If the amendment prevails, I shall move later on to insert the word "individual" in line 12, page 50, after the word "such."

The question involved here is the question of publicity; whether the public shall have the right to examine the income-tax returns of individuals, the same as this section permits to be done in the case of corporations, joint-stock companies, associations, and insurance companies. I think it is quite difficult to give any sound reason why these records should not be public, and, furthermore, I can not see why, if corporations, joint-stock companies, associations, and insurance companies are subjected to having their income-tax returns examined, the individual should not have his income-tax return made public, or, at least, subject to examination.

There is a considerable opportunity for evasion in the administration of the income-tax law. I think it is a matter of common knowledge that one of the greatest arguments against the income tax is the difficulty of its administration. I think that is true. It is particularly true if the returns are made secret documents, filed away, and the light of day never permitted to shine upon them.

Mr. KENYON. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Iowa?

Mr. HUSTING. Certainly.

Mr. KENYON. I should like to inquire of the Senator as to the scope of his amendment. If his amendment is adopted, would returns of individuals under the income tax be open to inspection otherwise than upon the order of the President?

Mr. HUSTING. Not so far as this particular amendment goes.

Mr. KENYON. Does the Senator propose to follow that amendment with an amendment which will make such returns public?

Mr. HUSTING. At the proper time, I intend to do so. I understand that it would not be in order at this time to move to amend the proviso beginning in line 8, on page 50, because that is the House text.

Mr. KENYON. The present amendment of the Senator does not go to that extent?

Mr. HUSTING. It does not go to that extent now, for the reason that I understand it would not be in order at the present time.

Mr. KENYON. Well, will the Senator bring that question up at some time, so that we may have an opportunity to vote on it?

Mr. HUSTING. If no other Senator does, I shall be very glad to bring that up and move to strike out that part of the bill which makes income-tax returns open to inspection only upon the order of the President.

Mr. KENYON. I shall be very glad to vote for such an amendment.

Mr. HUSTING. Mr. President, I presume it is not necessary in support of my amendment to argue that publicity is a good thing. The committee amendment favors publicity of returns but exempts the individual from such publicity, and in exempting the individual I think that it makes it extremely difficult, in fact makes it impossible, to check up the returns of the corporation with those of individuals; in other words, while the corporation may make a return of certain payments to individuals, the public and the public's officers are excluded from comparing the individual's record with the corporate record to see whether or not they agree.

I am aware that in every income-tax law this question of publicity has been one of the features that has been most bitterly debated pro and con, but I think the bugaboo of publicity, the objection to prying into the affairs of business and individuals, has largely been dissipated by experience. All taxes involve a certain amount of investigation, of prying into private affairs of individuals, because the only way we can determine the basis for a tax is to find out the property that a man has. In ordinary taxation it is necessary to find out how many horses a man has, how many cows he has, how much land he has, what kind of house he has, what material it is made of, and many other matters in order to ascertain what the property is worth. In order to form a proper basis for an income tax, it is necessary to find out what a man earns, and it is necessary to find out all the facts which are relevant and material and necessary and essential in determining the amount of taxable income enjoyed by the individual. If the Government has a right to impose an income tax, it certainly has a right to find out in all proper ways the facts necessary to be ascertained in order to establish a basis for the imposition and the amount of such a tax; in other words, the right to impose an income tax carries with it necessarily the right to determine what the income of an individual or a corporation is; and in order to do that, it is necessary to pry into his affairs; and, not only that, but the taxing power has a right to, and must, if it is going to make the income tax effective, be able to check up and compare the records of a State or of the Government or of any subdivision of government and find out whether they agree.

That this is necessary is shown by the number of inspectors who have been hired and are receiving large salaries to go out

and discover the men who are evading the income tax in whole or in part, to dig up the incomes that have been covered up. We recognize that; and not only do we recognize that but the record shows that, as a matter of fact, individuals are as prone to evade the income tax as they are to evade other taxes. It seems that a good many men otherwise perfectly honest and perfectly reliable, when it comes to tax paying, think they have a vested inherent right to cover up or understate the value of their property or incomes in order to minimize the tax that they are compelled to pay, and they think that is entirely proper. At any rate, the facts show it, and the records of the Government show it, that men will evade the income taxes, because the inspectors are uncovering more and more incomes that have not been declared, or which have been minimized, or, in other words, not properly returned.

It does not seem that any good argument can be raised why individuals and why governmental agents, whether they are agents of a State or agents of a municipality, should not have a right to go in and look at these records and check them up. It is not only helpful to those agencies seeking to collect taxes, whatever those taxes may be, but it is helpful to the Government to secure this information from them, which serve as a result of comparison and checking up.

Now, we have an income tax in the State that I represent, and I know that the Government has access to those records and has the benefit of the work done by our income-tax assessors or superintendents of income, because the income tax in Wisconsin was in effect before the national income tax.

Mr. KENYON. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Iowa?

Mr. HUSTING. Certainly.

Mr. KENYON. I should like to ask the Senator if, under the Wisconsin law, the returns under the State income-tax law are open to public inspection?

Mr. HUSTING. I think they are. I think there is some restriction on the publicity of them, but I think they are open to inspection. I will look that matter up a little later, and get the exact provision. But here is the point: Other States may want to enact income-tax laws. If they are prohibited from going to the records of the Government, they are denied the experience and the facts that have been gathered by the United States Government; and the same rule holds good the other way. There ought to be cooperation between the Government and the States, and between individuals.

I have heard it argued that if individuals know that their income tax is going to be published, or is open to inspection, they will try to reduce it because they fear they will be approached by mendicants and others who, discovering that they are making so much money, will want to beg, borrow, or steal from them. I think the tendency will be all the other way. I think a good many men, if they knew that their neighbors were going o find out that they were not making a true return of their income, would be ashamed and afraid not to make a correct return. Knowing that the eyes of their neighbors and the eyes of their local officers were upon them, I think they would be more apt to make a correct return, because they would know very well that if they did not they would be detected either by their fellow citizens or by the authorities.

It does seem to me that the word "individual" ought to be inserted here, so that we could check up the individual income-tax return with the return of the corporation of which he is a stockholder, and see whether they are both making the correct returns, and whether the tax is being evaded either by the corporation or by the individual, or by both.

For that reason I hope this amendment will be adopted.

Mr. WILLIAMS. Mr. President, the committee hopes the amendment offered by the Senator from Wisconsin will not be adopted.

The Senator says that he sees no difference between corporation returns and individual returns. There is, however, a very plain and palpable and obvious difference. A corporation is a quasi public concern. An individual is not. The real purpose of this amendment, I take it, is to help the several States which have income taxes to secure data from the Federal Government with regard to the business of the individual making the income return. I think that is the real purpose of the amendment.

Whether or not one of these two dual sovereignties of ours ought to make itself an instrumentality for the fiscal operations of the other is a somewhat doubtful question, about which I express no opinion at this time; but I do not see how the operations of the United States Treasury will be either expedited or facilitated by the adoption of an amendment of this sort.

The Senator seems to have in his mind a notion that because these income-tax returns are not public, therefore the United States Government has no knowledge of them. Of course he did not mean to say that exactly, but underlying his argument there seemed to be that sort of notion. Pursuing what I have just said, he said that there was no way of checking up the corporation returns by comparison with the individual returns. Of course publicity or nonpublicity of the individual returns has nothing to do with that. Both returns are in the Treasury Department, and the Treasury Department has every facility for checking up one by the other.

As far as the individual tax returns are concerned, one very important step has already been taken with regard to publicity with respect to them. If the Senator will recur to a previous part of the bill, where the tax upon individuals is under consideration, he will find that we struck out the word "amounts." There was an inhibition against furnishing the amounts as well as the particulars and the details of the individual income-tax returns. That amendment has already been adopted by the Senate, and if it goes through in conference that inhibition will no longer lie, and as far as the amount of the income-tax return of the individual is concerned that will become public. At least there will be no penalty nor any inhibition against making it public.

Mr. President, a committee considering a bill like this has a great many very delicate points to consider, and in considering them there is a larg. diversity of opinion among the individual members of the committee at the beginning of their consideration of the subject matter. There is but one practical way of getting along, and that is to thrash it out with one another, and then after it is thrashed out for the committee to abide by the result. The individual members of the committee did thrash this out; they took quite a long while about it, and they finally consented that as a sort of compromise the amounts might be published, but that the private concerns of the taxpayer when he made returns to the Government, the details of what might be called his private business affairs, should still be protected by the aegis of the law. Whether or not that was right from certain standpoints of general economics, it is certainly right from the standpoint of levying and collecting the tax. There is nothing to be hoped in the way of increased revenue from the amendment offered by the Senator from Wisconsin, and very much to be feared in the wa, of decreased revenue.

While perhaps one of our dual sovereignties ought to help the other as a sort of a friendly fiscal agency, after all the main duty of each is to collect its own revenue. With that main duty before us, the Treasury Department has not approved of an amendment of this sort, and the committee did not approve of it, and I hope it will not be accepted.

Mr. HUSTING. Mr. President, if it were not for the fact that it is my judgment that this change would increase the revenues I would not urge this amendment. The fact of the matter is that the whole argument I tried to make is based upon the belief that it will increase the amount of the tax, and increase it without making it a hardship on anybody. It will increase the revenue by making the individual and the corporation pay the amounts which they are in duty bound to pay under the law, if they do not evade the law.

Throwing this cloak of secrecy over these returns, I think, is a very bad practice and a very bad principle to apply in matters of taxation. I believe that nothing good can come of concealing the figures from the public, or concealing from the public those records which they ought to have a right to know about. In fact, it seems to me a questionable practice, and I doubt whether Congress has any real right to put the seal of secrecy upon a matter of this kind, which should be a matter of common knowledge. Those records belong to the people just as much as they do to the Treasury Department. There is no reason in the world, it seems to me, that justifies the putting of tax figures and tax returns in a place where the public can not get at them.

Here we are legislating for the people, and we say that certain people shall pay a certain tax, but we tell the people generally: "We are going to make people pay a tax, and going to make them make a return, but it is none of your business what that return is. It is none of your business what the amount of the income tax is, or upon what it is based." I hold that it is bad practice, and I do not think it is good in principle. I think it is bad in both instances.

Nobody will say that individuals ought not to pay the income tax which the law imposes upon them. Now, we do say that corporations shall pay their just amount of income tax, and we go further and say that the public shall have a right to

investigate their records, and that State governments shall have a right to investigate their records but shall not have a right to know whether the return that they make to their individual stockholders will be verified by the individual himself. So far the record is open. Here comes a corporation that says, "We paid so much to our individual stockholders." The public can not go to the individual stockholder and find out whether he received that amount or not. The States can not do it. You say, "So far you can go and no farther." You can not question their returns. You can not verify their returns. You can not check them up.

While, of course, there is a distinction between a corporation and an individual—one is an artificial person, the other a natural person—yet, so far as tax paying is concerned, I can not see any difference in principle between them. There is no question here of our authority to make the individual returns public. If we have a right to tax the individual, we have a right to make public the returns that he makes just as well as we have a right to make public the returns of the corporation of which he is a stockholder. It does not go to a question of principle. It does not go to a question of authority that because a private corporation has been created by law we have any more authority to examine into its income-tax returns than we have to examine into the income-tax returns of an individual. As I say, it is not a question of authority; it is not a question of power; it is a question of policy. It seems to me the only question is, Is it good policy to use all the means that you have at your command to find out whether or not a man is making truthful returns?

If we have a right to levy an income tax, and if we have a right to make individuals as well as corporations make returns and swear to those returns, I should like to know why we have not a right to say to individuals, "You can go in there and see whether or not your neighbor is paying as much as you are paying. You can compare the income tax which you are paying with the income tax that your neighbor is paying to find out whether he is making a just return or not."

I said something about men evading their taxes. I think the desire to evade taxes on the part of individuals does not go to the question of dishonesty per se or a desire to escape taxation. A man does not want to pay any more in proportion to what he has than his neighbor does. If he has a $5,000 house and his neighbor has a $5,000 house, he wants his neighbor's house to be assessed just as much as his; and if he finds that his neighbor is returning his real estate at $2,000, notwithstanding it is worth $5,000, he feels, in justice, that he ought to make the same return and he ought not to pay on any more than $2,000 in the case of his house.

Now, apply that to the income tax. If a man has an income of $5,000 each year and his neighbor has an income of $5,000 a year and he is paying $200 a year income tax while his neighbor is getting away with $25 a year income tax, he feels that he has not been justly used. If you give him the right to go and examine his neighbor's income-tax return to see whether or not he is paying his just dues, you remove his dissatisfaction and you make his neighbor come up to the scratch, because he will see that he does it; and if you do not do it, he will evade the tax just the same as his neighbor does.

So it seems to me that we ought not to tie ourselves up or hedge ourselves about in the administration of an income tax so that we are hamstrung on all sides and can not find out things that we ought to find out. It seems to me we ought not to withhold from ourselves information that we have a right to have. It seems to me that it is not good, wise policy to build obstacles in front of ourselves to prevent the carrying out of a law in its entirety and in its fullness. We say that certain men shall pay an income tax, but we do not take all the means at our command to see that they do pay that income tax. It works injustice, and it works an evasion of the law; and it seems to me the very fact that publicity is permitted here as to corporations shows the advisability of the same policy as to individuals. Is it any better policy to be enabled to look into the books of a corporation and pry into its affairs than to look into the affairs of an individual? Is there any difference in principle? If it is bad on the grounds of vexatiousness and prying into the affairs of business men, what difference does it make whether it is a corporation's affairs that you want to look into or an individual's affairs that you want to look into?

With all deference to the committee and the study it has made of this question, this is not a technical question. This is a question that any man who has given the subject any thought or study knows as much about as any other man. It involves simply the proposition of whether publicity in matters of this kind is going to bring out the truth better than covering this thing up and hedging it about with obstruction so that it can not be readily loked into and examined by anyone who is interested enough to do so.

For that reason I feel as though there ought to be some clause put in providing for full publicity. I believe we ought to have full publicity. I do not believe it ought even be subject to the order of the President. I think it is a record from which any citizen of this country who is a taxpayer, who has got to put up his own money and pay his own taxes, has a right to look into and see what his neighbor is paying and whether he is paying his full share.

Mr. WILLIAMS. Do I understand that the Senator from Wisconsin contends that any citizen of the United States ought to have a right to enter the deputy collector's office any moment and examine the returns of his neighbor?

Mr. HUSTING. Under reasonable regulations and restrictions and within reasonable hours.

Mr. WILLIAMS. In that case the deputy collector would not have any time to do anything except to receive visitors.

Mr. HUSTING. In answer to that I will say that anyone has a right now to go into the tax collector's office in my county, and in this city, I believe, and in every other city, and see what are the returns.

Mr. WILLIAMS. He has not any right of the sort. I know unless the sheriff, who is the tax collector in my State, chooses to show his books to him no man has a right to enter the sheriff's office in Mississippi and say, "Let me see HUSTING'S tax return." The sheriff may or may not do so. There is no inhibition against it; no penalty against it.

Mr. HUSTING. I am happy to say that in Wisconsin he has a right to do it. On equalization day or before equalization day comes around you have a right to go into the tax collector's office or the assessor's office and examine his books to see how much he has assessed your property and to see how much he has assessed your neighbor's property.

You can go there and make your representation to an assessor, and in a proper case either you can make him put up your neighbor's property where it belongs or put yours down to where it belongs. It works for justice and prevents favoritism on the part of an assessor such as to assess one man' piece of property so much and another man with a similar piece of property a good deal more or a good deal less. I say it is in the interest of the business of every individual who pays taxes to pay taxes in proportion to what his income or his property bears to that of his neighbor. It is just as much a right on his part as a right on the part of the Government to make him pay his full share, and every time the Government makes a man pay his full share and permits another man to escape the payment of his full share it is doing an injustice to the man who is honest and pays his just share. The man who justly pays all the taxes he ought to pay is vitally interested in knowing for himself, if he wants to, whether his neighbor is paying in accordance with his ability to pay and in accordance with his income and the amount of property he owns. So it is a matter of concern to every taxpayer, and the way ought to be easy. There ought to be some order about it. The inspection ought to be in reasonable hours and under reasonable regulations, and his right of access to public records ought not to be absolutely, in any event, denied. He ought not to be absolutely debarred from looking at the records of his own Government, the Government that taxes him to pay the expenses of running that Government, and which punishes him if he does not pay his just share.

Mr. WILLIAMS rose.

Mr. HUSTING. Does the Senator wish to interrupt me?

Mr. WILLIAMS. No; I thought the Senator was through.

Mr. HUSTING. I will be through in a few minutes. I have just a few more words to say.

I say this is not a question that requires any great technical knowledge. It seems to me it is a matter of common ordinary sense to decide whether we want publicity or whether we do not want it. The committee goes quite far in favor of publicity, and I presume the reason they say we shall have publicity in some cases is because they believe that in the case of corporations, and so forth, publicity is a good thing, and it is wise to look at their records. Why? Because, I presume, they think it will increase incomes which otherwise would remain hidden, and consequently increased revenues will result because of publicity in these cases. I agree with the committee in that, and therefore I want to go a step further and put the individuals who compose the corporations, who compose the stock company, who compose the insurance company, and who collectively form these companies, in the same category. I do not want the curtain dropped just after you get by the corporation and say you can examine the returns, but you can not turn around and verify them by looking at this man's return to see whether he pays

sufficient or not. If publicity in the administration of this law is a good thing as far as it concerns corporations, then I think it proves that publicity is a good thing as far as it concerns individuals, and the same rule should apply. More than that, by including individuals you make the provision of publicity concerning corporations still more efficacious by giving checks and counterchecks in all cases.

I ask for a yea-and-nay vote on my amendment to the amendment.

Mr. WILLIAMS. Mr. President, I do not care to argue the question further. I want to say just here that so far as each man paying his taxes is concerned, or his share, as the Senator from Wisconsin calls it, we have sworn bonded officials who hold their offices solely for that purpose and who are very much more to be trusted, in my opinion, than making a deputy internal-revenue supervisor out of every man's neighbor in order that his neighbor may see whether the man has paid his taxes.

There is a great deal said about publicity, the shining light of publicity, and all that. Light is a good thing; publicity is a good thing; but after all is said and done, men do have private business, and their private business ought to be respected to a certain extent. The line of demarcation between the degree to which it ought to be respected and the degree beyond which it ought not to be respected is the line which it is necessary for the Government to draw in order to collect its revenue.

This amendment will not help in collecting any revenue of the Government unless it just simply makes out of every man's neighbor a deputy internal-revenue collector to instruct and advise and perhaps overrule the internal-revenue collector, who is an official and nonpartisan. It opens the way for hatred, malice, and all uncharitableness in every possible way.

I hope that the amendment to the amendment will be defeated, and I join with the Senator from Wisconsin in asking for the yeas and nays upon it.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BECKHAM (when his name was called). I have a general pair with the senior Senator from Delaware [Mr. DU PONT]. In his absence I withhold my vote.

Mr. CURTIS (when his name was called). I am paired with the junior Senator from Georgia [Mr. HARDWICK] and withhold my vote.

Mr. SAULSBURY (when his name was called). I transfer my general pair with the junior Senator from Rhode Island [Mr. COLT] to the Senator from Illinois [Mr. LEWIS] and vote "nay."

Mr. SMITH of Georgia (when his name was called). I have a general pair with the senior Senator from Massachusetts [Mr. LODGE]. He is not present; I have been unable to get a transfer of my pair; and I am not at liberty to vote.

Mr. UNDERWOOD (when his name was called). I desire to ask if the junior Senator from Ohio [Mr. HARDING] has voted?

The PRESIDING OFFICER (Mr. HUGHES in the chair). He has not voted.

Mr. UNDERWOOD. I have a general pair with that Senator, and in his absence I withhold my vote.

Mr. VARDAMAN (when his name was called). I desire to ask if the junior Senator from Idaho [Mr. BRADY] has voted?

The PRESIDING OFFICER. He has not voted.

Mr. VARDAMAN. I have a pair with that Senator. In his absence I withhold my vote. If I were at liberty to vote, I would vote "yea."

The roll call was concluded.

Mr. POMERENE. I was requested to announce the necessary absence from the Chamber of the junior Senator from Arkansas [Mr. ROBINSON]. He is paired with the senior Senator from Connecticut [Mr. BRANDEGEE]. I will let this announcement stand for the day.

Mr. CHILTON. I have a pair with the Senator from New Mexico [Mr. FALL]. I do not know how he would vote if he were present, but I would vote "nay."

Mr. SMITH of Georgia. I learn that the senior Senator from Massachusetts [Mr. LODGE] would vote as I would vote. Therefore I shall vote. I vote "nay."

Mr. SHAFROTH. I am paired with the junior Senator from Washington [Mr. POINDEXTER]. I therefore withhold my vote.

Mr. REED. I transfer my pair with the Senator from Michigan [Mr. SMITH] to the Senator from Nevada [Mr. NEWLANDS] and vote "yea."

Mr. FLETCHER. I desire to announce that my colleague [Mr. BRYAN] is necessarily absent. He is paired with the junior Senator from Michigan [Mr. TOWNSEND]. I make this announcement for the day.

Mr. SIMMONS (after having voted in the negative). I have a general pair with the Senator from Minnesota [Mr. CLAPP]. I transfer that pair to the Senator from South Dakota [Mr. JOHNSON] and let my vote stand.

Mr. McLEAN. I am paired with the Senator from Montana [Mr. MYERS]. In his absence I withhold my vote.

Mr. CHILTON. Under the circumstances I consider that I have a right to vote on this question, and I will vote "nay."

Mr. VARDAMAN. I transfer my pair with the junior Senator from Idaho [Mr. BRADY] to the junior Senator from Louisiana [Mr. BROUSSARD] and vote "yea."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from New Mexico [Mr. CATRON] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Wyoming [Mr. CLARK] with the Senator from Missouri [Mr. STONE];

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from North Dakota [Mr. GRONNA] with the Senator from Maine [Mr. JOHNSON];

The Senator from Rhode Island [Mr. LIPPITT] with the Senator from Montana [Mr. WALSH]; and

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS].

The result was announced—yeas 11, nays 39, as follows:

YEAS—11.

Ashurst	Husting	Lane	Sheppard
Borah	Jones	Martine, N. J.	Vardaman
Hitchcock	Kenyon	Reed	

NAYS—39.

Bankhead	Lee, Md.	Pomerene	Smoot
Chamberlain	McCumber	Ransdell	Sterling
Chilton	Martin, Va.	Saulsbury	Swanson
Clarke, Ark.	Nelson	Sherman	Taggart
Dillingham	O'Gorman	Shields	Thomas
Fletcher	Oliver	Simmons	Thompson
Gallinger	Overman	Smith, Ariz.	Warren
Hughes	Penrose	Smith, Ga.	Weeks
James	Phelan	Smith, Md.	Williams
Lea, Tenn.	Pittman	Smith, S. C.	

NOT VOTING—45.

Beckham	du Pont	Lewis	Smith, Mich.
Brady	Fall	Lippitt	Stone
Brandegee	Goff	Lodge	Sutherland
Broussard	Gore	McLean	Tillman
Bryan	Gronna	Myers	Townsend
Catron	Harding	Newlands	Underwood
Clapp	Hardwick	Norris	Wadsworth
Clark, Wyo.	Hollis	Owen	Walsh
Colt	Johnson, Me.	Page	Works
Culberson	Johnson, S. Dak.	Poindexter	
Cummins	Kern	Robinson	
Curtis	La Follette	Shafroth	

So Mr. HUSTING's amendment to the amendment was not agreed to.

The PRESIDING OFFICER. The question recurs on the amendment of the committee.

Mr. WILLIAMS. I ask consent to return to page 17, line 2.

Mr. LANE. I wish to reserve the right to offer an amendment demanding full publicity. I do not know whether this is the right time or not.

Mr. WILLIAMS. I have the floor now.

Mr. LANE. I know.

Mr. WILLIAMS. The Senator will have an opportunity later.

Mr. LANE. All right, then. I did not understand that the vote had been announced.

Mr. WILLIAMS. Yes; it had been announced.

Mr. PENROSE. Regular order!

Mr. LANE. We will have the regular order. I rose to a matter of personal privilege, to be informed whether the vote had been announced. I have a right to know and I am going to know, I will say to the senior Senator from Pennsylvania. Has the vote been announced?

The PRESIDING OFFICER. The vote has been announced. The Senator from Oregon will have no difficulty in submitting any amendment he desires at the proper time. The Chair wishes to say to the Senator from Mississippi that, according to the understanding of the Chair, the committee amendment has not yet been adopted.

Mr. WILLIAMS. All right; I will wait.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. WILLIAMS. I ask to recur to page 17. The bill seems to leave it in doubt as to whether the $3,000 income exemption shall apply to the net estates of deceased persons. The subcommittee had the matter under consideration and decided very clearly that it should do so, but they seem to have neglected to bring it forward in the bill. Of course, it would not be good policy to have every little estate of $1,000 or more which might be left to a widow and children taxed without an exemption as

to income during the period of its administration or settlement. The estate-tax provision makes that tax applicable under certain conditions during the period of distribution or settlement. We want to make that perfectly clear. I therefore offer this amendment.

The PRESIDING OFFICER. The amendment will be read.

The SECRETARY. Amend, page 17, line 2, by inserting a new sentence, after the word "sources," as follows:

There shall also be allowed an exemption from the amount of the net income of estates of deceased persons during the period of income administration or settlement, and of trust or other estates the income of which is not distributed annually or regularly under the provisions of paragraph b, section 2, the sum of $3,000.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Mississippi.

The amendment was agreed to.

The next amendment was, on page 50, line 22, after the numerals "$10,000," to insert:

"*Provided*, That the Commissioner of Internal Revenue shall have authority, in the case of either corporations or individuals, to grant a reasonable extension of time in meritorious cases, as he may deem necessary."

So as to make the clause read:

(c) If any of the corporations, joint-stock companies, or associations, or insurance companies aforesaid shall refuse or neglect to make a return at the time or times hereinbefore specified in each year, or shall render a false or fraudulent return, such corporation, joint-stock company or association, or insurance company shall be liable to a penalty of not exceeding $10,000: *Provided*, That the Commissioner of Internal Revenue shall have authority, in the case of either corporations or individuals, to grant a reasonable extension of time in meritorious cases as he may deem necessary.

Mr. WILLIAMS. The word "necessary" there ought to be changed to the word "proper." I move that amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, under the head of "Part III—General administrative provisions," in section 16, page 52, line 1, after the word "thereof," to strike out "or the amount," so as to make the clause read:

SEC. 16. That sections 3167, 3172, 3173, and 3176 of the Revised Statutes of the United States as amended are hereby amended so as to read as follows:

"SEC. 3167. It shall be unlawful for any collector, deputy collector, agent, clerk, or other officer or employee of the United States to divulge or to make known in any manner whatever not provided by law to any person the operations, style of work, or apparatus of any manufacturer or producer visited by him in the discharge of his official duties, or the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed in any income return, or to permit any income return or copy thereof or any book containing any abstract or particulars thereof to be seen or examined by any person except as provided by law; and it shall be unlawful for any person to print or publish in any manner whatever not provided by law any income return or any part thereof or source of income, profits, losses, or expenditures appearing in any income return; and any offense against the foregoing provision shall be a misdemeanor and be punished by a fine not exceeding $1,000 or by imprisonment not exceeding one year, or both, at the discretion of the court; and if the offender be an officer or employee of the United States, he shall be dismissed from office or discharged from employment.

The amendment was agreed to.

The reading of the bill was continued to the end of line 4, on page 56, the last clause read being as follows:

If the failure to file a return or list is due to sickness or absence the collector may allow such further time, not exceeding 30 days, for making and filing the return or list as he deems necessary.

Mr. WILLIAMS. On page 56, at the end of line 4, I move to strike out the word "necessary" and to insert the word "proper."

The motion was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 58, after line 7, to insert:

SEC. 19. The collector or deputy collector shall require every return to be verified by the oath of the party rendering it. If the collector or deputy collector have reason to believe that the amount of any income returned it understated, he shall give due notice to the person making the return to show cause why the amount of the return should not be increased, and upon proof of the amount understated may increase the same accordingly.

Mr. WILLIAMS. After the word "accordingly," in line 15, on page 58, in order to perfect the amendment, I offer the amendment to the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment to the amendment proposed by the Senator from Mississippi will be stated.

The SECRETARY. On page 58, at the end of line 15, it is proposed to insert a new paragraph, as follows:

Such person may furnish sworn testimony to prove any relevant facts, and if dissatisfied with the decision of the collector may appeal to the Commissioner of Internal Revenue for his decision under such rules of procedure as may be prescribed by regulation.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 58, after line 16, to insert:

SEC. 20. Nothing in this title shall be construed to release a taxable person from liability for income tax, and any contract hereafter entered into for payment of any interest, rent, or other fixed or determinable annual or periodical payment without allowing any deduction authorized to be made by this title or for the reimbursement of any amount so deducted shall be void.

Mr. SMOOT. Mr. President, I think if the section is permitted to remain as it is in the bill there will be a great injustice done to many of the small purchasers of bonds of different companies in the United States. For instance, take a railroad bond. Under this provision, if a man whose income is less than $3,000, if unmarried, and who is not taxable under the bill, should purchase $500 worth of railroad bonds or of bonds of any other corporation he would not be exempt from the tax upon the interest upon those bonds. It seems to me, Mr. President, that the policy of legislation should be to encourage the small purchaser of bonds issued by public utilities corporations and, I might say, of all corporations. By enabling railroad and other corporations to get their bonds or stock into the hands of small purchasers, I believe we assist the corporations themselves, and it will be better for the country; but under section 20, if it become a part of the bill, if a person not otherwise subject to the provisions of this bill should purchase $500 or $1,000 worth of bonds of any such corporation he would not be exempt from the tax but would have to pay the tax upon the income from that source.

I do not know whether or not the Senator from Mississippi and the committee intended this; but certainly the wording of this amendment as contained in section 20 will have the effect I have indicated. I will ask the Senator from Mississippi, did the committee intend that in cases such as I have called attention to a tax should be imposed, if the income of the purchaser is less than $3,000, if he be an unmarried man?

Mr. WILLIAMS. Mr. President, the committee intended to put the foot of the Federal Government down upon all contracts hereinafter entered into for the purpose of contracting anybody out of the payment of the tax to the Federal Government, whether large or small. The provision is:

And any contract hereafter entered into for payment of any interest, rent, or other fixed or determinable annual or periodical payment without allowing any deduction authorized to be made by this title or for the reimbursement of any amount so deducted shall be void.

Mr. President, it has grown to be a habit with certain corporations, in order to render their bonds attractive, to insert in them a clause that the bond buyer shall be relieved from all taxes; in other words, the corporation contracts to pay the tax, for if the tax is laid by the Federal Government, of course, somebody must pay it. We therefore concluded that, as regards contracts of that sort already made, they having made their bed, they should lie in it; but, as to the future, that no such contract should be made, it being, in our opinion, contrary to public policy for men to attempt to contract themselves out of the payment of taxes.

Mr. SMOOT. Mr. President, of course, under the bill governmental securities—Federal, State, and municipal—are tax free; and in section 13 of the bill, I believe, the securities of farm-loan banks and of farm-loan associations are tax free. Under this provision no part of the issue of a corporation will be tax free, even though the bonds be sold to a private individual who is not subject to the tax imposed by the bill.

Mr. WILLIAMS. Mr. President, when the bonds of the farm-loan associations are made free of tax they are made free of it by the act of the Federal Government, and are not sought to be made free by private contract entered into between two individuals.

Mr. SMOOT. Mr. President, if this provision remains in the bill, governmental securities such as I have mentioned will have a great advantage in the market. It seems to me, under this provision, that wherever a corporation issues its bonds the persons buying the bonds, if they have an income of more than $3,000, if they be unmarried, or $4,000 if married, would be taxed.

Mr. WILLIAMS. That is just what we are trying to do—to keep the corporations hereafter from trying by contract to keep the holders of bonds from making such payments. We are providing that any contract entered into by which they are permitted to make the deduction shall be void.

Mr. SMOOT. If the Senator can read that meaning into the language of the section, I can not do so. It seems to me it is very ambiguous, if what the Senator has stated is what is intended by the section.

Mr. WILLIAMS. The clause is as plain as the nose on a man's face. This is the way it reads:

Any contract hereafter entered into for payment of any interest, rent, or other fixed or determinable annual or periodical payment without allowing any deduction authorized to be made by this title or for the reimbursement of any amount so deducted shall be void.

In other words, when they enter into a contract to the effect that the bondholder is not to pay the tax, but that they will pay it, or that if the purchaser is compelled to pay it that they will reimburse him, that contract is made void.

Mr. SMITH of Georgia. Mr. President, it does not at all affect the exemption which the law gives.

Mr. WILLIAMS. Not at all.

Mr. SMITH of Georgia. If the Senator from Mississippi will pardon me, it simply brings to a stop a system that has existed on the part of certain corporations of issuing bonds and contracting in the issue of the bonds that the corporations themselves will pay all taxes instead of the holders of the bonds paying them.

Mr. WILLIAMS. Or if the holder is compelled to pay them, that they will reimburse him.

Mr. SMITH of Georgia. Yes. It does not mean any change at all is to be had in the $3,000 exemption or in the $4,000 exemption; it leaves that just as it now stands in the law; but it makes illegal contracts by corporations in connection with the issue of bonds to assume the payment of any taxes of any kind hereafter levied upon those bonds by national or governmental organizations.

Mr. WILLIAMS. If the Senator will pardon me just one moment, the word "deduction" in this bill has a technical meaning. It never applies to exemptions. Whenever incomes of $3,000 or $4,000 are referred to they are referred to as exemptions.

Mr. SMOOT. If that is the meaning of this section, of course, I have no particular objection to it; but it does seem to me that if it be construed literally as it reads its effect will be as I have stated.

Mr. SMITH of Georgia. I do not think so at all.

Mr. WILLIAMS. I will say this: After the matter goes to conference, as it necessarily must, if Senators can show the conferees that there is any ambiguity in it, whereby the language does not accomplish the purpose sought, of course, the conferees will be very glad to make it plain; but I do not see any doubt about it.

Mr. THOMAS. That is the language in the present law.

Mr. WILLIAMS. Yes; substantially.

Mr. O'GORMAN. Mr. President, I should like the Senator from Mississippi to indicate what is meant by the first portion of the sentence:

Nothing in this title shall be construed to release a taxable person from liability to income tax.

You have already released by previous provision taxable persons from the income tax, provided their income does not exceed $3,000 in the one case or $4,000 in the other.

Mr. WILLIAMS. This says "a taxable person," and a "taxable person" is defined in the bill itself to be a person, if married, having over $4,000 income and if unmarried having an income over $3,000.

Mr. SMITH of Georgia. It is not intended to interfere with the general rule as to the liability of individuals for taxes on their incomes. That is what it says.

Mr. WILLIAMS. It says "a taxable person."

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 58, line 23, to change the number of the section from "19" to "21."

The amendment was agreed to.

The next amendment was, on page 59, line 4, to change the number of the section from "20" to "22."

The amendment was agreed to.

The next amendment was, on page 59, line 12, to change the number of the section from "21" to "23."

The amendmdent was agreed to.

The next amendment was, on page 59, line 19, to change the number of the section from "22" to "24."

The amendment was agreed to.

The next amendment was, on page 60, line 11, to change the number of the section from "23" to "25."

The amendment was agreed to.

The next amendment was, on page 61, line 1, to change the number of the section from "24" to "26."

The amendment was agreed to.

Mr. OLIVER. Mr. President, before we proceed further with the consideration of the committee amendments I wish to submit a few remarks upon the bill itself. I will not take up a great deal of time. I will say to the Senator in charge of the bill.

Mr. President, I know the necessity which exists to-day for increased governmental revenue, and I am somewhat hesitant about opposing any measure having that purpose in view. I realize the truth of the declaration in the Republican platform that "the Underwood Tariff Act is a complete failure in every respect," and that the emergency measures supplementing it have failed to provide sufficient revenue to satisfy the ever-increasing appetite of the Democratic party for increased expenditures. In addition to the necessity for increased revenues, by reason of the unparalleled extravagance of the Democratic party, there has arisen a need for several hundred millions more on account of the preparedness legislation of the present Congress. For that legislation I voted with the greatest good will, and I, therefore, stand prepared to support any reasonable measure intended to provide the money necessary to carry it out. I feel somewhat tolerant, therefore, toward those members of my party who, after voicing their objections to the bill, reluctantly supported it when it passed the House of Representatives; but my toleration for them does not lead me to follow their example. The measure, in my opinion, is radically and basically wrong. It violates every canon of taxation that has been enunciated since men began to think intelligently upon the subject. Adam Smith's first maxim of taxation is this:

The subjects of every State ought to contribute toward the support of the Government as nearly as possible in proportion to their respective abilities.

Instead of following this maxim this measure is devised so as to reach as few people as possible and in appearance, but not in reality, to leave the great body of our people untaxed. Of course this will not be its ultimate effect. The corporations who are so heavily taxed under this measure will sooner or later pass it on to the passengers who ride on their trains and the customers who buy their products. The banks will demand higher rates of interest from their borrowers. The owners of land and property will add the amount of their increased taxes to the rents they exact from their tenants, and in the end the ultimate consumer will pay the bill.

The Constitution of the United States provides that the Congress shall have power to "lay and collect taxes, duties, imposts, and excises"; but in another section it further declares that "no State shall, without the consent of Congress, lay any imposts or duties on imports or exports, except what may be absolutely necessary for executing its inspection laws"; and in order to emphasize its claim to this exclusive field, it goes on to provide that even in such cases the net proceeds of all such duties and imposts laid by any State on imports and exports shall be for the use of the Treasury of the United States.

The field of customs taxation, therefore, is expressly reserved for the exclusive control of Congress—and it is the only field which is so reserved. All others are open alike to the States and to the Congress. This being the case, it is no more than reasonable to presume that the framers of the Constitution intended that this field should be exhausted before other means of taxation were resorted to. Notwithstanding this plain presumption, this exclusive field is the only one which has been neglected in the framing of this measure. If this plain path, outlined in the Constitution and sanctioned by unbroken precedent, had been followed, it would have been an easy task for the Sixty-third Congress to have provided ample revenues for the ordinary expenditures, and even to have provided to a considerable extent for the preparedness program, without resorting to either the income or the inheritance tax, the first of which, in my opinion, should be reserved for extraordinary emergencies and the second should be left to the several States.

The Constitution, then, having conferred upon Congress the exclusive power to levy customs duties, it might reasonably be supposed that the path of duty thus pointed out would be followed by the framers of revenue legislation until the field was exhausted; but the Democratic party in its blindness decided to abandon this plain path, the one pointed out by the leaders of their own party from the very foundation of the Government, and in the Underwood Tariff Act they set out to explore other and untried fields. This act and the various emergency acts designed to repair its shattered parts having proved dismal failures, one would think that it would be the part of wisdom for them to seek the easiest way out of their troubles by retracing their steps and making at least an attempt to restore their revenue structure by a return to the time-honored policy of their fathers.

But before pursuing this argument to its conclusion let us see what might have happened if the Democratic party on its advent to power in 1913 had been sufficiently wise to let well enough alone and had allowed the Republican tariff act to stand unrepealed.

During the fiscal year ending June 30, 1913, the last year in which the Payne-Aldrich Act was in force, there were imported into the country goods to the value of $1,813,008,234. The revenue derived from these imports was $318,142,344, the average rate of duty on all imports, including the free list, being 17½ per cent.

During the fiscal year just ended June 30 last, the total value of our imports had risen to $2,197,929,982, an increase over 1913 of $384,921,748; but notwithstanding this large increase in value the total customs revenue was only $211,866,222, or 9.6 per cent. Here we have an increase in imports of over $384,000,000 and a decrease in revenue of over $106,000,000.

Now, if the imports of the year just past had paid the same average rates of duty as those which prevailed during the last year in which the Republican tariff was in force, the revenue derived therefrom would have been $384,637,746, exceeding that which was actually received by the enormous sum of $172,771,524.

I ask to have printed as a part of my remarks a table showing the value of imports and the revenue derived therefrom during each month of the fiscal year ending June 30, 1913, and also of the fiscal year ending June 30, 1916.

The PRESIDING OFFICER (Mr. LEWIS in the chair). The Chair hearing no objection, that course will be pursued.

The table referred to is as follows:

Imports and revenue from same.

Month.	Fiscal year ending June 30, 1913.		Fiscal year ending June 30, 1916.	
	Value.	Revenue.	Value.	Revenue.
1912.				
July	$148,660,738	$28,136,502	$143,244,737	$14,985,643
August	154,756,770	30,205,332	141,804,202	15,780,541
September	144,819,493	27,475,128	151,236,026	14,923,640
October	177,987,986	30,216,824	149,172,729	17,306,831
November	153,094,898	25,666,353	155,496,675	17,681,218
December	154,095,444	24,248,161	171,832,505	16,393,087
1913.				
January	163,063,438	29,334,124	184,350,942	15,543,838
February	149,913,918	27,605,116	193,935,117	19,239,535
March	155,445,498	27,457,489	213,589,785	20,984,386
April	146,194,461	23,693,967	218,236,397	18,926,615
May	133,723,713	20,434,749	229,134,097	20,185,495
June	131,245,877	23,668,509	245,896,770	19,915,393
Total	1,813,008,234	318,142,344	2,197,929,982	211,866,222

Mr. OLIVER. But the Payne-Aldrich Act was a protective measure, and it could hardly be expected that the Democratic party, the avowed enemy of protection, would allow it to lie untouched on the statute books; but that measure, as I have said, was a protective measure pure and simple, and while, coupled with other wise measures enacted by Republican Congresses, it provided ample revenues for the Government's uses and a constantly increasing surplus besides, the revenue was merely an incident. Protection was the dominant idea in its construction. If the Democratic party, determined to abandon the protective idea, had adhered to its traditional policy of a tariff for revenue only, it could have framed a measure based exclusively on revenue lines, the collections under which might have even exceeded those under Republican administrations and provided amply even for that career of unparalleled extravagance upon which that party was about to enter, and which it has since pursued with an energy calculated to excite the envy of every spendthrift in the land. As a looker-on it seemed to me then, and it is still more apparent now, that wisdom pointed in this direction, and I firmly believe that if the leaders of that party, or perhaps I should say the leader, for there is but one, had determined upon this course and relied upon direct methods of taxation for only what additional revenues might be required, that party, aided by the adventitious conditions arising out of the European war, would have made itself invincible and would not to-day be confronted with the defeat which so surely awaits it. But with an obstinacy amounting to obsession they sought new and doubtful fields of taxation, always with unfavorable results, and the revenue legislation of the last three years is a constant record of successive failures, each one worse than that which preceded it. And the worst failure of all will be the measure now under discussion.

In view of these failures I have sometimes wondered why our versatile President has not changed his mind on this subject, as he has on almost every other since the ambition to be President took possession of him. And speaking of presidential changes of mind, I want to digress a little and read an editorial written several months ago by a gifted man, who is now dead, and which could be supplemented by reciting several other changes that have occurred since that time:

[Friday, Jan. 28, 1916.]

MR. WILSON'S CHANGE OF MIND.

In his letter to Chairman KITCHIN of the Ways and Means Committee of the House, explaining why he desires a tariff commission whereas previously he was in opposition to such an instrumentality, President Wilson makes these two statements:

"I have changed my mind because all the circumstances of the world have changed.

"I have had in this change of mind no thought whatever of a change of attitude toward the so-called protection question."

No doubt Mr. Wilson will be applauded by many both for having changed his mind and for having the courage to say so. There is nothing remarkable or essentially discreditable in changing one's mind. That is particularly the privilege of the great. "To change thy mind and to follow him that sets thee right is to be none the less the free agent that thou wast before." Hence there is no occasion for cavil at the President's course in this instance.

Mr. Wilson, however, by his changes of mind inevitably raises doubts in the public mind as to his sources of information, the processes of his reasoning, the maturity of his judgment, and the wisdom of his actions. When people find him on both sides of the same question within a comparatively short period, is there any more ground to apprehend that his second position represents the last word than there was to accept his first position as sound?

Mr. Wilson was elected on a platform which said:

"We favor the exemption from tolls of American ships engaged in coastwise trade passing through the Panama Canal. Our pledges are made to be kept when in office as well as relied upon during the campaign."

Yet, no sooner was Mr. Wilson President than he said to Congress: "I have changed my mind." And he induced that body to repeal the exemption clause in the canal act.

Mr. Wilson opened the last session of the Sixty-third Congress by declaring that new measures of national defense were unnecessary, and practically ridiculed all preparedness talk. A year later he opened the first session of the Sixty-fourth Congress by saying, "I have changed my mind," and presenting a formidable program of defense.

At Philadelphia last May 10, speaking to newly naturalized citizens, the President said:

"There is such a thing as a man being too proud to fight. There is such a thing as a nation being so right that it does not need to convince others by force that it is right."

Yesterday, in New York, addressing 2,000 clergymen, Mr. Wilson, having changed his language if not his mind, said:

"I welcome the acceptance of a challenge to fight. I know that the best purpose will prevail. Peace does not mean inaction. There may be infinite—almost violent—activity."

Mr. Wilson told his audience at Indianapolis, January 8, 1915, that the Federal Trade Commission had authority to do what was then being urged for a tariff commission. He hinted that the "scientific" handling of the tariff, as proposed by some, would be "to put additional profits into the hands of those who are already getting the greater part of the profits." This he denounced as the "science of selfishness" and the "science of privilege." Now he writes, "I have changed my mind," and we must have a tariff commission wholly divorced from the Federal Trade Commission.

Mr. Wilson wrote, on April 29, 1907, to A. H. Joline:

"Would that we could do something, at once dignified and effective, to knock Mr. Bryan once for all into a cocked hat."

But on March 4, 1913, President Wilson said, "I have changed my mind," and Mr. Bryan became Secretary of State.

Mr. Wilson, as President, addressing Congress early in his term, said:

"I shall follow the best practice of nations in the matter of neutrality by forbidding the exportation of arms and munitions of war of any kind from the United States to any part of the Republic of Mexico. We can not be the partisans of any party to the contest that now distracts Mexico or constitute ourselves the virtual umpire between them."

Not much later on he protested, "I have changed my mind," and disregarded every feature of this implied pledge to Congress. He lifted the embargo on arms, he became a partisan of one faction, and he constituted himself "the virtual umpire" between rival parties in Mexico.

If the public is puzzled to know just when to follow the President, it is his own fault. He is equally positive in his position on identical problems before and after changing his mind. When he says, therefore, that he has "no thought whatever of a change of attitude toward the so-called protection question" let us not despair. For, after all, the reflection may not be on protection. That principle will endure whether Mr. Wilson changes his mind or not, and the chances are that he will be forced to recognize the necessity of protective measures before his term expires.

I recall still another incident of a most remarkable change of mind on the part of this distinguished gentleman which I can not refrain from alluding to. Some months ago the amiable and stalwart senior Senator from Kentucky, Mr. JAMES, went to New York to address a meeting of American citizens of Hungarian birth, and at the outset of his address he read the following telegram from President Wilson:

May I not send my warmest greetings to the meeting, and will you not express for me my very deep and sincere confidence in the entire loyalty and patriotism of the great body of our fellow citizens who have strengthened and enriched America by adding their energy to our own out of the nations which have joined their stocks to make a great America?

This telegram, like all the President's utterances, is happily phrased, and it reads like the language of a man whose heart is filled nigh to bursting with sympathy for these American citizens of Hungarian birth, every one of them having a vote which he hopes to secure; but I appeal from "Philip drunk to Philip sober," from Woodrow the President, candidate for the suffrages of all men of whatever sort, to Woodrow the historian and student, seated in the recesses of his library, his mind unclouded by ambitious visions, and his calm judgment unwarped by political aspirations. I have here a very interesting book. It is entitled "A History of the American People, by Woodrow Wilson, Ph. D., Litt. D., LL. D., President of Princeton University." It was published in 1902. I read from volume 5, page 212, of that work:

The census of 1890 showed the population of the country increased to 62,622,250, an addition of 12,466,467 within the decade. Immigrants poured steadily in as before, but with an alteration of stock which students of affairs marked with uneasiness. Throughout the century men of the sturdy stocks of the north of Europe had made up the main strain of foreign blood which was every year added to the vital working force of the country, or else men of the Latin-Gallic stocks of France and northern Italy; but now there came multitudes of men of the lowest class from the south of Italy and men of the meaner sort out of Hungary and Poland, men out of the ranks where there was neither skill nor energy nor any initiative of quick intelligence; and they came in numbers which increased from year to year, as if the countries of the south of Europe were disburdening themselves of the more sordid and hapless elements of their population, the men whose standards of life and of work were such as American workmen had never dreamed of hitherto. The people of the Pacific coast had clamored these many years against the admission of immigrants out of China, and in May, 1892, got at last what they wanted, a Federal statute which practically excluded from the United States all Chinese who had not already acquired the right of residence; and yet the Chinese were more to be desired as workmen if not as citizens, than most of the coarse crew that came crowding in every year at the eastern ports.

It will be seen, therefore, that in 1902 Dr. Wilson expressed in plain words his opinion that these "men of the meaner sort" out of Hungary were possessed neither of skill nor energy, and it would seem to be an enigma how in 1916 these men or their sons could "enrich America by adding their energy to our own" or "join their stocks to our own to make a great America." Is it not allowed to one to have some doubt as to which of these utterances expresses the real inside opinion of our changeable President about the sons of Hungary and Poland?

It is not my intention to discuss this bill at length. I will only allude briefly to one or two of its salient and most objectionable features. Let me premise by saying that I am not opposed to either the income tax or the inheritance tax. One of my earliest votes as a Senator was in favor of the constitutional amendment authorizing Congress to impose an income tax, but I have always held that this method of taxation should be reserved for emergencies, and if the income-tax features of this bill were intended merely to provide funds for the emergency arising from the preparedness program I would not withhold my support from it; but it is not so intended, and I can not support it. The trouble with this bill is that it aims to extort as large an amount of money as possible out of the pockets of as few people as possible. In that respect it is essentially unjust. It is not conceived in honesty of purpose. No party, I had almost said no government, can long endure whose legislation is based upon unjust principles or which aims to punish any one class of its citizens or to unduly favor any other. This bill goes to the limit in that respect. It aims to make a few people bear the entire expense of running the Government and to exempt at least nine-tenths of our citizenship from contributing anything. It is an injustice to those whom it aims to punish and an insult to those whom it aims to favor. I have said that no government can long endure whose legislation is based upon injustice. I will go further and say that no democracy, such as ours, can possibly endure unless its legislation is so framed that each one of its citizens shall contribute something to the funds necessary for its maintenance. Did you ever hear of a prosperous church where one or two of its rich members bore the entire expense of its maintenance? Such churches invariably fall into desuetude and decay. Why is it that clubs and labor organizations and mutual-benefit societies and secret societies are prosperous while many churches wane? It is because everyone connected with these different organizations carries his proper and legitimate share of the common burden, and feeling that he does so contribute his share, he takes a proportionate interest in its doings. So it is with our citizenship. The citizen who pays his way will take an interest in the affairs of his country and will be a better man and a better citizen for doing so. I am opposed to the proposed income-tax provision, because it deprives the greater part of our people who are able to do so from contributing some share toward the maintenance of our Government.

If I had the framing of an income-tax law, admitting it to be necessary, I would provide for the payment of a small income tax—say, 1 per cent—upon all incomes ranging from $1,000 to $4,000, and the only reason why I would exempt those lower than $1,000 is because it would cost more to collect these small sums than the returns would justify. Under this provision the man who has an income of $1,500 per year would contribute $5 and the man whose income is $4,000 a year would contribute $30 toward his country's support, and I do not believe that any one of these men would begrudge the money. The fact is that the average man does not object to paying taxes as long as he thinks the money will be wisely spent. And this leads me to another line of thought.

In pursuing this theory or this practice of compelling the few to bear the entire expense of government you are debasing the electorate and paving the way for unwarranted extravagance. If the average citizen is relieved from bearing any share in the expenses of government, he will be far less likely to scrutinize the acts of his representatives than he would be if he were asked to bear some part of the burden, no matter how small. Few men are proof against the temptation to favor large expenditures if they think that the money comes from some other man's pocket. They are not farsighted enough to perceive that, no matter who the direct taxpayer may be, the burden is eventually distributed upon the rank and file of the people. The effect, therefore, of this effort to collect the great bulk of our revenues from the smallest possible part of the voting population is to serve notice upon all those who are thus released from contribution that the burdens of government will hereafter be borne by others than themselves. It is a direct bid for their votes, and in its effect it is bribery just as clearly as if your campaign committee would openly start out to buy voters at so much per head. It was framed for that purpose, and it is intended to accomplish the same result. I have confidence enough in the inherent honesty of the great mass of our common people to believe that it will not accomplish the result which is so plainly intended.

Mr. President, this Government was founded upon a protest against taxation without representation. I now submit that representation without taxation is an evil to be avoided with equal diligence. If this bill now before us embodies any principle whatever, it is the principle of representation without taxation.

Let us now pass to that section of the bill which provides for a tax on inheritances, otherwise called death duties. I have no objection whatever to an inheritance tax as such, and if Congress were the only tax-levying power in the country, and our governmental system were not involved as it is by the conflicting interests arising from our State and municipal divisions, I would favor this provision.

One of the greatest evils of our day is the accumulation of great fortunes in few hands and the passing on of these fortunes, constantly accumulating, from one generation to another. I am, therefore, in favor of such legislation, progressive and cumulative, if necessary, as will render inconvenient, if not impossible, the constant increase of these great estates. But I believe that this method of taxation, wise enough in itself, is one from which the National Government should stand aloof and leave to be exercised by the several States. The great State which I represent has a collateral inheritance tax law which has been in operation for 90 years. It has not yet entered upon the domain of direct inheritance, but the constantly expanding needs of its people will soon compel it to do so, for our schools, our highways, our charities, and our other activities designed to increase the comfort and care for the welfare of our people are constantly crying out for more money, and the framers of our State constitution, in their wisdom, forbade the legislature to create any bonded indebtedness except in case of war or other emergency. The field of direct inheritances is the only one that is open to us, for we have taxed our corporations to the limit, and you are proposing to add to this by a double and in some cases treble tax upon such organizations under this proposed legislation. Other States, all others I may say, are in the same condition as Pennsylvania. Like the proverbial dog in the manger, while refusing to occupy fully the field of customs taxation, from which the States are debarred by the express provisions of the Constitution, you are invading all other fields through which the State governments can hope to obtain the funds necessary to sustain their legitimate activities. How can you defend such a course?

Mr. President, I will not take the time of the Senate to point out in detail the manifold crudities and inequities of this measure. Like the devils of Holy Writ, their name is legion. They swarm in every paragraph of the bill. They are inherent in

its structure by reason of the fallacious theory upon which it is built, and the only way to drive them out would be through its entire reconstruction. That can not be expected at the hands of the present Congress. We can only hope that its life will be a short one and that the people in November will visit upon it and upon the party responsible for it the condemnation they so richly deserve.

The PRESIDING OFFICER (Mr. CURTIS in the chair). The Secretary will continue the reading of the bill. Without objection, the Secretary will be authorized to change the numbers of sections.

Mr. THOMAS. Mr. President, may I inquire whether amendments to the inheritance tax are now in order?

The PRESIDING OFFICER. Not to the House text.

Mr. THOMAS. Not at present? Very well.

Mr. SMOOT. Mr. President, I understood the Senator from Mississippi, who has the bill in charge——

Mr. THOMAS. I have sent for the Senator from Mississippi.

Mr. SMOOT. I understood the Senator to say that he would like to finish the income-tax portion of the bill, so far as the committee amendments are concerned, before proceeding with any other subject matter of the bill.

Mr. THOMAS. I presume that is so. The Senator from Mississippi will be here in just a moment. If the Senator has any amendments to suggest to the committee amendments, I think the Senator from Mississippi will be here by the time they are presented.

Mr. JONES. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Brady	James	Overman	Smith, Md.
Chilton	Jones	Penrose	Smith, S. C.
Clarke, Ark.	Kern	Phelan	Smoot
Cummins	Lane	Pittman	Sterling
Curtis	Lea, Tenn.	Pomerene	Stone
Dillingham	Lewis	Ransdell	Thomas
Gallinger	Martin, Va.	Saulsbury	Thompson
Harding	Martine, N. J.	Shafroth	Underwood
Hardwick	Myers	Sheppard	Vardaman
Hitchcock	Nelson	Sherman	Warren
Hughes	O'Gorman	Simmons	Weeks
Husting	Oliver	Smith, Ga.	Williams

The PRESIDING OFFICER. Forty-eight Senators have answered to their names. A quorum is present. The reading of the bill will be continued.

Mr. CLARKE of Arkansas. Mr. President, I do not know whether or not this is the proper time to make the reservation, but I will make it notwithstanding. When the bill reaches the Senate I shall ask a separate vote on the new matter inserted from line 12 to line 17 on page 6, and other related amendments on the same general subject.

The reading of the bill was continued. The next amendment of the Committee on Finance was, under the head of "Title II—estate tax," on page 61, line 8, to change the number of the section from "100" to "27."

The amendment was agreed to.

The next amendment was, on page 62, line 1, to change the number of the section from "101" to "28," and in line 5, after the word "decedent," to insert "dying after the passage of this act," so as to make the clause read:

SEC. 28. That a tax (hereinafter in this title referred to as the tax), equal to the following percentages of the value of the net estate, to be determined as provided in section 103, is hereby imposed upon the transfer of the net estate of every decedent, dying after the passage of this act, whether a resident or nonresident of the United States.

The amendment was agreed to.

The next amendment was, on page 62, line 15, after the numerals "$450,000," to strike out "and," so as to make the clause read:

Four per cent of the amount by which such net estate exceeds $250,000 and does not exceed $450,000.

The amendment was agreed to.

The next amendment was, on page 62, line 17, after the numerals "$450,000" to insert "and does not exceed $1,000,000," so as to make the clause read:

Five per cent of the amount by which such net estate exceeds $450,000 and does not exceed $1,000,000.

The amendment was agreed to.

The next amendment was, on page 62, after line 17, to insert:

Six per cent of the amount by which such net estate exceeds $1,000,000 and does not exceed $2,000,000.

The amendment was agreed to.

The next amendment was, on page 62, after line 19, to insert:

Seven per cent of the amount by which such net estate exceeds $2,000,000 and does not exceed $3,000,000.

The amendment was agreed to.

The next amendment was, on page 62, after line 21, to insert:

Eight per cent of the amount by which such net estate exceeds $3,000,000 and does not exceed $4,000,000.

The amendment was agreed to.

The next amendment was, on page 62, after line 23, to insert:

Nine per cent of the amount by which such net estate exceeds $4,000,000 and does not exceed $5,000,000; and.

The amendment was agreed to.

The next amendment was, at the top of page 63, to insert:

Ten per cent of the amount by which such net estate exceeds $5,000,000.

The amendment was agreed to.

The next amendment was, on page 63, line 3, to change the number of the section from "102" to "29."

The amendment was agreed to.

The next amendment was, on page 63, line 9, after the word "expenses," to strike out "value of his entire gross estate, wherever situated. But no," and insert "of its administration and is subject to distribution as part of his estate," so as to make the clause read:

(a) To the extent of the interest therein of the decedent at the time of his death which after his death is subject to the payment of the charges against his estate and the expenses of its administration and is subject to distribution as part of his estate.

The amendment was agreed to.

The next amendment was, on page 63, line 17, after the word "fair," to strike out "and adequate," and in line 21, before the word "years," to strike out "four" and insert "two," so as to make the clause read:

(b) To the extent of any interest therein of which the decedent has at any time made a transfer, or with respect to which he has created a trust, in contemplation of or intended to take effect in possession or enjoyment at or after his death, except in case of a bona fide sale for a fair consideration in money or money's worth. Any transfer of a material part of his property in the nature of a final disposition or distribution thereof, made by the decedent within two years prior to his death, without such a consideration, shall, unless shown to the contrary, be deemed to have been made in contemplation of death within the meaning of this title; and.

The amendment was agreed to.

The next amendment was, on page 64, line 17, to change the number of the section from "103" to "30"; in line 25, after the word "when," to insert "such losses are"; and on page 65, line 2, after the word "and," to insert the word "such," so as to make the clause read:

SEC. 30. That for the purpose of the tax the value of the net estate shall be determined—

(a) In the case of a resident, by deducting from the value of the gross estate—

(1) Such amounts for funeral expenses, administration expenses, claims against the estate, unpaid mortgages, losses incurred during the settlement of the estate arising from fires, storms, shipwreck, or other casualty, and from theft, when such losses are not compensated for by insurance or otherwise, support during the settlement of the estate of those dependent upon the decedent, and such other charges against the estate as are allowed by the laws of the jurisdiction, whether within or without the United States, under which the estate is being administered.

The amendment was agreed to.

The next amendment was, on page 65, line 18, to change the number of the section from "104" to "31," and on page 66, line 5, after the words "from the," to insert "expiration of one year after the," so as to make the clause read:

SEC. 31. That the tax shall be due one year after the decedent's death. If the tax is paid before it is due a discount at the rate of 5 per cent per annum, calculated from the time payment is made to the date when the tax is due, shall be deducted. If the tax is not paid within 90 days after it is due interest at the rate of 10 per cent per annum from the time of the decedent's death shall be added as part of the tax, unless because of claims against the estate, necessary litigation, or other unavoidable delay the collector finds that the tax can not be determined, in which case the interest shall be at the rate of 6 per cent per annum from the expiration of one year after the time of the decedent's death until the cause of such delay is removed, and thereafter at the rate of 10 per cent per annum. Litigation to defeat the payment of the tax shall not be deemed necessary litigation.

The amendment was agreed to.

The next amendment was, on page 66, line 10, to change the number of the section from "105" to "32," and in line 24, after the word "ascertainable," to strike out "If there is no net estate subject to the tax, no notice or return shall be required" and insert "and such supplemental data as may be necessary to establish the correct tax," so as to make the clause read:

SEC. 32. That the executor, within 30 days after qualifying as such or after coming into possession of any property of the decedent, whichever event first occurs, shall give written notice thereof to the collector. The executor shall also, at such times and in such manner as may be required by the regulations made under this title, file with the collector a return under oath in duplicate, setting forth (a) the value of the gross estate of the decedent at the time of his death, or, in case of a nonresident, of that part of his gross estate situated in the United States; (b) the deductions allowed under section 103; (c) the value of the net estate of the decedent as defined in section 103; and (d) the tax paid or payable thereon; or such part of such information as may at

the time be ascertainable, and such supplemental data as may be necessary to establish the correct tax.

The amendment was agreed to.

The next amendment was, on page 67, after line 2, to insert:

Return shall be made in all cases where the gross estate at the death of the decedent exceeds $50,000, and in the case of the estate of every nonresident any part of whose gross estate is situated in the United States. If the executor is unable to make a complete return as to any part of the gross estate of the decedent, he shall include in his return a description of such part and the name of every person holding a legal or beneficial interest therein, and upon notice from the collector such person shall in like manner make a return as to such part of the gross estate. The Commissioner of Internal Revenue shall make all assessments of the tax under the authority of existing adminstrative special and general provisions of law relating to the assessment and collection of taxes.

The amendment was agreed to.

The next amendment was, on page 67, line 17, to change the number of the section from "106" to "33."

The amendment was agreed to.

The next amendment was, on page 67, line 23, to change the number of the section from "107" to "34," and on page 68, line 14, after the word "fair," to strike out "and adequate," so as to make the clause read:

SEC. 34. That the executor shall pay the tax to the collector or deputy collector. If for any reason the amount of the tax can not be determined, the payment of a sum of money sufficient, in the opinion of the collector, to discharge the tax shall be deemed payment in full of the tax, except as in this section otherwise provided. If the amount so paid exceeds the amount of the tax as finally determined, the Commissioner of Internal Revenue shall refund such excess to the executor. If the amount of the tax as finally determined exceeds the amount so paid the commissioner shall notify the executor of the amount of such excess. From the time of such notification to the time of the final payment of such excess part of the tax, interest shall be added thereto at the rate of 10 per cent per annum, and the amount of such excess shall be a lien upon the entire gross estate, except such part thereof as may have been sold to a bona fide purchaser for a fair consideration in money or money's worth.

The amendment was agreed to.

The next amendment was, on page 68, line 21, to change the number of the section from "108" to "35," and on page 69, line 7, after the word "thereto," to insert "If the tax or any part thereof is paid by, or collected out of that part of the estate passing to or in the possession of, any person other than the executor in his capacity as such, such person shall be entitled to reimbursement out of any part of the estate still undistributed or by a just and equitable contribution by the persons whose interest in the estate of the decedent would have been reduced if the tax had been paid before the distribution of the estate or whose interest is subject to equal or prior liability for the payment of taxes, debts, or other charges against the estate, it being the purpose and intent of this title that so far as is practicable and unless otherwise directed by the will of the decedent the tax shall be paid out of the estate before its distribution," so as to make the clause read:

SEC. 35. That if the tax herein imposed is not paid within 60 days after it is due, the collector shall, unless there is reasonable cause for further delay, commence appropriate proceedings in any court of the United States, in the name of the United States, to subject the property of the decedent to be sold under the judgment or decree of the court. From the proceeds of such sale the amount of the tax, together with the costs and expenses of every description to be allowed by the court, shall be first paid, and the balance shall be deposited according to the order of the court, to be paid under its direction to the person entitled thereto. If the tax or any part thereof is paid by, or collected out of that part of the estate passing to or in the possession of, any person other than the executor in his capacity as such, such person shall be entitled to reimbursement out of any part of the estate still undistributed or by a just and equitable contribution by the persons whose interest in the estate of the decedent would have been reduced if the tax had been paid before the distribution of the estate or whose interest is subject to equal or prior liability for the payment of taxes, debts, or other charges against the estate, it being the purpose and intent of this title that so far as is practicable and unless otherwise directed by the will of the decedent the tax shall be paid out of the estate before its distribution.

The amendment was agreed to.

The next amendment was, on page 69, line 20, to change the number of the section from "109" to "36."

The amendment was agreed to.

The next amendment was, on page 70, line 4, before the word "fair," to insert "a"; in the same line, after the word "fair," to strike out "and adequate"; in line 11, before the word "fair," to insert "a"; in the same line, after the word "fair," to strike out "and adequate"; and in line 15, after the word "fair," to strike out "and adequate," so as to make the clause read:

If the decedent makes a transfer of, or creates a trust with respect to, any property in contemplation of or intended to take effect in possession or enjoyment at or after his death (except in the case of a bona fide sale for a fair consideration in money or money's worth) and if the tax in respect thereto is not paid when due, the transferee or trustee shall be personally liable for such tax, and such property, to the extent of the decedent's interest therein at the time of such transfer, shall be subject to a like lien equal to the amount of such tax. Any part of such property sold by such transferee or trustee to a bona fide purchaser for a fair consideration in money or money's worth shall be divested of the lien and a like lien shall then attach to all the property of such transferee or trustee, except any part sold to a bona fide purchaser for a fair consideration in money or money's worth.

The amendment was agreed to.

The next amendment was, on page 70, line 17, to change the number of the section from "110" to "37."

The amendment was agreed to.

The next amendment was, on page 71, line 8, to change the number of the section from "111" to "38."

The amendment was agreed to.

The next amendment was, on page 71, line 13, to change the number of the section from "112" to "39."

The amendment was agreed to.

The reading was continued to line 17 on page 71.

Mr. THOMAS. I ask that the third title of the bill may go over until to-morrow. I have requested some information in regard to important features of that title, which I have not yet received, but which I expect some time between now and to-morrow.

Mr. SIMMONS. I see no objection to that course.

The PRESIDING OFFICER (Mr. LEWIS in the chair). Does the Chair hear that there is any objection to the request of the Senator from Colorado?

Mr. UNDERWOOD. Mr. President——

Mr. WILLIAMS. Before that agreement is entered into, on page 61, line 6, after the word "title," I wish to strike out the period and insert a colon and the following language:

Provided, That this section shall not conflict with that portion of section 10 of this title under which a taxpayer has fixed its own fiscal year.

In explanation I want to say that the Treasury Department brought to our attention that those corporations which have fixed their own fiscal year are in many instances making a return of the income for a portion of the year 1915 and will be doing so during the larger portion of the year 1916, and unless the amendment is inserted they might escape payment of the tax under the 2 per cent rate prescribed by the pending bill as to that portion of their income for 1916 embraced in their return for that fiscal year commencing back in 1915. The purpose of the provision on page 61 was to protect those taxpayers who had made return of incomes for the calendar year 1915 and paid taxes on the same against the payment of any further tax on those portions of their income which had accrued in 1915 and return made and tax paid on it, but which was not received until 1916.

I ask for the adoption of that amendment.

The PRESIDING OFFICER. The Chair hearing no objection, the same is adopted. The Senator from Alabama [Mr. UNDERWOOD] addressed the Chair.

Mr. UNDERWOOD. I do not desire to interpose an objection to the request of the Senator from Colorado in reference to the third title of the bill going over, but there are some items in that title in which a number of Senators are interested who have been waiting here to vote on them. I will ask the Senator from Colorado if he can not fix it so that it shall go over and be taken up at 11 o'clock to-morrow morning.

Mr. THOMAS. As far as it is within my power to do it I will consent.

Mr. UNDERWOOD. I will ask the Senator to modify his request to that extent.

Mr. THOMAS. I will do that. I ask that the third title may go over until to-morrow at 11 o'clock.

The PRESIDING OFFICER. The request of the Senator from Colorado is that Title III may go over until to-morrow at 11 o'clock.

Mr. WILLIAMS. Before leaving the schedule of which I had charge there is another amendment which was adopted by the committee which I desire to have inserted. It comes in on page 50, after line 25. It was handed me as the chairman of the subcommittee. I ask that it be read and that it be adopted. It was sent here by the Treasury Department.

The PRESIDING OFFICER. The Secretary will read the amendment.

The SECRETARY. On page 50, after line 25, insert:

(d) That section 3225 of the Revised Statutes of the United States be, and the same are hereby, amended so as to read as follows:

"SEC. 3225. When a second assessment is made in case of any list, statement, or return, which in the opinion of the collector or deputy collector was false or fraudulent, or contained any understatement or undervaluation, no tax collected under such assessment shall be recovered by any suit unless it is proved that the said list, statement, or return was not false nor fraudulent and did not contain any understatement or undervaluation; but the last clause of this section shall not apply to statements or returns made or to be made in good faith under the laws of the United States regarding annual depreciation of oil or gas wells, mines, and timberlands."

The PRESIDING OFFICER. The Chair hearing no objection, the amendment is agreed to.

Mr. OLIVER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Pennsylvania desire to address himself to the amendment tendered by the Senator from Mississippi?

Mr. OLIVER. I do.

The PRESIDING OFFICER. The Chair recognizes the Senator from Pennsylvania.

Mr. OLIVER. I do not clearly understand the amendment, and I suggest that it go over until to-morrow. I do not know that I shall have any objection to it.

Mr. WILLIAMS. The Senator misunderstands the amendment. Upon the contrary, it will do just what I think he wishes to do in connection with oil and gas wells. Very frequently the return is a matter of estimate, and yet these people upon a mere estimate might be subjected to these serious penalties. So we provide that when the second return is made the penalties for an erroneous statement in the first shall not be visited upon them.

Mr. OLIVER. Except in cases of fraud.

Mr. WILLIAMS. Of course.

Mr. OLIVER. I withdraw my objection.

The PRESIDING OFFICER. The objection having been withdrawn, the amendment is adopted.

Mr. VARDAMAN. I wish to ask if the request of the Senator from Colorado that the third title of the bill treating of munitions manufacturers, embracing the entire subject matter, shall go over until 11 o'clock to-morrow was agreed to.

Mr. THOMAS. Yes; that is my understanding. That was my request, that the entire title should go over.

Mr. VARDAMAN. The entire subdivision.

Mr. THOMAS. Yes.

The PRESIDING OFFICER. Does the Chair hear any objection? The Chair hearing none, it is agreed to.

Mr. SIMMONS. Mr. President, the next title of the bill is Title IV, Miscellaneous taxes, on page 84. That title deals largely with wine taxes. The Senator from New Jersey [Mr. HUGHES], who is a member of the subcommittee having charge of that title of the bill, will take charge of it for the purpose of amending it.

The PRESIDING OFFICER. The Chair recognizes the statement of the Senator from North Carolina, and most gladly welcomes the Senator from New Jersey.

The Secretary resumed the reading of the bill, on page 84, line 10.

The next amendment was, under the head of "Title IV, Miscellaneous taxes," on page 84, line 11, to change the number of the section from "300" to "52."

The amendment was agreed to.

The next amendment was, on page 84, after line 20, to insert:

SEC. 53. That wine within the meaning of this act as well as within the meaning of the food and drugs act of June 30, 1906 (34 Stat. L., 768), shall be deemed to be the product made from the normal alcoholic fermentation of the juice of sound, ripe grapes without addition or abstraction, except such as may occur in the usual cellar treatment of clarifying and aging: *Provided, however,* That the product made from the juice of sound, ripe grapes by complete fermentation of the must under proper cellar treatment and corrected by the addition (under the supervision of a gauger or storekeeper-gauger in the capacity of gauger) of a solution of water and commercially pure cane, beet, or dextrose sugar to the must or to the wine; when such addition shall not increase the volume more than 35 per cent, so that the resultant product does not contain less than five parts per thousand of acid before fermentation and not more than 13 per cent of alcohol after complete fermentation, shall also be deemed to be wine within the meaning of this act and within the meaning of the food and drugs act of June 30, 1906, aforesaid, and may be labeled, transported, and sold under the unqualified name of "wine," or may be qualified by the name of its particular type or variety or locality where produced: *And provided further,* That wine as defined in this section may be sweetened with cane sugar or beet sugar or pure condensed grape must and fortified under the provisions of this act, and wines so sweetened or fortified shall be considered sweet wine within the meaning of this act, as well as within the meaning of the food and drugs act of June 30, 1906, aforesaid: *Provided further,* That the product made from the juice of sound, ripe grapes by complete fermentation of the must under proper cellar treatment may be corrected by the addition (under the supervision of a gauger or storekeeper-gauger in the capacity of gauger) of a solution of water and commercially pure cane, beet, or dextrose sugar to the must or to the wine in excess of 35 per cent of the volume, so that the resultant product does not contain less than five parts per thousand of acid before fermentation and not more than 13 per cent of alcohol after complete fermentation; such product, however, shall be labeled under the direction of the Department of Agriculture and shall be taxable at the same rate as other wines defined in this section.

All laws and parts of laws in conflict with this section are hereby repealed, and all executive officials whose duty it may be to execute or enforce the provisions of this section shall conform their regulations and directions to said provisions.

Mr. HUGHES. I desire to offer a substitute on the part of the committee in lieu of the amendment proposed by the committee.

The PRESIDING OFFICER. It will be read.

The SECRETARY. In lieu of the amendment proposed by the committee insert the following:

SEC. 53. That natural wine within the meaning of this act shall be deemed to be the product made from the normal alcoholic fermentation of the juice of sound, ripe grapes, without addition or abstraction, except such as may occur in the usual cellar treatment of clarifying and aging: *Provided, however,* That the product made from the juice of sound, ripe grapes by complete fermentation of the must under proper cellar treatment and corrected by the addition (under the supervision of a gauger or storekeeper-gauger in the capacity of gauger) of a solution of water and pure cane, beet, or dextrose sugar (containing, respectively, not less than 95 per cent of actual sugar, calculated on a dry basis) to the must or to the wine, to correct natural deficiencies, when such addition shall not increase the volume more than 35 per cent, and the resultant product does not contain less than five parts per thousand of acid before fermentation and not more than 13 per cent of alcohol after complete fermentation, shall be deemed to be wine within the meaning of this act, and may be labeled, transported, and sold as "wine," qualified by the name of the locality where produced, and may be further qualified by the name of its own particular type or variety: *And provided further,* That wine as defined in this section may be sweetened with cane sugar or beet sugar or pure condensed grape must and fortified under the provisions of this act, and wines so sweetened or fortified shall be considered sweet wine within the meaning of this act: *Provided further,* That the product made from the juice of sound, ripe grapes by complete fermentation of the must under proper cellar treatment may be corrected by the addition (under the supervision of a gauger or storekeeper-gauger in the capacity of gauger) of a solution of water and pure cane, beet, or dextrose sugar (containing, respectively, not less than 95 per cent of actual sugar, calculated on a dry basis) to the must or to the wine in excess of 35 per cent of the volume, so that the resultant product does not contain less than five parts per thousand of acid before fermentation and not more than 13 per cent of alcohol after complete fermentation; such product, however, shall be designated as "ameliorated wine" and labeled so as to show the extent of amelioration and shall be taxable at the same rate as other wines defined in this section.

All laws and parts of laws in conflict with this section are hereby repealed, and all executive officials whose duty it may be to execute or enforce the provisions of this section shall conform their regulations and directions to said provisions.

Mr. PHELAN. Mr. President, I have just heard the reading of the amendment as a substitute by the Senator in charge of the wine schedule of the revenue bill. I should like to have read a letter which I understand was received by the Finance Committee from the Secretary of Agriculture on last Saturday. I have just sent to the Finance Committee for it. I have not had an opportunity to read it, and I should like to see its contents. I am sure that it will be illuminating to the Senate.

The PRESIDING OFFICER. Does the Senator request that the Secretary read the letter?

Mr. PHELAN. I do.

The PRESIDING OFFICER. The Chair hears no objection, and it will be read.

The Secretary read as follows:

DEPARTMENT OF AGRICULTURE,
Washington, August 26, 1916.

Hon. F. M. SIMMONS,
Chairman Committee on Finance,
United States Senate.

DEAR SENATOR SIMMONS: On August 21, 1916, the department communicated to you its views regarding the amendment to section 53 of H. R. 16763, "An act to increase the revenue, and for other purposes." Since that letter was transmitted the department's attention has been called to the amendment (copy inclosed) intended to be proposed by Senator PHELAN to H. R. 16763, and the following statement is made regarding it for the information of the committee.

The part of the amendment in which this department is especially interested is that part beginning on page 2, line 3, which is aimed at section 53 of the act as reported to the Senate by the Committee on Finance.

Senator PHELAN'S amendment, it is believed, is intended to accomplish the same objects as the amendment suggested by the department, but the department regards it as doubtful whether Senator PHELAN'S amendment makes a clear distinction between pure wines and those which are modified by water. Further, the language used in specifying the standard of purity for sugar which may be used in modifying wines seems to be somewhat ambiguous. The department regards it as desirable that the standard of purity for sugar which may be used shall be specified, and incloses a revision of the amendment submitted with its letter of August 21, 1916, in which a standard of purity for sugar used in modifying wines is specified. If this amendment as revised is adopted, section 53 in the opinion of the department will be not open to objection under the Federal food and drugs act.

Senator PHELAN'S amendment differs in some details from the amendment suggested by the department. For example, it provides that when a sugar solution is added the resultant product shall not contain less than six parts per mill of natural free acid, whereas the limit suggested by the department is five parts per thousand. It is not regarded as material for the purposes of the food and drugs act, whether the limit of natural free acid in modified wines is fixed at five or six parts per thousand.

Senator PHELAN'S amendment contains certain provisions which are not included in the amendment suggested by the department. It limits the amount of sweetening which may be used in fortified wines to 10 per cent and prescribes that the fortification of wines authorized in the section shall be permitted only on premises where said wines are made. Your attention is invited to the fact that section 43 in section 54 of H. R. 16753, as reported to the Senate by the Committee on Finance, page 92, limits the amount of sugar which can be added for sweetening purposes to 11 per cent and provides, further, that the addition of water shall be under regulations and limitations of the Commissioner of Internal Revenue. It is not regarded as being material for the purposes of the food and drugs act whether the amount of sweetening which may be added to fortified wines is limited to 10 or to 11 per cent, and it is understood that the Secretary of the Treasury

has already informed your committee of his views with reference to limiting the fortification of the wines to the premises where they are made.

Very truly, yours, C. F. MARVIN,
Acting Secretary.

Mr. PHELAN. I should like to ask the date of that letter?

The PRESIDING OFFICER. August 26, 1916.

Mr. PHELAN. I have incorporated in the RECORD a letter from the Department of Agriculture, dated August 21, 1916, in which an amendment was inclosed. It was published in the proceedings of the Senate last Wednesday, August 23. I do not quite understand, having heard for the first time this letter, whether the criticism affects the amendment which was submitted by the department itself or an amendment which I had the honor to submit July 31, 1916. There is evidently some confusion. Can the Chair inform me to what amendment the Secretary addressed himself in the communication just read? He referred to an inclosure.

The PRESIDING OFFICER. The Secretary informs the Chair that the reference in the letter is apparently to the amendment of the Senator from California [Mr. PHELAN].

Mr. HUGHES. Mr. President——

Mr. PHELAN. The Senator from California submitted two amendments; one on July 31 and one, which is recommended by the department, on August 23.

Mr. HUGHES. Mr. President, perhaps I can enlighten the Senator.

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from New Jersey?

Mr. PHELAN. I yield to the Senator from New Jersey for enlightenment.

Mr. HUGHES. Mr. President, I will state that whatever may have been the attitude of the department toward the Senate committee amendment to the House bill with reference to this particular title, a different situation is presented with reference to the substitute which, by authority of the Finance Committee, I have offered. I understand that the Agricultural Department had decided objection to the amendment as proposed and as printed in the pending bill, for the reason that it seemed to interfere with the jurisdiction of the Agricultural Department so far as the definition of wine was concerned and the labeling of wine and the administration of the pure food and drugs act. However, I took the matter up with the Pure Food and Drugs Division or Bureau, or whatever its technical name and title may be, of the Department of Agriculture, and submitted to them the language of this substitute. They informed me that so far as their bureau was concerned, and so far as the administration of the pure food and drugs act was concerned, they had no objection to the language. So any letter which may have been written by the Secretary of Agriculture based upon that department's objections to the language which was proposed some time ago, and which has been abandoned, could hardly be pertinent to this discussion, I will suggest to the Senator from California. Unless some Senator desires an explanation of this rather intricate subject, I move the adoption of the substitute which I have offered for the committee amendment. I am, however, perfectly willing to go on and explain it, if any Senator desires an explanation.

Mr. PHELAN. Mr. President, I should like to ask the Senator from New Jersey, now in charge of this bill, who in the Agricultural Department informed him that the department would have no objection to the terms of his substitute?

Mr. HUGHES. In the first place, I did not say that nobody in the department had any objection to all the provisions of the proposed substitute. I do not know whether or not the department have any objection, for they did not pretend to pass upon the merits of the proposition at all. I simply said that, so far as the administration of the pure food and drugs act was concerned, which is something with which they are charged, there was nothing in this act to prevent them from administering the law and that there was nothing in the language that was offensive to that act.

Mr. PHELAN. Mr. President, may I ask the Senator whom he is quoting now?

Mr. HUGHES. I have tried to recall the technical designation of the officer in charge of that bureau, but it has slipped my mind. The bureau, however, is the one, as I understand, which promulgates the decisions and is made up of the board of experts who pass upon the purity of foods, drugs, and beverages.

Mr. SMOOT. It is the Bureau of Standards, I will say to the Senator, where all those tests are made.

Mr. PHELAN. The Senator from Utah does not pretend to say that the Bureau of Standards has indorsed this substitute?

Mr. SMOOT. No.

Mr. PHELAN. Nor that it has any knowledge of the substitute?

Mr. SMOOT. The Senator from Utah knows nothing about that. I do not want the Senator to think that I made that statement in a captious way or in opposition to what the Senator is saying. I simply stated that it was the Bureau of Standards that made the tests. I made that statement in answer to the suggestion of the Senator from New Jersey [Mr. HUGHES].

Mr. PHELAN. I desire to state to the Senator that I am credibly informed that the Agricultural Department does not approve of the substitute offered by the Senator from New Jersey.

Mr. HUGHES. Of course, if the Senator from California desires, we can have the letter again read. The first time I ever heard of the letter from the Department of Agriculture was when it was read from the desk this afternoon. As I gathered, it was to the effect that the language now proposed by the Finance Committee of the Senate with reference to this title was satisfactory to that department. That was my understanding of the letter of Secretary Houston which was read from the desk.

Mr. PHELAN. I have no such understanding of the letter. I thought that it discusses an amendment that had been proposed by me on the 23d day of August. I can not believe that the department would approve of the substitute, because it takes the jurisdiction out of its hands and opens the door to a violation of the pure-food law. As it is of considerable importance, and is not understood, I think the letter should again be read. Probably it would facilitate business to have the letter again read, because the Senator from New Jersey states, which I seriously doubt, that in some way it gives approval to his substitute.

Mr. President, there is a reference made to an amendment, and the Secretary has just informed me that the amendment referred to is the amendment offered by me on August 23, and is the very amendment, in the identical language, sent to the Senator from North Carolina [Mr. SIMMONS] on August 21 as an inclosure in the letter from Secretary Houston on that date for the information of the committee. Listening to the correspondence just now, it appeared to me that the Secretary was amending his own amendment. That is my present understanding, but I may be wrong.

The PRESIDING OFFICER. May the Chair ask the Senator from California if it will serve the object of his desires to have the Secretary reread the letter and then read the amendment to which it alludes?

Mr. PHELAN. I shall be much pleased to have that done, Mr. President.

The PRESIDING OFFICER. Such course will be taken.

The Secretary read as follows:

DEPARTMENT OF AGRICULTURE,
Washington, August 26, 1916.

Hon. F. M. SIMMONS,
Chairman Committee on Finance, United States Senate.

DEAR SENATOR SIMMONS: On August 21, 1916, the department communicated to you its views regarding the amendment to section 53 of H. R. 16763, "An act to increase the revenue, and for other purposes." Since that letter was transmitted the department's attention has been called to the amendment (copy inclosed) intended to be proposed by Senator PHELAN to H. R. 16763, and the following statement is made regarding it for the information of the committee.

The part of the amendment in which this department is especially interested is that part beginning on page 2, line 3, which is aimed at section 53 of the act as reported to the Senate by the Committee on Finance.

Senator PHELAN'S amendment, it is believed, is intended to accomplish the same objects as the amendment suggested by the department, but the department regards it as doubtful whether Senator PHELAN'S amendment makes a clear distinction between pure wines and those which are modified by water. Further, the language used in specifying the standard of purity for sugar which may be used in modifying wines seems to be somewhat ambiguous. The department regards it as desirable that the standard of purity for sugar which may be used shall be specified and incloses a revision of the amendment submitted with its letter of August 21, 1916, in which a standard of purity for sugar used in modifying wines is specified. If this amendment, as revised, is adopted, section 53, in the opinion of the department, will be not open to objection under the Federal food and drugs act.

Senator PHELAN'S amendment differs in some details from the amendment suggested by the department; for example, it provides that when a sugar solution is added the resultant product shall not contain less than six parts per mill of natural free acid, whereas the limit suggested by the department is five parts per thousand. It is not regarded as material, for the purposes of the food and drugs act, whether the limit of natural free acid in modified wines is fixed at five or six parts per thousand.

Senator PHELAN'S amendment contains certain provisions which are not included in the amendment suggested by the department. It limits the amount of sweetening which may be used in fortified wines to 10 per cent and prescribes that the fortification of wines authorized in the section shall be permitted only on premises where said wines are made. Your attention is invited to the fact that section 43 in section 54 of H. R. 16763, as reported to the Senate by the Committee on Finance, page 92, limits the amount of sugar which can be added for sweetening purposes to 11 per cent, and provides further that the addition of water shall be under regulations and limitations of the Commissioner of Internal Revenue. It is not regarded as being material for the purposes of the food and drugs act whether the amount of sweetening which may be added to fortified wines is limited to 10 or to 11 per cent, and it is

understood that the Secretary of the Treasury has already informed your committee of his views with reference to limiting the fortification of the wines to the premises where they are made.

Very truly, yours,

C. F. MARVIN,
Acting Secretary.

The SECRETARY. The amendment inclosed is as follows:

SEC. 53. That wine for the purpose of this act shall be deemed to be the product made from the normal alcoholic fermentation of the juice of sound, ripe grapes, without addition or abstraction, except such as may occur in the usual cellar treatment of clarifying and aging: *Provided, however,* That the product made from the juice of sound, ripe grapes by complete fermentation of the must under proper cellar treatment and corrected by the addition, under the supervision of a gauger or storekeeper gauger in the capacity of gauger, and subject to rules and regulations prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, of a solution of water and 95 per cent pure cane, beet, or dextrose sugar to the must or to the wine in amounts necessary to correct natural defects; when such addition shall not increase the volume more than 25 per cent, so that the resultant product does not contain less than five parts per thousand of acids before fermentation and not more than 13 per cent of alcohol after complete fermentation, shall also be deemed to be wine for the purposes of this act: *And provided further,* That wine as defined in this section may be sweetened with 95 per cent pure cane sugar or beet sugar or pure condensed grape must and fortified shall be considered sweet wine for the purposes of this act: *And provided further,* That no product included within this section shall be labeled, transported, or sold under any name, statement, design, or device which is false or misleading in any particular.

Mr. PHELAN. Mr. President, the matter is perfectly clear now. The confusion grew out of the fact that I submitted a similar amendment to the one just read on July 31, and the Secretary of Agriculture discusses that amendment, objecting to certain features. I withdraw that amendment, and shall not submit it to the Senate.

Mr. POMERENE. Mr. President, I do not understand to what amendment the Senator refers.

Mr. PHELAN. It is the amendment which I offered on July 31, 1916, which can be identified by observing that the language "six parts per mill" instead of "five parts per mill" is used. The Secretary refers to that in his discussion of the matter. But the amendment which he recommends is the amendment which was submitted by him to the Finance Committee August 21, and it is practically the amendment which I submitted two days later, on August 23. The amendment that I now submit, therefore, is the amendment which the Secretary in his communication of August 21 submitted to the Finance Committee as one that would be acceptable to the Agricultural Department, with the exception——

Mr. HUGHES. Mr. President——

Mr. PHELAN. Let me finish this sentence, please. With this one exception, that originally when the amendment referred to sugar, it used the words "commercially pure sugar," and now the expression "95 per cent pure sugar" has been substituted, and which I accept. It is the amendment of the department which I have adopted as my amendment, and which I now submit to the Senate.

Mr. HUGHES. Mr. President, would the Senator from California object to having the substitute offered by me acted upon by the Senate, and then let him seek to amend it in any particular he desires? I think it will help everybody to understand the situation if he permits the substitute, which I have offered for the amendment reported by the committee, to be adopted. Then the only question remaining, I think, will be the question of figures. The Senator wants 25, whereas we have 35. I think that is what the Senator wants, is it not?

Mr. PHELAN. Since talking to the Senator from New Jersey in private conversation I have observed matters which are objectionable in his substitute. I am not learned in parliamentary procedure, but I can not, without objection, allow the Senator's substitute to be ingrafted on the revenue bill without first pointing out its defects; and I think it would be more parliamentary first to submit my amendment to the Senate, and then, if that amendment shall be rejected, the Senate can take up and consider the amendment offered as a substitute. I think that is the correct parliamentary procedure, Mr. President.

The PRESIDING OFFICER. The Chair begs the Senator's pardon. His attention was diverted for a moment.

Mr. PHELAN. The question is one of parliamentary procedure. The Senator in charge of the bill offers a substitute to section 53 and I offer a substitute for the substitute. Is it in order?

The PRESIDING OFFICER. The Chair is advised that a substitute for a substitute is not in order. The Chair is of the opinion that under general parliamentary law it would not be in order, but the Chair is not advised whether the rules of the Senate are to the contrary. The Chair understands that under ordinary parliamentary procedure the amendment would not be in order except by voting upon the substitute of the Senator from New Jersey. Then the amendment which the Senator from California desires to offer could be offered as a formal amendment to the substitute previous to a vote upon it.

Mr. PHELAN. Then I offer the amendment as an amendment to the substitute proposed by the Senator from New Jersey, as I had intended to offer it as an amendment to section 53 as originally recommended by the committee.

Mr. HUGHES. Mr. President, a parliamentary inquiry. Will not the Senator's rights be protected by permitting the adoption of the substitute offered by me and then permitting the Senator to offer such amendment as he desires to take the place of the substitute after it is adopted?

Mr. PHELAN. That is a matter, I presume, as to which Senators may judge for themselves. If in order, I offer my amendment as an amendment to the substitute proposed by the Senator from New Jersey.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Utah?

Mr. PHELAN. I yield.

Mr. SMOOT. I merely desire to say to the Senator that the proper course to pursue would be to offer his substitute as a substitute for the amendment offered by the Senator from New Jersey. That would bring the question before the Senate.

Mr. HUGHES. I have offered a substitute, Mr. President.

Mr. GALLINGER. Mr. President, as I read the bill, the part in italics is not a substitute for anything in the bill. It is a committee amendment pure and simple, an amendment to a provision of the Revised Statutes, so that it is not a substitute in the ordinary sense, but an amendment to the bill, and that, of course, is amendable. There is no question about that.

Mr. HUGHES. Mr. President, I am indifferent as to how the Chair may rule or what the parliamentary status is, so long as the record is kept straight. The committee recommended the amendment which I have prepared and which, by the committee's authority, I offer as a substitute.

Mr. GALLINGER. Substitute for what?

Mr. HUGHES. For the committee amendment.

Mr. GALLINGER. I beg the Senator's pardon. I did not know that.

Mr. PHELAN. I understand that the committee has offered a substitute for section 53 as reported by the committee and in the printed copy of the revenue bill. I offer an amendment in order to have a hearing precedent to action on the substitute so offered, and the Chair has ruled that the amendment is in order. Am I right?

The PRESIDING OFFICER. The Chair so rules. Under general parliamentary law the amendment of the Senator from California is in order unless there is a rule of the Senate, of which the Chair is not advised, against it. The Chair may say to the Senator from California, who himself has been a presiding officer of some repute, that the Chair understands that an amendment in the third degree would not be entertained; but the Chair is informed that the Senator from California tenders a motion which is really in the second degree, because the matter now tendered by the committee supplants and supersedes the original matter, which, therefore, can not be said to be an amendment of any nature. Therefore the Chair would hold, unless there is a rule of the Senate to the contrary, that the amendment of the Senator from California is now to be considered.

Mr. BRADY. Mr. President, I believe it will simplify matters very much, and be entirely satisfactory to the Senator from California in the discussion of the matter, if we should first adopt the substitute offered by the Senator from New Jersey in charge of this portion of the bill, and then the Senator from California could offer his amendment and deliver his address on the amendment which he desires to present.

The PRESIDING OFFICER. The Chair feels compelled to say to the able Senator from Idaho that if the Senate once agrees to the amendment offered by the Senator from New Jersey the Chair feels that the Chair can not entertain an amendment to it. The Chair must rule that the amendment of the Senator from California can be received at this time, and upon that the issue is now raised.

Mr. HUGHES. I should like to have the amendment of the Senator from California stated. The Senator said he was about to offer an amendment. Will the Senator have it stated?

Mr. PHELAN. I offer the amendment as submitted by the Secretary of Agriculture in his own language.

The PRESIDING OFFICER. The Secretary will state the amendment.

The SECRETARY. As a substitute for the substitute to section 53 offered by the committee, it is proposed to insert:

SEC. 53. That wine for the purposes of this act shall be deemed to be the product made from the normal alcoholic fermentation of the juice of sound, ripe grapes without addition or abstraction, except such as

may occur in the usual cellar treatment of clarifying and aging: *Provided, however,* That the product made from the juice of sound, ripe grapes by complete fermentation of the must under proper cellar treatment and corrected by the addition, under the supervision of a gauger or storekeeper-gauger in the capacity of gauger and subject to rules and regulations prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, of a solution of water and 95 per cent pure cane, beet, or dextrose sugar, to the must or to the wine in amounts necessary to correct natural defects; when such addition shall not increase the volume more than 25 per cent, so that the resultant product does not contain less than five parts per thousand of acid before fermentation and not more han 13 per cent of alcohol after complete fermentation, shall also be deemed to be wine for the purposes of this act: *And provided further,* That wine as defined in this section may be sweetened with 95 per cent pure cane sugar or beet sugar or pure condensed grape must and fortified shall be considered sweet wine for the purposes of this act: *And provided further.* That no product included within this section shall be labeled, transported, or sold under any name, statement, design, or device which is false or misleading in any particular.

Mr. PHELAN. Mr. President, I am not unaware of the fact that the subject of wine is a strange one to the Members of this body. I refer to wine in its scientific sense. I would not for a moment say that the Senate is not informed of wine and its uses, because a distinguished Senator from California, Senator McDougall, in other years, delivered an address to the Senate on that subject in which he praised the virtues of wine, and it is still regarded as a classic. If I may digress for a moment, he said that he was reproved by a minister of the Gospel for singing the virtues of wine, and he retorted by asking the minister what was the first miracle wrought by the Master. The minister replied that he did not know. Senator McDougall inquired of him if it was not the conversion of water into wine at the marriage feast at Cana of Galilee. The minister replied that he thought it was. Then Senator McDougall asked the minister what was the first act done by Father Noah when he came out of the ark? The minister replied he could not recollect, when the Senator asked, "Did he not plant the vine?" The minister said, "Yes; I believe that is true, but I can not afford to admit it." It was then that McDougall retorted: "One can not reach into the higher regions of thought, into the empyrean of fancy, on Boston pork and baked beans; he must drink wine on high Olympus and mighty mead in Valhalla." Whatever may be the temperance sentiment of this body or throughout the country, it is, nevertheless, true that from ancient times pure wine has not been used for the mere purpose of exhilaration and of gratifying one's appetite, but it has been used for the purpose of nourishment, as a food; and the Agricultural Department has held that wine made of the pure juice of the grape is a food, is a nourishing article. It is on that theory that the pure-food laws have been enacted; that certain articles of diet have been held to be food, and that it is essential to the public health, in the first instance, that there be a standard of purity, and that, in the second instance, without any reference whatever to the deleterious character of such articles, the public should be informed as to the contents of the container.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from New Hampshire?

Mr. PHELAN. Certainly.

Mr. GALLINGER. Did I understand the Senator to say there had been a decision rendered somewhere to the effect that wine is a food?

Mr. PHELAN. I think that, under the decisions of the Agricultural Department, wine is regarded as a food.

Mr. GALLINGER. I should like to see those decisions, and I presume the Senator can point me to them. I think it is quite a stretch of the imagination to call wine a food. There was a long controversy about beer being a food but science decided otherwise.

Mr. PHELAN. I think I am quite correct that the Agricultural Department would have no jurisdiction over this commodity were it not held as a preliminary that it was a food, because the laws of Congress as they stand to-day refer to pure foods and drugs, and certainly wine is not a drug.

Mr. GALLINGER. Well, it comes nearer being a drug than a food.

Mr. PHELAN. I am here to see that it is not drugged. I will ask the Senator from New Hampshire if his State is not the land of hard cider?

Mr. GALLINGER. We have hard cider in New Hampshire and a great many other things, but I do not see the pertinency of the question.

Mr. PHELAN. Knowing that cider is made from apples and that apples are food, I judge that hard cider is probably also a food.

Mr. GALLINGER. Well, Mr. President, prussic acid is made from the kernel of peaches. Peaches are a food, but prussic acid is not a food.

Mr. PHELAN. I suppose, then, I must distinguish between the kernel and the peach.

Mr. GALLINGER. Yes.

Mr. PHELAN. It goes without saying that in Latin Europe and among a very considerable population in all the States who are of Latin extraction wine is used as a daily food, as a substitute for tea and coffee, and probably wine is more wholesome than tea or coffee, and certainly more nourishing. That is one of the evils of which we complain—that this legislation, not only in the matters affecting the operation of the pure-food laws but the revenue laws, tends in one case to give an inferior quality of food to the people and in the other to put it beyond their reach by reason of excessive taxation.

In my State, in all the country districts and in the great cities, wine is used as a food; and I may say in passing, as a harmless illustration of the way in which excessive taxation is evaded, that people of Latin extraction in San Francisco have brought grapes from the country and made wine out of them in the city, for their family use—something to which they were accustomed for a hundred years. I am not justifying, of course, that evasion of the law, but that has actually come to pass in California, where people buying their few grapes make their own wine—an item not large enough to concern the Treasury Department, but indeed large enough for them to consider, in view of the fact that their means are very scanty.

What I desire to impress upon the Senate, without going into any detail, is simply this: Ninety per cent of all the wine made in the United States is made in California; and yet I declare that it is not because of local considerations that I speak so much as my general desire, in common with yourselves, to uphold the pure-food law. Opposed to California are the representatives of two States, Ohio and Missouri, where there are not more than 17,000 acres of grape lands under cultivation, as against 350,000 in California; so the interest of California is overwhelming. It is one of the great industries of the State, in which no less than $150,000,000 are invested.

If this substitute offered by the Senator from New Jersey permits not only the adulteration of the juice of the grape but permits practically its unlimited stretching, so that by the addition of sugar and water indefinitely you can get a great volume of wine, you see that it will destroy those who are engaged in making pure wine out of the juice of the grape, and who by favor of nature are not required to resort to adulterants, or to stretching, or to the addition of sugar or water. So any discrimination in favor of adulteration would be legislation against the sunshine; it would be an attempt, destructive of the comity of States, to take away a natural advantage which is enjoyed upon the western coast.

I might state, in order that it may be perfectly clear to the Senators, that the difference between Ohio and Missouri grapes and California grapes is simply this, due in no measure to the fault of the Ohioans, that the grapes which are principally used in Ohio and Missouri, by reason of climatic conditions, do not mature; they do not attain the necessary percentage of sugar, which is determined by the saccharimeter, which must record 22 degrees of sweetness in order to justify the presence of 11 or 12 per cent of alcohol; and so, those wines being very high in acid and very low in sugar, it is necessary for them, to have a palatable article at all, to add sugar and water. For a long time they were not allowed to use sugar and water. Under the emergency-tax bill of a year and a half ago they were allowed to bring about 10 per cent increase in volume by the addition of sugar. This measure proposes a change in the law so that they shall increase the volume of this acid wine, first, by 35 per cent, and again, as an addition, 35 per cent more, which will enable them to convert a ton of grapes, which in California yields 180 gallons, to a volume of 1,000 or 1,200 gallons; and then the necessity will be upon them, in order to give it the appearance and taste of wine—at any rate, the temptation will be very great—to add some coloring matter to it. I do not say that is their intention or their practice, but I say this: That if by law, against the recommendation of the Agricultural Department, this practically unlimited stretching of wine is permitted in Ohio and in Missouri, then the Californians, out of self-defense, will have to take their pure wine, made by natural processes, in order to meet competition of that kind, and stretch it indefinitely; so that it will become a competition of stretching wine instead of catering to the people who demand wholesome wines and pure wines.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Ohio?

Mr. PHELAN. I yield.

Mr. POMERENE. How much do the Californians stretch their sweet wine now?

Mr. PHELAN. I am not aware that they stretch it at all, except by the addition of brandy.

Mr. POMERENE. The Senator certainly understands that under the law of 1890 they are permitted to add 10 per cent of water.

Mr. PHELAN. Ten per cent.

Mr. POMERENE. And there are some other things added afterwards also.

Mr. PHELAN. I am very glad to be informed by the Senator that they were permitted, under the law of 1890, to add 10 per cent. It is a privilege, however, of which, as I understand, there is no necessity for them to avail themselves, because California wines confessedly are rich in sugar, whereas these other wines to which I refer are deficient in sugar; and while they may have, in order to give uniformity to the law, the privilege of stretching 10 per cent, there is no necessity for them to do it.

I wish to call the attention of the Senate to the bill offered as a substitute by the Senator from New Jersey [Mr. HUGHES] in order briefly to substantiate what I say:

Provided, however, That the product made from the juice of sound, ripe grapes by complete fermentation of the must under proper cellar treatment and corrected by the addition (under the supervision of a gauger or storekeeper-gauger in the capacity of gauger) of a solution of water and pure cane, beet, or dextrose sugar (containing, respectively, not less than 95 per cent of actual sugar, calculated on a dry basis) to the must or to the wine, to correct natural deficiencies, when such addition shall not increase the volume more than 35 per cent—

Remember our present law is 11 per cent—

and the resultant product does not contain less than five parts per thousand of acid before fermentation and not more than 13 per cent of alcohol after complete fermentation, shall be deemed to be wine within the meaning of this act, and may be labeled, transported, and sold as "wine," qualified by the name of the locality where produced, and may be further qualified by the name of its own particular type or variety.

Complaint is made in the Agricultural Department's report of such wines being called Burgundy, which certainly would mislead the purchaser. This seeks to give the force and authority of law to the evil of wine which is increased 35 per cent by the addition of sugar and water so that it shall be legally called wine and shall be sold as wine, qualified by the name of the locality in which it produced, and may be further qualified by the name of its own particular type or variety.

And provided further, That wine as defined in this section may be sweetened with cane sugar or beet sugar or pure condensed grape must and fortified under the provisions of this act, and wines so sweetened or fortified shall be considered sweet wine within the meaning of this act.

I call the attention of the Senate to the fact that "wine as defined in this section may be sweetened with cane sugar," and so forth, "and * * * shall be considered sweet wine within the meaning of this act." There is no limitation in that section to the volume to which such sweet wine may be stretched.

Provided further, That the product made from the juice of sound, ripe grapes by complete fermentation of the must under proper cellar treatment may be corrected by the addition (under the supervision of a gauger or storekeeper-gauger in the capacity of gauger) of a solution of water and pure cane, beet, or dextrose sugar (containing, respectively, not less than 95 per cent of actual sugar, calculated on a dry basis)—

That is, sugar 95 per cent pure—

to the must or to the wine in excess of 35 per cent of the volume—

Here is an addition unknown to any previous practice, absolutely repugnant to the Agricultural Department, of taking this product after it has been stretched 35 per cent and increasing it again 35 per cent in volume.

so that the resultant product does not contain less than 5 parts per thousand of acid before fermentation and not more than 13 per cent of alcohol after complete fermentation.

And there is another vice in establishing a new standard of wines based upon acid content.

Such product, however, shall be designated as "ameliorated wine"—

I particularly call the attention of the Senators to this clause:

Such product, however, shall be designated as "ameliorated wine" and labeled so as to show the extent of amelioration and shall be taxable at the same rate as other wines defined in this section.

I saw this amendment but a few moments ago, but not too recently to enable me to consult the dictionary, because "amelioration" seemed to me a word seductive in sound, and designed to create an impression of betterment and improvement. Nor was I deceived in my first impression; for, by consulting the Standard Dictionary, I find the following:

Ameliorate:

1. To make better or more endurable; relieve, as from pain or hardship; mitigate permanently; meliorate; as, to ameliorate the condition of the poor.

That possibly may be a justification for the use of the term "ameliorated wine"—to ameliorate the condition of the poor—poor wine.

2. To make more suitable, desirable, or valuable; improve in quality; as, a sterile soil ameliorated by fertilizers; to ameliorate live stock by careful breeding.

To grow better; become less severe; improve.

Of course, after they have made their first quality, expanding its volume 35 per cent, I am not complaining about that so much, because in my amendment we have allowed, under proper safeguards and under the authority of the Department of Agriculture, 25 per cent expansion by the addition of sugar and water, and that because their grapes are naturally deficient, and there is no disposition on the part of the 90 per cent of the wine growers of the entire country to interfere in any way with the modification of the wine to the extent of 25 per cent, and that because otherwise it would not be marketable. There is no antagonistic feeling whatever; but, adding to the recommendation of the Agricultural Department, they have put 10 per cent more and made it 35, and on top of that they have added 35 per cent more, making the only condition that it shall be designated "ameliorated wine." But I have shown you, by the Standard Dictionary, that "amelioration" means bettering, whereas under this process it would be making it inferior. Is not that a fraud on the public?

I will not say that it should be called "sophisticated wine." The word "sophisticate" is always used in this connection, but it is opprobious, I confess, because we are told by the same authority, the Standard Dictionary, that "sophisticate" means—

To alter or amend, as a text or passage, to an unauthorized or deceptive meaning, especially in support of one's own opinions.

To make impure by admixture; adulterate; as, to sophisticate wine; render artificial.

I would not, even if I were disposed to have my own way in a matter of this kind, say that the Ohio and Missouri wine should be called "sophisticated wine," and yet in commerce and colloquially it is called "sophisticated." It might be called, as it is called now, "imitation wine." That tells very clearly the character of the contents of the bottle—that it is not wine having the essential elements in their fixed proportions, but it is something else. It is an imitation wine, and possibly may be very palatable, but it is not wine—it is not food. But you call it, as in this substitute, "ameliorated wine," adding insult to injury, and instead of giving the public information it is manifestly misleading the public, because everybody knows that to ameliorate is to better and to improve.

Then the final five lines of the substitute read as follows:

All laws and parts of laws in conflict with this section are hereby repealed, and all executive officials—

The Agricultural Department, of course—

whose duty it may be to execute or enforce the provisions of this section shall conform their regulations and directions to said provisions.

The Agricultural Department will thus be paralyzed.

In other words, those lines repeal the pure-food law as it now exists with reference to wine, and for these reasons I have offered an amendment. It is not my amendment. I will not presume to tell the Senate what is required by the pure-food laws, what should be the standard of wine. I will not say that it is as difficult for me to understand as it is for you, because I have grown up in a wine-making State, but I know that it is, to a certain extent, mystifying. What I do urge upon the Senate is that in the case where you have no knowledge at first-hand, you turn for your definition of wine, not to the wine makers of a small section, where grapes do not mature, but to the highest authority in the Government, having no interest to serve but the common weal. Therefore, the amendment I submit as an amendment to the substitute offered by the Senator from New Jersey is in its very language identical with the amendment recommended to the Finance Committee by the Secretary of Agriculture in his letter received last Saturday, and I trust it shall be adopted.

Mr. HUGHES. Mr. President, I do not know that the Senate is particularly interested in this perennial contest between the extreme West and the balance of the country with reference to what shall constitute wine or how the Department of Agriculture or the internal-revenue forces shall conduct themselves with reference to these two opposing camps. All I do know is that, on October 14, 1914, when this proposition was up before, after a great many conferences, after an endless number of hearings, and after a great amount of testimony had been taken, every single interest in the United States engaged in the wine business entered into a signed agreement calling upon the Congress to enact the law which we are now attempting to enact.

I do not know that it is necessary for me to go any further than to say that for years the State of California has had an advantage over the balance of the country in the matter of

making wine not altogether due to the climatic conditions, I will say, because wine was being made in this country before California was admitted to the Union, and men were making wine which was asserted by those who, perhaps, are in position to speak with authority to be better wine than California has ever made or is now making—certainly wine that sells at a higher price.

California boasts that she makes 90 per cent of all the wine that is made in the United States. That is probably true; and if California is permitted to have her way she will not only make 90 per cent but she will make 100 per cent of the wine that is made in the United States. If she continues to obtain legislative advantages, or is permitted to retain the legislative advantages that she has had in the past and that she is now claiming, there can be no question in the mind of anybody but that she will make 100 per cent of the wine that is made in the United States. Yet the fact remains that there are only 17,000 people in the State of California engaged in this industry, while there are more than 800,000 people engaged in it in other parts of the United States.

I do not suppose there exists on our statutes such an instance of legislative discrimination in favor of one section of the country and against another as can be shown by the manner in which this Government has dealt with California and the other States of the Union. For years they have been permitted to fortify their wines with grape brandy in name—alcohol in substance. The wine maker from any other section of the United States who habitually, because of the very nature of things and because of the nature of the surroundings, fortified his wine with tax-paid alcohol, paid $1.10 per gallon into the Treasury of the United States, whereas these gentlemen were permitted to escape with a tax of 3 cents per gallon. That was the extent of the discrimination that this Government made in favor of that particular industry.

Is it any wonder that these gentlemen are in a position to boast that they grow 90 per cent of the grapes and make 90 per cent of the wine used in the United States? Every other part of the country has paid and to-day pays $1.10 by way of tax for every gallon of the spirits that enters into its fortified wine. Every bottle of sweet wine pays that tax into the coffers of the United States Government before it can go upon the market; and under the proposed legislation these eastern wine makers will continue to pay $1.10 on every gallon of spirits that goes to fortify their sweet wine. But they are not satisfied with this advantage that they have had in the past nor with the advantage which we propose to permit them to have in the future—because there is no attempt on the part of anybody to restore the parity between the wine growers east of the Rocky Mountains and the California wine growers by compelling them both to pay $1.10 a gallon. It is only suggested in this bill that they pay 55 cents a gallon in California and $1.10 everywhere else. It is only suggested in this bill that we put into effect a signed agreement which these gentlemen made. It is only suggested in this bill that we do what they told us would satisfy every wine maker in the United States, and particularly the wine makers of California. These gentlemen are not satisfied with that, however. They want now to come across the Rocky Mountains and prescribe for wine making east of the Rocky Mountains conditions which the men who are making wine in that section can not meet. In other words, they are attempting by legislation and by Agricultural Department definitions and decisions to destroy the remnants of this industry which they have been enabled to beat to the ground because of legislative discriminations in their favor.

I was a member of the subcommittee that had this matter up before. I was a member of the subcommittee that had it up this time. We do not claim that we are doing absolute and abstract justice between these two sections of the country. If we did that, we would say to the Californians that for every gallon of spirits they used to fortify their sweet wines they should pay $1.10 into the Treasury of the United States. We would say to these other gentlemen that they should continue to pay $1.10 for every gallon of spirits that they used to fortify their wine. So far as this proposed legislation is concerned, we leave California still with that advantage.

As I said, we do not pretend that we are asking you to do absolute and abstract justice to California. They make the claim that to do that would be to destroy the industry; and there may be something in that claim. An industry that is hothoused and legislated into existence can be legislated out of existence. It may be that there are more people growing grapes in California, it may be that there are more people making wine in California than would be consistent with just legislation on that subject. But we who have investigated it take the word of the Californians themselves in 1914, their signed statement, their obligation, their contract with us, that if we would write this proposition into the law it would be just and satisfactory to them, and they would stand by it.

Mr. PHELAN. May I interrupt the Senator?

Mr. HUGHES. Certainly.

Mr. PHELAN. I have in my hand that agreement, which composes the principal part of the report of the Committee on Finance of this body, dated October 14, 1914, and signed on behalf of California by Theodore A. Bell, the attorney of the California Grape Protective Association—whatever that is——

Mr. HUGHES. The vice chairman, is he not?

Mr. PHELAN. He signs as vice president of the California Grape Protective Association. As a matter of fact he was acting in behalf of his client, the California Wine Association, which is a large corporation which purchases the grapes and the wine from the small growers and has a contract with them by which if the Government imposes a tax of 10 per cent on the grape brandy used in fortification, the contract running over a period of 8 or 10 years, would be void, and by bringing back this 55 cents tax a year and a half ago to his clients they immediately served notice upon the men holding the contracts which they believed to be valid, and had no knowledge of that clause; and the industry was utterly destroyed, because the corporation was the only purchaser.

Furthermore the corporation had on storage vast quantities of wine on which they had paid the 3 cents tax. So by making a temporary tax of 55 cents, as they expected for one year, there would be an enormous enhancement in value of the wine they held in storage.

But I did not wish to speak of that. I merely want to submit that at the time that agreement was made the contemplated emergency-tax law of a year and a half ago provided for stretching 11 per cent, and if there was any validity in the agreement to which Mr. Bell signed his name it could not be urged now in defense of the proposition to extend the stretching from 11 per cent to 35 per cent plus 35 per cent.

The conditions are absolutely and totally dissimilar. Even a contract if it were binding, even an expression of opinion based upon other facts, would have no weight whatever.

Mr. HUGHES. Of course, I do not want to comment upon the Senator's estimate of Mr. Bell. He appeared before us bearing the very strongest and most unimpeachable credentials. I never heard his integrity attacked until Californians kicked over this agreement and came back here in an endeavor to enact legislation which would absolutely give them not only 90 per cent, but, as I said a while ago, 100 per cent of the wine industry, because it is admitted that the wine makers of the other part of the country can not operate under the legislation.

There is another interesting bit of history with reference to what the Senator said about the belief on the part of the Californians that the 55 per cent was going to be temporary. I believe they did think it was going to be temporary; and before the measure was enacted they took advantage of the old 3-cent tax to fortify their wine. The result was that instead of a revenue promised the Government the Government was duped by the Californians out of some million dollars. They come back here now and use that argument as a reason why they should be given an additional advantage. I will only say that for cheek, for absolute impudence, I have never in all my legislative career come across anything like that which was displayed by the Californians with reference to these taxes.

It is admitted that the tax was laid in such a way, the administrative features were of such a character, that they were able to evade and escape that tax, and with the fact that they paid no tax they come in here now and urge as a reason the tax is so high the industry has been destroyed; that the Government gets no money from it; and in the next breath they ask us to change the administrative provision because they say that under the law as contained in the last act the tax was not collected. The tax we laid was to be paid by the last consumers. There is testimony in these hearings of the Californians themselves to the effect that those stamps were used over and over again until they became threadbare and worn and tattered, and they come back to us and say, "You did not collect any tax at 55 cents; you get more out of 10 than 55, because you laid it at 55, and this was all you got." Everybody knows they themselves admit they evaded the payment of the tax.

Mr. PHELAN. Of course, there is no admission of that kind.

Mr. HUGHES. There is a statement; I do not know whether——

Mr. PHELAN. I should like to have the Senator inform us whether the amendment, as he started out to say, has the approval of the Agricultural Department.

Mr. HUGHES. Yes; I will say to the Senator that I submitted this amendment to the experts of the Pure Food and Drug Division—I think that is the technical title of the division. I submitted it to them myself, and I went over it with them, and they said it met all the requirements of the department.

Mr. PHELAN. I must ask the Senator to name some one to whom he spoke. I want the official authority. We have here, addressed to the chairman of your own committee, a letter contradicting what you say and submitting an amendment. Is the Secretary of Agriculture to be ruled over by a subordinate? Who is this man?

Mr. HUGHES. There is no difference between the letters. I have heard the letters read.

Mr. PHELAN. There is absolutely an irreconcilable difference.

Mr. STONE. Will the Senator permit me?

The PRESIDING OFFICER. The Senator from New Jersey has the floor. Does he yield to the Senator from Missouri?

Mr. HUGHES. I yield to the Senator from Missouri.

Mr. STONE. Was the letter the Senator had read a letter from the Secretary of Agriculture?

Mr. PHELAN. It was read from the desk just now.

Mr. STONE. I asked if it was from the Secretary of Agriculture?

Mr. PHELAN. The Chair can inform the Senator by whom the letter was signed.

The PRESIDING OFFICER. The Chair is informed that it was signed by the Acting Secretary of Agriculture.

Mr. HUGHES. Mr. President, it was, as I recollect, signed by the Acting Secretary. There is another letter in existence, which the Senator, I think, was inquiring for; but it was written with reference to proposed legislation which is not now proposed. When I made these changes I submitted that I had no desire to trench upon the privileges or the jurisdiction of the Agricultural Department, and I took the pains and went to the trouble of submitting this proposed language to that department, and they suggested some changes. They provided, for instance, that instead of permitting wine to be sweetened with commercially pure dextrose sugar, the figures "95 per cent" should be inserted, which was entirely satisfactory to me, and it was done.

So far as I know, and to the best of my knowledge and belief, the Agricultural Department is perfectly satisfied with this amendment, because under its terms and provisions, while wine may be ameliorated, or while the excessive acidity may be corrected to the extent of adding 35 per cent of sugar and water, the wine in being labeled is qualified by the locality of its production, which is satisfactory to the department, because time out of mind everybody who knows anything about wine knows that Ohio wine and eastern wine and wine of that description must, under certain circumstances, be treated with water and sugar in order to correct the acidity of the grape.

Mr. SIMMONS. I should like to ask the Senator from New Jersey if these are not the facts. The committee had tentatively agreed upon an amendment to the wine feature of the bill which it was contended by the Agricultural Department, I think, conflicted in some way with the provisions of the pure-food law.

Mr. HUGHES. That is correct.

Mr. SIMMONS. The committee received a communication from the Secretary of Agriculture to that effect. We had no desire or purpose in any way to conflict with the provisions of that act. The Senator from New Jersey, who was on the subcommittee in charge of that title of the bill, was requested on behalf of the committee to confer with the Secretary of the Agricultural Department with a view to conforming our amendment to the provisions of the pure-food law. In pursuance of that, we did advise with them and did prepare and present to the committee an amendment which seemed to have or which we thought had the approval of the Agricultural Department, so far as this question was concerned.

Mr. HUGHES. That is correct.

Mr. PHELAN. I should like to ask the chairman of the Finance Committee if he is in a position to state that the substitute which is now offered by the Senator from New Jersey has the approval of the Agricultural Department?

Mr. SIMMONS. I am only in a position to state that, in so far as I am advised by the Senator from New Jersey, who, as the representative of the committee, conferred with the department on that subject, the substitute did meet the approval of the department.

Mr. PHELAN. I have challenged that position taken by the Senator from New Jersey. I do not think I need go any further than refer to the letter received by the Senator from North Carolina, the chairman of the Finance Committee, and read to this body to-day, that the Agricultural Department has recommended an amendment which I have introduced as my amendment, although it is not my amendment; it is their amendment, and only in the interest of pure food. I will not digress to discuss the rates.

Mr. SIMMONS. Will the Senator allow me?

Mr. PHELAN. I am talking about pure food.

Mr. SIMMONS. I understand the Senator. The Senator is now talking about an amendment which the Agricultural Department sent up to the Senate. We were not conferring with the Agricultural Department with a view to finding out what sort of a law the Agricultural Department desired us to enact. That was a matter which we thought was within our jurisdiction and not within the jurisdiction of the Agricultural Department. The only question which we submitted to the Agricultural Department, the only question which we recognized the Agricultural Department had any right to dictate about, was the question whether the amendment suggested by us conflicted with the pure-food law and to ask them to advise us how it could be re-formed so as to comply with the pure-food law. We did not ask them for their opinion as to what sort of a bill we should pass dealing with the wine question. We only asked them to help us make it conform to the pure-food law. I understand the letter the Senator is referring to from the Agricultural Department is one in which they suggested to us the legislation which, in their opinion, would be proper.

Mr. PHELAN. The chairman of the subcommittee, the Senator from New Jersey, by his own confession, brings his substitute to the Agricultural Department for its indorsement.

Mr. SIMMONS. For a specific purpose.

Mr. PHELAN. Whereupon the Agricultural Department addressed a letter to the chairman of the committee, the Senator from North Carolina, which was read to the Senate to-day, and in which the substitute offered by the Senator from New Jersey is wholly and absolutely ignored. I can not understand any better way of condemning a thing than by ignoring it, and nowadays it is more polite to ignore than to attack.

In the same communication he submits an amendment which he says is in conformity with the pure-food law and has the indorsement of the department. Where a question of ignorance concerning the subject of wine in its scientific sense is involved I think we should follow the views of the department. They can not be far wrong. It allows 25 per cent stretching, not indefinite stretching; but I think it would be a fraud on the public to allow anything to be stretched and added to such an enormous extent in the volume as contemplated by the substitute.

Mr. HUGHES. Mr. President, inasmuch as the Senator from California seems to be altogether confused about this matter, and inasmuch if I do not do something I am afraid I will be in as bad a condition as he has arrived at, I will try to demonstrate to him exactly what did happen in reference to my amendment, his amendment, the other letter, and the present letter. The department writes as follows:

> August 21, 1916, the department communicated its views regarding a certain amendment—

That was the amendment proposed by the committee and printed in the bill. The letter goes on—

> to which the Department of Agriculture took exception.

Strong exceptions. It goes on and says:

> Since that letter was transmitted, the department's attention has been called to an amendment, a copy of which is inclosed, intended to be proposed by Senator PHELAN.

Then it goes on and points out how Senator PHELAN's amendment is wrong.

Mr. PHELAN. I must protest. I have explained, I think, to the satisfaction of others that the amendment referred to there was presented by me July 21 and has been withdrawn by me. That amendment was criticized by the department. Now, in order to meet every objection I have accepted the amendment the department submitted, and the amendment before the body now is the amendment of the department. So the Senator is simply adding to the confusion by failing to recall what I simply explained some time ago, that the amendment which the department criticized in that communication has been withdrawn.

Mr. HUGHES. Then, of course, that explains why the department wrote this letter. The department did not know the Senator had withdrawn his amendment and the department was fearful that the Senate in its ignorance might pass the amendment. I am very glad the Senator now understands the situation, and I sincerely hope that the balance of the Senate understands the situation. If they do they will know that the committee having given all the thought and consideration it was capable of to this question, after having heard every interest

that was represented from one coast to the other, after hearing their statements given with all the solemnity of a statement given under oath in a court room, after having taken their sworn statements as to what legislation they could exist under, suggested this legislation with the single exception that we have ventured to give to the eastern wine makers the right to call their product wine even though it shall have been ameliorated to the extent of 35 per cent of pure water and pure sugar added to the grape juice or must, before or during fermentation. Everybody who appeared before that committee, even the Californians, said these gentlemen should be permitted to add 25 per cent. These gentlemen said they should be permitted to add 50 per cent. We came to the conclusion that they were entitled to add 35 per cent. We came to that conclusion after having read what the authorities all over the world said. It was admitted everywhere, as far as I have been able to discover, that under certain climatic conditions and in certain cases a greater amount should be added to the grapes to correct the acidity. The Californians are not handicapped in that way because their grapes have sugar and water. It is an insipid, sickly grape which has to have alcohol put in before it can reach the product that grows east of the Rocky Mountains. Anyway, without having consumed either of the products and having confined my investigation simply to what other gentlemen said about it, we came to the conclusion that we were doing as near absolute justice as possible by proposing this legislation, and I ask for a vote.

Mr. POMERENE. Mr. President, I have discussed this question several times, but in view of certain statements which have been made, I feel that I owe it to those who may be engaged in the wine business east of the Rocky Mountains to present their views.

The so-called California sweet-wine law was passed in 1890. It was so drawn that no one outside of California could get the privilege of using grape brandy or wine spirits free of tax. Later a nominal charge of 3 cents per gallon was added by the Congress to cover the expense of inspection. Meanwhile in the East those who manufactured sweet wines paid $1.10 a gallon for the grape brandy or neutral spirits which they might use, while the Californians paid 3 cents per gallon. Of course they grew rich; of course these great interests combined and formed the California Wine Association and other great combinations. If I am properly advised, several of the largest associations now in California occupy the same offices in the same building, and, I am told, fill their orders out of the same casks in part.

After this discrimination in favor of California wine was discovered, and after they have practically driven a great many of the eastern wine producers out of business, we are confronted with the marvelous statement, "You are so small in the East and we are so great in the West that the little Lilliputian should not be permitted to interfere with this great Brobdingnagian."

Mr. President, as was said this afternoon by the Senator from New Jersey [Mr. HUGHES], there was an adjustment here about two years ago by the terms of which a tax of 55 cents per gallon was placed upon grape brandy. That was an emergency measure, and it was to expire by its own limitations on December 31 of the following year. What I should like to have, what the eastern and Ohio wine producer would like to have, for the sake of the Government, that needs revenue, is that this tax, instead of being 55 cents a gallon, should be $1.10 a gallon.

I have never heard anyone who could explain the justice of charging a California wine producer 3 cents a gallon tax upon his grape brandy and charging a housekeeper, who uses a little of it in her cooking, $1.10 a gallon tax. I have never heard anyone who could defend that save and except the California wine producer.

Mr. President, the Senator from California [Mr. PHELAN] is very much interested in the pure-food provisions of this bill, and he refers to the fact that it is an awful thing to add water and sugar to grape juice, and yet the very law under which they have operated since 1890, and under which they have the benefit of free grape brandy, authorized them to add water to their grape juice, amounting to 10 per cent of the volume. It is the essence of good morals to permit them to do that. They can even add tartaric acid, because their grapes are often deficient in acid. They see nothing wrong in that, but when the eastern wine growers seek permission to neutralize the excessive acidity of their wine by adding sugar and water solution it straightaway becomes an offense.

Now, let us examine the situation a little further. This matter is not new. During the administration of President Taft, the Secretary of the Treasury, the Secretary of Commerce, and the Secretary of Agriculture had long and full hearings upon this subject. Then they issued pure-food decision No. 120—I regret I do not have it with me—by which it was recognized as proper to add water and sugar; in other words, sugar solution, to grape juice in the East for the purpose of counteracting the effect of the acid. When that was done it was to be labeled, for instance, "Missouri wine" or "Ohio wine," as the case might be. I think that decision from the standpoint of pure food was a little lame, in that it did not place a limitation upon the amount of water and sugar which could be added.

Then comes along the present Secretary of Agriculture, and he has a number of hearings; he issues this decision No. 156. I want to pay my respects for a moment to that decision. Bear in mind that while the Agricultural Department recognizes the right of Californians to add 10 per cent of water to their grape juice; that while the three members of President Taft's Cabinet issued order No. 120 permitting it; that while, according to a statement issued by the department very recently, the use of water and sugar in the Eastern grape juice had been practiced since 1836 and was everywhere recognized as proper, the Secretary of Agriculture issues order 156, setting aside order 120, which had been promulgated by three of the Secretaries, and it has never yet been explained how he had authority to so do—and he issues order 156. Now note the order:

As a result of investigations carried on by this department and of the evidence submitted at a public hearing given on November 5, 1913, the Department of Agriculture has concluded that gross deceptions have been practiced under food-inspection decision 120. The department has also concluded that the definition of wine in food-inspection decision 109 should be modified—

I shall not read all of that.

Food-inspection decisions 109 and 120 are, therefore, hereby abrogated, and, as a guide for the officials of this department in enforcing the food and drugs act, wine is defined to be the product of the normal alcoholic fermentation of the juice of fresh, sound, ripe grapes, with the usual cellar treatment.

To correct the natural defects above mentioned the following addition to musts or wines are permitted:

Now, I want Senators who do me the honor to listen to me to notice that, while this department protests against the use of water, it allows some sugar; but this order goes on:

In the case of excessive acidity, neutralizing agents which do not render wine injurious to health, such as neutral potassium tartrate or calcium carbonate:

In the case of deficient acidity, tartaric acid;

In the case of deficiency in saccharin matter, condensed grape must or a pure dry sugar may be used.

So that we have the Agricultural Department saying that it is an adulteration, that it is offensive to the rules of health to add water to wine, but that you can add potassium tartrate and calcium carbonate. The wine producers say these chemicals give to the wine a soapy taste, to such extent that those who like it in its ordinary state will not drink it, and, I assume, would rather have California wine than the eastern wine with a soapy taste.

Now, let me go a little further with this proposition. While this letter from which I read bears the signature of the Secretary of Agriculture, I submit that, in my judgment, without knowing what the facts are, it was written by some one else. Please remember when this decision was issued it became wrong thereafter to use water; but note what he said in this letter, which was written to Hon. CLAUDE KITCHIN, under date of June 26, 1916:

The department sees no reason to doubt the statement that the amelioration of wine with sugar or water has been practiced to a greater or less extent since 1836 in Ohio and Missouri.

But after the year of our Lord 1914 it becomes adulteration to add water to grape juice!

Then he adds:

There is no doubt, however, that such use of sugar and water has been subject to great abuse and has not been limited to the bounds established by varying climatic conditions. This abuse of the addition of water represents, in fact, the crux of the entire situation, inasmuch as it results in lowering the standard of wines other than fortified sweet wines, thus working a hardship to the producer of pure wines, as well as being confusing and misleading to the purchaser in case such diluted wines are sold under the simple designation "wine," without any explanatory statement showing the presence of water. The addition of water and sugar to fortified sweet wines is, as you doubtless are aware, subject to limitation under the terms of existing statutes, and food inspection decision does not, therefore, apply to such wines.

He recognizes the fact that water may be added when it comes to sweet wine. He does not say that it is wrong to add water, but he says the privilege of adding water and sugar has been abused; in other words, because it has been abused by some wine producers he says, "You shall not have the privilege of adding water at all"—on a parity with the philosophy of the man who, if he knew there was a rat in his barn, would burn down the barn in order to get the rat.

Mr. PHELAN. Mr. President, I think the Senator, if he will permit me, has done an injustice to the Secretary of Agricul-

ture, who states, in the matter just quoted, that the statute allows the watering of wine to a certain extent, and therefore his regulation did not apply to it.

Mr. POMERENE. I read that portion of the letter. The Secretary goes on further in this letter, or perhaps in some other letter, to say that the statute does not authorize us to permit the use of water, but no one from that department has ever suggested to Congress that that statute should be changed so as to permit the use of water.

Mr. PHELAN. Mr. President, if the Senator will permit me again, the Secretary says "the addition of water and sugar"——

Mr. POMERENE. I have read what the Secretary says.

Mr. PHELAN. "To fortified sweet wine is, as you are doubtless aware, subject to limitation under the terms of existing statutes."

Mr. POMERENE. Mr. President, I object to this interruption. I expressly made a statement that it was permitted when it comes to the making of the sweet wine alone.

Now, Mr. President, we have this further situation: They use the same process known as gallizing wine in Germany, and with the grapes they have, with their peculiar degree of acidity, they allow the addition of 25 per cent in volume by way of amelioration, and under our law now we can import German wines thus ameliorated by 25 per cent of sugar and water, and this foreign product can be sold in this country, while under decision 156, if water is added to domestic wine, it can not be sold here.

I do not want to question the good faith of anyone, but if this man Husmann—and I hope he is in the gallery here to hear what I say—had been hired and paid by the California interests for the purpose of doing everything he could for them, and for the purpose of ruining the wine trade everywhere else, he could not have served their purpose better. Yet we have a great industry in the States of New Jersey, New York, Virginia, Ohio, Missouri, Illinois, and Kentucky subject to the sweet whims of this bureaucrat!

Mr. President, this awful thing of using water has had the attention of another man by the name of Husmann, who happens to be the father of this wine man down here in the department. I have here a book written by him, under the title "American Grape Growing and Wine Making, by George Husmann," and on page 168 he discusses our grapes in this country, and he says:

> If we closely examine the musts of most of our American grapes, we find that they not only contain an excess of acids in inferior seasons, but even a greater superabundance of flavor or aroma and of tannin and coloring matter. There is such an abundance of flavor in many of them that were the quantity doubled—

Please note this language—

> There is such an abundance of flavor in many of them that were the quantity doubled by addition of sugar and water there would still be an abundance. With some varieties, such as Concord and Ives, if fermented on the husks, it is so strongly foxy as to be disagreeable; and as the pulp of them is very tough and slippery they can not be pressed clean without fermentation.
>
> We must, therefore, not only ameliorate the acid, but also the flavor and astringency, of which the tannin contained in the stems is the principal cause. Therefore it is even more important to us than to European wine makers to gain the knowledge to gallize our wines properly—

That is, to add sugar solution—

> By proper management we can change must, which would otherwise make a disagreeable wine, into one in which everything is in its right proportion, and which will thus suit a customer, to whose fastidious taste it would otherwise be repugnant. True, our grapes will ripen better here, so that we can, in most seasons, produce a wine without a great excess of acids, but the American taste requires a less acid wine, anyway, and we must dilute the aroma to make our wines salable. Here another difficulty presents itself. The riper a grape is the more of its peculiar aroma will it develop, and if we would let our Concords hang until they are so ripe that the acid has been reduced to the proper proportion, the aroma becomes so strong that it is very repugnant to a refined taste.

I shall not take the time of the Senate to read further upon that subject; but, now, observe: When it comes to the amount of amelioration, the department, in the course of two years have said, first, that you shall add no water; secondly, they say you may add 25 per cent, and it is perfectly proper. Now, it becomes and awful crime, in the minds of our California friends, if we ask to add the 35 per cent which would seem necessary at some sensons in some localities. While under the authority of Mr. Husmann, the father of the Government wine expert, in many cases the quantity ought to be doubled by the addition of water and sugar.

I agree with the Senators, I agree with the department, that if there is an unusual amount—as in the suggestion made by the substitute proposed by the Senator from New Jersey—or more than 35 per cent, it should be marked as "ameliorated wine," and it should bear upon the container the percentage of water and sugar which has been added to it. That is not going to deceive anybody.

The Senator from California [Mr. PHELAN] has suggested several times that when this emergency law was passed it ruined the grape growers in California, it ruined the wine business—a business that had received rebates from this Government from the year 1890 down to 1914 of over $70,000,000. During the year 1913 the revenue which we received at 3 cents per gallon from the sweet-wine industry amounted to $145,586.21. If it had paid $1.10 per gallon the Government would have received from it $5,338,150.42. This rebate of $5,338,000 went to just 113 producers, all of whom, save 20, were in the State of California, and one of them received an amount between six and seven hundred thousand dollars. I have the exact figures here, but I will not take the time to refer to them.

Mr. President, an agreement was made, as the Senator from New Jersey has stated, after weeks of discussion and negotiations, and signed by the different wine producers, among them Mr. Bell as the attorney for the California Wine Association, who was here; and with him were others who came to see me and said they were farmers from California. Every one seemingly went away happy, save those in the East, who insisted all the while that a tax of $1.10 should be charged, instead of the 55 cents. For the last five months Senators and Congressmen have been told by the representatives of the California wine interests that this emergency law was a failure as a revenue producer, that it has ruined their business, and therefore it should be repealed, and we should give California again a lower rate of taxation. These facts are very interesting, indeed, if they be facts:

> Oh, what a tangled web we weave
> When first we practice to deceive.

Let us see what this situation is. Bear in mind, now, that the emergency measure was approved by the President October 22, 1914. Please bear that date in mind. The bill had been in process of formation here for several months.

During the month of September, when they got their grape brandy at 3 cents a gallon, they used various amounts, smaller in the earlier part of the vintage season, larger in the latter part of the season. On September 1 they used 8,156.6 gallons. On September 30 they used 111,545.6 gallons. On October 1, at 3 cents a gallon, they used 124,180.5 gallons. On October 21, the day before this law was approved, they used 31,310.6 gallons. On the day it was approved, on October 22, they drew from the bonded warehouses 255,672.7 gallons. They got it at 3 cents a gallon. On October 23 the new rate of 55 cents per gallon went into effect. They were interested in giving revenues to the Government! Then, on October 23, the amount which they withdrew from the bonded warehouses when they had to pay 55 cents a gallon was only 4,085.1 gallons; on October 24, 1,041.9 gallons. And after trying to beat the Government in this way, they come here now and say to us that the law is a failure as a revenue producer!

More than that, remember this: At the time this law went into effect the wine producers of California had between thirty and forty million gallons of sweet wine in their cellars fortified with 3-cent brandy. Then what did they do? After coming here and making this agreement to pay a tax of 55 cents a gallon upon the grape brandy they go back to these farmers with whom they had contracts agreeing to pay a given amount for their grapes, and they call these dear farmers' attention to the fact that in their contract was a forfeiture clause which left to them the privilege of canceling the contract if the tax should ever be raised above 10 cents a gallon; and now we are confronted with the statement that it is this legislation which is oppressing the farmer! It is the cupidity of your California wine interests that is crucifying the farmer, if anyone is.

Mr. President, the figures I gave are from a communication from the Acting Secretary of the Treasury, and I ask that it may be incorporated in the RECORD as an addendum to my remarks.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The matter referred to is as follows:

TREASURY DEPARTMENT,
Washington, August 26, 1916.

Hon. ATLEE POMERENE,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I have the honor to acknowledge the receipt of your letter of the 24th instant, and in response inclose herewith a statement prepared from the records of this department showing the quantity of brandy or wine spirits used, daily, in the fortification of sweet wines in the California districts during the months of August, September, October, and November, 1914.

Respectfully,

B. R. NEWTON,
Acting Secretary.

Quantity of wine spirits used in fortifying sweet wines in the State of California during August, September, and up to October 22, 1914.

Day of month:	AUGUST. Taxable gallons.	
26	3,329.0	
27	2,890.3	
28	7,403.8	
29	9,871.4	
31	15,323.1	
		38,817.6
	SEPTEMBER.	
1	8,156.8	
2	11,918.5	
3	20,901.1	
4	53,658.6	
5	20,293.5	
6	1,909.6	
7	25,395.0	
8	40,263.4	
9	29,213.5	
10	38,312.2	
11	49,133.2	
12	44,726.6	
13	13,564.4	
14	43,421.9	
15	56,165.3	
16	51,318.0	
17	86,723.2	
18	107,402.7	
19	91,506.8	
20	15,897.7	
21	135,091.4	
22	123,694.4	
23	102,249.6	
24	123,595.2	
25	127,503.3	
26	150,315.7	
27	36,505.2	
28	101,644.3	
29	132,737.9	
30	111,545.6	
		1,935,064.4
	OCTOBER.	
1	124,180.5	
2	134,619.8	
3	140,847.6	
4	23,048.6	
5	95,186.7	
6	108,563.9	
7	102,925.0	
8	102,887.1	
9	142,254.2	
10	112,605.0	
11	42,095.0	
12	107,561.7	
13	83,347.2	
14	104,332.8	
15	78,437.1	
16	75,603.6	
17	118,093.0	
18	25,273.7	
19	69,630.4	
20	90,090.8	
21	81,310.6	
		1,962,891.3
Aggregate prior to Oct. 22, 1914		3,936,773.3

Quantity of wine spirits used in fortifying sweet wines in the State of California during the period from Oct. 22, 1914, to Nov. 30, 1914, inclusive.

Day of month:	OCTOBER. Taxable gallons.	
22		255,072.7
23	4,085.1	
24	1,041.9	
26	3,413.4	
27	1,925.6	
28	2,498.1	
29	6,341.3	
30	7,212.6	
31	8,332.8	
		34,850.8
	NOVEMBER.	
2	7,429.7	
3	2,361.7	
4	19,288.0	
5	6,819.2	
6	18,983.9	
7	12,018.8	
8	13,971.4	
9	7,641.8	
10	26,559.3	
11	14,933.0	
12	4,504.4	
13	11,558.1	
14	8,850.0	
16	3,078.0	
17	5,231.3	
18	1,003.7	
19	934.8	
20	1,377.0	
21	1,123.9	
23	6,493.0	
25	85.5	
28	7,959.2	
30	2,535.5	
		184,741.2
Aggregate after Oct. 21, 1914		475,264.7

Mr. SIMMONS. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER (Mr. McLEAN in the chair). Does the Senator from Ohio yield to the Senator from North Carolina?

Mr. POMERENE. I do.

Mr. SIMMONS. I want to ask the Senator if it is not true, notwithstanding these criticisms of eastern wines as compared with California wines, that in the markets of this country the eastern wines command a very considerably higher price than the California wines?

Mr. POMERENE. I have been so informed by a number of people who are very familiar with this subject, and I have never heard it denied.

Mr. PHELAN. Mr. President, may I ask the Senator what inference he draws from that?

Mr. POMERENE. The inference is that this wine that you say is made in violation of the pure-food laws, which you love so much, is better than any of the concoctions you have in California.

Mr. PHELAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from California?

Mr. POMERENE. I yield.

Mr. PHELAN. The Senator's zeal carries him away from the important fact, which I am sure he himself will recognize, that California is singularly well adapted for the production of wine, and it is hardly fair to call it a concoction. But I desire to say that the only reason, if indeed it be true, that this eastern wine sells for a better price is because it is made in the center of great populations. We have 100,000,000 people in this country. There are only 3,000,000 in California, and we produce 90 per cent of all the wine made in the United States. We must market that great volume of wine, and naturally the 10 per cent, if sold at all, would sell at a good price in a dense population, and——

Mr. POMERENE. Mr. President, I thought I was yielding for a question, not for a speech. I have heard this same encomium upon California wines before, and it is nothing new to me. I decline to yield for that statement now.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. PHELAN. Then I can not set the Senator right.

Mr. POMERENE. Ah, Mr. President, if I were wrong, much as I love the Senator from California, I am sure I would not go to him for accurate knowledge upon the wine proposition. He has been misled by the California Wine Association.

Mr. STONE. Mr. President——

Mr. PHELAN. Mr. President, I object seriously to being misled by the California Wine Association——

Mr. POMERENE. I do, too.

Mr. PHELAN. Which is a nefarious monopoly. I am condemning it here myself. The representative was Mr. Bell. The Senator does not mean the California Wine Association.

Mr. POMERENE. Oh, Mr. President, if we could look behind the farmers who are being held up between the devil and the fire, we would find they are being held there by the California Wine Association.

Mr. PHELAN. The Senator, then, reiterates that I am here in the interest of the California Wine Association?

Mr. POMERENE. Not consciously. I would not question the good faith of the Senator personally. In whatever I say, I want to make disclaimer of anything of that sort.

Mr. PHELAN. Then the Senator states it merely out of his imagination?

Mr. POMERENE. I state it as a matter of belief, knowing this matter, and the manipulation that has been going on in the city of Washington on behalf of these California wine people for years.

Mr. PHELAN. Mr. President, as a matter of privilege I must object to the Senator making reckless statements. He not only involves his colleague, but he involves Mr. Husmann here, to whom the Secretary refers in his letter of August 14.

Mr. POMERENE. Mr. President, if this is to be a defense of Mr. Husmann, I will look after that later on.

Mr. PHELAN. Then I will refer exclusively to myself. The California Wine Association is a monopoly. Its president is a personal friend of mine, a Mr. Pillsbury, who is also the chief attorney of the Standard Oil Co. Anybody with any knowledge of California must realize that monopoly representing either wine or oil has no particular place in my heart, and I have been in a position of antagonism to all monopolies. I verily believe that the California Wine Association——

Mr. POMERENE. Now, Mr. President——

Mr. PHELAN. I ask leave to make this statement as a matter of personal privilege.

Mr. POMERENE. I insist that I have the floor.

Mr. PHELAN. I rise to a question of personal privilege, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. POMERENE. I insist that I have the floor, and I will yield for a question, but nothing more now.

Mr. PHELAN. I am not asking the leave of the Senator, because I am speaking to a question of personal privilege.

Mr. POMERENE. The Senator will have that opportunity after I have yielded the floor.

Mr. PHELAN. The Chair has recognized me for that purpose.

The PRESIDING OFFICER. The Senator declines to yield even for that purpose. The Chair supposes the Senator has that right.

Mr. PHELAN. I will reserve in my own time, then, the privilege of replying.

Mr. POMERENE. I have very clearly said that in no sense of the word do I mean to reflect, directly or indirectly, upon the honor or the integrity or the good faith of the Senator from California.

The PRESIDING OFFICER. The rules provide that if a Senator rises to a question of high privilege he is entitled to the floor; and if the Senator from California puts it on that ground——

Mr. PHELAN. The Senator has made the amende, and I will not insist, Mr. President.

Mr. POMERENE. Mr. President, I have no interest whatever in this subject except the interest that I feel in an industry——

Mr. STONE. Mr. President, will my friend yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Missouri?

Mr. POMERENE. I yield.

Mr. STONE. I have taken no part in this debate, and do not intend to, except that I should like to make at this time a statement which is pertinent in connection with what the Senator from Ohio has said.

First, the assertion that only 10 per cent of the wine produced in the United States is made outside of California I deny. A considerably larger amount is made outside of California.

Secondly—I press this thought upon the Senators—that this very question of controversy between California grape growers and wine makers and the grape growers and wine makers east of the Rocky Mountains is an old question that has been before the Congress for 20 years or more. Two subcommittees of the Finance Committee have had this matter in charge since 1914 and during the present session. In 1914 there were exhaustive examinations running through several weeks. Full hearings were had and all interested appeared, and a report was made which was crystallized into the statute. It ought to have been made absolutely permanent at the time, but it was not. It was approved by all the interests represented, as the Senator from Ohio said. Twice now this matter has been the subject in the last two years of investigation, and the same conclusion has been reached.

Thirdly, and I am through. I put the State of Ohio beside the State of California. There are more people interested in wine growing in California than in Ohio, it is true. It has been said there are 17,000 interested in this industry in California. There are only several thousand in Ohio. But it has been agreed twice by the Finance Committee and by the last Congress that if the policy proposed by the Senator from California should be agreed to it would destroy the industry in Ohio. That was the opinion of those who investigated it. You can put these two States side by side and say whether you want to destroy a great industry in Ohio by giving an undue advantage to the same industry in California.

Mr. POMERENE. Mr. President, I thank the Senator for his suggestion. There are just one or two more thoughts that I want to submit to the Senate. The first is this: It is urged against this increased tax on grape brandy or wine spirits that it will destroy the industry. Does not every Senator know that when any tax, particularly an internal-revenue tax, is put upon any product of consumption that tax is passed on to the consumer?

We have $1.10 per gallon tax on whisky; a dollar and a half, I believe, on beer per barrel. Does anyone now contend that the tax on whisky ruins the production of rye or corn, or that the tax upon beer will ruin the industry of barley or hop growing? It does not when it is passed on to the consumer, and he always pays.

I am only interested, so far as the wine producers are concerned, in having some legislation here that will do equal and exact justice to all of them. I am not here pleading for any favoritism. As long as the law permits the making of wine and beer and whisky they ought to be taxed, and they are recognized everywhere as a proper subject for taxation, except that here in the United States for some years we have permitted the making of sweet wines under the sweet-wine law with 24 per cent of pure alcohol, or one-half, almost, the strength of whisky, and require the wine producers to pay only 3 cents per gallon for the brandy or wine spirits used in its fortification.

My thought is that if we were to try to treat these subjects of taxation properly we ought to tax them all according to their alcohol content.

I wish I could persuade my good friend from California, in the interest of the Treasury, to increase this 55 cents per gallon to $1.10 per gallon. It will not hurt the farmers. If they will just get ready to take care of the wine producers, their industry will not be injured; all will be able to live and to thrive.

Let me tell the Senator another fact, and I will then conclude. In the investigations which I made on this subject a couple of years ago, at that time in California they were making the cheaper grades of pure sweet wines fortified until they had nearly 24 per cent of pure alcohol, or 48 per cent of proof alcohol, making them one-half the strength of whisky, which is 100 proof when it is taxed at the rate of $1.10 a gallon. Several years ago they sold the cheaper grades of this wine free on board cars in California as low as 15 cents a gallon. This wine was bought by patent medicine men. They bought it for less than the tax on the wine if it had been charged at the rate of $1.10 per gallon on the grape brandy or wine spirits contained in it. I am speaking of the low grades of wine.

Mr. President, I admit the fact, as I am told, that when the California wine producers were increasing the alcoholic content of their wine some of the people in the East began to make wines to which they added more water than they should; in other words, they were stretching; they were increasing the quantity of the wine, while the Californians were increasing the alcoholic content of their wine.

Mr. President, this so-called stretching of wine in the East was stopped, not through pure-food decisions alone but in my own State by our State legislature. I join hands with anyone who wants to make and to enforce pure-food laws of the proper kind. I have little confidence in the judgment of the man who says it is adulteration to add water and sugar to wine, but permits the use of calcium carbonate or potassium tartrate as neutralizing agents. Such regulations can only serve to bring pure-food laws in disrepute.

Mr. President, I trust that the substitute offered by the Senator from New Jersey will be adopted. I think it should be. I think it will serve to place these different industries in the different sections of the country in a position where they can both live and thrive. There is not any reason why one should attempt to ruin the other. If in California they have the superior climate, the superior soil, the superior grape, when they are protected from without by a tariff of 45 to 60 cents a gallon against the importations of wine, and a duty, I believe, of 25 cents per cubic foot or thereabouts against the importation of grapes, I do not know any reason why they should now by legislation attempt to differentiate between the East and the West and place the eastern wine producer at a disadvantage.

After the Californians have received, through the sweet-wine law of 1890, rebates aggregating over $70,000,000, this legislative favoritism ought to stop. It did not go to the farmer. It was not intended for him. It was intended for the wine producer, and he got it.

Mr. PHELAN. Mr. President, the amendment before the Senate affects the definition of wine and puts a limitation of 25 per cent of its volume upon the stretching of wine. The Senator from Ohio has discussed other questions far afield and to which I desire to reply. When the question before the Senate relates to the fixing of rates I am going to move to substitute the House rates for the Senate committee's recommendation, and it will be time enough then to reply to his remarks.

If a vote is to be taken upon this amendment to-night, I should think it would be wise to limit the discussion to the subject before us, and for that purpose I will simply state now that the amendment which I propose to the substitute offered by the Senator from New Jersey is the amendment recommended by the Agricultural Department permitting the stretching of wine 25 per cent. It is now 11 per cent by law. In every way it meets the expectations and the wishes of the wine men of the entire

country, not only of California but of New York, New Jersey, and Virginia. The only dissentients are those in Ohio and in Missouri, who were represented before the committee by Attorney Lannen, representing interests which have been in trouble for adulterating goods, like the mixed flour, and who, with Attorneys Stark and Cooke, representing whisky and wine sophisticators, are bent by the spirit of resentment or revenge to damage the California wine industry for its resistance to such practices.

I can see no other purpose, because this amendment allows them all that they might reasonably expect, the privilege of stretching their product 25 per cent by the addition of sugar and water, something which California concedes to them by way of compromise, which has been proved in this very amendment before the Senate indorsed by the Agricultural Department; but they ask the privilege of unlimited stretching and to call that product "ameliorated" wine. In their proposal their first product is known as wine, 35 per cent. Their next product, according to this substitute, 35 per cent more, is known as "ameliorated" wine. I am simply pleading now, without reference to what the Senator has said about finances and revenue, for the upholding of the pure-food regulations recommended by the Department of Agriculture. Can not Senators who are not familiar with the subject safely vote with the Department of Agriculture in guarding the public interests? That is all there is to it.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from California [Mr. PHELAN] as a substitute for the amendment offered by the Senator from New Jersey [Mr. HUGHES].

Mr. PHELAN. I must suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from California suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Beckham	Lane	Pittman	Smith, Ga.
Chilton	Lea, Tenn.	Pomerene	Smith, S. C.
Culberson	Lewis	Ransdell	Smoot
Cummins	McCumber	Saulsbury	Stone
Fletcher	McLean	Shafroth	Swanson
Harding	Oliver	Sheppard	Underwood
Hitchcock	Overman	Sherman	Weeks
Hughes	Penrose	Simmons	
Jones	Phelan	Smith, Ariz.	

During the calling of the roll,

Mr. HUGHES. I ask unanimous consent that the roll call be dispensed with, in order that I may move that the Senate take a recess.

The PRESIDING OFFICER. The Chair will inform the Senator from New Jersey that the roll call can not be suspended, it having been once begun.

After the roll call had been concluded,

Mr. MARTINE of New Jersey. I desire to announce the unavoidable absence of the Senator from Mississippi [Mr. VARDAMAN].

Mr. SIMMONS. Mr. President, does the Chair hold that the roll call can not by unanimous consent be dispensed with?

The PRESIDING OFFICER. The Chair holds that the roll call, having once been begun, it can not be suspended.

Mr. HUGHES. I ask unanimous consent now——

Mr. SMOOT. Let the announcement be made. The announcement has first to be made.

The PRESIDING OFFICER. There is not a quorum present.

Mr. HUGHES. I ask unanimous consent that the Senate take a recess until 11 o'clock to-morrow.

The PRESIDING OFFICER. The Chair will inform the Senator that the only motion in order is a motion to adjourn, as the Chair understands, the call of the Senate having disclosed that no quorum is present.

Mr. HUGHES. The announcement as to the number present has not been made.

Mr. WARREN. There are a number of Senators present who have not answered to their names as yet.

Mr. HUGHES. The announcement as to the Senators present has not as yet been made, and it does not appear by the record that no quorum is present. I ask unanimous consent now that the Senate take a recess until 11 o'clock to-morrow.

Mr. OLIVER. I insist on the roll call being completed.

The PRESIDING OFFICER. The Secretary will call the names of the absent Senators.

The Secretary called the names of the absent Senators, and Mr. BANKHEAD, Mr. BORAH, Mr. BRYAN, Mr. CURTIS, Mr. DILLINGHAM, Mr. MARTINE of New Jersey, Mr. THOMPSON, and Mr. WARREN answered to their names when called.

Mr. LEE of Maryland entered the Chamber and answered to his name.

Mr. CHILTON. I move that the Senate adjourn.

Mr. SIMMONS. Before that motion is put——

Mr. BRADY. Mr. President——

Mr. SIMMONS. Before that motion is put I should like to inquire——

Mr. CHILTON. I withdraw my motion.

Mr. WARREN. Let us have the result of the roll call announced.

Mr. BRADY. I desire to be recorded as present.

The PRESIDING OFFICER. The Senator from Idaho will be so recorded.

Mr. CHILTON. I withdraw my motion for the present.

The PRESIDING OFFICER. Forty-four Senators have answered to their names. There is not a quorum present.

Mr. HUGHES. Mr. President, a parliamentary inquiry. Is there a standing order of the Senate to the effect that the Senate shall meet at 10 o'clock a. m.?

Mr. SMOOT. There is a standing order that, unless otherwise ordered, the Senate shall meet at 10 o'clock.

Mr. HUGHES. Then, with that understanding, I move that the Senate adjourn.

The motion was agreed to; and (at 5 o'clock and 30 minutes p. m., Monday, August 28, 1916) the Senate adjourned until to-morrow, Tuesday, August 29, 1916, at 10 o'clock a. m.

SENATE.

TUESDAY, *August 29, 1916.*

The Senate met at 10 o'clock a. m.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, with whom are all the issues of human life, we lift our hearts to Thee for Thy guidance and blessing as we face the solemn responsibilities of another day in this place of great influence and power. We pray that we may justify the influence and power of this Senate by conformity in all our acts, even in the thoughts of our hearts, to the will of God, remembering that it is righteousness that exalteth a nation. As we conform our policies to the divine will we can insure the stability and permanency of our institutions and the blessings of God upon our Government. Guide us as we walk over the uncharted paths of this day, and bring us to its close with a satisfaction of having done the will of God. For Christ's sake. Amen.

CALLING OF THE ROLL.

Mr. GALLINGER. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Husting	Oliver	Smith, S. C.
Brandegee	Jones	Penrose	Smoot
Bryan	Kenyon	Phelan	Sterling
Culberson	Lane	Pomerene	Stone
Cummins	Lea, Tenn.	Reed	Taggart
Dillingham	McCumber	Robinson	Thomas
Gallinger	Martine, N. J.	Sheppard	Vardaman
Hitchcock	Myers	Simmons	Williams
Hughes	O'Gorman	Smith, Ga.	

Mr. MARTINE of New Jersey. I desire to announce that the Senator from Oregon [Mr. CHAMBERLAIN] is unavoidably detained from the Senate.

The VICE PRESIDENT. Thirty-five Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of absent Senators, and Mr. COLT, Mr. JAMES, Mr. SWANSON, Mr. THOMPSON, Mr. UNDERWOOD, and Mr. WADSWORTH answered to their names when called.

Mr. MARTIN of Virginia, Mr. OVERMAN, Mr. SHIELDS, Mr. NELSON, Mr. SMITH of Arizona, and Mr. SHERMAN entered the Chamber and answered to their names.

Mr. SIMMONS. I wish to inquire whether the second roll call has been completed and no quorum has been developed?

The VICE PRESIDENT. One more Senator will complete the quorum.

Mr. HARDING entered the Chamber and answered to his name.

The VICE PRESIDENT. Forty-eight Senators have answered to the roll call. There is a quorum present. The Secretary will read the Journal of the proceedings of the preceding day.

THE JOURNAL.

The Secretary proceeded to read the Journal of the proceedings of the legislative day of Monday, August 21, 1916, when, on request by Mr. MYERS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

FEDERAL FARM LOAN BOARD (S. DOC. NO. 537).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury calling attention to estimates transmitted by the Treasury Department on the 9th instant to the Speaker of the House of Representatives for salaries and expenses of the Federal Farm Loan Board, created under the act of July 17, 1916, for the fiscal year 1917, $100,000, etc., which was referred to the Committee on Appropriations and ordered to be printed.

J. L. DE ROSA ESTATE (INC.) (S. DOC. NO. 539).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, calling attention to a copy of private act No. 83, Sixty-fourth Congress, for the relief of the J. L. de Rosa Estate (Inc.), of Elk Grove, Cal., approved August 7, 1916, and stating that the act does not provide an appropriation for the payment of the same, and that an appropriation of $1,158 will be necessary therefor, which was referred to the Committee on Appropriations and ordered to be printed.

LIST OF JUDGMENTS (S. DOC. NO. 538).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting, pursuant to law, a list of judgments rendered by the Court of Claims amounting to $44,663.46, which have been presented to the Treasury Department to require an appropriation for their payment, etc., which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SCHEDULES OF CLAIMS (S. DOC. NO. 536).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting, pursuant to law, schedules of claims amounting to $166,473.75 allowed by the several accounting officers of the Treasury Department under appropriations the balances of which have been exhausted or carried to the surplus fund under the provisions of section 55 of the act of June 20, 1874, etc., which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

PETITIONS AND MEMORIALS.

Mr. ROBINSON. Mr. President, I am in receipt of a large number of telegrams, letters, and memorials from various citizens and corporations in Arkansas protesting against certain provisions in the pending revenue bill affecting insurance, and especially protesting against that feature which imposes a stamp tax on insurance premiums, and so forth. Most of these communications are identical in language. Among those signing these protests are:

F. F. Kitchen, Helena, Ark.; A. J. Wilson, manager insurance department, Southern Trust Co., Little Rock, Ark.; Metcalf & Duval, Hardy, Ark.; G. H. Bagby, Lake Village, Ark.; A. N. Ragon, Clarksville, Ark.; Edgar Brewster, Pine Bluff, Ark.; W. W. Merriwether & Son Hardware Co., Paragould, Ark.; Pfeifer Clothing Co., Gans & Sons, Foster Hardware Co., Morris B. Sanders, Norton-Berger Shoe Co., Doyle-Kidd Dry Goods Co., Democrat Printing & Lithographing Co., Safferstone Hat Co., John B. Bond, jr., Little Rock, Ark.; Bertig Bros., Paragould, Ark.; Charles L. Miller, Little Rock, Ark.; J. M. McLeod, Pine Bluff, Ark.; M. H. Frayzer, W. B. Manning, H. B. Thorn, Harrisburg, Ark.; Rankin Bros., Lake Village, Ark.; G. A. Bahlau, Pine Bluff, Ark.; C. B. Lindsay, Pine Bluff, Ark.; City Drug Store, Lake Village, Ark.; Hermon Carlton, Albert G. Simms, Sam Epstein, Lake Village, Ark.; F. M. Rosenberg, Pine Bluff, Ark.; Barbers' Union, No. 521, Pine Bluff, Ark.; Insurance Federation of Arkansas, by W. M. Hardy, secretary, Little Rock, Ark.; L. M. Thompson, Clarksville, Ark.; H. S. Trice, Paragould, Ark.; R. D. Dunlap, jr., Clarksville, Ark.; Pinchback Taylor, Pine Bluff, Ark.; City Hardware Co., Lake Village, Ark.; L. B. Leigh & Co., Little Rock, Ark.; Ben Cravens, Fort Smith, Ark.; R. L. Blakely, Cox & Co., Scott Bros., Nevada County Bank, C. C. Hamby, Thomas C. McRae, W. V. Tompkins, D. L. McRae, Bank of Prescott, Prescott Hardware Co., W. B. Walter, Prescott, Ark.; Freeze & Cole Insurance Agency, Jonesboro, Ark.; P. A. Robertson, Shoffner Bros., Otto King, J. F. Headley, Searcy, Ark.; Amos Jarman, Helena, Ark.; Union Seed & Fertilizer Co., John W. Howell, Fort Smith, Ark.; H. E. Bransford, Oberst Hardware Co., W. T. Oberst, C. M. Buck, W. A. Stickmon, R. A. Nelson, Arkansas Grocery Co., Bank of Blytheville, J. Y. Sadler, Will Hyler, Mahan Store Co., Joe Isaacs, Blytheville, Ark.; City National Bank, I. H. Nakdimen, Fort Smith, Ark.; Atkinson-Williams Hardware Co., Fort Smith, Ark.; Lyman Real Estate Co., Fort Smith, Ark.; Fort Smith Ice & Cold Storage Co., by F. M. Coffey, Fort Smith, Ark.; H. B. Caldwell, Fort Smith, Ark.; J. Foster & Co., Fort Smith, Ark.; Gus J. Woldert, Fort Smith, Ark.; W. J. Echols & Co., Fort Smith, Ark.; Arthur G. Lee Seed Co., Fort Smith, Ark.; C. J. Murta Furniture Co., by W. A. Arnold, Fort Smith, Ark.; Darby & Bly Printing Co., by E. R. Bly, Fort Smith, Ark.; Reynolds-Davis Co., Fort Smith, Ark.; Davis Drug Co., Fort Smith, Ark.; Milton P. Boyd, Joseph V. Ferarri, Fort Smith, Ark.; Berry-Beal Dry Goods Co., Fort Smith, Ark.; John Schaap & Sons Drug Co., Fort Smith, Ark.; Joseph L. Solomon, Helena, Ark.; A. G. Burke, Helena, Ark.; Seelig L. Mundt, Helena, Ark.; R. E. Montgomery, Jonesboro, Ark.; Robert E. Wait, Little Rock, Ark.; S. A. Norton, Little Rock, Ark.; W. M. Burns, Blytheville, Ark.; T. A. Yarnell, Searcy, Ark.; R. E. Robertson, Jonesboro, Ark.; J. Mayne Bailey, Fort Smith, Ark.; Victor Sugarman, Little Rock, Ark.; John L. Carter, Eudora, Ark.; W. H. Nabors, Lewisville, Ark.; Nathan Dreyfus, Little Rock, Ark.

I ask that one of these communications be printed in the RECORD and that all be referred to the Committee on Finance.

The telegrams, etc., were referred to the Committee on Finance, and one was ordered to be printed in the RECORD, as follows:

[Telegram.]

HELENA, ARK., *August 24, 1916.*

Senator JOE T. ROBINSON,
Washington, D. C.:

I believe amendment to Federal revenue act relieving all corporations of stamp tax, except insurance companies, to be unfair discrimination against such corporations, and I respectfully urge you to use your influence in seeing that insurance companies are fairly treated.

F. F. KITCHEN.

Mr. ROBINSON. I present a letter in the nature of a memorial from the People's Building and Loan Association, of Little Rock, Ark., relative to the exemption of building and loan associations from tax by the pending revenue bill. I ask that it be printed in the RECORD.

There being no objection the letter was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

PEOPLE'S BUILDING AND LOAN ASSOCIATION,
Little Rock, Ark., August 24, 1916.

Hon. JOE T. ROBINSON,
United States Senate, Washington, D. C.

MY DEAR SENATOR: There is pending in the Senate a revenue bill which, I am informed, originally imposed a tax of 50 cents per thousand on the capital, surplus, and undivided profits of all corporations, but which was later amended so as to exempt all mutual building and loan associations, which are now exempt under section 11 of the income-tax law. Unfortunately, however, while it was evidently the intention of Congress to exempt mutual building and loan associations from the income-tax law, the Commissioner of Internal Revenue construed the language of this act differently, and held that building and loan associations are subject to some of its provisions.

I think the law should specifically exempt all mutual building and loan associations, for the reason that perhaps 90 per cent of the stockholders in mutual building and loan associations are wage earners who are practicing thrift and economy in saving small sums each month with which to acquire homes. If this is true in all sections of the country as is the case in Little Rock, where we have a large number of building and loan associations, I am sure that it is not the intention of Congress to impose the tax upon this class of people, and for this reason I trust you can see the injustice of taxing the building and loan associations, as you know any tax imposed has to be paid by the stockholders, and that you will endeavor to see that the mutual associations are exempt in such language as can not be misconstrued by the Revenue Department.

We have in our association alone something like 2,000 stockholders saving monthly sums from $1 to $20, and in the interests of these people I earnestly hope that you will be able to see that the building and loan associations are not taxed.

With kindest personal regards, I am

Yours, very truly,

J. H. HOLLIS, *Secretary.*

Mr. STERLING. I send to the desk several telegrams from citizens of my State relative to the tax on insurance companies, which I ask to have printed in the RECORD.

There being no objection, the telegrams were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

ABERDEEN, S. DAK., *August 19, 1916.*

Hon. THOS. STERLING,
United States Senator, Washington, D. C.:

Federal revenue bill amended by Senate provides increased income taxation on insurance companies; also continues indefinitely stamp tax on policies, while relieving all other business of stamp-tax feature. We strongly protest this decided discrimination which continues additional labor and responsibility upon local insurance agents and an unwarranted additional burden on insurance companies. We depend upon you to use your best personal efforts to prevent passage of this unfair amendment provision.

Reed Insurance (Inc.), George Bolls, T. C. Gage, J. B. Romans, A. F. Milligan, W. E. Milligan, Squire Land & Loan Co., Ira Barnes, M. B. Lamont, Isaac Lincoln, W. I. Hulett, S. W. Narregan, J. H. Pond, C. J. Burns, C. Boyd Barrett, C. G. Anderson, C. C. Fletcher, Brown Bros., John Wade, Cavanaugh & Wilmarth, C. A. Drager, C. F. Easton, C. H. Allen.

DEADWOOD, S. DAK., *August 19, 1916.*

Hon. THOS. STERLING,
Senator from South Dakota, Washington, D. C.:

We, as local fire insurance agents in this city, do most emphatically protest against the passage of the Federal revenue bill now before Congress pertaining to increased taxation on insurance companies; also continuing indefinitely stamp tax on policies, which is absolutely unjust and unfair to both fire insurance companies and agents. We trust that you, as representative of this great State of South Dakota, will take it upon yourself to see that the fire insurance companies and local agents of this State get your unqualified support to defeat this measure.

A. W. ICKES.
THOMAS & REGAN.
JOHN BAGALEY & CO.
PORTER & YEAGER.
L. W. STILLWELL.

—

LEAD, S. DAK., *August 21, 1916.*

Hon. THOS. STERLING,
Senator of South Dakota, Washington, D. C.:

We, as local fire insurance agents in this city, do most emphatically protest against the passage of the Federal revenue bill now before Congress pertaining to increased taxation on insurance companies; also continuing indefinitely stamp tax on policies, which is absolutely unjust and unfair to both fire insurance companies and agents. We trust that you, as representative of this great State of South Dakota, will take it upon yourself to see that the fire insurance companies and local agents of this State get your unqualified support to defeat this measure.

CURRAN & CURRAN.
F. B. CORUM.
JOSEPH FEENEY.
V. A. LUSSIER.

—

SIOUX FALLS, S. DAK., *August 21, 1916.*

Hon. THOMAS STERLING,
Senate, Washington, D. C.:

Please exert your influence in protecting insurance companies against proposal in revenue bill to continue stamp tax on them, when alone, of all corporations, this tax cost the National Fire Insurance Co. $50,000 last year and was not borne by the policy holders, as it should have been. The National paid in taxes of all sorts last year over $400,000, which was more than our trade profit.

JOHN A. GROSE,
State Agent.

—

SIOUX FALLS, S. DAK., *August 22, 1916.*

Hon. THOMAS STERLING,
South Dakota Senator, Washington, D. C.:

Senate committee amendment Federal revenue bill is discriminatory and excessive in view of the heavy taxes already paid by insurance companies. A vote against it will be appreciated.

J. D. DUX.

Mr. SHIELDS. I present a number of telegrams from citizens of Tennessee protesting against the stamp tax on fire insurance policies, which I desire to be noted in the RECORD.

Mr. PENROSE. Mr. President, I do not intend to object to having communications of this kind printed in the RECORD, but I do want to record my protest against what is, in my opinion, an abuse. I have thousands of similar telegrams from all over Pennsylvania and the United States, and if I were to resort to the same practice——

Mr. SHIELDS. I have not asked that these telegrams be printed in the RECORD.

Mr. PENROSE. If I were to resort to the same practice, the RECORD would not be large enough to contain all the telegrams, letters, and protests against this feature of the bill. It seems to me a needless practice, and one that is greatly abused.

Mr. SHIELDS. Mr. President, the Senator from Pennsylvania seems oblivious of the correction I made. Of course, I have the right to have these telegrams noted in the RECORD, but I did not request that they be printed in full, as I said at the outset, and as I informed the Senator during his remarks.

The telegrams were referred to the Committee on Finance as follows:

Telegrams from the Chattanooga Underwriters, of Chattanooga; from Frank B. Hunter & Co., G. M. Beattie, and Montedonnico, Proudfit & Co., of Memphis; from Davis, Bradford & Co., C. A. Folk & Co., and W. R. Ruegnitz, of the Continental Fire Insurance Co., from Loventhal Bros., W. H. Rutland, D. H. Morgan, C. C. Dabney, Butin & Co., and the Nashville Fire Insurance Co., of Nashville, and from Jennings & Searle, and Hickman, Johnson & Simmonds, of Knoxville, all in the State of Tennessee.

Mr. PHELAN presented memorials of sundry citizens of San Francisco, Los Angeles, and Eureka, all in the State of California, remonstrating against the retention of the stamp tax on insurance companies, which were referred to the Committee on Finance.

REPORTS OF COMMITTEES.

Mr. MYERS, from the Committee on Public Lands, to which was referred the bill (S. 6730) revoking authority to lease Sibley Island in the Missouri River to the city of Bismarck, N. Dak., reported it without amendment and submitted a report (No. 828) thereon.

Mr. LEE of Maryland, from the Committee on Claims, to which was referred the bill (S. 3735) for the relief of Cleveland L. Short, reported it with amendments and submitted a report (No. 829) thereon.

He also, from the same committee, to which was referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (S. 3731) for the relief of John G. Young (Rept. No. 831);

A bill (S. 6949) for the relief of the Chicago, Milwaukee & St. Paul Railway Co., the Chicago, St. Paul, Minneapolis & Omaha Railway Co., and the St. Louis, Iron Mountain & Southern Railway Co. (Rept. No. 832); and

A bill (H. R. 6732) for the relief of Joseph A. Jennings (Rept. No. 830).

SUSQUEHANNA RIVER BRIDGE.

Mr. SHEPPARD. From the Committee on Commerce, I report back favorably without amendment the bill (H. R. 17567) to authorize the county of Luzerne, State of Pennsylvania, to construct a bridge across the North Branch of the Susquehanna River from the city of Wilkes-Barre, county of Luzerne, Pa., to the borough of Dorranceton, county of Luzerne, Pa., and I submit a report (No. 827) thereon. I ask unanimous consent for the present consideration of the bill.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ROBINSON:

A bill (S. 6956) to authorize the construction, maintenance, and operation of a wagon bridge across the St. Francis River at a point one-half mile northwest of Parkin, Cross County, Ark.; to the Committee on Commerce.

By Mr. THOMPSON:

A bill (S. 6957) granting a pension to James F. Clark, alias James F. Rozzel (with accompaning papers); to the Committee on Pensions.

By Mr. HUSTING:

A bill (S. 6958) granting a pension to Leonard P. Kehrmeyer; to the Committee on Pensions.

By Mr. HUSTING (for Mr. JOHNSON of South Dakota):

A bill (S. 6959) granting a pension to Mary J. Crandell (with accompanying papers); to the Committee on Pensions.

By Mr. MYERS:

A bill (S. 6960) granting a pension to Mary A. Walter; to the Committee on Pensions.

By Mr. PENROSE:

A bill (S. 6961) granting an increase of pension to William Sheads; and

A bill (S. 6962) granting a pension to Eliza T. Schmucker; to the Committee on Pensions.

By Mr. KENYON:

A bill (S. 6963) granting an increase of pension to Abram Frakes (with accompanying papers); to the Committee on Pensions.

By Mr. TAGGART:

A bill (S. 6964) granting a pension to Fred Hauk;

A bill (S. 6965) granting a pension to John Cook;

A bill (S. 6966) granting an increase of pension to Samuel K. Barker; and

A bill (S. 6967) granting an increase of pension to Charles Washington; to the Committee on Pensions.

By Mr. SAULSBURY:

A joint resolution (S. J. Res. 170) authorizing the acceptance by the United States Government of portraits of Hon. James Latimer and Hon. Dr. Henry Latimer; to the Committee on the Library.

AMENDMENTS TO DEFICIENCY APPROPRIATION BILL.

Mr. SMOOT submitted an amendment proposing to appropriate $4,200 to reimburse the Official Reporters of the proceedings and debates of the Senate for expenses incurred to July 1, 1916, for clerk hire and other clerical services, intended to be proposed by him to the general deficiency appropriation bill (H. R. 17645), which was referred to the Committee on Appropriations and ordered to be printed.

Mr. GALLINGER submitted an amendment proposing to appropriate $1,500 to pay Frank W. Hackett for balance of salary as clerk to counsel of the United States before the Geneva Tri-

bunal of Arbitration, intended to be proposed by him to the general deficiency appropriation bill (H. R. 17645), which was ordered to be printed and, with the accompanying papers, referred to the Committee on Appropriations.

AMENDMENTS TO THE REVENUE BILL.

Mr. CHAMBERLAIN submitted an amendment intended to be proposed by him to the bill (H. R. 16763) to increase the revenue, and for other purposes, which was ordered to lie on the table and be printed.

Mr. CUMMINS submitted four amendments intended to be proposed by him to the bill (H. R. 16763) to increase the revenue, and for other purposes, which were ordered to lie on the table and be printed.

TESTING OF GRAPES.

Mr. PHELAN submitted the following resolution (S. Res. 257), which was read and referred to the Committee on Printing:

Resolved, That there be printed as a Senate document 10,000 copies of the illustrated bulletin prepared by the Department of Agriculture entitled "Testing Grape Varieties in the Vinifera Regions of the United States," for the use of the Senate document room.

THE NAVAL ACADEMY.

Mr. PHELAN submitted the following resolution (S. Res. 258), which was read and referred to the Committee on Naval Affairs:

Resolved, That the Secretary of the Navy be and he is hereby requested to furnish the following information to the Senate:

1. The number of midshipmen now authorized by law;
2. The number of midshipmen now enrolled at the Annapolis Naval Academy;
3. The number of midshipmen who shall attend the academy during the next academic year;
4. The capacity of the academy and how and by what methods of crowding or otherwise can it be made to meet the present and future demands;
5. What plan of expansion will best promote the health, comfort, and efficiency of the students; and
6. In case the number of students exceeds the capacity of the academy and any reasonable expansion thereof, is there any reason affecting the efficiency of the service why officers for the Navy should not be educated in another naval academy in some other part of the country?

STORAGE OF EXPLOSIVES.

Mr. MARTINE of New Jersey. Mr. President, I presume that possibly I am out of order and should make the inquiry which I am about to make under the order of business "Reports of committees," but I desire to ask a question of the Committee on Interstate Commerce, though the chairman of the committee, the Senator from Nevada [Mr. NEWLANDS], I notice is not present. I introduced and had referred to that committee some weeks ago a bill regarding the transportation and storage of explosives in populous cities and centers, it being a measure calculated to relieve the present situation and to prevent a possible repetition of the great disaster which took place some months ago, whereby $50,000,000 worth of property was lost and also some lives. It seems reasonably probable that we shall adjourn quite soon, and I feel that some action should be taken on the bill. I desire to inquire if the Interstate Commerce Committee is ready to report the bill? It is Senate bill No. 6849.

The VICE PRESIDENT. As the Senator from New Jersey has observed, the chairman of the Committee on Interstate Commerce is not now in the Senate Chamber.

Mr. MARTINE of New Jersey. Very well. Then I shall have to bide the time of the committee.

WAR DEPARTMENT ORDERS.

Mr. JONES. Mr. President, on July 25, 1916, I offered in the Senate the following resolution (S. Res. 238):

Resolved, That the Secretary of War be, and he is hereby, directed to transmit to the Senate copies of all orders issued by his department during the last three years directing the nonemployment of or discriminating between citizens of the United States in connection with the work, activities, and projects carried on by his department.

The resolution passed the Senate July 29 and was at once transmitted to the Secretary of War. Surely, there have not been many orders issued covered by the resolution, and such orders as have been issued must have been very short, yet almost a month has elapsed, and no report has been sent to the Senate. The Secretary of War is probably too busy campaigning on behalf of this administration to discharge public business and comply with the request of the Senate of the United States.

It may be, however, it is not desired that this report should come to the Senate——

Mr. REED. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Missouri?

Mr. JONES. I should prefer not to yield, Mr. President, at this time.

Mr. REED. I am not asking the Senator to yield. I intend to raise a point of order. Under what parliamentary head are we now operating?

The VICE PRESIDENT. Under the presentation of resolutions.

Mr. REED. I make the point of order that the Senator from Washington is not presenting a resolution, but is making a speech.

The VICE PRESIDENT. The Chair will be compelled to sustain the point of order. Concurrent and other resolutions are in order. [A pause.] Morning business is closed.

CLARENCE C. KRESS.

Mr. REED. I ask unanimous consent for the present consideration of Order of Business No. 735, being the bill (S. 3180) to authorize the appointment of Clarence C. Kress to the grade of captain, United States Army Medical Corps.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendment of the Committee on Military Affairs was to strike out all after the enacting clause and insert:

That the President be, and he is hereby, authorized, by and with the advice and consent of the Senate, to appoint Clarence C. Kress, now passed assistant surgeon, United States Navy, as an additional officer hereby created in the Medical Corps of the United States Army, with the rank, pay, and allowances of captain, corresponding to the rank and grade in which he is now serving in the United States Navy: *Provided*, That for the purpose of determining his relative rank in the Medical Corps of the Army he shall be considered as having been appointed to the grade of captain in the Medical Corps, United States Army, as of the date of October 5, 1904: *Provided further*, That if promoted he shall be carried as an additional officer in each grade while on the active list of the Medical Corps of the Army.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed a concurrent resolution (No. 56) providing that the two Houses of Congress assemble in the Hall of the House of Representatives on Tuesday, the 29th day of August, 1916, at 2 o'clock and 30 minutes in the afternoon, for the purpose of receiving such communications as the President of the United States shall be pleased to make to them, in which it requested the concurrence of the Senate.

JOINT MEETING OF THE TWO HOUSES.

Mr. SIMMONS. I ask the Chair to lay before the Senate the concurrent resolution which has been received from the House of Representatives.

The VICE PRESIDENT. The Chair lays before the Senate the concurrent resolution of the House of Representatives, which will be read.

The Secretary read the resolution (H. Con. Res. 56), as follows:

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Tuesday, the 29th day of August, 1916, at 2 o'clock and 30 minutes in the afternoon, for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

Mr. SIMMONS. I ask for the present consideration of the concurrent resolution.

The resolution was agreed to.

THE REVENUE.

Mr. REED and Mr. SMITH of Georgia addressed the Chair.

The VICE PRESIDENT. The Senator from Missouri.

Mr. REED. Is the unfinished business now before the Senate, Mr. President?

The VICE PRESIDENT. There is nothing before the Senate. Under the rules the calendar under Rule VIII is now in order.

Mr. SHEPPARD and Mr. STERLING. Regular order!

Mr. HUGHES. I move that the Senate proceed to the consideration of House bill 16763, being known as the revenue bill.

Mr. BRANDEGEE. A parliamentary inquiry, Mr. President. Has the morning business been closed?

The VICE PRESIDENT. It has. The question is on the motion of the Senator from New Jersey [Mr. HUGHES] to proceed to the consideration of House bill 16763.

The motion was agreed to; and the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

RECORD OF DEMOCRATIC LEGISLATION.

Mr. REED. Mr. President, for 41 months the Democratic Party has controlled the government of our country.

2. The world is involved in the horrors of war. We enjoy the blessings of peace.

3. The nations and financial institutions of Europe are staggering toward the precipice of bankruptcy. We experience an era of unexampled prosperity.

4. American labor is better employed and at higher wages than the labor of any country at any time in the history of the world.

5. The American farmer is receiving a higher price for all he produces than has been paid since our Nation was founded.

6. The Democratic Party exposed the organized lobby which had for years infested the Nation's Capital, destroyed its power, and rendered it so obnoxious that respectable men refuse to be seen in the company of its few remaining emissaries. The only business that has been injured by the Democratic Party is that of the professional lobbyist.

The Republican Party demands a change.

TARIFF—INCOME TAX.

7. The Democratic Party revised the tariff downward, lightening the taxes of the people least able to pay.

It enacted the income tax, placing the greater part of the burden of government on those most able to pay.

In 1916 it collected in income and corporation taxes $125,916,315. It should be noted that 60 per cent of the individual income tax was paid by less than 8,000 gentlemen enjoying incomes in excess of $20,000 a year. Over 44 per cent of the entire individual income tax was paid by residents of New York.

The Republican Party demands a change.

NEW BANKING SYSTEM.

8. The Democratic Party substituted a sound for an unsound and archaic banking system, inspired confidence, and revitalized commerce and industry.

It transferred the seat of financial authority from Wall Street to Washington.

It repealed the Republican banking laws that forced the congestion of the moneys of the country in New York, there to be subjected to the hazard of the gambler of the financial pit.

It placed bank reserves in the custody of Government-safeguarded institutions and made them available to meet the necessities of business.

The Republican Party demands a change.

NEW CURRENCY SYSTEM.

9. The Democratic Party inherited a currency system incapable of either expansion or contraction. In the presence of slight pressure the entire financial structure repeatedly broke down. Accordingly the holders of large amounts of ready cash were able to precipitate panics, destroy values, wreck thoroughly solvent financial and industrial concerns, and to purchase securities at enormously decreased prices.

The Democratic Party abolished panics by providing a sound and elastic currency always adequate to meet the demands of business.

The Republican Party demands a change.

FOREIGN BRANCH BANKS.

10. The Democratic Party passed a law under which powerful American banks have already been established in Argentina, Brazil, Chile, Uruguay, Cuba, China, Russia, Italy, and other foreign countries, thus affording that financial support essential to the creation of foreign markets for American products.

In the last year our commercial business with Argentina increased	$60,864,024, or 75%
With Brazil increased	35,456,272, or 33%
With Chile increased	35,008,761, or 118%

Our exports to Argentina increased 150 per cent; to Brazil, 55 per cent; and to Chile, 112 per cent.

The American dollar and American goods are rapidly supplanting the pound sterling of England and European goods in the Western Hemisphere.

Within a decade the American tourist and business man will be able to transact business with a branch American bank in every country of the globe.

The Republican Party demands a change.

FARM-MORTGAGE MARKET.

11. The Democratic Party created a market through the national banks capable of absorbing $450,000,000 of farm mortgages, thus producing a competition with farm-loan companies which heretofore have extorted unreasonable interest charges from farmers.

The Republican Party demands a change.

CATTLE PAPER MARKET.

12. The Democratic Party made $391,592,000 of cattle paper eligible as the basis for Federal reserve notes. The amount can at any time be enlarged by the Reserve Board to meet business necessities.

The Republican Party demands a change.

LAND BANKS.

13. The Democratic Party is now creating a great system of land banks which will extend credit and reduce interest charges to the farmers of the United States.

The Republican Party demands a change.

GOVERNMENT BY INJUNCTION ABOLISHED.

14. The Democratic Party abolished government by injunction.

It exempted labor and farm organizations from the terms of the Sherman Antitrust Act and gave them statutory recognition.

It guaranteed trial by jury and the right to bail and appeal in contempt cases.

It enacted many other laws beneficial to farmer and labor organizations, to which attention will be later called.

The Republican Party demands a change.

DOLLAR DIPLOMACY.

15. The Democratic Party abolished "dollar diplomacy," a scheme by which great financiers, aided by Republican Presidents, practically made our Nation the underwriter of the bonds of the foreign countries in which these enterprising gentlemen were speculating. This impudent employment of the Government in private ventures, which promised at any time to involve us in foreign entanglements and war, received its quietus when President Wilson peremptorily ordered withdrawal from the Chinese six-power loan to which President Taft had committed us.

The Republican Party demands a change.

THE PHILIPPINE BILL.

16. The Democratic Party, in redemption of its pledges, passed the Philippine bill, extending a larger measure of autonomy to the islands and preparing their people for the task of self-government.

The Republican Party demands a change.

THE NATIONAL DEFENSE.

17. THE DEMOCRATIC PARTY, RECOGNIZING THAT THE ART OF WAR HAS BEEN REVOLUTIONIZED, APPRECIATING THE DANGER OF UNPREPAREDNESS, AND IN RESPONSE TO THE DEMAND OF THE PEOPLE HAS PROVIDED FOR A LARGE INCREASE IN OUR MILITARY AND NAVAL ESTABLISHMENTS.

ARMY INCREASE.

The new standing army will have a minimum strength of	208,328
And a maximum strength of	289,846
The new Organized Militia will have a total strength of	457,000

officers and men thoroughly equipped and educated.

New organizations have been created as follows:

Officers' Reserve Corps,

Officers' Training Corps,

Enlisted Reserve Corps,

Citizens' training camps,

Detached officers' list for training the National Guard and imparting military instruction.

For aerial service we have set aside	$13,281,666
The above program involves an expenditure this year of	267,579,000

NAVY INCREASE.

OUR NAVY HAS BEEN ENORMOUSLY STRENGTHENED—AN EPITOMIZATION OF WHAT HAS BEEN DONE IS AS FOLLOWS:

Vessels ordered to be constructed	157

Of these there will be:

Battleships	10
Battle cruisers	6
Scout cruisers	10
Torpedo-boat destroyers	50
Submarines	64
Other vessels	17

Of the 157 vessels authorized, there will be immediately constructed 66

Included in the above are:

Battleships	1
Battle cruisers	4
Submarines	30

To complete this stupendous naval program requires an appropriation this year of	$315,826,443
The ships, the keels of which will be laid under this bill, will cost when completed	588,180,576

The number of cadets at West Point and Annapolis have been increased 50 per cent.

The execution of these plans will make us superior on the sea to any nation save Great Britain.

Our Army and Navy will render the country invincible against attack by any power on earth.

The total appropriation for defense of the country exceeds for this year $583,000,000

The Republican Party demands a change, but only the all-seeing God can tell us in which direction.

JUST NOW THE COUNTRY IS BEING AFFLICTED BY THE SNEERING CRITICISMS OF THEODORE ROOSEVELT AND TAFT'S EX-SECRETARY OF THE NAVY, GEORGE L. VON MEYER. THESE GENTLEMEN CHARGE THAT THE DEMOCRATS HAVE BROUGHT THE COUNTRY TO A DEFENSELESS CONDITION. AN EXAMINATION OF THE REPUBLICAN RECORD DURING THE TIME THESE NEWLY CONVERTED APOSTLES OF A BIG ARMY AND NAVY WERE IN POWER IS ILLUMINATING:

ARMY AND NAVY UNDER ROOSEVELT, TAFT, AND WILSON.

Navy.

Average Navy appropriation, seven years of Roosevelt	$101,370,413
Average Navy appropriation, four years of Taft	122,403,174
Average Navy appropriation, first three years of Wilson	146,349,930
Navy appropriation present year, Wilson	315,826,843
New ships authorized will cost a total of	580,180,576

Notice that even before the European war began appropriations for the Navy under Wilson exceeded those of either Taft or Roosevelt.

Army.

Average strength of Regular Army under Roosevelt:	
Officers and men	69,251
Militia, inefficient and badly organized	110,193
Annual appropriation	$79,057,656
Average strength of Regular Army under Taft:	
Officers and men	82,868
Militia, inefficient and badly organized	120,075
Annual appropriation	$95,242,479
Strength of Regular Army (authorized) under Wilson:	
Officers and men—	
Minimum	208,328
Maximum	289,846
Militia—provision for well equipped and highly trained force of	457,000
Annual appropriation	$267,579,000

I call attention to two things. Roosevelt was a disciple of the doctrine of peace and a member of The Hague Peace Conference. Taft was in like manner an advocate of that doctrine, and in 1909 sent a message to Congress in which he stated, "I have directed that the Army shall not be recruited up to its present authorized strength." This resulted in cutting the Army down from 77,040 to 72,194 enlisted men.

I do not criticize either Roosevelt or Taft for the policies they pursued. They were doubtless conforming to the general thought of the country, but it does not lie in their mouths to carp at the acts of an administration which even before the war had taken steps to strengthen our Navy beyond anything either Roosevelt, von Meyer, or Taft had advocated.

The performances these gentlemen are now indulging in can be characterized as nothing short of arrant demagoguery.

TRUSTS.

18. THE DEMOCRATIC PARTY GREATLY STRENGHTENED THE ANTI-TRUST LAWS BY THE ENACTMENT OF THE CLAYTON BILL, THE PROVISIONS OF WHICH, VERY MEAGERLY SKETCHED, ARE AS FOLLOWS:

(a) Corporation officers who permit the corporation to violate the trust acts are made personally liable as felons.

(b) Officers of common carriers permitting the misapplication of corporate funds are made liable as felons.

(c) A common carrier corporation is forbidden to purchase—save in certain special cases—from other corporations of which its officers are also officers. A violation is made a felony, alike by the corporation and its responsible officers.

(d) Corporations engaged in commerce are forbidden to own the stock of other corporations where the effect is to lessen competition.

(e) Interlocking directorates among banks are prohibited, or so restricted as to abolish the evil of the system.

(f) The unfair devices commonly employed by monopolies and great corporations to crush their weaker rivals are prohibited. I instance two: (1) Discrimination in prices between different purchasers or different communities where the effect is to lessen competition; (2) the scheme known as "tying contracts," by which the seller of an article binds his customer not to deal in the goods of the seller's competitors.

(g) The statute of limitations is suspended in favor of persons having claims based upon a violation of trust statutes during such time as the Government is prosecuting an action against the trust.

(h) All persons claiming to be injured by trust practices may apply for injunctive relief and sue for damages regardless of the amount involved in any Federal court at any place where the corporation does business.

(i) Final judgments in criminal cases against trusts are made prima facie evidence of the existence of a trust in all civil proceedings thereafter brought.

This wise and effective law has been a bulwark of protection to the people of the United States.

The Republican Party demands a change.

TRUST AND LAND PROSECUTIONS BY DEPARTMENT OF JUSTICE.

19. The Roosevelt and Taft administrations, with a great blare of trumpets, began and carried on the Northern Securities, the Standard Oil, and the Tobacco cases. However, when judgment had been obtained, a Republican Attorney General consented to court decrees which permitted the monopolies to operate in the form of separate corporations substantially under one control. The decrees were little else than judicial grants of perpetual monopoly. Instantly the stock of these dissolved corporations rose on the market.

A DEMOCRATIC ATTORNEY GENERAL REVERSED THE REPUBLICAN POLICY. IN ALL THE MANY NOTABLE CASES WON BY THE GOVERNMENT HE INSISTED UPON REAL DISSOLUTIONS.

I mention but a few: The Union Pacific and Southern Pacific Merger case, Telephone case, New Haven case, Harvester case, Kodak case, Anthracite Coal case, Corn Products case, Butter and Egg cases, Kellogg Toasted Corn Flakes case, Clothes Wringer case, Plumbers' Supplies case, National Wholesale Jewelers' Association case, Bituminous Coal case. In all the foregoing and in all other cases the Democratic Attorney General has insisted that the dissolutions must be of the substance not merely of the form.

Numerous consent decrees have been entered which have ended trust practices. I instance the great New Haven case and the Telephone case.

The commodities clause of the interstate commerce law has been enforced.

THE WORK OF RECOVERING VALUABLE GOVERNMENT MINERAL LANDS HAS BEEN VIGOROUSLY PROSECUTED.

Among the important cases brought, I mention the Midwest Oil Co. case, in which the Government recovered lands valued at $100,000,000. Worthy of notice are the California and Wyoming cases involving lands worth $18,000,000, six of which have already been decided, the Government recovering lands worth over $4,000,000. In the Southern Pacific case the Government secured judgment for lands worth $18,000,000. Other suits are now pending involving land worth over $500,000,000.

THE DEMOCRATIC PARTY, RECOGNIZING THAT THE POWERS OF GOVERNMENT MAY BE JUSTLY EMPLOYED TO PROTECT BOTH THE GOVERNMENT AND THE PEOPLE FROM THE RAPACITY OF PRIVATE CONTRACTORS, HAS EMBARKED UPON A GREAT CONSTRUCTIVE POLICY TO WHICH I INVITE YOUR CONSIDERATION.

SHIP-PURCHASE BILL.

20. The Democratic Party has provided for the construction of a merchant marine which will break the strangle hold the shipping monopoly has long held upon ocean transportation.

The bill would have been passed by the last Congress but for the Republican filibuster. That filibuster has already cost the shippers of the country more than $100,000,000.

The Republican Party demands a change.

GOVERNMENT NITRATE PLANT.

21. The Democratic Party forestalled the attempt of private capitalists to, in time of war, speculate upon the necessities of the Government, and in time of peace to exact tribute from the farmers, by providing for the erection of a $20,000,000 plant to extract nitrates from the air to supply our military and agricultural necessities.

The Republican Party demands a change.

GOVERNMENT ARMOR-PLATE PLANT AND ARSENALS.

22. The Democratic Party is establishing an armor-plate plant and enlarging the Government arsenals. This, together with the construction of the nitrate plant, will greatly strengthen our war resources and rescue us from the rapacity of private contractors. At the same time it will destroy the incentive of those who insist upon extravagant and unreasonable military establishments, or who may even be willing to plunge the country into war in order that they may profit thereby.

The Republican Party demands a change.

ALASKAN RAILWAY AND PHILIPPINES.

23. The Democratic Party reversed the traditional Republican policy, which has always subjected territorial domain to looting by private adventurers.

It built the Alaskan Railroad, thus substituting governmental development for the ancient policy of private spoliation.

The Republican Party demands a change.

GOOD ROADS.

24. The Democratic Party appropriated $75,000,000 for the building of good roads upon condition that the States cooperate and contribute an equal sum.

The law insures the construction and maintenance of $160,000,000 worth of Government pikes.

The States participate in the Government appropriations as shown in Table 1, which I print as an addendum to my remarks Missouri's share will be $1,275,000.

The Republican Party demands a change.

THE DEMOCRATIC PARTY IMPROVED UPON THE REPUBLICAN POLICY OF INVESTIGATING AND PREVENTING DISEASES OF PLANTS AND ANIMALS BY EXTENDING THAT BENEFICENT POLICY TO HUMAN BEINGS. I DIRECT ATTENTION TO SOME IMPORTANT ACHIEVEMENTS.

LABOR—NATIONAL EMPLOYMENT BUREAU.

25. The Democratic Party vitalized the national employment bureau by placing at the head of the Labor Department a real representative of labor. The result is that the bureau in the single year of 1916 secured employment for nearly four times as many people as it did during the last six years of Republican rule.

The Republican Party demands a change.

LABOR DISPUTES—ARBITRATION.

26. The Democratic Party created a new Board of Mediation and Conciliation having special jurisdiction over disputes between railroad companies and their employees.

In the first year of its existence the board settled more controversies than did former boards which operated under imperfect Republican laws during the previous 15 years. Up to June 30, 1916, it had secured an amicable adjustment in each of the 56 great controversies submitted to it.

The Department of Labor since March 4, 1913, has settled 189 labor disputes. It was unable to secure adjustment in only 37 cases.

The Republican Party demands a change.

CHILDREN'S BUREAU.

27. The Democratic Party organized the Children's Bureau to investigate the condition of children and childlife, to the end that laws might be passed for the aid and protection of the helpless children of the land.

The Republican Party demands a change.

CHILD-LABOR LAW.

28. The Democratic Party at this session of Congress has thrown the mantle of governmental protection over children of tender years by the enactment of a child-labor law.

The Republican Party demands a change.

WORKMEN'S COMPENSATION LAW.

29. The Democratic Party, in response to the request of labor and humanity, has just enacted a workmen's compensation law applicable to all Government employees.

The Republican Party demands a change.

30. WHAT THE DEMOCRATIC PARTY HAS DONE FOR THE FARMER.

SPECIAL ATTENTION HAS BEEN GIVEN TO THE WELFARE OF THE FARMER. I CITE A FEW IMPORTANT ITEMS.

(a) The Federal farm-loan act will enable farmers to obtain loans for as long a period as 30 years.

Experts estimate that interest will be reduced to from 4 to 4½ per cent. The farmer will obtain his money without commission charges and participate in profits of the land bank. The difference between the interest now charged and the interest which will be charged by the land banks will, in the course of a few years, equal the principal of a loan.

(b) The creation of the regional banking system and the administration of the Comptroller of the Currency have already resulted in a general reduction of interest rates by from 1 to 3 per cent. In some parts of the country where usurious rates were exacted the practice has been almost entirely broken up. This has subjected Comptroller Williams to bitter criticism by the usury-exacting banks, but he will not be denounced by those who have hitherto been the victims of extortion.

(c) The reserve bank bill created a competitive market for $450,000,000 of farm mortgages, and for $391,592,000 of cattle paper, as heretofore stated.

(d) The Secretary of the Treasury furnished money in abundance at exceedingly low rates to move crops. The benefits of this inured to the farmer who always suffers when there is a shortage of money for the transportation of his crops to market.

(e) The enactment of the shipping bill means lower rates on agricultural products to European markets, the benefits of which will largely go to the farmer.

(f) In the revision of the tariff careful attention was paid to the special necessities of the farmer. Accordingly there was placed upon the free list the following articles, all of which are peculiarly used by the farmer: Plows, tooth and disk harrows, headers, harvesters, reapers, agricultural drills and planters, mowers, horserakes, cultivators, threshing machines, cotton gins, wagons and carts, machinery for use in the manufacture of sugar, and all other agricultural implements of every kind and description and many other articles not above mentioned; also all animals imported for breeding purposes.

(g) The appropriation for eradication of the cattle tick has been doubled; that for the control of hog cholera has been increased from $100,000 to $360,000. The foot-and-mouth disease was eradicated at a cost to the Government of $4,500,000.

(h) The total agricultural appropriations have been increased 50 per cent.

(i) A Division of Markets and Rural Organization has been created to study and disseminate information regarding the best methods of transportation, storage, marketing, distribution, standards, and so forth.

(j) The agricultural extension act, backed by an $8,600,000 appropriation by the Federal Government, provides for cooperation with the States in the dissemination of farm information. This will place two expert farm demonstrators and specialists in each county of the United States.

(k) A market and live stock news service has been established.

(l) The cotton futures act will to a large extent relieve cotton planters from the dishonest practices of cotton exchanges.

(m) The grain standards act insures uniformity in the grading of grain.

(n) The warehouse act provides for licensing and regulating warehouses and makes possible the issuance of reliable and easily negotiable warehouse receipts, thus permitting the farmer to warehouse his grain, hold it for a favorable market, and if he needs money to borrow upon his warehouse receipts.

(o) The Federal aid road act, which has already been referred to, insures the expenditure of $160,000,000 in building good roads. It is the first step in a great movement that will ultimately bring improved highways to all parts of our country.

WHAT THE DEMOCRATIC PARTY HAS DONE FOR LABOR.

31. For more than a score of years labor persistently knocked at the doors of Republican Congresses asking for relief against government by injunction and other unjust laws and rules of practice. Their petitions were uniformly and often with contumely rejected.

Immediately after President Wilson was inaugurated the Democratic Party set about the task of remedying the evils referred to. I have already touched upon various acts.

I now set forth a list of remedial acts which are scheduled in the official magazine of the American Federation of Labor for 1916.

"1. Organizations of labor and farmers taken from the purview of the antitrust act.

"2. Limitation of the use and prevention of the abuse of the writ of injunction in labor disputes.

"3. Legislation defining and restricting punishment for alleged contempts of injunction writs and providing jury trial in contempt cases.

"4. Department of Justice prohibited from using antitrust appropriation funds to prosecute labor and farmers' organizations under the antitrust act.

"5. Passage of seamen's law, abolishing involuntary servitude, providing better treatment of seamen, and improving life-saving provisions on vessels at sea.

"6. Old conciliation, mediation, and arbitration act repealed. New law enacted with permanent officials appointed to administer it in behalf of railroad employees engaged in operating service.

"7. Eight-hour law enacted for women and child workers in the District of Columbia.

"8. Eight-hour law passed for employees under the Alaska coal-land act.

"9. Public construction of Alaska railroad.

"10. Industrial education provided with appropriations for farmers and rural residents.

"11. Taylor system, stop-watch, and speeding-up methods in the United States navy yards, gun factories, arsenals, and torpedo stations abolished.

"12. Piecework prohibited in Post Office Department, Washington, D. C.

"13. Public construction of battleships, transports, and other vessels in United States navy yards extended. Repairs to vessels of the Navy to be made in governmental instead of private yards. Steadier work assured to employees of Government navy yards.

"14. Licensed officers, such as masters, mates, and pilots, guaranteed right to quit, and protected when reporting defects of their vessels to Government inspectors.

"15. Bureau of Mines act extended and strengthened. Ten new experiment stations and seven new safety stations provided.

"16. Senatorial investigation of industrial dispute in coal fields of West Virginia, whereby peace was restored, the eight-hour day secured, check weighmen provided, and 10 per cent increase in wages gained; right of organization guaranteed and other improved working conditions included.

"17. Compensation for injuries act extended to post-office employees.

"18. Locomotive-boiler inspection act extended to cover locomotive engines and tenders.

"19. Leave of absence with pay to employees of Government Printing Office extended from 26 to 30 days per year.

"20. Investigation of the industrial disputes in the Colorado gold fields and the Michigan copper region, in which were exposed intolerable conditions under which labor suffered.

"21. Increase in the wages of the metal-trade mechanics employed by the Government.

"22. Increased appropriations for the Children's Bureau and for the Department of Labor."

To these must be added:

23. The child-labor law, which prohibits the shipment in interstate commerce of the products of factories employing children under 14 years of age; also,

24. The Children's Bureau. This bureau was appointed by President Wilson, who placed at its head a woman devoted to the improvement of child-life conditions. Its efforts have been directed toward ascertaining the relations between poverty, disease, and mortality. It has developed evidence strongly tending to show that infant mortality increases in direct proportion to the decrease of wages, and decreases in direct proportion to the increase of wages. The importance of these disclosures suggest the wisdom of that policy so much dwelt upon by President Wilson, which he expresses in the term "service."

25. The income tax, which was long demanded by labor.

26. The workmen's compensation law, applicable to all Government employees.

GAG RULE ABOLISHED.

The contrast between the record made by the Democratic Party and the policies pursued by the Republican Party is well illustrated by the gag rule adopted by Roosevelt and Taft.

January 25, 1906, Roosevelt issued this infamous order:

All officers and employees of the United States of every description, serving in or under any of the executive departments or independent Government establishments, and whether so serving in or out of Washington, are hereby forbidden, either directly or indirectly, individually or through associations, to solicit an increase of pay or to influence or attempt to influence in their own interest any other legislation whatever, either before Congress or its committees, or in any way save through the heads of the departments or independent Government establishments in or under which they serve, on penalty of dismissal from the Government service.

On November 26, 1909, Taft promulgated an even more tyrannical decree:

It is hereby ordered that no bureau, office, or division chief, or subordinate in any department of the Government, and no officer of the Army or Navy or Marine Corps stationed in Washington, shall apply to either House of Congress, or to any committee of either House of Congress, or to any Member of Congress, for legislation or for appropriations or for congressional action of any kind, except with the consent and knowledge of the head of the department; *nor shall any such person respond to any request for information from either House of Congress, or any committee of either House of Congress, or any Member of Congress*, except through or as authorized by the head of his department.

I had the great pleasure myself of moving the abolition of these gag rules and the enactment of the following in lieu thereof:

The right of persons employed in the civil service of the United States, either individually or collectively, to petition Congress or any Member thereof, or to furnish information to any House of Congress or to any committee or Member thereof, shall not be denied or interfered with.

Not only were Government employees denied the right to petition Congress but a Second Assistant Postmaster General absolutely forbade its clerks to organize themselves into lodges, clubs, or other forms of association, civil or otherwise. They were accorded less rights than were enjoyed by the subjects of Turkey in the days of Abdul Hamid II.

With the assistance of the solid Democratic side I forced the adoption of the following amendment to the Post Office bill in 1912:

Provided, however, That membership in any society, association, club, or other form of organization of postal employees not affiliated with any outside organization imposing an obligation or duty upon them to engage in any strike, or proposing to assist them in any strike, against the United States, having for its objects, among other things, improvements in the condition of labor of its members, including hours of labor and compensation therefor and leave of absence, by any person or groups of persons in said Postal Service, or the presenting by any such person or group of persons of any grievance or grievances to the Congress or any Member thereof shall not constitute or be cause for reduction in rank or compensation or removal of such person or groups of persons from said service. The right of persons employed in the civil service of the United States, either individually or collectively, to petition Congress or any Member thereof, or to furnish information to either House of Congress or to any committee or Member thereof, shall not be denied or interfered with.

The foregoing statement of the constructive legislation and executive achievements of the Democratic administration is abbreviated to the last degree and does not mention many important laws and acts which have inured to the benefit of the people.

I propose now under appropriate headings to submit facts showing the present condition of the country, although time will compel me to resort to the most condensed form of expression.

UNEXAMPLED PROSPERITY.

32. MR. HUGHES DECLARES WE ARE LIVING IN A "FOOL'S PARADISE." I NOW INVITE YOU TO EXPLORE THAT DELIGHTFUL COUNTRY.

In Wilson's first three years bank deposits have increased	$5,985,464,675 or 29.5%
Deposits now reach the stupendous sum of	26,237,922,000
Bank resources have increased	7,699,400,000 or 37.6%
Resources now reach the unprecedented aggregate of	28,320,395,000
In Roosevelt's four years national bank deposits increased	761,000,000 or 14%
In Taft's four years national bank deposits increased	1,081,000,000 or 15%
In Wilson's three and one-quarter years national bank deposits increased	2,908,000,000 or 35%

The actual increase under Wilson was nearly four times as great as under Roosevelt and almost three times as great as under Taft.

BANK CLEARINGS.

The report from 55 clearing houses shows that their clearings for 1916 will exceed those of the last year of Taft's administration by over $66,000,000,000.

RESERVE BANK RESOURCES.

January 8, 1915	$287,301,000	
August 1, 1916	615,317,000	
Increase		$328,016,000
Gold on hand August 1, 1916		527,347,000

The present gold reserve of the reserve banks after maintaining the legal required reserve on deposits is sufficient to warrant a present additional issue of Federal notes of $526,000,000. The amount can be indefinitely extended, as long as the 40 per cent gold reserve is maintained.

The capital of these banks will soon be further increased by $55,000,000. Great State banks and trust companies are now joining, which means a further great increase in capital and resources.

The reserve system is now stronger than the Bank of England.

INCREASED GOLD HOLDINGS.

During Taft's administration exports of gold exceeded imports to the extent of	$41,087,196
During Wilson's administration imports of gold exceeded exports to the extent of	385,605,906
June 1, 1912 (under Taft), gold stock in United States	1,813,036,395
August 1, 1916 (under Wilson), gold stock in United States	2,500,229,564
Excess of gold over last year of Taft, 38 per cent, or	687,193,169

We now hold of the gold of the world over 30 per cent.

This result has been achieved in spite of the facts that within 10 days after the European war began we were compelled to ship abroad of gold	$45,000,000
That we have absorbed of European-held American securities	3,000,000,000
And that we have loaned foreign countries	1,303,000,000

Gradually we are becoming the financial monarchs of the earth. While we are creating wealth at a rate never before equaled by any people, the European countries are expending $108,000,000 a day in the devastating work of war. If these conditions are long maintained we will, for the next century, dominate the finances of the world.

I append Table 2 showing the gold movement since 1908, and Table 3 showing foreign loans made by the United States since January, 1915.

FOREIGN TRADE.

A comparison of the condition of our foreign trade under Wilson with its condition under either Taft or Roosevelt is

extremely gratifying. My figures embrace fiscal years ending June 30:

Year.	Imports.	Exports.	Total.	Favorable balance.
1909-10	$1,556,947,430	$1,744,984,720	$3,301,932,150	$188,037,290
1910-11	1,527,226,105	2,049,320,199	3,576,546,304	522,094,094
1911-12	1,653,264,934	2,204,322,409	3,857,587,343	551,057,747
1912-13	1,813,008,234	2,465,884,149	4,278,892,383	652,875,915
1913-14	1,893,926,657	2,364,579,148	4,278,504,809	470,653,491
1914-15	1,674,189,740	2,768,589,340	4,442,750,080	1,094,419,600
1915-16	2,197,984,842	4,333,698,604	6,531,683,446	2,135,713,762

Notice that our aggregate foreign trade each year of the Wilson administration was greater than any year of the Taft régime. Note also that our imports as well as exports were greater. With the single exception of the fiscal year 1914 the favorable trade balances were greater. The falling off in favorable trade balance for the fiscal year 1914 is clearly accounted for by the European financial stringency preceding the war and the disturbances incident to that war.

Mr. SIMMONS. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from North Carolina?

Mr. REED. I do.

Mr. SIMMONS. I desire to suggest, as an addendum to the analysis which the Senator from Missouri is making of our foreign-trade situation, that during the fiscal year 1916 there was a falling off in our imports of manufactures ready for consumption of $133,000,000; there was during that year an increase in our exports of manufactures ready for consumption of $1,200,000,000, making a net increase of our manufactures growing out of our foreign trade in one year of $1,400,000,000.

Mr. REED. I thank the Senator from North Carolina, and should be glad to go further into these questions, but time forbids. I want to conclude what I have to say as soon as possible.

RAILROADS' INCREASED EARNINGS.

The earnings of the railways in the third fiscal year of Wilson's administration (June, 1915, to June, 1916) compared with the same fiscal year of Taft's administration (June, 1911, to June, 1912) show a 27 per cent increase, an aggregate increase of $224,000,000.

POST OFFICE—INCREASED EARNINGS.

From 1883 to 1913 the Post Office Department showed an annual deficiency.

The year 1913 brought a surplus of	$3,841,907
The year 1914 brought a surplus of	3,569,687

In 1915 we were confronted by a deficit of $11,337,939.

Everybody knows the falling off in receipts was occasioned solely by the paralysis of business which occurred during the first few months of the European war. There had been no radical change in the administration of the Post Office.

But business revived, and 1916 under the same administration shows a surplus of	$5,742,443

Notwithstanding the calamitous year 1915 occasioned by the depression of business of the early months of the war, the result to-day compared with previous administrations is as follows:

Four years Roosevelt's administration, net deficiency	$48,739,637
Four years Taft's administration, net deficiency	26,495,914
Three and one-fourth years Wilson's administration, net surplus	1,162,061

Postmaster General Burleson has by various orders extended the service.

The parcel post has been enlarged and improved. Here are some of the splendid results:

Year ending June 30, 1913 (6 months):	
Postage	$22,911,504
Number parcels carried	381,394,800
Year ending June 30, 1916 (full year):	
Postage	$65,924,158
Number parcels carried	1,001,021,616

Postal savings deposits have increased 186 per cent.

Fees for insurance on parcels increased from nothing to $1,096,537.

Mail-transportation service has been established on 6,248.9 miles of railway.

City delivery has been extended to 204 cities, and village delivery has been extended to 139 villages, serving 5,000,000 additional patrons.

Rural routes extended over 10,000 miles.

Additional people served 23,276,290.

MANUFACTURING AND INDUSTRIAL PROSPERITY.

37. The iron and steel trade is the barometer of business. Bache's Review declares that "for the three months ending July 1, 1916, the earnings of the Steel Corporation are over $81,000,000, and easily the largest ever reported in any quarter. The earnings for the six months are more than the company earned in the entire year 1907. The net earnings for year are $240,000,000, and orders are coming in at the rate of 70,000 tons per day."

I quote now in a condensed form from Moody's Digest of Corporation News, June, 1916.

Hydraulic Pressed Steel Co.

Common stock	$1,000,000	
Dividend	280,000	or 28 %
Stock dividend	500,000	or 50 %
Total	780,000	

United States Smelting, Refining & Mining Co.

Capital	$37,500,000	
Earnings	15,000,000	

Sloss-Sheffield Steel & Iron Co.

Common stock	$10,000,000	
Earnings	2,000,000	or 20 %

Tennessee Copper Co.

Capital stock	$5,000,000	
Earnings	1,300,000	or 26 %

Shattuck-Arizona Copper Co.

Capital stock	$3,500,000	
Earned 50 cents per share, or	175,000	
Earned extra, 75 cents per share, or	272,500	
Total earnings	447,500	

American Radiator Co.

Common stock	$9,000,000	
Earned	2,098,800	or 23.32%
Earned 1912, including dividends	487,052	

Kresge Co. (10-cent store).

Common stock	$5,000,000	
Earned	1,250,000	or 23 %

Sears-Roebuck Co.

Common stock	$60,000,000	
Earned	10,536,000	
Earned 1912, including dividends	8,322,611	

General Motors Co.

Capital stock	$60,000,000	
Earnings	24,000,000	

General Electric Co.

Capital stock	$105,000,000	
Earned, after paying all interest charges	11,550,000	

Westinghouse Electric Co.

Capital stock	$60,000,000	
Earned on outstanding stock	9,000,000	or 15 %

Sapulpa Refining Co.

Common stock	$750,000	
Earned	375,000	or 50 %

Standard Oil Companies.

Estimated earnings	$118,926,349	

Pure Oil Co.

Capital stock	$10,000,000	
Earned	3,612,000	

Yale & Town Manufacturing Co.

Capital stock	$10,000,000	
Earned	4,200,000	

Victor Talking Machine Co.

Capital stock	$5,500,000	
Undivided profits	4,713,045	

Kelly-Springfield Tire Co.

Common stock	$4,900,000	
Earned	2,450,000	or 50 %

American Woolen Co.

Capital stock	$70,000,000	
Earned, $11 per share on $30,000,000 common stock	5,000,000	

Armour & Co.

Capital stock	$20,000,000	
Earned	15,653,672	

Swift & Co.

Capital stock	$75,000,000	
Earned	14,087,500	

United Cigar Stores Co.

Capital stock	$45,000,000	
Earned	11,000,000	

White Motor Co.

Capital stock	$18,000,000	
Earned	8,700,000	or 54.3 %

Willys-Overland Co.

Capital stock	$25,000,000	
Earned	11,500,000	or 46 %

Studebaker Corporation.

Common stock	$30,000,000	
Earned	10,500,000	or 30 %

Increased wages to 4,000 men, 10 per cent.

Saxon Motor Co.

Capital stock	$6,000,000	
Earned	1,728,000	or 28.8 %

Ford Motor Co.

Estimated output 1916–17, 700,000 cars; earnings so fabulous no one even ventures an estimate.

The Bache Review, March 4, 1916, gives a list of industrial establishments showing the percentage earned for the calendar year 1915 as follows:

	Market value.	Earned per annum on market value of stock.
		Per cent.
American Locomotive (6 months ending December, 1915)	66⅛	23.5
Central Leather (3 months ending December, 1915)	51⅛	40.9
Continental Can	78⅛	15.3
General Motors (6 months ending December, 1915)	460	32.8
Lackawanna Steel (3 months ending December, 1915)	72⅛	28.3
New York Air Brake (12 months)	137½	11.2
United States Industrial Alcohol (12 months)	142½	23.3
United States Steel (3 months ending December, 1915)	79⅛	29.2
Annual earnings if rate is maintained	.....	116.8

FARM PRICES.

A comparison of the average prices paid to farmers during the last year of Taft's administration with the average prices paid during the present year of Wilson's administration is as follows:

	1912	1916	Chicago market, Aug. 9, 1916.
Wheat	89.7	107	1.44
Corn	79.3	79.4	.87
Wool	18.9	28.6	.....
Beef cattle	5.17	6.78	6.90@10.60
Calves	6.33	8.54	9.00@12.25
Sheep	4.21	6.33	6.75@ 8.25
Lambs	5.74	8.16	7.50@11.35
Hogs	6.71	7.78	9.75@10.60

These figures plainly demonstrate that the farmer under Wilson's administration is enjoying a greater degree of prosperity than he did under Taft. And the further you go back in Republican administrations the more apparent and striking is the contrast.

LABOR—WAGES.

Under this administration there has been an enormous increase both in wages paid per man and in the number of men employed.

Figures of the Department of Labor show that in only 4,175 establishments there was in 1916 an increase of wages over 1915 of at least 10 per cent to 5,730,907 men.

An aggregate wage increase of	$300,000,000
The establishments included in the estimate do not employ more than one-sixth of the wage earners of the country. Everybody knows that the wage increase has reached every line of occupation. It is therefore safe to say that the increase in wages from 1915 to 1916 is in excess of	1,800,000,000
The wage earners of the United States exceed 33,000,000. Careful estimates show that at least 10 per cent, or 3,300,000, more persons are employed in 1916 than in 1915. Averaging their wages at the moderate sum of $500 per annum, we ascertain that the persons employed in 1916 who were not employed in 1915 received in wages	1,666,500,000
It follows that the pay roll of 1916 exceeded that of 1915 by	3,466,500,000

At the same time the figures of the Department of Labor, based upon the reports for union labor, show that in 1915 the wages and number of men employed exceeded 1912 by over 3 per cent.

So that the wages and employment of 1916 exceed the last year of Taft's administration by 13 per cent.

"A FOOL'S PARADISE."

Such, sir, is the wonderful prosperity our great country enjoys. Such is the smiling picture which Candidate Hughes characterizes as "a fool's paradise."

By what phrase would he have described conditions had they unhappily been reversed? Would not the man who is now curling his lip at the country's prosperity, refusing his great antagonist any modicum of credit, and sneeringly exclaiming "a fool's paradise," have then charged disaster to the President and bitterly declaimed of "Democratic bread lines" and "Wilson soup houses"?

Plainly, when the justice doffed his ermine he likewise cast aside the judicial temperament.

When he plunged into the stream of politics he abandoned his honorable robes on the bank.

When he forsook the society of the Justices of the Supreme Court and exchanged the precepts of Blackstone, Coke, and Marshall for the companionship and counsel of Flynn and Willcox, Perkins and Schwab, Gary and Guggenheim, et al., he prepared to play the political game in all its baser aspects.

Well, perhaps we do dwell in "a fool's paradise." But the laboring man who, jobless and empty stomached, groped in the desert of Republican hard times during the "Roosevelt panic" and the "Taft stringency" is now quite content to enter that "fool's paradise" in which he can at once fill a job and fill his stomach.

The man whose wages have been increased every year under the Wilson administration, who is better able to educate his children, to buy shoes for feet that were once bare, and to substitute good clothes for the rags of poverty, is at least enjoying a bit of terrestrial paradise even though Candidate Hughes may call it the paradise of "a fool."

The farmer who is receiving a better price for his crops than ever before paid in all the history of the world may be farming in "a fool's paradise," but he is getting the money and lifting the mortgage on his homestead.

The president of a bankrupt railroad who finds earnings increased 27 per cent and transportation business running beyond his capacity may be operating his road in "a fool's paradise," but he is getting his company out of debt.

The small merchant who for years has been struggling beneath a burden of debt to wholesale houses may be doing business in "a fool's paradise," but he is moving from the debtor to the creditor class.

The banker who has lain awake o' nights lest panic should convulse the world and bring him ruin, now realizing that the Democratic Party has made it so he can at the till of a Government-controlled bank transform his good commercial paper into ready cash and meet all emergencies, may sleep and dream the dreams of paradise and wake content, even though Candidate Hughes tells him that his dream was the dream of a fool.

If this be "a fool's paradise," may we dwell in it forever

TO WHAT CAUSES MAY OUR UNEXAMPLED PROSPERITY BE ATTRIBUTED?

Before answering let me briefly reply to certain arguments advanced by Republican leaders.

First, the assertion that "prosperity is occasioned by the shipment of munitions."

The claim is untenable—

(a) Because our munition shipments only equal 6 per cent of the total exports. In support of the statement just made I append Table 4, which was prepared by the Department of Commerce.

(b) Our exports to foreign countries have increased as rapidly outside as within the war zone. To illustrate, exports increased as follows:

	Per cent.
Central America	40
South American countries	31.8
Australia	17.5
Africa	51.5
Japan	13.5

Second, the claim that "the war in itself brought us prosperity" is absolutely untrue.

Against whatever advantages may have accrued from the war must be set the many losses it occasioned. For instance, in a single year our trade with Germany fell off $414,500,000. The loss of trade with Germany to date exceeds $944,957,352. Our foreign commerce was for a time almost totally destroyed. Cotton values shrunk $590,000,000. Foreign exchange stopped, and other calamities were visited upon us to which I shall hereafter refer.

I frankly concede that in seeking to arrive at the cause of the present unparalleled prosperity the influence of the European war must be taken into account.

But I confidently assert—

I.

THAT BUT FOR THE WISE LEGISLATION AND ADMINISTRATION OF THE DEMOCRATIC PARTY THE WAR WOULD HAVE ENGULFED OUR COUNTRY IN THE MOST DEVASTATING PANIC OF HISTORY.

II.

THAT IT IS SOLELY BECAUSE OF WISE DEMOCRATIC LEGISLATION AND ADMINISTRATION WE ARE ABLE TO EMBRACE THE OPPORTUNITIES AFFORDED BY THE WAR.

To a demonstration of the foregoing propositions I invite your consideration.

(A) THE ADMINISTRATION OF SECRETARY M'ADOO IS IN SHARP CONTRAST WITH THAT OF HIS REPUBLICAN PREDECESSORS.

Republican Secretaries had obsequiously acceded to the demands of Wall Street—furnished it money while denying relief to the rest of the country—permitted great banks to restrict credits by hoarding enormous sums of money and generally allowed them to assume the prerogative of financial overlords. In contradistinction to such policies Secretary McAdoo in time of stress gave assistance to all parts of the country; demanded

that banks throw their excess money into channels of trade, and gave assurance that the Treasury Department stood ready to furnish, if necessary, $500,000,000 of Government money to meet any emergency. At the same time he insisted on legislation making it possible for any bank having good security to obtain cash from the Treasury when needed to meet business demands.

Wall Street bossed Republican Secretaries; McAdoo bossed Wall Street.

(B) THE REPUBLICAN BANKING AND CURRENCY SYSTEMS WERE IN MANY RESPECTS FATALLY DEFECTIVE—I MENTION ONLY THE GROSSER FAULTS.

1. While the demand for cash constantly varied the volume of cash was limited and inflexible. In normal times each dollar of cash carried approximately $10 of credit. In times of emergency cash was always demanded, and as the volume did not exceed one-tenth of the possible demand, money panics frequently resulted even though industrial prosperity existed.

2. There was a total absence of the principles of mutual support and mobilization of resources. Each bank stood by itself and for itself. In case of financial stringency each individual bank sought to save itself from disaster, and in order to do so frequently demanded its money which it had redeposited with other banks.

3. The banks of the Nation were classified as follows:

(a) Banks of central reserve cities—reserve requirement 25 per cent.

(b) Banks of reserve cities—reserve requirement 25 per cent—privilege of redepositing 12½ per cent.

(c) Country banks—reserve requirement 15 per cent—privilege of redepositing 9 per cent.

The banks of reserve and central reserve cities paid 2 per cent on bank deposits. This custom and the privilege of the law resulted in congesting in the central reserve cities a part of every dollar deposited in any bank of the United States.

Accordingly a large part of the reserves of the country were redeposited in New York and there put out on "call loans" collateraled by stock-exchange securities. It followed:

(a) That the reserves of the country instead of being securely locked in bank vaults were subjected to the hazard of the stock-exchange gambling pit.

(b) That any considerable break in stock-exchange values would compel the New York banks to demand immediate payment, and in case of default to sell upon the market the stock-exchange collaterals by them held. Frequently this broke the market and produced stock-exchange panics.

Stock-exchange convulsions often forced one or more New York banks to close. An event of that nature always sent a shiver of dread throughout the country. Immediately banks having large reserves in New York would, in order to save themselves, demand a return of deposits. When conditions reached this point there was often no alternative for the New York banks except to decline to meet their obligations, and panic was upon us.

In many instances banks were forced to close while their vaults were literally packed with the very highest class of securities.

With such a banking and currency system in vogue there was not an hour when every prudent banker did not know that a single untoward event might close every bank in the land.

Business men frequently had the experience of being refused accommodation because their bankers found it necessary to hoard in their vaults a large amount of cash to meet some contingency, actual or imaginary. All business was crippled and went halting on crutches. You can no more have a healthy commercial condition with an unsound currency and banking system than you can have a vigorous body along with a diseased heart and a broken down arterial system.

Because of the defects referred to the system repeatedly broke down and the country was swept by devastating panics. While many influences contributed to produce panics, the initial and explosive cause was often so trivial as to be almost unbelievable. An examination of the Aldrich Monetary Commission report warrants the foregoing statements. I invite attention to the causes of the great panics.

PANIC OF 1873.

The country was apparently enjoying a high degree of prosperity. Suddenly a panic was precipitated by the failure of the New York Warehouse & Factory Co. and of Jay Cook & Co.

PANIC OF 1884.

During a period of economic activity Grant & Ward failed for $16,000,000. It was learned that the president of the Second National Bank had stolen $3,000,000 in securities. These two circumstances produced a general run on the banks of New York and a Nation-wide panic.

PANIC OF 1893.

Unlike the other panics, this one was preceded by a period of world financial stringency. Then came the failure of Baring Bros., an English firm. The Philadelphia & Reading companies attempted to corner great bodies of ore lands and went into the hands of receivers. Again a Nation-wide panic ensued.

PANIC OF 1907.

This panic is frequently referred to as the Roosevelt panic. It followed a period of general prosperity. Its immediate cause was the attempt of Heinze to corner the stock of a copper company. Heinze was president of the Mercantile National Bank, and employed that institution to further his copper speculation. Coupled with this was the attempted flotation by Morse of an ice trust. In connection with this enterprise he dishonestly organized certain banks. He was also a director in the Mercantile Bank. When the Heinze and Morse enterprises were exploded, a run was made on the Mercantile National Bank, which also involved the Knickerbocker Trust Co. and other institutions. Within a few hours substantially every national bank in the United States and nearly all the large State banks and trust companies were compelled to suspend payment.

Notice now that these panics, covering a period of 40 years, were all thrust upon the country by causes which, compared with the vast volume of the country's business, were so small as to appear inconsequential.

Not one of the panics could have occurred if a means had been provided whereby currency could have been furnished to banks possessing securities of an absolutely sound character.

It is needless to argue that if small causes produced great panics, still more trivial conditions brought that financial shiver know as "hard times."

Such was the inefficient and dangerous system which the Republican Party for 50 years maintained and bequeathed to the Democratic Party.

(1) The Democratic Party immediately set about the building of a great system of regional banks and the creation of a new currency system. This necessarily involved the expenditure of time, because a banking and currency system can not be created over night.

(2) In order to provide for existing emergencies and such contingencies as might arise before the new banking and currency system could be inaugurated, the Democrats revised the Aldrich-Vreeland Act.

That bill had been a dead letter upon the statute books for six years. It was absolutely unworkable, because both interest charges and the character of securities required were prohibitive. In its entire history the Aldrich-Vreeland Act had never been utilized.

We revised the Aldrich-Vreeland law so that interest charges were reduced to 3 per cent and the character of securities broadened so that money could be obtained upon those collaterals generally held by financial institutions.

These amendments to the Aldrich-Vreeland Act were in force and the Federal Reserve Banking System was in process of creation when the European war suddenly broke upon the world.

I have referred to the small causes which produced panics for 40 years. I now challenge attention to the conditions produced by the European war which was declared on August 2, 1914.

The cotton crop of the South was selling at 14 cents a pound. On the morning of August 2, 1914, it was of the aggregate value of $750,000,000. On the evening of that day cotton had shrunk to 3 cents a pound—a loss of $590,000,000. On the value of this crop depended substantially all of the business and commercial prosperity of that great domain lying south of the Mason and Dixon line.

Calamity did not fall on the South alone. For 60 days practically all shipments of every kind to Europe were discontinued. Our country was under substantially the same kind of embargo as would have been produced had our shores been infested by the war fleets of some puissant enemy.

International exchange was completely disarranged.

All European banks restricted or suspended payments.

The various war powers declared a moratorium upon all debts, public and private, for 30 days, and this period has since been indefinitely extended.

While refusing payment of American demands, European financial houses drew on us for their commercial obligations, and within 10 days' time had taken from us 48 millions in gold.

The belligerent Governments very shortly began invading their metallic reserves and issuing enormous quantities of poorly secured fiat money.

Our markets for many articles were for months cut off and the course of trade interrupted. This condition exists to a large

extent to-day. I instance the single fact that our annual trade with Germany declined from $534,713,406 to $14,233,794.

In the single month of August, 1914, our trade with Europe fell off $73,680,854.

On top of this Europe began dumping upon us American securities held abroad. High authority estimates that in the period of 21 months after the war began we were compelled to absorb of these securities $3,500,000,000.

I do not even pause to mention many other great commercial and financial disasters.

All of these untoward events came upon us in a tidal wave without a moment's warning, and yet our financial structure stood like the Rock of Gibraltar.

Prof. Folwell, of the Royal Institution of London, declares this to be "the most astounding financial fact of the war."

I put it to all fair and candid men: What would have happened to that banking system which, in 1873, broke down because of the failure of Jay Cook & Co. if the calamity of cutting off $73,680,854 of trade in one month had occurred? The answer must be: Panic!

What would have happened to that system which, in 1884, broke down because of the failure of Grant & Ward if our commerce with Germany, amounting to $534,713,406 per year, had been instantly stopped? The answer must be: Panic!

What would have happened to that system which, in '93, broke down because of the failure of a single English house and a single American railroad if there had been in one day's time a shrinkage in the value of the cotton crop of $590,000,000, followed by a complete interruption of foreign exchange and a demand within 10 days for $48,000,000 of gold? The answer must be: Panic!

What would have happened to that system which, in 1907, broke down because of the dishonest transactions of three New York speculators if it had been required to absorb $3,500,000,000 of American securities within 21 months? The answer must be: Panic!

What would have happened to the old Republican system if all these calamities had at one time fallen out of a clear sky? Every candid and intelligent man must answer: Panic, ruin, disaster, and financial chaos.

I boldly assert that if it had not been for the wise legislation of the Democratic Party, and the wise and forceful conduct of the Secretary of the Treasury, our financial ship, instead of riding the crest of the waves of the world's troubled ocean of finance, bearing safely a cargo of prosperity, would have foundered upon the reefs of bankruptcy and gone to the bottom.

The Democratic Party, therefore, has the right to claim credit for the prosperity of this hour, because it revolutionized the Republican financial system and substituted stability for instability, soundness for unsoundness, strength for weakness, safety for danger.

By these great acts must the Democratic Party be judged. If they were right, the party is entitled to remain in power. If they were wrong, the fact should be shown. I challenge the champions of the Republican Party in any forum or upon any platform to attack the great banking and currency measure. They have not done so. They will not dare make the attempt.

I challenge their responsible leader to condemn the legislation favorable to labor, to the farmer, to the children. I challenge him to attack our program of national defense. I challenge him to say he favors a return to dollar diplomacy. I challenge him to declare for the repeal of the Clayton antitrust bill, the good-roads bill, the arbitration laws. Should he do so, he will pronounce his political epitaph.

Accordingly, we find him indulging in a species of attack so pusillanimous as to scarce merit serious reply.

Behold the spectacle!

Issuing forth is one heralded as a mighty champion. He bears the accouterments of a hunter in search of big game.

Before him runs SMOOT, "master of the chase"; gaily upon his huntsman's horn he winds "The dirge of the Bull Moose."

By his side, bearers of incense, workers of magic, political conjurers, troop PENROSE and Perkins, Crane and Cortelyou, Guggenheim and Gary, Barnes and Flynn, Schwab and DU PONT, mighty men of valor, skilled workers in steel and powder.

Close on their heels swarm the redoubtable legionaries of the Old Guard. In command, Roosevelt, bearing aloft on gory pike the slaughtered Moose's bleeding head.

Public proclamation is made that the woods are full of political dragons, tigers, and other beasts that devour the people. Boastfully the announcement is made that the assembled champions go forth like knights to slaughter the wicked beasts of prey.

Anxious days and nights pass. The hunters are returning, led by their illustrious chief.

Proudly at arm's length he displays, suspended by the tail, the spoils of the first week of the political chase. It is a diminutive, civil-service, "Durand" chipmunk of questionable antecedents and doubtful reputation. The people pause in wonderment and ask whether, after all, there were no Democratic monsters in the political jungle or whether through his judicial glasses Mr. Hughes was unable to distinguish between root-gnawing rodents and man-eating carnivora.

These great questions of internal policy are now before the American people. They will either be affirmed by the voters in November or they will be reversed. We will go forward building for the people, or we will turn back to the servitude of the big interests. The Democratic Party has written a record of far-reaching acts and policies. If they are mistakes, then they are vital mistakes.

Why, then, does not Candidate Hughes attack this great accomplished legislative program? Why does he avoid the real issues and concern himself with trifles lighter than air, for nearly always his trifles have turned out to be but vapors of the mind?

When great internal policies of Government are to be weighed in the balance of public opinion, why prate of the discharge of a single man among an army of 476,000 Government employees? Why does the mighty Republican protagonist confine himself to complaints about peccadillos unworthy reply? With the exception of a repetition of the old standpat doctrine of protection and an effort to capture the women's vote in the suffrage States, he talks only of the inconsequential, and then he talks in riddles

He fences with toothpicks; his shield is covered with indecipherable hieroglyphics. His sentences are as incomprehensible and doubtful as a Delphi oracle.

The people have the right to know what he means and where he stands.

MEXICAN POLICY.

If we can credit Mr. Hughes with a positive announcement, it is in relation to our Mexican policy. His words must mean that it is the duty of the United States to conquer Mexico. If we do not ascribe that meaning to his criticisms, then his speeches degenerate into a mere carping at what has been done without any suggestion of betterment.

Many people without really pausing to reflect demand the invasion of Mexico, but prudent men, who give the question sound consideration, are likely to reach the following conclusions:

First. Mexico is one-third the size of the United States. It contains a population of seventeen and a half million people, divided as follows: Indians, 85 per cent; Spanish, about 7 per cent; the remaining 8 per cent embraces the English, French, Portuguese, and American residents. Fully 85 per cent of the people can not read or write.

Second. Before President Wilson was inaugurated the Government of Mexico completely broke down. A number of marauding bands, headed by chiefs frequently of obscure origin, have for months overrun the country. This condition obtains largely at the present time, although Carranza is apparently extending his authority over large portions of the Republic.

What, then, are the possible alternatives presented to America? It seems to me they are all embraced in the following:

First. To invade Mexico, scatter the present armies and bands of men, slaughter a few thousand people, and retire. This would be absurd, because the moment we withdraw from Mexico present conditions in an aggravated form will spring up.

Second. To invade Mexico and remain until the Mexicans under our protection set up a form of government and then to withdraw. This proposition is likewise impracticable, because the moment we withdraw the Mexican people will overthrow any government which has been set up by a foreign power. They will do to that government exactly what they did to the Government of Maximilian in 1867.

Third. We might invade Mexico and take and hold the country as a conquered province. This would require us—

(*a*) To maintain in Mexico an army of not less than a quarter of million men for an indefinite period of time; probably not less than 20 or 25 years.

(*b*) It would ultimately mean the incorporation into our citizenry of 17,500,000 people, 85 per cent of whom are Indians, and fully 85 per cent of whom can not read or write, and all of whom are alien to us in language, in blood, and in the character of their civilization.

(*c*) We would do all this largely for the benefit of American concessionaires who have acquired by honest or dishonest methods large grants from now deposed authorities.

Fourth. The fourth alternative is to protect our borders; to unite with the strongest and most civilized of the Mexican leaders; to aid the Mexicans in gradually establishing order and authority; to exhibit toward the Mexican people a spirit of friendly cooperation rather than a desire to conquer and crush;

and in this way to aid in the final establishment of a stable government in Mexico. This is the policy we have been pursuing. It is in fact the only sensible policy.

A consideration which makes the moderate policy the more advisable is found in the fact that all of the Latin-American States would regard a conquest of Mexico by the United States as indicative of a desire on our part to dominate the entire Western Hemisphere. It would create in them the fear that we intend to ultimately absorb their several countries. Such a feeling would make for us enemies upon the Western Hemisphere, where we should have only friends.

EUROPEAN POLICY.

The past 24 months embrace the most tragic period of all time. The spirits of Attila the Hun and Alaric the Visigoth, armed with swords of flame, ride the tempest of passion. The tender soul of Christianity has been cast out by the fiends of cruelty.

Fourteen great nations are seized with the insanity of war. Half the world is mad with the lust of conquest or frenzied with the despair of impending defeat. The earth shakes with the shock of conflict. The temple of reason quakes to its foundations. The combatants regard not the precepts of Christ. Why, then, obey the laws that man has made? They break the treaties they themselves have signed. Why, then, give heed to hoary precedents? Who stands with back to the wall and dagger at his throat stops not to ask, What are the rules of the contest? The old barbaric instinct of self-defense dominates. He strikes and does not pause to think what are the rights of others.

When one's home is aflame he seeks to rescue wife and weans, even though his neighbor's dwelling may be scorched. When the hunter finds himself hunted the chase becomes a tragic thing. When the fear of destruction supplants the hope of conquest; when the field of glory is turned into a shambles covered with the corpses of a nation's dead; when the sun which rose upon a sky of triumph is setting in the bloody ocean of defeat, kings do not always pause to think of neutral nations' rights. The frenzy of terror makes them fight blindly. They behold their throne tottering, their lands invaded, their cities sacked, their people slaughtered, and they strike when and how they may. They do not stop to consider the innocent bystander. The rage of despair is more cruel than the stroke of death.

Fourteen nations at war! A battle line flung across the space of a thousand miles! Thirty million men engaged in the work of killing! They burrow like rats beneath the ground. They fight like harpies from the sky. They employ all weapons from the clubs of savages to poisonous gases distilled by learned chemists.

A hundred thousand cannon night and day bellow their awful maledictions. The air is filled with missiles that go shrieking messages of frightful death.

Behind the crimson lines are the homes of the contenders. Each man is sure that he is fighting for wife and child, for fireside's safety, and for country's honor. Each fears his nation's enemy may plant a conqueror's foot upon the land where he was born and reared. Each feels that all the powers of darkness have made league with enemies who would destroy his liberties. Each fights the battle of courageous despair.

Under such circumstances reason is dethroned, and madness makes mockery and jest of law and precedent.

With such conditions has President Wilson been compelled to contend. But three possible courses were open.

The first—To stand aside in pusillanimous cowardice, neither asserting our rights nor protesting against our wrongs.

The second—To treat every injury inflicted upon us by these half-frenzied nations as a deliberate and vindictive insult offered for the purpose of offending against our dignity and sovereign rights. To hurl ourselves into the flaming vortex, to mass our armies, to rob millions of homes of millions of boys, to arrest our industrial development, and to slaughter hundreds of thousands of the flower of our youth in a war begun by others over causes with which we are little concerned. We would wage this war against a people whose injuries to us only resulted through their desire to overcome an enemy they both feared and hated.

The third—To vigorously and, if possible, effectively protest, to insist that our rights should be regarded and that reparation for wrongs should be made.

We have chosen this latter course. We have pressed our diplomacy almost to the very bloody edge of war, and we have achieved a wonderful and glorious result.

In every great vital controversy the warring powers have recognized our protests, apologized for wrongs done, rectified their conduct in accordance with our demands, and submitted to the law governing our rights upon the seas.

In those instances where these concessions have not been made the controversies do not involve human life, and are substantially all of that nature for which reparation can be ultimately made in damages. In a word, they are commercial losses and these have almost all been adjusted.

As a result of the policies pursued, what?

America sits upon the throne of peace. Plenty fills her lap. Upon the lips of a hundred million people is heard the music of laughter and song.

Of all the great neutral nations of the world America has been least injured, her rights most thoroughly recognized. We have preserved the Nation's honor and the Nation's peace.

Shall we adhere to this policy? The question is not whether we have achieved all we may have desired, but shall we take the responsibility and be guilty of the unspeakable insanity of leaping into a caldron, which is now filled with the bleeding armies of half the world?

Has Wilson been right or wrong? Have his general policies been in accordance with the interests of America, or should they be changed? If he has been right, then the blessings of the people of America will fall upon him while he lives, and when his life has closed will cluster in benedictions about his tomb. If he has been wrong, then the wrong is immeasurable. It stands above everything else. If he has been right, it dominates all mere mistakes, as Chimborazo doth o'ertop the molehills at its base.

In what respect has the President been wrong? It can not be said he failed to vigorously protest against every infringement of our rights. It can not be claimed he did not exhaust the language of diplomacy in the assertion of those rights.

Beyond what President Wilson has already done, there is left nothing save to drop the pen of diplomacy and take up the sword of war.

The man who challenges Woodrow Wilson's European policy can offer no alternative save that of war. He can tell of no stronger messages which might have been sent unless they were shot from the cannon's mouth.

WILL HUGHES INVOLVE US IN WAR?

In the presence of such an issue as I have described, what does Mr. Hughes say? He assumes the air of a critic. He condemns our European policy. What, then, is to be his policy? Is it not necessarily one of war, or one that may lead to war? What meaning shall we attach to his cryptic utterances?

Speaking of our European policy, Mr. Hughes said:

> We have had a clear and definite mission as a great neutral Nation. It was for us to maintain the integrity of international law and to vindicate our rights as neutrals, to protect the lives of our citizens, their property, and trade from wrongful acts. * * * At least we were entitled the safeguarding of American rights, but this has not been secured. * * * Our diplomacy failed, doubtless because of impaired credit and *the manifest lack of disposition to back words with action.*
>
> Had this Government by the use of both informal and formal diplomatic opportunities *left no doubt that when we said "strict accountability" we meant precisely what we said, and that we should unhesitatingly vindicate that position,* I am confident that there would have been no destruction of American lives *by the sinking of the Lusitania.* There we had ample notice. Furthermore, we knew the situation, and we did not require specific notice. Instead of whittling away our formal statements by equivocal conversations, we needed the straight, direct, and decisive representations which every diplomat and foreign office would understand. I believe that in this way we should have been spared the repeated assaults on American lives. *Moreover, a firm American policy would have been strongly supported by our people.*

Now, what does this language mean?

> *It was for us to maintain the dignity and integrity of international law, to protect the lives of our citizens, their property, and trade. We have had brave words and a series of notes, but the lives have been destroyed. What does it avail to use some of the strongest words known in diplomacy? * * * It is not words, but the strength and resolution behind them that count. * * * Had this Government left no doubt that when we said "strict accountability" we meant it, the Lusitania would not have been sunk.*

There is but one construction. The words of Hughes mean that the words of Wilson should have been backed by acts.

There was but one act possible, and that was war. Moreover, when Mr. Hughes employs this language he means, as is shown clearly by its context, war against the German nation.

But there is another way to judge his utterances.

"A man is known by the company he keeps." A man's formal political utterances are always to be construed in the light of his acts and the acts and words of his associates and followers. What, then, are the facts?

Within a few weeks after Germany had invaded Belgium Theodore Roosevelt declared that it was the duty of America to take sides against Germany. Later he wrote a series of magazine articles which he finally compiled in the form of a

book published last February. In that book not once, but fifty times, he proceeds by this line of argument. He asserts:

1. That treaties are the supreme law of our land.

2. That we entered into the Hague convention which he affirms is a treaty and, therefore, the supreme law of the United States.

3. That by that treaty all nations signing bound themselves not to invade the territory of a neutral country.

4. That when Germany invaded Belgium—a neutral country—it broke the supreme law of the United States, to-wit, the treaty.

5. That no nation can permit its supreme law to be trampled upon, and that it was our duty to resist such breach of our law.

In a word, he plainly asserts that it was the business of our Government to have made war upon Germany, the very hour Germany invaded Belgium. I shall quote a little later some of his specific utterances.

At the meeting of the Republican national committee at New York last spring Elihu Root made a speech denouncing the President for "pusillanimous conduct" in his negotiations with Germany, and repeated literally all of Roosevelt's arguments which I have above quoted.

The same doctrine was later in substance asserted by HENRY CABOT LODGE. On top of all it may be truthfully said that the leading Republicans in the Senate and of the United States have repeatedly, persistently, and relentlessly denounced the President because his policies were not of the Roosevelt kind.

You ask what this has to do with Mr. Hughes? I answer: The great Progressive Party met in convention. It had followed the leadership of Roosevelt with a blind fidelity. It assembled for the purpose of naming him as its candidate for President. The Republican convention sat in the same city on the same day. Roosevelt frequently declared that the principles of the Progressive Party were as dear to his heart as they had ever been, but that there was *one great overmastering question in the presence of which all other matters, however important, sank into insignificance. He affirmed that this question was our foreign policy.* He declared that he would not accept a nomination at the hands of the Progressive Party if the Republican Party would nominate a man whose foreign policies were in accordance with his own. He refused steadfastly to either accept or reject the nomination of Progressives until he had satisfied his mind upon the one important question, and then in order to settle that question he met Mr. Hughes.

Let me now trace the Roosevelt utterances and his negotiations with Hughes to their final consummation.

In his book, "Fear God and Take Your Own Part," published last February, there are so many declarations similar to the ones I am about to quote that it would take hours to reproduce them. I content myself with two or three samples:

> The Hague conventions were part of the supreme law of our land. They included a guaranty from Germany that she would not violate the territory of Belgium and a guaranty by Belgium that if an attempt was made to violate her territory she would fight. Germany broke her solemn promise to us and offended against the supreme law of our land. Belgium kept her solemn promise. * * * We shirked our duty by failing to take any action; by announcing through the President that we would be neutral in thought as well as in deed between the oppressor and the oppressed (p. 36).

Again, he says:

> It is the allies who are dedicated to the cause and are fighting for the principle * * * that the government of the people shall not perish from the face of the earth. We have stood aside and not ventured to say a word, far less to take any action for the right or against the wrong (p. 47).

And, again:

> It is a wicked thing to be neutral between right and wrong, i. e., between Belgium and Germany (pp. 26–27).

What he means is shown in this sentence:

> A nation is not wholly admirable unless it will go to war for a great ideal wholly unconnected with an immediate material interest (p. 56).

He concludes by demanding—

> universal military service and a Navy greater than hitherto dreamed of.

What has this to do with Mr. Hughes? I answer, "Everything."

As already stated, he sent a message to the Progressive convention to the effect that if Mr. Hughes's statements, made to the committee sent to ascertain whether he would accept the Republican nomination, were not satisfactory, they could confer with him and he would consider accepting the Progressive nomination. Later, and on June 27, Col. Roosevelt accepted an invitation to dinner with Mr. Justice Hughes, to be held on June 29, and at that time gave out this statement:

> In my judgment the nomination of Mr. Hughes meets the conditions set forth in the statement of the Progressive national committee, issued last January, *and in my own statements.* * * *

> No good American, whatever his ancestry or creed, can have any feeling except scorn and detestation for those professional German-Americans who seek to make the American President in effect a viceroy of the German Emperor.
>
> They represent that adherence to the politico-racial hyphen which is the badge and sign of moral treason to the Republic. I have singled these men out for specific denunciation, and assuredly I am certain that that candidate is incapable of being influenced by the evil intrigues of these hyphenated Americans.

On June 29 Col. Roosevelt and Mr. Hughes were at dinner together for two and a half hours. At that time Mr. Hughes stated:

> I wanted to talk with Col. Roosevelt fully with respect to the issues of the campaign and asked him to dine with me so that we might have that opportunity. He dined with me to-night, and we had a very delightful interview. *We talked very fully over all matters and were in complete accord. The evening was a very pleasant one.*

After this interview and on August 3, speaking in the light of that conference, Col. Roosevelt said of Mr. Hughes:

> I recognize his high qualities, which must recommend him to the esteem of the whole world, *particularly to the sympathy of the allies.* * * * *He always translates his words into deeds.* * * * *He certainly would never have suffered the Government of the United States, as one of the signatories to the Hague treaty, to pass over without protest the violation of Belgium's neutrality by Germany. He would never write two notes on the same offense.* He would *perhaps* issue a warning, but afterwards he would act according to his conscience and for the honor of civilization. *This is what he certainly will do, if, as I sincerely hope, he becomes the President of the United States.*

Omitting all reference to the coarse and brutal verbal attack upon the German-American citizens, I direct attention to the fact that Mr. Hughes states that he and Mr. Roosevelt "talked very fully over all matters and were in complete accord."

"In complete accord" with whom? With a man who has persistently insisted we should have intervened against Germany when she invaded Belgium. In complete accord with a man who because the President did not make war on Germany when she invaded Belgium refers to him as a "mollycoddle," a man of "weasel words." In complete accord with a man who falsely asserts that we were bound by treaty to engage in the conflict against Germany.

In complete accord with a man who demands "universal military service and war preparation upon a scale not hitherto dreamed of."

If Roosevelt had merely visited Hughes and afterwards betrayed the Progressive Party, we might have concluded that Hughes had in no manner committed himself, and that Roosevelt had simply employed the meeting as an excuse for sneaking back into the Republican Party. But we have Mr. Hughes's affirmation:

> We talked very fully over all matters and were in complete accord.

If the policy of Roosevelt, which Mr. Hughes has thus accepted, which he has never in his two weeks of campaign either modified, supplemented, or retracted, nay, which he, in fact, indorses in his speech of acceptance, had for the past 24 months been the policy of this Government, war with Germany would have been inevitable. If such a war had been waged, it would have been at the sacrifice of hundreds of thousands of lives and countless treasure. If we had prevailed, we could have obtained nothing more from Germany than an apology for wrongs committed and a promise to respect our rights in the future. All this has been achieved without the expenditure of a dollar of money or the loss of a single drop of blood.

If Mr. Hughes is to be elected to the Presidency on this issue, then it is notice to all the world that America has repudiated Wilson's policy of peace for the Roosevelt-Hughes policy of war.

Even if war should never come the result of such an election would be to convince all the world that the only neutral nation that has dealt with Germany with patience and fairness is now prepared to take a different course, and that at any moment that nation may join the enemies of Germany. The mere fact that such an impression should go out to the world would be in itself a serious blow to the cause of Germany.

But if, unhappily, Mr. Hughes should be elected and carry out the policies to which I think I have fairly proven he is committed, then what will result to our country? We will engage in a bloody war against a nation that has steadfastly remained our friend for a hundred years.

If we embark on such an undertaking, we can not content ourselves with a warfare of words. We will have passed from the realm of diplomacy into the field of battle. We must not only mass armies, but great enough armies to crush Germany. We must stop the wheels of our factories, which are now engaged in making the instruments and articles of peace and transform them into vast plants for the forging of cannon and the creation of deadly missiles. We must issue bonds in the billions. We must arrest our industrial development. We must stop the march of our prosperity. We must mobilize an army of millions, cover the ocean with fleets of transports and load them with boys taken from every American home. We must send them to

foreign lands to die beneath foreign skies. We must invade the soil of Germany. We must engage in the slaughter of German citizens by the thousands. We must drain our own veins in order that Germany may bleed the more.

All this to gain that which diplomacy has already gained. The bloody harvest is to be gathered, to what purpose? To help crush a nation, millions of whose sons and daughters dwell in our land and love our flag. We are to do all this to help destroy a people who lead in art, in poetry, in music, in philosophy, in science, and whose sons are dying with that heroic courage which is seldom manifested save by those who believe they are fighting for home, for liberty, and for life.

Let the issue be not misunderstood. We know, the world knows, that Woodrow Wilson will maintain the peace unless the Nation's honor is assailed. Thoughtful men know that a President advised by Roosevelt, in accord and agreement with Roosevelt, will stir up war if war be possible.

APPENDIX.

TABLE I.—*Showing apportionment of good-roads fund for year ending June 30, 1917.*

Alabama	$104,148.90
Arizona	68,513.52
Arkansas	82,689.10
California	151,063.92
Colorado	83,690.14
Connecticut	31,090.44
Delaware	8,184.37
Florida	55,976.27
Georgia	134,329.48
Idaho	60,463.50
Illinois	220,926.23
Indiana	135,747.62
Iowa	140,175.60
Kansas	143,207.40
Kentucky	97,471.91
Louisiana	67,474.66
Maine	48,451.50
Maryland	44,047.22
Massachusetts	73,850.95
Michigan	145,783.72
Minnesota	142,394.06
Mississippi	88,905.84
Missouri	169,720.41
Montana	98,287.19
Nebraska	106,770.81
Nevada	64,398.30
New Hampshire	20,996.62
New Jersey	59,212.68
New Mexico	78,737.81
New York	250,720.27
North Carolina	114,381.92
North Dakota	76,143.06
Ohio	186,905.42
Oklahoma	115,139.60
Oregon	78,687.37
Pennsylvania	230,644.17
Rhode Island	11,665.71
South Carolina	71,807.64
South Dakota	80,946.02
Tennessee	114,153.48
Texas	291,927.81
Utah	56,950.15
Vermont	22,844.47
Virginia	99,660.71
Washington	71,884.28
West Virginia	53,270.46
Wisconsin	128,361.67
Wyoming	61,196.82
Total	4,850,000.00

TABLE II.—*Showing gold movement (fiscal years).*

	Imports.	Exports.	Excess of imports.	Excess of exports.
1908-9	$44,003,989	$91,531,818		$47,527,829
1909-10	43,339,905	118,563,816		75,223,911
1910-11	73,606,993	22,509,673	$51,097,320	
1911-12	48,936,500	57,328,528		8,392,028
1912-13	69,194,025	77,762,582		8,568,557
1913-14	65,538,659	112,038,529		45,499,870
1914-15	171,568,755	146,224,148	25,344,607	
1915-16	494,009,301	90,248,082	403,761,219	

TABLE III.—*Foreign loans made by United States during 1915 and 1916.*

To governments.	European loans (description).	Amount.
1915		
Germany	5 per cent 9-month notes	$10,000,000
Anglo-French	5 per cent 5-year notes	500,000,000
France	5 per cent notes (paid)	10,000,000
Do	5 per cent notes, one year	15,000,000
Do	Bank credit, 1 year	15,000,000
Greece	Bank credit	7,000,000
Italy	6 per cent 1-year notes	25,000,000
Norway	6 per cent 2 and 3 year notes	3,000,000
Do	6 per cent 7-year notes	5,000,000
Sweden	6 per cent 2-year notes	5,000,000
Switzerland	5 per cent 1, 3, and 5 year notes	15,000,000
Russia	Bank acceptances (paid)	25,000,000
Do	Bank credits	7,000,000
Total		657,000,000

TABLE III.—*Foreign loans made by United States, etc.*—Continued.

To governments.	European loans (description).	Amount.
1915.		
TO BANKS AND BANKERS.		
British	4½ per cent 6 months' loan	$50,000,000
French	Rothschild group	45,000,000
Do	Commercial credit	20,000,000
Scattered	Bank credits (estimated)	35,000,000
Total		150,000,000
Total to Europe		807,000,000
CANADIAN LOANS.		
Dominion Government		45,000,000
Provincial and municipal		95,000,000
Total to North America		140,000,000
LATIN-AMERICAN LOANS.		
Argentina	6 per cent 1, 2, and 3 year notes	15,000,000
Do	6 per cent 5 year Treasury bonds	25,000,000
Do	6 per cent 6 months' notes	6,000,000
Bolivia	Bank loan	1,000,000
Chile	do	6,000,000
Panama	5 per cent 30-year bonds	3,000,000
Total to Latin America		56,000,000
1916.		
To Russia		50,000,000
To Great Britain		250,000,000
Total to all countries since war began		1,303,000,000

TABLE IV.—*Exports of ammunition and firearms from the United States during each month from Aug. 1, 1914, to the latest date for which statistics are available and the percentage of these exports to total exports for same period.*

Month of—	Cartridges.	Gunpowder.		Other explosives.	Firearms.
1914.	*Value.*	*Pounds.*	*Value.*	*Value.*	*Value.*
August	$154,080	30,948	$16,821	$26,336	$208,644
September	421,982	193,037	65,465	187,510	201,556
October	1,452,740	90,982	24,395	56,305	692,146
November	1,231,235	63,064	23,027	78,062	1,194,510
December	1,098,875	55,352	27,989	180,665	1,093,158
1915.					
January	1,381,970	372,085	129,617	1,039,961	2,156,757
February	1,903,774	73,015	34,884	1,020,904	584,604
March	1,616,626	181,043	65,481	1,081,890	545,716
April	2,648,667	645,630	417,919	2,863,014	464,913
May	3,028,083	1,501,136	1,048,607	4,439,777	1,101,751
June	2,467,378	4,376,677	3,234,549	5,911,186	914,118
July	2,427,761	5,504,772	4,567,929	9,329,303	1,948,717
August	2,281,540	6,653,841	5,296,118	6,967,046	693,413
September	1,412,144	11,183,468	8,026,411	8,743,149	1,047,722
October	1,648,329	9,200,229	6,593,691	10,836,147	556,740
November	1,737,673	20,892,232	16,730,384	13,495,527	1,197,768
December	2,260,734	23,204,516	20,201,180	23,366,260	954,102
1916.					
January	3,343,497	13,149,659	10,104,525	12,569,635	1,513,087
February	3,616,702	13,483,939	12,043,610	32,235,724	1,902,020
March	4,174,827	20,086,043	16,868,622	29,159,515	1,568,379
April	3,963,133	26,997,792	22,245,046	29,351,236	1,933,953
Total, 21 months	44,271,750	158,015,520	127,767,179	193,759,122	22,473,864

Total exports of United States for 21 months, $6,015,580,047; exports of munitions, $388,271,906; percentage, 6.

Mr. POMERENE. Mr. President——

Mr. REED. I yield to the Senator from Ohio.

Mr. POMERENE. Mr. President, the Senator from Missouri has referred to the criticism made by Col. Roosevelt of the present administration because it did not intervene when Germany invaded Belgium. That criticism by President Roosevelt was based upon his construction of the second Hague convention, which gives to neutral powers the right to offer their good offices or mediation to States which are at variance. An examination of The Hague convention shows that it gives the right to intercede, but nowhere makes it the duty of the signatory powers to so intercede. Col. Roosevelt has always insisted it was our duty to vigorously protest against Germany's invasion of Belgium, but he has always failed to call the attention of the country to the resolution of ratification of that treaty passed by the United States Senate. I want, in

this connection, to read merely a paragraph from that resolution. It is dated April 2, 1908. I read as follows:

Nothing contained in this convention shall be so construed as to require the United States of America to depart from its traditional policy of not intruding upon, interfering with, or entangling itself in the political questions of policy or internal administration of any foreign State; nor shall anything contained in the said convention be construed to apply to a relinquishment by the United States of its traditional attitude toward purely American questions.

Clearly the only construction that can be placed upon this resolution of ratification is that under such circumstances as accompany the invasion of one European country by another this country was under no obligation whatsoever to intervene. The resolution conclusively serves notice on all the powers signing the convention that it must not be so construed as to involve us in entangling alliances with foreign powers. President Wilson was right in not interfering, and Col. Roosevelt is wrong in asserting that it was our duty to intervene.

Mr. REED. Mr. President, not only is it true, as stated by the Senator from Ohio, whom I thank for his contribution, that we expressly excluded ourselves from obligation to take part in the controversies of European powers, but if we had ever signed a treaty binding ourselves to do that which Roosevelt says we are obligated to do, namely, to go to any part of the world and enforce the rights of other nations, however remote from us, and enforce all such rights as they have under The Hague convention, then the men who bound us to such a treaty would have been guilty of the most unjustifiable act ever perpetrated since Benedict Arnold sought to betray the cause of the Colonies. Any administration that would have dared to sign such a treaty would, if the public had ever discovered it, have been incontinently kicked from power.

The whole proposition advanced by Roosevelt is, of course, untenable. It is simply the ground that is sought by those who really desire some excuse to interfere in this war against Germany.

Mr. LEWIS. Mr. President, may I say to the Senator from Missouri——

The PRESIDING OFFICER (Mr. LEA of Tennessee in the chair). Does the Senator from Missouri yield to the Senator from Illinois?

Mr. REED. I am through, Mr. President.

Mr. SMOOT. Mr. President, has the Senator from Missouri concluded his remarks?

Mr. REED. I have; yes, sir.

Mr. LEWIS and Mr. SMOOT addressed the Chair.

Mr. THOMAS. Is the Senator going to speak further?

The PRESIDING OFFICER. The Senator from Missouri [Mr. REED] yielded to the Senator from Illinois [Mr. LEWIS] for a question. As the Chair understands, the Senator from Illinois has the floor.

Mr. THOMAS. Will the Senator from Illinois yield to me for just a moment?

Mr. LEWIS. Certainly; I yield.

Mr. THOMAS. I wish to offer, in connection with the remarks of the Senator from Missouri, an article from the New York Times, which was contributed on the 3d of December, 1915, by Homer B. Hulbert, giving an account of Mr. Roosevelt's action in the case of Korea when that nation was invaded and attacked by Japan, in which instance Mr. Roosevelt was asked to interfere precisely as he now criticizes Mr. Wilson for not interfering in the case of Belgium, and I ask that the article be published in the RECORD.

The PRESIDING OFFICER. Without objection, the article referred to will be printed in the RECORD.

Mr. SMOOT. I am informed that the article is to be published in connection with the statement just made by the Senator, otherwise I should have to object.

The PRESIDING OFFICER. In the absence of objection, the article will be printed in the RECORD. The Chair hears none.

The article referred to is as follows:

ROOSEVELT AND KOREA—JAPAN'S ATTACK COMPARED TO THE GERMAN INVASION OF BELGIUM.

SPRINGFIELD, MASS., *December 3, 1915.*

To the EDITOR OF THE NEW YORK TIMES:

It is rather amusing to read Mr. Roosevelt's diatribe on the present administration, as given in his letter to Mr. Dutton, published in your December 1 issue, because the words he there uses are even more applicable to himself and his own acts in 1905. He there speaks of Korea as unable to hold her own against Japan.

Precisely as Belgium lies between two great powers, Germany and France, so Korea lies between Japan and Russia. Precisely as Germany wanted to cross Belgium to strike France, so Japan wanted to cross Korea to strike Russia. Precisely as Germany guaranteed Belgium's independence if she would allow this, so Japan guaranteed Korea's independence if she would allow it. Precisely as Germany broke the neutrality of Belgium, so Japan ignored her obligations and trampled upon Korea; or, rather, Japan's acts were far worse than Germany's, for Korea consented to let Japan use her territory to strike at Russia, and in spite of this Japan destroyed Korea.

Precisely as it was the duty of America to protest against the violation of Belgium's neutrality, so it was our duty to protest against Japan's encroachments in Korea. Precisely as the present administration failed to pr test in the case of Belgium, so Roosevelt failed to protest against the rapacity of Japan in 1905.

But not only so. The case is far stronger than this. At the moment when Japan was just crouching to spring at the throat of Korea the Emperor of Korea called upon President Roosevelt to keep America's treaty with him—a treaty which held in its first clause the promise that if Korea were endangered by any third party this Government would use its good offices to effect an amicable arrangement. Roosevelt refused to read or even to receive the written message sent to him from the Emperor of a friendly power with which we were supposedly on friendly relations. This written message was taken to the State Department, but the Secretary of State refused to receive it for 48 hours. Meanwhile Japan, at the point of the sword, had forced her "protectorate" upon Korea, President Roosevelt had hurriedly acknowledged that seizure without a word of warning to the Korean Government, nor a word to the Korean Legation in Washington, and had cabled to our legation to get out of Korea. The State Department then offered to see the written message from Korea; and the writer has in his possession a note from the Secretary of State saying that the message is "too late." It was there 48 hours before President Roosevelt took action and he knew its contents, for one of his secretaries at the White House told me so with his own lips.

When that written message was handed to the Secretary of State he leaned over the table and said to the envoy of the Emperor: "Do you want us to get into trouble with Japan?" This he said as Roosevelt's Secretary of State; and it shows the cowardly state of mind to which the administration was reduced by the distant possibility of a clash with Japan. We did not dare to assert our treaty rights nor live up to our treaty obligations.

The last person in the world to complain of international timidity is Theodore Roosevelt.

HOMER B. HULBERT.

The PRESIDING OFFICER. The Senator from Illinois [Mr. LEWIS] has been recognized.

Mr. LEWIS. Mr. President, my only observation was to be addressed to the Senator from Missouri, but the Senator from Missouri having concluded his address——

Mr. REED. I did not intend to yield the floor if the Senator from Illinois desired to ask me a question or to make any comment.

Mr. LEWIS. Mr. President, I want to call the attention of the Senator from Missouri to a feature of this subject that I feel at this time should be considered; that is, that there seems to be a misapprehension as to our having signed any treaty at The Hague which involved us at all to maintain the neutrality of Belgium. The statement is constantly made by Col. Roosevelt, however, altogether under a misapprehension of the fact. There is no agreement and there never has been any agreement made by this Government concerning maintenance by us of the neutrality of Belgium. There has been no signature of this Government, no exercise of any agency on the part of this Government at any time or at any place concerning the maintenance of the neutrality of Belgium.

Col. Roosevelt himself has made the open statement—and correctly—that there was no obligation of the United States to enter into any conflict whatever touching the maintenance of the neutrality of Belgium. He contends, however, that our interposition should have been based upon the moral ground.

I simply wish to introduce this suggestion, not that I could fortify so able an address as that which the distinguished Senator from Missouri [Mr. REED] has made nor add to the very pertinent suggestion of the Senator from Ohio [Mr. POMERENE], but to clarify history and to have it now understood that there never was and is not now in existence any compact by this Government respecting the neutrality of Belgium.

Mr. SMOOT. Mr. President, I know of no one in the United States who denies the fact that prosperity exists in the United States, and I know of no one, Democrat or Republican, who does not know the reason of that prosperity. I was very much surprised to hear the remarks made by the Senator from Missouri [Mr. REED] in which he claimed that the war in Europe had nothing to do with the prosperity existing in this country.

Mr. REED. Mr. President, will the Senator allow me to read him what I said. Of course, if the Senator wants to fight a straw man and set him up himself, well and good, but I did not make that statement.

Mr. SMOOT. I should like to have the Senator state what he did say.

Mr. REED. I will find it and read it to the Senator, as I read it from manuscript.

Mr. SMOOT. The Senator made a statement to that effect not only in one place but in two or three places.

Mr. REED. Oh, I made it in one place.

Mr. SMOOT. Yes; I know the Senator did, and he also made it more than once. The Senator further stated that the exportation of munitions of war only amounted to 6 per cent of our exportations.

Mr. REED. I will read the Senator what I did say:

I frankly concede that in seeking to arrive at the cause of the present unparalleled prosperity the influence of the European war must be taken into account.

But I confidently assert:

I. That but for the wise legislation and administration of the Democratic Party the war would have engulfed our country in the most devastating panic of history.

II. That it is solely because of wise Democratic legislation and administration we are able to embrace the opportunities afforded by the war.

Those are the propositions I made; those are the propositions I proved; and those are the propositions that no amount of fulmination will wipe out.

Mr. SMOOT. Of course I will allow the statement which has just been read by the Senator to speak for itself, and let those who read his speech judge as to what he meant by the many statements made by him.

Mr. President, the greater part of the Senator's speech was designed to impress the people of this country with the idea that it was the laws that had been passed by the Democratic Party which had brought to this country the prosperity we have to-day. The Senator said that of our exports but 6 per cent were munitions of war. Why, Mr. President, an editorial in the New York Times, a Democratic paper, only the other day made the statement that three-quarters of our $4,000,000,000 of exports is war trade. Our exports were not $6,000,000,000, as the Senator stated; they were a little over $4,000,000,000, which is an immense trade.

Mr. REED. Oh, Mr. President, I wish the Senator would talk about something I said and not something he imagines I said. I never said our exports were $6,000,000,000. I quoted the exact figures.

Mr. SMOOT. I will say, then, if the Senator will turn to the statement that he made and will read it, as he did before, he will find that he said our export trade was $6,000,000,000. I do not expect to speak more than five minutes, and if the Senator will let me conclude I will be very much obliged.

Mr. REED. I will apologize to the Senator for having interrupted him——

Mr. SMOOT. No; the Senator need not do so.

Mr. REED. I assumed the Senator wanted to speak accurately about what I had said and not about something he had misunderstood.

Mr. SMOOT. I desire to speak accurately, and I will ask the Senator to refer to what he said. I think the Senator said our exports were $6,000,000. I may be mistaken——

Mr. SMITH of Georgia. The Senator from Utah just made a mistake when he said $6,000,000.

Mr. SMOOT. I said $6,000,000,000.

Mr. SMITH of Georgia. I heard what the Senator said. He said "six million dollars."

Mr. SMOOT. All I know is that I intended to say "billion."

Mr. SMITH of Georgia. It did not reach our ears as "billion," and nobody on this side heard anything but "million," and that is what the Senator said, no matter what he intended to say.

Mr. SMOOT. The Senator from Georgia may know better what I said than I do myself.

Mr. SMITH of Georgia. I listened to what the Senator said, and I know what he said.

Mr. SMOOT. Mr. President, I think it is proper——

Mr. REED. Will the Senator permit me to set him right?

Mr. SMOOT. Yes.

Mr. REED. I have a table right here. It has been checked over by the department, and is absolutely accurate. I read from it. I said that our total foreign business was $6,531,683,446. I said I have a table showing the exports and imports which I will not take the time to read.

Mr. SMOOT. Mr. President——

Mr. REED. Just a moment—and that table shows——

Mr. SMOOT. The Senator's figures are perfectly correct, if the imports are included with the exports.

Mr. REED. I did take them both, and I told the Senator that the exports and imports were set out and that I was giving the trade total.

Mr. SMOOT. The Senator may have skipped over the import part of the table in his reading.

Mr. REED. No; I did not skip anything. I was reading from a manuscript.

Mr. SMOOT. It makes no difference so far as that is concerned. Everybody knows that the exportations of this country have been unparalleled in the history of the country, and everybody knows the great majority of those exportations are made up of munitions of war and articles that are purchased on account of the war.

I thought I would call attention, Mr. President, and that this would be a very appropriate time to do so, to the remarks of the Senator from Missouri, made on January 5, 1916, found in column 2 of page 584 of the CONGRESSIONAL RECORD, where he was opposing a bill to place an embargo on munitions of war. Among other things, the Senator said:

Enforce such a doctrine and the price of every horse and mule in America will fall to about 50 per cent of its value; likewise cattle and hogs will go to about 50 per cent of their value; all the products of our farms and mines and factories will go to about 50 per cent of their value; and this country will be engulfed in a financial and industrial catastrophe such as the world has never seen.

That was the opinion of the Senator from Missouri on January 5, 1916. If an embargo on munitions of war was in force I have no doubt, Mr. President, that the statement made on January 5 by the Senator would be correct. There is no one who does not know that the prices that the farmer is receiving for his wheat and his other products are exceedingly high and the result of the war, and if our Democratic friends think they can mislead the American people by claiming that the present prosperity is due to the tariff law, or any other law passed by this administration, they are going to be awfully deceived.

Statistics compiled by the present administration of the Department of Commerce show that we were enjoying industrial prosperity at the time the Democratic administration came into power. The statistics are confirmed by such commercial institutions as Bradstreet's Review. They are confirmed by the record of railroads, banks, and manufacturing institutions. Those records also conclusively show that we suffered a decline which grew into a deplorable industrial depression in the 10 months which followed the enactment of the Democratic tariff law. By the enactment of that law our markets were throw open to foreign competitors; our productive industries were curtailed; and our exports consequently reduced.

The outbreak of the war was what gave us a new market for our commodities and cut off the competition which was rapidly bringing us to industrial ruin.

Mr. President, before this debate ends I am going to call the attention of the Senate to the figures that will prove it without any question of doubt.

In that brief statement by the Democratic Senator from Missouri we have confirmation of what the Republican Party has asserted, that our partially restored prosperity has been due entirely to the war in Europe. If placing an embargo on exports of horses and mules would cut the value of every horse and mule in America 50 per cent; if such an embargo would have the same effect on the value of cattle and horses; and if all the products of our farms and mills and factories would go to about 50 per cent of their value; and if this country would be engulfed in a financial and industrial catastrophe such as the world has never seen, then the conclusion is inevitable that our abnormal industrial situation is due entirely to the war in Europe.

Mr. President, as I have stated, the New York Times says that three-fourths of our $4,000,000,000 of exports is war trade. Secretary Redfield and his echoes try to make the public believe that only a small percentage of the exports, those confined largely to explosives, are the result of war. That is a ridiculous statement and fools no one of sense. But the fact that three-quarters of the exports are the result of the war, according to the Times, indicates the great change that will take place when the war ends. Our trade with some other countries than those engaged in the war has been increased as the result of that struggle. The Senator from Missouri referred to the immense increase of our exports to neutral countries, and I want to take just a few moments to call attention to some of the results of the war, and also the results of our exportations and importations to and from some of the neutral counties; in fact, I may say, the principal ones.

Our exports to Denmark for the 11 months ending with May of this year were in value $51,449,681. Last year they were over $75,000,000; but in 1914, before the war began, for the fiscal year they were only a little over $14,000,000, showing that the increase is altogether due to the war. The imports for the three years from Denmark varied only a few thousand dollars, being a little over $3,000,000 each year.

We sent over $32,000,000 worth of exports to Greece in the last fiscal year; but for the fiscal year 1914, before the war began, we sent only about $1,000,000 worth.

Exports to Italy have more than quadrupled since the war began, but imports from that country remain about the same.

Exports to Norway have increased six times over since 1914, but imports from that country have declined, thus showing the effects of the war trade.

The imports that came to this country before the war have been deflected in part to the nations at war. Exports to For-

tugal were three times greater last year than in 1914. To Russia in Europe they jumped from $28,000,000 in 1914 for the 11 months to $175,000,000 for the 11 months of the last fiscal year. To France the increase was from $152,000,000 to $555,000,000. To Spain the increase was from $28,000,000 to $46,000,000. To the United Kingdom the exports increased from $557,000,000 to $1,352,000,000. The Senator from Missouri called attention to the fact that our exports to Germany have decreased from $550,000,000 to some $14,000,000, claiming that the new financial system of our Government was the cause of that change in our exports not bringing on a panic in this country; whereas to the United Kingdom alone our exportations increased from $557,000,000 to $1,352,000,000. That will give a fair idea of what the war has done for our export trade.

As to Central America, what do we find the conditions to be? To Central American countries our exports in 1915 were less by over $5,000,000 than in 1914, and were only $3,000,000 more in the last fiscal year. That is a part of the world where our trade, relieved to a large extent from European competition, should have shown a vast increase; but the fact that it does not do so, while imports from those countries have increased about $7,000,000, shows the absurdity of the statement put forward by Secretary Redfield in regard to exports.

In the same way, to the British West Indies the exports in 1915 were much less than in 1914, and show only a small increase in the last fiscal year. Exports to Cuba and other West India Islands other than British islands increased some $59,000,000, while the imports from these islands increased over $90,000,000. Exports to Argentina increased some $16,000,000, but the imports from that country increased $60,000,000. Exports to Brazil last year were some $8,000,000 more than in 1914, but the imports from that country were $25,000,000 more, and the total of imports was nearly four times as much as the exports to that country. All admit, Mr. President, that our exports have wonderfully increased, and all must admit that our imports have also increased.

The imports for the last fiscal year amounted to $2,197,883,510, and if there had been paid the same average rate of duty as was paid on imports for the year ending June 30, 1913, under Republican laws—namely, 18 per cent—the amount collected would have been $395,619,031 instead of $211,866,222, the amount collected under the Underwood law, or a gain to the Treasury of the United States of $183,752,809. This additional amount collected from customs, with the saving of the unnecessary and extravagant appropriations of at least $150,000,000 in this year's legislation, which should and could have been saved by the Government, would have amounted to $333,752,809—a sufficient amount to meet the unjust taxes imposed upon the people by the pending revenue bill. And I might proceed, Mr. President, to call attention not only to this year but to every year of this administration, but I will not take the time——

Mr. SHAFROTH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Colorado?

Mr. SMOOT. I want to conclude, Mr. President, by saying this——

The PRESIDING OFFICER. The Senator declines to yield.

Mr. SMOOT. There is not a Senator, there is not a Representative, there is not a citizen of the United States, I care not what his political affiliations may be, who does not know that our exportations have been brought about by the wicked, unjustifiable, cruel war in Europe. God grant that the Republican Party will never have to rely for prosperity in this country upon a war such as is raging in Europe to-day. If it had not been for the war, Mr. President, and if trade conditions had continued as they were during the four months preceding the outbreak of the war, no law in this country—unless it were a tariff law protecting the industries of this country—would have saved the country from a panic.

For the four months preceding the war there was a trade balance against the United States of nearly $200,000,000. How many more such periods of four months would have passed until a great majority of our industries would have been wrecked, the wheels of industry would have been stopped, and millions of men would have been out of employment? In fact, Mr. President, there is no question but that in April, May, June, and July before the war there were at least 3,000,000 men out of employment in this country. You could hardly pick up a paper in any of the great cities of the country but that attention was called to the fact, and named, through the committees appointed, the number of men that were seeking employment. Assistance was being asked. I say to my friends upon the other side that if it had not been for this war this country would have suffered distress and financial ruin such as we have seldom seen in this country or any other.

Mr. JONES obtained the floor.

Mr. SHAFROTH. Mr. President, I should like to ask the Senator a question.

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Colorado?

Mr. JONES. For a question; yes.

Mr. SHAFROTH. I should like to ask the Senator from Utah whether he does not recognize that the enormous increase in the building permits issued in the 108 leading cities of the Union is not due to any war conditions?

Mr. SMOOT. Why, Mr. President, I do not recognize any such thing, for it is not so. With a $2,000,000,000 balance of trade in our favor, and if our exports continue as they are for a few years longer most of the money of the world will be controlled by America, and there is no law of business that can prevent it. Mr. President, you can not have one line of business prosperous without its affecting other lines of business in the country, and you can not export $4,000,000,000 and only import $2,000,000,000 without the balance of trade in our favor being $2,000,000,000; and that means that foreigners must either send us the gold or send back the securities of this country held by them, or make obligations to this country for the difference.

Mr. SHAFROTH. Mr. President, the statement which the Senator has made may be very extreme in its nature, but, as a matter of fact, it is very difficult to show any relation between the European war and the building boom that is existing throughout the United States.

Mr. SMOOT. Why, Mr. President——

Mr. SHAFROTH. I have the floor, Mr. President.

Mr. SMOOT. Oh, no; the Senator has not.

Mr. JONES. I think I have the floor.

Mr. SHAFROTH. The Senator from Utah sat down. He would not yield to me while he had the floor.

The PRESIDING OFFICER. The Senator from Washington has the floor, and yielded to the Senator from Colorado.

Mr. JONES. I think I will resume the floor, Mr. President.

Mr. SHAFROTH. I thought I had the floor.

The PRESIDING OFFICER. The Senator from Washington has the floor and yielded to the Senator from Colorado. He declines to yield further.

Mr. JONES. If the Senator wants to ask a question, I will yield for that purpose.

Mr. SHAFROTH. Mr. President, I want to read just a few statistics which it seems to me ought to convince anybody that prosperity is here, and not only here but that it is not caused by the war. Of course there have been some acceleration caused by the sale of munitions; there is no doubt about that; but to attribute all of the prosperity conditions that exist in this country to the existence of a war in Europe it seems to me would be absolutely absurd. The fact that the 108 principal cities of the Union, scattered over the country from one end to the other, had an increase in their building operations of from 24 to 32 per cent this year over last year and a still greater increase over the conditions of 1914 seems to me to be conclusive proof of my statement.

Now, I want to call the attention of the Senator to the fact that the building permits of the 108 leading cities of the Union for May, 1916, were $113,904,515, as compared with $86,469,129 for May, 1915. That is an increase of 32 per cent. How it can be charged that that is due to the fact that somebody sold some munitions of war to Europe, especially when we have been sending millions and millions of dollars over there to buy their bonds, I do not understand. It does not seem to me that the Senator's position is at all logical.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. JONES. I want to ask how long the Senator from Colorado expects to proceed with this?

Mr. SHAFROTH. I will quote just one more set of figures.

Mr. JONES. Then I will yield to the Senator; but I hope the Senator from Utah will simply allow the Senator from Colorado to get his figures in here.

Mr. SMOOT. What I want to ask the Senator is this——

Mr. JONES. The Senator from Utah can not convince the Senator from Colorado and that Senator can not convince the Senator from Utah.

Mr. SMOOT. The Senator admits that this vast amount of money is made out of munitions of war.

Mr. SHAFROTH. Not all of it; no.

Mr. SMOOT. The Senator admits, however, that a vast amount of money has come to this country in payment for these munitions of war.

Mr. SHAFROTH. Why, some of it has. There is no doubt about that, and there is no doubt that that is an element which enters into the fact of prosperity.

Mr. SMOOT. Well, what will they do with the money? Will they keep it in their pockets? Will they bury it? Or will they invest it and erect buildings? Anybody knows that they will invest it.

Mr. SHAFROTH. Why, Mr. President, the principal thing that they have been doing is simply increasing the munition plants and putting their money into them; but when people go out to Salt Lake City, Utah, or Denver, Colo., and put in money in the way of building there to such an extent that the building returns show that there was nearly 100 per cent increase in Denver recently, it seems to me to be quite plain that it has only a very remote connection with the question of whether or not money has been paid to munition factories of this country.

Now, let me quote some figures and then I will close. We find that for the five months of 1916, beginning with January 1 and closing with June 1, the building permits issued in the 108 principal cities of the United States amounted to $393,018,536 as against $317,373,988 for the corresponding period last year, or an increase of 24 per cent.

Mr. SMOOT. I thought it would be more than that.

Mr. SHAFROTH. And when you take into consideration the fact that the returns of the bank clearings of the various cities in the Union showed an increase last week of from 7 per cent to 69 per cent in every city in the Union except Albany, N. Y., it demonstrates that this prosperity is not confined to the Atlantic coast, where the munition factories are, but is scattered throughout the entire country where commerce and great industries exist.

I thank the Senator from Washington for his courtesy.

Mr. PENROSE. Mr. President, will the Senator just let me ask consent to have an article printed in the RECORD?

Mr. JONES. I yield.

Mr. PENROSE. I have here an article from the New York World, which is generally supposed to be advocating the reelection of Mr. Wilson, entitled "The cause of prosperity: Record-breaking profits of war have made the United States rich." I should like to have it read, but I do not want to impose on the courtesy of the Senator from Washington, so I will ask to have it put in the RECORD.

Mr. SMOOT. I will say to the Senator that, of course, we have to object to these unless they are read.

Mr. PENROSE. Will the Senator let it be read, then? It will take only a minute.

Mr. JONES. I understand the Senator from Georgia [Mr. SMITH] has something he wants to put in, too.

Mr. SMITH of Georgia. I think we had better let them both go in without stopping to read them. I wanted to put in the RECORD, in connection with the speech of the Senator from Missouri [Mr. REED], the 10 questions which the newspaper men propounded to Hon. Charles E. Hughes, but if we have got to stop to read them I will not do so.

Mr. JONES. I do not want them to go in as a part of my speech.

Mr. SMITH of Georgia. The Senator from Washington has been so courteous in yielding that I would not read them if he would let me.

Mr. PENROSE. That does not pertain to the discussion; but mine is pertinent to the discussion.

Mr. SMITH of Georgia. This is entirely pertinent to the discussion.

Mr. PENROSE. Anything is pertinent, of course.

Mr. SMOOT. The Senator, I think, is wise enough to know that no newspaper men, 10 or otherwise, or anyone else, can ask Gov. Hughes questions that he is to take up all of his time in the campaign with answering.

Mr. SMITH of Georgia. Oh, I did not say that he was to take up all of his time.

Mr. SMOOT. You can not place Mr. Hughes on the defensive. He is not going to be placed there; and as long as you people are on the defensive, we are going to keep you there.

Mr. SMITH of Georgia. We will see about that, Mr. President. I am not surprised that the Senator from Utah is sensitive.

Mr. SMOOT. I am not sensitive at all.

Mr. SMITH of Georgia. I will not take up the time of the Senator from Washington, though.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania?

Mr. SMOOT. Mr. President, in view of the request of the Senator from Washington, and with the further statement that it is not to establish a precedent to be hereafter followed, I have no objection to putting them both in.

The PRESIDING OFFICER. The request of the Senator from Pennsylvania is granted, then.

Mr. SMITH of Georgia. And mine, too?

The PRESIDING OFFICER. The Senator from Georgia also requests to have certain matter put in the RECORD. Without objection, that will be done.

Mr. SMITH of Georgia. I agree with the Senator from Utah that it is not good practice, but I did not want to interrupt the Senator from Washington to read these questions.

The matter submitted by Mr. PENROSE is as follows:

[From the New York World.]

THE CAUSE OF PROSPERITY—RECORD-BREAKING PROFITS OF WAR HAVE MADE THE UNITED STATES RICH.

The Anglo-French loan of $500,000,000 floated in this market a year ago rested wholly on the joint credit of the two Governments, and the proceeds were equally divided between them. The present additional British borrowing of $250,000,000, like the recent additional French borrowing of $100,000,000, is further protected by collateral security of American and Canadian stocks and bonds and the bonds of a number of neutral Governments of a market value 20 per cent in excess of the loan.

This brings the total British war borrowings in the American market up to $500,000,000. Canada's borrowings here since the war began total $120,000,000. Some $430,000,000 has been loaned to France, $260,000,000 to Russia, $25,000,000 to Italy, $10,000,000 to Germany, and $27,000,000 to neutral European countries. The grand total of European war loans in this market to date is $1,422,000,000.

Since January 1, 1915, we have sold abroad $2,972,000,000 more of merchandise than we have bought abroad. We have so far received in payment for this amazing trade balance these foreign evidences of debt to the amount of $1,422,000,000. We have received in gold a net sum of over $600,000,000. There accordingly remains to July 1, last, an unsettled balance of $950,000,000, which probably in most part represents the amount of foreign-held American securities sold here in the open market during that time, additional to the very large amounts sold before the war broke out.

Our net foreign debt two and a half years ago was around $5,000,000,000. It can not be half that figure to-day, and the balance is melting away rapidly under the continuing vast excess of exports. So swift a rise of the Nation from a debtor to a creditor position would be beyond all belief were not the facts so clearly beyond dispute.

The matter submitted by Mr. SMITH of Georgia is as follows:

G. O. P. NOMINEE ASKED TO MAKE POSITION CLEAR—PROFESSIONAL WRITERS ADDRESS OPEN LETTER TO MR. HUGHES AND PUT PERTINENT QUESTION UP TO THE CANDIDATE—SPECIFIC ANSWERS ARE REQUESTED BY WRITERS—TOLD HE HAS NOT OFFERED A SINGLE CONSTRUCTIVE SUGGESTION SO FAR.

NEW YORK, *August 2.*

On behalf of a committee of distinguished American writers, the executive group of which met to-day at the Hotel Biltmore, George Creel gave out the following open letter:

To the Hon. CHARLES E. HUGHES:

The professional writers who sign this letter have small interest in parties but a very deep interest in democracy. It is our hope, through this voluntary association, to assist in the promotion of honest educational discussion in order that fundamental issues may not be decided in prejudice and ignorance.

WILSON'S BELIEFS KNOWN.

Mr. Wilson's beliefs have been expressed in law and in declared policies. He has made an open record by which he may be judged. Wise choice is not possible unless you yourself make equally specific statement of purposes and convictions.

Without intent to offend, we feel justified in charging that in no single public utterance have you filed a bona fide bill of particulars, nor have you offered a single constructive suggestion. Generalities are without value; blanket criticism is worthless.

SPECIFIC STATEMENT ASKED.

What we desire to know, what it is fair that the electorate should know, are the exact details of your disagreement with President Wilson. What has he done that you would not have done, and what has he failed to do that you would have done or propose to do? Honesty and patriotism demand that you put yourself upon record in such manner as to permit people to judge you as they are now able to judge President Wilson. For example—

1. Would you have filed instant protest against the invasion of Belgium and backed up that protest with the United States Navy?

2. It is arrant nonsense to talk about action that would have prevented the *Lusitania* tragedy. The vague advertisement did not appear until shortly before the hour of sailing. The occurrence was one of these things that civilization has made the world regard as incredible. The only honest question is this: Would you have broken relations with Germany at once?

3. Would you have urged upon Congress an embargo upon the shipment of munitions to the allies?

4. Would you urge universal compulsory military service?

QUESTIONED AS TO HUERTA.

5. You are frank in stating that Huerta's m .als were of no concern to America. Does this mean that you would have rec gnized Huerta?

6. As matters stand to-day, would you be in favor of intervening in Mexico?

7. Does your attack upon the Wilson shipping bill mean that you are in favor of ship subsidies?

8. You speak enthusiastically of the rights of the worker. Does this imply that you indorse the Clayton antitrust law and the seaman's bill, or will you urge their repeal?

THE FEDERAL RESERVE LAW.

9. What are your specific complaints against the Federal reserve law?

10. As governor of New York you opposed the income-tax amendment. Does this antagonism persist? Do you or do you not believe in paying for preparedness out of a tax on incomes, inheritances, and munitions?

We agree with you that it is a "critical period"—by far too critical indeed for candidates to talk in terms of office seeking rather than in the simple, earnest language of definite Americanism.

Respectfully,

Samuel Hopkins Adams, Ray Stannard Baker, Ellis Parker Butler, L. Ames Brown, Dante Barton, Irvin Cobb, Wadsworth Camp, J. O'Hara Cosgrave, Stoughton Cooley, William L. Chenery, George Creel, James Forbes, Frederick C. Howe, Gilson Gardner, Frederick Stuart Greene, Oliver Herford, Prof. Louis Johnson, Richard Lloyd Jones, Peter D. Kyne, Percy MacKaye, A. J. McKelway, Basil Manley, Meridith Nicholson, Albert Jay Nock, Harvey J. O'Higgins, Charles Johnson Post, Eugene Manlove Rhodes, William McLeod Raine, Boardman Robinson, John Reed, Opie Reed, Edgar Selwyn, William Leavitt Stoddard, Lincoln Steffins, Augustus Thomas, Frank Vrooman, George West.

Mr. SIMMONS. Mr. President, if the Senator from Washington will permit me, I will say that I should like very much, indeed, to reply to some of the statements made by the Senator from Utah, which to my mind are the most remarkable and the most reckless that I have heard since I have been in the United States Senate, but, of course, I am not going to trespass upon the time of the Senator from Washington if he desires to go on with his speech.

Mr. SMOOT. The Senator will have an opportunity to do it, I am sure.

Mr. SIMMONS. I will have an opportunity to do it, and I will do it, Mr. President.

Mr. JONES. Mr. President, I imagine there will be abundance of opportunity while we are here to meet all these things, or try to meet them all.

I want to say that I owe an apology to the Senator from Missouri [Mr. REED]. When I sought recognition from the Chair a while ago I did not know that he had given notice of his intention to address the Senate at the close of the routine morning business. If I had known that, I would not have sought recognition at all, so I apologize to the Senator for my apparent attempt to get in at that time.

Mr. REED. Mr. President, the apology is quite unnecessary, because I know the Senator is incapable of doing anything which would be unkind or impolite.

Mr. JONES. That is very kind of the Senator. I assure the Senator I did not want to be.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the following bills:

S. 6561. An act providing for the sale at public auction of all unsold suburban lots not reserved for public purposes in the Government town site of Port Angeles, Wash., and for the issuance of patents for those previously sold under the act of May 2, 1906, on the payment of the price at which the said lots were reappraised under said act without further condition or delay; and

S. 6839. An act to authorize the incorporated town of Juneau, Alaska, to issue bonds for the construction and equipment of schools therein, and for other purposes.

The message also announced that the House agrees to the amendment of the Senate to the bill (H. R. 6914) to amend section 82, chapter 231, of the act to codify, revise, and amend the laws relating to the judiciary.

The message further announced that the House had passed the bill (S. 5987) to amend subsection 11 of section 3244, Revised Statutes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13391) to amend the act approved December 23, 1913, known as the Federal reserve act, by adding a new section.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED.

The message further announced that the Speaker of the House had signed the following enrolled bills and joint resolution, and they were thereupon signed by the Vice President:

S. 5103. An act authorizing and directing the Secretary of War to lease to Charlestown-Dunbar Traction Co. a certain strip or parcel of land owned by the United States Government on the Great Kanawha River in West Virginia;

S. 5496. An act to amend sections 5 and 6 of an act entitled "An act to authorize the drainage of certain lands in the State of Minnesota," approved May 20, 1908;

S. 6369. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors;

S. 6370. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors;

S. 6497. An act for the relief of Oleanne Marie Zahl Branum;

H. R. 600. An act to validate title to the town site of McCabe, in the State of Montana;

H. R. 10251. An act authorizing the Kansas City & Memphis Railway & Bridge Co. to make settlement with Crittenden County, Ark., and for other purposes;

H. R. 13835. An act to authorize the county commissioners of Aitkin County, Minn., and the town board of Logan Township, in said county and said State, to construct a bridge across the Mississippi River on the line between sections 26 and 27, township 49 north, range 25 west, fourth principal meridian;

H. R. 13926. An act to amend an act entitled "An act to provide for the appointment of a district judge, district attorney, and marshal for the western district of South Carolina, and for other purposes," approved March 3, 1915, so as to provide for terms of the district court to be held at Anderson, S. C.;

H. R. 17375. An act to amend an act entitled "An act to provide for an enlarged homestead," approved June 17, 1910; and

H. J. Res. 292. Joint resolution proposing to amend section 2971 of the Revised Statutes of the United States.

DEALERS IN TOBACCO.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 5987) to amend subsection 11 of section 3244, Revised Statutes, which was, in line 5, after "following:", to strike out all down to and including "peddlers," in line 9, and insert: "*Provided*, That manufacturers of, jobbers and wholesale dealers in, manufactured tobacco, snuff, cigars, and cigarettes, and the agents or salesmen of such manufacturers, jobbers, and wholesale dealers, traveling from place to place, in the town or through the country, and selling and delivering or offering to sell and deliver such products only to dealers, shall not be construed to be peddlers."

Mr. SIMMONS. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

RIGHTS OF FOREIGN-BORN AMERICAN CITIZENS.

Mr. JONES. Mr. President, on July 25, 1916, I introduced in the Senate the following resolution:

Resolved, That the Secretary of War be, and he is hereby, directed to transmit to the Senate copies of all orders issued by his department during the last three years directing the nonemployment of or discriminating between citizens of the United States in connection with the work, activities, and projects carried on by his department.

This resolution passed the Senate July 29 and was at once transmitted to the Secretary of War. Surely there have not been many orders issued covered by the resolution and such orders as have been issued must have been very short, yet almost a month has elapsed and no report has been sent to the Senate. The Secretary of War is probably too busy campaigning on behalf of this administration to discharge public business and comply with the request of the Senate of the United States.

It may be, however, it is not desired that this report should come to the Senate before the adjournment of Congress for reasons that are apparent to all. I have waited patiently, hoping that this report would come in. I have decided to wait no longer and shall state to the Senate my reasons for introducing this resolution, and I trust the people of the country will take note of what has been done by an administration which has so vociferously spoken for an unalloyed Americanism. No political issue ought to arise over patriotism or Americanism. The Democrats are as patriotic as Republicans. They are as truly American as Republicans. A mistaken course or policy, however, is no less disastrous because those who urge it are patriotic. The promotion of an intense, unified Americanism can be an issue when its attainment is made impossible by the blundering of the administration, however good its intentions, and freely conceding the patriotic motives and purposes of the Democratic Party we can justly denounce its conduct and policies as injurious to the Nation, derogative of its interests, and subversive of united and supreme Americanism.

All denounce any American that places the interests of the United States secondary to the interests of any other nation, everybody appeals for and insists upon a united Americanism. The last two years have been a great test of our Americanism. Ours is a complex citizenship. We have been the greatest citizenship melting pot in the world. From the nations at war have been coming to our shores for years thousands of their citizens. They have renounced their allegiance to the land of

their birth and have declared their allegiance to our flag and our institutions and have become American citizens.

These citizens, however, must still look with love and affection toward their native land. It would be inhuman to do otherwise. The ties of friendship and kindred must still stir their hearts. "The mystic chords of memory stretch" from millions of human hearts and hearthstones of this land of peace to the bloody battle fields of Europe, and sorrow and anguish fill many an American home for loved ones and kindred who have passed away in the carnage of battles.

This, Mr. President, we can concede without reflecting upon their American allegiance, and we should concede it and we should consider it in times like these.

To these citizens, as well as to those native born, the United States should be first, and its flag should be the only flag to which any part of their allegiance is given. Some seem to treat this as a new thought and a new sentiment. There are those in high places who have seized upon it as if it were a sentiment new and original. They seem to have discovered quite suddenly that it is necessary to proclaim their unalloyed Americanism, and they have insinuated that there are American citizens who are not supremely patriotic and who are not animated by an undivided Americanism. They fail to comprehend that from the time of our birth as a Nation there has been underlying our whole life and activity an earnest and intense patriotism for our country and its institutions, and a supreme belief and trust in its destiny, and that this sentiment is as truly alive in peace as in war and can be depended upon to manifest itself in any hour of need.

In 1886, at a Fourth of July celebration at Decatur, Ill., I made a speech in which I appealed for an intense Americanism and for a whole-hearted patriotism on the part of those who may be given the rights of American citizenship. I was only giving expression to the feeling that lies down deep in the heart of the ordinary American citizen. I then said:

American citizenship is a priceless heritage, bought by the blood and suffering of our forefathers and preserved by the courage, sacrifices, and lives of our fathers. It was the dream of the ancients, the hope of the Middle Ages, and the acme of the present. Conceived in the persecutions of the centuries, born out of the sacrifices and sufferings of the revolution, and preserved by the blood, sacrifices, and courage of the Civil War, it is more priceless than was the Roman toga to the Roman citizen. Those who seek this priceless heritage now should fully realize and understand what it means. They should know:

"What anvils rang, what hammers beat,
In what a forge and what a heat
Were shaped the anchors of thy hope."

When we invest them with American citizenship, we do not ask them to forget their fatherland or their motherland. We do not ask them to love their native land less, but we do ask, and we have a right to insist, that they love the country of their adoption more. We do ask that they make the United States and its interests supreme, and we insist that they pay no allegiance to any other flag than our flag. This is a great country, a powerful country, a vast country, but it is not great enough, it is not strong enough, it is not broad enough to sustain any other flag than the Stars and Stripes or any other citizenship than a purely American citizenship.

Those have ever been and are my sentiments. There may be some in our midst who are not animated by this spirit. They are few and they are not confined to any one previous nationality. The great majority of our foreign-born citizens are undiluted Americans, notwithstanding their hearts may be touched by intimate ties from the homes and battle fields of Europe. They have shown their devotion to our country and our flag upon the battle fields of the Republic and their courage has been surpassed by none.

The true conception of Americanism and American citizenship, and the real sentiments of the great mass of our citizens, whether of native or foreign birth, were aptly and eloquently expressed by Dr. C. J. Hexamer in his Flag Day address June 14, 1916, at the Betsy Ross house in Philadelphia. It is short. I am going to read it. It will do us all good:

We Americans have experienced much and some of us have endured much within the last two years, and, as experience is the best teacher, we have all learned many important lessons since the outbreak of the terrible war in Europe. More or less, the whole world is afflicted and suffers. Our own beloved country has at times not been spared intense anxiety, and human sympathies have been aroused, pulling at the very heartstrings of many of our citizens. Every one of the nations in deadly conflict has relatives living among us, and whether they are here in large or small numbers, whether they occupy modest spheres in our national life or whether they hold influential and powerful positions, makes no difference to a true Republican, for every true American's creed is that all men are born free and equal. By becoming an American citizen a man becomes our brother and everyone of us should feel that he is the peer of any potentate on earth. To me to be an American citizen, freely exercising the right of free speech and action, gladly shouldering all the responsibilities to make this a greater and better Nation, is the proudest title any man or woman can acquire in all the world. No matter to whom we American citizens are related or from which nationality our ancestors sprang, we have a perfect right to be proud of the achievements of men of our blood, the part they played in furthering civilization, and what they did in the upbuilding of the American Nation. We Americans should respect every other American citizen, whatever his racial extraction. Since the founding of our Republic we have lived peaceably side by side, and so we should continue in the future, for this has been the secret of our national strength; we have all contributed to the "melting pot" the best that was in our ancestral races and we should continue to do so. Our Constitution grants us, and our flag stands for, the inalienable right of each American, regardless of racial derivation, creed, or color, to life, liberty, and the pursuit of happiness. A stranger now coming to our shores might gain the impression that Old Glory no longer waves over a united American people. A sane statesman endowed with calm judicial judgment a few days ago said:

"This flag means more than association and reward. It is the symbol of our national unity, our national endeavor, our national aspiration. It tells you of the struggle for independence, of union preserved, of liberty and union one and inseparable, of the sacrifices of brave men and women to whom the ideals and honor of this Nation have been dearer than life. It speaks of equal rights, of the inspiration of free institutions exemplified and vindicated, of liberty under law intelligently conceived and impartially administered. There is not a thread in it but scorns self-indulgence, weakness, and rapacity. It is eloquent of our common interests—outweighing all divergences of opinion—and of our common destiny."

All Americans proud of Old Glory and all that for which it stands to-day celebrate "Flay Day." Those of us of German birth or extraction are happy in the knowledge of loyalty and devotion proved upon hundreds of battle fields and thousands of civic contests by the men of our blood since the birth of our Nation to the present day. Our record stands forth proudly and confidently against the attacks of our traducers. We have always as American citizens proved our good citizenship and we and our ancestors in this country have been an honor to the Nation. True Americanism knows no distinction of race or creed and does not take sides with any foreign nation. It demands a true neutrality solely for the defense of American rights and in the best interest of the United States against any aggression, from whichever side it may come. It follows faithfully and loyally where our flag leads. But those who by one or the other motive are pointing to some of their fellow citizens, insinuating that because they are of a birth or an extraction other than themselves they are therefore of a distinct group, and acclaim them deserters to their country's flag, are committing a crime against the life of our body politic and are shaking the very foundations upon which our Republic rests. The embers of mistrust and hate which they, knowingly or ignorantly, tried to blow into flames shall, however, be extinguished by the good sense of the American people—the plain, the common, people, to whom Lincoln once appealed, not in vain, to preserve our Nation. Let us all honestly endeavor to live in peace and harmony, all of us striving with every fiber within us to serve our Nation.

"One flag, one land, one heart, one hand—
Our Nation evermore."

Mr. President, while we have the right to insist upon an undivided allegiance and an undiluted Americanism on the part of those who have had American citizenship conferred upon them, do they not have the right to be treated by the Government as American citizens in the fullest sense of the word? Are they not entitled to be accorded by the Government every right given them under the Constitution? While they should be undiluted Americans, the recognition of their rights as American citizens on the part of the Government should also be undiluted. Can anyone deny this?

Their rights and privileges should be sacredly preserved, protected, and recognized by the Nation that they have sworn to protect. We should be careful in bestowing American citizenship, but when it is bestowed there should be no distinction between American citizens, except those distinctly made in the Constitution itself. Nothing will do more to produce a divided allegiance, nothing will do more to cause a really dangerous hyphenated Americanism, nothing will do more to destroy, weaken, and suppress a real, genuine, and undivided Americanism than the withholding of the rights and privileges of American citizenship by the Government as represented by those in authority.

Mr. President, this administration has repeatedly vigorously denounced hyphenated Americans; it has made the charge that there are those in our midst who, as individuals or through organizations, would injure our country to promote the interests of another nation.

This may be true; but if there are such, they should be named and proper punishment should be meted out to them. Even so, this administration has done more to destroy an undivided Americanism, it has done more to belittle American citizenship, and it has done more to justify hyphenated Americanism than any other agency. It has denied to American citizens the rights and privileges guaranteed them under the Constitution purely on account of their nativity. It has diluted Americanism and has made American citizenship mean to one man one thing and to another something else. It has changed the meaning of American citizenship, and by its acts has declared that American citizenship is not of the priceless character claimed for it. American citizenship should mean exactly the same thing to every citizen, whether inherited or whether conferred. It should mean the same thing to every other American citizen that it means to you and me. Treatment of Americans abroad has brought the blush of shame to every loyal citizen.

Americans have been robbed, pillaged, and murdered abroad, and nothing done about it. Some have denied their American citizenship to claim the protection of another flag in order to save their lives. This is humiliating; this is disgraceful. It

has been excused by some on the grounds of unpreparedness. What shall we say of the treatment we have accorded our own citizens here at home in the midst of peace and tranquillity? What protection may we expect abroad when we deny at home to our citizens the rights that are lawfully theirs?

As nearly as I can ascertain, under date of April 24, 1916, the Secretary of War issued an order directing the discharge of certain men in the service of the United States on the U. S. S. *Ringgold*. Why were these men ordered discharged? Were they inefficient? No. Were they charged with misconduct of any kind? No. Were they dangerous men? No. Had they shown that they were not to be trusted? No. Were they seeking to advance the interests of some other nation above those of the United States? No. Were they aliens? No. They were American citizens. Why were they discharged? Solely because they were not native born.

Ah, Mr. President, what does American citizenship mean? What does it mean to these men when their Government discharged them simply because they are not native born? What effect must such action have upon the millions of American citizens of our great country who were born abroad? If these men could be discharged on this ground, the thousands of other foreign-born citizens can be discharged for the same reason. Cabinet officers, generals of the Army, admirals of the Navy, and officials of every rank and in every department come under the ban.

Where were these American citizens born? This question is immaterial, and yet some might attach some importance to it in view of the conflict now going on and of the controversy which we have had with some of these nations and the character of the work their ship was doing. It is interesting to note that none of these discharged American citizens was born in any of the nations now at war. John W. Carlson was born in Finland and naturalized December 13, 1913; L. Hermansen was born in Norway and naturalized November 21, 1904; Alfred Christianson was born in Denmark and naturalized February 27, 1912; Karl Tomassen was born in Norway and naturalized March 8, 1913; William Matheon was born in Finland and Anton Greenroos was born in Finland and naturalized May 7, 1910, and had been working on the *Ringgold* since November 10, 1904, or almost 12 years. How do I know they were discharged because they were not native born? This was the reason given them on discharge. Upon the discharge of Anton Greenroos, his commander gave him a certificate setting out the character of his work and the reasons for his discharge, which reads as follows:

U. S. A. MINE PLANTER "MAJOR SAMUEL RINGGOLD,"
Seattle, Wash., May 10, 1916.

To whom it may concern:

This is to certify that Mr. Anton Greenroos has been employed as oiler and assistant engineer about the U. S. A. mine planter *Ringgold* for nearly 12 years. Although he has not been doing his work directly under my supervision, I have observed that he has been earnest and sincere in his efforts to accomplish what the chief engineer required of him.

I believe him to be a faithful employee and that he will do well any duty he may be required to perform in the line of his professional ability. As to his qualifications as an engineer, I can make no statement, as I am not an engineer.

He is being discharged this date due to no fault of his own; it is for the convenience of the Government, due to the fact that he is not an American-born citizen. The War Department has just decided that foreign-born citizens of the United States shall no longer be employed as civilian employees on Army mine planters.

H. D. COLLEY,
Captain C. A. C., Commanding "Ringgold."

Mr. President, in order to be certain about that order I introduced the resolution I have referred to, but it has not yet been reported upon. I wanted to find out what were the exact terms of the order, but I have not been able to do so yet.

Mr. President, this is not politics. It is not presented for political purposes. It is simply to acquaint the people of the country with one more of the many blundering, stupid, and unfortunate acts of this administration which have brought us so much discredit at home and abroad. The action taken was not intentionally unpatriotic, but it discredits American citizenship, causes distrust of the flag, and arouses ill will against our Government on the part of its own citizens, and subjects us to the ridicule of the world. It was a crime against American citizenship, a slur upon the Americanism of which we have heretofore been so proud.

If such a course had been followed during the Civil War, what a heritage of matchless courage and noble sacrifice would have been lost to us. If applied generally in the legislative and administrative branches of the Government, many illustrious names would be stricken from the Government rolls, and probably none of them is more devoted to the peace, happiness, and welfare of the country or to the perpetuity of its institutions than these good citizens who have so long well filled the humble positions which they held.

No Republic, no democracy like ours, can long exist and discriminate among its citizens in this way. A diluted citizenship means a hyphenated Americanism in spirit as well as in name.

The Democratic Party in its platform of 1916 declares:

We again declare the policy that the sacred rights of American citizenship must be preserved at home and abroad, and that no treaty shall receive the sanction of our Government which does not expressly recognize the absolute equality of all our citizens, irrespective of race, creed, or previous nationality.

That is a wise and patriotic declaration of genuine Americanism, but what does it amount to in the face of these acts of the administration? Words, mere words. What good does it do to declare that we will insist upon other countries "recognizing the absolute equality of all our citizens irrespective of race, creed, or previous nationality" when we do not do it ourselves?

Mr. President, we should be careful in bestowing the priceless, blood-bought rights and privileges of American citizenship upon the foreign born. When bestowed, however, he is entitled to and must be given the same consideration as the native born. He is and from that time should be an American. For the Government to discriminate between its citizens is to strike at the very basic foundations of the Republic and create a hyphenated Americanism which is far more dangerous than hyphenated Americans.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. O'GORMAN obtained the floor.

Mr. PENROSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator fom Pennsylvania suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Hughes	O'Gorman	Smith, Ariz.
Beckham	Husting	Oliver	Smith, Md.
Brady	James	Overman	Smith, S. C.
Bryan	Jones	Penrose	Smoot
Chamberlain	Kenyon	Phelan	Sterling
Chilton	Kern	Pittman	Taggart
Clarke, Ark.	Lane	Pomerene	Thomas
Colt	Lea, Tenn.	Robinson	Thompson
Curtis	Lee, Md.	Saulsbury	Vardaman
Fletcher	Lewis	Shafroth	Wadsworth
Gallinger	McCumber	Sheppard	Weeks
Harding	McLean	Sherman	Williams
Hardwick	Martine, N. J.	Shields	
Hitchcock	Myers	Simmons	

Mr. SHEPPARD. I wish to state that the Senator from Louisiana [Mr. RANSDELL] is absent on account of illness. This announcement may stand for the day.

Mr. JONES. I should have announced on the first call made to-day that the junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent on account of illness in his family. I will let this announcement stand for the day.

The PRESIDING OFFICER. Fifty-four Senators have answered to their names. There is a quorum present. The pending question is on the amendment of the Senator from California [Mr. PHELAN] to the amendment proposed by the Senator from New Jersey [Mr. HUGHES] on behalf of the committee.

Mr. HUGHES. Is the Senator from California ready to have his amendment acted upon now?

Mr. PHELAN. Inasmuch as several Members are present who were not present at the close of the session last evening, I will state in one moment, consuming no unnecessary time, what the amendment is, if that is agreeable to the Senator from New Jersey.

Mr. WILLIAMS. If the Senator will pardon me a moment, the Senator from New York [Mr. O'GORMAN] is necessarily called away, and he desires unanimous consent to submit an amendment at this time to the income-tax provision. I do not think it will take very long.

Mr. PHELAN. It is quite agreeable for me to give way.

Mr. WILLIAMS. Very well.

Mr. HUGHES. I will suggest that the Senator from California proceed, inasmuch as he says he will make his statement in two minutes, and I will not make any reply——

Mr. WILLIAMS. Very well.

Mr. HUGHES. Relying upon the reputation of the Senator for fairness, and that he will do justice to my side as well as his own.

Mr. PHELAN. Do I understand from the Senator from New Jersey that immediately after my statement a vote will be taken?

Mr. HUGHES. That is what I want to do.

Mr. LANE. I wish to make some inquiries about the amendment of the Senator from California.

Mr. HUGHES. Then I ask that the Senator from California yield to the Senator from New York.

Mr. PHELAN. I yield to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. WILLIAMS. I ask unanimous consent to recur to the income-tax schedule for this purpose.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. O'GORMAN. Mr. President, I ask the Secretary to read the amendment I propose, which is to be inserted on page 40, after line 2. In a word, it is an amendment designed to permit every corporation in making its return to secure a deduction in the payment of such part of its income as it receives by way of dividends on the stock of other corporations which are taxed. The design of the amendment is to save corporations in certain cases from a double tax In other words, that the corporation may have the same immunity that is accorded the individual taxpayer in the earlier part of the bill.

With regard to the individual citizen paying an income tax, he is permitted to deduct from his income such part of his income for the purposes of a normal tax as he receives through corporations that are subject to the tax. It is the purpose of this amendment merely to extend to a corporation, which is at best but an aggregation of individuals, the same privilege of exemption that is accorded to the individual citizen.

I understand that the matter was discussed in the Finance Committee, and while the members of the committee were not insensible to the suggestions that I am now conveying to the Senate, there was a disposition nevertheless to discourage what are called holding corporations. This revenue bill is not to be regarded as a punitive bit of legislation. If Congress thinks there is some vice in holding corporations that can be corrected, I suppose, through more legitimate channels than by using an income tax bill for the mere purpose of correcting it, especially when it must be remembered that however much we may all be opposed to certain features of holding corporations, yet there are some which are absolutely essential.

We know that there may be a corporation organized in each one of the 48 States and yet be unable to carry on business in certain States without first complying with some extra or perhaps unusual regulation prescribed by the State, and to overcome or to meet that situation very often an industrial or commercial corporation doing business throughout the country will organize a separate company within a particular State for the purpose of operating within that State and meeting the requirements of the law of the State. All of the stock of that particular corporation will, of course, be held by the parent corporation, whether it be a New Jersey, West Virginia, New York, or Massachusetts corporation. It is the purpose of this amendment to save the parent corporation from the necessity of paying a tax after its subordinate corporation has paid the tax on a particular profit enjoyed by the enterprise.

Mr. WILLIAMS. Mr. President, it is true that where a corporation pays a tax for the individual stockholder under the policy of this bill, which is the policy of payment at the source in cases of that sort, the individual stockholder making his report upon the dividends received from that corporation reports that the corporation pays upon that much of his income at the source, and that much of his income is therefore deducted. It is also true that when one corporation is a stockholder in another corporation that course is not pursued, and that the corporation paying at the source pays and the stockholding corporation also pays.

Mr. President, the reason of that discrimination I will unfold in a moment, but I will state, first, that that matter was very carefully thrashed out in the House committee, in the House, in the Senate committee, and in the Senate when we first adopted the income-tax law; that is, the present law. Moreover, it was very carefully rethrashed in the House committee, in the House, and in the Senate committee this time.

The reason of it is this: We did not want holding companies to be encouraged by the tax laws of the country. Upon the contrary, we did desire to discourage them. We also desired to discourage the system of interlocking stockholders, which has led to very much abuse. Both these things have led to abuse.

The Senator from New York says the income tax ought not to be a punitive tax for the purpose of discouraging holding companies. That is not quite a fair statement, but whether it be a fair statement or not, we took this view, that when a great question of public policy was presented to us, when a thing presented itself which was contrary to public policy, in our opinion, we should so frame the law as to discourage that thing.

The Senator says that some of the States require, in order that a corporation which has taken out a charter elsewhere may do business within their limits, that that corporation shall organize a subsidiary company in the State. Mr. President, that is just what that State does not want. It does not want that corporation to organize a subsidiary company; it wants that corporation to take out a new charter in that State for itself.

The State that is most often pointed to in that respect is the State of Texas. Texas requires foreign corporations doing business in Texas to take out a charter in Texas so that the corporation may have a home in the State and may be reached by the judicial processes of the State.

To show how that law has been abused, the Standard Oil Co. was attacked in the courts of Texas, was declared to be a trust under the laws, and was forbidden to do business in the State of Texas, whereupon the Standard Oil Co. went out and got a new charter in the name of the Waters-Pierce Oil Co.—I believe it was the Waters-Pierce Oil Co.—and proceeded to do business in the State of Texas under the guise of being an independent corporation. It turned out afterwards that the Waters-Pierce Oil Co. was a subsidiary of the Standard Oil Co. owing to some lawsuit that took place and during which evidence was produced disclosing that fact. Under this amendment the Standard Oil Co. would issue a dividend to the Waters-Pierce Co., and the Standard Oil Co., having paid at the source, the Waters-Pierce Co. would be exempt from the payment of the tax under this title.

Mr. O'GORMAN. It would be the reverse.

Mr. WILLIAMS. Yes; the Senator from New York is right. I had it precisely reversed. The Waters-Pierce Co. would pay first, as having withheld at the source, and then the Standard Oil Co. would be exempt from the payment of an income upon its dividends.

Whether the view of public policy which we have taken is right or wrong is a matter which is debatable, perhaps; but if the view of public policy which we have taken is right, then the provision of this House bill, which is also the provision of the present law and is also the provision of the bill as reported by the Senate committee, is undoubtedly correct.

The PRESIDING OFFICER. The Secretary will state the amendment proposed by the Senator from New York.

The SECRETARY. On page 40, after line 2, insert a new paragraph, as follows:

Fifth. All amounts received within the year as dividends upon stock or as distributions of profits of other corporations, joint-stock companies, or associations subject to the tax hereby imposed: *Provided*, That in the case of dividends or distributions of profits received from foreign corporations, joint-stock companies, or associations when only part of the net income of such corporation, joint-stock company, or association shall be subject to the tax hereby imposed only a corresponding part of such dividends or distributions of profit shall be deducted.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from New York [Mr. O'GORMAN].

The amendment was rejected.

Mr. O'GORMAN. I ask, Mr. President, to have stated the other amendment I have offered.

The PRESIDING OFFICER. The amendment referred to by the Senator from New York will be stated.

The SECRETARY. On page 44, after line 6, it is proposed to insert a new paragraph, as follows:

Fifth. Amounts received within the year as dividends upon stock or as distributions of profits of other corporations, joint-stock companies, or associations subject to the tax hereby imposed to the extent that such dividends or distributions are included in the gross amount of its income returned as herein provided.

Mr. O'GORMAN. That amendment embraces substantially the same considerations as the previous amendment.

Mr. WILLIAMS. For the same reasons that I have heretofore given, I ask that that amendment also be rejected.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from New York.

The amendment was rejected.

Mr. O'GORMAN. Now, I ask the attention of the Senate to another amendment, which I think is more likely to receive the favorable consideration of some members of the Finance Committee, if not perhaps the favorable consideration of all of them. It is a proposed amendment on page 30, line 15, and it reads as follows:

Provided, That the income embraced in a return of an insurance company organized in the United States shall be credited with the amount received by such company as dividends upon the stock or

from the net earnings of resident corporations, joint-stock companies, or associations whose net income is taxable under this title.

This involves in a measure the same considerations as were presented a moment ago with respect to corporations generally. This exemption, however, is confined to insurance companies.

Mr. WILLIAMS. To all insurance companies?

Mr. O'GORMAN To all insurance companies. It differs from corporations generally in this respect: Insurance corporations have their moneys invested for the benefit of those who are insured. The various States have insisted upon particular classes of investments to be made by insurance companies in order to preserve the rights of the insured. In view of the State legislation, the investments made by insurance companies are usually confined to what are called high-class approved securities, paying a lower rate of interest and affording a lower return than other and perhaps less safe investments. I beg to submit to my colleagues that, with regard to insurance companies, when it is remembered especially as to insurance companies that all their moneys are being held for the benefit of citizens of the country, that when they make their investments as directed by the several State legislatures they ought to be exempt from the payment of any additional tax on the income derived from those investments where the corporations issuing the securities are subject to the income-tax provisions of this law.

If you deny the insurance companies this exemption you are taxing the same property twice. While you think it proper to do that with regard to corporations generally, as is evidenced by your vote of a few minutes since, I think there are reasons why a distinction should be made between insurance corporations and other corporations. If that distinction commends itself to the Senate, this particular amendment should have the favor of this body at this time.

Mr. WILLIAMS. Mr. President, this identical question was before the subcommittee and before the full committee; it was argued out very thoroughly, and we concluded to abide by the provision as it is. There were reasons which made something of a distinction between insurance companies and other corporations, but we did not think that they were sufficiently weighty to destroy the uniformity of the law and make us cause a discrimination in favor of insurance companies.

We have not subjected the insurance companies to the stamp tax; we have exempted the real mutual insurance companies from income taxes altogether, and we think that we have done what was right with regard to that.

Mr. President, it is true, as the Senator from New York [Mr. O'GORMAN] says, that an insurance company is not left free to invest its funds in any sort of bonds or stock that it may choose, but that the laws of the respective States confine them to certain classes of bonds and stocks, which, because of their very safety, are bonds with a low rate of interest and stocks with low dividends, because safety of investment and lowness of interest and of dividends always go together; but it must be remembered, after all is said and done, that this tax is levied upon the net income of the corporation and not upon its gross income. A corporation which is compelled to keep its investments in low interest-bearing bonds or in low dividend-paying stocks has earned just that much less net income and has, as a consequence, paid just that much less income tax. So in the long run the fact that the State compels it to invest in these bonds and stocks which are ultra safe and therefore bring in small returns is reflected in the amount of tax paid upon the net income of the corporation from every source—its business and its investments put together.

It is also true, as the Senator from New York says, that insurance companies do not form holding companies, so far as I know; but it is also true that the vice of interlocking directors does prevail amongst them, as amongst other corporations. That was one of the evils aimed at.

I do not want to take up the time of the Senate. I merely want to express in brief the considerations that led the committee to arrive at the conclusion that we had better maintain the tax uniformly upon all corporations, including insurance corporations, especially in view of the fact that all mutual insurance companies—those which are really mutual—are exempt. There are some so-called mutual insurance companies, such as the New York Life and the New York Equitable, for example, that everybody knows are not mutual. They are carried on for profit, they make very enormous profits, and they have, in times past, at any rate, shown a very reckless disregard of ethics in the distribution of their profits. At one time, I remember, they had contributed to both campaign funds, for example.

The PRESIDING OFFICER. The amendment proposed by the Senator from New York [Mr. O'GORMAN] will be stated.

The SECRETARY. On page 20, line 15, after the word "income," it is proposed to insert the following:

Provided, That the income embraced in a return of an insurance company organized in the United States shall be credited with the amount received by such company as dividends upon the stock or from the net earnings of resident corporations, joint-stock companies, or associations whose net income is taxable under this title.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from New York.

Mr. HITCHCOCK. Mr. President, I should like to ask the Senator from New York whether it is not true that very enormous holdings of stocks and bonds would be exempted from taxation by this amendment?

Mr. WILLIAMS. I want to say to the Senator from Nebraska that if the first amendment offered by the Senator from New York had been adopted we should have lost about $20,000,000 of revenue, and we should lose by this proposed amendment, if adopted, in the neighborhood of five or six million dollars of revenue.

Mr. HITCHCOCK. I have the impression that the great insurance companies have many millions of dollars invested in stocks and bonds upon which they are now paying taxes, but which would be exempted under this proposed amendment, and that the loss of revenue would be very large.

Mr. O'GORMAN. Mr. President, the effect of this amendment as represented to me and as I understand from reading it is that the Government will be confined to one tax on a particular property. If this amendment is not passed, then, with respect to insurance companies, as well as with respect to corporations generally, the same property may be taxed twice; it may be taxed three times; it may be taxed half a dozen times.

Mr. HITCHCOCK. Suppose a large insurance company has a half million dollars invested in the preferred stock of a good corporation, from which it is deriving, say, 5 per cent income, why should it not pay on that 5 per cent income just as it pays on any other income?

Mr. O'GORMAN. I might answer that question by asking the Senator this question: If instead of an insurance corporation owning the stock in question it was owned by an individual, why should not the individual pay a tax on his 5 per cent, even though that 5 per cent represents the net profit of a corporation which has already paid a tax under the income-tax law?

Mr. HITCHCOCK. That individual does pay his tax if he owns as large quantities as the insurance company owns. He pays it in the shape of a supertax.

Mr. O'GORMAN. Yes; but this is confined to the normal tax.

Mr. HITCHCOCK. I understand it is proposed to exempt the very largest companies in the country, owning the very greatest quantities of stocks and bonds, and as I read the amendment it seems to me that it would exempt them not only from the payment of the income tax on their stock dividends, but possibly also on their bonds.

Mr. O'GORMAN. The design of the amendment—and that is the question which the Senate will have to pass upon—is to establish whether the exemption that is enjoyed by an individual citizen is going to be extended to an insurance company.

Mr. OLIVER. Mr. President——

Mr. SIMMONS. If the Senator will pardon me a minute, does he contend that that exemption is enjoyed by an individual citizen who only pays the normal tax?

Mr. O'GORMAN. Mr. President——

Mr. WILLIAMS. Yes; if he pays a normal tax and not the supertax.

Mr. SIMMONS. I mean an individual citizen who pays the supertax. Does the Senator make that contention?

Mr. O'GORMAN. That is the purpose of the amendment, as I understand it.

Mr. SIMMONS. Would not the Senator thereby introduce a different rule with reference to corporations from that which applies to individuals?

Mr. WILLIAMS. Mr. President, the two Senators are talking at cross purposes. The Senator from New York [Mr. O'GORMAN] misunderstood the Senator from North Carolina [Mr. SIMMONS], who has misexpressed himself. He asked if it applied to the normal tax, when he meant to say the "supertax."

Mr. SIMMONS. I meant to say the supertax.

Mr. WILLIAMS. The individual has to pay also when it comes to the supertax.

Mr. O'GORMAN. Undoubtedly.

Mr. WILLIAMS. The Senator from New York is not attempting to modify the rule as to the supertax. His amendment applies only to the normal tax.

Mr. SIMMONS. I was not here when the Senator from New York presented his amendment and did not hear his first statement; but is it now the proposition of the Senator to exemp.

insurance companies from this tax when other corporations are subject to it?

Mr. O'GORMAN. I proposed an amendment before the Senator came into the Chamber placing all corporations with respect to the normal tax in the same class with the individual citizen. That has been voted down. Now I press the immediate amendment, which gives the exemption only to insurance companies, because of the special circumstances affecting those companies.

Mr. SIMMONS. I understand the Senator now; and I desire to ask the Senator a question with reference to the investments of insurance companies. Is it not a fact that the great insurance companies, acting under the laws of the States, and acting under the necessity of keeping on hand liquid assets, to a very large extent invest in municipal bonds, State bonds, and Government bonds, which do not pay any tax at all? My advice is—and it came from an insurance man who came to me and talked about this very question—to that effect.

Mr. O'GORMAN. If the Senator will allow me, right there, as to that income the insurance companies, under this amendment, would have to pay their tax.

Mr. SIMMONS. Yes; but there is no first tax paid on such securities.

Mr. O'GORMAN. Then, that character of income is not covered by this amendment. This amendment specifically states that insurance companies may deduct income received "as dividends upon the stock or from the net earnings of resident corporations, joint-stock companies, or associations whose net income is taxable under this title."

With regard to municipal bonds, Federal bonds, and State bonds, they are not taxable, and, therefore, income derived from them is not affected at all by this amendment.

Mr. SIMMONS. The point I am making is that the Senator is asking for a special exemption in favor of insurance companies on the ground that they have to invest in a certain class of bonds from which they would receive the revenue that he wants untaxed. The point I am trying to present to the Senator is that insurance companies probably less than any other character of corporations in this country carry bonds which are subject to the normal tax which a corporation has to pay. Take our railroads, for instance——

Mr. O'GORMAN. I do not know whether or not that is correct, but, assuming that it is so, how does that affect the subject?

Mr. SIMMONS. If that is so, I do not see the grounds upon which the Senator asks this special exemption of insurance companies.

Mr. O'GORMAN. I place it on the simple, reasonable, and, as I conceive it, absolutely just ground that an insurance corporation or any other corporation is nothing but an aggregation of individuals; and I say that when the Government of the United States commence to tax incomes they should not have one rule where they are dealing with one individual and an entirely different and more burdensome rule when they are dealing with a number of individuals.

Mr. SIMMONS. I am invoking that very rule. I am saying there should not be one corporation to which one rule is extended, while an entirely different rule is extended as to all the other corporations of the country.

Mr. O'GORMAN. Do I understand the Senator from North Carolina to be willing to have all corporations enjoy the same immunity that the individual citizen enjoys?

Mr. SIMMONS. No; I am opposed to any of them enjoying such immunity. My understanding is that the Senate has just voted down the Senator's proposition to extend such immunity to all corporations, and now the Senator is asking to extend it to insurance companies.

Mr. O'GORMAN. I have just conveyed that information to the Senator. That was the action of the Senate when the Senator from North Carolina was not here; but I had proposed two amendments, one extending the immunity to all corporations, so that there would not be double taxation of any profits; and then a separate amendment, giving immunity to insurance companies; and it is upon that, as I understand, we are about to vote.

Mr. SIMMONS. The point I make is that the Senate has just voted down the proposition to extend the immunity to all corporations, and I have not heard any good reason given by the Senator why, if it is not to be extended to other corporations, it should be extended to insurance corporations.

Mr. OLIVER. Mr. President, I think one reason why this immunity should be extended to insurance companies is—and I should like to have the attention of the Senator from North Carolina [Mr. SIMMONS] and the Senator in charge of this portion of the bill [Mr. WILLIAMS]—that by reason of the very nature of insurance the law compels insurance companies to invest a very large proportion of their assets for the benefit of their policyholders as a reserve against losses, particularly in the case of fire insurance companies against losses by fire.

Mr. WILLIAMS. Their reserves are not taxed.

Mr. OLIVER. Let me finish, Mr. President. They are compelled to invest their reserves in some sort of securities. They are not like banks, which purchase securities for the mere sake of investment and for the sake of making money, but the reserves of insurance companies are entirely for the benefit of the parties who insure in the different companies. Therefore it is hardly fair to compel the insurance companies to pay a tax on the net profits or the income arising from these investments, when a like tax has been exacted from the corporations whose stocks they hold. I think insurance companies in this respect stand in an entirely different light from other corporations, from so-called holding companies, for instance. The holding company element does not enter into this question, and, notwithstanding what the Senator from Mississippi has said, the question of interlocking directorates does not enter into it in any way whatever.

The VICE PRESIDENT. The question is on the amendment of the Senator from New York. [Putting the question.] By the sound the "ayes" seem to have it.

Mr. WILLIAMS. I ask for the yeas and nays.

The VICE PRESIDENT (at 2 o'clock and 25 minutes p. m.). The yeas and nays are demanded. Is there a second? [A pause.] The yeas and nays will be ordered; but the Senate, having adopted the concurrent resolution to convene in the Chamber of the House of Representatives and listen to a communication from the President of the United States, the Sergeant at Arms will proceed to carry out the orders of the Senate.

Thereupon the Senate, headed by the Sergeant at Arms and preceded by the Vice President and its Assistant Secretary, proceeded to the Hall of the House of Representatives.

At 3 o'clock p. m. the Senate returned to its Chamber.

ADDRESS OF THE PRESIDENT (H. DOC. NO. 1340).

The address of the President of the United States, delivered before the joint session of the Senate and House of Representatives, is as follows:

Mr. Speaker, Mr. President, and gentlemen of the Congress, I have come to you to seek your assistance in dealing with a very grave situation which has arisen out of the demand of the employees of the railroads engaged in freight train service that they be granted an eight-hour working day, safeguarded by payment for an hour and a half of service for every hour of work beyond the eight.

The matter has been agitated for more than a year. The public has been made familiar with the demands of the men and the arguments urged in favor of them, and even more familiar with the objections of the railroads and their counter demand that certain privileges now enjoyed by their men and certain bases of payment worked out through many years of contest be reconsidered, especially in their relation to the adoption of an eight-hour day. The matter came some three weeks ago to a final issue and resulted in a complete deadlock between the parties. The means provided by law for the mediation of the controversy failed and the means of arbitration for which the law provides were rejected. The representatives of the railway executives proposed that the demands of the men be submitted in their entirety to arbitration, along with certain questions of readjustment as to pay and conditions of employment which seemed to them to be either closely associated with the demands or to call for reconsideration on their own merits; the men absolutely declined arbitration, especially if any of their established privileges were by that means to be drawn again in question. The law in the matter put no compulsion upon them. The four hundred thousand men from whom the demands proceeded had voted to strike if their demands were refused; the strike was imminent; it has since been set for the fourth of September next. It affects the men who man the freight trains on practically every railway in the country. The freight service throughout the United States must stand still until their places are filled, if, indeed, it should prove possible to fill them at all. Cities will be cut off from their food supplies, the whole commerce of the nation will be paralyzed, men of every sort and occupation will be thrown out of employment, countless thousands will in all likelihood be brought, it may be, to the very point of starvation, and a tragical national calamity brought on, to be added to the other distresses of the time, because no basis of accommodation or settlement has been found.

Just so soon as it became evident that mediation under the existing law had failed and that arbitration had been rendered impossible by the attitude of the men, I considered it my duty to confer with the representatives of both the railways and the brotherhoods, and myself offer mediation, not as an arbitrator,

but merely as spokesman of the nation, in the interest of justice, indeed, and as a friend of both parties, but not as judge, only as the representative of one hundred millions of men, women, and children who would pay the price, the incalculable price, of loss and suffering should these few men insist upon approaching and concluding the matters in controversy between them merely as employers and employees, rather than as patriotic citizens of the United States looking before and after and accepting the larger responsibility which the public would put upon them.

It seemed to me, in considering the subject-matter of the controversy, that the whole spirit of the time and the preponderant evidence of recent economic experience spoke for the eight-hour day. It has been adjudged by the thought and experience of recent years a thing upon which society is justified in insisting as in the interest of health, efficiency, contentment, and a general increase of economic vigor. The whole presumption of modern experience would, it seemed to me, be in its favor, whether there was arbitration or not, and the debatable points to settle were those which arose out of the acceptance of the eight-hour day rather than those which affected its establishment. I, therefore, proposed that the eight-hour day be adopted by the railway managements and put into practice for the present as a substitute for the existing ten-hour basis of pay and service; that I should appoint, with the permission of the Congress, a small commission to observe the results of the change, carefully studying the figures of the altered operating costs, not only, but also the conditions of labor under which the men worked and the operation of their existing agreements with the railroads, with instructions to report the facts as they found them to the Congress at the earliest possible day, but without recommendation; and that, after the facts had been thus disclosed, an adjustment should in some orderly manner be sought of all the matters now left unadjusted between the railroad managers and the men.

These proposals were exactly in line, it is interesting to note, with the position taken by the Supreme Court of the United States when appealed to to protect certain litigants from the financial losses which they confidently expected if they should submit to the regulation of their charges and of their methods of service by public legislation. The Court has held that it would not undertake to form a judgment upon forecasts, but could base its action only upon actual experience; that it must be supplied with facts, not with calculations and opinions, however scientifically attempted. To undertake to arbitrate the question of the adoption of an eight-hour day in the light of results merely estimated and predicted would be to undertake an enterprise of conjecture. No wise man could undertake it, or, if he did undertake it, could feel assured of his conclusions.

I unhesitatingly offered the friendly services of the administration to the railway managers to see to it that justice was done the railroads in the outcome. I felt warranted in assuring them that no obstacle of law would be suffered to stand in the way of their increasing their revenues to meet the expenses resulting from the change so far as the development of their business and of their administrative efficiency did not prove adequate to meet them. The public and the representatives of the public, I felt justified in assuring them, were disposed to nothing but justice in such cases and were willing to serve those who served them.

The representatives of the brotherhoods accepted the plan; but the representatives of the railroads declined to accept it. In the face of what I cannot but regard as the practical certainty that they will be ultimately obliged to accept the eight-hour day by the concerted action of organized labor, backed by the favorable judgment of society, the representatives of the railway management have felt justified in declining a peaceful settlement which would engage all the forces of justice, public and private, on their side to take care of the event. They fear the hostile influence of shippers, who would be opposed to an increase of freight rates (for which, however, of course, the public itself would pay); they apparently feel no confidence that the Interstate Commerce Commission could withstand the objections that would be made. They do not care to rely upon the friendly assurances of the Congress or the President. They have thought it best that they should be forced to yield, if they must yield, not by counsel, but by the suffering of the country. While my conferences with them were in progress, and when to all outward appearance those conferences had come to a standstill, the representatives of the brotherhoods suddenly acted and set the strike for the fourth of September.

The railway managers based their decision to reject my counsel in this matter upon their conviction that they must at any cost to themselves or to the country stand firm for the principle of arbitration which the men had rejected. I based my counsel upon the indisputable fact that there was no means of obtaining arbitration. The law supplied none; earnest efforts at mediation had failed to influence the men in the least. To stand firm for the principle of arbitration and yet not get arbitration seemed to me futile, and something more than futile, because it involved incalculable distress to the country and consequences in some respects worse than those of war, and that in the midst of peace.

I yield to no man in firm adherence, alike of conviction and of purpose, to the principle of arbitration in industrial disputes; but matters have come to a sudden crisis in this particular dispute and the country had been caught unprovided with any practicable means of enforcing that conviction in practice (by whose fault we will not now stop to inquire). A situation had to be met whose elements and fixed conditions were indisputable. The practical and patriotic course to pursue, as it seemed to me, was to secure immediate peace by conceding the one thing in the demands of the men which society itself and any arbitrators who represented public sentiment were most likely to approve, and immediately lay the foundations for securing arbitration with regard to everything else involved. The event has confirmed that judgment.

I was seeking to compose the present in order to safeguard the future; for I wished an atmosphere of peace and friendly cooperation in which to take counsel with the representatives of the nation with regard to the best means for providing, so far as it might prove possible to provide, against the recurrence of such unhappy situations in the future,—the best and most practicable means of securing calm and fair arbitration of all industrial disputes in the days to come. This is assuredly the best way of vindicating a principle, namely, having failed to make certain of its observance in the present, to make certain of its observance in the future.

But I could only propose. I could not govern the will of others who took an entirely different view of the circumstances of the case, who even refused to admit the circumstances to be what they have turned out to be.

Having failed to bring the parties to this critical controversy to an accommodation, therefore, I turn to you, deeming it clearly our duty as public servants to leave nothing undone that we can do to safeguard the life and interests of the nation. In the spirit of such a purpose, I earnestly recommend the following legislation:

First, immediate provision for the enlargement and administrative reorganization of the Interstate Commerce Commission along the lines embodied in the bill recently passed by the House of Representatives and now awaiting action by the Senate; in order that the Commission may be enabled to deal with the many great and various duties now devolving upon it with a promptness and thoroughness which are with its present constitution and means of action practically impossible.

Second, the establishment of an eight-hour day as the legal basis alike of work and of wages in the employment of all railway employees who are actually engaged in the work of operating trains in interstate transportation.

Third, the authorization of the appointment by the President of a small body of men to observe the actual results in experience of the adoption of the eight-hour day in railway transportation alike for the men and for the railroads; its effects in the matter of operating costs, in the application of the existing practices and agreements to the new conditions, and in all other practical aspects, with the provision that the investigators shall report their conclusions to the Congress at the earliest possible date, but without recommendation as to legislative action; in order that the public may learn from an unprejudiced source just what actual developments have ensued.

Fourth, explicit approval by the Congress of the consideration by the Interstate Commerce Commission of an increase of freight rates to meet such additional expenditures by the railroads as may have been rendered necessary by the adoption of the eight-hour day and which have not been offset by administrative readjustments and economies, should the facts disclosed justify the increase.

Fifth, an amendment of the existing federal statute which provides for the mediation, conciliation, and arbitration of such controversies as the present by adding to it a provision that in case the methods of accommodation now provided for should fail, a full public investigation of the merits of every such dispute shall be instituted and completed before a strike or lockout may lawfully be attempted.

And, sixth, the lodgement in the hands of the Executive of the power, in case of military necessity, to take control of such portions and such rolling stock of the railways of the country as may be required for military use and to operate them for military purposes, with authority to draft into the military

service of the United States such train crews and administrative officials as the circumstances require for their safe and efficient use.

This last suggestion I make because we cannot in any circumstances suffer the nation to be hampered in the essential matter of national defense. At the present moment circumstances render this duty particularly obvious. Almost the entire military force of the nation is stationed upon the Mexican border to guard our territory against hostile raids. It must be supplied, and steadily supplied, with whatever it needs for its maintenance and efficiency. If it should be necessary for purposes of national defense to transfer any portion of it upon short notice to some other part of the country for reasons now unforeseen, ample means of transportation must be available, and available without delay. The power conferred in this matter should be carefully and explicitly limited to cases of military necessity, but in all such cases it should be clear and ample.

There is one other thing we should do if we are true champions of arbitration. We should make all arbitral awards judgments by record of a court of law in order that their interpretation and enforcement may lie not with one of the parties to the arbitration, but with an impartial and authoritative tribunal.

These things I urge upon you, not in haste or merely as a means of meeting a present emergency, but as permanent and necessary additions to the law of the land, suggested, indeed, by circumstances we had hoped never to see, but imperative as well as just, if such emergencies are to be prevented in the future. I feel that no extended argument is needed to commend them to your favorable consideration. They demonstrate themselves. The time and the occasion only give emphasis to their importance. We need them now, and we shall continue to need them.

On motion of Mr. FLETCHER, it was—

Ordered, That 5,000 additional copies of the address of the President of the United States this day delivered to the Congress be printed for the use of the Senate document room.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

The VICE PRESIDENT. The pending question is on the amendment of the Senator from New York [Mr. O'GORMAN].

Mr. SMOOT. May the Secretary read the pending amendment before the yeas and nays are taken?

The VICE PRESIDENT. It will be read.

The SECRETARY. On page 30, line 15, after the word "income," insert the following proviso:

Provided, That the income embraced in a return of an insurance company organized in the United States shall be credited with the amount received by such company as dividends upon the stock or from the net earnings of resident corporations, joint-stock companies, or associations whose net income is taxable under this title.

Mr. O'GORMAN. Mr. President, for the benefit of any Senator who may not have heard the discussion, I want to make a single observation. It is the purpose of this amendment to give to insurance companies the same rights with respect to deductions that are given to the individual citizen making his return. In a word, it is intended to prevent a double taxation on the same profits and provides that that part of the income received by an insurance company which comes from another corporation subject to the tax shall be exempt.

Mr. SIMMONS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gallinger	Myers	Simmons
Bankhead	Harding	Nelson	Smith, Ariz.
Beckham	Hitchcock	Newlands	Smith, Ga.
Borah	Hughes	O'Gorman	Smith, Md.
Brady	Husting	Oliver	Smith, S. C.
Brandegee	James	Overman	Smoot
Bryan	Jones	Phelan	Sterling
Chamberlain	Kenyon	Pittman	Stone
Chilton	Kern	Pomerene	Taggart
Clarke, Ark.	Lane	Reed	Thomas
Colt	Lea, Tenn.	Robinson	Thompson
Culberson	Lee, Md.	Saulsbury	Underwood
Cummins	Lewis	Shafroth	Vardaman
Curtis	McCumber	Sheppard	Wadsworth
Dillingham	Martin, Va.	Sherman	Williams
Fletcher	Martine, N. J.	Shields	

The VICE PRESIDENT. Sixty-three Senators have answered to the roll call. There is a quorum present. The pending question is the amendment of the Senator from New York, on which the yeas and nays have been ordered. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. BECKHAM (when his name was called). I have a pair with the senior Senator from Delaware [Mr. DU PONT]. In his absence I withhold my vote.

Mr. BRYAN (when his name was called). I have a general pair with the Senator from Michigan [Mr. TOWNSEND], which I transfer to the junior Senator from Louisiana [Mr. BROUSSARD], and vote "nay."

Mr. OVERMAN (when his name was called). I have a general pair with the junior Senator from Wyoming [Mr. WARREN] and in his absence I withhold my vote.

Mr. SHAFROTH (when his name was called). I am paired with the junior Senator from Washington [Mr. POINDEXTER]. I transfer that pair to the Senator from Louisiana [Mr. RANSDELL] and vote "nay."

Mr. STONE (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. CLARK]. He is absent on important business. I transfer my pair to the Senator from Illinois [Mr. LEWIS] and vote "nay."

Mr. WADSWORTH (when his name was called). I transfer my pair with the junior Senator from New Hampshire [Mr. HOLLIS] to the junior Senator from Vermont [Mr. PAGE] and vote "yea."

Mr. WILLIAMS (when his name was called). I have a general pair with the Senator from Pennsylvania [Mr. PENROSE]. I am informed that he has not voted. Is that right?

The VICE PRESIDENT. He has not voted.

Mr. WILLIAMS. Then I am compelled to withhold my vote. If I were at liberty to vote, I would vote "nay."

The roll call was concluded.

Mr. CURTIS. I was requested to announce the following pairs:

The Senator from New Mexico [Mr. CATRON] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from North Dakota [Mr. GRONNA] with the Senator from Maine [Mr. JOHNSON];

The Senator from Rhode Island [Mr. LIPPITT] with the Senator from Montana [Mr. WALSH]; and

The Senator from Utah [Mr. SUTHERLAND] with the Senator from Arkansas [Mr CLARKE].

Mr. JAMES (after having voted in the negative). I transfer the general pair I have with the junior Senator from Massachusetts [Mr. WEEKS] to the senior Senator from Nevada [Mr. NEWLANDS] and allow my vote in the negative to stand.

Mr. SMITH of Georgia. I have a general pair with the Senator from Massachusetts [Mr. LODGE]. I have been unable to get a transfer, and therefore I withhold my vote.

Mr. SIMMONS (after having voted in the negative). I transfer my pair with the Senator from Minnesota [Mr. CLAPP] to the Senator from South Dakota [Mr. JOHNSON] and let my vote stand.

Mr. REED. I have a pair with the Senator from Michigan [Mr. SMITH]. I have been absolutely unable to obtain a transfer, and therefore I am obliged to withhold my vote. If permitted to vote, I would vote "nay."

Mr. CHILTON. I have a pair with the Senator from New Mexico [Mr. FALL], but under the conditions at present, I can vote. I vote "yea."

The result was announced—yeas 24, nays 34, as follows:

YEAS—24

Borah	Curtis	McLean	Pomerene
Brady	Gallinger	Martine, N. J.	Sherman
Brandegee	Harding	Myers	Smith, Md.
Chilton	Jones	Nelson	Smoot
Colt	Kenyon	O'Gorman	Sterling
Cummins	McCumber	Oliver	Wadsworth

NAYS—34.

Ashurst	Hughes	Pittman	Stone
Bankhead	Husting	Robinson	Swanson
Bryan	James	Saulsbury	Taggart
Chamberlain	Kern	Shafroth	Thomas
Clarke, Ark.	Lane	Sheppard	Thompson
Culberson	Lea, Tenn.	Shields	Underwood
Fletcher	Lee, Md.	Simmons	Vardaman
Hardwick	Martin, Va.	Smith, Ariz.	
Hitchcock	Phelan	Smith, S. C.	

NOT VOTING—37.

Beckham	Gronna	Overman	Tillman
Broussard	Hollis	Owen	Townsend
Catron	Johnson, Me.	Page	Walsh
Clapp	Johnson, S. Dak.	Penrose	Warren
Clark, Wyo.	La Follette	Poindexter	Weeks
Dillingham	Lewis	Ransdell	Williams
du Pont	Lippitt	Reed	Works
Fall	Lodge	Smith, Ga.	
Goff	Newlands	Smith, Mich.	
Gore	Norris	Sutherland	

So Mr. O'GORMAN's amendment was rejected.

The VICE PRESIDENT. The question recurs on the amendment of the Senator from California [Mr. PHELAN] to the amendment of the Senator from New Jersey [Mr. HUGHES].

Mr. PHELAN. Mr. President——

Mr. THOMAS. A parliamentary inquiry.

Mr. WILLIAMS. The purposes for which I asked unanimous consent to recur to the income-tax provisions have been exhausted, and I ask now that we go back to the wine schedule.

Mr. THOMAS. On yesterday, when the so-called munitions schedule was reached, I asked for a postponement of it until to-day, because there was some information regarding some subjects in that schedule which I was expecting and had not then received. At that time the Senator from Alabama [Mr. UNDERWOOD] said:

Mr. UNDERWOOD. I do not desire to interpose an objection to the request of the Senator from Colorado in reference to the third title of the bill going over, but there are some items in that title in which a number of Senators are interested who have been waiting here to vote on them. I will ask the Senator from Colorado if he can not fix it so that it shall go over and be taken up at 11 o'clock to-morrow morning.

Mr. THOMAS. As far as it is within my power to do it, I will consent.

Mr. UNDERWOOD. I will ask the Senator to modify his request to that extent.

Mr. THOMAS. I will do that. I ask that the third title may go over until to-morrow at 11 o'clock.

The PRESIDING OFFICER. The request of the Senator from Colorado is that Title III may go over until to-morrow at 11 o'clock.

As I understand the parliamentary situation, the munitions schedule is the subject next in order, and to be proceeded with in advance of the wine schedule. I do not want to cut off the Senator from California in any way or interfere improperly with the consideration of the wine schedule, but it seems to me, in view of the position the schedule occupies by reason of the request of the Senator from Alabama, I should insist upon its consideration for his sake if not for my own.

Mr. SIMMONS. I should like to suggest to the Senator from Colorado to withhold his insistence about that matter. I have conferred with the Senator from Alabama, and, for certain reasons connected with the schedule, it is thought desirable that it should go over until to-morrow morning.

Mr. THOMAS. If it is satisfactory to the Senator from Alabama, it is perfectly satisfactory to me. I only desired to keep my understanding with the Senator from Alabama.

Mr. UNDERWOOD. I thank the Senator from Colorado for the courtesy he has shown me in this matter. I wish to say that I have reached an understanding with the Senator from North Carolina in reference to the consideration of the munitions schedule that is satisfactory to me and to others who hold my view, I think, and I am perfectly willing to have it go over until to-morrow.

Mr. THOMAS. My only purpose in intruding the subject now was for the reasons I have stated. I will make no further interruption of the Senator from California.

Mr. PHELAN. Mr. President, when we adjourned last evening the Senate was about to vote upon an amendment which I had submitted to the wine schedule of the revenue bill, but inasmuch as there are many Senators present to-day who were not in attendance upon yesterday I desire very briefly to state what the amendment is.

There are two propositions involved in the wine schedule. One is section 53, which provides for the quality of the wine, and the other section provides for the rates which shall be levied upon the wine. The committee has submitted a substitute to the section which was proposed in the printed bill and my amendment is an amendment to the substitute. I call it my amendment, but, as a matter of fact, it is not my amendment, nor does it emanate from California, although by reason of the fact that California produces 90 per cent of all the wine produced in the United States, she might well be entitled to be heard. Yet she has no representation on the Finance Committee, while Senators from other wine States dealing in a small way in grape growing compose the subcommittee of the Finance Committee. Hence it is necessary to bring the matter up before the Senate, in order that all the facts may be perfectly understood. I will not say that the subcommittee is not informed, but I know that there is a certain difficulty on the part of most men to understand the science of wine making and what it all signifies.

I am disposed to believe also that those who have passed upon it as a whole committee, and even the Members of the Senate now present, have but little accurate and exact information on the subject.

In order to assure Senators that the amendment which I have proposed, and which I now advocate, is worthy of their confidence and consideration, I desire to inform them that on August 21 the Secretary of Agriculture, in a letter signed by himself as Secretary, communicated to the Senator from North Carolina [Mr. SIMMONS], the chairman of the Committee on Finance, in which he inclosed a tentative amendment, which I have adopted as my own and offered as a substitute for the one proposed by the Senator from New Jersey [Mr. HUGHES], the chairman of the subcommittee of the Finance Committee on that subject. In his letter the Secretary of Agriculture says:

This department regards wine in the process of the manufacture of which more water is added than is necessary to correct natural defects in the must as being both adulterated and misbranded.

Therefore, the amendment prepared by the department limits the amount of water and sugar which may be added to wine to 25 per cent; which is all that the legitimate wine makers of California and of the East demand.

When I refer to the East, I mean New York, New Jersey, and Virginia. But in the proposal of the Senator from New Jersey 35 per cent increase of volume is permitted, and then 35 per cent more, which is a stretching of the wine, repugnant to the policy and advice of the Department of Agriculture. California is interested not because it affects her industry more particularly than it does the industry of a like kind in any other State, except in so far as her volume of production is greater, but because it will destroy the industry itself. This is a general law, and California can, if permitted, stretch, as it is called, the volume of her production so that it will not be necessary to produce more than one-quarter of the grapes which we now produce. Senators will see the effect upon the industry of giving license to men, exciting their cupidity to grow a small quantity of grapes, and then expanding the volume by the addition of 35 per cent and then 35 per cent more. It will mean a diminution in the revenues of the Government; it will mean an impairment of the quality of the wine.

I shall not on this occasion speak of the other subject involved, namely, revenue; but I desire, for the information of Senators on the other side of the Chamber, to say that my colleague [Mr. WORKS], holding the views he does upon the relation of the wine traffic to temperance, is in favor of the amendment which I advocate. He left his pair here with a Senator in order that his vote and influence might not be lost; and in a letter to the California Viticultural Commission, which is a legal body representing the government of the State of California, so extensive is the industry, he says:

I had hoped that the grape growers and wine manufacturers of California had escaped the high taxation that Congress had attempted to impose upon them. It seems now, however, that, in the ruling made by the Commissioner of Internal Revenue, they have not escaped. I think this is entirely unjust, and I shall be very glad to do anything I can to relieve the industry from this condition.

I shall be very glad to see the time when the grape growers are able to dispose of their products for something else besides the making of wine and the wine makers may find a more profitable business than that of wine making, and that California may no longer be burdened by the liquor traffic.

But, so long as the making of wine is allowed by law—

That is the question, I submit—

the industry should be protected from unfair and unjust legislation.

This question of the adulteration, sophistication, or "amelioration," so called, of wine, which certain gentlemen want, who represent but probably 5 per cent of the entire industry, is provided for in the substitute offered by the Senator from New Jersey; and I have offered as an amendment to that a provision which allows 25 per cent stretching—all that could reasonably be expected—a provision which has the approval and indorsement of the Department of Agriculture. I submit it with confidence to the Senators who are here with open minds to consider the proposed legislation.

Mr. LANE. Mr. President, I have been a bit interested in listening to this discussion. I have acquired a good deal of information, and my idea of what wine was composed has entirely changed. It seems that there is a contest between one set of persons who make wine practically out of water and sugar, with alcohol or "booze" added to it—I do not know whether they flavor it or not—while upon the other side there is another set of gentlemen whose wine has to be watered because it is too "foxy," on account of the grapes having too thick a skin on them; and from what I have heard here the whole wine-making business seems to be a foxy business. There is also the contention made by one of the contestants that potassium tartrate is an adulterant, and he protests because the department allows it to go into some wines to sweeten them. I can not conceive how that which has been taken out of wine and is formed in wine can be considered an adulterant. Bitartrate of potassium is deposited from wine on the sides of the casks. Tartaric acid is the acid which gives the eastern grape its sour taste and which, it seems, requires the sugar used to sweeten the wine.

The California wine, it is said, is diluted with water to tone down its foxy flavor. Then it has added to it brandy, which

is made from fermented grapes, to strengthen it again in order to give it—what do they claim alcohol is put in it for?

Mr. HUGHES. To make people drunk.

Mr. LANE. To make the drunk come.

Mr. PHELAN. The object of adding brandy is to arrest the natural fermentation of the sugar and not to add strength.

Mr. LANE. I am glad to hear that; but I have not been able to understand to what extent you put in alcohol. Many hundreds of thousands of dollars' worth of alcohol have gone into this wine. Would it all turn to vinegar if you did not add alcohol?

Mr. PHELAN. It would have an excessive sweetness, and it would contain too much alcohol. The sugar, which is natural in the California grape, ferments up to a certain point, and if it went on fermenting it would create too much alcohol. So, in order to check the development of sugar into alcohol, as I understand, brandy is added to arrest fermentation.

Mr. LANE. It has too much alcohol in it as it naturally comes from the press?

Mr. PHELAN. Yes; unless arrested by the addition of grape brandy.

Mr. LANE. And so you add more alcohol to weaken it as a beverage? That is, as I understand it.

Mr. PHELAN. I do not understand the Senator from Oregon.

Mr. LANE. I say it has too much alcohol in it as you produce it from the natural juices of the grape, and so you add more alcohol to weaken it, so that it will not go on and destroy itself.

Mr. PHELAN. With regard to brandy, it is used in fortification as an agency for arresting fermentation.

Mr. LANE. But you say it has too much alcohol in it already, and so you add more. If it has too much alcohol in it and will go on fermenting, why do you put more alcohol in it?

Mr. PHELAN. The doctor will understand that that is done on the principle of curing like by like.

Mr. LANE. Yes; possibly on the principle of applying the hair of the dog to cure its bite.

Mr. PHELAN. Practically that is the principle upon which the brandy acts upon the sugar contents. I am not attempting to give the Senator any information on that subject.

Mr. LANE. I do not think the Senate has acquired accurate information concerning it. I know I have not. It was a matter of curiosity with me to ascertain how much alcohol you put into it. You say you add water, that of course dilutes it, reduces its sweetness, and also its "foxy" flavor, and reduces the amount of alcohol in it. I assumed when it was stated that alcohol was added to it, that that was done for the purpose of giving it its intoxicating effect upon the person who drank it. On the other hand, wines which are made in Ohio seem to be so sour that no man can drink them unless they are diluted; and then that makes them too weak for intoxicating purposes. So they add grain alcohol, which they have to purchase, and they add cane sugar to sweeten it, whereas the California grape, it seems—and I think it is true as a matter of fact—does have an excess of sugar, and for that reason it is a heavy wine, unless it is diluted.

The whole wine business and the manufacture of wine seems to be a process of manufacturing a concoction which is called wine. I am informed by a gentleman from California that in the Eastern States, in the States east of the Rocky Mountains, that after they press out the juice from the grape and there remains a mass of residue, for which I have forgotten the technical name, they put that residue under pressure, dry it, and store it away until they get ready to use it, and then they mix it up with water and sugar and allow it to ferment, and then add alcohol to give it vim. They call that "wine," and sell it all over the country. The people of California consider that unfair competition; and, so far as I am concerned, if the statement is true, I think it is unfair. The California wine has the advantage, at any rate, of making its own alcohol from the residue of the grape.

Mr. POMERENE. Mr. President, it will not do to assume that that is true, for it is wrong. The difficulty is the Senator has been misinformed.

Mr. LANE. That may be.

Mr. POMERENE. That was done some years ago, but it was stopped by the State of Ohio, and also by the Agricultural Department. The Senator's informant, no doubt, knew that, but did not impart the information to him.

Mr. LANE. That may be so. I am glad to hear that Ohio has stopped such a practice as that. I would regret deeply to think that they had continued it, because it is not a fair way of making wine. I am glad that it is no longer done.

As I have said, there is a great deal concerning this wine business that Senators do not generally understand. Ohio wines and the wines made east of the Rocky Mountains, generally, as I have said, seem to be too sour to drink, sour enough to make a pig squeal, perhaps, but that wine is sweetened with cane sugar. The natural sugar content of the grape and of the human body is grape sugar, and is an entirely different sort of sugar from cane or beet sugar, and responds to an entirely different test, shows different characteristics on chemical analysis, and has an entirely different and milder effect upon the human system if used for food. So the eastern wines to which I have referred have sugar added to sweeten them, and then water is added to "balloon" them or make them fill more barrels; and then a certain amount of alcohol is added to give them the "nip" necessary to get the people to consume them who drink them for exhilarating purposes.

Mr. Pesident. I do not know how to vote intelligently on this question. It is a mixed case. I would think, in a general way, looking at it from a neutral standpoint, that that grape which carried itself into wine and made its own alcohol and furnished its own sugar would be a better type of grape, a little more high-toned and efficient grape, than the grape whose wine had to be doctored up in order to carry itself along. Outside of that I do not know much about it. The grain alcohol placed in it has to be purchased for lack of sugar in the grape to make its own alcohol. That grape ought to carry weight. As is said in horse racing, such a grape should be "handicapped" a bit in fair and equal justice in the race between the two grapes in the wine business.

Mr. HUGHES. Mr. President, if this discussion keeps on much longer, I will not know anything about the grape question myself. I have heard some of the strangest theories promulgated here this afternoon and some of the most wonderful and ingenious arguments that have ever been made before any legislative body. Hardly any of them have had anything to do with the subject matter under consideration, but that does not prevent them from being interesting. I do not know when I have been more highly entertained than I have been here this afternoon by the arguments and suggestions which have been made.

Now, for the benefit of the Senator from Oregon, I want to suggest that, in the first place, we are dealing with two kinds of wine—dry wine and sweet wine. None of the arguments or suggestions the Senator has made have any reference at all to dry wine, which is the character of wine that we are seeking to set out and define in section 53.

In order to make it as brief as possible, I will read the provision to show what we are trying to give these people an opportunity to do by means of this legislation. I quote from the bill the amendment reported by the Senate Committee on Finance:

SEC. 53. That wine within the meaning of this act as well as within the meaning of the food and drugs act of June 30, 1906 (34 Stat. L., 768), shall be deemed to be the product made from the normal alcoholic fermentation of the juice of sound, ripe grapes without addition or abstraction, except such as may occur in the usual cellar treatment of clarifying and aging: *Provided, however* That the product made from the juice of sound, ripe grapes by complete fermentation of the must under proper cellar treatment and corrected by the addition (under the supervision of a gauger or storekeeper-gauger in the capacity of gauger) of a solution of water and commercially pure cane, beet, or dextrose sugar to the must or to the wine; when such addition shall not increase the volume more than 35 per cent, so that the resultant product does not contain less than five parts per thousand of acid——

Mr. LANE. That refers to sweet wine, does it?

Mr. HUGHES. That refers to dry wine. Up to that point there has been no alcohol added to that wine. This law does not permit any alcohol to be added to wine of that kind. It is what is known as a "dry wine." But in every wine-raising country in the world, so far as I have been able to learn, wine makers have been permitted to correct seasonable deficiencies. Everywhere in the world, perhaps with the single exception of California, there will come a season when the grapes will be deficient in some respect. They will be oversupplied with acid and undersupplied with sugar. Every grape-growing, wine-making country in the world, so far as I know, permits its wine makers to correct the natural deficiency in the grape. The California people have consented to an amendment to permit the Ohio wine growers to do it to the extent of 25 per cent. The difficulty is that the Ohio men say, "Thank you for nothing. Twenty-five per cent will not be of any benefit to us. We want to correct the deficiency when the grape needs it to the extent of 35 per cent. We are willing to do it under the supervision of the Government; we are willing only to do it when the grape needs it; but we deny your right to say to the Ohio wine maker, who has been making wine, and a better wine than yours," as they say, "for the last 60 years, and who was making wine

before the State of California came into existence and before these legislative privileges were given to you, what he shall be permitted to do." We have thrashed this all out once or twice, and this is the third time, and it looks like it will not be the last time. We got them all to agree.

Mr. LANE. Mr. President, my interest was not so much in the wine makers of California, nor yet of Ohio and the States east of the Rocky Mountains, as it was in the unfortunate consumer who has to drink these different concoctions which vary year by year, owing to climatic conditions. The addition of 35 per cent of water to a gallon of so-called wine simply amounts to selling water for wine. It is like watering milk and then chalking it and grating turnip into it to give it the color. It is something on that style.

Mr. HUGHES. I can only say that I want to reassure the Senator and say to him that the more water the United States Government permits to be added to wine the better it is going to be for the ultimate consumer.

Mr. LANE. I think that is right.

Mr. HUGHES. I can not for the life of me understand why Senators should be so touchy about this matter of permitting pure water and pure sugar to be added to grape juice. The Agricultural Department sees no harm in it. I laid this proposed legislation before them, containing the figures as they are set out before you now. I want to say for the benefit of the Senator from California [Mr. PHELAN]—who I think rather unkindly threw some doubt upon my veracity yesterday, although I acquit him of any intention to do so, though my attention was called to his language—that when I went to the Agricultural Department I there consulted——

Mr. LANE. Before the Senator answers that, will he not allow me to say just one word? I have no objection to their putting in it all the water that they desire. They can put in 35, 40, 50, 60, 70, 80, or 90 per cent water, if they want to, if they will sell it for water.

Mr. HUGHES. I will say to the Senator that they specially designate it as Ohio and as Missouri wine.

Mr. LANE. Watered wine?

Mr. HUGHES. They have the right, and have had the right for 60 years, to designate it in that way, and it has always been called that. It is known to the trade and known to the consumer that wine that is labeled Ohio and Missouri wine is wine to which water and sugar have, in all probability, been added.

Mr. LANE. I did not know it.

Mr. HUGHES. When they go beyond 35 per cent, then the Agricultural Department says they must label the wine "ameliorated wine." The whole difficulty here is that one section of the country where an industry was called into existence by favor, by being made the favorite of legislation, still, not satisfied with the fact that it has 90 or 95 per cent of the industry, wants to lay down definitions and restrictions upon the 5 or 10 per cent that is left in other sections of the country.

Mr. LANE. Then it is ameliorated with water and fortified with alcohol?

Mr. HUGHES. Not necessarily. I tried to explain it to the Senator, but I know how difficult it is to explain anything to the Senator when he does not want to understand it. I have confined myself up to this point to dry wines, which are not fortified at all.

Mr. LANE. I was talking about sweet wine. I guess that is the difference.

Mr. PHELAN. Mr. President, will the Senator inform the Senator from Oregon as to the amount of stretching——

Mr. HUGHES. I have not yielded to the Senator, and I am not going to yield to him. I have been interrupted by him at every stage of this discussion, and I should like to be permitted to make one continuous statement.

I am going now to call the Senator's attention to the fact that when I went to the Agricultural Department and laid the legislation which is now pending before the Senate before those gentlemen down there to see if they had any objection to its form or to its substance I saw Dr. R. L. Emerson, the acting chief of the United States Bureau of Chemistry; I saw Dr. W. P. Jones, the assistant chief of that bureau, and several of the solicitors of the Department of Agriculture who were actively engaged in enforcing the pure-food law. The Bureau of Chemistry has entire charge of enforcing the national pure-food law. Dr. Emerson was acting chief in place of Dr. Carl L. Alsberg, who was out of town that day. Prof. Husmann was also present, but he belongs to the Bureau of Plant Industry. They read these amendments and suggested some slight changes; and after the discussion Dr. Emerson, speaking for the bureau, said they had no objection to the amendment as I submitted it. The pending amendment takes care of the changes they wanted with reference to the definition of sugar.

Mr. President, it seems to me that we have spent about enough time on this amendment. I for one should be exceedingly glad to have it disposed of. In closing I content myself with saying that the argument of the Senator from California, like nearly all his arguments, was directed at an amendment which is not before this body. I told him over and over again that the amendment with reference to which the letter of the Secretary of Agriculture was written is not before the Senate, but, as a matter of fact, that I am now proposing a substitute for that amendment.

I ask for a vote.

Mr. PHELAN. Mr. President, I do not desire to prolong the debate, and ask for a vote. I merely wish to reaffirm that my amendment is the amendment of the Agricultural Department, and is recommended by the Agricultural Department.

The VICE PRESIDENT. The question is on the amendment of the Senator from California to the amendment of the Senator from New Jersey.

Mr. CURTIS. Mr. President, were not the yeas and nays ordered on this amendment?

The VICE PRESIDENT. They have not been called for nor ordered.

The amendment to the amendment was rejected, on a division.

The VICE PRESIDENT. The question now recurs on the amendment of the Senator from New Jersey.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment was, on page 86, line 21, after the word "wines," to insert "or compound sold as wine"; on page 87, line 1, after the word "paid," to strike out "taxes" and insert "a tax," and in the same line, after the word "at," to strike out "rates as follows" and insert "the rate of 8 cents per wine gallon," so as to make the clause read:

SEC. 54. (a) That upon all still wines, including vermuth, and upon all artificial or imitation wines or compound sold as wine hereafter produced in or imported into the United States, and upon all like wines which on the date this section takes effect shall be in the possession or under the control of the producer, holder, dealer, or compounder there shall be levied, collected, and paid a tax at the rate of 8 cents per wine gallon.

Mr. PHELAN. Mr. President, we are now approaching the rates fixed in the bill, and I desire to address myself to the Senate on that subject. I did not ask for a roll call on my amendment, because it seemed to be highly technical, and any modifications can well be made in the committee of conference. I have had intimations to that effect from Members who probably will sit in conference; but a matter of rates is well within the understanding of the Senate. It is a matter of raising revenue, the very purpose for which we are here.

As the law now stands there is a tax of 55 cents per gallon levied on brandy used in fortification, and it is proposed by the Senate committee to perpetuate that emergency tax which was adopted a year and a half ago. Twenty-six years ago the rate fixed on brandy used in fortification made on the premises of the winery was set at 3 cents a gallon, and the grape brandy so used led to the upbuilding of the sweet-wine industry of California, which attained a degree of productiveness which enabled us two years ago to produce 20,000,000 gallons of wine; and under the emergency tax which is now sought to be perpetuated the volume was reduced to 6,000,000 gallons, the difference between 20,000,000 gallons and 6,000,000 gallons being the measure of injury done not only to the wine growers but also to the Government. As we are here for the purpose of raising revenue, naturally the Treasury Department was interested in the situation, and during the entire year since the beginning of this Congress there have been debates and discussions between the department and the Committee on Ways and Means of the House, and as a result the House provided for the taxation of wines as follows: Ten cents a gallon instead of 55 cents a gallon upon grape brandies used in fortification, and then, on top of that, 10 cents a gallon upon the wine itself after it is made, which means 13 cents a gallon, because a tax of 10 cents a gallon on brandy used in fortification means in the final product the levying of a tax of 3 cents. So, with 10 cents, a direct tax upon wine by the gallon, and 3 cents added for fortification, we have a tax of 13 cents. Under the 55-cent tax which has existed for a year, and which it is sought to reenact, the tax at once rises to 23 cents a gallon, and as the wine does not sell in normal times for more than 30 cents, it leaves no profit to the grower of the grape either for his labor or for his investment. Hence it is destructive, and it has actually worked out in that way.

So we are confronted with a proposition so simple that he who runs might read, that if this law is passed in its present form you destroy the subject of taxation; you kill the goose

that lays the golden egg; you cut down the tree in order to gather the fruit; and I can not imagine such fatuity.

But it was stated here yesterday by the Senator from Ohio [Mr. POMERENE] that California, because she has enjoyed for 26 years a 3-cent tax on brandy used in fortification, has actually despoiled the United States Government of something like $70,000,000. He figures that in this manner: That if the Government had collected $1.10 per gallon on brandy used in fortification, on the volume of business done by California in the production of sweet wines over a period of 26 years, that sum would have amounted to $70,000,000. But, of course, his argument is absolutely without foundation and utterly fallacious, because it was the 3-cent tax that enabled the sweet-wine industry to be developed at all, and if there had been a tax of $1.10 there would have been no sweet-wine industry upon which to levy a tax.

Notwithstanding the disparity between 3 cents and $1.10 no fortunes have been made in the wine-growing business in California. The people earn a mere subsistence and little more; the California Wine Association, to which I referred yesterday as a nefarious monopoly and which epithet I desire to withdraw; I did not mean to use such strong language, because it is an important agency, and because it only took advantage of an act of Congress and canceled its contracts with the growers, something which might very well entitle it to divide the epithet with Congress itself. But I say that notwithstanding the great difference between the tax enjoyed for 26 years and the tax put on as an emergency matter and which is now sought to be reenacted, no fortunes have been made in that industry; and this same California Wine Association, which is a great purchaser of wine, has been in financial distress during the last 5 or 10 years, and its stock has fallen 50 per cent in the market. So it is not fair to say that California has imposed upon the Federal Government; and whatever collections have been made from the sweet-wine industry is good money which otherwise would not have been forthcoming to the Government.

Approximately 6,000,000 gallons of brandy are made each year in California, of which 2,000,000 gallons are used for commercial purposes, leaving 4,000,000 gallons for the making of sweet wine. I claim that the 4,000,000 gallons used in the fortification of sweet wines never would have been made had it not been for the fact that it is used in fortifying process. Therefore it is perfectly clear that the Government has not lost any money, as the Senator from Ohio stated yesterday. If the tax of 55 cents is imposed again this year, only a very little sweet wine will be made by a few wine makers who will be able to pay the tax 90 days after assessment. Some of the grapes will be made into dry wines, which will have a tendency to ruin and demoralize the dry-wine market by making an inferior dry wine out of the sweet-wine grapes, and also by overproduction. The great raisin industry will also be imperiled by glut and by the inferior quality of the raisins, which will be made of wine grapes by growers seeking a market at any price. The balance of the grapes will rot on the vine, as they did last year.

This brandy which is taxed under the emergency law at 55 cents, and which the House taxed at 10 cents, is the brandy made of the very grapes that make the wine in the winery. It is not made for the purpose of selling it upon the market as brandy, and when it is so sold outside of the use of fortification it pays the dollar and 10 cents tax, so there is a perfect equality between all the wine makers of the country, so far as grape brandy is concerned. California uses the brandy made upon the premises, and under the House bill would pay 10 cents, and the men in Ohio and in Missouri can make their grape brandy in the same manner and pay the same rate. But they do not make their grape brandy for that fortification. They make it for sale, because grape brandy used for fortification is worth only 22 cents, whereas they can sell the brandy free of tax for $1. Hence it is more profitable to the men of Ohio and Missouri to sell their grape brandy in the market for commercial use than it is to convert it into brandy for fortification.

Now, when I tell you that the New York wine makers, where the industry is of first importance, have been behind this measure which I advocate, the House rate, and the Secretary of Agriculture, as I have shown, it will be seen that there is nothing sectional about my advocacy. They go into the market and they buy California grape brandy for the purpose of fortifying their New York sweet wine, and the records of the department which I have here state that they used 67,000 gallons of such California grape brandy last year.

That means that the New York makers realize, as they testified before the committee, that grape brandy is superior for the purpose of fortification to ordinary brandy, and that they can well afford to purchase grape brandy in making perfect wines in that State, because there is always a certain congeniality between the product of the grape, and if you introduce extraneous substances you destroy that congeniality and you do not therefore get a perfect product.

So the Senator from Ohio is clearly wrong when he says that California is escaping a tax which otherwise it should pay and which falls as a burden upon the rest of the country. The California grape-wine brandy is made in the wineries from the same grapes which are used for the purpose of making the wine. It makes a homogeneous mixture, and therefore it enjoys the quality which I fear has excited the envy and the jealousy of other States not so highly favored by nature.

But after all it is only a question of revenue. I am not going to give my own words for the statement which I have made that the imposition of the 55 cents tax upon grape brandy will not only ruin the industry but necessarily destroy the subject of taxation. I have here a letter from the Secretary of the Treasury, addressed to Hon. CLAUDE KITCHIN, June 3, 1916, from which I will quote:

> 1. In a reclassification of the wines and the imposition of the following rates of tax in place of those now contained in the bill, namely, on wines containing not more than 14 per cent of absolute alcohol, a tax of 3 cents a gallon; on wines containing more than 14 per cent and not exceeding 21 per cent, 10 cents a gallon, with a proviso that all wines containing more than 21 per cent of absolute alcohol shall be classed as distilled spirits and shall pay tax accordingly.

That is to say, any wines containing more than 21 per cent of alcohol shall be taxed as spirits at the rate of $1.10, but legitimate wines shall be taxed according to the schedule which he enumerates and which has substantially been incorporated in the bill by the House, the provision which I am now advocating. He says furthermore:

> Regarding these proposed amendments, I would state that the classification and rates contained in the bill and recommended in my letter to you under date of March 6, 1916, and also in a letter addressed to Representative KENT under date of March 15, were the rates which, from the best information obtainable, seem to be the most likely to produce the maximum revenue at this time without injury to the wine industry.

The Secretary of the Treasury, charged with the national finances, says, under date of May 19, 1916, to Representative RAINEY, that these rates will produce the maximum revenue. He is not speaking idly—he knows by experience—because this 55 cents tax has been enforced for more than a year and a half. He says:

> The records show that since the enactment of the present wine law there has been a large falling off not only in the production of certain grades of wines but in the quantity of brandy used for fortifying purposes.

The very point is made, that when you burden an industry you diminish the output; and hence the figures of the Senator from Ohio are of no value, because he assumes that the wine industry is so strong that it will pay any income tax that may be imposed no matter how excessive.

> This large decrease is doubtless due mainly, if not wholly, to the high rates of tax now imposed; and it is reasonable to conclude that, under the reduced rates of tax provided for in the pending bill—

That is, the House bill which I advocate—

> the wine industry will again assume normal proportions.

Then he says that under this emergency tax the sweet wine has fallen off, as I before stated on my own authority, from 20,000,000 gallons to 6,000,000 gallons, and whereas it was estimated that there would be a yield of $4,600,000 in revenue it fell off a million and a half dollars. After computing all the sources of revenue, not only derived from sweet wines, but from dry wines and from cordials, there is a loss of a million dollars and a half. I will quote him again:

> The above figures, based on incomplete returns, show conclusively that the pending bill, even though it reduces the present rates of taxation from 35 to 50 per cent, will provide an increase of revenue of over a million and a half annually.

By the reduction of the rates provided in the House bill under the emergency rates that now exist there will be an increase of a million and a half. He adds:

> Moreover, the bill provided a permanent tax whereas the present law was enacted merely to provide a temporary source of revenue.

And again:

> Another advantage is that with the improved administrative features of the pending bill there will be little opportunity to evade payment of taxes. Under the present law there have been discovered flagrant abuses and evasions.

So the House provision not only will provide more revenue, it will not only preserve the industry but improve all the administrative features by which the evasion of the taxes will be made an impossibility.

The final figures of his letter show the average price received. I consider this important and as he has repeated it I will repeat it.

The average for three seasons, in the production of sweet wines in California, show 20,993,000 gallons; the production in the 1915–16 season 6,051,000 gallons, or a drop of about 72 per cent.

It is therefore perfectly apparent that if we are here for the purpose of raising revenue without destroying the subject of taxation it is wise to follow the advice of the Secretary of the Treasury and of the House committee. In the House under the Constitution all revenue-producing bills must originate. Consideration was given to this measure extending over a period from last February until the bill was reported to the Senate. I must say that the House, following the advice of the Department of the Treasury and profiting by its experience, has in my judgment given us a bill which we can, to say the least, safely follow.

California is of course more interested in this schedule than any other State, and whereas other States produce wines in large quantities California ranks them all. But that does not make by any means this question a local one. The Congress of the United States has just as much concern for the interest and right of the humblest of the sisterhood of States as it has for the greatest in importance or the greatest number. It can not be possible that a State like California producing 90 per cent of the product will be sacrificed in order to enhance the political or other interests of any other State or set of States.

I would hate to see the wine growers of California made the victims of legislation prompted by any other motive than that of the good of the whole country; and yet, if any sacrifice is to be made, it would be utterly impolitic for Congress to sacrifice the greater State to the smaller State, because the small State, with an inferior area given to grape cultivation, could the more quickly recover. But there is no question of that kind involved. The laws of Congress apply equally to all States; but as the industry in California is out of all proportion to the industry in other States, it must either bear the brunt of excessive taxation or go out of business. Injustice is very often done by legislation. There are three sources of injustice, I have read: Force is one, malicious ensnarement under color of the law is another, and a third is hardness of the law itself. I am pleading against the hardness of the law itself.

I have here from the Acting Secretary of the Department of Agriculture a brief table showing the production of wine, which, he says, may be regarded as ultra conservative: Southern States, 500,000 gallons; New Jersey, 250,000 gallons; New York, 2,500,000 gallons; Ohio, 2,000,000 gallons; Western States, 750,000 gallons; California, 39,000,000 gallons; all other States, 500,000 gallons, making a total of 45,500,000 gallons a year, of which, as you see, California produces about 90 per cent. Therefore California has a right to be heard.

I have read the letter even from the Senator from California [Mr. WORKS], who has in these Halls consistently advocated temperance. He says as long as the industry is recognized he is strongly in favor of this legislation which I am advocating to-day. He certainly is not in favor of imposing upon the country an inferior wine, nor is he in favor by legislation to impose a prohibitive tax. That is not the way he fights. If he is for prohibition, he votes for prohibition, but he does not stab an industry in the back under the guise of taxation.

Senator WORKS knows very well that the wine interests of California can not be classified with the whisky interest, and it is the bane of our position that the whisky interests will force their association upon the wine interest. Everyone concedes that the drinking of whisky is a national vice, whereas the drinking of wine, a food beverage, so declared by the Agricultural Department, is, when used in moderation as in all the Latin countries of Europe and in our own country where the Latin population lives, a matter of daily diet, and you never see drunkenness among those people.

The classic centenarian of the fifteenth century, I think his name was Luigi Cornaro, wrote a book on long life. He was a resident of Venice and attained an age of something like 110 years, although up to 40 years he had led a riotous life, and he was the marvel of his generation. He states in that book that what caused him to live to that very ripe and unusual age was the daily use of pure wine made of the juice of grapes. He went further than the connoisseurs by saying that the newer the wine was the better the wine was—for him, at any rate.

There is a gentleman, a distinguished ornament of this body, who assured me that one of his ancestors was totally opposed to wine drinking in any form until he went to California. He went to California for his health, and he recovered his health there, not, it is claimed, by reason of the sunshine, not by the ocean breezes, but by the moderate use of wine. When he came back to his eastern home and persisted in his habit of drinking wine the neighbors were all shocked and alarmed that this good man had departed from the ways of grace. But there he learned that the use of wine, far from exhilarating even, certainly far from intoxicating, was a suitable article of daily diet and added to his strength and vigor and helped the debilitated and the weak body, after the labors of his years of life, to enjoy in his declining days some measure of comfort and of health.

I do not know, therefore, why even the men who advocate temperance should seek to destroy this industry indirectly by taxation.

I have here a telegram, just received, from Mr. Sbarboro, president of the Italian-American Bank, the founder of the famous Swiss-Italian colony in California, where champagnes are made by the champagne process, a most wonderful and beautiful country, where all the charms of France and Italy are reproduced in our own soil. He simply says, succinctly:

> Protect the light table wine; only remedy for alcoholism.

The only remedy for alcoholism, he declares, is the light table wine, and the Bible tells us—and I should like to address this to the Senator from Ohio:

> Drink no longer water, but use a little wine for thy stomach's sake.

The Senator's purpose is to convert wine into water; his purpose is to reduce the quality; and the reason why the Agricultural Department opposes it is very largely because by that dilution you destroy the food value of wine. Knowing wine as I do, I would not recommend those who desire to become centenarians, who want to live longer than a period of a hundred years, nor the debilitated men from the East who come to California for their health, to drink anything like that, although it may be, under authority of an act of Congress, labeled "wine," when, in fact, it is water and sugar. That legislation is most preposterous, and I can not believe that it will survive the conference. It is the only hope. It is preposterous to believe that under the authority of law the Agricultural Department, against its protest, will be dragooned into saying that water and sugar are wine. Let them call it, as they have a right now under the law to call it, "imitation wine"; let them call it "sarsaparilla"; let them call it "coca-cola." There are a thousand and one concoctions, no doubt grateful to the taste, even if productive of headaches, that are available for those who seek "soft drinks" and believe that in pursuing that course to avoid intemperance; but certainly let the public be advised what are the contents of the container.

Mr. President, the Senator in his remarks stated that 10 per cent of the wine produced in the country is produced outside of California. Granted. Under the law now the same magical 10 per cent is the limitation imposed upon the stretching or expanding of the wine; and that Missouri and Ohio have always enjoyed in recent years; but he did not state that, whereas the amendment proposed by me allowed 25 per cent expansion, his amendment not only allowed 35 per cent expansion, to which he referred often and again, but on top of that another 35 per cent.

I submit that by allowing that expansion we destroy the pure-wine industry of the country: we seriously affect the revenue; and, in estimating the revenue for next year, we can not delude ourselves into the belief that by increasing artificially the volume of wine we will create an increase in the revenue. I do not believe that the California sweet-wine industry will survive this tax. I have demonstrated to you that by actual trial and experiment we know, because the present tax, which they seek to reenact, has been in force for a year and a half, and it has caused 67 per cent loss of volume to the industry and the serious loss of expected revenue to the Government.

I therefore move as an amendment to the proposal of the Finance Committee, on page 87, the restoration of the rates imposed by the House bill, which read:

> On wines containing not more than 14 per cent of absolute alcohol, 4 cents per wine gallon, the per cent of alcohol taxable under this section to be reckoned by volume and not by weight.
>
> On wines containing more than 14 per cent and not exceeding 21 per cent of absolute alcohol, 10 cents per wine gallon.
>
> On wines containing more than 21 per cent and not exceeding 24 per cent of absolute alcohol, 25 cents per wine gallon.

I am informed by the Senator from Florida [Mr. FLETCHER] that it will be better to put the motion in another form and to disagree to the amendment reported by the Senate Committee on Finance.

The VICE PRESIDENT. It does not need any motion whatever. If the Senate disagrees to the amendment of the Senate committee, it leaves the bill as the Senator from California wants it left.

Mr. PHELAN. Then it is a question, without any motion, of agreeing or disagreeing to the recommendations of the committee.

The VICE PRESIDENT. Without any motion, the question of agreeing to the Senate committee amendment. If not agreed to, the bill will be left as the Senator from California desires.

Mr. HUGHES. Mr. President, the Senator from California includes in his motion to disagree all the language down to and including line 12, on page 87, I presume?

Mr. FLETCHER. There is no need of a motion to disagree. The motion is on agreeing to the committee amendment. If that is voted down, then the committee amendment is disagreed to.

Mr. HUGHES. I wanted to include in the motion all of the language that is germane, which will include all of the language down to and including the end of line 12, on page 87.

Mr. PHELAN. That is my intention. I should like to have the committee amendment down to the end of line 12, on page 87, disagreed to.

Mr. PHELAN subsequently said: Mr. President, as part of my remarks, I ask permission to insert certain telegrams and statistical tables.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

SACRAMENTO, CAL., *August 14, 1916.*

Senator F. M. SIMMONS,
Washington, D. C.:

This department of the State government wishes to advise you correctly in relation to the personnel of Mr. H. E. Welch and his authority for being in Washington in behalf of relief legislation for our grape growers. Mr. Welch represents the State Viticultural Commission of California, which is charged by statute of this State with fostering and protecting our great vineyard interests, which are valued at $150,000,000 and which have long received State and Federal aid. We now have 14 Government experimental vineyards in California, and there are 370,000 acres in grapes under cultivation here alone. We want you to know that before going to Washington, Mr. Welch made a tour of the entire vineyard districts of this State under the auspices of this board and met thousands of the growers and manufacturers of wine. The efforts of the board and of Mr. Welch are unanimously indorsed, and we indignantly resent the insinuation of eastern rectifiers with ulterior motives that Welch represents special interests. The most that Mr. Welch will ever get for all the time he has spent in Washington will be his actual living expenses, and no other remuneration. He is not an attorney but merely a practical business man living in California in the midst of a great vineyard section in San Joaquin County, and he gives up his time for nothing but the good of the general industry.

Your departments at Washington know what the emergency tax has done to this industry. They will tell you that it destroyed four-fifths of the sweet-wine production and gained the Government but a little more in taxes, and that the burden fell heaviest on the thousands of tillers of the soil, whom we want to help most of all. Please do not believe that Mr. Welch is in the same rôle as Theodore Bell, who went to Washington two years ago to represent the California Wine Association, and who was their paid attorney. Mr. Welch receives no pay and represents the whole industry. Your emergency tax two years ago enabled those interests represented by Bell to cancel hundreds of term contracts with growers, and these growers are all in hearty accord with our efforts and those of Mr. Welch. We can not live under the present tax, but we are going to try to exist under the moderated form of tax passed in the House bill. Please assist us in this fair, open, and just effort for relief.

We can send you all the credentials you wish as to the motives of Mr. Welch and this board. They are above suspicion and reproach.

E. M. SHEEHAN,
Secretary State Board of Viticulture.

[Western Union night letter.]

ST. LOUIS, MO., *August 16, 1916.*

Senator WILLIAM J. STONE.
Senate Office Building, Washington, D. C.:

Fifty-five-cent fortifying tax on wines in revenue bill is absolutely unjust and unfair, and will go far toward destroying our business in wines. We don't object to a reasonable tax, but 55 cents is out of all reason. We are voicing the opinion of the trade here.

DAVID NICKOLSON GROCER CO.

[Western Union day letter.]

ST. LOUIS. *August 17, 1916.*

Senator WILLIAM J. STONE,
Senate Office Building, Washington, D. C.:

We, the undersigned liquor dealers of St. Louis, ask that you do all in your power to prevent passage of 55-cent fortifying tax on wines in revenue bill. It is unfair and unreasonably high, and we are satisfied it will greatly interfere with the wine business of the United States and will yield the Government less revenue than a reasonable tax.

S. J. Lang & Son, H. L. Greisidieck Distg. Co., Wm. Libman, J. S. Merrill Drug Co., Phil Bardenheier & Co., The H. Horn Co., John Bardenheier Wine & Liquor Co., Kellerstrass Dist. Co., Hellman Distg. Co., Fern Glen Distilling Co., Cane Ridge Distilling Co., Pure Food Dist. Co., Judge & Rolph Drug Co., Garrett & Co., J. S. Goodman, The Bush Wine & Liquor Co., Lee Levy & Co., M. J. Friedman & Co., Willman-Booker Dist. Co., Dan Lazarus Liquor Co., Edwin Schiele Dist. Co., M. Shaughnessy Dist. Co., Meisheimer Wine Co., J. W. Jennings & Co., The Steinwender Co., The Nelson Impt. & Distg. Co., Frank Sutterman Wine & Liquor Co., V. Viviano & Bros. (Inc.), Deluca Bros., Sciales Grocery Co., A. Macl Gro. Co., Venetian Distilling Co., Ravarino & Freschi Grocer Co., Kentucky Importing Co. (Inc.), J. Simon & Sons, G. Reismeyer Distilling Co., The Hewitt Co., Wm. H. Lee & Co., Samuel Epstein, L. & A. Scharff Dist. Co., Meyer Brothers Drug Co.

DEPARTMENT OF AGRICULTURE,
Washington, April 19, 1916.

Hon. WILLIAM KENT,
House of Representatives.

DEAR MR. KENT: Responding to a telephone request from your office on April 5 for estimates of the production of dry wines, champagnes, cordials, and compounds in the United States, by States and counties, if possible, the inclosed memorandum prepared in the Bureau of Plant Industry is submitted.

It is regretted that the statistical information available does not furnish the information in detail with respect to the quantities of the several types produced in the several States and localities.

Very truly, yours,

C. F. MARVIN, *Acting Secretary.*

Memorandum on production of wine, in response to a telephone request from the Hon. WILLIAM KENT, April 5, 1916, for estimates of quantities of dry wines, champagnes, cordials, and compounds produced in the United States, by States and counties, if possible.

We have no adequate basis for estimating the production of these several products in the detail requested, the statistical information showing only the totals. It is known, however, that a large part of the sweet and sparkling wine output is confined to a very few States and localities.

New York State produces the great bulk of the sparkling wines (not carbonated) made in this country, and most of them are made in the Keuka Lake district, although some establishments are also to be found in other districts, as the Hudson River district; in Ohio, in Erie and Cuyahoga and other counties on Lake Erie. In New Jersey in the Egg Harbor district, and in Virginia, at Norfolk, limited quantities are made. In California there are three sparkling-wine establishments of importance—the Paul Masson Co., at San Jose; the Italian-Swiss Colony, at Asti; and Korbel Bros., at Guerneville.

Under sparkling wines are not included artificially charged wines.

As regards sweet wines, the great bulk of them are made in California, where until last year the annual output in recent years has been from 16,000,000 to 19,000,000 gallons. The counties in which these are principally made are Fresno, San Joaquin, Merced, Kern, Sacramento, Placer, Yolo, Los Angeles and San Bernardino.

Dry wines are not only made where the sweet and sparkling wines are, but are the wines produced in other parts of the country.

The counties considered most important in wine output in New York are Chautauqua, Ontario, Orange, Schuyler, Seneca, Steuben, Ulster, and Yates. In Ohio, Ashtabula, Cuyahoga, Erie, Lake, Lorain, Lucas, and Ottawa Counties, and Kelleys Island, Middle Bass and Marblehead Islands. In New Jersey, Atlantic and Cumberland Counties. In Virginia, Albemarle and Norfolk Counties. There are, of course, other counties in each of the States mentioned making dry wines.

Excepting last year (1915), which was an exceedingly poor year so far as the grape crop is concerned, the following figures are about what the average annual total wine production (this includes the unfermented grape juice) in the United States has averaged since 1910, as published in the trade papers:

	Gallons
Southern States	500,000
New Jersey	250,000
New York	2,500,000
Ohio	2,000,000
Western States	750,000
California	39,000,000
All other States	500,000
Total	45,500,000

These estimates are regarded as ultraconservative, the total output probably being 20 to 30 per cent larger.

PENN YAN, N. Y., *August 14, 1916.*

E. L. TRAVIS,
Raleigh Hotel, Washington, D. C.:

A fortifying tax of 55 cents payable when spirits used will prohibit making sweet wines in California and mean confiscation of millions of investment in vineyards and wineries.

Any eastern sweet wine manufacturer satisfied with this tax hopes to profit by the catastrophe to California grape growers.

No California company can finance the tax, as banks won't lend money.

PAUL GARRETT.

HOUSE OF REPRESENTATIVES U. S.,
Washington, D. C., August 14, 1916.

Hon. JAMES D. PHELAN,
United States Senate.

DEAR SENATOR PHELAN: I understand the statement has been made that Garrett & Co., wine makers, are in favor of the Pomerene or committee amendment to the wine schedule in the pending revenue bill. I desire to say emphatically that Garrett & Co. are unalterably opposed to the committee amendment and to the Pomerene amendment and cordially favors your amendment.

Garrett & Co. are also opposed to the use of grain spirits in fortifying wine and opposed to any amelioration beyond 35 per cent. I refer you to a brief filed by me before the subcommittee.

Yours respectfully,

E. L. TRAVIS,
Attorney for Garrett & Co.

[Letterhead of H. F. Dewey & Sons Co., 138 Fulton Street.]

NEW YORK CITY, *April 7, 1916.*

Hon. WILLIAM KENT,
House of Representatives, Washington, D. C.

DEAR MR. KENT: Your letter of April 6 has just been read with the greatest of interest as it is the most honest expression of true facts that I have ever read or heard uttered by any California wine maker.

I wish to state my personal opinion as a practical eastern wine maker and not in an official capacity as president of the American Wine Growers' Association. In the many years that I have been associated with members of the American Wine Growers' Association it has been seldom that I have met a man who is willing to talk honestly in regard to the manufacturing of wines.

* * * * * * *

We are opposed to the "stretching" of wine as much as any house in America and feel that the ideas of this California gentleman that amelioration should be allowed to the extent of 25 per cent is extremely liberal, as in almost every year this amount would be entirely too much. If the revenue department stands firm on the question of Government supervision we are willing to submit to this if every section in the country has the same strict supervision, as we personally have nothing to fear, except that as wine makers for over 50 years and having learned by experience the different methods of handling wines to perfect them to the highest possible degree, we do not feel that we should be compelled to allow a Government officer to come into our cellars all through the wine-making season and acquire our methods, which have cost us so many years of experience, to find out how to perfect our wines to the standard which they now hold and then have the same Government officer go to other cellars and impart our methods to other wine makers.

* * * * * * * *

Thanking you sincerely for sending me your letter of April 6, which I shall cherish most highly, I am, with the highest respect,

Yours, very truly,

HIRAM S. DEWEY,
Vice President H. T. Dewey & Sons Co.

THE SWEET VALLEY WINE CO.,
Sandusky, Ohio, April 8, 1916.

Hon. WILLIAM KENT,
Washington, D. C.

DEAR MR. KENT: Your favor of the 6th instant received; and the further you go into this matter of enacting into law a bill defining wines, the more you will find out that our contention from this locality has some merits. I believe you have already been convinced of that; I can not help but feel that people from other sections are helping to establish and fix the truth in your mind. Your friend from California speaks the truth, and I simply want to add at this time that it is still my honest opinion that a wine should be permitted to be ameliorated with sugar and water, or both when required, and that the amelioration should not reduce the natural acid content of the wine when put on the market below five per mill. It may seem that at times a larger per cent of amelioration could be used than you would like; however, there are many times when a smaller per cent would be used. There are so many years when you would require less than 25 per cent amelioration—we will say even less than 20 per cent—and some grapes would not require any amelioration, providing amelioration was established on the basis which I have said heretofore, namely, not less than 5 per cent acid and not over 13 per cent alcohol.

I wish you would use your influence along this particular line, which is the only honest way to make a merchantable and salable article, and the only way to keep all wine makers honest as to the amount of amelioration. You know under such a method it could be easily determined whether a wine maker was going beyond the limit permitted or not.

With kindest regards,

Yours, very truly,

WM. H. RINEHART.

NEW YORK, N. Y., *August 1½, 1916.*

Senator JAMES E. MARTINE,
United States Senate, Washington, D. C.:

New Jersey wine interests opposed to Senator POMERENE'S amendment for use of grain spirits in sweet wines. Urge you to protect us by voting for Senator PHELAN'S amendment to the wine schedule of the revenue bill.

H. T. DEWEY & SONS CO.,
Egg Harbor, N. J.

NEW ORLEANS, LA., *August 1½, 1916.*

Senator JOHN SHARP WILLIAMS,
Washington, D. C.:

Will appreciate any assistance you can give Senator Phelan, of California, in defeating any amendment to revenue bill that would permit the use of any spirits other than those derived from grapes in fortification of wine, as we believe fundamental principles of pure food laws would be violated if other products are to be countenanced in the making of wine.

KOHLMAYER JACOB and HYAMS,
A. PATORONO & SONS,
J. & M. SCHWABACHER,
F. HOLLANDER CO.,
MULE & ALMERI CO.,
TONY LATINO,
RIVERSIDE WINE & BRANDY CO.,
New Orleans, La.

[Telegram.]

LOS ANGELES, CAL., *August 17, 1916.*

Hon. ISIDORE B. DOCKWEILER,
Hotel Shorcham, Washington, D. C.:

Render all possible aid to bill now before Senate which is of most vital importance to California grape and wine industry. Failure of passage this bill will result in destroying one of California's principal industries that has been fostered by national, State, and county aid.

LOS ANGELES CHAMBER OF COMMERCE,
JOHN S. MITCHELL, *President.*

LOS ANGELES, CAL., *August 16, 1916.*

Hon. ISIDORE B. DOCKWEILER,
Hotel Shorcham, Washington, D. C.:

Wine and grape-growing industries of this State threatened with destruction unless tax features of Congressman Kent's House bill now before Senate are passed. We would very much appreciate if you will take this important matter up with individual Senators for the protection of our section as well as of entire State.

MERCHANTS AND MANUFACTURERS' ASS'N,
F. J. ZEEHANDELAAR, *Secretary.*

SACRAMENTO, CAL., *August 11, 1916.*

H. E. WELCH,
Care of Congressman Kent, Washington, D. C.:

Telegrams received and they will have disastrous influence on viticultural conditions here if Associated Press reports are correct, and if it is likely taxes will be raised thousands of grape growers will be the real sufferers because of the price of grapes. Again the uncertainty and delay of action running as it does right into the vintage season leaves the market here in chaotic state if Senate kills the House bill with amendments.

E. M. SHEEHAN.

RUTHERFORD, CAL., *August 16, 1916.*

Hon. JAS. D. PHELAN,
The Senate, Washington, D. C.:

Newspaper states Senate wants to maintain tax on wine. Such law is ruining California wine industry. Banks will never loan enough money to wine makers to pay tax on brandy to make sweet wine, so viticulturists will not harvest crops. Please do all in your power to have your amendment pass.

G. DE LATOUR.

SAN FRANCISCO, CAL., *August 16, 1916.*

Hon. JAS. D. PHELAN,
The Senate, Washington, D. C.:

California wine growers look to you for unqualified support of House recommendations and Kent bill on wine tax. Our industry is seriously threatened by the continuance of present tax. Help to build it up and save it from eastern spite work.

R. JORDAN, Jr.

SAN FRANCISCO, *August 11, 1916.*

Hon. JAMES D. PHELAN,
United States Senate:

My most urgent protest against proposed wine tax. Those rates have nearly ruined the California industry, and their continuance will finish the job, and will not produce revenue.

WILLIAM KENT.

HOUSE OF REPRESENTATIVES,
Washington, August 21, 1916.

Hon. BYRON R. NEWTON,
Acting Secretary of the Treasury.

DEAR MR. SECRETARY: After six months' work and study am absolutely certain that raise in wine tax and lowering in quality, as provided in Senate amendments, will be destructive of industry in California, where 90 per cent of legitimate wine is produced. Without fullest unqualified indorsement of the Treasury Department we can not expect justice or revenue.

Senate proposes:

First, excessive tax.

Second, breakdown of pure-food powers of Agricultural Department.

Third, a premium on sour and unripe grapes.

Fourth, a practical elimination of use of second-quality grapes for brandy in fortification.

Fifth, almost unlimited use of sugar for glucose and water instead of grapes.

The standard based on acid contents is as absurd as to permit use of flour adulterants in proportion to the weevils in the flour. Whisky-made-glucose makers and sour-grape growers are all favored by Senate amendments and those able and willing to produce pure standard wine made of good grapes are penalized. My criticism is not sectional, as my views have been indorsed by the New York wine makers and many others. The Treasury Department should work in harmony with the Agricultural Department as to pure-food requirements, as provided in my bill. The grape growers are not asking for privilege, but merely that they shall not heedlessly be taxed out of business nor ruined by enforced competition with acid, glucose, water, and cheap alcohol.

Yours, truly,

WILLIAM KENT.

[From the Sacramento Bee of Aug. 2, 1915.]

SENATOR WORKS IS AGAINST BRANDY TAX; SAYS IT IS UNFAIR—HE ASSURES VITICULTURAL COMMISSION HE WILL WORK FOR ITS REPEAL.

Although a strong and outspoken opponent of the liquor traffic, including the wine industry of California, Senator JOHN D. WORKS is stoutly opposed to any unfair and unjust legislation by Congress, with particular reference to the proposed tax on brandy, which the growers claim will ruin the wine industry.

In a letter to E. M. Sheehan, secretary of the State Viticultural Commission, Senator WORKS declares he will do anything he can to relieve the industry from the menace that threatens it.

In discussing the letter to-day Commissioner Sheehan asserts that he considers it one of the strongest arguments in the hands of the growers and wine men against the proposed ruinous tax on brandy for fortifying purposes contemplated by Congress.

SENATOR WORKS'S LETTER.

Here is Senator WORKS's letter, in part:

"I had hoped that the grape growers and wine manufacturers of California had escaped the high taxation that Congress had attempted to impose upon them. It seems now, however, that, in the ruling made by the commissioner of internal revenue, they have not escaped. I think this is entirely unjust, and I shall be very glad to do anything I can to relieve the industry from this condition.

"I shall be very glad to see the time when the grape growers are able to dispose of their products for something else besides the making of wine, and the wine makers may find a more profitable business than that of wine making, and that California may no longer be burdened by the liquor traffic.

"But so long as the making of wine is allowed by law the industry should be protected from unfair and unjust legislation."

Mr. HUGHES. Mr. President, a good deal of the debate which has preceded this motion has not been pertinent to the matter now before the Senate. The Finance Committee has decided that it would attempt to settle this controversy by reverting to the legislation which was enacted by the consent of all of the parties when the emergency act referred to went into effect.

The Senator from California argues that the rate of tax was so high that the legislation defeated its own purpose. So far as I am concerned, I am compelled absolutely to dissent from that view and to disagree with the Senator. The United States Government failed to get the amount of revenue that it was esti-

mated it would get under this legislation for the reason that the California wine people had time to make certain preparations between the date when the legislation was agreed upon and the date when the legislation went into effect; which preparation enabled them to defeat the object and purpose of the legislation. They fortified their wine before the tax was due, and subsequently, to a great extent, the tax was evaded by the failure of the sellers to affix the stamp required under the administrative provisions of the law before the wine could be sold to the ultimate consumer. The California sweet-wine producers were under the impression, and risked all on the chance, that the law known as the emergency law would indeed be an emergency law, and that the taxes laid therein would not be laid for more than a year. If they had been correct in that, they would have saved something like $4,000,000 in taxes. It was estimated that the Government would collect something like $7,000,000 from the wine schedule last year, but because of the manner in which they dealt with this emergency legislation and the means employed to evade the payment of the tax the Government collected something like $3,000,000, a net loss to the Government because of the evasion of the law of $4,000,000. This year the tax will have to be paid. There will be no opportunity to fortify that wine before the law goes into effect, because the law is now in effect and will continue to be in effect unless the Congress changes it.

The amendment which the Finance Committee has reported and asks favorable action on at the hands of this body is the same and provides the same rate of taxation as the present law. I do not know that there is anything further to be said on the subject. If the Senator from California is satisfied, I am, to leave it to the decision of this body, and I ask for a vote.

The VICE PRESIDENT. The question is on the amendment reported by the committee.

Mr. PHELAN. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. PHELAN. I suggest the absence of a quorum.

Mr. HUGHES. If the Senator will withdraw his point of no quorum and renew his request for the yeas and nays, we may save time by getting a vote at the same time the roll is being called.

Mr. PHELAN. Very well. I withdraw the suggestion of the lack of a quorum and renew my request for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. THOMAS (when Mr. BECKHAM's name was called). I desire to announce the unavoidable absence of the Senator from Kentucky [Mr. BECKHAM]. He is paired with the senior Senator from Delaware [Mr. DU PONT].

Mr. OVERMAN (when his name was called). I again announce my pair with the junior Senator from Wyoming [Mr. WARREN], who is absent on business. I therefore withhold my vote.

Mr. SIMMONS (when his name was called). I announce my pair and transfer as heretofore, and vote "yea."

Mr. STONE (when his name was called). I have a pair with the Senator from Wyoming [Mr. CLARK], which I transfer to the Senator from Nevada [Mr. NEWLANDS], and vote "yea."

Mr. VARDAMAN (when his name was called). I have a general pair with the junior Senator from Idaho [Mr. BRADY], and withhold my vote in his absence.

Mr. WADSWORTH (when his name was called). Making the same announcement as to my pair and its transfer as heretofore, I vote "yea."

Mr. WEEKS (when his name was called). I inquire if the Senator from Kentucky [Mr. JAMES] has voted?

The VICE PRESIDENT. He has not.

Mr. WEEKS. I have a general pair with that Senator, and therefore withhold my vote.

The roll call was concluded.

Mr. MYERS. Has the junior Senator from Connecticut [Mr. MCLEAN] voted?

The VICE PRESIDENT. He has not.

Mr. MYERS. I have a pair with that Senator, and, he not being present, I withhold my vote.

Mr. SHAFROTH. I am paired with the junior Senator from Washington [Mr. POINDEXTER]. I transfer that pair to the senior Senator from Louisiana [Mr. RANSDELL] and will vote. I vote "yea."

Mr. CHILTON. I would vote "yea" upon this motion, but I have a pair with the senior Senator from New Mexico [Mr. FALL] and can not obtain a transfer.

Mr. SMITH of Georgia (after having voted in the affirmative). I have a general pair with the senior Senator from Massachusetts [Mr. LODGE], who has not voted. I transfer that pair to the junior Senator from Louisiana [Mr. BROUSSARD] and will allow my vote to stand.

Mr. REED. I transfer my pair with the senior Senator from Michigan [Mr. SMITH] to the junior Senator from Virginia [Mr. SWANSON] and will vote. I vote "yea."

Mr. HUSTING. I have been requested to announce that the senior Senator from Kentucky [Mr. JAMES] is paired with the junior Senator from Massachusetts [Mr. WEEKS]. The senior Senator from Kentucky is unavoidably absent on official business.

Mr. DILLINGHAM. I am informed that the senior Senator from Maryland [Mr. SMITH] has not voted, and, having a pair with him, I withhold my vote. If at liberty to vote, I would vote "yea."

Mr. GALLINGER. I have a pair with the senior Senator from New York [Mr. O'GORMAN], who, I believe, has not voted. I transfer that pair to the senior Senator from Minnesota [Mr. NELSON] and will vote. I vote "yea."

Mr. SHEPPARD. I wish again to announce the absence of the senior Senator from Louisiana [Mr. RANSDELL] on account of illness.

Mr. SHERMAN. I wish to inquire if the senior Senator from Kansas [Mr. THOMPSON] has voted?

The VICE PRESIDENT. He has not.

Mr. SHERMAN. I have a pair with the senior Senator from Kansas and therefore withhold my vote.

Mr. SMOOT. I desire to announce the absence of my colleague [Mr. SUTHERLAND] and to state that he has a pair with the senior Senator from Arkansas [Mr. CLARKE]. I am not prepared to say how my colleague would vote on this matter if he were present.

Mr. MYERS. I transfer my pair with the junior Senator from Connecticut [Mr. MCLEAN] to the junior Senator from Tennessee [Mr. SHIELDS] and will vote. I vote "yea."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from New Mexico [Mr. CATRON] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Delaware [Mr. DU PONT] with the Senator from Kentucky [Mr. BECKHAM];

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from North Dakota [Mr. GRONNA] with the Senator from Maine [Mr. JOHNSON];

The Senator from Rhode Island [Mr. LIPPITT] with the Senator from Montana [Mr. WALSH];

The Senator from Connecticut [Mr. BRANDEGEE] with the Senator from Arkansas [Mr. ROBINSON];

The Senator from Michigan [Mr. TOWNSEND] with the Senator from Florida [Mr. BRYAN];

The Senator from Idaho [Mr. BORAH] with the Senator from Tennessee [Mr. LEA]; and

The Senator from California [Mr. WORKS] with the Senator from Indiana [Mr. KERN].

The roll call resulted—yeas 36, nays 3, as follows:

YEAS—36.

Ashurst	Hardwick	Myers	Smith, Ga.
Beckham	Hitchcock	Oliver	Smoot
Chamberlain	Hughes	Penrose	Sterling
Culberson	Husting	Pomerene	Stone
Cummins	Kenyon	Reed	Taggart
Curtis	Lee, Md.	Shafroth	Thomas
Fletcher	McCumber	Sheppard	Underwood
Gallinger	Martin, Va.	Simmons	Wadsworth
Harding	Martine, N. J.	Smith, Ariz.	Williams

NAYS—3.

Jones	Lewis	Phelan

NOT VOTING—56.

Bankhead	Fall	McLean	Shields
Borah	Goff	Nelson	Smith, Md.
Brady	Gore	Newlands	Smith, Mich.
Brandegee	Gronna	Norris	Smith, S. C.
Broussard	Hollis	O'Gorman	Sutherland
Bryan	Johnson, Me.	Overman	Swanson
Catron	Johnson, S. Dak.	Owen	Thompson
Chilton	James	Page	Tillman
Clapp	Kern	Pittman	Townsend
Clark, Wyo.	La Follette	Poindexter	Vardaman
Clarke, Ark.	Lane	Ransdell	Walsh
Colt	Lea, Tenn.	Robinson	Warren
Dillingham	Lippitt	Saulsbury	Weeks
du Pont	Lodge	Sherman	Works

The VICE PRESIDENT. On the committee amendment the yeas are 36, the nays are 3, no quorum voting. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Culberson	Fletcher	Hitchcock
Bankhead	Cummins	Gallinger	Hughes
Chamberlain	Curtis	Harding	Husting
Chilton	Dillingham	Hardwick	James

Jones	Myers	Sheppard	Swanson
Kenyon	Oliver	Sherman	Taggart
Kern	Overman	Shields	Thomas
Lane	Penrose	Simmons	Underwood
Lee, Md.	Phelan	Smith, Ariz.	Vardaman
Lewis	Pomerene	Smoot	Wadsworth
McCumber	Saulsbury	Sterling	Weeks
Martin, Va.	Shafroth	Stone	Williams

The VICE PRESIDENT. Forty-eight Senators have answered to the roll-call. There is a quorum present. The pending question is on agreeing to the committee amendment, on which the yeas and nays have been ordered. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. GALLINGER (when his name was called). Making the same transfer as on the last roll call, I vote "yea."

Mr. KERN (when his name was called). On this question I am paired with the senior Senator from California [Mr. WORKS]. If I were at liberty to vote, I would vote "yea," and if he were present he would vote "nay."

Mr. OVERMAN (when his name was called). I again announce my pair with the junior Senator from Wyoming [Mr. WARREN], and withhold my vote.

Mr. SAULSBURY (when his name was called). Has the junior Senator from Rhode Island [Mr. COLT] voted?

The VICE PRESIDENT. He has not.

Mr. SAULSBURY. I have a pair with that Senator, and therefore withhold my vote.

Mr. SHAFROTH (when his name was called). I transfer my pair with the junior Senator from Washington [Mr. POINDEXTER] to the senior Senator from Louisiana [Mr. RANSDELL], and will vote. I vote "yea."

Mr. SHERMAN (when his named was called). I have a pair with the senior Senator from Kansas [Mr. THOMPSON] and withhold my vote.

Mr. SIMMONS (when his name was called). Announcing the same transfer of my pair as heretofore, I vote "yea."

Mr. SMITH of Georgia (when his name was called). Announcing the same pair, I vote "yea."

Mr. STONE (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. CLARK]. I am not able to obtain a transfer so I withhold my vote.

Mr. THOMAS (when his name was called). Has the senior Senator from North Dakota [Mr. MCCUMBER] voted?

The VICE PRESIDENT. He has not.

Mr. THOMAS. I again withhold my vote on account of my pair with that Senator.

Mr. VARDAMAN (when his name was called). I have a general pair with the junior Senator from Idaho [Mr. BRADY] and withhold my vote. While I am on my feet I desire to announce the absence of the junior Senator from Kentucky [Mr. BECKHAM], who is absent on official business, and is paired with the senior Senator from Delaware [Mr. DU PONT].

The roll call was concluded.

Mr. DILLINGHAM (after having voted in the affirmative). I have already voted; but I observe that the senior Senator from Maryland [Mr. SMITH], with whom I have a pair, has not voted. I transfer that pair to the junior Senator from Nebraska [Mr. NORRIS] and will allow my vote to stand.

Mr. REED. I transfer my pair with the senior Senator from Michigan [Mr. SMITH] to the senior Senator from Nevada [Mr. NEWLANDS] and vote "yea."

Mr. BRYAN. I have a pair with the junior Senator from Michigan [Mr. TOWNSEND] which I transfer to the junior Senator from Tennessee [Mr. SHIELDS] and will vote. I vote "yea."

Mr. CURTIS. I was requested to announce the following pairs:

The Senator from Connecticut [Mr. BRANDEGEE] with the Senator from Arkansas [Mr. ROBINSON];

The Senator from Idaho [Mr. BORAH] with the Senator from Tennessee [Mr. LEA];

The Senator from New Mexico [Mr. CATRON] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from North Dakota [Mr. GRONNA] with the Senator from Maine [Mr. JOHNSON];

The Senator from Rhode Island [Mr. LIPPITT] with the Senator from Montana [Mr. WALSH]; and

The Senator from Utah [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. CLARKE].

Mr. CHILTON. I voted "yea" in order to make a quorum, notwithstanding my pair with the Senator from New Mexico [Mr. FALL].

The roll call resulted—yeas 41, nays 4, as follows:

YEAS—41.

Ashurst	Harding	Myers	Smoot
Bankhead	Hardwick	Oliver	Sterling
Bryan	Hitchcock	Penrose	Swanson
Chamberlain	Hughes	Pomerene	Taggart
Chilton	Husting	Reed	Underwood
Culberson	James	Shafroth	Wadsworth
Cummins	Kenyon	Sheppard	Weeks
Curtis	Lee, Md.	Simmons	Williams
Dillingham	McLean	Smith, Ariz.	
Fletcher	Martin, Va.	Smith, Ga.	
Gallinger	Martine, N. J.	Smith, S. C.	

NAYS—4.

Jones	Lane	Phelan	Pittman

NOT VOTING—50.

Beckham	Gore	Newlands	Smith, Mich.
Borah	Gronna	Norris	Stone
Brady	Hollis	O'Gorman	Sutherland
Bandegee	Johnson, Me.	Overman	Thomas
Broussard	Johnson, S. Dak.	Owen	Thompson
Catron	Kern	Page	Tillman
Clapp	La Follette	Poindexter	Townsend
Clark, Wyo.	Lea, Tenn.	Ransdell	Vardaman
Clarke, Ark.	Lewis	Robinson	Walsh
Colt	Lippitt	Saulsbury	Warren
du Pont	Lodge	Sherman	Works
Fall	McCumber	Shields	
Goff	Nelson	Smith, Md.	

The VICE PRESIDENT. On the question of agreeing to the committee amendment the yeas are 41, the nays are 4, Senators KERN, OVERMAN, SAULSBURY, SHERMAN, THOMAS, LEWIS, VARDAMAN, and STONE being in the Chamber and not voting. The amendment is agreed to.

HIGH COST OF LIVING.

Mr. GALLINGER. Mr. President, I desire to occupy a very few minutes in the discussion of an important matter.

The Democratic National Convention held in Baltimore in June, 1912, adopted the following plank, which became a part of the platform on which Prof. Woodrow Wilson was elected to the Presidency of the United States:

> The high cost of living is a serious problem in every American home. The Republican Party, in its platform, attempts to escape from responsibility for present conditions by denying that they are due to a protective tariff. We take issue with them on this subject, and charge that excessive prices result in a large measure from the high tariff laws enacted and maintained by the Republican Party and from trusts and commercial conspiracies fostered and encouraged by such laws, and we assert that no substantial relief can be secured for the people without import duties on the necessaries of life are materially reduced and these criminal conspiracies broken up.

Four years have elapsed since that declaration was made, and it is interesting to note what the result has been under the operations of the near free-trade law of the Democratic Party enacted October 3, 1913.

I have taken the trouble to have a table prepared by the Bureau of Labor Statistics of the Department of Labor, showing the relative retail prices of 15 of the principal articles of food in June of each year, 1912 to 1916, inclusive. To form a basis for the table the price for June, 1912, is placed at 100, and the price for each succeeding year is figured accordingly.

It will be observed that in June, 1913, there was a considerable increase in the entire list, with the exception of flour, corn meal, potatoes, and sugar. In June, 1914, there was also a considerable increase in everything except the four articles above mentioned, with butter added. In 1915 every article in the list, with the single exception of potatoes, also increased over June, 1912, while in June, 1916, there is a very large increase over any of the preceding years.

A careful calculation shows that with 100 as a basis for 1912 the 1916 percentage is 114, or an increase of 14 per cent in the cost of the combined articles since the date of the declaration in the Democratic platform.

I beg to request that the table be inserted at this point without reading.

The VICE PRESIDENT. Without objection, it is so ordered.

The table referred to is as follows:

Month and year.	Sirloin steak.	Round steak.	Rib roast.	Pork chops	Bacon, smoked.	Ham, smoked.	Lard, pure.	Hens.	Eggs, strictly fresh.	Butter, creamery.	Milk, fresh.	Flour, wheat.	Corn meal.	Potatoes, Irish.	Sugar granulated.
June, 1912	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
June, 1913	109	109	103	110	112	112	107	109	105	104	103	92	95	61	84
June, 1914	110	114	105	114	111	110	104	110	106	100	103	91	99	77	81
June, 1915	110	113	104	109	111	106	102	105	101	103	102	118	104	58	109
June, 1916	120	126	115	121	119	120	116	122	113	109	103	107	104	98	138

Mr. GALLINGER. The increases in cost of these articles of necessity in every American household were certainly not affected in price by the European war prior to June, 1914, and as the imports from Canada of food products since that time have been the largest in our history, it is equally evident that war conditions have had no substantial influence in adding to the high cost of living, the Democratic claim being that placing foodstuffs on the free list, as was done in the Underwood-Simmons tariff law, would greatly reduce their cost to the American people, another instance of the fallacy of Democratic reasoning on economic questions.

ATTENDANCE OF ABSENT SENATORS.

Mr. KERN. Before proceeding with the revenue bill I desire to present a resolution, and ask unanimous consent for its immediate consideration.

Mr. PENROSE. Let it be read subject to objection.

The resolution (S. Res. 259) was read, as follows:

Resolved, That it is the sense of the Senate that in the present emergency every Member of this body not excused on account of illness should be in attendance upon his duties, and that the Sergeant at Arms be instructed to forward a copy of this resolution to each absent Senator.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

The resolution was considered by unanimous consent and agreed to.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. JAMES. I desire to offer a proposed amendment that it may be printed in the RECORD and lie on the table to be called up at the proper time.

The amendment was ordered to lie on the table and to be printed, and to be printed in the RECORD, as follows:

On page 144, after section 102a, add the following as a new section:

"SEC. 102b. That whenever during the existence of a war in which the United States is not engaged the President shall be satisfied that there is reasonable ground to believe that under the laws, regulations, or practices of any country, colony, or dependency, contrary to the law and practice of nations, the importation into their own or any other country, dependency, or colony of any article the product of the soil or industry of the United States and not injurious to health or morals is prevented or restricted, the President is authorized and empowered, within his discretion, to prohibit or restrict during the period such prohibition or restriction is in force the importation into the United States of similar articles; or, in case the United States does not import similar articles from that country, then other articles, products of such country, dependency, or colony, as in his opinion the public interest may require; and in such case he shall make proclamation stating the article or articles which are prohibited from importation into the United States; and any person or persons who shall import, or attempt or conspire to import, or be concerned in importing, such article or articles into the United States contrary to the prohibition in such proclamation shall be liable to a fine of not less than $2,000 or more than $50,000 or to imprisonment not to exceed two years, or both, in the discretion of the court. The President may change, modify, revoke, or renew such proclamation, in his discretion."

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 87, line 13, after the word "than," to strike out "24" and insert "21"; in line 14, after the word "alcohol," to insert "by volume"; and in line 15, after the word "accordingly," to strike out "*Provided*, That on all unsold still wines in actual possession of the producer at the time this title takes effect, upon which the tax imposed by the act approved October 22, 1914, entitled 'An act to increase the internal revenue, and for other purposes,' and the joint resolution approved December 17, 1915, entitled 'Joint resolution extending the provisions of the act entitled "An act to increase the internal revenue, and for other purposes," approved October 22, 1914, to December 31, 1916,' has been assessed, the tax so assessed shall be abated, or, if paid, refunded under such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe," so as to make the clause read:

All such wines containing more than 21 per cent of absolute alcohol by volume shall be classed as distilled spirits and shall pay tax accordingly.

The amendment was agreed to.

The next amendment was, on page 88, line 9, after the word "this," to strike out "title" and insert "section"; on page 89, line 3, before the word "removed," to insert "otherwise"; and in line 6, after "and," to insert "to," so as to make the clause read:

(b) That the taxes imposed by this section shall be paid by stamp on removal of the wines from the customhouse, winery, or other bonded place of storage for consumption or sale, and every person hereafter producing, or having in his possession or under his control when this section takes effect, any wines subject to the tax imposed in this section shall file such notice, describing the premises on which such wines are produced or stored; shall execute a bond in such form; shall make such inventories under oath; and shall, prior to sale or removal for consumption, affix to each cask or vessel containing such wine such marks, labels, or stamps as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may from time to time prescribe; and the premises described in such notice shall, for the purpose of this section, be regarded as bonded premises. But the provisions of this subdivision of this section, except as to payment of tax and the affixing of the required stamps or labels, shall not apply to wines held by retail dealers, as defined in section 3244 of the Revised Statutes of the United States, nor, subject to regulations prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall the tax imposed by this section apply to wines produced for the family use of the producer thereof and not sold or otherwise removed from the place of manufacture and not exceeding in any case 200 gallons per year. The Commissioner of Internal Revenue is hereby authorized to have prepared and to issue such stamps denoting payment of the tax imposed by this section as he may deem requisite and necessary; and until such stamps are provided the taxes imposed by this section shall be assessed and collected as other taxes are assessed and collected, and all provisions of law relating to assesssment and collection of taxes, so far as applicable, are hereby extended to the taxes imposed by this section.

The amendment was agreed to.

The next amendment was, on page 89, line 23, after the words "tax of," to strike out "10" and insert "55," so as to read:

(c) That under such regulations and official supervision and upon the giving of such notices, entries, bonds, and other security as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe, any producer of wines taxable under the provisions of this section may withdraw from any fruit distillery or special bonded warehouse grape brandy or wine spirits for the fortification of such wines on the premises where actually made: *Provided*, That there shall be levied and assessed against the producer of such wines a tax of 55 cents per proof gallon of grape brandy or wine spirits so used by him in the fortification of such wines during the preceding month, which assessment shall be paid by him within 90 days from the date of notice thereof: *Provided further*, That nothing herein contained shall be construed as exempting any wines, cordials, liqueurs, or similar compounds from the payment of any tax provided for in this section.

That sections 42, 43, and 45 of the act of October 1, 1890, as amended by section 68 of the act of August 27, 1894, are further amended to read as follows.

The amendment was agreed to.

The reading was continued to line 2, on page 91.

Mr. HUGHES. I desire to offer a verbal amendment, a formal amendment. On page 89, line 18, I move to strike out the word "taxable" and insert the word "defined."

The amendment was agreed to.

Mr. HUGHES. On the same page, line 19, after the word "section," I move to insert the words "or section 53 of this act." It is in the interest of clarity.

The amendment was agreed to.

The reading was continued to line 7, on page 92.

Mr. POMERENE. I desire to call the attention of the Senator who has charge of this branch of the bill——

Mr. HUGHES. I wish the Senator would wait until the Secretary finishes the reading of the section. I have some amendments to offer.

Mr. POMERENE. I was simply going to call attention to the two provisos which the Secretary has read and to ask the Senator a question. This seems to define the amount of sugar which may be added and provides also that the addition of water shall be "under such regulations and limitations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may from time to time prescribe." Is not that inconsistent with the amendment which the Senator offered and which was adopted?

Mr. HUGHES. This applies to sweet wines; the other applied to dry wine.

Mr. POMERENE. I was not clear about it and simply wanted to call attention to it.

Mr. HUGHES. I do not think there is any inconsistency. This is the way the department wishes it. Let the Secretary read the rest of the section.

The Secretary read to line 17, page 92.

Mr. HUGHES. On page 91, line 19, after the words "dextrose sugar," I move to insert the words "containing, respectively, not less than 95 per cent of actual sugar calculated on a dry basis."

I offer this amendment on the suggestion of the Agricultural Department to define sugar in terms rather than to let it remain as described in the bill.

The amendment was agreed to.

Mr. HUGHES. On page 92 of the same section, I move to strike out the words "so used" and to insert the words "added for sweetening purposes." This amendment is simply formal and in the interest of clarity.

The amendment was agreed to.

Mr. HUGHES. On the same page, line 5, I move to strike out the words "and limitation," so that it will read "under such regulations as the Commissioner of Revenue," and so forth.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment was, on page 94, line 19, after the word "premises," to insert "or from said premises to other bonded premises: *Provided*, That not more than one such additional removal shall be allowed," so as to make the clause read:

(d) That under such regulations and upon the execution of such notices, entries, bonds, and other security as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe, domestic wines subject to the tax imposed by this section may be removed from the winery where produced, free of tax, for storage on other bonded premises, or from said premises to other bonded premises: *Provided*, That not more than one such additional removal shall be allowed, or for exportation from the United States or for use as distilling material at any regularly registered distillery: *Provided, however*, That the distiller using any such wine as material shall, subject to the provisions of section 3309 of the Revised Statutes of the United States, as amended, be held to pay the tax on the product of such wines as will include both the alcoholic strength therein produced by fermentation and that obtained from the brandy or wine spirits added to such wines at the time of fortification.

The amendment was agreed to.

The next amendment was, on page 95, line 7, after the word "liqueurs," to insert "cordials"; in the same line, before the word "compounds," to insert "similar"; and, in line 8, before the word "takes," to strike out "title" and insert "section," so as to make the clause read:

(e) That upon all domestic and imported sparkling wines, liqueurs, cordials, and similar compounds remaining in the hands of dealers when this section takes effect, or thereafter removed from the place of manufacture or storage for sale or consumption, there shall be levied and paid, by stamp, taxes as follows:

The amendment was agreed to.

The next amendment was, on page 95, line 16, after the word "wine," to strike out "1 cent" and insert "2½ cents," so as to make the clause read:

On each bottle or other container of artificially carbonated wine, 2½ cents on each one-half pint or fraction thereof.

The amendment was agreed to.

Mr. CUMMINS. I ask unanimous consent to present certain proposed amendments to the bill under consideration for the purpose of having them printed and lie on the table.

The VICE PRESIDENT. That order will be made.

Mr. CUMMINS. While I am on my feet I desire to give notice that some time to-morrow, if opportunity offers, I shall submit some observations upon further legislation on the strike problem.

Mr. THOMAS. Will the Senator from New Jersey permit me to make a clerical correction in the income-tax schedule?

Mr. HUGHES. Of course, I yield to the Senator for that purpose.

Mr. THOMAS. On page 62, line 4, occur the words "section 103." The section is 30 of this bill. I move to substitute "30" for "103."

The SECRETARY. On page 62, line 4, strike out "103" and insert "30," so as to read "as provided in section 30, is hereby imposed," and so forth.

The amendment was agreed to.

The next amendment was, on page 95, line 19, before the word "compounds," to insert "or similar"; in the same line, after the word "compounds," to strike out "or preparations containing distilled spirits of" and insert "by whatever name sold or offered for sale, containing sweet"; in line 21, after the word "wine," to insert "fortified with grape brandy under the provisions of paragraph (c) of this section"; and in line 23, after the word "thereof," to insert "not containing such sweet wines, three-fourths of 1 cent on each one-half pint or fraction thereof," so as to make the clause read:

On each bottle or other container of liqueurs, cordials, or similar compounds, by whatever name sold or offered for sale, containing sweet wine, fortified with grape brandy under the provisions of paragraph (c) of this section, 1½ cents on each one-half pint or fraction thereof; not containing such sweet wines, three-fourths of 1 cent on each one-half pint or fraction thereof.

Mr. POMERENE. Mr. President, I send to the desk an amendment which I desire to offer.

The SECRETARY. On page 95, beginning in line 23, it is proposed to strike out "not containing such sweet wines, three-fourths of 1 cent on each one-half pint or fraction thereof."

The VICE PRESIDENT. A negative vote on the amendment of the committee will accomplish the Senator's purpose.

Mr. POMERENE. Yes; I think that is true. The same question would be presented by a vote on the Senate committee amendment. I simply desire to say in opposition to the amendment proposed by the committee that the words in italics, "not containing such sweet wines, three-fourths of 1 cent on each one-half pint or fraction thereof," apply to cordials which are made out of spirits.

Mr. HUGHES. I will ask the Senator what his amendment is? What does he propose?

Mr. POMERENE. The amendment is to strike out the words in italics, or, to express it in another way, to disagree to the committee amendment for this reason: These spirits are taxed at $1.10 a gallon. I have no objection to that at all, but we provide here that certain grape brandies, and so forth, shall be taxed only 55 cents a gallon.

This tax of three-fourths of 1 cent on each half pint or fraction thereof amounts to a supertax over and above the $1.10 per gallon. It seems to me we ought to equalize these burdens and bring the tax on all these spirits up to $1.10 before we add a supertax. That is my objection to the amendment.

EXECUTIVE SESSION.

Mr. STONE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 30 minutes spent in executive session, the doors were reopened.

REAL AND PERSONAL PROPERTY IN PORTO RICO.

During the executive session the Senate adopted a resolution advising and consenting to the extension and application to the island of Porto Rico of the terms of a convention between the United States and Great Britain signed March 2, 1899, regarding the tenure and disposition of real and personal property, in accordance with the report by the Secretary of State transmitted to the Senate by the President of the United States April 12, 1916, and on motion by Mr. STONE the injunction of secrecy was removed from the same.

PROTECTION OF MIGRATORY BIRDS.

During the executive session the Senate adopted a resolution advising and consenting to the ratification of a convention between the United States and Great Britain, Executive Document E, providing for the protection of migratory birds in the United States and Canada, signed at Washington August 16, 1916, and on motion by Mr. O'GORMAN the injunction of secrecy was removed from the same.

RECESS.

Mr. KERN. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 5 o'clock and 55 minutes p. m.) the Senate took a recess until to-morrow, Wednesday, August 30, 1916, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 29, 1916.

CONSULS.

CLASS 6.

Henry D. Baker, of Illinois, lately commercial attaché at Petrograd, to be a consul of class 6 of the United States of America.

William F. Doty, of New Jersey, now a consul of class 7, to be a consul of class 6 of the United States.

Joseph E. Haven, of Illinois, now a consul of class 7, to be a consul of class 6 of the United States.

CLASS 7.

William L. Avery, of Montana, now a consul of class 8, to be a consul of class 7 of the United States.

Charles M. Hathaway, jr., of Pennsylvania, now a consul of class 8, to be a consul of class 7 of the United States.

CLASS 8.

Frank Anderson Henry, of Delaware, now a consul of class 9, to be a consul of class 8 of the United States.

Edwin Carl Kemp, of Florida, now a consul of class 9, to be a consul of class 8 of the United States.

CLASS 9.

Arthur A. McLean, jr., of New York City, to be a consul of class 9 of the United States.

Addison E. Southard, of Louisville, Ky., to be a consul of class 9 of the United States.

FIRST ASSISTANT POSTMASTER GENERAL.

John C. Koons, of the District of Columbia, to be First Assistant Postmaster General, vice Daniel C. Roper, resigned.

POSTMASTERS.

GEORGIA.

Walter K. Kimbrough to be postmaster at Talbotton, Ga., in place of E. H. McGehee, resigned.

IOWA.

Emmett S. Armstrong to be postmaster at Nevada, Iowa, in place of J. M. Bricker, resigned.

Thomas Carmody to be postmaster at Whittemore, Iowa, in place of Thomas J. White, resigned.

Park Homan to be postmaster at Prescott, Iowa, in place of George O. Booth, deceased.

KENTUCKY.

Eunice D. Taylor to be postmaster at Greenup, Ky., in place of James Dickey McCoy, resigned.

LOUISIANA.

Clara L. Wells to be postmaster at Colfax, La., in place of Thomas M. Wells. Incumbent's commission expired June 12, 1916.

MASSACHUSETTS.

James W. T. Davis to be postmaster at Amherst, Mass., in place of Clara S. Hill. Incumbent's commission expired December 20, 1915.

MICHIGAN.

John F. McEvoy to be postmaster at Onaway, Mich., in place of Orlando Steele, resigned.

MISSISSIPPI.

Ollie R. Freeman to be postmaster at Picayune, Miss., in place of Dora E. Tate, resigned.

Nellie Lide to be postmaster at Lumberton, Miss., in place of Nellie Lide. Incumbent's commission expired April 17, 1916.

MONTANA.

Frank P. Byrne to be postmaster at Three Forks, Mont., in place of Henry A. Paddock, resigned.

Willard P. Willis to be postmaster at Plains, Mont., in place of H. L. Coulter. Incumbent's commission expired February 17, 1913.

NEW JERSEY.

John H. Mylod to be postmaster at Glen Ridge, N. J., in place of William R. Poe. Incumbent's commission expired August 16, 1916.

PENNSYLVANIA.

Thomas H. McKlveen to be postmaster at Trafford, Pa., in place of S. O. Bender, resigned.

SOUTH DAKOTA.

E. J. Dunn to be postmaster at Bryant, S. Dak., in place of Harry L. Stearns. Incumbent's commission expired April 5, 1916.

Julius Palmer to be postmaster at Gary, S. Dak., in place of James R. Fonger, removed.

TEXAS.

Alvah F. Ferguson to be postmaster at Belton, Tex., in place of F. W. Guffy. Incumbent's commission expired August 23, 1916.

John M. Hill to be postmaster at Cooledge, Tex., in place of John M. Hill. Incumbent's commission expired August 23, 1916.

Mrs. A. M. Miller to be postmaster at Baird, Tex., in place of G. R. McManis. Incumbent's commission expired August 23, 1916.

Jennie Reynolds to be postmaster at Mason, Tex., in place of B. W. Bridges. Incumbent's commission expired August 23, 1916.

WEST VIRGINIA.

Jesse E. Lavelle to the postmaster at Tunnelton, W. Va., in place of William G. Lavelle, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 29, 1916.

PROMOTIONS IN THE ARMY.

SIGNAL CORPS.

Lieut. Col. Samuel Reber to be colonel.
Maj. Charles McK. Saltzman to be lieutenant colonel.
Capt. Charles S. Wallace to be major.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

Ensign Carl K. Martin to be a lieutenant (junior grade).

The following-named ensigns to be lieutenants (junior grade):

Charlie P. McFeaters.
William B. Jupp.
Ellsworth Davis.
Roy Pfaff.
Tunis A. M. Craven.
Arthur W. Dunn, jr.
Horace W. Pillsbury.
Franklin B. Conger, jr.

Asst. Surg. John Buckley to be a passed assistant surgeon.

Asst. Civil Engineer Ralph Whitman to be a civil engineer.

Asst. Civil Engineer Gaylord Church to be an assistant civil engineer with rank of lieutenant (junior grade).

Boatswain Franklin E. Chester to be a chief boatswain.

The following-named citizens to be assistant surgeons in the Medical Reserve Corps:

Jaques C. Rushmore.
Gordon Gibson.

SURVEYOR GENERAL.

Edward Hedden to be surveyor general of Idaho.

REGISTER OF LAND OFFICE.

William Edward Byerly to be register of the land office at Williston, N. Dak.

HOUSE OF REPRESENTATIVES.

TUESDAY, *August 29, 1916.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven, teach us wisdom in the use of the gifts which Thou hast bestowed upon us as intellectual and moral beings gifted with the power of choice, the crowning glory of man if he shall harmonize his thoughts and deeds with the eternal laws which Thou hast ordained. Hence we pray for a deeper, wider use of that quality which for a better name we call common sense, that truth, justice, and liberty may obtain in the affairs of men that they may conserve their energy by abstaining from things harmful and use it in the promotion of the things which make for righteousness, and Thine be the praise through Him who taught us how to live in peace and harmony. Amen.

The Journal of the proceedings of Friday, August 25, 1916, was read and approved.

TICKETS OF ADMISSION TO HOUSE GALLERIES.

The SPEAKER. With the consent of the House the Chair would like to make an announcement. The news came so late this morning—the Chair never heard of it until about half past 10 o'clock—that the President wanted to come over here at 2.30 and address the Senate and House that the Doorkeeper had no earthly chance to have new tickets printed or to send them through the mail, so after consultation he concluded he would take a lot of old tickets and put some kind of stamp on them so as to be recognized; but there is no chance to send them through the mail, and Members can get their tickets from the Doorkeeper out in the House lobby. That is the best we knew how to do.

JOINT SESSION OF THE HOUSE AND SENATE.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution which I send to the Clerk's desk.

The SPEAKER. The gentleman from North Carolina asks unanimous consent for the immediate consideration of the resolution, which the Clerk will report.

The Clerk read as follows:

House concurrent resolution 56.

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Tuesday, the 29th day of August, 1916, at 2 o'clock and 30 minutes in the afternoon for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

Mr. KITCHIN. Mr. Speaker, I move the adoption of the resolution.

The question was taken, and the resolution was agreed to.

FISCAL RELATIONS BETWEEN THE DISTRICT OF COLUMBIA AND THE UNITED STATES.

Mr. JOHNSON of Kentucky. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. The gentleman from Kentucky asks unanimous consent to address the House for 10 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. JOHNSON of Kentucky. Mr. Speaker: Several years ago, while making some remarks upon the floor of the House concerning the fiscal relations between the District of Columbia and the United States, I made the statement that I was satisfied that large sums of money were owing to the United States on account of several institutions in the District of Columbia.

Upon being asked what, in my opinion, such indebtedness, if it existed at all, would amount to, I replied in substance that I had not gone sufficiently deep into the matter to even approximate a correct sum, but I thought the amount was as much as a million dollars.

I can look back now and see upon the faces even of some of the Members of this body expressions which betrayed their lack of sympathy with me when I made the declaration. I suspected then and ascertained afterwards that many of those who heard

the statement could not but believe that I was mistaken, while the expression and side remarks of others indicated a lack of sympathy with me in my declared undertaking to cause the United States to be reimbursed.

The Washington papers for weeks and weeks after this declaration belittled me for making the assertion that public officials, through so many years, would permit the United States to be cheated year after year out of so much money. One of the Washington papers tauntingly invited me to crack my whip and go ahead, saying that all I could find could be placed under the nail of the little finger of a child. Those taunts did nothing more nor less than to encourage me in the prosecution of the work upon which I then declared my intention of entering.

In those remarks I expressed the opinion that large sums of money were owing to the United States on account of the Federal lunatic asylum located in the District of Columbia, in which institution, by special act of Congress, resident lunatics of the District of Columbia might be confined and treated. Within a very short time after I commenced this agitation the superintendent of the lunatic asylum came to the Capitol, went before the committee handling the affairs of the District of Columbia and admitted that there was uncollected and owing to the Federal lunatic asylum of which he was the principal officer the enormous sum of $719,536.09. That indebtedness first commenced in 1879 and, year by year, grew to the sum just referred to.

As I have said, the superintendent of that institution, after this agitation had been started by me, came and acknowledged that nearly three-quarters of a million dollars were owing to that institution, yet neither he nor any of his predecessors in office had taken the necessary steps to have any part of the money collected.

Notwithstanding the admission of the failure to collect the large sum which I have just named, I believed that more money was then yet due to the United States on account of that institution, and prosecuted my research into its accounts. That research finally disclosed that, in addition to the sum of $719,536.09 just referred to, there was owing to the United States the sum of $282,574.26. Those two sums amounted to $1,002,290.35.

I am glad to report that that amount of money has been collected on account of the unpaid balances due the Federal lunatic asylum and has been paid into the Treasury of the United States.

In 1874 the District of Columbia was authorized to issue $15,000,000 worth of bonds, which have come to be known as "the 3.65 bonds." Upon another occasion than the one just referred to relative to the lunatic asylum, I stated it as my opinion that the holders of these bonds had improperly collected interest upon these bonds from the United States without any subsequent adjustment being made.

Again I was ridiculed by the Washington papers and held up as a laughingstock not only to the local community but to Congress and to the Nation for making a statement which they said was so ridiculously preposterous. However, neither their taunts, their derision nor their belittling of me caused me to hesitate. As in former instances their mean censure acted as an incentive and spurred me on to establish the truth of my assertions.

Day after day, week after week, and month after month, through the long hours of many nights I went through records which were black with the dirt of years with the view of getting the information upon which to make my assertions indisputable. At last I arrived at the conclusion that the amount of $1,003,257.24 had been wrongfully collected by the holders of these bonds from the Treasury of the United States without any subsequent adjustment being made.

Turn where I would in my efforts to have this money collected I met but little encouragement. Thereupon I went to Mr. McAdoo, Secretary of the Treasury. In turn he referred me to one of the Assistant Secretaries of the Treasury by whom, I am sorry to say, I was not encouraged. Again I went back to the Secretary of the Treasury and told him how futile my endeavors had been toward finding anyone in authority who would render me the slightest assistance. Upon this visit, instead of referring me to another, he himself heard my statement of the entire matter and exhibited much interest in it. He then detailed an expert accountant from the Treasury Department to go over the figures which I had submitted for the purpose of ascertaining whether or not they were correct. In the course of time that accountant reported that my figures were correct, but declined to express an opinion as to the legality of the payments which had been made. However, it was not his opinion upon the legal phase of the situation which I desired.

Again I visted Secretary McAdoo and he then referred the matter to the Comptroller of the Treasury for the purpose of having the legal status determined. This official, too, had my figures verified. Then he went into the legal aspect of it. After he had laid down the false premises of treating the act of June 11, 1878 as retrospective, when it is entirely prospective, he decided that one-half of the said interest had been properly paid out of the United States Treasury and that the United States had been wrongfully deprived of the other one-half thereof. The one-half which the comptroller held the United States had been wrongfully deprived of amounted to $586,067.22. This last-named amount has since been collected and paid into the Treasury of the United States.

Later along another howl went up from the Washington newspapers and those upon the floor of the House who were more the friends of the people in the District of Columbia than of the people who sent them here, when I made the statement upon the floor of the House that the rentals from the Washington Market Co., while rightfully due to the United States, had improperly been withheld from the United States.

Again, Secretary McAdoo, with approving interest, heard my statement relative to the claim that the rents from the Washington Market Co. belonged to the United States. Upon my request he referred this matter also to the Comptroller of the Treasury for decision.

Just here it may be well to say that the act of Congress approved May 20, 1870, creating the Washington Market Co., provided that this company should pay $25,000 a year for the use of a parcel of land in the District of Columbia owned by the United States. Shortly thereafter this rental, by a piece of legislative legerdemain, was reduced from $25,000 per year to $7,500 per year.

Under the provisions of the act of May 20, 1870, the rental was to be used for the relief of the poor of the city of Washington. However, the money was not so used, and the Comptroller of the Treasury held that the act of June 11, 1878 repealed that provision. In accordance with my contention the Comptroller of the Treasury rendered an opinion wherein he held that the rent of that property subsequent to June 11, 1878 should go to the United States. In consequence the sum of $166,012.50 has since been paid into the Treasury of the United States.

The lease under which the Washington Market Co. holds that particular piece of land has some years yet to run. In addition to the $166,012.50 which has already been collected, future rentals, amounting to $202,500, will be paid into the Treasury of the United States, thus making a total of $368,512.50 which has been and which will be collected and paid into the Treasury of the United States on account of the Washington Market Co.

I trust that it will not be thought unbecoming in me to say that without my agitation and investigation of this subject that none of this money would have found its way into the Treasury of the United States.

In looking through musty records for the purpose of establishing these errors against the United States, the records show that other sums due the United States, amounting to $15,588.04, had not been collected and paid into the Treasury of the United States. This sum, also, has now been collected and so paid.

The items which in this way actually have been recovered and paid into the Treasury of the United States as the result of my efforts amount to $1,972,458.11.

I now wish to make the statement, even though it raise another storm of indignation from the favored classes in the District of Columbia, that more than $200,000 is due to the United States because of fines and forfeitures which have been collected in the District of Columbia for violations of United States laws, which have not been paid into the Treasury of the United States.

In Kentucky and in every other State the fines for violations of United States statutes are paid into the Treasury of the United States and not into the treasury of the State. I contend that this same rule holds good in the District of Columbia. Later along I hope to be able to establish the correctness of the statement which I now make.

In addition to that I feel reasonably certain that when the figures and facts have been ascertained I will be able to lay my finger upon another item amounting to $125,000 which should have been paid into the Treasury of the United States years ago, but which has not been so paid.

I make this statement not only for the purpose of rendering an account of my stewardship to those who have sent me to Congress but also for the benefit of the Members of this body. Year after year this membership has seen me derided, vilified,

abused and belittled for the work which I have undertaken; and, even though my efforts in the future to see that the Treasury of the people of the United States gets its just dues should bring no valuable results, I feel that what has been done in the past has far more than vindicated every claim that I have made, and that the expectations of the House in making me chairman of the Committee on the District of Columbia have been fulfilled.

I hope not to be charged with violating becoming modesty when I say that during the time I have been in Congress I have, in my humble way, participated in all of the legislation of the body; and, in addition thereto, I have, as an individual, succeeded in accomplishing that which I have just recited.

If I can have substantial cooperation from this membership instead of having obstacles put in my way by some of them I shall have another favorable report to make of large amounts of money collected for the Federal Treasury. [Applause.]

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed without amendment bill of the following title:

H. R. 17375. An act to amend an act entitled "An act to provide for an enlarged homestead," approved June 17, 1910.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13391) to amend the act approved December 23, 1913, known as the Federal reserve act, by adding a new section.

The message also announced that the Senate had passed without amendment bill of the following title:

H. R. 13926. An act to amend an act entitled "An act to provide for the appointment of a district judge, district attorney, and marshal for the western district of South Carolina, and for other purposes," approved March 3, 1915, so as to provide for terms of the district court to be held at Anderson, S. C.

The message also announced that the Senate had passed with amendment the bill (H. R. 15158) to amend the Judicial Code, to fix the time when the annual term of the Supreme Court shall commence, and further to define the jurisdiction of that court, in which the concurrence of the House of Representatives was requested.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 6369) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of the wars other than the Civil War and to certain widows and dependent relatives of such soldiers and sailors.

The message also announced that the Senate had agreed to the amendments of the House to bill (S. 5496) to amend sections 5 and 6 of an act entitled "An act to authorize the drainage of certain lands in the State of Minnesota," approved May 20, 1908.

The message also announced that the Senate had agreed to the amendment of the House of Representatives to the bill (S. 5103) authorizing and directing the Secretary of War to lease to Charleston-Dunbar Traction Co. a certain strip or parcel of land owned by the United States Government on the Great Kanawha River, in West Virginia.

The message also announced that the Senate had passed without amendment joint resolution of the following title:

H. J. Res. 292. Joint resolution proposing to amend section 2971 of the Revised Statutes of the United States.

The message also announced that the Senate had passed without amendment bill of the following title:

H. R. 17567. An act to authorize the county of Luzerne, State of Pennsylvania, to construct a bridge across the North Branch of the Susquehanna River from the city of Wilkes-Barre, county of Luzerne, Pa., to the borough of Dorranceton, county of Luzerne, Pa.

The message also announced that the President had approved and signed bills of the following titles:

On August 23, 1916:

S. 1781. An act for the relief of Nathaniel Monroe;

S. 1818. An act for the relief of Nelson T. Saunders; and

S. 5425. An act to standardize lime barrels.

On August 24, 1916:

S. 3539. An act for the relief of John L. Moon.

On August 25, 1916:

S. 5202. An act to authorize the maintenance and operation of dams across the St. Croix River at Baileyville and Grand Falls, Me.;

S. 6013. An act to confirm the entry of John Dowd; and

S. 6331. An act authorizing the Secretary of the Interior to issue patent to William H. Ingle for homestead entry in Colorado.

On August 26, 1916:

S. 3533. An act for the relief of Mike G. Wommack.

ENROLLED BILLS SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same.

H. R. 600. An act to validate title to the town site of McCabe, in the State of Montana.

H. R. 10251. An act authorizing the Kansas City & Memphis Railway & Bridge Co. to make settlement with Crittenden County, Ark., and for other purposes; and

H. R. 13835. An act to authorize the county commissioners of Aitkin County, Minn., and the town board of Logan Township, in said county and said State, to construct a bridge across the Mississippi River on the line between sections 26 and 27, township 49 north, range 25 west, fourth principal meridian.

TICKETS OF ADMISSION TO HOUSE GALLERIES.

Mr. LLOYD. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Missouri rise?

Mr. LLOYD. I rise to ask unanimous consent for the presentation of the following resolution.

The SPEAKER. The gentleman from Missouri asks unanimous consent for the present consideration of the resolution which the Clerk will report.

The Clerk read as follows:

House resolution 360.

Resolved, That the Speaker of the House be authorized to deliver 25 tickets to the presidents of railroads and 25 tickets to the representatives of their employees for admission to the galleries to hear the address of the President of the United States this afternoon.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. LLOYD. Mr. Speaker, the presidents of the railroads who have been in the city conferring with the President for several days, and the representatives of their employees who have been here for the same length of time, are very anxious to hear the address of the President this afternoon, and I think it is nothing but fair under the circumstances that this resolution be passed and that the same number of tickets be given to the railroad presidents as are given to the railroads' employees.

Mr. HILL. Mr. Speaker, I believe in absolute fairness and justice. We have had published in the papers the statement the President of the United States made to the managers of the railroads. We have not had published in the papers the statement of the President of the United States to the employees of the railroads, and it seems to me that in order that the House of Representatives may have absolute information on which to act, if they have to act at all, that this paper be also published before action is called for. I merely suggest it as a matter of fairness and justice.

The question was taken, and the resolution was agreed to.

The SPEAKER. The Doorkeeper will attend to these 25 tickets each.

EXTENSION OF REMARKS.

Mr. HARDY. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. The Chair will recognize the gentleman in a moment.

Mr. DOREMUS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting the speech to be delivered by Woodrow Wilson accepting the Democratic nomination for the Presidency on September 2.

The SPEAKER. The gentleman from Michigan asks unanimous consent to extend his remarks in the RECORD by printing a speech to be delivered by President Wilson next Saturday at Shadow Lawn. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, as the gentleman asks leave to extend his remarks that way, in the permanent RECORD this speech will be inserted as of to-day, several days before being delivered.

Mr. DOREMUS. I merely desired permission to extend my remarks in the RECORD. I did not intend to insert it until after it is delivered.

Mr. MANN. I know; but under the gentleman's request in the permanent RECORD it would be inserted as of to-day. I think the gentleman should ask unanimous consent that he have leave to extend his remarks in the RECORD, so it will appear in the permanent RECORD some time next week. I would hate to see the speech printed in the RECORD several days before it is delivered.

Mr. DOREMUS. That is entirely satisfactory.

Mr. MANN. I would hate to see the speech printed in the RECORD several days before it is delivered.

Mr. DOREMUS. I will say to the gentleman from Illinois that there is no intention on my part to have the speech inserted before it is delivered.

Mr. MANN. In the permanent RECORD, under the request that the gentleman made, it would be shown that it was inserted several days before it was delivered.

Mr. DOREMUS. It means that it is to be inserted in the permanent RECORD, Mr. Speaker.

The SPEAKER. Is there objection?

There was no objection.

Mr. ADAMSON. Mr. Speaker——

The SPEAKER. The Chair agreed to recognize the gentleman from Texas [Mr. HARDY].

Mr. ADAMSON. I just want one minute before the House forgets about what the gentleman from Connecticut [Mr. HILL] said, and the gentleman from Texas [Mr. HARDY] agrees that I may be recognized for that purpose.

The SPEAKER. The gentleman from Texas did not have the power to recognize the gentleman.

Mr. ADAMSON. I ask the Speaker to concur in the acquiescence of the gentleman from Texas.

The SPEAKER. Does the gentleman from Texas yield?

Mr. HARDY. Yes.

Mr. ADAMSON. I failed to secure the eye of the Speaker in time to fit in and dove-tail right, but I want to say before the House forgets it, in reply to the gentleman from Connecticut [Mr. HILL], that the President made substantially the same proposition, the same speech, to both bodies, and I understand he intends to disclose in his address to us to-day what he said to both sides, to the railroad presidents and to the representatives of the brotherhoods, substantially, and that he has nothing to conceal from either. The cards will all be laid upon the table in the way that a good Presbyterian ought to play cards—if a good Presbyterian will play cards [laughter]—and the facts will all be open to the public.

Mr. HARDY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Texas [Mr. HARDY] asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

EX-GOV. COLQUITT.

Mr. HARDY. Mr. Speaker, in December, 1914, Mr. Colquitt, the then governor of Texas, issued an interview which was a blast of denunciation of the President and his administration. That interview was published in all the Republican papers, and it was inserted gleefully and gloatingly in the RECORD by a Republican Member of Congress. I took occasion to reply almost immediately to the interview when it was inserted in the RECORD, and denounced it as not representing the sentiment of the people of Texas.

That governor took occasion to run for the Senate of the United States in the State of Texas, and in the first primary, on July 22, in which there were six contending candidates, he had a plurality, and that fact was proclaimed all over the country by the Republicans as showing or tending to show that the national Democratic administration was not approved by the Democracy of Texas. But a second primary was had, when there were only two candidates in the field. That primary was held last Saturday. I have a clipping from the Washington Post of yesterday, which says that—

> In the Texas primaries in July former Gov. Colquitt ran ahead of Senator CULBERSON for United States Senator. In the election just held, Mr. CULBERSON has badly defeated Mr. Colquitt. The latter has lost every large city and every large county, and has carried only 23 of the 256 counties of the State. It is estimated that the final vote will stand: CULBERSON, 177,000; Colquitt, 102,000.

In that primary the candidate who was denouncing the administration of the President was supported by a strong organization. His attack on the administration was withdrawn, except in two particulars.

He failed further to repeat his attack on the tariff bill, or on the Federal reserve act, and on the Federal Trade Commission and on other features of the Democratic administration. He tried to ignore and have the people ignore every other criticism he had made, and he narrowed his attack in the last of his campaign for the Senate practically down to the criticism of our Mexican policy and to his charge that the Secretary of the Treasury had done nothing to aid our people in 1914 when he could by furnishing money to the Texas banks, have prevented the calamity of 6-cent cotton. Upon that charge some of our people in Texas were fooled, but as a matter of fact, the Secretary of the Treasury, had furnished to the bankers of Texas all the currency they had asked for. I know this because I helped some of them get the currency.

Mr. MOORE of Pennsylvania. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Texas yield to the gentleman from Pennsylvania?

Mr. HARDY. I will.

Mr. MOORE of Pennsylvania. Is it not a fact that ex-Gov. Colquitt, to whom the gentleman refers, received a vote far in excess of the vote received by anybody else in the primaries?

Mr. HARDY. If the gentleman had listened to what I said he would have known what is the fact, that he received only 102,000 votes in the second primary to Senator CULBERSON'S 177,000. He ran ahead in the first primary, when there were six candidates in the field, for the simple reason that the vote he got in that primary was tied to him by his opposition to the President's foreign policy and by his appeal in New York to German-American organizations for aid to himself in the State of Texas.

Mr. MOORE of Pennsylvania. The point I made in discussing this matter before, if the gentleman will permit, was that former Gov. Colquitt had opposed the President of the United States, a member of his own party, and in the primaries he received 102,000 votes from the citizens of Texas who evidently indorsed his stand.

Mr. HARDY. And I will say to the gentleman that he never had an executive in his State, or a Republican President, who did not have some votes against him in a primary for renomination. In 1912 the President of your party, lost your own State in the convention to nominate his successor. But former Gov. Colquitt did not get a third of the Democratic votes in Texas. It was proclaimed from the house tops by the gentleman from Pennsylvania and others that the President was not supported in Texas, and the gentleman inserted an interview from Gov. Colquitt to show that the President was not supported in Texas, and I replied saying that the governor did not represent the Democrats in Texas, and this second primary that I have just referred to shows that his kind of Democrats in Texas are in a vast minority.

Mr. MOORE of Pennsylvania. In the last election?

Mr. HARDY. Yes; in the last primary election. I have already read how he carried only 23 small counties out of the 256 counties of the State. He did not carry a large town or a large county in the State, and that notwithstanding he had appealed to the farmer element of our country with the pretense that the Secretary of the Treasury had nothing to do except to lend money and open the vaults of the Treasury freely to the farmers, and thereby avert that catastrophe of 6-cent cotton. As I said before, it is true that some of the farmers were fooled.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. MOORE of Pennsylvania. Mr. Speaker, I ask unanimous consent that the time of the gentleman from Texas be extended five minutes.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent that the time of the gentleman from Texas be extended five minutes. Is there objection?

There was no objection.

Mr. HARDY. In addition to this, I wish to state that the candidate, Mr. Colquitt, went all over the State of Texas campaigning and presenting his attacks upon the administration, which, however, he narrowed down to two points—the attack upon the President's Mexican policy and the attack upon the Secretary of the Treasury for not furnishing money. We all know that his main attack, to be used by the Republicans and to be rolled as a sweet morsel under their tongues in their campaign, was upon other issues; upon our tariff bill, our Federal reserve act, our Federal Trade Commission, and his broad general sweeping denunciations of the administration. These he tried to forget and have our people forget. This candidate went all over the State. Senator CULBERSON did not go into the State. It came to be a fight between those who defended and those who attacked the administration; and there are some protection Democrats or alleged Democrats in the State of Texas. I apprehend that Gov. Colquitt got before that class of Democrats, and he got some Democrats down on our border who wanted to plunge this country into war with Mexico, and he got some German-Americans, who are influenced by the German editors to whom he appealed, or by the German-American Society, which is trying to organize the Germans of this country for Hughes. Senator CULBERSON has practically carried the State 2 to 1, and that without moving out of his seat in the Senate, and I am proud of the fact that many of the border counties voted for CULBERSON and that many of the Germans of Texas did likewise; and that is the answer to the interview of the governor of Texas, published in the RECORD by the gen-

tleman from Philadelphia two years ago. [Applause on the Democratic side.]

Mr. MOORE of Pennsylvania rose.

Mr. HARDY. Just one moment. Not only that, but this candidate lost his own home county in the State of Texas. [Applause on the Democratic side.] Are there any other questions?

Mr. MOORE of Pennsylvania. The 23 counties were all country counties, were they not, that were carried by Gov. Colquitt?

Mr. HARDY. Oh, yes; all our counties are country counties. Mr. Colquitt's home county is perhaps three-fourths country farmers, but it went for CULBERSON. I think, perhaps, in some remote, back districts of the State of Texas, Mr. Colquitt induced the farmers to believe the false statement that the Secretary of the Treasury had not done everything he could to relieve farmers in 1914, and I apprehend that those who voted for him on that ground were in little counties, far away from the centers of information.

Mr. MOORE of Pennsylvania. Is it not a fact that some very strong friends of the farmer were not returned to this Congress?

Mr. HARDY. As far as that is concerned, everybody is a strong friend of the farmer, and everybody knows that a man would hesitate to announce for office in Texas if he was not a friend of the farmer.

Mr. MOORE of Pennsylvania. Would not that indicate that what you might call the country vote in Texas, quite a large part of it, was rather against the President of the United States?

Mr. HARDY. The gentleman does not know what he is talking about. Texas is a State of country voters. Our large cities are few. My county has perhaps a third of its population of 60,000 urban, counting big and little towns, and that is far above the average proportion of town to country population.

Mr. MOORE of Pennsylvania. If the governor carried the country districts, it would seem as if he had the country voters with him.

Mr. HARDY. But he did not carry the country districts. He only carried a few little counties, with few votes. Mr. Colquitt did carry the two towns of Kaufman and Terrell, in his home county, but the country vote of the county wiped out his town majority and gave the county to CULBERSON by 303 majority.

Mr. MOORE of Pennsylvania. I would not belittle the country votes. I never do that, although I come from a large city. I value the country vote, and I take it as a fair indication of political opinion in the country.

Mr. HARDY. Yes; and the country vote in my county and all over Texas was for Wilson.

The SPEAKER. The time of the gentleman has again expired.

EXTENDED REMARKS.

Mr. HARDY. Mr. Speaker, Mr. Colquitt is one of the most adroit and aggressive politicians that ever ran for office in Texas. With the full knowledge that our people are a proud people and brook no dictation from any source however high, he sought to rouse their prejudices by asserting everywhere that the national administration was fighting him and trying to dictate to the people of Texas in their choice of Senator. The President would have been more than human if he had not preferred to see triumph one who has been all through his administration his warm friend and strong supporter and able counselor rather than one who, at least for two years, has manifested his hostility in every possible way. Nevertheless he did not try to influence the people of Texas in their vote. While this is true, the friends of the President and the friends of Senator CULBERSON in Texas resented the attacks of Mr. Colquitt and made that the paramount issue. They published in the Dallas News, the Waco Tribune, and distributed generally this circular:

TO ALL GOOD DEMOCRATIC VOTERS OF TEXAS—READ, CONSIDER, REFLECT, VOTE—THE PEOPLE WANT TO KNOW.

The following questions were propounded to Mr. Colquitt:

To Oscar B. Colquitt, candidate for the United States Senate:

You are respectfully requested to make direct answers to the following questions:

1. If you had been in the Senate, how would you have voted upon the following measures: The child-labor act, the antilottery act, the white-slave act, the pure-food act, the antinarcotic act?

2. In a letter written by you and published in the New York American December 27, 1914, you said:

"The Wilson administration has been the greatest failure in the history of the Presidency."

Have you changed your opinion, or do you adhere to that belief?

3. You said in that letter, "The administration's foreign policy has been imbecile." Is that your present opinion?

4. You said in that letter, "The administration's antitrust laws are barefaced fakes." Do you still hold to that opinion?

5. You said in that letter, "I believed at first that the Federal reserve banking act was the administration's one meritorious achievement, but national bankers tell me it is going to prove a failure." Do you now consider the Federal Reserve System a failure?

6. You said in that letter, "I am fully convinced the national election of 1916 will end the Democratic regime." Is it now your opinion that Wilson will be beaten for the Presidency?

7. If your opinion of the Wilson administration, as expressed in the letter to the New York American, is unchanged, why do you not support Hughes for the Presidency?

CULBERSON is an experienced legislator, tried and true, the leader of the Democrats in the Senate, looked to as such by the President and the party. He is doing his full duty. Every vote for CULBERSON is a vote to perpetuate the Democratic Party. Every vote for Colquitt is a vote for Hughes. If you are a Democrat, vote Saturday for CULBERSON, and get your Democratic neighbor to vote. Attend the grand CULBERSON rally at courthouse Friday night.

MCLENNAN COUNTY CULBERSON DEMOCRATIC CLUB.

The New York Times also to-day has an editorial, part of which I insert, as follows:

AMERICANISM IN TEXAS.

Former Gov. Colquitt, of Texas, tried to be nominated for United States Senator by the help of "the German vote." He appealed in writing to a superactive "professional German-American" in this city. He sought help from the organizations whose alien allegiance has been evident since the European war began. He had long been a fire-eating assailant of Mr. Wilson's Mexican policy. Opposition to that was his chief recommendation for Senator CULBERSON'S seat. In the first senatorial primary, before the great mass of Texas Democrats woke up to the meaning of his raid upon the Senate, he beat Mr. CULBERSON. The Republicans, the American-Germans, all the enemies of Mr. Wilson and Americanism, roared applause. Mr. Wilson was renounced, they said, by his own party in Texas. It was a "square fight" between the administration represented by Mr. CULBERSON, and its critics and opponents, represented by Mr. Colquitt.

The joy was premature. In the second primary, made necessary by the failure of any candidate to get a majority in the first, Colquitt was beaten out on his boots. In July he carried 114, in August but 23 of 256 counties. All the large cities and counties voted him down. It is significant that he was beaten 5 to 1 in all the border counties, with possibly one exception. The very districts where, if anywhere, the heat and fury against Mr. Wilson's Mexican policy would most make themselves felt, repudiated the champion of "vigor" and "firmness," approved "vacillation." It was a straight fight between the administration and those who condemn it for what it has done or left undone at the border and across the sea.

* * * * * * *

Another wholesome lesson to the public men who seek to climb into place by flattering a class of citizens, by relying on a nonexistent race solidarity. It was enough to vanquish Gov. Colquitt that he sought the favor of and was largely favored by a single element of the electorate. In Ohio the other day a Republican and a Democrat who had counted upon "the German vote" were licked ignominiously. Every time the politicians crook the hinges of the knee to "the German vote," the Americans of whatever origin, the constant majority, quiet, unheard from amid all the howl and clamor of the outlanders, kick the deserters of Americanism into the middle of next week.

The vote on August 27 is a grand answer of the Texas Democracy to the appeal to them to uphold the President who amid storm and stress has discharged without fear or favor every duty of his high office patiently, wisely, firmly, and has preserved the peace and honor and increased the glory and prosperity of our country.

Now that the primary in Texas is over and there can no longer be raised the cry that Washington is trying to dictate to Texas I have made this speech and placed these clippings in the RECORD, so that justice may be done to the Democracy of Texas to Senator CULBERSON and to our President, and so that the people of the United States may know the truth.

TOBACCO SALESMEN.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 5987) to amend subsection 11 of section 3244, Revised Statutes, which I ask the Clerk to read.

The SPEAKER. The gentleman asks unanimous consent for the present consideration of a bill, which the Clerk will report.

The Clerk read as follows:

Be it enacted, etc., That subsection 11 of section 3244, Revised Statutes, be amended by adding at the end of said subsection the following: *Provided*, That agents or salesmen of manufacturers of, or wholesale dealers in, tobacco selling their product only to other dealers, either on order or by direct delivery, shall not be construed as peddlers.

With the following committee amendment:

Strike out the proviso beginning in line 5 and ending in line 9 and insert the following:

"*Provided*, That manufacturers of, jobbers and wholesale dealers in, manufactured tobacco snuff, cigars, and cigarettes, and the agents or salesmen of such manufacturers, jobbers, and wholesale dealers, traveling from place to place, in the town or through the country, and selling and delivering or offering to sell and deliver such products only to dealers, shall not be construed to be peddlers."

The SPEAKER. Is there objection to the present consideration of the Senate bill?

Mr. MOORE of Pennsylvania. Mr. Speaker, I have had some interest in this bill, as the chairman of the Committee on Ways and Means knows, and have taken it up with certain parties in Pennsylvania. I have had no answer from them, hence I presume there is no opposition to the bill. But before the bill is passed I desire to make this comment, that the House of Representatives is the body authorized by the Constitution to originate revenue legislation. The Senate is not so authorized by the

Constitution of the United States, but it frequently arrogates to itself the right to originate such revenue legislation. Here is a bill coming from the other body which proposes to interfere in the matter of revenue. It is transmitted in due course to the Ways and Means Committee. It comes before the House now for passage. I have no personal objection to its passage, but I do object to the Senate constantly interfering in these matters of revenue, whether it be in the matter of treaties with foreign countries, providing in advance for the payment of large sums of the people's money, or whether it be, as in this case, for the alteration of laws affecting the revenues of the United States, which this body, the House of Representatives, is solely delegated to originate.

Mr. KITCHIN. I will say that I am in sympathy with a great deal of what the gentleman says. I rather think that this would have been more proper to have originated in the House; but I rather think under the circumstances the Senate had the constitutional right to originate this bill, as it does not raise revenue.

Mr. MANN. Mr. Speaker, I understood the gentleman to ask unanimous consent for the consideration of the bill. If it were a bill raising revenue, it would be a privileged bill, and would not require unanimous consent.

Mr. KITCHIN. That is correct.

Mr. MANN. I think the universal rulings in this House have been that a bill of this sort is not a bill raising revenue, and can not be called up as a privileged matter.

Mr. KITCHIN. That is my judgment about it.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on the committee amendment.

Mr. MANN. This is a Union Calendar bill.

Mr. KITCHIN. I ask unanimous consent that it be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman asks unanimous consent to consider this bill in the House as in Committee of the Whole. Is there objection?

There was no objection.

Mr. MANN. Mr. Speaker, I move to strike out the last word. I do not profess to be at all posted in reference to revenue legislation relating to tobacco nor the regulations regarding it. When I first looked at this bill it seemed to be designed to injure the local dealers in tobacco, to take away some privileges which they have had and give them to peddlers. I do not know that that is the case. I am asking for information, because I think, as a rule, the little dealer in small country towns, and in larger places, for that matter, who maintains a place, pays his rent, pays his taxes, is entitled to reasonable protection against the peddler who comes through, who pays no rent, who pays no taxes, but who delivers the goods possibly a little cheaper than the local dealer. I ask whether this makes any change in that respect?

Mr. KITCHIN. This is designed to protect that very dealer. It only applies to sales to dealers, and not to consumers. It is in the interest of the little wholesale dealer and jobber. For instance, in this city I have seen in show windows men making their own cigars to sell. Under the present law if they take four or five boxes and go around to sell them to the druggists they will have to pay a license of $10.

Mr. MANN. I recall now that the bill only applies to sales to dealers.

Mr. KITCHIN. Under this a man can take his five or six boxes and sell them; and while under the present law he would have to get the order and come back for the cigars, under this it relieves him from paying the tax; and I ask for a vote on the amendment.

The committee amendment was agreed to.

The Senate bill as amended was ordered to be read a third time, was read the third time, and passed.

PUBLIC BUILDING AT MADISON, WIS.

Mr. NELSON. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 14391) authorizing the purchase of a site and the erection of a public building thereon at Madison, Wis., and for other purposes.

The Clerk read the bill, as follows:

Be it enacted, etc. That the provision of the act of Congress approved March 4, 1913 (37 Stat., p. 873), which authorizes the demolition of the present Federal building and the construction of a new post office and courthouse upon the site thereof at Madison, Wis., at a limit of cost of $550,000 be, and the same is hereby, amended so as to authorize the Secretary of the Treasury further, in his discretion, to sell the present post office and courthouse and the site thereof in said city to the highest bidder, at public or private sale, in such manner and upon such terms as he may deem for the best interests of the United States; to convey said property to the purchaser thereof by the usual quitclaim deed and to deposit the proceeds of such sale in the Treasury of the United States as a miscellaneous receipt: *Provided, however,* That if such sale is made before the completion and occupancy of the new Federal building hereinafter authorized, the agreement of sale shall reserve to the United States the right to continue to occupy said present Federal building property free of rent for not exceeding three years from the date of such sale.

SEC. 2. That if the Secretary of the Treasury elects so to sell the present Federal building property, he is hereby further authorized and directed to acquire, by purchase, condemnation, or otherwise, a suitable site in said city, and to contract for the erection and completion thereon of a suitable building, including fireproof vaults, mechanical equipment, and approaches, complete, for the use and accommodation of the post office, United States courts, and other governmental offices in said city, at a cost for said new site and building of not exceeding $550,000.

SEC. 3. That if the Secretary of the Treasury elects so to sell said present Federal building property, the appropriations of $200,000 and $15,000 made by the act of Congress approved March 3, 1915 (38 Stat., p. 825), for the demolition of the present Federal building and commencement of a new building on the site thereof and for temporary quarters and moving expenses, be, and the same are hereby, made available for the acquisition of such new site and the commencement of the erection thereon of the new building authorized in the next preceding paragraph hereof.

SEC. 4. That if a new building is erected on the present Federal building site, the Secretary of the Treasury, in his discretion, may disregard the provision requiring 40 feet open space for fire protection.

The SPEAKER. Is there objection?

Mr. KITCHIN. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Wisconsin if this makes any additional appropriation?

Mr. NELSON. Not at all; it avoids the necessity of coming to Congress and asking for an increased appropriation.

Mr. KITCHIN. It is a matter of economy.

Mr. NELSON. It is a matter of economy. We have to provide a larger site, and in order to do that we have first to sell this site to get a larger one.

Mr. RUCKER. Reserving the right to object, Mr. Speaker, I see the chairman of the committee is not present, and I would like to ask the gentleman if the chairman understood that this bill was to be called up to-day?

Mr. NELSON. Yes; it is a unanimous report, and it was arranged that I might call it up at any time.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. NELSON. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent that the bill be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. NELSON, a motion to reconsider the vote whereby the bill was passed was laid on the table.

FEDERAL RESERVE ACT.

Mr. GLASS. Mr. Speaker, I desire to call up the conference report on the bill (H. R. 13391) amending the Federal reserve act. I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. The gentleman from Virginia calls up the conference report on the Federal reserve act and asks unanimous consent that the statement be read instead of the report.

Mr. MANN. Mr. Speaker, there is important legislation in this conference report that has never been read in the House, and I think it ought to be read.

The SPEAKER. The gentleman from Illinois objects, and the Clerk will read the report.

The Clerk read the conference report and statement, as follows:

CONFERENCE REPORT (NO. 1175).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13391) to amend the act approved December 23, 1913, known as the Federal reserve act, by adding a new section, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"That the act entitled 'Federal reserve act,' approved December 23, 1913, be, and is hereby, amended as follows:

"At the end of section 11 insert a new clause as follows:

"'(m) Upon the affirmative vote of not less than five of its members the Federal Reserve Board shall have power, from time to time, by general ruling, covering all districts alike, to permit member banks to carry in the Federal reserve banks of their respective districts any portion of their reserves now required by section 19 of this act to be held in their own vaults.'

"That section 13 be, and is hereby, amended to read as follows:

"'Any Federal reserve bank may receive from any of its member banks, and from the United States, deposits of current funds in lawful money, national-bank notes, Federal reserve notes, or checks, and drafts, payable upon presentation, and also, for collection, maturing bills; or solely for purposes of exchange or of collection, may receive from other Federal reserve banks deposits of current funds in lawful money, national-bank notes, or checks upon other Federal reserve banks, and checks and drafts, payable upon presentation within its district, and maturing bills payable within its district.

"'Upon the indorsement of any of its member banks, which shall be deemed a waiver of demand, notice and protest by such bank as to its own indorsement exclusively, any Federal reserve bank may discount notes, drafts, and bills of exchange arising out of actual commercial transactions; that is, notes, drafts, and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes, or the proceeds of which have been used, or are to be used, for such purposes, the Federal Reserve Board to have the right to determine or define the character of the paper thus eligible for discount, within the meaning of this act. Nothing in this act contained shall be construed to prohibit such notes, drafts, and bills of exchange, secured by staple agricultural products, or other goods, wares, or merchandise from being eligible for such discount; but such definition shall not include notes, drafts, or bills covering merely investments or issued or drawn for the purpose of carrying or trading in stocks, bonds, or other investment securities, except bonds and notes of the Government of the United States. Notes, drafts, and bills admitted to discount under the terms of this paragraph must have a maturity at the time of discount of not more than 90 days, exclusive of days of grace: *Provided*, That notes, drafts, and bills drawn or issued for agricultural purposes or based on live stock and having a maturity not exceeding six months, exclusive of days of grace, may be discounted in an amount to be limited to a percentage of the assets of the Federal reserve bank, to be ascertained and fixed by the Federal Reserve Board.

"'The aggregate of such notes, drafts, and bills bearing the signature or indorsement of any one borrower, whether a person, company, firm, or corporation, rediscounted for any one bank shall at no time exceed 10 per cent of the unimpaired capital and surplus of said bank; but this restriction shall not apply to the discount of bills of exchange drawn in good faith against actually existing values.

"'Any Federal reserve bank may discount acceptances of the kinds hereinafter described, which have a maturity at the time of discount of not more than three months' sight, exclusive of days of grace, and which are indorsed by at least one member bank.

"'Any member bank may accept drafts or bills of exchange drawn upon it having not more than six months' sight to run, exclusive of days of grace, which grow out of transactions involving the importation or exportation of goods; or which grow out of transactions involving the domestic shipment of goods provided shipping documents conveying or securing title are attached at the time of acceptance; or which are secured at the time of acceptance by a warehouse receipt or other such document conveying or securing title covering readily marketable staples. No member bank shall accept, whether in a foreign or domestic transaction, for any one person, company, firm, or corporation to an amount equal at any time in the aggregate to more than 10 per cent of its paid-up and unimpaired capital stock and surplus unless the bank is secured either by attached documents or by some other actual security growing out of the same transaction as the acceptance and no bank shall accept such bills to an amount equal at any time in the aggregate to more than one-half of its paid-up and unimpaired capital stock and surplus.

"'Any Federal reserve bank may make advances to its member banks on their promissory notes for a period not exceeding 15 days at rates to be established by such Federal reserve banks, subject to the review and determination of the Federal Reserve Board, provided such promissory notes are secured by such notes, drafts, bills of exchange, or bankers' acceptances as are eligible for rediscount or for purchase by Federal reserve banks under the provisions of this act, or by the deposit or pledge of bonds or notes of the United States.'

"Section 5202 of the Revised Statutes of the United States is hereby amended so as to read as follows: 'No national banking association shall at any time be indebted, or in any way liable, to an amount exceeding the amount of its capital stock at such time actually paid in and remaining undiminished by losses or otherwise, except on account of demands of the nature following:

"'First. Notes of circulation.

"'Second. Moneys deposited with or collected by the association.

"'Third. Bills of exchange or drafts drawn against money actually on deposit to the credit of the association, or due thereto.

"'Fourth. Liabilities to the stockholders of the association for dividends and reserve profits.

"'Fifth. Liabilities incurred under the provisions of the Federal reserve act.

"'The discount and rediscount and the purchase and sale by any Federal reserve bank of any bills receivable and of domestic and foreign bills of exchange, and of acceptances authorized by this act, shall be subject to such restrictions, limitations, and regulations as may be imposed by the Federal Reserve Board.

"'That in addition to the powers now vested by law in national banking associations organized under the laws of the United States any such association located and doing business in any place the population of which does not exceed 5,000 inhabitants, as shown by the last preceding decennial census, may, under such rules and regulations as may be prescribed by the Comptroller of the Currency, act as the agent for any fire, life, or other insurance company authorized by the authorities of the State in which said bank is located to do business in said State, by soliciting and selling insurance and collecting premiums on policies issued by such company; and may receive for services so rendered such fees or commissions as may be agreed upon between the said association and the insurance company for which it may act as agent; and may also act as the broker or agent for others in making or procuring loans on real estate located within 100 miles of the place in which said bank may be located, receiving for such services a reasonable fee or commission: *Provided, however*, That no such bank shall in any case guarantee either the principal or interest of any such loans or assume or guarantee the payment of any premium on insurance policies issued through its agency by its principal: *And provided further*, That the bank shall not guarantee the truth of any statement made by an assured in filing his application for insurance.

"'Any member bank may accept drafts or bills of exchange drawn upon it having not more than three months' sight to run, exclusive of days of grace, drawn under regulations to be prescribed by the Federal Reserve Board by banks or bankers in foreign countries or dependencies or insular possessions of the United States for the purpose of furnishing dollar exchange as required by the usages of trade in the respective countries, dependencies, or insular possessions. Such drafts or bills may be acquired by Federal reserve banks in such amounts and subject to such regulations, restrictions, and limitations as may be prescribed by the Federal Reserve Board: *Provided, however*, That no member bank shall accept such drafts or bills of exchange referred to in this paragraph for any one bank to an amount exceeding in the aggregate 10 per cent of the paid-up and unimpaired capital and surplus of the accepting bank unless the draft or bill of exchange is accompanied by documents conveying or securing title or by some other adequate security: *Provided further*, That no member bank shall accept such drafts or bills in an amount exceeding at any time the aggregate of one-half of its paid-up and unimpaired capital and surplus.'

"That subsection (e) of section 14 be, and is hereby, amended to read as follows:

"'(e) To establish accounts with other Federal reserve banks for exchange purposes and, with the consent of the Federal Reserve Board, to open and maintain accounts in foreign countries, appoint correspondents, and establish agencies in such countries wheresoever it may deem best for the purpose of purchasing, selling, and collecting bills of exchange, and to buy and sell, with or without its indorsement, through such correspondents or agencies bills of exchange arising out of actual commercial transactions which have not more than 90 days to run, exclusive of days of grace, and which bear the signature of two or more responsible parties, and with the consent of the Federal Reserve Board to open and maintain banking accounts for such foreign correspondents or agencies.'

"That the second paragraph of section 16 be, and is hereby, amended to read as follows:

"'Any Federal reserve bank may make application to the local Federal reserve agent for such amount of the Federal reserve notes hereinbefore provided for as it may require. Such application shall be accompanied with a tender to the local Federal

reserve agent of collateral in amount equal to the sum of the Federal reserve notes thus applied for and issued pursuant to such application. The collateral security thus offered shall be notes, drafts, bills of exchange, or acceptances rediscounted under the provisions of section 13 of this act, or bills of exchange indorsed by a member bank of any Federal reserve district and purchased under the provisions of section 14 of this act, or bankers' acceptances purchased under the provisions of said section 14. The Federal reserve agent shall each day notify the Federal Reserve Board of all issues and withdrawals of Federal reserve notes to and by the Federal reserve bank to which he is accredited. The said Federal Reserve Board may at any time call upon a Federal reserve bank for additional security to protect the Federal reserve notes issued to it.'

"That section 24 be, and is hereby, amended to read as follows:

"'SEC. 24. Any national banking association not situated in a central reserve city may make loans secured by improved and unencumbered farm land situated within its Federal reserve district or within a radius of 100 miles of the place in which such bank is located, irrespective of district lines, and may also make loans secured by improved and unencumbered real estate located within 100 miles of the place in which such bank is located, irrespective of district lines; but no loan made upon the security of such farm land shall be made for a longer time than five years, and no loan made upon the security of such real estate as distinguished from farm land shall be made for a longer time than one year nor shall the amount of any such loan, whether upon such farm land or upon such real estate, exceed 50 per cent of the actual value of the property offered as security. Any such bank may make such loans, whether secured by such farm land or such real estate, in an aggregate sum equal to 25 per cent of its capital and surplus or to one-third of its time deposits and such banks may continue hereafter as heretofore to receive time deposits and to pay interest on the same.

"'The Federal Reserve Board shall have power from time to time to add to the list of cities in which national banks shall not be permitted to make loans secured upon real estate in the manner described in this section.'

"That section 25 be, and is hereby, amended to read as follows:

"'SEC. 25. Any national banking association possessing a capital and surplus of $1,000,000 or more may file application with the Federal Reserve Board for permission to exercise, upon such conditions and under such regulations as may be prescribed by the said board, either or both of the following powers:

"'First. To establish branches in foreign countries or dependencies or insular possessions of the United States for the furtherance of the foreign commerce of the United States, and to act if required to do so as fiscal agents of the United States.

"'Second. To invest an amount not exceeding in the aggregate 10 per cent of its paid-in capital stock and surplus in the stock of one or more banks or corporations chartered or incorporated under the laws of the United States or of any State thereof, and principally engaged in international or foreign banking, or banking in a dependency or insular possession of the United States either directly or through the agency, ownership, or control of local institutions in foreign countries, or in such dependencies or insular possessions.

"'Such application shall specify the name and capital of the banking association filing it, the powers applied for, and the place or places where the banking operations proposed are to be carried on. The Federal Reserve Board shall have power to approve or to reject such application in whole or in part if for any reason the granting of such application is deemed inexpedient, and shall also have power from time to time to increase or decrease the number of places where such banking operations may be carried on.

"'Every national banking association operating foreign branches shall be required to furnish information concerning the condition of such branches to the Comptroller of the Currency upon demand, and every member bank investing in the capital stock of banks or corporations described under subparagraph 2 of the first paragraph of this section shall be required to furnish information concerning the condition of such banks or corporations to the Federal Reserve Board upon demand, and the Federal Reserve Board may order special examinations of the said branches, banks, or corporations at such time or times as it may deem best.

"'Before any national bank shall be permitted to purchase stock in any such corporation the said corporation shall enter into an agreement or undertaking with the Federal Reserve Board to restrict its operations or conduct its business in such manner or under such limitations and restrictions as the said board may prescribe for the place or places wherein such business is to be conducted. If at any time the Federal Reserve Board shall ascertain that the regulations prescribed by it are not being complied with, said board is hereby authorized and empowered to institute an investigation of the matter and to send for persons and papers, subpœna witnesses, and administer oaths in order to satisfy itself as to the actual nature of the transactions referred to. Should such investigation result in establishing the failure of the corporation in question, or of the national bank or banks which may be stockholders therein, to comply with the regulations laid down by the said Federal Reserve Board, such national banks may be required to dispose of stock holdings in the said corporation upon reasonable notice.

"'Every such national banking association shall conduct the accounts of each foreign branch independently of the accounts of other foreign branches established by it and of its home office, and shall at the end of each fiscal period transfer to its general ledger the profit or loss accrued at each branch as a separate item.

"'Any director or other officer, agent, or employee of any member bank may, with the approval of the Federal Reserve Board, be a director or other officer, agent, or employee of any such bank or corporation above mentioned in the capital stock of which such member bank shall have invested as hereinbefore provided, without being subject to the provisions of section 8 of the act approved October 15, 1914, entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes."'"

Amend the title so as to read: "An act to amend certain sections of the act entitled 'Federal reserve act,' approved December 23, 1913."

And the Senate agree to the same.

CARTER GLASS,
CLAUDE U. STONE,
EDMUND PLATT,
Managers on the part of the House.

ROBT. L. OWEN,
G. M. HITCHCOCK,
KNUTE NELSON,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13391) to amend the act approved December 23, 1913, known as the Federal reserve act, by adding a new section, submit the following written statement in explanation of the action agreed upon by the conference committee:

The amendments of the Senate to the bill have been accepted by the House conferees with some slight verbal modifications, except that the House declined to agree to and the Senate receded from its amendment of section 16 of the Federal reserve act which would have explicitly authorized and encouraged Federal reserve banks to issue Federal reserve notes based upon gold or gold certificates.

The House conferees declined to agree to the Senate amendment proposing to permit national banks in cities of more than 100,000 inhabitants and possessing a capital and surplus of $1,000,000 or more to establish branches, and the Senate conferees have agreed to recommend that the Senate recede from this amendment.

The House conferees insisted upon an amendment to section 11, which was accepted by the Senate conferees, permitting the Federal Reserve Board, upon an affirmative vote of not less than five, to permit member banks to carry in the Federal reserve banks any portion of their reserves now required to be held in their own vaults.

CARTER GLASS,
CLAUDE U. STONE,
EDMUND PLATT,
Managers on the part of the House.

Mr. GLASS. Mr. Speaker, I move the adoption of the conference report.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

GENERAL DEFICIENCY APPROPRIATION BILL.

Mr. FITZGERALD, chairman of the Committee on Appropriations, by direction of that committee, reported the bill (H. R. 17645) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1916, and prior fiscal years, and for other purposes, which was read a

first and second time and, with accompanying papers, referred to the Committee of the Whole House on the state of the Union. (H. Rept. 1177.)

Mr. MANN reserved all points of order on the bill.

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent that the House resolve itself into the Committee of the Whole House on the state of the Union for the present consideration of the general deficiency bill. It is already in print.

The SPEAKER. The gentleman from New York asks unanimous consent that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the general deficiency bill, it having been already printed. Is there objection?

Mr. MANN. Reserving the right to object, Mr. Speaker, the bill has never been printed except for the information of the committee. There are no copies accessible to Members of the House. It is a very unusual request, and never has been submitted before.

Mr. FITZGERALD. The bill has been printed.

Mr. MANN. It may be in print in the Government Printing Office, but not in the document room, and I object.

Mr. FITZGERALD. I hope the gentleman will reserve his objection. It was arranged with the Printing Office to have the bill printed in order to expedite business and permit Members to go home to the bosom of their families and associate with their constituents, and I hope the gentleman from Illinois will not object.

Mr. MANN. It looks to me as though there will be plenty of time to consider it in the ordinary way. I think a general deficiency bill at the end of a session which carries a very large amount of money should be considered in the ordinary way.

Mr. FITZGERALD. The bill carries $14,000,000.

Mr. MANN. Usually there is considerable legislation upon it, and I think that the bill ought to be printed, so that Members of the House may have an opportunity of seeing it in advance. This would establish a very bad practice, and it would not expedite the getting away of Congress at all. I shall have to object for the present.

Mr. FITZGERALD. It might expedite my getting away.

Mr. MANN. Oh, the gentleman's services are entirely too valuable to permit of allowing him to go away from here.

Mr. FITZGERALD. Then, Mr. Speaker, I ask unanimous consent that business in order to-morrow under the rule may be dispensed with.

The SPEAKER. The gentleman from New York asks unanimous consent that business in order to-morrow under the rule may be dispensed with. Is there objection??

Mr. MANN. Mr. Speaker, reserving the right to object, if it is necessary, that request can be made to-morrow, and I shall have to object for the present.

Mr. FITZGERALD. I am making the request so that Members may understand that the general deficiency bill will be taken up to-morrow. They may wish to know when it is to be called up. I hope the gentleman will not object.

Mr. MANN. I shall have to object for the present.

The SPEAKER. The gentleman from Illinois objects.

THE RAILROAD STRIKE.

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a statement of the railway employees' side of the present controversy between the railroads of the country and the operating employees.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD by printing therein a statement of the railway employees in the pending controversy. Is there objection?

There was no objection.

JUNEAU, ALASKA.

Mr. WATKINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 6839) to authorize the incorporated town of Juneau, Alaska, to issue bonds for the construction and equipment of schools therein, and for other purposes, and to consider the same at this time.

The SPEAKER. The gentleman from Louisiana asks unanimous consent to take from the Speaker's table the bill S. 6839 and to consider the same at this time. Is there objection?

Mr. MANN. Reserving the right to object, let us know what the bill is.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the incorporated town of Juneau, Alaska, is hereby authorized and empowered to issue its bonds in any sum not exceeding $75,000 for the purpose of constructing a schoolhouse in said town and equipping the same.

SEC. 2. That before said bonds shall be issued a special election shall be ordered by the common council of the town of Juneau, at which election the question whether such bonds shall be issued shall be submitted to the qualified electors of said town of Juneau. Thirty days' notice of any such election shall be given by publication thereof in a newspaper printed and published and of general circulation in said town before the day fixed for such election.

SEC. 3. That the registration for such election, the manner of conducting the same, and the canvass of the returns of said election shall be, as nearly as practicable, in accordance with the requirements of law in general or special elections in said municipality, and said bonds shall be issued only upon the condition that a majority of the votes cast at such election in said town shall be in favor of issuing said bonds.

SEC. 4. That the bonds above specified, when authorized to be issued as hereinbefore provided, shall bear interest at a rate not to exceed 5 per cent per annum, payable semiannually, and shall not be sold for less than their par value with accrued interest and shall be in denominations not exceeding $1,000 each, the principal to be due in 10 years from date thereof: *Provided, however*, That the common council of said town of Juneau may reserve the right to pay off such bonds in their numerical order at the rate of $10,000 or less thereof per annum from and after the expiration of four years from their date. Principal and interest shall be payable in lawful money of the United States of America at the office of the town treasurer of the town of Juneau, Alaska, or at such other place as may be designated by the common council of the town of Juneau; the place of payment to be mentioned in said bonds: *And provided further*, That each and every bond shall have the written signature of the mayor and clerk of said town of Juneau and also bear the seal of said town.

SEC. 5. That no part of the funds arising from the sale of said bonds shall be used for any purpose other than that specified in this act. Said bonds shall be sold only in such amounts as the common council shall direct, and the proceeds thereof shall be disbursed by the school board of said town under the limitations hereinbefore imposed and under the direction of said common council from time to time as the same may be required for the purposes aforesaid.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The question is on the third reading of the Senate bill.

Mr. MANN. Mr. Speaker, this bill is on the Union Calendar.

Mr. WATKINS. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The SPEAKER. The gentleman from Louisiana asks unanimous consent that the bill be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

Mr. MANN. Mr. Speaker, I move to strike out the last word. This is a bill to permit the town of Juneau, in Alaska, to borrow $75,000. The form of the bill is copied from a law which we passed some years ago, I believe, which permits some other towns in Alaska to borrow small sums of money. A bill of this nature would not receive favorable consideration by any State legislature in the Union, and I think not in any city council in the Union. The bill makes no provision whatever for a tax to pay for the bonds; it does not require any portion of the bonds to be paid off until they are all due, and it provides for an interest rate of 7 per cent. Seven per cent interest on a good municipal loan is rather high.

Mr. WATKINS. Mr. Speaker, the bill carries only 5 per cent. The bill which the committee in the House reported carried 7 per cent. The bill we are now considering, the Senate bill, reduced that from 7 to 5 per cent. Not only that, but it does provide for the retirement of these bonds.

Mr. MANN. It does not require it, it only permits it.

Mr. WATKINS. Permits it.

Mr. MANN. I said it did not require it. It provides that the entire amount shall be paid off at the end of 10 years and permits the payment of $10,000 a year after the end of 4 years. It makes no provision for the raising of money with which to pay. I think all of the States which have laws upon this subject generally require that there shall be put into the legislation a provision for the raising of a tax sufficient to pay the interest and finally the principal, usually providing that a portion of the principal shall be paid each year. I do not object to the consideration of this bill, though it is in bad form, because it is for the erection of a schoolhouse at the town of Juneau. The old schoolhouse erected years ago is entirely inadequate for present conditions. However, if the gentleman from Louisiana [Mr. WATKINS] or gentlemen upon the Committee on Territories of the House want to pass any more bills of this nature, they ought to so frame the bill as to conform to modern provisions such as are found in the several States.

Mr. WATKINS. Mr. Speaker, I will state that the Territorial Delegate who introduced this bill framed it and presented it in that form which he thought was proper to cover the situation in the Territory of Alaska. Another bill of a similar nature had gone through and had proved satisfactory, and he saw no reason why this bill in its present shape should not meet with the same fate.

There was no difficulty there in raising the revenue to meet the expenditures of constructing the school building in that instance, and he thought there would be none in this. We have

taken the bill as the Delegate from Alaska presented it to the committee.

The bill was ordered to be read a third time, was read the third time, and passed.

A similar bill (H. R. 10757) was ordered to lie on the table.

EXTENSION OF REMARKS.

Mr. HILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Federal reserve amendment bill which has just been passed.

The SPEAKER pro tempore (Mr. GARRETT). The gentleman from Connecticut asks unanimous consent to extend his remarks in the RECORD. Is there objection. [After a pause.] The Chair hears none.

SALE OF SUBURBAN LOTS AT PORT ANGELES, WASH.

Mr. HADLEY. Mr. Speaker, I ask unanimous consent for the present consideration of the bill S. 6561, on the Union Calendar.

The SPEAKER pro tempore. The gentleman from Washington asks unanimous consent for the present consideration of the bill, the title of which the Clerk will report.

The Clerk read as follows:

A bill (S. 6561) providing for the sale at public auction of all unsold suburban lots not reserved for public purposes in the Government town site of Port Angeles, Wash., and for the issuance of patents for those previously sold under the act of May 2, 1906, on the payment of the price at which the said lots were reappraised under said act without further condition or delay.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill. [After a pause.] The Chair hears none. This bill is on the Union Calendar.

Mr. HADLEY. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in the Committee of the Whole House on the state of the Union.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to sell at public auction to the highest bidder all unsold suburban lots not reserved for public purposes in the Government town site of Port Angeles, Wash., at not less than the value at which they were reappraised under the act of May 2, 1906.

SEC. 2. That as to all suburban lots of said town site heretofore sold under the act of May 2, 1906, or previous acts, patents for the said lots shall be issued to each purchaser upon payment in full by said purchaser or claimant of the reappraised price of such lot or lots as returned under the act of May 2, 1906, irrespective of whether such purchaser shall have improved said lot to the value of $300, as required by said act of May 2, 1906.

SEC. 3. That all acts or parts of acts relating to said lots in conflict herewith, and particularly that part of the act of May 2, 1906, stipulating improvements to the value of $300 required to be made upon each such suburban lot prior to the issuance of patent, are hereby repealed.

Mr. MANN. Mr. Speaker, I move to strike out the last word. Is the gentleman from Washington satisfied that the purchasers of this land who have made improvements upon their lots will never bring any claim against the Government because we release the other purchasers from making improvements on their lots?

Mr. HADLEY. I will say to the gentleman from Illinois I am not advised upon that point so as to be able to give him any assurance in reference to that. I understand some 38 lots of 137 had been improved in accordance with the requirements of the department. Others have been improved in a way, but not satisfactory to the department.

Mr. MANN. The Government sold a number of lots with a provision that there should be $300 worth of improvements put upon each lot. This bill proposes to release that requirement.

Some of the purchasers have made improvements upon their lots. Now, does the gentleman think if we pass this bill we will be under any obligation to pay any claims to people who have made improvements on their lots on the ground that perhaps we have diminished the value of their property by not requiring others to put improvements on their lots?

Mr. HADLEY. In answer to the gentleman's question it seems to me the improvements that have been made upon the lots are not lost, but they are presumably for the benefit of the lots and to enhance their value. Whether claims might be made in respect to improvements made in case the patentees improve in accordance with the requirements, I do not know.

Mr. MANN. The gentleman does know whether he thinks such claims would be just or not, whether we ought to pay any claim of that kind.

Mr. HADLEY. Upon present consideration it does not seem to me it would be. That is my view of it without having investigated the subject thoroughly.

Mr. MANN. The gentleman asks us now—having put a requirement in the sale, where we sold a hundred and fourteen lots, that each purchaser should make an improvement to the value of at least $300 before they obtained title to the property, and about one-third of the purchasers have made the improvements—the gentleman now asks us to relieve the other purchasers from making improvements, but has no assurance at all that there will not be claims made against the Government because we release this requirement. It seems to me that if the people living there say they want the requirement released so they can have the property taxed, that their representative ought to be willing to say that they will not bring any claim against the Government because we did the thing they are asking us to do.

Mr. HADLEY. So far as I am concerned I am perfectly willing to say I would not advance such a claim on my own account. I have not consulted these patentees in regard to a claim, and therefore in good faith I could not give such warrant and assurance.

Mr. MANN. Of course I was trying to get the gentleman's judgment, and know what the facts in the case were, whether there would be any justice in such a claim, if made, in the gentleman's opinion.

Mr. HADLEY. I say frankly that my own judgment is, I think not.

The bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. HADLEY, a motion to reconsider the vote by which the bill was passed was laid on the table.

BRIDGE ACROSS NIAGARA RIVER, BUFFALO, N. Y.

Mr. ADAMSON. Mr. Speaker, I ask unanimous consent for the present consideration of the bill H. R. 17235, which the Clerk has at the desk.

The SPEAKER pro tempore. The Clerk will report the title of the bill.

The Clerk read as follows:

A bill (H. R. 17235) granting the consent of Congress to W. H. Crosby, W. H. Andrews, E. G. Connette, Daniel Good, Henry May, Robert C. Gaupp, Edward Kener, jr., William F. MacGlashan, and William A. Morgan to construct a bridge across Niagara River within or near the city limits of Buffalo, and for other purposes.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, for the present, I will object.

Mr. ADAMSON. The gentleman from Illinois objected and then withdrew——

Mr. STAFFORD. I recall there was a similar authorization in the last Congress for a bridge across the Niagara, at which time there was some dispute between different Representatives as to whether it was simply granting a paper authorization——

Mr. ADAMSON. Will the gentleman withhold his objection for a moment?

Mr. STAFFORD. I will be glad to withhold it.

Mr. ADAMSON. I wish to state to the gentleman that that bridge was not in the locality of this at all. The bridge authorized two years ago was 5 miles below the falls.

This bridge is near or within the limits of the city of Buffalo, and there is only one bridge within twenty-odd miles of it. That bridge is inadequate for any purpose to connect the people of the two countries. The railroad business, which still tries to use the old single-track bridge, is badly congested. There is no highway connection at all. The railroad people, who were offered money by the people of Buffalo to add to the accommodations, say that the piers and substructure are insufficient to support the bridge, and on account of the financial conditions brought about by the war in Europe they are not prepared now to take up and finance the proposition to enlarge it. The people of Buffalo themselves selected this list of rich men who have the money in hand to build it. They do not have to borrow it.

Mr. STAFFORD. May I ask the gentleman from Georgia if this bridge is near Fort Erie, where the Michigan Central makes its short cut on the line to St. Thomas and Detroit?

Mr. ADAMSON. This bridge crosses over Squaw Island and is used and operated by the International Bridge Co., with headquarters in Canada.

Mr. STAFFORD. How far above the falls is the proposed location?

Mr. ADAMSON. Twenty miles. There is no accommodation there at all for the people of the two countries, and there are nearly a million people who need this accommodation.

Mr. STAFFORD. Mr. Speaker, I am somewhat acquainted with the neighborhood. When I interposed an objection I had the idea that it was another paper combination similar to that which was passed through the last Congress to provide a bridge in the neighborhood of the falls, but with the additional information received from the gentleman from Georgia I withdraw the objection.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc. That the consent of Congress is hereby granted to W. H. Crosby, W. H. Andrews, E. G. Connette, Daniel Good, Henry May, Robert C. Gaupp, Edward Kener, jr., William F. MacGlashan, and William A. Morgan, and their successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across the Niagara River at a point suitable to the interests of navigation, within or near the city limits of Buffalo, in the county of Erie, in the State of New York, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906: *Provided*, That subject to the provisions of this act the Secretary of War may permit the persons herein named to construct a tunnel or tunnels under said river in lieu of the bridge herein authorized, in accordance with the foregoing act approved March 23, 1906, so far as the same may be applicable.

SEC. 2. That this act shall be null and void unless the construction of said bridge or tunnels is commenced within two years and completed within five years from the date of approval hereof.

SEC. 3. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. ADAMSON, a motion to reconsider the vote whereby the bill was passed was laid on the table.

EXTENSION OF REMARKS.

Mr. WM. ELZA WILLIAMS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a letter addressed by me to the Secretary of the Navy, asking information relative to the Navy, and the Secretary's reply.

The SPEAKER pro tempore. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD by publishing the matter indicated. Is there objection?

Mr. MANN. Reserving the right to object, just for information, is this practical information or political?

Mr. WM. ELZA WILLIAMS. It is practical.

Mr. MANN. It is not a political article?

Mr. WM. ELZA WILLIAMS. No, sir.

Mr. MANN. I did not know that the Secretary of the Navy prepared any other kind.

Mr. WM. ELZA WILLIAMS. It is practical information, which will be utilized.

Mr. MANN. I am glad of that.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HUDDLESTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. The gentleman from Alabama asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed without amendment the following resolution:

House concurrent resolution 56.

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Tuesday, the 29th day of August, 1916, at 2 o'clock and 30 minutes in the afternoon, for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

PAY OF COMPOSITORS AND BOOKBINDERS.

Mr. TAVENNER rose.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. TAVENNER] is recognized.

Mr. TAVENNER. Mr. Speaker, I wish to ask unanimous consent for the present consideration of the bill (S. 6626) to fix the rate of pay for compositors and bookbinders in the Government Printing Office.

The SPEAKER pro tempore. The gentleman from Illinois asks unanimous consent for the present consideration of the bill which the Clerk will report. Is this bill on the Speaker's table?

Mr. TAVENNER. It is on the calendar.

The SPEAKER pro tempore. The Clerk will report it.

The Clerk read the bill, as follows:

A bill (S. 6626) to fix the rate of pay for compositors and bookbinders in the Government Printing Office.

Be it enacted, etc., That from and after the date of the passage of this act the pay for compositors and bookbinders in the Government Printing Office shall be at the rate of 55 cents per hour.

The SPEAKER pro tempore. Is there objection?

Mr. COX. Mr. Speaker, I reserve an objection.

The SPEAKER pro tempore. The gentleman from Indiana reserves an objection.

Mr. TAVENNER. Mr. Speaker, I simply wanted to say that this is the bill providing for an increase in the pay of the compositors and bookbinders in the Government Printing Office. The Public Printer has recommended this increase in his annual reports for 1914 and 1915. The House Committee on Printing and the Senate Committee on Printing reported the bill favorably, and the Senate at this session passed the bill without a dissenting vote. I believe, since this has been considered so frequently by committees of Congress, that——

Mr. MOORE of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. TAVENNER. I yield.

Mr. MOORE of Pennsylvania. Is this the proposition that passed the House favorably when the bill to codify the printing laws was before the Committee of the Whole House?

Mr. TAVENNER. Yes; it is the identical proposition.

Mr. MANN. That bill did not pass the House.

Mr. TAVENNER. This paragraph of the bill passed the House.

Mr. MOORE of Pennsylvania. It did receive the sanction of the Committee of the Whole House?

Mr. TAVENNER. Yes; after considerable debate.

Mr. MOORE of Pennsylvania. It puts the printers and bookbinders of the Government Printing Office on the same pay basis as many private printing offices throughout the United States, it being shown at the time the matter was discussed here that higher pay was accorded to printers in certain newspaper offices and elsewhere throughout the United States than was paid to the printers in the Government Printing Office.

Mr. TAVENNER. Yes.

Mr. FITZGERALD. This provision has practically passed both Houses?

Mr. TAVENNER. Yes.

Mr. FITZGERALD. Then I am for it.

The SPEAKER pro tempore. Is there objection?

Mr. COX. Reserving the right to object, Mr. Speaker, it is not a very pleasant job for me to object to these things, but it does impress me, Mr. Speaker, and it impresses me very seriously, with appropriations at this session of Congress amounting to the appalling sum of $1,680,000,000, one-half of the total expense of the great Civil War, that it is not a very appropriate time for the Democratic Party, responsible for legislation, to increase salaries to the extent of $75,000 per year, which this bill carries.

I have read this bill. I am not doing things blindly at all. I have read the report of the committee. What are the facts? This same class of men who are now seeking this increase of pay will entail a drain upon the Treasury of $75,000 per year are paid higher wages to-day than the same class of men in 22 cities, substantially the leading cities of the United States, as set forth in their report. They are paid a lower wage here than they are in only four cities of the United States. I have nothing against this class of men and nothing in the world to say against them. They get $4 per day for eight hours' work. They get their 30 days' annual leave with pay that these other employees in private institutions do not get at all. They get every Saturday evening off for three months in the year. In addition to that they get all the national holidays, and when the year's work is done they have performed about 247 days' labor for the Government. At this time I am compelled to object.

Mr. MOORE of Pennsylvania. Mr. Speaker, before the gentleman does that will he yield for a question?

Mr. COX. I yield to the gentleman.

Mr. MOORE of Pennsylvania. I can sympathize with the gentleman as to the expenditures authorized during this session of Congress. I think they will amount, as the gentleman says, to about $1,700,000,000 or thereabouts, but is it not a fact that that $1,700,000,000 includes such expenditures as $20,000,000 for a nitrate plant——

Mr. COX. For which the gentleman from Philadelphia voted.

Mr. MOORE of Pennsylvania. No; I did not.

Mr. COX. Did not the gentleman vote for the Army reorganization bill?

Mr. MOORE of Pennsylvania. On a separate proposition I voted against the nitrate plant.

Mr. COX. Did not the gentleman finally vote for the Army reorganization bill when it passed?

Mr. MOORE of Pennsylvania. I did. We had to keep the Government going.

Mr. COX. Then the gentleman voted for the nitrate appropriation of $20,000,000, which it carried.

Mr. MOORE of Pennsylvania. When I had the opportunity, apart from the trick by which that appropriation was included in the Army bill, I voted against it.

Mr. COX. The difference which the gentleman seeks to make is the difference between tweedledee and tweedledum. The gentleman had a right to vote against the bill as a whole if he disapproved of anything in it, and he did not do so.

Mr. MOORE of Pennsylvania. I will ask the gentleman if he did not vote for the Army reorganization bill?

Mr. COX. I did, and would vote for it again, and so did the gentleman, because this bill was embraced in the naval bill.

Mr. MOORE of Pennsylvania. Did not the gentleman vote for the armor-plate plant?

Mr. COX. I did, and would vote for it again.

Mr. MOORE of Pennsylvania. Did not the gentleman vote for all those extraneous Government-ownership propositions?

Mr. COX. I do not know what the gentleman means by "extraneous propositions." The record of my votes is in the CONGRESSIONAL RECORD. I think I have not missed one roll call this whole session.

Mr. MOORE of Pennsylvania. I think the gentleman said one of these bills—the revenue bill—was the best ever presented to Congress.

Mr. COX. The tariff bill; and it was. If the gentleman had taken that view of it, he ought to have voted for it.

Mr. MOORE of Pennsylvania. Now, the gentleman having voted for all these extravagances, does he not think he ought to allow the printers who work for the Government to get a higher wage?

Mr. KEATING. Mr. Speaker, I call for the regular order.

The SPEAKER pro tempore (Mr. GARRETT). The regular order is demanded. The regular order is, Is there objection?

Mr. COX. I object.

The SPEAKER pro tempore. The gentleman from Indiana objects.

INDIAN SCHOOLS.

Mr. HASTINGS. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 6748) providing that Indian schools may be maintained without restriction as to annual rate of expenditure per pupil.

The SPEAKER pro tempore. The gentleman from Oklahoma asks unanimous consent for the present consideration of a Senate bill which the Clerk will report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Let the bill be reported.

The bill was read, as follows:

Be it enacted, etc., That all moneys appropriated or available for Indian school purposes may be expended without restriction as to per capita expenditure for the annual support and education of any one pupil in any Indian school.

With the following committee amendment:

Add after the word "school" on page 1, line 6, the following proviso: "*Provided*, That in no event shall the per capita cost at any one school exceed the sum of $200."

The SPEAKER pro tempore. Is there objection?

Mr. MANN. Reserving the right to object, I believe under the existing law the per capita expenditure in Indian schools can not exceed $167 per annum.

Mr. HASTINGS. That is correct.

Mr. MANN. Except as it may be changed in the current appropriation act.

Mr. HASTINGS. And that has been changed for the past four years, practically in the terms of this bill. The limit has been taken off for that length of time.

Mr. MANN. The Senate bill proposes to take off the limitation entirely, I suppose because the Senate considers that under a Democratic administration there has been a great reduction in the cost of living. The old law provided that the per capita expenditure should not exceed $167 per year. After we have had this reduction in the cost of living, caused by a Democratic administration, as promised in the platform, it is proposed now to take off the limit entirely. That is the Senate proposition. Now the House committee reports an amendment which makes the per capita cost not to exceed $200 per year.

Mr. HASTINGS. That is correct.

Mr. MANN. I suppose if this bill passes the House the Senate will send it to conference, and there will be in conference a controversy to decide between $200 a year and maybe $2,000,000 a year. There is no limit on the other side.

Mr. HASTINGS. We hope to have the Senate concur in this House amendment.

Mr. MANN. I want some assurance that the Senate will do that before we pass this bill. I know that the Indian Office, influenced by some of the Indian schools, would not look with disfavor upon a very large per capita expenditure in some of the schools. In some of the Indian schools the per capita expenditure has run up to $400 a year where we have removed the limit of cost.

Mr. HASTINGS. If the gentleman will permit me, I will say that this limit of $167 was placed in the act of 1908, and that this limit has been taken off by special provision in the Indian appropriation bill for the past four years, in substantially the same language as that of the Senate bill.

Mr. MANN. That has all been under a Democratic administration in this House.

Mr. HASTINGS. No; that was really begun under a Republican administration.

Mr. MANN. Oh, I regret to say that in the last four years the administration of this House has been Democratic.

Mr. FITZGERALD. And that will be continued 10 or 12 years more.

Mr. MANN. If it should be continued 10 or 12 years more, they will want to put the limit of cost, not at $200 but at $500 or $600 a year, because the cost of living is very rapidly increasing, while the gentleman from New York [Mr. FITZGERALD] is chairman of the Committee on Appropriations, owing largely to that fact.

Mr. FITZGERALD. Mr. Speaker, if the gentleman wants to deprive these Indian pupils of being properly educated, let him object.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, I reserve the right to object. The gentleman from New York [Mr. FITZGERALD] ought himself to be endeavoring to protect the Treasury, but he appreciates the fact that the cost of living greatly increases under Democratic rule, and is willing to take the limit off entirely. I am not. This money is paid out of the Treasury of the United States. It is raised by taxation of the people. Let us know something about what it is going to cost.

Mr. CALDWELL. Mr. Speaker, does not the gentleman realize that extravagance when we are poor is a mere bagatelle when we are rich, as we get under Democratic administration.

Mr. MANN. Mr. Speaker, the gentleman from New York [Mr. CALDWELL] may have greatly added to his wealth since he came to Congress; the rest us have not.

Mr. CALDWELL. Oh, no.

Mr. MANN. What is going to be done with this bill? I shall not let it pass until we know something about what is going to happen to it. I am not willing to absolutely remove the limit of cost.

Mr. HASTINGS. Mr. Speaker, I can not give positive assurance as to what will be done. So far as I am concerned I am perfectly willing that this amendment should be concurred in when it shall go to the Senate. It is not my expectation, so far as I am able to speak, to have it go to conference. The Secretary of the Interior is very earnest in having this bill enacted, and the report shows that the Indian schools will be very greatly crippled if this legislation is not enacted. Special legislation has been enacted for the last four or five years.

Mr. FITZGERALD. What provision is in the Indian appropriation bill for the present year?

Mr. HASTINGS. It is the act of 1908.

Mr. FITZGERALD. What provision is in the current appropriation act?

Mr. HASTINGS. There is no provision, but there is general legislation in the act of 1908.

Mr. FITZGERALD. Fixing the limit of cost?

Mr. HASTINGS. Fixing the limit of cost at $167. There is general appropriation for the maintenance of these schools in the present Indian appropriation bill, and without this legislation it would be limited to $167.

Mr. FITZGERALD. I understand the gentleman to say that for the past four years the limit has been increased?

Mr. HASTINGS. There has been a special exemption, but it applied to that particular act.

Mr. FITZGERALD. Is there any exemption in the current law?

Mr. HASTINGS. There is no exemption in the current law.

The SPEAKER. Is there objection?

Mr. MANN. Unless we know something about what it is going to cost I shall object.

The SPEAKER. The gentleman from Illinois objects.

THE JUDICIAL CODE.

Mr. CONNELLY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6914) to amend section 82 of chapter 231 of the act to codify, revise, and amend the laws relating to the judiciary, with a Senate amendment thereto, and to agree to the Senate amendment.

The SPEAKER. The gentleman from Kansas asks unanimous consent to take from the Speaker's table the bill H. R. 6914, with a Senate amendment thereto. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the Senate amendment.

The Clerk read the Senate amendment.

The SPEAKER. The question is on concurring in the Senate amendment.

The Senate amendment was agreed to.

On motion of Mr. CONNELLY, a motion to reconsider the vote by which the Senate amendment was concurred in was laid on the table.

JOHN ERICSSON.

Mr. CONNELLY. Mr. Speaker, I ask unanimous consent that my colleague, Mr. HELVERING, may be permitted to extend his remarks in the RECORD upon the subject of John Ericsson.

The SPEAKER. The gentleman from Kansas asks unanimous consent that his colleague, Mr. HELVERING, be permitted to extend his remarks in the RECORD upon the subject of John Ericsson. Is there objection?

There was no objection.

RECESS.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that the House stand in recess until 2.25 o'clock p. m. to-day.

The SPEAKER pro tempore (Mr. ALEXANDER). The gentleman from North Carolina asks unanimous consent that the House stand in recess until 2.25 o'clock p. m. to-day. Is there objection?

There was no objection.

Accordingly (at 12 o'clock and 59 minutes p. m.) the House stood in recess until 2.25 p. m. to-day.

At the expiration of the recess the House resumed its session, and was called to order by the Speaker.

EXTENSION OF REMARKS.

Mr. JOHNSON of Kentucky. Mr. Speaker, next Monday the President of the United States is going to deliver an address in my district accepting the Lincoln farm in Kentucky. I ask unanimous consent that his speech when made may be printed in the RECORD.

The SPEAKER. The gentleman from Kentucky asks unanimous consent to extend his remarks in the RECORD by printing a speech that will be delivered by the President of the United States accepting the Lincoln farm in his district next Monday. Is there objection?

Mr. MANN. I have no objection, if it is so framed that the speech will go into the permanent RECORD in its proper place and not as of to-day.

Mr. JOHNSON of Kentucky. I want to insert it in the RECORD, of course, after it is made.

Mr. MANN. But when a Member obtains leave to extend his remarks in the RECORD, in the permanent RECORD the Public Printer puts the speech in the place where the leave was granted.

Mr. JOHNSON of Kentucky. My request will show that the speech is not made; but to avoid a quibble I will make the request that it go into the permanent RECORD after it is made.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

JOINT MEETING OF THE SENATE AND HOUSE.

At 2 o'clock and 27 minutes p. m. the Doorkeeper, J. J. Sinnott, announced the Vice President of the United States and the Members of the United States Senate.

The Members of the House rose.

The Senate, preceded by the Vice President and by their Secretary and Sergeant at Arms, entered the Chamber.

The Vice President took the chair at the right of the Speaker, and the Members of the Senate took the seats reserved for them.

The SPEAKER. On behalf of the House the Chair appoints the gentleman from North Carolina [Mr. KITCHIN], the gentleman from New York [Mr. FITZGERALD], and the gentleman from Illinois [Mr. MANN] as a committee to wait on the President and escort him into the House.

The VICE PRESIDENT. On behalf of the Senate the Chair appoints the Senator from Indiana [Mr. KERN], the Senator from North Carolina [Mr. SIMMONS], and the Senator from Utah [Mr. SMOOT].

At 2 o'clock and 30 minutes p. m. the President of the United States, escorted by the committee of Senators and Representatives, entered the Hall of the House and stood at the Clerk's desk amid applause on the floor and in the galleries.

The SPEAKER. Gentlemen of the Sixty-fourth Congress, I present to you the President of the United States. [Applause.]

ADDRESS OF THE PRESIDENT (H. DOC. NO. 1340).

The PRESIDENT. Mr. Speaker, Mr. President, and gentlemen of the Congress, I have come to you to seek your assistance in dealing with a very grave situation which has arisen out of the demand of the employees of the railroads engaged in freight train service that they be granted an eight-hour working day, safeguarded by payment for an hour and a half of service for every hour of work beyond the eight.

The matter has been agitated for more than a year. The public has been made familiar with the demands of the men and the arguments urged in favor of them, and even more familiar with the objections of the railroads and their counter demand that certain privileges now enjoyed by their men and certain bases of payment worked out through many years of contest be reconsidered, especially in their relation to the adoption of an eight-hour day. The matter came some three weeks ago to a final issue and resulted in a complete deadlock between the parties. The means provided by law for the mediation of the controversy failed and the means of arbitration for which the law provides were rejected. The representatives of the railway executives proposed that the demands of the men be submitted in their entirety to arbitration, along with certain questions of readjustment as to pay and conditions of employment which seemed to them to be either closely associated with the demands or to call for reconsideration on their own merits; the men absolutely declined arbitration, especially if any of their established privileges were by that means to be drawn again in question. The law in the matter put no compulsion upon them. The four hundred thousand men from whom the demands proceeded had voted to strike if their demands were refused; the strike was imminent; it has since been set for the fourth of September next. It affects the men who man the freight trains on practically every railway in the country. The freight service throughout the United States must stand still until their places are filled, if, indeed, it should prove possible to fill them at all. Cities will be cut off from their food supplies, the whole commerce of the nation will be paralyzed, men of every sort and occupation will be thrown out of employment, countless thousands will in all likelihood be brought, it may be, to the very point of starvation, and a tragical national calamity brought on, to be added to the other distresses of the time, because no basis of accommodation or settlement has been found.

Just so soon as it became evident that mediation under the existing law had failed and that arbitration had been rendered impossible by the attitude of the men, I considered it my duty to confer with the representatives of both the railways and the brotherhoods, and myself offer mediation, not as an arbitrator, but merely as spokesman of the nation, in the interest of justice, indeed, and as a friend of both parties, but not as judge, only as the representative of one hundred millions of men, women, and children who would pay the price, the incalculable price, of loss and suffering should these few men insist upon approaching and concluding the matters in controversy between them merely as employers and employees, rather than as patriotic citizens of the United States looking before and after and accepting the larger responsibility which the public would put upon them. [Applause.]

It seemed to me, in considering the subject-matter of the controversy, that the whole spirit of the time and the preponderant evidence of recent economic experience spoke for the eight-hour day. [Applause.] It has been adjudged by the thought and experience of recent years a thing upon which society is justified in insisting as in the interest of health, efficiency, contentment, and a general increase of economic vigor. The whole presumption of modern experience would, it seemed to me, be in its favor, whether there was arbitration or not, and the debatable points to settle were those which arose out of the acceptance of the eight-hour day rather than those which affected its establishment. I, therefore, proposed that the eight-hour day be adopted by the railway managements and put into practice for the present as a substitute for the existing ten-hour basis of pay and service; that I should appoint, with the permission of the Congress, a small commission to observe the results of the change, carefully studying the figures of the altered operating costs, not only, but also the conditions of labor under which the men worked and the operation of their existing agreements with the railroads, with instructions to report the facts as they found them to the Congress at the earliest possible day, but without recommendation; and that, after the facts had been thus disclosed, an adjustment should

in some orderly manner be sought of all the matters now left unadjusted between the railroad managers and the men.

These proposals were exactly in line, it is interesting to note, with the position taken by the Supreme Court of the United States when appealed to to protect certain litigants from the financial losses which they confidently expected if they should submit to the regulation of their charges and of their methods of service by public legislation. The court has held that it would not undertake to form a judgment upon forecasts, but could base its action only upon actual experience; that it must be supplied with facts, not with calculations and opinions, however scientifically attempted. To undertake to arbitrate the question of the adoption of an eight-hour day in the light of results merely estimated and predicted would be to undertake an enterprise of conjecture. No wise man could undertake it, or, if he did undertake it, could feel assured of his conclusions.

I unhesitatingly offered the friendly services of the administration to the railway managers to see to it that justice was done the railroads in the outcome. I felt warranted in assuring them that no obstacle of law would be suffered to stand in the way of their increasing their revenues to meet the expenses resulting from the change so far as the development of their business and of their administrative efficiency did not prove adequate to meet them. The public and the representatives of the public, I felt justified in assuring them, were disposed to nothing but justice in such cases and were willing to serve those who served them.

The representatives of the brotherhoods accepted the plan; but the representatives of the railroads declined to accept it. In the face of what I cannot but regard as the practical certainty that they will be ultimately obliged to accept the eight-hour day by the concerted action of organized labor, backed by the favorable judgment of society [applause], the representatives of the railway management have felt justified in declining a peaceful settlement which would engage all the forces of justice, public and private, on their side to take care of the event. They fear the hostile influence of shippers, who would be opposed to an increase of freight rates (for which, however, of course, the public itself would pay); they apparently feel no confidence that the Interstate Commerce Commission could withstand the objections that would be made. They do not care to rely upon the friendly assurances of the Congress or the President. They have thought it best that they should be forced to yield, if they must yield, not by counsel, but by the suffering of the country. While my conferences with them were in progress, and when to all outward appearance those conferences had come to a standstill, the representatives of the brotherhoods suddenly acted and set the strike for the fourth of September.

The railway managers based their decision to reject my counsel in this matter upon their conviction that they must at any cost to themselves or to the country stand firm for the principle of arbitration which the men had rejected. I based my counsel upon the indisputable fact that there was no means of obtaining arbitration. The law supplied none; earnest efforts at mediation had failed to influence the men in the least. To stand firm for the principle of arbitration and yet not get arbitration seemed to me futile, and something more than futile, because it involved incalculable distress to the country and consequences in some respects worse than those of war, and that in the midst of peace.

I yield to no man in firm adherence, alike of conviction and of purpose, to the principle of arbitration in industrial disputes; but matters have come to a sudden crisis in this particular dispute and the country had been caught unprovided with any practicable means of enforcing that conviction in practice (by whose fault we will not now stop to inquire). A situation had to be met whose elements and fixed conditions were indisputable. The practical and patriotic course to pursue, as it seemed to me, was to secure immediate peace by conceding the one thing in the demands of the men which society itself and any arbitrators who represented public sentiment were most likely to approve, and immediately lay the foundations for securing arbitration with regard to everything else involved. The event has confirmed that judgment.

I was seeking to compose the present in order to safeguard the future; for I wished an atmosphere of peace and friendly cooperation in which to take counsel with the representatives of the nation with regard to the best means for providing, so far as it might prove possible to provide, against the recurrence of such unhappy situations in the future,—the best and most practicable means of securing calm and fair arbitration of all industrial disputes in the days to come. This is assuredly the best way of vindicating a principle, namely, having failed to make certain of its observance in the present, to make certain of its observance in the future. [Applause.]

But I could only propose. I could not govern the will of others who took an entirely different view of the circumstances of the case, who even refused to admit the circumstances to be what they have turned out to be.

Having failed to bring the parties to this critical controversy to an accommodation, therefore, I turn to you, deeming it clearly our duty as public servants to leave nothing undone that we can do to safeguard the life and interests of the nation. In the spirit of such a purpose, I earnestly recommend the following legislation:

First, immediate provision for the enlargement and administrative reorganization of the Interstate Commerce Commission along the lines embodied in the bill recently passed by the House of Representatives and now awaiting action by the Senate; in order that the Commission may be enabled to deal with the many great and various duties now devolving upon it with a promptness and thoroughness which are with its present constitution and means of action practically impossible.

Second, the establishment of an eight-hour day as the legal basis alike of work and of wages in the employment of all railway employees who are actually engaged in the work of operating trains in interstate transportation. [Applause.]

Third, the authorization of the appointment by the President of a small body of men to observe the actual results in experience of the adoption of the eight-hour day in railway transportation alike for the men and for the railroads; its effects in the matter of operating costs, in the application of the existing practices and agreements to the new conditions, and in all other practical aspects, with the provision that the investigators shall report their conclusions to the Congress at the earliest possible date, but without recommendation as to legislative action; in order that the public may learn from an unprejudiced source just what actual developments have ensued.

Fourth, explicit approval by the Congress of the consideration by the Interstate Commerce Commission of an increase of freight rates to meet such additional expenditures by the railroads as may have been rendered necessary by the adoption of the eight-hour day and which have not been offset by administrative readjustments and economies, should the facts disclosed justify the increase.

Fifth, an amendment of the existing federal statute which provides for the mediation, conciliation, and arbitration of such controversies as the present by adding to it a provision that in case the methods of accommodation now provided for should fail, a full public investigation of the merits of every such dispute shall be instituted and completed before a strike or lockout may lawfully be attempted. [Applause.]

And, sixth, the lodgement in the hands of the Executive of the power, in case of military necessity, to take control of such portions and such rolling stock of the railways of the country as may be required for military use and to operate them for military purposes, with authority to draft into the military service of the United States such train crews and administrative officials as the circumstances require for their safe and efficient use. [Applause.]

This last suggestion I make because we cannot in any circumstances suffer the nation to be hampered in the essential matter of national defense. At the present moment circumstances render this duty particularly obvious. Almost the entire military force of the nation is stationed upon the Mexican border to guard our territory against hostile raids. It must be supplied, and steadily supplied, with whatever it needs for its maintenance and efficiency. If it should be necessary for purposes of national defense to transfer any portion of it upon short notice to some other part of the country, for reasons now unforeseen, ample means of transportation must be available, and available without delay. The power conferred in this matter should be carefully and explicitly limited to cases of military necessity, but in all such cases it should be clear and ample.

There is one other thing we should do if we are true champions of arbitration. We should make all arbitral awards judgments by record of a court of law in order that their interpretation and enforcement may lie, not with one of the parties to the arbitration, but with an impartial and authoritative tribunal.

These things I urge upon you, not in haste or merely as a means of meeting a present emergency, but as permanent and necessary additions to the law of the land, suggested, indeed, by circumstances we had hoped never to see, but imperative as well as just, if such emergencies are to be prevented in the future. I feel that no extended argument is needed to commend them to

your favorable consideration. They demonstrate themselves. The time and the occasion only give emphasis to their importance. We need them now and we shall continue to need them. [Applause.]

At 2 o'clock and 48 minutes p. m. the President retired from the Hall of the House.

Thereupon the Vice President and the Members of the Senate returned to their Chamber.

The SPEAKER. The message of the President just delivered to the House will be printed and referred to the Committee on Interstate and Foreign Commerce.

CALENDAR WEDNESDAY AND HOUR OF MEETING TO-MORROW.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that the business on Calendar Wednesday to-morrow be dispensed with and that when the House adjourns to-day it adjourn to meet at 11 o'clock a. m. to-morrow.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that the business on Calendar Wednesday be dispensed with to-morrow and that when the House adjourns to-day it adjourn to meet at 11 o'clock a. m. to-morrow. Is there objection?

Mr. MANN. Reserving the right to object, I suppose the purpose of that is to take up the deficiency bill to-morrow?

Mr. KITCHIN. Yes.

Mr. MANN. There is probably nothing else to-morrow except the deficiency bill.

Mr. KITCHIN. The gentleman is right.

Mr. FITZGERALD. That will be sufficient for one day.

The SPEAKER. Is there objection?

There was no objection.

THE SHIPPING BILL.

Mr. ALEXANDER. Mr. Speaker, I desire to call up from the Speaker's table the bill H. R. 15455, the shipping bill, with Senate amendments, with a view of moving to concur in the Senate amendments.

The SPEAKER. The Chair lays before the House the shipping bill, with Senate amendments, and the Clerk will report the title.

The Clerk read the title to the bill, as follows:

H. R. 15455. An act to establish a United States shipping board for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a merchant marine to meet the requirements of the commerce of the United States with its Territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and interstate commerce of the United States, and for other purposes.

Mr. GREENE of Massachusetts. Mr. Speaker, I make the point that there is no quorum present.

The SPEAKER. The gentleman from Massachusetts makes the point that no quorum is present. The Chair will count. [After counting.] Two hundred and five gentlemen present; not a quorum.

Mr. ALEXANDER. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were ordered to be closed and the Sergeant at Arms to notify absent Members.

The Clerk called the roll, and the following Members failed to answer to their names:

Adair	Darrow	Gregg	Konop
Anderson	Decker	Griffin	Kreider
Anthony	Dempsey	Guernsey	Lafean
Austin	Dill	Hamill	La Follette
Barchfeld	Dooling	Hamilton, Mich.	Langley
Barnhart	Driscoll	Hamilton, N. Y.	Lazaro
Beakes	Drukker	Hart	Lee
Beales	Dunn	Haskell	Lenroot
Bell	Dyer	Hay	Lever
Blackmon	Ellsworth	Hayes	Loft
Britt	Elston	Heaton	Longworth
Browne	Emerson	Helm	Loud
Burgess	Esch	Helvering	McCulloch
Burke	Fairchild	Henry	McDermott
Burnett	Farr	Hensley	McFadden
Butler	Ferris	Hernandez	McGillicuddy
Byrnes, S. C.	Fess	Hinds	McKellar
Callaway	Finley	Hollingsworth	McKenzie
Cantrill	Flynn	Hopwood	McLaughlin
Capstick	Foss	Howard	Madden
Carew	Foster	Howell	Magee
Carter, Okla.	Frear	Hughes	Maher
Cary	Freeman	Humphrey, Wash.	Mapes
Charles	Fuller	Husted	Martin
Chiperfield	Gardner	Hutchinson	Meeker
Church	Garland	James	Miller, Minn.
Cooper, Ohio	Garner	Johnson, Wash.	Miller, Pa.
Cooper, W. Va.	Gillett	Kearns	Mooney
Copley	Glynn	Keister	Morgan, La.
Crago	Godwin, N. C.	Kelley	Morin
Cramton	Good	Kennedy, R. I.	Mott
Crisp	Gould	Kent	Murray
Dallinger	Gray, Ala.	Kettner	Neely
Danforth	Gray, N. J.	Kiess, Pa.	
Nicholls, S. C.	Pratt	Smith, Idaho	Thomas
Nichols, Mich.	Ragsdale	Smith, Mich.	Tilson
Nolan	Riordan	Snell	Tinkham
North	Roberts, Mass.	Snyder	Tribble
Norton	Roberts, Nev.	Stedman	Walker
Oglesby	Rogers	Stephens, Nebr.	Walsh
Olney	Rowland	Stephens, Tex.	Ward
Paige, Mass.	Russell, Ohio	Stiness	Wason
Park	Sabath	Stout	Watson, Pa.
Parker, N. Y.	Saunders	Sulloway	Whaley
Patten	Schall	Sumners	Williams, T. S.
Peters	Scott, Mich.	Sweet	Wilson, Fla.
Platt	Sells	Swift	Wilson, Ill.
Porter	Shackleford	Taylor, Colo.	Winslow
Powers	Shouse	Temple	

The SPEAKER. On this roll call 237 Members, a quorum, have answered present. [Applause.] The Doorkeeper will unlock the doors.

Mr. ALEXANDER. Mr. Speaker, I move to dispense with further proceedings under the call.

The question was taken and the motion was agreed to.

Mr. ALEXANDER. Mr. Speaker, when the point of order was pending the other day the Senate amendments to this bill, most of them——

Mr. MANN. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. MANN. What is before the House?

Mr. ALEXANDER. Mr. Speaker, I desire to move to concur in the Senate amendments to this bill (H. R. 15455).

Mr. MANN. Well, Mr. Speaker, what is——

The SPEAKER. The Chair laid the bill before the House and the Clerk will report the amendments.

Mr. MANN. That is another thing.

The SPEAKER. The Chair wanted the gentleman to stop a minute so as to get that remark in. [Applause.] The Clerk will report the Senate amendments.

The Clerk read as follows:

Senate amendment numbered 1:

Page 1, line 9, after the word "trade," insert "*Provided*, That a cargo boat, commonly called an ocean tramp, shall not be deemed 'common carrier by water in foreign commerce.'"

Mr. MANN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MANN. Is it the proper procedure to dispose of these amendments as reported?

The SPEAKER. The Chair did not understand the gentleman.

Mr. MANN. An amendment having been reported, is it not in order now to dispose of it?

The SPEAKER. The Chair thinks so, if anybody——

Mr. MANN. If that is the proper procedure.

Mr. ALEXANDER. Mr. Speaker——

The SPEAKER. The gentleman from Missouri.

Mr. ALEXANDER. Mr. Speaker, I move to concur in the Senate amendment, and on that I move the previous question.

The SPEAKER. The gentleman from Missouri moves to concur in the amendment, and on that he moves the previous question.

Mr. GREENE of Massachusetts. Mr. Speaker, I want to know if there is to be any time for debate on any of these amendments?

The SPEAKER. If the previous question is ordered there can not be debate.

Mr. GREENE of Massachusetts. Then I raise the point of no quorum.

The SPEAKER. The Chair overrules that; it has not been two minutes since the roll was called.

Mr. MANN. Mr. Speaker, let us see for a moment. I think there are one or two amendments some gentlemen desire to move to concur in with an amendment. I have no desire for a separate vote on each amendment. Suppose we have all the amendments reported and then agree upon a time for debate.

Mr. GREENE of Massachusetts. If you are not going to give any time, if you are going to run it through as you did before and desire to do that again——

The SPEAKER. The gentleman from Illinois has the floor.

Mr. MANN. If we have an agreement for a time for debate and then with the understanding that any amendment where gentlemen move to concur with an amendment they may be excepted from the gentleman's general motion——

Mr. ALEXANDER. I have no objection to any reasonable time.

Mr. GREENE of Massachusetts. If the gentleman is attempting to put it through without any time at all, we might want considerable time to debate several of these amendments.

Mr. PARKER of New Jersey. Mr. Speaker, it seems that the amendments to section 9, which admit vessels built abroad to the constwise trade by striking out the word "not"—although all the amendments in that section stand somewhat together

and might be voted on together—ought to be thoroughly debated. The House ought to understand before we adopt that. It seems also that the last amendment to the whole bill, which is an addition and which provides that every ship engaged in foreign or domestic trade must take goods if they are offered, ought perhaps to have some exceptions, if the vessel were endangered, or its voyage were endangered, by the offer of contraband goods or goods which might be said to be going to a belligerent, so that those goods would put the vessel in jeopardy.

Certainly both of those two sections ought to be thoroughly debated, and I would suggest that there ought to be two hours of debate on the coastwise-trade amendment.

The SPEAKER. What has the gentleman from Missouri [Mr. ALEXANDER] to say?

Mr. ALEXANDER. I have not yielded the floor. I am willing to consent to any reasonable debate before moving the previous question; but I am willing to make this agreement: That all the amendments be reported, and that debate shall be limited to one hour, one-half to be controlled by myself and one-half to be controlled by the gentleman from Massachusetts [Mr. GREENE], and at the expiration of that time the previous question shall be ordered on the bill and the amendments. The amendments to two or three sections I would be willing to except from the motion.

Mr. PARKER of New Jersey. I will ask, Mr. Speaker, if section 9 could be considered and the amendments voted on either separately or together, but considered separately from the rest? Because section 9 applies to an entirely different subject, to the admission of foreign-built vessels to the American coastwise trade.

Mr. ALEXANDER. I understand the vote could be had on any amendment.

The SPEAKER. What difference would that make?

Mr. MANN. Why not ask unanimous consent to have all reported except the amendments to section 9 and the last amendment? I am not selecting those from my own recollection, but from that of others. Then dispose of all the amendments except the ones I have named.

Mr. FORDNEY. From 15 to 19, inclusive?

Mr. MANN. Yes. Then would there be general debate desired on these bulky amendments in addition to section 9 and the last amendment?

Mr. GREENE of Massachusetts. There should be debate on these amendments numbered 15 to 19, inclusive.

Mr. MANN. That is under section 9. I have excepted that.

Mr. GREENE of Massachusetts. I think there ought to be more than one hour's debate.

Mr. MANN. I think that we ought to agree to all the amendments except——

Mr. GREENE of Massachusetts. I object to amendment No. 1.

Mr. MANN. Does the gentleman want to be heard on it?

Mr GREENE of Massachusetts. I want an opportunity to be afforded, if people desire to be heard on it; I want half an hour. If we do not use the time, we will give it up.

Mr. FITZGERALD. We do not want half an hour on those amendments.

Mr. GREENE of Massachusetts. You do not, but some others may.

Mr. FITZGERALD. Oh, no.

Mr. MANN. Oh, we have time.

Mr. FITZGERALD. No; we have not.

Mr. MANN. Oh, the gentleman from New York will remain here a while, I think.

Mr. GREENE of Massachusetts. The gentleman from New York has not been here for several weeks. I have been here every day.

Mr. FITZGERALD. That is not correct.

Mr. MANN. I hope the gentleman will ask unanimous consent to have reported to the House all of the amendments except the amendment to section 9 and the last amendment, and then give half an hour each on these amendments and then two hours' debate on those amendments that are excepted.

Mr. ALEXANDER. Not two hours. Say an hour.

Mr. MANN. It is an important measure.

The SPEAKER. What request has the gentleman from Missouri [Mr. ALEXANDER] to make?

Mr. GREENE of Massachusetts. If the gentleman does not want to use any time, he need not.

Mr. MANN. If you give us the hour's time over here, all right.

Mr. ALEXANDER. Does the gentleman want to vote on these amendments en bloc?

Mr. MANN. The amendments to section 9 may be voted on en bloc, but they are different from the last amendment.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent that all the amendments be reported to the House except the amendments to section 9 and the last Senate amendment. I believe it is Senate amendment No.——

Mr. MANN. No. 48. That is, section 36.

Mr. ALEXANDER. Yes; Senate amendment No. 48, section 36.

Mr. GREENE of Massachusetts. Mr. Speaker, some gentlemen have said to me that they desire to debate amendment No. 1. I do not want to cut them off.

The SPEAKER. Let us get the request of the gentleman from Missouri before the House.

Mr. ALEXANDER. It is this: That the debate on these amendments be limited to 30 minutes, one-half of the time to be controlled by myself and one-half by the gentleman from Massachusetts [Mr. GREENE], and that at the expiration of that time the previous question shall be ordered on those amendments and that they be voted on en bloc; that the debate on amendments to section 9 and Senate amendment No. 48 be limited to an hour and a half, at the expiration of which time——

Mr. MANN. One hour to be controlled——

Mr. ALEXANDER. Yes; one hour to be controlled by the gentleman from Massachusetts [Mr. GREENE] and 30 minutes to be controlled by myself, and at the expiration of that time the previous question to be considered as ordered on the amendments to sections 9 and 48 and that the vote on the amendments to section 9 be taken en bloc.

Mr. GREENE of Massachusetts. I object, Mr. Speaker. We should have them considered separately.

Mr. PARKER of New Jersey. Mr. Speaker, will the gentleman allow me to make a suggestion?

Mr. GREENE of Massachusetts. Yes.

Mr. PARKER of New Jersey. It is that section 9 ought not to be mixed up with the last one in debate. There should be a separate time allowed for debate on section 9.

Mr. ALEXANDER. You can divide it as you please.

Mr. PARKER of New Jersey. They ought not to be mixed up. One is the coastwise trade and the other is the blacklist question. There ought to be at least an hour on each—I should say two hours on the coastwise-trade question. That affects everybody—the gentleman from New York and everybody—tremendously. And I suggest that a fair time for debate should be allowed on section 9 and a fair time on the last section.

Mr. ALEXANDER. Two hours were asked for, and I have conceded one hour to that side and have only retained half an hour for myself.

Mr. PARKER of New Jersey. I was speaking of section 9. I want section 9 debated and disposed of by itself.

Mr. ALEXANDER. How much time?

Mr. PARKER of New Jersey. I think we need the same amount of time—an hour and a half. The gentleman can probably get whatever time he desires.

Mr. ALEXANDER. I want to conclude by 6 o'clock.

Mr. PARKER of New Jersey. I wish to reserve 10 minutes for myself.

The SPEAKER. The gentleman from Missouri [Mr. ALEXANDER] asks unanimous consent that all of the amendments be reported, except the amendments to section 9 and amendment 48; that there shall be 30 minutes' debate, one-half to be controlled by himself——

Mr. GREENE of Massachusetts. Excluding amendment 48.

The SPEAKER. The Chair was trying to put the request of the gentleman from Missouri.

Mr. GREENE of Massachusetts. I am trying to listen.

The SPEAKER. The gentleman from Missouri asks unanimous consent that all these amendments be reported, and that there shall be 30 minutes' debate on them, excluding the amendments to section 9 and amendment 48, and that there shall be an hour and a half debate on the amendments to section 9 and amendment 48, one hour of that to be controlled by the gentleman from Massachusetts [Mr. GREENE] and 30 minutes of it by the gentleman from Missouri [Mr. ALEXANDER]; that at the end of that time the previous question shall be considered as ordered on all those amendments——

Mr. GREENE of Massachusetts. I prefer what I stated before, that I am willing to accept an hour's time on section 9, and the gentleman from Missouri said he did not want more than 30 minutes, and I agreed to that, but I have not agreed to include amendment 48.

Mr. ALEXANDER. The gentleman asked for two hours on the two amendments, and I conceded one hour to him.

Mr. BENNET. Reserving the right to object, a parliamentary inquiry. This does not affect the right of any Member to call for a separate vote on any amendment?

Mr. MANN. It would. I will ask the gentleman from Missouri to give an hour and a half, one hour on this side on section 9, and half an hour additional on amendment 48——

Mr. ALEXANDER. Very well; I concede that.

The SPEAKER. That on section 9 there shall be an hour and a half debate, one hour to be controlled by the gentleman from Massachusetts [Mr. GREENE] and 20 minutes by the gentleman from Missouri [Mr. ALEXANDER]. Now, does the gentleman mean by his request that all these amendments shall be voted on at one time, in one vote?

Mr. ALEXANDER. This was my proposition, that all the amendments be read except the amendments to section 9 and amendment 48; that the debate on those amendments, excepting the amendments to section 9 and amendment 48, be limited to 30 minutes, one-half to be controlled by myself and one-half by the gentleman from Massachusetts; that at the expiration of that time the previous question be ordered on those amendments, and that they be voted on en bloc; that the general debate on the amendments to section 9 be limited to one hour and a half, one hour to be controlled by the gentleman from Massachusetts [Mr. GREENE] and one-half hour by myself; that at the conclusion of that debate the previous question be considered as ordered; that when that is disposed of the general debate on amendment 48 be limited to one hour, 30 minutes to be controlled by the gentleman from Massachusetts [Mr. GREENE] and 30 minutes by myself, at the expiration of which time the previous question shall be considered as ordered——

Mr. MANN. Do not say anything about the previous question on that. That ends the debate.

Mr. ALEXANDER. That ends debate. I understand there is an amendment to be offered to amendment 48.

The SPEAKER. The gentleman from Missouri [Mr. ALEXANDER] asks unanimous consent that all these amendments be reported at once except the amendments to section 9 and amendment 48; that there shall be 30 minutes debate on them, one-half to be controlled by the gentleman from Massachusetts [Mr. GREENE] and one-half by himself; that at the end of that 30 minutes the previous question shall be considered as ordered on all the amendments except the amendments to section 9 and amendment 48, and the vote taken on those amendments en bloc; then that there shall be an hour and a half debate on the amendments to section 9, one hour to be controlled by the gentleman from Massachusetts [Mr. GREENE] and half an hour by the gentleman from Missouri [Mr. ALEXANDER]; and that at the end of that debate the previous question be ordered and the vote taken on that; then that on amendment 48 there shall be an hour of debate, 30 minutes to be controlled by the gentleman from Missouri [Mr. ALEXANDER] and 30 minutes by the gentleman from Massachusetts [Mr. GREENE]. Is there objection?

Mr. PARKER of New Jersey. Mr. Speaker, that does not prevent an amendment to section 48?

Mr. MANN. No.

The SPEAKER. Of course not. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the amendments, except those to section 9 and amendment 48.

The Clerk read as follows:

Page 1, line 9, strike out the period and insert ": *Provided*, That a cargo boat commonly called an ocean tramp shall not be deemed such 'common carrier by water in foreign commerce.'"

Page 2, line 3, after "property," insert "on the high seas or the Great Lakes on regular routes from port to port."

Page 2, line 10, after "commerce," insert "on the high seas or the Great Lakes on regular routes from port to port."

Page 2, lines 13 and 14, strike out ", ferrying, towing."

Page 2, line 14, strike out "transfer, lighterage."

Page 2, line 15, strike out "in or."

Page 3, line 9, strike out all after "of" down to and including "and" line 11.

Page 4, lines 15 and 16, strike out ", except the ex officio members."

Page 4, line 16, strike out "$10,000" and insert "$7,500."

Page 5, lines 7 and 8, strike out "a part of the classified civil service" and insert "appointed from lists of eligibles to be supplied by the Civil Service Commission and in accordance with the civil-service law."

Page 6, line 3, after "purposes" insert ", and to make necessary repairs on and alterations of such vessels: *Provided*, That neither the board nor any corporation formed under section 11 in which the United States is then a stockholder shall purchase, lease, or charter any vessel—

"(a) Which is then engaged in the foreign or domestic commerce of the United States, unless it is about to be withdrawn from such commerce without any intention on the part of the owner to return it thereto within a reasonable time;

"(b) Which is under the registry or flag of a foreign country which is then engaged in war;

"(c) Which is not adapted, or can not by reasonable alterations and repairs be adapted, to the purposes specified in this section;

"(d) Which, upon expert examination made under the direction of the board, a written report of such examination being filed as a public record, is not without alteration or repair found to be at least 75 per cent as efficient as at the time it was originally put in commission as a seaworthy vessel."

Page 6, line 19, after "private," insert "competitive."

Page 6, line 19, after "sale," insert "after due advertisement."

Page 8, line 20, after "value," insert "based upon normal conditions."

Page 8, line 22, after "value," insert "under normal conditions."

Page 8, line 23, strike out "the" and insert "such."

Page 9, line 1, strike out "a majority of."

Page 9, line 17, after "therein," insert "*Provided*, That no corporation in which the United States is a stockholder, formed under the authority of this section, shall engage in the operation of any vessel constructed, purchased, leased, chartered, or transferred under the authority of this act unless the board shall be unable, after a bona fide effort, to contract with any person a citizen of the United States for the purchase, lease, or charter of such vessel under such terms and conditions as may be prescribed by the board.

"The board shall give public notice of the fact that vessels are offered and the terms and conditions upon which a contract will be made, and shall invite competitive offerings. In the event the board shall, after full compliance with the terms of this proviso, determine that it is unable to enter into a contract with such private parties for the purchase, lease, or charter of such vessel, it shall make a full report to the President, who shall examine such report, and if he shall approve the same he shall make an order declaring that the conditions have been found to exist which justify the operation of such vessel by a corporation formed under the provisions of this section."

Page 10, strike out all of section 12.

Page 10, line 21, strike out "13" and insert "12."

Page 10, lines 25 and 26, after "registry," insert:

"It shall examine the rules under which vessels are constructed abroad and in the United States, and the methods of classifying and rating same, and it shall examine into the subject of marine insurance, the number of companies in the United States, domestic and foreign, engaging in marine insurance, the extent of the insurance on hulls and cargoes placed or written in the United States, and the extent of reinsurance of American maritime risks in foreign companies, and ascertain what steps may be necessary to develop an ample marine insurance system as an aid in the development of an American merchant marine."

Page 11, line 17, strike out "14" and insert "13."

Page 11, lines 18 and 19, strike out "expenditure shall be made nor."

Page 11, line 19, after "liability," insert "shall be."

Page 12, line 11, strike out "15" and insert "14."

Page 12, line 25, strike out "period for which computed" and insert "completion of the service for which it is paid."

Page 14, line 1, strike out "16" and insert "15."

Page 16, line 1, strike out "17" and insert "16."

Page 16, line 22, strike out "18" and insert "17."

Page 17, line 16, strike out "19" and insert "18."

Page 18, line 24, strike out "20" and insert "19."

Page 19, line 7, strike out "21" and insert "20."

Page 20, lines 3 and 4, strike out "of a State or of the United States."

Page 20, line 13, strike out "22" and insert "21."

Page 21, line 10, strike out "23" and insert "22."

Page 22, line 4, strike out "24" and insert "23."

Page 22, line 13, strike out "25" and insert "24."

Page 23, line 1, strike out "26" and insert "25."

Page 23, after line 7, insert:

"SEC. 26. The board shall have power, and it shall be its duty whenever complaint shall be made to it, to investigate the action of any foreign Government with respect to the privileges afforded and burdens imposed upon vessels of the United States engaged in foreign trade whenever it shall appear that the laws, regulations, or practices of any foreign Government operate in such a manner that vessels of the United States are not accorded equal privileges in foreign trade with vessels of such foreign countries or vessels of other foreign countries, either in trade to or from the ports of such foreign country or in respect of the passage or transportation through such foreign country of passengers or goods intended for shipment or transportation in such vessels of the United States, either to or from ports of such foreign country or to or from ports of other foreign countries. It shall be the duty of the board to report the results of its investigation to the President with its recommendations and the President is hereby authorized and empowered to secure by diplomatic action equal privileges for vessels of the United States engaged in such foreign trade. And if by such diplomatic action the President shall be unable to secure such equal privileges, then the President shall advise Congress as to the facts and his conclusions by special message, if deemed important in the public interest, in order that proper action may be taken thereon."

Page 26, lines 6 and 7, strike out "in a district or State court."

The SPEAKER. The gentleman from Missouri [Mr. ALEXANDER] is recognized for 15 minutes.

Mr. ALEXANDER. Mr. Speaker, the first Senate amendment provides—

That a cargo boat commonly called an ocean tramp shall not be deemed a "common carrier by water in foreign commerce."

The bill as drawn by the Committee on the Merchant Marine and Fisheries and as it passed the House excluded tramps from the provisions of the law. A tramp is a cargo vessel that ordinarily is a bailee for hire. For instance, if a party charters a vessel to carry a cargo of coal from New York to some port in South America, that vessel is not a common carrier within the meaning of the law, it is a bailee for hire and called a tramp.

Mr. STAFFORD. Will the gentleman yield for a brief question?

Mr. ALEXANDER. In a moment. It is only when a vessel engages in business as a common carrier that it comes within the provisions of this bill. Where a ship is let by charter party to a person who is to furnish a full cargo, the owners having no right to take goods for any other person, i is not a common carrier, but only a bailee to transport as a private carrier for hire.

Mr. STAFFORD. Why should not such service apply to the commerce on the Great Lakes as well as the high seas?

Mr. ALEXANDER. The same rule does apply to both.

Mr. STAFFORD. The amendment limits it to steamers on the high seas. That would not cover the lake carriers. I beg to say to the gentleman that the shipping people on the Great

Lakes are protesting against that very condition because you do not exempt tramp shipper on the Great Lakes.

Mr. ALEXANDER. If the gentleman will read amendments 2 and 3, he will note that they provide that—

The term "common carrier by water in interstate commerce" means a common carrier engaged in the transportation by water of passengers or property (2) on the high seas or the Great Lakes on regular routes from port to port between one State, Territory, District, or possession of the United States and any other State, Territory, District, or possession of the United States, or between places in the same Territory, District, or possession.

The term "common carrier by water" means a common carrier by water in foreign commerce or a common carrier by water in interstate commerce (3) on the high seas or the Great Lakes on regular routes from port to port.

Now, that language, "on regular routes from port to port," excludes the tramp vessel.

Mr. STAFFORD. Is there not some ambiguity about that?

Mr. ALEXANDER. I think the bill was clear as we passed it through the House, and I do not think the second and third amendments add anything to the clearness of the bill. The second and third amendments have the same effect as the first as far as excluding tramps is concerned, and the second and third cover the tramps on the Great Lakes.

Mr. STAFFORD. Then a collier chartered for one special voyage from Cleveland to Milwaukee or Chicago would not come under the provisions of this law?

Mr. ALEXANDER. No; it would be a bailee for hire.

Mr. STAFFORD. It would be on a regular route from port to port under these amendments.

Mr. MANN. It would not have a regular route, and that I suppose is what it means.

Mr. ALEXANDER. No; you would not call that a regular route any more than a vessel chartered to carry a cargo of coal from New York to South America.

Mr. MANN. There are three definitions, the first is defining a common carrier in the foreign commerce, and that excludes ocean tramp vessels. The second is a definition of a common carrier by water in interstate commerce, and that is limited so that it seems to me that it excludes tramp vessels on the Great Lakes. Of course, it excludes all vessels on the rivers. The third is a definition of a common carrier by water, which excludes everything not on a regular route. The regular route I should suppose was intended to mean the regular route of the boat and not a geographical line.

Mr. ALEXANDER. That is my view of it.

Mr. STAFFORD. I hope that view will be borne out, but the shipping interests did not have that view of it.

Mr. HULBERT. Will the gentleman yield?

Mr. ALEXANDER. Yes.

Mr. HULBERT. Can the gentleman tell me what per cent of the total water-borne commerce between American ports and foreign ports is now carried in what is commonly known as tramp steamers?

Mr. ALEXANDER. No; I can not accurately.

Mr. HULBERT. Does not the gentleman know that the greater number of vessels engaged in transporting commodities between this country and foreign countries are tramp steamers?

Mr. ALEXANDER. Yes.

Mr. HULBERT. Does not the act tend to operate to affect vessels flying the American flag while it exempts the majority of all vessels engaged in foreign commerce in this country?

Mr. ALEXANDER. I think not. That is, it operates equitably as to vessels to which it applies. I do not suppose that the gentleman would have it apply to tramps.

Mr. EDMONDS. Will the gentleman yield?

Mr. ALEXANDER. Yes.

Mr. EDMONDS. I want to say it was testified before the committee that 60 per cent of the foreign commerce was carried by tramp steamers.

Mr. TOWNER. Will the gentleman yield?

Mr. ALEXANDER. Yes; although my time is limited.

Mr. TOWNER. As I understand, these provisions exclude tramp vessels from all the regulatory features of the law. Is not that true?

Mr. ALEXANDER. Yes.

Mr. TOWNER. Sixty to seventy-five per cent of all the commerce of the United States both to our ports and from our ports would be outside of these features of the law.

Mr. ALEXANDER. If they do not come within the provisions of the law.

Mr. TOWNER. If they were what is commonly known as tramp steamers.

Mr. ALEXANDER. Yes; but I can not understand any objections gentlemen would have to the provision to exclude tramp steamers.

Now there are other amendments—amendments 7, 8, and 9. Seven and eight exclude the Secretary of the Navy and the Secretary of Commerce from the shipping board, and amendment 9 reduces the salary of the members of the board from $10,000 to $7,500.

The amendment excluding the Secretary of the Navy and the Secretary of Commerce from the board is not so objectionable to me personally that I would vote to nonconcur. I do think the Senate made a mistake in reducing the salary of the board from $10,000 to $7,500, and in that view I think the Committee on the Merchant Marine are practically a unit. But my view is that while some of the Senate amendments do not meet my approval or the approval of a majority of the members of the committee in every respect, yet we deem it best as it is now late in the session and we are anxious to pass the bill as soon as possible with a view of an early adjournment to accept all of the Senate amendments.

That is what prompted me to move to concur in the Senate amendments, and I hope the Members of the House will take that view. If the bill should go back to the Senate, it means further delay; just how long, no one can tell.

Amendment No. 10 to my mind was an unnecessary amendment. It provides that the employees of the board shall be appointed from lists of eligibles to be supplied by the Civil Service Commission and in accordance with the civil-service law. The language of the bill as it passed the House was approved by the Civil Service Commission and written into the bill by the Committee on Merchant Marine and Fisheries as they suggested; and the Senate amendment, to my mind, is altogether unnecessary, but it is harmless. Amendment No. 11 provides that the board may make necessary repairs on and alterations of such vessels—that is, the vessels that the board is authorized to purchase or which it causes to be built; and further, that neither the board nor any corporation formed under section 11 in which the United States is then a stockholder shall purchase, lease, or charter vessels engaged in the foreign or domestic commerce of the United States unless such vessels are about to be withdrawn from that commerce without any intention on the part of the owner to return them thereto within a reasonable time. I think that amendment is well enough, although a board of discreet men carrying out a rational policy would not do that. It would add nothing to our tonnage in the foreign trade for the board to take over part of the tonnage already engaged in that trade. As much may be said with reference to subdivisions (b), (c), and (d) of amendment 11. They simply write into the law what I regard a sound policy, a policy that would have been pursued by the board in all probability in the absence of any such amendment.

Amendment No. 20 provides:

No vessel registered or enrolled and licensed under the laws of the United States, or owned by any person a citizen of the United States, except one which the board is prohibited from purchasing, shall be sold to any person not a citizen of the United States or transferred to a foreign registry or flag, unless such vessel is first tendered to the board at the price in good faith offered by others, or, if no such offer, at a fair price, to be determined in the manner provided in section 10.

There can be no reasonable objection to that amendment. It has my unqualified approval.

There are other amendments providing for certain investigations, one an amendment to section 13 of the original bill, that the board shall investigate the subject of marine insurance in this country and abroad, with a view to determining if ample provision is being made in the way of marine insurance to take care of our commerce under the American flag. The board has the power to make those investigations under the bill as it passed the House, and that amendment was unnecessary. The same is true of amendment No. 46, which is incorporated as section 26 in the bill. The board under the provisions of section 13 of the bill as it passed the House has the right to make every investigation provided for in the Senate amendments No. 11 and No. 46, and it is desirable that they should have that power, but the amendment is unobjectionable, except that it was unnecessary, and we do not object to concurring in it alone on that account.

I reserve the remainder of my time.

The SPEAKER pro tempore (Mr. PAGE of North Carolina). The gentleman has consumed 14 minutes. The gentleman from Massachusetts is recognized for 15 minutes.

Mr. GREENE of Massachusetts. Mr. Speaker, I yield five minutes to the gentleman from Pennsylvania [Mr. MOORE].

Mr. MOORE of Pennsylvania. Mr. Speaker, I shall vote against this bill, because I do not believe there is a necessity at this time for the Government to buy foreign ships or to start competition with private shipowners. This is one of the Government ownership wedges that the present administration has driven into the United States Treasury. It may be one of those

"distresses of the time" to which the President referred in the message which he delivered here from the Clerk's desk an hour ago. You will recall, and it is printed on page 1 of his address, that the President suggested that we were now, in view of the threatened railroad strike, at the "very point of starvation, and a tragical national calamity," which was to be "added to the other distresses of the time."

I end that quotation there. I cite it, because most of our friends advocating the passage of this $50,000,000 ship-purchase bill and of similar Government ownership bills, have been speaking of the "marvelous prosperity" brought on by the Democratic administration. Now, and this within the last hour, we have had it from the President of the United States, who comes here once in a while to tell us what to do, that we are up against a "calamity." Although the President says the situation has been known for one year, the year of the greatest "Democratic prosperity," still he says we are facing a "tragical national calamity," which is "added to the other distresses of the time."

Mr. Speaker, we have heard nothing in Democratic oratory during the last few months about these "other distresses of the time" What are these "other distresses of the time," to which the President called attention in his speech from the rostrum yonder? We have been told by our Democratic friends that we are now at the heyday of prosperity, brought on by the Wilson administration. We have been told that notwithstanding the most extraordinary extravagance of all time in the promotion of Government schemes of one kind and another, from the purchase of ships through the issue of Panama Canal bonds to the construction of nitrate plants——

Mr. HARDY. Mr. Speaker, will the gentleman yield?

Mr. MOORE of Pennsylvania. I yield for a question.

Mr. HARDY. It is an announcement that I wish to make. By agreement the arrangement by unanimous consent is modified to this effect, that instead of taking separate votes with the debate intervening, we each take the time allowed by this agreement a moment ago—that is, an hour and a quarter to this side and an hour and three-quarters to the other side—and then take the three votes one after the other.

Mr. MANN. What is the modification?

Mr. MOORE of Pennsylvania. Mr. Speaker, this should not come out of my time.

Mr. HARDY. Certainly not. It was deemed that it would be confusing to have a period of debate and then a vote, and then another period of debate and a vote, and another period of debate and then a vote, and the gentleman from Massachusetts [Mr. GREENE] and the chairman of the committee have agreed that the whole debate might be had and then the three votes taken, one following the other.

Mr. MANN. It does not seem to me that that is a very good arrangement.

The SPEAKER pro tempore. If the gentleman will indulge the Chair, that would require another unanimous-consent agreement.

Mr. HARDY. I was going to make the suggestion that that would expedite matters.

Mr. MANN. That would mean that we discuss a thing and forget about it, and after a while vote upon it. That sort of arrangement never appealed to me.

Mr. HARDY. I thought both sides were of the opinion that it would be more expeditious. I shall not insist upon it, and I withdraw the request.

Mr. GOODWIN of Arkansas. Will the gentleman yield?

Mr. MOORE of Pennsylvania. I yield to the gentleman from Arkansas.

Mr. GOODWIN of Arkansas. If the gentleman from Pennsylvania will read the concluding words of that sentence I think it will clear up the situation and clarify the atmosphere. The President did not say anything about "times," but merely said that added to the distresses of the time produced by a strike which would paralyze all industry.

Mr. MOORE of Pennsylvania. It is conceded that the railroad men are fairly well paid as mechanics, are they not?

Mr. GOODWIN of Arkansas. Better now than ever, I think, in the history of the country, owing to Democratic prosperity.

Mr. MOORE of Pennsylvania. There it goes again. I am very glad the gentleman makes that statement, because it confirms what I said. If the railroad men of the four brotherhoods about which the President spoke to us a little while ago are enjoying the highest wages ever paid to them, due, as the gentleman from Arkansas says, to "Democratic prosperity," then the question is why does the President of the United States, who has had the information for one whole year, as he told us a little while ago—information that there was "a great calamity" impending—why does the President of the United States bring his calamity baby from the White House and lay it upon the doorstep of Congress when this wonderful national prosperity is prevailing? [Applause on the Republican side.]

Mr. GOODWIN of Arkansas. Is the gentleman in favor of a strike?

Mr. MOORE of Pennsylvania. Not at all.

Mr. GOODWIN of Arkansas. Would the gentleman avert it by legislation if he could?

Mr. MOORE of Pennsylvania. I would do all I could by legislation, but I think the President of the United States has picked up a foundling that was not even left upon his doorstep, but the cry of which he heard afar, and having been unable to properly nurse it he has brought it up and laid it on the doorstep of Congress. [Applause on the Republican side.]

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. MOORE of Pennsylvania. And just about the time I was bringing up the baby! [Laughter.]

Mr. GREENE of Massachusetts. I yield the gentleman five minutes more.

Mr. MOORE of Pennsylvania. I thank the gentleman.

SEVERAL MEMBERS. Go ahead and nurse it.

Mr. MOORE of Pennsylvania. It will be better nursed by the Republican Party when it is in power again, as it will be. The Democrats have been boastful lately about what they have done for the country. We have heard a great deal about "Democratic prosperity." Some of you on the other side have even credited this up to the President's economic policies, despite the war in Europe, but now the President comes in his own person and admits that this trouble has been on his hands for a year, and that it means starvation if we do not take the baby off his hands. The President did not consult Congress, not until he discovered that a strike had been ordered for the 4th of September. This strike he tells us is in addition to "the other distresses of the times." Again I ask, What are these distresses in the midst of such wonderful Democratic prosperity? "A tragical national calamity" is what the President calls it.

Mr. EAGLE. Will the gentleman yield?

Mr. MOORE of Pennsylvania. I yield to the gentleman from Texas, which gave ex-Gov. Colquitt, who opposed President Wilson, 102,000 votes in the present election. [Applause on the Republican side.]

Mr. EAGLE. Yet the voters of the State of Texas have apparently given twice as many votes to Senator CULBERSON, largely due, no doubt, to the fact that they have faith in President Wilson.

Mr. MOORE of Pensylvania. And most of whom, according to the gentleman from Texas [Mr. HARDY], come from the great centers of population, the country voters—those out on the farm—being in favor of Gov. Colquitt as against President Wilson.

Mr. HARDY. The gentleman misquotes the gentleman from Texas [Mr. HARDY].

The SPEAKER pro tempore. To whom does the gentleman yield?

Mr. MOORE of Pennsylvania. I yield to both gentlemen from Texas.

Mr. EAGLE. When two gentleman from Texas start at the same time it is a good deal like a couple of Kilkenny cats. [Laughter.]

Mr. MOORE of Pennsylvania. It is hard to beat two gentlemen from Texas, but one or the other may be able to explain the 102,000 anti-Wilson votes from the great Democratic heart of the people of Texas.

Mr. EAGLE. I thought the gentleman was going to yield to me rather than to interrogate me. I have not taken sides in the Texas senatorial controversy, and will not now be drawn into that matter by the gentleman from Pennsylvania.

Mr. MOORE of Pennsylvania. I think the gentleman is wiser than most of his colleagues, because, not having taken sides, he came back. [Laughter on the Republican side.]

Mr. EAGLE. That is the only thing which the gentleman from Pennsylvania has uttered during the Sixty-third and Sixty-fourth Congresses with which I have any measure of sympathy at all. [Applause on the Democratic side.]

Mr. MOORE of Pennsylvania. The gentleman [Mr. EAGLE] comes from a great State, ably represented, and he never showed wisdom more than he did in the Colquitt-Culberson fight. I want to ask the gentleman how it was Senator CULBERSON, being unable to go down and make the fight for himself, all these anti-Colquitt candidates got together? Was it in the hope that one of them would be picked for the place?

Mr. EAGLE. Mr. Speaker, the people of Texas ever since the Declaration of Independence and the maintenance of that

independence, in 1836, from the tyranny of Mexico, and ever since its admission into our Union in 1845, have manifested no disposition to invite or allow the people of Pennsylvania to dictate to them whom they select for anything. [Applause on the Democratic side.]

Mr. MOORE of Pennsylvania. And yet in spite of what the gentleman says with reference to the great Commonwealth of Pennsylvania, which will assume its place at the head of the Republican column in November, there were 102,000 Democrats who voted against President Wilson and this shipping bill in the last primary election. Now I shall have to go on, because my time is pressing.

Mr. EAGLE. Mr. Speaker, the gentleman having declined to allow me to make any inquiry, and having failed in his purpose to confuse me, must now be allowed to proceed to make the same sort of captious criticism with which the leader of his party, ex-Associate Justice Hughes, for the last two months has disgusted the country, instead of either himself or his leader having either the wisdom or courage to declare wisely and patriotically what they would do under the same conditions—statesmanship degenerated to demagogy. [Applause on the Democratic side.]

Mr. MOORE of Pennsylvania. I have given the gentleman an opportunity to make two speeches in my time, and during the whole of these two speeches he has been unable to tell us about those 102,000 antiadministration votes.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired.

Mr. MOORE of Pennsylvania. Can I have one minute more?

Mr. GREENE of Massachusetts. Yes. Go ahead and use it.

The SPEAKER pro tempore. The gentleman from Pennsylvania is recognized for one minute more.

Mr. MOORE of Pennsylvania. In addition to laying this railroad baby upon our doorstep, the President has been in the habit of unloading on us other things.

Mr. HULBERT. Mr. Speaker, will the gentleman yield?

Mr. MOORE of Pennsylvania. No; I would like to, but my time is exhausted.

The SPEAKER pro tempore. The gentleman declines to yield.

Mr. MOORE of Pennsylvania. Take Mexico! It will be recalled that the first thing Congress—this great body which is supposed to represent the people—knew about Vera Cruz was when the fleet was ordered down there. The President assumed the responsibility, taking all power to himself, and then walked in here and asked us to support him, and some of us did. It was so in the armed-merchantman controversy. We were called in only to share the responsibility and to be severely criticized for it. Then there was the President's attitude on the tariff. The tariff was an evil thing and was a burden on the people, but after the President took it off, after the Treasury balance was used up, and there was a deficit, the President walked in here and calmly told us he was about $290,000,000 short, and wanted us to go out and get the money. He took us into his confidence when the administration got into a hole.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired.

Mr. GREENE of Massachusetts. Mr. Speaker, I yield to the gentleman from New York [Mr. BENNET] four minutes.

The SPEAKER pro tempore. The gentleman from New York [Mr. BENNET] is recognized for four minutes.

Mr. EAGLE. Mr. Speaker, I would like to say a word.

Mr. BENNET. I decline to yield, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from New York declines to yield.

Mr. BENNET. Mr. Speaker, when this bill was before the House of Representatives I tried one whole afternoon to have the ferryboats and towboats and tugboats and other small craft excepted from the operations of the bill. I was voted down, but I congratulate the Congress upon the fact that the other body has had the good sense to except that kind of craft from the operations of this bill, and therefore the ferryboats and the towboats and the tugboats will not have to make those annual reports and will not be subject to all the provisions of this bill.

There is a very serious proposition, though, remaining in this bill, or rather it was superimposed on this bill by the other body, and that is in relation to tramp vessels. My colleague asked and was informed correctly that 60 per cent of the traffic of the United States is carried in tramp steamers.

What does that mean? It means that the lines like the American Line, out of New York and Philadelphia, the Red D Line, the Wilson Line of traders all come under section 15 of this bill and its provisions, and on the next dock to them, in New York and Baltimore, Boston, Philadelphia, and other seaport cities, there can tie up a cargo tramp and cut the price and make arrangements with railroads to do anything it pleases, and simply destroy the business of the man who runs a regular line. That is what amendment No. 1 means, on page 1:

Provided, That a cargo boat commonly called an ocean tramp shall not be deemed such "common carrier by water in foreign commerce."

In other words, that exempts it from the provisions of this bill.

The gentleman from Wisconsin asked very pertinently why the rule was different on the Great Lakes. I do not know, but I do know that the regular lines on the Atlantic and the Pacific Oceans are to be destroyed by this amendment No. 1.

Now, here is another amendment that ought to attract attention and have more than four minutes' debate, and that is the amendment on page 14, section 13, amendment No. 29, striking out the words "expenditure shall be made nor liability nor." That means that this shipping board can take $50,000,000 to start with, and then when they have bought ships and sold and leased them they can go on with the proceeds so long as they do not incur liability and simply do business on money and property. There is no limit at all in this bill upon the amount of shipping that the shipping board can buy and lease.

You are creating here to-day by law the greatest monopoly that has ever been contemplated. There is only one man in this House who has a legitimate right to be for this, and that is my colleague Mr. LONDON, from the twelfth district, because it is a step toward socialism. It is just another one of these governmental operation propositions to take everything away from the individual and hand it to the Government for operation. Yet we do that with what? With 15 minutes' debate on a side. [Applause on the Republican side.]

The SPEAKER. The time of the gentleman from New York has expired. Under the agreement, the previous question is ordered on all the amendments to this bill except those of section 9 and the forty-eighth amendment, and they will be voted on en bloc.

Mr. HULBERT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HULBERT. Is it not possible to secure a separate vote on the first amendment?

The SPEAKER. It is not, under that agreement. The question is on the adoption of these amendments named.

The question was taken, and the Speaker announced that the "ayes" seemed to have it.

Mr. GREENE of Massachusetts. A division, Mr. Speaker.

The SPEAKER. The gentleman from Massachusetts [Mr. GREENE] demands a division.

The House divided; and there were—ayes 44, noes 29.

So the amendments described were agreed to.

The SPEAKER. There is an hour and a half debate on the amendment to section 9, one hour to be controlled by the gentleman from Massachusetts [Mr. GREENE] and 30 minutes by the gentleman from Missouri [Mr. ALEXANDER].

RESIGNATION OF A MEMBER.

Before they begin, the Chair lays before the House a letter of resignation, which the Clerk will read.

The Clerk read as follows:

HOUSE OF REPRESENTATIVES, U. S.,
COMMITTEE ON MILITARY AFFAIRS,
Washington, D. C., August 26, 1916.

The Hon. CHAMP CLARK,
House of Representatives, Washington, D. C.

MY DEAR MR. SPEAKER: I have sent to the governor of Virginia my resignation, to take effect September 30, 1916.

I take advantage of this opportunity to thank you for the many kindnesses and courtesies which I have received from you during our long service together, and to testify to the great help you have been to me in my capacity as chairman of the Committee on Military Affairs. Your wise counsel and intelligent cooperation have made it possible to place on the statute books laws which insure for our country peace, preparedness, and prosperity.

Sincerely, your friend, JAMES HAY.

THE SHIPPING BILL.

The SPEAKER. The gentleman from Missouri [Mr. ALEXANDER] is recognized for 30 minutes.

Mr. ALEXANDER. Mr. Speaker, a word of explanation of the Senate amendment of section 9 may not be amiss before the debate on the section proceeds. Section 9 of the bill as it passed the House provided:

That any vessel purchased, chartered, or leased from the board may be registered or enrolled and licensed as a vessel of the United States and entitled to the benefits and privileges appertaining thereto: *Provided*, That foreign-built vessels heretofore or hereafter admitted to American registry or enrollment and license under the act of August 18, 1914, or under this act, and vessels, owned, chartered, or leased by any corporation in which the United States is a stockholder (except the Panama Railroad Co.), may not engage in the coastwise trade of the United States except that such vessels may engage in trade with Alaska, Hawaii, or Porto Rico, whether or not en route to or from a foreign port, if the board finds such trade is not being adequately served by a regular line or lines of vessels.

In other words, these foreign-built ships owned by American citizens admitted to American registry or enrollment under the provisions of this bill might not engage in the coastwise trade, except with Alaska, Hawaii, and Porto Rico, and then only when that trade is not being adequately served.

As amended by the Senate the bill provides:

That any vessel purchased, chartered, or leased from the board may be registered or enrolled and licensed, or both registered and enrolled and licensed, as a vessel of the United States and entitled to the benefits and privileges appertaining thereto: *Provided*, That foreign-built vessels admitted to American registry or enrollment and license under this act, and vessels owned, chartered, or leased by any corporation in which the United States is a stockholder and vessels sold, leased, or chartered to any person a citizen of the United States, as provided in this act, may engage in the coastwise trade of the United States.

While the Senate amendment broadens the scope of the bill as regards the admission of foreign-built vessels to the coastwise trade, I wish to call attention to the fact that Senate amendment 16 strikes out the provision under which foreign-built ships admitted to American registry under the act of August 18, 1914, might in the contingency named engage in the coastwise trade. There have been something over 600,000 tons of vessels admitted to American registry under the ship-registry act of August 18, 1914, but they are excluded under the provisions of the Senate amendment from engaging in the coastwise trade. They could be admitted to the coastwise trade under the provisions of section 9 as it passed the House if that trade was not being adequately served. The Senate amendment to section 5 provides, as I have already pointed out, that no vessels belonging to countries at war may be purchased by the board.

It further provides that no vessels now engaged in our foreign trade, whether under the American or under a foreign flag, may be purchased by the board.

It further provides that other vessels, unless they are 75 per cent efficient, without reference to repairs or alterations, may not be purchased by the board. Hence if this bill is enacted into law, I do not know where this board could now go to purchase a foreign vessel if they were so inclined. While apparently the Senate amendment liberalizes the law, the limitations placed upon the power of the board to purchase are such that they could not purchase a foreign vessel unless it be a vessel hereafter to be built. Of course there may be vessels that might be purchased but I do not know where they could be found.

Now I have explained the Senate amendments to section 9. I reserve the balance of my time.

Mr. GREENE of Massachusetts. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. FORDNEY].

Mr. FORDNEY. Mr. Speaker and gentlemen, I am very much opposed to amendments in this bill, 15 to 19, inclusive, for the reason that for about 100 years past our constwise trade has been preserved to American ships. Of course the ships proposed to be purchased by the Government under the terms of this bill would be American-owned ships, but they would be owned by the Government. In other words, it would take away from our American ships engaged in the coastwise trade the right to transport our goods between American ports by private ownership. There is no lack of tonnage for the transportation of goods between American ports. In the past few years in many instances, on the Lakes and on the Pacific coast, many ships have been tied to the docks for the want of tonnage to carry.

The purpose of this bill is to purchase foreign-built ships, as I take it, although it provides that those ships may be built in American shipyards, and to bring those foreign ships under the American flag and engage in the foreign trade. Ninety-odd per cent of all the goods carried to and from this country to foreign ports are now carried in ships sailing under foreign flags. Consequently $200,000,000 to $250,000,000 a year paid out by the people of the United States for carrying freight going to and from this country from and to foreign countries are paid to foreign vessel owners. That money goes abroad to stay.

I do not believe this bill will accomplish the purpose for which it is intended. But I say that the trade between American ports should be preserved to our ships now under the American flag. As an illustration of whether or not we have sufficient tonnage to carry goods between American ports, while I was on the Pacific coast last fall, the freight on lumber from the Pacific coast to Atlantic coast ports, carried in American ships—and it could not be carried in any other than American ships—was $10 per thousand feet, at the same time there was a shortage of tonnage going to foreign ports, and the freight on lumber from the Pacific coast to England was $45 per thousand feet, while under ordinary or normal conditions the freight from the Pacific coast to England on lumber is practically the same as the freight from the Pacific coast to the Atlantic coast in our domestic trade. I make this statement to show you that there is a shortage of foreign tonnage and not in our coastwise trade. But amendments 15 to 19, inclusive, will permit foreign ships to be purchased out of this $50,000,000 appropriation, and to engage in our coastwise trade, that has been so jealously guarded, if I am correct, since the year 1814. Many amendments have been made to the first law in that respect. The principal amendment was made in 1898. I think it would be a great and serious mistake and a great injustice to people owning vessel property under the American flag, now engaged in our coastwise trade, to permit these foreign-purchased ships to engage in our coastwise trade.

Mr. GORDON. Will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. GORDON. Does not the statement just made that the rates of freight between Pacific and Atlantic ports is the same between Pacific ports and European ports furnish a strong indictment against the monopoly?

Mr. FORDNEY. There is no monopoly on the coastwise trade.

Mr. GORDON. Nobody can engage in it.

Mr. FORDNEY. Yes; the gentleman can engage in it if he puts his money into it. Try it; why do you not?

Mr. GORDON. But no ships but American ships can engage in it.

Mr. FORDNEY. That is a trade absolutely preserved for American citizens. You propose by this bill in your appropriation of $50,000,000 to bring ships under the American flag and put them in competition with American ships.

Mr. GORDON. Certainly. Will not that cut down the rates?

Mr. FORDNEY. No; except at a loss to the Government. American vessel property is not generally prosperous.

Mr. ALEXANDER. The gentleman spoke about foreign ships engaged in coastwise trade. The gentleman understands that these ships, while they may be purchased abroad, must be owned by American citizens.

Mr. FORDNEY. Yes; brought under the American flag; and you bring the ships under that provision in competition with American ships sailing the American flag operating under our marine laws. You do not come into competition with any other marine laws except the American marine laws. You propose to have these Government ships compete with our American ships only. Whereas if engaged in the foreign trade they come in competition with the German, the English, the Japanese, and all foreign ships where such ships, under foreign flags, can go into any country and employ labor at any price obtainable.

I have here a statement showing the cost of operating a Japanese ship and an American ship and a ship under the English flag, and the English ships employ Chinese and Japanese common labor at $8 per month. Our laws compel ships under the American flag to employ American citizens as officers, and an American officer on board ship will not work under the American flag with foreigners unless he is paid the American scale of wages. That is what makes it difficult for an American to engage in the foreign trade. It is the difference in the cost of operating the ships.

Mr. ALEXANDER. The gentleman says that under our law we are compelled to employ American citizens as seamen on our ships.

Mr. FORDNEY. No; officers only.

Mr. ALEXANDER. The Pacific Mail Steamship Co. at this time and the China Ship Co. employ Chinese crews under the seamen's law.

Mr. FORDNEY. Not the entire crew; the officers of the ship must be American citizens under our marine laws, and I will furnish you proof of this if you will give me time. They, the officers, will not sail on those ships unless all sailors are paid the American scale of wages.

Mr. HARDY. Will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. HARDY. Does the gentleman know whether the officers of the English ships have to be English citizens?

Mr. FORDNEY. They did until 1853. England changed her laws, and now permits English owners to engage any of their officers and men from any country in the world, except on subsidized lines. Such officers do not now have to be English citizens. The law is shown on page 59 of the report of the Commissioner of Navigation for 1909. It does not matter to you where you get your labor on American ships, because your officers will not work with foreigners unless they are paid the same wages that would be paid to American citizens. I have here a statement showing the cost of operating three ships—an English ship, a Japanese ship, and an American ship—on the Pacific Ocean, and the difference in cost of labor alone between a Japanese ship and an American ship is $29,700 a year, and $23,544 a year between an English ship and an American ship, as follows: The steamer *Asama Maru* (Japanese), $9,540; the

steamer *Robert Dollar* (English), $15,696; and the steamer *Algoa*, $39,240. All ships of about equal horsepower.

Your bill proposes to go out on the high seas and engage in foreign trade in competition with the Japanese. Let me tell you first what is necessary in order to accomplish that purpose and succeed.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

Mr. GREENE of Massachusetts. I will yield to the gentleman five minutes more.

Mr. FORDNEY. First, my friend, before we can engage in foreign trade to compete with Japanese or English ships, we must permit the American citizen to go into the open markets of the world and purchase ships wherever he can purchase the cheapest. Again, you must permit him to go into any country in the world and employ his entire crew at such prices as other people under foreign flags can procure their crew. And in addition thereto you must pay the owner of the vessel such subsidy as is received by other foreign vessels from their respective Governments, and until you can do that and place our citizens on a level plane with the foreigner you never can successfully own foreign ships on the high seas under an American flag.

As an illustration I have in my possession here a scale of the wages paid to the mechanics in the Japanese shipyards, made up within the last 90 days. Owing to the shortage or great demand for that class of labor in Japan, and the activities of their shipyards, mechanics there recently have received an advance in wages of 10 per cent, and now receive 70 sen per day. Seventy sen in our money is 34.9 cents. That is what the mechanics receive in Japan.

I received the other day from one of our shipbuilding companies the average wages paid to mechanics in our shipyards, and the average wage is $17.97 per week, and at piecework these same mechanics receive $21.57 per week, as against $2.09 per week for Japanese labor. In the construction of a ship 90 per cent of the cost is labor. Remember that. When a ship in this country costs $1,000,000, $900,000 of that cost is labor, and in Japan it is about 10 per cent of our cost, or $90,000. Therefore you and I to-day could build a ship in Japan for $190,000 that would cost us, constructed in American shipyards, $1,000,000. Then you expect us to go out on the high seas and compete with the Japanese, with that difference in cost of construction, with that difference in the cost of labor; and, in addition, the Japanese Government pays a subsidy to her ships and our Governments pays none. Until you permit the American citizen to be brought on a plane with these conditions, no matter how much you appropriate to purchase or build ships, we never can successfully establish a merchant marine upon the high seas. [Applause on the Republican side.]

Mr. GREENE of Massachusetts. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. ROWE].

Mr. ROWE. Mr. Speaker, for a very long period, practically from the beginning of the history of our Nation, we have restricted the vessels used in the coastwise trade to those constructed in American yards. For at least 60 years past all vessels constructed in American yards could have been constructed more cheaply in foreign yards. To-day you can build a vessel so much more cheaply in Japan and in other places in the world, that not a single vessel to be acquired under this act can possibly be constructed in American yards. So that we are passing now an act not to expend $50,000,000 in the building of American ships in American yards with American labor, but to be expended in the building of ships for Americans in foreign yards, and with foreign labor. During all of this period we have encouraged people engaged in the coastwise trade to believe that any person entering that trade must come in under the same conditions, must buy his vessel built in American yards, or build it in an American yard. You wish to take away from the men who are engaged in that trade, who have gone honestly into it, by a single act of this Congress, a large part of the money which they have invested in their business. It is not just, it is not fair that the Congress of the United States should rob its own citizens. [Applause on the Republican side.]

There is another and very important thing in connection with this. If during the past 50 years we had permitted the people engaged in the coastwise trade to purchase their vessels abroad, there would not have been at the opening of this war a single shipyard on the Atlantic or Pacific coasts. [Applause on the Republican side.]

We would have been absolutely helpless. As it is we were placed at a great disadvantage owing to the fact that our foreign commerce was very largely carried in foreign bottoms, but we would have been infinitely worse off if in addition to that we had not had a shipyard on the Atlantic and Pacific coast in which to build a vessel. Just think of it. Owing to this policy, which we have carried on for more than a hundred years, we were so equipped that within a period of two years we could be engaged in the construction of ships in our yards to the extent of more than six times as many tons as at any time in our history, and with six times as many men as have heretofore been employed. We are entering upon a policy, if we pass this amendment submitted by the Senate, which in a very short period, say 15 years, will make us helpless, absolutely helpless, so far as the construction of merchant vessels is concerned. I beg of you to support the policy which has been the policy of our Nation for so long a period and vote against this Senate amendment. [Applause on the Republican side.]

Mr. GORDON. How has this operated for the American shipping of which the gentleman is bragging?

Mr. ROWE. I have just answered the question.

Mr. GORDON. Oh, no, the gentleman has not—it has driven it off the sea.

Mr. GREENE of Massachusetts. Mr. Speaker, as it is now nearly 5 o'clock, I suggest that the House adjourn until to-morrow at 11 o'clock.

Mr. ALEXANDER. I suggest we continue until 5.30 and then adjourn.

Mr. GREENE of Massachusetts. It is so near I think we had better adjourn now.

Mr. ALEXANDER. I thought that was the understanding.

The SPEAKER pro tempore. The regular order of business is to proceed with the discussion.

Mr. ALEXANDER. I thought that was the understanding at the time.

Mr. GREENE of Massachusetts. Mr. Speaker, I move that the House do now adjourn.

Mr. MOORE of Pennsylvania. Will the gentleman withhold that for a moment until I make a unanimous-consent request?

Mr. HARDY. Mr. Speaker, how does the time stand now? How much time has been consumed by each side.

Mr. GREENE of Massachusetts. Mr. Speaker, I withdraw the motion and yield 15 minutes to the gentleman from New Jersey [Mr. PARKER].

Mr. PARKER of New Jersey. Mr. Speaker, I shall ask unanimous consent to insert some of the references that I make in extension of my remarks.

The SPEAKER pro tempore. The gentleman from New Jersey asks unanimous consent to insert as an extension of his remarks certain references which he will make during the progress of such remarks. If there is no objection it is so ordered.

There was no objection.

Mr. PARKER of New Jersey. Mr. Speaker, this amendment to section 9, as has been just pointed out, might be well called a provision to destroy every shipyard in the United States. The shipping bill as it went to the Senate did not contain any provision to admit foreign-built vessels to the coastwise trade except that it said that if trade with Alaska and trade with the Philippines and trade with Porto Rico was not sufficiently supplied with vessels that then the board might order that vessels acquired from foreign nations under previous acts and under this act might be so used in that special trade, but the bill expressly provided with that exception that those vessels may not engage in the coastwise trade of the United States.

The section as passed by the House read as follows:

SEC. 9. That any vessel purchased, chartered, or leased from the board may be registered or enrolled and licensed as a vessel of the United States and entitled to the benefits and privileges appertaining thereto: *Provided*, That foreign-built vessels heretofore or hereafter admitted to American registry or enrollment and license under the act of August 18, 1914, or under this act, and vessels owned, chartered, or leased by any corporation in which the United States is a stockholder, except the Panama Railroad Co., may not engage in the coastwise trade of the United States, except that such vessels may engage in trade with Alaska, Hawaii, or Porto Rico, whether or not en route to or from a foreign port, if the board finds such trade is not being adequately served by a regular line or lines of vessels.

The Senate amendment strikes out the "not" and strikes out the exception, and states that vessels acquired under the provisions of this act may be used in the coastwise trade of the United States, without exception and without qualification.

The section as amended by the Senate reads:

SEC. 9. That any vessel purchased, chartered, or leased from the board may be registered or enrolled and licensed, or both registered and enrolled and licensed, as a vessel of the United States, and entitled to the benefits and privileges appertaining thereto: *Provided*, That foreign-built vessels admitted to American registry or enrollment and license under this act, and vessels owned, chartered, or leased by any corporation in which the United States is a stockholder, and vessels sold,

leased, or chartered to any person a citizen of the United States, as provided in this act, may engage in the coastwise trade of the United States.

The gentleman in charge of this bill said that there is no danger of any vessels being acquired that could be so used. This bill provides that $50,000,000 shall be at the disposal of the board, or of a corporation formed by the board, and be furnished by bonds issued by the United States. With that $50,000,000 they are empowered to buy, lease, or charter vessels in the United States or elsewhere, giving preference, other things being equal, to the United States, and that means that if vessels can be bought, chartered, or leased abroad cheaper than here they will not give preference to the United States, but will buy there.

SEC. 5. That the board, with the approval of the President, is authorized to have constructed and equipped in American shipyards and navy yards or elsewhere, giving preference, other things being equal, to domestic yards, or to purchase, lease, or charter vessels, etc.

They can then lease, charter, or sell to American citizens at the same price or at a higher or lower price and those American citizens can then use those foreign vessels in the coastwise trade. This bill extends for five years——

Mr. DILLON. Will the gentleman yield?

Mr. PARKER of New Jersey. When I complete this sentence—after the termination of the present war and during these five years there will be any number of ships to be bought. I now yield to the gentleman.

Mr. DILLON. Under the terms of this Senate amendment could not the board invest the entire sum of $50,000,000 in coastwise trade vessels and exclude the foreign trade entirely.

Mr. PARKER of New Jersey. They can, and I was going to say that is what they would do. It is no new thing to sell foreign ships to be admitted to American register for foreign trade. In the last three or four years we have had two statutes that allowed that to be done. (Panama Canal act, Aug. 24, 1912; war emergency act, Aug. 18, 1914.) But this has not been done. Vessels could be bought cheaper abroad, but we could not run them as cheaply as foreigners. As has been pointed out by my friend of the Committee on Ways and Means, American ships have to employ American seamen and they have to pay American wages and prices in repairs and they are subject to all sorts of statutes which make it more expensive to run the ships, and the result has been that, until this war broke out, we had but one line of steamers running abroad which was an American line of steamers, they having been purchased abroad.

Mr. ALEXANDER. I am sure the gentleman wants to be accurate. He does not mean that we are compelled to employ American seamen on our vessels?

Mr. PARKER of New Jersey. I think there is some provision about how many shall be American seamen. There used to be.

Mr. ALEXANDER. The officers must be American citizens.

Mr. PARKER of New Jersey. Provision should be made for the employment of American seamen. But what I want to say is that, according to speeches that have been made in the Senate, it has been shown that the expense is 50 per cent more on an American ship than on a foreign ship.

Mr. HARDY. Mr. Speaker, will the gentleman yield?

Mr. PARKER of New Jersey. Yes.

Mr. HARDY. The gentleman says these seamen ought to be American citizens?

Mr. PARKER of New Jersey. Yes.

Mr. HARDY. Is not the gentleman one of those who fought the seamen's bill because we required that 75 per cent of the crew should understand the officers' language?

Mr. PARKER of New Jersey. I am sorry to say that I was not here when that bill was debated.

Mr. HARDY. I understand that the gentleman is one of those who all over the country fought that provision of the bill.

Mr. PARKER of New Jersey. I have always been in favor of giving advantages by subsidies or discriminating duties to American ships which would enable them to employ American seamen, who could be used as recruits for our Navy in time of war.

Mr. HARDY. Mr. Speaker, will the gentleman yield again?

Mr. PARKER of New Jersey. Yes.

Mr. HARDY. Is the gentleman in favor of requiring American citizens in crews on American ships?

Mr. PARKER of New Jersey. Yes. But I do not favor it unless you can give advantages to the American ships, so that they can afford to ply the seas.

However, that is a digression. We are getting away from this business of the coastwise trade. I say that although during the past several years we were able to use foreign vessels and give them American registry, we could give it only for use in foreign trade, and the result was that such ships were not bought and were not used, because it costs anywhere from 30 per cent to 70 per cent more to run an American ship than it does to run a foreign ship, and Americans would not buy ships because they could not use them. That was so until this time of war.

Now, take the case of vessels to be bought with this $50,000,000. They could not be used in time of peace in foreign trade, because other nations could run their ships cheaper than we could. But this amendment says, "Buy ships abroad and use them, if you please, in the coastwise trade." And while that coastwise trade is run by Americans it would be an advantage to buy ships abroad and get them cheaper. The coastwise trade would be run as before, but the vessels would be furnished by foreign shipyards, and the result would be that there would not be a shipyard in America building ships. I speak without hesitation. Our ships were driven off the seas in foreign trade where we had to pay American wages in competition with foreign wages. In building ships we would be driven out of the shipbuilding business if we allowed foreign ships to be brought in without duty, without protection of any kind to take the place of American ships in our coastwise trade.

That coastwise trade is no small thing. If I remember the figures right, there are 6,000,000 tons engaged in the coastwise trade out of the 45,000,000 tons which make up the world's commerce. Our foreign trade was nothing. Our coastwise trade made us the second maritime Nation. The 6,000,000 tons used in our coastwise trade would be gradually replaced by ships built abroad.

Somehow I do not feel that the Senate could have realized what it was doing by this amendment. It is not now defended by the chairman of the committee having this bill in charge. His only answer is that this board with $50,000,000 capital could not buy ships. Of course, they can not do it now, but they could do it the moment the war was over, and they have five years from that time in which to do it. Will our shipyards go on building ships with that threat hanging over them? Will Americans continue to have ships built here with that threat hanging over them?

Every shipbuilder in the United States is told that as soon as this war comes to an end, be it in one month or in one year or in two years, his yard will be valueless, because a corporation with $50,000,000 will buy ships wherever it can get them and will put them in the coastwise trade. That is the only place where the shipbuilder had a market for his ships thus far, and in which he was protected. This amendment is an absolute change in the whole policy of the United States up to this time.

I say, as I said before, that it is not defended. But it ought not to be agreed to by this House. Under the section as it passed the House it was dangerous enough to allow a political board to say whether foreign-built ships should ply between ports in the United States and ports in Alaska and Porto Rico under the suggestion that the trade was not adequately served. That was dangerous enough, but through that little opening there has come along a Senate amendment which simply strikes out all protective provision for our coastwise trade and opens it entirely and completely from one end to the other to foreign-built ships.

Now, I shall try, if I can find it, to insert here at the conclusion of my remarks a statement of Thomas Jefferson, made when he was Secretary of State, before he became President, to the effect that shipyards should be encouraged, because they train artisans and form the basis of a kind of enterprise and business which is essential to this country both in peace and in war. It is upon that ground that I oppose this amendment of the Senate. [Applause on the Republican side.]

Mr. Jefferson said, December 16, 1793:

Our navigation involves still higher considerations. As a branch of industry it is valuable, but as a resource of defense essential. * * * The position and circumstances of the United States leave them nothing to fear on their land board and nothing to desire beyond their present rights. But on their seaboard they are open to injury, and they have there, too, a commerce that must be protected. This can only be done by possessing a respectable body of citizen seamen and of artists and establishments in readiness for shipbuilding. * * *

In 1794 he says:

To force shipbuilding is to establish shipyards, is to form magazines, to multiply useful hands, to produce artists and workmen of every kind who may be found at once for the peaceful speculations of commerce and for the terrible wants of war. * * * For a navigating people to purchase its marine afloat would be a strange speculation, as the marine would always be dependent on the merchants furnishing them. Placing as a reserve with a foreign nation or in a foreign shipyard the carpenters, blacksmiths, calkers, sailmakers, and the vessels of a nation would be a singular commercial combination. We must, therefore, build them for ourselves.

Mr. Speaker, I yield back the balance of my time.

Mr. ALEXANDER. Mr. Speaker, I yield 15 minutes to the gentleman from Texas [Mr. HARDY], and at the expiration of that time I shall move to adjourn.

The SPEAKER pro tempore. The gentleman from Texas [Mr. HARDY] is recognized for 15 minutes.

Mr. HARDY. Mr. Speaker, the shipping of this country, as I have had occasion to say here before, is the least understood of all public questions by the general masses of our people. We are the only Nation on earth that absolutely puts a ban upon its citizens buying a ship anywhere else except from its own shipbuilders. According to the gentleman from New York [Mr. ROWE] and the gentleman from Michigan [Mr. FORDNEY] if this Senate amendment goes into effect Japan will build all the ships bought by the United States under this bill. And according to their argument, because Japan has the cheapest wages on earth, Japan ought to build all the ships for all the nations of the world that permit their citizens to buy ships abroad.

Now, the truth is that of all the great nations of the earth England perhaps has the highest wage scale of any nation except the United States. Yet England builds ships for every nation of the earth that will permit her citizens to buy from England. The argument of these gentlemen therefore must be wrong, since England permits and has permitted her citizens for over 50 years to buy ships anywhere they please and use them in all her trade, and yet neither Germany, France, Spain, Italy, Japan, nor any other cheaper-labor nations has ever built ships to any considerable extent for the British merchant marine.

Mr. GREENE of Massachusetts. Will the gentleman yield to me for a question?

Mr. HARDY. Very briefly.

Mr. GREENE of Massachusetts. Would not that be possible because England had been in the business so long that she had established a standard of workmanship which we have not?

Mr. HARDY. I shall try to answer that very question. England does it because by the magnitude of her business and by her enterprise and the ingenuity of her people she excels the world in the manufacture of ships and the material that goes into them.

Now, we have gradually caught up with and passed England in the manufacture of shipbuilding materials, and with our high wage scale to-day we produce the cheapest and best steel and iron in the world; and every piece of material that goes into the building of a ship—wood, iron, or steel—is furnished cheaper here to-day than anywhere else on earth; and under the processes and stimulus of the new building that will come on, with the Deisel engine and the utilization of oil as fuel and the standardizing of ships in our great steel plants, which can manufacture wholesale all the parts to be assembled in our shipyards, the United States can build cargo vessels more cheaply than England can. We are building high hopes of entering the markets of the world in open competition in foreign lands with our machinery, our steel, our iron products; in fact, with all the products of our factories, as well as of our mines and fields—why not enter the market with our ships and build ships for the world? One thing is certain—that is, we will never build cheap ships so long as we put a premium on ships built here by excluding all ships built elsewhere from our coastwise trade, the greatest of all coastwise trades.

The shipyards of America to-day are crowded with orders both for our own people and for shipowners from abroad, who desire to buy from us. We are building in competition with the world to-day, and if we but put behind our shipbuilders the spur of necessity, the knowledge that they must compete for their salvation, there is absolutely no question that in this new evolution in ships and shipping that is at hand when the old coal burners which use a great deal of their space for coal bunkers will be replaced by oil-burning ships, whose crews will be reduced from 40 to 60 per cent, on which fuel oil will be carried as ballast where water ballast was carried before, our shipbuilders, if they have it to do, will standardize their ships and beat the world, as they once did in the glorious days gone by, in the building of efficient and economical ships.

Now, why should we cling, as the gentleman from New York [Mr ROWE] says, to a custom and a habit and a law that has forbidden Americans to go abroad and buy ships in competition with American builders? The result of that policy has been that, from year to year and from decade to decade, the American flag has vanished more and more completely from the seas.

But this bill does not go to the extent of allowing the American citizen to buy his ship where he can get it cheapest. It only permits the Government to do it. It permits the $50,000,000 worth of ships that are to be bought by the Government under this bill to be bought where the Government sees proper to buy them. And why? If it were known to-morrow that the Government had $50,000,000 to put in ships and our shipbuilders were told that the Government must buy from them or else buy ships that would not have the privileges of the American flag, what would it mean? It would mean that the American shipbuilder, knowing that his ship is more valuable than the ship just like it built abroad, would put up the price of his ship. Even if you had two shipyards in America and the ships of one of them could engage in our coastwise trade while the ships of the other could not, would not the ships of the one sell for more than those of the other? What does that mean? That means that the Government of the United States, if it buys ships built here, without this Senate amendment, must necessarily pay more for them than it would if it bought abroad, not because the home ship cost more but because it had more privileges. If to-morrow you were going to buy one of two ships, and one of them had the privilege of engaging in our coastwise trade and the other had not the privilege of engaging in it, you would buy the ship that had that privilege if you had to pay 10, 15, 20, or 50 per cent more. And do you not think that the seller of those ships knows where he has you? If he had two ships to sell, one of which had the privilege of our coastwise trade and the other had not, would he not ask more for the one with the privilege than the one without it?

All that is plain common sense. By our law as it stands to-day we force the price of American-built ships up above the price of foreign-built ships. By the Senate amendment under discussion the Government is permitted to buy $50,000,000 worth of ships without paying an artificially raised price.

What does the law we have to-day mean except that every ship that flies the American flag, with the privilege of engaging in American trade, coastwise, must cost from 40 to 50 per cent more than the same kind of ship without that privilege.

Mr. GREENE of Massachusetts. Will the gentleman yield?

Mr. HARDY. Yes.

Mr. GREENE of Massachusetts. I would like to ask the gentleman if I am to understand that he believes in spending the $50,000,000 that will come out of the sale of the Panama bonds in having ships built abroad by foreign labor in foreign yards?

Mr. HARDY. I believe this, Mr. Speaker, that to-day the American shipbuilders can build and are building the cheapest ships in the world, and I believe that if the American Government starts out with an open field asking the shipbuilders of the world to build $50,000,000 worth of vessels, every ship would go to American shipyards. We built cheaper and better ships than England before 1860; we can do it now.

Mr. GREENE of Massachusetts. But, I ask the gentleman, how in this bill, if it is not given——

Mr. HARDY. I can not yield any further. I would like to, but I have not the time. This is my contention, and it is the contention of experts. They say that the result of this bill will be to cause our builders to standardize our shipbuilding and give us the advantage of building a vast number of ships that England has enjoyed during the last half century. They say England has built cheaper ships because she standardized. We will standardize; we will build ships in the great steel works; build all the pieces there and assemble them on the coast or at the shipyards, where they are to be used. The testimony of Secretary Redfield and others, given in the report on this bill by the House committee on this question is most interesting and convincing.

That is not all. I want to call attention to the fact that most gentlemen on that side seem to think that we have a free-ship law on our statute books, which does not induce foreign ships to come under our flag, because we have to employ American seamen against Asiatic seamen of other nations. Now, the same law applies here to seamen that applies in England.

Our shipowners can employ every member of the crew Asiatic except the officers, and I am not sure, but I am almost sure, that the English law requires English officers on English ships. But whether it is the law or not, the fact is that on the English ships they have English officers, and they have a great many English in their crews. There is nothing to prevent the American shipowner shipping Asiatic crews or crews of any other nationality, just as the English shipowner may.

What does this bill do? The amendment simply says that we will no longer give the shipbuilders a club which they may hold over the head of the American Government to compel it to buy American-built ships at a premium of 25 or 50 per cent over its value. Now, it is "stand and deliver—if you do not buy my ship, you can't carry goods from one part of this country to the other." Take away that club and the American Government will buy these ships where they please and the American shipbuilders will build the ships, because they will build them the cheapest.

Now, as to the gentleman from Michigan, Mr. FORDNEY, I want to answer one suggestion. He says that for us to engage in the foreign trade there must be three things. He said we must get ships as cheap as they are obtained elsewhere. That is true. He says we must have as cheap labor as elsewhere, and that is true. Then he says that we must pay the same subsidy that our competitor nations pay. I want to tell him that the greatest maritime nation on earth, Great Britain, has not for 50 years given a subsidy of any kind to cargo vessels. She carries the freight of the world and carries it without subsidy or subvention or aid. [Applause.]

Now, I will incorporate in my remarks, or some remarks that I may make later, an extract from a book recently written by Mr. Platt, who is an official of the Government, who simply gives the facts, and he says that England has never yet subsidized her cargo ships. And yet we are asked to subsidize cargo vessels and meet the subsidies of other nations. How will we meet the unsubsidized ships of Great Britain? We can only meet Great Britain by having as good or better and as cheap or cheaper ships. What we want to do in so far as this bill is concerned, in so far as these ships are concerned, is to give the United States, which taxes the people in order to procure the money to buy ships, the right to buy the best ships possible for the money.

We can not buy ships now under the flag of any nation at war. The vessels we buy will have to be built; they will be built in the United States shipyards rather than elsewhere, because our shipyards are now building ships to sell abroad.

We propose to buy $50,000,000 worth of them at present prices, less than 500,000 tons, and England has about 30,000,000 tons and we have in the coastwise about 6,000,000 tons. We may buy under this bill one-twelfth of our coastwise tonnage, and yet the great fear is expressed that the American Government by doing this will destroy our shipbuilding. The only foreign-built ships that are given the privilege of our coastwise trade under this bill are the ships bought by this American Government with the taxes of the people. The great fear is that some of these ships may be built abroad and engage in the coastwise trade. Would it not be a shame for a great ship, owned by the Government of the United States, leaving the port of New York empty for the port of Galveston, where she expected to reload for the port of Liverpool, to be proscribed from carrying our own freight to our own people? Would it not be a shame that our own carrying vehicle must go empty or in ballast at an expense, whereas if we let it carry our own freight, from our own port to our own port, she can earn something, and not only earn something, but help reduce the freight rates to the great consuming public of this country. It seems to me that the whole question hinges on that one thing. Shall the Government of the United States buy ships where she pleases and then let her own ships carry the products of her own people from one of her own ports to another of her own ports, and that is all there is to it.

Mr. HEFLIN. Mr. Speaker, will the gentleman yield?

Mr. HARDY. Yes.

Mr. HEFLIN. Does the gentleman believe that this bill will do more to build up the shipbuilding industry in the United States than any measure that has been passed in a decade?

Mr. HARDY. I do. If the United States is to have a great and a prosperous shipbuilding industry, that shipbuilding industry must be like the other great manufacturing plants of the United States.

It must have the ability to take its life in its hands and fight its way through competition with similar industries all over the world. If you make the shipbuilding industry of the United States under this bill compete for the building of these vessels, they will build them as cheaply as they can be built elsewhere, and they will standardize their construction of ships, they will begin, or rather continue, to build vessels for the world, and under such skill and enterprise as that which conducts the Steel Trust, under such enterprise as has sent our shoes from Massachusetts all over the world—under that same kind of enterprise, with the cheapest material, with the most skilled labor, with the best organized industry, our ships will be built, to be sold to the nations of the earth, and our flag will float on every sea. [Applause on the Democratic side.] The time must come when our ships will sail the seas, and that time will never come through the narrow, provincial policy of restricting our ship purchasers to the buying in a closed market of the ships with which they must compete for the trade of the world. [Applause on the Democratic side.]

Mr. Speaker, a new era is dawning. Economists talk of preparing now to meet the commercial warfare that will mark the efforts of the nations of Europe to regain their footing in trade. We talk of opening up new avenues of trade and capturing the trade of this and that country, of bettering our banking facilities, and adapting our goods to the wants of the nations we trade with; but the shortsighted, yea, the blind, adherents of the old shipbuilders' exclusive privilege, ignore the fact that one of the great essentials to the successful expansion of our commerce is that our merchants and manufacturers must have as cheap transportation as their competitors, and they can not have that without free ships. This bill will not give them to us in any great number, but it will teach us how to get them.

Mr. GREENE of Massachusetts. Mr. Speaker, on behalf of the gentleman from Pennsylvania [Mr. GRAHAM], I ask unanimous consent that he be permitted to extend his remarks in the RECORD by printing therein a certain article.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent that the gentleman from Pennsylvania [Mr. GRAHAM] be permitted to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. GREENE of Massachusetts. Mr. Speaker, I reserve the remainder of my time.

Mr. ALEXANDER. Mr. Speaker, how much time has been consumed?

The SPEAKER. The gentleman from Massachusetts has 26 minutes remaining and the gentleman from Missouri 10 minutes.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills and joint resolution of the following titles, when the Speaker signed the same:

H. R. 13926. An act to amend an act entitled "An act to provide for the appointment of a district judge, district attorney, and marshal for the western district of South Carolina, and for other purposes," approved March 3, 1915, so as to provide for terms of the district court to be held at Anderson, S. C.;

H. R. 17375. An act to amend an act entitled "An act to provide for an enlarged homestead," approved June 17, 1910;

H. R. 13391. An act to amend the act approved December 23, 1913, known as the Federal reserve act; and

H. J. Res. 292. Joint resolution proposing to amend section 2971 of the Revised Statutes of the United States.

The SPEAKER announced his signature to enrolled bills of the following titles:

S. 6370. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors;

S. 6369. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors;

S. 5496. An act to amend sections 5 and 6 of an act entitled "An act to authorize the drainage of certain lands in the State of Minnesota," approved May 20, 1908;

S. 5103. An act authorizing and directing the Secretary of War to lease to Charleston-Dunbar Traction Co. a certain strip or parcel of land owned by the United States Government on the Great Kanawha River in West Virginia; and

S. 6497. An act for the relief of Oleanne Marie Zahl Branum.

ADJOURNMENT.

Mr. ALEXANDER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 24 minutes p. m.), in accordance with the order heretofore made, the House adjourned until to-morrow, Wednesday, August 30, 1916, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Acting Secretary of War, submitting information regarding estimate of deficiency in appropriation "Armories and arsenals—repairs of arsenals," for the fiscal year ended June 30, 1916 (H. Doc. No. 1341); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Acting Secretary of War, submitting information regarding estimate of deficiency appropriation "Ordnance, stores, ammunition," for the fiscal year ended June 30, 1916 (H. Doc. No. 1342); to the Committee on Appropriations and ordered to be printed.

3. A letter from the Acting Secretary of War, submitting tentative draft of amendment to paragraph 6 of section 21 of

the omnibus public buildings act, approved March 4, 1913, relating to national archives building (H. Doc. No. 1343); to the Committee on Public Buildings and Grounds and ordered to be printed.

4. A letter from the Secretary of War, submitting information relative to damages to the Italian bark *Fenice* in collision with U. S. barge *No. 15* (H. Doc. No. 1344); to the Committee on Foreign Affairs and ordered to be printed.

5. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of the harbor at Tampa, Fla. (H. Doc. No. 1345); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

6. A letter from the Acting Secretary of the Treasury, transmitting copy of a communication from the Acting Secretary of Labor, submitting an estimate of appropriation for the immigrant station at Ellis Island, New York Harbor, for repairing damages to the buildings caused by explosions on July 30, 1916 (H. Doc. No. 1346); to the Committee on Appropriations and ordered to be printed.

7. A letter from the Acting Secretary of the Treasury, transmitting copy of a communication from the Acting Postmaster General, submitting an estimate of deficiency in the appropriation for compensation to postmasters, payable from postal revenues, being for the fiscal year ended June 30, 1916 (H. Doc. No. 1347); to the Committee on Appropriations and ordered to be printed.

8. A letter from the Acting Secretary of the Treasury, transmitting copy of private act No. 118, "An act for the relief of the legal heirs of Hector M. McDonald, deceased," approved August 21, 1916, and to state that the said act does not provide an appropriation for payment of the same "out of any money in the Treasury not otherwise appropriated," as required under the provision contained in the deficiency act of July 1, 1902 (H. Doc. No. 1348); to the Committee on Appropriations and ordered to be printed.

9. A letter from the Acting Secretary of the Treasury, transmitting copy of communication from the Secretary of the Interior, submitting an estimate of appropriation for the administration in the District of Columbia of the National Park Service created by the act of Congress approved August 25, 1916 (H. Doc. No. 1349); to the Committee on Appropriations and ordered to be printed.

10. A letter from the Acting Secretary of the Treasury, transmitting copy of communication from the Acting Secretary of Labor, submitting estimates of appropriation which will be required under the provisions of House bill 15316, passed by the House of Representatives on July 12, 1916 (H. Doc. No. 1350); to the Committee on Appropriations and ordered to be printed.

11. A letter from the Acting Secretary of the Treasury, transmitting copy of a communication from the Acting Attorney General, submitting additional estimates of deficiencies required by the Department of Justice to complete the service of the fiscal year ending June 30, 1917 (H. Doc. No. 1351); to the Committee on Appropriations and ordered to be printed.

12. A letter from the Acting Secretary of the Treasury, transmitting copy of a communication from the acting president Board of Commissioners of the District of Columbia, submitting additional estimates of deficiencies in appropriations required for the District of Columbia to complete the service of the fiscal year 1917 (H. Doc. No. 1352); to the Committee on Appropriations and ordered to be printed.

13. A letter from the Acting Secretary of the Treasury, transmitting detailed estimates of expenses made necessary under the provisions of the naval appropriation act approved August 29, 1916, and the act providing for the establishment of a Coast Guard station in the vicinity of Barataria Bay, on the coast of Louisiana, approved June 28, 1916 (H. Doc. No. 1353); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. ALEXANDER, from the Committee on the Merchant Marine and Fisheries, to which was referred the bill (H. R. 17499) for the protection, regulation, and conservation of the fisheries of Alaska, and for other purposes, reported the same without amendment, accompanied by a report (No. 1178), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. GORDON, from the Committee on Military Affairs, to which was referred the bill (H. R. 7378) to authorize the appointment of Clarence C. Kress to the grade of captain, United States Army Medical Corps., reported the same with amendment, accompanied by a report (No. 1179), which said bill and report were referred to the Private Calendar.

Mr. HULL, from the Committee on Military Affairs, to which was referred the bill (H. R. 1764) for the relief of John Minahan, alias John Bagley, reported the same without amendment, accompanied by a report (No. 1180), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills and resolutions were introduced and severally referred as follows:

By Mr. FITZGERALD [from the Committee on Appropriations]: A bill (H. R. 17645) making appropriation to supply deficiencies in appropriations for the fiscal year ending June 30, 1916, and prior fiscal years, and for other purposes; to the Committee of the Whole House on the state of the Union.

By Mr. GLASS: A bill (H. R. 17646) to amend section 6 of an act to define and fix the standard of value, to maintain the parity of all forms of moneys issued or coined by the United States, to refund the public debt, and for other purposes, approved March 14, 1900, as amended by the act of March 4, 1907, by the act of March 2, 1911, and by the act of June 12, 1916; to the Committee on Banking and Currency.

By Mr. HILLIARD: A bill (H. R. 17647) to amend an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; to the Committee on the Judiciary.

By Mr. BORLAND: A bill (H. R. 17648) to authorize the acquisition of a site and the erection of a Federal building thereon at Lees Summit, Mo.; to the Committee on Public Buildings and Grounds.

By Mr. VAN DYKE: A bill (H. R. 17649) for the transfer of the Army building and site thereof in St. Paul, Minn., to the custody and control of the Treasury Department; to the Committee on Public Buildings and Grounds.

By Mr. KEATING: Joint resolution (H. J. Res. 300) directing the joint subcommittee of the Senate Committee on Interstate Commerce and the House Committee on Interstate and Foreign Commerce, appointed "to investigate the conditions relating to interstate and foreign commerce and the necessity of further legislation relating thereto," to investigate the proposed reorganization of the St. Louis & San Francisco Railroad Co. and the application of said road to the Public Service Commission of Missouri for authorization of the issue of stock and bonds under such plan of reorganization to the aggregate amount of $850,000,000; to the Committee on Rules.

By Mr. BUCHANAN of Illinois: Concurrent resolution (H. Con. Res. 57) providing for Federal management and control of the railroads of the United States under certain conditions; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills were introduced and severally referred as follows:

By Mr. ANTHONY: A bill (H. R. 17650) granting a pension to America Bailey; to the Committee on Invalid Pensions.

By Mr. ASHBROOK: A bill (H. R. 17651) granting an increase of pension to William C. Chappelear; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17652) granting an increase of pension to Samuel Detlinger; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17653) granting an increase of pension to Asa T. Grant; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17654) granting an increase of pension to Ezra L. Eckis; to the Committee on Pensions.

Also, a bill (H. R. 17655) granting a pension to Sylvester H. Beadle; to the Committee on Pensions.

By Mr. CASEY: A bill (H. R. 17656) granting a pension to John S. Wildoner; to the Committee on Pensions.

Also, a bill (H. R. 17657) to remove the charge of desertion from the record of John J. Lavelle; to the Committee on Military Affairs.

By Mr. DENISON: A bill (H. R. 17658) for the relief of Logan Collins; to the Committee on Military Affairs.

By Mr. DUPRÉ: A bill (H. R. 17659) for the relief of the Seaboard Refining Co. (Ltd.); to the Committee on Claims.

By Mr. GARD: A bill (H. R. 17660) for the relief of William Martin; to the Committee on Military Affairs.

By Mr. GORDON: A bill (H. R. 17661) granting an increase of pension to Acquilla Huff; to the Committee on Invalid Pensions.

By Mr. McANDREWS: A bill (H. R. 17662) for the relief of Mary Ann Gordon; to the Committee on Claims.

Also, a bill (H. R. 17663) to waive the age limit in the appointment of Alexander L. Mahon as a second lieutenant in the United States Army; to the Committee on Military Affairs.

By Mr. McGILLICUDDY: A bill (H. R. 17664) granting a pension to Edward L. Eaton; to the Committee on Pensions.

By Mr. AIKEN: A bill (H. R. 17665) granting an increase of pension to Luther H. Hester; to the Committee on Invalid Pensions.

By Mr. NEELY: A bill (H. R. 17666) granting an increase of pension to Nancy A. Heiskell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17667) granting an increase of pension to Malinda Tuttle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17668) granting a pension to Barnard D. Chapman; to the Committee on Pensions.

Also, a bill (H. R. 17669) granting a pension to Josephine Parker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17670) granting a pension to Brent S. Jones; to the Committee on Pensions.

Also, a bill (H. R. 17671) for the relief of Thurman R. Ingram; to the Committee on Military Affairs.

By Mr. RUSSELL of Missouri: A bill (H. R. 17672) granting an increase of pension to Isaac Melton; to the Committee on Invalid Pensions.

By Mr. SCHALL: A bill (H. R. 17673) granting an increase of pension to Louis S. Harris; to the Committee on Pensions.

By Mr. SMITH of Michigan: A bill (H. R. 17674) granting an increase of pension to Charles Thompson; to the Committee on Invalid Pensions.

By Mr. STEENERSON: A bill (H. R. 17675) granting an increase of pension to Romanzo A. Coats; to the Committee on Invalid Pensions.

By Mr. SUTHERLAND: A bill (H. R. 17676) granting an increase of pension to Elizabeth Beorn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17677) granting an increase of pension to Mary E. Stirett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17678) granting a pension to Charles B. Cundiff; to the Committee on Invalid Pensions.

By Mr. VAN DYKE: A bill (H. R. 17679) granting a pension to Thomas Horan; to the Committee on Pensions.

Also, a bill (H. R. 17680) for the relief of Riegel & Roe; to the Committee on Claims.

By Mr. WHEELER: A bill (H. R. 17681) granting an increase of pension to William J. Wyatt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17682) granting a pension to Clarence P. McLoud; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BRUCKNER: Petition of James Wallace, of New York City, favoring passage of House bill 16631, for increase of pay for custodian employees; to the Committee on Expenditures in the Treasury Department.

Also, petitions of William E. Whited, of Bronx, and J. P. Williams, of New York City, favoring passage of the pension bill for employees of the Postal Service; to the Committee on the Post Office and Post Roads.

Also, petitions of sundry insurance companies against stamp tax on insurance policies; to the Committee on Ways and Means.

Also, petition of New York County Medical Society, favoring adequate preparedness; to the Committee on Military Affairs.

Also, petition of Mackay & Co., New York, relative to settlement of difficulties between railroads and employees by the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

Also, petition of Religious Society of Friends, against preparedness; to the Committee on Military Affairs.

Also, petition of Order of United Commercial Travelers of America, favoring Federal aid for good roads; to the Committee on Roads.

Also, memorial of board of directors of the Italian Chamber of Commerce of New York, favoring the Webb bill, House bill 16707; to the Committee on Interstate and Foreign Commerce.

By Mr. CAREW: Petition of the National Board of Fire Underwriters, of New York, relative to investigation of the causes of the explosion on Black Tom Island, in Jersey City; to the Committee on Interstate and Foreign Commerce.

By Mr. CHARLES: Petitions of citizens of Amsterdam and of Oneida County, N. Y., against stamp tax on insurance policies; to the Committee on Ways and Means.

By Mr. COPLEY: Petition of Woman's Missionary Society, United Evangelical Church, of Waperville, Ill., against polygamy in the United States; to the Committee on the Judiciary.

By Mr. DALE of New York: Petition of Merridale Farms, N. Y., against passage of House bill 16307, relative to registering pure-bred live stock; to the Committee on Agriculture.

Also, petition of Rev. G. Sommer, of Brooklyn, N. Y., against seizure of United States mails, etc., by Great Britain; to the Committee on Foreign Affairs.

By Mr. DAVIS of Texas: Petition of sundry citizens of Fort Worth, Tex., for location of Federal farm-loan bank at Fort Worth, Tex.; to the Committee on Banking and Currency.

By Mr. O'SHAUNESSY: Petition of sundry citizens of Newport, R. I., relative to conditions at present obtaining to civil-service employees in harbor-boat service of the Quartermaster's Department, United States Army; to the Committee on Reform in the Civil Service.

By Mr. ROWE: Petition of members of the Holy Name Society of the Church of Our Lady of Good Counsel, favoring censorship by Government of moving pictures; to the Committee on Education.

By Mr. TAGUE: Petition of Patrick Shea, Charlestown, Mass., against seizure of our mails, etc., by Great Britain; to the Committee on Foreign Affairs.

SENATE.

WEDNESDAY, *August 30, 1916.*

(Legislative day of Tuesday, August 29, 1916.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hughes	Nelson	Simmons
Bankhead	Husting	Norris	Smith, Ariz.
Beckham	James	Oliver	Smith, Ga.
Bryan	Jones	Overman	Smith, S. C.
Chamberlain	Kenyon	Penrose	Smoot
Chilton	Kern	Phelan	Sterling
Culberson	Lane	Pittman	Stone
Curtis	Lea, Tenn.	Pomerene	Thomas
Dillingham	Lewis	Ransdell	Thompson
Fletcher	McCumber	Reed	Vardaman
Gallinger	Martin, Va.	Robinson	Williams
Hardwick	Martine, N. J.	Shafroth	
Hitchcock	Myers	Sheppard	

Mr. MARTINE of New Jersey. I desire to announce the unavoidable absence of the Senator from Louisiana [Mr. BROUSSARD] on account of illness.

Mr. JONES. I desire to announce that the junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent on account of illness in his family. I will let this announcement stand for the day.

Mr. KERN. I desire to announce the unavoidable absence of my colleague [Mr. TAGGART]. He is detained on account of important business.

The VICE PRESIDENT. Fifty Senators have answered to the roll call. There is a quorum present.

THE REVENUE.

The Senate, as in Committee on the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. THOMAS. Mr. President, my attention has been called to a typographical error which should be corrected on page 36, line 1. The word "of" where it occurs the second time in the line before the word "employment" should be "or." I ask that that correction be made.

The VICE PRESIDENT. The amendment will be agreed to without objection. The pending amendment will be stated.

The SECRETARY. On page 95, line 23, after the word "thereof," the committee proposes to insert a semicolon and the following words:

Not containing such sweet wines, three-fourths of 1 cent on each pint or fraction thereof.

Mr. POMERENE. Mr. President, this matter came up just before the recess last night. I desire to state in a sentence my objection to the amendment.

It refers to cordials which are made out of alcohol beverages, which are taxed $1.10 per gallon. We have grape brandy, and so forth, which is taxed under the bill at 55 cents a gallon. This tax of three-fourths of 1 cent on each half pint or fraction thereof is a supertax over and above the $1.10 a gallon.

My thought is that so long as we have some of these liquors taxed below $1.10 it is hardly a fair proposition to tax others by this supertax who are now already taxed $1.10.

That is all I care to say.

Mr. PHELAN. Mr. President, I do not know what action the committee is going to take on the amendment suggested by the Senator from Ohio, but I beg to submit that the Democratic caucus approved of the measure as reported, and the Senator from Ohio is endeavoring without an appeal to the caucus to change the phraseology of the bill in a vital matter.

I am new to the deliberations of the Senate. Yesterday I made an argument by which I endeavored to show that the action of the caucus was wrong, and whereas in the caucus or so-called conference I had the assurance of the support of nine Senators who were polite enough after the vote was taken yesterday to inform me that they could not support their own views in view of the fact that they had attended the caucus.

As for myself, I understood that I was released because the caucus never undertakes to bind a Senator who is pledged to his own constituents. Therefore, I had no compunction; but it pains me to believe as a new Member of this body that Senators will admit that a certain contention is right but that they can not support it because they are overborne by the action of a mere majority of a majority—a mere fraction of the whole Senate.

If it is not revealing the secrets of my prison house, however, I desire to say that when the Senator from New Jersey proposed in the caucus an agreement to the report of the committee it was lost. There was a tie vote, and therefore the recommendation of the Finance Committee was disallowed. Instead of accepting that as the action of the caucus, the gentlemen served notice that there was no quorum present, and it went over to another evening when a mere quorum was present and an agreement was made with the recommendation of the committee under forced draft.

Now, I merely desire to say this for the RECORD by way of a protest, that nothing so undemocratic could possibly occur as the composition of a body by which the voice of the majority is suppressed by the influence of the minority. A mere majority of a minority under a caucus rule is enabled to control the deliberations, and I might be able to say in this case that the decision of that body was effected by the determination of only two men in the ultimate analysis.

A California satirist of the first class, Ambrose Bierce, once said:

> The caucus meets—the devil's own device
> For purchasing two souls at one soul's price.

But what I protest against is that Senators should come to me in an apologetic way and say that I am right and that they deliberately voted wrong.

Mr. REED. Mr. President——

Mr. PHELAN. I refuse to be interrupted until I finish my speech. I will conclude immediately.

Mr. REED. All right.

Mr. PHELAN. I can not see how they can reconcile themselves to their conscience. I can not see how they can, in a matter which involves no party policy, but a mere matter of dollars and cents and revenue, consider themselves bound to vote against their convictions. It was an American poet—and a good American he—who said:

> They are slaves who fear to speak
> For the fallen and the weak,
> They are slaves who will not choose
> Hatred, scoffing, and abuse
> Rather than in silence shrink
> From the truth they needs must think,
> They are slaves who dare not be
> In the right with two or three.

And two or three seemed to represent the minority vote when the roll was called on yesterday afternoon.

Mr. HUGHES. Mr. President, the Senator from California seems to be surprised at the light vote which his propositions received yesterday, and I was somewhat surprised at it myself. I advised one or two Members on this side of the House to vote with the Senator so that he might have some comfort. If the Senator wants an explanation of the reason why it received such a light vote I will give it to him, as far as my judgment is concerned. It was because of the unfair manner in which he conducted his fight for the amendment, because he persistently, over and over again and with full knowledge, read a letter to this body stating that that letter was directed against an amendment which was then pending before the Senate when he was informed on the floor of this body that the letter was directed to an entirely different amendment. In my opinion, if the Senator wants my opinion, it was because of the unfairness of the method he pursued yesterday that his proposition received the light vote it did.

Mr. PHELAN. I am glad to have the Senator's explanation, which does not go to the point I make. However, I still reaffirm that the Agricultural Department is in favor——

Mr. HUGHES. Mr. President——

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from California?

Mr. HUGHES. I have not yielded.

The VICE PRESIDENT. The Senator from New Jersey has the floor.

Mr. PHELAN. Will the Senator yield to me?

Mr. HUGHES. I decline to yield.

Mr. PHELAN. I will seek an opportunity in my own time immediately to make my statement.

Mr. HUGHES. I have not the slightest doubt of that. Now, Mr. President, I will ask if there is any motion pending with reference to this paragraph?

The VICE PRESIDENT. Yes. The pending amendment is on page 95, in the clause beginning in line 18.

Mr. HUGHES. The committee amendment?

The VICE PRESIDENT. Yes.

Mr. HUGHES. I ask for a vote on the committee amendment.

I will state, however, that the difference between the one-and-a-half cent tax and the three-fourths of 1 cent tax is necessitated by the difference in the tax on grape brandy and grain alcohol. Grape brandy, under the law at present and under the proposed law, will pay a tax of but 55 cents per gallon. Some liqueurs and cordials are made from or fortified with grape brandy; others are made from grain alcohol. The committee thought it was only fair to those manufacturers who made their cordials from grain alcohol and paid a tax of $1.10 a gallon that the supertax laid upon their packages should be as much lower as the difference between the tax laid upon the grape brandy and the grain alcohol would justify. For that reason a tax of 1½ cents on one-half pints or fraction thereof is laid upon liqueurs or cordials made from grape brandy and a tax of three-fourths of a cent on liqueurs or cordials made from grain alcohol.

The VICE PRESIDENT. The question is on the amendment of the committee.

Mr. PHELAN. Do I understand that the Senator from New Jersey has accepted the amendment offered by the Senator from Ohio [Mr. POMERENE]?

Mr. HUGHES. The Senator from Ohio has offered no amendment.

The VICE PRESIDENT. The Senator from Ohio has offered no amendment. The question is on the committee amendment.

The amendment was agreed to.

Mr. WILLIAMS. Mr. President, I read in this morning's Washington Post an editorial, which is so apropos and forcible and, in my opinion, convincing, that I ask leave to insert it in the RECORD.

Mr. OLIVER. Mr. President——

Mr. WILLIAMS. If there is objection to my doing so, of course I shall read it.

Mr. OLIVER. Mr. President, I think I shall have to object. I have no particular objection to this particular editorial, but I do object to encumbering the RECORD with utterances of this kind.

Mr. WILLIAMS. Then I will read it. I wanted to have it inserted without reading, because it would save the time of the Senate, but I can read it just as well.

Mr. OLIVER. The Senator from Mississippi can very readily save the time of the Senate by allowing the consideration of the pending bill to proceed.

Mr. WILLIAMS. Oh, of course, but I am saving the time in this way, too.

The article is headed "A radical program to compel industrial peace," and is as follows:

A RADICAL PROGRAM TO COMPEL INDUSTRIAL PEACE.

The legislative action proposed by President Wilson to meet the industrial crisis is so radical that it caused astonishment, if not [illegible] when its outlines were first disclosed.

That neither the railroads nor their employees will relish this dose is a foregone conclusion. If only those parties to the dispute were concerned, Mr. Wilson's proposal would be regarded as a grave political mistake, as both sides are likely to antagonize his program.

But the third party to this great dispute—the public—will soon agree that desperate diseases require desperate remedies, and the people will uphold the President and Congress in enacting legislation that will put an end to the menace of country-wide strikes.

The issue may as well be faced now as later. It was bound to confront the American people. No halfway measures will serve. They have been tried and found wanting.

The railroads are a mighty force, and so are the brotherhoods. But neither can be permitted to dictate to the people. Neither can determine for itself when there shall be war in the industrial world. Both of them must submit to laws framed for the peace and safety of the people.

When an eight-hour day is established by law the railroad workers will have no possible excuse for refusing to submit their demands to arbitration, whatever these demands may be. It is proper and necessary that the United States should now provide that railroad wage disputes shall be submitted to investigation and that strikes or lockouts pending such investigation shall be made unlawful.

It is necessary that the question of rates should be investigated, to the end that justice should be done to the railroads. The Interstate Commerce Commission should be enlarged, if necessary, to enable it to make this investigation promptly and thoroughly.

It is inevitable that the executive power of the United States should be authorized to take over the railroads in times of national peril. No nation on earth can escape such action when its safety or its existence is endangered. The nations now at war are using their railroad facilities for military purposes as a matter of course. Even if Congress should refuse to adopt this portion of the President's program at this time, it would necessarily adopt it in case of civil or foreign war. As a measure of national defense, the law should be enacted now, when it can be calmly considered.

Railroads, unions, and shippers may be expected to object to particular portions of the President's suggestions. But the more they are studied the more they are likely to commend themselves to the people. They constitute a rounded-out, thoroughgoing, effective plan that insures fair treatment of employees and justice to the railroads and prevents them both from paralyzing the country.

Unless Congress is willing that the country should be plunged into industrial war it will adopt the program outlined, with such changes as the wisdom of the lawmakers may suggest. The President has shown his moral courage by facing the issue bravely and daring the resentment of powerful capital and labor interests for the sake of preventing disaster to the public. He has given Congress a splendid example of political courage. The public welfare is now in the hands of Congress. If it acts with the courage that President Wilson has displayed, all will be well. The Nation will have asserted its resolute purpose to do justice in labor quarrels and to lay its heavy hand upon disputants who in passion and for self-interest would sacrifice the public.

That is all I have to say, Mr. President.

Mr. PHELAN. Mr. President, the Senator from New Jersey [Mr. HUGHES] has undertaken to explain the few votes which were cast on the amendment submitted by me on yesterday on the ground that I had misrepresented what was contained in a communication from the Agricultural Department. I still persist in saying that the Agricultural Department is in favor of the amendment which I submitted and is not in favor of the amendment which was adopted, notwithstanding the statement of the Senator from New Jersey that he on yesterday visited the department and had assurances of their support. I learn over the telephone that Dr. Emerson, whom the Senator quoted, did not give that assurance. In the absence of the Secretary, Mr. Houston, the subordinates have undertaken, if at all, certainly without authority, to make representations contrary to the views of the Secretary of Agriculture; but even then they disavow having given any approval to the measure proposed by the Senator from New Jersey. Therefore I desire to acquit myself, if the Senator does not acquit me of making any misrepresentation to the Senate. I consider that a very grievous charge. I should think there should be some means within the power of the Senate to discipline a Member who would make misrepresentations on this floor. I still persist in the belief that so just is the proposition which was advanced yesterday that it will be remedied in the conference, which is the court of last appeal.

There is, however, another reason why there were so few votes cast in favor of the amendment which I proposed on yesterday, and that is because it is distasteful to what has come to be known as the "Whisky Trust," one of the most powerful trusts in this country, which has its agents infesting the halls of Congress trying to influence legislation in order to make a more extensive market for its wares. It has alcohol for sale, and it does not want alcohol to enter in any quantity for fortification into the sweet wines of California without paying the full commercial brandy tax. It does not want the wines of the country to be of that standard of perfection that will drive, as ultimately they may drive, John Barleycorn out of the market. They enter into every State in this country fighting the movement for temperance. In my State they are busy to-day. It is only because of the enormous investment in the wine industry in California that prohibition has not been imposed upon that Commonwealth.

But I venture to predict that if the wine industry is destroyed prohibition will prevail in California. If there is no way of dissociating wine from whisky, then whisky and wine shall fall together; but if we may dissociate wine from whisky we will promote the cause of temperance by giving the people an opportunity to indulge in a beverage at once wholesome and exhilarating.

Mr. Hilliard E. Welch, banker and grape grower, of Lodi, Cal., came here as the representative of the California Viticultural Commission, a body established by law to look after the legitimate interests of the wine growers, and I beg to say with pain that this man, with credentials—which I published in the RECORD of yesterday's proceedings—from the California commission, although I made application in his behalf, was denied a hearing by the Committee on Finance. The members of that committee said that they had had sufficient hearings, but that he might file a brief if he were so disposed. As that was the only means of reaching the committee, the brief was filed, but I submit that the difference between a filed brief and an oral hearing is very great, because there is no assurance that a brief is ever read; and it was practically a denial of justice.

This gentleman, who is of the highest repute, made a statement to me that the attorney of the Whisky Trust came to him with a view of making a trade or a bargain by which it would appear to the Senate that there was practical unanimity of action on the part of both the wine men and the whisky men. You can see, Mr. President, the cunning device of tying up the wine interests and the whisky interests together. I asked Mr. Welch if he was prepared to make an affidavit to that effect, and here is the affidavit, which I will read, as it is brief:

DISTRICT OF COLUMBIA, *ss.*

Hilliard E. Welch, of Lodi, Cal., being first duly sworn, deposes and says:

"On the afternoon of August 1 1916, in response to a telegram from Mr. E. M. Sheehan, secretary of the California Viticultural Commission, I called on Mr Levi Cook, an attorney, at his office in room 623, Union Trust Building, Washington, D. C., and talked with him concerning an amendment to the revenue bill (H. R. 16763) which he had advocated before the subcommittee of the Committee on Finance of the United States Senate, which amendment levied a tax of 24 cents a gallon on 'liqueurs, cordials, compounds, or preparations containing wines fortified under this act.'

"On the morning of August 2, 1916, in company with Mr. F. Albertz, of Cloverdale, Cal., I again called on Mr. Cook and explained to him that those manufacturers who under the emergency revenue act had been accorded the privilege of using wines in the manufacture of cordials, liqueurs, and compounds without paying the stamp tax were insistent that the same privilege be extended in the pending bill; that I had written each one of these complainants that I could see no good reason, should the Government contemplate a tax on cordials, why a cordial made from wine should be exempted from any tax. I called his attention to the fact that his amendment would impose a tax of 24 cents a gallon where wine was used as the base, eliminating from the same tax those preparations having a base of distilled spirits; that his request and the request of the manufacturers using wine as a base were in direct opposition, and suggested to him that he should call the opposing factions of cordial makers together and have them settle their differences without bringing me into it; that I was interested in the tax on wines alone, and would not take either side of this controversy.

He then stated to me that he was the attorney for the National Wholesale Liquor Dealers' Association; that his people were, in strict compliance with Federal laws, contributing to the campaign against prohibition in California; that should I refuse to go with him to Senator THOMAS in support of his amendment, those contributions might be stopped, and the wine men might get a tax of $1.10 on brandy used in the fortification of sweet wine when the bill was reported to the Senate. I refused to go with him to Senator THOMAS as he requested.

HILLIARD E. WELCH.

—

DISTRICT OF COLUMBIA, *ss:*

F. Albertz, of Cloverdale, Cal., being first duly sworn, deposes and says:

"I was present with Mr. Hilliard E. Welch, of Lodi, Cal., the maker of the above affidavit, in the office of Mr. Levi Cook on the morning of August 2, 1916, and heard the conversation between them, and know that the statements by Mr. Welch in his above affidavit are true, to the best of my knowledge and belief.

"F. ALBERTZ."

—

DISTRICT OF COLUMBIA, *ss:*

Personally appeared before me, M. W. Pickering, a notary public in and for the District of Columbia, Hilliard E. Welch, of Lodi, Cal., and F. Albertz, of Cloverdale, Cal., who, being first duly sworn, testified that the above statements are true to the best of their knowledge and belief. Subscribed and sworn to before me this 16th day of August, 1916.

[SEAL.] M. W. PICKERING,
Notary Public.

My commission expires September 10, 1919.

I have had this affidavit for many days in my possession, but I did not desire to introduce the subject on the floor of the Senate. It was sufficient for me to know that the Whisky Trust was working against the wine interests, and I was curious to see what the outcome would be.

Now, I am told that the reason why the amendment failed on yesterday was because of misrepresentations concerning the innocent letter of the Secretary of Agriculture. I feel, therefore, justified in saying that I believe one of the elements which entered into the result of yesterday was the influence of the Whisky Trust; and I think that this evidence is quite sufficient. I know that great interests have a right to be heard, and pos-

sibly from their point of view they may justify themselves; but I beg to submit that in my advocacy of the amendment I had only one thing in view and that was the public interest.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 96, line 11, after the word "stamps," to strike out "nor to medicinal compounds prepared by retail druggists on physician's prescription, where the quantity of such compound does not exceed one-half pint," so as to make the clause read:

The taxes imposed by this section shall not apply to wines, liqueurs, or cordials on which the tax imposed by the act approved October 22, 1914, entitled "An act to increase the internal revenue, and for other purposes," and the joint resolution approved December 17, 1915, entitled "Joint resolution extending the provisions of the act entitled 'An act to increase the internal revenue, and for other purposes,' approved October 22, 1914, to December 31, 1916," has been paid by stamp.

The amendment was agreed to.

The next amendment was, on page 96, line 21, after the word "section," to insert:

Provided, That the collection of the tax herein prescribed on imported still wines, including vermouth, and sparkling wines, including champagne and on imported liqueurs, cordials, and similar compounds, may be made within the discretion of the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, by assessment instead of by stamps.

So as to make the clause read:

The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is hereby authorized to have prepared suitable revenue stamps denoting the payment of the taxes imposed by this section; and all provisions of law relating to internal-revenue stamps, so far as applicable, are hereby extended to the taxes imposed by this section: *Provided*, That the collection of the tax herein prescribed on imported still wines, including vermouth, and sparkling wines, including champagne, and on imported liqueurs, cordials, and similar compounds, may be made within the discretion of the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, by assessment instead of by stamps.

The amendment was agreed to.

The next amendment was, on page 97, line 10, after the word "cordials," to strike out "preparations"; in the same line, before the word "compounds," to insert "similar"; in line 14, before the word "spirits" to strike out "or"; in the same line, after the word "spirits," to insert "liqueurs, cordials, or similar compounds"; and in line 16, after the words "United States," to insert:

But the provisions of this subdivision of this section and the provision of section 3244 of the Revised Statutes of the United States, as amended, relating to rectification, or other internal-revenue laws of the United States, shall not be held to apply to or prohibit the mixing or blending of wines subject to tax under the provisions of this section with each other or with other wines for the sole purpose of perfecting such wines according to commercial standards: *Provided*, That nothing herein contained shall be construed as prohibiting the use of tax-paid grain or other ethyl alcohol in the fortification of sweet wines as defined in section 53 of this act.

So as to make the clause read:

(f) That any person who shall evade or attempt to evade the tax imposed by this section, or any requirement of this section or regulation issued pursuant thereof, or who shall, otherwise than provided in this section, recover or attempt to recover any spirits from domestic or imported wine, or who shall rectify, mix, or compound with distilled spirits any domestic wines, other than in the manufacture of liqueurs, cordials, or similar compounds taxable under the provisions of this section, shall, on conviction, be punished for each such offense by a fine of not exceeding $5,000, or imprisonment for not more than five years, or both, and all wines, spirits, liqueurs, cordials, or similar compounds as to which such violation occurs shall be forfeited to the United States. But the provision of this subdivision of this section and the provision of section 3244 of the Revised Statutes of the United States, as amended, relating to rectification, or other internal-revenue laws of the United States, shall not be held to apply to or prohibit the mixing or blending of wines subject to tax under the provisions of this section with each other or with other wines for the sole purpose of perfecting such wines according to commercial standards: *Provided*, That nothing herein contained shall be construed as prohibiting the use of tax-paid grain or other ethyl alcohol in the fortification of sweet wines as defined in section 53 of this act.

The amendment was agreed to.

The reading of the bill was resumed, and the Secretary read to line 4, on page 99.

Mr. HUGHES. Mr. President, I send to the desk an amendment which I offer, to be known as subdivision "(i)."

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to insert in the bill, on page 99, after line 4, subdivision "(i)," to read as follows:

That the second paragraph of section 3264, Revised Statutes of the United States of America, as amended by section 5 of the act of March 1, 1879, and as further amended by the act of Congress approved June 22, 1910, be amended so as to read as follows:

"In all surveys 45 gallons of mash or beer brewed or fermented from grain shall represent not less than 1 bushel of grain, and 7 gallons of mash or beer brewed or fermented from molasses shall represent not less than 1 gallon of molasses, except in distilleries operated on the sour-mash principle, in which distilleries 60 gallons of beer brewed or fermented from grain shall represent not less than 1 bushel of grain, and except that in distilleries where the filtration-aeration process is used, with the approval of the Commissioner of Internal Revenue; that is, where the mash after it leaves the mash tub is passed through a filtering machine before it is run into the fermenting tub, and only the filtered liquor passes into the fermenting tub, there shall hereafter be no limitation upon the number of gallons of water which may be used in the process of mashing or filtration for fermentation; but the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, in order to protect the revenue, shall be authorized to prescribe by regulation, to be made by him, such character of survey as he may find suitable for distilleries using such filtration-aeration process. The provisions hereof relating to filtration-aeration process shall apply only to sweet-mash distilleries."

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CUMMINS obtained the floor.

Mr. JONES. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Hardwick	Martine, N. J.	Shields
Beckham	Hitchcock	Myers	Simmons
Borah	Hughes	Nelson	Smith, Ga.
Brandegee	Husting	Norris	Smith, Md.
Bryan	James	Oliver	Smith, S. C.
Chamberlain	Jones	Overman	Smoot
Chilton	Kenyon	Penrose	Sterling
Clarke, Ark.	Kern	Phelan	Stone
Culberson	Lane	Pittman	Thomas
Cummins	Lea, Tenn.	Pomerene	Thompson
Curtis	Lee, Md.	Ransdell	Underwood
Dillingham	Lewis	Reed	Vardaman
Fletcher	McCumber	Robinson	Wadsworth
Gallinger	McLean	Shafroth	Weeks
Harding	Martin, Va.	Sheppard	Williams

Mr. KERN. I desire again to announce the unavoidable absence of my colleague [Mr. TAGGART], who is detained on account of important business.

The VICE PRESIDENT. Sixty Senators have answered to the roll call. There is a quorum present.

PROPOSED RAILROAD LEGISLATION.

Mr. CUMMINS. Mr. President, in view of the subject which I have announced, it might be inferred that I have risen to discuss the message of the President of the United States delivered yesterday to the two Houses of Congress. It is not so. The notes I have before me were prepared a week or more ago, and have no relation whatever to the views expressed by the Chief Executive, save that they touch the same general subject.

During the last two months I have received a great many letters and telegrams relating to the threatened strike of certain railway employees, all of them based upon the assumption that something practical and effectual should be done by Congress to prevent the disaster which a general suspension of traffic throughout the United States would inevitably inflict upon a vast number of people who have no direct interest in the controversy, and who are absolutely powerless to avert the catastrophe.

During the same period I have read many editorials published in the newspapers, which day after day sit in judgment upon Congress, and which, with a fine sense of irresponsibility, express opinions upon this subject, as upon many others, without knowledge and render judgment without even the pretense of inquiry.

I am not so much concerned about the utterances of individual newspaper writers, but I am deeply anxious about the views held by millions of honest men who want their Government to be both just and efficient, and who rely upon it for protection against forces over which they have no control except through the Constitution and laws of the land.

My purpose in the task I am about to perform is not to advocate any policy, nor to defend the course proposed by either party to the present dispute between railway managers and railway operatives. The real issue between them is fundamental, and touches the very foundation of organized society. My object is to turn the thought of the people, and possibly of Members of Congress as well, from abstract into concrete channels. I desire to point out some of the things which Congress can do which may have some effect upon like situations in the future, and to refer to some of the things which have been suggested, but which Congress can not do, in order that the thinking men of America may study and reflect upon the specific legislation within the power of Congress; all to the end that they may reach a definite conclusion, and that Congress may know whether these people really desire it to take the action which is necessary if the dangers incident to a strike are to be averted. They ought clearly to apprehend the consequences of such further legislation and to know whether the concert of workingmen for the betterment of the conditions under which they labor—a concert which alone makes a serious strike possible—should be prohibited or qualified.

Upon this voyage in search of legislation there are, as upon nearly every other of importance, a Scylla and a Charybdis, and

it will be interesting to consider how far we can steer away from the one without encountering the perils of the other.

There is one preliminary observation which I feel compelled to make:

I do not underestimate the effect of the general strike, which seems to be imminent. The losses, hardships, and suffering which it will entail can not be exaggerated, and no man can look forward to them without shrinking from the dire consequences which must ensue. My discussion has no especial application to the immediate situation, for I shall deal with all such interruptions of transportation and my suggestions will, in the main, be pertinent to all like disturbances affecting commerce among the States, although I shall look at the question from the standpoint of transportation by common carriers.

It is well known that aside from incidental regulations which are possible under the power of Congress to tax, and to establish post offices and post roads, the laws of the United States which affect transportation of both passengers and property are and must be founded upon the authority of Congress to regulate commerce with foreign nations and among the States, and it is this clause of the Constitution which I shall have in mind in the development of the subject.

The right of Congress, judged by practice, to merely investigate is substantially without limit. The right is often abused, for there is no true basis for investigation unless it is believed that legislation can follow inquiry, and ordinarily examination is worse than useless unless it can be followed by action. However that may be, it must be understood that I am not reviewing the authority of Congress to make any investigations which it may seem wise to initiate. I invite attention: First, to the widespread feeling that Congress should long ago have in some way provided, and having failed to do so should now provide, for the compulsory arbitration of disputes between employers and employees. These words are so commonly used that it may be rather startling when I say that in the full sense of the term there is no such thing as compulsory arbitration—never has been and never will be.

I am speaking now, of course, of a free country and free men. It may be that men can be coerced by indirect methods into an agreement for arbitration or may be deprived of the power to resist successfully the judgment of a Government tribunal; but compulsory arbitration, which, of course, includes the execution of the award, is impossible in any country whose organic law contains such declarations as are found in the fifth and the thirteenth amendments to the Constitution of the United States.

I do not doubt that Congress could create a tribunal, giving it any name that might seem desirable—court of arbitration, commerce court, industrial commission—and confer upon it jurisdiction to seize upon a controversy between a collective body of railway operatives, such, for instance, as the Brotherhood of Locomotive Engineers, and the railway company which employs the engineers, call the parties in dispute before it, take evidence, and render judgment. If this procedure is what the people have in mind when they speak of compulsory arbitration, the plan is, I believe, well within the constitutional authority of Congress, assuming, of course, that the dispute affects commerce with foreign nations or among the States.

If, however, I understand the thought in the minds of men who speak or write of compulsory arbitration, it means vastly more than the proceeding I have described. It further means that the tribunal which renders the judgment must be clothed with power to enforce it, and if the judgment is to be always heeded there must be a method of enforcement. To enforce it in the instance I have suggested, without mentioning the railway company, it would be necessary to compel the members of the brotherhood to work for the wages and under the conditions prescribed in the judgment. Otherwise there might come the strike, the disturbance, and the disaster which we now confront.

Here is the obstacle that can not be overcome. The attempt to make men work against their will is involuntary servitude, forbidden not only by the thirteenth amendment to the Constitution but by the natural instinct of free men in a free country. Compulsory arbitration, in the complete sense, is a myth, a mere idle dream, for in the end the voluntary action of the men involved is absolutely necessary. It is only possible under pure socialism in which all the relations of the human being are determined by the State, or in a pure monarchy in which industrial workers are subjects to the same laws which we apply to our military establishments, to those who are confined for crime, and formerly applied to sailors. If we are ready to treat the man who refuses to work, or leaves his work because he is dissatisfied with compensation and conditions, as we treat the deserting soldier and the criminal, compulsory arbitration may become possible. Until that time comes, and I pray that it may be a long time coming, we may as well dismiss the suggestion of so-called compulsory arbitration in labor controversies.

Mr. President I am well aware that these suggestions are trite and well known to the Members of the Senate. I am trying, if I can, to correct what I believe to be a false opinion throughout the country held by many good people who have not carefully examined the subject.

I know it will be said that the experiment has been tried. It is quite true that there are statutes in some of the States which have been termed compulsory arbitration laws, but there is no State in the Union which undertakes to compel a free workingman to labor, much less to labor for any given compensation or under prescribed conditions. If I dared to take the time, I would be glad to review some of these laws, but I forbear to do more than to invite a study of their provisions.

The acts of Great Britain and of the Dominion of Canada respecting the disputes between employers and employees have sometimes been cited as instances of wise legislation upon this subject. I pause only long enough to assert that, while these laws may be more effective in composing labor disputes than the Erdman Act was, or the Newlands Act is, and while in the Canadian law there is more compulsion than in our statute, it falls far short of establishing a compulsory arbitration which will in and of itself prevent strikes.

A brief consideration of the Canadian procedure is worth while.

The Canadian act is most frequently mentioned in this country, and I submit a very brief statement with regard to its general scope. To understand the legislation of the Dominion completely it must be remembered that there are two acts, one known as an act respecting conciliation and labor and the other known as the industrial disputes and investigation act. The former embraces controversies between railway companies and their employees; the latter covers all other industrial disputes.

The administration of the railway act is initiated by application to the minister of labor and provides for the creation of a board of conciliation and also, if conciliation fails, a board of arbitration; but there is no method of enforcing the award of the arbitrators, so far as I have been able to learn, except as the proceeding of the railway board may be merged into the proceeding under the industrial disputes and investigation act. The latter provides for the creation, under proper application, of a board of conciliation and investigation, and if the dispute can not be adjusted, then the board proceeds to render a judgment or award; and it may be remarked that the board acting under the conciliation and labor act may refer certain railway disputes to the board of conciliation and investigation.

The board makes a report indicating what, in its opinion, the respective parties to the controversy ought to do or ought not to do.

Mr. HUGHES. Will the Senator permit me to interrupt him? Is there any provision in either of the acts to which the Senator is now referring where the party would agree that any award when it is arrived at or any recommendation shall be made a rule of any court?

Mr. CUMMINS. Not in the Canadian act, as I understand it.

Mr. HARDWICK. If the Senator will pardon me, there was in the Erdman Act that provision exactly.

Mr. CUMMINS. There was, in the Erdman Act. I am speaking of the Canadian act. There is just such a provision in the act of New Zealand. I will not say positively, but it may be there is some provision of that sort in the Canadian act; but if there is, I have not been able to find it.

Mr. BORAH. Mr. President, my understanding of the Canadian act is that they depend entirely upon public opinion to enforce the award, or whatever you call it; that they make no effort whatever to enforce it through any act of a court or through any act of the Government.

Mr. CUMMINS. I think the Senator from Idaho is right about that. I am quite sure that he is. I am just from rather a close examination of both statutes, and so far as I recall them there is no provision for the enforcement of the report or award or judgment, as I may call it. It is only operative until the report is made. The very moment the report is made that is the end of the governmental authority, and the men involved are at complete liberty to move according to their desire; and the way they are restrained until the report is filed is through a criminal penalty.

Mr. HUGHES. Of course there is a vast difference between establishing a court and clothing that court with power to compel men to work for certain prescribed wages, and the voluntary submission by both parties to a board of arbitration and an agreement on the part of both parties that the award, whatever it may be, shall be made a rule of court and be enforced. That might be done for the protection of either side to the controversy.

Mr. CUMMINS. I am speaking of involuntary arbitration, so termed. I am not speaking of voluntary arbitration. Of course if the parties agree to arbitrate a dispute, and the arbitrators reach an award, the laws of nearly every State in the Union provide for filing the award in a court, and thereafter it is enforced just as a judgment of a court would be enforced.

Mr. SMITH of Georgia. Is there not a further provision in the Canadian law that if the parties agree that the board shall pass upon their controversy, then the finding of the board is enforced as a voluntary action is enforced by criminal procedure? There is such a provision, I am sure.

Mr. CUMMINS. Whether they agree or not, as I understand the Canadian statute, that is true. The very moment that the Government takes jurisdiction of a dispute the right of men to strike or the right of the employer to lock out is suspended, and it remains suspended until the report of the board is made. When made, as the Senator from Idaho says, it is assumed that public opinion will coerce the parties to the dispute into obedience; but if public opinion fails to do that the parties are at full liberty to proceed just as if there had been no conciliation, no mediation, no arbitration.

Mr. SMITH of Georgia. There is this further provision, if the Senator will allow me. If the parties agree pending the investigation to submit to the investigation, then after the finding is made the right to lock out or to strike does not exist, but is punished as a crime just as it would be punished pending an investigation.

Mr. CUMMINS. That is true. I am referring only to an involuntary proceeding—to what is called compulsory arbitration. I am not reviewing either the statutes of Canada nor of the States with respect to voluntary arbitration.

So far as compulsion in the enforcement of awards is concerned—I am now still speaking of the Canadian statute—it is found in a section which I quote:

SEC. 56. It shall be unlawful for any employer to declare or cause a lockout, or for any employee to go on a strike.

I ought to interpose here the suggestion that the strike is defined in the statutes, and it does not mean an individual ceasing work; it means what we understand in this country as a union strike, a strike through concert and arrangement.

Mr. HARDWICK. If the Senator will pardon me, I have been very much interested in his argument. I wish to suggest to the Senator that while involuntary servitude or enforced labor may not be had in this country under our constitutional provision, yet has not Congress power to make it unlawful for two or more individuals to combine or conspire to impede the operation of the great interests of interstate commerce?

Mr. CUMMINS. I am coming to that. I hope the Senator will not anticipate that phase of it.

Mr. HARDWICK. I withdraw the question if the Senator is going to discuss that.

Mr. CUMMINS. I quote section 56:

It shall be unlawful for any employer to declare or cause a lockout, or for any employee to go on strike, on account of any dispute prior to or during a reference of such dispute to a board of conciliation and investigation under the provisions of this act, or prior to or during a reference under the provisions concerning railway disputes in the conciliation and labor act: *Provided*, That nothing in this act shall prohibit the suspension or discontinuance of any industry or of the working of any persons therein for any cause not constituting a lockout or strike: *Provided also*, That, except where the parties have entered into an agreement under section 62 of this act—

That being the section to which the Senator from Georgia referred—

nothing in this act shall be held to restrain any employer from declaring a lockout or any employee from going on strike in respect of any dispute which has been duly referred to a board and which has been dealt with under section 24 or 25 of this act, or in respect of any dispute which has been the subject of a reference under the provisions concerning railway disputes in the conciliation and labor act.

These sections relate to the findings of the board and the report of the board to the public authority.

What I have just read means that the moment the report is filed or the work of the so-called arbitrators or board of conciliation is completed there is no penalty imposed upon employees, whether singly or in concert, if they thereafter leave the employment in which they had been engaged.

Mr. THOMAS. Mr. President——

Mr. CUMMINS. I yield to the Senator from Colorado.

Mr. THOMAS. I should like to ask the Senator a question, if it will not interrupt him.

Mr. CUMMINS. Not at all.

Mr. THOMAS. The provisions of the Canadian act, to which the Senator refers, have recently been characterized as so unjust and restrictive as to amount practically to an act of slavery. The Senator has evidently examined the law with much care, and doubtless has also made an investigation into the actual workings of that act. I therefore should like to ask if he thinks, from the practical operation of that law, there have been such consequences as would justify such a criticism?

Mr. CUMMINS. I think there have been such consequences. I am not familiar with the details of the various proceedings under the law to which the Senator from Colorado refers, but even in Canada—a little country of seven or eight millions of people—the act which I am now reviewing can be so manipulated and so used that the reports of these boards of conciliation pending which the men are restrained from the exercise of their liberty of striking might be delayed over a period of a dozen years. I do not say that that has happened in Canada to that extent, but such an application of the law is possible. If all the railroads were united in a single controversy and all the employees of all the railroads were uniting in that same controversy, there would need be but one investigation and one report; but if the roads disintegrate and if the unions disintegrate, and there must be boards of conciliation and boards of arbitration for each employer and each system of employees, the effect of the Canadian statute would be practically to indefinitely limit the right of union men to strike.

Mr. STERLING. Mr. President——

Mr. CUMMINS. Just a moment. Applied to our country, with its hundred million of people and with its hundreds of railway companies, the result would be still more disastrous, so far as delay is concerned. I now yield to the Senator from South Dakota.

Mr. STERLING. I merely want to ask a question. The Senator may have answered it during his discussion, but, I think, not quite definitely. I ask whether, as to the employees who, under the penalties provided by the Canadian statute, remain at work pending negotiations or pending action on the part of the Board of Mediation and Conciliation or on the part of the board of arbitration, the work done is not involuntary servitude, and whether it is the Senator's belief that it is an involuntary servitude?

Mr. CUMMINS. I am coming to consider that in a few moments. I have a definite opinion about it, but I will reach it at a little later time.

A penalty of not less than $10 nor more than $50 a day is imposed upon any employee who strikes contrary to the provisions of the act; and an employer who declares or causes a lockout contrary to the provisions of the law is fined not less than $100 nor more than a thousand dollars for each day of the lockout.

I departed a moment ago from the path that I intended to follow, namely, to discuss this matter somewhat upon its merits. I did not rise for the purpose of discussing the wisdom of the Canadian act; that is, of expressing my full opinion as to its merits or demerits.

Mr. STERLING. Mr. President, if the Senator will pardon me one moment, when I used the term "involuntary servitude" I meant involuntary servitude within the meaning of the Constitution of the United States.

Mr. CUMMINS. Certainly; I understand that.

New Zealand and some of the Australasian States have gone further than either Europe or America toward control through the power of the Government. I will examine alone the experiment of New Zealand, for it is the only one of its kind which has even measurably survived. I mean by that that the New Zealand law, which was adopted by some of the States of Australia, was found so irksome and so impossible, if you please, of operation and administration that the law has been modified in many of those States, and in most of them where it was enacted has been practically abandoned.

Mr. BORAH. Mr. President, will the Senator from Iowa pardon an interruption?

Mr. CUMMINS. Yes.

Mr. BORAH. In Australia, I understand, the Government enforces the decrees.

Mr. CUMMINS. The Australian law is practically the same as the New Zealand law.

Mr. BORAH. I am not so familiar with that; but does the New Zealand law provide for the enforcement of the decree through the operation of the Government?

Mr. CUMMINS. It does.

Mr. BORAH. The Australian law does that?

Mr. CUMMINS. Yes.

It will be first remarked that the Government of New Zealand approaches State socialism. It is not necessary to either approve or disapprove this view of government, but it is not to be questioned that New Zealand has adopted many laws which the United States could not enact under the Constitution as well as many laws which the present temper of the people of the United States would not tolerate for an instant.

The underlying purpose of the New Zealand industrial arbitration law is to compel both employers and employees to unionize. New Zealand establishes her system upon the hypothesis that all occupations, all kinds of business, should be cooperative or should be bound together in some form of combination. Its application is confined, so far as employees are concerned—now mark this—not alone to labor unions, but to labor unions which have registered under the act. In the registration the union surrenders the freedom of a voluntary organization and agrees to abide the judgment of the arbitration board. If a labor union prefers to exist as a voluntary organization, it may do so either by refusing to register or by canceling its registration. In such cases it is just as free to strike and as little bound as are similar bodies of laboring men in this country

The law creates, first, councils of conciliation, and, second, a court of arbitration. Mark you, there is no shrinking in New Zealand from the real question. The body which finally decides the dispute between employers and employees is a court, and is clothed with all the powers of a court.

Mr. LEWIS. Mr. President, may I ask the able Senator if he has not inadvertently fallen into error—an error of expression rather than of understanding—or may I ask him if I am in error? Is not the provision in the New Zealand law like unto that we have put into the Federal Trade Commission act in the United States, to wit, that if the body authorized to investigate finds an infraction or finds necessary an enforcement it sends its decision to a court, which court then reduces it to the form of a judgment of the court, to be enforced then by the court processes?

Mr. CUMMINS. There are some instances in which that can be done, but, if the Senator will wait a moment, he will see that I am absolutely accurate in the statement that I have made.

Mr. LEWIS. I will be very glad to hear the Senator through.

Mr. CUMMINS. The court of arbitration is composed of two members, nominated or appointed by the respective parties to the dispute, and a judge of the supreme court. Practically speaking, and historically speaking as well, the final decree, judgment, or award is that of a single man. It has been often asserted that the court of arbitration, to which I have referred, can compel absolute obedience in all cases.

This conclusion is not at all clear, although it may very well be contended from the language of the act that the court can enforce obedience. I am now speaking of the court of arbitration, and not of the board of conciliation or mediation, which refers the controversy to the court of arbitration. I am inclined to doubt some of the powers which are imputed to the court of arbitration, but they are broad enough in any event. As I interpret the law, the most that can be said of it is that if a man works he must work under the terms and conditions provided in the award, or if an employer continues his business he must continue it as prescribed by the court of arbitration.

I have endeavored to ascertain whether there is any record of these courts in existence in which the court of arbitration has ordered a man to work against his will. I do not find any such instances, although they may exist. There are plenty of instances in which employees have been fined for not working in the way in which the court has declared the work should be carried on.

Mr. BORAH. Mr. President——

Mr. CUMMINS. I yield to the Senator from Idaho.

Mr. BORAH. So far as the Australian law goes and the power of the Government to enforce the decrees, there are instances noted in which parties were punished for violating the decree; that is, for refusing to work they were fined, and in this way compelled to continue at their work.

Mr. CUMMINS. There are instances of that kind in New Zealand. What I had in mind was something in the nature of an injunction, that brought one who disobeyed it into contempt of the court, with a punishment which might continue until the process of the court was obeyed.

For a complete understanding of the New Zealand act it is necessary to inquire into the jurisdiction of the court of arbitration and how it acquires jurisdiction. The board of conciliation, which can only proceed, first, where an industrial agreement provides for the reference of disputes to it; second, where an individual employer or several employers in combination, or an industrial union, trade-union, or association of workers, all of which must be registered, request a reference to the board.

However compulsory the law of New Zealand may be in the execution of the finding or judgment, it is not at all compulsory so far as the jurisdiction of either the board of conciliation or the court of arbitration is concerned. Any organization of labor, any organization of employers, may escape the jurisdiction of the particular board. I am not now including railways.

I have mentioned these provisions of the law because, with one exception, the court of arbitration acquires its jurisdiction solely through a reference by a board of conciliation. The exception relates to the Government-owned railways, and with respect to them it is provided that either the railway commissioners or the Amalgamated Society of Railway Servants may refer industrial controversies arising between them to the court of arbitration. It is compulsory in jurisdiction, therefore, so far as railway employees are concerned.

It will be observed that as to what may be called private industrial disputes the court of arbitration obtains jurisdiction by the voluntary act of one or both of the parties interested and that as to railway disputes it obtains jurisdiction upon the request of the official bureau known as the railway commissioners or upon the request of the Union of Railway Operatives. The judgment or award of the court of arbitration is enforced in the main through a system of penalties imposed, not only upon the union but, in proper cases, upon the members themselves.

It is quite clear that once the court of arbitration secures jurisdiction and makes its finding or renders its judgment, it can coerce, through penalties, and impose obedience to whatever the finding may be.

The act is very elaborate, and I have given simply its prominent features, so far as they pertain to the subject I am discussing. The law does not bring within its operation all industrial controversies, and it is a matter of recent history that strikes have occurred in New Zealand, which could not be controlled through either the boards of conciliation or the court of arbitration. So far as railways are concerned, its compulsion is practically complete.

Without expressing my personal opinion as to the policy of such legislation, it seems to be clear that it could not be adopted in the United States, in view of the constitutional limitation which Congress must respect.

In order that the whole subject may be conveniently studied, I append to my remarks a copy of two good examples of State legislation, namely, Wisconsin and Massachusetts, and also the Federal statute, ordinarily known as the Newlands law; also the Canadian act and the New Zealand act, to which I have just referred.

I am not unfamiliar with the expressions of the Supreme Court of the United States indicating how far the Federal Government or the government of a State may go in curtailing freedom of contract and of personal action, when the public welfare requires it, in such cases as Robertson *v.* Baldwin (165 U. S., 275), Patterson *v.* Bark *Eudora* (190 U. S., 169, 175), Bailey *v.* Alabama (219 U. S., 219, 244), Noble Bank *v.* Haskell (219 U. S., 104, 111), Shallenberger *v.* First State Bank (219 U. S., 114), Schmidinger *v.* Chicago (226 U. S., 578), Crowley *v.* Christiansen (137 U. S., 86, 89), Lawton *v.* Steele (152 U. S., 133, 136), McCulloch *v.* Maryland (4 Wheat., 316, 415).

Nor have I overlooked the decisions in inferior courts, such as Southern California Ry. Co. *v.* Rutherford (62 Fed., 796), Ann Arbor Ry. Co. *v.* Pennsylvania Co. (54 Fed., 746, 756), United States *v.* Debs (64 Fed., 724, 759); but giving the utmost liberality to the application of the principles which have been fairly well established in these and other decisions, it is exceedingly doubtful whether Congress could go to the length of the Canadian law, and it is quite clear that it could not, under the Constitution, enact the restrictions of the New Zealand law.

Nothing that I have said is to be construed as indicating any opposition upon my part to the arbitration of labor disputes. On the contrary, I am not only strongly in favor of the tendency toward arbitration, but I am profoundly convinced that we have made great progress in that direction and that the laws we have, not only in the States but in the Nation, have accomplished great good. They have been productive of the most gratifying results—results which I would be glad to lay before the Senate and the country if it were possible to do so within the limits of the discussion I have proposed.

The Erdman Act, and its amendment, the Newlands Act, have fully justified their existence, for, while there is nothing in them which coerces either employers or employees, the mediation which they authorize and the opportunity for profound and considerate judgment which they present have brought about agreements and arbitration in many controversies which would otherwise have terminated in disastrous disturbance.

The point which I desire to emphasize is that direct compulsory arbitration—that is, a law which not only gives some Government tribunal the authority to take the dispute against the will of either or both the parties to it and decide it, and then to directly enforce the judgment by compelling the employers to

retain the men involved under the prescribed conditions, or to compel the men then working to continue to work for the compensation and under the conditions imposed—is forbidden by the Constitution, is repugnant to the enlightened sense of human liberty, would destroy the entire fabric of organized society, and may be at once dismissed as a solution of the problem before us.

Without advocating it or expressing any opinion upon the justice or wisdom of it—and I now come to the point suggested by the Senator from South Dakota—there is, however, a way in which the effect of compulsory arbitration can be secured.

It is obvious that the individual strike is of no great consequence. There can be no effectual strike without the intervention of a union or an association among the employees. It is the concert of action among them which makes the strike formidable. If workingmen were unorganized and could not move together as a body, while individuals might cease work, there would be no strike problem. The chief object of a union is to combine the strength of all its members. The strike through which the whole membership ceases to work at a given time is the modern weapon with which laborers fight for more wages and better conditions. It is the weapon with which workingmen in modern times have emancipated themselves from the slavery of former years. Without it in some form they would be speedily reduced to their ancient subjection, unless the Government undertakes to enforce their just demands.

It is my deliberate judgment that there is no method for the prevention of strikes by force of law except to deny to workingmen the right of striking in union or in concert; that is to say, to make it unlawful to enter into an agreement or understanding that they will cease to work at a prescribed time and in a body, unless—and, mark you, I emphasize this as I emphasized the former—unless the Government undertakes to enforce their just demands. To do this, which I believe to be within the constitutional authority of Congress, without providing an efficient substitute, is to practically prohibit unions; for while the unions have other and notable functions, if they are deprived of their right to quit work in a body as the outcome of an understanding or agreement, they will be shorn of their real power, and will rapidly become mere benevolent societies.

I for one am unalterably opposed to any such legislation, unless it is accompanied with sure relief from injustice.

The industrial peace which might be attained by taking away from the workingman the only weapon with which he can fight, would, in the end, inflict graver consequences upon the country than we ever have experienced or ever will experience through any strike, however general or however perilous.

I can not believe, therefore, that Congress will ever broadly and absolutly make it a crime for union men to strike in concert. There are some misinformed people who believe, apparently, that it was the act of 1915, generally known as the Clayton law, which permits members of labor unions to strike in pursuance of an understanding or agreement, but this is not so, for the Supreme Court of the United States had theretofore repeatedly held that a union strike, peacefully begun and peacefully carried out, was not an offense against the antitrust law.

I have said that while constitutional, Congress would never make it a crime for workingmen to strike in concert through prearrangement under any and all circumstances. There is, however, another phase of the subject which is well within our power and which deserves consideration. It is contended that a modified or partial restriction of the right to strike in a combined way would make for industrial peace, and at the same time would not unduly infringe upon personal liberty. It has been frequently urged that with or without the consent of employers and employees the Government should assume jurisdiction through a proper tribunal of disputes between organized employees acting through representatives and employers; that the tribunal should proceed, after due notice and hearing, to determine what each side ought to do; that until the award or judgment, and for a reasonable time thereafter, it should be unlawful for the members of the union to combine in order to bring about a strike or for the employers to establish what is called a lockout in order to bring the employees to terms.

The theory of those who advocate a law of this character is that the investigation and decree of an impartial tribunal would, in a great majority of instances, enforce itself through popular sympathy and public opinion. They think that if all combination looking toward the strike or lockout can be prevented until there is a full inquiry and an unprejudiced decision, a subsequent combination for a strike or a subsequent lockout will rarely occur.

This is the general basis for the Canadian act. While we could not reach the end in the way in which the Dominion of Canada has reached it, and answering the question of the Senator from South Dakota [Mr. STERLING], I have little doubt that it is within our power to make unlawful a combination of employees looking to a strike in concert. We could not simply make it unlawful to strike. All that we could possibly make unlawful would be the combination or the conspiracy to strike. I assert no unqualified opinion upon that point; but if we can approach the Canadian procedure, that is the way in my judgment in which we must approach it.

There are other students of the subject who insist that when the Government has undertaken to settle the rights of parties to such a dispute, and does settle them through an involuntary proceeding such as I have described, that it ought to be made unlawful to combine, either before or after the judgment is pronounced.

Their reasoning is something like this: If it is fair to withdraw or take away from union men the right to strike in concert for a limited period while an investigation is in progress—an investigation and report that are intended to influence public opinion, and which it may be assumed will declare the very right of the matter—why should it not be unlawful to combine or conspire together to strike after the Government has ascertained the justice of the controversy and published it and provides for carrying it into effect?

Mr. BORAH. Mr. President——

Mr. CUMMINS. I yield to the Senator from Idaho.

Mr. BORAH. Purely as a constitutional question, if we could pass a law upon the basis of the Canadian law, making it an offense to strike during the pendency of the investigation, upon what constitutional principle would we be inhibited from passing a law making it an offense to strike during the life of the judgment or decree which was rendered?

Mr. CUMMINS. None whatever. It is quite as constitutional to make it unlawful to combine for the purposes of a strike after the award is made as it would be constitutional to prohibit it before, of course. I think myself it would be much more logical. However, that is treading upon ground that is very controversial and which I did not intend to consider at this time.

Mr. BORAH. It is controversial, and I do not desire to break the continuity of the Senator's argument; but it does seem to me that it is a question which we will have to meet in this situation. That is to say, if we have the constitutional power in one instance, certainly we have it in the other, and the wisdom of exercising it in one instance is just as great, in my judgment, as in the other. That is, if we are going to exercise it at all, it should be exercised effectively. Personally, I do not think it exists at all.

Mr. SMITH of Georgia. Mr. President——

Mr. CUMMINS. I yield to the Senator from Georgia.

Mr. SMITH of Georgia. I wish to ask the Senator, if we have this power to prevent a strike, would it not equally exist to bring a strike to an end—to prohibit the continuation of a strike?

Mr. CUMMINS. Mr. President, I have not the same confidence in public opinion and its effect upon parties to a controversy that many people seem to have. I have never seen anything like a consolidated or unanimous public opinion upon a subject of this kind. After the board has investigated and reported what should be done, there will be just as much difference of opinion respecting the real justice and right of the matter as there was before. There will be partisans who will insist upon the prejudice or ignorance of the board; there will be partisans who will reason in a different way upon the facts which the board or court shall develop. My own judgment is that if we had the power and if we thought it wise to adopt the Canadian act, word for word, instead of composing labor disputes, and instead of preventing strikes, the whole tendency would be to inflame the people of the country who are directly interested, and to promote just such strikes as we are now endeavoring to avert.

Mr. SMITH of Georgia. Mr. President, I do not think the Senator understood my question. My question was this: If the power to prevent a strike exists, then, even though a strike had been inaugurated, would not the power equally exist to pass legislation which would compel a desistence of the strike?

Mr. CUMMINS. That presents an entirely different question. I do not think the two things are the same at all. If we can handle the question at all, we must approach it through the combination. We can not interfere with the right of the individual to quit work—to dispose of his time and his energy as he sees fit. The utmost we could do would be to declare certain combinations unlawful. Now, if the combinations have taken place before they are made unlawful, of course we could not reach them through an ex post facto statute.

Mr. STERLING. Mr. President——

Mr. CUMMINS. I yield to the Senator from South Dakota.

Mr. STERLING. I should like to ask the Senator from Iowa if the whole matter does not come back to the question of public interest, and to the question whether any man or any combination of men have a right to do that which will be detrimental to the public interest? And if either a strike or a lockout pending negotiations for a settlement or during arbitration proceedings seriously embarrasses or affects the public interest, then may there not be the restraint of the law?

Mr. CUMMINS. Mr. President, I did not rise to discuss with any degree of fullness the constitutionality of these provisions. My effort has been rather to make the question or questions concrete in the minds of Senators and of the public. There will develop, as this matter proceeds, I suspect, the widest difference of opinion as to the constitutionality of any law that may be proposed.

Mr. REED. Mr. President——

Mr. CUMMINS. I yield to the Senator from Missouri.

Mr. REED. I think the Senator's contribution to this subject this morning is very valuable. I was compelled to leave the Chamber, being called out during the last few minutes of the Senator's remarks, and if he has covered the question I am about to ask I shall not ask him to answer it. But what remedy or what method has the Senator to suggest? Has he discussed that subject?

Mr. CUMMINS. Mr. President, I have not entered upon that subject at all, nor do I intend to do so at this time. We have before our committee now under consideration various proposals, and I do not intend either to preclude my own mind in advance as to them nor to attempt to forestall the judgment of any Senator with respect to them.

Mr. REED. Will the Senator permit me, then, to trench so far upon his time as to make a very short statement, and then suggest a matter?

The railroad companies have for many years followed the practice, whenever they are in financial difficulty with their bondholders, or whenever they are in difficulty with creditors holding floating debts of the company, of going into the courts and asking that receivers be appointed. Generally these suits are brought by some bondholder who alleges that he has a debt, a contract, which results in a financial obligation; that the road is being mismanaged, or that the road is about to be seized by creditors, to the detriment and injury of the property; that the public has large interests and the property must be kept going, and so forth—the usual allegations with which we are all familiar. Thereupon sometimes in friendly suits, sometimes in actions that are really adversary, a receiver is appointed. The court takes the property and proceeds to manage it. After a time, when the difficulties have been passed, it turns the property back. It sometimes sells the property to satisfy obligations. As the basis of all this circumstance lies the idea that there is a contractual obligation between the road and somebody that is being interfered with.

Now, the Government has contracts with substantially every railroad in the United States to carry its mails. It also employs the railroads in the shipment of large supplies to its Army, to its Navy, and to all those points where the business of the Government makes it necessary to move freights. It also has a lively interest in the transportation of troops. Those matters at least in part rest upon contracts which are now existing. In addition to that, there is of course the great interest of the public, and I might almost say the question of the preservation of the peace is involved.

Why has not Congress the right to pass a statute providing that whenever the Attorney General of the United States shall file in a court of proper jurisdiction a petition alleging that the Government has these contracts with the railroad companies; that they are about to permit their violation by failing to operate their trains; that this is a voluntary act on the part of the companies from which they can escape by the mere expenditure of an additional sum of money; that the entire business of the country is dependent upon these lines of transportation, and so forth, bottoming the case upon our contracts, and the willful violation by the proprietors of the roads, followed with the further allegation that our damage and injury is irremediable, that it can not be compensated in money judgment, and, under those circumstances and those facts being made to appear, the court can appoint a receiver or receivers for one or more of the roads?

Mr. CUMMINS. Mr. President, the suggestion of the Senator from Missouri, however sound and well worthy of consideration, is not within the scope of the argument I am endeavoring to make. My purpose was to review as well as I could the subject of compulsory arbitration, so called, or the power of the Government to deal with the men who are involved in a union strike. All such plans may be within our constitutional authority, and at this time I express neither approval nor disapproval of their wisdom or policy. To do so would involve me in an argument in which I do not intend to indulge under the circumstances which surround the Senate, for there is much to be said both for and against regulation along the line of the above suggestions. One thought, however, should be constantly borne in mind: Industrial peace is exceedingly desirable, just as peace between nations is the ideal condition of mankind. Notwithstanding our devotion to peace, we all recognize that it may cost too much. The doctrine of peace at any price is as fatal in commerce and industry as it is in the relations of the Governments of the earth.

It is apparent that these disputes which so vitally affect the whole body of the people should be settled, if possible, by an impartial tribunal, and I do not think of it as an arbitration; I think of it as a court, composed of men of the highest character and greatest attainments; a court composed wholly of members who have no possible interest in the controversy, and who have the same sense of high responsibility which we expect of men chosen to exercise the judicial office. It must be composed of men in whom the entire country has confidence, of humanitarians who are looking constantly for the true pathway to a better civilization. If we can secure such a court, the strike, in concert or combination, may, for a time and in a degree, be subordinated to its judgments.

The most imperative task of the present time is to search our consciences and ascertain whether we are willing to establish such a tribunal. If we are ready for this duty, further legislation may be wise. If we are not ready for it, we must endure the hardships and sufferings which fall upon us until we are prepared.

The whole heart of the great controversy is in the immense difficulty we encounter in creating a tribunal which will do justice between the men who operate railways and the men who own railways. We have never so far as I know been able to even suggest the composition of any tribunal in whom the people, and especially those who are vitally interested, would have that implicit confidence necessary to make their awards binding in conscience as well as in the law.

Looking at the present situation we might just as well face it with courage and resolution. We might just as well understand that unless we are able to create a court or a tribunal of whom it will be true that it will judge fairly, honestly, humanely between employers and employees, there can be no legislation which will have even a tendency to avert strikes in concert.

If you will examine, if you will search and probe the question you will finally come to that one high vital necessity. Do you know how a tribunal of that kind can be composed? I am not suggesting that it is impossible to do it; I believe it is possible to do it; but, Senators, have you reflected upon the subject sufficiently to be willing to suggest a plan for the creation of such a tribunal? There will be no peace, there can be no peace, until that problem finds its solution.

Mr. LEWIS. Mr. President——

Mr. CUMMINS. It would be inhuman, it would be intolerable to take away, if we can, the right of men to strike in concert in order to sustain their demands for higher wages and better conditions unless we can offer these men a tribunal for the settlement of their controversies which will command the same confidence that the courts of the United States command among those who must resort to them for arbitrament. I yield to the Senator from Illinois.

Mr. LEWIS. In response to the able Senator's suggestion whether any Senator has a remedy, I suggest to the Senator I have tendered a measure enlarging the scope of the Interstate Commerce Commission and vesting in the Interstate Commerce Commission the right to hear any disputes or any grievances concerning the wages of employees and disputes with employers to the same extent that they have jurisdiction to settle the matter of freight rates between shippers and carriers and dividing the Interstate Commerce Commission into sections so that they may be nearer to the people. I ask the able Senator does he not think that forum one as potent to execute judgment and justice between employers and carriers as it is to-day in the rates of shipment between shippers and carriers, and that that is a method which is adaptable for both parties to the controversy?

Mr. CUMMINS. I find myself differing evidently with the Senator from Illinois, for while I hold the Interstate Commerce Commision in the highest regard, I think of all the bodies we have created by law or could create by law the Interstate Commerce Commission is the most unavailable body to pass on the question I have been discussing. In the first place, its duties

as between railways and those who employ the service of railways are radically unlike the duties suggested by the Senator from Illinois. Moreover, a body of men that is to pass upon the disputes between laborers and employers ought not to be permanent; it ought to be created for the particular controversy. There may be some difference of judgment about that. Such is my opinion, however, for the qualities of mind, the training of mind, the experience and knowledge which might be imperatively required in one case might not qualify in another, and a board composed for the settlement of this railway dispute might be not at all adequate for the settlement of some other dispute which may arise between employers and employees.

Mr. BORAH and Mr. NORRIS addressed the Chair.

The PRESIDING OFFICER (Mr. CHILTON in the chair). Does the Senator from Iowa yield, and if so, to whom?

Mr. CUMMINS. I yield to the Senator from Idaho first. I think he rose first.

Mr. BORAH. Any board or tribunal organized for the purpose of settling labor disputes would have to have one safeguard thrown around it which the Interstate Commerce Commission has not. I do not suggest here and now how it should be done, but it would certainly have to be achieved in some way, and that is to prevent the pressure of political influence upon the body at the time it was dealing with a particular hearing. The last remarkable exhibition of that kind toward the Interstate Commerce Commission, with reference to the 5 per cent rate case, disclosed beyond question that even as great a tribunal as that yields to such pressure and influence, and it even founded its opinion upon propositions not founded in the statute. It is a mistake to leave any body of men discharging a quasi judicial duty open to such shameless influence as was exerted in the 5 per cent case.

Mr. CUMMINS. I now yield to the Senator from Nebraska.

Mr. NORRIS. I wanted to ask the Senator from Iowa if he has any doubt about the constitutional right of Congress to give to the tribunal he has been describing the right to fix the wages and regulate the hours of employment not only of the employees but of the officials of the various interstate railroads?

Mr. CUMMINS. I have very grave doubt about it.

I must be permitted to express one further thought, lest it may be said that I tolerate the disorder which sometimes attends the strike.

When men quit work in a body, they ought to recognize that every employer has the right to fill their places and proceed with his business, whatever it may be, in peace and quiet. Just as I believe that until we can substitute something fair and efficient for the strike that men have an inalienable right to strike in union, so I believe that the employer has the right to hire others for the work he is pursuing, without the least interference on the part of those who have abandoned the employment. This applies with increased emphasis to the functions of the Government, such as the transmission of mails and the like.

Passing from the subject of compulsory arbitration, I turn my attention for a moment to other legislation within the authority of Congress, which might have a tendency to prevent union strikes.

Undoubtedly Congress could prescribe maximum hours of work upon railways engaged in interstate commerce. It is clear, however, that if this were done there would still be wide opportunity for disputes between employers and employees.

Mr. NORRIS. The Senator is now discussing the question somewhat, and I wish to ask him if he doubts that Congress would have the constitutional right to fix the compensation as well as the hours?

Mr. CUMMINS. I am coming to that.

Mr. NORRIS. All right; I will not interrupt the Senator.

Mr. CUMMINS. Unquestionably Congress has authority to prescribe both minimum and maximum wages to be paid by such railway companies. It is true that regulation of this character might sometimes be overthrown in the courts if challenged as unreasonable or arbitrary, because there is no well-established standard for compensation in the various occupations of life.

Now, I answer the former question of the Senator from Nebraska. It is to be doubted whether Congress could confer upon a commission or tribunal of any kind the power to fix wages, for the reason just given. It would be found well-nigh impossible to give to a commission or tribunal a rule of sufficient certainty to bring the delegation of the power within the accepted principles of the law.

Our civilization has so far advanced that we have definite ideas with respect to hours of labor. We have already legislated upon the subject, but the maximum time of continuous service is so great that the regulation is of little value.

I have no doubt that Congress will speedily turn its attention to the matter and that a provision better adapted to secure safety in railway operation and the well-being of railway operatives will be enacted. It may be that it would be wise to establish minimum wages, but when the variety of employment and the difference in ability and skill required to perform the several tasks of railway operation are considered, the immense difficulty of the undertaking is at once apparent. When we advance toward the establishment of maximum compensation these difficulties are infinitely multiplied, and I look upon any attempt to restrict the freedom of contract in this respect—that is, maximum compensation—as doomed to complete and immediate failure.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Nebraska?

Mr. CUMMINS. I yield.

Mr. NORRIS. Does the Senator think there is any greater constitutional authority conferred upon such a tribunal as he has been describing to fix, not necessarily the maximum and minimum, but the absolute compensation of various kinds of employees than there is conferred upon the same tribunal the right to fix a rate that shall be charged, of which the salaries of all the employees and officials must be one of the component parts?

Mr. CUMMINS. There is a little difference in the constitutional authority. From time immemorial the standard which is applied to test the validity of a rate imposed by a common carrier has been known theoretically at least. When we created the Interstate Commerce Commission we gave to that commission the standard which had been for centuries the law with regard to the transportation of persons and property by common carriers, and the courts have held that that is a sufficiently definite standard to warrant the delegation of power which the interstate-commerce law involves.

Now, mark you, I am not speaking of Congress; but when Congress would attempt to delegate the power to fix wages, what is the standard, what is the rule? What is to determine whether a man ought to be paid $2 a day or $5 a day or $10 a day? I do not know of any standard at all.

Mr. BORAH. Would the phrase "a fair and reasonable wage" be any more definite or less definite than "unfair competition" or "a reasonable rate?

Mr. CUMMINS. I think it would be very much less definite. Both unfair competition and reasonable rates for the carriage of persons or property have become fairly well established. But it is not necessary for me to argue the matter. If the power exists, it is to be exercised through regulation and is not involved in the subject I am discussing. You can not compel a man to work for any wage that the commission may fix.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Nebraska?

Mr. CUMMINS. I yield.

Mr. NORRIS. I concede the point the Senator has made. It was not the object of my question to contest that, but I was wondering if the board or tribunal, or whatever it is the Senator has been describing, has the authority to fix a rate and a part of that rate is made up of the salaries that the president of a road draws and the brakemen draw, that being a part of the rate that it is considered they have the constitutional right to fix, and we have the constitutional right to provide, if we define it as we did in the power to fix the rate, that the salaries of all the employees and officials should be reasonable, that being a part of the rate, why could they not fix those rates; and when they were fixed would they not partake much of the same as a governmental position, and a strike would probably be unknown in regard to it if they controlled the entire situation?

Mr. CUMMINS. If the Senator from Nebraska will reflect, he will, I think, agree with me that there are two senses in which the power to fix wages may be delegated; that is, there are two standards or tests that will be applied to determine the validity of any such legislation. But what I have said is that I do not believe we could delegate to a commission the authority to fix a wage and prosecute a man who refused to work for it or prosecute a railway company if it refused to pay it. But we can create a commission or a tribunal, a court, that will have jurisdiction to determine all disputes between railway companies and employees, and I think all things that pertain to the management and conduct of the railways, and provide that the right to strike in concert shall be suspended until that award or that report is made. I have connected those two things together, and, as the Senator from Nebraska will observe——

Mr. NORRIS. The Senator makes one mistake in his last statement in regard to any such tribunal having power to fix the salary of an official when he says that we could not compel anybody to work for it and we could not compel the railroad companies to pay it. We bear a different relation, as I understand it, under the Constitution to the railroad company than we do to the employee. We can regulate them to a greater extent than we can the man who is working.

Mr. CUMMINS. I think possibly I have misapprehended the view of the Senator from Nebraska. I supposed that he was addressing his question to me with reference to something that could be done to avert a strike. That is the subject I am discussing.

Mr. NORRIS. That was the object of my inquiry, and I was seeking information only. I am not asking my question in any critical sense.

Mr. CUMMINS. I know it, and I do not——

Mr. NORRIS. It seems to me if we did what I have suggested we would practically place all these positions on the same basis as Government positions, so far as men working for the Government are concerned. We could not prohibit the man, neither would I want to prohibit the man, from quitting if he wanted to quit at any time, but I do not believe the Senator doubts that if Congress desired it could pass a law which would provide, for instance, that any of these interstate railroads should not pay a salary to the president nor to a conductor above a certain amount mentioned—that an official should get a certain salary.

Mr. CUMMINS. I am not prepared to assert that. I am very sure that if they pay exorbitant salaries Congress has power to declare that they shall not be reflected in the charge for service.

Mr. NORRIS. It is a part of the rate. Nobody contests that, whether it is a brakeman's salary or the president's salary.

Mr. McCUMBER. The Senator from Nebraska is talking about the system of regulating railways. I am talking about industrial disputes which arise between employers and employees.

Mr. NORRIS. Does not the Senator think if such a system were enacted as a law the danger of strikes would at once disappear?

Mr. CUMMINS. Oh, no; I think that the railway men have much more concern about what they themselves get than what the president of the company gets.

Mr. NORRIS. But I am including what the railroad men get as well as the president. I am only putting them together because they are both employees of the road. If we can control one we can control the other.

Mr. CUMMINS. I think it would have some effect in composing the situation, but that has nothing to do with disputes which arise between railway employees and their employers, and my remarks were limited entirely to controversies of that sort.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER (Mr. OVERMAN in the chair). Does the Senator from Iowa yield to the Senator from North Dakota?

Mr. CUMMINS. I yield.

Mr. McCUMBER. The Senator has indicated in his remarks the grave difficulty in securing a board in which the public itself would have confidence and in which the railway officials would have confidence as well as the labor unions. The Senator has also indicated that several bills are now before the committee. So far the Senator has discussed only two parties to this controversy, the railway companies and the employees. There is a third party, the public, which is vitally interested in the wages paid to employees and also vitally interested in the charges that are made for carriage of passengers and freight. The Senator will recall that some years ago we had an arbitration of the coal strike. That matter was settled and it was settled in an increase of wages. I am not saying that the wages should not have been increased, but immediately 75 cents more a ton for coal was loaded upon the public.

I am not prepared to say that that was just. I simply suggest it as indicating that the public are deeply interested, and any board, it seems to me, if we are to have confidence in it, should represent the public interest as well as the interest of the contestants.

Mr. CUMMINS. Mr. President, the Senator from North Dakota is wholly right. The public is really the principal party in interest; and any adjustment that a governmental tribunal may make with regard to the relations of employers and employees must and ought to take into consideration the paramount right of the public, for in the end the increase in the expenses of the operation of railways will be reflected in the charges which the railway companies make for the service they render; and it would be in the last degree unjust and intolerable for the railway operatives to receive more than fair compensation and then allow the railway companies to pass that burden to those who must ultimately "pay the freight." These men have as deep an interest in the controversy as any others who may be involved in it.

Mr. McCUMBER. And therefore the Senator would agree that under any system of arbitration the interest of the people generally ought to be subserved in the appointment of some one who would look after their interests?

Mr. CUMMINS. I have not reached a settled conclusion with regard to the best way of creating a tribunal of that sort; but, to say the very least, it ought to be composed of men, all of whom are disinterested, who are public servants in just the sense that the judges of the Supreme Court of the United States are public servants. It ought to be composed of members, I think, appointed by the President of the United States and confirmed by the Senate, so that there will be some certainty that the tribunal will not only be qualified for the task that it undertakes, but that it will also command the respect and confidence of all the people.

APPENDIX.

EXHIBIT V.

WISCONSIN ARBITRATION LAW, AS AMENDED 1897.

CHAPTER 364.

An act to provide for a State board of arbitration and conciliation for the settlement of differences between employers and their employees.

The people of the State of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. The governor of the State shall within 60 days after the passage and publication of this act appoint three competent persons in the manner hereinafter provided to serve as a State board of arbitration and conciliation. One of such board shall be an employer, or selected from some association representing employers of labor; one shall be selected from some labor organization and not an employer of labor; and the third shall be appointed upon the recommendation of the other two: *Provided, however*, That if the two appointed by the governor as herein provided do not agree upon the third member of such board at the expiration of 30 days, the governor shall appoint such third member. The members of said board shall hold office for the term of two years and until their successors are appointed. If a vacancy occurs at any time the governor shall appoint a member of such board to serve out the unexpired term, and he may remove any member of said board. Each member of such board shall before entering upon the duties of his office be sworn to support the Constitution of the United States, the constitution of the State of Wisconsin, and to faithfully discharge the duties of his office. Said board shall at once organize by the choice of one of their number as chairman and another as secretary. All requests and communications intended for said board may be addressed to the governor at Madison, who shall at once refer the same to the said board for their action.

SEC. 2. Said board shall as soon as possible after its organization establish such rules of procedure as shall be approved by the governor and attorney general.

SEC. 3. Whenever any controversy or difference not the subject of litigation in the courts of this State exists between an employer, whether an individual, copartnership or corporation, and his employees, if at the time he employs not less than 25 persons in the same general line of business in any city, village, or town of this State, said board may, without any application therefor, and upon application as hereinafter provided, and as soon as practicable thereafter, shall visit the locality of the dispute and make careful inquiry into the cause thereof, hear all persons interested therein who may come before them, advise the respective parties what, if anything, should be done or submitted to by either or both to adjust said dispute, and make a written decision thereof. This decision shall at once be made public, shall be published in two or more newspapers published in the locality of such dispute, shall be recorded upon proper books of record to be kept by the secretary of said board, and a succinct statement thereof published in the annual report hereinafter provided for, and said board shall cause a copy of such decision to be filed with the clerk of the city, village, or town where said business is carried on.

SEC. 4. Said application shall be signed by said employer, or by a majority of his employees in the department of the business in which the controversy or difference exists, or their duly authorized agent, or by both parties, and shall contain a concise statement of the grievances complained of and a promise and agreement to continue in business or at work without any lockout or strike until the decision of said board: *Provided, however*, That said board shall render its decision within 30 days after the date of filing such application. As soon as may be after the receipt of said application the secretary of said board shall cause public notice to be given of the time and place for the hearing thereof; but public notice need not be given when both parties to the controversy join in the application and request in writing that no public notice be given. When notice has been given as aforesaid the board may in its discretion appoint two expert assistants to the board, one to be nominated by each of the parties to the controversy: *Provided*, That nothing in this act shall be construed to prevent the board from appointing such other additional expert assistants as they may deem necessary. Such expert assistants shall be sworn to the faithful discharge of their duty, such oath to be administered by any member of the board. Should the petitioner, or petitioners, fail to perform the promise and agreement made in said application, the board shall proceed no further thereupon without the written consent of the adverse party. The board shall have power to subpœna as witnesses any operative in the departments of business affected by the matter in controversy, and any person who keeps the records of wages earned in such departments, and to examine them under oath, and to require the production of books containing the record of wages paid. Subpœnas may be signed and oaths administered by any member of the board.

SEC. 5. The decision of the board herein provided for shall be open to public inspection, shall be published in a biennial report to be made

to the governor of the State with such recommendations as the board may deem proper, and shall be printed and distributed according to the provisions governing the printing and distribution of other State reports.

SEC. 6. Said decision shall be binding upon the parties who join in said application for six months, or until either party has given the other notice in writing of his intention not to be bound by such decision from and after the expiration of 60 days from the date of said notice. Said notice may be given by serving the same upon the employers or his representative, and by serving the same upon the employees by posting the same in three conspicuous places in the shop, factory, yard, or upon the premises where they work.

SEC. 7. The parties to any controversy or difference as described in section 3 of this act may submit the matters in dispute in writing to a local board of arbitration and conciliation; said board may either be mutually agreed upon or the employer may designate one of such arbitrators, the employers or their duly authorized agent another, and the two arbitrators so designated may choose a third, who shall be chairman of such local board; such board shall in respect to the matters referred to it have and exercise all the powers which the State board might have and exercise, and its decision shall have such binding effect as may be agreed upon by the parties to the controversy in the written submission. The jurisdiction of such local board shall be exclusive in respect to the matters submitted to it, but it may ask and receive the advice and assistance of the State board. Such local board shall render its decision in writing within 10 days after the close of any hearing held by it, and shall file a copy thereof with the secretary of the State board. Each of such local arbitrators shall be entitled to receive from the treasurer of the city, village, or town in which the controversy or difference that is the subject of arbitration exists, if such payment is approved in writing by the mayor of such city, the board of trustees of such village or the town board of such town the sum of $3 for each day of actual service not exceeding 10 days for any one arbitration.

SEC. 8. Whenever it is made to appear to the mayor of a city, the village board of a village, or the town board of a town, that a strike or a lockout such as is described in section 9 of this act is seriously threatened or actually occurs, the mayor of such city, or the village board of such village, or the town board of such town, shall at once notify the State board of such facts, together with such information as may be available.

SEC. 9. Whenever it shall come to the knowledge of the State board by notice as herein provided, or otherwise, that a strike or lockout is seriously threatened, or has actually occurred, which threats to or does involve the business interests of any city, village, or town of this State, it shall be the duty of the State board to investigate the same as soon as may be and endeavor by mediation to effect an amicable settlement between the employer and employees, and to endeavor to persuade them, provided a strike or lockout has not actually occurred or is not then continuing, to submit the matters in dispute to a local board of arbitration and conciliation as herein provided for, or to the State board. Said State board may, if it deems it advisable, investigate the cause or causes of such controversy, ascertain which party thereto is mainly responsible or blameworthy for the existence or continuance of the same and may make and publish a report finding such cause or causes and assigning such responsibility or blame.

SEC. 10. Witnesses subpœnaed by the State board shall be allowed for their attendance and travel the same fees as are allowed to witnesses in the circuit courts of this State. Each witness shall certify in writing the amount of his travel and attendance, and the amount due him upon approval by the board shall be paid out of the State treasury.

SEC. 11. The members of the State board shall receive the actual and necessary expenses incurred by them in the performance of their duties under this act, and the further sum of $5 a day each for the number of days actually and necessarily spent by them, the same to be paid out of the State treasury.

SEC. 12. This act shall take effect and be in force from and after its passage and publication.

Approved April 17, 1897.

ARBITRATION LAWS.

State boards of mediation and arbitration were established in New York and Massachusetts in 1886; those States being the first to try official mediation and arbitration as a means of adjusting disputes between employers and employees. Since then similar boards have been established in California, Connecticut, Illinois, Louisiana, Minnesota, Montana, New Jersey, and Ohio. An act of the Legislature of the State of Michigan, approved July 3, 1889, authorized the governor of that State to appoint a State board of mediation and arbitration, but the law is inoperative because the governor has failed to exercise such authority. The constitution of Utah, which was admitted to the Union as a sovereign State on January 4, 1896, directs the legislature to provide by law for a board of labor, conciliation, and arbitration. The law creating the bureau of labor statistics of the State of Colorado provides that when differences arise between employer and employees, threatening to result or resulting in a strike or lockout, it shall be the duty of the commissioner to mediate between the parties to the controversy, if either party request his intervention. Similar powers are conferred upon the commissioners of labor statistics of the States of Missouri and Nebraska, and they are also authorized, under certain circumstances, to form local boards of arbitration. The laws of Iowa, Kansas, Maryland, and Pennsylvania simply authorize the courts to appoint tribunals of voluntary arbitration when the parties to labor disputes petition for or consent to their appointment; the jurisdiction of such tribunals being limited to the county or portion of the State in which the dispute may arise. The parties to such controversies have seldom, if ever, availed themselves of the provisions of such laws, in States in which there are no regularly constituted boards of arbitration.

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COMMONWEALTH OF MASSACHUSETTS, 1902.

An act to establish an industrial court for the administration of industrial justice between corporations and their employees.

Be it enacted by the senate and house of representatives in general court assembled, and by the authority of the same, as follows:

INDUSTRIAL COURT ESTABLISHED.

SECTION 1. A court to be called the industrial court is hereby established to administer industrial justice between corporations doing business in the Commonwealth, whether foreign or domestic corporations, and their employees, whether resident or nonresident in the Commonwealth.

The industrial court shall be composed of a chief justice, whose salary shall be ——— dollars per year, and two associate judges whose salary shall be ——— dollars per year each; all of whom shall be appointed, and any vacancies filled, in the manner provided by the constitution.

The industrial court shall be a court of record, and shall cause to be made a seal, and to be sealed therewith all orders, processes, and papers made by or proceeding from the court and requiring a seal. All notices, orders, and processes of said court may run into any county and be returnable as the court may direct. Citations, orders of notice, and all other processes issuing from the court shall bear test of the chief justice and be under the seal of the court and signed by the clerk.

The industrial court may appoint a clerk, a stenographer, and such other assistants, and upon such salaries, as may be approved by the governor and council.

The industrial court shall hold its sittings in Boston, but may adjourn from time to time to such other places as the public service may require. In the county of Suffolk the board of aldermen of the city of Boston, and in other counties the county commissioners, shall provide suitable rooms for the sittings of the court, and shall provide all necessary books and such printed blanks and stationery as may be ordered by the court.

Upon the request of the industrial court, or of any justice thereof, the sheriff of any county shall assign one or more deputies to attend the sittings of the court in that county.

INDUSTRIAL AGREEMENTS.

SEC. 2. A corporation and 10 or more of its employees may enter into an industrial agreement under this act for a term not less than six months, nor more than 2 years, fixing wages and other terms of employment not contrary to law, which industrial agreement may be filed in the principal office of the industrial court at Boston at any time after execution; and, if it be approved by the industrial court, it shall be recorded and indexed in a book kept by the clerk for that purpose.

No party to an industrial agreement which has been approved by the industrial court shall, while the agreement remains in force, petition the industrial court under the other sections of this act, with respect to the opposite party or parties.

If the industrial agreement be signed by a corporation, and by three-quarters at least of its employees in the Commonwealth, and be approved by the industrial court, no subsequent petition by the employees under the other sections of this act shall be entertained or decided by the industrial court so long as the agreement remains in force and is signed by said number of employees. Two or more agreements between the same corporation and its employees may be filed and approved, and the total number of employees who are parties to all the agreements shall be counted in deciding whether or not three-quarters of the employees have signed the agreement; but no individual shall be counted more than once.

The industrial court may approve or disapprove an industrial agreement, and may suggest such changes and alterations therein as it deems proper.

Before approving an industrial agreement the industrial court shall investigate the facts, and may enter and view the premises of the corporation in question and interrogate any of the officers, agents, or employees of said corporation.

In determining whether or not the wages and hours stated in the industrial agreement are fair, reasonable, and proper, the industrial court shall be controlled by the tests, matters, and considerations prescribed in section 5 of this act.

Disputes and controversies relating to the meaning or construction of the industrial agreement for the future action or conduct of the parties shall be heard and finally decided by the industrial court in such manner as it may determine by rules and regulations approved by the supreme judicial court or a justice thereof.

Disputes and controversies arising out of the past action or conduct of the parties under an industrial agreement shall be heard and decided by the superior court, with a right of appeal to the supreme judicial court for the Commonwealth.

JURISDICTION AND POWERS.

SEC. 3. The industrial court shall have jurisdiction throughout the Commonwealth, and, when an industrial dispute exists between a corporation and 10 or more of its employees whose sole or principal work is hand labor and who are engaged in the same kind or class or grade of work, the industrial court shall have the power—

First. To decide what shall be the minimum wage for the work performed by the employees before the court, and to enjoin the corporation before the court from paying a lower wage to any of its employees doing work of the same kind, quantity, and quality as the work performed by the employees before the court for a reasonable time in the future not exceeding two years;

Second. To decide what shall be the maximum workday for the employees before the court, and to enjoin the corporation before the court from requiring a longer workday from any of its employees doing work of the same kind, quantity, and quality as the work performed by the employees before the court for a reasonable time in the future not exceeding two years, except in cases where the legislature has fixed a maximum work time;

Third. To recommend the adoption by the parties before the court of other matters pertaining to employment, such as the services of union or nonunion workers, the time of beginning and ending work, the time and mode of payment, and the like, except where the legislature has regulated the matter.

OTHER POWERS OF INDUSTRIAL COURT.

SEC. 4. The industrial court shall also have the power—

First. To make general rules and forms for procedure from time to time, to take effect upon the approval of the supreme judicial court or a justice thereof.

Second. To issue citations, subpœnas, orders of notice, and all other processes necessary for carrying into effect the provisions of this act.

Third. To hear the parties to the dispute; to compel the attendance of witnesses; to issue commissions for taking testimony; to order the production of books, papers, and documents relevant to the questions before the court; to administer oaths and affirmations.

Fourth. To cause its decisions and recommendations, together with its reasons therefor, to be published in one or more newspapers having a general circulation in the vicinity of the dispute.

Fifth. To grant rehearings and bills of review; and in general the industrial court may do any and every thing or matter necessary to give full effect to the terms and provisions of this act, in accordance with the law and practice of superior courts of record, unless otherwise provided by this act.

TESTS OF FAIR WAGES AND FAIR HOURS.

SEC. 5. In determining the minimum wage the industrial court shall, as far as practicable, regard the capital and labor employed in the corporate business as a partnership, in which each partner shall be entitled to share in the joint product in proportion to the industrial value contributed by that partner toward the whole value of the product, and shall endeavor to preserve the American standard of living, and to secure to labor its fair participation in the increasing productivity of labor rendered possible by the advance of science and invention and machinery.

The industrial court may also consider the past and present business and future prospects for business of the corporation in question; the existence or nonexistence of foreign competition; the increasing or decreasing purchasing power of the dollar; the cost of living in the locality according to the American standard of living, and any other matters tending to show what wages are fair, just, and reasonable.

In determining the maximum workday the industrial court shall take into consideration the effect upon the health, welfare, or safety of the employees caused by working under the conditions of employment furnished by the corporation in question, and any other matters tending to show how many hours of labor are best adapted to the existing conditions.

PROHIBITED POWERS.

SEC. 6. The industrial court shall not have the power to compel employees to work, nor to punish them for refusing to work for any cause, or for working for any person or corporation, or at such wages or hours as they prefer, nor to issue injunctions against workmen.

The industrial court shall not have the power to compel corporations or capitalists or individuals to carry on business or works of any kind, nor to punish them for refusing to do so for any cause, or for employing such workers as are willing to work for them, nor to issue injunctions against them, except as provided in section 3 of this act.

THE PETITION.

SEC. 7. The proceedings shall be instituted by petition addressed to the industrial court, and shall be filed in the principal office of the industrial court at Boston within three months after a strike or lockout arises, or other industrial disturbance or dispute occurs.

The petition shall be brought by or on behalf of—

First. Ten or more employees of the same corporation whose sole or principal work is hand labor, and 10 of whom at least are engaged in the same kind or class or grade of work; or by

Second. The corporate employer, acting through its president or board of directors; or by

Third. The governor of the Commonwealth or the mayor of the city or the selectmen of the town in which the industrial dispute exists.

If the aggrieved employees are members of any labor union or association duly organized under the laws of the Commonwealth, the names of such employees need not be disclosed in the petition, nor until the hearing of the dispute, if the president or secretary of such labor union or association certifies under oath that 10 or more members of such labor union or association have authorized him in writing to act on their behalf, in which case the president or secretary may sign the petition on their behalf, stating his official character and the number of employees that he represents, and the kind or class or grade of work performed by each employee, and such certificate shall be filed with the petition.

The jurisdiction of the industrial court shall not be ousted or defeated by the discharge or lockout of the employees after the industrial dispute arises, if the petition be brought within four weeks after the discharge or lockout occurs.

The petition shall state the names and post-office addresses of all the parties, so far as known, and shall state the cause or causes of the dispute, and the kind of work performed by each employee, and other matters, in accordance with the rules and forms adopted by the industrial court.

As soon as may be after the filing of said petition the clerk of the industrial court shall give notice in writing to all the parties by mail or by publication in a newspaper, appointing a time and place for a hearing before the industrial court, and the clerk's certificate that he has given notice by mail or by publication, as directed by the court, shall be filed in the case before the hearing, and shall be conclusive proof of the facts stated therein.

In addition to notice by mail or by publication, the petitioners shall cause a citation from the court to be served upon each respondent named in the petition by an officer qualified by law to serve legal process three days at least before the day set for the hearing.

When the petition is brought by the governor or other public officer named above the citation need not be served upon more than 10 of the employees, and shall be served upon the president, secretary, or other officer of each corporate employer named in the petition.

No petition, however, shall be dismissed on account of insufficient or defective notice or service, but may be continued, and further notice or service made as directed by the industrial court.

If the respondents accept service or notice, or appear at the hearing, or enter an appearance in the proceedings, this shall be sufficient, if the clerk has given notice by mail or by publication as above directed, and no citation need be served upon said respondents.

New parties, either as petitioners or as respondents, may be joined or added to the petition at any time before the final hearing.

The industrial court is hereby authorized in its discretion to decline to hear or to decide and to continue or dismiss a petition brought by employees, if satisfied that the petitioners, or any of them, within three months before the filing of the petition, or during the pendency of the petition, have, first, taken part in a strike; or, second, committed acts of violence; or, third, broken an industrial agreement then in force between the parties.

METHODS OF ENFORCING THE ACT.

SEC. 8. The superior court is hereby given jurisdiction and power to try corporations charged with violating the decisions or the injunctions of the industrial court by paying less than the minimum wage, or by requiring work for a longer time than the maximum workday, established by the industrial court.

The charge shall be made by indictment found, or by information in the name of the attorney general, or by complaint filed in the superior court within and for the county in which the offense is committed, or in which the corporation does business, within three months after the alleged offense is committed.

The accused corporation shall be entitled to a trial by jury in the superior court, and to take an appeal or exceptions on questions of law to the supreme judicial court for the Commonwealth in accordance with the law and practice in criminal cases.

If the corporation be found guilty, the superior court shall impose a fine of not more than $100, if it be the first conviction under this act; of not less than $50 nor more than $500, if it be the second conviction under this act; of not less than $100 nor more than $1,000, if it be the third or subsequent conviction under this act; and if there be repeated or serious or willful violations of the decisions of the industrial court, the superior court may appoint a receiver to take charge of the business, or may prohibit the corporation from doing business in the Commonwealth for a reasonable time not exceeding one year, and for disregarding the orders, judgments, or decrees of the superior court, the superior court may commit the guilty person for contempt, and may impose appropriate fines upon the corporation.

If an industrial agreement be violated by the corporate employer and by a majority of the employees, parties thereto, the industrial court, after a hearing thereon, is hereby authorized to cancel the industrial agreement and to declare that it shall not be binding any longer upon any party; but such action and cancellation by order of the industrial court shall not affect the rights, remedies, or liabilities of any person for breaches of the industrial agreement which occurred before such action or cancellation.

If an industrial agreement be violated by any party or parties thereto, the opposite party or parties, if damaged thereby, may apply to the industrial court to be discharged from further liability to the party or parties alleged to have committed the breach of the industrial agreement, and after a hearing on this matter the industrial court is hereby authorized to discharge or relieve the innocent parties from further liability to the guilty parties; but such action of the industrial court shall not affect the rights, remedies, or liabilities of the parties for breaches of the industrial agreement which occurred before the parties are discharged or relieved of further liability by order of the industrial court.

In all other matters over which the industrial court is given jurisdiction by this act the industrial court may enforce its orders or decisions in the same manner as decrees are enforced in equity in the superior court; but no court shall have power to enforce the recommendations of the industrial court, nor to punish any person or corporation for refusing or neglecting to adopt said recommendations.

APPEALS.

SEC. 9. No appeal from or review of the decisions of the industrial court relating to questions of the reasonableness of the wages or hours fixed by the court shall be allowed, and the decisions of the industrial court upon these questions of fact shall be final and conclusive in all other courts

Questions of law arising in the industrial court may be taken to the supreme judicial court for the Commonwealth in the manner provided by law for suits in equity in the superior court.

CONTRACTS.

SEC. 10. No contract made in good faith and binding on both sides before the passage of this act shall be subject to the terms or provisions of this act, but all contracts made after the passage of this act shall be subject to its terms and provisions.

All contracts made for the purpose of evading, defeating, or impairing the jurisdiction, powers, or duties of the industrial court, or for waiving or relinquishing the benefit of this act, shall be null and void, and shall be disregarded by the industrial court.

COSTS.

SEC. 11. Costs in the industrial court shall be allowed in the discretion of the industrial court and shall be taxed as in the superior court sitting in equity; but the taxable costs shall not exceed $100 for either side, and no employee shall be liable to pay, nor entitled to receive, more than $10 as costs.

If the petition be brought by the governor of the Commonwealth, or by the mayor of a city, or by the selectmen of a town, no costs shall be allowed.

WITNESSES AND EXPERTS.

SEC. 12. Witnesses before the industrial court shall be summoned in the same way and shall be entitled to the same fees, and shall be subject to the same liabilities and penalties, and in all other respects shall stand upon the same footing as witnesses before the superior court in civil cases.

No witness shall be excused from testifying or from producing books, papers, or documents in his custody, possession, or control upon the ground that his testimony or the contents of said books, papers, or documents would tend to criminate himself; but any witness who, after he has stated said objection to the industrial court, is ordered by the industrial court to answer the questions, and does answer said questions, or to produce such books, papers, or documents, and does produce them, shall be free from subsequent prosecution for the crime or offense committed by said witness and evidenced by his testimony or by said books, papers, or documents, and this act shall constitute a complete and absolute bar and defense to any such prosecution.

When the industrial court considers it advisable it may appoint one or more persons skilled in the business or trade involved in the dispute before the court as experts to assist the court with their technical knowledge.

The fees of said experts shall be fixed by the industrial court, subject to the approval of the governor and council, and shall be paid by the county in which the industrial dispute arises.

Whoever knowingly swears falsely to any statement required to be made under oath by this act shall be guilty of perjury, and liable to the statutory penalties for perjury

LIMITATIONS OF THE ACT.

SEC. 13. This act shall not apply to charitable or benevolent corporations and their employees, nor to the Commonwealth and its employees, nor to the United States and their employees.

When a receiver, trustee, or other public officer is in charge of the business or affairs of a corporation, the terms of this act shall apply to such officer and his employees.

Any person who or corporation which purchases or leases or takes possession of the property or business or franchise of a corporation with notice of, or with reasonable cause to believe that, an industrial dispute exists between said corporation and its employees, shall be subject to the terms and penalties of this act.

SHORT TITLE.

SEC. 14. This act may be cited for all purposes as the industrial court act of 1902.

THE NEW ZEALAND INDUSTRIAL CONCILIATION AND ARBITRATION ACT OF AUGUST 31, 1894, WITH THE PROVISIONS OF THE AMENDING ACTS OF OCTOBER 18, 1895, OCTOBER 17, 1896, AND NOVEMBER 5, 1898, INCORPORATED.

An act to facilitate the settlement of industrial disputes by conciliation and arbitration. August 31, 1894. (The words "to encourage the formation of industrial unions and associations and" appearing immediately after the word "act" in the principal act were suppressed by the amendment act, 1898.)

Be it enacted by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:

1. The short title of this act is "The industrial conciliation and arbitration act, 1894." It shall come into force on the 1st day of January, 1895.

2. In this act, unless the context otherwise requires—

"Association" means an industrial association registered pursuant to this act.

"Board" means a board of conciliation for an industrial district constituted under this act, and includes a special board of conciliation.

"Court" means the court of arbitration constituted under this act.

"Employer" includes persons, firms, companies, and corporations employing workers. (The principal act uses the word "workmen." The amendment act, 1895, provides that the word "workers" shall be substituted for "workmen" throughout the act.)

"Industrial dispute" means any dispute arising between one or more employers or industrial unions, trade-unions, or associations of employers and one or more industrial unions, trade-unions, or associations of workers in relation to industrial matters as herein defined.

"Industrial matters" means all matters or things affecting or relating to work done or to be done, or the privileges, rights, or duties of employers or workers in any industry, and not involving questions which are or may be the subject of proceedings for an indictable offense, and, without limiting the general nature of the above definition, includes all or any matters relating to—

(a) The wages allowances, or remuneration of any persons employed in any industry, or the prices paid or to be paid therein in respect of such employment.

(b) The hours of employment, sex, age, qualification, or status of workers, and the mode, terms, and conditions of employment.

(c) The employment of children or young persons, or of any person or persons or class of persons in any industry, or the dismissal of or refusal to employ any particular person or persons or class of persons therein.

(d) Any established custom or usage of any industry, either generally or in the particular district affected.

(e) Any claim arising under an industrial agreement.

"Industrial union" means an industrial union registered and incorporated under this act.

"Industry" means any business, trade, manufacture, undertaking, calling, or employment of an industrial character.

"Officer" of a trade-union, industrial union, or association of workers means only the president, vice president, secretary, or treasurer of such body.

"Prescribed manner" means the manner prescribed by regulations made pursuant to this act.

"Registrar" means the registrar of friendly societies.

"Supreme court office" means the office of the supreme court in the district constituted under "The supreme court act, 1882," wherein any matter arises to which such expression relates; and where there are two such offices in any such district, it means that one of such offices which is nearest to the place or locality wherein any such matter arises.

"Trade-union" means any trade-union registered under "The trade-union act, 1878."

Words in this act referring to any clerk, person, officer, office, place, locality, union, association, or other matter or thing shall be construed distributively as referring to each clerk, person, officer, office, place, locality, union, association, or matter or thing to whom or to which the provision is applicable.

PART I.

REGISTRATION OF INDUSTRIAL UNIONS AND ASSOCIATIONS.

(1) Industrial unions.

3. A society consisting of any number of persons, not being less than five (changed from seven in the principal act to five by the amendment act, 1895), residing within the colony, lawfully associated for the purpose of protecting or furthering the interests of employers or workers in or in connection with any industry in the colony, and whether formed before or after the passing of this act, may be registered as an industrial union pursuant to this act on compliance with the following provisions:

(1) An application for registration, stating the name of the proposed industrial union, shall be made to the registrar, signed by two or more officers of the society.

(2) Such application shall be accompanied by (a) a list of the members and officers of the society; (b) two copies of the rules of the society; (c) a copy of a resolution passed by a majority of the members present at a general meeting of the society specially called in accordance with the rules for that purpose only, and desiring registration as an industrial union.

(3) Such rules shall specify the purposes for which the society is formed, and shall provide for—

(a) The appointment of a committee of management, a chairman, secretary, and any other necessary officers, or, if thought fit, of a trustee or trustees; and for supplying any vacancy occurring through any cause prescribed by the rules, or by death or resignation.

(b) The powers, duties, and removal of the committee, and of any chairman, secretary, or other officer or trustee of the society, and the control of the committee by general or special meetings.

(c) The manner of calling general or special meetings, the quorum thereat, and the manner of voting thereat.

(d) The mode in which industrial agreements and any other instruments shall be made, and by whom executed on behalf of the society, and in what manner the society shall be represented in any proceedings before a board or the court.

(e) The custody and use of the seal, including power to alter or renew the same.

(f) The control of the property of the society, and the investment of the funds thereof, and for an annual or other periodical audit of the accounts.

(g) The inspection of the books and the names of members of the society by every person having an interest in the funds thereof.

(h) A register of members, and the mode in which and the terms on which persons shall become or cease to be members, and so that no member shall discontinue his membership without giving at least three months' previous written notice to the secretary of intention so to do, nor until such member has paid all fees or other dues payable by him to the union under its rules, and which fees or dues, in so far as they are owing for any period of membership subsequent to the registration of the society under this act, may be sued for and recovered in any court of competent jurisdiction by any person or authority empowered to do so by law or by such rules.

(i) The conduct of the business of the society at some convenient address, to be specified, and to be called the registered office of the society.

4. (1) The rules may also provide for any other matters not contrary to law, and for their amendment, repeal, or alteration, but so that the requisites of subsection 3 of the last preceding section shall always be provided for.

(2) Copies of all amendments or alterations of any rules shall, after being verified by the secretary or some other officer of the society, be sent to the registrar, who shall record the same.

(3) A printed copy of the rules of the society shall be delivered by the society to any person requiring the same on payment of a sum not exceeding 1s (24 cents).

Notwithstanding anything to the contrary contained in section 3 of the principal act, it is hereby enacted as follows: Where a copartnership firm is a member of any such society, each individual partner residing in New Zealand shall be deemed an individual member of the society, and also of the industrial union when such society is registered as a union; any incorporated or registered company may be registered as an industrial union of employers. (This paragraph was inserted by the amendment act, 1895. The clause making five the minimum membership of an industrial union is not reproduced, as the change has already been noted.)

Each industrial union shall be deemed to be in the industrial district wherein its registered office is situate, and shall exercise its right of voting at the election of the board of that district accordingly, or in any industrial district in which such industrial union shall carry on its business, or any branch or part of its business; and for such purpose any such union may also be registered in any or every of such industrial district or districts. (This paragraph was inserted by the amendment acts of 1895 and 1896, the latter amending the former by adding the part beginning with "or in any industrial district," etc.)

In the case of any incorporated or registered company, the directors shall sufficiently represent the members for the purpose of the application to register as an industrial union of employers, and the resolution prescribed by subsection 1 of section 3 of the principal act may accordingly be a resolution of the directors. (This paragraph was inserted by the amendment act, 1896.)

5. On being satisfied that the provisions of section 3 in relation to an application for registration have been complied with, the registrar shall register the society, without fee, as an industrial union pursuant to the application, and shall issue a certificate of registry and incorporation, which, unless proved to have been canceled, shall be conclusive evidence of the fact of such registration and incorporation and of the validity thereof.

6. Upon receiving such certificate every such industrial union shall become a body corporate, by the registered name, having perpetual succession until dissolved or the registration thereof is canceled as hereinafter provided and shall have a common seal. There shall be inserted in the registered name of every industrial union the word "employers" or "workers," according to whether such union shall be a union of employers or workers, as thus: The Bootmakers' Industrial Union of Workers.

7. Any industrial union may purchase or take on lease, in the name of the union or of trustees for such union, any house or building, and any land, and may sell, mortgage, exchange, or let the same, or any part thereof; and no purchaser, assignee, mortgagee, or tenant shall be bound to inquire whether the union or the trustees have authority for such sale, mortgage, exchange, or letting; and the receipt of such trustees shall be a discharge for the money arising therefrom.

8. Any trade-union registered under "The trade-union act, 1878," may be registered by the same name (with the insertion of such additional words as aforesaid) under this act by making application to the registrar for the purpose; and the registrar shall register such trade-union as an industrial union accordingly, and issue a certificate of registration and incorporation as hereinbefore provided.

For the purposes of this act every branch of a trade-union shall be considered as a distinct union, and may be separately registered as an industrial union under this act; and the rules for the time being of any trade-union, with such addition or modification as may be necessary to give effect to this act, shall be deemed to be the rules of the industrial union when registered under this enactment: *Provided*, That the registrar shall not refuse to register a trade-union the rules of which contain such addition or modification as aforesaid unless such rules are distinctly contrary to some express provision of this act.

9. No industrial union shall be registered under a name identical with that by which any other industrial union has been registered under this act, or by which any other trade-union has been registered under "the trade-union act, 1878," or so near resembling any such name as to be likely to deceive the members or the public.

10. The effect of registration shall be to render the industrial union, and all persons who may be members of any society or trade-union registered as an industrial union at the time of registration, or who after such registration may become members of any society or trade-union so registered, subject to the jurisdiction by this act given to a board and the court, respectively, and liable to all the provisions of this act, and all such persons shall be bound by the rules of the industrial union during the continuance of the membership.

11. Any industrial union may at any time apply to the registrar in the prescribed manner for a cancellation of the registration thereof, and the registrar, after giving six weeks' public notice of his intention so to do, may cancel such registration; but no registration shall be canceled during the progress of any conciliation or arbitration affecting such union until the board or court has given its decision or made its award, nor in any case unless the registrar shall be satisfied that the cancellation is desired by a majority of the members of the union; and no cancellation of any registration shall relieve any industrial union, or any member thereof from the obligation of any industrial agreement or award of the court.

(2) *Industrial associations.*

12. Any council or other body, however designated, representing any number of industrial unions established within the colony may be registered as an industrial association pursuant to this act.

All the provisions of this act hereinbefore contained in sections 3 to 11, inclusive, shall, mutatis mutandis, extend and apply to an industrial association, and shall be read and construed accordingly, so far as applicable.

(3) *General.*

13. In the months of January and July in every year there shall be forwarded to the registrar by every association a list of the unions constituting such association; and in the same months in every year there shall be forwarded to the registrar by every industrial union a list of the members of such union. Each such list shall be verified by the statutory declaration of the president or chairman of each such association and union, and such statutory declaration shall be prima facie evidence of the truth of the matters therein set forth.

Each such list shall specify the names of all the officers (including trustees) of each such association or union. (This paragraph was inserted by the amendment act, 1895.)

14. Every association or industrial union making default in forwarding to the registrar any list required to be forwarded by the last preceding section shall be guilty of an offense against this act, punishable by a penalty not exceeding £2 [$9.73] for every week during which such default continues; and every member of the council of any such association or committee of any such union who willfully permits such default shall be guilty of a similar offense, punishable by a penalty not exceeding 5s. [$1.22] for every week during which he willfully permits such default.

15. Every association or industrial union may sue or be sued for the purposes of this act by the name by which it is registered, and service of any process, notice, or document of any kind may be effected by delivering the same to the chairman or secretary of such union or association, or by leaving the same at the registered office of such union or association.

16. All deeds and instruments of any kind which the union or association is required to execute for the purposes of this act, or any regulations in force thereunder, may be made and executed under the seal of such union or association and signed by the chairman and secretary thereof, or in such other manner as may be provided in the rules of the union or association.

PART II.

INDUSTRIAL AGREEMENTS.

17. The parties to industrial agreements may be (1) trade-unions, (2) industrial unions, (3) industrial associations, (4) employers; and any such agreement may provide for any matter or thing affecting any industrial matter, or in relation thereto, or for the prevention or settlement of an industrial dispute.

18. Every industrial agreement may be varied, renewed, or canceled by any subsequent industrial agreement made by and between the parties thereto, or any additional parties, but so that no person shall be deprived of the benefit of any industrial agreement to which he is a party by any subsequent industrial agreement to which he is not a party.

19. Every industrial agreement shall be for a term to be specified therein not exceeding three years from the date of the making thereof, and shall commence as follows: "This agreement, made in pursuance of 'the industrial conciliation and arbitration act, 1894,' this — day of ———, between ———," and then set out the matters agreed upon; and the date of the making of such agreement shall be the date when such agreement shall be first signed or executed by any party thereto; and such date, and the names of all industrial unions, trade-unions, associations, or employers parties to such agreement shall be truly stated therein.

20. A duplicate of every industrial agreement shall be filed in the supreme court office within 30 days of the making thereof, and a fee of 5s. [$1.22] shall be paid in respect of every agreement so filed.

21. Every industrial agreement duly made and executed shall be binding on the parties thereto and on every person who at any time during the term of such agreement is a member of any industrial union, trade-union, or association party thereto, and on every employer who shall in the prescribed manner signify to the registrar of the supreme court where such agreement is filed concurrence therein, and every such employer shall be entitled to the benefit thereof and be deemed to be a party thereto.

22. (1) For the purpose of enforcing industrial agreements, whether made before or after the coming into operation of this act, the provisions of the last preceding section hereof [see secs. 75–81] shall, mutatis mutandis, apply in like manner in all respects as if an industrial agreement were an award of the court, and the court shall accordingly have full and exclusive jurisdiction to deal therewith. (The provisions of this paragraph are in substitution of the provisions of subsection (1) of sec. 22 and sec. 23 of the principal act, according to the amendment act, 1898.)

(2) Any industrial agreement may fix and determine what shall constitute a breach of an agreement within the meaning of this act.

(3) Nothing herein contained shall deprive any person who may be damnified of his right of action for redress or compensation in respect of any breach of an agreement.

23. [Repealed by the amendment act, 1898. See footnote to sec. 22.]

PART III.

CONCILIATION AND ARBITRATION.

(1) *Preliminary.*

24. (1) The governor may from time to time divide New Zealand, or any portion thereof, into such districts as he shall think fit, to be called "industrial districts," and notice of the constitution of every such district shall be given in the Gazette as occasion requires.

(2) If any such district is constituted by reference to or be included within the limits or boundaries of any other portion of the colony defined or created under any act, then, in case of the alteration of the boundaries of such portion of the colony, such alteration shall take effect in respect of the district constituted under this section without any further proceeding, unless the governor shall otherwise determine.

25. In and for every industrial district the governor shall appoint a clerk of awards (hereinafter referred to as "the clerk"), who shall be attached to the office of the registrar, and shall be subject to the control and direction of that officer, and shall in the prescribed manner report to the registrar all proceedings taken or done by or before him.

The office of clerk may be held either separately or in conjunction with any other office in the public service, as the governor may determine, and he shall be paid such salary or other remuneration as the governor thinks fit.

26. It shall be the duty of the clerk—

(1) To receive, register, and deal with all applications within his district lodged for reference of any industrial dispute to the board for the district or to the court.

(2) To convene the board or court for the purpose of dealing with any such dispute.

(3) To keep a register, in which shall be entered the particulars of all references and settlements of industrial disputes made to and by the board, and of all references and awards made to and by the court.

(4) To issue all summonses to witnesses to give evidence before the board or court, and to issue all notices and perform all other acts in connection with the sittings of the board or court in the prescribed manner.

(5) Generally to do all such things and to take all such proceedings as may be required in the performance of his duties by this act or in the prescribed manner, or, in the absence of regulations, with the directions of the registrar.

27. Any board and the court, and, being authorized in writing by the board or court, any member of such board or court, respectively, or any officer or such board or court, without any other warrant than this act, at any time between sunrise and sunset—

(1) May enter upon any manufactory, building, workshop, factory, mine, mine workings, ship or vessel, shed, place, or premises of any kind whatsoever, wherein or in respect of which any industry is carried on or any work is being or has been done or commenced, or any matter or thing is taking or has taken place, which has been made the subject of a reference to such board or court.

(2) May inspect and view any work, material, machinery, appliances, article, matter, or thing whatsoever being in such manufactory, building, workshop, factory, mine, mine workings, ship or vessel, shed, place, or premises as aforesaid.

(3) May interrogate any person or persons who may be in or upon any such manufactory, building, workshop, factory, mine, mine workings, ship or vessel, shed, place, or premises, as aforesaid, in respect of or in relation to any matter or thing hereinbefore mentioned.

And any person who shall hinder or obstruct the board or court, or any member or officer thereof, respectively, in the exercise of any power conferred by this section, or who shall refuse to the board or court, or any member or officer thereof, respectively, duly authorized as aforesaid, entrance during any such time as aforesaid to any such manufactory, building, workshop, factory, mine, mine workings, ship or vessel, shed, place, or premises, or shall refuse to answer any question put to him as aforesaid, shall for every such offense be liable to a penalty not exceeding £50 [$243.33].

28. The following persons shall be disqualified from being appointed or elected or from holding office as chairman or as a member of any board, or as president or a member of the court, and if so elected or appointed shall be incapable of continuing to be such member, president, or chairman:

(1) A bankrupt who has not obtained his final order of discharge;

(2) Any person convicted of any crime for which the punishment is death or imprisonment with hard labor for a term of three years or upwards; or

(3) Any person of unsound mind.

No person whilst holding a seat on one board shall hereafter be eligible for nomination or election to a seat on any other board, and if he is so elected his election shall be void. (This paragraph was inserted by the amendment act, 1896.)

If any person allows himself to be nominated for election as member of more boards than one, both nominations shall be void. (This paragraph was inserted by the amendment act, 1896.)

In the event of any person's election becoming void under this section, the governor shall fill the vacancy by appointment, in the same manner as if the prescribed number of members had not been elected, anything in section 36 of the principal act to the contrary notwithstanding. (This paragraph was inserted by the amendment act, 1896.)

This section shall apply both to boards of conciliation and to special boards of conciliators inter se, but shall not otherwise affect the operation of section 41 of the principal act, nor shall it in any way affect any election held before the coming into operation of this act. (This paragraph was inserted by the amendment act, 1896.)

29. Whenever an industrial dispute shall be referred to a board or the court as hereinafter provided, no industrial union or association, trade-union, or society, whether of employers or workers, and no employer who may be a party to the proceedings before the board or court, shall, on account of such industrial dispute, do any act or thing in the nature of a strike or lockout, or suspend or discontinue employment or work in any industry affected by such proceedings, but each party shall continue to employ or be employed, as the case may be, until the board or court shall have come to a final decision in accordance with this act. But nothing herein shall be deemed to prevent any suspension or discontinuance of any industry, or from working therein, for any other good cause.

No industrial dispute shall be referred for settlement to a board by an industrial association, industrial union, or trade-union, and no application shall be made to the court for the enforcement of any award, except in pursuance of a resolution passed by a majority of the members present at a meeting specially summoned by notice being posted to each member, stating the nature of the proposal to be submitted to the meeting. (This paragraph was inserted by the amendment act, 1898.)

(2) *Boards of conciliation.*

30. In and for every industrial district there shall be established a board of conciliation, to have jurisdiction for the settlement of industrial disputes occurring in such district which may be referred to it by one or more of the parties to an industrial dispute or by industrial agreement.

31. The governor may determine the number of persons who (together with the chairman) shall compose the board of such district, subject, however, to the express provisions of this act, and such number shall be stated in the notice of the constitution of the district.

32. With respect to the first and subsequent elections of boards, the following provisions shall have effect:

(1) Every board shall consist of such equal number of persons as the governor may determine, being not more than six nor less than four persons, who shall be chosen by the industrial unions of employers

and of workers in the industrial district, respectively, such unions voting separately and electing an equal number of such members.

(2) The chairman of such board shall be in addition to the number of members before mentioned, and be elected as hereinafter provided.

(3) Every board shall be elected in the following manner:

(a) The clerk shall act as returning officer and do the acts and things hereinafter mentioned.

(b) First elections of a board shall be held within 30 days after the constitution of the district, and the returning officer shall give 14 days' notice in one or more newspapers circulating in the district of the day and place of election, which shall be so arranged that the industrial unions of employers shall vote at one time and the industrial unions of workers at another time on the day fixed: *Provided*, That the governor may from time to time extend the period within which any elections shall be held for such time as he thinks fit.

(c) Persons shall be nominated for election in such manner as the rules of the industrial union may prescribe, or, if there be no such rule, nominations shall be made in writing by the chairman of the union, and lodged with the returning officer at least three days before the date of election. Each nomination shall be accompanied by the written consent of the person nominated, and forms of nomination shall be provided by the returning officer on application to him for that purpose.

(d) When all the nominations have been received the returning officer shall give notice of the names of persons nominated by affixing a list thereof on the door of his office at least one clear day before the day of election.

(e) If it shall appear that no greater number of persons are nominated than required to be elected, the returning officer shall at once declare such persons elected.

If the number of persons so nominated exceeds the number required to be elected, then votes shall be taken as hereinafter provided.

(f) The returning officer shall preside at the election by each division of industrial unions entitled to vote, and the vote of each such union shall be signified in writing in the prescribed manner, and on being tendered by the chairman of the union, or by some person appointed by the union for that purpose in accordance with its rules, the returning officer shall record the vote in such manner as he thinks fit.

(g) Each industrial union shall have as many votes as there are persons to be elected by its division, and the persons having the highest aggregate number of votes in such division, not exceeding the number to be elected, shall be deemed elected.

(h) If it shall happen that two or more candidates have an equal number of votes, the returning officer, in order to complete the election, shall give such votes to one or more of such candidates as he thinks fit: *Provided*, That any candidate may in any such case agree to withdraw from the election.

(i) As soon as possible after the votes of each division of industrial unions have been recorded the returning officer shall ascertain what persons have been elected as before provided, and shall state the result in writing, and forthwith post the same in some public place at the place of election.

(j) In case of any dispute touching the sufficiency of the nomination, the mode of election, or the result thereof, or any matter incidentally arising in or in respect of such election, the same shall be decided by the returning officer, whose decision shall be final.

(k) In case any election is not completed for any cause on the day appointed, the returning officer may adjourn the election, or the completion thereof, to the next or any subsequent day, and may then proceed with the election.

(l) The whole of the voting papers shall be securely kept by the returning officer during the election, and thereafter shall be put in a packet and kept for one month, when he shall cause the whole of them to be effectually destroyed.

(m) Neither the returning officer nor any person employed by him shall (except in discharge of his duty) disclose for whom any vote has been given or tendered, either before or after the election is completed, or retain possession of or exhibit any voting paper used at the election, or give any information to any person as to all or any of the matters herein mentioned; and if any person shall commit a breach of this provision, he shall be liable to a penalty not exceeding £20 [$97.33].

But nothing herein contained shall be deemed to forbid the disclosure of any fact or the doing of any act hereby prohibited if the same be required in obedience to the process of any court of law.

(4) The clerk shall, after the completion of the election, appoint a day for the first meeting of the members elected, and shall give at least three days' notice in writing to each member. At such meeting the members shall elect some impartial person, not being one of their number and willing to act, to be chairman of the board.

33. As soon as may be after the election of the chairman the clerk shall transmit to the governor a list of the names of the respective persons elected as members and as chairman of the board, and the governor shall cause notice thereof to be published in the Gazette, and the date on which such notice is so published shall be deemed to be the date of election, and such notice shall be final and conclusive for all purposes.

34. The members of the board and the chairman shall hold office for the period of three years from the date of the publication of such notice in the Gazette, and until their successors are elected.

35. On the expiration of every third year after the first election of members of a board or a chairman thereof a new election shall be held, on such day as the governor may appoint, and new members and a chairman shall be elected in the manner hereinbefore provided in respect of first elections. Any retiring member or chairman shall be eligible for reelection, and all proceedings in and about such new election may be had and taken accordingly.

36. If the chairman or any member of a board shall die, resign, or be disqualified or incapable to act, his office shall be vacant, and the vacancy shall be supplied in the same manner as the original election was made, and the person so elected shall hold office in the board only for the residue of the term of his predecessor therein. Members shall resign office by letter addressed to the chairman, and the chairman by letter to the board.

37. Upon any casual vacancy being reported to the clerk in the office of a member of a board, he shall take all such proceedings as may be necessary to have an election by the class of industrial union entitled to vote in the election of such member, and the provisions as to general elections shall apply accordingly, as far as applicable. In the case of a casual vacancy in the office of chairman, the board shall meet on such day and time as they may appoint and elect a chairman to supply such vacancy.

38. (1) The presence of the chairman and of not less than one-half in number of the other members of a board shall be necessary to constitute a quorum.

(2) But in case of the illness or absence of a chairman the members may elect one of their own number to be chairman during such illness or absence.

(3) In all matters coming before any board the decision of the board shall be determined by a majority of the votes of the members present, exclusive of the chairman, except in the case of an equality of such votes, in which case only the chairman shall vote, and his vote shall decide the question.

39. If at any time the industrial unions entitled to vote shall neglect or refuse to vote at the election of a member of the board, whether in respect of a general election or a casual vacancy, or if the members of a board shall neglect or refuse to elect a chairman, the governor may in any such case appoint such fitting persons as members of the board or as chairman as may be necessary in any case to give effect to this act.

It and as often as for any reason the prescribed number of members of the board is not duly elected or the prescribed number of members of the court is not duly recommended, as provided by the principal act, the governor shall, by notice in the Gazette, appoint as many fit persons to be members of the board or court as may be necessary in order to make the prescribed number. The Gazette notice of such appointment shall be conclusive evidence of the happening of the events entitling the governor to make such appointment. (This paragraph was inserted by the amendment act 1895.)

Every person appointed by the governor to be member or chairman of a board shall be deemed to be elected within the meaning and for the purposes of section 33 of the principal act. (This paragraph was inserted by the amendment act, 1896.)

This section shall take effect as from the date of the coming into force of the principal act. (This paragraph was inserted by the amendment act, 1896.)

40. (1) No act of a board shall be questioned on the ground of any informality in the election of a member, nor on the ground that the seat of any member is vacant, or that any supposed member thereof is incapable of being a member.

(2) In the event of the period of office of any board expiring whilst such board is engaged in the investigation of any industrial dispute, the governor may, by notice in the Gazette, continue such board in office for any time not exceeding one month, in order to enable its members to take part in the settlement of such dispute, and on the expiration of such month an election of a new board shall be held in the manner hereinbefore provided.

41. (1) Notwithstanding the election of a board under the provisions hereinbefore contained, or where no district shall have been constituted, a special board of conciliators may be appointed from time to time to meet any case of emergency or any special case of industrial dispute. Such board shall consist of an equal number of persons, not exceeding six, all or any of whom may be members of the board of the district, and shall be chosen separately in equal numbers by employers and industrial unions of employers directly interested in such dispute and by industrial unions of workers so interested.

(2) The members of any such special board, together with a chairman, to be elected as provided in section 32, shall, except in respect of the duration of their office, be deemed to possess all the jurisdiction and powers of a board elected for an industrial district.

42. Any industrial dispute may be referred for settlement to a board, either by or pursuant to an industrial agreement or in the manner hereinafter provided:

(1) Any party to such a dispute may, in the prescribed manner, lodge an application with the clerk requesting that such dispute be referred for settlement to a board.

(2) The parties to such dispute may comprise—

(a) An individual employer, or several employers, and an industrial union, trade-union, or association of workers.

(b) An industrial union, trade-union, or association of employers, or an individual employer, or several employers, and an industrial union, trade-union, or association of workers, or several such unions or associations.

But the mention of the various kinds of parties shall not be deemed to interfere with any arrangement thereof that may be necessary to insure an industrial dispute being brought in a complete shape before the board; and a party or parties may be withdrawn or removed from the proceedings and another or others substituted after the reference to the board, and before any report is made, as the board shall allow or think best adapted for the purpose of giving effect to this act, and the board may make any recommendation or give any direction for any such purpose accordingly.

(3) An employer, being a party to a reference, may appear in person, or by his agent duly appointed in writing for that purpose, or by counsel or solicitor where allowed as hereinafter provided.

(4) An association, trade-union, or industrial union, being party to a reference, may appear by its chairman or secretary, or by any number of persons (not exceeding three) appointed in writing by the chairman of the association or union for that purpose, or by counsel or solicitor where allowed as hereinafter provided.

(5) Every party appearing by a representative or representatives shall be bound by his or their acts.

(6) The clerk, on receipt of any application for a reference to a board, shall forthwith lay the same before the board mentioned in such application at a meeting of such board, to be convened by him in the prescribed manner, and, subject to the provisions of this act, shall carry out all directions of the board in order to effect a settlement of the industrial dispute referred to it.

(7) No counsel or solicitor shall be allowed to appear or be heard before a board, or any committee thereof, unless all the parties to the reference or interested in the matter referred to a committee shall expressly consent thereto.

When any industrial dispute has been referred for settlement to a board or the court, any employer, association, trade-union, or industrial union may, on application, if the board or the court deem it equitable, be joined as party thereto at any stage of the proceedings, and on such terms as the board or the court deems equitable. (This paragraph was inserted by the amendment act, 1896.)

43. Every board shall, in such manner as it shall think fit, carefully and expeditiously inquire into and investigate any industrial dispute of which it shall have cognizance, and all matters affecting the merits of such dispute or the right settlement thereof, and, for the purposes of any such inquiry, shall have all the powers of summoning wit-

nesses, and hearing and receiving evidence, and preserving order at any inquiry, which are by this act conferred on the court of arbitration.

Whenever an industrial dispute involving technical questions is referred to a board or the court for settlement, two experts may be nominated, one by each party to the dispute; and such experts shall sit as assessors with and be deemed to be members of the board or court for the purposes of such dispute. (This paragraph was inserted by the amendment act, 1895.)

If there are more than two parties to any such dispute, one assessor shall be nominated by the parties whose interests are with the employers, and the other by the parties whose interests are with the workers. (This paragraph was inserted by the amendment act, 1895.)

The assessors shall be nominated in the prescribed manner and subject to the prescribed conditions. (This paragraph was inserted by the amendment act, 1895.)

Where an industrial dispute relates to employment or wages, the jurisdiction of the board or court to deal therewith shall not be voided or affected by the fact that the relationship of employer and employed has ceased to exist, unless it so ceased at least six weeks before the industrial dispute was first referred to the board or to the court, if there has been no prior reference to the board. (This paragraph was inserted by the amendment act, 1895.)

44. In the course of any such inquiry and investigation the board shall make all such suggestions and do all such things as shall appear to them as right and proper to be made or done for securing a fair and amicable settlement of the industrial dispute between the parties, and may adjourn the proceedings for any period the board thinks reasonable, to allow the parties to agree upon some terms of settlement, and, if no such settlement shall be arrived at, shall decide the question according to the merits and substantial justice of the case, and make their report or recommendation in writing, under the hand of the chairman of the board, which shall be delivered to and filed by the clerk in his own office with all papers and proceedings relating to the reference. Such report shall be delivered as aforesaid within two months of the day on which the application was lodged with the clerk.

45. In particular, but without limiting the general power given to a board by the last preceding section, any board may—

(1) Refer the matters in dispute, upon such terms as the board thinks fit, to a committee of their number, consisting of an equal number of representatives of employers and workers, who shall endeavor to reconcile the parties; or

(2) Refer any matter before them to be settled by the court.

46. If the board shall report that they have been unable to bring about any settlement of any dispute referred to them satisfactory to the parties thereto, the clerk, on the receipt of such report, shall transmit a copy (certified by him) of such report to each party to the industrial dispute, whereupon any such party may, in the manner prescribed, require the clerk to refer the said dispute to the court. The clerk shall thereupon transmit all the papers and proceedings in the reference to the court.

(3) *The court of arbitration.*

47. There shall be one court of arbitration for the whole colony for the settlement of industrial disputes pursuant to this act. The court shall have a seal, which shall be judicially noticed, and impressions thereof admitted in evidence in all courts of judicature, and for all purposes.

48. (1) The court shall consist of three members, to be appointed by the governor, one to be so appointed on the recommendation of the councils, or a majority of the councils of the industrial associations of workers in the colony, and one to be so appointed on the recommendation of the councils, or a majority of the councils, of the industrial associations of employers of the colony: *Provided*, That if there shall be no industrial associations of employers, then, in their stead, such recommendation as aforesaid shall be made by the industrial unions of employers.

No recommendation shall be made as to the third member, who shall be a judge of the supreme court, and shall be appointed from time to time by the governor, and shall be president of the court, and, in case of the illness or unavoidable absence of such judge at any time, the governor may appoint some fit person, being a supreme court judge, to be and act as president, who shall hold office only during the illness or unavoidable absence of such judge.

(2) The procedure for the purpose of giving effect to this section shall be as follows:

(a) Each such council, respectively, shall, within one month after being requested so to do by the governor, submit the name of one person to the governor, and from the names of the persons so recommended the governor shall select two members, one from each set recommended, and appoint them to be members of the court.

In the event of a majority of the councils not having made recommendations as aforesaid, or in case such majority of recommendations shall not be received by the governor within the period of one month after each council has been requested to submit a name as aforesaid, or in case any person so recommended shall decline to act as a member of the court, the governor shall forthwith appoint such person as he shall think fit to be a member of the court; and such member shall be deemed to be appointed on the recommendation of the said councils, as the case may be.

(b) For the purposes of this section the expression "council" means the governing authority of the association or industrial union entitled to vote, by whatever name such authority shall be designated.

(c) As soon as practicable after a full court shall have been appointed by the governor the names of the members of the court shall be notified in the Gazette.

49. (1) Every member of the court shall hold office for three years from the date of his appointment, and shall be eligible for reappointment, and any casual vacancy occurring in the membership by death, disqualification, resignation, or removal shall be supplied in the same manner as the original appointment was made; but every person so appointed to fill a casual vacancy shall hold office only for the period that his predecessor would have held office.

(2) The governor may remove any member of the court from office who shall become bankrupt, who may be convicted of any crime the punishment of which is death or imprisonment with hard labor for a term of three years or upwards, who may become of unsound mind, or who shall be absent from three consecutive sittings of the court.

50. Before proceeding to consider any case the members, other than the presiding judge, of the court and the officers thereof shall, respectively, make a statutory declaration that any evidence produced before them shall not be disclosed to anyone except as provided by this act.

The statutory declaration prescribed by section 50 of the principal act need be taken only once, and, in the case of each member by whom it is or has been taken, it shall be deemed to apply to all evidence produced before him during his term of office. (This paragraph was inserted by the amendment act, 1898.)

51. The governor may also from time to time appoint and remove such clerks and other officers of the court as shall be necessary, who shall hold office during pleasure and receive such salary or other remuneration as the governor thinks fit.

52. The court shall have jurisdiction for the settlement and determination of any industrial dispute referred to it by any board pursuant to sections 45 or 46, or by reference under section 82, or by petition under section 83, or by industrial agreement, or by either party to an industrial dispute which has arisen in a district where no board has been constituted, and for such purpose may summon any party to an industrial dispute to appear before it.

53. Either party to the dispute may appear, personally or by agent, or, with the consent of all the parties, by counsel or solicitor, and may produce before the court such witnesses, books, and documents as such party may think proper, and the court shall have power to permit any other party who has or may appear to have a common interest in the matter, and be willing to be joined in the proceedings, to be so joined on such terms as it thinks fit.

The court shall have full and exclusive jurisdiction to hear and receive evidence, on oath or otherwise, as may be allowed by law, and to hear and determine the matters in dispute in such manner as it thinks fit, and shall be at liberty to receive any such evidence as it may think fit, whether it shall be strictly legal evidence or not, with full power to adjourn the consideration of any matter, wholly or in part, for any period, or without stating any period.

Formal matters which have been proved or admitted before a board need not be again proved or admitted before the court.

54. The sittings of the court shall be held at such time and place as are from time to time fixed by the president. The sittings may be fixed either for a particular case or generally for all cases then before the court and ripe for hearing, and it shall be the duty of the clerk to give to each member of the court at least 48 hours' previous notice of the time and place of each sitting. (This paragraph was inserted by the amendment act, 1898, in substitution for sec. 54 of the principal act, repealed.)

55. The parties to the proceedings before the court shall be those before the board, and the provisions hereinbefore contained as to the appearance of parties before a board shall apply to proceedings before the court.

At least three days' notice shall be given to each party to the proceedings of the time and place appointed for the meeting of the court, except where a party is added to the proceedings on his own application or with his own consent.

56. The clerk may, at the request of either party, issue a summons in the prescribed manner to any person to appear and give evidence in any matter before the court, and to produce any books, deeds, papers, or writings relating to such matter, and in his possession or under his control. Such books, deeds, papers, and writings may be inspected by the members of the court for the purposes of this act, but the information obtained therefrom shall not in any form be made public. And any person upon whom any such summons shall have been served, and to whom at the same time payment or a tender of his traveling expenses on the scale hereinafter mentioned shall have been made, and who shall neglect or refuse, without sufficient cause, to appear or to produce any books, deeds, papers, or writings required by such summons to be produced, shall be liable to a penalty not exceeding £20 [$97.33], or in default of payment to be imprisoned for a term not exceeding one month; but the payment of such fine or the undergoing of such imprisonment shall not exempt any person from liability to an action for disobeying such summons.

57. Where it is shown to the satisfaction of the court that certain parts of books or documents to be produced in evidence do not relate to the matter before the court, the party producing the same shall be allowed to seal up such parts.

58. Every person who shall be summoned and shall appear as a witness shall be entitled to an allowance or compensation for expenses and loss of time according to the scale for the time being in force and allowed to witnesses in civil suits under "the magistrates' courts act, 1893."

59. Any member of the court or the clerk shall have power to administer oaths or affirmations to all witnesses who shall appear before the court, and all willful false swearing or false affirmation in any proceedings in the court under this act shall be deemed and held to be willful perjury, and shall be indictable and punishable as such; and on any indictment it shall be sufficient to prove that the oath or affirmation was administered by such member or clerk aforesaid.

60. For the purpose of obtaining the evidence of witnesses at a distance the court shall be deemed to have and may exercise all the powers and duties of a stipendiary magistrate under "the magistrates' courts act, 1893"; and the provisions of the said act, mutatis mutandis, shall be applicable to all proceedings in the court under this act to the same extent as if the court were a magistrate's court; and every stipendiary magistrate and every magistrate's court and every clerk of such court shall for the purposes aforesaid have and may exercise all such duties and powers in respect of any matter or thing arising under this act as such stipendiary magistrate or magistrate's court or clerk, respectively, could do or be required to do under "the magistrates' courts act, 1893."

61. The court may sit and conduct its proceedings in open court, and a majority of the members present may decide and finally determine any matters referred to them in such manner as they shall find to stand with equity and good conscience.

62. If either of the members other than the president shall neglect or fail to attend a sitting of the court without good cause shown to the satisfaction of the president, the other member present and the president may, nevertheless, act as fully as if all the members were present.

63. The court may be adjourned from time to time and from place to place in manner following, that is to say: (1) By the court or the president at any sitting thereof, or, if the president is absent from such sitting, then by any other member present, or, if no member is present, then by the clerk; and (2) by the president at any time before the time fixed for the sitting and in such case the clerk shall notify the members of the court and all parties concerned. (This paragraph was inserted by the amendment act, 1898, in substitution for sec. 63 of the principal act, repealed.)

64. If any person shall willfully insult any member of the court or the clerk during the sitting of the court, or shall willfully interrupt the proceedings of the court, or be guilty in any other manner of any willful contempt in the face of the court, it shall be lawful for any officer of the court, with or without the assistance of any other person, to take such offender into custody and remove him from the court, to be detained in custody until the rising of the court, and the person so offending shall be liable to a penalty not exceeding £10 [$48.67] for such offense, to be recovered in a summary way as hereinafter provided.

65. If any party to proceedings before the court shall, after notice given to such party, fail to attend or be represented before the court, without good cause shown to such court, the court may proceed and act as fully in the matter before it as if such party had duly attended or been represented. Any person who is a party to any such proceedings may be required to give evidence before the court in the manner hereinbefore provided with respect to a witness.

66. The court may refer any matters referred to it from time to time to a board for investigation and report, where it shall think such board may arrive more easily at a settlement thereof, and the award of the court shall be based on the report of such board.

67. The court may at any time dismiss any matter referred to it which it shall think frivolous or trivial, and any award in such case may be limited to an order upon the party bringing the matter before the court for payment of all costs of bringing the same.

In order to enable the court the more effectually to dispose of any matter before it according to the substantial merits and equities of the case, it may, at any stage of the proceedings, of its own motion, or on the application of any of the parties, and upon such terms as it thinks fit, by order, (1) direct parties to be joined or struck out; (2) amend or waive any error or defect in the proceedings; (3) extend the time within which anything is to be done by any party; and (4) generally give such directions as are deemed necessary or expedient in the premises. (This paragraph was inserted by the amendment act, 1898.)

The powers by the last preceding section [paragraph] hereof conferred upon the court may, when the court is not sitting, be exercised by the president. (This paragraph was inserted by the amendment act, 1898.)

68. The award of the court shall be made within one month after the court shall have begun to sit for the hearing of any reference, and shall be signed by the president of the court, and have the seal of the court attached thereto, and shall be deposited in the office of the clerk of the district wherein the reference arose, and be open to inspection without charge by all persons interested therein during office hours.

69. (1) The court in its award may order any party to pay to the other party costs and expenses (including expenses of witnesses) as it may deem reasonable, and may apportion such costs between the parties or any of them as it thinks fit, and may at any time vary or alter any such order in such manner as it thinks reasonable; and such costs or any other costs ordered by the court to be paid may be recovered in any court of competent jurisdiction by the party entitled thereto under the award or order of the court as a debt due from the party liable therefor; but no costs shall in any case whatever be allowed on account of any agents, counsel, or solicitor appearing for any party.

(2) The court may also order that the whole or any portion of any such costs as aforesaid shall be taxed by the proper officer of the supreme court, and such officer shall have in, about, and in relation to such taxation all such power, duty, and authority as he would have in any case within the ordinary jurisdiction of the supreme court in respect of taxation of costs.

In every case where the court in its award or other order directs the payment of costs or expenses it shall fix the amount thereof and specify the same in the award or order. Section 69 of the principal act is hereby modified in so far as it is in conflict with this section, but not further or otherwise. (This paragraph was inserted by the amendment act, 1898.)

70. The award shall be framed in such manner as shall best express the decision of the court, avoiding all technicality where possible, but shall state in clear terms what is or is not to be done or performed by each party or person affected by the decision, and may provide for an alternative course to be taken by any party to the proceedings, or by any person affected thereby; but no award shall be void or vitiated in any way because of any informality or want of form, or any noncompliance with the provisions of this act.

71. In all legal and other proceedings it shall be sufficient to produce the award with the seal of the court thereto, and it shall not be necessary to prove any conditions precedent entitling the court to make such award.

72. Proceedings in the court shall not be impeached or held bad for want of form, nor shall the same be removable to any court by certiorari or otherwise; and no award or proceeding of the court shall be liable to be challenged, appealed against, reviewed, quashed, or called in question by any court of judicature on any account whatsoever.

73. No proceedings in the court shall abate by reason of the death of any member of the court or of any party to such proceedings, but the same may be continued and disposed of by the successor in office of such member or legal personal representative of the party so dying.

(4) *Enforcement of awards.*

74. Every award of the court shall specify each industrial union, trade-union, association, person, or persons on which or on whom it is intended that it shall be binding, and the period, not exceeding two years from the making thereof, during which its provisions may be enforced; and during the period within which the provisions of such award may be enforced such award shall be binding upon every industrial union, trade-union, association, or person upon which it shall be thereby declared such award shall be binding: *Provided*, That if the members of any industrial union or trade-union are mentioned generally in any such award, all persons who are members at the date thereof of such award, or may thereafter become so during its subsistence, shall be included in the direction given or made by the award.

75–81. (The following provisions were substituted by the amendment act, 1898, in the place of secs. 75 to 81 of the principal act, repealed.) For the purpose of enforcing any award or order of the court, whether made before or after the coming into operation of this act, the following provisions shall apply, anything in the principal act to the contrary notwithstanding:

(1) In so far as the award itself directs the payment of money, it shall be deemed to be an order of the court, and payment shall be enforceable accordingly under the subsequent provisions of this section relating to orders of the court.

(2) If any party or person on whom the award is binding commits any breach thereof by act or default, then, subject to the provisions of the last preceding subsection hereof, any party to the awards may by application in the prescribed form apply to the court for the enforcement of the award.

(3) On the hearing of such application the court may by order either dismiss the application or impose such penalty for the breach of the award as it deems just, and in either case with or without costs.

(4) If the order imposes a penalty or costs, it shall specify the parties or persons liable to pay the same, and the parties or persons to whom the same are payable:

Provided, That the amount payable by any party or person shall not exceed £500 [$2,433]:

Provided also, That the aggregate amount of penalties and costs payable under any award shall not exceed £500 [$2,433].

(5) For the purpose of enforcing payment of the amount payable under any order of the court (not being an order under sec. 10 hereof), a certificate in the prescribed form, under the hand of the clerk and the seal of the court, specifying the amount payable and the respective persons by and to whom the same is payable, may be filed in any court having jurisdiction to the extent of such amount, and shall thereupon, according to its tenor, operate and be enforceable in all respects as a final judgment of such court in its civil jurisdiction:

Provided, That for the purpose of enforcing satisfaction of such judgment where there are two or more judgment creditors thereunder, process may be issued separately by each judgment creditor against the property of his judgment debtor in like manner as in the case of a separate and distinct judgment.

(6) All property belonging to the judgment debtor (including therein, in the case of an industrial union or trade-union, all property held by trustees for the judgment debtor) shall be available in or towards satisfaction of the judgment debt; and if the judgment debtor is an industrial union, an industrial association, or a trade-union, and its property is insufficient to fully satisfy the judgment debt, its members shall be liable for the deficiency:

Provided, That no member shall be liable for more than £10 [$48.67] under this subsection.

(7) For the purpose of giving full effect to the last preceding subsection hereof the court or the president thereof may, on the application of the judgment creditor, make such order or give such directions as are deemed necessary, and the trustees, the judgment debtor, and all other persons concerned shall obey the same.

(8) The foregoing provisions of this section are in substitution of those contained in sections 75 to 81 of the principal act, and those sections are hereby accordingly repealed.

(9) Nothing in this section contained shall affect the validity of any proceedings which at the coming into operation of this act are pending for the enforcement of any award or order of the court in so far as the same relates to the payment of money, and all such proceedings may either be continued under the principal act or be abandoned and be instituted afresh under this act; but all proceedings pending for enforcement of any award by attachment are hereby stayed, and in lieu thereof proceedings may be instituted afresh for enforcement by penalty under this section:

Provided, That the court when disposing of such fresh proceedings shall make such order as to costs as it deems just, having regard to the costs of the proceedings abandoned or stayed as aforesaid.

PART IV.

GOVERNMENT RAILWAYS.

82. The management of Government railways under "the Government railways act, 1887," shall be deemed to be an industry within the meaning of this act; and notwithstanding anything contained in the first-mentioned act, the railway commissioners appointed thereunder may make an industrial agreement with the society now registered under "the trade-union act, 1878," and called "The Amalgamated Society of Railway Servants," and either the said commissioners or the society may refer any industrial dispute between them to the court established under this act, and the commissioners may give effect to any terms of an award made by such court.

The society may be registered as an industrial union under this act, and the commissioners shall be deemed to be employers within the meaning and for the purposes of this act.

The foregoing provisions shall apply to any reconstruction of such society in case of its dissolution, and shall extend to any similar society taking the place of such first-mentioned society and registered under this act.

83. In case the commissioners shall neglect or refuse to agree with the said society to refer any industrial dispute to the court, the society may, by petition lodged with the clerk, refer such dispute to the court to hear and determine the same; and the court, upon such petition, and if it shall consider the dispute sufficiently grave to require it, may require the commissioners to appear before the court and to submit the matters in dispute to its decision; and for that purpose the court shall have all such jurisdiction and authority and may do all such acts and things as may be necessary for such purpose, in accordance with the preceding provisions of this act.

84. Notwithstanding anything in this act contained, no board constituted under this act shall have any jurisdiction in any matter of dispute between the commissioners and the said society.

PART V.

MISCELLANEOUS.

85. Any notification made or purporting to be made in the Gazette by or under the authority of this act may be given in evidence in all courts of justice, in all legal proceedings, and for any of the purposes of this act, by the production of a copy of the Gazette, printed by the Government printer for the time being.

86. Every instrument or document, copy or extract of an instrument or document, bearing the seal of the court shall be received in evidence without further proof, and the signature of the president of the court, or the chairman of any board, or of the registrar, or of the clerk of awards, shall be judicially noticed in or before any court or person or officer acting judicially or under any power or authority contained in this act: *Provided*, Such signature be attached to some award, order, certificate, or other official document made or purporting to be made under this act.

No proof shall be required of the handwriting or official position of any person acting in pursuance of this section.

87. The governor from time to time may make, alter, or revoke such regulations not inconsistent with this act as may be necessary or desirable to carry out all or any of the following purposes:

(1) Prescribing the forms of certificates or other instruments to be issued by the registrar, and of any certificate or other proceeding of any board, or any officer thereof.

(2) Prescribing the duties of clerks of awards and of all other officers and persons acting in the execution of this act.

(3) Providing for anything necessary to carry out the first or any subsequent election of members of boards, or on any vacancy therein, or in the office of chairman of any board, including the forms of any notice, proceeding, or instrument of any kind to be used in or in respect of any such election.

(4) Providing for the mode in which recommendations of members of the court shall be made and authenticated.

(5) Prescribing any act or thing necessary to supplement or render more effectual the provisions of this act as to the conduct of proceedings before a board or the court, or the transfer of such proceedings from one of such bodies to the other.

(6) Providing generally for any other matter or thing necessary to give effect to this act or to meet any particular case.

(7) Prescribing what fees shall be paid in respect of any proceedings before a board or in the court, and the party by whom such fees shall be paid, and what fees shall be paid to the president or members of the court or the chairman or members of the board. (The clause "or the chairman or members of the board" was added by the amendment act, 1896.)

(8) For any other purpose for which it is by this act provided regulations may be prescribed.

Nothing in any such regulations shall supersede any fees for the time being in force in the supreme court or any other court in relation to any proceedings therein otherwise than as is herein expressly provided.

All such regulations shall be published in the Gazette, and within 14 days after the making thereof shall be laid before both houses of the general assembly if it shall be then sitting; and if not then sitting, then within 14 days after the beginning of the next session of such assembly, and shall have the force of law from the date of such publication.

88. All charges and expenses connected with the administration of this act, exclusive of expenses incurred by industrial unions, trade-unions, or associations under Parts I or II of this act, or of the parties and witnesses concerned in any industrial dispute referred to a board or the court, shall be defrayed out of such annual appropriations as shall from time to time be made for that purpose by the general assembly.

89. The court shall have full and exclusive jurisdiction to deal with all offenses against the principal act, and for the purpose of this section the following provisions shall apply:

(1) Proceedings to recover the penalty by the principal act imposed in respect of any such offense shall be taken in the court in a summary way under the summary provisions of "the justices of the peace act, 1882," and these provisions shall, mutatis mutandis, apply in like manner as if the court were a court of justices exercising summary jurisdiction under that act:

Provided, That in the case of an offense under section 64 of the principal act (relating to contempt of court) the court, if it thinks fit so to do, may deal with it forthwith without the necessity of an information being taken or a summons being issued.

(2) For the purpose of enforcing any order of the court made under this section a duplicate thereof shall, by the clerk of awards, be filed in the nearest office of the magistrate's court, and shall thereupon, according to its tenor, operate and be enforced in all respects as a final judgment, conviction, or order duly made by a stipendiary magistrate under the summary provisions of "the justices of the peace act, 1882."

(3) The provisions of section 73 of the principal act shall apply to all proceedings under this section.

(4) All penalties recovered under this section shall be paid into the public account and form part of the consolidated fund.

(5) The foregoing provisions of this section are in substitution of those contained in section 89 of the principal act, and that section is hereby accordingly repealed.

(6) Nothing in this section contained shall apply to the breach of any award or order of the court or to the penalty in respect of such breach. (This section was inserted by the amendment act, 1898.)

90. No stamp duty shall be payable upon or in respect of any registration, certificate, agreement, award, or instrument effected, issued, or made under this act. But nothing herein shall apply to the fees of any court payable by means of stamps.

91. Nothing in this act shall apply to Her Majesty the Queen or any department of her Government in New Zealand, except as herein is otherwise expressly provided.

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CHAPTER 96.

An act respecting conciliation and labor.

SHORT TITLE.

1. This act may be cited as the conciliation and labor act.

INTERPRETATION.

2. In this act, unless the context otherwise requires—

(a) "Minister" means the member of His Majesty's Council for Canada to whom, for the time being, the governor in council may assign the carrying out of the provisions of this act.

(b) "Railway" means any railway whether operated by steam, electricity or other motive power, and whether under the jurisdiction of the Parliament of Canada or of the legislature of any Province.

(c) "Railway employer" means any company or Government owning or operating wholly or to a lesser extent any railway operated by steam, electricity, or other motive power, and whether under the jurisdiction of the Parliament of Canada or of the legislature of any Province.

(d) "Railway employees" means persons engaged to perform any work or service in respect of any railway, whether operated by steam, electricity, or other motive power, and whether under the jurisdiction of the Parliament of Canada or of the legislature of any Province.

(e) "Difference" means any dispute, disagreement, or dissension which in the opinion of the minister may have caused or may cause a lockout or strike on a railway or which has interfered or may interfere with the proper and efficient transportation of mails, passengers, or freight, or the safety of persons employed upon any car or train.

(f) "Committee" means the committee of conciliation, mediation, and investigation established under the provisions of this act.

(g) "Board" means any board of arbitrators established under the provisions of this act.

(h) "Conciliation board" means anybody constituted for the purpose of settling disputes between employers other than any railway employer and workmen by conciliation or arbitration, or any association or body authorized by an agreement in writing made between employers other than railway employers and workmen to deal with such disputes.

(i) "Conciliator" means any person or persons appointed by the minister to mediate between an employer of labor and his workmen.

(j) "Lieutenant governor in council" means the lieutenant governor in council of the Province of Quebec, of Nova Scotia, of New Brunswick, or of Prince Edward Island. (63–64 V., c. 24, ss. 2, 3, and 4; 3 E. VII., c. 55, ss. 2 and 7.)

TRADE DISPUTES.

3. Any conciliation board may apply to the minister for registration.

(2) The application must be accompanied by copies of the constitution, by-laws, and regulations of the conciliation board, with such other information as the minister may reasonably require. (63–64 V., c. 24, s. 3.)

4. The minister shall keep a register of conciliation boards and enter therein with respect to each registered conciliation board its name and principal office, and such other particulars as he thinks expedient; and any registered conciliation board shall be entitled to have its name removed from the register on sending to the minister a written application to that effect.

(2) Every registered conciliation board shall furnish such returns, reports of its proceedings, and other documents as the minister may reasonably require. (63–64 V., c. 24, s. 3.)

5. The minister may, on being satisfied that a registered conciliation board has ceased to exist or to act, remove its name from the register. (63–64 V., c. 24, s. 3.)

6. Where a dispute exists or is apprehended between an employer or any class of employers and workmen, or between different classes of workmen, the minister may, if he thinks fit, exercise all or any of the following powers, namely:

(a) Inquire into the causes and circumstances of the dispute.

(b) Take such steps as to him seem expedient for the purpose of enabling the parties to the dispute to meet together, by themselves, or their representatives under the presidency of a chairman mutually agreed upon or nominated by him, or by some other person or body, with a view to the amicable settlement of the dispute.

(c) On the application of employers or workmen interested, and after taking into consideration the existence and adequacy of means available for conciliation in the district or trade and the circumstances of the case, appoint a conciliator.

(d) On the application of both parties to the dispute, appoint an arbitrator or arbitrators.

(2) The conciliator shall inquire into the causes and circumstances of the dispute by communication with the parties, and otherwise shall endeavor to bring about a settlement of the dispute, and shall report the proceedings to the minister.

(3) If a settlement of the dispute is effected either by conciliation or by arbitration a memorandum of the terms thereof shall be drawn up and signed by the parties or their representatives and a copy thereof shall be delivered to and kept by the minister. (63–64 V., c. 24, s. 4.)

7. It shall be the duty of the conciliator to promote conditions favorable to a settlement by endeavoring to allay distrust, to remove causes of friction, to promote good feeling, to restore confidence, and to encourage the parties to come together and themselves effect a settlement, and also to promote agreements between employers and employees with a view to the submission of disputes to conciliation or arbitration before resorting to strikes or lockouts. (63–64 V., c. 24, s. 5.)

8. The conciliator or conciliation board may, when deemed advisable, invite others to assist them in the work of conciliation. (63–64 V., c. 24, s. 6.)

9. If, before a settlement is effected and while the dispute is under the consideration of a conciliator or conciliation board, such conciliator or conciliation board is of opinion that some misunderstanding or disagreement appears to exist between the parties as to the causes or circumstances of the dispute, and, with a view to the removal of such misunderstanding or disagreement, desires an inquiry under oath into such causes and circumstances, and, in writing signed by such conciliator or the members of the conciliation board, as the case may be, communicates to the minister such desire for inquiry, and if the parties to the dispute or their representatives in writing consent thereto, then, on his recommendation, the governor in council may appoint such conciliator or members of the conciliation board, or some other person or persons, a commissioner or commissioners, as the case may be, under the provisions of the inquiries act, to conduct such inquiry, and for that purpose may confer upon him or them the powers which under the said act may be conferred upon commissioners. (63–64 V., c. 24, s. 7.)

10. Proceedings before any conciliation board or arbitrators shall be conducted in accordance with the regulations of such conciliation board or arbitrators, as the case may be, or as is agreed upon by the parties to the dispute. (63–64 V., c. 24, s. 8.)

11. If it appears to the minister that in any district or trade adequate means do not exist for having disputes submitted to a conciliation board for the district or trade he may appoint any person or persons to inquire into the conditions of the district or trade and to confer with the employers and employed, and, if he thinks fit, with any local authority or body as to the expediency of establishing a conciliation board for such district or trade. (63–64 V., c. 24, s. 9.)

STATISTICS.

12. With a view to the dissemination of accurate statistical and other information relating to the conditions of labor, the minister shall establish and have charge of a department of labor, which shall collect, digest, and publish in suitable form statistical and other information relating to the conditions of labor, shall institute and conduct inquiries into important industrial questions upon which adequate information may not at present be available, and issue at least once in every month a publication to be known as the Labor Gazette, which shall contain information regarding conditions of the labor market and kindred subjects, and shall be distributed or procurable in accordance with terms and conditions in that behalf prescribed by the minister. (63–64 V., c. 24, s. 10.)

RAILWAY DISPUTES.

13. Whenever a difference exists between any railway employer and railway employees, and it appears to the minister that the parties thereto are unable satisfactorily to adjust the same, and that by reason of such difference remaining unadjusted a railway lockout or strike has been or is likely to be caused, or the regular and safe transportation of mails, passengers or freight has been or may be interrupted, or the safety of any person employed on a railway train or car has been or is likely to be endangered, the minister may, either on the application of any party to the difference or on the application of the corporation of any municipality directly affected by the difference, or of his own motion, cause inquiry to be made into the same and the cause thereof, and for that purpose may, under his hand and seal of office, establish a committee of conciliation, mediation, and investigation, to be composed of three persons, to be named one by the railway employer and one by the railway employees, parties to the difference, and the third by the two so named, or by the parties to the difference in case they can agree.

(2) The minister shall, in writing, notify each party to name a member of the committee, stating in such notice a time, not being later than five days after the receipt of such notice, within which this is to be done.

(3) If either party within such time, or any extension thereof that the minister, on cause shown, may grant, refuses or fails to name a member of the committee the minister or the lieutenant governor in council, as the case may be, as hereinafter provided, may appoint one in the place of the party so refusing or in default, and if the members of the committee so chosen fail to elect a third member, the minister or the lieutenant governor in council, as the case may be, may make such selection. (3 E. VII., c. 55, s. 3.)

14. It shall be the duty of the committee to endeavor, by conciliation and mediation, to assist in bringing about an amicable settlement of the difference to the satisfaction of both parties, and to report its proceedings to the minister. (3 E. VII., c. 55, s. 4.)

15. In case the conciliation committee is unable to effect an amicable settlement by conciliation or mediation the minister may refer the difference to arbitration

(2) In such case a board of arbitrators shall be established by the minister, under his hand and seal of office, and shall consist of—

(a) If acceptable to both parties, the committee; or

(b) In case of objection by either party to its representative on the committee, or to the chairman of the committee, new representatives in place of the member or members of the committee objected to, appointed in like manner as the original members of the committee, and of such of the committee as against whom no objection has been so made. (3 E. VII., c. 55, s. 5.)

16. If any member of such committee or board shall die, refuse, neglect, or become incapable to act, a successor shall be appointed in like manner as is hereinbefore provided in respect of the original member of the committee or board, and the appointing authority shall endeavor to appoint only such person as shall not be reasonably objected to by either party.

(2) Before such appointment the name of the person proposed to be appointed shall be submitted to both parties to the difference, and there shall be afforded to each of them an opportunity, within such time as the minister may fix, of making known to the appointing authority whether such proposed appointee is objected to. (3 E. VII., c. 55, s. 6.)

17. In the event of the establishment of a committee of conciliation, mediation, and investigation, or of a board of arbitrators to deal with any difference between the Government of Canada, in respect of the Intercolonial Railway and the Prince Edward Island Railway and any of its employees, the power to appoint conciliators or arbitrators which otherwise, in accordance with the foregoing provisions, might be exercisable by the minister, shall be exercisable by the lieutenant governor in council whom the minister shall for that purpose in each case of conciliation or arbitration in writing name. (3 E. VII., c. 55, s. 7.)

18. The third member of the said committee or board shall be the chairman. (3 E VII., c. 55, s. 8.)

19. In case of arbitration pursuant to the provision hereinbefore contained, the findings and recommendations of the majority of the arbitrators shall be those of the board.

(2) In case of the absence of any one arbitrator from a meeting of the board the other two arbitrators shall not proceed unless it is shown that the third arbitrator has been notified of the meeting in ample time to admit of his attendance. (3 E. VII., c. 55, s. 9.)

20. Forthwith after the appointment of the board the chairman shall promptly convene the same, and the board shall, in such manner as it thinks advisable, make thorough, careful, and expeditious inquiry into all the facts and circumstances connected with the difference and the cause thereof, and shall consider what would be reasonable and proper to be done by both or either of the parties with a view to put an end to the difference and to prevent its recurrence, and shall, with all reasonable speed make to the minister a written report setting forth the various proceedings and steps taken by the board for the purpose of fully and correctly ascertaining all the facts and circumstances, and also setting forth said facts and circumstances and its findings thereon, including the cause of the difference and the board's recommendations, with a view to its removal and the prevention of its recurrence. (3 E. VII., c. 55, s. 10.)

21. The minister shall forthwith cause the report to be filed in the office of the department of labor and a copy thereof to be sent, free of charge, to each party to the difference, and to any municipal corporation as aforesaid, and to the representative of any newspaper published in Canada who may apply therefor.

(2) Any other person shall be entitled to a copy on payment of the actual cost thereof. (3 E. VII., c. 55, s. 11.)

22. For the information of Parliament and the public the report shall, without delay, be published in the Labor Gazette and be included in the annual report of the said department to the Governor General. (3 E. VII., c. 55 s. 12.)

23. For the purpose of such inquiry the board shall have all the power of summoning before it any witnesses, and of requiring them to give evidence, on oath or on solemn affirmation, if they are persons entitled to affirm in civil matters, and produce such documents and things as the board deems requisite to the full investigation of the matters into which it is inquiring, and shall have the same powers to enforce the attendance of witnesses and to compel them to give evidence as is vested in any court of record in civil cases; but no such witness shall be compelled to answer any question by his answer to which he might render himself liable to a criminal prosecution. (3 E. VII., c. 55, s. 13.)

24. On the application of any of the parties or on its own motion, the board may issue summonses to such persons as the board may think necessary to give evidence in the case.

(2) Any witness summoned by the board shall be entitled to free transportation over any railway en route when proceeding to the place of meeting of the board and thereafter returning to his home, and the board shall furnish to such witness a proper certificate evidencing his right to such free transportation. (3 E. VII., c. 55, s. 14.)

25. The summons shall be in such form as the minister shall prescribe, and may require such person to produce before the board any books, papers, or other documents in his possession or under his control in any way relating to the proceedings. (3 E. VII., c. 55, s. 15.)

26. All books, papers, and other documents produced before the board, whether voluntarily or in pursuance to summons, may be inspected by the board and also by such of the parties as the board allows, but the information obtained therefrom shall not be made public, and such parts of the books, papers, and documents as, in the opinion of the board, do not relate to the matter at issue, may be sealed up. (3 E. VII., c. 55, s. 16.)

27. The department of labor shall—

(a) Pay to each member of a committee or board his actual traveling expenses, and also to each of them, other than the chairman, $10 per day for each day on which he shall attend a meeting of the committee or board, or be engaged in traveling from or to his home, being in Canada, for the purpose of attending or after having attended a meeting of the committee or board.

(b) Pay to the chairman such sum as the governor in council deems reasonable.

(c) At its expense provide the committee or board with a stenographer, secretary, and any other clerical assistance that to the minister may appear necessary for the efficient carrying out of the provisions of this act. (3 E. VII., c. 55, s. 17.)

28. The report of the committee and the report of the board shall be signed by such of the members as concur therein, and may also be assigned by a dissenting member. (3 E. VII., c. 55, s. 18.)

29. No counsel or solicitor shall be entitled to appear before the board except with the consent of all parties to the difference, and, notwithstanding such consent, the board may, if it deems it advisable, decline to allow counsel or solicitors to appear before it.

(2) The parties to the difference may appear in person or by agents. (3 E. VII., c. 55, s. 19.)

30. No court of the Dominion of Canada or of any Province or Territory shall have or possess any power or jurisdiction to recognize or enforce or to receive in evidence any report of any board of arbitrators or of any committee of conciliation, or any testimony or proceedings before either such board or committee as against any party or person, or for any purpose whatsoever except in case of prosecution for perjury. (3 E. VII., c. 55, s. 20.)

31. Where the difference which is being inquired into affects a class of employees it shall not be necessary for them all to take part in the inquiry, but the class may be represented by a limited number chosen by a majority or by agents other than counsel or solicitors. (3 E. VII., c. 55, s. 21.)

32. If, in any proceedings before the board, any person willfully insults any member of the board, or willfully interrupts the proceedings, or, without good cause, refuses to give evidence, or is guilty in any other manner of any unlawful contempt in the face of the board, it shall be lawful for any member of the board or constable to take the person offending into custody and remove him from the precincts of the board, and retain him in custody until the rising of the board. (3 E. VII., c. 55, s. 22.)

33. It shall be in the discretion of the board to conduct its proceedings in public or in private. (3 E. VII., c. 55, s. 23.)

REGULATIONS.

34. The minister may from time to time make, alter, and amend regulations as to the time within which anything hereby authorized shall be done, and also as to any other matter or thing which appears to him necessary or advisable for the effectual working of the several provisions of this act. (3 E. VII., c. 55, s. 24.)

REPORT.

35. An annual report with respect to the matters transacted by the minister under this act shall be made by him to the Governor General, and shall be laid before Parliament within the first 15 days of each session thereof. (63–64 V., c. 24, s. 12.)

EXPENSES.

36. The expenses incurred in the carrying out of this act shall be defrayed out of the money provided for the purpose by Parliament. (63–64 V., c. 24, s. 11.)

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CHAPTER 29.

An act to amend the industrial disputes investigation act, 1907.

[Assented to 4th May, 1910.]

His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

1. Section 13 of the industrial disputes investigation act, 1907, is amended by adding after the word "peace," in the third line thereof, the words "or other person authorized to administer an oath or affirmation."

2. Subparagraph (b) of paragraph 2 of section 15 of the said act is repealed and the following is substituted therefor:

"(b) A statutory declaration setting forth that, failing an adjustment of the dispute or a reference thereof by the minister to a board, to the best of the knowledge and belief of the declarant a lockout or strike will be declared, and (except where the application is made by an employer in consequence of an intended change in wages or hours proposed by the said employer) that the necessary authority to declare such lockout or strike has been obtained; or, where a dispute directly affects employees in more than one Province and such employees are members of a trade-union having a general committee authorized to carry on negotiations in disputes between employers and employees and so recognized by the employer, a statutory declaration by the chairman or president and by the secretary of such committee setting forth that, failing an adjustment of the dispute or a reference thereof by the minister to a board, to the best of the knowledge and belief of the declarants a strike will be declared, that the dispute has been the subject of negotiations between the committee and the employer, that all efforts to obtain a satisfactory settlement have failed, and that there is no reasonable hope of securing a settlement by further negotiations."

3. Paragraph (3) of section 16 of the said act is amended by adding at the end thereof the following: "or, where a dispute directly affects employees in more than one Province and such employees are members of a trade-union having a general committee authorized to carry on negotiations in disputes between employers and employees, and so recognized by the employer, may be signed by the chairman or president and by the secretary of the said committee."

4. Section 51 of the said act is repealed and the following is substituted therefor:

"51. The members of a board shall be remunerated for their services as follows:

"(a) To members other than the chairman, an allowance of $5 a day for a time not exceeding three days, during which the members may be actually engaged in selecting a third member of the board.

"(b) To each member of the board, including the chairman, an allowance at the rate of $20 for each day's sitting of the board and for each day necessarily engaged in traveling from or to his place of residence to attend or after attending a meeting of the board."

5. Section 57 of the said act is amended as follows: By striking out of the third and fourth lines thereof the words "and in every case where a dispute has been referred to a board," and substituting therefor the words "and in the event of such intended change resulting in a dispute"; by substituting the word "a" for the word "the" before the word "board," in the fifth line thereof; and by striking out the words "nor the employees," in the sixth line thereof.

Mr. HARDWICK. Mr. President, I have listened with considerable interest to the observations of the Senator from Iowa [Mr. CUMMINS], and I find myself in absolute accord with all he has said about the law in respect to this matter and the constitutional limitations under which we labor. At the same time I have an idea about the situation that is confronting us which I wish to give to the Senate and to the country.

It has always seemed to me that, unless we were going eventually to the Government ownership and operation of the railroads of this country, we must have thorough and complete governmental control and regulation of those railroads. That theory, I think, has been accepted by the country and it has been accepted by Congress. Under that theory the rate-making power has been conferred by Congress upon the Interstate Commerce Commission.

Mr. President, it seems to me that we have not yet gone far enough in our regulation and control of the railroads and that the present situation proves it. The present emergency that confronts this country seems to demonstrate that there are other necessary steps that we must take if we are to solve questions like those that now confront us in peace and for the best interest of the country.

I believe that the Interstate Commerce Commission ought to have expressly conferred on it the full, absolute, and exclusive power not only to fix freight and passenger rates but also to determine what are just and reasonable rates of wage on these great interstate agencies of commerce; also the hours of service and the conditions generally under which labor is to be employed on these great interstate railroads. Already, in fixing the rates, the Interstate Commerce Commission, I understand, investigates most carefully every detail of expense to which these companies are put, even down to what the bolts cost and what every piece of equipment costs. It is impossible for the Interstate Commerce Commission to correctly fix rates, impossible for it to prescribe reasonable and just rates, for the transportation of persons and commodities through this country unless it also passes, either directly or indirectly, upon what amount is to be paid to the wage earners engaged in the work of these great companies.

It seems to me that it is absolutely essential that in the end the same commission that determines what the income of these railroads shall be shall also determine what their outgo shall be.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Idaho?

Mr. HARDWICK. I yield to the Senator from Idaho.

Mr. BORAH. If the power to fix wages were conferred upon the Interstate Commerce Commission, would the Senator from Georgia go further and enforce the decree by compelling the men to work?

Mr. HARDWICK. I will answer the Senator in just a moment. I intended to come to that, but I would rather not answer the question until I finish what I intend to say on this particular subject. I do, however, intend to cover just that question a little later.

Mr. President, these subjects—income and cost of operation—are closely related. They are interdependent; they can not be separated. The same governmental authority that determines what the incomes of the railroads shall be must eventually determine, unless we are to abandon our present system, what every expense shall be for wages and for everything else. If I had the power to write the law as I think it ought to be written, I would write into the statute a proposition that the Interstate Commerce Commission shall determine not only the amount of wages but the hours during which labor shall be employed and the terms and conditions under which it is to be employed on railroads engaged in interstate commerce.

Mr. CUMMINS. May I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Iowa?

Mr. HARDWICK. I yield to the Senator from Iowa.

Mr. CUMMINS. If the Interstate Commerce Commission fixes the wages of the railway men, who is going to fix the prices of the things which the railway men must buy in order to support themselves?

Mr. HARDWICK. Oh, well, Mr. President, I do not think the Senator's question is quite as pertinent as his questions usually are.

Mr. CUMMINS. There has got to be some relation between those things as well as other things.

Mr. HARDWICK. But the Government does not fix what they shall pay.

Mr. CUMMINS. No.

Mr. HARDWICK. And, yet, some one must fix what these men are to get in the way of wages. Is it to be the railroad companies themselves, who have got a selfish interest in it, may be, who may want to divert a larger percentage than ought to be diverted to pay dividends on stocks that may be purely or partly water, or on bonds that may be in the same condition, or, it may be, to pay too much for the executive officers or for overhead charges; or is it better to have these wages determined by an impartial tribunal that represents the public?

My proposition is that the same commission, representing the public and all the people, that determines one of these factors that enter this problem, ought to determine them all.

Mr. CUMMINS. Mr. President, hitherto those questions have been determined, of course, by the conflict of commercial forces; by the law of competition, as it has been modified, or disturbed sometimes by combinations or agreements; but whenever the Government of the United States attempts to fix what a man shall get for his work, it ought also somehow or other to take care of the price of things that he has to buy.

Mr. HARDWICK. If the Senator will pardon me, I apprehend that the Interstate Commerce Commission would take that into consideration. By law we fix the salaries of Members of Congress; we fix by law the salaries of many thousands and hundreds of thousands of Government employees; we fix many salaries by statute; we fix many wages by statute; and it is not a new proposition to say that the wages of men who work on public work shall be regulated or controlled in some way by public law.

So I say that the railroads of this country, which are engaged in the performance of a great function of a quasi public character, are in such position, and the position of the country is such in reference to them, that the wages and the hours and the terms of labor are all matters of public concern, are matters that ought to be regulated, not by the railroads themselves alone and not by the men alone, but by a board representing the public.

The Senator from Iowa said just now that these wages had been fixed as the result of industrial forces. Very often they have been fixed in proportion to the relative strength, or more in accordance with the relative strength, of these conflicting parties. Usually, I think, the rate of wages and the terms and conditions under which labor has been employed on these great railroad systems has been fixed more with reference to the strength of the railroad owners or of the railroad men—one or the other—than they have with reference to any inherent principles of justice or with reference to the possible rights of others that may be affected thereby.

Now, it does seem to me as though we have come to the time, Mr. President—and that the country realizes it and this present situation forces it to realize—that we have come to the time when somebody else, some high governmental authority, representing 100,000,000 people in the United States, representing the innocent bystanders in this Republic, who are liable to be injured if either side in a controversy like this proves stubborn and intractable, has a right to intervene in behalf of 100,000,000 people who will be hurt, who will have their industries suspended, who will have their businesses stop, and who will have production and commerce in this country halted unless some permanent system can be devised of getting at a just result in that matter.

Therefore I have thought that, instead of a temporary commission of the character suggested by the President, the great Interstate Commerce Commission—the most expert body; indeed, the only expert body that we have in our governmental system so far as railroad matters are concerned—with their wide knowledge and wide experience in all sorts of railroad matters, ought to have this question also submitted to them for their consideration and determination. It seems to me, Mr. President, that the

two things of railroad rates and railroad wages are indissolubly connected; they are interwoven; they are interdependent, and indissolubly so.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Nebraska?

Mr. HARDWICK. I yield to the Senator from Nebraska.

Mr NORRIS. The Senator from Georgia is discussing the very question which I asked the Senator from Iowa some time ago, which is one in which I have taken a deep interest. I want to ask the Senator whether or not he believes it would be possible to go a step further and to include in this regulation by the Interstate Commerce Commission not only the fixing of the salaries of employees but of the officials as well? As I understand, he would include the officials as well as the employees?

Mr. HARDWICK. Yes.

Mr. NORRIS. And he would fix the compensation which the financial or fiscal agents of the various railroads should receive?

Mr. HARDWICK. Undoubtedly; that is a necessary part of it.

Mr. NORRIS. So I wanted to say to the Senator that it seemed to me that it is as necessary to regulate the salaries of those officials as it is to regulate the wages of the men.

Mr. HARDWICK. If the presidents, the general managers, the chairmen, the directors, and the other officials of the road are being overpaid, the public is footing the bill. Maybe the railroad men, the men who work with their hands on railroads, are being paid too much in some cases. I would not only commit to the jurisdiction of this great commission the question of the wages of the men who work by the day, but I would include in that regulation the salary of every officer from the highest official of the railroad to the lowest paid section hand who works on the road.

Mr. NORRIS. My question involved, if the Senator will permit me, going even a step beyond that. Railroads in their financial operations pay commissions, and so forth.

Mr. HARDWICK. I think all those things—every factor of railroad expense and every factor of railroad disbursement—should eventually be committed to the Interstate Commerce Commission, and that this must be done if regulation is to prove efficient.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Idaho?

Mr. HARDWICK. I yield to the Senator from Idaho.

Mr. BORAH. The Senator from Georgia is now discussing regulation, and not public ownership of railroads.

Mr. HARDWICK. Undoubtedly.

Mr. BORAH. What is the difference between your plan of regulation and public ownership, except that under regulation you leave a certain number of individuals who draw private gain from the industry? If you are going to take over and regulate the rates and wages and regulate the commissions that are paid to financial agents and regulate the salaries—and you must take into consideration all those things——

Mr. HARDWICK. Undoubtedly.

Mr. BORAH. Then, the Senator will agree with me that that is the longest step in the direction of public ownership that has yet been taken.

Mr. HARDWICK. On the contrary, I do not hesitate to assert to the Senator and to the Senate that, in my judgment, it is the most effectual means, if not the only means, of preventing public ownership that I can think of.

Mr. BORAH. When the Government regulates rates, regulates salaries, and regulates wages, some one will have to be found who is willing to put money into railroad enterprises.

Mr. HARDWICK. That is easy enough to answer.

Mr. BORAH. There has been less railroad construction during the last two years than during any two years since the railroads began to be built to any extent in this country. The railroad men claim that the fact that people are hesitating to put their money into railroad enterprises is because they make a much larger percentage in a number of other investments which may be made. It seems to me that if the Government takes the railroads entirely out of the hands of the men who put up the money for them investors will refuse to invest, and the Government must inevitably take possession of the railroads.

Mr. HARDWICK. If the Senator pleases, that is only a question of wise regulation. We have not arrived at perfection yet. It may be that the railroads have not had their rates adjusted properly; it may be that they are not permitted to make as much money as we must allow them to make in order to sufficiently encourage railroad development; it may be that mistakes have been made along some of the lines suggested by the Senator; but that does not prove that the system is unsound; that does not prove that the plan is wrong. If we have made mistakes——

Mr. CUMMINS. Mr. President——

Mr. HARDWICK. Just a moment, if the Senator will pardon me; I want to proceed to answer the question of the Senator from Idaho a little more at length.

The Senator from Idaho says this is a great step toward public ownership. I do not think so. The worst vice of public ownership would be the operation of the railroads by the public and the fact that the men who work for them, two million in all, in round numbers, who are also citizens of the United States and voters of the United States, would thus be thrown, in a way, into politics, not only to their own detriment but also to the great danger of the general public.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield further to the Senator from Idaho?

Mr. HARDWICK. I yield.

Mr. BORAH. If the Interstate Commerce Commission is going to fix rates and fix wages, the workingmen on the railroads must know that upon that commission they depend for their wages; and therefore they will be just as much interested in the man who shall appoint the commissioners and just as partisan with reference to the appointments as if they were working for the Government and were, therefore, interested in the man who would continue to operate the railroads as President indirectly through the commission.

Mr. HARDWICK. Not at all, because there are other forces that will always balance this one. Let me illustrate: Four hundred thousand railroad men want higher wages, but 1,600,000 more of them, who are unorganized, unrepresented in this controversy, will also want higher wages if the present demand be granted. Not only that, but, if the Senator please, there are millions more of men, men who work in factories, in mines, and on the farm, who are also interested in this question, because the tax that is levied for transportation is a tax on the product that each one of them makes, and the larger the percentage of the value of the product each one of them makes that is taken for transportation, the less wages they are likely to get. For instance, it has been estimated—to give the Senator an idea of the thought in my mind on that question—that if this wage increase be granted it would put a tax of something like 50 cents a bale on every bale of cotton raised in the great Commonwealth in which I live, and, indeed, throughout the South. Now, one of the factors that has to be taken into consideration is what effect it will have on the people who produce cotton, on the people who produce grain, on the people who mine, and on the people who work in the factories. Considerations of the character the Senator from Idaho suggests are unavoidable in a republican form of government where all, or practically all men, are invested with the ballot; still the fact remains that railroad employees would not get their jobs from the Government, the railroads would not be operated by the Government, and there would be only regulation.

Mr. BORAH. Exactly.

Mr. HARDWICK. A thorough and complete regulation. Now, let me ask the Senator a question in turn. Is there any more reason for regulating by law, through a commission established by Congress, freight rates and passenger rates than there is to regulate the wages paid to employees?

Mr. BORAH. Mr. President, as a matter of fact, I do not think there is very much difference between the two propositions. I only regard two steps in the direction of public ownership as more than one step. Let me call the Senator's attention to a proposition. A few months ago the railroads made an application for an increase in freight rates, and after a tremendous propaganda, carried on all through the country by the use of political influence and everything else, freight rates were raised on an average of 5 per cent, which gave the railroads $50,000,000 increase of revenue annually. Now come the employees who ask for wages which the railroads claim will add an additional $100,000,000.

Mr. HARDWICK. Sixty million dollars, I think.

Mr. BORAH. The railroads have estimated it all the way from $60,000,000 to $100,000,000 in their written statement, as I read it yesterday. However, I will say $60,000,000.

Mr. CUMMINS. One hundred million dollars, according to the demands of the men, and fifty or sixty million dollars under the suggestion of the President.

Mr. BORAH. We will not quarrel over figures, because any are large enough. We have, then, I will say, an increase of $50,000,000 in freight rates and a proposed increase of $60,000,000 in wages, and the suggestion made that there shall be

a method by which the $60,000,000 to be paid the workingmen shall be met by an increase in freight rates.

Now, if the railroads can raise rates whenever they want to through a propaganda and the workingmen can raise wages whenever they want to through political influence, and all these raises can be charged up, as they must be it seems, to the people, how long does the Senator suppose it is going to be until the man out in the field producing and the shippers and consumers are going to say "We will take this over and run it ourselves. If we have got to pay all the expense, we will take all the benefits." The manner in which the 5 per cent rate decision was brought about, the manner in which it is proposed to take care of this situation, will cause many people to say that the only escape from this perpetual motion in freight raises is to take charge of the roads. Now, Mr. President, reasonable rates must be paid and reasonable wages must be paid, but that reasonableness must be founded upon facts, not upon political influence over the commission.

Mr. HARDWICK. In any event the dangers the Senator suggests are not nearly so great as those involved in Government ownership, and if we are to rely on regulation, then it follows that we must have efficient regulation. That is why I say the Interstate Commerce Commission, the Government, must have jurisdiction and control over every important factor in this problem, or otherwise the day of Government ownership is at hand. So far as I am concerned, Mr. President, I am unable to see any substantial or important or material difference in principle or otherwise between conferring upon this commission the power to fix wages and conferring upon this commission the power to fix freight rates. So much for that phase of the question.

No matter what is done here and now to meet the present crisis and to bridge over the present difficulty, in the end I am just as certain as I can be that the great Interstate Commerce Commission, to be reorganized to consist of nine members, divided into three separate divisions, working independently, according to the terms of proposed legislation, will also have control of the wage question, and I believe that when the bill pending shall pass at least one of the divisions should devote its time for a good while to working out a complete adjustment of railway wages and railway labor conditions throughout the country.

Mr. JONES. Mr. President——

Mr. HARDWICK. I yield to the Senator.

Mr. JONES. Without expressing my opinion with reference to the merits of the suggestion which the Senator has made that this matter should be referred to the Interstate Commerce Commission——

Mr. HARDWICK. No, not exactly that; I did not make that suggestion. My suggestion was to refer such questions permanently to that body; I did not mean the particular matter now in dispute.

Mr. JONES. I understand that; but the Senator contends that the commission should be vested with such power.

Mr. HARDWICK. That is right.

Mr. JONES. Does not the Senator think that it would meet, as well probably as it could be met, the problem of the use of political pressure and influence upon the commission if it were composed of men appointed for life?

Mr. HARDWICK. Well, I am inclined to think it would. I do not intend to commit myself irrevocably to that proposition, but that may be necessary.

Mr. JONES. It does seem so to me. It seems to me that the hardest blow ever directed at the Interstate Commerce Commission was when high political pressure was brought to bear upon it to increase rates and when the suggestion was made in every newspaper in the country, whether true or not, that the President of the United States had assured some of the representatives of the railroads that he would use his personal and official influence to secure an increase of rates; and in order to avoid, in so far as we can, the influence of political pressure, if we are going to leave such questions to the commission, or any other body, it ought to be composed of men who hold their positions for life, so as to free them from political influence as the Supreme Court Justices are freed from such influence.

Mr. HARDWICK. The Senator's suggestion is valuable and interesting, and I am not sure but that it is sound. I am inclined to the same view of the matter myself, although, as I have said, I would not want to commit myself irrevocably to it, because I have not quite made up my mind on that question; but undoubtedly there ought to be a very long term of office. The danger, of course, about a life tenure is that when you get a bad man in you never get him out. There is a good deal of danger in life tenure in any sort of office, but undoubtedly we ought to do what we can to remove the Interstate Commerce Commissioners from participation in active politics and to put them as much as we can in the position the Supreme Court Justices occupy—to detach them from active participation in all political and partisan squabbles in which this country engages.

Mr. JONES. We ought to throw about them the protection that would deter politicians from trying to influence them, just as we have deterred them from attempting to influence the Supreme Court.

Mr. HARDWICK. At the same time the Senator from Washington must realize the danger that is involved in a life tenure of office——

Mr. JONES. Yes.

Mr. HARDWICK. If we get a bad man or a man who looks like he is all right when he starts in, and he goes wrong for some reason or is corrupted in any way, of course it might be said we could dismiss him from office; but it is impossible always to prove acts of that kind, and the danger from life tenure of office along certain lines is so great that I would not want to commit myself irrevocably to the Senator's suggestion, although undoubtedly I am prepared to say now that we ought to lengthen the term of the Interstate Commerce Commissioners.

Mr. McCUMBER. Mr. President——

Mr. HARDWICK. I yield to the Senator from North Dakota.

Mr. McCUMBER. Does not the Senator think we could accomplish the same beneficent results without taking at least these extra steps toward the field of paternalism, if we would give conciliatory power to the Interstate Commerce Commission, and authorize and require them in case of disputes to call before them the shipping interests, representing indirectly the public, the railroad officials, and the representatives of the labor organizations, and then have them pass upon the questions involved, if not in the form of a judgment, at least by way of reporting and recommending rates for labor—its action, I would say, would be confined to that in instances of this kind—that would be just to the shipper, to labor, and to the railroad, leaving it to the conscience of the public as a potent force to secure the result and the acceptance of their report?

Mr. HARDWICK. There is merit in the Senator's suggestion, of course, Mr. President, but in my own mind I am prepared to go much further than that; I am prepared to stand where I stand now, on the sentiments that I have expressed to-day; and I do not regard it as paternalistic, either, because the great railroad companies and their employees of this land are public servants and are engaged in a quasi-public business. While I would be willing to regulate wages by law—for that is what it amounts to when you delegate the determination of that question to the commission—it is simply and solely because they are engaged in a public service. I would not be willing, however, to apply that principle to any form of private industry or to any line of private business.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER (Mr. WADSWORTH in the chair). Does the Senator from Georgia yield to the Senator from Iowa?

Mr. HARDWICK. Yes.

Mr. CUMMINS. I do not think the Senator from Georgia quite understands my position. I do not doubt our authority to create a tribunal—whether you call it a court or a commission or what not—to try any dispute or any controversy that has arisen between employer and employee in interstate commerce and determine the dispute, and if the dispute involves a matter of wages, then the commission or tribunal can determine the wages. Of that I have no question at all; but is the Senator from Georgia quite clear that Congress can confer upon the Interstate Commerce Commission, as a regulatory measure binding upon the railroad companies, authority to fix the wages of the employees of a railway?

Mr. HARDWICK. I have not the slightest doubt about it.

Mr. CUMMINS. I have the very gravest doubt about it. In fact, I am absolutely sure it can not be done.

Mr. HARDWICK. The Senator and I are in irreconcilable mental conflict if he takes that view.

Mr. CUMMINS. I just want to suggest to the Senator why I do not think it can be done. I think Congress can do it. Congress can fix the wages of all the railway operatives if it sees fit to do so.

Mr. HARDWICK. Just as Congress could fix the freight rates.

Mr. CUMMINS. Congress can fix the freight rates; but Congress can not delegate to a commission every authority that it can exercise.

Mr. HARDWICK. If the Senator will pardon me, Congress has the same power to delegate its power with reference to

wages that it has with reference to freights. We would have to have a standard fixed on both subjects. We would have to say "reasonable and just wages."

Mr. CUMMINS. I differ from the Senator from Georgia in that respect, although I am sure we do not differ upon the principle of law. Congress can delegate to a commission the authority to establish a freight rate because it can give the commission a rule to apply.

Mr. HARDWICK. Let me ask the Senator——

Mr. CUMMINS. Just a moment.

Mr. HARDWICK. The Senator is speaking in my time, and I want to get in my ideas, too, in connection with his, because I think maybe we can get together if we do. If it sets up a standard like it did on the rate question, why can it not do the same thing in the case of wages?

Mr. CUMMINS. Simply because there is no standard.

Mr. HARDWICK. "A reasonable and just scale of wages." That is all we said about rates—that they should be "reasonable and just rates."

Mr. CUMMINS. There is no such thing as a reasonable and just wage.

Mr. HARDWICK. Then there is no such thing as a reasonable and just rate.

Mr. CUMMINS. Oh, yes; there is. That had been determined long before we ever thought of creating the Interstate Commerce Commission.

Mr. HARDWICK. The Senator is just bound by narrow precedents, then, if he thinks that.

Mr. CUMMINS. I will ask the Senator to tell me why a carpenter should get $5 a day and a lawyer $50 a day? Why is it?

Mr. HARDWICK. Oh, well, tell me why one rate for a shorter distance should be more than another rate for a longer distance.

Mr. CUMMINS. I can tell the Senator why. Because the cost of the service is greater.

Mr. HARDWICK. Well, that is undoubtedly so in the other case, too.

Mr. CUMMINS. No. Whenever you reach the question of determining what is a fair and reasonable compensation for a man's labor, whether it is mental or whether it is physical, you enter a field in which I think there is no standard, and Congress could not prescribe any.

Mr. HARDWICK. The Senator has a peculiar view, I think, in regard to that. It is a standard for service in either case. The rate is for service. The wage is for service. I can not understand the operation of the mind of a man who can see any difference between the two. It might be true, Mr. President, if this is what the Senator has in mind. It might be more difficult to fix a standard; or, once you have fixed exactly the same standard—to wit, a reasonable and just rate or wage—it might be more difficult to apply the standard in the one case than in the other. But the principle is exactly the same, both the principle of law and the principle of public policy—exactly the same. Just as we said to the Interstate Commerce Commission, "We require you to establish rates that shall be reasonable and just," we can say to that same commission in exactly the same terms, in identically the same words that we employed in regard to that question, "We require you to set up a reasonable and just standard of wages." It is for service in either case and in both cases. You can set up a standard or a rule just as securely, just as faithfully, just as certainly, and just as accurately in one case as you can in the other.

I have the greatest respect for the opinion of the Senator from Iowa and for his very great ability, and yet I can not see, to save my life—he has not shaken me at all in that—how there is the slightest difference in principle between the two cases. It may be harder to apply the rule with accuracy and with justice in one case than it is in the other, just as it might be harder to tell the Senator why a lawyer was entitled to $50 for a certain piece of work when a carpenter got only $5 for a piece of work that involved very much harder physical labor than the lawyer ever performed. There is no way of establishing the reasons for those discriminations in compensation that exist except to say that certain education is required, certain training is required, certain mental qualities are required in the one case that are not required in the other, and therefore higher compensation is allowed for the one service than for the other.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from North Dakota?

Mr. HARDWICK. Yes.

Mr. McCUMBER. Will the Senator allow me to give him a concrete case, and then illustrate his point on that case?

Mr. HARDWICK. I shall be very glad to have the Senator's suggestion.

Mr. McCUMBER. Suppose that the commission or the board should think it proper to raise the wages of trainmen who are already, we will say, receiving $4.50 a day, and by raising their wages 25 cents a day it increased the cost of freight so that a laborer working just as many hours, possibly on work that required about the same amount of intelligence, who was receiving but $2 a day, had to pay a dollar more per ton for his coal, and being compelled to purchase, say, 10 tons of coal during the winter, he would be himself paying $10 toward the wages of men who were receiving $4.50, out of his earnings of $2 a day. How would the Senator apply the reasonable-wage idea to the employees of the railway company without taking into consideration the earnings of this laborer and what effect the raise would have upon his expenses?

Mr. HARDWICK. Undoubtedly the Senator is right. I suggested myself, long before the Senator's question, that all those considerations would have to be gone into very carefully. I will tell the Senator this: It is much better, it is much safer for this country, it is much fairer both for the railroads and for the men to have things of that sort gone into carefully by a great public-service commission that is impartial, not only as between the railroads and the men but that is also representative of all the interests of this country and of every laboring man in it and of every industry in it. That is the reason why I think the Interstate Commerce Commission in the end must regulate wages as well as rates.

Mr. President, I have about concluded what I had to say, except that I want to make this suggestion: I find myself thoroughly in accord, not only with the statement of the law made by the Senator from Iowa this morning, but also with his views about individual and personal liberty, and the sacredness of individual and personal liberty, and the duty and obligation resting on us, as Members of the Senate, to preserve it and not to impair it. We can not and we ought not, under any circumstances or for any provocation, in any situation or for any reason, to enact any sort of legislation that will make men work involuntarily, or will tend to do it. For one I will never vote for such a proposition. For one I will never support such a propaganda, no matter where it comes from nor what the apparent necessities of the moment are. But I say to you that we can and we ought, and it seems to me that the present situation proves that we must, after once we lay the foundations for a just determination of these wage problems, provide that men shall not, in combination and in conspiracy and in concert, tie up the great transportation agencies of this country and halt commerce and industry throughout the country. I am in favor of securing to these men, by any way that can be devised, a fair and just determination of their demands for adequate pay and for reasonable labor conditions. Once we provide such a system—and I believe it will be along the lines of my suggestion whenever we come to its permanent solution—then I would thoroughly favor the enactment of a law making it criminal for any number of men to conspire to impair or destroy the effectiveness or the efficiency of the great interstate transportation agencies.

Upon these great transportation agencies not only do the industries, the businesses, and the enterprises of the country rest, but also the very life of the country seems to be bound up in their constant and in their regular action. It is not to be permitted in this country that either a lot of selfish capitalists who are striving to pay dividends on watered stocks or to pay exorbitant salaries to the heads of great railroad systems, or a lot of men who are already well paid, in order to get higher pay, should be permitted to halt the wheels of human progress in this Republic and to say to every industry, to every commerce, and to every business in this land, "You must starve and languish and perish while we settle our squabble about how much wages we are to pay, or we are to get."

It is inconceivable. The American public will not submit to it, and ought not to submit to it. These men on both sides, capitalists and laboring men, ought to be conservative and ought to have some thought about somebody's interests besides their own. Unless they will do it, unless they do do it, they will find aroused against them a public sentiment in this country so great that whichever side offends against it will go to eternal ruin.

Mr. BORAH. Mr. President——

Mr. HARDWICK. I yield to the Senator from Idaho.

Mr. BORAH. As I understand the Senator, he would give the Interstate Commerce Commission the power to fix wages, and then he would make it a criminal offense to strike as against those wages so fixed?

Mr. HARDWICK. After they were once determined, yes, if by a "strike" the Senator means a conspiracy or concerted action to prevent the operation of the railroads.

Mr. BORAH. Does the Senator conceive of any constitutional difficulty in the way of that?

Mr. HARDWICK. No; because I would not make it unlawful for any individual who was dissatisfied with either the scale of wages fixed by the commission or the terms and conditions of employment prescribed by them to quit as an individual; but what I would make unlawful would be a conspiracy to stop the operation of the great agencies of interstate commerce, just on the same lines that we made it unlawful—and it is now unlawful—to interfere with the postal service of the country, for instance.

Mr. BORAH. That would result in one of two things, I should think: Either the absolute destruction of unionism in connection with the railway system or else compulsory service.

Mr. HARDWICK. No; neither. Well, I will take that back in part. I think perhaps there would be very little need for union-labor organizations among railroad employees if that were done. There might be still a great field in which these organizations might work—the presentation of their cases, the arraying of the facts that support their contention—before this commission, or in case of an appeal to the courts on constitutional grounds, as the railroads now have such appeal to the courts of the land, they might operate in that way. But they certainly would have no right, under my view of what ought to be done, to cooperate in order to bring about a strike on these great interstate railroads, and I do not think they ought to have such right.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Nebraska?

Mr. HARDWICK. I yield.

Mr. NORRIS. I want to ask the Senator what he thinks of passing a law, such as he has outlined, giving the authority to fix salaries, wages, and so forth, and then stopping right there, without trying to legislate on the question of strikes or lockouts or anything of the kind? Does he not think the result of that would be, with wages so fixed, that there would be no attempt to strike?

Mr. HARDWICK. I am inclined to think the Senator is right, and but for the awful situation that appears to confront us now I never would have thought of this other proposition. But think of the situation we are in now! Why, the country is notified that, beginning at 7 o'clock on the morning of September 4, it is proposed to tie up these great agencies of interstate commerce and to suspend their operation throughout the country. Now, once we established a system of the kind that I have indicated, and once we committed to this commission the full jurisdiction over this question and the exclusive right to settle what these wages and hours and terms of employment were to be, I do not believe we would need the other law. I do not believe it would ever become necessary, practically speaking, to have recourse to it. But does not the Senator agree with me that if once we have done that, and a situation like that which confronts us at present were to recur, the Republic itself, the people themselves, the business, the industry of this country, ought to have some way of protecting itself against a suspension of all railway traffic?

Mr. NORRIS. One objection that strikes me now to legislating so far and going so far on this question is that it would take too long. The difficulty would be that we would get into trouble before we got through legislating. Then, in addition to that, the Senator agrees with me, as I understand, that there probably would be no use for that kind of a law, anyway. The consideration in favor of the other proposition is that it would not be much longer than your finger; it would be short, and might be passed speedily, if Congress should be in favor of it, of course.

Mr. HARDWICK. The Senator may be right, so far as the present situation is concerned.

Mr. NORRIS. And then it would have the effect, as I understand, of practically fixing by law every one of these salaries. It would be the same as though Congress itself legislated and fixed every one of them by law.

Mr. HARDWICK. The Senator is in favor of that sort of a proposition himself, as I understand.

Mr. NORRIS. Well, it strikes me that I would be. I have not given the subject the most profound thought, however.

Mr. HARDWICK. I have already taken up more time than I intended. I think the Senator from North Carolina [Mr. SIMMONS] is ready to proceed with his bill, so I yield the floor.

Mr. HUGHES. Mr. President, I should like to say a word or two with reference to the position taken by my friend the Senator from Georgia.

I can not imagine anything that would be more calculated to offend every friend of free institutions than the passage of legislation looking to the achievement of the end that seems to be sought by the Senator from Georgia. I can not sit here in silence and by my silence appear to give assent to the startling proposal that he has made. I am willing to go along with him about as far as was suggested by the question of the Senator from Nebraska [Mr. NORRIS]. I think perhaps it would be in the interest of the public, in the interest of the men, and in the interest of the railroads, if the Interstate Commerce Commission were clothed with the power to say what, in its opinion—all the circumstances of the case being taken into consideration—were reasonable rates of wages, reasonable hours of labor, and reasonable conditions of service.

Mr. HARDWICK. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Georgia?

Mr. HUGHES. I do.

Mr. HARDWICK. Let me ask the Senator a question, because I do not think we are very far apart. Suppose we did that, and then we were confronted by precisely the situation that confronts us to-day, would the Senator be willing to take the second step I have suggested?

Mr. HUGHES. I would not. I will say to the Senator that so long as I live, and so long as I continue to enjoy the privileges of a citizen of this country, I shall never subscribe to the theory that men can be compelled to work.

Mr. HARDWICK. Mr. President, the Senator can not be permitted to put me in that situation. I do not think so, either, and I so stated.

Mr. HUGHES. I have not put the Senator in any position yet. He has interrupted me before I got him placed. I am going to qualify what I have to say so that I do not think the Senator will quarrel with me at all.

Mr. HARDWICK. I would not quarrel with the Senator anyway.

Mr. HUGHES. I mean, then I will be glad to have him interrupt me and correct me. When I say that I will not consent to having the laboring men of this country or any other class of men in this country compelled to give up their services for rates fixed by somebody else, I mean that the Senator proposes to prohibit, along with his legislation, the only way in which they can effectively refuse to accept conditions that are imposed upon them by the Interstate Commerce Commission or other governmental authorities; namely, to confer together, or, as the Senator puts it, to conspire together and take common and joint action with reference to the propositions that are laid before them.

There is no practical difference at all in the differentiation the Senator seeks to make when he says that he would not attempt to coerce or to make subject to legislation any single individual; but that if two men working at the same desk or three men working on the same train should talk together over a decision rendered by the Interstate Commerce Commission, and decide that it was unfair, and that they would retire from the employment of the railroad so long as that decision remained in force, they would then be subject to the criminal laws of the United States, to be indicted and convicted and punished. To attempt to do that is, in my opinion, to do just what the Senator says can not be done; that is, to compel involuntary servitude in this country.

Mr. HARDWICK. Mr. President, I did not state the proposition exactly in that way, and as the Senator is undertaking to give me credit for it, he had better state it as it is.

Mr. HUGHES. I am willing to have the Senator state it.

Mr. HARDWICK. I do not refer to a case where just two or three men get to discussing a decision and then afterwards go off and determine, each one for himself, to take separate action about it and quit; but I mean going around and organizing a strike. I mean undertaking to carry out a well-conceived plan to stop the operation of the great interstate railroads of this country, issuing formal notices, and having headquarters established, and carrying on a war with respect to the public transportation agencies of this country. That is what I mean—that 100,000,000 people have some rights as well as a few laboring people.

Mr. HUGHES. Of course, the Senator is stating one extreme, and I am stating the other. They are both likely to occur. Under the Senator's proposition we might never get to the condition that we are in now; but, on the other hand, we might see thousands of train crews who operate in the way I have sug-

gested sent to the penitentiary for operating in that way. I am willing to admit that legislation such as the Senator proposes would be likely to discourage great strikes. Not only would it be likely to discourage great strikes and great industrial wars, however, but it would discourage all sorts and forms of liberty of action.

Why, an editorial in a great newspaper or in a trade journal, in a railway brotherhood journal, to the effect that a certain decision of the Interstate Commerce Commission was unfair, and advising the men that if they submitted to it later decisions would be more unfair, and that the only way they could protect themselves would be to withdraw from their employment in that company, would, under the legislation suggested by the Senator from Georgia, bring that newspaper and anybody who acted in accordance with the suggestions made by that newspaper within the provisions of the law. I can not conceive of anything more calculated to bring trouble and disorder and misery upon the people of this country, and particularly the working people of this country, than the proposal made by the Senator.

Mr. HARDWICK. Mr. President, will the Senator yield for a question?

Mr. HUGHES. Yes.

Mr. HARDWICK. What does the Senator propose to do to stop the present trouble?

Mr. HUGHES. Well, that is a large order, I will say.

Mr. HARDWICK. Yes; it is a very simple question, though.

Mr. HUGHES. I have my own views with reference to it, and I do not mind stating them.

Mr. HARDWICK. I wish the Senator would.

Mr. HUGHES. If there had not been negotiations going on here between the President of the United States and the presidents of the great railways and the various brotherhoods, which I, for one, and I know the Senator from Georgia also hoped would be productive of some solution that would prevent this great calamity from coming upon the country, and if it had not been for the fact that any attempt of mine might have been misconstrued or misunderstood, and perhaps might have worked harm where I would have intended that it should work good, I would have introduced in this body, and I trust that somebody who is charged with that legislation more particularly than I am, will introduce in this body a measure declaring that so far as the Government and the railroads of the United States are concerned an eight-hour day is regarded as in accordance with sound public sentiment and policy.

Mr. HARDWICK. Will the Senator yield again?

Mr. HUGHES. Yes.

Mr. HARDWICK. Does the Senator mean actually an eight-hour day, as the word is commonly understood, or an eight-hour yardstick of pay?

Mr. HUGHES. I mean an 8-hour day, as the word is commonly understood, as the 16-hour day is understood in what is already a law of the United States.

Mr. HARDWICK. Just to elaborate that a little, then, the Senator means that after a railroad man works eight hours he is not to be allowed, except in exceptional emergencies, to work more than eight hours?

Mr. HUGHES. Exactly.

Mr. HARDWICK. All the men are against that.

Mr. HUGHES. Well, I do not know. Of course, the Senator was asking me what I would do in this emergency. He did not ask me what I would do to please the men.

Mr. HARDWICK. Oh, no. I did not mean that the Senator ought to follow that remark, but I say he would not satisfy either side.

Mr. HUGHES. I do not suppose any solution that we will arrive at will satisfy either side. Certainly none will satisfy both sides; and if I had it in my power to satisfy one side or the other, or to do what I would like to do in the premises, I might do something other than I have suggested. But it does seem to me that one way out of this difficulty, a less drastic way than that suggested by the Senator from Georgia, and one that would, at least, remove one bone of contention, is to do what it seems to me we are completely authorized and empowered by the Constitution to do, namely, to prescribe what we regard, if we do regard it, as a fair standard of hours of labor upon the railroads of the country.

I was very much interested in the statement of the Senator from Iowa [Mr. CUMMINS]. It shows that he has given a great deal of sympathetic thought and study to this whole problem. Many of the suggestions that he has made, it seems to me, will repay the study of the Members of this body; and out of the seeds he has sown there may come a solution of this very embarrassing problem.

I do not see why partial application of one of the statutes to which he referred might not be made. I do not see why it is outside of the bounds of reason to say that the Interstate Commerce Commission or some other specially appointed commission could be clothed by law with the power to fix rates and conditions of employment upon the railroads of the country, and then that every organization which had confidence in the personnel of that commission and which wanted to avoid these occasional disturbances and crises might voluntarily subject itself to the rule of that tribunal; and I do not see why railroad organizations also seeking to avoid these disturbances might not voluntarily submit themselves to this tribunal. Then there would be no occasion for strikes, disturbances, or disorder of any kind. There would be constantly going on between the railroads who had so submitted themselves and the organizations who had so submitted themselves a process of adjustment and understanding which would work out for the benefit of all the people of the United States. That plan was suggested by some one of the statutes to which the Senator referred this morning.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from North Dakota?

Mr. HUGHES. I yield.

Mr. McCUMBER. The Senator has indicated what he would do with reference to one feature of the dispute, namely, the eight-hour-day system. Would the Senator have any objection to telling us what he would do with reference to the extra cost it would require to operate the trains for interstate commerce, and also with reference to the wages that would be dependent upon the eight-hour system? Does the Senator mean that he would have the same wages for the 8 hours that these men are now receiving for 10 hours; or, after establishing the number of hours that each trainman should work, would he leave the other question, as to what the wages should be and what the excess of time should be, to arbitration; or how would he settle that question?

Mr. HUGHES. If the Senator wants to know what my personal views on the subject are, I will say that there may be an isolated instance here and there—I have heard them cited—but in the main I am of the opinion that the railroad men are not now receiving more than they are entitled to, and they are not receiving now more than, on the average, is necessary for them in order that they may live as we would like to have them live and as we would like to have everybody who toils in this country live. Without further information on the subject than I have, I would not subscribe to any policy that would in its application cause wages for 8 hours to be reduced below what is now paid for 10 hours.

But that is a matter of detail. It seems to me what I think about that matter makes very little difference, and what the Senator thinks about it individually makes not much more.

Mr. McCUMBER. No; possibly we might agree. I confess it may be that they should receive for 8 hours what they are now receiving for 10 hours. I am having no dispute with the Senator upon that question; but if they do that, then there is a wide difference in the matter of cost of transportation, and I want to know what we are going to do with the question of the extra pay for the hours in addition to the eight hours. How would we settle that proposition?

Mr. HUGHES. I suppose the Senator wants me to admit, and I hasten to admit it, that the increase of wages must be paid by the general public, and in many instances it must be paid by men who can not as well afford to pay it as those for whom we are demanding the increase. That is true. I do not attempt——

Mr. McCUMBER. I think the Senator does not quite understand my motive. It is not an attempt to elicit any kind of an admission, but to obtain the view of the Senator as to how he would settle that question, whether it would be by arbitration with the employees or whether without any arbitration it should be loaded upon the public.

Mr. HUGHES. The public pays the freight. Of course I am willing to admit that. I do not think the Senator asked the question to embarrass me. I did not mean to state that I thought the Senator was trying to embarrass me. The public, of course, will pay these increases. I have not very much sympathy with the idea that the shippers themselves are going down into their pockets to pay the increased rates that may follow the granting of the demands of the brotherhood. That does not necessarily follow. If the statements of the brotherhood publicly and privately made are true an increase of freight rates will not be necessary to meet their demand or to meet even greater demands than they are making. It is alleged in their behalf that

during the last 10 years the length and the weight of the freight trains have been tremendously increased; and not only that, but they say that the weight of the trains and the length of them have increased to such an extent by reason of the progress that has been made in the construction of more powerful locomotives that an ordinary run, which they could make in 8 or 10 hours, now takes them 10 and 12; that the railroads are making infinitely more money from their labors than they were making 10 years ago, and that there has been no consequent increase to them, and the investigation may very well show that there is no necessity for any increase of freight rates.

Mr. WEEKS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Massachusetts?

Mr. HUGHES. Certainly.

Mr. WEEKS. I want to ask the Senator how long he anticipates it will require to consider all the matters relating to this subject so that we may with some degree of wisdom pass legislation?

Mr. HUGHES. I hope the Senator will not ask me to answer that question.

Mr. WEEKS. The reason why I ask the question is because it is suggested that after hearings of a few hours legislation may be adopted by Saturday of this week. Does the Senator contemplate any such activity as that or any such haste as that?

Mr. HUGHES. I think if there is important legislation we can pass to prevent the strike we should pass it, even though we may make mistakes in passing it; they can afterwards be rectified; but the fundamental and pressing thing now is to legislate in such a way as to prevent this strike, if we can.

Mr. WEEKS. Does the Senator think we can pass legislation on this great subject after suitable investigation this week?

Mr. HUGHES. I think so; at least, I am ready to try it. I hope the strike will not be precipitated or be in progress without any attempt having been made by Congress to avert it.

Mr. WEEKS. Undoubtedly we could pass legislation in an hour, but what kind of legislation would it be?

Mr. HUGHES. The Senator does not want me to answer that question, of course. But I rose primarily for the purpose of dissenting from the position taken by the Senator from Georgia [Mr. HARDWICK]. I was in the lower House when the discussion was at fever heat in reference to the power of the Interstate Commerce Commission to lay rates. For a long time that commission had the power only to suggest rates; or, at least, its power was in some way limited, and it did not have the full power it now enjoys with reference to making and laying a rate, which remains as laid unless it is proved to be unreasonable. When the United States Government took that step and went to a railroad, private property privately owned, and said to the man or the group of individuals who owned it, "You shall not charge more than a certain amount for the service you render," they took the first step in the direction of governmental ownership. In my opinion, they not only took the first step, but they took a step which made the subsequent steps absolutely inevitable.

If that is so, and a great many men in this Chamber think it is so, and a great many people in the United States think it is so, although they do not look upon the consummation with any degree of pleasure, then what becomes of the proposition that we are to go to a man who toils with his hands and say to him that he shall charge no more than a certain amount for the service that he renders? If that brought us to a condition which amounts to the absolute ownership of railroads, what condition will we come to with reference to the man to whom we do the same thing? In other words, we say to the railroad corporation that it shall not charge above a certain amount of money for a certain service. Are you going to limit the American citizen and say to him he shall not charge more than a certain amount of money? That is governmental ownership in the case of corporations. Where is it going to lead us in the case of the individual?

Mr. MARTINE of New Jersey. If the Senator will yield to me a moment, I want to say for myself, as the question of wage has been brought up here, perhaps my views are pretty well known. No question is ever settled, as was said by an illustrious man some years ago, until it is settled right.

Mr. HUGHES. I simply want to say that I yield the floor.

Mr. MARTINE of New Jersey. This will be an ever-recurring question in this country until it is settled right, and I believe the only right solution of the question is the Government ownership of railroads. I recall that 25 or 30 years ago, when I ventured to assert that in my little Commonwealth it was thought to be rank heresy, and I was almost branded as a lunatic; but I pleaded that theory, and I believe it more and more. I believe the present unfortunate conditions demonstrate the necessity for it more and more.

The railroad owners are insisting that railroad men are richly and wrongly well paid to-day. I came across this in the Washington Times of yesterday:

RAILROADS PAY LOWEST WAGES.

A true wage index is the rate per hour. Let us compare the wages per hour of railway employees in Chicago switching districts with those of the building trades in Chicago. Any other city would do as well. Chicago comparisons are typical of them all. The standard rates of wages per hour now paid in Chicago are as follows:

Building employees.

	Cents.
Bricklayers, portable and hoisting engineers, inside wiremen, plasterers, plumbers and gas fitters, steam fitters, stonemasons, and tile layers	75.0
Lathers and marble setters	71.9
Carpenters, painters, and slate and tile roofers	70.0
Elevator constructors	68.8
Structural ironworkers	68.0
Composition roofers	65.0
Laborers in tunnels, wells, and caissons	57.5
Laborers on windlass, trench, and scaffold work	50.0
Plaster laborers	50.0
Composition roofers' helpers	45.0
Elevator constructors' helpers and tile layers' helpers	43.8
Marble setters' helpers	42.5
Excavating laborers, hod carriers, and steamfitters' helpers	40.0

Railway employees.

Locomotive engineers in Chicago railroad yards	42.5 to 44.0
Switching foremen	38.0
Switchmen	35.0
Locomotive firemen in Chicago railroad yards	27.0 to 27.5

That clearly demonstrates the fact that men in the employ of the great railways are paid less per hour than in almost any other calling, and I say advisedly to the Senate when you realize the conditions in which the average man works on a railroad train or at a switch or in a yard, you will see that his life is in continuous jeopardy every minute of the time.

We have had this same controversy in the Committee on Post Offices and Post Roads with reference to the Railway Mail Service. I recall the question of wage was brought up there and it impressed me very much. Since that time, in going to and from here to New York on several occasions I have made it my business to stand at the end of a mail car on a through train and see those men at work assorting the mail, tossing about almost as a ball with the sway of the car, and with a continual mental strain and a continual physical strain that must be very irksome, wearying, and tiresome, using up a man's life. I say the railroad man should be paid better than the mason who stands at the scaffold in one steady position; he should be paid better than the carpenter, better than the plasterer, or the man in almost any other calling.

I feel, of course, as we all do, that this controversy is a most unfortunate one. I realize that the time between now and September 4, when we are threatened with the railroad strike by the union, is so short a time as to make the formulation of a law as to arbitration or as to adjusting the situation almost impossible. If the strike comes, I believe the suggestion made yesterday by President Wilson, that he may draft into the service the railroad employees for the emergency, in order that the freight may be carried, in order that the mails may be carried, and in order that the general traffic affecting our Army and Navy and Government plans shall not be affected, is the wisest course that it is possible for us to pursue. But it is my prayer and my hope that this may broaden our scope and enlarge our vision, and that in the very nearby an act will pass the Congress of the United States looking to the formulation of a bill that will purchase the railroads and maintain and run them in the interest of the whole people and in justice to the laboring men, and that the purchase shall be a just and fair recompense to the parties who own the roads.

Mr. SIMMONS. Mr. President, I wish to ask the Senator from New Jersey [Mr. HUGHES] one question with reference to the subject of the colloquy between him and the Senator from Massachusetts [Mr. WEEKS]. The Senator from Massachusetts desired to know of the Senator of New Jersey whether he thought it was possible by Saturday to pass any legislation that might stop the strike now fixed for next Monday, the 4th instant.

Mr. President, let me make a statement before I ask the question. I have listened very carefully to the discussion this morning. I do not profess myself to know very much about this question. I have not investigated it. I do not suppose there are many Senators who have thoroughly investigated it. It is now undergoing investigation by the Committee on Interstate

Commerce, and I suppose we will soon have from the committee a concrete proposition of legislation on the subject.

I think we will all agree that either party to a controversy similar to that now going on between the railroads and their employees may, under the so-called Newlands Act, decline to agree to arbitration under the auspices of that board, and that this declination of arbitration ends the powers and the jurisdiction of that board to effectively deal with this controversy between the carriers and their employees.

The Senator from Iowa [Mr. CUMMINS] has discussed the matter in a very lucid and forceful manner. He has conceded what I take it every lawyer will concede that we have the authority under the Constitution to provide that the board created by this act, or the Interstate Commerce Commission, or some other tribunal may proceed to make investigation on behalf of the public of controversies similar to that now going on between the railroads and their employees, and that while this public investigation is proceeding by this duly constituted board of conciliation and mediation, or whatever it may be called, any lockout on the part of the railroads or any strike on the part of their employees shall be unlawful and that the court may enjoin a strike or a lockout until the investigation is completed.

I wish to ask the Senator from New Jersey does he see anything in the way, as far as time is concerned, against our passing an act authorizing this board or some other tribunal to make this investigation on behalf of the public, and that until it has concluded its labors in that respect a strike or lockout shall be unlawful and subject to the restraining power of the court, and if that is done can not the strike ordered for the 4th day of September by the brotherhood be averted?

Mr. HUGHES. Mr. President, the Senator has asked me my opinion, and I will say I do not think we have any such authority. I do not think we can pass any such legislation, even under the view suggested by the Senator from Georgia.

Mr. SIMMONS. I was not speaking about the view suggested by the Senator from Georgia, because I was not here when he made his speech. I was talking about the view suggested by the Senator from Iowa. He expressed, as I understood him, no doubt about the right and competency of Congress to pass legislation providing that pending the investigation by this board a lockout or strike should be unlawful, and the courts empowered to enjoin either during the pendency of the investigation.

Mr. HUGHES. There is no theory on which that can be done, so far as I know. The Senator from Georgia has suggested that it was manifestly impossible to prevent any individuals from leaving their employment. He suggested that that could only be reached——

Mr. SIMMONS. The Senator does not understand me. I was not referring to compulsory arbitration at all. I said in case the men or the railroads should decline to enter into arbitration under the Newlands Act, thereby putting an end to the authority of that board under the present law, would it not be competent for Congress to provide by additional legislation that this same board might proceed to make an investigation on behalf of the public of the controversy between the railroads and their employees, and pending that public investigation a lockout or strike should be unlawful, and the court shall have authority and power to enjoin either.

I asked the Senator if we should pass legislation to confer upon this board the power to make an investigation into this controversy and dispute as the representatives of the public and on behalf of the public, and provide that until that investigation was ended a strike or lockout should be unlawful and subject to the restraining power of the courts pending, and only pending, the investigation, would that not stop the strike ordered to begin on Monday?

Mr. HUGHES. The Senator is assuming a good deal in saying that it will stop the strike on Monday. He is assuming that the Government has some power to compel these men to go to work on Monday.

Mr. SIMMONS. I am not assuming that at all. I am assuming that the Government has the power, pending this investigation, if authorized by Congress, to enjoin a strike while the investigation is going on and until it is completed. That is my contention, and I think if the board be given that power the strike can be prevented for the present, and that is the essential thing to be accomplished at this time and which calls for quick action.

What I suggest is not a permanent but only temporary restraint, while the controversy is undergoing investigation, and it is not to be directed against individuals, but only against concerted action. When the investigation authorized as I have indicated—in the public interest and to ascertain the merits of the controversy—is completed, if the decision or result is adverse to the employees they could, of course, stop work. I do not deny them that right. I do not think their right in this respect should be questioned. But if they should see fit to strike, notwithstanding the result of the investigation may have been adverse to their contention, I believe that the courts should be given ample power to protect those that may take their places and to prevent by injunction or otherwise the strikers who by concerted action under these circumstances and in defiance of the adverse result of the investigation authorized and conducted on behalf of the public and to reach a just conclusion as to the merits of the quarrel or controversy between them and the railroads, from interfering by concerted action for the purpose of coercing or preventing other men from taking the places they have so voluntarily abandoned.

Mr. JONES. Mr. President, I am not going to discuss this matter or the very interesting questions involved in it. I think this is an appropriate time to emphasize the interest the public has in the solution of this matter and the prevention, if possible, of this strike.

We are very apt to have in mind almost entirely the interest of the railroads and the interests of the men. These interests, it is true, are very great. The railroads will suffer and the railroad men will suffer a very great deal if the strike comes off, but there are many other people who are going to suffer, even far more than they, if the strike takes effect. While there are probably a few hundred thousand men directly interested in this matter, there are millions and millions of people who will suffer if the strike comes off, and I hope that we here, as representatives not only of the railroads and the railroad employees but of all the people of the United States, will not lose sight of the interests of the great public in this matter. I trust that every power we have and that we can exert to prevent a strike will be exerted. My sympathies as between the men and the railroads are with the men, but I feel that I also owe a duty to the men, women, and children all over the country who may not be directly interested, but who will be most disastrously affected if the strike occurs.

Just as a concrete illustration of the disasters that will come to the public I want to cite this case: I received a telegram this morning from near my home. I live in a section of the State of Washington that is a great producer of fruit. The peach crop is now just coming on. They are just getting ready to ship their peaches. It is all the crop that a great many people raise, and it is the only means that they will have of supporting themselves and their families during the coming winter. They have no markets for this fruit except as they ship to the eastern market by rail.

The telegram that I received this morning stated that the freight agent at a certain point had been notified not to receive any more shipments of perishable fruit, such as peaches.

Mr. President, that is very likely the case in many other sections of the country not only with reference to the shipment of products of this kind but with reference to other products.

There are many products that you can hold, that you can keep even for months, but there are certain sections of the country like the one I have just mentioned where their products are perishable; they can not be kept very long for market, and if they can not be shipped to market it simply means poverty, distress, and suffering. These peaches are ripe. They must be shipped or kept in cold storage or they rot. Cold storage is not available to many. Stoppage of transportation means the loss of this crop. The year's work is gone. Thousands of families will face the winter with no income and threatened with all the suffering and hardship that comes from poverty. These things must be considered by us. They should be considered by both sides to this controversy. The men have called a strike for Monday morning. If it comes off, they will lose much of the sympathy they now have. If delayed, not only will they hold the sympathy of the public, but they will have its hearty commendation.

Mr. SMITH of Georgia. Mr. President, for more than 30 years my relations with the men in my State who operate railroad trains have been most intimate. They have been my personal friends at my home, my clients, my political supporters. I think I have drawn or helped prepare practically every amendment to our laws in Georgia for the past 25 years intended to better their conditions.

Yet, Mr. President, I wish I had an opportunity to warn them of the horrible blunder they are making if they bring on this strike next Monday. They do not realize the suffering they are about to cause. There has never been a strike from coast to coast in this country. There has never previously been an effort to stop transportation throughout the entire country. It

they carry out this strike, and it lasts for only a few weeks or a few days, there will be suffering for want of food in many a city. The product of the farm will go to waste; the things necessary to be used in the factories will not reach them; the industries of the entire country will suspend operation.

No matter how rightful might be their claims against the managers of the roads, when the 90 per cent of the people of this country, who are disconnected with the railroads, feel the grinding heel of suffering that this strike will bring, they will not forgive the men who bring it on them. The railroad employees can not afford to bring this trouble upon their fellow citizens. They may have a just grievance against the men who own the railroads, but they have no right to bring such distress and suffering upon all the balance of their fellow citizens. I do not mean that they have not the legal right, but I mean if they will stop calmly and consider what they are doing they will not be willing to put such suffering upon the balance of their fellow citizens.

There will be children in this city who within two weeks will be suffering for the food necessary for their health; there will be thousands and thousands of women and children in the great cities of this country brought to the direst distress for the necessaries of life if this strike goes on; and the sympathy which the great body of the laboring people feel to-day for the firemen, the conductors, the trainmen, and the engineers will pass away when their wives and children are hungry for food; when the places where they work are closed. There is but one thing for the men to do. The National Congress has assumed responsibility for this question, and intends to handle it in a way that they shall have justice.

Mr. President, they should meet and call this strike off at once; postpone it at least until the lawmaking power of this land has the opportunity to consider and to pass upon it.

Let me say that the same power to make illegal a combination of two or more men with the view of bringing about a strike can make illegal the combination of two or more men cooperating to maintain a strike. I asked that question of the Senator from Iowa [Mr. CUMMINS] when he was upon his feet, but he did not fully agree with the view I suggested. I do not think he exactly understood me. However, the strike can not be maintained without the cooperative efforts of men; and undoubtedly the cooperative efforts of men who deter other men from working upon interstate transportation routes can be made illegal and can be suppressed as a crime. This strike can be stopped by legislation if it starts, just as it can be prevented by legislation.

Mr. President, my sympathies are with the men and not with the owners of the roads. All my life I have been trying to find a way to help them. They were the first clients I had when, a boy without friends, I rented a little office in the city of Atlanta, slept in it on a lounge, and offered my services to clients. They have friends in Congress who will see that they get justice; but they will lose their friends all over the land if they press on with this strike and produce the suffering which they will cause by the strike. For the first time in my life they would lack my sympathy.

Where are we to get the necessaries of life, such as food, right here in the city of Washington? How long can we get proper food supplies? Paralysis of every industry and almost of life will ensue if this strike is a success and goes on for two or three weeks. The men will then find that the farmer who suffers, who has been their friend; the man in the city shop who suffers, who has been their friend; the clerk in the store who suffers, who has been their friend; and the great body of the people who have been their friends, suffering from their course, will not continue their sympathy.

Mr. President, there is but one intelligent thing for them to do. They should postpone their proposed strike, set for next Monday, until after their Representatives in Congress have considered the subject and sought a way to keep from the balance of the people of the country the suffering about to be put upon them. If they do not suspend this strike, I do not believe two weeks will pass until they are made to stop it.

What I say I say with deep and earnest sympathy for these men, but with an appreciation of the rights of the balance of the people of the country and a consciousness of responsibility to them as well as to those who operate trains in interstate transportation. Ninety millions of people can not and must not be made to suffer because those who handle the trains and those who own the railroads do not agree upon hours of labor or pay for service. I am always pleased to see railroad men better their condition, but they should find a way without placing such dire distress upon their country and upon so many of their fellow citizens.

Mr. THOMAS. Mr. President, I had not intended at this time to express any views concerning the crisis which confronts us, but since this discussion has become so general and has evolved some conclusions which I am unable to accept without qualification I shall ask the indulgence of the Senate for a few moments.

There is nothing new, Mr. President, in the situation except its last development. Its details from their beginnings last spring down to the present time have been public. Our attention has been directed to them on a number of occasions. Ours is the optimism of the average individual, and this has doubtless caused us to hope and, therefore, to assume that some solution of the difficulty would be arrived at without the necessity of congressional action; so we have cheerfully gone our way in the belief that such might be the result. Now we find it essential, as the representatives of the people of the United States, to take some action in their behalf and to take it summarily, lest the Nation be involved in a widespread calamity.

Mr. President, last March, I think it was, the four great brotherhoods of the railway employees of the United States held a referendum with regard to certain demands which they contemplated presenting to the managers of the railways. Some of these demands were of great importance and some of minor concern. The referendum then taken authorized the heads of the brotherhoods to present these demands to the railway heads and to insist upon their recognition. It doubtless also clothed them with power to negotiate and, if possible, to reach a basis of agreement.

Acting upon this referendum vote and in pursuance of the instructions which that vote imposed upon them, they did confer with the representatives of the railroads, I think, for several weeks, without being able, however, to reach any conclusion, the representatives of the railroads being unwilling to make any concession whatever to their demands which did not involve the reopening of subjects which had before then been controverted and determined.

Now, I am not concerned at present, Mr. President, as to whether or not they were justified in assuming that attitude. I am merely stating facts as I understand them. It was because they could reach no common agreement that a second referendum was taken for the purpose of ascertaining the attitude of the men with regard to further action. These steps, I understand, were resorted to because required by the constitutions of the several brotherhoods.

That vote was taken, Mr. President, I think during the month of July; at any rate it extended over a considerable period of time, and culminated early this month in an overwhelming vote for a strike as an alternative to the refusal of the roads to grant their demands, or any of them.

Last May the situation was called to the attention of the Senate by the Senator from Nevada [Mr. NEWLANDS], who then suggested the enactment of legislation designed to meet a possible contingency, and warning the Senate not only of the contingent danger but of the necessity of some action by the Congress. His resolution was opposed by the Senator from Wisconsin. After a somewhat spirited debate no further action was taken; I do not think the subject was again discussed here until to-day.

Acting upon the authority with which they were invested by the so-called strike vote, another series of conferences was held between the brotherhood heads with the representatives of railways, and that also proved abortive. We are, of course, more intimately familiar with the events between the time when these negotiations were broken off and yesterday, when the President, failing as a mediator to bring the parties together or to secure any favorable result, was compelled, in the discharge of his duty, to lay the subject before Congress, acquaint them with his action, and urge its prompt consideration of the threatened cataclysm.

Mr. President, I think the views expressed by the senior Senator from Georgia [Mr. SMITH] a moment ago with regard to the effect of this strike upon public opinion are justified by the present situation. There is no question as to the extent to which the consequences of a paralysis of our great transportation systems will spread. No man can foresee them. If the trains constantly passing over the great lines of traffic of the United States and moving the enormous traffic of the people are suspended even for two or three weeks, not only will the privations and the sufferings and the miseries which the Senator referred to ensue, but the social disorder, the acts of violence and lawlessness, the destruction of human life and the destruction of property during the great industrial upheaval is appalling to contemplate; for, Mr. President, whenever the industrial forces of this country in any comprehensive way, territorially or numerically, or both, grapple in physical conflict over their

differences, all of the criminal forces of society are unloosed; it is the opportunity of which they take swift advantage and they prey upon mankind wherever immunity exists or detection may seem unlikely.

If that be true—and we know it has been true in our experience with the industrial disturbances of the past—who can limit the extent to which crime and violence will spread in a great industrial strike like this, reaching from ocean to ocean and from our northern to our southern confines and affects an industry upon which all other industries are dependent, the uninterrupted operation of which is absolutely essential not only to our physical well being, but to our very existence as members of a great social community. It is this certain calamity, Mr. President, from which I shrink, because I believe unless this strike shall be arrested in some manner either by negotiation, by law, or by force we may become involved in civil war, with all its horrors multiplied, for it may be coexistent with the boundaries of the country and people of every community in the land with its tragedies.

Mr. President, I am satisfied that the brotherhoods do not want that; the railway managers do not want that; the President does not want it; no man or set of men can be found, with one possible exception, in all this country who do not shrink from the contemplation of such a horrible calamity.

But, Mr. President, I do not think it is fair to pivot all these consequences upon the brotherhoods. Theirs must be a part of the great responsibility if this strike shall be followed or attended by them. But we must not forget that there are two sides to the controversy, and if the worst ensues one side can not be held guiltless while the other receives the reprobation of public opinion. We may, speaking for the great body of the public, well say with Mercutio, "A plague o' both your houses." I do not think that the attitude of the men is any less reprehensible than that of those who are and have been opposing all of their demands and, as the President says, insisting upon the arbitration of a thing which seems to be impossible. And it is not amiss to remind the public that the railways have not always, nor very often, been the champions of arbitration. The industrial history of the past 30 years demonstrates the contrary. They have, until the organizations waxed powerful and insistent, challenged the proposal to arbitrate anything. Not until recently have they consented even to deal with their men collectively. Their new-found zeal for the principle is commendable, but their condemnation of all who do not accept it unqualifiedly is open to the criticism that it is now regarded as the sole alternative to concession.

Mr. President, when this suffering of the people comes, as it must, when little babies die for lack of the nutrition for which they are absolutely dependent upon our lines of transportation, when men and women go hungry by day and by night, when the fires of the incendiary blaze upon the horizon, and violence and disorder reign supreme, we shall remember that, if the men concerned in this unfortunate controversy are guilty, so also are those who, having the right and the power to carry on negotiations and make concessions, have declined to do so and are alike responsible.

I again say, Mr. President, with regard to the subject matter of the controversy and its equities, I am not now concerned. I speak as one representative of that great public, always the sufferer when crises like this culminate in strike and disorder, and to whom we owe the supreme duty of safeguarding as far as we can against the disorder which menaces it.

During the gradual expansion of this difficulty I received innumerable letters and telegrams requesting that I take no action whatever with regard to the controversy, but permit it to work out its own solution without legislative interference. Presumably my associates here were similarly petitioned. To all of them I replied that I thought such should be the attitude of Senators up to the time when the great public became interested, when their rights were imperiled, when their needs were involved, and that should such a condition confront us, it would be our common duty to take every step, if within the constitutional power of Congress, which the exigency demanded.

Mr. President, that crisis has come. I, for one, am prepared to meet it, and to meet it as fully as the occasion requires. I am prepared to act with expedition, and, if need be, to take the chances on every constitutional question which may confront us. For if this Government has not the power in a time like this to protect every unit which constitutes its citizenship, then it has no right to call itself a Government; and if in a time like this it forgets or disregards that duty by taking sides with either of the combatants in the struggle as against the needs and requirements of all, it will commit an error of which it will soon repent. Mr. President, at a time like this action is necessary, and inquiry with regard to the causes demanding it should be postponed to a more convenient season. When a man's house is on fire his supreme and primal duty is to extinguish the conflagration and ascertain the cause of it after that duty has been performed. We are confronted by a threatened industrial conflagration, which we must prevent, or, if we can not do that, we must extinguish it, or exhaust the resources of the Government in the effort to do so.

Mr. GALLINGER. Mr. President, if the Senator will permit me——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from New Hampshire?

Mr. THOMAS. I yield to the Senator.

Mr. GALLINGER. The men who are representing the four brotherhoods are very intelligent men. I have had reason to confer with them myself. Does the Senator not feel that, if proper efforts should be made, not by legislative action at present, those men could be influenced to postpone this matter for a few days? They know the difficulty, undoubtedly, that confronts Congress in endeavoring to pass a bill in a given number of hours, or even in a given number of days; and it does seem to me, if the Senator himself, sympathizing with the men, as I do, and others should take this matter in hand, that the strike might at least be postponed for a reasonable time.

Mr. THOMAS. Mr. President, they are intelligent men; if they were not, they would not occupy the responsible positions which they now hold; but, in addition to being intelligent men, Mr. President, they are the representatives of many other intelligent men, for whom they are acting as in their representative capacity. What they are doing and have done I presume they are doing by the direction of their fellows. I hope that further appeal to them may result as the Senator suggests, and I am more than willing to make the appeal; but if he wants my opinion about it, I fear that it will have no effect. I think they have taken the step reluctantly after they had exhausted every effort to reach some conclusion with the railway heads, and they resorted to a strike as the last thing, the dire resort, but from their point of view the one remaining essential thing for the establishment of their demands in whole or in part. I may say to the Senator that the men they have been dealing with are also intelligent gentlemen, men of high standing and character; and does not the Senator think that if those well acquainted with these gentlemen would appeal to them they might be induced also to so modify their position upon the matters in dispute as to make possible the postponement of this strike?

Mr. GALLINGER. I quite agree with my friend the Senator from Colorado that both sides ought to be appealed to, if an appeal can be made to them. During all my period of public service I have been strongly in favor of arbitration, and I greatly regretted that that principle in this case has evidently been thrown overboard; but manifestly it has been.

Mr. President, if the Senator will permit me just a word further, I agree with the Senator as to the crisis that confronts us. I think it is likely to take a much wider sweep than merely the men that are represented by these four brotherhoods.

Mr. THOMAS Unquestionably. It will involve all trades and all occupations.

Mr. GALLINGER. There are more than 1,000,000 men engaged in railroad service who are not receiving as high compensation as these men who propose to strike. Those men, of course, will not remain quiescent; and, then, our experience in the past has taught a useful lesson as to what a sympathetic strike means.

The Senator can not, in my judgment, represent this matter too gravely to the American people. It is a very serious matter. It will involve not only the classes I have suggested, but, as the Senator has wisely suggested, it will include all the people of the United States in the disaster, if one comes.

Mr. THOMAS. Mr. President, I think the situation which confronts us is, in some respects, quite as serious as that which confronted the Nation in 1861, not as affecting the integrity of the Union, not as imperiling the structure of our Government, but as threatening the peace, the safety, the lives, the welfare, and the property of all our people. Why, Mr. President, the railway system of the United States is as essential to our national life as is the system of arteries in the body to our physical life. Every industry, every calling, every pursuit is so interwoven and intermingled with this great labyrinth of transportation systems that every part of the country has become more or less dependent upon every other part. To suspend the operation of the system entirely, even for a short time, is like suspending the circulation of the blood in the human system; to suspend it indefinitely means social dissolution, unless the people, realizing their peril, shall in self-preservation, as I think

they will, take the matter in their own hands, if need be, in the old-fashioned Anglo-Saxon way and put a stop to it, at whatever cost; but I do not want to see that. We do not want to see that, Mr. President. It is easy to arouse the wild beast in man. To suppress it when aroused is a bloody and an awful task.

Personally, I believe, so far as the demands of the men are for added pay, that they are not unreasonable. I may be mistaken about it. Consequently, I express that opinion with some hesitation. I have always contended that the railway engineer, considering his responsibilities, is the poorest-paid individual in our entire industrial system. If it be true that men are entitled to compensation in proportion to the extent of their responsibilities, then it is true that the man who runs a limited express train bearing the lives of hundreds of his fellow citizens, requiring his every faculty to be at all times alert, since the slightest mistake may result in disaster, receives a compensation which is infinitely small. The same thing is true in a more limited way of the other brotherhoods. But the locomotive engineer is sui generis. His trust is tremendous, his responsibility is unlimited. I believe, too, Mr. President, that a man employed in this capacity should not undergo the strain of his duties for a longer period than eight hours. I believe that the railroads owe it to society and to the safety of the traveling public that their men should be kept fit at all times, which is impossible, in view of the strain and stress of their occupations, if they are required to continue their labors for a longer continuous period than that which, as the President has rightfully said, seems to be established by the consensus of modern society as a day's work.

Mr. President, there may be good reasons why the eight-hour demand should not be conceded. I do not know, except that none of those which have been advanced so far appeals to me. The transportation business is not a private one. It is a great public utility, the greatest of them all. The fundamental mistake which I think was made by our fathers was the delegation of the business of transportation to private hands. Some of the consequences of that mistake we have suffered heretofore, some of them we are about to suffer now, and others we will encounter until we go back to the fundamental proposition and act upon it that transportation, being the life of the Nation, is a public function—an agency of the Government, as the Senator from Illinois [Mr. LEWIS] suggests—one which never should have been delegated to others, and which must be recaptured as soon as it can be done consistently with the business of the country. Therein lies the chief, if not the only, solution of the formidable problem with which we are about to grapple.

Mr. President, we started out in the matter of railway building with State ownership. It was the Commonwealths of the Union which constructed the first railroads, with one or two exceptions. It is true that in a financial way their management was unscientific, and therefore bad. But the business was surrendered, and unfortunately surrendered, to private interests, since which time the keynote of railroad management, with here and there an exception, has been the operation of railroads for private aggrandizement, the public interests being a matter of secondary consideration. The operation of the roads and their manipulation have been for private emolument, irrespective of its effect either upon wages or upon the public. It is not necessary to establish that fact by more than referring to recent history, but it has been characteristic of railway management almost from its inception as a private business.

There are to-day great railroad systems in the hands of receivers. Why? Because they have been exploited and reexploited; because their stock has been watered; because they have been bonded beyond the limit of their actual value, all for the purpose of making fortunes for private individuals through the manipulation of the exchanges; and then, after these enormous liabilities have been created and the roads crushed under their intolerable burdens, the fact of their existence has been made the basis for the denial of demands for increase in wages.

Mr. President, the New York & New Haven Railway experiences of the past few years are fresh in the minds of all. We know how that stock was brought down from $200 to $65 in value and its effect upon the savings-bank surpluses all over New England. We also know that it increased in quantity as it decreased in value, until it became necessary for the Government to interfere and put an end to the saturnalia of frenzied and infamous finance by which a great and valuable property was wrecked to make a Wall Street holiday. This road has, in the last 24 hours, notified the unoffending public that it will not receive freight that can not be delivered by next Monday, because its employees demand a wage it can not pay. Of course it was represented in the recent conferences wherein all demands of the brotherhoods were rejected.

The Frisco receivership is also fresh in the minds of some. We remember how that road was looted by those who had control of it, and the consequent necessity of appointing receivers for it, and we may recall that nearly always when receivers are appointed for these plundered railways they are selected and recommended to the court by the gentlemen who have wrecked the road.

I hold in my hand a clipping from Collier's Weekly of December 27, 1913, bearing upon this road, which seems to me to be of some interest here.

Regarding the investigation of the Frisco receivership it was stated that—

"Chairman Clark and E. E. Brown, of the Interstate Commerce Commission, will lay before Congress the following:

"That the Frisco was compelled to carry and pay interest on a fictitious indebtedness of $40,000,000, created by enormous commissions paid to bankers and brokers for the sale of its securities and profits to promoters of feeder lines in the Southwest.

"That the chairman of its board of directors, B. F. Yoakum, made $7,000,000 profits for himself and associates trading with himself in the capacity of promoter and builder of Texas roads, which he caused to be sold to the Frisco at prices in excess of their value.

"That approximately $32,000,000 in the Frisco's total funded indebtedness of $244,000,000 was paid to bankers and brokers in commissions.

"That the average rate of commission was 12.05 per cent, while the profits of Mr. Yoakum and his associates in the promotion of the feeder lines sold to the Frisco ranged from 10 per cent to more than 100 per cent."

At almost the same time the Railway Age Gazette (issue of Nov. 7, 1913) was printing an article on "Locomotive fuel economy on the Frisco," showing how the care, cooperation, and loyalty of the rank and file of employees had lowered the 1912 fuel bill by $260,000 as compared with that for 1910.

That is to say, the employees of the road, urged by its officers, exercised economy in operation which resulted in a saving of $260,000 upon the fuel bill of 1912—a circumstance that is most commendable, but not at all unusual so far as the employees are concerned.

The plan was originated by W. C. Nixon, vice president in charge of operation, whose name does not apear in the list of "insiders," and was a good, solid piece of work from beginning to end. The saving which hundreds of men thus wrought out will pay three-fifths of 1 per cent on the fictitious debt, or 3½ per cent on what the "insiders" took.

This saving, in other words, pays a very small annual interest upon the stealings of the officers during the same period of time, and of course the larceny was committed against the road of which they were trustees.

If the men worked thus for 28 years they would save for the road, without interest, the sum which the directors and officials have already taken by conspiracy from the road. This is what ails "big business." This is what breeds "class hatred." This is the sabotage of greed among those in authority, treason in place of leadership.

Mr. President, it is the existence of these practices which very largely forms the basis of the refusal to recognize the brotherhoods' demands. They can not do so and meet obligations which never should have been contracted, and which largely represent values which are largely or wholly fictitious. And yet the roads are prospering.

To say now, Mr. President, that the roads can not afford to make this increase, I think, is hardly justified by their own reports. The railroad earnings in December, 1915, were, gross, $282,170,816, or at the rate of more than $1,200,000,000 per annum; net, $101,837,933. In December, 1914, the net profit was $58,879,972. The increase for the corresponding month in 1915 over December, 1914, was $42,957,961. Surely the employees are entitled to a part of this good fortune.

I clipped this from a Washington paper:

UNION PACIFIC ROAD SHOWS LARGEST GAINS IN HISTORY.

NEW YORK, *August 5.*

A statement of the earnings of the Union Pacific Railroad Co. for the fiscal year ended June 30 shows gross earnings of $104,717,005, the largest revenue in its history. This compares with gross earnings of $86,958,295 in the preceding year. The net earnings, after the payment of preferred dividends, were $34,795,768, which is equal to 15.65 per cent on the common stock, as compared with 10.98 in the previous year.

In other words, this great corporation for the fiscal year ending June 30, in addition to its fixed charges, earned over 15 per cent upon its watered stock, or more than $34,000,000. Of course this remarkable showing is not true of all roads, and the tender solicitude which the great roads have for the poor ones in this controversy is very touching. Unfortunately it is evanescent.

Mr. President, I refer to these matters merely to emphasize the fact that there are two sides to the question at issue between the roads and the men, and the American people—when they begin to suffer, as suffer they will, from their differences—will hold both of them responsible. I do not think they will

make any distinction except as their judgment and their information requires it. I want to emphasize the fact that it is as much to the interest of the owners of the railroads of this country that this strike shall be averted as it is to the interest of the men who have called the strike to avert it. On the other hand, as I have said, it is to our interest to see, if possible, that it is averted, and if not, to stop it, by the exercise of the authority with which we are invested as the representatives of the people, by meeting the danger and applying promptly and without hesitation such remedies as the gravity of the crisis demands.

LEAVE OF ABSENCE TO SENATOR TILLMAN.

Mr. SMITH of South Carolina. Mr. President, my colleague, the senior Senator from South Carolina [Mr. TILLMAN], has requested the Senate to grant him indefinite leave of absence on account of ill health, which request I now make.

The PRESIDING OFFICER (Mr. VARDAMAN in the chair). If there is no objection, leave will be granted. The Chair hears none.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. SIMMONS. Mr. President, I ask that the reading of the bill be continued.

Mr. KENYON. Mr. President, there are very few Senators on that side present, and such a large representation on this side that possibly we ought to have a quorum.

Mr. SIMMONS. I think myself the Republican side is entitled to more than two representatives while we are considering this bill.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Hitchcock	Martine, N. J.	Simmons
Chamberlain	Hughes	Myers	Smith, Ariz.
Chilton	Husting	Norris	Smith, Ga.
Clarke, Ark.	James	Oliver	Smith, Md.
Culberson	Jones	Penrose	Smith, S. C.
Curtis	Kenyon	Pomerene	Sterling
Dillingham	Lane	Ransdell	Thomas
du Pont	Lea, Tenn.	Robinson	Vardaman
Fletcher	Lee, Md.	Saulsbury	Wadsworth
Gallinger	Lewis	Sheppard	Williams
Hardwick	McCumber	Sherman	

The PRESIDING OFFICER. Forty-four Senators have answered to their names. There is not a quorum present. The Secretary will call the names of absentees.

The Secretary called the names of the absent Senators, and Mr. KERN, Mr. MARTIN of Virginia, Mr. PITTMAN, Mr. SHAFROTH, Mr. SMOOT, and Mr. UNDERWOOD answered to their names when called.

Mr. KERN. I desire to announce that my colleague [Mr. TAGGART] is unavoidably detained from the Senate.

Mr. REED, Mr. BRYAN, Mr. ASHURST, Mr. CUMMINS, Mr. BRANDEGEE, Mr. OVERMAN, and Mr. BECKHAM entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty-six Senators have answered to the roll call. There is a quorum present.

RELIEF SUPPLIES TO PEOPLE OF POLAND (S. DOC. NO. 540).

Mr. SAULSBURY. Mr. President, I ask unanimous consent out of order to have printed as a public document and also in the RECORD a memorandum which I hold in my hand giving the present status of the negotiations of this country with the belligerent governments in Europe relative to negotiations for the shipment of relief supplies to the people in Russian Poland. It is a very important document, I think, giving the present situation in accordance with the resolution which was passed by the Senate some time ago, although not in response to that resolution. It is a memorandum which I have obtained for my information, and a number of Senators have desired that it should be published in this fashion.

The PRESIDING OFFICER. Is there objection?

Mr. SMOOT. As a public document?

Mr. SAULSBURY. As a public document and in the RECORD also.

Mr. SMOOT. Oh, no; not both. I have no objection to having it printed in the RECORD, but I object to having it printed in the RECORD and as a public document.

Mr. SAULSBURY. Then I ask leave to have it printed as a public document.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

SURVEYS OF DISTILLERIES.

Mr. HUGHES. The bill (H. R. 9542) to amend the second paragraph of section 3264 of the Revised Statutes of the United States as amended by section 5 of the act of March 1, 1879, and as further amended by the act of Congress approved June 22, 1910, has been adopted as an amendment to the revenue bill. I move that this bill be taken from the calendar and indefinitely postponed.

The motion was agreed to.

FEDERAL RESERVE BANKS.

Mr. BANKHEAD. I ask to have printed in the RECORD a communication signed by the president and cashier of the Robertson Banking Co., of Demopolis, Ala., relative to the clearance of checks by the Federal reserve banks and members and incidentally by State banks as they will be forced to clear at par if the member banks of the Federal Reserve System clear at par.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

DEMOPOLIS, ALA., *August 21, 1916.*

To the Member of Congress addressed:

Subject: Par clearance of checks by the Federal reserve banks and members, and incidentally by State banks as they will be forced to clear at par if the member banks of the Federal Reserve System clear at par.

We do not believe that our Congressmen and Senators who have not made a study of the banking business fully appreciate the significance of this proposition, and we wish to say a few words with reference to this remarkable measure which forces a bank to render a service and decrees that the bank shall not make any charge for this service.

In order that you may clearly understand the nature of this service, we will endeavor to give you an illustration, to wit: John Doe who lives in Demopolis, Ala., orders a buggy from Sears, Roebuck & Co., of Chicago, Ill., and John Doe sends his personal check for $59, drawn on a local bank in Demopolis, Ala., to Sears, Roebuck & Co. to pay for the buggy. John Doe knows that he could have gone to the bank and gotten New York exchange for $59 or a money order at the post office, and he knows that Sears, Roebuck & Co would greatly prefer New York exchange or a money order to his personal check on a local bank, but John Doe knows that if he buys New York exchange or a money order that it will cost him 15 or 20 cents to get this money to Sears, Roebuck & Co., and he decides that he will send his personal check on his local bank, and let Sears, Roebuck & Co. pay the little charge that the local bank makes in remitting same. John Doe figures that Sears, Roebuck & Co. are making a good profit on the buggy and that they can very well afford to pay the small cost for the transfer of funds from Demopolis, Ala., to Chicago. Now, the Federal reserve steps in and says to Sears, Roebuck & Co.: "If you will route this check for $59 that you have just received from John Doe through our system, we will see that the bank on which it is drawn makes no charge whatever for remitting same. We, the Federal Reserve System, are forcing the country banks to remit these checks without charge, and if we can not accomplish what we desire in any other way, we will collect these checks for you through the post office. It is true that the country banks have to employ efficient clerks at good salaries in order to maintain an efficient collection and transit department and have to furnish their own postage, and it is also true that there is considerable responsibility involved, but all of this does not cut any ice with us, and we, the Federal Reserve System will force the country banks to render this service of sending this money from Demopolis, Ala., to Sears, Roebuck & Co. at Chicago without any charge and make them pay the freight in the way of postage."

Now, suppose John Doe instead of sending his personal check on the local bank should go to the post office and buy a money order, paying the usual fee for the same, or should send the money by registered mail, paying the usual fee of 10 cents, besides the postage, and then should ask the postmaster why Uncle Sam should charge him a fee for this service, don't you suppose the postmaster would reply that it costs Uncle Sam something to maintain a Post Office Department and that the service rendered was worth the small fee that was charged?

Now, that is just the way the country banks feel about this thing, and we wish to assure you that feeling is running very high, and in some localities has a distinct political significance.

The Federal Reserve System has so far rendered only one service to its country members in that it is claimed for the system that it eliminates the possibility of financial panics. This may be true or not; but granting that it is true, and with that exception, we can not see that it has done anything for the country banks except to limit very materially their earning power. In the first place, the country bank is required to invest a part of its own capital in the capital of the reserve bank, on which it can never expect to receive over 6 per cent. (Country banks can not exist on 6 per cent interest.) In the next place, it is required to keep on deposit a considerable sum of money in the Federal reserve banks, on which it does not receive the customary 2 per cent on daily balances that is allowed by all the large banks to their country corresponding banks; and on top of this now comes the par clearance plan, which forces them to remit Sears, Roebuck & Co. et al. and not charge anything for the service, paying the postage, and being responsible for the safe delivery of the money, etc. Representative CARTER GLASS's statement that four-fifths of the State banks derive one-half of their revenue from what he calls "check collection charges" is, in our opinion, absolutely untrue, and we believe that the total revenue derived by the banks from this service will not exceed 15 per cent of the total net income of the banks. We think that 90 per cent of the country national banks and the country State banks can continue to exist in spite of the par clearance plan, but we submit to you that it is not fair nor just nor right to force this thing on us. We feel that when we render a service that we are entitled to a reasonable compensation for that service. We do not feel that the Federal Government has any more right to require banks to render a service without charge than

it has to say to the railroads that they must let all of the natural-born citizens of this country trave. and pay no fare. It is true that some small banks may make exorbitant charges for their services, which custom we deplore, and we realize that you sometimes find unscrupulous men engaged in the banking business, just as you find them in other lines of business but that does not justify the condemnation of the entire fraternity, and we feel that the wise course for our Federal Government to pursue in the matter of collection charges on checks would be the regulation of these charges and not the elimination of same. The proposition as it stands now is one that is entirely in favor of the large banks and money centers and the big department stores and catalogue houses in our large cities. In other words, it is largely in favor of the people who are always encouraging our people to trade away from home.

The governors and directors of our Federal reserve banks are nearly all men who can not see this thing from the standpoint of the country banks. They are men who have been identified all their lives with "big business" in large cities; and while they are most excellent and capable men, their visions are clouded, so that it is impossible for them to see this thing except through the eyes of big business, big cities, and big banks.

The numerous country banks are the bone and sinew of the banking system, and we feel that it is of vital interest to all that these banks have a profitable existence. The bank that is making money is a safe bank; but if by legislation you cripple its earning power to any considerable extent, you are liable to cause it to "peter out" of existence, and the harm you would do in this way would be infinitely greater than any good that you might do to Sears, Roebuck & Co. et al. in distant cities and money centers.

In conclusion we wish to quote in part a very timely editorial which appears in the August number of the Southern Banker:

"In the multitude of counsel there is wisdom, and it is to be hoped that the next few weeks will bring about changes that may reconcile the situation and obviate the features of the plan to the extent that such important enterprises as the smaller banks may continue a prosperous and profitable existence. The welfare of these institutions is now vitally affected. They have built the country, and they are entitled to a profitable existence. Any measure that deprives them of a profitable existence strikes at the development of our country, and this is particularly true of the South."

We sincerely hope that you will give the Hon. CLAUDE KITCHIN your vigorous support in his effort to secure the amendment to section 16 that will be shortly introduced.

Respectfully,

W. S. PROUT,
President Robertson Banking Co., Demopolis, Ala.
J. D. YONWEED,
Cashier Commercial National Bank, Demopolis, Ala.

ACCEPTANCE OF PORTRAITS.

Mr. WILLIAMS. Out of order, I desire to submit a favorable report from the Committee on the Library. From that committee I report back favorably with an amendment the joint resolution (S. J. Res. 170) authorizing the acceptance by the United States Government of portraits of Hon. James Latimer and Hon. Dr. Henry Latimer, and I submit a report (No. 835) thereon. I call the attention of the Senator from Delaware to the report.

Mr. SAULSBURY. I ask for the immediate consideration of the joint resolution.

There being no objection, the joint resolution was considered as in Committee of the Whole.

The amendment was to add at the end of the joint resolution the following proviso:

Provided, That no expense incurred shall be paid by or chargeable to the Government of the United States.

So as to make the joint resolution read:

Resolved, etc., That the Vice President of the United States be authorized to accept, in behalf of the Government, portraits of Hon. James Latimer, who presided over the first convention to ratify the Constitution of the United States, and Hon. Dr. Henry Latimer, who was a surgeon general in the Continental Army and a Senator of the United States from Delaware: *Provided*, That no expense incurred shall be paid by or chargeable to the Government of the United States.

Mr. SAULSBURY. Mr. President, only a word in regard to the joint resolution. A very highly esteemed lady in the community in which I live has offered to present to the Government the pictures of two of her ancestors. They are to be in accordance with the specifications and subject to the approval of the Art Commission. One is the portrait of a former Senator of the United States and a surgeon general in Gen. Washington's army during the Revolutionary War. The other is a portrait of his father, who was a very eminent Delawarean and who presided over the Constitutional Convention which ratified the Constitution of the United States, and was the first man to sign any document ratifying that great charter.

The amendment of the committee is entirely in accord with the understanding with which these portraits were presented, and I hope there will be no objection to the joint resolution.

The amendment was agreed to.

The joint resolution was reported to the Senate as amended, and the amendment was concurred in.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. CLARKE of Arkansas. I ask to go back to page 6 for the purpose of moving to reconsider the vote by which the committee amendment appearing on that page, lines 12 to 17, inclusive, was agreed to.

The PRESIDING OFFICER. Is there objection?

Mr. WILLIAMS. The object of the Senator from Arkansas is to offer an amendment to the Senate committee amendment at that place. I think the amendment he proposes to offer makes the provision as it now stands a good deal better. Furthermore, the language of the amendment as it stands is obnoxious to the decision of the court. I therefore join with him in the request.

The PRESIDING OFFICER. The Chair hears no objection, and the motion to reconsider is agreed to.

Mr. CLARKE of Arkansas. I offer a substitute for the portion proposed to be inserted by the committee, which I ask may be read.

The SECRETARY. On page 6, after line 11, in lieu of amendment proposed by the committee, insert:

(c) For the purpose of ascertaining the gain derived from a sale or other disposition of real property, the profits realized within the year from the sale or other disposition of any real estate purchased within two years previous to the close of the year for which such income is estimated, shall be the basis for determining the amount of such gain so derived from such sale or other disposition thereof.

Mr. WILLIAMS. With that amendment adopted, there ought to be inserted the same amendment where the measure of losses sustained is to be considered, because it involves the same question. I therefore ask unanimous consent that if adopted the same amendment shall be handed to the clerks at the desk by the Senator from Arkansas to be inserted at the other place in the bill where it would be relevant.

Mr. CHAMBERLAIN. I should like to know the purpose of the amendment, and why it is offered now after the committee amendment has been adopted?

Mr. CLARKE of Arkansas. I am very glad to explain it. The purpose of the amendment for which this has been substituted was to fix a date when the profits of an investment should cease to be income and become capital. The amendment adopted heretofore fixed March 1, 1913, as that date and made it a permanent date, so that no matter how long this act might remain in force that would be the date from which the investment as capital would be considered and all profits intervening would be income.

This has been one of the troublesome questions in tax legislation. In 1867 Congress fixed the period within which real estate investments should be treated as income at two years. The matter was brought to the Supreme Court in the case of Gray against Darlington, in Fifteenth Wallace, where it was held that profits during the current year were properly treated as income, that if the investment inured for a longer period it became merged in capital and it was not proper to fix it as income.

That feature was carried into the subsequent income-tax law down to the one passed in 1894. The last income tax left it out entirely, so that the only part of the profit on real estate investment, or any other investment for that matter, which should become profit for the purpose of being treated as income would accrue within the current year.

The purpose of this act is to adopt as an approved rule two years as against real estate investments; that is to say investments made in real estate and not consummated by a subsequent sale for a period greater than two years shall be treated as no part of the income, but are to be taken as a part of the loss and profit of that character of transaction and be permitted to pass as increased capital. If a sale occurred any time within the two years the profit on the transaction would be treated as income and accounted for accordingly.

It fixes a date that travels along with the law instead of fixing absolutely a day, which was the 1st of March, 1913. That would have involved the necessity of making an assessment every time an income-tax return was made with a view of determining whether or not in the meantime some profit had not attached to it. The one is a sensible, forcible rule, and the other is an exceedingly inconvenient one which does not in all cases do justice, because it might turn out that some investments would produce no profit whatever. No provision is made for taking care of that contingency.

Mr. HITCHCOCK. According to what I heard of the amendment read, it differs from the amendment which the Senate adopted also in this respect, that the amendment adopted by the

Senate includes not only real estate but also personal and mixed property. I should like to know what becomes of the profit on personal or mixed property.

Mr. CLARKE of Arkansas. On personal property any profit made during the current year would be accounted for as income. Profit not made on that character of property during the year, or rather realized by the sale, would not be treated as income. That is the universal rule.

Mr. HITCHCOCK. Is there any provision for that in the bill?

Mr. CLARKE of Arkansas. The first section of the bill provides:

(a) That there shall be levied, assessed, collected, and paid annually upon the entire net income received in the preceding calendar year from all sources by every individual, a citizen or resident of the United States, a tax of 2 per cent upon such income.

That language was deemed sufficient in the case of Gray against Darlington and fixed the period of the annual accounting. If the Senator will permit me, I will read the syllabus in that case, which will make much clearer than I have been able to do the point I am seeking to present to the Senate. It is the case of Gray against Darlington, reported in Fifteenth Wallace, page 63:

The advance in the value of personal property during a series of years does not constitute the gains, profits, or income of any one particular year of the series, although the entire amount of the advance be at one time turned into money by a sale of the property. Accordingly, when bonds of the United States were sold by the owner, after being held by him four years, at an advance of $20,000 over their cost to him, it was held that this amount was not taxable as "gains, profits, or income" of the owner for the year in which the sale was made, under the amendatory internal-revenue act of March 2, 1867.

The Supreme Court said in disposing of that matter——

Mr. HITCHCOCK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Nebraska?

Mr. CLARKE of Arkansas. Without the necessity of calling attention to it, I will yield to the Senator until this colloquy closes. On page 66 the court said:

The mere fact that property has advanced in value between the date of its acquisition and sale does not authorize the imposition of the tax on the amount of the advance. Mere advance in value in no sense constitutes the gains, profits, or income specified by the statute. It constitutes and can be treated merely as increase of capital.

That is my answer to the inquiry of the Senator from Nebraska.

Mr. HITCHCOCK. I still am not able to understand it. I will put a case to the Senator. Suppose a man has purchased in a certain year stocks or bonds and two years thereafter there is an advance of $20,000. Is the man just taxed for one year only on the profit made?

Mr. CLARKE of Arkansas. He is not taxed at all on that, because it ceases to be income and becomes capital.

Mr. HITCHCOCK. What reason is there for taxing the man upon the profit he makes upon the sale of real estate within two years and not taxing him upon the profit he makes on the purchase and sale of securities?

Mr. CLARKE of Arkansas. That always has been carried as a discrimination in the law. Whatever my opinion is, it ought to be confined to the annual accounting. There is no necessity really for making a distinction against real estate, but it always has been made, and I thought it would be a preferable rule to the one the committee adopted.

Mr. WILLIAMS. Real estate is not a live asset, and is not generally bought and sold within one year.

Mr. HITCHCOCK. I do not think that answers the question at all. Why should we exempt from income tax the profit the man makes upon the purchase and sale of stocks and bonds? Why should they not be included with real estate, just as they were originally included in this paragraph?

Mr. CLARKE of Arkansas. They are included now, if the purchase and sale is made within a year. That is the law. The Supreme Court of the United States answered that question, and held that it is a part of his capital, and a tax can not be levied upon it.

Mr. HITCHCOCK. I am at a loss to see why the increase in the value of real estate is not a part of the capital.

Mr. CLARKE of Arkansas. That matter may be decided some day and determined to the contrary, but at present the decision of the Supreme Court seems to treat it as a valid provision. There are numerous grounds upon which a distinction between real and personal property can be established, where one rule of taxation applies in one case and another in another. Bonds pass very frequently and very rapidly many times, whereas, as the Senator from Mississippi suggests, that is not the rule in the case of real property.

Mr. HITCHCOCK. It seems to me we are proposing to exempt from taxation some of the most enormous profits made in this country. For instance, during the last year or two perfectly prodigious incomes have been derived by men through successful speculation in the purchase and sale of stocks and bonds, and the incomes derived from the purchase and sale of real estate are insignificant by comparison. I do not like to assent to exempting those profits while continuing to tax the profits on real estate.

Mr. CLARKE of Arkansas. The Senator misunderstands me if he thinks I am trying to exempt their profits from taxation. I simply want to establish a rule that applies in every other character of taxation provided for in this bill, and that is the annual accounting. That is what was done in this particular case. The tax collector in New York collected an income tax of $20,000 upon an increase on bonds that the taxpayer had been holding for four years. He paid the tax under a protest and sued the collector for it, and that is the way this particular lawsuit was decided, and like every other lawsuit will be decided.

Mr. CHAMBERLAIN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Oregon?

Mr. CLARKE of Arkansas. I will be very glad to yield.

Mr. CHAMBERLAIN. I am frank to say I really do not understand the effect of this amendment. There was a good deal of discussion over this particular amendment, I will say to the Senator, and it involves two other amendments which I supposed and those who think with me on the subject supposed had been settled. This seems to change the whole proposition, and before it is acted upon I should like to have the matter go over until to-morrow, it involving three amendments, as I suggested.

Mr. CLARKE of Arkansas. I have no objection to that course. The matter was submitted to the Senator from Alabama [Mr. UNDERWOOD], who proposed the amendment which is now offered as a substitute.

The PRESIDING OFFICER. Is there objection to postponing the consideration of this question until to-morrow?

Mr. WILLIAMS. I have no objection, although I wish it could be disposed of now. The Senator from Alabama who drew the amendment which is upon the bill now has agreed to this amendment to the amendment. I think the amendment to the amendment helps the amendment itself very much. But I have no objection to its going over.

The PRESIDING OFFICER. If there is no objection, it will be postponed until to-morrow.

Mr. SIMMONS. Mr. President, I hope we will now proceed with the consideration of the revenue bill, but before the Secretary renews the reading of the bill, I desire to state that this section of the bill as to special taxes, also the section relative to documentary stamp taxes, and the section creating a tariff commission, were referred to a subcommittee of which the Senator from Georgia [Mr. SMITH] is the acting chairman; and I shall therefore ask him to look after amendments to those provisions of the bill.

The reading of the bill was resumed. The next amendment of the Committee on Finance was, on page 99, after line 19, to insert:

First. Corporations, joint-stock companies, and associations shall pay 50 cents for each $1,000 of capital, surplus, and undivided profits used in any of the activities or functions of their business, including such sums as may be invested in or loaned upon stocks, bonds, mortgages, real estate, or other securities. The amount of such annual tax shall in all cases be computed on the basis of the capital, surplus, and undivided profits for the preceding fiscal year. Every corporation, joint-stock company, or association as defined and limited in section 10, Title I, of this act, shall be liable to this tax: *Provided*, That for the purpose of this tax an exemption of $99,000 shall be allowed from the capital, surplus, and undivided profits of each corporation: *And provided further*, That corporations actually paying the tax imposed by section 41 of Title III of this act shall be entitled to a credit as against the tax imposed by this paragraph equal to the amount of the tax so actually paid: *And provided further*, That this tax shall not be imposed upon any corporation not engaged in business or which had no net income, as defined in Title I of this act, during the preceding taxable year, or which are exempt under the provisions of section 11, Title I, of this act.

Mr. SMITH of Georgia. In the committee amendment, on page 100, line 2, after the word "year," I move to amend the committee amendment by inserting:

But excluding in the case of insurance companies such deposits and reserve funds as they are required by law or contract to maintain or hold for the protection of or payment to or apportionment among policyholders.

Mr. OLIVER. Mr. President, I should like to ask the Senator in charge of this portion of the bill a question. I do not know that I clearly understood the amendment; but I presume it was intended partially to effect the same purpose as the amendment

which was offered by the Senator from New York [Mr. O'GORMAN] yesterday.

Mr. SMITH of Georgia. I did not hear the speech of the Senator of New York or see his amendment. At that very time, by request of the committee, I was preparing an amendment to free from tax a certain class of trust assets held by fire and life insurance companies that we did not think ought properly to be subject to this tax. I have shown the amendment to the Senator from New York, and we agree about it.

Mr. McCUMBER. Mr. President, I did not hear what the amendment was or where it was proposed to be inserted.

The VICE PRESIDENT. The amendment to the amendment which has been proposed by the Senator from Georgia [Mr. SMITH] will be stated from the desk.

The SECRETARY. In the committee amendment, on page 100, line 2, after the word "year," it is proposed to insert:

But excluding in the case of insurance companies such deposits and reserve funds as they are required by law or contract to maintain or hold for the protection of or payment to or apportionment among policyholders.

Mr. McCUMBER. Mr. President, that raises the question that ought to be raised in this committee amendment, as to whether or not any tax whatever should be levied upon insurance companies. I purpose to offer an amendment on page 99, line 20, after the word "companies," to insert the words "except insurance companies." I think that that amendment at least should be voted upon before the amendment to the amendment which has been offered by the Senator from Georgia. If it should be voted in the affirmative, of course there would be no occasion for the other amendment; but if it be voted down, as I assume that probably it will be, then the qualification of the committee amendment offered by the Senator from Georgia would be most proper.

Mr. SMITH of Georgia. Mr. President, I withdraw the amendment to the amendment, so as to give the Senator from North Dakota an opportunity of presenting his amendment, although I desire to say that I do not think his amendment to the amendment ought to be adopted. We have carefully sought by this amendment to avoid taxing the trust funds of the insurance companies that do not stand upon the same status as the capital of other companies.

I will also say to the Senator that this amendment has been prepared with a great deal of care, using the technical terms as to reserves, and that it applies to both fire and life insurance companies. I think it goes as far as fairness and justice require us to go, and that it is liberal to the insurance companies.

Mr. McCUMBER. Then, Mr. President, on page 99, line 20, after the word "companies," I move to amend the amendment by inserting the words "except insurance companies."

Mr. SIMMONS. Mr. President, the Senator from North Dakota understands that not only insurance companies, but all the other corporations enumerated in the committee amendment, are entitled to the same exemptions that apply to corporations, including insurance companies, under the income-tax section of the bill.

Mr. McCUMBER. Yes; Mr. President.

Mr. SIMMONS. That is to say, it does not apply to mutual insurance companies or to fraternal orders or to the various other characters and kinds of insurance that are exempted from the payment of the income tax.

Mr. McCUMBER. I understand that, and I also understand that it would be necessary to make other amendments in order to free the insurance companies from any taxes whatever.

Mr. President, I want to say just a word on the amendment to the amendment. Section 10, of the bill provides for a tax of 2 per cent on net incomes of corporations, stock companies, and insurance companies. That is one tax. Section 56 provides for a tax of 50 cents per $1,000 of capital, surplus, and undivided profits, including such sums as may be invested in or loaned upon mortgages. That is a second tax. Then section 69 provides for a stamp tax of one-half of 1 per cent on each premium charged of $1 or fractional part thereof.

Mr. SMITH of Georgia. If the Senator will allow me to interrupt him, I desire to say that I am instructed when we reach the stamp tax on insurance companies to withdraw it. That provision will not be pressed.

Mr. McCUMBER. Very well. In addition, then, to these two taxes the stockholders are taxed, of course, upon their individual incomes. That would give three or four taxes practically upon the same business or upon the same fund.

The whole question, it seems to me, Mr. President, is a question of public policy. Ought we to encourage that frugality which looks to the care of old age? We recognize the fact that every dollar of tax will ultimately be charged in some form or another to the policyholders. The old-age pension laws of some of the countries of the world are already very onerous. We have no such laws in the United States; I hope we shall never be under the necessity of such enactment; but we all agree that there ought to be a time in the life at least of the ordinary workingman when he can drop the working tools of life and live either upon that which he has accumulated or which he has laid aside in some trust company's hands or in the hands of some insurance company.

We ought to make insurance just as cheap as possible. We know from the past history of insurance companies that, on account of carelessness in operation and excessive salaries paid to presidents and other officials, life insurance and, in many instances, insurance against casualties has been altogether too high. The tendency of late years has been to remedy those excesses and to make insurance cheaper. We ought to encourage every American to provide against sickness and to protect his family in case of his death, and the only way that we can encourage him properly is to make insurance as profitable to him as we can, and that means that he shall be able to secure it at as little expense as possible. We eliminate that much expense if we relieve the policyholder from the taxes which in the end will always be loaded onto him.

The same rule holds good with reference to fire insurance, hail insurance, cyclone insurance, and insurance against all of the elements or against casualties generally. I should hope, Mr. President, that we could carry the financial burden of this Government without imposing a portion of it upon the policyholders and those who seek insurance.

I have a letter here from the Insurance Federation of North Dakota, which I think presents the whole argument in a nutshell, and I will ask that the Secretary read the letter.

The VICE PRESIDENT. The Secretary will read as requested.

The Secretary read as follows:

INSURANCE FEDERATION OF NORTH DAKOTA,
Fargo, N. Dak., August 22, 1916.

Hon. P. J. McCUMBER,
United States Senate, Washington, D. C.

DEAR SIR: Confirming telegram of even date, reading:

"Insurance Federation of North Dakota, representing all branches of Insurance world and organized throughout State, protests against amended revenue bill increasing income taxation of insurance companies and continuing stamp tax on policies while relieving other lines. Insurance business so intimately affects welfare of all people that imposition of added burden merely unjustly increases insurance cost and unfairly adds to burden on public. Letter follows. Advise us of your stand.

"INSURANCE FEDERATION OF NORTH DAKOTA,
"By HARRY CURRAN WILBUR, *Executive Secretary.*"

The officers and directors of this federation, which represents every branch of the insurance business, whether organized on the stock, mutual, or fraternal basis, and which includes in its membership the buyers of insurance as well as the sellers, asks your active efforts to prevent the enactment of this or other legislation the result of which is to increase unjustly insurance taxes and the cost of insurance to the general public.

Insurance is second only to transportation in importance to the general public. In the last analysis it is the real basis of credit and the balance wheel of business. What affects it in any of its branches vitally affects all business interests, large and small, and the welfare of individuals in the city and on the farm.

Federal, State, and local taxes are very heavy now. All efforts to decrease the cost of insurance to the purchaser are thwarted by such special taxation, which unjustly singles out this business and saddles it with an unnecessary expense, thereby increasing the cost of operation and, in turn, the cost to the insurance purchaser of protection he must have against hail, fire, tornado, and the ravages of illness and death.

If the amended bill passes, thousands of insurance buyers in this State and millions in the country at large will be the ultimate sufferers. Can we count upon you to help protect their interests?

The Insurance Federation of North Dakota, uniting all branches of the business and organized throughout the State, is carrying on a campaign of education on insurance matters, and meetings are being held in the county seats to get the real facts before the people at large. Our object is service to the public as a whole and to provide sound insurance at a minimum cost.

Will you please advise us promptly of your stand on this measure and direct your secretary to send us copies of the CONGRESSIONAL RECORD containing the story of this amendment's progress, in order that we may have a complete record for our bulletin service here?

Again asking that you use your active efforts to prevent the enactment of this and other unjust insurance legislation,

Yours, very truly,

INSURANCE FEDERATION OF NORTH DAKOTA,
By HARRY CURRAN WILBUR, *Executive Secretary.*

Mr. McCUMBER. Mr. President, if any man who had labored until he was 60 years of age for a mere living and to support his family, without laying up anything, should have a life-insurance policy of $10,000 for the support of his widow and family, I would think it most unjust, I would think it bad governmental policy, to levy a tax upon that meager amount of savings for the family; and yet I can see no difference between that and levying a tax upon the amount that will be paid in premiums

for insurance. I do not think that anyone could by taking half a day in argument present the matter more clearly than it has been presented in the letter which has been read at the desk. It is simply a question of public policy which every Senator thoroughly understands, namely, whether it is advisable to free insurance companies, and thereby to that extent free policyholders, of any burden of taxation upon their savings, against the misfortunes of business, against death, or against the destruction of the property which they have acquired through long years of labor. It seems to me that they should be free from any burden of taxation, and that is why I have offered the amendment. If it shall be carried, of course it will be necessary to make further amendments in other portions of the bill.

Mr. SMITH of Georgia. Mr. President, we have done for the insurance companies in this bill all that their friends could possibly ask. We have taken care of the policyholders. We intend to omit the stamp tax upon policies, which has been incorporated in the present bill as reported. When that provision is reached, I have been authorized to say, we will not ask for its enactment. On the contrary, we desire that it be stricken from the amendment proposed by the committee.

Mr. McCUMBER. Mr. President, at that point let me ask the Senator one question. Does not the Senator believe that whatever is paid out by the insurance companies in the way of taxes will be made up in the added cost of insurance to the policyholders?

Mr. SMITH of Georgia. If so, their conduct will be utterly inexcusable. Now, let me read to you what we have exempted from taxation under this section.

Mr. GALLINGER. Mr. President, will the Senator, after he has done that, state exactly what is left in the bill, so far as taxing insurance companies is concerned?

Mr. CURTIS. Mr. President, may I ask the Senator before he reads the amendment to which he has referred if he has been authorized to offer the amendment at the proper time?

Mr. SMITH of Georgia. I have already offered it, and I only failed to press it in order that the Senator from North Dakota [Mr. McCUMBER] might first present his amendment exempting everything connected with insurance companies. This is the amendment that we offer:

But excluding, in the case of insurance companies, such deposits and reserve funds as they are required by law or contract to maintain or hold for the protection of or payment to or apportionment among policyholders.

It simply leaves as the subject of taxation that part of the capital that belongs in no sense to the policyholders; that is, not the reserve or the trust fund or the policyholders' fund. We will really get very little from them, in my opinion; but it was only fair that the part of the funds which were personal to the stockholders or the corporation, and not a trust fund, should be treated like the funds of other corporations.

Mr. McCUMBER. Mr. President, may I ask the Senator a question right here?

Mr. SMITH of Georgia. Let me finish, please, first.

Mr. McCUMBER. Yes.

Mr. SMITH of Georgia. I have sought from those well versed in insurance the terms that would exempt all of the funds that belong or go to their policyholders, and I want to say that the representatives of the companies feel that we have done for them all that we properly could do in this matter; at least, I judge so from their expressions of appreciation, that we have recognized these trust funds and deposit funds that belong to the policyholders as funds that should not be subject to this tax.

Mr. McCUMBER. I would not think so, Mr. President, from the telegrams that are coming to me daily; but laying that aside, how much does the Senator expect to collect from these insurance companies after the amendment which he proposes has been adopted?

Mr. SMITH of Georgia. I do not know; it is difficult to say; but the other funds that they have, beyond those we have exempted, we could not properly exempt unless we discriminated in their favor against all other corporations.

Mr. McCUMBER. I appreciate that; but suppose that you collect $10,000,000?

Mr. SMITH of Georgia. I have no idea we will collect any thing like that.

Mr. McCUMBER. Well, suppose we say $5,000,000. I do not care how many millions we assume.

Mr. SMITH of Georgia. Suppose we say half a million dollars.

Mr. McCUMBER. But whatever the amount may be that will be collected next year, does the Senator for a moment believe that that will not be carried, not as a charge against those who have already made their contract of insurance, but into the matter of fixing rates of insurance for the future, to cover that loss?

Mr. SMITH of Georgia. I do not for one moment. The company that increased the rates on account of this tax would find other companies declining to do so and pointing out the unfairness of their conduct, and would lose business by it. The amount placed upon it is really very small. They realize that themselves. We have guarded their trust funds so carefully that no one of them has any excuse for complaint, and so far as I know no one of them does complain; and I have not the slightest idea that it will be carried on to the policyholders.

Mr. McCUMBER. Mr. President, just one word. We will all agree that the only source of income that the insurance companies have is the money paid by policyholders, and also income upon their investments from the money paid by policyholders, which is again invested in other properties. As those are their only two sources of income, it necessarily follows that any expense connected with conducting their business—any overhead charges, or any taxes, or anything else that adds to the expense of the business—will, of course, be charged ultimately to those who will take out policies. It must be; otherwise these companies would be doing business for pleasure, and not for profit.

It is to save to these policyholders of the future such sums as would be placed upon them through this system of taxation that I offer my amendment. It is upon the general policy that we ought to encourage that frugality, as I have said, which looks to the protection of age. I think that is all there is in the question; and if we desire to tax these people, the policyholders of the future, making their policies cost them at least a little more, we can do it in this manner.

Mr. SMITH of Georgia. Not a cent more.

Mr. SIMMONS. Mr. President, I want to say just a word.

A great many of the representatives of the large insurance companies have been here in connection with this bill. They came here with reference to certain things about which they protested. This particular tax was not one of those things. It was mentioned in some of their telegrams when they were enumerating the various taxes that they would have to pay under the bill as it was originally amended by the Senate committee.

I have had many talks with these representatives of the insurance companies, and I will say to the Senator that I do not recall now that a single one of them protested against this particular tax of 50 cents on the $1,000 of capital. On the contrary, quite a number of them said that they had no complaint to make of that which did not apply to all other corporations as well as to them. They had no complaint to make of that.

The complaint was as to other things, and we have yielded to their complaints as to all the other matters except one, and that is embraced in the amendment of the Senator from New York. With that single exception, I understand that these gentlemen went home satisfied.

Mr. McCUMBER. Mr. President, I am not making any argument for the benefit of the stockholders of the insurance company or of the officers. They will probably make just as much whether you levy this tax or not. The argument I have made has been based upon my view of a great public policy that we ought to adopt for the benefit of the public and the policyholder, of those who desire to insure to protect themselves in their old age.

The VICE PRESIDENT. The question is on the amendment of the Senator from North Dakota to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. SMITH of Georgia. Mr. President, I now offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 100, after the word "year," on line 2, it is proposed to insert a semicolon and the words:

but excluding, in the case of insurance companies, such deposits and reserve funds as they are required by law or contract to maintain or hold for the protection of or payment to or apportionment among policyholders.

The amendment to the amendment was agreed to.

Mr. SMITH of Georgia. I also desire to offer an amendment on line 23, page 99, after the word "sums," so that it may be clearer as to its meaning. The line will then read:

including such sums of capital, surplus, and undivided profits as may be invested in or loaned upon stocks—

And so forth.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The SECRETARY. After the word "sums," in the committee amendment, on page 99, line 23, it is proposed to insert "of capital, surplus, and undivided profits."

The amendment to the amendment was agreed to.

Mr. WADSWORTH. Mr. President, I should like to ask the Senator from Georgia a question: What is the significance and purpose of the exemption of $99,000?

Mr. SMITH of Georgia. The tax is a small one, and to follow up all the small companies would cost just about as much as it would amount to. It is only 50 cents a thousand, and the expense of hunting up $5 in each case, it was felt—and especially some of them which would not be $5, but only $2.50—was really more annoyance than it would be worth.

Mr. WADSWORTH. Mr. President, a tax of 50 cents on every $1,000 of capital stock, in the case of a $100,000 corporation, if my arithmetic is correct, is $50, is it not?

Mr. SMITH of Georgia. Well, that was the reason expressed at the time.

Mr. WADSWORTH. If the exemption were lowered so as to apply the tax to $50,000 corporations, you could still collect $25 out of them. It does work an injustice to this extent——

Mr. SMITH of Georgia. The same amount is to be deducted in the case of all other corporations.

Mr. WADSWORTH. This applies, as I understand, to all kinds of corporations that have a capital stock of over $99,000.

Mr. SMITH of Georgia (reading)—

That for the purpose of this tax an exemption of $99,000 shall be allowed from the capital, surplus, and undivided profits of each corporation.

It applies to every corporation.

Mr. WADSWORTH. Yes; every corporation.

Mr. SMITH of Georgia. The larger ones and the smaller ones, and it was suggested that the department should not be required to hunt up the smaller corporations, and that it was better to leave the figure as it is here. I think we started at $50,000. That was our original idea, and it was changed to $99,000. But the same amount is deducted in the case of every corporation.

Mr. WADSWORTH. Yes; I understand that, Mr. President. For myself, I believe that if we are to collect taxes by direct methods we should propose a light tax on a large number of payers instead of a heavy tax on a small number of payers; and I think had I been a member of the Finance Committee, or perhaps of the Democratic conference, I would have urged a $50,000 exemption instead of the $99,000 exemption and would have reduced the rate.

It does work an injustice in some respects. Some of the States by law compel certain classes of corporations to have a capital stock in excess of $100,000. They have no choice in the matter. They must have a capital stock in excess of $100,000. I have in mind the fire insurance corporations of New York, which must have a capital stock of $200,000. But there are many other States whose laws make no provision as to what financial strength their fire insurance companies shall have. In some States that I can think of you could organize insurance company after insurance company of $98,000 capital, as many as you want, and they would never pay any tax under this provision.

Mr. SMITH of Georgia. That would certainly be a very weak insurance company. I do not think it would do much business.

Mr. WADSWORTH. There are a great many fire insurance companies of one kind or another of less than $99,000 capital. That one instance happens to come to my mind. There are other kinds of corporations besides insurance corporations whose capital stock is less than $99,000 and who could well afford to pay a little something toward the support of the Government if a corporation of $100,000 could pay it. If you had taken a capitalization of $50,000 and assessed 50 cents on every thousand dollars of capital stock, you still would have had $25 paid in the way of taxation.

I think the provision is open to the same criticism that I tried to point out the other day—that it is part of the attempt to collect the revenues of the Government by a comparatively heavy tax upon a small number of taxpayers instead of by a comparatively light tax upon a large number of taxpayers. I do not care to offer any amendment, however.

Mr. SMITH of Georgia. I do not know what the Senate will do about it. If it should pass in this shape and the conferees should bring it back, taxing them at $50,000, I should vote for the report of the conferees.

Mr. WADSWORTH. Mr. President, I see there is no provision here for the taxation of the major portion of the thousand dollars. The tax is levied at the rate of 50 cents for every thousand dollars of the capital. Was it the intention of the committee—perhaps it was not the intention—to say, "50 cents on every thousand dollars or major portion thereof"?

Mr. SMITH of Georgia. There is an express statement that each corporation shall have an exemption of $99,000 from the sum upon which the 50 cents is levied.

Mr. WADSWORTH. Then, if its entire capital stock were $99,900——

Mr. SMITH of Georgia. It would pay a tax only on $900.

Mr. WADSWORTH. That is not 50 cents on the thousand. That is what I am asking the Senator.

Mr. SMITH of Georgia. I do not know whether it says "or any part thereof" or not.

Mr. SIMMONS. No; it does not.

Mr. SMITH of Georgia. Then, they would not pay any tax at all.

Mr. WADSWORTH. They would not pay any tax, even if they had $99,900 capital?

Mr. SMITH of Georgia. It would be necessary for them to have $1,000 capital above the $99,000 to pay any tax.

Mr. WADSWORTH. I shall not insist upon the major fraction being taxed. I think these taxes are too high now.

Mr. JONES. Mr. President, as I understand this amendment, it requires the payment of this 50 cents for each thousand dollars of capital, no matter what the value of the stock may be.

Mr. SMITH of Georgia. It is not on the stock at all; it is on the capital. It does not say "capital stock."

Mr. JONES. No; I see. Is there a provision here that puts a tax of 50 cents per thousand on the stock of a corporation regardless of the value of the stock?

Mr. THOMAS. That was the intention.

Mr. JONES. What section is that?

Mr. THOMAS. That was the intention of this section.

Mr. JONES. That is what I thought.

Mr. SIMMONS. What was the statement of the Senator?

Mr. JONES. I understand this to be a tax of 50 cents per $1,000 upon the capital stock of every corporation, regardless of the value of that stock, provided it exceeds the $99,000 exemption.

Mr. SIMMONS. No; the Senator is entirely mistaken about that.

Mr. JONES. Is there any provision in the bill anywhere, then, which imposes a tax of 50 cents a thousand upon the capital stock of a corporation?

Mr. SIMMONS. No. This is the only provision that imposes a tax of this character upon any corporation. This is upon the capital, the surplus, and the undivided profits used in the activities or functions of the business of the corporation, including such sums—the committee now proposes to add this after the word "sums"—"including such sums of capital, surplus, and undivided profits as may be invested in or loaned upon stocks, bonds," and so forth.

Mr. THOMAS. Mr. President, I feel it incumbent upon me to express a dissent from the statement of the chairman of the committee. My understanding of this provision is that it is a tax upon the capital stock, whatever the par value of the capital stock may be. If it does not do that it is different from what I supposed it meant and what I think it ought to mean. If you are going to levy a tax of this kind upon the capital, it is a very serious question whether it would not include money raised on notes and mortgages and invested in the business, because that is capital, and certainly that was not the intention.

There was some question about this matter which caused me to look into the authorities somewhat. I have not made a very extensive investigation, but so far as I have gone I find that "capital" and "capital stock," when used as a basis for a tax of this kind, are the equivalents of each other. This is an excise tax. It does not, strictly speaking, apply to the capital stock, because the capital stock belongs not to the corporation, but to the stockholders; but it is made the basis of an excise tax upon the corporation. That is my understanding of it.

Mr. JONES. I had that impression. I have here a letter addressed to my colleague which came after he left with reference to this particular matter.

Mr. THOMAS. I should perhaps add, if the Senator will permit me, that I had a conference of considerable length with the chairman of the board of directors of one of the big railroad systems of the country, and he is quite content with the tax, if it is limited upon the capital stock; but if it is to be construed otherwise and is limited not upon the capital stock but applied to the capital in business and the bonded indebtedness of the road, then he thinks it would be unfair, and I agree with him. So the notion of levying a tax upon the capital of a company, unless it means the capital stock, might produce a very

much larger revenue on the one hand and inflict considerable injustice upon the other.

Mr. FLETCHER. Perhaps the Senator has not observed the language after line 12:

That this tax shall not be imposed upon any corporation not engaged in business or which had no net income, as defined in Title I of this act, during the preceding taxable year, or which are exempt under the provisions of section 11, Title I, of this act.

That may be the corporation the Senator has in mind.

Mr. JONES. I have looked at that language in the amendment and I was just going to state that probably that language meets the objection made by the gentleman in his letter, because he argues on the theory that, for instance, steel stock that is worth $468 a share would have to pay exactly the same tax as stock that is worth only $2.50 a share, and he cites this company, which is a mining company, that have expended considerable money in development, and in fact everything they have raised they have spent in development. He says if this tax of 50 cents a thousand dollars is put on his tax of $5,000, they would have to raise it; that they have had no income. I take it even on that basis the lines to which the Senator from Florida just called attention would take care of the situation.

Mr. THOMAS. It was precisely that class of cases that prompted the amendment to which the Senator from Florida referred.

If I may be permitted a further word, there is another question that is decided in a number of cases in the State courts principally that has to do with respect to what a corporation's capital signifies—the aggregate of the sum subscribed, being that either paid in or agreed to be paid in by the stockholders.

Mr. JONES. In view of the statement made by the Senator from Colorado I suggest to the Senator from North Carolina it ought to made clear whether we intend to put a tax on the capital stock or whether it should apply simply to the capital.

Mr. SMITH of Georgia. Mr. President——

Mr. SIMMONS. If the Senator from Georgia will pardon me just a moment, the Senator from Colorado, I think, is mistaken in reference to the purpose of the committee. During the discussion it was proposed to make that capital stock. We discussed that and concluded that that would not be quite the proper standard, because a great many corporations issue a certain amount of stock paid in. One class is preferred stock and another class is common stock, and nothing is paid upon it at all. The stock does not represent money that is invested in the enterprise.

What I want to do is to place a tax of 50 cents a thousand on the money actually used in the industry in the nature of capital or surplus or undivided profits. For instance, a corporation is organized on a basis of $200,000 worth of stock, only $100,000 of that stock is paid for, only the $100,000 which was paid up was invested in the business, and that is what we intended to tax. If during the operation of the business they accumulated a surplus, that would be taxed. If they accumulated certain profits which they did not divide among their stockholders, that is a part of the undivided profits, and that we intended to tax. That was our intention.

Mr. CUMMINS. If I may be permitted just a moment, whatever doubt there might be about the use of the word "capital" if standing alone is removed when you consider the further language of the amendment. It says:

Corporations, joint-stock companies, and associations shall pay 50 cents for each $1,000 of capital, surplus, and undivided profits used in any of the activities or functions of their business.

Very clearly this would be construed to mean a tax upon each thousand dollars of the capital invested, and it might be very burdensome.

I may suggest to the Senator from North Carolina, in the first place, it will require an appraisal of all the property of the corporation every year in order to ascertain the value of the property, for the property is the capital, I mean if its capital has been invested in that time. A corporation invests $100,000 in the construction of a building, and when they come to ascertain how much it should be taxed they must ascertain the value of that building, for it is their capital for that purpose. If the corporation bond $100,000 and invest it in their business, it becomes capital and would be taxed. A railroad company worth, we will assume, a million dollars, one-half represented by capital stock and one-half represented by bonds, would be taxed for a million dollars. There is no deduction.

Mr. SIMMONS. If the Senator will pardon me, I will say to him another amendment was proposed by the committee. In the clause "including such sums as may be invested in or loaned upon stocks, bonds," and so forth, after the word "sums" the words "of capital, surplus, and undivided profits" were added.

Mr. OLIVER. We can not hear a word on this side that the Senator is saying.

Mr. SIMMONS. I say it is proposed to read "sums of capital, surplus, and undivided profits," showing that if the capital and surplus or undivided profits are invested in these things, the amount invested in the enumerated things, stocks and bonds and mortgages, are not to be taxed.

Mr. CUMMINS. I have not seen the amendment.

Mr. SIMMONS. It is right after the word "sums," inserting "of capital, surplus, and undivided profits"; that is to say, the sum of their capital, surplus, and undivided profits invested in bonds, stocks, and mortgages is not to be taxed in addition to the tax on the capital, surplus, and undivided profits.

Mr. CUMMINS. Suppose it is invested in other kinds of property. Take a manufacturing concern. It has a million dollars which has been contributed as a part of the capital either through stock or through bonds. The money is used for the purpose of constructing a plant. What would be the capital of such a company?

Mr. SIMMONS. It is a part of the capital invested in the manufacturing plant, and it would deplete their capital to that extent.

Mr. CUMMINS. Surely; that it what I say, and the capital is the value of the plant.

Mr. SIMMONS. If you included the one you would not include the other, because this is simply transferring the amount of money—taking an amount of money out of the capital, the surplus, and undivided profits, and investing it in something else. You have not added anything to it.

Mr. CUMMINS. It is intended to ascertain the value of property with which the corporation carries on business and tax it at the rate of 50 cents a thousand. That is the purpose, is it not?

Mr. SIMMONS. It is the purpose to tax the actual capital surplus invested in the business, and no more. I will state to the Senator that I have sent for and will have it here in a minute the present law under which banks are taxed. There is a similar tax imposed upon banks. It is a tax of $1 upon the thousand instead of 50 cents, as in the bill, and practically exactly the same language is used there as here, except that the tax is $1 upon every thousand dollars of capital, surplus, and undivided profits instead of half a dollar. There has been no trouble about the administration of that law.

Mr. CUMMINS. As just indicated by the Senator from Colorado, when it is used in any of the activities or functions of their business I think you put a different interpretation upon it.

Mr. SIMMONS. I do not think that has been our purpose. Our purpose is that whatever capital may be actually invested in the business shall pay a tax of 50 cents upon every thousand dollars.

Mr. THOMAS. I am sorry I find myself out of agreement with my associate in regard to this provision. I think, as the chairman will recall, that at the end of one of our discussions I suggested an examination of the legal definition, and consequently the extent of the use of the word "capital." I availed myself of the first opportunity to do that, although I do not recall that I reported the result to the chairman or to any other member of the committee. But before doing that I consulted the law to which the Senator refers, the statute as now in force.

Mr. SIMMONS. I think the Senator did call it to our attention.

Mr. THOMAS (reading)—

First. Bankers shall pay $1 for each $1,000 of capital used or employed, and in estimating capital surplus and undivided profits shall be included. The amount of such annual tax shall in all cases be computed on the basis of the capital, surplus, and undivided profits for the preceding fiscal year.

There is a proviso to that section of the present law "that any postal savings bank or savings bank having no capital stock and whose business is confined to receiving deposits," and so forth, "shall not be subject to this tax." The word "capital" there was evidently used, and intentionally so, as being the equivalent of capital stock; and I find that such are the authorities with regard to this subject in connection with tax laws.

Thus, in California, in Iowa, in Louisiana, and in New York it is held that in statutes of this kind capital and capital stock are used convertibly. This is not a tax, as I have stated, upon property. It is not a tax upon stock as such. The use of the expression is designed to fix a basis or measure for the levying of an excise tax, and as a consequence I feel that it is my duty to define my understanding of this provision and what I had in view in assenting to its adoption. It is the levying of 50 cents upon every thousand dollars of capital stock of the company.

including its surplus and undivided profits. If it does not, it ought to be made that way, and I think it should be so written not only because it will avoid the inconvenience suggested by the Senator from Iowa but because if you do not make it that way you are going to levy this tax upon the debts of corporations as well as upon their capital.

Where a corporation borrows $250,000 and issues bonds for the same and that money is invested in its business you are going to levy 50 cents upon every thousand dollars of the $250,000 represented by bonds. I know the committee did not intend that. I know that no member of the committee intended that. Hence I must insist that the construction which I have given to the use of this language all along, justified, as it is, by the decisions, means that this tax will be levied upon corporations, using their capital stock, together with their surplus and the undivided profits, as the basis or measure of the tax provided for in this act.

Mr. SMITH of Georgia. Mr. President, when I differ on a law question with the Senator from Colorado I have always very serious doubt as to whether I am right, but I do not understand this paragraph to mean at all what he says. I think the term "capital" has a distinct meaning.

Mr. THOMAS. I do not aspire to infallibility, and I will say to the Senator that I have quite as much respect for his legal opinion as he can possibly have for mine.

Mr. SMITH of Georgia. I think the term "capital" here means the actual money of the company ahead of its liabilities. The capital, surplus, and undivided profits are the assets of the company in excess of its liabilities.

Mr. OLIVER. Mr. President, I should like to ask the Senator from Georgia if that is not substantially the same theory that was announced by the Senator from Colorado?

Mr. SMITH of Georgia. No; the Senator from Colorado insisted that the term "capital" meant capital stock, and that the tax would follow the capital stock regardless of the value of the capital stock. I do not agree with that view at all. I think we used the term "capital" to avoid that very view, because we do not mean to tax the capital stock, we mean to tax the actual capital, the actual assets of the company. I do not think that money used by the company derived from a mortgage or a loan would be subject to the tax. I have taken this section up with the law officer of the Internal-Revenue Bureau and looked into the precedents, and he agrees with my view about its meaning.

Mr. OLIVER. I will ask the Senator from Georgia if it might not be well to put in some qualifying phrase.

Mr. SMITH of Georgia. I think we have the proper language now. I think we have exactly the proper language to cover the result that I have described.

Mr. OLIVER. I agree with the Senator, but at the same time, since there is a disagreement between three of the ablest lawyers in the Senate as to the meaning of this phrase, would it not be well to put in such language as would show its exact intent and meaning, and bring it to a point where there would not be such a disagreement as has been expressed?

Mr. THOMAS. So far as I am concerned, I am quite willing to do that by the insertion of the word "stock" after the word "capital."

Mr. SIMMONS. I could not vote for that.

Mr. THOMAS. That certainly would clarify the doubt, if there be one, although not in the direction satisfactory to the chairman of the committee and the Senator from Georgia.

Mr. SIMMONS. When properly construed the language there means practically the same as does the language employed here. It says, "capital used or employed."

Mr. THOMAS. And yet, if the Senator will look at the proviso which exempts banks having no capital stock, he must draw the conclusion that "capital" as used in the body of the section is the equivalent of capital stock.

Mr. SIMMONS. No; I do not think that conclusion follows at all. They were simply exempting a certain class of banks—savings banks and postal banks—and they simply indicate that they exempt them because they do not have capital.

The PRESIDING OFFICER (Mr. MYERS in the chair). Without objection, the amendment of the Senator from Georgia [Mr. SMITH] to the amendment of the committee is agreed to. The question now is on agreeing to the amendment as amended.

The amendment as amended was agreed to.

Mr. OLIVER. Mr. President, the reading of the amendment has not been concluded, and I shall not insist on that being done, but I should like to hear something from the Senator in charge of the bill with regard to the necessity of this amendment, taken as a whole.

It seems to me, Mr. President, that if the committee were setting out to tax corporations, it would have been the part of wisdom to settle upon some way of getting all the money that is wanted from the corporations by one method of taxation. This thing of multiplying taxes is inexpert, and, in my opinion, it is exceedingly unwise. I do not know how much money is expected from this source of taxation, but I do think that piling on one tax after another is not only irksome, but it is wrong. Corporations are taxed to the limit by the several States, and now the committee come in and in some cases pile three and four taxes upon one corporation under this one bill. I should like to hear some defense from the committee for this proposed amendment.

Mr. SIMMONS. Mr. President, if there is any class of capital in this country that has no right to complain of this bill it is the corporations. Individuals are taxed upon an entirely different basis with reference to their incomes from the tax imposed upon corporations with reference to their incomes. An individual must pay a flat tax of 2 cents under this bill up to $20,000. After that he has got to pay a constantly increasing surtax. The corporation simply pays a flat tax of 2 cents. It pays no surtax whatever. The only tax imposed upon corporations in this bill, except this little tax, is a flat tax of 2 cents, which, I say, is not so great as the tax imposed upon individuals.

This is not a tax upon corporations alone. This is a tax for the privilege of doing business; it is a license tax. All corporations are required to pay the same tax, to wit, only 50 cents upon $1,000 of capital. Then follow——

Mr. OLIVER. Mr. President——

Mr. SIMMONS. Will the Senator let me finish the sentence? Then follow various and sundry license taxes upon individuals; on commission brokers so much; on pawnbrokers so much; theaters so much; on circuses so much. This is the same kind of tax with reference to corporations. It is no more burdensome than are the other license taxes imposed in this bill. I can not see any reason why it should be treated as an unusual or an extraordinary tax. It is simply a license tax, such as we impose upon individuals for doing certain kinds of business. I heard no complaint when we imposed a similar tax upon bankers in the last revenue bill and did not impose it upon other corporations.

Mr. SMITH of Georgia. And we made it twice as high.

Mr. SIMMONS. Yes; it was twice as high on bankers. There was a great outcry on the part of bankers, but they never put their complaints on the ground that it was unjust to impose upon them a small tax for the privilege of doing business. They, however, based their complaints solely and exclusively upon the ground that the present law singled them out and imposed this license tax upon them, while it did not impose similar taxes upon any other corporation. After we eliminated that tax as to banks and put them in the same category with all other corporations in the United States they did not complain any further; and I have not had a complaint from any of the corporations against this specific tax since we adopted this amendment.

Mr. OLIVER. Mr. President, the defense of this legislation by the chairman of the committee is just about what I expected. I did not say there was anything unusual about the tax. On the contrary, I think it is the usual thing. The complaint about it is that it is piling one tax upon another and upon the same class of people.

The Senator says that the tax applies to all corporations alike. It does not do anything of the kind. It exempts corporations having a capital and surplus of less than $100,000.

Mr. SIMMONS. Yes, Mr. President; but it exempts that much of the capital of every corporation.

Mr. OLIVER. I understand that very well; but I tell you, Mr. President, that it is so framed not because it will cost too much to collect the tax, but because the tax would otherwise hit too many people, would render too many people dissatisfied, and would take too many votes away from the party which is framing this legislation. That is the reason why the corporation having a capital under $100,000 is exempted. You want to cause as little dissatisfaction as you can by this legislation and to get as much money out of the pockets of the people as you can.

Talk about this being a just tax! Talk about any part of the bill being just! There is not a shadow of justice about the bill from beginning to end.

Mr. SIMMONS. Of course, we understand, Mr. President, that the Senator from Pennsylvania is opposed to any direct taxation whatever.

Mr. OLIVER. This is not direct taxation; it is coming out of the people who own these corporations.

Mr. SIMMONS. The Senator from Pennsylvania thinks that all the money for the support of the Government ought to be raised from the customhouses and that those taxes ought to be exceedingly high, especially upon the products of the State of Pennsylvania——

Mr. OLIVER. Mr. President——

Mr. SIMMONS. In order that that State might continue to enjoy the privilege of taxing the balance of the people of this country in the future to the extent that it has been permitted to do in the past.

Mr. OLIVER. Mr. President, I am sorry that the Senator from North Carolina has cast that imputation upon me. It is entirely unjust. I have never advocated in behalf of the State of Pennsylvania what I did not want to give to every other State in the country. Since the Senator has made the reference, however, I will say that the bill is especially framed to exempt his section of the country as far as possible from taxation and to impose it upon other sections. It is framed with that purpose in view. He himself had that purpose in view—to exempt his own people as far as he can from the payment of taxes and to impose the taxes upon the people of my State and upon other States similarly situated.

Mr. SIMMONS. Mr. President, I state emphatically that I have no such purpose as that, and the Senator is not justified in making any such statement.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

Mr. CURTIS. Let the amendment as amended be stated.

The PRESIDING OFFICER. The Secretary will state the amendment as amended.

The SECRETARY. On page 99, after line 19, it is proposed to insert the following:

First. Corporations, joint-stock companies, and associations shall pay 50 cents for each $1,000 of capital, surplus, and undivided profits used in any of the activities or functions of their business, including such sums as may be invested in or loaned upon stocks, bonds, mortgages, real estate, or other securities. The amount of such annual tax shall in all cases be computed on the basis of the capital, surplus, and undivided profits for the preceding fiscal year, but excluding in the case of insurance companies such deposits and reserve funds as they are required by law or contract to maintain or hold for the protection of or payment to or apportionment among policyholders. Every corporation, joint-stock company, or association as defined and limited in section 10, Title I, of this act, shall be liable to this tax: *Provided*, That for the purpose of this tax an exemption of $99,000 shall be allowed from the capital, surplus, and undivided profits of each corporation: *And provided further*, That corporations actually paying the tax imposed by section 41 of Title III of this act shall be entitled to a credit as against the tax imposed by this paragraph equal to the amount of the tax so actually paid: *And provided further*, That this tax shall not be imposed upon any corporation not engaged in business or which had no net income, as defined in Title I of this act, during the preceding taxable year, or which are exempt under the provisions of section 11, Title I, of this act.

The PRESIDING OFFICER. The question is on agreeing to the amendment as amended. [Putting the question.] By the sound the "ayes" appear to have it.

Mr. CURTIS. I ask for a division.

The amendment as amended was agreed to on a division.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 100, line 21, after the word "broker," to strike out "*Provided*, That any person having paid the special tax as a banker shall not be required to pay the special tax as a broker," so as to make the clause read:

Second. Brokers shall pay $30. Every person, firm, or company, whose business it is to negotiate purchases or sales of stocks, bonds, exchange, bullion, coined money, bank notes, promissory notes, or other securities, for others, shall be regarded as a broker.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. SMOOT. Mr. President, just a moment.

Mr. SMITH of Georgia. I will state that formerly there was a tax on banks. We have stricken out the tax on banks, and therefore this language was unnecessary.

Mr. THOMAS. It would not be fair to tax a private bank and not tax a banking corporation.

Mr. SMOOT. What I had in mind was whether the amendment striking out the proviso had been agreed to.

Mr. SMITH of Georgia. We have just agreed to that amendment.

Mr. SMOOT. I did not understand the announcement, and therefore I desired to ascertain whether or not the amendment had been agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 101, after line 16, to strike out:

Sixth. Proprietors of theaters, museums, or concert halls, where a charge for admission is made, located in a city, town, or village with a population not exceeding 1,000, according to the last preceding census of the United States, shall pay $10; located in a city, town, or village having a population in excess of 1,000 but not in excess of 2,000, shall pay $15; located in a city, town, or village having a population in excess of 2,000 and not in excess of 3,000, shall pay $20; located in a city, town, or village having a population in excess of 3,000, shall pay one-half of 1 per cent of their gross receipts from admission. Every edifice used for the purpose of dramatic or operatic or other representations, plays, or performances, for admission to which entrance money is received, not including halls or armories rented or used occasionally for concerts or theatrical representation, shall be regarded as a theater.

Every proprietor of such theater, museum, or concert hall, located in a city, town, or village having a population in excess of 3,000 inhabitants shall, on or before the 15th day of March, 1917, and on or before the 15th day of June, September, December, and March thereafter, make a return under oath to the collector of internal revenue of the district wherein they are located, stating the gross receipts from admissions for the preceding quarter. The collector shall, within five days of receipt of the return, notify the proprietor of the amount of the tax for which such person is liable, and such person shall pay the tax to the collector on or before the 1st day of the next month.

And insert:

Sixth. Proprietors of theaters, museums, and concert halls, where a charge for admission is made, having a seating capacity of not more than 250, shall pay $25; having a seating capacity of more than 250 and not exceeding 500, shall pay $50; having a seating capacity exceeding 500 and not exceeding 800, shall pay $75; having a seating capacity of more than 800, shall pay $100. Every edifice used for the purpose of dramatic or operatic or other representations, plays, or performances, for admission to which entrance money is received, not including halls or armories rented or used occasionally for concerts or theatrical representations, shall be regarded as a theater: *Provided*, That in cities, towns, or villages of 5,000 inhabitants or less the amount of such payment shall be one-half of that above stated: *Provided further*, That whenever any such edifice is under lease at the passage of this act, the tax shall be paid by the lessee, unless otherwise stipulated between the parties to said lease.

Mr. SMITH of Georgia. Mr. President, I will explain to the Senate just what is accomplished by that amendment.

Mr. SMOOT. Mr. President, I was going to ask the Senator to allow the amendment to go over until to-morrow.

Mr. SMITH of Georgia. I do not think the Senator will want to do that after I give him a word of explanation. Let me explain it this time, even if it goes over until to-morrow.

The existing law was criticized because it placed a tax per sent upon amusement houses. The smaller cities insisted that they had amusement houses about as large as some in the larger cities, but did not use them half so much, and that to tax their amusement houses at the same rate as amusement houses in larger places was really taxing them twice as much on their amusements as the amusements in larger places. To try to avoid this the House adopted a gross income tax of 1 per cent; but this seemed to us unjust. We have felt that net income, rather than gross income, was the fairer basis for taxing. Investigation led us to believe that it would be almost impossible as to many of the smaller amusement places that did not keep books to ascertain the net income. Therefore, we propose to reenact the existing law, modified with the provision that in towns of 5,000 inhabitants or less the tax per seating capacity shall be only half of that in larger places. We were simply trying to equalize the effect of the tax, based upon the theory of the extent of use of the theater. That is the change we have made.

Mr. SMOOT. Yes; I noticed that that was the change, Mr. President. I think, as far as the proviso is concerned, the change that has already been made is a very good one, indeed; but I do not want at this late time of day to take up the discussion of the question itself. Therefore I ask that it go over until to-morrow, so that we can proceed with the balance of this subdivision without the necessity of suggesting the absence of a quorum, as I should like a vote upon it when it is passed upon by the Senate.

Mr. SMITH of Georgia. Very well.

The PRESIDING OFFICER (Mr. LEE of Maryland in the chair). The Senator from Utah requests that the amendment be passed over. Without objection, it will be so ordered.

Mr. NELSON. Mr. President, I desire to say that this change in the law pointed out by the Senator from Georgia strikes me as eminently fair and just. It is a modification of the old law that did not make a fair distinction. What the Senator has stated has come under my own observation in the little town where I live. The old law worked a great hardship. The distinction that has been made here by cutting down the license fee by half in these small towns is eminently just and fair, and I am very glad the committee made this change.

Mr. SMOOT. It is a splendid amendment.

The reading of the bill was resumed.

The next amendment was, on page 104, line 18, after the word "played," to strike out "and that are open to the public with or without price," so as to make the clause read:

Ninth. Proprietors of bowling alleys and billiard rooms shall pay $5 for each alley or table. Every building or place where bowls are thrown or where games of billiards or pool are played shall be regarded as a bowling alley or a billiard room, respectively.

Mr. OLIVER. Mr. President, I will ask the Senator from Georgia if that is intended to make a man liable to this tax if he has a billiard table in his own house.

Mr. SMITH of Georgia. I do not think so. I think it makes all clubs and places liable where billiard tables are kept for use but to which the public are not freely invited, only the membership being invited.

Mr. OLIVER. It seems to me that this would include private tables. I do not care particularly, because a man who can afford to have a billiard table in his house can perhaps afford to pay the tax.

Mr. SMITH of Georgia. There were two views of it. One was that the language would include private tables, and one was that the language would include clubhouses. My view is that it includes clubhouses. Some thought that it included private tables as well. So far as I was concerned, I did not care which view was taken, although I think the proper view is that it does not apply to a man's private table in his own house; but if it does, it is all right with me. I do not care which view is had of it.

Mr. OLIVER. I am not particular.

Mr. SMOOT. I believe it will apply to every bowling alley or every billiard table that may be in the United States. It says:

Every building or place where bowls are thrown or where games of billiard or pool are played shall be regarded as a bowling alley or a billiard room, respectively.

I have not any objection whatever to putting the $5 tax upon every billiard table that there is in the United States, whether it be in a hovel or in a palace or in a public building of any kind.

Mr. SIMMONS. Neither have I. I think that is what we intended.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment was, on page 106, line 4, after the word "cigarettes," to insert "including little cigars weighing not more than 3 pounds per thousand," so as to read:

Manufacturers of cigarettes, including little cigars weighing not more than 3 pounds per thousand, shall each pay, etc.

Mr. OLIVER. Mr. President, I should like to have that amendment, as well as the long amendment on the next page, go over until to-morrow. I have received a very vigorous protest from the manufacturers of what are termed "stogies" in our section, and I have not yet been able to ascertain just exactly the ground of the protest. It may be that these sections will not be open to the objection that they raise. I will investigate the matter to-night.

Mr. SMITH of Georgia. I want to say to the Senator that I do not think the paragraph he is asking to have go over applies to stogies. I think that is a paragraph that we have already gone over. If it is, I am perfectly willing to have the adoption of the paragraph reconsidered.

Mr. SMOOT. The stogies would weigh more than 3 pounds per thousand. These are the little cigars that are made.

Mr. OLIVER. I suppose that is what is called an all-tobacco cigarette.

Mr. SMITH of Georgia. That is really an all-tobacco cigarette.

Mr. OLIVER. Then I will withdraw my request so far as this is concerned. Which paragraph does the Senator thinks covers stogies?

Mr. SMITH of Georgia. I do not know just into which class it may fall. I have studied this paragraph to find out what falls in it, as we are changing the House provision. We added the little cigar, because otherwise it would fall into the class of actual cigars and would be taxed more than it would be fair to tax it. We brought the little cigar, which is a cigarette cigar, into this paragraph.

Mr. SMOOT. An all-tobacco cigarette.

Mr. SMITH of Georgia. An all-tobacco cigarette; that expresses it correctly.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. OLIVER. Whatever section does apply to the stogies I should like to have open to reconsideration in case I find it necessary.

Mr. SMITH of Georgia. The change that we made from 3 cents to 8 cents for every 10,000 cigarettes was due to the fact that we did not think the 3 cents brought it up to the proper standard. The existing law fixes the price in grades and quantities up to 100,000,000. Beyond that it makes no increase. One manufacturer, say, makes 5,000,000,000. We are undertaking by this 8-cent tax to obtain exactly the same sum from these cigarettes that would have been derived had we continued to charge per 100,000,000 on to the 5,000,000,000 production. By putting it at so much per 10,000 we equalized it as to everybody according to production, and we raised the same sum that we would have raised had the former law extended on by 100,000,000 to the 5,000,000,000 producers.

Mr. JAMES. Mr. President, out of order I wish to offer an amendment as a new section on page 144, after section 102. I do this at this time because I may not be able to be here to-morrow, and I desire to be present when this matter is considered. I ask that the Secretary may read it.

The PRESIDING OFFICER. Without objection, the Secretary will read the amendment offered by the Senator from Kentucky.

The SECRETARY. On page 144, after section 102, it is proposed to add a new section as follows:

SEC. 103. That whenever during the existence of a war in which the United States is not engaged the President shall be satisfied that there is reasonable ground to believe that under the laws, regulations, or practices of any country, colony, or dependency contrary to the law and practice of nations, the importation into their own or any other country, dependency, or colony of any article the product of the soil or industry of the United States and not injurious to health or morals is prevented or restricted the President is authorized and empowered, within his discretion, to prohibit or restrict during the period such prohibition or restriction is in force, the importation into the United States of similar articles or in case the United States does not import similar articles from that country then other articles, products of such country, dependency, or colony as in his opinion the public interest may require; and in such case he shall make proclamation stating the article or articles which are prohibited from importation into the United States; and any person or persons who shall import, or attempt or conspire to import, or be concerned in importing, such article or articles into the United States contrary to the prohibition in such proclamation, shall be liable to a fine of not less than $2,000 nor more than $50,000, or to imprisonment not to exceed two years, or both, in the discretion of the court. The President may change, modify, revoke, or renew such proclamation in his discretion.

Mr. SIMMONS. Mr. President, this amendment has been submitted to the Finance Committee. On behalf of the committee I will accept the amendment.

Mr. SMOOT. Mr. President, does the Senator mean the amendment that has just been offered?

Mr. SIMMONS. Yes.

Mr. SMOOT. Let it go over until we can read it.

Mr. JAMES. I will state to the Senator the reason why I desire it acted on.

Mr. SMOOT. I really did not hear the amendment read.

Mr. JAMES. I think I can state to the Senator just what the amendment it. It will take only a moment. It provides that in case any Government, during a war to which the United States is not a party, contrary to the law and practice of nations discriminates against the products of the soil or industries of the United States, and prevents such goods or products from going into that or any other country, then the President, when satisfied that that is the case, has a right to retaliate by prohibiting such articles or any article from that country being imported into this country.

Mr. SMOOT. What effect would that have upon our treaties—for instance, the question of the favored-nation clause? Would it not conflict with those treaties if that authority were granted to the President?

Mr. JAMES. I will say to the Senator that this amendment has been submitted to the State Department and meets with its approval. It is not in conflict with any treaty at all.

Mr. SMOOT. I will say that if it can be carried out without conflict with treaties I am in favor of the amendment.

Mr. THOMAS. Mr. President, if any treaty violation is involved, the violation is from the offending country, not from the United States.

Mr. SMOOT. If that were true, Mr. President, it would have the effect of relieving the United States from any obligation it may have under the treaty.

Mr. JAMES. Certainly no country could claim that we were violating a favored-nation clause when they themselves were violating such a treaty by discrimination against goods or products of the United States, or claim such protection, when they had first violated the treaty, if such a treaty had existed.

Mr. SMITH of Georgia. Mr. President, I am very cordially in favor of the amendment. I think it many ways we leave our administrative officers helpless to guard our commercial rights.

Mr. SMOOT. So am I in favor of it, if it is not subject to the objection to which I have referred.

Mr. SMITH of Georgia. I think it can be handled without any trouble. I have given a good deal of thought to the subject of our international relations, and I believe it will help the State Department in diplomatic negotiations looking toward guarding the rights of American commerce. Of course any administration would be very careful about its use and regardful of our treaty obligations; but to-day the State Department negotiates in many respects with reference to a disregard of our commercial rights with hands tied, the opposing power being conscious of the fact that no authority has been vested in the State Department or in the President to use our commercial strength. The British Government, through its Privy Council, has almost unlimited power.

Mr. SMOOT. Mr. President, I shall not object to the adoption of the amendment at this time, but I do think it is worthy of most serious consideration. I want to say to the Senator from Georgia that if it can be carried out, and if it does not conflict with our treaties with other countries, I should be most happy to have it become a part of the law of the United States.

Mr. THOMAS. Mr. President, perhaps the Senator is not aware of the fact that on Saturday last I introduced an amendment, prepared also by the State Department, much more extensive than this, drawn to some degree in the same language, but designed to arm the Government with the power to retaliate by way of reprisals whenever such acts on the part of foreign Governments as are illustrated by the so-called black-list order shall occur. I hope the Senator will also find himself in accord with that amendment and with the purpose for which it is intended.

Mr. OLIVER. Mr. President, I suggest the absence of a quorum.

Mr. SMOOT. I hope the Senator will not do that.

Mr. OLIVER. I withdraw the suggestion for the present, then; but I do not propose that an amendment so important as this shall be acted on without careful consideration.

Mr. SMOOT. Why does not the Senator object to its consideration now, and ask that it go over?

Mr. OLIVER. I ask, then, that the amendment may go over until to-morrow.

Mr. JAMES. Of course, the Senator has the power to do that, but I can not see the slightest objection. I know of no treaty in the world that this amendment would interfere with.

Mr. SMOOT. I will say to the Senator that the Senator from Pennsylvania does not want it acted upon to-night.

Mr. OLIVER. It is a new thing to me.

Mr. SMOOT. There is no need of calling a quorum, because we can not get one.

Mr. JAMES. The reason why I called up the amendment this afternoon was that I may have to be absent from the city to-morrow, and I certainly shall have to be absent the following day. I can stay here until to-morrow, and I should like to know if the Senator would have any objection to calling it up in the morning.

Mr. OLIVER. I will say to the Senator from Kentucky that after studying the amendment it may be that I will have no objection to it. I am perfectly willing, if the Senator must go away and is not paired, to break my pair with the Senator from Oregon [Mr. CHAMBERLAIN] and pair with him, or do anything in the world to accommodate him.

Mr. SMITH of Georgia. I move that when the session of the Senate closes this afternoon, it be by recess until 11 o'clock to-morrow morning.

The motion was agreed to.

Mr. MYERS. Mr. President, I ask that the Senate recur to page 79 of the printed bill under consideration; and I move that all of subsection (2), on page 79, being lines 10 to 19, inclusive, be stricken out. I move to amend that section in that way.

Mr. THOMAS. Mr. President——

Mr. STONE. Mr. President, I rise to a question of order. A motion was made by the Senator from Georgia that when the Senate ends the present session it be by recess until 11 o'clock to-morrow morning. What became of that motion?

The PRESIDING OFFICER. It was carried.

Mr. STONE. Was it so announced?

The PRESIDING OFFICER. It was so announced.

Mr. STONE. I did not hear it.

Mr. MYERS. Mr. President, I renew my motion.

The PRESIDING OFFICER. The Chair will inform the Senator from Montana that that whole section has been laid over for the time being.

Mr. MYERS. I ask unanimous consent that we take it up now.

Mr. THOMAS. I object, Mr. President.

The PRESIDING OFFICER. Objection is made.

CONDITIONS IN IRON-ORE MINING TOWNS.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting, in response to a resolution of the 26th instant, copies of four reports, received by the Surgeon General of the Public Health Service from Passed Asst. Surg. Robert Olesen, embodying the observations made by Dr. Olesen and Asst. Surg. Joseph Bolten of sanitary conditions in certain iron-ore mining towns in Michigan and Minnesota, which, with the accompanying papers, was ordered to lie on the table.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House agrees to the amendments of the Senate to the bill (H. R. 15455) to establish a United States shipping board for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a merchant marine to meet the requirements of the commerce of the United States with its Territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and interstate commerce of the United States; and for other purposes.

The message also announced that the House insists upon its amendments to the bill (S. 6625) authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls, agrees to the conference asked for by the Senate upon the disagreeing votes of the two Houses thereon, and had appointed Mr. FIELDS, Mr. CALDWELL, and Mr. GREENE of Vermont managers at the conference on the part of the House.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 14391. An act authorizing the purchase of a site and the erection of a public building thereon at Madison, Wis., and for other purposes; and

H. R. 17235. An act granting the consent of Congress to W. H. Crosby, W. H. Andrews, E. G. Connette, Daniel Good, Henry May, Robert C. Gaupp, Edward Kener, jr., William F. MacGlashan, and William A. Morgan to construct a bridge across Niagara River within or near the city limits of Buffalo, and for other purposes.

ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (H. R. 13391) entitled "An act to amend certain sections of the act entitled 'Federal reserve act,' approved December 23, 1913," and it was thereupon signed by the Vice President.

PETITIONS.

Mr. SHEPPARD presented petitions of sundry citizens of the District of Columbia, praying for prohibition in the District of Columbia, which were referred to the Committee on the District of Columbia.

REPORTS OF COMMITTEE ON CLAIMS.

Mr. HARDING, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 1636. An act for the relief of Karen S. Sorenson and James Lyle (Rept. No. 834); and

H. R. 8452. An act for the relief of Charles L. Moore (Rept. No. 833).

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHIELDS:

A bill (S. 6968) authorizing the Secretary of War to donate to the State of Tennessee two brass cannon with carriage; to the Committee on Military Affairs.

By Mr. CURTIS:

A bill (S. 6969) for the relief of Mary E. Woodward (with accompanying papers); to the Committee on Claims.

By Mr. TAGGART (for Mr. JOHNSON of Maine):

A bill (S. 6970) to waive the age limit in the appointment of Frederick P. Rogers, of Bangor, Me., as a second lieutenant in the United States Army; to the Committee on Military Affairs.

By Mr. JAMES:

A bill (S. 6971) granting a pension to Herbert G. Hoots (with accompanying papers); to the Committee on Pensions.

By Mr. LEWIS:

A bill (S. 6972) to repeal provisions of Interstate Commerce Commission and dividing same into sections and for giving jurisdiction to raise or change rates of wages to employees in interstate commerce; to the Committee on Interstate Commerce.

By Mr. SHEPPARD:

A bill (S. 6973) to enable Frank B. Lammons to take the examination for second lieutenant; to the Committee on Military Affairs.

By Mr. WILLIAMS:

A bill (S. 6974) granting a pension to Eva A. Trager; to the Committee on Pensions.

By Mr. LEWIS:

A joint resolution (S. J. Res. 171) expressing sentiment of right to increase or decrease rates of freight and passenger compensation by Interstate Commerce Commission under certain circumstances; to the Committee on Interstate Commerce.

AMENDMENT TO DEFICIENCY APPROPRIATION BILL.

Mr. KERN submitted an amendment authorizing the Secretary of the Treasury to consider and favorably adjudicate claims of trust companies or other claimants for refund of taxes illegally collected on capital, surplus, or undivided profits, etc., intended to be proposed by him to the general deficiency appropriation bill (H. R. 17645), which was referred to the Committee on Appropriations and ordered to be printed.

THREATENED RAILWAY STRIKE.

Mr. LEE of Maryland. I offer a resolution and ask that it be read and referred to the Committee on Interstate Commerce.

The resolution (S. Res. 260) was read and referred to the Committee on Interstate Commerce, as follows:

Resolved, That in order to afford sufficient time for the intelligent consideration of the legislation suggested in the President's message to Congress of August 29, the Senate of the United States hereby requests the representatives of the railway employees who have fixed upon September 4 for the commencement of a general strike, to postpone the date for the beginning of such strike for one week, and that a copy of this resolution be immediately forwarded by the Secretary of the Senate to the said representatives having the matter of a strike in their charge.

FEDERAL FARM-LOAN ACT.

Mr. CHILTON. I ask unanimous consent to have printed in the RECORD a compendium of the farm-loan act showing the practical workings of it. It consists of just about four pages.

Mr. SMOOT. I wish to say to the Senator that the Department of Agriculture has already printed Circular No. 60, and not only the information is the same as what the Senator has presented but it contains a great deal of other information in relation to the same subject matter.

Mr. CHILTON. I want this to go in the RECORD; that is all.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

CHARLES TOWN, W. VA., *August 23, 1916.*

Hon. W. E. CHILTON,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I am handing you herewith a luminous abridgment of the recent farm-loan act, together with the closely related Federal reserve bank act, the former having been made possible by the latter. Both enactments are so exceedingly creditable to our Congress that I wish to lift up my voice now in praise of the broad spirit of prophetic wisdom which prompted their conception. Both, however, being much too complex and involved for clear and quick appreciation of the average citizen, this synopsis is prepared by a gentleman who has deeply studied both measures, and it represents a true reflex of the essentials of both acts. It is educational and should be widely disseminated.

Yours, sincerely, A. W. BYINGTON.

THE FARM-LOAN ACT.

On July 17, 1916, President Wilson signed what is known as the farm-loan act, a measure of such tremendous significance as to be hardly second in importance to that wisest of all financial legislation known as the Federal reserve bank act. These two acts, operating in harmony, render it practically impossible for any interest or combination of interests to cause a money stringency or produce a financial panic, and free the farmer forever from the clutches of money sharks and make it easy for him to procure long-time loans at low interest, and repayable in easy installments. The far-reaching effect of these two measures can hardly be estimated, so great is their scope and so powerful the impulse they give to widespread and lasting prosperity.

This latest act—the farm-loan act—provides two systems for making loans—the Federal Land Bank System and the Joint Stock Bank System. The Federal Land Bank System will consist of 12 banks located in 12 farm districts, each having a subscribed capital of not less than $750,000 in shares of $5, and all under control of the Federal Farm Loan Board, composed of the Secretary of the Treasury and four members appointed by the President. The money comes from the sale of shares of bank stock and of bonds secured by first mortgages on farm land. If the bank stock offered is not all sold within 30 days, what remains shall be bought in by the United States Treasury. The United States, however, will get no dividend on the stock it holds. This provision is intended to make sure that the bank gets proper capital to start business.

Local farmers are to form loan associations composed of borrowers. They will be shareholders in the bank and will share in dividends. The bank that has to borrow money to lend can not charge for loans more than 1 per cent more than it pays for such money. Full information as to procedure in securing a loan will be furnished prospective borrowers by each Federal land bank or its branch in any particular locality.

How it works: Brown borrows $1,000, to be repaid, say, in 20 years; his first annual payment would be $80.24, $50 of which is interest.

In tabular form the account will appear thus:

	Total payment.	Interest at 5 per cent.	Paid on principal	Still due
First year	$80.24	$50.00	$30.24	$969.76
Second year	80.24	48.48	31.75	938.01
Third year	80.24	46.90	33.34	904.67
Fourth year	80.24	45.24	35.01	869.65
Fifth year	80.24	43.48	36.75	832.90
Sixth year	80.24	41.64	38.59	794.31
Seventh year	80.24	39.71	40.52	753.79
Eighth year	80.24	37.68	42.55	711.24
Ninth year	80.24	35.56	44.68	666.55
Tenth year	80.24	33.32	46.91	619.64
Eleventh year	80.24	30.98	49.26	570.38
Twelfth year	80.24	28.51	51.72	518.67
Thirteenth year	80.24	25.93	54.31	464.35
Fourteenth year	80.24	23.21	57.02	407.33
Fifteenth year	80.24	20.36	59.87	347.46
Sixteenth year	80.24	17.37	62.87	284.60
Seventeenth year	80.24	14.23	66.01	218.59
Eighteenth year	80.24	10.93	69.31	149.28
Nineteenth year	80.24	7.46	72.78	76.50
Twentieth year	80.33	3.83	76.50	(1)

(1) Paid out.

It will be seen that the interest reduces annually and at same time payments on principal increase.

Had he borrowed $1,000 in the ordinary way he would have paid, besides fees and commission, $1,000 in interest and still would owe the original $1,000 borrowed. Under this system he pays no commission.

The only restriction is that the loan must be for the building up and equipping the farm and its business, and not for some enterprise wholly disconnected therewith.

If more than $1,000 is desired, the principle indicated in above figures will prevail, the simple multiplication of said figures by the number of thousands giving the result.

THE JOINT-STOCK BANK SYSTEM.

The banks under this system are authorized to lend direct to borrowers on farm mortgages and to issue farm-loan bonds for capital. These banks will be capitalized at $250,000 or more and will be supervised by the same board, but they get no financial assistance from the United States Government. They are not restricted as to the purpose of the loans made. They can not charge over 6 per cent and must provide for the same plan of easy repayment. They can take no commission or fee for making the loan.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had, on August 29, 1916, approved and signed the following acts:

S. 19. An act relating to bills of lading in interstate and foreign commerce;

S. 381. An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands;

S. 6740. An act to correct the military record of Matthew C. Butler, jr.; and

S. 6924. An act to provide for the maintenance of a training camp on the military reservation of Fort Douglas, Utah.

HOUSE BILL REFERRED.

H. R. 17235. An act granting the consent of Congress to W. H. Crosby, W. H. Andrews, E. G. Connette, Daniel Good, Henry May, Robert C. Gaupp, Edward Kener, jr., William F. MacGlashan, and William A. Morgan to construct a bridge across Niagara River within or near the city limits of Buffalo, and for other purposes, was read twice by its title and referred to the Committee on Commerce.

EXECUTIVE SESSION.

Mr. STONE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

RECESS.

Mr. STONE. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 6 o'clock and 3 minutes p. m., Wednesday, August 30, 1916) the Senate took a recess until to-morrow, Thursday, August 31, 1916, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 30 (legislative day of August 29), 1916.

PROMOTIONS IN THE NAVY.

Rear Admiral William S. Benson, Chief of Naval Operations with rank of rear admiral, to have the rank of admiral in accordance with the provisions of the act of Congress approved August 29, 1916, from date of said act and during the remainder of his term of office as Chief of Naval Operations under his existing appointment thereto.

First Lieut. George W. Van Hoose to be a first lieutenant in the Marine Corps, from the 17th day of December, 1915, to correct the date from which he takes rank as previously confirmed.

First Lieut. Arthur J. White to be a first lieutenant in the Marine Corps, from the 2d day of June, 1916, to correct the date from which he takes rank as previously confirmed.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 30 (legislative day of August 29), 1916.

POSTMASTERS.

ILLINOIS.

L. L. Boyle, Roberts.
Robert E. Duff, Clay City.
A. R. Godknecht, Palatine.
Gilbert L. Hough, Clayton.
A. J. Ikemire, Louisville.

IOWA.

T. L. Finley, Missouri Valley.
J. W. Forward, Edgewood.
J. N. McCoy, Corydon.
R. A. Mortland, Montezuma.

KENTUCKY.

Eunice D. Taylor, Greenup.

MASSACHUSETTS.

William Joseph Bell, Warren.
Charles E. Cook, Uxbridge.

PENNSYLVANIA.

John W. Murray, Rossiter.
George W. Weinman, Monaca.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *August 30, 1916.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Eternal God, whose loving heart is ever open to the appeals of Thy children, we seek Thee at the beginning of this new legislative day that we may be guided by the holy spirit of truth with clear vision, that each legislative act may be in consonance with the eternal principles which have been woven into the foundation of our Republic, life, liberty, and the pursuit of happiness, that its superstructure may not be weakened but made stronger, that it may stand the strain of all the forces from within or from without which may be hurled against it and so be worthy of the trust reposed in us. For Thine is the kingdom and the power and the glory forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

ORDER OF BUSINESS.

Mr. GREENE of Massachusetts. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The Chair wishes the gentleman would withhold that for just a minute.

Mr. GREENE of Massachusetts. Well, I will withhold it for a minute.

Mr. EDWARDS. Mr. Speaker——

The SPEAKER. The gentleman from Massachusetts makes the point of order——

Mr. EDWARDS. But, Mr. Speaker, it has been withheld.

The SPEAKER. It was withheld for one purpose. Evidently there is no quorum present.

Mr. KITCHIN. Mr. Speaker, I move a call of the House.

The SPEAKER. The gentleman from North Carolina moves a call of the House.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will lock the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Adair	Fairchild	Kettner	Patten
Anderson	Farr	Kiess, Pa.	Peters
Anthony	Ferris	Kinkaid	Pou
Ashbrook	Fess	Konop	Pratt
Austin	Finley	Lafean	Ragsdale
Barchfeld	Flood	La Follette	Ricketts
Beakes	Flynn	Langley	Riordan
Beales	Foss	Lazaro	Roberts, Mass.
Bell	Foster	Lee	Roberts, Nev.
Blackmon	Frear	Lever	Rogers
Browne	Freeman	Lewis	Russell, Ohio
Browning	Fuller	Liebel	Sabath
Burgess	Gardner	Loft	Saunders
Burke	Garner	Longworth	Scott, Mich.
Butler	Gillett	Loud	Scott, Pa.
Byrnes, S. C.	Good	McCracken	Sells
Callaway	Graham	McCulloch	Shackleford
Campbell	Gray, Ala.	McDermott	Shouse
Cantrill	Gray, N. J.	McFadden	Slemp
Capstick	Gregg	McGillicuddy	Smith, Mich.
Carew	Griffin	McKellar	Smith, Tex.
Carter, Okla.	Guernsey	McKenzie	Snell
Cary	Hamill	McLaughlin	Snyder
Charles	Hamilton, Mich.	Madden	Stedman
Chiperfield	Hamilton, N. Y.	Magee	Stephens, Nebr.
Church	Hart	Maher	Stiness
Cooper, Ohio	Hay	Mapes	Stout
Cooper, W. Va.	Hayes	Martin	Sullaway
Copley	Heaton	Matthews	Sumners
Costello	Helm	Meeker	Sweet
Crago	Helvering	Miller, Minn.	Swift
Crisp	Henry	Miller, Pa.	Talbott
Dallinger	Hensley	Morgan, La.	Tavenner
Danforth	Hernandez	Morin	Taylor, Colo.
Darrow	Hinds	Mott	Temple
Davis, Minn.	Hollingsworth	Mudd	Tilson
Decker	Howard	Murray	Tinkham
Dempsey	Howell	Nelson	Tribble
Dill	Hughes	Nicholls, S. C.	Walker
Dooling	Humphrey, Wash.	Nichols, Mich.	Walsh
Driscoll	Husted	Nolan	Ward
Drukker	James	North	Wason
Dunn	Johnson, Wash.	Norton	Whaley
Dyer	Jones	Oglesby	Williams, T. S.
Eagle	Kahn	Olney	Wilson, Fla.
Ellsworth	Kearns	O'Shaunessy	Wilson, Ill.
Elston	Kelley	Paige, Mass.	Winslow
Emerson	Kennedy, R. I.	Park	Woods, Iowa
Esch	Kent	Parker, N. Y.	Young, N. Dak.

The SPEAKER. On this roll call 235 Members, a quorum, answered to their names.

Mr. KITCHIN. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will unlock the doors.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 3180. An act to authorize the appointment of Clarence C. Kress to the grade of captain, United States Army Medical Corps.

The message also announced that the Senate had agreed to the amendment of the House to bill (S. 5987) to amend subsection 11 of section 3244 of the Revised Statutes.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bills and joint resolution:

H. R. 600. An act to validate title to the town site of McCabe, in the State of Montana;

H. R. 10251. An act authorizing the Kansas City & Memphis Railway & Bridge Co. to make settlement with Crittenden County, Ark., and for other purposes;

H. R. 13835. An act to authorize the county commissioners of Aitkin County, Minn., and the town board of Logan Township, in said county and said State, to construct a bridge across the Mississippi River on the line between sections 26 and 27, township 49 north, range 25 west, fourth principal meridian;

H. R. 13926. An act to amend an act entitled "An act to provide for the appointment of a district judge, district attorney, and marshal for the western district of South Carolina, and for other purposes," approved March 3, 1915, so as to provide for terms of the district court to be held at Anderson, S. C.;

H. R. 17375. An act to amend an act entitled "An act to provide for an enlarged homestead," approved June 17, 1910; and

H. J. Res. 292. Joint resolution proposing to amend section 2971 of the Revised Statutes of the United States.

THE SHIPPING BILL.

Mr. ALEXANDER. I understand, Mr. Speaker, under the agreement or understanding yesterday afternoon we would proceed with Senate amendments to the shipping bill (H. R. 15455).

The SPEAKER. The unfinished business is Senate amendments to H. R. 15455. Under the agreement the gentleman has 10 minutes and the gentleman from Massachusetts 26 minutes. Does the gentleman desire to go ahead?

Mr. ALEXANDER. I yield to the gentleman from Massachusetts.

Mr. GREENE of Massachusetts. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. BENNET]. [Applause.]

Mr. BENNET. Mr. Speaker, amendment No. 48 to the shipping bill is in all probability the most important and far-reaching matter that has been brought to the attention of this Congress. This legislation embraced in amendment 48 to the shipping bill is an assertion of American sovereignty at a time when possibly the assertion of American sovereignty, although right, correct, and patriotic, is nevertheless a most serious matter. The amendment as it comes to us from the Senate, known as the Thomas amendment, bearing the name of the distinguished Senator from Colorado, is correct in principle and as a Republican I rejoice in the fact that I can support an amendment coming from a Member upon the opposite side, and if it can not be strengthened I shall support the amendment in the form in which it is. The gentleman from West Virginia [Mr. SUTHERLAND] will offer an amendment not differing in any wise in principle from the Thomas amendment but strengthening the Thomas amendment in two particulars.

The Thomas amendment is defective in two particulars. It protects only shipments by citizens of the United States, and it merely authorizes the Secretary of the Treasury to refuse clearances to vessels without directing him to do so. I for one do not believe that the United States of America ought to make scraps of paper of its treaties. [Applause.] There are 14 nations amongst the belligerents. Nine of those 14 nations have commercial treaties with us, including Great Britain, France, Germany, and Austria, and those commercial treaties give them the right when their citizens or subjects are domiciled in the United States to do business in the United States in the same way that our own citizens do; and we have reciprocal treaties with them. That particular provision in the Thomas amendment therefore tears up every one of our nine commercial treaties pro tanto. The Sutherland amendment applies not to the citizenship of the goods but to the fact that they are shipped from an American port and therefore gives the protection to which they are entitled to firms domiciled in America.

Also, I do think that in a matter of this importance we ought not to cast the burden upon an executive officer when we declare a thing to be wrong—the burden of the importunities, that would come to him in specific cases, not to enforce the law. If a thing is wrong, then let the remedy be applied equally without fear and without favor and against everyone, and that the Sutherland amendment does. Outside of those particulars it is not essentially different from the Thomas amendment.

What is the situation that these two amendments, differing only in the way I have indicated, seek to remedy? It is this: As the gentleman from Connecticut [Mr. HILL] so aptly said on the floor the other day, we can not ship from our own country a bale of cotton or a box of matches without the consent of the British Government. I will give you an exact illustration of a man whom we know. A Member of this body, my colleague, Mr. GOULD, a manufacturer of pumps, has had a customer in the Argentine for 20 years. The other day he desired to ship pumps in the regular way to that customer. Not an American ship would take those American goods from an American manufacturer to a customer of 20 years standing because the British Government said they should not. You can not get a bank in any seaboard city to accept for collection a draft on any one of the 1,500 persons and firms on the British black list. And unless we pass this legislation we are just as much a commercial colony of Great Britain as is Canada.

Mr. COX. Will the gentleman yield?

Mr. BENNET. Certainly.

Mr. COX. I am very much in sympathy with what the gentleman is saying. I will vote for anything to strengthen this amendment. What would be wrong with the proposition to strike out the word "authorized" and use the word "directed"?

Mr. BENNET. Why, Mr. Speaker, I would vote for that. It would make it stronger. I am very frank to say to the gentleman that I would vote for it. I will vote for the Sutherland amendment. I hope to get one or the other. If I can not vote for that, I will vote for the Thomas amendment.

Mr. COX. Does not the gentleman believe that if the word "directed" was substituted for the word "authorized" the amendment would carry more force and more power?

Mr. BENNET. Why, certainly; and the Congress of the United States ought to commence to realize that they are the lawmaking body, and the duty of the Executive is simply to execute the laws which the Congress passes. [Applause.]

Mr. TOWNER. Will the gentleman yield?

Mr. BENNET. Yes.

Mr. TOWNER. Does the gentleman believe that it would benefit American commerce if the word "authorized" was changed to "directed" merely, and still leave it so that this restriction would apply only to American ships and not to other regular transportation ships?

Mr. BENNET. Yes; I believe that. Now, there are some gentlemen who say—men who are not affected themselves—it might discommode more people to pass this than are discommoded at present. That is a narrow view. Unless we take the position as a Nation that an injury to one is the concern of all we have ceased to be an independent, sovereign nation. [Applause.] Our merchants in New York before the Revolution, when the British Government put an embargo on the merchants of Boston and attempted to drive the trade of New England to the port of New York, to the great financial benefit of the merchants of New York, met in a coffeehouse in Pearl Street and passed a resolution unanimously that they would not as fellow Americans take advantage of this oppression of their New England brethren, and that they would refuse to handle any business coming to them from a source like that. The Americans in Virginia prior to the War of the Revolution had not one single grievance with Great Britain that they could not have settled by accommodation; and so it can be said of all the coast south of that; but they took the patriotic American ground that we were one people, and because there were wrongs in Pennsylvania and New York and New England which could not be righted those gentlemen from the South struck hands with the gentlemen from the North in pursuit of a common Americanism, forgetting, as I hope they will do to-day, all factional, political, or sectional differences, and asserting, as we have in the past, that America is America and that American rights are American rights. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. GREENE of Massachusetts. Mr. Speaker, I yield 10 minutes to the gentleman from Iowa [Mr. TOWNER].

Mr. TOWNER. Mr. Speaker, I hardly think that I can agree with my good friend from New York [Mr. BENNET] upon one proposition of his speech. To change the word "authorized" to "directed" might be of benefit to the amendment, but as I believe one of the chief objections to the amendment lies in the fact that this restriction applies only to citizens of the United States, as I gather from a somewhat hasty reading of the amendment, this restriction applies only to American ships. If that be true, that is the chief defect of this amendment. Why, gentlemen, at the close of this war we will not only have to build up American commerce but we will be required to protect American commerce.

Can we protect American commerce by placing restrictions upon American ships—restrictions that do not apply to their rivals, restrictions that would drive American ships from the seas? Three-fourths, I believe, of all the regular established routes of transportation are absolutely in the control of foreigners to-day. Suppose we endeavored to establish American lines to compete with them, and the restrictions of this law apply only to American ships and not to foreign ships. Is that Americanism? Is that building up American commerce? Will that be an encouragement to American industries? Will that build American ships? Will that be an encouragement to American organizations to put lines in operation in competition with the great organized lines of Europe? It occurs to me not; and so I think it is as essential to modify this amendment by making it apply to all ships on regular lines that clear from our ports as it is that it shall apply to American ships.

Mr. Speaker, I am inclined to think that those who formulated this bill and these amendments have had little thought with regard to the real interests of America in all these matters, in so far as the commercial interests are concerned.

Mr. BRITTEN. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore. Does the gentleman from Iowa yield to the gentleman from Illinois?

Mr. TOWNER. Yes; I yield.

Mr. BRITTEN. In what respect does the amendment not apply to all vessels?

Mr. TOWNER. To all vessels?

Mr. BRITTEN. Yes. It reads "to any vessel."

Mr. TOWNER. This is a restriction, I will say to my friend, and it is a restriction that applies by the terms of the act to any citizen of the United States. This, of course, does not make it apply to any foreign ships or any foreign line of vessels doing business in the United States.

Mr. HARDY. Mr. Speaker, will the gentleman please repeat that statement? I did not catch it.

Mr. TOWNER. I would rather that the gentleman would take it up in his own time, but I will answer any question the gentleman may propound.

Mr. HARDY. Oh, no.

Mr. TOWNER. I want to call attention also to the first amendment. This first amendment provides:

A cargo boat commonly called an ocean tramp shall not be deemed such "common carrier by water in foreign commerce."

It is a well-known fact that from 60 to 75 per cent of all the trade and commerce is now carried in tramp ships from ports of the United States. The effect of this amendment is to exclude all of such vessels from all of the regulatory features of this act.

Now, what are some of these regulatory features of the act—regulatory features that apply only to American ships, regulatory features that do not apply to tramp ships, regulatory features that do bind our shippers, but will not bind foreign shippers and will not apply to tramp vessels? What are some of them? The first of them is section 14 of this act, on page 15. The first regulatory feature that is a restriction on American commerce is "that no common carrier by water shall directly or indirectly"—and that applies only to American shipping and not to foreign shipping and tramp shipping—

That no common carrier by water shall directly or indirectly—first, pay or allow or enter into any combination, agreement, or understanding, expressed or implied, to pay or allow, a deferred rebate to any shipper.

That is a restriction that applies to American ships. That is not a restriction that applies to any tramp ships, although they are now doing, as I said, from 60 to 75 per cent of all of our business.

The second restriction on American commerce is that they shall not use "a fighting ship, either separately or in conjunction with any other carrier, through agreement or otherwise." The term "fighting ship" in this connection means a vessel used in a particular trade by a carrier or group of carriers for the purpose of reducing or preventing competition by driving any carrier out of the trade. No American ship can do that, but all foreign and tramp ships may do it. If this is a United States provision for the protection of shippers of America, why should it not apply to all those ships that clear from our ports, instead of applying only to American ships?

The third restriction is that they shall not "retaliate against any shipper by refusing, or threatening to refuse, space accommodations," and so forth. That applies only to American ships. Why should it not apply to all ships sailing from our ports?

The fourth restriction is that they shall not "make any unfair or unjustly discriminatory contract with any shipper based on the volume of freight offered," and so forth.

In other words, these regulatory features are made as restrictions on American ships and shipowners and do not apply to others. I am not condemning the restrictions. They may be fair, although I very much question whether or not they will be applicable under the conditions of our foreign commerce. But certainly it is not defensible to say that they shall apply to Americans, as restrictions upon them, and not apply to foreign commerce, that carries so large a proportion of our trade.

In fact, I think we are justified in saying, gentlemen, that this bill from beginning to end will not and can not operate to encourage American commerce or American shipping; that it will only discourage men who desire to invest in it; that it will be a hindrance and not a help. And I very well believe that the first action this Congress would take, if it could take action when the real competition begins at the close of this war, would be to repeal this act in its entirety, from beginning to end. [Applause on the Republican side.] At least I am quite sure that the succeeding Congress, which will be a Republican Congress, will repeal this act, because it will find that it is a millstone about the neck of American commerce, and not a help. [Applause on the Republican side.] I believe that they will find that almost every provision of this act is a hindrance, and can not possibly be a benefit to American commerce. [Applause on the Republican side.]

The SPEAKER pro tempore. The time of the gentleman from Iowa has expired. The gentleman from Massachusetts [Mr. GREENE] is recognized.

Mr. GREENE of Massachusetts. Mr. Speaker, I regret that I have not more time to speak on the Senate amendments to this bill, but I have given to some able opponents of the Senate amendments an opportunity to fire a few shots into the same.

Now, I am going to talk plain business to the Members of the House. Gentlemen, the issue is between the Republican Party and the Democratic Party. The Democratic Party favors this infernal bill with worse than infernal amendments made by the Senate [applause on the Republican side], and if I find a Republican registered for these amendments sent to us from the Senate when we take a vote on the amendments I will put him down with the Democratic Party straight. [Applause on the Republican side.] I wish to call the attention of the Members of the House and the country to the fact that the Republican Party is opposed to the admission of foreign-built vessels to the coastwise trade of the United States, and the Democratic Party, by its votes in this body and the body at the other end of the Capitol, throws all our ports open to the competition of the low-paid labor of all foreign countries. I can not understand how any red-blooded American can indorse the position of the Democratic Party on the Senate amendments to section 9, but the responsibility is theirs.

Gentlemen, it is stated in the biography of Henry Clay that shortly after the Revolution the Tammany Society in New York passed a resolution that they would not buy any article made abroad, especially any articles made in England. I honor the Tammany Society for the record they made then regarding the proposition of buying goods made abroad when the country was a struggling Nation. Many another good Democrat at that time held the same view. To-day at the close of this debate we shall vote on one of the most important bills ever presented in this Congress. The amendments will pass, but the law will be very short lived. There will be a new House of Representatives, a new Senate, and a new President of the United States after the 4th of March, 1917. [Applause on the Republican side.] And when we get possession of the Government we will wipe off the statute books some of this infernal legislation that you have put into law. [Applause and laughter.] Oh, you gentlemen on the Democratic side can laugh, but the ides of November are coming, and when the 11th day of September comes, and the vote is taken in Maine, gentlemen of the Democratic Party, you will be utterly overwhelmed there. Mark my words. I put that statement on record here and now.

Mr. GORDON. Look out, now; that is not very far off.

Mr. GREENE of Massachusetts. I am a good predictor and forecaster, and I have been a political forecaster for a great many years. [Laughter and applause.]

Now, gentlemen, we have public law No. 175, which authorized the President of the United States to suspend the provision of law requiring surveys, inspections, and measurements by officers of the United States of foreign-built vessels admitted under the registry act and under that act. Why, gentlemen, how much discretion did the President of the United States use? What were the vessels that he admitted under that act? They were vessels of the Standard Oil Co. They were vessels of the United Fruit Co., which companies I have heard denounced on the other side of the aisle as being a part of a great monopoly. The President of the United States gave authority for English officers to run those vessels, to the deprivation of American officers. My objection to the action of President Wilson was that he hastened under the discretion granted him to give preference to foreign officers, in the face of the fact that there was a large number of American officers idle, and Capt. Wescott is my authority for the statement that he had submitted a list of idle American officers to the President.

This bill has section 5 in it, which provides that this board is authorized to have ships constructed in American yards and navy yards—the American yards are full of business and the navy yards are full of business—or elsewhere, which means that they can go and spend this $50,000,000 in Japan or China, or any other place where they can hire people at from 15 to 25 cents a day, for they will stretch their authority in every possible way, and there is a good deal of chance in this bill.

I tell you, my friends, this bill ought to be defeated. Therefore I am going to call on every Republican to vote against it. There is going to be a presidential election, and you gentlemen want to be pretty careful how you vote. [Laughter and applause.] You want to vote so as to put the Republicans together. The Republicans are united to-day, and the Democratic Party can not understand it. They think they have got a chance to win. They are doomed to the greatest thrashing they have

had in 25 years. I tell you, gentlemen, you have not reelected a President in 84 years. Just think of it! You have not reelected a President in 84 years, and you are not going to break the record this year, and it is your own work that will be responsible for the defeat that stares you in the face.

Now, I want to say a word about these amendments to this bill that were put on in the Senate. They undertook last year to put these amendments on this bill, to admit foreign-built vessels to the coastwise trade; but the Senate had some patriotic Democrats in it, and quite a number of Republicans, and they beat that proposition 2 to 1. To-day, doctoring this bill so as to make it satisfactory to all Democrats, and under orders from the White House, issued by the President and forwarded by his son-in-law, the Secretary of the Treasury, they deliberately voted to admit into the coastwise trade of the United States foreign-built vessels. The interest of the Democratic Party in the bill and amendments principally is in the appointment of five persons with the authority to draw salaries for a few brief months.

The SPEAKER. The time of the gentleman has expired.

Mr. ALEXANDER. Mr. Speaker, the gentleman from Massachusetts [Mr. GREENE] is rather amusing in his attitude toward this legislation. He would read out of the Republican Party the Republicans who voted for this bill when it passed the House, but I do not think they will permit him to do so. He should be more charitable toward his erring brethren.

It is interesting also to note that the gentleman from Massachusetts voted for the ship-registry act of August 18, 1914. I introduced that bill and it passed the House under suspension of the rules and not a vote was cast against it. It was an emergency measure. Yet the gentleman is inveighing against that bill to-day. He voted for the seamen's law, which passed this House under suspension of the rules with not a vote against it. And as a member of the Committee on the Merchant Marine and Fisheries, charged with the investigation of the Shipping Trust, he joined in a report which recommended to the Congress legislation regulating shipping along the lines proposed in this bill. Of course he has changed his mind, which he has a right to do; but he has not been consistent, and I do not think he ought to lecture his colleagues because they do not follow him.

It is said that the amendment now pending, if agreed to, will be a menace to our shipbuilding industry. Is that true? Vessels are now being built cheaper in American shipyards than in foreign shipyards, and I believe that condition will continue for years to come. Our shipyards are building vessels now on foreign account. A gentleman from the Pacific coast was in my office the other day, who said he had sold two American-built ships to a company in Norway. On May 1, 1916, there were 1,129,014 tons of steel vessels under construction or under contract to be built in American shipyards, and on June 30, 1916, we had 3,135 vessels of 2,194,470 gross tons under the American flag engaged in the foreign trade, the largest tonnage building or engaged in our foreign trade any time in the history of our country since the Civil War. Yet it is said that this legislation, which has been pending for two years past, is a menace to the shipbuilding industry. Our shipbuilding industry is more flourishing right now than it has been at any time since the Civil War, as the following tables will show:

Steel merchant vessels under construction or under contract to be built in the United States on May 1, 1916.

[Prepared by Hon. E. T. Chamberlain, Commissioner of Navigation, Department of Commerce.]

Builders.	Number.	Gross tons.
American Bridge Co., Ambridge, Pa., and Trenton, N. J.	113	53,874
Bath Iron Works, Bath, Me	5	1,900
The Charles Barnes Co., Cincinnati, Ohio	1	300
Ellicott Machine Corporation, Baltimore, Md	3	750
Fore River Shipbuilding Corporation, Quincy, Mass	14	75,460
James Rees & Sons Co., Pittsburgh, Pa	2	300
Manitowoc Shipbuilding Co., Manitowoc, Wis	4	1,000
New York Shipbuilding Co., Camden, N. J	25	131,788
Quintard Iron Works Co., New York, N. Y	1	900
Seattle Construction & Dry Dock Co	7	42,600
Tampa Foundry & Machine Co., Tampa, Fla	1	2,000
Toledo Shipbuilding Co., Toledo, Ohio	11	25,100
Union Iron Works Co., San Francisco, Cal	21	151,458
Great Lakes Towing Co	2	180
Harlan & Hollingsworth Corporation, Wilmington, Del	17	70,056
Merrill-Stevens Co	2	2,200
Newport News Shipbuilding & Dry Dock Co	19	135,270
The Pusey & Jones Co., Wilmington, Del	7	2,434
Staten Island Shipbuilding Co., Port Richmond	6	5,419
William Cramp & Sons Ship & Engine Building Co., Philadelphia, Pa	13	81,300
Milwaukee Bridge Co., Milwaukee, Wis	1	.....
American Shipbuilding Co., Cleveland, Ohio	25	86,200
Baltimore Dry Docks & Shipbuilding Co	7	24,500
Chester Shipbuilding Co., Chester, Pa	13	62,600
Clinton Shipbuilding & Repair Co., Philadelphia, Pa	1	500
Cowles Shipyard Co., Buffalo, N. Y	2	56
Great Lakes Engineering Works, Detroit, Mich	18	66,230
Howard Shipyards Co., Jeffersonville, Ind	6	3,400
Maryland Steel Co., Sparrows Point, Md	11	60,050
Moore & Scott Iron Works, Oakland, Cal	4	16,000
Standard Shipbuilding Corporation	3	14,400
Spedden Shipbuilding Co., Baltimore, Md	3	730
Total	368	1,129,014

The trades of vessels under construction are indicated by the following:

Class.	Number.	Gross tons.
Cargo vessels	109	464,654
Bulk oil vessels	67	459,000
Passenger and cargo combined	10	55,978
Colliers	12	50,720
Molasses carriers	3	15,000
Passenger vessels	2	1,800
Ferryboats and towing vessels	14	4,045
Miscellaneous	151	77,808
Total	368	1,129,014
For salt-water trades	221	954,584
For fresh-water trades	147	174,430

AMERICAN BRIDGE CO., PITTSBURGH, PA.

This company has reported that on May 1 it had under contract or under construction 113 barges, various owners and for various trades, with an aggregate tonnage of 53,874 tons, but no detailed statement is furnished.

AMERICAN SHIPBUILDING CO., CLEVELAND, OHIO.

Vessels.	Gross tonnage.	Speed (knots).	Owner.	Trade.	Probable date of launching.
No. 713	7,000	10	Interlake Steamship Co., Lorain, Ohio	Freight	Spring, 1916.
No. 714	7,000	10	Pittsburgh Steamship Co	do	Do.
No. 715	7,000	10	Herbert K. Oakes	do	Do.
No. 716	7,000	10	Pittsburgh Steamship Co	do	Do.
No. 717	6,400	9½	M. A. Hanna & Co	do	Do.
No. 718	7,200	11	Carl D. Bradley, Cleveland yard	do	1917 delivery.
No. 459	2,100	9½	A. H. Skaugaards	do	Spring, 1916.
No. 460	2,100	9½	Arthur Mathiesen, Detroit yard	do	Do.
No. 195	2,100	10	Geo. Hall Coal Co	do	Do.
No. 196	2,100	9½	A. O. Lindvig	do	Do.
No. 197	2,100	9½	do	do	Do.
No. 198	2,100	9½	Erling Lund, Chicago yard	do	Do.
No. 79	2,100	10	Erling Lund, Superior, Wis., yard	do	Do.
No. 524	7,000	10	Roy M. Wolvin	do	1916 delivery.
No. 199	2,100	9½	Hasler Bros. (Inc.)	do	Do.
No. 200	2,100	9½	Barber & Co. (Inc.)	do	Do.
No. 201	2,100	9½	Atlantic, Gulf & West Indies Steamship Lines	do	Do.
No. 202	2,100	9½	do	do	Do.
No. 719	7,000	10	Pittsburgh Steamship Co., Lorain yard	Cargo	1917 delivery.
No. 720	7,000	10	do	do	Do.
No. 461	2,100	.....	Standard Transportation Co., Cleveland yard	Oil barge	1916 delivery.
No. 462	2,100	9½	Atlantic, Gulf & West Indies Steamship Lines, Chicago yard	Cargo	Do.
No. 80	2,100	9½	do	do	Do.
No. 525	2,100	9½	James E. Davidson	do	Do.
No. 463	2,100	9½	Barber & Co. (Inc.)	do	1917 delivery.
No. 464	2,100	9½	do	do	Do.
Total (25 vessels)	86,200				

BALTIMORE DRY DOCKS & SHIPBUILDING CO., BALTIMORE, MD.

Vessels.	Gross tonnage.	Speed (knots).	Owner.	Trade.	Probable date of launching.
No. 74	3,500	11½	Transatlantic Motor Ship Co	Bulk oil	Apr. 1, 1916.
No. 75	3,500	11½	do	do	Do.
No. 76	3,500	11½	do	do	Do.
No. 77	3,500	11½	do	do	Oct. 1, 1916.
No. 78	3,500	11½	Christoffer Hannevig	do	Do.
No. 79	3,500	11½	do	do	
No. 80	3,500	11½	do	do	
Total (7 vessels)	24,500				

BATH IRON WORKS, BATH, ME.

No. 69	4,300	29	P. N. Rouse	Yacht	Launched.
No. 71	800			Car float	
No. 72	800			do	
No. 73		26		Yacht	
No. 74		26		do	
Total (5 vessels)	1,900				

THE CHARLES BARNES CO., CINCINNATI, OHIO.

Australia	300	9	South Australian Government	River improvement	Fall, 1916.

ELLIOTT MACHINE CORPORATION, BALTIMORE, MD.

No. 6190-1	250	11	Pennsylvania R. R. Co		Jan. 25, 1916.
No. 6190-2	250	11	do		Feb. 25, 1916.
No. 6190-3	250	11	do		Mar. 25, 1916.
Total (3 vessels)	750				

FORE RIVER SHIPBUILDING CORPORATION, QUINCY, MASS.

Cubadist	5,000	10½	Cuba Distilling Co	Molasses	Apr. 15, 1916.
No. 248	6,000	12	Luckenbach Steamship Co	Freight	June 1, 1916.
Sucrosa	5,000	10½	Cuba Distilling Co	Molasses	Mar. 1, 1916.
Mielero	5,000	10½	do	do	
No. 251	6,000	12	Luckenbach Steamship Co	Freight	
No. 253	6,000	11	The Texas Co	Oil	
No. 254	6,000	11	do	do	
No. 255	3,000	10½	Argentine Government	Naval	
No. 264	6,000	12	Luckenbach Steamship Co	Freight	
No. 265	6,000	12	do	do	
———			Spanish Government	Submarine	
No. 267	8,100	13	Edgar F. Luckenbach	Freight	Summer, 1917.
No. 268	6,680	10½	Mexican Petroleum Co	Tanker	Do.
No. 269	6,680	10½	do	do	Do.
Total (14 vessels)	75,460				

JAMES REES & SONS CO., PITTSBURGH, PA.

———			Foreign owners	River	May, 1916.
Jas. Rees & Sons Co	300	12	For Colombian owners		Ship in parts.
Total (2 vessels)	300				

MANITOWOC SHIPBUILDING CO., MANITOWOC, WIS.

———	300	10	Bay State Fishing Co., Boston, Mass	Trawler	May 15, 1916.
———	300	10	do	do	June 15, 1916.
———	300	10	do		July 15, 1916.
Geo. A. Wallace, jr	100	9	City of Cleveland	Fire boat	May 15, 1916.
Total (4 vessels)	1,000				

CHESTER SHIPBUILDING CO., CHESTER, PA.

No. 346	4,500	11	Boston Steamship Co	Cargo	March, 1917.
———	5,000		For foreign account	Oil carrying	June, 1916.
———	5,000		do	do	July, 1916.
———	4,000		For local owners	Freighter	October, 1916.
———	5,000		For foreign account	Oil carrying	Do.
———	5,000		do	do	November, 1916.
———	5,000		do	do	January, 1917.
———	5,000		do	do	April, 1917.
No. 344	5,000	11	do	Tanker	February, 1917.
No. 346	4,800	11	For local owners	Cargo	April, 1917.
No. 347	4,800	11	do	do	Do.
No. 347	4,500	11	Shawmut Steamship Co	do	March, 1917.
No. 350	5,000	11	For foreign account	Bulk oil	December, 1916.
Total (13 vessels)	62,600				

CLINTON SHIPBUILDING & REPAIR CO., PHILADELPHIA, PA.

No. 20	560		James J. McNally	Coastwise	June 1, 1916.

COWLES SHIPYARD CO., BUFFALO, N. Y.

No. 60	20	8	Harry J. Hutchings		Mar. 1916.
No. 61	36	10	State of New York	Towing	Aug. 1, 1916.
Total (2 vessels)	56				

GREAT LAKES ENGINEERING WORKS, DETROIT, MICH.

Vessels.	Gross tonnage.	Speed (knots).	Owner.	Trade.	Probable date of launching.
No. 153	500	10	Merritt & Chapman	Wrecking tug	
No. 154	8,000	10	Pittsburgh Steamship Co	Freight	
No. 155	4,810	10	Wyandotte Transportation Co	do	
No. 156	2,483	10	Adler (Inc.)	Coast collier	
No. 157	2,500	10	Clyde Steamship Co	Coast freight	
No. 158	2,500	10	do	do	
No. 159	1,710	10	J. L. Crosthwaite	Lake and coast	
No. 160	2,480	10	Adler (Inc.)	Coast collier	
No. 161	2,200	10	Argentine Government	Oil	
No. 162	2,550	10	Clinchfield Navigation Co	Coast collier	
No. 163	2,550	10	do	do	
No. 164	8,000		Cleveland Clifford Co	Cargo	Winter, 1916.
No. 165	2,350		Clinchfield Navigation Co	Collier	Fall, 1916.
No. 166	8,000		Buffalo Steamship Co	Cargo	Winter, 1916.
No. 167	8,000		do	do	Spring, 1917.
No. 168	3,700	11	Not given	do	
No. 169	3,700	11	do	do	
No. 129		13	do	Car ferry	
Total (18 vessels)	66,230				

HOWARD SHIPYARDS CO., JEFFERSONVILLE, IND.

———	450		W. F. Mayo		
———	500		Baton Rouge Transportation Co	Ferry	
———	550		Union Ferry Co	do	
———	500		do	do	
———	500		Amesville Ferry Co	do	
———	900		L. & J. Ferry Co	Passenger	
Total (6 vessels)	3,400				

MARYLAND STEEL CO., SPARROWS POINT, MD.

Munsome	3,450	10	Munson Steamship Co	Freight	May 15, 1916.
Munplace	3,450	10	do	do	Apr. 15, 1916.
Cornelia	3,800	12	Bull Insular Steamship Co	do	July 15, 1916.
Helen	3,800	12	do	do	Sept. 1, 1916.
No. 157	4,000	10	Munson Steamship Co	do	Aug. 15, 1916.
A. C. Bedford	10,000	10½	Standard Oil Co	Bulk oil	Nov. 1, 1916.
W. C. Teagle	10,000	10½	do	do	Jan. 1, 1917.
Mayari	7,150	10	Spanish-American I. Co	Freight	April, 1917.
Daiquiri	7,150	10	do	do	May, 1917.
No. 164	3,450	9	Christopher Hannevig, jr	do	February, 1917.
No. 163	3,800	12	Munson Steamship Line	do	
Total (11 vessels)	60,056				

MOORE & SCOTT IRON WORKS, OAKLAND, CAL.

No. 108			For French owners	Hopper barge	
No. 109	5,000		Rolph Navigation Co	Cargo	
No. 110	5,000		Port Costa Steamship Co	do	
———	6,000		Huasteca Petroleum Co	Tanker	July 1, 1917.
Total (4 vessels)	16,000				

STANDARD SHIPBUILDING CORPORATION.

No. 1	4,800	10½	Builder's account	Cargo	December, 1916.
No. 2	4,800	10½	do	do	February, 1917.
No. 3	4,800	10½	do	do	April, 1917.
Total (3 vessels)	14,400				

SPEDDEN SHIPBUILDING CO., BALTIMORE, MD.

John T. Donohue	235		Northern Transportation Co	Tug	June 1, 1916.
No. 245	70		Standard Oil Co	Oil barge	Do.
Northern	425		Northern Transportation Co	Tug	Dec. 1, 1916.
Total (3 vessels)	730				

GREAT LAKES TOWING CO.

No. 39	90	9	Great Lakes Towing Co	Towing	June, 1916.
No. 40	90	9	do	do	Do.
Total (2 vessels)	180				

HARLAN & HOLLINGSWORTH CORPORATION, WILMINGTON, DEL.

Pearl Shell	5,605	11	Shell Co. of California	Bulk oil tanker	Mar. 1, 1916.
George E. Paddleford	5,347	11	Petroleum Transport Co	do	Feb. 15, 1916.
Benjamin Brewster	5,605	10½	Standard Oil Co. of New Jersey	do	June 1, 1916.
W. H. Tilford	5,605	10½	do	do	Sept. 15, 1916.
No. 443	750	15	Wilmington Steamboat Co	Passenger and freight	Feb. 1, 1916.
No. 444	2,610	10	Baltimore & Carolina Steamboat Co	Freight	June 1, 1916.
No. 445	8,490	10½	Standard Oil Co. of New Jersey	Bulk oil tanker	Dec. 1, 1916.
No. 446	5,605	10½	do	do	Jan. 15, 1917.
No. 448	2,750	10	Vacuum Oil Co	Freight	Dec. 15, 1916.
No. 449	5,605	11	do	Bulk oil tanker	May 1, 1917.
No. 450	4,300	12½	Ocean Steamship Co. of Savannah	Freight and passenger	Sept. 1, 1917.
No. 451	4,500	12½	do	do	Apr. 1, 1918.
No. 452	1,404		New York Central R. R. Co	Ferry	Sept. 1, 1916.
No. 453	3,070	10	United Fruit Co	Cargo	Mar. 1, 1917.
No. 454	3,070	10	do	do	July 15, 1917.
No. 455	3,070	10	do	do	Nov. 1, 1917.
No. 456	3,070	10	do	do	Feb. 1, 1918.
Total (17 vessels)	70,056				

MERRILL-STEVENS CO.

Vessels.	Gross tonnage.	Speed (knots).	Owner.	Trade.	Probable date of launching.
No. 89	1,700	10	Gulf & Southern Steamship Co	Cargo	November, 1916.
———	500	7	Cuba Distilling Co	....do	December, 1916.
Total (2 vessels)	2,200				

NEWPORT NEWS SHIPBUILDING & DRY DOCK CO., NEWPORT NEWS, VA.

Edgar F. Luckenbach	8,000	10	Edgar F. Luckenbach	Freight	Launched.
H. H. Rogers	10,935	10½	Standard Oil Co. of New Jersey	Oil carrier	February, 1916.
Antwerpen	8,374	10½	Standard Oil Co	....do	July, 1916.
Henry R. Mallory	6,000	14	Mallory Steamship Co	Freight and passengers	October, 1916.
Munalbro	4,387	10	Munson Steamship Co	Freight	April, 1916.
Wm. G. Warden	10,900	10½	Standard Oil Co	Oil carrier	November, 1916.
F. Q. Barstow	10,900	10½	....do	....do	December, 1916.
No. 198	5,900	10	Crowell & Thurlow Steamship Co	Freight	September, 1916.
No. 199	5,900	10	....do	....do	December, 1916.
No. 200	4,600	10½	Munson Steamship Co	....do	February, 1917.
No. 201	10,900	10½	Standard Oil Co	Oil carrier	August, 1917.
Torres	5,125	11	Southern Pacific Co	....do	May, 1917.
El Mirante	4,500	11	....do	Freight	Do.
El Capitan	4,500	11	....do	....do	June, 1917.
No. 205	8,400	10½	Atlantic Refining Co	Oil carrier	July, 1917.
No. 206	4,600	10½	Munson Steamship Co	....do	November, 1917.
No. 207	4,600	11	....do	Cargo	December, 1917.
No. 208	8,374	.....	Standard Oil Co	Bulk oil	
No. 209	8,374	.....	....do	....do	
Total (19 vessels)	135,269				

THE PUSEY & JONES CO., WILMINGTON, DEL.

No. 1305	328	.....	Pennsylvania R. R. Co	Freight	Dec. 29, 1915.
No. 1306	328	.....	....do	....do	Jan. 29, 1916.
No. 1306	328	.....	....do	....do	Feb. 29, 1916.
Winterthur	100	.....	Philadelphia & Reading R. R	Towing	Mar. 1, 1916.
No. 1313	300	.....	W. & A. Fletcher Co	....do	Apr. 6, 1916.
No. 1326	300	.....	Not given	....do	
No. 1334	750	.....	....do	Yacht	
Total (7 vessels)	2,434				

STATEN ISLAND SHIPBUILDING CO., PORT RICHMOND, N. Y.

No. 676	178	.....	Standard Oil Co	Towing	
No. 680	300	.....	Pennsylvania R. R. Co	Steam lighter	
No. 681	300	.....	New York Central & Hudson River R. R. Co	House barge	
No. 684	241	.....	Lehigh Valley R. R. Co	Tug	
No. 688	2,200	12	Clinchfield Navigation Co	Cargo	
No. 689	2,200	12	....do	....do	
Total (6 vessels)	5,419				

NEW YORK SHIPBUILDING CO., CAMDEN, N. J.

Standard Arrow	10,250	11	Standard Transportation Co	Bulk oil	Spring, 1916.
Royal Arrow	10,250	11	....do	....do	Winter, 1916.
No. 170	10,250	11	Petroleum Transport Co	....do	Do.
No. 172	5,188	11½	Gulf Refining Co	....do	Fall, 1916.
No. 173	10,250	11	....do	....do	Spring, 1917.
Sylvan Arrow	10,250	11	Standard Transportation Co	....do	Do.
Broad Arrow	10,250	11	....do	....do	Fall, 1917.
No. 176	8,500	10½	Darrow-Mann Co	Collier	Winter, 1916.
No. 177	5,266	10½	....do	....do	Spring, 1917.
No. 178	750	.....	New York Central & Hudson River R. R. Co	Car float	Spring, 1916.
No. 179	750	.....	....do	....do	Do.
No. 180	750	.....	....do	....do	Fall, 1916.
No. 181	750	.....	....do	....do	Do.
No. 182	5,266	10½	Constwise Transportation Co	Collier	Spring, 1917.
No. 183	3,289	10½	Pocahontas Navigation Co	....do	Summer, 1917.
No. 184	5,266	10½	Darrow-Mann Co	....do	Do.
No. 185	765	.....	New York Central & Hudson River R. R. Co	Car float	Winter, 1916.
No. 186	765	.....	....do	....do	Do.
No. 187	765	.....	....do	....do	Spring, 1917.
No. 188	765	.....	....do	....do	Do.
No. 189	5,188	11½	Gulf Refining Co	Bulk oil	Winter, 1917.
No. 190	10,250	11	Petroleum Transport Co	....do	Spring, 1918.
No. 191	5,266	10½	Darrow-Mann Co	Collier	Do.
No. 192	5,266	10½	....do	....do	Do.
No. 193	5,483	11	....do	....do	Do.
Total (25 vessels)	131,788				

QUINTARD IRON WORKS CO., NEW YORK, N. Y.

Mary Chilton	900	17	Nantasket Beach Steamboat Co		Apr. 1, 1916.

SEATTLE CONSTRUCTION & DRY DOCK CO.

No. 85	3,900	12	New York & Cuba Mail Steamship Co	Freight	May, 1916.
No. 86	3,900	12	....do	....do	June, 1916.
———	7,500	.....	A. O. Anderson & Co	....do	June, 1917.
———	7,500	.....	....do	....do	Do.
———	7,500	.....	....do	....do	Do.
No. 91	8,000	12	Edgar F. Luckenbach		
No. 92	4,300	10½	For foreign account	Freight	
Total (7 vessels)	42,600				

TAMPA FOUNDRY & MACHINE CO., TAMPA, FLA.

Vessels.	Gross tonnage.	Speed (knots).	Owner.	Trade.	Probable date of launching.
———	2,000	.....	Central Hudson Steamboat Co	.....	

TOLEDO SHIPBUILDING CO., TOLEDO, OHIO.

No. 131	1,700	7	Smith Shipping Co. (Inc.)	Freight	April, 1916.
No. 132	1,700	7	.....do	.....do	Do.
No. 133	1,700	7	.....do	.....do	May, 1916.
No. 134	1,700	7	.....do	.....do	June, 1916.
No. 135	1,700	7	.....do	.....do	July, 1916.
No. 136	1,700	7	.....do	.....do	August, 1916.
No. 137	7,700	10½	Great Lakes Steamship Co	.....do	Do.
No. 138	1,800	10	R. Lawrence Smith	.....do	1917 delivery.
No. 139	1,800	10	.....do	.....do	Do.
No. 140	1,800	10	.....do	.....do	Do.
No. 141	1,800	10	.....do	.....do	Do.
Total (11 vessels)	25,100				

UNION IRON WORKS CO., SAN FRANCISCO, CAL.

No. 124	8,100	11	Standard Oil Co. of California	Oil tanker	July 5, 1916.
No. 125	7,100	11	Standard Oil Co. of Delaware	.....do	Aug. 5, 1916.
No. 126	6,400	11	Rolph Navigation Co	General cargo	Apr. 1, 1916.
No. 127	9,728	16	Matson Navigation Co	Cargo and passengers	Nov. 4, 1916.
No. 128	8,100	11	Standard Oil Co. of New York	Oil tanker	Aug. 12, 1916.
No. 129	7,200	11	J. W. Van Dyke	.....do	Nov. 18, 1916.
No. 130	7,200	11	.....do	.....do	Dec. 16, 1916.
No. 131	7,100	11	Vacuum Oil Co	.....do	January, 1917.
No. 132	6,200	11	Walker-Armstrong Co	General cargo	Oct. 2, 1916.
No. 133	6,200	11	Rolph Navigation Co	.....do	Do.
No. 134	10,500	11	Standard Oil Co. of New Jersey	Oil tanker	Jan. 9, 1917.
No. 135	10,500	11	.....do	.....do	Feb. 2, 1917.
No. 136	6,200	11	Standard Transportation Co. of Delaware	General cargo	Nov. 25, 1916.
No. 137	6,200	11	.....do	.....do	Do.
No. 138	6,200	11	Not given	.....do	Jan. 25, 1916.
No. 139	6,200	11	.....do	.....do	Do.
No. 140	7,200	11	Wilhelm Jebsen	Oil tanker	Mar. 5, 1917.
No. 141	7,200	11	Not given	.....do	Do.
No. 15	3,500	9	For European owners	Freight	Sept. 1, 1916.
No. 143	7,200	11	Not given	Tanker	July, 1917.
No. 144	7,200	11	.....do	.....do	Do.
Total (21 vessels)	151,458				

WILLIAM CRAMP & SONS SHIP & ENGINE BUILDING CO., PHILADELPHIA, PA.

No. 428	7,100	11	Petroleum Transport Co	Bulk oil	Launched.
Coahuila	2,900	10½	Mexican Navigation Co	Passengers and freight	Do.
No. 431	7,100	11	Sun Co	Bulk oil	May 15, 1916.
No. 432	7,100	11	.....do	.....do	June 15, 1916.
No. 433	2,700	12	Florida East Coast Ry. Co	Car ferry	July 20, 1916.
No. 434	8,000	17	Atlantic, Gulf & West Indies Steamship Co	Passengers and freight	Mar. 1, 1916.
No. 435	8,000	17	.....do	.....do	Jan. 2, 1917.
Santa Rosa	6,300	12	W. R. Grace & Co	Freight	Oct. 2, 1916.
Santa Paula	6,300	12	.....do	.....do	Nov. 1, 1916.
No. 440	7,100	11	Petroleum Transport Co	Bulk oil	Oct. 1, 1916.
No. 441	7,100	11	.....do	.....do	Nov. 2, 1916.
No. 442	5,800	13	W. R. Grace & Co	Passengers and cargo	May, 1917.
No. 443	5,800	13	.....do	.....do	June, 1917.
Total (13 vessels)	81,300				

MILWAUKEE BRIDGE CO.

This company has reported one vessel under construction, tonnage not stated.

We have authorized a building program for the Navy that will involve the expenditure of over $600,000,000 in the next three years. This money is to be expended in American shipyards, navy yards, and private yards. We are told in one breath by those who oppose this legislation that the adoption of the Senate amendment, notwithstanding the limitations imposed, will ruin our ship-building industry. These arguments are as consistent as the arguments urged against the provisions of the bill authorizing the shipping board, through a Government-controlled corporation to operate vessels if necessary to develop our foreign trade. In one breath it is seriously charged that it will discourage private enterprise, and in the next breath the question is asked, "What will the addition of 600,000 tons of vessels, as authorized by this bill, amount to anyway?"

We need six or seven million tons to meet the requirements of our foreign trade. Yet it is seriously asserted that if the shipping board, under the power conferred under the provisions of this bill, either have constructed in American shipyards or in foreign shipyards a paltry 600,000 tons of shipping toward meeting an imperative demand for not less than 6,000,000 tons of shipping to meet the full requirements of our foreign trade, it will be a menace to our shipbuilding industry. What nonsense.

This legislation neither discourages shipbuilding or operation by private enterprise in the domestic or foreign trade. On the contrary, the purpose and intent of this legislation is to help both. This bill provides that the board may employ naval architects and other experts whose services and expert knowledge will be at the disposal of our shipbuilding industry and those who are operating ships both in the coastwise and in the foreign trade.

Our shipyards are well equipped. They are well managed. They have a full quota of skilled laborers. The material entering into the construction of ships is of American manufacture and production. There is no reason why we can not build ships in American shipyards more cheaply than they can be built anywhere else in the world. And, as I have said, we are building them now more cheaply in American shipyards than they can be built in any other country, and I believe that will be true in the future. To my mind the feature of this amendment that merits emphasis is that it gives the shipping board the power to either purchase or cause ships to be constructed in foreign shipyards and admit them to American registry, for the foreign or coastwise trade, that it places in their hands the power which I believe will be exercised judiciously to prevent unreasonable prices in American shipyards.

Mr. FOCHT. Will the gentleman yield for a question?

Mr. ALEXANDER. No; I can not yield, I regret; I have not got the time.

The most of our large shipyards are either under the control or owned by the United States Steel Corporation and its subsidiaries. My information is that the Maryland Steel is owned by the Pennsylvania Steel Co. The Fore River shipyard is

owned by the Bethlehem Steel, as is the Union Iron Works of the Pacific coast, and I might mention others. Hence I say, if we have any independent shipyards in this country, and we have some, it will give the Shipping Board power to compel these corporations, if they are disposed to extort larger prices for material that enter into the construction of ships, to treat the industry fairly and let our shipyards have material at reasonable cost, and if they do so I have no fear that any part of these expenditures will be made in foreign shipyards.

I have been chairman of the Merchant Marine Committee for six years, and I have been a member of that committee ever since I have been in Congress, and I have never favored the admission of foreign ships to the coastwise trade as a policy; but to take away from the board this power is simply to give it over to those who sell the material that enters into the construction of ships or those engaged in shipbuilding industry in this country—the power to extort unreasonable prices for tonnage. It simply takes the power out of the hands of the shipbuilding industry and those who control material that enters into ships under existing conditions, to combine and demand unreasonable prices for building ships, and lodges in the board the power to demand fair treatment. The legislation providing for construction of the Panama Canal provides that the President might have the power to buy material entering into the construction of that great waterway in foreign countries if he could not buy that material in our country at a reasonable cost.

Mr. Speaker, I remarked in the outset of this discussion of the Senate amendments Nos. 1, 2, and 3 to this bill that they are wholly unnecessary and might lead to confusion. I take it, however, that it was the intention to remove every possible doubt that cargo vessels that come under the legal definition of bailees for hire, and commonly known as tramps, shall be exempt from the provisions of the act.

If the Senate had taken the care to examine the brief which I caused to be prepared and incorporated in the hearings, defining the distinction between tramps, or bailees for hire, and the term "common carriers by water" as used in the bill, they would have seen that these amendments were wholly unnecessary, and the amendments Nos. 2 and 3 may prove too restrictive.

It may be worth while to incorporate the brief referred to as part of my remarks:

LEGAL STATUS OF TRAMP VESSELS.

In the consideration of legislation for the regulation of common carriers by water it becomes important to know whether tramp vessels ever possess the status of common carriers.

It may be stated as an almost general proposition that such vessels seldom or never can be considered as common carriers. Tramp vessels are almost universally chartered by a single shipper, even though in some instances that shipper may be a charter broker who has accumulated the shipments of a number of small shippers. It has become well established by a long line of decisions in the Federal courts that when a charter party gives the charterer the full capacity of a ship the owner is not a common carrier but a bailee to transport as a private carrier for hire.

The earliest case upon this point is Gracie *v.* Palmer (8 Wheat., 605, 632 (1823)), in which the court said:

"The carrier may hire his vehicle, or his team, or his servant, for the purposes of transportation; or he may undertake to employ them himself in the act of transporting the goods of another. It is in the latter case only that he assumes the liabilities and acquires the rights of a common carrier. So the shipowner who let his ship to hire to another, whether manned and equipped or not, enters into a contract totally distinct from that of him who engages to employ her himself in the transportation of the goods of another. In the former case he parts with the possession to another, and that other becomes the carrier; in the latter he retains the possession of the ship, although the hold may be the property of the charterer; and being subject to the liabilities, he retains the rights incident to the character of a common carrier."

While this statement of the court in this case is perhaps little more than dicta, the same principles have been applied in a number of subsequent cases in the circuit and district courts. In Lamb *v.* Parkman (1 Sprague, 343; 14 Fed. Cas. No. 8020 (1857)) it was definitely held that where a ship was let by charter party to the defendant who was to furnish a full cargo the owners, having no right to take goods for any other person, were in no sense common carriers, but only bailees to transport for hire.

This decision has been followed in Bell *v.* Pidgeon (5 Fed., 634, 638), the *Dan* (40 Fed., 692), the *Fri* (154 Fed., 333, 338), and the *Royal Sceptre* (187 Fed., 224, 226).

In Sumner *v.* Caswell (20 Fed., 249, 251) the question was discussed at some length. The court said:

"The charter appears to have contemplated carrying the goods of the freighters only. She was in no sense, therefore, a general ship but only a ship hired for a specific voyage to carry a particular cargo for the charterers. Such a contract does not seem to be within the definition of a common carrier. In the case of The Niagara *v.* Cordes (21 How., 7) a common carrier is defined as 'one who undertakes for hire to transport the goods of those who may choose to employ him from place to place. He is, in general, bound to take the goods of all who offer, unless his complement for the trip is full or the goods be of such kind as to be liable to extraordinary danger or such as he is unaccustomed to convey.' None of these conditions attach to a contract of affreightment in charter parties like the present. In Lamb *v.* Parkman (1 Sprague, 353) it is stated by Sprague, J., that such contracts 'are not those of a common carrier, but of bailees for hire, bound to the use of ordinary care and skill.' And such is the view taken in Pars. Shipp. & Adm., volume 1, pages 245, 248. The most recent discussion of the subject is in the case of Nugent *v.* Smith (1 C. P. Div., 19), in which a liability like that of a common carrier was upheld by Brett, J., but was subsequently overruled in the court of appeals by Cockburn, C. J. (1 C. P. Div., 423 (1876).)"

While, as pointed out by the court, the decision in this case did not rest upon this distinction, the reasoning of the court in this case has been cited and followed in several of the other cases cited in this memorandum.

In the Wildenfels (161 Fed., 864, 866) the court said:

"But, irrespective of these considerations, we are of the opinion that the *Rover* was not pro hac vice a common carrier. It is true that her owner was in the lighterage business and was in the habit of taking goods for anyone who wanted lighterage done. She had, however, no regular route, did not carry between well-known termini, and, on the occasion in question, was engaged to carry, and had on board only, the jute of the libelant. She was not a general ship, but was employed for this business exclusively; no one else had a right to put a pound of freight aboard her. She became a private carrier and liable only as a bailee for hire. Her owner was under no legal obligation to carry this jute; he could have refused this and all other cargoes had he seen fit to do so, and no liability would have attached to his refusal."

And, after citing Sumner *v.* Caswell, Lamb *v.* Parkman, and the *Fri*, pointed out that, as held in Fish *v.* Chapman (2 Ga., 349, 353), the liability to an action for a refusal to carry is the safest criterion of the character of the carrier.

That the Congress and the country may have a clear idea of the conditions growing out of the war in Europe which have given inspiration and impetus to this legislation, and the many economies in shipbuilding that may be worked out by a wise and skillful administration of this law, and the enormous toll American commerce has been compelled to pay in the way of ocean freight rates by reason of our lack of ships to meet the demands of our enormous foreign trade, I think it worth while to incorporate my report on this bill as part of my remarks:

[House Report No. 659, Sixty-fourth Congress, first session.]

CREATING A SHIPPING BOARD, A NAVAL AUXILIARY, A MERCHANT MARINE, AND REGULATING CARRIERS BY WATER ENGAGED IN THE FOREIGN AND INTERSTATE COMMERCE OF THE UNITED STATES.

Mr. ALEXANDER, from the Committee on the Merchant Marine and Fisheries, submitted the following report, to accompany H. R. 15455:

The Committee on the Merchant Marine and Fisheries, to whom was referred the bill (H. R. 15455) to establish a United States shipping board for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a merchant marine to meet the requirements of the commerce of the United States with its Territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and interstate commerce of the United States; and for other purposes, having considered the same, report it to the House with the recommendation that the bill do pass.

The full text of the bill follows:

"*Be it enacted, etc.*, That when used in this act—

"The term 'common carrier by water in foreign commerce' means a common carrier engaged in the transportation by water of passengers or property between the United States or any of its Districts, Territories, or possessions and a foreign country, including the import and export trade.

"The term 'common carrier by water in interstate commerce' means a common carrier engaged in the transportation by water of passengers or property between one State, Territory, District, or possession of the United States and any other State, Territory, District, or possession of the United States, or between places in the same Territory, District, or possession.

"The term 'common carrier by water' means a common carrier by water in foreign commerce or a common carrier by water in interstate commerce.

"The term 'other person subject to this act' means any person not included in the term 'common carrier by water,' carrying on the business of forwarding, ferrying, towing, or furnishing transfer, lighterage, wharfage, dock warehouse, or other terminal facilities in or in connection with a common carrier by water.

"The term 'person' includes corporations, partnerships, and associations, existing under or authorized by the laws of the United States, or any State, Territory, District, or possession thereof, or of any foreign country.

"SEC. 2. That within the meaning of this act no corporation, partnership, or association shall be deemed a citizen of the United States unless the controlling interest therein is owned by citizens of the United States, and, in the case of a corporation, unless its president and managing directors are citizens of the United States and the corporation itself is organized under the laws of the United States or of a State, Territory, District, or possession thereof.

"The provisions of this act shall apply to receivers and trustees of all persons to whom the act applies.

"SEC. 3. That a board is hereby created, to be known as the United States shipping board, and hereinafter referred to as the board. The board shall be composed of the Secretary of the Navy and the Secretary of Commerce, as members ex officio, and five commissioners, to be appointed by the President, by and with the advice and consent of the Senate; one of such commissioners to be designated by the President as chairman of the board and one as vice chairman.

"The first commissioners appointed shall continue in office for terms of two, three, four, five, and six years, respectively, from the date of their appointment, the term of each to be designated by the President, but their successors shall be appointed for terms of six years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the commissioner whom he succeeds.

"The commissioners shall be appointed with due regard to their fitness for the efficient discharge of the duties imposed on them by this act, and to a fair representation of the geographical divisions of the country. Not more than three of the commissioners shall be appointed from the same political party. No commissioner shall be in the employ of or hold any official relation to any common carrier by water or other person subject to this act, or own any stocks or bonds thereof, or be pecuniarily interested therein. No commissioner shall actively engage in any other business, vocation, or employment. Any commissioner may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. A vacancy in the board shall not impair the right of the remaining members of the board to exercise all its powers. The board shall have an official seal, which shall be judicially noticed.

"The board may adopt rules and regulations in regard to its procedure and the conduct of its business.

"SEC. 4. That each member of the board, except the ex officio members, shall receive a salary of $10,000 per annum. The board shall appoint a secretary, at a salary of $5,000 per annum, and employ and fix the compensation of such attorneys, officers, naval architects, special experts, examiners, clerks, and other employees as it may find necessary for the proper performance of its duties and as may be appropriated for by the Congress. The President, upon the request of the board, may authorize the detail of officers of the military and naval services of the United States for such duties as the board may deem necessary in connection with its business.

"With the exception of the secretary, a clerk to each commissioner, the attorneys, naval architects, and such special experts and examiners as the board may from time to time find necessary to employ for the conduct of its work, all employees of the board shall be a part of the classified civil service.

"The expenses of the board, including necessary expenses for transportation, incurred by the members of the board or by its employees under its orders, in making any investigation, or upon official business in any other place than in the city of Washington, shall be allowed and paid on the presentation of itemized vouchers therefor approved by the chairman of the board.

"Until otherwise provided by law the board may rent suitable offices for its use.

"The Auditor for the State and Other Departments shall receive and examine all accounts of expenditures of the board.

"SEC. 5. That the board, with the approval of the President, is authorized to have constructed and equipped in American shipyards and navy yards or elsewhere, giving preference, other things being equal, to domestic yards, or to purchase, lease, or charter, vessels suitable, as far as the commercial requirements of the marine trade of the United States may permit, for use as naval auxiliaries or Army transports, or for other naval or military purposes.

"SEC. 6. That the President may transfer to the board such vessels belonging to the War or Navy Department as are suitable for commercial uses and not required for military or naval use in time of peace, and cause to be transferred to the board vessels owned by the Panama Railroad Co. and not required in its business.

"SEC. 7. That the board, upon terms and conditions prescribed by it and approved by the President, may charter, lease, or sell to any person, a citizen of the United States, any vessel so purchased, constructed, or transferred.

"SEC. 8. That when any vessel purchased or constructed by or transferred to the board as herein provided, and owned by the United States, becomes, in the opinion of the board, unfit for the purposes of this act, it shall be appraised and sold at public or private sale free from the conditions and restrictions of this act.

"SEC. 9. That any vessel purchased, chartered, or leased from the board may be registered or enrolled and licensed as a vessel of the United States and entitled to the benefits and privileges appertaining thereto: *Provided*, That foreign-built vessels heretofore or hereafter admitted to American registry or enrollment and license under the act of August 18, 1914, or under this act, and vessels owned, chartered, or leased by any corporation in which the United States is a stockholder (except the Panama Railroad Co.), may not engage in the coastwise trade of the United States, except that such vessels may engage in trade with Alaska, Hawaii, or Porto Rico, whether or not en route to or from a foreign port, if the board finds such trade is not being adequately served by a regular line or lines of vessels.

"Every vessel purchased, chartered, or leased from the board shall, unless otherwise authorized by the board, be operated, only under such registry or enrollment and license. Such vessels, while employed solely as merchant vessels, shall be subject to all laws, regulations, and liabilities governing merchant vessels, whether the United States be interested therein as owner, in whole or in part, or hold any mortgage, lien, or other interest therein. No such vessel, without the approval of the board, shall be transferred to a foreign registry or flag or sold, nor, except under regulations prescribed by the board, be chartered or leased.

"When the United States is at war, or during any national emergency the existence of which is declared by proclamation of the President, no vessel registered or enrolled and licensed under the laws of the United States shall, without the approval of the board, be sold, leased, or chartered to any person not a citizen of the United States or transferred to a foreign registry or flag.

"Any vessel sold, chartered, leased, transferred, or operated in violation of this section shall be forfeited to the United States, and whoever violates any provision of this section shall be guilty of a misdemeanor and subject to a fine of not more than $5,000 or to imprisonment of not more than five years, or both such fine and imprisonment.

"SEC. 10. That the President, upon giving to the person interested such reasonable notice in writing as in his judgment the circumstances permit, may take possession, absolutely or temporarily, for any naval or military purpose, of any vessel purchased, leased, or chartered from the board: *Provided*, That if, in the judgment of the President, an emergency exists requiring such action he may take possession of any such vessel without notice.

"Thereafter, upon ascertainment by agreement or otherwise, the United States shall pay the person interested the fair actual value at the time of taking of the interest of such person in every vessel taken absolutely, or, if taken for a limited period, the fair charter value for such period. In case of disagreement as to the fair value it shall be determined by appraisers, one to be appointed by the board, one by the person interested, and a third by the two so appointed. The finding of a majority of such appraisers shall be final and binding upon both parties.

"SEC. 11. That the board, if in its judgment such action is necessary to carry out the purposes of this act, may form under the laws of the District of Columbia one or more corporations for the purchase, construction, equipment, lease, charter, maintenance, and operation of merchant vessels in the commerce of the United States. The total capital stock thereof shall not exceed $50,000,000. The board may, for and on behalf of the United States, subscribe to, purchase, and vote not less than a majority of the capital stock of any such corporation, and do all other things in regard thereto necessary to protect the interests of the United States and to carry out the purposes of this act. The board, with the approval of the President, may sell any or all of the stock of the United States in such corporation, but at no time shall it be a minority stockholder therein.

"At the expiration of five years from the conclusion of the present European war the operation of vessels on the part of any such corporation in which the United States is then a stockholder shall cease and the said corporation stand dissolved. The date of the conclusion of the war shall be declared by proclamation of the President. The vessels and other property of any such corporation shall revert to the board. The board may sell, lease, or charter such vessels as provided in section 7 and shall dispose of the property other than vessels on the best available terms and, after payment of all debts and obligations, deposit the proceeds thereof in the Treasury to its credit. All stock in such corporations owned by others than the United States at the time of dissolution shall be taken over by the board at a fair and reasonable value and paid for with funds to the credit of the board. In case of disagreement, such value shall be determined in the manner provided in section 10.

"SEC. 12. That any vessel purchased, leased, or chartered from the board may be listed by the Secretary of the Navy as a vessel of the United States Naval Auxiliary Reserve. The officers and members of the crew of any such listed vessel who volunteer for the purpose and are citizens of the United States or its insular possessions may, under regulations prescribed by the Secretary of the Navy, be enrolled in various ranks and ratings corresponding to those of the United States Navy, not above the rank of lieutenant commander, as members of any naval reserve force established by law.

"SEC. 13. That the board shall investigate the relative cost of building merchant vessels in the United States and in foreign maritime countries, and the relative cost, advantages, and disadvantages of operating in the foreign trade vessels under United States registry and under foreign registry. It shall examine the navigation laws of the United States and the rules and regulations thereunder, and make such recommendations to the Congress as it deems proper for the amendment, improvement, and revision of such laws, and for the development of the American merchant marine. It shall investigate the legal status of mortgage loans on vessel property, with a view to means of improving the security of such loans and of encouraging investment in American shipping.

"It shall, on or before the 1st day of December in each year, make a report to the Congress, which shall include its recommendations and the results of its investigations, a summary of its transactions, and a statement of all expenditures and receipts under this act, and of the operations of any corporation in which the United States is a stockholder, and the names and compensation of all persons employed by the board.

"SEC. 14. That for the purpose of carrying out the provisions of sections 5 and 11 the Secretary of the Treasury, upon the request of the board, approved by the President, shall from time to time issue and sell or use any of the bonds of the United States now available in the Treasury under the acts of August 5, 1909, February 4, 1910, and March 2, 1911, relating to the issue of bonds for the construction of the Panama Canal, to a total amount not to exceed $50,000,000: *Provided*, That any bonds issued and sold or used under the provisions of this section may be made payable at such time within 50 years after issue as the Secretary of the Treasury may fix, instead of 50 years after the date of issue, as prescribed in the act of August 5, 1909.

"The proceeds of such bonds and the net proceeds of all sales, charters, and leases of vessels and of sales of stock made by the board, and all other moneys received by it from any source, shall be covered into the Treasury to the credit of the board, and are hereby permanently appropriated for the purpose of carrying out the provisions of sections 5 and 11.

"SEC. 15. That no common carrier by water shall directly or indirectly—

"First. Pay, or allow, or enter into any combination, agreement, or understanding, express or implied, to pay or allow a deferred rebate to any shipper. The term 'deferred rebate' in this act means a return of any portion of the freight money by a carrier to any shipper as a consideration for the giving of all or any portion of his shipments to the same or any other carrier, or for any other purpose, the payment of which is deferred beyond the period for which computed and is made only if, during both the period for which computed and the period of deferment, the shipper has complied with the terms of the rebate agreement or arrangement.

"Second. Use a fighting ship either separately or in conjunction with any other carrier, through agreement or otherwise. The term 'fighting ship' in this act means a vessel used in a particular trade by a carrier or group of carriers for the purpose of excluding, preventing, or reducing competition by driving another carrier out of said trade.

"Third. Retaliate against any shipper by refusing, or threatening to refuse, space accommodations when such are available, or resort to other discriminating or unfair methods, because such shipper has patronized any other carrier or has filed a complaint charging unfair treatment, or for any other reason.

"Fourth. Make any unfair or unjustly discriminatory contract with any shipper based on the volume of freight offered, or unfairly treat or unjustly discriminate against any shipper in the matter of (a) cargo space accommodations or other facilities, due regard being had for the proper loading of the vessel and the available tonnage; (b) the loading and landing of freight in proper condition; or (c) the adjustment and settlement of claims.

"Any carrier who violates any provision of this section shall be guilty of a misdemeanor punishable by a fine of not more than $25,000 for each offense.

"SEC. 16. That every common carrier by water, or other person subject to this act, shall file immediately with the board a true copy, or, if oral, a true and complete memorandum, of every agreement with another such carrier or other person subject to this act, or modification or cancellation thereof, to which it may be a party or conform in whole or in part, fixing or regulating transportation rates or fares; giving or receiving special rates, accommodations, or other special privileges or advantages; controlling, regulating, preventing, or destroying competition; pooling or apportioning earnings, losses, or traffic; allotting ports or restricting or otherwise regulating the number and character of sailings between ports; limiting or regulating in any way the volume or character of freight or passenger traffic to be carried; or in any manner providing for an exclusive, preferential, or cooperative working arrangement. The term 'agreement' in this section includes understandings, conferences, and other arrangements.

"The board may by order disapprove, cancel, or modify any agreement, or any modification or cancellation thereof, whether or not previously approved by it, that it finds to be unjustly discriminatory or unfair as between carriers, shippers, exporters, importers, or ports, or between exporters from the United States and their foreign competitors, or to operate to the detriment of the commerce of the United States, or to be in violation of this act, and shall approve all other agreements, modifications, or cancellations.

"Agreements existing at the time of the organization of the board shall be lawful until disapproved by the board. It shall be unlawful to carry out any agreement or any portion thereof disapproved by the board.

"All agreements, modifications, or cancellations made after the organization of the board shall be lawful only when and as long as approved by the board, and before approval or after disapproval it shall be unlawful to carry out in whole or in part, directly or indirectly, any such agreement, modification, or cancellation.

"Every agreement, modification, or cancellation lawful under this section shall be excepted from the provisions of the act approved July 2, 1890, entitled 'An act to protect trade and commerce against unlawful restraints and monopolies,' and amendments and acts supplementary thereto, and the provisions of sections 73 to 77, both inclusive, of the act approved August 27, 1894, entitled 'An act to reduce taxation, to provide revenue for the Government, and for other purposes,' and amendments and acts supplementary thereto.

"Whoever violates any provision of this section shall be liable to a penalty of $1,000 for each day such violation continues, to be recovered by the United States in a civil action.

"SEC. 17. That it shall be unlawful for any common carrier by water, or other person subject to this act, either alone or in conjunction with any other person, directly or indirectly—

"First. To make or give any undue or unreasonable preference or advantage to any particular person, locality, or description of traffic in any respect whatsoever, or to subject any particular person, locality, or description of traffic to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

"Second. To allow any person to obtain transportation for property at less than the regular rates then established and enforced on the line of such carrier, by means of false billing, false classification, false weighing, false report of weight, or by any other unjust or unfair device or means.

"Third. To induce, persuade, or otherwise influence any marine insurance company or underwriter, or agent thereof, not to give a competing carrier by water as favorable a rate of insurance on vessel or cargo, having due regard to the class of vessel or cargo, as is granted to such carrier or other person subject to this act.

"SEC. 18. That no common carrier by water in foreign commerce shall demand, charge, or collect any rate, fare, or charge which is unjustly discriminatory between shippers or ports, or unjustly prejudicial to exporters of the United States as compared with their foreign competitors. Whenever the board finds that any such rate, fare, or charge is demanded, charged, or collected it may alter the same to the extent necessary to correct such unjust discrimination or prejudice and make an order that the carrier shall discontinue demanding, charging, or collecting any such unjustly discriminatory or prejudicial rate, fare, or charge.

"Every such carrier and every other person subject to this act shall establish, observe, and enforce just and reasonable regulations and practices relating to or connected with the receiving, handling, storing, or delivering of property. Whenever the board finds that any such regulation or practice is unjust or unreasonable it may determine, prescribe, and order enforced a just and reasonable regulation or practice.

"SEC. 19. That every common carrier by water in interstate commerce shall establish, observe, and enforce just and reasonable rates, fares, charges, classifications, and tariffs, and just and reasonable regulations and practices relating thereto and to the issuance, form, and substance of tickets, receipts, and bills of lading, the manner and method of presenting, marking, packing, and delivering property for transportation, the carrying of personal, sample, and excess baggage, the facilities for transportation, and all other matters relating to or connected with the receiving, handling, transporting, storing, or delivering of property.

"Every such carrier shall file with the board and keep open to public inspection, in the form and manner and within the time prescribed by the board, the maximum rates, fares, and charges for or in connection with transportation between points on its own route; and if a through route has been established, the maximum rates, fares, and charges for or in connection with transportation between points on its own route and points on the route of any other carrier by water.

"No such carrier shall demand, charge, or collect a greater compensation for such transportation than the rates, fares, and charges filed in compliance with this section, except with the approval of the board and after 10 days' public notice in the form and manner prescribed by the board, stating the increase proposed to be made; but the board for good cause shown may waive such notice.

"Whenever the board finds that any rate, fare, charge, classification, tariff, regulation, or practice demanded, charged, collected, or observed by such carrier is unjust or unreasonable, it may determine, prescribe, and order enforced a just and reasonable maximum rate, fare, or charge, or a just and reasonable classification, tariff, regulation, or practice.

"SEC. 20. That whenever a common carrier by water in interstate commerce reduces its rates on the carriage of any species of freight to or from competitive points below a fair and remunerative basis with the intent of driving out or otherwise injuring a competitive carrier by water, it shall not increase such rates unless after hearing the board finds that such proposed increase rests upon changed conditions other than the elimination of said competition.

"SEC. 21. That it shall be unlawful for any common carrier by water or other person subject to this act, or any officer, receiver, trustee, lessee, agent, or employee of such carrier or person, or for any other person authorized by such carrier or person to receive information, knowingly to disclose to or permit to be acquired by any person other than the shipper or consignee, without the consent of such shipper or consignee, any information concerning the nature, kind, quantity, destination, consignee, or routing of any property tendered or delivered to such common carrier or other person subject to this act for transportation in interstate or foreign commerce, which information may be used to the detriment or prejudice of such shipper or consignee, or which may improperly disclose his business transactions to a competitor, or which may be used to the detriment or prejudice of any carrier, and it shall also be unlawful for any person to solicit or knowingly receive any such information which may be so used.

"Nothing in this act shall be construed to prevent the giving of such information in response to any legal process issued under the authority of any court of a State or of the United States, or to any officer or agent of the Government of the United States, or of any State, Territory, District, or possession thereof, in the exercise of its powers, or to any officer or other duly authorized person seeking such information for the prosecution of persons charged with or suspected of crime, or to another carrier, or its duly authorized agent, for the purpose of adjusting mutual traffic accounts in the ordinary course of businesses of such carriers.

"SEC. 22. That the board may require any common carrier by water, or other person subject to this act, or any officer, receiver, trustee, lessee, agent, or employee thereof, to file with it any periodical or special report, or any account, record, rate, or charge, or any memorandum of any facts and transactions appertaining to the business of such carrier or other persons subject to this act. Such report, account, record, rate, charge, or memorandum shall be under oath whenever the board so requires, and shall be furnished in the form and within the time prescribed by the board. Whoever fails to file any report, account, record, rate, charge, or memorandum as required by this section shall forfeit to the United States the sum of $100 for each day of such default.

"Whoever willfully falsifies, destroys, mutilates, or alters any such report, account, record, rate, charge, or memorandum, or willfully files a false report, account, record, rate, charge, or memorandum, shall be guilty of a misdemeanor and subject upon conviction to a fine of not more than $1,000, or imprisonment for not more than one year, or to both such fine and imprisonment.

"SEC. 23. That any person may file with the board a sworn complaint setting forth any violation of this act by a common carrier by water, or other person subject to this act, and asking reparation for the injury, if any, caused thereby. The board shall furnish a copy of the complaint to such carrier or other person, who shall, within a reasonable time specified by the board satisfy the complaint or answer it in writing. If the complaint is not satisfied the board shall, except as otherwise provided in this act, investigate it in such manner and by such means and make such order as it deems proper. The board, if the complaint is filed within two years after the cause of action accrued, may direct the payment, on or before a day named, of full reparation to the complainant for the injury caused by such violation.

"The board, upon its own motion, may in like manner and, except as to orders for the payment of money, with the same powers, investigate any violation of this act.

"SEC. 24. Orders of the board relating to any violation of this act shall be made only after full hearing and upon a sworn complaint or in proceedings instituted of its own motion.

"All orders of the board other than for the payment of money made under this act shall continue in force for such time, not exceeding two years, as shall be prescribed therein by the board, unless suspended, modified, or set aside by the board or any court of competent jurisdiction.

"SEC. 25. That the board shall enter of record a written report of every investigation made under this act in which a hearing has been held, stating its conclusions, decision, and order, and, if reparation is awarded, the findings of fact on which the award is made, and shall furnish a copy of such report to all parties to the investigation.

"The board may publish such reports in the form best adapted for public information and use, and such authorized publications shall, without further proof or authentication, be competent evidence of such reports in all courts of the United States and of the States, Territories, Districts, and possessions thereof.

"SEC. 26. That the board may reverse, suspend, or modify, upon such notice and in such manner as it deems proper, any order made by it. Upon application of any party to a decision or order it may grant a rehearing of the same or any matter determined therein, but no such application for or allowance of a rehearing shall, except by special order of the board, operate as a stay of such order.

"SEC. 27. That for the purpose of investigating alleged violations of this act, the board may by subpœna compel the attendance of witnesses and the production of books, papers, documents, and other evidence from any place in the United States at any designated place of hearing. Subpœnas may be signed by any commissioner, and oaths or affirmations may be administered, witnesses examined, and evidence received by any commissioner or examiner, or, under the direction of the board, by any person authorized under the laws of the United States or of any State, Territory, District, or possession thereof to administer oaths. Persons so acting under the direction of the board and witnesses shall, unless employees of the board, be entitled to the same fees and mileage as in the courts of the United States. Obedience to any such subpœna shall, on application by the board, be enforced as are orders of the board other than for the payment of money.

"SEC. 28. That no person shall be excused, on the ground that it may tend to incriminate him or subject him to a penalty or forfeiture, from attending and testifying, or producing books, papers, documents, and other evidence, in obedience to the subpœna of the board or of any court in any proceeding based upon or growing out of any alleged violation of this act; but no natural person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing as to which, in obedience to a subpœna and under oath, he may so testify or produce evidence, except that no person shall be exempt from prosecution and punishment for perjury committed in so testifying.

"SEC. 29. That in case of violation of any order of the board, other than an order for the payment of money, the board, or any party injured by such violation, or the Attorney General, may apply to a district court having jurisdiction of the parties; and if, after hearing, the court determines that the order was regularly made and duly issued, it shall enforce obedience thereto by a writ of injunction or other proper process, mandatory or otherwise.

"SEC. 30. That in case of violation of any order of the board for the payment of money the person to whom such award was made may file in the district court for the district in which such person resides, or in which is located any office of the carrier or other person to whom the order was directed, or in which is located any point of call on a regular route operated by the carrier, or in any court of general jurisdiction, of a State, Territory, District, or possession of the United States having jurisdiction of the parties, a petition or suit setting forth briefly the causes for which he claims damages and the order of the board in the premises.

"In the district court the findings and order of the board shall be prima facie evidence of the facts therein stated, and the petitioner shall not be liable for costs, nor shall he be liable for costs at any subsequent stage of the proceedings unless they accrue upon his appeal. If a petitioner in a district court finally prevails, he shall be allowed a reasonable attorney's fee, to be taxed and collected as part of the costs of the suit.

"All parties in whose favor the board has made an award of reparation by a single order may be joined as plaintiffs, and all other parties to such order may be joined as defendants, in a single suit in any district in which any one such plaintiff could maintain a suit against any one such defendant. Service of process against any such defendant not found in that district may be made in any district in which is located any office of, or point of call on a regular route operated by, such defendant. Judgment may be entered in favor of any plaintiff against the defendant liable to that plaintiff.

"No petition or suit for the enforcement of an order for the payment of money shall be maintained in a district or State court unless filed within one year from the date of the order.

"SEC. 31. That the venue and procedure in the courts of the United States in suits brought to enforce, suspend, or set aside, in whole or in part, any order of the board shall, except as herein otherwise provided, be the same as in similar suits in regard to orders of the Interstate Commerce Commission, but such suits may also be maintained in any district court having jurisdiction of the parties.

"SEC. 32. That whoever violates any provision of this act, except where a different penalty is provided, shall be guilty of a misdemeanor, punishable by fine of not to exceed $5,000.

"SEC. 33. That this act shall not be construed to affect the power or jurisdiction of the Interstate Commerce Commission, nor to confer upon the board concurrent power or jurisdiction over any matter within the power or jurisdiction of such commission; nor shall this act be construed to apply to intrastate commerce.

"SEC. 34. That if any provision of this act, or the application of such provision to certain circumstances, is held unconstitutional, the remainder of the act and the application of such provision of circumstances other than those as to which it is held unconstitutional, shall not be affected thereby.

"SEC. 35. That for the fiscal year ending June 30, 1917, the sum of $100,000 is hereby appropriated, out of any moneys in the Treasury of the United States not otherwise appropriated, for the purpose of defraying the expenses of the establishment and maintenance of the board, including the payment of salaries herein authorized."

In February, 1914, Sixty-third Congress, second session, the Committee on the Merchant Marine and Fisheries made a report to the House of Representatives on steamship agreements and affiliations in the American foreign and domestic trade.

The investigation of such combinations was begun by the committee under House resolutions 425 and 587 in the Sixty-second Congress and continued in the Sixty-third Congress under House resolution 205. The resolution (H. Res. 587) directed the committee "to report to the House all facts disclosed by said investigation, and what legislation, if any, it deems advisable in relation thereto." In accordance with the directions of the resolution relating to legislation, the committee, by unanimous action, submitted recommendations which have been followed in large part in framing the sections of the bill 15 to 21, inclusive.

The recommendations referred to are as follows:

RECOMMENDATIONS RELATING TO WATER CARRIERS ENGAGED IN THE FOREIGN TRADE.

"The facts contained in the foregoing report show that it is the almost universal practice for steamship lines engaging in the American foreign trade to operate, both on the inbound and outbound voyages, under the terms of written agreements, conference arrangements, or gentlemen's understandings, which have for their principal purpose the regulation of competition through either (1) the fixing or regulation of rates; (2) the apportionment of traffic by allotting the ports of sailing, restricting the number of sailings, or limiting the volume of freight which certain lines may carry; (3) the pooling of earnings from all or a portion of the traffic; or (4) meeting the competition of nonconference lines. Eighty such agreements or understandings, involving practically all the regular steamship lines operating on nearly every American foreign-trade route, are described in the foregoing report. (For a full classification of these agreements, see pp. 281 to 295 of the report.) The report also presents the economic advantages and disadvantages of steamship agreements and conference arrangements as presented to the committee by steamship line representatives and the exporting and importing interests of the United States. (For a full classification of the advantages and disadvantages, see pp. 295 to 307 of the foregoing report.)

"In formulating its recommendations it became apparent to the committee, in view of all the facts presented, that only two courses of action were open for adoption. Either the agreements and understandings, now so universally used, may be prohibited with a view to attempting the restoration of unrestricted competition, or the same may be recognized along lines which would eliminate existing disadvantages and abuses. It is claimed that the adoption of the first course—the prohibition of cooperative arrangements between practically all the lines in nearly all the divisions of our foreign trade—would not only involve a wholesale disturbance of existing conditions in the shipping business but would deprive American exporters and importers of the advantages claimed as resulting from agreements and conferences if honestly and fairly conducted, such as greater regularity and frequency of service, stability and uniformity of rates, economy in the cost of service, better distribution of sailings, maintenance of American and European rates to foreign markets on a parity and equal treatment of shippers through the elimination of secret arrangements and underhanded methods of discrimination. (A classification of the advantages claimed as resulting from the aforementioned factors is presented on pp. 295 to 303 of the foregoing report.)

"These advantages, the committee believes, can be secured only by permitting the several lines in any given trade to cooperate through some form of rate and pooling arrangement under Government supervision and control. It is the view of the committee that open competition can not be assured for any length of time by ordering existing agreements terminated. The entire history of steamship agreements shows that in ocean commerce there is no happy medium between war and peace when several lines engage in the same trade. Most of the numerous agreements and conference arrangements discussed in the foregoing report were the outcome of rate wars and represent a truce between the contending lines. To terminate existing agreements would necessarily bring about one of two results; the lines would either engage in rate wars which would mean the elimination of the weak and the survival of the strong, or, to avoid a costly struggle, they would consolidate through common ownership. Neither result can be prevented by legislation, and either would mean a monopoly fully as effective, and it is believed more so, than can exist by virtue of an agreement. Moreover, steamship agreements and conferences are not confined to the lines engaging in the foreign trade of the United States. They are as universally used in the foreign trade of other countries as in our own. The merchants of these countries now enjoy the foregoing advantages of cooperative arrangements, and to restore open and cutthroat competition among the lines serving the United States would place American exporters at a disadvantage in many markets as compared with their foreign competitors.

"Steamship-line representatives, as well as the patrons of the lines, were almost a unit in emphasizing to the committee the importance and necessity of the aforementioned advantages of agreements and conferences, and in asserting that these advantages can only be effected by permitting the several lines in a given trade to cooperate in the regulation of their rates and the expeditious handling of their business. Very few of the many exporters and importers who communicated with the committee were opposed to agreements and conferences in themselves, provided they are fairly and honestly conducted. Many, however, objected to the secrecy with which agreements and conferences are now conducted, and stated that, while the advantages must be admitted, they have no assurance and no means of knowing whether the conditions claimed for agreements and conferences are always fulfilled. A considerable number of complaints were also filed with the committee objecting to excessive rates, discrimination between shippers in rates and cargo space, indifference to the landing of freight in proper condition, arbitrariness in the settlement of just claims, failure to give due notice to shippers when rates were to be increased, refusal to properly adjust rates as between various classes of commodities, and the unfairness of certain methods—such as fighting ships, deferred rebates, and threats to refuse shipping accommodations—used by some conference lines to meet the competition of nonconference lines. Unfortunately, the truth of many of these complaints could not be ascertained because of the confidential nature of the information furnished. As pointed out in the report (p. 306), it seemed to be the general impression among shippers who filed complaints with the committee that the conference lines 'so completely dominate the shippers with whom they deal that these shippers can not afford, for fear of retaliation, to place themselves in a position of active antagonism to the lines by openly giving particulars of their grievances.'

"While admitting their many advantages, the committee is not disposed to recognize steamship agreements and conferences, unless the same are brought under some form of effective Government supervision. To permit such agreements without Government supervision would mean giving the parties thereto unrestricted right of action. Abuses exist, and the numerous complaints received by the committee show that they must be recognized. In nearly all the trade routes to and from the United States the conference lines have virtually a monopoly of the line service.

"'All monopolies,' as pointed out in the foregoing report (p. 304), 'are liable to abuse, and in our foreign carrying trade the monopoly obtained by the conference lines has not been subjected to any legal control. While carriers by land are supervised and must conform to statutory requirements in the matter of rates and treatment of shippers, steamship companies, through private arrangements, have secured for themselves monopolistic powers as effective in many instances as though they were statutory. Even granting the advantages claimed for steamship conferences and agreements, all may be withdrawn in the absence of supervisory control without the shippers having any redress or protection. The lines are under no legal obligation to continue these advantages. They exercise their powers as private combinations and are apt to abuse the same unless brought under effective Government control.'

"The committee believes that the disadvantages and abuses connected with steamship agreements and conferences as now conducted are inherent, and can only be eliminated by effective Government control; and it is such control that the committee recommends as the means of preserving to American exporters and importers the advantages enumerated, and of preventing the abuses complained of.

'The consensus of opinion (see pp. 307 to 308 of the report)," as expressed in the testimony of witnesses and in the numerous communications received by the committee from shippers, "is overwhelmingly in favor of some form of Government regulation of steamship carriers engaged in this country's foreign trade. Nearly all the steamship line representatives who appeared before the committee expressed themselves as not opposed to Government supervision which is reasonable and which is limited to the requirements of full publicity and approval of all agreements or arrangements which steamship lines may have entered into with other steamship lines, with shippers, or with other carriers and transportation agencies. On the other hand, the shippers who appeared as witnesses, or otherwise submitted recommendations for proposed legislation, were in the great majority of instances favorable to a comprehensive system of Government supervision, sufficiently broad to embrace the regulation of rates without actually fixing them, the approval of contracts, agreements, and arrangements, and the general supervision of all conditions of water transportation which vitally affect the interests of shippers. While few of the shippers who communicated with the committee by letter (and the same may be said of witnesses) attempted to specify the details of their recommendations, they are almost a unit in stating that they are convinced of the desirability of having the Interstate Commerce Commission, or a similar commission, exercise a general supervisory power over foreign water carriers and enforce among the conference lines at all times the various contentions which they have claimed for themselves during the hearings before the committee. It is noteworthy that only five of the many communications received by the committee, which were unfavorable to steamship agreements and conferences as now conducted, display an attitude of hostility toward Government regulation. In fact, many of the communications received from shippers make it clear that the writers regard the contentions of the conference line representatives as advantageous to shipper and shipowner if they are honestly and fairly carried out, but state that their experience has been to the effect that once the combination of lines is established it is apt to be used in an arbitrary and unfair way by favoring some large corporation or friend to the detriment of other shippers. Such discriminations and arbitrary treatment, it is believed, can only be eliminated by the establishment of some legally constituted authority which is empowered to hear complaints and to order the discontinuance of abuses."

"Relative to such supervisory control by the Government of steamship carriers in the foreign trade of the United States, the committee offers the following recommendations:

"1. That navigation companies, firms, or lines engaged in the foreign trade of the United States be brought under the supervision of the Interstate Commerce Commission as regards the regulation of rates, the approval of contracts entered into with other water carriers, with shippers, or with American railroads and other transportation agencies, and such other conditions of water transportation as affect the interest of the shippers. The committee has had under consideration the recommendation of a separate commission for this purpose, but believes that, in view of the close relations existing between rail and water transportation, it would be best to intrust the supervisory control to the Interstate Commerce Commission. If found necessary, in view of the added duties involved in the extension of the Interstate Commerce Commission's jurisdiction to water transportation in accordance with the recommendations to follow, the committee further recommends that the membership of the commission be enlarged.

"2. That all carriers engaged in the foreign trade of the United States, parties to any agreements, understandings, or conference arrangements hereinafter referred to, be required to file for approval with the Interstate Commerce Commission a copy of all written agreements (or a complete memorandum if the understanding or agreement is oral)

entered into (1) with any other steamship companies, firms, or lines engaged directly or indirectly in the American trade, or (2) with American shippers, railroads, or other transportation agencies. All modifications and cancellations of such agreements or understandings as may be made from time to time should also be promptly filed. The commission should be empowered to order canceled any such agreements, or any parts thereof, that it may find to be discriminating or unfair in character, or detrimental to the commercial interests of the United States.

"3. That the Interstate Commerce Commission be empowered to investigate fully complaints charging the unreasonable or unfairness of rates, or to institute proceedings on its own initiative, and to order such rates changed if convinced that the rate under consideration is unreasonably high, or discriminating in character as between shippers or ports, or between exporters of the United States and their foreign competitors; and to order restitution to shippers of all sums collected in excess of reasonable rates. This recommendation is also intended to extend to the supervision of freight classifications used by the lines, and the investigation of complaints charging refusal on the part of any carrier to properly adjust the rates between classes of commodities.

"The committee realizes that the steamship business differs essentially from that of the railroads (for those differences see pp. 309 to 311 of the report), and that it might prove injurious to both shipowners and American exporters to require the lines to file their rates and not be permitted to lower the same until after a stipulated period of notice to change rates had been given. On the other hand, the committee feels that in the absence of Government control steamship combinations may in many instances have it within their power to arbitrarily raise rates to an unreasonable degree both as regards the general level and in the case of particular commodities; or, if they so desire, to fail in maintaining rates from the United States to foreign markets on a parity with those from other countries. It is not the purpose of this recommendation to prevent steamship lines from promptly lowering their rates to meet competitive conditions and thus to favor American exporters, who, in competing with foreign markets, often find it necessary in order to close their contracts to have quoted an immediate and favorable rate; but the purpose of the law should be to protect the shipper against any unreasonably high rate which the combination lines may have within their power, by virtue of their agreements and conference arrangements, arbitrarily to impose in the absence of Government supervision and control.

"4. That rebating of freight rates to shippers be made illegal, and that, with due regard to the proper loading of the vessel and the tonnage available, discrimination between shippers or ports in the matter of rates and space accommodations be prohibited. In this connection it is the belief of the committee that water carriers should be required to charge equal rates to all shippers irrespective of the volume of freight offered for shipment.

"5. That the Interstate Commerce Commission be empowered to investigate fully all complaints (or to undertake such investigation on its own initiative) charging (1) failure on the part of any carrier to give reasonable notice of increase in rates, (2) unfair treatment of shippers in the matter of cargo space and other facilities, (3) the existence of discriminating or unfair contracts with certain shippers, and (4) unfairness in the settlement of claims and indifference to the landing of freight in proper condition. In this connection the commission should be empowered to order the discontinuance of all unfair or discriminating practices which it may find to exist and to adopt whatever measures it may deem necessary to protect the complainant against retaliation.

"6. That the use of 'fighting ships' and deferred rebates be prohibited in both the export and import trade of the United States. Moreover, all carriers should be prohibited from retaliating against any shipper by refusing space accommodations when such are available or by resorting to other unfair methods of discrimination, because such shipper has patronized an independent line or has filed a complaint charging unfair treatment or for any other reason.

"7. That adequate penalties be provided to correct and prevent the abuses hereinabove set forth.

RECOMMENDATIONS RELATING TO WATER CARRIERS ENGAGED IN THE DOMESTIC TRADE.

"Unlike the practice of water carriers in the foreign trade of the United States, agreements to divide the territory or charge certain rates in the domestic trade are few. Competition in rates between domestic water lines, however, has been quite as effectively eliminated as in the foreign trade, and this has been accomplished by the several lines through one or more of the numerous methods discussed in Part II of the foregoing report and summarized on pages 409 to 412. (Also see pp. 403 to 412, giving a 'summary of the extent and methods of control of competition between water carriers in the domestic trade.')

"The act of August 24, 1912, providing for the opening, maintenance, protection, and operation of the Panama Canal, contains provisions extending the jurisdiction of the Interstate Commerce Commission over interstate transportation which involves the carriage of property by rail and water, in the following particulars, viz. (1) to establish physical connection, where this is reasonably practicable and justifiable, between the rail carrier and the dock of the water carrier by directing either or both of the carriers to construct the connecting tracks; (2) 'to establish through routes and maximum joint rates over such rail and water lines, and to determine all the terms and conditions under which such lines shall be operated in the handling of the traffic embraced'; and (3) 'to establish maximum proportional rates by rail to and from the ports to which the traffic is brought, or from which it is taken by the water carrier, and to determine to what traffic and in connection with what vessels and upon what terms and conditions such rates will apply.' Section 11 of the act also provides for the divorcing of common carriers by water from the railroads under certain conditions. These legislative requirements go far toward eliminating some of the undesirable practices which were found by the committee to exist in the domestic commerce of the United States. The committee, however, believes, in view of the facts presented in Part II of the report, that additional legislation is required, and wishes to offer the following recommendations:

"1. That the jurisdiction of the Interstate Commerce Commission be extended to the interstate port-to-port traffic of domestic water carriers, with full power to require all such carriers to file their port-to-port rates and to submit reports of their financial and business operations. As regards interstate port-to-port traffic the commission should be given full power to regulate rates and to determine maximum charges.

"2. That water carriers be required to file for approval with the Interstate Commerce Commission all agreements or arrangements affecting interstate transportation, whether written or oral, and all modifications or cancellations thereof, with other water carriers, with railroads or other transportation agencies, or with shippers.

"3. That the carriers be prohibited from granting rebates of any kind to shippers and from discriminating between shippers in rates, in the giving of space accommodations and other facilities, and in the making of unfair contracts based on the volume of freight offered. Water carriers should also be prohibited from using fighting ships, or deferred rebates, or from threatening or resorting to retaliatory or other unfair measures against shippers or competitors. The Interstate Commerce Commission should be empowered to adopt whatever measures it may consider necessary to protect shippers or competitors against such retaliatory methods. Water carriers, if cutting rates with a view to driving out a competitor, should be denied the privilege of restoring rates; and jurisdiction should be conferred on the Interstate Commerce Commission to determine whether rates were cut with the object of crushing such competitor.

"4. That the Interstate Commerce Commission be empowered to investigate fully all complaints charging unfairness in the settlement of claims, and indifference to the loading and landing of freight in proper condition; and to adopt all necessary rules and regulations for the adjustment and settlement of claims.

"5. That as regards all matters relating to interstate transportation, all traffic associations or conferences, whether pertaining to through rail-and-water transportation or to port-to-port traffic only, be brought under the supervision of the Interstate Commerce Commission. The committee recommends that the conditions under which an outside water carrier is admitted to such associations or conferences should be approved by the commission, and that an outside line should not be denied membership for unfair reasons or simply because the unanimous consent of existing members of the association or conference to the admission of said line can not be obtained.

"6. That the railroads be prohibited from making the through rail-and-water route unprofitable as compared with the all-rail route by charging more for the same service on water-borne commodities than they charge for the proportionate share of the all-rail haul.

"7. That the Interstate Commerce Commission be empowered to compel railroads to allow competitive water carriers to apply effective differentials. The commission should also have full supervisory power over divisions between railroads and water carriers as regards through rail-and-water rates. The committee recommends that rate divisions on any trade route should be opened equally to all water carriers that comply with such conditions of quality and regularity of service as the commission may determine to be reasonable.

"8. That the railroads and water carriers be required to issue through bills of lading to all interstate water carriers that meet such conditions of quality and regularity of service as the Interstate Commerce Commission may consider reasonable.

"9. That railroads be required to account separately to the Interstate Commerce Commission for the income and expenditures of interstate water lines owned or controlled by them.

"10. That railroads be required to make their terminal facilities available to water carriers on equal terms and under such reasonable conditions as the Interstate Commerce Commission may prescribe. The committee also believes that the Federal Government should pursue a policy of not expending money in the interests of any port for harbor or channel improvements unless that port has efficient dock facilities available to all water carriers.

"11. That there should be legislation providing for equal treatment to all shippers and water carriers by transfer and lighterage concerns when forming a link in interstate or foreign commerce.

"12. That all interstate traffic on canals be placed under the supervision of the Interstate Commerce Commission; and that the railroads be prohibited in the future from acquiring, either directly or indirectly, ownership and control of or interest in canals, or water lines, forwarding companies, and other navigation facilities on such canals, when the same are used in interstate transportation."

It will be noted that the committee recommended that the powers of the Interstate Commerce Commission be extended to common carriers by water, or that some other tribunal should be created and vested with jurisdiction over common carriers by water.

The consensus of public opinion seems to favor the creation of a shipping board vested with such powers, rather than to add to the duties and responsibilities of the Interstate Commerce Commission.

The Interstate Commerce Commission is now vested with some of the powers covered by the recommendations of the committee, and to avoid any possible conflict of jurisdiction section 32 of the bill expressly provides: "That this act shall not be construed to affect the power or jurisdiction of the Interstate Commerce Commission, nor to confer upon the board concurrent power or jurisdiction over any matter within the power of jurisdiction of such commission; nor shall this act be construed to apply to intrastate commerce."

ADMINISTRATIVE PROVISIONS.

SECTIONS 22 TO 34, INCLUSIVE.

While the part of the bill relating to the regulation of carriers by water differs necessarily and materially from the corresponding provisions of the interstate-commerce act, the difference is not so radical that the administration and enforcement provisions of the latter act and the nearly 30 years' experience of the Interstate Commerce Commission can not be adapted with slight modifications to the purposes of this bill.

Section 22, relating to the requiring of information, confers upon the board only a part of the power of the Interstate Commerce Commission under section 20 of the interstate-commerce act, by which the commission is empowered to prescribe a uniform system of accounts as well as the form of all accounts, records, and memoranda to be kept by carriers subject to the act, and its examiners given access to such accounts for the purpose of inspection and examination. While it is well within the power of Congress to impose similar requirements upon carriers by water in interstate commerce, the committee deems it neither advisable or necessary, at least at this time, to make the provisions of this bill any more burdensome in this respect upon carriers by water in interstate commerce than those imposed upon similar carriers operating under foreign flags and engaged in the foreign commerce of the United States.

Sections 23 to 31, inclusive, modeled very closely after the interstate-commerce act, in brief and concise manner confer upon the board power to make orders necessary for the enforcement of the act, and provide the means for the enforcement of such orders.

Under section 23 any person may file with the board a sworn complaint setting forth any violation of the act. The board, after due notice to the person complained of, shall investigate the matter and make such order as may be proper, including an award of reparation for any injury resulting from the violation. Similar powers are conferred upon the board to investigate and make orders upon its own

initiative, except that awards of reparation may be made only upon complaint. Provision is also made in section 24 that orders relating to a violation may be made only after a full hearing. While this secures to a person alleged to have violated the act a full opportunity to be heard in his own defense, it at the same time leaves free from unnecessary restrictions the action of the board in other matters.

The provisions of section 24 relating to the time during which orders of the board shall continue in effect are the same as those of the interstate-commerce act, but the provision of the latter act that orders shall not take effect for 30 days has been omitted, as the committee feels that this matter should properly be left to the discretion of the board.

The provisions of section 27 relating to the power of the board to compel the attendance of witnesses and the production of documentary and other evidence are also substantially similar to those of the interstate-commerce act, except that the board may exercise such power only "for the purpose of investigating alleged violations of this act," instead of "for the purposes of this act," as in the interstate-commerce act. Under this broad phrase in the latter act, as construed by the Supreme Court (Harriman v. United States, 211 U. S., 407 (1908)), the power of the board is limited to investigations of violations. The provision that testimony may be taken under the direction of the board by any person authorized to administer oaths has been substituted for the lengthy but little used provisions of the interstate-commerce act relating to depositions. Section 28 includes the essential provisions of the compulsory-testimony act of February 11, 1893, and the immunity-of-witnesses act of June 30, 1906.

In sections 29 and 30, providing the means for the enforcement of orders of the board, the provisions as to jurisdiction of the district courts have been slightly changed because of the difference between rail and water traffic.

The somewhat lengthy provisions of the district court jurisdiction act of October 22, 1913, as to the venue and procedure in suits to enforce, suspend, or set aside orders of the Interstate Commerce Commission are extended by section 31 to apply to orders of the board. In view of the ambiguous provision of that act as to venue, the section provides that such suits may also be maintained in any district court having jurisdiction of the parties.

Section 32 is a general penalty provision, corresponding to section 10 of the interstate-commerce act, and making any violation, except where a different penalty is specifically provided, a misdemeanor punishable by a fine of not more than $5,000.

Section 33 provides that this act shall not affect the jurisdiction of the Interstate Commerce Commission nor confer upon the board concurrent jurisdiction over any matter within the jurisdiction of the commission. Its purpose is to obviate a conflict of jurisdiction if in some unforeseen manner any substantive provision of this bill inadvertently overlaps a corresponding provision of the interstate-commerce act. The last clause of this section—that the act shall not apply to intrastate commerce—corresponds to the similar provision of section 1 of the interstate-commerce act, both of which are rendered advisable in view of the decision of the Supreme Court in the first Employers' Liability cases (207 U. S., 463 (1908)).

Section 34 is merely a legislative declaration of the separableness of each provision of the act, so that in the very unlikely event of any provision being unconstitutional the remainder of the act would not be endangered thereby.

The active duties of the board will devolve on the commissioners appointed by the President; hence the committee thought it wise to increase the number from three, as proposed in the original bill, to five, as provided in this bill. The Secretaries of the Navy and Commerce are heads of great departments of the Government, and they will have little time to give to the duties of the board. In view of the fact that the vessels to be constructed or purchased by the board are to become naval auxiliaries and may be listed by the Secretary of the Navy as vessels of the United States Naval Auxiliary Reserve, and the officers and crews of such vessels may, under regulations prescribed by him, enlist as members of any Naval Reserve force established by law, it was thought that he should be made a member of the board. The reasons for making the Secretary of Commerce a member of the board are even more cogent, as the Bureaus of Navigation, Steamboat-Inspection Service, Lighthouses, and Coast and Geodetic Survey are under the jurisdiction of that department.

The committee fully recognizes that many of the duties of the board are quasi judicial in character, like those of the Interstate Commerce Commission, and the board should be removed, as far as possible, from partisan political influence; hence the bill provides that not more than three of the five commissioners shall belong to the same political party.

We have faith to believe that the President in naming the commissioners will have greater regard for their fitness to discharge the very grave and responsible duties that will devolve upon them than for their party affiliations.

We believe this board will become permanent and that its functions will in time become as important in the development and supervision of our mercantile marine as those of the British board of trade to the mercantile marine of Great Britain.

SHIPBUILDING.

It is generally conceded that at this time merchant vessels can be built in American shipyards at less cost than in foreign shipyards. The board has the power to have built or purchase vessels built in American shipyards or elsewhere, giving preference to American shipyards. Unless conditions change materially in Europe at the close of the war, all the vessels for the construction or purchase of which provision is made in the bill will be built in American shipyards. It is the earnest desire that all such vessels may be built in American shipyards, and we have good reason to believe that by utilizing improved methods in shipbuilding, and by standardizing the various types of vessels, not only the cost of construction may be very materially reduced, but the cost of operation as well.

In this connection the committee invites attention to the statements of Capt. Ellsworth P. Bertholf, captain commandant of the Coast Guard; Capt. C. A. McAllister, of the Coast Guard; and Mr. E. Platt Stratton, supervisor of the American Bureau of Shipping, in a letter to Hon. William C. Redfield, Secretary of Commerce, and referred to by the Secretary at the hearings, which is printed in the hearings, and on account of its importance is here reproduced:

"AMERICAN BUREAU OF SHIPPING,
"*New York, January 22, 1916.*

"Hon. WILLIAM C. REDFIELD,
"*Secretary Department of Commerce,*
"*Washington, D. C.*

"MY DEAR MR. SECRETARY: As you are not likely to be in this city prior to February 23, and knowing your sincere desire to facilitate the development of American commerce, I take the liberty of submitting the following for your kind consideration:

* * * * * * * * *

"The present type of construction has brought about a ship of a comparatively square bilge supported internally by margin plates of the double bottom, which in turn accommodates any accumulation of bilge water and concentrates its flow to whatever type the pumping system may be adapted.

"This class of construction requires the cutting of all frames at the bilge and uniting them with the floors by means of gusset plates, thus doing away with the expensive and cumbersome method of bending frames in one piece from keel to gunwale. All of the members, therefore, of the modern ship anticipates comparatively straight pieces, with the exception of the stem, cant frames, and stern frame.

"It is therefore now possible to readily ship on flat cars or by water transportation all the members ready for assembling of any vessel of the type herein referred to.

"The best method of construction now anticipates the punching of all rivet holes from one-sixteenth inch to one-eighth inch scant preparatory to the members being assembled when the punch holes of scant diameter are reamed with pneumatic tools after the plates and members are assembled and service bolted, all riveting being done with pneumatic holders-on and pneumatic riveters, preceding which all holes are reamed by pneumatic tools and are therefore made fair in position. Two men with one of these reamers will ream and make fair to standard sizes from 1,400 to 1,600 holes a day."

Secretary REDFIELD. The description follows closely the construction of steel-frame buildings.

"With these conditions before us, it seems to me that the time has arrived when great steel companies should undertake the preparation and fabrication of cargo ships complete in batches of at least 10 of a kind, to be reassembled and riveted up on our river, lake, or seacoast in the same way and manner in which such companies are now supplying the members for elevated railroads and bridge construction, the plates for such vessels first to be approved by the classification society representing the underwriting interests, which in turn would insure the lowest rates of insurance on the vessel when constructed under superintendence and survey.

"Several shipyards in existence on the line of the Ohio and Mississippi Rivers could thus be utilized to great advantage in assembling vessels of the type referred to, which would insure the utilization of a type of labor of the greatest value at seasons when not properly employed in agriculture.

"I incline to the belief that the right type of man might take up this matter with some of the subordinate companies of the United States Steel Co. and carry it through to a very successful issue; and the time and circumstances seem to be opportune for such an undertaking.

"The model of such vessels should first be tested in the governmental tank at Washington, which would give lines of least resistance in specific displacement.

"Steam, reciprocating, turbine, or internal-combustion engines could be contracted for on specific lines suitable to the vessels during the progress of their construction, and in this way standard units of commerce of assured excellence could be produced which would offer the greatest facility to owners, merchants, or shippers on assured lines of efficiency.

"Should you kindly consider this brief outline worthy of consideration, it will furnish me great pleasure to facilitate any ideas which you may have upon the subject in the interest of all concerned.

"Very truly, yours,

"E. PLATT STRATTON."

Secretary REDFIELD. The suggestion was of such original character that I submitted it at once to the naval constructor, Bureau of Lighthouses, and he replied under date of January 29, "I beg to state that I have considered the proposition as outlined therein, and in my opinion it is entirely feasible, provided that a suitable type of design of vessel to meet the commercial demand be settled upon," and the report proceeds in approval.

I then returned the matter to the American Bureau of Shipping and asked them if they would be kind enough to reconsider it with a great deal of care and advise me finally what I could with some confidence lay before this committee as a statement showing the possibilities in it as a method of constructing vessels. You are all aware, gentlemen, that the structural-steel industry is an American industry. The buildings of Europe are not built of structural steel. They do not build steel-frame buildings, as we build them, in any other country. I say never, meaning very rarely, if ever. It is an American industry, which we have carried to a greater height of perfection than any other country, and if it is possible, as these practical gentlemen say, to utilize this method of constructing hulls, there is no country in the world prepared to compete with us in that way.

In response to my inquiry I received this letter, dated February 8, of which I will read a brief portion:

"If any one of the great steel companies of this country could be induced to start out on the plan herein enunciated for cargo ships, I think that within two years we could be launching vessels from one to five thousand tons cargo capacity in many sections of the country. There are many wooden-ship yards on our coast, bays, and tributaries where the assembling of ships could be very advantageously conducted with far less difficulty and much more expedition than our ocean-going fleet of a half century ago was hewn out and assembled from material existent within our forests."

And then follows his formal statement in detail of the method of constructing the vessels.

[By E. Platt Stratton, supervisor of the American Bureau of Shipping.]

"Signs multiply of a disposition in the United States so to standardize the construction of cargo types of steamships as greatly to reduce their cost. This tendency is to be encouraged in every way possible, since its successful development will go a long way toward making the United States entirely independent of other countries in the construction of the ships in its foreign carrying, as the country always has been independent of foreign countries in the construction of ships for its domestic carrying.

"In the construction of ships for the carriage of passengers and freight and in the construction of the higher class swift leviathans that carry passengers, mails, and express standardization is not practicable, but in the construction of the higher types of ships the United States is not so far behind shipyards of other countries in the matter of cost as it is in the construction of the purely cargo type of ship.

"SOME CONSTRUCTION DETAILS.

"Cargo steamships of from 1,000 to 10,000 dead-weight capacity on a block coefficient of from 75 to 80 per cent of the cube of their length, breadth, and depth, and a standard rate of speed not to exceed 12 knots, is the trend and the type most useful for general trade. Such vessels are now built with double bottoms for water ballast, which have become more and more of a necessity to facilitate the handling of the ships when light or in motion without cargo. Double bottoms also offer great facility for the storage and use of any of the varieties of liquid fuel, which frequently are found to be more advantageous, if not more profitable, than coal, particularly when the cost of stowing it in the ship's bunkers and the cost of firing it with man power is considered.

"Vessels of this type of construction have brought about an arrangement to protect cargoes from bilge water, through flat floors, full or square bilges supported internally by the margin plates of the double bottoms, which in turn form gutters or bilges. This method of construction necessitates the breaking of the continuity of all ships' floors and frames at the turn of the bilge, properly flanged 'gusset plates' supplying the necessary strength at the points where they are reunited. This does away completely with the heretofore expensive and somewhat cumbersome method of rolling frames in great lengths and then reheating and bending them preparatory to their being assembled in position to receive the plating of the ship.

"The methods of metal-ship construction heretofore in use has involved the making of templates for each plate, angle, and shape used in the vessel's construction and a vast amount of work in the shipyard involving fitting, bending, punching, fairing, and riveting. In vessels of large dimensions many of these separate parts are of such weight and size as to require machinery and gangs of workmen to handle them in the different processes of assembling, fitting, and riveting them when in their proper positions in the ships.

"THE GREAT STEEL PLANTS SHOULD TAKE HOLD.

"In this connection, think what would be the cost, detention, and protracted delay if our elevated railroad structures, bridges, fireproof hotels, storehouses, and railroad depots were built after such a manner. The only condition that seems to justify such a method in ship construction is the necessity of constructing the vessel where and when as an assembled mass it may be launched where it will receive its equipment and fittings afloat, all of which go to make the complete and perfect cargo ship, or, as President Wilson has characterized it, 'a national shuttle of industry.' The opportunity is now open for some of our great steel plants to prepare models of a series of cargo steamships of standard designs and varying tonnage, submitting the models to tank experiments in advance, say, under the supervision of the Navy Department, in order to secure vessels with lines of least resistance; also having tables of scantlings approved by the national inspection service and the American underwriters, thus assuring the lowest rates of marine insurance on the vessels when completed. At the mills all parts, whether plates, angles, or shapes, would be of standard dimensions, sheared and punched to standard templates, all holes being punched and left from one-sixteenth to one-eighth of an inch scant to allow for reaming to standard gauge. When the parts shall have been assembled for service, bolting and riveting at the point or place of final fabrication, the reaming of holes, riveting, chipping, and calking, all then being done by pneumatic tools.

"Such methods would insure the prompt rehabilitation of many of the Nation's original shipbuilding plants for this assembling and fabrication of hundreds of ships of various sizes, which could not by any other method be dealt with. It can therefore be readily understood that the work at the coast or in the shipyard would only be one of assembling and riveting up the parts furnished by the steel mills to the railroads for delivery at the point of fabrication.

"DUPLICATION OF PARTS.

"The motive power for such standardized vessels for fixed rates of speed can be reliably furnished as specialties of manufacture in duplication in the same manner in which standard types of pumps, turbines, and internal-combustion engines are now manufactured and supplied by such establishments as the General Electric Co., the Westinghouse Co., William Cramp & Sons, W. & A. Fletcher Co., and the Babcock & Wilcox Co., as well as other boiler companies that now supply large installations of boiler equipment.

"Such methods of ship construction and equipment anticipate the utilization of many of our original wooden shipyards, since the chief requirements will be facilities for assembling the various parts of the ship and launching the hull when fully fabricated, for there are still many valuable shipbuilding locations along the water front of the Ohio and Mississippi Rivers, and the coast, bays, and tributaries, at points where labor is to be found in abundance and of a character that can be utilized to the greatest advantage.

"STEEL MILLS AS INITIAL SHIPBUILDING PLANTS.

"Our country's great steel works now possess the facilities in capacity, if not in detail, for furnishing the finest shipbuliding material at as low prices as that of any other country.

"The perfection of the various details in ship construction herein referred to in outline will doubtless quickly bring the United States to the front as the first shipbuilding nation of the earth in the production of standard cargo carriers unequalled by any other nation possessed of like commercial facilities, to which our unlimited quantities of cheap materials will greatly contribute. With cargo carriers thus under such good headway our shipyards will gradually become expert in the construction of all of the types of merchant ships that go to make up a general marine. The opportunity and all of the accessories necessary for success are now ours."

Secretary REDFIELD. It was not with any idea, Mr. Chairman, of this nature that we did what was done in the way of developing this bill. This has all come up since the matter was thought of, and is simply a very interesting illustration of what has been possible in other lines of work, and what new types of vessels may be possible hereafter.

(The memoranda submitted by Capts. Bertholf and McAllister are as follows:)

SHIPPING BILL—COSTS OF OPERATION—TYPICAL SHIPS, USING AVERAGE WAGE AND FREIGHT RATES WHICH OBTAINED BEFORE THE EUROPEAN WAR.

In the report of the discussion of the relative merits and costs of different types of ship-propelling machinery, which took place at successive meetings of the Northeast Coast Institute of Engineers and Shipbuilders in England, it was decided that the typical cargo ship of the world at the present time is one having the following dimensions, etc.:

Gross tonnage	4,665
Net registered tonnage	2,930
Dead-weight cargo capacity	7,880
Steaming radius	3,500
Average sea speed (knots)	10½
Indicated horsepower	2,500

A large proportion of the proposed naval auxiliary reserve fleet contemplated by the shipping bill will naturally be vessels of that size. In order to compare the relative costs of operation of an American vessel and of the average existing foreign competitor in the Pacific Ocean, this type of vessel will be used. The cost of wages and of fuel are the main items of expense in the operation of any vessel. This vessel will have a crew of 44 officers and men. From various sources it is found that the cost of wages per month on the Pacific Ocean for an American vessel with an American crew was $2,210 ($26,520 per annum), while for the average foreign competitor with Asiatic crew it was $1,150 per month ($13,800 per annum). The American vessel was thus handicapped in the Pacific trade with an additional cost of $1,060 per month on wages alone ($12,720 per annum), which it is claimed is the principal item in the difference in cost of operation.

Assuming that our typical new freighter is equipped with the modern type of Diesel engine, burning crude oils by internal combustion, there will be certain elements of economy of operation incident to this type of propulsion, as follows:

1. Less cost of wages of operating force, due to the smaller number of men required: There seems to be, in the opinion of experts, a question as to the economy of operation of a Diesel engine (excluding cost of fuel), due to higher initial cost, greater insurance rates, and possibly greater cost of repairs, although the preponderance of opinion points out that there is a tangible saving in cost of operation. For the purpose of this comparison this item will be ignored in order to be entirely conservative.

2. Less cost of fuel for operation: There is absolutely no question concerning the great saving in cost of fuel. To arrive at a comparison we will assume this typical freighter as operating between San Francisco, Cal., and Valparaiso, Chile, and that she makes only five round trips per annum. The distance between ports is 5,140 miles. On each voyage the average consumption of oil will be 231 tons; the same ship fitted with the average steam machinery using coal, will use 597 tons. The cost of coal on the Pacific coast may be taken at $6 per ton, and of oil at $7 per ton. Applying these factors we find a saving in cost of fuel each one-way voyage of $1,965, or $19,650 for five round trips.

3. Gain in freight-carrying capacity, owing to less space occupied by the propelling machinery and less space necessary for storing fuel, which, it has been demonstrated, can be carried in a ship's double bottom—a space in steam-propelled vessels heretofore utilized only for water ballast: The increased capacity incident to Diesel-engined ships is variously estimated by writers on the subject as from 5 to 10 per cent on the dead-weight cargo rating. To be well within conservative limits, the assumption is made in the typical ship that her dead-weight capacity is increased from 7,880 to 8,280 tons (400 tons), a trifle over 5 per cent. Prior to the existing war the freight rates between Chile and the United States, on the average of all bulk commodities, is shown by the Consular Reports to have been approximately $12 per ton. At the present time they have increased about 80 per cent over that figure, and in the case of nitrates, the principal article of export, the increase has been 100 per cent. Again, taking a conservative estimate, we will assume an average freight rate of but $8 per ton, weight or measurement. In a 400-ton increase in capacity this will amount to $3,200 per one-way voyage, or $32,000 per annum for five round trips, in favor of the typical ship having Diesel engines.

RÉSUMÉ—PACIFIC COAST.

Typical new American ship with Diesel engines, American crew, American wages, and American standard of food, versus typical existing foreign competitor with average efficiency of steam propulsion, Asiatic crew cheap wages, and poor food, both vessels making five round trips a year between the west coast of the United States and the west coast of South America, a distance of about 5,000 miles:

Increased annual cost for American ship:		
Wages of 44 officers and men	$12,720	
Food at 50 cents per day instead of 20 cents	4,752	
		$17,472
Decreased annual cost for American ship:		
Saving in cost of oil fuel over coal		18,644
Net annual saving for American ship		1,172
Annual increase in earning capacity of American ship from 400 tons additional freight space		32,000
Operating returns in favor of American ship, per annum		33,172

ATLANTIC COAST.

For the typical bulk carrier on the Atlantic coast the conditions are somewhat different from those on the Pacific coast, as follows:

1. The difference in cost of crews was less, as competitive vessels in these waters do not operate with Asiatic crews, and their standard of food is higher than for Asiatic crews.

The American scale of wages for officers and crew can be taken as the same as those for corresponding vessels on the Pacific coast, but for foreign competitors with Caucasian crews on the Atlantic coast the average wage scale for the typical freighter will be approximately $1,500 per month ($18,000 per annum). Food cost, 30 cents per day at least.

2. Coal being more plentiful and the various seaports nearer to the mines, the cost is less than on the Pacific coast. The ports on the North Atlantic particularly are farther removed from the oil wells, and in consequence the average cost of oil is higher than on the Pacific coast.

The average cost of coal at various Atlantic ports will be $4 per ton, while the average cost of fuel oil should be taken at $8.75 per ton, a price somewhat above the normal average.

The average length of voyage will be assumed the same as from San Francisco to Valparaiso (5,140 miles), as the distance from New York to Rio Janeiro is 4,441 miles, and from New York to Montevideo is 5,497 miles. The freight rates are approximately the same as those on the Pacific coast, and for purposes of comparison we will assume it to be an average of only $8 per ton, weight or measurement freight.

Applying these modifications for the Atlantic coast to the typical freighter assumed we would have the following:

RÉSUMÉ—ATLANTIC COAST.

Typical new American ship with Diesel engines, American crew, American wages, and American standard of food versus typical existing foreign competitor with average efficiency of steam propulsion, European crew, fair wages, and fair food, both vessels making five round trips a year between the east coast of the United States and the east coast of South America, a distance of 5,000 miles.

Increased annual cost for American ship:		
Wages of 44 officers and men	$8,520	
Food at 50 cents per day instead of 30 cents	3,204	
		$11,724.00
Decreased annual cost for American ship:		
Saving in cost of oil fuel over coal		7,672.00
Net annual loss for American ship		4,052.00
Annual increase in earning capacity of American ship from 400 tons additional freight space		32,000.00
Operating returns in favor of American ship per annum		27,948.00

SHIPS FOR PASSENGERS AND FREIGHT.

As has been stated, the larger number of the proposed naval auxiliary fleet will naturally be freight carriers, and, consequently, of slow and economical speed. While the internal-combustion engine is peculiarly adapted to this class of merchant vessel, there are limitations to the size of this engine. Under existing conditions it would be impracticable to use internal-combustion engines of above 5,000 horsepower (twin screw), and the use of the Diesel engine is therefore practically limited to slow freight ships of not exceeding 5,000 gross tons.

There would be in this fleet of board ships a number of vessels of about 6,500 gross tons and 18 knot maximum speed for passenger and high-class freight service, and such vessels would be utilized in time of war as transports. This class of vessel requires machinery of over 5,000 horsepower, which is beyond the limit of power for which internal-combustion engines may be used. However, such great progress has been made in steam machinery that a very pronounced saving in fuel can be made by modern installations. Upon certain routes, where American steamships lines are desirable, further economies may be made by burning oil instead of coal.

As illustrative of what can be accomplished in the South American trade we will make the following comparisons:

The steamship *Havana*, of the Ward Line, running to the West Indies, is of the typical size, and the following data are well authenticated. This ship was built in 1907, and, consequently, represents a vessel somewhat more efficient than the average of all passenger steamers of similar size and type:

Gross tonnage	6,391
Dead-weight capacity	5,084
Horsepower	5,000
Bunker capacity (tons)	1,010
Speed at sea (average knots)	16.6
Coal consumption per day (tons)	145
Number of crew (including 39 firemen and coal passers)	147
Monthly wage cost	$5,623
Cost of food ($12 per man)	$1,740

The same data would apply to the typical existing foreign vessel to be met in competition, with the exception of wages and food. The pay and cost of food for the foreign ship was practically 30 per cent less. Hence we would have for the operating expenses of the average existing coal-burning foreign steamer the following, taking a 3,200-mile 8-day voyage or one round trip per month:

Wages (70 per cent of $5,623)	$3,936
Food (70 per cent of $1,740)	1,218
Fuel (145 tons per day, at $4 per ton, 16 days)	9,280
Monthly operation charges, existing foreign steamer	14,434

In the proposed American steamer with up-to-date geared turbine, burning oil fuel, the crew would be reduced to 124 men by cutting out 21 men from the fireroom force and 2 from the steward's force. There would be also a decided decrease in fuel consumption, so that the operating expenses would be as follows for the same service:

Wages, 124 men at American rates ($5,623—$1,080)	$4,543
Food, 124 men at $12 per month	1,488
Fuel (65 tons of oil per day, at $8.75 per ton) for 16 steaming days	9,100
Monthly operation charges, new American steamer	15,131

In addition the oil-burning American vessel, by carrying this fuel oil in her double bottoms, will gain at least 10 per cent in her freight-carrying capacity, or, at a very conservative estimate, she can carry 500 tons additional revenue-producing freight.

NOTE.—The proportionate gain in freight-carrying space is greater in a faster vessel than in a slow one. The faster a vessel the greater must be her bunker space, which correspondingly reduces the freight space. Hence when bunkers are eliminated and oil carried in double bottoms there is a greater proportionate gain in freight-carrying capacity than in slower vessels, which do not have to carry so much fuel.

A very conservative freight-rate estimate for a 3,200-mile voyage is $4 per ton (weight or measurement). One round trip per month would give an increased earning capacity of $4,000 in favor of the American vessel (500 tons additional freight at $4 each way).

A further saving in oil-burning vessels is a marked reduction in the cost of upkeep of boilers, cost of painting the ship, etc., which items, however, are ignored in this comparison.

RÉSUMÉ—ATLANTIC COAST.

Typical new fuel-oil-burning ship, with geared turbines, American crew, American wages, and American standard of food, versus typical existing foreign competitor, with average efficiency of steam propulsion, European crew, fair wages, and fair food, both vessels making one round trip a month between the Atlantic coast of the United States and the east coast of South America on a route of 3,200 miles.

Increased annual cost for American ship:		
Wages	$7,284	
Food	3,240	
		$10,524
Decreased annual cost for American ship:		
Saving in cost of oil fuel over coal		2,160
Net annual loss for American ship		8,364
Annual increase in earning capacity of American ship from 500 tons additional freight space		$48,000
Operating returns in favor of American ship, per annum		39,636

To illustrate what actually has been done on the Pacific coast, the following data concerning the 5,218-ton American steamship *President* is quoted from "International Marine Engineering" of July, 1914 (p. 283–284):

"The *President*, which has just returned to service, has been converted at the Seattle yards on a contract working time of 35 days. Her capacity is 5,600 barrels of oil, and on her maiden run following the change this fast steamer added one knot to her steaming speed.

"In making the oil installation the vessel's double bottom was converted into fuel tanks to carry her capacity.

"Using coal, this vessel formerly filled her bunkers with about 1,350 tons upon each call at Seattle. The operation required nine working hours, which frequently meant from 12 to 15 hours, including waste time. Now the vessel can fill her tanks while working cargo, thereby having a considerable saving of time, which is no insignificant item, because these vessels are almost constantly moving and running on a schedule almost as good as that of an express train.

"Roughly estimating the value of coal at $3.50 per ton, and that of fuel oil at 80 cents per barrel ($5.60 per ton), it is figured that the *President* will effect a saving in fuel cost alone of between $800 and $1,000 per voyage. (She makes four voyages each month.)

"There are, however, other important features of oil burning which appeal to her owners. With the elimination of coal bunkers each vessel has approximately 600 tons of additional cargo space, which is of much value, considering the demand for such space, especially at certain seasons. Probably the most important economy effected, however, is that in crew. Formerly the *President* carried a total of 136 men, and now her roster is but 113. The reduction of 23 men is apportioned, 21 men in the engine department and 2 in the steward's department, the latter being eliminated following the reduction of the fireroom force. Whereas the engine-room crew formerly numbered 44, there are now but 23 required. In addition to the saving in wages and subsistence of these men, the quarters formerly occupied by them have been turned into added cargo space."

Of course it may be said that our foreign competitors can also build these modern ships, but the fact remains that they are handicapped by their existing fleet of coal-burning vessels with expensive types of steam machinery, which they can not afford to put into the scrap heap. This will give us an advantage for a period of at least six years before the competing fleets can be brought up to the same state of efficiency as this proposed American fleet of new ships.

The United States is peculiarly well endowed by its natural resources to enter into a world-wide competition in shipping, since it will be reduced to a battle for the supremacy in economical equipment. Oil will be the most vital factor in this competition on account of its many advantages, and, as is well known, 60 per cent of the world's supply is within the borders of the United States. It is a matter of common knowledge that American shipowners are deterred at present from equipping their new vessels for oil burning owing to the extreme fluctuations in the price of oil. Fortunately the Government has reserved large tracts of oil-producing lands from the public domains, and should the machinations of private producers tend to deter the development of our merchant marine, it is, of course, possible to resort to the Government's own oil supply.

NOTE.—While the foregoing comparisons were based on wage scales and freight rates as they existed prior to the war, it should not be overlooked that since the outbreak of war the wage scale on foreign ships has increased rapidly, until at the present time it approximates the American scale of wages. Freight rates have increased enormously, as is generally known.

GOVERNMENT OWNERSHIP AND OPERATION OF MERCHANT VESSELS.

Every reasonable objection to the ownership and operation of merchant vessels has been removed in the bill as reported by the committee. Those who favor such ownership and operation are of opinion that the committee has gone too far in limiting such ownership and operation.

The bill provides that the board may, if in its judgment such action is necessary to carry out the purposes of the act, through a corporation or corporations to be organized, in which the United States shall own the majority of the stock, own and operate such vessels. The time within which vessels may be so operated is limited to five years after the present war in Europe shall end. The committee regards this a necessary power to be vested in the board. Whether it may have occasion to exercise it or not will depend upon the readiness of private interests to take over either by purchase or charter of the vessels constructed or purchased by the board, and employ them in serving our foreign commerce, particularly with the east and west coasts of South America, and from our Pacific ports to the Far East. The board may, if that trade is not being adequately served, employ such vessels in the trade with Alaska, Hawaii, and Porto Rico, in addition to the Panama Canal Zone, the Philippine Islands, Guam, and Tutuila.

The American Hawaiian and Luckenbach steamship companies have withdrawn most of their vessels from the intercoastal trade, and they are now employed in the foreign trade, leaving the coastwise trade inadequately served. They justify themselves upon the ground that their earnings are much larger in the foreign than in the coastwise trade. This is no doubt true, yet they are not in a position to object to the board exercising the powers vested in it to see that that trade is adequately served to the limited extent provided in the bill.

The question resolves itself into this: Shall the great commercial interests of the United States be paramount to the interests of the vessel owners, who, under existing law, have the monopoly of the coastwise trade, and yet exercise the right to withdraw their vessels from that trade whenever it suits their convenience or profit?

In that connection it will be interesting to read the testimony of representatives of those companies at a hearing before the Interstate Commerce Commission in the city of Washington on April 24, 25, and 26, 1916.

OCEAN FREIGHT RATES.

Since the 1st of August, 1914, when the war in Europe began, ocean freight rates have increased enormously—in some cases as much as 1,000 per cent. This is true not only in our trade with Europe but in our trade with South America and the Far East, Australia, and South Africa.

In response to a request by the committee, Dr. E. E. Pratt, Chief of the Bureau of Foreign and Domestic Commerce, furnished the committee with very full and complete data on the subject of ocean freight

rates from the ports of New York, Boston, New Orleans, and Seattle. The tables may be found beginning on page 772 of the hearings, as here given.

OCEAN FREIGHT RATES FROM NEW YORK TO EUROPE—INCREASE FROM JANUARY 1, 1914, TO JANUARY 1, 1916.

The report prepared by the New York district office of the Bureau of Foreign and Domestic Commerce, referring to increases in (1) berth rates and (2) charter rates from New York, says:

1. INCREASE IN STEAMSHIP BERTH RATES.

The increase in the steamship berth rates from the port of New York to various European ports is shown in the accompanying tables, which show the rates on sack flour, compressed cotton, grain, provisions, and measurement goods. These tables afford, therefore, an excellent basis for the study of the general increase in freight rates resulting from the scarity of cargo tonnage and from other conditions.

The table showing rates for measurement goods covers the rates for practically all articles of general merchandise as well as for a large group of miscellaneous products, including steel products, machinery, and other manufactured articles.

The rates for cotton, grain, provisions, and sack flour furnish a sufficient basis also for deductions regarding the increase in freight rates on bulk commodities carried by regular-line steamships.

The increases between January 1, 1914, and December 31, 1915, in the steamship berth rates vary considerably for the specified commodities. The general increase during the period has been between 500 and 1,000 per cent. The increase in rates for grain has been particularly marked.

On January 31, 1914, the berth rate for grain from New York to Liverpool was $0.0607 per 100 pounds and on December 31, 1915, $0.67, an increase of 1,000 per cent. Moreover, on the latter date, with the exception of movement by Government arrangements, it was practically impossible to transport grain in regular-line steamships, the bulk of the grain movement having been turned over to independent vessels chartered for the purpose.

A similar increase is seen in the berth rates on cotton from New York. On January 3, 1914, the rate per 100 pounds on cotton from New York to Liverpool was 28 cents, and on December 31, 1915, $2.25.

The same general ratio of increase is also noticeable in the berth rates for provisions, sack flour, and measurement goods.

Berth rates for measurement goods during the period studied have also shown a marked increase. On January 3, 1914, the rate per 100 pounds for the carrying of manufactured articles from New York to Liverpool was 21 cents, and on December 31, 1915, 63 cents.

While the most noticeable increases in steamship berth rates have been in the rates from the United States to European ports, still the great demand for cargo space for trans-Atlantic tonnage has caused similar increases in the rates to other parts of the world. One very striking illustration of this fact is the rate on cement from New York to the River Plate. Previous to the war rates on cement from New York to the River Plate were very low, about $5 per ton, but to-day an export manager of a large cement manufacturing house in New York reports that he is in a position to quote a selling price for cement in New York of 68 cents per barrel or about $3.40 per ton, while the freight rate on cement from New York to River Plate ports is $16 per ton. The great discrepancy between the cost of the manufactured article and the ocean transportation rate is evident. Moreover, in this connection it should be remembered that the rates on cement from England to South American ports have not shown so great a relative increase as the rates from New York to South American ports. At the time the quoted rate from New York to the River Plate was $14 per ton the rate from Liverpool to the River Plate was approximately $9 per ton.

2. INCREASE IN CHARTER RATES.

The great increases in the steamship-berth rates is paralleled by the increases in the steamship charter rates for full cargoes from New York to European ports. The bulk of the freight tonnage in foreign trade is moved by tramp steamers which are owned by independent steamship companies and are chartered through steamship agents and brokers to individuals and firms desiring steamers for the movement of full cargoes.

No industry is more directly affected by conditions of the demand and supply than the steamship industry and the creation of a great demand for cargo space in any section of the world's markets has a direct effect upon steamship charter rates and berth rates in all parts of the world. Charter rates fluctuate directly in relation to the available cargo tonnage and the demand for cargo space. The great increase in charter rates, therefore, presents the best evidence of the scarcity of tonnage at the present time and the need of additional tonnage if any relief is to be expected.

Grain charters: Charters for grain are usually based on a charter of a steamship for the transportation of a certain number of quarters, each quarter consisting of approximately 480 pounds, or 8 bushels. On January 3, 1914, when the movement of grain was at a very low ebb, the charter rate from New York to English ports was 2 shillings 1½ pence ($0.52) per quarter. On December 31, 1915, the charter rate was about 13 shillings 6 pence ($3.29) per quarter. The charter rate on December 31, 1915, on grain from New York to Mediterranean ports was 18 shillings ($4.38), while the average rate for grain between the United States and other European ports was between 12 and 14 shillings ($2.92 to $3.41) per quarter.

One interesting feature in connection with the increase in charter rates for grain is the fact that it occurred largely during the late summer and fall of 1915. In the fall of 1914, although there was a very large demand for cargo space for grain movement, the charter rates ranged between 5 and 8 shillings ($1.22 to $1.95) per quarter. Even as late as April 3, 1915, the charter rates on grain from New York to European ports were about 9 shillings ($2.19), but during September, October, November, and December, 1915, there was a very great increase in the rates, showing not only a greater demand for cargo tonnage, but also a decrease in the available supply.

Coal charters. The movement of coal between the United States and foreign countries is carried on primarily on a charter basis, as full cargo shipments are made. The increase in the charter rates on coal therefore furnishes another criterion of the shipping situation. Previous to the outbreak of the European war there was very little movement of coal from the United States to European or other ports. On July 3, 1914, however, a schooner was chartered for the movement of coal from Philadelphia to Calais at $1.10 per ton. As a result of the conditions resulting in a scarcity of steamship tonnage a steamer was chartered on December 31, 1915, for the movement of coal from Norfolk to Boston at $3.25 per ton dead-weight.

Petroleum charters: In the foreign trade petroleum is carried largely in tank steamers. There is therefore a definite limit to the amount of steamship tonnage available for the handling of petroleum in bulk. Nevertheless the increase in the charter rates for petroleum has been marked, and it is practically impossible at the present time to secure charters for tank steamers at any rate on account of the great scarcity of tonnage.

On April 4, 1914, the charter rates for the movement of case oil from New York to the Far East was 17½ cents per case. On December 31, 1915, a steamer was chartered from New York to Australia at a charter rate of $1.50 per case, and a sailing vessel was chartered for the movement of petroleum in barrels from Philadelphia to the United Kingdom at 13 shillings 6 pence ($3.29) per ton.

Miscellaneous charters: A great part of the movement of freight by chartered vessels is carried on under different forms of charter. There has been a marked tendency in shipping circles to adopt the time charter, and the increase in the rates for time charters for steamships and sailing vessels has been remarkable. Time charters for individual steamships are usually based on (1) the payment of a lump sum covering the period of the voyage, (2) payment on a monthly basis, or (3) a payment of a lump sum per ton of dead-weight capacity of vessel.

A typical time charter in January, 1914, for a steamer in the trans-Atlantic trade, for one round trip, was made at the rate of 3 shillings 7½ pence ($0.88) per ton dead-weight. In December, 1915, a steamer of about the same tonnage was chartered for one round trip in the trans-Atlantic trade on a basis of 30 shillings ($7.30) per ton dead-weight.

This illustration is typical of a number of others of similar character. Thus, a steamer of about 2,500 tons was chartered for 12 months in April, 1914, on the basis of 2 shilling 10½ pence ($0.70) per ton dead-weight. In October, 1915, not only was it extremely difficult to secure a charter covering so long a period of time, but a steamer of approximately the same tonnage was chartered for one round trip from the United States to the Far East on the basis of 15 shillings ($3.65) per ton dead-weight. Time charters for larger vessels, especially for particular trades, have gone as high as $54,000 per month, as in the case of American vessels used in the cotton trade with Germany last fall when it was possible to ship raw cotton to Bremen direct.

Another striking illustration of the tremendous increase in charter rates is shown by the charter of a small steamship of 989 tons for the West Indian and coastwise trade, on December 31, 1915, for 12 months at the rate of $7,000 per month.

Charters to South America: The increase in charter rates for the movement of goods between the United States and South America is of particular interest. On January 3, 1914, a steamer of about 3,200 tons was chartered for the movement of coal from the United States to Rio de Janeiro at 15 shillings ($2.65) per ton. On December 31, 1915, a Norwegian steamer of only 2,400 tons was chartered for the movement of coal from Atlantic ports to Rio de Janeiro on a basis of 52 shillings 6 pence ($12.70), and a schooner of only 1,000 tons was chartered for the movement of coal from Norfolk to Para on the basis of $7.50 per ton. In view of the fact that the cost of the coal at Norfolk was approximately $2.85, the relation of the steamship rate to the cost of material was extremely noticeable.

One of the commodities that has been severely affected by the increase in the freight rates is lumber. On January 3, 1914, a Russian steamer of about 1,500 tons was chartered for the movement of lumber from one of the Gulf ports to the River plate at 105 shillings ($25.55) per standard (2,000 board feet). On December 31, 1915, a sailing bark of 1,500 tons registry was chartered for the movement of timber from the Gulf to British ports, a shorter voyage, at 320 shillings ($77.86) per standard.

Another striking illustration of the great increase in the freight rates during the last 12 months is shown by the fact that on January 3, 1914, a steamer of 2,200 tons register was chartered for the New York and South American trade at the rate of 4 shillings 7½ pence ($1.13) per ton dead-weight, and on December 31, 1915, a Norwegian bark of 1,500 tons register was chartered for the movement of nitrate from South America to the United States on a basis of 70 shillings ($17.03) per ton dead-weight.

General summary: The above tables and facts bring out four salient points:

1. A very steady and remarkable increase in steamship rates from New York to all parts of the world is noticeable. This has been particularly true of steamship berth rates, and even been more marked in the matter of charter rates.

2. A scarcity in steamship tonnage, which was noticeable at the outbreak of the war on account of the withdrawal of the German and Austrian merchant shipping and the requisition of a large part of the British marine under Admiralty orders have been instrumental in causing a decrease in the supply of steamship tonnage. The decrease of steamship tonnage has been accompanied by a steady growth in the demand for cargo space for the movement of goods from New York to Europe. As a result, steamship rates have continued and will continue to mount unless some changes can be brought about in the present situation.

2. The most important feature of the situation from the standpoint of the United States is the fact that the tremendous demand for cargo space, coupled with the scarcity of steamship tonnage in the trans-Atlantic trade, has seriously affected the trade of the United States with neutral and outlying countries, such as South America, Australia, South Africa, and the Far East. It is practically impossible to secure any tonnage, either sailing or steam, except at exorbitant rates for the transportation of goods from the United States to those countries. This is due to the length of the voyage and to the fact that greater profits can be secured in the shorter voyage at trans-Atlantic rates.

4. There is a general feeling among shippers of goods from the port of New York that the Government might be able to materially assist the situation by securing and operating vessels which would be entered into service for the purpose of moving American goods to such markets as Australia, the Far East, and South Africa, for which at the present time it is practically impossible to secure cargo space at a rate which will enable the customer to purchase the goods.

Ocean freight rates from New York to European ports.

GRAIN, PER BUSHEL.

Date.	British ports.				Danish port, Copenhagen.	Dutch port, Rotterdam.	French ports.		Italian ports.	
	London.	Liverpool.	Glasgow.	Hull.			Havre.	Marseille.	Genoa.	Naples.
1914.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
Jan. 3	4.6	4.1	4.1	5.1	5.7	5.3	8.4	9.1	9.1	10.7
10	4.6	4.1	4.1	5.1	6.1	4.5	8.4	9.1	9.1	10.7
17	4.1	4.1	4.1	5.6	6.1	3.0	8.0	8.4	8.4	9.9
24	4.1	4.1	4.1	5.6	6.1	3.8	8.0	8.4	8.4	9.9
31	4.1	4.1	4.1	5.1	5.7	3.8	7.6	8.4	6.9	9.1
Feb. 7	4.1	4.1	4.1	4.6	5.7	4.0	7.6	7.6	7.2	9.1
14	4.1	3.5	4.1	4.6	5.7	4.3	7.6	7.6	7.2	9.1
21	4.1	3.5	4.1	4.6	5.7	4.3	7.6	7.6	7.2	9.1
28	4.1	3.0	4.1	4.1	5.7	4.3	7.6	8.0	6.1	9.1
Mar. 7	4.1	3.0	4.1	4.1	5.7	4.0	7.2	8.6	6.1	9.1
14	3.5	2.5	3.5	4.1	5.7	4.0	7.2	7.6	5.3	9.1
21	3.5	2.5	3.0	4.1	5.7	4.0	6.5	7.6	5.3	9.1
28	3.5	2.5	3.0	4.1	5.7	3.5	6.5	7.6	4.6	9.1
Apr. 11	3.5	2.5	3.0	4.1	5.7	3.5	6.5	6.1	4.2	9.1
18	3.5	2.5	3.0	4.1	5.7	3.5	6.5	6.5	4.2	9.1
25	3.5	2.5	4.1	4.1	5.7	3.5	7.2	6.9	4.2	9.1
May 2	3.5	2.5	3.0	3.5	5.7	3.5	6.5	6.5	6.1	9.1
9	3.5	2.5	3.0	3.5	5.7	3.8	6.5	6.5	6.1	9.1
16	3.0	3.0	3.0	3.5	5.7	3.8	6.5	7.6	5.3	6.1
23	3.0	3.0	3.0	3.5	5.7	3.5	6.1	7.6	5.3	6.1
29	3.0	3.0	.....	3.5	5.7	3.3	6.1	7.6	5.3	6.1
June 6	3.0	3.0	4.1	3.5	5.7	3.3	6.1	7.6	5.3	6.1
13	3.0	3.0	4.1	3.5	5.3	3.0	6.1	7.6	6.1	9.1
20	3.0	4.1	4.1	3.5	5.3	3.0	6.1	7.6	6.1	9.1
27	3.0	5.1	4.1	3.5	5.3	3.0	6.1	8.4	6.1	9.1
July 3	3.5	5.1	4.1	3.5	6.1	3.5	6.1	8.7	6.9	8.4
11	4.1	5.1	4.1	5.1	6.1	6.3	7.2	8.7	6.9	8.4
18	5.1	5.1	3.0	5.6	6.1	6.4	7.2	8.7	6.9	8.4
Aug. 1	5.1	5.1	3.0	5.6	6.1	6.0	7.6	9.5	8.4	8.4
8[1]	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
15[1]	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
22[1]	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
29[1]	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sept. 5	6.6	5.1	6.1	7.1	13.7	.....	7.6	.....	.....	.....
12	6.6	5.1	6.1	5.1	12.2	.....	7.6	.....	.....	.....
19	6.6	5.1	6.1	6.6	12.9	.....	8.4	9.9	10.7	12.2
26	7.1	7.1	.....	7.1	12.9	.....	8.4	9.9	12.2	13.7
Oct. 3	7.1	7.1	.....	8.1	15.2	11.0	8.1	9.9	12.2	13.7
10	7.1	8.1	.....	8.1	15.2	11.0	8.7	11.0	14.2	16.7
17	7.1	7.6	.....	8.1	15.2	.....	.....	12.2	.....	16.7
24	7.6	7.1	.....	8.1	16.7	.....	12.2	13.7	15.2	16.7
31	8.6	8.1	.....	8.1	15.3	.....	12.2	13.7	15.2	16.7
Nov. 7	13.2	12.2	.....	13.2	18.3	.....	12.2	16.7	17.5	17.5
14	14.2	13.2	.....	14.2	18.3	.....	14.2	19.0	17.5	19.0
21	14.2	13.2	.....	14.2	18.3	.....	12.2	19.8	17.5	19.0
28	15.2	13.2	.....	14.2	18.3	.....	12.2	19.8	19.8	20.5
Dec. 5	15.2	14.2	.....	15.2	25.9	27.4	.....	24.3	27.4	27.4
12	16.2	16.2	.....	16.2	.....	.....	.....	25.9	27.4	27.4
19	17.2	16.2	.....	17.2	.....	30.4	.....	.....	30.4	.....
24	18.3	17.2	.....	18.3	.....	.....	.....	30.4	.....	.....
1915.										
Jan. 2	18.3	18.3	.....	18.3	.....	.....	.....	30.4	.....	.....
9	19.3	18.3	.....	18.3	.....	.....	.....	30.4	36.5	.....
16	.....	20.3	.....	19.3	.....	.....	.....	28.9	.....	.....
21	24.3	22.3	.....	19.3	.....	36.0	.....	33.5	.....	.....
30	22.3	21.3	.....	20.3	.....	.....	.....	33.5	.....	.....
Feb. 6	22.3	21.3	.....	20.3	.....	.....	.....	30.4	.....	.....
13	22.3	22.3	.....	20.3	.....	.....	.....	30.4	.....	.....
20	24.3	24.3	.....	18.3	.....	.....	.....	30.4	.....	.....
27	24.3	24.3	.....	24.3	.....	.....	.....	33.5	.....	.....
Mar. 6	24.3	24.3	.....	24.3	.....	.....	.....	33.5	.....	.....
13	.....	24.3	.....	24.3	.....	.....	.....	.....	.....	.....
20	.....	24.3	.....	24.3	.....	.....	.....	.....	.....	.....
27	.....	24.3	.....	24.3	42.6	.....	.....	.....	.....	.....
Apr. 3	24.3	24.3	.....	24.3	42.6	.....	.....	36.5	.....	.....
10	24.3	24.3	.....	24.3	42.6	39.5	.....	36.5	.....	36.5
17	22.3	24.3	24.3	24.3	36.5	39.5	.....	30.4	.....	36.5
24	21.3	22.3	21.3	21.3	36.5	.....	.....	30.4	.....	.....
May 1	22.3	22.3	21.3	21.3	33.5	27.4	.....	30.4	.....	.....
8	22.3	22.3	21.3	22.3	33.5	.....	.....	30.4	.....	33.5
15	24.3	24.3	.....	24.3	33.5	.....	.....	30.4	.....	33.5
22	22.3	22.3	.....	22.3	27.4	.....	.....	30.4	33.5	33.5
29	24.3	24.3	.....	24.3	27.4	.....	.....	30.4	31.9	31.9
June 5	24.3	24.3	.....	24.3	28.1	.....	.....	30.4	31.9	31.9
12	24.3	24.3	.....	22.3	28.1	.....	.....	30.4	31.9	31.9
19	22.3	24.3	22.3	21.3	28.1	.....	.....	30.4	.....	.....
26	21.3	21.3	21.3	21.3	27.4	.....	.....	30.4	.....	.....
July 2	21.3	21.3	21.3	16.2	28.9	.....	.....	30.4	.....	.....
10	21.3	18.3	21.3	16.2	28.9	.....	.....	30.4	.....	.....
17	21.3	20.3	22.3	18.2	31.9	25.9	.....	30.4	.....	.....
24	21.3	21.3	22.3	21.3	31.9	27.4	.....	30.4	36.5	36.5
31	21.3	21.3	22.3	22.3	31.9	27.4	.....	30.4	36.5	36.5
Aug. 7	20.3	20.3	22.3	24.3	36.5	33.5	.....	33.5	36.5	36.5
14	20.3	20.3	24.3	24.3	36.5	36.5	.....	32.5	36.5	36.5
21	20.3	20.3	24.3	24.3	36.5	36.5	.....	35.0	36.5	36.5
28	22.3	21.3	24.3	30.4	36.5	36.5	.....	35.0	36.5	36.5
Sept. 4	24.3	24.3	24.3	30.4	36.5	36.5	.....	35.0	36.5	36.5
11	28.4	26.4	30.4	30.4	36.5	36.5	.....	35.0	36.5	36.5
18	28.4	28.4	30.4	30.4	36.5	36.5	.....	35.0	36.5	36.5
25	30.4	30.4	30.4	32.4	.....	35.0	.....	36.5	36.5	36.5
Oct. 2	36.5	36.5	36.5	36.5	.....	35.0	.....	36.5	36.5	36.5
9	40.6	40.6	40.6	48.7	45.0	35.0	.....	38.0	45.6	45.6
16	40.6	40.6	38.5	48.7	.....	35.0	.....	38.0	45.6	45.6
23	40.6	40.6	36.5	48.7	48.7	38.0	.....	39.5	45.6	45.6
30	40.6	40.6	40.6	48.7	.....	35.0	.....	39.5	45.6	45.6
Nov. 5	40.6	40.6	40.6	48.7	.....	37.5	.....	.....	45.6	45.6
13	40.6	40.6	40.6	48.7	54.8	37.5	.....	.....	45.6	45.6
20	40.6	40.6	40.6	48.7	54.8	37.5	.....	.....	51.7	51.7
27	38.5	38.6	40.6	48.7	60.8	.....	.....	.....	54.8	54.8
Dec. 4	38.5	38.6	38.5	48.7	60.8	37.0	.....	.....	57.8	57.8
11	40.6	40.6	38.5	48.7	60.8	.....	.....	.....	60.8	60.8

[1] Owing to conditions abroad, no rates are quoted on freight of any kind to any European ports.

Ocean freight rates from New York to European ports—Continued.

GRAIN, PER BUSHEL—continued.

Date.	British ports.				Danish port, Copenhagen.	Dutch port, Rotterdam.	French ports.		Italian ports.	
	London.	Liverpool.	Glasgow.	Hull.			Havre.	Marseille.	Genoa.	Naples.
1915.	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.
Dec. 18	40.6	40.6	40.6	48.7						70.1
24	40.6	40.6	40.6	48.7						70.1
31	40.6	40.6	40.6	48.7						
1916.										
Jan. 8	40.6	40.6	40.6	48.7						
15	42.6	42.6	40.6	48.7						
22	44.6	44.6	42.6	48.7				78.0		
29	44.6	44.6	44.6	48.7				78.0		
Feb. 5	44.6	44.6	44.6	48.7						
11	48.7	48.7	44.6	48.7						
19	50.7	50.7	48.7	50.7						
26	50.7	50.7	46.6	60.8						
Mar. 4	50.7	50.7	46.6	60.8						
11	50.7	50.7	46.6	60.8						

SACK FLOUR, PER 100 POUNDS.

1914.										
Jan. 3	15.0	14.0	17.0	18.0	18.0	13.0	22.5	20.0	19.0	19.0
10	15.0	14.0	17.0	18.0	17.0	13.0	22.5	20.0	19.0	19.0
17	13.0	12.0	15.0	17.0	17.0	13.0	22.5	20.0	19.0	19.0
24	13.0	12.0	15.0	17.0	17.0	13.0	22.5	20.0	19.0	19.0
31	13.0	12.0	16.0	17.0	17.0	13.0	22.5	20.0	19.0	19.0
Feb. 7	13.0	12.0	15.0	17.0	17.0	12.0	22.5	20.0	19.0	19.0
14	13.0	12.0	15.0	17.0	17.0	12.0	22.5	20.0	19.0	19.0
21	13.0	12.0	15.0	17.0	17.0	12.0	22.5	20.0	19.0	19.0
28	13.0	12.0	15.0	17.0	17.0	12.0	22.5	20.0	19.0	19.0
Mar. 7	13.0	12.0	15.0	17.0	17.0	12.0	22.5	20.0	19.0	19.0
14	12.0	11.0	15.0	17.0	17.0	12.0	22.5	20.0	19.0	19.0
21	12.0	11.0	15.0	17.0	17.0	12.0	22.5	18.0	19.0	19.0
28	12.0	11.0	15.0	17.0	17.0	12.0	22.5	18.0	19.0	19.0
Apr. 11	12.0	11.0	14.0	17.0	17.0	11.0	18.0	18.0	19.0	19.0
18	12.0	11.0	14.0	17.0	17.0	11.0	18.0	18.0	19.0	19.0
25	11.0	10.0	13.0	15.0	17.0	10.0	18.0	18.0	19.0	19.0
May 2	11.0	10.0	13.0	15.0	17.0	10.0	18.0	18.0	19.0	19.0
9	11.0	10.0	13.0	15.0	17.0	10.0	18.0	18.0	19.0	19.0
16	11.0	10.0	13.0	15.0	17.0	10.0	18.0	18.0	19.0	19.0
23	11.0	10.0	13.0	15.0	17.0	10.0	18.0	18.0	19.0	19.0
29	11.0	10.0	13.0	15.0	17.0	10.0	18.0	18.0	19.0	19.0
June 6	11.0	10.0	13.0	15.0	17.0	10.0	18.0	18.0	19.0	19.0
13	11.0	10.0	13.0	15.0	17.0	10.0	18.0	18.0	19.0	19.0
20	11.0	10.0	13.0	15.0	17.0	10.0	18.0	18.0	19.0	19.0
27	11.0	10.0	13.0	15.0	17.0	10.0	18.0	18.0	19.0	19.0
July 3	13.0	12.0	14.0	17.0	19.0	10.0	18.0	18.0	19.0	19.0
11	13.0	12.0	14.0	17.0	20.0	10.0	18.0	18.0	19.0	19.0
18	13.0	12.0	14.0	17.0	20.0	11.0	18.0	18.0	19.0	19.0
Aug. 1	13.0	12.0	14.0	17.0	20.0	11.0	18.0	18.0	19.0	19.0
8	[1]									
15	[1]									
22	[1]									
29	[1]									
Sept. 5	21.0	20.0	22.0	25.0	32.0	20.0	30.0	30.0	43.5	43.5
12	21.0	20.0	23.0	25.0	32.0	21.0	30.0	30.0	43.5	43.5
19	21.0	20.0	23.0	25.0	32.0	21.0	25.0	34.0	36.9	36.9
26	21.0	20.0	23.0	25.0	32.0	21.0	25.0	34.0	36.9	36.9
Oct. 3	22.0	21.0	24.0	26.0	32.0	25.0	25.0	35.0	34.0	34.0
10	22.0	21.0	24.0	26.0	32.0	25.0	25.0	35.0	34.0	34.0
17	22.0	21.0	24.0	26.0	35.0	25.0	26.3	35.0	34.0	34.0
24	22.0	21.0	24.0	26.0	35.0	25.0	26.3	35.0	34.0	34.0
31	22.0	21.0	25.0	26.0	35.0	25.0	29.0	35.0	34.0	34.0
Nov. 7	25.0	24.0	26.0	28.0	35.0	27.0	36.0	37.5	35.0	35.0
14	25.0	24.0	27.0	28.0	40.0	30.0	40.0	42.5	40.0	40.0
21	27.0	26.0	29.0	30.0	45.0	32.0	40.0	45.0	45.0	45.0
28	27.0	26.0	29.0	30.0	55.0	32.0	40.0	45.0	50.0	50.0
Dec. 5	27.0	26.0	29.0	30.0	60.0	40.0	42.0	50.0	55.0	55.0
12	30.0	26.0	29.0	30.0	60.0	55.0	47.0	55.0	60.0	60.0
19	35.0	26.0	29.0	30.0	65.0	55.0	47.0	55.0	65.0	65.0
24	35.0	35.0	30.0	35.0	65.0	55.0	47.0	55.0	65.0	65.0
1915.										
Jan. 2	40.0	40.0	35.0	35.0	60.0	55.0	47.0	50.0	65.0	65.0
9	40.0	40.0	40.0	40.0	65.0	60.0	52.5	55.0	70.0	70.0
16	40.0	40.0	40.0	40.0	70.0	60.0	100.0	55.0	70.0	70.0
23	40.0	40.0	40.0	40.0	70.0	60.0	100.0	55.0	70.0	70.0
30	40.0	40.0	40.0	40.0	70.0	60.0	75.0	55.0	75.0	75.0
Feb. 6	40.0	40.0	40.0	40.0	70.0	60.0	75.0	55.0	75.0	75.0
13	40.0	40.0	40.0	40.0	75.0	70.0	75.0	55.0	75.0	75.0
20	40.0	40.0	40.0	40.0	75.0	70.0	75.0	55.0	75.0	75.0
27	40.0	40.0	40.0	40.0	75.0	70.0	75.0	55.0	75.0	75.0
Mar. 6		40.0	40.0	40.0	75.0	70.0	63.0	60.0	75.0	75.0
13		40.0	40.0	40.0	85.0	70.0	63.0	65.0	75.0	75.0
20	40.0	40.0	40.0	40.0	75.0	80.0	75.0	75.0	75.0	75.0
27	40.0	40.0	40.0	40.0	75.0	80.0	63.0	60.0	75.0	75.0
Apr. 3	45.0	45.0	45.0	45.0	75.0	80.0	63.0	60.0	75.0	75.0
10	45.0	45.0	45.0	45.0	75.0	80.0	63.0	60.0	75.0	75.0
17	45.0	45.0	40.0	45.0	75.0	80.0	58.0	55.0	75.0	75.0
24	45.0	40.0	40.0	45.0	75.0	80.0	58.0	50.0	75.0	75.0
May 1	45.0	40.0	45.0	45.0	75.0	80.0	58.0	50.0	75.0	75.0
8	45.0	40.0	45.0	45.0	75.0	80.0	58.0	50.0	75.0	75.0
15	50.0	50.0	45.0	45.0	60.0	75.0	58.0	50.0	75.0	75.0
22	45.0	40.0		45.0	60.0	65.0	58.0	50.0	75.0	75.0
29	50.0	45.0	50.0	45.0	60.0	65.0	58.0	45.0	75.0	75.0
June 5	50.0	45.0	50.0	45.0	60.0	65.0	50.0	42.0	75.0	75.0
12	50.0	45.0	50.0	45.0	55.0	65.0	50.0	42.0	75.0	75.0
19	45.0	45.0	50.0	45.0	55.0	50.0	50.0	42.0	75.0	75.0
26	45.0	45.0	50.0	45.0	55.0	50.0	50.0	45.0	75.0	75.0
July 2	45.0	40.0	50.0	45.0	50.0	50.0	50.0	45.0	75.0	75.0
10	45.0	40.0	50.0	45.0	50.0	50.0	50.0	45.0	75.0	75.0

[1] Owing to conditions abroad, no rates are quoted on freight of any kind to any European ports.

Ocean freight rates from New York to European ports—Continued.

SACK FLOUR, PER 100 POUNDS—continued.

Date.	British ports.				Danish port, Copenhagen.	Dutch port, Rotterdam.	French ports.		Italian ports.	
	London.	Liverpool.	Glasgow.	Hull.			Havre.	Marseille.	Genoa.	Naples.
1915.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
July 17	45.0	40.0	50.0	45.0	50.0	50.0	50.0	45.0	75.0	75.0
24	45.0	45.0	50.0	45.0	50.0	50.0	55.0	45.0	68.0	68.0
31	45.0	45.0	50.0	45.0	50.0	50.0	55.0	45.0	68.0	68.0
Aug. 7	45.0	45.0	50.0	45.0	50.0	50.0	55.0	45.0	68.0	68.0
14	45.0	45.0	50.0	45.0	60.0	50.0	63.0	50.0	63.0	63.0
21	50.0	45.0	55.0	50.0	70.0	60.0	65.0	55.0	65.0	65.0
28	50.0	45.0	55.0	50.0	70.0	60.0	65.0	60.0	65.0	65.0
Sept. 4	50.0	45.0	55.0	55.0	70.0	60.0	65.0	65.0	65.0	65.0
11	50.0	45.0	55.0	55.0	70.0	60.0	65.0	65.0	65.0	65.0
18	50.0	45.0	55.0	55.0	70.0	60.0	65.0	65.0	65.0	65.0
25	60.0	55.0	60.0	60.0	70.0	60.0	70.0	65.0	70.0	70.0
Oct. 2	65.0	65.0	65.0	65.0	75.0	65.0	80.0	70.0	75.0	75.0
9	70.0	65.0	70.0	70.0	75.0	70.0	90.0	70.0	80.0	80.0
16	70.0	65.0	70.0	70.0	75.0	70.0	90.0	80.0	80.0	80.0
23	75.0	70.0	70.0	70.0	75.0	70.0	90.0	80.0	80.0	80.0
30	75.0	70.0	70.0	70.0	75.0	70.0	100.0	80.0	80.0	80.0
Nov. 5	75.0	70.0	75.0	75.0	80.0	70.0	100.0	90.0	80.0	80.0
13	75.0	75.0	75.0	75.0	80.0	70.0	100.0	90.0	80.0	80.0
20	80.0	75.0	75.0	75.0	85.0	90.0	100.0	100.0	90.0	90.0
27	80.0	75.0	75.0	75.0	85.0	90.0	100.0	100.0	90.0	90.0
Dec. 4	80.0	75.0	75.0	75.0	100.0	100.0	100.0	100.0	100.0	100.0
11	80.0	75.0	75.0	75.0	100.0	100.0	110.0	120.0	110.0	110.0
18	80.0	80.0	75.0	75.0	100.0	100.0	110.0	120.0	110.0	110.0
21	90.0	80.0	75.0	75.0	110.0	100.0	110.0	120.0	110.0	110.0
31	90.0	85.0	80.0	80.0	110.0	100.0	120.0	120.0	120.0	120.0
1916.										
Jan. 8	90.0	85.0	81.0	80.0	110.0	100.0	120.0	120.0	120.0	120.0
15	90.0	85.0	81.0	80.0	110.0	100.0	125.0	125.0	125.0	125.0
22	90.0	90.0	85.0	90.0	115.0	110.0	135.0	135.0	135.0	135.0
29	90.0	90.0	90.0	90.0	115.0	110.0	135.0	135.0	150.0	150.0
Feb. 5	90.0	90.0	90.0	100.0	115.0	110.0	135.0	135.0	150.0	150.0
11	90.0	90.0	90.0	100.0	115.0	110.0	135.0	135.0	150.0	150.0
19	100.0	90.0	90.0	100.0	125.0	140.0	150.0	150.0	200.0	200.0
26	100.0	90.0	95.0	100.0	125.0	140.0	150.0	150.0	175.0	175.0
Mar. 4	100.0	100.0	95.0	100.0	125.0	140.0	150.0	150.0	175.0	175.0
11	100.0	100.0	100.0	100.0	140.0	140.0	150.0	150.0	175.0	175.0

PROVISIONS, PER 100 POUNDS.

1914.										
Jan. 3	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
10	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
17	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
24	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
31	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
Feb. 7	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
14	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
21	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
28	24.4	21.7	24.4	21.7	33.9	29.0	30.0	32.6	32.6	32.6
Mar. 7	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
14	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
21	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
28	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
Apr. 4	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
11	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
18	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
25	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
May 2	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
9	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
16	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
23	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
29	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
June 6	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
13	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
20	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
27	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
July 3	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
11	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
18	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
25	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
Aug. 1	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
8[1]										
15[1]										
22[1]										
29[1]										
Sept. 5	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
12	32.6	32.6	35.3	32.6	50.2	38.0	40.0		43.5	43.5
19	32.6	32.6	35.3	32.6	50.2	38.0	40.0	38.0	43.5	43.5
26	32.6	32.6	35.3	32.6	50.2	38.0	40.0	38.0	43.5	43.5
Oct. 3	32.6	32.6	35.3	32.6	50.2	38.0	40.0	38.0	43.5	43.5
10	32.6	32.6	35.3	32.6	50.2	38.0	40.0	38.0	43.5	43.5
17	32.6	32.6	35.3	32.6	50.2	38.0	40.0	38.0	43.5	43.5
24	32.6	32.6	35.3	32.6	50.2	38.0	40.0	38.0	43.5	43.5
31	32.6	32.6	35.3	32.6	50.2	38.0	40.0	38.0	43.5	43.5
Nov. 7	32.6	32.6	35.3	32.6	50.2	38.0	40.0	38.0	43.5	43.5
14	32.6	32.6	35.3	32.6	50.2	38.0	40.0	38.0	43.5	43.5
21	32.6	32.6	35.3	32.6	50.2	38.0	40.0	43.5	54.3	54.3
28	32.6	32.6	35.3	32.6	50.2	38.0	40.0	43.5	54.3	54.3
Dec. 5	32.6	32.6	35.3	32.6	50.2	38.0	40.0	43.5	54.3	54.3
12	32.6	32.6	38.0	32.6	50.2	38.0	50.0	65.2	65.2	65.2
19	32.6	32.6	38.0	32.6	50.2	38.0	50.0	65.2	65.2	65.2
24	38.0	38.0	40.7	38.0	108.6	50.0	50.0	70.6	86.9	86.9
1915.										
Jan. 2	38.0	38.0	40.7	38.0	108.6	60.0	60.0	70.6	108.6	108.6
9	38.0	38.0	40.7	38.0	108.6	60.0	60.0	70.6	108.6	108.6
16	38.0	38.0	40.7	38.0	108.6	60.0	60.0	70.6	108.6	108.6
23	38.0	38.0	43.5	43.5	162.9	75.0	85.0	70.6	108.6	108.6
30	38.0	38.0	43.5	43.5	162.9	75.0	85.0	81.5	108.6	108.6

[1] Owing to conditions abroad, no rates are quoted on freight of any kind to any European ports.

Ocean freight rates from New York to European ports—Continued.

PROVISIONS, PER 100 POUNDS—continued.

Date.	British ports.				Danish port, Copenhagen.	Dutch port, Rotterdam.	French ports.		Italian ports.	
	London.	Liverpool.	Glasgow.	Hull.			Havre.	Marseille.	Genoa.	Naples.
1915.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
Feb. 6	48.9	48.9	48.9	43.5	162.9	125.0	85.0	81.5	108.6	108.6
13	48.9	48.9	48.9	43.5	162.9	125.0	125.0	81.5	108.6	108.6
20	48.9	54.3	48.9	43.5	162.9	125.0	125.0	81.5	108.6	108.6
27	65.2	65.2	48.9	43.5	162.9	125.0	125.0	81.5	108.6	108.6
Mar. 6	65.2	65.2	48.9	43.5	162.9	125.0	125.0	81.5	108.6	108.6
13	65.2	65.2	65.2	54.3	162.9	150.0	125.0	81.5	108.6	108.6
20	65.2	65.2	65.2	65.2	195.5	175.0	125.0	86.9	108.6	108.6
27	65.2	65.2	65.2	65.2	195.5	175.0	125.0	108.6	108.6	108.6
Apr. 3	65.2	65.2	65.2	65.2	195.5	175.0	125.0	108.6	108.6	108.6
10	65.2	65.2	65.2	65.2	195.5	175.0	125.0	108.6	108.6	108.6
17	65.2	65.2	65.2	65.2	195.5	175.0	125.0	108.6	108.6	108.6
24	65.2	65.2	65.2	65.2	195.5	175.0	125.0	108.6	108.6	108.6
May 1	65.2	65.2	65.2	65.2	195.5	175.0	125.0	108.6	108.6	108.6
8	65.2	65.2	65.2	65.2	195.5	175.0	125.0	108.6	108.6	108.6
15	65.2	65.2	65.2	65.2	195.5	175.0	125.0	108.6	108.6	108.6
22	65.2	65.2	65.2	65.2	135.8	100.0	125.0	108.6	108.6	108.6
29	65.2	65.2	65.2	65.2	135.8	100.0	125.0	108.6	108.6	108.6
June 5	65.2	65.2	65.2	65.2	135.8	100.0	125.0	108.6	108.6	108.6
12	65.2	65.2	65.2	65.2	135.8	100.0	125.0	108.6	108.6	108.6
19	65.2	65.2	65.2	65.2	135.8	100.0	125.0	108.6	108.6	108.6
26	65.2	65.2	65.2	65.2	135.8	100.0	125.0	108.6	108.6	108.6
July 2	65.2	65.2	65.2	65.2	135.8	100.0	125.0	108.6	108.6	108.6
10	65.2	65.2	65.2	65.2	135.8	100.0	125.0	108.6	108.6	108.6
17	65.2	65.2	65.2	65.2	135.8	100.0	125.0	108.6	108.6	108.6
24	65.2	65.2	65.2	65.2	135.8	100.0	125.0	108.6	108.6	108.6
31	65.2	65.2	65.2	65.2	135.8	80.0	125.0	108.6	108.6	108.6
Aug. 7	65.2	65.2	65.2	65.2	124.9	80.0	125.0	108.6	108.6	108.6
14	65.2	65.2	65.2	65.2	124.9	90.0	125.0	108.6	108.6	108.6
21	65.2	65.2	65.2	65.2	124.9	90.0	125.0	108.6	108.6	108.6
28	65.2	65.2	65.2	65.2	124.9	90.0	125.0	108.6	108.6	108.6
Sept. 4	65.2	65.2	65.2	65.2	150.0	110.0	125.0	89.3	108.6	108.6
11	68.0	68.0	68.0	68.0	158.0	125.0	125.0	89.3	108.6	108.6
18	68.0	68.0	68.0	68.0	158.0	125.0	125.0	89.3	108.6	108.6
25	80.0	80.0	80.0	80.0	150.0	125.0	125.0	89.3	112.5	112.5
Oct. 2	80.0	80.0	80.0	80.0	150.0	125.0	125.0	89.3	112.5	112.5
9	90.0	100.0	80.0	80.0	150.0	125.0	125.0	89.3	112.5	112.5
16	90.0	90.0	80.0	80.0	175.0	125.0	125.0	111.6	112.5	112.5
23	90.0	90.0	90.0	80.0	175.0	125.0	125.0	111.6	112.5	112.5
30	90.0	90.0	90.0	80.0	175.0	125.0	125.0	111.6	112.5	112.5
Nov. 5	90.0	90.0	90.0	80.0	175.0	125.0	125.0	111.6	112.5	112.5
13	90.0	90.0	90.0	90.0	190.0	125.0	125.0	133.9	112.5	112.5
20	90.0	90.0	90.0	90.0	190.0	150.0	125.0	133.9	112.5	112.5
27	90.0	90.0	90.0	90.0	190.0	150.0	125.0	133.9	112.5	112.5
Dec. 4	90.0	90.0	90.0	90.0	190.0	150.0	125.0	133.9	112.5	112.5
11	90.0	90.0	90.0	90.0	190.0	150.0	125.0	133.9	112.5	112.5
18	90.0	90.0	90.0	90.0	190.0	150.0	125.0	133.9	112.5	112.5
24	90.0	90.0	90.0	90.0	190.0	150.0	125.0	133.9	112.5	125.5
31	100.0	100.0	100.0	90.0	200.0	175.0	125.0	156.3	125.0	125.0
1916.										
Jan. 8	125.0	125.0	125.0	125.0	225.0	175.0	200.0	200.0	150.0	150.0
15	125.0	125.0	125.0	125.0	225.0	175.0	200.0	200.0	150.0	150.0
22	125.0	125.0	125.0	125.0	225.0	175.0	200.0	200.0	150.0	150.0
29	125.0	125.0	125.0	125.0	225.0	175.0	200.0	200.0	150.0	150.0
Feb. 5	125.0	125.0	125.0	125.0	225.0	175.0	200.0	200.0	150.0	150.0
11	125.0	125.0	125.0	125.0	225.0	175.0	200.0	250.0	175.0	175.0
19	125.0	125.0	125.0	125.0	225.0	175.0	200.0	250.0	175.0	175.0
26	125.0	125.0	125.0	125.0	225.0	175.0	200.0	250.0	175.0	175.0
Mar. 4	125.0	125.0	125.0	125.0	225.0	175.0	200.0	250.0	175.0	175.0
11	125.0	125.0	125.0	125.0	225.0	175.0	200.0	250.0	175.0	175.0

COTTON, COMPRESSED, PER 100 POUNDS.

Date.	British port, Liverpool.	Danish port, Copenhagen.	Dutch port, Rotterdam.	French port, Havre.	Italian ports.	
					Genoa.	Naples.
1914.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
Jan. 3	28.0	40.0	35.0	30.0	40.0	40.0
10	28.0	40.0	35.0	30.0	40.0	40.0
17	28.0	40.0	35.0	30.0	40.0	40.0
24	25.0	40.0	25.0	25.0	30.0	40.0
31	25.0	40.0	25.0	25.0	30.0	40.0
Feb. 7	25.0	40.0	25.0	25.0	30.0	40.0
14	25.0	40.0	25.0	25.0	30.0	40.0
21	25.0	40.0	25.0	25.0	30.0	40.0
28	25.0	40.0	25.0	25.0	30.0	40.0
Mar. 7	25.0	40.0	25.0	25.0	30.0	40.0
14	20.0	40.0	25.0	25.0	25.0	30.0
21	20.0	40.0	25.0	25.0	25.0	30.0
28	20.0	40.0	25.0	25.0	25.0	30.0
Apr. 4	20.0	40.0	25.0	25.0	25.0	30.0
11	20.0	40.0	25.0	25.0	25.0	30.0
18	20.0	40.0	25.0	25.0	25.0	30.0
25	20.0	40.0	25.0	25.0	25.0	30.0
May 2	20.0	40.0	25.0	25.0	25.0	30.0
9	20.0	40.0	25.0	25.0	25.0	30.0
16	20.0	40.0	25.0	21.0	22.5	30.0
23	20.0	40.0	25.0	21.0	22.5	30.0
29	20.0	40.0	25.0	21.0	22.5	30.0
June 6	20.0	40.0	25.0	21.0	22.5	30.0
13	20.0	40.0	25.0	21.0	22.5	30.0
20	20.0	40.0	25.0	21.0	22.5	30.0
27	20.0	40.0	25.0	21.0	22.5	30.0
July 3	20.0	40.0	25.0	21.0	22.5	30.0
11	20.0	40.0	25.0	21.0	22.5	30.0
18	20.0	40.0	25.0	21.0	22.5	30.0

Ocean freight rates from New York to European ports—Continued.

COTTON, COMPRESSED, PER 100 POUNDS—continued.

Date.	British port, Liverpool.	Danish port, Copenhagen.	Dutch port, Rotterdam.	French port, Havre.	Italian ports.	
					Genoa.	Naples.
1914.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
Aug. 1	20.0	40.0	25.0	21.0	22.5	30.0
8[1]						
15[1]						
22[1]						
29[1]						
Sept. 5	20.0	40.0	25.0	21.0	22.5	30.0
12	40.0			45.0	75.0	65.0
19	35.0			45.0	75.0	65.0
26	35.0			45.0	75.0	65.0
Oct. 3	35.0			45.0	75.0	65.0
10	35.0			45.0	75.0	65.0
17	35.0			45.0	75.0	65.0
24	35.0			45.0	75.0	65.0
31	35.0			45.0	75.0	65.0
Nov. 7	50.0			60.0	80.0	80.0
14	50.0			60.0	80.0	80.0
21	60.0		100.0	100.0	100.0	100.0
28	60.0		100.0	100.0	100.0	100.0
Dec. 5	75.0		120.0	100.0	100.0	100.0
12	75.0		120.0	100.0	100.0	100.0
19	75.0		120.0	100.0	100.0	100.0
24	75.0		120.0	100.0	100.0	100.0
1915.						
Jan. 2	75.0		120.0	100.0	100.0	100.0
9	75.0		200.0	100.0	100.0	100.0
16	100.0		200.0	200.0	125.0	100.0
23	100.0	250.0	250.0	200.0	125.0	100.0
30	100.0	250.0	250.0	200.0	125.0	100.0
Feb. 6	100.0	250.0	250.0	200.0	125.0	100.0
13	100.0	250.0	250.0	200.0	125.0	100.0
20	125.0	250.0	225.0	200.0	125.0	100.0
27	125.0	250.0	225.0	200.0	125.0	100.0
Mar. 6	125.0	250.0	225.0	200.0	125.0	100.0
13	125.0	250.0	225.0	200.0	125.0	100.0
20	125.0	250.0	225.0	200.0	125.0	100.0
27	200.0	250.0	225.0	300.0	150.0	100.0
Apr. 3	200.0	250.0	225.0	300.0	150.0	100.0
10	200.0	250.0	225.0	300.0	150.0	100.0
17	200.0	250.0	225.0	300.0	150.0	100.0
24	200.0	250.0	225.0	300.0	150.0	100.0
May 1	200.0	250.0	225.0	300.0	150.0	100.0
8	200.0	250.0	225.0	300.0	150.0	100.0
15	200.0	250.0	225.0	300.0	150.0	100.0
22	125.0	200.0	200.0	150.0	125.0	225.0
29	125.0	200.0	200.0	150.0	125.0	225.0
June 5	125.0	200.0	200.0	150.0	125.0	225.0
12	125.0	200.0	200.0	150.0	125.0	225.0
19	100.0	200.0	200.0	150.0	125.0	125.0
26	100.0	200.0	200.0	150.0	125.0	125.0
July 2	100.0	200.0	130.0	125.0	100.0	160.0
10	100.0	200.0	130.0	125.0	100.0	160.0
17	100.0	200.0	130.0	125.0	100.0	160.0
24	100.0	200.0	130.0	125.0	100.0	160.0
31	100.0	200.0	130.0	125.0	100.0	160.0
Aug. 7	100.0	200.0	130.0	150.0	125.0	160.0
14	100.0	200.0	130.0	150.0	125.0	160.0
21	100.0	200.0	150.0	150.0	135.0	160.0
28	100.0	200.0	150.0	150.0	135.0	160.0
Sept. 4	125.0	200.0	160.0	150.0	135.0	160.0
11	125.0	200.0	160.0	150.0	135.0	160.0
18	125.0	200.0	160.0	150.0	135.0	160.0
25	125.0	200.0	160.0	150.0	135.0	160.0
Oct. 2	125.0	200.0	160.0	150.0	145.0	160.0
9	125.0	200.0	160.0	150.0	145.0	160.0
16	125.0	200.0	160.0	150.0	135.0	160.0
23	125.0	200.0	160.0	150.0	135.0	160.0
30	125.0	200.0	160.0	150.0	135.0	160.0
Nov 5	125.0	200.0	160.0	150.0	135.0	160.0
12	125.0	200.0	160.0	150.0	135.0	160.0
20	125.0	225.0	225.0	150.0	150.0	160.0
27	125.0	225.0	225.0	150.0	135.0	160.0
Dec. 4	150.0	225.0	225.0	150.0	145.0	160.0
11	150.0	225.0	225.0	150.0	145.0	160.0
18	150.0	225.0	225.0	150.0	135.0	160.0
24	200.0	225.0	225.0	150.0	135.0	160.0
31	225.0	275.0	250.0	150.0	135.0	160.0
1916.						
Jan. 8	225.0	275.0	250.0	150.0	135.0	160.0
15	250.0	275.0	250.0	300.0	135.0	160.0
22	250.0	275.0	250.0	300.0	145.0	160.0
29	250.0	275.0	250.0	300.0	145.0	160.0
Feb. 5	250.0	275.0	250.0	300.0	175.0	160.0
11	250.0	275.0	250.0	300.0	135.0	160.0
19	250.0	275.0	250.0	300.0	175.0	160.0
26	250.0	275.0	250.0	300.0	135.0	160.0
Mar. 4	275.0	300.0	300.0	300.0	175.0	160.0
11	275.0	300.0	300.0	300.0	145.0	160.0

[1] Owing to conditions abroad, no rates are quoted on freight of any kind to any European ports.

Ocean freight rates from New York to European ports—Continued.

MEASUREMENT GOODS, PER TON OR 40 CUBIC FEET.

Date.	British ports.				Danish port, Copenhagen.	Dutch port, Rotterdam.	French ports.		Italian ports.	
	London.	Liverpool.	Glasgow.	Hull.			Havre.	Marseille.	Genoa.	Naples.
1914.	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
Jan. 3	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
10	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
17	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
24	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
31	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
Feb. 7	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
14	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
21	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
28	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
Mar. 7	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
14	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
21	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
28	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
Apr. 11	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
18	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
25	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
May 2	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
9	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
16	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
23	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
29	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
June 6	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
13	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
20	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
27	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
July 3	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
11	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
18	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
Aug. 1	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
8[1]										
15[1]										
22[1]										
29[1]										
Sept. 5	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
12	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
19	4.86	4.86	6.08	4.86	11.25	6.00	6.00	8.51	9.73	9.73
26	4.86	4.86	6.08	4.86	11.25	6.00	6.00	8.51	9.73	9.73
Oct. 3	4.86	4.86	6.08	4.86	11.25	6.00	6.00	8.51	9.73	9.73
10	4.86	4.86	6.08	4.86	11.25	6.00	6.00	8.51	9.73	9.73
17	4.86	4.86	6.08	4.86	11.25	6.00	6.00	8.51	9.73	9.73
24	4.86	4.86	6.08	4.86	11.25	6.00	6.00	8.51	9.73	9.73
31	4.86	4.86	6.08	4.86	11.25	6.00	6.00	8.51	9.73	9.73
Nov. 7	4.86	4.86	6.08	4.86	11.25	6.00	6.00	8.51	9.73	9.73
14	4.86	4.86	6.08	4.86	11.25	6.00	6.00	8.51	9.73	9.73
21	4.86	4.86	6.08	4.86	11.25	6.00	10.00	8.51	9.73	9.73
28	4.86	4.86	6.08	4.86	11.25	6.00	10.00	8.51	9.73	9.73
Dec. 5	4.86	4.86	6.08	4.86	11.25	6.00	10.00	8.51	9.73	9.73
12	7.30	7.30	8.51	6.08	14.60	6.00	10.00	12.17	12.17	12.17
19	7.30	7.30	8.51	6.08	14.60	6.00	10.00	12.17	12.17	12.17
24	7.30	7.30	8.51	6.08	14.60	8.00	12.00	12.17	17.03	17.03
1915.										
Jan. 2	7.30	7.30	8.57	6.08	14.60	8.00	12.00	12.17	24.33	24.33
9	7.30	7.30	8.51	6.08	14.60	8.00	12.00	12.17	24.33	24.33
16	7.30	7.30	8.51	6.08	17.03	8.00	12.00	12.17	24.33	24.33
23	9.73	9.73	8.51	6.08	17.03	12.00	20.00	15.81	24.33	24.33
30	9.73	9.73	8.51	6.08	17.03	12.00	20.00	18.24	24.33	24.33
Feb. 6	9.73	9.73	8.51	6.08	17.03	12.00	20.00	18.24	24.33	24.33
13	9.73	9.73	8.51	6.08	17.03	12.00	20.00	18.24	24.33	24.33
20	9.73	9.73	8.51	6.08	17.03	12.00	20.00	18.24	24.33	24.33
27	9.73	9.73	8.51	6.08	17.03	12.00	20.00	18.24	24.33	24.33
Mar. 6	9.73	9.73	8.51	6.08	17.03	12.00	20.00	18.24	24.33	24.33
13	9.73	9.73	9.73	6.08	19.47	12.00	20.00	18.24	24.33	24.33
20	24.33	24.33	9.73	9.73	19.47	12.00	25.00	19.47	24.33	24.33
27	24.33	24.33	9.73	9.73	19.47	12.00	25.00	19.47	24.33	24.33
Apr. 3	24.33	24.33	9.73	9.73	19.47	12.00	25.00	19.47	24.33	24.33
10	24.33	24.33	9.73	9.73	19.47	12.00	25.00	19.47	24.33	24.33
17	24.33	24.33	9.73	9.73	19.47	12.00	25.00	19.47	24.33	24.33
24	24.33	24.33	9.73	9.73	19.47	12.00	25.00	19.47	24.33	24.33
May 1	24.33	24.33	9.73	9.73	19.47	12.00	25.00	19.47	24.33	24.33
8	24.33	24.33	9.73	9.73	19.47	12.00	25.00	19.47	19.47	24.33
15	24.33	24.33	9.73	9.73	19.47	12.00	25.00	19.47	19.47	19.47
22	14.60	24.33	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
29	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
June 5	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
12	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
19	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
26	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
July 2	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
10	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
17	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
24	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
31	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
Aug. 7	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
14	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
21	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
28	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
Sept. 4	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
11	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
18	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	20.00	19.47
25	12.80	12.80	.....	12.80	20.00	18.00	20.00	20.00	20.00	20.00
Oct. 2	12.80	12.80	.....	12.80	20.00	18.00	20.00	20.00	20.00	20.00
9	15.20	15.20	.....	15.20	20.00	18.00	20.00	20.00	20.00	20.00
16	15.20	15.20	.....	15.20	20.00	18.00	25.00	25.00	20.00	20.00
23	15.20	18.80	.....	15.20	20.00	18.00	25.00	25.00	20.00	20.00
30	15.20	18.80	.....	15.20	20.00	18.00	25.00	25.00	20.00	20.00
Nov. 5	15.20	18.80	.....	15.20	20.00	18.00	25.00	25.00	20.00	20.00
13	15.20	18.80	.....	15.20	20.00	18.00	25.00	25.00	20.00	20.00
20	15.20	18.80	.....	15.20	20.00	18.00	25.00	25.00	20.00	20.00
27	15.20	18.80	.....	15.20	20.00	18.00	25.00	25.00	20.00	20.00

[1] Owing to conditions abroad, no rates are quoted on freight of any kind to any European port.

Ocean freight rates from New York to European ports—Continued.

MEASUREMENT GOODS, PER TON OR 40 CUBIC FEET—continued.

Date.	British ports.				Danish port, Copenhagen.	Dutch port, Rotterdam.	French ports.		Italian ports.	
	London.	Liverpool.	Glasgow.	Hull.			Havre.	Marseille.	Genoa.	Naples.
1915.	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
Dec. 4	15.20	18.80	.....	15.20	20.00	18.00	25.00	25.00	20.00	20.00
11	15.20	18.80	.....	15.20	20.00	18.00	25.00	25.00	20.00	20.00
18	15.20	18.80	.....	15.20	20.00	18.00	25.00	25.00	20.00	20.00
24	15.20	18.80	.....	15.20	20.00	18.00	25.00	25.00	20.00	20.00
31	25.20	25.20	.....	18.80	20.00	18.00	25.00	35.00	20.00	20.00
1916.										
Jan. 8	25.20	25.20	.....	18.80	20.00	18.00	25.00	35.00	20.00	20.00
15	25.20	25.20	.....	18.80	20.00	18.00	25.00	35.00	20.00	20.00
22	25.20	25.20	.....	18.80	20.00	18.00	25.00	35.00	20.00	20.00
29	25.20	25.20	.....	18.80	20.00	18.00	25.00	40.00	20.00	20.00
Feb. 5	25.20	25.20	.....	18.80	20.00	18.00	25.00	40.00	20.00	20.00
11	25.20	25.20	.....	18.80	25.20	20.00	25.00	50.00	30.00	30.00
19	25.20	25.20	.....	18.80	25.20	20.00	25.00	50.00	30.00	30.00
26	25.20	25.20	.....	18.80	25.20	20.00	25.00	50.00	30.00	30.00
Mar. 4	25.20	25.20	.....	18.80	30.00	20.00	35.00	50.00	30.00	30.00
11	25.20	25.20	.....	18.80	30.00	20.00	35.00	50.00	30.00	30.00

Boston: Increase in ocean freight rates from January 1, 1914, to January 1, 1916, to London, Liverpool, Genoa, Naples, Copenhagen; and from Liverpool and Buenos Aires to Boston.

DEPARTMENT OF COMMERCE,
BUREAU OF FOREIGN AND DOMESTIC COMMERCE,
Boston, March 10, 1916.

In regard to the ocean freight rate investigation I beg to inclose herewith some material as follows:

(1) Data furnished by Mr. J. M. McLachland, of the International Mercantile Marine Co., 84 State Street, Boston, Mass., for the White Star and Leland Lines, as follows:

Freight rates from Boston to London.
Freight rates from Boston to Genoa.
Freight rates from Boston to Naples.
Freight rates from Boston to Liverpool.
Freigat rates from Liverpool to Boston.

(2) Data furnished by Mr. Porter, of Furness, Withy & Co., 4 Liberty Square, Boston, Mass., agents for the Warren Line, Furness Line, etc., as follows:

Freight rates from Boston to Liverpool.

(3) Data furnished by Mr. F. H. Ryan, of A. C. Lombard's Sons, 110 State Street, Boston, Mass., agents for the Scandinavian-American Line and for the Houston Line, as follows:

Freight rates from Boston to Copenhagen.
Freight rates from Buenos Aires to Boston.

(4) Data furnished by Mr. L. H. Peters, foreign freight agent of the New York Central and Boston & Albany Railroads, as per post-card circulars they issue regularly, as to freight rates from Boston to various points.

Letters sent out to a hundred or more private firms produced no results, probably because these firms did not wish to divulge their rates or else had not kept a record of same for the dates wanted.

Very truly, yours,
W. A. GRAHAM CLARK,
Commercial Agent.

Ocean freight rates from Boston to British ports.

GRAIN, FLOUR, PROVISIONS, AND APPLES.

[Published by Boston & Maine R. R. Co., foreign freight department.]

Date	Grain (per bushel).			Sack flour (per 100 pounds).			Provisions (per 100 pounds).			Apples (per barrel).		
	Liverpool.	London.	Glasgow.	Liverpool.	London.	Glasgow.	Liverpool.	London.	Glasgow.	Liverpool.	London.	Glasgow.
1914.												
Jan. 9	$0.046	$0.051	$0.051	$0.14	$0.15	$0.17	$0.217	$0.217	$0.244	$0.669	$0.669	$0.73
16	.041	.046	.041	.12	.13	.15	.217	.244	.244	.669	.669	.73
23	.035	.046	.051	.12	.13	.15	.217	.217	.244	.669	.669	.73
30	.035	.041	.051	.12	13	.15	.217	.217	.244	.669	.669	.73
Feb. 6	.03	.041	.051	.12	.13	.15	.217	.217	.244	.669	.669	.73
13	.03	.041	.051	.12	.13	.15	.217	.217	.244	.669	.669	.73
20	.03	.035	.051	.12	.13	.15	.217	.217	.244	.669	.669	.73
27	.03	.035	.051	.12	.13	.15	.217	.217	.244	.669	.669	.73
Mar. 6	.03	.035	.051	.12	.13	.15	.217	.217	.244	.669	.669	.73
13	.03	.035	.051	.11	.13	.15	.217	.217	.244	.669	.669	.73
20	.03	.035	.051	11	.12	.15	.217	.217	.244	.669	.669	.73
27		.03	.051	.11	.12	.14	.217	.217	.244	.669	.669	.73
Apr. (1)												
10	.03	.03	.041	.11	.12	.14	.217	.217	.244	.669	.669	.73
17	.03	.03	.041	.11	.12	.14	.217	.217	.244	.669	.669	.73
24	.03	.03	.041	.10	.11	.13	.217	.217	.244	.669	.669	.73
May 1	.03	.03	.03	.10	.11	.13	.217	.217	.244	.669	.669	.73
8	.03	.03	.03	.10	.11	.13	.217	.217	.244	.669	.669	.73
15	.03	.03	.03	.10	.11	.13	.217	.217	.244	.669	.669	.73
22	.03	.03	.03	.10	.11	.13	.217	.217	.244	.669	.669	.73
29	.03	.03	.03	.10	.11	.13	.217	.217	.244	.669	.669	.73
June 5	.03	.03	.03	.10	.11	.13	.217	.217	.244	.669	.669	.73
12	.03	.03	.03	.10	.11	.13	.217	.217	.244	.669	.669	.73
19	.03	.03	.03	.10	.11	.13	.217	.217	.244	.669	.669	.73
26	.035	.035	.03	.10	.13	.13	.217	.217	.244	.669	.669	.73
July 3	.041	.041	.03	.10	.13	.14	.217	.217	.244	.669	.669	.73
10	.046	.051	.03	.12	.13	.14	.217	.217	.244	.669	.669	.73
17	.046	.051	.03	.12	.13	.14	.217	.217	.244	.669	.669	.73
24 (1)												
31	.051	.051	.03	.15	.16	.15	.217	.217	.244	.669	.669	.73
Aug. 7 (2)												
14 (2)												
21 (2)												
18	.071	.081	.041	.20	.21	.23	.326	.326	.353	.973	.973	1.034
Sept. 4	.061	.061	.041	.20	.21	.23	.326	.326	.353	.973	.973	1.034
11	.061	.061	.041	.20	.21	.23	.326	.326	.353	.791	.791	.852
18	.061	.071	.041	.20	.21	.23	.326	.326	.353	.791	.791	.852
25	.071	.071	.041	.20	.22	.23	.326	.326	.353	.791	.791	.852
Oct. 2	.071	.081	.041	.21	.22	.24	.326	.326	.353	.791	.791	.852
9	.071	.081	.041	.21	.22	.24	.326	.326	.353	.791	.791	.852
16	.071	.081	.041	.21	.22	.24	.326	.326	.353	.791	.791	.852
23	.071	.081	.041	.21	.22	.24	.326	.326	.353	.791	.791	.852
30	.081	.101	.081	.21	.22	.24	.326	.326	.353	.791	.791	.852
Nov. 6	.111	.132	.081	.24	.25	.27	.326	.326	.353	.791	.791	.852
13	.122	.132	.122	.24	.25	.27	.326	.326	.353	.791	.791	.852
20	.132	.142	.122	.24	.25	.27	.326	.326	.353	.791	.791	.852
27	.132	.142	.122	.26	.27	.27	.326	.326	.353	.791	.791	.852

(1) No data available.

(2) No quotations on account of war.

Ocean freight rates from Boston to British ports—Continued.

GRAIN, FLOUR, PROVISIONS, AND APPLES—continued.

Date	Grain (per bushel).			Sack flour (per 100 pounds).			Provisions (per 100 pounds).			Apples (per barrel).		
	Liverpool.	London.	Glasgow.	Liverpool.	London.	Glasgow.	Liverpool.	London.	Glasgow.	Liverpool.	London.	Glasgow.
1914.												
Dec. 4	$0.132	$0.142	$0.122	$0.26	$0.27	$0.29	$0.326	$0.326	$0.353	$0.791	$0.791	$0.852
11	.132	.152	.122	.26	.27	.29	.326	.326	.353	.791	.791	.852
18	.152	.172	.142	.26	.35	.31	.326	.326	.407	.791	.701	.852
24	.162	.172	.142	.40	.40	.31	.38	.38	.407	.791	.791	.852
1915.												
Jan. 1	.162	.172	.152	.40	.40	.35	.38	.38	.407	.791	.791	.852
8	.172	.182	.178	.40	.40	.40	.38	.38	.407	.791	.791	.852
15	.203	.....	.183	.40	.....	.40	.38	.....	.407	.791	.....	.852
22	.203	.....	.203	.40	.....	.40	.38	.....	.435	.791	.....	.913
29	.201	.....	.203	.40	.....	.40	.38	.....	.435	.791	.....	.913
Feb. 5	.203	.....	.203	.40	.....	.40	.489	.....	.489	.791	.....	.913
12	.223	.....	.203	.40	.....	.40	.489	.....	.489	.791	.....	.973
19	.243	.....	.203	.40	.....	.40	.543	.....	.516	.791	.....	.973
26	.243	.....	.203	.40	.....	.40	.652	.....	.543	.791	.....	.973
Mar. 5	.243	.....	.223	.40	.....	.40	.652	.....	.652	.791	.....	.973
12	.264	.....	.223	.45	.....	.40	.652	.....	.652	.791	.....	.973
19	.264	.....	.223	.50	.....	.40	.652	.....	.652	.791	.....	.973
26	.264	.....	.223	.40	.....	.40	.652	.....	.652	.791	.....	.973
Apr. 2	.264	.264	.223	.40	.50	.40	.652	.652	.652	.791	.791	.973
16	.243	.243	.223	.40	.50	.40	.652	.652	.652	1.034	1.034	.973
23	.243	.223	.223	.40	.45	.45	.652	.652	.652	1.095	1.034	.973
30	.223	.223	.223	.40	.45	.40	.652	.652	.652	1.217	1.034	.973
May 7	.223	.223	.223	.40	.45	.46	.652	.652	.652	1.217	1.034	.973
14	.223	.223	.223	.45	.50	.46	.652	.652	.652	1.217	1.034	.973
21	.243	.223	.223	.45	.50	.46	.652	.652	.652	1.217	1.034	.973
28	.243	.223	.223	.45	.50	.45	.652	.652	.652	1.217	1.034	.973
June 4	.243	.223	.223	.45	.50	.50	.652	.652	.652	1.217	1.034	.973
11	.243	.223	.223	.45	.50	.50	.652	.652	.652	1.217	1.217	.....
18	.223	.223	.223	.45	.50	.50	.652	.652	.652	1.217	1.217	.973
25	.223	.223	.223	.45	.50	.50	.652	.652	.652	1.217	1.217	.973
July 2	.203	.203	.223	.45	.50	.50	.652	.652	.652	1.217	1.217	.973
9	.203	.203	.223	.45	.50	.50	.652	.652	.652	1.25	1.25	1.25
16	.183	.203	.223	.40	.50	.50	.652	.672	.652	1.25	1.25	1.25
23	.203	.203	.223	.45	.50	.50	.672	.652	.652	1.25	1.25	1.25
30	.203	.203	.243	.45	.50	.50	.652	.652	.652	1.25	1.25	1.25
Aug. 6	.203	.203	.243	.45	.50	.50	.652	.652	.652	1.25	1.25	1.25
13	.203	.203	.243	.45	.50	.50	.652	.652	.652	1.25	1.25	1.25
20	.203	.203	.243	.45	.50	.50	.652	.652	.652	1.25	1.25	1.25
27	.203	.203	.243	.45	.50	.50	.652	.652	.652	1.25	1.25	1.25
Sept. 3	.203	.203	.243	.45	.50	.50	.652	.652	.652	1.25	1.25	1.25
10	.264	.264	.243	.45	.50	.55	.68	.68	.80	1.25	1.25	1.25
17	.264	.264	.243	.48	.50	.55	.68	.50	.80	1.25	1.25	1.25
24	.304	.304	.284	.50	.55	.60	.68	.80	.80	1.25	1.25	1.50
Oct. 1	.365	.365	.365	.60	.65	.60	.80	.80	.80	1.25	1.25	1.50
8	.406	.406	.365	.65	.75	.65	.80	.90	.80	1.25	1.25	1.50
15	.406	.406	.365	.70	.75	.70	.90	.90	.90	1.25	1.25	1.50
22	.365	.365	.365	.70	.70	.70	.90	.90	.90	1.25	1.25	1.50
29	.385	.385	.406	.70	.75	.75	.90	.90	.90	1.25	1.25	1.50
Nov. 5	.406	.406	.406	.70	.75	.75	.90	.90	.90	1.25	1.25	1.50
12	.406	.406	.406	.70	.75	.75	.90	.90	.90	1.25	1.25	1.50
19	.385	.385	.406	.70	.80	.75	.90	.90	.90	1.25	1.25	1.75
26	.385	.365	.385	.70	.80	.75	.90	.90	.90	1.25	1.25	1.75
Dec. 3	.385	.365	.365	.70	.80	.75	.90	.90	.90	1.25	1.25	1.75
10	.385	.385	.385	.70	.80	.80	.90	.90	.90	1.25	1.25	1.75
17	.385	.406	.385	.80	.80	.80	.90	.90	.95	1.25	1.25	1.75
24	.385	.406	.406	.80	.80	.85	1.00	1.00	.95	1.25	1.25	1.75
31	.385	.406	.406	.80	.80	.85	1.00	1.00	1.00	1.25	1.25	1.75
1916.												
Jan. 7	.406	.406	.406	.80	.85	.85	1.25	1.25	1.10	1.25	1.25	1.75
14	.406	.406	.406	.80	.80	.85	1.25	1.25	1.10	1.25	1.25	1.75
21	.406	.406	.406	.80	.80	1.00	1.25	1.25	1.25	1.25	1.25	1.75

LUMBER (HARD AND SOFT), TOBACCO, AND COTTON.

[Published by Boston & Maine R. R. Co., foreign freight department.]

Date.	Lumber (per 100 pounds).						Tobacco (per 100 pounds).			Cotton (per 100 pounds).		
	Hard.			Soft.								
	Liverpool.	London.	Glasgow.	Liverpool.	London.	Glasgow.	Liverpool.	London.	Glasgow.	Liverpool.	London.	Glasgow.
1914.												
Jan. 9	$0.18½	$0.21	$0.17	$0.24	$0.27	$0.24	$0.37	$0.35	$0.35	$0.20	$0.25	$0.30
16	.18½	.21	.17	.24	.27	.24	.37	.35	.35	.18	.25	.30
23	.18½	.21	.17	.24	.27	.24	.37	.35	.35	.18	.25	.30
30	.18½	.21	.17	.24	.27	.24	.37	.35	.35	.18	.25	.30
Feb. 6	.18½	.21	.17	.24	.27	.24	.37	.35	.35	.16	.25	.30
13	.18½	.21	.17	.24	.27	.24	.31	.35	.35	.16	.25	.30
20	.18½	.21	.17	.24	.27	.24	.31	.35	.35	.16	.25	.30
27	.18½	.21	.17	.24	.27	.24	.31	.35	.35	.12	.25	.30
Mar. 6	.18½	.21	.17	.24	.27	.24	.31	.35	.35	.12	.25	.30
13	.18½	.21	.17	.24	.27	.24	.31	.35	.35	.12	.25	.30
20	.18½	.21	.17	.24	.27	.24	.31	.35	.35	.12	.25	.30
27	.18½	.21	.17	.24	.27	.24	.31	.35	.35	.12	.25	.30
Apr. 3[1]	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10	.18½	.21	.17	.24	.27	.26	.31	.35	.35	.12	.25	.30
17	.18½	.21	.17	.24	.27	.26	.31	.35	.35	.12	.25	.30
24	.16½	.21	.17	.22	.27	.26	.31	.35	.35	.12	.25	.30

[1] No report at hand.

Ocean freight rates from Boston to British ports—Continued.

LUMBER (HARD AND SOFT) TOBACCO, AND COTTON—continued.

Date.	Lumber (per 100 pounds).						Tobacco (per 100 pounds).			Cotton (per 100 pounds).		
	Hard.			Soft.								
	Liverpool.	London.	Glasgow.	Liverpool.	London.	Glasgow.	Liverpool.	London.	Glasgow.	Liverpool.	London.	Glasgow.
1914.												
May 1	$0.16½	$0.21	$0.17	$0.22	$0.27	$0.26	$0.31	$0.35	$0.35	$0.12	$0.25	$0.30
8	.16½	.21	.17	.22	.27	.26	.31	.35	.35	.12	.25	.30
15	.16½	.21	.17	.22	.27	.26	.31	.35	.35	.15	.25	.30
22	.16½	.21	.17	.22	.27	.26	.31	.35	.35	.12	.25	.30
29	.16½	.21	.17	.22	.27	.26	.31	.35	.35	.12	.25	.30
June 5	.16½	.21	.17	.22	.27	.26	.31	.35	.35	.12	.25	.30
12	.16½	.21	.17	.22	.27	.26	.31	.35	.35	.15	.25	.30
19	.16½	.21	.17	.22	.27	.26	.31	.35	.35	.12	.25	.30
26	.16½	.21	.17	.22	.27	.26	.31	.35	.35	.12	.25	.30
July 3	.16½	.21	.17	.22	.27	.26	.31	.35	.35	.12	.25	.30
10	.16½	.21	.17	.22	.27	.26	.31	.35	.35	.12	.25	.30
17	.16½	.21	.17	.22	.27	.26	.31	.35	.35	.15	.25	.30
24[1]												
31	.16½	.21	.17	.22	.27	.26	.31	.35	.35	.25	.25	.30
Aug. 7[2]												
14[2]												
21[2]												
28	.23½	.26		.29	.32		.31	.45		.25		
Sept. 4	.23½	.26	.20	.29	.32	.27	.31	.45		.25		
11	.23½	.26	.20	.29	.32	.27	.31	.45	.45	.25		.30
18	.23½	.26	.20	.29	.32	.27	.31	.45	.45	.25		.30
25	.23½	.26	.20	.29	.32	.27	.31	.45	.45	.30		.30
Oct. 2	.23½	.26	.20	.29	.32	.27	.31	.45	.45	.30		.30
9	.23½	.26	.20	.29	.32	.27	.31	.45	.45	.30		.30
16	.23½	.26	.20	.29	.32	.27	.31	.45	.45	.30		.30
23	.23½	.26	.20	.29	.32	.27	.31	.45	.45	.30		.30
30	.23½	.26	.20	.29	.32	.27	.40	.38	.45	.35		.30
Nov. 6	.20¼	.28	.20	.32	.33	.27	.40	.38	.45	.45		.30
13	.25	.30	.20	.30	.35	.27	.40	.38	.45	.45		.30
20	.25	.30	.20	.30	.35	.27	.45	.38	.45	.45		.30
27	.26	.30	.20	.32	.35	.27	.50	.38	.45	.50		.30
Dec. 4	.26	.30	.20	.32	.35	.27	.50	.38	.50	.50		.50
11	.30	.30	.20	.35	.35	.27	.60	.62	.50	.60		.50
18	.30	.30	.20	.35	.35	.27	.60	.62	.50	.60		.50
24	.38	.38	.20	.435	.435	.27	1.00	1.00	.50	.75		.50
1915.												
Jan. 1	.38	.38	.20	.435	.435	.27	1.00	1.00	.50	.75		.50
8	.38	.38	.20	.435	.435	.27	1.00	1.00	.50	.85		.50
15	.435			.543			1.25		1.00	1.00		
22	.40			.543			1.25		1.00	1.00		
29	.40		.35	.543		.40	1.25		1.00	1.00		1.00
Feb. 5	.50		.50	.543		.40	1.25		1.00	1.00		1.00
12	.45		.35	.543		.40	1.25		1.00	1.00		1.00
19	.45		.35	.543		.40	1.25		1.00	1.00		1.00
26	.543		.40	.652		.45	1.50		1.00	1.00		1.00
Mar. 5	.543		.40			.45	1.25		1.00	1.00		1.00
12	.543		.45	.652		.50	1.25		1.00	1.00		1.00
19	.543		.475	.652		.54	1.50		1.00	1.00		1.00
26	.543		.475	.652		.54	1.50		1.00	1.25		1.00
Apr. 2	.543	.60	.475	.652	.65	.54	1.50	1.50	1.00	1.25		1.00
9[3]												
16	.652	.61	.575	.76	.67	.64	1.50	1.50	1.00	1.25		1.00
23	.652	.61	.575	.76	.67	.64	1.50	1.50	1.00	1.25		1.00
30	.652	.652	.575	.76	.76	.64	1.25	1.50	1.00	1.00		1.00
May 7	.652	.652	.575	.76	.76	.64	1.25	1.50	1.00	1.00		1.00
14	.652	.652	.575	.76	.76	.64	1.25	1.50	1.00	1.00		1.00
21	.652	.652	.575	.76	.76	.64	1.25	1.50	1.00	1.00		1.00
28	.652	.652	.575	.76	.76	.64	1.25	1.50	1.00	1.00		1.00
June 4	.652	.652	.60	.76	.76	.66	1.25	1.50	1.00	1.00		1.00
11	.652	.652	.60	.76	.76	.65	1.25	1.50	1.00	1.00		1.00
18	.652	.652	.60	.76	.76	.66	1.25	1.50	1.00	1.00		1.00
25	.652	.652	.60	.76	.76	.66	1.25	1.50	1.00	1.00		1.00
July 2	.652	.652	.60	.76	.76	.66	1.25	1.50	1.00	1.00		1.00
9	.652	.652	.60	.76	.76	.66	1.15	1.50	1.00	1.00		1.00
16	.598	.652	.60	.706	.76	.66	1.15	1.50		1.00		
23	.598	.652	.60	.706	.76	.66	1.15	1.50		1.00		1.00
30	.598	.652	.60	.706	.76	.66	1.15	1.50	1.25	1.00		1.00
Aug. 6	.598	.652	.60	.706	.679	.66	1.15	1.40	1.25	1.00		1.00
13	.598	.652	.575	.706	.679	.64	1.15	1.40	1.25	1.00		1.00
20	.598	.652	.575	.706	.679	.64	1.15	1.40	1.25	1.00		1.00
27	.598	.652	.575	.706	.679	.64	1.15	1.40	1.25	1.00		1.00
Sept. 3	.598	.652	.60	.706	.679	.64	1.15	1.40	1.25	1.00		1.00
10	.65	.70	.60	.70	.75	.66	1.15	1.17	1.25	1.00		1.00
17	.65	.70	.60	.70	.75	.66	1.15	1.20	1.25	1.15		1.00
24	.65	.70	.65	.70	.75	.70	1.15	1.20	1.25	1.25		1.00
Oct. 1	.70	.75	.68	.75	.80	.73	1.25	1.30	1.25	1.25		1.00
8	.70	.80	.75	.75	.85	.83	1.25	1.50	1.25	1.25		1.00
15	.70	.85	.70	.75	.90	.75	1.25	1.50	1.25	1.25		1.25
22	.70	.90	.70	.75	.95	.75	1.25	1.50	1.25	1.00		1.25
29	.70	.95	.70	.80	1.00	.75	1.25	1.50	1.25	1.25		1.25
Nov. 5	.70	.95	.70	.80	1.00	.75	1.25	1.50	1.25	1.25		1.25
12	.70	.95	.70	.80	1.00	.75	1.25	1.50	1.25	1.25	1.25	1.25
19	.70	.95	.725	.80	1.00	.78	1.25	1.50	1.25	1.25		1.25
26	.75	.95	.725	.85	1.00	.79	1.25	1.50	1.25	1.25		1.25
Dec. 3	.85	.95	.775	1.00	1.00	.84	1.35	1.50	1.25	1.50		1.25
10	.85	.95	.775	1.00	1.00	.84	1.35	1.50	1.50	1.75		1.50
17	.95	.95	.78	1.20	1.00	.84	1.50	2.00	1.50	2.00	2.00	1.50
24	.95	.95	.80	1.20	1.00	.84	1.75	2.00	1.50	2.00	2.00	2.00
31	.95	.95	.78	1.20	1.00	.84	2.00	2.00	1.50	2.25	2.25	1.50
1916.												
Jan. 7	1.10	1.10	.80	1.20	1.20	.84	3.00		2.00	2.75	3.00	2.00
14	1.10	1.10	.83	1.20	1.20	.89	3.00		2.25	2.75	3.00	
21	1.10	1.10	.83	1.20	1.20	.89	3.00		2.25	2.75	3.00	

[1] No report at hand. [2] Unsettled conditions on account of war. [3] No data available.

Import freight rates.

FROM LIVERPOOL TO BOSTON.

Commodity.	Unit.	1914			
		Jan. 1.	Apr. 1.	July 1.	Oct. 1.
Cotton goods	40 cubic feet	$9.13	$9.13	$9.13	$9.13
Cotton, raw	2,240 pounds	4.26	4.26	4.26	4.26
Ear henware and china	40 cubic feet	$2.43–4.26	$2.43–4.26	$2.43–4.26	$2.43–4.26
Hides and skins	2,240 pounds	8.21–21.29	8.21–21.29	8.21–21.29	8.21–21.29
India rubber	40 cubic feet	9.13	9.13	9.13	13.38
Iron, ferromanganese	2,240 pounds	3.04	3.04	3.04	3.04
Tin, in bars	do	9.13	9.13	9.13	9.13
Vegetable oils	do	10.34	10.34	10.34	10.34
Wool, raw	do	4.26	4.26	4.26	4.26
	40 cubic feet	6.08	6.08	6.08	6.08
Measurement goods	do	18.25	18.25	18.25	18.25
		9.13–18.25	9.13–18.25	9.13–18.25	9.13–18.25

Commodity.	Unit.	1915				Jan. 1, 1916.
		Jan. 1.	Apr. 1.	July 1.	Oct. 1.	
Cotton goods	40 cubic feet	$13.38	$13.38	$13.38	$13.38	$13.38
Cotton, raw	2,240 pounds	5.47	5.47	6.08	6.08	6.08
Earthenware and china	40 cubic feet	$3.04–4.26	$3.04–4.26	$3.65–6.08	$3.65–6.08	$3.65–6.08
Hides and skins	2,240 pounds	8.21–21.29	8.21–21.29	8.21–21.29	8.21–21.29	8.21–21.29
India rubber	40 cubic feet	13.38	13.38	13.38	13.38	13.38
Iron, ferromanganese	2,240 pounds	3.04	3.04	3.04	3.65	3.65
Tin, in bars	do	9.13	9.13	9.13	9.13	9.13
Vegetable oils	do	10.34	10.34	10.34	10.34	10.34
Wool, raw	do	5.47	5.47	5.47	5.47	5.47
	40 cubic feet	9.13	9.13	9.13	9.13	9.13
Measurement goods	do	18.25	18.25	18.25	18.25	18.25
		13.38–21.90	13.38–21.90	13.38–21.90	13.38–21.90	13.38–21.90

FROM BUENOS AIRES TO BOSTON.

Commodity.	Unit.	1914			
		Jan. 1.	Apr. 1.	July 1.	Oct. 1.
Hides, salt	Per ton	$6.50	$6.50	$6.50	$6.50
Hides, dry	100 pounds	.70	.70	.70	.70
Wool, raw	40 cubic feet	4.50	4.50	4.50	4.50

Commodity.	Unit.	1915				Jan. 1, 1916.
		Jan. 1.	Apr. 1.	July 1.	Oct. 1.	
Hides, salt	Per ton	$14.00	$14.00	$14.00	$14.00	$14.00
Hides, dry	100 pounds	1.50	1.50	1.50	1.50	1.50
Wool, raw	40 cubic feet	12.00	12.00	12.00	12.00	12.00

New Orleans: Increase in ocean freight rates from January 1, 1914, to January 1, 1916.

[Report prepared by the New Orleans district office of the Bureau of Foreign and Domestic Commerce.]

NEW ORLEANS, *March 10, 1916.*

In compliance with the instructions given in your letter of February 2, dictated by Commercial Agent Jones, there are inclosed herewith ocean freight-rate schedules covering the traffic between New Orleans and European ports. These schedules are as complete as it has been possible to make them from the data available. New Orleans ships very little outside of the first two classifications on the prepared schedule, and it has been impossible to obtain rates that would be of any value for comparative purposes on steel products, machinery, mineral and petroleum products, and miscellaneous manufactured goods. A large amount of oil is credited to the export figures of this port, but this moves in full cargo lots chiefly from Baton Rouge.

The figures supplied in the inclosed statements are taken from the books of the New Orleans Cotton Exchange, the files of the Lumber Trade Journal, files of the rate sheets issued by the Texas Transport & Terminal Co., A. H. Clement & Co., Ross & Heyn, and George Gerdes & Co., supplemented by figures taken from the actual manifests of the Leyland, Vogemann, Head, Phillips, Gans, Norway-Mexico Gulf, Swedish-American-Mexico, Maclay-Prentice Co., and Pierce Cotoniera lines.

I am giving on these sheets the rates as quoted in the various sources of information, with footnotes indicating any variation in the unit of quantity. It would be misleading to the compiler of any report from this data for me to make any attempt at reducing these rates to a common basis. The fluctuation in sterling exchange has forced a good many changes in the methods of quoting during the last six months. For example, the cottonseed oil rate has ordinarily been quoted in shillings per barrel, but since the 1st of October a number of lines have changed their quotations to cents per hundred pounds to avoid the uncertainty of exchange fluctuations. To bring the shilling rates down to a dollar and cents basis due consideration must be given to the various exchange rates ruling at the time these quotations were made. In other cases the unit of quantity on which quotation is made has been changed. For instance, pine quotations are in some cases in shillings per standard and in others in dollars per thousand feet. This can readily be brought down to a common unit of quantity, but I believe such conversion should be done by the person making use of the figures rather than by the compiler of these charts, as he will then know exactly what has been done.

Yours, very truly,

E. E. JUDD,
Commercial Agent in Charge.

Another communication from the commercial agent in charge of the New Orleans district office of the Bureau of Foreign and Domestic Commerce may also be of interest in connection with the shipping situation at the Gulf ports. This letter was in answer to a request from the bureau that the agent look into the possibilities of securing a vessel for the movement of mahogany from Central America to New Orleans for a large plant in Cincinnati:

NEW ORLEANS, *March 8, 1916.*

I have your letter of March 6, dictated by Commercial Agent Jones, inclosing copy of a letter from the Freiberg Lumber Co. to the Cincinnati Chamber of Commerce, asking for advice as to the conditions in shipping between Central America and the Gulf ports. I can say, in general, that charters for Central American business have been practically unobtainable for the past several months, charter rates being way above what this traffic can bear. Steamers are absolutely out of the question, as they have all gone into the European trade with the exception of the regular line vessels carrying general cargo down and bringing bananas and other fruit back. There have been a few small sailing vessels on the market from time to time at high rates. The regular liners are not available for mahogany business, as they will accept such cargo only in small quantities and at their regular shipping points. Most of the mahogany is loaded at small ports not regularly touched by these ships.

The abnormal prices asked for tonnage in the Central American trade are only a logical result of the European situation. With cotton rates at $2.90 per hundred pounds to Liverpool, $3.15 to Havre, $3 to Barcelona, and $3.60 to Gothenberg, and pig iron bringing $25 a ton, it is only natural that shipowners have thrown their vessels into the European trade. Shippers to Europe are literally begging for space at these prices. There has been a great deal of speculating in tonnage, but the rates are traceable directly to the enormous outbound traffic. I just heard to-day of one speculator who paid 170 shillings per dead-weight ton for a vessel with a capacity of sixteen to eighteen hundred tons. The market has dropped a little since then, so that the ship is

only worth about 140 shillings now. This man stands to lose several thousand dollars on the venture in spite of the high rates prevailing.

I am going further into this subject in the next day or so and will report if I find anything further of interest. I shall also do a little scouting around in shipping circles here and see if I can't pick up something for the Freiberg Co. I think I know where there is an 1,800-ton sailing vessel which might be glad to make a contract for mahogany business.

Very truly, yours,

E. E. JUDD,
Commercial Agent in Charge.

P. S.—In talking over the shipping situation with Mr. De Witt to-day I mentioned that a mahogany company wanted a 2,000-ton steamer. He said if he could find any such craft he would like to buy three of them at a good, fat figure, and pay a fine commission to the wizard who produced them. He said, "I don't care about age, beauty, or flag if they will float and can sail without danger of being shot to pieces. And I can load them with something more profitable than mahogany."

E. E. J.

Ocean freight rates from New Orleans to European ports.

COTTON (COMPRESSED), PER 100 POUNDS.

Port of destination.	1914				1915				1916, Jan. 1.
	Jan. 1.	Apr. 1.	July 1.	Oct. 1.	Jan. 1.	Apr. 1.	July 1.	Oct. 1.	
British ports:									
London	$0.48				$1.15				
Liverpool	.31	$0.30	$0.28	$0.50	1.00	$1.40	$1.00	$1.10	$3.00
Manchester	.38	.33	.31	.50	1.00	1.60	1.10	1.15	
Glasgow	.34	.38	.35	.45	.65	1.15	1.25		2.25
Dublin	.48	.38	.35						
Belfast	.48	.38	.35	.45	.65				
Scandinavian ports:									
Gothenburg	.53	.43	.40			2.25	1.75	1.75	2.75
Christiania	.53	.43	.40	.85	1.20 / 2.00	2.25	1.75	1.75	2.75
Dutch ports:									
Amsterdam	.40	.32	.27	.72	2.52	2.17	1.52	2.02	2.77
Rotterdam	.36	.34	.28	.35	2.50	2.15	1.50	2.00	2.75
Havre, France	.38	.34	.35	.50	1.20 / 1.35	1.55	1.20	1.60	2.50
Barcelona, Spain	.60	.40	.40	.85	1.40	1.40	1.40	1.50	2.00
Italian ports:									
Genoa	.45	.40	.38	.60	1.35	1.75	1.25	1.75	2.25
Naples	.47½	.42½	.40½	.72½	1.52½	1.75	1.25	1.75	2.30

COTTONSEED OIL, PER BARREL OF 450 POUNDS.

British ports:									
Liverpool	$1.22	$1.22	$1.10	$4.87			$2.43	$2.92	
Glasgow	1.35	1.26	1.17	1.40	$2.03	$2.93	3.60	3.60	$5.40
Dublin	1.53	1.30	1.22			3.02	3.60	3.60	5.63
Belfast	1.35	1.26	1.17	1.62	2.03	2.93	3.60	3.60	5.40
Scandinavian ports:									
Gothenburg	1.70	1.70	1.70			6.33	8.52	5.40	8.55
Christiania	1.70	1.70	1.70	1.58	7.30	8.52	4.26		5.63
Dutch ports:									
Amsterdam			1.10	1.95	4.38	4.99		6.04	7.29
Rotterdam	1.46	1.46	.97	1.83	4.26	4.87	4.31	5.85	7.20
Havre, France	1.46	1.46	1.40	1.46	2.92	4.87	3.89	4.73	12.60
Genoa, Italy	1.70	1.64	1.64	2.19	3.65	5.84	4.87	5.40	6.53

COTTONSEED CAKE, PER LONG TON.

British ports:									
Liverpool	$3.65	$2.92	$2.43		$10.34		$10.34	$12.17	
Manchester	3.65	2.92	2.43				10.34	10.95	
Glasgow	4.62	4.14	3.89	$6.08	8.03	$12.17	13.39	14.60	$21.90
Dublin	5.11	4.38	4.14			12.66	13.87	15.09	22.39
Belfast	4.62	4.14	3.89	6.08	8.03	12.17	13.39	14.60	21.90
Scandinavian ports:									
Gothenburg	5.11	3.89	3.89			18.25	14.60	15.68	33.60
Christiania	4.87	3.89	3.89			15.82	14.60	15.68	33.60
Dutch ports:									
Amsterdam	3.89	3.65	3.29	6.33	14.83	19.96	14.83	22.85	28.45
Rotterdam	3.65	3.41	3.04	6.08	14.60	19.70	14.60	22.40	28.00
Havre, France	4.02	3.77	3.16	5.35	11.31	17.03	12.17	16.80	33.60
Genoa, Italy	5.35	5.35	5.35	7.30	10.95	20.06	14.60	18.37	30.24

WHEAT, PER BUSHEL OF 60 POUNDS.

British ports:									
Liverpool	$0.07	$0.061	$0.061	$0.061	$0.152	$0.264		$0.243	
Manchester	.07	.066	.061	.132	.233	.264			
Glasgow	.101	.101		.091				.35	$0.518
Scandinavian ports:									
Gothenburg	.101	.091	.087				$0.365	.38	.580
Christiania	.101	.091	.084		.213		.365	.38	.589

FLOUR, PER 100 POUNDS.

British ports:									
Liverpool	$0.20	$0.18	$0.18		$0.23	$0.40	$0.55	$0.55	
Glasgow	.25	.20	.20	$0.28	.35	.45	.60	.60	$1.01
Dublin	.26	.21	.21			.47	.61	.61	1.06
Belfast	.25	.20	.20	.28	.35	.45	.60	.60	1.01
Scandinavian ports:									
Gothenburg	.26	.23	.23			.75	.61	.70	1.25
Christiania	.26	.23	.23	.35	.60	.75	.61	.70	1.25
Dutch ports:									
Amsterdam	.21	.18	.17	.29	.63	.88	.53	.70	1.11
Rotterdam	.20	.17	.16	.28	.62	.87	.52	.69	1.10
Havre, France	.22	.19	.18	.24	.50	.75	.55	.75	1.50
Genoa, Italy	.24	.22	.22	.30	.56	.85	.62	.82	1.35

Ocean freight rates from New Orleans to European ports—Continued.

TOBACCO, PER 100 POUNDS.

Port of destination.	1914				1915				1916, Jan. 1.
	Jan. 1.	Apr. 1.	July 1.	Oct. 1.	Jan. 1.	Apr. 1.	July 1.	Oct. 1.	
British ports:									
Liverpool		$0.425	$0.455	$0.465		$1.15	$1.15	$1.15	
Glasgow	$0.415	.415	.45	.60	$0.70	1.50	1.00		
Belfast	.48		.45	.60	.70	1.50			
Christiania, Norway	.49	.40	.70	.75	1.25	2.50	2.00	2.00	$3.00
Dutch ports:									
Amsterdam	.50	.50	.50	.72	2.57	2.12	1.77	2.02	3.01
Rotterdam	.48	.48	.48	.70	2.55	2.10	1.75	2.00	3.00
Havre, France	.48	.48	.43	.50	1.40	1.62	1.40	1.60	2.50
Genoa, Italy	.50	.43	.43	.63	1.55	1.80	1.30	1.80	2.35

MEAT PRODUCTS, PER 100 POUNDS.

British ports:									
Glasgow	$0.35		$0.26	$0.30	$0.45	$0.70		$0.80	
Belfast	.35		.36	.34	.45	.75			
Dutch ports:									
Amsterdam	.36	$0.31	.31	.46	.97	1.77	$1.02	1.32	$1.52
Rotterdam	.35	.30	.30	.45	.95	1.75	1.00	1.30	1.50
Havre, France	.33	.33	.33	.35	.70	1.10	.90	1.10	2.75
Genoa, Italy	.36	.34	.34	.40	.82	1.30	1.10	1.20	1.50

LUMBER (SOFT), PER 2,000 FEET.

British ports:									
Liverpool	$19.47	$15.82	$14.60	$21.90		$38.93	$41.37	$54.75	
Manchester	19.47	15.82	14.60				41.37		
Glasgow	24.00	20.00	13.00	20.00	$32.00	50.00	11.56	48.67	$24.33
Belfast	24.00	20.00	16.00	24.00	32.00	50.00		60.00	
Christiania, Norway	27.00	24.33	19.47			43.80		49.00	
Dutch ports:									
Amsterdam	18.86	15.82	13.39	28.22	76.65	79.84	52.32	158.00	188.00
Rotterdam	17.03 / 19.47	14.00	12.78	28.11	73.00	75.43	48.67	150.00	180.00
Havre, France	23.00	17.03	14.60	24.33	46.23	75.43	66.91	140.00	230.00
Barcelona, Spain	24.00	20.00	14.00	14.00	24.00	34.00	34.00	40.00	50.00
Genoa, Italy	21.90	18.25	17.64	24.33	54.75	97.30	73.00	160.00	200.00
Buenos Aires, Argentina	32.00	32.00	32.00				66.00	66.00	

LUMBER (HARD), PER 100 POUNDS.

British ports:									
Liverpool	$0.28	$0.25	$0.23	$0.30		$1.50	$0.70	$0.80	
Manchester	.30	.25	.23	.45	$0.50		.70	.75	$0.80
Glasgow	.30	.28	.26	.30	.45	.65	.80	.80	1.20
Dublin	.34	.29	.29	.37		.67	.82	.81	1.25
Belfast	.30	.28	.28	.34	.45	.65	.80	.80	1.20
Scandinavian ports:									
Gothenburg	.40	.40	.35	.50		1.50	.95	.90	1.25
Christiania	.40	.40	.35	.50		1.50	.95	.90	1.25
Dutch ports:									
Amsterdam	.32	.26	.22	.40	.97	1.02	.82	1.22	1.32
Rotterdam	.28	.24	.20	.38	.95	1.00	.80	1.20	1.30
Havre, France	.33	.26	.26	.33	.70	1.10	.85	.90	1.50
Genoa, Italy	.36	.34	.26	.40	.83	1.30	1.00	1.20	1.40

PIG IRON, PER LONG TON.

British ports:									
Glasgow	$4.87	$3.04	$3.04	$5.47	$6.08	$8.52			
Belfast		3.04	3.04	5.47	6.08	8.52			
Dutch ports:									
Amsterdam	2.92	2.92	2.43		7.79	7.79			
Rotterdam	2.43	2.43	1.95		7.30	7.30			
Havre, France	2.43	2.43	2.43	3.16	4.87	7.30	$7.30	$8.96	
Genoa, Italy	2.68	2.43	2.43	3.65	6.08	8.03	9.73	9.75	

ROSIN, PER LONG TON.

British ports:									
Liverpool	$4.62	$3.89	$3.41			$13.39	$13.39	$14.60	
Glasgow	5.11	4.62	4.14	$5.84	$8.76	13.39			$24.33
Belfast	5.11	4.62	4.62	6.33	8.76	13.39			
Christiania, Norway	5.35	5.47	5.47	9.13	12.17	30.42	19.47	24.64	39.20
Dutch ports:									
Amsterdam	5.11	3.77	3.77	5.60	17.52	19.96	16.30	24.42	34.05
Rotterdam	6.27	5.38	4.48	8.51	21.28	22.40	17.92	26.88	29.12
Havre, France	5.11	3.89	3.65	4.87	10.95	17.03	15.82	16.80	49.28
Genoa, Italy	[1] 6.60	[1] 5.93	[1] 5.50	[1] 7.91	[1] 13.19	[1] 22.85	[1] 20.22	22.40	30.24

[1] Plus 5 per cent primage.

Seattle: Increase in ocean freight rates to the Far East from January 1, 1914, to January 1, 1916.

[Report prepared by the Seattle district office of the Bureau of Foreign and Domestic Commerce.]

The following statement regarding the ocean freight situation at Seattle on March 2, 1916, was prepared by Mr. W. B. Henderson, commercial agent in charge of the Seattle district office of the Bureau of Foreign and Domestic Commerce:

SEATTLE, WASH., *March 2, 1916.*

Referring again to your communication of February 2, in which you requested a detailed report on ocean freight rates for specified commodities and periods between Seattle and foreign ports, I have the honor to submit herewith the result of the investigation on the sheets that were furnished by the bureau.

In connection with this report I am submitting herewith, I have to state my utter inability to cover all commodities, all periods, and all destinations. However, the report is as complete as it could possibly be, owing to the unsettled conditions in shipping facilities and the entire absence of published tariff schedules since the breaking out of the European war.

My investigation necessitated about 35 calls for interviews with managers of ocean steamship companies, commercial organizations, and transportation companies. In most every case on first presenting the

matter to a steamship line or the manager of a transportation bureau I was met with the blunt announcement "there is no such thing now as an ocean freight tariff." They also said that old schedules had been destroyed. Nevertheless, by persistence I secured copies of the 1914 tariff schedules for most lines operating in and out of this port. As to rate quotations for the latter part of 1915 and for January, 1916, there are none, or practically none. Most of the ships are working for all they can get or what they think they can get. There are, however, exceptions to this state of affairs. These exceptions are in the case of the Osaka Shosen Kaisha and the Nippon Yusen Kaisha, the two regular Japanese lines. The rates published by these companies in the tariff schedules for 1914 are more nearly in conformity with the charges they made for freight during the whole of 1915. For 1916 (January), their rates were perceptibly higher, but in nowise to be likened to the enormous increases asked and obtained by others—notably the chartered lines.

This investigation brought out some anomalous conditions bordering onto a paradoxical aspect, inasmuch as there are a greater number of lines in the trade, a large increase in the number of vessels entering and clearing from this port and Tacoma, while at the same time freight in these ports was never so congested and exporters so hard put to secure tonnage space. Yet at the same time, also, this section is manufacturing and producing but a small proportion more than it was at this time two years ago.

This condition, with its peculiar aspects, is accounted for by the arrangements that the transcontinental railroads have with the regular steamship companies plying to Orient ports. The Chicago, Milwaukee & St. Paul and the Northern Pacific Railroads have an understanding, or a contract, as it were, with the two regular Japanese steamship companies for practically their entire space. They apportion this space so much to New York, so much to Chicago, to St. Louis, or Kansas City, as the case may be, and get the benefit of the rail charges on the long haul. This practically leaves the local exporter out of the deal, and as a consequence he must stay out of the business or else fall back on the chartered lines and tramp vessels with their advance in ocean freight rates of from 100 to 1,000 per cent.

This situation applies to a large extent to the native products of this section, such as lumber, box shooks, wheat and flour, and canned salmon. Then, too, there appears to be a discrimination on the part of the Japanese lines on certain commodities, as, for instance, a representative of one of the largest manufacturers and exporters of flour told me that the Japanese lines had allotted so much space for flour from Puget Sound ports to China. The amount of space which he mentioned is about two-fifths of the product for export by the mills of this section. This, he inferred, was to the advantage of Japan, which country is supplying the other three-fifths to China from her own mills.

Another large export firm here claims that it can not get space promised at any rates for the next five months. He stated a specific case where he had for export a product which is now being booked by the steamship companies at the rate of $35 per ton. He tried for space some months ago and finally secured space from San Francisco on the condition, however, that the shipment be transported from Seattle over the lines of a certain railroad named. It so happens that in order to transport the goods over the particular line named that he must ship from Seattle to Denver and thence to San Francisco, thus making the freight rates prohibitive. He is now in the market for the same commodity on the lines of the specified railroads at a point nearer San Francisco, while his consignment is lying in the Seattle warehouse.

No living man could make a complete analysis of the ocean freight rates here as they present themselves now, and only a very poor comparison can be had. So far as securing space is concerned for ships booked to sail in the near future, it is out of the question. A few orders are being booked for four or five months ahead and it would appear that unless the exporter received enormous profits on commodities exported a year ago, when ocean freight rates were comparatively normal, it is hard to see where he can get any profit now (even if he secures space) at the abnormally high rates. Yet they are all in the market for tonnage space, and as a consequence new shipping agencies are daily springing up, old lines are adding extra vessels, and contracts are being let for building new ships. Besides the Frank Waterhouse Co. and the H. F. Ostrander Co., who are both chartering a large number of vessels, Griffiths & Sons, old-time shippers, have chartered several tramp vessels and impressed them into the trade, and recently a local concern has received a contract to build immediately a million-dollar ship.

I am herewith inclosing the sheets filled out as fully as the figures can be obtained. I have also supplemented it by a statement showing the present rates that have been secured on tonnage from Seattle to Vladivostok, and I am also submitting a partial list of the parties interviewed in obtaining these rates.

Very truly, yours,

W. B. HENDERSON, *Commercial Agent.*

I interviewed the following concerns here re the ocean freight rates:

Mr. B. J. Orvinsek, of W. R. Grace & Co., as to the import rates from Chilean points (Valparaiso, as specified in the report). He could only give me rates on copper.

Mr. Fawkner, of Fawkner-Currie Co., who operate a steamship line between here and South America, as to import rates on nitrates from Valparaiso.

Mr. W. A. Mears, of the transportation bureau of the Seattle Chamber of Commerce, on rates generally. No particular information.

Mr. W. D. Benson, manager of the Pacific Coast-Oriental Tariff Bureau, who is also connected with Frank Waterhouse & Co., as to rates generally. He supplied me with the greater portion of the rates for 1914 and part of 1915, and furnished me with a number of schedules.

Mr. F. M. Studley, manager of the Nippon Yusen Kaisha, on rates generally to the Orient. He supplied me with rates on several commodities to Hongkong and Shanghai.

Mr. Manlon, of the Blue Funnel Line, supplied me with rates to London.

Mr. D. W. Burchard, of the Hamburg-American Line. No information. His line is interned and out of business, and the documents were burned at a recent fire.

Mr. T. Stuart, recently connected with Robinson & Morrison, furnished some information regarding import rates to Sydney.

Mr. Pettibone, formerly of the Canadian Trading Co., now of the American Trading Co., furnished me with rates on lumber to Hongkong and Shanghai. Mr. Hodge, of the Northwest Trading Co., furnished rates on flour, bar iron, sheet iron, wire, and some commodity rates to Shanghai and Hongkong.

Mr. Parrott, of the firm of Parrott & Co., brokers, furnished general information.

Mr. Erickson, of the American Express Co., gave me considerable information regarding rates, especially on the old schedules of 1914.

Mr. W. S. Allen, assistant manager of the Fisher Flouring Mills, furnished me valuable information regarding export rates to the Orient on flour.

Mr. Robert Hill, manager of the Merchants' Exchange, gave me valuable assistance regarding rates on flour and wheat to London.

Mr. H. F. Ostrander furnished valuable information as to rates on a number of commodities to Shanghai and Hongkong.

The following shipping agencies and exporters were visited in Tacoma, in connection with the investigation of ocean freight rates:

Mr. McKune, chairman transportation bureau, Tacoma Commercial Club and Chamber of Commerce.

Mr. Giles Smith, acting secretary, Tacoma Commercial Club and Chamber of Commerce.

Mr. Hans Heidner, importer and exporter.

Mr. J. B. Van Fossen, agent for Osaka Shosen Kaisha.

Mr. J. T. Steeb, customhouse broker.

Others interviewed in Seattle are as follows:

A representative of M. Furuya & Co.

Northwest Trading Co.

Mr. Pettibone, of the American Trading Co.

The agent of the Norwegian-American Line, for information re freight rates to Scandinavian ports.

A representative of W. R. Grace & Co., who are agents for the Johnson Line, regarding rates to Copenhagen.

The vice consul for Norway.

A representative of Fawkner-Currie Co., shipping agents.

Ocean freight rates from Seattle to the Far East and London.

Commodity and port.	1914				1915				Jan. 1, 1916.
	Jan. 1.	Apr. 1.	July 1.	Oct. 1.	Jan. 1.	Apr. 1.	July 1.	Oct. 1	
Cotton (compressed), per 100 pounds:									
Hongkong	$0.40	$0.40	$0.40	$0.40	$0.40	$0.40	$0.40	$0.40	$1.00
Manila	.40	.40	.40	.40	.40	.40	.60	.75	1.00
Wheat, per ton of 2,000 pounds:									
Hongkong	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	[1]10.00
Manila	5.00	5.00	5.00	5.00	5.00	5.00	5.00	8.00	8.00
Sydney	6.52	6.52	6.52–6.63	6.79	7.61–8.14	13.04	17.39	17.39	21.73
London	4.89–8.69	4.89–8.69	4.89–8.69	4.89–8.69	10.87	10.87	10.87	11.41	29.33
Flour, per ton of 2,000 pounds:									
Hongkong	4.00–5.00	3.50–4.00	3.00–4.00	4.00	5.00	5.00–6.00	5.00–8.00	6.00–8.00	9.00
Manila	5.00	5.00	5.00	5.00	5.00	5.00	5.00	8.00	8.00
Meat products, per ton of 2,000 pounds:									
Hongkong	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Manila	8.00	8.00	8.00	8.00	8.00	8.00	10.00	10.00	.....
Shanghai	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Lard, per ton of 2,000 pounds:									
Hongkong	6.00	6.00	6.00	6.00	8.00	8.00	8.00	8.00	[1]8.00
Manila	6.00	6.00	6.00	6.00	6.00	6.00	7.50	10.00	10.00
Tobacco, per ton of 2,000 pounds:									
Hongkong	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Manila	10.00	10.00	10.00	10.00	10.00	10.00	.....	.....	.....
Shanghai	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Lumber, per thousand feet b. m.:									
Hongkong	10.00	10.00	10.00	10.00	12.00	12.00	12.00	15.00	17.00
Manila	10.00	10.00	10.00	10.00	12.00	12.00	12.00	15.00	17.00
Sydney	9.73–10.22	9.12–9.73	9.12–9.73	.....	.....	14.60	21.90	21.90	23.72–24.33
London	19.47	19.47	19.47	24.33	21.90	21.90	24.33	30.42	54.73
Steel products (bar iron, sheet iron, wire), per ton of 2,000 pounds:									
Hongkong	3.60	3.60	3.60	3.60	3.60	5.00	10.00	16.00	30.00
Manila	6.00	6.00	6.00	6.00	6.00	8.00	10.00	8.00	10.00
Shanghai	3.60	3.60	3.60	3.60	3.60	5.00	10.00	16.00	30.00

[1] And up.

Ocean freight rates from Seattle to the Far East and London—Continued.

Commodity and port.	1914				1915				Jan. 1, 1916.
	Jan. 1.	Apr. 1.	July 1.	Oct. 1.	Jan. 1.	Apr. 1.	July 1.	Oct. 1.	
Agricultural machinery, per ton of 2,000 pounds:									
Hongkong	$8.80–11.00	$8.80–11.00	$8.80–11.00	$8.80–11.00	$8.80–11.00	$8.80–11.00	$8.80–11.00	$8.80–11.00	$13.00–35.00
Manila [1]	7.00	7.00	7.00	8.00	8.00	8.00	10.00	10.00	10.00
Textile machinery, per ton of 2,000 pounds:									
Hongkong	6.60	6.60	6.60	6.60	6.60	6.60	6.60	6.60	6.60
Manila [1]	7.00	7.00	7.00	8.00	8.00	8.00	10.00	10.00	10.00
Copper, per ton of 2,000 pounds:									
Hongkong	5.00	5.00	5.00	5.00	5.00	8.00	10.00	8.00	10.00
Manila	5.00	5.00	5.00	5.00	5.00	8.00	10.00	8.00	20.00
London	6.52	6.52	6.52	6.52	6.52	6.52	6.52	6.52	27.17
Cotton and woolen goods, per ton of 2,000 pounds:									
Hongkong	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	.....
Manila [1]	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Boots and shoes, per ton of 2,000 pounds:									
Hongkong	12.00	12.00	12.00	12.00	13.72	13.72	13.72	13.72	15.00
Manila [1]	12.00	12.00	12.00	12.00	12.00	12.00	10.00	10.00	10.00
Leather, per ton of 2,000 pounds:									
Hongkong	15.00	15.00	15.00	15.00	35.00	35.00	35.00	35.00	35.00
Manila [1]	15.00	15.00	15.00	15.00	15.00	15.00	10.00	10.00	10.00
Sewing machines, per ton of 2,000 pounds:									
Hongkong	7.80	7.80	7.80	7.80	7.80	7.80	7.80	7.80	20.00
Manila [1]	8.00	8.00	8.00	8.00	8.00	8.00	10.00	10.00	10.00
Canned salmon, per ton of 2,000 pounds:									
Hongkong	6.00	6.00	6.00	6.00	6.00	6.50	8.00	10.00	12.00
Shanghai	6.00	6.00	6.00	6.00	6.00	6.50	8.00	10.00	12.00
London	9.78	9.78	9.78	9.78	10.87	10.87	21.73	21.73	21.73
OCEAN FREIGHT RATES FROM SEATTLE ON IMPORTS OF COPPER ORE, PER TON OF 2,000 POUNDS.									
Callao	$3.50	$3.50	$4.75	$4.75	$6.00	$6.00	$7.00	$7.00	$7.00
Valparaiso	4.02	4.02	4.02	4.02	3.93	3.93	4.02	6.25	6.25

[1] Indicates that quotations were on a basis of 40 cubic feet or 2,000 pounds, ship's option.

SAN FRANCISCO—OCEAN FREIGHT RATES.

The committee was unable to get full report of ocean freight rates from San Francisco for reasons stated by the commercial agent of the Department of Commerce in that city in the following communication:

MARCH 11, 1916.

BUREAU OF FOREIGN AND DOMESTIC COMMERCE:

Referring to bureau letter of February 2, calling for data on ocean freight rates, and telegram of the 10th instant, stating that such data should be mailed to-day, there is inclosed such meager material as it has been possible to collect to date.

Partial information is given as to rates to Hongkong, Manila, and Shanghai, furnished by the Toyo Kisen Kaisha; to Sydney, Australia, furnished by the Union Steamship Co. of New Zealand (Ltd.); to Copenhagen, Denmark, furnished by the East Asiatic Co. (Ltd.).

There has been no particular disposition to withhold information, except in one case, where the company did not care to go on record at all, but there has been a disposition to promise and not fulfill; parties on whom I had particularly depended failed to supply the desired information, though personal calls were made in addition to written requests. Calls made yesterday, after receipt of telegram from the bureau, brought forth renewed promises of data within a day or so from some of the concerns, but in other cases I was informed that it was simply impossible to get out the information, the general excuse being that it required too much work for an overburdened staff. This is borne out by the fact that several steamship companies are working evenings. Mr. H. E. Moore, traffic manager of W. R. Grace & Co., advised me yesterday that he had been obliged to neglect the ordinary correspondence for the past two weeks because of the great number of telegrams, cables, and conferences claiming his attention.

I had been particularly depending on W. R. Grace & Co. for information as to rates to the west coast of South America. Mr. Moore stated that rates in that direction had not advanced to the extent that they had in other trade routes—that, for example, the old rate of $12 on general merchandise had risen to but $14 per ton.

The Toyo Kisen Kaisha is unable to raise its rates on boats subsidized by the Japanese Government, though seeking authority to do so; on its chartered boats, however, the rates are considerably higher and are quoted only from boat to boat. This applies to the Java-Pacific Line and casual sailings, rates running anywhere from $30 to $60 per ton.

The closing of the Panama Canal is to some extent responsible for the present high rates, as prior to its closing there were more ships available for the oriental trade; the early opening of the canal will undoubtedly supply more carriers and place rates on a more stable basis, though they will probably remain high for some time to come. Mr. Otto Jelstrup, general agent of the East Asiatic Co. (Ltd.), advises that with the reopening of the canal a fleet of Danish motor ships will touch at San Francisco every three weeks westbound.

Mr. Back, of the Union Steam Ship Co. of New Zealand (Ltd.), in speaking of the difficulty of supplying data for this report, stated that they had offered $115,000 per month for the charter of one steamer and it had been refused, $140,000 being asked. Even at the lower rate it would be necessary for them to get $35 to $40 per ton for freight in order to make any profit.

If the data on charters and rates promised "as soon as we can get at it" and "in a day or so" is received shortly it will be forwarded, though it may be too late for any particular use of the bureau.

The various concerns from whom information is sought will, however, be visited again with hope of results.

E. G. BABBITT, *Commercial Agent.*

TRANSFER OF MERCHANT VESSELS FROM UNITED STATES TO FOREIGN REGISTRY.

The bill provides that vessels purchased, chartered, or leased from the board may not, without the approval of the board, be transferred to foreign registry or flag or sold. As these vessels will be purchased or constructed with funds furnished by the Government, with the view of increasing the facilities for the extension of our foreign commerce and to provide naval auxiliaries in time of war, they should be under the control of the board, as far as may be necessary to carry out that object. The bill does not place any limitations on the right of the owners of other vessels under the American flag to dispose of them as they please in time of peace. The bill does provide, however, that transfer from American registry to foreign registry when the United States is at war, or during national emergency, shall not be made without the approval of the board.

In the 11 months prior to January 22, 1916, the leading maritime nations, possessing over three-fourths of the world's merchant shipping under foreign flags, have passed laws or issued decrees forbidding their citizens or subjects to sell and transfer to the flag of another nation any merchant ship under their respective flags except by a special permit from the Government. Great Britain enacted such a law on February 12, Austria-Hungary issued such a decree on August 27, Denmark on October 8, Germany enacted such a law on October 21, France on November 11, Norway issued a decree on December 6, Brazil on December 9, and Spain promulgated a law on January 9, 1916. The merchant shipping of these countries aggregates 33,900,000 gross tons, out of a total of 43,370,000 gross tons of all foreign nations. Other nations may promulgate similar laws or decrees for the duration of the war, and notice of such laws or decrees may not be received in this country until after they have taken effect.

The imperative need of the creation of a board vested with powers to regulate common carriers by water is given expression in the following letters from the Chamber of Commerce of Porto Rico:

[Camara de Comercio de Puerto Rico, fundada en 1875 y reformada en abril de 1899; San Juan, P. R.; presidente, Don Benito Zaudondo; vice presidentes, Don Eudosio de la Cuetara, Mr. John M. Turner; secretario-tesorero, Don Arturo Carreras.]

DECEMBER 8, 1915.

Hon. WILLIAM G. MCADOO,
Secretary of the Treasury, Washington, D. C.

SIR: We confirm the letter which we had the honor of addressing you on November 19 last, and now take the liberty of inclosing copy of a communication we wrote on the 3d idem to Gen. Frank McIntyre, Chief of the Bureau of Insular Affairs, Washington, D. C.

We are desirous that you become thoroughly cognizant of the serious injury which the steamship monopoly plying out of here is causing our commerce and the export trade of the United States proper, the last exemplification being an arbitrary increase of 150 per cent on Porto Rico sugar destined to the United States.

In addition to this the steamship companies, and more particularly the New York & Porto Rico Steamship Co., have announced publicly that beginning with January 3, 1916, they purpose making changes in other freights between the United States and Porto Rico. They do not specify the tendency of such changes, but we have received information from private but reliable sources that the same will consist of an increase of 25 to 30 per cent over the already high rates charged.

The most adverse feature from the viewpoint of our trade interests is the fact that having developed a plan—the outgrowth of one year's study and labor—to start our own steamship line at this time, the combine has threatened to wage a relentless and ruinous rate war if we venture to carry our plan into execution.

This is why we feel emboldened to crave the protection of the United States Government, so that our interests may not be left open to the attacks of the steamship monopoly, which, actuated by inordinate greed, seeks to sweep aside all attempts to establish reasonable freights, and why we respectfully petition that a recommendation be made to the Congress to enact legislation regulating the freight rates between Porto Rico and the United States under the supervision of the national Executive.

Such an act of Congress would be the greatest boon that could be conferred upon the trade element and people of Porto Rico, and the chamber of commerce therefore prays that you will interpose your valuable influence to such end.

We ask you, Mr. McAdoo, kindly to pardon our insistence, but you will admit that in order to procure justice it must be sought through the proper channel.

Please accept our thanks in advance for all that you may do in our behalf.

Respectfully,

[SEAL.] CHAMBER OF COMMERCE OF PORTO RICO,
By B. ZALDUONDO, *President*.

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DECEMBER 3, 1915.

Gen. FRANK MCINTYRE, *Washington, D. C.*

MY DEAR GENERAL: Having heard of your return from the Philippines, I gladly avail myself of the present opportunity to convey to you the most respectful and cordial greetings of the above chamber of commerce.

On different occasions we have written Secretary of Commerce Redfield asking him to bear in mind the urgent necessity of recommending to the present Congress the passage of a legislative measure providing for Government regulation of ocean freight rates between this island and the United States. A promise to the desired effect was made by Secretary Redfield to the committee of the undersigned chamber of commerce, which had the honor of calling on him during February last, and we have no doubt that he will comply therewith.

You will remember the complaints which we filed with the said functionary in Washington at that time. Subsequently we have forwarded considerable corroborative evidence anent the inexplicable rise in ocean freights between here and there for want of regulative legislation.

We are now constrained to submit a new datum, which will undoubtedly sway the national administration in our favor and induce the Secretary of Commerce to include in the Government legislative program a measure governing traffic changes as prayed for.

We have reference to the following:

The agencies of the steamship companies which are operating a carrying service between Porto Rico and the United States have received instructions from their respective head offices in New York to charge 30 cents for every 100 pounds of sugar shipped from this island to the United States. The freight charged up to this time is 12 cents, and in corroboration of our statement we are prepared to furnish the United States Government signed contracts entered into by and in the possession of several shippers of sugar, based on a consideration of 12 cents for every 100 pounds.

The island of Porto Rico will produce during the present crop at least 3,000,000 sacks of sugar containing 250 pounds each. Of this output about 2,000,000 sacks will go to the United States. With the freight at 30 cents per 100 pounds, the carriage of each sack will cost 75 cents as against 30 cents paid at present. So that, reckoning the increase of 45 cents a sack on 2,000,000 sacks, we find our trade balance will be reduced by $900,000, which will go to swell the coffers of the monopolizing steamship companies plying out of here, to the grave detriment of this unfortunate island.

This chamber of commerce submits that it is neither equitable nor lawful that ocean carriers should be allowed to raise the freight of a staple product like sugar 150 per cent at 24 hours' notice, and such high procedure on their part is made possible only by the lack of adequate and necessary legislation for the regulation of freights.

The commerce of the United States is safeguarded by the interstate-commerce act, which provides for and creates a commission to enforce the regulation of interstate freights. But Porto Rico, which is included under the coastwise regulations, does not enjoy the benefits of this or any other analogous act, and, on the other hand, is deprived of the advantages accruing to freight carried in foreign bottoms. It is thus left naked to the machinations of the steamship combine which controls our traffic and divested of means to neutralize the disastrous effects resulting therefrom.

In view of the foregoing, this chamber of commerce respectfully and earnestly petitions Gen. McIntyre and the Secretary of Commerce, as well as the other officials of the national administration, to recommend to the present Congress the passage of appropriate legislation authorizing Government regulation of freight rates and of other conditions affecting transportation trade between this island and the United States.

For the past 12 months we have been urgently petitioning your bureau and the Secretary of Commerce to recommend the adoption of such legislation, and we refuse to believe that compliance with our just request will be longer deferred.

You are at liberty to refer this letter to Secretary of Commerce Redfield or to any other Government official, and we respectfully invite and confidently hope for your valuable cooperation in support of the petition of this chamber of commerce in furtherance of the general interests of the island of Porto Rico.

Respectfully,

CHAMBER OF COMMERCE OF PORTO RICO,
By B. ZALDUONDO.

NAVAL RESERVE FORCE.

The committee regard the provision for a naval reserve force of very great importance from the standpoint of national defense.

The officers and crews of vessels listed by the Secretary of the Navy as vessels of the United States naval auxiliary reserve, who volunteer for that purpose, may be enrolled as such naval reserve force under regulations prescribed by the Secretary of the Navy.

This provision is intended to articulate with a provision in a bill which we understand is now being considered by the Committee on Naval Affairs, providing for a United States naval auxiliary reserve.

In the event of any public emergency not only the vessels provided for in the bill may be taken over as naval auxiliaries, but provision will be made for crews for such vessels.

THE NEED OF A MERCHANT MARINE IN OUR FOREIGN TRADE.

It is not claimed for this bill that it provides for an adequate merchant marine in the foreign trade. That need will not be adequately supplied until we have not less than seven to ten million tons of shipping under the American flag engaged in the overseas trade. It will take years of intelligently directed effort to provide such a fleet of merchant ships.

If we would provide foreign markets for the surplus of our factories, mines, and farms and would compete on equal terms with foreign nations for such markets we must provide our own transportation facilities. The warehouse and railroad terminals on our seaboards are congested with commodities for export. Ocean freight rates have increased in many cases to a prohibitive degree, and in other cases vessels are not available at even the enormous rates shippers are willing to pay to move their commodities.

WAR LOSSES OF SHIPPING.

The following tabulation is compiled from the report of Commercial Attaché A. H. Baldwin at London from a statement of Mr. Archibald Hurd on the world shipping losses, published in daily Commerce Reports of March 20, and covers losses down to January 22, 1916; and from the report of the French Society of Shipbuilders (Société des Armateurs des France), covering the merchant vessels of belligerent nations held in ports of the world to avoid capture. The heavy tonnage destroyed by submarines, of course, is due to the number of very large passenger ships thus destroyed. The submarine attacks have been very destructive within the past few weeks and the total tonnage destroyed accordingly would probably now equal fully 2,250,000 gross tons. Following is a summary of actual losses up to January 22:

Destroyed or seriously damaged.

	Gross tons.
By submarine torpedoes, 431	1,212,785
By other war causes, 347	915,663
Grand total, 805	2,128,448

Following are condensed statements of the effects of the war upon the shipping of the two belligerent groups and the neutral group of nations:

MERCHANT SHIPS OF THE ALLIES.

On June 30, 1914 (Lloyd's Register), the merchant shipping of the allies comprised the following:

	Number.	Gross tons.
British	11,328	21,045,049
Belgian	182	352,124
French	1,576	2,319,438
Italian	1,190	1,668,296
Japanese	1,103	1,708,386
Russian	1,254	1,053,818
Total	16,603	28,147,111

Merchant ships of the allies in German, Austrian, and Turkish ports number 143, of 225,802 gross tons.

The Germans and Austrians have sunk or seriously damaged by submarine attacks 330 merchant ships of the allies, of 1,065,869 gross tons. German cruisers, mines, and explosions have sunk or seriously damaged 179 merchant ships of the allies, of 495,922 gross tons; total casualties, 509 ships, of 1,561,791 gross tons.

GERMAN AND AUSTRIAN MERCHANT SHIPS.

On June 30, 1914 (Lloyd's Register), the merchant shipping of Germany and Austria-Hungary comprised the following:

	Number.	Gross tons.
Austro-Hungarian	445	1,055,719
German	2,388	5,459,296
Total	2,833	6,515,015

On account of the war German and Austrian ships are now in port to avoid capture, and except to a small extent on the Baltic are not engaged in trade as German ships. Their location is—

	Number.	Gross tons.
In neutral ports	763	2,877,244
In allied ports	627	1,420,236
Total	1,390	4,297,480

A considerable number of those in allied ports are in trade under allied flags, either having been condemned as prizes or being requisitioned by the allied powers.

The allies have sunk very few German and Austrian merchant ships (54 of 124,018 gross tons, not including a few converted commerce destroyers, cruisers, e. g., *Cape Trafalgar* and *Kaiser Wilhelm der Grosse*).

The remainder, aggregating about 2,000,000 gross tons, are in German or Austrian harbors (no account, of course, is taken of Turkish or Bulgarian merchant ships).

Of the German and Austrian ships lying in neutral ports to avoid risk of capture, 95 such ships, of 628,837 gross tons, are in American ports, and 44, of 217,061 gross tons, in Brazil.

NEUTRAL MERCHANT SHIPS.

On June 30 the merchant shipping of neutral nations numbered 11,400, of 14,427,426 gross tons. Of this number, 101, of 146,916 gross tons, have been sunk or seriously damaged by submarines, and 114, of 295,723 gross tons, sunk or seriously damaged by other war causes. The allied navies have captured 52, of 98,833 gross tons, and the Germany Navy has captured 469, of a tonnage not stated, mainly small vessels in the Baltic and along the German coast. Many neutral vessels captured by both belligerents have been released and some condemned as prizes, but the figures are not at hand.

UNITED STATES VESSELS REGISTERED FOR FOREIGN TRADE AND BUILDING FOR SUCH TRADE.

The number of vessels registered for foreign trade January 1, 1916, was 2,913, of 2,000,778 gross tons.

The number of vessels admitted to American registry under act of August 18, 1914, up to May 8, 1916, was 180 vessels, of 617,183 gross tons.

The number of vessels of all kinds now being built in American shipyards, May 1, 1916, is 363 vessels of about 1,125,000 gross tons. It is not known how many of these vessels will be registered for the foreign trade, but probably more than 50 per cent.

The Washington Post of May 2, in a very able editorial, entitled "The foreign trade suffering for lack of an American merchant marine," reviews the situation in forceful language, from which we quote the following:

"The falling off in value of exports from the United States, as evidenced during the past three weeks, is directly chargeable to lack of available ocean tonnage to transport the freights offered.

"The prolongation of the congestion of freights at our railway terminals is likewise largely owing to the same shortage of vessels.

"The farmers lose in prices of their products through this embargo upon shipments of the grain and other commodities derived from the lands.

"The planters lose by reason of the limitations upon shipments of cotton, sugar, and rice.

"The miners and the mine owners would be doing far better if the vessels could be provided to transport the coal, the iron, the steel, the copper, the zinc, the lead, and other metals and minerals of the United States.

"The merchants, the bankers, and the manufacturers would all be benefited by the placing of additional vessels upon the trade routes over which the foreign trade of the United States is transported.

"The masses of the people, the industrial workers of the skilled and unskilled labor of this Republic, would all be benefited by expansion in volume and value of our exports, and that expansion would be enormous if the country had its merchant marine and the administration firmly demanded and strenuously maintained the freedom of the seas for our commerce.

"The foreign commerce of the United States is contracted, limited, narrowed, compressed, and the administration fails to clear the seas to our flag and our trade and the Congress fails to provide the country with the merchant marine that the Republic absolutely needs, and every Member of the Senate and every Member of the House is fully aware of the injury being done by the want of vessels.

"It is not a partisan question, and yet the country is permitted to suffer by reason of the inaction of certain elements in both of the leading parties.

"Private capital has not provided that marine; it will never provide such a marine as the huge trade of this Nation requires with its own cash. Private capital should be fairly treated, reasonably treated, encouraged by concessions to engage in this establishment of a merchant marine, paid for engaging in, if necessary; but when it receives the cash of the people of the United States for that purpose it should agree to the regulation of routes and rates by the United States Government, through which the people will pay these vessel owners and vessel controllers the cash for serving the people. The central idea, the vital point, that this marine is to be established for the benefit of the great commercial, industrial, and producing interests, for the benefit of the great majority of the people of the United States, should not for one moment be overlooked by the legislators of the Nation.

"The shipping interests are but the means through which these benefits must be made to accrue to the people. They are to be benefited, too, and should be guaranteed from loss while under governmental control of routes and rates, but they should be regarded as public utilities to serve the people of the United States, and when recipients of governmental aid they should be under governmental control of rates and routes."

Recently Admiral Baron Charles Beresford is quoted in the press as calling the attention of the House of Lords to the depletion in the tonnage of British ships needed for trade purposes, asserting that unless it were remedied it would endanger the supply of food, and asking the Government to consult the labor leaders with a view of obtaining more labor for shipbuilding.

In reply Earl Curzon said, "The Government is now administering the whole British mercantile marine amounting to half of the gross tonnage of the world. Forty-three per cent of the British tonnage [he added] has been requisitioned for naval and military purposes, 14 per cent is occupied in carrying foodstuffs and raw material in behalf of the Government and its allies, and the remaining 43 per cent is being operated by British shipowners under State regulations."

In this connection it may be interesting to call attention to an excerpt from the London Economist of November 13, 1915:

"In future the Government may requisition for the carriage of grain and other merchandise any ship registered in the United Kingdom, and after December 1 no British ship of over 500 tons may carry cargo from one foreign port to another without first obtaining a license from a committee in London. All British shipping is liable to be requisitioned for commercial purposes. All trade in British bottoms between foreign ports is to be under direct Government control."

The provisions of the bill creating a Federal shipping board with power to investigate and report to Congress regarding our navigation laws and their effect on the development of our merchant marine, and to have full jurisdiction under the law in all matters pertaining to overseas transportation, including the provisions abolishing deferred rebates, and providing for supervision of rates by such board, with the requirements for filing with the board schedules of rates and all agreements among over-seas commerce, have the approval of the Chamber of Commerce of the United States.

While this distinguished body of business men favor some form of subsidy or subvention to American shipping in the overseas trade, and particularly subventions to mail lines, such legislation is not pressed at this time for the good and sufficient reason that ocean rates are now almost prohibitive and all vessels at all suitable to our overseas trade are earning enormous dividends on their investments.

Representatives of the National Grange and Farmers Unions appeared before the committee and approved this legislation. The Federation of Labor and seamen's union have by resolutions in national convention approved this legislation.

We believe this bill should speedily be enacted into law, as it will create a shipping board charged with the duty of supervising and fostering our merchant marine. It will provide from 500,000 to 700,000 tons of merchant vessels to serve in the development of our foreign trade; in the event of war, a naval auxiliary manned by a naval auxiliary force. It provides for the reasonable regulation of common carriers by water in foreign and interstate commerce. It has been framed with the view of encouraging, not to discourage, private enterprise in construction and operation of vessels under the American flag. While shipyards are now busy in new construction, we have good reason to believe their facilities will be increased and a new record set in speed and skill in shipbuilding in American shipyards.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. GREENE of Massachusetts. Mr. Speaker, I ask for the yeas and nays on the amendments to section 9.

The SPEAKER. Under the agreement the vote is to be taken on the amendments to section 9 and the previous question is considered as ordered. The gentleman from Massachusetts demands the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 154, nays 82, answered "present" 6, not voting 190, as follows:

YEAS—154.

Abercrombie	Dies	Jones	Rouse
Adamson	Dixon	Keating	Rubey
Aiken	Doolittle	Key, Ohio	Rucker
Alexander	Doremus	Kincheloe	Russell, Mo.
Allen	Doughton	Kitchin	Scully
Almon	Dupré	Lesher	Sears
Ashbrook	Eagan	Lewis	Shallenberger
Aswell	Eagle	Lieb	Sherley
Ayres	Edwards	Liebel	Sherwood
Bailey	Evans	Linthicum	Sims
Barkley	Farley	Littlepage	Sisson
Black	Fields	Lloyd	Small
Booher	Fitzgerald	Lobeck	Smith, N. Y.
Borland	Gallagher	London	Smith, Tex.
Bruckner	Gallivan	McAndrews	Sparkman
Brumbaugh	Gandy	McClintic	Steagall
Buchanan, Ill.	Gard	McLemore	Steele, Iowa
Buchanan, Tex.	Garrett	Mays	Steele, Pa
Burnett	Glass	Montague	Stephens, Tex.
Byrns, Tenn.	Godwin, N. C.	Moon	Stone
Caldwell	Goodwin, Ark.	Moss	Taggart
Candler, Miss.	Gordon	Neely	Tague
Caraway	Gray, Ind.	Oldfield	Tavenner
Carlin	Hamlin	Oliver	Taylor, Ark.
Casey	Hardy	O'Shaunessy	Thompson
Cline	Harrison	Overmyer	Tillman
Coady	Hastings	Padgett	Van Dyke
Collier	Hayden	Page, N. C.	Venable
Connelly	Heflin	Patten	Vinson
Conry	Hilliard	Phelan	Watkins
Cox	Holland	Price	Watson, Va.
Crosser	Hood	Quin	Webb
Cullop	Houston	Rainey	Williams, W. E.
Dale, N. Y.	Huddleston	Raker	Wilson, La.
Davenport	Hulbert	Randall	Wingo
Davis, Tex.	Hull, Tenn.	Rauch	Wise
Dent	Humphreys, Miss.	Rayburn	Young, Tex.
Dewalt	Igoe	Reilly	
Dickinson	Johnson, Ky.	Riordan	

NAYS—82.

Bacharach	Garland	Lehlbach	Rowe
Barchfeld	Glynn	Lenroot	Rowland
Bennet	Green, Iowa	McArthur	Sanford
Bowers	Greene, Mass.	McKinley	Siegel
Britt	Greene, Vt.	Mann	Sinnott
Britten	Griest	Matthews	Smith, Idaho
Cannon	Hadley	Miller, Del.	Stafford
Carter, Mass.	Haskell	Mondell	Sterling
Chandler, N. Y.	Haugen	Mooney	Sutherland
Coleman	Helgesen	Moore, Pa.	Switzer
Cooper, Ohio	Hicks	Moores, Ind.	Timberlake
Cooper, Wis.	Hill	Morgan, Okla.	Towner
Cramton	Hopwood	Oakey	Treadway
Curry	Hull, Iowa	Parker, N. J.	Vare
Dale, Vt.	Johnson, S. Dak.	Platt	Volstead
Denison	Kahn	Porter	Watson, Pa.
Dillon	Keister	Powers	Wheeler
Dowell	Kennedy, Iowa	Ramseyer	Williams, Ohio
Edmonds	King	Reavis	Woods, Iowa
Focht	Kinkaid	Ricketts	
Fordney	Kreider	Rodenberg	

ANSWERED "PRESENT"—6.

Estopinal	Morrison	Sloan	Steenerson
Hawley	Slayden		

NOT VOTING—190.

Adair	Darrow	Gray, N. J.	Konop
Anderson	Davis, Minn.	Gregg	Lafean
Anthony	Decker	Griffin	La Follette
Austin	Dempsey	Guernsey	Langley
Barnhart	Dill	Hamill	Lazaro
Beakes	Dooling	Hamilton, Mich.	Lee
Beales	Driscoll	Hamilton, N. Y.	Lever
Bell	Drukker	Hart	Lindbergh
Blackmon	Dunn	Hay	Loft
Browne	Dyer	Hayes	Longworth
Browning	Ellsworth	Heaton	Loud
Burgess	Elston	Helm	McCracken
Burke	Emerson	Helvering	McCulloch
Butler	Esch	Henry	McDermott
Byrnes, S. C.	Fairchild	Hensley	McFadden
Callaway	Farr	Hernandez	McGillicuddy
Campbell	Ferris	Hinds	McKellar
Cantrill	Fess	Hollingsworth	McKenzie
Capstick	Finley	Howard	McLaughlin
Carew	Flood	Howell	Madden
Carter, Okla.	Flynn	Hughes	Magee
Cary	Foss	Humphrey, Wash.	Maher
Charles	Foster	Husted	Mapes
Chiperfield	Frear	Hutchinson	Martin
Church	Freeman	Jacoway	Mecker
Clark, Fla.	Fuller	James	Miller, Minn.
Cooper, W. Va.	Gardner	Johnson, Wash.	Miller, Pa
Copley	Garner	Kearns	Morgan, La.
Costello	Gillett	Kelley	Morin
Crago	Good	Kennedy, R. I.	Mott
Crisp	Gould	Kent	Mudd
Dallinger	Graham	Kettner	Murray
Danforth	Gray, Ala.	Kiess, Pa.	Nelson

Nicholls, S. C.	Roberts, Nev.	Snyder	Tinkham
Nichols, Mich.	Rogers	Stedman	Tribble
Nolan	Russell, Ohio	Stephens, Miss.	Walker
North	Sabath	Stephens, Nebr.	Walsh
Norton	Saunders	Stiness	Ward
Oglesby	Schall	Stout	Wason
Olney	Scott, Mich.	Sulloway	Whaley
Paige, Mass.	Scott, Pa.	Sumners	Williams, T. S.
Park	Sells	Sweet	Wilson, Fla.
Parker, N. Y.	Shackleford	Swift	Wilson, Ill
Peters	Shouse	Talbott	Winslow
Pou	Slemp	Taylor, Colo.	Wood, Ind.
Pratt	Smith, Mich.	Temple	Young, N. Dak.
Ragsdale	Smith, Minn.	Thomas	
Roberts, Mass.	Snell	Tilson	

So the amendments to section 9 were concurred in.

The Clerk announced the following pairs:

Until further notice:

Mr. CLARK of Florida with Mr. FULLER.
Mr. SLAYDEN with Mr. CAMPBELL.
Mr. ANTHONY with Mr. SHOUSE.
Mr. MCGILLICUDDY with Mr. GUERNSEY.
Mr. CALLAWAY with Mr. PETERS.
Mr. MCDERMOTT with Mr. CHARLES.
Mr. STEPHENS of Nebraska with Mr. SLOAN.
Mr. GREGG with Mr. STEENERSON.
Mr. THOMAS S. WILLIAMS with Mr. WALKER.
Mr. CRISP with Mr. HINDS.
Mr. FINLEY with Mr. NORTH.
Mr. FOSTER with Mr. CHIPERFIELD.
Mr. BURKE with Mr. WASON.
Mr. CANTRILL with Mr. LANGLEY.
Mr. LEVER with Mr. HAWLEY.
Mr. THOMAS with Mr. MAGEE.
Mr. TAYLOR of Colorado with Mr. SNYDER.
Mr. HAMILL with Mr. WARD.
Mr. HART with Mr. WILSON of Illinois.
Mr. RAGSDALE with Mr. SWIFT.
Mr. SHACKLEFORD with Mr. NOLAN.
Mr. STEDMAN with Mr. PARKER of New York.
Mr. OGLESBY with Mr. MADDEN.
Mr. SABATH with Mr. PAIGE of Massachusetts.
Mr. HELM with Mr. LONGWORTH.
Mr. BEAKES with Mr. HOWELL.
Mr. BURGESS with Mr. MCCRACKEN.
Mr. HOWARD with Mr. LOUD.
Mr. DOOLING with Mr. GILLETT.
Mr. PARK with Mr. HAMILTON of New York.
Mr. BARNHART with Mr. GRAY of New Jersey.
Mr. MAHER with Mr. MCLAUGHLIN.
Mr. POU with Mr. MCFADDEN.
Mr. MURRAY with Mr. MUDD.
Mr. SUMNERS with Mr. SLEMP.
Mr. BARNHART with Mr. CARY.
Mr. HENSLEY with Mr. DEMPSEY.
Mr. TRIBBLE with Mr. AUSTIN.
Mr. STOUT with Mr. COPLEY.
Mr. CAREW with Mr. DALLINGER.
Mr. CHURCH with Mr. DANFORTH.
Mr. KONOP with Mr. HUSTED.
Mr. HENRY with Mr. HAYES.
Mr. KETTNER with Mr. MCCULLOCH.
Mr. DRISCOLL with Mr. BUTLER.
Mr. GRIFFIN with Mr. FESS.
Mr. FLOOD with Mr. FAIRCHILD.
Mr. LOFT with Mr. KELLEY.
Mr. GRAY of Alabama with Mr. HAMILTON of Michigan.
Mr. SAUNDERS with Mr. MILLER of Minnesota.
Mr. NICHOLLS of South Carolina with Mr. MCKENZIE.
Mr. WILSON of Florida with Mr. SNELL.
Mr. ADAIR with Mr. COSTELLO.
Mr. DECKER with Mr. CRAGO.
Mr. FLYNN with Mr. DRUKKER.
Mr. DILL with Mr. COOPER of West Virginia.
Mr. WHALEY with Mr. SWEET.
Mr. OLNEY with Mr. WINSLOW.

On the vote:

Mr. GARNER (for) with Mr. DAVIS of Minnesota (against).
Mr. JACOWAY (for) with Mr. ROBERTS of Nevada (against).
Mr. HUGHES (for) with Mr. KIESS of Pennsylvania (against).
Mr. STEPHENS of Mississippi (for) with Mr. ROGERS (against).
Mr. MCKELLAR (for) with Mr. TINKHAM (against).
Mr. LEE (for) with Mr. ROBERTS of Massachusetts (against).
Mr. FERRIS (for) with Mr. DUNN (against).
Mr. BELL (for) with Mr. MAPES (against).
Mr. MORGAN of Louisiana (for) with Mr. HUTCHINSON (against).
Mr. BYRNES of South Carolina (for) with Mr. MOTT (against).
Mr. MORRISON (for) with Mr. HUMPHREY of Washington (against).
Mr. CARTER of Oklahoma (for) with Mr. GOULD (against).
Mr. TALBOTT (for) with Mr. BROWNING (against).
Mr. LAZARO (for) with Mr. CAPSTICK (against).
Mr. ESTOPINAL (for) with Mr. GRAHAM (against).
Mr. BLACKMON (for) with Mr. KENNEDY of Rhode Island (against).
Mr. HELVERING (for) with Mr. STINESS (against).

Mr. ESTOPINAL. Mr. Speaker, I am paired with the gentleman from Pennsylvania, Mr. GRAHAM. I understand that he did not vote. I therefore withdraw my vote of "yea" and answer "present."

The name of Mr. ESTOPINAL was called, and he answered "Present."

The result of the vote was announced as above recorded.

The SPEAKER. Under the agreement there is an hour of debate on amendment No. 48. The gentleman from Missouri is recognized for 30 minutes.

Mr. GREENE of Massachusetts. Mr. Speaker, I ask to have amendment No. 48 reported.

The SPEAKER. The Clerk will report amendment No. 48.

The Clerk read as follows:

SEC. 36. The Secretary of the Treasury is authorized to refuse a clearance to any vessel or other vehicle laden with merchandise destined for a foreign or domestic port whenever he shall have satisfactory reason to believe that the master, owner, or other officer of such vessel or other vehicle refuses or declines to accept or receive freight or cargo in good condition tendered for such port of destination or for some intermediate port of call, together with the proper freight or transportation charges therefor, by any citizen of the United States, unless the same is fully laden and has no space accommodations for the freight or cargo so tendered, due regard being had for the proper loading of such vessel or vehicle, or unless such freight or cargo consists of merchandise for which such vessel or vehicle is not adaptable.

Mr. CANNON. Mr. Speaker, will the gentleman from Missouri yield?

Mr. ALEXANDER. Certainly.

Mr. CANNON. Are there any amendments pending to this Senate amendment?

Mr. ALEXANDER. I understand there will be an amendment, and possibly two amendments, offered. There are none pending at the present time.

Mr. CANNON. Amendments are to be offered, to be voted upon?

Mr. ALEXANDER. Yes; they will be offered later and voted upon. Mr. Speaker, as I understood the gentleman from Iowa [Mr. TOWNER], he stated that the Senate amendment now under consideration would not apply to foreign ships as well as to American ships.

Mr. TOWNER. Mr. Speaker, I will state to the gentleman that I think I was mistaken in regard to my interpretation of the meaning of that amendment. I think it is proper that I should say that. I intended to say it, in view of the criticism that I made of the amendment.

Mr. ALEXANDER. Mr. Speaker, I am of opinion that the amendment applies to foreign ships as well as to American ships. The purpose of this amendment is to prevent the blacklisting of American firms engaged in foreign trade, and I am in entire sympathy with it. On the 16th of June, under leave to extend my remarks in the RECORD, I incorporated therein the British trading-with-the-enemy act and also the various British orders in council carrying into effect the provisions of that act, as well as a carefully prepared statement showing the effect of that act and the orders in council upon our commerce in the Far East. Hence this is a question to which I have given some thought, and I am deeply interested in having legislation along the line proposed in the Senate amendment No. 48, now under consideration.

The section as drawn is not just in the form that I would have drawn it. Two or three amendments have been suggested, to which I have no substantial objection, but I think it wise for the House to agree to the Senate amendment in the form in which it comes to us because it is late in the session, and to have the bill go back to the Senate again involves delay and we will be compelled to maintain a quorum here from day to day to take further action, if the Senate should not concur in the amendment to the Senate amendment that might better express our views. Therefore, out of an abundance of caution and in the exercise of wise discretion I think we should accept the Senate amendment in the form in which it comes to us.

Mr. BURNETT. May I ask my colleague one question in regard to the word "citizen"? Is the gentleman sure where it is tendered by any citizen of the United States that would embrace corporations or associations? Ordinarily that is true. I

have some doubt whether by that amendment it would embrace freight tendered by an association or a corporation possibly.

That is in line 7 of page 31.

Mr. ALEXANDER. Section 1 of the bill defines the term "person" to include corporations, partnerships, and associations existing under or authorized by the laws of the United States, or any State, and so forth, and section 2 provides:

SEC. 2. That within the meaning of this act no corporation, partnership, or association shall be deemed a citizen of the United States unless the controlling interest therein is owned by citizens of the United States, and, in the case of geographical divisions of the country, Not more than three of the commissioners shall be appointed from the same political party. No commissioner shall be in the employ of or hold any official relation to any common carrier by water or——

Mr. BURNETT. I think that covers it.

Mr. ALEXANDER. The Senate amendment provides that the Secretary of the Treasury is authorized to refuse clearance to any vessel or other vehicle laden with merchandise destined to a foreign port, if the vessel undertakes to clear in violation of the terms and conditions imposed thereby. The specific penalty under existing law on a vessel for leaving an American port without a clearance is $500. I called up the Commissioner of Navigation this morning to know if the law in that regard had been violated in the past. He has been Commissioner of Navigation since the early nineties and he said he could not recall a specific instance where the law had been violated by a vessel clearing without papers except recently a Russian ship had left some southern port and the captain after leaving recalled he did not have his clearance papers and returned to the port and secured his papers and then proceeded on his voyage.

Mr. BENNET. Will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman.

Mr. BENNET. Right in line with that. I think the gentleman agrees with those on this side who have spoken that a provision denying clearance would be a very effective provision?

Mr. ALEXANDER. I think so.

Mr. BENNET. I agree with the gentleman; and I want to ask the gentleman, in line with the question of the gentleman from Alabama [Mr. BURNETT], if the language on page 31, to which the gentleman from Alabama called the attention of the chairman, is "any citizen of the United States." The definition on page 2, line 19, is—

The term "person."

Now, if the phrase on page 31 read "By any person a citizen of the United States," then it would cover a corporation. As long as the word "person" is left out it does not cover a corporation, does it?

Mr. ALEXANDER. I think it does. I am not sure, but the Federal statutes so defines the word. I think our courts have held that a corporation organized under the laws of the United States is a citizen of the United States.

Mr. BENNET. But under the Sutherland amendment, where the description adheres to the port and not to the citizenship, there would not be any question about it.

Mr. ALEXANDER. I think not; but I think the word "citizen" in the Senate amendment includes corporations, for the reasons already stated.

Mr. BENNET. It is one more reason for adopting the Sutherland amendment, to clear up this doubt.

Mr. ALEXANDER. The gentleman from New Jersey [Mr. PARKER] had suggested an amendment, and, as I say, if it were not for the delay involved, if it were not for the fact it would compel us to send this bill back to the Senate for further action, if it were an original proposition to be worked out here, I would have no serious objection to such an amendment; but the penalty imposed by this act on a vessel clearing from an American port is a very drastic penalty, because if the vessel should undertake to leave one of our ports without clearance papers and in violation of this act clear, not only the power of the Revenue-Cutter Service but the Navy as well might be invoked to arrest and return that vessel to the port. Such a vessel on the high seas has no standing under maritime law, and no captain, in my opinion, would care to clear from an American port without his papers, and especially in troublous times like these.

Mr. LENROOT. Will the gentleman yield for a question?

Mr. ALEXANDER. I will.

Mr. LENROOT. The effect of the Senate amendment would compel the shipowner to accept contraband of war. Does not the gentleman think that requiring the accepting of contraband of war and making the ship liable to capture, for that reason, the option should be left to a shipowner whether he would accept contraband of war? Ought he be compelled to accept it and thus put his ship in jeopardy?

Mr. ALEXANDER. Here is the language of the section:

The Secretary of the Treasury is authorized to refuse clearance to any vessel—

And so forth. The gentleman will see it is not mandatory.

Mr. LENROOT. Yes; but is it not true that wherever Congress uses the word "authorized" in a case like this it is construed as being directory and not discretionary?

Mr. ALEXANDER. Well, I would think not. I would think it would be discretionary with the Secretary of the Treasury in the matter.

Mr. LENROOT. Is not the practice of the departments to the contrary?

Mr. HARDY. Will the gentleman yield?

Mr. HILL. Should not the Secretary have discretion? Ought we be compelled to submit to the changing of the contraband list every day or every week, as has been done during the year? Ought we be compelled to submit to the dictation of foreign powers in our own commerce?

Mr. ALEXANDER. I think not absolutely.

Mr. HILL. Therefore it ought to be left discretionary with the Secretary.

Mr. ALEXANDER. I agree with you, and I think it is left discretionary with the Secretary of the Treasury under the provisions of the Senate amendment.

Mr. STERLING and Mr. HARDY rose.

The SPEAKER. To whom does the gentleman yield, if to anybody?

Mr. ALEXANDER. I yield to my colleague.

Mr. HARDY. I would like to say to the gentleman who last interrogated the gentleman from Missouri that if we should adopt the amendment proposed by the gentleman from West Virginia I think it would be directory.

Mr. HILL. I do not know; I just came in. It seems to me it is perfectly unthinkable that this Nation should be subject to the dictation of other nations as to what is contraband and what is not on the mere whim of the moment, without any international agreement in regard to it.

Mr. HARDY. For that very reason, so as to leave discretion, I think the amendment of the gentleman from West Virginia ought not to be adopted.

Mr. HILL. I am in favor of anything that will give the United States control of the situation.

Mr. ALEXANDER. Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The gentleman reserves 10 minutes.

Mr. GREENE of Massachusetts. Mr. Speaker, I yield to the gentleman from West Virginia [Mr. SUTHERLAND] five minutes.

Mr. SUTHERLAND. Mr. Speaker, I desire to offer the following amendment.

The SPEAKER. The gentleman from West Virginia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered as a substitute for amendment No. 48, proposed by Mr. SUTHERLAND:

"That from and after the passage of this resolution, and during the existence of a war to which the United States is not a party, and in order to protect the commerce of the United States, the Secretary of the Treasury be, and hereby is, authorized, directed, and empowered to direct any collector of customs to refuse a clearance to any vessel or other vehicle laden with merchandise destined for a foreign or domestic port whenever he shall have satisfactory reason to believe that the master, owner, or other officer of such vessel or other vehicle refuses or declines to accept or receive freight or cargo tendered for such port of destination, or for some intermediate port of call, together with the proper freight or transportation charges therefor, from any port of the United States, unless the same is so declined or refused because such vessel or other vehicle is fully laden and has no space accommodations for the freight or cargo so tendered, due regard being had for the proper loading of such vessel or vehicle, or unless the acceptance of such merchandise will put the vessel or the cargo, or any part thereof, in danger of capture or seizure on the high seas."

Mr. SUTHERLAND. Mr. Speaker, the circumstances calling for the adoption of some measure of this kind are briefly these: That shippers of this country desiring to ship merchandise to ports of South America or other countries, upon applying for space in ships plying to those ports, are frequently at this time being refused the privilege of shipping such merchandise by the agents or owners of vessels, for the sole and only reason that if they take these cargoes or portions of cargoes they are boycotted at various coaling ports and are unable to get coal. It is even stated that at this time a vessel of the United States is practically interned at Bermuda because a portion of its cargo was consigned to a blacklisted firm. It has been denied the privilege of getting coal there at the coaling port, and is thus unable to proceed further on its voyage.

There seems to be no objection to this amendment on the part of the chairman of the committee having this bill in charge, except that it makes a change in the bill as reported back by

the conferees, and he is therefore afraid that the passage of the bill might be delayed or endangered. Apparently he concurs in the purpose of this amendment. There is every reason, as he stated, that some definite, even drastic, action should be taken to meet these circumstances, and that action is accomplished by this amendment in providing that unless these vessels take these cargoes or portions of cargoes that are offered to them, the vessels shall not be cleared from our ports. It is almost inconceivable to American citizens that the commerce of this country should be interfered with in this manner by a foreign nation, whether belligerent or not.

Mr. STERLING. Will the gentleman yield for a question?

Mr. SUTHERLAND. Yes.

Mr. STERLING. I do not see how this bill is going to remedy the situation. If this bill becomes a law, the result of it will be that all of our ships will be tied up in some of these foreign ports. How does the gentleman propose by this bill to compel the British Government to change its orders?

Mr. SUTHERLAND. Mr. Speaker, I conferred with some of those connected with the departments having these matters in charge, and the opinion was informally expressed to me that Great Britain or the other countries which would be affected, and which are unwarrantably interfering with legitimate American commerce, realize that there is no statute at this time under which the President of the United States can act. They are as well aware of the limitations of our statutes as we are on this side. It is believed that the mere enactment of legislation with the power given to the President to take immediate and drastic action, as provided by the amendment I have offered, would cause Great Britain and other countries which are guilty of these practices to change their orders in that respect.

Mr. Speaker, the amendment I have offered as a substitute for the Thomas amendment differs from the latter in several important particulars, and in my judgment more fully accomplishes the purposes of the Thomas amendment. In the first place it limits the application of the remedy to the period of time only during which a war is in progress to which the United States is not a party. The practices complained of could not conceivably be carried on or endured by this Government or its people during a time of general peace. Its sole justification is that it is a war measure, and we are expected to submit to this and other unjustifiable interferences with our rights under this pretext while our diplomatic protests are unavailing.

In the second place, my amendment is broader in its effect than the Thomas amendment, because it provides that clearance may be denied ships refusing freight offered by *any* shipper at our ports, and surely those who may not have actually gained citizenship here, but who are doing business in this country under the protection of our laws and our treaties with foreign powers, should receive the same protection in this matter as our own citizens receive.

In the third place, my amendment includes a provision suggested by the gentleman from New Jersey, Judge PARKER, which allows the refusal of freight the carrying of which would subject the vessel to capture on the high seas.

It is alleged, Mr. Speaker and gentlemen, that our mails enroute to neutral ports have been illegally seized and unreasonably delayed. That vessels that have usually plied directly between ports of this country and the ports of neutral countries have by devious ways been induced or compelled to change their routes so that they now stop at ports of one of the belligerent nations, and are there held to be under the jurisdiction of such nation and the mails carried on them subjected to stoppage and censorship, without warrant of international law.

These practices continue notwithstanding our protests. Particularly is this practice carried on at the ports of Kirkwall and Falmouth, in Great Britain, with reference to vessels carrying mails between this country and Scandinavia and Holland. Shall we allow these practices to continue, or shall we now effectually place in the hands of the executive branch of the Government an instrument which will enable it to stop at once the interference with our commerce, and let us hope that later some effective means may be found to reform the practices now being carried on with reference to our mails?

Is it sufficient for us that it is explained that these freights are declined because the consignee or consignor is blacklisted? Or shall we unhesitatingly protect the rights of every American citizen, whether nearly or remotely of foreign parentage, as well as any who have not become citizens, but who nevertheless are entitled to our protection and consideration as long as they conform to our laws? I hope my amendment may be adopted.

Mr. ALEXANDER. Will the gentleman yield?

Mr. SUTHERLAND. I will.

Mr. ALEXANDER. I will say to the gentleman from Illinois [Mr. STERLING], suppose Great Britan has absolute power to determine what commodities shall be shipped in British ships; we have the power to provide if those vessels come into American ports they shall comply with our laws. Now, for that reason this Senate amendment is intended to prevent an unreasonable exercise of that power by the British Government, and if it is exercised reasonably and within the reasonable laws of trade we will have no right to object.

The SPEAKER. The time of the gentleman has expired.

Mr. GREENE of Massachusetts. Mr. Speaker, I yield to the gentleman from Indiana [Mr. COX] five minutes.

Mr. COX. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Indiana asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. COX. Mr. Speaker, I am for this bill. I do not believe that any of the direful effects will befall this country if it is enacted into law which some have prophesied would happen to us this evening. For 20 years, or nearly so, the Congress of the United States has undertaken to regulate rates upon the railroads. It took a long time to get that proposition down to a solid, intelligent basis, but finally Congress through various laws from time to time enlarging the powers of the Interstate Commerce Commission has solved the problem. Down to this time there never has been any regulation of water rates or traffic, and if there was not a single thing in this bill except the establishment of a board and the giving to that board of power to regulate water traffic and transportation, in my opinion, it would be a splendid measure. This bill will never be repealed in its essential provisions, no matter which party gets control of this country, because out of it will eventually come splendid benefits to our people.

Every thoughtful American citizen recognizes that something must be done for our merchant marine. On this proposition there is a unanimity of expression between both of the leading parties in this country to-day. The difference arises as to how it shall be revived. The Democratic Party presents this bill to the country as its method of building up an American merchant marine. I heartily indorse the method pursued by my party. The Republican Party proposes a straight ship subsidy, discredited and discarded by its own party for many years and only revived in the Chicago convention.

Mr. Speaker, I undertake to say that this country will never stand for a ship subsidy. It is erroneous in principle, economically unsound in practice. The idea of paying shipowners a tremendous subsidy to haul American mail and American goods to foreign markets and permitting the American shipowner to own the vessel is not in accord with the spirit of the times. We have progressed on beyond that idea. We not only need but we must have a merchant marine to carry our goods to foreign markets. We have reached a point in the production of American goods far beyond American consumption. This year our export trade, consisting of American goods produced in our mines, factories, mills, and on the farms, reached the stupendous figure of six and a half billions of dollars. We are now in a fair way to get the South American trade; in fact, we have got it, and we must hold it. We can only hold it by being prepared to get our goods to South America. We would be derelict in our duty as legislators if we failed to make provision to get our goods to the Republics of South America. Our cities have grown to abnormal size, and the toilers and workers in our cities must keep their jobs; and they can only keep their jobs on condition that we extend our foreign trade, and our foreign trade can only be extended when we have vessels to carry American goods to foreign markets.

The $50,000,000 carried in this bill for buying or constructing American ships is a mere bagatelle as compared to what we should have. But it is a beginning. It is a start, and a good start at that. I am unalterably opposed to the Republican policy of a ship subsidy, because it is unsound in principle. We must have water regulation of rates, and the terms of this bill give to the commissioners power to regulate water rates similar to the power given to the Interstate Commerce Commission to fix freight rates on railroads. In my opinion and in my judgment, it will meet with universal approval from the masses of the people. It will only be condemned by the owners of vessels on water who heretofore have practically fixed their own rates.

But I want to briefly mention amendment No. 48. This amendment gives the Secretary of the Treasury power to refuse clear-

ance papers for all vessels sailing to foreign ports on refusing to carry American-manufactured goods unless the vessel is loaded at the time the goods are offered. I am heartily in favor of this amendment. I am in favor of any drastic law which will make the nations of the earth realize that the United States is still on the map. [Applause.] The very idea that almost from the time when the first shot rang out in the great European war the Republic of the United States has been doing business "by the grace of King George of England," if you please, is absurd, unbelievable; and yet that is the way we have been doing business since the outbreak of the war.

The American business man from October 1, 1914, down to the present hour has scarcely known from one day to the next what England's contraband list is or what it is going to be the next day; and at last, adding insult to injury, England has deliberately placed a large number of American firms upon a black list, refusing to trade with them, refusing to ship and transport their goods. For one, as an American citizen, I am tired of this brutal force of England. [Applause.] Never since the day that a little band of American citizens dumped English tea overboard from an English ship into the Boston Harbor have American business men done business through the will or by the consent of Great Britain or any other foreign prince, king, or potentate. The American business man until the present time has done business in an honorable, upright way with his foreign competitors without asking the consent of any foreign power.

I sent to the State Department a month ago and got what I supposed was the then list of American firms blacklisted by England. It consisted of eighty-odd different firms in the United States doing business legitimate and lawful under the Stars and Stripes; and whether native born or naturalized citizens of the United States, they at least are doing business on American soil, protected by American treaties with England, and all the other Governments which have blacklisted American firms.

I am not acquainted with any of the firms whose names are blacklisted, but I undertake to say from the names of every firm upon that list, with one exception, they are German firms. One of these firms carries an English name, but every one of the rest of them, without exception, contains a German name. I am not talking for politics at all. I may be saying things that I had better not say. From a political viewpoint, discretion may be the better part of valor, and valor in this instance may suggest to me to keep silent. But when the time comes that any great foreign power undertakes to stigmatize the Germans in this country as being unloyal, unfaithful, unpatriotic, I resent it, and I resent it with all the power and force within me. [Applause.] I live with 9,000 of them in my district, and a more loyal set of men never walked this earth. They are industrious, frugal, and energetic. Their patriotism has never been questioned; they have fought for the flag of our country on every battle field at home or abroad, and they stand ready and willing to do so again should our country ever be assailed by any foreign foe, no matter who it may be.

The English Government has blacklisted, or substantially so, a firm in my own district, because this is the effect of what England is doing to this little firm to-day.

The SPEAKER. The time of the gentleman from Indiana has expired.

Mr. COX. Mr. Speaker, will the gentleman from Massachusetts give me three minutes more?

Mr. GREENE of Massachusetts. I yield to the gentleman three minutes, Mr. Speaker.

The SPEAKER. The gentleman from Indiana is recognized for three minutes more.

Mr. SLOAN. Mr. Speaker, will the gentleman yield for a brief question there?

Mr. COX. For a brief question; yes.

Mr. SLOAN. What, if anything, has our State Department done to meet this injustice which the gentleman has so emphatically and clearly portrayed?

Mr. COX. I do not know. I can not discuss that; but I am in favor of doing this: I am in favor of giving to the Treasury Department a club, a bludgeon, and then I will risk public opinion in this country to enforce the statute, knowing that if the statute is enforced England will soon be compelled to lift her tyrannical, unlawful, and unwarranted blacklist. [Applause.] I know the concern in my own district personally. I know the men at the head of it. They are unable to get their goods in English vessels and unloaded on English docks, because their goods are on England's blacklist. Why these goods are on the blacklist, I do not know, except as I am informed that the same commodity which is made in my district is made in Germany, and England seems to be laboring under the delusion that these goods are made in Germany when the God's truth is they are made in Floyd County, Ind.

For nearly two years England has seized our mails, opened our letters, refused to let anything in the way of letters or parcel-post matter reach the central powers of Germany and Austria. Our Government has always regarded American mail with a sacredness, so much so that it refuses to permit any of its own citizens to interfere with mail, to prevent its transportation, or in any way to reach its proper destination. Yet patiently the people of our country have waited for nearly two years upon the good will of England to stop the interference with our mails—until patience has almost ceased to be a virtue.

Mr. Speaker, I am a man of peace; I deplore war as few men deplore it; but for one, by the Eternal God, I would send American mail to its proper destination if I had to send it backed and supported by the power of the American Navy. [Applause.] England receded, shortly after the outbreak of the war, from her London declaration of 1909, fixing contraband of war; and how many times she has enlarged this list, from the time the war broke out to this hour, I do not know. She has thrown a wall of mines around the British Isles; she has compelled American vessels to enter her ports for the sake of procuring pilots to safely pilot them through the wall of mines.

In this way she has taken American trade destined absolutely to neutral countries; she has denied the truth of American manifests and thrown American manufactured goods, produced in our mines, factories, and on our farms, into her own ports, condemned them as prizes, or, at her own good will, finally allowed them to reach their destination. This is un-American. How long are we going to submit to this overawing domination of Great Britain? How long is it going to last? How much longer must we crawl upon our hands and knees and crave the indulgence of King George, France, Russia, or any of the other belligerent powers, I care not who they be? [Applause.]

I am for amendment 48, and I am going to vote for any amendment that is offered on the floor of this House by any Member, upon either side of the aisle, that will strengthen it. [Applause.] I have been besieged not to do it. I have been told that if any amendment is agreed to in the bill, that this might defeat it and send it back to conference. Oh, I have heard that old argument before. I have been here entirely too long for that argument to have any terrors for me at all.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield for a question?

Mr. COX. For a question solely.

Mr. ALEXANDER. Does the gentleman want to make this legislation mandatory? Does he not want to leave any discretion anywhere?

Mr. COX. I would absolutely direct the Secretary of the Treasury of the United States, in this instance, to issue or not issue clearance papers to all vessels leaving American ports for foreign ports exactly as this Congress not a month ago directed the Postmaster General to pay our $2,300,000 to the rural-route carriers of this country. [Applause.] And if we can direct the Postmaster General to do a certain thing, in the name of high heaven, have we not got the right—the moral right—to direct the Secretary of the Treasury to issue or not to issue clearance papers to vessels leaving American ports? It is only a question, gentlemen, of our having the moral courage to do it. This is the whole thing in a nutshell. If we have the moral courage to write into a law this direction to the Secretary of the Treasury, then let us do it. Let us write into this law a provision that has teeth in it; that means something; that the moment England sees it she will recognize at once that we mean business; that England may recognize that when American goods made in this country, no matter by whom made, reach American ports, that they must go abroad.

I am for this amendment, and for an amendment to it which means something. [Applause.]

Mr. GREENE of Massachusetts. Mr. Speaker, I yield to the gentleman from Connecticut [Mr. HILL] 10 minutes.

The SPEAKER. The gentleman from Connecticut [Mr. HILL] is recognized for 10 minutes.

Mr. HILL. Mr. Speaker and gentlemen of the House, I am not here to speak for Germans or English or French, or anybody else, but to speak for the United States of America and the rights of American citizens.

If you will look in the RECORD at some remarks that I made the other day, you will find a list of contraband, and that is the vital question in this amendment:

The list comprises all articles which have been declared to be absolute contraband, as well as those declared to be conditional contraband—

I am reading from the proclamation of King George of Great Britain:

The circumstances of the present war are so peculiar that His Majesty's Government consider that for practical purposes the distinction between the two classes of contraband have ceased to have any value.

We had no part or privilege in making that decision. We were not consulted. I read from another proclamation by the King:

April 18, 1916: We do hereby declare, by and with the advice of our privy council, that during the continuance of the war, or until we do give further public notice the following articles will be treated as absolute contraband in addition to those set out in our royal proclamations above mentioned: Gold, silver, paper money, and all negotiable instruments and realizable securities.

There is a great variety of articles specified, and the lists are changed and added to at will.

Is the United States to be left absolutely under the direction of the other nations of the world in paying off its debts to neutral nations? I am for this amendment of the Committee on the Merchant Marine and Fisheries, almost enough so to vote for the whole bill—not quite—but I am going to vote for this amendment just as it is. I would make it stronger if I could. The gentleman here says if we include contraband we will find our ships tied up in the different ports of the world. Let us find them there, and see if there is not backbone enough in this administration to order them released and have them released if they are complying with the laws of the United States of America. [Applause.]

Let me tell you a little incident. I can not mention names. Our own people are terrified to-day, and write to us as Representatives stating conditions, and saying, "Please do not mention my name; it will get me into trouble."

I know a gentleman who for years has had a regular business in a foreign neutral country. A few days ago he got a small order from his agent, who has been his agent for years, and it was approved by the Merchants' Guild, designated and specified by Great Britain as the party to whom merchants in foreign countries should go and get approval so that they may receive shipments from the United States of America. It was approved. It had its number. Now, what happened? The order came forward. The money to pay for it came, and it had the approval of the foreign Merchants' Guild. You would naturally suppose that was enough to allow the American merchant to ship the articles specified therein to a neutral country. But no. When it gets here the merchant has to write to the British Embassy in Washington. The British Embassy writes to the neutral foreign country to verify it, to see whether the American merchant or the foreign purchaser has been making false statements about it. It is six or eight weeks before the answer comes back. When it comes back, then the British Embassy in Washington gives its gracious permit to have $150 worth of American goods shipped to a neutral country to a neutral merchant. How long are we going to submit to this sort of thing? I am for making that amendment just as drastic as it can be made. I am perfectly willing even to leave it to this administration, with all its diplomatic weakness, as I consider it, if I can not get anything better, in the hope that the good Lord some time or other will inspire this administration with a little courage, a little vigor, and a little backbone. [Applause.]

I yield back the remainder of my time.

Mr. GREENE of Massachusetts. How does the time stand now, Mr. Speaker?

The SPEAKER. The gentleman from Massachusetts [Mr. GREENE] has 12 minutes, and the gentleman from Missouri [Mr. ALEXANDER] has 20 minutes.

Mr. GREENE of Massachusetts. Will the gentleman from Missouri use some of his time now?

Mr. ALEXANDER. I yield five minutes to the gentleman from Indiana [Mr. CULLOP].

The SPEAKER. The gentleman from Indiana [Mr. CULLOP] is recognized for five minutes.

Mr. CULLOP. Mr. Speaker, in my judgment, this amendment as adopted by the Senate and upon which we are about to vote covers the very difficulty about which a great deal of complaint has been made. It authorizes the refusal of a clearance to any vessel that refuses to carry American goods to any of the ports of the world. In my judgment, that will cure the difficulty, and I think that amendment is proper and will enable difficulties now existing to be overcome.

I think a good many of the statements that have been made about the black list have been overdrawn. I know some of them have. I heard it stated not long ago that our people could not ship goods to South America without the consent of the British ambassador, and that the State Department knew that fact. I immediately went to the State Department and made inquiry as to that matter, and they informed me that they not only knew of nothing of that kind, but had had no information about anything of that kind, and if it existed anywhere they had never heard of it before. Such a thing would be intolerable, and this Government would not permit it. Such unfounded rumors ought not to be circulated, as they do harm and breed discontent.

Here is a bill that is calculated to do more good to the industry of this country than almost any other measure that has been passed in this House.

There is another fact that should not be overlooked. Fifty years ago the shipbuilding industry of this country was one of its leading industries. It flourished and was a great pride, but a change came with high protection and it suffered. It dwindled away until it almost faded out of existence. It was tariff taxed to death. During this administration the duty has been taken off the materials that enter into the building of ships and the industry has by magic sprung up, and has in a short time become one of the great industries of this country. It is assuming its old-time prestige, and thrift and confidence prevails. Now, it will not do for gentlemen upon that side to say that we need a tariff in order to protect the labor engaged in this industry, because higher wages now are paid than ever known. Since these articles have been free of duty the wages of all the employees in our shipyards are higher than they were before, and the business is in a most flourishing condition. The raw materials are on the free list, and the shipbuilding business is enjoying a marvelous prosperity.

We need this bill, and why? We need it for the purpose of reducing the cost of transportation of articles sold abroad in order that we may realize the profits that labor and the producer earn and should have the benefit.

Mr. EDMONDS. Will the gentleman yield?

The SPEAKER pro tempore (Mr. PAGE of North Carolina). Does the gentleman from Indiana yield to the gentleman from Pennsylvania?

Mr. CULLOP. I have only five minutes, and I prefer not to yield.

What is the situation? The price paid for our commodities abroad to-day in foreign lands is the consumer's price. If the transportation charges were reduced one-half, the producer and not the consumer abroad would be the beneficiary of that reduction. Take wheat, corn, and other articles. Gentlemen who are opposing this legislation are standing in the way of prosperity in this country. [Applause on the Democratic side.]

The SPEAKER pro tempore. The time of the gentleman from Indiana has expired.

Mr. ALEXANDER. I yield three minutes more to the gentleman.

Mr. CULLOP. When the European war broke out it cost to ship a bushel of wheat from any Atlantic port in this country to any European port 3 to 6 cents a bushel. Immediately upon the breaking out of the European war the freight rate rose and rose until it went to 46 cents a bushel. What was the result? The producer, not the foreign consumer, lost that amount. Our American producers suffered to that extent, and hence American interests suffered. Gentlemen who oppose this legislation are standing in the way of the prosperity of their own citizens, their own constituents. [Applause on the Democratic side.] I predict that after the passage of this bill we will not have to purchase half a dozen ships. The shipowners who now control these prices and have a monopoly will come down in their charges in order to avoid the competition. We have an example that supports this theory in the passage of the Federal insurance legislation. The same result will follow enactment of this measure. The same gentlemen who oppose this legislation were denouncing that legislation as socialism, competing with our own citizens, the Government driving business away from the individual, and predicting it would bankrupt the Government. But what was the result? With the enactment of the legislation, instead of bankrupting the Government as gentlemen predicted, instead of driving the citizen out of business as gentlemen on that side predicted it would do, the opposite result was had.

The Government went into the insurance business. It has paid all of its liabilities, cleared $100,000 a month for the Government for every month it has been in the business, and it did not drive a single American insurance company out of business, but they came down with their rates to a normal figure. So it will be in this case, and then the manufacturer, the farmer, the producer of this country will realize the profits.

The defeat of the ship bill a year and a half ago cost the producers of this country many, many millions of dollars, and the gentlemen who stood upon this floor denouncing it as socialistic, as injuring the citizen and bankrupting the Government, were injuring the producers of this country, depriving them of profits they were justly entitled to, amounting to millions and

millions of dollars. The country suffered because of its failure to pass and enormous losses were sustained. We should see to it now that such a result shall not be repeated. The people now understand its value and all know of its necessity. They know full well the motive which actuates those who are opposing its enactment and they who will be the beneficiaries if they should succeed in their opposition. The Ship Trust patiently hopes for their success. Since the European war broke out the Ship Trust has been reaping a golden harvest at the expense of the American producers, but with the passage of this measure its exploitation of the helpless will end and its opportunity for plunder will cease. It is time for it to end and the people who earn the profits given opportunity to enjoy them. Its enforcement will then open the markets of the world and this Government will be able to say to the world, "Hands off!" and enforce its declarations as to our export business. This Government is not cowering at the feet of any power in the world, and if any foreign power should attempt to limit our commerce it would be promptly resented and would sustain its position at all hazards. No Government would attempt it, because every nation in the world knows both our power and our courage, and none want to incur our displeasure, because of our ability to sustain our position. For political buncombe, a few in their political zeal have attempted to create the impression that some foreign country is dictating the terms upon which we shall conduct our commerce abroad, but the facts do not sustain their contention, but, on the contrary, completely refute them. They hope by their course to arouse race prejudice and gain a temporary political advantage, but they will not accomplish their purpose. This administration is not dominated by any foreign power, and, further, it will not be; and if attempted to do so it would be promptly resented and reprimanded. Let no one be deceived. President Wilson will take care of our American interests and defend American rights and preserve American honor, and every nation on the face of the earth knows and respects it. American prestige in the eyes of the entire world was never as great as it is at this hour, and the people of this country appreciate this fact. He has elevated the standard of Americanism so high that no nation cares to antagonize this country, and all studiously avoid incurring our hostility. The work of this administration excels that of any one that has preceded it, and it redounds to the welfare of the people, which commends it for continuance.

The SPEAKER pro tempore. The time of the gentleman from Indiana has expired.

Mr. GREENE of Massachusetts. Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. LENROOT] five minutes.

Mr. LENROOT. Mr. Speaker, we have just listened to another example of Democratic inconsistency. The gentleman from Indiana has spent eight minutes arguing that the producer in America pays the foreign freight rate and we would have saved so many millions if we had had the shipping bill before. When the gentleman comes to discuss the tariff he says the producer does not pay the tariff, but the consumer does. He is as consistent as the Democrats usually are.

But I want to say a word about the Senate amendment, the purpose of which I am heartily in favor of. In my judgment the language found in the Senate amendment is full of danger, because, according to the uniform practice of all the departments in this Government and the uniform practice of Congress, when a delegation of authority is made it is regarded as mandatory, and not discretionary. Now, Mr. Speaker, if this language is mandatory, it means that every shipowner affected by the amendment will be compelled to accept contraband of war as a part of the freight that he is to carry. If that is true, it comes very near a violation of neutrality on the part of our Government.

Under international law an American citizen has the absolute right to sell contraband of war to whoever he pleases. A shipowner has the absolute right to carry contraband of war, the penalty, and the only penalty, in both cases being the capture and confiscation of the property.

But, Mr. Speaker, the United States Government can not carry contraband of war without violation of its neutrality. If the Government should attempt to carry contraband of war on a Government ship, it would be an absolute violation, and likewise, it seems to me, it would be a violation of neutrality on the part of our Government to compel any shipowner to carry contraband of war. And so, if this is mandatory, it involves a very serious question indeed.

Mr. ALEXANDER. Will the gentleman yield?

Mr. LENROOT. Yes.

Mr. ALEXANDER. The language of the amendment of the gentleman from West Virginia does make it mandatory.

Mr. LENROOT. The amendment proposed by the gentleman makes it mandatory as to all goods that the Senate amendment does, except such goods as may render the ship liable to capture, and therefore absolutely takes care of the situation, and meets the situation better than the Senate amendment, because it will compel all goods other than contraband of war to be taken by the shipowner.

Mr. BENNET. The additions to the Sutherland amendment are those in the Parker amendment, which the gentleman from Missouri commended a few moments ago, but which he did not know had been added to the Sutherland amendment.

Mr. ALEXANDER. No; I did not understand that it had been added to the Sutherland amendment.

Mr. LENROOT. The Sutherland amendment excepts those goods that might be subject to capture.

Mr. ALEXANDER. I thought that was stricken out.

Mr. BENNET. No; it is a part of the Sutherland amendment.

Mr. LENROOT. But, Mr. Speaker, aside from that, the gentleman from West Virginia [Mr. SUTHERLAND] suggested that to compel the carrying of contraband of war might result in tying up the ships in a foreign port, and therefore, instead of being an aid to foreign commerce, might be a detriment. The gentleman from Connecticut [Mr. HILL] in reply said that if our ships are tied up in a foreign port because they carry contraband of war, let us find out and see whether there is backbone enough in this administration to get them out.

Mr. HILL. Will the gentleman yield?

Mr. LENROOT. My time is short.

Mr. HILL. Would not the same conditions result if freight was carried to a black-listed person?

Mr. LENROOT. I want to follow out the line I started upon in answer to the gentleman's statement. The gentleman said that we will see whether there is backbone enough in this country to get the ships out. I want to say that if any ship does carry contraband of war, the United States Government is absolutely powerless to get the ships out, because they have the right of capture.

Mr. SUTHERLAND. They could carry freight to South America.

Mr. LENROOT. In addition to that, Mr. Chairman, let us take a ship four-fifths of the cargo of which is loaded with foodstuffs, and somebody offers a thousand rifles or a hundred cannon to the ship. Is it fair to the shipowner, is it fair to the producer, is it fair to the shipper of foodstuffs, to subject four-fifths of the cargo to detention and capture because of these 1,000 rifles or 100 cannon which are contraband of war?

In addition to that, Mr. Speaker, I can very well see that to compel every shipowner to carry contraband of war to complete his cargo might well mean an increase of freight rates on goods that are noncontraband of war, because the hazard is so much greater and subjects the ship to capture, whereas if there was no contraband of war he would not be subject to capture or detention at all. So there should either be a discretion clearly reposed in the Secretary of the Treasury or the provisions of the Sutherland amendment should be adopted excepting them.

I want to say a word in reference to the construction of the language. Wherever in any bill, as Members will recollect, the authority is granted to the head of any department to do a thing, if we want to make it discretionary we always—if it is not done in committee we do it on the floor of the House—we always say "authorized within his discretion" to do certain things. If that was done in this case, of course it would clearly make it discretionary; but as it stands, both under the practice of the department and the practice of Congress, it will be regarded as mandatory, compelling them to refuse clearance unless contraband goods are accepted. For the reasons given, I shall heartily support the Sutherland amendment, and hope it will be adopted.

Mr. ALEXANDER. Mr. Speaker, I yield five minutes to the gentleman from Texas [Mr. HARDY].

Mr. HARDY. Mr. Speaker, this amendment 48, I think, should be agreed to. I can not conceive how any reasonable objection can be made to it. It is claimed that other Governments discriminate against our commerce in the distribution of their freight space on cargo ships or refusal to carry the freight of our people. This amendment seeks to clothe the Government of the United States with the right to prevent that discrimination whenever they find it is being used to the detriment of our shipping. The amendment proposed by the gentleman from West Virginia [Mr. SUTHERLAND] means nothing unless it means to take away from the Government or the executive officer, the Secretary of the Treasury, the discretion which is vested in him by the Senate amendment. It does direct him mandatorily to refuse a clearance to certain vessels that refuse cargo space to American goods, and then it undertakes to exempt certain vessels or accept certain excuses that a vessel owner may give by trying to specify cases in which

the vessel owner will have the right to refuse the cargo. In doing that it still further takes away discretion from the Secretary of the Treasury. In my opinion the language of this amendment as it comes from the Senate is precisely right, because it places in the executive department, the Secretary of the Treasury, the right to examine and investigate the actions of foreign Governments, and if he finds that any foreign Government is discriminating against our shippers to the detriment of our trade, then he can refuse clearance to a ship that is so discriminating against our goods. Whenever you undertake to restrict or bind or limit or fix the limit upon the discretion of the Secretary of the Treasury you cripple the arm of the Government that should be used freely for the protection of our industries and our interests.

There is another matter. It does seem to me that everybody who wants to pass this bill and let Congress get away from here should try not to tangle up the situation by any amendment, however slight or unimportant, that would throw this bill in conference and again back into the Senate and again back into the House. This is such a little amendment, with so little, if any, improvement, even if anybody believes it is an improvement, that I believe we ought upon this measure, all of us, Republicans and Democrats, to vote against the proposed amendment of the gentleman from West Virginia and for amendment 48 as it comes from the Senate and get the whole thing into effect for the protection of our commerce against the blacklist and other discriminations at once.

Mr. SUTHERLAND. Mr. Speaker, I ask unanimous consent to substitute the words "the Secretary of the Treasury" for the words "the President" in my amendment.

The SPEAKER. The gentleman from West Virginia asks unanimous consent to modify his amendment by substituting for the words "the President" the words "the Secretary of the Treasury." Is there objection?

There was no objection.

Mr. GREENE of Massachusetts. Mr. Speaker, I yield to the gentleman from Nebraska [Mr. SLOAN].

Mr. SLOAN. Mr. Speaker, the bill before the House is adverse to the best interests of the farmers of the United States. The main proposition is to borrow money for the purpose of buying ships at the highest price that ships ever were held since Noah was a sailor. The ships are expected to transport goods to foreign ports, but the large purpose is to enable those ships to carry farm products from Argentina, Australia, and elsewhere to the ports of the United States and compete thereby with the products of our great farming districts. [Applause on the Republican side.]

At the same time, to further place a burden upon the farmers of the United States, two great committees of the House and Senate are preparing measures that will undoubtedly raise the freight rates of every man who produces a bushel of surplus grain or a pound of surplus animal food products throughout the country. [Applause on the Republican side.]

The largest temporary fact on earth is the European war. The largest permanent fact conceived and upbuilt by men is the American Republic, with its liberal Government, progress, and present wealth. The largest problem for the statesmen of America and of Europe will be to defend on the one hand and assail on the other the industry, commerce, and wealth of America when the war closes. Europe will endeavor to obtain in her own way that which we should defend in our most effective way.

Raising revenues to meet governmental expense has been for centuries the point about which political controversies have centered. Our Constitution makers in wisely taking to the General Government control of the ports of entry, provided not only the best and most effective means of raising the major part of our revenue, but enabled the Government to prefer, and cause its citizens to prefer, the products of American labor and capital to those produced or used under any other flag.

The primacy of this principle has always been recognized by the political division, under whatever name it has been known, which has been devoted to constructive principles. It has been uniformly opposed by those with a taste for the foreign flavor and texture, and not so deeply concerned about the predominance and permanence of things American.

So a protective tariff, with widely separated exceptions, has been the large issue for nearly a century. It was the large issue in 1912. As a factor in determining the result, it was then seriously affected by the division of the Republican Party. The protective tariff, as carried out in this country, has been applied to products which at the time were, or within a reasonable time would probably become, competitive with like products from other lands. Under this policy, Republicans placed reasonable duties upon farm products in the McKinley bill of 1892. These the Wilson bill of 1894 largely reduced. The Wilson bill, however, retained a substantial duty—generally ad valorem—on nearly all farm products. The Dingley bill of 1897 placed a wholesome protective tariff upon farm products. This tariff was practically reenacted in the Payne law of 1909 and remained until superseded by the Underwood law of October 3, 1913.

Republicans favored protection of farm products for the following reasons:

First. Because they saw in the growth of our population and the rapid reduction to cultivation of our lands, as well as in our annual statistics, an approximation of consumption and production.

Second. Farming is not the simple process it once was to be carried on by anyone, and taken up or dropped at any time. A season, a year, or even a decade will not span or determine agricultural success. Farming is a profession now and ought to be the noblest of them all. It should receive first consideration instead of being made the victim of unwarranted legislative caprice or party venom.

The farmer must combine the training of the engineer to understand and manipulate his complicated machinery, with the study of the scientist, to prepare the soil, seed, harvest, and garner. Moreover, he must be a financier to judge when, how, and under what circumstance to market his products that best results may follow.

Third. The course of tariff legislation in other countries, Britain excepted, has been to place protective duties on farm products. The following table gives some of the duties the American farmer must pay in order to enter his products in foreign countries:

Country.	Fresh meats per pound (about).	Cured or simply prepared meats per pound (about).	Average of cereals per bushel (about).
Austria-Hungary	$0.03	$0.03	0.211
France	.024	.032	.177
Germany	.035	.039	.215
Belgium	.019	Free.	Free.
Russia	Free.	.021	Free.
Greece	.07[illegible]	.011	.167
Italy	.010	.072	.196
Spain	.012	.044	.221
Sweden	.003	.064	.198
Canada	.030	.030	.094
Mexico	.032	.043	.220
Argentina	Free.	.109	.195
Brazil	.078	.197	.177
Australia	.040	.060	.194

NOTE.—Rates are not precise on account of differences of money terms used and the fact that some rates are ad valorem and some specific.

Fourth. The results of the Dingley and Payne agricultural tariffs were satisfactory on the protective, competitive, and revenue bases. Witness the following tables showing the dutiable goods entered at our ports for every fifth fiscal year, beginning 1897 and ending 1912:

SCHEDULE A.—*Chemicals, oils, and paints.*

Year ended June 30—	Values.	Duties collected.
1897	$19,993,638	$5,449,024
1902	29,991,971	8,499,704
1907	49,206,137	11,129,088
1912	67,255,941	12,253,742

SCHEDULE B.—*Earths, earthenware, and glassware.*

Year ended June 30—	Values.	Duties collected.
1897	$21,166,515	$7,605,169
1902	23,424,011	11,365,381
1907	31,305,909	15,370,914
1912	21,993,265	11,156,221

SCHEDULE C.—*Metals and manufactures of.*

Year ended June 30—	Values.	Duties collected.
1897	$23,693,995	$8,955,132
1902	38,870,207	14,974,244
1907	67,148,963	21,882,145
1912	50,491,870	17,346,221

SCHEDULE D.—*Wood and manufactures of.*

Year ended June 30—	Values.	Duties collected.
1897	$1,485,479	$339,974
1902	14,556,267	2,572,527
1907	24,472,483	3,701,201
1912	24,414,913	3,042,834

SCHEDULE E.—*Sugar, molasses, and manufactures of.*

Year ended June 30—	Values.	Duties collected.
1897	$98,283,469	$41,346,400
1902	61,116,367	53,040,877
1907	92,784,081	60,338,523
1912	105,744,519	50,951,199

SCHEDULE F.—*Tobacco and manufactures of.*

Year ended June 30—	Values.	Duties collected.
1897	$18,782,759	$20,971,882
1902	16,331,536	18,756,035
1907	29,959,081	26,125,037
1912	31,116,052	25,571,508

SCHEDULE G.—*Agricultural products and provisions.*

Year ended June 30—	Values.	Duties collected.
1897	$33,716,958	$8,613,987
1902	43,682,461	16,012,639
1907	63,720,855	19,203,886
1912	117,711,156	34,146,071

SCHEDULE H.—*Spirits, wines, and other beverages.*

Year ended June 30—	Values.	Duties collected.
1897	$11,880,430	$8,136,014
1902	15,367,757	10,562,022
1907	25,083,420	16,318,120
1912	20,731,233	17,409,815

SCHEDULE I.—*Cotton manufactures.*

Year ended June 30—	Values.	Duties collected.
1897	$22,650,234	$9,903,895
1902	21,129,139	10,422,030
1907	31,857,017	14,284,628
1912	24,358,360	11,085,150

SCHEDULE J.—*Flax, hemp, jute, and manufactures of.*

Year ended June 30—	Values.	Duties collected.
1897	$34,852,448	$14,110,685
1902	68,133,003	30,694,804
1907	114,124,372	49,830,953
1912	108,698,102	49,062,348

SCHEDULE K.—*Wool and manufactures of.*

Year ended June 30—	Values.	Duties collected.
1897	$48,902,866	$22,702,726
1902	35,363,788	26,396,923
1907	62,831,601	36,561,217
1912	48,361,374	27,072,116

SCHEDULE L.—*Silks and silk goods.*

Year ended June 30—	Values.	Duties collected.
1897	$26,517,092	$12,421,970
1902	32,242,228	17,293,290
1907	38,816,839	20,313,706
1912	26,571,510	13,695,239

SCHEDULE M.—*Pulp, papers, and books.*

Year ended June 30—	Values.	Duties collected.
1897	$5,319,055	$1,200,044
1902	8,047,824	1,886,476
1907	20,005,025	4,136,020
1912	22,828,121	4,888,071

SCHEDULE N.—*Sundries.*

Year ended June 30—	Values.	Duties collected.
1897	$41,184,008	$10,031,203
1902	86,065,341	20,183,084
1907	133,992,451	29,842,107
1912	108,952,769	26,931,000

The following comparisons of imports of 27 leading northern product periods will be interesting from both import and revenue considerations:

First comparison, first nine months, new law, with corresponding months in last year of old law: Old law imports, $49,727,159; new law imports, $130,692,543. Increase, 162 per cent.

Second comparison, first year of new law compared with last corresponding year under the old law: Old law imports, $83,342,993; new law imports, $166,020,946. Increase, 162 per cent.

Third comparison, first 21 months of the new law compared with the last corresponding period of the old law (it will be noted that this period contains 10 months nonwar period and 11 months war period): Old law imports, $132,395,694; new law imports, $273,718,123. Increase, 106 per cent.

Total imports for 21 months under new law compared with last 21 months under old law: Total imports under old law, $2,229,780,348; total imports of foodstuffs and raw wool, $533,733, or 24 per cent of the totals; total imports under new law, $3,121,285,761; total imports of foodstuffs and raw wool, $1,003,809,279, or 32 per cent of the total. This shows an increase in imports of $891,505,413, of which food products and raw wool was $447,265,546, or 50 per cent. While the imports of foodstuffs and raw wool increased 80 per cent, the increase of all other products was only 20 per cent.

Free imports: Of the total free imports during the last 21 months of the old law, amounting to $1,215,461,871, 18 per cent, or $228,337,714, were foodstuffs and raw wool. For the first 21 months under the new law the total free imports were $1,927,895,375, of which $557,519,898, or 29 per cent, was foodstuffs and raw wool. This shows an increase of $712,433,504, of which foodstuffs and raw wool furnish $329,182,184, or 46 per cent. While the imports of foodstuffs and raw wool under the free list increased 144 per cent, the increase of all other products on the free list was only 38 per cent.

Revenue: If the old rates had been collected upon the imports of these 27 articles for the first 21 months under the new law the revenue would have amounted to $88,377,974. The amount actually collected for a period of 21 months under the new law was $9,283,577. Now, this is but a part of Schedule G with raw wool added. * * * From these facts and figures the loss of revenue growing out of this discrimination against the farmer totals each year an enormous sum. And if we were to include all of Schedule G, with raw wool added, we must add several millions more.

Selecting 1912 as the last year which was not disturbed by threatening or actual tariff changes, and 1915 as the first clear year under the Underwood law, we find the dutiable agricultural imports of 1912 to be $783,457,471; for 1915, $908,185,128. This shows an increase of $124,727,657. In order to bring in this additional competition the Treasury lost, on the dutiable list, $33,270,720. This is measured by the difference between Schedule G's income in 1912 and 1915, plus the loss on raw wool. In other words, 34 per cent, or more than one-third, of all the losses of revenue suffered under the Underwood law resulted from the changes made in farm-product duties.

It would have been a bold statement in the light of all these facts for the Democratic Party to have declared in favor of placing farm products generally on the free list. Yet fair dealing with the producers of the country required such a platform statement, if legislation such as was afterwards enacted in the Underwood law had then been contemplated. To do less was bad faith. Yet nowhere in the Democratic platform of 1912 was there a hint, to say nothing about an open statement, that the large feature of Democracy's tariff policy, which was given first place in the national platform and in the tariff law which

was given first place in the Democratic legislative program, was to be the removal of duty from nearly all farm products produced in the North and drastic reduction of others belonging to that section.

The Democratic national platform said nothing directly about farm products being placed on the free list, nor did it state, leaving anything open to inference, that its legislation would be of that character. The first important clause of its paramount plank was—

We favor the immediate downward revision of the existing high and in many cases prohibitive tariff duties, insisting that material reductions be speedily made upon the necessities of life.

Speedy reduction of duties can not be tortured by any honest interpretation into meaning a removal of duties. The idea involved in the word "reduction" indicates a lessening, but also implies a continuance in form and substance of the original factor. So farmers may have been warned that duties on farm products would be reduced in case of Democratic success, as had been done in the Wilson bill in 1884, but no one was given to understand or was warranted in understanding that the duties would be removed and farm products generally placed on the free list. The change promised was a matter of diet, not of death.

However, further on the platform states:

Articles entering into competition with trust-controlled products and articles which are sold abroad more cheaply than at home should be put upon the free list.

The products of the American farm do not enter into competition with trust-controlled products and have not been sold abroad more cheaply than at home. The wheat, corn, rye, cattle, hogs, sheep, poultry, eggs, potatoes, and other products of the farm are not sold by our farmers in competition with any trust.

The only other provision of the Baltimore platform which related to duties on farm products is where it says:

We denounce the action of President Taft in vetoing the bills to reduce the tariff in the cotton, woolen, metal, and chemical schedules and the farmers' free-list bill.

It will be recalled that the farmer's free-list bill, as it passed Congress and was presented to President Taft, contained little produced upon the farm. The articles, including meats and cereals, which had been in the free-list bill when originally introduced, had been, by the deliberate action of a Democratic House and a Republican Senate, cut out of that bill. So that all any farmer had reason to fear if fairly dealt with by the successful party was a reduction of the rate of duties upon his products, and he was in nowise warned that any of them would be placed upon the free list.

Judge Cowan, of Texas, a Democrat, speaking before the Ways and Means Committee, during the discussion of the Underwood bill, practically charged the Democratic Party with bad faith in placing live stock and meats on the free list when it had not declared for such policy at Baltimore.

Upon this question the American people, except the Democratic Party, had largely and fairly expressed themselves. The Republican platform adopted at Chicago in 1912 said:

The products of the farm and of the mine should receive the same measure of protection as other products of American labor.

The Progressive national platform adopted at Chicago in 1912 said:

We believe in a protective tariff which shall equalize conditions of competition between the United States and foreign countries, both for the farmer and the manufacturer, and which shall maintain for labor an adequate standard of living.

There were cast in support of these platforms for unsuccessful presidential candidates 7,604,518 votes. There were cast for the successful minority candidate for President only 6,293,454 votes. There were lacking 1,311,064 votes of a majority. And, moreover, of all candidates for the House of Representatives in the Sixty-third Congress the expression of the voters on this great subject of legislation, if carried into effect, would have elected 211 Democrats and 224 Members favoring reasonable protection to the products of farm, factory, and mine.

Further, the two great agricultural organizations of this country have not been silent on this subject. The National Grange, speaking upon this subject, said:

We confirm the position of the grange upon the tariff question as passed by the forty-second session of the National Grange, namely, "That whatever the policy of the Government may be, the farmers of the United States demand that, as far as possible, such measures of direct benefit therefrom as is given to manufacturers or any other industries of the country shall also be accorded to agriculture."

The Farmers' National Congress, in its last formal deliverance on this subject, said:

A fair and equal measure accorded to all industries of the country needing protection. Any legislative discrimination will be opposed by our influence and resented by our votes. We will never submit to selling in a free-trade market and buying in a protected market.

Upon the other hand, no farmers' organization has demanded free or substantially free trade in farm products.

Schedule G, with the rest of the bill, was sent to a Democratic caucus of House Members, dominated by cotton and Tammany. When a northern Member simply attempted to protest in the name of the farmers of the North, he was browbeaten into silence. He was told to take his choice, silence and patronage, or protest and disfavor. One was told that the active postmasters he might name would exert more influence than the 20,000 farmer voters in his district. He chose the postmasters. A Republican successor now sits in his stead. In the 1914 congressional election the Republicans gained 36 agricultural districts.

The largest feature of the Underwood tariff bill was its slaughter of farmers' protection, as the following facts will establish:

First. It affected the large group of all citizens, who, according to our census estimates, are divided as follows:

Agriculture and animal husbandry	12,500,000
Manufacturing and mechanical industry	10,500,000
Domestic and personal service	3,800,000
Trade	3,500,000
Transportation	2,700,000
Clerical service	1,700,000
Professions	1,600,000
Minerals	900,000

Second. It threw open to competition the largest portion of our country's annual production of wealth with the rapidly increasing products of other agricultural countries, including the great pastures and developing lands in Canada, South America, Australia, and Africa. So the largest factor of competition created by the Underwood law was against the farmers in their right to the home market, which they had been for decades upbuilding. Indeed, the remarkable prophecy contained in the report signed by the 14 Democratic members of the Ways and Means Committee in support of the Underwood bill seemed to apply to agriculture, our greatest industry. Over their signatures these men said: "In our judgment, the future growth of our great industries lies beyond the seas."

Republicans believe that the future growth of our great industries, as well as our lesser ones, should lie between the great seas, Atlantic and Pacific.

COMPARISON OF IMPORTS—1914 WITH 1912.

The fiscal year of 1914 contains three months of the Payne law and nine months of the Underwood law.

There was an increase on all imports over 1912 of $270,889,052. Of these $140,789,052 were farm products; all others, $130,099,907. Stated in percentages, farm products, 52 per cent; all others, 48 per cent.

There was an increase in all exports in 1914 over 1912 of $159,364,197. Of this, $63,346,504 only was farm products and $96,017,693 all others. Stated in percentages, farm products, 40 per cent; all others, 60 per cent. In other words, the farmers were forced to meet $140,789,052 increased import competition in exchange for the advantage of $63,346,504 export. Or, stated in percentages, the farmer was forced to accept a 52 per cent increase of imports competition for a 40 per cent increase of exports of his production, while the others were given the benefit of the $96,017,693 export increase for $130,099,907 import increase. In the matter of the increase caused by the new law the farmer found the balance against him of $77,442,548, while all others had a balance of trade increase against them of only $34,082,214.

The following are some of the important transfers from the Underwood dutiable to the free list in the Underwood law:

Cattle, sheep, wool, beef, mutton, corn, eggs, milk, cream, potatoes, and wheat—wheat and potatoes to bear 10 cents per bushel and 10 per cent, respectively, if the importing countries charge a duty for our shipment to them.

The following are articles upon which duties were radically reduced:

Horses, poultry, oats, hay, cheese, and butter.

The remaining rate yields considerable revenue but extends little protection.

When the tariff bill was under way the Ways and Means Committee, to silence the protest of the farmers and the northern Congressmen, set forth in its report a statement, claimed to be based on legitimate Treasury information, showing probable importations during the first year's operation under the proposed law:

	Forecast for year.	Actual imports for first year.	Ratio of estimate to actual imports.
Cattle	$5,570,000	$21,006,691.58	1 to 4
Horses	612,500	1,804,818.50	1 to 3
Eggs	210,000	1,582,493.60	1 to 7½
Butter	325,000	1,907,145.20	1 to 6
Oats	945,000	8,059,743.43	1 to 8½

In scriptural times false prophets were stoned. In Democratic times they send them to the United States Senate. Whither UNDERWOOD of Alabama, and JAMES of Kentucky, have gone. There have been no similar advances by northern Democratic Members of the Ways and Means Committee.

The increase of imports of 27 northern agricultural products during the first nine months of the Underwood tariff as compared with the last nine months of the Payne tariff was from $49,853,631 to $129,280,817, or 159 per cent.

Third. To inflict upon the farmers of the North the burden of competition from cheap lands, cheap labor, and cheap ocean transportation, the Democratic Congress discriminated against the northern farmer and in favor of the southern agriculturist.

(a) Rice flourishes only in Dixie. The Underwood law retained it on the protected list, while wheat, raised in the North—except under conditions—was placed on the free list.

(b) Tobacco, largely produced in the South, is protected, while corn is free.

(c) Peanuts of Virginia and North Carolina were retained on the protected list while potatoes of Maine and Northern States generally were placed on the free list. This had led a great many northern farmers to believe that the Underwood law is a shell game throughout.

(d) Angora goat hair of Texas and the Southwest generally is protected. Wool of the North is free listed. It would seem that this was an effort to see how far they could go in sectional discrimination. They reversed the Scripture to do it. According to Matthew, the sacred writer, on the final day the sheep were to be placed on the right for protection; the goats to be pressed aside upon the left for free trade, or, of course, its equivalent. The Underwood law reverses these positions. And the goat is exalted, while the sheep, during the ages regarded as an emblem of purity and innocence, is rejected. Simply another illustration of how, regardless of whatever cost, the northern farmer must be punished.

SPECIAL PRODUCTS.

The citrus-fruit industry, under the fostering influence of a reasonable protective tariff, was rapidly becoming a great national industry. The Underwood law removed a large measure of that protection. It was urged that the reduction was in the interest of the consumer, but it appears from pending litigation that the beneficiaries are not the consumers but are certain lobbyists in this country and the foreign exporters.

Wheat: The present foreign war has created a great demand for our wheat, and present prices are not being complained of. However, the day of peace and commercial reckoning is coming. Farmers are interested in and remember conditions as they were two years ago, when the Underwood law was in force and the war had not begun. A Democratic Congressman on the floor of the House on June 4, 1914, said:

> Wheat now is a better price under Democratic times than it was in 1912 under Republican rule.

The same Member having later, on the 27th of June, said, "Farm products are commanding a high price, the best ever known," a Republican Congressman, in the course of debate, submitted the following facts and figures:

Cash price of wheat at certain markets.

Quotations from—	June 4, 1914	June 4, 1912.	Decrease.
Omaha Bee	$0.88½	$1.08½	$0.20
Kansas City Star	.91½	1.12	.20½
Minneapolis Tribune	.93½	1.12½	.19½
Chicago Record-Herald	.96	1.11½	.15½
New York Sun	1.05½	1.21½	.16

NOTE.—Prices are on No. 2 hard, except Minneapolis prices are No. 2 Northern.

Average decrease in five markets, 18 cents per bushel.

If these dates are regarded as too narrow, if the gentleman desired to give facts concerning prices, he could have resorted to a broader field, using the records of the United States Department of Agriculture. The wheat farm prices quoted are for January, February, March, April, May, and June of the several years. I place them in two groups—one for the years 1914 and 1913 in one group and the other for the four preceding years. I group 1913 and 1914 together because the anticipatory effects of one go with the actual results of the other.

The average price for the first group of four years under the old tariff was for January 93.3. It was 78.6 for the other. For February it was 95 for the four-year group, 80 for the two-year group. March it was 96.2 as compared with 83, and so on, with an average between these two groups of years, covering fairly all of the six months, of 16 cents per bushel in favor of the former law. So that a man desiring to find the truth could not have been easily mistaken, as the following table will show:

Price of wheat per bushel.

Months.	1909	1910	1911	1912	1913	1914	Average, 4 years.	Average, 2 years.	Decrease or increase.
	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.
January	93.5	103.4	88.6	88.0	76.2	81.0	93.3	78.6	−14.7
February	95.2	105.0	89.8	90.4	79.9	81.6	95.1	80.2	−14.9
March	103.9	105.1	85.4	90.7	80.6	83.1	96.2	83.1	−13.1
April	107.0	104.5	83.8	92.5	79.1	84.2	96.9	81.6	−15.3
May	115.9	99.9	84.6	99.7	80.9	83.9	100.0	82.4	−17.6
June	123.5	97.6	86.3	102.8	82.7	84.4	102.5	83.5	−19.0

I submit the following table of leading product prices on June 27, 1914, in several markets:

Cash prices.

[From the Indianapolis Star.]

	June 27, 1912.	June 27, 1914.	Decrease.
INDIANAPOLIS.			
Wheat, No. 2 red.....bushel..	$1.97½	$0.07½	$0.28
Corn, No. 3 white.....do....	.80½	.73½	.07
Oats, No. 2 white.....do....	.54½	.38¾	.15¾
Hay, No. 1 timothy.....ton..	20.00	17.00	3.00

[From the Chicago Record-Herald.]

CHICAGO.			
Wheat, No. 2 hard.....bushel..	$1.04	$0.84½	$0.19½
Corn, No. 2 yellow.....do....	.75½	.68¾	.07¾
Oats, No. 2 white.....do....	.54	.39½	.14½
ST. LOUIS.			
Wheat, No. 2 hard.....bushel..	1.07½	.90	.17½
Corn, No. 2 yellow.....do....	.76½	.69¾	.06¾
Oats, No. 2 white.....do....	.52½	.38½	.14
KANSAS CITY.			
Wheat, No. 2 hard.....bushel..	1.11½	.88	.23½
Corn, No. 2 yellow.....do....	.78½	.69½	.07
Oats, No. 2 white.....do....	.49¾	.38½	.11¼
NEW YORK.			
Wheat, No. 2 hard.....bushel..	1.18	.91½	.26½
Corn, No. 2 yellow.....do....	.81¾	.77¾	.07

If market prices are not fully convincing, allow me to submit the following table, showing the farm prices for small grains during the first six months of the last six years, grouped as heretofore, and the decrease in price for the last two years, compared with the four years previous.

Farm price of certain small grains, first of each month, for the United States for years 1909, 1910, 1911, 1912, and average for these four years, as compared with the price for same months for 1913 and 1914, and the average for these two years:

Prices per bushel for oats, barley, and flaxseed.

	1909	1910	1911	1912	1913	1914	Average, 4 years.	Average, 2 years.	Decrease.
Oats:[1]	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.
January	48.1	42.8	33.2	45.1	32.2	39.1	42.3	35.6	−06.7
February	48.1	45.0	33.1	47.5	32.4	39.3	43.4	35.8	−07.6
March	51.1	46.0	32.8	49.8	33.1	38.9	44.9	36.0	−08.9
April	53.2	45.6	32.3	52.0	33.1	39.5	45.7	36.3	−09.4
May	55.3	43.3	33.2	56.0	34.2	39.5	46.9	36.8	−10.1
June	57.4	43.0	34.7	55.3	36.0	40.0	47.6	38.0	−09.6
Barley:[2]									
January	56.5	57.6	50.8	86.4	40.9	52.2	65.0	51.0	−14.0
February	58.3	59.3	64.1	91.2	51.4	52.4	68.2	51.9	−16.3
March	59.4	60.2	63.0	91.0	49.0	51.1	68.4	50.0	−18.4
April	61.2	59.7	69.1	92.3	48.5	51.7	70.5	50.1	−20.4
May	63.8	56.5	74.0	96.2	48.3	49.3	72.6	48.8	−23.8
June	67.3	55.7	78.8	91.1	52.7	49.1	71.9	50.9	−21.0
Flaxseed:[3]									
January	123.2	171.2	221.1	187.11	106.2	124.2	175.6	115.2	−60.4
February	129.8	192.9	233.9	190.8	109.3	127.8	186.8	118.5	−68.3
March	141.3	193.1	240.7	183.9	119.0	132.5	189.7	125.7	−64.0
April	145.6	193.9	234.6	191.3	113.6	132.8	191.3	123.2	−68.1
May	148.7	209.5	241.9	181.0	114.3	134.7	195.2	124.5	−70.7
June	153.4	195.5	225.0	205.0	115.8	136.8	194.7	136.3	−68.4

[1] Average decrease between months, 2 periods, 8½ cents.
[2] Average decrease between months, 2 periods, 19 cents.
[3] Average decrease between months, 2 periods, 66½ cents.

Should we see fit to consider May the month preceding the gentleman's statement, the following table of important farm products for 1912 and 1914 will be of interest:

May.	1914	1912	Decrease.
Corn, bushel	$0.721	$0.794	$0.073
Oats, bushel	.395	.56	.165
Barley, bushel	.493	.962	.469
Potatoes, bushel	.714	1.273	.559
Hay, ton	12.32	17.64	5.32
Flaxseed, bushel	1.347	1.31	.463

All the foregoing information was available to the gentleman at the time he made his statements. It may, however, be of interest to submit a table showing the wheat prices of a recent date compared with two years ago:

Cash wheat prices on certain markets.

	July 11, 1912.	July 11, 1914.	Decrease.
Omaha	$1.03	$0.73	$0.30
Chicago	1.04½	.80½	.24
New York	1.15	.87½	.27½
Kansas City	.98½	.78	.20½
Minneapolis	1.07½	.86¼	.20¼

The fall of price in wheat during the last two years has been more than 15 cents per bushel. The difference in average price between the period including 1913 and 1914 and the period of four years preceding is in excess of 15 cents a bushel. The difference in price between June 1, 1914, and the average price for a period of five years preceding that date is 15 cents a bushel. The reduction of the tariff in the Underwood bill was 25 cents per bushel for those countries that receive our wheat free and 15 cents a bushel for the products of countries which do not admit our wheat free. The importation of wheat for the first eight months of the Underwood law increased 357 per cent over those of the corresponding period one year before. It may be interesting to know the effect in dollars and cents to the average wheat farmer of the country, the several States, and the different counties in my congressional district what a fall in price of 15 cents a bushel means.

In considering the relative prices of wheat and other grains during the last two years it is entirely proper to call attention to the fact that prices of farm implements used in securing these crops be given. Upon the authority of the Hon. C. B. Dempster, of Beatrice, Nebr., president of the leading farm-machinery factory west of the Mississippi River, I can state that there has been an advance of price to the retailer during the 12 months preceding June 1 of this year of wagons, plows, disk harrows, grain drills, and so forth. There has been a tendency to advance in price windmills, pumps, and similar farm appliances. I give, however, in detail, the prices quoted and obtained by the International Harvester Co. for the years 1912, 1913, and 1914, the same being based f. o. b. cars Chicago, Ill.

	1912	1913	1914
Grain binder:			
6-foot	$102.50	$102.50	$102.50
7-foot	105.50	105.50	105.50
8-foot	125.00	125.00	125.00
Mower:			
5-foot regular	36.00	36.00	37.00
5-foot vertical	37.00	37.00	38.00
6-foot	39.00	39.00	40.00
Corn binder	102.50	102.50	102.50
Rakes, 10-32 S. D	18.75	18.75	19.75
Tedders, 4-fork	27.00	27.00	28.00
Disk harrows 12-16	20.50	20.50	21.50
Manure spreader, No. 2	90.00	90.00	90.00
Cream separator, No. 2 B B	48.50	48.50	48.50
Weber wagon, 2-horse	61.50	65.00	65.00

It will be interesting further to know the course of prices of binding twine during the last three years which the farmer must use in taking care of his crop. It has increased, as will appear from the following table of prices quoted by the International Harvester Co.:

	Sisal.	Standard sisal.	Manila.	Pure manila.
	Cents.	*Cents.*	*Cents.*	*Cents.*
1912	7¼	7¾	8½	9⅝
1913	9½	9½	11¼	12½
1914	9	9	11	13¾

Is it any wonder that the farmer, pressed between the upper millstone of falling wheat prices and the lower stone of rising machinery and binding twine prices, has little patience with statements at variance with well-known market facts? The farmers know that the majority party so drafted its recent tariff law as to make them bear its burdens and suffer from its injuries. They resent the gratuitous insult in the assumption that farmers do not remember back a period of two years, and that they do not know their own markets. Free-trade statesmen will learn that farmers' memories are in working order while their forgetters are decayed and rusting. As ex-President Roosevelt well said:

As for the farmer, the present tariff, the administration's tariff, was so framed as to result in the sacrifice of his interests. He had no spokesman, no friend in high quarters, and his welfare was contemptuously sacrificed. At every point where his interest was concerned he was made to suffer.

Corn: Corn and wheat are the two leading cereals, and also the two leading farm products in the United States. They demonstrate in their decreasing exports and increasing imports, the rapid approximation or consumption and production. The markets illustrate the large advantage foreign producers have who carry the products of their land l water to our great seaboard cities, while our producers must pay a much larger transportation rate over the railroads from the interior of the United States when there is a surplus of production; that is, Argentina, which now exports more corn than all other countries of the world, the United States included, after the passage of the Underwood law, was shipping enormous amounts of corn from her ports to our eastern ports, at transportation rates of from 3 to 5 cents a bushel.

The following is a statement of the railway rates paid for corn shipments from the leading western markets to the seaboard cities:

From—	To— Boston.	New York.	Philadelphia.	Baltimore.	Galveston.	New Orleans
	Cents.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
Omaha	0.18	0.17	0.16	0.15	0.19	0.11
Kansas City	.17	.16	.15	.14	.17	.10
Chicago	.10	.08	.07	.07	.18	.10

If to each of these rates there would be added the additional rate which it would cost to carry the corn from the local station to one of these western markets, the very large advantage given by the Underwood law to the Argentine corn producer will be apparent. If to this advantage we add the further facts that Argentine land, averaging in productivity well with our grain belt, varies in selling value from one-fourth to one-half of our American land, and as our farm laborers receive twice the wages of the Argentinian, the northern grain producer can well understand the great disadvantage under which he labors, with the tariff taken off corn.

The average annual amount of corn shipped between the various nations of the earth for 10 years before 1914 has been 245,557,706 bushels. It is about 38 per cent of the international shipmen of wheat. The following is the rank of nations in corn production:

United States, Argentina, Mexico, Austria-Hungary, Russia, Roumania, Italy, and Africa.

And the following is a list of the important corn-exporting nations in the order of their rank:

Argentina, United States, Roumania, Russia, Bulgaria, Belgium, and the Netherlands.

The following table shows the course of exports of the two leading nations for 10 years:

Calendar years.	Argentina.	United States.
	Bushels.	*Bushels.*
1905	87,487,000	115,189,000
1906	106,047,000	105,258,000
1907	50,202,000	80,524,000
1908	67,390,000	39,013,000
1909	89,499,000	38,114,000
1910	104,727,000	44,072,000
1911	4,928,000	63,533,000
1912	191,353,000	32,649,000
1913	189,294,000	46,923,000
1914	159,141,000	17,022,000

The following shows the rapidly decreasing export of corn and wheat from this country:

Average percentage of United States wheat and corn crops exported, based on five-year periods.

	Per cent of wheat exported.	Per cent of corn exported.
1894–1898	33.3	7
1899–1903	31.2	5.2
1904–1908	17	2.9
1909–1913	14.9	1.5

The Payne rate of tariff on corn was 15 cents a bushel. During the first nine months in which the Underwood law was in force, prior to the outbreak of the European war, there were 11,843,166 bushels of corn imported into this country, nearly all from Argentina.

At the hearings held by a subcommittee of the Committee on Agriculture of the House of Representatives, on the subject of grain grading, at which there were leading grain men from the great grain markets in every part of the United States, the question was asked of a number what effect the removal of the duty on corn had on the corn price during that period. The invariable answer was that it reduced the price, and the average reduction was about 10 cents a bushel. No grain man there present either doubted or gainsaid the statement. We quote from Mr. Gorman, a large grain dealer of Toledo:

Now, take an illustration to-day. I am out of business on corn in the old channels in which I was trading up to six months ago, for the reason that the pressure of Argentine corn in all the consuming sections, from Florida to Maine, has driven me out. Now, all that is taken away from us, because the grain is headed here from Argentina, and the consumer realizes that he can buy Argentine corn cheaper than he can buy mine, and he realizes the enormous quantity which he can get; and therefore he buys from hand to mouth, and in his buying from hand to mouth he depresses the price of corn in this country, and in consequence of that competition corn has declined 10 cents a bushel; it has declined in the future market.

Mr. Paddock said:

If it had not been for the importation of Argentine corn, I think the farmers would have realized 10 cents per bushel above the present price of corn on account of its coming.

Beef: All fresh meats were placed upon the free list by the Underwood law. While the Payne law was in force Argentina shipped some beef into the United States. Her fresh meats were then shipped largely to the free ports of Britain. Argentina practically drove American meats out of British markets, as will appear from the following table:

Exports of beef from United States and Argentina to the United Kingdom for certain years.

	United States.	Argentina.
	Cwt.	*Cwt.*
1901	3,187,291	771,929
1902	2,280,465	923,748
1903	2,693,920	1,152,211
1904	2,395,836	1,675,271
1905	2,232,206	2,589,152
1906	2,426,344	2,795,913
1907	2,417,604	2,756,975
1908	1,432,142	3,706,245
1909	856,835	4,336,079
1910	477,147	5,041,138
1911	174,350	6,176,503
1912	6,111	6,813,573

Under the Underwood law our seaboard markets became reduced to the same free-trade basis, so far as producers were concerned, as were London and Liverpool. There was shipped into this country, during the first nine months of the Underwood law, 176,333,072 pounds of beef and veal, largely from Argentina, and 12,690,924 pounds of mutton and lamb, largely from Australia. An increase of over sixteenfold over the corresponding preceding year under the Payne law.

Cattle: There was a fair protective tariff on cattle and other meat-producing animals under the Payne law, which was removed by the Underwood law. While Argentina and the other South American countries have enormous surpluses of live stock, as do also the several divisions of Australasia, yet large shipments of live stock have not come to us from these countries because the equatorial belt must be crossed in shipment. The shipments must be reduced to the form of beef and mutton. However, live stock in great numbers have been shipped into this country from Mexico and Canada since the passage of the Underwood Act. We removed the Payne duty from live stock. The Mexicans, under their shrewd, though disreputable rulers, especially in the northern part, immediately placed an export duty on live stock leaving Mexico and coming into the United States, slightly less in rate than our former duty. One million five hundred and eighty-one thousand three hundred and thirty-seven cattle, between the passage of the Underwood law and the 1st day of June, 1916, have come into our country, so far as our Treasury was concerned, absolutely free. The duty which we should have collected thereon would have amounted to about $9,000,000. The large portion of this instead of coming into the Treasury of the United States went into the girdle of Villa or the war chest of Carranza. In either case it was probably used to purchase munitions of war shipped into that country from America, which were used to terrorize and slaughter Americans there resident, and weapons to use in attacking American citizens on American soil, under the American flag, and against our soldiers whether on American or Mexican soil. To what extent of folly and tragedy Democracy has gone in order to carry out and make effective at whatever the cost, this unwarranted assault upon agriculture, America's greatest industry! That it has dared was due to the belief that farmers can not on account of their isolation organize to defend or protect their rights.

In the Democratic platform adopted at St. Louis this year this remarkable statement was made:

We recognize that tariff rates are necessarily subject to change to meet changing conditions in the world's production and trade. The events of the last two years have brought about many momentous changes. In some respects the effects are yet conjectural and wait to be disclosed.

The tariff conditions affecting farm products are not conjectural; they are established; and no reasonable person could have anticipated a different state of affairs following the passage of the Underwood law.

In recent legislation in Congress the Democratic Party has clumsily recognized the protective principle in favoring a much higher duty on dyestuffs. That party has utterly abandoned its former opposition to a tariff commission and its oft-repeated declaration that protection was unconstitutional. It is favoring the establishment of a tariff commission. Moreover, it further admits its long-persisted-in error by improvising an unwieldy protective device known as the "antidumping clause," thereby committing itself to the protective principle. But while the antidumping clause is of doubtful utility as to any industries, care is taken that it shall not apply to the products of the farm. The principal remedy which it provides is the doubling of the tariff where products are dumped upon our shores at unreasonably low prices. The farmers' products being in the main on the free list, a doubling of the duty would be a vain thing. If the rate is nothing, doubling it would not be a severe penalty, because—

A thousand naughts are not a feather
When in a sum they all are brought together.

[Applause on the Republican side.]

So Democracy, grudgingly yielding up its free-trade and tariff-for-revenue-only policy, and conceding most reluctantly the protection principle, which it has denounced for so many years, now in extremis so forms and shapes its bungling protective device that it can not be availed of by the farmer.

At the close of the Franco-Prussian War the two greatest statesmen of Europe were Bismarck, of Germany, and Gladstone, of Britain. Both were free traders. Gladstone persisted in his free-trade policies, and succeeding prime ministers have, until recently, followed him. The result has been that in the recent struggle Britain found herself dependent for many articles, including foodstuffs, entirely upon foreign and distant fields. Had she not had the greatest navy in the world, her people would have been starved before December 1, 1914. Bismarck, however, looking toward the various strained conditions and crises which might meet his Government, was, from the close of the Franco-Prussian War, convinced that German independence depended primarily upon its capacity to produce nearly enough foodstuffs for all her people. So a policy of protection on German industries, and especially her agriculture was inaugurated. Her limited territory, in the course of a few decades, became the marvel of the world for food production. During the present great struggle, while the great army of Germany and the immense navy of England have been centers of world admiration, the great outstanding fact is, Germany, though girdled by a band of steel, yet has capacity to feed and clothe her citizens and her army.

America should protect every product of its farm, mine, and factory which are brought into competition with the world or whose products we may need in our day of trial. So that American markets may, within reason, be markets for the American producer. No phase of American industry should in the years to come show lack of proper preparedness. [Applause.]

[By unanimous consent, leave was granted to Mr. SLOAN to extend his remarks in the RECORD.]

Mr. SUTHERLAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I have listened to the statement of the gentleman from Nebraska [Mr. SLOAN] with some interest. It was in the Sixty-first or Sixty-second Congress, I believe, that William Howard Taft, Republican President of the United States, proposed the reciprocity treaty with Canada putting all farm products on the free list. I also represent an agricultural district, one of the greatest in the United States, as well as the gentleman from Nebraska, but I am not going to hamper or destroy our foreign trade by nourishing the fear that from some quarter of the globe farm products may find entry into an American port in competition with the farmers of the West. I never have had any use for that old policy of the high protectionists that would build a Chinese wall around our own country and shut out all foreign competition. And I am not a free trader nor a protectionist either, but I am just as loyal to American industry, whether it is agricultural, mining, or manufacturing, as any man on that side of the House. I am, however, a good deal like Gen. Scott, who is quoted as having said, in answer to the charge of some of the Whigs that he was not a good Whig, that he was a Whig all right, but that he was not a fool Whig. [Laughter.] And that is my attitude toward American industry. I want to safeguard it in every rational way. Now, we need to develop our commerce with South America. There does not seem to be any division of opinion about that among men who have given thought to the question. The great commercial interests, the great manufacturing interests of our country are insisting that we need an outlet for their surplus in the Orient, in Europe, in all quarters of the globe where we may find a market for the surplus of our farms, our factories, or our mines; and, in my opinion, it is the plain duty of the Congress to facilitate the development of our foreign commerce in every reasonable way. When this war in Europe began only 8 per cent of our foreign commerce was carried in ships under the American flag. That is a reproach to us as a Nation. It is a reproach to the statesmanship of our country, and I would relieve that situation.

Instead I would have at least 60 per cent of our foreign commerce carried under the American flag. I think this legislation will promote that result. The establishment of the shipping board, the large powers vested in that board to investigate and recommend to Congress legislation that will promote this end, should certainly appeal to every reasonable man. Now, as regards the amendment offered by the gentleman from West Virginia [Mr. SUTHERLAND], I think it ought not to be adopted because it does in express terms make it mandatory on the Secretary of the Treasury in all instances to compel vessels to accept cargo without regard to the character of the cargo. I think there should be discretion vested somewhere and in some one to decide when clearance may or may not be granted. The Senate amendment states that the Secretary of the Treasury is authorized to deny clearances to ships, whether domestic or foreign, proposing to leave our ports. It clearly lodges discretion in the Secretary. I think that is a wise discretion, and while it may be true, as the gentleman from Wisconsin [Mr. LENROOT] contends, that ordinarily this language is usually construed by the department as mandatory, yet there is no warrant in law for doing so. There may be conditions arise where to enforce this provision in all cases, and as to all kinds of cargo tendered, without exception might lead to serious international complications; and hence I think it is wise on our part to leave the Senate amendment as it is with the discretion lodged in the Secretary of the Treasury to decide each case as it arises on its own facts.

Mr. BENNET. Will the gentleman yield for a question?

Mr. ALEXANDER. Yes.

Mr. BENNET. Does the gentleman think it proper for the Congress of the United States to disregard our treaties with belligerent nations, as the Senate amendment does, and apply this language merely to citizens of the United States and omit firms which are doing business in our country under treaties and entitled to as much protection as our own citizens? That is what the Senate amendment does.

Mr. ALEXANDER. The amendment proposed does not change the Senate amendment in that regard.

Mr. BENNET. Oh, yes; the amendment proposed covers goods "shipped from American ports." The Senate amendment simply covers goods shipped "by citizens of the United States." In other words, we propose to make our treaties scraps of paper, and I am opposed to it.

Mr. ALEXANDER. We do not, in my opinion, because we lodge in the Secretary of the Treasury that wise discretion by which he may avoid the results that the gentleman from New York has in mind.

Mr. BENNET. Oh, no; only to citizens of the United States.

Mr. ALEXANDER. Well, I do not think the gentleman's construction is correct. Mr. Speaker, I move the previous question on the Senate amendment and amendments thereto.

Mr. BENNET. The gentleman from Indiana suggested an amendment, and we would not need the previous question.

Mr. COX. I am not going to offer an amendment.

The SPEAKER. The question is on the Sutherland amendment to Senate amendment numbered 48.

The question was taken, and the Speaker announced the noes seemed to have it.

Mr. BENNET. Division, Mr. Speaker.

The House divided; and there were—ayes 37, noes 59.

Mr. BENNET. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. The gentleman from New York makes the point of order there is no quorum present, and evidently there is not. The Doorkeeper will lock the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

Mr. ALEXANDER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ALEXANDER. As I understand, the vote now is being taken on the Sutherland amendment to the Senate amendment.

The SPEAKER. Yes; that is what the Chair stated.

Mr. MANN. What is the motion—to concur in the Senate amendment with an amendment?

The SPEAKER. Yes; to concur in Senate amendment numbered 48 with the Sutherland amendment.

Mr. MANN. Would it be fair to ask to have the amendment reported?

The SPEAKER. The Clerk will report Senate amendment numbered 48 and then the Sutherland amendment to Senate amendment numbered 48, without objection.

There was no objection.

Senate amendment No. 48 and the Sutherland amendment were again reported.

The SPEAKER. The question is on concurring in amendment No. 48 with the amendment offered by the gentleman from West Virginia [Mr. SUTHERLAND].

The question was taken; and there were—yeas 94, nays 150, answered "present" 7, not voting 181, as follows:

YEAS—94.

Bacharach	Fess	Kreider	Rowe
Barchfeld	Focht	Lenroot	Sanford
Barkley	Fordney	Lobeck	Schall
Bennet	Gallivan	McAndrews	Siegel
Bowers	Garland	McArthur	Sinnott
Britt	Glynn	Mann	Slemp
Britten	Green, Iowa	Matthews	Smith, Idaho
Buchanan, Ill.	Greene, Mass.	Meeker	Smith, Minn.
Byrns, Tenn.	Greene, Vt.	Miller, Del.	Stafford
Cannon	Hadley	Mondell	Sterling
Carter, Mass.	Haskell	Mooney	Sutherland
Chandler, N. Y.	Haugen	Moore, Pa.	Switzer
Coleman	Helgesen	Moores, Ind.	Tague
Cooper, Ohio	Hicks	Morgan, Okla.	Timberlake
Cooper, W. Va.	Hopwood	Mudd	Towner
Cooper, Wis.	Hull, Iowa	Nelson	Treadway
Cox	Johnson, S. Dak.	Oakey	Vare
Cramton	Kahn	Parker, N. J.	Volstead
Curry	Keister	Porter	Watson, Pa.
Dale, Vt.	Kennedy, Iowa	Powers	Wheeler
Davis, Minn.	Kiess, Pa.	Ramseyer	Williams, Ohio
Denison	Kincheloe	Reavis	Wood, Ind.
Dillon	King	Ricketts	
Dowell	Kinkaid	Rodenberg	

NAYS—150.

Abercrombie	Connelly	Garrett	Kitchin
Adamson	Conry	Glass	Lesher
Aiken	Crosser	Godwin, N. C.	Lewis
Alexander	Cullop	Goodwin, Ark.	Lieb
Allen	Dale, N. Y.	Gordon	Liebel
Almon	Davenport	Gray, Ind.	Linthicum
Ashbrook	Davis, Tex.	Hamlin	Littlepage
Aswell	Dent	Hardy	Lloyd
Ayres	Dewalt	Harrison	London
Bailey	Dickinson	Hastings	McClintic
Barnhart	Dies	Hayden	McLemore
Black	Dixon	Heflin	Mays
Booher	Doolittle	Hill	Montague
Borland	Doremus	Hilliard	Moon
Bruckner	Doughton	Holland	Moss
Brumbaugh	Dupré	Hood	Neely
Buchanan, Tex.	Eagan	Houston	Oldfield
Burnett	Eagle	Huddleston	Oliver
Caldwell	Edmonds	Hulbert	O'Shaunnessy
Candler, Miss.	Evans	Hull, Tenn.	Overmyer
Caraway	Farley	Humphreys, Miss.	Padgett
Carlin	Fields	Igoe	Page, N. C.
Casey	Fitzgerald	Jacoway	Phelan
Cline	Gallagher	Johnson, Ky.	Platt
Coady	Gandy	Keating	Pou
Collier	Gard	Key, Ohio	Price

Quin	Sears	Steele, Pa.	Venable
Rainey	Shallenberger	Stephens, Miss.	Vinson
Raker	Sherley	Stephens, Tex.	Watkins
Randall	Sherwood	Stone	Watson, Va.
Rauch	Sims	Taggart	Webb
Rayburn	Sisson	Tavenner	Williams, W. E.
Reilly	Small	Taylor, Ark.	Wilson, La.
Rouse	Smith, N. Y.	Thomas	Wingo
Rubey	Smith, Tex.	Thompson	Wise
Rucker	Sparkman	Tillman	Young, Tex.
Russell, Mo.	Steagall	Tribble	
Scully	Steele, Iowa	Van Dyke	

ANSWERED "PRESENT"—7.

Hawley	Morrison	Slayden	Steenerson
Lindbergh	Riordan	Sloan	

NOT VOTING—181.

Adair	Fairchild	Kearns	Patten
Anderson	Farr	Kelley	Peters
Anthony	Ferris	Kennedy, R. I.	Pratt
Austin	Finley	Kent	Ragsdale
Beakes	Flood	Kettner	Roberts, Mass.
Beales	Flynn	Konop	Roberts, Nev.
Bell	Foss	Lafean	Rogers
Blackmon	Foster	La Follette	Rowland
Browne	Frear	Langley	Russell, Ohio
Browning	Freeman	Lazaro	Sabath
Burgess	Fuller	Lee	Saunders
Burke	Gardner	Lehlbach	Scott, Mich
Butler	Garner	Lever	Scott, Pa.
Byrnes, S. C.	Gillett	Loft	Sells
Callaway	Good	Longworth	Shackleford
Campbell	Gould	Loud	Shouse
Cantrill	Graham	McCracken	Smith, Mich.
Capstick	Gray, Ala.	McCulloch	Snell
Carew	Gray, N. J.	McDermott	Snyder
Carter, Okla.	Gregg	McFadden	Stedman
Cary	Griest	McGillicuddy	Stephens, Nebr.
Charles	Griffin	McKellar	Stiness
Chiperfield	Guernsey	McKenzie	Stout
Church	Hamill	McKinley	Sulloway
Clark, Fla.	Hamilton, Mich.	McLaughlin	Sumners
Copley	Hamilton, N. Y.	Madden	Sweet
Costello	Hart	Magee	Swift
Crago	Hay	Maher	Talbott
Crisp	Hayes	Mapes	Taylor, Colo.
Dallinger	Heaton	Martin	Temple
Danforth	Helm	Miller, Minn.	Tilson
Darrow	Helvering	Miller, Pa.	Tinkham
Decker	Henry	Morgan, La.	Walker
Dempsey	Hensley	Morin	Walsh
Dill	Hernandez	Mott	Ward
Dooling	Hinds	Murray	Wason
Driscoll	Hollingsworth	Nicholls, S. C.	Whaley
Drukker	Howard	Nichols, Mich.	Williams, T. S.
Dunn	Howell	Nolan	Wilson, Fla.
Dyer	Hughes	North	Wilson, Ill.
Edwards	Humphrey, Wash.	Norton	Winslow
Ellsworth	Husted	Oglesby	Woods, Iowa
Elston	Hutchinson	Olney	Young, N. Dak.
Emerson	James	Paige, Mass.	
Esch	Johnson, Wash.	Park	
Estopinal	Jones	Parker, N. Y.	

So the motion to concur was rejected.

The Clerk announced the following additional pairs:

For balance of session:

Mr. PATTEN with Mr. FAIRCHILD.

On this vote:

Mr. ROBERTS of Massachuetts (for) with Mr. LEE (against).

Mr. TINKHAM (for) with Mr. MCKELLAR (against).

Mr. GOULD (for) with Mr. CARTER of Oklahoma (against).

Mr. BROWNING (for) with Mr. TALBOTT (against).

Mr. CAPSTICK (for) with Mr. LAZARO (against).

Mr. KENNEDY of Rhode Island (for) with Mr. BLACKMON (against).

Mr. STINESS (for) with Mr. HELVERING (against).

Mr. MOTT (for) with Mr. BYRNES of South Carolina (against).

Mr. GRAHAM (for) with Mr. ESTOPINAL (against).

Mr. MAPES (for) with Mr. BELL (against).

Mr. HUTCHINSON (for) with Mr. MORGAN of Louisiana (against).

Mr. DUNN (for) with Mr. FERRIS (against).

Mr. ROBERTS of Nevada (for) with Mr. HUGHES (against).

Until further notice:

Mr. MORRISON with Mr. HUMPHREY of Washington.

Mr. DILL with Mr. ROGERS.

Mr. FLOOD with Mr. MAGEE.

Mr. GARNER with Mr. AUSTIN.

Mr. GRIFFIN with Mr. FARR.

Mr. MURRAY with Mr. FOSS.

Mr. SUMNERS with Mr. FREEMAN.

Mr. HAMILL with Mr. GRIEST.

Mr. EDWARDS with Mr. HEATON.

Mr. JONES with Mr. MCKINLEY.

Mr. ADAIR with Mr. MARTIN.

Mr. BEAKES with Mr. NORTON.

Mr. BURGESS with Mr. SULLOWAY.

Mr. SAUNDERS with Mr. TILSON.

Mr. STEDMAN with Mr. WOODS of Iowa.

Mr. STOUT with Mr. YOUNG of North Dakota.

Mr. RAGSDALE with Mr. ELSTON.

The result of the vote was announced as above recorded.

The SPEAKER. The Doorkeeper will open the doors.

Mr. SLAYDEN. Mr. Speaker, on the first roll call of the day, on the first amendment voted on, I inadvertently voted, forgetting for the moment that I was paired with the gentleman from Kansas [Mr. CAMPBELL]. I voted "aye." I desire to withdraw that vote.

The SPEAKER. Without objection, the change will be made.

There was no objection.

The SPEAKER. The question is on agreeing to the motion to concur in Senate amendment No. 48.

The motion to concur in Senate amendment 48 was agreed to.

On motion of Mr. ALEXANDER, a motion to reconsider the last vote was laid on the table.

STATUARY GROUP, HOUSE WING OF CAPITOL (H. DOC. NO. 1354).

Mr. MANN. Mr. Speaker, I ask unanimous consent to have printed as a House document the proceedings on the occasion of the unveiling of the statuary group on the pediment of the House wing of the Capitol, with illustrations, as may be prepared by the Committee on the Library, 36,000 copies, of which 2,500 copies shall go to the Speaker, 3,500 copies to the Committee on the Library, and 30,000 copies to the folding room.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the proceedings incident to the dedication of the pediment on the House wing of the Capitol be printed in document form, 36,000 copies, with illustrations, 2,500 to go to the Speaker, 3,500 to go to the Committee on the Library, and 30,000 to go to the folding room.

Mr. MANN. Twenty-five hundred to go to the Speaker, who made a speech, and 3,500 to the Committee on the Library, which was also interested, and 30,000 to the folding room.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS.

Mr. MOORE of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the shipping question.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD on the shipping question. Is there objection?

There was no objection.

DONATION OF CONDEMNED CANNON AND BALLS.

Mr. DENT. Mr. Speaker, I desire to call up the bill (S. 6625) authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls, and move to insist on the House amendments and agree to the conference asked by the Senate.

The SPEAKER. How long does the gentleman expect it will take?

Mr. DENT. I do not suppose it will take any time at all.

The SPEAKER. The Clerk will report it.

The Clerk read the title of the bill, as follows:

A bill (S. 6625) authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls.

The SPEAKER. The gentleman from Alabama [Mr. DENT] moves that the House insist on its amendments and agree to the conference asked by the Senate. The question is on agreeing to that motion.

The motion was agreed to; and the Speaker announced as the conferees on the part of the House Mr. FIELDS, Mr. CALDWELL, and Mr. GREENE of Vermont.

DISTRICT OF COLUMBIA APPROPRIATION BILL—CONFERENCE REPORT.

Mr. PAGE of North Carolina. Mr. Speaker, I desire to call up the bill (H. R. 15774) making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1917, and for other purposes, and move to agree to the conference asked by the Senate. I ask that the conference report be read.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report, as follows:

CONFERENCE REPORT (NO. 1182).

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate numbered 1, 58, 108, 354, 355, 356, 359, and 361 to the bill (H. R. 15774) making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30,

1917, and for other purposes, having met, after full and free conference have been unable to agree.

ROBERT N. PAGE,
JAS. MCANDREWS,
C. R. DAVIS,
Managers on the part of the House.
JOHN WALTER SMITH,
JOS. T. ROBINSON,
J. H. GALLINGER,
Managers on the part of the Senate.

Mr. PAGE of North Carolina. Mr. Speaker, before making a motion touching any of these amendments, I ask unanimous consent that I may proceed for 10 minutes.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. PAGE of North Carolina. Mr. Speaker, this report comes back to the House. The previous report of the conferees and the statement were published in the RECORD of August 18, and the report of the conferees, as far as we had agreed, was adopted. The amendments, as read by number by the Clerk at the desk, were then in disagreement, and after another conference we come back still unable to agree with the Senate conferees on those amendments.

Some of those amendments, Mr. Speaker, that were inserted in the bill by the Senate were not disagreed to by the House conferees because they were opposed to them, but for other reasons. There has come to be a very considerable sentiment, not only among Members of Congress but in the city of Washington, that the present District appropriation bill will not be enacted into law.

At this time, as at several former sessions of Congress, the principal difference between the House and the Senate is on amendment numbered 1, the House passing the bill and undertaking to change the fiscal policy between the Treasury and the District of Columbia. The House will remember that at the last session of Congress, in the enactment of the last appropriation bill, when there was a disagreement upon this particular matter just at the end of the session of Congress, on motion of the then leader of the majority in this House, Mr. UNDERWOOD, a resolution was adopted appointing a commission, a special committee, to take under consideration the fiscal policy existing between the Treasury and the District of Columbia and to report. That committee, after a very full hearing, made a report to the House in January of this year in which they recommended the discontinuance of the policy of half-and-half between the Treasury and the District of Columbia.

I had hoped that this would end the controversy, and that we might inaugurate a new policy that, in my judgment and in the judgment of many gentlemen in this House, would insure in the future a greater progress and development of the District of Columbia, the National Capital, and, at the same time, not impose any additional burdens upon those who reside here.

Mr. Speaker, I am not willing to assume the responsibility for the failure of this bill. This fight that has been started for a change of fiscal policy will go on, and, as right has always triumphed in the long run, in the end it will win. But, as I was saying, I am not willing that the high schools and all progress and development, even for 12 months, in the city of Washington should be retarded and stopped because of the disagreement between the two Houses on this matter.

The Senate has inserted in this bill an amendment which provides for a tax upon intangible personal property. At the proper time I shall move to concur in that amendment.

I believe that practically every Member of this House, if he was as fully acquainted with the circumstances as he possibly might be, as some of us are, would vote for the adoption of this amendment placed in the bill by the Senate. It has become rather notorious that the population of the city of Washington is being increased to some degree at least by a class of gentlemen whose property is in intangible form, who are moving to this jurisdiction to escape taxation upon their holdings. Only yesterday I had a statement made to me that one gentleman had made the statement that by moving to this jurisdiction he had saved $20,000 annually in taxes, because intangible property was not taxed in this jurisdiction. I believe that this perfectly fair tax, placed upon citizens in practically every other jurisdiction in this country, should be written into the law as it affects the District of Columbia; and believing that this House will concur in that Senate amendment, and that this bill with that in it should become a law, and not desiring with my colleagues on the conference committee to assume the responsibility for the failure of this bill to become a law, I move that the House recede from its disagreement to amendment No. 1, which is the half-and-half amendment, and concur in Senate amendment No. 1.

The SPEAKER. The gentleman from North Carolina moves that the House recede from its disagreement to Senate amendment No. 1 and concur in the same. The Clerk will report the amendment.

The Clerk read as follows:

After the enacting clause strike out the following:

"That hereafter all appropriations made for the support of the government of the District of Columbia, including all sums appropriated in any general appropriation act indicated to be paid out of the District of Columbia revenues except amounts to pay the interest and sinking fund on the funded debt of said District, shall be paid out of the revenues of the District of Columbia to the extent that the same shall be sufficient therefor and the remainder out of any money in the Treasury not otherwise appropriated.

"The following sums are appropriated out of the revenues of the District of Columbia to the extent that they are sufficient therefor and the remainder out of any money in the Treasury not otherwise appropriated in full for the following expenses of the government of the District of Columbia for the fiscal year ending June 30, 1917, namely."

And insert in lieu thereof the following:

"That one half of the following sums, respectively, is appropriated, out of any money in the Treasury not otherwise appropriated, and the other half out of the revenues of the District of Columbia, in full for the following expenses of the government of the District of Columbia for the fiscal year ending June 30, 1917, namely."

The SPEAKER. The question is on receding from the disagreement of the House to Senate amendment No. 1, and concurring in the same.

The motion was agreed to.

Mr. PAGE of North Carolina. Now, Mr. Speaker, I move that the Houses further insist on its disagreement to Senate amendment No. 58.

Mr. COOPER of Wisconsin. Will the gentleman from North Carolina please tell the House what that amendment is?

Mr. PAGE of North Carolina. This amendment is for the payment of the claim of Thomas W. and Alice N. Keller.

Mr. MANN. Let it be reported.

The SPEAKER. The Clerk will report it without objection.

The Clerk read as follows:

(58) Damages and payment for ground on account of condemnation proceedings: To pay Thomas W. and Alice N. Keller for ground taken and damages on account of condemnation proceedings in square No. 2838, in the city of Washington, $4,140.

The SPEAKER. The gentleman from North Carolina moves that the House further insist on its disagreement to this amendment.

The motion was agreed to.

Mr. PAGE of North Carolina. Mr. Speaker, I move that the House further disagree to amendment 108 on page 46, which amendment was placed in the bill by the Senate, and which allows voluntary services on school playgrounds. I will say to the House in this connection that the Senate is ready to recede from this amendment. I move that the House further insist on its disagreement.

Mr. MANN. If Congress will not make an appropriation to take care of the playgrounds, why should we not permit voluntary services?

Mr. PAGE of North Carolina. I will say to the gentleman from Illinois that this amendment is in connection with the school playgrounds, and that since this amendment was placed in the bill it has been ascertained that the law already allows school playgrounds to receive voluntary contributions and help, and therefore this amendment does not mean anything.

Mr. MANN. Is this amendment confined to school playgrounds?

Mr. PAGE of North Carolina. It was so intended; yes.

Mr. MANN. I do not know how it was intended. What does it say?

Mr. PAGE of North Carolina. The Clerk can report the amendment.

Mr. MANN. There was some controversy in Washington this year, on the ground that the appropriation made did not provide for services in the playgrounds. Now it seems to me that when we have playgrounds, and we do not provide the necessary supervisory help, we ought not to kick if somebody will furnish the money to hire somebody to do it.

Mr. PAGE of North Carolina. Mr. Speaker, I will say to the gentleman that the provision in this bill, if it is enacted into law, practically carries the recommendations made by the authorities, for the playgrounds of the District of Columbia. If the gentleman will allow me, the language of this amendment would have turned over the playgrounds of the city of Washington to the board of education, which is not intended at all. There is a superintendent of playgrounds, and it would have practically legislated her out of office, and disorganized the

playground force in the District, and placed them entirely under the board of education.

Mr. MANN. Of course I recognize the futility of any proposition in the House which would legislate somebody out of office.

Mr. PAGE of North Carolina. If they ought not to be legislated out of office, I will agree with the gentleman, and I think in this instance they ought not to be.

Mr. MONDELL. Will the gentleman from North Carolina yield?

Mr. PAGE of North Carolina. I yield to the gentleman.

Mr. MONDELL. When the District bill was before the House I offered an amendment making an appropriation to care for the playgrounds. This amendment was not adopted; but in reading the conference report the other day rather hurriedly I gained the impression that the conferees had agreed to an amendment on the part of the Senate making a small appropriation for that purpose. Is that true?

Mr. PAGE of North Carolina. I will try to find it.

Mr. MONDELL. I was under the impression that such an amendment had been agreed to, and that therefore there was no objection to striking this out.

Mr. PAGE of North Carolina. Amendment No. 109, on page 47 of the Senate bill, increased the amount which the House voted. The bill as it passed the House carried $7,500. The Senate increased it to $10,000, and the House receded. That was for the construction of two swimming pools and shower baths and appurtenances and equipments, on sites to be selected by the commissioners.

Mr. MONDELL. In addition to that, does the gentleman say that it is now the law that voluntary services may be accepted?

Mr. PAGE of North Carolina. On the school playgrounds; yes; to which this amendment was directed. That is already the law.

Mr. Speaker, I move that the House further disagree to that amendment.

The SPEAKER. The gentleman from North Carolina moves that the House further insists on its disagreement to the Senate amendment 108.

The question was taken, and the motion was agreed to.

Mr. PAGE of North Carolina. Mr. Speaker, amendments 354 and 355, on pages 126 and 127 of the bill, make an arbitrary price for gas to consumers in the District of Columbia at 75 cents. I move that the House recede from its disagreement and concur in the amendments.

The SPEAKER. The gentleman from North Carolina moves that the House recede from its disagreement to amendments 354 and 355 and agree to the same.

Mr. MANN. Will the gentleman yield?

Mr. PAGE of North Carolina. Certainly.

Mr. MANN. We created not a great while ago a public-utilities commission in the District, consisting of the District Commissioners. I do not now recall just what, if any, authority they have over rates for gas.

Mr. PAGE of North Carolina. I think in the utilities act passed in 1912 the Utilities Commission was given the power to make a physical examination of all public utilities in the District of Columbia, which includes, of course, the gas companies, with a view of fixing the rate, and I agree with what I think is in the gentleman's mind, that we might have possessed our souls in patience a little while and found out what recommendations were going to be made by the Utilities Commission touching the price of gas.

Mr. MANN. Did not the Utilities Commission have authority themselves to fix the price of gas after they had made the investigation?

Mr. PAGE of North Carolina. I am not quite sure; but I am inclined to think that they did have the authority.

Mr. MANN. As I recall, we have appropriated at different times considerable sums of money to the Utilities Commission to make this investigation.

Mr. PAGE of North Carolina. We have appropriated, first and last, something like $160,000, and they have made the investigation, and, I am informed, are practically ready to report within a few months the result of the investigation.

Mr. MANN. So, for fear they have found out something which will give information, we propose to act without any information.

Mr. PAGE of North Carolina. I think the gentleman's statement is possibly a little too emphatic, but still true.

Mr. BORLAND. Will the gentleman yield?

Mr. PAGE of North Carolina. Yes.

Mr. BORLAND. I want to ask the chairman of the subcommittee whether it is not true that for a number of years past the gas companies have been furnishing gas for the District government for 75 cents a thousand feet?

Mr. PAGE of North Carolina. Yes; such amount as has been furnished has been at 75 cents, under a provision placed in an appropriation bill.

Mr. MANN. I suppose if we should require them to furnish it at 50 cents they would do it.

Mr. BORLAND. No; they would not.

Mr. MANN. I imagine that they would.

Mr. BORLAND. They would not if that was a confiscation of their property.

Mr. MANN. We could require them to do it; they are under a law that we passed; but that has nothing to do with what is a reasonable charge for gas. We require lots of people to furnish things cheaper to the Government than they furnish them to other people.

Mr. BORLAND. We could not compel them to furnish gas below the cost of production, for that would be a confiscation of their property.

Mr. PAGE of North Carolina. Mr. Speaker, I want to say to the gentleman from Illinois and to the membership of the House that personally I believe that it would have been vastly better if this amendment had not been placed in the bill and we had waited for investigation and action by the Utilities Commission as to what was a fair price based upon the facts. But since it has been placed in the bill in another body, and unquestionably would pass by a vote in this body, I am making the motion that we recede from our disagreement and concur in the Senate amendments.

Mr. MANN. I know nothing about the manufacture of gas in the District of Columbia and not much elsewhere. I know in Chicago it is claimed that, owing to the increase in the cost of oil, the cost of the manufacture of gas has been greatly enhanced, and I know that the gas company in Chicago that furnishes a very large amount of gas has recently been compelled, so they say, to reduce their dividends because of that fact. I do not know whether that is the reason, but they have reduced the dividends, claiming that the cost of the manufacture of gas there—it may be manufactured by a different process than here; I do not know about that—has been very considerably increased in the last year or two because they use more or less oil. I do not know whether that is true here or not. Does the gentleman know?

Mr. PAGE of North Carolina. I have no information. I was relying on the Utilities Commission to give us that information.

Mr. MONTAGUE. Will the gentleman yield?

Mr. PAGE of North Carolina. Certainly.

Mr. MONTAGUE. By this action do we undertake by legislation to fix the price of gas at 75 cents?

Mr. PAGE of North Carolina. That is the specific thing we are doing.

Mr. MONTAGUE. In other words, we fix it by a legislative rather than by an administrative agency after due investigation.

Mr. PAGE of North Carolina. We fix it arbitrarily by these amendments at 75 cents, in face of the fact that in 1912 Congress created a Utilities Commission for the specific purpose of ascertaining the physical valuation of all public utilities, with a view of fixing the price to consumers.

Mr. MONTAGUE. Does not the gentleman think it wiser and more practical that the Utilities Commission should fix this price than that it should be done by the political, the legislative, branch of the Government?

Mr. PAGE of North Carolina. I do; that is my judgment.

Mr. MONTAGUE. Can anybody foresee what will be the price of gas if there should be a prolonged strike? What would be the result if coal could not be obtained or its supply greatly diminished?

Mr. PAGE of North Carolina. It would look like we could not get any gas.

Mr. MONTAGUE. Why, then, should we fix a hard and fast price at 75 cents, however desirable and practicable that might be under normal conditions?

Mr. COOPER of Wisconsin. Will the gentleman yield?

Mr. PAGE of North Carolina. Yes.

Mr. COOPER of Wisconsin. The fixing of rates is a legislative function, is it not?

Mr. PAGE of North Carolina. I will not controvert that.

Mr. COOPER of Wisconsin. Can the legislature delegate to a commission authority to exercise a purely legislative function?

Mr. PAGE of North Carolina. I will say that I do not know, but in the passage of the act I have alluded to we undertook to do that.

Mr. COOPER of Wisconsin. Mr. Speaker, to authorize them to fix the rate?

Mr. PAGE of North Carolina. Yes; respecting public utilities in the District of Columbia.

Mr. SHERLEY. Mr. Speaker, if the gentleman from North Carolina will yield, that was thrashed out long ago. We had the matter up in regard to railroad rates, and we laid down the rule that they must be reasonable, and then the commission determines upon the facts what is reasonable and thereby fixes the rate.

Mr. COOPER of Wisconsin. The commission decides that such and such a rate is unfair or improper, but can the Interstate Commerce Commission fix the rate? It does not fix it.

Mr. SHERLEY. Oh, yes; it has actually made rates.

Mr. CALDWELL. Mr. Speaker, will the gentleman yield?

Mr. PAGE of North Carolina. Yes.

Mr. CALDWELL. I will say experience in the city of New York and in California has demonstrated that this is undoubtedly the correct way to fix the gas rates. In the Consolidated Gas Co. case in New York, which was tried for so many years, we found that the only way that you could fix a rate in a municipality was through legislative action, and that you could not depend upon any other kind of a body of men to bring the people the justice to which they were entitled. In that particular case the gas company raised the point that they could not make a fair return upon their invested capital, and the Supreme Court of the United States in giving its decision provided the means by which a future decision could be made if it was found that in the future the dividends were not declared in the quantity to which they were entitled. The gas company in the District of Columbia will be amply protected. If it can not earn a reasonable dividend upon the value of its property, including the going value, the reasonable value, the expense and the cost of reproduction, together with what they call the good will of the company, then they will be entitled to set aside any rate that we make. If, on the other hand, by reduction of the price of gas they increase their output to that extent that they can make this same dividend or a reasonable dividend, then they must submit to the price that we fix; and I hope that this amendment will be agreed to.

Mr. MANN. Mr. Speaker, I will ask the gentleman from North Carolina to yield to me for a few minutes.

Mr. PAGE of North Carolina. I yield to the gentleman from Illinois.

Mr. MANN. Mr. Speaker, I do not know much about the manufacture of gas except in this Chamber, and that is partly from experience, partly from observance, and partly from performance. [Laughter.] I do not know who manufactures the gas in the District of Columbia. My recollection is that at one time the McLean estate had something to do with it, and that somebody from Cincinnati at some time tried to punish the McLean estate because he did not like the way they did politics; but it seems to me a most remarkable proposition that Congress should provide for a commission to investigate the cost of the manufacture of gas and the value of the plant which manufactures the gas, with a view to fixing the proper rate to be charged, and then, having expended a large amount of money upon this commission, after the commission have acquired the information in the main but before it is submitted to Congress we should in our wisdom determine, without knowledge, something as to which we have directed the acquirement of knowledge for our benefit. That is a remarkable performance; or it would be if it were not a Democratic Congress. No one expects much intelligent operation or action from a Democratic Congress, and we do not often get it. But think of the proposition——

Mr. PAGE of North Carolina. Mr. Speaker, will the gentleman yield there?

Mr. MANN. Yes.

Mr. PAGE of North Carolina. This gas amendment was offered in the Senate by a member of the gentleman's own party, Senator NORRIS, and it was agreed to by the votes of his own party colleagues in that body. [Applause on the Democratic side.]

Mr. MANN. Oh, the gentleman is referring now to what took place in the Senate. Neither Senator NORRIS nor the Republicans in the Senate have the power to put legislation into effect in the Democratic Congress. What are you trying to do—hide behind a Republican, with a Democratic majority?

Mr. PAGE of North Carolina. Not at all.

Mr. MANN. Then do not play the baby act. Your are responsible for the legislation.

Mr. PAGE of North Carolina. We do not try to evade it.

Mr. MANN. Yes, you do; that is exactly what the gentleman was trying to do——

Mr. PAGE of North Carolina. Mr. Speaker——

The SPEAKER. One at a time.

Mr. MANN. Well, it is my time—by saying it was proposed by a Republican. I do not care by whom it was proposed. The question is what Congress shall do, not what some Senator or Member of the House shall propose. You can not hide behind that. It is a Democratic Congress which in the face of intelligence, ready to be given to it, determines to act without intelligence—as usual, along Democratic lines.

Mr. PAGE of North Carolina. Mr. Speaker, if the gentleman will now give me a word, I did not undertake to escape the responsibility for the party in power for this amendment or for this legislation. I merely was trying to keep the gentleman from Illinois from escaping such responsibility as belongs to gentlemen upon his side of the aisle for this action with us, and if the gentleman prefers that that be demonstrated, we could very soon ascertain whether or not we are alone responsible for this amendment by having a roll call. As one Democrat personally I agree with the gentleman that it would have been vastly better if the Utilities Commission had been allowed to finish its work and to make a recommendation or to make a rate based upon facts, but at the same time I believe with a great many other gentlemen in this House that being here in the shape this amendment is, it would not be wise now to not enact it into law.

Mr. FITZGERALD rose.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. PAGE of North Carolina. I yield to the gentleman from New York [Mr. FITZGERALD].

Mr. FITZGERALD. Mr. Speaker, I am not so much annoyed because Congress is not waiting for the report of this public-service commission in order to afford some relief to the people of the District of Columbia. There are some things that a man ascertains after he has been in Washington a number of years without waiting for the report of a very expensive commission. Of course, my good friend from Illinois [Mr. MANN] after his long experience in Washington, may not have accumulated much new information unless some one furnishes it to him, after a very great expenditure of money. [Laughter on the Democratic side.] The progressive Members of Congress on this side of the House keep abreast of the times, keep abreast of modern information, and they know what is going on in Washington, although my friend from Illinois may not.

Mr. MANN. Will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. MANN. I do not see how the gentleman from New York can learn what is going on anywhere unless he learns it in New York City. [Applause on the Republican side.]

Mr. FITZGERALD. Of course, the gentleman does not know how I obtained my information, because I am one of those who studiously refrain from seeking information from the gentleman from Illinois. That is why my information is not incorrect at any time and is always accurate upon public questions, because I go to sources where the information is correct. [Laughter on the Democratic side.] Now, anyone who knows anything about the manufacture of gas—and I am not surprised the gentleman from Illinois disclaims knowledge; men who are the most voluminous manufacturers of some commodities profess to have the least information about them [applause on the Democratic side]—but anybody who has general information about the manufacture of gas, or has kept track of court proceedings which have been brought by gas companies and studied legislation fixing the price of gas, knows, if he has any intelligence whatever, that in a municipality like Washington, with all its surrounding circumstances, that 75 cents is not an unreasonable price to fix for gas, and that is established here by the fact that can not be controverted. For a number of years Congress has fixed the price to be paid for gas furnished to the Government by the local companies at the rate of 75 cents.

If that were a confiscatory rate or if it were an unreasonable rate, the gas companies long since would have resorted to the courts to have that rate upset, and wherever a great public-service corporation acquiesces in a regulation fixing the price of its commodity without resorting to the courts, it is very conclusive evidence that the rate is not at all disastrous or unfair to that corporation. Now, if we are to continue to wait and wait and wait until one of these bodies makes its report to another body and that body makes up its mind as to what relief should be afforded to the people, then the people of Washington, who have no vote, can not participate in this campaign, will continue to be mulcted by a public-service corporation. Now, I admit that a Democratic Congress is doing just a little different from Republican Congresses. It is exercising its own

intelligence, it is taking advantage of information it possesses, and despite the fact our Republican friends are standing still or retrograding—I am not certain which, because they go backwards a little and advance a trifle—in spite of that fact, and their opposition to this progressive, humane, remedial, and beneficial legislation, I insist, without attempting to shirk responsibility, or without inviting anyone to share responsibility, we will attempt to give relief to the people of the District of Columbia so that they may enjoy this great era of prosperity to the full that all the other people of the United States are enjoying under a Democratic administration. [Applause on the Democratic side.]

Mr. HOPWOOD. Mr. Speaker, it seems to me that all——

The SPEAKER. The gentleman from North Carolina [Mr. PAGE] controls the time.

Mr. HOPWOOD. By unanimous consent I would desire to have two or three minutes.

Mr. PAGE of North Carolina. I yield five minutes to the gentleman if he desires it.

Mr. HOPWOOD. Mr. Speaker, I was going to inquire as to how this gas is made, whether of oil or coal. If it is made of coal, I happen to come from a soft-coal region of the country from which much gas coal is shipped, and I know that the price of that coal has increased within the last six months or a year from 50 to 75 per cent over and above the price which then prevailed, and I was wondering whether it would not be possible by some legislation here we might inflict a very great hardship upon these people who produce the gas at the present price of coal. I do not know whether you have examined into that matter. Some of you seem to know exactly what it costs to make gas. I do not know at all what it costs to make it, but I do know that the underlying product that is used in making gas is very expensive at this time, so that it may be that you are putting a confiscatory price upon those people who manufacture gas by putting the gas at 75 cents per thousand cubic feet with coal at the present prices. It seems to me you ought to go slowly in this matter in fixing the price and you ought to have information exactly and accurately at this particular time, not information a year old or 2 years old, but information up to the minute before we fix the specific price which these people are to charge. [Applause.]

The SPEAKER. The question is on the motion of the gentleman from North Carolina to recede from the disagreement of the House to amendments 354 and 355 and concur in the same.

The question was taken, and the motion was agreed to.

Mr. PAGE of North Carolina. Mr. Speaker, now I move that the House recede from its disagreement to amendment numbered 316 and concur in the Senate amendment.

The SPEAKER. The gentleman from North Carolina moves to recede from the House's disagreement to amendment numbered 316 and to concur in the amendment.

Mr. PAGE of North Carolina. Mr. Speaker, this amendment relates to amendment numbered 1, and is made entirely unnecessary, because we have concurred in Senate amendment numbered 1.

Mr. MANN. Mr. Speaker, I think this amendment ought to be reported to the House.

The SPEAKER. The Clerk will report the amendment.

Mr. MANN. What is the amendment?

Mr. PAGE of North Carolina. That all fees, assessments, rents, and so forth.

Mr. MANN. I do not care to have the amendment reported.

The question was taken, and the motion was agreed to.

Mr. PAGE of North Carolina. Mr. Speaker, I move that the House recede from its disagreement to Senate amendment numbered 359 and concur in the same. It is just merely a section number.

The SPEAKER. The gentleman from North Carolina moves that the House recede from its disagreement to Senate amendment numbered 359 and concur in the same.

The question was taken, and the motion was agreed to.

Mr. PAGE of North Carolina. Now, Mr. Speaker, the only remaining amendment is the tax on intangible securities—amendment No. 361. I move that we recede and concur in the Senate amendment with an amendment, which I send to the Clerk's desk.

The SPEAKER. The gentleman from North Carolina moves that the House recede from its disagreement to Senate amendment No. 361 and concur with an amendment which the Clerk will report.

Mr. PAGE of North Carolina. Mr. Speaker, I ask that the Clerk report the Senate amendment for the information of the House.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

SEC. 9. Section 6 of the act of July 1, 1902, "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," is hereby amended by adding, after paragraph 2 of said section:

"That the moneys and credits, including moneys loaned and invested, bonds and shares of stock (except the stock of banks and other corporations within the District of Columbia the taxation of which banks and corporations is herein provided for) of any person, firm, association, or corporation resident or engaged in business within said District shall be scheduled and appraised in the manner provided by paragraph 1 of said section 6 for listing and appraisal of tangible personal property, and assessed at their fair cash value, and as taxes on said moneys and credits there shall be paid to the tax collector of said District four-tenths of 1 per cent of the value thereof: *Provided*, That a joint committee consisting of the Committee on the District of Columbia of the Senate and the Committee on the District of Columbia of the House of Representatives is hereby appointed to make by subcommittee or otherwise a careful and exhaustive study of the tax laws of the District of Columbia, including license taxes, with a view of recommending such changes in the laws as the joint committee may deem fair and equitable, report to be made to the Congress during the next session.

The SPEAKER. The Clerk will also report the amendment offered by the gentleman from North Carolina [Mr. PAGE].

The Clerk read as follows:

After the word "thereof," in line 19, on page 131, insert:

"*Provided*, That savings deposits of individuals in a sum not in excess of $500 deposited in banks, trust companies, or building associations, subject to notice of withdrawal and not subject to check, shall be exempt from this tax."

The SPEAKER. The question is on the motion of the gentleman from North Carolina to recede from the House disagreement to amendment No. 361 and to concur in the same with the amendment which has just been reported.

The motion was agreed to.

The SPEAKER. The Clerk suggests to the Chair that on page 131, in line 19, after the word "*Provided*," the word "*further*" should be inserted.

Mr. PAGE of North Carolina. I overlooked that. After the second word "*Provided*" the word "*further*" should be inserted.

The SPEAKER. Without objection, the amendment will be agreed to.

There was no objection.

Mr. PAGE of North Carolina. Mr. Speaker, I ask unanimous consent to make correction of a wrong reference to line and page.

The SPEAKER. Is there objection?

There was no objection.

Mr. JOHNSON of Kentucky. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on this bill.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. GARDNER. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the RECORD.

Mr. WEBB. Mr. Speaker, I make a similar request.

Mr. DENISON. Mr. Speaker, I also desire to ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Kentucky, the gentleman from Massachusetts, the gentleman from North Carolina, and the gentleman from Illinois ask unanimous consent to extend their remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. STEDMAN, for seven days, on account of sickness.

To Mr. CAMPBELL, for three days, on account of sickness.

To Mr. GRIFFIN, indefinitely, on account of sickness in his family.

GENERAL DEFICIENCY APPROPRIATION BILL.

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 17645, the general deficiency appropriation bill.

The SPEAKER. The gentleman from New York asks unanimous consent that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the general deficiency bill.

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent to dispense with general debate on the bill. I have no requests for such debate.

Mr. CANNON. I have none.

Mr. MANN. That can be dispensed with in committee, if no one wants to debate.

Mr. CANNON. I do not think I have any demands for time upon this bill. I have no desire to take time myself. I can say all I wish to under the five-minute rule.

Mr. FITZGERALD. If the gentleman wants time, there will be no trouble about that. I suppose it is possible there will be

some little discussion in regard to some of the items. If there is any desire for general debate, we can make an agreement.

Mr. CANNON. I have no requests from the committee or anybody else for time. I have no desire for much time myself.

The SPEAKER. The gentleman from New York [Mr. FITZGERALD] asks unanimous consent to dispense with general debate on the deficiency bill. Is there objection? [After a pause.] The Chair hears none.

The question is on the motion of the gentleman from New York [Mr. FITZGERALD] that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the general deficiency bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 17645, with Mr. WEBB in the chair.

The CHAIRMAN. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 17645) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1916, and prior fiscal years, and for other purposes.

Mr. FITZGERALD. Mr. Chairman, I ask unanimous consent to dispense with the first reading of the bill.

The CHAIRMAN. The gentleman from New York asks unanimous consent to dispense with the first reading of the bill. Is there objection? [After a pause.] The Chair hears none. The Clerk will read.

The Clerk read as follows:

No money appropriated by this or any other act for salaries or compensation in any executive department or other Government establishment at the seat of Government shall be available for the payment of any person promoted after March 31, 1917, to a higher salary, unless there shall have been established in such department or independent establishment and be in operation a system of efficiency ratings required by the act of August 23, 1912 (37 Stats., p. 413), as amended by the act of February 28, 1916.

Mr. MANN. Mr. Chairman, I reserve a point of order on that paragraph. If the gentleman from New York [Mr. FITZGERALD] desires to make a statement about it, I will reserve the point of order until he has made the statement.

The CHAIRMAN. Does the gentleman from New York desire to discuss the point of order?

Mr. FITZGERALD. Yes. The purpose of this provision is to compel the establishment of a system of efficiency ratings in all the departments of the Government.

Congress, in 1912, enacted a law requiring a system of efficiency ratings to be established and promotions to be based upon such ratings. Since the law was enacted the system has been established in the Post Office Department and in some of the bureaus of the Treasury Department and the State Department has about completed the investigation and determined upon the character of the system it will initiate.

Mr. MANN. Well, in establishing this system of ratings, do not the departments call on the Bureau of Efficiency for help?

Mr. FITZGERALD. Some do; yes. I do not know that they have all done so.

Mr. MANN. The gentleman does know that if they all did it at once they could not get service at once. Now, they propose by this, because some department does not do what the law directs them to do, to punish, not the department, but some clerk in the department who is entitled to a promotion. It does not seem to me that that is the proper man to punish. The proper man to punish is the head of the department, appointed by the President.

Mr. FITZGERALD. The idea is to ascertain the fitness of the person entitled to promotion and to prevent the one not entitled to it from getting it.

Mr. MANN. I do not see how that does it at all. Here is a law providing that they shall establish these efficiency ratings. I suppose they will carry out the law in time. But here is a head of a department in this city. His salary will not be reduced. He gets his $12,000 per, no matter what he does, so long as he holds the office. Now, when some one dies or resigns and makes a vacancy, that vacancy is entitled to be filled by some one below. Under this provision you can not make a promotion to the vacancy that is open for the subordinate because of the sins of the superior. I think the sins of the subordinate may sometimes be visited properly upon the superior who has charge of the work, but I never could see the justice of punishing the subordinate for the sins of his superior officer, and unless there is more to be said on it than the gentleman from New York has said I am going to make a point of order.

Mr. FITZGERALD. That is all I have to say. It is subject to a point of order.

Mr. MANN. I make the point of order, then, Mr. Chairman.

The CHAIRMAN. Does the gentleman from New York concede that it is subject to a point of order?

Mr. FITZGERALD. Yes.

The CHAIRMAN. The point of order is sustained. The section will be stricken out, and the Clerk will read.

The Clerk read as follows:

The Bureau of Efficiency shall investigate the methods of transacting the public business in the Bureau of Internal Revenue and prepare recommendations for the improvement thereof and submit the same to the Secretary of the Treasury as early as practicable for his approval. Until otherwise provided by law the Bureau of Efficiency shall continue to occupy its present quarters and rooms 316, 319, and 321 in the Winder Building.

Mr. FITZGERALD. Mr. Speaker, I offer an amendment.

Mr. RUBEY. Mr. Chairman, I reserve a point of order on the language in the last paragraph—on the following language:

Until otherwise provided by law, the Bureau of Efficiency shall continue to occupy its present quarters, the rooms 316, 319, and 321 of the Winder Building.

Mr. ALLEN. Mr. Chairman, I reserve a point of order on the whole paragraph.

The CHAIRMAN. The Chair can entertain only one point of order at a time.

Mr. FITZGERALD. Let us know what the point of order will be. If there is going to be a point of order on it I want to make a statement.

Mr. MANN. I want to make a point of order on the paragraph. There is no amendment in order pending, unless it is being read for information.

Mr. FITZGERALD. I propose to offer an amendment to strike out the portion that turns over to the Bureau of Efficiency rooms 316, 319, and 321. Those rooms are occupied by the Auditor for the War Department. The other rooms are now occupied by the Bureau of Efficiency, and should be retained by them. They should not be displaced.

Mr. RUBEY. Mr. Chairman, will the gentleman yield?

Mr. FITZGERALD. And in view of the legislation that has taken place increasing the work that has been put upon the Auditor for the War Department, they should not be dislodged from the rooms they are now occupying.

Mr. MANN. The gentleman is going to strike out that provision of the bill that would take certain rooms away from the auditor and transfer them to the Bureau of Efficiency?

Mr. FITZGERALD. Yes

Mr. RUBEY. Why is it necessary to say by law that the Efficiency Bureau shall occupy its present quarters?

Mr. FITZGERALD. Because at present they are installed there. They have no appropriation for rent. They are not in control of the building. If it is desired to make their work stop entirely, all that it is necessary to do is to eject them from their quarters, and then they will have no place in which to operate. Unless some provision is made for quarters for them, you might as well abolish all provision for them.

Mr. RUBEY. They have their quarters there now?

Mr. FITZGERALD. Yes.

Mr. RUBEY. It might be desired by the Secretary of the Treasury or some one else to put them somewhere else, and then it would require an act of Congress to transfer them to some other building.

Mr. FITZGERALD. It will take care of them until the next session of Congress. This place was fitted up especially to meet the requirements of those persons. They have their records there and their files, and it is admirably adapted to their work.

Mr. RUBEY. I do not object to their staying there, but under this, if you put them in there, you can not take them away until Congress acts. I do not think you should put them there by an act of Congress.

Mr. LOBECK. Mr. Chairman, will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. LOBECK. They were temporarily placed in the rooms they now occupy, because at that time those rooms were not used. Now the Treasury needs the rooms in the Treasury Building for the Farm Loan Bureau.

Mr. FITZGERALD. We are going to give them $10,000 to take care of that.

Mr. LOBECK. But you have not done it.

Mr. FITZGERALD. We have an amendment, which, through oversight, was not printed in the bill. Provision will be made, unless somebody intervenes, by which they will be permitted to use $10,000 to rent quarters for offices now in the Treasury Building, so as to put the Farm Loan Bureau in that building. There will be no necessity of putting anybody from there in the Winder Building. These people should not be disturbed.

Mr. BORLAND. Mr. Chairman, I want to call the attention of my colleague to the fact that the Government owns the Winder Building, and it is perfectly proper for Congress to say what portions of it shall be occupied by such bureaus, and nothing precludes Congress in a subsequent appropriation bill

or other piece of legislation from making any change that is necessary. The only thing that must be taken care of at this time is that the Efficiency Bureau must have some quarters. It is occupying these quarters at the present time.

Mr. RUBEY. Suppose these words were stricken out, what effect would it have? Would not the Bureau of Efficiency go on occupying these quarters?

Mr. FITZGERALD. I do not know whether they would or not. They have been notified that they would be dislodged.

Mr. BORLAND. They would be subject to the views of the custodian of that building.

Mr. LOBECK. They would be subject to the orders of the Secretary of the Treasury.

Mr. RUBEY. They would be subject to the orders of the Secretary of the Treasury and no one else. I understand there is no desire to displace them.

Mr. FITZGERALD. I understand there is a desire to displace them.

Mr. RUBEY. I do not think so.

Mr. FITZGERALD. I know better.

Mr. LOBECK. They wanted to get more room that belonged to the Auditor for the War Department.

Mr. FITZGERALD. They wanted more room. They needed additional space, but that was not the chief thing. They wanted to be let alone in the quarters which they now occupy.

Mr. LOBECK. They went in there by permission of the Secretary of the Treasury, temporarily.

Mr. FITZGERALD. The Secretary of the Treasury is not concerned in housing bureaus which are not under him. Congress fixes the location of every independent and governmental service in buildings. This is nothing new or extraordinary, for Congress to determine where a bureau shall be housed.

Mr. LOBECK. Is not the Secretary of the Treasury concerned in the buildings that belong to and are under the control of the Treasury, so that he can use them for the convenience of the Treasury?

Mr. FITZGERALD. They are not under the control of the Treasury. Congress has made provision for certain bureaus of the Treasury Department in the Winder Building. Now, it is proposed to make provision in that building for an independent bureau. The building is not the property of the Treasury Department.

Mr. LOBECK. It is under the control of the Treasury Department.

Mr. FITZGERALD. We are attempting to prevent these continued indefensible charges for rent for quarters in Washington; but any time that anybody seems to think he is going to lose a foot of space, he stirs up a row in the House for fear somebody else may be provided with quarters without expense to the public.

Mr. RUBEY. How long has that bureau occupied these quarters?

Mr. FITZGERALD. Ever since it was established.

Mr. RUBEY How long is that?

Mr FITZGERALD. Several years.

Mr. RUBEY They could occupy these quarters without this legislation.

Mr. FITZGERALD. I do not know whether they could or not. They have been notified that these rooms are desired for other purposes. There is no appropriation for it, and it depends on the whim of the head of some other department. Of course, if a department does not wish them to continue their work, which is the most beneficial work that is being done in the interest of economy, they will be put out of business, because they can not conduct their business with their offices in their hats.

The CHAIRMAN. Does the gentleman from Missouri insist on his point of order?

Mr. RUBEY. I insist on the point of order to the words:

Until otherwise provided by law the Bureau of Efficiency shall continue to occupy its present quarters, and rooms 316, 319, and 321 in the Winder Building.

Mr. ALLEN. I make the point of order to the whole paragraph.

The CHAIRMAN. The gentleman from Ohio makes the point of order to the entire paragraph.

Mr. ALLEN. I will reserve it if the gentleman from New York wishes.

Mr. FITZGERALD. I would like to have the gentleman reserve it.

Mr. ALLEN. I will reserve it.

Mr. FITZGERALD. The balance of the paragraph provides that the Bureau of Efficiency, which was created by Congress for the purpose of ascertaining how modern methods of business could be installed in the Government service, shall investigate the Bureau of Internal Revenue. I regret very much that the gentleman from Ohio makes the point of order against it. It is conceded by those in charge of the Bureau of Internal Revenue that its methods are antiquated and that it is organized in a manner which does not produce the most efficient service for the Government. Mr. Brown, of the Bureau of Efficiency, made the statement that after a cursory examination of the Bureau of Internal Revenue he had suggested to the Assistant Secretary of the Treasury in charge of that service that by the introduction of improved methods the services of 50 employees could be dispensed with. A difference arose between the Assistant Secretary in charge of that service and the men engaged in this work. The result was that they were not permitted to continue their investigation. Since that time their differences have been adjusted, but in view of the fact that this bureau would be able to effect economy and to save the public money, the committee put in this provision directing it to make the investigation.

Why is this objection raised? It is raised because the Assistant Secretary of the Treasury takes this provision as a personal affront to himself. He believes that it is a reflection upon him that Congress should direct a bureau created by Congress, and made independent of every other department of the Government, to investigate any particular bureau or department of the Government. It seems that a committee consisting of employees in the bureau itself has been engaged in an investigation, and because the Committee on Appropriations desires to have an independent and impartial investigation with a provision that the recommendations shall be submitted to the head of the Treasury Department for his approval—because we have the temerity to recommend such legislation, an Assistant Secretary of the Treasury takes that as a personal affront and spends his time running round this House trying to persuade some Member to make a point of order to prevent such an investigation. I believe that assistant secretaries ought to mind their own business and not interfere with the House or the Members who are desiring not to serve any personal or selfish ends, but simply to bring about the introduction of methods that will make the public service efficient. I regret that some Member has been found who is willing to yield to the importunities of department officials and to prevent legislation of such a beneficial character. [Applause.]

It is time, Mr. Chairman, that the House of Representatives asserted its prerogatives and took a firm stand for legislation necessary to control the public purse of the Government. [Applause.] I am tired of having administrative officials become indignant or offended because Congress dares or presumes to exercise some of its prerogatives, unless the chairman of the committee runs, hat in hand, to the head of the department and begs permission to make regulations for the improvement of the public service. It ought to be stopped and stopped now. This is the time to emphasize the necessity for it. Anybody who believes that any administration will curtail the expenditures of public money indulges in a dream. It is true under every administration during which I have served.

I want to say now, so that the officials of the departments will know it, that they will not advance the things they are interested in by attempting to thwart this House in an effort to improve the public service. [Applause.] Before this bill passes the House will have a demonstration of the power of the House to exercise some of its prerogatives, so that it will express its will without executive interference. Officials who run around threatening or coercing Members, or making promises that can not be carried out, are going to have their hands full, not only in this but in other sessions of Congress, in efforts to attend to the things which they are appointed to do. [Applause.]

Mr. ALLEN. Mr. Chairman——

Mr. STAFFORD. I hope the gentleman from Ohio will not foreclose others from speaking and making known their position.

Mr. ALLEN. I had intended to make the point of order immediately, but I knew the gentleman from New York wanted to say something——

Mr. STAFFORD. And others want to speak, and I hope the gentleman will reserve the point of order after he gets through.

Mr. ALLEN. Mr. Chairman, I want to say that I have seen or talked with no Assistant Secretary of the Treasury. I did not know that I would create so much excitement in the mind of the gentleman from New York by making the point of order to the paragraph that is clearly not within the rule. It is new legislation. But in addition to that they have a committee now working in the Internal Revenue Bureau that has been engaged there for some time. It has about reached a conclusion. The Bureau of Efficiency has all it can do for the next year in the

work already laid out. If this committee of the Treasury Department that is now engaged in straightening out matters in the Bureau of Internal Revenue has not completed its work by December 1, this paragraph can be included in the next appropriation bill, which will be ready long before the Bureau of Efficiency can reach the bureau. I do not believe in double work of this character. Expenditure of time is the same as the expenditure of money. We have one committee doing the work and doing it well, and for that reason I make the point of order. I will reserve it, however, for five minutes.

Mr. STAFFORD. Mr. Chairman, no division of the Government has met with as much opposition and buffeting as this Bureau of Efficiency. The legislative subcommittee recognizing that it was even hamstrung by the Civil Service Commission in its efforts to work reform in the various departments of this Government, made it in the legislative bill a separate and independent organization. It inaugurated reforms and established business methods in the office of the Treasurer in the Treasury Department that saved $60,000 in salaries in one year. The Bureau of Efficiency attempted to install modern business methods in the Bureau of Pensions, but it was thwarted. The Treasury Department officials knew of the work the Bureau of Efficiency was doing in the Treasurer's office and set about to prevent the extension of modern business methods by creating a subterfuge known as the committee on improvement, merely selecting a committee from the respective divisions in their own department to determine whether or not improvements should be installed in the respective divisions. These officials in the respective divisions are not experts and are not qualified as they are in the Bureau of Efficiency to suggest efficiency systems and methods. Since we have created this as a distinct bureau, we wish it to inspect the division of the internal revenue, which can profit more by modern methods than any other bureau of the Treasury Department by using time tabulating devices and recording machines by which there will be a saving to the Government of many thousands of dollars annually.

This Bureau of Efficiency since 1912 has made a distinct saving of $1,000,000 to the Government by installing modern business methods in a few bureaus. And yet we find men pleading for delay, pretending that by means of the various bureaus' own committees, which have not the slightest acquaintance with modern business methods, that efficient methods will be adopted.

We want the Bureau of Efficiency to go through all the departments. I am surprised that any person without having any acquaintance with the conditions which have been presented to the Appropriations Committee should arise here and object by a point of order to a provision that will save the Government, perhaps in this bureau alone, $100,000 a year. That is the responsibility that the gentleman takes who makes a point of order against this Bureau of Efficiency going into the Bureau of Internal Revenue and trying to establish modern, up-to-date business methods. It is upon the gentleman raising the point of order to be charged with that responsibility. [Applause.]

The CHAIRMAN. The Chair sustains the point of order.

Mr. BORLAND. Mr. Chairman, I offer the following amendment, to follow line 11, page 3.

The Clerk read as follows:

After line 11, page 3, insert the following:

"The Bureau of Efficiency shall investigate the methods of transacting the public business in the Bureau of Internal Revenue and prepare recommendations for the improvement thereof, and submit the same to the Secretary of the Treasury as early as practicable for his approval. Until otherwise provided by law the Bureau of Efficiency shall continue to occupy its present quarters.

Mr. ALLEN. Mr. Chairman, I make the point of order.

Mr. MANN. Mr. Chairman, I reserve the point of order upon the amendment.

The CHAIRMAN. The gentleman from Illinois reserves the point of order.

Mr. BORLAND. Mr. Chairman, this is the same provision which appeared in the bill except the part which took certain rooms from the Auditor of the War Department and added them to the quarters of the Efficiency Bureau. I am familiar with the work of the Auditor of the War Department, enough so to know that it would not be convenient or practicable to take those rooms, although I have had no communication with him upon the subject. I know that the Bureau of Efficiency is located in the Winder Building, and it is not true, as gentlemen here seem to apprehend, that their remaining there will in any way embarrass the Farm Loan Board. There is no proposition to put the Farm Loan Board in the Winder Building, and if gentlemen have that impression and feel that they are fighting the battle of the Farm Loan Board, they are mistaken in that point. Before I say that, I want to say, however, that no one is more in sympathy with providing quarters for the Farm Loan Board than I am. This bill contains an extra appropriation of $100,000 for the work of organization of that board, in addition to what was provided by the law passed only a few weeks ago, so that this Congress and this committee are not only in sympathy with the work of the Farm Loan Board but they have actually increased the money available for that board by $100,000, in anticipation of expenses they may be put to for temporary quarters or temporary services or otherwise. The Farm Loan Board is amply taken care of in this bill. That just simply reduces this debate to the proposition of whether the Efficiency Bureau, which has thoroughly demonstrated its ability to secure economy and efficiency in the public service, shall be put at the mercy of departmental chiefs or heads of departments who may not be in sympathy with the particular line of work that it is doing or proposed to do at the particular time.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. BORLAND. Yes.

Mr. HASTINGS. The gentleman makes the statement that there is an appropriation of $100,000 here for the Farm Loan Board, and he makes the further statement that we some time ago, in the farm-loan act, made an appropriation of $100,000. I know the gentleman wants to be correct, and I am asking him for information myself. Does not the farm-loan act authorize the expenditure of the $100,000—in other words, it is an authorization—and is not this an appropriation in this act, and hence there is no double appropriation of $100,000, as I understand it?

Mr. BORLAND. The Clerk informs me that I am correct about that. This is an additional $100,000 over what was authorized.

Mr. HASTINGS. It is an appropriation of $200,000 for the Farm Loan Board?

Mr. BORLAND. Yes.

Mr. HASTINGS. I wanted information upon that myself.

Mr. BORLAND. Yes. This makes available—and I am reenforced by information of the Clerk—$200,000 for the organization of the Farm Loan Board. That leaves simply the question as to the position and independence of this Efficiency Bureau.

Mr. GLASS. Mr. Chairman, will the gentleman yield?

Mr. BORLAND. Yes.

Mr. GLASS. My recollection of that particular matter is that the gentleman from Illinois [Mr. MANN] proposed an amendment to the farm-loan bill which simply authorizes the expenditure of $100,000.

Mr. FITZGERALD. There is a direct appropriation of $100,000.

Mr. BORLAND. And this is another appropriation.

Mr. GLASS. I would like to ask the gentleman from Missouri [Mr. BORLAND] who has made the point that this matter interferes with the Farm Loan Board. I have not heard any such point made.

Mr. BORLAND. Mr. Chairman, the point was made incidentally in the discussion here that this particular extension of quarters was needed to accommodate the Farm Loan Board, and the way it was brought about was this: They expect that the Secretary of the Treasury will give some quarters in the Treasury Building to the Farm Loan Board and put out of there certain employees of the Coast and Geodetic Survey, and instead of transferring them to the building where the rest of the Coast and Geodetic Survey is, he will put those employees into the room of the Efficiency Bureau and leave the Efficiency Bureau without any quarters.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. BORLAND. Mr. Chairman, I ask unanimous consent to proceed for three minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BORLAND. Mr. Chairman, if the Efficiency Bureau is to be subject to this transfer around, to accommodate any new board or any board that is transferred, it is unfair. It is assumed here and not denied that the Farm Loan Board itself does not need these quarters of the Efficiency Bureau, but somebody else is going to yield up their quarters to the Farm Loan Board, and they are to be accommodated at the expense of the Efficiency Bureau, and that simply means that the Efficiency Bureau, being an independent bureau, has absolutely no security upon its quarters at all. I realize that the Efficiency Bureau is not such a bureau as appeals to the imagination of gentlemen of this House. It is not a bureau that readily would make friends. Unfortunately it is a commission that necessarily opposes in many cases the wishes and views of men in official life. It can not help doing it.

If it accomplishes the result intended it shall accomplish, it must necessarily abolish some places and secure some reform; it must necessarily change the methods that are pursued by men now conducting those bureaus; it must necessarily enforce its

views in opposition to the views of men now in power. Necessarily it will have opponents and possibly sincere critics in this House, and it will not have any friends. There is no favor that it can extend, and every act it does necessarily intrenches upon claims or rights or alleged privileges of some person. It depends upon whether Congress wants to take into its own hands the economy and efficiency of the public service, or whether it wants to leave that entirely at the mercy of the chiefs who are affected by it. Gentlemen take the responsibility when they strike out this paragraph as I have redrawn it, so that it does not disturb the officers of the War Department, it does not disturb any other existing department, but leaves this bureau as it is; they take the responsibility of destroying the power and usefulness of the Efficiency Bureau.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. SISSON. Mr. Chairman, I had not intended to say anything on this matter, but I do not think members of the committee understand exactly the situation there. The Auditor for the War Department has 205 clerks under him. He has 75 rooms. That is about three men per room. Some of these rooms have as many as seven men to a room. It is admitted by the chief clerk in the auditor's office of the War Department that they will not need any of these rooms that are now occupied by this board until the 1st day of January. This space has nothing on earth to do with the space which will be given to the Farm Loan Board. It is contemplated now that space will be made for the Farm Loan Board in the Treasury Building itself, so that these officials may be very close to the officials of the Treasury Department. Now, the three additional rooms that were proposed to be given to this board are rooms in which there were some files. Numbers of these rooms are filled with files of the Auditor for the War Department. Now, there are several of these rooms needed for these machines which are intended to be installed as labor-saving machines, and there has been a great deal said here and a great mountain made out of a molehill because Mr. Beatty and gentlemen who have been up here discussing this matter say that they will not have additional clerks, that there will be no need for these additional clerks until the 1st day of January. Then it is contemplated that after the first organization of the Army has gone into effect and the charges against the Treasury begin to come, when they will begin to audit the great additional expense, they will be compelled to have 25 or 30 additional clerks, but they can not get them until December. The deficiency bill in December will probably not get through until some time after Christmas, so the same bill in which you will add the clerks to the auditor's office when they are needed will control this space, and there is no reason on earth why the Efficiency Bureau could not remain right where they are until the time comes when the War Department needs this space or the auditor's department needs the space. Now, that is all there is in it, and your subcommittee investigated it and acted because we felt that there was no necessity of anybody being crowded out of any rooms, as there could not be any clerks at all until the next deficiency bill in December, and the same bill that has the clerks will take care of the space. That is all there is to it.

Mr. LOBECK. Will the gentleman yield?

Mr. SISSON. I will.

Mr. LOBECK. The gentleman means the Efficiency Board will just keep the present rooms they have without any additional rooms.

Mr. SISSON. That the Efficiency Board keep the space which they now have. Does the gentleman want the Efficiency Board to be turned out on the street?

Mr. LOBECK. No.

Mr. SISSON. Well, now, suppose if you did not do this, does the gentleman undertake to say he assumes the responsibility of making an appropriation for a year's rent and turn these people out of the space they occupy in order that they may rent space somewhere else in the city?

Mr. ALLEN. I have not the slightest objection to the language, "Until otherwise provided for," and so forth, in line 16, and following. It is the first part of the paragraph to which I made the point of order.

Mr. SISSON. What is the objection?

Mr. ALLEN. Duplication of work. There is another committee doing the same thing.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SISSON. I ask for five minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi? [After a pause.] The Chair hears none.

Mr. SISSON. I will ask again, what duplication?

Mr. ALLEN. Of expense.

Mr. SISSON. Duplication of what?

Mr. ALLEN. Of expense and effort and in taking the time of the Bureau of Efficiency to do the same work that the efficiency committee now in the Treasury Department has been working on for months and will be ready to report on before the end——

Mr. SISSON. I see the gentleman has been talking to my friend Malburn.

Mr. ALLEN. I have not.

Mr. SISSON. Then he has been talking to somebody else, because the Appropriations Committee thrashed this whole thing out, but there were several committees——

Mr. ALLEN. I happen to know what has been going on down there, and that is the reason I made the point.

Mr. SISSON. The committee had the testimony and the witnesses and they resist any effort on the part of Congress to have this Efficiency Bureau make any investigation down there.

Mr. ALLEN. Because they have their own committee that is already working, and it is merely a duplication of effort.

Mr. SISSON. In other words, you put each department in the position of investigating itself, and that is the very thing Congress does not want done.

Mr. ALLEN. No; we have congressional committees here to investigate each department, and they do it.

Mr. SISSON. Mr. Chairman, the fact about the business is this, that the law has created this Efficiency Division and authorized the Efficiency Division to do this particular work.

Now, here we find ourselves in an attitude of having the work which that Efficiency Division was created to perform impeded by Members of Congress, who created the division itself. Do one of two things, either abolish this Efficiency Division entirely or give it a fair opportunity to show what can be done. It can do nobody any harm. Now, if you shall put these men out it will be necessary, either in the Senate or by amendment to this bill, to provide for it by renting rooms somewhere else.

Mr. MANN. Will the gentleman yield?

Mr. SISSON. Yes.

Mr. MANN. Is the gentleman willing to have a provision go into the bill to let the Efficiency Bureau investigate the method of legislation by Congress?

Mr. SISSON. I have no objection to the Efficiency Division doing that.

Mr. MANN. It might add a great deal to the value of Congress to the country and increase very greatly the expense.

Mr. SISSON. I might do it.

Mr. MANN. Why does not the gentleman's committee propose something practical along those lines, to let somebody try to apply efficiency methods in this body?

Mr. SISSON. We find the result of the work in this Efficiency Division has been to enable the department to dispense with a great many clerks.

Mr. MANN. I have no doubt of it. I am a friend of the Bureau of Efficiency. That is the reason I would like to see them come up here and tell us something.

Mr. SISSON. I would not object to them coming and telling this body something, if they can show us how to save money, and I think it can be easily shown; but there is an indisposition on the part of Congress to-day to be so shown, and I am afraid. But this other matter surprises me in that there should be so much fuss made about it. They only wanted three additional rooms, and they are rooms in which records are kept. Now they propose to put these machines in those rooms, so that these men who want to know how the machines are operated may come and test them out and determine whether or not they are what they want. The real office force will retain the present rooms which they now occupy. Therefore your subcommittee felt that up until the time these men meet in these extra rooms they would have to get them on the deficiency bill, and when they provide for the extra clerks we would provide for the deficiency to be taken care of.

Mr. BENNET. Mr. Chairman, I thoroughly sympathize with my colleague in this effort, but I want to call his attention to the fact that it is impossible for the House to be successful in maintaining its dignity unless it is consistent. It is the second time to-day we have had this question up—the question of directing an executive department—and I maintain we ought to do it. We are the lawmaking body. I maintained it earlier in the day when the question was up between the Thomas amendment, which authorized the executive department to do something, and the Sutherland amendment, which directed the department to do something. I asked for a roll call on that, and I regret to say that my colleague voted to authorize and not to direct.

Mr. FITZGERALD. I think in that case the department ought to have discretion. In this case I think they ought to be directed to do it, regardless of their wishes, and I voted as I stated, as everybody else does.

Mr. BENNET. Mr. Chairman, that is just the reason why we will never get any respect out of any of the executive departments until we assert our prerogatives, because it seems to be more convenient to vote to authorize them to do a particular thing, and we forget that under the Constitution it is not only our power but our duty in all this kind of legislation to direct the executive department to do things. I was glad to see the gentleman from Tennessee [Mr. BYRNS], a member of the committee, held the same view that I did, and that he very properly voted to direct them to do it. I think if my colleague and others who had voted the weaker way earlier in the day had in the past and to-day voted to direct, we would not have the present situation which he deplores.

Mr. FITZGERALD. It is said that there is joy in heaven over one sinner that repenteth; and, if that is the case, there must be great joy there now.

Mr. BENNET. So far as it is in my power to grant my colleague in any way any amelioration, I am going to do it, and if he can do any substantial thing in connection with this proposition I will vote with him now, consistently with my vote earlier in the day.

Mr. MANN. Mr. Chairman, there is a good deal of talk about our exercising our power. We have power to say whether a room shall be cleaned with a broom or a dust cloth or in some other way. I never supposed it was absolutely essential that Congress should determine such great questions of that kind with its mighty intellect. After all, a large share of the work of Government must be left to the discretion of administrative officers. We are a legislative body, not an executive body, not an administrative body. My observation is that when Congress undertakes to direct methods of administration it generally put its foot in it, and does not know what it is doing and, as a rule, makes a mistake.

Here we have in the District of Columbia a great many buildings, many owned by the Government, many rented by the Government. Everyone knows that it would be impossible for this House to determine the number of rooms and the location and who should occupy them of all the rooms owned and controlled by the government of the District of Columbia. The committee that sat on that question all the time would have to have its days lengthened and hours lengthened and years lengthened in order to make a report. Of course, we could dispose of one case. One branch of the Government's service gets before a committee, and there is more rivalry between these different branches than there is between parties in the country. One branch of the Government service gets before the committee and makes its showing and the other branch is not heard, and the committee hears one side usually, and usually only one—just what that branch of the public service wants. It may be a good thing. I do not know. I think the Bureau of Efficiency, however, ought to be outside of any building occupied by a department of the Government. It belongs to no department. It is much better to keep the various bureaus of the Treasury Department in buildings occupied by the Treasury Department and let the Bureau of Efficiency go into a building outside, where it belongs, instead of having the Bureau of Efficiency occupy a portion of the Treasury Building, and then let the Treasury bureaus go outside.

There is more or less of interdependence and relationship between all the various bureaus or the activities under the Treasury Department. I have not the slightest doubt myself that the Bureau of Efficiency will be well housed. I do not think they will attempt to do business under their hat, as suggested by the gentleman from New York. I do not think they will be required to. I have more faith than some gentlemen seem to have in the President of the United States. I do not believe the President of the United States will permit the Bureau of Efficiency to be kicked out into the street. The President has jurisdiction over the whole subject. If it needs an appropriation to provide quarters for the Bureau of Efficiency, we can make that; but I do not think Congress ought to undertake to say how many rooms this bureau should have or where it shall be. Therefore I make the point of order again.

The CHAIRMAN. The point of order is sustained. The Clerk will read.

The Clerk read as follows:

Payment to Republic of Nicaragua: To enable the Secretary of State to pay, for the benefit of the Republic of Nicaragua, in accordance with article 3 of the treaty between the Government of the United States and the Government of Nicaragua, signed August 5, 1914, $3,000,000.

Mr. MANN. Mr. Chairman, I reserve a point of order on the paragraph.

The CHAIRMAN. The gentleman from Illinois reserves a point of order on the paragraph.

Mr. FITZGERALD. Pending that, Mr. Chairman, I ask unanimous consent to have the Clerk change, in line 2, the figures "1917" to the words "nineteen hundred and seventeen."

The CHAIRMAN. Without objection, the change will be agreed to.

There was no objection.

Mr. CANNON. Mr. Chairman, if it is subject to a point of order, I do not care to talk about it.

Mr. MANN. I do not think it is subject to a point of order.

Mr. FITZGERALD. The treaty has been ratified by the Senate.

Mr. MANN. Mr. Chairman, I reserved the point of order on this paragraph in order to ascertain something in reference to the treaty. I have not the treaty in my hand now, though I examined it. I do not recall just what its terms are. I was under the impression, without recollection, that it provided for the payment of $3,000,000 to the Republic of Nicaragua.

Mr. FITZGERALD. Yes; upon the exchange of the ratifications.

Mr. MANN. That is not the provision in the bill. The provision in the bill is "to enable the Secretary of State to pay for the benefit of the Republic of Nicaragua, in accordance with article 3 of the treaty between the United States and the Government of Nicaragua, signed August 5, 1914, $3,000,000." I think the treaty does make some authorization.

Mr. FITZGERALD. It provides for the payment of certain obligations by the Republic. I have asked the clerk of the committee to get a copy of the treaty, and I suggest that we pass this over temporarily.

Mr. CANNON. I have no objection to its going over temporarily.

Mr. MANN. I want to know about it. Of course we are obliged to appropriate the money under the treaty; that is, morally obliged; but I do not think much of the treaty. There has been quite an effort made on the part of a good many gentlemen either having claims against Nicaragua as American citizens or otherwise, or other gentlemen, to get their finger into this pie. I do not know just what the treaty provides for, but I am quite certain that Nicaragua will not see any of the money.

Mr. MOORE of Pennsylvania. Mr. Chairman, may I inquire before we pass this paragraph why the words "for the benefit" are inserted on line 5?

Mr. MANN. That is what we are trying to find out.

Mr. FITZGERALD. I have the treaty here, Mr. Chairman. Article 3 of the treaty is as follows:

In consideration of the foregoing stipulations and for the purposes contemplated by this convention, and for the purpose of reducing the indebtedness of Nicaragua, the Government of the United States shall, on the date of the exchange of the ratifications of this convention, pay for the benefit of the Republic of Nicaragua the sum of $3,000,000, United States gold coin of the present weight and fineness, to be deposited to the order of the Government of Nicaragua, with such bank or banks or such banking corporations as the Government of the United States shall determine, to be applied by Nicaragua upon its indebtedness or other public purposes for the advancement of the welfare of Nicaragua, in a manner to be determined by the two high contracting parties, all such disbursements to be made on the order drawn—

And so forth.

Mr. MANN. Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The gentleman from Illinois withdraws the point of order.

[Mr. CANNON addressed the committee. See Appendix.]

Mr. HEFLIN. Mr. Chairman, I move to strike out the last word. We hear a great deal from the Republican side now about the Mexican policy of the President. We have been hearing a good deal from that side recently. Nobody here or away from here knows what the Republican policy upon that subject is or would be. Republicans seem to be in favor of war because President Wilson is in favor of peace. Ex-Supreme Court Judge Hughes, the candidate of the Republican Party, said in his speech that the President's Mexican policy might be one thing now and another thing three months from now. Well, Mr. Chairman, conditions may change and it may be necessary to have a policy different to meet emergencies as they arise.

The candidate of the Republican Party himself has changed his mind, and for the purpose of accepting a nomination given him by Republican bosses. Four years ago he stated that a Supreme Court Judge ought not to be available for political office; that the Supreme Court must never be dragged into politics; that no man serving in a political office was as neces-

sary to his country's welfare as the unstained dignity and integrity of the Supreme Court; that that court must forever be kept out of politics. [Applause on the Democratic side.]

It seems that that gentleman is somewhat vacillating, for he is now leading the movement that would drag the Supreme Court into politics. So gentlemen on the other side are running a man for President that has undertaken to drag that court into politics. And in order to vote for him you must vote to drag the Supreme Court into politics.

Mr. BARKLEY. Will the gentleman yield?

Mr. HEFLIN. Yes.

Mr. BARKLEY. Does not the gentleman realize that that gentleman is 100 per cent candidate now?

Mr. HEFLIN. Yes; I know that this same man who said that a Supreme Court judge should not be available for political office is now, according to his own statement, a 100 per cent candidate for a political office, but judging from the gloom and disappointment that followed his western tour he is now down to about 40 per cent.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. HEFLIN. Certainly.

Mr. MOORE of Pennsylvania. Is he not 100 per cent a winner as the case now stands?

Mr. HEFLIN. If the gentleman wants my opinion as to the national election I will give it to him. I do not believe that Mr. Hughes will carry 12 States in the Union. I want to make a prediction for the gentleman's consideration: Mr. Wilson will defeat your candidate 3,000,000 popular votes. This is one election, gentlemen, that the corrupt use of money can not carry. [Applause on the Democratic side.]

Mr. MOORE of Pennsylvania. Will the gentleman concede the State of Maine to Mr. Hughes?

Mr. HEFLIN. I will not.

Mr. MOORE of Pennsylvania. The gentleman from Alabama has been in Maine?

Mr. HEFLIN. I have.

Mr. MOORE of Pennsylvania. And the gentleman will not concede Maine to Hughes? Now, in the presence of the gentleman from Alabama and the assembled Democracy, I claim Maine for the Republican candidate. [Applause on the Republican side.]

Mr. HEFLIN. It is not uncommon for Republicans to claim things or promise things; they can promise glibly and claim freely before the election, but their promises and prophesies are never fulfilled. [Laughter and applause on the Democratic side.]

Now the gentleman talks about the Mexican policy of the President.

Mr. HULBERT. Will the gentleman yield?

Mr. HEFLIN. Yes.

Mr. HULBERT. I would like to ask if the gentleman from Alabama can ascertain from what source the gentleman from Pennsylvania, who seems to have the figures with respect to the result in Maine, got them, and what is the plurality?

Mr. HEFLIN. He got them from the disordered imagination of the Republican bosses.

Mr. MOORE of Pennsylvania. Will the gentleman from Alabama yield to me to answer the question?

Mr. HEFLIN. I will.

Mr. MOORE of Pennsylvania. I claim the State of Maine now because the gentleman from Alabama has been orating in that State. [Laughter and applause on the Republican side.]

Mr. HEFLIN. Well, I have the conviction that I did not drive anybody away from the Democratic Party in Maine, and that is more than your candidate for President can say with regard to Republican voters, for on his western tour he lost you votes by the thousands. [Laughter and applause on the Democratic side.]

Mr. MOORE of Pennsylvania. Our candidate has already carried Pikes Peak. [Laughter.]

Mr. HEFLIN. Pikes Peak! Why, it snows there in July [laughter], and if there is a place under heaven where your candidate should run well and be in a congenial climate it is on Pikes Peak in a snowstorm. [Laughter and applause on the Democratic side.]

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. HEFLIN. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HEFLIN. Now, Mr. Chairman, I know that my friends are sorry that they have nominated this man Hughes. They are sorry in their hearts. Some one said the other day that you were going to take Hughes down and put up Uncle JOE; and I said if you do, Uncle JOE will make a better race than Hughes. He would, too, for Uncle JOE from every angle is human. [Laughter on the Democratic side.]

Mr. HASTINGS. Will the gentleman yield?

Mr. HEFLIN. Yes.

Mr. HASTINGS. The gentleman made reference to the gentleman from Illinois. I heard him make a speech about 15 minutes long criticizing the administration's policy in Mexico, but did he state during that whole 15 minutes what he would have done if he had been in charge?

Mr. HEFLIN. Of course he did not, and we do not want to embarrass him now. The Republicans do not know what they would have done in the past and they do not know what they would do in the future. What they want is a return to political power. That is the burning desire of the Republican Party. [Applause on the Democratic side.] What would Hughes have done? Roosevelt tells us, and he is his mouthpiece, that he would never have written but one note to Germany. What is the answer to that? That he would have sent the fleet. Where would we have been? Engaged in war with a foreign country. And American boys by the hundreds and thousands would have been fighting and dying around Verdun. That is what would have happened.

Now, you seek to make capital out of the Mexican situation. What would you have done with Huerta? What did your President do—Mr. Taft? He refused to recognize that red-handed assassin who assumed control of the Mexican Government when he had murdered President Madero in the capital of the nation. It was Huerta's duty under the constitution to protect and defend him. But he murdered him, and then what happened? He wired President Taft: "I have overthrown the Government and am in control." What did President Taft do? Did he wire back, saying: "I congratulate you, assassin; the Government of the United States extends the hand of recognition to you"? No; he refused to do it. What did he do? [Applause on the Democratic side.] He sent 20,000 troops to the border line, and they have been there ever since. You talk about us keeping soldiers down there. Do you know what is going on and what you are talking about? Five soldiers were killed at Douglas, Ariz., when Taft was President, and he did not go to war with Mexico. You are hard pressed for an issue. Gentlemen, the old party has about petered out. [Laughter and applause on the Democratic side.]

We are running a man for President who is the greatest intellectual giant who has been in the White House for a hundred years. [Applause on the Democratic side.]

Not since Hickory Jackson defied the national banks has there been such a brave message as that delivered on behalf of the American people yesterday by Woodrow Wilson. [Applause on the Democratic side.] You have a man running for President. He goes out through the West raising big issues! [Laughter.] After he chased in his imagination the administration across the continent, he touched the hems of its garments, crossed his fingers and said, in the name of the Geodetic Survey and in behalf of the Bureau of the Census, "I pronounce you a miserable failure!" [Laughter and applause on the Democratic side.] Then a Progressive said, "Why, Mr. Hughes, President Wilson has made a good President; he has passed a lot of progressive and constructive measures, and he has prevented a lot of suffering among our people and saved human lives by keeping us out of war," whereupon your candidate is wont to say, "What are constructive measures, the prevention of suffering, and the saving of human life to do with the situation, so long as a horse doctor is in the Geodetic Survey and E. Dana Durand is lost to the Bureau of the Census?" [Applause and laughter on the Democratic side.]

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. HEFLIN. Mr. Chairman, I ask unanimous consent to proceed for two minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HEFLIN. Mr. Chairman, these are the big issues that Candidate Hughes has raised, and when he returned from that dismal Western trip I imagine that I could see him when Messrs. Root and PENROSE, SMOOT, and Murray Crane went out to meet and to greet him and could hear them say, "You had a glorious trip," but he shook his head mournfully. They said, "Cheer up, you are going to be elected," and still he shook his head. And now determined to cheer him, they said, "Your election is a cinch," but still he shook his head. Then lifting his sad eyes to SMOOT, he said, with tears in his voice, "You gentlemen are merely playing a part when you say my election is a cinch. I've been through the West; and down in my heart I wish I were

back on the bench." [Applause and laughter on the Democratic side.]

Mr. FITZGERALD. Mr. Chairman, I ask unanimous consent to place in the RECORD the message of the President of the United States of date August 8, 1914, transmitting the Nicaragua treaty and other documents.

The CHAIRMAN. Without objection, it will be so ordered.

There was no objection.

The treaty referred to is as follows:

NICARAGUAN CANAL ROUTE.

To the Senate:

I transmit, with a view to its ratification, a convention between the United States and Nicaragua, signed at Washington on August 5, 1914, granting to the United States, in return for a money payment for the benefit of the Republic of Nicaragua, the exclusive proprietary rights necessary and convenient for the construction, operation, and maintenance of an interoceanic canal by a Nicaraguan route, the lease for 99 years of Great and Little Corn Islands, in the Caribbean Sea, and the right to establish a naval base on the Gulf of Fonseca.

WOODROW WILSON.

THE WHITE HOUSE,
Washington, August 8, 1914.

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to its ratification, a convention between the United States and Nicaragua, signed at Washington on August 5, 1914, granting to the United States, in return for a money payment for the benefit of the Republic of Nicaragua, the exclusive proprietary rights necessary and convenient for the construction, operation, and maintenance of an interoceanic canal by a Nicaraguan route, the lease for 99 years of Great and Little Corn Islands, in the Caribbean Sea, and the right to establish a naval base on the Gulf of Fonseca.

Respectfully submitted.

W. J. BRYAN.

DEPARTMENT OF STATE,
Washington, August, 1914.

The Government of the United States of America and the Government of Nicaragua, being animated by the desire to strengthen their ancient and cordial friendship by the most sincere cooperation for all purposes of their mutual advantage and interest and to provide for the possible future construction of an interoceanic ship canal by way of the San Juan River and the great Lake of Nicaragua, or by any route over Nicaraguan territory, whenever the construction of such canal shall be deemed by the Government of the United States conducive to the interests of both countries, and the Government of Nicaragua, wishing to facilitate in every way possible the successful maintenance and operation of the Panama Canal, the two Governments have resolved to conclude a convention to these ends, and have accordingly appointed as their plenipotentiaries:

The President of the United States, the Hon. William Jennings Bryan, Secretary of State; and

The President of Nicaragua, Señor Gen. Don Emiliano Chamorro, envoy extraordinary and minister plenipotentiary of Nicaragua to the United States;

Who, having exhibited to each other their respective full powers, found to be in good and due form, have agreed upon and concluded the following articles:

ARTICLE I.

The Government of Nicaragua grants in perpetuity to the Government of the United States, forever free from all taxation or public charge, the exclusive proprietary rights necessary and convenient for the construction, operation, and maintenance of an interoceanic canal by way of the San Juan River and the great Lake of Nicaragua, or by way of any route over Nicaraguan territory, the details of the terms upon which such canal shall be constructed, operated, and maintained to be agreed to by the two Governments whenever the Government of the United States shall notify the Government of Nicaragua of its desire or intention to construct such canal.

ARTICLE II.

To enable the Government of the United States to protect the Panama Canal and the proprietary rights granted to the Government of the United States by the foregoing article, and also to enable the Government of the United States to take any measure necessary to the ends contemplated herein, the Government of Nicaragua hereby leases for a term of 99 years to the Government of the United States the islands in the Caribbean Sea known as Great Corn Island and Little Corn Island; and the Government of Nicaragua further grants to the Government of the United States for a like period of 99 years the right to establish, operate, and maintain a naval base at such place on the territory of Nicaragua bordering upon the Gulf of Fonseca as the Government of the United States may select. The Government of the United States shall have the option of renewing for a further term of 99 years the above leases and grants upon the expiration of their respective terms, it being expressly agreed that the territory hereby leased and the naval base which may be maintained under the grant aforesaid shall be subject exclusively to the laws and sovereign authority of the United States during the terms of such lease and grant and of any renewal or renewals thereof.

ARTICLE III.

In consideration of the foregoing stipulations and for the purposes contemplated by this convention, and for the purpose of reducing the present indebtedness of Nicaragua, the Government of the United States shall, upon the date of the exchange of ratification of this convention, pay for the benefit of the Republic of Nicaragua the sum of $3,000,000 United States gold coin, of the present weight and fineness, to be deposited to the order of the Government of Nicaragua in such bank or banks or with such banking corporation as the Government of the United States may determine, to be applied by Nicaragua upon its indebtedness or other public purposes for the advancement of the welfare of Nicaragua in a manner to be determined by the two high contracting parties, all such disbursements to be made by orders drawn by the minister of finance of the Republic of Nicaragua and approved by the Secretary of State of the United States or by such person as he may designate.

ARTICLE IV.

This convention shall be ratified by the high contracting parties in accordance with their respective laws, and the ratifications thereof shall be exchanged at Washington as soon as possible.

In witness whereof the respective plenipotentiaries have signed the present treaty and have affixed thereunto their seals.

Done at Washington, in duplicate, in the English and Spanish languages, on the 5th day of August, in the year 1914.

WILLIAM JENNINGS BRYAN. [SEAL.]
EMILIANO CHAMORRO. [SEAL.]

RESOLUTION OF RATIFICATION.

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the convention between the United States and Nicaragua, signed at Washington on August 5, 1914, granting to the United States, in return for a money payment, the exclusive proprietary rights for the construction and operation of an interoceanic canal by a Nicaraguan route, the lease of certain islands, and the right to establish a naval base on the Gulf of Fonseca, with the following amendments, to wit:

In Article I, line 2, after the words "United States," insert a comma and the following words: "forever free from all taxation or other public charge," followed by a comma.

At the end of Article III strike out the period and add the following: "or other public purposes for the advancement of the welfare of Nicaragua in a manner to be determined by the two high contracting parties, all such disbursements to be made by orders drawn by the minister of finance of the Republic of Nicaragua and approved by the Secretary of State of the United States or by such person as he may designate."

Provided, That whereas Costa Rica, Salvador, and Honduras have protested against the ratification of said convention in the fear or belief that said convention might in some respect impair existing rights of said States, therefore it is declared by the Senate that in advising and consenting to the ratification of the said convention as amended such advice and consent are given with the understanding, to be expressed as a part of the instrument of ratification, that nothing in said convention is intended to affect any existing right of any of the said named States.

[Mr. CANNON addressed the committee. See Appendix.]

Mr. BENNET rose.

Mr. HEFLIN. Mr. Chairman, will the gentleman yield to me for one minute?

Mr. BENNET. Certainly.

Mr. HEFLIN. The gentleman from Illinois [Mr. CANNON] says that if I will make that speech one more time he will be able to get it in his mind so that he can repeat it. Well, Mr. Speaker, I can render no better service to the country than to put Democratic doctrine in the minds and hearts of Republican Congressmen. [Applause on the Democratic side.]

Mr. BENNET. Mr. Chairman, I was unable to understand an editorial in the New York Sun of this morning until I heard the gentleman from Alabama [Mr. HEFLIN]. The New York Sun stated this morning that the Democratic candidate for governor in Maine had announced that it was a case of "safety first" with him, and he was going to stop carrying the Democratic national administration and make his campaign on State issues. I regret this announcement came so closely upon the heels of the return of our friend from Alabama from Maine. [Applause on the Republican side.]

The Mexican situation is one with which American Representatives ought to be familiar, it seems to me, and this reiteration of what a man would have done had he been in President Wilson's place gets an answer from what a Republican President did do. From 1809 to 1909, 100 years, Mexico had 53 Presidents, 2 Emperors, and 4 Regents, and the change of dynasty down there was so frequent that precedents were established. President Hayes, in his message to Congress on December 3, 1877, which I find on page 467 of volume 7 of Messages and Papers of the President, said to the Congress:

> The revolution which recently occurred in Mexico was followed by the accession of the successful party to power and the installation of its chief, Gen. Porfirio Diaz, in the presidential office. It has been the custom of the United States, when such changes of government have heretofore occurred in Mexico, to recognize and enter into official relations—

They occurred so frequently there was a regular custom established—

> to recognize and enter into official relations with the de facto government as soon as it should appear to have the approval of the Mexican people and should manifest a disposition to adhere to the obligations of treaties and international friendship.

Now, if the gentleman from Alabama, or any other Member of the House, will look up the official records, he will find that the telegram that the Secretary of State sent to the American Minister at Mexico City followed almost the precise language:

> Ascertain whether the de facto Government is prepared to maintain the obligation of treaties and protect the rights of American citizens.

In other words, the Taft administration knowing the precedents followed them.

Mr. FITZGERALD. He did not recognize Huerta?

Mr. BENNET. Of course not.

Mr. FITZGERALD. What is the complaint?

Mr. BENNET. Why, the gentleman from Alabama is making the complaint; he seems temporarily to have left the Chamber. The Taft administration between the 19th of February and the 4th of March, 13 days or 12 days—I have forgotten whether it was leap year or not—followed precisely the American custom. Where President Wilson violated all American precedents in relation to Mexico was when on the 13th day of March, 1913, when he had been President only nine days, he sent down word to the embassy there that under no circumstances should Victoriano Huerta be permitted to be President of Mexico. He had no more right to say who should not be President of Mexico than Huerta had to say who should not be President of the United States. I will tell you the mistake President Wilson made. It was a mistake of dimension. He thought he had been elected President of the North American Continent. If he had only remembered that he had been elected President of the United States only we would not have had all this Mexican trouble.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BENNET. I ask for one more minute.

The CHAIRMAN. Is there objection to the request of the gentleman? [After a pause.] The Chair hears none.

Mr. BENNET. His situation reminds me of the story of a gentleman out in Illinois who unfortunately got intoxicated, and in the barroom where he got the last of it he made the announcement that he could lick any man in the township. Nobody responded. Then he said, "I can lick any man in the county." Not a man stirred. Then he said, "I can lick any man in the State." There was a fellow from outside the county but within the bounds of the State that took up the challenge, and after he had succeeded in demonstrating the fallacy of the intoxicated gentleman's statement the inebriate raised himself from the floor and said, "I know what is the trouble with me. I tried to cover too much territory." [Laughter and applause.] That is the trouble with President Wilson. If he had stuck to his job of being the President of the United States only and had not tried to be President of Mexico at the same time, we would not have had all these deaths and destruction of property that Mr. Lansing in that grim, grizzly message that he sent a while ago to the Mexican Government, which has been printed as a House document, recounted as a result in Mexico of three years of President Wilson's administration.

Mr. MOORE of Pennsylvania. Mr. Chairman, I move to strike out the paragraph.

The CHAIRMAN. The gentleman from Pennsylvania moves to strike out the paragraph.

Mr. MOORE of Pennsylvania. Mr. Chairman, I do not know whether this motion will prevail, but it seems to me it ought to be made in the interest of the American people, those who pay the taxes to maintain the Government. The House of Representatives under the Constitution of the United States is the only body authorized to originate revenue legislation. We have been up against this question of treaty appropriations before, and the House has not always in times past accepted without question the action of another body. A great legislative problem is presented by this motion to strike out, and I realize that it is too big to be settled this afternoon. But I make it as an individual protest against the manner in which the people of the United States are forced to pay enormous sums of money on what appear to be contracts made by certain representatives of certain departments of the Government of the United States who obtain the sanction of another body, but who do not consult the House of Representatives.

Now, the chairman of the Committee on Appropriations has not attempted to make any explanation of this paragraph involving the expenditure of $3,000,000 of the people's money.

Mr. FITZGERALD. Is not the paragraph clear? It provides $3,000,000 shall be appropriated to carry out the provisions of the treaty. I do not see what more explanation is needed.

Mr. MOORE of Pennsylvania. Has the House of Representatives given any sanction to the treaty or to the agreement preceding it?

Mr. FITZGERALD. They sanction it now.

Mr. MOORE of Pennsylvania. This is the time is it, when we are supposed to be drawn into the transaction?

Mr. FITZGERALD. Yes. And if we do not appropriate the money the ratification will not be exchanged. If we do appropriate the money, it will be.

Mr. MOORE of Pennsylvania. But an agreement has been made by a representative of the Government of Nicaragua and a representative of the Government of the United States to take $3,000,000 of the people's money and pay it on the approval of another legislative body, without consulting the House at all.

Mr. FITZGERALD. And it is approved by a two-thirds vote of the Senate.

Mr. MOORE of Pennsylvania. That is true.

Mr. FITZGERALD. And now the House of Representatives is requested to appropriate the money in order to complete the transaction. If it is not completed they need not make the appropriation.

Mr. MOORE of Pennsylvania. My point is that the Representatives of the people who are authorized to originate revenue legislation have had no voice in this matter until now.

Mr. FITZGERALD. Under the Constitution they could not very well.

Mr. MOORE of Pennsylvania. This is the only time and this is the only place where objection can be made on behalf of the taxpayers of the United States to appropriations of these enormous sums of money to complete contracts by agents of this Government with agents of another Government.

Mr. FITZGERALD. This is not completed until the contract is made.

Mr. MOORE of Pennsylvania. This is one case in point. We have had other cases. We will be called upon before long, I suppose, to pay $25,000,000 to Colombia for certain alleged rights she claims in the Panama Canal. That has not been provided for in this bill. All we are paying now is $3,000,000 for a right of way across a certain part of Nicaragua. Apparently we are not paying money to Nicaragua. We are paying it to somebody not named, to officials evidently or to the persons to be designated by them, "for the benefit of Nicaragua." If the statement of the gentleman from Illinois is correct, and I assume it is, the $3,000,000 is to pay for certain debts. Are we doing this as a sop to Nicaragua? Is it for the purpose of currying favor with the people of that country? What do the people of the United States know about this? What will the House of Representatives know about this after it sanctions the action of two contracting parties outside of the House of Representatives on a two-thirds vote by another body? Why, in addition to Colombia's claims, in a little while we will be called upon to pay $25,000,000 in another transaction to take over the Danish West Indies. I would favor acquiring St. Thomas, but only a few years ago those islands could have been bought by the United States for $5,000,000; now they are to be bought for $25,000,000. What does the House of Representatives, the revenue-creating body of the country, have to do with that? Where have we been consulted? Where have the people been consulted? Five million dollars we could have bought those islands for a few years ago. Now, a new Secretary of State makes a deal, and——

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MOORE of Pennsylvania. Mr. Chairman, I ask unanimous consent for two minutes more.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. MOORE of Pennsylvania. A new Secretary of State, to whom the conditions may be new, unmindful of the fact that a few years ago we could have had the Danish West Indies for $5,000,000, now agrees to buy them for $25,000,000. We are supposed to legislate for the taxpayers of the country, and yet we hear of these costly negotiations only through the newspapers. This body, I repeat, is the only body under the Constitution authorized to originate revenue legislation. Yet without our knowledge, without our being consulted in the matter at all, without the Representatives of the people having any voice in the matter, a representative of the Government, not a direct representative of the people, as we are here, suddenly agrees to a raise in the price from $5,000,000 to $25,000,000, and we are to be called upon without question to make the people pay—and this on the simple entry of a paragraph in an appropriation bill which is not even explained to us.

This thing is not new. These propositions come in here and are passed as a matter of form, and we sit in our chairs like automatons to vote them through, knowing they are checked up against the revenues of the United States, knowing full well that the people, who were not consulted, will be expected to pay these enormous bills. It is $3,000,000 to-day. It will be $25,000,000 to-morrow. What it will be under some future Secretary of State the Lord only knows. [Applause.]

Mr. FITZGERALD. Mr. Chairman, I suppose, from the time consumed, that this motion is of about the same character of proceeding as that which preceded it. Nobody really takes it seriously. The gentleman from Pennsylvania [Mr. MOORE] can not reform the Government of the United States or change its character. Under the Constitution the treaty was negotiated between Nicaragua and the United States and submitted to the Senate and ratified by a two-thirds vote of that body.

The treaty provides for a concession to the United States, free from taxation or public charge, of what is known as the Nicaraguan Canal route. It also provides for the lease, for a term of 99 years, of certain islands in the Caribbean Sea belonging to Nicaragua, and also a concession to the United States for the establishment of a naval base in the Bay of Fonseca, on the Pacific coast.

The military experts of the Government say that these naval bases, both in the Caribbean and on the Pacific side, are absolutely essential for the protection of the Panama Canal and for the security of American rights, and that in order to avoid complications of a character that would be very disastrous to the United States this Government should acquire in perpetuity the right to construct a canal by way of the Nicaraguan route, not in the belief that an attempt will be made to construct the canal, but to forestall an attempt on the part of some organization created under the laws of some foreign Government to acquire these rights and construct the canal.

Mr. MOORE of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. MOORE of Pennsylvania. Is the gentleman from Illinois [Mr. CANNON] correct in his interpretation of the Monroe doctrine with regard to a matter of that kind?

Mr. FITZGERALD. Oh, I do not intend to characterize the interpretation that anybody places upon the Monroe doctrine. That is too speculative to engage the attention of a person so busy as I am with practical things.

Mr. MOORE of Pennsylvania. Well, if the Monroe doctrine amounts to anything at all, it ought to mean that we would protect ourselves against foreign intrusion in Nicaragua or elsewhere.

Mr. FITZGERALD. Well, Mr. Chairman, I can answer that very briefly. The French canal company that had a concession and which was prosecuting the work of constructing a canal across the Isthmus of Panama, the rights to which were subsequently acquired by the United States and under which the Panama Canal was constructed, obtained its concessions and prosecuted the work without any protest whatever being made by the United States Government, although the Republican Party at that time was in control of the Government; so that I assume that a private company acquiring rights of the character indicated would not technically come within the declaration of President Monroe, although somebody might construe as an unneutral act the effort of some foreign Government to acquire rights.

Now, to proceed from the point where I was interrupted by this unnecessary diversion of my thought, under a Republican administration a treaty was negotiated and ratified by the Senate, and a Republican Congress actually appropriated $20,000,000 to pay to Spain for the transfer of the Philippine Islands. The Republicans did not think that there was a great outrage committed upon the House when it was done.

In reference to the Danish West India Islands, if I recall correctly, Mr. Hay, while Secretary of State, negotiated a treaty for the acquisition of those islands, which was ratified by the United States Senate, and only the failure of the people of Denmark to ratify the treaty prevented the House being called upon to make the appropriation. Now, this treaty is so drawn that the ratifications are not to be exchanged without the payment of the money, and if Congress declines to appropriate the money there will be no binding obligation, and that is what makes the treaty really effective.

The CHAIRMAN. The gentleman's time has expired.

Mr. FITZGERALD. I ask for a few minutes more. It may save a lot of misstatements hereafter.

The CHAIRMAN. The gentleman asks unanimous consent that his time may be extended three minutes. Is there objection?

There was no objection.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. FITZGERALD. I will yield for a question.

Mr. MOORE of Pennsylvania. We have a canal at Panama now.

Mr. FITZGERALD. Yes.

Mr. MOORE of Pennsylvania. What is the necessity for taking over a canal route in Nicaragua, in view of the fact that we are already provided with a canal?

Mr. FITZGERALD. The belief that there is the possibility that some foreign Government, acting through a private corporation, might acquire the route and have a canal constructed. If it did, in view of the fact that it would make a very much shorter route from Europe or from the Atlantic seaboard to the Pacific seaboard, our canal would be practically idle and could not stand the competition. To avoid any complications of that character the United States Government, in acquiring its naval bases which are essential for the protection of the Panama Canal, has taken in as incidentals, for the purpose of avoiding possible trouble in the future, all rights to build a canal by way of the Nicaraguan route.

Mr. SISSON. The Army and Navy were consulted, too.

Mr. FITZGERALD. Yes; I have stated that the military experts were consulted. The hearings before the Committee on Appropriations, all of which are to be published in the RECORD at the request of the gentleman from Illinois [Mr. CANNON], contained the statement of the Secretary of State that the Department of State has been controlled entirely by the judgment of the military authorities of the Government as to the necessity for these naval bases.

Complaint is made that the treaty itself does not disclose the individuals to whom the payments are to be made. Nicaragua is in debt.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. FITZGERALD. I thought I had five minutes, and only three minutes have elapsed since I made the request.

The CHAIRMAN. Without objection, the gentleman's time will be extended five minutes.

There was no objection.

Mr. FITZGERALD. The treaty provides that the money shall be applied by Nicaragua upon its indebtedness. The Senate amended the treaty by adding the words—

> Or other public purposes for the advancement of Nicaragua, in a manner to be determined by the high contracting parties, such disbursements to be made by orders drawn by the minister of finance of the Republic of Nicaragua and approved by the Secretary of State of the United States or by such person as he may designate.

If Nicaragua has public creditors, and this money is to be paid to Nicaragua, and these public creditors are citizens of other nations which may be pressing Nicaragua for the payment of these obligations, perhaps threatening to seize its customhouses or other sources of revenue in order to enforce payment—a practice not uncommon in the dealing of European nations with Central and South American countries—then it would seem to be particularly advantageous for the United States, in such a treaty as this, if it could obtain the consent of Nicaragua, to provide that the money to be paid by the United States should be used for the purpose of discharging the public indebtedness of Nicaragua and not be dissipated without any benefit to the people. Or it can be applied under this provision for the advancement of the public welfare. I assume, although I do not know, that the Senate of the United States, having this treaty under consideration from the 22d of August, 1914, to 18th of February, 1916, made all the investigation and obtained all the information necessary and desirable in order to enable it intelligently to perform its constitutional function of advising and consenting to the ratification of treaties. The question presented to the House is whether it will appropriate this $3,000,000 for the purpose of having this treaty made effective, so as to obtain the naval bases which it is said are essential for the security of the United States.

If the gentleman does not wish to protect the Panama Canal and secure the United States as its military advisers insist should be done, he will insist on his motion. If this provision is stricken out, it will leave the Panama Canal at the mercy of other nations. If the gentleman in this important step wishes to secure the Panama Canal and to secure our rights and interests in Central and South American countries and the West Indies, he will join the patriotic Democrats in the House and vote for the appropriation. He has his choice; he can withdraw his motion and show his patriotism or he can proceed in his efforts to defeat this appropriation and show his hostility to the real interests of the people of the United States, the "common people," about whom he has been so idly prating to-day.

Mr. MOORE of Pennsylvania. Before the gentleman takes his seat I would like to ask him if in ordinary daily transactions, either personal or as chairman of the Appropriations Committee, he would care to pay $3,000,000 to unknown parties for the settlement of debts unknown?

Mr. FITZGERALD. That would depend on what I was going to get. If I were to pay $3,000,000 for what I wanted, I would not be very much concerned as to the disposition of what I was to pay by the persons entitled to receive it. I would not be poking my nose too persistently into other people's business. If the person to whom I was willing to pay the money asked me to aid him to have the money paid in such a manner as to discharge his obligation, I might very willingly, out of my generosity, aid him in wiping out his obligation.

The CHAIRMAN. The question is on the motion of the gentleman from Pennsylvania to strike out the paragraph.

The question was taken, and the motion was lost.

The Clerk read as follows:

FEDERAL FARM LOAN BOARD.

For salaries and expenses under the Federal Farm Loan Board created by the act approved July 17, 1916, including the salaries of four members thereof at the rate of $10,000 each per annum, and their actual necessary traveling expenses, and such salaries, fees, and expenses as are authorized by said act, $100,000. A detailed statement of expenditures hereunder shall be made to Congress, and hereafter detailed estimates for appropriations for the Federal Farm Loan Board shall be annually submitted to Congress.

Mr. FITZGERALD. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Insert, on page 6, line 19, after the word "Congress," the following: "That not to exceed $10,000 of this appropriation may be used for the purpose of housing in rented quarters such bureaus of the Treasury Department that it may be necessary to move in order to install the Federal Farm Loan Board in the Treasury building: *Provided*, That the Bureau of Efficiency shall investigate the methods of transacting the public business in the Bureau of Internal Revenue and prepare recommendations for the improvement thereof and submit the same to the Secretary of the Treasury as early as practicable for his approval and its action hereunder to Congress."

Mr. ALLEN. Mr. Chairman, I make a point of order to the latter part of the amendment.

Mr. FITZGERALD. The gentleman will have to make a point of order to the whole of it, if any.

Mr. ALLEN. Very well, I will make a point of order to the whole of it.

The CHAIRMAN. Does the gentleman make a point of order to the whole or to a part?

Mr. ALLEN. I wanted to make the point of order to the latter part, but I understand I have to make it to the whole and then let the other part be reoffered. It is the same matter that we had up earlier in the afternoon.

Mr. FITZGERALD. This is all legislation we concede is subject to a point of order.

The CHAIRMAN (Mr. MCCLINTIC). The Chair sustains the point of order.

The Clerk read as follows:

INTERNAL REVENUE.

Refunding internal-revenue taxes illegally collected: The payment of six claims, aggregating $27,992.76, allowed by the Auditor for the Treasury Department and certified to Congress in House Document No. 1047, Sixty-third Congress, second session, appropriated for by the deficiency appropriation act approved July 29, 1914, and further described in House Document No. 1264 of the present session, is revoked, and of the said sum of $27,992.76 the sum of $5,151.93 is made available for the payment of the three revised claims enumerated in House Document No. 1264 of the present session, and the sum of $22,840.83 shall be covered into the Treasury.

Mr. MANN. Mr. Chairman, I move to strike out the last word. The language of the paragraph is that "payment of six claims is revoked." I suppose that is the language prepared by the Treasury Department.

Mr. FITZGERALD. It is intended to revoke the claims——

Mr. MANN. I know what is intended. It is intended to revoke the authority to pay certain claims. The claims have not been paid, have they?

Mr. FITZGERALD. They have not.

Mr. MANN. I suppose the language was prepared by the Treasury Department.

Mr. FITZGERALD. What the Treasury Department submitted was revised in the committee.

Mr. MANN. I suppose this will accomplish the purpose, but it says that the six claims are revoked. The claims have not been paid.

Mr. STAFFORD. "To revoke the authorization for the payment of the claims" would be more grammatical and in better form.

Mr. FITZGERALD. It was worked out carefully in committee by men who have given a good deal of attention to it. I have not looked into it sufficiently to say.

The Clerk read as follows:

Collecting the tax on legacies, munitions, copper, etc.: For expenses of assessing and collecting the tax as provided by Titles I, II, and III of an act entitled "An act to increase the revenue, and for other purposes," approved ———, —, 1916, and to pay such sums as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may deem necessary, fiscal year 1917, $340,000, and the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is authorized to appoint and pay from this appropriation all necessary officers, experts, agents, inspectors, deputy collectors, clerks, messengers, and janitors, and to rent such quarters, incur expense for telephone service purchase such supplies, equipment, mechanical devices, and other articles as may be necessary for employment or use in the District of Columbia, or any collection district of the United States, or any of the Territories thereof: *Provided*, That not more than $40,000 of the amount appropriated may be used for the employment in the District of Columbia of additional clerical help in the District of Columbia at rates to be fixed by the Commissioner of Internal Revenue, subject to the approval of the Secretary of the Treasury, and for the purpose of such supplies, equipment, mechanical devices, and other articles as may be necessary for use in the District of Columbia.

Mr. FITZGERALD. Mr. Chairman, I offer the following amendment:

On page 9, at the end of line 25, insert:

Provided further, That this sum shall not be available until the Bureau of Efficiency shall have investigated the methods of transacting the public business in the Bureau of Internal Revenue and made recommendations for the improvement thereof and submitted the same to the Secretary of the Treasury for his approval, and the work of the Bureau of Efficiency hereunder shall be performed within 60 days of the approval of this act.

Mr. ALLEN. Mr. Chairman, I make a point of order on that.

Mr. FITZGERALD. What is the point of order?

Mr. ALLEN. It is new legislation.

Mr. FITZGERALD. This is a limitation on the appropriation.

Mr. ALLEN. It necessarily increases the appropriation, because it requires that they be employed upon that when they could be doing something more profitable elsewhere.

Mr. FITZGERALD. Mr Chairman, it is a limitation upon an appropriation and is not subject to the point of order.

Mr. MANN. Mr. Chairman, all provisions in the form of limitations are not limitations. While I am in sympathy with the purpose of the gentleman from New York [Mr. FITZGERALD] to have the Bureau of Efficiency make this investigation, I do not think that they can do it in this guise. The proposition has been presented twice to the Chair already, and ruled out of order, directing the Bureau of Efficiency to make this investigation in the office of the Commissioner of Internal Revenue. That was positive legislation. I suppose it requires positive legislation to authorize them to do ti.

Mr. FITZGERALD. No; they are authorized to do it.

Mr. MANN. The gentleman now proposes to hold up a sum of money for the collection of the income tax until the Bureau of Efficiency shall make these investigations. That is a positive requirement. It has no relation whatever to the provision in the bill about the collection of the internal revenue. It is not a germane amendment. I think it is subject to the point of order.

Mr. FITZGERALD. Mr. Chairman, I do not. There is no authority whatever for the provision in the bill. No such taxes exist as the money provided in this paragraph makes provision to collect. Of course, the item is put in in anticipation of legislation, but there is no such legislation. This limits the expenditure of that money under certain conditions. Even if the provision were a legislative provision, as it relates to the Bureau of Internal Revenue, for which the appropriation is made, it would be germane and not subject to the point of order. This amendment is clearly a limitation upon the appropriation and not subject to the point of order. Not only that, but the provision in the bill itself is legislation, and a germane amendment to it is in order. No point of order was reserved against the provision in the bill. There is no law authorizing this provision in the bill, because there are no such taxes. This amendment has been prepared for the purpose of avoiding the question of order that has been raised against the provision that would insure an investigation of the Bureau of Internal Revenue by somebody besides the employees in that bureau itself. The provision has been prepared in such a manner as to enable the committee itself to determine this question and not to have it rely upon the judgment of a Member of the House. It is clearly a limitation upon an appropriation.

Mr. ALLEN. Mr. Chairman, the Chair has ruled twice this afternoon on this same proposition. They are now seeking to do by indirection what they can not do by direction. It is an attempt, after a paragraph appropriating money for a certain specific purpose, to prevent the discharge of that obligation by not permitting the expenditure until certain things are done.

Mr. FITZGERALD. Mr. Chairman, this question has not been ruled upon at all. There was one provision in the bill which was subject to the point of order, and when the question was raised, and it was admitted that it was subject to the point of order, it went out. There was an amendment just offered by myself which was subject to the point of order. When the question was raised it was admitted that it was subject to the point of order. This amendment is not subject to the point of order. It has been prepared so as to come within the rule.

It is a limitation upon this provision. Simply because amendments which were subject to the point of order have been disposed of by a ruling which eliminates them, that does not control provisions which are prepared to come within the rule and to be in order upon the bill. The gentleman's contention that the question has been ruled upon twice is as far-fetched as is his contention that this is not in order on the bill. It is a limitation

under the rule, and the committee or the House has a right to put a limitation upon the expenditure of money. This is what this provision does, and it ought to be adopted in the interest of efficiency and good administration.

The CHAIRMAN (Mr. McCLINTIC). The Chair will hold, in the absence of the regular Chairman, that this is a limitation upon the appropriation, and the point of order is overruled. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MANN. Mr. Chairman, I suggest it is now half past 5 o'clock——

Mr. FITZGERALD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the Chair, Mr. McCLINTIC, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 17645, the general deficiency bill, and had come to no resolution thereon.

MARTIN HUHN (H. R. 1528).

Mr. EAGAN. Mr. Speaker, I ask leave to take from the Speaker's table the bill H. R. 1528, a bill for the relief of Martin Huhn, and that the House concur in the Senate amendment.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

H. R. 1528. An act for the relief of Martin Huhn.

The Senate amendment was read.

The question was taken, and the Senate amendment was concurred in.

On motion of Mr. EAGAN, a motion to reconsider the vote by which the Senate amendment was concurred in was laid on the table.

HOUR OF MEETING TO-MORROW.

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow morning.

The SPEAKER. The gentleman from New York asks unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock a. m. to-morrow. Is there objection? [After a pause.] The Chair hears none.

ENROLLED BILLS SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same.

H. R. 17567. An act to authorize the county of Luzerne, State of Pennsylvania, to construct a bridge across the North Branch of the Susquehanna River from the city of Wilkes-Barre, county of Luzerne, Pa., to the borough of Dorranceton, county of Luzerne, Pa.

The SPEAKER announced his signature to enrolled bills of the following titles:

S. 5987. An act to amend subsection 11 of section 3244, Revised Statutes;

S. 6839. An act to authorize the incorporated town of Juneau, Alaska, to issue bonds for the construction and equipment of schools therein, and for other purposes; and

S. 6561. An act providing for the sale at public auction of all unsold suburban lots not reserved for public purposes in the Government town site of Port Angeles, Wash., and for the issuance of patents for those previously sold under the act of May 2, 1906, on the payment of the price at which the said lots were reappraised under said act without further condition or delay.

ADJOURNMENT.

Mr. FITZGERALD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 34 minutes p. m.) the House adjourned to meet to-morrow, Thursday, August 31, 1916, at 11 o'clock a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. GLASS, from the Committee on Banking and Currency, to which was referred the bill (H. R. 17646) to amend section 6 of an act to define and fix the standard of value, to maintain the parity of all forms of moneys issued or coined by the United States, to refund the public debt, and for other purposes, approved March 14, 1900, as amended by the act of March 4, 1907, by the act of March 2, 1911, and by the act of June 12, 1916, reported the same without amendment, accompanied by a report (No. 1181), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills and resolutions were introduced and severally referred as follows:

By Mr. TAGGART: A bill (H. R. 17683) to provide for the appointment of receivers for railroads and railroad corporations in certain cases; to the Committee on Interstate and Foreign Commerce.

By Mr. RANDALL: A bill (H. R. 17684) fixing the rate of postage on newspapers of a certain class when the same are deposited by the publisher in a letter-carrier office for delivery by its carriers within the corporate or municipal limits of the city or town where published; to the Committee on the Post Office and Post Roads.

By Mr. MILLER of Delaware: Joint resolution (H. J. Res. 301) authorizing the acceptance by the United States Government of portraits of Hon. James Latimer and Hon. Dr. Henry Latimer; to the Committee on the Library.

By Mr. BUCHANAN of Illinois: Joint resolution (H. J. Res. 302) providing for Federal management and control of the railroads of the United States under certain conditions; to the Committee on Interstate and Foreign Commerce.

By Mr. BARNHART: Concurrent resolution (H. Con. Res. 58) authorizing the printing of 17,100 copies of the proceedings, with accompanying illustrations, upon the unveiling of the statue of Gen. Thaddeus Kosciuscko; to the Committee on Printing.

Also, concurrent resolution (H. Con. Res. 59) authorizing the printing of 17,100 copies of the proceedings, with accompanying illustrations, upon the unveiling of the statue of Count Casimer Pulaski; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills were introduced and severally referred as follows:

By Mr. BRITT: A bill (H. R. 17685) granting an increase of pension to Benjamin A. Nesbitt; to the Committee on Pensions.

Also, a bill (H. R. 17686) granting a pension to James R. Trull; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17687) granting a pension to Isaac Harkins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17688) granting a pension to Mrs. Eliza J. Seay; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17689) granting a pension to William R. Trull; to the Committee on Invalid Pensions.

By Mr. COLEMAN: A bill (H. R. 17690) to correct the military record of William H. H. Keene; to the Committee on Military Affairs.

By Mr. CRAGO: A bill (H. R. 17691) granting an increase of pension to Peter Shoemaker; to the Committee on Invalid Pensions.

By Mr. HAYDEN: A bill (H. R. 17692) for the relief of Frank Pinkley; to the Committee on Claims.

By Mr. HILL: A bill (H. R. 17693) granting a pension to Sarah E. Allen; to the Committee on Invalid Pensions.

By Mr. HULBERT: A bill (H. R. 17694) granting a pension to Lizzie Sweeney; to the Committee on Invalid Pensions.

By Mr. MATTHEWS: A bill (H. R. 17695) for the relief of William L. Wiles; to the Committee on Military Affairs.

By Mr. REAVIS: A bill (H. R. 17696) granting an increase of pension to Alexander Soloman; to the Committee on Pensions.

By Mr. SUTHERLAND: A bill (H. R. 17697) granting an increase of pension to Mary A. Buchanan; to the Committee on Invalid Pensions.

By Mr. SWITZER: A bill (H. R. 17698) granting a pension to Stanford W. Rife; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. DARROW (by request): Memorial of Rev. H. C. Schneider and others, of Philadelphia, Pa., against seizure of our mails, etc., by the British; to the Committee on Foreign Affairs.

By Mr. GRIEST: Memorial of members of Hershey Mennonite Church, of Kinzers, Pa., against universal military service, etc.; to the Committee on Military Affairs.

By Mr. GRIFFIN: Petition of George W. Greene, president Home Talk Publishing Co., protesting against the passage of House bill 14666, providing for the copyrighting of faces of type; to the Committee on Patents.

By Mr. LINTHICUM: Petition of James A. Boone, of Baltimore, Md., favoring House bill 15731, relative to compensating commissioned warrant officers of the United States Navy; to the Committee on Naval Affairs.

Also, petition of Baltimore (Md.) Pearl Hominy Co., favoring passage of the Rainey bill, to repeal the mixed-flour law; to the Committee on Ways and Means.

Also, petition of A. Roszel Cathcart & Co., against stamp tax on insurance policies; to the Committee on Ways and Means.

Also, petition of E. H. Koester, baker, against passage of the Rainey bill, House bill 9409, repeal of the mixed-flour law; to the Committee on Ways and Means.

Also, petition of Oriole Lodge, No. 214, of the Brotherhood of Locomotive Firemen and Enginemen, favoring passage of House bill 16681, "clearance bill"; to the Committee on Interstate and Foreign Commerce.

Also, petition of the Lord Baltimore Press, of Baltimore, Md., against passage of House bill 14666, "design bill"; to the Committee on Patents.

By Mr. MATTHEWS: Petition of J. C. Bockrath, of Cloverdale, Ohio, against seizure of our mails by the British; to the Committee on Foreign Affairs.

SENATE.

THURSDAY, *August 31, 1916.*

(Legislative day of Tuesday, August 29, 1916.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

Mr. GALLINGER. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Jones	Pittman	Smoot
Chamberlain	Kern	Pomerene	Stone
Clarke, Ark.	Lane	Reed	Swanson
Culberson	Martin, Va.	Shafroth	Taggart
Curtis	Nelson	Sheppard	Thomas
Dillingham	Norris	Simmons	Underwood
Fletcher	O'Gorman	Smith, Ariz.	Vardaman
Gallinger	Oliver	Smith, Ga.	Wadsworth
Husting	Overman	Smith, Md.	Williams
James	Penrose	Smith, S. C.	

The VICE PRESIDENT. Thirty-nine Senators have answered to the roll call. There is no quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. RANSDELL answered to his name when called.

Mr. STERLING and Mr. BRYAN entered the Chamber and answered to their names.

Mr. RANSDELL. I wish to announce the unavoidable absence of my colleague [Mr. BROUSSARD] on account of illness

Mr. JONES. I desire to state that the junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent on account of illness in his family. I will let this notice stand for the day

Mr. COLT, Mr. HUGHES, Mr. PHELAN, Mr. LEA of Tennessee, and Mr. BANKHEAD entered the Chamber and answered to their names.

Mr. SIMMONS. Mr. President, has any order been made with reference to the Sergeant at Arms requesting the attendance of absent Senators?

The VICE PRESIDENT. There has not been. The Chair was merely assuming, as there was only one more Senator needed to make a quorum, that perhaps that Senator could be found.

Mr. BECKHAM entered the Chamber and answered to his name.

The VICE PRESIDENT. Forty-eight Senators have answered to the roll call. There is a quorum present.

THREATENED RAILWAY STRIKE.

Mr. THOMAS. Mr. President, I have, since the recess of last evening, received a large number of telegrams from corporations and individuals in my State, and a few from adjoining States, of which this, from Grand Junction, Colo., is a sample:

GRAND JUNCTION, COLO., *August 30, 1916.*

Senator CHARLES S. THOMAS,
Capitol Building, Washington, D. C.:

At present time there are approximately 75 cars green fruit being moved daily from Mesa County. Understand strike situation has reached critical stage, and that even now some railroads are refusing to receive perishable freight. This is a very serious situation for hundreds of growers in this valley, and means their financial ruin. We feel positive you are giving this matter your usual serious consideration and support and assisting in every honorable way to prevent a tie-up on our railroads for even one day.

GRAND JUNCTION FRUIT GROWERS' ASSOCIATION.

These telegrams, Mr. President, merely emphasize the critical conditions now prevailing all over the country. I have no doubt other Senators have received similar supplications from their respective constituencies. My purpose in occupying the time of the Senate with the subject is to emphasize the fact that five days before the strike order issued by the brotherhood is to take effect the railroad companies of the United States began to place an embargo upon the shipment of foodstuffs which are embraced in the general orders regarding perishable freight. It would seem that instead of utilizing their facilities for the concentration of foodstuffs in the communities of this country for the sustenance of their people they are adopting the opposite policy; and if this strike shall materialize, and suffering shall come to the people of the great communities of the United States, they will not forget that prior to the time that the strike is to take effect foodstuffs are being denied access to lines of transportation for their relief.

Mr. JONES. Mr. President, I have also received a large number of telegrams since the recess of yesterday, and I shall read one of them. The telegram is from Tacoma, Wash.:

TACOMA, WASH., *August 30, 1916.*

WESLEY L. JONES,
United States Senate, Washington, D. C.:

Organized labor of this community urges, if it comes before you for action, that the railroad workers be granted an eight-hour day at present wages, and demand that no legislation be enacted imposing compulsory servitude even for a day, and at no time compulsory arbitration be enacted.

REA LAST,
Secretary Central Labor Council.

Mr. President, I desire to introduce the remainder of these telegrams, and ask that simply the signatures to them be printed in the RECORD, and that they be referred to the Committee on Interstate Commerce.

The VICE PRESIDENT. In the absence of objection, it will be so ordered.

Telegrams from the North Yakima Trades and Labor Council of Washington; from R. Loewe, secretary of the Metal Trades Council of Seattle, Wash.; from Rea Last, secretary of the Central Labor Council of Tacoma, Wash.; from O. F. Wefferling, secretary of the Trades Council of Everett, Wash.; from Frank W. Cotterill, of the Building Trades Council of Seattle, Wash.; from James A. Duncan, secretary of the Central Labor Council of Seattle, Wash.

Mr. JONES. Mr. President, I have also several telegrams similar to the one which has just been read by the Senator from Colorado [Mr. THOMAS], which I will not ask to have read, but that the signatures may be placed in the RECORD. I want to call attention, however, to the fact that one of them purports to represent the sentiment of a mass meeting of the citizens of my own town of North Yakima, Wash., in the fruit section, and they set out the conditions described by the Senator from Colorado. I simply ask that the signatures of these telegrams be printed in the RECORD.

The VICE PRESIDENT. In the absence of objection, it will be so ordered.

Telegrams from the Commercial Club of North Yakima, Wash.; from the Commercial Club of Walla Walla, Wash.; from R. L. Rutter, of Spokane, Wash.; from S. J. Harrison, of Kiona, Wash.; and from H. M. Gilbert, of Toppenish, Wash.

Mr. GALLINGER. Mr. President, I somewhat regret that this matter is being discussed in precisely the form in which the Senator from Colorado [Mr. THOMAS] has discussed it. I think we all ought to keep our heads, and not condemn either side to this controversy at the present time. I do not know whether the railroads are in all matters acting wisely or unwisely, but I have no idea that they are doing anything that in their view is detrimental to the public good.

I have a telegram from the New Orleans Board of Trade, addressed to me, which I ask the Secretary to read.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read the telegram, as follows:

NEW ORLEANS, LA., *August 30, 1916.*

Hon. JACOB H. GALLINGER,
Washington, D. C.:

The New Orleans Board of Trade (Ltd.), favoring arbitration between employees and employers of public-service corporations on all questions affecting the vital interest of the whole people of this country, strongly urge your assistance in framing suitable legislation that will promptly attain this end. We believe that arbitration is the only method by which disputes between capital and labor can be satisfactorily settled; any other method as suggested in the settlement of the present railroad difficulty would not dispose of the question at issue, but would advocate the policy of the many being taxed in favor of the few, and would retard the industrial opportunities and future prosperity of the country, as the principles of arbitration must stand behind

them. No strategy of any kind can play any part in the decision of this great issue without producing a national calamity.

R. F. CLERC,
Acting President the New Orleans Board of Trade.

The VICE PRESIDENT. The Chair has received identically the same message, and the Chair has one other message, which will be simply noted in the RECORD and referred to the Committee on Interstate Commerce.

The telegrams were as follows:

From R. F. Clerc, acting president the New Orleans Board of Trade, and from William B. Melish, president, and W. C. Culkins, executive secretary, Cincinnati Chamber of Commerce.

Mr. PHELAN. Mr. President, I ask the same privilege, to submit a telegram showing that $5,000,000 worth of fruit and perishable goods is imperiled by the railway embargo. I ask that the telegram be printed in the RECORD and referred to the Committee on Interstate Commerce.

The VICE PRESIDENT. Without objection, it is so ordered.

The telegram is as follows:

[Telegram.]

SACRAMENTO, CAL., *August 30, 1916.*

Hon. JAMES D. PHELAN,
United States Senate, Washington, D. C.:

We appeal to you in behalf of the table-grape growers of this State, whose balance of crop hanging on the vines is estimated at $5,000,000 at present market prices. The threatened strike has caused the packing companies to refuse the grapes not already picked because of fear shipments will perish en route. Grapes are ripening every day and should be picked. We have no capacity for handling in cold storage this enormous crop, and our only relief lies by way of averting the strike or action by Congress that will cause Government to handle transportation. Do everything you possibly can to circumvent the impending financial disaster to our table-grape growers. Coming as it does on top of threatened Federal tax on wine-grape growers, California's viticultural industry is indeed in sorry plight. Can you help us?

STATE BOARD OF VITICULTURAL COMMISSIONERS,
E. M. SHEEHAN, *Secretary.*

Mr. OLIVER. I have received a telegram from the Chicago Association of Commerce, of Illinois. As the telegram is short, I ask that it be read and referred to the Committee on Interstate Commerce.

The VICE PRESIDENT. Without objection, the telegram will be read.

The Secretary read the telegram, as follows:

CHICAGO, ILL., *August 30, 1916.*

Hon. GEORGE T. OLIVER,
United States Senate, Washington, D. C.:

The Chicago Association of Commerce urges upon the President and upon Congress that it is inconsistent with the ideals of our Government and subversive of its principles that legislation should be had in the pending railroad crisis without time and opportunity for due consideration. The questions involved are complex and intricate, and, while the Congress has the final responsibility, it has not hitherto had either the time or opportunity to consider them. When the legislation occurs it should be well considered and fair to all interests. It is impossible and inconsistent with the dignity of Congress and of the American people that this should be accomplished under the shadow of the impending strike. We therefore insist that the President and the Congress, jointly or acting separately, as may be determined, demand that the date for the pending strike be postponed for such reasonable time as may permit Congress to act freely and intelligently and call upon the patriotism of the trainmen to accede to such demand.

THE CHICAGO ASSOCIATION OF COMMERCE,
JOHN W. O'LEARY, *President.*

Mr. SMOOT. Mr. President, I have received telegrams similar to the one the Senator from Colorado [Mr. THOMAS] has just read, from all of the fruit shippers of my State. I have not presented them to the Senate, because I took it for granted that all Senators representing fruit districts had received similar telegrams in relation to the railroads refusing to accept shipments of fruit at this time. So far as my own State is concerned, I will say that most of the fruits that are shipped out of the State of Utah go to points that it would take 10 or 12 days to reach, most of it going to Chicago and eastern points. I think it is very much better that the fruit growers should understand that there is danger of a strike before the fruit could reach the point of shipment, than for the railroads to receive the fruit, and then have it tied up somewhere between the shipping point and the point of destination.

I, Mr. President, so far as the refusal of the railroads to take fruit at Grand Junction, Colo., or points in Utah is concerned, would not at this time—there being only a few days before the strike is to take place—find fault with the railroads under the conditions, and if I were a shipper of fruit, I would very much prefer to have the railroads say that they would not receive it because it could not reach its destination before the time set for the strike, rather than to accept it and have it fail to reach its destination.

I recognize, Mr. President, the burdens that will be placed upon the fruit growers of every State in this Union if the threatened strike takes place. We all know what it will mean to the business of this country, and I hope and trust that some means may be devised whereby the strike will be averted.

Mr. VARDAMAN. Mr. President, I have received a number of telegrams similar to the ones which have been read and discussed before the Senate this morning.

I agree with the Senator from Utah [Mr. SMOOT] that it would be better for the railroads to refuse to receive perishable freight if the destination was so far away that it could not reach its destination before the 4th of September, the day fixed for the strike. There is a degree of caution in that act which I am not disposed to condemn. But I have no doubt in the world that the railroad managers are doing a good many things just now for the purpose of impressing upon the American people and the Congress the horrors of the disaster with which the country is threatened to-day; and, of course, the spirit of such conduct is reprehensible. I think that the Congress should take action, coupled with that which the President has already done, looking to a postponement, if possible, of the day of the strike.

I appreciate, as every other American citizen appreciates, the fearful consequences of this strike. I do not hesitate to say that my sympathies are entirely with the employees of the railroads. I do not think they get a fair share of the product of their own toil. I want them to win and therefore I am especially desirous that they will so act as not to forfeit the sympathy which the American people have for them, and which is so necessary to their success in any effort to get justice. I believe if a joint resolution should be passed by the Congress asking that the day for the strike be postponed that they will hearken to that advice. I know these patient toilers do not want to do anything that will bring disaster upon the country which would surely follow a strike; and we all realize that, if the matter goes on and the strike is called, the loss of property and the suffering of the innocent and helpless will be tremendous. It will not do to permit the strike to be called until Congress and the Executive shall have exhausted every legitimate means possible to avert it. I think if the Congress would take action this morning looking to the adoption of a joint resolution, not "demanding," as the telegram just read by the Clerk says, but requesting that the day for the strike be postponed until this Congress, which is seriously considering the question of settling amicably the difference between the railroads and their employees, can act in the matter, they will hearken to that advice. Any other course or the part of the employees of the railroads would be very disappointing to their friends in and out of Congress. The exigencies of the present time, the unusual conditions with which the American people are confronted, and the problems that Congress is called upon to solve, demand the purest patriotism and the highest order of statesmanship to treat the situation successfully. Selfishness and a desire to achieve a mean personal advantage are wholly out of place at this critical moment.

Mr. REED. Mr. President, I desire to call the attention of the Senate to some telegrams I have received from my home city, three or four of which I want to read in full, some I shall only quote from briefly.

Here is one from the Townley Metal & Hardware Co.:

This proposed railroad strike is a crisis in our Nation. I believe this Government should be big enough to force arbitration. It looks like this is fair to everybody. A strike would inflict great injury on everyone.

I read a telegram from the Evans Smith Drug Co.:

We believe legislation should be immediately enacted prohibiting this strike, thereby preventing great loss and distress to the country at large. We urge you to use your influence in stopping this calamity.

A similar telegram from the Faxon & Gallagher Drug Co. contains this statement:

We believe legislation should be promptly enacted prohibiting strikes and lockouts—

And so forth, giving reasons.

An excerpt from a telegram from the Adams Transfer & Storage Co. is as follows:

Liberal legislation should be promptly enacted prohibiting strikes and lockouts, thereby preventing great loss and distress.

One from the Kansas City Fruit & Produce Dealers' Club contains this sentence:

Surely Congress will rise to the occasion and protect the entire country from this injustice.

There are other expressions in the telegrams, but they are all in a vein similar to the telegrams I have read in full.

Here is a telegram of a little different tenor, from the Richards & Conover Hardware Co.:

In the interest of all the people, hope you will use your best efforts toward the quick enactment of some legislative measure which will avert threatened railroad strike. Am sure all good Americans will stand as a unit in backing up any effort made by Congress to prevent strike.

Here is one from the Moore Transfer Co.:

We believe public interests more vital than those of railroad employees and that legislation should be enacted immediately to prevent the threatened strike and consequent loss to all mercantile and industrial lines of business as well as individual suffering and inconvenience.

Here is a telegram of special interest from C. A. Phelan, of Harrison, Ark.:

Being interested in railroad property of Joplin Union Depot Co. and Missouri & Northern Arkansas Co., I want to ask that you use your influence toward granting railroads an increase in passenger and freight rates in order to carry additional burden which may be placed on railroads in meeting demands of train and engine men for higher wages and shorter days.

One from the Kansas City Transfer & Storage Co. reads as follows:

We urge that you bring all possible pressure upon Congress to show its hand and prevent the railroad men going out while peace negotiations can be at work.

The Smith-McCord-Townsend Dry Goods Co. wires as follows:

Union Pacific road refused to-day to accept shipments of nonperishable merchandise * * * for points beyond Kansas. Other roads likely to follow, and by Friday all lines may refuse freight. Seems to us an outrage on the American people that the roads are obliged to take this action. Is the strike inevitable? Can you give us any encouragement?

I also read a telegram from the railway shop employees of the Missouri Pacific Iron Mountain system:

Respectfully urge upon you to work and vote for the inclusion of all railway employees in the proposed legislation to establish the eight-hour day for the transportation employees.

Yours, respectfully,

SEDALIA LOCAL FEDERATION.
W. S. SIMS, *Secretary.*

Mr. President, in connection with these telegrams, I want to offer one or two observations, and I shall be exceedingly brief.

A number of the gentlemen who send these telegrams seem to think that Congress has the power to pass a law forbidding the railway trainmen to quit work. There is little to be said in addition to what the Senator from Iowa [Mr. CUMMINS] said on that question yesterday. Of course, it is utterly impossible to pass a law that will meet this emergency if we are to undertake to meet it by simply enacting a statute which shall command the men to continue in their employments. Neither can such a result be accomplished by indirection. We can not meet this issue in the way the authors of these telegrams evidently think it can be met, namely, by passing a law commanding these men to stay at their posts and to perform their usual duties on the railroads. But I want to call special attention to this clause in a telegram which I have already read:

Seems to us an outrage on the American people that the roads are *obliged* to take this action.

That is, to refuse to receive freight.

Mr. President, is that true? Is that a correct statement of the facts? I think the country ought to know who are responsible for the present condition. What are the facts?

The trainmen long ago asked an eight-hour day. They further asked, if they were obliged to work beyond the eight hours, that they should be given time and a half for the extra hours. That proposition was presented to the managements of the roads. The managements declined to grant the request. The only point at issue raised by the men was whether the day should be eight hours with pay for overtime if the railroads worked them overtime. The men complain that they are obliged to work overtime unnecessarily. Under some regulations that have been made between the men and the railroads, the hauling of a freight train 100 miles is regarded as a day's work, and a freight train moved at the rate of 12½ miles an hour will conclude its trip in eight hours.

The men insist that one of the principal reasons they are unable to get the train over the hundred miles in the eight hours is because the companies insist upon making the trains of enormous length, so that they either do not have sufficient motive power to haul them at the rate of twelve and a half miles an hour, or, the train being so long, the amount of switching that is to be done is multiplied or increased in proportion to the unusual length of the train. Accordingly it is said that it is impossible to get the train over the road at the rate of twelve and a half miles an hour. It is further urged that not only the men suffer the inconvenience of working overtime, but that the great shipping public suffer, because, as these men put it, the public ought to be entitled to have freight hauled at least as fast as twelve and a half miles an hour. They cite, in proof of the fact that it is entirely practicable to move freight at that rate of speed, the example of two or three railroads that have voluntarily made arrangements with their men based upon the moving of a train at least as fast as twelve and a half miles an hour.

When the men put that proposition up to the managers the managers simply declined it. They offered to arbitrate, provided not only that question was arbitrated but a great number of other questions were at the same time arbitrated—questions that had been for a long time settled between the men and the companies. The men replied that they would arbitrate these other questions, but that they wanted the eight-hour day conceded. The managements of the roads responded that they could not grant the eight-hour day, because it would so increase their expenses that the roads could not afford to make the concession.

In that state of affairs the President of the United States undertook to exercise his influence to bring about an adjustment. The President, who has always taken an impartial view of these great questions, after hearing both sides said that it seemed to him that the eight-hour day was an inevitable thing, that it was bound to come, and urged the managements to concede the eight-hour day, and then urged that all the other questions should be arbitrated, and offered his good offices to promote the creation of an arbitration board that would give due and prompt consideration to all the other questions of dispute.

Now, let the country know that the men accepted the President's proposition, and let the country know that the railroad presidents declined it—declined it, although the President had said to them in substance and effect that if there was any necessity for an increase of rates in order to meet the additional expense, as soon as that fact was ascertained his recommendation to Congress would be made for that increase. Let this Congress understand and let the country understand that the President, occupying his great position of influence, gave that assurance to these railroad presidents.

Let the country understand, as Congress now does well understand, that if this increase of expense should be made under these conditions, the Interstate Commerce Commission would be bound to take that increased expense into consideration in passing upon every freight rate filed with it, and that, as far as the laws and customs of the country can give guaranty, the railroad presidents have that guaranty already. Every one of them absolutely knows, as certainly as he can know anything that lies within the womb of the future, that they will be granted an increase of rates if they can show that their income and expenses, when laid side by side, warrant such an increase. With these facts fairly before them the railroad presidents took the action which they knew would bring on this strike.

So far as I am concerned, I believe that it is a mistaken economic policy to work men over eight hours when they are engaged in the dangerous and hazardous business of railroading. I believe that the interests of the traveling public demand that men shall not be put under the intense strain that men operating trains necessarily endure more than eight hours. Investigation has shown that the great majority of railway accidents in this country have occurred because of some lapse of memory or some mistake made by men who have been subjected to too hard a strain and who for the moment relaxed their vigilance, at the awful cost of life or limb.

We are talking here about averting this difficulty. I concur in what was so well said by my friend the Senator from Mississippi [Mr. VARDAMAN]. The railway employees ought to give Congress a chance. They ought to give us some time; but they are not the only parties to this controversy. The railway presidents by doing that which the President of the United States, from his impartial and high position, urged may avoid this strike the moment they act, and they can do it without jeopardizing their property, without taking anything like the hazard of loss that is bound to result if the strike goes on.

Mr. President, if all the transportation business of this country is tied up for one week's time, the loss to the railroads will be greater than the increase of pay for a year's time, and the railroad presidents know it.

I do not want to make an extreme statement on the floor of the Senate or elsewhere, but I state it as my deliberate judgment that there are great forces, great financial powers in this country, that want this strike and want it at this time, and that if this controversy goes on, if our country is put to the tremendous disadvantage of loss which will result from a tying up of all its transportation lines, the gentlemen who stand sponsors for the conduct that produced the strike will in the end have cause to seriously regret their action. There are a half dozen men in New York City who can prevent this strike, and they can do it without taking any serious chance of ever losing a dollar to their properties. The only thing necessary for them to grant is the eight-hour day—all other questions to be arbitrated and settled.

Mr. NELSON. Mr. President, will the Senator yield to me for a minute?

Mr. REED. I yield.

Mr. NELSON. Is there not much more involved in it than the mere question of eight hours? Does it not involve practically an increase of pay? Does it not amount in this instance to a demand that they shall be paid for 8 hours what they have been getting under the past arrangement for 10 hours? If it does, I put the question to the Senator from Missouri, for he is a good lawyer, have we a right to prescribe the rate that the railroad companies shall pay their employees? I put that question to the Senator because he is a good lawyer. I want to hear from him on that point.

Mr. REED. The question that I am discussing is the practical question of what can be done at this time. What I am urging is that there are a very few gentlemen in this country who can prevent the strike by granting the eight-hour day. Of course that means the eight-hour day, without a reduction of pay. That is the practical meaning of it. That is what these men mean; and if they are compelled to work overtime; or, to state it differently, that they be insured the eight-hour day by a penalty affixed for working the men over eight hours, namely, by pay for time and a half in lieu of straight pay for time.

Mr. VARDAMAN. Mr. President, I suggest to the Senator that my understanding is that the railway employees have agreed to yield the time and a half pay for hours of work in excess of eight hours, if they can get the eight-hour day concession. The extra hours worked will be at the regular day wages. And I think it a liberal concession, because I have been told by some of the members of the brotherhood that they really desired that the hours of labor per day be restricted to eight hours. I think eight hours is long enough for some of the railroad men to work—the engineers, for instance, who suffer great nervous strain while on duty.

Mr. REED. The Senator may be correct in that. That is not the question I am discussing. I am discussing the question of responsibility.

Here are 450,000 employees on one hand; on the other hand, there are a few financiers. The financiers can avert the strike if they want to. Let nobody make the mistake of thinking that it is any other influence or power than the financial power that is controlling the railway presidents.

The president of one of the great railroad systems of this country, who, I think, controls nearly 13,000 miles of railroad, was a practicing lawyer of rather limited experience in my city up to a few months ago. He was absolutely without any railroad experience. He did not go into that great position because he was a practical railroad man or had ever been the manager of great properties. He is in that position in a representative capacity; and, by the way, he was the chairman of the most important committee appointed by the railroad presidents to negotiate with the President of the United States.

Mr. THOMAS. Mr. President, the Senator in that remark reminds me of an instance occurring some four or five years ago, where a prominent manager of a large railroad system made the statement that in these days railroad presidents amount to nothing more than the representatives and mouthpieces of New York financial interests.

Mr. REED. I think an investigation will show that to be largely true.

Now, I have no warfare to make upon the gentlemen who have invested their money in the stocks and bonds of railroads. I want them treated fairly, but I warn those gentlemen that the United States will hardly look with favor upon a line of policy that permits all the transportation of the country to be tied up.

I have said more than I intended to say. The Senator from Minnesota [Mr. NELSON] asked me a question as to whether we could compel the payment of certain wages, for that is really the meaning of the Senator's question. Although recent decisions of the Supreme Court have extended the power of Congress to regulate interstate-commerce carriers far beyond the limit that I thought would be set, I very much doubt the power of Congress to regulate the wages of the men; but I will tell you a power I do not doubt. Congress has the inherent power, and the power under the Constitution, to keep the great lines of interstate commerce open. If this matter is pressed to the extremity, it will be discovered by the owners of these roads that Congress can keep them open; that when a management can not keep its road running, legal authorities can keep it running.

I said yesterday, and I say now, there ought to be a plain statute upon the books providing that whenever it shall be made to appear that the United States has contracts with a railroad company to carry the mails and it is about to permit that transportation to be interfered with, the courts can take possession of the railroad and run it. Railroad companies have had no difficulty in getting receivers appointed when they have had little controversies among their stockholders. They have had no difficulty in getting receivers appointed when they had made a contract to pay somebody interest on a certain day of the month and are unable to pay on the day fixed. They at once rush into court and prevent the seizure of the road by having a receiver appointed. We have had these receiverships for a multitude of causes, but based upon the allegation that some private individual has contractual rights with the company. The Government of the United States has contracts with these companies that involve the greatest business being conducted in the world, to wit, the United States Post Office business, a business that is not only the largest in volume of any business in the world but that affects the interests of more people than any other business in the world.

I concur very heartily with the view expressed by the Senator from Mississippi to the effect that if Congress would pass a resolution it might appeal strongly to the men, but I think along with that resolution of appeal to the men Congress can well turn a countenance that is not altogether amicable and smiling toward the men representing the other side of this controversy, who can by complying with the just requests of the President of the United States end the possibility of this strike within the next hour.

Mr. VARDAMAN. Mr. President, everything that has transpired since this question came before the Senate but adds proof to the correctness of the position that I announced a few moments ago, that we need time. I am personally, and in the performance of my function as a part of this great governmental body, as much opposed to doing an injustice to the railroad companies as I am to the men who labor to make the railroad companies or their stock worth anything. I desire to be absolutely just to both parties to this controversy.

Hasty legislation at this time on this new question may be more hurtful than the damages which will result from tying up the railroads, clogging the channels of commerce, and we can not afford to do it. We can not afford to legislate in the heat of passion. It would be eminently unwise to yield to our resentment, if we have any, at the stubborn and selfish conduct of the railroad presidents who, in the event a strike shall be called, have not anything but dollars and cents to lose. They are not going to suffer for a morsel of bread. They are not going to be denied any of the luxuries of life. Others are to suffer—the helpless women and children and those dependent upon the employees of the roads, and the unoffending public. These will be the sufferers.

This is a new question. Congress is starting out now on an entirely new field of legislation, and I insist that we can not afford to be in a hurry about it. The matter should be carefully and soberly considered. If a joint resolution could be passed by Congress asking the Brotherhood of Engineers, and Conductors, and Firemen, the employees of the railroads, to postpone the day of the strike, I am sure they would do it. I think they can very well trust to Congress to do them absolute justice. I believe a majority of the American people are in sympathy with the laboring people of this country, and will demand of Congress, if the Congress were inclined to do otherwise, that the right thing be done in their behalf.

I want to say again, with great earnestness, that we can not afford at this time to deal hastily and without due consideration with this great problem.

Mr. CLARKE of Arkansas. Mr. President, this morning I received the following telegram:

LITTLE ROCK, ARK., *August 30, 1916.*

JAMES P. CLARKE,
Member of Senate, Washington, D. C.:

This is to advise you that the railroad shopmen are negotiating at present seeking the eight-hour day, and we would be pleased to see the shopmen be included in any eight-hour law Congress passes affecting railroad men.

E. L. KING,
President Federation Iron Mountain Shops.

Just one word in connection with this telegram. It relates to the momentous controversy which is now pending before the country, which has excited so much interest and so much concern. Its importance and far-reaching character is recognized by all and its complex character is recognized by many.

The power of Congress to establish an eight-hour day for railroad operatives is a matter of very grave doubt. It has been left so by decisions of the Supreme Court of the United States. Many States have attempted to establish an eight-hour law. They have been almost invariably declared invalid, except in instances where they relate to child labor, the labor of women,

or those engaged in dangerous occupations, like mining. That was the case in the decision that was made in connection with the statute or probably the provision of the constitution of Utah.

Congress has passed an eight-hour law which applies to all public works designed by the United States or to which it contributes funds. It has been held to apply to the construction of levees on the Mississippi River and a number of other matters. But Congress never has yet passed any law that related to any private or semiprivate employment. It may be that the natural trend of doctrine on this subject will carry the Supreme Court to a point where it will support the action of Congress in establishing an eight-hour day for the operatives who actually manage the trains engaged in interstate commerce. No one is authorized to make the statement that it will. There has not been a single expression of the court that will justify anyone now in saying unconditionally that any such power will be indulged to Congress. There is a so-called hours-of-labor statute making railroads liable for damages that occur to employees who are required to work more than 16 hours a day. If challenged, it will be supported upon the proposition that that is so obviously a matter that endangers the public safety that it will be sustained; but there is a zone of uncertainty, there is a line that has never yet been laid down to be considered, before we shall be justified in saying that Congress has that very wholesome power.

I make that observation in connection with the suggestions of my constituents and friends at Little Rock, Ark., who have done me the honor to send me this telegram.

LEAVE OF ABSENCE.

Mr. RANSDELL. I ask that my colleague [Mr. BROUSSARD] may be excused indefinitely on account of illness.

The VICE PRESIDENT. The Senator's colleague is excused.

Mr. CHILTON. Mr. President, I have word this morning from my colleague [Mr. GOFF] that he is ill at his home, and therefore, can not attend upon the sessions of the Senate. I ask unanimous consent that, pending his illness, he be excused from attendance upon the Senate and from the operation of the order which the Senate has heretofore entered.

The PRESIDING OFFICER (Mr. HUGHES in the chair). Without objection, it will be so ordered.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15774) making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1917, and for other purposes.

The message also announced that the House recedes from its disagreement to the amendments of the Senate Nos. 1, 354, 355, 356, and 359 to the bill (H. R. 15774) making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1917, and for other purposes, and agrees to the same; recedes from its disagreement to the amendment of the Senate No. 361 and agrees to the same with amendments, in which it requested the concurrence of the Senate, and further insists upon its disagreement to the amendments of the Senate Nos. 58 and 108 to the bill.

PETITIONS AND MEMORIALS.

Mr. OLIVER presented petitions of the Manufacturers' Club, of Philadelphia, and of the Bourse, of Philadelphia, Pa., praying that the present railroad controversy be submitted to arbitration, which were referred to the Committee on Interstate Commerce.

Mr. CHAMBERLAIN presented a memorial of sundry citizens of Josephine County, Oreg., remonstrating against the enactment of legislation for the compulsory observance of Sunday in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented memorials of sundry citizens of Oregon, remonstrating against the stamp tax on insurance companies, which were ordered to lie on the table.

Mr. PHELAN presented memorials of sundry citizens of California, remonstrating against increasing the tax on the net income of life insurance companies, which were ordered to lie on the table.

He also presented a memorial of the Board of Supervisors of San Francisco, Cal., remonstrating against the enactment of an inheritance-tax law, which was ordered to lie on the table.

Mr. JAMES. I present a communication signed by a large number of railroad men of Winchester, Ky., and also a number of telegrams that I have received from the president of the Central Labor Union of Paducah, Ky.; from the secretary of the Trades and Labor Assembly of Covington, Ky.; from the secretary of the United Trades and Labor Assembly of Louisville, Ky.; from the chairman of the legislative committee of the Kentucky State Federation of Labor; and from the Burley Tobacco Co., of Louisville, Ky., relative to the passage of immediate legislation to prevent the threatened railroad strike or to defer it until just settlement can be made through arbitration. I ask that the communication and telegrams be printed in the RECORD and referred to the Committee on Interstate Commerce.

There being no objection, the communication and telegrams were referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

WINCHESTER, KY., *August 22, 1916.*

Hon. OLLIE M. JAMES,
United States Senator, Washington, D. C.

DEAR SIR: We, the undersigned railroad men at this place (Winchester, Ky.), do earnestly beseech you to use your good office to promote an eight-hour national labor law for all classes of railroad work.

As the country is very much agitated over this matter, we hope you will give this matter due consideration. You will notice that we are working from 10 to 12 hours per day.

Hoping that this will meet with your approval, we remain,

Very respectfully, yours,

J. M. WALDEN
(And many others).

PADUCAH, KY., *August 31, 1916.*

Senator OLLIE JAMES,
Washington, D. C.

We indorse railroad men's request for eight-hour work day.

ROY HURT,
President Central Labor Union, Paducah, Ky.

COVINGTON, KY., *August 31, 1916.*

Hon. OLLIE M. JAMES,
Washington, D. C.:

The Trades and Labor Assembly of Kenton and Campbell Counties, Ky., insist upon the eight-hour work day at present compensation for the railroad employees, and protest against any law imposing involuntary servitude.

W. R. MCLINDON,
Secretary Trades and Labor Assembly.

LOUISVILLE, KY., *August 31, 1916.*

Hon. OLLIE JAMES,
United States Senate, Washington, D. C.:

After a careful perusal of the contemplated legislative program intended to meet the present contingencies surrounding the possibilities of a Nation-wide strike, we empatically protest against the enactment of any law which fosters compulsory arbitration or any other method which would force a condition of involuntary servitude upon the workers of this land.

Respectfully,

PHIL OSSMANN,
Secretary United Trades and Labor Assembly.

LOUISVILLE, KY., *August 31, 1916.*

Hon. OLLIE JAMES,
United States Senate, Washington, D. C.:

The legislative committee of the Kentucky State Federation of Labor unqualifiedly subscribes to the demands of the Brotherhoods of the Railroad Trainmen and empatically protests against the enactment of any law which entails arbitration by compulsion, with a view to impose upon the workers of this country a condition which smacks of involuntary servitude.

JOHN SCHNEIDER, *Chairman.*

LOUISVILLE, KY., *August 31, 1916.*

Hon. OLLIE M. JAMES,
United States Senate, Washington, D. C.:

Realizing the enormous and apparently unnecessary loss to which the proposed railroad strike will subject the Nation, we respectfully urge that you use your influence in favor of the passage of immediate legislation to prevent strike or defer same until just settlement can be made through arbitration.

BURLEY TOBACCO CO.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMITH of Arizona:

A bill (S. 6975) authorizing Anton Hiersche to select other land in lieu of land now owned by him, required for reclamation purposes and for a bird reservation; to the Committee on Irrigation and Reclamation of Arid Lands.

By Mr. SMITH of Maryland:

A bill (S. 6976) granting a pension to Elizabeth Gates Perry (with accompanying papers); to the Committee on Pensions.

AMENDMENTS TO DEFICIENCY APPROPRIATION BILL.

Mr. WILLIAMS submitted an amendment authorizing the Commissioner General of Immigration to increase the salary of the Commissioner of Immigration at New Orleans, La., and to pay the same out of the lump sum appropriated for that purpose, intended to be proposed by him to the general deficiency appropriation bill (H. R. 17645), which was referred to the Committee on Appropriations and ordered to be printed.

Mr. SHAFROTH submitted an amendment proposing to appropriate $150,000 for the erection of a public building for the United States post office in the city of Durango, Colo., etc., intended to be proposed by him to the general deficiency appropriation bill (H. R. 17645), which was referred to the Committee on Appropriations and ordered to be printed.

THE REVENUE.

Mr. GALLINGER submitted an amendment intended to be proposed by him to the bill (H. R. 16763) to increase the revenue and for other purposes, which was ordered to lie on the table and be printed.

Mr. PHELAN submitted an amendment intended to be proposed by him to the bill (H. R. 16763) to increase the revenue, and for other purposes, which was ordered to lie on the table and be printed.

WITHDRAWAL OF PAPERS—JAMES D. HARRIS.

On motion of Mr. OLIVER it was

Ordered, That the papers accompanying the bill (S. 5809) to increase the pension of James D. Harris, Sixty-fourth Congress, be withdrawn from the files of the Senate, no adverse report having been made thereon.

DIPLOMATIC CORRESPONDENCE WITH BELLIGERENT GOVERNMENTS.

Mr. STONE. I ask unanimous consent to submit a resolution (S. Res. 261) to print certain documents. I merely ask for its reference to the Committee on Printing, or, possibly, to the Joint Committee on Printing.

Mr. SMOOT. No; to the Committee on Printing.

Mr. STONE. The Senator from Florida [Mr. FLETCHER] and the Senator from Utah [Mr. SMOOT] know more about the details. I will read the resolution—it is very brief—and then I can be better advised as to where it should be referred:

Resolved, That 2,000 copies of volumes No. 1, No. 2, and No. 3 of Diplomatic Correspondence with Belligerent Governments Relating to Neutral Rights, Duties, and Commerce, issued by the State Department, be printed, and that 1,000 copies thereof be delivered to the State Department for distribution, and that the remainder be so distributed between the Senate and House of Representatives as to divide them as nearly as may be practicable equally between individual Senators and Members of the House.

Just a word, if I may impose upon the attention of the Senate. I hold in my hand volumes 1, 2, and 3. The department advises me that to print 2,000 copies of No. 1 originally would cost $724; of No. 2, $1,466; and of No. 3, $2,663. That is approximately a total of $5,000. They have been printed by the State Department, and I am told by the officer representing the Secretary of State, who was here on yesterday to see me about it, that by using electroplates of the prints already made the cost will be very materially reduced.

I ask leave to have this resolution, with the memorandum attached, and also the copies of the three volumes of correspondence, referred to the Committee on Printing.

Mr. FLETCHER. Mr. President, can the Senator give any reason why the department does not order the copies printed?

Mr. STONE. I am not advised as to that.

The VICE PRESIDENT. The resolution and accompanying documents will be referred to the Committee on Printing.

PRESIDENTIAL APPROVAL.

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had, on August 31, 1916, approved and signed the following joint resolution:

S. J. Res. 129. Joint resolution extending until April 15, 1917, the effective date of section 10 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914.

DISTRICT OF COLUMBIA APPROPRIATIONS.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives agreeing to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15774) making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1917, and for other purposes; receding from its disagreement to the amendments of the Senate Nos. 1, 354, 355, 356, and 359 to the bill and agreeing to the same; receding from its disagreement to the amendment of the Senate No. 361 and agreeing to the same with amendments, in which it requested the concurrence of the Senate; and further insisting upon its disagreement to the amendments of the Senate Nos. 58 and 108 to the bill.

Mr. SMITH of Maryland. I move that the Senate recede from its amendments numbered 58 and 108.

The VICE PRESIDENT. The question is on the motion of the Senator from Maryland.

The motion was agreed to.

Mr. SMITH of Maryland. I further move that the Senate agree to the amendments of the House to the amendment of the Senate numbered 361.

The VICE PRESIDENT. The question is on the motion of the Senator from Maryland.

The motion was agreed to.

The VICE PRESIDENT. The bill is passed.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. SIMMONS. Mr. President, on yesterday, just before we adjourned, the Senator from Kentucky [Mr. JAMES], stating that he had to leave the city, as we all know he is obliged to do, requested that the Senate should consider out of order an amendment which he offered to the revenue bill. I ask that that amendment be now taken up, so that the Senator may fill his engagement.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the amendment referred to will be stated.

The SECRETARY. On page 144, after section 102a, it is proposed to insert the following:

SEC. 103. That whenever during the existence of a war in which the United States is not engaged the President shall be satisfied that there is reasonable ground to believe that under the laws, regulations, or practices of any country, colony, or dependency contrary to the law and practice of nations, the importation into their own or any other country, dependency, or colony of any article the product of the soil or industry of the United States and not injurious to health or morals is prevented or restricted the President is authorized and empowered, within his discretion, to prohibit or restrict during the period such prohibition or restriction is in force, the importation into the United States of similar or other articles, products of such country, dependency, or colony as in his opinion the public interest may require; and in such case he shall make proclamation stating the article or articles which are prohibited from importation into the United States; and any person or persons who shall import, or attempt or conspire to import, or be concerned in importing, such article or articles into the United States contrary to the prohibition in such proclamation, shall be liable to a fine of not less than $2,000 nor more than $50,000, or to imprisonment not to exceed two years, or both, in the discretion of the court. The President may change, modify, revoke, or renew such proclamation in his discretion.

Mr. UNDERWOOD. Mr. President, I should like to reserve the right to object for the moment in order to ask how the amendment comes before the Senate? Is it on the initiative of the Senator from Kentucky?

Mr. SIMMONS. I will state to the Senator from Alabama that the Senator from Kentucky a few days ago introduced this amendment in the Senate, and it was referred to the Finance Committee. The amendment was considered by the majority members of the committee, and I was authorized to accept it.

Mr. UNDERWOOD. Was the amendment prepared by the Finance Committee, or did it come from the department?

Mr. SIMMONS. My understanding, from the statement made by the Senator from Kentucky, was that the amendment meets the approval of the department.

Mr. UNDERWOOD. Well, I want to say to the Senator from North Carolina in reference to this question, that I am not opposed to the amendment offered by the Senator from Kentucky; as a matter of fact, I think it is an amendment that will serve a great many people in the United States. It is an amendment that will protect a great agricultural product in the United States against discrimination, and I am glad that the Secretary of State has taken the initial step toward preparing the amendment and submitting it. I intend to support the amendment. I think it will be of great value to the agriculture of the United States in protecting the shipments of tobacco into neutral countries against the discriminations that are now being made against it by the warring countries of Europe. I understand that the amendment relates not only to tobacco, but to many other products of the United States.

Mr. SMITH of Georgia. It applies to all of them.

Mr. UNDERWOOD. I am informed that it is broad enough to apply to all. It is a very meritorious amendment.

I merely desire to call to the Senator's attention, however, the fact that several days ago the Senator and some of his colleagues on the committee singled me out alone in the Senate, and criticized me for offering an amendment to this bill. Since that time a number of other amendments have been offered by Senators on the floor without criticism coming from the Finance Committee. Those amendments have been recognized, considered, and adopted. I have no doubt that they are good, valid amendments; but, of course, I recognize that fact—and it is a fact—that there was no binding rule in

the Democratic caucus against the offering of amendments. I am informed, on inquiry made of the secretary of the caucus, that there was no resolution passed broad enough to especially cover the right of the committee to inject new matter into this bill or to reverse the action of the caucus.

I merely want these statements to go into the RECORD, not in opposition to the amendment offered by the Senator from Kentucky at all, but to show the wisdom of the Democratic caucus when it assembled in not proceeding along the lines on which the Senator from North Carolina and one of his colleagues criticized me for my action.

Suppose, under the present circumstances, the Democratic caucus had gone so far as to prohibit the Senator from Kentucky from offering this amendment; an amendment that is germane to this bill; an amendment that can probably not be passed as an independent bill at this session of Congress, with adjournment confronting us at every hour; an amendment that the Secretary of State thinks of sufficient importance to the whole country to bring before the Congress.

More than that, I am certain that the Senator from North Carolina, when he takes his sure, deliberate judgment of this schedule, will not contend for a moment that a Democratic caucus, behind closed doors, would delegate to a committee of this Senate to legislate behind closed doors, to the exclusion of the right of action of their colleagues on this floor.

Mr. SIMMONS. Mr President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from North Carolina?

Mr. UNDERWOOD. I yield for a question.

Mr. SIMMONS. I thought the Senator was through.

Mr. UNDERWOOD. I am not through.

Mr. NELSON. Will the Senator from Alabama yield to me for a moment?

Mr. UNDERWOOD. I will yield for a question; but I want to finish my remarks.

Mr. NELSON. It is not exactly a question which I desire to submit, but I simply wish to say to the Senator that it was unfortunate that he did not come to the Senate two years earlier, for if he had done so he would have witnessed during that period the enactment of more caucus legislation than that of which he now complains.

Mr. UNDERWOOD. Well, under certain circumstances, I will say to the Senator from Minnesota, I do not object to caucus legislation, in so far as it is along the lines of the principles established by a party. There are times when that is the only way that a party can legislate; but it should do it in the open when it takes that responsibility, and everybody should be bound or everybody should be free. If a caucus proposes to legislate as a caucus, it must take the party responsibility before the country; it must announce its legislation and must stand on it. Then the country knows who is responsible and who is not.

I can see that it would be wise to grant to a committee having charge of a bill the power to make amendments in minor details; and that privilege is often granted, because mistakes may creep in; but to say that a party caucus should delegate to a party committee the right to inject new legislation into a bill, to reverse the action of the caucus itself, or to make important and radical changes in a bill after caucus action would be to declare that, instead of having legislation by one of the great parties in the Senate and by the membership of that great party, the right to think and the right to act is delegated to a few men and the remainder of the membership of the Senate are excluded from exercising freedom of action and freedom of thought. No party in this country could ever go to the people and stand on such an outrageous perversion of free legislative action affecting the interests of the American people.

That was not done in this instance. I am merely here to defend my party on this question. I am advised that no such action was taken. There may have been an understanding, or a resolution may have been passed to allow minor details to be amended, but there was no authority given in that caucus to reverse the action of the caucus or to propose new legislation by the committee or by anybody else, except that there was no understanding that the caucus should be binding. It was merely persuasive. There was no understanding that any committee of the Senate should have a right to legislate for the Senate, instead of the Senate legislating for itself—all of which was democratic, all of which was in accord with the great principles of the party.

The Senator from Kentucky is not violating any caucus action or any caucus principle by representing the best interests of a great constituency and proposing this legislation in their behalf.

I am not making complaint, so far as I am personally concerned, because, as relates to my action, I am always willing to act in what I believe is the interest of the people I represent, taking the responsibility myself and asking no one to share it with me.

I merely desire to call the attention of the Senator from North Carolina to the fact that the action of his committee and himself in reference to this matter, and the action of his committee and himself in reference to the reversal of the caucus action relating to the munitions tax, puts him and his colleagues who criticized me the other day on exactly the same plane on which I stood when I offered a minor amendment changing some figures in one paragraph of this bill.

I want the RECORD to show this. I think it is in the interest of the party that it should show it, because, although I realize the anxiety of the Senator from North Carolina to get his bill through, and I am heartily desirous of aiding in the speedy passage of the bill, and although I realize, because I have occupied a similar position in another body, the desire of the chairman of the committee to avoid amendments to his bill so far as possible, nevertheless he can not push that desire to a point where there is an endeavor to exclude independent thought and independent action on a great legislative matter without destroying the independence of action and thought of the Senators who represent constituencies on this floor. If that independence is going to be destroyed, as sometimes may be necessary in connection with great party measures, then it can only be done when every man is bound and the party itself stands responsible to the country in place of the responsibility of the individual Senator.

It is unspeakable to think that in the last analysis a legislative body would refer to a dozen or a half dozen members of that body the right to think and act for it. We have committees which must digest and sift legislation and prepare it for action; but to say that we have reached a point in the legislative history of this country where we are willing to delegate to committees sitting behind closed doors the only power of action, and surrender and preclude the right of men who rest under the responsibility on this floor of acting for their constituencies is in keeping with no principle the great founders of the Democratic Party ever enunciated or ever stood for.

The Democratic Party as a party, and Democratic Representatives as belonging to that party, since the beginning of the Government have stood out in front of the column as the party and as the men who claimed the right of the exercise of individual judgment and freedom of action in relation to the great constituencies they represented; and if the hour has come—which it has not—in the Senate of the United States where we have to legislate under gag rule and behind closed doors, the people of the United States will repudiate the party taking such a position. Therefore I want the RECORD now to show that the Democratic Party has not taken such a position; that there is no warrant for the claim that it stands for such a position; and that it has not attempted either to gag or suppress the individual action of Democratic Senators on the floor of the Senate.

PROPOSED RAILROAD LEGISLATION.

Mr. NELSON. Mr. President, I do not rise to address myself to the point raised by the Senator from Alabama with respect to the merits of the Democratic caucus or as to its limitations, and so forth. I rise for another purpose, and that is to say a few words in behalf of a class of men who are not heard in this Chamber.

There is a class of railroad men—and they number many thousands—who are entitled to the consideration of the Senate to a far greater extent than are some of the men who are coming here now under a threat and asking for legislation. I refer to the great army of section men, switchmen, telegraph operators, train dispatchers, and station agents. There is no class of railroad employees who receive lower wages and, in some instances, have to work longer hours; and I trust that in whatever legislation shall be enacted granting relief to the men who are connected with the operation of our railroads the Senate will not lose sight of the rights of these men. They are really entitled to greater consideration, because they do not come here with a threat.

Look at the poor section men! I have often thought, as I was riding on trains at the rate of 40 or 50 miles an hour, how much we owe to the care and vigilance of those poor men. I do not know what they are paid in the South, but in the North the customary wages, at least in my part of the country, are in winter about a dollar and a half a day and in summer about $2 a day. Years ago, on one of our great railroads in that region, the ordinary section men only got a dollar and a quarter a day and the section boss a dollar and a half a day.

Consider the poor pay the station agents receive. Did you ever look into that question? They get a small monthly salary at the ordinary railway station. They are compelled, in order to provide for themselves and their families, to perform service for the telegraph company, in places where the telegraph company has no office of its own. They also have to attend to the express business. For all of that extra work, in addition to their regular work for the railroad company, where they have to act not only as ticket agents but as baggage-masters and men of all work, they get only a small pittance in the way of wages. At the ordinary country stations their wages, with the little extras for attending to the telegraph, express business, and so forth, may run from $50 to $100, or in some cases to $125 a month. I do not refer to the larger stations.

Then take the switchmen, who have most hazardous and difficult work to perform, and who have as much to do as any class of operators with the movement of trains and the safety of the traveling public. Take the boys at the switchboards, the boys who are sending the telegrams of the country. They are all compelled to work long hours, and they receive most scanty wages. Take the train dispatchers—another deserving and hard-working class of men who are entitled to our consideration. These men are not here in any threatening attitude demanding relief, but I most earnestly and sincerely hope that they will receive the consideration of the Senate to an equal extent with the other class of railroad men in whose behalf legislation is being urged.

I am not hostile to the laboring men. I started my own life in the lowest dregs of poverty, and had a hard struggle in my early days. My sympathies have always gone out to the laboring men; and yet, I thank God, that, although I am far from being a rich man, although I was brought up in poverty, I have never had any prejudice or hostility toward the wealthy men or the capitalists of this country.

Let us look the question squarely in the face. What is there in this eight-hour proposition? Those who are now clamoring for it do not mean that they want to work only eight hours. That is not the proposition, for in the next breath they say: "We want time and a half for all extra time." They are quite willing to work extra time. So that is not the trouble. What they want is not a limitation of eight hours a day on their work, but they want us to give them the same pay for 8 hours that they have been in the habit of getting for 10 hours, or that they get for what is termed "a run."

We know the fact that on many trains, especially on passenger trains, the train crews make their runs in four or five or six hours, and for this service they get pay for a full day's work.

That is the case not only with passenger trains, but with fast freight trains, cattle trains, and trains carrying perishable goods. The class of trains whose crews, I think, are being treated with the greatest injustice are the local freight trains, which have from 100 to 150 miles to go in a day and have to stop at every intermediate station to pick up and discharge freight. Those men have long hours of work, oftentimes 16, 18, or 20 hours a day, and I think they are clearly entitled to relief.

Mr. President, I am not hostile to remedial legislation by any means; but whatever we do, Senators, let us not forget this great army of unorganized railroad men—switchmen, section men, telegraph operators, and station agents. While providing for their more fortunate brethren let us not lose sight of those deserving men. Let us give them some relief; for they come here, if I may use the expression, in a good spirit without any threats, invoking our help and aid in this matter.

In this connection, Mr. President, I wish to read a telegram I have received, and then I will suspend. I have been waiting all the morning to get a chance to read it. The telegram is as follows:

ST. PAUL, MINN., *August 30, 1916.*

Hon. KNUTE NELSON,
Washington, D. C.:

In the name of 5,000 business men from every district in Minnesota I wish to voice protest against favorable action on the proposed measure fixing the hours of labor for railroad employees at eight hours per day. Our reason for making this protest is that we believe that such action will result in necessitating a material increase in railroad rates to meet the threatened strike of railroad employees. By arbitrarily imposing this increased burden upon the people of the country would, we believe, be an injustice, and no such action should be taken without a thorough investigation of the question. A reply would be appreciated.

MINNESOTA EMPLOYERS' ASSOCIATION,
GEORGE M. GILLETTE, *President.*

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the Speaker of the House had signed the enrolled bill (H. R. 15774) entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1917, and for other purposes, and it was thereupon signed by the Vice President.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. SIMMONS. Mr. President, I do not desire, nor do I propose, to enter into any controversy with the Senator from Alabama [Mr. UNDERWOOD] about the caucus. I think quite enough has been said about that, and I do not myself desire to say anything further about it. All I shall say about it now is to justify the action of the committee in accepting the amendment offered by the Senator from Kentucky [Mr. JAMES].

Mr. President, this is not the first caucus we have had. We had a caucus upon the tariff bill of 1913. It was quite an extensive caucus. The items of the bill were pretty thoroughly discussed. After that caucus adjourned, having declared the bill to be a party measure, various and sundry amendments were offered, some of them referred to the committee, some of them offered upon the floor of the Senate when the item to which they related was reached. I do not think anybody questioned the right of the committee, when an amendment was referred to it after the caucus had adjourned, to give consideration to that amendment and, when it was reached upon the floor of the Senate, to express the conclusion of the committee. Of course, that particular amendment was not the subject of caucus action, and nobody would be bound by the action of the committee in rejecting it or in recommending it. It was a new matter.

I have been speaking of the tariff bill. Exactly the same course was pursued with reference to the shipping bill, which had been made a party matter. When an amendment was offered upon the floor of the Senate and not referred to the committee, the chairman of the committee, without any dissent, without any objection from anybody, either said that the committee approved or that the committee disapproved. That action was not covered by caucus, and the action of the committee was merely recommendatory, and no Democratic Senator was bound by it.

Mr. President, on the 29th of August the Senator from Kentucky [Mr. JAMES] offered this amendment. It was referred to the committee. The caucus had taken no action about it. The committee did not think because the caucus had taken no action about this matter that its hands were tied, that it could not recommend action by the Senate, or that it could not recommend nonaction by the Senate. I do not think anybody heretofore has ever contended that the committee was so bound by caucus action that it could not act upon an amendment subsequently referred to it or subsequently introduced; but of course it is clear that the action of the committee in that respect would not have the same binding force as its action with reference to amendments that were in the bill at the time it was considered in the caucus. The committee is not contending and I, as chairman, am not contending that any Democrat or anybody else is bound in any way by the acceptance of this amendment offered by the Senator from Kentucky.

Mr. JAMES. Mr. President, I presented this amendment after consultation with the various farmers' organizations and dealers in tobacco of the tobacco-growing States of Kentucky, Virginia, Tennessee, Maryland, and North Carolina that assembled here the first part of the week. I called their attention to the fact that in the pending bill there was a provision—section 102—which reads as follows:

That whenever any country, dependency, or colony shall prohibit the importation of any article the product of the soil or industry of the United States and yet injurious to health or morals, the President, within his discretion shall have power to prohibit, during the period such prohibition is in force, the importation into the United States of similar articles, or in case the United States does not import similar articles from that country, then other articles, the products of such country, dependency, or colony.

I suggested to these organizations that perhaps that section would give to the tobacco growers of these States some relief against the embargo or the contraband order issued by Great Britain against the tobacco produced in these States and in this country going into other countries.

But at a conference of the committee appointed—consisting of Senator MARTIN, Senator SWANSON, and myself, and Representative HULL and Representative FLOOD—with the State Department we discovered that this amendment was not sufficient, in that it only made provision against keeping articles out of their own countries but not other countries, and therefore the pending amendment was prepared and submitted by me to the Senate. I will say that this amendment has the

approval of the State Department and my colleagues from the tobacco-producing States.

The moving force that brought all of these gentlemen from these various States to the Capital was that Great Britain had said a year or more ago that tobacco was not contraband, and the farmers, with that understanding and agreement, and faithfully relying upon the same, planted large crops of tobacco. But at the very time when this tobacco is being housed and made ready for sale Great Britain issues an order making it contraband of war, and by this she puts herself and her allies in this market as the only purchasers, forbidding the shipment of tobacco to neutral and other countries, in violation of the law of nations.

The amendment that I have presented gives to this Government the right to protect the products of its soil and factories against the unlawful conduct of other Governments that discriminate against us by saying to them: "If you are going to prohibit our products which are not contraband of war—if you are going to do this in violation of law and contrary to the practice of nations—then we empower our Government to retaliate by prohibiting or restricting articles of your commerce from coming into this country."

Our country is neutral and is living up faithfully to the laws of nations, and we intend to protect the products of our soil and industry when unlawfully attacked by other countries. The farmers who grow tobacco feel, and they have a perfect right to feel, that they have been unfairly dealt with by Great Britain. If she intended to forbid shipment of tobacco to Holland, and through her to the central powers, she should have said so, and not have removed tobacco from the contraband list, and by that act say, in effect, to the growers: "Plant and grow tobacco; your market will remain as before—open to the world."

This is a great and just Government, and I know its duty here is plain, and that is to protect these patriotic, hard-working tillers of the soil, and this amendment offers that opportunity.

Mr. GALLINGER. Mr. President, will the Senator permit me?

Mr. JAMES. I yield to the Senator from New Hampshire.

Mr. GALLINGER. I have read the amendment hurriedly. I assume that it covers practically all the exportations from this country of the products of our soil, tobacco being one article; but it is much broader than that, I assume?

Mr. JAMES. It says:

Any article the product of the soil or industry of the United States.

It includes all products in the United States. I was merely pointing out the one single item of tobacco, where 3,000,000 people in this country rely upon it as their money crop, who had in good faith relied upon the action of Great Britain and had grown tobacco. Of course, tobacco is purchased by France and by Italy in a governmental way; they have a Government monopoly of it. So they feel that they can step in here and say that you can ship tobacco to us, but you shall not ship tobacco into any neutral or other European country. They make themselves the only purchaser, and they will be enabled to beat down the price of the product of these toiling men of America, who are entitled to a free market, unhampered and unmonopolized. This action would cost the tobacco growers of the United States $50,000,000.

Mr. GALLINGER. My attention has been called to two instances where manufactured goods were shipped from my own State to either Sweden or Norway and Great Britain took possession of them. I think possibly they were released afterwards, but they assumed the right to prevent the exportation of the goods on the ground that they might reach Germany.

Mr. JAMES. This gives protection in a case of that kind.

Mr. GALLINGER. I hope it does.

Mr. JAMES. It does undoubtedly. Mr. President, by the introduction of this amendment I do not want to get into the controversy here with my friends the Senator from Alabama [Mr. UNDERWOOD] and the Senator from North Carolina [Mr. SIMMONS]. There seems really to be none. This amendment is in keeping with the spirit of a provision that has been passed on by the caucus. It is an elaboration, but a very important elaboration and a necessary elaboration of it. After I introduced the amendment it was referred to the Finance Committee, of which I am a member, and it has the approval of that committee. Then I took the precaution to consult with all my Democratic colleagues on this side, with the possible exception of one or two. Each one of them told me he was in favor of the adoption of this amendment.

Mr. President, I believe it is unnecessary to discuss this question further, and I hope we shall have a vote upon it if no one desires to be heard on the subject.

The PRESIDING OFFICER (Mr. HUGHES in the chair). The question is on agreeing to the amendment of the Senator from Kentucky.

The amendment was agreed to.

Mr. SWANSON. I desire in connection with the amendment offered by the Senator from Kentucky [Mr. JAMES] to have inserted in the RECORD the decision of the Supreme Court of the United States in what is known as the Matamoras cases during the Civil War, in which England herself made objection to what she is now doing in prohibiting the shipment of noncontraband goods to neutral countries. The decision was given by the Chief Justice of the United States and stated the law of nations clearly and completely. I do not wish to read it, but desire to have it printed in the RECORD, to show the absolute and unwarranted action of Great Britain in prohibiting the shipment of tobacco and noncontraband goods to neutral countries. Britain's action in this respect is in gross violation of every principle of international law. This Government should firmly maintain its rights and not submit to such illegal dictation. This measure enables this Government promptly and efficiently to retaliate in order to maintain our rights. I desire to insert here the decision of our Supreme Court upon this matter, granting to Britain rights she now refuses to us. It is contained in Moore's Digest of International Law:

MATAMORAS CASES.

1260.

The Mexican town of Matamoras, situated on the Rio Grande, nearly opposite Brownsville, in Texas, which formed one of the Confederate States, offered obvious advantages as a base of contraband trade.

The steamer *Peterhoff* was captured February 25, 1863, near the island of St. Thomas, Danish West Indies, by the U. S. S. *Vanderbilt*, and was condemned by the United States District Court for the Southern District of New York, together with her cargo, for attempt to break the blockade. From this sentence an appeal was taken to the Supreme Court.

The *Peterhoff* was fully documented as a British merchant steamer upon a voyage, as shown by her manifest, shipping list, clearances, and other papers, from London, England, to Matamoras, in Mexico. The bills of lading all stipulated for the delivery of the goods "off the Rio Grande, Gulf of Mexico, for Matamoras," adding that they were to be taken from alongside the ship, provided that lighters could cross the bar at the mouth of the river. The cargo was miscellaneous and shipped by different persons, all but one of whom were British subjects, and a part of it belonged to the owner of the vessel. Of the numerous packages a certain number contained articles useful for military purposes during war. Among them were 36 cases of artillery harness, 14,450 pairs of "Blucher" boots, 5,580 pairs of "Government regulation gray blankets," 95 casks of horseshoes of large size, suitable for cavalry service, and 52,000 horseshoe nails. There were also considerable amounts of iron, steel, shovels, spades, blacksmiths' bellows and anvils, nails, and leather, and an assorted lot of drugs—1,000 pounds of calomel, large quantities of morphine, 265 pounds of chloroform, and 2,640 ounces of quinine. Owing to the blockade of the coast, drugs, and especially quinine, were greatly needed in the Southern States.

With the exception of a portion consigned to the order of the master, which belonged to the owners of the vessel, the cargo was represented in agency or consigneeship chiefly by three different persons on board the vessel as passengers—Redgate, Bowden, and Almond—all natives of Great Britain, and at the time of the capture all British subjects, except Redgate, who had become a citizen of the United States, and who before the outbreak of the war resided in Texas. He stated that at the time of the capture he intended to establish a mercantile house at Matamoras, and that had his "goods arrived there they were to take the chances of the market." Bowden and Almond testified to substantially the same effect as to their respective ventures. During the war Matamoras, which lies on the Mexican side of the Rio Grande, nearly opposite the town of Brownsville, in Texas, had, by reason of the facilities which as a neutral port it offered for trade with the Confederacy, whose seaports were all blockaded, suddenly risen from the position of a place of no importance "into a great center of commercial activity, rivaling the trade of New York or Liverpool."

The opinion of the Supreme Court in the case of the *Peterhoff* was delivered by Chief Justice Chase. He stated that the record satisfied the court that the voyage of the ship "was not simulated." She was "in the proper course of a voyage from London to Matamoras"; nor was there any evidence which fairly warranted the belief "that the cargo had any other direct destination." The proposed delivery of the cargo off the mouth of the Rio Grande into lighters for Matamoras was "in the usual course of trade," since it was impossible for a vessel of heavy draft to enter the river. "It is true," said the court, "that by these lighters some of the cargo might be conveyed directly to the blockaded coast, but there is no evidence which warrants us in saying that such conveyance was intended by the master or the shippers. We dismiss, therefore, from consideration the claim, suggested rather than urged in behalf of the Government, that the ship and cargo, both or either, were destined for the blockaded coast."

But is was maintained in argument by counsel for the captors (1) that trade with Matamoras was, at the time of the capture, made unlawful by the blockade of the mouth of the Rio Grande; and, if this was not the case, (2) that the ulterior destination of the cargo was Texas and the other States in rebellion, and that this ulterior destination constituted a breach of the blockade.

On these points the court held:

1. That "the mouth of the Rio Grande was not included in the blockade of the ports of the rebel States, and that neutral commerce with Matamoras, except in contraband, was entirely free."

2. That "neutral trade to or from a blockaded country by inland navigation or transportation" is lawful; and "therefore that trade between London and Matamoras, even with intent to supply from Matamoras goods to Texas, violated no blockade, and can not be declared unlawful." "Such trade," said the court, "with unrestricted inland commerce between such a port and the enemy's territory, impairs undoubtedly, and very seriously impairs, the value of a blockade

of the enemy's coast. But in cases such as that now in judgment we administer the public law of nations, and are not at liberty to inquire what is for the particular advantage or disadvantage of our own or another country."

The question of breach of blockade being thus excluded, the court proceeded to consider the question of the destination of the cargo in connection with the question of contraband. Taking up the usual classification of articles with reference to this question—(1) those used primarily for purposes of war, (2) those used for purposes of war or of peace according to circumstances, and (3) those used exclusively for peaceful purposes—the court observed that a considerable part of the cargo was of the third class and need not be further considered. A large part, perhaps, was of the second class, but as it was "not proved * * * to have been actually destined to belligerent use," it therefore could not, said the court, "be treated as contraband. Another portion was, in our judgment," continued the court, "destined directly to the rebel military service. This portion of the cargo consisted of the cases of artillery harness, and of articles described in the invoices as 'men's army bluchers,' 'artillery boots,' and 'Government regulation gray blankets.' These goods come fairly under the description of goods primarily and ordinarily used for military purposes in time of war. They make part of the necessary equipment of an army."

With regard to these articles, which were adjudged to be condemned as contraband, the language of the court is to be specially noted.

"It is true that even these goods," said the court, "if really intended for sale in the market of Matamoras, would be free of liability, for contraband may be transported by neutrals to a neutral port, if intended to make part of its general stock in trade. But there is nothing in the case which tends to convince us that such was their real destination, while all the circumstances indicate that these articles, at least, were destined for the use of the rebel forces then occupying Brownsville and other places in the vicinity.

"And contraband merchandise is subject to a different rule in respect to ulterior destination than that which applies to merchandise not contraband. The latter is liable to capture only when a violation of blockade is intended; the former when destined to the hostile country or to the actual military or naval use of the enemy, whether blockaded or not. * * * Hence, while articles, not contraband, might be sent to Matamoras and beyond to the rebel region where the communications were not interrupted by blockade, articles of a contraband character destined, in fact, to a State in rebellion, or for the use of the rebel military forces, were liable to capture though primarially destined to Matamoras. We are obliged to conclude that the portion of the cargo which we have characterized as contraband must be condemned."

Restitution of the ship was decreed on payment of costs and expenses. This condition was imposed, notwithstanding the finding that her destination was neutral, (1) because the master, when brought to by the *Vanderbilt*, refused to send his papers on board; (2) because papers were destroyed on board the ship at the time of the capture; and (3) because it was the duty of the captors, since contraband was found on board "destined to the enemy," to bring the ship in for adjudication. (The *Peterhoff* (1866), 5 Wall., 28.)

In two other Matamoras cases decided at the same term, the Supreme Court decreed restitution in the absence of proof of actual enemy destination. The first of these was that of the *Science*. Chief Justice Chase, delivering the opinion of the court, stated that the evidence was "clear that the vessel and her outward cargo were neutral property, destined to neutral consignees at Matamoras, and that the cargo had been actually delivered as consigned." "Some of the proof," the court added, "tended to show that a portion of this cargo consisted of Confederate uniform cloth, but there was none showing destination to enemy territory or immediate enemy use. There was, therefore, nothing in the character of the vessel or of the outward cargo which warrants condemnation." (The *Science*, 5 Wall., 178.)

At the same time the court decided the case of the *Volant*, another Matamoras case. The Chief Justice, delivering the opinion, stated that the proof showed that the vessel was the property of a neutral merchant of the island of Jersey, documented as a British merchantman, and regularly cleared from London to Matamoras. The cargo was shipped by the charterers of the vessel for neutral owners, and consigned to neutrals at Matamoras, but had not been discharged at the time of capture. "It consisted," said the court, "in part, of bales of Confederate uniform cloth, of the same mark and of corresponding numbers with like goods found on the *Science*, but there is no proof of unlawful destination." The decree of the court below, condemning the ship and cargo, was accordingly reversed. (The *Volant*, 5 Wall., 179.)

The PRESIDING OFFICER. The amendment to the amendment on page 6, which was passed over, will be stated.

The SECRETARY. There is an amendment pending on page 6, where the Senate reconsidered the vote by which the amendment of the committee embraced in lines 12 to 17 was agreed to.

Mr. CLARKE of Arkansas. The amendment to the amendment was passed over until to-day at the request of the Senator from Oregon [Mr. CHAMBERLAIN], who desired time to look into the matter. He notified me this morning that he has no further objection to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. CLARKE of Arkansas. In the same connection it will be necessary to modify two other amendments in the bill, but as the action just taken by the Senate will carry it to conference, I think it is a satisfactory disposition of the matter for the present to allow the other amendments to stand.

Mr. COLT. Mr. President, the decision of Great Britain to return to the protective-tariff system has demonstrated the impracticability of free trade, or a tariff for revenue only, under existing national conditions. Free trade assumes just and fair treatment between nations; it assumes natural and normal competition; it assumes that the principle of free competition is a sufficient regulator of economic conduct. Free trade never contemplated that a nation would adopt the policy of obtaining control of the raw materials of the world, which lie at the basis of all industries, and by so doing acquire a monopoly both of the raw materials and of the industries upon which they are dependent. Free trade never contemplated that a nation would organize its industries, with the aid of the Government, into vast syndicates, with the avowed purpose of dumping its products upon foreign countries at any price which would effectually destroy foreign competition and foreign industries. I quote the following from a recent work on Industrial Progress of Germany:

> The coke syndicate sells coke in Austria at $2.50 per ton cheaper than at home. The wire-nail syndicate furnishes its product to foreign customers for $33 per ton, while the price for the same goods in the domestic markets is $62.50 per ton. The sugar syndicate, which was formed in 1900, and controls 98 per cent of the production, has fixed the price of beet sugar at $3.93 per hundredweight in Germany and at $2.97 per hundredweight abroad.

From the standpoint of those who believe in the theory of free trade experience has shown that it can not safely be adopted until the nations have reached a higher ethical standard of international commerce. Under modern trade conditions free trade is dead. Under modern trade conditions the safety and welfare of every nation imperatively demand economic independence, secured in the only way in which it can be secured—through a protective tariff. Every economic theory must be tried by actual experience, by its application to existing social conditions, and if it fails in this supreme test the theory, however logical in form, is not sound, because it is not based upon all the facts which enter into the problem.

Mr. President, the chambers of commerce of Great Britain, comprising more than 30,000 manufacturers, merchants, professional men, and traders in all parts of the United Kingdom, recently passed the following resolutions:

> This association desires to place on record for the guidance of those who follow us in days to come its firm conviction, based on experience of war, that the strength and safety of the Empire lies in ability to produce what it requires as largely as may be possible from its own soil and factories.

Then follows this language:

> Production within the Empire is of vital importance. Power of production must come before exchange of commodities. * * * By our present system of free access to our markets for foreign producers, * * * and in many other ways, there has been no recognition of the fact that production at home is infinitely preferable to the purchase of goods abroad, even at a slightly reduced price. * * * What we need is that we should be more self-sustaining and produce more, so as to improve the status of our population.

The sentiments here expressed voice practically the unanimous opinion of the United Kingdom.

Great Britain places her abandonment of free trade on the grounds of national safety and national welfare. Her position is that conditions require a change from an economic system which ignores the safety and welfare of the people to one which regards these things as vital. She maintains that commerce and national safety are inseparable, and that each nation must be made economically independent through a system of protective duties on foreign imports. This does not mean prohibitive duties but duties high enough to protect home industries, home agriculture, home raw materials, and home labor. Great Britain now realizes that she was mistaken in the fundamental assumption on which the whole doctrine of free trade rests, namely, that nations will treat one another fairly and justly.

It was Germany's aggressive protective policy which has broken down free trade in England. Great Britain complains of Germany's "commercial penetration" and "predatory commercial methods." She charges Germany with the attempt "by surreptitious methods" to acquire a monopoly of raw materials and of the industries of which they form the base; and she arraigns Germany's trade policy of dumping goods on the English market. These unfair practices have convinced Great Britain of the necessity of a protective tariff.

Some 40 years ago Great Britain and Germany started on the race for the commerce of the world. The rival economic theories of free trade and protection were here put to the supreme test. Great Britain at the outset had the great advantage of age, wealth, and commercial supremacy. As the result of this contest, Great Britain now admits the economic domination of Germany, and that her national security, if not her very existence, depends upon her adoption of a protective policy.

Mr. President, free trade has had a comparatively short life. Adam Smith's book was published in 1776, but it was not until 70 years later, in 1846, that Great Britain repealed the corn laws under the exceptional conditions then existing, such as the

famine in Ireland. Upon this point Dicey, the English publicist, says:

> * * * Add to all this that the Irish famine made the suspension of the corn laws a patent necessity. * * * What, however, weighed with most Englishmen, above every other consideration, was the harmony of the doctrine that commerce ought to be free, with that disbelief in the benefits of State intervention which, in 1846, had been gaining ground for more than a generation.

Through Cobden's influence with Napoleon III, France materially reduced her tariff in 1860. In Italy, Cavour sympathized with the English school of economists, and the German States also adopted a more liberal trade policy.

But in 1870 a reaction against free trade set in under the leadership of Bismarck, and this reaction has continued until all the great commercial nations have become protectionists. The agitation on this question in Germany culminated in 1879 when, following several years of commercial depression, she adopted a highly protective tariff. In urging the passage of this act, and the improbability of any further free-trade extension, Bismarck said:

> The only exception is England, and that will not last long. France and America have both completely forsaken that direction. Austria, instead of reducing its protective duties, has increased them; Russia has done the same. * * * Therefore no one can expect Germany to remain permanently the dupe of an honest conviction. Hitherto the wide-opened gates of our imports have made us the dumping place of all the overproduction of foreign countries. At present they can deposit everything with us * * * and it is the surfeiting of Germany with the overproduction of other lands which most depresses our prices and checks the development of our industry and the restoration of our economic condition. * * * Let us see that we at any rate preserve the German market * * * for German industry. * * *

This reaction in favor of protection led by Germany spread over Europe. Russia, France, and Austria increased their duties in 1881 and 1882. England alone remained steadfast to free trade. But the history of Germany during the following 35 years has convinced Great Britain that free trade is impossible under modern trade conditions.

Mr. President, the acknowledged purpose of the Underwood bill, which became a law in October, 1913, was to destroy in a large degree the existing protective tariff and thus to open up our home market to foreign competition; and it certainly accomplished its purpose until the embargo on commerce caused by the European war. The only reason why the protective duties were not entirely removed was the fear that it would create too great a dislocation in business. The distinguished Senator from Alabama, from whom the bill takes its name, and the party which he so ably represents, are by tradition and conviction free traders; they do not believe in the principle of protection. And it may be said that the issue of free trade or protection has been the main issue which has divided the two great parties of the country for the last half century. But to-day all the leading nations are against this Democratic doctrine, and even Great Britain, the founder, promoter, and champion of free trade, has found the theory impracticable under modern trade conditions and is preparing to rebuild her economic edifice with protection as its foundation, so that she may meet Germany and other nations on equal terms in the markets of the world. All that is now left of free trade in the civilized world is the Democratic Party, and it would seem from some provisions in this bill that it is about to change its faith.

Mr. President, the antidumping provisions in the pending revenue bill are manifestly inadequate to meet the trade situation which will arise after the war. A new and complicated statute of this kind relating to trade practices could only be enforced through the courts in some specific instances and after long delay. We have had some experience with statutes of this nature in the history of the Sherman Act. It is impossible to arrest by a law of this kind the flood of foreign importations which will follow the declaration of peace. The subject is too large to be dealt with in this manner. It is by protective duties alone that we can safeguard our home market and our own industries against the importations which are sure to follow the end of the war. Both the allies and the central powers are alive to the situation, and they are contemplating heroic measures to keep their own trade on the return of peace. We also must meet this emergency by ample protection. I approve of a tariff commission, but I doubt whether any tariff commission which Congress may authorize could act quickly enough to meet the post bellum conditions which will confront us. No one knows how soon the war may end. In the present emergency I believe that Congress should pass a new protective-tariff act as soon as possible, with or without the aid of a tariff commission, which will give full protection to our home market and thus make secure the prosperity and welfare of the American people.

Mr. President, the necessity for national defense in all its branches rests upon the fundamental fact that nations are now dominated by the impulse of nationality. Mankind is enslaved by national consciousness. While this impulse continues to dominate the nations of the world it is imperative that we should be prepared physically by an army and navy adequate for all defensive purposes, and economically by a tariff adequate to the full protection of our commerce and industries.

We may hope that some time in the future this dominating spirit of nationality may be extended to embrace humanity. We may hope that the time may come when all the civilized nations of the world, like our 48 States, shall form a real partnership "based on the recognition of equal rights, established and enforced by a common will." We may then possibly dispense with armies and navies and protective duties, but that time has not yet arrived. We are still in the national stage of civilization. We have not yet advanced to the international stage. That stage will not be reached until this intense national feeling is changed for something higher; until nations, like our own States in forming the Union, are willing to surrender part of their sovereignty for some kind of an international federation; until the rule of law is substituted for the rule of force; until we have something stronger and better to bind the nations together than a body of customary rules, treaties, and alliances. Until that time arrives we must be prepared to defend the Nation against every form of aggression, physical or economic.

Mr. NELSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hughes	O'Gorman	Smith, Ga.
Beckham	Husting	Overman	Smith, Md.
Borah	James	Owen	Smoot
Brady	Jones	Penrose	Sterling
Chamberlain	Kenyon	Phelan	Stone
Chilton	Kern	Pittman	Swanson
Clarke, Ark.	Lane	Reed	Taggart
Colt	Lea, Tenn	Saulsbury	Thomas
Dillingham	Lee, Md.	Shafroth	Thompson
du Pont	McCumber	Sheppard	Underwood
Fletcher	Martin, Va.	Simmons	Vardaman
Gallinger	Nelson	Smith, Ariz.	Williams

The PRESIDING OFFICER. Forty-eight Senators having answered to their names, a quorum of the Senate is present.

Mr. STERLING. Mr. President, it was not my intention originally——

Mr. SIMMONS. Mr. President, I desire to ask the Senator from South Dakota if he will not let us go on with the bill for 10 or 15 minutes. There are some matters in which Senators who have to be away from the Chamber are interested, and they are anxious to have them acted upon. I do not think that will take more than 15 minutes.

Mr. STERLING. Certainly; that will be very agreeable to me, I will say to the Senator from North Carolina.

Mr. THOMAS. I ask unanimous consent that the Senate now take up Title III, beginning on page 71 of the bill, being the munition manufacturer's tax.

The PRESIDING OFFICER. Without objection, it will be so ordered. The Secretary will begin the reading of the bill at that point.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, under the heading, "Title III—Munition manufacturers' tax," on page 71, line 19, to change the number of the section from "200" to "40."

The amendment was agreed to.

The next amendment was, on page 71, line 20, after the word "term," to strike out "person" and insert "corporation"; in the same line, after the word "includes," to strike out "partnerships"; and, in line 21, after the word "corporations," to insert "joint-stock companies," so as to make the clause read:

> The term "corporation" includes corporations, joint-stock companies, and associations.

Mr. SMOOT. Mr. President, I should like to ask the Senator from Colorado why the word "person" and the word "partnerships" were stricken out?

Mr. THOMAS. Because persons and partnerships are subjected to a surtax on incomes, and if they were also subjected to the special excise tax provided for by this title the total amount of the tax would be out of all proportion to what it should be.

Mr. SMOOT. Well, corporations and joint-stock companies are also taxed under the bill at the rate of 2 per cent.

Mr. THOMAS. But corporations and joint-stock companies are not subject to the surtax, but only to the normal tax.

Mr. SMOOT. Well, the normal tax is 2 per cent.

Mr. THOMAS. The normal tax is 2 per cent, but in addition to the normal tax individuals pay, as the Senator knows, surtaxes in proportion to the amount of their income.

Mr. SMOOT. And in addition to the 2 per cent tax on corporations they also have to pay 50 cents for each $1,000 of capital stock and surplus.

Mr. THOMAS. There is a difference of 2½ per cent for corporations as against individuals of large incomes who pay surtax in addition as high as 12 and 13 per cent.

Mr. SMOOT. I do not see why there is any difference between a partnership producing munitions of war and selling them to a manufacturer, and a company doing the same thing.

Mr. THOMAS. The Senator from Utah asked me for the reason, and I have given it. It may not be satisfactory, but that is the reason.

Mr. SMOOT. That is the reason, of course, as the Senator says, why the Democratic Party has made the change.

Mr. THOMAS. Yes.

Mr. SMOOT. I think the House of Representatives in passing the bill displayed a great deal more wisdom in inserting the terms "person" and "partnerships" than has the Senate committee in proposing to strike them out; but that is for the Senate to decide.

Mr. THOMAS. Of course the Senator from Utah is entitled to his opinion.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 71, after line 21, to strike out:

The term "manufacture" and its derivatives, except as used in section 201, include the terms "smelt," "refine," "alloy," and their derivatives.

The amendment was agreed to.

The next amendment was, on page 72, after line 7, to strike out:

SEC. 201. That every person manufacturing gunpowder or other explosives shall pay for each taxable year an excise tax equivalent to the following percentages of the gross receipts during such year from the sale or disposition of such explosives manufactured in the United States, except blasting powder and dynamite:

Five per cent of the amount of such receipts not in excess of $1,000,000; and

Eight per cent of the amount by which such receipts exceed $1,000,000.

Every person manufacturing (a) cartridges, loaded or unloaded, caps or primers; or (b) projectiles, shells, or torpedoes of any kind, including shrapnel, loaded or unloaded, or fuses; or (c) firearms of any kind, including small arms, cannons, machine guns, rifles, and bayonets; or (d) any parts of any of the articles mentioned in (a), (b), or (c), shall pay for each taxable year an excise tax equivalent to the following percentages of the gross receipts during such year from the sale or disposition of any such articles manufactured in the United States:

Two per cent of the amount of such receipts not in excess of $250,000;

Three per cent of the amount by which such receipts exceed $250,000 and do not exceed $500,000;

Four per cent of the amount by which such receipts exceed $500,000 and do not exceed $1,000,000; and

Five per cent of the amount by which such receipts exceed $1,000,000.

Every person smelting copper ore or copper concentrates, refining metallic copper, or alloying copper, shall pay for each taxable year an excise tax equivalent to the following percentages of the gross receipts during such year from the sale or disposition of refined copper or copper alloys and from the sale or disposition of crude or unrefined copper if sold or disposed of for any purpose except for refining or alloying:

One per cent of the amount by which such receipts exceed $25,000 and do not exceed $1,000,000;

Two per cent of the amount by which such receipts exceed $1,000,000 and do not exceed $10,000,000; and

Three per cent of the amount by which such receipts exceed $10,000,000.

SEC. 202. If any person during any taxable year or part thereof, whether under any agreement, arrangement, or understanding, or otherwise, sells or disposes of any such article at less than the fair market price obtainable therefor, either (a) in such manner as directly or indirectly to benefit such person or any person directly or indirectly interested in the business of such person, or (b) with intent to cause such benefit, the amount of the gross receipts of such person during such year or part thereof from the sale or disposition of such article shall be taken to be the amount which would have been received from the sale or disposition of such article if sold at the fair market price.

SEC. 203. That if the net profit derived during such year from the sale or disposition of such articles manufactured in the United States is less than 10 per cent no tax shall be levied, collected, and paid; and if the payment of the tax would reduce such net profit below 10 per cent the tax to be levied, collected, and paid shall be equal to the net profit in excess of 10 per cent. Such net profit shall be computed on the amount actually invested in the United States in the manufacture of such articles, making reasonable allowance, in the case of the increase or decrease of such amount during the taxable year, for the proportion of such year during which such increased or decreased amount has been employed in the manufacture of such articles.

In cases where such person has undivided capital invested in the manufacture of the articles specified in section 201 and of other articles, the amount invested in the manufacture of the articles specified in section 201 shall be considered as in the same ratio to the total amount invested as the gross receipts from the sale and disposition of such articles bear to the total gross receipts from the sale and disposition of all articles manufactured.

The duty of establishing to the satisfaction of the Commissioner of Internal Revenue the fact that the net profit is less than 10 per cent or that the payment of the tax would reduce the net profit below 10 per cent shall devolve upon the person subject to the tax.

SEC. 204. That when used in this title the term "net profit" means the aggregate gross receipts during the taxable year from the sale and disposition of such articles manufactured in the United States less the following items, or the proportionate part thereof chargeable to the manufacture of such articles, any deductions not kept separate from similar items arising in connection with the joint manufacture of other articles not specified in section 201 being ascertained according to the ratio above prescribed for the determination of the amount invested:

(a) The cost of raw materials entering into the manufacture;

(b) Running expenses, including rentals, cost of repairs and maintenance, heat, power, insurance, management, salaries, and wages;

(c) Interest paid within the taxable year on debts or loans contracted to meet the needs of the business, and the proceeds of which have been actually used to meet such needs;

(d) Taxes of all kinds paid during the taxable year with respect to the business or property relating to the manufacture;

(e) Losses actually sustained within the taxable year in connection with the business of manufacturing such articles, including losses from fire, flood, storm, or other casualty, and not compensated for by insurance or otherwise; and

(f) A reasonable allowance, according to the conditions peculiar to each concern, for amortization of the values of buildings and machinery, account being taken of the exceptional depreciation of special plants.

SEC. 205. Any person manufacturing any of the articles specified in section 201 through the agency of a subsidiary concern or of a subcontractor, shall, for the purposes of this title, be deemed the manufacturer of such articles, instead of the subsidiary concern or the subcontractor.

SEC. 206. Every person manufacturing in the United States any of the articles mentioned in section 201 shall, on or before February 1 of each year, make a return under oath to the collector of internal revenue of the district wherein the principal office or place of business in the United States is located, stating the amount of gross receipts from the sale and disposition of such articles during the preceding taxable year. All such returns shall be transmitted forthwith by the collector to the Commissioner of Internal Revenue, who shall, on or before March 1, notify the person making such return of the amount of tax for which such person is liable, and such person shall pay the tax to the collector on or before April 1.

SEC. 207. The tax may be assessed on any person for the time being owning or carrying on the business or on any person acting as agent for that person in carrying on the business, or, where a business has ceased, on the person who owned or carried on the business or acted as agent in carrying on the business immediately before the time at which the business ceased.

SEC. 208. No person employed by the United States shall communicate or allow to be communicated to any person not legally entitled thereto any information obtained under the provisions of this title or allow any such person to inspect or have access to any return furnished under the provisions of this title.

SEC. 209. Whoever violates this title or the regulations made thereunder, or knowingly makes a false statement in any return, is guilty of a misdemeanor, and upon conviction, shall, in addition to paying any tax to which liable, fined not more than $10,000 or imprisoned not exceeding one year, or both, in the discretion of the court.

SEC. 210. All administrative, special, and general provisions of law, including the laws in relation to the assessment and collection of taxes, not heretofore specifically repealed are hereby made to apply to this title so far as applicable and not inconsistent with its provisions.

SEC. 211. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall make all necessary regulations for carrying out the provisions of this title.

And in lieu thereof to insert:

SEC. 41. (1) That every corporation manufacturing (a) gunpowder and other explosives; (b) cartridges, loaded and unloaded, caps or primers; (c) projectiles, shells, or torpedoes of any kind, including shrapnel, loaded or unloaded, or fuses, or complete rounds of ammunition; (d) firearms of any kind and appendages, including small arms, cannon machine guns, rifles, and bayonets; (e) electric motor boats, submarine or submersible vessels or boats; (f) any part of any of the articles mentioned in (b), (c), (d), or (e); shall pay for each taxable year an excise tax of 10 per cent upon its entire net profits actually received or accrued for said year from the sale or disposition of such articles manufactured within the United States.

(2) And every corporation selling to or manufacturing for any corporation mentioned in paragraph (1) any material entering into and used as a component part in the manufacture of any of the articles enumerated in (a), (b), (c), (d), (e), or (f), shall pay for each taxable year an excise tax of 5 per cent upon its net profits actually received or accrued for said year from the sale or disposition of such material so entering into or used as a component part in the manufacture in the United States of the articles so enumerated as aforesaid.

(3) This section shall cease to be of effect at the end of one year after the termination of the present European war, which shall be evidenced by the proclamation of the President of the United States declaring said war to have ended.

Mr. THOMAS. After the word "explosives," on line 23 of the amendment, the committee offers the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment to the amendment proposed on behalf of the committee by the Senator from Colorado will be stated.

The SECRETARY. On page 28, line 23, after the word "explosives," it is proposed to amend the amendment by inserting:

Excepting blasting powder and dynamite used for industrial purposes and powder used for sporting purposes.

The PRESIDING OFFICER. Without objection, the amendment to the amendment is agreed to.

Mr. THOMAS. On page 79, in line 9, after the name "United States," on behalf of the committee I move the amendment to the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment to the amendment proposed by the Senator from Colorado will be stated.

The SECRETARY. On page 79, line 9, after the name "United States," it is proposed to insert:

Provided further That no such corporation shall be subject to tax upon net profits received during the year 1916 derived from the sale and delivery of the articles enumerated in this section under contract executed and solely performed by said corporations prior to January 1, 1916.

The PRESIDING OFFICER. Without objection, the amendment to the amendment is agreed to.

Mr. PENROSE. Mr. President, I should like to ask the Senator from Colorado a question.

The PRESIDING OFFICER. Does the Senator address himself to the proposed amendment?

Mr. PENROSE. It does not make any difference. I want to ask the Senator about another amendment, which may be allied to this amendment. On line 23, page 78, occur the words "cartridges, loaded and unloaded, caps or primers." Would there be any objection to amending the amendment by inserting the words "except those used for sporting purposes"? A very large number of cartridges are so used.

Mr. THOMAS. I think that that is an excellent suggestion.

Mr. PENROSE. I think the Senator will not object to the amendment. It is in line with the other amendments which he has proposed in the preceding line.

Mr. SMOOT. If the exception is made as to sporting purposes, then, of course, it must be made in relation to their use in mining.

Mr. THOMAS. In relation to explosives used industrially. On behalf of the committee, I will accept both of those suggestions of amendment to the amendment of the committee.

Mr. PENROSE. After the word "primers," I move to insert "except those used for sporting purposes."

The PRESIDING OFFICER. The amendment to the amendment proposed by the Senator from Pennsylvania will be stated.

The SECRETARY. On page 78, line 24, after the word "primers," it is proposed to insert "except those used for sporting purposes."

Mr. THOMAS. I would suggest that the amendment to the amendment read "exclusive of those used for commercial and sporting purposes."

Mr. PENROSE. That is right.

Mr. OVERMAN. "Used exclusively for."

Mr. THOMAS. No; it should read "exclusive of those used for"——

Mr. PENROSE. Cartridges are used in mining operations, of course, and when so used they ought to be excepted.

Mr. THOMAS. Yes. I apprehend the suggestion of both the amendments, and I think that the proposed amendment covers it.

Mr. SMOOT. Let me suggest to the Senator that the word "commercial" may be too broad, and I think, if he will use the exact language——

Mr. THOMAS. Well, use the word "industrially" instead of "commercially."

Mr. PENROSE. "Industrially" is the word.

Mr. SMOOT. That is right.

Mr. THOMAS. I will say to the Senator that if the language suggested does not cover the object which is designed, we can change it so as to make it do so.

Mr. STONE. The matter will go to conference.

Mr. THOMAS. It will go to conference, at any rate.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The SECRETARY. On page 78, line 24, after the word "primers," it is proposed to insert "exclusive of those used for industrial and sporting purposes."

Mr. STONE. Did the Secretary say "industrial and sporting purposes"?

Mr. SIMMONS. It should be "industrial or sporting purposes."

The PRESIDING OFFICER. The amendment to the amendment as proposed to be modified will be stated.

The SECRETARY. On page 78, line 24, after the word "primers," it is proposed to insert "exclusive of those used for industrial or sporting purposes."

The amendment to the amendment was agreed to.

Mr. ASHURST. I move to amend the amendment by striking out paragraph 2, beginning in line 10 and going down to line 19, inclusive.

The PRESIDING OFFICER. The question is on the amendment to the amendment proposed by the Senator from Arizona.

Mr. STONE. Mr. President, I was the chairman of a subcommittee which had this title relating to "munition manufacturers' tax," with other titles, under special consideration. The subcommittee was composed of the Senator from New Jersey, now occupying the chair [Mr. HUGHES], the Senator from Colorado [Mr. THOMAS], and myself.

Mr. President, the immediate question now presented was a much-controverted subject when the subcommittee was considering the munitions-tax proposition. I am not now speaking alone of subsection 2, but of the whole subject of taxation on war munitions as embodied in section 41. After the matter was considered by the subcommittee the whole matter was brought before the whole Democratic part of the Committee on Finance and discussed, and quite varying proposals were submitted.

Section 41, as now written in the bill as a Senate committee amendment, is a proposition which I had the honor myself to propose, not entirely perhaps as it appears, but substantially in the language in which it appears in this bill. It is now moved to strike out subsection 2, and before action is taken upon it I desire to make a brief statement.

The committee—that is, the Democrats on the committee—adopted this subsection, as well as the entire section 41. It was submitted to the Democratic conference. Subsection 2 was debated in the conference, and a majority approved of it, or, at least, a majority voted against a motion to strike it out. During that discussion and at other times I have been personally criticized as not being entirely consistent in the attitude I assumed in supporting subsection 2 and the position I took when the Underwood bill was pending in favor of some increase in the tax rate imposed on lead and zinc. I wish to say a word about that, and I hope this will be the end of that, and that I will have no occasion to refer to it again.

I am not so vitally concerned about a mere charge of inconsistency as some people seem to be; but in this instance I repudiate the suggestion that I have been inconsistent. When the Underwood bill was pending before the Finance Committee and before the conference committee, whether right or wrong, I took the position that lead and zinc were not treated in the metal schedule of the bill in a way that put those metals upon a basis of equality, as a matter of fair treatment, with other metals. Of course, I am not going to discuss that now. I did discuss it then.

My view at that time—and it still is my view—was that in making a tariff bill and fixing rates of duty on items in a schedule there should be, as far as practicable, a basis of fair dealing or equality—and equality is fair dealing—as to all the items in that schedule.

If I thought, as I did think, that steel or other metals were given better treatment in the schedule than lead or zinc, I had a right to insist upon such adjustment of the rates as would eventuate in a nearer approach to what I considered substantial equality; and that is exactly what I did, and all I did. Now it has been said that what I did then and have done in this instance is inconsistent, but to save my life I can not see how it can be said that my position then and on this bill can be said to be inconsistent.

Here is what occurred so far as this bill is concerned. I have told you what occurred when the Underwood bill was under consideration; but here, Mr. President, we found a bill of an entirely different character; we found an entirely different situation. In this bill as it came to us from the House there was a tax levied upon copper and its products, but not in like manner on other similar metals. The subcommittee, made up of the Senator from New Jersey [Mr. HUGHES], the Senator from Colorado [Mr. THOMAS], and myself, all reside in States producing other metals of like kind and used for like purposes. There is no copper produced in the State of Missouri, and only in a small way, as I understand, in New Jersey, and comparatively in a small way in Colorado; but great quantities of zinc are produced in all three of these States, and great quantities of lead are produced in both Missouri and Colorado. There was not a dissenting voice in the subcommittee to the proposition that if copper was to be taxed in the bill, the other metals should go along with copper and bear the same burden. Is that inconsistency on my part? Lead and zinc were not in the bill as it came from the House. I did not try to keep them out, but, on the contrary, I insisted upon putting them in. Was my position inconsistent? Now, I leave that question at that point, for it is after all only a very immaterial side issue. I wished merely to settle this talk of inconsistency in my position, once for all.

Mr. President, a word now as to the motion itself. I voted in committee to put subsection 2 in the bill, and I voted in the conference to keep it in. I did so because I considered it a fair and just measure of tax legislation, and I think so yet. I so stated to the committee and I so stated to the conference, and urged my views to that effect. I believe the prin-

ciple embodied in this subsection 2 is a correct one; but, Mr. President, I believe, from information coming to me and to the committee, that it is also true that the amount of revenue that would be derived from this subsection would be small, and that the trouble and expense of collecting it would scarcely justify the retention of the subsection in order to secure the revenue it would produce. Some revenue would be produced by it undoubtedly; but its collection would be expensive and would divert the activities of quite a large number of the agents of the Treasury Department to trace down these various items and look after the collection of the revenues to be derived therefrom, when the activities of these agents might be more profitably employed in other directions. At least, that is what I am informed by men who ought to know more about it than I do.

Now, Mr. President, the Finance Committee, since the conference was held, has discussed subsection 2 on several occasions, striving to arrive at a correct conclusion. There is a divided opinion among the members of that committee as to whether or not the subsection ought to remain in the bill; but I will say that at the last meeting of the committee, some days ago, it was determined by the committee, on a divided vote, that if the Senator from Montana [Mr. MYERS]—who, we had been informed, would make a motion to strike out this subsection—should offer the motion, or if any other Senator should make that motion, the committee, although divided in opinion as to the efficacy of the subsection and as to whether it would result in any substantial benefit to the Treasury—but, mind you, not questioning the soundness of the proposition itself as a legislative proposition——

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Colorado?

Mr. STONE. I do.

Mr. THOMAS. I merely wish to suggest to the Senator that the action of the committee was not unanimous.

Mr. STONE. I thought I had said that.

Mr. THOMAS. I did not understand the Senator.

Mr. STONE. I said that there was a divided opinion in the committee.

Mr. THOMAS. I would not have interrupted the Senator if I had known that.

Mr. STONE. I do not object to an interruption. I was about to say that if the Senate saw proper to strike it out, the general opinion of the committee was that no serious harm would result.

Mr. President, I am now acting as the spokesman of the committee. That is why I am on the floor. I think a majority of the committee in the final analysis is of the opinion that the retention of subsection 2 would not add materially to the value of the bill or result in any particular advantage to the Treasury; nor, on the other hand, would it do any harm to keep it in.

That much I wished to say as expressive of the attitude of the members of the committee, as I understand their attitude.

Mr. MYERS. Mr. President, I have no criticism to make in this connection of the Senate Committee on Finance. When the committee adopted subdivision 2 of the munitions paragraph, it gave us a provision which is immeasurably superior to the provision for a tax on copper as the revenue bill came to us from the House. The provision given us by the committee as it now stands, and as it is embodied in subsection 2, is eminently fairer and more just and reasonable than was the provision for the tax on copper as it came from the House, and I was very glad that the committee did as it did. Its action was very agreeable to me.

However, I believed then, and still believe, that there should be no tax in this bill on raw material unless all raw materials which are now and have been for some time enjoying an unusual degree of prosperity are taxed all alike. I do not believe it is just to single out a product of the metal-producing States and put a tax on metals when there are many other raw products enjoying just as great or greater prosperity which go untaxed.

A tax on metals is peculiarly a tax on development, industry, and exploration of the western country. It strikes with peculiar force the far Western States—the metal-producing States of the Union. It would have very much of a tendency to discourage prospectors from going out and discovering new bodies of ore, and getting capital for their development, and opening up new mines for the benefit of the entire country. It would have a very strong tendency to discourage the operation and development of many small mines which have scarcely reached the productive point or have no more than reached that point. It would be very strongly resented by the people of the mining States. The mining business is a hazardous business. It is extremely sensitive, and capital and labor are very easily turned away from it.

A few weeks ago, and while this problem was being handled by the Senate Committee on Finance, there was a gentleman here who is a constituent of mine, who lives in Missoula, Mont.—Dr. E. G. Ellis. He is a man of moderate means, but he and some associates have been for many years struggling in the development of a zinc mine in the Coeur d'Alene country in Idaho. They have put into it all the means which they could command from their modest incomes, from their salaries, from their earnings. They were all men of modest means, and are now. Nevertheless, being possessed of that redoubtable courage, industry, and pluck which characterize those who make the mining business a success, they have stuck to it for quite a number of years, in the face of many discouragements, meanwhile undergoing many hardships themselves, much self-denial, and struggling and working in the face of adversity and obstacles. A short time ago they succeeded in developing their mining property to a point where they could ship ore and where there is a prospect that there may be some profit in the handling of the ore and the further development of the property.

But this gentleman, who has had considerable experience at mining, and who is a very conservative and sensible business man, told me, while he was in this city a few weeks ago, while this matter was under discussion by the committee, that if any tax were put upon zinc they would in all probability have to stop shipments from their mine and could not afford to put in any more money for its development. He said they would, he expected, have to close down, and that, too, after years of work under discouraging circumstances, and after feeling that they had just arrived at the point where they could afford to ship ore and get out some money and use it in the further development of the property without going down into their pockets for the capital. He said that any tax upon the production of zinc would almost necessarily cause the closing down of that property, and that it would work the same way with many other lead and zinc properties in Montana and Idaho, which are just getting on their feet and struggling to arrive at the point where the ore taken out and shipped will pay the operating expenses and pay for further development of the properties. He was very strongly opposed to any such tax. He is a practical mining man. I know many of them. I know their views, and they would feel that such a tax was a penalty on their disposition to develop the country; a penalty on their courage, on their determination, on their pluck, and on their devotion to the line of business which they have been following.

As far as copper is concerned, copper is and has been for a great many years on the free list. It enjoys no protection; probably it is in no particular need of any. At least, it is not asking for any. We are not asking any for it. I think for 40 years or more copper has been on the free list; and yet there is a great deal of copper produced in Mexico in normal times, and some of it is shipped into this country and competes with the products of our own copper mines. We ask no protection on copper. I would be the last person in this body to ask for that; but when it is on the free list, and has to compete with the copper mines of Mexico, where labor is cheaper than here, to say that its production should be penalized by having the heavy hand of a tax laid upon it, and laid upon all copper produced in this country, I think, under the circumstances, would be unreasonable and unfair. Only recently has copper been enjoying some prosperity. Eighteen months ago copper was being produced in Montana at a loss, or was barely paying the cost of production.

Under the present tariff law the duty on lead and zinc is very much reduced, as compared with what it was a few years ago. We are not making any complaint of that. We are satisfied. But to go further and lay the heavy hand of a penalty in the way of a tax on producing those metals in this country, I think, would be unfair; especially unfair to that group of States which constitute the metal-producing States of the Union, and which contribute in that line of production very largely to the common welfare and prosperity of all the States in the country.

Therefore, while I felt much better satisfied with the fairness of the provision given us by the committee than I did with what I considered the very unfair and outrageous tax as the bill came from the House, I have been opposed to any tax on the production of metals; and I opposed subsection 2 in the Democratic senatorial caucus with all of my power. There I made a fight against it, or, rather, I supported a motion to strike it out, and made the strongest fight of which I was capable to have it stricken out. Now, that the committee and many of the Senators seem disposed to take a different view of it, I am

very glad to be in accord with them. The motion to strike out entirely this provision was defeated by a very narrow margin in the caucus; and now that some of those who in the caucus opposed striking it out seem inclined to take a different view of it and are now disposed to strike it out, I am very glad of it. I think the provision ought to be stricken out. I am against any tax on metals, and hope that the motion of the Senator from Arizona will prevail. It is eminently just and proper, and I am very heartily in favor of it. I have always favored raising the necessary money for preparedness by increasing the income tax, providing an inheritance tax, and taxing munitions of war—the finished article. Those three methods are my methods. This bill provides for all of them. That is enough. Strike out the metal tax. Strike out all tax on raw materials.

Mr. PENROSE. Mr. President, I can appreciate the gladness of the Senator from Montana [Mr. MYERS] in having this paragraph stricken from the bill. The majority—and he belongs to it—went merrily along so long as direct taxation was confined to individuals and corporations largely in New York, Pennsylvania, and half a dozen Northern States; and the tax on munitions was all right from his point of view as long as it was confined to the higher manufactories chiefly located in Connecticut or in Pennsylvania. But the very moment direct taxes were imposed upon the component parts of munitions, which affected copper and zinc in his own State, and zinc and lead in Missouri, and cotton in the Southern States, we find that their heroic stand for raising revenue fades away, and the spasm of virtue which they had in their caucus, when they inserted this paragraph, disappears here on the floor of the Senate.

Mr. MYERS. Mr. President, may I ask the Senator a question?

Mr. PENROSE. In a minute. This shows, Mr. President, how sordid, how selfish, and how sectional are the motives which animate the framers of this measure.

Mr. President, I congratulate the Senator from North Carolina, whom I see in the Chamber, that it will be no longer necessary for him to press for the adoption of his amendment to this paragraph. Without any attempt to disguise the sectionalism which prompted him, he offered an amendment providing that section 41, subsection 2, on page 79, should be amended by striking out, in line 13, the letter "a" in parentheses. The effect of that amendment, Mr. President, was to exempt from the tax cotton entering into the manufacture of explosives, there being nearly 70 per cent cotton in each 100 pounds of some of these explosives, as I understand, and to prevent cotton from bearing its fair share in the production of revenue for the expenses of the Government.

The Senator is to be congratulated that the representatives of the special interests have all banded together and that he will not have to stand here alone to battle for cotton, because lead and zinc and a number of other sectional products, through their Senators in this Chamber, are united for a common defense.

The Senator from North Carolina is to be still further congratulated that he will not have to press a further amendment aimed, doubtless, to make doubly sure the amendment to which I refer.

Mr. SIMMONS. Mr. President, the Senator does not state to which Senator from North Carolina he is referring, but he is not referring to me. I did not offer that amendment.

Mr. PENROSE. I refer to the junior Senator from North Carolina [Mr. OVERMAN].

This second amendment, to make assurance doubly sure, provided—

That none of the provisions contained in this section shall apply, directly or indirectly, to agricultural products.

Mr. President, I doubt whether in the history of tax legislation there has ever been an amendment offered with a more open intent—I would like and had intended to use a harsher expression, but I will not—to frame tax legislation upon absolutely sectional lines.

I have here, Mr. President, a table which shows the money collected during the fiscal years 1914, 1915, and 1916 from individuals under the Democratic law of October 3, 1913, and under the emergency or so-called war taxes, showing that New York has paid over $95,000,000—I will leave out the odd figures—Pennsylvania, $26,000,000; Illinois, $24,000,000; Massachusetts, $14,000,000; Ohio, $12,000,000; and so on down the descending scale, until we get to the State of the Senator from Montana, which paid $747,000 into the Federal Treasury, or the State of the junior Senator from North Carolina, which paid $907,000 in three years, individual income and emergency tax. I ask to have this statement inserted in the RECORD as a part of my remarks.

The PRESIDING OFFICER. The Chair hearing no objection, it is so ordered.

Mr. PENROSE. And I want here, in the presence of the Senate and before the country, to brand this part of the bill as a brazen attempt to legislate purely on sectional lines.

The table above referred to is as follows:

Total income tax from individuals under the Democratic law of Oct. 3, 1913, and total emergency or "war taxes" under the Democratic law of Oct. 22, 1914, collected during the fiscal years ended June 30, 1914, 1915, and 1916, by States.

ADDITIONAL TAXES LEVIED BY DEMOCRATIC LAWS.

Total rank and State.	Individual income tax.	Emergency or "war tax."	Total tax collected.	Population, 1915.
1. New York	$60,192,590.33	$34,961,722.08	$95,154,312.41	10,086,554
2. Pennsylvania	14,131,843.87	12,448,990.03	26,580,833.90	8,383,992
3. Illinois	9,913,491.35	14,311,595.55	24,225,086.91	6,034,310
4. Massachusetts	8,382,798.55	5,812,851.22	14,195,649.77	3,632,349
5. Ohio	4,810,610.44	7,741,607.34	12,552,217.78	5,088,427
6. New Jersey	4,923,224.20	4,630,407.08	9,553,631.28	2,881,340
7. California	3,609,060.17	5,632,582.32	9,241,642.49	2,848,275
8. Missouri	2,707,926.00	6,040,630.44	8,838,556.44	3,391,789
9. Michigan	4,428,795.32	3,842,135.10	8,270,900.42	3,015,443
10. Wisconsin	1,053,067.65	5,315,631.05	6,368,698.70	2,473,533
11. Minnesota	1,821,034.64	3,571,648.99	5,392,683.63	2,246,751
12. Connecticut	2,504,514.95	1,850,874.26	4,311,389.21	1,223,383
13. Texas	1,459,052.88	2,465,309.82	3,924,362.70	4,343,719
14. Maryland	1,893,935.67	2,034,872.81	3,915,838.48	1,351,941
15. Indiana	935,744.75	2,739,798.23	3,675,542.98	2,798,143
16. Iowa	682,550.71	2,153,563.92	2,839,114.63	2,221,033
17. Rhode Island	1,443,301.15	900,119.70	2,343,420.85	602,755
18. Louisiana	654,415.73	1,535,106.43	2,189,522.15	1,801,335
19. Delaware	1,675,172.46	317,487.70	1,992,660.16	211,405
20. Washington	529,479.52	1,415,668.55	1,945,148.07	1,471,343
21. Nebraska	365,799.31	1,419,737.50	1,785,536.81	1,238,624
22. Kentucky	426,548.83	1,351,471.51	1,778,020.34	2,365,187
23. District of Columbia	1,161,631.81	525,692.60	1,688,324.41	358,670
24. Virginia	590,941.56	1,092,290.42	1,683,232.33	2,171,914
25. Colorado	681,091.44	941,079.14	1,622,170.93	935,739
26. Georgia	435,404.18	1,055,669.57	1,491,073.75	2,816,289
27. Tennessee	471,495.41	985,684.29	1,457,179.70	2,271,379
28. Oklahoma	716,207.99	723,878.32	1,440,086.31	2,111,307
29. Kansas	284,239.17	953,522.85	1,237,762.02	1,807,221
30. West Virginia	365,880.57	618,657.01	984,537.58	1,359,474
31. Oregon	329,797.72	622,730.24	952,527.96	809,490
32. North Carolina	346,874.84	561,122.41	907,997.25	2,371,095
33. Florida	363,629.99	537,856.38	901,486.37	870,802
34. Maine	419,048.75	417,627.50	836,676.25	767,638
35. Montana	191,805.12	556,167.95	747,973.07	446,054
36. Alabama	256,719.80	461,132.23	717,852.03	2,301,277
37. New Hampshire	221,534.09	450,536.87	672,070.96	440,584
38. Vermont	490,256.39	162,502.42	652,758.81	362,452
39. Arkansas	124,491.36	435,783.37	560,274.73	1,713,102
40. South Carolina	145,430.84	411,634.35	557,065.19	1,607,745
41. Utah	157,803.18	390,428.85	548,232.03	424,300
42. South Dakota	47,584.53	431,520.30	479,104.83	680,016
43. North Dakota	85,234.15	383,369.04	468,603.19	713,083
44. Hawaii	192,178.61	239,640.19	431,818.80	211,582
45. Mississippi	142,624.00	248,410.02	391,034.02	1,926,778
46. Arizona	130,903.33	166,120.48	297,023.81	247,299
47. Idaho	77,814.94	179,676.85	251,491.79	411,996
48. New Mexico	70,584.32	128,978.66	199,562.98	306,917
49. Wyoming	41,405.74	105,387.17	146,792.91	174,148
50. Nevada	49,961.30	90,112.34	140,073.64	102,730
51. Alaska	17,725.50	23,464.62	41,190.12	64,751
Grand total	137,243,291.57	136,347,428.42	273,590,719.99	100,675,651

Mr. MYERS. Mr. President, the Senator from Pennsylvania has been engaged in that kind of business for so long that he ought to be an authority on the subject. I wish to ask him if Pennsylvania does not produce large quantities of iron ore, and if this will not relieve the State of Pennsylvania of some tax?

Mr. PENROSE. Mr. President, I have learned more in the last two months from an observation of Democratic methods of what can be done in a legislative way than in all my preceding career.

Mr. OVERMAN. Mr. President, it comes with poor grace from the Senator from Pennsylvania [Mr. PENROSE] to say that I made a sectional fight when I proposed to amend this tax bill to exempt the tax on cotton. It comes with poor grace from the Senator from Pennsylvania, who has been on these tariff committees and has had the products of his State and section protected for years and years until the people rose up and turned him and his party out of power. Talk about sectionalism! His party has been a sectional party.

What did your party do in 1867, 1868, and 1869? Your party selected the South, then suffering and in trouble as no other people have suffered in this country, and taxed our people $3 a bale on each bale of cotton raised. The War between the States had come and gone, and the South was devastated, was in sackcloth and ashes, we were in ruin; and you selected the cotton crop, the only agricultural product in this country, and laid your heavy hand upon it. You did not tax the wheat and corn

of the western and eastern farmers, but selected the South out of which to raise your revenue. Your party did this, and I hope you are sorry for it. It was an unconstitutional tax, as the Senator knows.

What is the principle upon which this munitions tax is levied, Mr. President? The Senator does not seem to be able to discriminate between a tax on agricultural products and a tax on munitions.

I am informed, and reliably informed, that every war-tax bill in Austria, in France, in Russia, in Germany, and in England excepts agricultural products; and this amendment that I introduced is in line with every tax bill introduced to collect taxes out of these inordinate profits that are made out of war. Manufacturers of powder and explosives and things of like kind have made the most inordinate profits, and the Senator knows that these men who make these explosives do not object to their being taxed.

Mr. PENROSE. Does not the Senator know that over 80 per cent of these explosives is composed of cotton?

Mr. OVERMAN. No, sir; I do not know what percentage it is. I know they have only used about 1,500,000 bales of raw cotton and about 900,000 linters.

Mr. PENROSE. Then, what is the objection to having cotton bear its proportion of the tax?

Mr. OVERMAN. Why not have wheat bear its proportion of the tax?

Mr. PENROSE. I think it ought.

Mr. OVERMAN. Why not have every other agricultural product bear its proportion? Will the Senator vote for a tax on wheat in this bill?

Mr. PENROSE. Yes; I will vote to tax everything on an equality and uniformly.

Mr. OVERMAN. That is not the principle upon which the Senator's party acted in 1868–69, when you selected a people that were suffering and were in distress and taxed them $3 a bale—the most outrageous tax that was ever levied on any people in the world—and now you come and charge the Democratic Party with being a sectional party. Your party has always been a sectional party. The Senator reads the amount of income tax paid by North Carolina, trying to ridicule the tax that North Carolina pays; why did you not read the internal-revenue tax which North Carolina paid last year—some $20,000,000?

Mr. PENROSE. I was only referring to the tax paid by individuals in the United States.

Mr. OVERMAN. Mr. President, our people probably are not as rich as they are in Pennsylvania. The Republican Party with the exception of a few years has been in power and has been making protective-tariff bills robbing our people and making his people rich. That is what your party has been doing. Sectionalism! Why, your party has been sectional whenever you administered this Government.

Mr. PENROSE. Mr. President, the Senator will doubtless recall that when the Republican Party was in power every product in North Carolina that came here and wanted a protective duty got it, notably lumber. It was put on the dutiable list and kept there largely in deference to the wishes of the Southern States. The Republican Party knows no section, no creed, no race when it frames a tariff bill.

Mr. OVERMAN. Everybody knows that the Republican Party has been a sectional party, and Pennsylvania and the New England States have gotten rich by reason of these protective-tariff bills, while robbing the balance of the country. That is the reason why you have grown so rich, built up immense fortunes, and the balance of the country has grown poor; and then you come here as a Senator upon this floor and parade our poverty because we do not pay as much income tax as you do.

The principle upon which this munitions tax is levied is that growing out of the war and the munitions makers have made inordinate profits out of munitions forwarded to the warring nations. The South instead of making enormous profits out of cotton has suffered by reason of the low price of cotton, and the high price of cotton now is not on account of the war. The truth of it is, for the first two years of the war no section suffered as the South did on account of the low price of cotton, and I protest against taxing any agricultural product and my amendment so provides, and I hope it will be adopted.

Mr. THOMAS. Mr. President, before the bill is submitted to a final vote, I intend to say something in reply to the general line of discussion which has characterized the debates upon the other side of this Chamber. At present, I content myself with one or two references to the subsection to which the motion of the Senator from Arizona is directed.

The section was framed with great care and after much consideration, and, in my judgment, it imposed a rate of taxation not upon zinc mines, as the Senator from Montana [Mr. MYERS] mistakely supposes, not upon copper mines, not upon lead mines, nor yet upon cotton linters, but upon the profits derived by the owners of those materials derived from sales to those engaged in the manufacture of munitions of war.

I shall not oppose the motion of the Senator, but I must say that the people of my section are not here asking for its exclusion. Enormous profits have been made, since the outbreak of this war, upon zinc, and the zinc mine that can not run now, even at a tax five times as great as this, is a mine that ought not to succeed, because its inherent nature or the character of its management makes it impossible to yield a profit under any circumstances. Moreover, this bill lays no tax whatever upon the miner or mine owner.

I thought this was a desirable tax, because it distributed to a very considerable degree the revenues which the Government must raise between those directly manufacturing munitions and those furnishing materials therefor, and because in some instances, Mr. President, the actual net profit to the material man is greater than the profit to the manufacturer.

The Senator from Pennsylvania knows full well that this subsection which is now to be stricken from the bill is one which affects his constituency perhaps more than the constituency of any other Senator on either side of the Chamber.

Mr. PENROSE. Will the Senator permit me to say, if very much more were stricken from the bill it would relieve some part of my constituency. I should like to strike out the whole bill.

Mr. THOMAS. I have no doubt the Senator is suffering from the same defect which he so bitterly criticizes in the Senator from North Carolina. That is human nature. It was stated to the committee, by a citizen of the Senator's State, that in the manufacture of a nine-point-two (9.2) shell the furnisher of the forging makes a net profit of $9.59, the furnisher of the copper for the shell makes a net profit of $2.22, while the manufacturer of the shell makes a net profit of $9. Here is a profit to the furnisher of the steel forging very considerably in excess of the profit upon the finished product, and in this particular instance all these forgings were furnished by the United States Steel Corporation, if I remember the gentleman's statement correctly.

Mr. OLIVER. Mr. President——

Mr. THOMAS. In just a moment. In my judgment it is only fair to require men who enjoy such prodigious profit upon the articles going directly into the manufacture of munitions to bear their proportion of these taxes. I yield to the Senator from Pennsylvania.

Mr. OLIVER. I just wanted to correct the Senator. I know he does not intend to create a false impression. I think there is a large number of other manufacturers besides the Steel Corporation who furnish these forgings.

Mr. THOMAS. Certainly; I merely mentioned the particular instance. I have no doubt that there are a great many other manufacturers outside of Pennsylvania who furnish them.

Mr. PENROSE. Will the Senator permit me?

Mr. THOMAS. Certainly.

Mr. PENROSE. I do not know what particular concerns the Senator refers to, but this I do know, that the alleged profits of the munition makers have been wonderfully exaggerated, that many of them are bankrupt, and that many of them have been barely able to make both ends meet. When the Bureau of Internal Revenue starts to ascertain the volume of profits and collects the tax the framers of this bill will be astounded to see the little profit there has been in the business.

Mr. THOMAS. That may be so. No such munition makers, so far as I am aware, made any such exhibition of their affairs before the members of the Committee on Finance.

I wish to say in this connection, Mr. President, that as far as my experience goes, the only interests which the bill proposes to tax which have not protested are the munition makers. I do not mean to say that they have not protested against the method, but they have not protested against the tax. They said, and I think very truly, the tax upon gross receipts as provided by the House was wrong; they said the House bill which taxed one munition maker at a different rate from another munition maker was wrong; they said the bill which exempted the subcontractor from the operation of the law was wrong; but all of them said "we are making munitions, and we recognize the necessities of the Government and are willing to pay our proportion." All honor to them.

I reiterate that this is the only shining exception to the general line of protests which have been made against every other tax designed to be imposed by this bill.

Mr. President, I have here two copies of the House bill which certain munition makers sent to the committee and whose names I do not think it is necessary to mention, and who themselves suggested amendments to the munitions schedule. Among these suggested amendments is one which puts the rate of tax which the Senate bill carries, 10 per cent upon net profits. I may say that these bills as corrected were given to the committee by two of the greatest institutions of the country. When the Du Pont powder people came before the committee they expressed a perfect willingness to pay a reasonable tax upon net profits. When 10 per cent was suggested their representative instantly replied that it was perfectly satisfactory and they would be glad to pay it. I emphasize this, Mr. President, because I think these people are entitled to the highest credit for the position they have taken with regard to this tax.

Now, coming back to subsection 2, the people of my State produce zinc and lead in very considerable quantities. The tax, instead of falling upon the producers, fall upon the refiners, and if not upon the refiners then upon those who furnish the manufacturer of the finished product with the raw material which this section covers. Nevertheless I want to go on record in behalf of my constituency and assert that, in so far as they are to be taxed by the provisions of subsection 2, they make no complaint whatever.

Mr. STONE. Mr. President——

Mr. THOMAS. I yield to the Senator.

Mr. STONE. In this connection I wish to state what I did not state when I was on the floor, that I have not had a single protest from a producer or user of zinc or lead from Missouri against this tax—not one. As my friend from Colorado knows, the State I in part represent is one of the very largest producers of both those metals.

Mr. THOMAS. Let me say that the copper refiners express themselves as satisfied with the provisions of subsection 2.

I freely concede that the tax upon munitions is not as broad as it should be, because I regard a great many things which ordinarily would not be considered within the definition of munitions of war become so when they are purchased by belligerents and needed in carrying on a war of offense or defense. We know that as a result of the tremendous demands of the belligerents upon neutral countries for material many other than munition makers have profited inordinately since the month of August, 1914, and inasmuch as they constituted the great army of advocates for preparedness and have done more to propagate that sentiment and to crystallize it in recent legislation which places the burden of hundreds and hundreds of millions of dollars upon the already overburdened shoulders of the American taxpayers, I would be glad to see a revenue law that when placed in operation would put the entire burden of this new expenditure upon their shoulders. Of course, that is impossible. We have done the best we could in that direction. While protesting against striking out subsection 2 I shall not delay a vote upon it.

Mr. SMITH of South Carolina. Mr. President, I think there has been a misapprehension about this matter, so far as the cotton tax is concerned. There seemed to be an opinion, which was erroneous, that the price of linters has gone up inordinately, like the price of other munitions of war, and that the consumption of fiber for the production of explosives was restricted to linters.

In order that Senators here may understand that those of us who have protested against this tax have a just reason for the protest I want to call attention to the distinction between liners and cotton lint. After the ordinary gin has taken the lint from the seed it is then put into a machine to strip the little fiber that adheres to the seed, and there is a little felt product, and this is known as linters.

Those who framed the bill framed this paragraph upon the presumption, seemingly, that there was an amount sufficient to meet the needs of munition manufacturers, and that it, like other raw materials, had soared. The truth of the matter is that there were consumed something like 1,500,000 bales of cotton and linters. Whereas, according to tables furnished me by the department, there were only produced in 1914–15, which is the cotton year—which runs from August 1 to August 1—832,000 bales of linters, 412,000 of which were used in domestic consumption, 222,000 of which were exported abroad, and brought the fabulous sum of 1½ cents a pound on an average for the entire 12 months. I do not know what the lowest was; I did not get that, but the average was 1½ cents per pound.

Mr. THOMAS. For what year?

Mr. SMITH of South Carolina. For the year from August 1, 1914, to August 1, 1915. In 1915–16 they discovered a new process of getting this fiber. After they had delinted the seed in the regular ordinary ginning process they run it through another process, trimming it still more, and then, after the meat of the seed was extracted from the hulls, they took the hulls and crushed them, like you grind corn or wheat, and sifted the little particles of the hulls out and the remnants of it, the fine, minute fiber, was used in the manufacture of munitions of war.

As I understand, the War Department declares this fiber is the best of any. Even where you use lint cotton you have to run it through a cutting process to cut it up into fine particles.

But in addition to this new process of obtaining what they call hull fiber there was produced in this country from August 1, 1915, to August 1, 1916, 944,000 bales of linters; 881,000 bales were used in the domestic consumption; 294,000 were exported.

I should have said, in naming the other figures for 1914 and 1915, that this domestic consumption includes from two to three hundred thousand bales in mattress factories and elsewhere where they use fiber for different purposes.

The average price for 1915–16 for the linters consumed in munitions and otherwise was 5.8 cents.

The impression has gone abroad that linters have soared to an enormous price. Under the principle the committee has adopted of taking incomes that were in excess of what they deemed was necessary for the ordinary conveniences of life, the inheritance which was the wealth of a deceased one passing over to those who had not earned it, and explosives, the excessive profits made by virtue of the great demand for these articles to support the European war, they included linters as one of the things which was alleged to have risen to enormous figures.

I have quoted the price that we got for the linters. Take into consideration that it was only about one-quarter of all the cotton fiber used, and that the largest oil mill that consumed the greatest number of tons of seeds scarcely produced enough linters to pay for the process of delinting.

I venture the assertion that the oil mills hardly compute the value of linters in their profits and losses. But one million and a half bales, weighing 500 pounds each, were used last year that can be accounted for in munitions. That means that 1,000,000 bales of cotton were used in munitions.

Now, what are the facts in reference to the price of cotton. I am going to take the official figures furnished by the department. In 1909 we made 10,072,731 bales of cotton. The average price was 14.3 cents per pound.

In 1910 we made 11,568,334 bales, and the average price was 14 cents per pound.

In 1911 we made what was, up to that time, the largest cotton crop in the history of America—15,553,073 bales. The average price was 9.6 cents.

In 1912 we made 13,488,539 bales, and the average price was 11.5 cents.

In 1913 we made 13,982,811 bales, and the average price was 12.5 cents.

In 1914, the year that the war occurred, which was almost contemporaneous with the opening of the cotton market, which was August 1, we made 16,000,000 bales, and the average price was 7.3 cents per pounds from August 1 to August 1.

In 1915, last year, we made 11,068,173 bales—5,000,000 bales less than in 1914—and the average price was 7.9 cents per pound. That is the average for the 1915 cotton crop of 11,068,173 bales.

I know the expression has gone around—I had occasion to refer to it once before while I had charge of the Agricultural appropriation bill——

Mr. CLARKE of Arkansas. I hope the Senator from South Carolina will incorporate the table which he read in his speech to be published in the RECORD.

Mr. SMITH of South Carolina. I shall be very glad to do so. It has been intimated here that the South was in the saddle, and that therefore she was getting the lion's share of all appropriations, but was protesting whenever it came to a question of tax. That is the reason why I have gone so fully into these figures to show that our protest was based upon a proper and just premise.

Mr. President, I do not want to delay a vote on this matter. I think every Senator here sees the injustice of placing a tax upon a commodity which means so much to the whole United States and which now is scarcely more than bringing enough to pay for the cost of production, even at the present figure, which is around 15 cents a pound.

Mr. President, I ask permission to have the tables I have read placed in the RECORD and also to have placed in the RECORD a table showing the amount of tax collected in 1863, 1864, and 1865 and up to 1868 and also the action of the Federal courts which recognized that there was an element of doubt as to the

righteousness of this tax, though the circumstances may have been justified at the time the tax was levied. Certainly it was more justifiable then than it is now. The United States were then in actual war. They were then put to it to find the means of keeping their Treasury filled. Now we are boasting that our Treasury is running over and yet we are asked to place a burden upon a commodity that is not now bringing much more than the cost of production.

I ask to have the tables incorporated.

The VICE PRESIDENT. Without objection, it is so ordered.

The tables referred to follow.

Linters.

Season of—	Production.	Consumption.	Export.	Average price.
				Cents.
1911-12	556,000	238,000	.....	1.9
1912-13	602,000	303,000	.....	2.6
1913-14	631,000	307,000	260,000	2.3
1914-15	832,000	412,000	222,000	1.5
1915-16	944,000	881,000	294,000	5.8

Mr. SMITH of South Carolina. The above figures are in round numbers, and while they are obtained from the Census Bureau, it is not, therefore, an official statement.

Prior to the European war the consumption of linters was about 300,000 bales per year, of which probably 25,000 to 50,000 bales went into the manufacture of munitions. Owing to the high cost of linters many concerns which formerly used linters in the manufacture of mattresses, and so forth, discontinued this use, so that probably a smaller quantity of linters went into miscellaneous manufacture than before the war—say probably 200,000 bales.

The consumption of linters during the past season was 881,000 bales; thus it is seen that more than 650,000 bales likely were used for this purpose. In addition, some low-grade cotton was also used in the manufacture of guncotton, but no data are available as to the quantity. Some cotton waste was also used for this purpose, but information concerning the quantity is not available.

Undoubtedly a large quantity of hull fiber was used during the past year in the manufacture of guncotton. This fiber is obtained from the cottonseed hulls after passing through the linter machine and separated from the meats. While no information is available as to the production of hull fiber, it must have been several hundred thousand bales, the principal use, of course, being in the manufacture of guncotton and explosives. While formerly many mills did not get more than 50 pounds of linters per ton crushed, during the past season quite a number of mills obtained 150 pounds or more per ton.

Information concerning the quantity of cotton fiber, which, includes lint, linters, waste, and hull fiber, used in the manufacture of explosives has not been collected, but it is generally believed to be in excess of a million bales.

Year.	Cotton production.				Consumption of cotton and linters (equivalent 500-pound bales).	Exports of domestic cotton (equivalent 500-pound bales).	Net imports (equivalent 500-pound bales).
	Running bales, counting round as half bales.	Equivalent 500-pound bales, gross weight.	Average net weight of bale (lbs.).	Average price per pound, upland cotton (cents).			
1915	11,068,173	11,068,000	484	7.9	7,277,357	6,204,188	420,909
1914	15,905,840	16,134,930	485	7.3	5,855,792	8,931,253	364,595
1913	13,982,811	14,156,486	484	12.5	5,702,639	9,256,028	265,646
1912	13,488,539	13,703,421	486	11.5	5,631,835	9,199,093	225,761
1911	15,553,903	15,692,701	483	9.6	5,181,826	10,681,332	229,248
1910	11,568,334	11,608,616	480	14.0	4,516,779	8,025,991	231,101
1909	10,072,731	10,004,949	475	14.3	4,559,002	6,491,843	151,395
1851	3,126,310	2,799,290	428	9.5	617,468	2,186,461	512
1850	2,454,442	2,136,083	416	12.1	422,626	1,854,474	3.0
1849	2,469,093	1,975,274	429	12.3	575,506	1,270,763	4.5
1848	2,866,938	2,615,031	436	7.5	586,032	2,053,204	.2
1847	2,439,786	2,128,433	417	8.0	537,427	1,628,549	.8
1846	1,778,651	1,603,763	431	11.2	385,916	1,054,440	122

Statement of amount of internal-revenue tax on raw cotton collected in each State during the fiscal years 1863 to 1868, inclusive.

[NOTE.—The tax on raw cotton was levied by act of July 1, 1862 (12 Stat., p. 465), and repealed by act of Feb. 3, 1868 (15 Stat., p. 34).]

	1863	1864	1865	1866	1867	1868	Total.
Alabama	.....	.....	.....	$3,733,629.25	$3,049,868.01	$3,604,583.84	$10,388,072.10
Arkansas	.....	.....	.....	203,073.84	1,641,342.22	711,222.37	2,555,648.43
California	.....	.....	.....	145.96	284.08	.....	430.04
Connecticut	$17.72	$110.25	.....	.....	65.67	.....	194.64
Florida	.....	.....	.....	97,488.24	439,645.07	321,811.67	918,944.98
Georgia	.....	.....	.....	3,554,544.38	3,283,276.36	5,049,274.24	11,897,094.98
Illinois	53,381.71	35,515.69	$65,802.79	113,732.66	76,013.72	34,097.85	379,144.42
Indiana	8,999.90	1,041.60	703.30	52,428.40	14,202.84	15,351.19	92,727.21
Iowa	.....	.27	.....	.....	.....	.....	.27
Kansas	.....	.....	151.34	102.64	32.17	.....	286.15
Kentucky	12,779.67	83,050.15	83,658.34	121,550.89	149,905.16	102,383.24	553,327.45
Louisiana	19,920.93	436,044.52	593,108.02	4,300,150.17	2,971,708.19	1,777,569.17	10,098,501.00
Maryland	1,867.66	139.91	1,168.65	4,324.03	4,424.48	39,424.79	51,349.52
Massachusetts	4,412.79	6,419.24	127.00	28,175.46	16,576.85	10,967.96	66,679.30
Mississippi	.....	.....	.....	756,629.27	4,464,664.40	3,521,702.26	8,742,995.93
Missouri	69,493.12	39,009.76	73,603.00	247,289.14	96,721.63	65,981.71	592,098.36
New Jersey	.....	500.00	.....	.....	3,155.42	.....	3,655.42
New York	102,041.83	24,836.56	10,334.04	492,557.07	112,570.54	125,602.64	867,942.68
North Carolina	.....	.....	.....	211,658.57	860,704.55	887,341.75	1,959,704.87
Ohio	70,896.24	94,086.59	39,918.92	41,691.89	85,343.00	115,190.48	447,127.12
Pennsylvania	5,060.89	57,895.38	.....	6,080.62	146.03	9,352.14	78,535.06
Rhode Island	2,402.27	.01	22.45	.....	.....	.....	2,424.73
South Carolina	.....	.....	.....	731,939.67	1,429,281.10	2,011,199.39	4,172,420.16
Tennessee	.....	488,325.80	877,901.09	2,148,437.98	1,929,301.72	2,429,494.12	7,871,960.71
Texas	.....	.....	.....	1,395,524.17	2,780,307.31	1,326,569.76	5,502,401.24
Utah	36.75	11.00	48.90	241.31	389.64	647.74	1,375.34
Vermont	.....	.....	.....	168,268.29	.....	.....	168,268.29
Virginia	.....	1,425.83	26,435.64	.....	299,147.65	330,579.46	657,588.58
Total	351,311.48	1,268,412.56	1,772,983.48	18,409,654.90	23,709,078.80	22,500,947.77	68,072,388.99

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, December 22, 1910.

SIR: Replying to reference received October 14, 1910, inclosing copy of a bill (H. R. 25927) to provide for repaying tax "illegally collected by the United States on cotton" under the Civil War tax acts, and requesting that all information concerning the matter in this department, and an opinion touching the merits of the case, be furnished the Committee on Claims, I have the honor to advise you that the records in the office of the Commissioner of Internal Revenue disclose the fact that the Government collected tax on raw cotton, under the act of July 1, 1862, amounting to $68,072,388.99, as shown by printed statement herewith inclosed.

The tax act aforesaid was repealed February 3, 1868, and subsequently so much of the tax as was collected on bagging and ties (4 per cent gross weight being allowed for tare) was refunded on claims seasonably made, but no tax on cotton collected under the act aforesaid was ever refunded.

The constitutionality of this tax was tested in the United States Circuit Court for the Western District of Tennessee in the case of Farrington v. Saunders, collector, and decided September 23, 1867, in favor of the Government, the court holding that the act under which the tax was paid was constitutional and the tax valid. The case was appealed to the United States Supreme Court, and argued in 1869, and reargued in that court in 1870 and 1871, and the judgment of the lower court affirmed by an equal division of the justices. (See Transcript of Records, Supreme Court, vol. 1, 178.)

There is therefore, no apparent reason, founded upon judicial authority, for the allegation that the original tax act was unconstitutional or that the taxes were illegally collected.

Respectfully,

FRANKLIN MACVEAGH, *Secretary.*

The CHAIRMAN COMMITTEE ON CLAIMS,
House of Representatives.

Mr. GALLINGER. I ask unanimous consent to offer a proposed amendment to the pending bill, which I desire to have printed and lie on the table.

The VICE PRESIDENT. It is so ordered.

Mr. UNDERWOOD. Mr. President, I proposed in the Democratic conference when this bill was under consideration to strike out subsection 2, this munitions tax; and I am very glad

that the question now comes before the Senate on a motion to strike it out, indorsed by a majority of the majority members of the committee. I do not think that I subject myself at all to the imputation of favoring legislation sectional in its tendency because I favor the striking out of this subsection.

I listened a moment ago to what the Senator from Pennsylvania [Mr. PENROSE] stated in reference to the South desiring sectional legislation. The main point under subsection 2 where the South would pay any tax would be on a few hundred thousand bales of cotton, probably. The tax would not be an enormous amount; but, in my judgment, it would be a very unjust tax, because it would be the only agricultural product that is taxed. It would be unjust, because this bill and this subsection of the bill seek to levy a tax on men who have been benefited and who have made large profits out of the European war, while this industry has suffered losses since the war.

It is not, however, for that reason alone that I favor striking out subsection 2. If you consider the sectional benefits that come from striking out that subsection, the great lumber industry sells portions of its product to the munition plants. I have no doubt that the lumber industry of the North sells to the munition plants far in excess of the products manufactured from the cotton of the South.

I listened to what the Senator from Pennsylvania said in reference to this question, and I know, and the Senator from Pennsylvania knows, that the largest amount of raw material that the munition plants of this country purchase is shrapnel steel. I have no doubt that the amount of shrapnel steel that has been sold to the munition plants of this country from the State of Pennsylvania in one month exceeds the entire amount of cotton that has been sold for explosive purposes in a whole year. It is not, however, only shrapnel steel, but it is manufactured copper, manufactured rubber, and other manufactured goods of all kinds from the North which fall under this tax, and one single commodity falls under the tax in the South; and yet the Senator from Pennsylvania and other Senators have been so anxious to try to show that southern Representatives and southern Senators are sectional in their legislation, that they have attacked them for proposing and supporting an amendment which, nine times at least out of ten, is beneficial to the great industries of the North.

That, however, is not the reason why we should not support it. If we get no benefit from it in the South, if it is just, if the reason for striking it out is sound, it ought to be supported, regardless of the section of the country that may be benefited or injured by it.

So far as I am concerned, I am not overly enamored of this method of taxation. It is a temporary tax; it will expire when the war in Europe is over. The needs of the Government for money, however, will not have expired at that time. We shall need the money just the same, because I think it is idle to predict that immediately at the end of the European war the revenues are coming back to the customhouses. I saw it stated in a letter of the National City Bank in July that $3,000,000,000 worth of industries had been destroyed in the fighting zone of Europe. Those industries must be built up. They must be renewed before importation can come back into this country in the same volume which existed before the European war.

The machinery of most of the mills of Europe is old and worn out, having been run to the last point of endurance for economic and military reasons. To say that there will be an immediate return of revenues at the customhouses as soon as this war is over is, in my judgment, an idle dream. So we shall need this money and need it after the European war is over just as we need it now. I would therefore prefer a permanent tax. But there is a sentiment in this country that certain men who have sold instruments of death to the fighting nations and who have made their fortunes out of it should pay a portion of the tax to support the military arm of the National Government.

There does not seem to be much opposition to this tax from the men who will pay it, so far as subsection 1 is concerned. Therefore I am not complaining about the proposition, although I should like to see our fiscal agents adopt a system of saying that the income tax and the inheritance tax justly distribute the burdens of taxation upon the wealth of the country, that they fairly distribute them; and if they do not do it now, to so adjust them that they will be fairly distributed, and then make the tax high enough to get the money which the Government needs and let the people of the United States know how much taxes they are paying and what they are paying them for, so as to enable us to bring about economy in running the Government. But the policy for the time being has been determined upon to tax the manufacturers of munitions.

It has not been the policy of either the House of Representatives or of the Senate, as expressed by their committees, to levy this tax on all classes of munitions of war. A soldier's uniform is as much a munition of war as is the gun he carries on his back; the horse he rides and the bridle with which he controls the horse are as much munitions of war as are the guns that are carried along in the marching of an army; but the committee has not determined to tax the horse or the gun or the uniform. No; they have limited their tax to the proposition that we shall tax the man who is making an instrument of death—the instrument that carries death to other people. That is the policy, and that was the policy of the House bill. That is the policy of the Senate bill. It is the producers of that class of munitions that have made the greatest profits in this country. If that is the fact, if that is the intention—and evidently it is—of Congress and of the committees in subsection 1, then why should subsection 2 be related to it at all? A man who is producing lumber in the North does not know whether his lumber goes into a house or whether it goes into a caisson; the man who is producing raw cotton in the South does not know whether his raw cotton is going into a suit of clothes or whether it is going into explosives for a great shell; and so on through the list. On the other hand, the lumber industry has been one of the industries of this country which has not prospered so greatly as have the other industries of the country. The cotton industry has been the one industry that has suffered by the European war. If time permitted I could go further into the question of raw materials and point out many from which there has been no great profit made.

More than that: In most of these raw materials the price has not been fixed by the price of munitions of war, but the price has been fixed by the general demand in the home market, which to some degree may have been influenced by the fact that the man manufacturing munitions was in the field buying raw material; but only to that extent has the price been affected. Therefore I felt that it was very unjust to have the producers of these raw materials coupled up with the men who were making instruments of death and making great profits out of them.

But there is another reason why I desire to have this amendment stricken out: It is not going to raise much money, but it would be an instrument of annoyance to a great many people.

This tax was to begin on the 1st day of last January. You were going to tax a man for the profit he made before you announced that your tax started. You traveled back into every little corporation in the iron and steel industry, in the lumber industry, in the cotton industry, and in numerous other industries to find out how much went to the munition manufacturers and how much went to the public. Those people would have to have their books inspected, and they would be put to endless annoyance if this subsection 2 should remain in the bill.

To what avail? You might get some revenue out of it this year, but next year, in my judgment, you would practically get none, because under the terms of this munitions section it is only corporations that are taxed; individuals are not taxed.

Now, as to subsection 1, I suppose you would practically reach every producer of munitions. So far as I know, there is no producer of munitions who is not in corporate form, and a tax on munitions would have reached and will reach all manufacturers of munitions; but when you come to the raw material, there may be some producers who are organized as corporations and some who are acting as individuals. For the future, however, if subsection 2 remains in the bill, in my judgment every dollar of raw material which was sold to munition factories would be sold by an individual and not by a corporation, because if you leave the door open, if you do not make it unlawful, men are not going to pay taxes when they do not want to do so. Do you suppose the corporations that had lumber to sell to a munition plant would sell it direct and have to pay 5 per cent tax on its net profits, when they could sell it to an individual, who could make a legitimate sale to the munition plant and save 5 per cent, or the larger portion of it?

Mr. THOMAS. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Colorado?

Mr. UNDERWOOD. Yes.

Mr. THOMAS. Of course, presumably these profits are very large. Does the Senator think that shifting would occur in view of the large surtax which the individual must pay and from which the corporation is exempt?

Mr. UNDERWOOD. I do not think there is any distinction in the matter.

Mr. THOMAS. If the Senator will permit me, I will call his attention to some figures which I had Mr. McCoy make upon the subject. Take an income of $250,000. The corporation tax is 2 per cent and the munition tax, we will say, is 10 per cent. The total tax would be $30,500 in that case, if the corporation were the material man. If it were an individual, the surtax with the normal tax would be $15,920, and the added 10 per cent or 5 per cent, as the case may be—the difference would be the same in each instance—would increase the tax to $40,420, making a difference in favor of the corporation as against the individual of $9,920.

In the case of an income of $500,000 the corporation tax would be $60,000 and the individual tax would be $67,920. In each instance the individual would pay a larger tax if subjected to this special war tax than would the corporation if the tax were collected under the other provisions of the bill.

Mr. UNDERWOOD. Mr. President, I do not think that my friend from Colorado catches my reasoning, nor do I believe that he comprehends the real proposition in reference to this income legislation in this respect.

Mr. THOMAS. I understood the Senator to say that under the terms of the bill as it is framed it would be easy to evade this tax, even if it were levied, because the material man would be transformed from a corporation into an individual. That means the 5 per cent tax would be avoided. I may have misunderstood him.

Mr. UNDERWOOD. It would not affect him in either case, I am sure. I think the Senator misunderstands the proposition, and I will try to see if I can not present my case to him in another way, so that he will see what I mean.

Suppose the United States Steel Corporation is selling shrapnel steel and the Bethlehem Steel Co. wants to buy shrapnel steel for the purpose of making munitions. Probably they would not buy it from that source, but, to make the case, we will assume that the United States Steel Corporation is proposing to sell a hundred thousand dollars' worth of shrapnel steel and the Bethlehem Steel Co. is proposing to buy it in order to make munitions. We will assume that the profits on that transaction are $10,000. Possibly they would be subject in making that sale, if they sold the steel direct, to 5 per cent on $10,000; which would be $500. Of course the figures of that transaction could be multiplied a hundredfold. Suppose, on the other hand, they sold steel to the Senator from Colorado or to me as an individual at such a price that we could pass it on for 1 per cent, instead of 5 per cent. They would make 4 per cent, and the Senator or myself would make 1 per cent and it would not bring the corporation under the surtax at all—they would have nothing to do with it—and it would not bring us under the surtax, largely because we would be merely an intervening buyer who would absorb 1 per cent of the 5 per cent that the Government would otherwise get because of the transaction. So I say it stands to reason that the corporation would not sell directly to the munitions maker, but would sell to an individual, and let him pass it on.

Mr. WEEKS. Mr. President, it seems to me that that criticism could be easily obviated, and I have suggested to the committee that, after the word "corporation," the words "or individual" should be added.

Mr. UNDERWOOD. It could have been easily obviated; but the purpose of the committee is to strike the subsection out, and I am thoroughly in accord with the committee in favor of striking it out; so that there is no necessity for amending it if it is going out. If it stays in, I agree with the Senator that the amendment he has suggested would obviate the difficulty.

Mr. OLIVER. Mr. President, if the Senator will allow me, I will state that I had intended to offer an amendment similar to the one suggested by the Senator from Massachusetts; but, inasmuch as this provision is to be stricken from the bill, it would be futile to offer such an amendment. I desire to say, in addition, that I myself agree with the Senator from Alabama that the subsection ought to be stricken out, and I expect to support the motion to strike it out.

Mr. UNDERWOOD. Mr. President, just a word further in reference to this surtax. There is no difference in relation to individuals paying the surtax and there is no difference between individuals in paying the normal tax. The only difference is that the normal tax at one point is returned by the individual, while in the other case it is collected at the source and returned by the corporation. The corporation has nothing to do with this income-tax proposition. We call it a "corporation tax," but it is not a corporation tax; it is an individual tax, whether it is paid by the corporation or paid by the individual. Suppose there are two great office buildings on Pennsylvania Avenue, one of which is owned by myself as an individual and the other is owned by the Senator from Pennsylvania through the medium of a corporation. He owns all the stock, owns the corporation, the corporation belongs to him, and he thereby owns the building. Now, coming to the income tax, if the building owned by me produces a hundred thousand dollars of net profits at the end of the year, I pay 1 per cent normal tax on the hundred thousand dollars of net profits, and I pay a surtax in addition, whatever it may be. In the case of the other building, it also yields net profits of $100,000, but the corporation owned by the Senator from Pennsylvania pays for him the normal tax of 1 per cent and passes the balance on to him, and he pays the surtax, just as I do, and if we receive equal profits, in the end we pay the same tax, regardless of the fact that his money comes to him through a corporation and mine comes to me through individual ownership. So that it is not correct to say that anybody is affected one way or another in the surtax he pays by reason of the fact that his income is derived from a corporation or is not so derived, for that has no effect on the result. We really have no corporation tax in our income-tax system. We merely have a system by which we require the tax on dividends coming through coroporations to be taken out by the corporation before it reaches the individual, but if that property is owned by an individual he has to take the tax out himself. That is the only distinction. In fact, there is no corporation tax; and to say that the tax falls on the corporation and not on the individuals who own the corporation is a misunderstanding of the proposition.

Mr. OLIVER. Mr. President, is there not this difference—not a very great one, but something of a difference—that in the case where the office building is owned by the individual that individual is entitled to an exemption?

Mr. UNDERWOOD. I intended to say that there is no difference in principle. There is some difference in the application of the rule; but in the matter of principle, if I, as an individual, derived an income of $4,000 from real estate, and that was all the income I derived, I would pay no income tax on it; but if my income derived from stock in a real estate company amounted to $4,000, the corporation would pay the tax; but that is a question of exemption and not of principle in levying the tax.

Mr. President, I think it is clear that subsection 2 ought to go out of the bill, because it will not raise revenue, and it will be an annoyance to a number of people. So far as it being sectional is concerned, the tax that would be levied on shrapnel steel, practically every particle of which is made in the North, would far exceed the total tax that would be paid in the South from all sources.

Mr. HUGHES. Mr. President, I propose to vote to strike out subsection 2 of this title. I desire, however, to call the attention of the Senate to the fact that in taking that action I will be relieving the State of New Jersey of a considerable tax burden. If the subsection would produce the amount of revenue which it has been calculated it would produce, I want to say to the Senator from Pennsylvania that the amount of money the State of New Jersey would pay under this subsection would very greatly exceed any amount that would be derived from the tax on those who produce cotton and sell it to corporations. In comparison the revenue derived from cotton would be absolutely infinitesimal.

I am reliably informed that the State of New Jersey refines about 75 per cent of all the copper that is produced in the United States. I am also informed that under the system by which that business is carried on a refiner of copper would be treated under this bill as the owner of the copper. Although he only buys the raw material—the regulus or matte—and refines and sells it, in the eye of the Government he would be the owner of the copper and would be taxed upon all his transactions with the munitions manufacturers.

I think the part the producer of cotton would play in the payment of this proposed tax is so negligible that it need not be regarded at all. On the other hand, the part that corporations in my State and in the State of the Senator from Pennsylvania would play would cause a material addition to the taxes that are already being levied on them or are proposed by means of this legislation. I, for one, am exceedingly glad that we are to show this consideration to people whom the senior Senator from Pennsylvania [Mr. PENROSE] says are already overburdened.

I want, Mr. President, to concur in something said by the Senator from North Carolina [Mr. OVERMAN] which meets with my absolute approval. I think if there is one thing that is absolutely revolting to good taste, it is to have Senators from the more fortunate and more prosperous sections of this country, which, by means of favoring legislation, have been enabled to amass untold millions of wealth at the expense of the more

unfortunate sections of the country, to be continually flinging the poverty of the other sections of the country in their faces and taunting and twitting them with the fact that, because of strictly sectional and strictly partisan and wicked legislation, they have been deprived of the benefits that should flow equally to the citizens of all the great Commonwealths of the Union. The small income-tax returns from those States are read here on the floor of the Senate as a reason why such States should be further taxed. I agree with what the Senator from North Carolina has said. It is enough to rob the South, but do not then, after you have plundered her and taken her goods from her, taunt her and twit her with her poverty.

Mr. OLIVER. Mr. President, I wish to call the attention of the Senator from New Jersey to the fact that the sectional question was first raised yesterday by the Senator from North Carolina, who taxed me with sectionalism and with the advocacy of measures in behalf of my own State.

Mr. OVERMAN. The Senator does not mean that I taxed him with sectionalism.

Mr. OLIVER. I understood that Senator SIMMONS was the senior Senator from North Carolina. It was Senator SIMMONS, not Senator OVERMAN. In reply to that I was forced to call attention to the sectional provisions of the measure now before the Senate.

Mr. HUGHES. Mr. President, I will say that my remarks had reference to what occurred here to-day. I do not think either the junior Senator from Pennsylvania [Mr. OLIVER] or the senior Senator from North Carolina [Mr. SIMMONS] is to be charged with having injected the sectional issue into this discussion, or into the greater discussion that is going on throughout this country now. That credit, if credit it is, clearly belongs to the Republican candidate for the Presidency.

Mr. PENROSE. Mr. President, the sectional question was not raised by me. Our Democratic friends have been accustomed to abusing the Republican Party for 15 or 20 years. The tariff policy has been termed a robbery. "Predatory interests" and a lot of other terms have been used with great recklessness, and now our friends become remarkably sensitive when the minority in this Chamber undertakes to criticize the pending tariff bill or any other measure that may be before the body.

I simply wanted to call the attention of the Senate and of the country to the fact that the majority went merrily along doubling the corporation tax, which the Senator from Alabama [Mr. UNDERWOOD] has clearly analyzed and has shown ultimately falls on the individual, and from him the logical deduction is that it falls on the consumer, and went on increasing the income tax in its various schedules. When it came to the wine schedule, immediately the terrific sectional battle between California and Ohio and New Jersey occurred. To-day we listened to speeches that evidently had been prepared before it had been determined to eliminate this paragraph, and apparently had to be delivered even if their delivery defeated the elimination of the paragraph. These things show that the cotton Senators, the copper Senators, the zinc Senators, the lead Senators, were all united in a band of brotherhood which could not be broken by any force in the White House or anywhere else, and were determined to oppose this bill until this paragraph was eliminated.

The Senator from New Jersey has referred to the insignificance of the cotton tax, as he terms it. Mr. President, he represents a State in which the greater part of the gunpowder and other explosives is manufactured. I have here a statement which I believe to be accurate to the effect that 68 pounds of cotton is used in every 100 pounds of smokeless powder. I have not on hand the figures as to the amount of powder produced, but we all know it is enormous, and 68 per cent of it is cotton, manufactured in New Jersey and sent over to Europe to destroy the belligerent nations.

Mr. President, I send to the desk an article from the Chronicle, published in Rochester, N. Y., which I ask the Secretary to read.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

[From the Rochester (N. Y.) Chronicle of Aug. 14, 1916.]

THE NORTH ALWAYS THE GOAT.

The long list of names compiled by Senator PENROSE of men who contributed to the Democratic campaign fund and were afterwards rewarded with office, commencing with Henry Morgenthau, must have been a revelation to citizens who imagined that crossroads politics did not govern when it came to filling positions of dignity and responsibility. As an interesting postscript to this list, the New York Sun shows that while six Northerners were contributors to the extent of $147,000, only seven men from the South contributed more than $100. The Sun draws this conclusion: "In the distribution of offices under Wilson, it's the South that gets most of the jobs, but it's the North, in the words of the chorus lady with the crescendo tones, that pays, and pays, and pays!"

It is an old story now that the income tax was so manipulated that the bulk of the tax was saddled on four prosperous Northern States. Nearly one-third of that tax is paid by New York State alone. The tax paid by this State for the fiscal year which ended June 30, 1915, was $17,417,537.60. On the other hand, the States of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, South Carolina, Tennessee, Texas, and Virginia, all combined, paid less than $5,000,000.

But while under southern leadership in Congress, the States of New York, Pennsylvania, Massachusetts, and Illinois are reviled as the home of the "interests" and loaded down with taxes, when it became necessary to call out troops to police the Mexican border these very same States supplied the men. Out of about 90,000 men now in camp there, very nearly one-half, or about 43,000, were supplied by the four States named. Such gallant States as North Carolina, South Carolina, Georgia, Florida, Kentucky, Tennessee, Alabama, Mississippi, and Arkansas have not as yet furnished any troops for the "citizen army." Louisiana sent 500 men and Virginia 2,000. The South does the governing. The North furnishes the money and also furnishes the men when there is a call for the mobilization of the National Guard.

Mr. OVERMAN. That is "waving the bloody shirt" again.

Mr. STONE. Mr. President, I would like to say something before this vote is taken, provoked by the latest effusion of the senior Senator from Pennsylvania.

I have been sitting here for days listening with impatience to the variegated remarks of the Senator from Pennsylvania. Some time ago I called attention to the fact at the end of one of his partisan philippics, one of his partisan ebullitions, delivered after a long absence, that his principal mission in the Senate now is to come here occasionally at odd intervals to do what he can to raise Cain. He then notified the Senate that he would probably be here until October, or until the Senate adjourned.

Mr. President, the Senator's special mission seems to be to criticize, to make complaint. He seems to have a pain in his ponderous abdominal section that he has to relieve by some method of expulsion, and he does that in the way he has performed to-day. I do not believe the Senator from Pennsylvania knows much about the bill before the Senate. I do not believe he cares much about it. He cares less than he knows about it, and he does not know very much about it. I seriously doubt if he has ever read it. What difference does it make to him whether he has read the bill or not? Ignorance of the provisions of the bill is of no moment to the Senator. His business is to make complaint of and to criticize whatever is before the Senate.

I can not feel a very great admiration for a senatorial mission of that kind, especially when applied to a Senator from a State like Pennsylvania. That Senator has not at any time since his reappearance here discussed any question from the standpoint of its merit. He rises only to say something contemptuous and critical. And, Mr. President, I am going to venture to say that the Senator from Pennsylvania does not stand alone among his party colleagues in this attitude. In comparison he holds only a rather exceptional position as to his attendance upon the sessions of the Senate. He comes only now and then, at rare intervals, to deliver his maledictions, and then disappears. The senior Senator from Utah [Mr. SMOOT], who is generally here, also the senior Senator from New Hampshire [Mr. GALLINGER], who is generally here, are here, nevertheless, apparently also merely to make politics for the promotion of party ends in this campaign.

Right here I am going to venture this statement: We have this railroad legislation coming up, involving a critical, delicate, difficult situation of great national moment. I mean to watch these gentlemen and see if the prophecy I now make shall be fulfilled, namely, that their entire effort will be so to direct events as to make partisan politics to their advantage. I so prophesy, and shall wait to see what happens.

It is suggested to me by a Senator—on the side—that they will want to bring on a strike. Well, I will not now go that far; only I will say that I fear that they will do what they can to promote a strike if they believe a strike will promote the election of the Republican candidate for President. They will be governed by that consideration.

Mr. President, there is one dominant proposition I assert. You will not get one of these Senators on the other side, with the possible except of the junior Senator from Kansas [Mr. CURTIS], who did have the audacity the other day to assail one of the great measures enacted during this administration, the Federal reserve bank act——

Mr. CURTIS. Mr. President——

Mr. STONE. Never mind, now; sit down and keep the peace. [Laughter.] The Senator from Pennsylvania [Mr. PENROSE], the Senator from Utah [Mr. SMOOT], the Senator from New Hampshire [Mr. GALLINGER]—none of them will rise here on the floor of the Senate and denounce in specific terms any of the specific, important enactments of the Democratic Congress

and Democratic President since Woodrow Wilson was inaugurated as our Chief Executive. Neither will they specifically assail anything the President has done with respect to our foreign relations. They will do what Mr. Hughes is doing; they will indulge in glittering generalities by way of indefinite criticism, but they will not specify.

Mr. President, I have never known such a motley group of discredited bosses and political nondescripts gathered about any candidate for a great office as are now gathered about Mr. Hughes. Look for a minute at some of the leaders.

Look at Roosevelt—the Warwick who made Hughes. Except for Roosevelt, Hughes was not possible; except for Roosevelt, Hughes would still be impossible. The whole country knows that Hughes could not have been nominated without Roosevelt's support, and to-day Hughes goes limping and leaning upon Roosevelt as upon a crutch. Then there is PENROSE, the Republican boss supreme.

Mr. PENROSE. Mr. President, as the Senator has referred to me, I want to assure him that I am a plain, humble toiler in the vineyard.

Mr. STONE. Mr. President, you see I have books here before me, but I do not wish to open them. The books I have before me are, first, the hearings of the committee presided over by the Senator from Minnesota [Mr. CLAPP], examining into political contributions, and, secondly, bound copies of the Outlook, the publication of which ex-President Roosevelt was the chief editor.

Mr. THOMAS. Mr. President, may I inquire whether any of the contributors who testified were appointed to office by Republican Presidents?

Mr. STONE. The items I have marked in these books, Mr. President, are these: In the testimony taken before Senator CLAPP'S committee I have marked the testimony of Senator PENROSE and ex-President Roosevelt, and in the Outlook the articles I have marked set forth some of the things ex-President Roosevelt had to say in expressing his opinion of the Senator from Pennsylvania as one of the then plain and humble toilers in the vineyard of the Lord.

Mr. PENROSE. Mr. President, I hope the Senator does not believe all he reads in the magazines. A few years ago I read some very interesting stories about the Senator from Missouri and a baking-powder proposition in Missouri.

Mr. STONE. Yes.

Mr. PENROSE. But I passed them by as unworthy of more than a casual attention. It is true that indictments were talked about.

Mr. STONE. Yes; that was written, but who wrote them?

Mr. PENROSE. I do not know.

Mr. STONE. No; the Senator does not. Nor do I. They were written by cheap penny-a-liners in irresponsible magazines; but who wrote these things here?

Mr. PENROSE. Oh, yes—the value of the article depends greatly upon whom it is aimed at, I can see, Mr. President. It is a very substantial article when it is aimed at a Republican, but unworthy of notice when it exposes the Senator's connection with baking-powder frauds in the State of Missouri.

Mr. STONE. Mr. President, if we are to advert to cheap random statements made in newspapers or magazines, unsigned, from unknown and irresponsible sources, there could be no end to such a controversy, and such a controversy would be without meaning. I do not deal in trash of that kind. What I have here is what Theodore Roosevelt said about the Senator from Pennsylvania and what the Senator from Pennsylvania said about Theodore Roosevelt. That is authentic and the authorship definite. I will not read these extracts, Mr. President, unless called for. I will not put them in the RECORD. Indeed, it might be considered unparliamentary if I should, and my personal friendship for the Senator is such that I would prefer not to read them. The Senator must be familiar with what the colonel said of him, and he must know what he said about Roosevelt.

If I should read these old familiar articles we would see again what Warwick thought of the boss and what the boss thought of Warwick.

Then we have the Senator from Utah [Mr. SMOOT], the supreme mathematical juggler. This Senator can marshal and arrange figures to prove anything he wants to prove. He can unhorse Newton, Galileo, or any other man, even though he may unsettle the law of gravitation or astronomical systems. Just turn him loose and he can prove whatever he thinks it necessary to prove.

Then there is Perkins. PENROSE and SMOOT, of the old guard, and Roosevelt and Perkins, of the new era. What is Perkins's mission in public life? Is that a mystery? We have heard about the "Wolf of Wall Street." I would not characterize Mr. Perkins as a "wolf," but rather as the Iago of Wall Street. His conception of public policy is well set forth in what Iago said to Roderigo in Shakespeare's great tragedy of "Othello":

> Put money in thy purse. * * * Fill thy purse with money. * * * If sanctimony and a frail vow betwixt an erring barbarian and a supersubtle Venetian be not too hard for my wits and all the tribe of hell, thou shalt enjoy her; therefore, make money. * * * Go make money.

Make money is the measure of duty and patriotism.

Here we have this sweet quartet—Perkins, Roosevelt, PENROSE, and SMOOT—fighting in the forefront, hand to hand, for the election of Mr. Hughes. It is an inspiring spectacle.

You have not a distinctive public measure to propose. I challenge you to state one. Moreover, I challenge you now to state specifically just what thing in the foreign or domestic affairs of this country occurring under the Wilson administration you particularly criticize and condemn. Numerous great constructive measures, as you know, have been passed during this administration, almost every one of which you opposed with more or less obstinacy. I invite you to pick them out, one by one. Shall I name them to you? Offhand, I will name some of them.

There is the Federal reserve bank bill, the Federal Trade Commission bill, the land bank or rural-credits bill, the ship bill, the increase Navy bill, the defense bills, and so on. Be game now and tell us which one of these you assail and condemn, and exactly wherein you condemn them. Give us a bill of particulars.

It is easy to stand up and in general terms denounce and criticize, but there is not one among you who will pick out any one of the great constructive measures that have been enacted and condemn it. Dare you? I repeat, you dare not do it. I challenge you now to take these measures, one by one, those I have named, or others, and denounce them. You will not do it. The challenge stands.

Mr. PENROSE. With the exception of the preparedness measure, every other bill mentioned by the Senator, in my opinion, is a vicious measure, and I should have been very sorry to have occupied any attitude toward it except that of condemnation and criticism.

Mr. STONE. Does the Senator from Pennsylvania denounce the Federal banking bill?

Mr. PENROSE. Yes; I think there are a great many bad features in it.

Mr. JAMES. But the platform of your party did not dare denounce it.

Mr. STONE. No; the platform of your party did not denounce it.

Mr. PENROSE. It did not say anything about it.

Mr. JAMES. Neither has Hughes said anything about it since he has been on the stump.

Mr. STONE. The Senator from Pennsylvania contents himself with saying that there are some features in the bill referred to he does not approve; in other words, he thinks the law might be improved. I suppose that is what he means. But what are the features the Senator objects to? Will the Senator rise and specify them?

Mr. FLETCHER. The platform of the Republican Party in 1912 was specifically pledged to it.

Mr. STONE. If the conference going on between the Senator from Pennsylvania and his side partner the Senator from New Hampshire is finished, I should like to have either of them rise and tell me just what it is in that measure they object to.

Mr. GALLINGER. Mr. President, the schoolmaster is abroad in the land again. I will listen to him without replying.

Mr. STONE. Well, I will fill the office of schoolmaster for the time being.

Mr. GALLINGER. You seem to be that most of the time.

Mr. STONE. Somebody ought to be schoolmaster, for there are men here to be taught.

Mr. PENROSE. Deputy schoolmaster, Mr. President.

Mr. STONE. Well, deputy schoolmaster. I will take that position if you assign it to me. Then, on behalf of the President, to whom evidently you refer as chief schoolmaster, on behalf of every Democratic Senator, the deputy schoolmaster asks you little students to stand up and tell us what your objections to the law mentioned, or any of these laws, may be. Will the head of the class, the Senator from New Hampshire, rise, take his position, and answer?

Mr. GALLINGER. Mr. President, this discourse is so dignified that I would not like to interrupt it.

Mr. STONE. So the head of the class takes his seat?

Mr. GALLINGER. Yes.

Mr. STONE. Now, will the Senator from Pennsylvania rise and tell what there is in the bank bill that he particularly criticizes? I await. He does not rise. He keeps his seat.

Mr. WEEKS. Mr. President——

Mr. STONE. Here is another student in the class I am instructing who thinks he is able to answer. I presume the Senator from Massachusetts rises for that purpose.

Mr. WEEKS. After the Senator from Missouri has finished his scold, I will take occasion to point out some things about the Federal reserve act which I think he does not know anything about and which it might be well to correct for the benefit of the public service.

Mr. STONE. Let the Senator tell us now.

Mr. WEEKS. I will not break in on the Senator's speech. I will point them out after he gets through.

Mr. STONE. The Senator is rather a rebellious student. He does not stand up when he is called. He says, "I will take my time." The Senator from Massachusetts voted for this bill?

Mr. WEEKS. He did.

Mr. STONE. Now, I am perfectly ready to admit that the Congress of the United States has perhaps never enacted any absolutely perfect legislation. We are all human and subject to human limitations. But, Mr. President, the bill was perfected first in the Committee on Banking and Currency, of which the Senator from Massachusetts is a prominent member. He came in here with the committee, approved the bill, and voted for it. I do not mean to say there is nothing in the bill that might not be improved. It would be strange, indeed, if that were not so. But taken as a whole, it had the approval of the Senator from Massachusetts.

Mr. PENROSE. Without going into a detailed discussion of the bill, I think that the American business world felt a sense of outrage when the currency bill referred to expressly eliminated the civil service from the measure, leaving it open to a horde of hungry Democratic office seekers.

Mr. STONE. The Senator is now harking back to the one supreme issue advanced by his candidate for the Presidency, the civil service. Durand, and some people like Durand, is the paramount issue. This matter was made so absurd by some Senator who discussed it the other day that I supposed it would not be adverted to again.

Mr. JAMES. If the Senator from Missouri will permit me, however, as a fact the Federal Reserve Board appointed practically all the officials from the civil-service list, and the Senator from Pennsylvania can point out no hungry Democratic office seeker, in my judgment, who got a place. At least I know of none from Kentucky who did.

Mr. PENROSE. I do not know where the Senator from Kentucky was if the hungry Democrats were not well fed. He was not on the job.

Mr. JAMES. I am always willing, if the Senator from Missouri will permit me, to get a position for a Democrat, but I was merely pointing out that they required an examination before they would appoint anyone in the Federal Reserve System. I do not think that they ought to have done it.

Mr. PENROSE. It was not a competitive examination. The bill in that respect was a deliberate raid on the merit system in one of the last departments of the Government wherein it should have been permitted, a great financial system, and incompetent men from all over the country were appointed in connection with the work.

Mr. JAMES. I recognize that if there is any champion of civil-service efficiency and competitive examination on earth the Senator from Pennsylvania is the leader of all that crowd.

Mr. PENROSE. Oh, no; but I abhor hypocrisy, and when the lofty pretensions of the Democratic candidate for the Presidency and their platform are compared with their performances, any man of a logical, straightforward mental process will repudiate such a transaction.

Mr. STONE. The Senator from Pennsylvania abhors hypocrisy as applied to the civil service, but does so as a matter of course, in theory only, ignoring it with the greatest complacency in practice.

Mr. PENROSE. In connection with the financial system of the country I could consistently advocate the strongest merit system, and it should have been applied.

Mr. STONE. Mr. President, that is one of the tricks of the Senator's oratory and performance. When he gets in a corner, he tries to start some immaterial and insignificant issue to divert attention from the main question.

I do not care, and the people of the country do not care, about the issue the Senator now seeks to raise. But they are interested, profoundly interested, in the Federal reserve bank. I assert with confidence that that bank system has been most efficiently administered; and if so, there is nothing more to be said on that subject. Under this administration it has stood as a bulwark against panic, and has been a source of constant strength to the industrial and financial activities of the country. There can be no doubt about that. No honest man will deny that. Whether somebody was appointed in the bank force outside of the civil service, I do not know. I decline to consider a question so trivial as that.

Mr. President, substantially what I desired to say has been said. The Senator from Pennsylvania and his active colleagues on that side seem to have no other mission in the Senate at this time than to try to raise the devil as far as they can by bald criticism and constant effort to excite suspicion against something or somebody. They make no specific charges. They do not attack anything specifically; they just cry out aloud in general terms. That seems to be their chief mission here. If they have anything else to do, they are careful not to disclose it. There is not one among our colleagues on the other side who sincerely devotes himself to the work of aiding us on this side, representing the majority, to perfect and pass any kind of legislation. Their tactics is criticism and obstruction.

I referred to the railroad situation. Little so far has been said about it, but I prophesy, as we progress in this work—let the country watch it, I call upon the country to watch it—I prophesy that our friends on the other side will not join with the Senators from Colorado, from Kentucky, from Virginia, and other Senators I see about me, to arrange some method of composing the situation. Just watch them, and see if their part in the solution of the great problem confronting us will not be that of mere carping and criticism.

Mr. GALLINGER. Will the Senator permit me? The Senator's party has 17 majority in this body. Are they incapable of legislating on the subject the Senator alludes to?

Mr. STONE. No; we will perform the service we have in hand; nevertheless I have that high opinion of the Senator which induces me to believe that if he would sincerely devote his ability and learning to the subject he could render a great public service.

Mr. GALLINGER. That work has not yet been commenced, unless it was commenced this afternoon. I understand the Senator's chief was here, and probably the outline has been made.

Mr. STONE. I understand the President was here. I did not see him, but when he came, I imagine he came to advise with those he saw according to the best judgment of a patriotic Chief Executive.

Mr. GALLINGER. But not in accordance with the Constitution of the United States.

Mr. STONE. In what way did he violate the Constitution?

Mr. GALLINGER. Well, Mr. President, I leave that to the Senator to work out for himself. If the President of the United States can come to the Capitol and call into conference a few Senators to formulate bills, and if that is in accordance with the constitutional provision, I read the Constitution incorrectly, that is all.

Mr. STONE. Suppose it had been some other President—a Republican President—I am not speaking in a partisan sense just now. Suppose a Republican President desiring some vital legislation like that we are now called upon to deal with—suppose he had been of the Senator's party and had sent for the Senator from New Hampshire to come over to the White House that he might confer with him, would not he have gone?

Mr. GALLINGER. Mr. President, I have been here a long while, perhaps longer than I ought to have been; and I have never been invited into that little room during the pendency of a bill by any President, Republican or Democratic, to have him outline what the legislative department of the Government ought to do.

Mr. STONE. Does the Senator from New Hampshire seriously say to me that the President of his party has never invited him to confer with him?

Mr. GALLINGER. Not in the Capitol of the United States.

Mr. STONE. But at the White House?

Mr. GALLINGER. Well, at the White House; possibly that may have happened. The President did that, but, after doing it, he—I will not say what he did.

Mr. STONE. This room in the Capitol is set apart for the President; it is the President's room.

Mr. GALLINGER. Yes.

Mr. STONE. The Senate gave it to him. Did it give it to him merely that he might come over here for a half hour some day to sign bills at the end of a session?

Mr. GALLINGER. Mr. President, the Senator from Missouri knows precisely what I know, that there has not been in the history of the Government such interference with legislative matters as has occurred during the present administration. The Senator knows that the President comes here for a "grandstand play" that the country may understand that he is dictat-

ing the legislation. He did it on the child-labor bill; he is doing it on this bill; and the Senator from Missouri knows it.

Mr. STONE. Mr. President, when the Senator from New Hampshire says I know what he says to be true, he is drawing on his partisan imagination. I know nothing of the kind; but, to save my soul, I can not differentiate between the President coming to the room here in the Capitol set apart for his use and asking Senators to come in there and confer with him and sending for Senators to come over to the White House to meet him there in the Blue Room or the Green Room or the Red Room or some other room.

Mr. GALLINGER. The President has not entirely confined himself to the room set apart for him in coming here to talk with Democratic Senators on legislation, and the Senator knows that.

Mr. STONE. Well, it is a fact that the President could not get to his room without getting out of his machine in front of the Capitol, walking up the steps or riding up on the elevator, and coming along the corridor; he had to do that to get to his room. That must be very objectionable to the Senator.

Mr. President, you see how futile, how puerile, how absolutely babyish these objections are. Now, the Senator, my friend—and he is my friend, and personally I like him as much as I do anybody here——

Mr. GALLINGER. And that is reciprocated.

Mr. STONE. But, now, the Senator knows that these objections he is stating are just as I have characterized them; he knows that in his heart. He knows he is merely trying to muddy the waters, merely to throw——

Mr. GALLINGER. A monkey wrench.

Mr. STONE. Merely to make charges.

Mr. President, such things as these are not worthy of discussion. For myself, I had rather the President would come to me here at the Capitol than ask me to come to him at the White House. I think he shows more respect for Senators and Members of the other House when he comes here to see us than when he sends for us to come over to the White House. It is a matter of choice. I prefer the President's method. I would rather the President came here and faced Congress in the House of Representatives, face to face, putting himself right in among us, as one of us, and tell us what he has to tell us than to send a cold, formal message in typewriting or in print. That, again, is a matter of taste and preference, but it is not of vital importance.

Mr. GALLINGER. Mr. President, what puzzles me is that after the President did that on yesterday, he had to come over and tell the 17 Democratic majority how they should make a bill. It looks to me as though he had mighty little regard for the capacity and ability of members of his own party in this body.

Mr. STONE. Upon my honor, I do not know whom the President saw; I did not see him, and I do not care whom he saw. I suppose he came here to discuss with members of the committees of the two Houses this legislation about which he has just communicated to Congress.

Mr. PENROSE. With the Democratic members.

Mr. STONE. Possibly so. Those are the ones with whom he ought to discuss the subject, because after our experience with our friends on the other side I should say the President would not expect much sympathy, much assistance, from them. Whenever Senators on the other side will by one single act demonstrate their willingness to help, I am sure the President will be glad to talk with them. This I know, and that is all I wish to say. I am a member of the Committee on Foreign Relations. This President, like other Presidents, since I have been a member of that committee—well, one other President, I speak of Mr. Taft—has sent for the members of that committee without regard to politics to discuss international questions.

Mr. GALLINGER. That was a good habit which President Taft had.

Mr. STONE. Yes; and it is a good habit that President Wilson has, and which both have practiced.

Mr. GALLINGER. Not to any great extent.

Mr. STONE. Neither of them did it to any very great extent, but each did it when he thought the public good would be promoted by it. Mr. Wilson has done as much in this way as Mr. Taft.

Mr. GALLINGER. Mr. President, I am not going to get into any disagreeable controversy with the Senator from Missouri. He says he is my friend, and I certainly am his friend; but what I object to, and the only thing I object to, is that here is a measure in its incipiency, that has not yet been worked out by the committee and yet the Senator from Missouri stands here and charges that Senators on this side of the Chamber are obstructing the legislation.

Mr. STONE. No; I did not—certainly I did not mean to do that. The Senator mistakes me. I did not say you had obstructed it. There has been no chance to obstruct. What I did say, and what with deep regret I repeat, as a mere prophecy, not as a fact accomplished, but a prediction based on what has happened all along the line in the recent past, that during the consideration of this subject the President and the Democrats—the Democratic majority, on whom the chief responsibility is cast of working out this problem—will find little active sympathy upon the other side. I am merely waiting, and, if I am mistaken, I shall take occasion to rise and make the amende honorable.

Mr. GALLINGER. Mr. President, the Senator from Missouri is traveling on rather thin ice when he enters the realm of a prophet. The Senator has a great many accomplishments, but I would rather trust to the old prophets than to the Senator from Missouri when he enters that realm.

Mr. STONE. Well, I am one of the older prophets of the Senate. I have been here a good many years, watching things as they occur, and I am making my prophecy on my experience. Now, let us wait and see.

Mr. GALLINGER. I suppose the Senator basis his prophecy upon some of his experience when his party was in the minority and when he obstructed every Republican measure that was before this body.

Mr. STONE. I beg to say I did nothing of the kind; but I am going to wait and see what our friends upon the other side shall do, and with this prophecy I end this talk.

Mr. GALLINGER. Mr. President, I was unavoidably called from the Chamber for a little while, and I desire to inquire what bill is now before the Senate?

The PRESIDING OFFICER (Mr. PITTMAN in the chair). The revenue bill is before the Senate.

Mr. GALLINGER. I did not recognize it when I came in.

Mr. WEEKS. Mr President, the Senator from Missouri [Mr. STONE], who has just been engaged in a discussion of various subjects, suggested that no Senator could make any criticism of any legislation which has been passed by the Democratic Congress during this administration. He did not mention much of the legislation which everyone deprecates and which most people believe either unwise or inoperative, such as the armor-plate plant, the rural-credits bill, and the shipping bill, but confined himself to the one piece of Democratic legislation for which that party may take some credit to itself for having passed.

After the panic of 1907 there was an urgent demand for and attempt made to pass fundamental legislation—I hope the Senator from Missouri will not leave the Chamber——

Mr. STONE. Oh, I am not going to leave.

Mr. WEEKS. But as it was impossible to do so without accurate information, what was termed an emergency bill was passed, known as the Aldrich-Vreeland bill, which had, among other provisions, one authorizing a monetary commission to investigate the whole question of banking and currency. The Aldrich-Vreeland bill provided for two things which were of material value in connection with our currency system. One was that a correct basis for a bank issue was commercial paper, and the other the provision that an issue of emergency currency should be provided and kept on hand.

The life of the bill was limited to six years, because it was known at the time that it was not final legislation on the subject, and that, after the question had been fully considered, it was believed that legislation of a fundamental character might be passed. What happened? The Monetary Commission studied this question for several years. When it was ready to make its report the Senate contained a Republican majority, while the House of Representatives had a Democratic majority. Under those circumstances it was impossible to pass the kind of legislation that was recommended by the Monetary Commission, and therefore no action was taken.

In 1912 both political parties had planks in their platforms advocating fundamental legislation relating to our banking and currency system; and Congress, I believe, at least so far as this side was concerned, without any desire for partisan advantage, attempted to pass a banking and currency bill, Congress at that time being in the control of the Democratic Party. A bill passed the House of Representatives, with the approval of the administration, which I undertake to say was so bad that national banks would not, under any consideration, have gone into the system if it had become a law in that shape. It was a loosely constructed, inoperative, unwise piece of legislation. It came to the Senate and was referred to the proper committee. Senators will recall the time that that committee took in the consideration of the legislation. The Senator from New York [Mr. O'GORMAN], the Senator from Nebraska [Mr.

HITCHCOCK], and the colleague of the Senator from Missouri [Mr. REED] were as much opposed to that legislation, which, I repeat, was approved by their administration, as any Republican Senator. We insisted that experts should come before the committee and point out the defects in the House bill as it came to us, and those defects were corrected to some extent, and, as I recall, more than 400 different amendments were made to the bill as it came to the Senate.

The Senator suggests that I voted for the bill. I did vote for it, because I knew the difficulties that surround the obtaining of fundamental legislation affecting banking and currency. I believed that there were some good things in the bill, many of them; but I contend that there is not a single line of sound legislation in the present Federal reserve law, which was not based on the report of the Monetary Commission, and in those respects in which the law varies from sound financial principles it is because it did not follow the recommendations for legislation suggested by the Monetary Commission, which was in itself a nonpartisan commission, made up of Democrats and Republicans alike, and, by the way, the report of the Monetary Commission was a unanimous report.

There are provisions in the Federal reserve law which are not sound. One of them is the provision for 12 Federal reserve banks. Certainly there ought not to be more than four such banks, and I believe there should be only one; but the Democratic Party resolved against one bank, and therefore we have to have more than one; and when in conference the proposition for 12 banks was adopted there was no way to avoid the eventuality.

The Secretary of the Treasury and the Comptroller of the Currency were made members of the Federal Reserve Board—a vital and fundamental mistake in the system, in my judgment, as it always is to put members of the Cabinet or heads of bureaus on boards which should be nonpartisan in character. Such men can not be nonpartisan; they are part of a political administration; and they have done more harm to the Federal reserve legislation for which the Democratic Party is taking credit, than any other one thing connected with it. If the Senator doubts that, let him ask any banker in his own State what he thinks of the activities of those two officers in connection with this operation of this law.

There are any number of smaller things, and one which is not so small, but which has not done any harm as yet, and that is the provision for the issuing of Government notes and loaning them to the banks. The Government should never issue its notes for any purpose, except in time of great emergency. The currency which should have been issued should have been bank notes, instead of notes in the form in which they are now issued.

But what I want particularly to say, Mr. President, is that the law that carried us over the trying times of August, 1914, was not the Federal reserve law now on the statute books and which did not go into operation until three months after the breaking out of the war, but the Aldrich-Vreeland law, which was then on the statute books and by means of which $385,000,000 of emergency currency was issued, which did carry the banks, as well as the country, through that trying time.

Senators have said that there was some sentimental advantage in that the Federal reserve law was on the statute books, and they take unction to themselves because the Federal banks are doing reasonably well under present conditions. That is true, and yet they are doing so little business that there are a dozen national banks in the country that are loaning nearly as much or more money to-day than all the Federal reserve banks combined. The influence which the business of the Federal reserve banks have on the other banks of the country even now is almost negligible. I am not discrediting the Federal reserve banks or their management. I believe the fundamental principle on which they are founded is sound, and I think by making amendments to the law and by gradually changing it, as we did a few days ago in several particulars, we can finally work out a sound banking system through the means of the Federal reserve act. I did not vote for it because it was entirely good or because it was more than three-quarters good, but I voted for it because I knew the difficulty of obtaining that kind of legislation under any circumstances.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from New Hampshire?

Mr. WEEKS. Certainly.

Mr. GALLINGER. The Senator from Massachusetts has called attention to some amendments made to the law very recently.

Mr. WEEKS. Yes.

Mr. GALLINGER. Could the Senator tell us on how many occasions that law has been amended since it went on the statute books?

Mr. WEEKS. Mr. President, the law has been amended in a great many particulars, and it will be amended a great many times more before it will be anything like a perfect piece of legislation. The truth of the matter is that there is not anyone in this country—banker or other person—who knows just exactly how a law of that kind can be applied to our own particular conditions and work absolutely satisfactorily. We must necessarily change the law from time to time. That is the reason why I approved of the legislation which was considered by the Senate the other day—because the experience of the Federal Reserve Board has led them to believe that certain changes should be made, and we must depend on that experience to get, finally, a correct and sound banking system.

If the Democratic Party is going to depend on the Federal reserve law as the basis for its continuance in power, it is leaning on a broken reed. I want to say that the Republicans in the Senate had quite as much to do with putting that law into workable condition as did the Democratic majority, and if it had not been for the Republican Senators in this body, in my judgment, the bill which would have been passed would have been the unworkable act which came from the House of Representatives and which would have been a discredit to any party which adopted it.

Mr. SMITH of Georgia. Mr. President, I think the Senator from Massachusetts hardly gives the Democrats the credit to which they are entitled for the passage of the banking and currency law. I do not defend the bill as it came from the House.

Mr. WEEKS. Mr. President, let me ask the Senator from Georgia if he does not think the bill was a very bad one as it came from the House?

Mr. SMITH of Georgia. I am just going on to say what I do think about it. I say, I do not defend the bill as it came from the House. It had the framework, but in a number of particulars it lacked completion.

We have heard a great deal about Democratic conferences. I am not much in favor of legislation by party conferences. Perhaps the only instance in which I was thoroughly in favor of a Democratic conference was on the banking and currency bill. The committee to which it had been referred seemed to be unable to agree, and we called a Democratic conference, and around the table Democrats sat, and that bill was made in the Democratic conference. The amendments put upon it were largely, almost entirely, put upon it in a Democratic conference; and if there is one measure where a Democratic conference by meeting did good, it was with reference to the banking and currency bill.

I will add that we did not bind Members to vote for the bill as made in the conference. We simply gathered, and those Democrats not on the committee who had made some study of the subject sat with other Democrats and studied the problem to add to the bill certain provisions that it required. But the banking and currency bill was made there, and it was adopted in the Senate practically as it was made in the Democratic conference.

Mr. WEEKS. Mr. President, I think the Senator from Georgia will admit that I had some knowledge of that legislation when it was under consideration.

Mr. SMITH of Georgia. I will not only admit that, but I want to say that I think the Senator from Massachusetts contributed toward improving the bill by the work that he did on the committee.

Mr. WEEKS. What I should like to have the Senator tell us now is this: The statement which he has just made surprises me beyond expression. I should like to have him tell the Senate the particular things which were put in that bill by the Democratic conference which were finally adopted.

Mr. SMITH of Georgia. Practically all of the amendments were put on there; but I take one especially, and tell him, because I am coming to the other part of his argument.

In the Democratic conference there was placed in the bill a provision extending the life of the Aldrich-Vreeland Act from June 30, 1914, to June 30, 1915. That act would have expired by the terms of its creation on June 30, 1914. In the Democratic conference there was placed in the bill a provision that the prohibitive tax placed upon bank-note issues placed in the Aldrich-Vreeland Act to make it useless, to make it impossible of operation, should be reduced to a point where the act would be operative.

Mr. WEEKS. Mr. President, if the Senator will permit me to interrupt him, I want to say that I heard the Senator from Georgia make that statement not long ago on the floor of the Senate, and I took occasion to write to some 20 prominent bank-

ers throughout the country and ask them if that statement were correct. With one single exception, which was a modified one, they were unanimous in saying that the rate of interest charged on the Aldrich-Vreeland emergency currency had nothing whatever to do with taking out the currency at the time of the breaking out of the European war. They said that of course they could make more money by taking out the currency at the rate of interest which the revised Aldrich-Vreeland Act provided, but that they would have taken out the currency just the same if there had been no change in the rate of interest.

Mr. SMITH of Georgia. Mr. President, it is easy after a thing has happened to make a statement about what you would have done under circumstances different from those which took place. I have no confidence in the sincerity of such a statement by a banker. It is utterly unsound from a business standpoint; and I will now proceed to tell the Senator of the amendment to which I refer, which was placed in that bill in the Democratic caucus.

The Aldrich-Vreeland Act, as you drew it, placed a tax at the rate of 5 per cent the first month on the issue of currency by a bank, although the bank only obtained benefit to the extent of 95 per cent of the issue. The tax at the rate of 5 per cent the first month was on the entire note issue, while the banks only obtained 95 per cent of increased circulation. The tax was 6 per cent the second month, 7 per cent the third month, 8 per cent the fourth month, 9 per cent the fifth month, and 10 per cent the sixth month. All this time the banker who paid this tax of from 5 to 10 per cent on his own notes, under the act as you passed it, was only allowed to use really 95 per cent of the sum on which he was paying a tax for 100 per cent.

The law required him to place 5 per cent of the amount of the note issue as a gold reserve with the Treasury and keep it there to meet his notes when they went to the Treasury for payment; so that he paid 5 per cent on $100, while he only received the use of $95, and so on to the 10 per cent which he paid on $100, when he only received $95 in increased currency.

Mr. SMOOT and Mr. WEEKS addressed the Chair.

Mr. SMITH of Georgia. I will yield to a question, but not to anything else.

Mr. SMOOT. I simply wanted to say to the Senator that he means that it was a rate of interest of 5 per cent rather than a tax of 5 per cent.

Mr. SMITH of Georgia. No; it is not a rate of interest. It is a tax. It is so called in the bill. It does not say "rate of interest." It says "tax."

Mr. SMOOT. Well, a tax at that rate of interest.

Mr. SMITH of Georgia. I now yield for a question to the Senator from Massachusetts.

Mr. WEEKS. I wanted to use a minute to explain those rates of interest, if the Senator will yield for that purpose.

Mr. SMITH of Georgia. I yield for a moment.

Mr. WEEKS. The reason why those rates of interest were charged was because before the passage of the Aldrich-Vreeland bill when banks had taken out clearing-house certificates, which were equivalent to this emergency currency, they had paid an average of about 6¾ per cent for them. The rate varied in different cities. These clearing-house certificates had remained outstanding less than four months, on an average. Therefore it was estimated that the cost of this currency would be less than the cost of clearing-house certificates during the panics which we have had since the Civil War.

Mr. SMITH of Georgia. I ask the Senator to whom did they pay the 6¾ per cent?

Mr. WEEKS. They paid it to whomever they borrowed the money from.

Mr. SMITH of Georgia. Why, they issued the clearing-house certificates themselves.

Mr. WEEKS. The Senator does not understand a clearing-house certificate.

Mr. SMITH of Georgia. Yes, I do. I wish the Senator to make a statement, but I certainly understand clearing-house certificates.

Mr. WEEKS. I will make a statement. Clearing-house certificates were made in this way: A bank would go to the clearing house and ask to take out clearing-house certificates. It would deposit its security against the certificates; usually certificates were issued based on three-fourths of the par value of the securities deposited. These were guaranteed by all the banks belonging to the clearing house. Then, instead of paying the differences at clearing the next day and following days in currency, they used these clearing-house certificates to pay the differences, and the bank that held the clearing-house certificate of another bank received interest on that clearing-house certificate while it held it.

Mr. SMITH of Georgia. I understand that perfectly. The banks composed the clearing house.

Mr. WEEKS. They did.

Mr. SMITH of Georgia. The banks were the clearing house, and when they paid interest to the clearing house they paid it to themselves. I understand that perfectly. The banks composing the clearing house took out notes from the clearing house and paid into the clearing house a percentage on those notes, paid it to their own partnership.

Mr. WEEKS. Why, Mr. President, they did not pay the interest to the clearing house. They paid the interest to the bank that held the clearing-house certificate. The clearing house had nothing to do with the interest. The Senator does not understand it.

Mr. SMITH of Georgia. They paid it to the bank that took out the clearing-house certificate?

Mr. WEEKS. They paid it to the bank holding the certificate.

Mr. SMOOT. Why, certainly.

Mr. WEEKS. A bank would hold B bank's clearing-house certificate, and A bank would charge B bank interest on that certificate while it held it.

Mr. SMOOT. The same as any other loan.

Mr. SMITH of Georgia. Precisely; exactly what I was saying. If they charged it to the bank that they let have the certificate, then the bank that borrowed the certificate from them was paying that rate of interest. But to whom did the rate of interest go? Did it go to the clearing house, composed of banks?

Mr. WEEKS. Never in the world.

Mr. SMOOT. Never in the world.

Mr. SMITH of Georgia. To whom did it go, then?

Mr. SMOOT. Why, Mr. President, it went to the bank that made the loan.

Mr. SMITH of Georgia. Why, of course.

Mr. SMOOT. Just the same as if it had made a loan to the Senator from Georgia. It was one bank making a loan to another bank instead of making it to an individual, and the interest went to the bank that made the loan.

Mr. SMITH of Georgia. Then, the bank that made the loan got the 6¾ per cent interest for the use of the clearing-house certificate, although it paid nothing for the certificate.

Mr. SMOOT. It had to put up its security.

Mr. SMITH of Georgia. Why, certainly; it put up its security with the clearing house. It obtained the clearing-house certificate and loaned the clearing-house certificate at the rate of 6¾ per cent. Suppose that bank had been compelled to pay the Government at the rate of 5 per cent for the first month in the way of tax for issuing that clearing-house certificate. Suppose it had been compelled to pay the Government at the rate of 10 per cent for the sixth month and thereafter. How could it have loaned the certificate to another bank for 6¾ per cent? If it charged 6¾ per cent to the bank that borrowed it, then it could not have conducted the transaction and have paid the tax of from 5 to 10 per cent to the Government. If it paid it to the clearing house, it was paying it to itself, for the banks were the clearing house.

Certain banks formed a clearing-house association. They put up securities with the clearing-house association. The clearing-house association issued clearing-house certificates backed by those securities, and the banks in the clearing house obtained them. The banks in the clearing house as a rule paid nothing, as they would be simply paying it to themselves; but they loaned those clearing-house certificates to other banks and charged for them. If they charged an average of 6¾ per cent to the banks that borrowed from them when it cost them nothing to get them, how could they have put up the securities with the Government and obtained the privilege of issuing their notes instead of clearing-house certificates and have paid 10 per cent tax, when they had to put up also 5 per cent gold reserve to secure their loans?

The Senators can not dodge it nor get away from it. The excuse the Senator gives is no excuse at all. The transaction which he presents does not justify the tax that under the Aldrich-Vreeland Act as the Republicans passed it had to be paid the Government for the privilege of the banks issuing their own notes.

Mr. WEEKS. Mr. President, I did not think the Senator from Georgia understood the question, and the discussion in which he has just indulged demonstrates it. What difference does it make to the Senator from Georgia whether he borrows money of the Government and pays 6¾ per cent for it or whether he borrows it of me and pays 6¾ per cent? A debtor bank, when clearing-house certificates were issued, borrowed of somebody, and that somebody was another bank, and it paid a rate of interest which varied somewhat, but averaged about 6 per

cent. When it took out emergency currency it paid the Government interest. What difference does it make to the borrower?

Mr. SMITH of Georgia. Why, it makes a vast difference. The smaller banks which borrowed the clearing-house certificates from the big banks and paid them 6¾ per cent were not in a position to issue their notes for circulation under the Aldrich-Vreeland Act as it was originally passed.

But few banks in the country, even if they had been willing to pay the enormous tax, could have put up the securities required by the act.

The big banks in the financial centers, before the adoption of our new banking and currency system, extended credits nearly every year to the other banks throughout the country. They could not issue their notes and pay the taxes required by the Aldrich-Vreeland Act and loan these overtaxed notes to the smaller banks. The rate of tax they were called on to pay was more than the rate of interest which they would normally charge the smaller banks.

These big banks, through their clearing houses, issued the certificates to which you referred and loaned the other banks at 6¾ per cent. If they had been taxed from 5 to 10 per cent on the clearing-house certificates the loans could not have been made.

The bill as it stood was framed so that it could not be used, and it never was used.

Mr. WEEKS. Mr. President, the reason why the act was not used was because there was no necessity to use it. There was no occasion when it was necessary for a bank to borrow money and pay 5 per cent or 4 per cent or even 3 per cent for the privilege of taking out emergency currency. It was a question of necessity, and the necessity did not arise until the European war broke out.

Mr. SMITH of Georgia. Ah, Mr. President, it was made so tight and so hard that they could not do it. Not only is that true, but the character of securities you required excluded the great bulk of the banks from using it at all. The class of banks that borrowed from the big banks, that you described as paying the big banks 6¾ per cent on their clearing-house certificates, did not have in 1914 the class of securities that your old Aldrich-Vreeland Act required to be put up with the Treasury Department to secure the privilege of issuing their bank notes for circulation. Your limitation as to the quantity to be issued, your limitation based upon the circulating medium that they had already put out through their own notes—all these restrictions were in your bill, and killed it. It got its first life from the Democratic caucus, which cut down the tax.

Mr. SMOOT. Mr. President, will the Senator yield for a moment?

Mr. SMITH of Georgia. For a question.

Mr. SMOOT. Does not the Senator know that the first month the tax was at the rate of 5 per cent per annum?

Mr. SMITH of Georgia. That is what I said.

Mr. SMOOT. A rate of interest of 5 per cent per annum.

Mr. SMITH of Georgia. The Senator asks me if I know it. Yes; I have stated it a dozen times, the tax for the first month was at the rate of 5 per cent.

Mr. SMOOT. Then the Senator says that a bank that was in distress could not afford to pay interest at the rate of 5 per cent. I want to say to the Senator——

Mr. SMITH of Georgia. I decline to yield for a speech. I yield for a question. I wish to go on with my criticism of this horrible piece of legislation that the Senator from Massachusetts has referred to. If the Senator desires to ask a question, I will yield, but I do not wish to be interrupted for anything else.

Mr. SMOOT. Of course, if the Senator declines to yield, I have nothing further to say.

Mr. SMITH of Georgia. I do not wish to yield except for a question. No bank could pay the tax on its notes required in the original Aldrich-Vreeland Act and loan them to customers at a normal rate of interest to meet the requirements of business as they existed in 1914. The Senator says the tax was at the rate of 5 per cent per annum. Yes, for one month, but it was at the rate of 6 per cent the next month, it was 7 per cent the next month, it was 8 per cent the next month, and 9 per cent the next, and 10 per cent the sixth month. Not only is that true, but the bank did not have the privilege of an issue that gave it the full $100 on which it had paid this tax. The 5 per cent gold reserve required really reduced the increase of circulation to $95 on the $100, while the tax was on the $100. It was 5 per cent on $100, with only $95 of increase. It was 10 per cent on $100 with only 95 per cent of increase; and when you admit that the big banks charged 6¾ per cent for their clearing-house certificates, you admit that your Aldrich-Vreeland Act had in it a tax that killed it.

Mr. WEEKS. Mr. President, I admit nothing of the kind. Any rate of interest——

Mr. SMITH of Georgia. I decline to yield except for a question. If the Senator wishes to ask a question I will be glad to yield; otherwise not.

Mr. WEEKS. I will ask the Senator this question: Does the Senator know any responsible banker in the United States who will state that he would not have taken out that emergency currency under the original provisions of the Aldrich-Vreeland Act if it had been on the statute book at that time in that form?

Mr. SMITH of Georgia. The Senator asked me that question before. I know plenty of them who would not have used it as they used it.

Mr. WEEKS. I can not find them.

Mr. SMITH of Georgia. I am sorry the Senator can not. His reason and his business knowledge ought to give him an acquaintance with the facts. The banks had to charge 6¾ per cent interest for clearing-house certificates loaned to other banks or to customers. The original Aldrich-Vreeland Act required them to pay the Government 5, 6, 7, 8, 9, and 10 per cent on their bank notes. How could this tax be paid and the banks paying it be able to furnish currency to the smaller banks, and they in turn furnish currency to their customers at a rate of interest which would not destroy business?

The bank notes issued in August and September, 1914, under the reconstructed Aldrich-Vreeland Act, went out to the smaller banks and to the business world at reasonable rates of interest.

As the result of their issue, liquidation throughout the country was prevented.

It would have been impossible for them to have done what was done if the banks had been required to pay the tax at the rate required by the original Aldrich-Vreeland Act.

It is unthinkable that banks would as willingly have issued these notes and put them in circulation if the tax had been 7 per cent as they were when the tax was only 3 per cent.

For a banker to insist upon this is to place himself in a position where I feel like calling upon Col. Roosevelt to designate his character.

It can not be true, and it is stupid to ask us to believe that it is true.

Mr. WEEKS. I hope the Senator from Georgia does not make that statement in its literal sense.

Mr. SMITH of Georgia. Not in any sense as a reflection on the Senator from Massachusetts, I assure him.

Mr. WEEKS. If the Senator from Georgia is appealing to my business judgment, I have stated it as it is.

Mr. SMITH of Georgia. I reply that I disagree with the Senator and feel sure he is mistaken. I can not accept it as true, although it is his business judgment.

It must not be forgotten that in 1914 the banks used this note-issuing privilege with great freedom, the issue going up to $450,000,000 in a few days. They accommodated their customers with it at ordinary rates of interest. They prevented a panic by meeting the demand for an increased currency. This they could not have done with the tax fixed by the old Aldrich-Vreeland Act.

Each one of us can appeal to our knowledge of human nature and know that a banker will issue notes much more freely when he pays only 3 per cent for the privilege than he would if called upon to pay from 5 per cent to 10 per cent for the privilege.

A banker who tells me that he would pay 10 per cent and issue his notes in order to loan them out at from 6 per cent to 7 per cent or 8 per cent shakes my confidence in his veracity, because it can not be true.

Mr. WEEKS. Mr. President, I know a great many instances during the panic of 1907 where the banks called in loans on which they were getting 10, 15, and 20 per cent and loaned the money to their own customers at 6 per cent, and in previous panics where they took out certificates bearing 7⅗ per cent and loaned the money at 6 per cent.

Mr. SMITH of Georgia. That may be true, but that has no bearing whatever on what I have just stated. It is impossible that an intelligently managed bank would issue its notes just as quickly paying on them a tax at 10 per cent as it would at 6 per cent or issue them as quickly paying on them a tax at 7 per cent as it would at 4 per cent or 3½ per cent. It is impossible that such a statement can be true. If they think so they have produced wheels in their own heads to reach the belief, and the fact that they never were issued is a strong reason to show that they never would be.

But we brought the amount down to the rate of 3 per cent for the third month instead of 7 per cent, and your tax upon them

for the third month at the rate of 7 per cent we left at 3 per cent. It is impossible to force down the view upon the mind of anybody who knows anything about interest rates and banking business that a bank would as willingly issue its notes for circulation and pay at the rate of 7 per cent upon them as 3, or 8 per cent as 3½. We left them at 3½ against 8 under the Aldrich-Vreeland Act. No bank can loan money to supply the demands of customers and pay an 8 per cent tax on it. No bank could meet the demands for broader credits required in August, 1914, and pay an 8 per cent tax on them. It certainly would have to charge as much as it paid. How would the money have ever gotten out to the people?

What confronted us in 1914? We were confronted with securities dumped from abroad upon the eastern market. We were confronted with stringency throughout the country. The time had come when most banks throughout the country made their settlements. The time had come when the great eastern banks were accustomed to collect the amounts due them from banks throughout the country. Yet the situation was such that if the banks away from the money centers took their funds and settled their indebtedness in the money centers, if the banks in the money centers made their debtors settle with them, the conditions were such that liquidation would undoubtedly have been precipitated throughout the land. It was necessary to prevent general liquidation that the banks in the money centers should broaden credits at a time they were accustomed to make collections. Could the big eastern banks have paid 7 to 8 per cent for the privilege of using their own notes, and using 95 per cent of them, and sent the currency out to the banks through the country at a rate of interest at which those banks borrowing could have done business?

What did we do? By reducing the rate of the tax to 3 per cent and by then taking off the barrier that you put around bank-note issues in the Aldrich-Vreeland Act——

Mr. NELSON. Will the Senator yield?

Mr. SMITH of Georgia. Yes; for a question.

Mr. NELSON. Did the taking off of that barrier arise from the fact that we passed the reserve law? Did not that make it necessary to make a change on account of the passage of the reserve law?

Mr. SMITH of Georgia. No.

Mr. NELSON. The Senator will find, if he examines the condition of the reserve law, that that change in the law was made necessary because of the reserve law.

Mr. SMITH of Georgia. I say "no" and "yes."

Mr. NELSON. I have not the law here; it is in my room; but if I had it, I could point out that that change in the law was necessitated because of the passage of the reserve law, and for no other reason.

Mr. SMITH of Georgia. I answer the Senator "no" and "yes." I answer the Senator that at the time the reserve banks were actually organized, when the transfer of the reserves from money centers to reserve banks was made, when the payment by banks for their stock subscriptions was to be made, it was important and wise to furnish an opportunity for the temporary enlargement of the currency to prevent any change of existing conditions from precipitating liquidation, and while that change was taking place, and to that extent, I agree with the Senator.

Mr. NELSON. Will the Senator yield to me?

Mr. SMITH of Georgia. For a question.

Mr. NELSON. Does not the Senator know that the change I referred to and that he referred to was made in the special act that was passed in 1914, and not in the reserve law?

Mr. SMITH of Georgia. A part of the changes were made in the reserve law. The change reducing the rate of the tax was put in the reserve law. The reserve law carried the reduction of the tax, which was exorbitant and oppressive as I have described.

Mr. NELSON. Will the Senator yield to me? I think we both want to get at the truth.

Mr. SMITH of Georgia. I am sure I gave it, and stated nothing else.

Mr. NELSON. The Aldrich-Vreeland law provided for two methods of issuing emergency currency. One was directly through currency associations. The other permitted national banks on their own hook to secure additional circulation under that law, provided they had exhausted their circulation privilege under their charter; in other words, provided they had taken out such circulation as they could under the law. The change made in the law in that respect was to change that condition, because you adopted a new system, and the restriction that was put in the law that they must have circulation equal to the requirements of the original banking law was no longer necessary. Hence, you simply in that respect harmonized the new law with the old law.

I want to tell the Senator from Georgia another thing. There were three things in your act.

Mr. SMITH of Georgia. I will not yield to the Senator now——

Mr. NELSON. I will not interrupt the Senator.

Mr. SMITH of Georgia. Because I have declined to yield to the other Senators. The Senator is right and he is wrong. The first important and necessary change under the Aldrich-Vreeland Act was a reduction of the tax put upon the issue of bank notes. The tax had been put so high that it was not a practical proposition for the banks to utilize the bills in conduct of business and for the purpose of broadening credits.

Mr. NELSON. Will the Senator yield?

Mr. SMITH of Georgia. For a question.

Mr. NELSON. Let us get at the truth in this matter.

Mr. SMITH of Georgia. I yield for a question.

Mr. NELSON. There is no use if the Senator is going to put it that way.

Mr. SMITH of Georgia. I will yield to the Senator; he may go on.

Mr. NELSON. I want to tell the Senator that, as the Senator knows, the currency associations were formed under the Aldrich-Vreeland Act, but the reason why we had no currency taken out was because there was no occasion for it. After the panic of 1907 had subsided—after New Year's—we had good, prosperous times in this country and there was no occasion to issue emergency currency; the occasion did not arise until the great war in Europe was pending. Those are the facts.

Mr. SMITH of Georgia. This exception should be made: If the rate had been sufficiently low it would have been practicable to enlarge the currency each year as the crops moved under any circumstances where an enlargement was frequently important.

Mr. NELSON. But the Senator insists that no currency was issued because of the tax. I say the reason why no currency was attempted to be issued was the fact that we had good, prosperous times until the panic of 1907, and no currency under the Aldrich-Vreeland Act in the intermediate time would have been issued even if the change you made in the Federal reserve law had been made, because there was no occasion for it.

Mr. SMITH of Georgia. An intelligent currency system provides for the coming out and going in of the currency without waiting for a panic. You should not have to wait for a panic to make some enlargement of currency at times when needed. No intelligent system of currency fails to furnish some plan for the enlargement and contraction of the currency even without waiting for a horrible panic. Your law was built so that it could not be used under ordinary circumstances. It could not be used under stringent circumstances. It was destructive to the men who used it or to the banks under any circumstances.

Now, I pass the reduction of the tax, which it is simple and easy for the average man to understand, but was essential to make the Aldrich-Vreeland Act more than a cold skeleton.

The Democrats first put upon it flesh. They then gave it muscle, and then they breathed into it the breath of life; it never really lived until after the days that the Republicans intended for it to die, and it never passed a breath of help to the Nation until after June 30, 1914, when, by the terms of its creation, it was to cease existence, and it did it then because we gave it life.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER (Mr. CHILTON in the chair). Does the Senator from Georgia yield to the Senator from Minnesota?

Mr. SMITH of Georgia. I yield.

Mr. NELSON. I agree with the Senator in this respect. I suppose the Senator from Georgia is so enthusiastic about this law because the commercial interests of the South, New Orleans and Baltimore, were ignored and his own city got a reserve bank.

Mr. SMITH of Georgia. I am not talking about reserve banks; I am talking about the horrible pretense of a plan passed by the Republican administration as a professed relief that could do nothing until we amended it and gave it life. I had not intended to refer to it, but the Senator from Massachusetts [Mr. WEEKS] brought it up. The Senator from Massachusetts claimed that it was the Aldrich-Vreeland Act of the Republican Party which carried us over the troublesome times of August and September, 1914, precipitated by the war.

Mr. NELSON. And was it not?

Mr. SMITH of Georgia. No.

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Minnesota?

Mr. NELSON. Did you not build on the skeleton of the Aldrich-Vreeland Act your own reserve act? You took the skeleton of the Aldrich-Vreeland Act, and you utilized it and made use of it.

Mr. SMITH of Georgia. The Senator names it properly. It was the old skeleton, without life, without flesh, without muscle. Yes; we took the old skeleton, which was on the statute books, and gave it life.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Minnesota?

Mr. NELSON. Does not the Senator know that they were afraid to put the Federal reserve act in operation just previous to that panic because they realized that under that law nothing could be done? It was a godsend to them and a sheet anchor that they found the Aldrich-Vreeland Act on the statute book. We passed the act in December, 1913, but yet during all that time they had failed to start the banks; the organization committee labored a long time to parcel out the country; and they finally parceled it out so that, ignoring the two principal commercial cities of the South, they put two reserve banks in one State of the Union, and then when the emergency came the dear Democratic members of the reserve commission were afraid to set the system in operation; they had to come back to the Republican Aldrich-Vreeland measure.

Mr. SMITH of Georgia. I let the Senator interrupt me, because I knew nothing could be said by him that would affect in any way my argument; that it was impossible for the ablest champion of the old skeleton to defend it——

Mr. NELSON. Mr. President——

Mr. SMITH of Georgia. I can not continue to yield to the Senator.

Mr. NELSON. I do not wonder that the Senator can not.

Mr. SMITH of Georgia. I do not yield because I have given up half my time for some minutes past, and I want to finish. That is not the only reason. I say that the old skeleton could not act. But the Senator says that we did not start at once with the Federal reserve bank. Why? We understood perfectly that the immediate organization of the Federal reserve banks required a transfer of reserves held by banks throughout the country from the big banks in the East to the Federal reserve banks. We understood that it required that the banks should pay up their subscriptions to the capital stock. We knew that this would temporarily interfere with the normal condition of the banking systems of the country, and it would take 30, 60, or 90 days to put into full effect the reserve banking system and give the country the blessing it has since received from its existence.

Mr. NELSON. What are the blessings?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Minnesota?

Mr. NELSON. What are the blessings?

Mr. SMITH of Georgia. I will tell the Senator.

Mr. NELSON. The banks have not received any dividends and they have lost the interest they used to get on their reserves. The system so far has been a burden to the member banks. Now, in what other direction have the blessings come? I should like to have the Senator from Georgia itemize them.

Mr. SMITH of Georgia. I am not surprised that the splendid Senator from Minnesota can not keep his seat. It is hard to stand, but it is true. It is hard for the leaders of the Republican Party, who controlled this country for nearly 50 years, to be told, and to have it proven to them, their inefficiency in handling the banking system.

The Reserve Banking System has placed the banks of the country where at any time in case of pressure they need not fear a shortage of currency. They can take their good commercial paper to the reserve banks and obtain what currency they need. When money is close, instead of calling in their loans, through the aid of the Reserve Banking System they can broaden their loans, thereby relieving financial distress and preserving a prosperous condition in the business of the country generally.

To put the banks of the country in this position is worth far more to them than the amount they have paid for capital of the reserve banks.

The reserve banks have helped the farmer market the crop, they have helped business houses conduct their business, and they have facilitated a prosperous banking condition throughout the entire land.

Mr. NELSON. Will the Senator yield? I know the Senator does not care about——

Mr. SMITH of Georgia. I can not yield further.

Mr. NELSON. I am ready to stand by the Republican guns.

The PRESIDING OFFICER. The Senator from Georgia declines to yield.

Mr. NELSON. If the Senator does not care to yield, all right; I will have another opportunity.

Mr. SMITH of Georgia. Certainly; and I will not interrupt the Senator. He can take his opportunity by himself and say anything he wishes, and I will not disturb him at all.

Mr. NELSON. I have never resorted to partisan debate in this Chamber. It remains for the Senator from Georgia to turn everything into a partisan debate. Old Senators who have served with me know that I have been as free from partisan debate as any Member of this body; but if the Senator from Georgia insists on it, before I get through, if not to-day, I will give him his fill.

Mr. SMITH of Georgia. I have no doubt of it. The Senator does not arouse anything but kindly feeling on my side by his expression. I did not begin this partisan debate. The Senator from Massachusetts [Mr. WEEKS] introduced the criticism of the Federal reserve act and presented the Aldrich-Vreeland Act as the great panacea that helped us out of our troubles in the summer of 1914.

Now, I want to say to the Senator that I have been here fully five years, and this is one of the few times he ever heard me make a partisan speech.

Mr. NELSON. Will the Senator allow me one statement?

Mr. SMITH of Georgia. All right.

Mr. NELSON. I think we can come to a fair understanding. I am not in such a belligerent mood that I can not see the truth. There were three things, as the Senator knows, that helped to stave off the panic of 1914. The panic grew, in the first instance, as the Senator knows, largely from the dumping of our securities upon the stock exchange.

Mr. SMITH of Georgia. Our securities held abroad were sent here.

Mr. NELSON. Yes; the Senator is correct about that. There were three things that were done in that emergency. The first was the closing of the stock exchange for a time.

Mr. SMITH of Georgia. Yes.

Mr. NELSON. The second was the issuance, to some extent, of clearing-house certificates.

Mr. SMITH of Georgia. Yes.

Mr. NELSON. And the third was the issuing of the emergency currency—the Aldrich-Vreeland currency. Am I not correct in that statement?

Mr. SMITH of Georgia. I think the issue was practically only of notes under the Aldrich-Vreeland law. I do not think there were any considerable amount of clearing-house certificates issued during that time.

Mr. NELSON. There was a considerable amount of clearing-house certificates issued during that time.

Mr. SMITH of Georgia. There were so few that they did not attract my attention. The currency relief was in consequence of the amendments which we made to the Aldrich-Vreeland Act.

Mr. NELSON. Will the Senator from Georgia allow me one word further?

Mr. SMITH of Georgia. Yes.

Mr. NELSON. I have always thought that what did more to stop the dumping of American securities from abroad upon our stock exchange was the closing of the stock exchange.

Mr. SMITH of Georgia. That undoubtedly helped.

Mr. NELSON. I thought that was one of the most effective methods at the time.

Mr. SMITH of Georgia. It undoubtedly helped.

Mr NELSON. If that had not been done, no matter what else we might have done, it would have been doubtful whether or not we could have stopped that. The Senator knows what a great volume of American securities were held abroad, and as those securities would have been dumped upon our stock exchange the gold would have kept flowing from our country to Europe in a steady stream, so that we would have been left in the same condition we were during the Cleveland administration, when all our gold went to Europe.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Under the rule enforced upon the Chair by the older Senators, the Chair supposes that the Senator from Colorado has as much right to speak as has any other Senator.

Mr. NELSON. I apologize to the Chair. Perhaps I have been a little out of order, but the exuberance of the Senator from Georgia [Mr. SMITH] was such that I could not restrain myself. [Laughter.]

Mr. SIMMONS. I hope Senators will now let us go on with the bill.

Mr. THOMAS. Mr. President——

Mr. SMITH of Georgia. I will yield to a question from the Senator from Colorado.

Mr. THOMAS. I merely wish to ask the Senator from Georgia if it would not be possible to complete the munitions section of the bill this evening?

Mr. SMITH of Georgia. I shall close what I have to say in a very few minutes. I should have closed long ago if I had not been so often interrupted.

I shall not discuss the loss of our gold during the Cleveland administration. But that loss was clearly due to the act known as the Sherman Silver Purchasing Act, by which quantities of silver were purchased and coined into depreciated dollars. I will adhere to the financial troubles in August, 1914.

On August 4, 1914, we passed an amendment to the Aldrich-Vreeland Act wiping out the restrictions which that act provided as to the securities which national banks must place with the Treasury Department to give them authority to issue for circulating purposes their national-bank notes.

By this amendment passed August 4, 1914, national banks were allowed to issue their national-bank notes for circulation as money, putting up as security with the Treasury Department their commercial paper. Before this, under the old Aldrich-Vreeland Act, the character of security required from the banks consisted of a limited number of bonds. Few banks had them. The security was of a character that prevented most banks from using the Aldrich-Vreeland Act and hampered its use to such an extent as to practically render it of no value.

By this amendment alone the amount of bank notes that could be issued by the banks was greatly enlarged, and really an entirely new system was created.

When the amendment was passed, on August 4, 1914, despondency existed in banking circles. Within 48 hours buoyancy took the place of despondency. Under the amendment which the Democratic administration placed upon the Aldrich-Vreeland Act, transforming its nature and its character, breathing, as I have said before, into it the breath of life, it became possible to issue bank notes in large quantities and to put them into circulation for the practical use of business throughout the entire country.

As I recall, over $450,000,000 of these notes were put into circulation in a very short time. They stopped the tendency to liquidation and relieved a most dangerous situation. Instead of the New York banks calling upon their local correspondents for settlements, they loaned out additional money. The banks all over the country took courage and, instead of forcing their debtors to settlements, they broadened credits.

To have accomplished this result under the Aldrich-Vreeland Act, the three amendments placed upon it by the Democratic administration were essential:

First. The reduction of the rate of the tax, so that the amount paid by the banks was sufficiently small for them to issue the notes and use them in ordinary business.

Second. The character of security required from the banks was entirely changed, so that all banks were able to give the security.

Third. The volume of issue which each bank could make was greatly enlarged, so that the necessities of the situation were met.

The old Aldrich-Vreeland Act might have been used by a few banks to save themselves in a great emergency from ruin.

It was changed from this nature into a new life. In its changed condition it could be used to meet the necessities of business throughout the entire country, and in its changed condition the banks did meet the necessities of business and saved this country from what otherwise would have been a terrible panic.

The changes made produced a measure which could be used not only in a panic but to avert one.

Seriously, the old bill was of great value. It was but the skeleton—call it skeleton or what you please, laying aside all partisanship and being perfectly candid. It stood there, but did not meet the situation as it stood.

What I insist is that, to say the least, this Democratic administration is entitled to credit for the amendments put to the Aldrich-Vreeland Act that gave it proficiency. Frankly, I would not have said as much as I have about this matter but for the fact that there has been an effort to insist that the Democrats are incapable of sound financial legislation. I take issue with that view. I think we have shown during the past three years, while not always perfecting absolutely the legislation we have passed, we are entitled to the credit of having contributed substantially to the financial legislation of the country and having met the emergency that was upon the country in the summer of 1914 and since that time.

I wish to say that most of the Republicans joined us and helped us and acted in a nonpartisan way. I will say to the Senator from Minnesota [Mr. NELSON] that I think this is the second time I have ever made anything like a partisan speech in the Senate. I do not like it; I do not believe in it. I think we ought to join together to try to do something for the welfare of the whole people and think a good deal less about the results to parties. I really feel that way.

Mr. NELSON. And avoid caucus legislation.

Mr. SMITH of Georgia. I am not in favor of binding caucuses; but it can not be denied that a Democratic caucus gave the country the reserve banking system.

Mr. VARDAMAN. Mr. President, we have spent the entire afternoon discussing ancient history, which, to my mind, was an unwarranted prodigality of precious time. I think that some of us are unable to apprehend the wise philosophy in the lines of Joaquin Miller, who stated an eternal truth when he said:

> There is so much bad in the best of us
> And so much good in the worst of us
> That it hardly behooves any of us
> To talk about the rest of us.

A slight observance of this self-evident truth would make life much less burdensome and enable the United States Senate to get along with its work with greater facility and enable us all to avoid a good deal of unnecessary friction. To my mind the most disagreeable and unprofitable thing in the world is looking for defects in other folks, and especially if one is looking for the defects for the purpose of censorious criticism rather than a desire for correction.

I am not going to take much time discussing the question before the Senate at this moment. I understand that the committee has agreed to accept the amendment which was proposed to strike out subsection 2.

Mr. SIMMONS. I will say to the Senator that we have not yet had a vote on that proposition.

Mr. VARDAMAN. I understand that; but I merely wish to say that I sincerely trust that the Senate may agree to the amendment. The matter has been thoroughly discussed and the merits of the amendment completely outlined by other Senators who are better prepared to discuss the question than I. Therefore I shall content myself with simply expressing my unqualified approval of the amendment and the hope that it may be agreed to by the Senate.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Arizona [Mr. ASHURST] to the amendment of the committee.

Mr. SMOOT. Mr. President, I intend to take but just a minute.

Mr. SIMMONS. Mr. President, will the Senator from Utah yield to me one moment?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from North Carolina?

Mr. SMOOT. I yield to the Senator for a few minutes.

Mr. SIMMONS. Will not the Senator let us have a vote on the pending amendment, and then go on with his speech?

Mr. SMOOT. I am only going to occupy a moment, and then the Senator can have a vote on the amendment.

The PRESIDING OFFICER. The Senator from Utah has the floor.

Mr. SMOOT. Mr. President, if the Senator from Georgia [Mr. SMITH] had yielded to me for just a moment I should not take up any time now; but I wish to say to the Senate that the Aldrich-Vreeland Act was an emergency measure, and that it was passed as an emergency measure, with no idea of its use other than in a great financial emergency. The rates of interest as provided for in the Aldrich-Vreeland Act were so high that as soon as the emergency ceased the currency in circulation issued under it would return to the Treasury of the United States. Does any Senator believe that if there was a bank in dire distress, which needed assistance, that that bank would not take out currency under the Aldrich-Vreeland law and pay 6 per cent interest per annum—one-half per cent interest per month—when perhaps in one month's time the bank would have ample opportunity to sell off its securities or collect from its notes due sufficient money to make its reserves perfectly secure? It was never intended that any bank should use the Aldrich-Vreeland currency in the regular ordinary course of business. The rates were such that the general use of it, with the result of pyramiding of credits, could never be made profitable in this country.

The Senator from Georgia has stated that he believed no banking institution could afford to pay 10 per cent per annum for the securing of emergency currency.

Why, Mr. President, 12 per cent per annum would be only five-sixths of 1 per cent per month upon the amount of currency issued. That is all the banks would be required to pay for a month's use of the money, and the interest would only be 1½

per cent for 60 days; and in 60 days there is not a bank in the United States that could not obtain from the securities it has on hand and from the notes that it holds sufficient to make its reserves all that the law requires.

There is no need of trying to dispute the truth of this statement. The Aldrich-Vreeland bill, together with the closing of the stock exchange, saved this country from a panic; and unless the stock exchange had been closed in August, 1914, even the Aldrich-Vreeland bill, authorizing a billion dollars of circulation, could not have saved this country from a financial panic; but the stock exchange was closed, thus preventing American securities owned abroad from being dumped upon the American market in quantities sufficient to disrupt business. By that wise action the banks of the country were given ample time to secure for their own business and for the business generally of the country enough currency under the Aldrich-Vreeland law to tide over the crises affecting the business interests of the United States.

Mr. President, if the rate of interest had been 6 per cent, as it was in the original Aldrich-Vreeland Act, the banks would have used the same amount of currency. I never have claimed that they would just as soon use it at 6 per cent as they would at 3 per cent, but the difference between 3 per cent and 6 per cent is only a quarter of 1 per cent for 30 days; and is there any Senator here who believes that a banking institution which was in trouble and wanted assistance and had the necessary assistance for the asking and had the power to use it would permit three-fourths of 1 per cent to stand in the way of securing such assistance?

No, Mr. President; I want to say, as a banker, that rather than that the business of the bank should suffer, or rather than to see the bank go into liquidation, I would gladly pay 10 per cent for 60 days, and every stockholder of every bank in the United States would support the officers of any bank in such action.

The Senator suggests that there was not a dollar of currency under the Aldrich-Vreeland bill in circulation when the rate of interest was 6 per cent per annum for the first month. There was no necessity for its circulation. Why, Mr. President, there is not a dollar of emergency currency in circulation today, notwithstanding the rate of interest is but 3 per cent, but I assert that during the time when it was in circulation the amount used was nearly $400,000,000. That currency did not stay out long, and it should not stay out long. If the interest rate were so low that it would pay the banks to use it, you would find in this country such a piling up or pyramiding of credits that when actual necessity arose and the time came when most of the banks of the country would need assistance, it would be impossible to accord it to them. Credits would have grown so enormously, and, to use a term that is ordinarily applied, been so pyramided that when the structure began to totter it would fall and would drag everything else after it.

Mr. President, I voted for lowering the rate of interest at the time that action was taken because of the then unnatural condition of affairs. The Senator from Georgia knew that the bankers of his State wanted assistance, but it was not the bankers so much as it was the cotton growers and the farmers of his State who were crying for help. The banks could not give it to them under the conditions that existed. Their reserves were below normal.

Mr. STONE. That was under Republican rule.

Mr. SMOOT. No; it was under Democratic rule, I will say to the Senator. It was in 1914.

Mr. STONE. I doubt it.

Mr. SMOOT. The Senator may doubt it, but that is the truth, just the same. I wanted to assist the cotton grower of the South, and so told the Senator; and I knew that the best way to do it was to lower the rates of interest, and under the conditions existing at that time the farmers would receive the benefit.

So far as emergency currency is concerned, whenever a bank in this country is in trouble, I do not care whether the rate of interest is 3 per cent or 6 per cent or 10 per cent per annum, that bank is going to pay the required rate of interest and save its credit and save the institution itself. I do not believe that anybody will dispute that proposition. It is a sensible business proposition. The bankers of this country are business men, and they would take advantage of the emergency currency if it became necessary, no matter if the rate of interest was 10 per cent; but under the Aldrich-Vreeland Act it would not have reached 10 per cent until the fifth month; and I say now that if any bank in the United States—I care not where it is located—can not within three months build up its reserves that are required under the law and maintain them against ordinary demands from the sale or collection of notes that it holds or from the bonds that it carries or from other securities it has in its vaults that bank is in no position to receive deposits from individuals.

I never expect to see emergency currency, Mr. President, used in the United States longer than from 60 to 90 days, and I believe the great bulk of it—in fact, I was going to say 99 per cent of it—will never be in circulation more than a month and a half.

Mr. SIMMONS. Mr. President, I want to ask the Senator——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from North Carolina?

Mr. SMOOT. Mr. President, if the Senator will just have patience for one more minute, I will conclude.

The PRESIDING OFFICER. The Senator from Utah declines to yield.

Mr. SIMMONS. I was going to ask the Senator a question about what he is saying now.

Mr. SMOOT. I thought the Senator wanted me to conclude my remarks.

Mr. SIMMONS. No.

Mr. SMOOT. I yield to the Senator.

Mr. SIMMONS. I simply wanted to ask the Senator a question, and that is whether the amendments to the Aldrich-Vreeland Act, about which he has spoken, were not made at the instance of the bankers of this country in order that this money might be more available for use by them?

Mr. SMOOT. Mr. President, the bankers of the country, of course, would rather get money at 3 per cent than 6 per cent, but that does not argue that the bankers would not have used emergency currency at that time if they had had to pay 6 per cent for it.

Mr. UNDERWOOD. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Alabama?

Mr. SMOOT. Certainly; I yield to the Senator.

Mr. UNDERWOOD. I am not an expert on the banking question, but I do remember a little history in reference to the Aldrich-Vreeland Act. The morning that that bill was passed—and it was passed by the House in the morning and came to the Senate and was signed by the President all in one day—three very prominent bankers came into my office in the House and assured me that the passage of those amendments was absolutely necessary to save the financial situation; and a number of other bankers from New York told me on that morning, in fact they insisted, that to save the situation it was absolutely necessary to amend the Aldrich-Vreeland bill, which, as it was then on the statute books, was not in a condition to serve their purposes at that time.

Mr. SMOOT. Mr. President, I do not care what the bankers told the Senator. I know that if the bankers that came to the Senator were in trouble and their banking institutions had to have money, they would have paid one-half of 1 per cent per month for the money in order to secure it. There is no question about it, and I believe the Senator knows that that is true. Of course, I am perfectly willing to admit that the bankers that came to the Senator would have preferred to pay 3 per cent per annum rather than 6 per cent, or they would have preferred to secure their money for one-quarter of 1 per cent per month rather than one-half of 1 per cent per month. That is all there is in the whole question.

Mr. UNDERWOOD. I want to say to the Senator, if he will allow me, that I am not very familiar with this banking bill, as I did not serve on the committee. I was only connected with it that one day when they wanted immediate action by the House. My recollection, however, is that that was not the only amendment of that act which they wanted to make it operative; that there were other amendments which they regarded as more vital than that. I do not remember very much discussion of the interest rate, but there were other questions in the bill, about which my recollection is not sufficiently alive at this time to call them to the Senator's attention. But I do know that they had the matter up with the White House, with the President, and they had it up with me, and from New York and here they insisted that the immediate passage of that bill on that day was necessary to save the financial situation and avert a panic.

Mr. O'GORMAN. Mr. President——

Mr. SHAFROTH. Mr. President, will the Senator yield to me? I should like to be able to explain the very position——

The PRESIDING OFFICER. Does the Senator from Utah yield, and to whom?

Mr. SMOOT. I shall be glad if the Senator will take the floor in his own time, because I told the Senator from North Carolina [Mr. SIMMONS] that I would take only a few moments; and then if the Senator from North Carolina desires the Senator from Colorado to go on, well and good.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. SMOOT. But I want to say, in conclusion, that if the Vreeland-Aldrich bill had not been upon the statute books in its amended form or in its original form the Federal reserve act never would have assisted this country during the trying times of August and September, 1914. I say now that it was that act which carried this country through. It was $400,000,000 of the Vreeland-Aldrich currency that had lain in the vaults of the Treasury of the United States, unused for six years, that was then put into circulation. I want also to say that if that act had been in operation in its original form, with the notes bearing one-half of 1 per cent interest per month for the first month, it would have been used in exactly the same way that it was when the notes bore 3 per cent per annum, or one-quarter of 1 per cent per month.

Mr. SHAFROTH. Mr. President——

Mr. THOMAS. I desire unanimous consent of the Senate that we take a vote upon the pending amendment day after to-morrow at half past 6. [Laughter.]

SEVERAL SENATORS. I object.

Mr. SHAFROTH. Mr. President, I want to reply for just a minute to the statement made by the Senator from Utah [Mr. SMOOT]. The facts are that if the Federal reserve act had not been in effect on the 4th day of August, 1914, there would have been no Vreeland-Aldrich Act. That act expired by its own terms on the 30th of June, 1914; and without the passage of the Federal reserve act there would have been no temporary act in existence at all.

Mr. SMOOT. Is it not true that there was not a single objection to the extension of that act?

Mr. SHAFROTH. Why, the very fact that your people voted against the Federal reserve act was a vote not to extend that act, because the Federal reserve act extended the Aldrich-Vreeland Act.

Mr. SMOOT. The Aldrich-Vreeland Act had been extended before it was passed.

Mr. SHAFROTH. I want to get through, and I just want to say this: The Senator from Alabama [Mr. UNDERWOOD] is correct when he says that it was not only at that time, August 4, 1914, that the Aldrich-Vreeland Act was objected to by the bankers. They would not take out any emergency currency because of the fact that this currency was limited by the terms of the Aldrich-Vreeland Act so that a bank that had been issued 40 per cent of its capital stock and surplus could not get any money whatever. The result was that in the Federal reserve act we increased the right to issue to 125 per cent, and it was that which the bankers insisted they must have in order to take out any currency whatever.

Why, Mr. President, if you will notice, the act was passed on the 4th day of August, 1914, and the first money issued by the Treasurer was on August 4, 1914. The bankers were in negotiation, and they would not take out a single dollar of it until that act was signed; and that gave vitality to the Aldrich-Vreeland Act.

The PRESIDING OFFICER. The question is upon the amendment of the Senator from Arizona [Mr. ASHURST] to strike out subsection 2, page 79.

The amendment to the amendment was agreed to.

Mr. THOMAS. Mr. President, now that the motion to strike out subsection 2 has been agreed to, I ask that, on line 20, page 79, the figure "3," in parentheses, be altered to "2."

The PRESIDING OFFICER. Without objection, that will be done.

Mr. PENROSE. Mr. President, I should like to call the attention of the Senator from Colorado to the top of page 79, line 1, "firearms." Ought there not to be a similar amendment there?

Mr. THOMAS. The Senator from Massachusetts is about to offer that.

Mr. PENROSE. Oh, I did not know that.

Mr. WEEKS. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The Senator from Massachusetts offers an amendment to the amendment, which the Secretary will state.

The SECRETARY. On page 79, line 2, after the word "arms," it is proposed to add "manufactured and used for military purposes."

Mr. PENROSE. Mr. President, I was going to add another word there, "or for sporting purposes."

Mr. THOMAS. I will say to the Senator from Pennsylvania that this amendment accomplishes the idea that he has in mind. It is expressed somewhat differently from the amendment which was offered to section 41, on the other page, but the effect of it is to limit the tax to rifles which are manufactured and used for military purposes.

Mr. PENROSE. Yes; but that does not cover sporting purposes.

Mr. THOMAS. They are excepted from the operation of the act by that language.

Mr. WEEKS. There will be no tax on any kind of an arm that is not used for military purposes, if the amendment I have offered is agreed to.

Mr. PENROSE. I beg the Senator's pardon. I did not understand it.

Mr. THOMAS. If the Senator finds to-morrow that it does not express the idea that we all have in view, we can easily change the phraseology.

Mr. PENROSE. There was so much confusion in the Chamber that I did not catch the purpose of the amendment.

The PRESIDING OFFICER. The Chair will not put the question until there is some order in the Chamber. [A pause.] The Senator from Massachusetts offers an amendment to the committee amendment, which will be stated.

The SECRETARY. On page 79, line 2, after the word "arms," it is proposed to insert "manufactured and used for military purposes."

Mr. THOMAS. That amendment is accepted by the committee.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 79, after line 23, to insert:

SEC. 42. Every corporation manufacturing or selling in the United States any of the articles mentioned in section 201 shall, on or before March 1 of each year, make a return under oath to the collector of internal revenue of the district wherein the principal office or place of business in the United States is located, stating the amount of capital invested in such business and the amount of net profits from the sale and disposition of such articles during the preceding taxable year, the names and locations of the corporations, and the amounts, character, and values of the materials obtained from each such corporation for use in manufacturing the articles mentioned in paragraph (1) of this section. Where the corporation has separate capital invested in the manufacture of such articles its return shall be made on the same form as that used for income-tax returns, and its net profit for the year shall be the gains or the profits assessed and taxed by the income-tax authorities: *Provided*, That in case such corporation has undivided capital invested in the manufacture of the articles specified in section 201 and of other articles, the return herein provided for shall be in such form and shall set forth such particulars as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may require, and the tax herein provided for shall be imposed only on the net profits resulting from the manufacture and sale of the articles specified in section 201, and the profits shall be determined from the books and accounts of such corporation: *Provided, however*, That if the amount invested in the manufacture of, and the net profits resulting from the sale or disposition of, the articles so specified can not be determined, the amount invested in the manufacture of these articles, and the net profit therefrom, shall be considered as in the same ratio to the total amount invested and the total net profits as the gross receipts from the sale and disposition of such articles bear to the total gross receipts from the sale and disposition of all articles manufactured.

Mr. THOMAS. Mr. President, in lieu of the word "two," on line 25, page 79, and the words "hundred and one," on line 1, page 80, I ask to have inserted the words "forty-one."

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The SECRETARY. It is proposed to strike out "two hundred and one," on line 25, page 79, and line 1, page 80, and insert "forty-one."

The PRESIDING OFFICER. Without objection, the amendment will be made.

Mr. THOMAS. The same correction should be made on lines 18 and 25, page 80.

The SECRETARY. In line 18, on the same page, it is proposed to strike out "two hundred and one" and insert "forty-one," and on lines 24 and 25 it is proposed to strike out "two hundred and one" and insert "forty-one."

The PRESIDING OFFICER. Without objection, those corrections will be made.

Mr. THOMAS. Mr. President, the clause beginning after the word "year," on line 7, page 80, down to and including the word "section," on line 11, was designed to cover the returns made necessary by the provisions of subsection 2. That subsection having been stricken from the bill, I move that all between the word "year," on line 7, and the word "section," on line 11, inclusive, be stricken out.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The SECRETARY. On page 80, line 7, after the word "year," it is proposed to strike out the comma and all down to and including the word "section," in line 11, in the following words:

The names and locations of the corporations, and the amounts, character, and values of the materials obtained from each such corporation

for use in manufacturing the articles mentioned in paragraph (1) of this section.

The amendment to the amendment was agreed to.

Mr. THOMAS. At the end of section 42 the committee offers the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 81, after line 10, it is proposed to insert the following as a separate paragraph:

A reasonable allowance, according to the conditions peculiar to each concern, for amortization of the values of buildings and machinery, account being taken of the exceptional depreciation of special plants, shall be deducted from the amount of net profits as herein defined.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 81, after line 10, to insert:

SEC. 43. All such returns shall be transmitted forthwith by the collector to the Commissioner of Internal Revenue, who shall, as soon as practicable, assess the tax found due and notify the corporation making such return of the amount of tax for which such corporation is liable, and such corporation shall pay the tax to the collector on or before 30 days from the date of such notice.

The amendment was agreed to.

The next amendment was, on page 81, after line 17, to insert:

SEC. 44. If the Secretary of the Treasury or the Commissioner of Internal Revenue shall have reason to be dissatisfied with the return as made, or if no return is made, the commissioner is authorized to make an investigation and to determine the amount invested in such business and the amount of net profits, and may assess the proper tax accordingly. He shall notify the corporation making such return, and shall proceed to collect the tax in the same manner as provided in this title, unless the corporation so notified shall file a written request for a hearing with the commissioner within 30 days after the date of such notice; and on such hearing the burden of establishing to the satisfaction of the commissioner that the amount invested and the amount of net profits as determined by the commissioner is incorrect shall devolve upon such corporation, and the decision of the Commissioner of Internal Revenue, if approved by the Secretary of the Treasury, shall be conclusive.

The amendment was agreed to.

The next amendment was, on page 82, after line 10, to insert:

SEC. 45. The tax may be assessed on any corporation for the time being owning or carrying on the business, or any person acting as agent for that corporation in carrying on the business, or where a business has ceased on the corporation which owned or carried on the business or acted as agent in carrying on the business immediately before the time at which the business ceased.

The amendment was agreed to.

The next amendment was, on page 82, after line 17, to insert:

SEC. 46. For the purpose of carrying out the provisions of this title the Commissioner of Internal Revenue is authorized, personally or by his agent, to examine the books, accounts, and records of any corporation subject to this tax.

The amendment was agreed to.

The next amendment was, on page 82, after line 21, to insert:

SEC. 47. For the expense connected with the assessment and collection of the taxes provided by this act there is hereby appropriated $100,000, or so much thereof as may be required, out of any money in the Treasury not otherwise appropriated, and the Commissioner of Internal Revenue is authorized to appoint and fix the compensation of such officers, clerks, messengers, janitors, and other necessary employees in the enforcement of the provisions of this act for duty in the District of Columbia, or in any collection district of the United States or any of the Territories thereof.

Mr. PENROSE. Mr. President, I call attention to the fact that there is no civil-service or merit system provision as to these new appointments. I should like to ask the Senator from Colorado, having the bill in charge, how many additional employees, in his opinion, will be required to carry out the provisions of this revenue bill?

Mr. THOMAS. The revenue force at present is said to be probably sufficient for the purpose. It will require very few more, if any.

Mr. PENROSE. It does not seem to me that $100,000 will come anywhere near defraying the expenses of the additional employees required.

Mr. THOMAS. I think it will be more than ample for the purpose. Very few, if any, additional employees will be needed.

Mr. PENROSE. I hope we will not have to note the presence, in some deficiency bill coming along, of a provision and appropriation for a larger amount. I have here a clipping from the San Francisco Chronicle, in which they state that 100 additional employees are now being arranged for in connection with the wine tax in one revenue district in California. How accurate that may be I do not know, but it looks to me as if one of the features of this bill will be the usual lavish provision for additional places for "deserving Democrats" left unprotected by the merit system as the bill now stands.

I will ask the Secretary to read this short clipping from the San Francisco Chronicle.

Mr. SIMMONS. Before it is read I wish to state to the Senator that there has not been the slightest suggestion in the committee that any additional force would be necessary in connection with the wine schedule.

Mr. PENROSE. Then, if that is correct, it is just as well to call the attention of the Senator to it and have him state the contrary to be the fact. I should like to have it read.

Mr. THOMAS. Of course the San Francisco Chronicle would be authority and know all about the purposes of the revenue department in Washington in regard to the wine schedule.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary read as follows:

[From the San Francisco Chronicle.]

TO CREATE MORE POSITIONS FOR DESERVING DEMOCRATS—COLLECTOR OF INTERNAL REVENUE J. J. SCOTT ANNOUNCES THE REORGANIZATION OF HIS DISTRICT, PROVIDING 100 NEW JOBS FOR THE FAITHFUL.

As a result of the strong pressure of business on the local internal-revenue office, caused by the income, war, and wine tax measures, Collector of Internal Revenue J. J. Scott yesterday announced that an entire reorganization of his district will take place.

The plans for the reorganization were placed before Secretary of the Treasury McAdoo on Scott's recent visit to Washington and were approved by the Cabinet officer.

TO CREATE NEW POSITIONS.

In San Francisco, Oakland, Sacramento, and Fresno the office forces and staffs will be reorganized. Heads will be appointed for the various branches of the local office and a new position of chief clerk is to be created.

Preparations will be made in the reorganization for the handling of the increased business caused by the passage of the new revenue bill. More than 100 men will have to be appointed on the passage of the bill to check up the wine manufacturers, said Scott.

Collector Scott also said that the revenue on wine in San Francisco alone would be increased more than $400,000 a year by the bill.

"There is no political significance in the reorganization," said Scott. "It is purely to put the district on a more efficient basis and prepare for the rush of business which the new revenue bill will cause."

By the new arrangement, which will be completed by September 1, the State of Nevada will be given liberal political patronage by the creating of five internal-revenue offices and a number of good salaried positions. For the first time the banks of Nevada will be made the depositories for internal-revenue collections under the new plan.

FIVE OFFICES IN NEVADA.

The new plan, as outlined by Collector Scott, is to establish a branch office and four field offices in Nevada. The branch office will be at Reno and the field offices at Tonopah, Carson, Winnemucca, and Ely. William A. Kelley, who is at present field officer in Nevada, will be placed in charge of the Reno office and will direct internal-revenue matters for the entire State. The appointments for the new positions will be made by Scott.

At present the money received for internal-revenue collections in Nevada is deposited either in San Francisco or Sacramento. Under the new arrangements all collections made in Nevada and in California east of the Sierra will be banked at Reno.

Mr. PENROSE. This seems to be an official interview from Scott, and if it is incorrect I think his superior officers in Washington should call him to account.

Mr. THOMAS. The wine schedule as amended by the Senate differs not very materially from the present bill. There is a radical difference between it and the bill which passed the House and which was sent here. I am unable to state what change or addition would be required by the bill as passed by the House, but I am satisfied that if the bill as it is now before the Senate becomes the law the article which has just been read constitutes largely, if not entirely, a fairy tale. If, however, additional help is required for the administration of the revenue and the collection of that revenue, I am sure that appointments will be made for the purpose, and I hope that every one of them will be that of a deserving Democrat.

Mr. SIMMONS. I should like to ask the Senator from Colorado what he thinks would be the necessity of five additional collectors of internal revenue in Nevada under this bill.

Mr. THOMAS. I do not think there is any basis for it whatever, except it be that the interview was had upon the assumption that the bill as it passed the House would be the law, and even then I am not prepared to say that there was any basis for it. But so far as the additional appointments in the State of Nevada are concerned, it seems to me it bears its own refutation upon its face. The thing is preposterous.

Mr. STONE. If the Senator will allow me, it is not an interview. It does not purport to be an interview, although it is so characterized by the Senator from Pennsylvania.

Mr. PENROSE. It says it quotes Scott's language.

Mr. STONE. It says that Scott's attitude is so-and-so.

Mr. OLIVER. It says this is Mr. Scott's language.

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Missouri?

Mr. THOMAS. I yield to the Senator from Missouri.

Mr. STONE. I wish to say just this word: I wonder where the Senator from Pennsylvania got that. Somebody sent it to him. He is not a subscriber to the San Francisco Chronicle.

Mr. PENROSE. It was sent to me by a highly reputable citizen who is outraged by the way the present administration is undermining the merit system.

Mr. THOMAS. It was probably sent by the Republican nominee for the Presidency.

Mr. STONE. I presume it came from such a source.

Mr. President, it says, as I recall it, that 100 additional men will be appointed in California. There is an appropriation of only $100,000 provided for.

Mr. PENROSE. You will come along in another bill. This is just a feeler.

Mr. STONE. There is not enough appropriated here to pay for 100 men in California. The thing is positively absurd, and the Senator from Pennsylvania knows it is absurd on its face.

Mr. PENROSE. I do not know. The appropriation of $100,000 will carry them along very well until next December when in some guise or other there will be a couple of million dollars to provide for payments for these additional men.

Mr. STONE. But the Senator can not point out any additional expense that will be entailed. He can not point it out and he knows it. He just gets up here in that way he has adopted and makes assertions. The Senator from Colorado has well said that the official information is that it will require practically no additional force.

Mr. PENROSE. I should like to ask the Senator whether Scott is not an official. He comes to Washington and has an interview with the Secretary of the Treasury, goes home and he says it will require 100 additional clerks. I call the attention of the Senator from Missouri to the fact that in the deficiency bill, which will soon be before this body, there is an item of $340,000 for just such deficiencies as will arise under this bill. One hundred thousand dollars will carry these deserving Democrats along very nicely for a couple of months and another deficiency bill will come in with an item of a million dollars to carry them on for another three or four months.

Mr. THOMAS. I think this is a sort of political play which the Senator from Pennsylvania has been carrying on ever since he has returned to the fold. The Senator was away almost entirely during the session until the last few days. I intimated some days ago what I thought to be the cause of this remarkable transformation. We all remember that the Senator had been away so long that when he first returned it became necessary for him to ask the Secretary to read the roll call in order that he might refamiliarize himself with the names of his associates, and he actually thought some outsider had committed an infraction of the rules on some occasion and had come in on the floor in response to the name of the Senator from Texas [Mr. CULBERSON.] I think the Senator in offering this newspaper clipping is simply consistent. It is a part of what has been going on here every day ever since his return. The Senator is persona non grata with the national committee of the Republican Party, during the campaign at least, but he can be of some service by coming down to Washington and resuming his seat and nosing around in the garbage barrels of the Capitol for political nourishment.

Mr. PHELAN. Mr. President, my attention has been called to the excerpt from the San Francisco Chronicle, which was read from the Secretary's desk at the request of the Senator from Pennsylvania. I desire to say that I am in a position to be informed, and that there is no truth in the article. Mr. J. J. Scott, internal-revenue collector in the San Francisco and Nevada district, was in Washington a few weeks ago; and certainly I would have been informed if there was any such increase of places.

I had a letter from San Francisco stating that there was such a publication, but I had not read it until now; that my office was besieged by applicants for places which had no existence in fact; and that the San Francisco Chronicle, the organ of the Republican Party in California, was having some merriment at our expense; and hence, to introduce it in the Senate as evidence of the fact that there is to be a large increase or any increase in places, certainly reflects upon the Senator from Pennsylvania who introduced it without verifying it. There has been much said in the last few days about imposing upon the Senate, and I sympathize with that sentiment. I desire to say that this simply refers to a reorganization and a readjustment by which the collection district of California will lose some men in favor of the Nevada district where the business is largely increased.

Mr. GALLINGER. Mr. President, in this section I find the following language:

And the Commissioner of Internal Revenue is authorized to appoint and fix the compensation of such officers, clerks, messengers, janitors, and other necessary employees in the enforcement of the provisions of this act.

Mr. President, that is a pretty wide discretion given to the Commissioner of Internal Revenue. He can appoint as many employees as he pleases and he can pay such salaries as he pleases. In the shipping bill and in the workmen's compensation bill there was no provision that appointments should be made under the Civil Service Commission. I offered amendments to those two bills—I confess I do not know what became of them in conference—providing that appointments made necessary by the enactment of those measures should be made through the Civil Service Commission, and there was no opposition on either side of the Chamber to those amendments. I now propose, Mr. President, to offer an amendment after the word "thereof," in line 7, on page 83, to add these words:

All appointments of officers, clerks, messengers, janitors, and other necessary employees shall be made from the eligible lists of the Civil Service Commission and in accordance with the provisions of the civil-service law.

That is substantially the same language that was placed in the two bills to which I have called attention, and I hope there will be no objection to the amendment.

The PRESIDING OFFICER. The question is on the adoption of the amendment of the Senator from New Hampshire to the amendment of the committee, which the Secretary will state.

The SECRETARY. On page 83, line 7, after the word "thereof," it is proposed to amend the amendment of the committee by inserting:

All appointments of officers, clerks, messengers, janitors, and other necessary employees shall be made from the eligible lists of the Civil Service Commission and in accordance with the provisions of the civil-service law.

Mr. STONE. I ask that the amendment be read again.

The PRESIDING OFFICER. The Secretary will again state the amendment to the amendment.

The Secretary again read the amendment to the amendment.

Mr. SIMMONS. Mr. President, I call the attention of the Senator from New Hampshire to the fact that the collectors of internal revenue are not now under the civil service, and I suggest to the Senator that he except collectors of internal revenue.

Mr. GALLINGER. The amendment will not affect the collectors.

Mr. SIMMONS. What provision is there in the amendment that would relieve them from its application?

Mr. GALLINGER. The amendment provides that only the subordinate officers named shall be appointed under civil-service regulations. It certainly does not reach the collectors.

Mr. SMITH of Georgia. Are the subordinate officers referred to those employed in the States under the collectors?

Mr. GALLINGER. They are the subordinate officers.

Mr. SMITH of Georgia. Or are they the clerks employed here in Washington for that service?

Mr. OVERMAN. The amendment applies to all these employees everywhere.

Mr. GALLINGER. The provision now in the bill reads:

And the Commissioner of Internal Revenue is authorized to appoint and fix the compensation of such officers, clerks, messengers, janitors, and other necessary employees in the enforcement of the provisions of this act for duty in the District of Columbia, or in any collection district of the United States, or any of the Territories thereof.

The PRESIDING OFFICER. The question is on the adoption of the amendment offered by the Senator from New Hampshire to the amendment reported by the committee.

Mr. GALLINGER. I ask for the yeas and nays on the amendment.

Mr. PENROSE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hughes	Oliver	Smith, Ga.
Bankhead	James	Overman	Smoot
Beckham	Kenyon	Page	Sterling
Chamberlain	Kern	Penrose	Stone
Chilton	Lane	Phelan	Swanson
Curtis	Lee, Md.	Pittman	Thomas
Dillingham	Martin, Va.	Shafroth	
Fletcher	Nelson	Sheppard	
Gallinger	O'Gorman	Simmons	

The PRESIDING OFFICER. Thirty-three Senators have answered to their names. There is not a quorum present.

Mr. KERN. I move that the Senate adjourn until 10 o'clock to-morrow morning.

The motion was agreed to; and (at 6 o'clock and 20 minutes p. m., Thursday, August 31, 1916) the Senate adjourned until to-morrow, Friday, September 1, 1916, at 10 o'clock a. m.

HOUSE OF REPRESENTATIVES.

THURSDAY, *August 31, 1916.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven, our hearts turn to Thee in this hour of strife and contention which threatens our people with a grave calamity and pray most fervently that Thy spirit may come with all power upon those who shall be called upon to meet the situation; that they may be guided by wisdom, justice, and unselfish devotion in solving the problems; that a great calamity may be averted and harmony restored; that the Nation may be more firmly knitted together in the bonds of brotherhood. Hear us in the name of the world's great Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

ORDER OF BUSINESS.

Mr. FITZGERALD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 17645, the general deficiency bill.

Mr. KITCHIN. Mr. Speaker, pending that I hope the gentleman will withhold it a minute. I want to get some unanimous-consent requests in.

Mr. FITZGERALD. Go ahead and make your requests.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that upon the completion of the deficiency bill the bill H. R. 17350 be in order.

The SPEAKER. What is it about?

Mr. KITCHIN. To promote export trade and other purposes, and known as the Webb bill.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that when the general deficiency bill is disposed of the bill H. R. 17350 be in order. Is there objection?

Mr. BUCHANAN of Illinois. I object.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock a. m. to-morrow, and if the deficiency bill is completed, or upon the completion of that bill to-morrow, we take up the business on the Private Calendar where we left off.

Mr. MANN. Unobjected bills.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock a. m. to-morrow.

Mr. MANN. When any privileged bill is out of the way.

Mr. KITCHIN. Yes, of course. This is not to interfere with conference reports or privileged bills.

The SPEAKER. The gentleman from North Carolina [Mr. KITCHIN] asks unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock a. m. to-morrow, and that when the deficiency bill is finished the Private Calendar should be taken up for bills that are not objected to.

Mr. MANN. Beginning where we left off.

Mr. KITCHIN. Yes.

The SPEAKER. Beginning where we left off. And this arrangement not to interfere with conference reports and privileged bills.

Mr. HASTINGS. Mr. Speaker, reserving the right to object, I want to inquire what it means by saying "where we left off"?

The SPEAKER. The calendar shows where we left off.

Mr. HASTINGS. It so happens that I am not familiar enough with that. I thought we ran through the entire Private Calendar the other day for the unobjected bills.

Mr. KITCHIN. A great many bills have been put on since.

Mr. HASTINGS. This means, if I understand it, new bills put on since. Of course, Mr. Speaker, I am a new Member of the House and am not going to object at this time.

The SPEAKER. The Chair does not understand. The Clerk understands the same thing that the gentleman from Oklahoma does, that we went through with this business.

Mr. ALLEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ALLEN. Would that interfere with the consideration of the Webb bill, then?

Mr. MANN. Not if it is made privileged.

Mr. ALLEN. If it is made a special order.

The SPEAKER. It has not been made privileged. Under this request we begin at No. 411.

Mr. LINTHICUM. Mr. Speaker, would that preclude my asking unanimous consent to take up a bill of urgent importance?

The SPEAKER. It has nothing in the world to do with that.

Mr. HASTINGS. I wish to say, reserving the right to object, and I shall not object, being a new Member here, that I am not in sympathy with this method of legislation. I believe all these bills on the Private Calendar ought to be considered, and there ought to be some rule for consideration of them and some time given to them, but I will discuss that a little later on in the House.

The SPEAKER. Is there objection?

Mr. TOWNER. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from North Carolina [Mr. KITCHIN] if he ought not also to exclude legislation that may be presented regarding the strike situation?

Mr. KITCHIN. To-morrow?

Mr. TOWNER. Yes.

Mr. KITCHIN. I do not contemplate any strike legislation to-morrow. I would not mix that up with it, and I will say to the gentleman I have not the faintest idea that any strike legislation will be in to-morrow.

Mr. TOWNER. Upon the assurance of the gentleman that that is true, it is not necessary.

The SPEAKER. Does the gentleman want to add anything else to his request?

Mr. KITCHIN. I believe I have put it all now.

The SPEAKER. Is there objection?

Mr. BUCHANAN of Illinois. Mr. Speaker, reserving the right to object, it seems at this time we are facing a crisis. The great transportation facilities of this country are about to be tied up, due to the fact that the big business crooks of the country who control the railways are striving to bring about legislation that will give them the opportunity to further increase their freight rates to an abnormal price before they accede to the very moderate and reasonable requests or demands of the employees who are operating the railroads of the country, and it seems to me that instead of asking unanimous consent to consider bills that these criminal corporations are seeking in the way of revising the trust laws and the Clayton Act, if the Congressmen, the Members of both branches, were doing their full duty to the citizens of the country they would muster up courage enough and take hold of this matter and pass legislation now that would provide for the President to take control of these railroads and operate them and guarantee to the people of this country that the transportation facilities will not be tied up.

It is not my purpose, however, to object to this request at this time, but it does seem to me that that is the question which the great statesmen, and those who sincerely desire to serve the interests of the country, should be giving their whole attention to. I shall not object to the gentleman's request.

The SPEAKER. Is there objection?

Mr. MILLER of Delaware rose.

The SPEAKER. For what purpose does the gentleman from Delaware rise?

Mr. MILLER of Delaware. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from North Carolina a question.

Mr. KITCHIN. Very well.

Mr. MILLER of Delaware. I am the only member of the Committee on Claims who happens to be on the floor now, and I want to know if the gentleman's motion would prevent anybody having a claim bill on the calendar from coming in here to-morrow and securing consideration of it, in view of the fact that some of the Members may not have been here on the last time the bills were considered, and in view of the fact that it is proposed to start in on the Private Calendar where we ended last time?

Mr. KITCHIN. I will put it over until to-morrow.

Mr. MILLER of Delaware. I ask that question because there are a great many bills pending that the Committee on Claims and some Members would like to have considered.

The SPEAKER. Is there objection?

There was no objection.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed joint resolution of the following title, in which the concurrence of the House of Representatives was requested:

S. J. Res. 170. Joint resolution authorizing the acceptance by the United States Government of portraits of Hon. James Latimer and Hon. Dr. Henry Latimer.

GENERAL DEFICIENCY APPROPRIATION BILL.

The SPEAKER. The gentleman from New York [Mr. FITZGERALD] moves that the House resolve itself into Committee of the Whole House on the state of the Union to consider the

general deficiency bill (H. R. 17645). The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The gentleman from North Carolina [Mr. WEBB] will please take the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 17645, the general deficiency appropriation bill, with Mr. WEBB in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the general deficiency bill. The Clerk will read.

The Clerk read as follows:

Coast Guard.

Mr. MANN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Illinois moves to strike out the last word.

Mr. MANN. I would like to make an inquiry of the gentleman from New York. That appropriation in relation to the collection of the income tax, and so forth, the tax on legacies, munitions, and so forth, provides that the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is authorized to appoint and pay from this appropriation all necessary officers, experts, agents, inspectors, deputy collectors, clerks, messengers, and janitors. Will these appointments under the provisions of the bill be made through the Civil Service Commission, or will they be made at the will merely of the Commissioner of Internal Revenue?

Mr. FITZGERALD. My understanding is that all the employees are in the classified service. The general statute provides that all employees shall be, and unless there is some provision which takes them out of that category they are in the classified service.

When the tariff act was passed there was a provision that the employees authorized to be appointed without regard to civil-service law should, after a certain period, be covered into the classified service. That period has expired, and the understanding of the committee is that those employees are all in the classified service and will be appointed from the civil-service lists.

Mr. MANN. Why is it necessary to carry this authorization? When we make an appropriation of a lump sum would they not have authority to appoint these employees without any specific authorization?

Mr. FITZGERALD. There is some doubt as to whether they have the authority to appoint various employees of a designated character unless the authority is given.

Mr. MANN. We constantly make lump-sum appropriations which are used in paying employees, especially in the Agricultural Department, as the gentleman well knows. Where we make a lump-sum appropriation for a specific purpose it certainly carries the authority to employ persons to do the work. However, with the gentleman's statement, while I had some doubt about the effect of it, I am not going to contest it.

Mr. FITZGERALD. The provision in the legislative bill is "for salaries and expenses of collectors of internal revenue, deputy collectors, surveyors, clerks, messengers, and janitors." This provides for experts and certain officers in addition. My recollection is that the Deputy Commissioner of Internal Revenue was asked what the view of the department was as to the effect of this provision. I read from the hearings:

Mr. CANNON In the expenditure of this lump sum, what are you going to do? Are you going to take the employees from your present force and promote? Then you would be at liberty to use this in supplying employees wherever it is necessary?

Mr. GATES. Yes, sir.

Mr. CANNON. Do you call on the Civil Service Commission for these employees?

Mr. GATES. Yes; these are all civil-service employees.

That is Mr. Gates, the deputy commissioner.

So that there may be no misunderstanding as far as the House is concerned, I will say that under the law, unless there is some provision which permits the appointment of employees without regard to the civil-service act, it has always been held that they must be appointed in conformity with that act.

Mr. MANN. I think the gentleman is mistaken about that.

Mr. FITZGERALD. No.

Mr. MANN. The civil-service act does not provide that anybody shall be appointed in accordance with the provisions of that act. It authorizes the President to cover employees into the classified service. The civil-service law only provides a method which the President can call into use.

Mr. FITZGERALD. I am informed that under the law the President makes regulations fixing the status, and that regulations have long since been adopted fixing the status of employees in the Internal-Revenue Bureau as of the classified service.

Mr. MANN. That may be. I do not remember the exact language of the order covering the various employees in the Internal-Revenue Office into the classified service. It has to be an order of the President.

Mr. FITZGERALD. The gentleman from Illinois [Mr. CANNON] then asked, in the hearing—

But you are not going to fill all of the places through the civil service, are you?

Mr. MYERS. Yes; all our employees in the department in Washington must be appointed by first getting permission of the Civil Service Commission. The places we ask for here will be filled by certification, transfer, and promotion, but all under civil-service rules.

Mr. STAFFORD. Why not remove all doubt by simply stating that these employees shall be within the civil service?

Mr. MANN. While we may have the power to do that, yet personally——

Mr. FITZGERALD. I think we have no right to do it.

Mr. STAFFORD. We do it frequently.

Mr. FITZGERALD. We do not do it frequently.

Mr. MANN. We do it occasionally, but the President, under the Constitution, is the appointing power.

Mr. FITZGERALD. After the matter has been discussed and there has been a distinct understanding as to the effect of the law, and that it is the intent of Congress that these employees shall be appointed in accordance with the civil-service law, I do not believe any department would have the temerity to appoint these employees in any other way.

Mr. MANN. Mr. Chairman, I ask unanimous consent that the gentleman from Iowa [Mr. TOWNER] may proceed for 10 minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that the gentleman from Iowa [Mr. TOWNER] may proceed for 10 minutes. Is there objection?

There was no objection.

Mr. TOWNER. Mr. Chairman, the largest item in this deficiency bill is an appropriation of $3,000,000 "for the benefit of the Republic of Nicaragua." I think we must all regret that so important a matter, both from a monetary and from an international point of view, should come up at this time, near the close of the session and under circumstances which make full consideration and debate impossible. I shall ask the indulgence of the committee for a brief time that I may suggest some reasons why, as it seems to me, the passage of this appropriation is inexpedient and unwise.

August 8, 1914, the President transmitted to the Senate for ratification a treaty between the United States and Nicaragua, which had been negotiated by Mr. Bryan, then Secretary of State, according to the terms of which the United States was to pay "for the benefit of the Republic of Nicaragua" the sum of $3,000,000 United States gold coin.

For this payment the United States was to receive the right to construct and operate "an interoceanic canal by a Nicaraguan route, the lease for 99 years of the Great and Little Corn Islands, in the Caribbean Sea, and the right to establish a naval base on the Gulf of Fonseca."

There was much opposition in the Senate to the treaty, and it was under consideration by that body from August 8, 1914, to February 18, 1916. It was ratified, however, at the latter date. The final confirmation of the treaty is dependent in this case upon the action of the House. If we appropriate the $3,000,000 named as the consideration for the concessions, the treaty becomes effective. If we do not appropriate the money, it fails. As the chairman of the committee [Mr. FITZGERALD] has well said, we have the absolute right to grant or withhold as we see fit. We are under no compulsion. If we do not deem it our duty to accept, we have the right to reject.

Mr. MOORE of Pennsylvania. Will the gentleman yield at that point?

Mr. TOWNER. Yes; for a question.

Mr. MOORE of Pennsylvania. Is not this the only opportunity the House has to question the appropriation of this money?

Mr. TOWNER. It is; and if we pass the appropriation, we have in effect given the treaty our approval.

Mr. MOORE of Pennsylvania. In other words, at this point only we have to determine whether or not we must swallow what has been done by another body or by agents of the Government in our name.

Mr. TOWNER. I will say to the gentleman that that is true. But we are not in any manner bound by the action either of Mr. Bryan in negotiating the treaty or by the Senate in ratifying it. If we deem the action unwise or if we are averse to

paying the money, we are under no obligation to give it our approval and vote the appropriation.

Mr. Chairman, the controversy between the Nicaraguan and Panama Canal routes, as gentlemen well know, waged for years. The United States decided to build a canal on the Panama route. The canal was built. It is now proposed to buy a right on the discarded Nicaraguan route.

The Nicaraguan route, by way of the great Lake of Nicaragua and the San Juan River, has been for many years earnestly protested by other Central American powers. These protests have been urged as against the present treaty. In the resolution of ratification passed by the Senate the protests of Costa Rica, Salvador, and Honduras are referred to, and a declaration is made that nothing in the treaty "is intended to affect any existing right of any of the said named States." This is far from satisfactory to these countries, for it is well understood by them that if the United States acquires rights by the treaty it will, if to its interest, insist on them notwithstanding the adverse claims and protests of these countries.

It may be of interest and advantage to refer to the claim of Costa Rica that the ratification of this treaty is an invasion of her rights. The boundary line between Costa Rica and Nicaragua has been in controversy for almost a century. A large part of this boundary line as at present established is the great Lake Nicaragua and the San Juan River. This is also the route granted by Nicaragua in the treaty for the construction and operation of a new interoceanic canal. To acquire a right from Nicaragua in a territory claimed by Costa Rica is to determine in advance the merits of the Costa Rican claim. Besides, it is Costa Rica's claim that if the proposed canal is to follow an admitted or established boundary she is as much entitled to have her rights considered as is the country on the other side of the line.

From the very first Costa Rica has protested against the right of the United States to enter into such a treaty with Nicaragua without at least a final determination of the matters growing out of the boundary controversy. During the consideration of this treaty Costa Rica has specifically protested that the treaty grant for canal purposes lies exterior to the territorial lines of Nicaragua, and that for the United States to acquire by treaty from Nicaragua such a grant upon which to base a claim would be an invasion of her rights.

As long ago as 1851, when Daniel Webster was Secretary of State, the same proposition was under consideration, and in a letter of instruction to the American chargé d'affaires, written by Mr. Webster in that year, he said:

> It is well known that for some time past there has been a dispute between the States of Nicaragua and Costa Rica respecting the boundary, and it is certain that until this shall be adjusted the United States can not undertake to guarantee to Nicaragua dominion over the line of the canal to it, impliedly at least, by deciding that dispute in her favor and engaging to maintain that decision by force should that become necessary.

It would appear that the statesman's view of the controversy is that until all questions affecting the boundary controversy have been finally settled the United States should not acquire rights from one party to the controversy to enforce which it must antagonize the other. Daniel Webster thought it both unjust and unwise to do so. It would at least appear that such facts constitute a grave and fundamental objection to our approval of this proposition at this time.

Certain phases of the boundary controversy were submitted by Nicaragua and Costa Rica for arbitration to President Cleveland in 1888. In the award it was determined that Costa Rica had certain navigable rights in the San Juan River. It was decided that Nicaragua had the right to make certain improvements providing these improvements did not damage Costa Rican territory or impair her rights to the navigation of the San Juan River. It was also decided that—

> Costa Rica can deny to the Republic of Nicaragua the right of deviating the waters of the San Juan in case such deviation will result in the destruction or serious impairment of the navigation of said river or any of its branches at any point where Costa Rica is entitled to navigate the same.

It was especially provided in the award:

> The Republic of Nicaragua remains bound not to make any grants for canal purposes across her territory without first asking the opinion of the Republic of Costa Rica, as provided in article 8 of the treaty of limits, April 15, 1858.

From this it would appear that by the arbitral award of our own President Nicaragua has no right to grant concessions to us across her territory for canal purposes without the consent of Costa Rica. Yet not only has such consent not been obtained, but Costa Rica is bitterly and strenuously protesting against such violation of her rights. It certainly can not be the purpose of Congress to violate both our own arbitral award and what it has determined are valid treaty rights in the acquirement of a questionable benefit in our own interest. Because Costa Rica is a small nation and unable to resist by force of arms the impositions of the United States should make us more reluctant to assert them than anxious to enforce them.

Mr. Chairman, we are asked to consider and determine in a few minutes what the Senate held under consideration for a year and a half. It is unfair to the House and an injustice to the country thus to legislate upon such an important matter.

This treaty was negotiated by Mr. Bryan and presented for ratification together with another with the Republic of Colombia. According to the Colombian treaty we were to pay to that Republic $25,000,000 for her rights in the Panama Territory, of which it was claimed we had unjustly deprived her. Besides this we were required to apologize for a wrongful act. That treaty has never been approved, and it is to be hoped that it never will be; but Mr. Bryan would certainly have strengthened his demand for reparation to Colombia if he had not coupled with it an imposition on Costa Rica.

It is a legitimate subject of inquiry why the payment of $3,000,000 is not to be made direct to the Republic of Nicaragua, and why the disbursement of the fund is to be made "in a manner to be determined by the two high contracting parties." It is true that such disbursement is to be made "for the advancement of the welfare of Nicaragua," but how, in what manner, or to whom these payments are to be made is not disclosed. Why the United States, having paid the money for the concession, is also allowed to determine how the money shall be used is a further pertinent inquiry.

Some light is thrown on the matter by a statement made in the International Whitaker Handbook for 1914, an English authority of knowledged high standing. Referring to the financial standing of Nicaragua at that time it states:

> "In May, 1909, the Nicaraguan Government obtained a foreign loan of £1,250,000, issuing gold bonds with interest at 6 per cent. The product of the sale of these bonds was to pay off the British loan of 1886 (£245,000) and the United States loan of 1904 (£200,000), while £435,000 was set aside for the construction of a new railroad from Lake Nicaragua to Monkey Point, on the Atlantic seaboard. The 1912 government entered into negotiations for a $20,000,000 gold loan in the United States of America. In June, 1912, the government defaulted in the payment of interest on the 6 per cent bonds and entered into an agreement with the bondholders for the substitution of other securities with a scheme of payments. Up to September, 1913, the American bankers had advanced only $1,000,000, while they held as security all the revenues (including customs and railways) and practically control the Banco Nacional."

[During the reading of the above statement, the time of Mr. TOWNER expired and, by unanimous consent, his time was extended.]

So it appears that certain American bankers are interested in the financial condition of Nicaragua. It is, of course, apparent that they are in large part the beneficiaries of this fund, and that to secure to them payment the Government of the United States undertakes not only to pay the money, but to see that they get it. It is an ungracious but certainly a relevant suggestion that the assiduity and insistence with which this questionable treaty has been pressed may have had its inspiration with certain "American bankers."

It is a curious commentary on affairs of state, and especially on political questions as allied to them, that this self-evident child of "dollar diplomacy" should have been fathered by Mr. Bryan, whose denunciations of that unholy policy are yet ringing in our ears.

It is to be remembered that Mr. Bryan proposed, solicited, and pressed for ratification with all the influence he possessed this treaty, which unquestionably is in its most essential elements an example of "dollar diplomacy." If this treaty is approved and it is made, those who would be principally benefited would not be the people of Nicaragua, but the American bondholders and American bankers. Indeed, it is quite likely, as the gentleman from Illinois [Mr. MANN] says, that "Nicaragua will not see any of the money." I can not think it would appeal to the Members of either side of this Chamber that the great powers of the United States in its international relations should be exercised to secure an object pressed by American bankers, who, having taken chances on questionable investments upon which payment has defaulted, now desire the United States to reimburse their losses. Neither can I believe Members on either side can determine it wise to involve the United States in an international controversy in order to see that certain "American bankers" should be paid.

Mr. SLAYDEN. Will the gentleman yield?

Mr. TOWNER. I will.

Mr. SLAYDEN. I would like to ask the gentleman if the acquirement of this possible transisthmian canal route is not a part of a so-called diplomacy scheme, as a part of the preparedness for which the gentleman has been such an earnest advocate, and in order to prevent some other Government from

acquiring the right which might involve this country in serious international complications?

Mr. TOWNER. I will say to the gentleman that I have certainly not advocated any such scheme of preparedness as he suggests, and I have tried to show that the probable inspiration of the treaty had its source, not in patriotic motives, but in the interest of the persons who invested their money in Nicaragua and wanted the United States to assist them in getting it paid.

Mr. SLAYDEN. That may be true; but if the Government of Nicaragua owes the money it ought to pay it, and if they owe it to American bankers I am a little more interested in having it paid than I should be to the bankers of some other country. They got the money just the same, and we acquire the right which might possibly prevent some hostile country from acquiring the canal.

Mr. TOWNER. I have no doubt that that is the view the gentleman takes, and that is the view apparently of his party.

Mr. Chairman, this is not the only iniquitous scheme that has been covered by the cloak of preparedness and passed in such disguise. Objections to questionable proposals are silenced by the assertion that they are necessary for national defense. With an empty Treasury, with appropriations piling up to heights never reached before, with stamp taxes and war taxes and taxes of every description on everything in sight, with bond issues inevitable—still we are asked to spend more. If objection is made, if we protest that bankruptcy impends if such reckless extravagance is not stopped, we are told that we must make these appropriations, no matter what the expense, in order to "prepare." We are asked to pay $3,000,000 to Nicaragua to acquire an additional canal right to prevent a European power from buying it. If we did not buy it and a European power should propose to do so and we deemed such acquisition of territorial rights inimical, we would protest, as we would have a right to do under the principle of the Monroe doctrine. We are asked to build another canal to protect the Panama Canal. One wonders at the logical process that would justify the acquisition of another canal to lessen the difficulty of protecting the one we now have. That argument means, that whereas it is difficult to protect one canal, therefore it is easy to protect two. In view of the selfish ulterior interests that would appear to be the principal beneficiaries of the proposed legislation, there is justification for doubt as to the good faith of the preparedness argument.

It would seem a questionable policy, to say the least, to take action in this matter, which necessarily constitutes a direct infringement upon the asserted rights of another nation if we really desire to strengthen our standing among the nations of the world. It can not be taken as an earnest of good faith in our proclaimed endeavor to court the favor and good will of all the brotherhood of American nations to persist in taking action against one of them, involving rights which we have in the most solemn manner admitted and confirmed. The House should not irrevocably commit the country to action in this very important matter without at least abundant opportunity to consider and determine its merits.

The Clerk read as follows:

To reimburse the fund "General account advances," Navy Department, the balance due on account of repairs made to the former revenue cutter *Onondaga*, at the Norfolk Navy yard, under authority of department letter dated May 22, 1912, being for the service of the fiscal year 1912, $700.

Mr. MANN. Mr. Chairman, I move to strike out the last word. I desire to get some information with respect to this item of $700 to reimburse the fund in the Navy Department for the repair of the *Onondaga*. When were these repairs made, and how much was the total bill? I notice in a note in the estimates that the cost of repairing the *Onondaga* greatly exceeded the estimate given by the navy yard. The total of the estimate is not stated. I ask to learn whether we can find out how near the navy yard can make an estimate which is correct.

Mr. FITZGERALD. Mr. Chairman, this is what happened:

Capt. BERTHOLF. The *Onondaga* was repaired at the Norfolk Navy Yard in 1912. Of course we had an estimate from the navy yard and we encumbered our appropriation 25 per cent or 30 per cent more than the amount estimated. When the bills came in, it was more than we had estimated. We paid all we could out of the balance left in the appropriation, but there is $700 still due the Navy Department, and they say they must have it.

Mr. MANN. The navy yard made a mistake in their estimate of 25 or 30 per cent?

Mr. FITZGERALD. I am not sure whether they did that.

Mr. MANN. I so understood the gentleman to say.

Mr. FITZGERALD. I am not certain what happened there. In many of these repair cases surveys are made and an estimate is made of certain work to be done. After the work is started and the boat is ripped open it is often found that very considerable additional work must be done because of conditions that exist which could not be disclosed before the work was started.

Mr. MANN. I was trying to find out whether that was the situation. Apparently it was not.

Mr. FITZGERALD. I do not know. I did not happen to be present when this testimony was taken.

Mr. MANN. I suppose the navy yard is as apt to make a mistake as other people, and everyone knows that mistakes are frequently made and that estimates are not high enough. Still, I have heard so often upon the floor here of how the navy yards could tell exactly what a boat is going to cost to build, a great ship, that I wondered how near they could come to telling what it would cost to make repairs to the extent of two or three thousand dollars.

Mr. FITZGERALD. Of course the gentleman will understand that I can not vouch for this as it was in the Norfolk Navy Yard. If it had been in the New York Navy Yard, I would have known exactly.

The Clerk read as follows:

Hospital for the Insane: For support of indigent insane of the District of Columbia in the Government Hospital for the Insane, as provided by law, $7,080.64.

Mr. BENNET. Mr. Chairman, I move to strike out the last word for the purpose of asking my colleague a question. Is any part of this appropriation—and I am asking entirely for information—required because of an unusually large number of soldiers being sent to this hospital for the insane from the Isthmus of Panama? I have heard reports that soldiers are being sent from the Isthmus of Panama in unusual numbers just at the present time, owing to the conditions on the Isthmus. If it is so, we ought to know about it. I do not know whether it is true, and possibly my colleague can tell me whether this appropriation has any relation to it.

Mr. FITZGERALD. Mr. Chairman, this item has nothing to do with the soldiers. This is for the insane of the District of Columbia. The insane from the Army are sent to this hospital, but this deficiency has to do with the insane of the District.

Mr. BENNET. I notice that the language is:

For support of indigent insane of the District of Columbia.

Mr. FITZGERALD. Yes.

Mr. BENNET. That is not construed in any way to cover the soldiers?

Mr. FITZGERALD. No; they are sent differently. This fund would not be available for men from the Regular Army.

Mr. BENNET. Does the gentleman happen to know whether there is any accuracy in the report that I have mentioned?

Mr. FITZGERALD. I have not heard anything with respect to that.

The Clerk read as follows:

Judgments: For payment of judgments, including costs, against the District of Columbia, set forth in House Documents No. 1275 and ——— of this session, except the judgments with interest and costs in favor of Samuel T. Kalbfus and Edward S. Wood, $50,559.57, together with a further sum to pay the interest at not exceeding 4 per cent on said judgments, as provided by law, from the date the same became due until the date of payment.

Mr. FITZGERALD. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Committee amendment: On page 19, line 15, before the word "of," insert "1352," and in line 17 strike out the sum "$50,559.57" and insert the sum "$50,532.17."

Mr. MANN. Mr. Chairman, what is the character of these judgments that are provided for?

Mr. FITZGERALD. That are excepted?

Mr. MANN. No; that we provide for.

Mr. FITZGERALD. I shall have to refer to the document. Does the gentleman mean the two judgments enumerated here?

Mr. MANN. No; the ones that we paid.

Mr. FITZGERALD. The first case, amounting to $7,300 and costs, was one for personal injuries, and then there is a sum for the refund of taxes in the case of the Georgetown Gas Light Co. of $3,241, and in the case of the Washington Gas Light Co. of $31,321.62. Those were the chief ones.

Mr. MANN. It seemed to me that it was a rather large amount if it was for personal-injury cases.

Mr. FITZGERALD. Thirty-five thousand dollars is for refund of taxes in two cases.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

One-half of the foregoing amounts to meet deficiencies in the appropriations on account of the District of Columbia shall be paid from the revenues of the District of Columbia and one-half from any money in the Treasury not otherwise appropriated.

Mr. BORLAND. Mr. Chairman, I move to strike out the last word. These deficiencies for the District of Columbia amount

in all to about $183,000. The expenses of the District of Columbia are paid, according to the present law, one-half out of the Federal Treasury and one-half out of the revenues of the District. Yesterday we took final action in this House on the District appropriation bill, by which we continued in force for the present fiscal year the old half-and-half law. We did that because, very naturally, that bill contained so many other good items that it would have been a calamity to the people of the District, as well as to the people of the United States, for the bill to have been defeated by the comparatively small element who were fighting for the retention of the half-and-half principle. That bill contained the reduction of the price of gas to consumers in the District to 75 cents, and contained a provision for the taxation of intangible personal property, which has never been a law in the District of Columbia. I want to point out this fact. These appropriations for deficiencies amount to only $183,000. We appropriated about $12,500,000 for the fiscal year 1916. Therefore, with these deficiencies, we are spending less than $13,000,000 in governing the District of Columbia, and governing it well, governing it in a high-grade way. The District now raises upon the ordinary property owner, the small home owner, the small merchant, and the tax on real estate and tangible property, $8,000,000. If we tax intangible property in the District with any degree of fairness and honesty at all, we will raise from two and a half millions to three millions more. In other words, the taxes raised for the next fiscal year in the District will equal or exceed $11,000,000, and we have never been able to spend exceeding $13,000,000 in the best government of the District that we could give it. It does seem to me that the argument is conclusive against the maintenance further of the half-and-half principle—that we are under compulsion to contribute out of the Federal Treasury another $11,000,000 because $11,000,000 is raised in the District. To undertake to spend $22,000,000 on the local government of the District of Columbia is a manifest absurdity. It can not be done honestly.

It only results in this, gentlemen, that we should have done what we did yesterday. The District bill ought not to have failed this year, and ought not to have been continued by a continuing resolution, thereby leaving out all reforms and continuing all abuses. We should have done what we did yesterday, to wit, recede from the half-and-half in order to gain the tax upon intangible property and the reduction of the gas rate; yet it is now perfectly manifest that it is absolutely essential that the half-and-half principle shall be abolished. That is in accordance with the result of eight years' discussion and agitation in this House and a very carefully prepared report by a special commission of Members of this House and the Senate, who reviewed all the evidence in the case, reviewed the expenses of the District, all the taxation laws of other cities of comparable size, and all the evidence bearing upon the justness of the half-and-half principle. So that now it is clear that the time has come when the half-and-half principle—that is to say, the arbitrary contribution of a dollar out of the Federal Treasury for every dollar raised in the District—must fall of its own weight. [Applause.]

Mr. MANN. Mr. Chairman, I move to strike out the last word. A few moments ago I understood the gentleman from New York [Mr. FITZGERALD] to say about $35,000 of the amount appropriated for the payment of judgments against the District of Columbia was to refund taxes collected against the gas companies. I take it——

Mr. FITZGERALD. Judgments in favor of the gas companies.

Mr. MANN. Judgment in favor of the gas companies, to refund taxes which they had paid. They could not get a judgment to collect taxes which they had not paid.

Mr. FITZGERALD. Yes.

Mr. MANN. But if we paid back those taxes the District of Columbia taxes will not all go into the District fund in the Treasury.

Mr. FITZGERALD. One-half goes into the Treasury.

Mr. MANN. Oh, no; taxes collected in the District of Columbia go to the District fund. We match that with an appropriation out of the Treasury. Now, having collected the taxes and paid the money into the District fund, apparently, the gas companies obtain a judgment and get those taxes back, and we propose to pay half of that out of the Treasury.

Mr. FITZGERALD. That should be corrected; that should be paid wholly out of the revenues of the District; and before the bill is completed an amendment will be prepared.

Mr. MANN. It should be corrected in this item.

Mr. FITZGERALD. I ask unanimous consent to pass the item for the present, so that an amendment may be prepared to do that.

The CHAIRMAN. Without objection, the item mentioned will be passed over without prejudice. [After a pause.] The Chair hears no objection.

Mr. SEARS. Mr. Chairman, on page 19, after line 25, I have an amendment which I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

At the end of line 25, page 19, add as a new paragraph:
"For the remodeling, repairs, and improvement of the Federal building at St. Augustine, St. Johns County, Fla., $2,000."

Mr. FITZGERALD. Mr. Chairman, I reserve a point of order on that.

Mr. SEARS. Mr. Chairman, in support of the amendment I will state the post-office building at St. Augustine, or the Federal building in which the public duties are performed, is in a very congested condition. Some time this year I introduced a bill to overcome that, because I found upon investigation that with the expenditure of a few hundred dollars this building could be repaired and remodeled to meet the requirements for the present. It is an old building constructed by the Spaniards, and they desire to retain it and preserve it. The roof is in a bad condition, and they need a new door in order to get in and out of the building. It is also necessary to rearrange partitioning in order that there may be more floor space. I did not press the bill, because while the sundry civil bill was up for consideration I saw Mr. FITZGERALD, chairman of the Committee on Appropriations, and talked with him relative to same, and he stated there was an appropriation in the sum of some $800,000, I believe, to meet just such conditions as my bill was intended to meet. I so wrote my constituents at St. Augustine, and told them there would be no trouble in getting these improvements because of this appropriation included in the sundry civil bill. On July 22 I wrote the Supervising Architect, stating that I had had this conversation with Mr. FITZGERALD, in which I was informed that the appropriation in the sundry civil bill would meet the requirements of my bill, and that they could proceed under that. That letter is in part as follows:

DEAR SIR: Some time ago I introduced a bill, in the sum of $2,000, for the purpose of improving the post office at St. Augustine. When the sundry civil bill was up for consideration, I took the matter up with Mr. FITZGERALD, chairman of the committee, and he stated it was not necessary to insist on the bill, as an appropriation in bulk had been made to cover such cases.

On August 17 I received a letter from the Assistant Secretary of the Treasury simply acknowledging receipt of the letter I wrote him and stating the department had secured the data for the specifications for the work on the St. Augustine building. On August 26 there was written to the postmaster at St. Augustine a letter by the superintendent of construction, from which I will quote the following:

The bill for the proposed remodeling, repair, and improvement of the building is still pending in Congress. A report was submitted to the Committee on Public Buildings and Grounds of the House of Representatives on May 11, 1916. No action looking to the remodeling of the building can be taken until legislation has been enacted authorizing same. It will, therefore, be unnecessary for you to complete the drawings for this work; but if there is any necessary repair work which, in your opinion, should be taken up at once, you are requested to consider the same and submit the drawings referred to by you.

Now, Mr. Chairman, they are undertaking only to put in some new flooring and minor repairs, and the work the department will do at St. Augustine under other appropriations will not give any relief. I spoke to the gentleman from New York [Mr. FITZGERALD] again yesterday about the matter, and he is still of the opinion that the appropriation in the sundry civil bill can be used for purposes as stated in my bill. It is very important that the extra door be placed in the building. In old-style buildings at St. Augustine the doors are small. There is only one entrance by which to get in and out, as I remember, and there should be an entrance at the other end of the building, which the Members of this House know would not cost very much. If it can be made out of the appropriation of $800,000, then I would not insist on this amendment. If the roof can not be repaired and the door can not be placed in the building and the partition removed without this appropriation, I believe the House will grant it to me. If any of you have been in this building, you will know we are entitled to this relief.

I offered this amendment in order that I might learn whether or not my bill is covered by the appropriation of $800,000 in the sundry civil bill and if the chairman believes the department is justified in proceeding at St. Augustine under said appropriation.

Mr. FITZGERALD. Mr. Chairman, I do not administer the appropriation. The sundry civil bill carries $800,000 for repair and preservation of public buildings. The gentleman from Florida [Mr. SEARS] stated what it was desired to do at the post office in St. Augustine, and I expressed the opinion that the work contemplated consisted of repairs for which appropriation

had been made. If it be not an item of repair to fix a leaky roof or cut a door where a door is needed or to shift a partition from one place to another in a building, then I do not understand the meaning of the word "repairs," either as used in a legislative form or commonly by the ordinary person. The purpose, of course, of making lump-sum appropriations for repairs to public buildings is to place upon the department that has charge of the public buildings the responsibility of determining the necessity for expenditures and the allotment of the funds for expenditures most imperative. It seems to me that if the condition be as stated by the gentleman from Florida, he ought to convince the Treasury Department that it is not a scheme for remodeling a building, which involves only the expenditure of $2,000, but it is merely to have certain imperative and necessary repairs for which the appropriation is available. It is impossible for the committee to determine whether any particular building should be repaired or what sum is essential. So the practice is followed of putting the matter within the control of the department. Under the circumstances I can not accept the amendment of the gentleman to this bill.

Mr. SEARS. Will the gentleman yield?

Mr. FITZGERALD. Certainly.

Mr. SEARS. The gentleman, then, is of the opinion the door could be cut in the building?

Mr. FITZGERALD. I think cutting a door in the building is a repair of the building. Of course, I may not be a mechanic of the character required to determine that question, but that would be the construction I would put upon the expression. If I wanted to cut a door in the building belonging to myself I would consider it repair. I would not consider it the construction of a new building.

Mr. SEARS. I am of the same opinion, but the department does not seem to be of that opinion, and, as stated, Mr. Chairman, I wanted to get myself clear in the RECORD to show it is not an oversight on my part.

Mr. FITZGERALD. It may be that some one in the department will acquire knowledge of the meaning of the word "repair" and apply it to this situation.

Mr. Chairman, I insist on the point of order.

The CHAIRMAN. Does the gentleman from New York contend——

Mr. FITZGERALD. I contend it is not authorized; it is not in order; it is not germane to this portion of the bill, and there are a dozen different reasons.

The CHAIRMAN. Does the gentleman from Florida [Mr. SEARS] wish to be heard on the point of order?

Mr. SEARS. No.

The CHAIRMAN. The point of order is sustained, and the Clerk will read

Mr. FITZGERALD. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. FITZGERALD: On page 19, at the end of line 25, insert:

"Except the amounts of the judgments, including costs, aggregating $34,637.36, in favor of the Georgetown Gas Light Co. and the Washington Gas Light Co., which judgments and costs shall be paid wholly out of the revenues of the District of Columbia.

Mr. FITZGERALD. The word "interest" must be put in before the word "costs" in both places.

Mr. MANN. Where it first occurs, the judgments and costs aggregating a certain amount, interest should not go in there. Interest should go in where it provides later; where it occurs the second time.

The CHAIRMAN. The Clerk will report the amendment again.

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. HARRISON having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had receded from its amendments numbered 58 and 108 to the bill (H. R. 15774) making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1917, and for other purposes; also that the Senate had agreed to the amendments of the House to the amendment of the Senate numbered 361 to said bill.

GENERAL DEFICIENCY APPROPRIATION BILL.

The committee resumed its session.

The Clerk read as follows:

Except the amounts of the judgments and costs aggregating $34,637.36, in favor of the Georgetown Gas Light Co. and the Washington Gas Light Co., which judgments and costs and interest thereon shall be paid wholly out of the revenues of the District of Columbia.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

The Clerk read as follows:

The pay of the superintendent of the building occupied by the Army Medical Museum and Library, provided in the legislative, executive, and judicial appropriation act for the fiscal year 1917 at $250, is reduced to $200.

Mr. GREENE of Vermont. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Vermont offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 21, strike out lines 12 to 16, both inclusive.

Mr. GREENE of Vermont. Mr. Chairman, the purpose of the paragraph, lines 12 to 16, obviously is to reduce the salary of the superintendent of the building occupied by the Medical Museum and Library, from $250 to $200, as the legislative, executive, and judicial appropriation act fixes his salary this year at $250. Has the chairman of the committee any reason to give for this proposed reduction?

Mr. FITZGERALD. Yes. This is attributed to the efforts of several distinguished Members of the House to demonstrate their interest in the policy of economy. They are hunting around for an opportunity to show that they are interested in conserving the public funds and demonstrating their desire to economize in public expenditures; they appeared before the Committee on Appropriations and made this request. Like most of these spasmodic efforts on the part of voluntary economists, however, it appears that the saving of this $50 results in an expenditure of $150 instead, so that for every $50 saved a 300 per cent increase results in expenditures.

It happens in this way: The clerk who was detailed or designated as superintendent of the Army Medical Museum and Library was a clerk of class 3, whose compensation is $1,600 a year. Under a beneficent Democratic administration, recognizing his long and valuable services to the Government, he has been promoted to class 4, receiving a compensation of $1,800 a year. Under the law no one in the Government service can receive two compensations if the aggregate is in excess of $2,000. It is desirable that the very valuable services of this man as superintendent of this building be retained, and in order to retain him and at the same time give him the benefits of the promotion which his long and valuable services have entitled him to, it is necessary to reduce the compensation to be given to the present detail as superintendent.

The gentleman who discovered the situation, impelled by a stern sense of duty and by a patriotic desire to save money, persuaded the committee that here was an opportunity to demonstrate a position where the House would unanimously vote to economize in the expenditure of public funds.

Mr. GREENE of Vermont. Mr. Chairman, I am very grateful to the Chairman of the Committee on Appropriations for having given most of my argument for me. It is apparent that this beneficent Democratic administration, having promoted a man once, is not content with that philanthropic and altogether meritorious circumstance, but wants to promote him twice at the same time.

Mr. FITZGERALD. He is not promoted twice at all.

Mr. GREENE of Vermont. That is, he has been promoted from a salary of $1,600 to a salary of $1,800 a year, and, not content with that, they want to add $200 more to it by cutting down the salary of another job under the law.

Mr. FITZGERALD. He has been receiving $1,850, $1,600 as a clerk of class 3 and $250 as superintendent. Then he was promoted to a clerk of class 4.

Mr. GREENE of Vermont. Yes.

Mr. FITZGERALD. As a clerk of class 4 he receives $1,800, so that that promotion, if the detail is taken away from him, resulted in a decrease of salary.

The CHAIRMAN. The time of the gentleman from Vermont has expired.

Mr. FITZGERALD. Mr. Chairman, I ask that the gentleman's time be extended five minutes.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. FITZGERALD. In order that he would not be deprived of the benefits of a promotion, this is really to secure him an increase of $150.

Mr. GREENE of Vermont. Was not this clerk promoted during this administration from the class in which he received $1,600 to the $1,800 class? Then was not this position of superintendent of the building taken away from another man in the building and given to him instead?

Mr. FITZGERALD. Oh, no.

Mr. GREENE of Vermont. Then this position was formerly held by another man?

Mr. FITZGERALD. That is not my understanding.

Mr. GREENE of Vermont. It is my understanding, although I may be misinformed. Of course I do not want to put any misstatement of the facts into the RECORD.

Mr. FITZGERALD. I have no information of the fact. The statement was made as to this man, or what I understood was a statement—because I do not wish to misunderstand myself or misundertsand a statement that others have given me—the statement to me or the committee was that this man had for a number of years been detailed as superintendent of the Army Medical Museum. He has been there some time. He has been promoted to a fourth-class clerkship, and he can not be retained in this detail under the law at that rate.

Mr. GREENE of Vermont. I understand the legal effect.

Mr. FITZGERALD. I do not understand that he has recently been given a detail.

Mr. GREENE of Vermont. I do not understand, Mr. Chairman, that it was a recent promotion in the sense of months, perhaps, but since the beginning of this administration. But it does not change the color of the transaction, so far as its effect is concerned.

Mr. FITZGERALD. It would be a matter of extreme gratification to me to know that somebody has been found sufficiently meritorious to be promoted twice.

Mr. GREENE of Vermont. If some one can be found of that character, I will withdraw that amendment. The effect, however, whatever may have been the laudable purpose of the Democratic administration to find some man worthy to be promoted twice before they went out on the 4th of March is that the man who is considered worthy to have this trifling addition to his salary as superintendent of the building—a position which carries only $250 and which would eke out the salary of an old soldier working as janitor—has that salary now reduced $50 so that this man who has had one raise can get the extra sum in addition to the other raise. It will not go, in consequence, to the old soldier whom all the people there in the building want to have it. That is the effect of this wonderful economy of $50, and I think under the circumstances in obvious fairness it should be given to the old soldier, who is barely getting a living wage now. We should give to him this trifle of $250 rather than to another man who has already been raised once.

Mr. FITZGERALD. I do not know anything about the personnel, or who these deserving persons are. As a matter of fact, I can not say that there is anybody in the Government service in Washington for whose existence I can claim any particular credit [laughter], so that I am wholly impersonal in my relations in connection with these employees. I am more impartial, even, than the gentlemen who are not associated with the party in power and who are worrying lest some friend of theirs may be eliminated from the public service, because I had nobody to continue and I have had nobody put in. I occupy an ideal position for the discharge of my public duties as a Member of the House. [Laughter.]

Mr. GREENE of Vermont. If I were in the embarrassing situation of the Democratic chairman of the Committee on Appropriations——

Mr. FITZGERALD. I am not in an embarrassing situation——

Mr. GREENE of Vermont. The gentleman ought not to admit any embarrassment, if the gentleman will allow me to suggest, because his remarkable poise never shows any embarrassment. [Laughter.]

If I were in the position of the chairman of the Committee on Appropriations, I never would permit myself to know anything about how the money I appropriated went.

Mr. FITZGERALD. I could not afford to do as the gentleman suggests.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MOORE of Pennsylvania. Mr. Chairman, I ask unanimous consent that the gentleman may have five minutes more.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent that the time of the gentleman from Vermont be extended five minutes. Is there objection?

There was no objection.

Mr. GREENE of Vermont. I thank the gentleman. I want to get $50 worth of time anyway.

Mr. MOORE of Pennsylvania. Will the gentleman yield to me for a moment?

Mr. GREENE of Vermont. Of course, with pleasure.

Mr. MOORE of Pennsylvania. Of course, I am not authorized to speak for the Appropriations Committee, but as an ordinary Member of the House, moderately observant of the proceedings here, I want to thank the gentleman from Vermont for having raised this question. It indicates that he is watchful of the proceedings. The saving of $50 at this time is of more importance perhaps than the gentleman conceives. Fifty dollars will come in handy just now, in the matter of efficiency and economy, and to promote the welfare of the administration. The gentleman was here yesterday when we passed a $50,000,000 shipping bill. We must get that money and this $50 will help. In fact, "every little helps."

Mr. FITZGERALD. It seems to be a case of 50-50.

Mr. GREENE of Vermont. The $250 salary that I am trying to get for a poor old soldier will do more good for the country than the $50,000,000 that is being appropriated in the attempt of the Democratic administration, like Mrs. Partington, to sweep back the Atlantic Ocean with a broom. [Applause on the Republican side.]

Mr. MOORE of Pennsylvania. But just see how far this $50 we take from this old soldier will go toward providing the $50,000,000 necessary to meet the shipping bill appropriation! [Laughter.]

Mr. GREENE of Vermont. Well, the old soldier will not be here, nor will any of us be here to see any substantial good done by the shipping bill.

Mr. MOORE of Pennsylvania. No; but the gentleman appreciates the economy that is now actuating the other side of the House.

Mr. GREENE of Vermont. Oh, it is a deathbed repentance.

Mr. MOORE of Pennsylvania. Before the gentleman takes his seat, I call his attention to the fact that we need the money.

Mr. GREENE of Vermont. We do, and I am trying to get it for the old soldier.

Mr. MOORE of Pennsylvania. About a month ago, as the gentleman remembers, we passed a bill to construct a nitrate plant at a cost of $15,000,000. This $50 will help to pay for that $15,000,000 nitrate plant. It will help very much in that direction. The gentleman is cognizant of what goes on here, and he knows that yesterday the President signed the bill for a greater Navy. In that bill we provided for the establishment of an armor-plate factory to cost $11,000,000. Just see what we can do with this $50, if we take it away from that old soldier!

Mr. GREENE of Vermont. Yes.

Mr. MOORE of Pennsylvania. Bear in mind how it would relieve us if we could find other $50 items to store up against the expenditures we have provided for! This is a good time to economize. [Laughter.]

Mr. Chairman, I yield back the balance of my time. [Laughter.]

Mr. GREENE of Vermont. I am glad to get something out of this, and if time were money I ought to make a fair profit. I have only to suggest that while this matter is trifling, in the broader sense of national interest, or perhaps of the deliberations of this House——

Mr. QUIN. Will the gentleman yield?

Mr. GREENE of Vermont. Just a moment. Let me have an opportunity to make my speech, or a part of it anyway. While of course there is no question here which concerns the important deliberations of this floor generally, yet it seems to me that it is such a picayune proposition that the House ought not to stand for it. I do not suggest by that that the chairman of the committee had any knowledge as to the real personal effect of this item. I am glad to acknowledge that the chairman of the Committee on Appropriations has an embarrassing position, and he does not want to know personally where this money does go, and I really do not blame him. But in this instance it does have the effect—and this is the personal application of it—of making it impossible to carry out what is a general disposition, as I understand it, among those connected with the Army Medical Museum, to give an old soldier a little pittance of $250 more on top of his pay, because he can perform these duties just as well in the position where he is. The proposition of the Committee on Appropriations is to add $200 to the compensation of a man who is already well recompensed, and whose pay has recently been raised in the civil service, a man who holds an assured position. It gives to him the little mite that might more profitably, and I think more in the spirit of our institutions and our general policy, go to this old soldier. And when we think about a man who is willing, one might say, to have a thumb chopped off of his hand so he can reach out at least four fingers after the money, it seems to me that he is resorting to a little bit of a proposition, when this old soldier has not reached out any hand for money at all. He did his reaching out about fifty-odd years ago, in order that there might be some money for anybody to have.

Mr. HUMPHREYS of Mississippi. The gentleman understands that there is no intention to change the superintendent? No old soldier is to be turned out of office and somebody else put in his place.

Mr. GREENE of Vermont. Oh, no.

Mr. HUMPHREYS of Mississippi. It is the same superintendent.

Mr. GREENE of Vermont. No. The only reason why that is not done is because there is a permanent law against it.

Mr. HUMPHREYS of Mississippi. The gentleman was objecting, as I understood, because this would deprive some old soldier of $250.

Mr. GREENE of Vermont. It does exactly that.

Mr. HUMPHREYS of Mississippi. Then he also states that he knows the fact to be that it does not do that.

Mr. GREENE of Vermont. Oh, no; I said it was a question of adding to the pittance which he now receives.

Mr. HUMPHREYS of Mississippi. The gentleman understands that no old soldier holds the place now?

Mr. GREENE of Vermont. I understand that, exactly. I said distinctly that I understood it was intended to give it to him.

Mr. HUMPHREYS of Mississippi. To give what?

Mr. GREENE of Vermont. To give this position—to let him have it.

Mr. BYRNS of Tennessee. They can do that anyway.

The CHAIRMAN. The time of the gentleman from Vermont has again expired.

Mr. HARRISON. I ask unanimous consent that the gentleman have two minutes more.

Mr. STAFFORD. Oh, do not be parsimonious. Let us make it five minutes.

Mr. MANN. Mr. Chairman, I move to strike out the last two words. When I read this bill the other day and struck this item, I nearly fell over in a faint. On its face it apparently contemplated the reduction of a salary from $250 to $200 a year. Now, we are in the middle of a campaign. This side of the House has been charging the other side of the House with extravagant appropriations. As I look at the item I can see one purpose for which it might be inserted. It might have been inserted so that every Democratic campaign orator on the stump and elsewhere might point to one case where a Democratic majority had apparently reduced a clerk's pay, and apparently effected an economy. Because on its face it provides that the pay of the superintendent shall be reduced from $250 to $200. Think how effective it would be for the gentleman from New York, discussing to his constituents and apologizing for the speech he made two years ago roasting his side of the House, to explain that the chairman of the great Committee on Appropriations had brought in a bill, and passed it, making a decided economy in the public service by reducing a salary $50 a year. [Laughter.] I could see the purpose of that, and yet it did not occur to me that even under such circumstances it was likely to be true, that they had really effected an economy. So I concluded that I would look further into the reason of it, and as I looked into the reason of it I found that for this apparent saving of $50 it would cost the Government $200 to do it.

The other day we passed a bill providing that no one in the Government service might receive two salaries where the combined two salaries amounted to more than $2,000 a year. I do not know how many cases it may cover; we found one the other day of an employee of the House and we fixed it. In the course of their search the departments have found one other case and we propose to fix that. The law looks fine on its face, but wherever it applies we propose to change the application; and so that a man may get $2,000 we apparently cut off $50 of his salary in order that he may draw $200 of it, because if this cutting off was not made it would make the combined salaries $2,050 and he could not draw this or any part of it.

It will be heralded all over the country. I expect to hear of this many times in Chicago, stating how a great Democratic majority, led by the distinguished economist, the gentleman from New York, has apparently saved $50 to apply to the shipping bill or the nitrate bill or some other bill. [Laughter on the Republican side.]

Mr. FITZGERALD. I hope that the gentleman from Illinois will be accurate in his language, not say "apparently save," but actually save.

Mr. MANN. It does not save it actually, for it costs $200, and the gentleman knows that as well as I do.

Mr. FITZGERALD. If it is not adopted somebody else will get $250.

Mr. MANN. This House would not provide for that. It is possible that the administration will spend every cent of this appropriation regardless of any economy, and there is no reason for it.

Mr. COX. Will the gentleman yield?

Mr. MANN. Yes.

Mr. COX. If I catch the drift of the gentleman's remarks, in order to enable some man down there to draw two salaries, $50 must be cut off.

Mr. MANN. That is absolutely the case in a nutshell.

Mr. COX. I am against it.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, while the gentleman's statement may be technically correct, it is wholly misleading.

Mr. GREENE of Vermont. Will the gentleman yield?

Mr. HUMPHREYS of Mississippi. No; let me make my statement. The proposition here is to reduce the salary from $250 to $200 in order that a certain employee down there may receive it who otherwise could not get it. That is the truth. But this is further true. Under the law the salary of the superintendent is $250, which is to be paid to some man in that department who already draws a salary. This man has been in that department for nearly 30 years.

Mr. HARRISON. Thirty-four years.

Mr. HUMPHREYS of Mississippi. Thirty-four years. He was receiving $1,600, and was made superintendent of the building, and has given perfectly satisfactory service to the director. He is a thoroughly efficient man. It is the opinion of the director that the particular desk that this gentleman occupies ought to be the desk which discharges the duties of the superintendent of that building.

Now, in the course of time, due solely to his efficiency, this gentleman has recently been promoted to an $1,800 clerkship. It will then become necessary to change the superintendent, or give it to somebody else—somebody else not desired by the director. In other words, somebody else who has not been preferred by the director. The director wants the same man. He is thoroughly efficient and has discharged his duties in a perfectly satisfactory manner. When it became apparent that this particular man could not serve, because we had adopted a rule that no two salaries when combined should exceed $2,000 to be paid to the same man, I went before the subcommittee and presented to them the facts and asked them to change the law in this particular case so that what the director desired to be done could be done.

It did not occur to me that anybody would object. I do not see how anybody can object. There is no question of any old soldier about it at all.

Mr. GREENE of Vermont. Oh, yes; there is.

Mr. HUMPHREYS of Mississippi. Oh, no. This man was already on the job, had it all of the while. It was a question of efficiency of administration of the particular office, and in order to make it possible it required an act of the legislature, which reduced the pay $50 a year. I hope that the House will agree to it. I hope that this $50 will be stricken from it, not for the purpose of saving the $50, though, of course, everyone knows that I am perhaps the most noted economist in the House and that that would appeal to me perhaps more strongly than to anybody else, except possibly the gentleman from Pennsylvania [Mr. MOORE]; but that is not the reason that inspires me, not at all. There is absolutely no reason that I can conceive of why the director over there should not be permitted to have this man whom he has selected long ago as superintendent, simply because the $50 would have to be taken off the pay roll. There are no two promotions about it at all. As I said, the gentleman has been in the department for some 30 years. He was getting $1,600 and also getting a superintendent's pay, which made it $1,850 a year. He has now been promoted to $1,800, and he loses $50 by his promotion if he has to give up the other position of superintendent.

Mr. GREENE of Vermont. And gains $200.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Vermont to strike out the paragraph contained in lines 12 to 16 on page 21.

The question was taken; and on a division (demanded by Mr. GREENE of Vermont) there were—ayes 16, noes 17.

So the amendment was rejected.

The Clerk read as follows:

Office of Chief of Ordnance: Clerks—2 of class 4, 3 of class 3, 4 of class 2, 9 of class 1, 3 at $1,000 each, 1 $900; messengers—1 at $780, and 1 at $720.

Mr. MANN. Mr. Chairman, I move to strike out the last word. The bill provides for some increase in the clerical force of the War Department, an increase which I do not doubt is absolutely needed. I notice there seems to be no provision in the bill in reference to an increase in any of the auditor's offices. I have assumed that probably there was as much need for an

increase in the office of the Auditors of the Navy and the War Departments as there is for an increase in the War Department.

Mr. FITZGERALD. There has been no request for any additional clerical service for the auditor. I have been informed unofficially that there will be detailed to the Auditor for the War Department 30 additional clerks. I assume that they will be found in the various bureaus of the Treasury Department where they can be spared.

Mr. MANN. That may be. I do not know. I do not know how it is possible to conduct the auditing of the Navy and the War Departments and keep it anywhere near up to date without additional help from some source.

Mr. FITZGERALD. There is no doubt that the work will be very greatly increased in the auditor's offices, and the information has been given that the Auditor for the War Department anticipates to use at least 30 additional clerks that will be assigned to him, and it is possible that the Treasury Department expects to take care of those offices.

Mr. MANN. I do not see where they will get them by detail, but still they may know.

Mr. FITZGERALD. They can always find a few extra ones.

Mr. MANN. The gentleman might have said the same about the War Department, but you can not make appropriations amounting to hundreds of millions of dollars, covering very large service, without providing additional clerical help.

Mr. FITZGERALD. The committee endeavored to do what was right, and I believe treated both the War and the Navy Departments in a manner that ought to be satisfactory.

We increased the clerical service, for instance, in The Adjutant General's Office in the War Department by 100 clerks, and it was done upon a showing that persuaded the committee that the clerks would be necessary, and there have been no estimates submitted for any additional help for the auditors. The gentleman from Illinois [Mr. MANN] and myself know that these departments never hesitate to ask.

Mr. MANN. I know that they usually ask. I never have found any great backwardness in that respect. We want the auditing kept up to date. That is in the interest of everyone who does business with the War and Navy Departments. I withdraw the pro forma amendment.

The Clerk read as follows:

ARMORIES AND ARSENALS.

Frankford Arsenal, Philadelphia, Pa.: For repair of sea wall, fiscal year 1917, $23,400.

Mr. MANN. Mr. Chairman, I move to strike out the last word. I would like to ask the gentleman from Pennsylvania whether this repair of the sea wall at the Frankford Arsenal is necessary?

Mr. EDMONDS rose.

Mr. MOORE of Pennsylvania. Mr. Chairman, the fact that it appears in the bill is evidence of its necessity. It has been proven before the Committee on Appropriations. There is unquestionably a necessity for the construction of this sea wall at this arsenal.

Mr. MANN. What has this to do with navigation?

Mr. MOORE of Pennsylvania. Everything, because without the construction of this wall navigation to a very large extent would be impeded at the Frankford Arsenal.

Mr. MANN. Then, this is for the purpose of aiding navigation?

Mr. MOORE of Pennsylvania. It is not only to aid navigation, but it is to improve and keep the property in good order.

Mr. MANN. They slipped it into the Army bill to aid navigation at Philadelphia?

Mr. MOORE of Pennsylvania. We do whatever is fair to get the necessary things for this arsenal, which is now doing as much as any arsenal can do to uphold the hands of the Army and the Navy. It should be adequately equipped.

Mr. MANN. And empty the Treasury?

Mr. MOORE of Pennsylvania. Well, we have succeeded——

Mr. MANN. I am not complaining.

Mr. MOORE of Pennsylvania. What the gentleman said is just giving us an opportunity to explain the merits of this proposition, which I thought would be wholly unnecessary, in view of the fact that almost everyone knows about the Frankford Arsenal and its value to the country.

Mr. MANN. Well, I asked the gentleman from Pennsylvania a question without designating which gentleman from Pennsylvania, and I intended to ask the gentleman from Pennsylvania, Mr. EDMONDS——

Mr. MOORE of Pennsylvania. I yield to the gentleman from Pennsylvania [Mr. EDMONDS] very gladly.

Mr. MANN (continuing). Near whose district or close to whose district this is.

Mr. EDMONDS. This is not in my district, but I was at the arsenal the other day and saw the partially completed sea wall. If this wall is not completed the real purpose of the sea wall along the river will be defeated. It is to be finished by this appropriation; a portion of it has been already done by the Pennsylvania Railroad Co., covering where their tracks run through the arsenal property, and that was done at their own expense.

Mr. MANN. It is to prevent the Pennsylvania Railroad spending any more money?

Mr. EDMONDS. No, it is not; it has nothing to do with it. If this wall is completed it will add a considerable piece of ground to the arsenal that is now swampy and slipping into the river and requires the river frequently to be dredged out.

Mr. MANN. It is to finish what the Pennsylvania Railroad Co. was doing?

Mr. EDMONDS. That is not near where this wall is being built. They built their portion and finished it.

Mr. MANN. That would not be an argument against it.

The Clerk read as follows:

Rock Island (Ill.) Arsenal: For one lumber storage house, fiscal year 1917, $7,500.

Mr. MOORE of Pennsylvania. Mr. Chairman, I move to strike out the last word. Here is an item for the Rock Island (Ill.) Arsenal, and it is just possible that some Members of the House may not have had the benfit of the explanation that has been made before the Committee on Appropriations of the House as to the necessity for this improvement. I would like to ask the gentleman from Illinois if he can tell us whether there is any necessity for this appropriation of $7,500 for the Rock Island Arsenal?

Mr. MANN. Is the gentleman referring to me?

Mr. MOORE of Pennsylvania. Yes.

Mr. MANN. I do not think there is.

Mr. MOORE of Pennsylvania. Possibly this is not in the district of the gentleman from Illinois, but there may be some other gentleman from Illinois who can explain whether this recommended appropriation is necessary.

Mr. FITZGERALD. Mr. Chairman, this is a mere waste of time. Yes, it is necessary or it would not have been in here any more than the one for Frankford would have been in here if it were not necessary.

Mr. MOORE of Pennsylvania. That goes without saying. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD on the railway situation. [Laughter.]

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. EAGLE. Mr. Chairman, reserving the right to object, may I ask the gentleman whether that also includes anything in regard to the senatorial situation of Texas?

Mr. MOORE of Pennsylvania. No; it has nothing to do with that, except I hope the strike will not touch the great Lone Star State.

Mr. EAGLE. The gentleman is always right except on a question of partisanship.

The CHAIRMAN. Is there objection? [After a pause.] The chair hears none.

The Clerk read as follows:

RIVER AND HARBOR WORK.

To pay the claims adjusted and settled under section 4 of the river and harbor appropriation act approved June 25, 1910, and certified to Congress in House Documents Nos. 691, 993, 1019, 1281, and 1298 at the present session, $1,226.20.

Mr. FITZGERALD. Mr. Chairman, I ask unanimous consent to return to page 6 for the purpose of offering two amendments to the provision——

Mr. MANN. Let us hear what the amendments are.

Mr. FITZGERALD. For the purpose of offering two amendments to the provision for the Farm Loan Board. One is an amendment making the appropriation available for the fiscal year 1917. The other is an amendment to permit the expenditure of $10,000 for rent for the housing of bureaus of the Treasury Department which it is desired to move out of the Treasury Building in order to house the Farm Loan Board.

Mr. MANN. I have no objection.

Mr. FITZGERALD. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

On page 6, in line 15, after the word "act" insert the words "also not exceeding $10,000 for rental of quarters in the District of Columbia for such bureaus of the Treasury Department that it may be necessary to move in order to accommodate the Federal Farm Loan Board in the Treasury Building."

Mr. COOPER of Wisconsin. May I ask the gentleman is it a fact that hereafter there must be quarters rented outside the Treasury Building to accommodate the bureaus of the Treasury?

Mr. FITZGERALD. The situation is this: The Farm Loan Board has been created. Authority was given to rent quarters. It is believed that the Farm Loan Board should be in the Treasury Building. The Federal Reserve Board is there, and it is a bureau in the Treasury Department.

Mr. COOPER of Wisconsin. Will that necessitate permanent rental of quarters outside of the Treasury Building?

Mr. FITZGERALD. It is necessary to put the Farm Loan Board in the Treasury Building and it is necessary to move some of the bureaus of the Treasury Department out. There are some of the bureaus of the Treasury Department now outside the Treasury Building; for instance, the auditors occupy the old building of the Bureau of Engraving and Printing.

The CHAIRMAN. Is there objection to returning to page 6? [After a pause.] The Chair hears none.

The question was taken, and the amendment was agreed to.

Mr. FITZGERALD. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

On page 6, in line 15, after the amendment just agreed to insert the words "fiscal year 1917."

Mr. MANN. Where does that go in—where does the other amendment come in?

Mr. FITZGERALD. It comes in just before the words "one hundred thousand dollars."

Mr. MANN. The first amendment?

Mr. FITZGERALD. The amendment just adopted is inserted after the word "act," in line 15, and following the language inserted comes "fiscal year 1917, $100,000."

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

Pay of the Army: For pay of officers and enlisted men, $950,000.

Nothing contained in the act making appropriations for the support of the Army for the fiscal year 1917 shall be construed as precluding the payment of travel allowance as provided in section 126 of the act approved June 3, 1916, to enlisted men of the National Guard on their discharge from the service of the United States and the appropriation for the transportation of the Army and its supplies for the fiscal year 1917 shall be available for this purpose and also for the purpose of paying travel pay to officers of the National Guard on their discharge from the service of the United States as prescribed in the act approved March 2, 1901.

Mr. MANN. Mr. Chairman, I move to strike out the last word. What is the complication that has arisen in reference to this matter? I am not familiar with it.

Mr. FITZGERALD. Mr. Chairman, for the purpose of enabling the Speaker to sign the District of Columbia appropriation bill, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. WEBB, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 17645) and had come to no resolution thereon.

ENROLLED BILL SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 15774. An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1917, and for other purposes.

GENERAL DEFICIENCY APPROPRIATION BILL.

Mr. FITZGERALD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 17645.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 17645) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1916, and prior fiscal years, and for other purposes, with Mr. WEBB in the chair.

Mr. FITZGERALD. Mr. Chairman, in reply to the gentleman from Illinois, Gen. Sharpe, the Acting Quartermaster General, requested this provision to be inserted in the bill for this reason. He said:

The Army appropriation bill for the fiscal year 1917, under the heading "Transportation of the Army and its supplies," provides "for travel allowance to enlisted men on discharge." This provision is immediately followed by language reading:

"And members of the National Guard who have been mustered into the service of the United States and are discharged for physical disabilities: * * * *Provided further*, That when members of the National Guard, who have been mustered into the service of the United States, have been discharged under the order of the War Department which provides that members of the National Guard with dependent families may be mustered out, transportation from their position on the Mexican border to their homes may be authorized by the Secretary of War."

A reference to the CONGRESSIONAL RECORDS of July 25 and 26, 1916, pages 13432 and 13364–13365, shows that the above-quoted language following the item "for travel allowance to enlisted men on discharge" was inserted as Senate amendments to the Army appropriation bill and that these amendments were proposed in the thought that the enlisted men of the National Guard discharged under the circumstances mentioned in the amendments would not, in the absence of legislation, be entitled to travel allowance on their discharge.

It has uniformly been held that enlisted men discharged on account of having dependent families or discharged on account of physical disability are entitled to travel allowance, so that no legislation was necessary to protect the rights of men of the National Guard discharged from the service of the United States for these two reasons.

While not so intended, the effect of the amendments may be to restrict the use of the appropriation, with respect to the enlisted men of the National Guard to those discharged from the service (a) on account of physical disability, and (b) on account of having dependent families, giving to the men of class (a) travel allowance at the rate of 3½ cents per mile as provided in section 126 of the act of June 3, 1916, and to the men of class (b) transportation only.

Under this construction of the amendments the appropriation would not be available to pay travel allowance to men of the National Guard discharged from the service of the United States for reasons other than those mentioned under (a) and (b) of the preceding paragraph hereof.

It is desired to have this proviso added to the bill in order to provide transportation to any enlisted men of the National Guard who are discharged honorably from the service.

It is believed by the Quartermaster General that the amendments inserted by the Senate for the purpose of allowing travel allowance to men discharged from the grade mustered into the service because of dependent families or because of physical disabilities will, by construction, prevent the payment of travel allowance to a number of other classes.

Mr. MANN. This Senate amendment, then, was not only useless, but it was an error in that case?

Mr. FITZGERALD. It was one of those things where somebody usually says "Put this in, anyway; it will not do any harm, and it will make it sure." And usually such amendment not only does not accomplish what is desired in a particular respect, but usually does a lot of harm in other ways not contemplated by the authors of the amendment.

Mr. MANN. Frequently, at least.

Mr. FITZGERALD. And to avoid any such conflicts arising from other reasons than the two enumerated we have been requested to make it absolutely certain that the travel allowance should be paid out of the appropriation intended to the classes entitled under the law to such travel allowance upon discharge.

The Clerk read as follows:

Rent of buildings: For rental of an office for the use of the Aviation Section of the Signal Corps, $5,000.

Mr. FITZGERALD. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 24, line 8, after the word "Corps," insert the words "fiscal year 1917."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. MANN. Where is this office to be located?

Mr. FITZGERALD. It is to be in Washington, but it is in the Military Establishment—the Aviation Section.

Mr. MANN. It is intended to move the Aviation Section out of the War Department Building?

Mr. FITZGERALD. By reason of the very greatly increased work, the field service wants accommodations where they can have an aviation room for conferences, clerks, some storage facilities, and the like. Provision is made for additional accommodations for the War Department proper in another item, but, by reason of the very greatly increased appropriation from $800,000 to $14,000,000 for the Aviation Corps under the Military Establishment, it is necessary that they have this accommodation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. FITZGERALD].

The amendment was agreed to.

The Clerk read as follows:

Ordnance stores—ammunition: For the purchase or manufacture of ammunition for automatic machine rifles, $210,000.

Mr. MANN. Mr. Chairman, I move to strike out the last word. Are these two items deficiencies? I mean these automatic machine rifle items, one of $190,000 for automatic machine rifles and $210,000 for ammunition.

Mr. FITZGERALD. Orders were given prior to the 1st of July for some 340 Lewis guns. This is to pay for the portion for

which orders were executed in the last fiscal year. They ordered all the machine guns that were available.

The Clerk read as follows:

Transportation and recruiting: For transportation and recruiting, including the same objects specified under this head in the naval appropriation act for the fiscal year 1916, $26,500.

Mr. FITZGERALD. Mr. Chairman, I offer the following amendment.

The CHAIRMAN (Mr. SWEET). The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 36, line 23, strike out the sum of "$26,500" and insert in lieu thereof the sum of "$26,524.18."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

To pay the National Mortar Co. for cement bags, $300.

Mr. RAKER. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from California offers an amendment, which the Clerk will report.

The Clerk read as follows:

At the end of line 7, page 37, add as a new paragraph the following: "National Parks: Lassen Volcanic National Park, Cal., for protecting and improvement for the fiscal year 1917, $5,000."

Mr. RAKER. Mr. Chairman, the bill authorizing this park was approved August 9, 1916, and, of course, coming in late, the estimate was sent from the Secretary of the Interior to the Treasury Department on August 11, 1916, and then transmitted by the Secretary of the Treasury to the House of Representatives on August 12, 1916. There was no way to get this in the prior bill, because of course the general bill has been through the two Houses and is now a law, and the act limits the appropriation in section 5, by stating that no appropriation for the maintenance, supervision, and improvement of said park in excess of $5,000 annually shall be made unless the same shall have been first expressly authorized by law.

Now, there is no change asked except the $5,000, and the park is in this condition: Having been established, there will be no money to work this fall or next spring, nothing to be done until the 1st of July, 1917. The people of the city of Redding are interested and they are doing a great deal to improve the road and build a State highway from the main trunk line in the Sacramento Valley past the Lassen Volcanic Park on to Susanville, the county seat of Lassen County.

The county of Lassen has agreed to take some $300,000 of the State highway bonds, and they are now working on the road. The State of California is at work on the road at the present time. It will add much to the development of that country that this park be placed in the position where the Secretary of the Interior may, between now and the 1st of July, 1917, take charge of it and make arrangements for its proper care and protection and improvement, so that next year it may be in good shape for general improvement and use.

The committee a year and a half ago were in the same condition on this bill with reference to——

Mr. MANN. What is the name of that park?

Mr. RAKER. Lassen Volcanic National Park. Two years ago, when the sundry civil bill had passed, the Rocky Mountain National Park bill authorized an expenditure of $10,000 and no more. In the deficiency bill, which was presented to the House later, it was provided for, so that the park might be properly taken care of.

Mr. MANN. This is the Lassen Volcanic National Park?

Mr. RAKER. Yes.

Mr. MANN. I am looking into the Index. It will not appear under "Volcanic" or "Lassen" or "Park." My observation is that if you want to look into an Index for anything you want to look into the statutes, because unless you have a vivid imagination you would not find it.

Mr. RAKER. I looked, but I could not find it until I looked under "California."

Mr. MANN. I make these remarks for the benefit of the Index clerk. I have quit looking at the Index for anything. Has there been an estimate for this?

Mr. RAKER. Yes, sir; it has been sent in.

Mr. MANN. Does that provide for any other park?

Mr. RAKER. No.

Mr. MANN. I had in mind the Hawaiian Park, just created.

Mr. RAKER. That did not need it. They have just established it, and they have provided for this—the Hawaiian people have.

Mr. MANN. That is not correct.

Mr. RAKER. It was my understanding in the presentation to the Committee on Public Lands, when the matter was reported out.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. RAKER. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. MANN. We put in a specific limitation in the Hawaiian Park bill. I wondered why they had sent an estimate for one and not for the other.

Mr. RAKER. I did not look that one up. I trust the committee will see its way clear to allow this to go on the bill.

Mr. FITZGERALD. Mr. Chairman, I hope this amendment will not be adopted. It would be very unfortunate for the State of California if it should be adopted. There are 68,000 acres of land covered with timber in this park, and we are now approaching the time when the danger from forest fires is very acute.

This tract of land is now in the control of the Forest Service of the Department of Agriculture. It is patrolled by its rangers, and there is available for the suppression of forest fires and the proper care of the park a general appropriation in the Agricultural act in case fire should develop. If this amendment should be adopted it takes the control away from the Forest Service and puts it in the Department of the Interior, and all that will be done out of this money will be to provide for a supervisor of the park or a superintendent of the park and one ranger to cover an area consisting of 68,000 acres.

Mr. MANN. Mr. Chairman, will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. MANN. Have we not already taken it out of the Department of Agriculture?

Mr. FITZGERALD. No. The statement before the committee is to the effect that until the appropriation is made for the park under the care of the Department of the Interior the Forest Service will continue in control and in charge.

Mr. MANN. We have created a national park by act of Congress.

Mr. FITZGERALD. Yes; but it has not been turned over to them yet.

Mr. MANN. I do not see what they have to do with turning it over. We turn it over.

Mr. FITZGERALD. They are in there ex necessitate rei. How is that? That ought to be conclusive. [Laughter.]

Mr. MANN. I did not hear that.

Mr. FITZGERALD. That was a little Latin quotation that ought to be conclusive in this park

Mr. MANN. It would be if it were correct, but it is not correct. [Laughter.]

Mr. FITZGERALD. Five thousand dollars would simply provide a position for the superintendent and one ranger. Now, it is absurd to think of having 68,000 acres of public land, timbered, situated near the only active volcano in the United States, and in danger not only of having fires from the usual and ordinary conditions that create such fires, but being in danger also of a great conflagration as the result of the untimely eruption of Mount Lassen, placed solely in the charge of one superintendent and ranger. In the interest of this public land and the timber on it, and the people of California who live in adjacent territory, I must protest in the name of all of the people of California against any attempt to put them at the mercy of devastating fires by the adoption of such an amendment as this.

Mr. RAKER. Mr. Chairman, will the gentleman yield?

Mr. FITZGERALD. I appreciate the fact that the attention of the gentleman from California was not called to the disastrous results that would follow the adoption of this amendment. I regret I had not the opportunity to consult with him before it was proposed. I am quite certain that he will not desire to proceed under those circumstances, and if he insists on pressing it I will appeal to the committee to protect the people of his State from the foolhardiness of the adoption of such an amendment. Can the gentleman resist such an appeal? [Laughter.]

Mr. RAKER. The gentleman evidently is not familiar with the territory or the conditions.

Mr. FITZGERALD. I have ridden by it.

Mr. RAKER. That is 60 miles from it, on the train, on the Pullman, with everything convenient. I desire to speak of the sentiment of the people of northern California and the district I have the honor to represent as to the creation of this park. They have been in favor of it, and practically unanimous. The Department of the Interior went over the matter as to the as-

sistants that would be needed for the present year and possibly the next year, in regard to superintendent and assistants to take care of it. I believe that the provisions of the bill and the amount of the appropriation are sufficient for the first year. The gentleman must further remember that there are large stretches of this territory upon which there is no timber. It is volcanic rock.

Mr. FITZGERALD. Of course, there is no timber around the rim of the volcano.

Mr. RAKER. Of course, the gentleman's statement, while he intends to come within the actual conditions, does not apply to this case.

Mr. FITZGERALD. Why not?

Mr. RAKER. Because the fact does not exist.

Mr. FITZGERALD. There is timber on this 68,000 acres.

Mr. RAKER. There is timber on parts of it.

Mr. FITZGERALD. And there is danger of forest fires.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MONDELL. Will the gentleman from New York yield to me for a question?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MONDELL. I ask that the gentleman may have one minute more.

The CHAIRMAN. The gentleman from Wyoming asks unanimous consent that the time of the gentleman from New York be extended one minute. Is there objection?

There was no objection.

Mr. MONDELL. Does the gentleman from New York understand that his insistence upon the point of order will probably close the door of opportunity out in that country to some deserving Democrats?

Mr. FITZGERALD. I am not insisting on any point of order, because the item is in order. I am making an argument to appeal to the intelligence of Members of the House.

Mr. MONDELL. The amendment opens the door of opportunity for a number of deserving Democrats out in the State of California.

Mr. FITZGERALD. There is no use in wasting it at Mount Lassen.

Mr. MANN. How could the gentleman from Wyoming expect the gentleman from Brooklyn to be interested in deserving Democrats out in California?

Mr. FITZGERALD. Any more than in Wyoming.

The CHAIRMAN. The time of the gentleman has again expired.

Mr FITZGERALD. Let us have a vote.

The CHAIRMAN. The question is on the amendment of the gentleman from California [Mr. RAKER].

The question was taken; and on a division (demanded by Mr. RAKER) there were—ayes 8, noes 14.

Accordingly the amendment was rejected.

Mr. RAKER. I offer the following amendment.

The CHAIRMAN. The gentleman from California offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. RAKER: Page 37, at the end of line 7, insert:

"NATIONAL PARKS.

"National Park Service: Director of National Park Service, $4,500 per annum; assistant director, $2,500 per annum; chief clerk, $2,000 per annum; one draftsman $1,800 per annum; one messenger, $600 per annum, and in addition thereto such experts, assistants, and other employees within the District of Columbia as the Secretary of the Interior may deem necessary, $6,750; in all, for park service in the District of Columbia, $16,250. So much of the sundry civil act of July 1, 1916, as authorizes the Secretary of the Interior to employ in the District of Columbia during the fiscal year 1917 a superintendent of national parks and to assist him such clerical or other services, not exceeding four persons and make payment for such services from the several appropriations for protection, improvement, and management of the various national parks including Hot Springs Reservation, and out of the revenues from rentals and privileges derived therefrom, is hereby repealed."

Mr. FITZGERALD. I reserve a point of order on the amendment.

Mr. RAKER. Mr. Chairman, as to this item the Committee on Appropriations did not have the estimate when they made their report. The Secretary of the Interior sends the following letter to the Secretary of the Treasury:

DEPARTMENT OF THE INTERIOR,
Washington, August 26, 1916.

MY DEAR MR. SECRETARY: I transmit herewith an estimate in the sum of $16,250 for the administration in the District of Columbia of the National Park Service created by the act of Congress approved August 25, 1916, and have to request that it be forwarded to Congress for its early and favorable consideration.

It was not practicable to include this estimate in the annual estimates of this department submitted in December of 1915, as the bill creating the National Park Service was then under consideration in Congress. The appropriation covered by this estimate is necessary to enable the department to provide for the proper administration of the National Park Service in the District of Columbia during that portion of the fiscal year ending June 30, 1917, commencing September 1, 1916.

Cordially, yours,

FRANKLIN K. LANE.

THE SECRETARY OF THE TREASURY.

And the same was then transmitted, on August 26, by the Acting Secretary of the Treasury, to the Congress. I have been in consultation with the Secretary of the Interior and want to call the attention of the committee—they are all familiar with it—to the fact that unless provision is made by this appropriation the benefits of the park-service bill will not be available. I want to call the attention of the chairman of the committee further to the fact that in the hearing before the committee the bill had not yet then been signed, and of course the committee wisely felt that they could not include this item in their bill. They repealed the provisions that furnish help for the park service now, and this carries about $2,000 less than provided by the bill creating the park. Instead of being $8,400 in the District of Columbia, it is only $6,750. It is, in effect, no extra expense to the Government, but is a concentration under this park-service bill, so that the work can be done in better shape and in better condition than it has been done in the past.

Mr. MANN. Will the gentleman yield?

Mr. RAKER. I yield to the gentleman.

Mr. MANN. I understood the gentleman to say that the Committee on Appropriations did not have the estimate as to this item when they made their report?

Mr. RAKER. That is correct.

Mr. MANN. What is the date of the estimate?

Mr. RAKER. August 26.

Mr. MANN. This deficiency bill was not reported until August 29. Why were they not on the job in the Interior Department?

Mr. RAKER. They were on the job, and before the committee.

Mr. MANN. Did they call it to the attention of the committee?

Mr. RAKER. They did.

Mr. FITZGERALD. They called it to the attention of the committee, but at that time there was no law creating the park service.

Mr. MANN. Is there anything in the hearings about it?

Mr. RAKER. On page 281 of the hearings, Mr. Albright, assistant attorney for the Department of the Interior, who was before the committee, called their attention to the bill; but at that time the bill had not been signed.

Mr. MANN. Oh, well I know; but the bill was signed four days before this deficiency bill was reported to the House. Does it take four days for a thing to get through their heads down there?

Mr. RAKER. The estimates were prepared four or five days before the bill was signed, but could not be acted upon by the department until the bill was signed.

Mr. MANN. Did the gentleman himself go before the committee after the bill was signed?

Mr. RAKER. No; I went before the committee before the bill was signed.

Mr. MANN. Let me ask another question. You propose an appropriation here, I suppose, for the officials named in the park bill?

Mr. RAKER. Yes.

Mr. MANN. And then for the clerks authorized by it. There is a limit——

Mr. RAKER. Eight thousand five hundred dollars in the law.

Mr. MANN. Now you propose to repeal, not the appropriation in the sundry civil bill, but the authority to use the money.

Mr. RAKER. Yes.

Mr. MANN. Of course, all that money will be used for something else.

Mr. RAKER. I think not. It is not authorized.

Mr. MANN. What makes the gentleman think it will not be?

Mr. RAKER. It takes that much from the appropriation.

Mr. MANN. How does the amendment take anything from the appropriation?

Mr. RAKER. I will read:

So much of the sundry civil act of July 1, 1916, as authorizes the Secretary of the Interior to employ in the District of Columbia during the fiscal year 1917 a superintendent of national parks and to assist him such clerical or other services not exceeding four persons, and make payment for such services from the several appropriations for protection, improvement, and management of the various national parks, including Hot Springs Reservation, and out of the revenues from rentals and privileges derived therefrom, is hereby repealed.

Mr. MANN. Yes; but the appropriation in the sundry civil act remains as it is. There is no cutting off of the appropriation. The intention is to spend it. All you do is to make an additional appropriation, so that the authorization to spend out of the sundry civil appropriation to pay these employees is repealed, but you spend the appropriation for something else.

Mr. RAKER. It says, "and make payment for such services from the several appropriations," and so forth.

Mr. MANN. That is the authorization. Here is the fund, a certain amount of money, with authority to spend out of that sum of money and make payment to certain employees. You propose to repeal the authority, but not to reduce the appropriation. You propose to make another appropriation.

Mr. RAKER. That is not the intention.

Mr. MANN. That is what you do.

Mr. RAKER. We could re-form the amendment to cover it. I did not understand that it did that thing.

Mr. MANN. The gentleman will admit that it does not repeal the appropriation; that it does not cut down any appropriation.

Mr. RAKER. It repeals the authorization to pay the men to do the work—the employment of the men and the payment. I imagine that they could not use the money for anything else.

Mr. MANN. Certainly; the appropriation is made for a general purpose. Out of the appropriation they are authorized to spend a certain amount of money to pay certain employees. You propose to appropriate specifically for the employees and leave the appropriation what it is now. It may be that they need the money. I have no doubt they think they need it.

Mr. RAKER. It is not intended to authorize any more money, or permit any more money for this service to be used than has actually been made. It will not be an increase in expenses to the Government but a consolidation carrying out the will of Congress in the National Park Service bill in which it may be organized and brought under one head.

Mr. MANN. Is not the authorization already repealed by the park act, where we provide by special act for the creation of a National Park Service? Does not that repeal the provision in the sundry civil act contemplating the same thing in another way?

Mr. FITZGERALD. No; it does not.

Mr. MANN. I think it does, because unless it does you have two park service authorizations, the laws of which are in conflict. This special park act turns over the parks to the National Park Service created by the special act, what we will hereafter call, I suppose, the organic act. That repeals any provision for somebody else to do the same thing.

Mr. RAKER. Here comes the question—we have a National Park Service in existence and there is no provision for them to do the work. It would not be right to leave that condition to stand until next July.

Mr. MANN. I am not saying that it would. I think we ought to provide for the National Park Service, but I think the department ought to come here so that we can have an understanding of it and not spring it as an amendment on the floor of the House.

Mr. RAKER. They did.

Mr. MANN. They did not.

Mr. RAKER. They came and presented it to the committee.

Mr. MANN. On August 26 they dictated a letter which was transmitted to the Speaker of the House on August 27. What day was it referred?

Mr. RAKER. On August 29.

Mr. MANN. I told you so. Anybody could guess it out. I got them a little speedier than they were. On August 26 they dictated a letter which was written the 27th, transmitted to Congress by mail late in the afternoon of August 28, reached the House August 29, and is referred to the committee. If they can not handle the park service better than that the young trees will die before they discover that they are there.

Mr. FITZGERALD. Mr. Chairman, the sundry civil act provides the necessary force for a National Park Service and a sufficient sum to enable it to do what work is necessary to be done between now and the next session. The bulk of the travel in the national parks ceases about the 1st of September, and most of them are closed because of climatic conditions. At the next session of Congress it will be possible to provide for the new service for the balance of the fiscal year and the next fiscal year, hence I must insist on the point of order.

The CHAIRMAN. The Chair sustains the point of order, and the Clerk will read.

The Clerk read as follows:

COLUMBIA INSTITUTION FOR THE DEAF.

For additional amount for the removal of the college women's dormotory, and the construction, equipment, and furnishing of a new dormitory, necessary repairs, or replacement of walks and grading of grounds adjacent to said dormitory, including all material, personal and other services, and for each and every purpose in connection therewith, to be expended under the direction of the Superintendent of the Capitol Building and Grounds, $53,000.

Mr. FITZGERALD. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 38, line 13, strike out the word "dormotory" and insert the word "dormitory," and in line 19, after the word "grounds," insert the words "fiscal year 1917."

The amendment was agreed to.

The Clerk read as follows:

The payment of the salary of Ewing C. Bland, from the appropriation entitled "Salaries, fees, and expenses of marshals, United States courts, 1915," for the period from December 12, 1914, to and including March 4, 1915, during which period services were rendered by him in good faith as United States marshal for the western district of Missouri, is authorized notwithstanding the fact that his appointment was not confirmed by the United States Senate.

Mr. MANN. Mr. Chairman, I reserve the point of order on the paragraph, and I think I shall make it. Very likely Mr. Bland ought to be paid. In view of the conditions relating to various of these claims, it seems to me that this is an item for the Senate to propose. The Senate rejected the confirmation, as they have in a number of cases. There has been a hot contest over there as to whether when they reject a confirmation a man should be paid, the man having rendered the actual service. I am inclined to think they all ought to be treated upon the same footing. I think this is a matter for the Senate to dispose of. If the Senate desires to add it as an amendment, I have not the slightest objection to it.

Mr. BORLAND. Mr. Chairman, this item is an authorization merely for the payment out of the current appropriation of 1916 of the salary of Mr. Ewing C. Bland as United States marshal for the western district of Missouri. Mr. Bland is a son, as most of the Members know, of Richard P. Bland, for many years a Member of this House from the State of Missouri. Young Bland, who is a practicing lawyer in Kansas City, was appointed without any solicitation on his own part by the Attorney General as United States marshal at a time when there was some difficulty in securing the services of a suitable appointee. At that time the Republican incumbent of the office had died, and the United States judge was filling the place temporarily by the appointment of a deputy under the former marshal. He was filling it by appointment for each session of the court. It became necessary to fill the office, and Mr. Bland was asked to take it. At the time that he was asked to take it he was the judge of the municipal court of Kansas City, and had been recently reelected to that position. He accepted the appointment of United States marshal and resigned his judicial office. His appointment under the Constitution of the United States runs until the last day of the session of the Senate next following, it being a vacation appointment. Therefore his commission ran until the 4th of March, 1915, and he served until the 4th day of March, 1915, and no one else served during that period and no one else claimed to have served during that period. He was the only United States marshal and the only one authorized to serve process. In the meantime his appointment was rejected by the Senate, but the rejection by the Senate has no force by law or by the Constitution to recall the commission issued to him by the President of the United States. It has no force to render vacant the office that he has held. It has no force to remove him from office, and he would not be out of office prior to the expiration of his commission unless he resigned his appointment, and in that case some one else would have to be temporarily appointed. As a matter of fact, the rejection of the Senate has no legal force whatever. The Constitution says that the Senate may concur. That is, it must give its advice and consent, but it does not provide for any such action as rejection by the Senate, and the failure of the Senate to concur, either with or without reason, is a rejection without affirmative action. After Mr. Bland's term of office had expired on March 4, 1915, some little time afterwards—a week or two, as I recollect it—another gentleman was appointed by a vacation appointment, and he has since been confirmed and paid.

The law provides that a man can not be paid for serving as United States marshal unless he is confirmed by the Senate.

That law, as we all know, is one of the few fragmentary relics of the old struggle between the Senate of the United States and President Andrew Johnson over the rejection of certain officeholders in the South. That law has been repealed in nearly all of its particulars. It applied originally to every Federal office in the United States, but as to the Post Office Department and other positions in the Government it has been expressly repealed by Congress, and now anyone serving by authority of the President of the United States is entitled to

his pay for the time actually served. Why it has not been repealed in the case of United States marshals I do not know, but it ought to be repealed. I do know this, that it has been universally customary when a man serves by vacation appointment, and no one else is claiming to have served for the same period, that he shall be paid for services rendered in good faith under commission and authority of the President of the United States. To do less than that is to deprive the President of the United States of the constitutional power which he has to see to it that the laws of the Union are faithfully executed.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. BORLAND. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BORLAND. The highest constitutional power vesting in the President of the United States, one which is absolutely vital to the existence of the Government, is the power to see to it that the laws of the Union are faithfully executed, and to do that he must have subordinate officers serving under his authority. If it lies in the power of the advisory body to vacate an office and keep it vacant, then that highest power of the President is destroyed. That was the decision arrived at by the Attorney General of the United States as far back as when William Wirt was Attorney General. He decided that the President had the power to fill appointments in the vacancy of the Senate, and that the words "occurring in the vacancy of the Senate" meant "happening to exist" in the vacancy of the Senate—that is, continuing to exist during the vacancy of the Senate, whether it happened at a time when the Senate was in session or not.

As to the question that the gentleman from Illinois [Mr. MANN] raised—and I hope he will not press the point, and I want to direct this request especially to him—I have this to say. It is customary and in fact proper that the estimates for these appropriations shall come to the Committee on Appropriations of the House of Representatives. I do not see any reason in this case why the gentleman should suggest that we surrender that particular responsibility and prerogative any more than we ought to do so on other appropriations. These estimates do go to the Committee on Appropriations of the House. They properly go there, and they ought to be there considered. I take it that the Senate could very well say if we failed to include them that we did not desire to have them included. It is not necessary that they should be added in the Senate, nor should we allow a custom to grow up of certain amendments being added in the Senate.

In other words, there is nothing in this particular appropriation which would cause it to constitute any exception at all to the usual class of appropriations which have been sent to the Committee on Appropriations of the House and included in a regular appropriation bill, and that does not deprive the Senate of its power to act upon it as fully and freely as if it were acting in its own committee originally. So that I trust the gentleman will not press his point.

Mr. MANN. This item was put in a former bill?

Mr. BORLAND. It was.

Mr. MANN. And stricken out by the Senate?

Mr. BORLAND. Yes; stricken out by the Senate, but I apprehend that has happened very frequently about items.

Mr. MONDELL. Will the gentleman yield?

Mr. BORLAND. I will.

Mr. MONDELL. Does the gentleman anticipate any objection to this item in another body?

Mr. BORLAND. I do not.

Mr. MONDELL. The matter has been arranged, has it?

Mr. BORLAND. No; it absolutely has not been arranged, but I do not anticipate there will be any trouble.

Mr. MONDELL. Well, we are so very near the close of the session I do not think we should do anything, unless it is very clearly and definitely our duty to do it, if it is likely to prolong the session and prevent an agreement in conference.

Mr. BORLAND. I am quite confident this will not prolong the session considering other crises and contingencies that are occurring.

Mr. MONDELL. We should not promote any dissension in the ranks of the faithful at this late hour of the session.

Mr. BORLAND. I do not think it will. I trust not. The justness of paying this man a salary is so manifest that I think the Senate will agree to it, and we must assume that the Senate acted without sufficient information on the subject. So I hope the gentleman from Illinois will withdraw his point of order and let it go in the bill and let the Senate act on it fully and freely as they see fit.

The CHAIRMAN. Does the gentleman from Illinois make the point of order?

Mr. MANN. Mr. Chairman, I reserve the point of order. We put this item in a former bill. I do not remember what took place in the Senate. My recollection is in the final end we agreed to the Senate amendment striking out the item. That was in conference, I suppose. There is quite a controversy going on in the Senate as to what should be done in reference to appointments made in recess that are not confirmed by the Senate. The Constitution of the United States, as stated by the gentleman from Missouri [Mr. BORLAND], provides that the commission shall expire with the end of the next session of the Senate. Even so distinguished a body as the Senate did not know that was the provision of the Constitution when they had this item before them the last time. We might judge by the fact they passed the Federal farm-loan credit bill with a provision in it that if the recess appointments should be made under that law the commission should expire 30 days after the beginning of the next session, and that bill in that shape was reported to the House by one of the ablest committees of this House. It never was changed until I called attention to it, because I happened to recollect that was a provision of the Senate. The Senate has also, I believe, in one bill put in a specific provision that there should not be paid out of the District of Columbia appropriations to one officer who had a recess appointment and who was afterwards rejected by the Senate. He served just as Mr. Bland served. Then there is another case. The Federal Trade Commission provided for the appointment of certain commissioners to be divided between the two parties. The President named five Democrats, contrary to the law, and called two of them Progressive Republicans. One of those Progressive Republicans came from the State where the Republican leader of the Senate comes from. His only activity in politics I have ever heard of was conducting a campaign for the Democratic candidate against the Republican leader of the Senate for reelection. I think it is fair to assume he is not a Republican, and that the President, in plain violation of both the letter and the spirit of the Federal Trade Commission act, refused to appoint a Republican to that place, and we are told he intends to keep him in the place. He has been rejected. We are told that he is going to get a recess appointment, and under the system we have if he gets a recess appointment when Congress adjourns that will again run as the present recess appointment has run until the expiration of the next session of Congress, as the present appointment will run until the expiration of this session of Congress. So that under that construction the theoretical power of the Senate to reject a nomination is only theoretical and it is not practical, and the only power which the Senate has under this construction of the Constitution is to refuse to pay the person holding the commission.

I am not willing to take that power away from them when the President, not merely this President but other Presidents, has plainly disregarded the spirit of the law and renominated time after time as a recess appointment the same man whom the Senate has refused to confirm and kept him in office, as may be done in the particular case to which I have referred as long as the President desires to do so. Now, we can not change the Constitution in that respect but we do not have to pay the man. I am willing to pay Mr. Bland, as far as I am concerned. I am very sorry that he happens to be ground between the upper and nether millstone, but let the Senate determine what they will do with reference to these matters, as they are peculiarly within the province of the Senate.

Mr. BORLAND. Let me call the gentleman's attention to this.

Mr. MANN. Certainly.

Mr. BORLAND. Mr. Bland was appointed by a vacation appointment and my recollection is there were two other gentlemen appointed at the same time, one in New York and I think one in South Dakota. They failed of confirmation. They were not reappointed. No vacation appointment was given them after the expiration of the term of the Senate so as to continue them in office. In fact, the very contrary occurred. The appointments went to other parties, so that there is nothing to connect this case with the case of the commissioner to whom the gentleman has referred that occurred more than a year afterwards.

This man was not given a reappointment, but the result of his having accepted the President's commission was to compel him to resign an office to which the people of Kansas City had elected him and which, of course, was afterwards filled by another man, leaving him entirely out of both offices.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANN. Mr. Chairman, I would like five minutes more.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent for five minutes more. Is there objection?

There was no objection.

Mr. MANN. Mr. Chairman, Gen. Smith was nominated as one of the Excise Commissioners of the District of Columbia. He was rejected by the Senate. I do not know him and never saw him in my life. I am not sure, but it seems to me that the Senate put in an amendment specifically providing that he should not be paid his salary because he had been rejected by the Senate. Whether that was——

Mr. BORLAND. Whether that was wise or not I suppose they had the power to do so. It may have been wise and it may have been unwise. But the Senate has the power to protect itself even in this case.

Mr. MANN. Yes; but I am not willing to let the Senate act as a matter of favoritism merely. Let them determine what their policy is going to be.

Mr. BORLAND. Why should we try to determine it here?

Mr. MANN. This is now in the District of Columbia bill that has gone to the President to-day:

Provided, That the term of office of any member of the Excise Board whose nomination has been or may be rejected by the Senate shall be terminated by such rejection—

That is unconstitutional—

and no part of this appropriation shall be used to pay the salary of any member of the board whose nomination has been rejected by the Senate.

The first part of that is unconstitutional, but the second part is not. Now, I am not willing that the Senate shall play a matter of favoritism as to whether some particular Senator wants a man paid and another wants a man not to be paid. I believe we ought to treat them all on the same basis. If these men hold their offices legally—and I believe they do—we should pay them their salaries and not permit the Senate, because it does not happen to like a man, to say, after his duty has been performed, he shall not be paid for it.

Mr. BORLAND. I do not understand the gentleman to mean that Bland should not be paid unless these other people are paid?

Mr. MANN. Oh, no.

Mr. BORLAND. The question comes down as to whether Bland is entitled to his money.

Mr. MANN. The House has just agreed to an amendment stating that one man whose nomination had been rejected should not be paid. Now, the gentleman proposes on the same day that that bill has been signed by the Speaker of the House to put a provision in there that another man under exactly similar circumstances must be paid. I do not think that is fair.

Mr. BORLAND. There is a great deal of difference between agreeing to an amendment that comes from the Senate and conceding the appointment of a man who was not commissioned and appointed to his office.

Mr. MANN. I think the Senate ought to pass on this.

The CHAIRMAN. Does the gentleman from Illinois insist on his point of order?

Mr. MANN. I insist on it.

The CHAIRMAN. The Chair sustains the point of order.

Mr. SHERLEY. Mr. Chairman, I offer the following committee amendment.

The CHAIRMAN. The gentleman from Kentucky offers an amendment which the Clerk will report.

The Clerk read as follows:

On page 39, after line 19, insert as a separate paragraph the following:

"There is created a commission, to be composed of the Chief of Ordnance of the United States Army, the Chief of Ordnance of the United States Navy, the superintendent of prisons of the Department of Justice, and the purchasing agent of the Post Office Department, who shall serve without additional compensation, and who shall report to Congress, not later than the first Monday in December, 1916, detailed estimates and plans for equipping the United States penitentiaries for the manufacture, by the prisoners, of various articles used by the Government. Such report shall indicate what articles it is thought desirable to be so manufactured, the cost of equipping existing buildings and the erection and equipping of any other necessary buildings, the probable cost of manufacture of such articles and the price now paid under contract, and such other data as may be pertinent to the general inquiry. For expenses of the commission to be paid on vouchers to be approved by the chairman, who shall be selected by the members thereof, $5,000."

The CHAIRMAN. The question is on the committee amendment.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

Nineteen hundred and sixteen, $56,000.

Mr. FITZGERALD. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 42, after line 6, insert the following: "Nineteen hundred and fourteen, $800."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

DEPARTMENT OF LABOR.

Contingent expenses: For contingent and miscellaneous expenses of the offices and bureaus of the department, including the same objects specified under this head in the legislative, executive, and judicial appropriation act for the fiscal year 1916, to continue available during the fiscal year 1917, $2,310.

Mr. FITZGERALD. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

On page 43, line 7, strike out the figures "1917" and insert the words "nineteen hundred and seventeen."

The amendment was agreed to.

The Clerk read as follows:

Section 6 of the legislative, executive, and judicial appropriation act, approved May 10, 1916, as amended by the naval appropriation act for the fiscal year 1917, shall not prohibit the employment and payment, since May 9, 1916, in the Immigration Service at Ellis Island, of A. B. Fry, a consulting engineer employed in another branch of the Federal service, under such terms as the Secretary of Labor may prescribe.

Mr. BENNET. Mr. Chairman, I reserve a point of order on the paragraph, and ask my colleague for a brief explanation.

Mr. FITZGERALD. Mr. Fry is employed in the Treasury Department at a compensation of $2,900 a year. During the last 16 or 17 years he has been employed by the Department of Labor and the Department of Commerce and Labor, and as consulting engineer has had charge of the construction on Ellis Island, and as superintendent is paid $1,500 a year.

He is now in charge of the work in connection with the repairs resulting from the Black Tom explosion. The Department of Labor state that his services are more valuable if continued under the old arrangement than they would be if they employed another man at a much larger expense. This is under a provision that prohibits two salaries when in excess of $2,000 a year, and applies to Mr. Fry. He has been a great many years in the Federal service, and at one time, if my recollection is accurate, he was the head of the fire department. He is now in command of the Naval Militia, and is recognized as an engineer of very high attainments.

Mr. BENNET. This does not permit him to draw any more than the usual four salaries that he has been accustomed to drawing, does it?

Mr. FITZGERALD. It permits him to do as he has done heretofore—to draw two salaries.

Mr. BENNET. For a good many years he has been drawing four?

Mr. FITZGERALD. He has drawn two, as I understand.

Mr. BENNET. My colleague overlooks the salary that he draws from the State of New York and the one that he draws from the Treasury Department.

Mr. FITZGERALD. I am not familiar with the salary that he draws from the State of New York, except as to whatever compensation he may receive as commander of the Naval Militia.

Mr. BENNET. I want to make sure that this does not increase the number of salaries he has been drawing.

Mr. FITZGERALD. It is the compensation he has been receiving for 10 years.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. BENNET. Yes.

Mr. STAFFORD. Can the gentleman tell the committee how many salaries he receives from the United States and from the State and from the Naval Militia?

Mr. BENNET. He is a very able man, and his services are appreciated, but I have no possible way of knowing what his total income is.

Mr. STAFFORD. Can the gentleman tell us how much time he devotes to his Federal duties?

Mr. FITZGERALD. Well, he has charge of three post offices in Manhattan and the appraisers' stores, and——

Mr. MANN. Has charge of them? What does the gentleman mean by that?

Mr. FITZGERALD. He has charge of them in the sense that he has charge of any construction or repair work that may be needed with respect to them.

Mr. MANN. He gets paid if he does anything?

Mr. FITZGERALD. No; I think not.

Mr. MANN. He is an employee of the Treasury Department, is he not?

Mr. FITZGERALD. Yes.

Mr. MANN. For how much?

Mr. FITZGERALD. Two thousand nine hundred dollars.

Mr. MANN. How much of his time does he give to that work?

Mr. FITZGERALD. My understanding is that he gives all of his time to the Federal service.

Mr. MANN. Well, if he gives all of his time to that, how can he do this other work?

Mr. FITZGERALD. What other work?

Mr. MANN. All the work provided here.

Mr. FITZGERALD. I say he gives all his time to the Federal service, which includes the various departments.

Mr. MANN. He must be a wonderful man.

Mr. FITZGERALD. I think he is. I have seen him.

Mr. MANN. Does the gentleman say that in New York they have nobody else but this one man who is competent to do this work?

Mr. FITZGERALD. I think this man receives less than would otherwise be paid for the work that is done by him. This man has designed and has had charge of the construction of the Ellis Island plants.

Mr. MANN. How much has he been paid for that?

Mr. FITZGERALD. One thousand five hundred dollars a year.

Mr. MANN. No more than that?

Mr. FITZGERALD. No more than that. He was the engineer and superintendent of construction. He has had charge of that work for about 17 years, and there are large expenditures there every year for dredging and improvements of various kinds.

Mr. MANN. He gets now from the Federal Government $4,400 a year?

Mr. FITZGERALD. Yes; $1,500 from the Department of Labor and $2,900 from the Treasury Department.

Mr. MANN. What does he get from New York City?

Mr. FITZGERALD. I do not know what he gets from the city of New York, unless he gets something from the State as commander of the Naval Militia.

Mr. MANN. Does he get a boat from the State to operate with?

Mr. FITZGERALD. He gets a boat from the Federal Government.

Mr. MANN. The Government furnishes a boat, and he operates that as headquarters of the militia?

Mr. FITZGERALD. The militia has an armory, I will say to the gentleman.

Mr. MANN. Has the committee found any other case where the act prohibiting the payment of two salaries that would aggregate more than $2,000 would apply?

Mr. FITZGERALD. He found that himself.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MANN. I ask unanimous consent that the gentleman may proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FITZGERALD. My acquaintance with Mr. Fry comes from his appearance before the Committee on Appropriations. I do not think I have met him more than once or twice outside of that. I know that he has a very excellent reputation as an engineer of high standing. He has for about 17 years been receiving $4,400 a year from the Federal Government for his services. When this provision was put in the legislative act his compensation was reduced by $1,500. The Department of Labor officials insist that paying him $1,500 a year obtains for them services of a value much in excess of the sum paid. I have no doubt that that is true. The Ellis Island plant is a very extensive one, and he has had charge of and superintended it. He prepares the plans for repairs there, and I guess he earns all he gets. Four thousand four hundred a year is not a princely income in the city of New York for a competent engineer. Why, they pay office boys that much over there. [Laughter.]

Mr. MANN. How about the case in the city of Brooklyn? This is in Brooklyn.

Mr. FITZGERALD. Well, we do pretty well ourselves at times. It is the Borough of Brooklyn, however, I will say to the gentleman. The "city of Brooklyn" no longer exists.

Mr. MANN. We say "the city of Brooklyn." You can not change a place by a vote over there.

Mr. FITZGERALD. You can not change our loyalty by a change of name or title.

Mr. SIEGEL. Mr. Chairman, will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. SIEGEL. Is it not a matter of fact that Mr. Fry would get 5 per cent upon each dollar's worth of work done if he received the usual commission as an architect in New York?

Mr. MANN. That would depend upon what he did. He would not if he does only what he does now.

Mr. FITZGERALD. If he were a member of the architects' union, he would get 6 per cent and would not work.

Mr. SIEGEL. Then on this job at Ellis Island he would get at least $9,000?

Mr. MANN. That would depend on what he did. An architect does not get 5 per cent for merely looking at things. He must have an office. The Treasury Department does the work that the architect usually gets paid for.

Mr. GLASS. I have known architects to be paid 6 per cent for work which they did not do, which they had been employed to do.

Mr. FITZGERALD. At any rate, Mr. Chairman, I ask that we move on, and that the Clerk read.

The CHAIRMAN. The pro forma amendment being withdrawn, the Clerk will read.

Mr. MANN. There was a point of order made.

Mr. FITZGERALD. The point of order is withdrawn.

Mr. BENNET. My colleague has withdrawn the point of order for me. I withdraw it.

The Clerk read as follows:

For payment of the net amount, namely, $689,460.54, of a judgment of the Court of Claims, dated December 6, 1915, certified to Congress in House Document No. 1332, of this session, rendered under the act of February 15, 1909, in favor of the Mille Lac Band of Chippewa Indians in the State of Minnesota, to be credited to "Chippewas in Minnesota fund," established by section 7 of the act approved January 14, 1889; $487,875.94 of said net judgment, as determined by the Court of Claims, to bear interest which is hereby appropriated out of any moneys in the Treasury not otherwise appropriated, at the rate of 5 per cent per annum from December 6, 1915, until the date the fund is credited; and thereafter the amount credited to the fund shall draw interest as provided in section 7 of the said act of January 14, 1889.

Mr. MANN. Mr. Chairman, I reserve a point of order on the paragraph.

Mr. FITZGERALD. That is in accordance with law.

Mr. MANN. The last clause is probably subject to a point of order. However, I reserved the point of order for the purpose of making a statement. This is an appropriation of almost $700,000. It will amount to more than $700,000, including the interest, to pay a judgment recovered by the Mille Lac Tribe of Indians. We have a good many of these claims pending—quite a number of bills which have been reported to refer Indian tribe claims to the Court of Claims. This case is a very fair illustration of what happens. The Court of Claims rendered this judgment. It may be that the judgment is properly rendered. I do not raise any question about that, but this judgment of $700,000 is to pay the Indians for about 31,000 acres of land which we gave away. Now, it is going some when you buy 31,000 acres of land for about $700,000 in order to give it to settlers. That is what was done in this case in the main. Of the 31,000 acres of land the State of Minnesota received 3,022 acres and a fraction as school lands. There were homestead and preemption entries entered and patented amounting to 28,246 acres and a fraction. Practically the entire 31,000 acres of land were given away and the Government received nothing whatever, or, maybe, $1.25 an acre for a small part of the land. It had valuable timber upon it. Having given it away, we provided for sending to the Court of Claims the claim which would find out what it was worth, and to pay the worth to the Indians. Of course, I suppose that at the time it happened no one here thought of taking 31,000 acres of land up in Minnesota and finding that it was worth three-quarters of a million dollars. Probably the Members of Congress who passed the bill supposed that it involved finding the value of 31,000 acres of land at a price of $1, $2, or $2.50 an acre. Now, having done it all, we reach the point where we have to pay the judgment. We neither have the land nor the money. The Indians have lost the land, which never was worth anything to them, but was probably worth a good deal to the settlers who grabbed it. This generation are called upon to pay for it, though the generation which obtained the land and probably spent the money are mostly dead. This is a fitting illustration of the character of most of these bills provided for reference of Indian claims to the Court of Claims.

The CHAIRMAN. Does the gentleman withdraw his point of order?

Mr. MANN. I meant to look up, but did not, the provision in the last clause that the amount credited to the fund shall draw interest, as provided in section 7 of the act of June 14, 1889. These old acts usually provided a higher rate of interest than we provide now for Indian funds. There is no reason on earth why, having made a present to the Indians of nearly three-

quarters of a million dollars, which, in my judgment, they never were entitled to, we should now pay them a very much higher rate of interest than we pay upon current items.

Mr. FITZGERALD. The law provides it.

Mr. MANN. If the law provides it, it does not need to be in the bill, and I will make the point of order. I do not think the law does provide it.

Mr. FITZGERALD. I looked it up.

The CHAIRMAN. The gentleman makes a point of order on the paragraph.

Mr. FITZGERALD. The law provides for interest.

Mr. MANN. Then what is the object of carrying it in this bill? I think the law does not provide anything about this fund.

Mr. FITZGERALD. I read it that way.

Mr. MANN. Then it does not need to be in here. That is clear, is it not?

Mr. FITZGERALD. It does not change the law.

Mr. MANN. I think it was put in here to change the law. But does the gentleman know the rate of interest provided in the act of 1889?

Mr. FITZGERALD. I will send for the statute.

Mr. MANN. Let this be passed over for a few minutes.

The CHAIRMAN. Without objection, the paragraph in question will be passed over temporarily and the Clerk will read.

The Clerk read as follows:

None of the judgments contained in this act shall be paid until the right of appeal shall have expired.

Mr. MANN. Mr. Chairman, I move to strike out the last word. The language here is:

None of the judgments contained in this act shall be paid until the right of appeal shall have expired.

It does not seem to me that that is the ordinary language. Has it not been customary, where the right of appeal is waived, or where the Government states that it is not its intention to take an appeal, to pay the judgment? I think in this Indian case that I was just talking about the right of appeal does not expire for some time.

Mr. FITZGERALD. This provision is always carried.

Mr. MANN. My recollection was—it may be erroneous—that we usually provide that the right of appeal shall first expire, or that the attorney for the department shall certify that no appeal is to be taken. Most of these judgments probably have the right of appeal still in existence for some time, but if the Government determines that it is not going to take an appeal, then there is no reason for deferring the payment of the judgment.

Mr. FITZGERALD. This is the provision that has been carried in the bill.

Mr. MANN. Very well.

The CHAIRMAN. The gentleman withdraws the pro forma amendment, and the Clerk will read.

The Clerk read as follows:

For construction and repair of hospitals, $3,660.19.

Mr. HARRISON. Mr. Chairman, I move to strike out the last word. I was out of the Chamber temporarily when the clerk read an item that I want to ask the chairman of the committee about. On page 47, at the top of the page, I notice that there is an item—

To pay Samuel Robinson, William Madden, and Joseph De Fontes, messengers on night duty during the present session of Congress, for extra services, $700 each; in all, $2,100.

I will ask the chairman of the committee if there are not four of these messengers?

Mr. FITZGERALD. I do not know.

Mr. HARRISON. My understanding is that there are four of them, that another man by the name of Charlie Allen performs the same kind of service that is performed by these other three. He has been engaged in this service during the entire session, and it occurs to me that he ought to be entitled to the same amount as the others.

Mr. FITZGERALD. We think we ought not to enlarge this practice. The House has no control over the number of these messengers. They are employees of the Government Printing Office, which may put on any number of men. These three messengers have been getting this amount in this bill for many years, and it is practically a part of their salary. We are not going to extend the number of persons to whom these bonuses are given. We abolished that practice in this House some time ago.

Mr. HARRISON. I am asking for information.

Mr. FITZGERALD. Some one stated that there was another man assigned to the work, but no member of the committee had ever seen or heard of him and knows nothing about it.

Mr. HARRISON. Did not some one before the committee state that he had been on during the entire term, or was not there a memorandum handed to the committee to that effect?

Mr. FITZGERALD. I think there was a statement that he began work in December. He is getting $1,400 a year and 20 per cent additional for night work, and we think that is enough.

Mr. HARRISON. Does the gentleman think that he ought to discriminate against the fourth man?

Mr. FITZGERALD. Has the gentleman ever read the parable of the vineyard?

Mr. HARRISON. Yes; but I would like to have it quoted by the gentleman. I will say that the reason why I am interested is that this man is from South Carolina, and inasmuch as the primaries were on in that State there was no one here to look out for him, and he spoke to me about it.

Mr. FITZGERALD. I think South Carolina has been pretty well taken care of in this administration.

Mr. HARRISON. But this gentleman is interested for himself and not for South Carolina. I think he ought to be taken care of like the others.

Mr. FITZGERALD. That is a matter of opinion. The gentleman can not find anybody else in the House that entertains the same view, and so there is not much hope for him.

The Clerk read as follows:

For suppressing liquor traffic among the Indians, 50 cents.

Mr. BENNET. Mr. Chairman, it is a distinct comfort to run across an item now and then that you can truthfully say does not appear to be wasteful. This item "for suppressing the liquor traffic among the Indians, 50 cents," impresses me as being one instance where the funds are not being excessively squandered. [Laughter.]

In this brief afternoon we have run across two instances which on the face of them look equally innocuous. One apparently reduced a salary from $250 to $200, and it turned out that instead of reducing it it was an increase of the man's salary by something like $217.60 per annum. Then, by judicious questioning of the chairman of the Committee on Appropriations, we found out that one of our distinguished fellow citizens from New York was enjoying the privilege of drawing four salaries from different public treasuries. So, although the item on the face of it looks as if it was not extravagant, it is very possible that there is an explanation that this innocent item "for suppressing the liquor traffic among the Indians, 50 cents," may in some way veil some deep, mysterious, and extravagant appropriation, but I hope not. [Laughter.] The object seems to be a worthy one, and the fact that this money is all to be spent in one year and not distributed over a term of years seems to indicate that they are expected to complete the job within the amount of the appropriation. [Laughter.]

I note also that there is no authorization for additional expenditure over and above the 50 cents. I do not know much about Indians. I represent white men almost exclusively in my district. I beg to assure my colleague, however, and the Members of the House that it takes a good deal more money than that to suppress the liquor traffic among white people. I have heard that the Indian in his native heath is more or less addicted to liquor. It may not be so. You can not always rely on what you read in the papers.

I read at one time in my youth a story of a miner on the western plains who told about his encounter with an Indian. As he was riding across he met an Indian. The miner had a quart of whisky in his possession. The Indian had a valuable rifle, a valuable pony, and valuable saddle blankets; he had clothing, and before he got through he offered that white man for that one single quart of whisky all of these valuable things. He offered to strip down to his breechcloth and give him his clothes. A white man heard the story of the miner and then asked, "What happened when you let him have the whisky?" "Oh," said the miner, "I did not let him have the whisky; that was my last quart of whisky." [Laughter.]

I do not think that liquor among the Indians could be suppressed for 50 cents, to say nothing of the white man. I do not know whether my colleague has any explanation. If he has, we would like to hear it.

Mr. HAWLEY. Will the gentleman yield?

Mr. BENNET. Yes.

Mr. HAWLEY. It might be that that which is concealed in the paragraph relates to the Tammany Indians. [Laughter.]

Mr. BENNET. No Tammany Indian of my acquaintance needs to be suppressed. In my district, at least, they are good Indians.

Mr. MONDELL. May not this be the real Democratic economy for which we have been waiting so long?

Mr. BENNET. If the gentleman from Wyoming had been present when I began my speech he would know that I indulged in a small hope of that kind, but I am waiting for the explanation.

Mr. FITZGERALD. Mr. Chairman, if the gentleman had examined the bill closely he would not have asked this question. The trouble is the gentlemen do not utilize the powers of observation with which they have been endowed. You must take into consideration all the surrounding circumstances, as any good lawyer, like the gentleman from New York, would do. All of these items are headed "Claims allowed by the Auditor of the Interior Department." I can not take the time to hunt up the law for the gentleman under which the auditors of the various departments operate. It so happens in this instance the claim was presented, which was a legal claim entitled to be paid, chargeable against the appropriation for the fiscal year 1912. For some reason not disclosed, it not appearing on the face of the record, unknown to me or anybody else on the committee, the claim was not presented in time. Under the operation of the covering-in act, two years after the expiration of the fiscal year for which the appropriation was made, the unexpended balance was covered into the Treasury. So the auditor, having carefully examined it, audited and certified this claim, and it is transmitted to Congress to be carried under this head in this bill. Of course, it may appear insignificant, it may appear trifling, it may appear beneath the dignity of Congress to deal with these trifling matters; but, after all, Mr. Chairman, the great mass of the people of the United States are accustomed to handling money in what we probably, in our larger vision and greater exercise of power, would consider trifling sums. The person to whom this 50 cents is due considers it the most important item in this bill. I have noticed that the interest of persons in appropriations is intensified by their relationship to the item, and this is to pay, under the law, a claim regularly certified, audited, and allowed, and under this administration, no matter how great or how small, no matter how high or how humble, all creditors of the United States receive the same treatment.

The CHAIRMAN. The time of the gentleman from New York has expired, and the Clerk will read.

The Clerk concluded the reading of the bill.

Mr. BORLAND. Mr. Chairman, I ask unanimous consent to return to page 39 of the bill for the purpose of offering an amendment.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to return to page 39 for the purpose of offering an amendment. Is there objection?

There was no objection.

Mr. BORLAND. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amend, on page 39, after line 5, by inserting:

"The payment of the salary of Ewing C. Bland, from the appropriation entitled 'Salaries, fees, and expenses of marshals, United States courts, 1915,' for the period from December 12, 1914, to and including March 4, 1915, during which period services were rendered by him in good faith as United States marshal for the western district of Missouri, is authorized, notwithstanding the fact that his appointment was not confirmed by the United States Senate."

Mr. MANN. Mr. Chairman, of course this item is subject to the point of order. I made the point of order when the item was reached in the bill. I made up my mind when I read the bill to make the point of order. I have not made the point of order upon the amendment as now offered. Perhaps it is unfair to the man himself that he should suffer, though frequently people do have to suffer because of the sins of omission of other people. I do not think that the Senate of the United States should be permitted to play battledore and shuttlecock with cases of this kind, and while I did make the point of order I have not done so now. I do not know that I have any way of apologizing to myself, to satisfy myself hereafter, however.

The CHAIRMAN. Does the Chair understand the gentleman to make the point of order?

Mr. MANN. No, I do not.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent to return to page 44 for the purpose of offering an amendment.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FITZGERALD. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amend on page 44, line 20, after the word "rent," by inserting the words "in the District of Columbia."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Chair calls the attention of the gentleman from New York to the fact that, on page 48, the paragraph encompassed in lines 4 to 21 was passed over temporarily.

Mr. FITZGERALD. Mr. Chairman, the judgment of the Court of Claims provided that the amount of this judgment should be paid into the permanent fund created by section 7 of the act of January 14, 1889. Section 7 of that act provides that all money accruing from the disposal of lands, and so forth, shall be placed in the Treasury of the United States—

to the credit of all Chippewa Indians in the State of Minnesota as a permanent fund, and shall draw interest at the rate of 5 per cent per annum.

Mr. MANN. This paragraph appropriates the amount of the judgment. What is to be done with it?

Mr. FITZGERALD. To be placed in this fund.

Mr. MANN. It does not say so, does it?

Mr. FITZGERALD. It is for the payment of the amount, "to be credited to the 'Chippewas in Minnesota fund' established by section 7 of the act approved January 14, 1889," as the gentleman will see if he refers to lines 10, 11, 12, and 13.

Mr. MANN. That is correct.

Mr. FITZGERALD. The law unquestionably requires this to be done.

Mr. MANN. Of course, we ought not to pay 5 per cent interest.

Mr. FITZGERALD. I think that is true; and it is only the fact that the court decided that this money should go into this fund, which the law provides shall draw interest at the rate of 5 per cent, that the committee did this. There have been other instances where these Indian judgments have been obtained and a request has been made that they draw interest at certain rates, and the committee has uniformly recommended a reduction in the rate of interest heretofore made; but this is going into a fund already established, in which the rate of interest has already been fixed by law. It is a question whether we ought to change that.

Mr. MANN. Of course, the whole thing is—well, I shall not say a swindle on the Government, but very closely approaching it. I withdraw the point of order.

Mr. FITZGERALD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly, the committee rose; and the Speaker having resumed the chair, Mr. WEBB, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 17645, the general deficiency appropriation bill, and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. FITZGERALD. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? [After a pause.] If not, the Chair will put them in gross. The question is on agreeing to the amendments.

The amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. FITZGERALD, a motion to reconsider the vote by which the bill was passed was laid on the table.

ENROLLED BILLS SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 15455. An act to establish a United States Shipping Board for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a merchant marine to meet the requirements of the commerce of the United States with its Territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and interstate commerce of the United States, and for other purposes; and

H. R. 6914. An act to amend section 82, chapter 231, of the act to codify, revise, and amend the laws relating to the judiciary.

ENROLLED BILL PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bill:

H. R. 15774. An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1917, and for other purposes.

SENATE BILL REFERRED.

Under clause 2 of Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 6227. An act to increase the area of the United States Botanic Garden in the city of Washington, D. C.; to the Committee on the Library.

PROMOTION OF EXPORT TRADE.

Mr. WEBB. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 17350) to promote export trade, and for other purposes.

The SPEAKER. The gentleman from North Carolina asks unanimous consent for the present consideration of the bill H. R. 17350. Is there objection?

Mr. KEATING. Mr. Speaker, I object.

Mr. POU. Mr. Speaker, I present a privileged report from the Committee on Rules.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

House resolution 359.

Resolved, That immediately upon the adoption of this resolution it shall be in order to consider in the House H. R. 17350; that general debate shall continue on the bill not exceeding three hours, the time to be controlled one-half by the gentleman from North Carolina [Mr. WEBB] and one-half by the gentleman from Minnesota [Mr. VOLSTEAD]; that all debate shall be confined to the subject matter of the bill.

Mr. KEATING. Mr. Speaker, I desire to make the point of no quorum.

The SPEAKER. The gentleman from Colorado makes the point of order that there is no quorum present. The Chair will count. [After counting.] Seventy-seven gentlemen are present.

Mr. FITZGERALD. Mr. Speaker, I move a call of the House.

The SPEAKER. The gentleman from New York moves a call of the House.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will lock the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Adair	Esch	Howard	Mott
Aiken	Estopinal	Howell	Murray
Allen	Evans	Hughes	Nicholls, S. C.
Anderson	Fairchild	Humphrey, Wash.	Nichols, Mich.
Anthony	Farr	Humphreys, Miss.	Nolan
Austin	Ferris	Husted	Norton
Bacharach	Finley	Hutchinson	Oglesby
Barchfeld	Flood	James	O'Shaunessy
Barkley	Flynn	Johnson, Wash.	Paige, Mass.
Beakes	Focht	Jones	Park
Beales	Foss, Ill.	Kearns	Parker, N. J.
Bell	Foster	Kelley	Patten
Blackmon	Frear	Kennedy, R. I.	Peters
Bowers	Freeman	Kent	Powers
Browne	Fuller	Kettner	Pratt
Bruckner	Gallagher	Kiess, Pa.	Price
Burgess	Gallivan	Konop	Ragsdale
Burke	Gandy	Lafean	Reavis
Byrnes, S. C.	Gardner, Mass.	Langley	Roberts, Mass.
Callaway	Garland	Lazaro	Roberts, Nev.
Campbell	Garner, Tex.	Lee	Rodenberg
Cantrill	Gillett	Lehlbach	Rogers
Capstick	Good	Lever	Rouse
Carew	Gould	Lewis	Rowland
Carter, Okla.	Graham	Liebel	Russell, Mo.
Carv	Gray, Ala.	Loft	Sabath
Chandler, N. Y.	Greene, Mass.	Longworth	Saunders
Charles	Greene, Vt.	Loud	Schall
Chiperfield	Gregg	McArthur	Scott, Mich.
Church	Griest	McClintic	Scott, Pa.
Copley	Griffin	McCulloch	Scully
Costello	Guernsey	McDermott	Selis
Crago	Hamill	McFadden	Shackleford
Crisp	Hamilton, Mich.	McGillicuddy	Shouse
Crosser	Hamilton, N. Y.	McKellar	Slemp
Dale, N. Y.	Hart	McKenzie	Smith, Mich.
Dallinger	Haskell	McKinley	Snell
Danforth	Hay	McLaughlin	Snyder
Decker	Hayes	Madden	Sparkman
Dempsey	Helm	Magee	Stedman
Dill	Hetwering	Maher	Stephens, Nebr.
Dooling	Henry	Mapes	Sterling
Drukker	Hensley	Martin	Stiness
Dunn	Hernandez	Miller, Minn.	Stout
Dyer	Hicks	Miller, Pa.	Sudoway
Ellsworth	Hinds	Montague	Sumners
Elston	Hollingsworth	Morgan, La.	Sutherland
Emerson	Hopwood	Morin	Sweet
Swift	Van Dyke	Wason	Woods, Iowa
Switzer	Vare	Watson, Pa.	Young, N. Dak.
Talbott	Venable	Williams, T. S.	Young, Tex.
Taylor, Colo.	Walker	Wilson, Fla.	
Tilson	Walsh	Wilson, Ill.	
Tinkham	Ward	Winslow	

The SPEAKER. The Clerk will call my name.

The name of Mr. CLARK of Missouri was called, and he answered "Present."

Mr. KEATING. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. KEATING. I move that the House do now adjourn.

The SPEAKER. The gentleman moves that the House do now adjourn. The Chair will state to the gentleman that the motion is premature.

Mr. MANN. The gentleman can not make a motion until the announcement is made.

Mr. POU. Mr. Speaker, I move that the Speaker be authorized to issue his warrant to the Sergeant at Arms to produce the absentees.

Mr. MANN. Oh, let us wait a few minutes.

The SPEAKER. That motion is premature, too. On this roll call 220 Members have answered to their names, a quorum.

Mr. POU. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The motion was agreed to.

The SPEAKER. The Doorkeeper will unlock the doors. The Clerk will report this resolution again.

The resolution was again reported.

Mr. MANN. Mr. Speaker, I would like to make an inquiry of the gentleman from North Carolina. The rule as reported says it shall be in order to consider in the House the bill in question. It does not say it shall be in order to consider in the House as in the Committee of the Whole House on the state of the Union. The bill is on the Union Calendar. Is it the intention to consider this bill now in the House or in the Committee of the Whole House on the state of the Union? I do not believe anybody can tell from reading the rule what the intention is.

Mr. POU. The purpose of the bill was to consider the bill in the House.

Mr. MANN. And not in the House as in Committee of the Whole House on the state of the Union?

Mr. POU. Yes; in the House.

Mr. MANN. Well, of course——

Mr. GARRETT. Yes; in the House as in Committee of the Whole House on the state of the Union.

Mr. MANN. But that is not what the rule says.

Mr. GARRETT. I know; but that is the purpose of it.

Mr. MANN. If he does it, he may regret it.

Mr. GARRETT. Why?

Mr. MANN. Why, it is perfectly patent if you are going to consider a Union Calendar bill and can consider it in the Committee of the Whole House on the state of the Union where there is a quorum consisting of 100 Members, you can make much more rapid progress than you can with a quorum consisting of 217 Members, with the privilege of anybody at any time raising the point of no quorum.

Mr. POU. I ask unanimous consent, Mr. Speaker, to amend the resolution so as to make it read that the bill be considered in the House as in the Committee of the Whole.

The SPEAKER. The Clerk will report the amendment.

Mr. POU. That the bill be considered in the Committee of the Whole.

Mr. MANN. Then the gentleman wants to move to strike out the language "in the House" in order to make it in order to consider the bill.

The SPEAKER. What is it the gentleman from North Carolina desires?

Mr. POU. Mr. Speaker, I ask unanimous consent that in line 2 of the resolution the words "in the House" be stricken out.

The SPEAKER. The gentleman asks unanimous consent to strike out the words "in the House" in line 2. Is there objection?

Mr. BUCHANAN of Illinois. I object.

Mr. POU. Mr. Speaker, I move that the words "in the House" in line 2 be stricken from the resolution.

The SPEAKER. The gentleman from North Carolina offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, by striking from the resolution, in line 2, the words "in the House."

Mr. BUCHANAN of Illinois. A parliamentary inquiry, Mr. Speaker?

The SPEAKER. The gentleman will state it.

Mr. BUCHANAN of Illinois. Is it in order for the Rules Committee to bring in a resolution and amend it in this manner?

The SPEAKER. It is just like any other resolution except that it is privileged. The question is on agreeing to the amendment.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. BUCHANAN of Illinois. I ask for a division, Mr. Speaker.

The House divided; and there were—ayes 153, noes 11.

Mr. BUCHANAN of Illinois. Mr. Speaker, I demand tellers.

The SPEAKER. On this vote the ayes are 153, noes 11, and the gentleman from Illinois [Mr. BUCHANAN] demands tellers.

The question was taken, and tellers were refused, three Members, not a sufficient number, seconding the demand.

Mr. BUCHANAN of Illinois. Mr. Speaker, I make the point of no quorum.

The SPEAKER. The gentleman from Illinois makes the point of no quorum. The Chair will count. [After counting.] One hundred and ninety-one Members are present, not a quorum.

Mr. POU. Mr. Speaker, I move the call of the House.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll. Those who are in favor of the amendment offered by the gentleman from North Carolina to the resolution will, as their names are called, answer "yea" and those opposed will answer "nay."

The question was taken; and there were—yeas 206, nays 8, answered "present" 15, not voting 203, as follows:

YEAS—206.

Abercrombie	Dixon	Kennedy, Iowa	Rowe
Adamson	Doolittle	Kincheloe	Rubey
Alexander	Doremus	Kinkaid	Rucker
Allen	Doughton	Kitchin	Russell, Ohio
Almon	Dowell	Kreider	Sanford
Ashbrook	Driscoll	La Follette	Sears
Aswell	Eagan	Lenroot	Shallenberger
Ayres	Eagle	Lesher	Sherley
Barchfeld	Edmonds	Lieb	Siegel
Barnhart	Edwards	Liebel	Sims
Bennet	Estopinal	Lindbergh	Sinnott
Black	Farley	Linthicum	Sisson
Booher	Farr	Littlepage	Small
Borland	Fess	Lloyd	Smith, Idaho
Bowers	Fields	Lobeck	Smith, Minn.
Britt	Fitzgerald	McAndrews	Smith, N. Y.
Britten	Focht	McClintic	Smith, Tex.
Browning	Fordney	McCracken	Stafford
Brumbaugh	Gard	McLemore	Steagall
Buchanan, Tex.	Garrett	Mann	Steele, Iowa
Burnett	Glass	Mays	Steele, Pa.
Butler	Glynn	Meeker	Stephens, Miss.
Byrns, Tenn.	Godwin, N. C.	Miller, Del.	Stephens, Tex.
Caldwell	Goodwin, Ark.	Mondell	Sterling
Candler, Miss.	Gordon	Moon	Stone
Cannon	Gray, Ind.	Mooney	Sutherland
Caraway	Gray, N. J.	Moores, Ind.	Taggart
Carlin	Greene, Vt.	Moss	Tague
Carter, Mass.	Hadley	Mudd	Tavenner
Casey	Hamlin	Neely	Taylor, Ark.
Cline	Harrison	Nelson	Temple
Coady	Hastings	Oakey	Thompson
Coleman	Haugen	Oldfield	Tillman
Collier	Hayden	Oliver	Timberlake
Connelly	Heaton	Olney	Towner
Conry	Heflin	Overmyer	Treadway
Cooper, Ohio	Helgesen	Padgett	Tribble
Cooper, W. Va.	Hill	Page, N. C.	Venable
Cooper, Wis.	Hilliard	Parker, N. J.	Vinson
Cox	Holland	Parker, N. Y.	Volstead
Cramton	Hood	Phelan	Watkins
Cullop	Hopwood	Platt	Watson, Va.
Curry	Houston	Porter	Webb
Dale, Vt.	Huddleston	Pou	Whaley
Darrow	Hulbert	Quin	Williams, W. E.
Davenport	Hull, Iowa	Raker	Williams, Ohio
Davis, Minn.	Igoe	Ramseyer	Wilson, La.
Denison	Jacoway	Randall	Wingo
Dewalt	Johnson, Ky.	Rauch	Wise
Dickinson	Johnson, S. Dak.	Rayburn	Wood, Ind.
Dies	Kahn	Reilly	
Dillon	Kelster	Ricketts	

NAYS—8.

Buchanan, Ill.	King	Sherwood	Van Dyke
Keating	Morgan, Okla.	Thomas	Wheeler

ANSWERED "PRESENT"—15.

Bailey	Hull, Tenn.	Moore, Pa.	Slayden
Dupré	Key, Ohio	Morrison	Sloan
Hardy	London	North	Stevenson
Hawley	Matthews	Riordan	

NOT VOTING—203.

Adair	Browne	Cary	Dale, N. Y.
Aiken	Bruckner	Chandler, N. Y.	Dallinger
Anderson	Burgess	Charles	Danforth
Anthony	Burke	Chiperfield	Davis, Tex.
Austin	Byrnes, S. C.	Church	Decker
Bacharach	Callaway	Clark, Fla.	Dempsey
Barkley	Campbell	Copley	Dent
Beakes	Cantrill	Costello	Dill
Beales	Capstick	Crago	Dooling
Bell	Carew	Crisp	Drukker
Blackmon	Carter, Okla.	Crosser	Dunn
Dyer	Helm	McKellar	Saunders
Ellsworth	Helvering	McKenzie	Schall
Elston	Henry	McKinley	Scott, Mich.
Emerson	Hensley	McLaughlin	Scott, Pa.
Esch	Hernandez	Madden	Scully
Evans	Hicks	Magee	Sells
Fairchild	Hinds	Maher	Shackleford
Ferris	Hollingsworth	Mapes	Shouse
Finley	Howard	Martin	Slemp
Flood	Howell	Miller, Minn.	Smith, Mich.
Flynn	Hughes	Miller, Pa.	Snell
Foss	Humphrey, Wash.	Montague	Snyder
Foster	Humphreys, Miss.	Morgan, La.	Sparkman
Frear	Husted	Morin	Stedman
Freeman	Hutchinson	Mott	Stephens, Nebr.
Fuller	James	Murray	Stiness
Gallagher	Johnson, Wash.	Nicholls, S. C.	Stout
Gallivan	Jones	Nichols, Mich.	Sulloway
Gandy	Kearns	Nolan	Sumners
Gardner	Kelley	Norton	Sweet
Garland	Kennedy, R. I.	Oglesby	Swift
Garner	Kent	O'Shaunessy	Switzer
Gillett	Kettner	Paige, Mass.	Talbott
Good	Kiess, Pa.	Park	Taylor, Colo.
Gould	Konop	Patten	Tilson
Graham	Lafean	Peters	Tinkham
Gray, Ala.	Langley	Powers	Vare
Green, Iowa	Lazaro	Pratt	Walker
Greene, Mass.	Lee	Price	Walsh
Gregg	Lehlbach	Ragsdale	Ward
Griest	Lever	Rainey	Wason
Griffin	Lewis	Reavis	Watson, Pa.
Guernsey	Loft	Roberts, Mass.	Williams, T. S.
Hamill	Longworth	Roberts, Nev.	Wilson, Fla.
Hamilton, Mich.	Loud	Rodenberg	Wilson, Ill.
Hamilton, N. Y.	McArthur	Rogers	Winslow
Hart	McCulloch	Rouse	Woods, Iowa
Haskell	McDermott	Rowland	Young, N. Dak.
Hay	McFadden	Russell, Mo.	Young, Tex.
Hayes	McGillicuddy	Sabath	

So the amendment was agreed to.

The Clerk announced the following pairs:

For the balance of the session:

Mr. WALKER with Mr. THOMAS S. WILLIAMS.

Mr. CALLAWAY with Mr. PETERS.

Mr. BURKE of Wisconsin with Mr. WASON.

Mr. RIORDAN with Mr. WARD.

Mr. FOSTER with Mr. CHIPERFIELD.

Until further notice:

Mr. STEPHENS of Nebraska with Mr. SLOAN.

Mr. SLAYDEN with Mr. CAMPBELL.

Mr. MCGILLICUDDY with Mr. GUERNSEY.

Mr. GREGG with Mr. STEENERSON.

Mr. CRISP with Mr. HINDS.

Mr. FINLEY with Mr. NORTH.

Mr. SHACKLEFORD with Mr. NOLAN.

Mr. CANTRILL with Mr. LANGLEY.

Mr. LEVER with Mr. HAWLEY.

Mr. DAVIS of Texas with Mr. MATTHEWS.

Mr. TAYLOR of Colorado with Mr. SNYDER.

Mr. RAGSDALE with Mr. SWIFT.

Mr. OGLESBY with Mr. MADDEN.

Mr. SABATH with Mr. PAIGE of Massachusetts.

Mr. HELM with Mr. LONGWORTH.

Mr. BEAKES with Mr. HOWELL.

Mr. HOWARD with Mr. LOUD.

Mr. PARK with Mr. HAMILTON of New York.

Mr. MAHER with Mr. MCLAUGHLIN.

Mr. HENSLEY with Mr. DEMPSEY.

Mr. STOUT with Mr. COPLEY.

Mr. CAREW with Mr. DALLINGER.

Mr. CHURCH with Mr. DANFORTH.

Mr. KONOP with Mr. HUSTED.

Mr. HENRY with Mr. HAYES.

Mr. KETTNER with Mr. MCCULLOCH.

Mr. LOFT with Mr. KELLEY.

Mr. GRAY of Alabama with Mr. HAMILTON of Michigan.

Mr. SAUNDERS with Mr. MILLER of Minnesota.

Mr. NICHOLLS of South Carolina with Mr. MCKENZIE.

Mr. WILSON of Florida with Mr. SNELL.

Mr. ADAIR with Mr. COSTELLO.

Mr. DECKER with Mr. CRAGO.

Mr. FLYNN with Mr. DRUKKER.

Mr. HUGHES with Mr. KIESS of Pennsylvania.

Mr. MCKELLAR with Mr. TINKHAM.

Mr. MORRISON with Mr. HUMPHREY of Washington.

Mr. CARTER of Oklahoma with Mr. GOULD.

Mr. BELL with Mr. MAPES.

Mr. GALLIVAN with Mr. SWITZER.

Mr. GANDY with Mr. GRAHAM.

Mr. AIKEN with Mr. BACHARACH.

Mr. BRUCKNER with Mr. GARLAND.

Mr. BYRNES of South Carolina with Mr. MOTT.

Mr. CLARK of Florida with Mr. FULLER.

Mr. DALE of New York with Mr. DUNN.

Mr. EVANS with Mr. FOSS.
Mr. GARNER with Mr. GREENE of Massachusetts.
Mr. HART with Mr. ELSTON.
Mr. LAZARO with Mr. JAMES.
Mr. HELVERING with Mr. ROBERTS of Massachusetts.
Mr. PATTEN with Mr. FAIRCHILD.
Mr. DENT with Mr. NICHOLS of Michigan.
Mr. BARKLEY with Mr. KENNEDY of Rhode Island.
Mr. GRIFFIN with Mr. MCARTHUR.
Mr. LEE with Mr. HOLLINGSWORTH.
Mr. O'SHAUNESSY with Mr. LEHLBACH.
Mr. PARK with Mr. NORTON.
Mr. ROUSE with Mr. SCOTT of Pennsylvania.
Mr. JONES with Mr. WALSH.
Mr. HUMPHREYS of Mississippi with Mr. STINESS.
Mr. TALBOTT with Mr. RODENBERG.
Mr. BURGESS with Mr. SULLOWAY.
Mr. BLACKMON with Mr. CAPSTICK.
Mr. DILL with Mr. GREEN of Iowa.
Mr. HAMILL with Mr. GRIEST.
Mr. HAY with Mr. GILLETT.
Mr. FERRIS with Mr. ANTHONY.
Mr. GALLAGHER with Mr. HASKELL.
Mr. DOOLING with Mr. REAVIS.
Mr. MONTAGUE with Mr. HUTCHINSON.
Mr. FLOOD with Mr. MCKINLEY.
Mr. MURRAY with Mr. SWEET.
Mr. CROSSER with Mr. ROGERS.
Mr. SCULLY with Mr. YOUNG of North Dakota.
Mr. LEWIS with Mr. WINSLOW.
Mr. YOUNG of Texas with Mr. ROBERTS of Nevada.
Mr. SUMNERS with Mr. TILSON.
Mr. MORGAN of Louisiana with Mr. HICKS.
Mr. PRICE with Mr. MCFADDEN.
Mr. RAINEY with Mr. MAGEE.
Mr. RUSSELL of Missouri with Mr. SCOTT of Michigan.
Mr. SHOUSE with Mr. WATSON of Pennsylvania.
Mr. STEDMAN with Mr. SLEMP.
Mr. SPARKMAN with Mr. SMITH of Michigan.
Mr. MCDERMOTT with Mr. CHARLES.

Mr. MATTHEWS. Mr. Speaker, I want to withdraw my vote "aye" and vote "present." I was paired.

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present. The Doorkeeper will open the doors. The gentleman from North Carolina [Mr. POU] is recognized.

Mr. POU. Mr. Speaker, I would like to inquire of the gentleman from Wisconsin [Mr. LENROOT] if we can not agree upon a limit of time in which to discuss the rule. I would suggest 15 minutes on a side.

Mr. LENROOT. Well, I have applications for 20 minutes on this side. I think that would be satisfactory.

Mr. GARRETT. Is that in opposition?

Mr. LENROOT. I have not inquired of those who desire time, but I know a portion of it is in opposition.

The SPEAKER. What suggestion, if any, has the gentleman from North Carolina to make?

Mr. POU. I am willing to accept the suggestion of the gentleman from Wisconsin, that 20 minutes' debate should be had on each side——

Mr. MANN. The previous question to be considered as ordered at the end of that time.

Mr. POU. Yes; the previous question to be considered as ordered at the end of that time.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that the debate on this rule be limited to 20 minutes on a side, he to have control of half the time, and the other side to control the other half, and at the end of 40 minutes the previous question to be considered as ordered. Is there objection?

There was no objection.

The SPEAKER. The gentleman from North Carolina is recognized for 20 minutes.

Mr. POU. Mr. Speaker, the importance of this bill is made manifest by statistics which are familiar to us all. The transportation of foreign commerce by the United States of America according to percentages started with 86¼ per cent in 1830 and went down to 11⅛ per cent in 1915. This bill, H. R. 17350, is intended to stimulate our trade upon the ocean. I think it will accomplish the object intended. At any rate it is clear that something must be done to restore the flag of American commerce upon the high seas. At one time we carried upon American bottoms 86½. The decrease has gone steadily on until in 1915 we carried 11⅛ per cent. It seems to me nothing more needs to be said.

I do not care to discuss the rule myself, and therefore I reserve the balance of my time.

Mr. LENROOT. Mr. Speaker, I yield five minutes to the gentleman from Oklahoma [Mr. MORGAN].

The SPEAKER. The gentleman from Oklahoma [Mr. MORGAN] is recognized for five minutes.

Mr. MORGAN of Oklahoma. Mr. Speaker, I do not believe that this rule should be adopted. It provides for an hour and a half of general debate on each side of the House, three hours total general debate on this bill.

Now, the bill is a very short one, comparatively speaking, so far as the actual number of sections in it or the words used in printing the bill are concerned, but in its far-reaching influence there has probably not been a more important bill brought before the House during all the nine long months we have been in session. I believe that the Nation, that the people of this country, are in more danger from hasty legislation than they are from too little legislation. So far as I am concerned, I shall not consent to the passing of a rule that cuts off general debate on this bill, the provisions of which will affect not only the 100,000,000 people here in the United States, but will reach out and touch the people of every nation on the globe. The party in power brings this bill forward as a means to encourage trade with foreign nations. The party in power wants to make a good showing on the eve of a campaign, aye, while we are in the midst of a national campaign. The intention of the administration in power brings this bill before Congress to make a favorable impression upon the business interests of this country. Apparently the object is to make big business feel there is no danger keeping the Democratic Party in power.

Do you know what this bill does? In the first place, it amends the Sherman antitrust law; it amends the Clayton antitrust law; it amends the Federal Trade Commission bill—those three great measures that have to do with the controlling of the great business interests of this country—laws enacted to prevent monopoly, to maintain competition, to destroy combinations in restraint of trade, to protect the people against so-called trusts. There was a time when we thought the Sherman antitrust law was almost sacred, and that if it were amended at all it should be amended so as to make it more strict upon the great business interests of this country. It was directed against trusts and combines and conspiracies. Yet here the Democratic Party comes in at the close of this session of Congress, at a time when we do not have the opportunity properly to consider it, to force this bill through Congress, and then, to make it even worse, it is proposed to pass a special resolution, adopting a rule limiting debate to only three hours upon this great bill that is to have a tremendous influence upon the condition of the people of the United States. I say I will not stand for it. I say I shall denounce it here and denounce it at every opportunity that I have.

Great problems are involved in this bill. I want to know how many of you Democrats on that side have given one hour to the study of this bill? How many of you have given serious and thorough consideration to what its effect will be upon this country? I hope the rule will be voted down.

The SPEAKER. The time of the gentleman has expired.

Mr. POU. Mr. Speaker, we have no gentlemen on this side asking for time, so I will ask my friend from Wisconsin to use his time.

Mr. LENROOT. I yield 10 minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Speaker, I do not particularly object to this rule. When there is before the House legislation which the majority consider important enough to require consideration, and it can not be considered under the ordinary rules of the House, it is entirely proper to bring in a rule for its consideration. It seems to me, however, that the rule might have given a little more time for the consideration of this very important measure. But the bringing in of this rule, and the further amendment of the Clayton antitrust law and other important laws which it is proposed to amend, bring to our attention the frantic efforts that our Democratic friends are making now, in the tail end of this session, to patch up their hurried legislation of the last nine months and save themselves, as far as it is possible to save themselves, from the impending catastrophe of the 7th of November.

The Clayton antitrust law was put upon the statute books a little less than two years ago. Its presentation and consideration were accompanied by the beating of Democratic tom-toms and the loud and triumphant braying of the Democratic donkey. It was announced as the perfect fruit of Democratic efforts to perfect our antitrust laws, the climax of pluperfect legislation to muzzle the octopus. The extraordinary thing about it all is that since the passage of this legislation our Democratic

friends have forgotten there is or was or is likely to be such a thing as a trust or a combination in restraint of trade and harmful to the interests of the people. Time was, when the Republicans were in power and the majority was on this side, that the Democratic side was fairly littered with antitrust volcanoes that were as frequently in eruption as Vesuvius in her most active periods and almost as noisy when in operation. Since they have come into power, and since the passage of the Clayton antitrust law, these antitrust eruptive centers on the Democratic side have become as quiescent and peaceful as the surrounding green hills of Maryland and Virginia. The administration, taking its cue from the party in Congress, or vice versa, has not been able to find a trust since the Clayton antitrust law was passed, if in fact it has tried. One would imagine that all that was necessary under a Democratic administration to put an end to all of the evils of combinations in restraint of trade, conspiracies against the welfare of the people, was to put a few lines of legislation on the statute books and let it go at that.

During the consideration of the Clayton bill, section 9, which was later divided into sections 9 and 10, was proclaimed as being perhaps the most important of all the provisions of the bill. The committee told us in their report that they had placed section 9 in the bill in harmony with the recommendation of the President in his message to Congress on trusts, and they said that it was necessary to stop the practices of interlocking directorates that section prohibited, in order to insure the "perpetuity of our institutions," and they quoted the President to the effect that section 10 was tremendously important, not only for the perpetuity of the Republic but because—

> It will bring new men, new energies, a new spirit of initiative, into the management of our great business enterprises. It will open the field of industrial development and origination to scores of men who have been obliged to serve when their abilities entitled them to direct. It will immensely hearten the young men coming on and will greatly enrich the business activities of the whole country.

Glorious is legislation that will accomplish all these things even measurably, and the sooner the Congress can put that kind of legislation in full operation the better. But, lo and behold, a week ago Tuesday last, in the presence of a small handful, of whom I had not the honor to be one, the gentleman from Virginia [Mr. CARLIN] called up Senate resolution 129, proposing to postpone for 12 months the operation of section 10, this important legislation enacted, so they told us, for the purpose of perpetuating our institutions, giving the young men a chance and enriching the business activities of the country.

Two years ago the Democratic side felt that it was highly important to save the Nation to give the young men an opportunity to enrich the life of the Nation. A week ago Tuesday it was apparently considered more important to save the Democratic Party than to save the Nation, and they evidently hoped to do by this resolution that deferred for 12 months this legislation said to be so tremendously important; this legislation that must be had, they told us, if our institutions are to be perpetuated; this legislation that must be enacted if young men are to have a chance and the business of the Nation is to be enlarged and enriched.

Now, we have another amendment proposed to this famous, this absolutely perfect, Clayton bill.

Mr. SANFORD. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. SANFORD. What reason was given two weeks ago for deferring this provision?

Mr. MONDELL. Not a word, not a line in the RECORD of explanation. I assume that it was the exigencies of the campaign. I can think of no other reason. The gentleman on the Democratic side evidently thought that to put in operation this highly important legislation might in some way frighten these malefactors of great wealth whom they were ferociously pursuing two years ago, but who they are courting assiduously in this particular campaign, who they railed against to beat the band when we were in power, but have not been disposed to disturb in the slightest sense since they had control of every branch of the Government. They have not brought an important suit against a trust. Are we to assume it is because there are no wicked trusts under a Democratic administration?

Now we are presented with further legislation to modify this perfect Clayton Act, legislation under which we are to be given opportunities to practice upon the foreigner acts denied in our dealings among ourselves. There may be something in the hurriedly enacted hurrah Democratic bill amended by this act that renders this kind of legislation necessary. If they had been careful in the drafting of the laws affecting combinations, there would have been nothing on the statute book that would have prevented the doing of other things that are necessary in connection with the operation of organizations for the purpose of securing foreign trade. Heaven knows that we need to have every facility for that important work. [Applause on the Republican side.]

The SPEAKER. The time of the gentleman from Wyoming has expired.

Mr. POU. Mr. Speaker, there is no gentleman on this side who desires to speak upon the rule.

Mr. LENROOT. I will yield three minutes to the gentleman from New York [Mr. BENNET].

Mr. BENNET. Mr. Speaker, sometimes on an emigrant ship, when the passengers have been treated very badly during the voyage, the master of the ship tries to make the last day or so especially pleasant, so, if possible, to remove the memory of the days that are past. Proceeding along that line, the majority is evidently trying to make us forget some of the rules they have passed in the last nine months by bringing in a decent rule. Nobody can fairly criticize this rule, except in one particular, and that is the shortness of the time for general debate. This rule does not cut off our right of amendment, as was done in the naval bill, the shipping bill, and other bills. It does not limit the time under the five-minute rule, as has been done within the last nine months.

This rule does not provide for riders on appropriation bills, as some rules have done. It fulfills a legitimate purpose, and that is, in what we hope are the closing days of the session, to bring before the House legislation which the majority desires to consider under the ordinary rules of the House. If all the rules of the session, which is, we hope, closing, had had a similar virtue or merit, there would have been little to criticize in the rules; but when we come into power in the Sixty-fifth Congress, as we are going to do [applause on the Republican side], we will have abundant and ample precedents in what has been done in the Sixty-fourth Congress, although I hope and pray that we will have self-restraint enough to prevent ourselves from following the very natural impulse to shape our action on what was done to us in the Sixty-fourth Congress.

Mr. Speaker, I hope this rule will pass. People differ in their opinion as to the bill, but no one dissents from the opinion that the bill is important. This is the best way to bring it before the House.

Mr. LENROOT. Mr. Speaker, I am not opposed to this rule, because, as the gentleman from New York [Mr. BENNET] has just said, it is a fair rule, something that is very extraordinary during this Sixty-fourth Congress. As to whether or not I shall vote for the bill I shall determine when I have listened to the debate. In the two minutes that I have, however, Mr. Speaker, I do want to call to the attention of the House the complete reversal of position of the Democratic Party upon this question of trusts. In every national Democratic platform for the past 12 years, up to the platform of 1916, there was a plank in the platform reading as follows:

> Articles entering into competition with trust-controlled products and articles of American manufacture which are sold abroad more cheaply than at home should be put upon the free list.

Then they proposed to penalize and punish every American manufacturer and combination which sold their products at prices abroad more cheaply than the prices they charged at home. In this bill, Mr. Speaker, they propose to legalize that very thing and put the hand of approval of the Government upon that very practice.

It may be that reasons exist why that should be done in order to secure our share of the foreign trade, but, as I said a moment ago, you upon that side of the aisle have completely reversed your position in doing it, and in the platform of this year, 1916, Mr. Speaker, you will not find any such plank as that. Indeed, I have read the platform with some care, and you will not find the word "trust" in the Democratic platform of 1916 from the first line to the last. [Applause on the Republican side.] Are there any less trusts to-day than there were when you assumed the administration of this Government? Whom have you sent to jail? What trusts have you dissolved? Can you name one of them? Why is it that you were so brave in denouncing trusts when you were out of power, but now that you are in power you are as silent as the tomb with reference to them? [Applause on the Republican side.]

Mr. KEATING. Mr. Speaker, may I ask the gentleman in charge of the bill a question? Is it the gentleman's intention to pass this bill to-night?

Mr. POU. We hope to.

Mr. KEATING. Then it will be necessary for me, Mr. Speaker, to make the point of no quorum.

Mr. GARRETT. Does the gentleman mean the bill or the rule?

Mr. KEATING. Oh, I have no objection to the adoption of the rule, but I do object to the consideration of the bill at this late hour.

The SPEAKER. Is the gentleman making the point of order that there is no quorum present?

Mr. KEATING. Mr. Speaker, I want to make the point of no quorum if it is the intention of the gentleman in charge of the bill to press for final consideration of it to-night.

Mr. WEBB. Mr. Speaker, I can say as the author of the bill that there is no intention to press the final passage of it to-night, but I hope the gentleman will not object to the adoption of the rule and going into the Committee of the Whole and having some debate before we adjourn. Three hours of general debate are provided for, and it is my intention to yield to the gentleman.

Mr. KEATING. Mr. Speaker, I appreciate that. I appreciate the courtesy of the gentleman in giving me time to discuss the bill, but this is an important measure and I do not think we should have a general discussion to-night. I do not object to the adoption of the rule.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. KEATING. Mr. Speaker, I now make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Colorado makes the point of order that there is no quorum present. The Chair will count.

Mr. MANN. We will meet at 11 o'clock to-morrow, and I think we may as well adjourn.

Mr. KEATING. Mr. Speaker, I withdraw the point of order of no quorum.

Mr. WEBB. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 17350) to promote export trade, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 17350, with Mr. RUBEY in the chair.

The CHAIRMAN. The House is in the Committee of the Whole House on the state of the Union for the purpose of considering the bill the title of which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 17350) to promote export trade, and for other purposes.

Mr. WEBB. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from North Carolina asks unanimous consent that the first reading of the bill be dispensed with. Is there objection? [After a pause.] The Chair hears none.

Mr. WEBB. Mr. Chairman, for many years the manufacturers of this country have felt the need of the passage of this bill in order to clarify their rights in the foreign export trade. Ever since our export trade has been increasing, as it has been for the last 10 years, there has been grave doubt in the minds of good lawyers, patriotic lawyers, as to whether or not the Sherman law applied to exporters engaged solely and purely in the foreign export business. Many of the best lawyers, whose names I need not mention, have always thought that it did not apply, that the object of the Sherman law was to keep the channels of trade pure in the United States and in its Territories. In view of that situation, in view of the uncertain condition as to whether or not this famous law does apply to foreign export trade from the United States, the Federal Trade Commission, under section 6 of the bill we passed two years ago giving it authority to investigate both interstate and foreign trade, has made a very full and widespread investigation as to our export trade, and as to how export trade is carried on by foreign competitors. After their very full investigation they sent to the House of Representatives about two months ago a very strong report, signed by every member of that commission, showing, I think, conclusively to every sane man the absolute necessity for the clarification of the Sherman law in reference to the foreign export business along the lines of this bill. They have shown conclusively that unless American exporters engaged solely in the foreign export business are permitted to do business with foreign countries on the same lines as their foreign competitors do business and as the foreign countries in which business is done permits it to be done, that our foreign export business is bound to languish and in some instances die.

I know that there is a feeling among some that we ought to hold the American manufacturers wherever they do business in all the world to that same high business standard that is prescribed by the Sherman law for their doing business in the United States. I do not believe when I am putting a horse in an international race that it is incumbent upon me to put 100 pounds weight upon his back when every other horse in the race is not encumbered at all. I know from this Trade Commission's report that every foreign country whose manufacturers compete keenly with our manufacturers have no such rules to control them as the Sherman antitrust law throws around the American exporter if the Sherman law does apply to our exporters in foreign trade. To illustrate——

Mr. STAFFORD. Will the gentleman yield?

Mr. WEBB. I do.

Mr. STAFFORD. Let me understand the gentleman. Is there anything in the Sherman antitrust law that forbids an American manufacturer from selling to foreign export trade at a price less than to the American consumer or jobber?

Mr. WEBB. Why, I do not think so. It is done every day. To illustrate that very point——

Mr. STAFFORD. This bill seeks, then, to permit the combination of any corporation organized for that purpose?

Mr. WEBB. For the purpose of carrying on the export trade; and the bill provides that if the selling agencies in the nature of corporations be in restraint of trade within the United States, then they are violating the Sherman antitrust law. The bill provides, further, that if one American sales agency or corporation for the purpose of carrying on export trade deals unfairly, even in a foreign country, with his American competitor that in that instance the Federal Trades Commission can call that unfair exporter before it and, if needs be, take its charter away from him.

Mr. DENISON. Will the gentleman yield?

Mr. WEBB. I will yield.

Mr. DENISON. What is the meaning of "dealing unfairly with competitors"?

Mr. WEBB. Of course the gentleman knows that is hard to explain, because the Federal Trades Commission is a new body and they have not settled that question yet. It will take a good while for them to form a correct and lasting definition, just as it took a good many years for the Supreme Court to interpret correctly the Sherman antitrust law as to what "restraint of trade" meant.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. WEBB. Yes, sir.

Mr. MOORE of Pennsylvania. I would like to ask the gentleman about international combinations. I will have to illustrate in this way: Suppose a combination for the sale of oil or for the sale or manufacture of steel has been formed which is just as strong in some foreign country as it is in the United States, and it is so well established in the foreign country that by reason of foreign wage conditions and foreign raw-material conditions it can readily compete with its own establishment in the United States; what effect would the lessening of the legal hold which we now have upon combinations be in a case of that kind?

Mr. WEBB. That is speculative, of course; but if the acts restrain trade or commerce in the United States, it is then unlawful.

Mr. MOORE of Pennsylvania. Suppose a combination in which Americans join with foreigners had been formed?

Mr. WEBB. Then you violate the antitrust law, and it has been so held by the court.

Mr. MOORE of Pennsylvania. That is a partial answer. But suppose Americans join with Europeans in a combination, by reason of which it may be cheaper to produce in the foreign country than it is in the United States, what would the effect be on the American market?

Mr. WEBB. I think the effect might be a restraint of trade in the United States, and then they would run afoul of the American trust law, though this bill does not permit a sales agency to be a producing corporation.

Mr. MOORE of Pennsylvania. Where would the independent come in on a deal of that kind?

Mr. WEBB. No more than he does now.

Mr. MOORE of Pennsylvania. It has occurred to me that this bill might not be in the interest of the independent operator in the United States, but that it might be more in the interest of international combinations that could be formed with American connections.

Mr. WEBB. It absolutely gives no license to do any such thing, I will say to my friend, and the moment that sort of thing is done they would be subject to the penalties of the Sherman antitrust law. The Sherman law is preserved inviolate as to all acts that would restrain trade in the United States. It is not weakened one whit.

Mr. MOORE of Pennsylvania. The bill repeals that section of the Clayton antitrust law which prohibits the ownership of stock by one company in another?

Mr. WEBB. Yes.

Mr. MOORE of Pennsylvania. And as far as foreign——

Mr. WEBB. They are selling agencies that are engaged solely in the sale of American goods in a foreign country.

Mr. MOORE of Pennsylvania. The gentleman is posted on this bill.

He will recall that in the Clayton antitrust bill, which was largely engineered through the House by the gentleman from North Carolina, provision was made assuming to protect independents, that is to say, that was the supposition throughout the country, by preventing a large manufacturer from making a contract for a sole selling agency in any one State.

Mr. WEBB. Yes; that is true; and that was in keeping with the antitrust law, and that very identical bill—and I do not believe the gentleman voted for it, but many Republicans did—provided that exclusive agencies in this country, made upon condition with merchants not to sell competitors' goods, should be unlawful in the United States. The Clayton bill went further and provided that price cutting for the purpose of injuring a competitor should be unlawful within the United States, but not in foreign countries. This bill is in keeping with that very idea in sections 2 and 3 of the Clayton law.

Mr. MOORE of Pennsylvania. Has the Attorney General of the United States been consulted as to the effect of this bill?

Mr. WEBB. He has not been consulted by myself, I will say. I do not know of anyone else who has consulted him, if anyone has.

Mr. MOORE of Pennsylvania. It has been brought into the House, because there is a question of doubt amongst lawyers as to whether there is now existing law that would prevent the formation of combinations such as are proposed. Is that the fact?

Mr. WEBB. There is doubt on that very question, and we want to clarify it and make it known to the manufacturers of this country so far as we are concerned that we propose to compel them to follow the American business rules where the American flag floats, but whenever they get into a foreign country we propose to give them the same latitude and give them rights to do business on the same scale as their foreign competitors do. I do not think anybody can object to that.

Mr. MOORE of Pennsylvania. Does the gentleman feel that under this bill the American manufacturer who is not in a combination would be protected as well as if this bill were not enacted?

Mr. WEBB. He certainly would not be in any worse fix than he is now.

Mr. MANN. Will the gentleman yield?

Mr. WEBB. Yes.

Mr. MANN. One of the purposes of this bill is to allow American manufacturers to employ a common selling agent or agency in a foreign country?

Mr. WEBB. Yes, sir; to form common selling agencies. American manufacturers can not combine, understand. It must be for the purpose of selling articles in foreign countries made in this country. The bill does not permit a combination of manufacturers. It permits a number of manufacturers to create an agency in a foreign country. A dozen manufacturers can take stock in a selling agency and have the overhead charges reduced, and enable them to compete with foreign competitors engaged in that sort of business.

Mr. MANN. And that would reduce the competition between manufacturers here?

Mr. WEBB. No. It would reduce the competition between American manufacturers in foreign countries, probably.

Mr. MANN. What position will we be in with reference to them demanding that right in foreign countries under section 73 of the Wilson Tariff Act as amended?

Mr. WEBB. Does the gentleman mean the dumping clause?

Mr. MANN. I mean section 73 of the Wilson Tariff Act, the act of 1894, which, as recently amended by Congress, makes it a penalty for any importer or agent to make any combination here or elsewhere, for that matter, which affects competition or which has a tendency to raise prices of imported articles. How will we stand with foreign countries, giving the right here to our manufacturers to have a common selling agency which cuts out competition abroad, and then saying to foreign manufacturers, "If you do the same thing here, we will send your men to the penitentiary or fine you"?

Mr. WEBB. Well, I do not think it says that, to begin with.

Mr. MANN. Well, possibly, the gentleman has not read this provision.

Mr. WEBB. And in the next place, the bill does not authorize anybody to do business in a foreign country in violation of the laws of the country in which the business is carried on.

Mr. MANN. I understand that, but——

Mr. WEBB. And, in the next place, I am not sure that the combination that is authorized in this bill means the raising of prices in foreign countries. It may mean the lowering of prices, and the lowering of the prices, in view of the reduced overhead charges, will enable manufacturers here to even sell at a less price and still to make more money than they are making at present.

Mr. MANN. The purpose of it is to affect free competition. That is the purpose of it. But what position will we be in, in the case I have pointed out, if this legislation is enacted? That is what I want to get at. If we allow the restriction of competition on the part of our manufacturers in foreign countries and then propose a penalty on the foreign manufacturers who wish to employ a common selling agency here, it might be a temporary benefit, but——

Mr. WEBB. I will say to my friend that he assumes that every industry in this country is going to organize into one selling agency, which, of course, is preposterous.

Mr. MANN. Oh, no.

Mr. WEBB. On the other hand, I predict that there will be scores of selling agencies competing with each other in the same class of foreign business.

Mr. MANN. I will say to the gentleman that I am in perfect sympathy with the purpose of this bill, and I will probably vote for it; but it seems to me that we are in a rather awkward position to say that we penalize here a thing which we propose to allow our own people abroad to do. I do not know how other countries will look upon that proposition. They may consent to it, perhaps, but——

Mr. WEBB. I will say to my friend that persons and corporations of other countries are doing here practically every day in the year what we propose to authorize our people to do in foreign countries.

Mr. MANN. Then, in that case, the facts should be called to the attention of the Department of Justice.

Mr. WEBB. I am told that one firm or selling agency in New York buys raw materials in the United States for fourteen hundred different foreign concerns. The foreign manufacturers not only have the buying agencies here, but they have cartels and contracts and agreements which enable them to undersell us in the finished products in foreign countries.

Mr. MANN. Those combinations, when they exist abroad, we can not punish; but we have a statute, passed in 1913, which came through the gentleman's committee, probably, or through the Committee on Ways and Means, amending section 73 of the Wilson tariff act of 1894——

Mr. WEBB. It came from the Committee on Ways and Means——

Mr. MANN. Which forbids any combination of importers or agents or anything of the sort affecting free competition. That is still the law. If it is being violated, as suggested by the gentleman, it is not our fault.

Mr. WEBB. The Trade Commission's report would indicate that it is being violated.

Mr. MANN. I understood some time ago that the Secretary of Commerce stated that we would be in an awkward position in international affairs if we propose to allow something to be done abroad which we forbid the people abroad to do here.

Mr. WEBB. I will say to the gentleman that the Secretary of Commerce in his annual report recommends the passage of this bill.

Mr. MANN. I am asking what the effect will be. I expect to support the bill.

Mr. WEBB. I am trying to explain the purpose of the bill before the House.

Mr. FIELDS. Mr. Chairman, will the gentleman yield?

Mr. MANN. It all comes up.

Mr. FIELDS. Mr. Chairman, will the gentleman yield?

Mr. WEBB. Yes.

Mr. FIELDS. The bill will not restrict the number of employment agencies or selling agencies in a foreign country?

Mr. WEBB. No; we protect them in the bill, and in case there is unfair competition between these agencies the Trade Commission can take their charters away from them, if one is guilty of unfair methods.

Mr. FIELDS. We have hundreds of manufacturers in this same line of commodities who, because of their limited capital, can not go into a foreign country, but 10 can organize an agency, and 10 others can organize another agency, and so on,

and therefore it would make competition instead of defeating competition.

Mr. WEBB. Yes. My judgment is that these selling agencies authorized now will enable our manufacturers and selling agencies in foreign countries to sell cheaper than they do now and at the same time make money, because their overhead charges will be proportionately smaller. We have got to provide some way in which to sell our goods in foreign countries in competition with foreign sales agencies.

Mr. MORGAN of Oklahoma. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. WEBB. Certainly.

Mr. MORGAN of Oklahoma. I would like to get the gentleman's understanding of the effect of this measure. I want to know if this is not a fact, that under the provisions of this bill there is absolutely no restriction or limitation as to the cooperation or combination that may be formed between concerns in the United States engaged in the foreign trade?

Mr. WEBB. There are restrictions. Here is one, which I will read:

Provided, That such association, agreement, or act is not in restraint of trade within the United States.

Mr. MORGAN of Oklahoma. Yes. That is not what I mean. Take, for instance, the United States Steel Corporation, which controls, we will say, 40 per cent of the production of iron and steel in the United States. Now, then, under this law, if passed as presented, the United States Steel Corporation and all the independent concerns engaged in the manufacture of iron and steel in this country can unite together and organize a corporation and engage in the sale of iron and steel abroad?

Mr. WEBB. If that combination will enable them to get a better price from foreigners than they get now, I want them to get it, just so it does not affect prices in the United States.

Mr. MORGAN of Oklahoma. It is a fact that they could form such a combination under this bill? There is no restriction as long as they carry out the law?

Mr. WEBB. That is what is done in a great many foreign countries.

Mr. MORGAN of Oklahoma. Is not that the effect of this law?

Mr. WEBB. They can do it, indeed they can. The object of the bill is to let them do what their rivals do and which is allowed in the countries in which they operate.

Mr. MORGAN of Oklahoma. That is what I thought, that there is absolutely no restriction.

Mr. WEBB. The only restriction is that their combination shall not restrain trade in the United States.

Mr. MORGAN of Oklahoma. Suppose the iron manufacturers and woolen manufacturers and cotton manufacturers and all the different lines of manufacture united in a corporation to sell abroad, does not the gentleman think that would give them practically a monopoly in the United States?

Mr. WEBB. I not only do not think so, but I know it will not. The formation of such a corporation is a business impossibility. The gentleman has an idea that nobody else in the world manufactures steel and iron and lumber except ourselves. The very trouble now which the lumber interests have to contend with is that they come in competition with such buying and selling agencies throughout the world, and have no similar weapons with which to meet their competitor. Remember that when these combinations are formed, they are formed to meet competition in foreign countries, and they have got to sell their goods in foreign countries to make a living. They have got to sell in competition with foreign countries, and they have got to sell, therefore, at such prices that will meet foreign competition. Therefore what the gentleman suggests is impossible or impracticable.

Mr. CLINE. Will the gentleman yield for a question?

Mr. WEBB. Briefly.

Mr. CLINE. I understand this bill permits combinations to establish a selling agency in foreign countries?

Mr. WEBB. Selling agencies for export trade.

Mr. CLINE. And that is the purpose of the bill?

Mr. WEBB. Yes.

Mr. CLINE. Does the bill also provide that these same combinations may establish a purchasing agency for purchasing raw materials in those same foreign markets?

Mr. WEBB. No; but it is assumed that they can buy in America what they sell in foreign countries.

Mr. CLINE. But they could not establish a joint agency for the purchasing of raw materials abroad.

Mr. WEBB. The bill does not provide that. It is confined to "export," and "export" can not mean "import."

Mr. CLINE. Does it provide anything against it?

Mr. WEBB. Yes; the bill is confined to export business, and such selling agency can not be a producing corporation; only a buying and selling agency in export trade.

Mr. CLINE. Suppose an agency is established for the purchasing of raw materials in foreign countries. For instance, suppose cotton manufacturers or other manufacturers should establish a purchasing agency in foreign countries, how would that affect the man in this country who is not in the combination for the purchase of raw materials?

Mr. WEBB. I do not think it would affect him any more than it does now, but this agency could not engage in import business, and hence could not buy for this purpose. World competition is going to keep the price down, and is bound to, as long as there is competition in the markets of the world. And should there be any effort to monopolize to raise prices in this country the Sherman law would stop it at once. As long as there are selling corporations and agencies they are not going to hold their goods and thus lose money. They are going to dispose of them at the best prices possible. Should their holding them restrain trade in the United States they would be liable under the Sherman law.

Mr. CLINE. There is no purpose in forming a purchasing agency except to buy goods more cheaply than individuals can buy them. Now if a corporation of this character buys raw material more cheaply abroad, to be brought here and manufactured, would not that have an injurious effect on the man who is not a member of that purchasing agency?

Mr. WEBB. That would not come under the terms of this bill. As I said before, the agency is confined to "export" business. The selling agency could not manufacture the raw material because the bill forbids such agencies or corporations to produce anything.

Mr. CLINE. There is nothing in the bill to prohibit it?

Mr. WEBB. Yes; there is. An agency can not buy material in a foreign country and bring it here and manufacture it. If such were done, and thereby restrain trade within the United States, they would immediately violate the provision of the antitrust law. An association formed under this bill can only engage in export trade, and hence would not be permitted to buy raw material in foreign countries or any other material for "import" into the United States. Some think we should allow the buying agencies for import trade, but this bill does not permit such, but only agencies or associations to engage solely in export trade.

Mr. ALEXANDER. Would it be in restraint of trade for that agency to buy material cheaper than an independent manufacturer in the United States might buy material, although the result would be that one would get the material cheaper than the other, and in that way be able to manufacture at less cost and to sell at a lower price? Would that be a restraint of trade?

Mr. WEBB. I do not think that would be, unless there were some conspiracy. Take the instance of copper. Copper sells for eighty-five one hundredths of a cent higher in the United States than it is sold in foreign countries to foreign buyers who are in the combination of buyers, and the American copper when it is manufactured into wire, the American manufacturer has to pay about a cent a pound more for copper than his foreign competitor, and when he sells his wire in a foreign country he has to compete with the well-organized combinations of foreign wire manufacturers.

Mr. FORDNEY. Will the gentleman yield?

Mr. WEBB. Yes.

Mr. FORDNEY. The gentleman from Indiana asked a question, and I want to know whether the gentleman is correct or not. He asked you if this bill permitted of associations abroad. Does not the bill permit the selling agencies in the United States for foreign export?

Mr. WEBB. Certainly it does, but it must be of individual or a corporation engaged solely in the export trade, and it can not be a manufacturing or a producing corporation.

Mr. FORDNEY. The gentleman from Illinois stated that the selling agency must be abroad. I thought that was wrong.

Mr. HARDY. Will the gentleman yield?

Mr. WEBB. I will.

Mr. HARDY. Under this law the power given to one corporation to buy out the stock of another corporation seems to be dangerous. One corporation might buy the stock of all of the other corporations interested in foreign trade and thereby become a monopoly.

Mr. WEBB. That can be done to-day; but if it is done the Sherman antitrust law applies, because it would affect the commerce of the United States in restraint of trade.

Mr. HARDY. You expressly permit one concern to buy the stock of another.

Mr. WEBB. On that point we are following along the line of our recent bank legislation. We passed a law the other day—and I do not think there was a vote against it—permitting the banks in the United States to take stock in a common American bank in foreign countries. That is all there is which permits an American manufacturer to buy stock in these agencies.

Mr. HILL. Will the gentleman yield?

Mr. WEBB. Yes.

Mr. HILL. Is it not a fact that the first section of this bill absolutely restricts it to goods going out of the country?

Mr. WEBB. Yes; export business.

Mr. HILL. And section 73 of the old Wilson law as now amended absolutely controls corporations and individuals in bringing them into the country.

Mr. WEBB. I think so.

Mr. SLOAN. Will the gentleman yield?

Mr. WEBB. Yes.

Mr. SLOAN. Is not one purpose of this bill to enable the sale of articles abroad cheaper than they are sold here at home?

Mr. WEBB. No; I can not say that.

Mr. SLOAN. Would not that be one of the legitimate effects of the passage of this legislation?

Mr. WEBB. It might so happen that they would have to sell cheaper abroad to meet competition, just as is done to-day.

Mr. SLOAN. Is it not a provision that would necessarily bring prices lower?

Mr. WEBB. It is to meet the competition by less cost in the distribution of goods.

Mr. SLOAN. Is not that a departure from the old doctrine against selling articles abroad cheaper than they are sold in this country?

Mr. WEBB. Oh, I hope my friend will not divert me on that point. The gentleman called it an old doctrine, and we are talking about to-day and conditions which confront us now, at the present.

Mr. FORDNEY. Will the gentleman yield for a brief statement?

Mr. WEBB. Yes.

Mr. FORDNEY. I want to state the situation in San Francisco.

Mr. WEBB. If the gentleman would prefer, I will yield to him later on that.

Mr. FORDNEY. Very well.

Mr. KING. Will the gentleman yield?

Mr. WEBB. I will.

Mr. KING. Under this bill could a selling agency be established for the purpose of dealing in foodstuffs for export?

Mr. WEBB. I think so.

Mr. KING. Like shipping grain and cattle and the products of the American farm.

Mr. WEBB. I think so.

Mr. KING. Does the gentleman think that such an agency would have any effect in controlling the prices that men got for their products in this country?

Mr. WEBB. No; I do not. Some think that it will enhance the price of the farmers' products because the more goods that you sell in foreign countries the more demand there is for the goods here.

Mr. KING. Would not this selling agency say to the farmers of Illinois we will give you so much for your grain and take care of you at such a figure?

Mr. WEBB. They would buy it so as to sell it in competition with the world sellers, and foreign buyers would be in constant competition with the American agency in purchasing from the Illinois farmer.

Mr. KING. And in that way might they not control the export trade in grain?

Mr. WEBB. No; I do not think that is possible, because the foreign agent is always here buying for his foreign clients or patrons, which would keep up keen competition.

Mr. MORGAN of Oklahoma. Will the gentleman yield?

Mr. WEBB. Yes.

Mr. MORGAN of Oklahoma. Is it not true that all the exporters could form a combination under this bill?

Mr. WEBB. They might do it, but such is an extreme supposition. We are not the only country that produces grain. We export a very small proportion of our production of wheat and corn.

Mr. MORGAN of Oklahoma. If all of the exporters of grain were in one corporation, does the gentleman not think that there is danger that they would be in a position, controlling the outlet of our farm products abroad, to control them at home? Does the gentleman not think that they might by buying the farmers' goods depress the market and then for the purpose of making profit, they having a control of this vast stock of grain, raise the price abroad? Would they not have that power?

Mr. WEBB. No; I think they would have to lower the price abroad in competition with the world, and in lowering the price, having a common selling agency and making it cheaper to carry on business, they might make more money while still selling it at the same price, and the moment the agency by its acts restrained trade here the trust laws would interfere.

Mr. MORGAN of Oklahoma. Let me present this. I am really in earnest, and I have heard this argument presented——

Mr. WEBB. I understand the gentleman is going to ask for 40 minutes to debate this bill, and I desire to answer some other questions before I conclude.

Mr. MORGAN of Oklahoma. I understand that one object of certain corporations is that they claim, as the gentleman has said, taking for example the question of copper, that the foreign buyers of copper will not pay our producers a fair price, and we are compelled to sell to them at any price that they desire to pay. Do not the copper interests think that this bill will help them, because they think they can fix the price and compel these people to pay whatever they want to or to pay a fair price? And if they can do that with copper, then, when they can get control of wheat and corn, they can do the same with that.

Mr. WEBB. Would the gentleman object to the copper producers of this country getting as much from the foreign buyer as they get from our own people? I would like to see them get a little more, so far as I am concerned. And if they can get no better price from foreign buyers, I should like to make it possible for them to make a little better profit upon what they do sell abroad.

Mr. MORGAN of Oklahoma. I would object to a combination of copper interests that would control the foreign price and in that way control the price here.

Mr. WEBB. If they attempt to control prices here, they violate the law. The only way that you can assume that they can control the foreign price is to assume that we have a world monopoly. The gentleman forgets that they are coming into competition with all of the world, and it is to their interest to sell and to meet the competition of the world.

The gentleman forgets that there is some one else in the world than the United States, and we have to meet their competition, and there would be no incentive for an American selling agency to buy up things and hold them while the rest of the world are supplying the world markets with the goods that he is holding.

Mr. DEWALT. Mr. Chairman, I suppose the gentleman concedes that the establishment of these selling agencies in foreign countries would entail considerable expense?

Mr. WEBB. Yes; great expense in some cases.

Mr. DEWALT. And I suppose the gentleman also concedes that the formation of corporations as selling agencies would also entail expense?

Mr. WEBB. Yes.

Mr. DEWALT. And the gentleman also concedes, I suppose, that there are a great number of manufacturers in this country who are largely engaged in the manufacture of one product, and that there are also a great many small manufacturers. That is so, is it not?

Mr. WEBB. Certainly.

Mr. DEWALT. Those premises being correct, and having formed your corporation, does the gentleman appreciate the danger that might ensue in this way, that the large dealers or manufacturers would form such a corporation, which the gentleman admits entails large expense in foreign countries and entails large expense in this country, and would not permit the small manufacturers to get into that selling combination?

Mr. WEBB. My answer to that is this: The small manufacturer would be no worse off then than he is now. He can not compete individually now. He has no foreign business of consequence. His remedy would be to form a combination with smaller manufacturers, and if the big selling agency treats the little fellow unfairly, we have provided in the bill a means by which their charter may be taken away from them, even though their unfair competition is in a foreign country.

Mr. DEWALT. Would not the gentleman say it was treating the small manufacturer unfairly not to admit him to the corporation? They could raise the price of the stock.

Mr. WEBB. I think every one has the right to choose his own business associates, but surely the small men the gentleman is talking about have some friends with whom they could unite in a selling agency.

Mr. DEWALT. I want to say to the gentleman I am in sympathy with the purposes of this bill.

Mr. WEBB. I understand that.

Mr. DEWALT. But the question that was in my mind was that possibly it might militate against the small manufacturer because he could not come into this association.

Mr. WEBB. I want to say this: The Standard Oil Co. does not need this bill. The Harvester people do not need this bill. The Steel Corporation does not need it, and other big corporations do not need it. This bill is not at all in the interest of the big corporations of the United States. They already have their selling agencies established in the countries of the world. Being so big and powerful and being such tremendous producers they can compete in any foreign countries and are doing it. It is the little fellow who has not the capital or the money to go into foreign countries to seek trade, it is for him; for a dozen or so to unite so that they can carry and show their goods abroad at a reduced cost in their overhead charges. It is really in the interest of the little fellow; it is in the interest of the small manufacturer.

Mr. DEWALT. Conceding that what the gentleman may say may be correct, the gentleman's theory, then, is that these small manufacturers, by combining, could then compete with the large manufacturers, if they do enter into an association?

Mr. WEBB. That is exactly my idea, I want to say to my friend.

Mr. DEWALT. I would be very glad if it worked out.

Mr. WEBB. They can not be any worse off than they are at present. They can not compete individually with their foreign rivals. They can not send their goods abroad, unless somebody comes over here and happens to pick them out and buy them—and little business comes that way nowadays. If they could get any way to carry their goods and show them in foreign countries, they could compete. That is the custom to-day. You have to have money; you have to have combination enough to carry these goods to the foreign countries and show them to the people in order to induce them to buy them.

Mr. DOWELL. Will the gentleman yield?

Mr. WEBB. I will yield, for a question.

Mr. DOWELL. I want to inquire if under this bill it is possible to organize another Standard Oil Company which will be international?

Mr. WEBB. Not at all. The Sherman antitrust law would destroy it.

Mr. DOWELL. Is not it also possible that this combination may be formed and so used that it will not only take care of the sales abroad but it will also control the markets here by its refusal to let other persons or factories come into this combination?

Mr. WEBB. My friend has read the bill. It says that these agencies may be formed provided they do not restrain trade within the United States, or deal unfairly with their American competitors.

Mr. DOWELL. But will not the operation itself, the fact that they have such an enormous international combination and being able to sell their goods at a lower price in other markets, be in itself sufficient——

Mr. WEBB. No; the copper interests do that now.

Mr. DOWELL. It is true they may keep any exporter now out of this combination they may organize.

Mr. WEBB. I do not know to what the gentleman refers as "they."

Mr. DOWELL. I mean this organization.

Mr. WEBB. Any number of business men can form a selling agency. There is no power in Congress preventing a man from selecting his associates.

Mr. DOWELL. As far as that is concerned, this organization may be as large as they may desire to organize.

Mr. WEBB. Yes; providing it does not restrain trade in the United States. I do not care how big they are, for they have to be big in order to compete with their big competitors in foreign countries.

Mr. HILL. Will the gentleman yield for a questions?

Mr. WEBB. Yes; for a question.

Mr. HILL. Sometimes an ounce of illustration is worth a pound of argument. I traveled for two days with the agent of Walter A. Wood in Siberia. He was going about showing the farmers how to use machines. They could afford to do that. This gives the little fellows who can not afford it the privilege of combining and doing the same thing.

Mr. WEBB. That is exactly my idea, and that is the class of manufacturers that are going to be helped by the bill, because the big fellows have already got the power to establish these agencies now and they already have them established.

Now, Mr. Chairman, that is all the time I shall use at the present time, and I will ask the gentleman from Minnesota to use some of his time.

Mr. VOLSTEAD. Mr. Chairman, may I ask the gentleman from North Carolina how long he expects to continue to-night?

Mr. WEBB. I think I will move to rise at 6 o'clock.

Mr. MANN. I think we had best quit now.

Mr. WEBB. Let us run until 6 o'clock.

Mr. MANN. We meet at 11 o'clock to-morrow, and then we may be in session all night to-morrow night. Nobody knows.

Mr. WEBB. I am perfectly willing, if the gentleman is tired, to quit now. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. SHALLENBERGER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 17350) to promote export trade, and for other purposes, and had come to no resolution thereon.

ORDER OF BUSINESS.

Mr. KITCHIN. Mr. Speaker, I would like to announce that to-morrow, so Members can be here promptly, most probably we will try to get up for consideration legislation relative to the pending strike situation.

The SPEAKER. The gentleman from North Carolina [Mr. KITCHIN] announces that to-morrow at 11 o'clock a. m. we will try to get up the strike legislation.

Mr. MANN. I suppose that means trying to get consideration of the bill introduced by the gentleman from Georgia [Mr. ADAMSON] to-day?

Mr. KITCHIN. Yes.

Mr. STAFFORD. Can the gentleman intimate, as the chairman of the committee—the gentleman from Georgia [Mr. ADAMSON] says he has not copies of the bill—what the general scope of it is, so that the Members may have time to think it out overnight?

Mr. ADAMSON. The bill only embraces the propositions which the President originally made to the employees and the carriers, to wit, to put in force immediately the eight-hour day, without affecting the surrounding circumstances and conditions, and appoint a commission to investigate conditions and the working of the eight-hour law, in six to nine months, in their discretion, and to report to Congress their finding of fact without recommending any legislation. We introduced the bill in that shape because it is what the President originally proposed and what the brotherhoods agreed to accept, and we thought if Congress would pass that much legislation it would be entirely consistent with what had been done, and the employees could not afford to go out on strike, as they are committed to those provisions.

ADJOURNMENT.

Mr. WEBB. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 44 minutes p. m.) the House, under its original order, adjourned until 11 o'clock a. m. to-morrow, Friday, September 1, 1916.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills and resolutions were introduced and severally referred as follows:

By Mr. TAVENNER: A bill (H. R. 17699) authorizing and directing the Public Printer to provide a pulp and paper mill or mills for the manufacture of print paper for the Government; to the Committee on Printing.

By Mr. ADAMSON: A bill (H. R. 17700) to establish an eight-hour day for employees of carriers engaged in interstate and foreign commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RAINEY: Resolution (H. Res. 361) for a reprint of A System of Accounts for Retail Merchants; to the Committee on Printing.

Also, resolution (H. Res. 362) for reprint of Fundamentals of a Cost System for Manufacturers; to the Committee on Printing.

By Mr. KITCHIN: Resolution (H. Res. 363) for the consideration of H. R. 17700; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills were introduced and severally referred as follows:

By Mr. CLARK of Florida: A bill (H. R. 17701) granting an increase of pension to Philip H. Lewis; to the Committee on Pensions.

By Mr. GARD: A bill (H. R. 17702) granting an increase of pension to Frank Selmar; to the Committee on Pensions.

Also, a bill (H. R. 17703) granting a pension to Milton L. Stover; to the Committee on Pensions.

By Mr. HASTINGS: A bill (H. R. 17704) granting an increase of pension to Samuel H. Smith; to the Committee on Invalid Pensions.

By Mr. NEELY: A bill (H. R. 17705) granting an increase of pension to Sarah A. Keffer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17706) granting an increase of pension to John T. Whetzal; to the Committee on Invalid Pensions.

By Mr. RUSSELL of Ohio: A bill (H. R. 17707) granting an increase of pension to U. J. Favorite; to the Committee on Invalid Pensions.

By Mr. SMITH of New York: A bill (H. R. 17708) granting a pension to Christein Stewart; to the Committee on Invalid Pensions.

By Mr. STAFFORD: A bill (H. R. 17709) granting a pension to Sabina Fallon; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BRUMBAUGH: Petition of Nicholas Wirthwein, Louis Seibert, George Ewall, Peter Albritz, A. H. Werder, Emil Weiderhald, Joseph King, Charles F. Gerhold, and other citizens of Columbus, Ohio, protesting against Great Britain's seizure of mails and noncontraband supplies consigned to neutral ports; to the Committee on Foreign Affairs.

By Mr. CURRY: Petition of State Board of Viticultural Commissioners of California, that the impending railroad strike may be avoided, and that the Congress will take proper steps to insure the steady and unhampered shipment of freight; to the Committee on Interstate and Foreign Commerce.

Also, petition of California Electric Railway Association, asking that electric railways earning less than 15 per cent of revenue from interstate traffic be exempted from proposed railway legislation; to the Committee on Interstate and Foreign Commerce.

Also, petition of Vallejo Trades and Labor Council in behalf of an eight-hour day and other legislation proposed in behalf of railway employees; to the Committee on Interstate and Foreign Commerce.

Also, petition of certain railway employees of Brighton, Cal., favoring the passage of the so-called railroad employees' eight-hour-day bill; to the Committee on Interstate and Foreign Commerce.

By Mr. DALE of New York: Petition of William T. Appleton, of Boston, Mass., favoring passage of the game-sanctuary bill, House bill 11712; to the Committee on Agriculture.

Also, memorial of Philadelphia Bourse, relative to regulating actions of public-service employees; to the Committee on Interstate and Foreign Commerce.

By Mr. EDMONDS: Petition of Manufacturers' Club of Philadelphia, Pa., favoring principles of arbitration; to the Committee on Interstate and Foreign Commerce.

By Mr. FLYNN: Petition of William T. Appleton, of Boston, Mass., favoring passage of the game-sanctuary bill, House bill 17130; to the Committee on Agriculture.

Also, memorial of Philadelphia Bourse, relative to regulating certain public-service employees; to the Committee on Interstate and Foreign Commerce.

By Mr. HUMPHREY of Washington: Petitions of sundry citizens of the State of Washington, against bills to amend the postal laws; to the Committee on the Post Office and Post Roads.

By Mr. LAFEAN: Petition of Pennsylvania Pharmaceutical Association, to support tariff bill for protection to American industries; to the Committee on Ways and Means.

By Mr. MATTHEWS: Evidence to accompany House bill 17695, for the relief of William L. Wiles; to the Committee on Military Affairs.

By Mr. RANDALL: Petitions of Tenth Avenue Baptist Church, of Oakland; Washington Street Methodist Episcopal Church, of Pasadena; and Garvanza Methodist Episcopal Church, of Los Angeles, all in the State of California, favoring national prohibition; to the Committee on the Judiciary.

By Mr. STEPHENS of Texas: Memorial of Chamber of Commerce of Dallas, Tex., favoring arbitration of labor disputes with railroad companies; to the Committee on Interstate and Foreign Commerce.

By Mr. TAGUE: Petition of City Council of Lawrence, Mass., relative to returning to their homes, etc., men who volunteered for their country's service; to the Committee on Military Affairs.

By Mr. TINKHAM: Memorial of City Council of Lawrence, relative to restoring to homes and families men who volunteered for their country's service; to the Committee on Military Affairs.

By Mr. WILLIAMS of Ohio: Petition of Deposits Saving & Trust Co., of Akron, Ohio, in re interference with transmission of mails; to the Committee on Foreign Affairs.

SENATE.

FRIDAY, *September 1, 1916.*

The Senate met at 10 o'clock a. m.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we come to Thee this morning under the pressure of a national crisis, facing issues which we must face in the fear of God, with the love of our brother man in our hearts. We ask for divine guidance and wisdom. We pray that there may be no conflict of interest that will separate heart from heart in this blessed fellowship of our national life, but that we may be enabled to see and to discern that there is no conflict of duty and no conflict of interest in this land of ours. Thou hast put into our hands in trust great responsibilities. Thou hast lavished the wealth of a great Nation upon us. Thou hast also given to us great principles of government as a part of our trust. Grant that we may draw from Thee such wisdom and grace as that we may justify our stewardship before God and men. For Christ's sake. Amen.

The Vice President being absent, the President pro tempore took the chair and directed that the Journal be read.

The Secretary proceeded to read the Journal of the proceedings of the legislative day of Tuesday, August 29, 1916, when, on request of Mr. SMOOT and by unanimous consent, the further reading was dispensed with and the Journal was approved.

ESTIMATE OF APPROPRIATIONS (S. DOC. NO. 541).

The PRESIDENT pro tempore laid before the Senate a communication from the Secretary of the Treasury, transmitting a letter from the Secretary of War, submitting a supplemental and additional estimate of appropriation, in the sum of $60,000, required by the War Department for the service of the fiscal year ending June 30, 1917, for public printing and binding, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

PETITIONS AND MEMORIALS.

The PRESIDENT pro tempore. The Chair lays before the Senate telegrams from the executive committee of the Chamber of Commerce of the State of New York, of New York City; from the Merchants and Manufacturers' Association, of Baltimore, Md.; and from the Chamber of Commerce and Federation of Allied Interests, of Tulsa, Okla., all bearing upon the subject of the threatened railway strike, which will be referred to the Committee on Interstate Commerce.

Mr. McCUMBER presented a petition of sundry citizens of Edgeley and La Moure, in the State of North Dakota, praying for the prohibition of the exportation of intoxicating liquor to Africa, which was referred to the Committee on Finance.

He also presented a memorial of sundry citizens of Grand Forks, N. Dak., remonstrating against the proposed enactment of legislation for compulsory arbitration of labor disputes, which was referred to the Committee on Interstate Commerce.

He also presented a memorial of sundry citizens of Ludden, N. Dak., remonstrating against the enactment of legislation for compulsory observance of Sunday in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. PHELAN presented memorials of sundry citizens of California, remonstrating against the proposed retention of the stamp tax on insurance companies, which were ordered to lie on the table.

ENLISTMENTS IN THE ARMY.

Mr. TAGGART. My attention has been called to the bill (H. R. 17183) to prevent the enlistment of negroes in the military service of the United States. I addressed a letter to the Secretary of War on the subject and have received a reply from him. I ask that my letter, together with the reply of the Secretary of War and the bill referred to, which is short, may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

UNITED STATES SENATE,
COMMITTEE ON FOREST RESERVATIONS
AND THE PROTECTION OF GAME,
August 28, 1916.

HON. NEWTON D. BAKER,
Secretary of War.

DEAR MR. SECRETARY: My attention has been called to H. R. 17183, introduced in the House of Representatives July 27, 1916, which I am inclosing herewith.

This bill states that hereafter there shall not be enlisted or reenlisted in the military service of the United States, either in the Army or Navy, any person of the negro or colored race.

I feel sure that this bill does not meet with the wishes of the War Department. There are several occasions that call to my mind the valor and loyalty of the negro soldiers, and only recently their bravery was shown at Carrizal, Mexico.

I am opposed to this bill.

Hoping to hear from your department that this bill does not meet with your approval, and with personal regards, I beg to remain,

Yours, very truly,

T. TAGGART.

—

WAR DEPARTMENT,
Washington, August 30, 1916.

HON. THOMAS TAGGART,
United States Senate.

MY DEAR SENATOR: I have received your letter of August 28 and read the copy of H. R. 17183 which you inclosed.

My attention had not been before called to this bill, and, so far as I know, it has not been referred to this department for opinion. The purpose of the bill is to prevent the enlistment or reenlistment of people of the colored race in the military service of the United States. Any such bill would receive the disapproval and adverse recommendation of this department.

Those who are familiar with the history of our country from the armies organized by George Washington in the American Revolution down to the present day know that brave and often conspicuously gallant service has been rendered by colored troops. In the most recent instance, at Carrizal, in Mexico, these colored troops conducted themselves with the greatest intrepidity, and reflected nothing but honor upon the uniform they wore.

Very truly, yours,

NEWTON D. BAKER,
Secretary of War.

—

A bill (H. R. 17183) to prevent the enlistment of negroes in the military service of the United States.

Be it enacted, etc., That hereafter there shall not be enlisted or reenlisted in the military service of the United States, either in the Army or Navy, any person of the negro or colored race.

SEC. 2. All laws and parts of laws in conflict herewith are hereby repealed.

REPORTS OF COMMITTEES.

Mr. McCUMBER, from the Committee on Finance, to which was referred the bill (S. 1724) to reimburse the First National Bank of Owatonna, Minn., for revenue stamps stolen or lost in transit, reported it without amendment and submitted a report (No. 845) thereon.

Mr. CHAMBERLAIN, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 6862. A bill for the relief of Amos Dahuff (Rept. No. 848); and

H. R. 3223. An act for the relief of John W. Baggott (Rept. No. 849).

He also, from the same committee, to which was referred the joint resolution (S. J. Res. 169) interpreting section 50 of the act of June 3, 1916, for making further and more effectual provision for the national defense, and for other purpose, reported it without amendment and submitted a report (No. 847) thereon.

Mr. MYERS, from the Committee on Public Lands, to which was referred the bill (S. 784) to authorize the sale of certain lands at or near Belton, Mont., for hotel purposes, reported it with an amendment and submitted a report (No. 846) thereon.

He also, from the Committee on Military Affairs, to which was referred the bill (S. 1568) to correct the military record of Adolph F. Hitchler, reported it with amendments and submitted a report (No. 856) thereon.

He also, from the same committee, to which was referred the bill (S. 4667) for the relief of James Duffy, reported it with an amendment and submitted a report (No. 855) thereon.

Mr. WADSWORTH, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted a report thereon:

H. R. 1358. An act for the relief of Everett H. Corson (Rept. No. 850);

H. R. 1568. An act for the relief of N. Ferro (Rept. No. 851); and

H. R. 3238. An act for the relief of Sarah E. Elliott (Rept. No. 852).

Mr. BRYAN, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 1963. An act for the relief of John E. Keys (Rept. No. 836);

H. R. 12145. An act for the relief of Joseph Manning (Rept. No. 837);

H. R. 12240. An act for the relief of John Brodie (Rept. No. 838);

H. R. 13106. An act for the relief of the trustee and parties who are now or who may hereafter become interested in the estate of James A. Chamberlain under the terms of his will (Rept. No. 839);

H. R. 13820. An act for the relief of Mrs. Jennie Buttner (Rept. No. 840);

H. R. 14572. An act for the relief of Gertie Foss (Rept. No. 841);

H. R. 14645. An act for the relief of the legal representative of P. H. Aylett (Rept. No. 842); and

H. R. 14784. An act for the relief of Alma Provost (Rept. No. 843).

He also, from the same committee, to which was referred the bill (H. R. 2535) for the relief of A. H. Rebentish, submitted an adverse report (No. 844) thereon, which was agreed to, and the bill was postponed indefinitely.

He also, from the same committee, to which was referred the bill (H. R. 10007) for the relief of William H. Woods, asked to be discharged from its further consideration, and that it be referred to the Committee on Indian Affairs, which was agreed to.

He also, from the same committee, to which was referred the bill (H. R. 11685) for the relief of Ivy L. Merrill, asked to be discharged from its further consideration, and that it be referred to the Committee on Indian Affairs, which was agreed to.

Mr. WARREN, from the Committee on Military Affairs, to which was referred the bill (H. R. 6145) for the relief of Edward F. McDermott, alias James Williams, reported it with amendments and submitted a report (No. 857) thereon.

Mr. BECKHAM, from the Committee on Military Affairs, to which was referred the bill (S. 61) to correct the military record of Samuel D. Chase, reported adversely thereon, and the bill was postponed indefinitely.

He also, from the same committee, to which was referred the bill (S. 5759) for the relief of James Dodds, reported adversely thereon, and the bill was postponed indefinitely.

He also, from the same committee, to which was referred the bill (S. 5184) for the relief of Ephraim A. Brown, reported adversely thereon, and the bill was postponed indefinitely.

NIAGARA RIVER BRIDGE.

Mr. SHEPPARD. From the Committee on Commerce, I reported back favorably with an amendment the bill (H. R. 17235) granting the consent of Congress to W. H. Crosby; W. H. Andrews; E. G. Connette; Daniel Good; Henry May; Robert C. Gaupp; Edward Kener, jr.; William F. MacGlashan; and William A. Morgan to construct a bridge across Niagara River within or near the city limits of Buffalo, and for other purposes, and I submit a report (No. 854) thereon.

Mr. WADSWORTH. I ask unanimous consent for the present consideration of the bill.

Mr. GALLINGER. Mr. President, it had been suggested to me that there was more or less opposition to this bill, but upon investigation and inquiry I find no ground for it, and I believe the bill ought to pass.

There being no objection, the bill was considered as in Committee of the Whole.

The amendment of the committee was, on page 1, line 6, after the name "MacGlashan," to insert "Eugene L. Falk; John W. Robinson; John M. Willys; Oliver Cabana, jr.; Conrad E. Wettlaufer; H. A. Hurt; George J. Meyer; Myron S. Hall; John Lord O'Brian; Frank S. McGraw," so as to make the bill read:

Be it enacted, etc., That the consent of Congress is hereby granted to W. H. Crosby; W. H. Andrews; E. G. Connette; Daniel Good; Henry May; Robert C. Gaupp; Edward Kener, jr.; William F. MacGlashan; Eugene L. Falk; John W. Robinson; John M. Willys; Oliver Cabana, jr.; Conrad E. Wettlaufer; H. A. Hurt; George J. Meyer; Myron S. Hall; John Lord O'Brian; Frank S. McGraw; and William A. Morgan, and their successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across the Niagara River at a point suitable to the interests of navigation, within or near the city limits of Buffalo, in the county of Erie, in the State of New York, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906: *Provided*, That subject to the provisions of this act the Secretary of War may permit the persons herein named to construct a tunnel or tunnels under said river in lieu of the bridge herein authorized, in accordance with the foregoing act approved March 23, 1906, so far as the same may be applicable.

SEC. 2. That this act shall be null and void unless the construction of said bridge or tunnels is commenced within two years and completed within five years from the date of approval hereof.

SEC. 3. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act granting the consent of Congress to W. H. Crosby; W. H. Andrews; E. G. Connette; Daniel Good; Henry May; Robert C. Gaupp; Edward Kener, jr.; William F. MacGlashan; Eugene L. Falk; John W. Robinson; John M. Willys; Oliver Cabana, jr.; Conrad E. Wettlaufer; H. A. Hurt; George J. Meyer; Myron S. Hall; John Lord O'Brian; Frank S. McGraw; and William A. Morgan to construct a bridge across Niagara River within or near the city limits of Buffalo, and for other purposes."

JOHN P. SUTTON.

Mr. HITCHCOCK. From the Committee on Military Affairs I report back favorably without amendment the bill (H. R. 16719) for the relief of John P. Sutton, and I submit a report (No. 853) thereon. I ask unanimous consent for the present consideration of the bill. It is a House bill and is very short.

Mr. SMOOT. Let it be read.

Mr. HITCHCOCK. I will explain it to the Senator from Utah.

Mr. SMOOT. That is what I desire the Senator to do.

Mr. HITCHCOCK. This person enlisted under the name of Gilbert Sutton and served three years in the Army. His real name was John P. Sutton. The bill has passed the House. It simply proposes to give him an honorable discharge in his real name instead of his wrong name. There is no question of desertion. He had a good record.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered as in Committee of the Whole. It provides that in the administration of the pension laws John P. Sutton, who enlisted in Company H, Eighteenth Regiment United States Infantry, on the 27th day of March, 1866, under the name of Gilbert Sutton, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of said company and regiment under his true name of John P. Sutton.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. STERLING (by request):

A bill (S. 6977) for the relief of Elmer Stevenson; to the Committee on Post Offices and Post Roads.

By Mr. ASHURST:

A bill (S. 6978) to correct the military record of Paul Hubner; to the Committee on Military Affairs.

A bill (S. 6979) granting an increase of pension to Samuel J. Rhodes; to the Committee on Pensions.

By Mr. MYERS:

A bill (S. 6980) granting a pension to Alfred P. Crump; to the Committee on Pensions.

By Mr. SMOOT:

A bill (S. 6982) granting an increase of pension to Nellie A. Belden (with accompanying papers); to the Committee on Pensions.

WITHDRAWAL OF PAPERS—AUGUSTUS BOYD.

On motion of Mr. PENROSE it was

Ordered, That the papers accompanying the bill (S. 594) to place on the retired list with the rank of captain, Augustus Boyd, Fifty-fourth Congress, be withdrawn from the files of the Senate, no adverse report having been made thereon.

RECESS.

Mr. SIMMONS. Mr. President, when we adjourned yesterday until 10 o'clock this morning it was understood that the chairman of the Committee on Interstate Commerce would be ready to report to the Senate a bill dealing with the railroad situation. We are now advised that the chairman will not be able to present a bill before 11 o'clock. We are also advised that a Republican conference has been called to meet at 10 o'clock, and it is desired that we shall take a recess in order to enable them to proceed with their conference. I therefore move——

The PRESIDENT pro tempore. The morning business has not yet closed. Will the Senator withhold the motion for a few moments and let us dispose of the routine morning business? It will require only a little further time.

Mr. SIMMONS. Is it not in order to move a recess at any time?

The PRESIDENT pro tempore. Yes; the Chair is inclined to hold that the motion would be in order.

Mr. SIMMONS. As I have stated, the other side have called a conference to meet at 10.

The PRESIDENT pro tempore. The Chair merely made the suggestion to the Senator from North Carolina.

Mr. SIMMONS. It is now past the hour of 10. Of course, if there is any special matter that needs attention, I would not insist on it.

Mr. MYERS. If the Senator will yield to me, I can name a special matter, and I hope the Senator will not make the motion to take a recess. I want to move to take up from the calendar the 640-acre homestead bill, a House bill which should be passed by the Senate. It is a short bill, and it will not take long to dispose of it.

The PRESIDENT pro tempore. That is a bill on the calendar and does not take precedence of the routine business.

Mr. MYERS. I should like very much to have the Senate attend to some business this morning.

The PRESIDENT pro tempore. The motion of the Senator from North Carolina is in order.

Mr. SIMMONS. I make the motion because I think it is due to the other side of the Chamber, who have called their conference for 10 o'clock. Their conference, I understand, is to consider the very grave questions that are now pending. I therefore move that the Senate take a recess until 1 o'clock.

Mr. MYERS. I hope the motion will not prevail. I want the Senate to take up the 640-acre homestead bill.

Mr. PENROSE and others. Question!

The PRESIDENT pro tempore. The question is on the motion of the Senator from North Carolina that the Senate take a recess until 1 o'clock.

The motion was agreed to; and (at 10 o'clock and 12 minutes a. m.) the Senate took a recess until 1 o'clock p. m., at which hour it reassembled.

CALLING OF THE ROLL.

Mr. GALLINGER. Mr. President, I would suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator from New Hampshire suggests the absence of a quorum. Let the Secretary call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Jones	Overman	Simmons
Bankhead	Kenyon	Page	Smith, Ariz.
Chamberlain	Kern	Penrose	Smith, Md.
Clapp	Lane	Phelan	Smoot
Clarke, Ark.	Lea, Tenn.	Pittman	Swanson
Curtis	Lee, Md.	Pomerene	Taggart
Fletcher	Lewis	Ransdell	Thomas
Gallinger	Martin, Va.	Robinson	Underwood
Gronna	Myers	Shafroth	Wadsworth
Hitchcock	Newlands	Sheppard	Warren
Husting	O'Gorman	Shields	Williams

The PRESIDENT pro tempore. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. DILLINGHAM, Mr. DU PONT, Mr. HUGHES, Mr. LA FOLLETTE, Mr. MCCUMBER, Mr. SAULSBURY, Mr. SMITH of South Carolina, Mr. VARDAMAN, and Mr. WALSH answered to their names when called.

Mr. BECKHAM entered the Chamber and answered to his name.

Mr. JONES. I desire to announce that the junior Senator from Michigan [Mr. TOWNSEND] is detained on account of illness in his family. I will let this announcement stand for the day.

Mr. MCLEAN, Mr. NORRIS, Mr. BRYAN, and Mr. SMITH of Georgia entered the Chamber and answered to their names.

The PRESIDENT pro tempore. Fifty-nine Senators have answered to their names. A quorum of the Senate is present.

PROPOSED RAILROAD LEGISLATION.

Mr. NEWLANDS. I introduce a bill and ask that it be read twice by its title and referred to the Committee on Interstate Commerce.

The bill (S. 6981) to establish the eight-hour standard workday in interstate transportation, and for other purposes, was read twice by its title and referred to the Committee on Interstate Commerce.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives by D. K. Hempstead, its enrolling clerk, announced that the House had passed the bill (H. R. 17645) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1916, and prior fiscal years, and for other purposes, in which it requested the concurrence of the Senate.

PUBLIC BUILDING AT MADISON, WIS.

The PRESIDENT pro tempore. The Chair lays before the Senate a bill from the House of Representatives.

The bill (H. R. 14391) authorizing the purchase of a site and the erection of a public building thereon at Madison, Wis., was read twice by its title.

Mr. SWANSON. I ask unanimous consent that this bill, which has passed the House, be considered by the Senate. I will say that it proposes simply to change $55,000 that was appropriated in 1913 to tear down the old building at Madison, Wis., and erect on the site a new building. They have since ascertained that it would be much better to sell the land on which it was proposed to tear down the old building and buy a new site upon which to erect a new post-office building.

This bill has passed the House. It simply provides that the old site may be sold, the money paid into the Treasury, and the amount of money appropriated heretofore shall be available for the purchase of a site and the erection of the new building. There is no increase of appropriation at all.

Mr. GALLINGER. I have no doubt this is a good bill but——

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. GALLINGER. I suggest that it go to the committee.

The PRESIDENT pro tempore. The bill will be referred to the Committee on Public Buildings and Grounds.

HOUSE BILL REFERRED.

H. R. 17645. An act making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1916, and prior fiscal years, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

PRESIDENTIAL APPROVAL.

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had, on September 1, 1916, approved and signed the following act:

S. 5103. An act authorizing and directing the Secretary of War to lease to Charleston-Dunbar Traction Co. a certain strip or parcel of land owned by the United States Government on the Great Kanawha River in West Virginia.

THE REVENUE.

The PRESIDENT pro tempore. The Chair lays before the Senate the unfinished business, which is House bill 16763.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

The PRESIDENT pro tempore. The pending question is on the adoption of the amendment offered by the Senator from New Hampshire [Mr. GALLINGER], which will be stated.

The SECRETARY. On page 135, lines 19 and 20, strike out the words "a part of the classified service" and substitute the words "appointed from the list of eligibles to be supplied by the Civil Service Commission and in accordance with the civil-service law."

Mr. GALLINGER. Mr. President, as I suggested on yesterday, in the shipping bill and the so-called compensation bill I offered a similar amendment in each case providing that these appointments shall be made from the classified service. There are a large number of men and women on the eligible list who have spent their money and given their time to take examinations. Examinations are now being held all over the country for the purpose of increasing the eligible list. It is very bad legislation, as I look at it, to provide that the subordinate officials shall be appointed without reference to the civil service of the country.

I have not had time to look at those bills as they finally became laws to see what became of the amendment the Senate put in, without any opposition whatever, whether they remained in the bill; but whether they did or not, Mr. President, there is every reason why the amendment I have offered should be agreed to by the Senate, which I trust will be the result.

The PRESIDENT pro tempore. The question is on the adoption of the amendment to the amendment.

Mr. JONES. Mr. President, I think in connection with this provision of the bill it would be interesting to note the provisions of the various laws that have been passed during this Congress with reference to the civil service, and I am going to take the time of the Senate just for a little while to call attention to those various provisions.

This administration is run on a "state-of-mind" plan, on a psychological basis and on the theory that what it says is, is. If the people can be hypnotized by a wave of the hand and a command or dictum into accepting this theory of running the Government, we may see it followed through another four years. The President tells the people that their ills do not in fact exist, and expects them to believe it, and he tells the business interests that the difficulties under which they labor are only psychological, and that is supposed to end their troubles.

Time and again crude, cumbersome, expensive, and half-digested laws have been signed with great ostentation and elaborate theatrical settings, and the people have been assured that they are the acme of legislative wisdom and sure panaceas for all the ills that afflict them, whether actual or imaginary. They are told not to worry any more, all is well. There is not anything really wrong. They only think so. For some perverse, occult, and sinister reason the people can not trace any beneficial results to these laws, but "hope springs eternal in the human breast"; "the future is before us," and all may be well.

This administration came into power upon a platform of promises to the American people, which it declared itself were to be kept and which its candidate declared was not "molasses to catch flies." It seemed to assume that, having so declared, it could disregard these promises ad libitum, and began its career by directly repudiating one of these promises at the dictation of the President. Platform promises have never in the history of political parties been so flagrantly repudiated or disregarded as during the past three years. The Democratic Party has treated its platform pledges as pledges not to be kept and as "molasses to catch flies." It did not have the nerve to declare in its 1916 platform that its pledges are to be kept, and you will not hear its candidate, if he is ever notified of his nomination, saying anything about "molasses to catch flies."

Let us take one declaration of party policy, one pledge that was not "molasses to catch flies," and see how performance squares with promise, and leave it to the people to decide whether a mere dictum shall be accepted as against affirmative action.

Party divisions are based upon principles and not upon spoils. The people want efficiency in government, rather than partisan success. They favor the merit system in government rather than "to the victor belongs the spoils." Knowing this, the Democratic Party declared in its platform of 1912:

> The laws pertaining to the civil service should be honestly and rigidly enforced, to the end that merit and ability shall be the standard of appointment and promotion rather than service rendered to a political party.

Have they kept this pledge? What action have they taken to comply with it. The first important act passed was the Underwood-Simmons Tariff Act of October 3, 1913. It imposed many new and unusual taxes, and made necessary the selection and appointment of many new employees. Was the civil-service law applied in the selection of such employees, to the end that "merit and ability" should be the standard of appointment rather than party service? Not at all. It was expressly provided in the act that—

> The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is authorized to appoint * * * all necessary officers, agents, inspectors, deputy collectors, clerks, messengers, and janitors.

Additional employees were needed in the office of the Commissioner of Internal Revenue at Washington. Were they to be selected under the civil-service law? They could have been, and this would have been the proper course to take if the civil-service law was to be regarded. It was specially provided in the law, however, that—

> In the office of the Commissioner of Internal Revenue, at Washington, D. C., there shall be appointed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, one additional deputy commissioner, at a salary of $4,000 per annum; two heads of division, whose compensation shall not exceed $2,500 per annum, and such other clerks, messengers, and employees * * * as may be necessary: *Provided*, That for a period of two years from and after the passage of this act the force of agents, deputy collectors, inspectors, and other employees, not including the clerical force below the grade of chief of division employed in the Bureau of Internal Revenue, in the city of Washington, D. C., authorized by this section of this act shall be appointed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, under such rules and regulations as may be fixed by the Secretary of the Treasury to insure faithful and competent service, and with such compensation as the Commissioner of Internal Revenue may fix, with the approval of the Secretary of the Treasury, within the limits herein prescribed.

That was a positive legislative repudiation of the civil-service system as applicable to hundreds of employees to be appointed to carry out the revenue act. On a motion to strike out this proviso the yeas were 32—all Republicans—and the nays 37—all Democrats. On an amendment by Senator GALLINGER to require these employees to be selected under civil-service rules, yeas 32, nays 37.

A few days afterwards, to wit, October 22, 1913, there was approved an appropriation bill which contained a provision expressly repealing the civil-service law as applicable to deputy collectors of internal revenue and deputy marshals, who had been, pursuant to law, placed within the operation of the civil-

service system. The urgent deficiency act, upon its first page, provided as follows:

Provided, That hereafter any deputy collector of internal revenue or deputy marshal who may be required by law or authority or direction of the collector of internal revenue or the United States marshal to execute a bond to the collector of internal revenue or the United States marshal to secure faithful performance of official duty may be appointed by the said collector or marshal, who may require such bond without regard to the provisions of an act of Congress entitled "An act to regulate and improve the civil service of the United States," approved January 16, 1883, and amendments thereto, or any rule or regulation made in pursuance thereof, and the officer requiring said bond shall have the power to revoke the appointment of any subordinate officer or employee and appoint his successor at his discretion without regard to the act, amendments, rules, or regulations aforesaid.

The pressure was too great, the spoils were too inviting. Efficiency of service must give way to the rewards of party loyalty, and these official positions that had been placed under the operation of the civil-service law in the interests of the people and of efficiency and economy were to be used under the authority of a special legislative provision as rewards for party service.

The Federal reserve act was approved August 15, 1914. Under its provisions many additional clerks and employees were required. Was their selection left to the efficiency system? Was the platform pledge observed? Not at all. The administration of this act must also be made subject to party rewards, and the Federal Reserve Board was given authority—

To employ such attorneys, experts, assistants, clerks, or other employees as may be deemed necessary to conduct the business of the board. All salaries and fees shall be fixed in advance by said board and shall be paid in the same manner as the salaries of the members of said board. All such attorneys, experts, assistants, clerks, and other employees shall be appointed without regard to the provisions of the act of January 16, 1883 (22 Stat. L., 403), and amendments thereto, or any rule or regulation made in pursuance thereof: *Provided*, That nothing herein shall prevent the President from placing said employees in the classified service.

These various employees are not to be selected under the civil-service system, but immediately upon their appointment the President can classify them under the system. In filling the offices our Democratic friends are for the spoils; when the offices are filled they are for clinching their hold on the spoils by applying the merit system.

The act to create a Federal Trade Commission was approved September 26, 1915. It also created many additional offices, and its administration would require the appointment of many additional clerks and employees. The provision relating to its employees is a very peculiar one. It is hard to see just what is the intention with reference to the appointment of the employees necessary to carry out the provisions of this act. It provides:

The commission shall appoint a secretary, who shall receive a salary of $5,000 a year, payable in like manner, and it shall have the authority to employ and fix the compensation of such attorneys, special experts, examiners, clerks, and other employees as it may from time to time find necessary for the proper performance of its duties and as may be from time to time appropriated for by Congress.

This would seem to place the authority to employ clerks and other employees directly in the hands of the Federal Trade Commission without regard to the civil-service law. It is qualified to a certain extent by a provision that all employees of the commission excepting certain special ones shall enter the service under such rules and regulations as may be prescribed by the commission and by the Civil Service Commission.

One thing is certain, the Federal Trade Commission will determine the rules and regulations under which these employees will enter the service, notwithstanding the act gives the Civil Service Commission some concurrent authority in the matter. The act is careful to provide, however, that the employees of the commission, after they get into the service, whether as a reward for party service or otherwise, "shall be a part of the classified civil service."

The act providing for a Federal Farm Loan Board, approved July 17, 1916, will require the employment of many clerical officers and other employees, and care was taken to eliminate the operation of the merit system in the appointment of these officials and to apply it after their appointment, in order, if possible, to insure the continuance of the reward given for party service.

This act provides:

The Federal Farm Loan Board shall be authorized and empowered to employ such attorneys, experts, assistants, clerks, laborers, and other employees as it may deem necessary to conduct the business of said board. All salaries and fees authorized in this section and not otherwise provided for shall be fixed in advance by said board and shall be paid in the same manner as the salaries of the Federal Farm Loan Board. All such attorneys, experts, assistants, clerks, laborers, and other employees, and all registrars, examiners, and appraisers shall be appointed without regard to the provisions of the act of January 16, 1883 (Vol. XXII, United States Statutes at Large, p. 403), and amendments thereto, or any rule or regulation made in pursuance thereof: *Provided*, That nothing herein shall prevent the President from placing said employees in the classified service.

The shipping bill which has now passed and which will no doubt become a law authorizes the appointment of a shipping board and also necessitates the employment of several hundred clerks and other officials. No attention is paid either to the declaration of the platform of 1912 or the declaration in the platform of 1916, but it is provided that:

The board shall appoint a secretary, at a salary of $5,000 per annum, and employ and fix the compensation of such attorneys, officers, naval architects, special experts, examiners, clerks, and other employees as it may find necessary for the proper performance of its duties as may be appropriated for by the Congress.

After these appointments are made and these officials are inducted into office without regard to the civil service, it is expressly provided that all employees of the board, with certain exceptions, shall be "part of the classified civil service."

It was reported by the committee to the Senate, the Senate modified it by an amendment offered by the Senator from New Hampshire [Mr. GALLINGER], and this amendment was accepted in the House, as were all the amendments made by the Senate to the shipping bill. If the bill had gone to conference there is not any doubt in my mind but that that provision would have been eliminated and it would have been reported here as it passed the House and as reported by the committee.

In the revenue act of this session, which has been reported to the Senate, an amendment has been inserted by the Senate committee reading as follows:

SEC. 47. For the expense connected with the assessment and collection of the taxes provided by this act there is hereby appropriated $100,000, or as much thereof as may be required, out of any money in the Treasury not otherwise appropriated, and the Commissioner of Internal Revenue is authorized to appoint and fix the compensation of such officers, clerks, messengers, janitors, and other necessary employees in the enforcement of the provisions of this act for duty in the District of Columbia, or any collection district of the United States, or any of the Territories thereof.

The amendment is the provision now pending before the Senate to which the amendment of the Senator from New Hampshire has been offered.

No compliance with the civil-service law in this. It is a pure matter of party spoils. Appointment of the necessary officials, from officers to janitors, is left solely to the Commissioner of Internal Revenue, who will be strictly a party man.

Under the employees' compensation act a commission is provided, and, of course, additional employees will be necessary. Section 30, as it passed the House and was reported to the Senate, provided:

That the commission shall have such assistants, clerks, and other employees as may be from time to time provided by Congress. They shall be appointed in the same manner as appointments to the competitive classified civil-service positions.

This was changed in the Senate through an amendment offered by Senator Gallinger expressly requiring these appointments to be made from the classified service and under civil-service rules. We are getting a little nearer election time, and our Democratic friends are not quite so bold in their legislative repudiation of the civil service. This provision may be accepted by the House, although if the bill should go to conference the provision will very likely be eliminated.

So hungry have our Democratic friends been that special positions have not been exempt from their attacks. The Commissioner of the Five Civilized Tribes was manipulated so as to make it a politically appointive office, as was the commissioner of immigration at New Orleans. The effort to have the commercial attachés provided for the Department of Commerce in the interest of our foreign commerce selected under the merit system was stoutly and effectively resisted by the Democrats, and these positions were left to political influence. These are a few of the minor instances showing the attitude of the party in power toward the civil-service system to which they so vehemently protest their devotion but which they wholly disregard.

In view of this record, the declaration in the Democratic platform of 1916 that "We reaffirm our declaration for the rigid enforcement of the civil-service law" is a choice bit of satire. They should have added to this declaration "And we point with pride to our record of strict adherence to the civil-service laws and principles as exemplifying the meaning of the declaration which we hereby reaffirm."

Several attempts have been made to further destroy the civil service. One in particular should be noticed. The Post Office Department is the greatest governmental agency in existence. It touches all of the people very intimately. Its efficient and economic administration is of the highest concern. Assistant postmasters had been placed in the classified service in the interest of economy and efficiency. One of the first attempts made by this administration was to take them, together with the

other local post-office employees, out of the civil service and make their positions the prey of partisanship.

August 7, 1914, House bill 17042, "A bill to amend the postal and civil-service laws, and for other purposes," was under consideration in the House. The following amendment was proposed by Mr. CULLOP, of Indiana:

That hereafter any assistant postmaster, clerk, or employee in any post office who may be required by law or by authority or direction of the Postmaster General to give a bond to the United States to secure faithful performance of official duty may be required also to execute a bond to the postmaster whose assistant, clerk, or employee he is, for the faithful performance of his duties as such, in the discretion of the Postmaster General. The postmaster of all such offices shall have the power to select his assistant postmaster, all clerks, and employees irrespective of any civil-service law to the contrary, and all laws, regulations, and orders in conflict with this act are hereby repealed and nullified: *Provided*, That all such appointments shall be for a period of four years.

Under this amendment not only assistant postmasters would be taken out of the civil service but all local post-office clerks and other employees would be excluded from the operation of the civil-service laws and made the prey of party politics. This amendment was adopted in the Committee of the Whole, where no record is made showing how each individual voted, by a vote of 75 yeas to 25 nays. When the amendment came to a record vote and each Representative was compelled to go on record, the amendment was defeated by a vote of 162 nays to 81 yeas, but it is significant of the attitude of the Democratic Party that every one of the 81 yeas was a Democrat.

Further attempts have been made to exclude assistant postmasters from the operation of the civil service. The Postmaster General recommended the abolishment of the office, and the substitution for it of a superintendent of finance. An attempt was made to carry out this recommendation, and it was in the Post Office appropriation bill as it came over to the Senate a year or two ago. The Senate would not stand for it. It was stricken out of the bill. Although again recommended by the Postmaster General, our Democratic friends have not dared to press the matter further.

I do not know what has been done in an administrative way to nullify and undermine the civil-service system. I have simply pointed out what is disclosed by the record and can not be disputed. When such open and drastic legislative action has been taken, it is safe to conclude that everything possible has been done in an administrative way to put the "faithful" in and the experienced and efficient out.

Explanations will be made and reasons will be given in excuse of what has been done. The people will know, however, that the civil-service pledge has been and is shown to be "molasses to catch flies."

Mr. FLETCHER. Mr. President, I wish to say, with reference to the amendment which the Senator offered to the ship-purchase bill, which he claims would have brought those employees under the civil service, the bill as it came from the other House provided that they should be appointed from the classified service. I do not think the Senator's amendment added very much to that. At any rate, it is in the law, I take it, because the bill was agreed to by the House as it went from the Senate.

The PRESIDING OFFICER (Mr. SHAFROTH in the chair). The question is on the amendment of the Senator from New Hampshire [Mr. GALLINGER] to the amendment of the committee. Does the Senator ask for the yeas and nays on the amendment?

Mr. GALLINGER. No; let the vote be taken viva voce.

Mr. SIMMONS. Mr. President, I do not think the section to which the amendment of the Senator from New Hampshire applies at all interferes with the civil-service status of any of the officials mentioned in his amendment.

Mr. GALLINGER. If the Senator from North Carolina will permit me, I think it does, and I want to suggest to the Senator at this point that I have another amendment, which has been printed, to come in on page 135, in lines 20 and 21; but it strikes me that $100,000 is appropriated in this provision to pay these subordinate officers. I do not know what else it is for.

Mr. SIMMONS. Well, you will have to pay men under the civil service as well as pay men outside of it.

Mr. GALLINGER. Certainly; and that is precisely what I want to do. I want to get the eligible lists made shorter, rather than longer, in the Civil Service Commission. They are now holding examinations all over the country, and a large number of eligibles will come to that commission to be placed on the list. Unless they are to be appointed to these places under the laws which we are passing, it is utterly idle for the Civil Service Commission to put these young men and young women to the trouble and expense of taking the examinations.

Mr. SIMMONS. That is exactly what I have said, Mr. President. My statement to the Senate was to the effect that there is nothing in this bill which provides that any additional force which may be required to carry out its provisions would be taken from under the civil service. We have a general law, expressly declaring what positions shall be covered under the civil service. The positions mentioned in the bill are all positions that are now under the civil service. The bill simply provides for the appointment of the officials by the Commissioner of Internal Revenue; but those appointments will have to be made according to the present law, and the present law places under the civil service all of the positions mentioned in the bill.

Mr. GALLINGER. I do not agree with my friend from North Carolina. This provision expressly says that the Commissioner of Internal Revenue is authorized to appoint and to fix the compensation.

Mr. SIMMONS. Exactly, Mr. President; but he appoints them under existing law; he appoints them from the civil service.

Mr. GALLINGER. I do not think so at all. If that were so, he would not have to fix the compensation. The law fixes the compensation for clerks in the various classes.

Mr. SIMMONS. No; the law does not always fix the compensation of clerks, messengers, and janitors.

Mr. GALLINGER. Why, there is a statutory law covering all of that; and the Senator from North Carolina must know it.

Mr. SIMMONS. I think not always.

Mr. GALLINGER. If these men are to be appointed from the civil service, what harm would it do to say so?

Mr. SIMMONS. Mr. President, I will say to the Senator that we ought to deal frankly with each other about this matter. In the committee and in the conference the question was considered, and there was no disposition whatsoever, either in the one body or in the other, to take these officials out from under the civil service. In fact, my recollection is—and I will ask the Senator from New Jersey [Mr. HUGHES], who looks especially after these matters, to correct me if I am wrong—that some Senator offered an amendment providing that these officials should not be under the civil service—it was either in the committee or in the caucus—and that proposition was voted down.

It was not our purpose to take these officials out from under the civil service. We did not think this provision of the act did take them out of the civil service. I think it is but fair that I should make this statement to the Senate. I do not myself think there is any doubt about it. It is clear to my mind that the appointment here authorized is an appointment to be made by the commissioner of these people from the eligible list.

Mr. GALLINGER. But it does not say so.

Mr. SIMMONS. That is to say, it does not make any difference whether the particular official is under the civil service or not; the appointment has to be made. If it is not under the civil service he is appointed from the general body of the people. If it is under the civil service he is appointed from an eligible list of three, which is certified by the Civil Service Commission; but in either event it is an appointment, and somebody must be given the power to make that appointment. We gave the Commissioner of Internal Revenue the power to make it; he has the power now to make all appointments in his office, whether they are under the civil service or not under the civil service. He is simply governed by one rule in one case and by a different rule in the other case. Our understanding of this was that we simply gave him authority to make these appointments, and the appointments will be made from the eligible lists as in other cases of appointments of clerks, messengers, janitors, and other necessary employees in the departments.

Mr. GALLINGER. The Senator will not argue that in sundry bills which were passed—and I will state that they were passed before my attention was called to the matter—for instance, the income-tax law, those appointments were to be made from the classified lists of the Civil Service Commission?

Mr. SIMMONS. If the Senator will pardon me, my attention was diverted for a moment.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Colorado?

Mr. SIMMONS. I understand the Senator from Colorado desires to make a statement in reference to the pending matter.

Mr. THOMAS. The Senator from New Jersey [Mr. HUGHES] has informed me of certain action that was taken concerning this identical subject, which I had forgotten. In view of that the committee will accept the amendment to the amendment which is proposed by the Senator from New Hampshire.

Mr. GALLINGER. Very well.

Mr. SIMMONS. Mr. President, I want to say in accepting the amendment to the amendment that it was our view—and it is my view now—that it is not necessary. But if there is any doubt about it, or if Senators think there is any doubt about it, as it is our purpose not to except employees under this bill from the civil service, we will accept the amendment.

Mr. SMOOT. Mr. President, I desire to say to the Senator from North Carolina before he leaves the Chamber that unless that amendment is kept in the bill in conference the employees here authorized can be selected from anywhere in the United States. They must be put under the civil service by the law itself or else the appointing power—in this case the Commissioner of Internal Revenue—can select the men from anywhere outside of the civil service.

Mr. SIMMONS. Then, the Senator contends that if we have a general law providing that a certain force shall be under the civil service and it becomes necessary by virtue of the fact that a bill is passed requiring additional men to be employed we will have to provide that the additional men shall also be appointed from the civil service?

Mr. SMOOT. The trouble is that the law does not provide that hereafter all employees shall be under the civil service. Each branch of the service is put under the civil service by law, and there is no employee who falls under the civil-service law unless the law authorizing the appointment or some future law places him under the civil service.

Mr. SIMMONS. Now, let me ask the Senator another question. If the general law puts messengers under the civil service, and by virtue of legislation it becomes necessary to appoint more messengers, do we have to pass another law putting those additional messengers under the civil service?

Mr. SMOOT. Mr. President, messengers and certain other employees are provided for at a certain rate by statute. Among these are clerks of class 1, clerks of class 2, clerks of class 3, and clerks of class 4, and the salaries paid to the clerks in each one of those classes is fixed by law. So it is with laborers, watchmen, and messengers; but the employees provided for in this bill are merely designated as clerks, messengers, and so forth, for the purpose of carrying out the provisions of this act; and the bill does not require that they shall be taken from the civil-service lists unless we so provide at the time we appropriate for the payment of their services.

Mr. SIMMONS. Mr. President, without continuing the discussion with the Senator, all I care to say about it now is that it was our purpose that these employees should be under the civil service, and we believed that we had put them under the civil service; but if there is any doubt about it, we accept the amendment.

Now, let me say, in addition, that the Senator from Washington [Mr. JONES] stated here this morning that if the shipping bill had gone to conference he had no doubt in the world that the provision in that bill which required employees under it to be taken from the civil service would have been stricken out. Why the Senator should make that statement upon the floor of the Senate, in view of the fact that the amendment putting them under the civil service was accepted by the committee when it was offered here, and was supported by the Democrats, I can not understand.

Mr. JONES. Mr. President, I will state to the Senator why I made the statement. I made it simply because of the previous record of his party in this respect, as I have shown it to be. I have not a doubt that the Senate conferees would have stood for the proposition put in the Senate bill with a reasonable degree of pertinacity; but I expressed it as my opinion that I had no doubt the bill would have come back here with the Senate amendment stricken out and the provision kept in as it passed the House. Of course that is only my opinion, based upon the record made by this Congress with reference to civil-service matters under this administration.

Mr. SIMMONS. Oh, the Senator said that he had absolutely no doubt about it. Now, what reason has the Senator for thinking that the Democrats in the House would have taken a different course or would have felt differently with respect to this matter than the Democrats of the Senate, representing the Democratic Party in this body, took or felt?

Mr. JONES. I take it that the House conferees would have felt disposed to stand by the House provision, because it had been adopted by the House, and I think they would have stood by it all the more pertinaciously because they were in favor of it and because the record shows that that would have very likely been the outcome. Of course the Senator may not agree with me; it is a matter of opinion between us; but I base my opinion upon the record of his party.

Mr. SIMMONS. Upon the same basis of reasoning and by the same parity of reasoning the Senator could say with equal propriety that he had no doubt that every amendment made by the Senate to the House bill would have been stricken out in conference.

Mr. JONES. Oh, no; I can not agree to that suggestion, Mr. President.

Mr. FLETCHER. Mr. President, may I suggest to the Senator at this moment that the shipping bill as it came from the House expressly provided—and even if the conferees had given up the Senate amendment, they would have gone back to the House provision—that "all employees of the board shall be a part of the classified civil service."

Mr. JONES. Is the Senator from Florida referring to the shipping bill?

Mr. FLETCHER. Yes; that provision was in the shipping bill as it came to the Senate.

Mr. JONES. Yes; it provided that the employees should be appointed without regard to the civil service, but that immediately after they were appointed they should come under it. That is what that provision meant, and that is all it meant.

Mr. FLETCHER. I can not see for the life of me but that the bill expressly covered the contention which Senators on the other side are now making.

Mr. OVERMAN. Mr. President, I think the Senator from Utah [Mr. SMOOT] is altogether wrong in his contention, and, although I am not going to enter into a controversy with him about it, I disagree with him as to one of the statements made by him. When a messenger is appointed the general law fixes his salary and provides that he shall be under the civil service. So it is with janitors and with clerks. If a $1,200 clerk is appointed, he must be appointed in accordance with civil-service requirements. The only way to get around the civil-service law is to enact a provision that the civil-service law shall not apply in a particular case, as has been done sometimes heretofore. However, I rose more particularly to ask the Senator from New Hampshire—I have not heard his amendment read—whether his amendment would put deputy collectors, who are not under the civil service, in the civil service?

Mr. GALLINGER. It does not touch them at all.

Mr. OVERMAN. Then, that is all right.

Mr. VARDAMAN. Mr. President, I ask that the amendment be again stated. I was a little late in getting into the Chamber and did not hear it.

The PRESIDING OFFICER. The amendment has been accepted by the committee.

Mr. VARDAMAN. I should like to hear it, however.

The PRESIDING OFFICER. The Secretary will state the amendment to the amendment.

The SECRETARY. On page 83, after line 7, it is proposed to insert:

> All appointments of officers, clerks, messengers, janitors, and other necessary employees shall be made from the eligible lists of the Civil Service Commission and in accordance with the provisions of the civil-service law.

Mr. GALLINGER. Mr. President, just a word. I do not desire to get into a controversy over this matter; but, as I have said, I offered a similar amendment to the shipping bill and to the workmen's compensation bill. Looking at the RECORD, it appears that the conferees agreed to the Senate amendment in the case of the workmen's compensation bill, and that in the case of the shipping bill, that bill not having gone to conference, the amendments of the Senate were agreed to by the other House en bloc.

I notice in connection with these bills—and, of course, different persons draft them—that differing phraseology is employed. For instance, when the shipping bill was under consideration it was argued that the provision in that bill was a civil-service provision. Now, let us see how it read:

> All employees of the board shall be a part of the classified civil service.

That is to say, the board would appoint them outside of the civil service, and automatically they would go into the civil service without examination.

Mr. SMITH of Georgia. Would it not be a correct interpretation of that provision that until the employees were put into the civil service they could not be appointed, and would it not mean that they would have to be in it all the time, and therefore have to come from it?

Mr. GALLINGER. They would be put under the civil service in about five minutes after they were employed under that provision.

Mr. SMITH of Georgia. I do not think the shipping board could have appointed a man who was not under the civil service.

Mr. GALLINGER. However, I offered a similar amendment to that bill, which was agreed to, and it is part of the law; and I do not think there is going to be any serious objection to my amendment in this instance.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from New Hampshire [Mr. GALLINGER] to the amendment proposed by the committee.

The amendment to the amendment was agreed to.

Mr. THOMAS. Mr. President, inasmuch as this discussion has arisen regarding the amendment of the Senator from New Hampshire [Mr. GALLINGER], I want to call attention to the fact that the civil service, so called, is in some respects fulfilling some of the apprehensions expressed regarding the system at the time of and before its adoption. The vast body of employees of the Government now holding their positions under what is called the civil service are an organized body of men and women. I do not know how many they number, but several hundred thousand at the present time.

I recall that at the time the subject was agitated the fear was expressed that permanent tenure of service would create what was then called an aristocracy of officeholders. It certainly has created an organization of officeholders that is becoming sufficiently strong to dictate legislation to the Congress of the United States, and bids fair to be one of those organizations before whose demands we are in times of crisis expected to yield, or, at least, to act with that expedition which is incompatible with mature deliberation.

I am not opposed to the civil service. I have been at one time quite an advocate of the system; but it seems to me that certain conditions affecting this service are becoming somewhat sinister in their manifestations, and that in the near future it might perhaps be well, if not necessary, to enact some further legislation with regard to the subject.

The PRESIDING OFFICER. The question is on agreeing to the amendment as amended.

The amendment, as amended, was agreed to.

The next amendment was, on page 83, after line 7, to insert:

SEC. 48. No person employed by the United States shall communicate, or allow to be communicated to any person not legally entitled thereto, any information obtained under the provisions of this title, or allow any such person to inspect or have access to any return furnished under the provisions of this title.

The amendment was agreed to.

The next amendment was, on page 83, after line 13, to insert:

SEC. 49. Whoever violates any of the provisions of this title or the regulations made thereunder, or who fails or refuses to make the return required, or who knowingly makes false statement in any return, or refuses to give such information as may be called for, is guilty of a misdemeanor, and upon conviction shall, in addition to paying any tax to which he is liable, be fined not more than $10,000 or imprisoned not exceeding one year, or both, in the discretion of the court.

The amendment was agreed to.

The next amendment was, on page 83, after line 22, to insert:

SEC. 50. All administrative, special, and general provisions of law, including the laws in relation to the assessment and collection of taxes not specifically repealed, are hereby made to apply to this title so far as applicable and not inconsistent with its provisions.

The amendment was agreed to.

The next amendment was, on page 84, after line 2, to insert:

SEC. 51. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall make all necessary regulations for carrying out the provisions of this title, and may require any corporations subject to such provisions to furnish him with further information whenever in his judgment the same is necessary to collect the tax provided for herein.

The amendment was agreed to.

Mr. LANE. Mr. President, I understood a reservation was made in one part of this subdivision of the bill by the Senator from Wisconsin [Mr. HUSTING].

The PRESIDING OFFICER. No reservation was made in regard to this subdivision, as the Chair understands.

The reading of the bill was resumed, beginning with line 6, page 106.

The next amendment was, on page 106, line 6, after the words "rate of," to strike out "3" and insert "8," so as to make the clause read:

Manufacturers of cigarettes, including little cigars weighing not more than 3 pounds per thousand shall each pay at the rate of 8 cents for every 10,000 cigarettes, or fraction thereof.

The amendment was agreed to.

The next amendment was, on page 106, after line 21, to insert:

SEC. 58. That section 2804 of the Revised Statutes as amended by section 26 of the act of August 28, 1894, be further amended, and section 3402 of the Revised Statutes be amended to read as follows:

"SEC. 2804. No cigars, cheroots, or cigarettes shall be imported unless the same are packed in boxes of not more than 500 in each box, and all cigars, cheroots, or cigarettes on importation shall be placed in public store or bonded warehouse, and shall not be removed therefrom until the same shall have been inspected and a stamp affixed to each box indicating such inspection: *Provided*, That cigars, cheroots, and cigarettes imported by mail or parcel post may be inspected and stamped without removing to public store or bonded warehouse. And the Secretary of the Treasury is hereby authorized to provide the requisite stamps and to make all necessary regulations for carrying the above provisions of law into effect.

"SEC. 3402. All cigars, cheroots, or cigarettes imported from foreign countries shall pay, in addition to the import duties imposed thereon, the tax prescribed by law for cigars, cheroots, or cigarettes manufactured in the United States, and shall have the same stamps affixed. The stamps shall be affixed and canceled by the owner or importer of the cigars cheroots, or cigarettes while they are in the custody of the proper customhouse officers, and the cigars, cheroots, or cigarettes shall not pass out of the custody of such officers until the stamps have been so affixed and canceled, but shall be put up in boxes containing quantities as prescribed in this chapter for cigars, cheroots, and cigarettes manufactured in the United States. Whenever it is necessary to take any cigars, cheroots, or cigarettes so imported to any place other than the public stores of the United States for the purpose of affixing and canceling such stamps the collector of customs of the port where such cigars, cheroots, or cigarettes are entered shall designate a bonded warehouse to which they shall be taken under the control of such customs officer as such collector may direct. And every officer of customs who permits any such cigars, cheroots, or cigarettes to pass out of his custody or control without compliance by the owner or importer thereof with the provisions of this section relating thereto shall be deemed guilty of a misdemeanor and shall be fined not less than $1,000 nor more than $5,000 and imprisoned not less than six months nor more than three years: *Provided*, That cigars, cheroots, or cigarettes brought into the United States by mail or parcel post may be inspected, stamped, and delivered to the owner or importer thereof without removing to public stores or bonded warehouses under such regulations as may be prescribed by the Commissioner of Internal Revenue and approved by the Secretary of the Treasury and the Postmaster General."

Mr. FLETCHER. Mr. President, I want to strongly object to the adoption of that amendment offered by the committee. It is entirely a new proposition. The objections which I make to it are based mainly upon two grounds:

First, if put into effect, such a law would very seriously detract from and injure the great tobacco industry of this country. It is an industry from which the Treasury of the United States derives revenue in the way of customs duties and internal-revenue tax to the amount of $110,000,000 annually. It is an important industry in my own State. Shade-grown tobacco is now being developed to an extent where it is an important competitor of Sumatra wrapper. The cigar-manufacturing industry of Tampa is a very important one.

The annual output in manufactured cigars amounts in value to something like twelve and a half million dollars. There are manufactured in Tampa and West Tampa together over 250,000,000 cigars annually. There is paid for internal-revenue stamps at that office an amount exceeding $900,000 annually. The customs duties paid in Tampa amount to over $2,000,000 per annum. Key West is another large manufacturing center.

This provision, if it should become law, would have the effect of advancing the interests of manufacturers in Cuba to the great detriment and injury of manufacturers in this country; and there is no need now of facilitating that competition by enabling the Cuban manufacturer to lay on the desks of consumers in this country cigars by the box, 50 or 100, as the case may be. There is a sort of feeling that the Cuban cigar is of superior quality, and Cuba has a well-deserved reputation for producing the finest tobacco grown in the world for the manufacture of cigars. But Cuba also produces poor tobacco, and Cuban manufacturers also manufacture sorry cigars. The consumer in this country, however, basing his choice upon the reputation of Cuba, would be prompted to order his cigars from Cuba instead of from the manufacturer in the United States if he obtained them at something like the same price, and consequently that trade would drift away from our own manufacturers to the Cuban manufacturers.

The injury would be felt also by the middlemen, the clubs, and other agencies of distribution in the United States. It would mean an enormous sacrifice on the part of our own industries for the benefit of foreign manufacturers. That sacrifice is not called for to-day. Cuba was never more prosperous. Both her sugar industry and her tobacco industry are flourishing as perhaps never before in her history. There is no call for any extension of benevolence or philanthropy on our part to Cuba just at this time, and this provision would have the sole effect of advantaging competitors in our own industry, those competitors being in foreign countries. Cuba already has the great advantage of a 20 per cent reduction on tariff duties. That law or convention it may be worth while to look into to see whether or not it should be continued, but it is an advantage to Cuba, and it seems to me we are not at this time called upon to extend additional advantages to our competitors in that country.

The next proposition is that the provision will not raise one dollar of additional revenue. This is a revenue bill. It is not a bill proposing general legislation for promoting the parcel post or extending it or opening the way for parcel-post conventions with other countries. This provision will not add one cent to the revenue if it should become the law of the land, and

therefore it has no place in this bill. As I have said, this is a revenue bill. We are attempting here to raise the revenue which we need and require; but this provision does not raise one dollar of revenue, and therefore I contend that upon that ground it ought not to be adopted.

I understand, Mr. President, that the proposal was submitted to the House committee, and that that committee practically unanimously determined against it. My conviction is that if the Senate should agree to this amendment it would not be held in agreement in conference. I have every reason to believe that the House conferees will stand by their previous determination, and that this provision, even if agreed to in the Senate, would go out in conference. For that reason I am not going to elaborate upon the arguments which might be made against it. I have a firm faith that the House will stand by its position with reference to this proposal, and that this amendment could not be agreed to in conference, even though the Senate should adopt it. Therefore I am not going to take the time of the Senate with further discussion of it, relying upon that faith and that conviction.

I wish, however, Mr. President, to have inserted in the RECORD as part of my remarks some letters and telegrams and communications which I have had upon this subject by way of strengthening the arguments which the conferees of the Senate and of the House will have before them when this matter is considered, should it be agreed to in the Senate. I ask to have this material inserted without reading.

The PRESIDING OFFICER. Without objection, it will be so ordered.

Mr. FLETCHER. I do not for one moment think of consenting to this proposed amendment, and I strongly object to it upon the grounds which are set forth in the communications and telegrams which I submit, and for the reasons which I have briefly outlined.

The matter referred to is as follows:

TAMPA, FLA., *August 24, 1916.*

Hon. DUNCAN U. FLETCHER,
United States Senator, Washington, D. C.

DEAR SIR: We have noticed with interest the amendment to section 58 of the revenue bill, as reported by the Senate committee, tending to facilitate the transportation of cigars by mail or parcel post direct from the Cuban manufacturers to the consumers in the United States, and we feel that this measure, if successful of passage, would be a direct blow at the Clear Havana cigar industry in the United States. With the importation of foreign cigars especially from Porto Rico and other countries which heretofore had no market in this country, it became necessary to revive the Clear Havana cigar industry in this country, and to that end the law authorizing the manufacture of cigars in bond was principally directed. We, as well as the vast majority of the Clear Havana cigar manufacturers of this country have at a great expense complied with the provisions of that law and are now manufacturing cigars in bond, and we feel that the passage of such an amendment would cause serious loss to the cigar industry of this country, besides accomplishing no good to the citizens thereof. We feel that the protection of home industry is paramount to the creating of benefits to foreign countries, and we believe that you will realize this and defeat the proposed amendment.

Assuring you of our appreciation of any efforts that you may make in our behalf, we beg to remain,

Very truly, yours,
SAN MARTIN & LEON CO.,
By CARABATH & SUTTON,
Attorneys.

—

TAMPA, FLA., *August 24, 1916.*

Senator DUNCAN U. FLETCHER,
Washington, D. C.

DEAR SIR: We wired you last night as per inclosed copy.

There is no doubt in our mind but that, if section 58 of the revenue bill, as reported by Senate Finance Committee, is made a law, embodying the amendment that would tend to facilitate direct mail-order business between manufacturers of cigars in Cuba and consumers in the United States, the whole cigar industry of this country would suffer greatly. This would not only affect manufacturers but would be felt by jobbers and dealers alike.

The Clear Havana industry is the backbone of Tampa, and we feel sure you will bend every effort in behalf of the interest of the manufacturers and your people at large.

Yours, truly,
CUESTA, REY & CO.

—

TAMPA, FLA., *August 25, 1916.*

Senator D. U. FLETCHER,
Washington, D. C.:

We urgently call your attention to section 58 of revenue bill reported by Senate Finance Committee and wish to emphatically protest the amendment therein that would tend to facilitate direct mail-order business between cigar manufacturers in Cuba and consumers in the United States. We consider such legislation would greatly injure the Havana cigar industry that we, among others, have established in this country, and consequently rely on you now as in the past, using best efforts for our protection and having the injurious clause eliminated.

CORRAL WODISKA Y CA.

—

TAMPA, FLA., *August 25.*

Senator DUNCAN U. FLETCHER,
Washington, D. C.:

Please give your attention section 58 revenue bill, as reported by Senate Finance Committee. We protest emphatically against that section which would tend to allow Cuban manufacturers to do a mail-order business in cigars with consumers in the United States. Such legislation will curtail and severely hurt the great Havana cigar industry established in this city. Please use your efforts for the protection of our manufacturers, which means, of course, our city.

TAMPA BOARD OF TRADE.

JACKSONVILLE, FLA., *August 21, 1916.*

Hon. DUNCAN U. FLETCHER,
Washington D. C.:

We beg your distinguished consideration and earnest efforts to defeat section 58 of the revenue bill, as reported by the Senate Committee on Finance, which contains an amendment tending to facilitate the transportation of cigars by mail or parcel post direct from the Cuban manufacturer to the consumer in the United States. In our judgment this would be seriously detrimental and demoralizing to home industry. It would eliminate the middleman and create unfair competition against United States manufacturers. As large taxpayers of customs duties and internal revenue, we protest this measure and trust you will steadfastly oppose it.

GONZALES & SANCHEZ CO.

—

NEW YORK, N. Y., *August 16, 1916.*

Senator DUNCAN U. FLETCHER,
Washington, D. C.:

Manufacturers of Florida will appreciate your opposition to bill reducing quantity of imported cigars to less than 3,000. If small number of cigars can be imported, it will work great harm to our business.

M. W. BERRIMAN.

—

TAMPA, FLA., *August 23, 1916.*

Senator DUNCAN U. FLETCHER,
United States Senate, Washington, D. C.:

We urgently call to your attention section 58 of the revenue bill reported by the Senate Finance Committee, and wish to emphatically protest against the amendment therein that would tend to facilitate direct mail-order business between manufacturers of cigars in Cuba and consumers in the United States. We consider such legislation would greatly injure the Habana cigar industry that we, among others, have established in this country, and consequently rely on you now, as in the past, using your best efforts for our protection and having the injurious clause eliminated.

CUESTA REY & CO.

—

TAMPA, FLA., *August 29, 1916.*

Senator D. U. FLETCHER,
United States Senate, Washington, D. C.:

We are deeply concerned in the enactment of section 58 of the revenue bill reported by the Senate Finance Committee. Same permitting of shipment of cigars through the mails direct from the manufacturers in Cuba to the consumer in the United States. Its passage would permanently injure a great industry in this country that we, among others, have established, and we feel that we are entitled to protection and are fully justified in the belief that you will use every effort to defeat this provision.

JOSE ESCALANTE & CO.,
Members of the Clear Habana Cigar Manufacturers Association.

—

NEW YORK, *August 22, 1916.*

Hon. DUNCAN U. FLETCHER,
United States Senator, United States Senate, Washington, D. C.

DEAR SENATOR FLETCHER:

* * * * * * *

Pardon me for taking the liberty of addressing you now in regard to a particular provision of the revenue bill now pending in the Senate, which, although perhaps perfectly harmless on its face, may nevertheless have a wide and far-reaching effect upon the cigar industry in this country and particularly the cigar industry in the State of Florida, and may also lead to incalculable injury, not only to the cigar-manufacturing industry, but to the importing and the retail branches of the industry as well.

I refer to section 58 of the bill as reported by the Senate committee, which section contains amendments to sections 2804 and 3462 of the Revised Statutes.

We do not know at whose solicitation or upon whose request this amendment has been inserted in the bill. It appears that the same provisions were embodied in a bill recently introduced in the Senate by Senator RANSDELL, of Louisiana, that said bill was referred to the Committee on Finance, and we now find these new provisions in the revenue bill as reported by the committee under section 58.

By the proposed amendment the existing statute was changed by eliminating the minimum quantity of cigars that may be imported, which is 3,000, so that under the proposed act cigars may be imported in any quantity and by inserting a new provision tending to facilitate the importation of cigars by mail or parcel post, thus opening up the parcel post and post-office channels of distribution for cigar manufacturers in Cuba.

As already stated, we do not know at whose solicitation or upon whose request the Committee on Finance has undertaken to facilitate the opening up of a mail-order business for Cuban cigars. Surely no American cigar manufacturer could have made such suggestion and certainly no importer or retailer of imported cigars could have asked the Government of the United States to place its Post Office Department and its parcel-post machinery at the disposal of cigar manufacturers in a foreign country to the end that American importers and American retailers might be driven out of business.

We respectfully submit that the proposed amendment is indefensible; it can not possibly result in any good to the country, but on the contrary, it may lead to the extermination of American cigar importers, besides that it may work incalculable injury to the thousands of retailers, clubs, drug stores, and hotel stands selling imported cigars.

Moreover, opening up the post office and parcel post avenues for the transportation of Cuban cigars direct from the manufacturer to the consumer and you will at the same time provide unlimited facilities for defrauding the American consumer, for surely there will soon spring into existence in Cuba a great many unscrupulous manufacturers producing cheap grades of cigars and advertising them in this country as the real Cuban article, whereas, as a matter of fact, the consumer would be getting a cheap article such as he can buy in American stores at a nickel or so on, for which he would pay a fancy price because it is a cigar made in Cuba and known as a Cuban cigar.

Such law would be particularly hurtful to the cigar industry in Florida, because the Florida cigars, as you well know, are next in

quality and type to Cuban-made cigars, and such competition on the part of Cuban manufacturers by the mail-order system will undoubtedly hurt the Florida cigar industry to a serious extent.

We appeal to you, therefore, that you oppose the amendment referred to and that you take such steps as you may deem advisable to secure the elimination of that amendment from the revenue bill.

Thanking you in advance and assuring you of our highest appreciation of whatever you may do in the interest of the American cigar industry, we are,

Respectfully, yours,
TOBACCO MERCHANTS' ASSOCIATION OF THE UNITED STATES,
By CHAS. DUSHKIND, *Secretary.*

—

A PROTEST AGAINST SECTION 58 OF THE OMNIBUS REVEUNE BILL, PROVIDING FOR THE INDISCRIMINATE SHIPMENT INTO THE UNITED STATES OF FOREIGN CIGARS, CIGARETTES, AND CHEROOTS BY PARCEL POST.

[Joseph F. Cullman, jr., New York, president; W. J. Lukaswitz, Dayton, Ohio, vice president; George M. Berger, Cincinnati, Ohio, treasurer; Joseph Mendelsohn, secretary, 196 Water Street, New York.]

THE NATIONAL CIGAR LEAF TOBACCO ASSOCIATION,
New York, August 16, 1916.

Hon. F. M. SIMMONS,
Chairman Senate Finance Committee, Washington, D. C.

SIR: Protesting on behalf of the National Cigar Leaf Tobacco Association against the enactment of the provision of the omnibus revenue bill (sec. 58, p. 106, of the bill as reported to the Senate) permitting the importation of cigars by parcel post in any quantity up to 500, instead of in packages of not less than 3,000, as required by existing law, we desire most earnestly to call your attention to the following considerations:

The existing statute prescribing that cigars, cigarettes, and cheroots shall not be imported into the United States in packages of less than 3,000 each is most salutary and has been a very efficient safeguard to the revenues. The limitation results in the importation of these goods in recognized commercial quantities which are entered at ports where they can be examined by experts in tobacco values, which are the most difficult to ascertain of any that are embraced in the tariff law. Inasmuch as cigars pay a compound duty of $4.50 per pound and 25 per cent ad valorem, less the reciprocity deduction of 20 per cent in the case of Cuban goods, it follows that, as to the average Cuban cigar, the ad valorem duty is likely to amount to about $20 per thousand, the exact appraisement depending upon the up-to-date technical knowledge of Habana cigars possessed by the examiner. The importance, therefore, of the examination of imported cigars at the leading ports of entry, where expert examiners are stationed, is clearly apparent and is a consideration of vast consequence to the national revenues, to say nothing of the interest of the domestic manufacturer and his employees in the prevention of undervaluation.

The amendment embodied in section 58 of the revenue bill specifically permits the importation of cigars, cigarettes, and cheroots in any quantity up to 500 and prescribes the manner in which they may be shipped into the United States by parcel post, exempting them from the requirement that they shall be placed in public store or bonded warehouse for inspection and stamping and enabling them to be entered at any one of no less than 24 ports of entry, at very few of which the Treasury Department maintains examiners with any expert knowledge concerning cigars or tobacco. The danger to the revenues of such an innovation can hardly be exaggerated.

The object of this amendment is well known to the entire cigar trade of the United States, being the basis of a movement set on foot more than three years ago in the island of Cuba by the Habana cigar manufacturers to force an entry into the cigar market of the United States through the adoption of mail-order methods. An attempt by the Postmaster General of the United States to negotiate a parcel-post treaty with Cuba was met by the Cuban Government with a demand that the customs laws of the United States regarding the size of packages of cigars, cigarettes, and cheroots admissible to importation should be amended so as to permit the indiscriminate shipment by mail of these products to all parts of the United States. The officials of the Post Office Department, doubtless not being advised as to the effect of such an amendment, recommended it to the Ways and Means Committee and also secured the cooperation of the Treasury Department, the officials of which appear to have yielded to the representations made by the Postmaster General concerning the desirability of negotiating a parcel-post treaty. The committee, however, did not act upon the bill.

It will be noted, therefore, that section 58 is simply and solely a valuable concession to the Cuban cigar manufacturers at the expense of the revenues of the United States and of the welfare of that branch of the American cigar industry engaged in making high-grade cigars from Cuban leaf tobacco, a branch that employs the most highly paid class of labor and affords employment which it is the ambition of every American cigar maker to obtain. This concession is sought by the Cuban manufacturer at a time when he is already enjoying a reduction of 20 per cent in the rates of the United States tariff on cigars pursuant to the reciprocity arrangement of December 17, 1903. Under this reciprocity treaty the people of Cuba have already received, practically as a free gift from the United States Treasury, $167,040,000 up to July 1, 1916, a huge sum taken out of the Treasury in the name of a one-sided reciprocal trade arrangement that has been of vastly greater value to Cuba than to the United States.

We would especially emphasize the condition of the clear Habana branch of the American cigar industry at the present time. This division of our trade has been subjected to every conceivable disturbing influence during the past 18 years and for an even longer period it has been injuriously influenced by the differential rates of duty on leaf tobacco, which, as construed by the courts, make it impossible for a manufacturer who imports his tobacco to figure in advance what he will pay in duties, and frequently compels him to pay the full wrapper rate of $1.85 per pound less 20 per cent on whole bales of leaf, which the Government examiners admit contain but 16 or 17 per cent of wrappers, the remainder being fillers dutiable, according to the letter of the statute, at 35 cents per pound less 20 per cent. The agitation for the free admission of Philippine tobacco products also affected the clear Habana trade adversely, and numerous commercial developments have served to stunt its growth. As a result of the combination of detrimental influences affecting this trade the volume of its output has declined during the past few years fully 60 per cent, and we do not hesitate to predict that if section 58 of the omnibus revenue bill is enacted into law the remnant of the clear Habana industry will disappear within a very short time.

We are confident that with the facts herein stated before you, you will feel it to be your duty to eliminate the section referred to from the pending measure.

Very respectfully,
CHAS. FOX,
Chairman Legislative Committee.
W. L. CROUNSE,
Washington Representative National Cigar Leaf Tobacco Association.

Mr. SWANSON. Mr. President, I fully concur with what the Senator from Florida [Mr. FLETCHER] has so ably and clearly stated. This amendment ought not to stay in the bill. It is simply an effort to create a business in Cuba by parcel post to the detriment of cigar making in this country; and this is not the proper place for this matter to be discussed. As it is a postal matter, it ought to go to the Post Office Committee, anyway.

I hope the committee will consent to let this amendment go out. There is no way of estimating the tax. There is no way of making any classification of the cigars when they come in. There is a liability to fraud, and I do hope the committee will consent to let this go out.

Mr. THOMAS. Mr. President, the only interest I have in this amendment is the duty which has been imposed upon me by the committee to present the subject for the consideration of the Senate. Before doing so I wish to protest against what seems to be the occasional method of discussion in this body with regard to what the House committee of conference may do concerning the amendments of the Senate.

Mr. President, it is our duty to legislate according to the best of our information and judgment for the common benefit of the country, and this without regard to what may be the ultimate decision of a committee of conference between the two Houses. If we are to be deterred in considering legislation, whether important or not, from taking such action as in our judgment should be taken because those who are to compose the House committee of conference have seen fit to express in advance their determination as to what their action as conference committeemen will be, then it were better that we accept House legislation as it comes to us, whether we approve of it or not, upon the assumption that it is the best that we can obtain, and that the exercise of our own judgment with regard to amendments will be without avail.

Mr. President, I think the Members of the House have no more right to express themselves in this way regarding proposed legislation by this body than Members of the Senate have to express themselves with regard to the action of the House of Representatives regarding legislation proposed there.

Mr. FLETCHER. Will the Senator allow me to interrupt him?

Mr. THOMAS. Certainly.

Mr. FLETCHER. The Senator evidently misunderstood my comment. I said that this proposal had been made to the House committee when the bill was being considered there and was rejected by the House committee, and I have a notion that they will continue in that opposition. I have not made a reference to any discussion of the matter since the bill was passed by the House.

Mr. THOMAS. I had not the Senator from Florida in mind so much as I have some other expressions not made upon the floor in regard to the same subject and evidently based upon first-hand information affecting other amendments, not the one which is now under consideration. My remark, therefore, was general and in no sense a reflection upon the expression of the Senator from Florida. The statement which he made, however, emphasized it to my mind to such an extent that I determined to take this occasion to refer to it.

The amendment proposed was asked by the Department of the Treasury and by the Post Office Department. They have for some years been endeavoring to effect this legislation, and they have communicated their desire in correspondence to the committees which, perhaps, express or contain the reasons for the desired legislation as concisely, and certainly as clearly, as I could by any expression of my own. I therefore, with the permission of the Chair, will read the correspondence relating to this subject. I will not read the letters in chronological order because I do not think it necessary for a clear understanding of their substance.

The first letter is dated July 11, 1916, from the Postmaster General to Hon. F. M. SIMMONS, chairman of the Committee on Finance:

JULY 11, 1916.

Hon. F. M. SIMMONS,
Chairman Committee on Finance,
United States Senate.

MY DEAR SENATOR SIMMONS: The Treasury Department and this department have united in recommending the amendment of sections 2804 and 3402 of the Revised Statutes as indicated in my letter of the 21st of September, 1914, addressed to Hon. OSCAR W. UNDERWOOD, then chairman of the Committee on Ways and Means, a copy of which was handed to you on the 5th instant by the superintendent of foreign mails.

I am deeply interested in the proposed legislation, for the reasons set forth in my letter above mentioned, and would be pleased if it could be accomplished by the insertion of appropriate sections in the general revenue bill now pending, early action being desired in order to remove what is believed to be the only obstruction to the conclusion of a parcel-post convention with Cuba, which would be an important factor in the promotion of our foreign trade.

Yours, very truly,

A. S. BURLESON,
Postmaster General.

SEPTEMBER 21, 1914.

Hon. OSCAR W. UNDERWOOD,
Chairman Committee on Ways and Means,
House of Representatives.

MY DEAR MR. UNDERWOOD: In furtherance of previous representations made by the joint letter of the Secretary of the Treasury and the Postmaster General of February 24, 1913, and of my letter of September 11, 1914, I hand you herewith drafts of suggested legislation for the amendment of Revised Statutes, sections 2804 and 3402. Revised Statutes, section 2804, limits the importation of cigars to a quantity of 3,000 in a single package. The provision as it now stands reads as follows:

"SEC. 2804. No cigars shall be imported unless the same are packed in boxes of not more than 500 cigars in each box; and no entry of any imported cigars shall be allowed of less quantity than 3,000 in a single package; and all cigars on importation shall be placed in public store or bonded warehouse, and shall not be removed therefrom until the same shall have been inspected and a stamp affixed to each box indicating such inspection, and also a serial number, to be recorded in the customhouse. And the Secretary of the Treasury is hereby authorized to provide the requisite stamps and to make all necessary regulations for carrying the above provisions of law into effect."

The effect of the suggested amendment is to eliminate therefrom the limitation of 3,000 cigars in a single package and to do away with the necessity of a serial number of the stamps affixed to imported cigars, etc., being recorded in the customhouse.

Revised Statutes, section 3402, as it now stands reads as follows:

"SEC. 3402. All cigars imported from foreign countries shall pay, in addition to the import duties imposed thereon, the tax prescribed by law for cigars manufactured in the United States, and shall have the same stamps affixed. The stamps shall be affixed and canceled by the owner or importer of the cigars while they are in the custody of the proper customhouse officers, and the cigars shall not pass out of the custody of such officers until the stamps have been so affixed and canceled, but shall be put up in boxes containing quantities as prescribed in this chapter for cigars manufactured in the United States before the stamps are affixed. And the owner or importer of such cigars shall be liable to all the penal provisions of this title prescribed for manufacture of cigars manufactured in the United States. Whenever it is necessary to take any cigars so imported to any place other than the public stores of the United States for the purpose of affixing and canceling such stamps the collector of customs of the port where such cigars are entered shall designate a bonded warehouse to which they shall be taken, under the control of such customs officer as such collector may direct. And every officer of customs who permits any such cigars to pass out of his custody or control without compliance by the owner or importer thereof with the provisions of this section relating thereto shall be deemed guilty of a misdemeanor and shall be fined not less than $1,000 nor more than $5,000 and imprisoned not less than six months nor more than three years."

The effect of the proposed amendment is the addition to the law as it now stands of a proviso which will permit internal-revenue stamps to be affixed by customs officers or post-office officials authorized to deliver packages.

The purpose of this suggested legislation is to remove the restrictive limitations in the law as it now stands which prevent the negotiation of a parcel-post convention with Cuba, because the weight of a package of 3,000 cigars exceeds the weight limit prescribed by parcel-post conventions which are negotiated by this country with foreign countries, and therefore could not be imported into this country under the terms of such convention. For this reason the Cuban administration will not favorably consider further negotiations. With this limitation removed it is believed that there are no further obstacles to the negotiations to such convention, which would open the Cuban market to our merchants to the great advantage of our export trade. The amendment to section 3402 consists in the addition of the proviso which facilitates the delivery of the articles. These amendments have received the approval of the Treasury Department as well as this department, and it is hoped that early action may be obtained.

Yours, very truly,

A. S. BURLESON,
Postmaster General.

The next letter is from the Treasury Department, dated August 18, 1916, to the chairman of the Committee on Finance, and is as follows:

AUGUST 18, 1916.

The CHAIRMAN COMMITTEE ON FINANCE,
United States Senate.

SIR: I have the honor to refer to Senate bill No. 6825, "A bill to amend sections 2804 and 3402 of the Revised Statutes," which was introduced under date of the 10th instant and referred to your committee.

The purport of this bill is to repeal that portion of the said section 2804 which provides that "no entry of any imported cigars shall be allowed of less quantity than 3,000 in a single package," and to make provision for the inspection by customs officers of cigars, cheroots, and cigarettes imported by mail or parcel post, and the affixing of the necessary customs-inspection and internal-revenue stamps thereof without placing them in public store or in a designated bonded warehouse to remain until inspected, weighed, and stamped, as now required, and to amend the said section 3402 so as to make the law applicable to cheroots and cigarettes as well as cigars, with some other slight changes.

The department has previously urged the passage of similar bills heretofore introduced in Congress. As the matter now stands, the importation of cigars by parcel post or otherwise in the mails is absolutely prohibited, as the limit of weight of parcel-post packages is 11 pounds, and 3,000 cigars will in every case weigh more than 11 pounds. Because of this restriction importers of all cigars arriving in the mails are subject to a fine.

For the above reasons I desire again to urge the passage of the bill, as, in the opinion of this department, if this bill becomes a law the revenue will be as fully protected as is now the case, and importers will not be subject to the annoyance now experienced or the odium which the imposing of a fine casts upon those not familiar with the restriction which the law fixes upon imported cigars, etc.

Respectfully,

WM. P. MALBURN,
Acting Secretary.

It will be seen, Mr. President, that the purpose of this amendment is not to increase revenue, but to remove an obstacle, and what appears to be the only obstacle to the negotiation of a parcel-post convention between the United States and the Republic of Cuba. I know of nothing that will facilitate reciprocal foreign trade to any greater degree than the extension of the mutual conveniences of the parcel-post conveyance between two given nations. To my mind that purpose outweighs, even if they exist, such apprehended consequences of competition as always accompany the enactment of a law that even seemingly enlarges trade.

My information is that the effect of this measure would not be to enlarge the foreign trade in cigars so much as to change the method of their importation to this country. A great many articles are imported to America from countries with which we have parcel-post conventions, and they are received under the provisions of section 644 of the postal regulations at what are known as post-office receiving exchanges. There the duties are collected without any difficulty whatever and the packages are then transmitted to the respective places of destination.

This change would therefore in no sense increase the difficulties or burden the method of collecting the revenue. The only possible effect of it, it seems to me, would be to enable packages in smaller quantities than are now sent to this country to pass through the mails and be received at the exchange post offices. It would therefore tend to reduce what might be called the wholesale business from Cuba by substituting for it a retail business and at the same time open the facilities for trade with the Republic of Cuba to all other branches of industry and of commerce.

Mr. BRYAN. Mr. President——

Mr. THOMAS. I yield to the Senator from Florida.

Mr. BRYAN. I ask the Senator where under this provision the examination is to take place.

Mr. THOMAS. I am told that the examinations are made of all goods which come by parcel post from other countries at the post-office exchanges where there are representatives and officials of the Treasury Department, and whose duty it is to make the examinations.

Mr. BRYAN. The Senator realizes, does he not, that the examination requires experts?

Mr. THOMAS. I certainly do. I do not realize it to the extent the Senator does, because my State is not in a tobacco-producing section.

Mr. BRYAN. My State is very largely interested, and I would dislike very much to see this provision go in the bill, in view of the Senator's acknowledgment that it has nothing whatever to do with the raising of revenue, but is simply placing in the revenue bill a provision to aid in postal conventions. That is all there is to it. It has nothing whatever to do with revenue legislation and has no business in this bill.

Mr. THOMAS. There are a good many things in this bill that do not affect the revenue. Revenue bills in Congress, especially in modern times, are of an omnibus character and embrace many things which at first sight, perhaps, are opposed to each other. I am given to understand—my information may be incorrect, it comes from the Post Office Department—that at all the so-called receiving exchange post offices there are men thoroughly competent as experts to pass upon the quality as well of cigars and tobacco as all other things which are received from other countries with which we have conventions, and I therefore see no difficulty whatever which would arise from the suggestion made by the Senator from Florida.

But, as I said before the Senator came in, I have personally no interest in the subject whatever. I have been designated to present it for the consideration of the Senate and to give the reasons which prompted these two departments in asking for the adoption of the amendment. To my mind their reasons seemed to be conclusive. I believe that this Nation ought to be big enough and broad enough in the attempt to establish facilities for the carrying on of foreign trade to look to the main proposition, which can only be reached as other main propositions by doing a little damage here and there. My impression is, and it is my experience, that in all these cases the apprehended dangers and the actual evils which arise from legislation of this sort are in the proportion of about 99 to 1.

Mr. SMOOT. Mr. President, I think this is a very unwise provision and entirely out of place upon a revenue bill. I have received protests against this provision from every State in the

Union. I am not going to take the time to go into the details of a discussion of this subject, but I do want to call attention to a few of the objections raised by the extensive correspondence I have had in relation to the provision.

First, I wish to call attention to a letter from the Tobacco Merchants' Association of the United States, representing the tobacco merchants of this country, and in reading a portion of this letter I do so simply as a sample of other protests from other parties against this proposed amendment:

By the proposed amendment the existing statute is changed by eliminating the minimum quantity of cigars that may be imported, which is 3,000, so that under the proposed act cigars may be imported in any quantity; and it also contains a new provision tending to facilitate the importation of cigars by mail or parcel post, thus opening up the parcel-post and post-office channels of distribution for cigars manufactured in Cuba.

The customs duties required to be paid on imported Cuban cigars will not afford sufficient protection if the Cuban cigar manufacturer should be able to send a single box of cigars direct to the consumer by mail or parcel post. Such facilities will, no doubt, soon lead to the production of a cheap grade of cigars in Cuba and advertising them in the United States as the real Cuban article delivered direct to the consumer by mail or parcel post, duty paid, at inviting prices, with the result that the consumer would not only be deceived and misled by paying fancy prices for a cheap grade of cigars upon the strength of being "Cuban cigars," but you can readily see the injurious effect that such practice will have upon the American cigar industry, as well as upon the American farmers raising high-grade tobacco to compete with Cuban cigars.

The proposed provision is, indeed, indefensible. There can be no excuse for our Government placing its postal and parcel-post machinery at the disposal of manufacturers in foreign countries to come here and compete with our own industries.

Under this provision, Mr. President, a Cuban dealer in cigars may send to this country a single box of cigars to any purchaser in the United States. It comes to the purchaser through parcel post through the collector of customs at the city or the district to which the cigars are shipped.

Mr. THOMAS. Oh, no; Mr. President, the revenues are collected at the receiving-exchange post offices, of which there are only very few in the United States, and then the packages are forwarded to their place of destination.

Mr. SMOOT. In other words, it would be very much easier for the Cuban manufacturer, if that is the case, than if it had to go to the district and be examined and appraised by the collector of customs.

Mr. THOMAS. It may be easier, but the fact is that all parcels containing dutiable goods coming to this country by parcel post from other nations are sent to what are called receiving exchange post offices.

Mr. SMOOT. I think the Senator is mistaken.

Mr. THOMAS. That is the information which the Post Office authorities give me, and they refer to section 644 of the regulations. There the duty is collected, and then the goods continue on their journey to the destination. I think it ought to be so, because it is much simpler and much cheaper.

Mr. SMOOT. I know goods shipped from England and France by parcel post to parties in Salt Lake City, I will say, and the party to whom the goods are shipped pays the duty, and the valuation of the goods is placed upon them by the collector of the port in charge. I know that that happens very often. But if by this provision Cuban cigars will be shipped to a receiving-exchange post office and a valuation of the cigars made there and duty collected, the purchaser would have to send the amount of duty upon the cigars to the receiving-exchange post office before the package could be forwarded to him under the provisions of this amendment.

Mr. THOMAS. Not under the provisions of the amendment, but under the collection of revenue as is provided by section 644.

Mr. SMOOT. As far as the result is concerned, it would make no difference whether the duty is collected by the surveyor of the port to which the cigars are to be sent or whether it is collected at the receiving-exchange post office at which the cigars are received.

Mr. President, it does seem to me that the American merchants, those who pay the taxes and bear the burden of the Government, who help maintain all the institutions of our country, ought not to be put in competition with foreign manufacturers of cigars who do not have these obligations to meet. I believe it is an injustice and it should not be done.

I hope, Mr. President, the amendment will be disagreed to.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was rejected.

The reading of the bill was continued to the end of section 62, page 110.

Mr. SIMMONS. I ask unanimous consent to temporarily lay aside the unfinished business in order that the Senator from Nevada [Mr. NEWLANDS] may submit a report.

The PRESIDENT pro tempore. The Senator from North Carolina asks unanimous consent that the unfinished business may be temporarily laid aside. Is there objection? The Chair hears none.

Mr. SIMMONS. I will make the suggestion of no quorum.

The PRESIDENT pro tempore. The Senator from North Carolina suggests the absence of a quorum. Let the Secretary call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hitchcock	Page	Smith, S. C.
Bankhead	Husting	Phelan	Smoot
Brady	Jones	Pittman	Sterling
Brandegee	Kenyon	Pomerene	Stone
Bryan	La Follette	Ransdell	Swanson
Chilton	Lane	Reed	Taggart
Clapp	Lea, Tenn.	Robinson	Thomas
Clarke, Ark.	Lee, Md.	Saulsbury	Thompson
Colt	Lewis	Shafroth	Underwood
Cummins	McCumber	Sheppard	Wadsworth
Curtis	McLean	Shields	Walsh
Dillingham	Martin, Va.	Simmons	Warren
Fletcher	Nelson	Smith, Ariz.	Weeks
Gallinger	Newlands	Smith, Ga.	Williams
Gronna	Norris	Smith, Md.	

The PRESIDENT pro tempore. Fifty-nine Senators have answered to their names. A quorum of the Senate is present.

PROPOSED RAILROAD LEGISLATION.

Mr. NEWLANDS. Mr. President, I report favorably from the Committee on Interstate Commerce the bill (S. 6981) to establish the eight-hour standard workday in interstate transportation, and for other purposes. I ask for its immediate consideration.

The PRESIDENT pro tempore. The Senator from Nevada asks unanimous consent for the present consideration of the bill which has been reported by him from the Committee on Interstate Commerce. Is there objection? The Chair hears none.

The Senate, as in Committee of the Whole, proceeded to consider the bill.

Mr. NEWLANDS. Mr. President, I suggest now that the Secretary read the bill.

The PRESIDENT pro tempore. The Secretary will read the bill.

The Secretary read the bill (S. 6981) to establish the eight-hour standard workday in interstate transportation, and for other purposes, as follows:

Be it enacted, etc., That beginning January 1, 1917, eight hours, in contracts for labor, be deemed a day's work and the measure or standard for the purpose of reckoning the compensation for services of all persons who are now or may hereafter be employed by any common carrier by railroad subject to the provisions of the act of February 4, 1887, entitled "An act to regulate commerce," as amended, and who are now or may hereafter be actually engaged in the operation of trains used for the transportation of persons or property on railroads from any State or Territory of the United States or the District of Columbia to any other State or Territory of the United States or the District of Columbia, or from one place in a Territory to another place in the same Territory, or from any place in the United States to an adjacent foreign country, or from any place in the United States through a foreign country to any other place in the United States. The provisions of this act shall not apply to electric street railways or electric interurban railways.

SEC. 2. That the President shall appoint a commission of three, to be known as the eight-hour day commission, which shall observe the administrative and financial effects of the institution of the eight-hour standard workday as above defined during a period of not less than six nor more than eight months, in the discretion of the commission, and within 30 days thereafter shall report its findings to the President and to Congress.

SEC. 3. That, pending the report of the eight-hour day commission, as above provided, and for a period of 90 days thereafter, the compensation of railway employees subject to this act for a standard eight-hour workday shall not be reduced below the present standard day's wage, and for all services in excess of eight hours such employees shall receive not less than the pro rata proportion of the compensation received for the standard eight-hour workday.

Any carrier violating this provision shall be liable to a penalty of not less than $100 and not exceeding $1,000 in respect to each employee whose compensation is affected by such violation, which penalty shall accrue to the United States, and may be recovered in a civil action brought by the United States.

Any person who shall willfully delay, obstruct, or hinder the operation of trains mentioned in section 1 of this act shall be guilty of a misdemeanor and be punished by a fine not exceeding $5,000 and imprisonment not exceeding one year, or both.

SEC. 4. That the eight hour day commission shall organize and select its own chairman and make all necessary rules for conducting its work. It shall have authority to employ and fix the compensation of such employees, to rent such offices, and to purchase such books, stationery, and other supplies as shall be necessary to carry out the purposes for which the commission was created. It shall, whenever practicable, be supplied with suitable quarters in any Federal building located at its place of meeting or at any place where the commission may adjourn for its deliberations.

The commission is authorized, as a whole or by subcommittee duly appointed, to hold sittings and public hearings anywhere in the United States; and all testimony before the commission shall be on oath or affirmation. Witnesses shall be paid the same witness fees and mileage as witnesses in courts of the United States.

For the purposes of this act the eight hour day commission, or any member thereof, shall have power to administer oaths, sign subpœnas, require the attendance and testimony of witnesses and the

production of such books, papers, contracts, agreements, and documents as may be material to a just determination of the matters under investigation by it; and may invoke the aid of the United States courts to compel witnesses to attend and testify and to produce such books, papers, contracts, agreements, and documents to the same extent and under the same conditions and penalties as are provided for in the act to regulate commerce approved February 4, 1887, and the amendments thereto.

A majority of the commission shall constitute a quorum for the transaction of business; and if the commission shall be divided in opinion, the findings of the majority upon any point shall be deemed the findings of the commission.

SEC. 5. That the members of the eight hour day commission shall be paid actual traveling and other necessary expenses, and in addition a compensation of $25 per diem, payable monthly, while actually engaged in the work of the commission and while going to and returning from such work. The sum of $50,000, or so much thereof as may be necessary, is hereby appropriated, to be immediately available on the requisition of the President, and to continue available until the close of the fiscal year ending June 30, 1917, or until the said commission shall have sooner completed its work, for the payment of the necessary and proper expenses incurred as hereinbefore authorized, including per diem of the commissioners, witness fees and mileage, rent, furniture, office fixtures and supplies, books, salaries of employees, and traveling and other necessary expenses of members or employees of the eight hour day commission, to be approved by the chairman of said commission and audited by the proper accounting officers of the Treasury.

SEC. 6. That the Interstate Commerce Commission shall have the power to fix the hours of labor and prescribe just and reasonable wages for all employees of the railroads named in section 1 of this act. The rate of wages and the hours of labor provided for in this act shall remain fixed for service and pay until changed by the decision of the Interstate Commerce Commission, which, within a period of not less than 6 nor more than 12 months from the passage of this act, shall determine what are just and reasonable wages and what shall be the hours of labor for all employees of the railroads above mentioned.

The Interstate Commerce Commission shall have the power from time to time to change the hours of labor and the rate of wages for all employees of the railroads named in section 1 of this act, either in whole or in part, prescribed by it on its own initiative, on the petition of the employees, the managers of the railroads, or the public.

The PRESIDENT pro tempore. The bill is before the Senate, as in Committee of the Whole, and open to amendment.

Mr. NEWLANDS. Mr. President, the Senate is aware of the emergency which has called for this legislation. It is therefore unnecessary for me to enlarge upon it. The President of the United States, in a recent message, requested the action of Congress upon these subjects: "First, immediate provision for the enlargement and administrative reorganization of the Interstate Commerce Commission along the lines embodied in the bill recently passed by the House of Representatives," and which has been favorably reported in the Senate. I have to say that the Committee on Interstate Commerce became informed that there would be a contention regarding the provisions of the bill—a very earnest and serious contention—as to what the form of reorganization should be and as to what the form of the division into branches or subdivisions might be; that the bill would take a great length of time for discussion; and that therefore it would be impracticable to bring that measure up at this time or to make it the means, as I originally proposed, of putting upon it the amendments which are necessary to meet this exigency. So the committee has concluded at this moment not to press the consideration of the bill for the enlargement and subdivision of the Interstate Commerce Commission.

The second recommendation of the President was "the establishment of an eight-hour day as the legal basis alike of work and of wages." That recommendation we have endeavored to meet in the measure which has been now reported.

The third recommendation of the President was "the authorization of the appointment by the President of a small body of men to observe the actual" operation of our legislation regarding the eight-hour day, and to report to the President and to Congress. We have endeavored to comply in the bill reported with this recommendation.

The fourth recommendation of the President was "explicit approval by the Congress of the consideration by the Interstate Commerce Commission of an increase of freight rates to meet such additional expenditures by the railroads" that may be required by reason of the introduction of the eight-hour system. With reference to that the committee has not acted, the committee being of the opinion that the Interstate Commerce Commission has the power to regulate rates and to fix reasonable rates, and that included in that power is the power unquestionably to consider the wages paid by the corporations in connection with other operating expenses, such considerations ranking side by side with other considerations as to capital invested, as to the value of the roads, and other features; and that therefore it was unnecessary to embody this recommendation in the proposed law; that it would be the duty of the Interstate Commerce Commission to take up the new facts in connection with all other considerations that relate to the establishment of reasonable rates.

Fifth, the President recommended an amendment of the existing Federal statute for mediation and arbitration. A measure was prepared and was partially considered by the committee on this subject. That measure provided that where mediation and conciliation failed and where arbitration under the mediation act failed, there should be a governmental inquiry by a governmental commission appointed for the purpose of investigating the conditions of any controversy regarding wages; that that commission should report the facts, and that during the consideration of the subject by the commission the parties should be prevented by law from resorting, by combination and concert of action, either to the lockout or the strike. This was a very important measure, requiring much discussion, and it is apparent that we can not report that measure to-day. Whether or not it will be reported in the future remains for the determination of the committee. Individually I favor strongly this legislation.

Another and sixth recommendation was—

The lodgment in the hands of the Executive of the power, in case of military necessity, to take control of such portions and such rolling stock of the railways of the country as may be required for military use and to operate them for military purposes, with authority to draft into the military service of the United States such train crews and administrative officials as the circumstances require for their safe and efficient use.

A measure was drawn up upon the lines of this recommendation and was partially considered by the committee, but was laid aside for further consideration. Whether or not whilst this legislation is pending an amendment can be offered upon that subject remains for the committee to determine. It was also suggested in the committee, as my friend from Illinois [Mr. LEWIS] reminds me, that that was probably, partially at least, covered in the recent military bill.

Now, Mr. President, in addition to these recommendations, the committee has acted upon other subjects. It has provided in section 3 that—

Any person who shall willfully delay, obstruct, or hinder the operation of trains mentioned in section 1 of this act shall be guilty of a misdemeanor and be punished by a fine not exceeding $5,000 and imprisonment not exceeding one year, or both.

I believe, Mr. President, that that is a most valuable provision. It is certainly violative of every principle of justice and of law that anyone should be permitted, either by organization or otherwise, to delay, obstruct, or hinder the operation of trains engaged in interstate commerce. With reference to the strikes of the railway organizations, I am aware that their contention is that all they resort to is the power, which they unquestionably have, of giving up their employment. But we all know that there are scenes of great disorder connected with every strike, that on such occasions the disorderly elements of the community, particularly in the large cities, are let loose, and abundant opportunity is offered for violation of the law, not necessarily by members of the brotherhoods, but by criminal and disorderly people, who seize the opportunity for destruction and violation of the public peace in conditions of commotion.

The other subject, which was not treated in the President's message, is this——

Mr. CUMMINS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from Iowa?

Mr. NEWLANDS. If the Senator will permit me, I should like to conclude what I have to say.

Mr. CUMMINS. I desire to ask a question with regard to the matter just considered by the Senator, if it will not interrupt him.

Mr. NEWLANDS. If the Senator will permit me to close my statement, I will be through in a few moments, and then will be glad to answer any question he may wish to propound.

Mr. CUMMINS. Very well; I shall not insist.

Mr. NEWLANDS. The other provision to which I refer, not included in the President's message, is the provision—

SEC. 6. That the Interstate Commerce Commission shall have the power to fix the hours of labor and prescribe just and reasonable wages for all employees of the railroads named in section 1 of this act. The rate of wages and the hours of labor provided for in this act shall remain fixed for service and pay until changed by the decision of the Interstate Commerce Commission, which, within a period of not less than 6 nor more than 12 months from the passage of this act, shall determine what are just and reasonable wages and what shall be the hours of labor for all employees of the railroads above mentioned.

The Interstate Commerce Commission shall have the power from time to time to change the hours of labor and the rate of wages for all employees of the railroads named in section 1 of this act, either in whole or in part, prescribed by it on its own initiative, on the petition of the employees, the managers of the railroads, or the public.

With reference to that provision, I have to say that that power can not be exercised by the commission until after the period prescribed by this bill for the operation of the eight-

hour law, and therefore does not interfere at all with that period of some months during which this experiment of action and of observation will be made. After that time it will be the duty of the Interstate Commerce Commission to fix the hours of labor and the rate of wages, either in whole or in part on its own initiative or on the petition of the employees, the managers of the railroads, or the public.

With reference to that, I have to say that to-day the wages are practically fixed by the executive officers of the companies. Of course, outside of that, there is the right of contract between the parties. Your committee was of the opinion that these corporations are quasi public corporations; that they are in the public service; and that it is the right of Congress, and its duty, to see to it that all the humanities are exercised with reference to the regulation of hours of labor and the wages of labor by these great public servants, and that this matter should not be longer the subject, on the one hand, of the greed of railway managers eager for profits, nor, on the other hand, the subject of the mere ipse dixit of organizations of employees, who, in a moment of time, can, by concert of action under present conditions, tie up the entire commerce of the country and inflict upon the innocent untold misery and suffering and distress. Your committee felt that something is required upon this subject; that the future should be guarded, and that now is the time to guard the future instead of waiting for a later time, when a period of apathy and inertia might come; that now, when men are thinking, thinking earnestly, thinking deeply, and their minds are working upon a great social question involving social justice, is the time for action upon so important a question, involving the humanities of our social system.

Now, Mr. President, I shall be very glad to answer any question put to me by the Senator from Iowa.

Mr. CUMMINS. Mr. President, the question I rose to propound is this: Does the section which the Senator from Nevada read, and which relates to penalties for willfully obstructing or hindering the movement of trains, apply simply to physical hindrance or obstruction, or will it be construed to impose the penalty there provided upon an employee who refuses to move the train or the engine which theretofore he had been accustomed to run?

Mr. NEWLANDS. The latter aspect to which the Senator refers did not, according to my recollection, come up for consideration or discussion in the committee.

Mr. CUMMINS. I have no opinion about it, and I am asking purely for information. I did not know but that the Senator from Nevada had considered that phase of the subject.

Mr. NEWLANDS. I know what was in my own mind in reference to this matter, and that was to keep open the arteries of commerce and not to permit anyone willfully to obstruct them.

Mr. CUMMINS. The motive is very good, of course; but the Senator from Nevada will recognize that there are certain rules of law which might prevent imposing those penalties upon an operative who simply refused to work in his employment.

Mr. NEWLANDS. I will say that when I voted for the provision I did not have in contemplation to in any way affect the sacred right of every man to give up any employment in which he may be engaged. I regard any condition that would interfere with that as involuntary servitude, forbidden by the law of humanity and by the organic law of our country. I did not intend, therefore, that it should have any such application.

Mr. CUMMINS. One further question. Does the Senator intend by this bill or does he believe that this bill will, if passed, repeal the 16-hour law now in force in the United States?

Mr. NEWLANDS. Only in so far as it conflicts with it.

Mr. CUMMINS. We now have a statute which prohibits continuous employment or service on trains for more than 16 hours, and I wondered, as I looked over it, whether it was intended by this amendment to repeal that statute.

Mr. NEWLANDS. As I understand, and as has been suggested to me by the Senator from Alabama [Mr. UNDERWOOD], the 16-hour law fixes the hours of labor, whilst this bill practically fixes the rate of wage.

Mr. CUMMINS. I realize that, and I do not express any opinion upon that subject, but this bill fixes the rate of compensation for overtime over eight hours a day; it fixes eight hours as the basis of a day's work; and it seems to me that it is well worthy of thought whether, if we pass this bill, we have not repealed the absolute limitation upon continuous service. These suggestions I have made not from any controversial or hostile spirit, but to get a clear understanding of what the majority of the committee believe the bill will accomplish.

Mr. REED. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from Missouri?

Mr. NEWLANDS. Certainly.

Mr. REED. I desire to read lines 10 to 14 of section 3 and then to ask a question with reference to it:

> Any person who shall willfully delay, obstruct, or hinder the operation of trains mentioned in section 1 of this act shall be guilty of a misdemeanor and be punished by a fine not exceeding $5,000 and imprisonment not exceeding one year, or both.

The question I desire to ask is whether that is not a contribution by the committee outside of anything suggested by the President?

Mr. NEWLANDS. It is. I stated that.

Mr. REED. Now I desire to ask another question. I am referring to section 6, and I want to read it:

> That the Interstate Commerce Commission shall have the power to fix the hours of labor and prescribe just and reasonable wages for all employees of the railroads named in section 1 of this act. The rate of wages and the hours of labor provided for in this act shall remain fixed for service and pay until changed by the decision of the Interstate Commerce Commission, which, within a period of not less than 6 nor more than 12 months from the passage of this act, shall determine what are just and reasonable wages and what shall be the hours of labor for all employees of the railroads above mentioned.

That likewise is a contribution by the committee, and was not suggested by the President?

Mr. NEWLANDS. No; it was not a subject of recommendation, and I so declared in my opening statement.

Mr. REED. I want to ask the Senator if he is willing to provide that these 450,000 railway men shall be deprived of the right to make contracts with reference to their own pay, and to provide then that if they shall in any way obstruct a train—which might be construed, I think, to include the mere quitting of the engine, or the quitting of the position of conductor—they shall be fined and sent to jail? I wish the Senator would tell us why that does not establish involuntary servitude in this country; and I wish he would tell us why, when it is necessary to have this bill passed in order to prevent a strike at the present time, such a question as that is injected into it—a question that is bound to arouse antagonism that is country-wide, and bound to arouse antagonism in this body?

Mr. SAULSBURY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from Delaware?

Mr. NEWLANDS. Will the Senator permit me just one minute?

Mr. SAULSBURY. Yes; but if the Senator from Nevada will permit me for a moment, I wish to correct a misapprehension, I think, of his former statement, which replies in a measure to that of the Senator from Missouri. The committee did consider, discuss, and confer about the provision found in section 3 from lines 10 to 14; and I distinctly recall that the opinion of the committee was that that was not intended to interfere with any strike; it was not supposed that it could properly be construed to mean anything except physically delaying, obstructing, or hindering the passage of a train which otherwise would pass to its destination on time.

I think the committee would have modified that amendment if it could have been construed in any other way. I also think there has been a misprint in the bill as it is now presented, because I am sure that the penalty was $500 and not $5,000, making it much less. I am sure also that it was not intended to apply to the condition stated by the Senator from Missouri, and I do not think it would be so construed.

Mr. REED. The penalty is not merely $500 or $5,000; it is a fine of either $500 or $5,000, depending upon which way the facts are, and, in addition to that, the language is "and imprisonment not exceeding one year, or both."

Mr. CUMMINS. Mr. President, if the Senator will allow me just a moment, I asked the question in the committee which I have now asked on the floor. It was not very satisfactorily answered, for there seemed to be some difference of opinion among the members of the committee, if I may be permitted to speak of our meeting; and I ask the attention of the Senator from Missouri. The Senator just said that section 6 covered, I think, 450,000 employees. Section 6 covers 1,800,000 employees of railway companies.

Mr. NEWLANDS. Now, Mr. President, I wish to answer, if I may without interruption, the suggestion of the Senator from Missouri.

I will say that if there is anything in this bill that interferes with the liberty of action of any employee of a railroad company in giving up his employment, I should be glad to see it amended so as to relieve it of that feature. I certainly had no such thing in mind when I supported this amendment, which is not my amendment.

Mr. SIMMONS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from North Carolina?

Mr. NEWLANDS. If the Senator will permit me, I prefer to answer completely the question of the Senator from Missouri.

The PRESIDENT pro tempore. The Senator declines to yield.

Mr. NEWLANDS. In addition to that, the suggestion is made that it is rather unbecoming in the committee to go any further than the President's recommendation. I wish to say that I feel that it is my duty as a legislator, with reference to every matter coming up for legislation before a committee of which I am a member, to urge my views as to what constitutes a remedy for an existing condition; and I felt, so far as I was individually concerned, that I would be in a humiliating position if I should at a serious juncture like the present fail to make some suggestion that would guard the future, and I supported these amendments when they were offered upon the assumption that they were wisely framed for that purpose.

Mr. NELSON. Mr. President, will the Senator yield to me for a moment?

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from Minnesota?

Mr. NEWLANDS. If the Senator will permit me to reply to the Senator from Missouri, I will yield to him in one moment.

The PRESIDENT pro tempore. The Senator declines to yield at present.

Mr. NEWLANDS. Mr. President, I believe in a government of law and of order, and not in a government of force, where an individual or an organization can apply force to society and demand submission. We have had some realization of what the doctrine of force means in international complications. For years, by conventions between the nations, we have been endeavoring to use something besides force for the settlement of international differences. We have been endeavoring to create international tribunals in which reason, not force, should be employed for the settlement of international differences. The humanities of our time have entirely failed, though the energies of the best minds have been for many years addressed to this great question, and to-day the world is involved in a cataclysm far surpassing anything in its previous history. The basis of it all is that one or more powers failed to submit to reason, and resorted to force.

There never has been a time during this entire period when all the differences between these countries could not have been settled and adjusted more logically by reason than by force. They can be settled to-day by reason much better than they can be settled by the outcome of this war; for after this war is ended, and one of the contending forces is victorious, we will find differences arising between the conquering nations as to their interests which will involve the application of force and not reason to settle them, just as the great Balkan war settled nothing, and left the victors to fight among themselves and surrender the spoils of their victory, each one coming out of that great struggle worse in fortune than when it entered it.

Mr. President, it has been our proud boast that in domestic controversies law and reason controlled and not force, and we have created tribunals for the settlement and adjustment of differences between man and man; but we have never yet created a tribunal which can settle and determine these great differences between employer and employee. We say they must have absolute liberty of action, liberty of employment, liberty to quit, and yet we have found that that "liberty" meant a resort to the doctrine of force, sometimes upon the part of employers and at others upon the part of employees—one of them asserted in the lockout, the other asserted in the strike. Is society, is a great Republic and democracy like this, to confess its impotence to meet this great question to which we have been addressing ourselves with so much zeal and fervor in our international affairs?

How many recommendations have we made during this very contest for the substitution of reason for force in the determination of international contests? Shall we apply our talents and our energies only to the study of that question and confess ourselves impotent before a civil war which is approaching, and which, if carried out to its logical outcome, will embrace as many horrors as the existing European war?

Mr. President, as the chairman of this committee, charged with the duty of reporting a bill upon this important subject, I would have felt myself a coward had I failed to suggest some remedy by which law and order may be maintained, so that reason, justice, and humanity may at last prevail.

Mr. REED. Mr. President, if there ever was a time in recent years when we ought to proceed wisely, without any excitement or with blood in our heads, and endeavor to meet a practical question in a practical way this is that time.

If I understand the situation, the representatives of the railway employees have said, in substance, that if the eight-hour day is legally recognized and a law is passed similar to that which is set forth in the bill down to the penalty clause in section 3, the strike will be declared off. If the strike is declared off, time will then intervene in which to settle, after ample discussion and deliberation, all the other difficult questions. The strike is now called for the 4th day of September, and unless the strike order is recalled the business of the United States will come to a standstill.

Mr. President, with that situation before us, why should we drag into the question matters of the most serious concern that are not necessary to meet the present emergency—questions that will inevitably provoke contrariety of opinion, bitterness of debate, prolonged discussion, and will defeat the passage of this bill in time to prevent the catastrophe which now is impending?

The Senator from Nevada [Mr. NEWLANDS] states that he would be ashamed as a legislator not to do his full duty. What is his full duty is a question for him to consider; but I can not understand why, in a great crisis when immediate action is necessary, a man should regard it as his duty to transform that crisis into a calamity by introducing other questions which will make the avoidance of the crisis absolutely impossible.

Section 6 of this bill and parts of section 3, taken together, are absolutely revolutionary in the laws of this country. The whole bill is a radical departure from anything we have hitherto had, and we are asked to act upon that part of it which the President especially called to our attention quickly. I believe it is the consensus of opinion that we should do so; and yet under ordinary circumstances we would not act upon those questions which the President did suggest without full and complete debate and thorough consideration. Now, at this crisis, in this time of haste, when the house is burning down before our eyes, the Senator from Nevada wants us to stop and reform all creation and change everything, in the face of that crisis.

Senators, it is the height of unwisdom to attempt any such program. More than that, when you lay before the railway employees of this country—as the Senator from Iowa [Mr. CUMMINS] has said, the 1,800,000 of them—a proposition which they will construe as taking away from them for all their lives the right of individual contract, you will arouse such feeling, such consternation, such indignation, that instead of stopping this strike you will make it inevitable.

Why should we not proceed along the line the President suggested, namely: First, pass an eight-hour day law; second, accept the statement made by the heads of these railway organizations that if that law is passed the strike will be called off; third, when the strike is called off, when the pending trouble has passed, when we meet here next December, when the investigation has been had which this bill properly provides for, and we know what we are acting upon, when we are made acquainted with the facts that have been developed in the actual trial of the eight-hour experiment—when all these things are before us, when the views of all the parties affected can be heard and digested and debated, at that time and under those circumstances undertake such remedial legislation as may be wise under the circumstances?

I hope that we can promptly get rid of these two troublesome sections and get this bill on its passage. Without desiring to say anything that may seem harsh or offensive, I am astounded at such a crisis and upon such an issue to find these outside questions, these serious questions, unnecessarily thrust into the bill.

Mr. UNDERWOOD. Mr. President, I concur with what the junior Senator from Missouri [Mr. REED] has said in reference to this bill being presented here to meet a most important question, a vital question to all the American people. If it were not for the serious contingencies that the American people are facing to-day that might be brought about by general strike conditions in this country, I take it that every Senator on the floor of this Chamber will admit that this bill would not be before this body at this time—necessarily so.

The Senator says that this is a new departure in legislation, and that it proposes radical legislation. Both conditions are true, whether you leave section 6 in the bill or strike it out.

We are proceeding by law to fix the rates of wages for 400,000 men in the United States without knowledge on our part of the facts. I do not doubt the power of the Congress of the United States, under the interstate-commerce clause of the Constitution, to regulate the instruments of interstate commerce, and in regulating the instruments of interstate commerce to fix rates of wages as well as to fix hours of labor, which we have already done by legislation in the past, when we passed the 16-hour law that is now on the statute books, or to fix the rate at which transportation shall be carried on throughout the country. In my judgment, we undoubtedly have the power.

A decade or more ago it was regarded as radical legislation in this country when Congress established a commission that would fix just and reasonable rates for the transportation of freight. We were told then that it was most drastic legislation

and interfering with the rights of private property. But the American Congress recognized that its supreme duty was not to individuals but to the great mass of the American people, not to the exceptional case, but to prescribe rules and regulations by which the American people may live and thrive and make their living.

The arteries of commerce that are affected by this bill are just as important to the life of the Nation as the veins and arteries in the human system that convey the blood to and from the heart to the extremities of the body. Paralyze those arteries of trade, these lines of transportation, and you decree death to this Nation. You decree that the industries of this country shall be stopped, that men by the million shall be driven from their employment, that women and children shall suffer and starve.

Is not that a more important question than the question that your predecessors faced two generations ago when in the public interest they said the Congress should establish a commission to prescribe just and reasonable rates of freight in this country?

I am in favor to-day of labor having every opportunity to upbuild itself, to secure fair hours of service and fair rates of pay. In a record of over 20 years' service in the Congress of the United States I have uniformly voted for legislation that will upbuild and uplift the labor of this country, because from the labor of the country, whether organized or unorganized, springs in the last analysis the lifeblood of the Nation. The future of our country is dependent upon the upbuilding of the toilers of America.

But when you tell me that my duty to the American people, my duty to my country, my protection of my flag is served by simply consenting without knowledge to a temporary settlement of a problem that will last but six months by the terms of the settlement and lead to nothing, that I have served the great American people by surrendering my legislative power to the dictation of some one else, then I say that if I must legislate and fail to stand for what I conceive to be the interests of my individual constituency and the true interests of the great American public, they can not take my commission away from me too quick for my own satisfaction and the benefit of the constituency I represent.

Senators, the American people have a right to your consideration in disposing of the legislation before this body. Now, what are we confronted with? This demand for an increase of wage of 25 per cent may be right and it may be wrong. Not a man here has investigated the question, not a man here knows the details. There has been no opportunity to learn or consider them. We merely know that the representatives on the part of labor say it is right and that the representatives on the part of the railroads say if they yield it will be destructive to their property. Now, that is the extent of the information we have. And yet we are going to-day to vote by legislative enactment an increase of wage of 25 per cent of the present wage without knowledge on our part of what we are legislating.

I am for the bill, and I propose to vote to make that increase. How can I justify myself in that vote to the constituency I represent? But in one way. The people of the United States are threatened with a debacle that is not equaled by anything that has ever occurred in the history of this country except a great war. Starvation, business paralysis, distress, stare the people of the United States in the face if this condition was allowed to take place. For one I am willing to surrender my individual judgment, admit that I am legislating without knowledge, to bring peace—commercial peace, industrial peace—to the homes of the people of this Nation. If that did accomplish the result that is the better line; but if that did not accomplish the result, rather than bring destruction to the country, I would not for one minute hesitate to use the mailed hand in so far as I am concerned. This is the right, the better way, and I am glad to have the opportunity to embrace it, but our country must stand first.

Now, the President of the United States, occupying his great office with this responsibility, realizing the danger and distress that might come to the American people if this unfortunate condition of a universal strike should arise, properly and courageously stepped into the breach and tried to stop the debacle. He was unsuccessful. It is idle, a waste of time, for us to consider now whose fault it was that the President was not successful. History may determine that question; it is not a matter of importance to the Senate of the United States when the burden has come to us, and we are clearing the way.

But the President of the United States made certain proposals through his Attorney General's office to the Congress to relieve the situation. He proposed that a bill, called an eight-hour bill, but, in fact, a bill fixing the wages on an eight-hour basis, should be passed. Why? Because the representatives of the great labor organizations of this country had stated to him that if that bill was passed they would call off the strike. That was the terms that they would not strike on, if you pass this bill recognizing eight hours as the basis of wage to be paid for a 10-hour day; nothing more and nothing less.

Now, we are going to pass that bill. We have accepted its conditions. The President of the United States accepts them, but the other side would not accept them. We have reached the point where we, representing the American people in the great legislatives bodies of this country, are going to accept the contract. We are going to make it a law of the land that for six months this eight-hour day as a basis of wage shall be tried out in this country.

When the six months are over what then? When the six months are ended what then? If there is nothing more than the eight-hour day, you are where you are to-day. The men have gotten their pay on an eight-hour basis of pay for six months. There is no guaranty in the bill that the railroad management shall continue to pay it at the end of the six months. There is no guaranty in the bill that the men themselves will not strike at the end of six months. You have stopped a strike for six months by paying this additional wage, but at the end of the six months you are where you are to-day.

Is that any settlement of this question for the American people, for the constituency that you and I represent, the constituency that has got a right to demand of us when we pass this legislation, admittedly without consideration, that we will protect their rights and their interest in the future?

The President of the United States realized that in the proposals to Congress. He did not come to the Congress and say, "Pass an eight-hour day and stop," because the President of the United States knew full well that if he stopped there he would have rendered nothing to the people of this country.

Senators, the men who are engaged in this controversy are of the brawn and sinew of the American people. There is no class of labor that stands higher than the men who are involved in this controversy for honesty, integrity, and true citizenship. But they are fighting for themselves, not for the American people, to-day.

I am not criticizing them for demanding what they conceive to be their rights, but we stand as an arbiter between them and the rights of the great American people, who are entitled to these highways to ship their commerce over. In fact, we are compelled to keep these highways open that the Nation may live.

I say the President of the United States recognized that he had not fully performed his duty to the American people by passing an eight-hour day. If so, why did he suggest any other legislation? The President of the United States, through his Attorney General, sent to the Congress besides this eight-hour bill a compulsory arbitration bill, a bill establishing a court of arbitration and carrying a clause in it compelling arbitration until the final decision of the arbitrators. More than that, he sent here a bill authorizing the President of the United States to use the mailed fist to take charge of these railroads under the military power of the United States and run them by the soldiers of the United States Government. He was right. He was right if it is necessary. I am glad we can avoid that necessity. I do not want to go to that necessity, but rather than block the commerce of this Nation, throttle the vitals of the life of the Nation, I would use the military power of this Government to take charge of the railroads and let the people of the United States live.

Now, that is what has been proposed to us through your committee, not an eight-hour day to settle this controversy. It is true if you only want to settle it for one side, if you only want to settle it in the interest of the organized labor of the railroads and leave your problem unsettled for the great American people, then pass the eight-hour-a-day bill. There will be no strike if you pass the eight-hour-a-day bill. No matter what else you put into the legislation, there can not be, because when the Congress of the United States has made this bargain it has got to wait six months first, and why should we say to the American people, "We will accept an eight-hour day, and at the end of six months you have got to face this condition and this contingency again"? Why should we say to the great shipping interests of the country, "We abandon all care and all thought of your rights and your interests in this matter"? If we would bend the suppliant knee because we fear our own future, then we may sail away from Charybdis, but the rocks of Scylla are on the other side.

Mr. STONE. Mr. President——

Mr. UNDERWOOD. I yield to the Senator.

Mr. STONE. The Senator from Alabama being a member of the Interstate Commerce Committee has, of course, aided in the preparation of the bill.

Mr. UNDERWOOD. I did.

Mr. STONE. I never saw the bill, and knew nothing about it until it was brought in here an hour and a half or two hours ago.

Mr. UNDERWOOD. Undoubtedly hastily; and there would be no justification for the hasty preparation and consideration of this bill if it were not for existing circumstances.

Mr. STONE. That is undoubtedly true; but what I rose for was to get some information.

Mr. UNDERWOOD. I shall be glad to furnish it if I can.

Mr. STONE. I am sure he Senator can, for my inquiry is along the line of his remarks, to which I have been listening.

Mr. BRANDEGEE. Mr. President——

The PRESIDING OFFICER (Mr. SHAFROTH in the chair). Does the Senator yield to the Senator from Connecticut?

Mr. BRANDEGEE. I am interested in this matter and would like to hear what the Senator says.

Mr. STONE. I will try to address myself to the Senator so as to be heard, for I think I am not alone in desiring this information. The Senator said, as I understood him, that the bill, if enacted, would only compose the situation for about six months.

Mr. UNDERWOOD. I meant the bill if enacted with section 6 out. With section 6 in, I think it will compose it permanently.

Mr. STONE. Section 1 seems to provide, as I understand the reading, that after January 1 next eight hours shall be made the basic day or standard day for labor on the part of those who are engaged in the actual operation of trains on interstate roads.

Mr. UNDERWOOD. It is my understanding of the bill that 8 hours shall be the standard day; then 10 hours' wages as at present constituted shall be paid for an 8-hour day.

Mr. STONE. Will not that provision, if agreed to by Congress and enacted into law, be permanent.

Mr. UNDERWOOD. No; under the terms of the bill as sent to us by the President it is only temporary, and at the end of six months from the time when the investigation expires the whole question goes back where it is to-day.

Mr. STONE. Would the eight-hour day proposition be remitted to the exact situation we have to-day?

Mr. UNDERWOOD. If the managers of the railroads desired to do so. There is no limitation of law to prevent it.

Mr. STONE. I did not so read the bill in the hasty reading we have had an opportunity to make. I will say to the Senator that reading section 2 and the following section providing for the appointment of a commission and defining its duties it is provided that the present wages shall continue until the commission reports.

Mr. UNDERWOOD. Certainly.

Mr. STONE. That must be within between six and eight months.

Mr. UNDERWOOD. Certainly.

Mr. STONE. That part of it I understand to be temporary—that is to say, until they make their report—but I am rather surprised at what the Senator says, and I am anxious to know exactly what the truth is as to the permanency of the eight-hour-day proposition itself.

Mr. UNDERWOOD. I will say to the Senator there was no dispute about it in the committee, and I do not think anybody disputes it whatever who has carefully read the bill, that the making of an eight-hour day for the measurement of wages under the bill is only to last until the report of the commission is made, which may be at the end of six months, and must be before the end of eight months.

Mr. STONE. Will the Senator refer me to the provisions of the bill upon which he bases that opinion?

Mr. UNDERWOOD. I do not wish to stop in my discussion, but if the Senator will reread the bill, he will see that. I can not put my finger right on it now, but it is unquestionably in the bill.

Mr. REED. Let me suggest to the Senator that it is section 3 to which he refers.

Mr. UNDERWOOD. Of course, I am not referring to section 6. With section 6 I think we have accomplished something.

Mr. STONE. The Senator is referring to it with section 6 out?

Mr. UNDERWOOD. With section 6 out it is only a temporary expedient.

Mr. BRANDEGEE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Connecticut?

Mr. UNDERWOOD. I do.

Mr. BRANDEGEE. I am not prepared to deny positively what the Senator from Alabama says as to the permanency of the eight-hour day if the bill passes, but I had assumed and I am still of the opinion that the bill makes the eight-hour standard day a permanent thing. I know of nothing in the bill which would terminate that.

Mr. UNDERWOOD. Let me ask the Senator from Connecticut a question. I think we can settle that very quickly. At the end of six months, or after the commission reports, is there anything in the bill which will prevent the managers and directors of a railroad company from fixing the hours of labor and the rate of wage on their company as they see proper?

Mr. BRANDEGEE. Except the law says the eight-hour day shall be the standard.

Mr. UNDERWOOD. But the eight-hour day does not fix the standard of wage. You can reduce the wage. It is not the standard of labor, mark you. If it had been the standard of labor and said no man should work longer than eight hours, you might put that construction on it, but it is merely the standard of wages.

Mr. BRANDEGEE. I know, and what——

Mr. UNDERWOOD. There is nothing in the bill that at the end of six months would prevent the managers and directors of any railroad in the country from reducing the rate even below the present wages if they saw proper, except probably the finding of the commission, which might so influence them that they would continue the present status.

Mr. BRANDEGEE. The bill certainly reads—and I think it would be well to read the line to show it—as follows:

> That beginning January 1, 1917, eight hours, in contracts for labor, be deemed a day's work and the measure or standard for the purpose of reckoning the compensation for services of all persons who are now or may hereafter be employed, etc.

Mr. UNDERWOOD. Yes.

Mr. BRANDEGEE. What is there in the bill that ever terminates eight hours from being the standard for compensation?

Mr. UNDERWOOD. As I said, the eight hours is not the standard for compensation. What is there in the bill to prevent any director from reducing the pay under the standard? Calling it an eight-hour day does not make an eight-hour day. It is merely fixing a standard of wage, and there is nothing in the bill to prevent a president or board of directors from lowering the wage at the end of the six months.

Mr. BRANDEGEE. My remarks were called forth in relation to the inquiry of the Senator from Missouri, who asked as to the permanency of this provision, and the Senator said it was only temporary.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Florida?

Mr. UNDERWOOD. I do not want to stop in my remarks to read the bill, but I will do so. The real clauses of the bill that govern this question are sections 2 and 3. Section 2 provides—

> That the President shall appoint a commission of three, to be known as the eight hour day commission, which shall observe the administrative and financial effects of the institution of the eight-hour standard workday as above defined during a period of not less than six nor more than eight months, in the discretion of the commission, and within 30 days thereafter shall report its findings to the President and to Congress.
>
> SEC. 3. That, pending—
>
> Mark the word "pending"—
>
> That pending the report of the eight hour day commission, as above provided, and for a period of 90 days thereafter, the compensation of railway employees subject to this act for a standard eight-hour workday shall not be reduced below the present standard day's wage, and for all services in excess of eight hours such employees shall receive not less than the pro rata proportion of the compensation received for the standard eight-hour workday.

I do not see how it can be clearer than that when it says that this fixing of the wage shall be pending the report of this eight-hour day commission. When I said a moment ago, that this wage would only last six months under the terms of the commission's report, I should have said that it might extend 90 days beyond that; but that does not affect the argument which I make. My argument is, that this bill fixes a temporary time, when the increase of this wage shall expire, and that at the end of that time you will be just exactly where you are to-day, and nowhere else.

Mr. BRADY. And, as I understand the section as the Senator from Alabama reads it, there is no condition that could arise that would extend this time beyond one year—that is, the nine months provided for in the first part of the bill, and then the 90 days after their expiration.

Mr. UNDERWOOD. No; at the end of that time you would be where you are to-day. It could not go beyond that.

Mr. BRADY. It would end then, no matter what the finding of the commission might be.

Mr. UNDERWOOD. It might end in six months or it might end in a year.

Mr. BRADY. But it could not possibly extend longer than one year?

Mr. UNDERWOOD. It could not possibly under any circumstances extend longer than one year before you would be facing the condition which you are facing to-day.

Mr. LANE. I understood the Senator from Alabama to say that there was no Member of this body who understood the problems which are involved in this bill; that he himself did not.

Mr. UNDERWOOD. I say the basic problems. I did not mean the theoretical problems.

Mr. LANE. So far as the basic and the vital questions are concerned. If, according to the Senator's statement and his summing up, it merely defers the matter for six months, would not that six months be valuable time in which Members of the Senate could study the subject and acquire accurate information; and would they not then be better prepared to consider the question than they are to-day?

Mr. UNDERWOOD. Undoubtedly, if we could do so; but we can not.

Mr. LANE. But I understood the Senator to say that the bill would afford that opportunity. I know in the profession of which I am a member, that many members of that profession go for six months to acquire special training in order to fit themselves to do work along certain lines.

Mr. UNDERWOOD. I will come to that point. I have not been able to reach it yet, because I have been interrupted; but I shall come to it, if the Senator will permit me to proceed.

Mr. STERLING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from South Dakota?

Mr. UNDERWOOD. I do.

Mr. STERLING. With all due deference to the construction put upon this language by the Senator from Alabama, I certainly think he must be wrong in saying that the eight-hour day, as fixed in the bill, is done away with after the report of the commission, or that it only lasts until the report of the commission.

Mr. UNDERWOOD. I said——

Mr. STERLING. Now, if the Senator will excuse me——

Mr. UNDERWOOD. I think the Senator misunderstood me. I said that the fixing of the wage which is guaranteed under this bill is done away with at the expiration of the time of the commission making its report. It does not make any difference whether you call it an eight-hour day or not, because there is no eight-hour day involved. It is only an eight-hour basis for fixing pay; and you can go on saying that you have an eight-hour day, but the fact is there is no eight-hour day in this bill. We might as well face it fairly. I believe in an eight-hour day, but an eight-hour day means that a man shall work eight hours, and work no longer than eight hours. There is nothing of that kind contemplated by this bill.

Mr. STERLING. The day which is provided for in the first lines of the bill is an eight-hour day, and it may be the day for all time, so far as the terms of the bill are concerned. Section 3 simply relates to the wage.

Mr. UNDERWOOD. Certainly; and the only thing in the bill is the wage.

Mr. CUMMINS. Mr. President——

Mr. UNDERWOOD. Just let me answer the Senator from South Dakota, please. If the Senator would go and consult with any of the gentlemen who represent the employees, and who have been contending here in this matter, they would tell him candidly, as they told me, that the question is a question of wage; that they are not contending for an eight-hour day, that a man shall work only eight hours; they do not want that. They work by piecemeal on the engines and in the cars. It is piecework; it is not hour work. They are merely taking this eight hours as a basis for pay, and the pay will expire when this commission reports.

Mr. CUMMINS. Mr. President——

Mr. UNDERWOOD. I yield to the Senator from Iowa.

Mr. CUMMINS. A single illustration will show that the Senator from Alabama is right and that his position can not be well contradicted. Suppose after the lapse of 6 months or of 9 months or of 12 months, whenever the report of the commission comes in, and 90 days thereafter pass, an employee works 12 hours upon a run, under the present system he would be entitled to 2 hours' overtime. We will assume that his present wage is as high as $5 per day; that his 10 hours and his 2 hours' overtime give him $5 per day. Under the law that is proposed here his overtime will be four hours, instead of two hours, but the railroad company is at absolute liberty after that time to reduce his compensation to $5 a day——

Mr. UNDERWOOD. Undoubtedly.

Mr. CUMMINS. And to distribute it over the four hours' overtime, just as it now distributes it over the two hours' overtime.

Mr. UNDERWOOD. Unquestionably; and that is the gravamen of my statement, that at the end of 6 or 12 months, when this commission shall have made their report, you will be just where you are to-day.

Mr. BORAH. Mr. President——

Mr. UNDERWOOD. I yield to the Senator from Idaho.

Mr. BORAH. The practical effect of the bill, then, is to fix the wage for these employees for the term of possibly one year?

Mr. UNDERWOOD. Yes; that is the practical effect of the bill, unless you leave section 6 in it.

Mr. BORAH. Exactly.

Mr. UNDERWOOD. Unless you leave section 6 in the bill there will be nothing in this proposed legislation to settle this great question, in which the American people are interested, for longer than one year at the outside. The President of the United States did not ask you to do that.

Mr. BORAH. Mr. President——

Mr. UNDERWOOD. I yield before going on further.

Mr. BORAH. I want to ask the Senator, before he starts to discuss this matter—I am in doubt as to what extent the men in the employ of the railroads are covered by this bill—how many of the employees are covered by this wage fixing?

Mr. UNDERWOOD. I am in some little doubt myself about the construction of that; but I will tell the Senator from Idaho what my construction is. I think this bill covers all those men who are engaged in the operation of train service—not merely the men who are in the unions, but other men; for instance, the telegraphers, who are not in the union here. They are engaged in the operation of the train service. I do not think the eight-hour provision of the bill, so called, applies to the trackmen or to the men at the railroad stations—the station agents—but I would say myself that such a law would be very unjust if it applied only to the man who sits in the engine or the man who rides in the car, and did not consider the man who works as a switch hand, as a trackman, or a man who is a station agent. I would feel it would be unjust.

The bill, however, is only temporary. The only justification for us passing this bill at this time and in this hasty way, without knowledge and without consideration, is the fact that we are doing it to meet a very grave emergency to the American people. We are not passing this bill in the interests of the trainmen, but we are passing it in the interests of the American people, if we pass it right and properly.

Mr. BORAH. Mr. President, manifestly the bill can not cover those who are engaged in intrastate work. Would it cover the trackmen and switchmen?

Mr. UNDERWOOD. I do not think the bill would; but I will say that I have not given careful consideration to that portion of the bill, because that part of it is temporary. Section 6, if put into life, will cover, without any discrimination, every man who works for a railroad.

Mr. CHILTON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from West Virginia?

Mr. UNDERWOOD. I do.

Mr. CHILTON. The Senator from Alabama made a statement of the final effect of section 6 of this bill. Does he understand that section 6 would take the place of the compulsory-arbitration law?

Mr. UNDERWOOD. No; it would not, and that is the reason I am in favor of section 6, that it would accomplish the result, but I would ask the Senator to let me finish my statement in reference to section 6, to explain directly what it means and why I think it ought to be in the bill. Then I will answer the question.

Mr. CHILTON. Very well.

Mr. UNDERWOOD. I wish to say to Senators that this eight-hour-day law does not cover the case; it does not cover the request of the President of the United States. He wanted something in this legislation that would control in the interest of the American people, and, if you stop with this eight-hour-day bill, without section 6, you will have a piece of legislation that is merely the purchase price of peace. That is all you will have done. You will have done nothing for the American people, but you will have paid the price of peace. Having that contingency to face, was it not the duty of the committee to put something into the bill to protect the American shipper and the American public?

Mr. BRANDEGEE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Connecticut?

Mr. UNDERWOOD. I do.

Mr. BRANDEGEE. Mr. President, if the Government is purchasing its peace for $60,000,000 a year, does not the Senator from Alabama think it would be honester for the Government to pay it out of its own Treasury instead of reaching into the treasury of some other persons and having them pay it?

Mr. UNDERWOOD. That is a very grave ethical question, but I do not care to now stop to discuss it.

I am going to vote for this bill, because I think it is in the interest of my constituency, and I shall vote for it to stop this calamity; but when I do it, I want to do something toward the permanent settlement of these questions that will be in the interest of the great constituency that I represent and in the interest of the country.

We felt we could not proceed along the lines of the President's suggestions. The President asked for a compulsory arbitration act; but the members of the committee, at least many of them, felt that a compulsory arbitration act, such as had been set before us, was in violation of the Constitution of the United States; that it would probably be construed by the court to involve involuntary servitude and would be declared to be unconstitutional.

Mr. PITTMAN. Mr. President——

Mr. UNDERWOOD. Just let me finish my sentence. More than that, we realize that, if there was one single piece of legislation that the very men who were involved in this controversy—the laboring men—did not want and would be dissatisfied with, it would be compulsory arbitration. Now, I yield to the Senator from Nevada.

Mr. PITTMAN. Mr. President, the Senator from Alabama on several occasions has stated that the President has favored or recommended compulsory arbitration. At what time did he recommend it?

Mr. UNDERWOOD. Well, I am talking about the bills. The Senator from Missouri admitted that all these bills were bills that the President had recommended; the bills that came before our committee were laid before us in compliance with the message of the President of the United States delivered in the House of Representatives several days ago, in which he outlined several lines of bills. One of the Assistant Attorneys General and one of the members of the board of conciliation came before the committee and presented the bills, as representing the executive branch of the Government. I do not know whether the President of the United States indorsed those bills.

Mr. NEWLANDS. Mr. President——

Mr. PITTMAN. Just a moment, please, if the Senator from Alabama will yield to me——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the junior Senator from Nevada?

Mr. UNDERWOOD. I do.

Mr. PITTMAN. I want to read the President's declarations and his recommendations, and then leave the matter to the judgment of Senators as to what they mean.

Mr. UNDERWOOD. I will say to the Senator from Nevada that he is attempting to raise an issue, or have me raise an issue, as to whether the President is in favor of compulsory arbitration. I am talking about the bills sent down here by the President, and, if the Senator will examine them, he will see the clause that produces the result I have indicated.

Mr. PITTMAN. The Senator will not object to my reading a short paragraph from the President's address, will he?

Mr. UNDERWOOD. Not at all; but I am making no issue on that question.

Mr. PITTMAN. I read from the message delivered by the President several days ago at the joint session of the two Houses of Congress, as follows:

> Fifth, an amendment of the existing Federal statute which provides for the mediation, conciliation, and arbitration of such controversies as the present by adding to it a provision that in case the methods of accommodation now provided for should fail, a full public investigation of the merits of every such dispute shall be instituted and completed before a strike or lockout may lawfully be attempted.

Mr. UNDERWOOD. I was really quite familiar with the message of the President. I heard it read by the President, and the language the President uses there confirms exactly what I said.

Mr. NEWLANDS. Mr. President——

Mr. PITTMAN. Does the Senator——

Mr. NEWLANDS. Will the Senator from Alabama permit me to make one word of explanation?

Mr. UNDERWOOD. Certainly.

Mr. NEWLANDS. There is a misapprehension regarding that language. I contend that the words "compulsory arbitration" have been very loosely used both in the committee and in the hearings on yesterday as applicable to the President's recommendation. The President did not recommend compulsory arbitration. What he recommended was a governmental investigation of the facts, and during the investigation a stay of the right of lockout and strike until the investigation was concluded.

Mr. PITTMAN. That is the way I understand it.

Mr. NEWLANDS. So that it is public and governmental investigation, not compulsory arbitration, that the President has suggested.

Mr. PITTMAN. That is my view of it.

Mr. NEWLANDS. But the term has been very loosely used, and it is catching. I found that in the committee and in the hearings the expression "compulsory arbitration" was being continually used, although I have no doubt that all understood that the real recommendation of the President was simply for a Government investigation.

Mr. PITTMAN. Understanding it in that way, I objected to the continual use by the Senator from Alabama of the expression "compulsory arbitration," for there is nothing in the President's message from which any inference of that kind can be drawn.

Now, as to the bills that have been submitted by one of the clerks of the Department of Justice, I can not see why the Senator from Alabama should attribute those bills as expressing the ideas of the President on this subject, when, as I understand, they were submitted by the Department of Justice as examples of various characters of legislation that might reach this subject. Certainly, if any of those bills are in conflict with the declarations of the President, made public to both bodies of Congress, then his public declarations must be taken as against the declaration of some clerk in the Department of Justice.

Mr. UNDERWOOD. The President's declarations are taken. I am glad the Senator from Nevada, in my time, should fly to the defense of the President. I am even willing to defend the President of the United States myself, and I have done so on numerous occasions and am attempting to do so now. I said that I stood with the President when he suggested that if it was necessary to use the mailed hand he would use it to stop this debacle. So would I if it were necessary.

Mr. PITTMAN. Mr. President, again I beg to say the President did not say that.

Mr. UNDERWOOD. Of course, he did not use those words, but he said he wanted us to pass a bill that would give him control under the military arm of the Government.

Mr. PITTMAN. For the sole and only purpose of taking food to the military forces of our Government and handling the military situation.

Mr. UNDERWOOD. Of course. The Senator is informing us of something that we have never heard before, although we were all present when the President delivered his message. Surely the President had a reason, and a good reason, for saying why he wished to take over the railroads, and I concur with what the President said.

Now, as to the question of compulsory arbitration. It probably is a loose expression. The President favored in his bill the preventing of men from stopping work by strikes pending a decision by the board of conciliation. His recommendation was that pending the report of the board of conciliation these men should not be allowed to strike. I possibly loosely called that "compulsory arbitration." The Senator is probably correct. It is probably not a proper application of the term. But compulsory arbitration, in my judgment, is unconstitutional. It would be unconstitutional, in my opinion, for us to enact a law providing that these men should be forced to work pending the decision of a board of conciliation. Therefore we did not put such a provision in the bill. That is all there is to it. I think the provision that we put in the bill answers the purpose without going as far as that, and that there can not be any question about it.

Before passing from that proposition my attention is called to the portion of the President's message in which he said:

> There is one other thing we should do if we are true champions of arbitration. We should make all arbitral awards judgments by record of a court of law in order that their interpretation and enforcement may lie, not with one of the parties to the arbitration, but with an impartial and authoritative tribunal.

Mr. PITTMAN. But does not that anticipate that there is an agreement to arbitrate first?

Mr. UNDERWOOD. No; it does not.

Mr. PITTMAN. Well, where in the bill is there any provision for an arbitration?

Mr. UNDERWOOD. The Senator evidently has not read the bill that was sent to us. I am not defending the bill that was sent to us.

Mr. PITTMAN. I evidently read it more carefully than the Senator has read the President's message.

Mr. UNDERWOOD. Here is what the President said—and he is right about it:

I was seeking to compose the present in order to safeguard the future, for I wished an atmosphere of peace and friendly cooperation in which to take counsel with the representatives of the Nation with regard to the best means for providing, so far as it might prove possible to provide, against the recurrence of such unhappy situations in the future—the best and most practicable means of securing calm and fair arbitration of all industrial disputes in the days to come. This is assuredly the best way of vindicating a principle, namely, having failed to make certain of its observance in the present, to make certain of its observance in the future.

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Mississippi?

Mr. UNDERWOOD. I do.

Mr. VARDAMAN. It is understood by the Senator from Alabama and the Committee on Interstate Commerce that the bill which the Senator is now discussing has the approval of the President, is it not?

Mr. UNDERWOOD. The bill that is before the Senate?

Mr. VARDAMAN. Yes, sir.

Mr. UNDERWOOD. Well, as the Senator from Nevada stated to the Senator from Missouri awhile ago, there are two clauses in this bill that, so far as I know, the President had no part in. He may or he may not approve them; but, so far as I know, he had no part in them.

Mr. VARDAMAN. The President, as I understand, is not antagonistic to this bill or this proposed piece of legislation.

Mr. UNDERWOOD. The President, so far as this eight-hour bill is concerned, is in favor of it, but he wanted it supplemented with other legislation.

Mr. VARDAMAN. The purpose of that inquiry was to emphasize the fact that all of this talk about what the President said in his message is wholly irrelevant at this time, except as an issue between Senators. It throws no light on this bill, and for that reason I can not see the necessity for the further discussion of that phase of the question. I was under the impression, however, that the bill was brought here by the committee with the stamp of the President's approval upon it.

Mr. UNDERWOOD. So far as I know, the President approves this bill from top to bottom, but I do not know as an absolute fact whether or not he has seen section 6.

Mr. NEWLANDS. Mr. President, with the permission of the Senator from Alabama, I will say that the President has not seen section 6, nor has he seen the latter part of section 3.

Mr. UNDERWOOD. That is my understanding.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from North Carolina?

Mr. UNDERWOOD. Yes.

Mr. SIMMONS. Has the Senator from Nevada any reason to believe that the President approves either section 6 or section 3?

Mr. NEWLANDS. I have not. I will state, in that connection, that the President made well-balanced recommendations. One recommendation involved a condition of truce, so that reason could operate. Then he recommended securing the future against similar conditions by wise legislation. One of the measures that he proposed was governmental investigation by a commission appointed by himself, with a stay of the privilege of strike or lockout during that period of investigation; that is, wherever a dispute arose in interstate commerce, the law would attach and compel an investigation of the facts before the privilege of lockout or strike could be resorted to. I favor that legislation myself, and I should like to see it passed to-day. I would like it even better than section 6, but the feeling of the committee was that we could not get it through at present and that it would have to come up for future consideration.

Mr. UNDERWOOD. Now, Mr. President, I should like to proceed with my remarks. I was endeavoring to set forth the bills that have been sent down here by the executive branch of the Government and supposed to carry out the wishes of the President, to give the reasons why we did not put them into operation fully, and why we adopted section 6 in their place.

Mr. President, there is no yielding in section 6 of any right that labor in this country possesses to-day; not one. There is no compulsory arbitration in section 6; there is no force in section 6. The only force in section 6 is the force of public opinion—that a disputed question should be settled by arbitration or by a disinterested judicial tribunal.

It has been asked, "Does the committee desire these men to be denied a fair right to make contracts?" No; the committee does not desire that, and it has not interfered with their right of contract, except when they are having negotiations in reference to strikes. The rates of wages on the railroads are fixed by the presidents and general managers and directors without consultation with the men. They are fixed arbitrarily and as firmly fixed as law, and when a man wants to make a contract in reference to them he is told how much wage he can get, and he contracts to accept it or reject it, as he sees fit. That is the only sayso he has, except when he has combined with others on an occasion like this in a general demand for a raise. Now, is it taking away a right from these railroad men to say that instead of the presidents and directors of these roads arbitrarily fixing their rate of wage we will turn it over to a disinterested tribunal to fix the rate of wage and the hours of labor?

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Missouri?

Mr. UNDERWOOD. I yield.

Mr. REED. Does the Senator really mean that the men now have no right to bargain with their employers?

Mr. UNDERWOOD. I did not say that.

Mr. REED. I understood the Senator to say that the wages were now arbitrarily fixed by the employers.

Mr. UNDERWOOD. I did, but I did not say the other.

Mr. REED. Is not this the real fact about the matter—that practically every schedule of wages that now exists upon the railroads was fixed as the result of negotiations between the representatives of the men and the representatives of the companies; that they have all been fixed by mutual agreement; that that has been the custom for a number of years?

Mr. UNDERWOOD. That was the statement that I made. I stated that these men's wages were arbitrarily fixed except when, through their unions, they reached an agreement with the roads. I said that, but I will supplement what I said. I will say that that is true of 450,000 of the 1,800,000 men employed by the railroads. About one-third have had a chance to arbitrate and conciliate and make terms of agreement about their wages, and in the case of the other two-thirds their wage has been fixed all the time arbitrarily by the boards of directors and general managers of these railroad companies. Only about one-fourth of the men have had an opportunity to fix their wages, and the other three-fourths have had it arbitrarily fixed.

Mr. REED. Mr. President, will the Senator permit another question, just to throw some light on this matter?

Mr. UNDERWOOD. Certainly.

Mr. REED. It now appears that at least as to the 450,000 trainmen who are the men immediately to be considered, and whose action, together with the action of their employers, has brought on this threatening condition, those 450,000 men have for a long time fixed their wages by mutual agreement between themselves and the railway companies. If section 6 is adopted, does not that terminate that right expressly in these words?—

The rate of wages and the hours of labor provided for in this act shall remain fixed for service and pay until changed by the decision of the Interstate Commerce Commission, which, within a period of not less than 6 nor more than 12 months from the passage of this act, shall determine what are just and reasonable wages and what shall be the hours of labor for all employees of the railroads above mentioned.

The Interstate Commerce Commission shall have the power from time to time to change the hours of labor and the rate of wages for all employees of the railroads named in section 1 of this act, either in whole or in part, prescribed by it on its own initiative on the petition of the employees the managers of the railroads, or the public.

Does not that section, if it is passed and becomes law, for all time take away the right of the men by mutual agreement to fix their wages and place the wage-making power solely in the Interstate Commerce Commission?

Mr. UNDERWOOD. It takes away nothing that the men now have. It does place the wage-making power in the hands of the Interstate Commerce Commission. Under existing conditions the rate of wage is fixed by the owners of the railroads. They may make—and, as to certain employees, at times have made—concessions about the rate of wage, and under the organized brotherhoods I suppose that most of the wages now in existence have been arrived at by an arrangement of that kind. But who fixed the wage? It was because the owners of the property were willing to pay the wage, and for no other reason.

Mr. REED. And also that the men were willing to accept it.

Mr. UNDERWOOD. Certainly.

Mr. REED. That is the other reason.

Mr. UNDERWOOD. Certainly. Now, there is nothing in this proposition to prevent the men from accepting or rejecting any wage that is offered to them. There is not in the other. The only difference is that this proposition broadens the wage scale so as to apply to 1,800,000 men instead of confining it to 450,000 men.

The President in his message says he desires to maintain the principle of arbitration in the settlement of disputes. The people of the United States have demanded that we should maintain the principle of arbitration in the settlement of wage dis-

putes. This bill provides a permanent board of arbitration. It recognizes for the first time in the legislation of this Government an opportunity for labor to have its day in court and for the courts of this country to recognize the rights of labor; not that they must go on bended knee and beg for their rights; not that they must go with mailed fist and demand their rights; but that there is a tribunal in the land where they can go and present the case for their rights as every other man does in a civilized country about all other questions except labor.

Why, the very basis of civilization grew out of the fact that the law established courts in place of power; that in disputes about property the law opened the courts for the settlement of disputes instead of the use of force. Labor has been denied that right for centuries; and when the opportunity comes when men are willing to recognize that right, has not labor asked to have its disputes settled in courts of arbitration? Is not that a court? Have they asked to be driven to the terrors and the dangers of strikes? Must they be driven to those extremities before they get their rights?

Now, I do not know; it may be that some of the leaders of labor may think that if the court is open as a court of arbitrament for the rights of the toiler it may deprive them of some of their privileges and power. I do not believe it. I do not believe that there is any man who represents labor, no matter how high his position, who will not welcome an opportunity to give the men from whom he bears his commission a chance to settle their disputes and obtain their rights in a fair court of justice rather than on the battle field of dispute, the battle field of hunger, the battle field of deprivation, which men are put to when they are forced to go on strike. This section recognizes the rights of labor by law.

But that was not what I rose to discuss in this case. What I contend for is that if you pass this so-called eight-hour bill with nothing else in it, at the end of six months or a year you will be where you are to-day. You will have settled nothing for labor. You will have settled nothing for transportation.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from North Carolina?

Mr. UNDERWOOD. I do.

Mr. SIMMONS. The Senator has said that before. I understand the Senator's position to be that if this bill is confined to the eight-hour proposition we will get nowhere.

Mr. UNDERWOOD. Without section 6.

Mr. SIMMONS. Without section 6.

Mr. UNDERWOOD. Yes.

Mr. SIMMONS. I understood the Senator in the beginning of his speech to say that the reason why we could not treat this subject now in a broad and comprehensive way was that we did not have sufficient information. If we should pass the eight-hour proposition and create this commission with the powers of investigation that the bill proposes to confer upon it, with the provision that the hours and wage named in the bill should obtain until that commission has completed its investigation and three months afterwards, does not the Senator think that through that instrumentality and agency we would get the information that we now lack, and for the lack of which we are not now in a position to legislate with that fullness of information and knowledge essential to wise legislation?

Mr. UNDERWOOD. I will say to the Senator candidly, that if the Congress of the United States intends to take on its own shoulders, by its own legislation, the question of fixing the hours of toil and the rate of wage, of course we would be enlightened by the finding of this commission, because it would give us information that we have not now. I take it, however, that the Congress of the United States has no idea whatever of itself directly legislating a wage scale except in the present emergency, when it is driven to it. In cases of this kind we always refer work of this class to commissions or other people. We did it when it was necessary to fix rates. Congress itself had the power to fix rates of transportation, but it did not exercise it. It referred the subject to a commission. I take it that whenever Congress gets ready to act permanently on this question, either now or in the future, it will not sit here and say as a legislative body what the rate of daily wage of those men shall be, but it will refer it to the judgment of some other body.

Mr. BORAH. Mr. President——

Mr. UNDERWOOD. If we are going to legislate the rate of wage, I concede that the Senator is correct; but if we are going to establish a tribunal to take this burden off of our hands for the future, there is no better time to settle that question than right now. We know the conditions that exist. We know the difficulties that we have to face. We know that if we do not face them now they will be back here on us in six months or a year, unless some propitious settlement is made. Therefore, I say, now is the time to settle the matter.

But I have been trying for some time to get down to the real line of argument that I started to make.

Mr. SIMMONS. Mr. President, if the Senator will pardon me, is not this the situation:

We are confronted by an emergency which calls for—or, at least, which the President thinks calls for—some kind of legislative action. In this condition we find ourselves without the information necessary to enable us safely to adopt permanent legislation to meet that situation. In these circumstances, is it not wise to adopt such temporary legislation as will meet the specific emergency and at the same time provide for an inquiry that will afford us, or that we have reasonable ground to believe will afford us, reasonable information and enlightenment to enable us to legislate upon the subject, in all of its aspects, in a more satisfactory way than would be possible now?

Mr. UNDERWOOD. I thought I had answered that.

Mr. BORAH. Mr President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Idaho?

Mr. UNDERWOOD. I can not answer both at the same time. Let me answer the Senator's question. I thought I had answered the Senator.

Mr. SIMMONS. I feared the Senator did not clearly understand my first statement; that perhaps I did not make myself quite clear.

Mr. UNDERWOOD. Of course I admit that we have not the information on which to legislate and fix rates of wages, which we are going to do and attempting to do. We have full information on the question that we will have to face in the future, as we have in the past, strike situations, unless we are going to put something else in the place of them, and we know what those conditions are.

Mr. SIMMONS. Mr. President——

Mr. UNDERWOOD. The President has recommended a line of procedure to meet future conditions which he asks us to legislate about; but the committee have concluded to adopt section 6 instead of the line of procedure that the President suggested.

Mr. SIMMONS. Now, Mr. President, if the Senator will pardon me, I should like to ask him what to my mind is the practical question in connection with this subject. If we should pass a bill fixing the hours of labor and the pay, and authorizing this commission to make this inquiry, with a provision that these rates should remain in effect until that commission made that inquiry and three months afterwards, does not the Senator believe that would stop the strike on Monday?

Mr. UNDERWOOD. Yes; I think it would stop the strike, but it would not satisfy your constituents and mine. They would hold us responsible.

Mr. SIMMONS. Let me ask the Senator another question.

Mr. UNDERWOOD. That is what I am trying to come to. The questions that are asked prevent my reaching it.

Mr. SIMMONS. Let me put the two questions together, so that the Senator can answer them together.

Mr. UNDERWOOD. I know, but the continual asking of questions will never let me get down to the real reason why I want this provision put in.

Mr. SIMMONS. I want the Senator to have them both together, and then he can answer them together.

Mr. THOMAS. There are others waiting for the Senator.

Mr. SIMMONS. I want to ask the Senator this further question: Does the Senator believe that if we were to pass the bill as it came from the committee with section 6 in it—a section which takes away from the laborers on these interstate roads——

Mr. UNDERWOOD. No; it takes nothing away from them. It takes something away from capital.

Mr. SIMMONS. I will withdraw that, then. If we should pass this bill with section 6 in it, authorizing the Interstate Commerce Commission to fix the hours of labor and the rates of wage, does the Senator believe that we would stand any chance of ending this strike on Monday?

Mr. UNDERWOOD. I certainly do. There would be no question about it. The strike is ended to-day, as the Senator knows.

Mr. SIMMONS. It is my judgment that by one course we will avert the strike, while by the other I doubt whether we would avert it.

Mr. UNDERWOOD. Oh, well, that is a mere matter of opinion. If the Senator thinks that by passing this eight-hour law to-day we would stop the strike, then if we pass section 6 to-morrow or the next week or three months from now would it not bring on a strike, if that is the case? What has section 6 to

do with the controversy involved in this strike? Why should these men strike after they get their rate of wage until the six months' period is out? They have a right to strike at the end of that six months' period anyhow.

Mr. BORAH. Mr. President——

Mr. UNDERWOOD. I yield to the Senator, although I am anxious to conclude my remarks.

Mr. SIMMONS. The point I make, if the Senator will pardon me, is that the bill with section 6 in it would be so unsatisfactory to the labor people that I fear it might not prevent the strike.

Mr. UNDERWOOD. Mr. President, the men who represent the organized brotherhoods of labor on the railroads are men of intelligence. They are men of high character. They are men of standing. They are men of force of character. To say that those men would go out here and declare a strike against the Government of the United States enacting laws, it seems to me, is an absurd proposition. They might protest against our enacting a law. They might seek to hold you and me responsible for enacting a law; but to say that they would go out and declare a strike, with the accompanying burdens on the American people, because the Congress of the United States enacted some law that did not meet with their approval is an indictment of their intelligence and their integrity.

Mr. President, I did not intend to occupy all this time. I am glad to yield to my brother Senators, but I am anxious to conclude my argument, and I have not yet had an opportunity to state why I believe section 3 ought to be incorporated in this bill.

It is not only the men who are interested in this question of wage; it is the public. The question of railway pay is of vital interest to the man who earns his daily bread as a trainman on these roads. It is of some interest to the stockholder, because it may affect his dividends; but it is a vital question to the industrial life of this Nation. There are a million men in this country directly involved. There are 99,000,000 people who are interested in the great question of uninterrupted transportation of their freight and uninterrupted conduct of their business. These men have a right to a day in court. They have a right to a higher wage if they make out a proper case; but the American people have a right to try to prevent a strike and congested railroad conditions if possible. More than that, the great shipping public is also interested in this wage scale, because if it is put too high it is an unjust burden on their transportation; if it is put too low, it is an injustice to the men who earn their wage in the railroad systems. Do we want to continue the system of arbitrarily submitting this matter to the decision of the two interested parties, with 100,000,000 of American people who have the most at stake entirely left out?

Mr. HUGHES. Mr. President, while I was necessarily absent from the Chamber the Senator may have touched upon what I regard as the absolutely vital point in this section. If he has, then I apologize to him, and I will not insist that he answer my question. But if he has not, then I should like to have him state to me how he expects, under the Constitution and under the laws and under what we all regard as right and proper, that we can attempt to legislate so that any body—the Interstate Commerce Commission or any other body—shall have the right to prescribe wages? If they have a right to prescribe wages, of course, they necessarily have a right to say that men must work for those wages.

Mr. UNDERWOOD. Oh, no. The second conclusion is all wrong. My friend's first conclusion is right. We are in this bill, for six months or possibly a year, prescribing a wage—not a wage that exists to-day, but a wage that must be paid; no more, no less. The very terms of the eight-hour bill prescribe the rate of wage on these railroads for the next six months or possibly a year.

Mr. HUGHES. What is the Senator's proposition if the men involved refuse to accept that wage?

Mr. UNDERWOOD. Why, if the men involved refuse to accept this wage, they walk out and quit. There is no compulsion here.

Mr. HUGHES. Then why should we not say "recommend" rather than "prescribe"? The Senator is using the language that has been used with reference to a rate which we have a right to enforce

Mr. UNDERWOOD. Oh, well, I think my friend from New Jersey, for whom I have the greatest respect and the greatest consideration, is backing off from this question because it is new.

Mr. HUGHES. No; the language is not new. The language is old, and it is used with reference to something we have a right to enforce.

Mr. UNDERWOOD. I know; but I do not care whether you say "make the wage," "prescribe the wage," or "fix the wage." I am not wedded to any particular language in this matter.

Mr. HUGHES. Then we do not differ.

Mr. UNDERWOOD. I am not catching in the bark. I want to bring about a result. The facts do not differ. We prescribe the wage of our employees that we see around here. What rights have they? That page gets his wage fixed by law. If he does not want the job he can quit it, but if he wants to keep the job he must accept the wage that is fixed unless he comes to us and has us refix the amount of the wage. We fix the amount of wage or prescribe the amount of wage for thousands of men in this country, employees of the Federal Government. In fact, the law prescribes our own wages. As it is to-day, the wages on these railroads may be determined by mutual consent of the brotherhoods and the railroad managements in some cases, not in reference to all the employees; but whether that is the case or not, the railroad directors and the railroad presidents in the last analysis are prescribing or fixing the wage to-day, and the individual who wants to sit on an engine and run it must accept or reject that wage. That is all he has to do. He can not change it.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Idaho?

Mr. UNDERWOOD. I yield.

Mr. BORAH. I have been interested during the very interesting discussion of the Senator to know if this is the beginning of wage fixing either by Congress or through a commission for the employees of railroad companies?

Mr. UNDERWOOD. Well, I do not think this will be the beginning. It will be the end of it, because if section 6 goes in it gives full authority to the Interstate Commerce Commission to fix the rate of wage for every employee of the railroad from the president down to the trackmen.

Mr. BORAH. Exactly; that is precisely what I asked. The commission which is appointed under the bill to serve for a term of six months to gather material, and so forth, I presume is gathering it for some purpose, and the purpose is, I presume, to either have Congress fix the wage or to have some commission fix the wage. So the bill seems to contemplate the proposition that we are entering upon the question of fixing wages for the employees of railroad companies either through an act of Congress, as we are doing to-day, or proposing to do it through some commission such as the Senator from Alabama suggests.

Mr. UNDERWOOD. Undoubtedly. The so-called eight-hour-day wage provision carries us right up to the door, it leads us to the very point, and unless we are going to throw it aside at the end of six months and say we have spent the money for nothing, we at the end of six months will march right up to the door under our own legislation and say we will make this wage permanent and fix it permanently, in one way or another or give authority to somebody else to do it. We can not assure the American people any further who is to fix that wage.

Mr. BORAH. And who is going to enforce it.

Mr. UNDERWOOD. And who is going to enforce it. There is nothing compulsory in the bill.

Mr. STONE. I should like to ask the Senator who would enforce it.

Mr. UNDERWOOD. As far as the bill stands to-day, there is no power under the Government of the United States to enforce it except the power of public sentiment, and I think that is all that is necessary. Rather than have a great strike and involve this whole country in a calamity I would go a long ways to prevent it, but I do not believe in marching around the country with a big stick. I do not believe in the mailed fist. I believe in giving the utmost liberty and freedom of action to free men and to persuade them in the interest of their fellow men to act in the interest of their fellow men rather than to compel them.

There is a very persuasive proposition in this bill. If we pass the bill as it is, and the men engaged in railroad work are not satisfied they can strike or they can petition the Interstate Commerce Commission for a higher rate of wage. Which position would they be justified in, in the light of public opinion? When they had a court in which they could file their petition for a higher wage and a fair trial, would public opinion justify them to strike or would public opinion say, "First go to that court of arbitration, that disinterested court, established by the Government, and see if they will not raise the wage." Do you suppose the men who toil on the railroads would justify any of their leaders in carrying them into a strike until they had made the effort to secure their rights by peaceful means?

Mr. HUGHES. Mr. President——

Mr. UNDERWOOD. In just one minute. Do you suppose the public would justify for a minute the carrying on of a strike until they had exhausted their rights by peaceful means? If they carried their appeal into the commission, and the commission heard both sides of the case and found the verdict as to what was fair and just, I believe that would be a final settlement of the case. If in the end it does not turn out, in the light of public opinion, after establishing a fair tribunal for these men, that we can settle this question in that way, then it is time enough for Congress to determine whether it is necessary to put other legislation on the statute books to insure the uninterrupted passage of the commerce of the country. I yield to the Senator from New Jersey.

Mr. HUGHES. I will ask the Senator if he has any objection to the substitution of the word "recommend" for the word "prescribe," in line 19 of section 6, and then to change the paragraph to accord with that amendment?

Mr. UNDERWOOD. To whom does the Senator propose the Interstate Commerce Commission shall make recommendation?

Mr. HUGHES. To Congress or the President. The Senator can have his own way about that.

Mr. UNDERWOOD. This is a new question. We are wading out into a new field. I think this legislation is absolutely necessary for the industrial peace of the Nation. I have no desire to go too far or too fast. Of course, the Senator from Nevada is in charge of the bill, and, although I prepared section 6, and I am perfectly willing to take the full responsibility for preparing it, I must yield, of course, to the desire and wish of the chairman of the committee; but I will say to my friend from New Jersey that before the passage of the bill he can move an amendment to meet a view that seems to him to be more reasonable and in judgment is less drastic, and, as far as I am individually concerned, I am willing to consent to it, because I merely want to march to a determination of this question by a great tribunal of arbitrament instead of letting it rest where it is to-day, in the courts.

Mr. HUGHES. I will say to the Senator that I am heartily in sympathy with what he has just said, and a day or two ago while we were discussing this matter in a tentative sort of a way I made the suggestion that it would be perfectly in accord with my notion of what is right and proper to have the Interstate Commerce Commission suggest or recommend hours of labor or suggest or recommend rates of wages. I do not know any body of men——

Mr. UNDERWOOD. I suggest to my friend from New Jersey that the bill will be here an hour or more before it is passed and that when I finish these cursory remarks I would be glad to consult with him and see if we can agree on an amendment, with the consent of the Senator from Nevada, who has charge of the bill.

Mr. HUGHES. That is agreeable to me.

Mr. UNDERWOOD. Mr. President, if I can proceed without interruption just a few minutes, I will close. I say we owe it to the shippers of the country, to the American people, not to leave this legislation in doubt. You can pass this so-called eight-hour-day compromise and say we are coming back here next winter and pass affirmative legislation. You may do it and you may not.

The American people understand this legislative situation just as well as you and I do. We know that this bill is before us for consideration, and we can fix the terms of the future now, if we have a majority in Congress to do it. But we know that if we let it go by without fixing the terms for the future, we may or may not do it when next winter comes. We know that it has then to go through the doubtful passage of committee action, the doubtful question of being reached on the calendar, the doubtful passage of consideration. We all know that it is easier to kill a bill by 95 per cent than the 5 per cent in favor of its passage. I say that when you take the responsibility of making this concession to the men in the brotherhoods to stop this strike, they will get all the advantage of it when the commission comes to fix the wage, because it will be the adopted wage.

If we pass this law and send it to the commission at this time, when the time comes for them to take up the eight-hour day of fixing the wage it will be the adopted eight-hour. It will be the one recognized at that time. It will have all the technical advantage of that situation, whereas, if you do not put that in here, let the 6 or 12 months of the investigation run by, and they are back to the same old fighting ground with the general managers of the railroads on one side of the line and they on the other struggling for what they call their rights.

I say the best security we can give to these railroad men for their rights is to give them a day in an honest court, for they have their power in the courts as well as they have in this Congress. They are a powerful body of intelligent men; they will have their full right there as well as they have had it here. We have progressed to the point now where it is a question of here or there.

But if you pass this legislation increasing arbitrarily the rate without any consideration for the future, abandoning entirely the question of labor disputes, then the great shipping public are going to say to you, where were we represented in this legislation? What opportunity have we had for our rights in considering these questions? But, on the other hand, if we send it to the Interstate Commerce Commission and the same board will fix the rate of wages that fixes the rate for freight they can balance the equation, they can do justice to the men, fairness to the people of the United States, and once for all you will have removed this trouble from the railroad transportation companies of the land, peace and justice and fair play will come to remain with you and stay through the life of the Nation.

Mr. BRADY. I desire to ask the Senator a question relative to the latter part of section 6, on page 6, where it refers to the hours of labor. Commencing at line 4, on page 6, it reads:

> The Interstate Commerce Commission shall have the power from time to time to change the hours of labor and the rate of wages for all employees of the railroads named in section 1 of this act, either in whole or in part, prescribed by it on its own initiative, on the petition of the employees, the managers of the railroads, or the public.

That is the last paragraph of section 6. The title of the bill reads, "A bill to establish the eight-hour standard workday for interstate transportation, and for other purposes."

Then, commencing in line 3, section 1 reads:

> That beginning January 1, 1917, eight hours, in contracts for labor, be deemed a day's work and the measure or standard for the purpose of reckoning the compensation for services of all persons who are now or may hereafter be employed by any common carrier by railroad subject to the provisions of the act of February 4, 1887, entitled "An act to regulate commerce."

The balance of the section simply refers to what territory is covered. I am interested to know how the committee, or rather the Senators in charge of the bill, construe the words in line 5 of section 6 relative to the hours of labor. There is a positive enactment in the first section of the bill of an eight-hour day as the standard to be used in the contract. As I understand the language of section 6, it means that the passage of this bill transfers to the Interstate Commerce Commission the power to change the hours of labor. Is it the understanding of the committee that the bill provides that the Interstate Commerce Commission can do away with the 8-hour day and put it back to a 10-hour day?

Mr. UNDERWOOD. I will say to the Senator I stated a while ago, I do not know whether he was in the Chamber at the time, that the bill does not fix an eight-hour day. If it did, it would be in effect the legislation already on the statute books in reference to a day's wages. It does not fix an eight-hour day, but it fixes eight hours as a measure of compensation. Undoubtedly when this commission makes its report, the provision in reference to wage is gone. It does not need to be changed. It has gone off the statute books; it no longer exists. The officers and managers of the railroads can change the rate of wages to suit themselves. If we adopt section 6, at the end of that time the commission would have, within the reasonable power that they must stay within the law and within the act, the right to fix the wage up or down.

Mr. BRADY. The Senator does not understand that the Interstate Commerce Commission would have a legal right to change the eight-hour day as the basis for figuring a day's labor.

Mr. UNDERWOOD. They might not have the right to change the basis of eight hours, but they would have the right to fix not eight hours as the basis of wages.

The commission would have the right to fix something that is not in the statute and never has been fixed. They would have the right to fix a permanent eight-hour day practically or a permanent ten-hour day or a permanent five-hour day, if it was practicable; I doubt its practicability, because they are piecework ers. But as to the question of changing the rate of wage, the rate of wage is gone when the commission reports under this bill; it is no longer fixed by law; and then the commission would have the right to fix the wage as they saw fit just as the directors of a railroad would have a right to fix it as they saw fit when the commission makes its report and the limitation of the bill is passed.

Mr. BRADY. Personally I favor an eight-hour day, as I understand the Senator from Alabama does, under proper conditions.

Mr. UNDERWOOD. I have always voted for an eight-hour day.

Mr. BRADY. All the men and women in this country who work with their hands have been struggling for an eight-hour day. Unorganized labor has been hoping that the hours of labor may be reduced. Organized labor has been contesting for 30 years for an eight-hour day. Now they seem to have reached the goal, and we are enacting into law what they have been working for during all these years. I am in favor of giving an eight-hour day under proper rules and regulations; but I am not in favor of enacting a bill that on its passage will transfer from Congress the right to change the hours of labor, transferring that power from the United States Senate, a body composed of 96 men, to a body of 7 men composing a commission, in which the laboring men of the United States have at times shown a lack of confidence.

Section 1 of the bill reads:

Eight hours shall be deemed a day's work and the measure or standard for the purpose of reckoning the compensation for services of all persons who are now or may hereafter be employed by any common carrier by railroad.

And then section 6 we give to the Interstate Commerce Commission the power to change from time to time the hours of labor and put the standard of time for a day's work back to where it was before this law was enacted, or make the hours of toil longer if they are disposed to do so.

I do not believe we should enact legislation that would permit the hours of labor to be fixed or changed by any board or commission. If we pass a law providing for an eight-hour day it should not be changed or amended except by act of Congress.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Iowa?

Mr. BRADY. I yield to the Senator from Iowa.

Mr. CUMMINS. It is possible that the Senator from Alabama [Mr. UNDERWOOD] did not fully understand the question put by the Senator from Idaho [Mr. BRADY]; at least, it did not seem to me that he answered it from the point of view, at any rate, that I hold. The Senator from Idaho will notice that in the first line of the proposed measure it is provided that after the 1st of January, "eight hours, in contracts for labor," shall "be deemed a day's work and the measure or standard for the purpose of reckoning the compensation for services of all persons."

It is plain that this part of the bill contemplates a contract between the employee and the employer; and it is declared that in that contract of labor, specifying the hours of labor, eight hours shall be adopted as the basis for compensation; but when the Interstate Commerce Commission takes possession of the subject, if it ever does, and prescribes the hours of labor and the wages, there will be no contract between the employer and the employee, so far as either wages or hours of labor are concerned; and the Senator from Idaho is quite right. The effect of section 6, if it has any, will be to repeal section 1 in that regard, for it substitutes the imperative judgment of the Government with regard to hours of labor and wages for the contracts for labor between the employer and the employee.

Mr. BRADY. The Senator from Iowa has given a great deal of study to this subject, and I want to ask him the direct question, Whether or not, in his judgment, the insertion in line 5 of page 6 of the words "the hours of labor" does not give the Interstate Commerce Commission the power to put the length of the day back to 10 hours? I believe in the old adage, eight hours for work, eight hours for sleep, and eight hours for rest and recreation. If we pass a law naming eight hours as a day's labor, I do not want that law to be changed by any board or commission, and I believe this section does give that power to the Interstate Commerce Commission, and I would like to have the Senator from Iowa express his opinion relative to this matter.

Mr. CUMMINS. Assuming that the section is adopted and that it is constitutional—and I have not the least idea that it will be adopted, and I have grave doubts about its constitutionality—it does entirely repeal section 1.

Mr. BRADY. That is my belief. For that reason, Mr. President, I desire at this time to offer an amendment, which reads as follows:

On page 6, in line 5, after the word "the," strike out the words "hours of labor and."

And I ask that it be printed and lie on the table.

Mr. NEWLANDS. Mr. President, I wish to announce that, whilst I greatly regret to put any Senators to inconvenience, it will be necessary to press the bill to a vote as rapidly as possible, and that I shall urge upon the Senate a continuous session.

Mr. GALLINGER. An evening session?

Mr. NEWLANDS. Yes.

Mr. CUMMINS. May I make an inquiry, in order to clear the atmosphere a little? We all understand that the other House is now voting upon a bill upon this subject; possibly the vote has been concluded, but I do not know.

Mr. KERN. The bill will be over here about 7 or half past 7 o'clock this evening.

Mr. CUMMINS. I think it is perfectly well understood—I will not say that possibly; but that is my understanding at least—that ultimately we intend to act upon the House bill and not upon the bill which has been introduced by the Senator from Nevada [Mr. NEWLANDS] and reported by him from the committee. We all understand also that the bill which is now being passed by the House has no such provision in it as section 6; that it is merely a plain declaration, such as is contained in sections 1, 2, and 3 of the Senate bill. I am sure there is no disposition upon this side of the Chamber to unduly delay the passage of any measure which our friends upon the Democratic side feel should be passed. There must, of course, be an opportunity given for every Member of the Senate to express his views upon this subject; but I have made some inquiry, and I think that will not require very much time. In view of all this, why should we not wait until we get the bill upon which we intend to act, and then take it up?

Mr. SIMMONS. Such a bill is now before the Senate.

Mr. THOMAS. We can substitute one bill for the other. Why not, then, go on and save time?

Mr. NEWLANDS. Mr. President, I will state, in the first place, there is no such understanding as that to which the Senator from Iowa [Mr. CUMMINS] refers, that the House bill is to be substituted for this bill. We do not yet know what the House bill is to be. I am told that it has already been amended in several particulars. So we have no understanding upon that score. Of course when the House bill comes over here, we shall give it due consideration; and, if it meets with the approval of the committee, the most expeditious way of disposing of this subject matter will be to pass the House bill.

Mr. GALLINGER. Mr. President, replying to the suggestion of the Senator from Nevada about a night session, I merely want to suggest that I hope that proposition will not be pressed. There is no disposition on this side of the Chamber to delay the consideration of this bill. Some of us think it is a bad bill, but responsibility for its passage will ultimately rest with the majority, and if the Senator from Nevada would agree to an early meeting of the Senate to-morrow—say 10 o'clock, if the Senator pleases—I feel sure that there will be no difficulty about reaching a vote on the bill in the afternoon of to-morrow. That certainly will answer every purpose so far as the bill becoming a law to-morrow is concerned.

Mr. NEWLANDS. The Senator from New Hampshire understands that the bill might have to go to conference. Would the Senator agree that we should have a vote on the bill by 2 o'clock on Saturday afternoon?

Mr. GALLINGER. I feel so confident in my own judgment that the bill will not go to conference that I do not take that into account.

Mr. NEWLANDS. I do not think it is safe to assume that at all.

Mr. SIMMONS. It is a very serious proposition.

Mr. STONE. Mr. President, I should like to ask my friend, the Senator from New Hampshire, a question. What objection can there be, in view of the anxiety of all of us to proceed to dispose of the business of the Senate, to sitting two or three hours to-night and getting rid of this bill?

Mr. GALLINGER. Mr. President, I have always observed that we make very little progress toward reaching a vote on a bill by holding night sessions, but as I am young, I shall be glad to come here this evening if it is ordered that we shall come.

Mr. STONE. Well, being myself young, I will come also.

Mr. GALLINGER. My own opinion is that we will not make very much progress by a night session. The Senator knows that we rarely ever accomplish anything at such session.

Mr. STONE. Will the Senator trust my judgment just once, when I say that if we will stay here to-night we will get rid of this bill?

Mr. GALLINGER. Possibly that might be so.

Mr. STONE. Just try it once.

Mr. GALLINGER. I dislike exceedingly to question the Senator's judgment, but my impression is that we will not get rid of the bill to-night. However, I am not going to be factious about the matter. Of course, the Senator from Nevada has this matter in charge, and if the Senator from Nevada feels that we ought to have a night session, he has votes enough on the other side of the Chamber to order it, and I think he will not find any factious opposition on this side. I merely made the suggestion

from the abundance of experience that we make little progress in calling Senators here in night sessions. That has been my observation in the past, but, as I have said, I shall not raise any factious opposition to any action which the majority think they ought to take.

Mr. NEWLANDS. Could unanimous consent be secured to take a vote on the bill and all amendments at 3 o'clock or 4 o'clock to-morrow?

Mr. BORAH. It could, provided there is a division of time as to the debate; otherwise not.

Mr. NEWLANDS. What would the Senator suggest regarding that?

Mr. BORAH. I would suggest that no Senator be permitted to speak on the bill more than once.

Mr. CUMMINS. Mr. President, a division of time among all the Senators is absolutely impossible.

Mr. GALLINGER. That is true.

Mr. CUMMINS. But it is very easy to limit the time that any Senator shall speak and to provide that he shall speak but once.

Mr. SMOOT. Mr. President, would the Senator from Nevada object to taking a recess until 7 o'clock and then coming back at 7 and holding a night session?

Mr. NEWLANDS. No; I will not object to that.

Mr. CUMMINS. Why not make it 7.30?

Mr. SMOOT. It is only half past 5 now. However, 7.30 would probably be a better hour.

Mr. NEWLANDS. There is insistence upon an executive session, and I will suggest that at not later than 6 o'clock we take a recess until 8 o'clock.

Mr. GALLINGER. That is better.

Mr. CUMMINS. Then the bill from the House will be here.

Mr. SMOOT. The bill will not come over from the House until about 7.30, and meeting at 8 o'clock will give us plenty of time.

Mr. GALLINGER. That is better. Then I suggest that at the night session the Senator from Nevada might make the suggestion he made a moment ago as to fixing a time for voting on the bill to-morrow; but it ought to be safeguarded along the line suggested by the Senator from Idaho [Mr. BORAH] by providing that more than one speech shall not be made by any one Senator, and the time to be occupied by each Senator might also be limited.

Mr. THOMAS. A limit of half an hour would give ample time, I think.

Mr. SIMMONS. Let speeches be limited to half an hour.

Mr. BORAH. That is satisfactory to me.

Mr. NEWLANDS. I will be prepared to make a suggestion at 8 o'clock, when the Senate reassembles.

Mr. GALLINGER. If speeches are limited to half an hour, I think it will give every Senator who desires to speak an opportunity to do so.

Mr. SIMMONS. I want to suggest to the Senator from Nevada that, in my judgment, it would be well to go on until 9 o'clock to-night and then adjourn until to-morrow under a unanimous-consent agreement as to a time for voting. I think that would be better than to come back here at 8 o'clock and stay until 10 or 11, because when we come back at 8, unless we do stay until 10 or 11, we will not accomplish anything by the night session; but if we continue in session now we will have the House bill by 7 o'clock, and, if not, we will know what is in it; and by 9 o'clock we will have given an opportunity for discussion, and can come back at, say, 10 o'clock in the morning and vote at 2 o'clock in the afternoon.

Mr. NEWLANDS. I have already indicated my assent to a recess until 8 o'clock.

Mr. GALLINGER. I think that is the better way.

Mr. NEWLANDS. I ask unanimous consent that at not later than 6 o'clock the Senate take a recess until 8 o'clock to-night.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

DEFICIENCY APPROPRIATIONS.

Mr. MARTIN of Virginia. I am directed by the Committee on Appropriations, to which was referred the bill (H. R. 17645) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1916, and prior fiscal years, and for other purposes, to report it with amendments, and I submit a report (No. 858) thereon.

The PRESIDENT pro tempore. The bill will be placed on the calendar.

EXECUTIVE SESSION.

Mr. STONE. At the request of several Senators, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and, under the order previously made, the Senate (at 5 o'clock and 40 minutes p. m.) took a recess until this evening at 8 o'clock.

EVENING SESSION.

The Senate reassembled at 8 o'clock p. m., on the expiration of the recess.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had passed the bill (H. R. 17700) to establish an eight-hour day for employees of carriers engaged in interstate and foreign commerce, and for other purposes, in which it requested the concurrence of the Senate.

PROPOSED RAILROAD LEGISLATION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 6981) to establish the eight-hour standard workday in interstate transportation, and for other purposes.

The PRESIDENT pro tempore. The bill is before the Senate as in Committee of the Whole and open to amendment. If no amendment be offered to the bill——

Mr. PITTMAN. I offer as an amendment to the pending bill the bill which has just come from the other House, to strike out all after the enacting clause——

Mr. GALLINGER. That bill is not yet before the Senate.

The PRESIDENT pro tempore. The Senator from Nevada can offer the same matter; necessarily he could not offer the bill.

Mr. PITTMAN. I said that I offer the matter in the bill.

The PRESIDENT pro tempore. The Chair begs the Senator's pardon.

Mr. PITTMAN. I move as an amendment to the pending bill that all after the enacting clause be stricken out and that the matter contained in the bill which has just been received from the other House be substituted therefor.

Mr. GALLINGER. Pending that motion, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator from New Hampshire suggests the absence of a quorum. Let the Secretary call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Gallinger	Norris	Smith, Md.
Borah	Gronna	Overman	Smith, S. C.
Brady	Husting	Owen	Smoot
Bryan	Jones	Page	Swanson
Chamberlain	Kenyon	Penrose	Taggart
Chilton	Kern	Pittman	Thomas
Clapp	La Follette	Ransdell	Thompson
Clarke, Ark.	Lane	Reed	Underwood
Colt	McCumber	Robinson	Vardaman
Cummins	McLean	Shafroth	Warren
Curtis	Martin, Va.	Sheppard	
Dillingham	Myers	Sherman	
Fletcher	Newlands	Smith, Ga.	

Mr. SHEPPARD. I wish to announce that my colleague, the senior Senator from Texas [Mr. CULBERSON], is unavoidably absent.

The PRESIDENT pro tempore. Forty-nine Senators have answered to the roll call. A quorum of the Senate is present.

Mr. PITTMAN. Before presenting the motion in regular form, as it should be presented, I ask unanimous consent that the pending unfinished business be temporarily laid aside and that upon the handing down of House bill 17700 we proceed to the consideration of that bill.

Mr. PENROSE. What is the bill? We do not know these bills by numbers. Will the Senator read the title?

Mr. PITTMAN. I will say that there has just been received from the House the bill (H. R. 17700) to establish an eight-hour day for employees of carriers engaged in interstate and foreign commerce, and for other purposes.

Mr. GALLINGER. I ask that the bill be laid before the Senate.

The PRESIDENT pro tempore. The Senator from Nevada asks unanimous consent that the pending measure be laid aside temporarily and that the Senate by unanimous consent proceed to consider House bill 17700, which the President pro tempore presents to the Senate.

Mr. GALLINGER. I object to that.

Mr. PITTMAN. That being objected to, I move that the pending bill be amended by striking out all after the enacting clause and inserting the following language, commencing at line 3.

The PRESIDENT pro tempore. The Senator will send his amendment to the desk and it will be read. In the meantime the Chair lays before the Senate the bill from the House of Representatives.

The SECRETARY. A bill (H. R. 17700) to establish an eight-hour day for employees of carriers engaged in interstate and foreign commerce, and for other purposes.

Mr. NEWLANDS. I ask unanimous consent that the House bill be taken up for consideration.

The PRESIDENT pro tempore. A request has just been made by the junior Senator from Nevada [Mr. PITTMAN] for that very purpose and it was denied. However, it can be submitted again. Is there objection?

Mr. GALLINGER. I will ask that the bill first be read.

The PRESIDENT pro tempore. The Secretary will read the bill.

The Secretary read the bill, as follows:

An act (H. R. 17700) to establish an eight-hour day for employees of carriers engaged in interstate and foreign commerce, and for other purposes.

Be it enacted, etc., That beginning January 1, 1917, eight hours shall, in contracts for labor and service, be deemed a day's work and the measure or standard of a day's work for the purpose of reckoning the compensation for services of all employees who are now or may hereafter be employed by any common carrier by railroad, except railroads independently owned and operated not exceeding 100 miles in length, electric street railroads, and electric interurban railroads, which is subject to the provisions of the act of February 4, 1887, entitled "An act to regulate commerce," as amended, and who are now or may hereafter be actually engaged in any capacity in the operation of trains used for the transportation of persons or property on railroads, except railroads independently owned and operated not exceeding 100 miles in length, electric street railroads, and electric interurban railroads, from any State or Territory of the United States or the District of Columbia to any other State or Territory of the United States or the District of Columbia, or from one place in a Territory to another place in the same Territory, or from any place in the United States to an adjacent foreign country, or from any place in the United States through a foreign country to any other place in the United States: *Provided*, That the above exceptions shall not apply to railroads though less than 100 miles in length whose principal business is leasing or furnishing terminal or transfer facilities to other railroads, or are themselves engaged in transfers of freight between railroads or between railroads and industrial plants.

SEC. 2. That the President shall appoint a commission of three, which shall observe the operation and effects of the institution of the eight-hour standard workday as above defined and the facts and conditions affecting the relations between such common carriers and employees during a period of not less than six months nor more than nine months, in the discretion of the commission, and within 30 days thereafter such commission shall report its findings to the President and Congress; that each member of the commission created under the provisions of this act shall receive such compensation as may be fixed by the President. That the sum of $25,000, or so much thereof as may be necessary, be, and hereby is, appropriated, out of any money in the United States Treasury not otherwise appropriated, for the necessary and proper expenses incurred in connection with the work of such commission, including salaries, per diem, traveling expenses of members and employees, and rent, furniture, office fixtures and supplies, books, salaries, and other necessary expenses, the same to be approved by the chairman of said commission and audited by the proper accounting officers of the Treasury.

SEC. 3. That pending the report of the commission herein provided for and for a period of 30 days thereafter the compensation of railway employees subject to this act for a standard eight-hour workday shall not be reduced below the present standard day's wage, and for all necessary time in excess of eight hours such employees shall be paid at a rate not less than the pro rata rate for such standard eight-hour workday.

SEC. 4. That any person violating any provision of this act shall be guilty of a misdemeanor and upon conviction shall be fined not less than $100 and not more than $1,000, or imprisoned not to exceed one year, or both.

The PRESIDENT pro tempore. The Senator from Nevada asks unanimous consent that the pending Senate bill may be laid aside and that the bill just read may be considered without the formality of its reference to the committee. Is there objection?

Mr. GALLINGER. Mr. President, when that request was made by another Senator I objected. The chairman of the committee having now made it, and the bill having been read, I have no objection.

The PRESIDENT pro tempore. There being no objection, the bill is before the Senate as in Committee of the Whole and open to amendment.

Mr. NEWLANDS. Mr. President, I wish to state in reference to this bill that I greatly regret that the legislation of Congress is not now about to take the full and complete form hoped for and recommended by the President of the United States in his address. The proposals of the President of the United States were balanced proposals, such balance as any partial carrying out of his recommendations lacks.

The President proposed not only that there should be a temporary recognition of the 8-hour day and the grant of a 10-hour wage for an 8-hour day as a matter of experience and of experiment and of facts ascertained, upon which we could afterwards act, but whilst conceding that legislation to the great forces of the country that have been marshaled in an effort to paralyze its commerce, he on the other side proposed to recognize the just rights of the investors in these properties, who were subjected suddenly, according to their claims, to an increased yearly burden of from $50,000,000 to $100,000,000, demanded that the subject should be investigated and determined by voluntary arbitration.

So the President proposed an investigating commission which could ascertain the facts and report them to Congress; and not only that, but that the facts themselves should be laid before the Interstate Commerce Commission and have such influence as they deserved upon their judgment in the matter of the regulation of the rates and the consequent determination of the income of the various companies which were subjected to this additional burden. He yielded to a demand which refused would have resulted in civil war, but at the same time he sought to give the proper guaranty to the great corporations, insistent that they were being subjected to an unjust burden. He thus held the balance even between the two, or as evenly between the two as the circumstances would permit. He did not shrink from the issue of affording the machinery by which this determination could be made. He did not shrink from declaring that action should be taken by the regulating body if the facts warranted. He had the courage to face the shipping and consuming public and to say to them it is possible that this may result in an increased burden upon you, and he did not shirk the issue, as Congress has, by leaving that an undetermined question.

What else, as a matter of balanced legislation, did he urge? The adoption of legislation which would prevent future emergencies of this kind. He proposed that inasmuch as society had never yet secured a means by which reason instead of force should prevail in the determination of contests between capital and labor, between the employers and the employed, thus turning over the employed to the exercise of collective force as their only weapon of defense, society should act upon that question by creating a tribunal which whenever a controversy arose in interstate commerce between employer and employed should ascertain the facts with a view to informing public opinion, that public opinion which always in the end really renders judgment as between these two contending forces. He proposed, and he had the courage to propose, that, whilst that investigation was pending, the privilege to labor to strike and the privilege to the employer to lock out, should be stayed by law until the facts should be laid before the public, who were to sit in judgment, and finally to enter their decree, through that public opinion which finally controls everywhere in the United States. It was perhaps running a risk for him to declare this. The employees, the workers of the country, struggling for years against the traditional powers of employers to control the job, have relied in the conditions of barbarism, which we have permitted to exist, upon the strike as the only weapon of defense. They have been jealous of the maintenance of that defensive weapon, and unwilling to impair in any way its use, realizing that, so long as the present condition of barbarism remains, force alone would ultimately determine the conflict, and that unless they could have a union of forces, the individual laborer was powerless as against the union of capital; and he had the courage, referring to that weapon which the laboring forces of the country had so carefully guarded, to declare that during this period of investigation, and until a report of the facts should be made, the privilege of the strike should be stayed and the strike should be declared unlawful. He had the courage to do that when an election was approaching and when the votes of the workers throughout the country were a matter of serious concern to every candidate.

Mr. President, that was a courageous, and, under the circumstances, a wise proposal; just to all the conflicting interests and the contending interests of society, and bound in the end to result in the substitution of reason for force in the determination of these great controversies. Congress has shirked and will shirk the issue.

Mr. BORAH. Mr. President——

Mr. NEWLANDS. Permit me to conclude my statement.

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from Idaho?

Mr. NEWLANDS. If the Senator will permit me to conclude my statement, I shall then answer any interrogation.

The PRESIDENT pro tempore. The Senator from Nevada declines to yield.

Mr. NEWLANDS. Mr. President, perhaps I am unduly severe in my strictures upon Congress, composed of officeholders who in the next campaign will largely be office seekers, and who do not wish to encounter too serious complications in their campaigns.

It may be that the questions raised were of such magnitude and importance as to require careful consideration, long study, deliberate judgment; and I think it might have been better if I had dwelt upon that phase of the question rather than upon the former; but the fact remains that we are not prepared to meet the issues that Woodrow Wilson is prepared to meet, and

the legislation, which this controversy teaches is necessary, must be postponed to another day. God grant that when that day comes we can be as conscious of the perils of the barbarism that prevails to-day in our legislation as we now are; that we will not sink into apathy and inertia, and that in the breathing spell which this truce affords us we can apply our reason and our judgment and our deliberation to some scheme of legislation which will rescue us from that condition of barbarism which afflicts the world internationally through the absence of some tribunal before which contending parties, hot with passion, can be heard, with the power and the capacity and the judgment to so determine questions as to avert resort to force, thus completing the system of law and order which we proudly claim prevails in this the favored country of the world, and which we hope will sometimes prevail as between the struggling nations of the earth. I now yield to the Senator from Idaho.

Mr. UNDERWOOD. Mr. President, I do not intend to take up the time of the Senate with any further debate, as I discussed the question fully this afternoon. The House bill that has been substituted for the Senate bill has no provision in it in reference to arbitration. The Senate bill in section 6 preserved the great system of arbitration in this country in reference to questions of wage by a provision that allowed the Interstate Commerce Commission to fix the hours of labor and rates of pay. In order that the matter may be before the Senate for consideration, I offer as an amendment to the House bill section 6 of the Senate bill with a slight modification and ask that it be stated.

The PRESIDENT pro tempore. The Senator from Alabama offers an amendment, which will be stated.

The SECRETARY. At the end of the bill it is proposed to add as a new section the following:

SEC. 5. That the Interstate Commerce Commission shall have the power to fix the hours of labor and determine just and reasonable wages for all employees of the railroads named in section 1 of this act. The rate of wages and the hours of labor provided for in this act shall remain fixed for service and pay until changed by the decision of the Interstate Commerce Commission, which, within a period of not less than 6 nor more than 12 months from the passage of this act, shall determine what are just and reasonable wages and what shall be the hours of labor for all employees of the railroads above mentioned.

The Interstate Commerce Commission shall have the power from time to time to change the hours of labor and the rate of wages for all employees of the railroads named in section 1 of this act, either in whole or in part, upon its own initiative, on the petition of the employees, the managers of the railroads, or the public.

Mr. THOMAS. Mr. President, I have listened this afternoon with intense interest to everything which was said upon the subject now under discussion, and I was particularly impressed with the remarks which have just been submitted by the chairman of the Interstate Commerce Committee [Mr. NEWLANDS] having the bill in charge.

On Monday last the President, in consultation with the steering committee of the majority of the Senate, submitted a program, which was the next day outlined in the message which he delivered to the joint session of the Congress. It was a program deliberately prepared by the President and his advisers as the best that could be offered to meet the national exigency then impending; and, as the Senator from Nevada has said, it was offered as a program designed to be complete, the component parts of which were to be the basis of such needed legislation as might be speedily accomplished.

The Senator from Alabama [Mr. UNDERWOOD] called attention to the preparation and submission by the Department of Justice to the committee of as many bills as were suggested in the message and, of course, designed to be considered and, if possible, recommended for enactment.

It was a matter, Mr. President, of great disappointment to me that the bill submitted by the committee this afternoon practically covered but one of the subjects which the President deemed of so much importance, and that subject one which designates as a sort of yard measure eight hours of time as the basis in contracts for labor and as the standard for reckoning compensation for services.

The bill also contained two other provisions, one of which was designed to prevent, by severe penalties, the willful delay, obstruction, or hindering of the operation of trains on roads mentioned in section 1 of the act, the other to invest the Interstate Commerce Commission with power to fix the hours of labor and prescribe just and reasonable wages; and, Mr. President, it is either that or the briefer House bill, now under consideration, that will probably be enacted if any legislation is to be effected upon this subject within the next 24 hours. I regret, Mr. President, as I have before said, that we are thus confined in our legislation to the consideration of what seems to be a single subject, and that the enactment of a basis for fixing contracts for labor in the future, a very small proportion of the subjects believed by the President to be demanded by the situation now confronting us.

The President, in his message, said:

Having failed to bring the parties to this critical controversy to an accommodation, therefore I turn to you, deeming it clearly our duty as public servants to leave nothing undone that we can do to safeguard the life and interests of the Nation. In the spirit of such a purpose I earnestly recommend the following legislation.

I shall not detain the Senate by reading the program which the President then outlined. With that the Senate is familiar; but he continued:

There is one other thing we should do if we are true champions of arbitration. We should make all arbitral awards judgments by record of a court of law in order that their interpretation and enforcement may lie, not with one of the parties to the arbitration, but with an impartial and authoritative tribunal.

These things I urge upon you, not in haste or merely as a means of meeting a present emergency, but as permanent and necessary additions to the law of the land, suggested, indeed, by circumstances we had hoped never to see, but imperative as well as just, if such emergencies are to be prevented in the future. I feel that no extended argument is needed to commend them to your favorable consideration. They demonstrate themselves. The time and the occasion only give emphasis to their importance. We need them now and we shall continue to need them.

Mr. President, if the estimate of the Senator from Alabama [Mr. UNDERWOOD] of the bill reported by the committee of which he is a member be correct, it can be considered as a mere temporary measure only, and designed to avoid for the time being the crisis now threatening the industries of the entire Nation, and practically expiring by the limitation of nine months or thereabout upon it. If that be true—and I am not prepared to say it is not true, although my reading of the bill would lead me to a somewhat different conclusion—then the fact remains that not a single recommendation of the President has been reported for the consideration of the Senate, but that a temporary measure having some of the features of one of them is before us for consideration.

Mr. President, if that be so, and we now pass nothing but an eight-hour provision, we may be reproached with legislating to tide a great crisis over a presidential election upon the assumption that the interval will be utilized by Members of Congress in the investigation of all subjects connected with the situation, to the end that before the period shall have expired other and more permanent and intelligible legislation will be placed upon the statute books. I hope that may be so, because I shall, as a matter of course, join with my associates in whatever legislation may by the majority be deemed essential for this time. But I apprehend that we shall do nothing further until again compelled to do so.

I can not avoid referring here to another subject discussed by the Senator from Alabama, and I think also referred to by the Senator from Nevada—that this legislation was demanded by certain great labor organizations as the alternative of a strike called for next Monday, which would involve the entire transportation system of the Nation in its scope, thereby paralyzing by temporarily suspending the industrial energies of the Nation. Assuming that to be true, Mr. President, I believe it must be said that this is the first time that the Congress of the United States is legislating in pursuance of a semipublic bargain upon a great subject of widespread and national concern; and I greatly fear, if that be so, unless the legislation thus demanded is coupled with sanctions and guaranties that will make it effective, it may become, and that in the near future, a precedent for similar demands coming from other directions to which we must also yield for the same reasons, only again to postpone the day of the final wrath to come. That, Mr. President, is not wisdom; it is not statesmanship; it is not common sense; and, above all, it is not the proper discharge of the duties of the legislators of the people to the constituencies which sent them here.

I think, therefore, that the stricture of the Senator from Nevada is correct, that it is the Congress and not the President of the United States which is disposed at this time, I will not say to surrender to omnious demands, but to evade the tremendous responsibilities which we assumed with our election, and which in times of crisis above all others we should meet, and meet like men, without regard to consequences as to individuals or individual ambitions. I very much fear, too, that after this danger shall have passed away we will lapse into that same condition of indifference to which all men are prone in times of quiet and peaceful contentment.

I recall that last May the Senator from Nevada, in the discharge of his duty, fearful that this identical situation would be evolved from conditions then quite apparent, urged upon the attention of this body the necessity of adopting some anticipatory legislation which would enable us to meet, if indeed it would not avoid, the contingencies which then threatened, and which now justify the position which he then assumed. But,

Mr. President, we are a hopeful, optimistic people, and Members of Congress do not in that respect differ from other individuals. So, some of us listened to him and then went our way, indulging the hope, if not the assumption, that time in its evolutions would bring the subject to a satisfactory solution, and thereby make it unnecessary for us to exert ourselves concerning it.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Colorado yield to the Senator from Idaho?

Mr. THOMAS. I yield, although I do not intend to speak very long, and I therefore hope I will not be interrupted.

The PRESIDENT pro tempore. The Senator yields.

Mr. THOMAS. I will yield to the Senator.

Mr. BORAH. I will not interrupt the Senator if he is not going to talk long.

Mr. THOMAS. I will yield to the Senator, but I do not intend to occupy the time of the Senate long.

Mr. BORAH. The Senator is assuming that this is the only bill which is to be brought before this Congress touching this subject matter.

Mr. THOMAS. No; not the Congress but the session.

Mr. BORAH. Well, during this session. Do I understand that this is the only measure touching this entire subject matter which we are going to be called upon to consider at this session?

Mr. THOMAS. Why, Mr. President, I am unable to answer that, as I am not a member of the committee. I know of no other bill.

Mr. BORAH. Why should the Senator from Colorado be so gloomy over the situation? Perhaps we will have another bill in here Monday to cover this exact situation.

Mr. THOMAS. If the Senator will assure me that it is the intention to bring in such a bill, I shall be very glad to know it.

Mr. BORAH. I assumed that it would hardly be practicable to put all these different measures in one bill, and that it was likely that we would be called upon to consider other measures covering different phases of the President's message.

Mr. THOMAS. Mr. President, we have passed a number of bills during this session which comprise a vastly greater number of subjects than those to which the President's message called attention. Indeed, it is becoming the custom, and not the exception, to embody in our supply bills practically all subjects of legislation coming within the constantly increasing jurisdiction of the Federal Congress. I think we would have ample time to consider the various subjects, interrelated and interwoven with each other, had they been brought at this time to the attention of Congress.

So much, however, for what my friend is pleased to call a gloomy view of the situation.

Now, Mr. President, I presume that if the Congress has the power which it has recently asserted to declare what class of persons may be permitted to manufacture goods entering into interstate commerce, it also has the right to legislate with regard to what shall be a day's labor and what shall be the compensation for that day's labor, in so far as matters of interstate commerce are concerned. To my mind, however, it is the exercise of a very dangerous authority, if, indeed, it exists at all, because the power to fix a day's labor at 8 hours necessarily carries with it the power to fix it at 16 hours, and the power to require the wages now paid for 10 hours to be applied to 8 hours carries with it also the power to require men to work 16 hours for 8 hours' wages. In a country like ours, where the shifting currents of public opinion which always control public action are first in one direction and then in another, precedents resorted to in crises or occasionally may, even in the near future, rise to plague those who invoked their exercise.

We know, Mr. President, that first one and then another political party controls the affairs of this Republic; that they come and go because of the rise and the fall of policies and of principles through the operation of those tremendous forces which constitute the driving power in legislation, and ever resorting to precedents for the accomplishment of their purposes. So that I am not at all sure that, even granting the existence of such an authority, it is the part of wisdom and of caution to resort to it too hastily. But here, since it is the alternative to a condition which we must avoid, and since the trend of legislation is constantly in the direction of an extension of Federal authority, we may be pardoned for resolving the doubt in favor of what seems to be the general demand and of acting accordingly.

But, Mr. President, it seems to me that that provision of section 3 of the Senate bill which prohibits, under penalties, interference with the operation of trains moving in interstate commerce should go with this legislation, so that there shall be some sanction in the law giving assurance to the public that the grant of the concession will permanently tend to end the difficulty. Much has been said here about compulsory arbitration, in which I do not believe. Indeed, it has always seemed to me to be a contradiction in terms, since arbitration as distinguished from litigation is generally the result of consent and of mutual agreement as distinguished from compulsion. But certainly compulsory arbitration is no more undesirable than compulsory legislation; yet we are now engaged in passing an act of compulsory legislation, which to become effective and which without such compulsion, as I have said, should carry with it some requirements which guarantees the security of the future.

Mr. President, it is an undeniable fact that in the United States, on the one hand, great, overshadowing and far-reaching combinations, dominating all human energies, have been allowed to come into existence, to develop, and to reach their present enormous proportions; on the other hand, labor unions, from small beginnings, have developed and expanded until they, too, spread over the surface of the continent; and the differences frequently arising between the two—as the employer and the employed—are assuming national proportions and becoming vast national issues, forcing all other issues, however important, aside and concentrating the attention of thoughtful men upon the consequences involved in the threatened final and irreconcilable disagreement between the two. These huge Frankensteins, now practically beyond the control of the Government, now confront each other upon an issue in which one demands much and the other concedes nothing, and are about to grapple, thus involving not only the industries of the country but the very peace if not the foundations of society, require that the Government, in legislation of this kind, when making concessions should also arm the President and the other authorities with power to determine, for the peace and welfare of society, how these questions shall be settled and the extent to which the settlement shall be enforced.

It may be said that this is impossible regardless of the nature of legislation or the care and deliberation with which it may be conceived and enacted; but to my mind it is the supreme question of modern politics in America. It is the one great issue of this as it may be of the next generation, whether modern combinations are stronger than the Government; whether the Government is unwilling or unable to discharge the responsibilities which these new conditions place upon it. To my mind there is but one solution of this tremendous problem beyond that of a resort to force, which I trust in God may never be necessary. Mr. President, my experience is that when the sober second thought of the average citizen takes possession of him, and he reviews and realizes the consequences of extremes and feels his sense of responsibility to his country and the interest which he has in it, I can well entertain the hope that there never will be other than a peaceful solution of these differences, however imminent or menacing they may at times appear.

Mr. President, I have said that I believed there was but one solution of this sinister problem. I do not think it can be found in section 6 of the Senate bill—so ably championed by the Senator from Alabama [Mr. UNDERWOOD]—because, although we give to the Interstate Commerce Commission all the power and all the jurisdiction contemplated by that section there is lacking the element essential to the enforcement of its decrees. The power of the courts in the last resort, Mr. President, is the armed force of the country. The commission is not a court, although sometimes exercising quasi judicial powers. This section does not pretend in any manner, not in the slightest degree, to determine how or in what manner the orders that are to be made under it, if jurisdiction were extended to that tribunal, may be enforced, and their various details observed.

Mr. President, in this connection I am justified in again reminding the Senate that this situation is the outgrowth—the logical outgrowth, the necessary outgrowth—of the original surrender to private hands by the people of the United States of the great business of transportation.

The Senator from Alabama very justly called attention to the absolute dependence of our economic and social life upon the great systems of transportation. He well likened our arteries of commerce to those of the human system and spoke truly when he said that death ensued from any serious interruption of the circulation of either. And yet, Mr. President, because of the surrender of this great public agency into private hands, five or six men now controlling it may stand between the acceptance of an offer of compromise and the welfare and the well-being of 100,000,000 people.

Mr. President, no such power in any other country was ever delegated to a few private citizens. No other country would

permit a great element of government to be used for selfish purposes as it has been so constantly used here. Those clothed with it in America have manipulated it in amassing colossal fortunes, in emitting huge volumes of fictitious wealth in the shape of watered stock, and in wresting compensation from the consumers, that profit may be realized upon a so-called capital having no basis more substantial than the circumambient air.

We will avoid troubles like that we now consider only when the Nation reasserts its power and control over its lines of transportation, these huge arteries of commerce, these absolutely essential systems without which our national life is impossible. When these brotherhoods become the employees of the Nation, subject to its laws and to its orders, the people will be freed from the menace of starvation, suffering, misery, and disorder which flow from the clash of private interests, which can not be reconciled by peaceful methods.

On the first day of the present session of Congress I introduced for the accomplishment of this purpose Senate bill 18, entitled "A bill to provide for the establishment of Federal railroad companies, to establish a more effective supervision of railroads in the United States, and for other purposes," prepared by one of the most noted lawyers of America, a lawyer and a gentleman who has given profound thought to the subject, who has for years been the legal representative of some of the great corporations of the country, whose reflections and experience long ago warned him that the one solution of the problem of transportation, the one method of arriving at a settlement of the differences which are bound to arise between great combinations of men and great combinations of capital when engaged in a great public service, was in a modified but complete governmental control. He proposed to use as the basis of his scheme the Federal bank system, providing for the division of the country into districts and the establishment in each of them of a Federal corporation, taking over all the roads within their respective boundaries, the majority of the stock in which should be owned by the Government, and the control of which should be in boards of directors, a majority of whom would represent that interest. I shall ask that this bill be printed as a part of my remarks without reading.

The PRESIDENT pro tempore. Such will be the order, without objection. The Chair hears none.

The bill referred to is as follows:

A bill (S. 18) to provide for the establishment of Federal railroad companies, to establish a more effective supervision of railroads in the United States, and for other purposes.

Be it enacted, etc., That wherever the words "Federal railroad company" are used in this act the words shall be construed to refer to each of the five corporations to be organized under this act as herein provided.

The words "Federal railroad board" used in this act shall be construed to mean the board of six members herein provided for.

The words "Federal railroad board" used in this act shall be construed to be the head, at the seat of government, of an executive department to be known as the department of railroads, said head to be appointed by the President, by and with the advice and consent of the Senate. Said appointee shall receive a salary of $12,000 per annum, and his term and tenure of office shall be uniform with other members of the Cabinet.

FEDERAL RAILROAD DISTRICTS.

SEC. 2. That continental United States, excluding Alaska, is hereby divided into five districts, to be known as New England railroad district, central railroad district, southern railroad district, northwestern railroad district, and central Pacific railroad district.

The New England railroad district shall include the New York, New Haven & Hartford Railroad system and all other railroads in New England not controlled by any railroad system in another Federal railroad district.

The central railroad district shall include the Pennsylvania Railroad system, New York Central Railroad system, Erie Railroad system, Baltimore & Ohio Railroad system, Chesapeake & Ohio Railroad system, and all other railroads in the States of Illinois, Indiana, Ohio, Michigan, Pennsylvania, New Jersey, and New York not controlled by any railroad system in another Federal railroad district.

The southern railroad district shall include the Southern Railroad system and Illinois Central Railroad system, and all other railroads in the States of Delaware, Maryland, Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Tennessee, Kentucky, West Virginia, and Mississippi, and the District of Columbia not controlled by any railroad system in another Federal railroad district.

The northwestern railroad district shall include the Chicago, Milwaukee & St. Paul Railroad system; the Chicago & North Western Railroad system; the Northern Pacific Railroad system; the Great Northern Railroad system; and all other railroads in the States of Wisconsin, Minnesota, North Dakota, South Dakota, Montana, Wyoming, Idaho, Oregon, and Washington not controlled by any railroad system in another Federal railroad district.

The central Pacific railroad district shall include the Union Pacific Railroad system; the Atchison, Topeka & Santa Fe Railroad system; the Southern Pacific Railroad system; and all other railroads in the States of Iowa, Nebraska, Kansas, Missouri, Arkansas, Louisiana, Texas, Oklahoma, Colorado, New Mexico, Arizona, Utah, Nevada, and California not controlled by any railroad system in another Federal railroad district.

Any question which may arise as to whether a particular railroad is included within any particular Federal railroad district shall be decided by the Federal railroad board.

FEDERAL RAILROAD COMPANIES.

SEC. 3. That the Federal railroad board shall supervise the organization in each of the said districts of a Federal railroad company by nine individuals in each district selected by the Federal railroad board, and thereupon such individuals in each district shall, under their seals, make an organization certificate which shall specifically state the name of such Federal railroad company, the territory, and extent of the district, as defined by State in section 2 of this act; the city and State in which its principal office is to be located in said district, the amount of capital stock ($9,600), and the number of shares into which the same is divided ($10 each), and the number of shares subscribed for by each incorporator (100). The said organization certificate shall be acknowledged before a judge of some court of record or notary public; and shall be, together with the acknowledgment thereof, authenticated by the seal of said court or notary, transmitted to the secretary of railroads, who shall file, record, and preserve the same in his office. Upon the filing of such certificates with the secretary of railroads, as aforesaid, each of the said Federal railroad companies shall become a body corporate, and as such and in the name designated in such organization certificate shall have power—

First. To adopt and use a corporate seal; to have succession in perpetuity, unless it is sooner dissolved by an act of Congress, or unless its franchise becomes forfeited by some violation of law; to make contracts; to sue and to be sued in any court of law or equity; to appoint by its board of directors such officers and employees as are not otherwise provided for in this act, to define their duties, require bonds of them and fix the penalty thereof, and to dismiss at pleasure such officers or employees; to prescribe by its board of directors by-laws, not inconsistent with law, regulating the manner in which its general business may be conducted, and the privileges granted to it by law may be exercised and enjoyed; to exercise such incidental powers as shall be necessary to carry out the purposes of this act.

Second. To acquire, hold, and exercise the power of ownership of any or all of the shares of the capital stock and bonds and other obligations of any or all railroad companies within its district as aforesaid; also to construct, acquire, maintain, and operate railroads within its district; also to issue shares of its capital stock from time to time, either for cash or in exchange for shares of stock or bonds or other obligations of any and all railroad corporations within its district, on such basis of exchange as may be authorized by its board of directors; also to issue shares of its capital stock from time to time for such purposes (including its own expenses and disbursements) connected with or incidental to the control, acquisition, construction, management, use, and development of railroads, railroad business, and railroad stocks, bonds, or other obligations already issued or hereafter to be issued by railroad companies within its district (including the issue of Federal railroad company stock, to provide money to enable any railroad company in its district to pay or purchase outstanding obligations or to pay for past or future improvements, equipment, or extensions, stock of such railroad company being issued to the Federal railroad company in consideration of such money), as may be determined by its board of directors; also to exercise the power, which is hereby given to it, of eminent domain, to acquire any shares of the capital stock of any and all railroad corporations within its district or to acquire any railroads themselves or railroad property or property for railroad purposes, in its district, whenever in its opinion it is necessary or advantageous to it to do so by condemnation under judicial process, and the United States district court or courts of the district wherein such stock or property is located shall have jurisdiction of proceedings for such condemnation. The practice, pleadings, forms, and modes of proceedings in causes arising under the provisions of this act shall conform as near as may be to the practice, pleadings, forms, and proceedings existing at the time in like causes in the courts of record of the State within which such district courts are held, any rule of the court to the contrary notwithstanding.

Third. To vote its own holdings of stock and to solicit proxies from other stockholders to vote their holdings of stock in any railroad corporation in its district, and such vote of such stock and proxies by the Federal railroad company for directors in said railroad corporation or corporations shall be limited to persons who shall have resided within the district for at least nine months in each of the five years prior to the election, and have been actively engaged during said five years in the district in commerce, agriculture, or some other industrial pursuit, or in the practice of a profession.

SEC. 4. At least six members of the board of directors of each Federal railroad company shall for at least nine months of each of the preceding two years have resided in the district in which he is chosen director. No Senator or Representative in Congress shall be an officer or director of a Federal railroad company. No director of a Federal railroad company shall be an officer, director, or employee of any railroad company. Any director of any Federal railroad company may be removed at any time for cause by the Federal railroad board. The board of directors of each Federal railroad company shall consist of nine members, three of whom shall be designated by the Federal railroad board and six of whom shall be selected by the stockholders of the Federal railroad company in meeting assembled. The first board of directors shall consist of the nine incorporators and shall hold office for six months after incorporation. Voting by proxy at an election of a Federal railroad company shall be allowed, but all proxies shall run to and be voted by the Federal railroad board free from instructions in voting such stock. The stock shall be voted as follows: The owner of 10 shares or less shall have 1 vote; the owner of from 10 to and including 49 shares shall have 2 votes; the owner of from 49 to and including 100 shares shall have 3 votes; the owner of from 100 to and including 200 shares shall have 4 votes; the owner of over 200 shares shall have 5 votes and no more. The directors of each Federal railroad company shall receive such compensation as the board of directors may determine in advance in each instance, subject to the approval of the Federal railroad board. The board of directors of each Federal railroad company shall at its first meeting (after its first board retires from office) designate three directors to serve one year from the next first day of January, and three for two years, and three for three years (one of the three directors named by the Federal railroad board to be in each class), and thereafter all directors shall hold office for three years. Vacancies in the board shall be filled by the remaining directors. Each Federal railroad company shall every three months make a full report of its operations to the Speaker of the House of Representatives, who shall cause the same to be printed for the information of the Congress.

STOCK ISSUES AND GUARANTY OF DIVIDENDS.

SEC. 5. That the capital stock of each Federal railroad company shall be divided into shares of $10 each. The outstanding capital stock may

be increased from time to time as authorized by the board of directors. When the capital stock of any Federal railroad company shall have been increased the board of directors shall cause to be executed a certificate to the Comptroller of the Currency showing the increase of capital stock. The shares shall be represented by certificates, which shall be transferable.

SEC. 6. That dividends on the stock of each Federal railroad company shall not exceed an amount fixed for each issue when made, such amount being the amount of dividend guaranteed by the United States Government as hereinafter provided.

SEC. 7. That the United States Government hereby guarantees the payment of dividends on the shares of the stock of the several Federal railroad companies to the amounts specified on the certificates for said stock as originally authorized by the board of directors of the particular Federal railroad company, and the Secretary of the Treasury is hereby authorized and directed to sign the name of the United States of America to a guaranty to that effect on the face of the certificates of stock issued by the corporation (the guaranty on canceled certificates to be canceled when the certificates are canceled by transfer), the form of said guaranty to be as follows (the rate of dividend guaranteed being filled in in each instance):

"The United States of America hereby guarantees to the record holder of this certificate of stock the payment by the Federal railroad company issuing the same — per cent annual dividends on the shares of the capital stock represented by this certificate, payable semiannually on the 1st days of January and July of each year after the date of this guaranty."

If at any time the United States of America by act of Congress ceases to pay said guaranty, the United States of America shall pay to the holders of said certificates of stock the price at which they were originally issued or the value at the time of issue of the property for which they were originally issued.

SEC. 8. That the United States Government shall be entitled to all the profits of the several Federal railroad companies in excess of said guaranteed dividends, and shall apply such excess profits to extensions and improvements, or purchase of railroad bonds or stock, or reduction of rates, or retirement of stock issued hereunder, or for any other pupose said Government may deem best in connection with the railroads.

SEC. 9. That national banks and Federal reserve banks may invest and deal in the shares of stock of the said Federal railroad companies, or any of them, and such shares may be transferred to and deposited with the Treasurer of the United States in lieu of United States bonds as prescribed by sections 5159 to 5189, inclusive, of the Revised Statutes of the United States as amended, and by section 4, subdivision 8, of the Federal reserve act, and may be deposited with the Treasurer of the United States as security for deposits by said Treasurer of funds of the United States in national banks, and may be deposited as security for and in accordance with the act of Congress of May 30, 1908, amending the national banking laws. The board of trustees established by act of Congress of June 25, 1910, to establish postal savings depositories may invest postal savings funds in such shares as securities of the United States within the meaning of that act. Said shares of the capital stock of said Federal railroad companies, or any of them, shall be receivable at par as a satisfactory collateral security for Federal reserve notes and as a reserve available as eligible paper under the Federal reserve act, and as investments by Federal reserve banks. Said Federal railroad companies, their stock and property, and the income to their stockholders from the guaranteed dividends, shall be exempt from Federal, State, and local taxation and license fees.

SEC. 10. That the Federal railroad companies shall proceed with all reasonable dispatch to acquire sufficient of the outstanding capital stock of the Pennsylvania; New York Central; Illinois Central; Chicago, Milwaukee & St. Paul; Chicago & North Western; Union Pacific; Atchison, Topeka & Santa Fe; and Southern Pacific Railroad systems to control those railroad companies; each Federal railroad company so to acquire the stock of any of said railroad system or systems within its district. Such acquisition may be by purchase or by exchange of Federal railroad company's stock for the stock of said railroad system or systems or by condemnation proceedings.

FEDERAL RAILROAD BOARD.

SEC. 11. That a Federal railroad board is hereby created, which shall consist of six members, one to be the secretary of railroads and the remaining five members to be appointed by the President of the United States, by and with the advice and consent of the Senate. In selecting the said five members of the Federal railroad board not more than one shall be selected from any one Federal railroad district. The said five members shall devote their entire time to the business of the Federal railroad board, and shall each receive an annual salary of $12,000, payable monthly, together with actual necessary traveling expenses. No Senator or Representative in Congress shall, during his term of office, or for five years thereafter, be a member of the Federal railroad board. The members of the said board shall be ineligible during the time they are in office and for two years thereafter to hold any office, position, or employment in any railroad company, and shall not, during that time, hold or own stock therein. At least one of said five members shall be a person experienced in the management and operation of railroads. One member shall be designated by the President to serve for 2 years, one for 4, one for 6, one for 8, and one for 10 years, and thereafter each member so appointed shall serve for a term of 10 years unless sooner removed for cause by the President. Whenever a vacancy shall occur, whether by expiration of term or otherwise, among the said five members of the Federal railroad board a successor shall be appointed by the President, with the advice and consent of the Senate, to fill such vacancy. The President shall have power to fill all vacancies that may occur on the Federal railroad board during the recess of the Senate by granting commissions which shall expire 30 days after the next session of the Senate convenes. Of the five members thus appointed one shall be designated by the President as governor and one as vice governor of the Federal railroad board. The governor of the Federal railroad board, subject to its supervision, shall be the active executive officer. A majority of the members at a meeting duly called shall constitute a quorum, and a majority of those present at such meeting shall be sufficient for affirmative action. The salaries and expenses of the Federal railroad board shall be paid by the Federal railroad companies in proportion to the respective outstanding capital stock of each from time to time. The Federal railroad board shall annually make a full report of its operations to the Speaker of the House of Representatives, who shall cause the same to be printed for the information of the Congress. The Federal railroad board shall have power to examine at its discretion the accounts, books, and affairs of each Federal railroad company and to require such statements and reports as it may deem necessary, and shall at all times furnish full information to the public regarding its operations and the operations of each Federal railroad company.

SEC. 12. That said Federal railroad board is hereby given the power to fix and determine all interstate railroad rates and service and also such intrastate rates and service as Congress has power to regulate under the Constitution of the United States.

SEC. 13. That no stock shall be issued by any Federal railroad company except after the approval thereof by the Federal railroad board, which board shall also first approve the use to be made of such stock and the terms of its issue. All financial operations of every Federal railroad company shall be approved by the Federal railroad board before becoming effective.

Mr. THOMAS. Mr. President, I shall not detain the Senate longer. I know there are many things to be discussed before we reach a vote upon this measure. I know that other Senators who have considered the subject far more profoundly than I must give us the benefit of their experiences and their knowledge. I shall therefore yield the floor, with the reiteration that whatever may be the form of this bill, however it may fail to meet my view of what its requirements should be, I shall feel bound under the circumstances and the situation to cast my vote for its enactment.

Mr. CUMMINS. Mr. President, the immediate question is, I assume, the amendment offered by the Senator from Alabama [Mr. UNDERWOOD]. In opposing the adoption of the amendment it must not be understood that I am in favor of the bill even though the amendment be rejected.

But there is a curious situation just before us that it is worth while to consider for a moment, and it is this: The Senator from Alabama stated this afternoon very clearly and very frankly that he regarded the bill as it now comes from the House as indefensible. It is practically the bill that was reported by the committee of the Senate with the exemption of the amendment which the Senator from Alabama now offers. He was very emphatic with respect to his opinion upon the general merits of the bill. His only reason, and in that I know he is joined by the Senators on the other side of the Chamber, possibly by some on this side of the Chamber, for supporting or advocating the proposal in the bill is that a great calamity is about to fall on the people of the United States, and that we must surrender our views with respect to the propriety of such legislation in order to protect the people of the United States from the most appalling disaster with which they were ever threatened.

The reason is a persuasive one. I am not prepared to say that a Senator ought not to yield much of his opinion in order to accomplish so desirable an object, although for myself it is impossible for me to believe that the consequences with which we are threatened ought to be prevented in the way proposed in the legislation of the House or in the legislation proposed by the committee of the Senate. However that may be, the Senator from Alabama now offers an amendment to the House bill which, if adopted, will, in my judgment, destroy the object of the bill and the reasons which he gave for supporting the bill.

I should like to know whether the Senator from Alabama or any other Senator in the Chamber has any reason to believe that if the amendment proposed by him is adopted by the Senate and becomes a part of the law the executives of the brotherhoods, who alone have the power to avert the threatened strike, will act? I want to know whether he is of the opinion that they will send the telegram or telegrams which yesterday in the hearing before the committee we were advised must be sent in order to prevent the general suspension of traffic at 7 o'clock Monday morning?

Mr. UNDERWOOD. If the Senator from Iowa will permit me——

Mr. CUMMINS. If the Senator is of that opinion, I will be very glad to know it.

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Alabama?

Mr. CUMMINS. In just a moment. I am of the opinion——

The PRESIDENT pro tempore. The Senator from Iowa declines to yield.

Mr. CUMMINS. I will yield in just a moment. I have only an inference to justify it, but I am of the opinion that these brotherhoods will not regard the legislation with the amendment which is proposed by the Senator from Alabama as a satisfactory settlement of the dispute. I yield now to the Senator from Alabama for a question.

Mr. UNDERWOOD. I did not intend to interrupt the Senator, but he seemed to be asking me a question, and I rose for that purpose. I answered that question this afternoon. Probably the Senator was not present at the time. I stated then, and I will state again, that I regard the leaders of the brotherhood of trainmen who represent those men here to be men of character and intelligence. When the Senator asks me if I think men of both character and intelligence would order their men to strike or would withhold an order to keep them from striking because the Congress of the United States passed legis-

lation that they did not like, I must say that I think that is an attack on the intelligence and patriotism of those men.

Of course, they were in a combat with the managers of the railroads. They were making a battle for an increased wage. They did not bring this question to Congress. They did not bring this question to Washington. They were battling in New York, and the question of the Government was not connected with it. The President, in my judgment, very properly endeavored to pacify and ameliorate the situation, and he brought them here. He was unable to succeed, but he did, I am told, secure an understanding with these men that they would withhold their strike order on one condition, and that is that this eight-hour system as a method of raising wages if not agreed to by the railroad companies should be temporarily written into law. Now, if we write it into law it is the same thing as the railroad companies agreeing to it for the six or seven months it is operative, and they have got nothing to go to the country on, nothing to go to their men on.

As to any other legislation that Congress would pass, to say that the intelligent men at the head of these great organizations would order a strike and tie up the great transportation systems of the United States for the purpose of compelling legislation from Congress in their interests, not to settle a dispute that they had brought on as to wages, but to force legislation out of the Congress of the United States by such an act, in my judgment would be nothing short of treason to their country and their flag, and they are too intelligent a set of men to engage in any such proposition, in my judgment.

Mr. CUMMINS. Mr. President, I have known the chiefs of these four brotherhoods for many years, and I have always regarded, and regard it now, as a high honor to reckon them among my friends. They are all intelligent; they are all patriotic. But the Senator from Alabama and all the Senators here must not forget the genesis and the development of this legislation. It is true that these executives of the brotherhoods have not appealed to Congress. They ask nothing of Congress. In my judgment, they came before the President of the United States against their will and because the invitation of a sovereign is always a command. In my judgment they were very reluctant to see the question propounded in Congress at all, and I entirely acquit them of any motive or intent whatsoever to coerce Congress in the least degree. I am as assured as the Senator from Alabama can possibly be that they will discharge what they regard to be their duty without any respect to consequences. Let us see. The President of the United States——

Mr. BORAH. Before the Senator proceeds with that——

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Idaho?

Mr. CUMMINS. I yield to the Senator from Idaho.

Mr. BORAH. The Senator from Iowa says that the representatives of the brotherhood are asking nothing of Congress. In one sense, and technically, perhaps, that is true. But it is known that Congress is legislating here to-night without opportunity to consider and reflect upon the subject matter upon which we are called to vote, and without an opportunity to investigate, for the reason that these men propose to inflict a terrible calamity upon the country if we take the time essential for an intelligent opinion upon this subject. They say to us "unless you legislate by 12 o'clock Saturday night we will involve the country in a calamity. We will not give you an opportunity, which is ordinarily exercised by independent legislators, to determine whether or not we are right. We determine that, and you will legislate or we will inflict this calamity upon the country."

You may say that that is not a threat. I regard it as a threat and I regard that the legislature of this great country sitting here is not legislating according to its own will and according to its own judgment, but by reason of and because of dictation outside of this Chamber. We are not passing legislation of which we have made investigation. We are even told here we can not amend the bill, because it will not meet with their approval; we are mere automatons; we are mere registrars of decrees formulated by others!

Mr. CUMMINS. The Senator from Idaho——

Mr. REED. Mr. President, I desire to make a parliamentary inquiry.

The PRESIDENT pro tempore. Will the Senator from Iowa kindly suspend until the Senator from Missouri——

Mr. CUMMINS. I desire first to answer the Senator from Idaho.

The PRESIDENT pro tempore. The Senator from Missouri has a right to submit a parliamentary inquiry, and that is the purpose for which he has risen.

Mr. CUMMINS. Precisely.

Mr. REED. I do not make this inquiry for the purpose of having any ruling enforced against the Senator from Iowa, but I desire to inquire of the Chair if at present the rule is in effect that when a Senator permits himself to be interrupted for a speech he thereby loses the floor. I do not desire to enforce it against the Senator from Iowa, but if that rule still exists I shall ask that it be enforced hereafter.

The PRESIDENT pro tempore. The Chair is very glad the Senator from Missouri submitted the inquiry. The present occupant of the chair understands that that is not a question which the Chair can decide. The question whether or not a Senator has forfeited the floor by an interruption is for the Senate to decide. It was settled on a yea-and-nay vote of the Senate that the Chair can not interfere as to the time and character of the interruption a Senator will submit to.

Mr. CUMMINS. Mr. President, I yielded to the Senator from Idaho for a question. I did not anticipate the injection into the argument I was making of the view which he has expressed. I do not share that view. I do not believe that the brotherhoods of trainmen are attempting to coerce the Congress of the United States. I am not attempting to defend them in their declaration for a strike. That is their business and they must take the consequences of their action. I think they ought to have postponed the strike until the questions at issue between them and the railway companies could have been fairly and impartially examined. They chose not to do so; and the responsibility for their action lies with them and with the men whom they represent; but they have not asked Congress for legislation; they have not attempted to direct the course of legislation in Congress, if I understand the manner in which the whole subject was developed. I was about to state that when interrupted by the Senator from Idaho.

The President called both parties to the dispute before him. Concerning the wisdom of doing so, I have nothing whatsoever to say; I leave it to his friends upon the other side of the Chamber to eulogize what they believe to be his courage, which, however, may admit of differing opinions. Nevertheless, after examining the dispute he finally made a proposal to the brotherhoods and to the railways. The brotherhoods accepted his proposal. I will not now examine into its merits. The railways rejected his proposal. Thereupon, so far as mediation was concerned, the usefulness of the President of the United States was at an end; and the brotherhoods, wisely or unwisely—I think unwisely—ordered a strike. I am frank to say that I believe in sending to the country the call for a strike among 400,000 employees of the railroads, upon whom we depend just as essentially as we depend upon the atmosphere that we breathe, they have inflicted the severest blow that has ever been laid upon organized labor, as well as the severest blow that could be possibly inflicted upon the innocent people who must bear the consequences of this interruption of commerce. [Manifestations of applause in the galleries.] However, I am not here to review their discretion in this respect, nor do I believe that this legislation should be measured or weighed or analyzed in the light of their discretion or indiscretion in ordering or in concluding that the railway trainmen of the United States shall strke on the 4th day of September.

What then? The President, having failed of mediation, came to Congress. I am not intending to criticize him for a moment for coming to Congress; I am not even going to pause to suggest how he came to Congress; but I am assuming that he came in a perfectly proper way, and, so far as I am concerned, I think he ought to have come to Congress at that time. He recommended a program of legislation which was perfectly understandable by all intelligent men.

The first element in that program was the proposal which he had made to the men and to the railways, which the men had accepted, but which the railways had refused. The second element in that program, and the only other one that I need to consider, was an amendment to our law to take away for a period the right of organized men to strike in concert and by prearrangement. These were the two essentially important things recommended by the President to Congress, and we are considering these things not at the demand of either the union men in the train service of the United States or at the demand of the railways of the United States, but we are considering these things at the demand or under the recommendation of the President of the United States.

The President may have been courageous—and I have no inclination to withdraw from the eminent gentleman who occupies the office of Chief Executive of the Nation any credit for courage or wisdom—but when we are remembering or recalling the beautiful tones of the Senator from Nevada [Mr. NEWLANDS] as he uttered his eulogy upon his chief it must also be remembered that one of the propositions of the President pleased

the brotherhood men; the other proposition pleased the railways; and there was here—possibly properly so—a fair, even balance in the distribution of his favor. But when this was done—when the Committee on Interstate Commerce of the Senate met—these four chiefs appeared before us, not upon their own suggestion but upon our invitation, just as the railway companies appeared upon our invitation and a somewhat meager representation of that vague and indefinite body known as the public appeared before us.

The four brotherhood chiefs stated, without any reluctance, without any hesitation, with the utmost candor, that there was just one way in which the strike which had been called for the morning of September 4 could be averted. It was that they send to their subordinates, the heads of the various unions throughout the country, a message in these terms: "Satisfactory conclusion reached." They declared that if the bill which represented the proposal of the President, and which they had theretofore accepted, and which the railways had refused, was enacted into law they could send that telegram; otherwise they could not and would not. Now, criticize them if you will. I am not entering upon that phase of the matter; but those on the other side who believe that we ought to pass this bill in order to avert a strike, who believe that we ought to pass it because it is satisfactory to the union men, and that upon its passage the telegram which I have mentioned will be sent and the strike averted, had better pause and inquire whether, if the amendment which is proposed by the Senator from Alabama [Mr. UNDERWOOD] is added to the bill, that telegram will be sent.

I do not represent them; I have no authority to speak for them, although possibly I have a better opportunity to know how they feel about the amendment than some Senators; but it is my judgment that, if their right to collective bargaining is ever taken away by clothing the Interstate Commerce Commission with the authority to fix their wages and their hours of labor, they will not send the telegram. I am just stating these things to those who are intending to vote for this bill, and who are intending to vote for it for no other reason than that it will avert the strike. It seems to me that they ought to know, if that is the ground upon which they are proceeding, that when they pass the bill the object will be accomplished.

Mr. President, I am opposed to the amendment without any regard to the effect it might have upon the strike. I am opposed to it because, if adopted, in my judgment it marks the end of our experiment of regulating commerce among the States. It will deprive the 1,800,000 men who are operating our railways in all the various capacities in which men work of the right to bargain and contract; it will take away from all the unions into which railway men are organized the privilege, which they have won through long years of contest, of collective bargaining.

Collective bargaining, Mr. President, is the chief characteristic of the labor union. It is the purpose for which the labor union is organized, the best and the noblest purpose, at least, for which the labor union is organized. It is intended that through collective bargaining there may be produced some equality of condition and situation when they come to contract, to deal with their employer. But it will also take away from the railway companies all their independence, and it will leave them with the power to destroy, if you please, but not the power to protect. It will leave them irresponsible in their management. If the Interstate Commerce Commission fixes rates of wages, hours of labor, the salaries of officers of the corporation, of the agents of the corporation, of the attorneys for the corporation—and, of course, if it fixes the conditions of service of one class of employees it ought to fix the wages or salary of all—then, the commission must be clothed eventually with the power to fix the price of the steel which the railways buy, the ties with which they must build the roads, the couches and locomotives in which they transact their business; and what is left?

The next step is, of course, that the Government, having undertaken to fix everything which the railway company does, must also guarantee the interest upon its bonds and dividends upon its stock. The end of it is, Senators, Government ownership and operation or the effect of such ownership and operation under the most unfavorable and most unsatisfactory conditions.

If we are compelled, in order to do justice among the people of the United States, to take away from all those who have occasion to contract or deal with the common carriers of this country their right to contract, then it is infinitely better for us at once to acquire the railroads and operate them under our own sovereignty and under our own direction. When we accomplish what I have just described, the officers of the railway companies, their general managers, and their superintendents will simply be United States officers, nothing more and nothing less. They will be officers without any sanction as to the performance of their duties and without any sense of responsibility to those who nominally and technically employ them.

I have thought of the matter deeply, and I can not give my assent to this method of fixing wages and salaries and other expenses of railway companies; for, if I must reach the conclusion that the regulation of the Government ought to extend to these things, then I am not for clothing the Interstate Commerce Commission with the power to fix all these relations; but I am for the acquisition of the railways and for their operation directly through officers of the Nation.

Mr. President, while I am on my feet I intend to say what I have to say with regard to the bill itself. I think I was never more conscious of profound regret than I am at this time because of my inability to join with my brother Senators in accomplishing what they believe and what I believe to be a worthy object. I want to avert the strike. No one can overestimate the consequences of the strike. It is impossible to paint the picture in colors that are too lurid to reveal the truth; but it is utterly impossible for me, having some regard to my conscience and my oath to support the Constitution and my views respecting the outcome of legislation of this character, to give it my assent, and very briefly I intend to submit my reasons for the judgment I have formed.

The bill in its title is, of course, not only misleading but positively false. The title of the bill reads in this way:

> To establish an eight-hour day for employees of carriers engaged in interstate and foreign commerce, and for other purposes.

It does not establish an eight-hour day. It has no tendency to establish an eight-hour day. Instead of having a tendency to shorten the hours of labor, its tendency is to lengthen the hours of labor.

Let us see:

> That beginning January 1, 1917, eight hours shall, in contracts for labor and service, be deemed a day's work and the measure or standard of a day's work for the purpose of reckoning the compensation for services of all employees.

If the view of the union men had been preserved, namely, if some penalty had been imposed by way of increased compensation for overtime, the bill, if passed, might have resulted in some shortening of the hours of labor. But the chief motive that would lead the railway companies to abbreviate the hours of labor is eliminated from the bill. Employees are paid for the hours which they labor, no matter whether 8 or 16, pro rata; and it is rather for the interest of the railway companies under this bill to work their men 16 hours every day than otherwise. It was agreed, upon the hearing before the Senate committee, that if this bill were passed the economical thing for the railroad companies to do would be to continue to work their men 10, 11, 12, 13, 14, 15, or 16 hours, sometimes more, rather than to readjust their railway facilities so that the men could complete their runs in 8 hours.

Mr. HUGHES. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from New Jersey?

Mr. CUMMINS. I yield to the Senator.

Mr. HUGHES. I have read the hearings, but, of course, I was not at the hearings. As I say, I read them. It seemed to me that what the Senator has just stated was claimed by one of the presidents, but was not, from anything I saw, admitted by the representatives of the brotherhoods. It seems to me, from what little I know of railroading, that it does not necessarily follow that it would be to the interest, and in fact I am satisfied that in a great many cases it would not be to the interest, of the railroads to continue to work the men 10 hours and pay them overtime even at a pro rata rate. It would be rather to their interest to complete a run, so far as they can, in eight hours. It seemed to me the Senator was overstating it.

Mr. CUMMINS. No; the representatives of the brotherhoods made no statement with regard to the point which I am just discussing, but Mr. Elisha Lee and Mr. Sheean, both representing the committee of conference of general managers of the railways, stated, and no one contradicted it, that upon a survey of the whole situation the railway companies could work their men overtime more economically than they could readjust their division stations and other facilities so that they could conclude their runs within eight hours or within some approximate time.

Mr. HUGHES. As I read that statement it seemed to me that it was part of an advocate's claim rather than an admission of a fact. They were making the point that there was no disposition on the part of the brotherhoods to establish an eight-hour day, but that they were seeking to obtain 10 hours'

pay for 8 hours' labor, and that by reason of what we were doing they would succeed; but I do not know of anything in the testimony on the part of the brotherhood men that would seem to admit that claim.

Mr. CUMMINS. Oh, Mr. President, the brotherhood men have nothing to do with it. The brotherhood men can not determine whether they are to be used overtime or not. They have no will or authority in this matter. If their employers desire that they shall run 12 or 14 hours, they must remain on their trains until their duties are concluded.

But it is not necessary that we shall be able to reduce the statement I have made to mathematical certainty, for it is just good, common, ordinary sense to know that when men receive no more for the hour between 8 and 9 than they receive for the hour between 1 and 2, there is no sufficient motive upon the part of the railway companies to reduce or shorten their hours. I am not suggesting that the brotherhood men do not desire to shorten their hours. I think they do. While they understand perfectly that an eight-hour working day is impossible in the operation of railways as they are now situated, I think they sincerely desire to shorten their hours and ultimately reach an eight-hour day. It was for that reason that in their proposal to the conference committee of general managers they insisted upon time and a half for overtime.

If some such provision as that were in the law—I do not say whether it would be just or unjust—then there would be a tendency to shorten the hours and limit them within those hours beyond which overtime lay, for the railway companies would know that they must pay time and a half for every minute beyond the allotted time.

Mr. HUGHES. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from New Jersey?

Mr. CUMMINS. I yield for a question only.

Mr. HUGHES. Does the Senator think it is within our power to say that for every hour over eight the railroads shall be compelled to pay one and a half times the rate for the hours up to eight?

Mr. CUMMINS. I do not; at least, I doubt it very much——

Mr. HUGHES. I agree with the Senator about that.

Mr. CUMMINS. Just as I doubt very much our power to say what we have said. I think we are passing far beyond our constitutional authority when we say what we have said in the bill.

I suggest to Senators also that so far as the first section of this bill is concerned, there is no value whatsoever in it to the men who labor upon these trains. What avails it to establish an eight-hour working day as a basis for compensation? Nothing. It does not shorten hours, and it does not assure fair and reasonable compensation; for if you were to assume that the men were paid but 1 cent an hour, what good would it do to pay them overtime between 8 hours and 11 or 12, as the case might be? In order to accomplish anything for the men another step must be taken, and the rate of compensation must be ascertained and fixed. Therefore, the first section of this bill is a bald, glittering generality. It accomplishes nothing. It is the brassiest gold brick that was ever tendered the people of the United States or the men who are directly interested in railway operation.

Mr. BRANDEGEE. Mr. President, would it interrupt the Senator if I asked him a question?

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Connecticut?

Mr. CUMMINS. I yield to the Senator from Connecticut.

Mr. BRANDEGEE. I wanted to ask the Senator what there is about the bill, in his opinion, that would induce the men to call off the strike if it were passed?

Mr. CUMMINS. The Senator from Connecticut knows these men. I suggest that he ask them. I would not venture to express their view of it.

Mr. BRANDEGEE. I met the gentlemen at the hearing before the committee yesterday, some of them for the first time; and inasmuch as the Senator had stated quite positively that they would call off the strike if this bill were passed, I thought he might be able to tell us why.

Mr. CUMMINS. The Senator from Connecticut heard that statement just as clearly as I did. I do not ask the Senator from Connecticut to accept it on my responsibility. He was a member of the committee, and he heard it.

Mr. BRANDEGEE. I heard the statement of the men; but, on the Senator's diagnosis of the bill as being a brassy gold brick, I was interested to know what induced the men to accept it and call off the strike.

Mr. CUMMINS. I will presently tell the Senator what I think there is in it that gives the men something.

I will reach that in a moment, and I shall be very glad to give the Senator from Connecticut all the information I have upon that subject. It is all a process of reasoning. I do not know anything more about it than does the Senator from Connecticut.

Mr. BRANDEGEE. Then I do not think I will get much information.

Mr. CUMMINS. The Senator from Connecticut evidently thinks that the passage of this law establishes an eight-hour day for these men. I do not.

Mr. BRANDEGEE. Neither do I.

Mr. CUMMINS. I next ask the attention of the Senate for just a moment to a consideration of what the commission is to investigate. The language of the bill is:

> That the President shall appoint a commission of three, which shall observe the operation and effects of the institution of the eight-hour standard workday, as above defined, and the facts and conditions affecting the relations between such common carriers and employees during a period of not less than six months nor more than nine months.

Mr. President, all that that means, all that it can mean, all that the commission can ascertain, all that it is charged with the duty of ascertaining, is how much it costs the railway companies to pay the overtime provided in this bill during the period of six months or nine months, as the case may be.

To me, the suggestion that a commission ought to be appointed to labor for six months in order to ascertain what it costs the railway companies to pay upon a basis of eight hours instead of upon a basis of ten hours is little less than ludicrous, for one good accountant in the office of each railway company could ascertain those facts and report them either to the President or to the Interstate Commerce Commission just as faithfully and as perfectly as a commission.

Mr. VARDAMAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Mississippi?

Mr. CUMMINS. I yield to the Senator.

Mr. VARDAMAN. The Senator from Iowa is a great lawyer, profoundly learned in the law and the science of government, and of long experience in this body, and of course he recognizes the gravity of the situation which confronts the American people at this time. No man in this body is more capable of grasping great questions and comprehending the scope of national issues than he. Has the Senator any suggestion to make? I grant that this proposed legislation may not be perfect. Really, nothing short of omniscience could bring forth a perfect piece of legislation as suddenly as this has been produced. I have so much confidence in the intelligence and the patriotism of the Senator from Iowa; and I should like to have him, if he can do so, give us some better plan by which we may avert this disaster.

Mr. CUMMINS. Mr. President, I am not insensible to the compliment which has just been paid me by the Senator from Mississippi, and I am sure it is as sincere upon his part as it is delightful upon mine.

Mr. VARDAMAN. The Senator deserves everything that I have said and more, and I am sure he will prove that by answering my question.

Mr. CUMMINS. I made a proposal to the Committee on Interstate Commerce last night; and I shall disclose no more than the mere fact that I did make a proposal, for I would not want the Senator from Mississippi or the Senate to believe that I am entirely barren in this prolific field. How many votes does the Senator from Mississippi think I got for it?

Mr. VARDAMAN. I have no idea.

Mr. CUMMINS. Of course, the Senator from Mississippi has no knowledge on that point; and it is with a very profound humiliation that I now disclose that out of the entire membership of the committee—that is, all the membership then present—not one single member approved the suggestion that I made. I may say, as I think we all ought now to be perfectly frank, that I was the only Republican member present at that time. Inasmuch as my proposal was not in harmony with the suggestion of the President, it received no encouragement from my friends in whom I have the greatest confidence, and whose general zeal for the public welfare, I readily grant, is as great as my own. Does the Senator from Mississippi think that under those circumstances I should bring forward into the Senate of the United States, to a dominant majority like this, held together in bonds not only of affection and tradition, but of fidelity and loyalty, the plan which was so received? No; I do not.

Mr. VARDAMAN. May I ask the Senator, then, what is the purpose of the Senator in speaking? If the Senator has a plan

which would solve the difficulty, probably if the seed were sown in different soil the result might be different. He had a small committee there of a few Senators. Let us have it here in the Senate, and the able Senator might have better luck with his plan.

Mr. CUMMINS. I am speaking with the vain hope that I may convince the Senators here that the bill which we are now considering ought not to be passed.

Mr. VARDAMAN. Does the Senator think we can do nothing?

Mr. CUMMINS. I think it ought not to be passed. I intend to vote against it, and I am trying to give my reasons for it.

Mr. VARDAMAN. Does the Senator think we should do nothing to avert this disaster, but just remain here in a state of stupid inaction and make no effort to avert it? I should like to have the Senator's opinion about this; and I want to tell the Senator I would just as soon have an idea, principle, or policy that would solve this question from him as from the President of the United States or one of my Democratic colleagues. The idea, the policy, the measure, and not the man, is the thing that I am interested in just now.

Mr. CUMMINS. The Senator from Mississippi gives me great encouragement, and before I have finished I intend to put before him, knowing his friendly mood, at least his receptive attitude, the proposal that I laid before the Committee on Interstate Commerce last night, and I really hope that I may have one follower in this desert land.

Mr. VARDAMAN. I want the Senator to understand that I do not commit myself to his policy in advance.

Mr. CUMMINS. That is a very wise precaution. No man dare—I withhold that—I almost said that in these days no man dare pledge himself to follow the lines of reason and logic, but I know that is not true of the Senator from Mississippi.

Mr. President, I now come to the only part of this bill which is not sham and pretense, and I use those words without any offense whatsoever. There is a part of the bill that does something, and possibly if the Senator from Connecticut [Mr. BRANDEGEE] is now listening to me he will understand why the men who are involved find themselves able to favor it. Section 3 of the bill provides:

> That pending the report of the commission herein provided for and for a period of 30 days thereafter the compensation of railway employees subject to this act for a standard eight-hour workday shall not be reduced below the present standard day's wage, and for all necessary time in excess of eight hours such employees shall be paid at a rate not less than the pro rata rate for such standard eight-hour workday.

As I remarked, we are not adopting an eight-hour day for the safety, for the benefit, for the health, for the development of the working man. I am for an eight-hour day's work. I believe that, as the President said, it is the civilized sense of mankind that in the great majority of employments men ought not to be required to work more than eight hours.

This bill does nothing of that sort, and it has no tendency to accomplish anything of that kind, but it does say in just so many words that the trainmen—I will not pause to inquire who are trainmen—but the trainmen of the United States shall receive, until this commission reports, wages for eight hours' work which they have heretofore been receiving for 10 hours' work. This legislation simply advances for this short period the compensation or wages of certain trainmen in the country. That is all that it accomplishes. I am not sure that it will accomplish it either, because, although there are heavy penalties laid upon railway companies if they do not make the payments that are here required, I see by to-night's paper that the astute counsel of these great corporations have already decided that that part of the law, if passed, is unconstitutional, and at least some of them will not obey it, and if they do not obey it falls to the ground so far as the railway men are concerned. But I am assuming that they will obey it and will pay these trainmen for overtime above eight hours, and that their compensation will in that way be raised from 15 to 25 per cent during the period of 11 or 12 months that this situation is to exist.

I do not know whether they ought to be paid more than they are now being paid or not. I should like to know whether the members of the Senate are informed on that point. How many Senators have examined the subject sufficiently to know whether the trainmen of the United States are suffering any greater injustice on account of compensation than all other employees of the railway companies of the country? I do not know and there is not a Senator here knows. There is not a Senator here who knows how much the trainmen are now receiving. You may know of an isolated instance; but let me tell you a most remarkable thing. The Committee on Interstate Commerce sat yesterday from 9 o'clock in the morning with scarcely an interruption until half past 7 in the evening and we heard nine hours or more of uninterrupted discussion and argument and statements, and from the beginning of that hearing to the end of it no man who appeared before us, whether he represented a brotherhood, whether he represented the railways, or whether he represented the shippers, or whether he represented the public, even suggested what these men are now receiving as compensation.

The committee which reported this bill—I am not now speaking of the House, of course; I do not know how much information the committee of the House had upon this subject, but the committee which reported the bill in the Senate had no information of any kind respecting the present compensation of these men. I am quite ready to believe that it is not all that it should be. That inference, however, is simply one which I deduce from the general wage situation of the United States.

I have been in the habit of believing that there are a great many workingmen in the United States who are not receiving what they ought to get, but how can I vote to increase during a period of 11 months the wages of these men and do it by mere legislative enactment without any inquiry, without any information? How can I vote to increase their compensation during this time in the amount which this bill proposes? I for one find it utterly impossible.

Mr. GALLINGER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from New Hampshire?

Mr. CUMMINS. I yield.

Mr. GALLINGER. I will ask my friend, the Senator from Iowa, if the information that he says he did not obtain and he feels sure none of us is in possession of might not have been ascertained by asking a question of those men.

Mr. CUMMINS. No; it could not, Mr. President, in my judgment, because that information would be scattered over records so vast that it would be impossible for anyone to have carried their contents in his mind. All that any man could have said would have been the aggregate paid to these employees. That was stated. The aggregate compensation paid to these employees was stated. The aggregate compensation paid to all other railway employees was stated. The aggregate compensation paid to the officers and office force of the railway companies was stated; but I do not know how much the engineers, the firemen, the conductors, the brakemen, and any others who are affected by this measure are receiving at this time. They are not receiving the same in Pennsylvania that they receive in Iowa. They are not receiving the same in Arizona that they receive in Maine. There is no uniformity in compensation. There is not even uniformity in standards. Whoever composed this bill I think overlooked the fact that the standards of compensation vary upon different railroads and in different parts of the country. It provides—

> That pending the report of the commission herein provided for and for a period of 30 days thereafter the compensation of railway employees subject to this act for a standard eight-hour workday shall not be reduced below the present standard day's wage.

There is no standard day's wage. There is a rule applicable over certain territory with certain railroads for the ascertainment of the wages of these employees, especially if they be engineers, conductors, and brakemen, who are compensated according to the distance run and the time involved in running it.

Mr. CHILTON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from West Virginia?

Mr. CUMMINS. I yield to the Senator.

Mr. CHILTON. I think W. S. Carter, who is the head of one of the brotherhoods, appeared before your committee.

Mr. CUMMINS. He is the head of one of the brotherhoods.

Mr. CHILTON. Did he not give a statement of the rates of wages per hour in the different employments in the United States?

Mr. CUMMINS. I did not hear it if he did.

Mr. CHILTON. I notice on page 127 of the hearings before your committee a statement from him was produced before the committee giving the rates of wages per hour in the different employments.

Mr. CUMMINS. Mr. President, that is true.

Mr. CHILTON. I had not finished.

Mr. CUMMINS. The Senator must make it a question, if he will.

Mr. CHILTON. I find on that same page he compares the wages of trainmen with the wages of workmen and shows that they are about one-half the standard per hour engaged not in so hazardous employments as that of firemen and engineers. He gives that statement at page 127.

Mr. CUMMINS. The Senator from West Virginia is wrong. Mr. Carter delivered a table which had some time been written

and published and was printed as one of the exhibits to his testimony, but there is nowhere in it, as I remember, information with regard to what the wages of these men are throughout all portions of the United States. There is a comparison between certain men and certain other men, but the Senator from West Virginia knows that there was no attempt to indicate how much a brakeman in West Virginia was getting. If the Senator from West Virginia knows, I should like to know how much a brakeman from Grafton to Wheeling makes in a month.

Mr. CHILTON. The Senator from West Virginia does not undertake to give any information at all; he is not on the committee; but the Senator from Iowa made a pretty broad statement that there was nothing from which a judgment could be derived. This is the report of the committee of which he is a member, and it has been printed, and it is a correct statement of the wage per hour received by people engaged in different employments.

Mr. CUMMINS. I can not yield for an argument; I yield for a question only. I say that is not the testimony to which I referred, but it is a statement published long ago, and I have no doubt it is accurate; I have no reason to doubt it. My statement should have been qualified.

Mr. THOMPSON. Will the Senator yield for a question?

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Kansas?

Mr. CUMMINS. I yield.

Mr. CHILTON. Let me finish the statement.

Mr. CUMMINS. The Senator from West Virginia desires a word.

Mr. CHILTON. I do not intend to allow the Senator from Iowa to misconstrue what I said, and I want to hasten to say to him I did not accuse him of making a misstatement. I simply said in the haste he had not read the evidence from his own committee, that was all. I know the Senator is honorable and that he would not make a misstatement, but certainly he is not sticking to the record. I do not make any criticism of him for not having read it, but still it is contained in the report, and I have read it.

Mr. THOMPSON. Mr. President——

Mr. CUMMINS. Just a moment, until I answer the Senator from West Virginia. It was put in the record. I do not doubt its accuracy, nor is anything it contains in conflict with the statement which I made, as I understand the statement. I now yield to the Senator from Kansas.

Mr. THOMPSON. The Senator from Iowa will remember that there is no general complaint of the wages per day, but there is complaint by the employees as to the length of the day. They desire an 8-hour day instead of a 10-hour day. That is their principal contention in this controversy.

Mr. CUMMINS. I was about to state that.

Mr. THOMPSON. I can give the Senator from Iowa the wages over the country if he cares to have them, which I have received from trainmen. There is an established schedule.

Mr. CUMMINS. Yes; I have received very many of those statements, too. I do not care to have the Senator interject those now; but I want to say to the Senator from Kansas that I agree with him. I have no patience with this criticism of the men of the union that all they desire is an increase of wages. I know it is not true. I know that they desire that their hours shall be shortened, and I would like to do something to shorten their hours instead of doing something to lengthen them.

Mr. THOMPSON. They desire eight hours for a day's pay, and then pay for overtime if they are required to work overtime.

Mr. CUMMINS. There is no effective way of shortening the hours unless the railroads are penalized for working them overtime.

Mr. REED. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Missouri?

Mr. CUMMINS. I yield.

Mr. REED. If the railroads were required to pay time and a half for all overtime, that would be, in the opinion of the Senator, a penalty?

Mr. CUMMINS. It would be a penalty, but I am not prepared to say that is a proper penalty.

Mr. REED. Very well; it would be a penalty. If they are required to pay two-thirds of this amount for working overtime, is not that two-thirds the same penalty?

Mr. CUMMINS. No; it is not a penalty at all.

Mr. REED. If a man has worked anywhere from 8 to 16 hours and gets $5 for the entire time, and we change the scale of wage so that if he works 8 hours he gets his $5, and if you make him work 16 hours he gets the rate of pay for each additional hour that he would receive for the 8 hours, so that he would get for the 16 hours something like $15 instead of getting $5, as he does under the present system, how can the Senator say that is not a penalty upon the roads—that it does not increase the pay that much?

Mr. CUMMINS. Possibly the Senator from Missouri and myself do not use the word "penalty" in the same sense. The employee will get more money——

Mr. REED. The roads will have to pay that much more.

Mr. CUMMINS. If paid for overtime on an 8-hour basis, then he would get more than if paid for overtime on a 10-hour basis.

Mr. REED. Yes; of course he will, and the roads complain that it will cost them many millions of dollars.

Is it not true that that many millions of dollars is in the nature of a financial penalty visited upon the roads for working the men overtime, and to that extent an inducement for the roads to try and complete the day's work within the eight hours?

Mr. CUMMINS. I coupled up the statement I made with the remarks some time ago that the railway companies said, and they produced their figures, as they always do, to prove their conclusions, that instead of trying to shorten the hours in which the men should work, it would be more economical for them to pay the overtime than it would for them to change their facilities so that they could make their runs within the time.

Mr. REED. Has some railroad president said that?

Mr. CUMMINS. No.

Mr. REED. Or has some manager said that? Does the Senator believe that?

Mr. CUMMINS. I believe it is partially true.

Mr. REED. Partially true, but also partially untrue.

Mr. CUMMINS. I do not know to what extent it is true or untrue. I can well understand, and the Senator from Missouri can understand, that it will be a very considerable expense to the railway companies to shorten their runs so that they can all be made in eight hours. If the basis be 12½ miles per hour, the run then must be not more than a hundred miles in length, and the division stations must be changed; their passing facilities must be reconstructed. I accept, with some reliance, the view of the statisticians that they would pay the overtime rather than reconstruct the business and their facilities.

Mr. REED. If the Senator will pardon me one more question—he has been very kind about yielding—is it not true that, according to the standards fixed, a hundred-mile run is now regarded as a day's work, and that the great majority of the runs are arranged on the hundred-mile basis?

Mr. CUMMINS. No; not in the sense in which the Senator from Missouri means it. A hundred miles at 10 miles an hour is now the basis for compensation for overtime; but the actual run is more than a hundred miles, even though made at a speed of 10 miles an hour.

Mr. REED. It is more than a hundred miles in some instances, but not in all instances.

Mr. CUMMINS. I think in the western country the average run is over 120 miles; there is no uniformity about that. In my own State, for instance, the average run is nearly 150 miles for most of the freight trains; but the basis of compensation at this time has nothing whatever to do with the actual distance run. The railroads take a hundred miles and 10 hours as a basis, and for the man to earn his day's pay the run must be 10 hours or less or a hundred miles or less. He gets pay accordingly. What the men want is a basis of twelve and a half miles per hour and eight hours or less.

Mr. REED. If the Senator will pardon me another question, is not the Senator of the opinion that the public has a right to insist, in these days of rapid transportation, that freight shall be moved at least twelve and a half miles an hour, which is about three times as fast as an ordinary able-bodied man can walk?

Mr. CUMMINS. I rather think so; but I am not qualified to judge of that. The Senator from Missouri must recollect this is not running time. The time begins when the man is called from his bed in the morning, or at least when he reports.

The time occupied in starting, the time occupied on the sidings, the time occupied in all the delays that are incident to railway operation is included.

Mr. REED. I understand; but the fact remains that the railroads of this country have been very much in the habit of moving freight very slowly, and that the public has suffered thereby. If they had a little stimulus to move those trains along at least at the rate of twelve and a half miles an hour, would not that be a good thing for the shipping public?

Mr. CUMMINS. I quite agree with the Senator from Missouri, although I am not prepared to say that trains under all circumstances could be moved at the average rate of 12½ miles an hour. Anything that will increase the speed, within the bounds of safety, ought to be encouraged. But, now, mark: I agree that these men will get an advantage for the next 11 months; they will get more pay than they are now getting. The railroads estimate that they will get $61,000,000 more pay in a year under this bill, while the men themselves estimate that they will get from $20,000,000 to $30,000,000 more pay in a year than they are now getting. Now, I should like to see everybody rich and everybody get all the money that he wants; but I am not prepared to vote to increase the pay of these men without investigation or information for either 11 months or for any other period. I had much rather leave these men with their natural powers of bargaining, their collective power of dealing with the railway companies. They have advanced from comparative slavery to their present high estate——

Mr. REED rose.

Mr. CUMMINS. I beg the Senator's pardon. I hope he will not interrupt me again just at this moment.

They have advanced from a state of comparative servitude to their present high condition because they have organized themselves and have dealt like men with their employers and upon equal terms. I, for one, do not want by my vote to take away from them, or to begin the course that will take away from them, that only weapon which will at the same time make free men of them and give them adequate compensation.

Now, let us see what will happen at the end of 12 months. At the end of that time the commission will have reported. As I said a few moments ago, while its powers are rather vague, I do not believe that it can do much more than report the expense to the railway companies of this increase that we grant in the bill.

What then? The very moment they report, the force of the law which I am now considering is at an end; the railway companies are no longer obliged to pay them according to the present standard of compensation. Let us assume that the recommendation of the commission will be against the eight-hour working day as a basis for computing compensation with the present standard of wages; let us suppose the commission is against it; and it may be very fairly assumed that it will be if we are to believe—and I have great sympathy with it—a statement made yesterday, that it is very hard, it is very difficult, indeed, to secure an impartial commission to determine what shall be paid by a railway company to its employees. You must take the commission either from those who are interested in the employees or on that side of the controversy, or upon the other side of the controversy; and it has been the experience of the past that usually the deciding voice of any such commission was from that element in society which had little sympathy with the advance in the rate of wages.

Suppose that the decision is against the increased wages, what then? What will the men do? Will they surrender what they have been receiving for a year or a half year, and continue to work under the old conditions, under the old wages, or will they strike? What do you think they will do? The Senator from North Carolina [Mr. SIMMONS] said this afternoon that in the meantime we might prepare some legislation. What legislation? I challenge any Senator here to instance the kind of legislation which is to take care of that emergency. Is it legislation which is to deprive the union men of the country from quitting work in a body? Who on the other side of the Chamber suggests that sort of legislation?

Mr. UNDERWOOD. Mr. President, will the Senator yield, inasmuch as he has offered a challenge?

Mr. CUMMINS. I yield to the Senator.

Mr. UNDERWOOD. I desire to say that, so far as I am individually concerned, I have sent to the desk proposed legislation which, in my opinion, meets the question.

Mr. CUMMINS. Precisely.

Mr. UNDERWOOD. I do not know what anybody else would do.

Mr. CUMMINS. I know; that is precisely it. I was coming to that. I assume that you do not propose at this time that after the commission which we are now to appoint has decided that the increased wages ought to be paid no longer, or, at least, are not justified, you are not intending—and I hope some Senator will correct me if I am wrong—to pass a law which shall forbid the union men from striking. If you are not, then what is the remedy to be applied at the end of the six months? The Senator from Alabama has a remedy, and he is the only man here who has had the courage and the independence to propose any such remedy. He takes the railroads entirely out of the hands of the owners and of the operators and gives to the Interstate Commerce Commission the authority to fix the hours of labor and the compensation for labor. I have said all that I care to say with regard to that amendment to this proposed law or to any law. I am unalterably opposed to it. I think that it will destroy every valuable thing which we have created in the last quarter of a century respecting the government of these instrumentalities, so that, as the Senator from Alabama has said, if you dismiss his amendment, at the end of 11 months you will have just the same situation that you have now. You will have men who have enjoyed for a little period increased wages, and then chaos. Do you think that the railway companies will continue to pay the increased wages? They will not do it now, and why should they do it then? They have resisted the demand now to the point of an utter annihilation of commerce. Have you any reason to believe that they will do it at the end of six months? No. With the best of feeling in the world I say to those who have proposed this measure that you are keeping the promise to the ear and you are breaking it to the hope; you are striking not only at the integrity of organized labor but you are destroying the independence of industry; and if we can not find any other solution of the difficult problem we had better far suffer the catastrophe which seemed so imminent a few days ago.

I do not intend to forget my promise to the Senator from Mississippi. If I could write just at this time the measure which ought to be passed, it would be directed wholly to the present emergency; it would be entirely a temporary measure. I would create a commission authorized to examine this subject, to examine the exact dispute between the union of railway men and the railway companies; and I would suspend during the examination the privilege of striking in concert. You now have the solution that I would propose for this difficulty. In connection with that it ought to be said that I am not in favor, however, as a permanent law, of taking away from union labor the right to strike in concert, unless there is substituted for that right under these grave contingencies and impending catastrophes a tribunal in whose justice I would have profound confidence.

Mr. VARDAMAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Mississippi?

Mr. CUMMINS. I am about to yield the floor. It is not the work of a moment or the work of a week to pass legislation of that character.

Mr. VARDAMAN. Mr. President, I want to ask the Senator a question before he takes his seat. It seems to me that this proposed measure is only temporary. Now, if it serves to bridge the chasm, the Congress will meet again in December before any harm could possibly result from its enactment, and whatever defects there may be found to exist in this measure Congress could then supply them.

Mr. CUMMINS. I think so——

Mr. VARDAMAN. The Senator will remember that on yesterday I suggested that an effort be made on the part of Congress to induce the brotherhoods or the leaders to postpone the strike in order that time might be given for the consideration of this great question. I am opposed to this sort of hasty legislation, just as the Senator is, but I think that if this measure is passed it will be acceptable to the employees of the railroads, and no harm can possibly result to the railroads. It will, as I have said, bridge the chasm, and possibly enable Congress to deal intelligently with this question, and save the country the disaster that would follow a strike at this time.

Mr. CUMMINS. Of course the only difference between the Senator from Mississippi and myself is that he asks for the delay, and I would take it; but I am moved by the suggestion just made to another suggestion. He says no harm comes from this. Is that true? If these men are justly entitled to the compensation which is given to them, then those who pay the freight rates ought willingly and cheerfully to advance the freight rates, if that be necessary, in order to bear the increased burden which is put upon the railways; but I am not so convinced of the justice of advancing for this period the compensation of these men in contradistinction to the compensation of any other men, knowing that the President of the United States intends that the Interstate Commerce Commission shall add this additional expense to the freight rates of the country. The Senator from Nevada [Mr. NEWLANDS] was quite right when he said that the President had courage. He had the courage to state to the Congress of the United States with perfect frankness that he desired a bill passed which would refer the report of the commission which is proposed to be created to the Interstate Commerce Commission, and that that commission should accept the findings of increased expense, if the findings were of that char-

acter, and that, then, if other revenues of the railway companies were not sufficient to absorb the additional wages, the rates of freight should be increased. I am afraid, Mr. President and Senators, that in the transfer of the expense incidental to legislation of this kind from the railways to the public they will not only be increased as they actually exist, but if the expenses are increased $20,000,000 the rates may be increased $40,000,000. That is the history of all such transfers as the one I have just described. It always happens that in passing the burden along there is an immense weight added to it; and I believe, Mr. President, that it is due to the great body of the people, who ultimately must pay the cost, that there should be more careful investigation and more accurate knowledge before we, by legislation, advance for a period the compensation of any given class of employees.

Mr. SHAFROTH obtained the floor.

Mr. NEWLANDS. Mr. President, will the Senator yield to me for just one moment?

The PRESIDENT pro tempore. Does the Senator from Colorado yield to the Senator from Nevada?

Mr. SHAFROTH. I yield to the Senator from Nevada.

Mr. NEWLANDS. I should like to see whether we can not reach an understanding regarding a time to vote to-morrow. I would suggest that we proceed to vote upon any amendment that may be pending and upon the bill itself at 3 o'clock to-morrow; that a recess be taken to-night until 10 o'clock to-morrow, and that beginning at 12 o'clock the length of speeches be confined to 20 or 30 minutes upon the bill and 5 minutes upon any amendment.

The PRESIDENT pro tempore. Has the Senator reduced his request to writing?

Mr. NEWLANDS. I have.

The PRESIDENT pro tempore. The Senator will please send it to the desk and let the Secretary read it.

The SECRETARY. The Senator from Nevada asks unanimous consent that at not later than 3 o'clock p. m. on Saturday, September 2, 1916, the Senate will proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill (H. R. 17700) to establish an eight-hour day for employees, and so forth, through the regular parliamentary stages to its final disposition, the vote upon the final passage of the bill to be taken not later than 6 o'clock p. m. on the said day; and further that after the hour of 12 o'clock noon on said day no Senator shall speak more than once nor longer than 30 minutes upon the bill nor more than once nor longer than 5 minutes upon any amendment offered thereto.

The PRESIDENT pro tempore. Is there objection?

Mr. GALLINGER. Mr. President, let me suggest to the Senator that he make the time shorter than 30 minutes.

Mr. VARDAMAN. Make it 15 minutes.

Mr. NEWLANDS. What would the Senator suggest?

Mr. GALLINGER. I would suggest 15 minutes.

Mr. NEWLANDS. I will adopt that suggestion.

Mr. KENYON. Mr. President, I should like to suggest making the limit 10 minutes after 12 o'clock. That is time enough.

Mr. LANE. Let it begin right now, Mr. President.

Mr. NEWLANDS. I will assent to that, if it is agreeable to the Senator from New Hampshire.

Mr. GALLINGER. While I do not speak in my own interest, because I probably shall not occupy 2 minutes, if I occupy 1, yet I think 15 minutes is a better period. I think it would satisfy more Senators.

Mr. VARDAMAN. Make it 15 minutes. That will do.

Mr. NEWLANDS. Very well, then. I will modify the request to that extent.

The PRESIDENT pro tempore. Is there objection to the request in its modified form?

Mr. KENYON. Mr. President, 15 minutes each would enable only 12 Senators to speak. There are a good many Senators here who would like to speak only 5 or 10 minutes. Do I understand that we begin voting at 6 o'clock?

Mr. NEWLANDS. We will commence voting at 3 o'clock.

Mr. KENYON. The arguments, however, are to cease at 3 o'clock.

Mr. GALLINGER. Except on amendments.

Mr. McCUMBER. Mr. President, I want to say to the Senator from Nevada that if he begins this limitation of debate at 12 o'clock it does seem to me he ought to extend the time until 4 o'clock and make the limit 15 minutes in order to give everyone an opportunity to speak on the bill, if he so desires.

Mr. NEWLANDS. Does that meet the approval of the Senator from New Hampshire?

Mr. GALLINGER. I think it is a very desirable suggestion to extend the time to 4 o'clock.

Mr. STONE. Mr. President, I am rather curious to know why Senators care to speak 10 or 15 minutes. What is the object of speaking? Is it merely to get a personal expression of opinion in the RECORD, or to influence the action of the Senate?

Mr. BORAH. Certainly not the latter.

Mr. STONE. Then, if it is the former, if it be possible, I should like some sort of leave to print and put it in the RECORD, so that we can get to a vote. It is absolutely nothing but a waste of time—we all know that—for Senators to get up here and consume 10 and 12 minutes in a speech that goes into the RECORD explaining why they are for or against this thing or the other. The best way of expressing their opinion is by a yea-and-nay vote.

The PRESIDENT pro tempore. The Chair will remind Senators that a request for unanimous consent is not debatable.

Mr. STONE. I am aware of that; but the Chair had permitted it.

The PRESIDENT pro tempore. The Chair had not. The Senator is mistaken about that. The Chair permitted suggestions about modifications of it.

Mr. STONE. I am through, however.

Mr. NEWLANDS. Mr. President——

The PRESIDENT pro tempore. In what form does the Senator submit his request for unanimous consent? How does he modify it—by inserting 10 minutes instead of 30, or 15 minutes?

Mr. NEWLANDS. Fifteen minutes after 12 o'clock.

The PRESIDENT pro tempore. All right.

Mr. WILLIAMS. What is the request? I ask to have it stated.

The PRESIDENT pro tempore. It will be read.

Mr. NEWLANDS. It is that we commence voting at 4 o'clock instead of 3. Is it agreeable to the Senator that debate shall end at 4 o'clock—that there shall be no further debate after that time?

Mr. GALLINGER. Oh, yes.

Mr. LA FOLLETTE. Mr. President, I understood that there would be five minutes' debate upon amendments after 4 o'clock or after 3 o'clock, whatever time is fixed.

Mr. GALLINGER. Certainly.

Mr. WILLIAMS. I ask that the request may be read.

The PRESIDENT pro tempore. The Chair will say to the Senator from Mississippi that as soon as the Senator from Nevada determines the text of the request it will be stated to the Senate.

Mr. NEWLANDS. I am trying to reach an understanding, and there are different views, of course, and I want to satisfy everybody. It is proposed, therefore, that we shall take a recess until to-morrow at 10 o'clock——

The PRESIDENT pro tempore. We will have to dispose of this matter before we can dispose of that.

Mr. NEWLANDS. That from 12 o'clock on the speeches shall be limited to 15 minutes upon the bill and 5 minutes upon the amendments, and that no Senator shall speak more than once, either upon the bill or upon the amendments.

The PRESIDENT pro tempore. At what hour will that limitation become effective?

Mr. NEWLANDS. And that at 4 o'clock we shall proceed to vote, without debate except upon amendments, and that debate upon amendments be limited to five minutes.

The PRESIDENT pro tempore. The Secretary will state the request.

The SECRETARY. The Senator from Nevada asks unanimous consent that at not later than 4 o'clock p. m. on Saturday, September 2, 1916, the Senate will proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill (H. R. 17700) to establish an eight-hour day for employees, and so forth, through the regular parliamentary stages to its final disposition, the vote upon the final passage of the bill to be taken not later than 6 o'clock p. m. on the said day, and further that after the hour of 12 o'clock noon on said day no Senator shall speak more than once nor longer than 15 minutes upon the bill nor more than once nor longer than 5 minutes upon any amendment offered thereto.

Mr. LA FOLLETTE. Mr. President——

Mr. WILLIAMS. Mr. President, I suggest to the Senator from Nevada that he put in the word "calendar" just prior to the word "day," for fear of some misconstruction as to the meaning of the word.

The PRESIDENT pro tempore. That amendment will be made. Is there objection to the request in its present form?

Mr. McCUMBER. Mr. President, as the Secretary read the proposition there was no reference to 4 o'clock.

The PRESIDENT pro tempore. Yes; there was.

Mr. McCUMBER. I should like to hear that part of the proposed agreement read.

The PRESIDENT pro tempore. The Secretary will read the proposed agreement again.

The SECRETARY. The Senator from Nevada asks unanimous consent that at not later than 4 o'clock p. m. on the calendar day of Saturday, September 2, 1916, the Senate will proceed to vote, and so forth.

The PRESIDENT pro tempore. Is there objection to the request?

Mr. BRANDEGEE. Mr. President——

Mr. LA FOLLETTE. Mr. President, if I understand that request, under it a Senator might get the floor at 10 o'clock and hold it until 12, using two hours of the time.

The PRESIDENT pro tempore. Yes.

Mr. LA FOLLETTE. Thereafter no Senator would have an opportunity to speak more than once upon the bill, and then not longer than for 15 minutes.

The PRESIDENT pro tempore. That is true.

Mr. LA FOLLETTE. If that is the form of the request, I object to it.

Mr. NEWLANDS. Will the Senator suggest a modification of it that will be satisfactory to him?

Mr. WILLIAMS. Yes; to put it in operation right now, instead of at 12 o'clock.

Mr. NEWLANDS. I was addressing myself to the Senator from Wisconsin.

The PRESIDENT pro tempore. If the Senator from Wisconsin will suggest some modification that would please him, that will dispose of the matter.

Mr. BRANDEGEE. I was going to call attention to the same thing the Senator from Wisconsin has suggested, and I was going to ask the Senator from Nevada if he would have any objection to making the 15-minute rule apply at the opening of the session to-morrow.

Mr. NEWLANDS. None whatever.

Mr. BRANDEGEE. Then, it will be fair to everybody.

Mr. SMITH of South Carolina. That is right.

Mr. NEWLANDS. Would that be satisfactory to the Senator from Wisconsin?

Mr. LA FOLLETTE. Mr. President, I perhaps might be the one most likely to transgress and consume the two hours' time if I succeeded in getting the floor.

The PRESIDENT pro tempore. The modification now proposed by the Senator makes the limitation operative at 10 o'clock.

Mr. LA FOLLETTE. I suggest that the first two hours be split up into 30-minute speeches.

Mr. PENROSE. That is all right.

Mr. NEWLANDS. That is entirely satisfactory.

Mr. SHERMAN. Mr. President, I shall make no objection to fixing a time for a vote; but I wish to say for myself that Congress is creating a precedent that will return to plague it unto the utmost generation.

The PRESIDENT pro tempore. We are now considering a request for unanimous consent, and the Chair has called the attention of some Senators to the fact that it is not debatable.

Mr. SHERMAN. I shall not intervene to delay the consideration of this bill under the restrictions named, nor to take a roll call in accordance with the order to be entered, as I understand, by unanimous consent; but never in the history of Congress or of this country has a matter of this importance, creating a legislative precedent that will turn Congress into an arbitration board for all time, been disposed of with so little consideration for the interests of the entire country. Congress is put in a craven attitude—an attitude of being incompetent to represent the American people.

The PRESIDENT pro tempore. The Chair feels compelled to call the Senator's attention to the fact that a request for unanimous consent is not debatable.

Mr. HUGHES. The Senator does not object, as I understand.

Mr. SHERMAN. I want to have inserted in the CONGRESSIONAL RECORD what I have said. With that I am content. The rest of the time I will get in under the five-minute rule. If I can not say enough in 5 minutes, it will not be my fault, and in 15 minutes I can improve on it considerably.

Mr. BRANDEGEE. Mr. President, does not the roll have to be called before the agreement is made?

The PRESIDENT pro tempore. Unquestionably, whenever we agree on the text of the proposed unanimous-consent agreement.

Mr. LANE. Mr. President, I think any Senator is capable of saying all that we want to hear in 10 minutes. I suggest that the limitation be 10 minutes, and I shall object to a longer time.

The PRESIDENT pro tempore. That has been objected to. Fifteen minutes has been objected to.

Mr. LANE. I withdraw my objection, then.

Mr. NEWLANDS. Mr. President, I should like to have the Secretary state the proposed unanimous-consent agreement so that it can be clearly understood.

Mr. GALLINGER and other Senators addressed the Chair.

The PRESIDENT pro tempore. The Chair will not recognize any Senator until he can do so understandingly. The Senator from Nevada has the floor.

Mr. NEWLANDS. Do I understand that we have reached an agreement in regard to the matter?

Mr. GALLINGER. I would suggest to the Senator from Nevada that under the rule the roll must be called.

Mr. NEWLANDS. Yes.

Mr. GALLINGER. During the calling of the roll I think the Senator from Nevada can adjust the differences, and unanimous consent will then be given.

The PRESIDENT pro tempore. Nothing can be done during the roll call. Let us agree on the text before it is submitted to the Senate on a roll call. If there is objection, it is useless to call the roll.

Mr. PENROSE. Let the roll be called.

The PRESIDENT pro tempore. Is there objection to the request in its present form? The Chair hears none. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gallinger	Nelson	Smith, Ga.
Bankhead	Gronna	Newlands	Smith, Md.
Beckham	Hitchcock	Overman	Smith, S. C.
Borah	Hughes	Owen	Smoot
Brady	Husting	Page	Sterling
Brandegee	Jones	Penrose	Stone
Bryan	Kenyon	Phelan	Swanson
Chamberlain	Kern	Pittman	Taggart
Chilton	La Follette	Pomerene	Thomas
Clapp	Lane	Ransdell	Thompson
Clarke, Ark.	Lea, Tenn.	Reed	Underwood
Cummins	Lee, Md.	Shafroth	Vardaman
Curtis	Lewis	Sheppard	Wadsworth
Dillingham	McCumber	Sherman	Walsh
du Pont	Martin, Va.	Shields	Warren
Fletcher	Myers	Simmons	Williams

Mr. POMERENE. I was requested to announce the unavoidable absence on account of illness of the Senator from Delaware [Mr. SAULSBURY].

Mr. HUGHES. I wish to announce that the Senator from Kentucky [Mr. JAMES] is unavoidably absent on important business.

Mr. SHEPPARD. I desire to announce the unavoidable absence of my colleague, the senior Senator from Texas [Mr. CULBERSON].

The PRESIDENT pro tempore. Sixty-four Senators have answered to their names. There is a quorum present. The unanimous-consent agreement will stand, a quorum being disclosed.

RECESS.

Mr. NEWLANDS. I move that the Senate take a recess until 10 o'clock to-morrow morning.

The motion was agreed to; and (at 11 o'clock p. m.) the Senate took a recess until to-morrow, Saturday, September 2, 1916, at 10 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate September 1, 1916.

FIRST ASSISTANT SECRETARY OF THE INTERIOR.

Alexander T. Vogelsang, of San Francisco, Cal., to be First Assistant Secretary of the Department of the Interior, vice Andrieus A. Jones, resigned.

COLLECTOR OF CUSTOMS.

George P. Woollen, of Dyersburg, Tenn., to be collector of customs for customs collection district No. 43, in place of Charles B. Quinn, whose term of office will expire by limitation September 8, 1916.

APPOINTMENT IN THE ARMY.

QUARTERMASTER CORPS.

Charles P. Daly, chief clerk, office of the Quartermaster Corps, United States Army, to be military storekeeper in the Quartermaster Corps, with the rank of captain from August 29, 1916.

REGISTER OF LAND OFFICE.

James Walter Mee, of Centerville, S. Dak., to be register of the land office at Rapid City, S. Dak., vice Orin M. Lane, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate September 1, 1916.

FIRST ASSISTANT SECRETARY OF THE INTERIOR.

Alexander T. Vogelsang to be First Assistant Secretary of the Interior.

FIRST ASSISTANT POSTMASTER GENERAL.

John C. Koons to be First Assistant Postmaster General.

RECEIVERS OF PUBLIC MONEYS.

William O'Leary to be receiver of public moneys at Minot, N. Dak.

James J. O'Keane to be receiver of public moneys at Vancouver, Wash.

PROMOTIONS IN THE NAVY.

Rear Admiral William S. Benson, Chief of Naval Operations with rank of rear admiral, to have the rank of admiral.

First Lieut. George W. Van Hoose to be a first lieutenant in the Marine Corps.

First Lieut. Arthur J. White to be a first lieutenant in the Marine Corps.

UNITED STATES CONSULS.

CLASS 6.

William F. Doty to be a consul of class 6.

CLASS 7.

Charles M. Hathaway, jr., to be a consul of class 7.

CLASS 8.

Edwin Carl Kemp to be a consul of class 8.

CLASS 9.

Addison E. Southard to be a consul of class 9.

POSTMASTERS.

LOUISIANA.

Hazel L. Switzer, Longville.
Clara L. Wells, Colfax.
Ewell West, Bunkie.

MASSACHUSETTS.

Michael H. Lyons, Indian Orchard.

MICHIGAN.

John F. McEvoy, Onaway.

MISSISSIPPI.

Ollie R. Freeman, Picayune.
Nellie Lide, Lumberton.

MONTANA.

Frank P. Byrne, Three Forks.
Willard P. Willis, Plains.

NEW MEXICO.

William C. Brannin, Raton.

TEXAS.

John M. Hill, Coolidge.
Mrs. A. M. Miller, Baird.
Jennie Reynolds, Mason.
W. M. Stanberry, Midlothian.

WEST VIRGINIA.

Jessie E. Lavelle, Tunnelton.

HOUSE OF REPRESENTATIVES.

FRIDAY, *September 1, 1916.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Lord our God, and our Father, whose providence has ever been round about us to strengthen, inspire and guide us as a people, continue, we beseech Thee, to assert Thyself in all our future. Help us as individuals to crucify the selfishness within us and the evils that follow in its wake, that we many learn the art of doing unto others as we would be done by, that the desires of Thy heart may be fulfilled in us and peace, joy, and happiness be ours. In the spirit of the Master. Amen.

The Journal of the proceedings of yesterday was read and approved.

THE SUPREME COURT.

Mr. WEBB. Mr. Speaker, I ask that House bill 15158 with Senate amendments be taken from the Speaker's table.

The SPEAKER. The Chair lays before the House the bill H. R. 15158 with Senate amendments, which the Clerk will report.

The Clerk read the title of the bill, as follows:

A bill (H. R. 15158) to amend the Judicial Code; to fix the time when the annual term of the Supreme Court shall commence; and further to define the jurisdiction of that court.

Mr. WEBB. Mr. Speaker, I move to concur in the Senate amendments.

The SPEAKER. The Clerk will report the Senate amendments.

The Senate amendments were read.

The SPEAKER. The gentleman from North Carolina [Mr. WEBB] moves to concur in the Senate amendments. The question is on agreeing to that motion.

The motion was agreed to.

IMMIGRATION STATION AT BALTIMORE, MD.

Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent to call up House bill 6034, Union Calendar No. 333, appertaining to the immigration station at Baltimore.

The SPEAKER. What is the status of it?

Mr. LINTHICUM. It is on the Union Calendar.

The SPEAKER. Is it just a House bill?

Mr. LINTHICUM. Yes; it is just a House bill.

The SPEAKER. The gentleman from Maryland [Mr. LINTHICUM] asks unanimous consent for the present consideration of the bill H. R. 6034, which the Clerk will report by title.

The Clerk read the title of the bill, as follows:

A bill (H. R. 6034) to make available a portion of the appropriation for the immigration station at Baltimore, Md., for such counters, booths, screens, railings, seats, bunks, kitchen and laundry equipment, etc., as necessary in connection with said station.

The SPEAKER. Is there objection?

Mr. GARRETT. Mr. Speaker, reserving the right to object, is this bill to take any considerable time?

Mr. LINTHICUM. No; it will not.

Mr. MANN. I want a few minutes upon it.

Mr. GARRETT. The gentleman ought not to take up time with it.

Mr. LINTHICUM. If the gentleman will hear me——

Mr. GARRETT. I have no objection to the bill. The only inquiry I made was whether it would take time.

The SPEAKER. How long will this bill take?

Mr. LINTHICUM. I do not think it will take five minutes.

Mr. MANN. I think, Mr. Speaker, it would be wiser to have the bill go over until later in the day.

The SPEAKER. The only ground on which the Chair let the gentleman in was that it would not take up much time.

Mr. MANN. Any time used on it now is time lost irremediably. The gentleman can follow it up later in the day.

Mr. KITCHIN. I suggest to the gentleman to let it go over.

Mr. LINTHICUM. Very well, Mr. Speaker; I withdraw it for the time being.

EIGHT-HOUR DAY.

Mr. KITCHIN. Mr. Speaker, if the gentleman from Illinois will give me his attention, I want to see if we can take up the bill (H. R. 17700) to establish an eight-hour day for employees of carriers engaged in interstate and foreign commerce, and for other purposes, by unanimous consent and make an agreement as to time.

Mr. MANN. I think any time used in discussing it now would be so much time wasted.

Mr. KITCHIN. The gentleman has no objection to taking it up now?

Mr. MANN. I do not think we can make any agreement about taking it up.

Mr. KITCHIN. I ask unanimous consent, Mr. Speaker, that this bill may be in order now.

The SPEAKER. Is the gentleman making a request?

Mr. KITCHIN. Yes; asking unanimous consent for the immediate consideration of House bill 17700.

The SPEAKER. The gentleman from North Carolina asks unanimous consent for the immediate consideration of House bill 17700, the eight-hour bill. Is there objection?

Mr. MANN. I object, Mr. Speaker.

The SPEAKER. The gentleman from Illinois objects.

Mr. HARRISON. Mr. Speaker, I desire to submit a privileged report from the Committee on Rules.

The SPEAKER. The Clerk will report the rule.

The Clerk read as follows:

House resolution 363 (H. Rept. 1183).

Resolved, That immediately upon the adoption of this resolution the House shall resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 17700; that there shall be not exceeding two hours of general debate, the time to be controlled one-half by the gentleman from Georgia [Mr. ADAMSON] and one-half by the gentleman from New Jersey [Mr. PARKER]; that all debate shall be confined to the subject matter of the bill; and that the bill shall be in order for all legislative days except Calendar Wednesdays. At the expiration of general debate, amendments may be offered, considered, and disposed of until 4 o'clock and 30 minutes postmeridian on Friday, September 1, 1916, when all pending amendments shall be voted on without further debate, and the committee shall then rise and report to the House the bill and all amendments that shall have been recommended by the Committee of the Whole House on the state of the Union; whereupon the previous question shall be considered as ordered upon the bill and all amendments thereto to final passage without intervening motions, except one motion to recommit.

Mr. HARRISON. Mr. Speaker, may I ask the gentleman from Wisconsin [Mr. LENROOT] if we can agree upon time for discussion of the rule?

Mr. LENROOT. What has the gentleman to suggest?

Mr. HARRISON. Well, would 20 minutes on a side be sufficient?

Mr. LENROOT. I have a number of requests for time on this side. I think we could agree upon 30 minutes, after which the previous question could be moved. I think that would be satisfactory.

Mr. HARRISON. Will the gentleman move the previous question? I ask unanimous consent, Mr. Speaker, that in the discussion of the rule there shall be one hour's debate, 30 minutes of which time shall be controlled by the gentleman from Wisconsin [Mr. LENROOT] and 30 minutes by myself, at the expiration of which time the previous question shall be considered as ordered on the rule.

The SPEAKER. The gentleman from Mississippi asks unanimous consent that debate on the rule be limited to one hour, he to control one half and the gentleman from Wisconsin [Mr. LENROOT] the other half, and that at the end of that hour the previous question shall be considered as ordered.

Mr. LENROOT. I object, Mr. Speaker.

The SPEAKER. The gentleman from Wisconsin objects.

Mr. MOORE of Pennsylvania. I reserve the right to object, Mr. Speaker.

The SPEAKER. Does the Chair understand the gentleman from Wisconsin to reserve the right to object?

Mr. LENROOT. I do. I will say to the gentleman that if he moves the previous question I will not try to prevent a roll call, but I object to unanimous consent.

Mr. HARRISON. I move the previous question on the resolution, Mr. Speaker.

The SPEAKER. The gentleman from Mississippi moves the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The gentleman from Mississippi [Mr. HARRISON] is recognized for 20 minutes and the gentleman from Wisconsin [Mr. LENROOT] for 20 minutes.

Mr. HARRISON. Mr. Speaker, a grave problem now confronts the American people. It is due to the conflicting claims of the railroad employees and the railroad managers. The questions involved in the dispute were so important to each of the contending parties that an amicable settlement could not be agreed upon; and when these issues became so sharp that a settlement between the parties appeared to be impossible, in the interest of the American people the President offered his generous offices to aid in an adjustment of those differences. For over two weeks the President has exerted every influence, has demonstrated almost superhuman patience, to bring the parties to an understanding and avert a strike. He has given his time, his labor, and his thought to the controversy. I need not discuss the distress, the inconvenience, the cost, and the effect on the business of this country if this strike should come. You know it, the President knows it, and the American people know it. It was not until the President had exhausted every means at his command to bring these contending forces together to avoid the strike, and had failed, that he appealed to the American Congress to enact such legislation as would prevent the anticipated strike.

To-day we are not confronted with the question of whether we sympathize with the employees or sympathize with the railroads. We need not become partisans to either side of that controversy. This question sinks into insignificance, and we must look above and beyond it to the interests of the American people.

This strike must be averted! The responsibility is on our shoulders. We must respond to it! If we pass this rule and the bill, the consideration of which it calls for, which is, after all, legislation to meet an impending emergency, I believe that this strike will be averted and the interests of the American people safeguarded and protected. [Applause.]

I reserve the balance of my time.

Mr. LENROOT. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. BENNET].

The SPEAKER. The gentleman from New York is recognized for 10 minutes.

Mr. BENNET. Mr. Speaker, I agree with Mr. Gompers, the president of the American Federation of Labor, in one statement that he made yesterday. He said there were worse things than strikes. There are, and one of those things is the destruction of the American system of government. [Applause on the Republican side.]

I shall vote against this bill. I was born in a railroad town (Port Jervis) and know railroad men. I suppose I am one of the few men in this House who have when a boy coupled freight cars with their bare hands, in those old inhuman days when even the use of the brake stick was prohibited by the railroad rules.

I was put into public life by union labor men—plasterers and bricklayers—and for 11 years on one street corner in New York City, on the Saturday night before election, whether I was in office or out of office, I went and stood on a truck in a labor neighborhood, having first issued a general invitation to that neighborhood that any man could come and ask me any question as to politics or anything else.

I have not always agreed with laboring men, but I have never deceived them, and because I have never deceived them, although they have disagreed with me at times, they have for nearly 20 years been my most loyal supporters. I shall not deceive them now, for this proposed legislation is the worst blow that anyone ever dealt to organized labor. [Applause.] Did you see the cartoon in the Washington Evening Star last night? It is a picture of a stalwart man in the costume which usage has made familiar to us as the costume of the railroad man, holding a watch on Congress and saying that we must pass legislation before a certain time, whether that legislation is right or wrong. That is shotgun procedure.

Mr. HILL. Did not the gentleman on the other side admit that?

Mr. BENNET. I did not hear it.

Mr. COOPER of Ohio. Will the gentleman yield?

The SPEAKER. To whom does the gentleman from New York yield?

Mr. BENNET. To neither.

The SPEAKER. The gentleman declines to yield.

Mr. BENNET. Mr. Speaker, that cartoon is true; and from that cartoon to the roll of the tumbril and the click of the knitting needles of some Madame Defarge is a space that is almost measurable. I for one do not propose, at this or any other stage of my legislative career—I have never done it in the past, and I do not propose in the present or the future—to cast my vote with a pistol against my head. [Applause.]

Day before yesterday a mob in Lima, Ohio, took the sheriff of that county from his home with a noose around his neck in the effort to force him to deliver one of his prisoners over to them, and I stand here to laud that brave man because they could not get him to violate his oath of office until they had beaten him into practical unconsciousness, and, because he resisted long enough, the dignity of the law was upheld. I purpose for one to keep myself in a position where I can at least have the right to look that man in the face. [Applause.]

Mr. FESS. Will the gentleman yield?

Mr. BENNET. I have regretfully declined to yield to others.

Mr. FESS. I think the gentleman would like to hear what I intended to say.

The SPEAKER. The gentleman declines to yield.

Mr. BENNET. I am against this bill, in the second place, because it is revolutionary. Oh, to-day you are trying to fix the pay of 400,000 men employed in one industry, to give them an increase of 25 per cent. If you fix the pay of those 400,000 men to-day, you must fix the pay to-morrow of the remainder of the 2,000,000 men in that industry. If you fix the pay of the 2,000,000 men to-morrow, within a short time you will have to fix the pay of every employee of every factory in the United States that manufactures goods to go into interstate commerce.

By this act to-day we take the first step away from the old democracy of Thomas Jefferson and the Federal policy of Alexander Hamilton to the socialism of Karl Marx.

I am also opposed to this bill because it is unconstitutional. Why, in Two hundred and thirty-sixth United States, in the case of Coppage against Kansas, almost this precise question has been passed upon within the last two years; and when this House attempts to say to the railroad men of the country that it is giving them 10 hours' pay for 8 hours' work—let us use the plain, old Anglo-Saxon—it lies to them. [Applause.] I prefer to tell the truth now to them rather than explain to them later when they find out the truth.

But gentlemen say they are going to vote for this bill because it will avert a strike. This bill will avert no strike. I do not know that it will even postpone it. We have no statement from any responsible source that the passage of this bill by this House to-day will postpone this strike for a minute.

Mr. QUIN. Will the gentleman yield right there for a question?

Mr. BENNET. I have declined to yield.

The SPEAKER. The gentleman has repeatedly declined to yield.

Mr. BENNET. In the short time I have I must decline to yield to anybody. When we say to these 400,000 men to-day by the passage of this bill that we are giving them wages which we are not giving them, and when some days or weeks or months from now they find our perfidious attitude exposed, then the strike will come; and then we will be without remedy, because the people of the United States will then be treating, not with 400,000 fellow citizens who have no special animus against the remainder of the country, but with 400,000 of our best and sturdiest citizens who have been deceived by the highest legislative body of the country. We are averting nothing, and possibly we are not postponing anything, but I will tell you what we are doing. We are cutting the ground out from beneath our system of legislative government in this country. And we are doing another thing. We are concentrating power in the Congress of the United States and loading ourselves with responsibilities which under no possible circumstances can we discharge. We have been in session now for nine months. We have passed a good deal of legislation, but we are criticized every day by organizations all over the country because we have not passed more legislation. Physically we could probably not have passed more.

We have been in session more days and hours than any other legislative body in the world ever sat in the same length of time. And the nearly 16,000 pages of the CONGRESSIONAL RECORD, the largest ever printed, is proof of the enormous labors of Congress. When we attempt to take up the question of regulating the rate of wages of every employee not only on the railroads but in every factory that makes a yard of cotton cloth, in every grocery store that sells pure food whose sale we regulate under this same clause of the Constitution, when we reach that advanced stage of governmental socialism, then the legislative power of the Government, from sheer weight of labor, will have disappeared as an effective power from the Government of the United States. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. HARRISON. Mr. Speaker, I yield two minutes to the gentleman from Missouri [Mr. RUSSELL].

Mr. RUSSELL of Missouri. Mr. Speaker, I am heartily in favor of the prompt enactment of this bill. I understand that it is intended as a temporary measure, but it is an absolute necessity, as the commerce of the country is about to be paralyzed. I think that every intelligent man, woman, and child in the land recognizes to-day the great loss that will be sustained by this country, and every individual in the country, if the strike which has been called goes into effect on next Monday.

This is an emergency measure made necessary by the conditions confronting us, and the effect of it will be temporary. The permanent rate between the parties to this controversy is finally to be determined, and in a few months, by a commission that will be appointed by the President of the United States. I think we can all with perfect confidence trust him to appoint men who will be just to both sides of this question.

My sympathies have always been with the men who toil—I presume because of the environments that have surrounded me all the days of my life—and my sympathies always will be with those who labor and produce the wealth of the country; at the same time I recognize that the railroads and all other employers of labor are entitled to their rights, and I do not want to do any injustice to them. I believe that this proposed legislation will stop the threatened strike, and I shall use my voice and cast my vote for this bill, believing it is probably the only means within our power that will prevent that awful and impending calamity to the American people.

The gentleman from New York [Mr. BENNET] who has just spoken says that he does not believe this law if enacted will stop the strike. I understand the labor unions, or their representatives, say that if this legislation is enacted that it will stop the strike. The President believes that it will stop the strike, and the committee that has charge of this bill believe that it will stop the strike. It is worth while at least of an effort on the part of the American Congress to try to provide a remedy that is at this time a matter of supreme importance to all the people of this country. [Applause.]

Mr. HARRISON. I yield three minutes to the gentleman from Illinois [Mr. BUCHANAN].

Mr. BUCHANAN of Illinois. Mr. Speaker, the only objection I have to this rule is that it does not give time enough to discuss this important question. It does not give one who thoroughly understands the question time to refute the charges that have been made that the railroad men are standing here holding up Congress for legislation.

I know the history of this contest in regard to the efforts on the part of the railroad employees to secure an eight-hour day. They have been earnestly striving for it for years. This matter has been under consideration for the past year. They have referred it to the membership, with a vote of 94 per cent in favor of an eight-hour day or a strike.

Now, they did not ask the administration or Congress to get into this matter. You have not had this brought before you at the request of or by the efforts of the representatives of the brotherhoods or these men who are representing the brotherhoods.

The men who are representing the brotherhoods have been criticized without justification because they will not agree to postpone or declare this strike off; they are acting under directions, so to speak, from their organizations, and their hands are tied. I say it is erroneous for anyone to say that the railroad men or the workingmen of the country have stood with a gun in their hands holding up the administration or Congress.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. BUCHANAN of Illinois. I have not the time, I have only three minutes. The railroad brotherhoods are not in full harmony with the legislation that is embodied in this bill, but they have agreed as a compromise that if such legislation is passed that it will avoid this strike. They are not in full harmony with the commission part of it, which means that we are going to consider and investigate in regard to the application of the eight-hour rule to the railroads which will give the railroad jugglers of the country an opportunity to make it appear that it will cost much more by overloading the trains, and so forth. That they may come to the Congress or the Interstate Commerce Commission and ask and receive, if the same powers now in office who are in sympathy with giving the corporations of the country who have inflated stock for the purpose of deceiving the people of the country, additional rates of freight so that they can further rob and plunder the people of the country.

These are the things that the men have acquiesced in, not because they are in harmony with them altogether, because they know the railroads are not entitled to any increase of freight rates on account of the application of an eight-hour day. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. BUCHANAN of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks. Is there objection?

Mr. MANN. I shall object to all requests to extend. Let the RECORD show what actually takes place.

Mr. BUCHANAN of Illinois. I ask unanimous consent to insert in my remarks information from the Interstate Commerce Commission showing the income of the railroads, which shows that 155 large railroads received $278,000,000 more this year than they did last year.

Mr. MANN. I have no objection to the insertion of a document.

The matter referred to is as follows:

Extract from report of the Interstate Commerce Commission for year ending June 30, 1916, for 155 of the largest roads.

Net revenue for 1916	$1,019,631,711
Net revenue for 1915	741,369,887
Increase in net revenue in the last year	278,261,824

Mr. LENROOT. Mr. Speaker, there will only be one more speech on this side.

Mr. HARRISON. Mr. Speaker, I yield two minutes to the gentleman from Ohio [Mr. COOPER].

Mr. COOPER of Ohio. Mr. Speaker and gentlemen of the House, I rise to say a word in defense of the railroad men who belong to railroad organizations in this country.

The gent'eman from New York [Mr. BENNET] left the impression that the railroad organizations were trying to hold up this Congress at the point of a gun. The railroad organizations did not bring the question to Congress. They were having a negotiation with the employers in New York City, and when these negotiations were broken off the President of the United States asked the railroad organizations to come to Washington. The President used his best influence to try and settle the controversy between the employers and the employees, and when he could not settle it the President of the United States came to Congress and appealed to this body to pass this legislation. The railroad men have not asked Congress to pass this piece of legislation that we are considering to-day.

Mr. MOORE of Pennsylvania. Did they ask the President to interfere?

Mr. COOPER of Ohio. I have not time to yield—but they did say that if this House would pass this bill to-day and the Senate would pass it to-morrow, so that it would become a law, they would have the power to call this strike off. Mr. Speaker, I know of no body of workingmen in the United States to-day who are a better, more law-abiding class of citizens, honest, and industrious, than the railroad men of this country. [Applause.] They have been conservative in asking for better conditions, and I do not believe that the railroad men of the country have had a strike since 1894, and I rise at this time in defense of the railroad organizations and say again that it was not the railroad men who brought this question to Congress, and they should not be accused here on the floor of this House of coming to Congress and trying to hold us up at the point of a gun. [Applause.]

Mr. HARRISON. Mr. Speaker, I yield two minutes to the gentleman from New York [Mr. CALDWELL].

Mr. CALDWELL. Mr. Speaker, I for one am glad that the responsible Democratic Party of these United States has accepted the responsibility for this wise legislation. Since I can remember, the issue between the people of the United States has been whether the Democracy really recognized the interests of the workingman, and to-day we have a demonstration here on the floor of this House as to whether a Republican stands by his organized-labor friends or whether the Republicans will stand by them and the people of these United States and coerce those people who are trying to keep in their own pockets the great prosperity that the Democracy has brought to our Nation. [Applause on the Democratic side.] And the proof is they do not. I believe that the man who works with his hands is entitled to a fair return for his toil, and when the country is prosperous he is entitled to an increase in his wage. I believe that eight hours are long enough for any man to work at a skilled trade. When the clock goes round in its circle it should be divided into three periods, as was provided by the King of France in ancient times. It is for that principle that the workingman of America has been fighting, and I am proud that the Democracy of the United States has taken this great step toward the establishment of that principle, which is recognized in the mind of every free-thinking American as just and proper. [Applause on the Democratic side.]

Mr. HARRISON. Mr. Speaker, I yield two minutes to the gentleman from Missouri [Mr. BORLAND].

Mr. BORLAND. Mr. Speaker, I am heartily for this bill to provide an eight-hour day for men in the train service on interstate railroads, and I want to say that I would be glad to support it if there were no strike impending. It is not a piece of temporary legislation, but is, as the President of the United States has pointed out, a very much needed addition to our code of laws, brought on, of course, by the exigencies of the occasion, but not confined to the particular crisis in which we are now involved. I believe that the people of the United States generally recognize the great social principle of an eight-hour day for labor. I think that Congress in responding to that demand is voicing the appeal of the laboring people, the producers, and the great masses of the United States of America. I do not believe that the expense of putting in force an eight-hour day will equal what the railroads have claimed. I was in the railroad business myself years ago, but that was before the day when legislation, enacted by Congress, had guaranteed to the railroads a fixed income upon their property. To-day the railroads are the only class of business in the United States that is absolutely guaranteed a profit upon its business. The men who work for them are not guaranteed a living wage, the men who ship over them are not guaranteed a profit, the farmer who raises the produce which constitutes the commerce of the railroads is not guaranteed a profit, but the one business institution in the United States that is guaranteed a fixed return upon its investment is the railroad itself. [Applause on the Democratic side.]

Mr. HARRISON. Mr. Speaker, I yield two minutes to the gentleman from California [Mr. RAKER].

Mr. RAKER. Mr. Speaker, the matter now pending before the House is not the exact merits of the bill that is to be considered. The question is whether or not the Democratic Members of this House, having a majority, after knowing the impending strike and the conditions and the merits of such legislation, after having had presented to them the reasons by the President of the United States why such legislation should be enacted into law—whether or not we should delay days, weeks, months in this legislation, or whether or not we, having the power, with the majority of the votes, to take up the question, consider it thoroughly, give it enough consideration, and then vote upon it and determine and say to the people of this country that we can not only make promises but that we can make them effective by our votes and enact those promises into law. That is the question that is now before the House, and this resolution should be adopted so that the main bill pending—H. R. 17700—may be taken up by this Congress immediately and to-day passed by the House by a good strong vote that will bring about results. I shall vote for the rule and then for the bill. I am in favor of the legislation proposed with the amendment to be offered by the committee excepting from the provisions of the bill electric street railroads and electric interurban lines and short-line railroads. [Applause on the Democratic side.]

Mr. LENROOT. Mr. Speaker, I appreciate the emergency which exists, which calls for speedy action upon this bill, but there was no reason why this entire day, at least, should not have been devoted to a consideration of it. Nothing will be gained in the way of expediting the bill through the other House of Congress by compelling a vote at 4.30 o'clock instead of 6.30 o'clock or still later. The minority members of the Committee on Rules offered the very reasonable amendment that the debate be extended for two hours. That was rejected by the Democratic majority, and we are compelled to face this tremendous question with practically no debate and practically no consideration.

I expect to vote for this bill [applause on the Democratic side], but I shall not vote for it as a measure of justice to the railroad men employed, for I do not know whether it is just or not, and there are not a dozen Members of this House who have any judgment based upon facts as to whether it is just or not. There has been no consideration of the merits of this proposition in the committee or elsewhere by the Members of Congress. The demands of the brotherhoods may be absolutely reasonable; they may be unreasonable. I do not know, and you do not know; and yet I shall vote for the bill, because with the emergency which exists we have the choice of voting blindly to-day, surrendering our right to have facts to form a judgment upon the merits of the proposition, or having a strike that in its effect and results will be equal to war in the suffering that will follow.

Who is responsible for this condition the future will tell, but, in my judgment, one who must share the responsibility for this awful condition is the President of the United States. [Applause on the Republican side.] Mr. Speaker, during the 16 or 18 years I have been in politics I have, as a rule, stood with the labor organizations. I have had the indorsement of the Federation of Labor in my campaigns in the past. I hope to merit their indorsement in the future, whether I shall have it or not, but as to this controversy, to my mind there is only one thing involved and that is whether the railroad employees of this country are entitled to greater compensation or not. That we do not know and can not judge, because we have not the facts to form a judgment upon. If it was an eight-hour law, if it meant the railway employees throughout the United States would quit work at the end of 8 hours and have 16 hours of rest for sleep and recreation, I could stand for it upon its merits. No one believes for a moment that it is an eight-hour law, but that it is a means of increasing the compensation of the railway employees of this country, which, perhaps, ought to be increased. I do not know, but that is the issue. That was the great controversy between the railway managers and their employees, and the President of the United States, without investigation of the facts, decided the major portion of the controversy in the interest of the railway employees; and after he did that, I want to say that the heads of those brotherhoods are not so greatly to blame for the position they have now taken. Why? Because if the President had not taken that position, knowing these railway employees as I do, knowing, as the gentleman from Ohio [Mr.

COOPER] has said, there is no more patriotic lot of men in the United States than that class of employees.

Mr. GORDON rose.

Mr. LENROOT. I can not yield. I am satisfied if it had not been for the position of the President of the United States we would not have been confronted with the condition we have to-day, and the railway employees and the railway managers would have gotten together upon some kind of arbitration, but the President himself now has prevented it. Mr. Speaker, the President in his message to this Congress, delivered a few days ago, said that this matter had been pending for more than a year. I want to ask you gentlemen on that side if this situation has been pending for more than a year why have not you attempted to secure legislation that would prevent this awful condition that now confronts us? You say now that it is only a temporary measure of relief, that in the future legislation will come that will prevent this sort of thing. Why have not you been doing something during the past year; you seem to have known about it?

Mr. CALDWELL. Will the gentleman yield?

Mr. LENROOT. I can not yield. During all the years I have been in public life I have fought, as best I coul., to establish the principle that railway managers have an obligation to the public and that the public have an interest in the conduct of the railroads. I never believed that it would be necessary for the Congress of the United States to consider the proposition of whether or not the men who work upon the railroads do not likewise have an obligation to the public [applause on the Republican side], and whether or not legislation is necessary to regulate to some degree their conduct as well as the conduct of the managers themselves. Mr. Speaker, so far as compelling a man to work upon a railroad against his will, this Congress nor any Congress will never stand for that and I will never vote for it; but so far as concerted action is concerned for the purpose of enforcing a demand prior to an investigation by some impartial tribunal, what has come about in this emergency impresses me that the time has come when the sovereign authority of the United States will be compelled to enact such legislation as will prevent that sort of action prior to some careful impartial investigation. Railway employees must recognize that they have an obligation to the public and they can not by their demands upon the railroads ignore the fact that 2,000,000 babies, in the event of a strike, may suffer and many die for want of milk. They can not ignore the fact that we have 10,000,000 children in the United States to-day that will suffer grievously through a railroad strike. They must recognize some obligation to the public. On the other hand, in the future the public must recognize the rights of the railway men and see to it that they secure fair treatment at the hands of the railroads.

So, Mr. Speaker, as I say, while I shall vote for this bill to-day, I want it distinctly understood that I vote for it to avert this strike and not because I have any opinion as to whether the merits of the bill are correct or not. Mr. Speaker, I have 1,800 railway employees in my city. I have 2,500 in my district. I have a primary coming on next Tuesday. The easy way for me to do would be simply to vote for this bill to-day and say nothing. I do not know how what I have said will affect my political fortunes, Mr. Speaker, but when I go out of the Halls of this Congress for the last time I may take nothing else with me, but I do propose to take with me my self-respect. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. HARRISON. I yield the balance of the time to the gentleman from Georgia [Mr. ADAMSON].

The SPEAKER. The gentleman is recognized for five minutes.

Mr. ADAMSON. Mr. Speaker, it is utterly immaterial to us and the world on what ground the gentleman from Wisconsin [Mr. LENROOT] bases his conduct if his conduct is right, and as he is going to vote for the bill I congratulate him and will not criticize the reason for his action. I am sorry the gentleman saw proper to attribute to the President the blame for this situation. I only wish to say, whether the great President of the United States should be blamed or credited, his record of accomplishment is good enough for him to stand it, anyhow. [Applause on the Democratic side.]

I will not say with the apostle that I am neither for Paul nor Apollos. I will say that I am against neither party in this case. I am for both of them. They occupy the position of two parties who are conducting an affray in the streets to the terror of the king's subjects. I represent the people. All of these carrier officials and employees are our servants. If they do not realize it, they will have to come to the realization that they are as much servants of the public as you and I. A condition presents itself and not a theory. There may be ten thousand different opinions as to what ought to be done to adjust relations between our two classes of servants when we have time and opportunity to give deliberate consideration to those questions.

This is inaptly described as temporary legislation. It is hasty legislation, I admit, to meet an emergency. There is but one substantial thing in it, and that is the eight-hour law. We have been committed to the hours-of-service law for years and years. We have a 16-hour law and a 9-hour law, and gentlemen who can read the provision of the Constitution declaring that Congress can regulate commerce between States and then cavil about the constitutionality of Congress doing anything to regulate commerce reads the Constitution with different kind of glasses to mine. We now put in the eight-hour law and provide to preserve the status quo until a commission can investigate the dispute between these two classes of our servants. Afterwards we will make complete and adequate regulation, taking care of the interests of both classes of our servants and doing justice to the people, to whom all service belongs. [Applause.]

Mr. Speaker, I yield back the balance of my time.

The SPEAKER. The question is on agreeing to the rule.

The question was taken, and the rule was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 17700, with the gentleman from Tennessee [Mr. GARRETT] in the chair.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 17700) to establish an eight-hour day for employees of carriers engaged in interstate and foreign commerce, and for other purposes.

Mr. ADAMSON. Mr. Chairman, under the rule will this reading of the bill suffice or will it be necessary to ask to dispense with the first reading?

The CHAIRMAN. The gentleman from Georgia [Mr. ADAMSON] asks unanimous consent to dispense with the first reading of the bill. Is there objection?

Mr. MANN. I object. It is a very short bill.

The CHAIRMAN. The gentleman from Illinois objects, and the Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That beginning December 1, 1916, eight hours shall, in contracts for labor and service, be deemed a day's work and the measure or standard of a day's work for the purpose of reckoning the compensation for services of all employees who are now or may hereafter be employed by any common carrier by railroad which is subject to the provisions of the act of February 1, 1887, entitled "An act to regulate commerce," as amended, and who are now or may hereafter be actually engaged in any capacity in the operation of trains used for the transportation of persons or property on railroads, from any State or Territory of the United States or the District of Columbia to any other State or Territory of the United States or the District of Columbia, or from one place in a Territory to another place in the same Territory, or from any place in the United States to an adjacent foreign country, or from any place in the United States through a foreign country to any other place in the United States.

SEC. 2. That the President shall appoint a commission of three, which shall observe the operation and effects of the institution of the eight-hour standard workday as above defined and the facts and conditions affecting the relations between such common carriers and employees during a period of not less than 6 months nor more than 9 months, in the discretion of the commission, and within 30 days thereafter such commission shall report its findings to the President and Congress; that each member of the commission created under the provisions of this act shall receive such compensation as may be fixed by the President. That the sum of $25,000, or so much thereof as may be necessary, be, and hereby is, appropriated, out of any money in the United States Treasury not otherwise appropriated, for the necessary and proper expenses incurred in connection with the work of such commission, including salaries, per diem, traveling expenses of members and employees, and rent, furniture, office fixtures and supplies, books, salaries, and other necessary expenses, the same to be approved by the chairman of said commission and audited by the proper accounting officers of the Treasury.

SEC. 3. That pending the report of the commission herein provided for and for a period of 30 days thereafter the compensation of railway employees subject to this act for a standard eight-hour workday shall not be reduced below the present standard day's wage, and for all necessary time in excess of eight hours such employees shall be paid at a rate not less than the pro rata rate for such standard eight-hour workday.

SEC. 4. That any person violating any provision of this act shall be guilty of a misdemeanor and upon conviction shall be fined not less than $100 and not more than $1,000, or imprisoned not to exceed one year, or both.

Mr. MOORE of Pennsylvania. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MOORE of Pennsylvania. I desire to offer a substitute for this bill. When, under the rule, is it proper to do so?

Mr. ADAMSON. When the motion to recommit is made.

Mr. MOORE of Pennsylvania. I think the rule provides that amendments may be offered to the bill and they may be separately voted upon.

The CHAIRMAN. At the expiration of the general debate amendments may be offered. No amendment is in order at this time.

Mr. MOORE of Pennsylvania. I ask unanimous consent to offer a substitute at this time and have it pending.

Mr. ADAMSON. That can only be done after we reach the general debate.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to offer a substitute at this time and have it pending. Is there objection?

Mr. MANN. I do not think we ought to do that until we get to the five-minute rule. I object.

The CHAIRMAN. The gentleman from Georgia [Mr. ADAMSON] is entitled to one hour and the gentleman from New Jersey [Mr. PARKER] to one hour.

Mr. MOORE of Pennsylvania. Mr. Chairman, was there any objection made to my request?

The CHAIRMAN. The Chair understood the gentleman from Illinois [Mr. MANN] to object.

Mr. MANN. I objected.

Mr. ADAMSON. Mr. Chairman, unless my colleagues see proper to ask me questions later on, I hope to consume very little of that hour, preferring to allot it to other gentlemen who desire to speak. We all realize the seriousness of the situation in which we find ourselves. I think it is unjust for gentlemen to charge that anybody is being prodded or driven about in connection with this matter. The question of an eight-hour day is not a new one. Every Member of Congress has general information enough to have been familiar with the discussion of that question for years. It has come up suddenly at an unfortunate time for those who were wanting to adjourn Congress and for the commercial population of the country, because it is at a season when the crops are ready to be moved and business, it was hoped, would be bountiful and prosperous. It makes it the more serious and necessary that if possible we should do something to relieve the situation.

The gentlemen operating trains made demands six or eight months ago. Several of us in the House have been observing their conferences and discussing matters all the time that they have been negotiating with the carrier officials. The carriers declined the demands of the operatives of the trains. The operatives were threatening to order a strike. It was the duty of any patriotic American citizen to intervene and make suggestions to solve the difficulty and prevent a strike if possible. The President of the United States, to whom we all look with respect and confidence, invited the two parties to confer with him in the hope that as a mediator himself and in conjunction with the Board of Mediation he might bring about an accommodation of the differences. He failed. The brotherhoods ordered a strike. The President stated the case to Congress. There was nothing new in anything he stated. Everything had been discussed before for years. He did systematize and place before Congress some suggestions. In framing this bill the members of the committees of the two Houses which have jurisdiction of the subject have canvassed the situation. We found that in the conferences, before the President laid the matter before Congress, one party, the party threatening the strike, had agreed to certain propositions which he had made to them. The other side had rejected those propositions, demanding that full and absolute legislation covering the whole field should be had now. We can not wait for them. There is not time now. All we could do was to be consistent with the proceedings had with the President and the two parties to the controversy.

One party, threatening to strike, had agreed to certain propositions. We considered logically that if Congress enacted into law those propositions, it would be unjustifiable for the brotherhoods to strike. Logically they could not strike, because we are doing just what the President proposed to them and just what they agreed to accept. We have no contract with them. We have not talked to any of them lately. We are following reason in the matter, and we believe that the adoption of this eight-hour law, with the safeguards which we have provided to protect the status quo until investigation can be made, ought to be had now; and we believe that if it can be done and that if it will effect the result desired, it is our duty to do it, and in all the future, in all the subsequent sessions of Congress, we will all have ample opportunity to present our views, discuss the questions at length, and try to adjust all the relations between these two classes of our servants, with justice to both. We are compelled to preserve the railroads.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. ADAMSON. Yes.

Mr. GREEN of Iowa. Will the gentleman be willing to state whether he regards this as a temporary measure or not?

Mr. ADAMSON. I stated on the floor that it was inaccurately named "a temporary measure." It is somewhat hasty; it is to meet an emergency; and we are doing no more now than is necessary to meet an emergency, in our judgment. The eight-hour law is nothing new in this country, on the idea of safety for people and property on trains. The people who operate the trains, it is contended, ought to be in the full possession of all their faculties of mind and body, and if they work only eight hours a day except in cases of emergencies, which is the practice, then they would be in the full possession of their faculties; and on that theory we have legislated for hours of service. We have 16 hours and we have 9 hours, and if a train may be in the middle of a wilderness when 16 hours arrive, there are only certain conditions which forbid their being taken off the train and the train stopped. We have heretofore touched the subject. We are only going a little further with it, and saying it is safer to make it eight hours. But we are not going any further than that.

That is the only substantive provision in the bill. We think that is all that it is necessary to do now, with the addition of a provision to preserve the status until an investigation can be had of its workings—until full and free investigation can be had.

Mr. DENISON. Mr. Chairman, will the gentleman yield?

Mr. ADAMSON. Certainly.

Mr. DENISON. Are we to understand from the statement of the chairman of the committee that the committee is doing this just because it is considered necessary now?

Mr. ADAMSON. It seems to me it is considered necessary to do that now, and I think the committee agrees with me, and I think the people of the country agree with me.

Mr. DENISON. Another question, if the gentleman pleases: As I understand it, it limits its application to those employees of the railroads who are absolutely engaged in the operation of the trains. Is that right?

Mr. ADAMSON. Yes; that is the theory upon which we have based all our legislation on hours of service.

Mr. DENISON. Now, if the chairman, in speaking, urges this legislation on the basis of the demand for an eight-hour law, why is the bill limited to a particular class of people?

Mr. ADAMSON. That is not what I contend at all. The people demand that we avert this threatened strike by legislation. I will now turn Yankee and answer the gentleman's question by asking him one: With this strike staring us in the face and threatening business and a rise of prices next Monday, if he does not do this, what would he do?

Mr. DENISON. I think we ought to be honest and plain, and if we are enacting this legislation because we believe in the enactment of an eight-hour law, I believe it ought to apply to all employees engaged in interstate commerce.

Mr. ADAMSON. If the gentleman will be as honest as I am, he will vote for this bill, because I believe that in the case of people operating trains the eight-hour law is right for public safety [applause], and it being right, and civilization recognizing it as right, and as that naturally will probably avert a strike, I think it is honest for people to vote for it and avert a strike.

Mr. DENISON. Another question: If civilization recognizes this eight-hour law as right, is the gentleman now in favor of applying it to other railroad employees engaged in interstate commerce?

Mr. ADAMSON. I am in favor of applying it, as I stated nine times, to the people who operate the trains; and unless the gentleman sees proper to answer my question, I decline to yield further to him.

Mr. DENISON. Now, the gentleman——

Mr. ADAMSON. I decline to yield further, Mr. Chairman.

The CHAIRMAN (Mr. SHERLEY). The gentleman declines to yield.

Mr. ADAMSON. How much time have I used, Mr. Chairman?

The CHAIRMAN. The gentleman has used 10 minutes.

Mr. ADAMSON. I reserve the balance of my time.

Mr. MOORE of Pennsylvania. Mr. Chairman, will the gentleman yield for a question?

Mr. ADAMSON. Will the gentleman reciprocate by answering my question, as the gentleman from Illinois [Mr. DENISON] refused to do?

Mr. MOORE of Pennsylvania. I will try to.

Mr. ADAMSON. Mr. Chairman, I reserve my time.

The CHAIRMAN. The gentleman from New Jersey [Mr. PARKER] is recognized for one hour.

Mr. PARKER of New Jersey. Mr. Chairman, I have received so many applications for time that I will ask the Chair to notify me when I have used 10 minutes; and unless what I say is not understood, I shall ask my friends not to interrupt, because I am trying to save time for others.

In a dispute about wages, when a strike is threatened, and with it the great public calamity of the stoppage of business all over the country, it is the duty of the Government to use every means to mediate between the parties or to furnish to them some impartial court, whether of arbitration or not, to settle that dispute. But when this course is refused it is dangerous, if it be not beyond the power of the Government to fix wages in the way that was demanded by the party that refused the arbitration. And it is certainly most impolitic for any government to go ahead and do so without at the same time providing means to prevent the recurrence of such a calamity and dispute.

The controversy in this case is almost as far-reaching as war. Railroad men form an army of whom we are proud, an army of millions. The cream of that army, about one-fifth of the whole, are the trainmen who manage the movements of railroad trains, those tremendous engines of communication that roar from town to town. These men daily take their lives and our lives in their hands and are faithful to their trust. Their organizations have kept substantial peace for 40 years, obtaining what was needed for their members by negotiation and not by war. The last arbitration of the engineers and firemen with the eastern roads was in 1913, and with the western roads in 1915. Now the horror comes upon us that this splendid organziation of splendid men refuse to arbitrate, and demand that the pay which was given them for 10 hours' work shall now be given them for 8 hours' work, so as to increase their pay by a quarter. They refuse to arbitrate. They say they will strike, and in order to avoid a strike it is proposed by this bill to give them this increase of wages for the next year.

I say they refuse all arbitration or any settlement except compliance with their demands. The railroad men are about 2,000,000 in number. The trainmen are about a fifth of them. While negotiations were pending, and in order to prevent a stoppage of all national life, and while the President was urging that some settlement be made, it was learned—I think last Monday—that they had actually set Monday next for the strike—only a week away. The President brought the matter to Congress, and he made seven different recommendations, not only of the provisions of the bill but also including provisions that we should authorize the Interstate Commerce Commission to recommend increases in freight rates when made necessary by wage increases; that we should also provide by law that a full public investigation of the merits of all disputes such as these should be instituted and completed under our mediation statutes before any strike or lockout might lawfully be attempted; that in case of military necessity the President might take the roads and draft men to operate them; and that arbitral awards should be judgments of records in courts of law and enforced by those courts. All these recommendations are ignored by this bill. It is a bill that simply grants an increase of wage, without any remedy. I disagree with the chairman of the committee. The time to see that a remedy is given is now and not hereafter. You will never get a chance again.

The trainmen are the best paid of the railroad employees. It was stated in the Senate hearing that the eight-hour day would mean $61,000,000 a year of extra expenses to the railroads for the trainmen alone. This bill covers many others beside trainmen. It covers all men in any capacity having to do with the operation of trains. That means switchmen, flagmen, yardmen, telegraph men. There are a host of them, and what the difference of expense to the railroads may be we do not know. Now, section 1 of the bill provides that from January 1 next eight hours shall be the measure or standard of a day's work and deemed to be a day's work. It used to be 10 hours. By section 2 the President appoints a commission of three men to observe the operation and effect of this change. The time is important. They are to sit not less than six months nor more than nine months from January 1, 1917. They are to take 30 days for their report, and until 30 days after the report no reduction can be made by the railroads in the payment of 10 hours' pay for an 8-hour day. That means 11 months from January 1 next, or 15 months from now. This is not a temporary measure. By section 3, pending the commission's report and for 30 days thereafter, the pay for 8 hours shall not be reduced below the present standard day's wage, with a pro rata for extra time. This bill not only fixes 10 hours' pay for 8 hours' work, but forbids all reduction in such pay for 11 months from January 1, or 15 months from this date.

Now, Mr. Chairman, in the coal strike both sides were told by President Roosevelt that they must arbitrate, and that they should not be suffered to injure the public by stopping the mines, even if it became necessary for the Government to step in and operate those mines. That principle of compulsory arbitration would be still more applicable to public roads doing the whole transportation business of the whole country. But this bill, instead of enforcing arbitration, gives to the side that will not arbitrate all that they ask, except as to overtime, fixes this from 12 to 15 months without relief, and provides no means to prevent a strike in the future or to fix wages or freight rates. The Government should neither favor nor disfavor any person or body of men. Its sole object and action should be to protect the public. It might well prohibit a stoppage of the veins and arteries of our national life. It might well order that all these men should hold their places as public servants, free from any right of their employers to discharge them, and free from any right on their part to go out as a body and upset public business. It might provide a commission or court of mediation or arbitration to fix and settle all disputes. But Congress should not fix wages without full investigation, and no one should be able to force Congress to act in that regard without the opportunity to have such investigation made, and what is done, done fairly. [Applause.] I submit that now is the accepted time to perfect any such bill. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. ADAMSON. I yield to the gentleman from Indiana [Mr. CULLOP] five minutes.

Mr. CULLOP. Mr. Chairman, gentlemen on the other side who have been opposing this measure speak as if the situation now existing was one for which the employees of the railroad companies were wholly responsible. That is a mistake. The railroads have had fair notice for more than a year and have been negotiating with the employees for the settlement of this question, and have declined to accept any reasonable terms, and the responsibility for the situation to-day is as much or more with the railroad companies than it is with the employees of these companies. It appears from the light we have on the controversy that the companies have sought the critical situation and have done much to bring on the crisis, or at least they have not tried to avert it. The President placed before them, as the country knows, a fair proposition, in order to avert the threatened disaster which necessarily must result if a strike occurs, and they peremptorily turned it down and refused his good offices. The employees accepted his proposition and were ready to abide by what he offered. It is therefore clear the railroad managers are responsible for the situation which now confronts the country, and the people know it.

Now, what is the situation. These men are asking for eight hours' time as a day's work. Society recognizes that eight hours constitutes a day's work, and it is for the good of the employer himself that eight hours should be substituted instead of longer hours. He wants the best service he can get for the pay, and the men want to give the best service possible. They know exhausted, tired men can not give that, and hence it is necessary that the eight-hour day service be instituted. Experience, the best teacher of all teachers, has demonstrated that the eight-hour day in this service is the best for the public, the employer, and the employees, and should be adopted. Safety requires it, economy demands it, and humanity expects it, and employers in this line of service should grant it. Many economic reasons unanswerable support it, and to withhold it is a manifest injustice. These men that handle the trains perform an indispensable service to the country, and it is essential that while on duty they should be at their best, in order that their service may meet the public requirements. If they are not at their best, the service will not come up to the standard of public demands, and hence the transportation business, important as it is, will suffer. No one wants that, and all should unite to avoid it. This proposition, therefore, vitally affects us all. I stand for the eight-hour day in this department of the service, because it will promote efficiency and expedite the business, and, further, because it is right.

These men are performing enormous services and earning large returns for their employers. Their labors have been increased out of all proportion to the increase in their wages. Thirty years ago it took the same number of men to man a train that it does to-day, but the train did not consist of over 20 or 25 cars, and yet to-day the average train runs from 60 to 100 cars and sometimes more. The largest capacity of any car in those days was 28,000 pounds, and to-day it is 150,000 pounds. The same number, five men, the engineer, the firemen, the conductor,

and two brakemen composing the train crew are doing to-day in the railroad business what it took more than 25 men to do 30 years ago. And yet their pay has not been increased in proportion with their labors. The capacity of the car, the tonnage, the number of cars in the train make a condition that one man to-day is doing as much as five men did 30 years ago.

Does anyone contend that in order to secure efficiency, do justice to these men, that long hours of labor should be imposed? Should not our regard for the welfare of our fellow man protest against such an imposition? They face danger, encounter hazards to life and limb in the discharge of their duties, and render a service in which the whole people are deeply interested. Then we should see to it that proper regulations are thrown around their service to protect them. The public expect it and humanity requires it. We should not hesitate in doing what the public welfare requires, and I hope we will not. But it has been contended that this will impose a burden on the public which will require an increase of all transportation rates. I deny it and submit the facts which refute all such contention.

It seems these railroad managers cared nothing for the public. They did not recognize the public had any rights in the matter. It appears from what has taken place in the attempt to adjust the controversy the railroad companies treated the whole matter as a private concern of their own, disregarding the public welfare or the serious consequences to the country. In this regard they defied public opinion and stood ready to let the public suffer and bear the losses which would inevitably follow if a strike should occur. The blame for this situation is therefore upon them and not upon the employees, as some would have us believe. The people understand this and fix the responsibility where it properly belongs. The course President Wilson has pursued in this great crisis commends him as a courageous public servant, ready and willing to meet every responsibility necessary to serve the people.

What is the situation of the railroad company? Their earnings were never as much as they are to-day. They were never making as much money as they are to-day. Let us look at their revenues as shown by the Interstate Commerce Commission, as reported for the years ending June 30, 1915 and 1916, for 155 railroads. For the year ending June 30, 1915, their net receipts, after deducting all expenses, were $741,369,887, and for the year ending June 30, 1916, they were $1,019,632,711, a net gain of $278,262,824. This is only for 155 railroads; others would increase this. Does this look like they would need an increase of rates to bear the additional expense, if any, on account of the adoption of the eight-hour day? Surely not. But this year the business is more profitable than ever before, and their earnings will break all previous records; and yet they are so parsimonious that they are unwilling to share any of their prosperity with their employees. Think of it. How can anyone believe it; and yet it is true.

It does not speak well for their generosity. These men are important factors in earning their great revenues, and they ought to be willing to share the profits as other industries are doing all over the country. It is an established policy now and one that has proven most profitable to the operators wherever tried.

The adoption of the eight-hour day will not entail additional expense. The schedules of moving freight trains now on all the leading roads is 12½ miles an hour; a day's work is 100 miles; and hence by their own schedules they have adopted practically the eight-hour day. Now, if the management will move their trains on schedule time they will perform the day's work in eight hours as laid out by them, and give the public a better service, and there will be no overtime and no additional expense, and if any such is incurred it will be practically negligible. This measure, therefore, secures efficiency and better service. The clamor about an enormous additional expense has no substantial basis and has only been injected into the controversy for the purpose of scaring the people and arousing public opinion against the just claims of these employees. That has been its only purpose, and the sponsors of it should be exposed and condemned, as they surely will be when the facts are made known. It is a subterfuge trumped up for the purpose of defeating the merits of this great controversy. It will not succeed, because it is not true.

The situation with the roads is this—they are overcapitalized, and it has brought about the condition which embarrasses them and imperils their existence. Their high financing is bringing them to grief and well it should. If we were to take the money that is actually invested in the railroads and fix freight rates upon the real investment and wages upon it, and estimate the earnings, their income would be enormous. One great system in this country last year made a net earning on its actual investment of cash of 266 per cent, and the records show it. But their overcapitalization absorbed their income and deprived real investors of their profits. That is the situation. And yet the earnings have been diverted because of overcapitalization so that it does not reach the proper channel for the development of railroad business in this country.

Now, if this legislation was not enacted, what would be the situation? It is not a question as to how it is brought about, but before next Saturday night every factory, mine, and business would suffer, would be compelled to close down, employees would be turned out of work, and business would be at a standstill, paralyzed, all because the railroads have elected to reject a fair proposition and thereby punish the innocent and the helpless.

It is time Congress exercise its functions and regulate this matter and have the great disaster averted. The passage of this measure will restore conditions and compel them to do what they are refusing to do.

The CHAIRMAN (Mr. SHERLEY). The time of the gentleman has expired.

Mr. PARKER of New Jersey. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. STERLING].

Mr. STERLING. Mr. Chairman, there is no use for gentlemen to talk about this being an eight-hour law. There is no provision in this bill to create an eight-hour day for railroad men. This bill will not shorten the workday of a single man a single minute. They will work just as long after this becomes a law as they do now. It is the simple question as to whether Congress shall increase the wages of these men 25 per cent. They can work now to the extent of 16 hours per day. When this bill is passed they can still work 16 hours per day.

The man that works 10 hours now and gets $10 per day gets $1 per hour. When this becomes a law the man will get $10 for eight hours' services, or $1.25 per hour. He will get $1.25 for every hour he works over eight hours. So that the man that works 10 hours now for $10 will get $12.50 for 10 hours' work under this law. The man that works 10 hours for $5, or 50 cents per hour, will receive 62½ cents per hour when this becomes a law. There is no limitation at all as to the number of hours that he shall work, except the limitation that is already in the law, of 16 hours per day as the maximum day.

Now, that is the question, as to whether the Congress of the United States in order to avert a strike will undertake to increase the wages of the trainmen of this country 25 per cent without knowing whether or not it is just or unjust. I realize that it is an emergency measure. We may console ourselves now by saying that it is a temporary measure, but the same influences that prompt us to pass this bill to-day will prevent Congress from ever changing it. The same powerful organization—and I have nothing to say against the splendid manhood of the men that run the trains in this country—but that same powerful organization will be here at the doors of Congress forbidding that the change shall be made if, after the investigation provided for, it is found that the increase is unjust.

It is useless for gentlemen to rail against the railroads. It is of very little importance to them whether or not this bill becomes a law. They say that, in their opinion, it is an unjust demand on the part of the men. I do not know whether it is unjust or not, and I undertake to say that I know almost as much about it as other men on the floor of the House. None of us know whether it is a just demand or an unjust demand. The railroads say it is unjust. The men themselves claim that they are entitled to this increase of wages. The railroads of the country will not pay the increase. The people that we represent, our constituents throughout the length and breadth of this land, will pay this increase. It will add to the cost of transportation the sum of $60,000,000 per year. It is a question now whether or not without investigation, whether or not without knowing the merits of the demand of the men or the claims of the railroads, we are willing to put upon the people of the country the burden of $60,000,000. I submit to you that it ought to be investigated that we may determine where justice lies. I propose to offer an amendment to the bill which, if it will not meet the present emergency, it will safeguard the future. I want to submit to the Members on this side and on that side that the President of the United States in his message to Congress urged that there be a provision for arbitration, for investigation, to safeguard the future.

It is eminently a fair demand upon the part of the President, and why should we not add to this bill a provision that in the future when controversies of this kind arise there shall be a full and fair investigation. Add it to the bill as it is. Pass this bill, if you will, upon the ground that it is an emergency and for the purpose of avoiding a strike, but put in this bill a

provision by way of amending the present law providing for a Board of Mediation and Conciliation requiring an investigation before a lockout or a strike.

It may be that some gentlemen here are not familiar with the law of mediation and conciliation as it is now. It provides for a board to be appointed by the President, to whom both sides or either side to a dispute may apply, or the board itself may proffer its services to reach an amicable adjustment of the differences. If they fail in that, it is the duty of the board of mediation to bring about arbitration, if it can, and the law provides the machinery for an arbitration. But there is nothing in the law now that will prevent a strike or a lockout while the proceedings are going on.

Mr. QUIN. Mr. Chairman, will the gentleman yield there? Do you believe in compulsory arbitration?

Mr. STERLING. I do not believe in compulsory arbitration, and I have not suggested anything that even hints at compulsory arbitration. The law as it is now gives the men the right to agree to arbitrate or to refuse to arbitrate, and if they do arbitrate it provides a plan by which they may arbitrate; but this amendment which I shall offer will be a supplement to the mediation law as it is now, providing that in case the parties refuse to arbitrate, or if either party refuses to arbitrate, the board of mediation may order an investigation, to be made by a board to be made up of men to be recommended by the two sides and appointed by the President. It makes unlawful a strike or a lockout until the investigation is completed. The investigation will cover all points at issue and Congress and the country will know who is right and who is wrong.

Why not be fair to both sides, and especially let us be fair with ourselves. We ought not permit ourselves to be forced into this important and far-reaching step until we know what is the right thing to do. I almost fear a panic has seized upon Congress and that it may take a step that it may want to retrace when it is too late. We are not prepared to pass on these questions until the investigation is had. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. ADAMSON. Mr. Chairman, I yield five minutes to the gentleman from North Carolina [Mr. BRITT].

Mr. BRITT. Mr. Chairman, with all my heart I favor an eight-hour workday. This is no change overnight; nor is it born of the stress of the pending industrial dispute. It is the burning conviction of a lifetime. A nation-wide railroad strike, awful as it would be, could give but few new reasons for an eight-hour day. It could only emphasize the old ones. The principle is old, basic, and fundamental. It involves the well-being of the great, toiling, wealth-producing masses, the bulk of the human race. It is not merely a question of higher wages—of more dollars. That is highly important, but only incidental to the larger issue. The overshadowing question is whether a day's work shall be so long as to leave the toiler's body wasted, his patience worn, his spirit vexed, and thus render him unfit for the high office of father or husband or citizen. Our bodies and our souls have their limitations. We are not men of steel. We have not God's patience and forbearance. Under modern strain we go to pieces easily; we snap like a thread; we break like fragile pottery. We must lessen this strain. An eight-hour day for work—all work—will be a tremendous stride in that direction.

Mr. Chairman, my limited time does not permit elaborate discussion. But my whole heart is in this measure. It should be passed, and passed now. It will avert the strike. That will be an achievement of incalculable value. But in preventing an impending catastrophe we shall at the same time do a great and lasting good. We shall, with a single stroke, meet an emergency and establish a great economic principle. The railway trainmen should have an eight-hour day. All questions of wages can be properly adjusted under the provisions of this bill. But our action will go infinitely further. It will be the beginning of an eight-hour day generally, that goal for which the toiling masses and those who toil with them in spirit have so long striven. God knows I would not do the railroads any injustice. I have always been their sincere friend. I should be ashamed to wrong those great agencies of good, those mighty pioneers of civilization, simply because they are big and well to do. It would be utterly unworthy of me or any other man. No harm will come to them under this bill. Rates should be and will be so adjusted as to do them full justice. They will be gainers, not losers, by this change. Only contented, well-paid employees can be truly efficient. It will not deepen the breach between capital and labor; it will heal it. It will not aggravate their differences; it will compose them.

I trust there will not be a single vote against this bill. We ought to pass it unanimously. Let the voice of party be hushed. Let the roaring campaign be still. For this great task our consciences ought to be quickened, and our vision should be clear as the bright sun of this day. And let us not be unmindful of the far-reaching effects of what we are about to do. If we pass this bill, surely our deed will live after us. Our children will rise up and call us blessed. An eight-hour day for railway trainmen means an eight-hour day for all American labor. An eight-hour day for American labor means the beginning of an eight-hour day for labor throughout the world.

Mr. Chairman, I am impatient for the previous question and an opportunity to vote. [Applause.]

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. BRITT. Mr. Chairman, I will ask the gentleman for one minute more.

Mr. ADAMSON. I regret that I have not got it.

Mr. PARKER of New Jersey. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. GILLETT].

Mr. GILLETT. Mr. Chairman, this bill has one merit over the message of the President. It is frank and explicit. It does not pretend that it affects merely the hours of labor, but states that its purpose is to give the same pay for 8 hours as is now given for 10; that is, it increases the pay 25 per cent. The message ostensibly was concerned merely about the question of hours, and might mislead one to think that the vital question was hours of labor and not the amount of wages. Neither the railroad employers nor employees pretend that an 8-hour working day is practicable on railroads, and the President was well aware of it. Some men now work less than 8 hours, some more than 10. The emergencies of railroad service obviously make it impossible to regulate hours as in stationary employments. The arrangement of hours and pay are complicated and must differ on different stretches of road. What is really aimed at now is a 25 per cent increase of wages, and, however the President might endeavor to becloud it, that has been the well-understood issue between the parties from the first.

When that is the issue, my sympathies are always instinctively with the employed, so long as they do not resort to violence, because I believe that generally wage earners do not get their fair share of the products of their toil; and though I recognize that an increase of wages must generally be paid by the public and adds to the cost of living, yet I am ready to stand my share.

I do not mind the high cost of living so long as the extra cost goes into the pockets of those who need it most. In this case I hope the men's demands are fair and that they will obtain them. But I do not know whether they are fair or not, and not one member of the committee which reports this bill knows. But under threats from men who refuse to arbitrate you are going to enact legislation of whose merits you are ignorant. Certainly neither the representatives of the employers nor employees can give us a disinterested or impartial judgment. You are passing this bill, not because it is right, but because you are threatened. That is not only humiliating but is sure to breed future threats. Arbitration is the only fair method we know of to determine what is just. This differs from most strikes in two ways: First, if persisted in, it would vitally affect the business, the comfort, and the health of the whole Nation. That of itself should exact the greatest forbearance. Second, the employers are forbidden by law to increase their prices to compensate for increased expenses. They say they can not afford to raise wages unless they are allowed to raise rates. Whether that is true, I do not know, nor do you. It can only be determined by adjudication. I can conceive of no case where both because of its importance to the public and its intrinsic complexity, a determination by an impartial tribunal is so necessary, and yet this committee, without a single hearing, takes sides and determines the result for one year. Of course, the blame for this rests primarily on the President. It seems to me that when the case was first brought to him he failed signally to measure up to his duty. He had a disagreeable and dangerous task. It was shortly before election. There were 400,000 voters on one side and only 400 on the other. He might well have wished to be spared a decision, as we might here to-day. But he was the chosen representative of the people. Great honors imply great responsibilities. They ought to be met with courage. If in the name of the public, which was so deeply concerned, and with the weight of his great office, he had demanded arbitration, I do not believe it could have been denied. One hour of Grover Cleveland or Theodore Roosevelt would have settled it. We needed a President of courage and resolution, who would listen to the voice

of justice rather than of expediency, whose eye would look to permanent results and not to the coming election. Now, this House blindly and obediently follows the President's will. You allow yourselves to be held up by momentary fear and make no provision for future exigencies, but simply grant what is demanded at the moment by those who refuse to arbitrate. Such action is the surest invitation to future holdups. I believe this is preeminently a case for arbitration and I am not willing, under threats, to sanction a settlement whose justice this House is not allowed time to investigate. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. ADAMSON. Mr. Chairman, I yield five minutes to the gentleman from Pennsylvania [Mr. DEWALT].

Mr. DEWALT. Mr. Chairman, I am more than gratified to know and hear at this late day that the honored Representative from Massachusetts [Mr. GILLETT] finds some good in that great Democrat, Grover Cleveland. I doubt, however, very much whether the gentlemen whom he has named can be coupled in the same class—to wit, ex-President Grover Cleveland—with ex-President Theodore Roosevelt. When the gentleman from Massachusetts undertakes to say that the President of the United States has failed in his duty, and failed to suggest, or even attempt, that arbitration should be had, I think that he is not speaking by the book. The President of the United States, Woodrow Wilson, did suggest, and almost demanded, from both of these parties that they should arbitrate. But as Grover Cleveland said in his day, this is not a theory that confronts us, but it is a condition, and while every man of this House, of honest opinion, except he who is a strict partisan, is willing to admit that there may be some doubt about the ultimate wisdom of this legislation, and while as a lawyer I am willing to admit that it is in part an experiment, we as honest men here must recognize that the country is sick at this time and it needs an heroic remedy, and the only remedy that now appears in sight is this legislation. I want to ask the gentleman from Massachusetts [Mr. GILLETT], or the gentleman from New York [Mr. BENNET], if you please, what remedy would they propose other than this. I have been assured by the labor representatives, or at least by one of the gentlemen of this House who is in touch with them, that if this legislation is passed to-day and affirmed by the Senate of the United States it will operate to prevent a strike. And while I, as a conservative Democrat, believe in the old principles of constitutional democracy, doubting the expediency and wisdom of this legislation, I believe that the result which would be obtained by not passing this legislation would be more disastrous to the country at large than by passing it, and therefore I am willing to vote for the proposition and take my chances in that way.

One question has been raised here that I desire in my feeble way to answer and possibly to refute. It has been said by my honored colleague upon the Interstate and Foreign Commerce Committee [Mr. STERLING] that this is an attempt, and not only an attempt but a direct method, of raising wages. I grant it. No man who is honest will be able to say that this bill does not only in contemplation but in fact regulate the wages of the employees of the common carriers. But now, my friends, let us see for a moment whether Congress does not have the right inherently to regulate wages of common carriers engaged in interstate commerce.

The general proposition is this, and I do not assert it merely as a lawyer, but reasoning from basic principles, that the Interstate Commerce Commission has the right to regulate rates. No man will contradict that. It has been done, and affirmed. If it has the right to regulate rates, then it must take into consideration everything that goes into the making up of those rates, and one of the great essentials in making up the rates is the expense in the overhead charge. That expense consists largely of the wages of the men who work upon the railroads. If, then, it has the right to fix rates and must take into consideration the wages paid to the operatives, which go into the expense of making up the charges upon the road, I say as a matter of clear reasoning, as a matter of actual sequence, the Congress of the United States has a right to determine the wages that shall be paid. [Applause on the Democratic side.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. PARKER of New Jersey. Mr. Chairman, I allot five minutes to the gentleman from Vermont [Mr. GREENE].

Mr. GREENE of Vermont. Mr. Chairman, I am opposed to the passage of this legislation at this time. If we were to have an opportunity to go into the merits of this case, if we were to have an opportunity to exercise something like the same judicial and magisterial duty toward the parties to the controversy that we enjoin upon and demand from the courts that this Congress creates, then it might not be unlikely that the testimony and the evidence so submitted would convince me that there was some truth and justice on the side of the men who demand the eight-hour day. We should keep in mind, however, throughout all this discussion, as has been several times intimated here, that this is not a demand for an eight-hour day which shall limit the hours of physical labor to eight hours in a day. It is a demand for an eight-hour basic pay day, consequently placing it on altogether another footing. However that may be, it seems to me that the only thing which presents itself here to us to-day as men intrusted with the responsibility of government, and men upon whose shoulders for the time being—however unworthy individually we may be—the self-respect and majesty of this Government of ours rests, is this: When any man or set of men, whether they be friends, schoolmates, fellows, companions, trusted confidants, or kinsmen, hold up the Congress of the United States and say that they shall have certain legislation passed between this hour and Saturday night or they will bring national calamity, bloodshed, suffering, starvation, misery, and want upon this land, it is time for somebody to stand up in the United States and say that the Government of the United States is greater than any combination of men under it. [Applause on the Republican side.]

Mr. HASTINGS. Will the gentleman yield for a question?

Mr. GREENE of Vermont. I can not yield. That is the principle now, it seems to me, that confronts us here in this issue, and it rises preeminently, unspeakably, above the mere details of the merits of this controversy. Instinctively, and by reason of my early surroundings, from my education and environment, I am in sympathy with men who are toiling for a wage. I could tell you something about it if it were not of a peculiarly personal character and had no real bearing on this issue. I could persuade and convice you that I am speaking sincerely when I say that. But I say to-day, as we stand here facing this proposition, that the merits of this dispute are no longer involved until the Congress of the United States asserts its dignity and majesty and self-respect and refuses to be held up by anybody at any time under any threat or under duress. [Applause.] Once begun, where is this surrendering to end? Men may say under these circumstances it is necessary to have this emergency legislation, because by doing this thing under pressure and under duress in the very few hours that remain to us we will avert the horrors of bloodshed and a strike. Who will be responsible for that strike? Who will be responsible for the bloodshed and the horrors, and want and suffering and privation that may follow because of it? Will we? Are we men to be held responsible for those who set out to bring about a national calamity on the land because we do not yield to them and grant their demands under the terror of a threat? Where will the moral responsibility rest when the people of the United States wake up and find out who did this thing? It was not much more than 50 years ago when men said in this very Chamber if we did not yield to a historic demand there would be horror and bloodshed and civil war. "For God's sake let the erring sisters go and avert bloodshed and war," they said. But there were men in those days who stood up like the men they were——

The CHAIRMAN. The time of the gentleman has expired.

Mr. GREENE of Vermont. Mr. Chairman, I ask unanimous consent to extend by remarks in the RECORD.

The CHAIRMAN. The gentleman from Vermont asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. MANN. I object.

Mr. ADAMSON. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. BUCHANAN].

Mr. BUCHANAN of Illinois. Mr. Chairman, I want to reiterate that the Brotherhood of Railroad Trainmen have not asked or demanded this legislation. They are agreeing to accept it as a compromise, and, if I understand the situation properly, the railroad men of the country do not care much whether you pass the legislation or not.

Now, there is much said here in regard to the great public. We are always appealing to the sympathy of the public. I want you to know that the public, when it comes to the question of considering an eight-hour day, always votes in favor of it. In the State of Colorado, I believe in 1901, they voted there about three to one for an eight-hour day. Some years ago they took a vote in the State of New York, and they voted there by an overwhelming majority for an eight-hour day, and that carried with it the authority to the State to fix the wages. So do not permit yourselves to be deceived about the dear public in regard to this matter, because they are in harmony with the eight-hour day.

Now, there have been many—probably unintentional—misleading statements here with regard to what the trainmen are asking. It is said that they demand overtime for every hour that they work over eight hours, which is misleading, because on a division 125 miles long, under their proposition, overtime would not accrue until the crew had been on duty 10 hours. In other words, 100 miles and eight hours are synonymous. They measure the day by eight hours or 100 miles. On a division 150 miles in length the crew must be on duty 12 hours before overtime accrues. So that a railroad that operates a division 150 miles in length is not penalized on account of the eight-hour day any more than a railroad that operates a division 100 miles in length. The principle is simply this: That the freight train, from the time it leaves the terminal until it arrives at the opposite terminal, must make an average speed of 12½ miles an hour.

In regard to investigation, we have all the information that any man could want in regard to this matter. We have just received the Industrial Commission's report, that made a thorough investigation of the industrial conditions of the country, which favors the eight-hour day. We have the report from the Interstate Commerce Commission, which shows that the railroads' net receipts are enormously increased and that they can afford to pay this eight-hour day. We have over 20 per cent of the mileage of the railroads now operating under the eight-hour day, and it is no longer a system that has to be tried or is to be put on its merits. The roads now operating under the eight-hour day have not lost anything in the way of an increased expense in operation. It is practically proven now that the eight-hour day can be applied with very little, if any, additional expense.

What the brotherhoods ask is that the 12½ miles per hour be met. They do not want overtime. They want them to stop overloading trains so that they can not run over 12½ miles an hour. Their demand is reasonable. In my judgment, if this Government, both administrative and legislative, had kept their hands out of it they would have had granted to them the eight-hour day. [Applause.]

I want to say that those who are in control of the railroads of the country are the stock jugglers. I want to exclude from that, however, the presidents and the managers of the railroads. They are men who have come up from the ranks, and, as a rule, they are able and liberal gentlemen, and if they had been left free to act with the representatives of the brotherhoods themselves, in my opinion, it never would have reached the contention even of a threat of a strike. But it is the stock jugglers and manipulators, that element that is robbing not only the public but oppressing the employees of the railroads and robbing the stockholders, as in the case of the New York, New Haven & Hartford, the Rock Island, the Alton, and several other roads that have been investigated. This can be shown by the reports of the Interstate Commerce Commission, and those are the crooks that you are protecting, and it is the men who render the great service to the country of operating and making it possible for our splendid transportation systems that you are condemning when you criticize the men who are representing the brotherhoods here in Washington, carrying out the instructions which they have from their organizations. [Applause.]

Mr. PARKER of New Jersey. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. FESS].

The CHAIRMAN. The gentleman from Ohio [Mr. FESS] is recognized for 10 minutes.

Mr. FESS. Mr. Chairman and gentlemen of the House, I am well aware that a vote against this proposition to-day will be scheduled as unfriendly to organized labor and to the eight-hour day. I will submit myself or subject myself to the criticism that I am unfriendly, it matters not what has been the record in the past; having stood for the eight-hour day in the Ohio constitutional convention, having voted for it every time it came up in reference to public works here in Congress, yet if I vote against this measure to-day, it will go throughout the country that I have changed my position.

I am willing, gentlemen of the House, to subject myself to that criticism, but I want it distinctly understood that when I vote against this measure, as I shall, I am voting not against the eight-hour day, for this is not an eight-hour-day proposition.

If we would act upon the suggestions couched in the President's message, that society has pronounced in favor of eight hours on the basis of humanitarian grounds, then legislation for eight hours would stop the day's work at the end of eight hours, because it would be inhuman to compel people to work longer. There is not a man in this House but knows that there would be a storm if we would put any such proposition as that into law, that those engaged in the carrying trade shall end their day's work at the end of eight hours. Nobody claims that. You can not do that in transportation, and this is but a demand for an increase of wages, giving 10 hours' pay for 8 hours' work.

Now, that probably ought to be done. But one side says, "We can not do it upon the present basis of rates." I do not know whether they can or not. The other side says, "You must do it without reference to whether you say you can or not." Here is a point of dispute, and no one side probably has a monopoly upon the information as to the ability to carry out that contract. And here are two forces, representing the greatest industrial possibilities in the world, in a contest, both sides presenting reasonable claims. And now we find Congress in a panic-stricken situation, with one side of the controversy saying, "We want the money," and with the head of the Government saying, "I wish you could have it." That moment, with the prestige of the head of this Government back of one side of the contention, arbitration was foreclosed; and that situation is the result of a proposal which operates as a command that one side must surrender its claim of submission to arbitration. The contest here is not upon an eight-hour day. The contest here is whether in a struggle in which one side requests and the other refuses to submit the contest to an impartial bureau or tribunal for settlement in the light of facts that I do not have and you do not have, whether Congress should so act as to abandon the principle of arbitration.

I will vote against this proposition, first, because I do not want to legislate in a panic, that complicates and involves the business and the welfare of 20,000,000 of people on one side and 80,000,000 upon the other side.

I can not vote for this measure because we foreclose the possibility of an arbitration when an inevitable conflict will come again. No man is so blind as to think that this temporary measure is going to settle this controversy. No sooner will it be decided on one side before new demands will be made later on. That necessitates an impartial hearing, where facts can be brought out and legislation can be legitimate because it is intelligent and not enacted in prejudice, because somebody holds before us a threat, "If you do not give it to us by a fixed hour, we will do the worst."

I will not vote for any measure that is held up to me in that way, notwithstanding the fact that I have tried from the beginning to be fair with the people with whom I always have lived and worked, for I have no sympathy for the man who knows not toil. I know what toil means as well as any man on this floor, because I have traveled that road.

I can not vote for this measure, because it not only closes out arbitration but because it is a foolish makeshift. I want to say to my friend, whom I so much admire, the chairman of this committee, that section 2 provides for a commission and limits the time in which it shall report to not longer than nine nor shorter than six months. What are they to report on? Conditions as to the working of this proposal. It is to be a report without recommendation.

Hear me, men: Suppose the commission reports adversely to this proposal? Is there any man here so foolish as to think that that report could ever become effective? Why is it that the brotherhoods refuse to arbitrate? Listen to the statement yesterday of Mr. Garretson, the genial, able, great representative of one of the finest organizations of men that ever lived. Mr. Garretson said: "We can not arbitrate a question involving what in many places is already admitted. We have got the eight-hour day in many places. We will not throw open the question for arbitration now conceded in many places to run the risk of losing what we have."

Suppose this law were enacted, with section 2 giving the authority to the commission to report the result, and the commission should report against this proposal in section 1. The same thing would come up again. "We have had it by law; we will never surrender it by arbitration," they will say. And what will it amount to?

I can not vote for the measure. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. ADAMSON. Mr. Chairman, before yielding to the next speaker, I desire to say that the pathetic remarks of my distinguished friend from Ohio [Mr. FESS] appeal to my reverence for sanctified things, but his appeal reminds me that the sanctity of arbitration has had a shifting basis in Congress.

When I came here first the men were all demanding arbitration, and the carriers were all refusing. Now, the situation has somewhat changed in their opinion as to popular support, and the railroads now suddenly have discovered the sanctity of arbitration.

We have not tried to include arbitration in this bill, because we imagine it would take about six months for everybody to

agree upon an arbitration bill, and we could not get it through in time to avert the strike; and the expense that it is assumed will result from the adoption of an eight-hour law now is a bagatelle as compared with what the public would suffer every day if the strike were ordered.

It is a mistake for the gentleman to assume that the adoption of an eight-hour law would greatly increase wages. We have provided for the appointment of a commission to determine that, and to report to us at the next session of Congress.

At the next session of Congress or some subsequent session, as soon as we can when we have time, when we have learned all we can about adjusting the transportation question to the eight-hour law, when we have put the trimmings on it, when we see whether the men are being paid unconscionably high rates, when we see whether the people want them to get too much pay, and when they are getting too much pay, we will adjust everything to the eight-hour law. It is not a makeshift, it is not a temporary thing. The eight-hour law is being adopted. All the other things will be legislated about when we have time. I do not know anybody who is terror stricken. I know some people who are exercising common sense, and I think it behooves all of us to concur in action which is sensible, and to do what is necessary to do at the present time and postpone that which is not necessary to do now for the purpose of debating it when we have more time. [Applause.]

I yield to the gentleman from Ohio [Mr. COOPER] five minutes.

Mr. COOPER of Ohio. Mr. Chairman, I doubt if there has been any piece of legislation which has come before the House at this session as important as this which we are now considering. I myself am deeply interested in this legislation. For 20 years prior to my coming to Congress I sat in a locomotive cab on the Pennsylvania lines. If I have time, in just a few minutes I would like to explain the proceedings of this controversy to the Members of this House, if I can. It seems that several months ago the four organizations of the railway brotherhoods met together and decided to take concerted action and go before their employers for the betterment of their condition. They met with their employers and were in session with them for month after month. Finally it came to the point where neither the employer nor employee could agree on what the other wanted, and they gave up the negotiations, and the grant officers of the organizations sent word back to the representatives of those organizations, telling them just the condition they were in. In the meantime they sent out the strike order to have it voted upon by the members of the brotherhoods, and about 94 per cent of all the employees of those great organizations voted for a strike in case the operators would not grant to them the concessions which they asked for.

Then President Wilson called the heads of those railroad organizations to Washington and submitted a certain proposition to them. They said they were not in a position to accept that proposition until they had first talked with the 640 chairmen, who were representing the various organizations throughout this country. So Mr. Wilson sent for the 640 chairmen. They came to Washington. The President submitted the proposition to them, and then they went into secret conference in one of the buildings in this city, and after a long debate a majority of those 640 delegates agreed to accept the proposition of President Wilson. Then President Wilson called in the operators, and you all know just as well as I know that they would not accede to the proposition which the President had suggested.

Now, I have heard much here to-day that this is not an eight-hour proposition, but that it is robbing the railroad companies by making them pay the employees 10 hours' wages for 8 hours' work. Under the present schedule of operating trains on the railroads the freight runs are on a 100-mile basis. They are given 10 hours in which to make 100 miles, or at the rate of 10 miles an hour. Now, the representatives of the brotherhood want a change. They believe they could make that same run in eight hours, at the rate of 12½ miles an hour for the basis. They say they can put that proposition through. They claim they can run the 100 miles in eight hours, at the rate of 12½ miles an hour. If they do that, in what way is it going to increase the expenses of the railroad operators? If they carry out that proposition they will haul their trains as far in eight hours as they have been given 10 hours in which to haul them.

I have heard much about the railroad men being the aristocratic laboring men, and the highest-paid labor in the United States.

Mr. GARDNER. Will the gentleman yield?

Mr. COOPER of Ohio. Not now. We have men stand up here and say that these aristocrats of labor, these men who are the highest paid mechanics in the United States, come to Congress and at the point of a gun they hold up Congress and try to make them pass this legislation. The railroad men did not ask you to pass this legislation. They did not even suggest it. There was an effort made on the part of the Chief Executive of this Nation——

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOPER of Ohio. May I have two minutes more?

Mr. ADAMSON. I can not do that. I will give the gentleman one minute more.

Mr. GARD. The gentleman from Georgia has promised to yield to me two minutes. I will yield those two minutes to my colleague.

Mr. COOPER of Ohio. I thank the gentleman. I say there was an effort on the part of the Chief Executive of the Nation to stop this strike. The question was put to the representatives of the brotherhoods. The strike order had already been sent out, and this proposition here was suggested to the brotherhood men and they were asked, if this bill were passed, would they stop the strike on Monday. They immediately said, "Yes; if you put this proposition through we will send out an order for the strike to stop, and not to be carried out on Monday next." They did not ask for this legislation. They waived the most essential thing—time and a half for overtime.

I know the conditions of the railroad men, the conditions under which they work, the conditions under which they live; and when a man is deprived of the privileges of this life, which the majority of railroad men are, going out at 5 o'clock in the morning and getting home at 9, 10, or 11 o'clock at night, Sunday and every other day, when they can not have time to associate with their families and loved ones at home like the rest of the workmen of this great country, it seems to me they have a perfect right to take the stand that they have taken in going to their employers and asking them to make their conditions better. But I want to try to impress upon this Congress, and upon you men who have stood up here and said that the railroad organizations have been holding you up at the point of a gun, that they had nothing at all to do with bringing this legislation to Congress. It was suggested by your President and by your majority floor leader.

Gentlemen, we are facing a great calamity. I do not say that this bill is satisfactory to me, but if this strike comes next Monday morning it will absolutely paralyze the country. You talk about the public; what will the public do if the railroads are tied up for one week? The railroad operators say it will cost $60,000,000 to operate the railroads under this system; the railroad employees say $27,000,000. Let us be conservative and say it might cost $40,000,000. What is $40,000,000 to the people of the United States against a tie-up of the great railway systems of this country? I believe the entire country would lose more than $40,000,000 in one week's time. Gentlemen, we are facing a condition, and I realize that great responsibility rests upon us. We are facing this condition, and we must meet it one way or the other. As far as I am personally concerned, I am going to vote for this measure because I know it is the only way to avert this great crisis which is ordered to take place next Monday morning unless we pass this bill. [Applause.]

Mr. PARKER of New Jersey. Mr. Chairman, I yield five minutes to the gentleman from South Dakota [Mr. JOHNSON].

Mr. JOHNSON of South Dakota. Mr. Chairman, I want to take one moment of time to show the history of railroad legislation and its connection with this matter. Each one of you knows that there was a revolt among the people of this country 10 or 15 years ago against conditions affecting capitalization of railroads and a revolt against excessive rates. I took a somewhat prominent part in the discussion of that question, the same as other men did, and some part in the enforcement of remedial statutes. I think you overlook some things. There was a revolt because the railroads were overcapitalized. There was a revolt because the men working for the company could not get safety appliances that they needed and deserved, and there was a revolt because the rates were too high.

We gave the men proper safety appliances; we gave them more compensation; we gave them headlight laws; we passed some laws affecting overcapitalization; and we in many cases lowered the rates. I happened to be connected with some of the rate cases against corporations and railroad companies, know something of the situation, and know that this is a wage controversy, and if this legislation is passed it will be absolutely necessary to raise railroad rates.

We were fair to the public and fair to the railroad men in the attitude we took, and the gentleman from West Virginia then was standing shoulder to shoulder with many of us looking at both sides of the question. He is now looking only at one

side. He is not willing to raise the rates at the time he is raising the overhead expenses. If, without investigation, you put the railroads to this extra expense of $40,000,000, then, to be absolutely fair, it is necessary that you allow them to raise their rates. This follows, because you will not allow them to raise rates without a full hearing.

I believe that every man on this side of the House believes in an eight-hour day. This is not an eight-hour-day dispute. This is a wage dispute, and if you are going to pass legislation affecting one side you ought to be fair and pass legislation affecting the other. I am going to support the motion to recommit which will be submitted by the gentleman from Illinois [Mr. STERLING], because we ought to have arbitration, and compulsory arbitration, and I want to say that I was forced to this conclusion by arguments of railroad employees. The people of the United States should never again be put up against a situation of this kind, with a shotgun held at their breast. I believe that we ought to be as fair to the railroads at this time as we have been fair to the men in the past [applause], and just as fair to the public, who will finally foot the bill. The Interstate Commerce Commission has based its rates on known expense—overhead, operating, and so forth—and if we are to undo its work it ought to be undone, it should be done, without changing the ratio of rates to expense. If this is not done, I must oppose the measure. I yield back the balance of my time.

Mr. PARKER of New Jersey. Mr. Chairman, I yield five minutes to the gentleman from Pennsylvania [Mr. MOORE].

Mr. MOORE of Pennsylvania. Mr. Chairman, there is another side to this question than the economic side, and that is the side that is purely political. The gentleman from Georgia [Mr. ADAMSON] declined to answer my question a little while ago. Now I propose to put up to him something that he may answer in his own time.

On July 15 last there was a slight controversy over joint resolution No. 60, an interstate-commerce resolution, during which the gentleman from Georgia was asked whether that particular resolution had anything to do with the dispute between the railroads and the employees in regard to an eight-hour day. Mr. ADAMSON said:

> Not a particle.
> Mr. HUDDLESTON. Is any action to be taken with reference to it?
> Mr. ADAMSON. The resolution relates to the method of regulating transportation corporations that do a transportation business.
> Mr. HUDDLESTON. Has the gentleman's committee any resolution before it in relation to the dispute between the railroads and the employees on that matter?
> Mr. ADAMSON. Four months ago when the clouds gathered above the horizon the Republican leader and I investigated to see whether there would be any strike. I will not say where we went, but we were assured by the representatives of the employees that there would be no walkout and they did not mean to stop the wheels, and the Interstate Commerce Commission did not favor any investigation, and I concluded that no action was necessary and dropped the subject.
> Mr. MANN. I hope the gentleman will not put me into that agreement.

That was on July 15 of the present year, and the gentleman from Georgia [Mr. ADAMSON] had the information in his possession for four months—the President told us it had been on a year—and he came to this House with the positive assurance given to him by men whom he vouched for as knowing that there would be no strike or walkout, and that there would be no necessity of an investigation by the Interstate Commerce Commission. Now, in his time the gentleman from Georgia may have some explanation of that statement. This matter has certainly been pending for a long time, and it is just possible that it may have been held up until the campaign opened, so that the President and his party could make the most of it. If this was the play, apparently it has not succeeded.

The facts as they have been revealed to us here show that the President has made a muddle of it. Instead of coming out the hero of the workingmen of the country, the President appears to have aided in putting the workingmen up against a strike to the very great detriment of all the people of the United States who will be affected thereby, and from which we are expected to extricate those concerned.

Mr. ADAMSON. Mr. Chairman——

Mr. MOORE of Pennsylvania. Mr. Chairman, I can not yield. This legislation is being forced upon us now overnight, in spite of the fact that the administration and the Committee on Interstate and Foreign Commerce had it in their power for six months to bring in some legislation that might have relieved the situation.

Mr. ADAMSON. Mr Chairman——

Mr. MOORE of Pennsylvania. I regret I can not yield. Each side in this controversy is endeavoring to place the responsibility for what may ensue upon the other side, but the real responsibility for the deplorable condition, for the strike itself, if it should occur, will rest largely upon the present incumbent of the White House, although I am inclined to include with him the chairman of the Committee on Interstate and Foreign Commerce, the genial gentleman from Georgia [Mr. ADAMSON], who assured us last July that no strike would take place.

Mr. Chairman, for 12 years we have had in effect a law under which Federal officials mediated disputes of this kind and brought about arbitration where arbitration failed. During all those years the board never failed to secure a settlement, and no President ever before saw fit to inject himself into the controversy and take it out of the hands of the board provided by law to handle it. And just here let us call as witnesses our distinguished labor Representative from Illinois, Mr. BUCHANAN, upon the Democratic side, and our locomotive engineer friend, the gentleman from Ohio, Mr. COOPER, on the Republican side, who tell us in substance, in the speeches they have just made, that if the Executive had "kept his nose" out of this situation there would have been no need for any legislation by Congress at all. [Applause on the Republican side.] But when the present situation developed to a degree that it became threatening, the word began to come out through the papers, not only that "the President was watching the situation closely" but that he was prepared to take a hand when the time came and bring about a settlement, if the provisions of the mediation law should fail.

When the brotherhoods' leaders returned their strike vote to New York and resumed conferences with the managers' committee, it was realized that a critical situation was developing. Under the law either side had a right to invoke the offices of the Board of Medition, and under the law the board had a right to proffer its offices if they were not invoked. The board knew or might be presumed to know, better than anyone else, the real situation when the time had arrived for it to proffer its services. The board did finally start for New York to offer its services, and within an hour after it had left, the announcement was handed out from the White House to the press that the board had gone to New York under the President's direction, and again the public was assured that if the board failed the President stood ready to take a hand. Why should it have been announced that the board had gone to New York at the President's order? The duty and a solemn obligation rested on the board to go when the situation became critical, and the statement that the board was acting under the President's orders, that he was closely following the case and was prepared to act if the board failed, was not only unnecessary but was in the highest degree mischievous. In effect, it practically guaranteed in advance that the efforts of the board would fail. How could it be otherwise?

Whether the White House was called in or "butted in" at this critical time, expecting to settle this strike for political advantage in the campaign, may be questioned, but the White House got in and achieved a dead failure. Then this House, which had been told there would be no strike, was called to the rescue. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. ADAMSON. Mr. Chairman, inasmuch as the gentleman did not ask a question, I can not answer any, for I can not answer a question that has not been asked. I yield to the gentleman from Kansas [Mr. TAGGART] for five minutes.

Mr. TAGGART. Mr. Chairman, instead of being an occasion for harsh words or recriminations, I believe the House of Representatives ought this day to realize that the men who are in charge of operating trains in the United States, if they are willing to accept the mild and gentle provisions of this bill, are the most patriotic body of men under the flag. They deserve the universal praise and commendation of all good citizens. Every one of these railroad men is a man. They represent the brain and brawn and intelligence of that great husky legion known as American workingmen. [Applause on the Democratic side.] I want to say to gentlemen on the other side, without any bitterness, that you are wrong when you say that those men ever threatened or held up Congress. They have done no such thing. [Applause on the Democratic side.] I want to say to you that you are wrong when you say that they have conspired with the President of the United States to arrange a favorable political situation for him in this campaign. It is untrue, and there is not a word or line to substantiate it. [Applause on the Democratic side.] This controversy has been going on for weeks, and I am going to propound the question to you, and I want you to answer it. What would have happened if the President and you and I and we who are here in Washington were unable to do anything with this situation? What would have happened? What would happen one minute after 12 o'clock next Sunday

night? Who would stop it? Would you do it? Would your speeches do it? Would your abuse of the President do it? I say to you that nothing you could do would prevent it; and I am amazed, delighted beyond measure, that that great body of patriotic American citizens, those brave men who take their lives in their hands every day, are willing to accept the terms of this legislation [applause on the Democratic side] which is here now offered for the purpose of averting the most terrible calamity that can be imagined.

Do not let us forget the woman who is at home, whose husband is on the rails to-night—the woman who is praying for the father of her children. Let us not forget the mother who calls upon Him—

> Who stills the raven's clam'rous nest,
> And decks the lily fair in flowery pride.

We have to remember her; we have to remember her family; and at the present cost of living, if her husband has demanded sufficient wages to secure the necessaries of life for her and for their children, I am for him, and I am for this bill, and for every measure that will better the condition of that brave man and his wife and children. [Applause on the Democratic side.]

This bill does not affect any man who works only eight hours. We say an engineer gets a great salary. If he does, and he runs only eight hours a day, there is not a cent in this bill for him. We say that a conductor gets a great salary. If he runs only eight hours a day, there is nothing in this bill for him. There is nothing in this bill for any man whose time is not taken up more than eight hours a day.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. TAGGART. I ask leave to extend my remarks in the RECORD, or do I understand the gentleman from Illinois objects to such requests?

Mr. MANN. I shall have to object.

Mr. TAGGART. Then I withdraw the request.

Mr. PARKER of New Jersey. Mr. Chairman, I yield five minutes to the gentleman from New Jersey [Mr. BROWNING].

Mr. BROWNING. Mr. Chairman, I am opposed to the bill in its present form, and I shall vote against it.

Since I have been in Congress I have voted for all legislation that I believed would benefit labor, but I do not believe this measure is in the real interest of the laboring man. It may, and in all probability it will, avoid a strike temporarily, but in my opinion this would be merely postponing the actual settlement of the whole matter.

I am receiving many communications from employees of the railroads who are not trainmen, and in every instance I am appealed to to act and vote against this proposed legislation.

I will hurriedly read one or two of these communications, showing the attitude of these men:

> I see by this evening's papers that President Wilson has addressed Congress advocating the passage of a law limiting the hours of employment of employees of railroads engaged in interstate traffic to eight hours a day. As a law of this character, if passed, would limit the earning capacity of all railroad employees, especially of the poor class who can only make an honest dollar by the sale of his labor, and being one of these unfortunates I hope that you will not only vote but use your influence against the passage of such a law.

Another letter reads:

> I desire you to know that I am not in favor of a law compelling the railroads to give trainmen of a certain class an eight-hour day. If, however, such legislation is forced upon them, it should be broad enough in its scope to include not only the men who assign trainmen to their respective runs but also those employees who assign telegraph and telephone operators to their tours of duty—men who are not affiliated with any organization. The present arrangement for the last named is for one man (myself) to be in charge continuously during the day and night, and while not actually on duty continuously, it is practically so, inasmuch as I am subject to call at all hours. More thought and actual work is required in such positions than is necessary for the operators affected by the present Federal hours-of-service law.

Mr. Chairman, if this bill is enacted into law it will affect thousands of American citizens not employees of the railroad companies. Dividends may be passed or reduced, and the stockholders, many of whom are men and women who have invested their small earnings in railroad stocks in the belief that by so doing they have safeguarded themselves from poverty in their old age, will find their small incomes seriously affected, if not cut off entirely, by this hasty legislation.

It is my earnest desire that justice be done to all concerned in this extremely grave situation, and I do not believe the enactment into law of the bill we have before us will result in justice to either employees or stockholders. It is a makeshift, pure and simple, and will only defer the evil day of further disturbance when we shall be called upon to mete out exact justice. Nothing is settled until it is settled right. [Applause on the Republican side.]

I yield back the remainder of my time.

The CHAIRMAN. The gentleman yields back a minute and a half.

Mr. ADAMSON. Mr. Chairman, I yield five minutes to the gentleman from North Carolina [Mr. SMALL].

Mr. SMALL. Mr. Chairman, I shall vote for this bill, but in doing so I feel, in justice to myself, I should make a statement. There are three parties to this controversy—the railroads, which virtually means the capital invested in them; the railway employees; and the public. The railroads are entitled to facilities of operation and to earn a sufficient income to pay a fair return upon the capital invested and to maintain an adequate reserve. The employees are entitled to receive a fair wage and to work under conditions which are hygienic and which will promote their physical well-being. The public are entitled to continuous service of this public utility and to such ample facilities for transportation of traffic and the movement of passengers as the capacity of the railroads will admit. The rights of the public in any controversy between employees and employers are, and of right ought to be, paramount. It is because their right is paramount to continuous service of the railroads and because we are confronted by a condition which can not be met by theories that I shall vote for this bill; and I think it ought to receive the unanimous consideration of the House. But at the same time there is one phase of this matter the consideration of which I can not escape. We are voting for this under constraint. As Representatives of the public and not of the capital of the railroads nor of the employees, we recognize that the public are confronted by a condition which, if the threat to strike is carried out, means suffering and disaster to the commercial and industrial interests as well as to the life of the people of the country. I would like to take up my remaining time and speak a word for the public. Let us not forget that in adopting an 8-hour day with 10-hour pay we are increasing the wages of 400,000 employees 25 per cent, and the pro rata pay for overtime is an increase of 25 per cent over the former pro rata pay. There are 1,600,000 railroad employees not members of the four brotherhoods, and who are not affected by this legislation. I can not say at this time, and it is unnecessary to say, how much that will increase the operating expenses of the railroads; but the public must understand that if this increased burden of operating expenditure prevents the railroads from earning a fair net income upon their capital invested and to maintain a reserve, that we are going beyond our constitutional power, and that they have the right to resort to the courts in order that no confiscatory conditions shall be imposed upon them. If we proceed upon the theory that instead of their appealing to the courts to set aside this legislation because it is confiscatory, that the railroads will appeal to the Interstate Commerce Commission to increase freight rates, we must face the contingency that such rates may be raised, and it would be the duty of the commission to do so if the net revenues of the railroads were not sufficient. The public, through Congress, should deal fairly with employees, but, at the same time, it can not impair contracts nor confiscate capital.

While we are voting for an eight-hour day, as representatives of the public we must realize that it increases the pay of 400,000 employees 25 per cent, and we must face the condition of the future raising of freight rates. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. ADAMSON. Mr. Chairman, sufficient unto the day is the evil thereof, and when we find we need more rates we have a commission, specially constituted by law, to fix all reasonable and just rates, and Congress will be always here to take care of the railroads, both their officers and operatives of trains, and see that they are all treated right.

Mr. PARKER of New Jersey. Mr. Chairman, I yield five minutes to the gentleman from New Jersey [Mr. GRAY].

Mr. GRAY of New Jersey. Mr. Chairman, the railroads are the great arteries through which flows the lifeblood of our social and commercial system. They supply us with food and raiment and machinery, with newspapers and magazines, and they make it possible for a nation of 100,000,000 of people to live in neighborly communion and to unite on the basis of a common understanding for the accomplishment of those things which make for the welfare of the Nation and for the individual.

While the railroads exist by virtue of a partnership between private capital and the sovereign right of the State, their ownership is invested in a larger sense in all the people, to whose existence they have become almost as necessary as air and sunlight. Neither the executive heads nor the men who do the actual physical work of operation should possess the power arbitrarily to close up these great arteries of social and com-

mercial life and thus visit incalculable loss and suffering upon all.

Mr. Chairman, I voted to uphold the President of the United States in the matter of the McLemore resolution because a principle was involved, that of standing up for a right possessed by every citizen of this Republic. We were solemnly warned on the floor of this House that if some such measure as the McLemore resolution were not passed, this country would be involved in war with a foreign nation. I wanted no war, none of us wanted war, but I for one, war or no war, was not willing to see an American right trampled upon. The situation confronting us to-day in the measure under discussion is somewhat analogous. We have been notified by the President of the United States that if we do not pass certain legislation within a certain time a small body of men will tie up our railroads, paralyze our industries, shut off our people from the food they need for subsistence, and submit all of us to great discomfort, inconvenience, and possible sickness and death. Sir, a principle is here involved as there was a principle involved in the question brought up by the McLemore resolution. Shall any body of men be allowed, even though they be our own citizens, to trample with impunity upon a common right possessed by the people of this country? It may be that they will do so, it may be that they will for a time succeed in so doing, but if they will so do and so succeed it shall not be without my protest as an American citizen and as a Member of this body.

It is as a Member of this body, however, that I wish to make a still more serious protest. The Congress is one of the three coordinate branches of the Federal Government, possessing distinct and independent rights as outlined by the Constitution. The membership of the House of Representatives, the lower branch of Congress, consists of 435 men elected by the people and representing all the people of the United States. Even the Chief Executive of the Nation, in whose hands rests the duty of enforcing the laws, possesses few constitutional rights with reference to this body further than to give it information of the state of the Union and to recommend consideration of such measures as he shall judge necessary and expedient. Yet, in spite of this fact, a small, unofficial body of our people have served notice on us along with the President that unless we enact certain legislation for their particular benefit between now and to-morrow evening, they will proceed to call their contemplated strike on the railroads. Mr. Chairman, if we accede to this demand what shall become of the legally constituted lawmaking power of this Government? How soon again may we not expect that another body of citizens, representing other interests but possessing similar power, shall confront us with similar demands? Shall we, by passing this measure to-day, confess our impotence, surrender our rights as Members of this great National Legislature, and be false to our oath and our duty to the people? I, for one, will not be a party to the establishment of a precedent of this kind with its enormous possibilities of danger to our country and its institutions.

Let no one gain the idea from what I have said that I am opposed to an eight-hour day. Let no one assume that I am an opponent of laboring men or labor unions. I have as much at heart the interests of the man who toils for a living as has any other Member of this House. I hold no brief for the railroads. In all probability a majority of the members of the four brotherhoods whose demands we are considering are possessed of more of this world's goods than I am. In all probability a majority of them received as much common-school education as I did. I have been thrown into intimate association with union labor men for the last 20 years, and I think I understand, perhaps better than the average man, their desires and ambitions and aspirations. I agree with the suggestion that there has been a somewhat general acceptance of the idea that eight hours should constitute a day's work and that this rule should be applied to the railroad business if it can be practically adjusted to the peculiar conditions of that business. But I am thoroughly convinced that the questions at issue in the present controversy should be submitted to orderly and deliberate investigation and arbitration, in which the interests of all the parties concerned should be given full consideration. I believe it to be in the interests of good government, of the due process of law, and of all the guaranties of the Constitution with reference to the rights of person and property that this Congress should now establish a body whose duty it shall be to investigate and arbitrate these great labor disputes, and should go no further at the present time. At all events, neither for political advantage nor for any other similar reason will I bow my head in subjection to the influence which to-day is arbitrarily threatening the welfare of the people of the United States and the power and usefulness of the United States Congress. [Applause.]

Mr. ADAMSON. Mr. Chairman, I yield four minutes to the gentleman from Pennsylvania [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, while this measure may not be all that some could desire; while it may fall short of that perfection which longer deliberation might assure; and while some of the criticisms which have been leveled at it by our Republican friends may be not wholly without justification, it is, nevertheless, one that should command general support in meeting an emergency which all of us understand and which calls for instant action.

I can conceive of no greater calamity which could befall this country, short of an armed invasion by a powerful enemy, than that which was scheduled to come off Monday morning next. This calamity, we are assured, will be averted by what we are here proposing to do. There is no claim for the pending bill that it is final; that it is anything more than temporary; that it is other than a mere expedient in caring for a situation which has alarmed every thoughtful man in America. It can be opposed only by those who would prefer the horrors of an unparalleled industrial war to an adjustment which will give all parties concerned an opportunity to look around and to seek a proper way out of an intolerable situation.

Mr. Chairman, if time permitted, I would like to discuss at some length some of the issues which have presented themselves in connection with the crisis which we are aiming to avert. One thing I hope to say very briefly, and that is that railway rates have little relation to railway pay. Has it been forgotten that the late Mr. Vanderbilt bluntly asserted that rates were governed solely by what the traffic would bear? Or is it forgotten that to-day, under regulation, rates remain practically at what capitalization permits?

It is regretted that time does not allow me to go further into this, for I think it can be shown that practically rates are still substantially governed by what the traffic will bear. As far as wages, the pay of railroad help, goes, what is the governing force here? Can they be regulated by law? Can even the railroads themselves determine how much they will pay? In the last analysis it will be found that wages are governed, not by chance, not by legislation, not by organization, not by anything in the world except natural law. What the man who employs his own labor on the best free land in use can obtain is, after all, the basis of all other wages. Anything which may tend to increase what the man at the margin is able to secure tends inevitably to lift wages all up the line from the lowest to the highest.

But I can not dwell on this very vital point. All I can do is to cite it and ask that it be considered fairly, not for any effect it may have on the pending measure, but for the good it may do when the larger questions come up for settlement after the present emergency has passed. It seems to me that we should look fundamentals in the face. We should inquire into the whole philosophy of wages, trying to ascertain the law governing them, avoiding errors which it is so easy to adopt, keeping clear of pitfalls into which it is so easy to stumble. It is no part of legislation to undertake to fix wages or to regulate prices. Our whole system, as far as it seeks to do either of these things, is false, and its mischievous tendencies are apparent. Legislation will have fulfilled its mission when it shall have made it impossible for a few to engross and forestall opportunity and establish a monopoly of natural resources by which and from which all wealth must be drawn by labor. Denial to labor of access to these opportunities and resources is at the bottom of all industrial troubles. Were labor free to employ itself when the terms offered by the employer were unsatisfactory, labor would be absolutely independent; it could freely dictate the conditions of its employment; it could always command wages equal to what it would be able to produce if self-employed.

However, we are not now at the point where this phase of the question is presented for discussion. We are dealing with a great emergency, with a condition fraught with enormous possibilities of evil; and we are dealing with it courageously and in a way that must meet the approval of all who do not want to see the country thrown into an industrial chaos. Perhaps this is what some of our Republican friends would like to see. Out of such a chaos some order in their political affairs might conceivably come. But they are not to be gratified. We have taken hold of this matter firmly and without fear. And for one I am willing to abide the issue. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. BAILEY. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

Mr. MANN. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Georgia has six minutes and the gentleman from New Jersey has three minutes.

Mr. ADAMSON. I yield three minutes to the gentleman from New York [Mr. LONDON].

Mr. LONDON. Mr. Chairman, in three minutes one can only give expression to one's faith and not advance an argument on a proposition of this kind. There can only be one substitute motion offered, and that is to authorize the President of the United States to seize the railroads and run them for the Nation. The Republicans will offer nothing of the sort, I am sure. If we legislate in a panic now, it is because most of us have for years refused to recognize the existence of the irrepressible, industrial conflict. Every voice has been heretofore heard in Congresses except the voice of the great working masses. It is the first time that we have the visible government assert itself. It is the first time that the working people, in a rather vulgar way, say, "We are here; we are going to strike; we are going to exercise our right to promote and improve our condition." They do not ask you for legislation; they announce they will exercise their inalienable right and you are at a loss; you do not know what to do. You have been talking protection and free trade, you have been talking of all sorts of things except industrial problems, and most of you do not know how to go about this thing at all. Some have even gone to the extent of blaming the President of the United States because he considered it his sacred duty, as trustee of the welfare of this country, to offer a remedy for this situation. [Applause on the Democratic side.] Why be partisan in an emergency of this kind? The railroads are not in a position to denounce the action of the Chief Executive. It is they that have denied his offer; it is they that have refused to listen to his voice of counsel. It is the railroads that have refused to recognize the economic and ethical principle of the eight-hour day. They are not in a position to criticize, and, please, gentlemen, do not you dare talk about compulsory arbitration, and let no one of you imagine that the working people of the United States will stand for compulsory arbitration. Compulsory arbitration is as indefensible and impossible as compulsory marriage. Only a short while ago in Sweden the workers organized a nation-wide strike against a compulsory arbitration act, and, as I understand it, they called off the strike only after the promise of the Government had been given that the law would be repealed as soon as the military necessity would be over. Let us vote for this measure, because it offers a remedy for a very serious and critical situation. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. LONDON. There is no other way to it just now.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LONDON. I ask unanimous consent, Mr. Chairman, to extend my remarks by adding to my remarks the bill introduced by Victor Berger, a Member of the Sixty-second Congress, dealing with the program of nationalizing the railroads.

The CHAIRMAN. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD by printing the bill indicated. Is there objection?

Mr. MANN. I object.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] objects. The gentleman from New Jersey [Mr. PARKER] has three minutes remaining, and the gentleman from Georgia [Mr. ADAMSON] has three minutes remaining.

Mr. PARKER of New Jersey. Mr. Chairman, I yield three minutes to the gentleman from New York [Mr. PLATT]

The CHAIRMAN. The gentleman from New York [Mr. PLATT] is recognized for three minutes.

Mr. PLATT. Mr. Chairman, it has been said that a condition, not a theory, confronts us, the condition being a threat to stop the wheels of industry and commerce all over the country and place our cities in a state of siege, with starvation impending as a result of cutting off supplies of food. Whence comes this threat? From a foreign power? No; from a group of four men, armed with authority to call a strike on all the great railroads, the date for which has been set for next Monday. These four men—or, shall I say, the President of the United States, in fear of the votes they may influence in the coming campaign—having refused to agree to arbitration, now demand that the Congress of the United States shall abdicate its position as a deliberative representative body and pass this bill forthwith. I, for one, decline to be either bluffed or coerced into participation in hasty, ill-considered, makeshift legislation, the far-reaching effects of which we can not foresee, though I believe that our industries should work toward eight hours as the limit of the usual day's labor, where the hours can be so fixed. It has, however, been freely admitted by some of the spokesmen on the other side that the hours of labor in train operation can not be so fixed, and that this bill is a bill of doubtful constitutionality to increase wages rather than to decrease hours.

Mr. Chairman, I think I know railroad men well enough to know that they do not want to strike. If you gentlemen will forego for a time your habit of riding on palace cars and parlor cars and other Pullman productions and will ride occasionally in the smokers, filling your pipes and sitting down alongside of the trainmen, you will be in a position to know how they feel. You will find that the average trainman or conductor, while he rightly desires shorter hours, does not want to strike, and stands almost as much in dread of a strike as the average Member of Congress fears the present situation, which is saying a good deal. [Laughter.] Unless I am a poor judge of human nature, the four brotherhood chiefs do not want to call a strike, and are demanding this legislation to save their faces. I sympathize with the predicament in which they have been placed, but I am not responsible for it. Under other circumstances I might vote for such a measure as this, if made a part of a well-considered bill which contained also provisions to prevent such a situation from arising again and treated all parties, including the public, fairly.

Mr. Chairman, the President of the United States is largely responsible for the position in which the labor leaders and this Congress find themselves to-day. I do not like to charge him with playing politics with an emergency, but I do wish to say that it seems to me that it is unwise for Woodrow Wilson to try to play Theodore Roosevelt. In the first place, he does not know how to keep in touch with the sentiment of the people as Mr. Roosevelt did and does, and, in the second place, he has not the backbone. [Applause.]

Mr. ADAMSON. Mr. Chairman, how much time have I?

The CHAIRMAN. Three minutes.

Mr. ADAMSON. I yield that to the gentleman from Illinois [Mr. BUCHANAN].

The CHAIRMAN. The gentleman from Illinois is recognized for three minutes.

Mr. BUCHANAN of Illinois. Mr. Chairman, much has been said about the nonmembers or unorganized workingmen in the railroad industry. There have been statements that they are not in harmony with the brotherhoods' efforts in securing an eight-hour day.

The fact is that the brotherhoods have taken a vote of their nonmembers as well as of their members. I have here the figures of the vote of Brotherhood of Railroad Trainmen, showing a vote of their members in favor of the eight-hour day 98,557, as against 3,256. Of these men who are talked about as being opposed to the eight-hour day, the nonmembers of the union, there were 29,481 for the eight-hour day and 1,060 against. The vote of the Brotherhood of Railroad Trainmen, which is one of the four brotherhoods, was 96.73 per cent in favor of the eight-hour day.

Now, the other industries and the other workmen are organized, the telegraphers, and the machinists, and the bridgemen, the carpenters, and blacksmiths; 60 per cent of the men outside of the brotherhoods are organized and are working in harmony with them to secure the eight-hour day.

The representatives of the railroads are putting much emphasis on the fact that they want to stand by the principle of arbitration. If gentlemen will look at the records of the railroad corporations they will find that they have refused to arbitrate with every labor organization that is not strong enough to tie up their works. That was true in the case of the machinists' strike on the Santa Fe. The union machinists used every influence to secure arbitration. The railroads have refused to arbitrate. Their contention that they are standing out for the principle of arbitration is a deception and a fraud. [Applause.]

The CHAIRMAN. The time of the gentleman from Illinois has expired. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That beginning December 1, 1916, eight hours shall, in contracts for labor and service——

Mr. CLARK of Florida. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CLARK of Florida. I want to know if it would be in order to offer an amendment now or after the bill is read?

The CHAIRMAN. It would be in order to offer an amendment at the end of the reading of the paragraph.

Mr. ADAMSON. Of the section.

The CHAIRMAN. Yes. The Clerk will proceed.

The Clerk read as follows:

Be it enacted, etc., That beginning December 1, 1916, eight hours shall, in contracts for labor and service, be deemed a day's work and the measure or standard of a day's work for the purpose of reckoning the compensation for services of all employees who are now or may hereafter be employed by any common carrier by railroad which is subject to the provisions of the act of February 1, 1887, entitled "An act to regulate commerce," as amended, and who are now or may hereafter be actually engaged in any capacity in the operation of trains used for the transportation of persons or property on railroads from any State or Territory of the United States or the District of Columbia to any other State or Territory of the United States or the District of Columbia, or from one place in a Territory to another place in the same Territory, or from any place in the United States to an adjacent foreign country, or from any place in the United States through a foreign country to any other place in the United States.

Mr. ADAMSON. Mr. Chairman, there are three committee amendments to that section.

The CHAIRMAN. The Clerk will report them.

The Clerk read as follows:

Amend, on page 1, line 3, by striking out, after the word "beginning," the words "December 1, 1916," and inserting in lieu thereof the words "January 1, 1917."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. BUCHANAN of Illinois. Mr. Chairman, I would like to discuss that amendment.

The CHAIRMAN. The gentleman from Illinois is recognized.

Mr. BUCHANAN of Illinois. Mr. Chairman, it is an error to have the time begin January 1 instead of December 1. Beginning about December 1 or January 1 is the hardest time to try out a new method or to apply the eight-hour day, because at that time there is less freight and more bad weather and many elements to contend with that would perhaps make it appear that it was not successful; or, in other words, it would be holding the application of the eight-hour day responsible for the elements of the weather.

However, if this is necessary to secure harmony and expedite action, I do not care to make any effort or protest against the adoption of it.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. MANN. What is the amendment, Mr. Chairman?

The CHAIRMAN. Without objection, the amendment will be again reported.

The amendment was again read.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The gentleman from Georgia [Mr. ADAMSON] offers a further amendment, which the Clerk will report.

Mr. ADAMSON. Mr. Chairman, the gentleman from North Carolina [Mr. PAGE] wishes to offer a modification of the amendment.

The CHAIRMAN. The one that was just adopted?

Mr. ADAMSON. No; the next amendment.

The CHAIRMAN. The gentleman from Georgia [Mr. ADAMSON] proposes to accept the amendment offered by the gentleman from North Carolina?

Mr. ADAMSON. Yes.

The CHAIRMAN. The Clerk will report the amendment of the gentleman from North Carolina [Mr. PAGE].

The Clerk read as follows:

Amendment offered by Mr. PAGE of North Carolina: "After the word 'railroad,' in line 8, page 1, insert 'except railroads independently owned and operated, not exceeding 100 miles in length, electric street railways, or electric interurban railways.'"

Mr. KEATING. Mr. Chairman, I trust this amendment will not be adopted. As I understand the purpose of this bill, it is to meet an emergency. I believe the bill as drafted by the committee will prevent a strike on Monday, but I think I am safe in saying that the adoption of such amendments as the one proposed by the gentleman from North Carolina [Mr. PAGE], unless they are very carefully safeguarded, may destroy the effect of this legislation. This amendment is presented without any opportunity to determine what the effect will be.

Mr. COLEMAN. Will the gentleman yield?

Mr. KEATING. Pardon me, but I can not yield at this time. This amendment, as I say, is presented without an effort to consider who will be affected by it or how far it will go to nullify the provisions of this measure. My attention was called a short time ago to the fact that certain railroads have electrified their systems in such a way that if you attempt to exclude electric roads from the operations of this act you are very likely to destroy the purpose of it. I trust the gentleman from Georgia, who is in charge of this bill, will permit us to pass the bill substantially as it has been brought into this House. And my reason for that is that I believe it is such a simple bill it will readily be understood, and because I believe the passage of the bill as presented to this House will guarantee industrial peace in this country, and that is what I am seeking.

Mr. BAILEY. Is it not true that the New Haven is practically electrified from New York to Boston?

Mr. KEATING. I do not know. I have not been over the road. I do not know what the effect of the amendment will be. With all due respect to the chairman of the committee, I question if he has had an opportunity to determine the effect of this amendment. The bill as it stands has been carefully considered. The bill as it stands will prevent a strike on Monday. I am not prepared to say what will be the effect if these suddenly presented and hastily considered amendments be put in.

Mr. CULLOP. Will the gentleman yield a moment there?

Mr. KEATING. Yes.

Mr. CULLOP. Take the Pennsylvania Railroad, and part of the way, going from here to New York, it is drawn by an electric engine instead of a steam engine. What effect would that amendment have on it?

Mr. KEATING. I do not know. I do not know of any reason why a man who works on a railroad that is less than 100 miles long should work more than eight hours a day. He works just as hard on a railroad that is 90 miles long as the man who is employed on a railroad 500 miles long. I contend that when a gentleman comes in here and offers an amendment he ought to submit a bill of particulars so we may know what we are doing.

Mr. PAGE of North Carolina. Mr. Chairman, this amendment was offered not in its present form but as it affected street railway and interurban electric lines, by the committee, and in that far is not my amendment but the committee's amendment. At my request the chairman of the committee has accepted a suggestion of mine that small, independently owned and operated railroads, not exceeding 100 miles in length, should be included with street railways and interurban electric lines.

Now, the gentleman from Pennsylvania [Mr. BAILEY] asked a question of the gentleman from Colorado [Mr. KEATING] relative to one of the great trunk lines that is a part of the way run by electricity. That can in no sense be termed an interurban line or a street railway line. And when the gentleman refers to the fact that employees on short lines have as hard or as long work as on the trunk line of railroads I would remind the gentleman that there are a great many short, independently owned lines in the United States where, if this automatic arbitrary increase of compensation of 25 per cent to its employees is forced upon them, they will probably be in the hands of a receiver, as many of them are now. With most of them their employees are not in the brotherhood. They are not organized. There are great stretches of country undeveloped that are being developed by private capital by the construction of small railroads for the development of these outlying portions of the country. And the purpose of this amendment is to except street railways, interurban electric lines, and railroads independently owned and operated, not in excess of 100 miles in length. And I do not believe it is the purpose even of these enthusiastic gentlemen, who say we must take the dose straight, to include these small roads and break down their operation, that means as much to the undeveloped communities of this country as railroad transportation does for the trunk lines and the developed portions of the country. And I believe this amendment ought to be adopted.

As to its not having been thought out, possibly the gentleman from Colorado [Mr. KEATING] has not thought it out, but other gentlemen have, and I believe, Mr. Chairman, in the interest of not only the private capital invested in these small railroads, but for the development of those sections of our country now undeveloped and the protection of these small properties independently owned and operated this amendment ought to be agreed to.

Mr. TAGGART. Mr. Chairman——

The CHAIRMAN. All debate has expired. The question is on agreeing to the amendment.

Mr. TAGGART. I move to strike out the last word.

I have the greatest sympathy with the aims and objects of the gentleman from Colorado [Mr. KEATING], but we must remember that this Congress has no power to legislate for street railway companies that are not interstate lines of railroad or connected with interstate lines of railroad.

Mr. KEATING. Will the gentleman yield?

Mr. TAGGART. I will.

Mr. KEATING. I want to ask you if there is anything in this bill which undertakes to legislate for railroads that are outside of the jurisdiction of Congress? In other words, will not those roads automatically be taken out of the operations of this bill?

Mr. TAGGART. This bill will reach the case of a street railroad or system that crosses the State line and will not reach the case of a railroad which does not cross a State line without it is connected in some way with an interstate railway line. Now, for instance, this bill as it reads would have no effect on the street railways of Seattle, San Francisco, or Los Angeles. It would take immediate effect on the street railways in the city of New York that extend into Connecticut and New Jersey. It might have no effect on the street railways of Buffalo, Pittsburgh, or New Orleans.

Mr. MANN. Pittsburg, Kans.?

Mr. TAGGART. Pittsburg, Kans., is not in my district. It did not even go Republican. It went Socialist, and so you and I will not worry about its street railroads. [Laughter.]

Now, the bill as it reads and without amendment applies to a few cities and it does not apply to the street railroads of the great majority of the cities. It has nothing to do with Cleveland, Ohio, or Pittsburgh, Pa., but it does reach Chicago, nearly all of whose lines reach down into Indiana. It does reach Kansas City, Mo., and all of its lines. I would like to see the eight-hour law apply to every one of them, but if you leave this bill as it stands, and without amending it so as to omit street railways, it shows you are attempting to legislate for railroads wholly within a State, and you can not do it. It might vitiate the whole bill. It would be a delight to some courts in this country that I could mention to hold that the bill was absolutely unconstitutional and void for that reason.

Mr. ADAMSON. Mr. Chairman, so far as this amendment is concerned, my own personal opinion was at first that it ought not to have been incorporated. I learned, however, on investigation, that the Senate committee insisted on it, and I have been informed by those who profess to know that the people engaged in operating the street railroads and the interurban roads are not involved in this controversy at all. I also have some knowledge of these roads that are shorter than the ordinary division of 100 miles, and the information I have is that they could hardly consume eight hours anyway in making a run. And there is no use to cripple them by incorporating them in it.

Mr. KEATING. Will the gentleman yield?

Mr. ADAMSON. As soon as I finish this statement I will yield. We consented to the adoption of this amendment on those ideas, and if we should strike it out, I am told the Senate committee insist on putting it in, and it would be necessary to have a conference. So far as I am concerned I do not care about it one way or the other.

Mr. KEATING. The gentleman says that on these short roads it is impossible to use eight hours. In that case, what harm does it do?

Mr. ADAMSON. I did not say it was impossible. I said they could hardly do it.

Mr. KEATING. And if it is possible to use more than eight hours, why should not the men get the benefit of it?

Mr. ADAMSON. It occurs to me that they could observe the law more easily than anybody else.

Mr. STERLING. Will the gentleman yield?

Mr. ADAMSON. I yield to my colleague.

Mr. STERLING. Is this the same amendment that the committee put in the bill?

Mr. ADAMSON. A part of it is. The gentleman from North Carolina [Mr. PAGE] wants to amend that by adding these short lines, which provision is also in the Senate bill.

Mr. STERLING. Personally, I have no objection to that, but certainly we ought to insist on the House voting on the amendment the committee put in this morning.

Mr. ADAMSON. If the gentleman insists on that form, I will let the gentleman from North Carolina [Mr. PAGE] offer an amendment to the committee amendment.

Mr. STERLING. I am not asking that it be considered now.

Mr. ADAMSON. I understand.

The CHAIRMAN. The time of the gentleman from Georgia has expired. All time has expired. Without objection, the pro forma amendment will be withdrawn and the question is on the amendment offered by the gentleman from North Carolina [Mr. PAGE].

Mr. ADAMSON. Yielding to the suggestion of my colleague from Illinois [Mr. STERLING], I suggest that we pursue the ordinary method.

Mr. MANN. The gentleman from Illinois is satisfied.

Mr. ADAMSON. All right then.

The CHAIRMAN. The question is on the amendment of the gentleman from North Carolina.

Mr. CALDWELL. I ask that the amendment be read.

The CHAIRMAN. Without objection, the amendment will be again reported.

The Clerk read as follows:

Amend, on page 1, line 8, by inserting after the word "railroad" the following: "except railroads independently owned and operated, not exceeding 100 miles in length, electric street railways, and electric interurban railways."

Mr. ADAMSON. That same amendment will occur at the top of the next page after the word "trains," and I ask unanimous consent that both amendments be voted on at once.

The CHAIRMAN. The gentleman states that the same amendment in verbiage will occur on the next page. The Clerk will report it.

The Clerk read as follows:

Amend, on page 2, line 1, after the word "trains," by inserting the following: "except railroads independently owned and operated, not exceeding 100 miles in length, electric street railways, and electric interurban railways."

Mr. MANN. I do not think that is where that comes in.

Mr. ADAMSON. The gentleman is right. It should come in in line 2, after the word "railroads."

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that the amendment just reported may be considered as pending, and as being offered after the word "railroad," in line 2, page 2, to be voted on in connection with the amendment offered by the gentleman from North Carolina [Mr. PAGE]. Is there objection?

Mr. KEATING. Reserving the right to object, I desire to offer an amendment to the amendment.

Mr. ADAMSON. The gentleman can offer it to both.

Mr. MANN. That would not affect this unanimous consent.

Mr. KEATING. If that is understood, I will not object——

Mr. MANN. It will not.

Mr. KEATING. As long as I have the opportunity to offer my amendment.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. Now the debate on the original amendment offered by the gentleman from North Carolina [Mr. PAGE], and on amendments thereto has been exhausted.

Mr. KEATING. I desire to offer an amendment to the amendment.

Mr. ADAMSON. Let the gentleman offer it without debate.

Mr. KEATING. No; with debate. I think, under the circumstances, I should have an opportunity to explain the amendment.

Mr. MANN. The gentleman can offer his amendment and then be heard on it.

Mr. ADAMSON. Of course, he has that right.

Mr. KEATING. This amendment reads:

Except railroads independently owned and operated, not exceeding 100 miles in length, electric street railways, and electric interurban railways.

Mr. MANN. Let the gentleman offer his amendment.

Mr. KEATING. Now, I want to move to strike out the words:

Railroads independently owned and operated, not exceeding 100 miles in length.

My object in moving to strike out those words is that if the House puts that amendment into the bill——

Mr. MANN. I think we ought to have the amendment reported from the desk in the orderly way.

Mr. KEATING. I beg the gentleman's pardon.

The CHAIRMAN. The gentleman from Colorado offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend the amendment by striking out the words "except railroads independently owned and operated, not exceeding 100 miles in length."

The CHAIRMAN. The Chair understands that is offered to the last amendment?

Mr. KEATING. To the first amendment.

SEVERAL MEMBERS. To both.

Mr. KEATING. To both.

Mr. BENNET. May we have the language of the amendment reported as it would read if the amendment of the gentleman from Colorado were adopted?

The CHAIRMAN. Without objection, it will be reported.

The Clerk read as follows:

Except electric street railways and electric interurban railways.

Mr. KEATING. I wish to strike out the language that would exempt railroads less than 100 miles in length. I do that because it is utterly impossible to bring about a solution of the problem before us if that amendment is placed in the bill. The reason is that the brotherhoods have a great number of men

employed on roads that would come under that provision, and they are making a fight for all the members of their brotherhoods.

This is a cleverly devised scheme which, if adopted, will place the railroad brotherhoods in the position of agreeing to an eight-hour day for some of their members and not insisting on it for other members.

In addition to that, there is no reason why the switchman who happens to be working for a great terminal company, which would be exempted by the gentleman's amendment, should be compelled to work 10 hours a day while his fellow switchman who works for some other company works 8 hours a day. To my mind there is no argument that can be advanced in support of the gentleman's proposition which could not be advanced in opposition to the entire bill.

Mr. CULLOP. Will the gentleman yield?

Mr. KEATING. Yes.

Mr. CULLOP. Take a belt road of less than 100 miles in any of the great cities that is privately owned, and it would apply to it, would it not?

Mr. KEATING. I presume so, and I presume that is the intention.

Mr. LENROOT. Will the gentleman yield?

Mr. KEATING. Yes.

Mr. LENROOT. The gentleman cites a belt road in any city. It would no come under the bill as originally framed, would it?

Mr. CULLOP. It would if engaged in interstate commerce.

Mr. KEATING. My sole desire, Mr. Chairman, is to secure an eight-hour day for the men who work on the railroads in this country, and next to that I want to avoid a railroad strike. Now, why adopt an amendment which may in the last analysis prove fatal to an agreement. Why not reject it and proceed with the bill in its original form?

Mr. MANN. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. MANN. Mr. Chairman, this bill is entitled "A bill to establish an eight-hour day for employees and carriers," but there is no pretense in the bill itself that it does, or even tends toward the establishment of an eight-hour day. All the literature and investigation on the subject of eight-hour labor is wasted so far as the terms in this bill are concerned. The bill provides that eight hours shall, in contracts for labor and service, be deemed a day's work, and the measure or standard of a day's work for the purpose of reckoning compensation.

People differ as to whether it is desirable for men to work only 8 hours a day, or whether a man who has 8 hours' day labor in the end will be able to accomplish as much as he would if he worked 10 hours, and probably become less vitally strong physically. But the only purpose of this bill is to have Congress write into law and into contracts already made a provision that for the purpose of compensation 8 hours shall be a day's labor. There is no intention on the part of either the railroad managers or the railroad employees to shorten the hours of labor from those now used.

In the contest between the employer and employee upon the railroad the public is somewhat interested. The railroad managers would just as lief give a day's pay for 4 hours as they would for 8 or 10 hours if they could recoup themselves from the public. It is idle to say that you can receive the rate of pay without in some way increasing the rates for freight and passengers in the United States. You can not build and operate railroads without capital and without money. I do not know whether the rate of pay of the railroad employees should be increased, but I feel very confident that if the rate of pay of the engineers and conductors on passenger and freight trains ought to be increased, that it is true it would be claimed that the pay of the trackmen maintaining the track should be increased. [Applause on the Republican side.]

I do not believe that Congress, with doubtful constitutional power to change or alter contracts or to determine the rate of pay on transportation lines, without knowledge, without investigation, should impose a burden upon the whole people of the land. And I do not doubt—and I say it with sorrow—that if it had been proposed in this body that the rate of pay should be increased 50 per cent instead of 25 per cent, or even 100 per cent, the same gentlemen who will vote for the increase of 25 per cent under the same pressure would vote for an increase of 50 or 100 per cent, hoping that the public, at least, would not wake up to the fact that the burden is put upon them until after the next election. [Applause on the Republican side.]

Mr. Chairman, the President of the United States, finding an existing controversy which threatened strife and disorder, interposed his good offices. He failed to obtain a satisfactory solution of the problem. He came before Congress a few days ago with the suggestion that he would turn the matter over to the legislative body of the country, with certain recommendations which he made to it.

I believe that I could have voted for the President's program if proposed in a bill before the House. Although it was not a very satisfactory solution to me, although it proposed to impose burdens upon the public in the future, it at least made the pretense of an effort to prevent similar situations in the future. But the President, as he always has in his conduct of affairs of the country when he has real questions before him, wabbled and wavered. Bold as he was in asserting his views before Congress here a day or two ago, he now backs water, as shown from his then program, and now urges Congress to pass a bill which leaves out most of the essential things which he then proposed.

My colleague, Mr. STERLING, expects to offer an amendment to the bill, and offer also a motion to recommit along the same lines, if the amendment be not agreed to in committee, attempting to prevent strikes in the future without investigation, which amendment will provide that if men will not mediate, if men will not arbitrate, either the managers or the employees, the President of the United States shall appoint a commission to investigate, and that pending the report from that commission there can be by combination neither a lockout nor a strike. [Applause on the Republican side.] If we are to meet the situation in the country, if we are to be true to the great mass of the people of the country, if we are going to yield to the emergencies of the present moment, we ought at least to do something toward preventing disaster in the future. [Applause on the Republican side.]

Mr. BUCHANAN of Illinois. Mr. Chairman, just one word, please. I would like to state, as did the gentleman from Colorado [Mr. KEATING], that I believe the adoption of this amendment offered by the gentleman from North Carolina [Mr. PAGE] will defeat the whole purpose of this bill. I believe it would be a grave mistake to embody such an amendment in the bill. I have information almost direct from the representatives of the men——

Mr. COLEMAN. Mr. Chairman, has the gentleman any objection to that portion of the amendment which excludes interurban trolley lines?

Mr. BUCHANAN of Illinois. It is not a question of whether I have objections or not. The representatives of the brotherhoods have been asked to accept certain propositions. It is a compromise upon their part. They have been shown certain bills which, if passed, they say would stop this strike. We are now trying to legislate for the purpose of preventing a strike on next Monday, and I am of the opinion, with the information that I have, that if this amendment is included in this bill it defeats that purpose.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. KEATING] to the amendment offered by the gentleman from North Carolina [Mr. PAGE].

The question was taken; and on a division (demanded by Mr. KEATING) there were—ayes 72, noes 91.

Mr. KEATING. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. ADAMSON and Mr. KEATING to act as tellers.

The committee again divided; and the tellers reported—ayes 73, noes 90.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from North Carolina.

Mr. IGOE. Mr. Chairman, has debate been exhausted upon this amendment?

The CHAIRMAN. Debate has been exhausted.

Mr. IGOE. Is it in order to move to strike out the last two words?

The CHAIRMAN. That motion has already been made.

Mr. IGOE. Mr. Chairman, I ask unanimous consent to address the House for five minutes.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to proceed for five minutes. Is there objection?

There was no objection.

Mr. MANN. Mr. Chairman, before the gentleman begins, are there any other amendments to be offered by the committee to section 1?

Mr. ADAMSON. I think those are all of the committee amendments.

Mr. IGOE. Mr. Chairman, I regret very much that this last amendment was defeated. The amendment offered by the gen-

tleman from Colorado [Mr. KEATING], it seems to me, was very important and vital. I thought that the House would agree to it. The situation, as I understand it, for example, in the city of St. Louis, is this: There is not a railroad coming into that city, or, rather, crossing from St. Louis to East St. Louis, that runs over its own tracks. All of those trains are hauled over the Terminal Railroad Association's track, which is a local concern, with the stock controlled by the railroad companies. As I understand the amendment as proposed by the gentleman from North Carolina [Mr. PAGE], this road, the Terminal Railroad Association, would be excepted from the operation of the law.

Mr. MANN. Mr. Chairman, will the gentleman yield?

Mr. IGOE. Yes.

Mr. MANN. Does the gentleman think that that road is either owned or operated independently of other roads?

Mr. IGOE. I will say to the gentleman from Illinois that we have been trying to find that out for a good many years in St. Louis.

Mr. MANN. The gentleman will find out, and he will find out that it is not, because there is not one of the terminal roads that is or can be operated or owned independently.

Mr. IGOE. Let me say to the gentleman that the Terminal Railroad Association is one company, the Merchant Bridge & Terminal Co. is another company, and on top of them are two or three other companies. The railroad companies claim when they come to the city of St. Louis that they do not own it, that it is a separate corporation; and when we go on the other side they tell the people that the railroads own it. My own judgment is that it is an independent company.

Mr. MANN. It is perfectly plain about that road. If it is covered by the interstate-commerce law, it makes reports; and if it is not, there is nothing that we can do about it. That is as plain as the nose on your face.

Mr. IGOE. The gentleman from Illinois is not sure about it, and I feel that this amendment, the way it is worded, will exempt that terminal company and the men working for it from the operation of the law.

Mr. KITCHIN. Would not an amendment of this nature cure that:

Provided, The above exception shall not apply to railways, though less than 100 miles in length, whose principal business is leasing or furnishing terminal or transfer facilities to other railways, or are themselves engaged in transfer of freight between railways and between railways and industrial plants.

Mr. IGOE. I think that would meet the situation. Let me say this: I do not oppose—in fact, I favor—the exemption of these electric interurban roads; but if there is going to be any question about this amendment exempting employees of the Terminal Railroad Association from the operation of the bill, I shall vote against the whole thing.

Mr. MANN. There is not any question at all. They will not be exempted, and the only thing this amendment will do—and I do not care what becomes of it—will be to exempt these little timber roads, or something of that sort, that are owned and operated independently, not in connection with any other road.

Mr. IGOE. Now, let me ask the gentleman: These men work for the Terminal Railroad Association and not for any railroad company. Now, then, this amendment excepts privately owned companies, and these men work for the Terminal Railroad Association; and if the road is less than 100 miles, it is exempted under this amendment.

Mr. MANN. It is not exempted unless owned and operated privately.

Mr. IGOE. I say it is.

Mr. MANN. It can not be operated independently. A terminal road could not have anything to carry on it except as it is operated in connection with railroads that connect with it.

Mr. IGOE. The contract made between the railroad companies and this terminal company is one by which the terminal company hauls its cars across the river, and this agreement, this contract——

Mr. MANN. But it is operated independently.

Mr. IGOE. It is operated by this separate corporation. It is bonded; it has its own bonds.

Mr. MANN. It is a perfectly sure thing if it is covered by the interstate-commerce law—the gentleman said he could not get reports.

Mr. IGOE. I did not say anything about getting reports; I made no such statement.

Mr. MANN. The gentleman said he could not find out who owned it. I so understood the gentleman.

Mr. IGOE. I said the city could not reach it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KITCHIN. Mr. Chairman, I present the following amendment to follow the amendment which is now pending.

The CHAIRMAN. Does the gentleman offer that as an amendment to the amendment?

Mr. KITCHIN. Yes; as an amendment to the amendment.

The CHAIRMAN. The Clerk will report the amendment to the amendment.

The Clerk read as follows:

Add at the end of the Page amendment the following:
"*Provided*, That the above exception shall not apply to railways though less than 100 miles in length whose principal business is leasing or furnishing terminal or transfer facilities to other railways, or are themselves engaged in transfers of freight between railways or between railways and industrial plants."

Mr. STAFFORD. If the gentleman will permit, would not that exception extend to electric railway companies that operate——

Mr. KITCHIN. Yes.

Mr. STAFFORD. Then the gentleman's exception is too broad.

Mr. KITCHIN. No; I think not.

Mr. STAFFORD. There are some electric railway terminal companies operating interurban railroads.

Mr. KITCHIN. I doubt whether there are any such companies.

Mr. STAFFORD. There are electric terminal companies in large cities.

Mr. STERLING. Mr. Chairman——

The CHAIRMAN. Does the gentleman from North Carolina yield to the gentleman from Illinois?

Mr. KITCHIN. I will.

Mr. STERLING. I do not know whether I heard the reading of the gentleman's amendment correctly or not. If I did I think the gentleman wishes to put in what he did not intend. I understood as read it excepts railways no less than 100 miles——

Mr. KITCHIN. No; it applies to railroads though less than 100 miles.

Mr. STERLING. Excuse me, I heard it incorrectly.

Mr. KITCHIN. Mr. Chairman, I ask unanimous consent to substitute the word "railroad" instead of "railway" there.

Mr. GALLAGHER. Does that except railroad terminals now?

Mr. STAFFORD. Mr. Chairman, let us have the amendment again reported.

Mr. GALLAGHER. Where does this leave the electric railroads?

Mr. KITCHIN. I expect it leaves them exactly where they are now in the other amendment. It does not affect them at all.

Mr. GALLAGHER. They will be dealt with.

The CHAIRMAN. Without objection, the amendment will be again reported.

There was no objection, and the amendment was again reported.

Mr. KITCHIN. I ask unanimous consent that the word "railroad" be substituted for the word "railway."

The CHAIRMAN. Without objection, that will be done.

There was no objection.

Mr. MANN. Mr. Chairman, just a very slight observation. The bill now reads, "common carrier by railroad which is subject," and it is proposed to insert between "railroad" and "which" an exception to the exception and a proviso excepting that. There is a grammatical construction that will excite the curiosity of the world.

Mr. KITCHIN. I move the adoption of the amendment.

The CHAIRMAN. The question is on the amendment of the gentleman from North Carolina to the amendment.

The question was taken, and the amendment to the amendment was agreed to.

The CHAIRMAN. The question recurs to the amendment of the gentleman from North Carolina [Mr. PAGE] as amended.

Mr. GALLAGHER. Mr. Chairman, can we have that amendment again reported?

The CHAIRMAN. Without objection, the amendment will be again reported as amended.

The amendment as amended was reported.

Mr. ADAMSON. The gentleman from Illinois is correct. That proviso just offered by the gentleman from North Carolina [Mr. KITCHIN] ought to go in at the end of the sentence.

Mr. KITCHIN. Wait one minute and let me make an explanation. I came in and went to the gentleman from Georgia and asked him where this should go in and he said to put it where the amendment went.

Mr. ADAMSON. I showed the gentleman where the amendment went in. It is just like the crooked log where the pig went in and landed outside the field instead of inside.

Mr. KITCHIN. It is the gentleman's grammar, not mine.

Mr. ADAMSON. It was my grammar. I ask unanimous consent to replace it.

The CHAIRMAN. The gentleman asks unanimous consent to reconsider the vote by which the amendment of the gentleman from North Carolina [Mr. PAGE] was adopted. Is there objection to the reconsideration,

Mr. ADAMSON. If it is adopted I do not care anything about reconsidering it. I just want to replace it. We do not want it unless the Page amendment is adopted. If you vote on the Page amendment first, and it is adopted, put it at the end.

The CHAIRMAN. It would simplify matters very much if the Chair had been permitted to put that amendment some time ago, and then the other amendment was——

Mr. MANN. If the gentleman from North Carolina [Mr. KITCHIN] would temporarily withdraw his amendment——

Mr. ADAMSON. I suggest that it be temporarily withheld.

Mr. KITCHIN. Mr. Chairman, I ask unanimous consent to withhold that until the Page amendment is voted on.

The CHAIRMAN. The gentleman from North Carolina asks to withhold that amendment until the Page amendment is voted on.

Mr. KINCHELOE. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. KINCHELOE. I presume I am in the same fix that several Members here are. I am against the original Page amendment, but I am for the amendment with the Kitchin amendment added. So if the Page amendment were to be voted on first and adopted, and the Kitchin amendment was defeated, there would be a confusion here with a whole lot of us.

The CHAIRMAN. The remedy of the gentleman is to object, then.

Mr. HAMLIN. Mr. Chairman, reserving the right to object, my reasons are just as stated by the gentleman this moment. I am opposed to the Page amendment as it reads, but as amended by the amendment of the gentleman from North Carolina [Mr. KITCHIN] I would vote for it. I shall object to holding it until after the vote on the Page amendment.

The CHAIRMAN. The gentleman from Missouri [Mr. HAMLIN] objects.

Mr. QUIN. Mr. Chairman, I would like to have the Kitchin amendment reported.

The CHAIRMAN. Without objection, the amendment of the gentleman from North Carolina [Mr. KITCHIN] will be again reported.

Mr. MANN. I object.

The CHAIRMAN. The gentleman from Illinois objects. The question is on the amendment offered by the gentleman from North Carolina [Mr. KITCHIN].

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. PAGE] as amended.

Mr. GALLAGHER. Mr. Chairman, I ask that the amendment as amended be again reported.

The CHAIRMAN. The amendment as amended will be again reported.

The Clerk read as follows:

Amendment by Mr. PAGE of North Carolina as amended: Page 1, line 8, after the word "railroad," and also after the word "railroads," on page 2, line 2, insert "except railroads independently owned and operated, not exceeding 100 miles in length, electric street railways, and electric interurban railways: *Provided*, That the above exceptions shall not apply to railroads, though less than 100 miles in length, whose principal business is leasing or furnishing terminal or transfer facilities to other railroads or are themselves engaged in transfers of freight between railroads or between railroads and industrial plants."

Mr. ADAMSON. Mr. Chairman, I ask unanimous consent that if this amendment should be adopted it be separated and the Kitchin amendment be placed at the end of the section.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that if the amendment as amended be adopted it shall then be separated, and then the amendment of the gentleman from North Carolina be placed at the end of the section. Is there objection? [After a pause.] The Chair hears none.

Mr. SIMS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SIMS. Will this amendment dislocate the vote on the 100-mile part of it before we vote on the other part?

The CHAIRMAN. The Kitchin amendment has been agreed to.

Mr. SIMS. I mean the Page amendment, which will be voted on, as amended.

The CHAIRMAN. That was offered by way of amendment. The gentleman from Colorado offered an amendment to strike that out, and that was voted on. The question is on the Page amendment as amended.

The question was taken, and the amendment as amended was agreed to.

The CHAIRMAN. The Kitchin amendment will be placed at the end of the section. Has the gentleman from Georgia [Mr. ADAMSON] any further amendment?

Mr. ADAMSON. No further other than to make that transfer which has already been agreed upon. There may be a little verbiage to change.

Mr. CLARK of Florida. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Florida offers an amendment, which the Clerk will report.

Mr. MANN. Mr. Chairman, I wish to submit a unanimous-consent request.

Mr. KITCHIN. Mr. Chairman, I ask unanimous consent that in the amendment just voted on the word "railroads" be substituted for the word "railways." I see that the Page amendment reads "railways."

The CHAIRMAN. The gentleman from North Carolina [Mr. KITCHIN] asks unanimous consent that in the Page amendment the word "railroads" may be substituted for the word "railways" wherever the word "railways" occurs. Is there objection? [After a pause.] The Chair hears none.

Mr. MANN. Mr. Chairman, I ask unanimous consent that not later than 4 o'clock my colleague [Mr. STERLING] be permitted to offer an amendmeat as a new section. I make the request because I do not know whether we will get through the bill at that time or not.

Mr. ADAMSON. I have no objection to his offering it at any time.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] asks unanimous consent that not later than 4 o'clock p. m. his colleague, the gentleman from Illinois [Mr. STERLING], may have the opportunity of offering an amendment as a new section.

Mr. HAMLIN. Mr. Chairman, reserving the right to object, I do not want to object, as I have no real objection to it. But I want to reserve the right to object in order to say that I have been seeking to-day very industriously to get a few moments of time to submit a few remarks on this bill. I am not particularly anxious to make a speech, but I have some data here that has been furnished me that I think would be of some information to the House and that I would like permission to insert in the RECORD.

Mr. MANN. The gentleman voted for the rule. We have not had more than an hour on this bill, and only 10 minutes of that has been occupied by this side of the House since we commenced under the five-minute rule. If the gentleman insists on gagging the minority so that we can have only 10 minutes——

Mr. HAMLIN. The minority had one-half of the time in general debate, and the gentleman from Illinois [Mr. MANN] was granted, without any objection, an extension of time——

Mr. MANN. That is the only time that has been used on this side in three-quarters of an hour.

Mr. HAMLIN (continuing). And I have had none. I ask unanimous consent, Mr. Chairman, to extend my remarks in the RECORD by printing a statement furnished to me in regard to the facts covered in this bill.

Mr. MANN. I gave notice that I will object to all extensions, and I will do it.

Mr. HAMLIN. Then I object to the request of the gentleman from Illinois.

Mr. MANN. The gentleman has that right, mean as it is. [Applause.]

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] objects to the request of the gentleman from Missouri [Mr. HAMLIN], and the gentleman from Missouri objects to the request of the gentleman from Illinois.

Mr. MANN. I move that all debate on section 1 be now closed, Mr. Chairman.

Mr. CLARK of Florida. Mr. Chairman, I offer an amendment.

Mr. ADAMSON. Mr. Chairman, I wish to relieve a situation here——

Mr. MANN. If the gentlemen of the majority propose to be indecent to the minority——

Mr. ADAMSON. I think it is perfectly in order for the Chair to recognize the gentleman from Illinois [Mr. STERLING].

Mr. MANN. It can not be in order until we reach the point in the bill.

Mr. ADAMSON. I understood the gentleman from Illinois [Mr. STERLING] wanted to offer his amendment to the bill in its entirety.

Mr. MANN. No; as a new section. That is the courtesy with which we are treated by the majority.

The CHAIRMAN. The gentleman from Illinois moves that all debate on section 1 be now closed.

Mr. FITZGERALD. Mr. Chairman, I make the point of order that pending an amendment that has been offered it is not in order to make that motion.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Florida [Mr. CLARK].

The Clerk read as follows:

Amendment by Mr. CLARK of Florida: Add to section 1 the following proviso:

"*Provided further*, That this section shall also include and apply to station agents, train dispatchers, trackmen, office employees, workers in railway shops, and all other employees of a railroad carrier engaged in interstate carriage of passengers and freight."

Mr. CLARK of Florida. Mr. Chairman, I want to say that these employees, the train dispatchers, the shopmen, the trackmen, and other men who are engaged in their different work are just as much engaged in the real operation of interstate trains as are the engineers and the conductors, but the language of the bill would limit its application to those actually upon the trains.

Now, if these people who are pressing this bill want to tote fair, if they really want to benefit the laboring people of this country, they will not stop with increasing the salaries of the highest-paid workmen in the railway service. [Applause.] The engineers and the conductors get more pay in proportion to the work done than do the shopmen, the trackmen, the little station agents, and these other people whom I have named in that amendment, and their work is just as necessary for the operation of the trains as is the work of the engineers and the conductors.

I want to say this, gentlemen, that, so far as I am concerned—and I freely say it, because I do not want to take advantage of or mislead anybody—I am opposed to this legislation, but if you intend to legislate, then, for God's sake, legislate fairly and give all these people the advantage of what you propose. [Applause.]

I am in favor of an eight-hour day for all labor, all kinds of labor. But this is not an eight-hour-day proposition. It is simply a proposition to have Congress exert its power to raise the wages of certain classes of people in this country. I question our constitutional right to do it, and I have no doubt whatever as to the fact that we have no moral right to do it. I am in favor of arbitrating all these difficulties.

Arbitration is the only fair method to pursue in order to reach a just and honest conclusion, but that method is refused and we are rushed into the enactment of legislation which we have had no time to consider and deliberate upon.

I want to say this, gentlemen: I feel sadder to-day than at any time during my 12 years' experience here, because I have seen the legislative body of the Nation taken practically by the throat by the representatives of four organizations and made to do what they say, made to do their bidding, and given a limited time in which to do it. It is the work of the highwayman; it is characteristic of the banditti to hold up Congress and say, "If you do not do this, we will do the other. We will plunge this country into chaos, and we will bring misery and untold suffering upon all the millions of people in this land."

I am absolutely opposed to this legislation, because it is wrong. It is undemocratic and in radical opposition to every pronouncement of my party. I am further opposed to its being enacted in this manner. It is the act, as I said before, of the highwayman. The highwayman at the point of a pistol demands your money, and these men with a threat to bring untold misery and suffering upon the Nation demand this legislation. This proceeding is in exact accord with the method of the bandit, and as one Member of this House I will forfeit my seat in it to-day, and I hope I may never occupy it again, before, with my convictions on this subject, I will bow to the command of these arrogant brotherhood leaders and stultify myself by swallowing this kind of stuff. [Applause on the Republican side.]

Mr. ADAMSON. Mr. Chairman, the 400,000 members of the brotherhoods come no nearer having a strangle hold on my throat than the 1,600,000 who are working on the tracks and elsewhere.

This is an emergency measure. It matters not what anybody's opinion may be as to general legislation when we have an opportunity to legislate for a general eight-hour law. We are trying now, under the doctrine of public safety, to prescribe eight hours a day for those who are connected with the operation of trains. We are committed to that. We have already passed legislation prescribing hours of service for that class of people. We have not time here to open the question for general legislation to accommodate the views of everybody on general questions that are not acute. We are dealing with an acute situation. We are trying to do just those things necessary to relieve that situation and no more. Hereafter, when we have time to legislate about the gentlemen who want eight hours, and who are represented by my distinguished friend from Florida, we can give it consideration. At this time let us confine our legislation to the necessary subjects in hand. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. CLARK].

Mr. HEFLIN and Mr. HULBERT rose.

The CHAIRMAN. Does the gentleman from Alabama rise in support of the amendment?

Mr. HEFLIN. I rise to oppose it.

Mr. HULBERT. I want to oppose it.

The CHAIRMAN. The gentleman from Alabama is recognized.

Mr. HEFLIN. Mr. Chairman, the gentleman who offered this amendment has practically told us that if we vote for his amendment we vote against the bill. I am heartily in favor of this bill. I think that the trainmen of this country have a perfect right to come to the Members of this House and to the Senate and ask for a fair settlement of this matter. My friend Mr. CLARK of Florida was loudly applauded by gentlemen on the other side who are hoping that this strike will not be settled.

Mr. BURNETT. May I ask my colleague a question?

Mr. HEFLIN. Yes.

Mr. BURNETT. Is it not the gentleman's opinion that those who so loudly applauded will not have the nerve to vote for the amendment if they have to go on record?

Mr. HEFLIN. That is my opinion. The gentleman from Pennsylvania [Mr. MOORE] took the President to task this morning for trying to avert this great strike, a strike, gentlemen, that would clog the arteries of commerce and produce paralyzation of trade, and maybe starvation in many sections of the country. I fear that there are gentlemen on that side who do not want this strike controversy settled. Some of you have shown a disposition to play politics at the expense of the country. I think there are gentlemen over there who do not want this strike settled by the President and by the Congress. Gentlemen, do you know that since this strike has been pending the prices of food supplies have risen; potatoes have gone up a dollar a barrel because the dealers fear that the trains will soon stop running? In many places starvation threatens. What are you doing to help us solve this problem? This Democratic President is trying to prevent the strike. What did Mr. Cleveland do? He came forward after the strike was on and helped to break it up. What did Roosevelt do? He waited until the strike had raged five months in the coal mines, and then went and took charge, but demoralization reigned in all the mining regions of the country. What did President Wilson do? He took time by the forelock and is now trying to prevent the greatest strike that ever threatened this country. [Applause on the Democratic side.] What are you doing to prevent it, you partisans on that side, who are shaping your creed for your cravings and swallowing your convictions for a job? [Applause on the Democratic side.]

What are you Republicans doing? Some of you are hoping that this strike will come. You Republicans have some millionaires in another body near by who are hoping that the strike will come. Mr. Speaker, it does not take me long to locate a man in this body. I can spot him when I hear him speak five minutes. I know for what interest he speaks and to what crowd he belongs. You can not fool me, and you can not fool the country. I am standing here and pleading in the interest of the American people. I speak for the laboring man who wants justice and for justice to the railroads, and if the railroads need more freight rates, if they can show that they do, I will favor giving it to them. I am not against any legitimate interest in this country. I want to do justice by all of them, and I want the public considered also. It has rights. The laboring man has rights. The railroads have rights, and the American people have rights. Where are you going to stand on this question, gentlemen? This is a critical day. My friend from Florida [Mr. CLARK] speaks of being sad. He says this is a sad day with him. It is a glorious opportunity to me to be able in my humble way as a Representative to help to settle this question and avert this strike, and I am serving my country when I uphold the hands of President Wilson, who delivered that message here the other day, the bravest act since Andrew Jackson defied the national banks. [Applause on the Democratic side.] They say he puts his nose into things. Yes; he

puts his nose into things, and he settles them, and I make you the prediction that during the next four years he will settle, and settle fairly and justly, all the great industrial disorders in the United States. [Applause on the Democratic side.] He has the ability and the courage to do it. [Applause on the Democratic side.]

Mr. HULBERT. Mr. Chairman——

Mr. MOORE of Pennsylvania. Mr. Chairman, a point of order. I shall favor this amendment. Is it in order——

The CHAIRMAN. The gentleman from New York [Mr. HULBERT] is recognized.

Mr. MOORE of Pennsylvania. Is it in order for two gentlemen to speak on the same side of a question consecutively? The gentleman from Alabama [Mr. HEFLIN] opposed the amendment. I am in favor of it.

The CHAIRMAN. The Chair will recognize the gentleman to follow the gentleman from New York, if that be satisfactory.

Mr. MOORE of Pennsylvania. That is all I want, but I submit to the Chair——

Mr. HULBERT. The gentleman does not recognize the fact that I have suffered the opprobrium of sitting on this side, although I belong on the other side. [Laughter.]

Mr. MANN. The gentleman means that we have suffered. [Laughter.]

Mr. MOORE of Pennsylvania. The gentleman is better off for it.

Mr. HULBERT. I came over here in order to sympathize with you.

"The President and Congress are earnestly at work endeavoring to prevent the threatened railroad strike. Passions are rising and there are plenty of critics of every plan proposed. But the great public is concerned solely with the avoidance of the strike and not with fine-spun theories of law. If there had been time to deliberate, it is probable that Congress could have evolved a plan of permanent industrial peace through the suspension of strikes and lockouts pending Federal inquiry. Inasmuch, however, as the only way to avoid the strike is to establish the eight-hour day, the President and Congress are acting in obedience to the popular demand when they enact such legislation.

"If mistakes are made in the laws, they can be corrected at leisure; but a strike, once begun, can not be corrected. Irreparable losses will occur; indeed, damage has already been done to industry in every section of the country. Before this damage intensifies into disaster the menace of a strike must be removed.

"When the money cost of an eight-hour day is compared with the losses that would be caused by a strike, it sinks into insignificance. The highest estimate of the cost of an eight-hours day is $100,000,000 a year; but a strike would paralyze manufacturing industries dependent upon interstate commerce which in 1910 employed 6,500,000 persons, earning $11,000,000 a day. There are 6,000,000 farmers in the United States whose product, worth $3,000,000,000, depends upon the railroads. The perishable fruit crop is worth $140,000,000, and it would be a total loss with the stoppage of trains. The grape crop is worth $25,000,000.

"In 1910 there were 2,217,342 babies in the United States under 1 year of age and 10,631,364 children under 5 years of age. What of them if the milk supply should be even seriously reduced? The infantile-paralysis menace is nothing compared with the slaughter of the innocents that would follow a milk shortage.

"Whether the threatened strike would be successful or not, in the sense of being complete, or whether the railroad managers would be able to break it with accompanying disorder and bloodshed, is not the issue. There must be no test of strength at the expense of the millions of wage earners and farmers, the women and children, and the varied business interests which support the population. Congress must establish the eight-hour day and stop the strike. That danger over, the whole subject of maintaining industrial peace can be considered carefully and legislation framed that will make it impossible for a similar danger to threaten the people of the United States."

This, Mr. Chairman, is an editorial which appeared in the Washington Post of this morning. It appeals to me as the sanest and most logical argument on this momentous question that can be presented—one which I think the majority of us can safely take as our guide. [Applause.]

Mr. MOORE of Pennsylvania. Mr. Chairman, I move to strike out the last word. The gentleman from Alabama [Mr. HEFLIN] in his eloquent speech defended the President of the United States. I assume that it is well that the President should have such an able defender on this floor. Too little is heard here about what the President has accomplished during his entire administration. We have not heard anything recently, for instance, about the enormous deficiency in the Treasury. The loss of revenue due to the Underwood tariff law has been completely forgotten in recent days. The gentleman from Alabama talks about the glory of the country, the beauty of American womanhood, and the sturdy character of American manhood, but he fails to account for the $290,000,000 which the President of the United States asked us to raise a few months ago because his economic policy, according to Gov. Colquitt, of Texas, had been "a complete failure."

Why does not the gentleman from Alabama tell us of some of the other things that have been temporarily forgotten in the excitement of the strike?

The gentleman from Alabama has said nothing recently about the nitrate plant, which is to take $15,000,000 from the people of the country to establish an enterprise to increase the 30,000 employees who have been added to the Government pay roll since the Democrats came into power. Why not tell us about the $50,000,000 shipping bill——

Mr. GORDON. Mr. Chairman, I make the point of order that the gentleman is not confining himself to the amendment.

Mr. MOORE of Pennsylvania. The gentleman from Alabama has overlooked many interesting facts——

The CHAIRMAN. The gentleman from Ohio makes the point of order that the gentleman from Pennsylvania is not discussing the amendment.

Mr. MOORE of Pennsylvania. Mr. Chairman, I shall discuss the amendment. I think perhaps the gentleman's point of order is well taken, but it might also have been taken against the gentleman from Alabama. The gentleman from Ohio can see the mote in the other fellow's eye, but he can not see the mote in the eye of a Democrat.

Mr. GORDON. Mr. Chairman, I insist on the point of order.

Mr. MOORE of Pennsylvania. Mr. Chairman, I concede the point of order. The gentleman from Alabama defended the attitude of the President of the United States upon this bill. He did that, and I am inclined to think the gentleman from Alabama would rather discuss the President's attitude on this strike bill now than to discuss the revenue question, or the armor-plate question, or the nitrate-plant question. I am inclined to think the gentleman from Alabama would rather keep his eyes off the Mexican situation now until after election in November. It might be unpleasant to explain why the National Guard is being kept along the Mexican border. The President's attitude on this strike bill is much more appropriate just now for the purposes of the campaign.

Why, Mr. Chairman, the gentleman from Alabama knows that the chairman of the Committee on Interstate and Foreign Commerce told this House on July 15 last that he had known for four months that trouble was impending, and that he had investigated and seen the proper parties concerned, and was able to report to this House and the country that there would be no strike. Is it possible the gentleman from Alabama, who was very conspicuous in nominating the President for a second term, did not know what the gentleman from Georgia and the President of the United States knew about this strike situation? Will he not agree that it was a mighty good thing to hold up until before election, when discussion of the revenue question, the nitrate plant, and the armor plate question, and other deficiencies, might be disagreeable?

It has seemed to me that the gentleman has preferred, for good and sufficient reasons—and I hope I am keeping within the rule—to talk strike and talk it volubly for fear the people of the country might want to ask a number of questions before the 7th of November.

I am inclined, Mr. Chairman, to think the amendment of the gentleman from Florida has merit—that if we are going to legislate for one class of employees, voluntarily or under duress, we had better legislate fairly and squarely for all other classes of labor. There ought to be a square deal all down the line. But because this strike question has arisen we should not be expected to forget or obliterate forever the mistakes of the Democratic administration. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. ADAMSON. Mr. Chairman, I ask unanimous consent that all debate on the section and pending amendments be now closed.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that all debate on this section and all amendments thereto be now closed.

Mr. GARLAND. I shall object to that. I move to strike out the last two words.

Mr. ADAMSON. How much time does the gentleman want?

Mr. GARLAND. Five minutes.

Mr. ADAMSON. I move that all debate on this section and amendments thereto be closed in five minutes.

Mr. SMALL. Mr. Chairman, I have an amendment that I want to offer, with some time on it.

The CHAIRMAN. The gentleman from Georgia moves that all debate on this section and amendments thereto close in five minutes.

Mr. ADAMSON. I will make it 10 minutes.

The CHAIRMAN. The gentleman from Georgia moves that all debate on this section and amendments thereto close in 10 minutes. Is there objection?

There was no objection.

Mr. GARLAND. Mr. Chairman, I am consistently in favor of the amendment offered by the gentleman from Florida.

Mr. SMALL. Mr. Chairman, I make the point of order that debate on this amendment is closed.

Mr. GARLAND. I moved to strike out the last two words.

Mr. ADAMSON. My motion contemplated five minutes for the gentleman from Pennsylvania [Mr. GARLAND], and five minutes for the gentleman from North Carolina [Mr. SMALL].

Mr. SMALL. I have no objection, Mr. Chairman.

Mr. GARLAND. Mr. Chairman, I am for the bill as it is presented to us and as it has been amended. I am for the amendment offered by the gentleman from Florida [Mr. CLARK]. I am consistently for both. I am for the amendment because the claim was given to the President of the United States on behalf of 1,600,000 employees by their representative, Mr. Frazier, who not alone came here in person but who wrote the President, and he, Mr. Frazier, was neglected. He has been ignored entirely, as have the 1,600,000 employees, or a sufficient number to make 80 per cent of the total number employed in the railways, or whatever the number is—80 per cent is enough. These gentlemen, represented by Mr. Frazier, came here and asked that they be given an opportunity to share in whatever legislation was enacted by this Congress, and they asked it for the reason that they deserve it.

They ask it for the further reason that they would proceed to organize and come and make the same demands, and would expect the same treatment at the hands of Congress. We hear the gentleman from Alabama [Mr. HEFLIN] rise here and wail about a strike and state that somebody wants a strike. I am consistent in this, that I am for this legislation and for the amendment. I do not want any strike, but I do want this Congress to take care of these poor fellows just as well as we are going to take care of the others, and I am for them all.

Mr. BENNET. Mr. Chairman, will the gentleman yield?

Mr. GARLAND. Yes.

Mr. BENNET. On the average, do not the men who are covered by the Clark amendment get less wages than the 400,000 for whom we are legislating?

Mr. GARLAND. They certainly do; but the gentleman from Alabama [Mr. HEFLIN] fears that we are going to be pushed into a strike by reason of this amendment. Is that true? Who is going to strike if you put this amendment on this bill? Are the men who are to receive the benefits going to strike? Are the brotherhoods going to strike if you give this to these 1,000,000 other men? Who is to be kept from striking by the legislation that you are going to enact? The brotherhoods. Do they say that they would strike if these other men are given this privilege? Oh, no; not at all; but it seems to be the popular thing for this Democratic President to go along and try to pull off a stunt, and then, when he could not do it, to bring the foundling in here and advise us to pass this legislation for fear of strike.

Mr. FITZGERALD. The gentleman is for it?

Mr. GARLAND. I am for it.

Mr. FITZGERALD. Then what are you complaining about? [Laughter on the Democratic side.]

Mr. GARLAND. I am complaining because the President did not include the other 80 per cent. [Applause on the Republican side.]

I refuse to take up my time in answering the gentleman's questions further. We ought to pass this legislation, and we ought to add this amendment, and we ought to be consistent in our actions here now, because this is just the start. We expect to do more in the future, but we may as well avert two strikes, when we are averting one, rather than to continue on and have more legislation come in here in a week or two. I hope the amendment will be adopted and the bill will be passed. [Applause on the Republican side.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. CLARK].

The question was taken; and on a division (demanded by Mr. DENISON) there were—ayes 82, noes 101.

Mr. DENISON. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed Mr. CLARK of Florida and Mr. ADAMSON to act as tellers.

Mr. ADAMSON. Mr. Chairman, the gentleman from Florida does not seem to be present.

The CHAIRMAN. The gentleman from Pennsylvania, Mr. GARLAND, will act as teller.

Mr. GARLAND and Mr. ADAMSON took their places as tellers.

The committee again divided; and the tellers reported—ayes 81, noes 120.

So the amendment was rejected.

Mr. CLARK of Florida. Mr. Chairman, I desire to make a statment so that I may not be misunderstood. I am paired with the gentleman from Illinois, Mr. FULLER. I have a general pair with him. That is the reason I was not in the Chamber to take my place as teller a moment ago.

The CHAIRMAN. The Chair desires to make a statement in order that gentlemen may understand the order of business. Under the rule we have about reached the point where the Chair will have to exercise some discretion in the matter. The gentleman from North Carolina [Mr. SMALL] will be recognized to offer an amendment, and will be recognized for five minutes on that amendment, at the end of which time all debate on this section and all amendments thereto will close. The gentleman from Tennessee [Mr. HOUSTON] has an amendment that he desires to offer to this paragraph, but which he does not desire to debate. The Chair thinks the chairman of the committee understands what it is.

Mr. ADAMSON. Yes; it is merely changing the date.

Mr. MANN. Mr. Chairman, I ask for the regular order. We are wasting time.

The CHAIRMAN. The Chair is undertaking to state what the Chair is going to do. After that is done the Chair is going to recognize the gentleman from Illinois, Mr. STERLING——

Mr. MOORE of Pennsylvania. Mr. Chairman, I have a substitute, about which I have given notice that I would like to have read under the same terms.

The CHAIRMAN. The Chair is going to recognize the gentleman from Illinois [Mr. STERLING] immediately after he has recognized the gentleman from Tennessee [Mr. HOUSTON].

Mr. SMALL. Mr. Chairman, I offer the following amendment which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. SMALL: Page 1, line 12, after the word "engaged" strike out the words "in any capacity" and insert in lieu therefor the words "as conductors, engineers, firemen, and trainmen."

Mr. ADAMSON. Mr. Chairman, I will ask the gentleman from North Carolina to yield to me for a moment. In order to accommodate my colleague from Illinois [Mr. STERLING] I ask unanimous consent that after the Small amendment has been acted upon the bill be read through entirely in order to reach the place where the gentleman from Illinois [Mr. STERLING] desires to offer his amendment.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that immediately after the action upon this amendment and the amendment to be offered by the gentleman from Tennessee [Mr. HOUSTON] the bill may be read through before further amendments are offered. Is there objection?

Mr. MOORE of Pennsylvania. Mr. Chairman, reserving the right to object——

Mr. ADAMSON. The gentleman from Illinois says he will adopt my first suggestion and offer it following the first section.

The CHAIRMAN. The gentleman from Georgia withdraws his request. The Chair hears no objection.

Mr. SMALL. Mr. Chairman, if I may have the attention of the chairman and the gentlemen of the committee. My amendment strikes out the words "in any capacity," in line 12, on page 1, and insert the words "engaged as conductors, firemen, engineers, or trainmen." I would not support any amendment to this bill which impaired its purpose, nor would I offer any amendment which had the same effect. The chairman of the committee says that we are confronting an emergency which makes this bill necessary, and in that I agree. What is the emergency? That the four brotherhoods representing conductors, engineers, firemen, and trainmen make certain demands, which if not granted or otherwise met will result in a strike, and the purpose of this legislation is to avert that strike.

Mr. KEATING. Will the gentleman yield?

Mr. SMALL. Yes; for a question.

Mr. KEATING. I know the gentleman desires to include all members of the brotherhoods.

Mr. SMALL. Yes, sir.

Mr. KEATING. As a matter of fact the gentleman has not included in his amendment switchmen or hostlers or a lot who are admitted by the brotherhoods and his amendment would not cover the membership of the brotherhoods.

Mr. SMALL. I am using the same language that the brotherhoods used, and if they have an accepted meaning in railway parlance, they will be included. I say that the language used by the brotherhoods is "conductors," "engineers," "firemen," and "trainmen," and I take it that the gentleman from Colorado will not deny that statement.

Mr. KEATING. Oh, yes; I do; the gentleman is mistaken.

Mr. SMALL. That language is used by the brotherhoods, and I repeat it. Now, if we do not want to have any ambiguity in the bill, if we are appointing a commission to investigate the facts and results of this legislation, we wish to use certain phraseology about which there will be no ambiguity, and this language is referred to in describing the four brotherhoods whose action threatens a strike and has made necessary this legislation. Now, the words "in any capacity" will make this bill ambiguous. It may be interpreted to include telegraph operators, if, perchance, as is frequently the case, a part of their duty is to handle messages in the operation of trains. It would include train dispatchers; it might include others, but it does not intend to include——

Mr. ADAMSON. If the gentleman will permit, there is already a telegraph law.

Mr. SMALL. I understand that. When you use the language "engaged in any capacity" in the operation of trains, why, you must interpret that language according to its ordinary meaning, and "in any capacity" would mean a man or employee who, in any capacity, took part in the operation of trains; and a train dispatcher, a telegraph operator, takes part under this language here. I think that we want to make it clear so that there shall be no misunderstanding. If we strike out those words "in any capacity" and insert in lieu thereof "engaged as conductors, engineers, firemen, and switchmen," we would make it clear.

Now, the gentleman from Colorado says that does not include hostlers and switchmen who are in the brotherhoods.

Mr. TALBOTT. And baggage-masters?

Mr. SMALL. Yes. I say this amendment carries out the purpose, and I submit that we ought to make it certain and definite, and it should be adopted so as not to leave anything indefinite and in an ambiguous form.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The question was taken, and the amendment was rejected.

Mr. HOUSTON. Mr. Chairman, in line 9, page 1, to correct the date, where it says "February 1," it should be "February 4, 1887." I make that amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, on page 1, in line 9, by striking out the word "first" and inserting the word "fourth."

The question was taken, and the amendment was agreed to.

Mr. STERLING. Mr. Chairman, I offer the following amendment as a new section.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. STERLING: Page 2, after section 1, add the following as a new section:

"That the act entitled 'An act providing for mediation, conciliation, and arbitration in controversies between certain employers and their employees,' approved July 15, 1913, be amended by adding thereto as new sections thereof the following:

"'SEC. 12. Whenever a controversy shall arise between an employer or employers and employees subject to this act, which can not be settled through mediation and conciliation in the manner provided in this act, and the Board of Mediation is unable to induce the parties to submit their controversy to arbitration in accordance with the provisions of this act, the said controversy shall be referred to a board of investigation, which shall consist of 11 members, of which each of the parties to the controversy shall have the right to recommend 4, and these 8, together with 3 other members, one of whom shall act as chairman of the board, shall be appointed by the President of the United States. Upon notice by the President of the appointment of the board of investigation, the Board of Mediation and Conciliation shall arrange a time for the beginning of the investigation and a place where such proceedings may be held. The board of investigation shall organize and make all necessary rules for conducting its hearings. The board shall fully and carefully ascertain all the facts and circumstances, and in its report shall set forth such facts and circumstances, and its findings therefrom, including the cause of the dispute and the board's recommendation for the settlement of the dispute according to the merits and substantial justice of the case. Its recommendation shall deal with each item of the dispute and shall state what in the board's opinion ought or ought not to be done by the respective parties concerned. Whenever it appears to the board expedient so to do, its recommendation shall also state the period during which the proposed settlement should continue in force and the date from which it should commence. The report shall be made to the Board of Mediation and Conciliation, who shall cause the same to be published.

"'All testimony before the board of investigation shall be given under oath or affirmation, and any member of the board shall have the power to administer oaths or affirmations. It shall be furnished such assistants as may be necessary in carrying on its work.

"'Each member of the board of investigation shall receive such compensation as may be fixed by the Board of Mediation and Conciliation, together with his traveling and other necessary expenses. So much as may be necessary of the appropriation of the Board of Mediation and Conciliation for the fiscal year ending June 30, 1917, is hereby made available for the payment of the necessary and proper expenses of boards of investigation. Authority for incurring expenses, including subsistence, by boards of investigation shall first be obtained from the Board of Mediation and Conciliation.

"'SEC. 13. Pending the efforts of the Board of Mediation and Conciliation to induce the employer or employers and employees to submit their controversy to arbitration, and until the investigation of such controversy by the board of investigation provided for in section 12 of this act has been completed and its report thereon published, it shall be unlawful for the employer or employers to declare or cause a lockout, or for the employees, acting in combination, to declare or cause a strike on account of such controversy.

"'SEC. 14. Any railroad company declaring or causing a lockout, or any officer or agent of any railroad company who assists or participates in declaring or causing a lockout contrary to the provisions of this act, shall be liable to a fine of not less than $500 nor more than $5,000 for each day or part of a day that such lockout exists.

"'Any officer, agent, or employee of any organized body of labor or labor organization who declares or causes a strike contrary to the provisions of this act shall be liable to a fine of not less than $500 nor more than $5,000 for each day or part of a day that such strike exists.

"'Any person who incites, encourages, or aids in any manner any employer to declare or continue a lockout, or any person who aids in any manner any officer, agent, or employee of any organized body of labor or labor organization in declaring or causing a strike contrary to the provisions of this act, shall be guilty of a misdemeanor and liable to a fine of not less than $10 nor more than $100.

"'SEC. 15. Any provisions of said act of July 15, 1913, which are inconsistent with the provisions of this amendatory act are hereby repealed.'"

Mr. ADAMSON. I make the point of order on that. It is foreign to every word and syllable in this pending bill and not germane in any respect.

Mr. MANN. I did not hear what the gentleman said.

Mr. ADAMSON. I say it is not germane in any respect. It is foreign to every word and syllable and akin to no part of the subject in any respect.

The CHAIRMAN. The gentleman from Georgia [Mr. ADAMSON] makes a point of order that the amendment is not germane to the bill.

Mr. MANN. Mr. Chairman, the bill now pending before the House is the result of the President's message delivered to Congress a few days ago. The gentleman from Georgia as well as other gentlemen talking in favor of the bill have each stated that it was for the purpose of preventing a strike.

Mr. ADAMSON. Will the gentleman yield?

Mr. MANN. I will.

Mr. ADAMSON. Does not the gentleman think that whether it is in order or not it is determined by the contents of the paper and not by extraneous statements or evidence?

Mr. MANN. Oh, the purpose of the bill can be gathered from a report, from statements made by the man in charge of the bill on the floor of the House, as well as by the contents of the bill; and if the court is called upon to construe the law the court can take into consideration as well the report of a committee—though I do not know what the report of this committee is—and the statement of the gentleman in charge of the bill.

Now, the gentleman seeks to claim by the point of order that this bill is not for the purpose of preventing a strike; that it has no relation to a strike. The amendment offered by the gentleman from Illinois [Mr. STERLING], my colleague, proposes to couple with the existing bill a provision that hereafter before a strike can occur between railroads and their employees the President shall have the power to appoint a commission to make an investigation for the purpose of preventing the strike. This bill is for the purpose of preventing a strike, and the Chair holds that a provision proposed to be attached to it also for the purpose of preventing a strike is not germane to the bill. One of the surprising features to me in this connection is that the President, having made his recommendation to Congress, should now, through his instruments on the floor of the House, insist that the major portion of his recommendations shall not even be allowed to be considered in the House, but that only those portions of his recommendations can be considered which he says we shall consider. I insist, Mr. Chairman, that the whole subject matter involved in the recommendations of the President, made for the purpose of preventing the strike, are germane to this bill, which openly and avowedly is for the same purpose.

Mr. FITZGERALD. Mr. Chairman, the title of this bill is "A bill to establish an eight-hour day for employees of carriers engaged in interstate and foreign commerce, and for other pur-

poses." Of course, no one takes the statement of the gentleman from Illinois [Mr. MANN] seriously, that any proposition designed to prevent a possible strike upon the part of certain employees of railroads is germane to this bill. The gentleman has in mind a message read to the House by the President of the United States, and if that message were under consideration in the form of legislation this amendment would be in order as germane, but the House is not considering the message of the President, which, under the Constitution, was read to the House for the purpose of giving information on the state of the Union. It is considering a legislative proposition. This bill proposes to establish eight hours as the standard day's labor for certain employees in the operation of trains engaged in interstate commerce, to create a commission to investigate the conditions of the operation of such a law, and to prevent a reduction of compensation after the legislation goes into effect. There is nothing in the bill whatever relative to mediation, nothing in reference to contemplated, proposed, or impending strikes, and, under innumerable decisions which should not be read now to take up the time, now so brief. It is quite clear that the amendment is not in order. The gentleman's speech might have been in order under general debate on this bill. It is ridiculous to assume that he meant his argument seriously on this matter.

Mr. STAFFORD. Mr. Chairman, permit me just a word. If this bill only consisted of the first section providing for an increase of wages perhaps the amendment offered by the gentleman from Illinois would not be in order. I ask the attention of the Chair to the provision carried in section 2, which provides for an investigation made by a commission of three of certain facts pertaining to industrial disputes on interstate carriers. That is a distinct, substantive proposition providing for a commission to investigate certain conditions now prevailing upon the railroads of this country. The gentleman's proposal is nothing more than an investigation of conditions that may occur in the future on these same interstate carrier railroads and is but perpetuating and making permanent what is in a way provided for temporarily in section 2.

This bill provides for something more than one object. It is something more than a bill to increase the rate of wages. It is a bill to authorize the appointment of a commission to ascertain facts. The purport of the amendment offered by the gentleman from Illinois is likewise an authorization for the appointment of a commission to investigate facts, not as to this industrial dispute existing to-day, but in the future.

We have a bill before us that is not limited to one single object, namely, that of increasing the rate of wages of certain interstate railway employees, but also providing for the creation of a commission. By providing for that second matter I submit it is worthy at least of consideration that where a bill authorizes a commission to investigate something now existing another amendment providing for a permanent body to investigate those same conditions is germane.

The CHAIRMAN. The Chair will rule. The Chair would wish that there might be some further time for an argument upon this matter and examination of the precedents, because the Chair is inclined to state that he is not entirely clear in his own mind. But it does appear to the Chair, from such examination as he has been able to give to the amendment that is proposed, and from such hurried examination of the precedents as he has been able to make, that the amendment which has been offered by the gentleman from Illinois [Mr. STERLING] is not germane to any part of this particular bill which is before the House, and therefore, on the ground that it is not germane, the Chair sustains the point of order.

Mr. MANN. I respectfully appeal from the decision of the Chair.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] appeals from the decision of the Chair, and the question is, Shall the decision of the Chair stand as the judgment of the committee?

The question was taken, and the Chairman announced that he was in doubt.

The CHAIRMAN. As many as favor the decision of the Chair as the judgment of the committee will rise and stand until they are counted. [After counting.] One hundred and nine gentlemen have risen in the affirmative. Those opposed will rise and stand until they are counted. [After counting.] Ninety-two gentlemen have risen in the negative. Upon this vote the ayes are 109 and the noes are 92, and the decision of the Chair stands as the judgment of the committee.

Mr. MOORE of Pennsylvania. Mr. Chairman, I desire to offer a substitute for the bill.

Mr. ADAMSON. Mr. Chairman, I want to make a correction in one place. On page 3, line 2, after the word "rent," insert the words "in the District of Columbia and elsewhere." Otherwise the commission could not rent quarters. I ask unanimous consent to insert that on page 3, line 2.

The CHAIRMAN. The gentleman from Georgia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, on page 3, line 2, after the word "rent," by inserting the words "in the District of Columbia and elsewhere."

Mr. MANN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MANN. Has that section been read?

Mr. ADAMSON. It has not been. I asked unanimous consent.

Mr. MANN. Oh, no.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent——

Mr. MANN. It is now half post 4 o'clock. The committee has no power.

The CHAIRMAN. It was not at the time the gentleman made his request.

Mr. MANN. I will not dispute as to that with the Chair.

Mr. ADAMSON. Mr. Chairman, under the rule, the committee rises.

The CHAIRMAN. Under the rule the committee rises automatically to report to the House.

The committee rose; and the Speaker having resumed the chair, Mr. GARRETT, Chairman of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 17700) to establish an 8-hour day for employees of carriers engaged in interstate and foreign commerce, and for other purposes, had directed him to report it back to the House with certain amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. ADAMSON. None.

The SPEAKER. If not, the Chair will put them in gross. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. PARKER of New Jersey. Mr. Speaker, I yield to the gentleman from Illinois [Mr. STERLING] to make a motion with instructions.

The SPEAKER. The gentleman will send it up.

Mr. STERLING. Mr. Speaker, I offer the following motion.

The SPEAKER. The Clerk will report it.

Mr. ADAMSON. Mr. Speaker, that was the same motion that was read as an amendment in the Committee of the Whole. Will it be possible to get consent to dispense with the second reading of it here?

Mr. MANN. I do not think it will hurt that side to have it read the second time. It is in conformity with the President's recommendation.

The Clerk read as follows:

Mr. STERLING moves to recommit the bill to the Committee on Interstate and Foreign Commerce, with directions to that committee to report the bill back forthwith, with the following amendment:

Add to the bill as a new section the following:

"SEC. —. That the act entitled 'An act providing for mediation, conciliation, and arbitration in controversies between certain employers and their employees,' approved July 15, 1913, be amended by adding thereto as new sections thereof the following:

"'SEC. 12. Whenever a controversy shall arise between an employer or employers and employees subject to this act which can not be settled through mediation and conciliation in the manner provided in this act, and the Board of Mediation is unable to induce the parties to submit their controversy to arbitration in accordance with the provisions of this act, the said controversy shall be referred to a board of investigation, which shall consist of 11 members, of which each of the parties to the controversy shall have the right to recommend 4, and these 8, together with 3 other members, one of whom shall act as chairman of the board, shall be appointed by the President of the United States. Upon notice by the President of the appointment of the board of investigation, the Board of Mediation and Conciliation shall arrange a time for the beginning of the investigation and a place where such proceedings may be held. The board of investigation shall organize and make all necessary rules for conducting its hearings. The board shall fully and carefully ascertain all the facts and circumstances, and in its report shall set forth such facts and circumstances, and its findings therefrom, including the cause of the dispute and the board's recommendation for the settlement of the dispute according to the merits and substantial justice of the case. Its recommendation shall deal with each item of the dispute and shall state what in the board's opinion ought or ought not to be done by the respective parties concerned. Wherever it appears to the board expedient so to do, its recommendation shall also state the period during

which the proposed settlement should continue in force and the date from which it should commence. The report shall be made to the Board of Mediation and Conciliation, who shall cause the same to be published.

"'All testimony before the board of investigation shall be given under oath or affirmation, and any member of the board shall have the power to administer oaths or affirmations. It shall be furnished such assistants as may be necessary in carrying on its work.

"'Each member of the board of investigation shall receive such compensation as may be fixed by the Board of Mediation and Conciliation, together with his traveling and other necessary expenses. So much as may be necessary of the appropriation of the Board of Mediation and Conciliation for the fiscal year ending June 30, 1917, is hereby made available for the payment of the necessary and proper expenses of boards of investigation. Authority for incurring expenses, including subsistence, by boards of investigation shall first be obtained from the board of mediation and conciliation.

"'SEC. 13. Pending the efforts of the Board of Mediation and Conciliation to induce the employer or employers and employees to submit their controversy to arbitration, and until the investigation of such controversy by the board of investigation provided for in section 12 of this act has been completed and its report thereon published, it shall be unlawful for the employer or employers to declare or cause a lockout, or for the employees, acting in combination, to declare or cause a strike on account of such controversy.

"'SEC. 14. Any railroad company declaring or causing a lockout, or any officer or agent of any railroad company who assists or participates in declaring or causing a lockout contrary to the provisions of this act, shall be liable to a fine of not less than $500 nor more than $5,000 for each day or part of a day that such lockout exists.

"'Any officer, agent, or employee of any organized body of labor or labor organization who declares or causes a strike contrary to the provisions of this act shall be liable to a fine of not less than $500 nor more than $5,000 for each day or part of a day that such strike exists.

"'Any person who incites, encourages, or aids in any manner any employer to declare or continue a lockout, or any person who aids in any manner any officer, agent, or employee of any organized body of labor or labor organization in declaring or causing a strike contrary to the provisions of this act, shall be guilty of a misdemeanor and liable to a fine of not less than $10 nor more than $100.

"'SEC. 15. Any provisions of said act of July 15, 1913, which are inconsistent with the provisions of this amendatory act are hereby repealed.'"

Mr. ADAMSON. Mr. Speaker, I make the point of order that this motion to recommit is not in order, because it was not in order as an amendment to the bill and is not germane in any respect.

This bill seeks to establish, first, an eight-hour workday; second, a commission to investigate the operation of that eight-hour workday; third, to hold the present status until the report is made; and, fourth, it fixes a penalty for violation. There is not a word in it about strikes or arbitration, nothing akin to it, in any syllable or sentence or word or letter.

Mr. MANN. Mr. Speaker, I think if my friend from Georgia had pursued his discourse a few sentences further he would have said this bill is not for the purpose of affecting the question of a strike; that it is not to prevent a strike; that it has nothing to do with a strike. He went nearly that far. [Laughter.]

Mr. Speaker, we were told about the time you came into the occupancy of that chair which you occupy so well that the rules of the House had been made more liberal, so that the House would have a chance to consider propositions. The other day the President came before the House and in a message made six recommendations, numbered, "for the purpose of preventing a strike." That is what the President said. One of those recommendations was in regard to the establishment of eight hours as a basis for compensation. That is covered in this bill. One of the recommendations was for the appointment by the President of a small body of men to observe by experience certain things. That is covered or intended to be covered by one of the provisions of this bill. There were six of these recommendations, all relating to the same subject matter—the prevention of strikes. The Committee on Interstate and Foreign Commerce has reported a bill covering two of these recommendations. They are all connected. They are all allied. They were all made by the President at the same time, for the same purpose.

Mr. ADAMSON. Mr. Speaker, will the gentleman permit a question?

Mr. MANN. Yes.

Mr. ADAMSON. As a great parliamentary authority, as I know the gentleman is, does he think the Chair ought to decide whether this motion is germane to the bill by allunde statements and facts, or should the Chair decide it by the contents of the papers themselves?

Mr. MANN. I do not think that the Chair in reading this bill should forget all he knows. That is what the gentleman from Georgia undertakes to do.

Mr. FITZGERALD. We have to do it to hold it in order. [Laughter.]

Mr. MANN. He could easily forget all that the gentleman from New York knows without losing much information. [Laughter.]

The SPEAKER. The House will be in order. Gentlemen will take their seats. If nobody else cares to hear this argument on the point of order, the Chair wants to hear it.

Mr. MANN. Mr. Speaker, the gentleman from Georgia says I have some little knowledge of parliamentary law. I do not profess to have a great deal. In my honest judgment, this proposition is in order in the bill.

The SPEAKER. The Chair would like to ask the gentleman a question. Suppose this amendment had been offered in the form of a House bill. To what committee would the Chair have referred it?

Mr. MANN. To the Committee on Interstate and Foreign Commerce. There is no other place where it could be referred.

Mr. ADAMSON. He has been sending it to the Committee on the Judiciary for six years.

Mr. MANN. Oh, the gentleman from Georgia has a memory so short that he can not remember overnight.

Mr. ADAMSON. I beg the gentleman's pardon——

Mr. MANN. The Newlands Act was reported from the gentleman's committee.

Mr. ADAMSON. I beg the gentleman's pardon. It went to the Committee on the Judiciary over my protest. [Laughter.]

Mr. MANN. All of these bills, both here and in the Senate, go to the Committee on Interstate Commerce. Here we call it the Committee on Interstate and Foreign Commerce. All of these bills here and in the Senate go to the Committee on Interstate Commerce. All of the President's propositions are related to the same subject matter. Do we propose to have a ruling that the House, in considering this great question to prevent a strike, is throttled by the rule, so that we have no power to adopt methods which may ward off a strike in the future? Are we and our rules so futile that we can not even consider a proposition which may stop strikes in the future? Why, Mr. Speaker, the Newlands Act, which passed this House, contained all sorts of propositions of this kind. I have no doubt if the gentleman from Georgia had had his way he would have declared that an amendment providing for arbitration would not be in order in a bill providing for mediation and conciliation.

Mr. ADAMSON. Will the gentleman yield?

Mr. MANN. I always yield to the gentleman, hoping to get information.

Mr. ADAMSON. We have been doing some things, but not all things, and in the language of the dying saint, I want to assure the gentleman that "we hope to meet again," in Congress, to finish the work.

Mr. MANN. Oh, Mr. Speaker, in the language of somebody better than the dying saint, "now is the accepted time." [Applause and laughter on the Republican side.] I contend that we have the right on this bill to present these propositions, all of which are germane to one another. The bill now pending contains two of them, not related. Section 1 of the bill does not at all depend upon section 2. All six of the President's recommendations were related. All related to the prevention of strikes. I contend that the Speaker of this House, having the knowledge that he has, should hold that this is a bill intended to prevent a strike, and that a provision which will prevent a strike in the future, a year from now, is just as germane as one intended to prevent a strike next Monday. [Applause.]

Mr. FITZGERALD. Mr. Speaker, when the gentleman from Illinois [Mr. MANN] confesses that he does not know much about parliamentary law, he means that he confesses that he has not a very good argument to present in support of his proposition. The Democratic Party, when it promised to liberalize the rules of the House, did not promise that there should be chaos in the transaction of the business of the House. It did not propose that all legislation that might properly be referred to a particular committee should be in order in a single bill if offered as amendments to it. The rule of germaneness has been established since the organization of the House of Representatives. It was not a rule in the House of Commons. The rule in the House of Commons was that any amendment could be offered to a bill, and the purpose of offering amendments that were not germane was to change so completely the character of a bill as to make those who favored it vote against it after the alterations. The purpose of the proposed amendment is to change the character of this bill, so that those who are anxious to meet the present emergency would be compelled, because of the doubtful constitutionality of the proposition, to vote against the bill. [Applause on the Democratic side.] Under the rules of the House amendments must be germane. They must be germane for well-defined and specific reasons. The House is entitled to have some information, or to be able to draw some inferences as to the character of the amendments that are to be considered. That is in the interest of orderly procedure, and

to prevent the consideration of undigested legislation in haste. The mere fact that the gentleman from Georgia [Mr. ADAMSON] is the chairman of a committee that has jurisdiction over the construction of bridges across navigable streams does not make a bridge bill germane to this particular bill. This bill provides a standard workday of eight hours for certain employees in the operation of trains engaged in interstate commerce. It provides for the appointment of a commission to investigate and report upon the effect of such a standard workday. It provides that during the continuance of the commission there shall be no change in the compensation paid for the standard workday of eight hours from that now paid for the prevailing standard day on the roads, and it makes any violation of the provisions of the proposed law a crime. Any provision is germane to this bill, and in order, that could naturally and reasonably and logically be expected to follow or to be applied to any of its provisions. Any modification of the hours of the proposed standard workday, any change in the complexion of the commission or of its duties, any enlargement or diminution of the offenses created, any change in the conditions affecting the compensation during the existence of the commission—any such proposition would undoubtedly be germane.

But the gentleman proposes, not something that reasonably and naturally and logically follows the provisions in the bill, but he proposes to amend an existing law on a subject apart from, and unrelated to, anything contained in the bill.

The gentleman from Illinois is attempting to confuse the House and to mislead the Speaker by urging that the President's recommendations are to be considered as the basis as to whether proposed amendments to the bill are germane.

Mr. Speaker, the President reads an annual message to Congress, and it usually is referred to a number of different committees. If such a message had references in it to the revenue and a revenue bill were introduced from the Committee on Ways and Means, the gentleman from Illinois would not seriously contend that some other subject matter referred to by the President would be in order as a germane amendment to such a revenue bill. Nor could it be considered that, if the President in urging a revision of the tariff laws urged the creation of a tariff commission, such a provision would be in order in a bill revising the tariff law, although the Committee on Ways and Means has jurisdiction of both subjects. It could not be urged successfully, because distinguished Republican Speakers have held to the contrary when such questions arose in the House.

So, Mr. Speaker, the gentleman from Illinois is not serious in urging this amendment as germane. He is attempting to mislead the country into the belief that the Democratic Party is not in earnest in its attempt to meet the present existing emergency. Everyone knows that a comprehensive program of legislation could not be enacted in time to prevent the contemplated strike of certain railroad employees. Certain legislation embodied in this bill if enacted into law, or if the Congress acts in such a way as to show that there is a reasonable probability that within a brief time it will be enacted into law, will avert the strike. [Applause.] In the interest of the body politic, in the interest of the people of the United States, regardless of how certain elements in the community may or may not be affected in an effort to avert a great calamity that threatens our country, the Democratic Party comes forward in the emergency with the one practical proposition that will prevent the impending calamity. [Applause on the Democratic side.]

We had hoped, but we ought not to have expected, the patriotic support of our political opponents in this House in this crisis. [Applause on the Democratic side.] Their conduct shows that they are not attempting to help. They are attempting to hinder, so that it is necessary for us, under the rules adopted by the House, under the long established precedents dating from the organization of the Government, to go forward in this matter without their help and despite their futile opposition. [Cries of "Rule!" "Rule!"]

The SPEAKER. It does not hasten matters to be crying for a vote. The Chair wants to hear a sufficient number of gentlemen to get all of the information he can. He does not assume to know everything.

Mr. PARKER of New Jersey. Mr. Speaker, I desire to point out to the Chair, reading from page 13363 of the RECORD, that the whole of the special message of the President on this subject of strike and the remedy for it was referred to the Committee on Interstate and Foreign Commerce, and that his suggestion was that all of these recommendations—and the fifth is the same proposed in the motion to recommit—should be embodied in an amendment to one bill, that of the interstate-commerce bill, enlarging the membership of the Interstate Commerce Commission. The committee received the message and this bill has been reported. It is not true that that bill refers only to labor and a labor day. The gentleman who has taken this point of order has not noticed page 2 of the bill, at lines 13 and 14, in which the commission that has been made is not only to look into the operation and effect of the institution of the eight-hour day—standard workday—as above defined, but also general labor conditions. The words are, "and the facts and conditions affecting the relations between such common carriers and employees."

The bill therefore orders a report on the facts and conditions which affect the relations of the employers and employees. This motion to recommit instead of waiting for such report says let us pass a measure which affects these relations so as to deal with the matter now instead of hereafter. By the bill all these matters contained in the President's message are to be referred to a commission. We insist that that makes it perfectly in order to say that, instead of referring them to a commission, we will legislate now upon one of those matters which otherwise goes to the commission.

The SPEAKER. The Chair is ready to rule. The gentleman from Illinois [Mr. MANN] suggests that the President made six recommendations in his message. That is true. Of course, the Chair, like everyone else, has a great deal of respect for recommendations made by the President of the United States, but the Chair is surely not expected to rule on the six propositions laid down by the President in that message. It might take six bills, or it might take four, or it might take three. In the bill before the House there are two of the recommendations that the President made, and both of them affect the question of wages, and do not affect anything else. Critically considered, the Speaker might have cut that message up and referred various parts of it to various committees, but he did not choose to do that. It was a hurried proceeding all around.

The gentleman from Illinois [Mr. MANN] very correctly suggests that the Speaker does not have to forget all he knows in order to rule upon a point of order, and what the Chair does know is that those six propositions laid down by the President embodied two principal features, one of which was to prevent a strike from taking place on all of the railroads of the United States at 7 o'clock next Monday morning, and the other looking to a general system of preventing strikes in days to come. The one that we are working on now is to prevent a strike at 7 o'clock next Monday morning. All of the propositions laid down in the motion of the gentleman from Illinois [Mr. STERLING] may be of the highest merit. The Chair is not passing upon that; he does not have to pass upon it. This bill contains four sections. One of them establishes an eight-hour law. The second section is to appoint a commission of observation—and that is exactly what it is—which is to make its report at a certain time. The third is that, pending the report of this commission and for a period of 30 days thereafter, the compensation of the railway employees subject to the act shall not be reduced below the present standard day's wage, and that for all necessary time in excess of eight hours such employees shall be paid at a rate not less than the pro rata rate for such standard eight-hour workday. Section 4 prescribes penalties for violating the provisions of the bill.

The Chair does not think that the motion of the gentleman from Illinois [Mr. STERLING] is germane, and, therefore, sustains the point of order made by the gentleman from Georgia [Mr. ADAMSON].

Mr. MANN. Mr. Speaker, I respectfully appeal from the partisan decision of the Chair.

Mr. FITZGERALD. Mr. Speaker, I move to lay that appeal on the table.

The SPEAKER. The gentleman from Illinois appeals from the decision of the Chair, and the gentleman from New York moves to lay that appeal on the table. The Chair feels some delicacy about counting in his own case, and without objection the Chair will take this vote by tellers.

Mr. MANN. Oh, Mr. Speaker, I am going to ask for the yeas and nays.

The SPEAKER. The gentleman from Illinois demands the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. The question is on the motion of the gentleman from New York [Mr. FITZGERALD] to table the appeal from the decision of the Chair made by the gentleman from Illinois [Mr. MANN]. The Clerk will call the roll.

The question was taken; and there were—yeas 204, nays 87, answered "present" 9, not voting 132, as follows:

YEAS—204.

Abercrombie	Doremus	Key, Ohio	Rouse
Adamson	Doughton	Kincheloe	Rubey
Alexander	Dowell	King	Rucker
Allen	Driscoll	Kinkaid	Russell, Mo.
Almon	Dupré	Kitchin	Russell, Ohio
Ashbrook	Eagan	Konop	Scott, Pa.
Aswell	Eagle	La Follette	Scully
Ayres	Edwards	Lenroot	Sears
Bailey	Estopinal	Lesher	Shallenberger
Barkley	Evans	Lever	Sherley
Barnhart	Farley	Lewis	Sherwood
Black	Farr	Lieb	Siegel
Booher	Fields	Liebel	Sims
Borland	Fitzgerald	Lindbergh	Sinnott
Bruckner	Flynn	Linthicum	Sisson
Brumbaugh	Gallagher	Littlepage	Small
Buchanan, Ill.	Gallivan	Lloyd	Smith, Minn.
Buchanan, Tex.	Gandy	Lobeck	Smith, N. Y.
Burnett	Gard	London	Smith, Tex.
Byrns, Tenn.	Garrett	McAndrews	Sparkman
Caldwell	Glass	McClintic	Steagall
Campbell	Godwin, N. C.	McCracken	Stedman
Candler, Miss.	Goodwin, Ark.	McCulloch	Steele, Iowa
Caraway	Gordon	McLemore	Steele, Pa.
Carew	Gray, Ind.	Maher	Stephens, Miss.
Carlin	Griffin	Mays	Stephens, Tex.
Casey	Hamill	Montague	Stone
Cline	Hamlin	Moon	Swift
Coady	Hardy	Moss	Taggart
Coleman	Harrison	Murray	Tague
Collier	Haskell	Neely	Talbott
Connelly	Hastings	Nelson	Tavenner
Conry	Hayden	Oldfield	Taylor, Ark.
Cooper, Ohio	Heflin	Oliver	Temple
Cooper, Wis.	Helgesen	Olney	Thomas
Costello	Helvering	Overmyer	Thompson
Cox	Hilliard	Padgett	Tillman
Cramton	Holland	Page, N. C.	Tribble
Crosser	Hood	Phelan	Van Dyke
Cullop	Houston	Pou	Venable
Curry	Howard	Quin	Vinson
Dale, N. Y.	Huddleston	Ragsdale	Watkins
Davenport	Hulbert	Rainey	Watson, Va.
Davis, Minn.	Hull, Iowa	Raker	Webb
Dent	Hull, Tenn.	Randall	Whaley
Dewalt	Humphreys, Miss.	Rauch	Wheeler
Dickinson	Igoe	Rayburn	Williams, W. E.
Dies	Jacoway	Reilly	Wilson, La.
Dixon	Johnson, Ky.	Ricketts	Wingo
Dooling	Jones	Riordan	Wise
Doolittle	Keating	Rodenberg	Young, Tex.

NAYS—87.

Bacharach	Fordney	Lafean	Roberts, Mass.
Barchfeld	Gardner	Lehlbach	Rogers
Beales	Garland	McArthur	Rowe
Bennet	Glynn	Mann	Sanford
Bowers	Gould	Meeker	Sells
Britt	Gray, N. J.	Miller, Del.	Slemp
Britten	Green, Iowa	Mondell	Smith, Idaho
Browning	Greene, Vt.	Mooney	Stafford
Butler	Griest	Moore, Pa.	Sterling
Cannon	Hadley	Moores, Ind.	Stiness
Carter, Mass.	Haugen	Morgan, Okla.	Timberlake
Chandler, N. Y.	Heaton	Morin	Tinkham
Cooper, W. Va.	Hicks	Mudd	Towner
Dale, Vt.	Hill	North	Treadway
Dallinger	Hollingsworth	Oakey	Vare
Danforth	Hopwood	Parker, N. J.	Volstead
Darrow	Husted	Parker, N. Y.	Watson, Pa.
Dempsey	Johnson, S. Dak.	Platt	Williams, Ohio
Dillon	Keister	Porter	Wilson, Ill.
Edmonds	Kennedy, Iowa	Powers	Winslow
Fess	Kennedy, R. I.	Ramseyer	Wood, Ind.
Focht	Kreider	Reavis	

ANSWERED "PRESENT"—9.

Denison	Hawley	Patten	Steenerson
Foster	Morrison	Sloan	Sutherland
Gillett			

NOT VOTING 132.

Adair	Dill	Hay	McFadden
Aiken	Drukker	Hayes	McGillicuddy
Anderson	Dunn	Helm	McKellar
Anthony	Dyer	Henry	McKenzie
Austin	Ellsworth	Hensley	McKinley
Beakes	Elston	Hernandez	McLaughlin
Bell	Emerson.	Hinds	Madden
Blackmon	Esch	Howell	Magee
Browne	Fairchild	Hughes	Mapes
Burgess	Ferris	Humphrey, Wash.	Martin
Burke	Finley	Hutchinson	Matthews
Byrnes, S. C.	Flood	James	Miller, Minn.
Callaway	Foss	Johnson, Wash.	Miller, Pa.
Cantrill	Frear	Kahn	Morgan, La.
Capstick	Freeman	Kearns	Mott
Carter, Okla.	Fuller	Kelley	Nicholls, S. C.
Cary	Garner	Kent	Nichols, Mich.
Charles	Good	Kettner	Nolan
Chiperfield	Graham	Kiess, Pa.	Norton
Church	Gray, Ala.	Langley	Oglesby
Clark, Fla.	Greene, Mass.	Lazaro	O'Shaunessy
Copley	Gregg	Lee	Paige, Mass.
Crago	Guernsey	Loft	Park
Crisp	Hamilton, Mich.	Longworth	Peters
Davis, Tex.	Hamilton, N. Y.	Lonergan	Pratt
Decker	Hart	McDermott	Price
Roberts, Nev.	Shouse	Sulloway	Walsh
Rowland	Slayden	Sumners	Ward
Sabath	Smith, Mich.	Sweet	Wason
Saunders	Snell	Switzer	Williams, T. S.
Schall	Snyder	Taylor, Colo.	Wilson, Fla.
Scott, Mich.	Stephens, Nebr.	Tilson	Woods, Iowa
Shackleford	Stout	Walker	Young, N. Dak.

So the motion to table the appeal from the decision of the Chair was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. TAYLOR of Colorado with Mr. SNYDER.

Mr. OGLESBY with Mr. MADDEN.

Mr. SABATH with Mr. PAIGE of Massachusetts.

Mr. HELM with Mr. LONGWORTH.

Mr. BEAKES with Mr. HOWELL.

Mr. PARK with Mr. HAMILTON of New York.

Mr. STOUT with Mr. COPLEY.

Mr. GRAY of Alabama with Mr. HAMILTON of Michigan.

Mr. SAUNDERS with Mr. MILLER of Minnesota.

Mr. MCDERMOTT with Mr. CHARLES.

Mr. WILSON of Florida with Mr. SNELL.

Mr. HUGHES with Mr. KIESS of Pennsylvania.

Mr. HART with Mr. ELSTON.

Mr. LAZARO with Mr. JAMES.

Mr. BLACKMON with Mr. CAPSTICK.

Mr. SHACKLEFORD with Mr. NOLAN.

Mr. O'SHAUNESSY with Mr. YOUNG of North Dakota.

Mr. FINLEY with Mr. SWITZER.

Mr. LOFT with Mr. WARD.

Mr. MCKELLAR with Mr. AUSTIN.

Mr. SLAYDEN with Mr. MCKINLEY.

Mr. ADAIR with Mr. MOORES of Indiana.

Mr. CLARK of Florida with Mr. FULLER.

Mr. BYRNES of South Carolina with Mr. MOTT.

Mr. BELL with Mr. MAPES.

Mr. MORRISON with Mr. HUMPHREY of Washington.

Mr. DAVIS of Texas with Mr. MATTHEWS.

Mr. LEVER with Mr. HAWLEY (and on matters of local interest).

Mr. CANTRILL with Mr. LANGLEY.

Mr. CRISP with Mr. HINDS.

Mr. GREGG with Mr. STEENERSON.

Mr. MCGILLICUDDY with Mr. GUERNSEY.

Mr. STEPHENS of Nebraska with Mr. SLOAN.

Mr. LEE with Mr. FOSS.

Mr. AIKEN with Mr. GRAHAM.

Mr. MORGAN of Louisiana with Mr. TILSON.

Mr. NICHOLLS of South Carolina with Mr. SWEET.

Mr. PRICE with Mr. NORTON.

Mr. BURGESS with Mr. DRUKKER.

Mr. FLOOD with Mr. KAHN.

Mr. DECKER with Mr. KELLEY.

Mr. HAY with Mr. MCLAUGHLIN.

Mr. KETTNER with Mr. SCOTT of Michigan.

Mr. DILL with Mr. MCFADDEN.

Mr. CHURCH with Mr. DUNN.

Mr. GARNER with Mr. GREENE of Massachusetts.

Mr. CARTER of Oklahoma with Mr. HUTCHINSON.

Mr. SHOUSE with Mr. LOUD.

Mr. SUMNERS with Mr. MAGEE.

For the balance of the session:

Mr. WALKER with Mr. THOMAS S. WILLIAMS.

Mr. FERRIS with Mr. FREEMAN.

Mr. CALLAWAY with Mr. PETERS.

Mr. BURKE with Mr. WASON.

Mr. FOSTER with Mr. CHIPERFIELD.

Mr. PATTEN with Mr. FAIRCHILD.

Mr. PATTEN. Mr. Speaker, I was here on the roll call and voted "aye." I am paired with Mr. FAIRCHILD, of New York, and I desire to withdraw that vote and to be recorded "present."

The name of Mr. PATTEN was called, and he answered "Present."

Mr. FOSTER. Mr Speaker, I voted "aye." I am paired with the gentleman from Illinois, Mr. CHIPERFIELD, and I desire to withdraw my vote and answer "present."

The name of Mr. FOSTER was called, and he answered "Present."

Mr. MOORES of Indiana Mr. Speaker, I voted "no." I am paired on the final vote with Mr. ADAIR, not on the preliminary vote, and I desire my vote to stand.

The SPEAKER. The Chair wants to announce again that the Chair has nothing on earth to do with pairs. If he could do it, he would abolish them. [Applause.] This is an outside performance.

The result of the vote was announced as above recorded.

The SPEAKER. So the decision of the Chair stands as the judgment of the House. [Applause.]

Mr. PARKER of New Jersey. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from New Jersey rise?

Mr. PARKER of New Jersey. Mr. Speaker, I move to recommit the bill to the Committee on Interstate and Foreign Commerce.

Mr. ADAMSON. Mr. Speaker, I make the point of order against that.

Mr. PARKER of New Jersey. The other motion being held out of order, this is the first motion made.

Mr. ADAMSON. Mr. Speaker, on that I demand the previous question.

The SPEAKER. On what?

Mr. ADAMSON. On the gentleman's motion to recommit.

The SPEAKER. Here is the situation about that: The other motion to recommit was ruled out of order, and being null and void, the gentleman from New Jersey has a right to make a motion to recommit.

Mr. ADAMSON. I recognize that and withdraw my point and move the previous question on the gentleman's motion.

The SPEAKER. The gentleman from Georgia moves the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken, and the Speaker announced the noes seemed to have it.

Mr. MANN. Mr. Speaker, I demand a division.

The House again divided; and there were—ayes 67, noes 181.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. ADAMSON. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER. The gentleman from Georgia demands the yeas and nays. Those in favor of ordering the yeas and nays will rise and stand until counted. [After counting.] Evidently a sufficient number, and the Clerk will call the roll.

The question was taken; and there were—yeas 239, nays 56, answered "present" 5, not voting 132, as follows:

YEAS—239.

Abercrombie	Doremus	Husted	Pou
Adamson	Doughton	Igoe	Powers
Alexander	Dowell	Jacoway	Quin
Allen	Driscoll	Johnson, Ky.	Ragsdale
Almon	Dupré	Jones	Rainey
Ashbrook	Eagan	Keating	Raker
Aswell	Eagle	Keister	Ramseyer
Ayres	Edwards	Kennedy, Iowa	Randall
Bailey	Estopinal	Key, Ohio	Rauch
Barkley	Evans	Kincheloe	Rayburn
Barnhart	Farley	King	Reavis
Beales	Farr	Kinkaid	Reilly
Booher	Fields	Kitchin	Ricketts
Borland	Fitzgerald	Konop	Riordan
Bowers	Flynn	La Follette	Rodenberg
Britt	Focht	Lenroot	Rouse
Bruckner	Gallagher	Lesher	Rubey
Brumbaugh	Gallivan	Lever	Rucker
Buchanan, Ill.	Gandy	Lewis	Russell, Mo.
Buchanan, Tex.	Gard	Lieb	Russell, Ohio
Burnett	Garland	Liebel	Scott, Pa.
Byrns, Tenn.	Glass	Lindbergh	Scully
Caldwell	Godwin, N. C.	Linthicum	Sears
Campbell	Goodwin, Ark.	Littlepage	Shallenberger
Candler, Miss.	Gordon	Lloyd	Sherley
Cannon	Gray, Ind.	Lobeck	Sherwood
Caraway	Green, Iowa	London	Siegel
Carew	Griffin	McAndrews	Sims
Carlin	Hadley	McClintic	Sinnott
Casey	Hamill	McCracken	Sisson
Chandler, N. Y.	Hamlin	McCulloch	Slemp
Cline	Hardy	McLemore	Small
Coady	Harrison	Maher	Smith, Idaho
Collier	Haskell	Mays	Smith, Minn.
Connelly	Hastings	Miller, Del.	Smith, N. Y.
Conry	Hawes	Mondell	Sparkman
Cooper, Ohio	Hawley	Montague	Stafford
Cooper, W. Va.	Hayden	Moon	Steagall
Cooper, Wis.	Heaton	Mooney	Stedman
Costello	Heflin	Morgan, Okla.	Steele, Iowa
Cox	Helgesen	Morin	Steenerson
Crosser	Helvering	Moss	Stephens, Miss.
Cullop	Hicks	Mudd	Stephens, Tex.
Curry	Hilliard	Murray	Stone
Dale, N. Y.	Holland	Neely	Sutherland
Davenport	Hollingsworth	Nelson	Swift
Davis, Minn.	Hood	North	Taggart
Denison	Hopwood	Oldfield	Tague
Dent	Houston	Oliver	Talbott
Dewalt	Howard	Olney	Tavenner
Dickinson	Huddleston	Overmyer	Taylor, Ark.
Dies	Hulbert	Padgett	Thomas
Dixon	Hull, Iowa	Page, N. C.	Thompson
Dooling	Hull, Tenn.	Phelan	Tillman
Doolittle	Humphreys, Miss.	Porter	Timberlake
Tinkham	Vinson	Whaley	Wingo
Towner	Volstead	Wheeler	Wise
Tribble	Watkins	Williams, W. E.	Wood, Ind.
Van Dyke	Watson, Va.	Williams, Ohio	Young, Tex.
Venable	Webb	Wilson, La.	

NAYS—56.

Bacharach	Dempsey	Johnson, S. Dak.	Rogers
Barchfeld	Dillon	Kennedy, R. I.	Rowe
Bennet	Edmonds	Kreider	Sanford
Black	Fess	Lafean	Sells
Britten	Fordney	Lehlbach	Steele, Pa.
Browning	Gardner	McArthur	Sterling
Butler	Gillett	Mann	Stiness
Carter, Mass.	Glynn	Mecker	Temple
Coleman	Gould	Moore, Pa.	Treadway
Cramton	Graham	Oakey	Vare
Dale, Vt.	Gray, N. J.	Parker, N. J.	Watson, Pa.
Dallinger	Greene, Vt.	Parker, N. Y.	Wilson, Ill.
Danforth	Griest	Platt	Winslow
Darrow	Hill	Roberts, Mass.	Woods, Iowa

ANSWERED "PRESENT"—5.

Foster	Morrison	Patten	Sloan
Moores, Ind.			

NOT VOTING—132.

Adair	Esch	Kearns	Paige, Mass.
Aiken	Fairchild	Kelley	Park
Anderson	Ferris	Kent	Peters
Anthony	Finley	Kettner	Pratt
Austin	Flood	Kiess, Pa.	Price
Beakes	Foss	Langley	Roberts, Nev.
Bell	Frear	Lazaro	Rowland
Blackmon	Freeman	Lee	Sabath
Browne	Fuller	Loft	Saunders
Burgess	Garner	Longworth	Schall
Burke	Garrett	Loud	Scott, Mich.
Byrnes, S. C.	Good	McDermott	Shackleford
Callaway	Gray, Ala.	McFadden	Shouse
Cantrill	Greene, Mass.	McGillicuddy	Slayden
Capstick	Gregg	McKellar	Smith, Mich.
Carter, Okla.	Guernsey	McKenzie	Smith, Tex.
Cary	Hamilton, Mich.	McKinley	Snell
Charles	Hamilton, N. Y.	McLaughlin	Snyder
Chiperfield	Hart	Madden	Stephens, Nebr.
Church	Hay	Magee	Stout
Clark, Fla.	Hayes	Mapes	Sulloway
Copley	Helm	Martin	Sumners
Crago	Henry	Matthews	Sweet
Crisp	Hensley	Miller, Minn.	Switzer
Davis, Tex.	Hernandez	Miller, Pa.	Taylor, Colo.
Decker	Hinds	Morgan, La.	Tilson
Dill	Howell	Mott	Walker
Drukker	Hughes	Nicholls, S. C.	Walsh
Dunn	Humphrey, Wash.	Nichols, Mich.	Ward
Dyer	Hutchinson	Nolan	Wason
Ellsworth	James	Norton	Williams, T. S.
Elston	Johnson, Wash.	Oglesby	Wilson, Fla.
Emerson	Kahn	O'Shaunessy	Young, N. Dak.

So the bill was passed.

The Clerk announced the following additional pairs:

On this vote:

Mr. ADAIR (for the bill) with Mr. MOORES of Indiana (against).

Until further notice:

Mr. GREGG with Mr. ANTHONY.

Mr. AIKEN with Mr. SULLOWAY.

Mr. SMITH of Texas with Mr. CRAGO.

Mr. FOSTER. Mr. Speaker, I voted "yea" on this bill, and I desire to withdraw by vote and answer "present." I am paired with the gentleman from Illinois [Mr. CHIPERFIELD].

The result of the vote was announced as above recorded.

On motion of Mr. ADAMSON, a motion to reconsider the vote by which the bill was passed was laid on the table.

LEAVE OF ABSENCE.

Mr. CAPSTICK, by unanimous consent, was granted leave of absence for one week, on account of illness.

HOUR OF MEETING TO-MORROW.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock a. m. to-morrow.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock a. m. to-morrow. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I do so merely that the gentleman from North Carolina may make some statement to the House as to what is likely to be before it to-morrow outside of the Webb export bill and the situation as to the revenue bill.

Mr. KITCHIN. Mr. Speaker, the revenue bill, of course, will not be before the House, but the Webb bill will, and we are expecting that this bill which has just been passed will come back from the Senate in some form or other, and therefore it will be necessary for every man to be here to-morrow and not leave the city.

Mr. MANN. As to the revenue bill, has the gentleman any information as to when that is likely to be here?

Mr. KITCHIN. That is likely to be here Tuesday.

Mr. MANN. I take it that when it comes the gentleman will ask to send it to conference?

Mr. KITCHIN. I will; yes. I will ask unanimous consent to send it to conference.

The SPEAKER. The gentleman from North Carolina [Mr. KITCHIN] asks unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock a. m. to-morrow. Is there objection? [After a pause.] The Chair hears none.

ENROLLED BILL SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 1528. An act for the relief of Martin Huhn.

ENROLLED BILL PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bill:

H. R. 13391. An act to amend certain sections of the act entitled "Federal reserve act," approved December 23, 1913.

SENATE BILL REFERRED.

Under clause 2, rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 6667. An act to incorporate the American Nurses' Association; to the Committee on the District of Columbia.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock p. m.) the House, under its previous order, adjourned until to-morrow, Saturday, September 2, 1916, at 11 o'clock a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. ADAMSON, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 17700) to establish an eight-hour day for employees of carriers engaged in interstate and foreign commerce, and for other purposes, reported the same with amendments, accompanied by a report (No. 1184), which was ordered to be printed.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills and a joint resolution were introduced and severally referred as follows:

By Mr. DENT: A bill (H. R. 17710) authorizing the construction of a bridge across the Tallapoosa River, dividing the counties of Montgomery and Elmore, in the State of Alabama, at a point somewhere between Judkin Ferry and Hughes Ferry; to the Committee on Interstate and Foreign Commerce.

By Mr. HUDDLESTON: A bill (H. R. 17711) to repeal the provision for compulsory military service in the national defense act approved June 3, 1916; to the Committee on Military Affairs.

By Mr. KREIDER: Joint resolution (H. J. Res. 303) extending aid for proper military training in Indian schools; to the Committee on Indian Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 17712) granting a pension to William Hopkins; to the Committee on Pensions.

By Mr. COSTELLO: A bill (H. R. 17713) granting a pension to Elizabeth Harmoning; to the Committee on Invalid Pensions.

By Mr. FITZGERALD: A bill (H. R. 17714) granting a pension to Thomas A. M. Chambers; to the Committee on Pensions.

By Mr. NORTH: A bill (H. R. 17715) granting an increase of pension to John A. Bennett; to the Committee on Invalid Pensions.

By Mr. POWERS: A bill (H. R. 17716) granting an increase of pension to Charles Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17717) granting a pension to Blain Pedago; to the Committee on Pensions.

Also, a bill (H. R. 17718) granting a pension to Lillie Roberts; to the Committee on Pensions.

By Mr. REAVIS: A bill (H. R. 17719) authorizing the Secretary of the Interior to enroll Mary E. Godbey, née Mary E. Green, and her two children, Martha Jane Palmer, née Martha Jane Godbey, and Lemuel S. Godbey as Cherokee Indians; to the Committee on Indian Affairs.

By Mr. RUSSELL of Missouri: A bill (H. R. 17720) granting a pension to John Garrison; to the Committee on Invalid Pensions.

By Mr. SHERWOOD: A bill (H. R. 17721) granting an increase of pension to John A. Poston; to the Committee on Invalid Pensions.

By Mr. SWIFT: A bill (H. R. 17722) granting a pension to Samuel Breitigan; to the Committee on Invalid Pensions.

By Mr. VAN DYKE: A bill (H. R. 17723) for the relief of Guy Frankenfield, C. F. Thieme, Frederick Johnson, Charles Johnson, and Gorman Dahly; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ASHBROOK: Memorial of Ohio conference of Seventh-day Adventists, Newark, Ohio, relative to Sunday observance; to the Committee on the District of Columbia.

By Mr. BRUCKNER: Petition of Santini Bros., of New York City, favoring a duty of 50 cents per gallon of gasoline exported; to the Committee on Ways and Means.

Also, petition of the American Association of Masters, Mates, and Pilots, United Harbor No. 1, of New York City, against passage of House bill 9678, relative to compulsory pilotage, coastwise barges; to the Committee on the Merchant Marine and Fisheries.

Also, petition of William A. Schley, of New York City, favoring passage of the Stephens-Ayres-Ashurst bill, relative to dishonest advertising; to the Committee on Interstate and Foreign Commerce.

Also, petition of memorial and executive committee of the United Spanish War Veterans of the Borough of Brooklyn, relative to pensions for widows and orphans of deceased war veterans; to the Committee on Pensions.

Also, petition of the Screw Machine Products Corporation, Providence, R. I., favoring 1-cent letter postage; to the Committee on the Post Office and Post Roads.

Also, petition of Max Tutleman, of New York, favoring passage of House bill 6915, Griffin bill; to the Committee on the Post Office and Post Roads.

Also, petition of Meridale Farms, Delaware County, N. Y., against passage of House bill 16307, relative to registering pure-bred live stock; to the Committee on Agriculture.

Also, petition of W. E. Washington, of New York City, favoring passage of House bill 16631, to increase the pay of the custodian employees; to the Committee on Expenditures in the Treasury Department.

Also, petition of Mrs. Hester Smith, of New York, favoring Nolan bill; to the Committee on Labor.

Also, petitions of Rudolf Strauss and John F. Leyden, of New York City, favoring amendment to House bill 8044, relative to boats of the department of the supervisor of the port of New York; to the Committee on Military Affairs.

Also, petition of Brotherhood of Railroad Trainmen, New York City, favoring passage of House bill 15950, salary increase for safety inspectors; to the Committee on Interstate and Foreign Commerce.

By Mr. CHARLES: Petition of Schenectady (N. Y.) railways, favoring exclusion of electric roads from any eight-hour bill enacted by Congress; to the Committee on Interstate and Foreign Commerce.

Also, petition of Chamber of Commerce of New York, against enactment of eight-hour legislation for railroads at present time; to the Committee on Interstate and Foreign Commerce.

By Mr. GARDNER: Petitions of sundry citizens of Beverly, Mass., protesting against certain acts of Great Britain; to the Committee on Foreign Affairs.

By Mr. MORGAN of Oklahoma: Petitions of citizens of Oklahoma, relative to threatened railroad strike; to the Committee on Interstate and Foreign Commerce.

By Mr. RAKER: Petition of R. R. Grace & Co., Oceanic Steamship Co., Matson Navigation Co., China Mail Steamship Co., Pacific Coast Steamship Co., Alaska Pacific Navigation Co., and North Pacific Steamship Co., against certain Senate amendment to the shipping bill; to the Committee on the Merchant Marine and Fisheries.

By Mr. SNYDER: Petition of New York Federation of Labor and Utica (N. Y.) Trades Assembly, favoring eight-hour law for railroads and against arbitration; to the Committee on Interstate and Foreign Commerce.

Also, petition of Chamber of Commerce of New York City and Rome, N. Y., against enactment of eight-hour legislation for railroads at the present time; to the Committee on Interstate and Foreign Commerce.

By Mr. TEMPLE: Petition presented by Mr. N. W. Young, adopted at a public meeting on August 27, 1916, at East Brook, Pa., favoring antipolygamy amendment to the United States Constitution; to the Committee on the Judiciary.

Also, petition presented by Mr. L. S. Clark, adopted at a public meeting on August 27, 1916, at Neshannock, favoring antipolygamy amendment to the United States Constitution; to the Committee on the Judiciary.

Also, 16 memorials signed by Messrs. W. A. Hoffman, A. S. Stauffer, A. D. Campbell, George W. Wickenhouse, John P. Paff, G. Salomon, V. Sakraida, John C. C. Sheer, A. Hanauer, Fred Michel, E. J. Grosylass, H. Harp, William F. Renner, M. M. Allbeck, and William Pfeifke, all residents of Beaver Falls, Pa., protesting against submission by the United States to any violation of American neutral rights; to the Committee on Foreign Affairs.

By Mr. WILLIAMS of Ohio: Petition of Lake Shore Electric Railway Co., Sandusky, Ohio, relative to exempting electric railways in eight-hour-day bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of the Akron (Ohio) Chamber of Commerce, relative to postponement of railroad strike; to the Committee on Interstate and Foreign Commerce.

Also, petition of Northern Ohio Traction & Light Co., Akron, Ohio, to exclude electric railways from any eight-hour law; to the Committee on Interstate and Foreign Commerce.

Also, petition of Columbus Chamber of Commerce, Columbus, Ohio, in re postponement of railroad strike; to the Committee on Interstate and Foreign Commerce.

SENATE.

SATURDAY, *September 2, 1916.*

(Legislative day of Friday, September 1, 1916.)

The Senate reassembled at 10 o'clock a. m., on the expiration of the recess.

PROPOSED RAILROAD LEGISLATION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 17700) to establish an eight-hour day for employees of carriers engaged in interstate and foreign commerce, and for other purposes.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator from Utah suggests the absence of a quorum. Let the Secretary call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bryan	Kenyon	Oliver	Sheppard
Clarke, Ark.	Kern	Overman	Sherman
Culberson	Lane	Owen	Simmons
Cummins	Lea, Tenn.	Penrose	Smith, Ga.
Gallinger	McCumber	Pittman	Smith, S. C.
Gronna	Martin, Va.	Reed	Smoot
Hardwick	Myers	Robinson	Sterling
Husting	Nelson	Ransdell	Taggart
Jones	Newlands	Shafroth	Wadsworth

Mr. JONES. I desire to announce that the junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent on account of illness in his family. I will let this announcement stand for the day.

Mr. KERN. The Senator from Mississippi [Mr. WILLIAMS] is unavoidably detained this morning. I desire to make an additional statement. Yesterday evening the Senator from Mississippi was called to the station on account of his family going away, and I promised to make the announcement when the roll was called. I neglected to do it. I desire to say now that he was unavoidably detained for that reason on the first roll call at the evening session.

The PRESIDENT pro tempore. Thirty-six Senators have responded to the call, and the Chair will direct the Secretary to call the roll the second time.

The Secretary called the names of the absent Senators, and Mr. CHAMBERLAIN, Mr. CLAPP, Mr. CURTIS, Mr. DILLINGHAM, Mr. FLETCHER, Mr. HITCHCOCK, Mr. LA FOLLETTE, Mr. SWANSON, and Mr. WALSH answered to their names when called.

Mr. COLT, Mr. BRANDEGEE, Mr. BRADY, Mr. THOMAS, and Mr. VARDAMAN entered the Chamber and answered to their names.

The PRESIDENT pro tempore. Fifty Senators have answered to their names. There is a quorum present.

Mr. SHAFROTH obtained the floor.

Mr. GALLINGER. Will the Senator permit me to offer an amendment?

Mr. SHAFROTH. I am offering an amendment myself.

Mr. GALLINGER. All right.

Mr. SHAFROTH. I wish to say just a few words in relation to this proposed amendment.

The PRESIDENT pro tempore. Will the Senator from Colorado permit the Chair to make a statement before he proceeds?

Mr. SHAFROTH. Certainly.

The PRESIDENT pro tempore. Last evening, before the unanimous consent was entered into pursuant to a practice here for a long time, certain Senators notified the Chair that they desired to address the Senate, and the Chair made a note of the names in the order in which the applications were made. The Senator from Colorado [Mr. SHAFROTH] made the first application, and his name appears first on the list, and also the Senator from Wisconsin [Mr. LA FOLLETTE], the Senator from Illinois [Mr. LEWIS], and the Senator from Illinois [Mr. SHERMAN]. The Chair thought it proper to say that unless the Senate should indicate a different opinion he would divide the period of 30 minutes until 12 o'clock between the four names mentioned—that is to say, the Chair recognizes first the Senator from Colorado, in accordance with his request, next the Senator from Wisconsin [Mr. LA FOLLETTE], then the junior Senator from Illinois [Mr. LEWIS], and then the senior Senator from Illinois [Mr. SHERMAN], if that arrangement will be satisfactory.

The 15-minute period has not yet been disposed of, and the Chair will not undertake to do that, hoping that the representatives on either side of the Chamber will make a division of that time.

Mr. SMOOT. I understood that the 15-minute period began at 10 o'clock.

The PRESIDENT pro tempore. The 30-minute period.

Mr. SMOOT. I understood that it was changed. The first unanimous-consent agreement presented was that beginning with 10 o'clock there should be no speech longer than 30 minutes, but it was finally decided——

The PRESIDENT pro tempore. The unanimous-consent agreement is recorded, and it is correct.

Mr. NEWLANDS. It is 30 minutes during the first 2 hours.

The PRESIDENT pro tempore. Thirty minutes the first two hours.

Mr. NEWLANDS. May I ask whether the Senator from Wisconsin [Mr. LA FOLLETTE] is included among those mentioned by the Chair?

The PRESIDENT pro tempore. He is. The order will be, unless the Senate changes it or express a desire to change it, the Senator from Colorado [Mr. SHAFROTH] for 30 minutes, the Senator from Wisconsin [Mr. LA FOLLETTE] 30 minutes, the junior Senator from Illinois [Mr. LEWIS] 30 minutes, and the senior Senator from Illinois [Mr. SHERMAN] 30 minutes. The Senator from Colorado.

Mr. GALLINGER. Mr. President, I rise to a personal matter.

The PRESIDENT pro tempore. The Senator from New Hampshire will state it.

Mr. GALLINGER. It was an inadvertence beyond a doubt on the part of the Chair, but the rule is very explicit that a unanimous-consent agreement can not be entered into until after the roll has been called. Last evening the Chair declared the unanimous-consent agreement agreed to before the roll was called. Of course, the calling of the roll would be an empty formality if the agreement had been entered into before that time.

The PRESIDENT pro tempore. If the Senator from New Hampshire will read the last paragraph, page 15849 of the RECORD, he will find that the Chair made this statement. It is a fact that no Senators came in and the roll call disclosed that they were present at the time the unanimous consent was agreed to after a long negotiation. No additional attendance was shown by the roll call and the Chair made this announcement:

> The PRESIDENT pro tempore. Sixty-four Senators have answered to their names. There is a quorum present. The unanimous-consent agreement will stand, a quorum being disclosed.

That was rather an informal way of doing it, but it drew the matter to the attention of the Senate.

Mr. GALLINGER. But the roll was called after that.

The PRESIDENT pro tempore. The Senator is mistaken about that.

Mr. BRANDEGEE. I wish to state to the Chair that my recollection of the rule is that a proposed unanimous-consent

agreement can not even be submitted to the Senate for approval until after the roll has been called.

The PRESIDENT pro tempore. The common sense of it is that it is the judgment of the Senators who are present.

Mr. McCUMBER. Mr. President, I rise to a point of order. Under the unanimous-consent agreement we were to commence arguments at 10 o'clock.

The PRESIDENT pro tempore. The point of order is sustained. The Senator from Colorado will proceed.

Mr. SMITH of Georgia. Mr. President——

The PRESIDENT pro tempore. The Senator from Colorado has the floor.

Mr. SHAFROTH. I yield to the Senator from Georgia.

Mr. SMITH of Georgia. The House amended the employers' compensation act——

The PRESIDENT pro tempore. Under the unanimous-consent agreement no business of that kind can be entertained. The Senator from Colorado will proceed.

Mr. SMITH of Georgia. I ask unanimous consent for the appointment of a conference committee on the part of the Senate upon the workmen's compensation act. The Senator from Colorado yields it out of his time.

Mr. SHAFROTH. I shall not occupy three minutes.

Mr. SMITH of Georgia. It is very important that we should get together to-day in conference. The House amended our bill, and I think we can modify a little the House amendment and save a great deal of trouble in the operation of the act.

The PRESIDENT pro tempore. The motion of the Senator from Georgia is out of order.

Mr. SMITH of Georgia. I ask unanimous consent.

The PRESIDENT pro tempore. We are working under a unanimous consent at this time. The Senator from Colorado will proceed.

Mr. SHAFROTH. Mr. President, in the discussion of the bill on yesterday various Senators construed section 6 of the Senate bill, or the amendment which has been offered by the Senator from Alabama [Mr. UNDERWOOD] to the House bill, as being in the nature of a compulsory arbitration provision. They contended that the language used in that section was of a mandatory nature and provided no exception, and while it did not provide for penalties for a violation of it, notwithstanding some thought that it might be enforced, perhaps, by some order or by an injunctive process.

The Senator from Alabama contended that it was not a compulsory provision, that it did not bind labor to accept the wage and to work, that it was an advisory matter, that it was intended for the purpose of creating a public sentiment in favor of a just rate, and for that reason he contended that it was not a compulsory arbitration provision, but would have a great influence in determining a fair wage.

Inasmuch as the Senators who are questioning the amendment of the Senator from Alabama agree that it was not intended as a provision of a compulsory nature, it seems to me that just a few words expressing that in direct terms should be added to the amendment, so that there could be no misunderstanding with relation to it.

Mr. President, the language of section 6, it seems to me, is very imperative. It reads as follows:

SEC. 6. That the Interstate Commerce Commission shall have the power to fix the hours of labor and prescribe just and reasonable wages for all employees of the railroads named in section 1 of this act. The rate of wages and the hours of labor provided for in this act shall remain fixed for service and pay until changed by the decision of the Interstate Commerce Commission, which, within a period of not less than 6 nor more than 12 months from the passage of this act, shall determine what are just and reasonable wages and what shall be the hours of labor for all employees of the railroads above mentioned.

The Interstate Commerce Commission shall have the power from time to time to change the hours of labor and the rate of wages for all employees of the railroads named in section 1 of this act, either in whole or in part, prescribed by it on its own initiative, on the petition of the employees, the managers of the railroads, or the public.

It does seem to me that that language is very imperative. Yet the Senator from Alabama contended that it was not compulsory; that there was no provision there of that nature.

So, Mr. President, in order to remove any doubt upon that subject, I want to offer an amendment to be added to the amendment presented by the Senator from Alabama, which reads as follows:

Provided, however, That nothing herein contained shall be construed as compelling the employees to work at the wages prescribed.

That, it seems to me, carries out the view of the Senator from Alabama and the Senators who interrogated him on yesterday, and consequently its adoption would clear very materially section 6 of the Senate bill or the amendment offered by the Senator from Alabama.

Mr. PITTMAN. Taking the time of the Senator from Colorado, I think there is a wrong impression on the part of the Senator from Colorado in regard to the position taken by the Senator from Nevada yesterday in a colloquy with the Senator from Alabama. I never admitted that it was the intention of section 6.

The PRESIDENT pro tempore. The Chair does not quite understand for what purpose the Senator from Nevada rose, whether for the purpose of an explanation or a correction of the record or what.

Mr. PITTMAN. It was to correct a misstatement of my position by the Senator from Colorado.

The PRESIDENT pro tempore. We are working under a unanimous consent agreement, and the time is parceled out until 12 o'clock.

Mr. PITTMAN. I was not trying to take the floor from any Senator, but I did not see the Senator from Wisconsin [Mr. LA FOLLETTE] who I understand is next to take the floor.

The PRESIDENT pro tempore. Does the Senator from Colorado desire to address the Senate further?

Mr. SHAFROTH. I do not, except to say that there were several Senators who interrogated the Senator from Alabama, and the general drift was that way. So I have presented this amendment in order to remove any doubt concerning it.

The PRESIDENT pro tempore. The Secretary will read the amendment offered by the Senator from Colorado to the amendment.

The SECRETARY. Add at the end of the amendment proposed by the Senator from Alabama the following proviso:

Provided, however, That nothing herein contained shall be construed as compelling the employees to work at the wages prescribed.

The PRESIDENT pro tempore. The Senator from Colorado [Mr. SHAFROTH] has 15 minutes of his time left, and the Senator from Nevada [Mr. PITTMAN] will be recognized for that 15 minutes.

Mr. SMOOT. Mr. President, are we to have the time farmed out to Senators?

The PRESIDENT pro tempore. The four Senators the Chair has named have preempted the time up to the period when the 15-minute rule operates. As to the distribution of the 15-minute periods, the Chair hopes the representatives of the two sides of the Chamber will make a division of the time. Otherwise the Chair must recognize the Senators in the order in which they make application. The matter ought to be arranged by an adjustment, and it can be done in a very few minutes.

Mr. SMOOT. Mr. President, I myself think that ought to be agreed to, but I do not believe that the time ought to be farmed out.

The PRESIDENT pro tempore. The time is not being farmed out any further than that the Senator from Colorado on last evening indicated to the Chair that he desired to address the Senate and asked that his name be entered on the list, which is in accordance with the custom which has prevailed here immemorially. Now the Senator from Colorado says he does not desire to occupy the entire 30 minutes.

Mr. SMOOT. Then the next Senator on the list ought to be recognized and be given 30 minutes.

The PRESIDENT pro tempore. The Senator from Colorado did not desire to occupy 30 minutes, so the Chair thought, under the circumstances, it would not be inequitable to recognize the Senator from Nevada.

Mr. BRANDEGEE. Mr. President, I rise to a parliamentary inquiry merely for my own information. Will the Chair be kind enough to state whether, as to the disposition of the 15 minutes allowed to each Senator after 12 o'clock, the order will prevail that Senators will have to send their names to the desk in order to be recognized?

The PRESIDENT pro tempore. The Chair has not so stated. The Chair hopes that the representatives of the two sides of the Chamber will adjust that matter.

Mr. BRANDEGEE. I simply desired to express the hope that the Chair will not take the names of Senators without the knowledge of other Senators and recognize them accordingly.

The PRESIDENT pro tempore. The Chair is not going to do that for the present. When the hour of 12 o'clock has arrived, he must do something, and he will recognize the first Senator who rises.

Mr. BRANDEGEE. If Senators be recognized in that order by the Chair that will be satisfactory to me.

Mr. PITTMAN. Mr. President, I had no intention of interfering with the order established by the Chair, and in which, I think, the Senate has concurred, but not seeing the Senator present who desired to follow the Senator from Colorado I simply took this opportunity of correcting a false impression which the Senator from Colorado evidently had.

On yesterday the Senator from Alabama [Mr. UNDERWOOD] was contending that this bill was formed by the committee largely in accord with the wishes of the President of the United States. He stated that this bill was even more moderate than that desired by the President of the United States, in that the President desired a bill providing for compulsory arbitration. On that statement the Senator from Nevada took issue with the Senator from Alabama, and in support of his contention the Senator from Nevada read from the message of the President of the United States to show that, while the President favored an investigation of this question, nowhere through all of his messages had he ever indicated a desire for compusory arbitration. The President did express in his message a belief in the principle of arbitration, but not in the principle of compulsory arbitration. He did favor making the arbitration effective and binding on both sides by making it a court judgment, but he did not favor the compelling of arbitration by either side.

All of us favor arbitration; we all should like to see opposing sides get together and submit their differences to arbitration, and we want to see them bound by the judgment of that arbitration; but nowhere, I repeat, has the President of the United States indicated a belief in compulsory arbitration.

The Senator from Alabama then stated that he was not referring to the President's message; that he was referring to the bills that were submitted by a Deputy Attorney General to the committee on behalf of the President as a sample of the character of legislation desired.

Mr. SHAFROTH. Mr. President——

Mr. PITTMAN. Just a moment, and then I will yield to the Senator from Colorado.

I have had an opportunity to examine those bills, and I find that there is nothing in any one of them as submitted by the Deputy Attorney General to the committee that anywhere indicates a desire or intention for compulsory arbitration.

Mr. SHAFROTH. Mr. President, does not the Senator from Nevada recognize the fact that compulsory arbitration compelling the employees to work is absolutely impracticable?

Mr. PITTMAN. Undoubtedly.

Mr. SHAFROTH. Unquestionably, whenever a person is employed he can render his services inefficient, and thereby make them of no value whatever. Therefore he has always the upper hand in a contest of that kind. For that reason I do not believe that any compulsory arbitration law could ever be made effective. However, does not the Senator from Nevada think that the amendment which I have proposed throws a light upon, or at least makes clear, the intent and purpose of the amendment proposed by the Senator from Alabama?

Mr. PITTMAN. Mr. President, I hold in my hand a copy of the hearings before the Committee on Interstate Commerce, which includes the bills submitted by the Deputy Attorney General to the committee as a matter for consideration. I ask unanimous consent that, without reading, there be included in my remarks the bill found on page 1, known as the "Senate committee print No. 1."

The PRESIDENT pro tempore. Such will be the order, unless there is objection.

The matter referred to is as follows:

[Tentative committee print No. 1.]

IN THE SENATE COMMITTEE ON INTERSTATE COMMERCE.

A bill to establish the eight-hour standard workday in interstate transportation and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Beginning January 1, 1917, eight hours, in contracts for labor, shall be deemed a day's work and the measure or standard for the purpose of reckoning the compensation of all persons who are now or may hereafter be employed by any common carrier by railroad subject to the provisions of the act of February 4, 1887, entitled "An act to regulate commerce," as amended, and who are now or may hereafter be actually engaged in the operation of trains used for the transportation of persons or property on railroads, from any State or Territory of the United States or the District of Columbia to any other State or Territory of the United States or the District of Columbia, or from one place in a Territory to another place in the same Territory, or from any place in the United States to an adjacent foreign country, or from any place in the United States through a foreign country to any other place in the United States.

SEC. 2. The President shall appoint a commission of three to be known as the eight-hour day commission, which shall observe the administrative and financial effects of the institution of the eight-hour standard workday as above defined during a period of not less than six nor more than eight months, in the discretion of the commission, and within 30 days thereafter shall report its findings to the President and to Congress.

The President shall transmit the report of the eight-hour day commission to the Interstate Commerce Commission, which shall consider an increase of freight rates to meet such additional expenditures by the railroads affected as may have been rendered necessary by the adoption of the eight-hour day and which have not been offset by administrative readjustment and economies, should the facts disclosed justify the increase.

SEC. 3. Pending the report of the eight-hour day commission and the decision of the Interstate Commerce Commission, as above provided, and for a period of —— days thereafter, the compensation of railway employees subject to this act for a standard eight-hour workday shall not be reduced below the present standard day's wage, and for all services in excess of eight hours such employees shall receive not less than the pro rata proportion of the compensation received for the standard eight-hour workday.

Any carrier violating this provision shall be liable to a penalty of not less than $100 and not exceeding $1,000 in respect to each employee whose compensation is affected by such violation, which penalty shall accrue to the United States, and may be recovered in a civil action brought by the United States.

SEC. 4. The eight-hour day commission shall organize and select its own chairman and make all necessary rules for conducting its work. It shall have authority to employ and fix the compensation of such employees to rent such offices, and to purchase such books, stationery, and other supplies as shall be necessary to carry out the purposes for which the commission was created. It shall, whenever practicable, be supplied with suitable quarters in any Federal building located at its place of meeting or at any place where the commission may adjourn for its deliberations.

The commission is authorized, as a whole or by subcommittees duly appointed, to hold sittings and public hearings anywhere in the United States; and all testimony before the commission shall be on oath or affirmation. Witnesses shall be paid the same witness fees and mileage as witnesses in courts of the United States.

For the purposes of this act the eight-hour day commission, or any member thereof, shall have power to administer oaths, sign subpœnas, require the attendance and testimony of witnesses, and the production of such books, papers, contracts, agreements, and documents as may be material to a just determination of the matters under investigation by it; and may invoke the aid of the United States courts to compel witnesses to attend and testify and to produce such books, papers, contracts, agreements, and documents to the same extent and under the same conditions and penalties as is provided for in the act to regulate commerce, approved February 4, 1887, and the amendments thereto. A majority of the commission shall constitute a quorum for the transaction of business, and if the commission shall be divided in opinion, the findings of the majority upon any point shall be deemed the findings of the commission.

SEC. 5. The members of the eight-hour day commission shall be paid actual traveling and other necessary expenses, and in addition a compensation of —— per diem, payable monthly, while actually engaged in the work of the commission and while going to and returning from such work. The sum of ——, or so much thereof as may be necessary, is hereby appropriated, to be immediately available on the requisition of the President and to continue available until the commission shall have completed its work, for the payment of the necessary and proper expenses incurred as hereinbefore authorized, including per diem of the commissioners, witness fees and mileage, rent, furniture, office fixtures and supplies, books, salaries of employees, and traveling and other necessary expenses of members or employees of the eight-hour day commission to be approved by the chairman of said commission and audited by the proper accounting officers of the Treasury.

Mr. PITTMAN. By an examination of that bill, it will be found that it did not contain section 6 of the Senate bill, which provides for the fixing of these rates by the Interstate Commerce Commission. It will also be found that the bills submitted by the Deputy Attorney General did not contain this provision now found in the Senate bill:

Any person who shall willfully delay, obstruct, or hinder the operation of trains mentioned in section 1 of this act shall be guilty of a misdemeanor and be punished by a fine not exceeding $5,000 and imprisonment not exceeding one year, or both.

It will be found, upon examination of that bill, that there is no indication of compulsory arbitration. Consequently the Senator from Alabama had yesterday nothing upon which to base his assertion that the President favored compulsory arbitration.

As the Senator from Colorado says, however, compulsory arbitration is not only absurd, but, in my opinion, it is such an apparent violation of the Constitution that no one for a moment would attempt to consider it in that relation.

The objection that I have to the Senator's [Mr. SHAFROTH] amendment is that, in my opinion, it means nothing. The amendment states that the Interstate Commerce Commission shall have power to fix wages and to establish the hours of labor, but that it shall not compel a man to work; in other words, it shall not compel a man to be a railroad employee. Well, there is nothing on God's earth that could compel a man to be a railroad employee. The amendment is absolutely meaningless. What we should say is that a man may be a railroad employee without having to submit to the determination of the question of wage and hours by this particular body. The Senator's amendment to the amendment does not cure that at all.

So far as the amendment of the Senator from Alabama is concerned, it involves a question which should be discussed at great length. The distinguished Senator from Iowa [Mr. CUMMINS], who is on the Interstate Commerce Committee, entirely disagrees with the Senator from Alabama. He stated that it would be impracticable. He objects to that particular body attempting to fix the wage. When there is such a difference of opinion amongst great lawyers of this body who have for years given this matter study, I say it is not right for us to attempt to decide that question now; but there is one question that we ought to be prepared to decide now, and that is the proposition which was made by the President to the contending forces—

the proposition which is involved in the House bill. That proposition we are ready to decide.

If we are ready to decide that question, why involve it with a hundred other questions which we do not understand and which we are not ready to decide? We can take up those questions in December. At the present time we have before us in concrete form a proposal made by the President of the United States to the opposing forces, which one of them accepted and which the other refused. By reason of the refusal of one of those parties this action of Congress has become necessary. We are here now simply to enforce the proposition that one side accepted and which the other side did not accept, without committing Congress or any Member of this body on any other question involved in this great controversy. It was for such reasons that upon the report of the House bill to the Senate last evening I asked unanimous consent that it displace the Senate bill. The House bill should pass without amendment.

The PRESIDENT pro tempore. Five minutes of the first 30-minute period are left.

Mr. HARDWICK. Mr. President——

The PRESIDENT pro tempore. The Senator from Georgia.

Mr. HARDWICK. Mr. President, I do not care to make any extended observations about this bill, and yet there are some things to which I wish to direct the attention of the Senate and the country at this time. At the beginning of this debate, almost immediately following the remarks of the Senator from Iowa [Mr. CUMMINS], I undertook to make some observations relative to this question and to this situation. On Wednesday of this week I laid down the proposition that, in my judgment, the correct way to handle this situation was to permanently refer all questions relating to wages and hours, the terms and conditions of railroad employment to the Interstate Commerce Commission, for regulation by that body, insisting then, as I insist now, that the Interstate Commerce Commission is fully equipped for that work; that constitutionally the question is not in any way different from the question of delegating to the Interstate Commerce Commission the power to establish just and reasonable freight and passenger rates. In the course of my remarks on that occasion the Senator from Iowa said that the questions were radically different; that while it was possible to set up a just and reasonable standard for rates it was utterly impossible to set up a just and reasonable standard for wages.

Mr. BRANDEGEE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Connecticut?

Mr. BRANDEGEE. If the Senator does not care to be interrupted, I will not interrupt him.

Mr. HARDWICK. If the Senator will allow me to finish this observation, I will yield to him in just a moment.

The PRESIDENT pro tempore. Before the Senator from Georgia resumes, let the Chair make an announcement. As Senators are talking against a time limit, the Chair will not undertake to intervene and break in on the momentum of a Senator who has a given time for the delivery of his speech, because the Chair realizes that to do so would interfere with the entertainment of those who come to listen to the Senator.

Mr. HARDWICK. Mr. President, I understood the Senator from Illinois was entitled to recognition by the Chair, but as he was not present I addressed the Chair.

The PRESIDENT pro tempore. In five minutes the Senator from Illinois will be entitled to recognition, and if he is then not present the Senator from Georgia is entitled to go on for 25 minutes.

Mr. HARDWICK. If he comes in, I will be glad to yield the floor; but if he does not, then I shall desire to proceed at some length.

The PRESIDENT pro tempore. Unless the Senator from Illinois is here in five minutes, he will forfeit his time.

Mr. HARDWICK. Mr. President, as I was remarking, the Senator from Iowa contended on Wednesday that the two questions of rates and wages were utterly dissimilar from a legal standpoint, from a constitutional standpoint. While it was possible, the Senator said, to set up a just and reasonable standard for railroad rates, it was utterly impossible, he said, to set up a just and reasonable standard for wages. The distinguished Senator called attention to the different character of work that men do, and he inquired why it was that a lawyer was paid $50 for a certain piece of work, while the carpenter on a given piece of work, involving a great deal more physical labor, only got $5. Mr. President, I undertook to answer the Senator then by saying to him that while it might be difficult to ascertain what were just and reasonable wages, yet it was no new proposition to attempt to determine what were just and reasonable wages for a given piece of service. The law of quantum meruit is as old as civilization itself; and, if men do not agree on wages, any court in the land, in proper proceedings, would undertake to fix what are just and reasonable wages for a certain service that is performed in the absence of an express contract between the parties. So I say that legally and constitutionally there is no difficulty in section 6 of the proposition submitted by the Senate committee.

We have the same power to delegate this question to the Interstate Commerce Commission and to say to that body, "You shall determine what are just and reasonable wages and what are just and reasonable conditions of labor," that we have to say to that body, "You shall determine what are just and reasonable freight or passenger rates, as the case may be, and what are just and reasonable regulations of railway traffic and the service incident thereto." It seems to me that the two things complement and supplement each other; that it is utter nonsense and inefficient and incomplete regulation to say that the Interstate Commerce Commission may fix the railroad rates throughout this country, may prescribe what are just and reasonable rates for the service that the railroads perform for the public, and yet to say that that same body ought not also have the power and ought not also to be charged with the duty of determining how much the railroads shall pay as compensation to the men who work thereon. The same body that regulates income ought to regulate outgo. There is no constitutional objection to it, and every reason of common sense argues most powerfully for it. As I said the other day on this floor, unless we are to have complete, efficient, well-rounded regulation of these great public-service corporations, then no thoughtful men can dispute the proposition that the day of Government ownership is at hand.

It seems to me, Mr. President, to be absolutely certain that the people of the United States are not going to submit to the proposition that the great public-service corporations of this country shall be operated as if they were private businesses. They have declined to submit to that proposition. When the question at issue was how much shall the railroads be allowed to charge for the service that they render, Congress stepped in, on that question, and said: "You are not engaged in a private business; you who are operating the railroads will not be allowed to charge the public whatever you please; you are engaged in a great public business, and we have a right, representing the people of this country, to say how much you shall charge the public for the service that you render to them." Now, I want to ask, in the name of reason, in the name of justice, in the name of common sense, why the Congress of the United States, representing the public, representing all the people, has not an equal right to say to these men: "You shall not be permitted literally to hold up this country whenever you want to do so in order to have the standard of wages set as high as you please on the threat that ruin will overtake the land unless your demands are granted."

Some of these men are the best friends I have ever had in my life, both personally and politically; and, as I know them, I do not believe that they, individually and personally, would sympathize with any such demand or would care to occupy any such position. But, Mr. President, representing 100,000,000 people, discharging a great public trust, it is the duty of this body, of every Senator of the United States, to say to these men just what he has said already to the railroads, and to be just as fair to capital as he is to labor; to be as just and as fair to labor, and no more so, than he has been to capital.

You have already said, each one of you, to capital: "We will not permit you to levy your charges unregulated and uncontrolled upon the public. We submit your charges to public regulation." We ought to say to labor: "We treat you just exactly like we treated capital—no differently. You shall not be permitted to levy your demands without control, without regulation, without any man to say you nay, upon the industries and business of this country and upon its teeming millions. You are not engaged in private service. You are not engaged in private business. You, just like the men who own the railroads, are engaged in a great public business. You are performing a great public service. If it is justice to require that the capitalist shall have his demands controlled by the strong arm of the law, it is also justice to say that the laboring man's demands shall also be controlled by the strong arm of the law."

The people of the American Republic are not willing, either now or later, to submit themselves, their businesses, their industries, their commerce, their interests—nay, their very life, financially and commercially speaking, at least, and maybe literally speaking—to the mercy of either side, in a great controversy of this kind.

Senators, there is not one of you on either side of this body, animated as I know each one of you is by a lofty conception of

public service, who would be willing to say to either side in a great controversy like this: "You have the right to work your uncontrolled will upon 100,000,000 helpless people."

What then? What situation confronts us to-day? We are notified that a great strike, nation-wide, is impending; that four great organizations, with 400,000 of the most highly paid, the most highly efficient and the most highly organized workingmen in America in their ranks, have decreed that on Monday morning next at 7 o'clock the great interstate agencies of commerce and of transportation are to stop, stilled and useless, unable to operate, unable to perform their great functions, unless certain demands of these employees as to wages be met, and met before that time arrives.

So that it seems to me the Congress of the United States is almost literally held up. We are notified that we must pass certain legislation or commerce and industry and business in this country will halt. We are notified that we must require these railroads to make certain concessions or the very life of the Republic will be imperiled. So that we are shaping our law, not so much to meet the presidential approval in this case, not so much to invite the smile at the other end of the Avenue, as we are shaping our law, literally under force, under duress, under compulsion, in order to keep these highly organized workingmen from absolutely tying up the business and commerce and industry of the Republic.

Senators, it is not a situation that appeals to me. We are not meeting it in a manner or a method in which we ought to meet it, according to my humble judgment. If the railroads of this country had assumed any such position as that, we would not have listened to them one single minute. We would have acted so swiftly, so drastically, so thoroughly, that before 24 hours we would have wiped them off the map, as far as it could be done by legislation. And yet it seems that in the face of this situation, confronted by this dilemma, we are utterly helpless. We must enact, not the legislation that our judgment approves, not the legislation that our wills, our consciences, our minds as legislators and our self-respect as representatives of 100,000,000 people tell us is wise and necessary to meet the situation now and permanently, but we must enact such legislation, forsooth, as is necessary in order to avert the strike, and to avert it right away! In other words, we must pay the price, not out of the Public Treasury, nor yet out of the railroad treasuries, but out of the pockets of the people whose representatives we are, and without their consent, certainly without consulting them.

It may be, Mr. President, that a failure to enact proper legislation along these lines before this has rendered us for the moment helpless. It may be that we are forced to bow in sullen submission to demands of this character. If so, I submit to this body and to the American people that it is our bounden duty to provide a permanent system of laws by which neither the railroads, on the one hand, nor the workingmen, on the other, can literally hold up the people of the United States for as many advances in wages or for as many increases in dividends as greed on either side may suggest, now and as as often afterwards as either may desire. If we fail to do that, in my judgment we will have fallen far short of our duty as public servants and far short of our duty as the representatives of the people who sent us here.

I want to insist that one proposition embodied in the report of the Senate committee shall be adopted by this body; namely, that the Interstate Commerce Commission shall be given full and complete power to fix and determine what are just and reasonable wages and conditions and hours of labor for these employees, just as that body already fixes and determines what are just and reasonable rates for the railroads to charge to the public. I want to say in this connection, Mr. President, that while I am pleased with that part of the committee's report, I am not pleased that it does not go much further. I do not believe that without going further this body or the other House of Congress will meet the obligations that it owes to all the American people, to our constituents back home. Senators, only a small part of whom are directly interested in this controversy, but all of whom are indirectly, yea, are vitally interested in its outcome, and in what the future may hold for them in reference to this matter. Once we have submitted to an impartial, a well-organized, a well-equipped public-service commission the ascertainment of the facts as to what are just and reasonable wages, what are just and reasonable and humane labor conditions and hours of employment, I tell you we ought to go even further than anything in this bill has yet suggested.

We can not and ought not to undertake to deprive any individual in this Republic of his personal freedom and his individual liberty. Nay, we can not do it, even if we so desire; and no Senator on either side of this Chamber so desires, I know. But while we may not make it unlawful for any man to quit his employment if he is not satisfied with the wages that are allowed or with the terms and conditions of employment that are set up by the Interstate Commerce Commission, if power be conferred on that body, yet I contend we have the right, the undisputed legal right, the undoubted constitutional right, and that it is our solemn, bounden duty to all the people of this Republic, to every business and to every industry within its limits, once this impartial public board is given full legal authority to fix just and reasonable wages and humane and just hours and conditions of employment, to prescribe that thereafter it shall be unlawful for two or more men to combine or conspire to destroy or impair the efficiency of the great interstate agencies of commerce.

We can do it, just as we make it unlawful for men to interfere with the postal facilities of this Government. We can do it in the exercise of the highest sovereign rights. We can do it under that oft-cited and oft-stretched section of the Constitution which confers upon this body power to regulate commerce between the several States. Of what value is regulation that halts at that, regulation that stops short of that, regulation that hesitates first to provide a fair and reasonable way of determining justice toward these men, and, second, having provided that way, then fails to say that men shall not conspire to destroy great agencies of interstate commerce or to impair their efficiency?

It is our duty to do that. We will not discharge it if we do not adopt both propositions. We will not measure up to what is required of us unless we not only bridge over the emergency that now confronts us, but unless we provide a permanent plan by which and under which it will hereafter be impossible, through all time, as long as this Government shall last, for anybody, be he railroad magnate or railroad man, to seize this great Government of ours by the throat and to hold up its people for whatever legislation they want, whether our judgments approve it or not.

For one, Mr. President, I do not feel that we have gained anything if we merely averted for the moment, by some temporary makeshift of a plan, the passing crisis of this hour, dire though that crisis be. For one, I should feel that we had made a sorry trade, as well as a sorry spectacle of ourselves, if, in order to avert hundreds of millions, or possibly thousands of millions, of loss to our people, we gave, without investigation and without knowledge of whether it was just to do it or not, a $60,000,000 increase in wages to these men, unless at the same time and in connection with the same legislation we provided a permanent plan that insured justice to these men and protection to the public for all time. If we did that, I think we could afford to bridge over the necessities of this hour. If we did that, I think we might afford to go along and grant whatever demands are absolutely necessary to be met in order to avoid a great commercial and industrial cataclysm in this country, although I admit that in doing it, if I shall so vote, my head will be bowed in impotent shame to think that there are any interests in this country outside of the public interests, outside of all the people, outside of the will and interest and wishes of a majority of the American people, that can force the American Congress to legislate on any subject or on any line.

Mr. President, I promised to yield to the Senator from Connecticut if he desired to interrupt me.

Mr. BRANDEGEE. I did not insist, because I realized that the Senator was speaking in limited time, and I do not insist now if he prefers to go on.

Mr. HARDWICK. No; I yield to the Senator.

Mr. BRANDEGEE. I simply wanted to suggest to the Senator that in relation to the constitutional power of Congress to clothe the Interstate Commerce Commission with authority to fix wages upon interstate carriers by railroad, as well as to fix rates upon passenger and freight carriage, I think there is some question. The Senator seems to be satisfied that there is no difference in principle between the authority of Congress, under the clause of the Constitution which gives it the right to regulate commerce among the States, to delegate to the Interstate Commerce Commission the power to fix or to regulate rates, and the power to fix or to regulate wages. I want simply to suggest as a matter for thought—for I think there are no decisions on the question, and it is an entirely new proposition, so far as I am aware—that the railroads are owned by private capital, but they are charged with a public use on account of the business that they have entered into. When we delegate to the Interstate Commerce Commission the right to regulate rates it is not to regulate a matter between master and servant——

Mr. HARDWICK. Ah, but let me interrupt the Senator there. When we passed the employers' liability act we did regulate, did we not, the relation of master and servant?

Mr. BRANDEGEE. I am coming to that.

Mr. HARDWICK. I shall come to that right now.

The PRESIDENT pro tempore. The Chair thinks he ought to observe that the Senator from Georgia has but three minutes remaining.

Mr. BRANDEGEE. If I may be allowed to suggest to the Chair, inasmuch as this matter has not been even stated, and I am in the midst of my question——

Mr. HARDWICK. I decline to yield to the Senator further right now, then. I have his thought already, I think.

Mr. BRANDEGEE. I was going to suggest that when the Senator has finished perhaps I might be recognized to state the question that I am now stating.

Mr. HARDWICK. I hope the Senator will, but I want to finish what I am going to say.

Mr. President, the suggestion of the Senator answers itself almost. Under the power to regulate commerce between the States, Congress has established a 16-hour law. It has been upheld by the courts. Yet that is a regulation of the terms and conditions of employment. Congress has established the employers' liability act, which has finally been upheld by the courts as a valid exercise of their power. Yet that is a regulation of the law of master and servant, just as the Senator suggests this is.

I tell you in principle there is not the slightest difference between the powers. The application may be somewhat more difficult in the one case than in the other, as suggested by my friend from Iowa, but every court in this land, under the doctrine of quantum meruit, as old as the law itself, undertakes to say what services are worth, in the absence of an express contract between the parties. It may be difficult, it may be a matter of opinion, it may be hard to determine justly what the facts are on all occasions, but in principle as a matter of law, and in principle as a matter of morality, there is not the slightest difference between the two propositions. The proposition is to provide for pay for service in both cases.

Mr. STERLING. Mr. President——

Mr. HARDWICK. Pardon me, I have not any time to yield. Pay for service rendered by railroads in one case, and pay for the service rendered by the railroad employees to the railroads in the other case, and the principle is identical. The power exists in one case and it exists in the other. In my judgment the permanent, adequate solution of this question will never be arrived at until Congress exercises that power fully from both angles, from both viewpoints.

The PRESIDENT pro tempore. The Senator's time has expired.

Mr. BRANDEGEE. Mr. President——

The PRESIDENT pro tempore. The minority side of the Chamber is entitled to the next hour, and the Chair recognizes the Senator from Illinois [Mr. SHERMAN] or the Senator from Connecticut [Mr. BRANDEGEE] just as they may prefer between themselves.

Mr. BRANDEGEE. I will agree that the Senator from Illinois may proceed.

Mr. SHERMAN obtained the floor.

Mr. THOMAS. Will the Senator from Illinois permit me to offer an amendment?

Mr. SHERMAN. Yes, sir.

Mr. THOMAS. With the consent of the Senator having charge of the bill, I offer the following amendment:

The PRESIDENT pro tempore. The amendment will lie on the table subject to be dealt with when reached in regular order.

Mr. THOMAS. I ask to have the amendment read.

The PRESIDENT pro tempore. The Secretary will read the amendment.

The Secretary read as follows:

SEC. 5. Any person who shall willfully delay, obstruct, or hinder the operation of trains upon any of the railroads mentioned in section 1 of this act shall be guilty of a misdemeanor and be punished by a fine not exceeding $500 or imprisonment not exceeding one year or both.

Mr. SHERMAN. Mr. President, Congress is approaching an era in legislation which ought to be preceded by deliberation. I have always looked upon Congress and especially the Senate as a deliberative assembly. If the proposed program is executed in legislation pending it will abandon the deliberative exercise of that power which has heretofore distinguished it. It is proposed here within a few hours after the railway crisis is presented to formulate legislation, consider it in the committee, report it to the Senate, and have the bill enacted into law.

There has been in this country a considerable discussion, and much of it is with cogent reason and manifest justice in favor of arbitration. I believe in it. It is akin to the administration of justice which has made the judiciary the great fortress of human right in the English-speaking race. Arbitration is the highway of peace and justice. It begins with the courts, includes disputes between employers and employees and logically in the fullness of time is a substitute for war among nations. Arbitration is the remedy for violence, injustice, abuse of power, and a reign of industrial terror and resulting chaos. The principle is repudiated and law enacted in panic given instead. I believe that the employees and the employers, however numerous they may be, have no more right in the aggregate than the individual. My fellow Senators, I am compelled to arbitrate; others in their individual private relations are compelled to arbitrate. If I did not agree with my employer in the time when I rendered personal service in years past, I was compelled to arbitrate. If I do not agree with my grocer in the payment of my account I must submit to arbitration. Call it by any name you will, it is arbitration still.

There is no difference between a judicial tribunal evolved by the experience of the ages for the settlement of disputes and any other arbitral tribunal. Originally it came from the necessities of men to avoid violence, to prevent bloodshed, to establish civil society, to make it possible for men to live together in a peaceable condition, and that there might be a rule of law under which all might be secure and all might have justice.

We remember in the days of our ancestors when trial by wager of battle gave the verdict to the man with the strong arm. What is the difference between trial by wager of battle in the days of William the Conqueror and trial by wager of battle presented on the floor of the Senate in August, 1916, when Congress is asked to legislate not upon the justice of a pending measure but upon the threat involved? In centuries gone two men fought with arm and cudgel. Now 400,000 men threaten to suspend transportation on 250,000 miles of railway.

But it is said that there has been no overt threat. I reply my desk is covered with express or implied threats of all kinds from the small union to the larger one, from the allied workers of Chicago and St. Paul and of the Mississippi Valley to all who have seen fit to communicate with me by message or otherwise. Here, for instance, is the language of one from the Aurora Trades and Labor Assembly by its president:

AURORA, ILL., *August 31, 1916*

Hon. L. Y. SHERMAN,
Senate, Washington, D. C.:

Organized labor has its eyes on Washington; it demands settlement of railroad situation fair to all parties; it will not stand for compulsory arbitration or involuntary servitude in any form, either during or after investigation; legislation giving eight-hour day without such conditions should be positive.

AURORA TRADES AND LABOR ASSEMBLY,
GEO. B. STAFFORD, *President.*
W. A. SEARL, *Secretary.*

Neither will I tolerate in this country servitude by all under the yoke of a part. I will serve as a Senator for all the people or I will not serve at all.

Within 30 days, Mr. President, in 1913, from the time I took my seat in this body, the same question was presented to me and my files are replete with telegrams of the same threatening character. I passed through an election in 1914. To the credit of the union workman he was not delivered by those who threatened. I will not serve as a Senator in dictatorial servitude from a portion of the American people. I will serve for all of them, or I will never serve another term in this or any other public body requiring my submission to a vote of the people. If I can not be such a Senator I would rather "be a dog and bay the moon than such a Roman."

There are too many in this body and elsewhere to-day, Mr. President, baying at the moon. They see a face in the moon and it looks to them like Gompers, gibbous and full.

I shall, Mr. President, for myself take the course I have indicated. I shall legislate for all of the American people or none. I recognize the exclusive right of no single class, of no occupation, to demand special laws. I detest the attempt made in this bill to create classes to legislate for some and against others. If I can not legislate free from such influences, I prefer by my influence or vote never to contribute to legislation at all.

Arbitration is abandoned, it is thrown to the four quarters of the earth at a time when a crisis presents itself. At a time when a deliberate solution ought to be choice of all men, it presents itself as the imperative remedy. This Senate and Congress deliberately abandon arbitration at a time when it is of value. It could be of the greatest service, but this bill deliberately spurns it as a remedy. After years of agitation, after many earnest discussions that will be rendered fruitless by the passage of this bill, we propose to turn Congress itself into an arbitral tribunal.

Mr. President, if this measure be enacted, by it the Senate instantly converts itself into an arbitration court. It undertakes to write an award in a statute on an ex parte hearing in

this body, where time ordinarily is permitted to consider and weigh. It undertakes to conclude in that ex parte hearing the rights of the parties to the controversy by the solemnity of law. It undertakes deliberately to substitute, for the arbitral tribunal that has heretofore settled such questions, its own will and to abandon the field of legislation for that of administrative detail. It creates a precedent which will return to annoy and to plague us in the years to come.

Congress becomes no longer a legislative body. It ceases to be a parliamentary organization and becomes a commission for the purpose of hearing every dispute and passing upon every controversy in the industrial world. It undertakes to substitute for the calm deliberate action of the Interstate Commission its own rule written not as an award, but as a statute when presented in the several controversies as they arise. It proposes to cast the multitudinous and fluctuating stream of industrial controversy into the inflexible mold of statutory law.

Mr. President, if this course is to be pursued, should the Interstate Commerce Commission longer exist?

Why have a Federal Trade Commission? What becomes of the Board of Conciliation and Mediation? What becomes of mediation before the controversy reaches the point where action must be final? All the delegated powers of Congress ought to be resumed. The last argument is presented that they have ceased in their mission, that they have failed in their ultimate purpose, and that Congress has been substituted once for all, a precedent here to settle all future controversies, here to examine all details, and here become the great administrative, as well as legislative, authority of this Republic.

How many are involved? Everybody who renders service, and I know of no one, Mr. President, who does not render service of some kind, whatever it may be. We are all workingmen. Of all who toil our country is builded. I shall not make laws for a few that must burden all.

I have here not only the telegram I have read, but another from Danville, Ill., who says what I shall read, and his thoughts are working correctly along his line of thought. The direction in which he is traveling is known to him and all who have similar purposes in view:

Work for Government ownership of railways. Oppose compulsory arbitration or any form of involuntary servitude.

The Senate is sought to be put under involuntary servitude. I have been sought to be placed under involuntary servitude. I know the implied menace in such communications. In years past at no time nor place, under no occasion, and with no issue presented, has any particular occupation or class induced me to desert my duty in this Senate Chamber and vote for a few and abandon all the rest of the American people to their fate.

If legislation has fallen to that low degree, if we can servilely abandon our duty, if American politics has reached the stage where a few govern and not the many, then we are hastening to that deplorable state of decay portrayed for our future years by Macaulay when he wrote his matchless history of England.

I can not think of it. And however many mistake the commanding duty of this hour, however many are here to catch the accents of the vociferous multitude now shouting beyond the confines of this Capital, and however much we may mistake the signs of this age, we are building on an unstable base for the ages to come if this bill be our precedent and our guide.

If we can not rise to a higher level, if we can not forget our politics, if we can not seek to prevent the Chief Executive of this Republic from bending to petty politics to serve ephemeral purposes on the eve of a presidential election, then we are unworthy of our great trust and the American people cease to be a Republic, for it ceases to be a government of the whole people.

There are many other telegrams of a like kind. Here, even, are gentlemen who play Hamlet. Here are the ones who portray the mighty passions of King Lear. They come with the crippled foot of Richard the Third on the stage, who becomes himself again—the mighty drama of Faust, all of the great men whose talent have been turned to the portrayal of human nature and the teaching of the mighty lessons of humanity through the agency of the legitimate player.

Are they laborers? They are; and I have from them the same request claiming brotherhood with the railroad conductors. If actors, Mr. President, have an interest in having a wage scale fixed and hours of labor limited, then we in the Senate are the same kind of laborers in the great department of human affairs. Ours is no mimic stage. Our drama is real. Their work is largely mental, the better the actor the greater his mentality. Those who rise to the dignity of the masters of their art are toilers. I do not now speak of those who rant and saw the air, who libel the name of dramatic art, and whose activities and talents are the muscular rather than the mental kind. Of them I do not speak.

I now speak in the language of a telegram sent me which I incorporate in the RECORD, dated at Chicago:

In the name of our organization we beg that you urge the eight-hour day at present rate of compensation in the railway brotherhood controversy and oppose enactment of compulsory arbitration.

JOE BIRNES,
Chief Deputy Organizer District of Illinois and Middle West of the White Rats Actors' Union of America.

The White Rats are a well-known organization, having offices in the city of Chicago and many other cities. So the White Rats in due time are to be legislated for before many moons shall have shed their effulgent rays upon the Goddess of Liberty smiling benignantly over the scene of our earthly toil.

Mr. President, the White Rats by the next session will have appeared and demanded an eight-hour day for the drama all the way from the novice to the accomplished genius who portrays human passion for us all.

Where will it end? Nowhere. If we legislate for conductors and firemen and engineers and trainmen, we must legislate for all of them. We cease to be a legislative body and become the receptacle of the grievances of all the employers and employees in this country.

I am in favor in certain occupations, Mr. President, of an eight-hour-a-day law. I have told many men who look out of the cab of an engine that I believe in an eight-hour day. I believe in the limitation in mines. I believe in it in many forms of industrial life. I would not undertake by legislation in the Senate to fix the hours in each individual case or occupation presented. Such occupations in this country are multitudinous. We can not now by arbitral legislative decree here undertake to fix wages, hours, and kinds of service. We can not undertake, Mr. President, by fixed law, general in its application in this case, to settle this dispute, for it is a precedent for others to ask that we begin to administer in detail all the equities and rights growing out of the relations of master and servant.

I agree largely with the Senator from Georgia on that relation.

I am talking upon the broader aspect of surrendering at this crisis in these circumstances, at the demand of 350,000 men, assuming that they are a unit, standing, as Clifford Berryman, in the Washington Star an evening or two ago, portrayed, as graphically as any editorial writer, a figure representing the railway brotherhood, erect with a time watch looking at the Capitol and demanding action within the period named.

Mr. President, no man will get legislation by my vote with a stop watch held on my effort; I do not care who he is. He may be the combination of executives of the railways. I have stood up and talked to them face to face; I have talked to the unions, and I am talking to all of them combined now.

If Congress enters upon this adventure, if perchance at some time in the years to come an effort is made to double the hours of service, to diminish the wages, the power having been once conceded, as the Senator from Colorado [Mr. THOMAS] so ably argued and logically concluded yesterday, it opens up the question, and it will either be a government of the employer or it will be at last a government of the employee.

Neither would be right; neither would be republican; neither would be democratic; neither would be the chief end for which human society is organized and for which public legislation is had.

Here is a humble bookkeeper in the city of Chicago, I read his name into this RECORD because out of the even tenor of his unobtrusive life, from the inconspicuous character of his occupation he manages to know enough to get the point at issue and how it affects him now and will affect him in the future. He says:

CHICAGO, ILL., *September 1, 1916.*

Senator L. Y. SHERMAN,
United States Senate, Washington, D. C.

I am a bookkeeper; if one labor union can compel Congress under threat of strike to raise wages of the highest-paid labor 25 per cent, of which I will have to pay my share, where will it end? Can't you prevent this law being passed until everybody is heard?

A. BEHRENDS.

I have possibly a dozen telegrams from men in the humbler walks of life; from the men who are pounding iron in the shops to the men who are directing the operation of the large railway systems in this country, and of the great industrial pursuits of our country.

Who are the railroads? On the 31st of August, 1916, 90,000 shareholders and over represented the Pennsylvania Railroad; more than 22,000 represented the New Haven road. The great railwny systems, the Northern Pacific; the Great Northern; the Chicago, Burlington & Quincy; the Chicago, Milwaukee & St. Paul, including the Puget Sound extension; the Northwestern; the New York Central—all of the great systems have issued their securities, and they have passed beyond the stage of specu-

lation and stock jobbing and stock watering. Their stocks are investments.

So it is a question here of doing justice to the investing public as well as the general public, and how shall it be done? It will not be, Mr. President, by merely, on this ex parte hearing, passing into statutes enforced action, but it will be upon a hearing—before whom? Before an arbitration board.

I believe in arbitration; you believe in arbitration. Still the stop clock is put upon us, arbitration is cast aside and immediate legislative action is demanded settling this question, and settling it how? I shall not criticize anybody. This question has long passed the point of partisan criticism. It is no longer, Mr. President, a question of criticizing the President, the Cabinet, Mr. Gompers, or anybody else. It is a question of whether we shall meet our duty, rise to the high standard of a parliamentary body enacting legislation after due deliberation, or whether we will ignominiously abandon that high function and refuse to create a tribunal that may in decency and in order decide upon the merits of the controversy by an award.

In its essential analysis, Mr. President, this is not an eight-hour-day question; no matter however much we may seek to confuse the issue or to deceive ourselves, I am not deluded; it is not an eight-hour-day law. That is not the issue. It is a question of the increase of wages by paying 10 hours' wage for 8 hours' service; and beyond and above that is the effort by a certain occupation, organized in this way, to enforce upon Congress its legislation in total disregard of the rights of all other people. It is not merely the rights of the railway brotherhoods. It is the sovereign rights of the whole American people.

So, Mr. President, I am looking at the larger question.

I forget my partisan affiliations, I forget there is an election coming on this November or any time hereafter; I forget that in the larger duty of this Senate committing itself to arbitration, creating an arbitral tribunal, so that, as under the Interstate Commerce Commission, justice may be done in peace and in order.

Suppose we had undertaken, when the 5 per cent rate increase controversy was on, to settle by an act of Congress what the Interstate Commerce Commission settled, and settled justly. We would have been in the same condition. Every time that a wage increase is asked for by the roads or a reduction by the shippers or the general public we have opened the door, made the precedent for all these disputants to come into the House of Representatives and into the Senate and demand that we do what the Interstate Commerce Commission has been doing, and doing successfully.

If we are going to settle this question, why not include other forms of transportation? All the inland waterways, all the Great Lakes traffic, all of the coastwise traffic is affected, because their hours and their rates are equally important. Why not, in some way, when we talk of involuntary servitude, invent a method by which, when an agreement is made after due deliberation and an award has been entered, both sides shall be compelled to keep their agreement?

I will not stop to read the statement, but I will only refer to two violations that have been made of an award for increase of wages and compliance with the terms of service by the Seamen's Union, members of the Lake navigation service, within the last few months.

When we do so, we are only opening the way and putting up the signboard along the highway of human trouble to invite others to come in and ask us to render them the same service we have rendered the brotherhood of railway trainmen. They represent 18 per cent of the railway employees and draw 28 per cent of all the wages paid. What of others of longer hours and lower pay? We forget the lowly and help the stronger.

So upon all these grounds, Mr. President, this is an error, an error that transcends the mere petty advantage of obtaining votes. It is not a question of the election of some candidate; it is a question, finally, of basing legislation upon such a sound, equitable foundation that it can survive the test of time and the shocks of human experience. That we are not doing. Instead, Mr. President, of laying it upon that stable foundation, we are putting it upon a foundation of sand, and, like the foolish one of old, when the storms come and the winds blow, the foundation will melt away.

The PRESIDENT pro tempore rapped with his gavel.

Mr. SHERMAN. I ask leave, Mr. President, to incorporate in the RECORD some of the documents and telegrams to which I have referred in the course of my remarks.

The PRESIDENT pro tempore. Such will be the order in the absence of objection.

The matter referred to is as follows:

CHICAGO, ILL., *August 30, 1916.*

Hon. LAWRENCE Y. SHERMAN,
Senate Office Building, Washington, D. C.:

Great Lakes steamboat lines engaged in interstate commerce ask to be included in any legislation enforcing arbitration before the calling of a strike. Twice since May 1 without notice men have been called out at Chicago by seamen's and firemen's unions, hours of labor or working conditions not being involved; matter of wages only. Seamen's bill compelled marine interests to submit each time, as water carriers must employ in certain capacities only men on which Government has placed stamp of approval. These men since seamen's bill went into effect, as a rule, have become members of labor organizations.

GOODRICH TRANSIT CO.,
H. W. THORP,
Vice President and General Manager.

GOODRICH TRANSIT CO.,
Chicago, August 17, 1916.

Hon. LAWRENCE Y. SHERMAN,
Senate Office Building, Washington, D. C.

SIR: We desire to call your attention to the situation that confronts steamship owners, especially passenger steamship owners, on the Great Lakes.

On Saturday, May 20, at 8.30 in the morning, without a moment's warning, every wheelsman, lookoutsman, watchman, oiler, fireman, and coal passer employed on the passenger steamers at this port walked out. Two steamers of this line were held up until late at night, and one from about 3 p. m. until late at night. Only in a roundabout way were we able to learn the reason for their action. Every effort was made to get in communication with the officials of the labor organizations, but it was after 12 noon before we could reach them. An appointment was made for a conference at 2.45 p. m., but it was a little after 3 p. m. before the parties reached his office. Conference lasted until about 5 p. m., when the unions' representatives left with our proposition (copy herewith, marked "Exhibit A"). This was to be considered without delay and an answer given us promptly, but we did not hear from them until almost 9 o'clock.

This company had three steamers in port, two loaded and ready to leave; one within the neighborhood of 100 passengers aboard. The leaving time of this steamer is 7.45 p. m.; she finally got away at 9.59. The other steamer that was loaded was due to leave at 7 p. m.; got away at 10.44 p. m. The unions turned down our proposition (Exhibit A), and it was not until we signed the agreement presented by them (copy, Exhibit B, herewith) that we could move a steamer.

You will note from our proposition (Exhibit A) that we were ready to pay the wage scale, take back the men that had walked out, and make no discrimination against the members of their organizations in filling positions on steamers that were yet to go into commission. This, however, did not satisfy them. They insisted that the able seamen necessary under the seamen's act must be members of their organization.

The men that we have engaged as able seamen, outside of the petty officers, we had contracted with for the season at $50 per month. The men were perfectly satisfied, and not one of them walked out.

Our objection was to including men that were not members of their organizations and who were not involved in the walkout.

The original of Exhibit B was dictated by Mr. Victor Olander, international secretary of the Seamen's Union, and in typewritten form submitted to us for our signature, and this agreement we were forced to sign before we could move any one of our steamers at Chicago. We signed this in good faith and have kept faith since, never once having had a complaint, nor have we ever been once asked to meet a committee from any organization interested.

We went along feeling that we were protected for the season of 1916, as stated, and at least until the matter of fall wages would be up for consideration. Much to our surprise, however, on Tuesday, August 8, we were informed that delegates from the Seamen's Union and the Marine Oilers', Water Tenders', and Firemen's Unions had notified the members of their organizations employed by this company that their wages from August 7, the day previous, would be $10 more per month than in the past. This affected 221 men, or an increase of $2,210 per month to our operating expenses, without any possibility of our being able to do anything in the way of increasing our earnings to offset this unlooked-for increase.

As soon as we became aware that the men had been notified by the unions of the increase, we called up the officials of the unions and asked what it meant, as we considered we had an agreement covering the season, which was not yet over. We were then told that the committee would meet with us for a discussion of the matter, and a meeting was finally arranged for the following day.

Understand, the delegates of the unions had already notified the men that they would receive the increase. The unions' officials, however, did not come near the officials of this company.

During the conversation after we had gotten together, Mr. Olander was taken to task for not keeping his word in connection with the agreement of May 20. He became incensed and, although we agreed to the increase, called out all quartermasters, lookout men, watchmen, oilers, water tenders, firemen, and coal passers on our steamship *Alabama* and our steamship *Indiana*, the two steamers we had in port at the time. Mr. Olander and the other union representatives were finally prevailed upon to come back to our office, and after a lengthy conversation the men called out were allowed to return to work.

The fight between the unions and the organization known as the Lake Carriers' Association—the passenger lines do not belong to this association—should not be used as a club over the passenger lines. We are subject to the Interstate Commerce Commission's jurisdiction, making it impossible to increase our rates at any time without giving 30 days' notice. Then, too, we are in close competition with the railroads in our territory and can not raise our rates unless the railroads do. So we have no means of offsetting the increased operating expenses brought about by the seamen's act, which is giving the labor unions power to force the payment of a wage scale all out of proportion to earnings. The bulk or coarse freighters are able to secure carrying rates based upon the supply and demand. They have no tariffs. Their business this year has been so good that they can afford to pay high wages.

It is said that the unions are now voting on a still greater increase for fall. Just why the wages should be further raised, or why fall wages should be higher than in any other season we fail to see. If anything, the work is easier to perform at this season of the year.

The unions are taking full advantage of the power given them by the seamen's act to kill off the commerce of the Great Lakes. This is being done as fast as possible. We no longer control our properties. The class of help never was so poor as this year. The Government tells us how many men we shall employ and what their supposed qualifications shall be. This has given the unions the opportunity they have been longing for. The men are not better off, as a matter of fact—just have more to spend for drink. The increased crews make increased troubles for the licensed officers. There are that many more irresponsible men to deal with. The percentage of troubles has increased more than the number of employees are increased, for under present conditions the licensed officers have to deal with a general demoralization of their crews. The whole matter has gone from bad to worse, and the end not yet in sight.

It is earnestly hoped that if any Government official has any influence with the labor organizations that they will point out to the organizations the great difference there is between the bulk carrier and the package-freight and passenger carrier, in so far as earnings are concerned, and that such officials will use their influence in attempting to place the wages on a more equitable basis.

Respectfully,

H. W. THORP,
Vice President.

EXHIBIT A.

GOODRICH TRANSIT CO.,
Chicago, May 20, 1916.

Mr. VICTOR OLANDER,
Lake Seamen's Union, Chicago, Ill.

DEAR SIR: Confirming conversation at this office this Saturday afternoon, May 20, this company agrees that it will pay the following employees:

Wheelmen, lookout men, watchmen, water tenders, oilers, and firemen at the rate of $60 per month.

That this rate will be paid to men occupying these positions on the steamers that go into commission after this date, and that there will be no discrimination against members of your organization in filling the positions on these steamers that are yet to go into commission.

Not being advised or aware that employees carried in other than the before-mentioned positions were to be considered at this conference, I am not in a position to take this matter up for settlement, but will be pleased to take the matter up Monday, May 22, at any hour that will suit your convenience.

Yours, very truly,

H. W. THORP, *V. P. & G. M.*

EXHIBIT B.

Chicago, May 20, 1916.

LAKE SEAMEN'S UNION:
MARINE FIREMEN, OILERS, AND WATER-TENDERS' UNION:

We hereby agree to pay a minimum scale of $60 per month to all men employed on our vessels in the following capacities: Quartermasters, lookout men, watchmen, able seamen, firemen, oilers, water tenders. To coal passers $35 per month. We further agree to employ members of your organizations in the above-mentioned capacities. This agreement to cover the season of 1916, with the further understanding that we are to meet with committees representing your organizations to consider the matter of a fall wage scale and such other questions as you desire to bring before us.

Yours, truly,

GOODRICH TRANSIT CO.,
Per H. W. THORP, *V. P. & G. M.*

THE CHICAGO DAILY NEWS,
WASHINGTON OFFICE,
Washington, D. C., September 1, 1916.

To Members of Congress:

By direction of the Chicago Daily News, I hereby call your attention to an editorial appearing in that newspaper to-day, Friday, September 1.

Very truly, yours,

LEROY T. VERNON.

LEGISLATION BY STRIKE THREATS.

Americans should cherish no illusions in regard to the nature of the proceedings that are now under way in the National Congress. That body, acting at the urgent request of the President, is considering the proposed enactment of legislation for the special purpose of inducing the leaders of the railroad brotherhoods to rescind their strike order issued to go into effect at 7 o'clock next Monday morning. The supporters of the President's program know the price that the brotherhood leaders intend to exact, and they are planning to legislate under duress and a time limit in order to pay the price. Questions of reason and justice do not enter into the matter.

One of the three bills that have been submitted to Congress on the initiative of the President—the bill establishing a basic eight-hour day for railroad employees engaged in interstate commerce—embraces the minimum demand of the brotherhood leaders. Enactment of that bill is declared by them to be the price of peace—that is to say, temporary peace, for they make no promises except as to the immediate future. The passage of the eight-hour bill in both Houses by midnight tomorrow, the brotherhood leaders say, will secure the recall of their strike order. Meanwhile they take a bored interest in the President's bill dealing with mediation, arbitration, and investigation of labor disputes, and the President's other measure, giving the National Government authority to operate the railroads in case of military necessity. They and their sympathizers in and out of Congress do not want either of the latter bills to pass as drafted, and there are plenty of congressional "old grannies" to help them fight the desirable features of those bills when the moment arrives to fight them in the interest of coercion by unrestricted strikes and strike threats.

There is, in short, good reason to suspect that of the President's three bills one is for passage and the other two are for show. The brotherhoods, with the able assistance of the President of the United States, have set out to secure an eight-hour basic day for all their members. If they get what they are seeking, the brotherhood leaders, Mr. Gompers, and the rest, will promptly turn their guns on the remaining measures. Thereupon, Congress, no longer responding to the President's prod, is likely to discover with startling suddenness that after all it is in no hurry permanently to protect the public from strikes and strike violence. In that case the beauties of careful investigation and statesmanly deliberation will receive belated recognition at the Capitol, Congress will make a plausible gesture, and hasten to adjourn.

The basic eight-hour day for railroad workers is to be legislated into existence at this time, if at all, practically by the railroad brotherhoods themselves through the persuasive power of their threats of force, confusion, and widespread property loss. Can the 100,000,000 people of this Nation afford to suffer this extraordinary outrage in order to purchase a craven peace? A peace so purchased, a peace of this contemptible quality, must necessarily be temporary, fear ridden, futile.

The American people should demand at this crisis that Congress refuse to pass laws under duress, working breathlessly against time, because it has been stampeded by threats and political nightmares. The attempt of the four railroad brotherhoods to hold a stop watch on Congress and the Nation should meet the rebuke that its audacious impertinence demands.

CHICAGO, ILL., *August 30, 1916.*

LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.:

The Chicago Association of Commerce urges upon the President and upon the Congress that it is inconsistent with the ideals of our Government and subversive of its principles that legislation should be had in the pending railroad crisis without time and opportunity for due consideration. The questions involved are complex and intricate, and while the Congress has the final responsibility it has not hitherto had either the time or opportunity to consider them. When the legislation occurs it should be well considered and fair to all interests. It is impossible and inconsistent with the dignity of the Congress and of the American people that this should be accomplished under the shadow of the impending strike. We therefore insist that the President and the Congress, jointly or acting separately as may be determined, demand that the date for the pending strike be postponed for such reasonable time as may permit Congress to act freely and intelligently and call upon the patriotism of the trainmen to accede to such demand.

THE CHICAGO ASSOCIATION OF COMMERCE,
By JOHN W. O'LEARY, *President.*

UNION STOCK YARDS, ILL., *August 30, 1916.*

Senator LAWRENCE Y. SHERMAN,
Washington, D. C.:

The Chicago Live Stock Exchange, representing the live-stock producers and shippers, protest the enactment of the bill increasing the membership of the Interstate Commerce Commission. So far as it relates to the divisional method of disposing of cases, we realize the necessity of additional members, but under present conditions shippers have no appeal from commission orders, and this situation would be further aggravated by dividing the commission and clothing each division with full power. We and all other shippers should be heard as to specific and vital objections to this bill.

We further protest any bill pending or proposed that will result in increased live-stock freight rates, all of which must be paid by the producers and shippers of live stock and not by the public. The live-stock industry is already the subject of a special investigation for the readjustment of rates, rules, and regulations, which is now pending before the commission, and additional burdens upon this industry we consider wholly unjustifiable in behalf of the live-stock shippers and producers tributary to this market.

We ask your aid in the adjustment of the proposed legislation in such manner as to be beneficial and not disastrous to the live-stock industry.

CHICAGO LIVE STOCK EXCHANGE,
T. W. JERREMS, JR., *President.*

MOLINE, ILL., *August 31, 1916.*

Senator LAWRENCE Y. SHERMAN,
Washington, D. C.:

The Tricity Manufacturers' Association, representing the manufacturers of Moline, East Moline, Rock Island, Ill., Davenport and Bettendorf, Iowa, expresses its objection to the enforcement on the railroads of this country of an 8-hour day with 10 hours' pay. The passage of such a law, in our judgment, will have a most disastrous effect on the industrial conditions of this country, and the burden of the increase necessary to meet these demands must ultimately fall on the consumers of the United States. Such an action on the part of Congress to burden the entire community because of an organized demand of railroad employees will be unjust. As manufacturers we believe absolutely in the principal of arbitration, and, while we realize that in the event of a strike of the railroads our industries would be affected, we would prefer to suffer the losses we should be compelled to accept rather than see the principle of arbitration swept aside in a controversy of a character so important to the country's welfare. We sincerely hope that you will be guided by the principle of right and justice in giving thought and action to the question now before Congress.

WM. BUTTERWORTH,
President.

CHICAGO, ILL., *August 31, 1916.*

Hon. LAWRENCE Y. SHERMAN,
Washington, D. C.:

Can it be possible that Congress will pass laws exactly as dictated by any organized body of men under an ultimatum and a threat, and without usual and proper consideration of after effects on all their constituents, which means the public?

JOHN V. FARWELL.

CHICAGO, ILL., *August 31, 1916.*

Hon. L. Y. SHERMAN,
Senate Chamber, Washington, D. C.:

Subjoined is a copy of a telegram sent this date to Speaker CLARK, Representative ADAMSON, and Senator NEWLANDS. Attention of Congress is called to statement in morning press dispatches by W. G. Lee, president of Trainmen's Brotherhood. We respectfully request that Congress investigate, and, if Mr Lee is quoted correctly, that he be summarily called to account. The Illinois Manufacturers' Association and is allied organizations employ in Illinois some 600,000 people, and our investment is enormous. We respectfully demand the protec-

tion of the Government, and protest against Congress being cajoled into any rush legislation. Is Congress running the country or has it been delegated to the four brotherhood chiefs?

SAMUEL M. HASTINGS, *President.*
JOHN M. GLENN, *Secretary.*

—

CHICAGO, ILL., *September 1, 1916.*

Senator L. Y. SHERMAN,
United States Senate, Washington, D. C.:

When Congress fixes a wage scale in any industry without due deliberation or inquiry into the facts because of the threatening pressure of a labor union it subordinates the rights of a hundred million to the selfish advantage of a comparative few and places the governing body of this country in the position of being forced under threat of strike into special and class legislation, which would probably be resisted and prove ineffectual in the end.

C. G. LITTELL.

—

CHICAGO, ILL., *September 1, 1916.*

Senator L. Y. SHERMAN,
United States Senate, Washington, D. C.:

Newspapers report this morning that President Wilson has withdrawn all railroad laws except eight-hour law, which both Houses will probably pass. I believe there is a great principle at stake. Urge you to fight for it. The railroad unions have refused to submit their case to arbitration and by threat of a strike are attempting to coerce Congress into passing class legislation without hearing or investigation. Serious as strike would be, everybody I have talked with are unanimous that it would be better to have strike than to revolutionize principle of our Government.

THOMAS E. DONNELLEY.

—

NEW YORK, *September 1, 1916.*

Hon. L. Y. SHERMAN,
United States Senate, Washington, D. C.:

The New York Produce Exchange for more than half a century has been most thoroughly committed to the broad principle of arbitration of all questions that can not be otherwise amicably adjusted. Realizing fully the dire consequences that are likely to follow any impairment at this time through action by legislation or otherwise of this universally approved method of settling all industrial disputes, the board of managers of the New York Produce Exchange most earnestly urge upon the President of the United States and the Members of Congress to take no action in regard to the pending differences between the railroads and some of their employees that will in the slightest degree undermine this broad principle of voluntary arbitration for all disputes.

WM. H. KEMP,
President New York Produce Exchange.

—

UNION STOCKYARDS, ILL., *September 1, 1916.*

Hon. LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.:

All right-minded citizens are denouncing the control of Congress by four labor leaders and we emphatically protest against the adoption of the so-called eight-hour law, particularly in any such summary manner as proposed.

CHICAGO RAILWAY EQUIPMENT CO.

—

CHICAGO, ILL., *September 1, 1916.*

Hon. L. Y. SHERMAN,
Senate, Washington, D. C.:

This company, as employers of labor, protest against enactment of any eight-hour law for railroads, as such a law would necessarily cover all wage earners, which neither we nor our country could exist under in competition with balance of the world.

MORDEN FROG & CROSSING WORKS.

—

CHICAGO, ILL., *September 1, 1916.*

Hon. L. Y. SHERMAN,
Congressional Building, Washington, D. C.:

As employers of 4,000 people we earnestly protest against the passage of the proposed eight-hour measure as a menace to American industry and manufacture and un-American in spirit.

B. KUPPENHEIMER & Co.

—

CHICAGO, ILL., *September 1, 1916.*

Hon. LAWRENCE Y. SHERMAN,
Washington, D. C.:

We beg of you to work and vote against the proposed eight-hour bill for 10 hours' pay. In our judgment it is revolutionary.

THE COLUMBIA MALTING CO.,
E. A. GRAFF, *President.*

—

EAST ST. LOUIS, ILL., *September 1, 1916.*

Hon. LAWRENCE Y. SHERMAN,
Washington, D. C.:

We respectfully request you to oppose the eight-hour bill in the interest of the public.

MISSOURI MALLEABLE IRON CO.

—

DECATUR, ILL., *September 1, 1916.*

Hon. L. Y. SHERMAN,
Washington, D. C.:

The passage of the proposed eight-hour law would be a serious blow to the progress of this country, and we earnestly protest against same.

DECATUR BRIDGE CO.

—

MOLINE, ILL., *September 1, 1916.*

L. Y. SHERMAN,
Washington, D. C.:

Better a hundred strikes than the proposed program.

B. F. PEEK.

CHICAGO, ILL., *August 31, 1916.*

Senator LAWRENCE Y. SHERMAN,
Washington, D. C.:

If the members of the railway brotherhoods now attempting to dictate legislation were underpaid or overworked, there might be justification for an arbitrary demand for an immediate action; however, they are among the best paid and the best cared-for employees of the country. In their principal demand they are admittedly not asking better conditions or shorter hours, but solely more pay for present work and hours. There is no justification for instant acquiescence on this score. The principle of arbitration offers the sole apparent hope for the preservation of continued industrial peace. The public is entitled to the protection of arbitration, and I hope you will stand for it without compromise. That principle can be more easily established now than it ever can be again.

P. L. COONLEY.

—

ST. LOUIS, MO., *August 31, 1916.*

LAWRENCE Y. SHERMAN,
Senator, Washington, D. C.:

We urgently request that you use your best influence to defeat any proposed legislation toward enactment of an eight-hour law for railway employees at this time; such a law will have a demoralizing effect on every industry operating 9 or 10 hours daily.

EXCELSIOR TOOL & MACHINE CO.,
East St. Louis.

—

JOLIET, ILL., *August 30, 1916.*

Senator L. Y. SHERMAN,
Washington, D. C.:

The Joliet Association of Commerce urges upon the President and upon the Congress that it is inconsistent with the ideas of our Government and subversive of its principles that anything should be had in the pending railroad crisis without time and opportunity for due consideration. The questions involved are complex and intricate, and while the Congress has the final responsibility, it has not hitherto had either the time or opportunity to consider them. When the legislation occurs it should be well considered and fair to all interests. It is impossible and inconsistent with the dignity of the Congress and of the American people that this should be accomplished under the shadow of the impending strike, we therefore insist that the President and the Congress, jointly or acting separately, as may be determined, demand that the date for the pending strike be postponed for such reasonable time as may permit Congress to act freely and intelligently, and call upon the patriotism of the trainmen to accede to such a demand.

THE JOLIET ASSOCIATION OF COMMERCE.

—

BLOOMINGTON, ILL., *August 30, 1916.*

Hon. L. Y. SHERMAN,
Washington, D. C.

HONORED SIR: The Commercial Club of Bloomington, Ill., urges upon you and upon Congress the necessity of proper time for the consideration of the questions involved in the railway controversy, demand the date for pending strike be postponed for reasonable time for proper consideration by Congress to act intelligently in this matter and for the best interests of all.

COMMERCIAL CLUB OF BLOOMINGTON,
By GEO. C. HEBERLING, *President.*

—

KANKAKEE, ILL., *August 30, 1916.*

Hon. L. Y. SHERMAN,
Washington, D. C.:

In behalf of 54 employees of labor members of the Kankakee Builders & Trades Exchange we respectfully bring to your attention the feeling of our membership with reference to the present railroad controversy. We are opposed to any hasty legislation fixing the hours of labor nor the increase of present freight rates without a thorough investigation.

Respectfully,

KANKAKEE BUILDERS & TRADES EXCHANGE,
MEMBERS OF ASSOCIATION EMPLOYERS OF
ILLINOIS LEGISLATIVE COMMITTEE,
C. C. RILEY, *Chairman.*

—

WAUKEGAN, ILL., *August 30, 1916.*

Senator LAWRENCE Y. SHERMAN,
Washington, D. C.:

The Waukegan Commercial Association urges upon the President and upon the Congress that no legislation be had in the pending railroad crisis without time and opportunity for due consideration. We do not believe that Congress has had either the time or opportunity to consider the questions involved. We urge that whatever is done that demands be made for postponement of pending strike for such reasonable time as may permit Congress to act freely and intelligently and call upon the patriotism of the trainmen to accede to such demands.

THE WAUKEGAN COMMERCIAL ASS'N.

—

CHICAGO, ILL., *August 30, 1916.*

Mr. LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.:

In our judgment no legislation establishing an eight-hour day should be passed unless preceded by exhaustive investigation. Congress should not be coerced into hasty action in a matter of such vital importance to our domestic and foreign commerce.

ROSENWALD & WEIL.

—

STERLING, ILL., *August 30, 1916.*

Hon. LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.:

We deem it a matter of vital importance that no legislation which would bring about an eight-hour day for railway employees in train service be made until after a thorough and careful investigation. Further, that the railroads should be supported in their stand for arbitration of the differences existing between themselves and their employees, as the welfare of the people, laborers as well as employees, rest largely upon this great principal.

MANUFACTURERS' ASSOCIATION.

CHESTER, ILL., *August 30, 1916.*

Hon. L. Y. SHERMAN,
United States Senate, Washington, D. C.:

We are most strongly opposed to having Congress forced into hasty action because of arbitratory position of railroad brotherhoods and sincerely hope you will do all in your power to prevent or defeat any legislation fixing hours of labor without first having thorough investigation.

H. C. COLE MILLING CO.

—

DECATUR, ILL., *August 31, 1916.*

LAWRENCE Y. SHERMAN,
Washington, D. C.:

We oppose the passage of any legislation fixing the hours of labor or in any way increasing freight rates to the ultimate cost of the customer without a thorough investigation. We will appreciate your using your influence in Congress with the end to sustain arbitration principles.

DECATUR GARMENT CO.,
W. B. GRAGG, *President.*

—

COLUMBIA, ILL., *August 31, 1916.*

Hon. LAWRENCE Y. SHERMAN,
United States Senate, Washington:

For the good of the whole nation, brotherhood membership included, stand firmly for the principle of arbitration.

COLUMBIA STAR MILLING CO.

—

MOLINE, ILL., *August 31, 1916.*

Hon. LAWRENCE Y. SHERMAN,
United States Senate, Washington:

We sincerely trust that no precipitate action will be taken in the proposed labor legislation.

DEERE & CO.

—

ROCKFORD, ILL., *August 31, 1916.*

Hon. LAWRENCE Y. SHERMAN,
Washington, D. C.:

We urge that you do all in your power to delay action which will bring about railroad strike. We believe all concerned should have sufficient time to carefully consider questions and principles at stake. Legislation should be fair and impartial. Hasty action may prove inimical to best interests of country. Urge President and Congress to demand that strike be postponed to permit judicious and intelligent final action. Call upon trainmen to consider request for sake of humanity.

ROCKFORD CHAMBER OF COMMERCE,
JUDSON S. JOSLYN, *President.*

—

EAST MOLINE, ILL., *August 31, 1916.*

Hon. LAWRENCE Y. SHERMAN,
Washington, D. C.:

We deplore the effort that is being now made to force the transportation companies to an eight-hour day and the effort that is being made to discredit arbitration as the method of adjusting disputes between the employer and employee. We most earnestly request that you do not support these measures.

W. H. VANDERVOORT,
President National Metal Trades Association.

—

PEORIA, ILL., *August 31, 1916.*

Hon LAWRENCE Y. SHERMAN,
Washington, D. C.:

We would like to have you use your influence in favor of arbitrating the question involved in the proposed railroad strike. We are also opposed to any legislation fixing the hours of labor or increasing railroad rates.

A. LUCAS.

—

CAIRO, ILL., *August 31, 1916.*

Hon. LAWRENCE Y. SHERMAN,
Washington, D. C.:

All men are equal. Eliminate class legislation eight-hour bill.

FRANK SPENCER, *Bookkeeper.*

—

CHICAGO, *August 30, 1916.*

Hon. LAWRENCE Y. SHERMAN,
Washington, D. C.:

Hasty action at the demand of the labor union surely invites future trouble for all industry. We have employed union labor consistently for many years and have never had a strike.

MANZ ENGRAVING CO.

—

CHICAGO, ILL., *August 31, 1916.*

Senator L. Y. SHERMAN,
United States Senate, Washington, D. C.:

The surrender of the principle of investigation and arbitration at the demand of the brotherhoods was a serious mistake, and this country can better afford to undergo the loss and suffering of a railroad strike than perpetuate it. I hope the Illinois Members of Congress will demand sufficient time for a proper consideration of the vital questions involved in the proposed bills and that they will not permit the brotherhoods to drive Congress into hasty action by such a threat as Mr. W. G. Lee, president of the trainmen's brotherhood, is reported to have made in this morning's paper.

CHARLES PIEZ.

—

CHICAGO, ILL., *September 2, 1916.*

Senator LAWRENCE SHERMAN,
The Senate, Washington, D. C.:

Sincerely hope Senate will not take final action without necessary deliberation in a matter involving this country's future welfare, including ability to compete with foreign producers after termination of war.

JOHN A. CHAPMAN.

MOLINE, ILL., *August 31, 1916.*

Senator LAWRENCE Y. SHERMAN,
Washington, D. C.:

The Tricity Branch of the National Metal Trades Association earnestly urges your influence against the passage of any law enforcing an eight-hour day on the railroads. If this matter has any merit it can be settled by arbitration, and the Congress of the United States ought not to be influenced by the unjust demands from the employees of railroads who are willing to sacrifice the general good of the community for their individual interests. We believe in the principle of arbitraton and believe that a strenuous fight should be made to enforce that principle. We would welcome the passage of any law that would have a tendency to prevent industrial conflicts; that will not place a burden on the people of the entire country to satisfy the selfish interest of the few.

H. A. JANSEN, *Secretary.*

—

CHICAGO, ILL., *August 30, 1916.*

Hon. LAWRENCE Y. SHERMAN,
Washington, D. C.:

The Franklin Typothetæ of Chicago, reresenting 240 employing printers, employing over 25,000 printers and operatives, with an investment of over $17,000,000, and a pay roll of over $10,000,000 desire to enter a most emphatic protest against Congress being forced into hasty action in fixing the hours of labor for railroad or other employees without a thorough investigation. We are also of the opinion that the principle of arbitration should be maintained at all hazards. We earnestly urge you to do all in your power to prevent the strike of railroad employees. The best-paid men in the world, in their line, can afford to arbitrate, or else there is no merit in their contention.

THE FRANKLIN TYPOTHETÆ OF CHICAGO,
W. T. LEYDEN, *Secretary.*

—

BATTLE CREEK, MICH., *September 1, 1916.*

Hon. LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.:

We protest against the coercion of the Congress into hasty legislation under political stress exercised by a small proportion of our people. We deplore their attempt to require the Nation and its industries to stand and deliver to their selfish demands. If arbitration would allow the eight-hour day, as claimed, the American people would be satisfied and feel that their rights had been considered. The unwillingness of claimants to permit arbitration must be considered evidence of their disbelief in the fairness of their demands.

Political expedience can not excuse the sacrifice of the principle of arbitration, which is basic in American affairs. Arbitrary demands, whether of capital or labor made without opportunity for full consideration, should be resented by every true American.

POSTUM CEREAL CO.

—

CHICAGO, ILL., *September 1, 1916.*

Hon. LAWRENCE Y. SHERMAN,
United States Senator, Washington, D. C.:

I hope you will protest to the end against ward politics now being practiced by President and his party in proposing to legislate union demand into a law, regardless of merits and without proper deliberation. No ward healer would dare do so raw a piece of work. Every self-respecting American citizen will hang his head in shame if the proposed legislation is rushed through simply to avoid railroad strike. If advocates of this bill are successful every citizen in our country will suffer from this indorsement of high-handed methods of the four men taking advantage of the fact that a President is to be elected. Gompers and his methods are nothing compared to strong-armed work being attempted at this time.

E. TYNER.

—

CHICAGO, ILL., *September 1, 1916.*

Hon. L. Y. SHERMAN,
United States Senate, Washington, D. C.:

We protest against passage of any bill fixing eight-hour day with minimum wage before matter is submitted to arbitration.

DURAND STEEL LOCKER CO.

—

CHICAGO, ILL., *September 1, 1916.*

LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.:

The principle of arbitration is equally beneficial to capital and labor, and the corner stone of democratic government. If this principle is ignored in the present railway crisis and by act of Congress a law is passed arbitrarily accepting the demands of union labor, the price will eventually be more than a monetary consideration. You are urged to stand for equal rights with arbitration and special privileges to none.

BYRON A. BOLT.

—

LAKE FOREST, ILL., *August 31, 1916.*

Hon. LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.:

Many friends agree that it is of utmost importance for Congress to resist present attempted dictation by threats of strike. Passage of eight-hour law must be delayed until it receives proper consideration.

LEVERETT THOMPSON.

—

STERLING, ILL., *August 31, 1916.*

Hon. L. Y. SHERMAN,
United States Senate, Washington, D. C.:

We strongly oppose the passing of any law granting an eight-hour day with 10 hours pay to railway employees without a thorough and satisfactory investigation, and we firmly believe that the welfare of this entire country rests upon the upholding of the principles of arbitration.

NOVELTY IRON WORKS.

—

CHICAGO, ILL., *August 30, 1916.*

Senator SHERMAN, of Illinois,
Washington, D. C.:

Please be informed that we most strenuously oppose forcing Congress into hasty action because of the arbitrary stand of the railroad unions in striking instead of submitting their agreement to arbitration, and

just as strenuously oppose legislation fixing the hours of labor; also the increasing of freight rate to the consumer until a thorough investigation has been made. We ask your consideration.

HYNAN & HIRCH.

CHICAGO, ILL., *August 30, 1916.*

Hon. L. Y. SHERMAN,
Senator, Washington, D. C.:

Wish to go on record as strenuously opposing Congress being forced into hasty action on account of the arbitrary position of the railroad unions striking instead of submitting to arbitration, and that we also strenuously oppose the passing of any legislation fixing hours of labor or increasing freight rates without an exhaustive, thorough investigation.

MARKS & BROWN.

CHICAGO, ILL., *August 30, 1916.*

Senator LAWRENCE Y. SHERMAN,
National Capitol, Washington, D. C.:

We protect most emphatically any attempt to force Congress into hasty action because of arbitrary position of the railroad unions in striking rather than submitting their demands to arbitration. A preliminary exhaustive investigation should be held before any legislative commitments are made. We are confident that public opinion is not with the union in their present stand.

W. H. WINSLOW,
President Winslow Bros. Co.

CHICAGO, ILL., *August 30, 1916.*

Hon. LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.:

We strongly urge you to strenuously and constantly oppose the passing of any legislation fixing the hours of labor. To establish the railway eight-hour day by legislation without a thorough investigation would be disastrous to the country. We will stand for a strike, but are opposed to any changes in the present railroad situation until after all questions are decided by arbitration.

PETTIBONE, MULLIKEN CO.,
By A. H. MULLIKEN, *President.*

CHICAGO HEIGHTS, ILL., *August 30, 1916.*

Hon. LAWRENCE Y. SHERMAN,
Washington, D. C.:

I sincerely hope that you will use your best endeavors not to allow any hasty legislation being rushed through the Senate pertaining to the eight-hour day. This is a matter which has a bearing much greater than merely on the railroads, and irregardless of the merits of such working hours it undoubtedly is worthy of much more earnest consideration than it is evident President Wilson intends giving it.

T. S. CHALMERS.
President Chalmers & Williams.

CHICAGO, ILL., *August 30, 1916.*

Hon. LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.:

We respectfully request you to carefully consider the question of fixing the hours of labor or increasing freight rates to the ultimate consumer. Before passing legislation on these subjects an exhaustive and thorough investigation rather than hasty action is needed, to the end that justice shall be done to all parties.

THE ROYAL TAILORS.

ROCKFORD, ILL., *August 30, 1916.*

Hon. L. Y. SHERMAN,
Care United States Senate, Washington, D. C.:

We believe ample time should be taken for careful consideration of our President's railroad measures. No threatened strike should prevent this. Strike effects are temporary, whereas proposed legislation is radical and far-reaching.

BURSON KNITTING CO.

CHICAGO, ILL., *August 31, 1916.*

Senator L. Y. SHERMAN,
Senate Chamber, Washington, D. C.:

Stand unflinchingly for deliberation, investigation, arbitration. Forestall blindfold taxation of public.

T. C. CHAMBERLIN.

CHICAGO, ILL., *September 1, 1916.*

Hon. LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.:

Of the United States, it would be better to suffer a strike than to surrender the Government to a minority who threaten widespread disaster if Congress does not enact laws to enforce their demands without granting a preliminary hearing to all classes.

FELT & TARRANT MANUFACTURING CO.
D. E. FELT, *President.*

CHICAGO, ILL., *September 1, 1916.*

Hon. LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.:

Proposed legislation on eight-hour day I regard as decidedly inimical to business interests of country. Can frankly say every business man with whom I have talked in the last few days—and have talked with a good many—is utterly and uncompromisingly opposed to it. Unanimity of sentiment in this respect in all lines of business here is remarkable and seems inconceivable that Congress, and especially Senate, should consider passing such legislation without proper time for debate and thorough consideration of it in every detail, and its probable bearing and effect not only on railroad interests of country but entire industrial community. The forcing of legislation by such a small percentage of labor involved will undoubtedly cause further demands by labor organizations all over country.

JOSEPH A. RUSHTON.

CHICAGO, ILL., *September 1, 1916.*

Hon. L. Y. SHERMAN,
Senate Chamber, Washington, D. C.:

We protest against the passage of any eight-hour measure without a thorough and careful examination of the entire subject, and respectfully ask your assistance in preventing any rush measures of this nature.

OXWELD ACETYLENE CO.

CHICAGO, ILL., *September 1, 1916.*

Hon. LAWRENCE Y. SHERMAN,
Care the Senate, Washington, D. C.:

Great loss preferable to destruction of democracy by threats of minority representing railroad brotherhoods. We look to you to safeguard the ultimate good of the general public.

ADAMS & ELLING CO.

CHICAGO, ILL., *September 1, 1916.*

Senator L. Y. SHERMAN,
United States Senate, Washington, D. C.:

Will you not help us and try to stop the passing of the eight-hour railroad law? It means higher cost of living, and the railroad men are getting more than any other men now. Why can men who refuse to be fair compel Congress to give them this? I would rather suffer a railroad strike now than stand for this injustice.

C. J. THIEBEAULT.

JOLIET, ILL., *September 1, 1916.*

Hon. L. Y. SHERMAN,
Washington, D. C.:

We the members of Phoenix Lodge, Iron and Steel Workers, request you to vote for the eight-hour day at present compensation for railroad employees and emphatically protest against any law being enacted, even for a day, that imposes involuntary servitude on American workingmen, only in case of war.

J. D. SHEAREN,
Corresponding Representative.

GRANITE CITY, ILL., *September 1, 1916.*

Hon. L. Y. SHERMAN,
United States Senate, Washington, D. C.:

Granite City Lodge No. 11, Amalgamated Association of Iron, Tin, and Steel Workers petitions your support of bill providing 8-hour day at present 10-hour compensation for railroad employees, and protests against enactment of any law imposing involuntary servitude.

W. E. BREWSTER,
Corresponding Representative.

CHICAGO, ILL., *August 31, 1916.*

Hon. L. Y. SHERMAN,
Senate, Washington, D. C.:

On behalf of organized labor of Illinois we respectfully insist upon eight-hour workday for railroad brotherhoods at present compensation, and we emphatically protest against the enactment of any legislation imposing involuntary servitude upon the working people, either by compulsory arbitration laws or by any other method. There can be no justice without freedom.

ILLINOIS STATE FEDERATION OF LABOR,
V. A. OLANDER, *Secretary.*

CENTRALIA, ILL., *September 1, 1916.*

Hon. LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.:

We hope that you will stand for 8-hour workday with 10 hours' pay. We are unalterably opposed to compulsory arbitration.

CHRIS KOELING, Jr.,
Receiving Secretary Local 52, N. M. W. of A.

CHICAGO, ILL., *September 1, 1916.*

LAWRENCE Y. SHERMAN,
Congressman, Washington, D. C.:

I would respectfully urge that in your official capacity you cooperate in the cause of humanity by attempting to halt the threatened strike by passing the eight-hour day law, making it applicable to all railroad employees engaged in the operation of trains, without involuntary servitude.

C. H. MEADOR,
Chairman Telegraphers.

SPRINGFIELD, ILL., *September 1, 1916.*

Hon. LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.:

We respectfully urge your support of the bill pending which provides for eight-hour workday for railroad employees, and sincerely ask you to oppose any law which contemplates taking from the workmen the right of strike.

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS,
CHAS. P. FORD, *Secretary.*

GRANITE CITY, ILL., *September 1, 1916.*

Hon. L. Y. SHERMAN,
United States Senate, Washington, D. C.:

Good Friday Lodge, No. 8, Amalgamated Association Iron, Tin, and Steel Workers, petitions your support for bill granting 8-hour workday at present compensation for 10-hour day, and protest against enactment of any law imposing involuntary servitude on American workingmen.

H. H. PHETZING.

FOREST CITY, ILL., *September 1, 1916.*

LAWRENCE Y. SHERMAN,
Washington, D. C.:

On behalf of the telegraphers, wish to insist upon aversion of national catastrophe by enactment of an eight-hour day for railway employees engaged in or connected with train operation; and, so far as

telegraphers are concerned, that the hours of service be consecutive. We especially disapprove any action tending toward involuntary servitude, even for a day.

C. A. PATTERSON.

—

GRANITE CITY, ILL., *September 1, 1916.*

Hon. L. Y. SHERMAN,
Washington, D. C.:

Madison Lodge, No. 1 Amalgamated Association of Iron, Tin, and Steel Workers, petitions your support of bill providing eight-hour workday at present compensation for railroad employees, and protests against enactment of any law imposing involuntary servitude.

GREGORY HAWKINS, *Secretary.*

—

OGLESBY, ILL., *September 1, 1916.*

Hon. L. Y. SHERMAN,
United States Senate, Washington, D. C.:

We insist upon eight-hour workday at present compensation for railroad men. We protest against enactment of any law imposing upon American workers involuntary servitude.

CHAS. PARKER,
Secretary Trades and Labor Council.
JOHN FOLLYNEWIC,
President Miners' Local Union 929.
JOHN HAMILTON,
President Miners' Local Union 1722.

—

CARLINVILLE, ILL., *August 31, 1916.*

Hon. L. Y. SHERMAN,
Washington, D. C.:

In the name of organized labor in Carlinville and vicinity we urge you to vote for the eight-hour day at present compensation for railroad employees, and we also protest against the enactment of any law imposing involuntary servitude on the American workman even for a day.

L. E. FOERSTER,
Secretary Carlinville Trades Labor Assembly.

—

LA SALLE, ILL., *August 31, 1916.*

Senator L. Y. SHERMAN,
Washington, D. C.:

In behalf of the United Mine Workers of America, Local No. 620, of the city of La Salle, we earnestly request you as our Senator to support the bill now before Congress granting railroad employees eight-hour day.

PETER KOWALSKI, *President.*
PETER GUVICH, *Secretary.*

—

MURPHYSBORO, ILL., *August 31, 1916.*

Hon. LAWRENCE SHERMAN,
Washington, D. C.:

Murphysboro Trades Council, representing 2,000 union men, insist on your support of eight-hour workday at present compensation. We also emphatically protest against any law imposing involuntary servitude upon American workmen.

A. L. PELLETT,
Secretary Trades Council.

—

KANKAKEE, ILL., *August 31, 1916.*

Hon. L. Y. SHERMAN,
Senate, Washington, D. C.

SIR: I am informed a vote is to be taken upon the question bearing upon the railroad situation. A vote in favor of the eight-hour bill will be appreciated. Also, I am instructed by our organization to request that you use your best efforts to defeat any compulsory-arbitration plan. Trusting you may see fit to favor us in this matter, I beg to remain,

Yours,

D. M. RAICHE.

—

EAST ST. LOUIS, ILL., *August 31, 1916.*

Hon. LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.

DEAR SIR: Central Trades insist on your supporting legislation making eight-hour workday with present compensation for railroad and shop men Also emphatically protest against enactment of laws imposing involuntary servitude even for one day.

Respectfully, yours,

EDWARD F. MASON,
Secretary Central Trades and Labor Unions.

—

CHICAGO, *August 31, 1916.*

Hon. L. Y. SHERMAN,
Washington, D. C.:

The members of our organization whose physical and social welfare will be affected by the action of Congress in regard to the railroad employees' demand for an 8-hour day with their present compensation for 10-hour day insist that the 8-hour day be granted, and we most emphatically protest against the enactment of any law that will impose involuntary servitude upon these members.

E. M. FOLEY,
General Secretary-Treasurer International Brotherhood of Steam Shovel & Dredgemen.

—

DANVILLE, ILL., *August 31, 1916.*

LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.:

After a careful canvass of the existing conditions with reference to the controversy between organized labor and the railroads, we believe that it would be for the best interests of the people of this State and especially of this vicinity to pass the eight-hour law and to provide a competent tribunal to arbitrate the other questions involved. Danville and Vermilion County have over 7,000 members of organized labor, and this law will be helpful in many ways. We therefore urge that you support these measures and vote in favor of them.

DANVILLE RETAIL LIQUOR DEALERS ASSOCIATION,
ED PUZEY, *President.*
FRANK OTT, *Secretary.*

LA SALLE, *August 31, 1916.*

L. Y. SHERMAN,
United States Senate, Washington, D. C.:

In behalf of the Hod Carriers, Local 148, of the city of La Salle, we earnestly request you, as our Senator, to support the bill before Congress granting railroad employees eight-hour day.

PETER DONOLEY, *President.*
JAMES P. TRENCH, *Secretary.*

—

LA SALLE, ILL., *August 31, 1916.*

L. Y. SHERMAN,
United States Senate, Washington, D. C.:

In behalf of the Retail Clerks Union No. 254, of the city of La Salle, we earnestly request you, as our Senator, to support the bill before Congress granting railroad employees eight-hour day.

JOHN VOGRICH, *Vice President.*
JAMES FOLEY, *Secretary.*

—

OTTAWA, ILL., *August 31, 1916.*

Senator LAWRENCE Y. SHERMAN,
Washington, D. C.:

Ottawa Typographical Union, No. 265, request you to support the eight-hour workday at present compensation, and also request that you do not support any bill enacting a law to compel American workers to do involuntary servitude. Will appreciate any service rendered regarding railroad strike.

OTTAWA TYPOGRAPHICAL UNION.
JOHN I. LINK, *Secretary.*

—

MONMOUTH, ILL., *August 31, 1916.*

Hon. L. Y. SHERMAN,
Senate, Washington, D. C.:

In view of the present railway labor war being brought before Congress, we earnestly desire your help and cooperation in the passage of the proposed eight-hour law, and we emphatically protest against enactment of any law imposing upon American workers involuntary servitude even for a day.

CIGAR MAKERS' LOCAL UNION No. 305.
J. B. EDENS, *President.*
S. O. MATHON, *Secretary.*

—

CHAMPAIGN, ILL., *August 31, 1916.*

Hon. L. Y. SHERMAN,
United States Senate, Washington, D. C.:

In the name of the 1,600 union wage earners of Champaign and Urbana, Ill., I strongly insist the Congress grant to the railroad employees an eight-hour day with present compensation, and register a most vigorous protest against involuntary servitude under any condition, even if only for one day.

GEO. HAWKINS, *Secretary.*

—

STREATOR, ILL., *August 31, 1916.*

Senator L. Y. SHERMAN,
Washington, D. C.:

Organized labor in Streator appeals to you to support the eight-hour day at present compensation and protest the enactment of any law imposing involuntary servitude upon American workingmen.

STREATOR TRADES AND LABOR COUNCIL,
ED SMITH, *President.*
T. L. BROOKS, *Secretary.*

—

GRANITE CITY, ILL., *August 31, 1916.*

Hon. L. Y. SHERMAN,
United States Senate, Washington, D. C.:

Tricity Central Trades Council petitions your support of bill on eight-hour workday at present compensation for railroad employees and your assistance in opposing any law imposing involuntary servitude.

T. M. CAVANAUGH, *Secretary.*

—

CHICAGO, ILL.

Hon. LAWRENCE Y. SHERMAN,
Washington, D. C.:

The Calumet Joint Labor Council, representing 42 labor organizations and some 25,000 toilers, heartily indorse the efforts of the railway brotherhoods to establish the eight-hour day with present compensation. Any legislation that could make for involuntary servitude we most vigorously oppose in any degree or for any reason.

J. J. H. DE YOUNG, *Secretary.*

—

CHICAGO, ILL., *August 31, 1916.*

Hon. LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.:

On behalf of twenty-five hundred station agents, telegraphers, telephoners, levermen, and staffmen employed upon the Chicago, Milwaukee & St. Paul Railway and subsidiary lines, you are earnestly urged to use your best efforts to prevent a national catastrophe by supporting immediate legislation providing for eight-hour day for all engaged in operating trains or connected with their operation. Also strongly protest against enactment of any legislation which will bring about involuntary servitude in this country even for one day.

G. E. SOYTER,
General Chairman Division 23, Order of Railroad Telegraphers.

—

ROCKFORD, ILL., *August 31, 1916.*

Hon. L. Y. SHERMAN,
Washington, D. C.:

The Building Trades' Council of Rockford, Ill., insist upon you voting for the eight-hour day for railroad men at present compensation and insist on you voting against any law imposing on the workers an involuntary servitude for even one day. Reply at our expense.

J. L. ANDERSON, *Secretary.*

MASCOUTAH, ILL., *August 31, 1916.*

LAWRENCE Y. SHERMAN,
Senator, Washington, D. C.:

Would appreciate any move on your part to secure an eight-hour day at present compensation for railroad men. Vote against any measure that will impose involuntary servitude upon any of America's workers.

WALTER OSTER,
Secretary American Federation of Labor.

—

PEORIA, ILL., *August 30, 1916.*

Senator L. Y. SHERMAN,
Washington, D. C.:

Insist upon an eight-hour day for all railroad men and use your best influence and do nothing but stand pat for an eight-hour day.

L. J. HOPPER,
Recording Secretary of the Building Trades' Council.

—

CHICAGO, ILL., *August 31, 1916.*

Hon. LAWRENCE Y. SHERMAN,
United States Senator, Washington, D. C.:

The Bakery Workers' International Union of America, in behalf of of its 22,000 members throughout the country, urges you to use your good offices in the effort of securing for the railway employees the eight-hour workday. We also emphatically protest against the enactment of any law imposing upon America's workers involuntary servitude, even for a single day.

CHAS. IFFLAND.

—

CHICAGO, ILL., *August 31, 1916.*

Hon. LAWRENCE Y SHERMAN,
Senate Office Building, Washington, D. C.:

We favor eight-hour workday for railway employees, but protest against any contemplated or proposed bill which will impose involuntary servitude, even temporarily, upon American workmen.

A. E. ADELOFF.
President Cigarmakers Local Union, Chicago.

—

CHICAGO, ILL., *August 31, 1916.*

Hon. LAWRENCE Y. SHERMAN,
Washington, D. C.:

Involuntary servitude means slavery; the man who favors it is an enemy of the working class.

THOMAS SWEENEY,
General Secretary Journeymen Tailors' Union of America.

—

DANVILLE, ILL., *August 31, 1916.*

Hon. LAWRENCE Y. SHERMAN,
Washington, D. C.:

The undersigned representatives of Chicago and eastern Illinois shop crafts are demanding the eight-hour day and protests against the enactment of any law imposing upon the employees involuntary servitude and compulsory arbitration.

THOS. J. SHORT,
Chairman Sheet-Metal Workers.
MERCY MOLYNEAUX,
Chairman Machinists.
JOHN BERRY,
Chairman Boilermakers.
M. J. BERRY,
Chairman Blacksmiths.
H. R. BONHAM,
Chairman Charmen.
FRANK MCCARTY,
Chairman Electrical Workers.

JOHNSON CITY, ILL., *August 31, 1916.*

Hon. L. Y. SHERMAN,
United States Senate, Washington, D. C.:

All labor unions here appeal to you in behalf of the railroad men for an eight-hour working day, with a reasonable increase in salary; and we protest against enactment of any law imposing upon the American workers involuntary servitude, even for a day.

W. F. PITTMAN,
Secretary Central Body.

—

CHICAGO, ILL., *August 31, 1916.*

Hon. LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.:

Forty-six thousand metal workers indorse eight-hour workday of railroad brotherhoods at present wage, but unanimously protest against any kind of a law being passed that will put free men in involuntary servitude.

J. F. SCHILT,
Secretary Metal Trades Council of Chicago.

—

CARBONDALE, ILL., *August 31, 1916.*

Hon. L. Y. SHERMAN,
Washington, D. C.:

We consider it your duty to insist on eight-hour workday. You must not tie laborers' hands, forcing involuntary servitude. This is the unanimous insistance of 300 men I represent.

JOHN FREY,
President Trades Council and President Carpenters' Union.

—

CHICAGO, ILL., *August 31, 1916.*

Hon. LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.:

The membership of the International Brotherhood of Blacksmiths and Helpers request of you to lend your support and influence for an eight-hour workday at present compensation, also emphatically protest against any enacting of any law that will impose upon the great army of workers of this country involuntary servitude even for a day.

WM. F. KRAMER,
General Secretary-Treasurer.

The PRESIDENT pro tempore. Senators on the left side of the Chair have 30 minutes and can divide it to suit themselves.

Mr. McCUMBER. Mr. President, if no Senator is present who wishes to take advantage of the 30 minutes' limitation, I will take 5 minutes to sandwich in a few remarks at this time.

The PRESIDENT pro tempore. The Senator can take 5 minutes or he can take 30 minutes, or as much of it as he sees proper.

Mr. McCUMBER. Mr. President, I wish this bill could be so shaped that I could vote my views on the more important questions involved in legislation of this character. I realize, however, the futility of any endeavor to shape it toward that end. It has been predetermined by the majority party that it shall go through substantially as it was received from the House.

I believe, Mr. President, that the growing economy in all lines of production and transportation through mechanical invention has brought us to a point where we can and ought to adjust our great industries, and especially transportation, to an eight-hour-day labor system. In expressing this view I am not passing judgment on what compensation should be in such case. I have not the information before me that would justify a conclusion on that feature. I should like to vote this hours-of-labor view into this legislation. But, Mr. President, that is left wholly as it has been in the past—to rules adopted by the several companies. The bill simply says that wages which are now paid for 10 hours of service shall be paid for 8 hours. It would be much simpler in form and yet mean exactly the same thing if it merely said that on and after January 1, 1917, employees engaged in operating trains shall have an advance of 25 per cent over their present compensation.

So, too, Mr. President, I should be opposed to any attempt to compel involuntary service. We have no power to do so, and we ought not to do so even if we had the power. The right to terminate his personal service with another—to quit work—is one of the inherent rights of each and every individual and a liberty which ought to be safeguarded by every free people. As we have no power to compel the individual to arbitrate whether or not he will continue service, neither have we the power to compel a collection of individuals to do so.

The thing, however, which I can not support in this bill is the fixing of compensation of employees by Congress without the slightest investigation of the subject. There is not a Senator here who will have the audacity to declare that he has any knowledge whatever of what would be a compensation that would be just to the particular employees affected and also just to the many hundreds of thousands of other employees of the companies, just to the many thousands of stockholders, just to the companies, and, above all, just to the millions of American people who pay the freight.

Mr. President, I heartily favor a high standard of wages for all labor. I believe that the character of labor which involves greater dangers, greater responsibilities, and greater strain upon the constitution, calls for a higher standard of wage than that earned by other equally intelligent but less arduous or responsible labor. But, Mr. President, I can not blind my eyes to the rights of other employees of these railway systems. I can not forget their need of an increase of wages. I can not eliminate from my mind the right of the farmers of my State who, with only a quarter of a crop, and not one dollar of net earnings this year, who, in fact, with an actual loss, will admittedly be compelled out of their meager earnings to pay higher freights for the increase proposed in this measure. And before I pass judgment on all these interests I want some information upon which to found that judgment.

So far as this particular bill is concerned, I might properly stop right here, but I feel I should express what I believe to be the proper course to be pursued hereafter. I believe the Interstate Commerce Commission should be vested with powers of conciliation; that whenever serious disputes arise between the railway companies and their employees concerning wages or other matters connected with the service, this Interstate Commerce Commission should attempt to secure a settlement of these differences. Failing in that, it should investigate the matter, taking into consideration the interest of the companies and their stockholders, the interest of all the employees of the companies, as well as the interest of the shippers and of the public, and report what, in its judgment, would be a just and fair basis of settlement for all parties affected.

I believe that public opinion, when fortified by a full understanding of the subject in dispute, would in most cases be a sufficient force to bring about an arbitration of differences. In matters of this kind the interest of the public should enter into the equation. The people should have their day in court. And how can they have their day except either through vesting of the power of inquiry in the Interstate Commerce Commission

or through the creation of an independent tribunal to exercise such power.

Mr. President, if we have so far progressed in our social and industrial evolution that the law of supply and demand, the law of competition in the labor market, can no longer be properly applied in the field of transportation, in which all the people are vitally interested, the great principle of arbitration should be retained to assure that equality of rights which justice to all demands; and that a tribunal which will present to the public the real causes of difference and be a potent power in inducing the opposing parties to compose their differences, ought to be provided for by proper legislation.

Mr. BRANDEGEE. Mr. President, I feel that the pending bill and our action upon it constitute a very grave epoch in the legislative and economic history of this country. Let us for a minute consider how the bill comes before us.

Day before yesterday the Senate Committee on Interstate Commerce, having had under consideration the recommendations contained in the President's address to Congress upon this subject, was called into session for the purpose of seeing if it were possible to frame any legislation which could adequately deal with the crisis that seemed to confront the country. The determination to hold any sort of a hearing upon the bill had been arrived at by the committee the day before the hearing was had, at about noon. The intention of the committee to hold hearings the next day was announced in the press of the afternoon before the committee was to hold hearings on this bill. So that upon a bill affecting the affairs of the entire country, the conduct of its entire transportation system, and the interests of all the varied businesses and vocations into which the activities of 100,000,000 people are divided, a few people in the country who had, I assume, telegraphic knowledge through the Associated Press and other news-distributing information bureaus, had a chance to catch the evening train from Chicago, Toledo, Cleveland, and a few of the nearer large cities of the country, and appear before us. Very few people of the general public, who are greatly affected by this bill, had any opportunity to appear and be heard at all. The representatives of the railway managers and the executives of the four brotherhoods of railway operatives, who happened to be present in the city, were allowed to appear.

By a vote of the committee nine hours in all were given to the taking of testimony upon this bill. Three hours were allowed to the railroad side of the issue, three hours to the railroad operatives, the brotherhoods, and three hours to the general public and the shippers of the country. The results of that hearing are here upon the desks of Senators, consisting of a pamphlet which I think ought to be printed as a public document for general distribution among those interested in it, entitled "Hearing before the Committee on Interstate Commerce, United States Senate, Sixty-fourth Congress, first session, on proposed bills in connection with legislation relative to the threatened strike of railway employees." The hearings were held on Thursday, August 31, 1916. The pamphlet consists of 157 pages.

Mr. President, I heard every word of that testimony; but I doubt if very many Senators have had the opportunity, in the pressure of business in the closing days of this session, to acquire any adequate knowledge of what it contains. The haste in which this matter has been conducted may well merit the opinion that the product of our activities in the preparation of this bill will not meet with the approval of the American people and will not adequately protect their interests.

Yesterday the distinguished junior Senator from Alabama [Mr. UNDERWOOD], who was a member of this committee on the majority side, addressed the Senate, and, on page 13556 of the RECORD, he stated as follows:

> But the President of the United States made certain proposals through his Attorney General's office to the Congress to relieve the situation. He proposed that a bill called an eight-hour bill, but, in fact, a bill fixing the wages on an eight-hour basis, should be passed. Why? Because the representatives of the great labor organizations of this country had stated to him that if that bill was passed they would call off the strike. That was the terms that they would not strike on—if you pass this bill recognizing eight hours as the basis of wage to be paid for a 10-hour day—nothing more and nothing less.

He further stated—and I read from the RECORD, on page 13558:

> I wish to say to Senators that this eight-hour-day law does not cover the case; it does not cover the request of the President of the United States. He wanted something in this legislation that would control in the interest of the American people; and if you stop with this eight-hour-day bill, without section 6, you will have a piece of legislation that is merely the purchase price of peace. That is all you will have done. You will have done nothing for the American people, but you will have paid the price of peace. Having that contingency to face, was it not the duty of the committee to put something into the bill to protect the American shipper and the American public?
>
> Mr. BRANDEGEE. Mr. President——
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> The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Connecticut?
>
> Mr. UNDERWOOD. I do.
>
> Mr. BRANDEGEE. Mr. President, if the Government is purchasing its peace for $60,000,000 a year, does not the Senator from Alabama think it would be honester for the Government to pay it out of its own Treasury instead of reaching into the treasury of some other persons and having them pay it?
>
> Mr. UNDERWOOD. That is a very grave ethical question, but I do not care to now stop to discuss it.
>
> I am going to vote for this bill because I think it is in the interest of my constituency, and I shall vote for it to stop this calamity; but when I do it I want to do something toward the permanent settlement of these questions that will be in the interest of the great constituency that I represent and in the interest of the country.
>
> We felt we could not proceed along the lines of the President's suggestions. The President asked for a compulsory-arbitration act; but the members of the committee—at least, many of them—felt that a compulsory-arbitration act such as had been set before us was in violation of the Constitution of the United States; that it would probably be construed by the court to involve involuntary servitude, and would be declared to be unconstitutional.

Mr. President, the distinguished Senator from Alabama [Mr. UNDERWOOD], formerly the leader of the House of Representatives, a member of this committee, who heard all the testimony that we had opportunity to take, states that without an amendment which he proposed to the Senate bill and which is pending to the present bill, providing that the Interstate Commerce Commission shall fix wages, and so forth, this bill will not be in the interest of the American people, but he states that he will vote for it to please his constituency. Mr. President, I can not understand how a great Senator who has had a distinguished public career, extending over a period of more than 20 years in the service of his State in the Congress of the United States, can, on this great, broad, far-reaching and fundamental question, take so narrow a view of his duty as that.

I do not believe that this bill is in the interest of the American people, and therefore I can not vote for it. This bill, as has been stated by the Senator from Alabama and by other Senators, in no way purports to be the establishment of a limitation upon the hours of labor of anybody anywhere. Those who in a panic have advocated it and reported it and who will support it, it seems to me, are seeking to conjure for popularity under the popular phraseology of what is known as an eight-hour day limitation of labor for support to this bill, which, by skillful use of the phrase "eight hours as a standard for compensation for service," does not in any way prevent anybody from working more that eight hours a day, but does operate, as the language of the bill is framed and in view of the contracts that the men already have with the railroad companies, arbitrarily and by the ipse dixit of this Congress, upon such scant information as we all know we have had, to decree that the wages of every man actually engaged in the operation of railroad trains in interstate commerce shall be increased overnight by 20 per cent, and, in terms, declares that every one of these gentlemen, amounting to over 350,000 in number, and nobody knows how many more, shall overnight have written into the contract which he has made and which are now existing a provision that he shall receive 10 hours' pay for 8 hours' work. The construction I have placed upon this bill is admitted by everybody and can not be gainsaid.

Mr. REED. Mr. President——

Mr. BRANDEGEE. I yield to the Senator from Missouri for a question.

Mr. REED. The Senator has just stated that it is proposed to write into the contracts which these men already have with the companies an increase of 20 per cent. Is it not true that those contracts have expired, or are about to expire, and that the time for making new arrangements has arrived; or, to state it differently, is not the Senator mistaken when he says that this bill is an amendment to an existing contract? Are there any contracts in existence that cover a period of time in the future wherein the men have agreed to work at a certain wage and for a certain number of hours?

Mr. BRANDEGEE. Mr. President, I am not an authority upon this question, and nobody in the Senate is. There are two or three Senators here who for many years have given great attention to these infinitely intricate and complicated questions of railroad operation and the compensation of their employees, but the great majority of the Senators are not familiar with the question. To answer the Senator directly, however, as far as I have knowledge, I would say to him that the committee has on its desk in the Office Building, in the committee room, perhaps 50 of these agreements which have been entered into between the railroad authorities and their operatives. They are all different. As will appear from the hearing, I asked one of the witnesses—I think it was Mr. Lee, the chairman of the railroad managers—if he could not present for the information of the committee a typical agreement between the railroads and their

employees, so that we could get some idea of how their compensation was at present established and what it was. There were placed there, and are there now, little books about the size of a bank-deposit book, the agreements between, I should think, 50 of the roads and their men. I have not looked at the dates of those agreements to see when they expire, and I do not know whether they all expire on the same day or not. I was not going to make the point that this law might be invalid, because it might impair an existing contract. Irrespective of that, they will all soon be running out, and whether the provisions of this act would conflict with any of them or not I do not know. I understand they are generally made for a year's time, and when they do run out they must all be renewed by striking out the term "10 hours," if it does appear in these agreements, and inserting the term "eight hours" as the standard of one of the elements which will determine the compensation of the operatives; and when they do that, all I say is that it will result in an increase in pay of 20 per cent.

Mr. REED. I take no exception to that statement, but the Senator's original statement was broader than that. I have no doubt it was unintentionally made; but the language was such that it would ordinarily be construed as conveying the idea that the railway employees have existing contracts, and that they are by those contracts obliged in good faith to serve at a specific wage a certain number of hours for some time in the future, and that it is now proposed by this statute to amend that contract and change it during its existence, thus putting the men in the position of asking to repudiate their solemn obligations, and at the same time putting Congress in the position of aiding and abetting in that violation of a contract. But as I understand the Senator's later statement, he does not mean to imply any such thing; and with his last statement I have no quarrel.

Mr. BRANDEGEE. Mr. President, just a minute, and then I will not interrupt the Senator. As a member of the committee and one of the two Republican members of it who are in the city and the only two Republicans who attended the session of the committee while there were nine Democrats there, in view of the length of time it takes Senators to say what they thought I said and then explain it to their own satisfaction and so forth, I must ask the Chair to state that I be not interrupted during the rest of my time. How much time have I left?

The PRESIDENT pro tempore. About two minutes.

Mr. BRANDEGEE. I shall have to take further time.

The PRESIDENT pro tempore. A new rule will become operative at 12 o'clock. That hour has arrived. The Senator has spoken 22 minutes, and of course he would not be cut off.

Mr. BRANDEGEE. Of course, I can ask no favors and I realize the binding authority of a unanimous-consent agreement. I shall have to say what I have to present upon the bill in the discussion further of the amendment. Has my time now expired?

The PRESIDENT pro tempore. The Senator's time has expired. The 30-minute period has been exhausted. From this time forward no Senator will be allowed to speak more than once nor for a longer period than 15 minutes. The Chair suggested to the representatives of the two sides of the Chamber that some sort of an agreement be entered into by which the time should be apportioned that they are to occupy. If that has been done it will be the pleasure to the Chair to conform to it.

Mr. GALLINGER. I suggest to the Chair to recognize one on the other side and then one on this side.

The PRESIDENT pro tempore. Is there anyone on the majority side ready to speak?

Mr. HUSTING. Mr. President——

Mr. GALLINGER. I will be glad to occupy 15 minutes when the opportunity is given.

Mr. BRANDEGEE. I do not think any agreement on our part can change the unanimous-consent agreement to speak not more than 15 minutes after 12.

Mr. HUSTING. Mr. President, in the few minutes of time that I have I can only in the plainest way express my views upon the bill, and I want to do so with a view of offering an amendment to it.

We are facing a situation here in the country to-day that is without parallel in the history of the country. We are attempting now, by legislation, to forestall or prevent something that otherwise would be bound to happen, and so a bill has been prepared, how hurriedly has been expressed by Senators on the other side as well as this, for the purpose of preventing what would be a calamity. What is this thing that we are confronted with? Not a threat to strike but a strike itself which has already been called. This is not to prevent or satisfy a threatened strike. That strike has been called, and unless this bill is passed the strike order will go into effect next Monday. So there has been a general demand all over the country, and that demand is recognized in this Chamber, that that strike shall be stopped.

The first thing to be attended to, in my judgment, in dealing with this matter is to stop that strike. Who wants the strike stopped? I presume the railroads want it stopped. I presume the railroad men or railroad employers would like to see it stopped. The Senators in this Chamber, without regard to party, want it stopped. But above all I believe the people of the United States want it stopped. They are not so much concerned how you are going to stop it, so that it be stopped. The other considerations can be attended to later. The first requisite in the bill to be passed by Congress is something that will bring that result. So I presume these hearings that have been cut so short have been cut short because of the urgency of the matter. Senators on the other side could have demanded a week or two if they thought it advisable, but it seems it is agreed by all Senators and all Members of the House of Representatives that something must and shall be done.

Now, what shall we do? Senators on the other side who criticize and point out the defects of this measure say that this is a surrender to labor. But what do they suggest in place of it? They agree that the strike should be stopped. Why do you not stop it in your own way? Why do you not propose something better than this? It is because you have nothing better to propose than this. Yet you want the result just as badly as Senators on this side and the people of the United States.

So this bill was drawn. It was drawn for what purpose? For the purpose of stopping the strike by recognizing the eight-hour day and doing the only thing that will stop it, and, further, by providing for a commission which shall investigate this subject fully, beginning the 1st day of January and continuing six months as a minimum and eight months as a maximum, and to make their report within 30 days thereafter. So there is not only the eight-hour day provided by the bill, but a commission to be appointed. For what purpose? For the purpose of passing the necessary legislation which ultimately must be passed to settle these questions forever.

Now, why do Senators on the other side recognize the necessity of haste? Why have they not something to propose? Why do they complain that no one has knowledge on this subject in the Senate? Because this has come like a bolt from a clear sky, and they are not prepared to recommend legislation upon this subject other than the stopping of this strike.

The very fact that Senators on the other side admit that they are not informed and have nothing to recommend shows the necessity for investigation and for study not only of the strike problem but of the entire labor problem so far as it concerns the railways and employees before we can intelligently and permanently legislate on this great question. Everyone will agree that while it may be within the right of railroad employees to strike, and while it may be within the right of the railroads to lock out their employees at their own sweet will, the public, the people of this great country, and this Government have a right to insist upon being served; and if it can not be served either by railroads or employees because they can not agree, some way must be found whereby the Government can run itself, whereby the Government, in case parties to this business can not agree, may step in and run it ourselves and for ourselves. If it shall appear that within our constitutional rights we can not regulate this matter, some other way will be found whereby the United States will take over and run these great transportation companies itself.

This is a matter that does not only affect railroad companies or individuals; it affects the Government itself. The Government has a right to insist, and not only a right to insist but to enforce, its rights in the operation of these railways and the transportation of its mail, and some way must be devised and some way must be found. Under no circumstances can these be interrupted or obstructed either by the railroads on the one hand or by somebody on the other hand. If we can not do it, I say, within these constitutional limitations, there is only one recourse for the Government, and that is to get legal control of the railroads either through ownership or in some other manner. So I say a commission is necessary to investigate that subject.

I listened to the argument of the Senator from Alabama [Mr. UNDERWOOD], and I see the full force of his criticism of the bill as it has come from the House, that when this commission gets ready to report there will be no Congress in session and no one to deal with it. Everyone knows, we must admit, that in a short session of Congress a matter of this great importance can not be properly considered or handled or determined, because

the program is already laid out for the next session of Congress in the way of conservation legislation and other legislation that has gone over. So at the Congress succeeding or the next session of Congress, either a special or extraordinary session or the regular session, this report comes in here. At the earliest moment it will be six months, or the 1st of July, and the latest will be the 1st of September, and a 30 days' time to bring in the report will bring it in here about the 1st of October, when no Congress is in session.

But, as the Senator from Alabama pointed out, this understanding or this law in regard to the eight-hour wage will cease and terminate, and on that day we will find ourselves in the same situation as we are to-day.

Now, that is the part of the bill which should be remedied, in my opinion, and at the proper time I am going to move to amend the bill by providing that this wage shall remain in force 90 days after the convening of the Congress next succeeding the filing of said report.

If that amendment is adopted, I believe that that answers every purpose, every proper demand that can be made upon Congress at this time. Do you want to settle it now? Do you want to permit the strike to come on, or do you want to stop that strike now? Do you want to take it upon yourselves, Senators upon the other side, to precipitate this strike? No; you do not; because if you did not in truth want to see this strike stopped every one of you could object to the consideration of this bill until after next Monday. You want this strike to be prevented, and then you want to follow it up by some legislation that will take hold of this whole subject and dispose of it and determine it once and for all.

If this amendment is adopted, the people will understand that the succeeding Congress, the opening session of the Sixty-fifth Congress, will deal with this whole labor problem in a way that will take it out of the realm of controversy and will commit the country to some sort of policy whereby such things as this can not occur again. We will be able to put it in shape by that time, and the facts will be presented to us so that we may legislate intelligently upon this whole subject and take hold of it and solve it as the banking problem and other great problems have been solved by the preceding Congress and by this Congress. If the bill is not amended, when the 1st of September comes along or the 1st of October comes along, when this wage scale or wage standard expires by limitation of law, who is going to guarantee that there will not be a strike or another threat of a strike? With my amendment we gain enough time to take care of this proposition.

It seems to me wise to provide that this wage scale shall stand at least until 90 days after the convening of the Sixty-fifth Congress, and that the Congress shall then address itself to the subject as one of the main subjects of that session, that they take the facts that will be presented by this commission which will investigate the subject and apply it to the solution of this great problem, and that then this Congress will be in a position to proceed to legislate intelligently and adequately, and will have proceeded, because of the expiration of the limitation, to legislate in a comprehensive, intelligent, and effective way upon this great subject, for if it is not met and solved it will come up again and again until it is solved. It will not down, because the time will never come when men can exactly measure what is right and fair when their own interests are enlisted and are at stake.

The Government of the United States in the management and control of its railroads must necessarily be supreme in the premises. It must have some authority, somehow, somewhere, and all the time, to see that the instruments of communication, the mail, and the transportation of the country is not interrupted or interfered with. They must take measures so that we will have tranquillity at least at home, and so that we will not suffer the consequences of our negligence and of our own indifference in permitting this condition to exist or to be possible.

I hope the amendment will be adopted. If it is the country will approve our course and will understand that while this bill is only a temporary expedient, that after a free, full, and fair investigation we will grapple with the great problems here involved and solve them as our great party has solved so many other great and perplexing questions in the past few years.

The PRESIDING OFFICER (Mr. REED in the chair). The Senator's time has expired. There seems to be a sort of implied understanding that the time is to be divided between the different sides of the Chamber, and a list of names was made of those who desire to speak. The President pro tempore has turned that list over to me. I do not know what the sense of the Senate is with reference to following in order the names as recorded. The first name recorded on the Republican side, as the Chair presumes we are to alternate, is that of the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. MYERS. Mr. President——

The PRESIDING OFFICER. No other Senator has asked for the floor, and the Chair recognizes the Senator from Montana.

Mr. MYERS. Mr. President, there are so many who desire to speak that I shall occupy only a very few minutes.

I rise solely for the purpose of making an explanation of my attitude as a member of the Senate Committee on Interstate Commerce in regard to one phase of the Senate bill on the pending subject of legislation, which was introduced yesterday, Senate bill 6981. It is true that that is not now before the Senate; the bill of the House on the same subject is before the Senate, and the pending question is an amendment offered to the House bill by the Senator from Alabama [Mr. UNDERWOOD] to delegate to the Interstate Commerce Commission power and authority to fix wages for the railway employees on railroads engaged in interstate-commerce business. That provision is found in the Senate bill as section 6 of the Senate bill, and my object in rising is to say that as a member of the Senate committee which considered the bill, I did not in the committee and do not now concur in that feature of the Senate bill, section 6, which has been offered as an amendment to the House bill.

I made no minority report because the time is short and the procedure is very hurried and it was not necessary. I intended by my vote to show my dissent from that section of the Senate bill. I differed from the majority of the committee on a number of features which were incorporated in the bill but found myself in a minority and outvoted; but I made no minority report because, as I said, the time is so short that I determined to content myself with expressing my dissent by my vote.

But as this amendment which has been offered to the House bill and which has been incorporated in the Senate bill has been very extensively debated and is the subject of prolonged consideration by the Senate I want it known that I am not in accord with the committee, and I take this method of expressing my emphatic dissent from section 6 of the Senate bill, as well as the pending amendment to the House bill, being the same thing. I believe it would be a dangerous and unwise departure from the beaten pathways of legislation. I believe it would be fraught with entirely too much danger to incorporate it into law. I think it would be empowering the Interstate Commerce Commission with entirely too much power and with authority which it was not contemplated the commission should have when the body was created. Besides, it would be a futile act. Manifestly there would be no way of enforcing it. It would be impotent and ineffective; and, even if it were effective and enforceable, then I would be all the more opposed to it, because if free men may not have the right to freedom of contract for their services, at mutually agreed wages, then there is no freedom in this country. None of us would be free. It would be involuntary servitude and I would be utterly opposed to anything of that kind of any form, shape, or character. It would be repugnant and detestable. It would be contrary to our Constitution and utterly repugnant to the spirit of our institutions. Manifestly, however, it would have no effectiveness and would not be enforceable.

Therefore, I regard it as an utterly useless, futile, and vain act and on that ground I am opposed to it. I opposed it in committee; I voted against it in committee; I there voiced my opposition to it; and I take this method in the Senate of dissenting from it; and now announce that I shall vote against the pending amendment offered by the Senator from Alabama [Mr. UNDERWOOD]. I did not agree to it in committee and am against it here.

Mr. STERLING. Mr. President——

The PRESIDING OFFICER. Just a moment, if we are to adhere in any way to this program. We seem to be proceeding by a species of common consent which was outlined by the President pro tempore. The Chair thinks he will assume the responsibility, unless it is distasteful to the Senate, of calling the names as they come in order, to the end that we may dispose of the list of the gentlemen either by having them occupy the time or by having a default entered against them.

Mr. BRANDEGEE. Before that is done, may I suggest that the Senator from Iowa [Mr. CUMMINS] took the names of certain Senators on this side who desire to address the Senate sometime during the day and handed them to the Presiding Officer at that time, but it was done with no thought that that was the order in which they should speak.

Mr. CUMMINS. The Senator from Connecticut is correct. The understanding with the Senator from Nevada is that the

four hours shall be evenly divided between the two sides of the Chamber, and I presented to the Senator from Nevada a list of names as it had been given to me representing those who on this side desired to speak at some time during the afternoon.

The PRESIDING OFFICER. But not in any special order.

Mr. CUMMINS. I do not think it was understood that they would come in the order in which they appear on the paper.

The PRESIDING OFFICER. With that understanding the Chair will recognize the Senator from South Dakota [Mr. STERLING].

Mr. STERLING. I was about to say that if anyone whose name precedes mine on the list is ready to go on at the present time, I will not seek the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Dakota, and he will proceed.

Mr. STERLING. Mr. President, we are confronted with a very grave situation, grave from two standpoints, according to my view. The first is the impending strike itself and the consequences that may flow from that strike when once put into effect and operation. That is one evil; but there is another evil which should give as much concern, if not more, than any inconvenience, any distress, or any loss that may result from this imminent and threatened strike; that evil is the one immediately confronting us here in the United States Senate to-day.

The question now—and, as I said, I think it is the graver of the two—is as to whether the United States Congress is, without time taken for deliberation upon this most important and far-reaching measure, to be dragooned into enacting it into a law now before 6 o'clock on this 2d day of September, 1916. That is the grave question. It is more far-reaching in its importance and in its significance than the other question, the one relating to the material loss that may be sustained by reason of the trainmen going on a strike.

Mr. President, for one I refuse to be stampeded. In conscience, believing in our system of free institutions, believing, as I do, in representative government and the right of Congress to deliberate before it legislates, I refuse to be brought through duress into a support of this measure, however general or however threatening this strike may be.

Mr. President, I am satisfied that in enacting this measure into law in this forced and predetermined manner we are not acting in accord with the sense, the conscience, the judgment, and the love of liberty of the American people.

The Senator from Illinois [Mr. SHERMAN] a while ago read some threatening telegrams coming from certain limited sources within his State. I have some telegrams from my own State. The telegrams that he read do not reflect the sentiment of the great body of the people of the State of Illinois, for I know them, not perhaps so well as the Senator from Illinois does, but I was raised in Illinois, and I know something of the sturdy common sense and patriotism of the people of that State. The telegrams that I have more nearly reflect the sentiment of the average citizen of Illinois and of the people of the United States, the great body of conservative, sober-minded American citizens, than do the threatening telegrams read by the Senator from Illinois. I read a few of them. One from Sioux Falls says, addressing me:

> It occurs to me that you would be doing a public service in lending your support to any movement that might result in submission to a board of arbitration of all the matters in difference between the employees and the railroads. It looks as though there is merit on both sides of the controversy, and that it should not be decided until those who decide are put into possession of all of the facts.

"Of all of the facts," "merit on both sides of the controversy," and yet we here, in the enactment of this legislation, are absolutely precluded from inquiry into the merits of either side of the controversy, nor do we know the facts.

In our haste, with no time to weigh and consider, the peace which it is believed this legislation will secure will be an ignoble peace, and our action will come back to plague us. Moreover, in the revulsion of feeling which I believe will follow, the cause of organized labor will suffer great injury. Another telegram from Sioux Falls reads:

> This organization is strongly opposed to any hasty legislation in the pending railroad crisis. We believe it is inconsistent that this legislation should be accomplished under the shadow of an impending strike. We therefore urge that a demand be made that the strike be postponed for such reasonable time as may permit intelligent action by Congress.
>
> SIOUX FALLS COMMERCIAL CLUB,
> L. D. MANCHESTER, *President.*

Another telegram from a business man, who keeps a retail store in a small town in the southern part of my State, reads:

> Strongly favor settling wage difference railroad employees by arbitration. Use your influence with President to that end.

The only mistake is in the last injunction to use my "influence with the President to that end." Here is another telegram, not from my own State, but from the State of Illinois. It reads:

> The National Metal Trade Association urges your most thorough and impartial investigation of the merits and effect of proposed eight-hour legislation, not only upon the railroads but upon all manufacturing interests of the country, before permitting it to become a law. We also urge that you uphold the principle of arbitration as the only logical method of adjusting disputes.
>
> W. H. VANDERVOORT,
> *President National Metal Trades Association.*

But we have not time to go into the merits of this proposed eight-hour legislation. No time for any investigation, let alone the "most thorough and impartial" enjoined by the telegram. It is as though a highwayman said to us, "Stand and deliver." That is the humiliating position in which the Congress of the United States finds itself to-day. Another telegram from Milbank, S. Dak., reads:

> Legislation that would include transportation men only would be discriminatory, unpopular, and I earnestly urge that the scope of the proposed eight-hour day law be extended to include all railway employees.
>
> A. MITTET,
> *General Chairman of the Maintenance and Way Employees of Chicago, Milwaukee & St. Paul Railway Co.*

But this bill includes the small minority only; the great majority, the 80 per cent, embracing the other railroad employees, who are paid the lower wages and work longer hours, many of them, than these more favored employees, are not to share in the benefits of this bill. Their condition is not to be compared with the men who are making these extraordinary and, we may say, inordinate demands—inordinate not from the standpoint of the eight hours, not from the standpoint of higher wages, which is the real issue, but inordinate from the standpoint of demanding of Congress that they do this now, and this alone, and that without any investigation or deliberation at all!

To what may this discriminatory legislation lead? So far as I now know, Mr. President, there is harmony, there is union, there is good feeling between all classes of railway employees. The switchmen, the section man, is not envious or jealous in any degree of the brotherhoods for whom this legislation is to be enacted—not at all; but enact this legislation, and as a natural result there will be bitterness and resentment. Good feeling between men engaged in a common service will be broken down to the detriment of the spirit and efficiency of this great force in our country, upon which our commerce and the safety of the passenger traffic of the country depends. It will tend to inefficiency in railroad service; that service which, of all others, we want for the public welfare to be safe and efficient.

Mr. President I will read here a part of an editorial in yesterday's New York Times, which is a Wilson paper, and which is doing all it can in the cause of the candidacy of Mr. Wilson for President of the United States; and yet this, among other things, is what the editorial has to say in regard to this strike and the demands of the railroad brotherhoods at this time. The editorial is properly headed "A national humiliation."

The PRESIDING OFFICER. The Chair calls the attention of the Senator from South Dakota to the fact that his time will expire in less than a minute.

Mr. STERLING. Very well, Mr. President, then I ask leave to insert the entire editorial in the RECORD as a part of my remarks.

The PRESIDING OFFICER. If there is no objection, that may be done.

The editorial referred to is as follows:

[From the New York Times of Sept. 1, 1916.]

A NATIONAL HUMILIATION.

The strike is over before it had begun. The project of law compelling the railroads to increase the wages of their employees who are members of the brotherhoods, falsely called the eight-hour bill, will be at once enacted by Congress. The chiefs of the brotherhoods will then revoke the strike order. It is altogether probable that they would revoke it anyway, or at least postpone its beginning. They have had time to measure the magnitude of the crime they were about to commit and the depth of public indignation it would arouse, and to weigh the consequences to themselves and the brotherhoods.

But what will the President do to make good his declaration in the letter to Col. Pope, that "this situation must never be allowed to arise again"? What will Congress do to empower him to prevent its recurrence? Apparently while Congress is to enact the demands of the brotherhoods, it closes its ears and its mind to the demands of "society," the word which the President employed in his quite mistaken statement that society, meaning the public, favors the adoption of the eight-hour principle. Society has an interest immensely greater than any other in the right and permanent settlement of the present controversy, in the taking of such measures that no controversy of this nature shall ever again arise in this form.

Interruption of railroad service by a strike would be a great but transitory inconvenience. The blackmailing of the whole Nation under the threat of a strike, the extortion from a Nation's legislature of a special act granting the demands of the brotherhoods without time to inquire into its justice or its practicability, puts upon the country an

intolerable humiliation, it reduces 100,000,000 people to a condition of vassalage, no longer permitted to make laws that freely express their will, but held up, as the highwayman's victim is held up, and forced to instant compliance with the terms imposed upon them by the leaders of organizations comprising only 400,000 of their number. Contributions in money may be, have been, extorted from conquered cities by armed force. Unjust laws may be put upon the statute books through the agitation of factions or groups strong enough to make their political influence felt. But there is no other instance where a Congress of the United States has been forced to make laws under threat of a small part of the people to do immeasurable and irreparable injury to the others. If such an outrage can be put upon us unresisted, we have lost our republican form of government.

What will the President do, we ask again, and what will Congress do? The greater evil, the greater menace to "society," is this act of extorting legislation by threats. To put up with it would be a disaster to the Nation incomparably greater than any the strike could inflict. Yet already there is a feeling in Washington that the compulsory arbitration bill, being controversial, and therefore likely to be a cause of delay, must be laid aside, while Congress makes all haste to meet the arrogant demands of the brotherhoods. That may satisfy public opinion for the moment, but certainly Congress should not adjourn until it has put it into the power of the President to make good his declaration that such a situation must not arise again.

The minds of the people are pretty well cleared of the humbug that the brotherhoods have demanded an eight-hour day, that there is any quality of mercy or humanity in the terms they exact. The very language of the bill makes it clear that not shorter hours but higher pay is what they demand. "Eight hours shall be deemed the measure or standard of a day's work for the purpose of reckoning the compensation for services"—these are the words of the bill under consideration. Moreover, it provides for the appointment of a "wage commission" to observe the "financial effects of the institution of the eight-hour standard workday." Ten hours' pay for eight hours' work, with added pay for all overtime, that is what the men ask for, that is what the bill will grant. The brotherhoods deceived the public for a time; they appear to have deceived the President. They insisted that their demand for eight hours was not arbitrable. It is the general opinion that the President erred grievously in not insisting, with equal firmness, that they consent to arbitration. Instead he appears to have yielded to their demand at once and then to have employed his time in seeking to compel the railroads to yield. An increase in wages is eminently a fit matter for arbitration, certainly for deliberate examination and inquiry, to the end that justice shall be done. That the President should have insisted on. The railroad presidents proposed arbitration, were willing to arbitrate, the brotherhoods refused. That is the net situation, and the public understands it perfectly.

Meanwhile, since it is conceivable that there may be a slip, we commend to Mr. Wilson and his law advisers a pretty careful study of the decision of the Supreme Court in the Debs case. In that opinion, written by Justice Brewer, the court said:

"The entire strength of the Nation may be used to enforce in any part of the land the full and free exercise of all national powers and the security of all rights intrusted by the Constitution to its care. The strong arm of the National Government may be put forth to brush away obstructions to the freedom of interstate commerce or of the transportation of the mails. If the emergency arises, the Army of the Nation and all its militia are at the service of the Nation to compel obedience to its laws. * * * It is competent for the Nation to remove all obstructions upon the highways, natural or artificial, to the passage of interstate commerce or the carrying of the mails; that while it may be competent for the Government (through the Executive branch and in the use of the entire Executive power of the Nation) to forcibly remove all such obstructions, it is equally within its competency to appeal to the civil courts for an inquiry and determination as to the existence and character of any alleged obstructions, and if such are found to exist or threaten to occur, to invoke the powers of those courts to remove or restrain such obstructions."

Grover Cleveland, in that memorable emergency, did not shrink from employing the full power of the Executive to enforce the law and to remove obstructions impeding the transaction of the Nation's business.

Mr. STERLING. Mr. President, I merely wish to say, in conclusion, that should this strike come as a result of our refusal to enact this legislation under duress it might cause great inconvenience; there might be some distress; there might be some loss of property; but the American people would be brave, they would be patient, they would endure, and the price they paid, though it might be a grievous one and hard to be borne for the time, yet the liberty that would ensue would be worth all the cost.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. WEEKS. Mr. President——

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. WEEKS. Mr. President, this is the most important legislative crisis I have faced during my 12 years in Congress, and while I am well aware that what I say is not going to influence the action which the Senate will take to-day, I can not let the occasion pass without a brief presentation of my views. The legislation we are considering is of a most unusual character and results from a most difficult but not unusual situation. Information in the press during the past year has given the general public an inkling of the differences which were said to exist between the managers of railroads and the trainmen; but there was no definite information on this subject, either known to the public or in the hands of Congress, until a few days ago when the President summoned the trainmen to Washington to consult with them in regard to their contentions. The result of this consultation was a definite proposition made by the President approving the eight-hour day, compulsory arbitration, and the power to compel the operation of railroads, which, with the exception of the eight-hour feature, are not included in the bill which the Senate is now considering.

In his address to Congress this week the President stated that the controversy had been existing for more than a year. The natural inquiry one is led to make is: If the situation had been brought to the attention of the President and he had information that there were likely to be serious results, why has he neglected to bring it to the attention of Congress, which has been in session nine months, and in that way give Congress an opportunity to calmly and deliberately consider every phase of the question and to determine a course of action which might satisfy not only the parties in interest but more particularly the interests of the general public, which are involved in any legislation of this character. It must be apparent to the President, as it is to every one else, that no fair and sane consideration can be given to such questions as these in the midst of a political campaign, not to mention the fact that no time has been given to Congress to give the subject any real study. It is true that hearings were held day before yesterday and that they are now in print, but they covered a period of nine hours, and there is not a Member of this body not connected with the committee who has had an opportunity to read and digest them.

Neither the public nor any representative in Congress wishes to have labor employed under terms which are unreasonable and which do not furnish suitable compensation for the labor performed; but it is a most hazardous step to take, from the standpoint of labor, to give up the individual and collective right it has heretofore had to make bargains with its employers and turn the question of the wage which it shall receive over to a commission or to Congress, influenced as it must be by many extraneous conditions. We do not know whether railway trainmen are receiving a suitable remuneration, and we can not know it without being informed of the pay received in similar employments and especially the pay received by the other employees of the railroads. Even if it were desirable that Congress should fix wages, which I do not believe, to fix them without any knowledge of the facts, is a revolutionary step and one which should not receive the approval of a single Member of this body. It may be that these men should receive additional pay, but it is almost a certainty that if they are entitled to it every other employee of the railroads is entitled to an increase and it is as much our duty to guard and protect the million and a quarter who are not represented in this controversy as it is the less than half million men who are making this appeal.

Moreover, Congress must be familiar with the difficulties of financing railroads and operating them at this time. With the general increased cost of operation and the relative lessening of the difference between gross and net earnings, even under present conditions, it is practically impossible to get new money to make improvements and developments which are essential if the public is to receive the best possible service. If this legislation is passed without in some way giving an opportunity to increase the rates to be charged, the result must be that the efficiency of the service, which is all important to the public, will be greatly lessened. But of far more importance than the immediate monetary cost is the fact that the public would be paying it, and the public, therefore, should have a right to intervene and ask whether the payments to be made in this case under these conditions are justified.

In affairs of this kind the public is invariably the loser, for if the strike actually takes place and succeeds, either the public pays more for every person carried and every pound of freight hauled or received from the railroads a less efficient service. In this instance, the increase in wages will cost the public $60,000,000 annually more than the same service would cost if performed under present conditions. As the total earnings of the railroads of the United States last year were about $3,000,000,000, it follows that whenever a passenger travels he must remember that his fare will cost an appreciable per cent more than it does to-day, and that each pound of his freight will be transported at a greater cost than heretofore. In reply to this it may be said that the railroads are earning enough so that they need not increase rates or reduce the service; but if this is true then the railroads could well afford to reduce present rates or increase the value of the service they are furnishing if this increase in pay were not made.

It need not surprise anyone that we are receiving great numbers of communications in favor of or in opposition to this legislation. Of course, labor wants the increase and the railroads oppose it; but it is not surprising, for instance, that the farmer whose granary is filled and ready for market deprecates a strike, or that the merchant who sees the possibility of not getting goods for his customers takes the same view and that they, like many others directly involved, make appeals in favor of this legislation. In doing so, however, they are in the same class

with a person who takes a drug to relieve a temporary pain. It may answer their purpose for the time being but it furnishes a basis for a habit which in the end will prove destructive, and it is our duty to not only protect all of the 97,000,000 of American citizens who are not connected, either directly or indirectly, with railroads, but to even protect them against themselves if necessary, for in time they will learn that they are not only paying additional compensation for the service they receive this year but it will apply in all future years, for no one need assume for a moment that Congress will ever lessen an established rate.

This whole question has finally reached the stage where it puts the railway trainmen in the position of demanding that Congress shall stand and deliver. I do not mean to imply that they have willingly put themselves in this position. I have no doubt they would prefer to settle their own differences with their own employers and in their own way, but the President by inviting the managers and trainmen to Washington has not only involved himself and the administration in this controversy but by his recommendations to Congress has involved it as well. The employees, standing on their own rights, insist that unless their contentions are granted before Monday, the 4th, they will carry out their purpose of striking. We need not analyze the probability of this threat being carried out, because we are going to pass legislation; but I for one do not believe that a majority of the trainmen wish to strike. I am confident and have proof that many of them are satisfied with present conditions.

Practically speaking, there is no complaint on the part of those employed on passenger trains; and I am convinced that with public sentiment almost completely against this strike, as it would be, that even if it were ordered it would be of short duration and would result in the humiliation of those conducting it; but, by the course which has been followed in this matter, the delay in bringing it to the attention of Congress, we are put in the position of either assuming the responsibility of precipitating a strike or enacting legislation which undoubtedly could not be passed under other conditions.

It is this latter phase which appalls every thinking man, and especially one on whom the responsibility of coming to a decision rests. The effect of this action on the trainmen is that a large body of citizens are demanding legislation, and insisting that unless such legislation is passed in the form they demand, and within a limited time, they will throw the country into turmoil and practically starve the people into submission. No responsible man can view this situation without serious apprehension. It is appalling to think of the suffering which might result and the destruction of values which might come if the strike were called and maintained for any considerable time; but, on the other hand, if Congress accedes to this demand, it is in effect, temporarily, at least, an end of representative government, and the substitution for it of government by coercion, with Congress lending a frightened ear to the contender which it thinks has the most votes.

If we take this action in this case, what is to prevent, and why would it not be reasonable, to take the same action in other cases? Why is it not logical for other large bodies of organized labor or organized capital to appeal to Congress and make similar demands? Is it the duty of Congress to accede to the demands of organized labor, represented by the trainmen, whom we know are the best paid railroad employees, and refuse to respond to an appeal made by other railroad employees receiving much lower and frequently, in my judgment, insufficient wages? Are we not going to establish a far-reaching precedent, which will come back to plague us whenever a suitable occasion arises?

Moreover, what is going to happen to the industries of the country if we establish an eight-hour day, as is proposed by this legislation? Personally I am in entire sympathy with the proposition that eight hours of labor is a goal which employees may look forward with confidence will be reached in time; but our whole industrial structure is founded on different conditions, and the establishment at this time of this policy by act of Congress is going to not only disturb every industrial relation which exists, producing strikes in other occupations, but demands which if acceded to are almost certain to put us in such a position that at the end of the war we will be unable to compete with any degree of success with European and Asiatic countries, resulting in a degree of depression and distress in this country unparalleled in our history. The employee who is receiving a weekly wage may not be able to see this, and it is, therefore, all the more our duty to prevent action which will involve him and everyone else in the serious troubles which are sure to ensue.

Undoubtedly, if passenger trainmen are generally satisfied, this contention reduces itself to freight trainmen. I am confident that in many cases they work hours overtime. It is impossible, however, to arrange schedules which will not require to some degree such a result, and it is especially so in times like these, when the railroads are crowded to their utmost capacity with freight—so greatly crowded that frequently trains lie on sidetracks for hours waiting an opportunity to proceed—and there is certainly reason in asking that under such conditions overtime pay should be given them and perhaps some bonus should be included in it. But even that phase of the question has two sides, and should be explained by those competent to do so.

Taking all of these matters into consideration, I wish to enter my most vigorous protest against this method of procedure, against the character of the bill we are now considering, and against the time and conditions which have brought about this legislation. It is idle to assume that it has no political force or political effect. We are in the midst of a great campaign, and the action which Congress takes is going to be influenced by the political ambitions of those who are to pass on this legislation. I am not the judge to pass on the conduct of others, but I can not help believing that the railway trainmen in taking this step are doing an unpatriotic act, and one which they themselves will regret when they have had an opportunity to consider it from their own individual standpoint. I firmly believe that it will react on them and that they will in the end not benefit materially by such drastic demands.

Neither do I believe that they or any other body of men can successfully maintain opposition to suitable arbitration. I am well aware that they have objected to arbitrations which have taken place in the past, and quite likely with some reason. The method of selecting the arbitors has been in itself unwise, for the employers have selected one who is necessarily a partisan, the employees another, who is also biased, and these two have then commenced maneuvering to find some one inclined to favor his side. No judicial decision based on a controverted question could be obtained by such a method of procedure or through such a board. But if a board of arbitration is appointed, all of the members of which are experts and who have no possible relation with either side, it furnishes to my mind a suitable means for arbitration and one on which we must stand if we are to avoid unlimited industrial troubles in this country. Therefore, in opposing any form of arbitration, if they do, the trainmen are on untenable ground, a position which will take from them the sympathy and support of the public, without which no cause can permanently succeed.

I should be glad to provide the means to make a careful investigation of this whole question, and when a report has been made to vote for legislation which is justified or is based on the facts; but I will not take any part in putting Congress in the position of standing and delivering. If it has the result which I believe it is going to have, it is a step which everyone who is instrumental in bringing it about is going to live to regret, and therefore without attempting to pass on the merits of this controversy, and even if I approved of every phase of this bill, I would be forced to oppose it for the reasons stated.

Mr. OLIVER. Mr. President, in this morning's issue of the New York Times, which is perhaps the leading Democratic newspaper of the country, there is an editorial which so exactly expresses my opinion upon this legislation that I will ask to have it read and inserted in the RECORD as part of my remarks.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The Secretary proceeded to read the editorial.

The PRESIDING OFFICER. Just a moment. The Chair thinks he ought to say to the Senator from Pennsylvania that he believes the same editorial was inserted in the RECORD by the Senator from South Dakota [Mr. STERLING].

Mr. OLIVER. No, Mr. President, this is a different editorial. This is from to-day's issue of the New York Times, while the editorial read by the Senator from South Dakota was in yesterday's issue of that paper.

The PRESIDING OFFICER. Very well. The Chair merely made the suggestion in the interest of saving time.

The Secretary resumed and concluded the reading of the editorial, which is as follows:

[From the New York Times of Saturday, Sept. 2, 1916.]

WHERE IT LEADS.

Upon the merits of the brotherhood demand for an eight-hour "basic day" as the measure for fixing wages the public has pronounced no judgment. It could form no judgment, for it was without definite knowledge. No inquiry was permitted, no investigation was had. While it is beyond dispute that the demand was for higher wages, certainly an arbitrable matter, the brotherhoods would consent to no arbitration. In their statement published yesterday they say: "We have steadily refused to arbitrate the establishment of an eight-hour workday, supported in this by the President of the United States."

It is upon the method used in enforcing the demand, not upon its merits, that the public has spoken. There its condemnation is universal, stern, and severe without qualification. It could not be otherwise. In this Republic laws express the people's will, but in the making of this law to increase the pay of one-quarter of the railroad employees the people have not had the slightest chance to make known their desire. Their Congress was coerced by the threat of an immeasurable injury to themselves. What lynch law is to orderly judicial process the method adopted by the brotherhoods, and we have very great regret in saying with quite too much assistance from the President, is to the constitutional method of lawmaking. With one voice and unsparingly the people must and do denounce the means by which this legislation was forced upon Congress.

For the brotherhoods and for the interests of labor it was a dreadful blunder. Progress is not made, it is impeded, by such an abuse of the power to do harm. The French Revolution violently ended the reign of a Bourbon King, but to the Revolution succeeded the Consulate and then the Empire. Excesses committed in the name of liberal progress are too apt to be followed by reaction in the name of conservatism. The gains of orderly progress are secure. It is not so with those got by revolutionary excess and violence.

The brotherhoods look upon Mr. Wilson as their friend. They may have harmed him vastly more than it has them. Such a spirit as has been roused in the country at this time, in the midst of a presidential campaign, is not of good political augury for a party in power.

Mr. OLIVER. Mr. President, if the bill now presented to the Senate provided some way of settling labor disputes in the future I would hesitate long before I would refuse to support it.

Mr. BRANDEGEE. Mr. President, I ask that there may be order, especially in the galleries.

The PRESIDING OFFICER. Let there be order in the Chamber. The galleries are admonished that audible conversation can not be permitted.

Mr. OLIVER. But this bill offers no such inducement. In his address to Congress a few days ago, the President outlined a series of legislative measures which had that aim in view, but Congress has seen fit to ignore all of the other recommendations he made and, apparently with his full approval, to rest content with constituting itself as an arbitrator upon the main point in controversy, and deciding that point without the shadow of hearing upon the merits of the questions involved. This measure simply proposes to yield to the demand for enormous increase in wages and a consequent increase in the expense of running our great railroad systems, and in express terms, while assuming to establish an eight-hour basis, it abandons that basis with regard to three-fourths of the men actually employed by the railroads.

Within the last two days I have received over 300 telegrams protesting against this legislation, whilst I have received but 29 telegrams expressing the opinion of the senders in its favor. Of those 29, quite a number insist that if the legislation is to be adopted it should extend to all railroad employees, and particularly to shop carpenters and shop mechanics, who are absolutely ignored in the framing of this legislation.

I do not want to spend much time in talking against this measure, but I can not conceive why, when the committee was framing the bill before the Senate, it chose to ignore the recommendations of the President with regard to establishing some system by which disputes of this kind could be avoided in the future.

In my opinion the bill is revolutionary in its nature. It is wrong in its fundamental principles. I know that it is bound to pass, but I can not refrain from expressing my dissent from its provisions.

Mr. McLEAN. Mr. President, I simply desire to call the attention of all the wage earners of the country to the results that will certainly follow the legislation now demanded by the railroad trainmen. If Congress by laws once begins to raise the wages of those in private employment at the request of the employees, it must follow that it will be the duty of Congress to lower wages by law whenever economic necessities require it. When the laboring men ask the Government to raise their wages they concede to the Government the right to reduce their wages. This step once taken ends forever the right of the wage earner to fix his own wages by free and individual contract with his employer. Call it what you please, this bill is in fact compulsory arbitration by the Government of the pending dispute. It is precisely what Mr. Gompers and the leaders of the labor unions throughout the country have at all times and in all places insistently proclaimed should never be done. In the hearing night before last before the Committee on Interstate Commerce, Mr. Gompers said:

> We talk of preparedness, and God knows we are cooperating with all those who are undertaking real preparedness for our country from every enemy, no matter from whence he may come. But we say to you, gentlemen, that if you undertake in the beginning of this movement to take away the rights of the masses of our people and to tie them to their work in principle and fact for any time, you are laying the foundation for future legislation of a compulsory character; the measures of this character, legislation of this character, are the thin entering wedges in the beginning, and they widen and widen and broaden as time goes on. Go the wrong way once and it is almost irretrievable to begin over again and to begin right.

This principle was reiterated by Mr. Garretson, president of the Brotherhood of Railway Conductors, in the following emphatic language:

> Generally speaking, it is a principle of union labor that many questions should not be dealt with legislatively; that it is infinitely better that the settlement of those questions which arise between themselves and their employers should be settled by direct negotiations between the two parties at interest. That this has been with these brotherhoods an intense conviction is demonstrated by the record of the organizations during the years of what might be described as their militancy.

I repeat, Mr. President, when the trainmen consent that Congress as arbitrator shall compel a private employer to raise the wages of a private employee, the labor unions of this country by their representatives are conceding and sustaining compulsory arbitration by Congress as the best and only way to settle disputes between capital and labor. And let it be borne in mind, that when the Government acts as arbitrator its awards will be enforced. It must and will punish as criminals those who by attempting to delay the execution of its decree endanger the public peace and safety. This law once passed, the wage earners of this country will be estopped from ever again asserting the right of labor to collectively bargain with an employer, or, as Mr. Gompers put it, "from the rightful ownership of themselves."

I am and have been for many years in favor of the eight-hour day where the character of the employment will permit it. It is admitted in this controversy that the eight-hour day is impossible owing to the conditions which always surround the railway service. It is admitted that the demand is not for regulation of the hours of service but for a raise of 25 per cent in the compensation.

For the Government to step in and sacrifice a most sacred principle to meet an emergency is, in my opinion, a grave mistake. It is just this sort of thing that in history has always destroyed the civil liberty of the citizen. You may call it paternalism, but it is the key that unlocks the door to socialism, pure and simple. It is admitted that it means the Government ownership of the railroads in the near future. Private capital can not survive Government management. Private capital will be glad to retire and look to the Government for its dividends.

But once the Government owns the means of transportation the means of production will soon follow. Economically speaking, food and clothing and shelter are as useful and necessary to the public as transportation. Politically and morally speaking, it is as much the duty of the Government to regulate the price of food and clothing as it is the price of transportation.

When the Government owns the means of transportation and production, every man will be told by the Government what his work and his wages will be, and if society is to exist at all the man who demurs must be sent to jail. I want the wage earners to realize what this step means. It is a time for them to keep cool and count the cost. The future of this great Nation is in their hands. They can make it a glory or a disgrace. Every laboring man should receive his just share of the fruits of his labor. He has to-day and will have the entire sympathy of the public; and when I say the public I mean his colaborers, which includes 98 per cent of the entire population. The American people will be wise if they insist that their lawmakers continue to legislate for all alike, preferring no class, penalizing no class. They will be wise if they insist that the Executive confine his activities to the execution of the laws, and they will be very wise if they voluntarily submit disputes like the one now pending to the adjudication of impartial tribunals of high character and understanding, rather than cause untold suffering and irreparable loss to their fellow men.

Mr. OWEN. Mr. President, I shall support the House bill because it appears to be the most convenient means by which we may avoid the strike on Monday. It does not meet the true legislative requirements of the people of the United States, as I understand it. It is but a poor temporary expedient. There are many more factors in this controversy deserving consideration and constructive action than the quarrel between the railway employees and the owners of the railway properties. The interest of the general public in this very controversy is far more important than the interest of the railways or of the employees.

Some of our people own the railways, through stocks and bonds, estimated in value at somewhere between nine and twelve billions of dollars. The whole people of this country own properties estimated in value at two hundred and fifty billions, a value twenty or thirty times as great as that of the stocks and bonds of the transportation lines. The employees who are engaged in this controversy are estimated to number 400,000, and, with the people that they may be regarded as rightfully representing, they probably represent from 2 to 5 per cent of the total population of the United States. The people of the United

States must depend upon these transportation lines for food and clothing and raw materials and all the things that go to make up the conveniences and the comforts and the necessaries of life.

The question is, Shall 2 per cent or 5 per cent control the 100 per cent, or shall the whole people, in their organized capacity, deal with this question with a masterful hand for the protection of the whole and of all of its parts? I favor dealing with this whole question with firmness, with broad intelligence, and with absolute justice and mercy, always remembering the humane point of view.

The transportation lines are vital in their relation to the general public, and the eight-hour day and the compensation of employees is only one factor which enters into the costs imposed upon the living of the people of the United States. It is only one small factor. There must be considered, besides the question of the compensation of the employees, the amount which is permitted to be charged and paid upon stocks and bonds, and the payment of salaries to employers or their immediate representatives, as well as the rates for transportation services, as all are intimately correlated and interdependent.

We hear a good deal about the amount paid to these employees, who probably earn from three to six or seven dollars a day. We hear nothing about salaries of $100,000 charged on the people of this country by capitalists who employ men at large salaries, who are their friends or their favorites. Why not cut down some of the very big salaries and supplement some of the very small wages? Big service deserves big pay, but big pay ought to go out only for big service. The people quietly pay the freight, and nothing is adequately said or constructively done as to the rights of the public in this matter.

I venture to say that of this so-called value of capital invested in the stocks and bonds of the railways, nearly half is fictitious. The stock is often pure water, and even the bonds which have been issued are often sold to their own creditors at excessive interest rates, and the bonds are sold to those who issue them at 80 cents on the dollar or at a substantial discount. These interest and dividend charges then reappear as a charge on the people of the United States in excessive freight rates and unjust passenger rates when they come to pay for the transportation of freight and passengers. The people of the United States are deeply and profoundly interested in economical methods of administration of these lines, in order that the freight and passenger charges on them may not be excessive.

We have undertaken in a weak and feeble way, through the Interstate Commerce Commission, to regulate these roads; and years ago, after a long struggle of more than a decade, we passed an act authorizing the valuation of these properties, with a view to ascertaining from the valuation of these properties what was a fair freight charge and a fair passenger charge. That work has not been done. It is not being done as it ought to be done. It ought to be done with great speed, in order that the people of the United States may have an immediate basis upon which to determine what these freight rates and passenger rates shall be, or at what price they shall be taken over by the people of the United States, if that policy affords the only adequate remedy for extortion in freight and passenger services.

The public has no adequate information. The freight rates and passenger rates are now fixed merely by the comparison of one line with another line, without any adequate basis of knowledge of either one upon which to determine whether capital is receiving a fair return or not. So I say that this great question of the right of the people of the United States to fair freight rates is profoundly affected by these various conditions, and that this controversy between the railways and their employees is only a part of a tremendous problem which has to be solved in this country; and let no man doubt that the people of the United States have both the constitutional right and the moral right to impose such conditions as shall result in fair freight rates and fair rates for passenger service, whether those conditions are fixing the freight rates or hours of labor and compensation therefor.

I do not wonder that labor is unwilling to agree to arbitration where it believes that the arbiters who will have the final determining word have preconceived notions and fixed prejudices unfavorable to fair compensation to labor. It is equivalent to agreeing to a certain adverse judgment. If there be arbitration, the arbiters must be so safeguarded that there can be no possibility of doubt as to the wisdom and justice of their award or the faithful execution of their award.

The PRESIDING OFFICER (Mr. LEWIS in the chair). The Chair is compelled to inform the Senator from Oklahoma that he has but one minute left, according to the calculation left to the present occupant of the Chair by his predecessor.

Mr. OWEN. Mr. President, it is as impossible within 15 minutes to discuss this question in a proper way as it is in 1 minute; and I say, in the 1 minute remaining, that I favor this temporary expedient because it does, at least, abate the immediate evil consequences of a strike and will permit the Congress of the United States to discuss and consider this matter in a broader aspect next winter.

The PRESIDING OFFICER. If the Senator will pardon the Chair, the Senator has more time than has been stated. The calculation left on the memorandum as the Chair observed it is unfair and misleading. The Senator has four minutes of time.

Mr. OWEN. As I say, this will leave to the Congress of the United States an opportunity to consider this matter in its broader aspect. I much prefer to see this matter adjusted on broader lines than those of the present controversy. Here we have an inevitable human conflict. The only means in the world which these men have, as employees, of making effective their protest and bringing to the attention of the people of the United States their complaint is by a concerted strike. The evil consequences of such a course, however, are so gigantic that the heads of these employees trembled at the avalanche they were about to precipitate. They may well fear the anger of the people of the United States, and the railway men may well fear the anger of the people of the United States if this gigantic cataclysm in our commerce and industry should be precipitated by either one or both. I should be in favor of using the full powers of the people of the United States upon both these groups if they dared to bring about such a condition of affairs in this Republic. But they are entitled to a hearing, to fair treatment, and as promptly as humanly possible; but the people pay the bills of both the owners of railroad stocks and bonds, of railroad managers, and of railroad employees, and Congress must settle the whole question on a basis of justice to all, not forgetting the people who at last pay all the bills of capital and labor.

I believe in the eight-hour day. I object to any exception whatever in this bill. I object to excluding any of these short lines or any other lines. Eight hours of labor is enough under modern conditions. Eight hours of labor with modern machinery, with the use of the powers of nature in this country, will be abundant to furnish the people of this country with every comfort, with every convenience, and with every luxury that civilized man requires. I should not like to be compelled to work more than eight hours myself, although as a rule I do work more than eight hours. I have surely worked an average of more than 10 hours my life long, and I have worked for days and weeks and months 14 hours a day; but I have done that because I wished to, but not on compulsion. I would rather be busy than not—except on compulsion. I have worked at the things that entertain me, and I am glad to have had the opportunity. Compulsory hard physical labor driven by necessity is a very different thing——

Mr. LANE. Mr. President, if the Senator will pardon me, we will make a specific exception of him in this bill.

Mr. OWEN. For the man who labors with his hands and labors with his body and performs the severe duties that are imposed upon the workingmen of this country ought not to be required to work over eight hours. An eight-hour day, in my opinion, will be a more efficient day, will be more productive, will be more valuable both to the man who gives it to himself, his employer, and to society, than if the day were prolonged to 10, 12, or 16 hours. This bill will help to promote the eight-hour day not only for the 400,000 members of the railroad brotherhoods but of other railroad employees and in other industrial occupations.

I am glad to see progress made, but I hope the whole question of honest freight and passenger rates will be taken up next Congress with a determined purpose of protecting the people of the United States, invested capital, and labor on a basis of justice to each and all of those concerned in this vital problem.

Mr. BRANDEGEE. Mr. President, as I stated earlier in the day, the question of the establishment of an eight-hour day is not the question involved in this bill at all. There is not a line or a syllable of the bill that attempts to prevent anybody from working more than eight hours a day. That impression may be sought to be conveyed to the country for the purpose of enlisting sympathy for the provisions of this bill. It is utterly unwarranted. The brotherhoods do not claim that it is an eight-hour bill. Everybody admits that it is a bill which will simply add 20 per cent to the wages of the men. The railway operatives would be the first to protest against any legislation by Congress which would prevent their working more than eight hours a day.

Mr. President, this situation which has hung over the country like a pall for the last three or four months or six months, gradually darkening and increasing in its threatening fury as

it proceeded, is rapidly drawing to its close. It has drawn the attention of the country, in a way which otherwise might not have been done, to the fact that in the near future some provision must be made by Congress which will be of a general and a permanent character, not only for the purpose of terminating disputes and violence, but for the purpose, so far as may be, of preventing their occurrence and, if they do occur, of having some sort of a peaceful, orderly adjustment of them which will not revert to the era of barbarism, where the man with the biggest club obtained the most of the proceeds of the earth. It is utterly subversive of any theory of a self-governing and a self-respecting country that any set of men or any man should be allowed to assert an arbitrary claim, pronounce judgment in his own suit, and then proceed to execute his own judgment irrespective of the peace and good order of society. No government can stand which permits such a state of facts to exist, and no government ought to stand which permitted such a state of facts to exist.

Mr. President, the question of the regulation of commerce among the States is an exceedingly broad and intricate question. The Senator from Alabama [Mr. UNDERWOOD] has proposed an amendment to this bill which I will ask to have printed in full as a part of my remarks and simply the substance of which I will briefly state here. The effect of it is that the Interstate Commerce Commission shall have the power to fix the hours of labor and determine just and reasonable wages for all employees of the railroads named in section 1 of the act. They are the interstate railroads that are subject to the jurisdiction of the act to regulate commerce.

Mr. UNDERWOOD's amendment in full is as follows:

Add at the end of the bill a new section, as follows:

"SEC. 5. That the Interstate Commerce Commission shall have the power to fix the hours of labor and determine just and reasonable wages for all employees of the railroads named in section 1 of this act. The rate of wages and the hours of labor provided for in this act shall remain fixed for service and pay until changed by the decision of the Interstate Commerce Commission, which, within a period of not less than 6 nor more than 12 months from the passage of this act, shall determine what are just and reasonable wages and what shall be the hours of labor for all employees of the railroads above mentioned.

"The Interstate Commerce Commission shall have the power from time to time to change the hours of labor and the rate of wages for all employees of the railroads named in section 1 of this act, either in whole or in part, upon its own initiative, on the petition of the employees, the managers of the railroads, or the public."

Mr. BRANDEGEE. Mr. President, that takes up another feature of this great and multiform question to which Congress has given no consideration whatever. Neither branch of Congress has considered it. Such consideration as any individual may have given to it has been of the most casual and fleeting character.

It is asserted by the junior Senator from Georgia [Mr. HARDWICK] that there is no question about the authority of Congress to confer upon the Interstate Commerce Commission the right to fix wages, because we have conferred upon it the right to fix rates. I have been rather inclined to accept that statement in the past; but as I have thought of it more in detail, I am inclined to think there is considerable question whether that be true.

We must bear in mind that the railroad companies are owned by private stockholders. They are not a part of the Government of the United States. The securities of the railroad companies are property. They are owned by the insurance companies and the savings banks and the great trust funds of this country dedicated to charitable and benevolent uses, and form the basis of every stable fund. Their dividends are not entirely drawn into the pockets of "malefactors of great wealth" or of the presidents or officials of the roads, nor are they so in large part. As I say, they form the basis of all the stable investment and endowment and charitable funds of the country.

When we deal with a railroad question we ought to realize that we are dealing with the investments of a Nation to a large extent and that the visible authorities of the railroad are very frequently least financially concerned in the securities of those companies.

But to return, the fact that we could regulate rates constitutionally or authorize the Interstate Commerce Commission to do it does not necessarily prove to my mind that we can confer upon a commission the right to regulate wages, because the rate charged by the common carrier railroad corporations was a rate charged to the public for carrying the goods of the public. It was the legitimate regulation of commerce as everybody agrees. The fixing of the price which the private owner of a railroad shall pay to the private parties whom he employs may possibly be construed by the court to be a matter between master and servant not sufficiently connected with and related to commerce among the States to bring it within the regulatory power of Congress.

But, it is said, inasmuch as we have regulated the hours during which certain railway employees may work upon trains we may therefore regulate their wages. Mr. President, we regulated the hours because that was necessary for the safety of interstate transportation. To what extent a court will go in saying that the regulation of the wages is necessary for the safety of interstate transportation remains to be seen; it is an entirely unadjudicated question.

Whether that is perfectly plain or not, it is perfectly evident that the amendment of the Senator from Alabama conferring this great power as to wages and hours upon the Interstate Commerce Commission should not be put upon a bill with this limited consideration. It is open to exactly the same objections that the bill itself is open to, for nobody understands or pretends to understand the relations of the exceedingly intricate subjects with which the bill proceeds offhand to deal.

Mr. President, I wish to state another reason why I could not give my vote for this amendment or for the bill. Congress has passed a resolution, known as joint resolution No. 60, by which a commission, composed of the members of the Committee on Interstate Commerce of the Senate and the Committee on Interstate and Foreign Commerce of the House, is instructed to proceed to the consideration and investigation of the subject of the Government control and regulation of interstate and foreign transportation, the efficiency of the existing system in protecting the rights of shippers and carriers and in promoting the public interest, the incorporation or control of the incorporation of carriers, and all proposed changes in the organization of the Interstate Commerce Commission and the act to regulate commerce, also the subject of the Government ownership of all public utilities such as telegraphs, wireless, cables, telephone, and so forth. I ask that the joint resolution may be incorporated as a part of my remarks.

Mr. FLETCHER. What is the date of it, may I ask the Senator?

Mr. BRANDEGEE. It is known as Senate joint resolution No. 60, passed by the Sixty-fourth Congress, and approved July 20, 1916.

The joint resolution referred to is as follows:

[Public resolution No. 25, 64th Cong.]

Joint resolution (S. J. Res. 60) creating a joint subcommittee from the membership of the Senate Committee on Interstate Commerce and the House Committee on Interstate and Foreign Commerce to investigate the conditions relating to interstate and foreign commerce, and the necessity of further legislation relating thereto, and defining the powers and duties of such subcommittee.

Resolved, etc., That the Interstate Commerce Committee of the Senate and the Committee of the House of Representatives on Interstate and Foreign Commerce, through a joint subcommittee to consist of five Senators and five Representatives, who shall be selected by said committees, respectively, be, and they hereby are, appointed to investigate the subject of the Government control and regulation of interstate and foreign transportation, the efficiency of the existing system in protecting the rights of shippers and carriers and in promoting the public interest, the incorporation or control of the incorporation of carriers, and all proposed changes in the organization of the Interstate Commerce Commission and the act to regulate commerce, also the subject of Government ownership of all public utilities, such as telegraph, wireless, cable, telephone, express companies, and railroads engaged in interstate and foreign commerce and report as to the wisdom or feasibility of Government ownership of such utilities and as to the comparative worth and efficiency of Government regulation and control as compared with Government ownership and operation, with authority to sit during the recess of Congress and with power to summon witnesses, to administer oaths, and to require the various departments, commissions, and other Government agencies of the United States to furnish such information and render such assistance as may, in the judgment of the joint subcommittee, be deemed desirable, to appoint necessary experts, clerks, and stenographers, and to do whatever is necessary for a full and comprehensive examination and study of the subject and report to Congress on or before the second Monday in January, 1917; that the sum of $24,000, or so much thereof as is necessary to carry out the purposes of this resolution and to pay the necessary expenses of the subcommittee and its members is hereby appropriated out of any money in the Treasury not otherwise appropriated. Said appropriation shall be immediately available and shall be paid out on the audit and order of the chairman or acting chairman of said subcommittee, which audit and order shall be conclusive and binding upon all departments as to the correctness of the accounts of such subcommittee.

Approved July 20, 1916.

Mr. BRANDEGEE. That commission has been appointed; it is in existence, and has appointed a subcommittee to carry out its program of investigation; and it is ordered to report to Congress on the reconvening of Congress. The amendment of the Senator from Alabama, if adopted, would be a permanent policy in the Government. Surely we can not enter upon that in this light and frivolous way.

Mr. President, this particular situation ought not to be dealt with by a permanent and general law. The provision of the bill constituting eight hours as a basic day in determining the compensation of men goes on forever. To be sure it is only a tub to the whale in the way of a remedy, because, although the compensation of the employees can not be reduced under the terms of the bill for the next 10 or 11 months, as soon as that

has expired the employees and the employers are relegated again to their private contracts and their arrangements for compensation, and if the railroads, as the experience of the operation of this measure, say that it is so expensive—they claim $60,000,000 a year is the additional cost because of its operation—they can not pay that rate of wage, although they can not change the eight-hour basis, and they simply say, "We can not pay so much per hour," the same situation arises. The men protest and the railroads protest. It may be that the railroads would propose to arbitrate, and as the representatives of the trainmen stated in the hearing, it is their policy to refuse arbitration; they have tried it and it has failed. Then we are up against the very same situation six months hence.

This controversy is not one to be temporized or played with. It is sufficiently plain to the Congress that, whether the strike comes or not, the first duty of this Nation upon the reconvening of Congress is to take up this great problem and consider it in all its phases, because, as I say, we want to be just to labor, we want to be just to capital, and we must preserve the great transportation of this country free and uninterrupted; and whether the remedy be by the creation of a special tribunal, so constituted as that the laboring men and the general public can have confidence in it and compel the submission of contests of this kind to such a tribunal and compel the abiding of its judgment, we are forever engaged in an industrial war that may paralyze the resources of the Nation.

Mr. JOHNSON of South Dakota. Mr. President, I have just returned from a trip of more than 3,000 miles, coming direct to the Senate Chamber from the station, and believe I am in a position to briefly state the feelings of the people generally with regard to the pending bill before us this morning, House bill 17700, "for the establishment of an eight-hour day for the employees of carriers engaged in interstate and foreign commerce."

I do not know what line of discussion upon this subject has been advanced by Members of the Senate at yesterday's lengthy session, and hence I may touch upon the same thoughts in my remarks that have already been given you for consideration.

Personally I consider the passage of this bill to be the most important matter of real benefit to the people that has come before this body during this session. The failure to pass this or some similar measure before next Monday morning will probably plunge this country into the greatest commercial calamity that has ever befallen it, and for that reason I feel that no time should be lost.

I understand President Wilson has urged us to enact some legislation of this kind which will give immediate relief to the people upon a question that must be met at once. He has not asked this legislation for himself, but has asked it for the benefit of 100,000,000 people of this great Republic, and they will indorse his demand and the action of this body in enacting this bill into law.

The question has been raised by newspapers regarding the constitutionality of this measure now before the Senate. That is a question, as it appears to me, which is not an issue at this time. It is a question that must be left entirely to the courts. We may not be able to pass a bill that will meet the requirements of the whole country, because we have not the time; but we must, if we do our duty, enact some law that will at least give us temporary relief from the great danger that confronts us as a people.

Mr. President, it is a big question, and it should be handled in a big way, and I believe this body is competent to do it and will do it at once.

The question of travel and inconvenience to the public is the smallest possible question that we should consider in relation to this subject. Should a strike come upon the country, it will paralyze every industry; it will stop all manufacturing; it will stop mining; it will stop the mills, and it will put an end, at least for the time being, to all commerce; and it will do more than this, it will be followed by want, by distress, by riots and bloodshed.

Poverty and death will exist where we now have prosperity and contentment in the land. Every person in the United States is equally interested—every man, every woman, and every child—because it is something which will affect all alike should it come about.

Certainly we all know what suffering, misery, and distress follow strikes of this kind, and we can not help but feel that it is our sacred duty, as Members of this body, to endeavor to prevent in every possible way such conditions being forced upon the country at this time.

I do not know—I am not in a position to know—whether the demands of the labor leaders are just on this question or whether the contentions of the railroads are right; but I do know that there is a third party, the great common people of the United States, and I do know that they should be protected now and at all times and that their needs should be looked after, regardless of the question of right or wrong as concerns the demands of the railroads or their employees. Each have their own needs to look after and we have our duty to perform.

I have observed in the press that some of these labor leaders fear that if this bill should be passed and they should recall their orders for the strike next Monday they will be criticized and possibly branded as traitors to the cause which they represent.

I do not believe that, because they are representing the people for whom they are responsible in the same way that we are representing the people of the entire country. I think that the men they represent are confident that they will work for their best interests, just as I hope the people of the United States may have confidence in us and believe that we will do our duty.

I have the honor to have been a lifetime friend of one of these labor leaders. I have known him since we were children together. I have never known him other than an honest, capable, and fearless man, who would never forsake a cause or betray a trust. That man is Mr. A. B. Garretson, of Cedar Rapids, Iowa.

Mr. President, we do not represent our individual ideas in this matter. We can not vote, perhaps, as we would like to vote if we only considered our own views; but we are representing our constituency; we are representing all the people of the United States. Our constituency demands of us and the people in general demand of us that we consider in a businesslike way the great and grave problem that now confronts the country, and when we pass this bill to-day we will lift the pall that has been hanging over the country like a dark cloud for the past few days.

Mr. President, I have no intention in these few remarks to defend the labor unions in their contentions in this particular demand, because, as I have before stated, I am not in a position to know whether it is just or not. I am a friend of labor when labor is right, but I believe that its friends may at times be unjust in their demands. None of us is free from mistakes and abuse of power. Neither do I undertake, in my feeble way, to uphold the railroads, for the reasons before set out, but my observations have been that they have at all times been able to get three meals a day and a resting place at night from their profits from the people, and I have no fear that they will not be able to do so in the future.

Mr. President, I am unable to understand the position of the Republican Members of this body. I am unable to understand how they will be able to go before the country with a record of having resisted the enactment of this necessarily important bill into law, which will relieve, for the present at least, every citizen of our great country from a condition that would be appalling were it brought about. I can only believe that the position assumed by the minority has been taken for political reasons, antagonistic to the Democratic Party, because this bill will be recognized as a Democratic measure. Certainly they can not have the interests of the people of the country at heart in taking such a course, and I regret more than I can express that such a condition should exist in this splendid body. Surely, if this is not true, they prefer stagnation and want to reign within the country, where now dwells peace and plenty.

I thought, Mr. President, that the day of political secrets had passed, and yet what puzzles me is the attitude of the minority. What explanation will its Members give their constituents for their opposition to this bill? What are they going to say to the manufacturers and producers of all that keeps the great pulse of our commerce in motion? What reason are they going to give the farmers and stock raisers of the great Northwest and the cotton growers of the South, all of whom depend upon the transportation systems of the country to furnish markets for their produce?

It will not be easy for them to make these explanations. These manufacturers and farmers know better than anyone else the vast amount of money they will lose should this bill fail to pass by next Monday morning, when the wheels of all the railways in the United States stop turning.

Fellow Senators, the price of grain, of cattle and horses, of sheep and hogs, and the commodities of all producers and farmers would decline so rapidly and so suddenly that they could not realize 50 cents on the dollar for what these same commodities bring in to-day's open market.

Failure and bankruptcy would fall to the lot of men who are now prosperous and contented, who are making a good living for themselves and families, and who are, perhaps, laying up a little money for old age. They know these things will come

about just as well as any Senator who sits here to-day, and you can not fool them by excuses. You can not tell them there will be no strike, because they will not believe it, and you yourselves do not believe it. You will probably tell them that freight rates may increase slightly for a short time; but that will not satisfy them, because they know that where they would lose cents in increased freight rates, should they be imposed they would lose dollars in the decline of prices, should this threatened strike occur, by our failure to pass this bill before the time set for the calling of it.

No, my Republican friends, you have got yourselves in a hole by your own acts, and you can never get out and look the same again. Next November you will be left holding the sack, asking one another "Why?"

It seems to me that the criticism of our great President in asking Congress to enact this law is one which will not have any weight with the people. He has been criticized in this matter by the press, by Members of the Senate, and by politicians everywhere; the same as he has been criticized for his Mexican policy, for the child-labor law, and for many other matters of great and vital interest to this Republic. I believe the President has done his duty as he sees it, and I believe he has done his duty well in connection with all these great absorbing questions. I also believe that the people know it; and knowing it, they approve the stand taken by the President on each of these matters, and I feel that these criticisms to which he has been subjected will have no weight with them, but they will only tend to discredit those who indulge in them, and to condemn the Republican Party for all time to come.

Mr. President, in my observations through life, one of the things that I have always noticed is, that when any measure of real benefit to the people is asked for in Congress or in State legislatures, those opposing such legislation always raise the question of the constitutionality of the law proposed. If we should stop to consider and determine, at all times, whether a law is constitutional or not, I fear that we would not pass many laws that would be of real benefit to the people, and for that reason I am willing to go on record as a supporter of this bill and leave the question of its constitutionality to the proper tribunals—the courts of the country—to determine afterwards, because this question demands immediate action.

The great cry of the people of the country coming to President Wilson from thousands, and hundreds of thousands in the past few weeks and months has been: "Mr. President, keep us out of war; keep us from this impending strike." He has withstood the severe strain of these responsibilities, which are greater by far than any President since the days of Lincoln has been called upon to shoulder, with sublime courage and fortitude, bearing the burdens of the people in his splendid effort to keep the Republic from being undermined by the selfish demands of those who represent personal interests. I thank God that he has so far succeeded. I believe that, with the help of Congress, he will to-day be master of the situation in this country in these trying hours now confronting us.

Our duty as men is so plain that it can not be misunderstood, and we will do that duty.

Mr. President, I believe that at the next session of Congress we should go farther—much farther than this bill provides—as we do not have the time to do it now. I believe Congress should enact and place on the statute books a law which will make it impossible for any labor union, or for any set or class of men, to bring a great crisis upon the United States, which would affect every man, woman, and child living therein; and when that question is raised at the coming short session of Congress in December, I, for one, will vote for it.

If it becomes necessary for us to change the Constitution to enact such a law, then let us change it; and if it becomes necessary for this Government to acquire supervision of the railroads of the United States for the protection of its commerce and its people, I will vote for that also. I will vote for any measure that will prevent the recurrence in the future of anything of the kind which now confronts us. The great administration of President Wilson can not be criticized with any degree of justice. No man can help but point with pride to the splendid accomplishments of the Democratic Party during the present administration. No political party in the history of the country ever accomplished half so much in the same time.

Consider, if you will, a few of the great laws that have been enacted since Woodrow Wilson was inaugurated President. There is the income-tax law, which has come to stay; during this administration an amendment to the Federal Constitution providing for the election of Senators by a direct vote of the people was ratified by three-fourths of the States and proclaimed as the seventeenth amendment by a Democratic Secretary of State; a Federal Trade Commission law, with power to weed out corrupt business and encourage, help, and strengthen good business, was passed; the wholesome and useful piece of legislation known as the Clayton antitrust law, which carries a provision for checking and controlling monopoly in various forms, was enacted during this administration.

A good-roads law was passed at this session. I admit this question had been agitated in previous Republican administrations, but it remained for a Democratic Congress to write this law on the statute books, which is of untold benefit to every resident of every State in the Union. A child-labor law was enacted and approved by the President only last Friday. I do not wish to overlook the preparedness legislation, which passed at this session and which has already received the signature of President Wilson by which our Army and Navy has been materially strengthened in every branch of the service.

The ship-purchase bill should also be included in the big achievements of this administration. It has passed both Houses, and, as I am informed, only awaits the signature of the President to become a law. When this is done and this measure goes into effect, the outrageous ocean-freight rates now charged in this country will be greatly reduced. I would not be just to myself or this administration were I to omit the rural-credits law from this list, in which provision is made whereby the farmers of the United States can secure loans on their farms at longer time and more reasonable rates than heretofore. This law will be in complete operation as soon as the proper machinery can be set in motion.

Mr. President, I realize that I have digressed somewhat from the subject under consideration. In conclusion, permit me to say that I do not know whether this eight-hour law will be of real benefit to these workingmen or not. I am not in a position to determine. If it satisfies them at this time, and if it is a means of preventing the pending great strike, then, I say, let them be the judge. There is a serious question in my mind as to whether or not this proposed legislation will be of any benefit to them in the end; but, as one Member of the Senate, I am willing to leave the determination of this question entirely with their organizations.

It must be apparent to each Senator that there is something fundamentally wrong with the laws of a country which will permit strikes of the magnitude threatened to occur; and if that is true each of us should be interested in trying to relieve the situation.

All of us some time in life have felt the heartbeats of those in sorrow, in poverty or want; and each of us, I trust, in his feeble way has endeavored to relieve those in distress. What we are doing to-day in our endeavor to pass this law is to prevent in a wholesale way the recurrence of this very thing in every section of the country.

I hope and believe that this bill will become a law, and I hope and believe that it will not only become a law but that its enactment will prevent the greatest calamity to the American people, as I look at it, which has ever threatened us during our lifetime.

Mr. NORRIS. Mr. President, I rise now principally to explain an amendment which I expect in due time to offer in the way of a substitute for this bill, because, under the parliamentary situation and the unanimous consent agreement under which the Senate is now operating, I shall not have time to make any explantion when it is offered.

Mr. President, I do not desire to underestimate the condition that is presented to the country and which we are trying to avoid by legislation. I realize with all other American citizens that we ought to obviate the present difficulty if we can do so honorably. The pending measure does not, in my judgment, meet the situation. To a very great extent it is temporary. The provision in regard to the recognition of the eight-hour day, or rather that part of the bill which provides how the roads shall be operated as far as the eight-hour day is concerned, will not even temporarily in my judgment bring any relief.

Section 3 of the bill provides:

That pending the report of the commission herein provided for and for a period of 30 days thereafter the compensation of railway employees subject to this act for a standard eight-hour workday shall not be reduced below the present standard day's wage, and for all necessary time in excess of eight hours such employees shall be paid at a rate not less than the pro rata rate for such standard eight-hour workday.

Mr. President, if we provide that eight hours shall be the workday and then provide that you can work as much over eight hours as you and your employer may agree upon, and that for the overtime you will not be paid an excess you will have virtually accomplished nothing as far as an eight-hour day is concerned.

If we want to make an eight-hour day effective we must in some way penalize the overtime by the increase of pay or some other method so that it would not be profitable for the railroad companies to undertake to work the men more than eight hours.

Mr. President, I believe in the establishment of an eight-hour day. I should like to extend it as far as possible, and we are well justified in having it apply to men who are engaged in the management of interstate trains.

Complaint is made that others are justly entitled to the same consideration. Without denying that, it seems to me that it is sufficient to say that in regard to the men who are operating the interstate trains Congress has jurisdiction. Even though it may have jurisdiction of others there is a particular reason why men operating trains should not be overworked that does not apply to all other branches of industry. I will not have time to go into that, but I think that is apparent to everybody. The general public has a right to demand that every man who has anything to do with the control of an interstate train shall be in full possession of all his mental faculties. He can not have this if he is overworked.

I am going to offer a substitute for the bill when the time arrives, when it will be in order, which will provide for a recognition of the eight-hour day, and which in addition to that will provide that the Interstate Commerce Commission shall be empowered to fix the wages of all the men named in section 1 of the act, and also fix the salaries of all the officials of all the interstate railroads, and fix by rules and regulations the conditions under which men will be allowed to work over eight hours and the rates that they shall receive for such overtime, and then provide that the men, the employees or the officers, at any time feeling aggrieved at the salary or wage received shall have the right either individually or collectively through organizations to apply to the Interstate Commerce Commission for an increase, and that the same rules as to the Interstate Commerce Commission that apply in cases of complaint made by shippers shall apply and operate in such a case. I propose to provide that any citizen or organization of citizens can complain in regard to the wages or the salary of the officials.

It seems to me that sometimes we forget that in this great controversy there are three parties—the men, the railroads, and the public. We are too apt to forget that the public have rights that are at least equal to the rights of any other interested parties.

Personally, I can not see why some great tribunal representing the great public, if we are going to regulate the railroads at all, should not have sufficient authority to make a complete regulation. The salaries that the presidents of the roads get and the wages that the brakemen receive are both included in the freight rate and the passenger rate that the great public must pay. It is assumed that we have the right to control rates. That is admitted now by everybody, although it formerly was contested, and we have given to the Interstate Commerce Commission the right to regulate rates, to fix rates, to initiate complaints, and to pass on complaints made by individual shippers or anyone representing the public. We have given them the right to investigate and provided the means by which they can send out and get the evidence and make a thorough investigation with the object in the end of fixing a rate that is fair to the railroads and fair to the shipping public and to the consuming public. There is no member of the great public who is not interested in these rates.

It is important in fixing a rate that we know the value of the property and the money invested, and so on; but it is no more important than that we be able to regulate the money that shall be paid to all the employees of the company and the salary that shall be received by all the officials of the company. In other words, if the Interstate Commerce Commission had no authority—and it has not under the present law—to include these items, the salaries of the officials and the wages of the employees, an agreement between the railroad employees and the officials could so increase wages and salaries that it would be necessary that rates should be increased, and additional burdens unnecessarily put upon the people who have to pay those rates.

Why, Mr. President, I understand now a good many of the presidents and other officials of the railroad companies get salaries that to me seem exorbitant and unreasonable. I do not believe that there is a railroad president in the United States who is earning $100,000 a year, but I understand some of them get even more than that. I do not believe there is a railroad man or any other man engaged in any business in the United States whose services are so valuable as that; and yet there is not now any way, under the law as it stands to-day, to cut those salaries down. There is not any tribunal that can pass on that question.

It is suggested here that we give the Interstate Commerce Commission the right to pass on the trainmen's wages and the conductors' wages, while the man who gets $100,000—who is, perhaps, the very man who is objecting to the increase of the wages of the employees—has a salary that at least ought to be submitted to some fair tribunal for the purpose of ascertaining whether or not it is too great. They are all on an equality; they all constitute a part of the rates that must be charged for freight and passenger service. The same tribunal which investigates the one ought to be empowered to investigate the other.

The bill we have here provides for the appointment of a commission, and if the amendment of the Senator from Alabama [Mr. UNDERWOOD] is agreed to, as I hope it will be, the bill will then provide for a commission to investigate the wages and the eight-hour-day system. Then the commission—a different body—will have the power to fix wages, but there is no idea, so far as this bill is concerned, of their making any investigation in order to fix them.

There will be one commission investigating, without any power to fix anything, while the commission which would have the power to fix and to regulate is not making any investigation. It seems to me that it is unnecessary for us to provide for a commission, at an enormous expenditure of public money, to make an investigation if we give the Interstate Commerce Commission the authority and the power to fix salaries and wages. If it is necessary for them to make an investigation in order to fix wages, they are the ones to whom we should give the power. They have the authority to make an investigation. Perhaps giving them the right to fix the wages would give them the authority to make the investigation. I am inclined to think it would.

Then, what is the use of this other commission, traveling over the country at enormous expense, with perhaps thousands of employees? Although you have provided a limitation when the term of the commission must expire, we know how such things go. They will not be through with their work, perhaps, and, the first thing we know, we shall have a permanent commission investigating without any authority to act.

Mr. President, when they get through investigating, or 30 days afterwards, then at least a portion of this law becomes inoperative. No provision is made to rectify the condition that presents itself to us now, and which will again present itself to us then. If we should adopt the substitute which I have outlined it would, in my judgment, bring permanent relief. We would thereby recognize by law—and that is one of the functions of Congress, it seems to me—the eight-hour workday, as to trainmen, and we would give to the Interstate Commerce Commission the power to pass on all of the intricacies that must necessarily surround the settling of the amount of wages the men engaged in railroad service shall receive. This would provide a court to which they can go and have the compulsory service of witnesses; where the evidence can be preserved and taken care of by this permanent board provided by law for the regulation of railroad rates.

Mr. President, I am firmly of the belief that one tribunal ought to have complete control to regulate the rates, including the fixing of wages and salaries. It has been said by one Senator that that means Government ownership of railroads. It has been said just as earnestly by another able Senator that to permit the commission to fix the wages is the only thing that will prevent Government ownership. So far as I am concerned, Mr. President, and so far as this question is concerned, I do not care whether or not it leads toward Government ownership or whether it leads in the other direction. The question is, Is it illogical, is it right, and is it fair? When we pass a law that is fair and that is just, we ought to be willing to follow the results wherever they may lead.

I know that there is some feeling among the railroad men, which is shared in by others, and in which I admit I share, of a prejudice against the Interstate Commerce Commission as it now exists, which has arisen by reason of some of the things which happened in the recent past, notably the second hearing on what is called the 5 per cent rate increase; but we ought to either abolish the commission or give it complete authority of regulation. It is the logical tribunal to pass on this question. I would rather give to that body the complete power of regulation—and regulation can not be successful unless that power is complete—even though for the time being I might have some prejudice against the court.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. May the Chair say to the able Senator from New Hampshire that he is under somewhat of an

obligation to recognize the Senator from Iowa [Mr. KENYON], if he desires to occupy this time? Otherwise, the Chair will recognize the Senator fom New Hampshire.

Mr. KENYON. I defer to the Senator from New Hampshire.

Mr. GALLINGER. The Senator from Iowa made an arrangement with me that I should now proceed.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized by the Chair.

Mr. GALLINGER. Mr. President, I hold in my hand the crop of telegrams which have come to me during the last 24 hours, numbering at least 100. Many of the telegrams are from great industrial establishments from all parts of the country, protesting against the passage of this proposed law, while some are from labor unions asking that it shall be passed. I hold in my hand a bunch of telegrams from the city of Berlin, N. H., an industrial city, but shall read only one of them, which is as follows:

BERLIN, N. H., *August 31, 1916.*

HON. JACOB GALLINGER,
United States Senate, Washington, D. C.:

Members of Bartenders' Union, Local 677, insist upon the eight-hour workday for railroad trainmen at the present compensation, and emphatically protest against any law imposing involuntary servitude even for a day.

DANIEL FRAZIER, *President.*

Mr. President, I confess I do not comprehend what these men mean by "involuntary servitude," unless they allude to arbitration. However that may be, I want to suggest that if these bartenders would only inquire and ascertain how much "involuntary servitude" they have imposed upon the men, women, and children of their communities they might perhaps with more grace come to the Senate of the United States with a petition of this kind.

Mr. President, when the Congress of the United States exempted by law the membership of the labor unions of the country from the provisions of a criminal statute—the Sherman anti-trust law—I almost despaired of conservative action on the part of the Congress on the great economic questions of the day. Congress surrendered then to an unusual demand, and now we are asked to surrender to the power of force, accompanied by threats to paralyze the transportation and commerce of the country.

Mr. President, as the Congress yielded to the demands to make it unlawful for me (or you) to do certain acts and not unlawful for members of labor unions to do the same thing, so now the Congress is asked to yield to a demand for increased wages for highly paid men under the guise of an eight-hour day, which they themselves frankly admit they do not ask or want.

Mr. President, this propaganda on the part of the four brotherhoods has been condemned by almost every commercial body and by almost every leading newspaper of the country. I have extracts on my desk from many such newspapers, but in the 15 minutes allotted to me have not time to read them, but will call attention to a recent utterance from the Chicago Daily News. That widely circulated and leading newspaper, under the caption of "Legislation by strike threats," discusses this subject so frankly that I commend it to the attention of Senators. For want of time to read it, I ask, Mr. President, that the extract from that newspaper be printed as a part of my remarks.

The PRESIDING OFFICER. There being no objection, it is so ordered.

The extract referred to is as follows:

Americans should cherish no illusions in regard to the nature of the proceedings that are now under way in the national Congress. That body, acting at the urgent request of the President, is considering the proposed enactment of legislation for the special purpose of inducing the leaders of the railroad brotherhoods to rescind their strike order issued to go into effect at 7 o'clock next Monday morning. The supporters of the President's program know the price that the brotherhood leaders intend to exact, and they are planning to legislate under duress and a time limit in order to pay the price. Questions of reason and justice do not enter into the matter.

One of the three bills that have been submitted to Congress on the initiative of the President—the bill establishing a basic eight-hour day for railroad employees engaged in interstate commerce—embraces the minimum demand of the brotherhood leaders. Enactment of that bill is declared by them to be the price of peace—that is to say, temporary peace, for they make no promises except as to the immediate future. The passage of the eight-hour bill in both Houses by midnight to-morrow, the brotherhood leaders say, will secure the recall of their strike order. Meanwhile they take a bored interest in the President's bill dealing with mediation, arbitration, and investigation of labor disputes, and the President's other measure giving the national Government authority to operate the railroads in case of military necessity. They and their sympathizers in and out of Congress do not want either of the latter bills to pass as drafted. * * *

There is in short, good reason to suspect that of the President's three bills one is for passage and the other two are for show. The brotherhoods, with the able assistance of the President of the United States, have set out to secure an eight-hour basic day for all their members. If they get what they are seeking the brotherhood leaders, Mr. Gompers and the rest, will promptly turn their guns on the remaining measures. Thereupon Congress, no longer responding to the President's prod, is likely to discover with startling suddenness that after all it is in no hurry permanently to protect the public from strikes and strike violence. In that case the beauties of careful investigation and statesmanly deliberation will receive belated recognition at the Capitol, Congress will make a plausible gesture and hasten to adjourn.

The basic eight-hour day for railroad workers is to be legislated into existence at this time, if at all, practically by the railroad brotherhoods themselves through the persuasive powers of their threats of force, confusion, and widespread property loss. Can the 100,000,000 people of this Nation afford to suffer this extraordinary outrage in order to purchase a craven peace? A peace so purchased, a peace of this contemptible quality, must necessarily be temporary, fear-ridden, futile.

The American people should demand at this crisis that Congress refuse to pass laws under duress, working breathlessly against time because it has been stampeded by threats and political nightmares. The attempt of the four railroad brotherhoods to hold a stop-watch on Congress and the Nation should meet the rebuke that its audacious impertinence demands.

Mr. GALLINGER. Mr. President, it is a matter of regret to me that this controversy, which ought to be settled by arbitration, is before this body. This legislation is to benefit 350,000, more or less, of highly paid railroad employees. If this demand is yielded, what about the other great army of poorly paid railroad workers, between one and two millions in number? I read in a well-known publication on yesterday a statement to the effect that a gentleman, recently returning from a trip in the Blue Ridge Mountains, says he was waiting at a small station on the Southern Railway for a train to Washington, two and one-half hours late by reason of floods in North and South Carolina. He got into conversation with the baggage-master, who informed him that a member of the Brotherhood of Locomotive Engineers had stigmatized the agitation for a shorter day as iniquitous.

Why—

Said the engineer to his friend, the baggageman—

I am getting twice as much as I ever expected to earn. I receive $9.30 a day every day in the year. When I arrived at $5 a day I thought I was well paid and was perfectly satisfied. It is general opinion of many honest engineers and firemen that they are fully paid and in some cases overpaid.

The baggageman then said:

I have been with the Southern doing this work nearly 16 years, and all I get is $1.30 a day.

Pointing to a laborer on the track in front of the station, he said:

There is a man who has been with the Southern 27 years, and he is making only $1.15 a day, and can not get any more. He has a wife and family to keep, and travels 4 miles from his shanty to his work here every morning and back at night.

All of which goes to show—

Said the returned traveler—

that organized union men are so well paid that there is not sufficient left in railroad earnings to properly compensate those who do not belong to the powerful labor unions. If labor unions go much further, the public may be awakened and realize that unions may be likened to "Vaulting ambition, which o'erleaps itself and falls on the other side."

Mr. President, if that is a correct statement, as I believe it to be, it should give pause to this body as to its duty in the matter before it.

Let me ask in all seriousness, How long will this army of poorly paid railroad employees remain quiescent if this bill becomes a law? Will not they also strike? If not, why not? Think it over, Senators, and seriously ask yourselves if the proposed legislation will remedy the difficulty that confronts the country.

Among the telegrams that have come to me to-day, Mr. President, is one from New York, which I am going to read. It is as follows:

NEW YORK, *September 1, 1916.*

Hon Senator JACOB H. GALLINGER,
United States Senate, Washington, D. C.:

Increasing trainmen's wages arbitrarily 20 per cent is deliberate injustice. Any railway income available for increased wages should be devoted to other employees now notoriously underpaid. Public sympathy, usually with strikers, is now almost unanimously against trainmen, who would outrage the public for purely selfish ends. Railways are necessary public highways, and the people are entitled to first consideration. Advise arbitration or fight.

HARRY G. TARVER,
Society of Constructive Defense.

Mr. President, I am in favor of arbitration, and I exceedingly regret that this controversy is not to be settled through that instrumentality; but it is said that arbitration shall not under any circumstances be allowed in this contest. The representatives of the four brotherhoods have repudiated arbitration. This gentleman, telegraphing me, who signs himself as a member of the "Society of Constructive Defense," advises that if we can not get arbitration we should fight.

Well, Mr. President, the fiat has gone forth, and the probabilities are that no effort that we may make here against this bill will be successful. It will pass because it has the indorsement and the active support of the President of the United States, who seems to have taken charge of the legislative department of the Government.

It has also, apparently, the indorsement of the Democratic majority of this body; and for the reasons I have cited all we can do is to protest; and that is what I want to do before the bill comes to a vote.

I have listened with a good deal of interest to Senators who have told us that this legislation came from the President of the United States. It reminds me of a circumstance which occurred several years ago when the late lamented and distinguished Senator from Georgia, Mr. Bacon, in this body told of an incident which he witnessed in a foreign country. He did not state which country it was, but we all understood it was the neighboring Republic of Mexico. He said he went into the legislative assembly of that country and was startled to discover the fact that when bills were offered they were not debated or considered in any way but were passed without a word either in favor of or in opposition to the measures. He inquired of a distinguished gentleman what that all meant, and received the reply, "Why, Senator, those bills come from the President, and we do not need to discuss them!" We seem to be in pretty much the same attitude in this country that they were in Mexico when the late Senator Bacon visited the assembly of that Republic.

Mr. CLAPP. Mr. President, will the Senator pardon an interruption?

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Minnesota?

Mr. GALLINGER. With pleasure.

Mr. CLAPP. I understand that in Mexico, before the revolution at any rate, no bill could be introduced until it had actually run the gantlet of a committee, and its introduction had been authorized by the committee.

Mr. GALLINGER. Well, Mr. President, that may be so. I simply quoted from a former very distinguished Member of this body to show that the bills were not debated. If they came from the President of that Republic, doubtless the committee that considered them was under instructions.

Mr. President, I ask again, if we pass this legislation, how long will this army of poorly paid railway employees remain quiescent? Will not they also strike; and if not, why not? And again, if the railroad employees can force legislation of this kind, what about the many other millions of workingmen engaged in various employments the country over? What about the men who work in the mines, in the factories, and on the farms? What are they going to say when they are told that the representatives of certain labor unions came to the Congress of the United States, demanding that their claims should be recognized by the Congress in the face of a threatened strike that would paralyze the transportation interests and the commercial interests of this great Republic? Are they going to remain silent under those circumstances? Are they not going to see their power, Mr. President, as they have never seen it before, and are we not then going to face a condition of things more serious than we face to-day or than we have faced at any time in the history of this country?

Up to this time this army of men engaged in industrial pursuits the country over have supposed that arbitration was a recognized policy of the Government; but now the men who threaten this disastrous strike openly repudiate arbitration. When I asked some of them why they did not submit this question to arbitration, they said that they would never consent to have a controversy of this kind settled in that way; and they further intimated that unless the railroads yielded, they would insist upon the recognition of their demands by the Government through legislation, or else they would force this disastrous strike upon the people of the country.

Mr. President, I deprecate the possibility of a strike by these men, but I can not bring myself to believe that they would do so cruel and indefensible a thing under any circumstances. Perhaps they would, but, if they did, on their heads would rest the responsibility—an awful and a terrible responsibility.

Mr. President, I do not believe the position that members of these organizations occupy to-day is well understood. We are told that these four brotherhoods represent 350,000 or 400,000 men; that they have had a referendum; that those men have voted for a strike; and that a strike must necessarily follow unless this matter is settled by either a yielding of the railroad managers or by legislation on the part of Congress. A newspaper published an hour ago, the Washington Times, contains a dispatch from Chicago, headed "Western railroad men refuse to strike. Protests against walkout pour in from thousands of brotherhood members." Mr. President, I ask unanimous consent that the article shall be read by the Secretary.

The PRESIDING OFFICER. The Chair hearing no objection, it will be so ordered.

The Secretary read the article, as follows:

WESTERN RAILROAD MEN REFUSE TO STRIKE—PROTESTS AGAINST WALKOUT POUR IN FROM THOUSANDS OF BROTHERHOOD MEMBERS.

CHICAGO, Ill., *September 2, 1916.*

Throughout the West and Southwest there exists a very evident disinclination to obey the order of the four brotherhoods to strike at 7 a. m. Monday.

Engineers, conductors, and employees of every class affected by the order have not only declared their intention to disobey the order, but have, in some cases, sent protests to the four chiefs in Washington against its enforcement.

There is very good ground for believing that in the event of the order going into effect, owing to any hitch at Washington or elsewhere, not more than 25 per cent of the whole of the employees would join the walkout.

Vice President Byram, of the Chicago, Burlington & Quincy, stated that the poll of engineers, firemen, and trainmen, including conductors, show that 25 per cent of the members of the brotherhoods employed by the roads will not obey a strike order.

THOUSANDS REFUSE.

One thousand conductors employed on the Chicago, Milwaukee & St. Paul Railroad have telegraphed A. B. Garretson, general chairman of the Order of Railway Conductors, that they have withdrawn from the strike movement, E. D. Sewall, vice president of the Chicago, Milwaukee & St. Paul road announced.

A delegation of conductors of the Chicago & North Western Railroad has left here for Washington to oppose a strike. At headquarters of the General Managers' Association it was said that the men hoped to be in time to espouse the cause of the railroads before Congress.

Members of the four brotherhoods employed on the Atchison, Topeka & Santa Fe Railroad have requested their union chiefs to withdraw the order to strike.

The chairman of the Order of Railway Conductors refused to issue the strike order on the Santa Fe lines in California.

The Chicago, Milwaukee & St. Paul Railroad was notified that the Brotherhood of Railway Conductors on the section of that system between Chicago and the Missouri River had voted not to strike.

Sioux City dispatches say that reports from authentic sources there state that all engineers on the Chicago, St. Paul, Minneapolis & Omaha lines have refused to strike.

ENGINEERS WON'T STRIKE.

E. E. Kerwin, general superintendent of the Minneapolis & St. Louis Railroad, announced that he had been advised by representatives of the Brotherhood of Locomotive Engineers of his road that the engineers would not go on strike.

George R. Huntington, general manager of the Minneapolis, St. Paul & Sault Ste. Marie Railroad, authorized the announcement that assurances had been received from 40 per cent of the conductors and brakemen of that road, members of the brotherhoods, that they would not obey a strike order. Engineers and firemen of the road did not take a strike vote because of a three-year contract still in force.

Announcement was made at the office of Vice President Herbert, of the St. Louis Southwestern (Cotton Belt) Railroad, at St. Louis, that a large number of trainmen employed by that road would not strike.

President E. E. Calvin, of the Union Pacific, telegraphed:

"All of our engineers would remain at work in event of a strike, and we have the assurance that a very large percentage of conductors and other train employees would refuse to cease work."

Mr. GALLINGER. Mr. President, I do not vouch for the correctness of that dispatch, and yet it corresponds with the feeling that I have had on this subject all along. I never have believed that these men would strike; I never have believed that they would dare to disrupt transportation and paralyze the commerce of this country by a strike at the present time, and I think very likely that that dispatch states the exact truth, that the membership of those brotherhoods are now awakening to the fact that there is danger—danger to them, danger to the interests of union labor, Mr. President—if these gentlemen insist that Congress must pass a law this very day, almost this very hour, or else this great disaster which they threaten will be visited upon the people of this country. I believe that they have come to the conclusion that they should "stop, look, and listen" before taking action.

Mr. President, in this matter I speak for myself alone. The vote I shall cast I shall alone be responsible for, but under existing conditions my duty to the great body of the citizenship of this country is so plain that I do not hesitate to say that I shall vote against the passage of this bill.

Mr. REED. Mr. President, it was no part of my purpose to say anything further upon this bill than that which was embraced in the very brief remarks I made on yesterday, but there has been so much of misrepresentation, so much of misstatement regarding the issues now before Congress, that I think some one ought to state the case as it is. One of the commonest things in the world is for men to erect straw figures and then, with a heroism that challenges the admiration of all who do not know that the figure is straw, to charge upon the dummy and destroy it. My purpose in rising is, if possible, to bring this debate back to the record, back to the facts, and to take it out of the realm of fancy and imagination.

It has been said here that the railway employees, like highwaymen, stand with their pistols at the head of Congress with the words "stand and deliver" upon their lips. The question is presented to the public on the floor of the Senate as though union labor had sent its representatives to Congress with a message to the effect that unless an eight-hour day is granted

by law they will strike and tie up the business of the country, and that because the men stand with drawn pistols the Congress of the United States is cowering and begging for mercy and yielding to the demands of force. Now, the statements may have been made in good faith, but if made in good faith they have fallen from the lips of ignorance; they were not the expressions of men who are advised.

What are the facts? The facts are that the railway employees have for many years been organized. They have for many years, through their representatives, bargained with the managements of railroads with reference to wage scales, hours of labor, and all of the incidental questions. For the most part they make agreements which are to stand a year, and unless abrogated by one or the other these agreements frequently run over a long term of years. But all of the agreements, or practically all of them, contain a clause giving the right to either party to the agreement, upon 30 days' notice, to demand a modification or change or abrogation of the contract. That right has been often exercised both by the men and by the companies.

Acting, therefore, strictly within the rights reserved in their contracts, the men served notice that they desired an eight-hour day and overtime pay in the event the eight-hour period was exceeded. The managers of the roads met the representatives of the men in numerous conferences, with the result that no agreement was reached. At that stage of the negotiations the representatives of the men submitted to the men the question as to whether they should have authority to order a strike in the event an agreement was not reached. That strike referendum vote was carried by an enormous majority. Again the representatives of the men appealed to the representatives of the companies, and the representatives of the companies refused to yield the eight-hour demand. The companies, in fact, refused to yield anything. They, however, did say that they would arbitrate the eight-hour question which the men raised, but that they would at the same time insist upon submitting along with the eight-hour question many other questions which had been settled for long periods of time and had slumbered for many years.

Thereupon the men and the companies came to a point of sharp disagreement, and it appeared that the men were about to call a strike. Neither side had appealed to Congress. Neither side had appealed to the President. It was manifest that a war between the employees and the companies was imminent, impending, and about to fall upon the land. In that situation of affairs the President of the United States, upon his own motion, sent for the representatives of the men and asked them to meet him in Washington to discuss some plan to avert this national calamity.

The men came and submitted their proposition. Afterwards the President called in the representatives of the companies and asked them to discuss the question with him. The representatives of the companies told the President that they would not concede the eight-hour day; that they were willing to arbitrate, but that they insisted upon arbitrating not only the eight-hour day but many other questions. In that condition of affairs the President again appealed to the representatives of the men, and finally the representatives of the men stated that if the eight-hour day was conceded to them under some kind of temporary arrangement, so that some word could be sent out to the 450,000 men over the country that eight hours had been conceded, even temporarily, then the men would assent to the arbitration of every question; but they asked as a preliminary the temporary concession of the eight-hour day.

Thereupon the railroad managements took the responsibility of saying that they would permit a strike, the paralysis of the business of this country, the entire destruction of our commerce and our transportation, with all the incidental suffering and misery it would entail, rather than even temporarily to concede the eight hours, although they were guaranteed a full arbitration through a commission to be appointed by the President, and although they were practically guaranteed by the President that if it became necessary in order to meet additional expense to have additional freight rates the necessary legislation would be enacted.

In that situation, the President finding that he could not prevail upon the managers to yield, the President brought this question to Congress. The men did not bring it here. The men who declare they brought it here assert that which is untrue, that which they ought to know is untrue. Not only did the men not bring it here, but Mr. Garretson, one of their chief representatives, very early in his testimony, stated:

It is a misfortune, and no reasonable man on either side denies it, and I believe that if a settlement can be effected by Congress, even though we are in every essential opposed to the settlement of such questions by the legislative method, that it would be considered desirable and will have the reasonable aid of both parties. For our own side, we waive the age-old traditions of these unions, and accept a legislative settlement.

Is that the talk of a man with a gun in his hand, saying, "Stand and deliver?" Or is that not rather the talk of a man who, recognizing that a great calamity may be precipitated, is willing to do what he can in reason to avoid the consummation of that calamity?

Mr. President, what, then, is the attitude of Congress? Is it being coerced by labor? Is it being coerced by the railroads? Neither can be justly said to be the case.

Mr. BRANDEGEE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Connecticut?

Mr. REED. In a moment. A condition has arisen. Two opposing forces have gone into the open. They are ranging themselves upon the field of battle. They are asking no odds and no assistance. But that battle, when it occurs, is to produce a condition in the entire land that will affect the entire population; and accordingly the President of the United States, acting within his constitutional prerogatives and in strict accordance with his duty, comes to Congress and states to Congress, "Here is this condition. What can you do to prevent it?" Congress, acting with some common sense and reason, is proceeding to try and prevent it; and all the mock heroics of all the pretended statesmen, the performances of all those gentlemen who like to parade in the sunlight and strut in public as defenders of the Constitution and the protectors of the dignity of the country, will never deceive the people of this land with reference to this one vital and important fact—namely, that the action that Congress is about to take is an action taken on behalf of the American people to meet the demands of a great necessity, and that it is not a cowardly surrender. The cowards in Congress, if there be any here, are those gentlemen who refuse to accept their share of responsibility, who, like a lot of Pharisees, stand aside, wrapping the garment of their holiness about themselves, proclaiming to the world, "We are not as you wicked men who would avert this strike. Behold us! We are too holy, too good to do our share to stop a great national calamity. Let it fall. We will not soil our holy hands!"

Mr. President, I have no patience, either, with those gentlemen who would load down this emergency measure with a great number of things which, if they are attached to the bill, will make it impossible to pass the bill in time to prevent the strike. There is more than one way of killing legislation. One way is to vote against it. Another way familiar to the Senate is to talk it to death. A third way is to amend a proposition to death—to so amend it that men can not vote for it; to so amend it as to render it unworkable. In this case the amendment proposed will, if adopted, very likely provoke a strike.

Mr. President, I want to say to this body that there is not a man on the other side nor on this side who would dare vote against this bill if he knew his vote would produce the strike; but they are quite willing to try and escape responsibility and assume the superior air of critics while the Democrats put out the fire. There will, I hope, be some good Republicans to help us put it out.

I desire, Mr. President——

The PRESIDING OFFICER. The Chair is compelled to inform the Senator——

Mr. REED. My time is up, I know. I am making a request to have read an editorial from the New York World of yesterday. I do not know whether, under the unanimous-consent agreement, it can be read out of my time or not.

Mr. THOMAS. Mr. President, if I am entitled to any time I give it to the Senator for that purpose.

Mr. REED. That can not be done; but the Senator can read it if he will.

Mr. THOMAS. I will read it.

The PRESIDING OFFICER. The Chair recognizes the Senator from Colorado as having addressed the Chair for the purpose of addressing the Senate; and the Chair now recognizes the Senator from Colorado addressing the Chair.

Mr. THOMAS. The editorial is entitled:

PUT OUT THE FIRE FIRST.

The people who censure Congress for hastily adopting emergency legislation to prevent a railroad strike are either fools or they want a strike.

If Congress failed to rush this legislation through and a strike followed, these same people before Tuesday night would be imploring Congress and the President and all the agencies of Government to settle the strike at once and on any terms.

The most hysterical shouters for a settlement would be the members of chambers of commerce and manufacturers' associations who so smugly deplore the "surrender" of the United States Government to the pernicious demands of trades-unionism. The minute their pocket

nerve was touched by the tie-up of traffic, there would not be enough ears in the country to respond to their screams.

These self-appointed critics of the President and Congress have caught the spirit of bluff from the railroads and the unions, and think they ought to make a voluntary contribution of their own to the national store of hypocrisy and false pretenses. They are all very brave and resolute until the strike comes. Then they would be the first to run to cover.

The immediate business of Congress in the matter of legislation dealing with this railroad situation is to pass the bills that will give the public guaranties that no strike will take place. The next is to prepare with due care and caution a code of legislation that will safeguard the country in the future. Congress is dealing with a condition, not a theory. The first duty of a doctor in an emergency case is to save the patient's life, not to prescribe a system of moral and economic conduct for him in the event that he survives.

There is no reason why Congress should concern itself at this time with the wailings of the railroad presidents against the eight-hour bill. The railroad presidents helped to create this situation. They still want a strike. They would be glad to see every facility of transportation paralyzed if they thought it would wreck the unions. They have no more regard for the rights of the American people in this crisis than the brotherhood leaders have shown, and no tears need be shed over them because Congress is jamming an experimental eight-hour law down their throats. Any injustice that is done to their stockholders is sure to be remedied.

Congress in this matter is on the side of the public, and that is where Congress ought to be. The advocates of delay are the advocates of a strike and of national disaster.

It is silly to charge Congress with surrendering to the unions. The unions had a legal right to strike when the strike was ordered. There is not a line on any statute book which prevents their striking, nor could any law be enacted before Monday which would compel them to work. Whatever their moral guilt may be, they are within the law when they do the thing that they threaten to do. Therefore, it is the duty of Congress to take such practicable means as may be adopted at once to remove the excuse for a strike. Whatever further adjustments are necessary can be left for the future. That is the common-sense method, and Congress is displaying far more intelligence and patriotism than its critics.

The rights and wrongs of this controversy are yet to be determined so far as they affect the railroads and their employees. But the rights and wrongs of a railroad strike, so far as they affect the public, are obvious and incontestable. A philosophic fire department might plausibly contend that its chief duty was not to extinguish the flames, but to frame a fireproof-building code and strengthen the laws against arson. That would no doubt be an admirable public service, but in the meantime the building would burn down, the fire would communicate itself to other buildings, and a whole community would be left homeless.

We prefer the congressional way of putting out the fire first, and determining later whether it was of incendiary origin or due to defective wiring, and whether the owner can legally collect his insurance.

Mr. LEE of Maryland obtained the floor.

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER. Did the Senator from Mississippi rise to address the Chair?

Mr. VARDAMAN. Yes.

The PRESIDING OFFICER. The Senator from Maryland was recognized in accordance with the order of speaking heretofore arranged——

Mr. VARDAMAN. I yield to the Senator from Maryland, then.

The PRESIDING OFFICER. Unless the Senator from Mississippi had a query to address to the Chair, the Chair desired to inform the Senator from Mississippi why he was apparently disregarding him.

Mr. LEE of Maryland. I shall be glad to have the Senator from Mississippi proceed.

Mr. VARDAMAN. No; I will not interfere with the Senator's remarks.

Mr. KENYON. Mr. President, I want to say a word.

I had hoped and believed that a great question of this character could be determined far above and away from any political considerations. I hope there may be some questions in Congress that we can solve in a spirit of patriotism instead of any spirit of partisanism. Every man in this Chamber, I am sure, has approached this question in no pharisaical way, but with that seriousness which becomes serious-minded men in the consideration of the most serious questions that can affect the life of the Republic, the happiness and welfare of our people.

I find myself in a position where I can not support the amendment of the Senator from Alabama [Mr. UNDERWOOD], nor can I vote for the bill. I believe the amendment of the Senator from Alabama, if adopted, would absolutely destroy union labor in this country. I believe in union labor. It has served and will serve a useful purpose in this Nation. I am not ready to strike the blow that this amendment would strike at union labor.

Mr. President, in my short time in Congress I have voted, I think, rather consistently for every measure that would benefit the condition of the man who toils and help to make his existence a little better and a little easier. I believe in an eight-hour day in our industrial life. There may be circumstances in certain industries where it could not be brought about; but as a general proposition I am ready and anxious to assist in all movements looking to an eight-hour day for the man who toils.

Eight hours for work, eight hours for recreation, and eight hours for rest is the ideal day. It will make for better homes in our Republic, for better lives, and for better citizenship, and it is a part of the great structure of social justice that many people dream may become an actuality some day in this Republic; and I believe it is coming. The eight-hour day must come in industrial life.

This bill is not an eight-hour-day bill. That has been shown by the testimony before the committee. It was stated—I heard the statement; I tried to attend most of the hearings of the committee—that the railroads would prefer to go on and pay for the extra time; it would be more economical. So we do not have the humane measure of an eight-hour bill. It is not that. It is merely a bill to increase wages, and we may as well face that frankly. To call it an eight-hour-a-day bill is a fraud.

I have a great sympathy with the men in these brotherhoods. I heard the testimony of Mr. Garretson. I have known him for years. There is not a better citizen in the Republic; there is not a more patriotic man. The men in these brotherhoods are just as patriotic as people who may criticize them, and would just as quickly go out in the defense of their country and their flag as many people who now are assailing them as traitors to their country. Mr. Garretson pictured in a most dramatic way how, when asked by the President to postpone this strike, he had come to his Gethsemane. I guess it is true that in most men's lives there comes a time when they carry their cross to their Gethsemane. Looking at that man that night doing his duty as he saw it anyone could see that he was carrying his cross to his Gethsemane.

I sympathize with him. I wish I could vote for some measures to help these men. I do not believe for one instant that in voting for this bill I would vote to help them.

I can not have the same sympathy with the railroad presidents and executive officers. I have noticed great railroad properties in this country wrecked by the men in power; great sums voted as presents to men leaving employment, as the Rock Island investigation showed a great sum was voted to the general solicitor of that road as a present; actions upon the part of men high in authority in the San Francisco Road and the New York, New Haven & Hartford Road that ought to make them adorn prison cells. I can not have the same feeling for them somehow or other, especially in view of the extravagant salaries many of them are receiving.

But outside of all sympathy, what is the proposition, and what is Congress asked to do? This is a proposition of 10 hours' pay for 8 hours' work. That is the proposition; and more vital than that is for Congress, without any information or investigation, by law to say that that thing shall be done.

Mr. President, that may be right. It does not strike one at first blush that it is right, but it may be right. I do not know. That is why I shall vote against this bill. I want to know. I want to know the relationship and effect that taking this money to pay these men this 25 per cent addition will have upon the other men working upon the railroads. How about the section men out in the night and in the storm and in the cold, protecting the trains? How about the switchmen? How about the station agents that the Senator from Minnesota [Mr. NELSON] referred to the other day, in the lonely places trying to eke out an existence? Those are questions I want to know about before I am compelled to vote, and I propose to know about them before anybody compels me to vote on this proposition.

How about the shippers? How about the farmers? How about the men who are going to pay this $60,000,000, the railroads say—$20,000,000, the men say? Now, a little does not make any difference, we say, added to freight rates. Every little is added to every other little—fifty millions in the last year of freight rates. Pass it on to that myth known as the "ultimate consumer." I want to know about that. I want to know if we can save this sum in the economical management of railroads, instead of passing the burden on to the consumer. People other than railroad managers and employees are interested in this question.

So I oppose this bill, not because I am opposed to an eight-hour day, for I favor that. I oppose it for two reasons. One is that in my judgment the bill is a humbug; that it will give these men nothing that they desire. When the period of nine months is up they will be just where they are now, with a strike upon their hands. It gets nowhere. I oppose it, secondly, because of the great fundamental principle of government that Congress is abdicating its right to reasonable judgment and meditation upon the questions that come before it.

I can well see that men can vote for this bill in order to avoid a strike. That is the hard question that is put up, as it is, by the Senator from Missouri: "What would you do in the last analysis?" Men would have to take their position, whether they would vote for this bill and abdicate the fundamentals of

this Government, as far as Congress is concerned, or face a strike. The Senator from Mississippi [Mr. VARDAMAN] had a solution of that the other day—a joint resolution asking that this strike be postponed.

Does anyone imagine that these railway men, wise and patriotic as they are, with a resolution of that kind from Congress, would hesitate to postpone this strike and enable us to take up every question involved and settle it? If they would not do that, I would vote for a resolution or a law that would enable the President of the United States, if he did not have the power, in behalf of the great body politic of this country, to take over these roads on Monday morning and operate them if there was any strike. I do not believe there would be a strike. We have a duty to the millions of people in this country who are dependent upon our lines of transportation for the necessities of life. I do not propose to forget these unnumbered millions in my vote here.

Now, Mr. President, I think I shall not take any more of the time of the Senate.

This question should be decided in a spirit of patriotism and not partisanism—decided by a consideration of the question as to how it will affect the good of the greatest number, and not by a consideration of the question of how many votes it will affect.

I vote against this bill for two reasons, as hereinbefore stated:

First, it does not give the men what it purports to. It is not an eight-hour-day bill. It is a mere temporary makeshift that leaves them at the end of nine months in the same condition they are at the present. It is, in my judgment, a sham, a fraud, and a humbug.

Second, I vote against it because Congress has had no opportunity to consider its effect or to investigate the facts upon which the legislation for a proposed 10-hour pay for an 8-hour day is based. No opportunity to consider its relationship and effect upon the wages of others, or as to whether the burden is to be passed on to the shippers and consumers of the country or can be saved by economical railroad management. The verdict of the future, especially of labor itself, will, in my judgment, verify the statement that the best friends of labor to-day are the men who oppose the passage of this bill.

Mr. VARDAMAN. Mr. President, I realize the evil consequences of hasty legislation. It was my desire when this question first came before the Senate that a joint resolution be passed requesting the railroad employees to postpone the date of the strike until such time as would give the Congress an opportunity to examine the question in all its phases. I do not think it would have been beneath the dignity of the Congress, as some Senator suggested, to have done that, and I am sure it would have been an earnest to the railroad employees that Congress would treat them fairly, which would have caused them to cheerfully respond favorably to the request. The Congress did not do that, and the American people are confronted with a great industrial disaster. Borrowing from the late President Cleveland an expression which happily describes the situation, a condition and not a theory confronts us.

If the bill shall be passed by the Senate which has come to us from the House it will do one thing certain; it will avert the strike. I know it does not give any permanent relief to the laboring man or adjust permanently the differences between capital and labor. It is not intended as a piece of permanent legislation. It is a temporary structure contrived to bridge the chasm which has suddenly yawned at our feet. And it is a chasm that must be bridged, because we must cross it right now. To use another figure of speech, it may be a mere anesthetic to the patient who suffers. It will not cure the disease, but it will relieve the patient until the operation necessary to restore permanent health shall be performed.

If the bill shall pass, its provisions against which complaint is made do not go into effect until the 1st of January, 1917. It does not change the order of managing the railroads. It does not change the rate of wages. Congress will meet 30 days before the law goes into effect. In the meantime everything needful can be done to pass a permanent effective measure to meet the conditions which have arisen and which may arise in the meantime. No principle is violated. The rights of no class of people are violated.

The laboring men, the railroad employees, are satisfied with this bill. It will prevent a strike. There is no question about that. Then, if anything else needs to be done to protect the interests, which the Senator from Iowa [Mr. KENYON] a moment ago said ought to be passed, we will have ample opportunity from the 1st of December to the 1st of January to enact it. Should the matter be postponed or the bill defeated just because it does not, in the judgment of every Senator, appear to be the ideal thing to be done? I know it is an immature piece of legislation—an expedient to meet an emergency—and I am also aware of the fact that we are entering upon a new field of legislation, and we ought to be careful about what we do. But there is nothing in this bill that is hurtful to anybody. No harm can possibly come from it either in the enforcement of its provisions or as a precedent in legislation, but a very great good will surely result, to wit, the prevention of this strike, with all of its attendant evils. I shall vote for the bill.

I am not going to do anything knowingly that will add to the burdens which the taxpayers of this country are already bearing. I do not believe—but I am not going to enter upon a discussion of that question—that if the demands of the railroad men who are asking for an increase of wages were granted it would necessarily result in an increase in freight rates.

I believe that if the matter shall be investigated you would find that the profits of the railroads are great enough and the misappropriations of money in some instances have been large enough, if devoted to the payment of wages to the men who suffer and toil and die in order that the stocks may be worth the paper they are written on, to provide ample funds to make the increase in wages without levying any additional burden upon the shippers of the country. Of course, if the railroads are permitted to do it, they would double the freight rates and at the same time reduce the wages of the men and women whose toil keeps the road going one-half.

But, Mr. President, that is not the issue now. The question before Congress and the American people is the impending strike. I am not going to take the time of the Senate to try to find the men or the persons who are responsible for the strike. Certainly the employees of the railroads have done no more than they had a moral right to do. The railroad presidents have done no more than they had the legal right to do. The question is whether or not Congress, which sits here to represent the railroad presidents, the employees of the railroads, and the American people, is going to do the thing which will prevent the strike, avoid the disaster which will follow it, and open up the way by which Congress may legislate intelligently and permanently on this great question in the future.

The time will come, I believe, when the rights of the railroad employees will have to be determined by the Government through the instrumentality of the Interstate Commerce Commission, or some other commission created for that purpose, but we are not considering that just now, and now is not the time to consider it. We have not the time to maturely consider it. It is a matter of far-reaching concern and ought to be very carefully considered.

I submit if this bill is passed we will have until the 1st day of January to devise ways and means to meet any exigency that may arise.

There is another thing which ought to be considered, Mr. President, and that is that when we come here in December to take up this question the minds of Senators will not be warped and clouded by the mists and interests and prejudices of partisan politics. The election will be over, and we will be able to see this problem in its due proportions and do the thing needful to protect the interest of the American people.

Mr. BORAH. Mr. President, I would make any reasonable concession to avoid the calamity which would undoubtedly follow from the strike, which is now dated for Monday. I would make any concession except that involving a principle which I deem fundamental. There are some things, of course, the value of which can not be measured in money or surrendered because of material loss. There are some things the value of which no man would permit to be measured against the loss of political friends or of political power.

Mr. President, a great deal has been said in the Chamber in regard to organized labor. Many eulogies have been delivered upon the leaders of organized labor. I presume that everyone who has given consideration to the subject in these times of modern industrialism will concede the virtue of organized labor, will concede its beneficence and its worth not only to those who are actual members of the organization, but the radiating influence and beneficence of unionism throughout the realm of labor, even though it be unorganized. I entertain, along with my colleagues, a profound belief in the virtues and the beneficent worth of organized labor. I have had my faith in organized labor pretty severely tested several times in my life; but notwithstanding these tests and experiences, I still retain the firm belief that organized labor is an essential and most vital element in the bettering of the conditions of the workingmen.

But, Mr. President, while I respect organized labor and believe in it, I am not fraid of it. I am not afraid of it because of my confidence and my faith in the great body of the workingmen. In all my experience I have never known a

proposition fair and just to be rejected by the men who actually perform the labor.

It has been said that these labor leaders here were powerless to withdraw this strike order; that they were not in a position to render ineffective the order which had been sent out. I will not here and now dispute that proposition. I might be in error, and I do not want to pass judgment upon men so highly certified to in character as the leaders of these organizations, although I have my own opinion as to that proposition. I will concede, however, that contention to be true.

But we seemed to have overlooked the proposition that there were those who could have rendered nugatory that strike order, and that was the great body of men of whom and for whom these representatives here are merely the agents. The men who run the trains, who do the braking, who fire the engines, the rank and file of that noble class of men, could have rendered it nugatory. It was within their power to relieve their leaders, to put at ease the public, and to have done justice to themselves, and I have never doubted but that they would have done so had it been properly put up to them.

I will not join in an indictment against the intelligent and, I believe, loyal men who operate the trains of this country by saying that they would not have terminated this strike as soon as they were assured that the Executive and Congress were entering in good faith upon the investigation of this tremendous question. It is my candid opinion, and I speak, Mr. President, with some experience concerning these matters of organized labor, that if Congress had passed a resolution at the time the President passed this matter to Congress stating that it was entering upon a comprehensive investigation and consideration of this entire question in good faith for the purpose of arriving at an intelligent conclusion, passing upon and measuring the rights of each and all the parties to the controversy, and that it proposed to proceed with the consideration until it should be finally worked out to a fair conclusion for all parties, the men who are operating the trains of the country would have acceded to and accepted the good faith of Congress in that respect. They would have quickly responded to such a manifestation of purpose upon the part of the Government, a Government which they respect and honor.

Do you tell me that the men who now hold the respect of their neighbors, who now mingle with the best people of their respective communities, who are each day intrusted with the property and the lives of thousands, men who occupy a position of exceptional trust and fidelity, would not have accepted from the President of the United States and the Congress of their country a declaration that we were entering upon this matter with the fullest intent to solve it, and that they would not have postponed this calamity until such time as we could have done so in decency and in effectiveness and in comprehensiveness?

No severer indictment could be drawn against the patriotism and the character and the intelligence of these men than to say that notwithstanding they had put in action all the great powers of the Government they declined to give the powers of the Government an opportunity to intelligently pass upon it and would rather than do so enter upon a state of anarchy? Those who so charge would in my judgment libel these men.

No, Mr. President, they would not have done so; and these men who here say they were powerless and who approached, as they said, their Gethsemane if they should take a sidestep in regard to it, would have been aided and supported by the great rank and file of the men whom they represent.

I do not speak entirely, Mr. President, without knowledge in regard to that. I have not the honor of knowing the heads of these organizations; it has never been my pleasure nor my privilege to meet any of them, but I have some knowledge and some communication from some representing a considerable number of those whom they purport to represent, and we should have been within safe lines and on sure ground to have proceeded with this matter in circumspection and after investigation and with full information to the settlement of it.

Mr. President, proceeding as we do now, we proceed without information; we proceed without any facts whatever upon which to form a judgment. We have no information which leads us to one conclusion or another. We know nothing with reference to these wages in their relation to other wages; we know nothing, as the able Senator from Iowa [Mr. KENYON] says, as to its ultimate effect upon the other people whom we represent. We are not permitted to know the facts. I should like to ask how legislators can legislate without facts upon which to form an opinion, unless we assume, as I indicated last night, that we are legislating by reason of the dictation of other powers? If we have no knowledge, no information, and yet write the law, we must be doing so at the will of some outside power.

I represent in part, Mr. President, a portion of the country which has suffered, and which does still suffer, by reason of high freight rates. There is many an industry in that region of the country which either remains undeveloped or which languishes by reason of its long distance from the market, by reason of the high freights which we pay coming in and going out.

This has restrained development in that vast northwestern empire for years, and I presume we must continue to bear the burdens to a large extent. Many a man in that country will bear witness to what I say. I want to know, Mr. President, before I vote to increase freight rates—because ultimately that is what this means—first, that these men are actually entitled upon the facts to have their wages increased; secondly, I want to know, if I can, what is the present income of the corporations from which they will most immediately receive their pay, and to what extent it must necessarily be passed on to those whom I represent as well as union labor. I represent all; and I will not, to my knowledge, sacrifice one to the interests of another.

We are not permitted to have this information. It is said to me that we must pass this bill before Saturday night or that these men will bring on the calamity. I say to you, and I believe I speak more nearly the sentiments of these men, that all we had to do was to give evidence of good faith in our determination to enter upon this investigation and to adjust it fairly as between all parties.

But, sir, if indeed we are up against the proposition that we are dealing with a body of men who would not permit Congress to have the facts or to take time to investigate and to pass intelligently upon them, if I have placed too high an estimate upon the character and patriotism of these men, and we are yielding to the suggestion and the dictation and the direction of these men, then, indeed, the Congress of the United States has met the great crisis of its history. If indeed, sir, we are met here with a demand which we can not postpone for information, which we must execute without information, and, most of all, if we propose to execute it without information, then indeed the spirit of the fathers has departed and the traditions of this body will soon be turned to shame and humiliation. If we are face to face with that proposition, then let us meet it with the spirit and courage which become the Senators of a great free Republic. Let us defy it on the threshold and call upon all the powers of the Government to move these trains and protect organized society.

And let us see, further, in what position organized labor is placing itself. The able Senator from Alabama [Mr. UNDERWOOD] has offered an amendment to this bill which provides for the fixing of wages, which, in effect, would put the wage question under the control of the Interstate Commerce Commission. I want to warn the union-labor men of this country that that is the inevitable logic of the position which we occupy when we pass this bill. I want to say that the American people will never permit Congress to pass this kind of legislation unless there accompanies it provision for a tribunal which shall be clothed with the authority and the power to make full investigation and to fix wages for all men engaged in the service of the public utilities. The workingmen of the country have now conceded the right of Congress to fix wages, because, as said by the Senator from Iowa, that is the real contest. That is the concession, which, in my judgment, if it were submitted to the 400,000 men represented here, would be voted down by a vote of 85 per cent. It would receive condemnation from all union labor.

The first effect of this legislation, therefore, is to concede to some power—either the Congress or the tribunal created by it—the right to fix the wages of the men working upon the public utilities.

What is the second feature of the bill? It has been said that society has sanctioned the eight-hour day. Let us assume for the moment that the eight-hour day is in this bill; let us assume for the sake of the argument, and only for the sake of the argument, that that is true; what do we find?

The PRESIDENT pro tempore (at 3 o'clock and 25 minutes p. m.). The time of the Senator from Idaho will expire at 3.30 o'clock.

Mr. BORAH. Thank you, Mr. President.

What do we find here in this bill? If society has sanctioned the eight-hour day, under what theory can either the brotherhoods or the Congress of the United States apply a great principle of humanity to 20 per cent of the men who operate the trains? What will the brotherhoods say to the vast concourse of men who will be there to greet them when they return to

their homes? "We have succeeded in establishing a great principle of humanity." "For whom? For 20 per cent of us."

Mr. BRANDEGEE. Mr. President, will the Senator from Idaho yield to me there?

Mr. BORAH. Yes. I thank the Senator.

Mr. BRANDEGEE. And with a provision in it for pro rata pay for overtime.

Mr. BORAH. Mr. President, that is not the worst of it. This fact proves beyond question that the Congress of the United States is not exercising its judgment, is not exercising its discretion, is not exercising its patriotism; because I can not conceive that Congress, if free to choose in applying a great principle which society has sanctioned, would apply it to only 20 per cent of the men engaged in a single industry. What will the men out upon the other work in connection with the operation of these roads who are receiving a less wage, but who are taking care of situations just as critical and just as important to the traveling public, think of the Congress which refused to apply to them a principle which society has sanctioned? Why should we deal so parsimoniously with a great principle of humanity? Why not extend its beneficent worth to all in this industry?

Mr. President, it illustrates that we are proceeding in fear—in my judgment, ungrounded fear—in excitement, without the exercise of our own discretion and judgment, and without the facts before us which would enable us to proceed intelligently.

I repeat, sir, that if this Congress would pass a resolution this afternoon to the effect that we are not in favor of proceeding with this matter at this session of Congress, until we shall have comprehensively dealt with it, the strike would be as dead by Monday morning as it will be if this bill is passed. These men are not criminals or highwaymen. They are a high class of men and they would never strike. What this occasion needs is more faith in these men and more manliness and courage in ourselves. Congress would have reserved and preserved its dignity; we would have passed before we closed the session a comprehensive plan, representing the best judgment of the Congress, and the country would be given and the workingmen and all the people whom we represent generally would be given a compresensive plan, which would relieve them from this impending evil which will be resting upon them and over commerce every day of the next nine months. We should be relieved of that entirely. A great crisis needs decision, needs character, needs faith in the right and faith in American principles. These things are sadly lacking here. We have cringed and crawled, we have humiliated ourselves, debauched our Government, discredited union labor, and settled nothing permanently.

Mr. POMERENE. Mr. President, with other Senators I agree that the legislation does not fully meet the situation. It is not complete. Its object is to meet temporarily a pending calamity. If this were a question involving only the brotherhoods and the railroads I could take one view of what my duty is and should be; but I think I realize the seriousness of the present situation.

It is said by some of those who have spoken that we are being "sandbagged." I do not quite understand what they mean when they use that expression; but assuming for the sake of the argument that it is correct, I do not think that Senators should take a position in open defiance of these various elements without at the same time taking into consideration the effect that it is going to have upon the public at large.

It is said that this situation affects only 400,000 workmen and the investors in the railroads. Oh, no; it affects the industries, the lives, the comforts of a hundred million people.

Senators say we have not had time to thoroughly investigate this subject. That is true. On Tuesday the President delivered his message; on Wednesday our Interstate Commerce Committee met in conference; on Thursday we held hearings and an executive session continuing into the night; and after deliberating we came to the conclusion that unless something was done to avert this calamity the strike would be on at 7 o'clock Monday morning. The chairman and members of the committee did what they could to persuade the representatives of the brotherhood to call off the strike and give more time; and I think they should have so done.

Some Senators have suggested that, if we had taken a different course, there would have been no strike. I do not know whether they speak in prophecy or think they state a fact. My belief is that they have no better opportunity of judging than I have, and it is my opinion, from the information I have, though I came to that conclusion reluctantly, that there will be a strike unless some legislation is passed akin to that incorporated in the pending bill.

This measure is only intended to be temporary in character. Those who have listened to the debates here in the Senate will agree with me that no one Senator has yet proposed a plan with which he is satisfied, or, if he is satisfied with a plan which is in his own mind, he has not as yet been able to persuade his colleagues that it would solve the existing problem.

Mr. President, the Senator from Massachusetts [Mr. WEEKS] referred to the fact that for nine months the President has known that there was a controversy pending. Yes, sir; and the Senator who referred to that fact knew it; but the President, no doubt, as well as the Senator, remembered that there is on the statute books the Newlands mediation act, which was adopted at the joint request of the railroad managements and the brotherhoods. Since its enactment two years ago the Board of Mediation have succeeded in settling 56 strikes or controversies; and we had reason to believe that, even in this situation, these parties would ultimately get together. It was only within the last two weeks that the President tendered his good offices, and only on Tuesday last did it become known that legislative action must be undertaken.

Mr. President, we have every assurance that the adoption of this bill is going to stop this strike. The bill does not go into effect until January 1. From six to nine months thereafter will be given for the purpose of investigation by a commission to be appointed by the President, and the plan that is proposed here is to continue for 30 days thereafter. Congress will be in session on the first Monday in December, and we will then have the opportunity to take up this question, to investigate it, to consider it thoroughly, and I am sure every Senator will have the courage to meet the situation and do what may seem to him to be right.

Mr. President, unsatisfactory though this legislation may be, bear in mind that, so far as we know, unless it is passed, when the hour of 7 o'clock strikes on Monday morning 400,000 men are going out of the railroad service, transportation will be stopped, the business of a hundred million people will be paralyzed. Within 10 days starvation and want will be in the midst of every center of population. Who are the men who will suffer? The wealthy men and those in moderate circumstances? No. The workingmen, their wives, their children, the poor of the land. That is the picture that I see before me. And, admitting, for the sake of the argument, that we are doing something now which we ought not to incorporate into permanent legislation, what is my duty? Senators, if that strike should come, with the knowledge, as we believe, that it can be averted by the adoption of this act, who is there here who would forgive himself if he knew that because of the failure to adopt this act we had permitted this calamity to come upon us?

My very learned friend the Senator from Idaho [Mr. BORAH] has suggested that he did not believe that the bill here would be a remedy for the evil. It is not going to be a complete remedy, but I am willing to adopt this remedy rather than to have a state of suspended animation in the industrial life of this country. This is not the first time in the history of Congress that we have had to adopt some temporary measure to meet a situation.

Now, one Senator proposes a reference of the wage question and the hours of work to the Interstate Commerce Commission. Many remedies have been suggested for industrial disputes. One of them is that there shall be no interference by any governmental function. That is one extreme. The other extreme is compulsory arbitration.

Between these two extremes may be mediation, voluntary arbitration, and investigation by a commission appointed for the purpose, and pending the investigation a suspension of the right to exercise either the strike or the lockout. With all due deference to the legislative skill of my colleagues, I do not believe there is anyone here who is willing to say, "I have the remedy."

Mr. President, I can not help but feel that if we were to fail to adopt this act, or something akin to it, we would be in part responsible for the conditions that might prevail. I have received in the last 48 hours many telegrams, many from labor organizations, many from chambers of commerce and large business interests in my State. They represent the two extreme views upon this subject. I am convinced from reading those telegrams that neither party fully understands the provisions of this bill or what will be the situation in the country if it is not passed. It is well for those who may be men of large means to say, "We would not submit to the passage of legislation of this kind." The parties to this controversy may take one view or the other; but the voice of those who will suffer the most if there should be a strike appeals to me more than all the telegrams that can come from the one extreme or the other, or from both.

Mr. President, if this bill is passed, as I hope it may be, and this strike thus averted, I shall be ready at any time to

take up the further consideration of this subject, with the hope that by the united counsels of the Members of the Senate and of the House we can find some permanent solution for the pending disputes.

Mr. JONES. Mr. President, I think I appreciate just as fully as the Senator from Ohio the suffering and the conditions that will come to the people of this country if the strike should come as set for 7 o'clock on Monday morning. I think possibly in my community there would be more immediate suffering than in most other communities throughout the country; but for the reasons that have been suggested by Senators on this side of the Chamber I can not get the consent of my conscience and my judgment to vote for this bill.

I am not going to repeat those reasons. I simply want to emphasize one proposition that was presented very forcibly by the Senator from Connecticut [Mr. McLEAN].

The passage of this act will be the severest blow to the freedom of labor, individually and collectively, that it has ever received. The Senator from Ohio [Mr. POMERENE] says that those on both sides of this controversy who have been sending him telegrams, in his judgment, do not understand what this act means or what it does. I believe that is true. I do not believe that labor or the labor leaders really appreciate what is done by this act or how it affects or will affect them. Labor is vehemently opposed to compulsory arbitration. This act is a compulsory and arbitrary settlement of a private dispute. It forces one side to accept a proposition to which it is opposed, but which is the minimum demand of the other side. If we can settle this controversy by compelling employers to pay higher wages, we can settle another controversy by compelling the employees to accept lower wages. That will be the proposition that the labor leaders must take home and report to the people that they represent here. If we can fix the amount capital shall pay for labor, we can fix labor's wage. If we can compel capital to employ, we can compel labor to work. If we can compel capital to pay, we can compel labor to accept. The principle in the one case is exactly the principle in the other, and we assert that principle in this legislation. No such important principle should be adopted by this body without the most careful investigation and consideration.

The PRESIDENT pro tempore. Are there other Senators who desire to address the Senate? Twelve minutes of the time remain.

Mr. LEWIS. Mr. President, I desire to tender, to lie on the table at this time, a resolution in the form of an amendment, to be called up later by me.

The PRESIDENT pro tempore. If no Senator desires to address the Senate further on the bill, the Chair will call attention to the text of the unanimous-consent agreement:

It is agreed by unanimous consent that at not later than 4 o'clock p. m., on the calendar day of Saturday, September 2, 1916, the Senate will proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill H. R. 17700, an act to establish an eight-hour day for employees of carriers, etc., through the regular parliamentary stages to its final disposition; the vote upon the final passage of the bill to be taken not later than 6 o'clock p. m. on the said calendar day; also, that between the hours of 10 o'clock a. m. and 12 m. no Senator shall speak more than once nor longer than 30 minutes upon the bill; and, further, that after the hour of 12 o'clock m. on said day no Senator shall speak more than once nor longer than 15 minutes upon the bill, nor more than once nor longer than 5 minutes upon any amendment offered thereto.

The matter is somewhat in doubt. The Chair will lay the amendments before the Senate in the order in which they were offered. The Chair will suggest that it is entirely possible, under the literal text of the agreement, to consume the entire two hours on any single amendment; but no Senator will be allowed to occupy more than five minutes nor to speak more than once on any particular amendment.

The Secretary will state the first amendment.

Mr. LEWIS. Mr. President, I desire at this time, prior to the stating of the amendment, to suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator from Illinois suggests the absence of a quorum. Let the Secretary call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Cummins	Kern	Owen
Beckham	Curtis	Lane	Penrose
Borah	Dillingham	Lea, Tenn.	Pittman
Brady	Fletcher	Lee, Md.	Pomerene
Brandegee	Gallinger	Lewis	Ransdell
Bryan	Gronna	McCumber	Reed
Chamberlain	Hardwick	Martin, Va.	Robinson
Chilton	Hughes	Nelson	Saulsbury
Clapp	Husting	Newlands	Shafroth
Clarke, Ark.	Johnson, S. Dak.	Norris	Sheppard
Colt	Jones	Oliver	Sherman
Culberson	Kenyon	Overman	Shields
Simmons	Smith, S. C.	Taggart	Wadsworth
Smith, Ariz.	Smoot	Thomas	Walsh
Smith, Ga.	Sterling	Thompson	Warren
Smith, Md.	Stone	Underwood	Williams
Smith, Mich.	Swanson	Vardaman	

Mr. HUGHES. I desire to announce the necessary absence of the senior Senator from Kentucky [Mr. JAMES]. He is detained from the Senate on important business, and is paired with the Senator from Massachusetts [Mr. WEEKS].

Mr. SMITH of Michigan. I desire to announce the unavoidable absence of my colleague [Mr. TOWNSEND] on account of sickness in his family.

The PRESIDENT pro tempore. Sixty-seven Senators having answered to their names, a quorum of the Senate is present. The Secretary will state the pending amendment.

The SECRETARY. The pending amendment is the amendment of the junior Senator from Colorado [Mr. SHAFROTH] to the amendment of the Senator from Alabama [Mr. UNDERWOOD], as follows: At the end of the amendment of the Senator from Alabama it is proposed to add the following proviso:

Provided, however, That nothing herein contained shall be construed as compelling the employees to work at the wages prescribed.

Mr. SHAFROTH. Mr. President, the purpose of that amendment is to clear up, in the minds of the Senators, the provision as presented by the Senator from Alabama.

There was some dispute as to the meaning of that section. All agreed that it was not compulsory arbitration. All agreed that it was not intended to compel men to work for the wages that might be fixed. The Senator from Alabama insisted that the provision meant that they were not to be compelled to work; and it seemed to me that inasmuch as there were differences of opinion concerning it this language would clear up the matter so that there could be no dispute in relation to it. So I have provided in the amendment as follows:

Provided, however, That nothing herein contained shall be construed as compelling the employees to work at the wages prescribed.

Mr. UNDERWOOD. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Colorado yield to the Senator from Alabama?

Mr. SHAFROTH. I yield to the Senator.

Mr. UNDERWOOD. I wish to say that there was nothing in the original amendment that I offered that was compulsory. It merely appealed to the court of public sentiment after the finding of a tribunal. There is no conflict between the amendment offered by the Senator from Colorado and the original amendment that I offered; but if there is any doubt in the Senator's mind on this subject I am glad to accept his amendment to my amendment to clear up that doubt.

Mr. SHAFROTH. It seems to me it ought to be cleared up.

The PRESIDENT pro tempore. The Senator from Alabama accepts the amendment of the Senator from Colorado to the pending amendment. The Secretary will state the amendment as amended.

Mr. LEE of Maryland. Mr. President, I offer two amendments to the pending amendment. In the third line of the amendment offered by the Senator from Alabama, after the words "reasonable wages," I move to insert the words "and conditions of labor"; and I move to make the same insertion in the tenth line, after the words "reasonable wages." I move to insert at that point also the words "and conditions of labor."

Mr. UNDERWOOD. Mr. President, if the Senator will allow me to interrupt him, I suppose that that is intended to give the Interstate Commerce Commission an opportunity to look into all the complaints of labor in reference to their employment at the same time.

Mr. LEE of Maryland. It is to broaden the scope a little.

Mr. UNDERWOOD. That is entirely in keeping with the purpose of my original amendment, and I am glad to accept it.

The PRESIDENT pro tempore. The Senator from Alabama accepts the amendment to the amendment. The Secretary will report the amendment as it now stands.

The SECRETARY read as follows:

SEC. 5. That the Interstate Commerce Commission shall have the power to fix the hours of labor and determine just and reasonable wages and conditions of labor for all employees of the railroads named in section 1 of this act. The rate of wages and the hours of labor provided for in this act shall remain fixed for service and pay until changed by the decision of the Interstate Commerce Commission, which, within a period of not less than six nor more than twelve months from the passage of this act, shall determine what are just and reasonable wages and conditions of labor and what shall be the hours of labor for all employees of the railroads above mentioned: *Provided, however,* That nothing herein contained shall be construed as compelling the employees to work at the wages prescribed.

The PRESIDENT pro tempore. The question is on the adoption of the amendment.

Mr. UNDERWOOD obtained the floor.

Mr. NELSON. Mr. President——

The PRESIDENT pro tempore. The Senator from Alabama has the floor.

Mr. NELSON. I move an amendment to the amendment.

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Minnesota?

Mr. UNDERWOOD. I do.

Mr. NELSON. I move to strike out the part referring to the employees so as to include all the railroad employees.

Mr. UNDERWOOD. I will state to the Senator that I do not think the Secretary finished reading the entire amendment. If the Secretary will read what is on the second page he will see that that is included.

The Secretary resumed and concluded the reading of the amendment as follows:

The Interstate Commerce Commission shall have the power from time to time to change the hours of labor and the rate of wages for all employees of the railroads named in section 1 of this act, either in whole or in part, upon its own initiative, on the petition of the employees, the managers of the railroads, or the public.

Mr. NELSON. The words that I want out are the railroad employees referred to in section 1 of the bill. I want it amended so as to cover all railroad employees.

The PRESIDENT pro tempore. The Senator from Alabama insists that the amendment does that now—that the last clause read by the Secretary has that effect.

Mr. UNDERWOOD. I will state to the Senator from Minnesota, if he will allow me at this time, that the amendment covers all interstate-commerce employees on the roads. We can not constitutionally go beyond that point. We have no power to go beyond the question of an interstate-commerce employee.

Mr. NELSON. If the Senator will allow me, I want to cover all the railroad employees on the interstate-commerce roads.

Mr. UNDERWOOD. The amendment does that.

Mr. NELSON. It is limited to the employees under section 1 of the bill and that practically relates to all the employees who are now threatening to strike.

Mr. UNDERWOOD. No; I beg the Senator's pardon; he is mistaken. It relates not to the employees of the railroads named in section 1 of the act, but it relates to all the interstate railroads.

Mr. NELSON. How can all the employees of railways be allowed to come in under your amendment?

Mr. UNDERWOOD. I will be glad to accept the Senator's amendment if it is not already covered.

Mr. NELSON. I do not think it does cover it.

Mr. UNDERWOOD. I do not see how it could be more broadly written.

Mr. NELSON. I have not a copy of the amendment before me, but I want to have it amended so that it will cover all railroad employees. Mr. President, I want the men who are not here before us with a threat to be put on an equal footing and have an equal showing with the men who are here threatening us with a strike unless we pass this legislation.

Mr. UNDERWOOD. I will say to the Senator from Minnesota I am in thorough accord with his view, and the amendment I have offered does just exactly what he suggests.

The PRESIDENT pro tempore. If the Senator from Minnesota will read the matter which appears on page 2 of the amendment he will discover that it is as broad as the amendment he now proposes. The question is on the adoption of the amendment offered by the Senator from Alabama, upon which the Senator from Alabama has the floor.

Mr. NEWLANDS. I will state that the doubt in the mind of the Senator from Minnesota arose from the question as to whether the word "named" applies to employees or to railroads.

Mr. UNDERWOOD. It does apply to railroads. It could not apply to anything else.

Mr. REED. Mr. President——

The PRESIDENT pro tempore. The Senator from Alabama has the floor.

Mr. UNDERWOOD. I was speaking in the time of the Senator from Minnesota. I desire recognition at the proper time.

Mr. NELSON. I have not yielded the floor. On a closer inspection of the amendment I think the Senator from Alabama is right. It reads—

for all employees of the railroads named in section 1 of this act.

I think the Senator from Alabama is correct, and I congratulate him on having his amendment so broad that it will include all railroad men.

Mr. UNDERWOOD. Mr. President, on yesterday I consumed more of the time of the Senate than I intended to in discussing this question. I have only a few words to say now that the amendment comes up for consideration.

The bill without this amendment means nothing. There is no permanent solution of the situation for the future. All that I have offered to the Congress is a court of arbitration where all sides may have an opportunity to be heard. It is true that if the verdict of that court is satisfactory to the men the railroads will have to accept it, because it will be governing so far as they are concerned. If it is not satisfactory to the men the men have a right to reject it, and the only coercion that they would face if they rejected the finding of the verdict of the Interstate Commerce Commission would be the question of public sentiment, and in the end they must stand the test of public opinion on all their efforts. They can not maintain a strike for a day or an hour when the sentiment of the American people is against them.

There is no coercion in this matter, but I say that the bill as it stands without this amendment is an absolute abandonment of the court of arbitration, and Congress has taken unto itself the right to fix the wages of interstate commerce without a hearing from either side. It may be satisfactory to the men employed on the great railroads of the country to-day to take this verdict of Congress because the verdict is for them, but I ask those men if to-morrow they will be satisfied with a verdict of the Congress in reference to their rates of wages if that verdict is against them. If Congress is to render these verdicts without consideration and without an opportunity for one side or the other to be heard, or what I am proposing is a permanent court of arbitration, a court that compels no man except so far as public sentiment will compel him.

If we do not present some affirmative legislation at this stage of the bill then the American people are of necessity compelled to say that Congress paid the price of peace without attempting permanently to solve the great question that they were confronted with. We, as the representatives of the American people, can not afford to take that stand. It is not just to our constituencies. There must be a solution of this question that will be fair to all railway employees and fair to the shipping public of this country. You must find it. If you say that you can not find it because the time is too short, then you should postpone action on this bill. When the bill passed the House of Representatives I am informed that the order went out to stop the strike until the Senate had an opportunity to legislate.

The PRESIDENT pro tempore. The Senator's time has expired.

Mr. NEWLANDS. Mr. President, I favor this amendment. It was favored by the Interstate Commerce Committee and included as a part of the bill reported to the Senate. I favor it because it does something in the way of preserving the general balance of legislation which the President sought to insure in his recommendations.

The President's recommendations covered not only a temporary allowance of the 8-hour day, with 10 hours' pay, but provisions for the ascertainment of the cost of the change, in order that the cost might be fairly considered in the distribution of burdens as between the investors in the railways and the shippers and consuming public. Those recommendations also covered a provision intended to guard against future emergencies of this character by authorizing a board of investigation of the facts in every similar controversy, with a stay of the privilege to engage either in a strike or a lockout during the period of investigation.

The Senate committee was disinclined to go into that phase of the legislation, leaving it for the future. The House committee was similarly disinclined. But the Senate committee did see the wisdom of including in the bill balancing legislation, intended in some degree to secure the future against emergencies of this kind. One of the provisions was that offered by the Senator from Alabama and another was the provision that any willful hindrance or obstruction of trains operating in interstate commerce should be regarded as a misdemeanor and punished accordingly, just as any obstruction of the mails is prohibited by law and made a punishable offense.

The view of the committee was that it is as serious an offense to hinder and impede and obstruct a train engaged in interstate commerce, carrying food and other commodities to the people, as it is to obstruct conveyances carrying the mails. Indeed, it is more serious, for the former affects life itself.

So I urge upon the Senate favorable action regarding these two amendments, which preserve the general equilibrium of this legislation, which deprives our action of the appearance of a surrender to force, and which properly meet existing conditions in such a way in fairness to all interested parties as to minimize the danger of similar emergencies.

The effect of both these amendments will be to eliminate force as an element in our industrial life and to apply the law of reason after hearing through the tribunals which society

creates for the adjustment of industrial contentions, and they harmonize with the spirit of the age now suffering under the application of the doctrine of force as it has never suffered before.

I shall insert in my remarks the recommendations of the President as well as the two amendments now proposed by the Senator from Alabama and myself to the House bill upon the lines of similar provisions in the Senate bill.

EXTRACT FROM THE PRESIDENT'S MESSAGE OF AUGUST 29, 1916.

First, immediate provision for the enlargement and administrative reorganization of the Interstate Commerce Commission along the lines embodied in the bill recently passed by the House of Representatives and now awaiting action by the Senate, in order that the commission may be enabled to deal with the many great and various duties now devolving upon it with a promptness and thoroughness which are with its present constitution and means of action practically impossible.

Second, the establishment of an eight-hour day as the legal basis alike of work and of wages in the employment of all railway employees who are actually engaged in the work of operating trains in interstate transportation.

Third, the authorization of the appointment by the President of a small body of men to observe the actual results in experience of the adoption of the eight-hour day in railway transportation alike for the men and for the railroads; its effects in the matter of operating costs, in the application of the existing practices and agreements to the new conditions, and in all other practical aspects, with the provision that the investigators shall report their conclusions to the Congress at the earliest possible date, but without recommendation as to legislative action, in order that the public may learn from an unprejudiced source just what actual developments have ensued.

Fourth, explicit approval by the Congress of the consideration by the Interstate Commerce Commission of an increase of freight rates to meet such additional expenditures by the railroads as may have been rendered necessary by the adoption of the eight-hour day and which have not been offset by administrative readjustments and economies, should the facts disclosed justify the increase.

Fifth, an amendment of the existing Federal statute which provides for the mediation, conciliation, and arbitration of such controversies as the present by adding to it a provision that in case the methods of accommodation now provided for should fail a full public investigation of the merits of every such dispute shall be instituted and completed before a strike or lockout may lawfully be attempted.

And, sixth, the lodgment in the hands of the Executive of the power, in case of military necessity, to take control of such portions and such rolling stock of the railways of the country as may be required for military use and to operate them for military purposes, with authority to draft into the military service of the United States such train crews and administrative officials as the circumstances require for their safe and efficient use.

THE UNDERWOOD AMENDMENT.

Amendment intended to be proposed by Mr. UNDERWOOD to the bill (H. R. 17700) to establish an eight-hour day for employees of carriers engaged in interstate and foreign commerce, and for other purposes, viz: Add at the end of the bill a new section, as follows:

"SEC. 5. That the Interstate Commerce Commission shall have the power to fix the hours of labor and determine just and reasonable wages for all employees of the railroads named in section 1 of this act. The rate of wages and the hours of labor provided for in this act shall remain fixed for service and pay until changed by the decision of the Interstate Commerce Commission, which, within a period of not less than 6 nor more than 12 months from the passage of this act, shall determine what are just and reasonable wages and what shall be the hours of labor for all employees of the railroads above mentioned.

"The Interstate Commerce Commission shall have the power from time to time to change the hours of labor and the rate of wages for all employees of the railroads named in section 1 of this act, either in whole or in part, upon its own initiative, on the petition of the employees, the managers of the railroads, or the public."

THE NEWLANDS AMENDMENT.

Amendment intended to be proposed by Mr. NEWLANDS to the bill (H. R. 17700) to establish an eight-hour day for employees of carriers engaged in interstate and foreign commerce, and for other purposes, viz: Add at the end of the bill a new section, as follows:

"SEC. —. Any person who shall knowingly and willfully obstruct or retard the operation of trains mentioned in section 1 of this act shall be guilty of a misdemeanor, and be punished by a fine not exceeding $100 or imprisonment not exceeding six months, or both."

Mr. REED. Mr. President, I am not familiar with the rules of the House of Representatives. I therefore ask the Senator from Alabama whether it is not true that one or at least a small number of the House can at any time raise the question of a quorum?

Mr. UNDERWOOD. Under the rules of the House of Representatives any Member can suggest that there is not a quorum present, when the Speaker of the House usually counts to see if there is a quorum present, and if there is not a quorum present, the roll is called.

Mr. REED. Mr. President, the strike is called for Monday. My information is that unless this bill is passed, and passed in time so that word can be sent all over the country before Monday shall arrive, the strike will occur. I do not know upon what authority the Senator makes the statement that he understands the strike has already been called off.

Mr. UNDERWOOD. I read a statement of that kind in a paper. I will read it to the Senator if he will allow me.

Mr. REED. If it does not take too much of my time.

Mr. UNDERWOOD. It is only a short statement. In the Evening Star, of Saturday, September 2, first page, last column, I find the following:

"Just as soon as the House bill, unamended, becomes a law," A. B. Garretson, spokesman for the brotherhoods, said to-day, "the strike order will be recalled."

Mr. REED. Ah, just as soon as it becomes a law; that is to say, after we have passed the House bill and after it has——

The PRESIDENT pro tempore. The Chair will say to the Senator from Missouri that all these interruptions come out of the time of the Senator.

Mr. REED. I understand. And after it has been signed by the President, then the strike will be called off.

Now, that brings me to the only observation I desire to make. I have just talked with Judge ADAMSON, chairman of the committee having this measure in charge in the House. I saw him but a moment ago on the floor. He stated to me that there is not a quorum of the House of Representatives in the city of Washington, and that if this bill is sent back to the House the absence of a quorum could defeat its passage to-day; in fact, he said to me it would be utterly impossible to pass it. So, with that situation confronting us, and which we can not avoid, a strike is called for Monday, and, according to the best information we have, it will not be called off until this bill becomes a law. We must either pass the House bill without amendment or it can not become a law before Monday. That is the question that is before us. It is not a question as to what we would like to do, but what it is necessary to do in order to meet the present emergency. It is not a question whether we favor or do not favor as a legislative proposition the amendment of the distinguished Senator from Alabama, but it is a question, when we vote in favor of that amendment, whether we are willing to take the chance of the strike. So let us, in considering these amendments, understand that the addition of a word means that the bill can not become a law before the hour shall arrive when the strike will occur according to the call that was sent out.

Mr. BRANDEGEE. Mr. President, I am opposed to the amendment proposed by the Senator from Alabama at this time. The Congress of the United States has appointed a commission consisting of members of the Interstate Commerce Committees of the Senate and the House. A copy of the joint resolution creating the commission I put in the RECORD this morning. It directs the commission, which has already been appointed and is organized, to investigate all the questions connected with interstate and foreign commerce and to report at the next session of Congress. Congress having charged that commission with the very duty which is the subject contained in the amendment of the Senator from Alabama, and that amendment being entirely unrelated, as it seems to me, to the subject matter in controversy—there being no emergency crisis as to that, at any rate—I do not see the object of attaching it to the pending bill.

It may become necessary, Mr. President, in the future to entirely realign and reassay the whole railroad situation of this country. It may be that the duties and the control which this Government is now exercising over the railway system of the country will come to comprehend the entire indicia of ownership and to control the operation of those great properties to such an extent that the Government can no longer decently or in fairness and justice assert every element of ownership and yet decline to assume any of the responsibility of its own act. However that may be, it is too large a subject to be decided at this minute on this floor. The amendment of the Senator from Alabama [Mr. UNDERWOOD], no matter how much merit there may be in it, is open to the very same objection that the main bill is open to; it causes us to leap in the dark. The main bill allows us to undo what we are required to do without knowledge and afterwards to investigate the enormity of the destruction which we may have wrought.

Mr. President, to my mind, it is a humiliating admission which we have just heard from the lips of the Senator from Missouri. The House of Representatives having been compelled to pass this vital and entirely unprecedented measure at the demand of the Executive, and as written in the department, we are now told that the Senate must accept it in toto, without the dotting of an "i" or the crossing of a "t." Although the Senate Committee on Interstate Commerce, at least, had had one day's hearing upon its own bill and had reported it as it thought it ought to pass, it was abandoned in a twinkling here on the floor after the debate upon it had proceeded for nearly half a day, and the House bill was, by unanimous consent, substituted in its place. The Senate, having wasted two days in this discussion, now to be told that it is all fruitless, that all amendments which have been made as the result of our deliberations are to be thrown in the waste basket, and that we are to pass the bill which has been hastily prepared by the other House, in its half-baked condition, at the demand of some alleged emergency which is said to exist in this country, I think is a disgrace not only to its present membership, but to the past history and the great traditions of the Senate of the United States.

Mr. THOMAS. Mr. President, if the condition exists to which the Senator from Missouri called attention, then it will

be impossible for this bill to become a law, because an enrolled bill can not be signed by the Speaker of the House, except in the presence of a quorum if the point is made. I quite agree with the comment of the Senator from Connecticut with regard to that situation. If the House acting yesterday upon an emergency, has now so far dissolved its membership as to be unable to secure a quorum, I do not consider that that is any reason why we should not deliberate and act upon our own judgment with reference to all these amendments; and if, because we do so, the bill should fail to become a law before Monday morning, the responsibility then must rest upon the House, which is without a quorum. Certainly we can not be charged with having failed to do our duty.

The PRESIDENT pro tempore. The question is on the adoption of the amendment proposed by the Senator from Idaho [Mr. BRADY].

Mr. BRADY. Mr. President, on yesterday I offered an amendment to the bill which had been reported by the Committee on Interstate Commerce. As the House bill has taken the place of the bill presented by the Committee on Interstate Commerce, I desire at this time to renew my amendment.

On page 1, line 2, I move to strike out of the amendment as proposed by the Senator from Alabama [Mr. UNDERWOOD], after the word "fix," the words "the hours of labor"; and on page 2, line 2, to amend by striking out the words "hours of labor and the"; so that, if amended, the Interstate Commerce Commission shall have the power to fix just and reasonable wages for all employees; but they will not have the legal right or power to change the hours of labor.

It seems to me that we should not, under any circumstances, enact in one part of the bill a clause fixing the hours of labor and in another part of the bill give seven men the right to repeal it. I believe that at this time we ought to consider that matter, so that the Senate, in voting upon it, can decide whether it desires to support the proposition.

Mr. UNDERWOOD. I will say to the Senator from Idaho, if he will allow me in his time, as my time has gone, that I put the words "the hours of labor" into the amendment in the interest of the men. At least three-fourths of the men engaged in railroad work have not their hours of labor fixed. This bill does not relate to them. I think more reasonable hours of labor ought to be granted to many of these men; but there is nothing in the bill that gives that to them. If these words remain in the bill and it becomes a law, then the Interstate Commerce Commission will hear their complaint, and they will have a day in court, and have an opportunity to appeal for more reasonable wages. I repeat it is in the interest of the men that the provision in reference to the hours of labor was put into the amendment, and not in the interest of the railroads or in the interest of the public. The intention was that these men should have a court in which they could have the hours of labor changed.

Mr. BRADY. We discussed that matter quite fully yesterday, and the Members who were then in the Senate will remember that the senior Senator from Iowa [Mr. CUMMINS] fully agreed with my views, that these words would permit the Interstate Commerce Commission to change the hours of labor. As I understand, we are fixing an eight-hour day for every man who receives any benefit from this bill; it does not matter whether he is engaged on an engine or otherwise engaged on a train. Just as surely as we do this we are giving to the commission the power to undo what shall have been done in the way of enacting this law.

I must say that I fully agree with the expression of the Senator from Connecticut [Mr. BRANDEGEE] that it is very apparent that this bill is going to pass as it came over from the other House, and that we are not going to change it by the dotting of an "i" or the crossing of a "t"; that this amendment will be voted down; but at the same time I want to go on record as expressing my view as to what it means before the amendment is voted on by the Senate, and also when it is voted upon I desire to express my disapproval of that part of the amendment. In the bill you simply follow the recommendations of the President in a single instance; and, while you are not changing this bill now, and while you are not enacting the first recommendation, which he probably considered the most important, you will either enact it when you return here in December, or, at least, your President will recommend that you enact it, or else he will be untrue to himself and to his country.

The PRESIDENT pro tempore. The Senator's time has expired. The question is on the adoption of the amendment to the amendment.

Mr. PITTMAN. Mr. President——

Mr. BRADY. Mr. President, a parliamentary inquiry. Can we have a vote now upon the amendment offered by me to the amendment of the Senator from Alabama?

The PRESIDENT pro tempore. Not if any Senator desires to debate it.

Mr. PITTMAN. Mr. President, if this amendment passes it makes no difference whether or not it is agreed to by the other House of Congress, it will not serve the purpose for which Congress is now in session. If Congress were not now in session considering this matter for the purpose of averting an impending strike, then it would be far better that all of this legislation be postponed until another session of Congress, when we could give it careful consideration. It is well known that the two bodies of Congress were not addressed by the President of the United States for the purpose of having them enter upon a general scheme of legislation covering this subject. It is known to every one of us here that Congress was appealed to for the purpose of attempting to prevent the most disastrous calamity that has ever threatened this country. Each one of us here realizes what the strike would mean. We have seen slight indications of it already. We have seen meat in this city nearly doubled in price. We have seen foodstuffs of all lines almost go beyond the reach of our people. We know that the present embargo is cutting off the foodstuffs of the people of this country. It does not take a very vivid imagination to realize that in one week after the strike is called there will be thousands of suffering little children throughout the great cities of this country who will be dying for the want of milk. In the face of such a situation are we to stand here and indulge in an academic discussion with regard to the proper methods of handling interstate commerce?

Are we to stand here and discuss the technical meaning of words, as to whether the fixing and determining of wages and hours of work shall be compulsory or not compulsory? If the determination is not compulsory now, it will later be made compulsory if such a provision as is contempated shall be enacted. Are we to stand here and argue whether the Interstate Commerce Commission, or some special commission or tribunal, is the proper body to handle the subject, when we have been brought together for the purpose of saving this country from a dire calamity? There is not a Senator here who does not know that if this amendment is adopted, then, by that very act, the strike is brought down upon the country. The Senator who votes for it will bear the burden; but his punishment will be very small in comparison with the amount of suffering that will have to be endured by the people of this country.

We know that if this bill passes with the proposed amendment attached, it will not be a satisfactory settlement to the labor men; it will be just exactly the settlement that the railroads offered to them, and nothing else. The railroad companies proposed that these rates be settled by arbitration, and the men said this question had been settled by the court of the people of this country, and the President of the United States agreed with them. It is now proposed to submit a question to arbitration that the employees refused to arbitrate, which they have said is not arbitral, and which the President has said is not arbitral. Do you not think that, if this amendment is attached to the bill, we are at that very minute proclaiming to the people of this country that there will be a strike? I want to know whether you are for that or not; I want to know whether you are willing to bear the burden of that strike; I am not.

The PRESIDENT pro tempore. The Senator's time has expired.

Mr. CLAPP. Mr. President, I desire to correct, not perhaps so much the language of the senior Senator from Nevada [Mr. NEWLANDS], the chairman of the Interstate Commerce Committee, as the impression which would be gathered from his language as to the committee favoring this amendment.

There was a divided sentiment when this matter was considered in the committee yesterday, but some of us, not being willing to delay getting the measure before the Senate, although opposed to the amendment, rather than delay the session of the Senate by taking hours perhaps in discussing the amendment, tacitly agreed that the amendment might be reported favorably in order to bring it before the Senate.

I make that statement because I think a number of the members of the committee are opposed to the amendment, and the statement of the Senator from Nevada going unchallenged, more because of the impression which it conveyed than because of what he said might make it appear that Senators were inconsistent in their attitude.

Mr. NEWLANDS. Mr. President, will the Senator permit me to interrupt him a moment?

Mr. CLAPP. Yes.

Mr. NEWLANDS. I did not, of course, intend to convey the impression that there was a unanimous vote of the committee for this particular provision. I wished, however, to bring to the attention of the Senate the fact that the introduced matter is not new with reference to this legislation, but was contained in the Senate bill; that that bill was reported favorably by the Senate committee, and that it had the support of a majority of the committee. As to how many may have supported it, I believe the Senator himself has expressed his position and has indicated also the position of others.

Mr. CLAPP. I acquit the Senator of any purpose to create an impression that would not have been warranted by the facts; but I think, if the Senator will read his statement, he will realize that the somewhat emphatic manner in which it was made might lead to the impression that there was more general support of this amendment in the committee than really existed.

Mr. STONE. Mr. President, I regret that the time of the Senator from Alabama [Mr. UNDERWOOD] has been exhausted, for I am about to make a statement with the sole view of getting information which I think he could furnish, and I am afraid that in making the statement I will consume the greater part of the five minutes I am permitted to occupy.

Mr. President, I can not read section 1 of the House bill 17700 without concluding that under the terms of that section it is intended to make the eight-hour-day provision permanent. It seems to me that that much is finally determined by this bill if it becomes a law. I am therefore inclined to favor the amendment offered by the junior Senator from Idaho [Mr. BRADY]. He proposes to amend the amendment of the Senator from Alabama by striking out the words "the hours of labor" in the second line, so that the amendment would give the Interstate Commerce Commission the "power to fix and determine just and reasonable wages," but not to determine the hours of labor. The hours of labor are fixed—at least, the standard labor day is fixed—in the first section of this bill. I regard that section as undertaking to fix that much permanently, and if that be not so, then it ought to be so. That ought not to be longer left as an open question; and if the day's labor, which concerns the hours of labor—to wit, eight hours as the day's labor—is fixed in the bill, why should any commission or any executive body six months hence be authorized to sweep aside that legislative provision and fix some other standard of hours? That ought to be permanent, and there should be no juggling about it. I am not now objecting to the commission fixing wages. I believe there should be some provision looking to that end. There must be some public authority lodged somewhere to settle these disputes. But, Mr. President, we should differentiate, as I see it, while passing this bill, between the day's work, the hours of labor, and the wage to be paid per day or per hour. Let the standard day be fixed permanently, whatever else we may do.

Now, within my time, if I have any left—whatever is left—I ask the Senator from Alabama to enlighten me if I am wrong.

Mr. UNDERWOOD. Mr. President, the language in reference to that matter in the House bill and in the Senate bill is practically the same:

> That beginning January 1, 1917, eight hours shall, in contracts for labor and service, be deemed a day's work and the measure or standard of a day's work for the purpose of reckoning the compensation for services of all employees.

As stated yesterday, there is nothing in this bill fixing a day of labor. I have always voted for an eight-hour day. If it were practicable, I would do it in this instance; but there is no eight-hour-day provision in this bill.

Mr. McCUMBER. Mr. President, as I shall be compelled to vote against this amendment, I wish briefly to give my reasons. They are twofold:

In the first instance, this subject has become an acute one. It will not down. It will have to be considered, and considered generally, at a succeeding session of Congress. At that time we want to proceed to take up and enact a most comprehensive act. I do not want to forestall the free exercise of my judgment at that time by a premature action or vote at this particular time.

There is serious question as to whether we have the power to fix the compensation of laborers or employees at all. It is not an easy question to decide. If we have that authority, the next question is whether we can delegate it to a commission, the Interstate Commerce Commission or otherwise. We delegate or, in other words, we turn over to this commission the authority to fix compensation for the transfer of passengers or freight under a settled rule which we determine. We fix the standard by legislation; so that the act of the commission is not a legislative act. But is there any standard whatever that we can fix for labor? Will you say it is a reasonable compensation? How are you going to determine what is reasonable?

Here are two characters of labor. The one is unionized, and by the power of the union it raises itself gradually from $2 a day until it is receiving $5 a day. That is the customary charge. Therefore can you say that that is reasonable?

Here is another class of nonunionized labor, almost of the same character, that has not been able to raise its standard of wages from $2 to $5 a day. Will you say, because it is customary, that that is the usual charge and therefore reasonable? If that were true, then you could not raise the wages of the man that receives a dollar and a half or two dollars a day.

It is a most serious question, Mr. President, whether we have any authority whatever to fix a standard, and, secondly, if we have the authority, whether we can delegate it, having no power to fix the standard upon which it can be based.

Taking this particular amendment, Mr. President, our only authority to fix the compensation is based upon our control over interstate commerce. Is every employee of a railway company engaged in interstate commerce? Is the man who drives the president of the railway to his office engaged in interstate commerce, and can we fix his compensation? Where is your dividing line?

For instance, we will say that the people who operate the trains are certainly engaged in interstate commerce; but is the switchman, is the telegrapher, are the coal handlers, engaged in interstate commerce? If so, are the section men engaged in interstate commerce? You must have section men in order to carry on your commerce. If that be true, are the men who construct a sidetrack engaged in interstate commerce? If that be true again, are the men who build the railways engaged in interstate commerce?

All of those and their wages go to make up the basis of our fixing the charges for compensation as well as the charges for carrying freight and passengers; and yet can we reach so far as this, and fix the amount to be paid for men engaged in building a railway, simply because that fixes the standard?

Mr. HARDWICK. Mr. President, in answer to the observations of the Senator from North Dakota [Mr. McCUMBER], every single question that he has suggested was answered by this Congress when we passed the employers' liability bill, and we thereby determined exactly the classes of these employees to whom we could attach legislation under the interstate-commerce clause of the Constitution. There is not a single inch of untrodden ground on that question, in spite of the suggestion.

The Senator's suggestion that we can not set up a standard of wages when we delegate this power to the Interstate Commerce Commission will not appeal with much force to any lawyer in this land, who knows that every court in Christendom determines that question with the aid of a jury, the members of which are not even experts, every time it tries an action of quantum meruit, in the absence of an express contract as to what the services are worth or what labor shall cost and what shall be paid for it.

There is not a practical question of any sort raised by the Senator from North Dakota or by any Senator who opposes the submission of this question to the Interstate Commerce Commission. In my judgment, it is the real, permanent, safe, just, and absolutely correct solution of this question, and I earnestly hope the amendment will prevail.

Mr. HUSTING. Mr. President, I had intended to offer an amendment to this bill after this amendment should have been disposed of, but under the circumstances I have concluded not to offer it. The reason why I have concluded not to offer it is because I believe this bill ought to pass as it is, not because we are coerced by the House, not because we are coerced by the employees, not because we are coerced by anybody, but because I believe the people of the country want this strike averted.

Now, to us personally a strike does not mean anything. We will have enough to eat and a place to sleep. It is the people of the country who will suffer. The calamity will hit the people who toil for a living. It will hit the business man and the manufacturer, the farmer and the laborer.

It is a question of policy pure and simple that we must now decide. No one can compel or coerce us into passing this bill. We can refuse to pass it with the help of the Senators on the other side, who are going to vote against this bill. And in a spirit of bravado we can sneer at and invite the consequences, or we can take counsel of prudence and wisdom and stop the strike and attend to the equally important but less urgent questions later.

I say, it is not a question of coercion. It is a question of which is the better policy. Do we want this strike or do we not want it? The very fact that all the Senators here consented to a vote this afternoon—those on the other side as well as those on this side—shows that they recognize the urgency of action.

Senators on the other side who are going to vote against this bill and who are attacking it as an unwise and unwarranted measure could have prevented a vote upon this bill to-day. Any one Senator by a mere objection could have prevented a vote on this bill to-day and could thus have prevented its passage in time to prevent the strike. Why did they not do it? Because they did not dare shoulder the responsibility of opposing the prevention of the strike. If they thought the passage of the law was worse than the strike, it would have been their plain duty to have prevented a vote on this bill. The Senators on the other side, therefore, deep down in their hearts know that it is better to pass this bill than to have the strike. So I feel that nothing should be done now which will hinder, delay, or obstruct the passage of this bill.

The same reason that makes me feel constrained to withdraw my proposed amendment and to take it up next December is going to impel me to vote against the amendment of the Senator from Alabama. What is that amendment going to or what can it accomplish between now and December or between now and next March? The bill provides that a rule of wages shall be fixed until a report comes in here October of next year. It further provides that a commission of three members shall be appointed by the President, who are to report not later than October of next year. And this bill further provides that pending the filing of such report the hours of labor and the wages of the employees as fixed by this bill shall not be changed.

This amendment of the Senator from Alabama purports to give the Interstate Commerce Commission a right to fix the hours and the wages before this time limit expires in the other parts of the bill. It must be construed consistently with the other parts of the bill. Therefore its powers become effective only after October of next year.

Under the terms of this bill the Interstate Commerce Commission will not have a right to affect the wages of these men fixed in this bill before the time limit expires under the terms of the bill, so that this proposed amendment will have no effect whatever between now and October of next year, when the time limit expires.

Can not the matter, therefore, which the Senator suggests be dealt with next January or February or March or an extraordinary session? Will it serve a useful purpose to have it on the books merely as an earnest of something that we propose to do after next October, when we shall have time to deliberate on and debate these matters and when we shall have the facts reported to us by the commission or at least shall had time to have studied the subject? Is it not wiser to have all these other great questions settled whether they are in the bill or not; and can they not be better settled in the course of a session, whether of three months or longer, than in two or three hours of debate?

Why should we commit ourselves to a policy now on the spur of the moment of investing the Interstate Commerce Commission with certain powers when it will have no functions to perform in the premises, at least until October of next year, when by waiting for the facts a better plan may be proposed and a better system may be organized during the next or some future session of Congress?

Mr. VARDAMAN. Mr. President, I am always doubtful of the correctness of my position on any question when I differ from the erudite Senator from Alabama [Mr. UNDERWOOD]. His distinguished service in this body and in the other branch of Congress gives anything that he may say great force and potency with me.

He says that if his amendment is not adopted there will be no permanency in this measure; but, really, I do not care for permanency in any legislation enacted under the stress under which this bill is now being considered. I do not care if you call it "bread-pill therapeutics," or what you may say about it; the bill as it came from the House will accomplish the great desideratum at this time. The thing we want to do, the thing we want to accomplish is the strike postponed, the atmosphere cleared, and the fearful apprehension which is paralyzing commerce and destroying the peace of mind of the Nation removed. The influences which lead men to think and act in partisan politics will be altogether absent when we come back here next December, and any defects in this bill can be remedied, and the permanent features can be ingrafted upon it before it takes effect. I think it would be eminently unfortunate if we should attempt to put anything in the bill at this time of a permanent character. For that reason I sincerely hope the bill will pass as it came from the House, without any amendment whatever.

I believe the time is not far distant when the idea embodied in the Senator's amendment—that these questions are to be settled by the Interstate Commerce Commission, or some other governmental tribunal—will be a part of the economy of this Government. Something will have to be done to take this matter out of the hands of selfish or irresponsible people, but now is not the time to do that.

For that reason I shall be compelled, though I do so reluctantly, to vote against the amendment.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Idaho [Mr. BRADY] to the amendment of the Senator from Alabama.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question recurs on the adoption of the amendment offered by the Senator from Alabama.

Mr. UNDERWOOD. I ask for the yeas and nays on that.

The yeas and nays were ordered and the Secretary proceeded to call the roll.

Mr. BRYAN (when his name was called). I have a pair with the junior Senator from Michigan [Mr. TOWNSEND], which I transfer to the junior Senator from Louisiana [Mr. BROUSSARD]. I will let this announcement stand for the day. I vote "yea."

Mr. CHILTON (when his name was called). I announce my pair with the Senator from New Mexico [Mr. FALL] and its transfer to the Senator from New Jersey [Mr MARTINE], and will vote. I vote "nay."

The PRESIDENT pro tempore (when the name of Mr. CLARKE of Arkansas was called). I have a pair with the junior Senator from Utah [Mr. SUTHERLAND], which I transfer to the senior Senator from Kentucky [Mr. JAMES], and will vote. I vote "yea." This announcement may stand for the day.

Mr. GALLINGER (when his name was called). I have a general pair with the senior Senator from New York [Mr. O'GORMAN], which I transfer to the senior Senator from California [Mr. WORKS], and will vote. I vote "yea."

Mr. GRONNA (when his name was called). I have a general pair with the Senator from Maine [Mr. JOHNSON], which I transfer to the junior Senator from Vermont [Mr. PAGE], and will vote. I vote "nay."

Mr. SHAFROTH (when his name was called). I am paired with the Senator from Washington [Mr. POINDEXTER] and therefore withhold my vote.

Mr. SMITH of Georgia (when his name was called). I have a general pair with the senior Senator from Massachusetts [Mr. LODGE], and I am unable to get a transfer. Were I at liberty to vote, I would vote "yea."

Mr. STONE (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. CLARK]. In his absence I withhold my vote.

Mr. SMOOT (when Mr. SUTHERLAND's name was called). I desire to announce the absence of my colleague [Mr. SUTHERLAND]. He has a general pair with the senior Senator from Arkansas [Mr. CLARKE].

The PRESIDENT pro tempore. That pair has been transferred to the Senator from Kentucky [Mr. JAMES].

Mr. SMITH of Michigan (when Mr. TOWNSEND's name was called). I desire the RECORD to show that my colleague [Mr. TOWNSEND] is absent because of illness in his family.

Mr. UNDERWOOD (when his name was called). I have a general pair with the junior Senator from Ohio [Mr. HARDING]. I transfer that pair to the junior Senator from New Hampshire [Mr. HOLLIS] and vote "yea."

Mr. WADSWORTH (when his name was called). I have a general pair with the junior Senator from New Hampshire [Mr. HOLLIS] which I transfer to the junior Senator from Ohio [Mr. HARDING] and vote "nay."

Mr. WALSH (when his name was called). I am paired with the Senator from Rhode Island [Mr. LIPPITT]. I transfer that pair to the Senator from Oklahoma [Mr. GORE] and vote "nay."

Mr. WEEKS (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. JAMES] which I transfer to the junior Senator from Utah [Mr. SUTHERLAND] and vote "nay."

The roll call was concluded.

Mr. CURTIS. I was requested to announce that the Senator from West Virginia [Mr. GOFF] is paired with the Senator from South Carolina [Mr. TILLMAN].

I was also requested to announce the unavoidable absence of the junior Senator from Ohio [Mr. HARDING]. This announcement will stand for the day.

Mr. OWEN. I inquire if the Senator from New Mexico [Mr. CATRON] has voted?

The PRESIDENT pro tempore. He has not.

Mr. OWEN. I withhold my vote. If at liberty to vote, I would vote "nay."

The result was announced—yeas 14, nays 57, as follows:

YEAS—14.

Bankhead	Hardwick	Saulsbury	Warren
Bryan	Lee, Md.	Smith, Md.	Williams
Clarke, Ark.	Newlands	Thomas	
Gallinger	Norris	Underwood	

NAYS—57.

Ashurst	Gronna	Myers	Smith, Ariz.
Beckham	Hitchcock	Nelson	Smith, Mich.
Borah	Hughes	Oliver	Smith, S. C.
Brady	Husting	Overman	Smoot
Brandegee	Johnson, S. Dak.	Penrose	Sterling
Chamberlain	Jones	Phelan	Swanson
Chilton	Kenyon	Pittman	Taggart
Clapp	Kern	Pomerene	Thompson
Colt	La Follette	Ransdell	Vardaman
Culberson	Lane	Reed	Wadsworth
Cummins	Lea, Tenn.	Robinson	Walsh
Curtis	Lewis	Sheppard	Weeks
Dillingham	McCumber	Sherman	
du Pont	McLean	Shields	
Fletcher	Martin, Va.	Simmons	

NOT VOTING—24.

Broussard	Harding	Martine, N. J.	Smith, Ga.
Catron	Hollis	O'Gorman	Stone
Clark, Wyo.	James	Owen	Sutherland
Fall	Johnson, Me.	Page	Tillman
Goff	Lippitt	Poindexter	Townsend
Gore	Lodge	Shafroth	Works

So Mr. UNDERWOOD's amendment was rejected.

Mr. NEWLANDS. I offer the following amendment.

The PRESIDENT pro tempore. The amendment offered by the Senator from Nevada will be read.

The SECRETARY. It is proposed to add at the end of the bill a new section, as follows:

SEC. 5. Any person who shall knowingly and willfully obstruct or retard the operation of trains mentioned in section 1 of this act shall be guilty of a misdemeanor, and be punished by a fine not exceeding $100, or imprisonment not exceeding six months, or both.

Mr. NEWLANDS. Mr. President, the amendment which I have offered is almost identical in terms with section 201 of the criminal code of the United States relating to the obstruction of the mails. I will read the latter:

SEC. 201. Whoever shall knowingly and willfully obstruct or retard the passage of the mail, or any carriage, horse, driver, or carrier, or car, steamboat, or other conveyance or vessel carrying the same, shall be fined not more than $100 or imprisoned not more than six months, or both.

The statute in existence applies, as I stated before, only to the mails. The amendment which I have offered applies to the operation of trains in interstate commerce employed in carrying commodities and food, things much more essential to human life than the mails can be, for the latter are not essential at all.

Congress has seen fit to put upon the statute books a condemnation of any hindrance of the mails and it is clear to my mind that the legislation should be extended to the commodities transferred in interstate commerce and to the trains bearing them.

Mr. President, I stated before that the President had presented to us a scheme of balanced legislation, and in connection with that I ask unanimous consent to insert in the RECORD, without reading, the tentative bill which was framed to comply with his suggestions regarding a commission of investigation, with a temporary stay during the investigation of that commission of the right either of strike or lockout, and also containing a provision empowering the President of the United States in a case of military necessity to take possession of the trains.

The PRESIDENT pro tempore. Such will be the order unless there is objection. The Chair hears none.

The matter referred to is as follows:

[Committee print.]

IN THE SENATE COMMITTEE ON INTERSTATE COMMERCE.

[The part printed in roman shows present law; the part in parentheses and italic indicates proposed amendments to existing law.]

A bill to amend an act entitled "An act providing for mediation, conciliation, and arbitration in controversies between certain employers and their employees," approved July 15, 1913.

Be it enacted, etc., That section 1 of an act entitled "An act providing for mediation, conciliation, and arbitration in controversies between certain employers and their employees," approved July 15, 1913, be amended so as to read as follows:

"SECTION 1. The provisions of this act shall apply to any common carrier or carriers and their officers, agents, and employees, except masters of vessels and seamen, as defined in section 4612, Revised Statutes of the United States, engaged in the transportation of passengers or property wholly by railroad, or partly by railroad and partly by water, for a continuous carriage or shipment from one State or Territory of the United States or the District of Columbia to any other State or Territory of the United States or the District of Columbia, or from any place in the United States to an adjacent foreign country, or from any place in the United States through a foreign country to any other place in the United States.

"The term 'railroad' as used in this act shall include all bridges and ferries used or operated in connection with any railroad, and also all the road in use by any corporation operating a railroad, whether owned or operated under a contract, agreement, or lease; and the term 'transportation' shall include all instrumentalities of shipment or carriage.

"The term 'employees' as used in this act shall include all persons [actually engaged in any capacity in train operation or train service of any description,] *who are now or may hereafter be actually engaged in the operation of trains used for the transportation of persons or property on railroads from any State or Territory of the United States or the District of Columbia to any other State or Territory of the United States or the District of Columbia, or from one place in a Territory to another place in the same Territory, or from any place in the United States to an adjacent foreign country, or from any place in the United States through a foreign country to any other place in the United States*, and notwithstanding that the cars upon or in which they are employed may be held and operated by the carrier under lease or other contract: *Provided, however*, That this act shall not be held to apply to employees of street railroads and shall apply only to employees engaged in railroad train service. In every such case the carrier shall be responsible for the acts and defaults of such employees in the same manner and to the same extent as if said cars were owned by it and said employees directly employed by it, and any provisions to the contrary of any such lease or other contract shall be binding only as between the parties thereto and shall not affect the obligations of said carrier either to the public or to the private parties concerned.

"A common carrier subject to the provisions of this act is hereinafter referred to as an 'employer,' and the employees of one or more of such carriers are hereinafter referred to as 'employees.'"

SEC. 2. That there be added at the end of said act the following:

"*SEC. 12. Whenever a controversy shall arise between an employer or employers and employees subject to this act, which can not be settled through mediation and conciliation in the manner provided in section 2, and the Board of Mediation is unable to induce the parties to submit their controversy to arbitration in accordance with the provisions of this act, the said controversy shall be referred to a board of investigation, which shall consist of three members, of which each of the parties to the controversy shall recommend one, and these two, together with the third member, who shall act as chairman of the board, shall be appointed by the President of the United States. Upon notice by the President of the appointment of the board of investigation, the Board of Mediation and Conciliation shall arrange a time for the beginning of the investigation and a place where such proceedings may be held. The board of investigation shall organize and make all necessary rules for conducting its hearings. The board shall fully and carefully ascertain all the facts and circumstances, and in its report shall set forth such facts and circumstances and its findings therefrom, including the cause of the dispute and the board's recommendation for the settlement of the dispute according to the merits and substantial justice of the case. Its recommendation shall deal with each item of the dispute and shall state what in the board's opinion ought or ought not to be done by the respective parties concerned. Wherever it appears to the board expedient so to do, its recommendation shall also state the period during which the proposed settlement should continue in force and the date from which it should commence. The report shall be made to the Board of Mediation and Conciliation, who shall cause the same to be published.*

"*All testimony before the board of investigation shall be given under oath or affirmation, and any member of the board shall have the power to administer oaths or affirmations. It shall be furnished such assistants as may be necessary in carrying on its work.*

"*Each member of the board of investigation shall receive such compensation as may be fixed by the Board of Mediation and Conciliation, together with his traveling and other necessary expenses. So much as may be necessary of the appropriation of the Board of Mediation and Conciliation for the fiscal year ending June 30, 1917, is hereby made available for the payment of the necessary and proper expenses of boards of investigation. Authority for incurring expenses, including subsistence, by boards of investigation shall first be obtained from the Board of Mediation and Conciliation.*

"*SEC. 13. Pending the efforts of the Board of Mediation and Conciliation to induce the employer or employers and employees to submit their controversy to arbitration, and until the investigation of such controversy by the board of investigation provided for in section 12 of this act has been completed and its report thereon published, it shall be unlawful for the employer or employers to declare or cause a lockout, or for the employees, acting in combination, to declare or cause a strike on account of such controversy.*

"*SEC. 14. Any railroad company declaring or causing a lockout, or any officer or agent of any railroad company who assists or participates in declaring or causing a lockout contrary to the provisions of this act, shall be liable to a fine of not less than $500 nor more than $5,000 for each day or part of a day that such lockout exists.*

"*Any officer, agent, or employee of any organized body of labor or labor organization who declares or causes a strike contrary to the provisions of this act shall be liable to a fine of not less than $500 nor more than $5,000 for each day or part of a day that such strike exists.*

"*Any person who incites, encourages, or aids in any manner any employer to declare or continue a lockout, or any person who aids in any manner any officer, agent, or employee of any organized body of labor or labor organization in declaring or causing a strike contrary to the provisions of this act, shall be guilty of a misdemeanor and liable to a fine of not less than $10 nor more than $100.*

"*SEC. 15. If at any time any railway engaged in interstate commerce or in the transportation of the mails shall cease to operate or be seriously hindered in its operation because of a strike of its employees, the President of the United States shall have power to direct the operation of such railway whenever in his judgment essential for military purposes, and to that end he may employ such part of the military forces or such civil agents or draft into the service of the United States such persons as he may deem necessary.*

"*Any person refusing when so drafted to perform the service for which drafted shall be guilty of a crime and shall, upon conviction thereof, be punished by fine not exceeding ———, by imprisonment not exceeding ———, or by both such fine and imprisonment.*

"*SEC. 16. Any provisions of said act of July 15, 1913, which are inconsistent with the provisions of this act are hereby repealed.*"

Mr. NEWLANDS. Mr. President, I have urged in committee and in personal communication with Senators the adoption of the President's entire program. The initial step having been taken by the President himself and the Government practically committed to an eight-hour day as a temporary standard of compensation, it would seem to me that the wisdom of his recommendations was manifest and that Congress ought to respond

promptly and immediately in furnishing all the legislation required by his suggestions.

I found an indisposition in the other House among the membership generally and in the committee of which I am chairman to take up those subjects of legislation. They proposed to postpone them to the future. And so, finding that the majority of the committee was disposed to have a bill with some teeth in it, some provisions that at all events would in the future either prevent these emergencies or moderate their rigor, I cooperated, and the result was the incorporation in the Senate bill of certain provisions corresponding to the amendments subsequently offered by the Senator from Alabama and myself to the House bill now before us.

Mr. President, I can not see how any objection can be made by anyone to such legislation. If the railroad brotherhoods object, I assert, notwithstanding that, I stand for law and order. I stand for the right of every man to give up his employment if he wishes. I stand against his right to prevent by threats, force, or violence another man from taking his place. I stand for the legal restraint and punishment of the disorderly, the criminal, and the violent elements, not often conspicuous in the railroad brotherhoods, composed as they are of picked men of intelligence, character, and fidelity, but elements composed of the criminal and the vicious, particularly in large communities, who avail themselves of every social commotion to indulge in disorder and violence, and thus bring discredit upon legitmate and justifiable strikes. I stand also for the peaceful adjustment of industrial disputes through tribunals organized by society for that purpose, and with a view to a fair and humane adjustment of industrial conditions and wages.

The PRESIDENT pro tempore rapped with his gavel.

Mr. NEWLANDS. Mr. President, my time has expired, and I will only add that, so far as I am concerned, I am willing to go upon the record with this legislation, whatever the consequences.

Mr. THOMAS. Mr. President, the amendment offered by the Senator from Nevada is so nearly identical with the proposal I offered that I withdraw my amendment in favor of his.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Nevada.

Mr. McCUMBER. Mr. President, this amendment demonstrates again the impropriety of taking up this matter and dealing with it by piecemeal. If the amendment means that every act the operation of which is to prevent the movement of a train is unlawful—and necessarily it must mean that—it is a crime to organize a strike and call off conductors or trainmen. If it does not mean that, but simply means that physical force applied by an individual to stop the operation of a train is a criminal offense, we need no law, because it is a criminal offense throughout the United States under the law of every State in the Union. So on the one hand if it means one thing I do not think even the Senator himself would want to vote for it. If it means the other thing it is absolutely unnecessary because we have a law in every State affecting the subject matter.

Mr. REED. I wish to ask the Senator if it is not also true that it is the settled law wherever any violence is offered to stop a train that a writ of injunction is available to-day and always has been.

Mr. McCUMBER. Certainly; and it is a criminal act in every State.

The PRESIDENT pro tempore. The question is on the adoption of the amendment offered by the Senator from Nevada.

Mr. NEWLANDS. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). Making the same announcement I did on the last vote, I vote "nay."

Mr. GALLINGER (when his name was called). Announcing the same transfer as on the last vote, I vote "yea."

Mr. GRONNA (when his name was called). Announcing the same transfer as on the former vote, I vote "nay."

Mr. HUGHES (when Mr. JAMES's name was called). I desire to announce the unavoidable absence of the senior Senator from Kentucky [Mr. JAMES].

I desire also to announce the unavoidable absence of my colleague [Mr. MARTINE of New Jersey]. Both Senators are detained on important business.

Mr. SHAFROTH (when his name was called). I am paired with the junior Senator from Washington [Mr. POINDEXTER]. I can not get a transfer and I withhold my vote.

Mr. SMITH of Georgia (when his name was called). I announce my pair with the senior Senator from Massachusetts [Mr. LODGE], and withhold my vote.

Mr. STONE (when his name was called). I again announce my pair with the senior Senator from Wyoming [Mr. CLARK]. Not being able to secure a transfer, I withhold my vote.

Mr. UNDERWOOD (when his name was called). Announcing the same transfer of my pair as on the vote a few minutes ago, I vote "yea."

Mr. WADSWORTH (when his name was called). Making the same announcement that I did before, I vote "nay."

Mr. WALSH (when his name was called). I transfer my pair as on the preceding vote, and vote "nay."

Mr. WEEKS (when his name was called). I make the same announcement of the transfer of my pair that I made before. I vote "yea."

The roll call was concluded.

Mr. WEEKS. I wish to announce the unavoidable absence of my colleague [Mr. LODGE] and to have this announcement stand for the day.

Mr. DILLINGHAM (after having voted in the negative). I heard that the senior Senator from Maryland [Mr. SMITH] did not vote. Am I correct?

The PRESIDENT pro tempore. He did not.

Mr. DILLINGHAM. I have a pair with that Senator, and withdraw my vote.

The result was announced—yeas 14, nays 52, as follows:

YEAS—14.

Borah	Gallinger	Newlands	Warren
Brandegee	Hardwick	Shields	Weeks
Bryan	Hitchcock	Thomas	
Clarke, Ark.	Lee, Md.	Underwood	

NAYS—52.

Ashurst	Hughes	Myers	Sherman
Beckham	Husting	Nelson	Simmons
Brady	Johnson, S. Dak.	Norris	Smith, Ariz.
Chamberlain	Jones	Oliver	Smith, Mich.
Chilton	Kenyon	Overman	Smith, S. C.
Clapp	Kern	Penrose	Sterling
Colt	La Follette	Phelan	Swanson
Culberson	Lane	Pittman	Taggart
Cummins	Lea, Tenn.	Pomerene	Thompson
Curtis	Lewis	Ransdell	Vardaman
du Pont	McCumber	Reed	Wadsworth
Fletcher	McLean	Robinson	Walsh
Gronna	Martin, Va.	Sheppard	Williams

NOT VOTING—29

Bankhead	Harding	Owen	Stone
Broussard	Hollis	Page	Sutherland
Catron	James	Poindexter	Tillman
Clark, Wyo.	Johnson, Me.	Saulsbury	Townsend
Dillingham	Lippitt	Shafroth	Works
Fall	Lodge	Smith, Ga.	
Goff	Martine, N. J.	Smith, Md.	
Gore	O'Gorman	Smoot	

So Mr. NEWLANDS's amendment was rejected.

Mr. BRADY. Mr. President, I move to strike out section 4 of the bill.

The PRESIDENT pro tempore. The Senator from Idaho moves to strike out section 4 of the bill.

The amendment was rejected.

Mr. NORRIS. I offer the following amendment.

The PRESIDENT pro tempore. The Senator from Nebraska offers an amendment, which the Secretary will report.

The SECRETARY. Strike out all after the enacting clause and insert:

That beginning January 1, 1917, eight hours shall be deemed a day's work and the measure or standard of a day's work for the purpose of reckoning the compensation for services of all employees who are now or may hereafter be employed by any common carrier by railroad which is subject to the provisions of the act of February 4, 1887, entitled "An act to regulate commerce," as amended, and who are now or may hereafter be actually engaged in any capacity in the operation of trains used for the transportation of persons or property on railroads from any State or Territory of the United States or the District of Columbia to any other State or Territory of the United States or the District of Columbia, or from one place in a Territory to another place in the same Territory, or from any place in the United States to an adjacent foreign country, or from any place in the United States through a foreign country to any other place in the United States.

SEC. 2. From and after the passage of this act the Interstate Commerce Commission shall have the power to fix the rate of compensation and to make all necessary rules and regulations for the fixing of compensation, and for the payment and rate of overtime, and the conditions under which overtime may be allowed or permitted, of all of the employees of the railroads named in section 1 of this act. Said commission shall also fix the compensation of all of the officials of all of the common carriers by railroad which are subject to the provisions of the act of February 4, 1887, entitled "An act to regulate commerce," and of all amendatory acts thereto. Said commission may, either upon its own initiative or upon the hearing of any complaint filed by any official or officials of said roads, or any employee or organization of employees of any of said railroads, or by the Attorney General of the United States, or any citizen or organization of citizens of the United States, increase or reduce the salary of any of the officials of any of said roads, or increase or reduce the wages of any of said employees, or change or modify any of the rules and regulations relating to the hours of labor or the conditions of labor of any of said employees. All of the provisions of said act of February 4, 1887, entitled "An act

to regulate commerce," or any of the amendatory acts thereto, in regard to orders and hearing provided for therein, shall apply, as far as applicable, to hearings under this act.

SEC. 3. That whenever said commission shall fix any salary of any official of any of said roads as provided for herein, or shall fix the wages and conditions of labor of any of said employees as provided for herein, said salary or wage shall be the salary or wage to be paid to said official or said employees by the said railroad companies, and shall remain as so fixed by said commission until the same is changed by said commission as herein provided, and no greater or less salary or wage shall be paid than the one so fixed by said commission.

SEC. 4. That any person representing any of said railroads violating any of the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not less than $100 nor more than $1,000 or imprisoned not to exceed one year, or both.

SEC. 5. This act shall not apply to street or interurban railways operated by electricity.

Mr. NORRIS. Mr. President, I desire briefly to refer to what I have already explained at some length earlier in the day in regard to this proposed substitute.

To begin with, I believe that the same body to which we have given authority by law to fix rates of transportation for freight and passenger service ought to have complete authority to fix all of the items that go into the making up of those rates. Everybody knows that, as to the wages of the men and the salaries of the officers, which are often exorbitant, no commission or board has now the right to change them. It seems to me that the logical thing to do is to give to the Interstate Commerce Commission—that commission to which we have delegated the right, in a general way, to regulate all interstate railroads, to fix the rates, and to make them fair—the authority to fix the salaries of the railroad presidents and also the wages of all the men who work on the roads.

Suppose, Mr. President, such was the law now. Instead of having the country confronted with the condition which now confronts it, this is what would be the situation: The men who claim they ought to have higher wages would, in the regular way, have gone to the Interstate Commerce Commission and have filed their complaint, a hearing would be had, and judgment would be rendered. Why should not the same commission, to which I must go and to which you must go, Mr. President, if you complained about an unfair charge in a freight rate or a passenger rate or of some other regulation, determine these questions in the same way and render judgment in the same way?

It would mean, in my judgment, Mr. President, that the condition which confronts us now could never again arise. A strike such as we are now facing would not be, at least, a probability and would be almost an impossibility. It seems, therefore, that we ought to give to this commission, which is already clothed with partial authority—the commission to which we have given authority to place a physical valuation upon every one of these roads in order that they may more fully administer justice between the public and the men and the railroads as to rates—the power to fix the salaries of the officers and to fix the wages of the men.

The PRESIDENT pro tempore. The Chair desires to make an announcement. If there be further amendments to be offered to the House bill, now is the time to offer them and to have them considered, for the proposition now presented by the Senator from Nebraska is to strike out the House bill and to insert an entirely new bill. Our rules provide that when that is the case the proposition to be stricken out is open to amendment. Then the proposition that is to take its place—if affirmative action of the Senate shall so authorize—shall be open to amendment.

The Chair makes this announcement for the reason that it gives him an opportunity to call attention to the mandatory language of our unanimous-consent agreement, that all amendments which are not disposed of by 6 o'clock will fail, because the requirements of the unanimous-consent agreement is that we proceed to vote upon the final passage of the House bill not later than 6 o'clock.

Mr. RANSDELL. Mr. President, under that ruling of the Chair, I submit an amendment to the original bill.

The PRESIDENT pro tempore. The Senator from Louisiana submits an amendment, which will be stated.

The SECRETARY. It is proposed to amend section 1 of the bill, on page 2, by striking out, in line 19, the words "or between railroads and industrial plants" and to insert in lieu thereof the words "or between railroads known as belt-line railroads and industrial plants."

The PRESIDENT pro tempore. The question is on the adoption of the amendment offered by the Senator from Louisiana.

Mr. RANSDELL. Mr. President, I am not going to insist on the adoption of this amendment, unless the bill is amended in some other particulars. Personally I think it wise that we shall accept the bill as it came to the Senate from the other House; but, if this bill is to be amended, I think the amendment which I have suggested should be made in order to make plain certain language which is now very ambiguous. That is all I wish to say.

The PRESIDENT pro tempore. The question is on the amendment proposed by the Senator from Louisiana.

The amendment was rejected.

The PRESIDENT pro tempore. Are there further amendments to the House bill? [A pause.]

Mr. LA FOLLETTE. Mr. President——

The PRESIDENT pro tempore. The Senator from Wisconsin.

Mr. LA FOLLETTE. I offer the amendment which I send to the Secretary's desk.

The PRESIDENT pro tempore. The amendment proposed by the Senator from Wisconsin will be stated.

The SECRETARY. It is proposed, at the end of line 23, on page 3, after the word "workday," to insert the following:

Provided, That nothing in this act contained shall be held to amend, alter, or repeal an act entitled "An act to promote the safety of employees and travelers upon railroads by limiting the hours of service of employees thereof," approved March 4, 1907: *And provided further*, That nothing in this act contained shall be held to amend, alter, or repeal an act approved May 4, 1916, entitled "An act to amend section 3 of an act entitled 'An act to promote the safety of employees and travelers upon railroads by limiting the hours of service of employees thereof.'"

Mr. LA FOLLETTE. Mr. President, the first act referred to in the proposed amendment is an act adopted in 1907 limiting the hours of continuous service for men operating trains to 16 hours. The second act referred to is an amendment of that act, simply changing the penalty clause.

My reason for offering the amendment is that by section 3 of the proposed act now pending before the Senate, in line 20, it is proposed that the operatives of railway trains may be required, by arrangement with the roads, to run in addition to eight hours, the number of hours necessary in excess of eight hours to conduct the business according to the views of the railroad.

I greatly fear, Mr. President, that that provision will be construed as amending the act limiting the period of continuous service to 16 hours, and the amendment of that act which refers only to the penalty clause. I think it would be very much against the interests of the public, Mr. President, if it should be held under that provision that between the owners of the railroads and the operatives of trains there could be an arrangement by which the operatives of trains might be continued in service during all the hours necessary in the view of the owners of the road to conduct the business of the road. If that construction should be put upon this law, it would amend and modify and repeal the limitation of 16 hours of continuous service fixed by the act of 1907.

Mr. President, that would be a very serious thing. It would be very detrimental to the public interest. That act was passed in the interest of safety to the traveling public. It provided that men operating trains should not be required to run them for more than 16 continuous hours. If the provisions of section 3 of this act allow, as I construe them to allow, the extension of that time to such length as may be necessary in the view of the railroads and the men for the operation of trains beyond 16 hours, it would then, Mr. President, enable the railroads to require the operatives of trains to run such length of time as to endanger the safety of the traveling public.

No harm can possibly occur from the adoption of this amendment. It only provides that this bill shall not be so construed as to extend the time of continuous service in the operation of trains by arrangement between the operatives and the railroads beyond the limitation fixed in the 16-hour bill and the modification of that bill made by the present Congress.

I sincerely hope, sir, that this amendment may be adopted; and I beg to say to the Senate that no agreement to vote upon this bill at 6 o'clock to-day would ever have been accepted in this body if, as suggested by the Senator from Missouri [Mr. REED], we would not be permitted to offer amendments here to the House bill which might be considered upon their merits.

Mr. President, the Senate is an independent body. It is the one body of Congress in which we can have deliberative action. The only way in which we are deprived of that is by a unanimous-consent agreement. I acceded to that unanimous-consent agreement at 10 or 11 o'clock last night in the belief that any amendment which had merit in it might be considered upon its merit by this body, and that we should not be foreclosed from offering important amendments to this measure by any such condition as that suggested by the Senator from Missouri earlier in our deliberations, after we reached the hour of 4 o'clock, when he said that the House was without a quorum and that we must abdicate our functions as a legislative body and accept the bill as it passed that body. I would never last night

have consented to fixing a time to vote upon this bill, sir, if it had not been my belief that any amendment proposed to this legislation could receive careful and deliberate consideration of this body.

The PRESIDENT pro tempore. The Senator's time has expired.

Mr. LEWIS and Mr. WILLIAMS addressed the Chair.

The PRESIDENT pro tempore. The Senator from Illinois.

Mr. WILLIAMS. Mr. President——

The PRESIDENT pro tempore. The Senator from Illinois has been recognized. Does he yield to the Senator from Mississippi?

Mr. LEWIS. I will say to the Senator from Mississippi that I merely desire to address myself, as a member of the committee, to the observations of the Senator from Wisconsin. Has the Senator from Mississippi some matter of urgency for which he would like me to give way?

Mr. WILLIAMS. No; I merely wanted to dwell upon the same subject; that is all.

Mr. LEWIS. Mr. President, there need be no fear on the part of the able Senator from Wisconsin [Mr. LA FOLLETTE] of such operation of this law as is indicated by his observations. When this measure was before the committee there were a couple of members of the committee who suggested that there might be such likelihood or such thought from some sources; but all finally concurred in the principle of law which we recognized that repeals by implication are never favored by the courts. The courts could not indulge in the assumption that we implied the repeal of the other sections or the other laws upon a different or mere cognate subject matter. There is no affirmative expression in this proposed law repealing any other law. The courts would look to the law for such expression and the absence of it would of itself be instruction that no such repeal was intended.

Again, sir, the subject matter of the 16-hour law relating to continuous service upon the railroads is one thing. The designation in this law of eight hours per day for general service in general matters is another. Therefore, there can not arise the implication feared by the able Senator.

But, sir, if there were any fears to be expressed hereafter by him, or realized when we meet in December, if the able Senator then should feel that it was necessary to add some specific provision which would meet any doubts whatever even in his mind, there would be time enough to do it; since this law we are about to enact is not going into effect until January, 1917. To place the amendment upon the law now, merely on a fear or conjecture, would burden it unnecessarily and, I assure the able Senator, would be without defense or necessity. We respectfully insist it bears no relation whatever to the repeal feared by the Senator from Wisconsin.

Mr. WILLIAMS. Mr. President, I think the object which in borne in view by the Senator from Wisconsin is rather an important one. I think it ought to be accomplished in some way.

This bill provides that the basic day shall be a day of eight hours. It also provides that for overtime the men shall be paid proportionately. Undoubtedly that does leave open the question as to whether or not a man could be worked 16 hours or 18 hours or 20 hours; but the amendment offered by the Senator from Wisconsin, in the form in which he now has it, is entirely wrong. It goes on to say that nothing in this act shall be taken as repealing any part of the act of 1907, or subsequent and supplementary laws.

If that amendment is agreed to it renders the legislation which we are now passing nugatory, because the very nature of the case establishes the fact that we do repeal certain parts of those acts. We repeal that part of the act fixing 16 hours as a basic day and nothing else; and when an amendment is offered saying that nothing in this act "shall be so construed" as to repeal anything in that act that is going too far. The Senator could put in his amendment right after the part of the bill which provides that for overtime that the workmen shall be paid pro rata, something like this, "but that nobody shall be worked over 16 hours," and that would accomplish his purpose; but he has covered too much territory in the amendment as he has written it.

Mr. LA FOLLETTE. Mr. President, I am reluctant to interrupt under the five-minute rule.

The PRESIDENT pro tempore. The Senator is at liberty to interrupt the Senator from Mississippi as much as pleases that Senator.

Mr. WILLIAMS. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. The amendment made by this Congress to the 16-hour law was an amendment to the penalty provision. There is nothing in the 16-hour law excepting a limitation on the hours of labor and the enforcement of that limitation by penalty; but the penalty provision of the act of 1907 was found to be inoperative, and the present Congress cured that by an amendment which related simply to the penalty. I will not take the time of the Senate to state that, but that is all there is of it; and the reference to those two acts relates simply to the 16-hour limitation and the penalty provision attached to it. If that can be saved, we will save the violation of that law.

Mr. WILLIAMS. Mr. President, I am very sorry that I cannot agree with the Senator in his construction of his amendment. This act reads:

> And for all necessary time in excess of eight hours such employees shall be paid at a rate not less than the pro rata rate for such standard eight-hour workday.

Now, I see perfectly how under that provision a railroad could work a man 20 hours, paying him only for excess time pro rata; but it seems to me that if the Senator, after the word "workday," should strike out the period and insert a comma, and then add the language, "*Provided, however*, That no employee engaged in interstate commerce shall be compelled to work," or "shall be called on to work," or "shall be permitted to contract to work over 16 hours," he would then save the point he has in view.

The Senator is right in this——

Mr. LA FOLLETTE. Mr. President——

Mr. WILLIAMS. I have only five minutes.

Mr. LA FOLLETTE. I know, but——

Mr. WILLIAMS. The Senator is right in this—that the present law was passed for the purposes of public safety. It was thought that men who worked over 16 hours were not fully possessed of their faculties, physical or mental, so as to conserve the public safety. I have every sympathy with the object which the Senator has in view; but, as John Allen said when we took over the Philippines, his amendment simply covers too much territory.

Mr. LA FOLLETTE——

The PRESIDENT pro tempore. The Chair will admonish Senators that all amendments not voted on by 6 o'clock will fail for want of time to consider them.

Mr. LA FOLLETTE. Mr. President, I rise to speak on the amendment offered by the Senator from Nebraska [Mr. NORRIS]. Now, in the latitude given in debate here, I just want to reply to this criticism of my amendment, in a few words.

The Senator from Mississippi does not know that the railroads have avoided the operation of the law of 1907.

The PRESIDENT pro tempore. The Chair will say to the Senator from Wisconsin that the amendment offered by the Senator from Nebraska is not technically before the Senate.

Mr. LA FOLLETTE. Well, I am not speaking on it technically. [Laughter.]

The PRESIDENT pro tempore. Then the Senator is not in order. The Senator will be good enough to take his seat. Under the rules, the Chair can not enlarge the unanimous-consent agreement.

Mr. HUGHES. Mr. President, I simply want to call the attention of the Senate to the language of the 16-hour law, which provides—

> That it shall be unlawful for any common carrier, its officers or agents, subject to this act, to require or permit any employee subject to this act to be or remain on duty for a longer period than 16 consecutive hours.

Mr. LA FOLLETTE. Mr. President, will the Senator yield to me for just a second?

Mr. HUGHES. Certainly.

Mr. LA FOLLETTE. Under that law, the violations by the railroad companies, because of the inadequate penalty, were nearly 500,000 in number in the last year.

Mr. HUGHES. I understand that.

Mr. LA FOLLETTE. The present Congress enacted an amendment which provided that for any violation they should pay a fine of not less than $100 nor more than $500. The former law was weak in the respect that it provided no minimum penalty, and many courts assessed the railroads only 1 cent for a violation of the law. The violations under the original act were very numerous, and the violations will continue unless you preserve both of the statutes that you have to-day.

Mr. HUGHES. Mr. President, we have preserved both of the statutes. Of course, we have preserved the 16-hour law. There is nothing in this legislation that proposes its repeal. The penalty clause has been amended, as suggested by the Senator from Wisconsin, and it is in full force and effect. The proposed legislation simply provides that in the event of any employee working more than eight hours he shall be paid as though he had worked a full day and pro rata wages for the time he works over that day.

It seems to me that the Senator from Wisconsin will be only unnecessarily jeopardizing this legislation. I do not know whether he is in favor of it or not; but, if he is, it seems to me he will be only jeopardizing the legislation by insisting on his amendment, and will not be in any way aiding or helping in the enforcement of the 16-hour law.

Mr. BRADY. Mr. President, every Senator in this Chamber knows that the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE] is fair and equitable and should be adopted. It puts a positive construction upon this bill, and one that there could be no mistake about; and yet it will not be adopted for the reasons I stated in my former remarks.

I pause to say that I had in mind this very subject when I introduced my amendment to strike out section 4. I did not discuss it for the reason that I have always thought that he who laughs last laughs best; and when you come to enforce this law, when you come to put it in operation, I warn you that you will find that you will have some obstacles to overcome that you can not overcome. Under this bill the railroad companies are permitted to work the men 16 hours a day. You are putting a burden upon the employees that they can not, and in my judgment should not and will not, bear. You are enacting this legislation at this time for the purpose of preventing a strike. You are simply breeding a greater strike than you are preventing to-day. I shall vote against this bill because I believe it is a bill passed for political expediency and not for the benefit of the railroads or of the public or of the laboring men of this Nation.

This bill says that the men shall have a standard day's wages based on a day of eight hours, and that they shall be paid pro rata for overtime. If a man works 16 hours under this bill and is receiving 50 cents an hour he earns $4 for the eight hours and pro rata for overtime, which means that he will receive 50 cents an hour for overtime. Under existing contracts between the railroad companies and employees the men receive time and a half for overtime, and under a 50-cents-an-hour contract the men would receive 75 cents an hour. In other words, under existing contracts the men would receive $6 for overtime, whereas under this bill they will only receive pro rata for overtime, which would mean $4 for the eight hours overtime, and the passage of this bill will cause every member of the brotherhood to lose $2 on every eight hours of overtime they work during the next 10 months after this bill becomes a law. You must remember that the railroads are operated for a profit, and that they have a perfect right under this law to require men to work for at least 16 hours, and, in my judgment, more than 16 hours, but with the adoption of the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE], which I favor, we can at least limit the time to 16 hours, and we must expect that the railroad companies, as a matter of business, will operate the full number of hours permitted under the law wherever it is convenient to do it in efficient operation, and we should understand and realize that, although we raise the wages of these employees 20 per cent, instead of shortening their hours of labor to an eight-hour day as an average labor day for the train operators for the next 10 months they will be lengthened, and when this occurs the laboring men of this Nation—these very members of the brotherhood that are here to-day—will protest, and they will protest justly, if the hours of labor are unreasonably lengthened on a pro rata basis when they have worked for years to secure time and a half for overtime. They have at this time a legal right to protest and to strike to protect their rights if their demands are not granted, and you are to-day taking this right away from them. As has been said in this Chamber to-day, not only by Members on this side, but by Members on the majority side, everything that has been gained by the laboring men in the last 20 years has been gained by organization and by dealing directly with the companies.

You are taking that right away from them to-day and you are going to compel them to work, where they receive 50 cents an hour, for eight long hours of overtime for the sum of $4, while they are to-day throwing away their right to receive, not something in the future, but something that they are receiving at this very hour and I do not believe when they understand it they will submit to it, and if they do not submit to it what are you going to do to them? Section 4, the section I moved to strike out and which amendment the majority so jokingly voted down, says "that any person violating any provision of this act shall be guilty of a misdemeanor, and upon conviction shall be fined not less than $100 and not more than $1,000, or imprisoned not to exceed one year, or both." I say to the majority that you are taking away from the laboring men the liberty they have to-day, and you are placing them in a position of involuntary servitude for the next 10 months, and it is impossible for them to have any relief whatever without paying a fine or going to jail, or both. I am opposed to this bill and shall vote against it, because I believe it is not enacted in good faith, or for the public good. I favor the amendment offered by the Senator from Wisconsin, and I challenge any member of the majority to rise in his seat now and say that amendment is not fair and just, or to say that it should not be adopted by this body. I further challenge any member of the majority to rise in his seat and say that he will vote for this amendment or any other amendment that is offered to this bill, or that he will vote to change the doting of an i or the crossing of a t in this bill. You will not do it, although you know in your hearts that this amendment ought to be adopted. We have been wasting time. You intended to pass this bill in its present form when it came over from the House. We might as well have voted for it yesterday as to-day.

I yield to no man in my desire to further the cause of labor in securing an eight-hour day, but I refuse to be a party to the enactment of a law that pretends to give a certain class of men an eight-hour day but which in reality takes away from them every vested right that they have worked so many years to secure. I want to pass a law that is just as favorable to the stockholders and bondholders of the railroad companies as it is to the laboring men. You have not done justice to the investor in this bill. You have been absolutely unfair to the employees, and the public has not been taken into consideration at all.

Mr. NEWLANDS. Mr. President——

The PRESIDENT pro tempore. If the Senator occupies the floor for five minutes, all these amendments will fail.

Mr. NEWLANDS. I wish to state——

Mr. NORRIS. Will not the Senator let us vote on the pending amendment?

Mr. NEWLANDS. I wish to state that the subject of the effect of this action upon the 16-hour law was considered by the committee and that they were of the opinion that there was nothing whatever in this act to affect that law or the act amendatory of it.

Now, I wish to say another thing. The time for debate is about to close and I have not the opportunity I desired of making the closing remarks. I should like leave, therefore, to insert in the RECORD a statement from myself appearing in an interview in the New York Times regarding the railroad controversy. The interview was had prior to the President's message upon this subject, though it was printed afterwards.

The PRESIDENT pro tempore. Such will be the order unless there is objection.

The matter referred to is as follows:

[From the New York Times, Sunday, Aug. 27, 1916.]

PROBLEM OF THE RAILROADS—CHAIRMAN OF THE SENATE COMMITTEE ON INTERSTATE COMMERCE WARNS AGAINST FEDERAL OWNERSHIP.

"Almost as a matter of instinct I believe in the eight-hour day for railroad employees and all other classes of labor in the United States. I do not believe in Government ownership of the railroads in this country so long as Government regulation is adequate, and it has not yet been proved inadequate. I believe that the attitude of the railway investor is a big factor that we can not ignore. I believe that if it is necessary for the railroads to increase their rates in order to meet the added cost of an eight-hour day they should be allowed to do so. I am not in favor of compulsory arbitration, for that, of course, means, if it means anything, compulsory abiding by the award of the arbitrators which, in turn, means involuntary servitude in the United States."

These isolated sentences were uttered by Senator FRANCIS G. NEWLANDS, of Nevada, in the course of an interview at Washington the other day when he was asked why the Newlands Act providing for the the settlement of railroad disputes by mediation or arbitration had failed to meet the emergency of the present controversy between the railroad companies and their employees.

They may be taken as the railroad creed of the Senator whose name is associated with the most advanced piece of labor legislation so far enacted by the Federal Government, and who is the ranking man in Congress in transportation matters, because of his chairmanship of the Senate Committee on Interstate Commerce. Another vital article of that creed is the Senator's belief that all railroads should be brought under closer national control and more efficient r gulation by national incorporation.

As to the refusal of the railroad employees to arbitrate in 1916 under the terms of the Newlands Act, which they indorsed with so much enthusiasm at the time of it: passage in 1913, their refusal being based on their claim that they do not get a square deal, Senator Newlands said that the men were not afraid of partiality on th part of the arbitrators, but of the arbitrators' lack of expert knowledge of the many complicated questions involved.

"The objection of the railroad brotherhoods," he said, "is not so much to the law as to the lack of information at the disposal of the umpires. No matter how just and fair they ma, be, they are inexpert. They are not clear in their own understanding of the issues and they can not be clear in their decisions. After the award is made it becomes necessary to explain too much, possibly to arbitrate the award itself. This is what the men complain of, and, I think, explains their refusal to arbitrate at the present time.

"They declare, for example, that the granting of their demands would cost the roads only twenty millions more a year for operating. The roads declare that it would cost much more than that. There should be some way of putting such an important point as that before the arbitrators as an undisputed fact to enable them to decide it on its merits, not in the form of two widely divergent guesses about the

same thing. And that is only one of the many things concerning which we need accurate knowledge.

"Another illustration is in the matter of wages now paid throughout the railroad industry. It is asserted that the average pay of the railroad employees who are not organized is only about $700 a year, while the average pay of the workers who are organized, something less than one-third of the whole, is from $1,100 to $1,200 a year. Are we getting to the point where the lower strata of the labor in this industry of transportation should be built up? Are we giving too much consideration to the demands of what we may call the aristocracy of labor and not enough to the unorganized? Nobody knows, but we ought to know. We need the facts to determine these things.

"I recently introduced in the Senate a resolution directing the Interstate Commerce Commission to ascertain as soon as possible the minimum, maximum, and average wages paid with hours of service, to every class of railroad employee in the United States, to compare them with wages of other industries in which similar skill and risk are involved, to determine the relation of railroad wages to railroad revenues, and to consider whether railroad revenues, based on existing rates, would admit of equally favorable terms to all classes of railroad employees. There was a second section to the resolution declaring it to be the sense of Congress that the railroads and their employees should assist in the gathering of this information, and that meanwhile they should defer their present controversy over hours and wages. I offered this resolution tentatively, at the request of the national chamber of commerce, without going into the merits of it, but I am convinced that some such method of getting all the facts is absolutely essential to the adequate settlement of our railroad labor troubles.

"The resolution was tabled for various reasons. One was that we are having a national campaign. The railroad employees themselves were opposed to it because it would mean delay. I hardly think we can blame them for not wanting delay now that they have got their campaign for eight hours and more pay under way. It requires a tremendous effort to start such a movement as theirs from the beginning, and they object to losing the momentum they have worked up and beginning all over again. A moving body is going to get to its goal much more quickly than one that is halted to get more facts.

"But the eight-hour day, which I believe in instinctively for all labor when it can be brought about in an orderly manner, is not a goal to be driven at to reach in a day regardless of the welfare of the country as a whole. So why not agree upon a modus vivendi until we can get the facts that we need for the fair determination of the real questions?

"Of course the modus vivendi would itself be a matter of arbitration, but the award would be temporary. For example, why not an agreement now on a nine-hour day with time-and-a-quarter pay for overtime, such an agreement to run for one year or two years? In the meantime we would get together the information that any board of arbitration must have to reach an intelligent conclusion.

"If we could find some way to prevent by law radical action in the way of strike or lockout until the Government could ascertain all the facts and instruct public opinion, it would be worth while.

"We not only want to know what the men need, but what the roads are able to pay without impairing their service to the public. As between money that goes to favored stockholders by manipulation and money that is paid to employees in increased wages, I much prefer the latter, but there must be fair dividends. The welfare of the entire country demands that, for the railway investor is one of the chief contributors to that welfare. Without him we can have no further development of the country's chief industry, the industry upon which all our other industries depend. If ability to pay dividends is found to depend on authority to increase rates to meet the increasing cost of labor and supplies and taxes, as it is bound to be, then by all means let the roads increase the rates.

"To decrease dividends to the vanishing point, thereby cutting off all new capital, means Government ownership, and we ought not to approach Government ownership in this country until Government regulation has failed. It is now so far from being a failure that the United States has to-day the best system of railroads in the world, with the best wages for employees and the best service to the public and by far the cheapest service in proportion to its quality.

"I would prefer wage increases and shorter hours and rate increases to pay the bigger bills to Government ownership, but I have no prejudices against such ownership. I realize that the world is drifting toward it. The European countries have it. England is practically running her own roads. But why should we change so long as our roads are better, better for all concerned, under the United States system of regulation than the Government-owned foreign systems are? If this country ever does come to Government ownership we surely do not want to be forced to it by a cataclysm of industrial war. It must come, if at all, through the orderly process of evolution, which means the perfection of regulation first.

"If the Government should take over the roads the interest it would have to pay on the money borrowed for the purpose probably would be less than the dividends now paid to stockholders, but I doubt very much if the service would be as economic and efficient as it is now, and it is difficult to estimate the effect it would have on the country to have more than a million voters added to the pay roll of Government employees.

"To come back to the present, I see no way for the settlement of our labor disputes except by mediation, and if that fails, by arbitration, and we already have sufficient law for that purpose, if it is supplemented by some governmental device for getting the needed facts. I refer, of course, to voluntary arbitration. At the time the present mediation act was under discussion, preliminary to its passage, there was some talk of providing compulsory arbitration. That talk has been revived in the course of the controversy now pending. But the United States ought not to have compulsory arbitration, if it means, in its logical outcome, involuntary servitude. There would be no point in compelling the opponents to arbitrate, whether or no, unless you could compel them later on to abide by the award of the arbitrators and, in the case of the men, make it obligatory for them to remain at work.

"On the other hand, if you admit the principle that they can all give up their jobs at once and combine to prevent others from taking their places, that means that there is always the possibility of paralysis of the entire country. It means the possibility of civil war. A strike of the dimensions of the one now threatened would be civil war. It is idle to ignore the fact that such a strike could not be won without force and that the strikers would use force. And there would be nothing left for the public but to use force, too, in the shape of the military and every other agency at the disposal of the Government to offset violence and keep the roads in operation. It seems barbarous and uncivilized, but civilization has not yet devised any other way. It will find a way eventually and there is no need for discouragement. Reason and persuasion go much further than they used to in these matters. When we have learned how, they will go all the way in every contingency.

"In the meantime there might be for this country, if it would adopt it, a policy much better than Federal ownership, and that is Federal incorporation of the railroads. Such incorporation would unify and simplify the railroad administration of the country as a whole. It would recognize the evolution of the transportation industry under which the operation and management of almost the entire mileage has come under the control of a very few well-known groups or systems. By such incorporation and control the taxes of railroads could be made fixed and certain. That would also be true of dividends, so that hereafter any increase of business would tend mathematically, either to a betterment of the road to an increase in wages, or to a diminution in rates.

"I would require that all railroads engaging in interstate commerce should incorporate under a national law in accordance with certain conditions, not only permitting but favoring the consolidation of railroads. I would provide that the amount of stocks and bonds issued for such a consolidation should be approved by the Interstate Commerce Commission and that they should not exceed the actual value of the roads consolidated, as determined by the commission. I would provide that the commission should approve the amount of bonds and stocks to be issued for the purchase of connecting or intersecting lines, for the betterment of existing roads, and the construction of new ones. I would make a rigid requirement to the effect that these securities should not exceed the value of the property acquired, or the actual cost of the work of construction. This would effectually prevent future overcapitalization.

"The fact is that the railroad, whether in the hands of the Government or a private corporation, is a natural monopoly. The steady trend of consolidation is the outcome of economic forces which can not be controlled or appreciably impeded by legislation. Our present railroad system, even though it is the best in the world, is needlessly complicated and expensive, involving the maintenance of many unnecessary corporations. There should be unity of ownership, recognized by the law, of such railroads as are now linked together in interstate commerce, regardless of State boundaries. As State legislation can not accomplish this, the railroad corporations should be national—the creation of the Government whose jurisdiction is as broad as interstate commerce itself."

The PRESIDENT pro tempore. The question is on the adoption of the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. LA FOLLETTE. I ask for the yeas and nays on that amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I make the same announcement of my pair and its transfer and vote "nay."

Mr. GALLINGER (when his name was called). Again announcing the transfer of my pair, I vote "nay."

Mr. GRONNA (when his name was called). I have a general pair with the Senator from Maine [Mr. JOHNSON], which I transfer to the junior Senator from Vermont [Mr. PAGE], and will vote. I vote "yea."

Mr. SHAFROTH (when his name was called). I am paired with the junior Senator from Washington [Mr. POINDEXTER]. Not being able to obtain a transfer, I withhold my vote.

Mr. SMITH of Georgia (when his name was called). On account of my pair I can not vote. If at liberty to vote, I would vote "nay."

Mr. STONE (when his name was called). I make the same announcement as on the last roll call.

Mr. UNDERWOOD (when his name was called). I make the same announcement in reference to the transfer of my pair as on the last roll call and vote "nay."

Mr. WADSWORTH (when his name was called). Making the same announcement as before, I vote "yea."

Mr. WALSH (when his name was called). I transfer my pair as announced on the preceding roll call and vote "nay."

Mr. WEEKS (when his name was called). I make the same announcement that I made before and vote "yea."

The roll call was concluded.

Mr. CURTIS. I desire to announce that the Senator from West Virginia [Mr. GOFF] is paired with the Senator from South Carolina [Mr. TILLMAN].

The result was announced—yeas 25, nays 45, as follows:

YEAS—25.

Brady	Hitchcock	Nelson	Thomas
Clapp	Jones	Norris	Wadsworth
Cummins	Kenyon	Oliver	Warren
Curtis	La Follette	Sherman	Weeks
Dillingham	McCumber	Smith, Mich.	
du Pont	McLean	Smoot	
Gronna	Myers	Sterling	

NAYS—45.

Ashurst	Hardwick	Penrose	Smith, Md.
Bankhead	Hughes	Phelan	Smith, S. C.
Beckham	Husting	Pittman	Swanson
Brandegee	Johnson, S. Dak.	Pomerene	Taggart
Bryan	Kern	Ransdell	Thompson
Chamberlain	Lane	Reed	Underwood
Chilton	Lea, Tenn.	Robinson	Vardaman
Clarke, Ark.	Lee, Md.	Saulsbury	Walsh
Colt	Lewis	Sheppard	Williams
Culberson	Martin, Va.	Shields	
Fletcher	Newlands	Simmons	
Gallinger	Overman	Smith, Ariz.	

NOT VOTING—25.

Borah	Harding	O'Gorman	Sutherland
Broussard	Hollis	Owen	Tillman
Catron	James	Page	Townsend
Clark, Wyo.	Johnson, Me.	Poindexter	Works
Fall	Lippitt	Shafroth	
Goff	Lodge	Smith, Ga.	
Gore	Martine, N. J.	Stone	

So Mr. LA FOLLETTE's amendment was rejected.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Nebraska [Mr. NORRIS].

The amendment was rejected.

The PRESIDENT pro tempore. The hour of 6 o'clock having arrived the bill will be reported to the Senate.

The bill was reported to the Senate without amendment, ordered to a third reading, and read the third time.

The PRESIDENT pro tempore. The question is, Shall the bill pass?

Mr. REED and Mr. NEWLANDS called for the yeas and nays, and they were ordered.

The Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). Making the same announcement that I did on the former vote, I vote "yea."

Mr. GALLINGER (when his name was called). Making the same transfer of my pair as before, I vote "nay."

Mr. GRONNA (when his name was called). Making the same transfer of my pair that I formerly made, I vote "nay."

Mr. OWEN (when his name was called). In the absence of my pair I withhold my vote. If I were at liberty to vote, I would vote "yea."

Mr. SHAFROTH (when his name was called). I am paired with the junior Senator from Washington [Mr. POINDEXTER]. He is absent and I am unable to transfer, and therefore withhold my vote. If I were permitted to vote, I would vote "yea."

Mr. SMITH of Georgia (when his name was called). In the absence of my pair I withhold my vote. If permitted to vote, I would vote "yea."

Mr. STONE (when his name was called). In the absence of my pair I withhold my vote. If I could vote, I would vote "yea."

Mr. SMITH of Michigan (when Mr. TOWNSEND's name was called). I desire the RECORD to show that my colleague [Mr. TOWNSEND] is absent because of illness in his family.

Mr. UNDERWOOD (when his name was called). Making the same announcement with reference to my pair as on the last roll call, I vote "yea."

Mr. WADSWORTH (when his name was called). Making the same announcement I did before, I vote "nay."

Mr. WALSH (when his name was called). I transfer my pair as announced on the previous roll call and vote "yea."

Mr. WEEKS (when his name was called). I make the same announcement as before, and vote "nay."

The roll call was concluded.

Mr. HUGHES. I desire to announce the necessary absence of the senior Senator from Kentucky [Mr. JAMES] and the senior Senator from New Jersey [Mr. MARTINE] on important business.

Mr. CURTIS. I desire to announce that the Senator from West Virginia [Mr. GOFF] is paired with the Senator from South Carolina [Mr. TILLMAN].

The result was announced—yeas 43, nays 28, as follows:

YEAS—43.

Ashurst	Johnson, S. Dak.	Phelan	Smith, Md.
Bankhead	Kern	Pittman	Smith, S. C.
Beckham	La Follette	Pomerene	Swanson
Bryan	Lane	Ransdell	Taggart
Chamberlain	Lea, Tenn.	Reed	Thomas
Chilton	Lee, Md.	Robinson	Thompson
Culberson	Lewis	Saulsbury	Underwood
Fletcher	Martin, Va.	Shepard	Vardaman
Hitchcock	Myers	Shields	Walsh
Hughes	Newlands	Simmons	Williams
Husting	Overman	Smith, Ariz.	

NAYS—28.

Borah	Curtis	Kenyon	Sherman
Brady	Dillingham	McCumber	Smith, Mich.
Brandegee	du Pont	McLean	Smoot
Clapp	Gallinger	Nelson	Sterling
Clarke, Ark.	Gronna	Norris	Wadsworth
Colt	Hardwick	Oliver	Warren
Cummins	Jones	Penrose	Weeks

NOT VOTING—24.

Broussard	Harding	Martine, N. J.	Smith, Ga.
Catron	Hollis	O'Gorman	Stone
Clark, Wyo.	James	Owen	Sutherland
Fall	Johnson, Me.	Page	Tillman
Goff	Lippitt	Poindexter	Townsend
Gore	Lodge	Shafroth	Works

So the bill was passed.

Mr. NEWLANDS. I move that the bill (S. 6981) to establish the eight-hour standard workday in interstate transportation, and for other purposes, be indefinitely postponed.

The motion was agreed to.

PRESIDENTIAL NOTIFICATION (S. DOC. NO. 543).

Mr. FLETCHER. I ask unanimous consent to have printed in the RECORD and as a Senate document the address delivered to-day by Senator OLLIE M. JAMES, notifying President Wilson of his nomination for President by the Democratic Party and the reply of the President accepting the nomination.

The PRESIDING OFFICER (Mr. HUGHES in the chair). Is there objection?

Mr. PENROSE. I object.

The PRESIDING OFFICER. The Senator from Pennsylvania objects.

Mr. FLETCHER. I wish to state that the same request was preferred by Mr. MANN in the House regarding the address of Senator HARDING and the reply of Mr. Hughes, and it was granted.

The PRESIDING OFFICER. Does the Senator from Pennsylvania insist on his objection?

Mr. PENROSE. No; I did not understand the request, owing to the confusion in the Chamber.

The PRESIDING OFFICER. Is there objection to the request?

Mr. SMOOT. Just a moment. Do I understand the Senator to say that the address delivered by Senator HARDING and the response by Gov. Hughes at the notification meeting in New York were printed both in the RECORD and as a public document?

Mr. FLETCHER. Precisely; on August 2, page 11992 of the CONGRESSIONAL RECORD, which I have before me. It says:

Mr. MANN. Mr. Speaker, I ask unanimous consent that the speeches which have just been authorized to be inserted in the RECORD, of Senator HARDING and Mr. Hughes, may be also printed as a House document, so that they will be in a more convenient form.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the speeches of Senator HARDING and Mr. Hughes be published as a House document. Is there objection?

There was no objection (H. Doc. No. 1315).

Mr. SMOOT. I am not going to object to this request; but I want to say to the Senator that if that request had not been granted in the House I certainly would have objected to the addresses being printed both in the RECORD and as a public document.

Mr. FLETCHER. I know the Senator's usual objection, and I would not have made the request except for this precedent to do both.

Mr. SMOOT. I would not have consented to have them printed both in the RECORD and as a document.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

The matter referred to is as follows:

ADDRESS OF HON. OLLIE M. JAMES.

Mr. President, the Democracy of the Republic assembled in national convention at St. Louis, Mo., June 14, 1916, was genuinely representative of the true spirit of America—its ideals of justice and of patriotism.

These representatives of the purest democracy in the world, after three and a half years of trial of your service to the people of the country, with a Nation to choose from to fill the greatest office in the world, instinctively and enthusiastically turned to you. By this they not only registered their own will and desire, but also the will and wish of the people back home, whose trusted and honored spokesmen they were. With an enthusiasm, unanimity, and earnestness never surpassed in the political life of America, they have summoned you again to lead the hosts of peace, prosperity, and American righteousness.

They do not make this call upon you for the purpose of honoring you, for you have already had bestowed upon you by your countrymen the greatest honor within their gift. They call you for service to America and mankind; a service you have so amply proved to be of the highest type known to just governments among men; a service that has given justice to all men upon free and equal terms; a service that has restored taxation to its historic and constitutional function; a service that has freed trade to individual and honest endeavor; a service that has lifted from the tables and homes of the plain people of America a burden of taxation which they have unjustly borne for more than a half century and placed it upon the wealth and fortunes of the land; a service that has driven monopoly from its rendezvous of taxation; a service that has denied to the trusts of Republican creation a hiding place in our economic life; a service to the toilers of America that lifted them from the despised level of a commodity to the high plane of a human unit in our industrial life; a service that has dig-

nified them—the great army of workers of the field, factory, and mine; a service that opened the courts to all men upon equal terms of justice and constitutional liberty; a service that freed the money of a nation from the control of a "money oligarchy" and lodged it in the hands of the Government; a service that at once destroyed two trusts, a Money Trust and a Panic Trust, where the business can not be oppressed or destroyed by manipulation of the money market, nor legislation controlled, intimidated, or suppressed by the Panic Trust. These two trusts that your service and matchless leadership destroyed live only in memory, as contemporary with the malodorous rule of the boss-ridden and monopoly-controlled stand-pat Republican Party.

It is a service which has prepared the Nation for its defense; a service to fair and equal treatment to all men by destroying a subsidy fed to an American monopoly; a service to the farmers of our country who yearn for a home and fireside to call their own by enacting into law a Federal rural-credits system that makes credit and home building easy to the tillers of the soil; a service that in the stormiest hours of America's life and the bloodiest days of the life of the world, you have kept our people at peace with all the earth; a service that has kept homes happy, family circles unbroken, while the Old World staggers beneath its weight of sorrow, mourning, and death; a service whose victories for the freedom of the seas, the rights of neutral life, the protection of American citizens and American rights stands resplendent in the world's international law and in the earth's diplomacy. This great triumph which you achieved for America and the world gave protection to noncombatants and neutrals that war-mad countries must respect, and this diplomatic achievement will be the guiding, protecting precedent to millions of lives of the innocent and unoffending long after you are gone. This triumph of yours will not be told in history by a great war debt, a mammoth pension roll, vacant chairs at unhappy firesides, and Decoration Day services to place flowers upon the mounds of those who achieved it, but it will be told in the victory of matchless diplomacy and of irresistible logic, presenting in an unequaled manner the everlasting principle of justice.

Under your unrivaled and fearless leadership you have rescued the little children of America—the future fathers and mothers of our race—from the grinding slavery of the sweatshop and the factory. No dividends or fortunes in the future will bear the stain of their toil and tears; their youthful days will be spent in the fresh air of growing life and in the schoolrooms of the land, where they will be properly prepared in strength and mind to become the future citizens of a great, humane, and free Republic.

You behold your country after three and a half years of your administration more prosperous than ever in its history. The earning of the laborers of America exceed by $3,000,000,000 their earnings under four years of the administration of your predecessor; the savings of the people deposited in the banks of our country amout to $6,000,000,000 more than was deposited under the four years of the administration of Mr. Taft.

Our exports for the first time in our history lead the world; our farmers are more prosperous than ever; business is free; individual endeavor is no longer denied its reward. The increase in the business of the commercial world is so great that it almost staggers the mind to contemplate it, notwithstanding a world's war has called for legislation to stay the process of the courts in debt collections in all the neutral countries of the world except here, where plenty blesses and prospers our people. Your beloved country marches forward to a prosperity never dreamed of. Your opponents are unwillingly forced to admit this happy condition of our people, which they say is not permanent, but they shall be no more regarded as prophets now than they were when they said it could not come.

Four years ago in accepting the nomination of the Democratic Party for the Presidency you stated that you would seek advice and counsel wherever you could obtain it upon free terms; this you have done. You uncovered and drove a mighty lobby out of the Capitol and invited Americans of all stations to come and counsel with you. The laborer with his grimy hand, the farmer with the tan of the blazing sun upon his face; the railroad men who hold the throttle, swing the lantern, and direct the rolling wheels of commerce; the toiler from the damp and darkness of mine, from the shop, the mill, and the factory; the business men from their offices, the clerk from the counter, the banker, the artisan, the lawyer, and the doctor, have come and found welcome and shared counsel with you. They knew you were free to serve, that you were unbossed, unowned, and unafraid. They knew you only sought the truth, and when you found it you were ready to challenge all of its adversaries to any conflict.

When peace shall spread her white wings over a charred and bloody world, in the quiet of the chamber of the just historian, when the din and roar of political antagonism shall have ceased, when the prejudice and passion of partisanship shall have died away, when principle shall actuate men and parties rather than appetite, when ambition shall no longer lure men and parties to unjust attack, the historian will accord to you and your administration a foremost place in the Republic's life.

Americans are not ungrateful; the people are not unpatriotic; they recognize the thousands of difficulties that no man could foresee which you have encountered and mastered. Their verdict is already written; it has been agreed upon at the firesides of the land and has been molded in the schoolhouses, the places of worship, and wherever Americans meet to talk over the affairs and good of their country. That verdict leaps forth from almost every American heart in undying gratitude to you for the service you have rendered, for the peace, prosperity, and happiness your leadership has given, and I but voice this day the overwhelming wish of Americans everywhere for your triumphant reelection.

This great convention which nominated you was neither controlled nor intimidated by any un-American or foreign influence. It had the heart beat and spoke the true sentiment of our country.

A committee composed of the permanent chairman of the convention and one delegate from each State and Territory was appointed to inform you of your selection as the nominee of the Democratic Party for President of the United States and to request you to accept it, and the convention did me the honor to make me chairman of this committee charged with such a happy mission.

Therefore, in compliance with the command of that convention, this committee performs that pleasing duty, and, as the appointed agent of that great national Democratic convention, I hand you this formal letter of notification, signed by the members of the committee, accompanied by a copy of the platform adopted by the convention, and upon that platform I have the honor to request your acceptance of the tendered nomination. And, on behalf of the Democrats of the whole Republic, who are proud of your great administration, we pledge you their enthusiastic and united support, and our prayer is that God, who blesses the peacemaker, may guide you to a glorious victory in November.

SPEECH OF ACCEPTANCE, 1916.

Senator JAMES, gentlemen of the notification committee, fellow citizens, I can not accept the leadership and responsibility which the national Democratic convention has again, in such generous fashion, asked me to accept without first expressing my profound gratitude to the party for the trust it reposes in me after four years of fiery trial in the midst of affairs of unprecedented difficulty, and the keen sense of added responsibility with which this honor fills—I had almost said burdens—me as I think of the great issues of national life and policy involved in the present and immediate future conduct of our Government. I shall seek, as I have always sought, to justify the extraordinary confidence thus reposed in me by striving to purge my heart and purpose of every personal and of every misleading party motive and devoting every energy I have to the service of the Nation as a whole, praying that I may continue to have the counsel and support of all forward-looking men at every turn of the difficult business.

For I do not doubt that the people of the United States will wish the Democratic Party to continue in control of the Government. They are not in the habit of rejecting those who have actually served them for those who are making doubtful and conjectural promises of service. Least of all are they likely to substitute those who promised to render them particular services and proved false to that promise for those who have actually rendered those very services.

Boasting is always an empty business, which pleases nobody but the boaster, and I have no disposition to boast of what the Democratic Party has accomplished. It has merely done its duty. It has merely fulfilled its explicit promises. But there can be no violation of good taste in calling attention to the manner in which those promises have been carried out or in adverting to the interesting fact that many of the things accomplished were what the opposition party had again and again promised to do but had left undone. Indeed that is manifestly part of the business of this year of reckoning and assessment. There is no means of judging the future except by assessing the past. Constructive action must be weighed against destructive comment and reaction. The Democrats either have or have not understood the varied interests of the country. The test is contained in the record.

What is that record? What were the Democrats called into power to do? What things had long waited to be done, and how did the Democrats do them? It is a record of extraordinary

length and variety, rich in elements of many kinds, but consistent in principle throughout and susceptible of brief recital.

The Republican Party was put out of power because of failure, practical failure and moral failure; because it had served special interests and not the country at large; because, under the leadership of its preferred and established guides, of those who still make its choices, it had lost touch with the thoughts and the needs of the Nation and was living in a past age and under a fixed illusion, the illusion of greatness. It had framed tariff laws based upon a fear of foreign trade, a fundamental doubt as to American skill, enterprise, and capacity, and a very tender regard for the profitable privileges of those who had gained control of domestic markets and domestic credits; and yet had enacted antitrust laws which hampered the very things they meant to foster, which were stiff and inelastic, and in part unintelligible. It had permitted the country throughout the long period of its control to stagger from one financial crisis to another under the operation of a national banking law of its own framing which made stringency and panic certain and the control of the larger business operations of the country by the bankers of a few reserve centers inevitable; had made as if it meant to reform the law, but had faint-heartedly failed in the attempt, because it could not bring itself to do the one thing necessary to make the reform genuine and effectual, namely, break up the control of small groups of bankers. It had been oblivious or indifferent to the fact that the farmers, upon whom the country depends for its food and in the last analysis for its prosperity, were without standing in the matter of commercial credit, without the protection of standards in their market transactions, and without systematic knowledge of the markets themselves; that the laborers of the country, the great army of men who man the industries it was professing to father and promote, carried their labor as a mere commodity to market, were subject to restraint by novel and drastic process in the courts, were without assurance of compensation for industrial accidents, without Federal assistance in accommodating labor disputes, and without national aid or advice in finding the places and the industries in which their labor was most needed. The country had no national system of road construction and development. Little intelligent attention was paid to the Army, and not enough to the Navy. The other Republics of America distrusted us, because they found that we thought first of the profits of American investors and only as an afterthought of impartial justice and helpful friendship. Its policy was provincial in all things; its purposes were out of harmony with the temper and purpose of the people and the timely development of the Nation's interests.

So things stood when the Democratic Party came into power. How do they stand now? Alike in the domestic field and in the wide field of the commerce of the world, American business and life and industry have been set free to move as they never moved before.

The tariff has been revised, not on the principle of repelling foreign trade but upon the principle of encouraging it, upon something like a footing of equality with our own in respect of the terms of competition, and a Tariff Board has been created whose function it will be to keep the relations of American with foreign business and industry under constant observation, for the guidance alike of our business men and of our Congress. American energies are now directed toward the markets of the world.

The laws against trusts have been clarified by definition, with a view to making it plain that they were not directed against big business but only against unfair business and the pretense of competition where there was none; and a Trade Commission has been created with powers of guidance and accommodation which have relieved business men of unfounded fears and set them upon the road of hopeful and confident enterprise.

By the Federal reserve act the supply of currency at the disposal of active business has been rendered elastic, taking its volume not from a fixed body of investment securities, but from the liquid assets of daily trade; and these assets are assessed and accepted not by distant groups of bankers in control of unavailable reserves, but by bankers at the many centers of local exchange who are in touch with local conditions everywhere.

Effective measures have been taken for the re-creation of an American merchant marine and the revival of the American carrying trade indispensable to our emancipation from the control which foreigners have so long exercised over the opportunities, the routes, and the methods of our commerce with other countries.

The Interstate Commerce Commission has been reorganized to enable it to perform its great and important functions more promptly and more efficiently. We have created, extended, and improved the service of the parcel post.

So much we have done for business. What other party has understood the task so well or executed it so intelligently and energetically? What other party has attempted it at all? The Republican leaders, apparently, know of no means of assisting business but "protection." How to stimulate it and put it upon a new footing of energy and enterprise they have not suggested.

For the farmers of the country we have virtually created commercial credit, by means of the Federal reserve act and the rural-credits act. They now have the standing of other business men in the money market. We have successfully regulated speculation in "futures" and established standards in the marketing of grains. By an intelligent warehouse act we have assisted to make the standard crops available as never before, both for systematic marketing and as a security for loans from the banks. We have greatly added to the work of neighborhood demonstration on the farm itself of improved methods of cultivation, and, through the intelligent extension of the functions of the Department of Agriculture, have made it possible for the farmer to learn systematically where his best markets are and how to get at them.

The workingmen of America have been given a veritable emancipation by the legal recognition of a man's labor as part of his life, and not a mere marketable commodity; by exempting labor organizations from processes of the courts, which treated their members like fractional parts of mobs and not like accessible and responsible individuals; by releasing our seamen from involuntary servitude; by making adequate provision for compensation for industrial accidents; by providing suitable machinery for mediation and conciliation in industrial disputes; and by putting the Federal Department of Labor at the disposal of the workingman when in search of work.

We have effected the emancipation of the children of the country by releasing them from hurtful labor. We have instituted a system of national aid in the building of highroads such as the country has been feeling after for a century. We have sought to equalize taxation by means of an equitable income tax. We have taken the steps that ought to have been taken at the outset to open up the resources of Alaska. We have provided for national defense upon a scale never before seriously proposed upon the responsibility of an entire political party. We have driven the tariff lobby from cover and obliged it to substitute solid argument for private influence.

This extraordinary recital must sound like a platform, a list of sanguine promises; but it is not. It is a record of promises made four years ago and now actually redeemed in constructive legislation.

These things must profoundly disturb the thoughts and confound the plans of those who have made themselves believe that the Democratic Party neither understood nor was ready to assist the business of the country in the great enterprises which it is its evident and inevitable destiny to undertake and carry through. The breaking up of the lobby must especially disconcert them; for it was through the lobby that they sought and were sure they had found the heart of things. The game of privilege can be played successfully by no other means.

This record must equally astonish those who feared that the Democratic Party had not opened its heart to comprehend the demands of social justice. We have in four years come very near to carrying out the platform of the Progressive Party as well as our own; for we also are progressives.

There is one circumstance connected with this programme which ought to be very plainly stated. It was resisted at every step by the interests which the Republican Party had catered to and fostered at the expense of the country, and these same interests are now earnestly praying for a reaction which will save their privileges—for the restoration of their sworn friends to power before it is too late to recover what they have lost. They fought with particular desperation and infinite resourcefulness the reform of the banking and currency system, knowing that to be the citadel of their control; and most anxiously are they hoping and planning for the amendment of the Federal reserve act by the concentration of control in a single bank which the old familiar group of bankers can keep under their eye and direction. But while the "big men" who used to write the tariffs and command the assistance of the Treasury have been hostile—all but a few with vision—the average business man knows that he has been delivered, and that the fear that was once every day in his heart, that the men who controlled credit and directed enterprise from the committee rooms of Congress would crush him, is there no more, and will not return, unless the party that consulted only the "big men" should return to power—the party of masterly inactivity and cunning resourcefulness in standing pat to resist change.

The Republican Party is just the party that *can not* meet the new conditions of a new age. It does not know the way and

it does not wish new conditions. It tried to break away from the old leaders and could not. They still select its candidates and dictate its policy, still resist change, still hanker after the old conditions, still know no methods of encouraging business but the old methods. When it changes its leaders and its purposes and brings its ideas up to date, it will have the right to ask the American people to give it power again; but not until then. A new age, an age of revolutionary change, needs new purposes and new ideas.

In foreign affairs we have been guided by principles clearly conceived and consistently lived up to. Perhaps they have not been fully comprehended because they have hitherto governed international affairs only in theory, not in practice. They are simple, obvious, easily stated, and fundamental to American ideals.

We have been neutral not only because it was the fixed and traditional policy of the United States to stand aloof from the politics of Europe and because we had had no part either of action or of policy in the influences which brought on the present war, but also because it was manifestly our duty to prevent, if it were possible, the indefinite extension of the fires of hate and desolation kindled by that terrible conflict and seek to serve mankind by reserving our strength and our resources for the anxious and difficult days of restoration and healing which must follow, when peace will have to build its house anew.

The rights of our own citizens of course became involved; that was inevitable. Where they did this was our guiding principle: that property rights can be vindicated by claims for damages when the war is over, and no modern nation can decline to arbitrate such claims; but the fundamental rights of humanity can not be. The loss of life is irreparable. Neither can direct violations of a nation's sovereignty await vindication in suits for damages. The nation that violates these essential rights must expect to be checked and called to account by direct challenge and resistance. It at once makes the quarrel in part our own. These are plain principles, and we have never lost sight of them or departed from them, whatever the stress or the perplexity of circumstance or the provocation to hasty resentment. The record is clear and consistent throughout and stands distinct and definite for anyone to judge who wishes to know the truth about it.

The seas were not broad enough to keep the infection of the conflict out of our own politics. The passions and intrigues of certain active groups and combinations of men amongst us who were born under foreign flags injected the poison of disloyalty into our own most critical affairs, laid violent hands upon many of our industries, and subjected us to the shame of divisions of sentiment and purpose in which America was contemned and forgotten. It is part of the business of this year of reckoning and settlement to speak plainly and act with unmistakable purpose in rebuke of these things, in order that they may be forever hereafter impossible. I am the candidate of a party, but I am above all things else an American citizen. I neither seek the favor nor fear the displeasure of that small alien element amongst us which puts loyalty to any foreign power before loyalty to the United States.

While Europe was at war our own continent, one of our own neighbors, was shaken by revolution. In that matter, too, principle was plain and it was imperative that we should live up to it if we were to deserve the trust of any real partisan of the right as free men see it. We have professed to believe, and we do believe, that the people of small and weak states have the right to expect to be dealt with exactly as the people of big and powerful states would be. We have acted upon that principle in dealing with the people of Mexico.

Our recent pursuit of bandits into Mexican territory was no violation of that principle. We ventured to enter Mexican territory only because there were no military forces in Mexico that could protect our border from hostile attack and our own people from violence, and we have committed there no single act of hostility or interference even with the sovereign authority of the Republic of Mexico herself. It was a plain case of the violation of our own sovereignty which could not wait to be vindicated by damages and for which there was no other remedy. The authorities of Mexico were powerless to prevent it.

Many serious wrongs against the property, many irreparable wrongs against the persons, of Americans have been committed within the territory of Mexico herself during this confused revolution, wrongs which could not be effectually checked so long as there was no constituted power in Mexico which was in a position to check them. We could not act directly in that matter ourselves without denying Mexicans the right to any revolution at all which disturbed us and making the emancipation of her own people await our own interest and convenience.

For it is their emancipation that they are seeking—blindly, it may be, and as yet ineffectually, but with profound and passionate purpose and within their unquestionable right, apply what true American principle you will—any principle that an American would publicly avow. The people of Mexico have not been suffered to own their own country or direct their own institutions. Outsiders, men out of other nations and with interests too often alien to their own, have dictated what their privileges and opportunities should be and who should control their land, their lives, and their resources—some of them Americans, pressing for things they could never have got in their own country. The Mexican people are entitled to attempt their liberty from such influences; and so long as I have anything to do with the action of our great Government I shall do everything in my power to prevent anyone standing in their way. I know that this is hard for some persons to understand; but it is not hard for the plain people of the United States to understand. It is hard doctrine only for those who wish to get something for themselves out of Mexico. There are men, and noble women, too, not a few, of our own people, thank God! whose fortunes are invested in great properties in Mexico who yet see the case with true vision and assess its issues with true American feeling. The rest can be left for the present out of the reckoning until this enslaved people has had its day of struggle toward the light. I have heard no one who was free from such influences propose interference by the United States with the internal affairs of Mexico. Certainly no friend of the Mexican people has proposed it.

The people of the United States are capable of great sympathies and a noble pity in dealing with problems of this kind. As their spokesman and representative, I have tried to act in the spirit they would wish me show. The people of Mexico are striving for the rights that are fundamental to life and happiness—15,000,000 oppressed men, overburdened women, and pitiful children in virtual bondage in their own home of fertile lands and inexhaustible treasure! Some of the leaders of the revolution may often have been mistaken and violent and selfish, but the revolution itself was inevitable and is right. The unspeakable Huerta betrayed the very comrades he served, traitorously overthrew the government of which he was a trusted part, impudently spoke for the very forces that had driven his people to the rebellion, with which he had pretended to sympathize. The men who overcame him and drove him out represent at least the fierce passion of reconstruction which lies at the very heart of liberty; and so long as they represent, however imperfectly, such a struggle for deliverance, I am ready to serve their ends when I can. So long as the power of recognition rests with me the Government of the United States will refuse to extend the hand of welcome to anyone who obtains power in a sister republic by treachery and violence. No permanency can be given the affairs of any republic by a title based upon intrigue and assassination. I declared that to be the policy of this administration within three weeks after I assumed the Presidency. I here again vow it. I am more interested in the fortunes of oppressed men and pitiful women and children than in any property rights whatever. Mistakes I have no doubt made in this perplexing business, but not in purpose or object.

More is involved than the immediate destinies of Mexico and the relations of the United States with a distressed and distracted people. All America looks on. Test is now being made of us whether we be sincere lovers of popular liberty or not and are indeed to be trusted to respect national sovereignty among our weaker neighbors. We have undertaken these many years to play big brother to the republics of this hemisphere. This is the day of our test, whether we mean, or have ever meant, to play that part for our own benefit wholly or also for theirs. Upon the outcome of that test—its outcome in their minds, not in ours—depends every relationship of the United States with Latin America, whether in politics or in commerce and enterprise. These are great issues and lie at the heart of the gravest tasks of the future, tasks both economic and political, and very intimately inwrought with many of the most vital of the new issues of the politics of the world. The republics of America have in the last three years been drawing together in a new spirit of accommodation, mutual understanding, and cordial cooperation. Much of the politics of the world in the years to come will depend upon their relationships with one another. It is a barren and provincial statesmanship that loses sight of such things!

The future, the immediate future, will bring us squarely face to face with many great and exacting problems which will search us through and through whether we be able and ready to play the part in the world that we mean to play. It will not bring us into their presence slowly, gently, with ceremonious introduction, but suddenly and at once, the moment the war in

Europe is over. They will be new problems, most of them; many will be old problems in a new setting and with new elements which we have never dealt with or reckoned the force and meaning of before. They will require for their solution new thinking, fresh courage and resourcefulness, and in some matters radical reconsiderations of policy. We must be ready to mobilize our resources alike of brains and of materials.

It is not a future to be afraid of. It is, rather, a future to stimulate and excite us to the display of the best powers that are in us. We may enter it with confidence when we are sure that we understand it—and we have provided ourselves already with the means of understanding it.

Look first at what it will be necessary that the nations of the world should do to make the days to come tolerable and fit to live and work in; and then look at our part in what is to follow and our own duty of preparation. For we must be prepared both in resources and in policy.

There must be a just and settled peace, and we here in America must contribute the full force of our enthusiasm and of our authority as a Nation to the organization of that peace upon world-wide foundations that can not easily be shaken. No nation should be forced to take sides in any quarrel in which its own honor and integrity and the fortunes of its own people are not involved; but no nation can any longer remain neutral as against any willful disturbance of the peace of the world. The effects of war can no longer be confined to the areas of battle. No nation stands wholly apart in interest when the life and interests of all nations are thrown into confusion and peril. If hopeful and generous enterprise is to be renewed, if the healing and helpful arts of life are indeed to be revived when peace comes again, a new atmosphere of justice and friendship must be generated by means the world has never tried before. The nations of the world must unite in joint guaranties that whatever is done to disturb the whole world's life must first be tested in the court of the whole world's opinion before it is attempted.

These are the new foundations the world must build for itself, and we must play our part in the reconstruction, generously and without too much thought of our separate interests. We must make ourselves ready to play it intelligently, vigorously, and well.

One of the contributions we must make to the world's peace is this: We must see to it that the people in our insular possessions are treated in their own lands as we would treat them here, and make the rule of the United States mean the same thing everywhere—the same justice, the same consideration for the essential rights of men.

Besides contributing our ungrudging moral and practical support to the establishment of peace throughout the world, we must actively and intelligently prepare ourselves to do our full service in the trade and industry which are to sustain and develop the life of the nations in the days to come.

We have already been provident in this great matter and supplied ourselves with the instrumentalities of prompt adjustment. We have created, in the Federal Trade Commission, a means of inquiry and of accommodation in the field of commerce which ought both to coordinate the enterprises of our traders and manufacturers and to remove the barriers of misunderstanding and of a too technical interpretation of the law. In the new Tariff Commission we have added another instrumentality of observation and adjustment which promises to be immediately serviceable. The Trade Commission substitutes counsel and accommodation for the harsher processes of legal restraint, and the Tariff Commission ought to substitute facts for prejudices and theories. Our exporters have for some time had the advantage of working in the new light thrown upon foreign markets and opportunities of trade by the intelligent inquiries and activities of the Bureau of Foreign and Domestic Commerce which the Democratic Congress so wisely created in 1912. The Tariff Commission completes the machinery by which we shall be enabled to open up our legislative policy to the facts as they develop.

We can no longer indulge our traditional provincialism. We are to play a leading part in the world drama whether we wish it or not. We shall lend, not borrow; act for ourselves, not imitate or follow; organize and initiate, not peep about merely to see where we may get in.

We have already formulated and agreed upon a policy of law which will explicitly remove the ban now supposed to rest upon cooperation amongst our exporters in seeking and securing their proper place in the markets of the world. The field will be free, the instrumentalities at hand. It will only remain for the masters of enterprise amongst us to act in energetic concert, and for the Government of the United States to insist upon the maintenance throughout the world of those conditions of fairness and of even-handed justice in the commercial dealings of the nations with one another upon which, after all, in the last analysis, the peace and ordered life of the world must ultimately depend.

At home also we must see to it that the men who plan and develop and direct our business enterprises shall enjoy definite and settled conditions of law, a policy accommodated to the freest progress. We have set the just and necessary limits. We have put all kinds of unfair competition under the ban and penalty of the law. We have barred monopoly. These fatal and ugly things being excluded, we must now quicken action and facilitate enterprise by every just means within our choice. There will be peace in the business world, and, with peace, revived confidence and life.

We ought both to husband and to develop our natural resources, our mines, our forests, our water power. I wish we could have made more progress than we have made in this vital matter; and I call once more, with the deepest earnestness and solicitude, upon the advocates of a careful and provident conservation, on the one hand, and the advocates of a free and inviting field for private capital, on the other, to get together in a spirit of genuine accommodation and agreement and set this great policy forward at once.

We must hearten and quicken the spirit and efficiency of labor throughout our whole industrial system by everywhere and in all occupations doing justice to the laborer, not only by paying a living wage but also by making all the conditions that surround labor what they ought to be. And we must do more than justice. We must safeguard life and promote health and safety in every occupation in which they are threatened or imperiled. That is more than justice, and better, because it is humanity and economy.

We must coordinate the railway systems of the country for national use, and must facilitate and promote their development with a view to that coordination and to their better adaptation as a whole to the life and trade and defense of the Nation. The life and industry of the country can be free and unhampered only if these arteries are open, efficient, and complete.

Thus shall we stand ready to meet the future as circumstance and international policy effect their unfolding, whether the changes come slowly or come fast and without preface.

I have not spoken explicitly, gentlemen, of the platform adopted at St. Louis; but it has been implicit in all that I have said. I have sought to interpret its spirit and meaning. The people of the United States do not need to be assured now that that platform is a definite pledge, a practical program. We have proved to them that our promises are made to be kept.

We hold very definite ideals. We believe that the energy and initiative of our people have been too narrowly coached and superintended; that they should be set free, as we have set them free, to disperse themselves throughout the Nation; that they should not be concentrated in the hands of a few powerful guides and guardians, as our opponents have again and again, in effect if not in purpose, sought to concentrate them. We believe, moreover—who that looks about him now with comprehending eye can fail to believe—that the day of little Americanism, with its narrow horizons, when methods of "protection" and industrial nursing were the chief study of our provincial statesmen, are past and gone and that a day of enterprise has at last dawned for the United States whose field is the wide world.

We hope to see the stimulus of that new day draw all America, the Republics of both continents, on to a new life and energy and initiative in the great affairs of peace. We are Americans for big America, and rejoice to look forward to the days in which America shall strive to stir the world without irritating it or drawing it on to new antagonisms, when the nations with which we deal shall at last come to see upon what deep foundations of humanity and justice our passion for peace rests, and when all mankind shall look upon our great people with a new sentiment of admiration, friendly rivalry, and real affection, as upon a people who, though keen to succeed, seeks always to be at once generous and just and to whom humanity is dearer than profit or selfish power.

Upon this record and in the faith of this purpose we go to the country.

GENERAL DEFICIENCY APPROPRIATIONS.

Mr. MARTIN of Virginia. I move that the Senate proceed to the consideration of House bill 17645, the deficiency appropriation bill.

The motion was agreed to, and the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 17645) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1916, and prior fiscal years,

and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. MARTIN of Virginia. I ask that the formal reading of the bill be dispensed with, that the bill be read for amendment, and that the committee amendments be first considered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Secretary proceeded to read the bill. The first amendment of the Committee on Appropriations was, on page 1, after line 8, to insert:

The proper disbursing officer of the Federal Trade Commission is authorized and directed to pay George Rublee, from available appropriations, the compensation authorized to be paid to a commissioner in the Federal Trade Commission for the period covered by his service as such commissioner from the time of his entry on duty on March 16, 1915, to May 15, 1916, the date when his nomination by the President to such position was rejected by the Senate, notwithstanding section 1761 of the Revised Statutes of the United States to the contrary.

Mr. GALLINGER. Mr. President, this is a matter familiar to us all. Mr. Rublee has served under a recess appointment, and he could not receive compensation under the statute. I do not object to this amendment, as I think he ought to be compensated, but I want to suggest that if the attempt is made to keep Mr. Rublee in that office by further recess appointments, there will be more trouble in getting appropriations of this kind in the future than there is to-day.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The Secretary resumed the reading of the bill.

Mr. SMOOT. Mr. President, can we not have order? It is impossible to hear what is going on.

The PRESIDING OFFICER. Senators will please be seated and cease conversation.

The reading of the bill was resumed.

The next amendment was, under the head of "Bureau of Efficiency," on page 3 after line 8, to insert:

Until otherwise provided by law the Bureau of Efficiency shall continue to occupy its present quarters in the Winder Building.

The amendment was agreed to.

The reading of the bill was resumed and continued to the end of the following clause on page 3:

Payment to Republic of Nicaragua: To enable the Secretary of State to pay, for the benefit of the Republic of Nicaragua, in accordance with article 3 of the treaty between the Government of the United States and the Government of Nicaragua, signed August 5, 1914, $3,000,000.

Mr. BORAH. Mr. President, if I may detain the Senate for just a moment in regard to this matter. I want, first, to ask of the chairman of the committee in charge of the bill a question. I assume by his calling up the bill at this time that he desires to pass it this afternoon.

Mr. MARTIN of Virginia. That is my special wish, in order that we may bring this session to a close as soon as possible.

Mr. BORAH. Mr. President, I certainly do not desire to postpone the program, or rather the adjournment according to the program, as indicated by the Senator from Virginia. There is, however, an item in this bill which has just been read, to wit, $3,000,000 to meet the obligations arising out of what is known as the Nicaraguan treaty. The treaty has been ratified by this Government, and ordinarily it would seem to be utterly useless and without point to urge an objection against an appropriation to meet the obligations incurred by a treaty.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the Speaker of the House had signed the following enrolled bills:

H. R. 15158. An act to amend the Judicial Code; to fix the time when the annual term of the Supreme Court shall commence; and further to define the jurisdiction of that court; and

H. R. 17700. An act to establish an eight-hour day for employees of carriers engaged in interstate and foreign commerce, and for other purposes.

Mr. PENROSE. Let us have order, Mr. President.

Mr. WADSWORTH. Can we not have order, Mr. President?

Mr. PENROSE. If we can not have order, I intend to raise the question of no quorum and move to adjourn.

Mr. MARTIN of Virginia. I hope the Senator will not do that. We will finish this bill in 20 minutes.

Mr. PENROSE. If the Chair can maintain order, I will not do so.

Mr. MARTIN of Virginia. I am sure order will be restored in a few moments. There is naturally some confusion.

Mr. PENROSE. Although the request has been made order has not been restored, and the worst disorder is around the Chair.

Mr. BORAH. From appearances it is difficult to tell whether this is a caucus in session or whether it is the Senate.

Mr. BRANDEGEE. It is only a conference.

Mr. PENROSE. It seems to be a Democratic conference.

DESIGNATION OF PRESIDING OFFICER.

The PRESIDING OFFICER. The Chair lays before the Senate a communication from the President pro tempore, which will be read.

The Secretary read as follows:

UNITED STATES SENATE,
Washington, D. C.

To the Senate:

The Vice President being absent from the Senate, and the undersigned being also necessarily absent therefrom, he, as President pro tempore of the Senate, hereby names the Senator from New Jersey [Mr. HUGHES] to perform the duties of the Chair on the 2d day of September, 1916; this substitution not to extend beyond an adjournment.

JAMES P. CLARKE,
President pro tempore of the Senate.

Mr. BRANDEGEE. Mr. President, I should like to inquire whether the bill we passed a few moments ago has been signed?

The PRESIDING OFFICER. Signed by whom?

Mr. BRANDEGEE. By the Presiding Officer.

The PRESIDING OFFICER. Of this body?

Mr. BRANDEGEE. Yes.

The PRESIDING OFFICER. It has been signed.

Mr. BRANDEGEE. By the present occupant of the chair?

The PRESIDING OFFICER. By the present occupant of the chair.

Mr. BRANDEGEE. Before the communication conferring the authority on the present occupant of the chair was read to the Senate?

The PRESIDING OFFICER. The Chair does not recognize the right of the Senator to cross-examine the occupant of the chair. The Senator will find everything in order.

Mr. PENROSE. The Chair is obligated to announce the signature of bills.

The PRESIDING OFFICER. The Chair announces the signature of the Chair——

Mr. PENROSE. Here is a signature that has evidently been put on the bill before the official appointment of the Presiding Officer was announced to the Senate, in the midst of the greatest confusion that has prevailed at this session in the Chamber, and without any effort to control it.

The PRESIDING OFFICER. The Chair, as acting President of the Senate pro tempore, announces his signature to the enrolled bill (H. R. 17700) to establish an eight-hour day for employees of carriers engaged in interstate and foreign commerce, and for other purposes.

Mr. BRANDEGEE. Mr. President, of course I am not familiar with what has been going on about the Chair. The circle of Senators standing about it has prevented any knowledge permeating to the floor. I should think a grave question was raised as to the validity of the signature of the bill if the authority of the Chair to preside at this time was not announced before the bill was signed.

Mr. STONE. Mr. President, we should like to know over on this side what the Senator is saying.

Mr. NEWLANDS. Mr. President, as I understand, the President pro tempore of the Senate has placed the Senator from New Jersey in the chair and has designated him to discharge his functions, and one of the functions is to sign bills. Pursuant to that direction, which is put upon the record, the Senator from New Jersey, now the Presiding Officer of the Senate, has signed this bill. If there is any objection that can be urged against that now, I should like to hear it.

Mr. MARTIN of Virginia. Mr. President, I should just like to say to the Senate that the act has been performed. The bill has been signed. It is an ended chapter, and I hope the Senate will now let us proceed to consider the measure that is before the Senate. I ask for the regular order.

Mr. BRANDEGEE. I assume that debate on this bill is in order, Mr. President.

The PRESIDING OFFICER. Of course the Senator from Virginia has the floor.

Mr. MARTIN of Virginia. All that I did was to appeal to Senators to maintain order and let the consideration of this bill proceed; that was all.

Mr. BRANDEGEE. Why, Mr. President, I want to maintain order, and I was under the impression that the Senator from Idaho had the floor and was debating the amendment that had been read.

Mr. MARTIN of Virginia. That is all; and I am simply asking that he be allowed to proceed.

Mr. BRANDEGEE. Pending that, the Chair had read to the Senate a document purporting to give authority to him to preside over the Senate, and I took the liberty of asking the question whether he had signed the eight-hour railroad labor bill

before he had exhibited his credentials to preside over the Senate. But whether or not it is legal is not for me to say. I know nothing about it. It will be a matter for the courts to determine, I assume.

Mr. LANE. Mr. President, the temporary President of the Senate signed it after he read that.

Mr. PENROSE. He has said he signed it before.

Mr. LANE. Well, he made certain of it by signing it afterward also.

The PRESIDING OFFICER. The Senator from Pennsylvania is mistaken. The Chair did not state that he signed it before. The Chair will state now that he signed it afterward.

Mr. PENROSE. Since the Senator from Oregon says the Chair signed it twice, I may be mistaken, on account of the disorder. Of course, if he has signed it twice, it is doubly secure.

Mr. LANE. And the temporary President has a right to sign it twice.

Mr. PENROSE. I have no doubt the Presiding Officer can keep on signing it all the evening. [Laughter.]

Mr. KERN. I ask unanimous consent that the order heretofore made fixing 6.30 o'clock as the hour for adjournment be suspended for the day.

Mr. PENROSE. I must object to that, Mr. President. We have had a long day. I do not want to delay the public business, of course.

Mr. MARTIN of Virginia. I want to appeal to the Senator from Pennsylvania to withdraw his objection. I am sure we can finish the general deficiency bill in 20 or 30 minutes, and I hope he will let us go on and complete it.

Mr. PENROSE. Very well; I will withdraw the objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Indiana? The Chair hears none.

Mr. BORAH. Mr. President——

Mr. PENROSE. Now, Mr. President, I hope we can have order around the Chair and less conversation. I suggest that the Sergeant at Arms enforce order in the neighborhood of the Chair.

GENERAL DEFICIENCY APPROPRIATIONS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 17645) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1916, and prior fiscal years, and for other purposes.

Mr. BORAH. This mental relaxation after the day's strain is very agreeable.

Mr. GALLINGER. I ask for order. The Senator from Idaho is addressing the Senate, or wants to address the Senate.

The PRESIDING OFFICER. The Senate will be in order. The Senator from Idaho is recognized.

Mr. BORAH. Mr. President, I was referring to the item in the bill of $3,000,000 for the purpose of meeting an obligation created on the part of the Government by reason of what is known as the Nicaraguan treaty.

As is known to the Senate, that treaty has been ratified by this Government. It has, in form, been ratified by the Nicaraguan Government. I opposed the ratification of the treaty by this Government, and it had been my purpose to speak at length with reference to this appropriation. I am aware, of course, that if there is a treaty to which we ought to give our faith and observance we ought to make the appropriation, and ordinarily I would not think of taking up the time of the Senate to discuss an appropriation under a treaty.

I feel absolutely certain in my own mind, first, that the treaty has never been ratified by a Nicaraguan Government; secondly, that when a Nicaraguan government comes into existence it will repudiate the treaty which has been made ostensibly or apparently with this Government. I believe, in the first place, as I said, that there has been no action upon the part of any Government which can be really called a government upon the part of Nicaragua. Whatever government there was there in form was one maintained by our military forces, and the treaty was ratified under the direction and control of those military forces. We made a treaty with ourselves.

It seems to me, therefore, that I am acting within reason and proper principles when I oppose this appropriation; but here is the situation: The Senator from Virginia [Mr. MARTIN] desires to proceed with this measure this afternoon. It is utterly impossible for me to present the matter this afternoon. It is now 6 o'clock, and but few Senators present.

I do not myself desire, I will say, to prolong this session if it is within the purview of those in charge of the situation to end the session; but I do want to give notice that at the first opportunity I shall present this matter as I understand it to be in its entirety. It will perhaps have just as much effect in the long run as if I should present it now, because I have no idea that my presentation would prevent the making of the appropriation. But this matter is now in litigation in Central America. The Government of Costa Rica, and others interested, have brought the matter into what is known as the supreme court of Central America and are there litigating it. As I understand, the Nicaraguan Government has been restrained, or its officers have been restrained, from proceeding in any way to receive the money. Before that matter shall have been determined this money certainly will not be paid over to the Nicaraguan Government by our Government; and I am, therefore, about to say that I will not detain the Senate in what would be a wholly incomplete presentation of it this evening. If the bill goes over so that I will have an opportunity to present the matter at a later day, I will do so; but I will not ask for myself that the bill be postponed.

I think, however, this is a much more serious matter than the Senate has contemplated it to be. There is not a Central American country whose press has not condemned and denounced this transaction. I have a very complete press report in regard to it from the Central American countries, and it has been almost universally, if not universally, condemned by the press of Central America. It is looked upon in Central America as a military encroachment upon a small, uninfluential government and taking advantage of a situation to close a contract of tremendous import and benefit to this Government.

Mr. CLAPP. If the Senator will pardon an interruption, it would be far from my purpose to delay the session of Congress or to ask a question that would seem to be a criticism of the Senator from Idaho. I assume that he is in possession of facts not generally known, at least not known to myself. Here is a proposition to vote away $3,000,000, and the Senator feels that it is not right to let this matter go unchallenged. If he is in the possession of facts which he feels should ultimately be made in the form of an argument to the Senate, I would not say that I would feel differently about it from what the Senator does.

Mr. BORAH. I recognize the implied criticism of the Senator, and I think it is well founded in a sense. I realized when making my statement that I am putting myself in a position for that criticism. But I want to say in response to the Senator that these matters were pretty well presented to the Senate in executive session. We went over the matter pretty thoroughly. The Senator from Arkansas [Mr. CLARKE] presented it in a very thorough way, and I expressed some views of my own, but the treaty, notwithstanding the presentation of those facts, was ratified.

Mr. CLAPP. Was it a fact that this Government had been enjoined in any court of Central America at that time?

Mr. BORAH. That is a fact which has arisen since the treaty was ratified with this Government, but that is rather to the advantage of my proposition, because I have no idea there will be anything like a close of the transaction under those circumstances for some time to come.

Mr. CLAPP. As the case stands the money will have to be voted.

Mr. BORAH. I am not authorized to state this, but I have reason to believe that our Government is not going to let loose of this money, although appropriated under the treaty, until that litigation is settled.

Mr. BRANDEGEE. If that is true, what is the use of appropriating it in this bill? Why would not December be plenty of time?

Mr. BORAH. I suggested that proposition to the other side of the Chamber and also to the chairman of the Committee on Foreign Relations, but there seems to be good reason for them to go ahead with the bill. I am not going to ask for a delay of the bill, in view of the two-thirds vote which was had on the ratification of the treaty; but I do feel profoundly that we are doing wrong or I would not have fought this through two administrations. This treaty, and what I may call the infamy of it, began under the former administration. This administration took it up and has followed out the program which was initiated in force and fraud and in the killing of a great many citizens of Nicaragua. Therefore it is in no sense, and could not possibly be, a partisan matter. But the Senate knows almost as much about it as I do, and with this statement I shall reserve my discussion of it until some other time.

Mr. MARTIN of Virginia. Mr. President, I will not occupy the time of the Senate for more than three minutes. The plain statement of the case is that the treaty has been ratified and that it created an international obligation on this Government to pay to Nicaragua $3,000,000. Since that has been done, some legal proceedings have been commenced, which are having the careful scrutiny of the State Department, and they will not pay this money until there is a fixed and final obligation to do it. Indeed there seems to be a fixed obligation

now, but the legal proceedings attending the case are having the careful consideration of the State Department.

The Secretary of State said he is exceedingly anxious to have the money appropriated now, though he will not pay it out until it can properly and safely be paid; but he contemplated that that hour will arrive very soon, and asked Congress to put this money at his disposal so that he may meet the obligation.

I am sure that no harm will be done; that no risk will be taken; that every right and every interest of the United States will be carefully protected. I feel and the committee felt that it was incumbent upon us, and I think it is incumbent upon Congress, to put the money at his disposal, to be paid out as he thinks it ought to be paid. I hope the Senate will take that course.

The reading of the bill was continued.

The next amendment was, under the head of "Treasury Department," on page 5, after line 19, to insert:

The Secretary of the Treasury is authorized and directed to refund to the J. L. da Roza Estate (Inc.), of Elk Grove, Cal., the sum of $1,158, which is hereby appropriated in accordance with private act No. 83, approved August 7, 1916, being the internal-revenue taxes paid on 20 barrels of grape brandy destroyed by fire on the evening of November 18, 1911, and while stored in the designated place of deposit on the distillery premises in the custody of an officer of internal revenue and before being stamped with special bonded warehouse stamps permitting removal to bonded warehouse.

The amendment was agreed to.

The reading of the bill was continued to line 3, page 7.

Mr. PENROSE. Mr. President, I simply want to call the attention of the Senate to this appropriation of an additional $100,000 for the Federal Farm Loan Board. When the Senate passed the original bill as I understood it it was distinctly understood that the appropriations contained therein would be sufficient. Here now within a few weeks we have another $100,000 coming out of the Public Treasury for the Farm Loan Board.

Mr. MARTIN of Virginia. The estimate was for $300,000. We gave one-third. That was for the purpose of organizing the service. It was the least possible sum they could proceed with in the beginning. We gave just one-third of the amount estimated for.

Mr. PENROSE. I do not criticize so much the amount, as to which I am not advised, but I should like to have the attention of the chairman of the committee if I can with the disorder prevailing. What I do criticize is this slipshod way of doing business. Why was not the whole amount of the appropriation made when the original farm-loan bill was passed?

Mr. MARTIN of Virginia. Because it would not have been proper to make an appropriation for a service that had not been created. We simply made an appropriation to organize the commission created by the bill. The commission was appointed. I do not think it would have been any kind of a business procedure to have made an appropriation of a larger amount until after the commission was organized and ready for business. We simply give them $200,000 altogether where they asked for $300,000.

Mr. PENROSE. The point I make is this: How can we justify the appropriation of $100,000 originally? Why did we not disclose the full program to the American people and appropriate the $200,000 that was thought to be necessary? Why this surreptitious method of legislation, passing a bill and giving out the idea that the Farm Loan Board was only to cost $100,000, and then bring in another $100,000 in this deficiency bill? Why was not the appropriation made in the original bill? Why was it left to a subsequent date? But that is neither here nor there. I simply want to call attention to the methods that have been adopted for the last three years in what, in my opinion, is a wasteful expenditure, not properly estimated and not contemplated when the original program was inaugurated.

The next amendment was, under the subhead "Public buildings," on page 7, after line 4, to insert:

Chicago (Ill.) post office, courthouse, etc.: For the removal of the present roof covering of the dome and the substitution therefor of a new copper-covered roof, $20,000, or so much thereof as may be necessary.

The amendment was agreed to.

The next amendment was, on page 7, after line 18, to insert:

Bureau of Engraving and Printing: For miscellaneous repairs to laundry, new roof, etc., damaged by fire, for the fiscal year 1917, $20,000.

The amendment was agreed to.

The next amendment was, on page 7, after line 21, to insert:

For repairs to laundry machinery damaged by fire, fiscal year 1917, $5,000.

The amendment was agreed to.

The next amendment was, under the subhead "Internal revenue," on page 8, after line 14, to insert:

Salaries and expenses of collectors of internal revenue: For salaries and expenses of collectors of internal revenue, deputy collectors, surveyors, clerks, messengers, and janitor in internal-revenue offices, $200,000, being additional to the amount of $2,465,000 provided by the act approved May 10, 1916, making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1917, and for other purposes, $200,000.

Mr. PENROSE. Mr. President, I should like to ask the chairman of the committee why this appropriation is necessary?

Mr. MARTIN of Virginia. It is intended to meet the new expenses created by the pending revenue bill.

Mr. PENROSE. Mr. President, that justifies further criticism as to the complicated method of making these appropriations. Only a few days ago on the revenue bill section 47 was adopted, reading as follows:

SEC. 47. For the expense connected with the assessment and collection of the taxes provided by this act there is hereby appropriated $100,000, or so much thereof as may be required, out of any money in the Treasury not otherwise appropriated, and the Commissioner of Internal Revenue is authorized to appoint and fix the compensation of such officers, clerks, messengers, janitors, and other necessary employees in the enforcement of the provisions of this act for duty in the District of Columbia, or in any collection district of the United States, or any of the Territories thereof.

When I called attention to this paragraph a day or so ago it was expressly stated by the Senator having the bill in charge that that was the total amount required to carry into effect the provisions of the revenue bill now pending; and here we have smuggled into the deficiency bill an additional large appropriation of $200,000.

Mr. MARTIN of Virginia. This item was regularly estimated for by the officers of the Revenue Department, who appeared before the committee and satisfied us that it was absolutely necessary to have this amount of money to carry on the business of that department.

Mr. PENROSE. Then I desire to ask the Senator why $100,000 is tucked away in the revenue bill and $200,000 hid away in this bill, both of them having the same end in view? The Senator having charge of the revenue bill a few days ago declared on the floor of the Senate that my contention that a hundred places were going to be created in one internal-revenue district in California was an unjustifiable contention, because $100,000 was all the money that was needed. It now appears that $300,000 are needed. Let the country know that fact. Do not let them be deceived by having a statement made in connection with the revenue bill that the amount required to carry out that provision was only $100,000, and then have hidden away in this intricate and complicated bill upward of $200,000, absolutely contradicting and rendering absurd the statements made here several days ago in connection with the revenue bill.

Then, Mr. President, on page 10, I find an appropriation of $340,000 provided for in the House text, for additional expenses for collecting taxes, for "collecting the tax on legacies, munitions, copper, and so forth." Therefore we have $640,000 as the amount necessary to collect these new taxes; and the junior Senator from California deliberately stated to this body in response to certain objections of mine, that only $100,000 was to be applied to the collection of these new taxes under the new revenue law. Let the American people know that in the revenue bill there is $100,000, in the House text of this bill a provision for $340,000 additional, and an amendment reported by the Senate committee proposing to appropriate another $200,000 for the purpose of collecting the new taxes.

Mr. PHELAN. The Senator is not quite fair. I made no such statement. I think the statement was made by another Senator.

Mr. PENROSE. Well, probably it was made by some other Senator. I thought the Senator from California had called attention to the fact that it would be impossible to create all these additional places for "deserving Democrats," because the appropriation was limited to $100,000.

Mr. PHELAN. I heard that statement made, but I did not make it.

Mr. PENROSE. Very well. So we have a sum approximating $1,000,000, or crawling up toward that figure, instead of the humble $100,000 in the revenue bill. I maintain that that is not a straightforward, candid method of legislation in connection with that subject.

I will ask the Senator from Virginia, Mr. President, whether the word "copper," at the top of page 10, ought not to be stricken out? I do not understand that any tax is to be placed on copper under the revenue bill.

Mr. MARTIN of Virginia. That is the way the estimate came; and I see no need of striking it out.

Mr. PENROSE. Does the Senator understand that there is any tax left in the revenue bill on copper?

Mr. MARTIN of Virginia. I do not know whether there will be or not.

The PRESIDING OFFICER. The Chair will suggest that the bill has to go to conference in any event.

Mr. PENROSE. Yes; but that provision will not be in conference unless it is amended.

Mr. MARTIN of Virginia. If no tax on copper is provided in the revenue bill, the provision will amount to nothing. The item as it appears in the bill is the way the estimate was made and sent here.

Mr. PENROSE. It is ridiculous, Mr. President, to appropriate $340,000 to collect a tax upon a commodity on which no tax is imposed. It seems to make this whole transaction ridiculous. I move to amend, at the top of page 10, in line 3, by striking out the word "copper," so that the matter may go to conference.

Mr. MARTIN of Virginia. It will not have the slightest particle of effect. So I am perfectly willing that the word "copper" shall be stricken out. The provision will be quite as effective. "Copper" is mentioned along with other commodities, ending with the words "and so forth." So I am perfectly willing that the amendment of the Senator from Pennsylvania shall be adopted striking out the word "copper," if that will be any satisfaction to him.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 10, line 3, it is proposed to strike out the word "copper" and the comma following it.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. GALLINGER. Mr. President, when the amendment now under consideration was before the committee, I reserved the right to offer an amendment to it, which I will now submit; and I trust the chairman will not object to it, but will let it go to conference.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. In the committee amendment on page 8, line 24, it is proposed to amend by adding the following:

Provided, That all clerks, messengers, and janitors to be appointed under this provision shall be selected——

Mr. MARTIN of Virginia. Mr. President, I hope the Senator will hold his amendment until the unanimous-consent order is accomplished, that committee amendments shall be first disposed of.

Mr. GALLINGER. This is a committee amendment we are considering.

Mr. MARTIN of Virginia. It does not make any difference as to that. When we get through with the committee amendments it will be in order for the Senator to offer his amendment.

Mr. GALLINGER. Under the rules of the Senate it would not be in order until the bill reached the Senate.

Mr. MARTIN of Virginia. Very well. To save time, let the amendment be offered now, although it is absolutely out of order. I am sorry that any member of the committee should want to embarrass us in this way. However, let us proceed.

Mr. GALLINGER. I do not concede that it is out of order at all. It is an amendment to a committee amendment.

Mr. MARTIN of Virginia. Well, let it proceed. I am perfectly willing, in order to save time, that the amendment shall be presented and acted upon by the Senate.

The PRESIDING OFFICER. The Secretary will state the amendment.

The SECRETARY. On page 8, line 24, at the end of the committee amendment, it is proposed to add:

Provided, That all clerks, messengers, and janitors to be appointed under this provision shall be selected from the eligible lists of the Civil Service Commission and in accordance with the provisions of the civil-service law.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. MARTIN of Virginia. I have no objection to the amendment going in the bill.

The PRESIDING OFFICER. The question now is on agreeing to the amendment as amended.

The amendment as amended was agreed to.

The reading of the bill was resumed. The next amendment of the Committee on Appropriations was, on page 11, line 2, after the words "District of Columbia," to strike out:

Provided further, That this sum shall not be available until the Bureau of Efficiency shall have investigated the methods of transacting the public business in the Bureau of Internal Revenue and made recommendations for the improvement thereof and submitted the same to the Secretary of the Treasury for his approval, and the work of the Bureau of Efficiency hereunder shall be performed within 60 days after the approval of this act.

The amendment was agreed to.

The next amendment was, under the subhead "Coast Guard," on page 11, after line 11, to insert:

For all purposes of the appropriation mentioned under the following headings in the act of July 1, 1916, making appropriation for the authorized work of the Coast Guard for the fiscal year 1917, namely:

For pay and allowances prescribed by law for commissioned officers, warrant officers, petty officers, and other enlisted men, etc., $43,181;

For rations or commutation thereof for warrant officers, petty officers, and other enlisted men, $3,240;

For outfits, ship chandlery, and engineers' stores for the same, $70,000;

For actual traveling expenses or mileage, in the discretion of the Secretary of the Treasury, for officers, and actual traveling expenses for other persons traveling on duty under orders from the Treasury Department, $5,000.

For establishing Coast Guard stations authorized by law for the fiscal year 1917, $85,000.

The amendment was agreed to.

The next amendment was, on page 12, after line 14, to insert:

MISCELLANEOUS.

Credit in the accounts of Robert T. Crane: The accounting officers of the Treasury are authorized and directed to credit the accounts of Robert T. Crane, late United States consul at Rosario, Argentina, with the sum of $463.73, charged to him under the appropriation "Relief and protection of American seamen, 1912," on a forged consular draft paid by the Treasury Department upon presentation by the Bank of New York, National Banking Association, a suit against said bank as the last indorser of the draft to recover the amount so paid having been decided against the Government, as reported in volume 219 of the Federal Reporter, pages 648 to 654.

The amendment was agreed to.

The next amendment was, under the head of "District of Columbia," at the top of page 22, to insert:

Policemen and firemen's relief fund, District of Columbia: There is hereby appropriated for the fiscal year ending June 30, 1917, from the policemen and firemen's relief fund, created by the District of Columbia appropriation act for the fiscal year 1917, so much as may be necessary to pay the relief and other allowances authorized by the provisions of said act, not to exceed the sum of $180,000.

Mr. MARTIN of Virginia. Mr. President, I want those paragraphs transposed, the matter in that amendment to follow line 9, on page 23. I will send an amendment to the desk to that effect. It is merely a transposition in order to make greater clearness in the bill.

The SECRETARY. It is proposed to transpose the paragraph just read to follow line 9 on page 23.

The PRESIDING OFFICER. Without objection, the amendment is agreed to, and the transposition will be made.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 23, line 5, after the word "appropriated," to strike out "except the amounts of the judgments and costs aggregating $34,637.36 in favor of the Georgetown Gas Light Co. and the Washington Gas Light Co., which judgment and costs and interest thereon shall be paid wholly out of the revenues of the District of Columbia," so as to make the clause read:

One-half of the foregoing amounts to meet deficiencies in the appropriations on account of the District of Columbia shall be paid from the revenues of the District of Columbia and one-half from any money in the Treasury not otherwise appropriated.

The amendment was agreed to.

The next amendment, under the head of "War Department," subhead "Contingent expenses," on page 25, line 12, after the words "additional quarters," to insert "in the District of Columbia," so as to make the clause read:

Rent of buildings: For rental of addition quarters in the District of Columbia for the fiscal year 1917, $15,000.

The amendment was agreed to.

The next amendment was, on page 25, after line 14, to insert:

BUILDINGS AND GROUNDS IN AND AROUND WASHINGTON.

For operation, care, repair, and maintenance of the pumps which operate the three fountains in the Union Station Plaza, fiscal year 1917, $4,000.

For lighting the public grounds, watchmen's lodges, offices, and greenhouses at the propagating gardens, including all necessary expenses of installation, maintenance, and repair, fiscal year 1917, $1,300.

For expenses made necessary by the act approved May 17, 1910, entitled "An act establishing a Commission of Fine Arts," to be disbursed, on vouchers approved by the commission, by the officer in charge of public buildings and grounds, who shall be the secretary and shall act as the executive officer of said commission, $200.

The amendment was agreed to.

The next amendment was, under the subhead "Armories and arsenals," on page 26, line 17, after the date "1917," to strike out "$225,000" and insert "$240,000," so as to make the clause read:

Sodium nitrate storage: For providing facilities for reserve supply of sodium nitrate, fiscal year 1917, $240,000.

The amendment was agreed to.

The next amendment was, under the head of "Military Establishment," subhead "Quartermaster Corps," on page 28, line 7, after the word "office," to insert "in the District of Columbia," so as to make the clause read:

Rent of buildings: For rental of an office in the District of Columbia for the use of the Aviation Section of the Signal Corps, fiscal year 1917, $5,000.

The amendment was agreed to.

The next amendment was, under the subhead "Ordnance Department," on page 29, after line 10, to insert:

Board to Investigate Government Manufacture of Arms, etc.: For carrying out the provisions of section 121 of the act approved June 3, 1916 (Public, No. 85), including salary of $500 per month for five months for each of two civilian members of the board therein authorized; rent of offices in the District of Columbia for a period not to exceed five months, and an allowance of not to exceed $4 per day, in lieu of subsistence, to employees of the board when traveling on official business outside the District of Columbia, for the fiscal year 1917, $12,000.

The amendment was agreed to.

The next amendment was, under the head of "Panama Canal," on page 30, line 14, before the word "each," to strike out "$1,500,000" and insert "not to exceed $1,975,000," so as to make the clause read:

The authorized cost of construction, by contract or in navy yards, complete in every detail, including self-discharging equipment and all other necessary apparatus, of two colliers for the Panama Canal provided for in the sundry civil appropriation act for the fiscal year 1917, is increased from $1,300,000 each to not to exceed $1,975,000 each.

The amendment was agreed to.

The next amendment was, under the head of "Navy Department," subhead "Clerical services," on page 33, line 7, after the words "one of class," to strike out "two" and insert "three," so as to make the clause read:

Office of Chief of Naval Operations: Clerks—1 of class 3, 1 $1,000; 2 draftsmen, at $1,200 each.

The amendment was agreed to.

The next amendment was, on page 34, line 24, after the words "in all," to strike out "$64,466.66" and insert "$64,633.33," so as to make the clause read:

In all, $64,633.33, or so much thereof as may be necessary.

The amendment was agreed to.

The next amendment was, under the subhead "Contingent expenses," on page 36, line 7, after the word "quarters," to insert "in the District of Columbia," so as to make the clause read:

For rental of additional quarters in the District of Columbia for the Bureau of Yards and Docks, fiscal year 1917, $2,860.

The amendment was agreed to.

The next amendment was, under the head of "Department of the Interior," subhead "Public buildings," on page 41, after line 21, to insert:

Courthouse, Washington, D. C.: For an additional amount for the restoration and reconstruction of the exterior and interior of the courthouse, Washington, D. C., including all material, personal and other services, and for each and every purpose in connection therewith, to be expended under the direction of the Superintendent of the Capitol Building and Grounds, $150,000, to be available for the fiscal years 1917 and 1918, one-half to be paid out of the Treasury of the United States and one-half out of the revenues of the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 42, after line 6, to insert:

To provide temporary quarters by rental or otherwise for the courts, judges, and officials connected therewith, and for other offices, officials, and employees of the courthouse, Washington, D. C., pending the reconstruction of the said courthouse, $8,000, to be available for the fiscal years 1917 and 1918, and to provide for the removal and readjustment of all office furniture and fittings in connection with said temporary occupancy, including personal and other services, and for every item connected therewith, $7,500, or so much thereof as may be necessary, to be available for the fiscal years 1917 and 1918. The two foregoing appropriations to be expended under the direction of the Superintendent of the Capitol Building and Grounds, one-half to be paid out of the Treasury of the United States and one-half out of the revenues of the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 42, after line 23, to insert:

Capitol Building: For payment to Prof. Charles E. Munroe for expert services rendered in the investigation of the explosion which occurred in the reception room of the Senate wing on July 2, 1915, $500, said sum to be payment in full satisfaction of all claims for said services.

The amendment was agreed to.

The next amendment was, on page 43, after line 3, to insert:

For overhauling the elevator machinery in the Senate wing of the Capitol and installation of new control boards, $3,000.

The amendment was agreed to.

The next amendment was, under the subhead "Surveying the public lands," on page 43, after line 20, to insert:

The appropriation for surveys and resurveys of public lands for the fiscal year ending June 30, 1917, provided for by the sundry civil appropriation act (Public, No. 132, 64th Cong., p. 42) is hereby made available for the services in the General Land Office of a sufficient number of competent surveyors detailed from the field during the winter season for the purpose of bringing up the arrears of office work in said office on surveying returns, not to exceed $6,500 to be so used.

The amendment was agreed to.

The next amendment was, on page 44, after line 16, to insert:

NATIONAL PARKS.

National Park Service: Director of National Park Service, $4,500 per annum; assistant director, $2,500 per annum; chief clerk, $2,000 per annum; one draftsman, $1,800 per annum; one messenger, $600 per annum; and in addition thereto such experts, assistants, and other employees within the District of Columbia as the Secretary of the Interior may deem necessary, $6,750; in all, for park service in the District of Columbia for the fiscal year 1917, $16,250. So much of the sundry civil act of July 1, 1916, as authorizes the Secretary of the Interior to employ in the District of Columbia during the fiscal year 1917 a superintendent of national parks and to assist him such clerical or other services not exceeding four persons, and make payment for such services from the several appropriations for protection, improvement, and management of the various national parks, including Hot Springs Reservation, and out of the revenues from rentals and privileges derived therefrom, is hereby repealed.

The amendment was agreed to.

The next amendment was, on page 45, after line 9, to insert:

Lassen Volcanic National Park, Cal.: For protection and improvement, for the fiscal year 1917, $5,000.

The amendment was agreed to.

The next amendment was, on page 45, after line 22, to insert:

IMPROVEMENT OF MUKUNTUWEAP NATIONAL MONUMENT, UTAH.

For a proportionate share of the amount required to construct an interstate wagon road or highway through the Mukuntuweap National Monument, Utah, approximately 15 miles, for the fiscal year 1917, $15,000.

The amendment was agreed to.

The next amendment was, under the head of "Judicial," on page 46, after line 3, to insert:

To pay the widow of Joseph R. Lamar, late a justice of the Supreme Court of the United States, $14,500.

The amendment was agreed to.

The next amendment was, on page 46, after line 10, to insert:

Commissioner, Mount Rainier National Park: Commissioner in Mount Rainier National Park, for the fiscal year 1917, $1,366.67. The provisions of section 21 of the legislative, executive, and judicial appropriation act approved May 28, 1896, shall not be construed as impairing the right of said commissioner to receive said salary as herein provided.

The amendment was agreed to.

The next amendment was, on page 46, after line 18, to insert:

Commissioner, Crater Lake National Park: Commissioner in Crater Lake National Park, for the fiscal year 1917, $1,250. The provisions of section 21 of the legislative, executive, and judicial appropriation act approved May 28, 1896, shall not be construed as impairing the right of said commissioner to receive said salary as herein provided.

The amendment was agreed to.

The next amendment was, under the subhead "United States courts," on page 48, after line 18, to insert:

To pay Tom K. Richie, of Tucson, Ariz., the sum inadvertently covered into the Treasury on a forfeited cash recognizance in a case pending in the United States district court and the court having remitted the same on appearance of the defendant for trial in the case entitled "United States against Frank Lee," $1,000.

The amendment was agreed to.

The next amendment was, under the head of "Department of Commerce," subhead, "Lighthouse Service," on page 52, line 1, after the date "1917," to strike out "$125,000" and insert "$140,000," so as to make the clause read:

For rebuilding, repairing, and reestablishing the aids to navigation and structures connected therewith on the coast of the Gulf of Mexico which were damaged or destroyed by the hurricane of July 5 and 6, 1916, fiscal year 1917, $140,000.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Fisheries," on page 52, after line 7, to insert:

For completion of the Saratoga (Wyo.) fisheries station, including construction of buildings and ponds, improvements to water supply, and for equipment, fiscal year 1917, $7,000.

The amendment was agreed to.

The next amendment was, under the head of "Legislative," on page 54, after line 19, to insert:

SENATE.

To reimburse the official reporters of the proceedings and debates of the Senate for expenses incurred to July 1, 1916, for clerk hire and other clerical services, $4,200.

The amendment was agreed to.

The next amendment was, at the top of page 55, to insert:

To pay Dennis M. Kerr for extra and expert services rendered to the Committee on Pensions during the first session of the Sixty-fourth Congress as assistant clerk to said committee by detail from the Bureau of Pensions, $1,200.

The amendment was agreed to.

The next amendment was, under the head of "Government Printing Office," at the top of page 57, to insert:

PRINTING AND BINDING.

For printing and binding for the Library of Congress, including the copyright office and the publication of the Catalogue of Title Entries of the copyright office, and binding, rebinding, and repairing of library books, and for building and grounds, Library of Congress, $9,000.

The amendment was agreed to.

The next amendment was, under the head of "Judgments, Court of Claims," on page 57, line 24, after the words "Twelve

hundred and sixty-three," to insert "and Senate Document No. 538," so as to make the clause read:

For the payment of the judgments rendered by the Court of Claims, reported to Congress at its present session in House Document No. 1263 and Senate Document No. 538, namely:

The amendment was agreed to.

The next amendment was on page 58, line 4, after the words "War Department," to strike out "$11,980.56" and insert "$46,775.74," so as to make the clause read:

Under the War Department, $46,775.74.

The amendment was agreed to.

The next amendment was, on page 58, line 5, after the words "Navy Department," to strike out "$20,708.32" and insert "$21,304.74," so as to make the clause read:

Under the Navy Department, $21,304.74.

The amendment was agreed to.

The next amendment was, on page 58, after line 6, to insert:

Under the Interior Department, $9,271.86.

The amendment was agreed to.

The next amendment was, on page 58, line 8, after the words "In all," to strike out "$57,966.27" and insert "$102,630.18," so as to make the clause read:

In all, $102,630.18.

The amendment was agreed to.

The next amendment was, on page 69, after line 19, to add as a new section the following:

SEC. 3. That for the payment of the following claims, certified to be due by the several accounting officers of the Treasury Department under appropriations the balances of which have been exhausted or carried to the surplus fund under the provisions of section 5 of the act of June 20, 1874, and under appropriations heretofore treated as permanent, being for the service of the fiscal year 1913 and other years, unless otherwise stated, and which have been certified to Congress under section 2 of the act of July 7, 1884, as fully set forth in Senate Document No. 536, reported to Congress at its present session, there is appropriated as follows:

CLAIMS ALLOWED BY THE AUDITOR FOR THE TREASURY DEPARTMENT.

For care of seamen, etc., Public Health Service, $30.
For refunding taxes illegally collected, $29,166.86.
For payment of judgments against internal-revenue officers, $22,729.45.
For redemption of stamps, $165.84.
For punishment for violation of internal-revenue laws, $50.
For expenses of Revenue-Cutter Service, $7.92.
For contingent expenses, Independent Treasury, $6,577.35.
For pay of assistant custodians and janitors, $37.44.
For furniture and repairs of same for public buildings, $263.25.
For mechanical equipment of public buildings, $1.
For general expenses of public buildings, $1.80.

CLAIMS ALLOWED BY THE AUDITOR FOR THE WAR DEPARTMENT.

For pay, etc., of the Army, $6,989.97.
For extra-duty pay to enlisted men as clerks at Army division and department headquarters, $165.50.
For regular supplies, Quartermaster's Department, $59.54.
For incidental expenses, Quartermaster's Department, $1,971.95.
For barracks and quarters, $35.50
For transportation of the Army and its supplies, $2,342.79.
For encampment and maneuvers, Organized Militia, $11.
For headstones for graves of soldiers, $1.92.
For disposition of remains of officers, soldiers, and civil employees, $1.79.

CLAIMS ALLOWED BY THE AUDITOR FOR THE NAVY DEPARTMENT.

For pay of the Navy, $2,467.16.
For pay, miscellaneous, $44.02.
For pay, Marine Corps, $1,624.97.
For maintenance, quartermaster's department, Marine Corps, $33.80.
For contingent, Marine Corps, $58.24.
For transportation, Bureau of Navigation, $6.50.
For gunnery exercises, Bureau of Navigation, $10.
For ordnance and ordnance stores, Bureau of Ordnance, $4,300.
For maintenance, Bureau of Yards and Docks, $7.04.
For provisions, Navy, Bureau of Supplies and Accounts, 1914 and 1915, $9.12.
For freight, Bureau of Supplies and Accounts, 1915, $1,597.10.
For freight, Bureau of Supplies and Accounts, $1,787.29.
For coal and transportation Bureau of Supplies and Accounts, $11.23.
For construction and repair, Bureau of Construction and Repair, $80.80.
For indemnity for lost property, naval service, act of March 2, 1895, $223.95.

CLAIMS ALLOWED BY THE AUDITOR FOR THE INTERIOR DEPARTMENT.

For Geological Survey, $1.09.
For restoration of lands in forest reserves, $74.60.
For public use of inventions and defending suits, Patent Office, 1916, $8.86.
For fees of examining surgeons, pensions, $30.
For Indian schools, support, $169.56.
For industrial work and care of timber, $48.78.
For purchase and transportation of Indian supplies, 1916, $49,294.72.
For purchase and transportation of Indian supplies, 1915, $370.29.
For purchase and transportation of Indian supplies, $12.85.
For general expenses Indian Service, $6.23.
For support of Indians in Arizona and New Mexico, $159.65.
For Indian school, Wahpeton, N. Dak., 1915, $3.10.
For administration of affairs of Five Civilized Tribes, Oklahoma, $1.28.
For sale of unallotted lands, Five Civilized Tribes (reimbursable), $26.46.
For support of Indians of Klamath Agency, Oreg., 1915, $34.31.
For support of Indians of Warm Spring Agency, Oreg., 1916, $111.28.
For support of Sioux of different tribes, subsistence and civilization, South Dakota, $4.46.
For irrigation, Yakima Reservation, Wash. (reimbursable), $132.
For maintenance and operation, irrigation system, Yakima Reservation, Wash. (reimbursable), 1916, $473.29.
For support of Chippewas of Lake Superior, Wisconsin, 1915, $131.48.

CLAIMS ALLOWED BY THE AUDITOR FOR THE STATE AND OTHER DEPARTMENTS.

For salaries, chargés d'affaires ad interim, 1916, $10,669.26.
For salaries of vice consuls (act of Feb. 5, 1915), 1916, $54.17.
For salaries, Consular Service, $3.33.
For relief and protection of American seamen, 1916, $7,036.83.
For relief and protection of American seamen, 1915, $1,744.61.
For relief and protection of American seamen, $12.
For boundary line, Alaska and Canada, and United States and Canada, 1915, $8,193.43.
For boundary line, Alaska and Canada, and United States and Canada, $1,749.99.
For preservation of collections, National Museum, $4.70.
For general expenses, Weather Bureau, 33 cents.
For general expenses, Bureau of Plant Industry, $138.12.
For general expenses, Forest Service, 30 cents.
For general expenses, Bureau of Soils, $1.68.
For general expenses, Bureau of Standards, $137.34.
For testing structural materials, Bureau of Standards, $17.71.
For supplies of lighthouses, $61.84.
For expenses of light vessels, $24.48.
For expenses of buoyage, $24.47.
For lighting of rivers, $12.89.
For contingent expenses, Department of Labor, $5.48.
For contingent expenses, Department of Commerce and Labor, 60 cents.
For fees of commissioners, United States courts, $185.40.
For fees of commissioners, United States courts, 1915, $73.80.
For fees of witnesses, United States courts, $47.40.

CLAIMS ALLOWED BY THE AUDITOR FOR THE POST OFFICE DEPARTMENT.

For contingent expenses, Post Office Department, $484.06.
For shipment of supplies $8.26
For freight on mail bags, postal cards, etc., $662.62.
For star-route service, Alaska, $45.
For indemnities, domestic registered mail, $19.50.
For compensation to postmasters, $75.72.
For rent, light, and fuel, $53.03.
For separating mails, third and fourth class post offices, $8.34.
For miscellaneous items, first and second class post offices, $1.25.
For City Delivery Service, horse hire, $57.
For city delivery carriers, substitute, auxiliary, and temporary, $402.60.
For Railway Mail Service, salaries, $22.78.
For Railway Mail Service, per diem and expenses, assistant superintendents, 1916, $17.95.
For relief of Marshall Field & Co., $200.

The amendment was agreed to.

The next amendment was, on page 76, line 17, to change the number of the section from 3 to 4.

The amendment was agreed to.

Mr. SMOOT. Mr. President, I understand that completes the committee amendments.

The PRESIDING OFFICER. It does.

Mr. MARTIN of Virginia. There is an amendment which I will send to the desk. It is not a committee amendment, but it is one to which I am sure there can be no objection. The Senator from Oregon [Mr. CHAMBERLAIN] handed it to me. It is a very small matter and one that will meet with commendation, I think, from every Senator.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 76, after line 22, it is proposed to insert:

SEC. 5. Section 14 of the public buildings act approved March 4, 1913 (Stat. L., vol. 37, p. 882), which created a commission to direct the construction of a memorial amphitheater in the national cemetery at Arlington, Va., is amended to substitute the name of John McElroy, representing the Grand Army of the Republic, in the place of Ivory G. Kimball, deceased.

Mr. GALLINGER. That is all right.

Mr. MARTIN of Virginia. It is just a substitution in place of a deceased member.

The PRESIDING OFFICER. The question is on agreeing to the amendment

The amendment was agreed to.

Mr. GALLINGER. Mr. President, I offer an amendment that I know the chairman of the committee thinks is proper.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 54, after line 20, it is proposed to insert:

To pay Caroline F. Martin, Vallie B. Williamson, Lucy E. Boyd, and Ethelyn H. Stubbs, daughters; Lewis A. Burleigh, son; and Edwin C. Burleigh and Donald Q. Burleigh, grandsons, of the late Senator Edwin C. Burleigh, from the State of Maine, $7,500.

Mr. MARTIN of Virginia. I am glad to have that amendment adopted. It simply provides that one year's salary shall be paid to the late Senator BURLEIGH'S family.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SMOOT. In behalf of the senior Senator from Iowa [Mr. CUMMINS] I offer the amendment which I send to the desk. It has passed the Senate once.

Mr. MARTIN of Virginia. That is the Vicksburg amendment?

Mr. SMOOT. It is for the national celebration at Vicksburg.

Mr. MARTIN of Virginia. The veterans of both armies are anxious to have it, and I hope it will be adopted. I consent to it so far as I am able to do so.

Mr. OWEN. What is the amount?

Mr. SMOOT. One hundred and fifty thousand dollars.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 32, after line 19, it is proposed to insert:

Whereas a memorial celebration and peace jublice was held at Gettysburg, Pa., on the fiftieth anniversary of the battle fought at that place during the War between the States in July, 1913, and such celebration gave to the veterans of the Union Army, known as the Army of the Potomac, and the Confederate Army, known as the Army of the Virginia, an opportunity in such a gathering of peace and unity; and

Whereas coincidently with that battle an equally important event to this country occurred in July, 1863, in the siege and defense of Vicksburg, the survivors of the Armies of the Tennessee and of the Mississippi, who participated in that siege, now desire to join in a national memorial celebration and peace jubilee to commemorate the victories and virtues leading to the half century of peace and prosperity to the American Nation, and, further, to strengthen the fraternal ties of brotherly amity in a United Nation of States:

That the Secretary of War be, and is hereby, authorized and directed as follows:

First. To provide and furnish all necessary sewerage, sanitation, and hospital service for health and accommodation of persons attending upon such occasion.

Second. To provide and furnish all necessary camp and garrison equipment for visiting veterans of the Civil War, together with all necessary rations and supplies, properly prepared and served, for such veterans during said celebration.

That the steps hereinbefore authorized to be taken by the War Department shall be fully completed before the 14th day of October, 1917, and that all camp equipment, including tents, supplies, and rations shall be fully ready for occupancy and use.

That the National Association of Vicksburg Veterans, formed in the city of Chicago, Ill., August 9, 1913, shall have charge of the order or exercises during the celebration; that the physical control of the camp and grounds and the movement of the troops and marching bodies therein shall be in the hands of the Secretary of War, under such officers as he may detail for that purpose.

That there is hereby appropriated from the Treasury of the United States, out of funds not otherwise appropriated, such sum as may be necessary to carry out the foregoing pr visions of this act, not exceeding the sum of $150,000: *Provided*, That, out of the said sum of $150,000 thus appropriated, no part thereof shall be available or expended for the purpose provided in this act until after January 1, 1917.

That the Secretary of War is hereby authorized to reimburse and pay, out of the funds herein appr priated, the traveling expenses of the members of the council of administration or of the executive committee of the National Association of Vicksburg Veterans for journeys authorized by him to be taken in attendance upon meetings in the interest of this celebration: *Provided*, That the number of members shall at no time exceed seven at any one meeting.

The amendment was agreed to.

Mr. VARDAMAN. Do I understand that the chairman of the committee has accepted the amendment?

Mr. MARTIN of Virginia. It is in the bill.

Mr. VARDAMAN. I am very much obliged to the Senator.

Mr. MARTIN of Virginia. I yield to the Senator from Colorado, who has an amendment to present.

Mr. SHAFROTH. Mr. President, the War Department is very anxious, in the event it is impossible to pass the Porto Rican civil government bill, to have the election there postponed.

Mr. MARTIN of Virginia. I have no objection to the amendment. I will let it go to conference, and if by that time the bill is passed it can be eliminated.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. After line 22, page 76, insert:

SEC. 5. That in the event H. R. 9533, entitled "An act to provide a civil government for Porto Rico, and for other purposes," is not enacted during this session of Congress, the election in Porto Rico fixed for the first Monday of November, 1916, shall be postponed to a date to be hereafter fixed by the President of the United States, and the present incumbents of the offices which were to be filled at that election shall continue in office until the officers elected at the postponed election shall qualify.

Mr. JONES. On what authority do they hold the election?

Mr. SHAFROTH. Under authority of an act of Congress. There was no objection whatever to the amendment by any member of the committee. It was unanimously in favor of it.

Mr JONES. If that bill does not go through this will not postpone the election.

Mr. SHAFROTH. If the bill goes through in December the election can be held in January. It will then answer all the purposes, and a postponement for two years will not be necessary.

The amendment was agreed to.

Mr. KERN. I offer an amendment and ask the junior Senator from Massachusetts [Mr. WEEKS] to explain it.

The PRESIDING OFFICER. The amendment will be read.

The SECRETARY. Insert the following:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to consider and favorably adjudicate, under the act of Congress approved July 27, 1912 (Public No. 244), entitled "An act extending the time for the repayment of certain war-revenue taxes erroneously collected," claims of trust companies or other claimants for refund of taxes illegally collected on capital, surplus, or undivided profits, in accordance with the decisions of the circuit court of appeals in the case of Treat, collector, against the Farmers Loan & Trust Co. and the Central Trust Co of New York, reported in One hundred and eighty-fifth Federal Reporter, pages 760 to 765.

Mr. BRYAN. There were probably from 50 to 75 other like amendments, and they are nothing but private claims. The committee refused to put in private claims, and it would be manifestly unfair to allow some to pass in the Senate. Therefore I raise a point of order against the amendment. It is a private claim upon an appropriation bill.

Mr. WEEKS. Mr. President, the chairman of the Committee on Appropriations promised me last year that this matter should be given consideration when the next deficiency bill came up.

Mr. MARTIN of Virginia. In reply I will say that careful consideration was given by the committee, and the committee refused to put the claim in the bill. That is all there is to it. There are a dozen such claims from my State, and I have a special-delivery letter on my desk, received just this afternoon, regarding one. The question is whether we will load this bill up with claims.

Mr. KERN. The amendment only authorizes the Secretary of the Treasury to consider and favorably adjudicate certain claims. The courts have decided the question.

Mr. WEEKS. It does not provide for an appropriation. It is a question of adjudicated claims. The courts have decided in two cases that the claims were justifiable. It does not seem to me to be fair or honest to refuse to permit the Treasury Department to adjudicate claims that are presumably good.

Mr. MARTIN of Virginia. It is plain legislation on an appropriation bill.

The PRESIDING OFFICER. The Chair feels constrained to sustain the point of order raised by the Senator from Florida.

Mr. WEEKS. Do I understand that the Chair sustains the point of order?

The PRESIDING OFFICER. The Chair feels bound, in view of the precedent and the information he has received, to sustain the point of order.

Mr. WEEKS. Mr. President, I do not think that this matter is being treated fairly, and if the point of order is going to be made against this amendment I shall have to make the point of no quorum.

Mr. MARTIN of Virginia. I am very sorry to see a spirit of that sort shown, but it will not swerve me from the course my duty requires. It is perfectly plain that we can not get a quorum to-night and we want to finish the bill to-day. It is in the power of the Senator from Massachusetts to prevent it. If he makes the point of no quorum that ends the bill for this afternoon. We are through with all except some private claims that have no proper place on the bill. There are hundreds of them in like condition, and I do not think that we ought to expect to force them into the bill. Certainly they can not force them. As far as I am concerned, I would see the whole bill defeated before I would be intimidated by such a proceeding.

Mr. WEEKS. The Senator has been intimidated once before to-day and he may get in the habit of it. It may do him good to be intimidated again.

Mr. OWEN. Unless that amendment is to be insisted upon I should like to offer an amendment. On page 24, line 20, I move to strike out "four" and insert "six," so as to give more clerks for the Surgeon General's office. There is one estimated for at $2,200, and the other at $2,100. I hope the chairman of the committee will allow it to go to conference to be considered there.

Mr. MARTIN of Virginia. This bill is not a bill to fix salaries or create offices.

Mr. OWEN. This was estimated for.

Mr. MARTIN of Virginia. I know there are a great many estimates here for additional appointments and increases of salaries, and the committee felt constrained to put a check on them; otherwise the Treasury would be bankrupt. The legislative, executive, and judicial appropriation bill is the proper place for salaries to be considered, and surely the department and the Senators who have studied these matters can wait until next winter when that bill is before the Senate. Let them present such matters then and they will have consideration; but we could not agree to turn this general deficiency bill into a bill to create offices or increase salaries. I hope the Senator from Oklahoma will not insist on the amendment. He is on the committee and did not present it to the committee.

Mr. OWEN. I will not insist upon it, but the estimate provided for it.

Mr. MARTIN of Virginia. I do not question the estimate. If we had to appropriate all the money estimated for the Government would soon be bankrupt.

The committee does not agree to give as far as the estimates go. We have turned down a great many of them. I am glad the Senator does not insist upon the amendment.

Mr. SHIELDS. I offer the following amendment, to come in on page 7, after line 8.

The PRESIDING OFFICER. The amendment will be read.

The SECRETARY. On page 7, after line 8, it is proposed to insert the following:

Rogersville, Tenn., post office: For continuation (site) $250.

Mr. MARTIN of Virginia. I think that is a proper amendment. It does not increase the limit of cost, but gives $250 to complete the purchase of the site and I think it ought to be allowed.

The amendment was agreed to.

Mr. JONES. I wish to say just a word or two before the amendment I have to offer is read. I am going to offer an amendment to pay Simon M. Preston, of Seattle, a certain sum of money. I have introduced the bill heretofore, and it has been reported twice from the Committee on Claims and has passed the Senate twice and been reported favorably in the House and has simply failed to pass there because one Member could prevent it. This man is nearly 100 years old and it does seem to me a claim that the committee and the Senate have found to be just ought to be paid to this man before he passes away, as he is bound to do soon.

Mr. MARTIN of Virginia. How much is the amount?

Mr. JONES. Five thousand eight hundred and thirty-eight dollars and thirty-six cents.

Mr. MARTIN of Virginia. It is a very pathetic case, but a man who has as large a claim as $5,000, I presume can get along when it is in contravention of the rule, and I am compelled to make a point of order against the amendment.

Mr. JONES. I want to say to the Senator that I do not think it is in contravention of the rule.

Mr. MARTIN of Virginia. There is no estimate for it. I know nothing about the claim.

Mr. JONES. Here is the rule:

And no amendments shall be received to any general appropriation bill the effect of which will be to increase an appropriation already contained in the bill, or to add a new item of appropriation, unless it be made to carry out the provisions of some existing law, or treaty stipulation, or act, or resolution previously passed by the Senate during that session.

"Or resolution previously passed by the Senate during that session," and it has passed the Senate during this session. It seems to me that it comes under that provision of the Senate rules.

Mr. GALLINGER. This case appeals to me very strongly, but I want to remind the chairman of the committee that I offered an amendment to pay a certain amount of money—$1,200—to Mr. Frank W. Hackett. The bill has passed the Senate twice and has been reported favorably to the House, so if the bill is to be opened to claims of that kind I can not justify myself; I have written to Mr. Hackett that the committee rejected it on the ground——

Mr. MARTIN of Virginia. I remember the Hackett claim was rejected and the committee has uniformly rejected claims of this sort. As far as I am concerned I can not give my consent to making favorites of a few claims to come in here in the closing hours of the consideration of the bill. I do not think it ought to be put in and I hope the Senate will not put it in.

The PRESIDING OFFICER. Does the Senator from Washington state that the payment of this money was authorized by a resolution?

Mr. JONES. I simply read the rule of the Senate. The resolution has not been enacted into law. If that had been the case, there would be no necessity for the amendment. But it has passed the Senate twice.

Mr. BRYAN. A resolution or a bill?

Mr. JONES. A bill.

The PRESIDING OFFICER. That does not bring it within the rule. That is the reason why the Chair made the inquiry of the Senator. If this was money to be paid under a resolution which had already passed the Senate, in that case it would be proper to offer the amendment; but as the Chair understands the Senator's statement, he feels constrained to rule that the amendment is not in order.

Mr. JONES. I want to do everything I can to get it through.

Mr. BRYAN. The Senator has done that; he has had the bill passed twice.

Mr. JONES. I see the position of the chairman of the Committee on Claims, but I do feel that this man ought to have this claim paid.

Mr. MARTIN of Virginia. It is matter for the Claims Committee; and the Senator knows that many other similar claims were brought to the Committee on Appropriations and rejected.

Mr. JONES. That is true.

Mr. MARTIN of Virginia. We can not depart from the rule. The Senator from Wisconsin [Mr. LA FOLLETTE] has one I would be delighted to see in the bill, but we must be uniform in our procedure in this matter.

The PRESIDING OFFICER. The Chair sustains the point of order.

Mr. PENROSE. I offer an amendment to the bill. I do not know whether the chairman of the committee will think that a point of order lies to it or not, but I should like to have it read and submitted.

The PRESIDING OFFICER. The amendment will be read.

The SECRETARY. On page 20, after line 7, insert:

To enable the Gettysburg National Park Commission to acquire by purchase, condemnation, or otherwise, additional land adjacent or contiguous to the Gettysburg National Park, for the purpose of preserving as nearly as possible the Gettysburg battle field according to the original metes and bounds, $32,000, or so much thereof as may be necessary.

Mr. PENROSE. I understand this is recommended by the War Department.

Mr. BRYAN. Has it been estimated for?

Mr. PENROSE. I think they recommend that amount.

Mr. MARTIN of Virginia. No estimate has come to the committee for it.

Mr. PENROSE. I desire to submit it.

Mr. MARTIN of Virginia. I hope the Senator will not press it. We would like to put it in, but we can not do it consistently.

Mr. PENROSE. All right, I will not press it.

The Senate has already adopted an amendment placing the civil-service requirement as applied to employees under an item of $200,000 of appropriations. I offer a similar amendment, a proviso, to go in on page 11, at the end of the paragraph.

The SECRETARY. On page 11, after the words "District of Columbia," in line 2, insert:

All appointments of such officers, experts, clerks, agents, inspectors, messengers, janitors, and other above-mentioned employees shall be made from the eligible lists of the Civil Service Commission and in accordance with the provisions of the civil-service law.

Mr. MARTIN of Virginia. Surely the Senator does not think all the experts must be selected in that way. I have no desire to cripple the civil service, but we may cripple the department service by making impossible conditions.

Mr. PENROSE. As I understand it, all experts were under the civil service until the recent raids made on the merit system.

Mr. MARTIN of Virginia. There are a great many lawyers employed as experts.

Mr. PENROSE. The amendment does not include lawyers.

Mr. MARTIN of Virginia. I hope the Senator will not press the amendment. I have not had an opportunity to consider what its scope is.

Mr. PENROSE. I am willing to leave out the word "experts."

Mr. MARTIN of Virginia. If the Senator insists on it, of course we can not understand its scope clearly from hearing it hastily read, but it can go into conference and we will consider it there.

The PRESIDING OFFICER. Without objection, the amendment as modified will be agreed to.

Mr. LA FOLLETTE. Mr. President, I observe that on pages 5 and 6 the Secretary of the Treasury is authorized and directed to refund to the estate of J. L. da Roza Estate (Inc.), of Elkgrove, Cal., the sum of money named in the bill.

Mr. MARTIN of Virginia. If the Senator from Wisconsin will permit me right now in order to save time, I can readily see how he misunderstood that. That is in pursuance of a law which authorizes that amount of money to be paid.

Mr. LA FOLLETTE. I understand, but I am going to offer an amendment. A bill has twice passed the Senate to refund money to people here from whom unjust customs duties were collected over 40 years ago.

The Court of Claims has investigated the matter and passed upon it, and adjudicated that they should have had that money refunded to them. The Senate has passed the bill, and it has been favorably reported two or three different times and put on the House calendar, and it has never gotten through. It is on the House calendar now and stands no chance of getting through. I will say that the wife of one of the claimants is the daughter of Col. Ingersoll. These people have been kept out of this money for a generation; it belongs to them; it ought to be put on this

or any other bill that is passing the Senate. I am going to offer it as an amendment to-night, and I am in dead earnest about it.

Mr. PENROSE. What is the amount?

Mr. LA FOLLETTE. The amendment I offer is to come in after this provision to pay this sum which is in the bill on pages 5 and 6. I offer it to come in after line 6, on page 3.

The PRESIDING OFFICER. The amendment will be read.

The SECRETARY. On page 6, after line 6, insert:

The Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Walston H. Brown, sole surviving partner of the firm of Brown, Howard & Co., the sum of $65,792.53, and the estate of Henry A. V. Post, deceased, the sum of $50,359.35, as a refund of import duties paid in excess of the duties imposed by law on steel blooms, as found by the Court of Claims.

Mr. BRYAN. Let me ask the Senator when was the finding of the Court of Claims?

Mr. LA FOLLETTE. I can not give you the date. I can send for the papers and get the date. It was some two or three years ago, it may be longer, that the Court of Claims ascertained this amount to be due. The committee of which the distinguished Senator from Florida is chairman, the Committee on Claims, reported favorably upon this claim two or three different times, and it has been before the Senate and has been well considered. The Committee on Finance this year unanimously reported the bill favorably, and it passed the Senate unanimously, there being not a dissenting vote against it.

Mr. BRYAN. I am familiar with the claim.

Mr. LA FOLLETTE. I know you are.

Mr. BRYAN. The Committee on Claims reported it, it passed through that committee and then went to the Committee on Finance, and it has been passed there. Does it not occur to the Senator, though, that this is not a claims bill; that it is a deficiency bill?

Mr. LA FOLLETTE. I know it is; but if you wait on a claims bill, you would wait until these claimants are dead, and it is not fair; it is not just. You have put into this bill something very nearly akin to it, which is printed in italics on pages 5 and 6.

Mr. BRYAN. I can explain to the Senator——

Mr. LA FOLLETTE. The Senator will be able to distinguish it in some way by some fine shade of distinction, I have no doubt.

Mr. BRYAN. Let us see. Some days ago Congress passed a bill relating to the da Roza claim, and it became a law; but in the law the words "out of any money in the Treasury not otherwise appropriated" were left out, which made it defective. That is remedied in this bill.

Mr. LA FOLLETTE. But it is no more meritorious than the claim I have proposed, and it is added to this bill simply because of some error. Now, I am asking to have this claim put in this bill because it has been defeated again and again by some technical objection in another body. It is quite as just a claim as is the one which has been inserted in this bill.

Mr. BRYAN. Let me ask the Senator, then, if he would be willing not to offer his amendment if we reconsider the vote whereby the amendment now in the bill was agreed to, and leave out that amendment?

Mr. LA FOLLETTE. No; I have no doubt that justice is being done in that case; and I do not want to do the claimant a wrong.

Mr. BRYAN. The da Roza amendment was added to the bill in pursuance of a law which has passed Congress.

Mr. LA FOLLETTE. Well, my amendment should be added in pursuance of what ought to have been law a long time ago and will be if it is inserted in this bill. I offer the amendment, Mr. President.

Mr. BRYAN. I raise the point of order against the amendment.

Mr. LA FOLLETTE. Then, I suggest the absence of a quorum.

Mr. SIMMONS. I ask the Senator not to do that. I desire to say to the Senator, if he will withdraw the suggestion, I will move that the Senate take a recess, and the matter may be thrashed out on Monday.

Mr. MARTIN of Virginia. Mr. President, I do not see how the Senator can expect to secure for the claim in which he is interested an advantage over all other claims. There are hundreds of thousands of people in exactly the same situation.

Mr. LA FOLLETTE. But they are not here, and I am here.

Mr. MARTIN of Virginia. They have been here. The Senator from Indiana [Mr. KERN] is here now with a number of them.

Mr. LA FOLLETTE. If the amendment is added to the bill and allowed to go to conference, I will appear before the conferees; and if I can not convince them that it ought to stay in the bill they may strike it out.

Mr. MARTIN of Virginia. Very well; I will let it go in under those circumstances. I know it can not live five minutes in conference.

Mr. LA FOLLETTE. I will take my chances on it, because it is just.

Mr. MARTIN of Virginia. Very well; let it go in under the statement made.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. MARTIN of Virginia. I move that the Senate insist upon its amendments to the bill and request a conference with the House, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to; and the Presiding Officer appointed Mr. MARTIN of Virginia, Mr. BRYAN, and Mr. SMOOT conferees on the part of the Senate.

ENROLLED BILL SIGNED.

The PRESIDING OFFICER (Mr. HUGHES). The Chair, as acting President pro tempore of the Senate, announces his signature to the enrolled bill (H. R. 15158) to amend the Judicial Code; to fix the time when the annual term of the Supreme Court shall commence; and further to define the jurisdiction of that court, which had heretofore been signed by the Speaker of the House.

PUBLIC BUILDING AT MADISON, WIS.

Mr. SWANSON. From the Committee on Public Buildings and Grounds I report back favorably without amendment the bill (H. R. 14391) authorizing the purchase of a site and the erection of a public building thereon at Madison, Wis., and for other purposes.

Mr. SIMMONS. I move that the Senate take a recess until Monday at 11 o'clock.

Mr. SWANSON. I ask unanimous consent for the present consideration of the bill just reported by me; and I will request the Senator from North Carolina to withhold his motion for a moment or two for that purpose. I will say that the bill was called up several days ago, but the Senator from New Hampshire [Mr. GALLINGER] made objection to it.

The PRESIDING OFFICER. Does the Senator from North Carolina withhold his motion?

Mr. SWANSON. It will take only a moment to consider the bill.

Mr. SIMMONS. I will withhold the motion if the bill will only take a moment.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. SMOOT. Mr. President, I do not know anything about the bill.

Mr. SWANSON. Mr. President, if the Senator will allow me, I can explain it to him in a moment. In 1913 a bill was passed appropriating $550,000 for the purchase of a site and the erection of a public building thereon at Madison, Wis., involving the demolition of the old building and the erection of a new building on the same site. The department has recommended instead of building a new post office and courthouse on the old site that the old site be sold, that the proceeds be put in the Treasury, and that the same amount as originally appropriated be used in connection with buying another site and erecting the building. The bill has passed the House.

Mr. SMOOT. There was some objection made to the bill by a Senator a few days ago, was there not?

Mr. SWANSON. The Senator from New Hampshire [Mr. GALLINGER] objected to the consideration of the bill because he wanted it referred to the committee. The committee has examined it and unanimously reported it back.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed

REVENUE BILL—WINE SCHEDULE.

Mr. PHELAN. I beg to submit a letter written by me to the Secretary of Agriculture and the reply of the department, which substantiate my claim that the department does not approve of stretching wine more than 25 per cent, and that my amendment was recommended by the department and was, in fact, the

department's own amendment. I ask that the letters may be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The letters referred to are as follows:

AUGUST 30, 1916.

Hon. D. F. HOUSTON,
Secretary of Agriculture.

MY DEAR MR. SECRETARY: I beg to call your attention to page 13300 of the CONGRESSIONAL RECORD of August 28, giving the text of an amendment which Senator HUGHES offered to the wine section of the revenue bill, which amendment was adopted. But first I offered as a substitute the amendment which was approved by the department. (See p. 13302.) This is the same, with the exception of an addition of a definition of pure sugar, as you sent to Senator SIMMONS on August 21.

It is perfectly clear to me that the department stands for a limit of 25 per cent of stretching, but the Hughes amendment provides for 35 per cent of stretching, and on top of that 35 per cent more. I contended on the faith of the letter of your department, above referred to, dated August 21 and addressed to Senator SIMMONS, that the department recommended 25 per cent stretching, and nothing else, and disputed Senator HUGHES'S contention that the department had in some way indorsed the excessive stretching which he recommended.

You will observe that in the RECORD of August 29, page 15615, Senator HUGHES refers to a visit he paid to the Agricultural Department and explicitly states that he laid the legislation which was then pending before the Senate before several gentlemen connected with the department "to see if they had any objection to its form or its substance. I saw Dr. Emerson, the Acting Chief of the United States Bureau of Chemistry," etc. "They read these amendments and suggested some slight changes, and after the discussion Dr. Emerson, speaking for the bureau, said they had no objection to the amendment as I submitted it."

Now, that amendment provides, as I have stated, for stretching wine, first, 35 per cent, and again on top of that 35 per cent more, whereas, the amendment sent to Senator SIMMONS on August 21 limited the stretching to 25 per cent, and then under proper safeguards. I would like to learn from the department whether Dr. Emerson, speaking for the bureau, said that they had no objection to the amendment as submitted by Senator HUGHES, either as to its form or its substance. I know that the department has nothing to do with making laws, but I assume that when, by request, in a matter which has been very generally discussed, their views are given, such advice is the conviction of the department, as to the merits of the controversy.

If, as I suspect, your department was asked as a matter of administration, if they had any objection to a certain law or proposed law with respect to its enforcement, you might say that you can enforce one law as well an another, without going into the merits of the law itself. What I desire to know is whether, with your superior and expert knowledge available at all times, the department would recommend any other amendment than that submitted by you to Senator SIMMONS on August 21 and amended with respect to the purity of sugar by Assistant Secretary Marvin in a letter to Senator SIMMONS dated August 26.

I assured the Senate that that amendment was the amendment approved by the Department of Agriculture, and I desire to know now from the Department of Agriculture, first, whether or not I was correct in my statement; and, secondly, what is the correct construction to put upon Dr. Emerson's remark after the discussion with Senator HUGHES, as quoted on page 15615 of the CONGRESSIONAL RECORD of August 29, 1916.

An early reply will very much oblige me.

Very truly, yours, JAMES D. PHELAN.

DEPARTMENT OF AGRICULTURE,
Washington, August 31, 1916.

Hon. JAMES D. PHELAN,
United States Senate.

DEAR SENATOR PHELAN: Reference is made to your letter of August 30, 1916, in which you invite attention to the discussion in the Senate as to the views of this department concerning the amendment of section 53 of the pending revenue bill, and inquire whether you were correct in your statement that the amendment approved by the department was the amendment submitted with the department's letter of August 21, 1916, and amended with respect to the purity of sugar, by its letter of August 26, 1916, to Senator SIMMONS.

In reply you are informed that the amendment submitted by the department received very careful consideration and represents its deliberate views. With reference to the amount of water which it is necessary to add to wine to correct natural deficiencies, the department has uniformly maintained that it is unnecessary to add water in excess of 25 per cent. While it has been urged on behalf of the wine makers of Ohio and Missouri that it is necessary to add more than 25 per cent of water, the department has not changed its opinion in this respect.

Concerning Senator HUGHES'S conference with officials of the Bureau of Chemistry, I am informed that the question discussed at the conference was as to whether the Hughes amendment would interfere with the enforcement of the Federal food and drugs act. Section 53 of the revenue bill as reported by the Committee on Finance to the Senate contains provisions fixing the definition of wine for the purposes of the food and drugs act, as well as for the purposes of the revenue bill. These provisions were objected to by the department as establishing an undesirable precedent, and the object of Senator HUGHES'S visit to the Bureau of Chemistry was to ascertain whether, in the opinion of the officials charged with the administration of the food and drugs act, the language of his bill was open to the same objection, and whether, if adopted, it would interfere with the enforcement of the food and drugs act. The officials of the Bureau of Chemistry agree that the substance of what transpired at their conference with Senator HUGHES is fairly stated by him in his remarks on page 15552 of the CONGRESSIONAL RECORD of August 28, 1916. Senator HUGHES said:

"I understand that the Agricultural Department had decided objection to the amendment as proposed and as printed in the pending bill, for the reason that it seemed to interfere with the jurisdiction of the Agricultural Department, so far as the definition of wine was concerned, and the labeling of wine and the administration of the pure food and drugs act. However, I took the matter up with the Pure Food and Drug Division or bureau, or whatever its technical name and title may be, of the Department of Agriculture, and submitted to them the language of this substitute. They informed me that, so far as their bureau was concerned, and so far as the administration of the pure food and drugs act was concerned, they had no objection to the language."

The statement appearing in the remarks of Senator HUGHES, on page 15615 of the CONGRESSIONAL RECORD of August 29, 1916, that "Dr. Emerson, speaking for the bureau, said they had no objection to the amendment as I submitted it," is to be taken as an expression of opinion that the Hughes's amendment would not defeat the administration of the food and drugs act. It is, of course, for Congress, and not this department, to determine whether or not water can be added to wine. Whether the amounts be limited to 25 per cent, or whether the addition of water be permitted in unlimited amounts, so long as the addition of water is permitted only under adequate supervision by the Bureau of Internal Revenue, the problem of administering the food and drugs act, according to the standard set by Congress, is the same. It was from this standpoint that the Hughes's amendment was discussed at the conference between Senator HUGHES and the officials of the Bureau of Chemistry, and it seems clear to the department from the remarks of Senator HUGHES printed in the RECORD that he so understands it.

Very truly, yours, C. F. MARVIN,
Acting Secretary.

ESTIMATE OF APPROPRIATIONS (S. DOC. NO. 542).

The PRESIDENT pro tempore laid before the Senate a communication from the Secretary of the Treasury, transmitting a letter from the Secretary of War of the 1st instant, submitting supplemental estimates of appropriations required by the War Department for the service of the fiscal year ending June 30, 1917, contingent expenses, War Department, $12,700; stationery, War Department, $7,000; which, with the accompany paper, was referred to the Committee on Appropriations and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the bill (S. 3268) for the relief of John Duggan.

The message also announced that the House had passed the bill (S. 5407) authorizing and directing the Secretary of the Treasury to extend the time of payment of the amount due the Government by the city of Augusta, Ga., with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House agrees to the amendment of the Senate to the bill (H. R. 15158) to amend the judicial code; to fix the time when the annual term of the Supreme Court shall commence; and further to define the jurisdiction of that court.

The message also announced that the House agrees to the amendment of the Senate to the bill (H. R. 1528) for the relief of Martin Huhn.

The message further announced that the House agrees to the amendments of the Senate to the bill (H. R. 17235) granting the consent of Congress to W. H. Crosby, W. H. Andrews, E. G. Connette, Daniel Good, Henry May, Robert C. Gaupp, Edward Keuer, jr., William F. MacGlashan, and William A. Morgan to construct a bridge across Niagara River within or near the city limits of Buffalo, and for other purposes.

The message also announced that the House insists on its amendment to the amendment of the Senate numbered 1 to the bill (H. R. 15316) to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes, agrees to the conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. WEBB, Mr. GARD, and Mr. VOLSTEAD managers at the conference on the part of the House.

The message further announced that the House had passed a concurrent resolution providing for the printing of 55,000 copies of the prayers offered at the opening of the morning sessions of the Sixty-third Congress of the United States by the Chaplain, Henry M. Couden, in which it requested the concurrence of the House.

ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the President pro tempore:

S. 5987. An act to amend subsection 11 of section 3244, Revised Statutes;

S. 6561. An act providing for the sale at public auction of all unsold suburban lots not reserved for public purposes in the Government town site of Port Angeles, Wash., and for the issuance of patents for those previously sold under the act of May 2, 1906, on the payment of the price at which the said lots were reappraised under said act without further condition or delay;

S. 6839. An act to authorize the incorporated town of Juneau, Alaska, to issue bonds for the construction and equipment of schools therein, and for other purposes;

H. R. 1528. An act for the relief of Martin Huhn;

H. R. 6914. An act to amend section 82, chapter 231, of the act to codify, revise, and amend the laws relating to the judiciary;

H. R. 15455. An act to establish a United States shipping board for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a merchant marine to meet the requirements of the commerce of the United States with its Territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and interstate commerce of the United States; and for other purposes;

H. R. 16719. An act for the relief of John P. Sutton; and

H. R. 17567. An act to authorize the county of Luzerne, State of Pennsylvania, to construct a bridge across the North Branch of the Susquehanna River from the city of Wilkes-Barre, county of Luzerne, Pa., to the borough of Dorranceton, county of Luzerne, Pa.

PETITIONS AND MEMORIALS.

Mr. PHELAN presented petitions of sundry citizens of California, praying for an eight-hour working day for railroad employees and remonstrating against compulsory arbitration, which were ordered to lie on the table.

He also presented a memorial of the Chamber of Commerce of Los Angeles, Cal., remonstrating against the proposed suspension of drawback payments on exports until six months after the restoration of peace in Europe, which was ordered to lie on the table.

PUBLIC BUILDING AT CANON CITY, COLO.

Mr. SWANSON, from the Committee on Public Buildings and Grounds, to which was referred the bill (S. 4450) to provide for the erection of a public building at Canon City, Colo., upon a site heretofore acquired by the United States, reported it with amendments and submitted a report (No. 859) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSON of South Dakota:

A bill (S. 6983) granting an increase of pension to George W. Smith (with accompanying papers); to the Committee on Pensions.

By Mr. NORRIS:

A bill (S. 6984) granting an increase of pension to Hugh Stevens; to the Committee on Pensions.

By Mr. TAGGART (for Mr. JOHNSON of Maine):

A bill (S. 6985) granting an increase of pension to John A. Sears (with accompanying papers); to the Committee on Pensions.

By Mr. SHIELDS:

A bill (S. 6986) granting a pension to Albania D. Thornburg (with accompanying papers); to the Committee on Pensions.

THE REVENUE.

Mr. GALLINGER submitted an amendment intended to be proposed by him to the bill (H. R. 16763) to increase the revenue, and for other purposes, which was ordered to lie on the table and be printed.

COMPENSATION OF INJURED EMPLOYEES.

Mr. SMITH of Georgia. I ask the Chair to lay before the Senate the amendment of the House to the amendment of the Senate to the bill (H. R. 15316) granting compensation to the employees of the United States Government suffering injuries while in the performance of their duties, and for other purposes.

The PRESIDENT pro tempore. The Chair lays before the Senate the action of the House of Representatives agreeing to the amendment of the Senate numbered 2 to the bill (H. R. 15316) to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes, and agreeing to the amendment of the Senate numbered 1 with an amendment.

Mr. SMITH of Georgia. The effect of the amendment of the House is to entirely abolish every organization in any one of the departments looking toward the investigation or consideration of the status of injured employees. I think it is impossible for us to proceed in that way at present, because our bill does not provide the organization by which the new commission can handle the subject.

I move that the Senate disagree to the House amendment, and request a conference with the House on the disagreeing votes of the two Houses, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to; and the President pro tempore appointed Mr. SMITH of Georgia, Mr. SWANSON, and Mr. BORAH conferees on the part of the Senate.

RECESS.

Mr. SIMMONS. I renew my motion, that the Senate take a recess until Monday morning at 11 o'clock.

The motion was agreed to; and (at 7 o'clock and 25 minutes p. m., Saturday, September 2, 1916) the Senate took a recess until Monday, September 4, 1916, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

SATURDAY, *September 2, 1916.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Father Almighty, before whom millions bow in adoration day by day and receive the uplift of the spirit which enables them to fight valiantly and successfully the battles of life, so we bow in Thy presence, praying for the baptism of the spirit, which shall enable us to discern more clearly the way, and do more faithfully the duties devolving upon us, individually and collectively. In the spirit of the Lord Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

BILLS TO REMOVE CHARGES OF DESERTION.

Mr. MANN. Mr. Speaker, there are on the calendar about 20 bills that are commonly referred to as bills to remove charges of desertion, which gives pensionable status. They were in order yesterday. I think they will take no considerable time. I ask unanimous consent that those bills may be considered now in the House as in Committee of the Whole, provided that if any one objects to any one it shall go over.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the bills which were in order yesterday——

Mr. MANN. Only these particular bills relating to charges of desertion——

The SPEAKER. Yes; be considered in the House as in Committee of the Whole, and where anybody objects they shall go over.

Mr. HASTINGS. Reserving the right to object, Mr. Speaker, those bills are on the Private Calendar?

The SPEAKER. Yes.

Mr. HASTINGS. Where do we begin?

The SPEAKER. The Chair's recollection is that we were to begin at No. 411. That was the general order made on the day before yesterday.

Mr. GARRETT. Mr. Speaker, I object.

The SPEAKER. The gentleman from Tennessee objects.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed with amendment bill of the following title, in which the concurrence of the House of Representatives was requested:

H. R. 17235. An act granting the consent of Congress to W. H. Crosby, W. H. Andrews, E. G. Connette, Daniel Good, Henry May, Robert C. Gaupp, Edward Kener, jr., William F. MacGlashan, and William A. Morgan to construct a bridge across Niagara River, within or near the city limits of Buffalo, and for other purposes.

The message also announced that the Senate had passed without amendment bill of the following title:

H. R. 16719. An act for the relief of John P. Sutton.

ENROLLED BILL SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title; when the Speaker signed the same:

H. R. 16719. An act for the relief of John P. Sutton.

EXTENSION OF REMARKS.

Mr. FOSTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD. Is there objection

Mr. MANN. On what subject?

Mr. FOSTER. On the state of the Union.

The SPEAKER. The Chair hears no objection.

Mr. MOORE of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. BORLAND. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from Missouri [Mr. BORLAND] makes the same request. Is there objection?

There was no objection.

Mr. FESS. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from Ohio also asks unanimous consent to extend his remarks in the RECORD on the state of the Union. Is there objection?

There was no objection.

DEBT DUE THE GOVERNMENT BY THE CITY OF AUGUSTA, GA.

Mr. VINSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 5407) authorizing and directing the Secretary of the Treasury to extend the time of payment of the amount due the Government by the city of Augusta, Ga., a similar House bill being on the Union Calendar, No. 303, and put it upon its passage.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

A bill (S. 5407) authorizing and directing the Secretary of the Treasury to extend the time of payment of the amount due the Government by the city of Augusta, Ga.

Be it enacted, etc., That so much of the provisions of the act of March 4, 1911, making appropriations for the sundry civil expenses of the Government as relates to the United States post office and courthouse at the city of Augusta, Ga., be, and the same is hereby, amended so as to authorize and direct the Secretary of the Treasury to extend the time of payment of the amount due the Government by the city of Augusta for a period of five years, without interest, the Government of the United States retaining title to the property until payment in full is made by the city, but delivering possession and use of the property, without rental or other charges, to the city of Augusta pending such payment.

Mr. VINSON. Mr. Speaker, I offer an amendment.

The SPEAKER. The gentleman offers an amendment, which the Clerk will report.

Mr. KEATING. I desire, Mr. Speaker, to reserve the right to object.

The Clerk read as follows:

Amend, on line 10, page 1, by striking out the words "without interest" and inserting in lieu thereof the following: "with interest from the date of the passage of this act at the rate of 4 per cent per annum."

Mr. GARRETT. Mr. Speaker, did the gentleman ask unanimous consent for the consideration of that amendment?

Mr. VINSON. Yes; in connection with the bill. It is amending the bill.

Mr. GARRETT. I object to the amendment.

Mr. VINSON. I will say to the gentleman from Tennessee that the city of Augusta is indebted now to the Government in the sum of $34,000, growing out of the exchange of certain properties relative to the building of a new post-office building, and the city of Augusta desires that this indebtedness be extended for a period of five years, occasioned by the great loss the city sustained about six months ago by a fire, which amounted to about $7,000,000. The city is perfectly willing to pay 4 per cent interest if the Government will extend the period in which they are to pay this debt.

Mr. GARRETT. I misunderstood. I thought the amendment proposed that the Government should pay interest.

Mr. VINSON. No. We will pay that interest if the Government extends this debt.

Mr. GARRETT. I beg the gentleman's pardon. I withdraw my objection.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the Senate bill as amended.

The Senate bill as amended was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. VINSON, a motion to reconsider the vote whereby the bill was passed was laid on the table.

The SPEAKER. Without objection, a House bill (H. R. 16630) of similar tenor will lie on the table.

There was no objection.

RELIEF OF JOHN DUGGAN.

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to call up the bill S. 3268, which was favorably reported by the Committee on Military Affairs and passed by the Senate.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to call up the bill S. 3268. Is the Senate bill on the House Calendar or not?

Mr. TREADWAY. It is on the Private Calendar—No. 428.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk read as follows:

A bill (S. 3268) for the relief of John Duggan.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the pension laws John Duggan, alias John McCarty (or McCarthy), shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of Troop K, Sixth Regiment United States Cavalry, on the 27th day of July, 1865: *Provided*, That no pension shall accrue prior to the passage of this act.

Mr. TREADWAY. I shall be glad to answer any question, Mr. Speaker.

Mr. GARRETT. I would like to inquire about the circumstances of the case.

Mr. TREADWAY. I will explain the circumstances, Mr. Speaker. This is a bill that originally passed the Senate in the Sixty-second Congress. It did not pass the House. It was not reached in the House. It was reintroduced in the Sixty-third Congress and was favorably reported by the subcommittee of the Committee on Military Affairs in the House. That is as far as it got at that time. In the Sixty-fourth Congress it was introduced again, and has passed the Senate, with a favorable report from the Committee on Military Affairs submitted by the Senator from Tennessee [Mr. LEA], and has been favorably reported by the subcommittee of which the gentleman from New York [Mr. CALDWELL] is chairman to the Committee on Military Affairs, and favorably reported by that committee.

The circumstances were these: The man enlisted, served three years, and reenlisted in 1864. He was a young man at that time, of course, and at the close of the war simply went to his home in Adams, Mass., failing to secure a proper paper of discharge. The matter has never been adjusted since that time. He is now old, decrepit, almost blind, and of course for his last days it would be a gratification to him to have this technical blot, which is not actually a record against his honorable service, removed, because it does stand against him on the records of the department.

I think those are the circumstances of this case, and I think the other gentlemen on the Committee on Military Affairs will bear out the statement I have made about it.

Mr. GARRETT. Mr. Speaker, will the gentleman yield to me for a moment?

Mr. TREADWAY. Certainly.

Mr. GARRETT. There seem to have been a rather surprising number of these so-called desertion bills reported at this session of Congress. During the time that I have been a Member of the House I do not believe there has ever been any particular private claim guarded with more scrupulous care than these claims, if they may be so called, for the removal of the charge of desertion.

As far back as 1876 or 1878, if I remember correctly—possibly I may be mistaken in the date—the Congress of the United States passed an act, signed by the President, which became a law, which provided a method for the removal of charges of desertion. I have no doubt my friend from Massachusetts [Mr. TREADWAY] is perfectly familiar with it. The matter has been called to my attention several times by constituents in my district, and I have had many applications for removals, or asking me to get special acts passed for the removal of charges of desertion, and I have always pointed them to the law on the statute books. That provided that where a soldier served out his term of enlistment, or where he served until May 1, 1865, or was prevented from doing either of those things by disability contracted in the line of duty, he should receive an honorable discharge. Now, that law was the expression of the best judgment of the Congress of the United States at a time when I think, perhaps, it was most competent temperamentally to deal with that question. I do not understand that the gentleman's case comes within the general law. This is an effort to extend the general law in a special case. I do not think bills of that sort ought to be pressed, and I do not believe they ought to pass.

Mr. FIELDS. Mr. Speaker, since I have been chairman of the subcommittee on desertions I have given a great deal of thought to these cases. It is true that there is a law to which the gentleman from Tennessee [Mr. GARRETT] has referred, but it is also true that there are many cases of merit which are not reached by this law. The subcommittee on desertions, that has considered a number of cases this year, has been particularly careful. It has been the policy of that committee to refuse absolutely to grant relief in a case of real intentional desertion. The committee realizes that the welfare of the Army of the United States must be carefully guarded, and that has been our

him on the one hand. But on the other hand, where a man has served his country and has left behind him a good record, but because of some unfortunate and unavoidable circumstances, for which he was in no way responsible, he was deprived of securing an honorable discharge, I believe that that man should be recognized by this Congress and should be given the relief that is asked for in this bill.

Then there is another class of cases like this: Here is a man who served his country during the war and reenlisted in 1864.

Mr. TREADWAY. February 10, 1864.

Mr. FIELDS. And after the war was over he went to his home. I do not remember this case particularly. I do not know how far he was away from the point where the discharge would have been issued; but there are many cases of this character, where men were two or three or four hundred miles away from the point where their discharges were being issued, who were nearer their homes than they were to the point where the discharges were being issued. They had served their country through the struggle, the war was then over, and when they were told by their commanding officers that the war was over they returned to their homes without their discharges rather than encounter the hardships which would attend a journey to the point of muster out. The intent constitutes the crime. There was no evil intent in the minds of these men. They had discharged their duties as patriotic citizens, and after they had done all that they could do for their country they returned to their homes and their families from which they had been separated through the bloody struggle. Mr. Speaker, I believe that this Government is too great. I believe that men on the floor of this House should be more liberal than to perpetuate the stain upon the reputations of those men who served their country clear through the struggle and then returned to their homes without any intention of deserting the flag. [Applause.] In cases of this character your subcommittee have recommended relief, and I trust that the House will grant the relief.

Mr. GARRETT. Mr. Speaker, will the gentleman permit me to make an inquiry?

Mr. FIELDS. Yes.

Mr. GARRETT. Am I correct in my recollection of the general law? If a man served his term of enlistment, or served until May 1, 1865, or was prevented from so doing my disability contracted while in the line of duty, the charge can be removed under the general law, can it not?

Mr. FIELDS. There are many cases where the charge has not been removed under the general law, because the report comes back that the evidence did not warrant the removal under the general law; but the proof before the committee in these cases has shown, in many cases, that the soldier was sick in a hospital or sick at his home. There are many other cases of this character, where the proof clearly shows that the claimant was sick as a result of wounds. Perhaps he was sent to a hospital for a few days or a few weeks. Then probably some of his friends took him away, took him to his home, and he was unable to return to duty, and failed to make his report back to his commanding officer, and was, therefore, marked as a deserter. Now, Mr. Speaker, that is too small an excuse for this Government to take advantage of with the man who has served his country and has not intentionally deserted it.

Mr. GARRETT. Is the gentleman familiar with the particular case that we have before us now, the case of John Duggan?

Mr. FIELDS. I do not remember the particular case. I have been away.

Mr. GARRETT. If the gentleman will permit, there does not seem to be any other member of the Military Affairs Committee here. The gentleman from Massachusetts [Mr. TREADWAY] presented this matter. The report states that—

> John Duggan, alias John McCarty, enlisted August 14, 1861, at Rochester, N. Y., and was assigned to Troop K, Sixth United States Cavalry, as a private. He reenlisted in the same troop February 10, 1864, and served faithfully until July 27, 1865. The evidence shows that John Duggan, alias John McCarty, left his command in July, 1865, because the war was over.

Now, if I am correct in my recollection of the law, and this man served until July 7, 1865, faithfully, as this report states, he is entitled to an honorable discharge under the general law, and it does not require a special act. Therefore, I can not fail but to believe that in some way there is something about the matter not stated in the report which would prevent him from getting it.

Mr. FIELDS. The gentleman will concede that if he rendered this service he is entitled to this relief?

Mr. GARRETT. I concede that the law provides for it.

Mr. FIELDS. But the gentleman will concede that if he served faithfully he is entitled to this relief?

Mr. GARRETT. I make the statement that the general law provides that if he served out his term of enlistment——

Mr. FIELDS. But that does not answer my question.

Mr. GARRETT. I will answer the gentleman's question if he insists upon it. I think there is no thing concerning which the Government ought to be more scrupulously careful than guarding the honor and credit of its military forces. I believe every man, in order to have rights, honors, and privileges, ought to have an honorable discharge granted under the law, and that he ought not to have these rights unless he does get an honorable discharge.

Mr. FIELDS. I want to say that the committee has concealed nothing from the House in this case. Neitner does it report to this House a bill if there is anything behind it that looks black or would not entitle a man to the relief asked for.

As I said before, I believe this Government is too great to measure the patriotism of a soldier who served through the greatest struggle the Nation has ever known by some unfortunate, unavoidable circumstances for which the soldier was not responsible; and the committee has taken these things into consideration, and at the same time the committee has taken into consideration the welfare of the Military Establishment of this country. In no case where it was plainly a case of desertion—where the claimant intended to desert—has the committee reported favorably upon it.

Mr. SLAYDEN. Will the gentleman yield?

Mr. FIELDS. This is not my time.

Mr. SLAYDEN. I would like to ask why the committee does not print the report of The Adjutant General in connection with the report to the House?

Mr. FIELDS. We do not consider a case until we first get a report from The Adjutant General.

Mr. SLAYDEN. It formerly was the custom to print the letter of The Adjutant General in reply—to embody it in the report. Have you abandoned that custom?

Mr. FIELDS. No; but I wish to say to the gentleman that when this report was made I was absent at home, engaged in my campaign.

Mr. SLAYDEN. I hope the gentleman won out.

Mr. FIELDS. I did. I want to say, however, that the committee has not reported a case unless it had a good report from the War Department as to the soldier's service while with his command.

Mr. SLAYDEN. When I had the honor of serving on the Committee on Military Affairs it was the invariable custom to ask for a report from The Adjutant General, who gave the entire history as far as disclosed—the hospital report, the record of the soldier, and his efficiency, and so forth—and we printed that in the report to the House.

Mr. FIELDS. We do not consider a case unless it is accompanied by a report from the War Department as to the soldier's service. It is the positive rule of the committee not to consider a bill unless we have the military and hospital record of the claimant.

Mr. SLAYDEN. I do not think the gentleman quite catches my point. I am asking why the letter of The Adjutant General was not printed in the report. It would be an illuminating piece of information for the House to have.

Mr. FIELDS. As far as I am personally concerned, it was my intention to print the military and hospital record of each claimant with the report on the bill, but during my absence this was done, and I have not even seen the bill.

Mr. STAFFORD. Will the gentleman yield? Does not the law which the gentleman from Tennessee has in mind relate to cases on the first desertion where the soldier has reenlisted and served for a period, as my recollection goes, of six months, and then was entitled to an honorable discharge?

Mr. GARRETT. In order to refresh our memories I have the law here, and I will read it for the information of the House.

Mr. TREADWAY. Mr. Speaker, may I interrupt the gentleman one moment.

Mr. GARRETT. I believe we are speaking in the time of the gentleman from Massachusetts.

Mr. TREADWAY. Yes; I think I ought to be allowed to use a little of my own time. The chairman of the Judiciary Committee was very courteous in allowing me to take the time which has been devoted to his bill. If this discussion is to continue I feel that I ought, out of courtesy to him, to withdraw my request for the consideration of this bill. I did not think the bill would produce the slightest discussion. The report of The Adjutant General is absolutely clear, the Senate report is clear, and the House report is clear, and everything except the technicality that has come up suddenly is in favor of this claimant. I understand that the law that the gentleman from Tennessee is quoting is not applicable in that it does not apply to men in the Regular service. If we can not have a prompt vote on the measure I feel that I should with-

draw my request for present consideration, but I do hope that the gentleman from Tennessee will allow these explanations to be made and quick action taken on the bill at this time. If the discussion is to continue any longer I must withdraw my request, and I ask for a vote.

Mr. GARRETT. Mr. Speaker——

The SPEAKER. Does the gentleman from Massachusetts yield to the gentleman from Tennessee?

Mr. GARRETT. I had supposed, Mr. Speaker, that the gentleman from Massachusetts had surrendered the floor, and I was taking it in my own right.

Mr. TREADWAY. Can we reach any understanding as to how long this will occupy?

Mr. GARRETT. Unless I am more familiar with the 23 cases that it is proposed to present to-day——

Mr. TREADWAY. This is the only one I have to present, and if it is to be dragged on much longer I shall withdraw my request.

Mr. GARRETT. Mr. Speaker, I do not think this bill ought to pass. I think the report ought to show that application was made under the general law and was rejected. It shows nothing of the sort. If we are going on, adding by special acts to a general law which was enacted at a time when there was every reason for the most intense sympathy, politically and generally, about these matters, I do not know where we are finally going to wind up on the question of the removal of charges of desertion. I have had case after case in which soldiers have appealed to me, to constituents of mine, to undertake to secure the removal of charges of desertion. I have invariably referred those cases to the War Department and have explained to these constituents who wrote me what the law provided, and offered to file their proof, and have filed their proof, when they have sent it, and had their cases dealt with under the general law. I have not been willing to make exceptions unless there was some technicality involved. There is no technicality involved in this case. This report states that this soldier served until July, 1865. The law provides that if he served until May, 1865, he could receive an honorable discharge by making application to The Adjutant General's Office.

Mr. TREADWAY. Mr. Speaker, I ask for a vote.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. TREADWAY, a motion to reconsider the vote by which the bill was passed was laid on the table.

BRIDGE ACROSS NIAGARA RIVER.

Mr. SMITH of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 17235) granting the consent of Congress to W. H. Crosby, W. H. Andrews, E. G. Connette, Daniel Good, Henry May, Robert C. Gaupp, Edward Kener, jr., William F. MacGlashan, and William A. Morgan to construct a bridge across Niagara River within or near the city limits of Buffalo, and for other purposes, with Senate amendments thereto, and move to concur in the Senate amendments.

The SPEAKER. The Clerk will report the Senate amendments.

The Senate amendments were read.

Mr. ADAMSON. Mr. Speaker, the committee has no objection to concurring in the Senate amendments.

The SPEAKER. The question is on agreeing to the Senate amendments.

The Senate amendments were agreed to.

On motion of Mr. ADAMSON, a motion to reconsider the vote by which the Senate amendments were concurred in was laid on the table.

EXTENSION OF REMARKS.

Mr. GARDNER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two separate leaves to print.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. GRAY of Indiana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the direct vote.

The SPEAKER. Is there objection?

There was no objection.

UNIVERSAL TRAINING.

Mr. BENNET. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing therein a letter from his eminence, Cardinal Gibbons, on the subject of universal training, and also certain resolutions adopted at the meeting of the Michigan State Medical Society upon the same subject.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD upon the subject of universal training. Is there objection?

There was no objection.

The letter and resolutions referred to are as follows:

CARDINAL GIBBONS FOR TRAINING—PRELATE ON EIGHTY-SECOND BIRTHDAY DECLARES BELIEF IN UNIVERSAL MILITARY PLAN.

"Cardinal Gibbons yesterday marked his eighty-second birthday, spent at the home of T. Herbert Shriver, at Union Mills, Carroll County, by declaring for universal military training as the best possible thing for America. He was in fine spirits and excellent health and expressed his views with vigor, brushing aside reminiscences and Mexico to tell exactly why universal military training would safeguard the Nation, keep it at peace with the world, upbuild its manhood, fuse its many foreign strains into one patriotic people and make it a Nation among nations.

"The deep-reaching effect of discipline upon the American character came first in the cardinal's mind. He recalled his school days—but only to state that the greatest lesson he learned was obedience to authority, the greatest benefit he received was discipline.

"'Order is the first law of heaven,' he said, 'and order comes from authority and obedience.

"'Obedience to proper authority is the first lesson in military tactics. It teaches the man that there is something higher than his own desire. It is not slavishness, but obedience God bids us give to those in authority over us.'

"The difference between savagery and civilization, he said, lay in development of the will, and discipline was the best developer.

"'The Word says that he that ruleth himself is greater than he that taketh a city,' he continued, 'and so it is with nations.

"'These camp schools make a man stronger, broader. They make him more patriotic and more fit physically, morally, socially, and intellectually. They take him from temptation of passion and vices and sin. They throw him in touch with men of other circumstances from other places. They make him feel there is something out there in the Nation which demands his loyalty and service. They bring the rich man and the poor man together on an equal footing and teach them they owe an equal allegiance.'

"Universal training would engender patriotism and make Americans out of Poles and Slavs and Sicilians quicker and better than any other agency, he pointed out, because it would reveal the true American spirit, show America was a Nation worthy of patriotic love, and prove that Americanism and commercialism were not synonymous.

"'Certainly man could not be asked to forget his love for the land of his birth,' he added. 'The poet said, you remember, "Breathes there a man with soul so dead who never to himself hath said, this is my own, my native land?"

"'But it teaches him his duty to the country where God has placed him. Like Ruth, he should say, "Thy people shall be my people, and thy God my God." That is a most beautiful story and a most profound lesson.

"'I was greatly pleased to see the bill introduced recently by the Senator from Oregon providing for this training. Such a system would be of immeasurable benefit to the young men of the country in every way. It would safeguard the Nation. It would not foster militarism. It would not be a provocation to war, but would make us strong enough to insure peace so far as humanly possible.'"

RESOLUTIONS ADOPTED AT THE MEETING OF THE MICHIGAN STATE MEDICAL SOCIETY, HOUGHTON, MICH., AUGUST, 1916.

Dr. C. B. Burr, of Flint, presented the following resolutions:

"Whereas military exercises in early life favor a large degree of mental and physical development, through quickening perception, improving organic functions, and developing muscular and bony structure; and

"Whereas marching under the flag of the country, the symbol of governmental authority, inculcates obedience, encourages loyalty, and furnishes discipline in self-control: Therefore be it

"*Resolved*, That the Michigan State Medical Society recommends universal military training and requests the Michigan congressional delegation to exert itself to bring about some effective legislation to this end.

"*Resolved*, That copies of these resolutions be furnished by the secretary to every member of the House of Representatives and the Senate of the United States and to the various leagues

and organizations interested in the propaganda for national defense."

The resolutions were offered for passage by Dr. Burr, and were seconded by Dr. A. M. Hume, of Flint, who said: "We are all true Americans. This is certainly an expression of true Americanism. I second the motion."

Dr. L. J. Hirschman, of Detroit, who left the Plattsburg Training Camp to attend the meeting of the society, addressed the convention in regard to the resolutions, and extended an invitation on behalf of the medical training branch of the camp to all medical men of Michigan to attend. He said: "Outside of the physical benefit received, the patriotism that is instilled in the hearts of those who attend can not be described in words."

The resolutions were passed unanimously.

PRAYERS OF THE CHAPLAIN.

Mr. BARNHART. Mr. Speaker, I submit herewith a privileged report upon House concurrent resolution 28, which I send to the desk and ask to have read.

The Clerk read as follows:

House concurrent resolution 28 (H. Rept. 1186).

Resolved by the House of Representatives (the Senate concurring), That there be printed as a House document for the use of the House of Representatives, to be distributed through the folding room, 55,000 copies of the prayers offered at the opening of the morning sessions of the Sixty-third Congress of the United States by the Chaplain, Henry N. Couden, the same to be compiled by the Chaplain, who shall have 100 copies for his use.

The SPEAKER. The question is on agreeing to the resolution.

Mr. MANN. Mr. Speaker, if we are to put this burden upon the Chaplain, it really seems to me that we ought to pay him something for doing it. [Applause.] The Chaplain of the House receives, I think, a salary of $1,200 a year. I do not know, but I think that probably that is the total of his resources. He is blind and requires constant attendance. I do not think it would outrage the feelings of anyone if we were to compensate him for any extra burden that we placed upon him.

Mr. BARNHART. Mr. Speaker, I understand that the Chaplain's prayers are in manuscript form; that he keeps copies of them; and the purpose of putting in this resolution is that they may be authoritative and compiled under his direction.

Mr. MANN. I suppose that to be so. I was speaking theoretically about the burden. If anyone else connected with the House compiles something, we pay him for it. We pay $1,000 a year, and properly so, to the parliamentary clerk for compiling the Manual. We pay for extra servies performed by various officers, including, I think, the Clerk of the House, and I think properly so. I do not think this ought to be done in the resolution, but I think we might afford to pay our Chaplain in some way a little more than we do. I think everyone in the House would agree to it.

Mr. RUSSELL of Missouri. Mr. Speaker, will the gentleman yield?

Mr. BARNHART. Yes.

Mr. RUSSELL of Missouri. Mr. Speaker, of course I would have no objection to increasing the salary of the Chaplain if the House thinks best to do so, but I do not see any possible way of doing so in this resolution, or by amending it so as to provide for payment to him for compiling these prayers. I introduced the resolution, and before I did so I talked with the Chaplain, and he expressed not only a willingness but a desire to see this done, and he made no suggestion whatever of any burden that would be imposed upon him.

Mr. MANN. I think that is one of the beautiful aspects of the Chaplain.

Mr. RUSSELL of Missouri. I would have no objection to it.

Mr. MANN. He never has whined about what we gave him, or asked for more.

Mr. RUSSELL of Missouri. I have no objection to any increase in his salary, or to pay him for this work, but it seems to me that it would not be a proper place to put the increased pay in this resolution.

Mr. MANN. It would not unless we provided that out of the contingent fund he should be paid some sum for this work.

Mr. RUSSELL of Missouri. I am informed that the Chaplain in the Senate only gets $1,200 a year, and I suppose their salaries should be uniform.

Mr. MANN. I do not think that follows at all.

Mr. RUSSELL of Missouri. If the Chair will permit, while I have the floor I desire to express the hope that this resolution will pass, and without any objection. There is a great deal of printing done by Congress——

Mr. MANN. Nobody has objected to the resolution.

Mr. RUSSELL of Missouri. Of which three-fourths is never read, but is lost. I think every one of these books will be read, not only by one man but sometimes by a number of men, and I know they are very highly appreciated by the preachers of the country.

The SPEAKER. The question is on agreeing to the resolution.

Mr. HOWARD. Mr. Speaker, I would like to ask the gentleman from Indiana one question about this. How much is the expense of printing these 50,000 pamphlets?

Mr. BARNHART. Well, $2,126.

Mr. HOWARD. How long has it been the custom of the House to print the prayers of the Chaplain of the House? When did it start?

Mr. BARNHART. Two years ago.

Mr. MANN. In the last Congress.

Mr. HOWARD. Did the Committee on Printing come to the conclusion that the preachers of this country did not have any originality two years ago and could not pray to God themselves, but had to have a pattern cut out by the Chaplain of the House to pray by? Is that the reason?

Mr. BARNHART. No; they did not.

Mr. HOWARD. Well, what is the reason, what is the logical reason, what good reason is there for spending $2,150 of the people's money to print the prayers of the Chaplain of the House? Who gets the benefit of it?

Mr. MANN. One of the purposes is that the gentleman from Georgia may receive the benefit of reading the prayers when he might be absent and not hear them.

Mr. HOWARD. I am here every morning and hear them. I am here——

The SPEAKER. One at a time.

Mr. BARNHART. Will the gentleman yield?

Mr. HOWARD. Yes.

Mr. BARNHART. I recall distinctly that the gentleman from Georgia protested against the passage of this matter when it was put through the House before, and when I said to him if he did not want the documents I would like to have them, he said to me I could have them; but when I went to him afterwards and asked for them he said he believed he wanted them himself.

Mr. HOWARD. I think the gentleman has got somebody else in his mind; the gentleman has had some dream about my sending out the Chaplain's prayers. I have got real preachers in my district who know how to pray; they are consecrated men, and while the prayers of the Chaplain may be of some value here, I do not think they are of any value to send out. I have no demand in my district for these documents. The Chaplain is a splendid preacher and makes a fine prayer, and I hear them; and, as far as I am concerned, I think I will vote against this appropriation. I think it is a useless expenditure of money.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken, and the resolution was agreed to.

FUNDAMENTALS OF A COST SYSTEM FOR MANUFACTURERS (H. DOC. NO. 1356).

Mr. BARNHART. Mr. Speaker, I submit another privileged resolution, and ask for its present consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House resolution 362 (H. Rept. 1185).

Resolved, That there shall be printed 34,000 copies of the Fundamentals of a Cost System for Manufacturers as authorized by the Federal Trade Commission, the same to be a House document and distributed through the folding room.

The question was taken, and the resolution was agreed to.

A SYSTEM OF ACCOUNTS FOR RETAIL MERCHANTS (H. DOC. NO. 1355).

Mr. BARNHART. Mr. Speaker, I submit another privileged resolution, and ask for its immediate consideration.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

House resolution 361 (H. Rept. 1187).

Resolved, That there shall be printed 43,000 copies of A System of Accounts for Retail Merchants as authorized by the Federal Trade Commission, the same to be a House document and distributed through the folding room.

The question was taken, and the resolution was agreed to.

EXTENSION OF REMARKS.

Mr. JOHNSON of South Dakota. Mr. Speaker, I ask unanimous consent to extend my remarks on House bill 2534.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. TREADWAY. Mr. Speaker, I make the same request.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

IMMIGRATION STATION AT BALTIMORE, MD.

Mr. LINTHICUM. Mr. Speaker, I ask leave to call up the bill H. R. 6034.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

H. R. 6034. A bill making available a portion of the appropriation for the immigration station at Baltimore, Md., for such counters, booths, screens, railings, seats, bunks, kitchen and laundary equipment, etc., as necessary in connection with said station.

The SPEAKER. Is there objection?

Mr. MOORE of Pennsylvania. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Maryland if this was provided for in the original appropriation?

Mr. LINTHICUM. This is entirely provided for. It is only a question of whether they are fixtures or furniture.

Mr. MOORE of Pennsylvania. These particular expenditures were not specified originally?

Mr. LINTHICUM. No; they were not.

Mr. MOORE of Pennsylvania. Then the gentleman discovered he would have to do this.

Mr. LINTHICUM. The Treasury Department has decided that laundry fixtures, counters, bunks, and so forth, are not fixtures but furniture, and they have been contracted for, and in order to have the contractor begin before the 1st of October it is necessary to get this bill passed. No extra money whatever is provided.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. This bill is on the Union Calendar.

Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent to consider the bill in the House as in the Committee of the Whole House on the state of the Union.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 6034) to make available a portion of the appropriation for the immigration station at Baltimore, Md., for such counters, booths, screens, railings, seats, bunks, kitchen and laundry equipment, etc., as necessary in connection with said station.

Be it enacted, etc., That the act of Congress approved July 17, 1914 (38 Stat., ch. 152, p. 513), increasing the limit of cost for the immigration station at Baltimore, Md., from $280,000 to $550,000 be, and the same is hereby, amended so as to make said amount also available for such counters, booths, screens, railings, seats, bunks, kitchen and laundry equipment, etc., as may be deemed necessary in connection with said station.

Mr. MANN. Mr. Speaker, I move to strike out the last word.

I think the pending bill is a proper bill, so far as that is concerned. The Baltimore immigration station is an illustration of what seems to be possibly careless methods of the Treasury Department. Under the public-buildings act of June 25, 1910, we authorized the purchase of a site and the erection of a building for the immigration station at Baltimore within the limit of cost of $130,000.

Two years thereafter, by the act of July 20, 1912, we authorized the exchange of the site they had already acquired under the act of 1910 for this immigration station for another site, to authorize the department to sell the old site and purchase a new one at a cost of $35,000.

By the act of March 4, 1913, we increased the limit of cost of the immigration station at Baltimore from $130,000, theretofore fixed, to $280,000, and authorized the purchase of a site and the erection of a building within the limit of $280,000. We also set aside a part of the Fort McHenry grounds as a site, authorized the Government to acquire an outlet from that site to the city streets, and sell the site that had been previously purchased.

By the act of July 17, 1914, we increased the limit of cost of $280,000 to $550,000. This immigration station has now had four acts passed and now requires a fifth. It started with a limit of cost of $130,000 and winds up with a limit of cost of $550,000, and in every case we have followed the recommendations of the Supervising Architect's Office in the Treasury Department. Yet every little while that office issues some pronunciamento telling how they are guarding the interests of the Treasury, and that Congress, the profligate Congress, is squandering the money. We were led into this with the statement that it would cost only $130,000, but are winding up with $550,000, it having taken five acts of Congress, following each time a recommendation of the Treasury Department, to do the thing that ought to be done.

Mr. SLAYDEN. Will the gentleman permit a question?

Mr. MANN. Certainly.

Mr. SLAYDEN. Is it not quite the usual thing to have those increases in the limit of cost of these buildings? Does it not occur with distressing frequency?

Mr. MANN. We have increased the limit of cost on buildings many times where the cost of material has advanced, but I know of no other case where we have increased the limit of cost from $130,000 to $550,000. The first time we increased it from $130,000 to $280,000, and then from $280,000 to $550,000. I presume the last action is the correct action. I am not criticizing that.

Mr. SLAYDEN. I have in mind, I will say to the gentleman, one building that was authorized when I was on the committee, and we had the assurance that the original appropriation of $400,000 would complete it, but an additional appropriation of $450,000 was called for, and again accompanied by the assurance it would complete it, and then, after that, $160,000 more; and the original sum would have erected a house quite adequate to the public duties that were to be discharged there.

Mr. MANN. These changes have been made because the plans were changed. First, we were going to buy a site for $130,000. Then we gave the site that we owned and increased the limit to $550,000. But certainly the department that does it does not have the face to "cuss" Congress because we followed their recommendations.

Mr. BENNET. Will the gentleman yield?

Mr. MANN. Yes.

Mr. BENNET. I did not catch what the gentleman said was the original limit of cost of the building.

Mr. MANN. The limit of cost for site and building was $130,000.

Mr. BENNET. And now that has been increased to $550,000?

Mr. MANN. For the building. We have given them the site.

Mr. BENNET. That does seem an extraordinary increase. As I recollect it, six or seven years ago we purposed to give them the Fort McHenry site.

Mr. MANN. That is what we did.

Mr. BENNET. And they got $550,000 for a building in addition?

Mr. MANN. Yes.

Mr. BENNET. I will say that they have not fared badly, although in justice to the Representatives from that city, it ought to be said the need for a detention building there was about the worst of any city in the United States.

Mr. MANN. I think they need the building. I am not criticizing that.

Mr. LINTHICUM. I would like to ask the gentleman if he does not remember that that $130,000, the first appropriation, was not obtained by me, but was obtained for a hospital and not for a complete immigration station like the latter part?

Mr. MANN. The public-building act of June 25, 1910, specifically, in section 4, authorized—

The purchase of a site and erection of a building for immigration station at Baltimore.

I read the exact language of the bill.

Mr. LINTHICUM. The architect says the appropriation was merely for the hospital.

Mr. MANN. If the architect made that statement, he was mistaken; that is all. I am reading the language of the law.

Mr. LINTHICUM. I want to say to the gentleman one thing, though, for his information and the information of the House, and that is we changed it from $280,000 to $550,000, but we are going to turn back to Congress a part of the very substantial appropriation for the best immigration station in the country.

Mr. MANN. I doubt whether you are going to turn back anything. I doubt very much if you have much left now.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

CLARENCE C. KRESS.

Mr. RUCKER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3180) to authorize the appointment of Clarence C. Kress to the grade of captain, United States Army Medical Corps, and consider it at this time in lieu of House bill 7378, which is of exactly the same tenor.

The SPEAKER. What is the number of that bill?

Mr. RUCKER. Senate bill 3180. I will send this to the desk.

The SPEAKER. The gentleman from Missouri asks unanimous consent that the Senate bill which the Clerk will report shall be considered at the present time in lieu of a similar House bill. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the President be, and he is hereby, authorized, by and with the advice and consent of the Senate, to appoint Clarence C. Kress, now passed assistant surgeon, United States Navy, as an additional officer hereby created in the Medical Corps of the United States Army, with the rank, pay, and allowances of captain, corresponding to the rank and grade in which he is now serving in the United States Navy: *Provided*, That for the purpose of determining his relative rank in the Medical Corps of the Army he shall be considered as having been appointed to the grade of captain in the Medical

Corps, United States Army, as of the date of October 5, 1904: *Provided further*, That if promoted he shall be carried as an additional officer in each grade while on the active list of the Medical Corps of the Army.

The SPEAKER. Is there objection?

Mr. SLAYDEN. Reserving the right to object, Mr. Speaker, I would like to ask the gentleman from Missouri why this bill should be passed?

Mr. RUCKER. I will state the reason very briefly to the gentleman, and gladly.

Dr. Kress formerly had service in the Army and made an enviable record. He quit the Army in the Philippines and came back to Missouri on account of the serious illness of his father. Afterwards he entered the Navy, where he has made a splendid record, but it has developed that he can not stand sea travel, and becomes so seasick that he is unable to perform the proper duties to those that are sick.

Mr. SLAYDEN. I would like to ask the gentleman another question.

Mr. RUCKER. Very well.

Mr. SLAYDEN. When was Dr. Kress born?

Mr. RUCKER. I do not believe I know.

Mr. SLAYDEN. I know. He was born in 1884. I have a memorandum here which makes this statement of facts about the case, Mr. Speaker: That he graduated in medicine in 1905, and that he entered the Navy in 1910; that this bill gives him credit for service as captain in the Medical Corps of the Army since 1904, or one year before graduation; and as a medical officer at that time had to serve five years as a lieutenant, it gives him credit for service at the age of 15 years and 9 months, and this bill would promote him and jump him over the heads of 128 other medical officers who should be senior to him.

Mr. Speaker, with the record that I have from the War Department, I regret that I have to object to the consideration of the bill.

Mr. RUCKER. One moment. In the report on the Senate bill there is a letter from Surg. Gen. Gorgas, who has carefully considered this matter and recommends it. The gentleman from Texas is entirely mistaken about the bill giving this young man rank over the others.

Mr. SLAYDEN. This is from the records in the War Department. Does Surg. Gen. Gorgas give an unqualified indorsement of this bill?

Mr. RUCKER. Yes. He did so in my presence, and he does it in writing. I will read it to the gentleman.

Mr. SLAYDEN. I have this memorandum officially from the War Department.

Mr. RUCKER. The War Department favors this bill. The bill was drawn by Gen. Gorgas.

Mr. SLAYDEN. I have no reason to doubt the statement of the War Department, and I have no reason to believe that Gen. Gorgas favors this bill as it is.

Mr. RUCKER. As the bill was originally introduced, I will say to the gentleman, Gen. Gorgas did not favor it, but it was amended in the Senate to correspond exactly to the recommendations of the War Department.

The SPEAKER. Does the gentleman from Texas object?

Mr. SLAYDEN. Yes.

Mr. RUCKER. Mr. Speaker, may I have unanimous consent to temporarily withdraw the matter from the House?

The SPEAKER. The gentleman asks leave to withdraw it. It has already been withdrawn.

EXTENSION OF REMARKS.

Mr. COX rose.

The SPEAKER. For what purpose does the gentleman from Indiana rise?

Mr. COX. To ask unanimous consent to extend my remarks in the RECORD on the subject of the budget system and the question of making appropriations.

The SPEAKER. The gentleman from Indiana desires to extend his remarks in the RECORD on the budget system. Is there objection?

There was no objection.

REPRINT OF HEARINGS ON BILL H. R. 386.

Mr. RAKER rose.

The SPEAKER. For what purpose does the gentleman from California rise?

Mr. RAKER. To ask unanimous consent that 2,000 copies of the hearings had before the Committee on Military Affairs on the bill H. R. 386, together with the bill and the report, be printed and placed in the document room of the House. The bill and the hearings and the report are all exhausted, and the first thousand will cost $13.92.

The SPEAKER. The gentleman from California asks unanimous consent that 2,000 copies of the hearings before the Committee on Military Affairs on the bill H. R. 386 be printed, together with the bill and the report. Is there objection?

Mr. COX. Reserving the right to object, Mr. Speaker, what is the purpose of this?

Mr. RAKER. The purpose of it is to have a reprint. The hearings and the bill and the report are all exhausted. There are many inquiries for these hearings.

Mr. COX. I have not had a single request. How much will it cost?

Mr. RAKER. It will cost $13.92 per thousand.

The SPEAKER. Is there objection?

There was no objection.

LEAVE OF ABSENCE.

Mr. CHURCH, by unanimous consent, was granted leave of absence for the remainder of the session, on account of sickness in his family.

PROMOTION OF EXPORT TRADE.

Mr. WEBB. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 17350) to promote export trade, and for other purposes.

The SPEAKER. The gentleman from North Carolina moves that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of House bill 17350. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The gentleman from Missouri [Mr. RUBEY] will please take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 17350) to promote export trade, and for other purposes, with Mr. RUBEY in the chair.

Mr. WEBB. Mr. Chairman, may I ask how much time has been used?

The CHAIRMAN. The gentleman from North Carolina [Mr. WEBB] has used 40 minutes and has 50 minutes remaining, and the gentleman from Minnesota [Mr. VOLSTEAD] has 90 minutes remaining.

Mr. WEBB. I will ask the gentleman from Minnesota to use some of his time, if he has a speaker who would like to occupy the floor.

Mr. VOLSTEAD. I yield 30 minutes to the gentleman from Oklahoma [Mr. MORGAN].

Mr. MORGAN of Oklahoma. Mr. Chairman, I have concluded that the bill under consideration ought not to pass at this time, and that it ought never to pass unless materially amended.

The first section defines an association, which includes all combinations of firms, individuals, or corporations.

The second section repeals the Sherman Antitrust Act, so far as it applies to associations, corporations, or firms or partnerships engaged exclusively in foreign trade.

The third section repeals that portion of section 7 of the Clayton Antitrust Act which prohibits the investment of one corporation in the stock of another. The other important section extends the power of the Federal Trade Commission to deal with unfair methods of competition between corporations or associations engaged in export trade.

Those are the main features of the bill. Practically it authorizes and gives the absolute power to all corporations, large and small, to combine, to form a trust, in other words, to enter into a contract to monopolize business in export trade. There is no limitation. The proposition presented is that this is done for the benefit of small corporations, but it permits combinations of all kinds between our largest corporations.

As the title expresses it, the object of this bill is to increase export trade. We are all in favor of that. We are all in favor of increasing the export trade of our country. I am, and I presume every Member of this House is, in sympathy primarily with the object and purpose of this bill to increase our export trade.

I further agree that there is need at the present time that we should increase our export trade. Taken as a whole, I do not think there has been a time in a quarter of a century when our export trade was in so deplorable a condition as it is at the present time.

Our foreign commerce is in such a depressed condition to-day as to attract the attention of every lover of his country, of every man in this House, of the members of the Cabinet, and of the President of the United States. I do not wonder that our Democratic administration and the Democratic Members of this House should be seeking some method, some means, some scheme, some way to put our foreign trade in better condition. You are responsible for things as they are now. Therefore it

is your duty to try to develop some plan to put our foreign trade in better condition than it is at the present time.

Mr. BORLAND. Will the gentleman yield?

Mr. MORGAN of Oklahoma. Yes.

Mr. BORLAND. Is not the gentleman making a rather extraordinary statement when he says that the Democratic Party are responsible for our not having more trade?

Mr. MORGAN of Oklahoma. There is no doubt of that fact.

Mr. BORLAND. Does not the gentleman belong to a party that believes in building a tariff wall around the country to keep people from shipping goods into our country and to keep out the mutual trade with other countries?

Mr. MORGAN of Oklahoma. I belong to a party that believes in preventing foreign producers from capturing our home market.

Mr. BORLAND. How does the gentleman reconcile the idea of surrounding the home market by a tariff wall, and giving it to special interests in this country, and at the same time gaining a foreign trade for the sale of our own goods? How can he reconcile those two doctrines?

Mr. MORGAN of Oklahoma. We have to look at facts as they are.

Mr. FESS. Will the gentleman yield?

Mr. MORGAN of Oklahoma. I want to answer the gentleman from Missouri first. We want to consider the condition of trade at the present time. Does the gentleman from Missouri know that to-day we are doing business at a loss with practically all the foreign nations of the world except Europe? And does he know that in 1913, the last year under the Republican tariff law of which he complains, we had a net favorable trade balance with the countries outside of Europe of over $66,000,000? And does he know what the condition of our trade is with the countries outside of Europe to-day? Does he know that on June 30, 1916, the balance of trade with countries outside of Europe was against us to the amount of $247,000,000. In other words, under three years of your tariff-for-revenue-only policy, which opened our markets to foreign producers, we went from a favorable trade balance of $66,000,000 to an unfavorable trade balance with those countries of $247,000,000, making a net loss of $313,000,000 in one year under your policy.

Mr. BORLAND. Does the gentleman want an answer to that?

Mr. MORGAN of Oklahoma. No; I decline to yield for an answer——

Mr. BORLAND. I can easily give an answer to that.

Mr. MORGAN of Oklahoma. No; because I believe if I should yield long enough time for the gentleman to undertake to answer that question, he would consume all my 30 minutes——

Mr. FORDNEY. And more, too.

Mr. MORGAN of Oklahoma. And then he would not answer it. But that is not all. Take our trade balance with North American countries. In 1913 the trade balance with those countries was largely in our favor. But in three years—1914, 1915, and 1916, compared with 1913—under your tariff-for-revenue-only policy, which relinquishes our markets voluntarily to foreign producers, we have lost $520,000,000 in favorable trade balances with North American countries. In the same time, with South American countries, we have lost in our favorable trade balance $256,000,000. In the total favorable trade balances with North American countries and South American countries we have lost in our favorable trade balance in those three years $776,000,000.

Mr. CARAWAY. Will the gentleman yield?

Mr. MORGAN of Oklahoma. Not just now. I want to give you a little more of this. Now, take all the other countries outside of Europe, and in three years, 1914, 1915, and 1916, compared with 1913, we have lost in our favorable trade balance $830,000,000. If you exclude Russia in Asia, we have lost $996,000,000 in three years. At that rate in four years of Democratic economic policies we will lose in our foreign favorable trade balance, with countries outside of Europe, an amount in excess of one thousand million dollars. No wonder this administration wants to get up some kind of a plan or scheme that will give us back the profit that we had in foreign trade under the policies of the Republican Party.

Mr. BORLAND. Does the gentleman still contend, then, that we are bankrupt? Is that his argument, that the United States is busted?

Mr. MORGAN of Oklahoma. We would have been had it not been for the war, which gave us a favorable trade balance with Europe. Take Canada. In three years, since 1913, we have lost in our favorable trade balance with Canada $296,000,000. With poor, downtrodden Mexico, which has been at war, in those three years we have actually lost $97,000,000 in favorable trade balance. With Argentina, in these three years in our favorable trade balance compared with 1913, we have lost $175,000,000. Think about that, $175,000,000 loss with one South American Republic! Is not that alarming? Does not that indicate something is wrong with the policies of this administration?

With Japan in these three years we have lost in favorable trade balance $85,000,000. Even with poor old China we have lost largely in favorable trade balance. Now, I concede that something ought to be done, but I do not believe that this bill is the proper remedy. Democrats here know that I have voted for many of the bills that they have presented during this Congress. I think some of these bills are excellent and that the party deserves some credit.

Mr. HASTINGS. Will the gentleman yield?

Mr. MORGAN of Oklahoma. Yes.

Mr. HASTINGS. Is there any bill that we have passed that the gentleman has not voted for? I mean the large, important bills. The gentleman voted for the child-labor bill, did he not?

Mr. MORGAN of Oklahoma. I did.

Mr. HASTINGS. And the rural-credits bill?

Mr. MORGAN of Oklahoma. I did.

Mr. HASTINGS. And the eight-hour law yesterday?

Mr. MORGAN of Oklahoma. Yes.

Mr. HASTINGS. And the good-roads bill?

Mr. MORGAN of Oklahoma. Yes. But I will tell the gentleman what I did not vote for. I did not vote for the free-trade-policy tariff bill. I did not vote, as my colleague and friend from Oklahoma did, to place farm products on the free list. I did not vote to place the farmers of Oklahoma and their industry—which constitutes the chief industry of Oklahoma—in competition with the farm products of Canada and South American republics, Australia, and Mexico. I did not vote to give the farmers of those countries free access to our markets, in free competition with our farmers.

Mr. HASTINGS. The gentleman from Oklahoma is in error. I was not a Member of the House at that time.

Mr. MORGAN of Oklahoma. I beg the gentleman's pardon. I am sorry that the gentleman was not.

Mr. HASTINGS. The gentleman says that I voted for that measure. I was not a Member of the House.

Mr. MORGAN of Oklahoma. If the gentleman had been here, would he have voted for it?

Mr. HASTINGS. I would; I think it is the best bill ever passed by this House or any other, except the rural-credits bill.

Mr. MORGAN of Oklahoma. And if the gentleman continues here, would he vote against repealing it?

Mr. HASTINGS. Unquestionably.

Mr. MORGAN of Oklahoma. Then that settles the matter. The gentleman is a good Democrat, and there are other good Democrats here; but the gentleman will find that the American farmer is opposed to free trade in farm products. I do not know how you Democrats can reconcile this bill with the principles of your platform. This authorizes a monopoly in foreign trade.

Mr. CARAWAY. Will the gentleman yield?

Mr. MORGAN of Oklahoma. Yes.

Mr. CARAWAY. Before the gentleman gets away from that array of figures that he has given about the loss of trade with South America, Japan, and other nations, will he please tell the House what law we passed that destroyed our trade with South America?

Mr. MORGAN of Oklahoma. Well, you passed the Underwood tariff bill, which gave our markets to the producers from South America. From the day it went into effect imports from those countries largely increased. Ninety-four per cent of all the exports that come from six of the leading South American Republics come in free of duty.

Now, here is what the Democratic platform in 1900 says in regard to trusts:

> Private monopolies are indefensible and intolerable.

In 1904 you say in your platform:

> A private monopoly is indefensible and intolerable.

In 1908 you say:

> A private monopoly is indefensible and intolerable.

In 1912 you say:

> A private monopoly is indefensible and intolerable.

That brings it up to 1916. Now, for a quarter of a century you have been declaring that a private monopoly was intolerable and indefensible. And yet, under the dictation or suggestion from your Secretary of Commerce and the Federal Trade Commission, and possibly with the approval of the President, you propose to pass a bill which absolutely authorizes, creates, and encourages the organization of private monopolies. I say that there is not a Democrat here that can vote for this bill,

unless he shall thereby renounce the declarations of his party platforms for half a century.

Now, then, we come down to the platform of 1916. For some reason or other the usual paragraph denouncing trusts and combinations is left out of the 1916 platform. I do not know why that was. I find that the word "trust," so familiar in Democratic platforms of other years, is not used in the Democratic platform of 1916. Here is all that is said on the subject:

We have created a Federal Trade Commission to take care of the perplexing questions arising under the antitrust laws, so that monopoly may be strangled at its birth.

Now, think about that—created a Federal Trade Commission so that monopoly may be strangled at its birth.

Mr. HASTINGS. Will the gentleman yield?

Mr. MORGAN of Oklahoma. Yes.

Mr. HASTINGS. Did the gentleman vote for the Federal Trade Commission act?

Mr. MORGAN of Oklahoma. I did. More than that, I will say that in January, 1912, I introduced in this House the first bill that was ever introduced here to create a Federal commission to have supervision and control over our large industrial corporations engaged in interstate commerce. This was six months before the Republican Party, in national convention in 1912, made a specific declaration for the creation of such a commission. The Democratic Party in no national convention ever declared for such a commission. In that matter I can justly claim leadership. I lead my colleagues in the House. I was in advance of my own party, and it was nearly three years before the Democratic Party fell in line. The leaders of the Democratic Party in Congress never thought of such a commission until the distinguished gentleman occupying the White House came down here with a message and told them that they must pass a Federal Trade Commission act. [Applause on the Republican side.] Not because it was a Democratic measure, not because it had ever been advocated by the Democratic Party, for it had not. The subject had never been mentioned in a Democratic platform or advocated in a national campaign by any Democratic leader. The Federal Trade Commission act is really a Republican proposition, and had our party had the making of the bill we would have passed a bill that would have given the commission sufficient power to have accomplished substantial results.

Now, going back to the Democratic platform of 1916, it says: "We have created a Federal Trade Commission that will strangle monopoly at its birth." Think of the little baby monopolies that have been strangled within the last two years. That is nonsense. There have been neither infant nor adult monopolies destroyed by this administration. And yet that very Federal Trade Commission comes before the Judiciary Committee and says to Democrats and Republicans, "Pass this bill and authorize the organization of monopolies to engage in foreign trade, to control the export sale of the products of our mines, our forests, our factories, our mills, and our farms." It is all right, the commission says, to organize monopolies to prey on the people in other countries. But these export-trade monopolies will turn and devour our own people. Strangling monopoly at its birth! I want to know what monopoly has been strangled under this administration. The very fact that in your platform of 1916 you have omitted the word "trust," that you have omitted the paragraph denouncing the trusts, and that you have omitted the venerable and oft-repeated phrase, that a private monopoly is intolerable and indefensible shows that the Democratic Party has been captured by the great interests of the country, and that to-day the very object and purpose of this bill is to try in some way to make the big business feel that it will be safe for another four years under a Democratic administration.

Mr. LONDON. Mr. Chairman, will the gentleman yield?

Mr. MORGAN of Oklahoma. I yield.

Mr. LONDON. Has the gentleman prepared any facts to show that this bill will adversely affect the interests of the American people?

Mr. MORGAN of Oklahoma. Mr. Chairman, if I had the time I could present many facts and discuss many points, but my time is limited. I desire to say, however, that I believe that a moral question is involved here.

I wish to present some statistics to show the monopolistic tendency of our commercial, industrial, and financial interests.

On January 1, 1914, the total capital stock of these corporations amounted to $64,000,000,000. The bonded indebtedness of such corporations amounted to $37,000,000,000. Their net annual income amounted to $4,339,000,000. The capital stock and bonds of these corporations amounted to $101,000,000,000. They paid a net annual income on their stock and bonds of 4.3 per cent.

The 1910 census report shows that in 1909 there were 268,491 manufacturing establishments in the United States. They employed 7,000,000,000 wage earners. Their products for 1909 were valued at $20,672,051,870. In round numbers, one-third of our manufacturing establishments employed 90 per cent of the 7,000,000,000 wage earners, and produced 95 per cent of all our manufactured products. In round numbers, one-tenth of our manufacturing establishments employ three-fourths of the wage earners in such establishments and produce four-fifths of the products.

To put it in a different form, 1 per cent of our manufacturing establishments employ one-third of the labor and produce nearly one-half of our manufactured products.

Some idea of the concentration of wealth is given by the report of the Commissioner of Internal Revenue for 1915, classifying incomes. The report shows there were 60 persons who had a net annual income of over $1,000,000; 114 who had annual incomes ranging from $500,000 to $1,000,000; 69 who had annual incomes ranging from $400,000 to $500,000; there were 147 with annual incomes ranging from $300,000 to $400,000; there were 130 who had annual incomes ranging from $250,000 to $300,000; there were 233 with incomes ranging from $200,000 to $250,000; there were 406 with annual incomes ranging from $150,000 to $200,000; there were 1,189 with annual incomes ranging from $100,000 to $150,000; there were 1,501 with annual incomes ranging from $75,000 to $100,000. There were a total of 357,515 who had an annual income in excess of $3,000.

I do not decry wealth. I have no prejudice against the man who has succeeded in business through honest methods. Indeed, I admire him. We could not be a great Nation without great business men. I believe we owe a debt of gratitude to the men who have directed our commercial and industrial forces with success. We must not forget, however, that dollar marks may be danger signals. We must remember that under modern conditions there is danger that our wealth may become too much concentrated in the hands of too few people. We must bear in mind that the modern business corporation is the most powerful instrument man has ever invented with which to make immense fortunes. Every large corporation that controls a large percentage of the production, sale, and distribution of any product in common use necessarily possesses a certain degree of monopoly.

For years it has been the policy of this Nation to maintain competition as the main factor in securing to the people reasonable prices. It has been a hard struggle. Progress has been slow. Monopoly is hard to suppress. To now authorize monopoly to control our export trade, to my mind, is a step backward. It is giving up the fight. Lincoln, in his memorable debate with Douglas, said this Nation can not remain half free and half slave. So our domestic trade can not remain competitive when our foreign trade is conducted by monopolies

There is a moral question involved. It is said England, Germany, France, and Japan authorize monopolies to promote their foreign trade. It is asserted that we must fight monopoly with monopoly. Secretary Redfield in his report, in discussing this question, uses this language:

The door, however, is still open to unfair competition from abroad, which may seriously affect American industries for the worse. It is not normal competition of which I speak, but abnormal. It is a destructive type of the industrial struggle, intended to put out of being the forces opposed to it that the victor may exploit the field at will. The methods used are not those of legitimate commerce, but those of commercial offense.

Secretary Redfield says these foreign concerns are not engaged in legitimate competition. If so, they are not using good business morals. What they are doing is in the nature of a crime, and yet this great Nation proposes to use methods and means of competition which we condemn in others as illegitimate. We must protect our own trade, but I for one stand for legitimate methods. Any other course reflects no honor upon our Nation or our people.

I do not believe that all of the great nations of the world, all of the great commercial nations of the world, should place their foreign commerce in the hands of monopoly and say, "Let the monopolies of England, Germany, and France prey upon our people, and let the monopolies of the United States go out to all the nations of the world—to South America, to North America, to Asia, Africa, and Oceania—and prey upon the defenseless people of these nations." That is not sound morals. It is not good business policy. I believe in protecting our own trade, I believe in protecting our own people; but I do not believe that this Nation ought to enter upon a policy which authorizes monopolistic combinations here in this country to go out and absolutely control the prices at which our products are sold abroad. For instance, take the farmer. First, we have

the great packing companies, some of them with a hundred million dollars of capital. Under this bill they can combine. The great millers of the country engaged in the manufacture and export of flour can combine. The great manufacturing companies that manufacture the products which the farmers and the people of all classes buy can combine. When these interests are combined for foreign trade, they will not be very far apart in home trade. We must not deceive ourselves.

Mr. SLOAN. Mr. Chairman, will the gentleman yield?

Mr. MORGAN of Oklahoma. For a question.

Mr. SLOAN. Why should not we exploit the markets of all the world, when we have recently invited other nations of the world through the Underwood tariff bill to exploit our markets? Is it not a matter of lex talionis?

Mr. MORGAN of Oklahoma. There is force in what the gentleman says, but what this Nation should do is to repeal the Underwood tariff law and protect our home producers, our manufacturers, our wage earners, our farmers, our producers of all kinds—protect them in our own home market, as we have done under Republican administrations. [Applause on the Republican side.] At the beginning of my address I spoke of the unfavorable trade balance and what we have lost. Go back for 38 years under Republican tariff policies of protection to our home market. There were but three years in which we had an unfavorable trade balance in this country, two of those being in Cleveland's first administration and one partly under the second. Go back 16 years previous to the ascendency of the Democratic Party to power in 1913, and during those years our favorable trade balance rose from $102,000,000 to $652,000,000. Then we changed our tariff policy, we threw down our tariff walls, we opened the gates, we relinquished to the cartels of Germany, the syndicates of England, and to the great combines of the other great nations of the world—relinquished to them, without price, without compensation, our markets, and what was the result? In less than six months that favorable trade balance, averaging over half a billion dollars annually for 16 years in succession, was cut down to nothing. Our foreign trade was profitable under Republican policies. It will be profitable again when the Nation shall once more adopt these policies.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

[By unanimous consent Mr. MORGAN of Oklahoma was granted leave to extend his remarks in the RECORD.]

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. MONTAGUE having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had disagreed to the amendment of the House to the amendment of the Senate No. 1 to the bill (H. R. 15316) to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes, had asked a conference with the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. SMITH of Georgia, Mr. SWANSON, and Mr. BORAH as the conferees on the part of the Senate.

PROMOTION OF EXPORT TRADE.

The committee resumed its session.

Mr. WEBB. Mr. Chairman, I yield five minutes to the gentleman from Colorado [Mr. KEATING], and more time if he desires.

Mr. KEATING. Mr. Chairman, this bill was introduced in the House on August 8, 1916. It was reported to the House by the Committee on the Judiciary on August 15, 1916. In other words, the Committee on the Judiciary, so far as the record shows, devoted seven days to the consideration of this bill. I wonder how many members of the Committee on the Judiciary were present during the consideration of this bill? I wonder how many hours they actually devoted to a consideration of this measure?

Mr. WEBB. I can answer my friend, if he desires.

Mr. KEATING. I would be glad to hear the gentleman.

Mr. WEBB. They spent the most of a whole day in hearing the representatives of the Federal Trade Commission. Mr. Hurley, Mr. Rublee, Mr. Morrow, one other gentleman, Lewis, I remember, and others, and the committee had ample time to discuss it very thoroughly. The hearings are printed, comprising, I believe, 60 pages. The committee was present by a quorum. I do not know how many, but there were as many as usually appear at a hearing, and there was a quorum at the passage of the bill through the committee.

Mr. KEATING. I have no desire to inquire into the secrets of the committee.

Mr. WEBB. There are none at all.

Mr. KEATING. But I would like to know from the chairman, if he is at liberty to state, if an actual quorum was present?

Mr. WEBB. When the bill was voted out of the committee?

Mr. KEATING. When the bill was being considered.

Mr. WEBB. I can not answer that. There certainly was a quorum when the bill was reported out favorably. My recollection is that we had the usual full meeting when the bill was being considered. I know we had a quorum at the beginning of the hearing. Sometimes members would drop out and then come back, and I am quite sure a quorum was present when the hearing began.

Mr. KEATING. Mr. Chairman, here is a bill introduced into this Congress at a time when there is an understanding at any rate that new and important legislation will not be considered; when the House is practically in recess, when Members have returned to their districts to take charge of their campaigns with the assurance that no new business is to be put before the House and that the only subjects of discussion will be those which had been thrashed out when Congress was in session. At such a time this bill is brought into the House, is referred to the Committee on the Judiciary and that committee devotes an entire day, according to the chairman, to the consideration of this subject and the chairman is quite certain that when the committee convened a majority was present, but he is not at all certain as to how long that majority remained in the room and the witnesses who were heard were members of the Federal Trade Commission and practically no one else.

Mr. DENISON. Will the gentleman yield?

Mr. KEATING. I will yield.

Mr. DENISON. I understood the chairman to say that Mr. Rublee appeared before the committee. Is he a member of the commission?

Mr. KEATING. Mr. Rublee is legally a member of the commission.

Mr. DENISON. I thought he had been rejected by the Senate.

Mr. KEATING. Yes; he was rejected by the Senate but the rejection by the Senate does not remove him from the commission, I will say to the gentleman from Illinois, and he continues to be a member of the commission for a certain period——

Mr. DENISON. As a voluntary member, is that the situation?

Mr. KEATING. No; Mr. Rublee is not a voluntary member of the commision. The commission issued to Mr. Rublee by the President will hold him on the commission, I believe, until Congress adjourns, or to some such time. But that is not in issue here. He is a very distinguished member of the commission and a gentleman in whom I have a great deal of confidence. But the point I am making is, this legislation is entirely too important to be considered in this fashion. It has no place before this House. It should not have been brought before the House at this time and would not have been brought before the House if it were not for the fact that certain powerful interests seem determined to force through this legislation.

The other day an effort was made to bring this bill before the House by unanimous consent, and—I appeal to the common sense of this body—think of considering this bill by unanimous consent! Putting it through like you would put some unimportant bill on the Unanimous Consent Calendar!

The CHAIRMAN. The time of the gentleman has expired.

Mr. WEBB. I will yield the gentleman five minutes additional.

Mr. KEATING. When it was proposed to bring this bill before the House under unanimous consent a very distinguished Member of the House told me it was not expected to get this bill through the Senate at this session and suggested I should not make any objection. That very night in conversation with a distinguished Senator he told me he had been approached that very day in the Senate of the United States with the suggestion that this bill would be tacked on a bill then going through the Senate, without consideration, in order that it might be placed on the statute books, and the Senator was then told that the report of the Federal Trade Commission in support of this bill had not been printed.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. KEATING. I will.

Mr. HUDDLESTON. Can the gentleman conceive of any reason why this measure should be forced through this House at this time when European nations are engaged otherwise than in promoting their foreign trade?

Mr. KEATING. Yes, sir; I can conceive a very good reason why it should be put through at this time and under these conditions, and that is because this kind of a bill, drafted in this fashion, without proper safeguards, could not be put through the American Congress after full, free, and open discussion in normal times.

Mr. WEBB. If the gentleman will permit, I desire to call my friend's attention to Document No. 426, signed by Joseph

E. Davies, chairman, dated Washington, May 2, 1916, transmitting to the House of Representatives and to Congress his report on the emergency and importance of the passage of this very bill.

Mr. KEATING. Is there not a long report recently compiled by the Federal Trade Commission on this subject which has not been printed yet?

Mr. WEBB. I can not yet answer my friend.

Mr. KEATING. What I stated was that a very distinguished Senator of the United States, approached on the floor of the Senate and urged to rush this bill through, had been told that the report of the Federal Trade Commission—the data on which they based their recommendation—had not been printed, but that the commission was prepared to submit its findings. And this distinguished Senator said he would make his own findings after he had considered the data submitted by the Federal Trade Commission.

Now, my friends, what does this bill propose to do? It proposes to suspend practically all the laws that have to do with the control of monopolies in so far as those laws apply to concerns engaged in export trade, with certain restrictions which provide that the Federal Trade Commission shall exercise certain jurisdictional authority. And we are told in support of the proposition that it should be rushed through, because the European nations encourage monopolies in foreign trade, and we should do the same thing. It has become the fashion in this country in certain circles to urge the American people to adopt these things that have been tried in Europe. The mere fact that you can place a brand on a law, or on a custom, "Made in Germany," "Made in England," or "Made in France" seems to be sufficient at this time to justify public men in urging its adoption by the American people and the American Congress.

Now, what is there in the record which Europe has made that will justify the American people in swallowing without investigation those commercial customs which Europe has seen fit to adopt? What has been the result of the adoption of those customs? Is it possible that the United States is in such a condition that it wants to exchange its present state for the state that prevails in Europe? We have peace, we have happiness, we have prosperity in this country.

Mr. BORLAND. Mr. Chairman——

Mr. KEATING. We have reached that happy state by following American ideals. Why should we exchange them without investigation for European standards? I am not one of those who insist that Europe has no lesson to teach us, but what I contend for is this, that the mere fact that a thing is branded "Made in Europe" does not demonstrate it is a good thing for the United States.

Mr. BORLAND. I was going to ask the gentleman whether he argued we had no lesson to learn from Europe, especially in export trade?

Mr. KEATING. I anticipated the gentleman's question, and that is why I insisted upon making my position clear. I humbly acknowledge that we have much to learn from Europe, and one thing we have to learn from Europe is that we should not adopt the customs of other nations without proper investigation. It is proposed by this bill——

Mr. BORLAND. Will the gentleman yield right there?

Mr. KEATING. Yes.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. KEATING. I would like a little more time.

Mr. WEBB. Mr. Chairman, I yield five minutes more to the gentleman.

Mr. BORLAND. The gentleman is speaking of the customs of nations. He must recognize this is not a matter of customs but a matter of the working out of economic laws which are universal with all nations.

Mr. KEATING. I have a great deal of respect for the gentleman from Missouri. I recognize that he possesses an unusual intellect and a very broad experience in matters legislative.

Mr. BORLAND. I am glad the gentleman secured more time. [Laughter.]

Mr. KEATING. Yes; it enabled him to pay a very deserved compliment to a very distinguished Member of this House. Now, I want to ask the gentleman from Missouri how much study he has devoted to the alleged policy of foreign governments permitting monopolies in export trade?

Mr. BORLAND. How much?

Mr. KEATING. Yes.

Mr. BORLAND. Well, I have devoted considerable.

Mr. KEATING. Then the gentleman is probably competent to vote intelligently upon the pending bill and to decide for himself as to whether he wants the United States to depart from its established policy. Most of the Members of the House have given the subject no consideration.

Mr. BORLAND. I have devoted enough to know this, that we can regulate commercial affairs within our own borders, but when we go beyond our borders we must compete on an equality with our competitors or not compete at all. That is an economic law that we can not repeal.

Mr. KEATING. Well, I appreciate, Mr. Chairman, that in order to compete you must compete. That, of course, goes without saying, but it is one thing to say that you must be in a position to compete and quite another thing to say that in order to compete you must remove every restriction thrown about concerns doing business in the foreign trade, that you shall say to those concerns that they may establish such monopoly as they see fit. Because the object of this bill, the main object of it, is not to encourage competition, but to encourage and legalize monopoly. If that is not its object, then it has no object.

The other day the chairman of the Committee on the Judiciary in response to a question from the gentleman from Kentucky [Mr. FIELDS] suggested that this bill would produce more competition. That is not the object of this bill. This bill is to promote monopoly. We are told that you can promote monopoly in the export trade; that you can build up this Frankenstein for the export trade; that he will be a bad Frankenstein abroad, so far as foreigners are concerned, but will be a good Frankenstein at home and will not interfere with our domestic trade.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. KEATING. Yes.

Mr. HUDDLESTON. I would like to ask him a question with reference to the merits of this bill. It seems to me to contemplate the creation of over-seas agencies for handling our export trade, and will place in the power of these over-seas agencies entire control and monopoly of our foreign trade along such lines as they may attempt to exercise the control. Will not the effect be to exclude from the foreign trade all American firms that do not submit to the dominion and dictation of these over-seas agencies and put the American exporter absolutely in control of the trusts which control our over-seas trade?

Mr. KEATING. There is a provision here against what is called unfair competition, but the purpose of this bill is to create a condition where there will not be any competition. The purpose of this bill is to create monopoly. That is the purpose. Of course, it is conceivable that a monopoly may develop competition; but the object of this bill is to remove the restrictions placed by the antitrust laws upon firms dealing in the export trade.

Mr. WEBB. Mr. Chairman, will the gentleman yield there?

Mr. KEATING. Yes.

Mr. WEBB. I certainly do not think I can allow to pass unchallenged the statement that the purpose of this bill is to create monopoly. The purpose is set forth in the report, which, I have no doubt, the gentleman has read. The purpose of the bill is to put American manufacturers and exporters on an equality with their foreign rivals in conducting their business abroad.

Mr. KEATING. Did you put any restriction upon their action in the conduct of their business?

Mr. WEBB. So far as their conduct does not affect their action in the United States.

Mr. KEATING. Certainly; so far as the foreign trade is concerned, you remove every restriction?

Mr. WEBB. Absolutely; because every one of the Americans' competitors has those restrictions removed.

Mr. KEATING. I do not agree with the gentleman on that point.

Mr. HOWARD. Mr. Chairman, will the gentleman from North Carolina allow me to ask a question?

Mr. WEBB. Certainly.

Mr. HOWARD. My question is this: How far does this bill let loose these concerns on this side? I am not concerned with the situation on the other side. I am concerned with this side. How far does this bill let them loose on this side?

Mr. WEBB. It can not affect their action on this side at all. Their action on this side is restrained by the provisions of the antitrust laws.

Mr. HOWARD. Must they file plans and specifications not only of what they do here, but also of what they do abroad?

Mr. WEBB. Yes.

Mr. HOWARD. Suppose half a dozen of these corporations go into cahoots for the purpose, we will say, of employing a selling agency at Paris to represent these concerns. How far

can they go to combine to do that, and what effect will that have in this country?

Mr. WEBB. We provide very specifically that they must not restrain trade within the United States, and if they do it, they run afoul of the Sherman antitrust law. They must make a report and file returns with the home office, and they must do other things that are set out in this act.

Mr. HOWARD. I understand from the gentleman and I understand from a reading of the report that if exporters engaged solely in the foreign trade desire, for instance, to create a financial institution or certain agency——

Mr. WEBB. It is not a financial institution. It is confined to the sale and distribution of goods and wares and merchandise.

Mr. HOWARD. Would they be authorized under this act to create a bank, say, at Buenos Aires?

Mr. WEBB. Not at all. We have already authorized that here, by an act amending the Federal reserve act. The banks and all the branch banks in the United States can take stock in a foreign bank.

Mr. HOWARD. It will not affect these practices?

Mr. WEBB. Not at all.

Mr. SLAYDEN. Mr. Chairman, will the gentleman permit me a question.

Mr. WEBB. I regret I have not further time. Mr. Chairman, I yield such time, not exceeding 30 minutes, to the gentleman from Illinois [Mr. BUCHANAN] as he may desire to use.

The CHAIRMAN. The gentleman from Illinois [Mr. BUCHANAN] is recognized.

Mr. BUCHANAN of Illinois. Mr. Chairman, on account of the fact that I do not desire to trench upon the time that the chairman of the Committee on the Judiciary has agreed to give me on this question, I ask unanimous consent to extend my remarks in the RECORD at the end of the time I shall use in making my statement.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. BUCHANAN of Illinois. Mr. Chairman, this question is one that I hardly feel competent to discuss in that lucid manner which the subject demands or be able to show adequately the vicious features that this legislation contains, in my opinion.

In order to come to the right conclusion on legislation of this sort men acting on it ought to try to understand what the trusts and monopolies of the country are. It has been said by able statesmen, and I do not know but what it has been made a campaign argument, that private monopoly is indefensible. If combinations for monopoly operating in the United States are indefensible, how are we going to say that they are defensible in operating and preying upon the people of other nations? What grounds or what justification can we give for passing a measure that gives combinations an opportunity to operate through any chicanery that they may adopt and use any despicable methods they may choose to employ against foreign people and we prohibit them from using those methods in this country?

But the trusts to-day, due to the fact that they have been given a free hand, are a combination of combinations. They take in the railroads of the country. In fact, through those combinations of combinations they have a monopoly of about everything, and they have exercised that power of monopoly in the way of increasing prices. They have made one increase after another without any justification on earth, with the exception that they have got the power of monopoly to increase those prices. The prices of the products of this country have not been increased in consequence of any labor costs and have not been increased in consequence of any other legitimate reason. Prices have been increased in consequence of the fact that the stocks of these companies have been inflated in some cases a thousand to one.

The Stanley steel-investigation committee disclosed that the directors of the Steel Trust, the leading he devil of the family of trusts, controlled transportation facilities capitalized at over $10,000,000,000. If that is true, the Standard Oil Trust and other trusts control the balance of the transportation facilities of this country.

Mr. BENNET. Mr. Chairman, will the gentleman yield for a question?

The CHAIRMAN. Does the gentleman from Illinois yield to the gentleman from New York?

Mr. BUCHANAN of Illinois. Yes.

Mr. BENNET. What has the Democratic Attorney General done in the last three years to abolish any of these trusts and monopolies?

Mr. BUCHANAN of Illinois. Absolutely nothing. He has acquiesced in them by lack of action, as I shall show before I conclude my remarks.

Mr. SLOAN. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN of Illinois. I will yield; but I would prefer not to have too much of my time taken up, because I agreed not to take up any more of the time yielded to me than was necessary.

The CHAIRMAN. The gentleman from Illinois has consumed five minutes.

Mr. BUCHANAN of Illinois. The gentleman from North Carolina [Mr. WEBB] suggested that I take as much time as I needed—not to exceed 30 minutes.

Mr. WEBB. Yes. I yielded to the gentleman such time as he might require out of 30 minutes.

The CHAIRMAN. The Chair misunderstood the gentleman.

Mr. SLOAN. Does not the gentleman understand this bill to be for the interest and for the purpose of encouraging a class of trusts?

Mr. BUCHANAN of Illinois. Decidedly, as I understand it. I want to say, Mr. Chairman, that I do not pretend to have any monopoly on patriotism or on a desire to serve the people of the country; but sometimes I am at a loss to know why Members of this House for whom I have great regard permit legislation of this sort, and legislation such as extending the time to apply section 10 of the antitrust law to the railroads of the country, which, through interlocking directorates, make it possible for such trusts as the Steel Trust to control the railroads of the country. I believe that time has been extended until next April, and it was pussy-footed through here. I was sitting in the Hall when it was done by unanimous consent and did not realize what it was until after it was passed. That is the method that is being used to hamstring and chloroform these laws that are enacted to protect the people against these combinations.

Mr. BENNET. I will ask the gentleman if it is not also a fact that that provision extending the time when the prohibition against interlocking directorates goes into effect went through without a word of discussion or debate?

Mr. BUCHANAN of Illinois. It did. In fact, half the Members did not know what it was. I asked two or three before I found out myself.

Now, in reference to the Steel Trust and other trusts controlling the transportation facilities of the country, which form a part of the trust, I want to read an editorial from the Chicago Examiner of August 21, 1916. It is one of the newspapers that, it seems, has not been coerced into refusing to tell the truth about the trusts once in awhile in its editorials.

Yesterday we passed a law to avoid a great calamity in this country. We were brought to that chaotic condition because of the arbitrary position taken by the heads of these trusts. If the railroad managers and the representatives of the brotherhoods of these railroads had been left free to act, without being directed by these big business crooks, things would never have reached that stage. This editorial from the Chicago Examiner of August 21, 1916, reads as follows:

A RAILROAD "MELON" AND WHAT IT TEACHES PEOPLE.

Not long ago the Pittsburgh & Lake Erie was crying before the Interstate Commerce Commission along with other roads of the Pennsylvania system for the privilege of raising its rates. It claimed that times were hard; that shipments were light; that the Government must take cognizance of the fact that wages had been advanced on all railroad systems and heavy expenditures for better and safer service had been insisted upon by the Interstate Commerce Commission.

As a result of these pleas this road, together with the others in that division, increased by public authority their freight rates by 5 per cent; that is to say, they were authorized to levy an additional tax of from $25,000,000 to $35,000,000 per year upon the business of the territory they served.

Presently came good times. Railroad business picked up.

So great were the profits rolled up by the action of restored prosperity and the special concessions made by the Democratic administration that the railroad was able to declare an extra dividend of 10 per cent.

But more than that. Lest it should be embarrassed in future by paying such heavy dividends, the corporation increased its capital stock from $30,000,000 to $50,000,000, distributed at a profitable price among its stockholders of record.

What will be the result of all this? Simply that when the next period of commercial depression comes, this railroad and others like it which have utilized the period of prosperity to enormously increase their capital stock will be unable to pay even moderate dividends on their colossal overcapitalization.

Again they will go pleading to the Government for permission to raise their rates. You will notice that now when prosperity abides with them they are not lowering rates. Not at all. They are "cutting melons" for the benefit of their directors and stockholders. But the

people will have to pay for these melons. For just as surely as the pendulum of prosperity swings in the other direction the roads will be seeking the right to again raise their rates and plunder still further the people in order that the dividends on this watered stock may be paid.

If the administration at that time shall be of the same railroad-owned and railroad led character as the present administration that privilege will be granted.

It is an endless chain of railroad inflation and corruption, governmental stupidity, and public docility.

Our Democratic government at Washington holds the people's hands while the railroad plunderers go through their pockets.

There is but one fundamental remedy for this evil, and that is direct public ownership and operation of the railroads.

Mr. Chairman, in the main I am in accord with that editorial. For further information as to the practices of these trust-owned and trust-controlled railroads there is an abundance of information. I have included in the RECORD in my eight-hour day speech of August 11 statements showing where they have had a free hand not only to rob and plunder the public, oppress their employees, but also to rob the stockholders of the companies, as in the New York, New Haven & Hartford case, where they are now sued by the stockholders for some $203,000,000, as I understand.

But to show that this hyphenated Department of Justice of ours permit these crimes to be committed right under their nose, I want to read a letter that Senator THOMAS put in the RECORD on April 13, 1914. It is as follows:

"SALT LAKE CITY, UTAH, *April 1, 1914.*

"Hon. CHARLES S. THOMAS,
United States Senate Chamber, Washington, D. C.

"DEAR SIR: The inclosed newspaper clippings attracted my attention to a phase of Union Pacific affairs which seems to have entirely escaped notice. If my premise is correct, this matter is of such vast importance, particularly to the West, as to require thorough investigation and the application of a remedy, forever putting a stop to such practices.

"As I understand, the Union Pacific Railroad Co. is about to distribute to its holders of common stock as a dividend the proceeds of a bond issue.

"In 1901, immediately following legislation in this State legalizing such action, the Union Pacific Railroad Co. issued bonds for $100,000,000, to be used for the purchase of Southern Pacific. (See Mr. Harriman's testimony in case No. 993, in equity, vol. 2, p. 741.)

"Within the past year, by reason of the decision in that case, the Union Pacific Railroad Co. was required by the Government to dispose of its holdings in Southern Pacific, through sale of which it again came into possession of a large part of the fund created by the $100,000,000 bond issue.

"With the consent, as I understand, of the Department of Justice, this fund was then invested in Baltimore & Ohio Railroad Co. stock which, it appears, it is now proposed to distribute, with the addition of some cash, as a dividend to holders of Union Pacific common.

"Apparently the Department of Justice did not look beyond the sale of Southern Pacific to ascertain the origin of the money invested in that property by Union Pacific."

My information as to that statement—and I receive it direct from the department—is that they did look beyond it and determined that they were not legally able or authorized to interfere with or direct the disposition of that fund.

"The fact that the bonds, which are subject to call in whole or in part at 102½, were not retired when the fund which they created was recovered through the sale of Southern Pacific indicates no present intention on the part of the Union Pacific to retire them. Up to December, 1906, $12,741,000 of these bonds had been converted into common stock, the authorized issue of which was increased $100,000,000 to provide for their conversion.

"Trans-Missouri lines have filed with the Interstate Commerce Commission, effective April 1, 1914, a tariff advancing rates to Utah from 5 to 20 per cent."

This advance, Mr. President, will affect my State quite as seriously as it will our neighboring State of Utah.

"In the interview quoted in the newspaper article herewith inclosed Mr. B. L. Winchell, director of traffic of the Union Pacific system, defends this increase as necessary because of interest on bonds which his company has to meet.

"It has been asserted by Union Pacific officials that the 10 per cent return which their common stock has been paying is not unreasonable; therefore, if they are to maintain rates on a basis which will give them this return and the bond issue is permitted to run for 50 years, which does not now seem at all unlikely, the people in the territory through which the Union Pacific system operates and where there is no potential competition to assist in holding its rates at a reasonable level will be required to carry the financial burden which the following figures show:

Original bond issue	$100,000,000
Less amount converted to common stock	12,741,000
	87,259,000
Interest on $87,259,000 at 4 per cent	3,490,360
Dividends on $12,741,000 common stock at 10 per cent	1,274,100
Annual charge	4,764,460

Or a total payment in 50 years of $238,223,000, with the principal $100,000,000 still due.

"It seems to me that we should not permit this condition to be fastened upon us without protest, and thus for ourselves and our posterity assume an obligation of over $300,000,000.

"I feel that, provided it is not already too late and there is any way to do so, immediate action should be taken to compel the Union Pacific Railroad Co. to now retire the bonds issued for a purpose which the Supreme Court has since declared illegal, instead of passing the money along to the pockets of their holders as a dividend.

"I am bringing this matter to the attention of yourself and a number of other Senators and Congressmen, whose names, for reasons which I deem sufficient, have been carefully selected, for the purpose of having the Department of Justice directed in the proper manner to take immediate action in the premises before this distribution is fully accomplished, requiring the Union Pacific Railroad Co. to use the fund now in hand to retire the issue of bonds which originally created it.

"If such a thing as justice exists, there certainly must be some way to thwart the avarice of this corporation and prevent the imposition of this burden of debt upon present and future generations.

"It is my belief that no Member of the Congress of the United States can willingly permit such wrongs as this to be inflicted upon the people of the country; that, realizing the importance of the situation, you will adopt such prompt, vigorous measures as may be necessary.

"I shall much appreciate an acknowledgment of this letter advising me of your action.

"Very respectfully,

"W. S. MCCARTHY."

"SALT LAKE CITY, UTAH, *April 4, 1914.*

"Hon. CHARLES S. THOMAS,
"*United States Senate Chamber, Washington, D. C.*

"DEAR SIR: Supplementing my letter of the 2d and referring to the attached article concerning the denial of the petition of the Equitable Life Insurance Society for an injunction to restrain the Union Pacific Railroad Co. from making the distribution regarding which I wrote you, here again, the origin of the fund in question appears to have been entirely overlooked. It is referred to by the supreme court justice as "accumulated surplus or profits," instead of as the proceeds of a bond issue, which it actually is.

"Please particularly note that about the time these bonds were issued there was also authorized an issue of $100,000,000 in common stock to provide for their conversion.

"The privilege of conversion at par expired May 1, 1906, but what is there to prevent a corporation which juggles its finances in the manner now under consideration from reinstating the conversion privilege at their pleasure. Consider that were they to now so arrange, the interest rate on the total amount would immediately jump to the 10 per cent they claim the right to earn on common stock, and the total amount of the obligation at the end of the 50-year period instead of being $238,000,000 would be something like $400,000,000, with the principal of $100,000,000 still due.

"When railroad companies which have hitherto been regarded as highly respectable and honorable are discovered manipulating financial affairs in this manner it seems time that a thorough analysis of the financial transactions of every railroad in the country be made to ascertain their actual conditions, so that when, as at the present time, carriers bring to bear upon conscientious public officials the pressure of perverted public sentiment in the effort to club them into submission and compel acquiescence to their demands reliable data may be at hand for the public information.

"Very respectfully,

"W. S. MCCARTHY."

I also append a clipping which accompanies this letter:

"UNION PACIFIC MAY CUT THE BIG MELON—EQUITABLE COMPANY LOSES ITS SUIT TO PREVENT DISTRIBUTION OF MANY MILLIONS.

"NEW YORK, *April 2.*

"Supreme Court Justice Greenbaum to-day denied the petition of the Equitable Life Assurance Society for an injunction to restrain the Union Pacific Railroad Co. from distributing, as a special dividend to holders of common stock, $80,000,000 in cash and stock of the Baltimore & Ohio Railroad.

"The Equitable sued to restrain the railroad on the ground that the holders of preferred stock in the Union Pacific were entitled to share in the dividend or else have the $80,000,000 regarded as an asset and held by the road. The Baltimore & Ohio stock was acquired by the Union Pacific from the Pennsylvania Railroad in a deal whereby the Union Pacific released its Southern Pacific holdings, as required by the Supreme Court decree dissolving the Harriman system.

"It is understood that the Equitable will appeal from to-day's decision.

"In his decision Justice Greenbaum said:

"'If the defendant corporation has the right to accumulate a surplus, it has the right to invest that surplus in securities, and if those securities appreciate in value there is no reason why the profits should not be regarded as profits of the business of the corporation.

"'The agreement, however, reads that the preferred stock is entitled to no other or further share of profits than dividends in each and every fiscal year not exceeding 4 per cent a year, payable out of net profits. The preferred stockholders have regularly received a 4 per cent annual dividend.

"'To hold now, because of the unusually large or extraordinary dividend is declared from accumulated surplus or profits, that the preferred stockholders are entitled to participate therein would be to nullify and override the existing contract between the two classes of shareholders.'"

It shows that in the dissolution of the Union Pacific holdings by the courts they soaked into that company in watered bonds given to their stockholders $87,259,000, forthwith coming to the Interstate Commerce Commission asking for an increase of freight rates so that the dear public that we hear so much about here in this Chamber might be penalized to pay for the crimes of that company. I repeat that this is done with the knowledge and under the nose of the Attorney General.

Mr. Chairman, for fear you might forget it. I was indicted in New York last December for violating the antitrust laws. The charge in that indictment was conspiring to foment strikes to interfere with munitions of war in interstate commerce. If I had thought of doing that, I would have felt wholly within my legal rights. If I had ever considered or discussed the question of exercising my influence to foment strikes, which, of course, I would not do, because I would think it was improper, I would have felt that I had a legal right to do so, especially since the Clayton law was enacted. And it might be well for somebody to ask these great lawyers on the House Judiciary Committee whether or not in case this law passes it will exclude the labor unions of the country in their activities to better their condition, because it is very doubtful, under the present administration and judiciary of the country, whether they will not find some way to chloroform that law before they get through with it.

One of the impeachment charges that I made against Mr. Marshall was that he had refused to prosecute the criminal trusts. And, by the way, this splendid Judiciary Committee of the House, that we all admire so much for their ability and sincerity of purpose, after having enough information before that committee to convict that man of crime before a court of criminal jurisdiction and put him in prison, recommended to this House that there be no further action taken. I do not care to discuss that at any length at this time, however, any more than to read to you some of the evidence that was brought forth in regard to the trusts. It might also be interesting for you to know that during the time of this investigation the Department of Justice put every obstacle possible in the way of preventing the investigating committee from securing information; and when they were asked for the report of their special district attorney on the trusts they refused to give that report or any other information in regard to it. It might be interesting to know how this committee have submitted to all of that. I claim that that committee had a right to get every bit of information that they asked for; and without discussing the question of the importance of the information, I claim that a committee of this House should be instructed to exercise that right and not permit any department of this administration or any district attorney such as they have in New York to deny them that right.

Now, I am going to read to you from some of the evidence before that committee. In the first place they had a very able man, and I think a man who wants to please this administration and the trusts, as he very reluctantly put the information that he did put before the investigating committee, Mr. NELSON, one of the members of the investigating committee, asked him in reference to the Tobacco Trust:

Are they violating the antitrust laws in any form?

Mr. THOMPSON. Why, personally I am of the opinion that the Metropolitan Tobacco Co. and its affiliated companies were organized as instrumentalities for violating the law, and that they acquired and still retain an unlawful monopoly of the tobacco jobbing business in the metropolitan district territory.

Since that time they have had such a free hand in violating the laws that I am credibly informed that they are getting up a drug trust. As further evidence, the president of the Independent Cigar Dealers' Association, in New York, Isaac Ochs, in response to a question by Mr. GARD, fully corroborates the testimony of Thompson, as follows:

Mr. GARD. Have you any information relative to the connection of District Attorney Marshall with any investigation with the so-called Tobacco Trust or Drug Store Trust, if we may call them by that name?

Mr. OCHS. Only in the tobacco field. After the meeting in Washington we were invited, as a committee of the Retailers' Association, in New York, to visit the then investigating committee, composed of Mr. Thompson and Mr. Williamson. I personally was before that committee; they received my evidence. Probably it took three-quarters of an hour.

Mr. NELSON. What are the conditions of the tobacco business now compared to what they were before the dissolution of the so-called Tobacco Trust?

Mr. OCHS. Conditions, in my opinion, have been far worse.

Mr. NELSON. The independent suffers as much as they did before the dissolution?

Mr. OCHS. Why, if your honor please, they reclothed them [the trust] in such a way they had more power than they ever had before.

Mr. NELSON. Are there more independents, or less?

Mr. OCHS. They are being eliminated from the field in bunches. They are failing right and left. * * * Absolutely, in my opinion, it is only a matter of time, if conditions remain the same as they are, until the independent will be eliminated from the field entirely.

Mr. NELSON. What is the prevailing belief, as far as you have ascertained it, in the retail tobacco trade of your city, as to there being a trust—as to the efficacy of the dissolution of the Tobacco Trust.

Mr. OCHS. Why, the opinion of everyone that knows anything about it, or has made any study of it, is that there has been no relief.

Mr. John A. Locker, an independent wholesale jobber of tobacco in New York, who has been fighting the trust for years in the courts, as well as in the business world, testifies:

Mr. LOCKER. Yes, sir; I had an interview with Mr. Marshall, by request of Attorney General McReynolds, in 1913. I came to Washington to inform Mr. McReynolds of the deplorable tobacco situation in the metropolitan district.

Mr. NELSON. Mr. Locker, what is your conclusion as to there being a Tobacco Trust now, or not?

Mr. LOCKER. My conclusion is this, that the monopoly is being continued through the Metropolitan Tobacco Co.

* * * * * * *

The Metropolitan Tobacco Co. itself is the monopoly of distribution, and Mr. Thompson will bear me out in that. They have also been proven a combination in restraint of trade.

Testimony of Mr. Barnett Wolff, president of the Independent Tobacco Jobbers' Association:

Mr. CARLIN. With whom did you come in contact in making such complaint?

Mr. WOLFF. Mr. Thompson, assistant to Marshall, and by correspondent and personally with the Attorney General.

* * * * * * *

Mr. WOLFF. Mr. Thompson told us that he had completed the investigation, and had made certain recommendations to the department. In his opinion, he stated that he thought the Metropolitan Tobacco Co. was acting in violation of the law and ought to be dissolved.

* * * * * * *

Mr. WOLFF. When the American Tobacco Co. in January, 1915, shut off the market, then the Metropolitan Tobacco Co., in a large number of cases that I personally know of, came to a great many retailers and told them, "Now, we have you; you have got to buy American Tobacco Co. products from us." Statements of this condition were obtained, I understand, by Mr. Thompson, and verified from retailers who called at his office and submitted testimony.

On reading this evidence, Mr. Chairman, not alone because it is brought forth by the impeachment charges against Mr. Marshall, but because it shows that these trusts are combinations of combinations, and when you pass legislation here that restricts or that prevents the laws applying to the export traders, you are passing laws to protect the most powerful, criminal, and vicious trust that ever existed in the world.

These trusts know what they want. They started long ago to get a big battle fleet, so that they might back up their chicanery with the big guns of the Navy, if necessary. So, now, we are going to, as was indicated the other day when it was said that this law would pass 10 to 1, and I feel like I was wasting my time talking about it, because Members of Congress are not listening with open ears, but you are practically giving a letter of marque, a letter of approval, a letter of credit to a lot of big business corporations whose headquarters are in Wall Street, to go out and practice chicanery and these despicable methods of doing business on the people of the world, practices

and methods that we have protested and undertook to protect the people of this country against.

I do not understand why they are so anxious to put this through at this particular time. They have certainly been given a free hand to violate the laws of this country, and I do not see why they have any fears of being molested if they undertook to do the same thing in some other country.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BUCHANAN of Illinois. I would like five minutes more.

Mr. GARD. My understanding is that the gentleman from Illinois was allotted 30 minutes, and I believe that time has expired.

Mr. BUCHANAN of Illinois. The agreement was Thursday last that I should have an hour, and I said that I would try and get through in 30 minutes.

Mr. GARD. Mr. Chairman, I have no objection to the gentleman proceeding, and I ask unanimous consent that the gentleman may have five minutes more, not to be taken out of the time already allotted.

The CHAIRMAN. The present occupant of the chair was not in the chair at the time the rule was adopted, but we are operating under a rule and the committee has no power to alter it.

Mr. VOLSTEAD. I am willing to yield to the gentleman five minutes more.

Mr. BUCHANAN of Illinois. Mr. Chairman, it does not take very much of an intellect in the consideration of this subject to know that these abnormally high prices are caused by combinations of combinations creating monopolies. These high prices caused by these monopolies, which they say is on account of the war, has cost the people of this country perhaps more than has been spent by any one belligerent nation in Europe. If gentlemen who are to pass on this measure will look up these things, if they will consider these statements I have made, there is no doubt that they will find that I have not had a sufficient command of language to picture these combinations as vicious as they are.

If you support this bill at this time, in after years when you come to find that this vicious trust which will be the agent of combinations and trust companies sent out over the world to do things that the law says are not permitted in this country, and when they come sailing back and ask us to back them up with dreadnaughts and cruisers that we have authorized to be built, you then may remember these few remarks I have made at this time.

It is high time that somebody was bringing to the attention of the country how these criminal trusts are permitted a free hand to go out and rob and conquer. It is high time that the legislators of the country were beginning to try through some force to direct the administration of the laws of the country and direct administrative officers to exercise their influence to prosecute the real criminals of the country, those who are robbing the people, instead of wasting their time prosecuting somebody who is exercising his influence for peace and in opposition to the despicable business of manufacturing machines of death to shoot down men who are our friends. When the people of the country wake up and understand all of these things they will no doubt see to it that there are men in the legislative bodies and in the administrative offices who will do their duty. I wrote a letter the other day in response to an inquiry of a friend of mine as to what I had done for the benefit of labor, and I finished up that letter by saying that the effort which I made, if successful, would have rendered the greatest good for the great masses of the working people, was my effort for peace and to stop the crime of this preparedness proposition, which has been clinched upon the people of the country, which is leading to the road to militarism, and militarism always destroys democracy. I am confident that when these matters are properly put before the great masses of the people they will take the same view in regard to these things that I do. I consider myself one of the masses. When I was elected to Congress it took a hammer out of my hand. I was working on the Northwestern station, Chicago, and I think I am as well qualified as anyone to know the sentiment of the working masses of this country.

The legislation proposed in this bill is based on a fundamental economic error. That error is that American export trade can be built up by monopolistic restrictions on trade better than it can by freeing export trade and commerce from all monopolistic restraints and restrictions both foreign and domestic.

Any export trade that is worth having can only be gotten because Americans can furnish a better or cheaper article than our competitors. Any export trade we can not win by that means we are not entitled to have and we do not deserve to get. Any export trade that we win by trickery, cheating, or fraud or other monopolistic devices, will be of no real benefit to American commerce and we are better off without it.

The idea embodied in this bill that we will prohibit American trusts from plundering our own people, but that we will authorize our Federal Trade Commission to license them to go abroad and loot all the other peoples of the earth, would be a disgrace to our statute books if it should ever become a law.

And, if the scheme were ever put into practice, it would come home to plague us to our loss and sorrow. I warn this House that these monopolistic trust craft of the export trade which this bill proposes to empower the Trade Commission to grant letters of marque for sailing the seas of foreign commerce, will gather with like predatory craft from other monopoly controlled ports and come sailing back armed with a double-barreled battery of monopoly, both of our export and import trade, and, as sure as the sun will rise to-morrow, these licensed monopoly pirates of our Trade Commission when they have organized the world trust in combination with like trusts of the other nations will parcel out all the countries of the earth among themselves, and these trust buccaneers of export trade which the United States Trade Commission turned loose to forage on other countries will come sailing here to lay all our ports under their guns, and lay all our hundred million consumers under tribute to their international combination, just as the world-wide war trust has levied its tribute of monopoly prices for war materials on all the nations alike for years past. The proof of this is piled high in the records of the investigations by committees of Congress, particularly in the Armor Trust and Steel Trust investigations, and should be ample warning to this House to set their faces like flint against any proposal to give governmental license or sanction to monopolistic trusts or combines by the plan proposed in this bill or by any other plan, whether it applies to export trade or import trade.

Private monopoly always means robbery of the public. It is undemocratic and indefensible from any standpoint. For our Government, whether by act of Congress or Executive permission, to license or sanction the operation of any monopolistic trust or corporation is to make our Government a partner in crime against the consumers, the great mass of our people. That is exactly the result and effect which would follow the enactment of this bill into law.

Another indefensible characteristic of this bill which shows evidence of a partnership between the trusts and the administration, which is now hurriedly attempting to force this bill through Congress, is the fact that while this bill exempts trusts and monopolistic combinations of capital from the provisions of the Sherman antitrust law, as relates to export commerce, it leaves the full force of the law to fall on any organization of laboring men who may be charged with attempting to restrain foreign commerce. In this connection it is significant that the only earnest and determined attempt by this administration to punish anyone by the enforcement of the antitrust law or to prosecute for the restraint of foreign trade has been against an organization of private citizens, the Labor Peace Council.

I want to ask the supporters of this bill the question: Supposing a labor organization were accused of restraining foreign commerce, this law would not exempt them, would it?

But it would exempt capitalists and corporations from the provisions of the law in foreign commerce.

Quoting from page 2 of the report accompanying this bill, submitted by the Judiciary Committee, we find one of the principal arguments proposed by the proponents of this bill to be as follows:

> We were cited to a large electrical contract in Chile about two years ago. The German firm or combination, during a period of three or four years, spent it is estimated, $60,000 in drawing plans and specifications, which were submitted to the Chilean people, while three of our concerns submitted three different plans. The exact amount which each of our concerns spent is not given, but it was three times the amount they should have spent in such close competition.

In reply to that contention I desire to say that if these electrical concerns pursued the same plan and policy in preparing and submitting bids to Chile that they were shown by the evidence secured by the Steel Trust investigation committee of this House in 1911 to use in making bids to the United States Government, then they would not need any common selling agency, because the proof taken by the Stanley steel committee showed that three or four of these big electrical corporations each submitted large sheets of specifications of supposedly competitive bids for supplying electrical apparatus to the United States Government, and upon investigation and examination of these specifications it was found that in the scores and hundreds of items on these large tabulated sheets the bids of all the companies were identical, even to the thousandth part of a cent, showing that these very electrical corporations which this bill now proposes to grant a license to operate as a monopo-

listic trust in foreign trade are already a monopolistic combine engaged in plundering the United States Government itself as well as the people generally.

In the third paragraph, on page 2 of the report on this bill, I find the following statement:

All the great commercial nations permit similar organizations to those allowed by this bill. Some of these countries grant additional advantages in the way of preferential freight rates for export shipment; direct ocean transportation controlled by powerful international combinations of foreign shipowners who discriminate against American shippers, and well-organized banking facilities to take care of their foreign credits with main banks in the chief cities of England and Europe, and branch banks in the chief countries where trade is sought. These banks give their foreign exporters information, finance their transactions, and give them every aid possible.

If there were any other reason necessary to show why this bill ought not be enacted into law, it is certainly furnished by this statement. For it is a fact, now conceded by all impartial statesmen and students of public affairs throughout the entire world, that the great moving cause, probably more potent than any other, which brought down on the people of Europe the monstrous and unparalleled calamity of the present war, was this very governmental fostered and aided struggle of the wealthy and powerful business combinations of those countries to monopolize the foreign trade of other countries through this identical scheme of government aided and assisted export combinations and monopolies which this bill proposes to fasten upon the Government and people of the United States.

I am at a loss to know, Mr. Speaker, why the administration should be so insistent in its endeavors to push this bill through so hurriedly and quietly, especially in view of the fact that some of the largest and most notorious trusts and monopolies of the country are now permitted to rob and plunder the people of this country of millions of dollars annually, unmolested and unhindered by our Federal Department of Justice. If these great monopolies and looters of the public can freely ravage the people of our own country without being called to account by our Federal authorities, there can hardly be any doubt but that these same supposedly servants of the people will unofficially sanction the monopolistic methods of these great combinations in plying their nefarious business and outrageous crimes upon the peoples of other countries.

Should anyone doubt the existence of monopolistic trust operations in this country to-day, and that within the knowledge of the officials of our Federal Government, he has but to refer to the hearings of the subcommittee of the Judiciary Committee of the House, investigating the impeachment charges against H. Snowden Marshall, United States district attorney for the southern district of New York, from which I shall read a few extracts.

In the examination of Assistant United States Attorney Thompson, who personally conducted the investigation to ascertain whether the Tobacco Trust was operating in violation of the antitrust law and the decree of the Supreme Court of the United States ordering its dissolution, we find the following statement on page 1024 of the hearings:

Mr. NELSON. Are they violating the antitrust laws in any form?
Mr. THOMPSON. Why, personally I am of the opinion that the Metropolitan Tobacco Co. and its affiliated companies were organized as instrumentalities for violating the law, and that they acquired and still retain an unlawful monopoly of the tobacco-jobbing business in the metropolitan district territory.

THE RAILROAD STRIKE.

Mr. CHANDLER of New York. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by inserting therein an editorial from the New York World of the issue of to-day, September 2, 1916, entitled "Put out the fire first," which expresses exactly my views upon the action of Congress of yesterday.

The CHAIRMAN. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

The editorial referred to is as follows:

PUT OUT THE FIRE FIRST.

"The people who censure Congress for hastily adopting emergency legislation to prevent a railroad strike are either fools or they want a strike.

"If Congress failed to rush this legislation through and a strike followed, these same people before Tuesday night would be imploring Congress and the President and all the agencies of government to settle the strike at once and on any terms.

"The most hysterical shouters for a settlement would be the members of chambers of commerce and manufacturers' associations, who so smugly deplore the 'surrender' of the United States Government to the pernicious demands of trades-unionism. The minute their pocket nerve was touched by the tie-up of traffic there would not be enough cars in the country to respond to their screams.

"These self-appointed critics of the President and Congress have caught the spirit of bluff from the railroads and the unions and think they ought to make a voluntary contribution of their own to the national store of hypocrisy and false pretenses. They are all very brave and resolute until the strike comes. Then they would be the first to run to cover.

"The immediate business of Congress in the matter of legislation dealing with this railroad situation is to pass the bills that will give the public guaranties that no strike will take place. The next is to prepare with due care and caution a code of legislation that will safeguard the country in the future. Congress is dealing with a condition, not a theory. The first duty of a doctor in an emergency case is to save the patient's life, not to prescribe a system of moral and economic conduct for him in the event that he survives.

"There is no reason why Congress should concern itself at this time with the wailings of the railroad presidents against the eight-hour bill. The railroad presidents helped to create this situation. They still want a strike. They would be glad to see every facility of transportation paralyzed if they thought it would wreck the unions. They have no more regard for the rights of the American people in this crisis than the brotherhood leaders have shown, and no tears need be shed over them because Congress is jamming an experimental eight-hour law down their throats. Any injustice that is done to their stockholders is sure to be remedied.

"Congress in this matter is on the side of the public, and that is where Congress ought to be. The advocates of delay are the advocates of a strike and of national disaster.

"It is silly to charge Congress with surrendering to the unions. The unions had a legal right to strike when the strike was ordered. There is not a line on any statute book which prevents their striking, nor could any law be enacted before Monday which would compel them to work. Whatever their moral guilt may be, they are within the law when they do the thing that they threaten to do. Therefore, it is the duty of Congress to take such practicable means as may be adopted at once to remove the excuse for a strike. Whatever further adjustments are necessary can be left for the future. That is the common-sense method, and Congress is displaying far more intelligence and patriotism than its critics.

"The rights and wrongs of this controversy are yet to be determined so far as they affect the railroads and their employees. But the rights and wrongs of a railroad strike so far as they affect the public are obvious and incontestable. A philosophic fire department might plausibly contend that its chief duty was not to extinguish the flames, but to frame a fireproof building code and strengthen the laws against arson. That would no doubt be an admirable public service, but in the meantime the building would burn down, the fire would communicate itself to other buildings, and a whole community would be left homeless.

"We prefer the congressional way of putting out the fire first, and determining later whether it was of incendiary origin or due to defective wiring, and whether the owner can legally collect his insurance."

Mr. GARD. Mr. Chairman, I now yield to the gentleman from Illinois [Mr. STONE].

Mr. STONE. Mr. Chairman, on November 7 the voters of the United States will pass judgment upon the national administration. It has been my happy privilege during the past three and one-half years to have been a part of the national administration and to have aided in the carrying out of its legislative program. I wish at the very outset of my remarks to pay full and ungrudging tribute to the leader under whom I have served. The fact that I am able truthfully to state that more great constructive measures have been spread upon the statute books during the past three and one-half years than in any other like period in the history of this Republic is due to the courage and the constancy of the great statesman and accomplished scholar in the White House. Few American Presidents have served during more troublous times; few have been confronted with problems that were graver and more far-reaching in consequence; and none has met serious conditions and approaching perplexing situations with calmer judgment nor with a firmer resolve to follow the principles of righteousness and justice. When history lists and records the names of the men who have unselfishly and effectively served mankind it will chisel high and in large letters the name of Woodrow Wilson. It will mention with grateful appreciation how he resisted the clatter and the clamor of the thoughtless and the frenzied and steadfastly guided the Nation along the pathway of peace.

It will tell how he stood at the gate of the Nation and denied entrance to the dogs of war and how, because he watched and waited there, the wives and children and sweethearts at the gates of a million homes need not watch and wait for fathers, sons, and lovers who will return no more. It will recite how when three-fourths of Europe was prostrate and desolate—where every mother wore the face of grief but stern duty forbade the solace of tears—the United States alone of all the great nations of the earth lighted the way of civilization and humanity.

The American people of to-day have reason to be, and in fact are, proud of the manner in which the President has sustained the dignity and prestige of the United States during the troublous times succeeding the outbreak of the European war. Problem has followed problem, all of them almost beyond the power of human faculty to solve, and yet as a result of his wise policy we are on friendly terms with all nations and in a fair way to retain their friendship, and we have their confidence and respect.

The President has interpreted to foreign nations the true spirit of the United States. He has made plain to them that while guarding its own rights the United States seeks no advantage at the expense of any other nation; that the United States is willing that the bright rainbow which spans its future shall bear its message of hope and promise to all humanity; that the United States has no ambitions that clash with the peaceful ambitions of any other nation. He has made it apparent to the world that this Nation stands ready and anxious to use its friendly offices in behalf of peace among all the nations now at war. Furthermore, he has made clear the fact that the will of the United States is expressed by intelligent opinion, not by shot and shell. The President, in thus showing by word and attitude the good will which we entertain for every nation, has reflected the real greatness of the United States and has made us more of a world power, a world influence for good, than could ever have been attained by force and arms. The good faith of the United States as an advocate of world peace is not and can not fairly be impugned. It is because an earnest zeal for peace is reflected both in the achievements and the utterances of President Wilson that the world looks confidently and prayerfully to him to utter the words and exert the influence that will usher in the time when all nations will observe and apply that beautiful sentiment spoken more than 19 centuries ago, when there broke upon the startled ears of Judea's shepherds, watching their flocks beside the village of Bethlehem, the only angel's song ever heard by the children of earth: "Peace on earth, good will toward men."

There have been a multitude of progressive and constructive measures enacted during this administration that will minister to the well-being and lasting prosperity of the entire country. The number of important measures is so great as to preclude the possibility of mentioning them all or of treating any of them with the fullness that I should like, but it is my purpose to partially review the record of notable achievements of this administration, and I confess a feeling of mingled pride and pleasure in doing so.

REVISION OF RULES.

The rules of the House of Representatives have been revised and liberalized so as to give the representatives of the people freedom of speech and action, and to eliminate Cannonism by making the committees of the House elective by the membership of the House rather than appointive by the Speaker. Under the present rules the business of the House is conducted with dignity, with dispatch, and with due regard to the rights of the entire membership. The present rules are infinitely preferable to the old rules under which the passage of a bill depended upon the autocratic whim of the Speaker rather than upon the will of a majority of the chosen representatives of the people.

PUBLICATION OF CAMPAIGN CONTRIBUTIONS AND EXPENDITURES.

A law has been enacted providing for the publication of campaign contributions and expenses, both before and after election, and to fix a limit on the election expenses for Senators and Representatives. All persons may now know who are furnishing the sinews of war to the several candidates, and no candidate for the House or the Senate can purchase by the corrupt use of money those honors which the people alone should bestow.

DIRECT ELECTION OF SENATORS.

An amendment to the Constitution providing for the direct election of United States Senators by the people has been proposed and ratified. What was a subject of discussion for 50 years has become an accomplished fact, and now no State will have to endure the humiliation, long suffered by Illinois, of having to stand helpless in the shadow of shame because of the corrupt action of its legislature.

INCOME TAX.

The Constitution has been amended to provide for an income tax which makes the fortunes of the rich bear their proportionate part of the burden of taxation and displaces to that extent the tax on the food and clothing of the plain people. The income tax now yields $140,000,000 annually.

CONGRESSIONAL INVESTIGATIONS.

Investigations of certain industrial combinations, including the United States Steel Corporation, the American Sugar Refining Co., the Shipping Trust, the Beef Trust, and the Money Trust have been authorized and directed. The information gathered in these investigations has enabled Congress to wisely legislate to check the abuses and to eliminate the evils in connection with the management of these great trade combinations.

The investigation by Congress of the Colorado mining situation resulted in the inauguration of such reforms in the management of the mines of Colorado as to have caused two years of peaceful, quiet, and profitable operation already and to have removed all likelihood of future trouble.

The investigation of the Mulhall system of corrupting and intimidating national lawmakers, together with the prompt and vigorous action of President Wilson in scourging insidious lobbyists from the National Capitol, has had a purifying and uplifting effect upon national politics generally and has enabled Congress to consider reform legislation unhampered and unembarrassed.

FEDERAL AID IN CONSTRUCTION AND IMPROVEMENT OF ROADS.

A law has been enacted providing for Federal aid in the construction and improvement of public roads. Seventy-five million dollars are to be expended by the National Government for this purpose during the next five years upon condition that the States shall furnish a like amount. Illinois will get $3,432,000, which will be supplemented by an equal appropriation from the State funds. The beneficial results of this legislation can not be overestimated. Improved roads will mean enhanced value of farm lands, increased facility in marketing crops at any season at reduced cost, the reduction of wastage from wear and tear, the promotion of a fuller and more attractive rural life, and will add greatly to the convenience and economic welfare of all our people. The policy inaugurated by the Shackleford-Bankhead law will eventually lift the entire countryside from Maine to California out of the mud and dust.

PARCEL POST.

A parcel post for all distances at reasonable rates has been established. This system has reduced the cost of transportation, brought farmers and city buyers closer together, to their mutual profit, and has forced the express companies to reduce rates and to improve their facilities and service.

In this connection it might be interesting to mention that the Postal Savings System, the deposits in which now amount to $100,000,000, has been greatly enlarged; that during the past three years there have been added 10,000 rural delivery routes and extensions, thus reaching 2,500,000 additional people; and that during the year ending June 30, 1916, the Postal Service had maintained itself and had accumulated a surplus of $5,742,445.

CHILDREN'S BUREAU.

A Children's Bureau has been created to investigate infant mortality, the birth rate, orphanage, juvenile courts, desertions, dangerous occupations, accidents, and diseases of children. Julia Lathrop, a coworker of Jane Addams, is head of this bureau. Congress does not have power to legislate upon all of the subjects which this bureau will investigate, but full publicity will correct many of the evils disclosed and will also cause the States to take legislative action.

CHILD LABOR.

A law has been passed for the protection of child labor. This is a great humanitarian measure and will correct an evil that has been tolerated too long. In the past thousands of children of tender years have worked in the mines, factories, and sweatshops of this country, dwarfing both their minds and bodies and putting them into their graves prematurely.

COMMISSION ON INDUSTRIAL RELATIONS.

A Commission on Industrial Relations has been created to investigate the entire subject of industrial relations between employer and employee, with a view of ascertaining the best methods of dealing with industrial disputes, so as to protect the rights of all persons directly or indirectly interested. This commission held extensive hearings and submitted to Congress a very able report, all of which has been published. This report and these hearings have been in great demand among all who would either by voluntary agreement or by legislative action improve industrial life and harmonize the differences between capital and labor.

WHITE PHOSPHORUS MATCH LAW.

There has been enacted a law prohibiting the manufacture of and trade in poisonous white matches. This humanitarian measure has served to bring about the extermination of one of the most loathsome of all occupational diseases—"phossy jaw."

ABUSE OF WRIT OF INJUNCTION.

A law has been passed to prevent the further abuse of the writ of injunction. The measure will remedy the evil of administration of injunction, as follows: (1) The issuance of injunction without notice; (2) the issuance of injunction without bond; (3) the issuance of injunction without detail; (4) the issuance of injunction without parties; (5) the issuance of injunctions in trades disputes against well-established and indisputable rights.

TRIAL BY JURY IN CERTAIN CONTEMPT CASES.

Legislation has been enacted which provides, under certain conditions, for a trial by jury and appeal in contempt cases, as in other legal proceedings. This measure conforms to a sound public policy to adjust the processes of the courts so as to disarm any legitimate criticism. The charges most commonly made, and which this law does away with, are that the courts under the equity power have invaded the criminal domain and under the guise of trials for contempt have really convicted person of crimes for which, if indicted, they would have had a constitutional right to be tried by jury. This measure, therefore, removes a cause of just complaint and proposes that popular affection and respect for law shall be the true support of every form of government activity.

SEAMEN'S ACT.

Legislation has been enacted to abolish involuntary servitude and brutal treatment of American seamen which heretofore had the sanction of law, to require sanitary conditions upon merchant vessels, and to provide for safety of passengers and crews at sea.

A law has been passed requiring that a wireless operator shall be constantly on duty on ocean-going vessels.

A law has been passed requiring the equipment of Army transports with adequate life-saving apparatus.

EIGHT-HOUR DAY.

Various acts have been passed giving the eight-hour day to those engaged in manufacture of powder and ordnance for the Government, to post-office clerks and carriers, to those who mine coal for the Navy, to certain female employees in the District of Columbia, to those who do work that is being done for the Government by private concerns, and to employees of common carriers by railroad engaged in interstate and foreign commerce.

MEDIATION AND CONCILIATION.

An arbitration act has been passed providing for mediation and conciliation in controversies between capital and labor, which has already been successfully employed in preventing great strikes that would have tied up the entire railway business of the country. This act provides for voluntary arbitration, and very recently a great strike was imminent because the parties could not agree to submit their claims to arbitration. The strike was only averted through the masterful efforts of President Wilson, together with the prompt action of Congress. Thus again there was given a striking exhibition of the superb efficiency of the present administration.

ALASKA RAILROAD ACT.

An Alaskn railroad act has been passed in order to rescue Alaska from the Guggenheims and to substitute control by the people of our natural resources for plutocratic and monopoly control.

There has been enacted also the Alaskan civil government act, which creates a legislature of two houses with authority to enact laws, thus granting to that Territory the fullest measure of home rule short of statehood.

AGRICULTURAL EXTENSION.

There has been enacted an agricultural extension law which will ultimately double the productiveness of American farms by giving the farmers directly through expert demonstrators the scientific discoveries of the Department of Agriculture and the State agricultural colleges. Three Government crop experts have been assigned already to the sixteenth congressional district of Illinois. These three experts have saved the farmers of this one district many thousands of dollars annually by instructing them how to prevent smut on oats, and this has been only one of many helpful activities.

Many important appropriations have been made to help the farmer, such as $600,000 to eradicate hog cholera, a disease which had been causing a loss of approximately $100,000,000 annually.

EXTENSION OF PUBLIC HEALTH SERVICE.

A most comprehensive and efficient health service has been established through laws resulting in the reconstruction of the public-health and marine-hospital work. A special appropriation of $135,000 has been made to enable the United States Health Service to check the infantile paralysis epidemic, which had become destructive in New York and various eastern cities.

DEPARTMENT OF LABOR.

A Department of Labor has been created, with its head a member of the President's Cabinet.

BUREAU OF MINES.

The scope of the Bureau of Mines has been extended in order to better safeguard the lives of those who work beneath the ground.

PURE FOOD.

The jurisdiction of the pure-food act has been extended to include meat inspection, and the pure-food act has been strengthened in other ways so as to have it conform to the decisions of the Supreme Court made since the passage of the original pure-food law.

CONVICT-MADE GOODS.

An act has been passed prohibiting the importation of articles from foreign countries made by paupers, convicts, and detained labor.

There has been other convict-labor legislation which requires the sale of convict-made goods to conform to the laws relative to convict-made goods in the States in which they are sold. There are many States which provide by their laws that all prison-made goods shall be branded as such, and yet when these goods have been made in one State and shipped into another for sale they have not been branded in accordance with the laws of the State into which they have been shipped; thereby customers have been deceived, and unfair competition maintained with the products of free labor. This legislation remedies that defect and removes a part of this illegitimate competition with free workmen and the manufacturers who employ them.

ANTIGAG LAW.

The pernicious "gag" upon post-office employees which, during the Roosevelt and Taft administrations, made it impossible for these employees to bring their grievances to Congress without fear of being discharged has been removed by act of Congress.

BUREAU OF SAFETY APPLIANCES.

A Bureau of Safety Appliances has been created in an effort to reduce the number of accidents to employees on interstate railroads.

EXTENSION OF INSPECTION OF BOILERS ACT.

A law has been passed extending the inspection of boilers act to cover the entire locomotive and tender, under which it is now required that all engines shall be equipped with high-power headlights. Other requirements conducing to the safety of travel are sure to follow.

HOURS OF SERVICE ACT.

The minimum penalty for violation of the hours of service law has been increased to $100, thus lessening the dangers of travel due to overworked employees.

APPEALS IN LABOR CASES.

An act has been passed permitting appeals to the United States Supreme Court by labor where labor laws have been held unconstitutional by State courts. Prior to this enactment, if the employer lost his case in the State courts he could appeal it to the United States Supreme Court, but if labor lost there was no appeal.

FEDERAL RESERVE ACT.

The Federal reserve act has been enacted, and, in consequence, the country has now a safe and up-to-date banking and currency system instead of the panic-breeding banking and currency laws which made possible the great industrial and financial disaster of 1907. The Federal reserve act is freighted with reforms and benefits. This measure will save the country in the future from the paralyzing influence of monopoly of money and bank credits and effectually prevent panics, which have heretofore threatened our whole financial structure. It removed the last obstacle standing between this country and a period of unprecedented prosperity. This law was designed to help all legitimate business. It will enable the farmers of this country to sow and to reap, with the confidence that money will be available for the profitable marketing of their crops. The manufacturer can enlarge his operations, with the assurance that from the Federal reserve banks funds will be forthcoming to successfully finance his undertakings. The merchant can liberally buy and sell, knowing that currency and bank credits can be obtained for all

prudent and legitimate purposes. Under it we will have the assurance that largely the currency and bank credits of our country will be controlled by the Government and used for the general welfare. This law looks after not only domestic needs, but makes provision for the establishment of foreign branch banks, which make possible trade extension.

In June of this year the Federal reserve act received a strong indorsement from William Barret Ridgely, a former Republican Comptroller of the Currency, and known in Illinois as the son-in-law of the late Shelby M. Cullom, for 30 years a Republican Senator from Illinois. Mr. Ridgely, in commenting upon our present unparalleled prosperity and setting forth his conviction that it would not suffer any sudden or abrupt change as a result of the conclusion of the European war, spoke as follows:

We have cleaned house, paid our debts, and laid up a prodigious fund against future contingencies. Of almost equal importance is the improvement in our financial system, due to the establishment of the Federal reserve bank, which gives us the machinery and organization for utilizing credits and such a mobilization of our reserve money as to make impossible any such sudden derangement of our financial matters as we have frequently seen in the past. It was extremely fortunate that this reform in our financial machinery was in operation soon enough to be of assistance during the crisis brought on by the war.

BUREAU OF FOREIGN AND DOMESTIC COMMERCE.

A Bureau of Foreign and Domestic Commerce has been created. Its purpose is to ascertain where and how business is to be gotten for the merchants and manufacturers of this country from every country in the world. Through commercial attachés, consuls, and special commercial agents in other countries and branch offices in 14 or 15 of the principal business centers of our own country information is brought to the very doors of the merchants and manufacturers, where they can have ready access to all the information which the department possesses. This bureau not only tells the merchants and manufacturers where the business is and how to get it, but seeks them out and tries to put the information within easy reach.

PENSIONS.

General laws have been enacted readjusting the pensions of veterans of the Civil and Mexican Wars according to age and length of service, and many special acts have been passed to meet the needs of infirm and helpless veterans for whom the provisions of the general laws were not sufficient. The average annual pension paid to the Union soldier under President Roosevelt was $183.73. The average annual pension under President Taft was $177.78. Under President Wilson the average annual pension has been increased to $226.53.

RURAL CREDITS.

A rural-credits act has been passed which, when in full operation, will enable the farmers of this country to secure better and easier credit facilities. The demands of the smaller farmers for productive credit do not especially appeal to the commercial banks for two reasons—the loans are small in amount and run for long periods of time. This law will meet the requirements of such farmers and will furnish cheaper money to those who farm extensively as well. Similar systems in foreign countries have done an enormous business, the farm-loan systems of Germany in 1909 doing a business of more than one and one-half billion dollars.

PROTECTION OF SEALS.

A law has been enacted to protect the seal herd of Alaska by providing a closed season of five years and strict regulations for killing seals thereafter.

PROHIBITION OF PRIZE-FIGHT FILMS.

A law has been enacted to bar prize-fight moving-picture films from transportation if they are to be used for public exhibition.

PROTECTION OF NIAGARA FALLS.

A resolution has been passed to protect Niagara Falls and to preserve its beauty as a great natural phenomenon.

ANTITRUST LAW.

The Clayton antitrust law has been enacted. This legislation separates the wholesome from the unwholesome, encouraging the one and preventing the other. Business that has grown naturally and legitimately will be protected and fostered, regardless of its size. Business that has grown unnaturally and illegitimately will be dissolved into its natural and legitimate units and will be thereafter required to comply with the rules of fair trade. Small concerns need no longer dread annihilation by large combinations through unfair agreements. The Government will take all business by the hand rather than by the throat, requiring only that the rules of fair dealing shall be met and that honest competition shall not be restrained.

FEDERAL TRADE COMMISSION.

A Federal Trade Commission has been created. During Roosevelt's and Taft's administrations business men were constantly being arrested and politics was being played with American business generally. This all had a tendency to unsettle business and to injure honest business men, as well as to discipline the crooked business men against whom the suits were aimed. The Federal Trade Commision, in a fair, square, open way, keeps business men informed as to what they can and can not do. Thus business is encouraged and strengthened and innocent business men are not put under suspicion and perhaps destroyed by efforts of the Government to reach a violator of the law through the courts. The milder processes of helpful counsel are substituted for the harsh process of the law. Harmful agitation has ceased, corrupt business has quietly been weeded out, and all business has been shown the way that it can pursue with confidence.

WAR-RISK INSURANCE.

A war-risk insurance law was enacted at the outbreak of the European war. The war quickly disrupted all over seas commerce. Shippers were unable to insure their cargoes with private insurance companies. If commerce was to be resumed and continued and the United States was to be able to market its products, it was necessary for the Government to undertake what private citizens refused to undertake. Therefore legislation was passed to establish a war-risk insurance bureau in connection with the Treasury Department. This bureau has done a tremendous business, and, although losses have been abnormal because of the unusual hazards, yet the net profits of the bureau for the first two years were $2,237,859.

CONSERVATION.

Various laws have been passed to safeguard the interests of the public in the vast natural resources still in the possession of the Federal Government. The country is rich in natural resources—700,000,000 acres of public lands; 35,000,000 potential horsepower of hydroelectric energy; 165,000,000 acres of forest reserve; 53,000,000 acres of coal land; 5,000,000 acres of oil land; 3,000,000 acres of phosphate land; 41,000 acres of potash land; 14 national parks, aggregating 4,600,000 acres; 31 national monuments, aggregating 86,000 acres. All of this public domain has been wisely and carefully administered, land frauds and land grabbing have been reduced to the minimum, and the public interest has everywhere been recognized and conserved.

PUBLICITY OF NEWSPAPER CONTROL.

A law has been enacted which compels all newspapers and other periodicals to publish the names of their owners, editors, and lien holders, in order that the people may know what influence, if any, prompts the editorial advice which they read.

PHYSICAL VALUATION OF RAILROADS.

A law has been passed providing for the physical valuation of all railroads in the United States, and the work of making such valuation is now going forward; and when completed it will serve as a basis for estimating fair, just, and reasonable rates for transportation.

THE WEBB-KENYON LAW.

The Webb-Kenyon law has been enacted, which gives the various States complete jurisdiction over all intoxicating liquors immediately upon coming within their territorial limits, thereby removing all obstructions to the enforcement of State laws regulating the liquor traffic. This is a law-enforcement measure rather than a prohibitory measure. Since it was aimed at sales of liquor made in violation of State laws, it had the support of liquor dealers doing a legalized or licensed business as well as the support of temperance people. Certain distillers and wholesalers who wished illegally to supply blind pigs and speakeasies with liquors opposed the measure because it made it possible for local authorities to put an end to such illicit business. Theretofore local or State authorities were practically helpless in enforcing their antiliquor laws, because by importing liquors from another State a law violator could readily throw the case into the Federal courts in the event of seizure of the liquors upon the plea that an incompleted interstate shipment had been interrupted. Now liquors made and purchased in another State are put on precisely the same basis as liquors made and purchased within the State where the law violations occur, and all are alike subject to State laws enforced in State courts.

BUREAU OF MARKETS.

A law has been passed establishing a Bureau of Markets. This bureau will direct the farmer and the truck and fruit grower in scientific crating and shipping, and will give information and directions as to the best markets at a given time, thus saving millions of dollars to producers in avoiding glutted markets.

NITRATE PLANT.

A provision of the Army law establishes a Government-owned nitrate plant. The primary purpose of establishing this plant was to insure an abundant supply of nitrates for the making of

explosives in the event of war. However, nitrates are devoted to another important purpose at all times. They are the most expensive fertilizer that the farmer has to purchase. A large surplus will be available for agricultural purposes from this Government-owned plant, and the law provides that the surplus shall be sold direct from the Government to the farmer.

GRAIN-GRADING LAW.

A standard grain-grading law has been passed under which a farmer or shipper can have his grain graded and guaranteed under the supervision of the Government and the grade fixed will be accepted everywhere as correct not only in quality but in quantity, so that he is sure to get his just reward for the labor bestowed upon it.

WORKMEN'S COMPENSATION ACT.

A workmen's compensation act has been passed providing for just compensation to men who are injured while employed in the Government service.

MERCHANT MARINE.

Legislation has been enacted which has already done much to build up a merchant marine, and the development along this line will be much more pronounced when the terms of the shipping law and other recent acts have been fully carried out. Twenty-seven per cent of our over-seas trade is now carried in American vessels as against 12 per cent three years ago. Two thousand three hundred and twelve ships have been added to the American merchant fleet during the past two years, all but 179 of which were built in American shipyards. More than 400 steel vessels are now being constructed in American yards which when completed will fly the American flag. This is the greatest number of new vessels under construction ever known in the history of the country.

It is important that we shall be freed from the uncertainties involved in a dependency upon foreign nations for bottoms in which to ship our commerce to the markets of the world. If present policies are continued Old Glory will soon float over every sea and beautify every harbor of the world just as it did in former days when Democratic principles controlled in the affairs of this Nation.

The shipping law contains a feature that is calculated to protect American trade and American shipping from foreign monopolies. At the advent of this administration almost 90 per cent of the over-seas trade of this country was carried by foreign ships that belonged to rings, pools, and combines. Now about 73 per cent of the over-seas trade of this country must be so carried. Between these ships there is no competition. Each combine is a complete monopoly. Freight and passenger rates are fixed by agreement, and dates and points of sailing apportioned. Thus the combines drive out independent shipping lines. The rates between this country and Europe and between this country and South America are exorbitant, and much higher than a fair compensation for the services performed. These combines annually unjustly levy millions upon American commerce. It is this influence that to a great extent has destroyed our foreign trade not only by exorbitant freight rates but by discriminating against us in all the ports of the world in favor of the products of their own country. The shipping law in one of its provisions undertakes to correct this deplorable condition.

FLOOD CONTROL.

A system of flood control has been adopted, and during the next five years $50,000,000 will be spent in protecting the Mississippi Valley from overflows. Often a single flood has done more damage to property, not counting the frightful loss of life, than it will cost to make the entire valley secure.

ANTINARCOTIC ACT.

The Harrison Antinarcotic Act has been passed to check what was a rapidly growing evil in this country—the drug habit. The enforcement of this law doubtless caused some hardships and distress at first, but most of even the confirmed cases were cured, and when the law is viewed in its effect through the long future it must be listed as one of the most beneficent and humanitarian pieces of legislation ever enacted.

TARIFF.

The tariff has been revised so as to compel the manufacturers to sell as cheaply to the people of this country as to the people of foreign lands. The Payne-Aldrich tariff law, the highest and most unjust, burdensome, and oppressive tariff law ever enacted in the history of the world, was repealed and in its place there was enacted the Underwood law, which substantially reduces taxes on the necessities of life. No special interest or lobby participated in the preparation of the Underwood law. It struck the fetters from industry and commerce and deprived monopoly of its control over production, distribution, and prices. Its purpose was to build business upon a firm and genuine foundation which will be unaffected by the winds of political agitation, rather than, as formerly, upon an unstable and unnatural foundation which was always threatening to give way and cause disaster.

The receipts under this law for the first 10 months of its operation was greater by $10,889,000 than for the same 10 months of the previous year under the Payne-Aldrich law, thus proving its superiority as a revenue producer.

The European war produced abnormal conditions, which made it necessary temporarily to adopt substitute revenue measures to take the place of what had been rendered inoperative by the war. The enlarged expenditures for the Army and Navy necessitated additional revenue receipts, and, therefore, the tax upon incomes in excess of $4,000 was increased, a tax upon inheritances of more than $50,000 was assessed, and a tax was also imposed upon war munitions. These taxes upon incomes, estates, and munitions enabled Congress to repeal the stamp taxes, which had proved to be vexatious if not burdensome.

The revenue laws have worked so successfully that at the close of the last fiscal year, June 30, 1916, the Treasury records showed a surplus of $78,737,810 of receipts over expenditures for the preceding year, and an unexpended balance of $174,965,231 in the Treasury, together with an additional unexpended balance of $61,914,359 to the credit of disbursing officers, making in all a total unexpended balance of $236,879,590, the greatest in the Nation's history.

Inasmuch as tariff rates are determined by a consideration of conditions in the countries from which we receive importations as well as by a consideration of domestic conditions, and inasmuch as the European war has greatly changed conditions in the principal countries of the world, it is admitted that a readjustment of tariff rates will be necessary at the termination of the European war. Information as to the changed conditions, as well as the tariff changes necessary to meet them, can best be determined by a permanent, nonpartisan tariff commission composed of business experts.

TARIFF COMMISSION.

A Tariff Commission has been created which will hereafter prevent the tariff from being used as a football of politics. The President has already announced his intention at an opportune time to send this commission to study trade relations between the United States and foreign countries, including the conditions, causes, and effects of the competition of foreign industries with those of the United States.

PHILIPPINES.

A law has been enacted granting to the Filipinos a larger measure of self-government and announcing the intention of giving to them full independence when they have demonstrated their ability to establish a stable government.

PREPAREDNESS.

Preparedness is the slogan of the hour. Although the United States desires primarily that kind of preparedness that counts in the production of cheerful, efficient, and peaceful living, yet she is mindful of the perils that threaten defenseless nations and desires also that kind of preparedness that will enable her to repel invasion and defend her homes and institutions from destruction. The appropriations for the various phases of our national defense during the present session are as follows:

Army	$267,596,530
Navy	313,384,389
Fortifications	25,147,550
Military Academy	1,225,043
Army and Navy deficiency	34,523,000
Nitrate plant	20,000,000
Total	662,476,512

This total is $403,710,421 more than was voted for defense last year, and the amount voted last year exceeded all previous appropriations.

This expenditure for purposes of national defense is the greatest ever made by any nation when at peace.

The highest military and naval intelligence in the world has outlined the entire program. Extensive hearings, covering many thousands of pages when printed, were held in order to get the most scientific information in regard to what was required to make this country able to repulse all possible assaults. Our already efficient Navy will be enlarged by the addition of 4 superdreadnaughts, at $11,500,000 each; 4 battle cruisers, at $16,500,000 each; 4 scout cruisers, at $5,000,000 each; 20 torpedo-boat destroyers, at $1,200,000 each; 3 fleet submarines, at $1,200,000 each; 27 coast submarines, at $700,000 each; 1 submarine with Neff propulsion, $250,000; 1 fuel ship, at $1,500,000; 1 hospital ship, at $2,350,000; 1 ammunition ship, at $2,350,000; and 1 gunboat, at $860,000, making a total of 67 vessels. The law adopts a three-year building program, or 157 vessels in

three years. When this program is completed the United States will have 578 fighting ships in her Navy.

Also there are appropriations of $3,500,000 for aeroplanes for the Navy, $19,485,500 for ammunition, and $1,800,000 for smokeless powder, besides a multitude of lesser appropriations to provide important needs of a first-class Navy. Twenty-three thousand two hundred enlisted men have been added to the Navy in this latest law, and 5,000 enlisted men have been added to the Marine Corps, with provision for ample reserves.

This program will restore the Navy of the United States to second place among the world's navies, a place she proudly held until 1908, when, owing to the do-nothing policy of President Roosevelt, it began to decline relatively by dropping to third place. It will be remember that in 1905 President Roosevelt addressed Congress as follows:

It does not seem to me necessary, however, that the Navy should—at least, in the immediate future—be increased beyond the present number of units. What is now clearly necessary is to substitute efficient for inefficient units as the latter become worn out or as it becomes apparent that they are useless.

Also, he addressed Congress in 1906 as follows:

I do not ask that we continue to increase our Navy. I ask merely that it be maintained at its present strength.

It must be confessed that it required a number of years to overcome the blight of these recommendations. Congressmen had assumed positions before the public because of them that they could not readily change. It is true that President Roosevelt, in the closing year of his administration, suggested an increase in the Navy, but he did nothing to translate his words into deeds.

President Taft, in his first message to Congress, made the following statement:

Owing to the necessity for economy in expenditures, I have directed the curtailment of recommendations for naval appropriations so that they are thirty-eight millions less than the corresponding estimates of last year.

He did not change his attitude during his term. It was not until Woodrow Wilson assumed the Presidency that there was an escape from the lethargy and neglect in dealing with the United States Navy. More has been accomplished toward making the United States Navy an efficient fighting navy during the past three years than had been accomplished during the previous 12 years. More was accomplished during the first two years of this administration than was accomplished during the four years of Taft or the seven and a half years of Roosevelt.

Admiral Fletcher, commander in chief of the Atlantic Fleet, on March 2, 1916, before the House Committee on Naval Affairs said:

The ships of our Navy compare favorably with ships of similar types of any other navy, and it is believed they are slightly superior. It has been the policy in this country to build ships of a little greater displacement and a little greater power than similar ships abroad, laid down or appropriated for at the same time.

This policy of the United States to build superior vessels, which Admiral Fletcher mentions, is illustrated by the class of battle cruisers provided for in the naval law passed this session. The best battle cruiser that Germany possesses has about 53,000 horsepower and travels 26 knots an hour. The best battle cruiser that England possesses has about 80,000 horsepower and travels 29 knots an hour. The four battle cruisers ordered this year by Congress are to have 180,000 horsepower and will travel 36 knots an hour.

Admiral Dewey recently issued a statement in reply to the critics who during the past two years have been holding the Navy of the United States up to the scorn of the world. The statement refers to the condition of the Navy, without the extensive additions recently authorized.

The attacks that have been made upon the Navy are as false as many of them are shameful. It is not a junk heap. There is no demoralization. Both in matériel and personnel we are more efficient to-day than ever before. Our ships are as good as any, our officers are as good as any, and our enlisted men are the finest in the world.

Then speaking of what the present Secretary of the Navy had done, he said:

Facts and figures tell their own story. The navy was 5,000 short of the number of enlisted men allowed by law; over 6,000 have been added, although more rigid examinations have forced the rejection of five out of every six. Only 52 per cent of honorably discharged seamen were reenlisting. For more than a year about 90 per cent have reenlisted. Desertions have been cut in half and discipline has been improved to the extent that has permitted the restoration of a prison ship and a disciplinary barracks to normal uses. No, sir; the Navy is not demoralized, and those who make the charge are guilty of falsehood and misrepresentation.

The Army appropriation law provides $13,281,666 for aeroplanes, $6,000,000 for machine guns for the Regular Army and $6,000,000 for machine guns for the National Guard, $10,000,000 for field artillery for the National Guard, $10,000,000 for field-artillery ammunition for the National Guard, $5,000,000 for rifles, $10,000,000 for reserve small-arm ammunition, $3,000,000 for target-practice munitions, $500,000 for armed motor cars, and ample amounts for many other important purposes.

The size of the Regular Army has been fixed at 296,461 men as a maximum basis and 215,838 as a minimum basis. The National Guard has been increased to 458,000 men and has been federalized—that is, placed under Federal control. This means that hereafter the National Guard will be thoroughly equipped by the National Government and trained by Regular Army officers. A short time is sure to convert the National Guard into a well-organized, well-drilled, well-equipped fighting force. This action of the present administration is greatly in contrast with the action of Roosevelt in reducing the Regular Army 14,000 during his administration.

Our seacoast defenses are now said by the Chief of the Coast Artillery to be the best in the world. However, the present Congress has made greatly enlarged appropriations to extend them and to increase their efficiency. One million two hundred and eighty-four thousand five hundred dollars has been appropriated for seacoast cannon and authority given to the Secretary of War to contract for $3,000,000 more; $3,000,000 has been appropriated for ammunition for seacoast cannon and authority given to the Secretary of War to contract for $3,500,000 more; $2,821,500 has been appropriated for mountain, field, and siege cannon and authority given to the Secretary of War to contract for $3,500,000 more; $2,700,000 has been appropriated for ammunition for mountain, field, and siege cannon and authority given to the Secretary of War to contract for $1,500,000 more; and equally generous provision has been made for other important purposes too numerous to mention.

The number of cadets at both Annapolis and West Point has been doubled, so as to provide plenty of well-trained officers for both the Army and the Navy.

A feature of all the preparedness measures is ample provision for providing dies, gauges, jigs, tools, and so forth, to furnish private manufacturers in case of war, so that they can quickly convert their plants into munition-making plants. This will avert delay in getting ready to furnish a constant and sufficient supply of arms and ammunition in case of a conflict calling for more than the enormous stores now ready.

Also, a council of national defense has been established for the purpose of coordinating our industries and resources for the national security and welfare. Already a comprehensive survey of the United States has been made, so that the War and Navy Departments know just what every factory can furnish, if required to do so, and just where to look for every item needed in the conduct of war. Not even the marvelous organization of Germany along these lines will be superior to the organization which the United States is now perfecting.

The foregoing preparedness measures called for an increase of appropriations greater than the whole cost of the Panama Canal, and yet it is the intention to meet these enlarged expenditures with current revenue receipts. The construction of the Panama Canal covered a period of 12 years, but the Republicans continued to issue bonds to meet the yearly outlays. It was only when the Democrats gained control of Congress that Panama Canal payments were met without resort to bonds.

PEACE COMMISSION.

The naval appropriation law contains a provision establishing a peace commission that should be of interest to the entire world. The whole provision so clearly and forcibly expresses what undoubtedly is the sentiment of the people of the United States on this subject that it will be well to quote it in full. It is as follows:

It is hereby declared to be the policy of the United States to adjust and settle its international disputes through mediation or arbitration, to the end that war may be honorably avoided. It looks with apprehension and disfavor upon a general increase of armament throughout the world, but it realizes that no single nation can disarm, and that without a common agreement upon the subject every considerable power must maintain a relative standing in military strength.

In view of the premises, the President is authorized and requested to invite, at an appropriate time, not later than the close of the war in Europe all the great Governments of the world to send representatives to a conference which shall be charged with the duty of formulating a plan for a court of arbitration or other tribunal to which disputed questions between nations shall be referred for adjudication and peaceful settlement and to consider the question of disarmament, and submit their recommendations to their respective Governments for approval. The President is hereby authorized to appoint nine citizens of the United States who, in his judgment, shall be qualified for such duty to be representatives of the United States in such a conference.

When it is remembered that thus far in the European war 10,000,000 strong men have been either killed or crippled for life, and that, according to the foremost European statisticians, such as Edgar Crammond, of England; Henri Masson, of Belgium; Yves Guyot, of France; M. Barriol, of Russia; Von Renault and Riesser, of Germany; and the Austrian minister of national defense, it has cost directly and indirectly $110,000,000,000, not counting the property loss, it should not require

further argument to uphold the policy of peaceful settlement of disputes for which Congress has declared.

The horror, the cost, the miseries and sufferings and brutality of war can not be described nor imagined. Gloss war over as we will by tales of heroic deeds and glorious victories, mingle with shot and shell the waving of banners and the strains of martial music, yet we can not distract attention from its barbarous cruelty and its wanton waste of property and life.

We are all proud of the fact that there is fire in our veins. We are inspired by the thought that we come from an ancestry whose indomitable spirit won many a glorious victory. We never neglect to celebrate their fortitude, their self-sacrifice, and their high courage whenever the storm of war was upon them. Just as with our ancestors, Americans of to-day are unacquainted with fear. If duty called they would perform deeds of heroism upon the battle field worthy of our most noble sires. But we are also a people noted for self-restraint. We recognize that rashness is to be rated with cowardice as an evil to be avoided. Our national conscience tells us that the cry of right and truth and justice is for peace, not for war. The shrieks of the mangled and the dying on European battle fields have filled us with a determination to make peace first the controlling sentiment and law of this country and then of the world. We have resolved to make our own life and practices fit and recommend us for this high mission. The prayer that is going up constantly from every American hamlet and fireside is that of George Willard Bonte:

God of our fathers, intervene;
Stretch forth Thy staying hands;
Blood of our brothers flows between
The bounds of kindred lands,
And tears, oh the tears of mothers and wives,
Are rusting the blades of our harvest knives'
God of our fathers, grant us peace—
Smother the fiery brands.

Christ, Lord and Master, Prince of Peace,
Vanquish the god of war.
Bid the red clouds of rage surcease
Where mad iron eagles soar.
Silence the blasts of the hellish siege guns—
Boasting the slaying of thousands of sons;
Christ, Lord and Master, heal our wounds—
Silence the battle's roar.

Lord of the Nations, bring us years
Of peace, good will, and toil;
Lead us from out this vale of tears—
Bless Thou the corpse-strewn soil.
End the wild orgy of carnage and hate;
Steer to safe harbors the wrecked ships of state;
Lord of the Nations, hear our prayer—
Quiet the world's turmoil.

When the European war is finally terminated it is unlikely that any of the nations involved will be eager to enter another war. Their sorrows will be so acute, they will be so overwhelmed with war debts, and will have such a burden of legless, armless, and sightless men that they will be both unable and disinclined to engage in another war for a number of generations. Why not make peace permanent? The Peace Commission which Congress has recently created is a long step in that direction.

ECONOMY.

An examination of the record will reveal the fact, and it is an easily demonstrable fact, that a wiser and more rigid economy was never practiced by any other administration. The record of the past three years in eliminating waste and curbing extravagance has been such as to command the respect and confidence of the American people.

The first year under President Wilson there was a saving of $17,258,000 as compared with the last year under President Taft. The next year there was a saving of over $10,000,000, and this year, if the extraordinary appropriations for preparedness were excluded, there would be a substantial saving.

During all of this time the unusual world conditions have called for unaccustomed appropriations. Also, the steady growth of the country and the many new duties undertaken by the Federal Government have tended to increase the cost of running the Government. The marvelous showing for economy by the present administration can only be accounted for by its resolution to eliminate all waste and useless expenditures and to curb the pork-barrel appropriations that disgraced previous administrations.

Some Republican newspapers delight to publish articles that are calculated to carry the impression that the present Congress devotes most of its time to the passing of public-building bills. Even the Republican candidate for President was misled by these articles and made the charge against Congress in one of his political addresses. It will doubtless be a surprise to many people to learn that there has been no public-building bill passed during the present administration.

One of the first acts of the Democratic Party when it obtained control of Congress was to prohibit the erection of a post-office building in any city where the postal receipts are less than $10,000 per annum. This law will prevent the repetition of such extravagant acts as the erection of costly buildings in villages of only a few hundred inhabitants, which were of frequent occurrence under Republican rule. All the articles in the press nowadays to the effect that small villages have been given post-office buildings are not founded upon fact. The most that they can mean is that individual Congressmen have introduced such bills, but not that they have been given favorable consideration by Congress.

Furthermore, there has been an enormous curtailment of the appropriations for rivers and harbors. The three appropriations of the past three years for this purpose make a total of $67,000,000, or an average of $22,000,000 a year. The significance of these figures will be easily discerned when it is known that the Republican rivers and harbors law for 1902 carried $65,357,602 and the one for 1907 carried $87,062,432.

All appropriations for rivers and harbors improvements during this administration have been based on reports of a board of expert engineers of the War Department.

EFFICIENCY AND CIVIL SERVICE.

The splendid record for economy that the present administration has achieved is simply an instance of the efficiency that has been shown in all the work that has been undertaken. Business and scientific principles have always dominated. Every appointee to office has had to satisfy very exacting requirements and pledge to devote at least eight hours a day in attention to the duties of the position. Any neglect of duty or wrongful conduct or inaptitude for the particular work undertaken has resulted in a separation of the appointee from his job.

The civil-service laws have been rigidly enforced. A recent statement of Acting Chairman of the Civil Service Commission Charles M. Galloway contains the positive assertion that "the number of positions subject to competitive examination has increased greatly during the period." He mentions among the employees of the Government that have been put under civil service during the past three years and who have been required to take a competitive examination the following: "Clerks in fourth-class post offices, 62,000; mail messengers, 7,725; star route contractors, 12,432; total, 82,157." He explains that aside from the transfers from the list of political appointments to the civil-service register, which do not mean the creation of new positions, "there has been no increase in the number of employees in the executive civil service." Furthermore, he says that "the number of exemptions from examination of newly created positions has been small."

In the closing months of President Taft's administration, President Taft attempted by Executive order to give a civil-service status to about 30,000 fourth-class postmasters who had never taken a civil-service examination, but whose appointments were entirely political. President Wilson very early in his administration revoked this order and required that all of these places should be filed as the result of competitive examinations given by the Civil Service Commission. It took the Civil Service Commission about 18 months to complete its task, but now every fourth-class postmaster has evidenced by successfully passing a civil-service examination his ability to perform the duties of his office. President Wilson should be commended for substituting a genuine civil service for a fake civil service. However, the Republican platform, with no explanation of this situation, condemns the act as a "gross abuse and misuse of the law," and the Republican candidate for President, in one of his campaign speeches, refers to it as if it were one of the important issues for the people to determine on November 7.

It has been my experience, and I am sure that mine has not been an uncommon experience, that the administration has been too tolerant with the overzealous partisanship and pernicious political activity of hold-over appointees whose original appointments were due to political influence, but who retained their positions under this administration owing to the fact that the President who appointed them very kindly undertook to give them a life tenure by issuing an Executive order placing them under civil service without an examination.

Civil service is intended to be synonymous with merit rule. It is supposed to promote efficiency in the public service. In so far as it achieves its purpose it should be jealously safeguarded. However, some of the bitterly partisan ward bosses that were given political appointments under previous administrations and who were then covered into the civil service were not born again

by the process of being placed under civil service without an examination. They still possess their strong partisanship, and in order to benefit the party which they favor they have attempted to confuse and disrupt the very service which it was their duty to advance. By discourteous treatment of citizens with whom they come officially in contact and by criticisms of the laws that they were engaged in administering they have deliberately undertaken to arouse opposition to the party in power. They knew that the offended persons would not visit resentment upon them but upon their innocent chief. Such insubordination and disloyalty to duty are even less desirable than incompetency and would be endured for a shorter period by a private employer, and yet the present administration has tolerated such conduct that it might keep stainless its record for strict adherence to civil-service principles.

It has been an unfortunate circumstance that the present administration has been compelled to rely upon such disloyal and partisan hold-over subordinates to carry out its policies.

PROSPERITY.

The United States is now blessed with a prosperity that is greater and more general than ever before. Every industry is flourishing; manufacturers generally are from one to two years behind with orders despite large extensions of their plants; there was never more building being done; the railroads were never so overwhelmed with traffic; every kind of labor is fully employed and at increased wages, the total increase for the past three years amounting to over $3,000,000,000; the aggregate resources of the national banks of the United States at this time exceed by approximately $3,000,000,000 the aggregate resources of the Bank of England, the Bank of France, the Bank of Russia, the Reichsbank of Germany, the Bank of the Netherlands, the Swiss National Bank, and the Bank of Japan all combined; the increase in the resources of national banks of this country in the past 12 months exceeds in amount the entire resources of the Reichsbank of Germany; there were never more automobiles nor were they ever going faster than at the present time.

Only recently the Committee on Statistics and Standards of the Chamber of Commerce of the United States, after a thorough investigation of conditions, has made a report which shows that this prosperity is permanent; that it is upon a substantial foundation, and that the coming of peace in Europe will produce no lull in commerce or industry.

The safest criterion of prosperity is recognized to be the status of building operations. This line of activity responds last to any wave of prosperity. There is considerable conservatism about erecting great structures such as hotels, apartments, stores, and so forth. There has been in recent months a huge expansion in building operations. It indicates the confidence of owners and investors in continuing good times. It insures increased business activity, because it means not only huge demands for all classes of materials which enter into construction, but it furnishes tonnages to the transportation lines and gives steady employment at high wages to skilled workers. Permits issued from January 1, 1916, to August 1, 1916, in some of the principal cities of the United States show amounts monthly, as follows: January, 81 cities, $46,378,478; February, 82 cities, $47,580,578; March, 85 cities, $72,933,633; April, 83 cities, $76,927,860; May, 84 cities, $100,149,728; June, 86 cities, $72,408,488; July, 87 cities, $103,016,666. The total valuation for the seven months is $519,395,431.

When the farm-loan banks get into practical operation huge additions to the values will be added monthly to new construction work in the United States, and material men and members of the various building trades will enjoy unparalleled prosperity.

The farmers have been told for years by Republican prophets of evil that a Democratic administration would so reduce the price of their products that they would be driven into bankruptcy. No blockade has served to shut off competition with other agricultural countries, and yet prices have been uniformly better during the past three years than during previous administrations. The average price of wheat under Roosevelt was 78 cents a bushel; under Taft, 87½ cents a bushel; and the present price is $1.51 a bushel. The average price of corn under Roosevelt was 45 cents a bushel; under Taft, 54 cents a bushel; and the present price is 87 cents a bushel. The average price of oats under Roosevelt was 35 cents a bushel; under Taft, 37 cents a bushel; and the present price is 45 cents a bushel. The average price of cattle under Roosevelt was $8.22; under Taft, $9.73; and the present price is $9.90 to $11.10. The average price of horses under Roosevelt was $184; under Taft, $202; and the present price is $205. The price of hogs under Roosevelt was $7.23; under Taft, $9.38; and the present price is $11.30.

In 1912 the total wealth of the United States was $187,000,000,000; the total wealth of the United States in 1916 is $228,000,000,000. The total of manufactured products in 1912 was $20,672,000,000; the total of manufactured products in 1916 is $30,900,000,000.

The effort is being made by partisan opponents of the present administration to mislead the people into believing that this marvelous prosperity is due to traffic in war munitions. A study of the facts is all that is necessary to refute such a charge. The total of all exportations to the allies during the past year amounts to only 3 per cent of the total manufactures of the United States. Of course, only a fraction of these exports, estimated at 5 per cent, consisted of arms and ammunition, showing that only one-sixth of 1 per cent of our total manufactures was war products. Of course, our manufactures are only a part of our total trade. Such a comparison of the war munitions business with our total business shows that only an infinitesimal portion of our prosperity has any connection whatever with that traffic. As the report of the Committee on Statistics and Standards of the Chamber of Commerce of the United States shows, it can stop without any perceptible effect upon our commerce and industry. It is an insult to the intelligence of the American people to charge that our present stupendous and universal prosperity is due to a traffic that comprises only a very small fraction of 1 per cent of our total business. There are many strong reasons for believing that the cessation of the traffic in arms and ammunition will really improve the business of the United States, making it possible for us to care for trade now neglected that will tend to promote good will rather than hatreds.

Not only have we been able to finance this gigantic business, both domestic and foreign, but we have been able to make large loans to a number of countries. The allies have obtained practically $1,000,000,000 in loans besides large credits for considerable periods of time. Germany has secured almost an equal amount through the private sale of war bonds. Also we have made large loans to South American and other neutral countries. Nearly every neutral country except the United States has been rendered practically bankrupt by reason of the war. We have been able to help all, those at peace and those at war, and still have a greater prosperity at home than this country has ever experienced before. Up to the beginning of this administration we were dependent upon England for funds to finance all of our big projects and even to move our crops. We had to compete with the world and at the same time pay interest to our chief competitor upon the money with which we did business. The situation has now changed. Hereafter we can finance ourselves abundantly, and our competitors will have to pay us interest for money to carry on their trade. If we have the wisdom to keep out of war, our children and our children's children need not know a stringency of money or credit in the United States.

NATIONALISM V. SECTIONALISM.

Another accomplishment of the present administration has been to establish the Democratic Party as a national party and to effectually disprove the insinuation so often made that it is dominated by sectional interests.

A review of the legislation enacted clearly shows that the good of the whole people must have actuated Congress in passing it.

The Democratic Party has Representatives in Congress from 38 States, and the Republican Party has Representatives in Congress from 38 States. The Democratic Party has Senators from 34 States, while the Republican Party has Senators from only 26 States.

A vast majority of the important positions in the Government service has been filled by persons from Northern and Western States, and they have almost invariably performed their duties with conspicuous ability. It might be interesting and instructive to examine and analyze the important appointments from a sectional viewpoint.

On the Federal Reserve Board there were named Charles S. Hamlin, of Massachusetts, Frederic A. Delano, of Illinois, Paul M. Warburg, of New York, and Adolph C. Miller, of California, as northern and western members, while W. P. G. Harding, of Alabama, was named as the southern member.

On the Federal Trade Commission there were named Joseph E. Davies, of Wisconsin, Edward N. Hurley, of Illinois, Will H. Parry, of Washington, and George Rublee, of New Hampshire, as northern and western members, while W. J Harris, of Georgia, was named as the southern member.

On the Federal Farm Loan Board there were named Herbert Quick, of West Virginia, Charles E. Lobdell, of Kansas, George W. Norris, of Pennsylvania, and W. S. A. Smith, of Iowa. W. G. McAdoo, Secretary of the Treasury, a New York man, is ex officio chairman of this board, thus making the membership of the board consist entirely of northern and western men.

On the Interstate Commerce Commission there were named Balthasar H. Meyer, of Wisconsin, Edgar E. Clark, of Iowa, James S. Harlan, of Illinois, Henry C. Hall, of Colorado, and Winthrop M. Daniels, of New Jersey, as the northern and western members, while Judson C. Clements, of Georgia, and Charles C. McChord, of Kentucky, were named as the southern members.

On the Board of Mediation and Conciliation there were named Martin A. Knapp, of New York, and W. L. Chambers, G. W. W. Hanger, and W. H. Smith, of the District of Columbia.

On the Board of Indian Commissioners there were named George Vaux, of Pennsylvania, William D. Walker and Daniel Smiley, of New York, Warren K. Morehead and Samuel A. Elliott, of Massachusetts, Frank Knox, of New Hampshire, Edward E. Ayer, of Illinois, Isadore B. Dockweiler, of California, and Merrill E. Gates, William H. Ketcham, and Malcolm McDowell, of the District of Columbia, thus making a board of 11 members without a single southern member.

On the Supreme Court there have been three members named during this administration, and they have all been from Northern States. They were James C. McReynolds, of New York; Louis Brandeis, of Massachusetts; and J. H. Clark, of Ohio.

On the Cabinet there were named seven northern and western members and three southern members. The Cabinet officers and the States from whence they come are as follows: Secretary of State, Robert Lansing, of New York; Secretary of the Treasury, William G. McAdoo, of New York; Secretary of War, Newton D. Baker, of Ohio; Attorney General, Thomas W. Gregory, of Texas; Postmaster General, A. S. Burleson, of Texas; Secretary of the Navy, Josephus Daniels, of North Carolina; Secretary of the Interior, Franklin K. Lane, of California; Secretary of Agriculture, David F. Houston, of Missouri; Secretary of Commerce, William C. Redfield, of New York; and Secretary of Labor, William W. Wilson, of Pennsylvania.

Among the assistant Cabinet officers and commissioners of bureaus we find the following: Assistant Secretary of State, John E. Osborne, of Wyoming; Assistant Secretaries of the Treasury, Byron R. Newton, of New York; William P. Malburn, of Colorado, and Andrew J. Peters, of Massachusetts; Treasurer, John Burke, of North Dakota; Counselor State Department, Frank L. Polk, of New York; Assistant Secretary of the Navy, Franklin D. Roosevelt, of New York; Commissioner of the General Land Office, Clay Tallman, of Nevada; Commissioner of the Patent Office, Thomas Ewing, of New York; Commissioner of Pensions, G. M. Saltzgaber, of Ohio; Assistant Secretary of Agriculture, Carl Vrooman, of Illinois; Assistant Secretary of Commerce, Edwin F. Sweet, of Michigan; Assistant Secretary of Labor, Louis F. Post, of Illinois; Commissioner of Immigration, Anthony Caminetti, of California; Government Printer, Cornelius Ford, of New Jersey; Assistant Postmasters General, A. M. Dockery, of Missouri, and James I. Blakslee, of Pennsylvania. All of these are northern and western men of most distinguished ability and experience and peculiarly fitted for the particular positions to which they have been assigned.

The most striking list of northern and western men is disclosed in an examination of the appointments to diplomatic positions. Never has that service been handled more smoothly nor with greater distinction, although during the past two years these representatives of the United States have acted for practically all of the warring countries as well as for this country. The list is as follows: Argentina, Frederic J. Stimson, of Massachusetts; Austria-Hungary, F. C. Penfield, of Pennsylvania; Belgium, Brand Whitlock, of Ohio; Bolivia, John D. O'Rear, of Missouri; Brazil, Edwin V. Morgan, of New York; Chile, Joseph Shea, of Indiana; China, Paul S. Reinsch, of Wisconsin; Denmark, Maurice Francis Egan, of the District of Columbia; Dominican Republic, William W. Russell, of the District of Columbia; Ecuador, Charles S. Hartman, of Montana; France, William G. Sharp, of Ohio; German Empire, James W. Gerard, of New York; Great Britain, Walter H. Page, of New York; Greece, Garrett Droppers, of Massachusetts; Japan, George W. Guthrie, of Pennsylvania; Liberia, James L. Curtis, of New York; Mexico, Henry P. Fletcher, of Pennsylvania; Netherlands, Henry Van Dyke, of New Jersey; Nicaragua, B. L. Jefferson, of Colorado; Norway, Albert G. Schmedeman, of Wisconsin; Paraguay, David F. Mooney, of Ohio; Persia, John L. Caldwell, of Kansas; Portugal, Thomas H. Birch, of New Jersey; Roumania, Servia, and Bulgaria, Charles P. Vopicka, of Illinois; Russia, David R. Francis, of Missouri; Salvador, Boaz W. Long, of New Mexico; Siam, William H. Hornibrook, of Oregon; Sweden, Ira Nelson Morris, of Illinois; Turkey, Abram I. Elkus, of New York.

Does this read like a list of "incompetent southerners," as Candidate Hughes charges? Does it indicate that "the South is in the saddle"? Does it not look more like the South had been trampled beneath the feet of the Democratic mule?

All appropriations have been distributed fairly according to the population and needs of the different parts of the country. The good-roads law is an example of this spirit of fairness. The Southern States get a total of $19,377,500, while the Northern and Western States get a total of $55,622,500.

Despite this pronounced fairness in a geographical sense, partisan opponents skilled in the arts of political warfare have been untiring in their efforts to convince the public that the President and the present Congress are dominated by southern interests as against northern interests. This appeal to sectional prejudice has been as unwarranted as it has been persistent. As an example of their mendacious efforts to mislead patriotic citizens, especially those who have served under the colors, I might mention how the rumor was started and given wide publicity that Congress planned to change the Stars and Stripes by entwining a representation of the stars and bars within the blue field. A few gave credence to this report and wrote to me concerning it. I found upon investigation that but one resolution had been introduced suggesting a change in the national flag, and that resolution was introduced by EVERIS A. HAYES, a Republican Congressman from California, and did not propose the change that was mentioned as objectionable. Shortly afterwards Representative GEORGE S. GRAHAM, a Penrose Republican, of Pennsylvania, proposed that the heirs of certain graduates of West Point and Annapolis who had resigned from the Union Army to join the Confederate Army should be allowed the longevity pay to which they would have been entitled had they remained loyal. This proposition was voted down overwhelmingly, but its defeat did not prevent the publication in many northern papers, including a number in my own district, of the statement that it had been passed, and the articles were headed "Another Confederate victory."

I shall not undertake to enumerate all of the baseless charges that have been circulated in an attempt to mislead patriotic sentiment, but they have been numerous. The charge that southerners do or can dominate Congress is untrue. The fact that they have many of the important chairmanships is due to length of service, but no increased power goes with a chairmanship. A chairman presides over the deliberations of a committee, does the bidding of the committee, and votes only in case of a tie. Also, Congressmen under the present organization are not so servile as to accept the report of a committee without scrutiny. The same spirit of independent voting that pervades the country controls the actions of Congress.

The accusation that northern Democrats have been disloyal to the section which they represent, that they have been untrue to the Union which their kindred fought to preserve, is as absurd as it is dastardly. It is equally unjust to insinuate that southern Members of Congress feel no national responsibility, that they are actuated solely by a desire to gain something for themselves by depriving other sections of that to which they are entitled. It is a peculiar circumstance that they have claimed less and received less under the present administration than they got under recent Republican administrations. Under the CANNON régime especially there was a studied effort to develop a reserve corps of southern Members that could be relied upon in emergencies to put down revolts in the Republican ranks over the rules or over tariff schedules or over other matters vital to stand-pat policies. They did not gain much by the attempt, because progressive southern sentiment is quick to rebuke reactionary officials the same as northern constituencies, but in the attempt to thus gain allies millions of gold were dumped into southern creeks and bayous and Federal buildings were generously distributed among southern cities. One has only to refer to an old rivers and harbors act or an old public buildings bill for verification of this statement. Of course no publicity has been given to that circumstance, but the slightest consideration now given to the South is heralded to northern districts as something unprecedented and as something that should not have been thought of. Both the North and the South are entitled to equal and exact justice. It has been the purpose of the present administration to give that sort of treatment.

MEXICO.

Those who have no care for the present or future of Mexico, who wish to see the United States involved in complications, who sympathize with the element in and out of Mexico that would have the old order restored which kept the Mexican people in ignorance while their inheritance was being bartered away, who hold Mexican concessions which they are eager to exploit, together with those who like to print and read sensational news, are all united in a cry for war with our neighboring Republic. A desperate political exigency has caused the Republican Party and its standard bearer to join in this de-

mand for intervention in order to gain the support of the war promoters. They call this patriotism, but patriotism is not a selfish love—my land against all others, but my land for all others.

All these demands for intervention are reprinted in the papers of Mexico; all of the criticisms of the President's policy of forbearance and conciliation and helpfulness and peace find wide publicity there; mischief-makers have worked unceasingly upon the ignorance of the Mexicans in an effort to convince them that Americans are responsible for all the trouble that has come upon that unhappy country in recent years. With all these elements that make for irritation, resentment, and misunderstanding, and with the hopeless poverty and despairing misery of the Mexicans, and the war-torn condition of the country, it is little wonder that a considerable portion of the Mexican people has become reckless and even criminal and has made the possibility of a clash between the United States and Mexico imminent, perhaps unavoidable. In the circumstances, it is the province as well as the bounden duty of the dominant factor in the case to heal rather than to aggravate the rupture, to resist to the last degree of tolerance the impulse to use force.

There could be no credit to this Nation to whip Mexico. It would require a great stretch of the imagination to find anything in the accomplishment that could be made to reflect glory upon the greatest of modern democracies. Picture in your mind the sight of a giant Republic of 100,000,000 people, with resources equal to the resources of all Europe, springing at the throat of a weakling Republic of 15,000,000 half-starved, half-naked people, whose homes have been destroyed, whose cities have been wrecked, whose treasury is bare, from having been engaged for five years and longer in a war, perhaps a blind struggle, to free themselves from the tyranny that has kept them in darkness and ignorance and poverty. There is no honor to be attained in such an unequal contest. No one applauds a man who strikes a child. No one admires a giant who whips a cripple. No nation on earth would credit us with either courage, nobility, or good sense if we engaged in a war of subjugation and conquest with Mexico. It is to be hoped that calmer councils will prevail, that our peace-loving President will be able to overcome the conditions created by the scrdid war promoters and, taking Mexico by the hand, lead her to light, peace, liberty, health, wealth, and prosperity.

There should be no discordant voice in the United States as he counsels amnesty and a restoration of stable government and warns against a reign of revenge and terror. Mexico should understand that his voice is not the voice of a party, but the voice of the entire Nation. His power will be tremendously increased, the prestige of this Nation greatly enhanced, if Mexico understands, once for all, that the whole force of the American people is behind him.

We have heard much of the connection between preparedness and diplomatic achievement, of the need of a giant Army and a colossal Navy to give meaning and force to our words in negotiating with foreign countries; but, after all, the worst element of weakness in a nation, the element that will influence other nations more than military or naval weakness, is to have the people divided against themselves, torn by conflicting opinions, their voice that of Babel rather than one voice that rings clear and strong. Partisanship should stop at the Nation's boundaries. The President's failure in Mexico would be the Nation's failure. His triumph, by whatever means achieved, will be the Nation's triumph. It will be a tribute to the inspiration, vision, and high purpose of all America to have peaceful methods succeed and to avoid the slaughter and hatreds that would be engendered by resort to arms. The President has tried steadfastly, despite calumny, misinterpretation, and discouragement, to help Mexico; and, although the road has been rocky, he has driven far toward the ultimate goal of adjustment of all difficulties without intervention, which would engender an undying hatred in the proud and sensitive Latin spirit of Mexico, and, because of sympathy and race kinship, would forfeit the good will and intimate trade relations established during the past three years with South America.

In order to safeguard our border until the Mexican Government can gain full control over lawless elements, the United States has stationed an Army along the border. Inasmuch as the border between the United States and Mexico is about 2,000 miles in length, it requires a considerable Army to patrol it. The policy of having a military patrol of the border between two countries is not new nor peculiar. All of the neutral nations of Europe that touch the warring countries have such a border patrol, and usually for a border one-tenth to one-twentieth the length of the Mexican border they have three or four times as many soldiers as are now stationed by the United States along the Mexican border.

If peaceful means should fail and intervention should become necessary as a last resort, then the policy of having had the Army stationed for several months on the border will be shown to have been a very wise one. The soldiers are now being acclimated, hardened, and thoroughly trained. After several months on the border they will be able to enter Mexico without the frightful loss of life from sickness that would have otherwise attended such an expedition. By fall they will be seasoned soldiers, able to resist the climate and the elements, and to fight with multiplied skill and endurance. If we must enter Mexico to purge and to pacify it, there is no reason why we should not choose the season for the task and take time to acclimate, harden, and train the soldiers who are to be charged with that service. The complaint is made that it is expensive, but it is no more expensive to maintain an army there than to quarter it elsewhere in the country, and Congress, by only 25 opposing votes, voted to maintain a larger permanent regular army than this emergency has called out. If it is all right to pay for a much larger permanent army, even if it is to do nothing, why complain about the expense of this army that is performing a real service?

The charge of vacillation in dealing with Mexico is shown to be inapplicable when all the facts are considered. However, it is not a crime to change one's position, provided the change makes one nearer right. No doubt the constant prayer of Woodrow Wilson has been that of Socrates, who, when he feared that he had unintentionally taken a false position, would say, "I pray that He will impose on me the just punishment of him who errs; and the just punishment is that he should be set right." The person who is such a slave to consistency that he will not change his mind to conform to changed conditions is too small to be President of the United States. It will be remembered that Lincoln was charged with vacillation, and he replied: "Events are controlling me, I am not controlling events." Wilson can utter these words as truthfully in 1916 as Lincoln did in 1864.

AMERICANISM AND PEACE.

The most worthy accomplishment of the present administration—the one that the people will longest remember with pride and gratitude—is that the President has kept us at peace with the world. While Europe has been engaged in a wild orgy of slaughter, making its soil sodden with the blood of fathers, husbands, and sons, and inflicting untold hardships and sufferings upon women and children, the United States has passed safely through every crisis and its people have been free to enjoy the delights of peace and prosperity. This consummation so devoutly to be wished has been achieved without loss of essential honor or sacrifice of American ideals. It has been insisted with equal emphasis to all offenders, English as well as German, German as well as English, that our rights shall not be invaded and our demands for strict observance of our rights under international law have been respected. The Government was bound not by opinions but by precedent and international law. To depart from precedent in the midst of a war would be not a neutral but a distinctly unneutral act. Doubtless the strict adherence to international law has resulted in instances in unfair advantage to one or the other of the belligerents, but we could not make that our concern if we desired to maintain our neutrality.

Out of the turmoils and strife and bitterness this Nation has emerged unified, with a higher and truer Americanism and stronger nationally and internationally, ready to continue its course toward a high destiny. If in the excitement and stress of the times that tried men's souls there were criminations and recriminations between those entertaining different views as to the method to pursue to attain the end for which all prayed—that of peace with honor—a calmer state of mind has returned now that the storm has passed and the American spirit of fair play is again triumphant.

Thoughtful and fair people of all political parties can not fail to credit President Wilson with this great achievement—the preservation of the peace of the Nation and the consequent conservation of the lives of its young men and the resources of its people. However, the Republican candidate for the Presidency seeks to discredit his sincere endeavors and to repudiate the Congress which with unfailing and unfaltering loyalty has sustained him in his foreign policy.

For an answer to all such criticism we shall go to another eminent Republican Samuel W. McCall, now governor of Massachusetts, who in a lecture at Yale last year on "The Liberty of Citizenship" said:

To rebuild history in imagination and to avoid in our minds the errors that have been made is not at all a difficult art. It is no more difficult than to get rich out of yesterday's stock market. But the statesman who stands in the front of the advancing line and faces

the future has no control over the past. His domain is the present, and he strives to influence what is to come. He must act before he knows how things are going to turn out.

Gov. McCall has admirably described the difference between President Wilson and Candidate Hughes in this campaign. The President is the man who has been "in the front of the advancing line" and who had to act before he knew how things were going to turn out. Candidate Hughes has been sheltered in the cool and quiet cloisters of the United States Supreme Court and now rushes out to censure the man who has borne the heat and brunt of the battle.

Surely there can be no question as to Woodrow Wilson's patriotism, no question as to his solicitude for the dignity and welfare of the Nation. He has always kept a clear eye, a firm hand, and a level head at the helm of the ship of state and has steered it steadily to a true course when a single mistake at the rudder might have proved disastrous. There are very few indeed who would deliberately attempt to thwart him in his efforts to maintain the honor of the flag while keeping the country at peace, and yet, unfortunately, the attitude and criticisms of many overzealous partisan opponents, such as Candidate Hughes, have made the way harder than if he had been confronted with declared and open enemies of the Republic and its institutions. At no time in the history of the Republic has there been less room for politics in the discussion of questions touching the honor and safety of America. These continued criticisms and aspersions have served to create the impression in the countries with which he has had to untangle international problems that his voice is not the true voice of this Nation and that his demands might be denied with impunity, because a strong adverse sentiment here would tie his hands and render him helpless to insist upon his demands. The fact that he has been able to overcome these almost insuperable partisan obstacles and to achieve a victory in every essential contention demonstrates not only the justice of his position but the tremendous power and almost superhuman patience and self-restraint of the man.

CONCLUSION.

The record of the present administration is truly remarkable whether we consider its legislative and administrative achievements or its successes in diplomacy. At no time since Lincoln have conditions of equal delicacy and difficulty confronted this Republic, conditions upon which have hinged the influence and prestige of the United States in world affairs for many years to come. Never has America raised her head more majestically above the storm. Never have high principles and robust ideals been contended for in language more calculated to carry conviction. Never have public questions been regarded more in the light of patriotic duty and less in the light of partisan expediency. The result has been to bring a brighter justice and a broader liberty to the people of this country and to furnish to the world an example which all nations should hope to emulate.

The CHAIRMAN. The Chair desires to state that the gentleman from North Carolina [Mr. WEBB], as the Chair understands, has only three minutes remaining.

Mr. WEBB. Mr. Chairman, I forgot to state to the Chair that the gentleman from Minnesota [Mr. VOLSTEAD] has been good enough to yield me 30 minutes of his time.

Mr. GARD. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. SMALL].

Mr. SMALL. Within the few minutes that I have I can deal only in a general way with the principles affecting this bill. It is one of the most important pieces of legislation that has been brought before the Congress for consideration. It might well be entitled a bill to promote our foreign trade, because that is the sole purpose of the bill. The bill in its form simply exempts from the operation of the antitrust laws the selling associations or combinations which may be formed for the purpose of engaging in our export trade, in that way removing prohibitions contained in the original antitrust law as amended and the Clayton Act. The bill further provides that the act creating the Federal Trade Commission and prohibiting unfair methods in competition, shall have application as between associations in the export trade. So that every safeguard is thrown around this piece of legislation, that no injury shall ensue to those who are engaged in selling or producing in our home markets.

The increase of our foreign trade is a matter of great importance. Gentlemen oppose this bill who are recognized as distinguished leaders of labor organizations. I say, with the greatest respect to the gentleman from Illinois [Mr. BUCHANAN] and the gentleman from Colorado [Mr. KEATING], that they are not representing the best interests of labor in opposition to this bill. Whatever extends our foreign trade increases production in the United States. Increased production means greater demand for labor, and it necessarily follows that with that we shall have larger wages and better conditions. Our prosperity is involved more directly in the increase of our foreign trade perhaps than in any other one factor. For many years, practically during the last century, our exports consisted of products of the field, the forest, and the mine. Only at the beginning of this century did we begin to export a fair proportion of manufactured products. In 1900 they constituted about one-third of our total exports, and at the beginning of this war, in 1914, nearly one-half. The export trade of the other great exporting countries of the world, notably the countries of continental Europe, have specialized to a very high degree. They have advantages over us in that most of them who do large foreign trade own their own ships, as we do not. If we compete with them, we must compete on equal terms. It is a truism in trade and in business that competition must be upon an equality with your competitors, and the purpose of this bill is simply to unshackle the selling associations engaged in the export trade from the provisions of our antitrust laws, so that they may engage upon a parity with the manufacturers or producers in other countries who are our competitors in the markets of the world.

We can not secure this foreign trade, we can not perform this act, which is so essential to our continued prosperity, unless we put our exporters upon this plane of equality. The gentleman from Colorado [Mr. KEATING] said that powerful interests are in favor of this bill. I have no knowledge of the truth of his statement, but, if there are powerful interests, I wish to remind the House that we had an instance yesterday of powerful interests coercing the Congress of the United States to establish an eight-hour day to railroad employees, and that of those powerful interests the gentleman from Colorado [Mr. KEATING] and the gentleman from Illinois [Mr. BUCHANAN] are distinguished exponents. It does not lie in their mouths to talk about powerful interests being behind any legislation before this Congress. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. SMALL. I suppose I can not have any more time?

Mr. WEBB. I am very sorry. I wish I could give the gentleman more time.

Mr. VOLSTEAD. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. BENNET].

Mr. BENNET. Mr. Chairman, I intend to vote for this bill, but it does seem to me the facts in relation to it should be candidly stated to the House. The report states, and states correctly, that the necessity for this legislation rests largely upon the doubt that exists in the minds of our exporters as to the correct construction that should be placed upon existing antitrust laws as applied to organizations engaged in export trade. And I am interested in one statement in the report. Speaking of shipping, it says frankly and correctly:

> Some of these countries grant additional advantages in the way of preferential freight rates for export shipment.

I have heard Democrats for many years deny that there was any of that kind of subsidy given foreign steamship lines, and I am glad to have this express statement to the contrary in the report from the able and well-equipped Democratic Committee on the Judiciary.

Mr. WEBB. I will say to my friend from New York that I got that information from the report of the Federal Trade Commission.

Mr. BENNET. And it is true.

Mr. HARDY. If the gentleman will permit me to state, that same fact has been stated by the Committee on Merchant Marine and Fisheries. Every Democratic Member knows that fact to be true.

Mr. BENNET. I am glad that in a Democratic Congress that has had facilities for getting information, they have at last gotten the truth, which was known——

Mr. HARDY. Will the gentleman permit me further?

Mr. BENNET. I am sorry I can not; I have only 10 minutes.

The CHAIRMAN. The gentleman declines to yield.

Mr. BENNET. Now, the fact about this bill is this: I have not any doubt that at some time in the future it is going to help the small manufacturers. And the situation is very simple. So long as foreign competitors have huge combinations or large combinations with which they control trade in countries where we must compete, if we are to have an export trade we must either have large combinations or keep out of the export trade. Now, I will admit, people can take their choice. So far as I am concerned, I want to get into the export trade, but I am not willing to let this House vote on the bill with the idea that it is simply to help out combinations of small exporters. It is not. The bill will immediately be largely utilized to help out the allied industries of the National City Bank of New York. Why not tell

the truth about it? In November, 1915, they organized the American International Corporation. I do not assume that. You can find out the facts in their circular of August, 1916. They have formed a combination, and in connection with the combination exhibit what I will call for lack of a better term "the new honesty." They believe in doing things and telling the public about it. They organized the American International Corporation under the laws of the State of New York for the express purpose of going into the foreign trade business, and they bought a large interest in W. R. Grace & Co., doing an extensive shipping business. They bought a large interest in the United Fruit Co., owning extensive plantations and other interests around the Caribbean, and operating steamers in that trade. They bought a large interest in the International Mercantile Marine Co., the largest owner of shipping anywhere. With their selling agencies you do not have use for the organization of more selling agents. They tell very frankly of the organization of one of them, the Allied Machinery Co. This company was previously organized to act as foreign sales agent for certain American manufacturers of machine tools.

In addition to that they have organized the Latin-American corporation under the laws of Maine, and that corporation will make its headquarters in Buenos Aires. They have also organized the American International Terminals Co., and through another subsidiary now control the Bank of Haiti. So that the situation is this, that the stockholders of the National City Bank already own or control selling agencies in South America and the only two large shipping lines between North and South America, W. R. Grace & Co. and the United Fruit Co. Then in connection with the European trade they have a substantial interest in the largest ship-owning corporation in the world, and in addition to that they have a contracting concern, and the first accepted contract was with the engineering firm of Ulen & Co., of Chicago, a $5,000,000 proposition, to build water works and sanitary works in three cities of Uruguay. They are going to be paid in government bonds of Uruguay and they are going to market those bonds as the debentures of the American International Corporation. In addition to this the same interests have now purchased the well-known, old-established bond house of N. W. Halsey & Co., control the Bank of Haiti, and have branch banks all through South America. We are on the era of a great experiment and a great problem. I am for this bill because I believe in this foreign trade——

Mr. HULBERT. At that point will my colleague yield for a question?

Mr. BENNET. Yes.

Mr. HULBERT. Has my colleague heard it suggested by firms engaged in export trade that the establishment of free ports in this country would be of considerable aid to the extension of export trade to South American countries?

Mr. BENNET. I have not heard it stated by any firms, but I believe it to be a fact.

Mr. HULBERT. Does not my colleague believe it would be advantageous to the extension of our export trade to provide in this bill for a study and report of the feasibility of establishing free ports in this country as an aid to building up our export trade?

Mr. BENNET. I would vote for it myself.

Mr. Chairman, how much time have I?

The CHAIRMAN. The gentleman has three minutes remaining.

Mr. BENNET. Mr. Chairman, in conclusion I want to read in connection with this bill from the Report on the Committee on Cooperation in Foreign Trades of the National Foreign Trade Council, which submitted a pamphlet, I think, to all the Members of the House, advocating this bill. I will read a part of it. They said, first, or they made a declaration, in favor of this principle in connection with the Webb bill, H. R. 16707, on May 27, 1914. And then they say, this nonpartisan body:

> The declaration came at a time when industry languished, labor was idle, and machinery stood still. A steady increase of foreign trade, beginning in 1908, had been arrested. Exports in 1914 had fallen below 1913, but imports had increased. Natural commodities predominated in the exports and finished manufactures represented the enterprise of a comparatively small number of industries. The recent enactment of a competitive tariff—

Alluding, of course, to the Underwood tariff—

> had turned the eyes of many producers to foreign markets. Slack demand at home prompted investigation of opportunities abroad, for both those already embarked in export trade and those desirous of beginning found across their path the obstacle of European government-encouraged export combinations, enabled by cooperation to eliminate destructive competition, reduce the cost, and increase the efficiency of foreign selling.

They also said:

> Manufactures, devised by American inventive skill and fabricated by American labor, well adapted to foreign needs, remained unexported because the cost of introduction to the over-sea consumer was too great for the individual company and cooperative effort on the European plan legally too hazardous. Meanwhile leagues of foreign buyers, skillfully playing one group of American producers against another, were obtaining the products of American fields, forests, and mines at less than domestic prices.
>
> EUROPE'S ADVANTAGE.
>
> Foreign manufacturers thus obtained American raw materials more cheaply than American manufacturers, a telling advantage in the ultimate contest to market the finished merchandise. The American producers thus exploited dared not cooperate. An incalculable advantage rested with Europe.
>
> WAR-TRADE PROSPERITY.
>
> The European war restored prosperity to the United States. Abnormal demand and prices for munitions, foodstuffs, and raw materials accelerated industry and recalled idle hands to the forge. During the fiscal year ended June 30, 1916, exports exceeded imports by more than $2,000,000,000. Trade with neutral markets, as well as Europe, has grown. Export commerce is more diversified, a greater number of manufactured articles being sold where natural products formerly predominated. The full-time and overtime operation of many mills and factories is due to foreign demand.
>
> The principle that foreign trade is a vital element in domestic prosperity is daily demonstrated. An unprecedented proportion of American labor and invested capital is now dependent upon foreign markets.

I want to call the attention of the House to the fact that while we are voting for this bill, and while it is a good bill, that if we had maintained the rates under the Payne bill and maintained the home market against the assault of the foreign manufacturer, we would have had so much to do at home, not only in spots and in connection with the trade in munitions, but in connection with general manufacturing industries of the country, that we would not have been confronted with the pressing necessity which now exists for this bill.

Under the Payne law exports increased in four years $720,000,000, or a yearly average of $180,000,000. Under the Underwood bill they show in the 10 months between October 1, 1913, and August 1, 1914, $180,000,000. Therefore we now have to pass bills to encourage exports other than those consisting of munitions or caused by the war abroad. What we need most in the way of legislation is a tariff which, after the war, will protect our home market, which consumes 93 per cent of our manufactures. It is right and proper to look after the 7 per cent, as this bill does, but when the Republican Party returns to power March 4, 1917, it will look after the 93 per cent as well.

Mr. VOLSTEAD. Mr. Chairman, I desire to offer a few remarks in reference to this bill. I realize that it is going to pass and know that I can not convince this House that it ought not to do so. The public press is in favor of it, and there seems to be a growing conviction that the Sherman antitrust law has about outlived its usefulness.

My attention has been called to an article in the Washington Post of the 30th of last month by "Holland," calling attention to the general drift away from the Sherman antitrust law. It seems to me he is justified in saying we are drifting away from it. We passed the Clayton Antitrust Act, so called, but anybody that has given it any consideration, anybody that has consulted with lawyers who have had to apply it, agree, I believe, that it is a long step toward reducing the rigors of the Sherman Antitrust Act. We have just passed a shipping bill. That contains another provision that wipes out a portion of the Sherman Act.

Now, we are asked to change that law by still further reducing its force and its scope. I do not believe that this law ought to be passed at this time, in the closing hours of this session. It is too important. It may seem strange that so few have protested against its passage. Still I am not surprised, knowing the interests that are behind it. These interests are apparent from the hearings, the newspapers, and from the letters that have reached Members. I want, however, to call your attention to this bill and what it really means. I believe this House ought not pass it blindly. I do not believe there are a dozen men on this floor that have the least realization of what it does in fact mean. We are providing that the Sherman antitrust law shall not apply to export trade; but we are doing much more than that.

How are you going to separate the export trade from the domestic trade? Anything that materially affects the foreign trade will of necessity affect the domestic. You authorize the creation of corporations that will have the right to restrain trade. That means that they may do anything to prevent others from competing with them. They may make contracts with foreign corporations that will give them exclusive control of all the trade in any line in any country; they may divide their earnings with such foreign corporation to effect their purpose, or engage in any or all of the methods condemned by our courts as illegal under the Sherman law. At home these methods have ruined competitors. In trying to have this bill passed you leave the impression that these methods may only be used against the foreigner, but that is not true. There is no

attempt in this bill to distinguish between the domestic and the foreign exporter. Under this bill the corporations to be created may use against his American competitor the same lawless means that you permit against the foreigner. He may use the means that has been successfully employed to bankrupt rivals at home, and you say by this bill that such methods shall henceforth be legal. You plead for the small manufacturer. It is the old story. When you try to punish a corporation you are reminded of the widows that own the stock. It is only the strong that can stand such competition. The little fellow never asked for lawless competition. The large corporations do not need this law; to them it is only of service to exclude the small competitor. This bill is misnamed. It should have a different title from that which has been given to it.

Instead of being called a bill to aid export trade, it should be called a bill to suppress competition in the export trade. Who will be the ones against whom the corporations you create will direct their lawless methods? Why, it will be chiefly against the people at home. It will be against their competitors here, because those are the ones with whom they will mostly come in contact.

Mr. BORLAND. Does the gentleman care to yield there?

Mr. VOLSTEAD. I have not much time, and I would rather not.

Mr. BORLAND. I just wanted to ask the gentleman whether his hearings did not disclose that the small manufacturer in this country had very small opportunity at present in export trade?

Mr. VOLSTEAD. I will come to that in a minute if you will permit me. You will remember that a few years ago the manufacturers of steel rails arranged with European combinations to parcel out the world's market in steel rails. Nobody could enter the steel-rail business while that pool was in force. Such a combination will be absolutely legal under this bill. Are you going to vote for that sort of a proposition? That is the kind of a proposition that is put up to us here to-day. I do not believe I will unless the bill is materially amended. I believe it can be amended to make a good bill. I could give you any number of illustrations of cases where this bill will not help but will give a license to rob the man at home as well as the man abroad.

But I want to call your attention to another feature of this bill—its effect on home industry. Just as soon as this bill becomes a law it will become legal for the various corporations that may be engaged to some extent in the foreign export trade to organize foreign selling companies. They may sell only a few goods across the border in Canada after they have organized such company. They may hold their annual meetings or their monthly or weekly meetings at which they can fix the export prices of their goods from which their prices at home may be fixed without any difficulty and without any agreement.

We all remember the Gary dinners. The Gary dinners did not undertake to fix prices, but still the Gary dinners were declared illegal as the consultations had at these dinners were sufficient to fix prices without any agreement. These meetings will be legal and there will be no necessity of any formal agreement as to domestic prices, and agreement as to foreign prices will be enough. What will become of competition after these organizations have become general?

I understand we have to-day in this country arrangements between coal operators that are effective in maintaining uniform prices. They have a secretary to inform each member of the combination at what price each is selling his coal, and that notice alone is sufficient to maintain uniformity of prices. I understand they have another arrangement on the Pacific coast in reference to lumber—I mean shingles—that operates on the same principle and with the same effect.

A number of other instances can be cited where that plan works to the utter destruction of competition and in disregard of the Sherman antitrust law. You are legalizing this method of evading the Sherman law under this bill. Do you think you ought to pass a law open to all those objections? It is urged that we ought to because in foreign countries there are large combinations, and that the only way we can protect ourselves is to have large combinations in turn. That argument does not appeal to me. I want to tell you that there is no country under the sun that has as large combinations as the United States. There is no combination in any other country of the world that can match the United States Steel Corporation. It is in a class by itself, but there are others—the American Tobacco Co., the Standard Oil Co., the International Harvester Co., and scores of others challenge comparison. I could read you a list of concerns that outmatch anything there is in any foreign country. Let me give you a few of them: The General Electric Co., with $179,000,000 of assets; the Swift Co., with $206,000,000; the Armour Co., with $209,000,000; the American Can Co., with $106,000,000; the American Tobacco Co., with $176,000,000; the American Sugar Refining Co., with $122,000,000; the American Smelting & Refining Co., with $200,000,000; the American Locomotive Co., with $124,000,000.

I could go on and enumerate dozens and dozens of those large corporations. The fact of the matter is that nearly every American industry in this country capable of combination is combined more effectively than if a part of a cartel, which, I understand, rests upon agreements as between the parties.

Mr. FIELDS. Mr. Chairman, will the gentleman yield for a moment?

Mr. VOLSTEAD. Yes.

Mr. FIELDS. Does the gentleman realize that these corporations referred to are already in the market in every country in the world?

Mr. VOLSTEAD. Yes; these corporations are in the market, and I have not been able to find any little corporation that wanted to get into the market. The scheme is being pushed by the large concerns. They no doubt want this sort of an organization, so that they can go out and exclude the small competitor. And you will find, if this bill passes—and I have no doubt it will—that that is the effect it will have. It will exclude the small fellows and give greater monopoly to the large corporations.

Mr. FORDNEY. Mr. Chairman, will the gentleman yield?

Mr. VOLSTEAD. Yes.

Mr. FORDNEY. What "large concerns" does the gentleman mean? Did they appear before the committee—these people?

Mr. VOLSTEAD. They did not all appear.

Mr. FORDNEY. If they did not all appear, how does the gentleman know they are engaged in attempting to get this law enacted? How does the gentleman know they are scheming to get this law?

Mr. VOLSTEAD. I know that every large newspaper in the country is in favor of it. That sort of a propaganda does not spring up without somebody pushing it. I know, from the letters that have been sent out in favor of it, and the character of support it has had generally.

Mr. WEBB. Mr. Chairman, will the gentleman yield?

Mr. VOLSTEAD. Yes.

Mr. WEBB. Is the Springfield (Mass.) Republican a corporation-owned paper?

Mr. VOLSTEAD. Well, I am not here to be cross-examined as to who owns all these newspapers.

Mr. WEBB. You said "all the press."

Mr. SLOAN. The gentleman said "the metropolitan press." Springfield is not a metropolis.

Mr. VOLSTEAD. I want you to point out in this bill any protection against the dangers to which I have called attention. This bill is carefully drawn for the very purpose of giving the power to which I have called attention. The very object of this bill is to give a license not only to exploit foreign corporations and buyers but to exploit our own people in the foreign trade. [Applause.]

Mr. WEBB. Mr. Chairman, I yield to the gentleman from Illinois [Mr. TAVENNER].

The CHAIRMAN. The gentleman from Illinois [Mr. TAVENNER] is recognized.

Mr. TAVENNER. Mr. Chairman, I wish to ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Illinois [Mr. TAVENNER] asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. WEBB. I yield five minutes to the gentleman from Kentucky [Mr. FIELDS].

Mr. FIELDS. Mr. Chairman, it seems to me that a good many of the gentlemen who have spoken on this bill fail to distinguish between selling agencies, as provided for in this bill, and purchasing agencies. Many of them fear that it will result in a trust that will monopolize the purchasing of the grain, cotton, and manufactured products of this country. That is not the purpose of the bill. The purpose of the bill is to create selling agencies in the markets across the sea. The gentleman from Colorado [Mr. KEATING] seems to oppose the bill because he believes the great and powerful interests of the country are behind it. Does not the gentleman know that every great corporation in this country is now represented in the markets of every country in the world, and does he believe for a moment that these great companies will unite with their smaller competitors in the markets of the world when this bill becomes a law? Every man who has had any experience in selling goods knows the contrary is true. While I have not been an exporter or connected with the export business, I have

had some experience in selling goods. In fact, my business life before I came to Congress was confined to that line of business. Every man who knows anything about selling goods and wares knows that the greatest element of cost in business is the selling cost. Now, there are many manufacturers in this country who can not go into the foreign market because the selling cost that they would have to incur would be so great that it would absorb, or more than absorb, their profits.

Mr. DILLON. Will the gentleman yield?

Mr. FIELDS. I can not yield in the five minutes that I have. We will take, for instance, the International Harvester Trust. That trust is in all the markets of the world; yet there are small manufacturers. Perhaps one is manufacturing a drill; another manufactures a rake; another manufactures hoes; another manufactures plows; and under the provisions of this bill these different firms can organize and form a selling agency with each firm represented in the foreign market, whereas neither one would be able to go into the market single handed and alone, because, as I have said, the expense of putting a representative into that market would be greater than would be justified by the amount of business that he could possibly secure.

They talk about the monopoly that would be formed under this law. Does not every man know, who knows anything about the selling of goods, that the profits of every firm depend upon the amount of goods that it sells? Therefore, would they organize a selling agency under this law for the purpose of suppressing business? It will be the aim of that association to get every dollar's worth of business that it can get; and while I do not know how these agencies will be organized, I suppose that each member of the association will be taxed according to the amount of business that the association gets for him. That, in my opinion, would be the part of good business judgment. Therefore the agency, in order to exist, must get business in the foreign market. No man can believe for a moment that the United States Steel Corporation would go into this agency or would form an association with other manufacturers of steel products, because the United States Steel Corporation is already in the market, and it will not be worth anything to that corporation to form these agencies. But it will be worth something to the small manufacturers, who are not able to go alone into foreign markets, but who by this association can lessen the expenses so that they may go in.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WEBB. I yield five minutes to the gentleman from Indiana [Mr. CLINE].

Mr. CLINE. Mr. Chairman, I believe this measure, whose object is to "aid and encourage our manufacturers and producers to extend our foreign trade," ought to receive the united support of the membership of the House. The bill seeks definitely to exclude the operations of the Sherman Antitrust Act of 1890, and acts amendatory thereof, from operating against combinations engaged exclusively in the foreign trade. The Federal Trade Commission and the Secretary of Commerce do not now believe that such combinations for foreign trade exclusively constitute a violation of the Sherman Antitrust Act, but favor this measure solely to make certain that of which many good lawyers are in doubt. We are confronted with this situation: We are the greatest export Nation in the world. The immense volume of our foreign trade has aroused the jealousies of our competitors and driven them to measures to secure a part of our business. For more than 20 years England, Germany, France, and recently Japan, have been strengthening their commercial relations in the world foreign markets. Manufacturers and exporters of these countries have established selling and purchasing agencies in all the principal markets of the world.

The respective countries have authorized their great financial centers to establish branch banking institutions to handle the credit of their several agencies. The German people, quick to conceive the possibilities of combinations in both buying and selling the German products, have encouraged their several great industries to act as a unit in their respective fields in both selling their productions abroad and in purchasing their raw material for importation. The exporters of coal, glass, dyestuffs, pottery, and many other articles are a unit in their respective fields. When they buy lumber, coal, copper, cotton, and electrical equipment of us their system is so complete, so perfect that they play one American seller against another, hammer down the market, and buy for less than any foreign people, and buy for less than the manufacturer sells to the domestic consumer at their very doors. That is the condition we are face to face with. But what makes it more perplexing than before is that these combinations are more extensive. Not only the manufacturer and producer of one country are combining, but the manufacturer and producer of frindly countries are uniting. The countries aligned in the present great war are associated together for aggressive action. Nothing appears to me more imperative than some action of the Congress to meet the situation. The great manufacturing nations of Europe are staggering under many thousands of millions of indebtedness. There is no way to meet this immense debt except from profits on foreign business. They have vast volumes of inflated currency and securities without sufficient gold reserve. Every effort will be resorted to to capture our markets and fortify their credit with the gold now in American vaults. Not one of the countries of Europe with a foreign commerce worthy of the name but what has back of all its enterprise and every undertaking for the benefit of its trade the Government in which it is situated. Germany and England before the war had more than 500 selling and purchasing agencies scattered through the world.

I am in favor of putting the American exporter in the same relation with his business that the foreign exporter is. I deprecate very much the fact that the gentleman from Colorado [Mr. KEATING] and the gentleman from Minnesota [Mr. VOLSTEAD] have thrown into the discussion of this proposition an assumption that an invisible force had acted upon the committee, or brought its influence to bear in shaping this legislation. That is very cheap talk. When a man desires to make that kind of a statement the principal thing to do is to state specific facts and not cast over the subject the shadow of some hazy doubt reflecting upon the committee.

In what situation is the American exporter placed with reference to his business? In the first place, his competitor abroad has all the carrying power to get the goods to the foreign markets. In other words, the American exporter must rely upon his competitor for the means of getting his goods into the same market that he is contesting for. In the third place, he has to face the differential freight rate offered by the Government that stands back of the foreign exporter to the same market. In the next place, he had to face a combination of all these forces that act as one man in the sale of their respective products.

There can be no question but what, after this war is over, there will be the greatest competition in the foreign trade that the world has ever seen.

Another fact that we have come to know is that no nation was ever great and prosperous that did not have a great foreign trade. We manufacture 30 per cent more goods than we consume. If we were unable to dispose of this surplus, of course calamity would follow. It is the business of this country to see that the markets of the world get the advantage of our manufactured products.

Not only that, Mr. Chairman, but in the great conflict now going on abroad the allied nations have entered into combinations to assist and maintain one another in their export business. This bill does not provide for a purchasing agency; it provides for a selling agency. For instance, the only help that we now have in disposing of our goods abroad——

Mr. DILLON. Will the gentleman yield for a question?

Mr. CLINE. I yield to the gentleman.

Mr. DILLON. Would not the exporting business include the right to purchase in order to export?

Mr. CLINE. Not in a foreign market.

Mr. DILLON. No; in our local markets.

Mr. CLINE. Of course it includes the right to purchase, but not in a foreign market.

Mr. DILLON. To purchase in a local market and sell in a foreign market.

Mr. CLINE. Yes; but the gentleman forgets one proposition, and that is that there is always competition in this country in the export trade, and gentlemen forget one other proposition, and that is that we do not supply the market regardless of others. In every market which we enter we find competition from every quarter. Consequently that is a check upon any price monopoly that we might seek to maintain.

The American business man, single handed and alone, is compelled to spend many thousands of dollars to establish one agency, and find after it is established his associate manufacturer in the same line of business underselling him to the united purchaser. It is well stated in the report, "Why not give our producers and manufacturers the same advantages as their competitors have?" Of course I would not be in favor of the bill if in any way it was to be made applicable to our domestic trade. I would go further, if possible and give the exporter a preferential freight rate to meet these powerful international organizations who associate themselves together against American business.

But, Mr. Speaker, let us resort to more direct evidence of the purposes of foreign Governments as exhibited in the foreign press. The London Times of one week ago took the American Republic to task for its neutrality in the present great European war. It speaks vindictively and with bitterness. I quote as follows:

There was a moment at the beginning of the war when the whole duty of the American Government palpably and surely was before it. For good or ill, that moment was allowed to pass. America did not intervene, did not move. If by this failure she lost nothing of material importance, and may, for that matter, rather have gained in so far as her own immediate advantage is concerned, she certainly forfeited post bellum rights which would have been hers if she had taken upon herself the burdens and responsibilities of interference. This view of her position is fully appreciated in those quarters where American neutrality is upheld in the face of all criticism, and, obviously, is the correct view.

Undoubtedly the Times speaks with some authority; at least it voices the opinion of England's administrative officers. It is difficult to understand clearly what is meant by "intervene" unless it is understood that we should have intervened to redress the invasion of Belgium. We were under no legal duty to intervene in Belgium, and consequently violated no international law or principle when we refused to intervene. The Times, if it speaks authoritatively, is assuming a large rôle when it attempts to censor the conduct of a neutral nation because in the observance of well-recognized international law we did not seek to waive it for England's benefit and advantage in a foreign war. No nation can erect a code of morals that shall violate well-settled principles of international law and compel neutral nations to observe it simply because it is to its advantage to do so. The text says, because we did not intervene we "forfeited post bellum rights which would have been hers if she had taken upon herself the burdens and responsibilities of interference." We are to understand by that expression that post bellum rights are matters of contract to be bought or lost according to our conduct. We enjoy no rights dependent upon the favor or bounty of any individual power, and no such power has a right to dispossess this Nation in its sovereign rights of the exercise of those fundamental principles that lie at the very base of international obligations. We shall continue to assert our rights that are not dependent upon the caprice of any other power. Our trade opportunities must be increased and a wider field for our export business, to be permanently held, must enlist the earnest support of Congress. I hope the bill will pass.

Mr. WEBB. Mr. Chairman, I yield five minutes to the gentleman from Missouri [Mr. BORLAND].

Mr. BORLAND. Mr. Chairman, this bill is designed to promote the export trade of the United States. It is an attempt to harmonize the law and regulations of this country with the actual conditions of competition in the foreign market. For some time I have been studying this situation, because I have the honor to represent one of the great commercial centers of the United States—one of the great primary markets of the rich Mississippi Valley, and one which will inevitably be a leader in the export trade of this country in the near future. Kansas City is the farthest point inland which has water connection with the seaboard, and is the center of an immense agricultural producing area.

I am one of those who believe that this country has finally passed the crest of the wave. From its foundation down to within the last decade it has been an exporting country of raw material. In other words, it has been stripping itself of its natural resources and selling them in the free-trade markets of the world under the strongest form of competition. Within the last decade, however, the tide has turned, and now we are exporting more manufactured goods than we are raw material. This will be our commercial destiny for the future. If it were not for the war in Europe causing such an extraordinary demand for wheat, cotton, and beef our exports of raw material would be very much smaller in comparison to our exports of manufactured goods.

It is to the advantage of our country and all classes of our population that we build up a foreign trade in manufactured articles rather than depend upon the export of raw material. When we send abroad raw material such as wheat or cotton, it follows inevitably that the capital and labor of other countries will be expended on that material to bring it to condition for consumption. We should be prepared now to expend our own capital and labor upon our own material and ship it abroad ready for use. The nearer an article can be brought to a condition for actual consumption the better its economic value is to the country which produces it. The wilderness country, with a large amount of undeveloped resources, with scant population and with little local capital, must depend upon the shipment of raw material in order to enter into the commerce of the world, but a highly civilized and developed country must inevitably pass beyond the wilderness stage and must find sooner or later that it is doing itself an economic injury in not expending all the capital and labor necessary to get its own products on the market ready for consumption. In other words, I believe that it is an economic crime for a nation to continue to export raw material when it could export manufactured goods. This is neither Democracy nor Republicanism, but plain business sense.

Take the subject of breadstuffs, with which I am principally familiar, and which constitutes the great source of wealth of the Mississippi Valley. It is manifest that if we send abroad wheat, as we have been doing for the last hundred years, it will be ground into flour by foreign mills, to the advantage of foreign capital and with the employment of foreign labor. The by-products, such as the bran and shorts, will feed the dairy herds, and develop the milk, butter, and cheese industry of the countries where the mills are located. And the flour, if not consumed in the country where manufactured, will be sold in the neutral markets of the world under a foreign trade-mark by foreign selling agencies, to the profit of foreign concerns. All of this is done with our wheat, and has been done for nearly a hundred years. How much better it would be for us to send abroad the flour, after having expended upon the wheat our own capital and our own labor, and reserved to ourselves the advantage of the by-products in our own country.

How much better it would be for us to build up a trade on American flour, manufactured in the Mississippi Valley, under our own trade-marks and brands, so that the excellence of our products and the prices they were able to command in the market would be to the advantage of our own people.

We all know that to the south of us, from the Rio Grande to Uruguay, is a group of nations who are almost without an adequate local supply of wheat flour. This group of South American countries buys a large quantity of its flour from the port mills of England, and from Hamburg and Bremen. In many cases it is made out of American wheat. This trade should all be ours, but we have not been able to command the trade because we have not furnished the proper instrumentality to reach it. We have not had shipping facilities under our own flag. We have not had American banks and financial institutions in foreign countries; we have kept up a tariff system which drove the trade of those countries to Europe and excluded it from our own ports; and we have had no method of supplying the customers promptly, regularly, and with a due consideration to their local demand. We have had no method of extending the credit to carry on transactions over a long period of time and throughout an extensive trade territory.

The great cities of the Mississippi Valley are filled with splendid modern flouring mills, and a few of them have been able to enter the foreign trade, but in a rather unsatisfactory and sporadic manner. Even the larger mills of ample capital find a difficulty in establishing selling agencies of their own and meeting the enormous expense necessary to place their goods directly on the market. Most of our American flour, therefore, has gone unbranded in bulk to foreign selling agencies who were able to meet a draft drawn against a bill of lading. These foreign selling agencies in turn brand the flour with their own mark and make the profit on its sale. The smaller mills located in the small towns all through the Mississippi Valley have had no method of reaching the foreign trade at all.

I have instanced flour, but I might go further and say that we could manufacture crackers, biscuit, and breadstuffs, packed and prepared to meet the local demand of other countries.

The purpose of this bill is to permit a number of business men to unite in establishing selling agencies in foreign countries through which to market their goods. The contracts or agreements under which these selling agencies are established are subject to the supervision of the Federal Trade Commission so that they may not result in a monopoly or tend toward the restraint of trade in our country. It seems that all classes of business men who have studied this subject are in favor of this legislation, but some fear that it is an abandonment of our policy as expressed in the Sherman antitrust law and other acts for the suppression of monopolies. It does not seem to me that this is the case.

In the first place, I do not think this law is needed for the encouragement of the great industrial combinations of our own country. The Steel Trust is amply able to enter the foreign market through its own agencies. The Standard Oil Co. has been in the foreign trade for years. The American Tobacco Co. and the Beef Trust have never found any difficulty in seeking a foreign market. This law is not needed for the great combinations of capital which we now have, but it is needed, as it seems to me, for the countless small manufacturers and many

business men whose capital is comparatively large, but not large enough to handle the trade in their line of even a single foreign country. We must not forget that when our business men go abroad to seek trade they must be in a position to go after the business and get it, and thereafter to hold it on terms at least as favorable as the competitors whom they find in the field. All of the great commercial nations of the world who seek the markets of neutral countries have adopted this principle of selling agencies through which a number of business men can unite in marketing their own product. This is true of Germany, France, and England.

Those who fear that we will aid in some way American trusts by this law must direct their attention to the fact that we are to-day feeding the foreign trusts with our raw material or our partly manufactured goods, and they are skimming the cream off of our industry in the foreign field. We must continue to help these foreign trusts, or we must have some form of lawfully meeting their competition, for this country is getting too big to confine its business within its own borders.

I am extremely anxious to see this important step taken, especially at this time, when the field of foreign commerce is so inviting to us. Now that the great commercial nations of the world are finding their resources taxed to the uttermost to maintain a struggle for national existence, they are not in a position to throttle, as they certainly would throttle, an attempt on our part to gain a foreign trade. On the contrary, the countries which have formerly been supplied with goods by our commercial competitors are now anxious and eager to welcome our efforts to open communication with them. We must take this step now before the war in Europe ends, for, after peace is declared, a great economic struggle will begin. Such a struggle is inevitable, for the countries which have been impoverished by war have always maintained a high degree of industrial skill, and they must bend every energy toward restoring the losses and ravages of the present conflict. The time is peculiarly favorable for this attempt, and I hope that among the other triumphs of this administration for the good of our Nation may be the definite entry of America and all of its producers and business men into the great foreign markets of the world on a basis of strong and active competition which will bring the tide of wealth continually into the ports of this country.

Mr. WEBB. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee determined to rise; and the Speaker having resumed the chair, Mr. RUBEY, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 17350 and had come to no resolution thereon.

UNITED STATES EMPLOYEES' COMPENSATION.

Mr. WEBB. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 15316, an act to provide compensation for employees of the United States suffering injury while in the performance of their duty, and for other purposes, and that the House insist on its amendment and agree to a conference.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to take from the Speaker's table the bill H. R. 15316, and that the House insist on its amendment and agree to the conference asked for. Is there objection?

There was no objection.

The SPEAKER appointed as conferees on the part of the House Mr. WEBB, Mr. GARD, and Mr. VOLSTEAD.

PROMOTION OF EXPORT TRADE.

Mr. WEBB. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 17350.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 17350, with Mr. RUBEY in the chair.

Mr. BORLAND. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WEBB. Mr. Chairman, I yield three minutes to the gentleman from Texas [Mr. SLAYDEN].

Mr. SLAYDEN. Mr. Chairman, of course it is not possible for a man to state his reasons for supporting this bill in three minutes, nor to make an argument to show the reasonableness or propriety of it, which I believe, feeble as my faculties are, I could do if I had the time. I favor the bill because I think it removes a few of the barriers between our producers and the ultimate consumers in other parts of the world. I particularly, as a partisan, favor this bill because, I regret to say, a great many people have, erroneously I hope, an idea that the party of which I am an humble member is hostile to business as business. That is not true. I spent all of my life before I came to Congress in commercial pursuits. I was engaged in the export trade in a large way. I did not have the assistance of any such association as is contemplated in this bill.

Fortunately, I did not need it, but I traveled throughout the world to a large extent in the prosecution of my business, and I saw then and realized the handicap of the small producer and manufacturer in this country. I then said that if ever an opportunity came to me to relieve them of that handicap I should gladly embrace the opportunity.

It seems to me that this bill is carefully drawn. It defines, in language as plain as it can be written, what shall be the privileges and what the exemptions of these associations authorized to be created under the law. There is no danger of monopoly growing out of it. We have monopolies at home, properly so in some instances. I have always believed that such monopolies as the telephone and the street railway and things of that kind were good for the people. We control them and regulate the price that they shall charge for the services they render. We are going to control this association or the corporations or partnerships authorized under the act, and under the language of this bill we do it absolutely.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WEBB. Mr. Chairman, I regret that the charge has been made that "powerful interests" are backing this bill. So far as the chairman of the Judiciary Committee is concerned, and the members of that committee, we know no interest that is backing this bill except the compelling interest in the nature of a very powerful report presented to the Congress away back in May, from a body whose business it is to guard the American public and at the same time promote American manufactures, the Federal Trade Commission.

Mr. ANDERSON. Mr. Chairman, will the gentleman yield?

Mr. WEBB. Yes.

Mr. ANDERSON. I want to ask if the Federal Trade Commission did not at the time it made its recommendation also insist that there should be some provisions in the law which would insure to the exporters of the United States equal treatment as between each other?

Mr. WEBB. Yes; and that is in the bill distinctly, if the gentleman will take the time to read it. If any American exporter deals unfairly with another, the one that does the unfair dealing may be haled before the Federal Trade Commission and punished, even if his unfair conduct is in Shanghai or Rio de Janeiro. That is clearly provided for in express terms.

Mr. VOLSTEAD. The only punishment that could be meted out to the offender would be an injunction.

Mr. WEBB. And that is the only punishment that you can mete out to them to-day, when their conduct is in the United States. We mete out to them the same punishment as you would if they were guilty of unfair competition in the United States. Would you have any different standard?

I have received, and the committee has received, hundreds of letters and telegrams from all over this broad land, and I never heard of the Steel Trust or the Coal Trust or the oil people or the harvester people ever even asking that such a bill should be passed. They have their agencies scattered over the world to-day, which is the very thing we want to enable the little fellows to do, in order to compete with the big fellow. This bill is essentially a bill for little manufacturers in the United States, to enable them to get a foothold in foreign markets.

Mr. BENNET. Mr. Chairman, will the gentleman yield?

Mr. WEBB. Yes.

Mr. BENNET. Had the gentleman heard prior to this afternoon of the activities of the National City Bank and its allies?

Mr. WEBB. I had not, and never heard of it before, but because they want a good bill does not induce me to oppose it. Here is the concluding statement sent by these five gentlemen who compose the Federal Trade Commission:

> If American business men are to make the most of the great opportunities now before them, are to build securely in foreign trade, and are to avoid disaster in the shock of the stern and determined competition that will doubtless follow the war, they must at once perfect the organization demanded by the conditions of international trade.

If there has been any seeming desire to push this measure through Congress, no private interest has been behind it, but the public interest has backed it up for the purpose of giving American manufacturers an opportunity to establish themselves

in foreign countries, and thereby keep their factories running within the United States and continue to employ labor here. The bill really, as many newspapers have said, is a bill in behalf of the laboring people of the country. The bill is safeguarded as nearly as human ingenuity can safeguard it with reference to the American public, and I do not say that because I am the author of the bill, but the bill is indorsed heart and soul by the Commerce Department, which has charge of foreign and domestic trade relations. It is indorsed by the Federal Trade Commission honestly and heartily, and it is indorsed by the newspapers of the country who want to see the manufacturers of this country prosper.

Mr. MORGAN of Oklahoma. The gentleman says that this bill is indorsed by the Department of Commerce. I know that the Secretary of Commerce in a general way recommended a bill along this line.

Mr. WEBB. I tell you, my friends, I went and talked with him. I had this bill in my hands and I read it, and he said to me he was heartily in favor of it.

Mr. VOLSTEAD. He has not written any letter.

Mr. WEBB. Because he said his recommendation covered it. I know the gentleman will take my statement, because I was very anxious to find out how the men we put in charge of the trade of this country felt about it.

Mr. VOLSTEAD. Of course, I do not call in question the statement of the gentleman.

Mr. WEBB. Talk about big interests back it! It is all bosh. The big interests are not backing it. It is the little fellows who are cramped to death by the big fellows, because they have no way open in order to meet the big men on foreign soil on anything like even terms. They can not meet the combinations they run up against in foreign trade, and if we expect them to continue this competition in the foreign trade they must have a selling organization to enable them to do it. As it is, you are sending out an army of men armed with cornstalks, with no general, with no captain, with no lieutenant to meet an army of men armed with rifles, organized by generals, down to the lowest lieutenant. You might as well expect them to compete on equal terms, as to expect the American business man, American exporters, with no organization, simply individuals, to meet with success the competition of the world where the foreign manufacturer is combined into cartel, organizations, and even trusts and monopolies.

I for one am in favor of giving the American manufacturer an equal chance with the foreign manufacturer. I would not deprive him of any legitimate advantage in the world's race for trade. I would keep him within the provisions of the Sherman antitrust law wherever the American flag flies, but outside of that I would turn him loose and tell him, we permit you to do in foreign countries just what those foreign countries permit your competitors to do. You are free in that territory. As I said on yesterday, if we are running a horse in this country where we put 100 pounds on him and every other horse in that race has a hundred pounds on him, that is a free and fair race, but if you take an American horse and put him in an international race and place a hundred-pound weight on him and his competitors have no weight at all, then you seriously handicap the American horse. That is the situation we are in to-day and for one I am in favor of an equal competitive basis in foreign countries so far as those foreign countries will permit them. [Applause.]

Mr. Chairman, I ask that the bill now be read under the five-minute rule, but before doing that I will yield to the gentleman from Ohio [Mr. CROSSER].

Mr. CROSSER. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. BENNET. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BENNET. I notice this bill has numbered sections divided into paragraphs. I ask if we are considering it according to the numbered sections?

The CHAIRMAN. The bill is being read by sections.

The Clerk read as follows:

Be it enacted, etc., That the words "export trade" wherever used in this act mean solely trade or commerce in goods, wares, or merchandise exported, or in the course of being exported from the United States or any Territory thereof to any foreign nations; but the words "export trade" shall not be deemed to include the production or manufacture within the United States or any Territory thereof of such goods, wares, or merchandise, or any act in the course of such production or manufacture.

That the words "trade within the United States" wherever used in this act mean trade or commerce among the several States or in any Territory of the United States, or of the District of Columbia, or between any such Territory and another, or between any such Territory or Territories and any State or States or the District of Columbia, or between the District of Columbia and any State or States.

That the word "association" wherever used in this act means any corporation or combination by contract or otherwise, of two or more persons, partnerships, or corporations.

Mr. FORDNEY. Mr. Chairman, I move to strike out the last word. Mr. Chairman and gentlemen, I regret exceedingly that some gentlemen in the House feel that this bill is in the interest of monopoly and that men who vote for it are monopolists. My good friend from Minnesota [Mr. VOLSTEAD] a few minutes ago made a statement, which he afterwards stated he intended to modify, when he referred to a lumber combination on the Pacific coast. He did not intend to say that. He meant to say he had understood men engaged in the manufacture of shingles had some understanding. I want to say to the committee that the Government, through investigation, after the expenditure of large sums of money to determine whether or not there is a Lumber Trust in this country, report that there was not, giving the lumbermen an absolutely clean bill of health in reference to combinations. This bill, as I understand it, is for the sole purpose of permitting men engaged in the production of some product in this country to establish selling agencies to sell their products abroad and obtain the best possible price for them.

I am not in the lumber business on the Pacific coast; that is to say, I am not a manufacturer there. I do sell logs. I know this, however: That in San Francisco there are established brokers who dispose of almost all the lumber sold foreign. The brokers of San Francisco control, indeed, absolutely foreign sales. The millman must sell through the broker at such price as he can obtain from the broker and not from the foreign purchaser. I know of a cargo of lumber recently sold by a broker in San Francisco where it was discovered shortly after that cargo had been shipped that the broker made $4,000 out of that one cargo in his commission. The broker goes to the millman and offers him an order for export, and when the price is given he—the broker—states that he can go to his neighbor or to some other manufacturer on Puget Sound or the Columbia River and purchase the lumber at a price below his price, and, if the man has financial obligations that he must meet, he will sacrifice in order to get trade, so as to be able to continue his business and convert his raw material into money to meet his business obligations. He will sell at a loss, and the broker makes the profit. This bill is intended to permit small competitors to combine and form an association to establish a selling agency where the small man is not engaged in a business sufficiently large to warrant him in sending abroad his agents to sell his product in the foreign markets. That is the purpose of this bill. It enables the small operator to obtain the highest possible price for his products in the foreign market.

Some reference has been made to the steel companies. Mr. Gary, president of the United States Steel Corporation, appeared before the Ways and Means Committee and testified under oath at the time the Payne tariff law was being framed, and when asked the question, "At those Gary dinners do you arrange the prices?" he replied, "No." "Why is it, Mr. Gary, then, that the great steel company which you represent, which produces 44 per cent of the steel produced in this country, gets the same price for its product that the independent producer or steel manufacturer gets—all alike? Is it not true that all the steel companies of this country get the same price on steel rails?"

The CHAIRMAN. The time of the gentleman has expired.

Mr. FORDNEY. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FORDNEY. Mr. Gary said there was no arrangement of prices and no such thing as discussion of prices. "Then, Mr. Gary, how is it that you all sell at the same price?" He volunteered this information. He said, "I can give you my opinion and you can take it for what it is worth. We are the producers of 44 per cent of all the steel produced in the United States. We send out our circulars monthly"—as I remember it. "Everybody can obtain our circulars, and our competitor, the independent, small producer, can see from our list the prices we ask for our products. He knows he can not go into the markets where we sell and get any more for his goods than the price asked by our company, and he is afraid to undersell us, for fear that we may go into the market and undersell him and put him out of the business. And for that reason the independent manufacturer sells at the same price that we do." This was his opinion, or words to that effect.

That seemed reasonable to me. It was stated yesterday that one selling agency might combine and sell all the products of this country for export. What does the lumberman know about selling cotton? What does he care about cotton? Nothing. The Standard Oil Co. has its agencies in every country of the world. It cares nothing about this bill. The United States Steel Co.

has its agencies in every country in the world where they sell. They care nothing about this bill. But there are 48,000 sawmills in this country, gentlemen, 20,000 of which are small mills that produce less than 20,000 feet of lumber per day. None of those manufacturers can establish a selling agency abroad. Their small business will not permit them to do so. There are brokers in New Orleans and in Mobile, Ala., in the export trade. I am engaged in the manufacture of lumber in the South, and we sell for export. We must sell through those brokers in New Orleans and Mobile. A small portion of our product goes foreign. We can not afford on the small amount of our product that goes abroad to establish a selling agency abroad. It is too expensive.

Mr. CLINE. Will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. CLINE. I would like to say to the gentleman that I know of a corporation in Indiana that spent $60,000 single handed to sell goods in South America.

Mr. FORDNEY. Yes. The small man does not sell enough of his products abroad to establish an agency or warrant him in sending an agent abroad. Under the terms of this bill the small manufacturer of lumber—and I speak of lumber because I am engaged in the business and know something about it—can combine with a large number of his competitors in that business and establish a selling agency through which all the lumber manufactured for export by those small manufacturers, or a certain number of them, can be sold and the highest price obtained in the foreign markets for it.

Mr. RAKER. Will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. RAKER. I have a telegram here from the lumber people in California, particularly in Humboldt and Trinity Counties, where they are manufacturing redwood lumber. These people say they are much in earnest in having this measure become a law. Now, does not the gentleman believe that this bill will relieve these lumbermen in their export trade?

Mr. FORDNEY. I believe this, my friend, absolutely. Those mills, for instance, on Grays Harbor in the State of Washington manufacture 700,000,000 feet of lumber every year. About 40 per cent of that lumber is sold abroad. On the Columbia River there is some four or five hundred million feet of lumber manufactured yearly. These are two territories which are separated by some 150 miles. Each of those territories can establish an office in San Francisco, where, if export trade comes, they, through their officers, can direct their agencies in foreign countries to sell and get the best prices obtainable and thereby cut out the middle man, who is so much talked of here. He produces nothing. He does not employ labor at all. Those sawmills in this country employ 800,000 men. They pay taxes. They help maintain this country in the payment of taxes. What does the broker do in this respect? Practically nothing. Do you want to convert the profits from the milliman, the real producer, the employer of labor, to the broker? If so, vote this bill down and you will accomplish your object.

The CHAIRMAN. The time of the gentleman has expired.

Mr. EAGLE. Mr. Chairman, I have had no conversation with or telegram or letter from anybody asking me either to support or to oppose this measure. But with this measure, as with all others that come before this House, I tried to read it and consider it upon its merits, based upon my experience and my judgment of its effect upon the country as a whole. I can not perceive one single reason why it should not pass, but, upon the other hand, there are innumerable reasons why it ought speedily to pass. The time has come in this country, and it has been so for some years past, when it is considered almost not respectable to be a successful business man. That is a shameful condition of affairs. It is popular in this Chamber for any man to utter a tirade against capital, against business men, and in favor of any particular class of people who have a large number of votes. But it is less popular for men to vote and speak for those measures that give a larger breadth of industrial opportunity to the men who risk energy and money in new enterprises which develop the raw resources and employ the labor of this country and thus keep the industrial machinery in operation.

Whether that be an accurate observation or not, I would like to say this thing: That it is as much the duty of every man, irrespective of his politics, in this Chamber to safeguard the legitimate rights of invested capital and not unjustly to punish the managers of capital which is employed in legitimate industry upon a safe, moral, and sane basis as it is to perform any other duty of statesmanship that comes to us for consideration and attention.

The general purpose of the antitrust legislation of Congress has been to say to men, "You may, of course, do business legitimately, but none of you, if you be so inclined, shall oppress those with whom you compete, or so act as to oppress the consumers"; and yet, instead of understanding that to be its purpose, the understanding, unfortunately, seems to be in some quarters that thereby the Congress have accused legitimate business in this country of being an aggregation of cutthroat monopolists, and so the country seems unduly and unjustly arrayed against those who employ capital.

I wonder if a considerable number of the membership of this House have either ever inaugurated a business enterprise and labored for weary years to set it upon its feet, or as counsel or officer or director in large business enterprises ever went through the narrow opening in the mazes of legal restrictions imposed and hedged about it, and thus by experience have come to understand how intricate and difficult is the task to pass through that opening and retain your respectability in the estimation of your neighbors? If you never did, then you are a theorist rather than a person who actually knows that it is almost not respectable in public estimation to have or control successful business.

The fact is that the only basis on which our present national prosperity can possibly be maintained is that the business men, from the small ones to the large ones in this country, be not unduly oppressed, so that they may manage, without going to jail and to the penitentiary, their businesses within reasonable legal limitations, and so make capital reasonably remunerative in order that labor may be constantly employed at a decent and proper wage; and that can be done only if American export trade be maintained. [Applause.]

There is universal misapprehension and universal difference of understanding as to the scope and meaning of either the original Sherman antitrust act or of the limitations imposed upon the free business conduct of men in this country by the recent Clayton amendments. No man wants to be indicted as a common criminal for running his business according to his serious judgment and conscientious understanding, and often under the advice of counsel that he has the right to do a certain thing merely because some public official interprets a statute differently. It ought to be too plain for men to differ about.

No head of a business firm wishes to waste the time, energy, and money of his stockholders and officers and to see his business languish by litigation instituted upon a misunderstanding, irrespective of whether he is right on the ultimate outcome.

Accordingly the fact is that a man in the United States at the head of a business enterprise hardly dare telephone or write or visit or confer with a man in a like enterprise with himself with a view to a common understanding with reference even to the necessary export business, even when his motive is not to try to create a monopoly, and thus not to violate the antitrust law.

Now, then, this measure in no sense undertakes to modify in any degree the existing antitrust laws as they apply to the United States, to domestic business; but does any man present in this Chamber or in this Nation, be he capitalist or laborer, be he in one vocation or in another in life, conceive any reason or justice why 2 or 3 or 10 men engaged in a common enterprise in this country which employs capital and labor, and produces products for export, and thus is a helpful thing for American business, should not be permitted to confer upon those conditions that obtain in a foreign country, why he or they may not have common understandings as to the export of American products and their sale in foreign countries? I am sure not.

Take as an illustration any State and any line of industry. If one manufacturer of some American product and my friend from Indiana [Mr. CLINE] as another, and my friend from Michigan [Mr. FORDNEY] as another, and each is a small business man, and neither one of the three can furnish an entire cargo of American products to be transported to a foreign market, the result is that they can not individually ship or sell their portion of the American output of their factory into foreign markets; and they dare not make common cause and effort in such worthy enterprise for fear of violating the antitrust laws. They dare not, at present, confer with each other and thus make it possible to act together in such export trade, because of the misunderstanding and the misinterpretation and lack of clarification of the antitrust laws in so far as they might apply to the export trade, although it is to the interest of American producers, employers, employees, and consumers that they do so and thus carry American products for sale throughout the world. This law should pass in order that one may furnish a third of a cargo, another a third of a cargo, and yet another a third of a cargo for export and sale in foreign countries, by the sanction of a law of Congress, and for every other purpose intended to be covered by the bill, which limited time prevents me from discussing at present.

This law will put American business men engaged in the production and export of American products on a level in such foreign markets with their foreign competitors.

There is no danger of monopoly in America growing out of that permission thus granted by that provision. If in the pursuit of that common and worthy enterprise affecting the export trade American manufacturers and exporters do those things that unjustly oppress Americans, and monopolize in such a way as is opposed to the spirit of the antitrust laws of this country, they thereby bring themselves clearly within the prohibitions of the Sherman antitrust law, and hence they will never be likely to do that, because no man relishes a Federal lawsuit, with the pains, criminal and civil, that are imposed for violation of the Sherman antitrust statute. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. MONDELL. Mr. Chairman——

The CHAIRMAN. The gentleman from Wyoming.

Mr. HARDY. Mr. Chairman, a question of order. I do not know whether the gentleman from Wyoming is in favor of this bill or not, but if he is——

Mr. MONDELL. I am against it.

Mr. Chairman, surely the world do move! For twenty years now I have listened to a perfect flood of denunciation, lurid and continuous, from the Democratic side, against about everybody in this country who was either energetic, forceful, successful, or prosperous. Now, we have just listened to a delightful purring, cooing, wooing speech from our friend from Texas [Mr. EAGLE]—Texas, the home of the trust buster; Texas, the home of the professional pursuers of the octopus—to the effect that it is very improper, indeed, to suggest that the corporations of this country generally would do such a wicked thing as combine against the interests of the American people. Perish the thought!

The gentleman from Illinois [Mr. BUCHANAN] very properly framed an indictment against his party this morning for their remarkable change in attitude relative to great corporations that seek to harm the American people by combinations in restraint of trade. He reminded us how his party that has thundered so against the combinations and the trusts for 20 years and more has grown suddenly quiet since it came into power and has had the opportunity to enforce the laws against these combinations. In the three years that this administration has been in power not a single hand has been lifted, not a solitary effort has been made to enforce the antitrust laws anywhere or against anybody. It is very proper, very logical in this state of affairs that gentlemen on the other side should now apologize for their party for all they have said in the past, and promise better treatment for the trusts in the future from that side. [Applause on the Republican side.]

Mr. Chairman, when I first had my attention called to this bill, when I first read the report, I was inclined to support it. Its title is alluring—a bill to promote foreign trade. We all want to do that, those of us who believe that the home trade is more important than the foreign trade, as well as those who believe that our triumphs in the future should be in foreign trade. And, lured by the title, somewhat convinced by a hurried examination of the report, I concluded that perhaps it might not be a bad thing to amend the Clayton antitrust law and the Federal trade commission law in order to allow more latitude in foreign trade, if it were necessary to amend those statutes in order to give those engaged in foreign trade the right to do legitimately those things necessary to do in the foreign trade. I was perfectly willing, and am perfectly willing now, to have the Clayton antitrust law and the Federal trade commission law amended. I think the best work this Congress will do for years to come will be the work of amending this Democratic legislation. The only better work we will do will be in repealing a considerable portion of it. [Applause on the Republican side.]

But on further consideration I have discovered that not only does this bill amend the Clayton antitrust law and the Federal trade commission law, but it proposes to amend and modify the provisions of the Sherman antitrust law. While I have mighty little confidence in these late amendments and additions to the Sherman antitrust law, I have a great deal of confidence and a great deal of respect for that great statute, and, so far as I am concerned, I shall not vote to modify it or to repeal any of its provisions in behalf of those who claim they desire the privilege of having those provisions modified and repealed in order that we may engage in the foreign trade.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MONDELL. I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. The gentleman from Wyoming asks unanimous consent that his time be extended five minutes. Is there objection?

There was no objection.

Mr. MONDELL. I do not believe it is possible to allow combinations in restraint of foreign trade that will not react upon the local and home trade. I do not believe that it is possible to allow men to make combinations in the foreign trade that would be harmful at home without those combinations reacting on the home situation and being as harmful as those same combinations in the home trade if allowed directly, instead of indirectly, as proposed in this case.

Furthermore, the last Congress prohibited, in the trade of the United States in articles shipped from abroad, the very acts and practices which this bill seeks to legalize. In the act approved February 12, 1913, we made it a felony for the foreigner to do the thing in our market which we now propose to allow the American to do in the foreign market. Where are we to stand before the other nations of the world if, having prohibited certain practices in our market in the sale of foreign goods, we allow our people going into foreign markets to do those things and engage in those practices that we prohibit at home?

Gentlemen have attempted to excuse their defense and their support of this measure on the ground that it is simply intended to authorize the establishment of advertising, selling, and collection agencies. There is nothing in the Sherman antitrust law which prevents the establishment and maintenance of such agencies. Whatever there may be in the Clayton Act, whatever there may be in the trade commission act, certainly there is nothing in the Sherman antitrust law which prohibits or prevents, or ever has prohibited or prevented, manufacturers in the United States making those arrangements necessary to sell their goods jointly in the foreign market. That has been done. It is being done now to a certain extent, and no Attorney General of the United States has ever attempted to bring a case to prohibit or punish that sort of thing. The claim that this is simply legislation to enable men to do those things that are legitimate and necessary in foreign trade is a mere pretense not supported by the legislation itself.

What the legislation would permit would be practices in the foreign trade that are criminal, and properly criminal, under our laws, except for the exemptions of those criminal acts by this statute. In no such way shall the trade of this people ever be largely or permanently increased at home or abroad. When we go to foreign shores carrying goods and merchandise of the American people, let us go with clean hands and bound by the same laws to the same righteous dealings which we insist upon at home. [Applause.]

Mr. BAILEY. Mr. Chairman, I offer the following amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Page 2, line 9, at the end of the paragraph, insert the following as a new section——

Mr. BENNET (interrupting). Mr. Chairman, I desire to make an observation upon the section.

Mr. HARDY. I want to do the same thing, Mr. Chairman.

The CHAIRMAN. The gentleman from Texas will be recognized later, and the Chair recognizes the gentleman from New York.

Mr. BENNET. Mr. Chairman, I move to strike out the last three words of the section for the purpose of calling the attention of the chairman of the committee to a possible defect in connection with the definition of the word "association" and the language in line 6, page 3. I have read the hearings on this bill and am somewhat familiar with the way the English and the Germans do business in South America, through the German cartels and the English so-called banks.

The purpose of the bill is to permit the formation of associations of a kind similar to those utilized by the Germans and the English. But the language on page 3, line 6, limits the benefits of section 3 to articles of the kind exported by the association. Now, that seems to assume that before the association is allowed the export trade, before it could get the exemption of the act mentioned in the section, it must own the goods in this country and export them from this country. I want to suggest to the gentleman from North Carolina whether there ought not to be inserted, after the word "by," the words "or sold through," or something of that character, so that the line would read "in articles of the kind exported by or sold through the association."

Mr. STAFFORD. Is not the gentleman a little previous in considering a section that has not been read?

Mr. BENNET. I am considering this in connection with the definition of "association."

Mr. STAFFORD. I was going to move to strike out the language after the words "United States."

Mr. BENNET. So that the language would read how?

Mr. STAFFORD. So that it may be restricted to trade competition in the United States, regardless of whether the restriction affects articles of the kind exported or not.

Mr. BENNET. I am frank to say that if that motion is successful it will accomplish what I had in mind. But I want to call the attention of the gentleman from North Carolina to the definition of the word "association," and whether we ought not to insert these words that I have mentioned.

Mr. WEBB. I think this language would include the sale through the association, because it means that all manufacturers may sell through the agency, and it seems to me it would come within the provision.

Mr. BENNET. Let us take a case. As the gentleman knows, the German cartels operate a system something like this: There is a selling agency in South America, we will say, and they want to sell lumber. They put in an order and figures for a large quantity of lumber, more than any one concern can furnish—millions of feet—and they get the contract and they apportion that lumber out among the various firms in Germany that are selling through that cartel. Now, if we have a similar association—and unless we have we can not compete—unless we make the exemption broad enough to cover those who do not own the goods in this country at all, but who are simply selling agents for firms and corporations in this country, we have not accomplished the purpose of the bill as stated by the gentleman from North Carolina and as indicated in the testimony of the Federal Trade Commission before the Committee on the Judiciary. It seems important either that the words be inserted or else the amendment which the gentleman from Wisconsin is going to offer should be agreed to. At this early stage of the bill I mention this because I always find it helpful to have these questions called up early in the bill.

Mr. WEBB. I see the point that the gentleman makes, and undoubtedly one of these export agencies would, by contract or agreement with American manufacturers, have a right to distribute these goods through the sales agents. The gentleman's amendment might clarify it some, but I do not think it would affect the meaning of the bill.

[The time of Mr. BENNET having expired, he was granted, by unanimous consent, three minutes more.]

Mr. BENNET. The gentleman will remember the testimony of Mr. Rublee before the gentleman's committee and his citation of the case of the Banana Co. against the United Fruit Co., and also the illuminating statement of a witness of the method by which these foreign countries sell. They do not own the goods. The selling agencies that we hope for under this bill would not own the goods; they would come under the inhibition of the Sherman antitrust law and other statutes. That is the reason the gentleman gives in his report for the necessity of the bill:

> The necessity for this legislation rests largely upon the doubt that exists in the minds of our exporters as to the correct construction that should be placed upon existing antitrust laws as applied to organizations engaged in export trade.

Unless they sell the goods in the United States to one of these associations, then they do not come under section 3 at all. Or, if you do the other thing, put in the words "sell through," or adopt the suggestion of the gentleman from Wisconsin, strike out everything after the words "United States," you cure the difficulty.

Mr. WEBB. I call attention to the fact that the amendment the gentleman suggests is to that part of the bill where the restriction is on a corporation buying stock in another corporation.

Mr. BENNET. I know what the purpose of the section is.

Mr. WEBB. The gentleman's trouble is as to the restriction with reference to common-stock ownership, and not to the definition of export-trade associations.

Mr. BENNET. Yes; but to my mind, in connection with the definition of the word "association," in lines 6 to 9, if the definition is confined to an association which simply buys goods in the United States, then you have conferred no power anywhere in the bill upon an association which exists simply as a selling agency in a foreign country.

Mr. WEBB. Where does the gentleman find any requirement in the bill that the association shall buy all they sell?

Mr. BENNET. Because it says "any articles of the kind exported by."

Mr. WEBB. Not bought.

Mr. BENNET. Of course, they can receive them as a gift.

Mr. WEBB. Of course, if they are exported, or through their influence they are exported they are still exported by the association.

Mr. BENNET. That is what I want to say—exported by or sold through, so that it would cover both kinds.

Mr. WEBB. I really think the language of the bill covers the point the gentleman makes.

Mr. BENNET. Well, it is the gentleman's bill. My purpose is simply to call his attention to what I think is a defect.

Mr. HARDY. Mr. Chairman, I approve the purpose of this bill, but I doubt the effect of it. This bill in section 2 authorizes the establishment of an association for export business, or of any number of such associations. It also authorizes the acquisition, without limitation, of the stock of one company by another company or corporation engaged solely in export trade. In the transportation service of the over-seas trade it is well understood that conferences of different ship lines have been permitted, because there is or has been no law to forbid them and no law to authorize them. The result of those conferences was to establish agreed practices and rates, and one of the accompanying results was simply this, that no undesirable competitor of a transportation company or new member was permitted to join in these conferences. These were voluntary associations of transportation lines. This bill authorizes voluntary associations of export trade companies.

Mr. WEBB. Mr. Chairman, will the gentleman yield?

Mr. HARDY. Yes.

Mr. WEBB. The language of the section which he is now discussing is similar to section 7 of the Clayton law, which is extended to these selling agencies. Section 7 of the Clayton law permits corporations to buy stock in other corporations ad libitum, provided such practice does not tend to restrain trade in the United States or tend to create monopoly. We have used the language in restricting these corporations that was used in the Clayton Act, with reference to allowing corporations to buy stock in a common corporation.

Mr. HARDY. I do not know that the gentleman could do better than he has done in framing this bill. The Clayton law may or may not be all right. I am simply discussing this bill as I find it. This bill provides for voluntary organization of export associations.

If the gentleman had a company, and this other gentleman had a company, and I had another company, we may form three voluntary associations, and we may exclude the fourth gentleman who wants to come in to participate in the benefits of our united sales agencies and establishments; and because we exclude him from the privileges of our association he is unable to compete with us or any of us. You would not say that that was pursuing any unfair method, and yet a number of companies voluntarily associating together will acquire by force of their very size a cheapness in handling their products that will be a disadvantage to the man who is on the outside of that association, and then what happens? He finds he can not sell his commodities in competition with this larger aggregation, and then what happens? One of these organizations or corporations embraced in the association is authorized to buy out the little man. What happens in the transportation business? The big shipping lines combine together and form a conference, and that conference can put any independent small competitor out of business by simply refusing to let him join their conference.

Mr. WEBB. Mr. Chairman, will the gentleman yield?

Mr. HARDY. Yes.

Mr. WEBB. This section does not permit the big aggregation the gentleman speaks of to buy out the little fellow unless the little fellow is an association or a selling agency.

Mr. HARDY. No, no; if he is a corporation engaged in that business, this law authorizes any big corporation to acquire or buy his stock or property.

Mr. WEBB. Solely in the export business.

Mr. HARDY. You permit any one of these corporations to buy out any other corporation. You will find that the little corporation will be excluded from the voluntary association by the blackball process. In the shipping business these shipping conferences exclude anyone they do not want in their conference; and when they have excluded a man who owns one or two ships that man is at an immense disadvantage in attempting to compete with them and in reference to all of his general dealings.

Being at that disadvantage one of these little companies can be bought out, be squeezed out, and I submit that that is what will happen under this law. Three or four big companies interested in some commodity or commodities that are being sold in South America form a voluntary association bearing jointly the expense of advertising and establishing the agencies and all the other mediums and means through which they trade. There is another company, not a member of the association, which has a commodity and would like to go into South Amer-

ica into the same territory, that wants to compete. These men already organized for their own interests refuse to accept this company as a member of their association and say to it that if it wants to compete then it must bear all the expenses of employment of agencies and other means of putting its goods on the market separately. What happens? This small company finds that it labors under an immense handicap and is not able to compete with those who are in this voluntary association, and this causes it to go by the board. Some big company of the association then dealing in the same line comes to this small company or man and says, "My friend, you are losing money, and I will buy you out. What will you sell at?" And he squeezes him out at the lowest possible price.

Mr. WEBB. Does not the gentleman think that if he undertook that same process he would not be liable under the Sherman law and the law as set out in this bill?

Mr. HARDY. I can not say.

Mr. WEBB. This section does not allow a selling agency formed for export purposes to buy out the stock of any corporation in the United States unless that corporation is a selling agency, too.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HARDY. I will ask unanimous consent for five minutes more. I may not use it all.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none.

Mr. HARDY. I think the gentleman is mistaken. I am speaking of a corporation endeavoring to sell its goods in competition with goods of this association already organized.

Mr. WEBB. But it is not an association under this bill. It is an American corporation for the purpose of doing business in the United States.

Mr. HARDY. I am talking about an American corporation that wants to organize to do business alone in the export trade.

Mr. WEBB. Then they must organize under this bill.

Mr. HARDY. You must have more than one association.

Mr. WEBB. Indeed you must.

Mr. HARDY. This is what I am speaking of: Here is an association formed of three or four corporations chartered to do business, to sell abroad. Here is another corporation that wants to sell abroad which is not a member of that association and is not allowed to become a member.

Mr. WEBB. The gentleman means a corporation or association under this bill?

Mr. HARDY. I mean a small corporation or a small association. Now you have two associations, one of them powerful, composed of big corporations, big money, big capital. The other is small, feeble, and can not get into the big corporation that is already existing. It is blackballed—is refused admission.

Mr. WEBB. It would not want to get into this association. These individuals form a small association of their own. If individuals want to get into an association they would apply as individuals.

Mr. HARDY. Yes; they would apply and be refused, and then if they were not big enough to buck the combination they would go to the wall.

This law, I think presupposes you will have more than one corporation in an association, and that you will have many such associations. Now you have a strong association, with strong members, and here are some little fellows left out who would like to go into that business. They also form an association. What does the big association do to the little one except to refuse to permit the little association or corporation to come into their combination? The small association is loaded with extra expense. I may not be able to make myself perfectly clear, but if you will take the railroad and ship-line conferences you will see how the big conferences threw out of business every little ship-line company that undertook to compete with them because of the enormous expense to which they were put.

Mr. WEBB. I think I see what the gentleman is driving at. We have provided in this bill, if the gentleman will read section 4, that the pains and penalties prescribed by the Federal Trade Commission act shall apply to that sort of fellow who uses unfair methods of competition and tries to squeeze out his competitor, or anything else that can be regarded as unfair trade methods; and the Sherman law would apply also in such case.

Mr. HARDY. Let me ask the gentleman this question: Would it be deemed unfair to refuse to permit a corporation to join an association?

Mr. WEBB. I do not think so.

Mr. HARDY. Then simply refusing to let this new man or company come in, that could not be charged as being unfair dealing, could it?

Mr. WEBB. There is no way to prevent one fellow being bigger than another.

Mr. HARDY. Then the probability is you permit this organization under circumstances that will result in this condition, that your big associations will ultimately and naturally, by gravitation and without violating this law, absorb the little ones until the result of this legislation will be one stupendous association for export trade.

Mr. WEBB. Well, supposing that happens, and there is no restraint of trade thereby in the United States, the gentleman would not object to it.

Mr. HARDY. Then, to my mind, what the gentleman from Wyoming suggested will take place—that by natural result this vast export association will find itself in a condition to support itself upon the home consumer.

The manufacturer of products in this country will find it to his interest to sell to this vast exporting association the products of his factory here cheaper than he sells them to our own home consumers, and the result will be that we will force into existence a condition which we have always denounced; that is, that our American products will be sold cheaper abroad than at home. That is my second fear.

Mr. WEBB. I will say to my friend that you can have no bigger corporation, I think, than the United States Steel Trust, with $1,100,000,000 capital. In 1904 it sold its steel rails for about $27 in foreign countries and in the United States for $37. Since that time the steel rails have been rising in price in foreign countries and the price falling in the United States. That is stated in the opinion of the judge who wrote the opinion in the Steel Corporation case.

Mr. HARDY. This big aggregation, acting in combination, found it to its interest to sell steel rails six or ten dollars cheaper abroad than at home.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HARDY. Mr. Chairman, I ask for three minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FORDNEY. Will the gentleman yield?

Mr. HARDY. Yes.

Mr. FORDNEY. I will say to the gentleman that Canada has a law that prevents the sale of goods in Canada at less price than they are sold in the country where they are made.

Mr. HARDY. If this bill were supplemented by a law that no manufacturer or producer in this country should sell his goods cheaper for export than for home consumption, I do not think there could be any objection to it.

Mr. WEBB. I do not know whether the gentleman was here two or three days ago when I gave an illustration as to copper. The producers sell their copper to the American people at 0.85 of a cent a pound higher than they are compelled to sell to these foreign-buying combinations in Europe. In other words, the European buys copper at nearly a cent a pound cheaper than the American manufacturer can buy it.

Mr. HARDY. I think that ought to be forbidden by law.

Mr. WEBB. We have no power to make the foreign buyer pay the same price Americans pay.

Mr. HARDY. That is right, but when the manufacturer wants to sell his goods, he ought to be ready and willing to give the American consumer just as low a price as he is willing to accept from anybody else, and it is on that theory I have been acting and talking as a Democrat all my life.

Mr. CULLOP. Will the gentleman yield?

Mr. HARDY. I will.

Mr. CULLOP. Is there any reason why a producer in this country should be permitted to sell cheaper to a foreign consumer than to the home consumer, and if he does, is it not an outrage upon the home consumer?

Mr. HARDY. That is just exactly what I have been trying to express. If that man wants to sell his goods abroad, and can not do it without getting up on our backs in order to sell them cheaper abroad, he ought not to be permitted to do it.

Mr. CULLOP. And is it not more expensive to sell abroad than at home?

Mr. HARDY. Undoubtedly. I have tried to express the two fears that make me oppose this bill, although I approve its purpose.

I fear, first, that it will result in the formation of huge trading companies and associations of companies that will dominate the buying of all our exports, and by combination fix the price of our products to suit themselves, and, second, that that will result in the uniform practice of selling the products of our industries cheaper to the consumer abroad than at home. This legislation is too important, and its possible evil consequences seem too great to my mind for me to vote for it.

Mr. DILLON. Mr. Chairman, I want to make a few comments in reference to the meaning of the words "or merchan-

dise exported, or in the course of being exported." Evidently, under the terms of this bill, an exporting company can go upon the home markets and buy products for exportation and ship them under the provisions of this bill.

I want to call the committee's attention to two or three facts that must be conceded. For instance, take cotton. The production in 1913 sold for $887,160,000. The exports of cotton for the same year amounted to $547,357,195. The export trade was 62 per cent. Bear that in mind.

Take wheat. The production in 1913 amounted to $610,122,000. The exports in the same year amounted to $89,036,428. In other words, 14 per cent of the wheat crop was exported. These figures exclude the manufacture of flour. Take the statement of the gentleman from Indiana [Mr. CLINE] a few minutes ago, in which he says the export trade in the manufactured products of this country is 30 per cent. I call attention to the fact that under the terms of this bill you propose to make it legal to form a trust for engaging in export trade in 62 per cent of your cotton. You propose to make it legal for the exporting trust to operate in the export of 14 per cent of your wheat. You propose in this bill to make it legal for the trust to engage in 30 per cent of your manufactured products. I want to know if the members of this committee are willing to turn their backs upon our antitrust law? Every line of this bill throws down the antitrust laws and throws the doors wide open so as to allow the exporting trust to purchase in the local markets the percentages that I have given. How will you convict any man under the antitrust laws that are now upon the statute books if you enact this law? I have never heard in all my legislative experience or legal experience of a legislative body legislating upon the percentage theory in reference to sale and commerce of commodities. Yet that is what you are doing if you enact this provision into law.

It seems to me that this bill will repeal the antitrust laws now upon the statute books, which ought not to be thrust aside until they are fully and adequately considered by this great legislative body.

I want to call your attention to another fact in reference to the wheat market. I have a little data. Take May wheat for the year 1905; there was 65 cents per bushel difference between high and low cost in the city of Minneapolis, while in the city of Chicago May wheat fluctuated 38½ cents per bushel for the same time.

I want to call your attention to the further fact that in 1912 the entire amount of wheat shipped into Chicago was only 35,914,000 bushels. Yet on the 28th day of July, 1914, in one day on the Chicago Board of Trade they sold more than 100,000,000 bushels.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. DILLON. Mr. Chairman, I did not speak upon the merits of the bill. I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. The gentleman from South Dakota asks unanimous consent to proceed for five minutes more. Is there objection?

There was no objection.

Mr. SMALL. Mr. Chairman, will the gentleman permit an interruption?

Mr. DILLON. If it is very short, I will. I have some other things to say.

Mr. SMALL. It is just a question. Is the gentleman in favor of legislation that will increase the price of wheat to the farmer?

Mr. DILLON. I am; and I have always stood for laws that will prevent unlawful combinations.

I want to call attention to the fact that there is nothing in this bill that prevents these exporting companies from dealing in futures upon your cotton production or in any other form, if it is done for the purpose of exportation. There is no limitation here as to the exportation of these commodities. They can be gathered up from every source and stored in storehouses, in which you bring together a great combination of these products for purposes of exportation, and allow the trust to sell the exported goods in the foreign market more cheaply than they are sold in the local market.

Mr. SMALL. Mr. Chairman, will the gentleman permit another interruption?

The CHAIRMAN. Does the gentleman yield?

Mr. DILLON. Certainly.

Mr. SMALL. Where is the price of wheat fixed—in the markets of the United States or in the markets of the world?

Mr. DILLON. I think it is fixed in both, if the gentleman wants my opinion on that stale old question that we are hearing here in every debate. I think it is fixed in both, but it is fixed in the world's market, so far as the percentage of export trade is concerned. I want to know if the gentleman wants to turn over 62 per cent of the cotton production of this country to these exporting trusts? If the gentleman wants to do that, we might just as well wipe off the statute books every sentence and every line of antitrust legislation. [Applause.]

Another proposition: You say there is no danger of these local combinations. In my State, in 1903, we passed what is known as the anticompact law as affecting insurance-combination rates, making it absolutely criminal for the insurance companies to combine on rates. Did it reach results? No. Every insurance company that was doing business in South Dakota would send a representative, a manager or secretary, to attend some banquet in Chicago or St. Paul, and they would select a leader of the banquet, and after the adjournment that leader would fix the rate that went into effect in South Dakota for that company, and every one that had sat around the banquet board followed suit. The result was that that law was rendered ineffective in its entirety, in every line of it.

Would you tear down these barriers that the people have sought to set up? It would be an impossibility for you to convict anybody, and I would like to have the lawyers upon this floor tell me how you will convict any individual for violating any antitrust law under the provisions of this act? When you arraign him before the bar of justice he would say, "I bought it for export trade." Who could dispute it? It lies in his own mind, in his own judgment, and you could not convict him. [Applause.]

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. WINGO. Mr. Chairman, I offer an amendment.

Mr. KREIDER. Mr. Chairman, I would like to make a remark on the section.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn, and the Clerk will read the amendment to the section.

The Clerk read as follows:

Amendment offered by Mr. WINGO: Amend, page 1, line 8, after the word "manufacture," by inserting the following: "trading in or marketing."

Mr. WINGO. Mr. Chairman, I have no inclination to undertake to discuss the general principles of the bill. I think those who propose this legislation will agree with me that the amendment I have suggested should go in. They may say that the words proposed are surplusage. That is the most in the way of objection that could be offered to my amendment.

The reasons I have in urging that these words be added are these: This bill deals solely with the question of exporting, trading in, or marketing goods in the export trade. It does not deal with production or manufacture. I repeat that. The object of your bill is to undertake to permit combinations in trading and marketing in export business. The bill distinctly says that. In the beginning it says, "Export trade, being solely within the meaning of this act trade or commerce," not production or manufacture. Yet when you come to undertake to prevent letting down the bars on domestic operations you simply say it shall not be deemed to include the "production or manufacture." Your bill has not undertaken to cover the question of production and manufacture. The bill covers trading in or marketing. So unless you say this bill shall not include trading and marketing in the United States, then you wipe out all the prohibitions except on production by the producer of the article or by the manufacturer, and leave the trading and marketing in the United States absolutely wide open with respect to any article where any part of it goes into the export trade.

Take, for instance, the illustration the gentleman from South Dakota [Mr. DILLON] has just used, that of the wheat and the cotton crop; if you do not put in the words "marketing and trading," then your cotton factors who have their representatives here buying from the farmer, under British control, for the British Government, can form a combination by which they could control the price of cotton. The same is true with respect to wheat. They could come in and say, "You do not undertake to penalize us at all." You undertake to exclude one, and so you include the others. You do not inhibit or outlaw the trading in wheat or marketing of these other products.

For that reason I think you should certainly put the proposed words into the statute, because otherwise you will defeat the object you have in mind.

Mr. HUDDLESTON. Mr. Chairman, I move to strike out the last word.

I have been very much impressed by the remarks of the gentleman from South Dakota [Mr. DILLON] and of the gentleman from Arkansas [Mr. WINGO]. I look upon this bill as

being a very dangerous thing—something like a suit case filled with dynamite. It is practically impossible to figure out the possibilities that there are in this measure or just what effect it is going to have. It is a dangerous piece of legislation, and it seems to me that we ought to approach it with great caution.

Take for illustration the marketing of cotton, a commodity with which it happens that I am somewhat familiar. The cotton is grown by the farmer, and it is sold to the merchant in the town or city, who in turn sells it to the exporter, who buys it to fill orders that he has received from London, Hamburg, Paris, or some other foreign market. The export business in cotton fixes the price of the product. At the outside the business is under the control of a few dozen exporters. It is easily possible for those exporters to combine together. The inevitable tendency of this law will be the formation of a combination upon the part of exporters of cotton, and the result will be that the producer will be oppressed. There will be always a tendency to secure a larger margin of profit for the middleman, for the exporter. He will be able to fill his orders, not in competition with other exporters, but in conspiracy and in combination with them. Do you think that exporters who have combined together for the purpose of making sales and taking orders for cotton from spinners in foreign countries will separate and bid against each other when it comes to supplying themselves with the cotton wherewith to fill those orders? It is not at all reasonable that they will do so.

Mr. Chairman, the tendency is inevitable that the taking of orders for cotton from foreign spinners will pass into the hands of a single little group of men sitting around a table, the orders will be apportioned out among them, the price that they will pay for it will be fixed and agreed on and their profits set apart for themselves, and there will be absolutely no competition among those exporters in buying the product of our southern fields.

What I have said as to cotton applies with equal force to wheat and all the great commodities of the farm. It applies to the products of the factories. For instance, take automobiles. As soon as we pass this measure the leading manufacturers of automobiles will combine together to control the export trade. The foreign market and demand will pass into the hands of this little group of men, and their competitors will be excluded from it. The result will be that the manufacturer of automobiles who is not in the combination will lose his market for automobiles in foreign countries. He will be driven out of business or forced to depend upon the local market. He will be compelled to sell out his business to some competitor or to retire from business, and the whole thing will be detrimental to American industry.

Gentlemen, this is a dangerous measure. We can not see where it is going to reach. I would as lief have it possible for men to combine to sell to the American consumer as to have them combine in buying from the American producer. What is the difference? I fail to see it.

Mr. Chairman, the objects of antitrust laws are twofold. One is to protect the consumers, to save them from exploitation by the manufacturers and middlemen. That is one of the great purposes of the antitrust law. But that is not the only purpose. Another great purpose is to protect the producer from a great combine of purchasers, to protect the small manufacturer, the small dealer, and give them a chance to compete on fair terms. It is true we care nothing about the exploitation of foreign peoples by our own people who have something to sell. However, we should have some regard for our producers who may be forced to sell their products of farm and factory to exporters who have entered into an oppressive and unjust combination to depress prices.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KREIDER. Mr. Chairman, I do not know that the Webb bill now under consideration is going to be of any material assistance in securing foreign business, but I do not think it can do any possible harm, and shall therefore support the bill.

I am glad to see that at least some members of the Democratic Party at last seem to recognize the importance of securing as large a share of foreign business as possible; but I notice that some of them are very much concerned for fear that some large corporation might take on business at a price which is less than the prevailing price in America. I would gather from the remarks of the gentleman from Texas that he would be willing to go to the extent of enacting legislation that would provide a jail sentence for anyone found guilty of taking an order from a foreign customer at a less price than he had sold similar goods in America. I do not doubt the honesty or conscientiousness of the gentleman, but I would like to ask the gentleman from Texas whether he does not think it would be good policy for a large manufacturer who might find it necessary in order to maintain his operating expenses at the lowest point to run his factory to its fullest capacity, and not finding a market for all of his production here, I say, would it not be good policy for such a concern to take on a certain volume of foreign business even though the price was a little less than that prevailing here?

Mr. HARDY. I would like to say that it would take 10 minutes to answer the gentleman; but I think it is a sufficient answer to say it is not better.

Mr. KREIDER. Mr. Chairman, it is needless to say that I do not agree with the gentleman, but, as I said in the beginning, I am glad to know that at last the Democratic Party is going on record and seems to be interested in securing foreign business for our country; but why are you not equally interested in retaining our home market?

Why are you willing to surrender our own market to the foreigner by the enacting of a near-free-trade tariff bill?

Mr. HARDY. Is not the gentleman in favor of the anti-dumping clause?

Mr. KREIDER. I am in favor of anything that keeps any article manufactured in a foreign country out of this country, provided we can manufacture that article here and in so doing give employment to the wage earners at a remunerative price. [Applause on the Republican side.]

Mr. HARDY. But the gentleman wants to do in foreign countries what he wants to prohibit in his own.

Mr. KREIDER. I want to give employment to all of our wage earners, and it is high time that we take steps to accomplish that end. The gentleman knows that after the war ends in Europe the bread line will form, mills will shut down, unless there is a change of the tariff laws that are now on the statute books, and I might say here and now that these tariff laws are far more important than appear, perhaps, on the surface. They are, I might say, directly responsible for the various revenue bills being enacted. The recent revenue bill passed by this House, and also now passed by the Senate, the conference report of which will probably be brought to this House on Tuesday next, is made necessary partly because of the repealing of the Payne Tariff Act by the Democratic Party and partly because of the extravagant and needless appropriations passed by this administration. Personally, I am not so much opposed to the various provisions of the revenue bill itself, but I am opposed to the policy which has made the introduction of such a bill necessary.

On July 6, when this revenue measure was first presented in the House by the distinguished and able leader of the majority [Mr. KITCHIN], he, in behalf of the Democratic Party, repeatedly challenged this side of the House, in case we would not support this bill, to say how or what the Republican Party would have done or would do were they in power. He called our attention to the fact that we voted for the increased amounts carried in the fortification, the Army, and the Navy bills, and said he was now anxious to see whether we would be willing to vote also for the bill imposing the taxes to raise the necessary revenue.

I admit the question is pertinent, and he was justified in propounding it, and I shall be glad to answer it. I shall not only answer it in a general way, but specifically. I shall supply actual facts and figures and in such a simple manner that every Democratic Member of this House can understand. In doing so I shall not use figures of my own making, but figures supplied by the various governmental departments, all of which are under the direct control of the party in power.

I admit that I supported and voted for the preparedness measures to which he refers, but I may as well say right here and now I shall not vote for the imposition of additional burdens upon the people.

I will show, as he has challenged us, that if the Republicans were in power the revenues of the Government under existing law would be ample to provide for all the preparedness measures voted for by us. The truth is, that the money that you propose to raise by imposing these taxes is needed—

First. Because you squandered a large portion of the revenue of the Government by wasteful, needless, and extravagant appropriations.

Second. Because you repealed the Payne tariff law and substituted therefor the Underwood bill, which has proven an absolute failure as a revenue producer, and not, as you say, to make up the deficit caused by the preparedness program demanded by the people.

In the Sixty-third Congress you did the same thing; you needlessly squandered the revenue of the Government to the

extent of over $100,000,000 and then levied, over our most emphatic protest, a so-called "war tax" intended to raise the money thus taken from the Treasury. You at that time promised to repeal this war tax in a year, but instead of repealing it you now come with another tax bill intended to raise about $200,000,000—to be exact, $197,000,000—and then boldly challenge us, asking what we would have done or do were we in power. I will tell you, and in doing so I shall use the figures of the year ending June 30, 1913, the last year the Republicans were responsible for legislation and appropriations, and compare these figures with the year ending June 30, 1916, for which the Democratic Party was responsible for legislation and appropriations.

First, what do the increased appropriations you speak of amount to? They are, of course, we admit, very large. For your benefit I shall give the amount appropriated in 1916 and 1917 in each of the three bills, and also the increase carried by each, as well as the totals. They are as follows:

	1916	1917	Increase
Army bill	$101,974,195.87	$267,596,330.10	$165,622,134.23
Navy bill	149,661,864.88	313,300,095.84	163,638,230.96
Fortifications bill	6,060,216.90	25,747,550.00	19,687,333.10
Total	257,696,277.65	606,644,175.94	348,947,898.29

This is an increase, as you will notice, of nearly $349,000,000; a very large amount indeed. The question now arises, as Mr. KITCHIN puts it, "What would we do, or have done, to get this money without levying extra taxation?"

Well, let us see what our income is and has been, comparing 1913 with 1916. In order to show this entirely clear, I have taken the following figures, showing the receipts and disbursements of the Government on all items for the fiscal years ending June 30, 1913, to June 30, 1916, inclusive. These figures are from the Treasury reports, and are as follows:

Statement of receipts and disbursements, fiscal years 1913 to 1916, inclusive.

	1913	1914	1915	1916
RECEIPTS.				
Ordinary receipts	$724,111,229.84	$734,673,166.71	$697,910,827.58	$779,718,040.39
Panama Canal receipts, tolls, etc			(1)	2,869,695.25
Public debt receipts	23,400,850.00	23,021,222.50	22,486,955.00	58,352,402.50
Total receipts	747,512,079.84	757,694,389.21	720,397,782.58	840,940,438.08
DISBURSEMENTS.				
Ordinary disbursements	682,770,705.51	700,254,489.71	731,399,759.11	724,447,040.19
Panama Canal disbursements	41,741,258.03	34,826,941.76	29,187,042.22	17,503,728.07
Public debt disbursements	24,191,610.50	26,961,327.00	17,253,491.00	24,668,913.50
Total disbursements	748,703,574.04	762,042,758.47	777,840,292.33	766,620,230.76
Excess of ordinary receipts over ordinary disbursements	41,340,524.33	34,418,677.00		55,270,991.11
Excess of ordinary disbursements over ordinary receipts			33,488,931.53	
Excess of Panama Canal disbursements over Panama Canal receipts	41,741,258.03	34,826,941.76	29,187,042.22	14,633,732.79
Excess of public debt receipts over public debt disbursements			5,233,464.00	33,683,488.00
Excess of public debt disbursements over public debt receipts	790,760.50	3,940,104.50		
Excess of all receipts over all disbursements				74,320,147.32
Excess of all disbursements over all receipts	1,191,494.20	4,348,369.26	11,333,308.97	
Postal revenue	266,619,525.65	287,934,565.67	287,248,165.27	311,970,802.46
Postal expenditures	262,108,874.74	283,558,102.62	298,381,474.24	303,228,452.73

(1) Included in ordinary receipts for 1915. (2) Exclusive of $6,636,592.60 grants from the Treasury for deficiencies in postal revenues in ordinary disbursements.

NOTE.—Figures for 1915 subject to slight change after final revision of accounts.

You will notice that the total receipts for 1916 were $840,940,438.08, as compared with $747,512,079.84 for 1913, the last year under Republican control, showing an increase of $93,428,758.24. This balance can be applied to make up part of this deficit, provided you had not appropriated more than the Republicans did when they were in power and responsible for appropriations; and I do not recall that in any of your campaign literature you accused the Republicans of not appropriating enough. You also would, in addition, have had a nice little balance, which I have not taken into consideration, in the Panama Canal disbursements. You will notice that in 1913 the Panama Canal disbursements amounted to $41,741,258.03, whereas in 1916 they amounted to only $17,503,728.07. In other words, there was a saving in these expenditures of over $24,000,000. There was also a saving of over $17,000,000 in the pension appropriations. To be exact, in 1913 they were $175,085,450.29; for 1917 they are $158,065,000. So that if your appropriations would have exceeded the appropriations made by the Republicans in 1913 even to the extent of $41,000,000, you would still have an increased revenue, to which I have referred, of over $93,000,000. You will notice that I am extremely liberal and more than fair in making these calculations. I do this because there is legitimate extra expense attached to the administrative offices because of the natural growth of the country, but this allowance will easily provide for such natural growth or expansion and is extremely liberal.

Now, let us consider the customs receipts; that is, the amount of our importations and the revenue collected. In this case, again to be perfectly fair, I shall quote the figures for a period of six years from 1911 to 1916, inclusive, and shall give the amount of revenue collected under the Payne bill for three years, including 1913, and the Underwood bill for three years, including 1916, and shall give the amount of importations, the revenue, the per cent of articles coming in on the free list, and the average rate on all imports. They are as follows:

Year.	Imports.	Revenues.	Per cent free.	Average rate, dutiable imports	Average rate, all imports
1911	1,527,226,137	$314,497,371	60.84	31.2	20.22
1912	1,653,264,934	311,721,672	63.33	40.12	18.85
1913	1,813,008,354	318,813,994	64.57	40.05	17.69
1914	1,893,025,657	292,128,528	59.53	37.60	14.88
1915	1,674,169,740	209,268,109	61.77	33.43	12.40
1916	2,197,885,510	311,866,222	67.31	0.04	9.72

It may be interesting and I shall quote the imports and revenues for each month for the years 1913 and 1916, because it is these two years from which we make our comparison, 1913 being the last year the Payne law was in force, and in 1916 the Underwood bill being in force. They are as follows:

Month.	Fiscal year ending June 30, 1913.		Fiscal year ending June 30, 1916.	
	Value.	Revenue.	Value.	Revenue.
July	$148,665,738	$28,136,730	$143,244,237	$14,185,943
August	154,756,770	30,205,332	141,804,202	15,780,541
September	144,819,493	25,475,128	151,236,026	14,923,640
October	177,987,986	30,116,824	149,172,729	17,936,581
November	153,024,808	25,666,454	155,496,675	17,082,213
December	154,095,444	24,248,161	171,832,505	16,893,087
January	163,063,431	29,334,124	184,350,942	17,543,535
February	149,513,915	27,995,111	193,935,117	19,239,535
March	155,445,498	27,457,489	213,580,785	20,984,386
April	146,194,461	23,693,986	218,236,997	18,926,853
May	133,723,713	20,434,749	229,134,097	21,184,486
June	131,245,877	23,688,900	245,806,779	19,914,386
Total	1,813,008,354	318,142,544	2,197,829,982	211,866,222

I want to call your attention first to the fact that the importations for 1911 amounted to $1,527,226,105; in 1913, they amounted to $1,813,008,234; now, in 1916, they amounted to $2,197,883,510.

It was generally supposed that our protective tariff prohibited foreign goods being shipped into this market, and that, under the Underwood bill, these importations would greatly increase. If you will take time to ascertain the increase in importations from 1911 to 1913, you will find they amounted to $285,782,129, or an average increase per year of $142,891,064. Now, the increase from 1913 to 1916 is $384,875,275, or an average annual increase for the three years of only $128,291,755. I simply make mention of this fact and draw your attention to it because of the contrary assertions constantly made on the floor of this House. It is the tax collected in which we are particularly interested at this time. In 1913, you will notice, we collected $318,891,396; in 1916, we collected $211,866,222, a loss of over one-third of the entire revenue, namely $107,025,174.

And the rate, as you will notice, dropped from 17.69 in 1913 to 9.72, nearly 50 per cent. Now, assuming and again giving our Democratic friends the benefit of every possible doubt that had the Republicans remained in power there is no doubt but the Payne or a similar protective tariff bill would have been in force, and assuming that the increase in importations would not have increased any faster than they did under Democratic administration, but they would have, because the country would have been in a more prosperous condition; but assuming, as I said, that they would have amounted to $2,200,000,000, and the rate would have dropped to even 17 per cent, we find the revenue collected would amount to $374,000,000, instead of $211,866,222, showing an increase of $162,133,778. This is certainly a conservative estimate of the customs receipts had the Republicans been in power—no Democrat will deny that the Republicans would have retained a protective tariff law on the statute books. Now, let us see what, at least, some of the needless and extravagant appropriations are which I have referred to. I want to be specific and shall name at least a few of them and enough of them to answer my purpose. Perhaps the most needless and uncalled for of all is the appropriation of $20,000,000 for a nitrate plant for the benefit and at the request of a few prominent southern Democrats which amounts to really throwing so much money away, certainly under Republican rule not a dollar would have been appropriated for this purpose.

Next is the $10,000,000 appropriation for an armor-plate plant. In view of the fact that offers were made to the Government by private concerns to furnish armor plate to the Government at actual cost, this appropriation was absolutely needless and was opposed by the Republicans.

Next is the $50,000,000 appropriation for a ship-purchase bill which has been fought most strenuously by the Republicans, and had they been in power this certainly would not have been made.

Next is the appropriation of $40,598,135 for rivers and harbors.

Now, in my calculations I have already made provision for a rivers and harbors bill such as was passed by the Republicans when they were in power; but, again, to be liberal we will assume that owing to necessary improvements we would need $20,000,000 more for this project than was appropriated in 1913 by Republicans. This would still effect a saving of over $20,000,000 on this item.

You also voted $45,000,000 to be dumped into the mouth of the Mississippi River. Now, the North has always been generous with the South, and no doubt the Republican Party would have been most generous with you and might have given you $20,000,000; but even so, there would have been a saving of at least $25,000,000 on this item.

And last, but not least, notwithstanding your frequent and constant assertions of needless expenditures and the creation of needless positions under Republican administrations, saying in your platform in 1912—

> We denounce the profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of recent Republican Congresses which have kept taxes high and reduced the purchasing power of the people's toil. We demand a return to that simplicity and economy which befits a democratic Government, and a reduction in the number of useless offices, the salaries of which drain the substance of the people.

You created over 30,000 new positions to take care of "deserving Democrats," for which you appropriated on various bills fully $36,000,000. I have looked over your Democratic platform adopted in St. Louis in 1916 to see what you say on the question of economy, and I find these words:

> We demand careful economy in expenditures for the support of the Government, and to that end favor a return by the House of Representatives to its former practice of initiating and preparing all appropriation bills through a single committee chosen from its membership, in order that responsibility may be centered, expenditures standardized and made uniform, and waste and duplication in the public service as much as possible avoided.

If this is what you favor, and if it results in economy, why in the world do not you do it? You have control of the Senate and of the House and have the presidential office; there is nothing in the world to prevent you from exercising any and all economies you want; the Republicans can not prevent it; and, unfortunately, the Republicans have not been able to prevent you from squandering the money, as I have already clearly shown. I need go no further, and yet I might go on enumerating smaller items which, in the aggregate, will run into the millions. But let us again ask the question, What would the Republicans do were they in power? I will answer by saying, first:

We would apply our increased income under existing law, to which I have referred and pointed out, that, as between 1913 and 1916, amounts to over		$893,000,000
We would use the increased revenue which would have been collected at the customhouses had a Republican tariff remained on the statute books, amounting to over		162,000,000
Under a Republican administration we would certainly have made the following savings in appropriations:		
Nitrate plant	$20,000,000	
Armor-plate plant	10,000,000	
Ship-purchase bill	50,000,000	
Rivers and harbors	20,000,000	
Flood control	25,000,000	
Extra, needless employees	36,000,000	
Total saving of		161,000,000
Total		416,000,000
The extra appropriations carried in the fortification and Army and Navy bills amount to a little less than		349,000,000
This will leave an excess balance in the Treasury of over		67,000,000

Now, try to remember that in these calculations I have allowed an amount equal to all appropriations of every name and nature made by the Republicans when they were in power, and have given you an extra allowance of $41,000,000 which you saved in the pension bills and Panama Canal disbursements, which would be ample to cover any legitimate increased costs of operations. Furthermore, I have used your figures, supplied by your departments, which are positive and, I believe, correct. The only calculation I made was on the probable income of a tariff law; but in this, you must admit, I have been extremely conservative, using as a basis for my figures an amount which is less than the normal increase was during the operation of the Payne tariff law, and applied an average rate of income that is less than your figures show to have actually been collected. But perhaps you prefer that I should use the figures given by the distinguished gentleman from North Carolina when he introduced the bill on this floor on July 6 last; you may think that perhaps, in some manner, I have endeavored to hoodwink you. So we will take his figures and apply Republican management and legislation and see what result we get.

On July 6, after Mr. KITCHIN had spent considerable time in explaining to the apparent satisfaction of his Democratic colleagues that the Underwood bill was not a failure as a revenue producer, but was actually producing more revenue than the Payne bill would have done had it remained on the statute books, and, in his dignified and pleasing manner, explained the absolute necessity of the passage of this bill, he said:

> The inquiry now is, How much additional revenue is required to be raised, and how does this bill raise it? In estimating the actual disbursements it is proper to deduct the sinking-fund requirement included in the permanent appropriations at $60,727,000 for the fiscal year 1917, and also the postal appropriations estimated at $324,723,000, payable from postal revenues. It is also safe to deduct, as is the custom in making such estimates of expenditures from the total estimated appropriations remaining after these deductions, an amount equivalent to 5 per cent of such total, as experience shows that about 5 per cent of the appropriations calling for the payment of money is unexpended at the end of each fiscal year. It has been the custom in making estimates of amount of required revenue to make the sinking fund and the 5 per cent deductions, as explained. This was done by the committee that reported the Payne bill in making estimates under that bill.
>
> We have prepared a statement showing these deductions, including the estimate of $125,000,000 to be met by bond issue, the estimated ordinary disbursements for the fiscal year ending June 30, 1917, and the estimated receipts under existing laws, together with the estimated additional revenue required to meet the ordinary disbursements for the year, which I shall read:

Total estimated appropriations for the fiscal year ending June 30, 1917		$1,379,000,000
Deduct amount, included in the estimate of total appropriation, because of the Mexican situation, to be financed by bonds	$125,000,000	
Deduct sinking-fund requirement	60,727,000	
Deduct postal appropriations, payable from postal revenues	324,723,000	
		510,450,000
Balance		1,068,550,000

Deduct 5 per cent of the balance, the amount estimated to be unexpended		$53,428,000
Amount for which it is necessary to provide revenue		1,015,122,000
Estimated revenue under present laws:		
Customs	$230,000,000	
Internal revenue—		
Ordinary	303,000,000	
Income tax	120,000,000	
Emergency	41,000,000	
Miscellaneous	54,200,000	
		748,200,000
Estimated excess of disbursements over receipts		266,922,000

We will need, therefore, to meet the fiscal year's appropriations $266,922,000 more than the present revenue laws will produce.

This bill raises, first, by the income tax, extra, I mean, $107,000,000; by the inheritance or estate tax for the first year, $17,000,000; and after that it is estimated that it will raise $54,000,000 annually; from the tax on the manufacture of munitions of war it is estimated that we will raise $71,000,000; and from miscellaneous taxes, additional $2,000,000, which total $197,000,000, leaving $69,922,000 necessary to make good the $266,922,000 for which we are to provide.

Now, instead of levying a tax in this bill for this remaining $69,922,000, we propose to take that amount from the general balance fund.

Very well, we will take his figures. He tells us we need, in round numbers, $267,000,000. I want to call your attention to the fact that in my calculations I treated only specifically the three preparedness measures, namely, the fortification, Navy, and Army appropriation bills. He also uses, as you will notice, the full amount of all appropriations in all departments. Now, then, to be perfectly fair, I shall not take into consideration the increased revenue, amounting to over $93,000,000, to which I first called your attention. However, you will also notice that he does not claim that this bill will make good the deficit. He tells us that this bill will only provide revenue amounting to $197,000,000, but says the balance, approximately $70,000,000—to be exact, $69,922,000—can and will be taken from the Treasury balance. In the course of his splendid remarks and the multiplication of figures and his remarkable but unsuccessful effort to defend the Underwood tariff bill as a revenue producer, he raises his deficit in some manner or another from $267,000,000 to $274,000,000, a mere trifle of $7,000,000. However, we shall overlook this. In one of the many challenges to this side of the House he uses these words:

> Where would you gentlemen get the money if you were in power, and how would you raise the necessary cash? If the Republicans in this House know a better way and a wiser way and a more patriotic way to get this $274,000,000 extra appropriation for which they have voted, then it will be their duty, as it ought to be their pleasure, to make a motion to recommit with instructions to put their measure into the bill and let it go into the RECORD, so that all the people can know their method of levying and producing this extra amount of taxes. [Applause in the Democratic side.] If you gentlemen of the Republican side will offer an amendment or a motion to recommit, setting out a specific method as a substitute for the method of the pending bill, I pledge you no point of order will be made against it, and you shall have the right of going on record for it.

We shall be delighted to tell him what we would have done were we in power, and I am sure it would have been "a better way, a wiser way, and a more patriotic way." For, had we been in power and Republican laws on the statute books and Republican care and judgment exercised in making appropriations, we would have had plenty of revenue without levying extra taxes. I have already said that he does not claim this bill will raise the $274,000,000, but only $197,000,000; the balance of $77,000,000 is to be taken out of the Treasury. I say $77,000,000, because the shortage when he started to speak was only $269,922,000, but has automatically expanded itself to $274,000,000, an increase of $7,000,000.

Now, what would we have done or what could we do?

We would raise by a reasonable and equitable tariff law our customs receipts on the importations of foreign-made goods a revenue amounting to at least $374,000,000, whereas his estimate of the receipts of the customhouses is only $230,000,000. We would show a gain here on this item of $144,000,000. We would cut out the needless and extravagant appropriations to which I have referred and which are contained in his total estimate of $1,579,000,000, which amount to, as enumerated in detail, $161,000,000, making a total increase in our revenue on hand of $305,000,000. From this it would be easy to deduct the amount it is intended to raise by this bill, namely, $197,000,000, leaving an extra balance in the Treasury of $108,000,000. Or, if you like it better, we would pay the entire deficit to which he calls our attention, amounting to $274,000,000, and we would still have a balance for the Treasury amounting to $31,000,000, as against depleting the Treasury balance, as is proposed, to the extent of $77,000,000.

You may note what appears a discrepancy in the final result of both sets of figures, because I show a net Treasury balance of $67,000,000, whereas now I show only a balance of $31,000,000, using Mr. KITCHIN's figures. This is accounted for, first, in my estimate I have used the actual figures of the customs receipts for 1916, amounting to $211,000,000, whereas in his figures he estimates the customs receipts at $230,000,000, making a difference of $19,000,000. In my estimate I treat only the fortifications, Army, and Navy bills, and call attention to the difference in the amount in the pension bill and Panama Canal disbursements of $41,000,000. In his estimate these items are included, and all increased appropriations are included, and I might state here that these increases in the other bills which I have not specifically named amount to in the neighborhood of $60,000,000; but as there is a saving of $41,000,000 in the two bills named, there is an excess appropriation of about $20,000,000, so that if these figures are all taken into consideration, we arrive at about the same result.

Mr. Chairman, the trouble with the financiers of the Democratic Party is that their minds seem to be "single-track-" minds only and run only in one direction, and that is in the direction of spending money and then levying taxes to make up the shortage. I am not at all surprised at the boldness of the challenge. No doubt the Democratic Party feels that they have managed the affairs of the Nation as well as anyone could; but the truth is they have made an absolute failure, for which the people of the country are compelled to pay hundreds of millions of dollars. I have never known a business man or a corporation to fail and have the manager admit that the failure was due to his ignorance of business affairs. The claim is always that it is either the other fellow's fault or the conditions were such that he could not overcome them; yet the truth is that with competent business management other managers under similar conditions manage successfully. So it is with this administration. You have squandered the money, as I have clearly and specifically shown you, by extravagant appropriations and have depleted the income of the Government by ill-considered, un-American legislation, and now, under the pretext of a preparedness program, you ask us to vote to tax the people to make up the deficit. Herein lies the difference between the policy of the Democratic and Republican Parties. The Democratic Party has always been a mere pretending party; it has never lived up to its professions and always shown its total inefficiency whenever there was an opportunity. Of course, we know that the Democratic Party is opposed to a protective tariff and will probably continue to be opposed, notwithstanding the fact that it is so desirable from the standpoint of raising revenue, but even more desirable and beneficial in building up the industries of this country.

Mr. Chairman, there is no law that has ever been placed upon the statute books that has a more direct effect upon the industrial activities of the Nation than the tariff law. A protective tariff has never failed to stimulate industrial development and provide ample opportunities for the wage earner, whereas a near free trade or "tariff for revenue only" has always had the directly opposite effect, the Underwood bill being no exception to that rule. The evidence is positive and recent.

You can not have forgotten the terrible blighting effect of the Underwood tariff law during the 10 months in which it was in operation under normal conditions upon the industry of the country and upon the wage earners in particular.

You remember how the steel mills drew their fires; how the woolen mills retrenched; how many cotton mills were forced out of business; factories that remained open reduced their output; stocks depreciated, it is estimated, over $1,000,000 per day.

The bread line formed in all the principal cities of the country, in New York alone 500,000 being in line and in Chicago over 200,000.

Suffering was terrible, and charitable associations were taxed to their utmost.

It was estimated that 3,000,000 wage earners were idle, and the loss in wages approximated close to $10,000,000 per day.

Three hundred and fifty thousand freight cars were idle, with a like proportion of locomotives.

In Harrisburg, in my district, not less than 144 trains were taken off by the Pennsylvania Co. alone.

Forty per cent of the railroad mileage was in the hands of receivers.

Dividends were passed.

You certainly can not have forgotten how financial failures multiplied, the closing of the stock exchange, the export of our gold, and—

Do you remember how your "great (?) President" became alarmed, and his son-in-law, the distinguished Secretary of the Treasury, asked England to send representatives, with the hope that some kind of an arrangement or agreement might be entered into to pay the $400,000,000 we owed and had no way of paying, except by the exportation of gold, which would have required fully one-half of the entire visible supply in America? You know how glad you were when England finally sent her commissioners, among whom was Sir Walter Baish, and you

finally succeeded in making some sort of a makeshift, temporary arrangement, which fortunately lasted until the war broke out and relieved the conditions.

Have you forgotten that in those days—yes; less than two short years ago—American dollars, due entirely to your legislation, were at a heavy discount, $7 at one time being required to offset an English pound worth $4.86?

Do you recall how mortgages were foreclosed on a scale almost unknown before?

Have you forgotten how the bank balances melted away?

Can you remember how your "great President" called both Houses of Congress in joint session on September 4, 1914, and told us to levy extra taxes on the people, so as to avoid a deficit in the Treasury, which we were rapidly approaching?

And do you recall that on that very day there was on deposit $75,000,000 in various banking institutions throughout the country which you were afraid to withdraw on account of the critical financial situation then prevailing in the United States?

We told you these things would happen if the Underwood bill became a law. We were then called "calamity howlers." Now, I am reciting "history," and no one knows it better than you do.

But the truth is that the Democratic Party when they acquired control of the finances of this Government was drunk with power—power that was conferred by a minority of the voters—and you were determined to run this Government upon "pet theories" instead of "past experiences."

When President Wilson was signing this bill, destined to cause sorrow in America and joy in Europe, he said, among a great many other things, to the jubilant coterie that had received special invitations to witness the deed, "I feel a very peculiar pleasure in what I have just done, by way of taking part in a piece of business," and so forth.

It certainly was a great "piece of business." It caused great rejoicing and favorable comment in Europe, but its effect soon spread gloom and despair in America, and when the American people began to rise in righteous indignation at the betrayal of their interests, the ex-Princeton professor cheered them by the comforting assurance that all their troubles were purely "psychological." It was simply a "state of mind."

Oh, yes; the workingmen, women, and children standing in the bread lines everywhere were not hungry, they just "thought they were."

The children were not compelled to go unclothed and unfed, they only "thought they were."

The mills and factories had not shut down, they only "thought" they had. Great, indeed, is psychology; but, alas, it does not pay the rent nor doctor's bills nor grocer's bills. While it may revive the drooping spirits for a moment, it does not satisfy the craving of an empty stomach.

During the fall and winter of 1913 we were told by the sympathetic, kind-hearted, and energetic Redfield that a thorough investigation of actual conditions had been made by his department of the Government, and he assured us that by January 1 there would be a general resumption of activities in all of our industries. We waited. January 1 came, but the resumption of the activities in our industries was only "psychological." Then we were given to understand that a few cogs had slipped in the machinery that was to bring us prosperity and we were asked to wait until March 1, when we were assured that every wheel and every spindle in every mill throughout the country would begin to turn.

We waited—March 1 came, but the wheels and spindles refused to turn.

Then, it was May 1, when the sun in the heavens was to become invisible because of the smoke from the chimneys of our mills and factories. We again waited—May 1 came, but no smoke, only hot air. We were then assured if we would only possess our souls with patience until July 1 we would be overtaken by prosperity, but on July 1 the only prosperity in evidence was "psychological."

It was then explained to us that the "piece of business" which the President took such extreme delight in putting on the statute books had not yet been on the statute books a sufficient length of time to "bring" prosperity; but every man, woman, and child in this country, including the great ex-professor, knew it had been long enough in force to "destroy" prosperity.

After this the European war came, and with it has come a temporary prosperity which is entirely abnormal and is solely and entirely due to the demands for American products to supply the needs and necessities of the warring nations of Europe. Every sensible human being knows that the prosperity we now enjoy will last only so long as the war lasts. It is a fictitious and artificial prosperity that will disappear on the day that peace is declared, and I hope that God may speed the day. I do not want this country to prosper at the expense of the grief-stricken and heartbroken widows and orphans of the Old World. I do not welcome and can not rejoice in a prosperity that is based upon the sorrows and misfortunes of our kindred across the seas. The very thought of coining money out of the blood, the tears, and the suffering of humanity is abhorrent to the American people. Our sympathy goes out to the mothers of Europe, and I would to God we might be able to lift from them this burden of sorrow, grief, and pain.

Ah, my Democratic friends, when you boast of the prosperity now with us, do not turn a deaf ear to the moans and groans of the wounded and dying.

When you boast of our exportations—the product of our munition factories—look across the seas and glance at the bleak white walls of the dreary hospitals filled to overflowing with human beings, "the noblest creation of God," maimed, mutilated, suffering intense pain and agony.

When you boast of our temporary prosperity, will you not look at the pinched, pallid face of the soldier boy and hear him murmur the blessed name of "mother" as his young life comes to a premature and untimely end and his soul wings its flight to God?

Talk not to us of prosperity that is eating out the very heart of our boasted Christian civilization—a prosperity that makes a mockery of all the nobler instincts and sentiments of the human race, a prosperity that is based on hate and defies the heaven-sent message, "Peace on earth, good will to men."

Mr. Chairman, we demand legislation that will bring prosperity to this country after the war; prosperity that is based upon sound, economic laws; a prosperity that is a blessing to all humanity, a prosperity that brings cheer and joy and love and peace in the homes, hearts, and souls of men; prosperity such as we enjoyed prior to 1913; a prosperity such as we always enjoyed under a wise protective tariff law.

Mr. Chairman, I shall not pause to defend the protective tariff policy of the Republican Party. The history of our internal development is its defense. It has stood the test. It has brought its blessings into every home and it will again bring its blessings to this great beloved country of ours, when the Republican Party again assumes control of our National Government on March 4, 1917.

Mr. Chairman, I feel that I have slightly diverted from the direct subject of finance which I started to discuss. If you will remember the quotation I cited of the distinguished gentleman from North Carolina [Mr. KITCHIN], you will notice he included in the deduction from the general appropriations an item of $125,000,000, which is not provided for in either of my calculations. He told us that to provide for this item the administration proposes to issue bonds. This item is for the purpose of carrying on the war—no, not war; "he kept us out of war"—to carry on our "watchful-wobbling" policy with Mexico.

Mr. Chairman and gentlemen of the committee, this opens up the Mexican situation. I shall not at this time speak on this subject, but in the near future, I hope to address the House on our relations with Mexico. I will pause, however, long enough to say that this whole so-called "Mexican question" is one of our own creation. Except for the attitude of Woodrow Wilson there would be no Mexican question at all and, as a consequence, there would be no $125,000,000 appropriation to provide for, nor one of $50,000,000 already provided for; nor expenditures of many millions to be provided for in the future. But for that "watchful-wobbling" policy, there would have been no demands to salute our flag necessary, there would have been no need of sending our fleet to Vera Cruz, there would have been no funerals of our brave sailor boys in New York or elsewhere.

My friends, when the final chapter of this Mexican situation has been written by the impartial historian the action and conduct of this Government will cause every American with red blood in his veins and a reverence for the Stars and Stripes to blush with shame. This chapter will be the only humiliating chapter in all our splendid American history. Would to God we were able to rub it out.

Mr. WEBB. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and amendments thereto close in eight minutes.

The CHAIRMAN. The gentleman from North Carolina asks unanimous consent that all debate on this paragraph and amendments thereto close in eight minutes. Is there objection?

There was no objection.

Mr. SMALL. Mr. Chairman, except for the fallacious argument that the gentleman from Pennsylvania makes as to the protective tariff, he made a very good presentation in behalf of the bill.

I desire in these few minutes to take up some arguments that have been made that this bill will affect injuriously the prices of agricultural products, of which I might take as examples the

cotton crop of the South and the wheat crop of the West. The prices of these staple products are fixed in the markets of the world. Unless our producers of raw agricultural products have a free opportunity of exporting them to meet the demand, then the prices in our own country will be depressed and the producers will suffer thereby.

This bill is not intended so much for the benefit of the exporters of raw products; they can take care of themselves. The prices are fixed in the world-wide market; there will be bidders for them when there is a demand, and buyers at the prevailing market prices.

The chief purpose of this bill is to aid the little manufacturer, not the large manufacturers who export, like the International Harvester Co., the Standard Oil Co., the United States Steel Corporation; they have the financial ability to advertise and further their interests in the foreign market, to do the necessary advertising, to exploit their goods and bring them to the attention of the buyers with patience, money, and with skill, and await their opportunities, and thereby to compete with the manufacturers of other countries in the selling of their products. But the little manufacturer, the small corporation, for instance, engaged in producing iron and steel products——

Mr. BUCHANAN of Illinois. Will the gentleman yield?

Mr. SMALL. Not now, but in a moment. He can not afford to expend the necessary amount to exploit his goods, to advertise them, and maintain the necessary staff in order to put them before the foreign market. Now I yield to the gentleman.

Mr. BUCHANAN of Illinois. Does not the gentleman know that the Steel Trust has practically no competition, that they have got a gentleman's agreement in armor plate and steel rails? Does not the gentleman also know that the small business man of the country is at the mercy of the big trusts now, and will be if this bill is passed, in the export trade?

Mr. SMALL. From my information I am not prepared to admit the United States Steel Corporation dominates the production of iron and steel in the United States. There are others——

Mr. BUCHANAN of Illinois. Has the gentleman read the Stanley steel company report?

Mr. SMALL. Yes.

Mr. BUCHANAN of Illinois. And in the face of that information the gentleman does not believe it dominates the iron and steel business of the country?

Mr. SMALL. Not to the extent of being a monopoly.

Mr. BUCHANAN of Illinois. Oh!

Mr. SMALL. This bill does not affect that subject, is not intended to affect it in the slightest degree. If the gentleman is correct, if they have a monopoly in the iron and steel trade, this bill does not change it and could not change it. What this bill does is to say to the small manufacturer of any product, where there is an export demand, that he may combine with manufacturers of a like product, pool their product, put up the necessary money for the purpose of exploiting them and to put them in competition with foreign producers and to do the necessary things to find a market for the products. This bill is in the interest of the little manufacturer and is not intended for the large manufacturer.

Mr. MORGAN of Oklahoma. Will the gentleman yield?

Mr. SMALL. For a question.

Mr. MORGAN of Oklahoma. Then in harmony with what the gentleman states, would he vote for an amendment which would restrict the application of this law in a certain way—that is, to concerns that have a certain amount of capital stock, or concerns that have an annual output of, say, a million dollars, or five hundred thousand dollars, or something else? Would the gentleman be willing to vote for an amendment that would restrict it to the small concerns?

Mr. SMALL. Oh, the gentleman and I look at this thing differently. It is the same old question——

The CHAIRMAN. The time of the gentleman has expired.

Mr. SMALL. I would ask for two minutes more.

Mr. MORGAN of Oklahoma. I would ask that the gentleman have five minutes more.

The CHAIRMAN. The time has already been fixed by the committee.

Mr. HICKS. Mr. Chairman, let me extend to my friend from Texas [Mr. EAGLE] my congratulations on the splendid encomium pronounced by him on successful, legitimate business enterprise. For a number of years this Nation of ours has looked

Mr. HICKS. For a number of years this Nation has looked forward with hope and confident expectation to the time when our export trade, especially to the Republics south of us, might be extended and enlarged. With conscious pride we look back to that splendid past when American ships were upon every sea and the America flag floated in every harbor of the globe. That those days may return is the fervent hope of everyone, and I believe, Mr. Speaker, that this bill will speed the time. [Applause.] Our business men, be they large or be they small, be they farmers or manufacturers, merchants or laymen, or whatever their profession, should be encouraged not hindered, advanced not retarded. They are entitled to every consideration and deserve well at the hands of the Federal Congress, for the American business man is the bone and muscle of our prosperity and our greatness. I believe in protection at home and abroad.

There have been three main reasons why that trade has not been developed commensurate with the marvelous growth of our industries. They are the lack of banking facilities, the lack of transportation, and the lack of selling facilities—all three of which, working in harmony, are essential to a successful export business. We can not build up that trade by mere declaration of our desire; we can not develop it by idle dreaming or the expression of a wish. We must legislate wisely and without prejudice, giving to our business men the same opportunities enjoyed by their competitors from other lands.

We have taken steps to remedy the deficiency in banking facilities by authorizing the extension of our banking system; we are remedying the lack of shipping facilities by enlarging existing lines and incorporating new ones; and this bill, in my opinion, will, in a large measure, remedy the third defect by placing the American exporter and the European exporter on the same footing.

Now is our opportunity, now the time, to carry the flag into every port of South America. [Applause.] While the nations of Europe are losing by the sword the trade for which they are contending, let us seize our commercial opportunity, the most favorable in a generation, and plant American trade so firmly on the South American Continent that it will endure long after the hostilities in Europe shall have been forgotten. [Applause.] All the American business man wants is an equal chance with his foreign competitor [applause], and an equal chance supported by American enterprise, forwarded by American energy, guided by American genius, means the supremacy of American trade in all the markets of the world. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas.

Mr. WINGO. Mr. Chairman, I ask unanimous consent that the amendment be again reported.

The amendment was again reported.

The question was taken, and the Chairman announced the ayes seemed to have it.

Mr. WINGO. Mr. Chairman, I ask for a division—I withdraw the request.

Mr. WEBB. Mr. Chairman, I ask for a division.

The committee again divided; and there were—ayes 12, noes 14.

Mr. WINGO. Mr. Chairman, I ask for tellers.

Tellers were ordered.

The Committee again divided; and the tellers (Mr. WINGO and Mr. WEBB) reported there were—ayes 26, noes 26.

So the amendment was rejected.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Pennsylvania.

The Clerk read as follows:

Amendment offered by Mr. BAILEY: Page 2, line 9, at the end of the paragraph, insert the following as a new section:

"SEC. 2. That paragraph J of subsection 7 of section 4 of said act be, and the same is hereby, amended by adding the following at the end of said paragraph: '*Provided further*, That on and after the 1st day of January, 1917, no tariff taxes shall be collected on importations of the products of any American country which shall admit the products of the United States free of tariff taxes, the President of the United States being hereby authorized and requested to notify all American countries of the passage hereof and to invite their adhesion.'"

Mr. WEBB. Mr. Chairman, I reserve a point of order.

Mr. BAILEY. Mr. Chairman, this bill is to promote export trade, and I want to submit, on the testimony of our experience with Hawaii, Porto Rico, and the Philippines, that we have found that free trade with those islands has worked marvelously. I believe, and profoundly believe, in expanding the export trade of this country, and the only reason that the export trade of this country is lagging behind development otherwise is because we have chosen to close ourselves within tariff walls, exploiting the American people; and now I want to say that it is proposed under this bill that we shall undertake the exploitation of the people of the rest of the world. I am not sure that that will be the effect of this measure, and I am certainly doubtful of its beneficial effects.

I want to read just a few figures to sustain what I have said about the value of the proposition I here make. I want to call your attention to the fact that in 1898 the total exports from the United States to Porto Rico were $1,404,004, while

in 1915 these had risen to $30,929,831. To Hawaii in 1893 the exports were $4,308,188, while in 1915 they had risen to $20,700,000. With respect to the Philippine Islands, in 1904 the total imports from the United States were $4,633,206, while in 1915 they had risen to $22,394,381. And I want to ask any fair-minded man here if, that being the result of free trade with those particular countries, would not free trade with South America, Central America, and the West Indies produce the very same result?

Mr. FORDNEY. Will the gentleman permit a question?

Mr. BAILEY. Yes.

Mr. FORDNEY. What are the exports from those countries?

Mr. BAILEY. I have not time to go into that.

Mr. FORDNEY. You would not give them, if you had.

Mr. BAILEY. I would cheerfully give them if I could be granted further time. You mean imports to the United States?

Mr. FORDNEY. To the United States. You have given the exports from the United States to those countries, and if you will refer to Cuba you will find that our exports last year were $110,000,000 against us, whereas before we adopted Cuban reciprocity they were but $17,000,000.

Mr. BAILEY. Yes.

Mr. FORDNEY. Do you think that is good law?

Mr. BAILEY. Anything that permits——

Mr. FORDNEY. Anything that permits trade from a foreign country here.

Mr. BAILEY. You can not trade one way.

Mr. FORDNEY. Do you want to get cheated in a trade?

Mr. BAILEY. No.

Mr. FORDNEY. But you did.

Mr. BAILEY. If America is anything like your candidate for President says, it is able to take care of itself.

Mr. FORDNEY. That is what your President says.

Mr. BAILEY. I mean that is what your candidate says. Now, these figures show that there was a great increase in the trade from those islands to this country. The export trade from those islands to the United States was increased in like proportion, because, as I said a moment ago, trade is not jug handled. We do not send out goods and get nothing back. We send out goods and get goods back, and the statement made by the lamented McKinley, that the difference was paid in pure gold, was pure moonshine. It is not true, and the statistics say it is not true, and it never was true. I believe if the gentleman will——

The CHAIRMAN. The time of the gentleman has expired.

Mr. BUCHANAN of Illinois. Mr. Chairman, I ask unanimous consent that the time of the gentleman be extended five minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. BAILEY. I believe, Mr. Chairman, that the point of order will not properly lie against this amendment. This bill, as I said at the beginning, is aimed to promote exports, and I think I have shown that exports can be best promoted by offering free conditions in trade. And that is what I propose to extend through this amendment. I want to call the attention of the committee to the fact that this proposition is supported by some of the most important manufacturers in this country. A. B. Farquhar, a noted manufacturer in my own State, is an officer of an organization which was formed for the express purpose of promoting the idea which I have embodied in this amendment; and Mr. Ingersoll, of the great Ingersoll Watch Co., is the president of that organization. And many of the vice presidents and other officers of that organization are distinguished men in the manufacturing industry in this country; and I believe, Mr. Chairman, that we could do no better service to the exporters of the United States than to offer them this opportunity, which I believe South America would gladly embrace. I understand that within a very recent date Argentina and Uruguay and one or two other countries have entered into such a union as this proposes. I think, Mr. Chairman, that this amendment should command and ought to receive the support of every man who really wants to promote the exportation of American goods.

Mr. WEBB. Mr. Chairman, I will have to make the point of order. I do not think the amendment is germane. It is a revenue proposition, repealing the tariff law, and while it may directly or indirectly refer to the export trade, it is not germane to the bill or the section to which it is offered.

The CHAIRMAN. The point of order is sustained.

Mr. HULBERT. I offer an amendment as a new section, which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from New York offers an amendment as a new section, which the Clerk will report.

Mr. WINGO. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WINGO. I understand this amendment proposes a new section. Would it not be proper to have the amendments to the section disposed of before offering a new section? I have an amendment to the section. I do not want my right lost.

The CHAIRMAN. Has the gentleman an amendment to perfect the section?

Mr. WINGO. Yes; an amendment to the present section, section 1.

Mr. HULBERT. I understand all amendments to section 1 have been concluded.

The CHAIRMAN. The amendment can be reported.

The Clerk read as follows:

Amendment offered by Mr. WINGO: "Page 2, line 5, after the word 'State' insert the the following: 'or in any State or Territory.'"

The CHAIRMAN. All debate on this section has been closed and on all amendments thereto. The Chair has no discretion.

Mr. WINGO. The Chair is mistaken as to the extent of the unanimous-consent request. It went to the paragraph, and not to the section.

The CHAIRMAN. The bill is being considered section by section.

Mr. MANN. Mr. Chairman, I ask that the gentleman be allowed to proceed for five minutes.

Mr. WEBB. Mr. Chairman, I ask unanimous consent that the gentleman from Arkansas [Mr. WINGO] be allowed to offer his amendment.

The CHAIRMAN. Unanimous consent is asked that the gentleman from Arkansas may proceed for five minutes. Is there objection?

There was no objection.

Mr. WINGO. Mr. Chairman, the amendment I offer now is the same as the amendment I offered awhile ago, which was defeated by a tie vote.

I do not yield to any one on the floor or in the House in my desire to do all I can to extend the commerce of the United States.

Mr. WEBB. Mr. Chairman, will the gentleman yield?

Mr. WINGO. Yes.

Mr. WEBB. Will the gentleman state the effect of it? Maybe we can agree to it.

Mr. WINGO. I will do so before I get through. No one on the floor of the House or in the Committee on the Judiciary knows any more about the efforts that have been made to extend our foreign trade than I, because as a member of the Committee on Banking and Currency I know exactly what efforts have been made to extend our foreign commerce. In that capacity I have done all I could as to banking measures to extend our commerce.

The amendment I have offered undertakes to add to the words in the first paragraph, at the top of page 2, these words, "or in any State or Territory." The present language is carefully drawn to exclude that very thing, because the amendment that I offered and which was defeated by a tie vote is an amendment that is opposed by certain people who want to take advantage of the very legitimate demand for an extension of our foreign commerce to break down the antitrust law with reference to trade in agricultural products.

Mr. MANN. Mr. Chairman, will the gentleman yield?

Mr. WINGO. Yes.

Mr. MANN. I voted for the gentleman's other amendment. I can see no objection to that, but I do see some objection to this. The language of the bill is designed to come within the terms of the commerce clause of the Constitution. The gentleman proposes to add to that a provision in reference to trading wholly within a State. Of course we have no control over such trading.

Mr. WINGO. I think, though, the gentleman will see that I am right, although at first blush the gentleman's contention may appear true. This paragraph goes to defining what you can not do "within the United States." An association, however, can be formed within the city of Philadelphia, for example, and it could enter into a combination for the purpose of trading in the city of Texarkana in cotton for export trade; and unless the amendment I have offered here is adopted, then under the first paragraph of the bill, under the familiar rule which every lawyer will agree with me applies, where you have excluded trading and marketing from the provision in lines 7, 8 and 9, they would by this act be released, and that is what they want. They want to be released from the operations of the present antitrust law.

Mr. MANN. Every monopoly that exists that confines its operations wholly within a State can be controlled only by State law. What control have we over it?

Mr. WINGO. I am speaking of export trade.

Mr. MANN. If so, then that is not within the State.

Mr. WINGO. If they are operating in a State for the purpose of carrying that interstate, to ship to a foreign port, then it would come——

Mr. MANN. That moment it comes within another term.

Mr. WINGO. The gentleman may be right, but I am not sure.

Mr. MANN. I am calling attention to it because I have no desire to participate in passing an unconstitutional act.

Mr. WINGO. Neither have I.

Mr. MANN. I know the gentleman has not. Otherwise I would not have attracted his attention to that point. I think the gentleman is wrong, and I oppose his amendment on that ground. This is only a definition for the purposes of this act. Plainly we have no constitutional authority to control trading within a State. If it is trading from one State to another, we have control. If it is trading to a foreign country, we have.

Mr. WINGO. As a lawyer, of course I agree with the gentleman.

Mr. MANN. No one questions the statement to that extent.

Mr. GARD. Mr. Chairman, will the gentleman yield?

Mr. WINGO. Yes.

Mr. GARD. Is not the gentleman's purpose covered by the language at the latter part of page 3, line 4?

Mr. WINGO. No. I feel sure that if I could make myself clear, the gentleman would support my amendment. I am sure the gentleman from Ohio would have voted for my amendment. My amendment seeks to do this—and I will restate my proposition for the benefit of the gentleman from Ohio:

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. WINGO. Mr. Chairman, I ask for five minutes more time. My time was largely taken up by interruptions.

Mr. WEBB. Mr. Chairman, I am very anxious to get this bill passed, and for the sake of expediting the passage of the bill I want to ask unanimous consent to accept the gentleman's first amendment, because that does effect what the gentleman wants done, while the other amendment is doubtful.

Mr. WINGO. Very well. I ask unanimous consent, Mr. Chairman, that the proceedings by which the first amendment was defeated be vacated. I ask that we revert back to the voting stage on that amendment.

Mr. MANN. The gentleman should ask to vacate the vote by which the amendment was defeated.

The CHAIRMAN. The gentleman from Arkansas asks unanimous consent to vacate the vote by which his first amendment was rejected. Is there objection?

There was no objection.

The CHAIRMAN. The question is on agreeing to the first amendment offered by the gentleman from Arkansas.

The amendment was agreed to.

Mr. MANN. Mr. Chairman, I move to amend, in line 8, by leaving out the word "or," after the word "production," and inserting a comma in place of it.

Mr. WEBB. I accept that, Mr. Chairman.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Illinois [Mr. MANN].

The Clerk read as follows:

Amend, page 1, line 8, by striking out the last word "or"——

Mr. MANN. No; by striking out the word "or" where it first appears after the word "production."

The Clerk read as follows:

Amend, page 1, line 8, by striking out the word "or" where it first appears after the word "production" and insert a comma.

Mr. GARD. The gentleman does not mean that.

Mr. MANN. It would read, "production or manufacture or trading in or marketing in the United States."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois.

The amendment was agreed to.

Mr. MORGAN of Oklahoma. Mr. Chairman, I offer an amendment.

Mr. HULBERT. Mr. Chairman, I already have an amendment at the Clerk's desk. I would like to ask if it is not in order to have it reported.

The CHAIRMAN. Does the gentleman from Oklahoma offer an amendment to perfect the text of the bill?

Mr. MORGAN of Oklahoma. Yes; to section 2.

Mr. DILLON. Mr. Chairman, I have an amendment to section 1 which I would like to have passed on without further debate.

The CHAIRMAN. The gentleman from South Dakota offers an amendment to section 1, which the clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DILLON: Page 1, line 10, after the word "manufacture," strike out the period and insert "nor shall it include any such product unless the same is in the actual possession of some carrier company for exportation purposes."

Mr. WEBB. I hope that will be voted down, Mr. Chairman.

The CHAIRMAN. The question is on the amendment of the gentleman from South Dakota.

The amendment was rejected.

The CHAIRMAN. The Clerk will now report the amendment offered by the gentleman from New York [Mr. HULBERT].

The Clerk read as follows:

Amendment offered by Mr. HULBERT: Page 2, line 9, after the word "corporations," insert:

"SEC. 2. That the Secretary of the Treasury, the Secretary of War, and the Secretary of Commerce be, and they are hereby, directed to report to the Congress on or before the 15th day of December, 1916, as to the advisability of the establishment of free ports within the limits of the established customs districts of the United States as a further aid in the development of the export trade of the United States."

Mr. MANN. I reserve a point of order on that amendment.

The CHAIRMAN. The gentleman from Illinois reserves a point of order.

Mr. HULBERT. Mr. Chairman, this is not a free-trade proposition; neither is it a matter affecting tariff legislation, except in so far as it is aimed at the methods, without materially changing the financial returns. A free port is a restricted territory within a customs district where foreign goods may be received, discharged, worked upon, manufactured, and reexported, and not pay any duty, obviating the entry of the shipment through the customhouse, as is now the case, unless those goods are brought within the United States. In other words, the object of the establishment of a free port is simply to substitute for the present archaic method of drawbacks a practical, up-to-date business system, so that a merchant will not be required, upon the receipt of a cargo of goods which it is his intention to reexport, in whole or in part, to enter them in the customhouse, secure an appraisal, and make a temporary payment of the fixed duty into the Treasury of the United States, thus depriving him of the use of so much capital until he is able, by the method known as the drawback system, to get it back.

Now, be it noticed, Mr. Chairman, that the amendment which I have offered does not commit this House to the proposition of establishing a free port, but it proposes to have the subject as to the advisability of free ports investigated by the Secretary of the Treasury, because he is the fiscal officer of the Government; by the Secretary of War, because rivers and harbors, where customs zones would be located, are under the jurisdiction of the War Department; and by the Secretary of Commerce, because he has the statistics which will enable the presentation of this matter to this House in an intelligent form. And my amendment contemplates that these matters shall be gathered together between the time of the adoption of this bill, if this amendment be agreed to, as I hope it will be, and the next session of this Congress, so that at that time either I or any other Member of this House, desiring to do so, may introduce legislation seeking to establish the existence of one or more free port zones in this country, and may have the benefit, in the consideration of the question, of all the data which may be collected by the three department heads to whom the matter is referred, and placed before the Congress in a House document.

Mr. Chairman, this matter has received a great deal of attention throughout the country. It is not, as some of you suppose, a new proposition.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HULBERT. I ask unanimous consent for five minutes more.

Mr. WEBB. I regret very much to be compelled to object. I think the gentleman has placed the matter before the House very clearly.

Mr. HULBERT. I ask unanimous consent to proceed for two minutes.

The CHAIRMAN. The gentleman asks unanimous consent to proceed for two minutes. Is there objection?

There was no objection.

Mr. HULBERT. Mr. Chairman, here is a new proposition in legislation so far as this country is concerned, new so far as the House is concerned—because so far as I have been able to find out it has not been introduced here before—but not new so far as the commercial industries of the country are concerned, because I find that the consideration of the matter has received the widest publicity. There have been transmitted to me more than 150 favorable editorials from the press of the country, and I have yet to have brought to my attention a

single criticism of the action on the part of commercial bodies who have indorsed this amendment. I introduced it in the form of a resolution, which is now before the Committee on Ways and Means, in order to have this subject investigated in this country.

THE ECONOMIC, INDUSTRIAL, AND COMMERCIAL ASPECTS OF EUROPEAN FREE PORTS, WITH APPLICATIONS FOR NEW YORK.

1. REASONS FOR INTEREST IN THE FREE-PORT QUESTION.

American investigators of European ports and American firms engaged in foreign trade have attracted attention by their favorable comments upon the advantages and conveniences to be found at free ports. Although no systematic investigations have been made of the peculiar merits of the free-port arrangement, we find an investigator of the Chicago Harbor commission saying a few years ago that were Chicago to become a free port she could be the greatest port in the world, a Boston representative advising a free port for Boston, and a delegate from Houston, Tex., who was studying city planning, remarking that in the future he expected Houston to resemble Hamburg.

When it comes to the practical consideration of free ports for the United States, however, the question has reached a point where we must know more definitely what a free port is, whether it has been a success abroad, and whether it can be applied to American conditions.

The first impression one has in reference to the free-port proposition is that of interest because it is peculiarly a German institution. At a time when the United States is looking to the foreign market as the coming outlet for her industry, it is natural that she should turn to German methods, because in 30 or 40 years Germany has developed from an agricultural nation to an industrial and commercial nation of the first rank.

There can be little doubt that Germany has been a pathfinder along a route which we are now traveling. Our change from a predominately agricultural nation to an industrial nation has been easily discerned by those who have been reading the signs of the past 10 years. The census of 1910 tells us that we have declined 18 per cent in the per capita production of cereals since 1900. Argentine beef and corn have been coming into New York Harbor to feed the people who a score of years ago were supplying food to the nations of the Old World. The census of 1910 tells us, on the other hand, that 10 years saw an increase of 77 per cent in the tonnage of our blast furnaces and rolling mills. And during the past year one of our infants, the steel industry, has been contributing an export of nearly a million dollars a day.

To discover what part the institution of free ports in Germany has played in her conquest of foreign markets requires a careful analysis, if we are to ascertain any definite lessons for the United States. In attempting to credit specific advantages to free ports, it is necessary to study the free ports in connection with their competing ports of similar class, which are not free ports. In order to do this, Hamburg and Bremen in Germany, and Copenhagen in Denmark, a free port patterned after the German model, will be contrasted with Antwerp and Rotterdam, their direct competitors, which are not free ports.

2. THE CHARACTER OF EUROPEAN FREE PORTS.

The free port institution is a survival from the days before modern nations arose, when independent cities kept open the routes of traffic. Hamburg and Bremen, now independent, republican states of the German Empire, were members of the Hanseatic League which reached the zenith of its power during the fourteenth century. At a time when the burdens levied upon commerce by petty nobles made commerce precarious, the cities of the Hanseatic League kept their gates open to trade without duties. When Hamburg, Bremen, and Lübuck joined the German Empire in 1871, they retained their status as free cities. They belonged politically to the Empire, but they were outside the German Customs Union. In order to bring these cities into the German customs confederation, Bismarck proposed a plan which gave origin to what we know as free ports. The cities were taken into the customs union, but the harbors were left free.

When Hamburg entered the German Customs Union in 1888, she inaugurated the administration of her free port which for five years previous had been in process of construction. The free port is located on the River Elbe, directly abutting the city, which is 65 miles from the sea, and takes in the entire river for a stretch of 5 miles from Altona to Elbe bridge. The land area comprised within this zone was in 1883 occupied by 16,000 inhabitants, who were evicted when the land was condemned by the State. There is in the free port a land area of 1,325 acres in addition to 1,370 acres of water area, all of which is shut off from the inland by means of a canal on the city side of the harbor and by means of floating palisades on the other sides. The entrances to the city and to the upper and lower Elbe are guarded by customs stations.

Within the free port goods are unloaded, stored, packed, mixed, or manipulated, or manufactured with as great freedom as though customs officials were an unknown species to commerce. There is an interesting way of bringing ships up the river to the free port. The red tape amounts to nothing except that the pilot is a sworn man, who is under oath not to allow any goods to leave the vessel while it is in his charge. There has never been an evidence of bad faith on the part of these pilots.

The Hamburg free port is practically the entire harbor, because, with the exception of river barges en route between the upper and lower Elbe which take the canal around the free port, all the shipping comes to the free port. The free port is a place of varied activity in transshipment from ocean vessels to river barges and the circular railway, in lightering to the city and to the free port warehouses, and in the rapid movements of tugs and small power boats, all centered in a relatively small space. In addition to this activity at the quays and on the water there is an important commercial business being carried on in the rows of warehouses which are employed not only for storage but also for selling headquarters and offices, and close by are two great shipbuilding plants, and just beyond rows of small factories which front directly on the water. Whoever has seen the harbor of Hamburg has seen one of the most impressive sights of a great commercial nation.

The general character of the free port in Hamburg has been copied by the other German ports, except in respect to manufacture, which is a privilege restricted to Hamburg. Bremen, for instance, has the warehousing and transshipment features, with entire freedom in the way of packing, mixing, or manipulating, but her frequent petitions to the Empire for the right to manufacture have been unavailing. Since Bremen embraced Bismarck's proposel three years later than Hamburg, she has had to suffer for her scepticism by this limitation.

Bremen, which is on the River Weser, 46 miles from the sea, located her free port just down the river from her old docks. A large inland basin was excavated from the dry land and connected directly with the river; this was surrounded by quays, transshipment sheds, warehouses, and circular railway, and isolated from the inland by means of a fence. Bremen's shipping quickly transferred itself to the free port, and the old warehouses and quays abutting the city have fallen into decay. In order to accommodate the growing traffic of the free port it later became necessary to add a second inland basin adjoining the first.

Copenhagen, Denmark, the Queen of the North and the commercial center of the Scandinavian countries, had watched with interest the installation of free ports in Germany, and her Parliament decided in 1891 that the best way to meet German competition in the Baltic was to copy the German free port. There is one decided difference, however, to be noted in the free port of Copenhagen, which is that the old harbor was left unaltered and the free port was planned as only one unit in the whole harbor. The land for the free port was reclaimed from the sea, as the site selected was seaward from the old harbor, so much so that a breakwater had to be constructed. The land area, only 148 acres, consists partly of projecting arms, on which are located over 4,000 yards of quays and the warehouses, and an outer fringe of ground on the city side, utilized for administration buildings, freight yards, and factories.

The Austrian ports of Trieste and Fiume have the free-port arrangement, as have several Italian ports in limited form. Because Hamburg, Bremen, and Copenhagen are the best examples of European free ports, this study has been confined to them, and the minor German free ports, as well as the Austrian and Italian experiences, have been left until a more extensive report may be called for.

There is another class of free ports, which may be termed colonial free ports. The German and English ports in the Far East are of this nature, as is another English port nearer home—those of Gibraltar. But as the arguments for colonial free ports may be somewhat different from those which apply to the ports of commercial nations, it is proper for us to limit our tests in behalf of New York to the free ports of northwest Europe.

3. EUROPEAN COMPETITION WHICH CONFRONTS FREE PORTS.

These northwest European free ports compete with Rotterdam, Antwerp, and to a less degree with French and English ports. England is a free-trade nation, and her ports have been largely free, due to the absence of tariffs. France deals in specialities and luxuries, and does not feel the pinch of handling

costs as acutely as do nations dealing in more or less bulky staples. The real test, however, which must be applied to Hamburg, Bremen, and Copenhagen is as to how they get along as compared to Antwerp and Rotterdam, ports which are bidding for trade in part of the same territory. If the free-port arrangement is of commercial merit, these latter ports would not overlook it, unless conditions were radically different with them than in the free ports. The conditions are different because of the scale of tariffs. Belgium and Holland are semifree-trade countries.

In a country where few goods are dutiable, a free port would provide special facilities for only a scant amount of traffic. The problem is very different in Germany, where there is a high scale of tariffs very similar to our own, from what it is in the semifree-trade countries of Belgium and Holland. Officials and members of the chambers of commerce in Antwerp and Rotterdam said that they considered free ports necessary in high-tariff countries like Germany and the United States, but that their duties were too low to justify the creation of free ports. In order to prove up this excuse of low duties let us consider the tariffs of these countries.

When we examine the duties in Belgium we find that raw materials are mostly free. The extent of imports which enter free of duty is illustrated by the Belgium imports from the United States for the year ending January 1, 1912; of these imports only 9.6 per cent on the basis of tonnage, and 16.7 per cent on the basis of value were dutiable. Again, the insignificance of tariff duties in Belgium is shown by the amount of revenue collected. The customs duties collected for the year 1912 totaled but 74,460,572 francs; and, further, of these duties collected by Belgium only 17.4 per cent came from duties levied upon goods stored in bonded warehouses.

Antwerp's importance in transit trade comes mainly from the fact that her port is located on direct routes of shipment to a large territory. The bulk of her transit trade, which is centrally distributed from a European point, is broken in lots in England and shipped through Antwerp in bond. This is clearly illustrated by the transit statistics. The volume of the Belgium transit trade, which goes largely via Antwerp, was for the year 1912, 2,437,290,000 francs. The proportion which stopped in bonded warehouses was as follows:

	Quantity.	Value.
	Tons.	*Francs.*
Transit direct	6,513,404	2,405,405,000
Transit via bonded warehouses	78,384	31,890,000

That is, there was only about $6,000,000 worth of transit goods stored in the bonded warehouses of Belgium in 1912. If we estimate two-thirds of this as being stored in Antwerp—a rough estimate—Antwerp has only about $4,000,000 a year of this kind of traffic to handle. This is too small an amount to justify a free port.

The importance of staples in the commerce of Rotterdam is shown by the fact that out of the total import for the year 1910 of 17,859,027 tons of 1,000 kilos, 2,250 pounds, ore consisted of 6,236,909 tons, grain of 4,127,769 tons, wood of 1,514,248 tons, coal of 1,448,113 tons. Other important items, smaller in extent, were Brazilian coffee, of which 67,000 tons was imported, and products such as artificial butter, margerine, oils, etc., which totaled an import of 302,000 tons.

These major articles of commerce are duty free. In addition, other important items of trade, such as machinery propelled by steam and materials for shipbuilding are free. Rotterdam is an important transit point in the tobacco trade. The duty on raw tobacco is, however, only 70 Dutch cents per 100 kilos. This reduces it to $1.12 duty for 900 pounds of raw tobacco. This duty is so insignificant in respect to value that tobacco manufacturers do not bother to collect drawbacks upon reexport.

Holland, since she levies excise duties on sugar and alcohol, has a drawback system for reexports in sugar-containing articles, such as jams, condensed milk, chocolate and confectionery, and for alcohol in liqueurs and perfumes. The latest statistics available for 1911 were specially provided by the collector of the port of Rotterdam, and show a drawback paid for sugar of $1,583,656, and for alcohol $201,188 in liqueurs and $39,340 in perfumes.

The statistics have been given only for the bonded warehouse business for Belgium and the drawbacks for Holland, because it was not possible to secure both sets of statistics for each country. It is not likely, however, that there is any material difference between the countries in the amount of bonded warehouse business and drawbacks. Upon the small proportion of dutiable traffic Belgium levies a 10 per cent ad valorem tariff and Holland levies a 5 per cent ad valorem tariff. The large percentage of goods duty free, the low tariffs, the small bonded warehouse business, and the inconsiderable drawbacks explain why these countries feel that they have a need for a free port too limited to pay for an expensive equipment.

4. THE IMPORTANCE OF TRANSSHIPMENT DRAWBACKS AND BONDED WAREHOUSES AT THE PORT OF NEW YORK.

After explaining why Antwerp and Rotterdam are not free ports, the question arises as to whether New York has enough dutiable traffic to justify the consideration of a free port. In the first place, New York has an important transshipment traffic—that is, through shipment in bond to other countries. Transshipment statistics, which are separately recorded by the Bureau of Navigation and Commerce, show that for the year ending June 30, 1912, a total of $181,000,000 transshipment goods passed through our territory, of which $60,000,000 went through the port of New York. Had New York a free port, it is likely that part of this traffic would have stopped, as the experience of free ports shows that one of their greatest services is that of becoming a base for transshipment.

The United States paid in drawbacks for the reexport of foreign materials, for the fiscal year 1912, $4,525,570.13, of which $2,784,561.01 was recorded at the port of New York. Although we are not at present utilizing dutiable foreign materials extensively in our articles of export, it is likely that this will increase when we enter the foreign markets more largely with manufactures. The drawback law allows a return of 99 per cent of the duties upon the reexport of foreign materials, with additional fees which in the instance of a large shipment amount to about 1 per cent, and in the case of small shipments to more.

New York has been accustomed to do about 60 per cent of all the bonded warehousing in the United States. On the day of June 30, 1912, the Government statistics showed goods in the bonded warehouses of New York valued at $45,218,560. The fiscal year of 1913 showed an increase in bonded warehousing of about 25 per cent. The high-water mark for New York occurred in the month of September, 1913, just before the new tariff went into effect, when the customhouse for this district recorded goods stored on the last day of that month valued at $69,659,447.

Goods released from bonded warehouses in the New York customs district, for the fiscal year 1913, totaled $90,000,000. This bulks imposingly when contrasted with the sum of about $4,000,000 released from the bonded warehouses of Antwerp in a year.

The present law in reference to bonded warehouses provides only for such charges as are necessary for administration. Every bonded warehouse must pay at least one customs official, and the larger two or more, at the rate of $1,600 a year, to supervise the incoming and outgoing of merchandise. In addition, certain fees are charged to compensate the general customs administration.

In addition to avoiding these charges, warehouses in a free port should offer great advantages in superior location for transportation, advantages in the cheap handling of traffic, and, most important, the advantage of control of merchandise.

The owners of bonded warehouses in Bremen opposed the free-port project for fear of the loss of their business, but the vice president of the Bremen Chamber of Commerce testified that, as it had worked out, these men had not suffered particularly, because the growing traffic of the port had taken care of them as well as bringing success to the free-port warehouses. In New York it is essentially a question of more isolated private bonded warehouses or free-port warehouses to accommodate growing traffic.

What effect the new tariff will have upon the volume of dutiable imports is difficult to say, because several important items went on the free list; most of the ratings changed, however, were in the way of reductions, while 307 ratings remained unchanged and 86 were increased. The fiscal year 1913 showed that 46.53 per cent of our imports were dutiable. Even if the percentage of our dutiable imports is decreased it is unlikely that the volume of dutiable imports will decrease absolutely, on account of our growing trade. With duties stationary for several years the bonded-warehouse business has grown steadily, a tendency which should continue, because lower tariffs will increase imports.

It is important to consider the amount of dutiable merchandise entering a port with the volume of drawbacks and bonded-warehouse business, because it is this kind of traffic which lays the foundation for the success of a free port. New York is preeminently the American port which is best fitted in this respect to consider a free port. When a free port is established Euro-

pean experience shows us free merchandise seeks it as well because of the special facilities offered. At Antwerp, Rotterdam, Hamburg, Bremen, Copenhagen, and Berlin men engaged in foreign trade said, on the basis of their knowledge of the situation at New York, which is considerable, that New York is a logical place for a free port.

5. THE ADMINISTRATION OF FREE PORTS.

If New York is a logical place for a free port from the standpoint of duties, it is of interest to us to inquire into the management, the special services, and the general success of European free ports.

The capital investment in the three major free ports of Hamburg, Bremen, and Copenhagen has been provided partly by the State and partly by private enterprise. In each instance the State paid for the land, dredged the harbors, and built the quays, while private companies, called free-port warehousing companies, paid for the warehouses, railway tracks, cranes, and their administration buildings.

The harbor administration in Hamburg and Bremen is controlled by the State through harbor and engineering departments. In Copenhagen the harbor administration is undertaken by the department of the interior of Denmark, which controls the entire harbor, of which the free port is a part. At all these ports the harbor departments assign berths to ships, collect the harbor dues, and generally administer the shipping.

The warehouse companies, who administer their own property, share their profits with the State to reimburse the State for its investment in the land and harbor. In Hamburg the directorate of the Free Port Warehouse Co. includes one representative of the German Empire and several representatives of the State of Hamburg.

The financial results at these free ports have been satisfactory both to the State and to the companies. The State of Hamburg has made upon its investment 3.5 per cent from 1889 to 1906, 5.5 per cent from 1906 to 1909, and since then somewhat more; the shares of the company paid 5 per cent dividend from 1889 to 1905, 5.5 per cent from 1906 to 1908, and they are now receiving 6 per cent. These disbursements have been obtained in spite of liberal writing off against depreciation, renewals, pensions, and so on. At Bremen and Copenhagen the same method of financing has been employed as at Hamburg, and the results have also been satisfactory. In order to see the way in which the receipts are expended and the method of dividing the net profits, statements are appended from the last report of the Hamburg Free Port Warehouse Co. The item "State purchasing fund" is explained by the fact that the State is utilizing part of its profits to amortize the shares of the private company, so that the State will ultimately be the owner of the entire equipment.

INCOME ACCOUNT, HAMBURG FREE PORT WAREHOUSE CO., YEAR ENDING JAN. 1, 1913.

	Marks.		Marks.
Balance from 1911	12,176.06	Taxes	205,240.66
Rent account (warehouse leased outright)	2,116,706.22	Salaries	164,185.00
		Expenses	177,681.00
Business receipts (general package warehousing)	2,802,428.65	General administration	1,241,977.40
Interest account	28,572.31	Written off:	
		Hydraulic account	61,006.33
		Electric	7,250.89
		General	13,554.04
		Upkeep of buildings	137,994.72
		Building renewal	300,000.00
		Machine renewal	60,000.00
		Bond interest	502,155.28
		Ground rent	408,630.97
		Reserve, warehouse	88,316.66
		Reserve, tax	12,275.00
		Pension fund	50,000.00
		Profits	1,529,614.69
Total	4,959,882.64	Total	4,959,882.64

Report of the Hamburg Free Port Warehouse Co., Jan. 1, 1913.

DIVISION OF PROFITS, HAMBURG FREE PORT WAREHOUSE CO., YEAR ENDING JAN. 1, 1193.

	Marks.
3.5 per cent dividend on shares	315,000.00
To the State	525,000.00
To the State purchase fund	67,743.86
Superdividend to shares 2.5 per cent	225,000.00
Superdividend to State purchase fund	375,000.00
Undivided profits	21,870.83
Total	1,529,614.69

Aside from the land and water front occupied by the Free Port Warehouse Co., Hamburg has leased land area and quays to manufacturing companies and steamship lines. These leases have been for long terms and have been profitable to the lessees; subleases have been negotiated at as high as six times the rate in the original lease.

In Copenhagen the Free Port Warehouse Co. has control of all the industrial business of the free port and makes leases to the manufacturing companies. The value of these leases has increased.

6. THE FREE PORT AS A TERMINAL QUESTION AT NEW YORK.

The first question which one should answer in considering the proposal of a free port for New York is as to whether it is feasible from a terminal standpoint. That is, is it a practical matter? The salient character of free ports, their unity and coordination, may seem impracticable in a harbor with such a long and broken water front as we find here. It would be impracticable, doubtless, to attempt to make the whole of New York Harbor into a free port. The administrative difficulties facing the customs in such a case would make an impossible task; and as the harbor has been developed with no idea of a free port, clean-cut correlation would be outside of the question.

No such objections, however, stand in the way of a separate free-port zone in New York Harbor. Were an unoccupied area selected, it would be possible to construct a terminal all at once and abreast the latest models. Such a scheme has much to commend it. New York needs to provide accommodations for growing traffic, and she is now suffering from the lack of unified and specialized terminals. The freight-congestion problem which has arisen in Manhattan, a solution of which seems so difficult, should hasten the consideration of a special zone for our transit foreign trade.

Well-planned and coordinated transportation, warehousing, and manufacturing facilities, are familiar to New York in the instance of the Bush Terminal. Such facilities appeal strongly to traffic which requires a center from which distribution can be quickly accomplished, and especially to such traffic as is in small units. Large-scale facilities for many comparatively small businesses is most needed by such firms as would use a free port.

A large-scale terminal for transit, special export and domestic imports has a double recommendation for New York. It would relieve the congestion in Manhattan and would give better accommodations to a kind of business which is faced with acute international competition. Lighterage to a free port outside the expensive land area would furnish no additional expense; a switching terminal railway could secure a division of rate similar to the Bush Terminal Railway and support itself; private companies would see an opening for a profitable warehousing business; and the city of New York, which is trying to relieve the car-float congestion at the piers in lower Manhattan, could find a relief by making appropriations for the expense of the free port land and wharves.

A free port would not lay an extra burden on the customs regulation of the port of New York. It seems from foreign experience that there is no question about the success of guarding an isolated free port zone. In New York it would merely divert labor from the administration of bonded warehouses and drawbacks to stretching a guard around the free port.

7. DISCHARGING SHIP'S CARGO IS QUICKLY DONE AT FREE PORTS.

Of the special advantages to trade offered by a free port, the first is that already mentioned of freedom from the red tape and expense connected with drawbacks and bonded warehouses. A second advantage is that when a ship ties up in a free port it is possible to unload the cargo without any customs inspection. Representatives of steamship lines say that this is a great luxury for them, as it enables them to have quicker and better control over their ships. In these days of large investment in ships, saving in time means more voyages and larger interest returns.

The quickness with which cargo may be discharged is also of advantage to consignees. It is an advantage in getting goods inland, because it relieves congestion and gives a steady stream of goods which may be inspected as part of the routine. In the case of transit goods it is pure gain.

The time element in handling cargo is becoming more and more important. The great foe of speedy service is congestion, and the ease with which goods may be received into a free port is everywhere highly appreciated.

8. A FREE PORT GIVES CONTROL OVER MERCHANDISE.

It is an advantage to be rid of customs fees, and it is an advantage to have goods come in quickly, but it is an even greater advantage to have control of your own goods. The free ports are used in many instances for assembling parts

prior to direct shipment. One American firm in the Hamburg free port puts Elgin watch movements into Keystone cases, packs shipments, and sticks firm labels on the packages, all in a room in one of the free port warehouses. Another firm, next door, brings in Panama hats and fits them out with hatbands. A merchant has a show room, his sales headquarters, his assembling room, and his shipping department all in one. The variety of uses of the free port for this kind of thing is easily imaginable.

The importance of this control over the goods is better realized when we discover that most of the firms in a free port do both an import business to the inland and a transit trade with other countries. Some firms do 90 per cent in domestic imports and the balance in transit, while with other firms the ratios are reversed. The ratio does not seem to be of vital significance, since we find that it varies so widely. The important thing is that a merchant does not know what proportion of his goods are for transit in advance. If he does this mixed business, he is in position to take advantage of the best market when he is in the free port. He does not run a risk of bringing goods to a certain place and then finding that he has overshot the demand. He is, therefore, safe in establishing a base where goods may be brought in in bulk, mixed with other goods, and prepared for shipment.

The control which a merchant has over his goods is the first thing to attract attention in a free port. The satisfaction which such a man feels in having free access to his goods is akin to the comfortable, homelike feeling we associate with owning one's own home. The man who employs bonded warehouses for entering the home market or for transit shipment is a homeless man. This may be bad enough for a local firm, but it is positively depressing to a foreign house. We find in Hamburg a large number of American firms who employ the free port as a base for their European trade. There is nothing like this at Antwerp or Rotterdam. And the free port itself is a big argument in inducing American firms to distribute from Hamburg.

9. AMOUNT OF TRANSIT TRAFFIC AT FREE PORTS.

The great thing about free ports is that they are the favorite location for a base of operations. The directors of the Free Port Warehouse Co. in Copenhagen furnished statistics which show that about 30 per cent of the tonnage of their free port is in transit traffic. Since the tonnage of the free port of Copenhagen increased 100 per cent in the 10 years ending 1910, at the same time that the old harbor was increasing only 4 per cent, it is evident that the peculiar advantage of the free port is appreciated.

In the instance of Bremen, statistics given in a report on the harbor of Bremen by a State harbor commission in 1907 show that the increased tonnage handled in the free port from the time of the beginning in 1889 to 1904 was fivefold. These figures are for the tonnage lifted by cranes, which includes practically all the goods unloaded. The statistics kept at Bremen show the amount of transit in her commerce. The latest available statistics follow:

Bremen.

PROPORTION OF TRANSIT IN EXPORT, YEAR 1912.

[P. 205 Jahrbuch für Breimische Statistik Handels Statistik 1912.]

	Tons.	Value in marks.
Food products:		
Exported	17,754,397	430,497,909
Transit	7,872,947	155,951,242
Building material and fuel:		
Exported	10,717,690	19,505,235
Transit	2,367,016	5,836,852
Raw stuff and half manufactures:		
Exported	20,668,383	1,294,784,244
Transit	11,443,347	705,994,444
Manufactured wares:		
Exported	302,834	136,073,367
Transit	206,368	124,970,649
Products of industry:		
Exported	2,996,220	327,472,317
Transit	2,426,030	200,324,904
Totals:		
Exported	52,429,594	2,208,333,072
Transit	24,335,708	1,283,138,141

At Hamburg the warehousing business has shown a steady increase from year to year, which has necessitated the building of new warehouses at frequent intervals. The Free Port Warehouse Co. leases floors or parts of floors by the year, and in addition does a package warehouse business at fixed tariffs for various commodities. The figures of the receipts from these sources constitute a good index of the increase of this business:

Growth of receipts from leased space.

[Compiled from reports of the Hamburg Free Port Warehouse Co.]

	Marks.
Year ending Jan. 1, 1890	1,291,415.60
Year ending Jan. 1, 1899	1,632,324.16
Year ending Jan. 1, 1909	2,108,495.71
Year ending Jan. 1, 1913	2,802,428.05

Growth in receipts from package warehousing.

	Marks.
Year ending Jan. 1, 1890	619,891.77
Year ending Jan. 1, 1899	1,155,153.84
Year ending Jan. 1, 1909	2,401,669.58
Year ending Jan. 1, 1913	2,116,706.22

Statistics for transit are not kept at Hamburg, so it is impossible to find out the proportion of this kind of traffic in her total commerce except by examining the amount of goods exported from Hamburg which are not produced in Germany. This involves a detailed statistical study which would be too long to introduce here. The influence of transit trade, however, has been important. It is not possible, in addition, to tabulate the various activities in the free port in a systematic manner, because the sentiment about the port being "free" has worked against the gathering of any such information. It is possible, however, to indicate the nature of the business done there by means of citing typical examples. The great variety of the business represented in the Free Port Warehouse Co.'s buildings can be imagined when we realize that the floor space of these buildings is more than 5,000,000 square feet. The material gained in this investigation was by means of personal interview and by means of a circular letter sent out to 55 representative firms using the free port, selected by Mr. E. H. Mommenhoff, American vice consul general at Hamburg. Various activities may be illustrated by referring to concrete instances, which are typical.

10. EXAMPLE OF PURE TRANSIT TRADE AT HAMBURG FREE PORT.

Pure transit trade is an exception, as most of the firms do a mixed transit and domestic import business. A rare situation may arise which makes a free port the location for pure transit trade. Such an instance is seen in Hamburg in the case of Mr. Eugen Guttmann, whose letter may be read with interest:

DEAR SIR: In reply to your favor of the 2d instant, I have much pleasure in giving you the following information:

The principal articles I handle are crude and rectified spirit (alcohol) of foreign origin, which only can be used for export purposes, as the entry duty is so high that it can not compete with the spirit produced in Germany. So you will understand that the free port is of special importance for my trade. Most of my German buyers have their manufactories in the free port, as their products are only destined for the export, and so they have no difficulty whatever in working up the foreign spirit, the cost of which is much lower than the spirit of German origin. There are also some firms in the nonfree port with the allowance to use for their export production foreign spirit, but only under customs supervision, which, of course, is more expensive and combined with more or less trouble.

Further on the free port is of great importance for the transit business. Last year I did a big business with the alcohol monopoly in Switzerland. The spirit received here from Russia or other countries by steamers was landed here in the free port and filled into my tank cars, which, after having been leaded by the customs, could be forwarded without any other circumstances.

In my opinion, the free port in Hamburg is of a very great value for the whole trade, and has contributed considerably to the development of the commerce in our city and of the industrial works.

I leave it to you to make any use of this communication you wish, and in case you should require further particulars whatever, I am willingly at your service.

I am, dear sir,

Yours, very respectfully, EUGEN GUTTMANN.

11. EXAMPLES OF MIXED TRANSIT AND DOMESTIC IMPORT AT HAMBURG.

1. The Ceres Packing Co., of California, which has warehouse room leased from the Free Port Warehouse Co., deals in dried fruits and spices, on which the German duty is from $1 to $15 per 225 pounds. The only manipulation is dipping the fruit. Their trade is partly German import and partly transshipment to other countries. Their Hamburg agent says that the free port is very valuable to them.

2. The large firm of Johs. Schröder, which does a general import and export business, sent a letter which is of interest, because it puts the matter up to New York:

In reply I beg to state that though I am primarily doing a transshipment and export business, our free port offers also a good deal of advantages to me, especially as to the provisional warehousing of all incoming goods free of duty, partly destined for the later import both into the German Empire and into other European countries, f. i., Sweden, Norway, and Russia.

On the other hand, as a prominent exporter both of raw material, such as glue stock, wood meal, etc., and of various kinds of spirits (cherry juice, etc.) to the States, I should consider it not only an advantage but even a direct necessity for New York to finally offer ade-

quate advantages to the German shippers, as our port is offering to exporters of the other side of the ocean.

If desired, I should be readily willing to furnish you with any additional information on the subject.

Very respectfully, yours,

JOHS. SCHRÖDER.
C. BAHL.

3. F. A. Sohst, a lumber dealer who handles sawed and hewed lumber from all parts of the world, has a model equipment in the free port, consisting of a dockyard, with canal and railway connections, electric crane, and covered storage sheds. The German duty on lumber runs from about $0.20 to $2.50 per cubic meter. The bulk of his business is import to Germany, although he does some transit trade with foreign countries and colonies. His opinion about the free port is summed up as follows: "Practically the whole importance and welfare of Hamburg's trade depends upon the free port."

4. Julius Grossman, who rents several floors from the Warehouse Co., imports and exports drugs, spices, chemical, and essential oils; crude drugs for medical purposes are usually free, but there is a heavy duty on spices and essential oils. The goods are repacked, cleaned, worked, and stored. They are sold to the German market or to foreign countries, according to trade conditions. Mr. Grossman says:

The free port in Hamburg is certainly of great benefit to Hamburg trade.

5. Ph. Astheimer & Sohn, dealers in foreign fruit on which duties range from $0.75 to $2.50 per 225 pounds, sell about 90 per cent of their goods to the German market and reexport 10 per cent to other countries. Their opinion about the free port is: "Greatest thing on earth."

6. Deutsche Amerikanische Petroleum Gesellschaft, the German branch of the Standard Oil Co., has large storage tanks and storage sheds in the free port, where they handle naphtha, oils, gas oils, and lubricating oils. The duties, which vary somewhat, average about $1.50 per 225 pounds. The company fills oil into their tanks from steamers and on shipping out fill tank barges and tank railway cars. They fill iron and wooden barrels as well. Most of the goods are for the German market, but they have some transshipment. The opinion of the company is expressed by their agent, Mr. H. Riedmann, as follows:

We consider that the free port offers great advantages, as it facilitates commerce enormously; for instance, it does away with control of customs during storage.

7. Of all the personal interviews and letters, there was but one which was not favorable to the free port. A man importing goods which come into Germany free said that he was conducting his business in the free port for no special reason. It was a matter of indifference to him.

These instances are representative of the sort of business found in the Hamburg free port, but almost every conceivable variety of trade is there. The general sentiment of the firms using the free port is more than approval—it is enthusiastic. It is only by considerable acquaintance with the facilities of free ports and the advantages they offer in control over merchandise that the uninitiated can realize that a free port is not a theory, but an institution which has proven itself to be a practical success.

Let one go from Hamburg, Bremen, or Copenhagen to Antwerp and Rotterdam, and he will ask where are the merchants who are using the harbor as a base for distribution? If they are handling nondutiable merchandise they may be found scattered all around the port. If they are handling dutiable merchandise they have no home of their own such as is found in free ports. At Antwerp the Hudson Motor Car Co. asked for the privilege of setting up their machines in the royal bonded warehouses and using the place for a sales headquarters. This was something, they were told, which could not be done in the bonded warehouses. An American shoe firm also tried to make Antwerp a sales headquarters, but went away because of the bonded warehouse regulations.

If New York wishes to become a base for distribution, which combines import and transit, she can not make a very convincing appeal with her bonded warehouses to the foreigner who knows the advantages of free ports. The competition among ports for foreign commerce often turns upon a small advantage, as is witnessed by the struggle over the import and export railway freight differentials at Atlantic ports of the United States. A free port is a pretty substantial sort of differential.

12. MANUFACTURING IN THE FREE PORT OF HAMBURG.

Hamburg and Copenhagen are the two free ports which have the privilege of manufacture. At both of these ports this is a much-valued adjunct. The manufacturing industries in the free port of Hamburg consist of shipbuilding companies, allied industries such as iron foundries and boiler works, and industries engaged in working up raw materials which enter partly into transit trade such as alcohol, chemicals, and oil products. In addition there are some establishments which make ship biscuits and other articles for sale to the lines which center in the free port. All the manufacturing industries are engaged in lines pertaining to shipping or ship supplies or to articles entering into transit traffic.

The great manufacturing industry of the free port is shipbuilding. Where a decade ago Germany was buying ships made in English yards, to-day the Vulcan in Hamburg has built the *Imperator* and Blohm & Voss is building the new 58,000-ton *Vaterland*, which is to have speed as well as size. These two great companies and a number of smaller ones engaged in ship repairing and shipbuilding now employ as high as 10,000 workmen.

The number of workmen engaged in the other industries will vary from 3,000 to 5,000. In order to give suitable transportation to this large number of workmen who must enter and leave the free port daily, Hamburg has constructed the Elbe Tunnel, which connects the mainland with the plants located on land out in the stream.

Dr. E. J. Clapp, in his book on Port of Hamburg, says that extensive manufacturing has not grown up in the free port. The reason for this, which he does not explain, is not because the free port of Hamburg is an undesirable place for manufacturing. The reason why manufacturing has not grown more rapidly in the free port is due to the simple reason that the land for this purpose has been limited. A proof of the growth which might come in the free port, were land area available, is well shown by the situation which arose when Hamburg recently considered the proposition of adding a new section to the free port for manufacturing. This section, "Entret," it was decided should not be added, because it does not directly join the free port. The possible difficulties in administering a separate zone was what led to the failure of the project. The interesting thing, however, is that when this additional zone was being considered between 100 and 200 applications came in to the harbor department for the leasing of space. The authority for this statement is Overharbormaster Capt. Langkopf. He said, moreover, that the value of leases in the manufacturing section of the free port, when subleases occur, is now about six times that fixed in the original leases. This should warn New York City that an important matter in connection with the layout of a free port is an arrangement which makes possible the addition of more land area for manufacturing as trade develops.

13. MANUFACTURING IN THE FREE PORT OF COPENHAGEN.

The character and extent of manufacturing in the free port of Copenhagen is well shown by the following list of industries, with the number of workers employed in each. This information was collected March 8, 1913, by United States Consul General Edward D. Winslow, of Copenhagen:

Industry:	Number of employees.
1. Marble works	22
2. Harness	5
3. Dyehouses	9
4. Feed mills	17
5. Gilding plant	14
6. Oil preparations	1
7. Smithies	15
8. Joiners	2
9. Coopers	8
10. Feather works	95
11. Furs	34
12. Coffee roasters	37
13. Chocolate factory	44
14. Moving-picture films	69
15. Smoked fish	3
16. Sugar factory	2
17. Arms factory	121
18. Casein	2
19. Liquors	2
Total 19 establishments	502

This list includes only firms which alter the character of merchandise. Setting up machinery, mixing, sorting, and so forth, are not included. By inquiry it developed that the success of these particular industries depends upon the free port. The business is in addition to what Copenhagen would otherwise have. Although the importance of these industries may not be great for a large country, it is of considerable importance to a country with such a small manufacturing industry as Denmark. Relatively it is significant.

14. THE CASE AT NEW YORK FOR MANUFACTURING IN A FREE PORT.

Although the immediate need of a free port in New York Harbor is as a base for transit and domestic imports, the possible manufacturing claim should not be ignored. Some manufacturers are using foreign materials and at the same time sending part of their product out as export. The drawback figures show that there is a fairly large volume of this trade.

In such cases, where a special factory could be established to care particularly for the foreign export, there would be a great advantage in locating a plant in the free port.

The free port should be an economical place to manufacture, because New York has capital, a large supply of skilled and cheap labor, and relatively cheap coal. The land in the free port could also be leased at reasonable figures, as the location would not be in the region of high land values.

There is also an argument for the location of factories in the free port which do not use, to any extent, imported materials. Special export factories for staple American products could be very well established. Many a good foreign market for American goods has been spoiled due to carelessness in delivering orders promptly, or due to failure to cater to the foreign taste. American consuls and business men in Europe tell of many instances of this kind. The American Association of Commerce and Trade of Berlin, is trying to bring to the attention of American firms the fact that business must be conducted in reference to certain markets if success is expected. Any American export which requires salesmanship to market, it is commonly agreed, should have the attention of an export department, with a continuous policy which aims to keep and develop a market. Branch factories for export would be an advance step, because one could manufacture in such a way as to best take advantage of foreign whim of style and price, and such a factory located in the free port would be in a center of foreign-trade knowledge and at the crossing of the ways for transportation.

15. MANUFACTURING IN FREE PORTS HAS NOT BEEN OPPOSED BY INLAND MANUFACTURERS.

A special effort was made to discover any opposition to manufacturing in the free ports of Hamburg and Copenhagen which might exist on the part of inland manufacturers. It was something of a surprise to find that no such opposition existed. Burgomeister Max Prodoehl, of Hamburg, said that very little friction existed between the free port and the outside, and that this was very easily adjusted. The president of the Hamburg Chamber of Commerce, Mr. Bohlen, said that he knew of no opposition to manufacturing in the free port. If opposition were to be found, it would naturally be looked for in Prussia, a great inland manufacturing State. A visit was made to Berlin primarily to inquire into this question. Dr. Lehman, the Prussian secretary of foreign affairs, who knows the relations between Prussia and the other German States, said very frankly that he had never heard of any opposition on the part of Prussian manufacturers to the manufacturing in the Hamburg free port.

The absence of opposition from inland manufacturers was also found at Copenhagen. It seems to be felt that it is natural for certain kinds of manufacturing to be in the free port. The harbor master at Copenhagen and directors of the Free Port Warehouse Co. said that they knew of no inland opposition.

16. TRANSIT TRAFFIC AT A FREE PORT IMPROVES SHIPPING CONNECTIONS.

It is generally recognized that adequate sea routes are as important to a port as proper railway connections. There is no royal road to good shipping connections, except in providing the traffic. Some European nations try to develop their shipping by means of subsidies, but this is like a protective tariff in that it is only justified if it can put the business ultimately upon its feet. But the overwhelming bulk of the traffic at the ports of northwest Europe is handled by ship lines to whom a subsidy, if they receive any, is little more than an incident.

As a great deal of publicity has been given lately to the pooling arrangements among the lines on the North Atlantic, it may be surmised that shipping is losing its competitive character. We wonder if the mere weight and power of a great steamship line does not arbitrarily determine whence traffic shall go? These pools are, however, similar to the pools which were common in the United States prior to the passage of the Sherman Act, in that they are frequently adjusted and on the basis of competitive power. The freight pool on the North Atlantic is adjusted every year. The freight agent of one of the large lines in the pool said that no arrangement is possible which ignores traffic conditions.

A free port makes more particularly for shipping connections outside the great routes of traffic. If shipments are broken and redistributed in transit, there is an additional reason for regular shipping routes to the territory in this zone. There can be no doubt that Copenhagen has here an overwhelming advantage over the other Scandinavian ports. Hamburg, as well, has an advantage over her competitors, Antwerp and Rotterdam, in the variety of her adjacent shipping connections. The traffic induced by the free port is an important reason for this.

New York is just at present facing a rearrangement of shipping routes, due to the opening of the Panama Canal. It is something of a shock to find the interest which foreign ports and traders are taking in this event. They realize the advantage of getting into the markets first and establishing themselves. These ports are not desirous of seeing New York a place where shipments are broken in bulk and redistributed; they wish to have direct connections themselves. A large steamship agent in Berlin—Mr. Al Peters, an American—says that New York should wake up, because the foreigners are taking themselves seriously in a way which New York is not. New York is the logical point for distribution to North and South America, he says, but if snappy competition can do it the European ports are going to get this traffic from under our noses.

We have had a great deal of interest in the building of the Panama Canal, but it is time that we should begin to get American traffic lined up to utilize it. If American steamship lines and American merchants are to avail themselves of the direct routes to the west coast of South America and the Far East, they should be interested in the way in which a free port can bring traffic which will make such routes profitable. If the free port can get the transit trade coming through New York it will be of advantage to every inland shipper who uses these markets because it will help him to better steamship connections.

But the profit of the free port in shipping connections will be broader than this; it will benefit all routes. As the traveling man has enabled many a hotel to keep open to the benefit of local guests, so transit traffic may be the regular and additional element which will keep open many an ocean route. For even though foreign merchants and steamship lines favor their home ports, they will not neglect going the way where the most cash profit is to be made. If we provide the traffic, or offer it inducements, we have a lever for agitating for better ocean connections.

17. A FREE PORT GIVES SPECIAL ADVANTAGES TO SHIPPING.

In addition to the service of providing more transit traffic, a free port will appeal to shipping by offering opportunities for quick transfer of cargo, cheap wharfage, and facilities for coaling and repairing ships. It is generally agreed by men engaged in foreign trade that New York should very seriously consider the problem of making New York a profitable place for ships to do business.

There is one point which can not be too clearly emphasized, and that is the undoubted fact that our city would materially benefit by a free port in so far as the creation of shipping facilities for our rapidly increasing oversea business. The verification of this statement at Hamburg, Bremen, and other ports in Europe has been so clearly shown that there is no question but that we would equally derive advantage. A free port with facilities for rapid discharge of cargo, storage of goods for transshipment, opportunities to repair vessels in distress quickly and cheaply, with small port charges and wharfage, unquestionably attracts the shipping of the world to that port, and not only does it bring the tramp steamer, but it leads to the building up of permanent and regular lines to various prominent shipping ports in other parts of the world, thus affording the merchants and manufacturers of a country more advantages and larger opportunities to promptly send forward their products to the advantage undoubtedly of the national trade and prosperity.

In the investigation of the European ports, information was secured as to the number and destination of the sailings from the different ports, the facilities offered in the way of ship repairing, the harbor and wharfage charges, and the convenience of bringing in ships. In the hearings on the free port question it may be possible to go into detail as to the relative opportunities offered by New York. The vice president of the Bremen Chamber of Commerce, Mr. Lohman, who has represented the North German Lloyd Steamship Co. in New York and Australia and who is now a large foreign trader, said in an interview that there was no question whatever that a free port offered substantial advantages to shipping. The Hamburg agent of the Hansa Line, which enters all the ports studied, also said in an interview that Hamburg offered the best facilities for ship repairing and for bringing in ships of any port on the Continent of Europe.

18. HAMBURG'S SUPERIOR SHIPPING CONNECTIONS CAN NOT BE EXPLAINED BY LOWER HARBOR DUES OR LOWER RATES FOR TRANSPORTATION.

The apparent preeminence of Hamburg among the ports of the northwest Atlantic, which is generally agreed to, it may be suggested, may result from lower harbor dues and lower transportation rates. Such an inference is not borne out by the facts.

A bill was introduced into the lower house of the Hamburg Legislature during the past year which provided for an in-

crease in the harbor dues. It failed to pass because it was clearly brought out in the debate on the bill that Hamburg already had higher port expenses than her competing ports.

In the records of the proceedings we find statistics which show that the bringing in of a ship with the attendant expenses of pilotage, tonnage dues, and dock charges totaled more at Hamburg than at Antwerp, Rotterdam, Copenhagen Free Port, and Trieste. Taking for illustration one of the examples presented in the evidence which is typical, we find that the steamship *Bethania*, of the Hamburg-American Line, a vessel of 7,458 gross tons and 4,852 net tons register, with an average winter cargo of 3,800 long tons pieces and 4,700 tons bulk incoming and 9,000 tons gross outgoing, must pay $1,210.34 at Hamburg, as opposed to $972.74 at Antwerp, $794.68 at Rotterdam, $615.23 at Trieste, and $282.03 at Copenhagen Free Port.

The direct effect of the higher harbor dues at Hamburg is that water freights are in some cases slightly higher to Hamburg than to Bremen, Antwerp, and Rotterdam. Rates from the Black Sea are regularly somewhat higher to Hamburg. Freight rates from India and the River Plate, which can not as easily be explained on the basis of distance, are somewhat higher than to Hamburg.

The contest among the Atlantic ports in the United States for differential railway rates on import and export traffic suggests the possible competition among rival ports in different countries. Where there are government-owned railways a port can make direct appeal to the government to give aid in railway rates as a means of meeting competition at foreign ports. This has been done in practically all of the European countries situated in the commercial region we have been studying. The Scandinavian countries, Russia, Holland, Belgium, Austria, and Germany have all played at this game. In every country some navigation favors are given local ports and some apparent railway favors are in force.

The Dutch railways, for instance, have a sliding scale of rebates for import and export traffic done at Dutch ports. Sometimes there is a provision which limits the rebates to trade with certain specified ports. This is a long list, but in general it excludes only freight traffic with near-by European countries.

Hamburg has been affected particularly by the difficulty of getting traffic from the great industrial center of Germany located in Westphalia and Rhineland. A heavy drain on this traffic comes from Rotterdam. Although the Prussian State railways give special rates to move this traffic via Hamburg, it is of small effect. Hamburg has not such railway rates as make her a real competitor in this west German trade which goes either via Rotterdam or Antwerp.

Hamburg's hinterland extends into Austria and southeastern Germany. The Elbe has been a wonderful boon to Hamburg. Austria, however, has recently been making such railroad rates to her port of Trieste as to give Hamburg some real competition in this territory.

Competition has made Hamburg a base. What this means is illustrated by the water freight rates in the United States between New York and San Francisco. The Interstate Commerce Commission has said that the examination of rates shows that the water carriers have uniformly made their rates relative to rail rates between New York and San Francisco.

It can be said that Hamburg's competing ports have set their harbor dues relative to Hamburg's. They have gone under to bid for traffic. It can be said as well that in the way of railroad rates Hamburg's competing ports are calling for rates relative to the charges to Hamburg. As far as an advantage in rates for transportation goes, it is safe to say that Hamburg has no particular preferment.

Since it is impossible to explain Hamburg's superior shipping connections by pointing to lower harbor dues or lower railway rates to the hinterland, it remains that the superior facilities offered by her free-port arrangement must be the substantial factor.

19. CONSENSUS OF OPINION ON THE SUCCESS OF EUROPEAN FREE PORTS IS FAVORABLE.

The free ports at Hamburg, Bremen, and Copenhagen have the hearty indorsement of the officials in these cities, of the officers of their chamber of commerce, of the directors of the free-port warehouse companies, and of steamship lines and business men who use them. Careful inquiry among people of these various classes failed to bring out any evidence of dissatisfaction with the free ports.

President Bohlen, of the Hamburg Chamber of Commerce, went so far as to say that he considered Hamburg a place superior for commerce to Antwerp and Rotterdam, purely due to the fact of the free port at Hamburg.

The sentiment at Bremen is that the free port has been a big item in her growth as a port. At Copenhagen, where almost all the growth of the past 10 years has been in the section of the harbor comprised in the free port, the sentiment is that the free port has assisted Danish commerce at a time when it was needed.

At Antwerp and Rotterdam officials and members of the chamber of commerce approved of free ports in high-tariff countries.

I have a great many letters, but time will not permit reference to them. I should like, however, an opportunity to extend my remarks by incorporating them, or such of them as I deem to be germane, in the RECORD, together with a statement on the subject.

The CHAIRMAN. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

The letters referred to are as follows:

DEPARTMENT OF COMMERCE,
OFFICE OF THE SECRETARY,
Washington, April 28, 1916.

MY DEAR CONGRESSMAN: My attention has been called to House resolution 209, introduced by you on April 22, directing the Secretary of the Treasury, the Secretary of War, and the Secretary of Commerce to report to Congress as to the advisability of the establishment of free ports.

This is a matter in which I am greatly interested, and I am pleased that you have introduced this resolution. I trust that it will receive favorable action, and I shall be pleased to cooperate fully in the investigations called for by the resolution.

Very truly, yours,

WILLIAM C. REDFIELD, *Secretary.*

HON. MURRAY HULBERT,
House of Representatives, Washington, D. C.

—

STROHMEYER & ARPE CO.,
New York, May 9, 1916.

Hon. MURRAY HULBERT,
Washington, D. C.

SIR: Referring to House resolution 209, presented in the House of Representatives by you on April 22, 1916, I wish to say the following:

The merchant marine of the United States is a negligible factor to-day and our merchant marine amounts to practically nothing. Every thinking person in the United States will recognize the fact that a merchant marine is necessary to the prosperity of the United States, and some day, and probably before long, we shall have it. This terrible conflict now raging in Europe has opened to the American export trade channels which had been closed to us before the war. A large export business is being done, and while, after the war is over we shall probably have to lose a good part of it, some of it will remain in American hands. American goods will have been introduced in territories where formerly they were not known; American brands of merchandise will have become well known and will continue in demand, even after the war is over. New York is one of the largest seaports in the world and offers enormous advantages and facilities which could be taken advantage of. Unfortunately they are not being taken advantage of as they ought to be at the present time.

What would cities like Hamburg, Genoa, or many others in Europe be if they did not have a free port, a place or a zone comprising warehouses and factories offering the importer and exporter advantages which he can not enjoy in America? In these free ports, absolutely free from complicated customs laws and regulations, steamers and sailing vessels are arriving daily from all parts of the globe; raw materials are received from every part of the world and made into manufactured articles which are exported from this free port to all parts of the world. Whenever any goods are removed from this free port to enter either the city of Genoa or the city of Hamburg, or any other city where free ports are located, the customs duties of that particular country are collected and the articles are then used for home consumption; but on all the goods that are exported from the free port naturally there is no duty collected and export can be done without any hindrance from customs officials and regulations.

Free manufacturing zones are what the United States needs to extend its export trade and to be able to compete in all parts of the world. Just one instance I wish to cite to you, showing the workings of such a free zone if established. My firm imports very large quantities of olive oil from southern Europe. Upon arrival of the same we have to pay duty on this olive oil; we remove it to our warehouses, where this olive oil is prepared, filtered, refined, and then repacked from the large containers in which it is received into smaller containers, both in bottles and cans, and then exported to parts of the world from where we have the orders. Now, take, for instance, the trade in South America, which we are supplying now quite largely with olive oil—they have been buying their oil and are getting it still principally from southern Europe, but the large American importer having such a large outlet for the goods is always able to compete in the buying field and get certain advantages which the smaller buyers can not possibly obtain. Now, after we have handled this oil and repacked it, we receive a refund of part of the duty which we have paid from the United States—this is perfectly true, but we lose part of the duty; then, again, we lose also cartage to and from the warehouses, we lose the storage charges, we lose time and labor, leakage from the barrels, etc. Now, if we had our warehouse in a free zone, in the free port, we could do all this work right there without interference from customs officials and from customs regulations.

The United States customs would employ fewer officials, because only a very few would be needed to regulate the affairs of this free zone. Take, for instance, in this case of olive oil, by repacking these goods here, we encourage the American bottle industry, because we use American bottles for bottling this oil; we pack this oil into cans which are made in America, and cans which are lithographed here in America; therefore we support the American tinplate and the lithographing industries; we use American-made cases, American-made nails and case strapping; we employ American labor. Now, if the people in South America get this oil direct from Italy or Spain or elsewhere, all this benefit to American industry and labor is lost.

Olive oil is not the only article that is not produced in the United States and still is exported from here. We are receiving to-day, and we could receive in the future, if such a free port were established, millions and millions of dollars' worth of goods from all parts of the world in their raw state. Raw materials would be made into the finished product in this free port. American labor would be employed, and the American export trade would be benefited and boomed, and if we had this large export trade, which we are bound to get some day, the American merchant marine would soon be established on a firm footing, because if there is enough export business offered the ships would soon be found to carry the goods across the ocean.

Unless we do establish such a free port we shall never be able to meet the competition of European manufacturers after the war. It is true that we shall retain part of the trade, but never all of it. We are paying higher wages to the American laborer, and we ought to pay them more, because it costs more to live in the United States than elsewhere, but the United States Government should help the merchant to earn the money to be paid in higher wages to the labor. If we can have the whole world as a field to work in with our export trade, there is no reason in the world why we should ever have dull times. American ingenuity, American diligence, and American enterprise will soon find a way to compete in practically every field. It is a matter of record that in nine cases out of ten we can not compete with the other part of the world for export business where we have to import the raw materials and then manufacture the goods, but if we had free ports, this would be done away with, and we could compete without a shadow of a doubt.

Many sections of the United States would be benefited, and not only New York. The United States would soon be permanently a creditor Nation, and before long the United States will be the permanent financial center of the world. By the establishment of such a free port in New York, this part of New York would soon be the foremost one of the whole world. Practically every industry would be benefited; foreign nations that will send their raw materials to the United States will very often take American goods in return as payment for their raw material—another benefit to the trade of the United States.

There can be really no serious objection to the establishment of free ports in the United States. Every thinking man carefully considering the situation will agree with me that a free port would be a lasting benefit and a blessing to all trade and commerce of the United States.

You are at perfect liberty to use this letter as you may see fit, and I sincerely hope that by giving you these few arguments, to which many more can be added, will help the good cause along, and before long we may enjoy the benefits of free ports.

I beg to remain,

Very respectfully, yours, GUSTAVE PORGET.

LOS ANGELES CHAMBER OF COMMERCE,
Los Angeles, Cal., May 15, 1916.

Hon. MURRAY HULBERT,
House of Representatives, Washington, D. C.

DEAR SIR. We wish to acknowledge receipt of your letter of the 5th instant, inclosing copy of House bill 209, in reference to the establishment of free ports within the limits of the established customs districts of the United States and the Panama Canal Zone, and in reply beg to advise that this organization has been greatly interested in the subject for several years.

The activities of the New York Merchants' Association have been carefully observed and our committees on commerce and foreign trade have given much thought and study to the problem.

Assuming that Congress will act favorably in the matter and authorize the establishment of several experimental free ports, we have asked that Los Angeles Harbor be given one of them. We feel that no port in the country is better adapted geologically for a free port. This city controls our port and plenty of land is available for manufacturing sites, warehouses, etc. No objection might be expected from inland manufacturers because there are so few of them, and we trust that the movement you have started will result in the establishment in the United States of this great economic move.

Hon. WILLIAM D. STEPHENS is advised as to our desires in this connection, and we will also be pleased to cooperate with you.

Very truly, yours.

FRANK WIGGINS, *Secretary.*

SPAIN PROMULGATES RULES FOR HER "FREE PORTS"—UNITED STATES CONSUL GENERAL SENDS THE SUBSTANCE OF REGULATIONS ESTABLISHED TO GOVERN TARIFF FREE ZONE AT BARCELONA AND AT OTHER SPANISH COAST CITIES WHICH DESIRE SUCH ZONES.

The Merchants' Association has received from the Hon. Wilbur J. Carr, director of the Consular Service, a copy of a report made by the American consul general at Barcelona, Spain, giving the substance of a recent Spanish decree establishing a free port of Barcelona.

DECREE OF GENERAL APPLICATION.

"The royal decree under which the free customs one of Barcelona will be established, already promised by the central government of Spain as reported by this consulate general, is in substance given below," says the report. "The designation 'commercial depots' used is understood as a carefully limited customs zone, and the provisions of the decree are applicable not alone to Barcelona, but to any other city in Spain where such a zone may be petitioned for and granted.

ARTICLES OF THE DECREE.

"ARTICLE 1. The government may concede the establishment of commercial depots in such ports as it may deem advisable.

"ART. 2. The concession for the commercial depots is given to special organizations or mercantile companies constituted under the rules of the commercial code and domiciled in the respective localities.

"ART. 3. In order to receive a concession the request for the depots should be accompanied by:

"1. The plans, with description of the depots, indicating the situation in the port.

"2. A statement of the operations that the petitioner proposes to carry on in the same, and the tariff of fees for each one of them.

"3. The obligation to reimburse the treasury for expenses incurred in supervision and guarding the depots.

"The payment of charges for these expenses will be quarterly.

"The failure to pay for four alternate or consecutive quarters will produce ipso facto the forfeiture of the concession after having demanded payment of the concessionaire.

"The petitions will be published in the Gaceta of Madrid in order that within 30 days, counting from the day of such publication, the parties interested may lay before the chamber of commerce and official corporations the reasons for and against that which is petitioned.

ADMISSIBLE MERCHANDISE.

"Article 4. All merchandise the importation of which into Spain is not prohibited or limited by special laws, and domestic merchandise the exportation of which is permitted, will be admitted in the depots.

"Domestic merchandise on entry into the commercial depots loses its nationality as though sent abroad.

"Article 5. The following merchandise is not authorized to be entered or stored in the commercial depots: Cattle of all classes, fresh or refrigerated meats, cereals and flours of the same, rice, wine, seeds of vegetables, and preserved vegetables of all classes.

"Article 6. Merchandise entered in the commercial depots can not remain in them over four years. At the end of this period it must be either exported abroad or made available for consumption in Spain.

AUTHORIZATIONS TO BE GRANTED.

"Article 7. Within the commercial depots the operations performed may be exclusively those enumerated in this paragraph, under the supervision of the administration and of the representatives of the chamber of commerce of the Province where the depots may be established or of any other Spanish chamber of commerce that demands it, the latter offering in its petition to pay the expenses of the additional supervision.

"The authorizations solicited by the chamber of commerce are understood to be conceded if, within 15 days from the date of presentation, there has been no contrary decision by the ministry.

"The authorizations referred to in the first paragraph of article 7 are the following:

"First. Changing the packing of merchandise.
"Second. Division of the same into commercial classes.
"Third. Mixing or blending thereof to same end.
"Fourth. Shelling and roasting coffee and cacao.
"Fifth. Shearing of skins.
"Sixth. Pulverization of woods.
"7th. Washing of wools.
"8th. Extraction of oil of coconut and of oleaginous seeds.
"9th. All operations that augment the value of the goods deposited without essentially changing their nature.

"The Government may amplify the concessions referred to in the preceding paragraph concerning the operations of transformation of merchandise the admission of which into the commercial depots is not prohibited by royal decree, publishing the petitions in the Gaceta de Madrid and in the Boletin Oficial of the respective Provinces, in order that within a period of one month any necessary objections may be formulated, which the Government will transmit and decide upon within a period not exceeding 60 days.

PROHIBITED OPERATIONS.

"ART. 8. The following operations are absolutely prohibited in the commercial depots:

"1st. The mixing of olive oil with that of seeds.

"2d. The mixing of foreign sugar and saccharine and the like with food products.

"ART. 9. Domestic and foreign merchandise entered in the commercial depots is exempt from the payment of transport and harbor-works imposts where such are collected.

"Wood and boxes of wood for packing from abroad are excepted and remain subject to tariff rules in force or which may become effective later.

"Foreign merchandise reexported from the commercial depots is also exempt from the same imposts and taxes.

"Domestic merchandise exported abroad from the commercial depots will pay the transport and harbor-works imposts that would have been paid if the export had been made directly on entry in the commercial depots.

"Also the export tax will be collected on all merchandise which may be subject thereto.

"ART. 10. Merchandise proceeding from the commercial depots into Spain will pay the importation duties, transport and other charges as if it came directly from abroad, and be subject to the importation duties of the tariff and the regulations of the customhouses.

"ART. 11. The State does not guarantee the establishment or the continued existence of commercial depots, but when merchandise remains in such storehouses it will be under the protection of the law and will not be subject to reprisals, even in case of war with the countries whose citizens are owners, consignors, or consignees of such merchandise.

MAY STIPULATE EXCEPTIONS.

"ART. 12. It is prohibited to live or to sell at retail or to consume articles made or stored therein within the precincts of the commercial depots.

"Nevertheless, in the decree of concession for an establishment any exceptions to the foregoing dispositions in favor of the agents in charge of guarding and the personnel occupied in the depots will be stipulated.

"ART. 13. In the commercial depots all the laws, regulations, and treaties in force concerning industrial property, trade-marks, patents, and commercial names, as well as all other general laws, etc., of the Kingdom will be enforced when not conflicting with the taxation provisions of the present decree.

"ART. 14. The organizations holding the concession for the commercial depots will reimburse the State for the expenses of supervising and guarding the establishments, the amount of which and the form of payment shall be designated in granting the concession.

MINISTER TO MAKE RULES.

"ART. 15. The minister of the treasury will dictate the necessary provisions in order that the commercial depots which have been granted may conform to rules of this decree.

"He will likewise dictate the regulations necessary for fulfilling the same, detailing the manner of delimitation, of closing and isolating the premises from the rest of the national territory, as well as the manner of exercising strict vigilance for the customs at the entrance and exit for merchandise and for the manipulation of the latter.

"In the same way it will make regulations for the adequate enforcement of all the rules in this decree."

WAR DEPARTMENT,
Washington, May 29, 1916.

Hon. MURRAY HULBERT, M. C.,
House of Representatives, Washington, D. C.

SIR: Your letter of May 26, with reference to H. Res. 209, introduced by you and referred to the Committee on Appropriations, has been received. I shall of course, be glad to cooperate in the matter of consideration of this measure and, without committing myself at the present time with regard to the establishment of such ports within the continental limits of the United States, desire to invite your attention to the inclosed copy of letter just received by me from Gen. George W. Goethals, the Governor of the Panama Canal, with reference to the extension of the provisions of your bill to the Panama Canal Zone. I concur in Gen. Goethals's recommendation that the legislation should not be adopted in so far as it relates to the Canal Zone.

Very respectfully,

NEWTON D. BAKER, *Secretary of War.*

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THE PANAMA CANAL,
CANAL ZONE EXECUTIVE DEPARTMENT,
Balboa Heights, May 12, 1916.

CHIEF OF OFFICE,
The Panama Canal, Washington, D. C.

SIR: I have to acknowledge the receipt of your communication of April 25, transmitting copies of House resolution No. 209, having reference to the establishment of free ports in the Canal Zone.

The bill is not very clear in its terms, but I take it that the author's purpose was to establish free trade between the ports of the United States and the Canal Zone. I am of the opinion that the bill is inexpedient, because the Canal Zone has no civil population except that connected with the canal and other branches of the Government service. There are no industries of a commercial, agricultural, or manufacturing character in the Canal Zone except those belonging to the Government, and the policy of Congress is against the development of the Canal Zone along those lines. In my judgment there is no room for such development, as all of the Canal Zone will be needed for governmental uses; that is to say, for the canal, the railroad, the Army and Navy, and other governmental activities. Consequently there are no commodities to export from the Canal Zone to the United States except those belonging to the Government.

On the other hand, if free trade were established between the Canal Zone and the United States, smuggling into the United States would be encouraged. It would not be difficult to introduce dutiable articles from the Republic of Panama into the Canal Zone, and from there they could be taken to the United States free of duty. Articles of considerable bulk could not be easily handled in that way, but commodities of small volume and light weight, such as diamonds, could be smuggled into the States in that manner very easily. In addition, an opportunity would be afforded to those engaged in illicit opium trade to traffic in that commodity in the United States by utilizing the free ports in the Canal Zone to enter the ports of the United States unprotested.

I am of the opinion that this legislation should not be adopted.

Respectfully,

GEO. W. GOETHALS,
Governor.

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UNITED STATES DEPARTMENT OF COMMERCE,
BUREAU OF FOREIGN AND DOMESTIC COMMERCE,
Equitable Building, June 16, 1916.

Hon. MURRAY HULBERT,
Committee on Rivers and Harbors,
House of Representatives, Washington, D. C.

MY DEAR MR. HULBERT: Complying with your request contained in your letter of May 5, I take pleasure in writing you concerning my views on the advisability of having a report rendered to Congress which shall set out the feasibility of establishing free ports within the customs districts of the United States and the Panama Canal. (H. Res. 209, 64th Cong., 1st sess.)

Since a free port expedites the handling of certain kinds of traffic, as I attempted to point out in a report which I made to the Merchants' Association of New York, it may reasonably attract particular attention at this time on account of the unfortunate congestion which has occurred at the port of New York during the past year. Let me specially point out in this connection that the great press of tonnage at this time is a warning of what may be expected later. Both railway and water borne traffic has been increasing for some years at an accelerated rate as statistics will prove. The war having made the United States even more of a manufacturing and trading nation will add to this rate of increase. Some sober thought should be given to the amount of traffic which will have to be handled 10 years from now and 20 years from now. Port development in the United States must proceed along the lines of comprehensive planning, as is wisely advocated by the Merchants' Association of New York.

In this light a free port is only part of comprehensive plans which must be carried out. The proposal of a free port does not involve supplanting existing facilities or curtailing existing values. It involves simply supplying special facilities for certain kinds of traffic in the most adequate manner. In New York a special district in the harbor could be reserved for a free zone, and other districts devoted to other kinds of cargo which are rapidly increasing in volume.

Congestion in New York Harbor has been a bad thing for our foreign trade during the war. Were England and Germany competing in neutral markets the burdens placed on our foreign commerce would have lost us many customers. In Australia importers have suffered severely from delayed shipments. They have frequently received documents ahead of shipments, and usually shipments do not arrive entire by the same vessel; where short cases may be consignees have not the faintest idea. Prompt and efficient delivery of orders is even more important in foreign trade than in domestic trade. Since New York and other American ports have such a tremendous amount of local traffic to handle it would be wise to segregate certain kinds of foreign trade in districts where quick and special attention may be given.

A great deal of attention is now being devoted in the United States to the development of our merchant marine, and to improvements in our foreign merchandising methods. If we make satisfactory progress in these directions, the United States should become a center for international distribution and our transit traffic should vastly increase. It will break down, however, unless we are able to provide suitable facilities for storing, showing, and transferring this merchandise. To make New York a world's market place we must have ships, efficient merchandising organizations, and convenient central market facilities, such as are provided in free ports.

Some of the topics which may be suitably investigated, it seems to me, are as follows:

1. Time taken in New York and other ports to get goods through the customs and into the bonded warehouses, and to get goods out of bond and aboard steamers for reexport.
2. Special cost due to bonding and storing transit cargo under present arrangements.
3. Types of foreign merchandise which could be advantageously displayed in attractive show rooms in free-port warehouses, thence to be imported into the United States or reshipped abroad. Example: European laces.
4. Lines of manufactures in the United States using imported raw materials which export the finished product.
5. Lines repacking and reexporting. Example: Olives, caviar, etc.
6. Erection in a free port of special plants for export trade which utilize raw material brought in by coastwise steamers.
7. Possible increase in transit traffic after the war.
8. Particular requirement at various United States ports.

Since I had the opportunity of studying free ports in Europe there has appeared to me to be nothing visionary about this scheme as applied to American conditions. When business men in the United States have had occasion to carefully consider the matter in the light of their own needs I believe that a demand will be created. Such a report as you indorse should result in showing the particular value of free ports to American trade.

Although I am at some distance from the United States, and have many complicated problems to deal with in Australia, I shall be very glad to assist you in any way I can whenever your care to call upon me.

Respectfully, yours,

PHILIP B. KENNEDY,
American Commercial Attaché.

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NEW YORK, *July 10, 1916.*

Hon. MURRAY HULBERT,
House of Representatives, Washington, D. C.

DEAR SIR: The Merchants' Association of New York is very glad to acknowledge receipt of your letter of July 7, which states that House resolution 209 may come before the House of Representatives for consideration on Tuesday, July 11.

Permit us, first of all, to express our great pleasure in the fact that the general subject of the establishment of free ports in the United States is being given serious consideration by Congress at present.

The Merchants' Association has been interested in this subject since 1913, attempting to gather first-hand information which would indicate in a positive manner whether or not the establishment of similar ports in foreign countries has proven of material economic advantage to the countries in which they are located, and further whether or not the establishment of such ports within the United States could reasonably be expected to render similar aid and assistance to the domestic and foreign trade of the United States. With this in view the Merchants' Association sent a qualified expert abroad to make a personal survey and complete study of the leading foreign free ports, including all phases of their activities and results. His report, commending the establishment of such ports, was most favorably received by the committee which had this subject under consideration.

Briefly, the chief factors which influenced our committee to a favorable conclusion regarding the desirability of establishing free ports within the United States, and especially at the port of New York, lay in their realization of the fact that the advantages accruing from such free zones would benefit not only the seaboard territory near which they are located, but would, to a similar degree, aid and assist merchants and manufacturers throughout all of the hinterland tributary to the free-port area.

Free ports abroad have been used both as (a) market ports and (b) manufacturing ports.

Within the zone of the market port a market for raw materials develops which must affect materially the cost of the raw materials in question throughout the country. The fact that goods are received and stored within this territory and held for the most advantageous price, either within the country in which the free port is located or in a foreign market, adds to the availability, at short notice, of large supplies of the raw material in question, with a resulting tendency to keep down the price.

The manufacturing plants operating within the free zone have the right to utilize raw materials in the manufacture of products for foreign distribution without the payment of an import duty, a procedure which is recognized in principle by our Government in the system of drawbacks now allowed. Even if the manufactured products are later used in domestic trade, the country loses nothing, in that full duties are paid upon the actual entry of the goods, while the advantage of the cheap production of that portion of the product sold abroad reduces the price on that part of the product which enters domestic consumption.

The advantages to shippers, and therefore to all firms interested in marketing goods abroad, lies in part in the reduced cost of storing and packing commodities in the free port zone. The superior facilities usually found in such highly developed centers of shipping activity reduces the cost of loading and unloading vessels alongside their docks. This, in turn, with the other advantages, attract shipping to the port in question, as experience in Europe amply demonstrates. Again, ships may be more economically repaired in the free port zone, because stocks of duty free material are always on hand. This is shown by the fact that the free port of Hamburg has become the ship-repairing center of Europe.

Turning to the field of foreign trade, which is receiving nation-wide attention at present, the United States must realize that it will not be long before manufacturers and producers in this country must again face the competition of the great ports of the world with their facilities for reducing the cost of doing foreign business. A study by the Interstate Commerce Commission shows the cost of water transportation as being composed of approximately 60 per cent for charges incident to docking a vessel and 40 per cent for the charges of actual transportation. What a free port does is to cut down this major item in the cost of transportation, i. e., the 60 per cent which goes to terminal cost. It does this, in the first place, by quick service, which releases the heavy capital invested in ships and cargoes and makes a rapid turnover possible; it does it, secondly, by freeing quick capital which may be tied up as a result of customs regulations; and it does it, thirdly,

by cutting down the operating costs of handling goods, due to large scale and specialized terminals located at the crossing of the ways for transportation. Competent authorities have stated that Germany's magnificent success in entering foreign markets has been, in considerable part at least, due to the economies resulting from the operation of her free ports.

For these reasons, therefore, the Merchants' Association of New York indorsed and advocated the establishment of a free port at the port of New York, believing that the operation of such a free zone at the leading shipping point within the United States would soon justify itself and prove its worth to the entire country.

Yours, very truly,

THE MERCHANTS' ASSOCIATION OF NEW YORK,
By S. C. MEAD, *Secretary.*

[Telegram.]

NEW YORK, N. Y., *July 10, 1916.*

Hon. MURRAY HULBERT,
House of Representatives, Washington, D. C.:

The maritime and commercial interests of the port of New York are all strongly in favor of a free port located within this port, hence they urge, as the MARINE NEWS does also, the passage of House resolution 209, relating to establishing a free port.

ALEXANDER R. SMITH, *Editor.*

TOBACCO MERCHANTS' ASSOCIATION OF THE UNITED STATES,
New York, July 10, 1916.

Hon. MURRAY HULBERT,
House of Representatives, Washington, D. C.

DEAR SIR: I thank you very much for sending me a copy of your resolutions providing that the various departments therein mentioned investigate and report to Congress as to the advisability of establishing free ports, etc.

We are heartily in favor of your resolutions. We believe that the matter should be thoroughly investigated, for it seems that the establishment of such free ports will be of great benefit to some of our industries and can not be hurtful to any industry.

I trust that you will keep us advised as to the progress of this matter, and I beg to assure you of our hearty cooperation.

Thanking you again, I am,
Respectfully, yours,

CHAS. DUSHKIND, *Secretary.*

NEW YORK CITY, *July 14, 1916.*

Hon. MURRAY HULBERT,
House of Representatives, Washington, D. C.

DEAR SIR: The establishment of free ports, is, I believe, the subject of House resolution 209.

Having given this subject careful study over a period of years, I believe that it is no overstatement to say that free ports are the solution in a big way of the basic problems which must be met in the contest for world supremacy.

The establishment of a free port is, of course, of first importance to the port of New York. It is, however, of the greatest importance to the whole country as well, both from the direct stimulus to trade and manufacturing, and in developing markets for the raw materials of the hinterland.

It is practically unquestioned among the best students of port, commercial, and industrial development, that the establishment of free ports was of the greatest significance in the development of the great new ports of Europe. The advantages resulting from having free ports can perhaps best be seen in the wonderful success which Germany enjoyed prior to the war in building up a world trade. This success was due in a very considerable measure to the economies and stimuli of the free ports which were established.

Will you not record the Institute for Public Service as indorsing the establishment of free ports, particularly for New York Harbor?

Very truly, yours,

INSTITUTE FOR PUBLIC SERVICE,
Per R. ROSENBLUTH.

MARITIME EXCHANGE,
New York City, July 14, 1916.

Hon. MURRAY HULBERT, M. C.,
House of Representatives, Washington, D. C.

DEAR SIR: Acknowledging your communication in reference to establishment of free port or ports, and to House resolution No. 209, introduced by you relating to this matter, we beg to say that the Maritime Association have given the matter attention at a meeting of the board of directors. We are thoroughly impressed with the importance of this subject and believe that a free port, if established in a proper location on New York Harbor, or nearby so as to have easy access to the sea and so situated that the various railroad lines coming into our city could easily enter the free zone, would be of inestimable value to the commerce of New York.

Various countries have from time to time opened free ports with great advantage to their trade. Every one is acquainted with the great success of Hamburg, and there is no reason why this should not be duplicated with us.

The advantage of those free zones is to have cheap storage facilities so that merchants could have depots for receiving, packing, and shipping goods quickly and promptly. Manufacturers have also used these ports abroad largely to manufacture in, being able to do so to greater advantage than in inland towns or cities, receiving the raw products both from their own country and from abroad, and being free from all complications such as exist when manufacturing has to be done in bonded warehouses, etc.

Hamburg also affords cheap and rapid facilities for discharging into steamers and lighters for distributing purposes. It enables vessels from all parts of the world to go to the free port, discharge without custom complications entire or part cargoes and do so with expedition.

For the repairs of ships promptly and economically free ports have been found to be most desirable and vessels can be repaired at Hamburg, it is claimed, cheaper than in any other part of Europe.

Manufacturers use these zones largely as branches, goods often being put together and packed for export, even if not entirely manufactured in the zone.

At the end of the present war this country will unquestionably have to face grave competition from the shipping ports of Europe, which will do their utmost undoubtedly to reduce the cost of doing export business.

Goods stored in the free zones not being subject to duty enables merchants abroad to utilize the advantages of such zones to wait for a market if they are not satisfied with the price at which goods are being sold, and those ports which offer these facilities undoubtedly attract raw products from all parts of the world.

Unquestionably Germany's success in rapidly building up her commerce and exploiting foreign markets is to some extent due to her economies resulting from free ports established.

For these and many other reasons which can not be gone into in this short communication we feel that the proposition should be given most careful consideration, and investigation by the National and State authorities, and therefore we are heartily in favor of House resolution 209.

Respectfully, yours,

J. B. MURRELL, *President.*
JOS. M. DAVID, *Secretary.*

Steamship *Oceano* arrived May 24, 1916; fire broke out in the No. 1 hold on May 26 while discharging her cargo at pier No. 2, American Docks, Staten Island. Among cargo damaged was 219 bales sugar bags in transit for Cuba. As a better price can be obtained for damaged bags in New York than in Cuba, it was decided to sell them at this port. In order to do this the goods were placed on a barge under Government supervision and the owners of the goods were requested to make application for appraisement of these bags, and full duty was paid on damaged bags. In order to ascertain number of bales damaged, marks, etc., it was necessary to await delivery of sound bales before complete entry could be made in customhouse. The last permit to remove the goods was not filed until June 8. Then the lighter was moved to a warehouse and goods discharged for sale, and barge was made light on July 11. The cost was as follows:

Lighterage, 33 days, at $30 per day	$990
Extra expenses handling cargo	589
Total	1,579

Besides this $9,198 was paid in duty on these 219 bales, being the full amount, so that the owners will have to await the final liquidation of these shipments before they can obtain their refund of duty as per appraisement of the damaged goods.

Steamship *Canastota*, outward bound; a fire broke out in this cargo on December 8, 1915, while loading at pier No. 37, Brooklyn. There was a shipment of iron pipe from Page Hersey Iron Works, of Canada, to Australia. This pipe was damaged by water used to extinguish the fire; and as it was in bond it was necessary to discharge hold on lighter and reload this pipe, as it could not be sold here without paying the duty and creating endless expense for handling, and was therefore sent forward in a damaged condition, and when discharged at destination it was worthless. The loss on this pipe, which could have been saved if properly handled here under a free port, was several thousand dollars. This is only one of many items on this boat, the cargo comprising 3,200 shipments.

Other vessels on fire in New York recently were steamship *California*, loading for Glasgow; steamship *Bolton Castle*, loading for Shanghai and Japan; steamship *San Francisco*, arrived from Buenos Aires; steamship *Ioannina*, arrived from Greece; steamship *Lincluden*, arrived from Calcutta; steamship *City of Bristol*, loading for Japan; steamship *Villa de Rouen*, arrived from Marseille; steamship *La Drome*, arrived from Bordeaux; steamship *Hermion*, loading for South America; and steamship *Kandahar*, arrived from Calcutta.

Mr. MANN. Mr. Chairman, I should question very much whether the 150 editorials in favor of the gentleman's proposition had added anything to the sum of knowledge. It is self-evident that the editors who wrote the editorials knew nothing about the subject but wrote them because some association prepared them and sent them to the newspapers, practically in the form that they appear. The very purpose of the inquiry is to obtain information in regard to it. The gentleman urges the proposition because newspaper editorials have already decided it and told what a great thing it would be to have a free port.

I visited a free port once. It was St. Thomas, in the West India Islands. I think everybody on board the ship went ashore and laid in a stock of goods. It was said there, and I believe it was true, that goods could be bought cheaper there than anywhere else in the world, outside possibly of the Orient. There were no duties or charges of any kind whatever. The reason for maintaining a free port was because that was the Mecca at that time of all the ships engaged in the West India trade which by any manner or process could get to St. Thomas.

Now, I do not know just what effect a free port would have in the United States, but I suppose its practical effect would be that all the foreign ships plying to our shores, which are now required to buy more or less in the American market and to pay American prices, with a free port would pay foreign prices and obtain all of their supplies without paying anywhere near the sum they are paying now. That is the case wherever there is a free port. That was the case at St. Thomas and the case at Hongkong, in the British possessions, where I believe there is a free port.

Mr. HULBERT. Will the gentleman yield for a question?

Mr. MANN. Certainly.

Mr. HULBERT. Can the gentleman tell me whether that is the case in the free port at Hamburg?

Mr. MANN. It is to a very large extent.

Mr. HULBERT. And Copenhagen and Barcelona?

Mr. MANN. I do not know whether those are free ports or not.

Mr. HULBERT. Evidently the gentleman might be enlightened as to the working of the modern-day free port instead of taking one in the Danish West India Islands which has been abolished.

Mr. MANN. It has not been abolished. I can give the gentleman that information. I do not pretend to have the information, but it is very certain that the gentleman, while he professes to, has very little.

Now, I am not going to insist on the point of order, although I have very little confidence in any report that will be made by the Secretary of Commerce and the Secretary of the Treasury on the subject. Of course, I know perfectly well that a few importers in New York City would like to have a little zone of that city, where they control the price of everything, as a free port, and the gentleman, looking out for his constituents and at their instance, is offering a proposition to obtain information. I seldom have opposed a proposition to obtain information, and I am going to withdraw the point of order.

Mr. HULBERT. Will the gentleman yield and allow me to read three lines from a report?

Mr. MANN. I will allow the gentleman to read it in my time.

Mr. HULBERT. This is a report prepared by Hon. Philip B. Kennedy, now commercial attaché, representing the United States Government at Melbourne, Australia, who says:

We find an investigator of the Chicago harbor commission saying a few years ago that were Chicago to become a free port she could become the greatest port in the world.

Mr. MANN. If Chicago were to become a free port she would become the greatest port in the world, but it is not possible for Chicago to become a free port, and we do not want it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. HULBERT) there were 18 ayes and 13 noes.

The Clerk read section 2, as follows:

SEC. 2. That nothing contained in the act entitled "An act to protect trade and commerce against unlawful restraints and monopolies," approved July 2, 1890, shall be construed as declaring to be illegal an association entered into for the sole purpose of engaging in export trade and actually engaged solely in such trade, or an agreement made or act done in the course of export trade by such association, provided such association, agreement, or act is not in restraint of trade within the United States.

Mr. VOLSTEAD. Mr. Chairman, I offer the following amendment.

Mr. MORGAN of Oklahoma. Mr. Chairman, I have an amendment at the Clerk's desk pending, waiting to be read.

The CHAIRMAN. The Clerk will report the amendment of the gentleman from Minnesota.

The Clerk read as follows:

Amendment by Mr. VOLSTEAD: Page 2, line 19, after the words "United States," strike out the period, insert a comma, and add "and does not restrain the export trade of the United States."

Mr. VOLSTEAD. Mr. Chairman, I desire to offer just a word in explanation. I called attention some time ago to the fact that this bill does not guard Americans who may be engaged in the export trade against the effect of this bill. It permits one person engaged in export trade to restrain the export trade of some one else in the United States; that is, some one who attempts to export goods from the United States. My object is to protect all those engaged in the export trade——

Mr. WEBB. Mr. Chairman, in order to save time, I accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Oklahoma.

The Clerk read as follows:

Amend, on page 2, after line 19, by inserting a semicolon in lieu of the period after the word "States," and inserting the following: "*Provided*, That no association shall have the benefit of the provisions of this act until it shall secure from the Federal Trade Commission a permit to engage in business under the provisions of this act, which permit said commission is authorized to issue, and the said commission is hereby authorized to revoke said permit, after a hearing granted such associations, upon finding that the such association has engaged in unfair methods of competition, or that its business is in restraint of trade in the United States, or that through its export trade such association is materially controlling the prices of products in the United States or substantially lessens competition within the United States in articles of the kind exported by any association."

Mr. WEBB. Mr. Chairman, I reserve a point of order against the amendment.

Mr. MORGAN of Oklahoma. Mr. Chairman, I should not think there would be any question about the amendment being in order. Now, I think this is a very important amendment and it ought to be adopted. I call the attention of the members of the committee to the fact that in section 2 it says that certain things may be done provided such association, agreement, or act is not in restraint of trade within the United States. Now, then, in section 3 it says that certain things may be done if the effect of such acquisition or ownership may be to restrain trade or substantially lessen competition within the United States, and so forth. Now, here is the question. You say that this shall not apply if the effect of this is to lessen competition or if it restrains trade in the United States, and I will pause for a reply, Who is to determine what the effect of this is?

Mr. WEBB. These same officers who administer the Sherman antitrust law and the Clayton law will enforce this law if there is any restraint of trade or unfair competition.

Mr. MORGAN of Oklahoma. Who are the same officers?

Mr. WEBB. All of the Department of Justice of the United States, from the Attorney General down to the district attorneys and the assistant district attorneys with all their force.

Mr. MORGAN of Oklahoma. If it is done either by the Federal Trade Commission or the Attorney General all they could do would be to bring an injunction or proceeding to stop their business. Is not that right?

Mr. WEBB. That is all they can do now with unfair competition that may be practiced in the United States.

Mr. HASTINGS. As I understand the effect of the amendment it requires them first to get a permit from the Federal Trade Commission and then if they violate the provisions of this act or permit any unfair practices then the Federal Trade Commission has a right to revoke their license. That is the effect.

Mr. MORGAN of Oklahoma. Yes; now, we found out that the process of the Attorney General was slow. It took years and years to determine something. We created the Federal Trade Commission in order to expedite this business and gave the administrative part of it, perhaps some judicial powers, to them to do certain things and to do them quickly. Now, then, we ought to give the Federal Trade Commission, who are to have the supervision over this and to whom they must report, power to issue permits and licenses, so to speak. Then when that board shall determine, after hearing that the effect of this business is to lessen competition or the effect is to restrain trade, then you have directly authorized this commission to give them a hearing, and if they find the fact as you set out here, then they have the power to revoke that license. Now, as you know, I am opposed to the passage of this bill. I think it is a dangerous bill, but if it is to pass you ought to throw over it every safeguard possible.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORGAN of Oklahoma. Mr. Chairman, I ask for five minutes more. I have not taken up any time since general debate began.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma? (After a pause.) The Chair hears none.

Mr. MORGAN of Oklahoma. Now, then, the Federal Trade Commission bill makes unfair methods of competition unlawful, but it is no crime, however. And one of these corporations that we are proposing to create may engage in all kinds of unfair competition, it being no crime. It is unlawful, but there is no penalty provided. If prosecution can be had for unfair competition——

Mr. WEBB. I will call my friend's attention to line 9, on page 4, requiring all of these associations to file with the Federal Trade Commission—

their articles or contracts of association and of all contracts, agreements, and understandings had with any foreign or domestic association in regard to the conduct of or practices in foreign trade. Any association which shall fail so to do shall not have the benefit of the provisions of section 2 and section 3 of this act, and it shall also forfeit to the United States the sum of $100 for each and every day of the continuance of such failure, which forfeiture shall be payable into the Treasury of the United States and shall be recoverable in a civil suit in the name of the United States—

And so forth. That is a very severe penalty.

Mr. MORGAN of Oklahoma. That is very strict. All they are compelled to do there is to tell the Federal Trade Commission what they are doing.

Mr. WEBB. Section 4 of the act puts it exclusively and entirely under the supervision of the Federal Trade Commission.

Mr. MORGAN of Oklahoma. The Federal trade act makes unfair competition unlawful and there is no penalty

Mr. WEBB. Nor is there any penalty for unfair practices among American corporations. The only thing that can be done is to restrain them under Federal injunctions, and, if they violate the injunction, put them in jail. If that is sufficient remedy for unfair competition in the United States it is

sufficient for unfair competition without or beyond the United States.

Mr. MORGAN of Oklahoma. You ought to have some summary process.

Mr. GARD. Is not the gentleman familiar with the language on page 4, lines 11 and 12 of this act, as follows:

Any association which shall fail so to do shall not have the benefit of the provisions of section 2 and section 3 of this act.

Mr. MORGAN of Oklahoma. That is——

Mr. GARD. That is equivalent to a forfeiture of a charter to do business.

Mr. MORGAN of Oklahoma. The preceding matter says that they shall make report. Now, if they fail to make the report they forfeit $100 for each and every day during the continuance of such failure.

Mr. GARD. And not have the benefit of the provisions of sections 2 and 3.

Mr. MORGAN of Oklahoma. I understand that, if they have not made report. If they have engaged in unfair practices, there is no provision here that says they shall not have the benefit of it. In other words, there is no process there. The only thing you have got here is that they are required to make report. If they do not do it, they are subject to a fine and the right to do business can be forfeited, but that report might contain things which would indicate that they were really controlling prices; that they were really cornering the trade in the United States, and yet there would be no power except to get an enjoinment.

Mr. GARD. That report would of itself take from them the provisions of sections 2 and 3.

Mr. MORGAN of Oklahoma. No, sir.

Mr. MANN. Mr. Chairman, I am very glad this bill is before the House. There has been some criticism of it. I think I have seldom seen in my experience in the House a bill more carefully drawn than this bill is. I do not know who drew it, but I assume that some very careful gentlemen connected with the Federal Trade Commission had something to do with it.

Mr. Chairman, shortly after the European war broke out I made a little speech in this House and said what seemed to me to be patent then and more patent now, that while this war was going on in Europe, primarily caused, as I believed, to determine who should control the trade of the world, it was the duty of the United States while the others were fighting about it to take possession of the trade of the world. I believe that we ought to be extending our trade, especially in South America, Africa, the isles of the sea, and to some extent in the Orient. We ought to furnish every facility possible. It is true that while other countries, like England and Germany, through their Governments, have been giving aid to their citizens and extending their trade, our Government has been seeking to hinder trade. Our legislation in the main has been aimed to prevent aid. I do not say that that has been improper, in the effort to preserve competition at home and prevent monopoly. But the tendency of legislation with us has been to interfere with men doing business, while the tendency of other governments has been to encourage and give aid to men in their own countries doing business. Our business has grown in spite of Government laws, while the business of other countries has grown by the aid of Government legislation. I think the time is now here when we ought to aid our people in the foreign trade, both by additional banking facilities and by permitting them to combine. We passed an act the other day which allows our banks at home to become interested in banks abroad.

This bill proposes to allow the producers of the United States to combine in order that they may show to foreign countries the need of their goods, and offer them inducements by which the foreigners will buy our goods, as against the competition of other countries.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. MANN. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. MANN. The United States Steel Corporation does not desire this bill; the International Harvester Co. does not desire this bill. Both of those great companies have plants within my district. They do not need the legislation, because they are strong enough and powerful enough to have their own agencies for the disposal of their own goods. But I have got a lot of plants in my district in competition with the United States Steel Corporation and the International Harvester Co. which are not strong enough to have their own agents in South America. We have our consular agents doing a little; not much; they can not do much. We have a commercial attaché in various countries—eight, I believe, all told—doing a little; they can not do much. The only way you can sell goods in the main is to show your goods. We have got to make, if we are going to extend our foreign trade, goods which the foreigners want, the kind they want. In the past we have endeavored to tell them that they did not know what kind of goods they wanted; that they ought to use the kind of goods we use and the kind we want to make.

We have got to make the goods they want. We have also got to learn how to pack goods. The constant complaint for years of every consul, sent in reports to the United States, has been that Americans, used to packing goods only for transportation in their own country, packed their goods so carelessly that when they arrived in foreign ports the foreign purchasers were disgusted with them and said they would not, in many cases, give another order.

We have got to teach our people these things. In order to teach them, we have got to let them combine that they may learn. We have got to enable the smaller manufacturers to send their goods into warehouses in the various ports of the world so that the foreigners may see the goods. Under the present law—whether it covers that or not—they have been afraid to make any kind of a combination. This bill proposes to lift the ban.

I believe, Mr. Chairman, that the time is ripe for us to induce people in foreign lands to buy the things we make. There ought to be no agricultural implement used in any country, in South America or Africa, which is not made in the United States. [Applause.] We ought to send our cotton goods into those countries, and we can do it. We have a line of sundries which are demanded throughout the world, and we can make the kinds which the foreigners want. But we can not do it until we know and until we are prepared to show what we can do.

There never was an opportunity before in all the history of the world for any one country to so expand its foreign trade and so increase the quantity of goods which it sells abroad as there is offered to the United States while the great manufacturing countries of Europe are engaged in the present unfortunate war. While we may be sorry for them, while we may regret the strife over there, it is our duty, if we are statesmen, to endeavor to provide for the prosperity of our own land and extend our own trade into foreign lands. [Applause.]

Mr. HICKS. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from New York [Mr. HICKS] asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. RAKER. Mr. Chairman, I offer the following amendment.

Mr. WEBB. Pending that, Mr. Chairman, I hope the committee will dispose of the amendment offered by the gentleman from Oklahoma [Mr. MORGAN]. I hope the committee will vote that amendment down.

The CHAIRMAN. Does the gentleman from North Carolina withdraw the point of order against the amendment?

Mr. WEBB. Yes. I concede that the intentions of my friend from Oklahoma are entirely good, but I think the bill itself expresses what he really wants better than the gentleman expresses it in his amendment. I think the bill covers what the gentleman wants, and we pointed it out to him in the debate; and I hope the committee will not mutilate the bill by adopting his amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Oklahoma [Mr. MORGAN].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The gentleman from California [Mr. RAKER] is now recognized.

Mr. RAKER. I offer an amendment.

The Clerk will report the amendment offered by the gentleman from California.

The Clerk read as follows:

Amendment offered by Mr. RAKER: Amend, page 2, line 16, after the word "such," insert the word "exports."

Mr. WEBB. We have no objection to that, Mr. Chairman.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from California [Mr. RAKER].

The amendment was agreed to.

Mr. RAKER. Mr. Chairman, I want a couple of minutes to speak on the bill. Although the amendment is adopted, I ask unanimous consent to speak for two minutes. I move to strike out the last word.

The CHAIRMAN. The gentleman from California moves to strike out the last word.

Mr. RAKER. Mr. Chairman and gentlemen of the committee, I find that the people in the West who are interested in export trade have given this bill very careful consideration. There are many matters of export on the Pacific slope and in the Rocky Mountains tributary thereto, and the small business men and some of the larger concerns in the lumber industry and others believe that this legislation will bring about a condition that will permit the organization of a selling agency by which they will be able to get the export trade not only in Europe but in South America and in the Orient, to the advantage of this country and to the advantage of those who desire to purchase.

There is merit in this legislation. No one can be harmed. It is guarded about so far as the States are concerned, and the present law upon the subject is not in any way affected. I shall therefore heartily support and vote for this legislation, believing that it is wise, that we need it at the present time, and that it will expand America's trade as it ought to be expanded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 3. That nothing contained in section 7 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, shall be construed to forbid the acquisition or ownership by any corporation of the whole or any part of the stock or other capital of any corporation organized solely for the purpose of engaging in export trade, and actually engaged solely in such export trade, unless the effect of such acquisition or ownership may be to restrain trade or substantially lessen competition within the United States in articles of the kind exported by the association whose stock is acquired or controlled.

Mr. STAFFORD. I move to strike out all of the section after the words "United States," in line 5, page 3.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Page 3, line 5, after the words "United States" strike out the remainder of the paragraph.

Mr. STAFFORD. Mr. Chairman, I had hoped that the chairman of the committee would at first sight accept the amendment, because the words proposed to be stricken out certainly do not affect the main purpose of the exceptions to the Clayton Antitrust Act, sought to be accomplished by this section. Section 7 of the Clayton Antitrust Act forbids any corporation from owning stock in another corporation which may substantially lessen competition, and here you seek to except those associations formed under this bill which will not restrain trade or substantially lessen competition within the United States. Then you follow that with the limitation which I seek to eliminate—

In articles of this kind exported by the association whose stock is acquired or controlled.

I contend that that adds nothing to the exception which the committee seeks to lift; but there is this danger, that by permitting corporations to be organized for the control of the foreign trade they may, with an ulterior purpose, combine so as to affect the prices of commodities in the United States.

Mr. WEBB. I see the point the gentleman is driving at, and I have no objection to the amendment. I do not want any of these corporations to restrain trade at all, whether it is export or any other.

The CHAIRMAN. The question is on the amendment of the gentleman from Wisconsin [Mr. STAFFORD].

The amendment was agreed to.

Mr. MOORE of Pennsylvania. Mr. Chairman, I ask the indulgence of the committee for five minutes, in order that I may make a matter of record certain extracts from the report of the proceedings of the American Federation of Labor held at San Francisco, Cal., November 8 to 22, inclusive, 1915.

I desire this to go into the RECORD in order that the gentlemen who were concerned about their votes yesterday on the strike question may thoroughly understand the attitude of organized labor on this question of establishing an eight-hour day by law.

It will be of interest to many, I am sure, to know that the American Federation of Labor is on record by a very large vote against the establishment of an eight-hour day by legislation, holding that the question of hours and wages is one for the unions themselves to determine. This may account for certain suggestions that came to us yesterday that the brotherhoods did not ask Congress to interfere in their behalf.

The question arose through the introduction at the San Francisco convention of the American Federation of a resolution offered by a delegate from the Illinois State Federation of Labor, Mr. John J. Fitzpatrick, which resolution provided that whereas the Illinois State Federation of Labor had gone on record in favor of an eight-hour day by legislation, therefore the American Federation should go on record in favor of establishing an eight-hour day by legislation.

THE ILLINOIS STATE RESOLUTION.

That matter was referred to the committee on resolutions, and the committee on resolutions brought in a report, quoting the Fitzpatrick resolution as follows:

Resolution No 152, by Delegate John J. Fitzpatrick, of the Illinois State Federation of Labor.

Whereas the Illinois State Federation of Labor adopted a resolution favoring the establishment of the eight-hour workday by legislation by the adoption of the following resolution:

"*Resolved by the thirty-third annual convention of the Illinois State Federation*, That we go on record and hold solid for the eight-hour workday by legislation, both industrially and politically, and that every delegate use all of his influence in his local union and boost for the eight-hour law by legislation, that some day we will all be working eight hours per day and thereby keeping in line with the increased productiveness of modern machinery."

Therefore be it

Resolved by this convention, That the spirit, intent, and purpose of the foregoing resolution be adopted by this convention.

Referred to committee on resolutions.

RESOLUTIONS COMMITTEE SUBSTITUTE.

The recommendation of the committee on resolutions was as follows:

Your committee is of the opinion that one of labor's first great victories was the winning of industrial freedom through the repeal of those laws through which the workers' terms of employment had been largely determined by legislative and judicial authorities, and the establishment of the workers' privilege to organize on the industrial field, and through their collective strength enforce their right to have a determining voice in the terms of their employment.

Your committee recommends as a substitute for the resolution the indorsement of the executive council's report on shorter workday, which reads in part:

"It is an accepted principle that the shorter workday is a fundamental step in the betterment of the workers. The shorter workday affects the length of life, the health, the standards of life, and, in fact, every phase of the lives of the workers. The wage earner whose hours of labor are decreased goes to work and comes from work at a different time than before, and consequently comes in contact with people whose habits of living are different. From contact with these people of greater leisure, he establishes new ideals. He has a greater number of hours in which to rest, revive his energies, and devote to recreation, or the development of his mind. Thus the shorter workday makes of the worker a different person, a person of greater physical endurance, greater vitality, higher ideals, and consequently a person who will not be satisfied with the old standards of the long hours of work.

"The improved methods of production which always follow a reduction in the hours of labor increase the productive power of the worker, and consequently he is in a position to demand and receive higher wages. Invariably every decrease in the hours of work per day is accompanied or followed by an increase in wages. The shorter workday movement is to secure to the workers greater material advantages. It is an important movement in conserving national vigor and health, and in guarding against those tendencies that undermine true national power."

QUESTION FOR THE UNIONS THEMSELVES.

From this is evident the importance of the action of the Philadelphia convention in adopting the following:

"*The American Federation of Labor, as in the past, again declares that the question of the regulation of wages and the hours of labor should be undertaken through trade-union activity, and not to be made subjects of laws through legislative enactment, excepting in so far as such regulations affect or govern the employment of women and minors, health and morals, and employment by Federal, State, or municipal government.*"

The economic strength of the organization determines the bargaining power of that organization. One of the objective points which the anthracite miners include in their demands for the new 1916 contract is the eight-hour workday. They have wisely planned their campaign in advance and have measured their forces, so that they will be in the best position possible to enforce their demands. It is very significant that the gains that have been made in shortening the workday in private industries throughout the country have been fundamentally due to the influence of the economic power in the trade organizations and have been secured through economic action. Also significant in connection with this is the recommendation of the Federal Commission on Industrial Relations: "The regulation by legal enactment of hours of work of adult workmen is not generally practicable or desirable except for public employees." *It can not be overemphasized that the wage earners must depend upon their economic organizations for securing a shorter workday. This method is not only effective in securing for the workers this fundamental step in their betterment, but it enables them at the same time to maintain their independence and their resourcefulness, together with the right to determine those things which affect the conditions of work under which they must toil.*

AGAINST DELEGATING AUTHORITY TO LEGISLATURES.

To secure the shorter workday by any other method makes it necessary for the wage earners to delegate to other authorities other things which vitally affect them, and which constitute a limitation upon their activities and their rights, and thus finally lessen their freedom.

Because of the far-reaching importance and effect of the shorter workday upon the material, physical, and mental conditions of the working people, we can not too strongly impress upon all wage earners the necessity to concentrate their chief effort to secure the shorter workday—the general application of at least the eight-hour day.

We therefore recommend that all wage earners—all the toilers of America—unite and make common cause for the attainment of this economic, social, political, and moral boon at the earliest possible day. No proposition more sound economically, sociologically, and humanely can be adopted than the enforcement of the general eight-hour workday for all the workers engaged upon any field of human endeavor.

GOMPERS DEMANDS FREEDOM OF ACTION.

There was a lengthy debate upon the report, which brought President Samuel Gompers to his feet for the wind-up. Mr.

Gompers made an eloquent speech in support of the committee report, and, among other things, said:

"The miners' organization for the miners of Colorado, the metalliferous miners and the coal miners, tried to secure an eight-hour workday for their trade. The American Federation of Labor and its officers helped to the fullest of their ability. When the telegraphers asked for regulation of their hours of labor by law we aided them to the fullest extent of our ability. *If the miners want that regulation by law, if the telegraphers want that regulation by law, let them have it, but you can not force it down the throats of other trade-unionists and workingmen who understand the history and the tendency of such legislation. You can not foist it upon us.*

"I am not afraid of a fight. I am not afraid of a struggle. I am not afraid of what the intensity of the struggle for right, for justice, for freedom, for a shorter workday means. I think I have a good understanding of the enemy of labor. I think I understand a little more than some the subtlety of their action and the knavishness of their activities. I am not willing to go into the spider's web with all the spider's golden trimmings or all his allurements.

LITTLE TO ASK OF CONGRESS.

"*I want freedom to act, and the only demand which I will make of Congress is to do for the workers what we cannot do for ourselves—where the Government is the employer to secure the shorter workday by law, because it can be secured no other way.* But, primarily, I want the Government to secure to us by law the right to exert and exercise the normal human activities of self-development and associated effort and to bear the burdens of the struggle for industrial improvement and freedom, and so that we may fight the battles, not by a piece of paper dropped in an urn or a beautifully carved ballot box, but by scars of battle, by the hunger of the stomach, of the weeping and the wailing of life, and still stand true to the battle line of labor. That is the fight I am making. I want freedom to fight and freedom to achieve, and I will never consent to anything else."

FEDERATION AGAINST LEGISLATIVE INTERFERENCE.

Immediately after that speech by Mr. Gompers the convention took a vote, which vote was declared by Secretary Morrison to be 8,500 in favor of the committee's report and 6,396 against its report. The American Federation of Labor, therefore, at its most recent convention declared that it did not want to establish an eight-hour day by law. It wanted to be free from such legislation as is now going to the President on the subject of hours and wages.

Mr. TEMPLE. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD on the bill that was passed yesterday.

Mr. BARKLEY. Mr. Chairman, I ask unanimous consent to extend my remarks.

Mr. RAKER. I make the same request.

Mr. ADAMSON. Do I understand the gentleman desires to extend his remarks on the bill passed yesterday?

The CHAIRMAN. The Chair did not so understand.

Mr. ADAMSON. We thought we would wait until Monday about that.

Mr. TEMPLE. I knew of no such arrangement.

Mr. ADAMSON. My purpose was to ask for general leave to print on Monday and the Republican leader, the gentleman from Illinois [Mr. MANN], intimated he would not object to that.

Mr. TEMPLE. I ask leave to withdraw my request. I knew of no such arrangement.

The CHAIRMAN. The gentleman withdraws his request. The gentleman from California asks unanimous consent and the gentleman from Kentucky asks unanimous consent to extend their remarks. Is there objection?

Mr. MANN. That is, not upon yesterday's proceedings?

Mr. RAKER. It is in reference to Federal aid to good roads. I desire to insert the rules and regulations provided by the department, as I have been getting letters and telegrams in reference to it. This is to enable the people to get it.

Mr. MANN. They will not get it out of the RECORD.

Mr. RAKER. I will send some of the RECORDS to them.

Mr. MANN. The gentleman from California, whenever a department issues a regulation desires to put it in the RECORD. These people do not see the RECORD. They can get the regulations from the department. They are printed for that purpose, and they have got plenty of money, and they are in readable form, and they are not in readable form in the RECORD.

Mr. RAKER. To avoid any complication, I ask unanimous consent that they be printed as a document.

Mr. MANN. It is not our business to print them; the department prints them.

Mr. WEBB. Mr. Chairman, I demand the regular order.

The CHAIRMAN. The regular order is demanded, and the regular order is: Is there objection to the request?

Mr. MANN. Mr. Chairman, I will have to object to the request.

The CHAIRMAN. Is there objection made to the request of the gentleman from Kentucky to extent his remarks in the RECORD.

Mr. STAFFORD. Upon what subject; not on the subject of the strike situation?

Mr. BARKLEY. No.

The CHAIRMAN. The Chair hears no objection.

Mr. MORGAN of Oklahoma. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. MORGAN of Oklahoma: Page 3, line 7, after the word "controlled," strike out the period and insert a colon and add the following: "*Provided*, That the provisions of this act shall not apply to any corporation with a capital stock in excess of $1,000,000."

Mr. GARD. In order to correct the gentleman's amendment I desire to say that by the previous amendment of the gentleman from Wisconsin [Mr. STAFFORD] the words beginning in line 5, page 3, "in articles of the kind," and so forth, were stricken out. The gentleman had better change his amendment.

Mr. MORGAN of Oklahoma. I ask that it be inserted after the words "United States," line 5, page 3.

The CHAIRMAN. Without objection, the amendment will be corrected.

There was no objection.

Mr. MORGAN of Oklahoma. Mr. Chairman, I do not wish to take up time urging this amendment. There has been a good deal said, however, that the main object of this bill was to let the little corporation in; that the big corporation did not want it; that the Steel Trust and other great business organizations having large capital did not want it and did not need it.

Mr. WEBB. Does the gentleman think that a corporation with a capital of $1,000,000, which would probably have to spend $100,000 in advertising, could compete very well with the Steel Trust? The gentleman is going to tie the hands of the little fellows so that the big fellows can gobble them up, because the gentleman remembers in the hearings one man spoke of one corporation that in one year spent $700,000 in advertising and presenting its wares and goods to the foreign markets. If the gentleman limits it to $1,000,000, then he is going to let the big fellows control.

Mr. MORGAN of Oklahoma. Will the gentleman consent to any limitation?

Mr. WEBB. I do not know that I would consent to any.

Mr. MORGAN of Oklahoma. That is just exactly what I thought. The gentleman gets up and contends for the benefit of the little fellow, and yet, when I ask some limitation, the gentleman says no. In other words——

Mr. FORDNEY. Will the gentleman yield for a question?

Mr. MORGAN of Oklahoma. I would be glad to yield.

Mr. FORDNEY. I want to say to the gentleman when he fixes such a limitation it does not accomplish the purpose the gentleman has in mind. The gentleman knows but 7 per cent of the products of this country are exported, and a very small proportion of any man's products goes abroad, and especially in the lumber business. Not more than 5 per cent of any man's products of the Southern States of long-leaf pine is sold abroad, and in putting any limitation the gentleman would absolutely exclude more than one-half the export of lumber from this country.

Mr. MORGAN of Oklahoma. I will ask the gentleman the same question I asked the chairman of the committee, if he would consent to any limitation?

Mr. FORDNEY. I would consent to a limitation if I knew the amount of a man's product that is going abroad compared with the amount of his capital.

Do you know what proportion or percentage of the products of the United States Steel Co. goes abroad? Mr. Schwab made a statement before a committee here under oath that there had not been one pound of steel rails sold by any manufacturer of steel rails in this country to a steel-producing country in 10 years, not a rail, except a very small amount that had gone to northwestern Canada, for which his firm had received $2 per ton more than they received in this country. Now, if you can tell the percentage of the exports as compared to the total——

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORGAN of Oklahoma. Mr. Chairman, I ask unanimous consent for one minute more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MORGAN of Oklahoma. Now, then, the fact is you will not put any limitation on it. You propose to allow all the big corporations to combine as they see fit. The Secretary of Commerce in his report spoke about permitting the small concerns to combine. That was the main argument made by the Federal Trade Commission in the hearings, and that is the main argument that has been presented here by those who are favoring this bill, and yet I offer a limitation and you object to that, just as I expected you to do.

Mr. RAKER. Mr. Chairman, I ask unanimous consent that I may extend my remarks in the RECORD on this bill.

The CHAIRMAN. The gentleman from California asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

The question is on the amendment offered by the gentleman from Oklahoma [Mr. MORGAN].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 4. That the prohibition against "unfair methods of competition" and the remedies provided for enforcing said prohibition contained in the act entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," approved September 26, 1914, shall be construed as extending to unfair methods of competition used in export trade against competitors engaged in export trade, even though the acts constituting such unfair methods are done without the territorial jurisdiction of the United States.

Mr. BENNET. Mr. Chairman, I desire to offer an amendment by way of a new section.

Mr. DILLON. Mr. Chairman, I move to strike out section 4.

The CHAIRMAN. The gentleman from South Dakota offers an amendment which the Clerk will report.

The Clerk read as follows:

Page 3, line 8, strike out section 4.

Mr. DILLON. Mr. Chairman, it seems to me that this section is wholly unnecessary, because the word "commerce" is defined in the Federal Trade Commission act, as follows:

"Commerce" means commerce among the several States or with foreign nations, or in any Territory of the United States or in the District of Columbia, or between any such Territory and another, or between any such Territory and any State or foreign nation, or between the District of Columbia and any State or Territory or foreign nation.

In view of that definition and the act of the Trade Commission, it seems to me that this section is wholly unnecessary, because it is covered by that act.

Mr. WEBB. Mr. Chairman, in answer to that I will say to my friend I do not think he wants to strike out the section. It gives the Trade Commission new jurisdiction. At present the Trade Commission would not have anything to do with unfair competition between two American exporters in China, and this act preserves the power of the Trade Commission over the two American exporters, wherever they are in all the world, and if one acts unfairly toward the other in any portion of the world, that one can be brought before the Trade Commission and enjoined. I think it important to leave it in.

Mr. DILLON. Very well.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota [Mr. DILLON].

The question was taken, and the amendment was rejected.

Mr. BENNET. Mr. Chairman, I offer an amendment in the nature of a new section.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 3, after line 17, insert:

"That any steamship company, express company, or other common carrier by water engaged in commerce with foreign nations, and each and every officer, agent, servant, or employee of any and every such steamship company, express company, or other common carrier by water, who shall not treat alike all persons, firms, and corporations tendering to him, her, it, or them goods, wares, or merchandise for transportation, or who shall for any reason or in any manner discriminate against any person, firm, or corporation so tendering him, her, it, or them goods, wares, or merchandise for carriage or transportation to any foreign country or who shall receive for transportation and thereafter willfully delay the transportation of any such goods, wares, or merchandise, and each and every officer, agent, servant, and employee of any such common carrier who shall aid, assist, or participate in any such discrimination or delay by any such common carrier whose officer, agent, servant, or employee he or she is, shall for each offense be fined not more than $25,000 or imprisoned not more than five years, or both."

Mr. WEBB. Mr. Chairman, I reserve a point of order on that.

Mr. BENNET. Mr. Chairman, the amendment is not subject to a point of order, but if the gentleman thinks it is I would be very glad if he would make the point of order and let me discuss that. That is, if the gentleman in the end intends to make the point of order.

Mr. WEBB. I do make the point of order. I think it is not germane to the bill at all, and therefore I make it.

Mr. BENNET. I would like to be heard on that.

The CHAIRMAN. The Chair will be glad to hear the gentleman from New York [Mr. BENNET] on the point of order.

Mr. BENNET. Mr. Chairman, this is a bill to promote export trade, and for other purposes. There are several ways set out in the bill in which export trade is to be promoted. By section 2 the associations permitted to be organized under section 1 are exempted from the operation of a certain act. By section 3, as it is now amended, the same associations are exempted from the operation of another act. By section 4, and I call the attention of the Chair to this particularly, a penal section is inserted in the bill; that is, the prohibition against unfair methods of competition contained in the Federal Trade Commission act is expressly extended to acts of the same kind if committed in a foreign country between American corporations.

Now this amendment seeks to encourage export trade by providing that all export trade shall be treated alike, and that any steamship or express company or common carrier that discriminates against any shipper from the United States shall be punished in a particular way. What is the use of passing a bill to promote export trade if under existing practices the ships that go out of the port of New York to South America can say that they will take A's goods and refuse B's goods? That does not influence for the good of export trade or, to use the language of the caption, that does not promote export trade. That prohibits export trade unless it is an export trade of such combinations as the one I mentioned this afternoon, of W. R. Grace & Co., the American Fruit Co., and the English firm I mentioned, and the Latin-American Co.

If you are going to promote export trade, put in a provision that would prevent discrimination; and a provision against discrimination is absolutely germane to this bill when you take into consideration not only sections 1, 2, and 3, but also section 4, that deals specifically with unfair methods of trade, and likewise section 5, which is a penal provision, and provides for excluding certain associations from the benefits of this act that do not file the reports asked for.

The test of the germaneness of an amendment is whether it seeks to further in some method—not necessarily the method of the bill—the general purpose of the bill. Now the general purpose of the bill, as the title indicates, is to promote export trade, and a provision that prevents discrimination against shippers certainly tends to promote export trade.

The point of order is not good, the amendment is in order; and I would be very glad, if the Chair so rules, to discuss the reason why I think the committee should adopt it.

Mr. WEBB. Mr. Chairman, the bill under consideration deals with associations engaged exclusively in the export trade. The amendment that the gentleman offers deals with common carriers in trade across the ocean—an entirely new subject. And it deals with it in an entirely new way.

It is in relation to the export trade, but clearly everything that might be in connection with the export trade would not be germane to this bill. We have in other bills a provision to cover the same practice that the gentleman refers to. We have in the shipping bill, and we also have a provision as to that in the revenue bill. I do not think the legislation proposed by the gentleman in his amendment is germane to the bill.

Mr. BENNET. Mr. Chairman, that goes to the question as to whether the legislation is necessary, not as to whether it is in order.

But the gentleman's own argument demonstrates that it is germane. As I understand it, he practically concedes that a bill aimed to prevent discrimination among importers might tend to promote the export trade. All of the sections do not relate to associations. Section 4 does not relate to associations.

Mr. WEBB. It extends the powers of the Federal Trade Commission act to those associations.

Mr. BENNET. No; Mr. Chairman, curiously enough, that is the one section of the bill that does not mention associations at all. It simply says that the prohibition against unfair methods of competition, and the remedies, and so forth, shall be construed as extending to unfair methods of competition in the export trade—against competitors in the export trade.

Under that section, and very properly, if a few corporations not choosing to use the association methods should go down to Costa Rica and engage in business down there and should do things which they would not be permitted to do in the United States under the Federal Trade Commission act, being American corporations, they would come under the provisions of the Federal Trade Commission act. That section is to meet the decision of the Supreme Court of the United States in the case of the American Banana Co. against the United Fruit Co. It does not mention associations. So we have a section that does not

mention associations; that relates to other corporations; and it is a penal section.

The amendment I offer is limited to commerce, and limited to foreign commerce; and therefore it affects the export trade, and, in fact, is limited to the export trade, because it relates only to goods going out of the United States. The gentleman from North Carolina himself concedes that the prevention of discriminations would tend to promote the export trade.

The CHAIRMAN. The bill is a bill to promote export trade, and the amendment offered by the gentleman from New York [Mr. BENNET], it seems to the Chair, is for the purpose of preventing discriminations in the export trade. The Chair holds that the amendment is germane, and overrules the point of order. The question is on agreeing to the amendment.

Mr. BENNET. Now, Mr. Chairman, I would like to discuss the merits of the amendment.

The gentleman from North Carolina [Mr. WEBB] called attention to the fact that in the shipping bill we inserted an amendment aimed at this same evil, and the gentleman was entirely correct. But the trouble with that amendment is that, drawn hastily as it was, although by a good and skillful lawyer, it is probably unconstitutional. We have no right to delegate our legislative powers, and the draftsman of this section 36 of the shipping bill for some reason or other failed to direct the Secretary of the Treasury to apply the laws equally in all cases.

As the amendment passed the Senate and then the House, and as it has now gone to the President, it simply authorizes the Secretary of the Treasury to refuse a clearance to any vessel in certain cases. In other words, we attempt to confer—unless the word "authorize" is construed to be equivalent to "directed," which I think would be a strained construction—we attempt to delegate our legislative power to the Secretary of the Treasury. That makes the section unconstitutional.

Now, this provision is a simple provision, easily enforceable, which takes the same situation and facts into account which were attempted to be covered in the shipping bill, and says that a discrimination against an American exporter from an American port of American goods to another country shall be a crime. It has no minimum punishment. Therefore if the offense is slight the punishment can be slight. It has a maximum punishment. But if adopted it is the one thing that certainly will do away with this practice which to-day has destroyed the commerce between the United States and South America.

Why, gentlemen talk about the benefits of this bill. I am going to vote for the bill. I can see some benefits in it after the war is over. But unless you can do something that will benefit the export trade now, you are "sounding brass and tinkling cymbals." You are not benefiting the present generation. You are simply promoting the interest of foreign countries at war. Time and time again instances have been cited on the floor of the House of American manufacturers and exporters who simply can not send their goods to South America, because the Government of Great Britain has said that they shall not do business with those South American countries.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BENNET. I ask unanimous consent for two minutes more.

The CHAIRMAN. The gentleman asks unanimous consent to proceed for two minutes. Is there objection?

There was no objection.

Mr. BUCHANAN of Illinois. I wanted to offer an amendment to the amendment.

The CHAIRMAN. The gentleman from New York is entitled to two minutes.

Mr. BENNET. I doubt whether I shall use the entire two minutes. I simply conclude with the statement that the situation has gotten into such a condition that in order to enforce the Monroe doctrine, in which the South American Republics are as interested as we are, the Republic of Chile has asked the Republics of North and South America to join together for the purpose of resisting these blacklisting discriminations. Now, in the name of the leadership of America, if we intend hereafter to assert that we are the great dominant power in the American hemisphere, let us protect our own American commerce going from our own American ports. [Applause.]

Mr. WEBB. Mr. Chairman, however much in sympathy some gentlemen may be with the amendment of the gentleman from New York, I hope the committee will not adopt it, for several reasons. One is that you know it is a rather acute question in the House and Senate, and my opinion is that if you put this amendment on this bill it means practically the death of the bill, which we are trying to pass.

Mr. MANN. Did we not carry practically the same thing, though possibly in an unconstitutional form, on the shipping bill as a Senate amendment which we agreed to?

Mr. WEBB. I was going to say in addition to that my understanding is that the gentleman from New York has already offered this identical amendment at other times, and at one time on the shipping bill.

Mr. BENNET. The gentleman is entirely mistaken.

Mr. MANN. The Senate added an amendment to the shipping bill, which we accepted, which tended to cover this question.

Mr. WEBB. Yes; and declined to accept the amendment of the gentleman from New York.

Mr. MANN. They declined to accept the amendment of the gentleman from New York for parliamentary reasons, and I myself thought they were good reasons, not desiring to send the shipping bill back to the Senate. There is a question in reference to the shipping-bill amendment as to whether it is not an unconstitutional application of authority. Now, this accomplishes the same purpose that is intended to be accomplished by that amendment which was agreed to. I do not think anybody objected to it in either body, so I do not think it will hurt this bill. I say frankly to the gentleman that I will not vote for any amendment that I think injures this bill.

Mr. WEBB. I do not see the necessity for it if we have it already practically in the law. I do not see any use in repeating it.

Mr. BENNET. Because the provision in the shipping bill is unconstitutional.

The CHAIRMAN. The question is on the amendment of the gentleman from New York [Mr. BENNET].

The question was taken; and on a division (demanded by Mr. BENNET) there were—ayes 16, noes 32.

Accordingly the amendment was rejected.

The Clerk read as follows:

SEC. 5. That every association now engaged solely in export trade, within 60 days after the passage of this act, and every association entered into hereafter for the sole purpose of engaging in export trade, within 30 days after its creation, shall file with the Federal Trade Commission a verified written statement setting forth the location of its offices or places of business and the names and addresses of all its officers and of all its stockholders or members, and if a corporation, a copy of its certificate or articles of incorporation and by-laws, and if unincorporated, a copy of its articles or contract of association, and on the 1st day of January of each year thereafter it shall make a like statement of the location of its offices or places of business and the names and addresses of all its officers and of all its stockholders or members and of all amendments to and changes in its articles or certificates of incorporation or in its articles or contracts of association and of all contracts, agreements, and understandings had with any foreign or domestic association in regard to the conduct of or practices in foreign trade. Any association which shall fail so to do shall not have the benefit of the provisions of section 2 and section 3 of this act, and it shall also forfeit to the United States the sum of $100 for each and every day of the continuance of such failure, which forfeiture shall be payable into the Treasury of the United States, and shall be recoverable in a civil suit in the name of the United States brought in the district where the association has its principal office, or in any district in which it shall do business. It shall be the duty of the various district attorneys, under the direction of the Attorney General of the United States, to prosecute for the recovery of the forfeiture. The costs and expenses of such prosecution shall be paid out of the appropriation for the expenses of the courts of the United States.

Mr. BUCHANAN of Illinois. Mr. Chairman, I offer the following amendment as a new section.

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

Mr. DILLON. I offer an amendment to perfect the original text. Does not my amendment come first?

The CHAIRMAN. The gentleman from South Dakota is recognized for the purpose of offering an amendment to the text of the section.

The Clerk read as follows:

Amendment offered by Mr. DILLON: Page 4, line 11, after the word "trade," insert "associations formed under the terms of this act shall be composed solely of citizens or corporations of the United States."

Mr. DILLON. Mr. Chairman, if I understand this section correctly, anybody can form these corporations or associations. It is not necessary that he be a citizen of the United States. It seems to me that this act should be confined to our own citizens or our own corporations.

Mr. GARD. Mr. Chairman, I am in sympathy with what the gentleman is trying to arrive at. I do not know exactly what he means by corporations in the United States. Does the gentleman mean incorporated in some State?

Mr. DILLON. Yes.

Mr. GARD. Then the gentleman had better make that clear, because his present amendment would refer, I think, to corporations only.

Mr. DILLON. Possibly it is subject to that criticism. Mr. Chairman, I ask unanimous consent to modify the amendment.

The CHAIRMAN. The gentleman from South Dakota asks unanimous consent to modify his amendment. Is there objection?

There was no objection.

The Clerk read as follows:

Modified amendment by Mr. DILLON: Page 4, line 11, after the word "trade," insert "associations formed under the terms of this act shall be solely of citizens or corporations of some State of the United States."

Mr. STAFFORD. Will the gentleman yield?

Mr. DILLON. Yes.

Mr. STAFFORD. Does the gentleman mean to exclude from the purposes of this act a selling corporation, for instance, in Buenos Aires, composed of five-sixths citizens of the United States and perhaps one citizen of Argentina. Can not the gentleman comprehend a situation of that kind where there was a selling agency with some foreigner a member of the association at the local situs?

Mr. BENNET. The law of the foreign country might declare that one director should be a citizen of that country.

Mr. DILLON. My thought was that these corporations ought to be composed of our own citizens or corporations. We ought not to go into a foreign country to get our incorporators to engage in our export business.

Mr. GARD. I think we are all in sympathy with what the gentleman wants. His idea is that this legislation shall be for the benefit of the American exporters. I think that the time is now at hand, the opportunity is here and may not come again, when American trade is to be extended in the proper channel in foreign countries, notably South America and the African country.

In the extension of our trade one of the principal things is that the American exporter must learn the foreign customs so that the proper credit may be given, so that he will understand the proper business conditions. In other words, the American exporter must go to school and learn the customs of the people with whom he deals. There is no better way of learning than to be associated with people of the country. The gentleman's amendment would have the effect—it would say that no association having for instance one person in it a native of Buenos Aires, or of some other South American country, could come within the provisions of this act. It would go so far as to say that anybody who held stock in a corporation, one or two shares of which were held by a citizen of a South American country, could not operate under the provisions of this act. I think that that is certainly what the gentleman does not desire to do, at least it is not what he should want to do.

Mr. BENNET. Will the gentleman yield?

Mr. GARD. Yes.

Mr. BENNET. Would it be possible to agree on an amendment limiting the privileges of this bill to such corporations as had at least 60 per cent of American ownership?

Mr. GARD. I think the gentleman can see that we can not go nearly to the length advocated by the gentleman from South Dakota.

Mr. BENNET. I agree to that.

Mr. GARD. I do not know as the gentleman desires to offer any such amendment, but I seriously say that this legislation ought not to go to the limit authorized by the amendment of the gentleman from South Dakota, and I hope it will not prevail.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota.

The question was taken, and the amendment was rejected.

Mr. BENNET. Mr. Chairman, I move to amend by striking out, line 20, page 3, the words "for the sole purpose of engaging," and insert in lieu thereof the words "which engage solely."

Mr. WEBB. Mr. Chairman, I think one expression means the same thing as the other, and I accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken, and the amendment was agreed to.

Mr. BUCHANAN of Illinois. Mr. Chairman, I now offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Add at the end of the bill a new section, numbered 6, as follows: "SEC. 6. That the President be, and he hereby is, empowered and authorized to place an embargo on munitions of war and all other, and any such, articles of export as he may deem proper that are destined for any foreign country that now or hereafter knowingly disregards international law and violates the neutrality rights that are in existence between United States and any foreign nation."

Mr. WEBB. Mr. Chairman, I reserve a point of order, so that the gentleman may speak to his amendment.

Mr. BUCHANAN of Illinois. Mr. Chairman, I am in complete harmony with that amendment. I will say that the amendment was prepared by the gentleman from Texas [Mr. McLEMORE], but this amendment should be adopted. The gentleman from North Carolina [Mr. WEBB] says he is going to raise the point of order against it. It seems to me that the point of order can not be sustained against this amendment for the reason that it is for the purpose of promoting trade with foreign countries. At this time if we had such a law and the President would act as he would be empowered to act by the amendment we probably would not be subject to the rule of the King of England as we are at the present time in the way of putting prohibitions on shipments of the manufactured products of this country.

Mr. WEBB. Mr. Chairman, many may entirely agree with the sentiments expressed in the gentleman's amendment, but I think it is not germane and would tend, probably, to kill this bill, and therefore I shall have to insist on the point of order.

Mr. BUCHANAN of Illinois. Does not the gentleman agree this would tend to promote the export trade, especially at the present time, and is it not in harmony with the bill that will be effective now——

Mr. WEBB. But some might think it would restrict our export trade.

Mr. BUCHANAN of Illinois. For instance, the blacklist on some of our American manufactures.

The CHAIRMAN. The Chair sustains the point of order.

Mr. WEBB. Mr. Chairman, I move that the committee do now rise and report the bill and amendments to the House, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. RUBEY, chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 17350), and had directed him to report the bill to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. WEBB. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The SPEAKER. The gentleman from North Carolina moves the previous question on the bill and amendments to final passage.

The previous question was ordered.

WITHDRAWAL OF PAPERS.

By unanimous consent, Mr. MOORE of Pennsylvania was granted leave to withdraw from the files of the House, without leaving copies, the papers in the case of Augustus Boyd, Fifty-third Congress, H. R. 3753, no adverse report having been made thereon; also the papers in the case for the relief of Augustus Boyd, Fifty-fourth Congress, H. R. 1093, no adverse report having been made thereon; also the papers in the case of Caroline R. Boyd, Fifty-seventh Congress, H. R. 11545, no adverse report having been made thereon.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed without amendment bill of the following title:

H. R. 17700. An act to establish an eight-hour day for employees of carriers engaged in interstate and foreign commerce, and for other purposes.

ENROLLED BILLS SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. H. 17700. An act to establish an eight-hour day for employees of carriers engaged in interstate and foreign commerce, and for other purposes; and

H. R. 15158. An act to amend the Judicial Code; to fix the time when the annual term of the Supreme Court shall commence; and further to define the jurisdiction of that court.

OPENING OF FORT ASSINNIBOINE MILITARY RESERVATION.

Mr. TAYLOR of Colorado. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Colorado rise?

Mr. TAYLOR of Colorado. For the purpose of asking the Speaker to appoint the conferees on the bill S. 3646.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (S. 3646), an act to amend an act of February 11, 1915 (38th Statutes at Large, p. 857), providing for the opening of Fort Assinniboine Military Reservation.

The SPEAKER. The gentleman from Colorado asks unanimous consent to take this bill from the Speaker's table, to insist on the House amendments, and agree to the conference

asked for by the Senate. Is there objection? [After a pause.] The Chair hears none, and the Chair appoints as conferees on the part of the House Mr. TAYLOR of Colorado, Mr. RAKER, and Mr. LENROOT.

CLAIMS ARISING IN THE NAVY DEPARTMENT.

Mr. POU. Mr. Speaker, I ask unanimous consent that Senate bill 4268 be taken from the Speaker's table, that the House insist upon its amendments, and agree to the conference asked for.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (S. 4268), an act to satisfy certain claims against the Government arising in the Navy Department.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to take this bill from the Speaker's table and insist on the House amendments and agree to the conference asked by the Senate. Is there objection? [After a pause.] The Chair hears none, and the Chair appoints as conferees on the part of the House Mr. POU, Mr. DIES, and Mr. EDMONDS.

PROMOTION OF EXPORT TRADE.

The SPEAKER. Is a separate vote demanded on any amendment on this bill, H. R. 17350? If not, the Chair will put them in gross.

Mr. MORGAN of Oklahoma. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. MORGAN of Oklahoma. I wish later on to make a point of no quorum.

The SPEAKER. The question is on agreeing to the amendments.

The question was taken and the amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time.

Mr. MORGAN of Oklahoma. Mr. Speaker, I make the point of order there is no quorum present.

Mr. WEBB. Mr. Speaker, may I ask that the bill be put on its passage so we may have one roll call?

Mr. MORGAN of Oklahoma. I withdraw the request for the moment.

The SPEAKER. The question is, Shall the bill pass?

The question was taken and the Speaker announced that the ayes seemed to have it.

Mr. MORGAN of Oklahoma. I make the point of order there is no quorum present.

The SPEAKER. The gentleman from Oklahoma makes the point of order there is no quorum present. The Chair will count. [After counting.] One hundred and forty-nine gentlemen are present, not a quorum.

Mr. WEBB. Mr. Speaker, I move a call of the House.

Mr. MANN. There is an automatic call.

The SPEAKER. There is an automatic call of the House. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 199, nays 25, answered "present" 7, not voting 201, as follows:

YEAS—199.

Abercrombie	Dale, N. Y.	Greene, Vt.	McArthur
Adamson	Dale, Vt.	Hadley	McCracken
Alexander	Dallinger	Harrison	McCulloch
Allen	Darrow	Haskell	McDermott
Almon	Davenport	Hastings	McKellar
Anthony	Decker	Hawley	Mann
Ashbrook	Dempsey	Hayden	Meeker
Aswell	Denison	Heaton	Moon
Ayres	Dent	Helvering	Moore, Pa.
Bacharach	Dewalt	Hicks	Moores, Ind.
Barkley	Dickinson	Hilliard	Morin
Barnhart	Dixon	Holland	Moss
Bennet	Dooling	Hood	Murray
Black	Doolittle	Houston	North
Bowers	Doremus	Howard	Oakey
Britt	Doughton	Hulbert	Oldfield
Browning	Driscoll	Hull, Tenn.	Oliver
Bruckner	Dupré	Humphreys, Miss.	Olney
Brumbaugh	Eagan	Igoe	Overmyer
Buchanan, Tex.	Eagle	Jacoway	Padgett
Burnett	Evans	Kennedy, Iowa	Page, N. C.
Byrns, Tenn.	Farley	Key, Ohio	Parker, N. J.
Candler, Miss.	Farr	Kincheloe	Parker, N. Y.
Cannon	Fess	Kinkaid	Phelan
Caraway	Fields	Kitchin	Pou
Carew	Flynn	Konop	Powers
Carter, Mass.	Focht	Kreider	Price
Casey	Fordney	La Follette	Quin
Chandler, N. Y.	Gallagher	Lehlbach	Ragsdale
Coady	Gandy	Lesher	Rainey
Coleman	Gard	Lieb	Raker
Connelly	Garland	Liebel	Randall
Conry	Garrett	Linthicum	Rauch
Cooper, W. Va.	Glynn	Littlepage	Rayburn
Cox	Goodwin, Ark.	Lloyd	Reilly
Cullop	Gordon	Lobeck	Rodenberg
Curry	Gray, Ind.	McAndrews	Rogers
Rouse	Smith, N. Y.	Swift	Vinson
Rowe	Smith, Tex.	Switzer	Watkins
Rubey	Sparkman	Taggart	Watson, Va.
Russell, Mo.	Stafford	Taylor, Ark.	Webb
Sears	Steagall	Taylor, Colo.	Whaley
Shallenberger	Stephens, Miss.	Temple	Williams, Ohio
Sherley	Stephens, Nebr.	Thomas	Wilson, La.
Siegel	Stephens, Tex.	Thompson	Wingo
Sims	Sterling	Tillman	Wise
Sinnott	Stiness	Timberlake	Wood, Ind.
Sloan	Stone	Towner	Woods, Iowa
Smith, Idaho	Sumners	Tribble	Young, Tex.
Smith, Minn.	Sutherland	Venable	

NAYS—25.

Anderson	Hardy	Mondell	Van Dyke
Bailey	Haugen	Morgan, Okla.	Volstead
Buchanan, Ill.	Huddleston	Ramseyer	Wheeler
Cramton	Hull, Iowa	Sherwood	Young, N. Dak.
Dillon	Keating	Steele, Iowa	
Dowell	King	Sweet	
Green, Iowa	Lindbergh	Tague	

ANSWERED "PRESENT"—7.

Crosser	Hensley	McClintic	Slayden
Foster	London	Miller, Del.	

NOT VOTING—201.

Adair	Fairchild	Kahn	Platt,
Aiken	Ferris	Kearns	Porter
Austin	Finley	Keister	Pratt
Barchfeld	Fitzgerald	Kelley	Reavis
Beakes	Flood	Kennedy, R. I.	Ricketts
Beales	Foss	Kent	Riordan
Bell	Frear	Kettner	Roberts, Mass.
Blackmon	Freeman	Kiess, Pa.	Roberts, Nev.
Booher	Fuller	Lafean	Rowland
Borland	Gallivan	Langley	Rucker
Britten	Gardner	Lazaro	Russell, Ohio
Browne	Garner	Lee	Sabath
Burgess	Gillett	Lenroot	Sanford
Burke	Glass	Lever	Saunders
Butler	Godwin, N. C.	Lewis	Schall
Byrnes, S. C.	Good	Loft	Scott, Mich.
Caldwell	Gould	Longworth	Scott, Pa.
Callaway	Graham	Loud	Scully
Campbell	Gray, Ala.	McFadden	Sells
Cantrill	Gray, N. J.	McGillicuddy	Shackleford
Capstick	Greene, Mass.	McKenzie	Shouse
Carlin	Gregg	McKinley	Sisson
Carter, Okla.	Griest	McLaughlin	Slemp
Cary	Griffin	McLemore	Small
Charles	Guernsey	Madden	Smith, Mich.
Chiperfield	Hamill	Magee	Snell
Church	Hamilton, Mich.	Maher	Snyder
Clark, Fla.	Hamilton, N. Y.	Mapes	Stedman
Cline	Hamlin	Martin	Steele, Pa.
Collier	Hart	Matthews	Steenerson
Cooper, Ohio	Hay	Mays	Stout
Cooper, Wis.	Hayes	Miller, Minn.	Sulloway
Copley	Heflin	Miller, Pa.	Talbott
Costello	Helgesen	Montague	Tavenner
Crago	Helm	Mooney	Tilson
Crisp	Henry	Morgan, La.	Tinkham
Danforth	Hernandez	Morrison	Treadway
Davis, Minn.	Hill	Mott	Vare
Davis, Tex.	Hinds	Mudd	Walker
Dies	Hollingsworth	Neely	Walsh
Dill	Hopwood	Nelson	Ward
Drukker	Howell	Nicholls, S. C.	Wason
Dunn	Hughes	Nichols, Mich.	Watson, Pa.
Dyer	Humphrey, Wash.	Nolan	Williams, T. S.
Edmonds	Husted	Norton	Williams, W. E.
Edwards	Hutchinson	Oglesby	Wilson, Fla.
Ellsworth	James	O'Shaunessy	Wilson, Ill.
Elston	Johnson, Ky	Paige, Mass.	Winslow
Emerson	Johnson, S. Dak.	Park	
Esch	Johnson, Wash.	Patten	
Estopinal	Jones	Peters	

So the bill was passed.

The Clerk announced the following pairs:

On the vote:

Mr. HAMILL (for) with Mr. DAVIS of Minnesota (against).

Until further notice:

Mr. HELM with Mr. LONGWORTH.

Mr. OGLESBY with Mr. MADDEN.

Mr. SABATH with Mr. HILL.

Mr. CALDWELL with Mr. MILLER of Delaware.

Mr. SHACKLEFORD with Mr. NOLAN.

Mr. BLACKMON with Mr. CAPSTICK.

Mr. LAZARO with Mr. JAMES.

Mr. HART with Mr. ELSTON.

Mr. HUGHES with Mr. KIESS of Pennsylvania.

Mr. WILSON of Florida with Mr. SNELL.

Mr. SAUNDERS with Mr. MILLER of Minnesota.

Mr. GRAY of Alabama with Mr. HAMILTON of Michigan.

Mr. STOUT with Mr. COPLEY.

Mr. PARK with Mr. HAMILTON of New York.

Mr. BEAKES with Mr. HOWELL.

Mr. PATTEN with Mr. FAIRCHILD.

Mr. MCGILLICUDDY with Mr. GUERNSEY.

Mr. GREGG with Mr. STEENERSON.

Mr. CRISP with Mr. HINDS.

Mr. DAVIS of Texas with Mr. MATTHEWS.

Mr. MORRISON with Mr. HUMPHREY of Washington.

Mr. BELL with Mr. MAPES.
Mr. CLARK of Florida with Mr. FULLER.
Mr. SLAYDEN with Mr. MCKINLEY.
Mr. KETTNER with Mr. SCOTT of Michigan.
Mr. DILL with Mr. MCFADDEN.
Mr. FLOOD with Mr. KAHN.
Mr. MORGAN of Louisiana with Mr. TILSON.
Mr. AIKEN with Mr. GRAHAM.
Mr. LEE with Mr. FOSS.
Mr. SHOUSE with Mr. LOUD.
Mr. BURGESS with Mr. DRUKKER.
Mr. CARTER of Oklahoma with Mr. HUTCHINSON.
Mr. CHURCH with Mr. DUNN.
Mr. FITZGERALD with Mr. GILLETT.
Mr. GLASS with Mr. SLEMP.
Mr. GALLIVAN with Mr. TINKHAM.
Mr. FOSTER with Mr. CHIPERFIELD.
Mr. BURKE with Mr. WASON.
Mr. CALLAWAY with Mr. PETERS.
Mr. FERRIS with Mr. FREEMAN.
Mr. WALKER with Mr. THOMAS S. WILLIAMS.
Mr. CANTRILL with Mr. LANGLEY.
Mr. RIORDAN with Mr. WARD.
Mr. GARNER with Mr. BARCHFELD.
Mr. BOOHER with Mr. TREADWAY.
Mr. BYRNES of South Carolina with Mr. MOTT.
Mr. GRIFFIN with Mr. EDMONDS.
Mr. WM. ELZA WILLIAMS with Mr. MCKENZIE.
Mr. BOBLAND with Mr. MAGEE.
Mr. HAMLIN with Mr. ELLSWORTH.
Mr. NICHOLLS of South Carolina with Mr. ROBERTS of Nevada.
Mr. STOUT with Mr. MUDD.
Mr. EDWARDS with Mr. PAIGE of Massachusetts.
Mr. MORGAN of Louisiana with Mr. JOHNSON of South Dakota.
Mr. SCULLY with Mr. KELLEY.
Mr. HAY with Mr. GREENE of Massachusetts.
Mr. STEDMAN with Mr. MOONEY.
Mr. CLINE with Mr. CAMPBELL.
Mr. LEWIS with Mr. NORTON.
Mr. JONES with Mr. CHARLES.
Mr. FINLEY with Mr. RICKETTS.
Mr. MONTAGUE with Mr. DANFORTH.
Mr. COLLIER with Mr. WILSON of Illinois.
Mr. ADAIR with Mr. WINSLOW.
Mr. MAHER with Mr. GRIEST.
Mr. RUCKER with Mr. HUSTED.
Mr. DIES with Mr. SMITH of Michigan.
Mr. TAVENNER with Mr. LAFEAN.
Mr. NEELY with Mr. KENNEDY of Rhode Island.
Mr. LEVER with Mr. GOULD.
Mr. STEELE of Pennsylvania with Mr. MCLAUGHLIN.
Mr. O'SHAUNESSY with Mr. ROWLAND.
Mr. CARLIN with Mr. FOSS.
Mr. MCLEMORE with Mr. AUSTIN.
Mr. SISSON with Mr. WALSH.
Mr. ESTOPINAL with Mr. GRAY of New Jersey.
Mr. SMALL with Mr. ROBERTS of Massachusetts.
Mr. CROSSER with Mr. RUSSELL of Ohio.
Mr. MAYS with Mr. SULLOWAY.
Mr. GODWIN with Mr. SANFORD.
Mr. HEFLIN with Mr. HAYES.
Mr. LOFT with Mr. BRITTEN.
Until Monday, September 4, 1916:
Mr. TALBOTT with Mr. BUTLER.

Mr. MILLER of Delaware. Mr. Speaker, I have voted "aye." I am paired for the day with the gentleman from New York, Mr. CALDWELL. As I do not know how he would vote on this bill, were he present, I desire to withdraw my vote and answer "present."

The SPEAKER. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. MILLER of Delaware, and he answered "Present."

Mr. CROSSER. Mr. Speaker, I am paired with the gentleman from Ohio, Mr. RUSSELL, but I would vote "no" if I were not paired. I vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present, and the Doorkeeper will open the doors.

On motion of Mr. WEBB, a motion to reconsider the vote whereby the bill was passed was laid on the table.

WILLIAM HAROLD KEHOE.

Mr. FIELDS. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 6279) for the relief of William Harold Kehoe. It is on the Private Calendar.

Mr. MANN. I suggest to the gentleman that he will have an opportunity to call up the bill on Monday.

Mr. FIELDS. Very well.

EXTENSION OF REMARKS.

Mr. HULBERT rose.

The SPEAKER. For what purpose does the gentleman from New York rise?

Mr. HULBERT. I rise to ask unanimous consent to extend my remarks in the RECORD on the subject of aviation.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD on the subject of aviation. Is there objection?

There was no objection.

Mr. MILLER of Delaware. Mr. Speaker, the gentleman from California [Mr. KAHN] asked me to request unanimous consent that he might extend his remarks in the RECORD on the subject of Mexico.

The SPEAKER. The gentleman from Delaware asks unanimous consent that the gentleman from California [Mr. KAHN] may extend his remarks in the RECORD on the subject of Mexico. Is there objection?

There was no objection.

Mr. SLOAN. I ask unanimous consent, Mr. Speaker, to extend my remarks in the RECORD on the Glass-Owen currency law.

The SPEAKER. The gentleman from Nebraska asks unanimous consent to extend his remarks in the RECORD on the currency law. Is there objection?

There was no objection.

Mr. VOLSTEAD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 45 minutes p. m.) the House adjourned until Monday, September 4, 1916, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, a letter from the Secretary of War, transmitting a copy of a letter from the acting general purchasing officer of The Panama Canal, written by direction of Gen. Goethals, requesting that the limitation referred to be increased from $1,300,000 each to $1,975,000 each, instead of to $1,510,000 each only (H. Doc. No. 1302, pt. 2), was taken from the Speaker's table and referred to the Committee on Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. HAYDEN, from the Committee on Irrigation of Arid Lands, to which was referred the bill (S. 5718) to provide for an auxiliary reclamation project in connection with the Yuma project, Ariz., reported the same with amendment, accompanied by a report (No. 1188), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bill and resolution were introduced and severally referred as follows:

By Mr. WEBB: A bill (H. R. 17724) to extend aid to the several States in the building of public highways by authorizing the working of certain Federal convicts thereon or in the preparation of road materials, and to provide for the installing of industries in the United States penitentiaries for the manufacture of supplies for the use of the Government, for the compensation of prisoners for their labor, and for other purposes; to the Committee on Roads.

By Mr. KITCHIN: Resolution (H. Res. 364) authorizing the Clerk of the House to pay to Joseph S. McCoy the sum of $325 for services rendered the Ways and Means Committee; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills were introduced and severally referred as follows:

By Mr. AYRES: A bill (H. R. 17725) granting an increase of pension to George C. Wachob; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17726) granting an increase of pension to Horace S. Calkins; to the Committee on Invalid Pensions.

By Mr. COADY: A bill (H. R. 17727) granting an increase of pension to Charles H. Rarick; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 17728) granting a pension to Axel O. Olson; to the Committee on Pensions.

Also, a bill (H. R. 17729) granting a pension to Titus Z. Andrews; to the Committee on Invalid Pensions.

By Mr. KEY of Ohio: A bill (H. R. 17730) granting an increase of pension to Jacob Erow; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17731) granting an increase of pension to Isaac T. McLain; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17732) granting a pension to Miss Margaret E. Lape, helpless and dependent child of William Lape; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17733) to remove the charge of desertion and grant an honorable discharge to Isaac Messick or Merrick; to the Committee on Military Affairs.

By Mr. OAKEY: A bill (H. R. 17734) granting an increase of pension to Martha Barry; to the Committee on Invalid Pensions.

By Mr. OVERMYER: A bill (H. R. 17735) granting an increase of pension to Thomas Starchman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17736) granting an increase of pension to David Allcut; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17737) granting an increase of pension to Robert Walker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17738) granting an increase of pension to Rufus H. Slaymaker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17739) granting an increase of pension to Jeremiah Daniels; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17740) granting a pension to Frank A. Pfefferle; to the Committee on Pensions.

Also, a bill (H. R. 17741) granting a pension to Rebecca Guilliat-Smith; to the Committee on Pensions.

Also, a bill (H. R. 17742) granting a pension to Albert M. Kinsey; to the Committee on Pensions.

By Mr. SMITH of Texas: A bill (H. R. 17743) authorizing Anton Hiersche to select other land in lieu of land now owned by him, required for reclamation purposes; to the Committee on Irrigation of Arid Lands.

By Mr. WILSON of Florida: A bill (H. R. 17744) granting a pension to Chesterfield Basford; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17745) correcting the military record of Wesley Mathis; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BACHARACH: Memorial of Philadelphia Bourse, in re railroad strike; to the Committee on Interstate and Foreign Commerce.

By Mr. BRUCKNER: Memorial of National Aerial Coast Patrol Commission, in favor of aerial coast patrol bill; to the Committee on Naval Affairs.

Also petition of B. T. Fairchild, of New York, in re Chamberlain-Hayden bill; to the Committee on Agriculture.

Also, memorial of National Founders' Association of Chicago, in re eight-hour law; to the Committee on Interstate and Foreign Commerce.

Also, petition of Otto Hauschman, jr., of Bronx, N. Y., in re foreign affairs; to the Committee on Foreign Affairs.

Also, petitions of Job Ysheford and Charles Fox, of New York, in re Stevens bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of Herman Schmidt, of New York, in re Stevens bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of Otto Sieber, of New York, indorsing House bill 6915; to the Committee on the Post Office and Post Roads.

Also, petition of Frank W. Schiffer, of New York, in re House bill 6915; to the Committee on the Post Office and Post Roads.

Also, memorial of Board of Directors of the Schuvier Club of Morrisania, in re House bill 6915; to the Committee on the Post Office and Post Roads.

Also, memorial of delegates to the Swedish Evangelical Free Church of North America, favoring an embargo on arms and ammunition; to the Committee on Foreign Affairs.

Also, petition of Louis Solomon, of New York, in favor of House bill 11876; to the Committee on Labor.

By Mr. CHURCH: Petitions of sundry citizens and organizations of the State of California, relative to threatened railroad strike; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLLINGSWORTH: Papers to accompany House bill 17539, granting pension to William Reed; to the Committee on Pensions.

By Mr. SLOAN: Petition of W. M. Jenkins and 20 others, for Government ownership of railways; to the Committee on Interstate and Foreign Commerce.

Also, protest of H. F. Buls, of Seward, Nebr., against British blacklist of American business concerns; to the Committee on Foreign Affairs.

By Mr. SMITH of Michigan: Petition of Homer L. Boyle, of Lansing, Mich., favoring passage of an act authorizing the President of the United States to call an international peace and arbitrational congress; to the Committee on the Judiciary.

Also, petition of Michigan State Pharmaceutical Association, favoring 1-cent letter postage; to the Committee on the Post Office and Post Roads.

By Mr. WILLIAMS of Ohio: Protest of Elyria Iron & Steel Co., of Elyria, Ohio, against passage of proposed eight-hour work-day measure; to the Committee on Interstate and Foreign Commerce.

Also, petition of Cleveland, Southwestern & Columbus Railway Co., Cleveland, Ohio, requesting exemptions for electric street and interurban railways from operation under the eight-hour-day bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of International Association of Machinists, Local No. 203, Akron, Ohio, in support of eight-hour workday for railroad employees; to the Committee on Interstate and Foreign Commerce.

SENATE.

MONDAY, *September 4, 1916.*

(Legislative day of Friday, September 1, 1916.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. LEWIS obtained the floor.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator from Utah suggests the absence of a quorum. Let the Secretary call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gallinger	Norris	Smith, Ariz.
Beckham	Gronna	Oliver	Smith, Ga.
Brady	Hughes	Overman	Smith, Mich.
Brandegee	Husting	Penrose	Smith, S. C.
Bryan	Johnson, S. Dak.	Pittman	Smoot
Chamberlain	Jones	Pomerene	Sterling
Chilton	Kenyon	Reed	Swanson
Clarke, Ark.	La Follette	Robinson	Taggart
Culberson	Lane	Saulsbury	Thomas
Cummins	Lewis	Shafroth	Thompson
Curtis	Martin, Va.	Sheppard	Underwood
Dillingham	Myers	Sherman	Vardaman
Fletcher	Nelson	Simmons	Weeks

Mr. TAGGART. My colleague [Mr. KERN] is absent on important business. I make this announcement for the day.

Mr. POMERENE. I was requested to announce the unavoidable absence of the senior Senator from Mississippi [Mr. WILLIAMS].

Mr. SMITH of Michigan. I desire to announce that my colleague [Mr. TOWNSEND] is absent on account of illness in his family.

The PRESIDENT pro tempore. Fifty-two Senators have answered to their names. There is a quorum of the Senate present.

Mr. SIMMONS. Has the unfinished business been laid before the Senate?

The PRESIDENT pro tempore. It is, in fact, before the Senate, and the Senator from Illinois [Mr. LEWIS] has been recognized.

Mr. SIMMONS. I yield to the Senator from Illinois.

The PRESIDENT pro tempore. The Chair does not understand that it is necessary to formally lay the unfinished business before the Senate, but that it comes up automatically. If the Senator from North Carolina insists on it, it will be done.

INTERSTATE COMMERCE COMMISSION INVESTIGATION.

Mr. REED. I ask unanimous consent to submit a resolution at this time and let it lie over until to-morrow.

The PRESIDENT pro tempore. The Senator from Illinois has the floor. Does the Senator yield?

Mr. LEWIS. I yield for that purpose.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the resolution will be read.

The resolution (S. Res. 263) was read, as follows:

Resolved, That the Interstate Commerce Commission is hereby requested to at once investigate and, as nearly as possible, ascertain what, if any increase in the cost of the operation of trains will result from the compliance by the railway companies with the act approved September 3, 1916, entitled "An act to establish an eight-hour day for employees of carriers engaged in interstate and foreign commerce, and for other purposes" and to report its findings to Congress on the first day of the December, 1916, session: *Provided*, That if the said commission can not conclude its investigation of all railways affected by said law in time to report on the date aforesaid it shall then report on such railway or railways the investigation of which it has been able to complete.

The PRESIDENT pro tempore. The resolution will lie over until to-morrow under the rule.

EQUAL SUFFRAGE.

Mr. PITTMAN. I have a telegram and letter here with regard to equal suffrage which I ask may be printed in the RECORD.

The PRESIDENT pro tempore. Such will be the order, unless there is objection.

The telegram and letter are as follows:

CHICAGO, ILL., *August 31, 1916.*

Senator KEY PITTMAN,
United States Senate, Washington, D. C.:

As chairman of the National Woman's Party and legislative chairman of the Congressional Union, I earnestly ask you and all other Democratic Senators to urge President Wilson, as leader of the Democratic Party, responsible for legislation in Congress, to secure a favorable vote on the Susan B. Anthony amendment, as he did on the child-labor bill, and ask you to have this telegram read into the CONGRESSIONAL RECORD, as you know we have long been ready for a vote at any time, provided the President and the Democratic majority in Congress will support the amendment, as they are the only power in the country which can secure its submission. A premature vote without this support would only mean defeat, which is, as you know, why we urged delay in the Senate in June. The adjournment of Congress without passing the amendment will constitute a record of hostility to the political freedom of American women on the part of the party in power.

ANNE MARTIN,
Chairman National Woman's Party.

RENO, NEV., *August 25, 1916.*

Miss MINNIE FLANIGAN,
Acting President Nevada Women's Civic League,
Reno, Nev.

DEAR MISS FLANIGAN: We herewith tender our resignations as members of the Nevada Women's Civic League and also as members of its executive board.

The affiliation of the league with the woman's party is, to our minds, a subversion of the purposes for which the league was organized and it is directly in conflict with the plain provisions of the league's constitution.

Section 2 of the constitution provides: "The organization shall be nonpartisan in its relation to all political parties."

Section 10 provides that amendments to the constitution may only be made by a two-thirds vote, after a notice of the proposed change shall have been sent to every club in the league for at least a month prior to any action upon the proposed amendment.

In spite of the provisions of section 10, and without any notice whatever to any club in the league, the executive board has undertaken to make the league a branch of a partisan movement, having for its object the defeat of the Democratic candidates and the success of the Republican ticket at the coming election. If this is not a partisan movement, it is difficult to imagine one that would be more partisan, and the injustice of it is easily discernible by a moment's reflection.

The Republican and Democratic platforms declared for equal suffrage in almost identical terms, but neither party declared in favor of the Federal amendment. Notwithstanding this, the woman's party is making every effort within its power to help one party at the expense of the other.

The indorsement of the amendment by Mr. Hughes can not, and does not, bind his party in any way, nor does it alter or modify his party platform. Mr. Hughes himself frankly concedes this. In his speech to the woman's party at Reno on the occasion of his visit here he said:

"The Republican platform did not refer to the Federal amendment, and in my address in response to the notification of my nomination I did not refer to it. I could not add it to the platform of my party; that I had no right to do; that I had no right to attempt."

So that, regardless of Mr. Hughes's personal views, his party platform remains unaltered and he can neither change it nor attempt to change it.

If Mr. Hughes is to receive the support of the woman's party because of his personal views, then Mr. Wilson's personal views should also be considered.

Mr. Hughes never supported equal suffrage until he became a candidate for President. He has never voted for it, although he had the opportunity to do so. He has said that he can neither change nor attempt to change, the position of his party platform as to the Federal amendment.

Mr. Wilson not only favors equal suffrage, but he voted for it when he had the opportunity to do so. Yet Mr. Wilson is to be opposed because he does not do the very thing which Mr. Hughes admits he himself can not do.

In New York Mr. Hughes did not vote for suffrage.

In New Jersey Mr. Wilson did vote for suffrage.

Opposition to Mr. Wilson will not be viewed with favor by those who place the suffrage cause itself above the employment of militant methods to obtain it.

If we correctly understand the purpose of the woman's party in Nevada, its position is even more vulnerable. It would oppose Mr. PITTMAN and Mr. Caine and favor Mr. Platt and Mr. ROBERTS.

Mr. PITTMAN has always favored equal suffrage. In 1910 he put in the platform of his party a declaration in its favor and he spoke in its favor throughout the State. During the suffrage campaign in Nevada Senator PITTMAN not only spoke for the suffrage amendment, but he voted for it. As a delegate to the St. Louis convention he again voted and spoke in favor of suffrage. In the Senate of the United States, on the 5th of August of this year, he announced his purpose to vote for the Federal amendment. Yet the woman's party announces its purpose to oppose Mr. PITTMAN'S reelection.

What is the record of Mr. Platt on the suffrage question? He had every opportunity to support suffrage, but during the time when it needed help in the campaign of 1914 he either opposed it or remained silent. He was a delegate to the Chicago convention, but its records show no effort by Mr. Platt to foster or support the Federal amendment. Upon what plea of justice can the women of Nevada oppose Senator PITTMAN and support Mr. Platt?

There are three senatorial candidates before the people of Nevada—Senator PITTMAN, Mr. Miller, and Mr. Platt. Senator PITTMAN and Mr. Miller have always been active and open in their support of suffrage, while Mr. Platt has neither been active nor open in its support. Nevertheless, the Woman's Party would support one who never helped us as against the two who always helped us.

Mr. Caine has always favored the cause of suffrage; Mr. ROBERTS, so far as his record is known, has never supported it; but the Woman's Party asks the defeat of Mr. Caine and the election of Mr. ROBERTS. Is this justice or fair dealing?

The women of Nevada were most intensely interested in suffrage during our campaign of 1914. In that campaign the suffrage cause was supported by Senator PITTMAN and Mr. Caine. It was not publicly supported by Mr. Platt or Mr. ROBERTS. The bitterest opponent of the suffrage cause was the Reno Evening Gazette, the leading Republican paper of the State. The most active supporter of suffrage was the Nevada State Journal, the leading Democratic paper of the State.

In the recent Democratic primaries Senator PITTMAN, actively for suffrage, was renominated. In the Republican primaries, Judge Norcross, one of the truest friends of suffrage, was defeated.

President Wilson, whom the Woman's Party would defeat, has accomplished two of the really great things for which all women stand. He has maintained peace in the midst of a world's conflagration and he has thrown the protection of legislation around the toiling children of the land. What mother can fail to call him blessed!

The present activities of the Woman's Party can never, under these conditions, receive our support, nor do we believe the cause of equal suffrage will ever be advanced by striking down its friends.

HELEN T. BELFORD,
ANNIE S. CHEATHAM,
CHRISTINE W. CLARK,
Members of the State Executive Board of the Nevada Women's Civic League.

THE THREATENED RAILROAD STRIKE.

Mr. THOMPSON. I have an editorial which was printed in the Washington Post Saturday morning, entitled "Stopping the Strike." I ask that it may be printed in the RECORD.

Mr. SMOOT. I object.

Mr. THOMPSON. I send the article to the desk and ask that the Secretary may read it under Rule XI of the Senate. I do not understand that a single objection is good when it is moved under this rule that it be read. It is for the Senate to determine by a vote.

The PRESIDENT pro tempore. The paper does not properly come in the sense of that rule. The rule evidently has reference to petitions and memorials. The Senator will have an opportunity later to present it.

Mr. THOMPSON. Very well; but if it can not be printed without reading, I will offer some remarks on the subject and read it myself. In order to save time and to insure the early passage of the eight-hour law, I refrained from speaking on the question Saturday, and with the desire to save time I was in hopes that the article might be printed without reading, as it fairly expresses my views on the subject. I believe in the eight-hour workday. The good old rule of human conduct prescribing eight hours for work, eight hours for recreation, and eight hours for sleep has never been improved upon.

Several Senators addressed the Chair.

The PRESIDENT pro tempore. The Chair suggests that it would result in economizing time to afford a reasonable opportunity to Senators to present formal routine matters which will not lead to debate. If the Senator from Illinois will yield, such matters can be disposed of.

Mr. LEWIS. Very well.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the following bills:

H. R. 6034. An act to make available a portion of the appropriation for the immigration station at Baltimore, Md., for such counters, booths, screens, railings, seats, banks, kitchen and laundry equipment, etc., as necessary in connection with said station; and

H. R. 17350. An act to promote export trade, and for other purposes.

The message also announced that the House insists upon its amendment to the bill (S. 4268) to satisfy certain claims against the Government arising under the Navy Department, disagreed to by the Senate, agrees to the conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. POU, Mr. DIES, and Mr. EDMOND managers at the conference on the part of the House.

The message further announced that the House insists upon its amendment to the bill (S. 3646) to amend the act of February 11, 1915 (38 Stat. L., p. 807), providing for the opening of the Fort Assiniboine Military Reservation, disagreed to by the Senate, agrees to the conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. TAYLOR of Colorado, Mr. RAKER, and Mr. LENROOT managers at the conference on the part of the House.

HOUSE BILLS REFERRED.

H. R. 6034. An act to make available a portion of the appropriation for the immigration station at Baltimore, Md., for such counters, booths, screens, railings, seats, bunks, kitchen and laundry equipment, etc., as necessary in connection with said station was read twice by its title and referred to the Committee on Appropriations.

H. R. 17350. An act to promote export trade, and for other purposes, was read twice by its title and referred to the Committee on Interstate Commerce.

PETITIONS AND MEMORIALS.

Mr. SMITH of Michigan. I wish to present a protest against a provision in the revenue bill placing printing paper on the free list, signed by Phil G. Baltz, manager of the Rex Paper Co., of Kalamazoo, Mich.

The PRESIDENT pro tempore. The protest will be received and filed.

Mr. SMITH of Michigan. I should like to have it printed in the RECORD.

The PRESIDENT pro tempore. Such will be the order unless there is objection.

There being no objection, the protest was ordered to be printed in the RECORD, as follows:

KALAMAZOO, MICH., *August 24, 1916.*

Senator WILLIAM ALDEN SMITH,
United States Senate, Washington, D. C.

DEAR SENATOR: We want to enter a vigorous protest against the action of the Senate Finance Committee in placing printing paper on the free list. So long as the war lasts this action will not affect us in the least, but with the termination of the war it will place us at the mercy of Europe and Canada. We, with our high wages and three tours, can not compete against the longer hours and cheap labor of Europe. Nor can we compete with the cheaper labor of Canada, together with her almost limitless supply of pulp wood and her vast amount of water power.

This action of the Senate will mean the beginning of the end of the paper-making industry in the United States. It will build up mills in Canada and ours will rot with the lack of profit. Why build up Canada to the detriment of the United States? Why make a target of the paper mills? We need protection and should not be discriminated against. We respectfully request your influence in defeating this measure and sincerely hope you will interest yourself in behalf of ourselves and the paper makers of your great State.

Yours, truly,

REX PAPER CO.,
PHIL G. BALTZ, *Manager.*

Mr. SMITH of Michigan. I also present a communication signed by a committee of gentlemen of the State of Michigan, calling attention to the situation in the State of Michigan in connection with the introduction of military instruction and recommending the military department of the State Agricultural School at Lansing as a suitable place for such instruction. They also recommended an appropriation of $5,000 in aid of a military school or camp of instruction at the Michigan State Agricultural College during the summer months. I ask that the communication be received and printed in the RECORD.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

To the honorable the United States Senators and Members of the United States House of Representatives from Michigan, Washington, D. C.

MARCH 30, 1916.

GENTLEMEN: There has been brought to the attention of the undersigned a situation in the State of Michigan, in connection with the demand for military instruction, that in our judgment requires action by the Federal authorities.

There are in this State several thousand young men, many of them students or graduates of high schools and colleges, who are very anxious to avail themselves of attendance at a summer military school or instruction camp if such an institution could be provided within the State.

It has naturally been suggested that the military department of our State agricultural college at Lansing should inaugurate and conduct such a summer school or camp, with a suitable course of instruction in military science, sanitation, tactics, maneuver, and drill as would meet this laudable demand.

That institution has an ideal plant, with most of the necessary facilities for such an undertaking, and could carry on, at small expense, a summer school or camp for military instruction, which would accommodate one, or perhaps two thousand students, who at the end of a two or three months' course would be turned out fairly well grounded in the rudiments of military defense.

Moreover, it is believed that a sufficient number of senior students at the college, who will graduate in June and who will have had four years of military instruction, will be willing to remain during the summer as instructors and drill masters, and who, in connection with one or two extra officers detailed from the Regular Army in addition to the regular instructors of the college military department, will make up an adequate teaching force for such a summer school.

We are advised that the college and its authorities have contemplated and would gladly inaugurate and carry on such a summer military school during the coming summer months, except for the fact that the college has not the present means at its immediate disposal for this purpose.

The recent destruction by fire of one of the large department buildings at the college, which building must of necessity be immediately restored, an undertaking which will require all available current funds, deprives the governing board of the means for carrying on a military instruction camp during the coming summer and as the State legislature does not meet till next year the advantages now of such a school, when the demand and sentiment in favor of it are so strong and active, can not be secured unless the Federal authorities will extend moderate temporary assistance.

It has therefore been thought wise to lay the matter before our Representatives at Washington and to earnestly request their consideration of the propriety of an appeal to Congress for an immediate appropriation of, say, $5,000 in aid of a military school or camp, with suitable course of instruction, at the Michigan Agricultural College during the coming summer months.

It is believed that even the small assistance suggested will, with the facilities already at hand, be sufficient to secure this very desirable object.

The purpose being so patriotic and timely, we lay this matter before you in the hope and belief that you will give it the attention that its importance deserves.

Very respectfully,

A. J. DOHERTY.
W. H. WALLACE.
R. S. GRAHAM.
JASON WARDMAN.
I. RAY WATERBURY.
HENRY A. HAIGH.

Mr. SMITH of Michigan. I present resolutions adopted by the Press Assistants' Union No. 40, of Detroit, Mich., which I ask may be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

PRESS ASSISTANTS' UNION NO. 40,
Detroit, Mich.

Whereas there is at present pending before the United States Senate the immigration bill (H. R. 10384); and

Whereas we have been informed, through the columns of the daily newspapers and in various other ways, that this bill passed the House of Representatives by a vote of 307 ayes to 87 nays; and

Whereas the vote of these various Representatives voting in the affirmative undoubtedly reflects the sentiment of their constituents; and

Whereas by the vote of their Representatives an overwhelming majority of the people of these United States have expressed their approval of the bill; and

Whereas by their approval of this bill the people have declared themselves most emphatically opposed to the admission to our country of the ignorant, illiterate foreign laborer; and

Whereas in our own city of Detroit we have, it is estimated, more than 40,000 of these illiterate foreign laborers; and

Whereas it is a proven fact that a large number of these foreigners have no intention of becoming citizens; and

Whereas a condition of this kind can not be other than detrimental to the best interests of the community: Therefore be it

Resolved, That the membership of Press Assistants' Union No. 40, a subordinate local union of the International Printing Pressmen and Assistants' Union of North America, in regular meeting assembled, does hereby express its approval of the bill known as H. R. 10384; and be it further

Resolved, That we do petition our representatives in the Senate to exert every effort for the passage of this bill at the present session of Congress; and be it further

Resolved, That a copy of these resolutions be forwarded to each of the two Senators from Michigan, Messrs. TOWNSEND and SMITH.

ELBERT K. ELLIS,
GEO. H. DECKER,
ALFRED M. JUDGE,
Committee.

Mr. SMITH of Michigan. I also desire to present a communication from the Michigan State Medical Society, transmitting resolutions adopted at the fifty-first annual convention of that society, held at Houghton, Mich., which I ask may be printed in the RECORD.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

MICHIGAN STATE MEDICAL SOCIETY,
OFFICE OF THE SECRETARY EDITOR,
Grand Rapids, Mich., August 24, 1916.

Senator WILLIAM ALDEN SMITH,
Washington, D. C.

HONORED SIR: The Michigan State Medical Society, the official medical organization of the State of Michigan, assembled in its fifty-first annual convention, at Houghton, on August 15, 16, and 17, unanimously adopted the following resolution and instructed me to send copies of same to you for your information:

"Whereas military exercises in early life favor a high degree of mental and physical development, through quickening perception, improving organic functions, and developing muscular and bony structures; and

"Whereas marching under the flag of the country, the symbol of governmental authority, inculcates obedience, encourages loyalty, and furnishes discipline in self-control. Therefore be it

"*Resolved*, That the Michigan State Medical Society recommend universal military training, and requests the Michigan congressional delegation to exert itself to bring about effective legislation to this end.

"*Resolved*, That copies of these resolutions be furnished by the secretary to every Member of the House of Representatives and Senate of the United States and to the various leagues and organizations interested in the propaganda for national defense."

Yours, very truly.

F. C. WARNSHUIS, *Secretary Editor*.

Mr. POMERENE. I present a large number of petitions from citizens of my State and ask that the body of one of the petitions be incorporated in the RECORD.

The PRESIDENT pro tempore. Such will be the order, unless there is objection.

There being no objection, the petitions were referred to the Committee on Interstate Commerce, and the body of one was ordered to be printed in the RECORD, as follows:

AN APPEAL OF THE 80 PER CENT.

We, the undersigned citizens of the State of Ohio, and among those comprising the more than 80 per cent of the employees of the railways of our State and country, being confronted with the possibility of an entire paralyzation of the railways of the country by the proposed general strike of the four orders of trainmen, a group of less than 20 per cent of the entire number of railway employees, and the consequent curtailment of income to us, the more than 80 per cent, to whom such a curtailment would be ruinous, and fully realizing that under this great Government where the ruling doctrine is "the greatest good to the greatest number," we, the large majority, more than 80 per cent of the people to be directly injured by such a destructive method of the few who happen to be placed in a position where they can use them, have a clear and definite rigat to be protected (the general public and all other industries seriously endangered also having that right), do earnestly petition you, our Senators and Representatives, individually and as the Congress of the Nation, and pray that some definite legislative action be taken whereby the vast majority of the people of the country shall be protected from a destructive interruption of interstate commerce due to wholly selfish action of a small group of men, and that all differences which may arise between railway and employee shall be settled by proper arbitration. In this way you would recognize the fundamental principle of the Republic, that no small group of men ought to be permitted, directly or indirectly, to conspire to an end calculated to benefit them only, and directly or indirectly work wrong and loss upon the great majority.

Mr. PHELAN presented a petition of the Chamber of Commerce of Los Angeles, Cal., praying for the establishment of an aircraft base and training school at North Island, San Diego, Cal., which was referred to the Committee on Military Affairs.

Mr. MYERS presented a memorial of sundry citizens of Missoula, Mont., remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. OLIVER presented a petition of the Pennsylvania Pharmaceutical Association, praying for the adoption of certain amendments to the patent laws, which was referred to the Committee on Patents.

REPORTS OF COMMITTEES.

Mr. ROBINSON, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 8057. An act for the relief of the legal representatives of Napoleon B. Giddings (Rept. No. 860);

H. R. 3296. An act for the relief of Gertrude Becherer (Rept. No. 863);

H. R. 10173. An act for the relief of Anna C. Parrett (Rept. No. 862);

H. R. 11745. An act for the relief of S. E. Bennett (Rept. No. 861); and

H. R. 14978. An act for the relief of Ida Turner (Rept. No. 864).

Mr. THOMAS, from the Committee on Public Lands, to which was referred the bill (H. R. 11472) to reserve certain lands and make them a part of the Pike National Forest, reported it without amendment and submitted a report (No. 865) thereon.

FEDERAL FARM-LOAN ACT.

Mr. FLETCHER. I desire to submit a favorable report from the Committee on Printing.

The PRESIDENT pro tempore. We are under a unanimous-consent agreement for the reception of formal matters.

Mr. FLETCHER. It is a favorable report.

The PRESIDENT pro tempore. The report will be received and filed.

Mr. FLETCHER. I ask unanimous consent for its consideration.

The PRESIDENT pro tempore. The resolution will be read.

The resolution (S. Res. 262) was read, as follows:

Resolved, That there be printed 65,000 copies of public act No. 158, Sixty-fourth Congress, first session, entitled "The Federal farm-loan act," for the use of the Senate document room.

The PRESIDENT pro tempore. Is there objection to the consideration of the resolution reported by the Senator from Florida?

Mr. SMOOT. I will ask the Senator what is the cost?

Mr. FLETCHER. The estimated cost is $494.63.

The resolution was considered by unanimous consent and agreed to.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRADY (for Mr. BORAH):

A bill (S. 6987) granting an increase of pension to Alvah H. Bowen (with accompanying papers); to the Committee on Pensions.

By Mr. THOMPSON:

A bill (S. 6988) for the relief of William Crawford (with accompanying papers); to the Committee on Military Affairs.

By Mr. ASHURST:

A bill (S. 6989) for the relief of Frank Pinkley; to the Committee on Claims.

By Mr. TAGGART:

A bill (S. 6990) granting a pension to Philip Scharf;

A bill (S. 6991) granting an increase of pension to Henry Gathman;

A bill (S. 6992) granting an increase of pension to Andrew J. Withrow;

A bill (S. 6993) granting an increase of pension to Philip Martin;

A bill (S. 6994) granting an increase of pension to Thomas Jeffries;

A bill (S. 6995) granting an increase of pension to Martin D. James; and

A bill (S. 6996) granting an increase of pension to Abraham G. Hendryx; to the Committee on Pensions.

By Mr. TAGGART (for Mr. JOHNSON of Maine):

A bill (S. 6997) granting an increase of pension to Paul Strauss (with accompanying papers);

A bill (S. 6998) granting an increase of pension to George H. Wilkins (with accompanying papers);

A bill (S. 6999) granting an increase of pension to George H. Fernald (with accompanying papers); and

A bill (S. 7000) granting a pension to Melville L. McCorrison (with accompanying papers); to the Committee on Pensions.

By Mr. PENROSE:

A bill (S. 7001) to correct the naval record of Fred C. Konrad; to the Committee on Naval Affairs.

By Mr. CHAMBERLAIN:

A joint resolution (S. J. Res. 172) authorizing the acceptance and free use of a free energy generator by the United States Government, and for the special protection of its discoverer; to the Committee on Patents.

WITHDRAWAL OF PAPERS—JOHN T. PEET.

On motion of Mr. CURTIS, it was

Ordered, That the papers accompanying the bill S. 2930, Sixty-fourth Congress, first session, and previous Congresses, granting a pension to John T. Peet, be withdrawn from the files of the Senate, no adverse report having been made thereon.

PUBLIC BUILDING AT AUGUSTA, GA.

Mr. HARDWICK. The House passed on Saturday the bill (S. 5407) authorizing and directing the Secretary of the Treasury to extend the time of payment of the amount due the Government by the city of Augusta, Ga., with an amendment. I should like to call it up for the purpose of agreeing to the House amendment.

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 5407) authorizing and directing the Secretary of the Treasury to extend the time of payment of the amount due the Government by the city of Augusta, Ga., which was, on page 1, lines 10 and 11, to strike out "without interest" and insert "with interest from the date of the passage of this act at the rate of 4 per cent per annum."

Mr. HARDWICK. I move that the Senate concur in the amendment of the House.

Mr. SMOOT. From the reading of the amendment I could not discover whether it is a claim against the Government of the United States or whether it is a judgment.

Mr. HARDWICK. No; if the Senator wants me to explain it, the Government of the United States sold the old post-office building to the city of Augusta. This is a proposition to extend the time fixed for the payment of that public building by the city on account of the very disastrous flood which occurred in Augusta. We have already passed the bill through the

Senate extending the time for the payment of the money due the Government for the property sold to the municipality.

Mr. SMOOT. Will the Government of the United States be compelled to pay interest under this provision?

Mr. HARDWICK. No; the Government of the United States will get interest at the rate of 4 per cent from the city of Augusta.

The PRESIDENT pro tempore. The question is on concurring in the amendment of the House of Representatives.

The amendment was concurred in.

PRAYERS OF CHAPLAIN OF THE HOUSE.

The PRESIDENT pro tempore laid before the Senate the following concurrent resolution (No. 28) of the House of Representatives, which was referred to the Committee on Printing:

Resolved by the House of Representatives (the Senate concurring), That there be printed as a House document for the use of the House of Representatives, to be distributed through the folding room, 55,000 copies of the prayers offered at the opening of the morning sessions of the Sixty-third Congress of the United States by the Chaplain, Henry M. Couden, the same to be compiled by the Chaplain, who shall have 100 copies for his use.

ORDER OF BUSINESS.

Mr. POMERENE. Without intending in any way to displace the unfinished business——

The PRESIDENT pro tempore. The Senator from Illinois [Mr. LEWIS] has the floor. It depends on the good nature which he has already shown, if the Senator from Ohio proposes to take up anything. The Chair simply calls attention to that fact.

Mr. POMERENE. Very well; I will not proffer the request now.

The PRESIDENT pro tempore. Are there other formal matters that Senators desire to dispose of?

LEVI COOKE—TAX ON WINES AND CORDIALS.

Mr. STONE. Mr. President, on August 30, 1916, the Senator from California [Mr. PHELAN], while the wine provisions of the pending revenue bill were under consideration, presented and had printed in the RECORD, at page 13377, an affidavit made by Mr. Hilliard E. Welch of Lodi, Cal. At the time of presenting it the Senator from California commented upon the matter at some length. The affidavit related to an attorney here in Washington—Mr. Levi Cooke.

I have no interest in Mr. Welch or Mr. Cooke, but the affidavit was inserted at a rather early hour, I presume with the intention of influencing the judgment of Congress with respect to the matters covered by the affidavit. These same matters will be made the subject of conference.

Mr. President, I have received from Mr. Cooke an affidavit, quite specific in its terms, contradictory of the affidavit presented by the Senator from California. I ask that that also may be inserted in the RECORD, in order that both these statements, for whatever they may be worth, may be accessible to the Senate and to the committee of conference.

The PRESIDENT pro tempore. Such will be the order, unless there is objection. The Chair hears none.

The matter referred to is as follows:

Levi Cooke, being duly sworn, deposes and says as follows:

"That he has read the statements sworn to by Hilliard E. Welch and F. Albertz, read in the Senate of the United States on August 30, by Senator PHELAN, and reported at page 13377 of the RECORD;

"That the statement made by said Welch, and indorsed by said Albertz, is false and misleading, and that the following is a true statement of meetings held between said Welch and Alberts and affiant:

"The affiant, Levi Cooke, is general counsel for the National Wholesale Liquor Dealers Association, which is composed of about 800 members, said members being corporations, firms, and individuals engaged in distilling, manufacturing, and distributing distilled spirts and liquors. A number of members are engaged exclusively in the wine business, and a large number are engaged in manufacturing cordials and liqueurs.

"Affiant, in behalf of the cordial manufacturers, appeared before a subcommittee of the Senate Finance Committee on July 21, 1916, accompanied by the Secretary of the American Association of Cordial Manufacturers, and made an oral argument and filed briefs (see hearings, p. 63, et seq.), urging the following:

"1. That the cordial tax of 24 cents per gallon on cordials be eliminated so far as it covered cordials made with tax-paid distilled spirits, as the effect of such tax would be to make the ordinary gallon of distilled-spirit base cordial, 40 per cent proof, pay 68 cents per gallon tax money, whereas the same alcoholic strength cordial would be made from fortified wine, and pay tax of only 36 cents.

"2. That unless distilled-spirit base cordials were so treated, cheaply taxed fortified wine would displace tax-paid spirits in cordial manufacture to the injury of the revenue, and the injury of the cordial trade.

"3. That fortified wine had been excluded from cordial making by law for many years, in order that the distilled-spirit revenue be protected; and that if now such wines were to be admitted to cordial manufacture, an equalizing tax on them could well be charged, but no supertax should be levied on distilled-spirit base cordials, the effect of which would be to tax distilled-spirit cordials out of existence in favor of the more cheaply taxed wine base.

"Affiant states that on August 1 he was requested by the president of the National Wholesale Liquor Dealers' Association to comply with a request received by the latter from California to meet the said Hilliard E. Welch, that he telephoned said Welch, and the latter came to affiant's office. Said Welch stated that the brief filed by the cordial manufacturers had injured the prospects of the wine bill as he and Congressman KENT had advocated its form; that affiant was absolutely right in the position taken regarding the effect of the cordial tax in forcing the use of cheaply taxed fortified wine in place of tax-paid distilled spirits, and that he himself opposed the provision, but that interests in California demanded the same. Affiant suggested that said Welch state his views regarding the cordial tax to the Senators on the Finance Committee, but this said Welch declined to do.

"Affiant told said Welch that he, affiant, felt it his duty to argue at all times for the safeguarding of the full Government revenue at $1.10 per proof gallon on distilled spirits; that he could not, aside from the interest of cordial manufacturers, accede to a form of tax which would substitutte in any branch of the liquor business cheaply-taxed distilled spirits in place of the regularly taxed article; that the pending bill was a revenue bill and should not be made the vehicle of displacing full-taxed liquors with so-called fortified wines which were half the alcoholic strength of whisky, rum, and brandy, which could be turned into cordials and liqueurs.

"Said Welch asked affiant to withdraw his brief, not, he said, because it was unsound in fact, but because California interests would resent any interference with their bill; that there was a prohibition campaign in California, and if the interests there were dissatisfied it might have an injurious effect on the prohibition question. Affiant informed said Welch that he could not and would not withdraw said brief: that the cordial manufacturers were entitled to be heard and could not be deprived of rights or denied principles which said Welch himself conceded to exist, merely because California interests demanded their surrender in the interest of legislation intended solely for the tax benefit of said California interests; that affiant did not doubt that the cordial manufacturers in a perfectly proper way were interested in the California prohibition question, but under threats on that score could not be asked to abandon their own interest and join in a movement to deplete the Federal revenues.

"Said Welch returned the following day with said Albertz, and the entire subject was rediscussed.

"George R. Beneman, affiant's assistant, was present.

"Said Welch proposed that the bill should be amended to permit withdrawal of wines tax free to manufacture cordials, but affiant said this was impossible, as it meant only further depletion of the revenue by increasing the tax necessity of substituting wines for tax-paid distilled spirits in making alcoholic liquors of the cordial variety. Said Welch reiterated his demand that affiant withdraw his brief in behalf of the cordial manufacturers, declaring that it had endangered the wine schedule he and said Albertz were advocating, and stated that if the bill failed he himself would take the stump in California to advocate State-wide prohibition; and that unless affiant's clients liked that prospect, affiant should assist said Welch by withdrawing all objection to the cordial tax as drafted. Affiant stated that his clients of course did not wish to see the State of California vote for prohibition; that said clients were indifferent on the subject of taxes upon table wines for beverage use, as such, but that affiant himself, aside from the views of his clients, would oppose with all vigor any measure designed to substitute cheaply-taxed fortified wines, half the strength of whisky, rum, and brandy, for tax-paid distilled spirits in cordials and other liquors entirely distinct from table wines. Affiant clearly stated that no compulsion of any kind could force him to abandon fundamental principles of revenue underlying the Federal taxation of liquors. And thus the meeting ended.

"Said Welch's affidavit is entirely false in the last paragraph thereof. Affiant made no reference to Senator THOMAS or any other Senator except to suggest that said Welch stated to Senators, as he had to affiant, that affiant's argument on the cordial tax was sound in fact; and affiant made no reference to contributions in connection with any antiprohibition propaganda except to say that doubtless the very cordial manufacturers whose interest was to be sacrificed in favor of the California interest in the latter's wine schedule were helping in a legitimate way to assist the very people said Welch was representing in their antiprohibition propaganda in California. Affiant made no statement of alternative intentions to said Welch either on his own account or on that of his clients, and the statement of said Welch in the last paragraph of his affidavit has no basis whatever in fact. Affiant's sole suggestion to said Welch was that the latter, as matter of justice and fair dealing, tell the Senators what he had told affiant regarding the facts of the cordial tax.

"Said Welch and those whom he represented made further efforts to prevail on affiant to withdraw his brief on the cordial tax, but affiant has continued to refuse and has stood flatly against any supertax on distilled spirit cordials, with consequent tax advantage in favor of making cordials with more cheaply taxed wine bases and consequent reduction of revenue from the alcohol present in cordials, liqueurs, and similar compounds.

"LEVI COOKE."

Subscribed and sworn to before me this 31st day of August, A. D. 1916.

[SEAL]. SOTERIOS NICHOLSON,
Notary Public, District of Columbia.

George R. Beneman, being first duly sworn, deposes and says that he has read the affidavit sworn to and subscribed by Levi Cooke, hereto attached; that he was present at the meeting of August 2 therein referred to; and that the statements in the affidavit, of which he has knowledge, are true.

GEO. R. BENEMAN.

Subscribed and sworn to before me this 31st day of August, A. D. 1916.

[SEAL.] SOTERIOS NICHOLSON,
Notary Public, District of Columbia.

DIVISION OF CIVIC TRAINING.

Mr. WEEKS. Mr. President, I have a matter which I should like to bring up, which will take but a minute.

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Massachusetts?

Mr. LEWIS. If the matter which the Senator from Massachusetts desires to present does not require observations, I will yield.

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Massachusetts?

Mr. LEWIS. Mr. President, I will yield to the Senator merely to present a document.

Mr. WEEKS. For my colleague, I desire to have printed as a public document a statement by Wilson L. Gill in favor of the establishment of a division of civic training in the Bureau of Education. It will be satisfactory to me to have the document referred to the Committee on Printing for action if so desired.

The PRESIDENT pro tempore. Such will be the order, unless there is objection. The Chair hears none.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15316) to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes.

ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (H. R. 17235) granting the consent of Congress to W. H. Crosby; W. H. Andrews; E. G. Connette; Daniel Good; Henry May; Robert C. Gaupp; Edward Kener, jr.; William F. McGlashen; Eugene L. Falk; John W. Robinson; John M. Willys; Oliver Cabana, jr.; Conrad E. Wettlaufer; H. A. Hurt; George J. Meyer; Myron S. Hall; John Lord O'Brian; Frank S. McGraw; and William A. Morgan to construct a bridge across Niagara River within or near the city limits of Buffalo, and for other purposes, and it was thereupon signed by the President pro tempore.

COMPENSATION OF INJURED EMPLOYEES—CONFERENCE REPORT.

Mr. SMITH of Georgia submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15316) to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House numbered one, to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert the following:

"SEC. 28a. Upon the organization of said commission and notification of the heads of all executive departments that the commission is ready to take up the work devolved upon it by this act, all commissions and independent bureaus, by or in which payments for compensation are now provided, together with the adjustment and settlement of such claims, shall cease and determine, and such executive departments, commissions, and independent bureaus, shall transfer all pending claims to said commission to be administered by it. The said commission may obtain, in all cases, in addition to the reports provided in section 24, such information and such reports from employees of the departments as may be agreed upon by the commission and the heads of the respective departments. All clerks and employees now exclusively engaged in carrying on said work in the various executive departments, commissions, and independent bureaus, shall be transferred to, and become employees of, the commission at their present grades and salaries."

And the House agree to the same.

HOKE SMITH,
CLAUDE A. SWANSON,
W. E. BORAH,
Managers on the part of the Senate.

E. Y. WEBB,
WARREN GARD,
A. J. VOLSTEAD,
Managers on the part of the House.

The report was agreed to.

THE PRESIDENT AND STRIKE LEGISLATION.

Mr. LEWIS. Mr. President, I desire to address the Senate for a few moments upon a matter not relating to the revenue bill.

Mr. President, from the morning papers I read the report that at St. Louis, in the State of Missouri, the Hon. Charles Evans Hughes, the candidate of the Republican Party for the presidency, in a noonday address before what are termed "the business men"—the Senator from Missouri [Mr. STONE] designates them as "the Business Men's League"—called specific attention to the fact that in affairs of government we should neither surrender principle to force nor adopt force to enforce a principle; that, wherever possible, conciliation and arbitration should be resorted to where the principle may be secured by that method. In this assertion of the eminent candidate of the Republican Party he was correct. These remarks of the eminent candidate were addressed at that time to that body of men who, it was understood, were of the number who were planning revenge upon President Wilson for having yielded to the force of circumstances and refused to arbitrate the principle of an eight-hour day.

Mr. President, I invite the attention of this Chamber to the fact that this is the distinguished gentleman who, obeying the directions of his master spirit, Theodore Roosevelt, denounced in the city of Chicago and in the city of Detroit Woodrow Wilson and the Democratic Party because of the adoption of the theory of arbitration and the principle of conciliation to bring about peace between ourselves and a foreign country and to cement anew the loyalty of our German-American citizens. I call your attention that where the hatreds of the Germans may be aroused and the old bitternesses revived, that might serve for party political uses; that then it is a crime on the part of Wilson and the Democracy to have adopted the method of conciliation and arbitration to bring about peace, and that, too, notwithstanding the bountiful blessings secured as a result; but where there is a possibility of awakening the enmity and the combined opposition of the financial masters and the railroad magnates by assailing the policy of arbitration and conciliation, then, sir, the method of force against force is denounced, and the theory of arbitration and conciliation is preached as the only doctrine applicable to a just and free republic!

Mr. President, I could not overlook this morning in the public press this peculiar inconsistency by which this eminent candidate presents himself as being for peace or force, depending on what he feels may be the desire or temper of the particular audience before which he stands. Indeed, sir, the Scripture is literally fulfilled in his declaration—"all things to all men"; and I may add, and anything to anybody for votes anywhere.

Mr. President, the strike which hung like an impending disaster over this Government is averted. There is no turbulence or bloodshed; there are no deaths in riots. The business of the country is not paralyzed; commerce is not stifled. The affairs of men have not been hindered; there has been no hunger of children; there are no famished women. There is no chaos in overturned and choked affairs of our Nation. Our people are, as they have been, enjoying still the inheritance of peace and prosperity through the sagacious statesmanship and diplomacy of Woodrow Wilson, the President of the United States.

Mr. President, I wish now to refer to the observations heralded in half a dozen eminent papers of our country this morning. These seek to make comparison between what they claim was the method of settling strikes of Theodore Roosevelt and that of Grover Cleveland with that of Woodrow Wilson. These exclaim, "Oh, that it were Grover Cleveland or Theodore Roosevelt in the White House." Senators, how easy it is for the mind to forget the events of the past. How inclined we are to praise that which has gone if we can find in it a thing with which we might conjure to the prejudice of the thing of the present. There are Senators who do me the compliment to sit here this morning who, on this floor, denounced both the method adopted by Grover Cleveland and that of Theodore Roosevelt, and, sirs, let us recall in what respect? We reply that it must now be recalled that President Roosevelt dallied for five months at the flat of the coal barons of America, and refused and shrank, as I assert, from introducing the power of this Government in any form whatever into that then pending conflict. Five months elapsed; the arteries of trade were literally tied up. The furnaces of the mills and the foundries died out. Factories were hushed, foundries ceased, business was stilled, thousands of toilers stood upon the streets, hundreds were mobbed on the corners, women were murdered, children died in hunger, thousands froze for want of fuel, and millions shivered in chilling cold, and there stood before this country such an appalling disaster that great public opinion arose, as with a form impossible to oppose, and demanded intercession by the Federal Government. Then, and not until then, did President Roosevelt intercede by the arm and power of the Federal Government to avert the calamity which all suffered and which all mankind beheld with dismay, as it settled upon this Nation, with loss to men and danger to the Republic.

Then, sir, under Cleveland, Senators will recall how President Cleveland, for reasons of his own, hesitated, debated, and floundered as to whether he would go with his force or stay, whether he would advance or retreat, whether he would assume to exercise the power of the Federal Government or decline. Then, sir, the assumption of those who indulge in lawlessness to accomplish their purposes grew and multiplied. Throughout this country the railroads were stifled, freight cars blocked, roundhouses choked, the cities filled with distress, the product of the farms rotting in bins, warehouses, and in elevators. Then in the cities, particularly in the imperial city of my home, Chicago, riots broke forth, blood bespattered the sidewalk, anarchy red-handed struck civilization a blow, law and order were paralyzed in the Republic of America; and before the world we stood an object of pity upon the part of the friends and contempt on the part of the enemies of republican form of government. Sir, such a chasm widened out in the land where I lived and class hatred was so accentuated, as the result of this prolonged conflict and from the reign of lawlessness and disorder, that there was formed the now Socialist Party of America as a protest against any form of competition in the industrial affairs of mankind. To this hour we are suffering from the wounds inflicted at that time; and this very strike which was threatened upon this country, the disaster of which was so correctly depicted by eminent and eloquent Senators on this floor, was the child, the birth of that very hesitant policy and that long-delayed course on the part of those who should have acted with promptitude at a time when all these results I have described could have been averted.

Now, Mr. President, I ask my fellow countrymen, as I ask you, my distinguished colleagues, Where is that man who would choose the vacillating and hesitating policy of President Roosevelt or of President Cleveland, which brought upon the country the disasters to which I allude, with all the train of destruction, of riot, lawlessness, and bloodshed, to that of Woodrow Wilson, which, in its promptness and through the force of conciliation, by the agency of the lawmaking body, has produced the result which we now enjoy? Sir, in this Nation now nothing was stopped, nothing paralyzed, no crisis in the Republic, all peace, all prosperity, not even an infant, not a baby, inconvenienced by hunger. We realize that this has been the result of that great promptness of course, that sagacity and statesmanship on the part of the head of our Government, aided by the legislators who came to his support in the moment of his demand.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER (Mr. SHAFROTH in the chair). Does the Senator from Illinois yield to the Senator from New Hampshire?

Mr. LEWIS. Gladly, sir.

Mr. GALLINGER. I remember, Mr. President, that during the Civil War some distinguished gentlemen in the South said that all they wanted was to be let alone; and if they had been let alone a great deal of bloodshed and a great deal of suffering and sorrow and death would have been averted. But the Government did not think it was wise to let them alone.

Mr. LEWIS. Mr. President, I recognize that there were those who at that time said, "We need only be let alone," and there were those who felt it was wise to let them alone. I also note in the public press that the eminent leader of the Republican Party, who is now sponsoring its presidential candidate, the Hon. Theodore Roosevelt, is condemning the Democracy wherever he can for not making war on Germany; and, among other reasons he gives is that in the time of the Civil War Horace Greeley, the then eminent editor and voice of the Republican Party, referring to the situation to which the eminent Senator from New Hampshire now adverts, cried out, "Let the erring sisters go in peace." Col. Roosevelt says that there were those in the Government at that time with a disposition to obey the demand, and he likens our situation in not making war on Germany to that policy—that we are willing to let "erring Germany" go. My learned friend, the eminent Senator from New Hampshire, is right in his observations. The Government could not let some things alone then or now. The same stimulus that prevented disorder as best it could, or rather the policy and decision of staying rebellion, avoiding secession, and continuing the Union, is the same policy that is in the hearts of our brothers to-day by which we seek peace, hope to avoid conflict, and dream to perpetuate prosperity and happiness.

Therefore, Mr. President, I say gladly we are here to-day enjoying the ordination of the Holy Scriptures when we recall that the great Master proclaimed the truth that "By their fruits ye shall know them." To-day, this morning, Monday, upon the day when this holocaust and disaster was threatened to have fallen upon us, we point our countrymen to the fruits of our planting and cry unto them to behold them, they are peace, comfort, blessings, and happiness. Sirs, from this we feel in our hearts that the Great Gleaner will say unto his faithful steward as was said in a past sacred day to another, "Ye have planted wisely, and unto my people ye have brought forth good fruit."

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. OLIVER. Mr. President, the Senate now has under consideration a very important measure. It is the anxious desire of the vast majority of Senators on both sides of the Chamber to dispose of that measure as quickly as possible and bring about an adjournment within a few days. The only way in which that can be accomplished is by the Senate and Senators devoting their attention exclusively to the measure that is before the Senate.

I now wish to give notice that if any more of the time now remaining to us is going to be devoted to political speeches, or to anything else than the business in hand, I will call for a quorum every time it happens. I believe that the leaders on the other side of the Chamber are just as anxious to get away as the rank and file on this side, and we will cooperate with them in every effort to expedite action on the revenue bill; but if any attempt is made to interfere with it, they will have to produce a quorum every moment of the time.

Mr. SIMMONS. Mr. President, I am glad that the Senator from Pennsylvania [Mr. OLIVER] has called the attention of the Senate to the fact that there is pending a very important measure, in which the country is deeply interested, and which we are all anxious to dispose of as quickly as possible. I thought probably we would facilitate its consideration if we allowed some little opportunity this morning for Senators to present certain reports and things of that kind that they felt it was their duty to have go in the RECORD, and I did not raise the point of order against them; but I feel that it is necessary now to insist that nothing shall be injected which shall interfere with the consideration of this bill. I hope Senators on this side and Senators on the other side will refrain from making political speeches, or speeches not germane to the bill, until we have finished it. I heartily join the Senator from Pennsylvania in his suggestion, and I assure that side of the Chamber that so far as I am concerned I will cooperate to keep the Senate to the consideration of this bill to the exclusion of other matters.

I want it distinctly understood, of course, that I am not criticizing the Senator from Illinois [Mr. LEWIS]. I hope we will not have any further discussions of a political character or not germane to this bill.

LEGISLATIVE RECORD OF THE DEMOCRATIC PARTY.

Mr. NELSON. Mr. President, I intend to make some remarks reviewing the legislative record of the Democratic Party. Part of what I shall say relates directly to this legislation, and, inasmuch as I am anxious to get through as soon as possible, I shall not yield to any interruptions, for two reasons: First, I do not want the continuity of my remarks broken into; in the next place, my experience with interruptions is that it keeps a man on his feet a much longer time than he would otherwise have to stay.

Owing to dissensions in the ranks of the Republican Party and to the fact that it had two candidates in the field, Woodrow Wilson, in the fall of 1912, by a plurality, but a minority of the popular vote, secured a majority of the Electoral College, and was thus chosen President of the United States, and was duly inaugurated March 4, 1913. Within a few days thereafter he convened Congress in extra session. Congress met on the 7th of April, 1913. The President, in pursuance of a custom he adopted, and which had not prevailed since the days of Washington, delivered on the following day his message orally to the two Houses of Congress in joint session. In his message he said, among other things:

> I have called the Congress together in extraordinary session because a duty was laid upon the party now in power at the recent elections which it ought to perform promptly, in order that the burden carried by the people under existing law may be lightened as soon as possible and in order also that the business interests of the country may not be kept too long in suspense as to what fiscal changes are to be, to which they will be required to adjust themselves. It is clear to the whole country that the tariff duties must be altered.
>
> * * * * * * *
>
> The sooner that is done the sooner we shall escape from suffering from the facts and the sooner our men of business will be free to thrive by the law of nature (the nature of free business) instead of by the law of legislation and artificial arrangement.
>
> * * * * * * *
>
> We must abolish everything that bears even the semblage of privilege or of any kind of artificial advantage and put our business men and producers under the stimulation of a constant necessity to be efficient, economical, and enterprising, masters of competitive supremacy, better workers and merchants than any in the world. Aside from the duties laid upon articles which we do not and probably can not produce, there

fore, and the duties laid upon luxuries and merely for the sake of the revenues they yield, the object of the tariff duties henceforth laid must be effective competition, the whetting of American wits by contest with the wits of the rest of the world.

In pursuance of this Executive mandate Congress, both Houses being in control of the Democratic Party, proceeded to formulate and enact a new tariff act, which finally became a law on the 3d of October, 1913, taking the place of the Republican tariff act of 1909. In making their first assault upon the tariff President Wilson and his party followed in the wake of President Cleveland and his administration in 1893–4. It is always the tariff that is an eyesore to the Democratic Party. The avowed purpose of the law was to destroy protection and to produce revenue. It was successful as a destroyer of protection, but an utter failure as a revenue provider, as the following statement, compiled from official records, of the imports and duties collected thereon for the fiscal years from 1910 to 1916, both years inclusive, shows:

Importations, duties collected, and average rate of duty on all imports, by fiscal years.

Fiscal year.	Value of imports.	Duties collected.	Rate.
			Per cent.
1910[1]	$1,556,947,430	$333,683,445	21.4
1911[2]	1,527,226,105	314,498,071	20.6
1912[3]	1,653,264,934	311,257,348	18.8
1913[4]	1,813,008,234	318,142,344	17.6
1914[5]	1,893,925,657	292,128,528	15.4
1915[6]	1,674,169,740	209,268,107	12.5
1916[7]	2,197,883,510	211,866,222	9.6

[1] Payne law took effect Aug. 6, 1909—eleven months.
[2] First full year, Payne law.
[3] Democrats took control of House. Tariff revision by schedules, vetoed by President Taft.
[4] Democrats assume complete control; general revision under way.
[5] Underwood law took effect Oct. 4, 1913—nine months.
[6] Eleven months war period.
[7] Full war period. High record on imports, low record average duty rate.

The flood of importations and the paucity of the duties collected during the fiscal year 1916 demonstrate how open the door of protection is and how scant the duties collected have become. While the imports for 1916 were $544,000,000 in excess of the imports of 1912, yet the duties collected were nearly $100,000,000 less. In the meantime, while there was such a great decline in the duties collected under the new tariff law, there was no decline in the internal-revenue taxes, including the corporation and income taxes, but rather an increase. The following table, taken from the Statistical Abstracts, shows this:

Year.	Internal revenue.	Excess of ordinary receipts (+) or ordinary disbursements (−).
1910[1]	$289,933,519	+$15,806,324
1911[1]	322,529,201	+ 47,234,377
1912[1]	321,612,200	+ 37,224,502
1913[1]	344,416,966	+ 41,340,524
1914[1]	380,041,007	+ 34,418,677
1915[1]	415,069,646	− 19,519,322
1916[1]	512,723,287	− 23,819,839

[1] Includes corporation tax: 1910, $20,951,781; 1911, $33,516,977; 1912, $28,583,304; 1913, $35,000,000; 1914, corporation income tax $32,456,663, corporation excise tax $10,571,077, and individual income tax $28,253,535; 1915, emergency revenue $52,069,126, corporation income tax $39,155,597, and individual income tax $41,046,162; 1916, emergency revenue $84,278,302.13, corporation income tax $56,993,657.98; individual income tax $67,943,594.63.

Like the Democratic tariff law of 1894, this Democratic tariff act of 1913 produced a deficiency of revenue for the wants of the Government, and it became necessary to resort to other further methods of taxation, and this led to the enactment of the law of October 22, 1914, entitled "An act to increase the internal revenue, and for other purposes." This act, by its terms, was to remain in force until December 31, 1915. It imposed additional taxes on beer, spirits, wine, and tobacco, and taxes on occupations, and stamp taxes. The life of this act was extended by H. J. Res. 59, December 17, 1915, until the 31st day of December, 1916. Under this law there has been collected, up to the end of the fiscal year 1916, upwards of $136,347,428, and thus making up for the losses in duties to some extent. The Democrats ascribed the necessity for this legislation to the European war, but, as a matter of fact, the operation of their tariff law for the 10 months preceding the war clearly demonstrated that there would be such a falling off in duties that additional sources of revenue must be secured to meet the expenses of the Government regardless of the war.

I have not time to describe in detail the havoc wrought by the tariff act of 1913, in respect to the protection afforded by the act of 1909 to our various industries. I shall only refer to one matter, the raid made upon the farmers. Nearly all their products were either put upon the free list, or so greatly reduced as to be practically on the free list. Had it not been for the great European war our farmers would have sustained great losses from this change in our tariff. With a wheat crop of a billion bushels in the United States and over 300,000,000 bushels in Canada in 1915, our wheat farmers, but for the great war, would have had 60-cent wheat instead of a dollar a bushel and over. And the same pro rata difference would have occurred in respect to oats, barley, rye, and flax. The main crop of the South, cotton, has practically no competition, and hence is immune from tariff legislation. It is further to be noted in this connection, that that part of the tariff act of 1913, which provided for free sugar on and after the 1st of May, 1916, was repealed by the act of April 27, 1916, for by that time the Democratic Party had come to realize that a loss of $50,000,000 in sugar duties, would make too large a breach in the already scant duties collected under their tariff law.

CURRENCY LEGISLATION.

In the fall of 1907 there was a so-called bankers' monetary panic in New York City, which not only seriously affected the banks in that city, but also to a considerable extent affected banks in other parts of the country. For a time the banks in New York suspended cash payments and this led to the suspension of cash payments in many of the banks of our large cities. The panic finally subsided and spent its force by the end of the year without leaving the havoc and destruction in its wake that the panic of 1873 did. This panic led to the passage of the so-called Aldrich-Vreeland Act of May 30, 1908, which provided for the issuance of emergency currency through voluntary currency associations of national banks and also permitted national banks in certain cases to obtain additional circulation on other security than United States bonds. The act also provided for the appointment of a National Monetary Commission, "to inquire into and report to Congress what changes are necessary or desirable in the monetary system of the United States," and so forth.

This commission consisted of the following persons: Nelson W. Aldrich, chairman; Edward B. Vreeland, vice chairman; Julius C. Burrows; Eugene Hale; H. M. Teller; H. D. Money; Theodore E. Burton; James P. Taliaferro; BOIES PENROSE; JOHN W. WEEKS; Robert W. Bonynge; L. P. PADGETT; George F. Burgess; A. P. Pujo; George W. Prince; James McLachlan; A. Piatt Andrew, assistant to commission; and Arthur B. Shelton, secretary.

The commission made an exhaustive and thorough investigation, both at home and abroad, and gathered a large quantity of most valuable data and material, consisting of many volumes, and finally made its report to Congress on the 8th day of January, 1912, recommending, among other things, the establishment of a national reserve association, with a capital of $200,000,000, and with subsidiary local, or branch, associations throughout the country. Stock subscriptions were to be limited to National and State banks and to trust companies, but was not compulsory. A bill to carry out the recommendations of the commission was introduced, but no action was taken on the same. I shall not at this time enter into further details in regard to the report of the commission. It is a part of the monetary history of this country, and much of the commission's work was utilized and made use of in formulating the Federal reserve act, to which I shall later on call your attention.

While emergency currency associations were formed under the Aldrich-Vreeland Act, no currency was taken out under it until the threatened panic of 1914, for the reason that after the subsidence of the panic of 1907 normal monetary and business conditions prevailed, business was good, and money abundant at reasonable rates. By its terms the Aldrich-Vreeland Act expired by limitation June 30, 1914. In the Federal reserve act the life of the Aldrich-Vreeland law was extended for another year and a reduction of the tax on the emergency currency was also made. The tax provision in the original act is as follows:

National banking associations having circulating notes secured otherwise than by bonds of the United States shall pay for the first month a tax at the rate of 5 per cent per annum upon the average amount of such of their notes in circulation as are based upon the deposit of such securities, and afterwards an additional tax of 1 per cent per annum for each month until a tax of 10 per cent per annum is reached, and thereafter such tax of 10 per cent per annum upon the average amount of such notes.

In the extension act it is as follows:

National banking associations having circulating notes secured otherwise than by bonds of the United States shall pay for the first three months a tax at the rate of 3 per cent per annum upon the average amount of such of their notes in circulation as are based upon the deposit of such securities, and afterwards an additional tax rate of one-

half of 1 per cent per annum for each month until a tax of 6 per cent per annum is reached, and thereafter such tax of 6 per cent per annum upon the average amount of such notes.

The act of August 4, 1914, made no change in the tax rate, but removed some other restrictions which were not germane after the passage of the Federal reserve law.

The war in Europe, which was impending in July and broke out in the early days of August, 1914, threatened our country with another monetary panic. The great, belligerent countries of Europe proceeded to dump upon our market, well-nigh by the wholesale, a large portion of the great mass of American securities held abroad, and this dumping led to the outflow of gold in great volume, and to a money stringency. Our great sheet anchor in this emergency, and which served to stay the panic, was not the Federal Reserve System, but the Aldrich-Vreeland law and the currency issued under it. Although the tax on this currency had been reduced and restrictions, rendered obsolete by the Federal reserve act, removed, yet fundamentally, and in its essence, it was the structure of the Aldrich-Vreeland Act that gave us the needed relief; under the circumstances the emergency currency would have been taken as readily under the original law, for the tax merely related to the period of circulation. The Secretary of the Treasury, in his report of December 7, 1914, after calling attention to what the Treasury Department had done to allay the panic and congratulating the country on its recovery, added:

> There is every reason why the country should look to the future with confidence so far as its trade, commerce, and industry are concerned. This has been accomplished, notwithstanding the fact that the Federal Reserve System authorized by the act of December 23, 1913, was at that time only in process of formation and was therefore unable to render any service in the situation.

Further on in his report he states:

> Fortunately, the Federal reserve act of December 23, 1913, materially modified in several important particulars and extended until June 30, 1915, the Aldrich-Vreeland Act, under and by virtue of which the Secretary of the Treasury is given discretion to issue emergency currency to national banks upon their application and upon their compliance with the provisions of the act. In anticipation of the necessity, large amounts of this emergency currency were sent beforehand to the subtreasury in New York and to the other subtreasuries throughout the country, so that upon the opening of the banks for business on August 3, 1914, the department was able to issue to them sufficient currency to enable them to cope with the situation as it developed.

FEDERAL RESERVE ACT.

In his letter of January 16, 1911, addressed to his colleagues on the Monetary Commission, calling their attention to the outline of a tentative plan, and so forth, Senator Aldrich said, among other things:

> If we can so amend the present national banking act as to permit the formation of an association of all the banks of the country to meet these needs, we shall have gone a long way toward solving the problem which is before us. If, then, in addition, we provide a more scientific basis for bank-note circulation, so that the volume of circulation will be responsive to the needs of business, we shall, I believe, have met the two main requirements of a satisfactory solution. In addition to that, if we can aid in creating a discount market in this country similar to the discount markets in Europe, so that the most liquid portion of our bank funds will not of necessity be forced to such a large degree as at present into the making of call loans upon stock-exchange collateral, but will, instead, be available for the needs of commercial business, we shall have so broadened our banking methods as to bring incalculable benefit to the commercial life of the country.

This statement contains the germ of all that is best in the Federal reserve act. And in the one particular, that of forming a single association of all the banks of the country, State and National, wherein the Federal reserve act departs from it, and in its place substitutes 12 associations, of national banks only, lies the weakness and expensiveness of the new system. The one system provided a common reservoir for all the banks, State and Federal. The other system provided 12 reservoirs for Federal banks only. It is true that State banks can join the new system, but its restrictions and disadvantages are such that very few State banks have joined or care to join it.

There were on June 30, last, 7,579 national banks, with a capital and surplus of $1,797,438,000, which were members of the new system, and about 22,460 State banks, with a capital and surplus of $2,530,700,000, which were not members of the system, besides a large number of trust companies. In all the commercial and industrial countries of the world, great and small, but ours a single great bank of issue stands at the head of their banks and monetary systems, while we have 12 heads for a part only of our banks. The reserve banks have added no new banking capital. Their capital and reserves have all come from the member banks. And so far, after being in operation since November 16, 1914—a period of one year and nine months—only 5 of the 12 banks have paid any dividends, and these 5 only a total dividend of 6 per cent. I add here a list of the 5 banks that have paid dividends and also a list of the net earnings of all the banks for May and June, 1916, and for the six months ending June 30, 1916:

Reserve bank's earnings.

Percentages of net earnings of the 12 Federal reserve banks, to capital, for May and June, and for the six months ended June 30 last, are as follows:

Federal reserve bank of—	May, 1916.	June, 1916.	6 months to June 30, 1916.
Boston	5.2	5.1	4.1
New York	4.2	3.6	2.4
Philadelphia	4.5	4.2	2.9
Cleveland	3.4	2.8	2.1
Richmond	5.7	5.5	3.3
Atlanta	4.4	4.0	2.9
Chicago	5.2	2.4	3.5
St. Louis	.5	1.6	.7
Minneapolis	3.1	3.3	2.0
Kansas City	7.3	7.1	5.1
Dallas	6.1	6.7	5.3
San Francisco	2.0	2.9	.7

[1] Deficit.

Five of the Federal reserve banks have so far declared dividends, as follows:

Federal reserve bank of—	Date declared.	Period covered Nov., 1914, to—	Rate.	Amount.
			Per cent.	
Richmond	Dec., 1915	Dec. 21, 1915	6	$151,931
Do	Apr., 1916	....do.....	1	30,387
Atlanta	June, 1916	Dec. 21, 1915	6	129,134
Chicago	....do.....	Mar. 21, 1916	6	76,151
Dallas	Jan., 1916	June 30, 1915	6	65,522
Kansas City	July, 1916	....do.....	6	66,703

The new system had nothing to do with staying the threatened panic of 1914. That panic was stayed partly by closing the stock exchange, partly by clearing-house certificates, and largely by the currency taken out under the Aldrich-Vreeland law. So far the system has been mostly a burden to the member banks. Except in the five cases mentioned, they have received no dividends and have lost the 2 per cent interest on their reserves which they formerly secured. The system has added no new capital or new wealth to our country. Our prosperity and our abundance of money has come from our immense exports and the high prices resulting from the European war. Part of the proceeds of our exports have been invested in foreign bonds, but the great bulk of it has found its way into the coffers of the banks and the circulation of the country.

It reminded me of Don Quixote when I heard a Democratic Senator, the other day, speak of the great prosperity of the country and the abundance of money and ascribe it all to the virtue of the Federal reserve system.

COST AND EXPENSES OF THE SYSTEM.

Let me for a few moments call your attention to some of the costs and expenses of the new system. I get my data from the Second Annual Report of the Federal Reserve Board of December 31, 1915, for the fiscal year ending that date:

The salaries of the members of the board and of its officers and employees were, in the aggregate	$175,650
Annual salaries paid by the several reserve banks:	
Boston bank	50,880
New York bank	155,978
Philadelphia bank	77,400
Cleveland bank	68,540
Richmond bank	55,980
Atlanta bank	47,304
Chicago bank	96,560
St. Louis bank	80,900
Minneapolis bank	45,920
Kansas City bank	55,640
Dallas bank	63,773
San Francisco bank	64,120
To this should be added counsel fees of three banks	3,300
Total of 12 banks	865,895
To the foregoing should be added the following items:	
For Federal advisory council	$7,013
For governors' conferences	11,746
For directors' fees	44,096
For fees for legal services	21,960
For Federal reserve agents' conferences	4,209
For rent	160,152
For all other current expenses	274,871
For furniture and other equipment	284,620
Total expenses for fiscal year ending Dec. 31, 1914	186,910
Organization expenses	493,960
Salary of Federal Reserve Board, first fiscal year	26,055
Total	1,515,682

There are other minor items of expense which I have not gathered or noted that might be added, but these items I have given show that the new system up to December 31, 1915, cost in the aggregate the sum of $2,557,227. If we pro rate the salaries and expenses for the eight months ending August 31 on the basis of the salaries and expenses of the fiscal year ending December 31, 1915, we have an additional cost of the system of $974,684, which makes the aggregate cost up to August 31, 1916, about $3,531,911. Deducting the organization expenses and the cost of furniture and equipment, amounting to $778,580, from the aggregate of $3,531,911 leaves $2,753,331 as the overhead cost of the system for a period of one year and nine months, or a monthly average of $131,111. This indicates what an expensive system the 12-bank scheme is. So far as the currency is concerned, it is an improvement on the former system in this, that it provides for greater elasticity. But the system is weak in keeping the reserves scattered in 12 reservoirs instead of one great central reservoir that could, in case of a great emergency, immediately reach out a strong helping hand to any threatened point and give instantaneous and effective relief. It will not be an easy or speedy matter to pipe the reserves of the 12 scattered banks to any threatened point in case of a great emergency. Each of the 12 banks may conceive itself to be the sole seat of danger, and may decline to reach out a helping hand to its brother banks. One large, strong, central reservoir could, in the case of a great emergency, render far more effective aid than 12 small scattered reservoirs. Another important defect of the system is that it is so constructed that it practically leaves our great body of State banks outside of the pale of the system. The plan of the Monetary Commission included all banks, State and Federal, as well as trust companies. On the whole, the new system may be regarded as a partial improvement, but far from affording that perfect remedy and system that a great country like ours is entitled to.

But what else could we expect? It was the product of a partisan spirit, rather than a broad national spirit, receiving its inspiration from a party platform and nourished by its hostility to New York as the commercial and financial center of the country and the Jacksonian hatred of a single central bank. Personal politics, too, had a hand in the work, as appears from the fact that the two great commercial cities of the South—Baltimore and New Orleans—were ignored, and their places given to far inferior cities, and two reserve banks were located in the same State. Moreover, how many important localities were wrenched from their natural and accustomed business connection in order to piece out the scheme for favored places?

The system has not so far been tested in a monetary panic or a threatened panic. It is, to say the least, doubtful, on account of its 12 scattered reservoirs, whether it will prove as swift and effective as the Aldrich-Vreeland Act proved to be in the panic of 1914. Then the relief came from a single central source supplying the currency. Under the new system it would have to come from 12 widely scattered sources, each nervous for its own well-being. The survival of the Subtreasury system leaves it discretionary with the Secretary of the Treasury where to deposit the Government funds. He has 12 reserve banks and the Subtreasury at his option and for his favor. The Democracy should not be too boastful of their currency and financial legislative record. When Jackson, in 1833, brought about the downfall of the last United States bank by removing the Federal deposits, our country was left without any Federal or quasi Federal paper currency and was remitted to a vicious system of State banks and a so-called Subtreasury system. None but those whose memory and experience reaches back to the years before the Civil War can fully realize how embarrassing and how vicious that system was and how many losses it entailed upon the American people. This legacy of the Democracy we suffered from for nearly 30 years, until the Republican Party, in 1863–4, established our system of national banks. This system was instrumental in funding our great war debt and gave us for the first time a national paper currency of Treasury notes and national-bank notes, still in use, and perfectly safe and sound, and only deficient in elasticity. These national banks still survive and are the supporting pillars of the new system. The plan of building on them came from the Monetary Commission. The only survivor of Jacksonian Democracy is the Subtreasury system, and its survival is an incident, if not a necessity, of the 12-bank scheme. It is the only monument remaining of Democratic ante bellum financial legislation.

OTHER DEMOCRATIC LEGISLATION.

In the spring of 1914 the administration gave out, through the public press and otherwise, that a trilogy of bills would be introduced and passed to remedy most of the ills and wants of our industrial and economic system. The general purpose, it was declared, was to repress, regulate, and control all trusts and monopolies and all the great business interests of the country. These promised bills were afterwards introduced, and turned out to be as follows:

First. A bill "to create an Interstate Trade Commission, to define its powers and duties, and for other purposes," introduced in the House April 13, 1914.

Second. A bill "to supplement existing laws against unlawful restraints and monopolies, and for other purposes," introduced in the House April 14, 1914. This bill was commonly called in its transit through the two Houses the Clayton anti-injunction bill.

Third. A bill "to amend section 20 of an act to regulate commerce, to prevent overissues of securities by carriers, and for other purposes," introduced in the House May 15, 1914. The purpose of this bill was to regulate the issuance of stock and securities by railroad corporations, and was really the most important and most valuable of the three bills. It passed the House, came to the Senate, and was referred to the Committee on Interstate Commerce. This committee on July 23, 1914, reported it back to the Senate favorably, with certain amendments. But by this time a change had come over the spirit of the dream of the Democracy, and this, the best of the three bills, was left to languish and finally die an ignominous death.

The Trade Commission bill became a law on September 26, 1914. It created a commission of five members, with a yearly salary of $10,000 each, and with a secretary at a salary of $5,000 a year. The jurisdiction and work of the commission is defined in the following paragraph of section 5 of the act:

That unfair methods of competition in commerce are hereby declared unlawful The commission is hereby empowered and directed to prevent persons, partnerships, or corporations, except banks and common carriers subject to the acts to regulate commerce, from using unfair methods of competition in commerce.

Practically all the rest of the act, aside from this, relates to procedure and to the enforcement of the decrees of the commission.

For a number of years there had been under Republican administrations a pretty vigorous prosecution of various big trusts and monopolies. This was not relished by them, and a hue and cry went up from them and their friends throughout the country that it was difficult for business interests to know just what they could and could not do under the antitrust law of 1890, and they vigorously, through the public press and otherwise, clamored for relief. Attempts had been made during the last administration of President Roosevelt to pass a law to relieve them against what they conceived to be the harshness of the enforcement of the antitrust law. This attempt failed, but they renewed their efforts, and the general impression among the public is that the Trade Commission act was passed as a partial antidote against the harshness of the antitrust law. We know this, that since the Trade Commission act was passed there have been no new prosecutions under the antitrust law and the old cases which were pending have moved along at a gentle gait. Where a great corporation has, in one way or another, absorbed all its competitors so it has all the field to itself, it is difficult to see what the Trade Commission can do in such cases. It is true that the Trade Commission law does not repeal the antitrust law, but the effect of the commission law is that big interests expect to go through its hopper before they are pushed into the hopper of the antitrust law. The best definition I have heard of the Trade Commission law was that expressed to me by a representative of one of the great interests, who said "it could at least be regarded as a purgatory to the hell of the antitrust law."

I can not find that the Trade Commission has so far judicially passed upon any case involving unfair methods of competition in commerce, or that it has, by its action in any case, put a stop to unfair methods of competition or granted substantial relief. I can find no information bearing directly on this matter in the first annual report of the commission of June 30, 1915. On the 29th day of August last I addressed and mailed to the commission a letter, of which the following is a copy:

UNITED STATES SENATE,
COMMITTEE ON COMMERCE,
August 29, 1916.

SECRETARY FEDERAL TRADE COMMISSION, *City.*

DEAR SIR: I wish you would, at your earliest convenience, send me a list of the cases that your commission has investigated or had hearings in, either on your own motion or upon request, under the Federal Trade Commission law, a list of the cases finally disposed of, and a list of cases and investigations pending, and in general a brief statement of the work and operation of your commission since it was organized. I also want to get a list of the number of employees in your commission and the salaries paid to them.

Yours, truly,

KNUTE NELSON.

On August 31 I received the following reply:

FEDERAL TRADE COMMISSION,
Washington, August 30, 1916.

HON. KNUTE NELSON,
United States Senate, Washington, D. C.

MY DEAR SENATOR: This is simply to acknowledge receipt of your request of August 29 for a detailed statement in connection with cases investigated by the commission, list and salaries of employees, etc. Your letter has been referred to the proper divisions of our office for preparation of the data requested.

Very truly, yours,

L. L. BRACKEN, *Secretary.*

I take it that from the leisurely methods that prevail in many of the Government departments quite a while will elapse before I secure the desired information.

Referring to the second of said acts—in common parlance called the Clayton law—"To supplement existing laws against unlawful restraints and monopolies, and for other purposes," its provisions may be grouped under two heads:

First. It lays out some work for the Trade Commission. It forbids in general terms discrimination in prices and gives a remedy by judicial procedure for such discrimination. It contains the superfluous definition, "That the labor of a human being is not a commodity or article of commerce." It forbids one corporation from holding stock in another corporation if the effect of it is to substantially lessen competition or create a monopoly. It forbids interlocking directors among banks, which has already been modified by legislation this session. It prohibits interlocking directors in cases of corporations other than banks where such corporations are competitors. It prohibits railroad corporations from having any dealings in excess of $50,000 with any corporation that has as its manager or on its board of directors any person who is a director, manager, or officer of a railroad company. A stay of proceedings, however, has been granted as to this paragraph by legislation passed at this session. The balance of this part of the act refers to the procedure involved in the enforcement of the provisions of the act and prescribes penalties, and so forth.

Second. This portion of the act was intended for the benefit of the labor organizations by modifying the law in relation to injunctions in labor disputes and to the enforcement and punishment of contempt in such cases. The purpose of this provision of the bill was to make it easier for labor organizations to inaugurate and maintain a strike. This part of the act, however, fails to give the labor organizations what they wanted and expected.

It prescribes that no injunction shall be granted in labor disputes except "to prevent irreparable injury to property or to a property right." It is the contention of labor organizations that the right to labor is not property that is entitled to relief by injunction, but in this they are entirely mistaken. The Supreme Court of Massachusetts has recently, in a well-considered case, unanimously decided that the right to labor is property and is as much entitled to protection under the Constitution of the United States as any other species of property. If the contention of the labor oragnization should prevail it would put a laboring man, who wanted to work and had nothing to sell but his work, outside of the pale of the protection of the law. While this particular act to some extent modified the law in reference to injunction procedure, it utterly failed to give the labor organizations the relief they looked for and wanted—that is, ample freedom to inaugurate and carry on strikes.

Another matter of legislation for which the Democracy will claim great credit is the so-called child-labor act. In reference to this, it can be said that there were only some three or four States in the Union that did not have on their statute books suitable and adequate child-labor laws, and in these few States, where the laws were imperfect and deficient, I have no doubt but what they would in due time have enacted the necessary laws. It is a very serious question, to my mind, whether this law is constitutional. I voted for it with the utmost reluctance, and to some extent because I was anxious to have the Supreme Court pass upon this important question, for if such legislation is valid, the limits to which the interstate-commerce clause of the Constitution can be applied are well nigh boundless.

The next piece of Democratic legislation upon which the party will plume itself, but which time will show will involve the squandering of $50,000,000 without furnishing any relief or doing anything but harm, is the shipping act. I have already on a former occasion discussed this measure, and so will not take up the time of the Senate any further in reference to it.

I must not omit at this time to call attention to the so-called rural-credit act. This was designed to furnish loans to farmers on their improved real estate, which they occupy and farm. The tenants, who are most needy, can secure no loans under this act. The requirements of the act are of such a complicated and involved character that, except in those localities of the country where money is scarce and interest high, few farmers will care to avail themselves of the law. And one feature of the act—that which provides for the creation of joint-stock banks—is liable in the hands of unscrupulous promoters to be made the instrument for defrauding the public by undue stock subscriptions. It is not likely at all that the law will be utilized in the New England States or in the States of the Central or Middle West. It may prove of some advantage to the planters of the Southern States, but their large body of tenant farmers will secure no relief under the law. It is a measure that carries a high-sounding title, but will prove of slight value to the farmers of the country.

Finally, Mr. President, I can not omit referring to the greatest legislative glory of the Democratic Party at this session—the passing of the law to increase by legislative fiat the wages of a certain class of railroad employees 25 per cent over what they are now receiving. This is the culmination of Democratic wisdom in the field of legislation. Time will tell whether this law will be of any permanent help or advantage to those who held us by the throat and threatened to strike, and whether it will help the Democracy to secure the reelection of President Wilson. One thing is certain, that if the increased wages are sustained and allowed, it will of necessity impose a great additional burden on the farmers and producers of the country. The ultimate burden will be cast upon them. This law is the apex of the scheme of so-called constructive legislation of the Democratic Party.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. OWEN obtained the floor.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER (Mr. SHAFROTH in the chair). Does the Senator from Oklahoma yield to the Senator from North Carolina?

Mr. OWEN. Yes.

Mr. SIMMONS. I understand the Senator from Illinois [Mr. LEWIS] desires to offer an amendment to the pending bill.

Mr. LEWIS. Mr. President——

Mr. OWEN. I yield to the Senator.

Mr. LEWIS. If the Senator from Oklahoma will yield to me, I tender an amendment, which subsequently I will call up in connection with the present pending revenue bill. I thank the Senator from Oklahoma and also the Senator from North Carolina.

The PRESIDING OFFICER. The amendment will be printed, and lie on the table.

Mr. SIMMONS. Mr. President, if the Senator from Oklahoma will yield further, I desire to present two amendments.

Mr. OWEN. I yield to the Senator.

Mr. SIMMONS. On page 99, of the bill, in line 21, on behalf of the committee, I wish to suggest the addition of the word "stock," after the word "capital."

The PRESIDING OFFICER. That occurs in the body of a committee amendment which has already been agreed to, and it will be necessary to reconsider the vote whereby the amendment was adopted.

Mr. SIMMONS. I understand that, and for the purpose of moving the amendment I have suggested and one other amendment in that paragraph, I move that the vote whereby the amendment of the committee as amended was adopted be reconsidered.

The motion was agreed to.

Mr. SIMMONS. Now, on page 99, in the amendment of the committee, on line 21, after the words "$1,000 of capital," I move to insert the word "stock," so that if will read "$1,000 of capital stock."

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. SIMMONS. Now, Mr. President, there was an amendment adopted to the committee amendment, in line 23, on the same page, adding, after the word "sums," the words "of capital, surplus, and undivided profits." After the word "capital" I move to insert the word "stock."

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The SECRETARY. On page 99, line 23, after the word "sums," the committee amendment was amended by adding the words "of capital, surplus, and undivided profits." It is now proposed to amend the amendment by adding after the word "capital" the word "stock."

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. SIMMONS. Now, I move the adoption of the amendment as amended.

Mr. PENROSE. I ask that the Secretary read the amendment as it will read as amended.

The PRESIDING OFFICER. The Secretary will read as requested.

The SECRETARY. If amended, the first portion of the paragraph will read:

First. Corporations, joint-stock companies, and associations shall pay 50 cents for each $1,000 of capital stock, surplus, and undivided profits used in any of the activities or functions of their business, including such sums of capital stock, surplus, and undivided profits as may be invested in or loaned upon stocks, bonds, mortgages, real estate, or other securities.

The PRESIDING OFFICER. The question now is upon agreeing to the amendment as amended.

The amendment as amended was agreed to.

BANKING AND CURRENCY LEGISLATION.

Mr. OWEN. Mr. President, the Senator from Minnesota [Mr. NELSON] rather elaborately minimizes the value of the Federal reserve act and, incidentally, the acts of the present administration and the present majority in Congress in relation to the legislation passed for the protection of this country against panic. I had occasion to point out some days ago the relation of the present Democracy to the protection of this country against panic; but, in spite of the record laid before the Senate, we hear a general repetition of the charge that the protection of this country against panic was due to the Republican Party and the act of 1908.

The claim of the Republican Party as the protector of this country against panic is presumptuous beyond words. That party had control of the legislative power of this country for nearly a half century, and they permitted panic after panic to occur in this country without affording any legislative or executive relief whatever.

Why, Mr. President, it was not because the world did not know how to protect people against panics. Great Britain in 1866 provided an adequate means, consisting merely of permitting the Bank of England to issue legal-tender notes against commercial bills by ministerial permit when a panic occurred, thereby affording the people a convenient and safe form of money in all the abundance necessary to protect them against the hoarding of money when a panic occurs, and within 24 hours after that ministerial permit was given the Bank of England in every instance the panic instantly abated. Three times they did that afterwards, in every instance abating the panic within 24 hours.

The Republican Party, charged with the protection of this country, knew perfectly well what that record was; or, if they did not know, they were guilty of a failure to inform themselves properly and to discharge the function imposed upon them by the trust of power given them by the people of this country. Why, it has been nearly half a century since the German Empire adopted a similar method, permitting the imperial Reichsbank to issue legal-tender notes against other securities than gold—and that meant merely commercial bills at last—under a penalty of a 5 per cent interest charge, a rate slightly higher than the normal rate, or estimated to be so; and a financial panic was impossible in Germany after they adopted that system. Even the European war created no currency or credit panic in either England or Germany or countries dependent on them. Yet with that knowledge before the Republican Party, they did not pass a proper bill to protect this country against panic, nor can they claim to be ignorant nor secure the immunity which ignorance justifies in claiming protecton against the indignation of the people, because they were not ignorant; they were merely unintelligent and controlled by the Money Trust, whose control of our national credit system they were unwilling to break.

The Democracy, on the floor of the Senate in 1900, presented to the leaders of the Republican Party on this floor, through the chairman of the Democratic conference, James K. Jones, an adequate measure, that would have protected this country against the panic of 1907; and the Republican leaders on that side sat there like so many stoughten bottles or so many tenpins, refusing legislative relief.

SEVERAL SENATORS. What is a stoughten bottle?

Mr. OWEN. A stoughten bottle is an inanimate body, comparable to an animate Cheshire cat, which grins in derision and offers no relief.

Mr. President, the Republican Party, having had this Democratic proposal providing a method of relief made to them in 1900, refused to accept it, and were responsible, therefore, for the results of their gross legislative incompetency; and when at last the panic of 1907 came, with the destruction of property in this country, estimated by Senator Aldrich himself on the floor of the Senate in his speech of 1908 at over two thousand millions—and, in fact, the loss was far greater—instead of then giving this country the relief which it ought to have had, the Republican Party appointed a so-called Monetary Commission to investigate this question.

They investigated and investigated and investigated, killing time, during the whole of the year 1908, during the whole of the year 1909, during the whole of the year 1910, during the whole of the year 1911, and during the whole of the year 1912. Why did they not act? No Senator on that side can offer any reason, because the only principle involved in this question was that power should be placed somewhere, as in Germany and England, to issue legal-tender currency or available money against commercial bills under an interest charge high enough to cause automatic contraction. That is all there was about it. That is the only principle involved in it that was necessary; and the Democracy had presented that principle in the proposed amendment to the Aldrich bill in 1900, which the Republicans would not accept, either because they did not want to protect this country against panic, and thereby deprive their New York auxiliaries of the opportunities which a panic affords them, or because they did not have intellectual competency to understand how to govern the country, which I believe is equally the fact.

Mr. WEEKS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Massachusetts?

Mr. OWEN. I yield to the Senator from Massachusetts.

Mr. WEEKS. If the Democracy was in favor of that principle in 1900, will the Senator tell the Senate why it filibustered against putting it into effect in 1908?

Mr. OWEN. Mr. President, in 1908, instead of affording this country an adequate remedy, the Republicans turned this matter over to a monetary commission, providing for an indefinite delay; and I verily believe that if the Democratic Party had not come into power they would still be investigating it.

Mr. WEEKS. But, Mr. President, what I referred to was the filibuster against the passage of the Aldrich-Vreeland bill, which, as I recall, was led by the Senator from Oklahoma who is now speaking.

Mr. OWEN. The Senator is entirely mistaken about the filibuster being led by the Senator from Oklahoma. On the contrary, the Senator from Oklahoma on that occasion stated that, defective as that bill was, he would have voted for it rather than to have seen it fail, because it did at least, under great difficulty, under almost insurmountable and innumerable obstacles, afford some means by which an enlargement of currency could be brought about in case a panic had actually occurred. The Democrats did not filibuster against it. The filibuster, such as it was, was led by a Republican, Senator LA FOLLETTE, supported only by two Democrats.

Mr. WEEKS. Mr. President, did the Senator from Oklahoma vote for the bill?

Mr. OWEN. The Senator from Oklahoma did not vote for the bill, because his vote was not necessary to secure even that measure of relief, and because the bill was so grently defective—as the Senator from Oklahoma pointed out at that time, February 25, 1908, in great detail and with great particularity—that he was justified in not voting for a bill that was so grossly defective.

Mr. WEEKS. Mr. President——

Mr. OWEN. I yield to the Senator.

Mr. WEEKS. I have in my hand letters from a large number of bankers who state that they would have taken out emergency currency in 1914 if there had been no amendment to the Aldrich-Vreeland Act. If it was so defective, why does the Senator suppose bankers were willing to act under the bill? The difference was that the banks had to pay a higher rate of interest, and you made it possible for the banks to make more money by taking out circulation under the amended bill. Moreover, it has been one of our policies to try to compel national banks to keep 40 per cent of their circulation in Government bonds; and you did away with the necessity of doing so, and enabled them to come in when they had not used Government bonds as a basis of circulation and get it in this way. In other words, you made it so easy for the banks to do these things, and so much more profitable, that of course they were glad to do it under the new conditions; but they could have done exactly the same thing under the old conditions when the emergency arose, and I have here a dozen or fifteen letters stating that that is true.

Mr. OWEN. Oh, Mr. President, it is perfectly easy to get a dozen or 15 letters from interested Republican bankers supporting any position asserted by the Republican Party leaders.

Mr. WEEKS. Mr. President——

Mr. OWEN. But the fact is that the Republicans passed a bill that was not used and never was used until the Democrats completely changed it, and practically suspended sections 1, 3, 5, 7, and 9, in order that the money might be obtained with some degree of facility and under conditions which the banks themselves could use. The lowering of the rate only permitted the country to get money at the lower rate and did not profit the banks, as the Senator himself must certainly know.

Mr. WEEKS. Mr. President, the bill was never put into operation, because the country was under a Republican administration, and times were so good that it was not necessary to utilize it.

Mr. OWEN. Mr. President, when the war was declared and this Republican measure was on the books, extended with very important modifications and amendments by the Democracy as of December 23, 1913, when the rate was reduced to 3 per cent, for example, the banks, instead of acting under that, came running to Washington or used the long-distance telephone urging an amendment that would permit them to act under that bill. Nobody knew better than the New York banks how defective that bill was; and I was called up as chairman of the Committee on Banking and Currency on the long-distance telephone by those banks in New York, the National City Bank included, by Mr. Vanderlip, urging amendments to that so-called Republican measure, in order that the banks might use it, and in order that they might find relief against a panic which was so urgently impending, and I myself was responsible for the immediate passage of those vital changes in the so-called Aldrich-Vreeland Act which made it workable and amended the very weaknesses which I had pointed out February 25, 1908, and not a Republican had the impudence to vote against this Democratic act of August 4, 1914, which protected the country from panic while the Federal Reserve Act was being put into executive action.

Mr. SMITH of Georgia. Mr. President——

Mr. OWEN. I yield to the Senator from Georgia.

Mr. SMITH of Georgia. I ask that the Senator from Oklahoma mention now the date when that took place. That was August 1, 1914, when the trouble was on in New York, when the additional currency was required; and they did not use it, even with the reduced interest, until the Democratic vital changes and amendments of August 4 were passed so as to make it possible to use it.

Mr. OWEN. Why, it was absolutely notorious, and here is the language of the law. Listen to this:

The Secretary of the Treasury is authorized to suspend the limitations imposed by section 1.

I protested on the floor of the Senate in 1908 against the limitations imposed by section 1 of that bill when it was passed, and I could not get any respectful recognition from that side of the Chamber.

The Secretary of the Treasury is authorized to suspend the limitations imposed by section 3 of the act referred to.

I opposed the limitations of section 3 on the floor of the Senate in 1908, and could not get any recognition from that side of the Chamber.

The Secretary of the Treasury is authorized to suspend the conditions and limitations of section 5 of said act.

Who was it that was praying for this relief? The banks of the country, who were face to face with a gigantic panic, with no immediate adequate protection except the grossly defective law passed by the Republican Party; and now the Republican leaders have the shameless assurance to come before the Senate and before the country and claim that they protected this country against panic!

Not only that, but section 9 of the act was modified so as to provide for 3 per cent. Under the provision of the original Aldrich Act the bank would have had to be almost in the throes of bankruptcy itself before it would have appealed to that act; but the conditions imposed were so serious that here the Democrats had to amend that act so as to suspend the provisions of sections 1, 3, 5, 7, and 9, practically rewriting it. More than that, the act had expired by its own limitation under the Republican legislative grant in June, 1914, and except for the Democracy, in the act of December 23, 1913, which was then writing the Federal reserve banking law as it ought to have been written by the Republican Party, there would not have been any provision whatever on the statute books except of the Federal reserve act itself, which was not completely in active operation.

The Federal reserve act was most potential, however, because the bill was written in the fall of 1913. The Federal Reserve Board had been appointed, these banks had been authorized, the agency was established, and that agency itself could have been put into operation in a comparatively few days; and the mere fact that there was in sight abundant relief was all that was absolutely essential to restore confidence.

I again call attention to this matter, because I think, as a matter of good conscience and of good faith to the country, statesmen representing the Republican side ought not to depart from the verity of history nor to make claims which are not justified by the plain truth.

The Senator wants to know why objection was made to the act of 1908. It took me three hours at that time to analyze the act of 1908, and I did on this floor analyze it most completely. I showed what the objections were, and I showed it in good faith, not as a partisan but as an American. I showed it, and I asked that the bill might be amended so as to meet the objections which were made. That prayer to the Republican side had no effect whatever; and afterwards we were compelled to amend it, when the crisis came, in the very way which I had on this floor substantially advised at that time.

Mr. President, the Republican Party permitted five years of investigation by the Monetary Commission, in which they spent some two or three hundred thousand dollars in giving certain citizens large fees for writing brochures on the banking act, which was practically of no importance because at last there was only one question in it—the right to issue money against adequate security under a penalty high enough to cause automatic contraction and thus prevent inflation; and that principle had been laid down by the Democracy in 1900 in an amendment to the Aldrich bill of that date which I personally drew.

Mr. WEEKS. Mr. President——

Mr. OWEN. I yield to the Senator from Massachusetts.

Mr. WEEKS. When the Senator from Oklahoma criticizes the work of the Monetary Commission I hope he will remember that 7 of the 17 members of that commission were Democrats, and the report of the commission was unanimous.

Mr. OWEN. Oh, I understand that, Mr. President; and that is not particularly important. I could choose without much difficulty from among 6,000,000 Democrats some party Democrats who entertain a Republican point of view.

Mr. SMITH of Michigan. I never saw one.

Mr. OWEN. Oh, yes.

Mr. SMITH of Michigan. Not alive.

Mr. OWEN. Oh, yes; and you will find Republicans who entertain the Democratic point of view. There could be an advantageous "exchange of prisoners" without going very far from this Chamber.

Mr. SMITH of Michigan. They are away off the reservation, then.

Mr. OWEN. As far as the Monetary Commission was concerned, it finally brought in a bill that would have concentrated all the powers of the credit system into one small group, and would have put that group in charge of a small number of men in Wall Street, the so-called Money Trust, and would have put the credit system of this country absolutely under the domination of three or four men who are now so potential in the financial world, and always will be potential, because of the enormous amount of money and property which they control in that great city, the financial metropolis of the Western Hemisphere and, I hope, soon to be the financial center of the world.

Mr. President, I do not wish to take up any more time of the Senate on this matter.

I will ask that we may agree to proceed to the consideration of the corrupt-practices act immediately upon the conclusion of the revenue bill now pending. I ask unanimous consent that that may be done.

The PRESIDENT pro tempore. The Senator from Oklahoma asks unanimous consent that the Senate may proceed to the consideration of the corrupt-practices act immediately after the conclusion of the pending bill. Is there objection?

Mr. SMOOT. Mr. President, there is no need to call for a quorum at this time, because we can not tell when the pending bill is going to be voted upon. The Senator from Oklahoma can give notice, and at that time he can call it up and make the request. He can make the request then, but this is not the proper time to make it. I object.

Mr. OWEN. I give notice that I shall at that time bring the matter up.

Mr. SMOOT. That is all right.

Mr. OWEN. I hope Senators will not regard this matter lightly. The Senator from Utah, who is the chosen representa-

tive of the Republican side of the Chamber, who is always in his seat, who is perhaps the most industrious Senator in attendance upon this body, objects, and he evidently objects in their name.

Mr. SMOOT. No; I do not. I do not want the Senator to put any Republican Senator in that position.

Mr. OWEN. I am not putting any words in the Senator's mouth.

Mr. SMOOT. I do not want the Senator to put anyone else in that position. I am simply speaking for myself, and I speak for the orderly procedure of the legislation of this body.

Mr. OWEN. The Senator in reality can not speak for himself, occupying the position he does as the guard of honor on the other side. He is always on guard, and is relied upon by his side to be on guard. He discharges the duty and he takes upon himself the vicarious sacrifice of opposing the consideration of the corrupt-practices act. But the country can perfectly well understand it, and I want the country to understand it. I want the country to know that Republican Senators on the other side are not going to permit the consideration of the corrupt-practices act if they can help it.

Mr. KENYON. I simply wish to say to the Senator that that is not true as to all.

Mr. OWEN. No; I made an express exception in this matter of the Senator from Iowa [Mr. KENYON]. I put in the RECORD that the Senator from Iowa [Mr. KENYON], the Senator from Wisconsin [Mr. LA FOLLETTE], and other Senators whose names I mentioned—Senators NORRIS, BORAH, CLAPP, progressive Republicans—are in favor of passing the corrupt-practices act. I want it well understood that we are not going to adjourn this body without a resolute effort on my part to have that measure considered.

THREATENED RAILROAD STRIKE.

Mr. THOMPSON. Mr. President, I desire briefly to call attention to the ruling of the Chair this morning, not so much because of the importance of the matter I presented when I submitted an editorial and asked that it be printed as in order to preserve the rules of the Senate and orderly procedure in the future. I do not think the Chair understood exactly what the request was when the Senator from Utah [Mr. SMOOT] objected.

I asked that the editorial printed in the Post on "Stopping the strike" by the passage of the eight-hour law be printed in the RECORD, and the Senator from Utah, as usual, objected. I then, under the rule, sent the matter to the desk and asked to have it read by the Secretary, under Rule XI, which provides that—

When the reading of a paper is called for, and objected to, it shall be determined by a vote of the Senate, without debate. (Jefferson's Manual, sec. 32.)

I asked the Chair to put the question. I think the Chair misunderstood my request at the time, and I should like to ask again that the editorial be read.

The PRESIDENT pro tempore. The Chair will say that the condition in the Senate this morning was quite exceptional. The unfinisned business was before the Senate and the Senator from Illinois [Mr. LEWIS] was on the floor for the purpose of addressing the Senate on that bill. The Chair took the liberty of saying he thought it would economize time to permit Senators to present uncontested matters that were not likely to lead to debate or delay. That was accepted by the Senate, and different Senators proceeded to present formal and uncontested matters.

When the request of the Senator from Kansas was presented the Senator from Utah objected, and it seemed perfectly plain to the Chair that it was likely to provoke debate, and he thought it was an implied violation of the terms on which the Chair had obtained consent from the Senate.

The Chair is quite aware of the rule to which his attention has been called by the Senator from Kansas, but it is not the universally accepted interpretation of it that at any time any Member at any stage of the proceedings may present a paper and ask that it be read. Within the sense of that rule there have been rulings which limit the right of presenting a paper at a particular time. The Chair regarded it as an implied violation of the unanimous consent under which we were at that time proceeding.

Mr. SMOOT. Mr. President, Rule XI reads as follows:

When the reading of a paper is called for, and objected to, it shall be determined by a vote of the Senate, without debate.

There is now before the Senate the unfinished business. In the morning hour I have no doubt the Senator from Kansas could make the request he did, and if there was an objection raised to it, then the Presiding Officer would have a vote of the Senate upon it. But the unfinished business is before the Senate now and nothing can be done except by unanimous consent.

Further, I wish to say to the Senator from Kansas I care nothing about the article, but the reason why I objected was that we have undertaken to stop the printing of all editorials by unanimous consent in the CONGRESSIONAL RECORD. For the last month I think we have saved to the Government of the United States at least two thousand, yes, ten thousand dollars or more by such course. It is for that reason I objected. It was for that purpose that I gave notice over a month ago that I would object.

If the Senator from Kansas wants to have the editorial printed in the RECORD, he can read it as a part of his speech on this bill, but I can not say to the Senator from Kansas that he can have an editorial printed in the RECORD and to some other Senator he can not. Therefore, Mr. President, I shall object to the article being read by the Secretary. If the Senator wants to read it himself of course, he has that privilege.

The PRESIDENT pro tempore. It will require unanimous consent or a motion to displace the unfinished business.

Mr. OLIVER. Mr. President, I rise to a point of order.

The PRESIDENT pro tempore. The Senator from Pennsylvania will state it.

Mr. OLIVER. My point of order is that it is only in order to proceed with the unfinished business, and I hope the Senator in charge of the bill will insist on that course.

Mr. SIMMONS. I trust the Senator from Kansas will withhold this matter. He will have time to read the article if he wants it in the RECORD instead of taking up the time now. We are very anxious, if possible, to go ahead with the bill.

Mr. THOMPSON. I understand that I have a right to read the article at any time. It was with the idea of not taking up the time of the Senate by reading the article that I desired to have it printed in the RECORD.

Regarding the objection of the Senator from Utah, I observe that when editorials are produced on the Republican side of the Chamber that objection is not adhered to.

Mr. SMOOT. No; that is not the case.

Mr. THOMPSON. And it has not been adhered to this very day, for several Republican Senators have introduced and had printed in the RECORD similar matter.

Mr. SIMMONS. What I am suggesting to the Senator from Kansas is that under the objection of the Senator from Utah he would have to read the article, and that would take considerable time.

Mr. THOMPSON. That is why I wanted to have it printed in the RECORD now, without reading.

Mr. SIMMONS. I hope the Senator will keep the whole matter in abeyance until to-morrow or some other time when we are through with the pending bill, and then he can read it if the Senator from Utah insists on his objection.

The PRESIDENT pro tempore. For the information of the Senator from Kansas the Chair will state that at any time when the paper is presented as a matter of right and an objection to the reading is made the Chair will submit the matter to the Senate.

Mr. THOMPSON. At this time all I wanted was to have a ruling of the Chair on the question. I am glad the Chair has taken that view, for I am sure it is in accordance with the rights of a Senator under Rule XI, to which I called attention.

The PRESIDENT pro tempore. When it can be done without displacing the unfinished business by a proposition to take up some other matter.

Mr. SIMMONS. I hope the Senator from Kansas will let us go on with the pending bill. We have lost two hours this morning.

Mr. THOMPSON. It was to save time that I asked that the editorial be printed in the RECORD without reading, but on the request of the Senator from North Carolina [Mr. SIMMONS] I will defer the matter until a more opportune time.

The PRESIDENT pro tempore. The article presented by the Senator from Kansas is a very short one, and he can read it in a very few minutes if he desires to do it.

Mr. THOMPSON. I thank the Presiding Officer, but I will not take the time to do it now.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. OVERMAN. I submit an amendment to the pending bill, which I ask may be printed and lie on the table.

The PRESIDENT pro tempore. The amendment will be printed and lie on the table. The next amendment of the Committee on Finance will be stated.

The Secretary proceeded to read the amendment of the committee, beginning on page 111, line 1, and read as follows:

DOCUMENTARY STAMP TAXES.

SEC. 63. Bonds, debentures, or certificates of indebtedness issued on and after the time this takes effect by any association, company, or corporation, on each $100 of face value or fraction thereof, 5 cents; and on each original issue, whether on organization or reorganization, of certificates of stock by any such association, company, or corporation, on each $100 of face value or fraction thereof, 5 cents; and on all sales, or agreements to sell, or memoranda of sales or deliveries or transfers of shares or certificates of stock in any association, company, or corporation, whether made upon or shown by the books of the association, company, or corporation, or by any assignment in blank, or by any delivery, or by any paper or agreement or memorandum or other evidence of transfer or sale, whether entitling the holder in any manner to the benefit of such stock, or to secure the future payment of money or for the future transfer of any stock, on each $100 of face value or fraction thereof, 2 cents; and on each original issue, whether on organization or reorganization, of certificates of stock having no face value in such association, company, or organization, 5 cents for each share or fraction thereof, unless the actual value of such share shall exceed $100, in which case stamps shall be affixed at the rate of 5 cents for each $100 or fraction thereof of the value on original issues, and 2 cents for each $100 or fraction thereof of value on sales or transfers: *Provided*, That it is not intended by this act to impose a tax upon an agreement evidencing a deposit of stock certificates as collateral security for money loaned thereon, which stock certificates are not actually sold, nor upon such stock certificates so deposited: *Provided further*, That in case of sale where the evidence of transfer is shown only by the books of the company the stamp shall be placed upon such books; and where the change of ownership is by transfer certificate the stamp shall be placed upon the certificate; and in cases of an agreement to sell or where the transfer is by delivery of the certificate assigned in blank there shall be made and delivered by the seller to the buyer a bill or memorandum of such sale, to which the stamp shall be affixed; and every bill or memorandum of sale or agreement to sell before mentioned shall show the date thereof, the name of the seller, the amount of the sale, and the matter or thing to which it refers. And any person or persons liable to pay the tax as herein provided, or anyone who acts in the matter as agent or broker for such person or persons, who shall make any such sale, or who shall in pursuance of any such sale deliver any such stock, or evidence of the sale of any such stock or bill or memorandum thereof, as herein required, without having the proper stamps affixed thereto, with intent to evade the foregoing provisions, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not exceeding $1,000, or be imprisoned not more than six months, or both, at the discretion of the court.

Mr. SMITH of Georgia. I desire to have the paragraphs adopted as a part of the bill as we go along.

The PRESIDENT pro tempore. The title embraces a single topic, and the Chair is treating it as a single amendment.

Mr. SMITH of Georgia. All right, Mr. President.

The Secretary resumed the reading of the amendment and read as follows:

SEC. 64. Upon each sale, agreement of sale, or agreement to sell any products or merchandise at any exchange or board of trade or other similar place, for future delivery, for each $100 in value of said sale or agreement of sale or agreement to sell, 1 cent, and for each additional $100 or fractional part thereof in excess of $100, 1 cent: *Provided*, That on every sale or agreement of sale or agreement to sell as aforesaid there shall be made and delivered by the seller to the buyer a bill, memorandum, agreement, or other evidence of such sale, agreement of sale, or agreement to sell to which there shall be affixed a lawful stamp or stamps in value equal to the amount of the tax on such sale. And every such bill, memorandum, or other evidence of sale or agreement to sell shall show the date thereof, the name of the seller, the amount of the sale, and the matter or thing to which it refers; and any person or persons liable to pay the tax as herein provided, or anyone who acts in the matter as agent or broker for such person or persons who shall make any such sale or agreement of sale or agreement to sell, or who shall, in pursuance of any such sale, agreement of sale, or agreement to sell, deliver any such products or merchandise without a bill, memorandum, or other evidence thereof as herein required, or who shall deliver such bill, memorandum, or other evidence of sale or agreement to sell without having the proper stamps affixed thereto with intent to evade the foregoing provisions, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not exceeding $1,000, or be imprisoned not more than six months, or both, at the discretion of the court.

SEC. 65. That no bill, memorandum, agreement, or other evidence of such sale or agreement of sale or agreement to sell in case of products or merchandise actually delivered at the time of sale or while in vessel, boat, or car, and actually in course of transportation shall be subject to this tax, provided such bill, memorandum, agreement, or other evidence of such sale or agreement of sale or agreement to sell shall be accompanied by bills of lading or vouchers showing that the said products are actually in course of transportation as aforesaid.

SEC. 66. Conveyance: Deed, instrument, or writing, whereby any lands, tenements, or other realty sold shall be granted, assigned, transferred, or otherwise conveyed to, or vested in, the purchaser or purchasers, or any other person or persons, by his, her, or their direction, when the consideration or value of the interest or property conveyed, exclusive of the value of any lien or encumbrance thereon, exceeding $500, 50 cents; and for each additional $500 or fractional part thereof in excess of $500, 50 cents: *Provided*, That nothing contained in this paragraph shall be so construed as to impose a tax upon any instrument or writing given to secure a debt.

SEC. 67. Entry of any goods, wares, or merchandise at any customhouse, either for consumption or warehousing, not exceeding $100 in value, 25 cents; exceeding $100 and not exceeding $500 in value, 50 cents; exceeding $500 in value, $1.

SEC. 68. Entry for the withdrawal of any goods or merchandise from customs bonded warehouse, 50 cents.

SEC. 69. Insurance: Each policy of insurance or other instrument, by whatever name the same shall be called, by which insurance shall be made or renewed upon property of any description (including rents or profits), whether against peril by sea or on inland waters, or by fire or lightning, or other peril, made by any person, association, or corporation, upon the amount of premium charged, one-half of 1 cent on each dollar or fractional part thereof: *Provided*, That purely cooperative or mutual insurance companies or associations carried on by the members thereof solely for the protection of their own property and not for profit shall be exempted from the tax herein provided: *And provided further*, That policies of reinsurance shall be exempt from the tax herein imposed by this paragraph.

SEC. 70. Each policy of insurance, or bond or obligation of the nature of indemnity for loss, damage, or liability issued, or executed, or renewed by any person, association, company, or corporation, transacting the business of fidelity, employer's liability, plate glass, steam boiler, burglary, elevator, automatic sprinkler, or other branch of insurance (except life, personal accident, and health insurance, and insurance described and taxed or exempted in the preceding paragraph and excepting also workmen's compensation insurance carried on by the members thereof solely for their own protection and not for profit), and each bond undertaking or recognizance, conditioned for the performance of the duties of any office or position, or for the doing or not doing of anything therein specified, or other obligation of the nature of indemnity, and each contract or obligation guaranteeing the validity or legality of bonds or other obligations issued by any State, county, municipal, or other public body or organization, or guaranteeing titles to real estate or mercantile credits executed or guaranteed by any liability, fidelity, guarantee, or surety company upon the amount of premium charged, one-half of 1 cent of each dollar or fractional part thereof: *Provided*, That policies of reinsurance shall be exempt from the tax herein imposed by this paragraph.

Mr. SMITH of Georgia. Sections 69 and 70 provide for stamps on fire-insurance policies. We desire to have those two sections disagreed to.

The PRESIDENT pro tempore. The part of the amendment embraced in sections 69 and 70 will be disagreed to unless there is objection. The Chair hears none, and such will be the order.

The Secretary resumed the reading of the amendment, as follows:

SEC. 71. Passage ticket, for each passenger, sold in the United States for passage by any vessel to a foreign port or place, if costing not exceeding $30, $1; costing more than $30 and not exceeding $60, $3; costing more than $60, $5: *Provided*, That such passage tickets, costing $10 or less, shall be exempt from taxation.

SEC. 72. Every seat sold in a palace or parlor car and every berth sold in a sleeping car, 1 cent, to be paid by the company selling the same.

SEC. 73. That all internal-revenue agents and inspectors be granted leave of absence with pay, which shall not be cumulative, not to exceed 30 days in any calendar year, under such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe.

Mr. OLIVER. Mr. President, I inquire if this is subject to a point of order.

The PRESIDENT pro tempore. The Chair holds that it is not. This is not an appropriation bill, and under our rule there is no question of new legislation or relevancy involved in it.

Mr. SHIELDS. I did not understand the Senator from Pennsylvania.

The PRESIDENT pro tempore. The Senator from Pennsylvania made a parliamentary inquiry whether or not a point of order would lie to the particular provision, which changes existing legislation, such as is applicable to a general appropriation bill. The Chair held that there was no question of relevancy or germaneness involved in our work here.

Mr. SHIELDS. Did the Senator make a point of order?

The PRESIDENT pro tempore. The Senator did not.

The Secretary resumed the reading of the amendment, as follows:

SEC. 74. That after the time this title takes effect there shall be levied, collected, and paid, for and in respect of the several bonds, debentures, or certificates of stock and of indebtedness, and other documents, instruments, matters, and things mentioned and described in sections 63 to 73, inclusive, of this title, or for or in respect of the vellum, parchment, or paper upon which such instruments, matters, or things, or any of them, shall be written or printed by any person or persons, or party who shall make, sign, or issue the same, or for whose use or benefit the same shall be made, signed, or issued, the several taxes or sums of money set down in figures against the same, respectively, or otherwise specified or set forth herein.

Mr. SMITH of Georgia. On page 118, line 2, I offer an amendment to come in at the close of the section just read.

The PRESIDENT pro tempore. It will be stated.

The SECRETARY. Add at the end of the section the following proviso:

Provided, That none of the bonds, debentures, certificates of stock, conveyances, mortgages, or other documents, instruments, matters, and things provided for in the Federal farm-loan act of July 17, 1916, shall be subject to the provisions of this title.

The amendment to the amendment was agreed to.

The Secretary resumed the reading of the amendment, as follows:

SEC. 75. That if any person shall forge or counterfeit, or cause or procure to be forged or counterfeited, any stamp, die, plate, or other instrument, or any part of any stamp, die, plate, or other instrument, which shall have been provided, or may hereafter be provided, made or used in pursuance of this title, or shall forge, counterfeit, or resemble, or cause or procure to be forged, counterfeited, or resembled, the impression, or any part of the impression, of any such stamp, die, plate, or other instrument as aforesaid, upon any vellum, parchment, or paper, or shall stamp or mark, or cause or procure to be stamped or marked, any vellum, parchment, or paper with any such forged or defraud the United States of any of the taxes hereby imposed, or any

stamp, die, plate, or other instrument, as aforesaid, with intent to defraud the United States of any of the taxes hereby imposed or any part thereof; or if any person shall utter, or sell, or expose for sale, any vellum, parchment, paper, article, or thing having thereupon the impression of any such counterfeited stamp, die, plate, or other instrument, or any part of any stamp, die, plate, or other instrument, or any such forged, counterfeited, or resembled impression, or part of impression, as aforesaid, knowing the same to be forged, counterfeited, or resembled; or if any person shall knowingly use or permit the use of any stamp, die, plate, or other instrument, which shall have been so provided, made, or used as aforesaid, with intent to defraud the United States; or if any person shall fraudulently cut, tear, or remove, or cause or procure to be cut, torn, or removed, the impression of any stamp, die, plate, or other instrument which shall have been provided, made, or used in pursuance of this act from any vellum, parchment, or paper, or any instrument or writing charged or chargeable with any of the taxes imposed by law; or if any person shall fraudulently use, join, fix, or place, or cause to be used, joined, fixed, or placed to, with, or upon any vellum, parchment, paper, or any instrument or writing charged or chargeable with any of the taxes hereby imposed, any adhesive stamp, or the impression of any stamp, die, plate, or other instrument, which shall have been provided, made, or used in pursuance of law, and which shall have been cut, torn, or removed from any other vellum, parchment, or paper, or any instrument or writing charged or chargeable with any of the taxes imposed by law; or if any person shall willfully remove or cause to be removed, alter, or cause to be altered, the canceling or defacing marks of any adhesive stamp with intent to use the same, or to cause the use of the same, after it shall have been once used, or shall knowingly or willfully sell or buy such washed or restored stamp, or offer the same for sale, or give or expose the same to any person for use, or knowingly use the same, or prepare the same with intent for the further use thereof; or if any person shall knowingly and without lawful excuse (the proof whereof shall lie on the person accused) have in his possession any washed, restored, or altered stamp which has been removed from any vellum, parchment, paper, instrument, or writing, then, and in every such case, every person so offending, and every person knowingly and willfully aiding, abetting, or assisting in committing any such offenses as aforesaid, shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall forfeit the said counterfeit stamps and the articles upon which they are placed, and shall be punished by fine not exceeding $1,000, or by imprisonment and confinement at hard labor not exceeding five years, or both, at the discretion of the court.

SEC. 76. That in any and all cases where an adhesive stamp shall be used for denoting any tax imposed by this title, except as hereinafter provided, the person using or affixing the same shall write or stamp thereupon the initials of his name and the date upon which the same shall be attached or used so that the same may not again be used. And if any person shall fraudulently make use of an adhesive stamp to denote any tax imposed by this title without so effectually canceling and obliterating such stamp, except as before mentioned, he, she, or they shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not exceeding $500 or be imprisoned not more than six months, or both, at the discretion of the court.

SEC. 77. That the collectors of the several districts are hereby authorized and required to furnish to any assistant treasurer of the United States, or designated depositary thereof, or any postmaster located in their collection districts, respectively, a suitable quantity of adhesive stamps, without prepayment therefor, and may in advance require of any designated depositary, assistant treasurer of the United States, or postmaster, a bond, with sufficient sureties, to an amount equal to the value of the adhesive stamps which may be placed in his hands and remain unaccounted for, conditioned for the faithful return, whenever so required, of all quantities or amounts undisposed of, and for the payment monthly of all quantities or amounts sold or not remaining on hand. And it shall be the duty of such collectors to supply their deputies with, or sell to other parties within their respective districts who may make application therefor, adhesive stamps, upon the same terms allowed by law or under the regulations of the Commissioner of Internal Revenue, who is hereby authorized to make such other regulations not inconsistent herewith for the security of the United States and the better accommodation of the public, in relation to the matters hereinbefore mentioned, as he may judge necessary and expedient. And the Secretary of the Treasury may from time to time make such regulations as he may find necessary to insure the safe-keeping or prevent the illegal use of all such adhesive stamps.

SEC. 78. That any person or persons who shall make, sign, issue, sell, or transfer, or who shall cause to be made, signed, issued, registered, sold, or transferred any instrument, document, or paper of any kind or description whatsoever mentioned in sections 63 to 73, inclusive, of this title, without the same being duly stamped, or having thereupon an adhesive stamp for denoting the tax chargeable thereon, and canceled in the manner required by law, with intent to evade the provisions of this title, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $50, or by imprisonment not exceeding six months, or both, in the discretion of the court: *Provided*, That hereafter, in all cases where the party has not affixed to any instrument the stamp required by law thereon at the time of issuing, selling, or transferring the said bonds, debentures, or certificates of stock or of indebtedness, and he or they, or any party having an interest therein, shall be subsequently desirous of affixing such stamp to said instrument, or, if said instrument be lost, to a copy thereof, he or they shall appear before the collector of internal revenue of the proper district, who shall, upon the payment of the price of the proper stamp required by law, and of a penalty of $10, and, where the whole amount of the tax denoted by the stamp required shall exceed the sum of $50, on payment also of interest, at the rate of 6 per cent, on said tax from the day on which such stamp ought to have been affixed, affix the proper stamp to such bond, debenture, certificate of stock or of indebtedness or copy, and note upon the margin thereof the date of his so doing, and the fact that such penalty has been paid; and the same shall thereupon be deemed and held to be as valid, to all intents and purposes, as if stamped when made or issued: *And provided further*, That where it shall appear to said collector, upon oath or otherwise, to his satisfaction, that any such instrument has not been duly stamped, at the time of making or issuing the same, by reason of accident, mistake, inadvertence, or urgent necessity, and without any willful design to defraud the United States of the stamp, or to evade or delay the payment thereof, then and in such case, if such instrument, or, if the original be lost, a copy thereof, duly certified by the officer having charge of any records in which such original is required to be recorded, or otherwise duly proven to the satisfaction of the collector, shall, within 12 calendar months after the making or issuing thereof, be brought to the said collector of internal revenue to be stamped, and the stamp tax chargeable thereon shall be paid, it shall be lawful for the said collector to remit the penalty aforesaid and to cause such instrument to be duly stamped. And when the original instrument, or a certified or duly proven copy thereof, as aforesaid, duly stamped so as to entitle the same to be recorded, shall be presented to the clerk, register, recorder, or other officer having charge of the original record, it shall be lawful for such officer, upon the payment of the fee legally chargeable for the recording thereof, to make a new record thereof, or to note upon the original record the fact that the error or omission in the stamping of said original instrument has been corrected pursuant to law; and the original instrument or such certified copy, or the record thereof, may be used in all courts and places in the same manner and with like effect as if the instrument had been originally stamped: *And provided further*, That in all cases where the party has not affixed the stamp required by law upon any such instrument issued, registered, sold, or transferred at a time when and at a place where no collection district was established, it shall be lawful for him or them, or any party having an interest therein, to affix the proper stamp thereto, or, if the original be lost, to a copy thereof. But no right acquired in good faith before the stamping of such instrument, or copy thereof, as herein provided, if such record be required by law, shall in any manner be affected by such stamping as aforesaid.

SEC. 79. That hereafter no instrument, paper, or document required by law to be stamped, which has been signed or issued without being duly stamped, or with a deficient stamp, nor any copy thereof, shall be recorded until a legal stamp or stamps, denoting the amount of tax, shall have been affixed thereto, as prescribed by law: *Provided*, That any bond, debenture, certificate of stock, or certificate of indebtedness issued in any foreign country shall pay the same tax as is required by law on similar instruments when issued, sold, or transferred in the United States; and the party to whom the same is issued, or by whom it is sold or transferred, shall, before selling or transferring the same, affix thereon the stamp or stamps indicating the tax required.

SEC. 80. That no instrument, paper, or document required by law to be stamped shall be deemed or held invalid and of no effect for the want of a particular kind or description of stamp designated for and denoting the tax charged on any such instrument, paper, or document, provided a legal documentary stamp or stamps denoting a tax of equal amount shall have been duly affixed and used thereon.

SEC. 81. That all bonds, debentures, or certificates of indebtedness issued by the officers of the United States Government, or by the officers of any State, county, town, municipal corporation, or other corporation exercising the taxing power, shall be, and hereby are, exempt from the stamp taxes required by this title: *Provided*, That it is the intent hereby to exempt from the stamp taxes imposed by this title such State, county, town, or other municipal corporations in the exercise only of functions strictly belonging to them in their ordinary governmental, taxing, or municipal capacity: *Provided further*, That stock and bonds issued by cooperative building and loan associations, mutual ditch or irrigating companies, and building and loan associations or companies that make loans only to their shareholders shall be exempt from the tax herein provided.

Mr. SMITH of Georgia. In line 7, after the word "and" where it first occurs, to make the purpose entirely clear, I move to insert the words "all papers and instruments issued by or to."

Mr. SMITH of Michigan. Is that the proviso on page 126?

Mr. SMITH of Georgia. Yes.

Mr. SMITH of Michigan. How does the Senator propose to amend it?

The PRESIDENT pro tempore. The Secretary will first state the amendment to the amendment.

The SECRETARY. On page 126, line 7, after the word "and," insert the words "all papers and instruments issued by or to," so as to read:

And all papers and instruments issued by or to building and loan associations or companies, etc.

The amendment to the amendment was agreed to.

The Secretary resumed and concluded the reading of the amendments, as follows:

SEC. 82. That the Commissioner of Internal Revenue shall cause to be prepared and distributed for the payment of the taxes prescribed in this title suitable stamps denoting the tax on the document, article, or thing to which the same may be affixed, and he is authorized to prescribe such method for the cancellation of said stamps, as substitute for or in addition to the method provided in this title, as he may deem expedient. That the adhesive stamps used in the payment of the tax levied in sections 63 to 73, inclusive, of this title shall be furnished for sale by the several collectors of internal revenue, who shall sell and deliver them at their face value to all persons applying for the same, except officers or employees of the Internal Revenue Service: *Provided*, That such collectors may sell and deliver such stamps in quantities of not less than $100 of face value, with a discount of 1 per cent, except as otherwise provided in this title.

Mr. SMITH of Georgia. That is a clause of the stamp-tax provision, Mr. President, and I move its adoption.

The PRESIDENT pro tempore. The formal matter may be attended to. The Secretary will be directed, unless there is objection, to make the necessary changes in sectionizing the bill. Unless there is objection the committee amendment as amended will be agreed to. The Chair hears none, and it is so ordered.

Mr. SMITH of Georgia. Now, I ask that the Senate turn back to page 102 of the bill in reference to the taxes on theaters and amusements. We heretofore passed that over, by request, until the next day.

Mr. PENROSE. To what page does the Senator from Georgia refer?

The PRESIDENT pro tempore. To page 102, beginning on line 22.

Mr. SMOOT. Mr. President, I heretofore asked that that paragraph go over until I could make a further examination into certain correspondence that I have received criticizing the paragraph; but, taking it as a whole, I do not know whether or not we could better the provision, unless we should disagree to the whole section and follow the provision of the House bill, with certain amendments. I think, from the correspondence which I have had, there is almost as much criticism of the provision of the House bill as there is of the Senate provision.

Mr. SMITH of Georgia. There is very much more.

Mr. SMOOT. Therefore, Mr. President, I shall not at this time object to an agreement to the provision, although I do think that the rates are exceedingly high upon the theaters and amusement halls in the smaller cities.

Mr. SMITH of Georgia. The Senator will observe the provision we have made with reference to the smaller towns.

Mr. SMOOT. I have noticed the provision beginning in line 9, on page 103, which reads:

That in cities, towns, or villages of 5,000 inhabitants or less the amount of such payment shall be one-half of that above stated.

That helps considerably. But the smaller cities and the cities containing between 5,000 and 10,000 inhabitants are not taken care of; and I will say to the Senator that my correspondence shows that in cities having between 5,000 and 10,000 inhabitants, basing the number of amusement houses on the population, there are more of them than there are in the smaller cities of under 5,000 inhabitants; in other words, there is more competition as to theaters or amusement places in cities of that size than there is in the smaller cities.

Mr. SMITH of Georgia. While that may be true, they come very much nearer running all the time. We took up the House bill, and our subcommittee heard representatives of the amusement halls and of the theaters, and we found that they very much preferred the old law. The only complaint we had against the old law from them was that in the smaller towns, where the theaters run only a part of the time, they were overtaxed. Then I sought to find from them a measure of the size of the town which would run its theaters and amusement halls only about half the time; and from the information they gave us, we decided on 5,000 inhabitants as the size of what was the proper basis of distinction.

I wish to say, Mr. President, that since we adopted this modification I have had letters from amusement people, but not a single objection to the modified provision. Of course they, like everybody else, would rather not pay any tax at all; but they seem to think that we are now treating them very fairly.

The trouble about the House provision is that while it was based upon receipts, it was the gross receipts, and not the net receipts. We first tried to change it to net receipts, but there we found the trouble was that many of the smaller amusement houses kept no books, and that there was really no way to tell what the net receipts were. Finally the responsibility, after the Senator from Maine [Mr. JOHNSON] left, was largely devolved upon me to try to reach an equitable and fair mode if we were going to keep any of the tax at all. We then decided that this was the fairest way in which to proceed, unless we exempted them altogether. We needed the revenue, and, therefore, did not think we could exempt them.

Mr. SMOOT. As to the small amusement halls, if the proprietor takes anything for his compensation for the time he devotes to the business, there would be no net receipts.

Mr. SMITH of Georgia. In many of the very small amusement houses the net receipts afford a bare compensation to the people who are conducting them.

Mr. SMOOT. That is about all.

Mr. SMITH of Georgia. But as to those the tax is very small; it is almost nothing.

Mr. SMOOT. I was wondering whether or not the Senator from Georgia would raise the limit in the provision as to the population from 5,000 to 10,000 inhabitants. I think that in cities having above that number they could pretty well take care of themselves.

Mr. SMITH of Georgia. I hardly feel justified in doing so now; but if, on consultation with the House conferees, they should be satisfied to put it up to 10,000, I should not object.

Mr. SMOOT. What I suggest is, that if we make it 10,000 now, and it goes into conference, then it could be lowered; but, if we leave it at 5,000, the conferees can not very well increase the number. I believe that the Senator, if he will carefully consider the statement I have made—and I make it upon the correspondence which I have received—will agree to my suggestion.

Mr. SMITH of Georgia. Let it remain in this shape now, and before the bill comes into the Senate, if I find that that can be done, I will reserve the right to change it in the Senate.

Mr. GALLINGER. I desire to ask the Senator from Georgia if this phraseology would, beyond question, cover moving-picture establishments?

Mr. SMITH of Georgia. Oh, yes.

Mr. GALLINGER. There is nothing stated about them in the bill.

Mr. SMITH of Georgia. They are covered beyond any question.

Mr. GALLINGER. Do they come under the head of "theaters and concert halls"?

Mr. SMITH of Georgia. Under the head of "amusement hall." They are included.

The PRESIDENT pro tempore. Unless there is objection, the amendment is agreed to.

Mr. OLIVER. Mr. President, I should like the RECORD to show that the question was put; not that it was "agreed to without objection"; but that a vote was had upon the amendment.

The PRESIDENT pro tempore. The Chair will submit the question in that form. As many as are in favor of the adoption of the amendment will signify it by saying aye——

Mr. GALLINGER. I do not find the word "amusement" in the amendment, and the question is whether the terms "theaters" or "concert halls" would cover those places all over the country where moving pictures are exhibited. They ought to be taxed, of course, as well as other places. If the language read "or other places of amusement" there would be no question. If the Senator would insert the language "concert halls or other places of amusement," that would cover it.

The PRESIDENT pro tempore. Does the Senator from New Hampshire move to amend the amendment in that respect?

Mr. GALLINGER. I offer that amendment—that after the word "halls," on page 102, line 23, the words "or other places of amusement" be inserted.

The PRESIDENT pro tempore. The question is on the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, under the head of "Title V—Dyestuffs," on page 127, line 2, to change the number of the section from "400" to "83"; and in the same line, after the word "That," to strike out "on and after the day following the passage of this act," so as to make the clause read:

SEC. 83. That, except as otherwise specially provided for in this title, there shall be levied, collected, and paid upon the articles named in this section when imported from any foreign country into the United States or into any of its possessions, except the Philippine Islands and the islands of Guam and Tutuila, the rates of duties which are prescribed in this title, namely:

The amendment was agreed to.

The next amendment was, under the subhead "Free list," on page 127, after line 10, to strike out:

Group I. Acenaphthene, anthracene, benzol, carbazol, cresol, cumol, fluorene, methylanthracene, methylnapthalene, napthalene, pyridin, quinolin, toluol, xylol, crude coal tar, pitch of coal tar, dead or creosote oil, anthracene oil, all other distillates which on being subjected to distillation yield less than 5 per cent of tar acids in the portion distilling below 200° C., and all other products that are found naturally in coal tar, whether produced or obtained from coal tar or other source, and not otherwise specially provided for in this title, shall be exempt from duty.

And insert:

Group I. Acenaphthene, anthracene having a purity of less than 25 per cent, benzol, carbazol having a purity of less than 25 per cent, cresol, cumene, fluorene, metacresol having a purity of less than 90 per cent, methylanthracene, methylnaphthalene, naphthalene having a solidifying point less than 79° C., orthocresol having a purity of less than 90 per cent, paracresol having a purity of less than 90 per cent, pyridine, quinoline, toluene, xylene, crude coal tar, pitch of coal tar, dead or creosote oil, anthracene oil, all other distillates which on being subjected to distillation yield in the portion distilling below 200° C. a quantity of tar acids less than 5 per cent of the original distillate, and all other products that are found naturally in coal tar, whether produced or obtained from coal tar or other source, and not otherwise specially provided for in this title, shall be exempt from duty.

Mr. SMITH of Michigan. Mr. President, I should like to ask the Senator from North Carolina if the treaty with Cuba providing for rates that are preferential will in any way be affected by this law?

Mr. SIMMONS. I do not know that I comprehend the Senator's question.

Mr. SMITH of Michigan. We have a treaty which gives Cuba certain advantages over other foreign countries in the matter of importations into this country, and I should like to know whether this provision with reference to dyestuffs repeals that preferential duty?

Mr. SIMMONS. Does the Senator mean whether the preferential allowed to Cuba upon her imports into this country from that country would be affected by this dyestuffs provision?

Mr. SMITH of Michigan. Yes; by the provision which has just been read.

Mr. SIMMONS. I think not.

Mr. SMITH of Michigan. I refer to section 83.

Mr. SIMMONS. If we imported any dyestuffs from Cuba probably it would; but I was not aware that we imported any dyestuffs from Cuba.

Mr. SMITH of Michigan. I do not know that we now import them, but I do know that there is a very strong movement on foot to manufacture dyestuffs in Cuba from Cuban wood; and they would be very important in this market, especially in the present condition of that industry.

Mr. SIMMONS. I think clearly if dyestuffs should be manufactured in Cuba and imported into this country, that, under the treaty, they would get the benefit of the 20 per cent differential; but, as I have said to the Senator, it has not come to my knowledge that in any way the question is now in issue.

Mr. SMITH of Michigan. I realize that a treaty is a very high law, but that a statute may nullify it nevertheless, and I am asking the Senator from North Carolina if he understands this statute would nullify that treaty?

Mr. SIMMONS. Of course not.

Mr. UNDERWOOD. Mr. President, if the Senator from Michigan will permit me, I will state that the paragraph immediately under consideration, placing certain crude raw materials and dyestuffs on the free list, of course, would not affect the Cuban treaty; but the two following paragraphs unquestionably would annul the Cuban treaty in so far as they relate to dyestuffs. The fact that it is not referred to in the later enactment would wipe out the treaty, but it would only wipe it out in relation to dyestuffs.

Mr. SMITH of Michigan. That is just the point I am making. I think this legislation would wipe out that treaty. I think this proposed law would supersede the treaty. If that is true, the loss of the advantages which we might otherwise derive from our proximity to Cuba in the manufacture of dyestuffs, which we particularly need, would be rather a serious matter.

Mr. UNDERWOOD. I do not think it is a serious matter. I will say to the Senator from Michigan; but I think he unquestionably is right, that the enactment of this law would nullify the Cuban treaty, so far as this law goes.

Mr. SMITH of Michigan. I do not think that is the intention of the committee.

Mr. SIMMONS. I will state to the Senator from Michigan very frankly that this question was not brought to the attention of the committee at all. Personally I had nothing more to do with it than any other member of the committee, but since the Senator has brought it directly to our attention, we will look into it.

Mr. SMITH of Michigan. I shall be glad if the Senator from North Carolina will do so, because I happen to know that plans have been made for the manufacture of dyestuffs from Cuban woods. It would be very important to the American people that the world's supply of dyestuffs should be increased.

The PRESIDENT pro tempore. The question is on the adoption of the committee amendment. It is agreed to, unless there is objection. The Chair hears none.

Mr. UNDERWOOD. Mr. President, if we are going on with the dyestuffs schedule, I desire to submit some observations, but I understand the Senator from New Jersey [Mr. HUGHES] has another matter which he wishes to bring to the attention of the Senate.

Mr. HUGHES. I ask unanimous consent to be permitted to revert to the wine schedule, and I ask that the Secretary read the amendment which I have sent to the desk.

The PRESIDENT pro tempore. Will the Senator indicate a little more particularly where the amendment is?

Mr. HUGHES. I will ask the Secretary if the amendment is not at the desk? It was sent there some time ago.

The PRESIDENT pro tempore. The Secretary will endeavor to locate the amendment to which the Senator refers.

Mr. HUGHES. The amendment relates to the wine title. I sent it to the desk some time ago, and understood the Secretary to say that it would be printed.

The PRESIDENT pro tempore. When did the Senator offer the amendment?

Mr. HUGHES. Mr. President, I withdraw my request for the present.

The PRESIDENT pro tempore. The Senator withdraws his request for the present.

Mr. UNDERWOOD. Mr. President, I think that this dyestuffs schedule is of so much importance that it should be considered by a quorum, and I call the attention of the Chair to the fact that there is no quorum present.

The PRESIDENT pro tempore. The Senator from Alabama suggests the absence of a quorum. Let the Secretary call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Husting	Phelan	Smoot
Bankhead	La Follette	Pittman	Sterling
Beckham	Lane	Pomerene	Stone
Bryan	Lewis	Ransdell	Swanson
Chilton	McCumber	Saulsbury	Taggart
Clarke, Ark.	Martin, Va.	Shafroth	Thomas
Cummins	Martine, N. J.	Sheppard	Thompson
Curtis	Myers	Sherman	Underwood
Dillingham	Nelson	Shields	Warren
Fall	Norris	Simmons	Weeks
Fletcher	Oliver	Smith, Ariz.	
Gallinger	Overman	Smith, Mich.	
Hughes	Penrose	Smith, S. C.	

Mr. MARTINE of New Jersey. I desire to announce that the Senator from Oregon [Mr. CHAMBERLAIN] is detained from the Senate on official business.

The PRESIDENT pro tempore. Forty-nine Senators having answered to their names, a quorum of the Senate is present. Does the Senator from Alabama desire to address the Senate at this time?

Mr. UNDERWOOD. After the Secretary has read the paragraph I desire to move to strike it out.

The PRESIDENT pro tempore. The Secretary will read.

The Secretary read the next amendment of the Committee on Finance, which was, under the subhead "Dutiable list," on page 128, after line 14, to strike out:

Group II. Amidonaphthol, amidophenol, amidosalicylic acid, aniline oil, aniline salt, anthraquinone, binitrobenzol, binitrotoluiol, binitronaphthalene, binitrochlorbenzol, benzaldehyde, benzylchloride, benzidin, chlorphthalic acid, cumidin, dianisidin, dimethylanilin, dioxynaphthalene, diphenylamin, methylanthraquinone, metanilic acid, nitrobenzol, nitrotoluol, nitronaphthalene, nitraniline, nitrophenylenediamine, nitrotoluenediamine, naphthylamine, naphthol, napathylenediamine phenol, phthalic acid, phthalic anhydride, phenylendiamine, phenylnaphthylamine, resorcin, salicylic acid, sulfanilic acid, toluidin, toldin, toluylenediamine, xylidin, or any sulfoacid or sulfoacid salt of any of the foregoing, all distillates which on being subjected to distillation yield 5 per cent or more of tar acids in the portion distilling below 200° C., and all other products obtained, derived, or manufactured in whole or in part from the products provided for in Group I, all the foregoing not colors, dyes, or stains, photographic chemicals, or explosives, and not otherwise provided for in this title, and provided for in the paragraphs of the act of October 3, 1913, which are hereinafter specifically repealed by section 402, 15 per cent ad valorem.

And insert:

Group II. Amidonaphthol, amidophenol, amidosalicylic acid, aniline oil, aniline salt, anthracene having a purity of 25 per cent or more, anthraquinone, benzoic acid, benzaldehyde, benzylchloride, benzidine, carbazole having a purity of 25 per cent or more, chlorophthalic acid, cumidine, dimethylaniline, dianisidine, dinitrobenzene, dinitrochlorobenzine, dinitronaphthalene, dinitrotoluene, dioxynaphthalene, diphenylamine, metacresol having a purity of 90 per cent or more, methylanthraquinone, metanilic acid, naphthalene having a solidifying point of 79° C. or above, naphthylamine, naphthol, naphthylenediamine, nitrobenzene, nitrotoluene, nitronaphthalene, nitraniline, nitrophenylenediamine, nitrotoluylenediamine, orthocresol having a purity of 90 per cent or more, paracresol having a purity of 90 per cent or more, phenol, phthalic acid, phthalic anhydride, phenylenediamine, phenylnaphthylamine, resorcin, salicylic acid, sulphanilic acid, toluidine, toldine, toluylenediamine, xylidine, or any sulphoacid or sulphoacid salt of any of the foregoing, all similar products obtained, derived, or manufactured in whole or in part from the products provided for in Group I, and all distillates which on being subjected to distillation yield in the portion distilling below 200° C. a quantity of tar acids 5 per cent or more of the original distillate, all the foregoing not colors, dyes, or stains, photographic chemicals, medicinals, flavors, or explosives, and not otherwise provided for in this title, and provided for in the paragraphs of the act of October 3, 1913, which are hereinafter specifically repealed by section 402, 15 per cent ad valorem.

During the reading of the amendment,

Mr. HUGHES. I ask that the further reading of the paragraph be dispensed with.

The PRESIDENT pro tempore. The Chair thinks that the amendment ought to be read before it is submitted to the Senate.

Mr. GALLINGER. The Secretary is doing remarkably well, Mr. President. I think he ought to be allowed to conclude.

The PRESIDENT pro tempore. The Secretary will continue.

Mr. PENROSE. I object to the Secretary abbreviating the names. I think the paragraph ought to be read in full.

The PRESIDENT pro tempore. If the Senator will call attention to the names abbreviated, the Chair will be very glad to direct the Secretary to read them in full. Otherwise the Secretary will adopt his own style of reading.

After the reading of the amendment had been concluded,

The PRESIDENT pro tempore. The question is on the adoption of the amendment reported by the committee.

Mr. UNDERWOOD. Mr. President, this particular paragraph relates to the intermediates in the dye schedule. It is absolutely related to the next paragraph, embracing Group III. I desire to make a motion to strike out both of the Senate amend-

ments, and I think it will save time and save debate if we consider them both together. I ask unanimous consent that that may be done.

The PRESIDENT pro tempore. Under the parliamentary aspect of the situation the proposition is to strike out the House text confined to Group II and to insert certain matter which the Senate committee has proposed as a substitute for that. The proposition made by the Senator now would be to submit two amendments to one vote.

Mr. UNDERWOOD. I understand that; but I ask unanimous consent that the Secretary may state the amendment embracing Group III and that the amendments may be considered together.

The PRESIDENT pro tempore. That they may be submitted as a single question?

Mr. UNDERWOOD. Yes.

The PRESIDENT pro tempore. Unless there is objection, such will be the order. The Chair hears none. The Secretary will read.

The Secretary read the next amendment reported by the Committee on Finance, which was, on page 130, line 22, after the word "chemicals," to insert "medicinals, flavors, synthetic phenalic resin"; and, on page 131, line 1, after the word "indigo," to insert "and colors, dyes, or color lakes obtained, derived, or manufactured therefrom," so as to make the clause read:

Group III. All colors, dyes, or stains, whether soluble or not in water, color acids, color bases, color lakes, photographic chemicals, medicinals, flavors, synthetic phenalic resin, or explosives, not otherwise specially provided for in this title, when obtained, derived, or manufactured in whole or in part from any of the products provided for in Groups I and II, including natural alizarin and indigo, and colors, dyes, or color lakes obtained, derived, or manufactured therefrom, 30 per cent ad valorem.

The PRESIDENT pro tempore. The question is on the adoption of the group of amendments proposed by the Senate committee.

Mr. UNDERWOOD. Mr. President, I am opposed not only to the Senate committee amendment imposing a tax on the intermediates of dyestuffs, but I am opposed to the Senate committee amendment to Group III, fixing a tax on finished dyestuffs, and I am also opposed to the House provision. The first vote, of course, will come on the Senate committee amendment, which places the rate righer than the House provision. If that vote prevails, it will indicate that the Senate desires to keep these paragraphs in the bill, and it will be futile to go further; but if the Senate committee amendments are disagreed to, I will then move to strike out the House provision in reference to changing the present law relating to the tax on dyestuffs.

Mr. President, my objection to this provision is fundamental. It vastly increases the taxes on dyes and dyestuffs far beyond anything that has ever been written heretofore in the law. The House bill greatly increases the tax and the Senate committee amendment increases the amount of tax provided in the House bill. From my viewpoint the enactment of these schedules is a recognition of the principle that we should write a protective tariff to build up American industries. I am not in accord with that view at all. I do not believe that taxation should be used for the purpose of protection.

I have always maintained the doctrine that the only justification for a tax at the customhouse is to raise revenue for the Government. Prior to the European war, when there was an opportunity for dyestuffs to enter our ports there was a fair amount of refenue raised under existing law. If this schedule is not amended, when the war is over and normal conditions again prevail there will continue to be a fair amount of revenue raised; but if you adopt either the Senate amendment or the House bill, after the war in Europe is over the provisions of this bill will cut off importations from abroad and, in my judgment, will destroy all of the revenue that can be raised. In other words, these sections have been written on a basis where they will entirely prohibit importations. That being the case, I do not think those who believe in the fundamental principle of the Democratic Party that taxation should be levied for revenue and not for protection, can afford to vote for this schedule.

I desire the RECORD to show what is the present law and what were the taxes levied under the so-called Aldrich-Payne law of 1909. Some of the raw materials were taxed under the present law and under the Aldrich-Payne law. Under this schedule all of those items have been placed on the free list. I have no serious objection to that. It is true there is a small loss of revenue, but only a small loss of revenue, as the main revenues derived by the Government came from the tax on the finished product. As to the intermediates, there were more of the intermediates on the free list under the Aldrich-Payne law than there are under the present law. The present law put a small tax on the intermediates for the purpose of raising revenue, in no instance higher than 15 per cent. As to the finished product, there was no change in the case of coal-tar dyes between the Aldrich-Payne law and the present law, and the Aldrich-Payne law reenacted the Dingley bill, so that so far as this schedule is concerned in reference to finished products, the present law has been on the statute books since the Dingley law was enacted in 1897, a period of nearly 20 years.

In order that the RECORD may show the existing facts I send to the desk a statement showing the tax under the Aldrich-Payne law on all these items and the tax under the present Democratic tariff law on all of these items, which I will not detain the Senate to read, but ask to have printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER (Mr. SHAFROTH in the chair). Without objection, the request will be granted.

The matter referred to is as follows:

Comparative statement showing tax on chemicals and dyestuffs under Underwood-Simmons law and Payne-Aldrich law.

Items.	Underwood-Simmons law, tariff of 1913.		Payne-Aldrich law, tariff of 1909.	
	Paragraph.	Rate of duty.	Paragraph.	Rate of duty.
GROUP I.				
Acenaphthene	[1] 21	15 per cent	[1] 15	20 per cent.
Anthracene having a purity less than 25 per cent.	452	Free	[1] 15	Do.
Benzol	22	5 per cent	536	Free.
Carbazole having a purity less than 25 per cent.	[1] 21	15 per cent	[1] 15	20 per cent.
Cresol	452	Free	536	Free.
Cumene	[1] 21	15 per cent	[1] 15	20 per cent.
Fluorine	[1] 21	do	[1] 15	Do.
Metacresol having a purity less than 90 per cent	[1] 452	Free	536	Free.
Methylanthracene	[1] 21	15 per cent	[1] 15	20 per cent.
Methylnaphthalene	[1] 21	do	[1] 15	Do.
Naphthalene having a solidifying point below 79° C.	452	Free	536	Free.
Orthocresol having a purity less than 90 per cent.	[1] 452	do	536	Do.
Paracresol having a purity less than 90 per cent.	[1] 452	do	536	Do.
Pyridine	[1] 21	15 per cent	[1] 15	20 per cent.
Quinoline	[1] 21	do	[1] 15	Do.
Toluene	22	5 per cent	536	Free.
Xylene	22	do	536	Do.
Crude coal tar	452	Free	536	Do.
Pitch of coal tar	452	do	536	Do.
Dead or creosote oil	452	do	536	Do.
Anthracene oil	452	do	[1] 15	20 per cent.
Distillates containing less than 5 per cent tar acids (as creosote or anthracene oil	452	do	[2] 536 [3] 15	Free. 20 per cent.
GROUP II.				
Amidonaphthol	[1] 21	15 per cent	[1] 15	20 per cent.
Amidophenol	[1] 21	do	[1] 15	Do.
Amidosalicylic acid	23	10 per cent	536	Free.
Aniline oil	23	do	639	Do.
Aniline salt	23	do	491	Do.
Anthracene having a purity of 25 per cent or more.	452	Free	[1] 15	20 per cent.
Anthraquinone	[1] 21	15 per cent	[1] 15	Do.
Benzaldehyde	23	10 per cent	536	Free.
Benzalchloride	23	do	536	Do.
Benzidine	23	do	536	Do.
Benzoic acid	[1] 1	15 per cent	482	Do.
Carbazole having a purity of 25 per cent or more.	[1] 21	do	[1] 15	20 per cent.
Chlorophthalic acid	[1] 1	do	[1] 1	25 per cent.
Cumidine	23	10 per cent	536	Free.
Dianisidine	23	do	536	Do.
Dimethylaniline	23	do	536	Do.
Dinitrobenzene	23	do	536	Do.
Dinitrotoluene	23	do	536	Do.
Dinitrochlorobenzene	23	do	536	Do.
Dinitronaphthalene	[1] 21	15 per cent	[1] 15	20 per cent.
Dioxynaphthalene	[1] 21	do	[1] 15	Do.
Methylanthraquinone	[1] 21	do	[1] 15	Do.
Metanilic acid	23	10 per cent	536	Free.
Diphenylamine	23	do	536	Do.
Metacresol having a purity of 90 per cent or more.	[1] 452	Free	536	Do.
Naphthalene having a solidifying point of 79° C. or above.	452	do	536	Do.
Nitrobenzine	23	10 per cent	536	Do.
Nitrotoluene	23	do	536	Do.
Nitronaphthalene	[1] 21	15 per cent	[1] 15	20 per cent.
Nitraniline	23	10 per cent	536	Free.
Nitrophenylenediamine	[1] 21	15 per cent	[1] 15	20 per cent.
Nitrotoluylenediamine	[1] 21	do	[1] 15	Do.
Naphthylamine	23	10 per cent	536	Free.
Naphthol	22	5 per cent	536	Do.
Naphthylenediamine	[1] 21	15 per cent	[1] 15	20 per cent.
Orthocresol having a purity of 90 per cent or more.	[1] 452	Free	[1] 536	Free.
Paracresol having a purity of 90 per cent or more.	[1] 452	do	[1] 536	Do.
Phenol	452	do	[1] 536	Do.
Phthalic acid	387	do	482	Do.
Phthalic anhydride	[1] 387	do	[1] 482	Do.

[1] Not specially provided for. [2] As creosote oil. [3] As coal tar preparation.

Comparative statement showing tax on chemicals and dyestuffs under Underwood-Simmons law and Payne-Aldrich law.—Continued.

Items	Underwood-Simmons law, tariff of 1913.		Payne-Aldrich law, tariff of 1909.	
	Paragraph.	Rate of duty.	Paragraph.	Rate of duty.
GROUP B—continued.				
Phenylene diamine	1 21	15 per cent	1 15	20 per cent.
Phenylnaphthylamine	1 21	do	1 15	Do.
Resorcin	22	5 per cent	536	Free.
Salicylic acid	1	2½ cents per pound.	1	5 cents per pound.
Sulphanilin acid	1 1	15 per cent	1	25 per cent.
Toluidine	23	10 per cent	536	Free.
Toluine	23	do	536	Do.
Toluylenediamine	1 21	15 per cent	1 15	20 per cent.
Xylidine	23	10 per cent	536	Free.
Distillates containing 5 per cent or more tar acid as carbolic acid	387	Free	482	Do.
Sulphoacid or sulphoacid salt	23	10 per cent	535	Do.
	1 21	15 per cent	1 15	20 per cent.
GROUP III.				
Colors and dyes	1 20	30 per cent	1 15	30 per cent.
Colors and dyes obtained from alizarin and antharene	394	Free	487	Free.
Colors and dyes obtained from carbazol	394	Free	1 15	30 per cent.
Colors and dyes obtained from indigo	514	do	1 15	Do.
Stains	63	15 per cent	56	Do.
Color acids	1 21	do	1 15	20 per cent.
Color bases	1 21	do	1 15	Do.
Color lakes	63	20 per cent	56	30 per cent.
Explosives	501	Free	435	2 or 4 cents per pound.
Photographic chemicals	17	2½ per cent	1 15	20 per cent.
	23	10 per cent		
Medicinals	17	25 per cent	65	25 per cent.
	18	do		
Flavors	49	20 per cent	1 15	20 per cent.
Synthetic phenolic resin	1 385	15 per cent	1 480	Do.
Natural alizarin	394	Free	487	Free.
Natural indigo	514	do	592	Do.
			25	¼ cent or 10 cents per pound.
Colors and dyes obtained from natural alizarin	394	do	487	Free.
Colors and dyes obtained from natural indigo	514	do	15	30 per cent.
Stains obtained from natural alizarin	63	15 per cent	56	Do.
Stains obtained from natural indigo	63	do	56	Do.

1 Not specially provided for.

Mr. UNDERWOOD. Mr. President, this is no new problem that confronts the Congress of the United States. As far back as the tariff enactment of 1883 the question of putting a high protective duty on dyestuffs was considered. At one time a Republican Congress did enact a high tariff duty in reference to these matters, but it remained on the statute books only a comparatively short time, and a Republican Congress itself repealed the prohibitive tariff rates that it had enacted and wrote in their place tariff duties that produced a reasonable amount of revenue. When the Committee on Ways and Means met to consider the revision of the tariff in 1909, gentlemen interested in the manufacture of dyestuffs in this country came before the committee and asked for an increase of their rates, though not an increase that was comparable with the increases written in this bill. A comparatively small increase of rates was asked for at that time, and yet a Republican committee and a Republican administration refused to increase these rates on dyestuffs in a bill that was being enacted, and wrote the highest tariff schedules that have ever been written on the statute books in this country. Again, when it fell to the lot of the Democratic Party to administer the customs laws of this country, these same gentlemen interested in the manufacture of dyestuffs came before the Ways and Means Committee. Did they ask for a raise? No. They stated that if we left the rates of the Aldrich-Payne tariff bill unamended they would be satisfied, and we left them. This is one of the paragraphs in the tariff law where a Democratic Congress did not cut the rates. They left the Republican rates of duty, because they found on investigation that they were not prohibitive rates; they were reasonable rates, and they were producing a fair amount of revenue. If my recollection serves me right, the revenue produced from this schedule amounted to between two and three million dollars to the Government of the United States, and that revenue, it is proposed now by a Democratic Congress, to abandon and throw away.

It is true that at that time the manufacturers of dyestuffs stood alone; that the great textile industry of this country was before the Ways and Means Committee demanding and petitioning that the items embraced in this schedule should be put on the free list so that they could get their raw material cheaper. The Democratic committee, not legislating for special interests, but legislating for the interests of the whole Government, declined to accede to their demand to put these items in the dye schedule on the free list, but left on the statute books the rates of the Aldrich-Payne bill as far as the finished product was concerned, and allowed the Government of the United States to derive that additional revenue.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Colorado?

Mr. UNDERWOOD. I do.

Mr. THOMAS. I should like to ask the Senator if it is not true that when the Payne committee was considering the bill which is known as the Payne-Aldrich law, a similar petition, protesting against the putting of duties upon dyestuffs, was made by the users of dyestuffs?

Mr. UNDERWOOD. My recollection is that that statement is correct, although I do not recall it as definitely as I do the other proposition; but I am satisfied that the Senator is correct in his statement. In fact, in looking at the face of the paper that I have in my hand I have convincing proof that the statement of the Senator from Colorado is absolutely true. I find in the hearings held before the Ways and Means Committee on January 14 and 15, 1916, on the subject of establishing the manufacture of dyestuffs in this country, that on page 67 the following petition was inserted at that time. It bears date of Washington, D. C., December 20, 1908, just prior to the enactment of the Aldrich-Payne bill, and reads as follows:

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Your memorialists, cotton manufacturers, consumers of coal-tar dyes for the coloring of various cotton fabrics, the largest consuming industry of coal-tar dyes in this country, respectfully submit:

(1) We desire to protest against any advance in the rates of duty on coal-tar dyes or colors under section 15 of the present tariff on the ground that such advance would (a) increase the cost of manufacturing colored cotton goods in the United States, (b) increase the price to the consumer in the United States, (c) in the case of export trade, an advance in the cost of any of our raw materials adds to our burden and minimizes our opportunity to compete with foreign cotton manufacturers in foreign markets.

The list of signers of this petition is long. It is signed by the leading manufacturers of this country. I will ask leave that the names may be printed instead of my reading them.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The names are as follows:

Amoskeag Manufacturing Co., F. C. Dumaine, treasurer, Manchester, N. H.; Hamilton Manufacturing Co., Franklin D. Williams, assistant treasurer, Lowell, Mass.; Pacific Mills, Edwin F. Greene, treasurer, Lawrence, Mass.; Massachusetts Cotton Mills, Edward Lovering, treasurer, Lowell, Mass.; Merrimack Manufacturing Co., Herbert Lyman, treasurer, Lowell, Mass.; Cocheco Manufacturing Co., H. De F. Lockwood, treasurer, Dover, N. H.; American Printing Co., B. H. Borden, treasurer, Fall River, Mass.; the United States Finishing Co., J. H. Wright, president, New York; the Apponaug Co., J. H. Wright, president, Apponaug, R. I.; Garner & Co., Oscar Hutley, vice president, Pleasant Valley, N. Y.; Passaic Print Works, Edward E. Poor, treasurer, Passaic, N. J.; Arnold Print Works, W. A. Gallup, treasurer, North Adams, Mass.; Windsor Print Works, D. A. Russell, general manager, North Adams, Mass.; Renfrew Manufacturing Co., Ira S. Ball, assistant treasurer, Adams, Mass.; Queen Dyeing Co., R. J. Horton, treasurer, Providence, R. I.; S. H. Greene & Sons Corporation, Francis W. Greene, treasurer, Riverpoint, R. I.; the Aspinook Co., L. Johnson, treasurer, Jewett City, Conn.

Mr. UNDERWOOD. Here are the leading manufacturers of this country. The men that ought to know, the men whose business it is to know, came before the Payne committee of the House of Representatives and stated that if you should increase the tax on these dyestuffs the result would be as follows:

First. To increase the cost of manufacturing colored cotton goods in the United States. Does a Democratic Congress desire to increase the cost of manufacturing colored cotton goods in the United States? Not if it intends to live up to the principles of the Democratic Party.

Second. To increase the price to the consumer in the United States. That is what these great manufacturers told the Payne committee in 1908, that if you made an increase—not this enormous increase, but even a moderate increase—it would increase the price of cotton goods to the consumers of the United States. Do my colleagues on this side of the Chamber desire to take the position that it is the duty of the Democratic Party to increase the cost of cotton goods to the consumers of America?

Third. It is stated that "in the case of export trade an advance in cost of any of our raw materials adds to our burden and minimizes our opportunity to compete with foreign cotton manufacturers in foreign markets."

Necessarily so. The great cotton-producing countries of the world have had dyestuffs free. Germany manufactured them

in her own market, and necessarily did not pay a tariff duty to secure them. England, the great manufacturer of cotton goods of the world, admitted them free of duty and did not burden her industries with taxation. We are attempting to enact legislation to-day to extend our foreign trade and build up our foreign markets. These men who are in the business have told you that this enactment of increased duties would be a burden on the development of their markets. They have said that it would result in narrowing the opportunity of the American textile manufacturer to seek markets for his surplus production beyond the sea. Is it in accord with Democratic policies to enact a tariff duty that will tie the hands of our manufacturers and prevent our opportunity for increasing our export trade?

Of course, I recognize the fact that it is said that it is necessary to do this to meet an emergency. This war in Europe has been on for two years. The cotton mills of this country have not shut down. They have not ceased their work. The industry not only has not shut down, but it has developed. It has manufactured more goods during this war than it did before the war. It has found larger markets in which to dispose of its goods since the war than before the war. As a matter of fact, the bill itself recognizes that this enormous tax is not being put on dyestuffs to meet war conditions, because there is a provision in the bill which reads as follows:

SEC. 86. That until the termination of the present European war, or until the conditions of importations of the articles therein specified shall have been substantially restored, which shall be evidenced by the proclamation of the President of the United States to that effect, the provisions of Title V of this act shall not take effect or become operative.

Title V is the dyestuffs title.

So, under the very terms of the law that you are asked to enact it is not to take effect until after this war is over. Of course, I understand that the special interests that are seeking legislation at the hands of Congress know that during the existence of this war there will be comparatively a small amount of dyestuffs introduced into this country from abroad, and they only desire and wish the provisions of the bill in regard to this tax to take effect after the war is over. In other words, the war will protect them during its existence, and they are asking the Congress of the United States to write a tariff law that will protect them at the conclusion of the war.

At the conclusion of the war we can go back to our normal markets to get dyestuffs. We will receive our dyestuffs from our normal markets, and we will not need a protective tariff to build up the industry. During the war, when we can not get them, we are not going to be protected by a protective tariff. So the only conclusion you can reach in reference to this legislation is that it is intended to write on the statute books a law that will protect a special industry after the war in Europe is over; in other words, a direct surrender to the principle of a protective tariff.

I know it will be said that by writing the bill in this form you will encourage the building-up of this industry to-day, and get the benefit of it to-day as well as after the war is over. That is not necessary. The industry is building itself up without this legislation. It has been building itself up with enormous profits ever since this war began.

I want to call to your attention the statement of Mr. Schoellkopf, who is the president of the Schoellkopf Aniline and Chemical Works of New York State. You will find his testimony commencing on page 168 of the hearings before the Ways and Means Committee. You will find that he states that prior to the war in Europe his industry was manufacturing 3,000,000 pounds of dyestuffs in this country; that at the time he appeared before the committee, last January, he had increased his production of dyestuffs to 14,000,000 pounds, an increase from 3,000,000 pounds a year to 14,000,000 pounds in two years. The whole testimony as to the facts in reference to this case shows that large industries, with a great amount of capital, have gone into this business, and are already in operation and making dyestuffs for the American people to-day, and are probably making such profits that they will pay for their new plants before this war in Europe is over.

What are we asked to do now? It is not to relieve the market of to-day. That market is being relieved hourly. This enormous increase of production is relieving it. The submarine ships coming from Germany, in a partial way, are relieving it, all of which has happened since the discussion of this question was first taken up. It is not a question of building up an American industry for relief of conditions to-day. You are asked to enact this bill to protect the business of an industry after this war is over; to put enormous taxes on the American people after this war is over that no conditions of to-day or to-morrow or next year will justify. They do not justify it to the Republican Members of Congress.

How can you go to your constituencies and say that, although you denied a prohibitive tariff to this industry when you wrote the tariff act of 1897, and although you denied the same thing to them again when you wrote the tariff act of 1909, you will accept this bill to write a prohibitive tax for these industries for the future? Why, the industry itself does not need these taxes. On pages 192 and 193 you will find a statement by Mr. Schoellkopf, the largest manufacturer of coal-tar dyes at that time in the United States, as to the cost of carrying on this industry in the United States and in Germany, the principal competitor in the world's market.

He stated that the labor cost in the United States to produce 3,000,000 pounds of coal-tar dyes amounted to $116,223 and in Germany to $61,493. He gave the total cost of production in the United States at $692,197 and in Germany at $480,299. Comparing those figures, you will see that the labor cost in the United States, according to Mr. Schoellkopf, in his own factory amounted to 16½ per cent of the cost of production, and that in Germany the labor cost amounted to 12.7 per cent of the total cost of production. The total difference in the labor cost of producing 3,000,000 pounds of coal-tar dyes between this country and Germany was $55,000, which is equalized by a 12 per cent tax on the German cost of production; not on our cost of production, but a 12 per cent tax on the German cost of production.

It is also shown by this testimony that the difference in labor cost—the actual labor wage—in Germany as compared with this country is about one-half—48 per cent—of the American cost.

It is said that you can not carry on this industry in America because of this difference in labor cost, which, according to the figures given by Mr. Schoellkopf himself, a 12 per cent tax on the German imports would equalize.

Under those circumstances let us see what is the amount of tax that these amendments place in the bill. Mark you, under the present law and under the Payne law on the finished product the tax was 30 per cent ad valorem on all importations. The committee has changed it as to the intermediates by changing the tax to 30 per cent and 2½ cents a pound and on the finished product the tax will be 30 per cent ad valorem and 5 cents a pound. You can readily see that on a dyestuff that is of great value a specific duty of 2½ cents a pound or 5 cents a pound will not largely increase the percentage of the tax. There are few dyestuffs, I understand, that will sell for as high as $3 a pound. Add 5 cents to that and it is a very small increase, but that is the dyestuff of the very, very rich. When you come to the dyestuffs of the poor, the dyestuffs of the clothes that the plain people must wear, those dyestuffs sell from 4 cents a pound to 12 cents a pound, and when you put 5 cents a pound duty on a dyestuff that is selling for 4 cents a pound, that alone puts a tax of over 100 per cent. Then add 30 per cent ad valorem and you have it up to 140 per cent tax that you are going to put on the cost of making the clothing for the plain people of America.

I will insert this table in the RECORD, but I will not delay the Senate by reading it all at this time.

I just want to point out a few of the increases in the bill.

Synthetic indigo: The price per pound is 12.7 cents, and in the future if you levy this tax you levy a tax that will amount to 70 per cent ad valorem.

Alizarin: The price per pound is 12 cents, and under the terms of the bill you raise the tax to 70 per cent ad valorem.

Rhodamine B: The cost is 11.9 cents a pound, and under the bill you raise the tax to 72 per cent ad valorem.

Benzo-purpurin: The cost is 11 cents a pound, and you raise the tax to 78 per cent ad valorem.

Direct yellow: The cost is 9½ cents a pound, and you raise the tax to 83 per cent ad valorem.

Direct black: These are common colors. Price, 14.6 cents a pound, and you raise the tax to 64 per cent ad valorem.

Acid black: The cost is 10.8 cents a pound, and you raise the tax to 76 per cent ad valorem.

Malachite green: The cost is 9 cents a pound, and you raise the tax to 85 per cent ad valorem.

Poncean: The cost is 9.9 cents per pound, and you raise the tax to 81 per cent ad valorem.

Here are some cheap colors in common use for common goods. But listen to this:

Victoria scarlet: The cost is 4.6 per pound, and you raise the tax to 138 per cent ad valorem.

Fast red: The cost is 4.3 per pound, and you raise the tax to 146 per cent ad valorem.

I might go on, but I will not take the time of the Senate further. I merely ask that these tables be printed in the RECORD.

The PRESIDING OFFICER. Without objection, the request will be granted.

The tables referred to are as follows:

TABLE I.—*Free list, coal-tar crudes.*

Articles.	Imports, fiscal year 1913–14.		Current price per pound, 1913–14.
	Pounds.	Value.	
Benzene[1] (benzol)	[2] 131,211	$4,247	$0.0324
Toluene[1] (toluol)	[2] 199,088	7,892	.0397
Xylenes[1] (xylols)			
Cumenes (cumols)			
Naphthalene[3] (naphthalin)	[2] 571,395	10,315	.018
Methylnaphthalene			
Acenaphthene			
Fluorene			
Phenanthrene			
Anthracene		[4] 32,175	.013
Methylanthracene			
Phenol[3] (carbolic acid)	8,393,216	531,535	.063
Cresols[3] (cresylic acids)			
Pyridine			
Quinolene			
Carbazole[5]			

[1] Benzene, toluene, and xylenes, with naphthol and resorcin, 9 months, value, $138,036.
[2] At the port of New York.
[3] Naphthalene, phenol, and cresol together, 9 months, value, $195,713.
[4] Includes anthracene oil.
[5] Cresote oil containing chiefly naphthalene, phenol, and cresol, but also most of the above, except the first four, for the year, value, $3,822,919; amount, 59,271,677 gallons.

TABLE II.—*Leading secondary products.*

MANUFACTURED FROM COAL-TAR "CRUDES" NOT COLORS OR DYES, KNOWN AS "INTERMEDIATES."

Articles.	Imports, fiscal year 1913–14.		Price per pound, 1913–14.	Ad valorem rate at 15 per cent ad valorem and surtax of 2½ cents per pound.
	Amount.	Value.		
	Pounds.			*Per cent.*
Aniline oil	1,444,772	$166,628	$0.0808	46.00
Aniline salts	3,083,467	222,728	.0722	49.62
Phthalic acid	43,574	15,597	.245	26.02
Salicylic acid	18,821	4,425	.235	25.64
Dinitrobenzene	1,023,043	52,509	.0513	63.73
Dinitrotoluol	547,701	36,660	.0677	52.00
Paranitraniline	506,931	67,038	.1334	33.74
a and b naphthols	976,237	84,657	.0868	43.78
a and b naphthylamines	76,269	11,184	.1466	32.05
Toluidine	211,808	23,177	.1094	36.94
Metatoluylediamine	73,440	14,019	.1909	28.09

NOTE.—The figures for the first five articles cover all imports; those for the remainder cover imports at the port of New York, practically most of the country's imports.

TABLE III.—*Leading dyestuffs, explosives, medicinals, perfumes, flavors, photographic chemicals, etc., manufactured from coal tar or its secondary derivatives, imported into the United States, fiscal year 1913–1914.*

Articles.	Price per pound, 1913–14.	Ad valorem rate of 30 per cent ad valorem and surtax of 5 cents per pound.	Imports, fiscal year 1913–14.	
			Pounds.	Value.
DYESTUFFS.		*Per cent.*		
Phenolphthalein	$1.00	35	14,076	$14,080
Synthetic indigo, paste	.127	70	7,924,213	1,015,176
Alizarin, paste	.12	71	2,400,000	288,000
Sulphur, black	.114	74	3,709,000	421,000
Sulphur, blue	.18	55		
Sulphur, brown	.24	50		
Sulphur, yellow	.207	54		
Sulphur, green	.212	53		
Rhodamine B	.119	72		
Rhodamine 6 G	1.19	34		
Benzopurpurine	.11	78		
Direct yellow	.095	83		
Direct orange	.198	52		
Direct brown	.172	58		
Direct black	.146	64		
Acid violet	.235	51		
Acid black	.108	76		
Methylene blue	.336	45		
Methylene violet	.343	44		
Magenta	.292	47		
Auramine	.292	47		
Malachite green	.09	85		
Tartrazine	.176	58		
Poncean	.099	81		
Victoria scarlet	.046	138		
Fast red	.043	146		
Crocean scarlet	.203	55		
Azo yellow	.27	49		

TABLE III.—*Leading dyestuffs, explosives, medicinals, perfumes, flavors, photographic chemicals, etc.*—Continued.

Articles.	Price per pound, 1913–14.	Ad valorem rate of 30 per cent ad valorem and surtax of 5 cents per pound.	Imports, fiscal year 1913–14.	
			Pounds.	Value.
DYESTUFFS—continued.		*Per cent.*		
Triazol blue	$0.14	64		
Fast yellow	.194	56		
Quinoline yellow	.149	64		
Chrysoidine	.167	60		
Chrysophenine	.135	67		
Orange IV	.167	60		
Brilliant green	.082	91		
Diamine green	.144	65		
Alizarin claret	.118	64		
Roceline	.123	70		
Methyl violet	.219	53		
Fast acid violet	.243	50		
Induline	.13	68		
Alkali blue	.091	37		
Patent blue	.103	80		
Victoria blue	.205	51		
Diamine catechine	.214	53		
EXPLOSIVES.				
Picric acid	.50	40		
MEDICINALS.				
Antipyrin	1.51	33	7,686	$11,608
Aspirin	.52	40	22,841	11,873
Phenacetine	.72	37		
Phenazone	1.53	33		
Salol	.52	40		
Antifebrin	.21	54		
Acetphenetidin	.80	36		
FLAVORS, ETC.				
Saccharin	3.75	31	8	30
PHOTOGRAPHIC CHEMICALS.				
Hydroquinone	.60	38		

NOTE.—Fairly large consumption and imports of all the dyes listed above.

Mr. UNDERWOOD. Some of the gentlemen on the other side of the House who hold allegiance to the Republican Party believe firmly in the principle of protection. They believe they have a right to levy taxes in the interest of a special industry to build it up, and build it up regardless of the cost to the American people, but there are men on the other side of the Chamber who, although not agreeing with us in our principle that taxes should be levied for the sake of raising revenue for the Government, yet believe that only a reasonable protection should be levied.

According to Mr. Schoellkopf's own statement, and it is in the RECORD—go work it out for yourself—you will find that 12 per cent levied at the customhouse on the German product will equalize the difference in labor cost at home and abroad, and you are asked to come here to-day and by your vote put a tax on the American people and the American industry in many cases ranging from 80 to 140 per cent.

The people of the United States repudiated the Republican Party in 1910 and sent to the Congress of the United States a Democratic House of Representatives, and you know why. You gentlemen on the Republican side of the Chamber know why. You promised them in 1908 a revision of the taxes downward. You did not proclaim yourselves for a tariff for revenue only. You did not say that you would abandon your principle of standing for protection to American industries, but you promised them you would write your schedules downward and cut out some of the prohibitive taxes that were found in the Dingley law. What did you do? When you wrote the law you wrote it upward instead of downward. You increased the rate on the necessities of the American people instead of lessening them.

Have you forgotten the lesson that was taught you? If you have, if nobody else cares to remind the American people of that lesson, I propose to do it.

Now, you are asked by your vote to pass these schedules increasing the rates on the finished product that you had under the Payne law from 30 per cent ad valorem to rates ranging as high as 80 and 140 per cent. Do you think you can justify that position before the American constituencies even if you do believe in protection?

I am not addressing myself to my colleagues on this side of the Chamber, because I feel that when my Democratic col-

leagues support a schedule of this kind they have simply burned their bridges behind them so far as the schedule is concerned, and have gone horse, foot, and dragoons over to the protective tariff camp of the enemy. I do not believe that they are writing this schedule as a fixed principle of the Democratic Party, but they are yielding to what they believe are conditions. My objection to their position is that any party that surrenders its fundamental principles to conditions of the hour is courting defeat.

Now, what is going to be the effect if you put this act on the statute books? Are you going to get some revenue? Not a bit. You obtained between two and three million dollars' revenue from the law before the war came on. You will get it when the war is over. You are writing this bill to increase the direct taxes on the American people because you have not enough revenue to run the Government. You are putting stamp taxes on them. You are increasing their income taxes. You are taxing corporations. Yet we find a schedule in the bill where you are deliberately proposing to give away to a special industry between two and three million dollars' worth of taxes. Is that in accord with the purpose of the bill? Is that in accord with the principles either of the Republican Party or the Democratic Party. You will not have any revenue after this bill is passed, from this schedule, when the war in Europe is over.

I invite your attention to the hearings before the House committee, on page 187, in which the chairman of the committee asked Mr. Schoellkopf, the leading manufacturer of dyes, this question:

The CHAIRMAN. If this bill becomes a law, how much larger will you make your plant?

Mr. SCHOELLKOPF. We will proceed at once to double it, as I first stated.

The CHAIRMAN. Then you would make about 28,000,000 pounds?

Mr. SCHOELLKOPF. Yes.

Now, turn to page 199.

Mr. SMITH of Michigan. From what is the Senator reading?

Mr. UNDERWOOD. I am reading from the hearings before the Ways and Means Committee of the House last January on this subject. Now, turn to page 199. Dr. Beckers was a witness on the stand at that time, a producer of coal-tar dyes, and the chairman asked him this question:

The CHAIRMAN. But is it not a fact that if this bill were passed you would quadruple your plant and output?

Dr. BECKERS (continuing). I expect to make ten times as much dyestuffs as now.

The CHAIRMAN. Ten times as much?

Dr. BECKERS. Yes, sir; and instead of making 5 per cent, I expect to make 50 per cent.

The CHAIRMAN. That being so, then you and Mr. Schoellkopf would make the entire consumption—the whole 100 per cent.

Dr. BECKERS. Well, I do not know how much he would make.

The CHAIRMAN. He said he would make 50 per cent if this bill were passed.

Dr. BECKERS. I do not know about that, Mr. Chairman.

The CHAIRMAN. If this bill were passed and became a law, and if you expect to make 50 per cent of the entire consumption, and another large manufacturer expects to make 50 per cent of the entire consumption, are we not justified in being sort of afraid that you two gentlemen would be tempted after the war to get together and have some sort of a gentleman's agreement? Would not you two get together and have a sort of dinner, and make a gentleman's agreement and establish the prices which these textile fellows will have to pay for your products?

Dr. BECKERS. Gentlemen, I tell you——

The CHAIRMAN (interposing). Would you not be tempted to do that?

Dr. BECKERS. Gentlemen, in this connection I would like to state that Mr. Herman A. Metz and others, as far as I know, are very fond of good dinners, and I said to you that I expected I could increase my production ten times what it is now. It is now 5 per cent, and if I increased it ten times it would be 50 per cent of the present entire consumption, but I do not know whether I could make 50 per cent of the entire consumption if this bill were passed, because I feel that as soon as the bill is enacted into law a great many concerns will go into that business, giving our concern strong competition.

There it is.

Mr. STONE. Who was the gentleman who was fond of good dinners?

Mr. UNDERWOOD. Mr. Metz; he is a manufacturer and importer both.

Mr. STONE. Is he one of these concerns over in New York who represent German dyestuffs?

Mr. UNDERWOOD. I am not aware of it. I know he is a large importer.

Mr. STONE. There are two big concerns in New York City that very largely represent the German dyestuff industry.

Mr. UNDERWOOD. I am not informed on that question. I can not advise the Senator; but that is neither here nor there.

Whether two or one hundred people were importing dyestuffs, there was competition, there was revenue, but here is a statement of two men as to two plants in this country who tell the committee broadly that they are prepared, if this bill passes, each of them to make 50 per cent of the American consumption of dyestuffs, and the only reason why they doubt whether they will make 50 per cent is as to whether there will be other competitors in the home market behind the tariff wall that will try to take some of the market away from them.

This testimony is not coming from importers; it is not coming from Democrats with revenue proclivities; it is coming from the industry that desires the protection itself. It is coming from this special interest that desires this protection, and they tell you as plainly as words can convey the information that the enactment of this schedule into law means the enactment of a prohibitive tariff law, not a protective tariff, but a tariff law that will prohibit all importations for the future, and give the American industry the absolute and unchallenged control of the American market.

The gentlemen on the other side of the Chamber have proclaimed to the country that if they were in power they would not put this burden of direct taxation on the people, but would write tariff schedules to raise the necessary revenue. Now, this bill comes before them purposing to raise over $200,000,000, and they know that amount must be raised by taxation in the near future to meet the demands of the Government. Yet, when confronted with this schedule, that will admittedly cut off all competition from abroad with the articles it affects, as an evidence of their good faith to the American people, they are prepared to walk up and vote to reduce the taxes at the customhouse over $2,000,000.

Mr. OWEN. If the Senator will permit me, I recently called attention to the fact that the total labor cost of chemicals is only 7½ per cent. In the matter of the colors of which the Senator is speaking, I wish to ask what the total labor cost was.

Mr. UNDERWOOD. The total labor cost was testified to by Mr. Schoellkopf, and he is the protective witness in the business. According to his figures, the total labor cost was only 16½ per cent of the cost of production in his line of business, but, according to his own figures, a tariff schedule of 12 per cent would equal the difference in labor cost between this country and Germany. Now, this is coming from the record; it is coming from the man who wants the tax levied—from a protectionist. I have no doubt the figures of the Senator from Oklahoma are more nearly correct than these, but I was putting on the stand their own witness.

Mr. OWEN. Then, what justification is there for this high tax?

Mr. UNDERWOOD. None whatever. A 30 per cent tax will take care of the difference of 12 per cent in labor cost.

Mr. HUGHES. They already have a tax?

Mr. UNDERWOOD. You have 30 per cent tax on the finished product.

Mr. HUGHES. In the Payne-Aldrich law?

Mr. UNDERWOOD. In the Payne-Aldrich law and in the present law.

Mr. HUGHES. A tax on some intermediates?

Mr. UNDERWOOD. In some cases both the intermediates and the raw material are on the free list; but even with the tax on intermediates you still have in every case a differential of at least 12 per cent to protect the labor cost.

Mr. OWEN. It seems to me that that would be a prohibitive tax.

Mr. UNDERWOOD. When the difference in labor cost is only 12 per cent and they are levying taxes that amount to from 80 to 140 per cent, it must be absolutely prohibitive. This dyestuff schedule will make Schedule K of the Payne-Aldrich law blush with shame.

Mr. President, I do not desire to take up a great length of time in arguing other points. The Senate committee has increased the tax on synthetic indigo over the House bill. I have a letter here from a gentleman who is engaged in the business of manufacturing the kind of goods of which overalls are made. Instead of reading his letter and his communication to the Committee on Finance on this subject, I send them both to the desk and ask the Secretary to read them into the RECORD.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary read as follows:

THE RALEIGH,
Washington, D. C., August 14, 1916.

Hon. OSCAR W. UNDERWOOD,
United States Senate, Washington, D. C.

MY DEAR SENATOR UNDERWOOD: Referring to our conversation of this morning, I beg to submit figures relative to the proportionate cost of synthetic indigo to the total cost of the production of the fabric which we manufacture, denims.

In the last normal year, 1913, indigo sold for 15 cents per pound, and on this basis represented 7½ per cent of the total cost of the produced fabric. I believe I left with you a sample of cloth which sells for 18 cents per yard, so that in this cloth under normal conditions, with indigo on the free list, there would be 1.35 cents worth of indigo in each yard.

It is proposed to place an ad valorem duty of 30 per cent, or 4½ cents per pound, and a specific duty of 5 cents per pound on indigo, making a total of 9½ cents, which would increase the normal price

to 24½ cents. At this price indigo would constitute 12.25 per cent of the cost of the fabric, or 2.20 cents per yard. You will note that the difference is practically 1 cent per yard, or to be absolutely accurate, 0.95 cents plus.

It takes approximately four yards of cloth to make a pair of overalls, and a like amount to make a shirt or jacket, making due allowance for waste in cutting. On this basis the cost to the laborer who wears these garments would be considerably increased. The initial increase in the cost of manufacture would be 1 cent per yard, or 8 cents for the garments. Before it reaches the wearer it must pass through the cutter, the jobber, and the retail merchant, and with an initial increase of 8 cents, I submit the final increase would be at least between 15 and 20 cents.

To illustrate, if the garments were now costing $1.50, with this additional cost occasioned by the tariff the cost would be between $1.65 and $1.75.

Thanking you for your courtesy in hearing me, I am,

Respectfully,

THOMAS S. BEALL,
Representing the Proximity Manufacturing Co. and White Oak Mills.

Mr. STONE. Will the Senator pardon an interruption?

Mr. UNDERWOOD. I will ask the Senator, first to allow the Secretary to read the other letter, which explains the one just read, and then I shall be glad to yield.

The Secretary read as follows:

To the honorable the COMMITTEE ON FINANCE,
United States Senate, Washington, D. C.

GENTLEMEN: The Proximity and White Oak Mills during the year 1913 (the last normal year) used 1,350,459 pounds of synthetic indigo in the manufacture of a cotton fabric known as denims. This amount was between one-fifth and one-fourth of the total consumption of indigo by the United States. We are, therefore, vitally interested in the revenue act now being considered by your committee and designated "H. R. 16763."

By section 400, Group III, of this act, indigo is taken from the free list, where it has been for more than 30 years, and placed on the dutiable list with an ad valorem duty of 30 per cent.

Indigo is the best and cheapest blue dyestuff for cotton. Of the total imports of indigo in the United States, less than 5 per cent is used for wool, the remaining 95 per cent being used in the production of cotton fabrics used almost entirely for workingmen's garments and certain cheap fabrics used for women's wear. The wearers of these garments subject them to extremely hard use, requiring frequent washing with strong soaps. It is essential, therefore, that a dyestuff be used in producing such fabrics which will withstand this use and give the consumer the greatest value in the use of his garment. Indigo is the only satisfactory dyestuff for this purpose which has been found.

The United States leads the world to-day in the manufacture of cheap colored cotton goods. One of the principal reasons for this is the fact that the dyestuffs entering into such goods have been on the free list and available to the manufacturer in this country on the same basis as they are obtained by manufacturers in other countries, as England and France.

Our contract for indigo contains the following provision:

"The above price is understood to be based upon existing fiscal conditions. If during the currency of this contract a duty should be imposed upon any merchandise above described, or if any existing duty should be increased or diminished, the price shall be correspondingly advanced or reduced from the date the said duty comes into operation. If the amount of duty should be changed, the buyer shall pay or receive in dutiable funds any difference from the present rates. The buyer shall pay any additional duty caused by advance in market value."

This duty, therefore, must fall directly upon the manufacturer or indirectly upon the ultimate consumer—the workingman.

Indigo is not produced commercially in the United States, and so far as we are advised no American manufactured indigo has been sold. Those who ask that the duty be placed on indigo in order to encourage them in the establishment of the industry only promise an output that will take care of but a small part of the consumption of the United States, possibly 10 per cent. In this connection the attention of the committee is called to the fact that the world's production of indigo is consumed largely outside of the United States, the United States using approximately 15 per cent, while China and Japan alone use more than 60 per cent.

We are therefore confronted with this condition: Congress is asked to take indigo from the free list and place a duty of 30 per cent on it when there is no American indigo industry, and even if such industry be established we would be required to pay the duty on 90 per cent of our consumption coming from abroad in order to protect the 10 per cent manufactured in the United States.

On account of the fact that natural and synthetic alizarin, and dyes obtained from alizarin, anthracene, and carbazol; and natural and synthetic indigo and all indigoids, whether or not obtained from indigo, are cheap dyes, they are excepted from the special duty of 5 cents per pound provided in the first paragraph of section 401. The fairness of this exception is seen when it is noted that many of the other dyestuffs sell for from $1 to $5 per pound, and the addition of 5 cents per pound to such articles would be insignificant, but in the case of indigo, which normally sold for 15 cents per pound (in 1913), such specific duty would amount to 33⅓ per cent.

We understand that the purpose of Congress in considering taking indigo and certain other of the cheaper colors from the free list and making them a part of the dutiable list was to encourage the establishment of an industry for their manufacture in the United States. In the event of the failure of the establishment of such industry, the reason for the duty would cease to exist, and we respectfully submit that the second paragraph of section 401 should be amended by adding "and natural and synthetic alizarin, and dyes obtained from alizarin, anthracene, and carbazol; and natural and synthetic indigo and all indigoids, whether or not obtained from indigo, shall be returned to the free list and shall be exempt from duty."

This suggestion is made upon the idea that your committee shall be determined to impose some duty upon indigo.

We have endeavored to give this subject our best consideration, and have reached the conclusion that the taking of indigo from the free list and placing it upon the dutiable list will result in increasing the cost of the production of cotton fabrics used almost entirely by a class of people least able to afford the advance.

We are filing with your committee samples of indigo-dyed fabrics, showing the class of goods in which it is used, and for the reasons heretofore stated we earnestly protest against the enactment of the bill in so far as it affects indigo.

Respectfully,

Mr. STONE. By whom is the letter signed?

Mr. UNDERWOOD. The original paper was signed by the same Mr. Beall who wrote the letter which I have read, and he gave me a copy of the letter.

Mr. STONE. Will the Senator yield to me for a moment?

Mr. UNDERWOOD. I yield.

Mr. STONE. Mr. President, Mr. Beall is the attorney of a large manufacturing establishment in North Carolina, which is headed by Mr. Cohen. He said that his establishment made about 50 per cent of all overalls produced in the United States. He made the same argument before the subcommittee having charge of this particular title of the bill, of which I have the honor to be a member, as that which was made in the last paper read at the desk.

This is what I wish to inject into the Senator's observations: The establishment Mr. Beall represented, as I understood his statements made before the subcommittee, enjoys the privilege of a contract with one of the few large concerns in New York, chiefly representing the German manufacturers of dyes, under the terms of which he and his employers will be protected and their interests will be guarded. I could not escape the belief, after listening to him for a good while—I speak now of Mr. Beall, who spoke most intelligently, and, of course, he is a very intelligent man or he would not have been put forward by so important a concern—that there is such a relationship of interest between the North Carolina establishment and this German agency in New York that he could very well afford to protest against any change in the law, at least as applied to indigo.

Mr. UNDERWOOD. Of course that is not a material question here or there, but I should like to ask the Senator a question. Does he deny the statement which this man makes, that if you put this tax in this bill on natural and synthetic indigo, it will be a tax of 63 per cent?

Mr. STONE. The antewar price of indigo, as I have said, was about 15 cents per pound, and at the time he was speaking to us, as I recall, it was about 70 cents per pound.

Mr. UNDERWOOD. I am talking about normal conditions, of course.

Mr. STONE. Mr. President, I have not any kind of doubt that, if this tax is placed upon this particular form of dyestuffs, it will to some extent increase their cost. I do not know that, but I am speaking as a matter of impression; but whether it does or not, for the purposes of this bill, I favor it. Whether or not the tax would be exactly 63 per cent, I am not at the moment prepared to say. I went into that when we were discussing the matter; and it is within the records; but I have not them before me. I will take the Senator's word for it.

Mr. UNDERWOOD. Of course nobody can tell what the price of dyestuffs is to-day. My statement was based on normal conditions. If the German dyestuffs are allowed to come in after this war under the conditions which they come in to-day—not immediately after the war—but, in all probability, with the increased competition at home and the same competition from abroad, we can fairly expect that the prices would be about the same as they were before the war came on.

There is no denial of Mr. Beall's statement of facts, that, under normal conditions, if you put this tax on natural and synthetic indigo, you are going to levy upon it a tax of 63 per cent. There will be no denial of his statement of facts that, if you put that tax on these goods, you are going to increase the cost of a pair of overalls to every workman in this country.

The factory cost of production is 8 cents; which, when it is handed down to the workman, means 15 to 25 cents for each pair of overalls. There is no denying that. Are you prepared to say that you are going to make the American people pay that enormous tribute to one industry, when, as a matter of fact, the only witness who was called before the committee in behalf of this increase, stated that even the tax provided in this bill was not high enough to suit him, and that he would not go into the business unless we raised it still higher? So, if his statement is correct, you will have raised the tax to 63 per cent, and yet not get your industry, because you have none to-day. This tax on natural and synthetic indigo is not to protect an industry in existence in America; it is not here; but you are putting it on the American people to invite some special interests to come in here and build up an industry.

Mr. SMITH of Michigan. That is not good Democratic doctrine, however.

Mr. UNDERWOOD. It surely is not.

Mr. SMITH of Michigan. I was very much surprised when I heard the Senator from Missouri [Mr. STONE] making the statement he did.

Mr. UNDERWOOD. I was equally surprised, I can assure the Senator from Michigan.

Mr. SMITH of Michigan. I have been in public life with that Senator for about 20 years, but I never before knew that he would use the instrumentalities of the Government and its taxing power for the sake of stimulating production.

Mr. UNDERWOOD. I am not only surprised at my Democratic friends on the committee, but I shall be surprised if the Democratic side of the Chamber is willing to adopt this schedule, and if even the progressive Senators in the Republican Party are willing to vote for it, because you are trying to cut off revenue in order to establish a prohibitive tax that has not been rivaled by any schedule in a tariff bill except the noted and condemned Schedule K of the Payne-Aldrich tariff bill.

This industry amounts to only twelve or fifteen million dollars a year out of the great productive industries of this country turning out $20,000,000,000 worth of products a year. It is a mere drop in the bucket. If you will look at it merely from the dollars and cents standpoint of one industry, it amounts to very little; but it is the principle involved. Where is the legislative branch of this Government marching to? Is it maintaining the principle that we fought for in the tariff bill of two years ago, or are we going backward, and going to adopt the principles of the Payne-Aldrich tariff bill? Why should we abandon our principles? What is the occasion of our abandoning our principles?

I compared some days ago, in a speech before the Senate, the amount of imports with the American production for the months that the present law was on the statute books prior to the breaking out of the European war, and conclusively showed that the great industries of this country were not being threatened by a deluge of importations from abroad. The same thing is true to-day.

I want to call your attention to the free and dutiable imports during the fiscal years ending June 30, 1913, and June 30, 1916. Importations of crude materials for use in manufacturing increased from 1913, the last year of the Republican tariff, to the present year, $319,000,000. That represents the total importations of crude materials for use in manufacturing. Did not that enable our manufacturers better to build up their business? It was not a tax on the American people to bring those importations in, but they served to uplift American industry and manufacture. The importation of foodstuffs increased $40,000,000 in that time, that is, foodstuffs in crude conditions. Manufactures of foodstuffs increased $115,000,000. Is there anybody objecting in these times to giving the American people an opportunity to get cheaper food abroad, when the prices of food are soaring higher and higher every day? Those are the principal importations.

But it is said we must protect the manufacturers of this country. Listen to this: Importations of manufactures for further use in manufacturing have increased only $10,000,000, and manufactures ready for consumption have only increased $95,000,000, making a total increase of manufactures of only $110,000,000, out of billions of dollars of production. The importations under the head of "miscellaneous" at the customhouse increased to a little over $3,000,000, making a total increase of all kinds of only $384,000,000, less than the normal increase from year to year under Republican tariff schedules.

Mr. President, I want to ask my Democratic colleagues why should we do this thing? Why should we abandon our principles, reverse the engine, and start backward? You may tell me that the present law was not written on scientific principles. No; it was not written on scientific Republican protective principles, and was not intended to be so written.

The present tariff law taxes some raw materials; it taxes some finished products; it taxes some intermediate products; and one item is not adjusted with reference to others all the way through. Why? Because it was not intended in the present tariff law, as it was not attempted by the Republicans in their tariff acts, to build up under the Republican principle of protection, the dyestuff industry. This tariff provision of the pending bill is written on scientific principles. Mr. Aldrich, Mr. Dingley, and Mr. Payne, with all their ability to take care of the manufacturing interests of this country, never exercised greater ability and ingenuity in writing a tariff schedule according to the scientific principles of Republican protectionism than has been exhibited in the preparation of this schedule. What has been done? The schedule has been written for a special interest, for the special interest that is asking for it.

How is the result to be accomplished? In the first place, there has been incorporated in this bill that abomination of taxation, a compound duty. Why is that an abomination of taxation? Because under a compound duty the high tax is always placed on what the poor have to buy, and the small tax on what the rich have to buy. An ad valorem duty may be justified in this instance, because that always appears to be a very good Democratic tax. Even the Democratic Party could sometimes justify a specific duty to be placed on some item to prevent smuggling, as, for instance, a duty of so many cents a pound on sugar; but when the duty is compounded by saying that it shall be 30 per cent ad valorem and 5 cents a pound—an ad valorem and a specific duty added together, it is apparent that if the value of the product is very high the specific duty does not increase the ad valorem rate very much; but if the price of the product is very low the specific duty falls with a great burden on it.

Just as I pointed out here, the cheap dyes in this schedule, employed in manufacturing the goods used by the poor people, carry a tax of from 80 to 140 per cent; but when we reach the class of dyestuffs bought by the very rich, the amount of the tax is only increased 2 or 3 per cent. That is a scientific adjustment of duty from a Republican protection point of view. In this instance the schedule has been made thoroughly scientific. It gives the manufacturer free raw material by taking all taxes off. The people do not get the benefit of that; only a special interest gets the benefit of that free raw material. Then, there is placed an increased duty on the intermediate product that is partially manufactured, and then the specific duty is doubled on the finished product. It is thoroughly scientific from a protection standpoint; but whoever heard of the Democratic Party writing a thoroughly scientific protective tariff bill? That party writes tax laws for revenue purposes. There may sometimes result an incidental protection; but surely when for more than 30 years the Republican Party did not see it necessary to increase the taxes in this schedule or write a scientific protective tariff provision affecting the dye industry, why, after this length of time, should we take it up, when we actually need revenue, when we are badly in need of revenue to support this Government? Under this bill we will cut off between two and three million dollars of revenue when the war is over.

In closing I merely wish to say a few words to the other side of the Senate. You have always recognized that you could not put high protective duties on everything, because you could not get revenue if you did, and you had to have revenue. So you have exercised your privilege of playing favorites, giving one man the benefit of protection and denying it to another man. Our side of the Chamber has always contended that when taxes were levied they should be broadened out as much as possible. I do not say that we have always been able to do that, but we have moved in that direction and not against it. We have broadened them out so that the revenue features might be magnified and the protective features minimized.

Now, I desire to ask my Republican friends a question. Here is a schedule that has produced considerable revenue in proportion to the magnitude of the industry. Are we going to do the fair thing? Are we going to pursue this policy in the future? If you gentlemen on the other side of the Chamber return to power, are you going to pursue the policy of writing prohibitive tariffs on the statute books because you fear the competition that may arise after the war is over? What will result? You will not get the revenue from the customhouse you have been telling the people of the United States you would get when you do that; but you will destroy all vestige of foreign trade that we may possibly build up. That will be far more true than before the European war. We owed debts in Europe then and had to pay the interest. They had gold in Europe then to pay the debts they owed us. We have largely paid our debts to Europe, and we have accumulated the surplus gold of the world. We can not send our goods abroad without getting pay for them, and I should like to know how they are going to pay when the war is over if we do not let them ship some goods into America. If you are going to adopt the policy of raising a Chinese wall of tariff exclusion on all schedules, how do you expect to get paid for what you are shipping abroad now?

Here is a fair example: We had a fairly good export trade with Germany before the war began. We hope to reestablish it when the war is over. One of the things with which Germany could pay us for our exported goods was dyestuffs. You are in this way not going to protect an industry that existed before the war. That industry was running in its way, and had been running for many years, not largely controlling the market, but it was not being destroyed, with a 30 per cent tax; but

you are seeking by this bill to go out and build up an industry so that nothing can come in. Therefore you close the gate to that amount of export trade.

Just think what you are doing in the case of synthetic indigo. No American industry has been established in synthetic and natural indigo up to this hour. You want to establish it. You are going out deliberately and imposing a tax of 63 per cent here to build it up; and what will be the result? You are going to destroy the opportunity of somebody else to pay for what you are already making at home by bringing in this indigo. Is that sound finance? Is it sound business? Are you not tearing down established industries in America, the ones that are already established and in the field, so far as their developing their foreign trade is concerned, when you say that you are going to build up industries all along the line in this country, so that even the few imports that can come in here now and pay for your export goods can not come in in the future?

Why, Mr. President, it is a false theory; it is a misconception of the building up of American industry; and, in my judgment, it is an absolute reversal of the principles of the Democratic Party and a denial of its pledges to the American People.

Mr. HUGHES. Mr. President, I have never found it necessary to differ with my distinguished and warm personal friend from Alabama [Mr. UNDERWOOD] on a matter of theory. So far as my own mind is concerned, I am able to differentiate the pending legislation from legislation heretofore passed by the Democratic Party without violating any Democratic principle or Democratic theory, as I understand it. In the language of a famous Democrat, I might say that this is a condition that confronts us, and not a theory. We are frankly attempting to meet a situation such as no Democrat and no one else ever thought he would be called upon to meet.

Surely the Senator from Alabama does not contend that he is any more an upholder of radical revenue doctrines than the dominant governing party in England. Yet we see England, the high priest of free trade—England, which has been made great and powerful by its refusal to assent to the ordinary narrow doctrine of restriction of trade—abandoning overnight that policy to which heretofore she has been absolutely wedded, and to which she points, and justly, I think, as the reason for the overwhelming influence and wealth that she has obtained. Because of the same condition that confronts us—a great European war in which she happens to be engaged, while we are not, but which is no closer to her from an economic standpoint than it is to us—she abandons her revenue position, and not only adopts a tariff-for-revenue policy, not only adopts a restricted-trade policy, but stops trade of all kinds in certain goods, and threatens that after this war is over, if she and her allies are successful, the old conditions will no more obtain.

The Senator from Alabama knows that as well as I, and yet he ventured to prophesy what would happen after this war is over. I venture to say to him now that neither he nor any other man can safely prophesy what the situation will be after the European war is over. We have no right to presume that the chemical industry or the dyestuffs industry, when the European war is over, will return to the basis on which it rested before the war opened. We have not any right to presume that the conditions which will confront us then will be the same as the conditions that confronted us before August 1, 1914. How can any man say what the result of this great struggle is going to be? How can any man say what effect the success or nonsuccess of one side or the other is going to have upon the relations that exist between the various nations of the world? It seems to me it is absolutely idle for one to venture into that realm.

We do know this: We know that dyestuffs are important to our people. We know that a cry went up from one end of this country to the other when they were suddenly shut off. We know that for months and months we expected the textile business to be paralyzed. We know that by extraordinary efforts and by abandoning a great many colors and dyes and tints and shades and by forcing people to wear that which they did not want to wear we have kept the business going; and we know that there are men who are willing to go into this business, just as the United States Government decided that it should construct a nitrate plant. Why? Because it did not want to be dependent upon Chile or any other nation whose commercial relations with us might be disturbed at any time, but that it wanted to be dependent upon itself, so far as that very important commodity is concerned.

Mr. SMITH of Michigan. Mr. President——

Mr. HUGHES. I yield to the Senator from Michigan.

Mr. SMITH of Michigan. I should like to ask the Senator from New Jersey if he expects, by these duties and taxes, to stimulate the production of dyestuffs in the United States?

Mr. HUGHES. I do; yes, sir.

Mr. SMITH of Michigan. Is that the purpose of the tax?

Mr. HUGHES. The purpose of this tax is to encourage this industry in the United States. There is no question about that. I can be absolutely frank and candid with the Senator. Of course the Senator knows that as well as I do. It was introduced in the House and passed in the House because this country was absolutely prostrate, so far as these chemicals were concerned, and it is to-day. The 150 tons of highly concentrated dyes which came on the *Deutschland* are not a drop in the bucket, so far as the needs and requirements of this country are concerned.

Mr. SMITH of Michigan. Mr. President, I am not surprised at the Senator's candor. He is always candid, and, of course, he is intelligent enough to discuss that subject with frankness; and yet I have heard so often from the lips of Democratic leaders that you could not stimulate production by taxation that I marvel that the Senator can adjust himself so readily to this doctrine of the "new freedom."

Mr. SMITH of Georgia. The new lack of freedom.

Mr. HUGHES. I will venture to say that the Senator never heard that declaration from the lips of any Democrat. It is a fundamental tenet of the Democratic Party that industries can be stimulated. In fact, if the Senator ever heard a Democratic stump speech, he undoubtedly heard at some period of the orator's utterances what is nearly always stated—that the Government can, if it chooses, make it profitable to raise pineapples in Alaska. Everybody knows that.

Mr. SMITH of Michigan. No; the Government can not do that. It can not raise pineapples in Minnesota, but it can produce dyestuffs in the United States by a system of protective duties. That is just what our side of the Chamber have contended for for years, and what has been vigorously and forcefully denied by the Democratic side of this Chamber. I have heard this old warrior sitting by my side [Mr. STONE] a hundred times decry the virtue of the kind of doctrine which the Senator from New Jersey is now urging.

Mr. HUGHES. The Senator is mistaken as to that, but that is neither here nor there. No Democrat has ever denied that it was possible to stimulate an industry by protective duties. Of course we know it is possible. Democrats have denied that it was right to do it. Democrats have denied that it was economically profitable to stimulate an unprofitable industry and to tax the people to keep alive an industry which was economically unprofitable to the people. But no Democrat has ever denied that it was possible, by tariff duties, to rear an unprofitable and uneconomical industry and to foist it on the people by means of tariff taxation.

Mr. SMITH of Michigan. Mr. President, if the Senator will indulge me, he has not been here as long as I have, but I think he has been here long enough to remember that our attempt to produce sugar upon American soil, that would make the consumers of sugar independent of a foreign supply, by taxation, has been derided over and over again by those on the Democratic side in this House and the other, and wherever Democratic spokesmen were giving their views to the electorate.

Mr. HUGHES. And it was derided by me as much as anybody; but still, as I said before, that has absolutely nothing to do with the proposition that the Senator attempted to lay down.

Mr. SMITH of Michigan. Well, that is one illustration——

Mr. HUGHES. I do not want to enter into a general tariff discussion with the Senator, because I want to hurry on. Nobody else wants to enter into a general tariff discussion and nobody wants to hear the Senator air his well-known views on the subject of protection, either. I will take the liberty of saying that.

Without any personal reference to anybody at all, and without any reference, of course, to the gentleman whose letter was sent up to the desk, I want to say that while figures do not lie, liars can figure. A letter was handed to the Senator from Alabama which, with the trustfulness and innocence which is so characteristic of him, he adopted and sent to the desk and had read, in which the author of the letter figures out, according to a method of mathematics eminently satisfactory to him, that the proposed increase of the duty on indigo would cause an increase of the cost of indigo so as to cause a corresponding increase of something like 8 cents on a pair of overalls, which one Senator says would result in an increase of about 25 per cent when the overalls reach the ultimate consumer—a method of figuring which left me absolutely astounded and showed me how possible it was for protected manufacturers to convince Republican members of the Finance Committee of the Senate and the Ways and Means Committee of the House that they needed high rates and that they ought to receive them.

The same gentleman appeared before our subcommittee, and on cross-examination by the Senator from Colorado [Mr. THOMAS], the increase which he states in his letter, as I understood it, to be 8 cents, he reduced to 2¼ cents. I have not attempted to figure this out at all. I have had somebody figure it out for me, however, and I got it down to one cent and three-quarters on a pair of overalls. The Senator from Colorado [Mr. THOMAS] got this gentleman down to less than 1 cent a yard. The same gentleman who wrote this letter came in before our subcommittee and gave us the benefit of his information.

Mr. UNDERWOOD. He was figuring on 8 yards at 1 cent a yard, which would be 8 cents.

Mr. HUGHES. But he said 4 yards, and he has given the total cost and not the increase. Four yards is what he said was the amount of cloth necessary.

Mr. UNDERWOOD. I know; but in this letter he is figuring on the whole suit of overalls, not merely the overalls themselves—the pants and jacket both.

Mr. HUGHES. Then that would not agree.

Mr. SMITH of Michigan. It reads all right, only the Senator from New Jersey will not wear the jacket.

Mr. HUGHES. Taking his figures either way, you can not make them come out correctly, although I do not pretend to be much on figures; but we did our best to find out the facts from him, and nobody can reconcile the letter he wrote with the statement he made to the Senator from North Carolina.

The Senator has read some startling figures here with reference to these rates, calculated to make the individual hairs of the Democrats who listened to them stand on end; but he calmly assumes that the condition which existed before the war is going to return as soon as the war is over, or is here now. I sent a telegram to one of the gentlemen whom he made his witness here this afternoon, and asked him to send me some prices. Among the prices that he sends me is direct black at 75 cents a pound, which the Senator in his figures quotes at 14 cents a pound. Now, is there any use in the Senator from Alabama and myself standing here and seriously discussing a proposition before this body when we can not get any closer to our fundamental figures in the basis of the discussion than the difference between 14 and 75 cents?

Mr. UNDERWOOD. If my friend from New Jersey will yield for just a moment——

Mr. HUGHES. Yes.

Mr. UNDERWOOD. I call his attention to the fact that this part of the bill is not to take effect during the war and the war prices, but it is to take effect after the war. When I say the presumption is that the prices that existed before the war will return, or that there will be an approximation to their return, of course I am not figuring on prices to-day, which are absolutely abnormal.

Mr. HUGHES. Yes; they are absolutely abnormal, as the Senator says, and yet it does not lie in the mouth of any human being alive to say that they will ever be any different or that these prices will ever be normal again. We are dealing with the situation as we find it; and we find this gentleman, who the Senator says is in a position to manufacture for within 12 per cent of what it costs the German manufacturers, charging and receiving $1.75 for a commodity which the Senator selects as one of the instances why this part of the bill should not be passed, and he bases his reasons on a price of 14.6 cents. So that he produces, to the horror and amazement of the Members who are listening to him, a rate of 64 per cent ad valorem, while the rate based on the price of the commodity as it is being sold to-day under the provisions of the proposed legislation is 36 per cent.

Another one is direct yellow. The Senator carries it at 9 cents a pound. The Senator could make more money than has been made in this country in a great many years if he could buy direct yellow at 9 cents a pound. The price of it happens to be $2.56 a pound, and the ad valorem rate which the Senator figures at 83 per cent is to-day 31.9 per cent under the proposed legislation. Now, why waste time in discussing this subject?

Mr. UNDERWOOD. Mr. President, if my friend will yield, I again call his attention to the fact that it is not being written for to-day's prices. It is being written for the prices that will be resumed after the war is over.

Mr. HUGHES. I have admitted that, and I will admit it again. Yes; the bill is being written for prices after the war is over, although, for all the difference it makes to me, the bill can go into effect to-morrow or immediately upon its passage. It makes little or no difference one way or the other. But I say again—and I will have to say it every time the Senator insists on saying what he has just said—that he does not know, and nobody else knows, whether the prices will ever again be the same as they were before the war started. Why argue that proposition?

I will say to the Senator that we are doing one thing regardless of what the prices are. We are making a schedule that everybody can understand, and that everybody says is fair. The Senator says there will be no importations under it. I will say to the Senator that there are a great many big and powerful importers in this country; there are a great many big and powerful importers who live in my State, and who live not far from me; and not a single importer in the United States of America has complained against these rates. There is not one of them who has not said that if prices do become normal, or when the war is over, and something like normal conditions return, if they ever do, they will still be able to import dyestuffs into this country. In spite of the fact that this legislation may have an adverse effect upon the business of the importers, yet the need is so great that nearly every importer I know of thinks we are justified in making this effort, in this special case, to build up an industry in this country that is so important from so many angles.

As has been pointed out in the hearings, Germany would now be lying prostrate at the feet of her enemies if it had not been for the fact that she had this tremendous industry, hitherto devoted to the arts of peace, which she was able to turn overnight into arsenals to produce the highest form of explosives known to man. For every reason, for a thousand reasons, the members of the Democratic Party or any other party are justified in meeting this emergency like statesmen.

Now, Mr. President, I will call attention to another peculiar thing about this proposed legislation. There is not a European manufacturer with an agency in this country who owns a patented product which is a world monopoly who is sneaking it into this market without paying any duty. There is nothing in this bill that helps the big German cartel controllers to bludgeon an American manufacturer to death. Now I want to say something that will not be so palatable to the gentlemen on the other side of the Chamber. In my judgment, in the title of the Payne-Aldrich bill you might as well have written: "An act to make it impossible to establish a dyestuff industry in the United States of America"; and to a certain and more modified extent I will say that was true of the bill that followed it, and I had something to do with the construction of that bill. I would have written a bill, not substantially like this, but along these lines. The last time we had this proposition up here I had it my way, but when we tried to make it harmonius and symmetrical, when we tried to comb the jokers out of it, when we tried to lay half-way duties on intermediates and full duties on finished products, and so far as possible to make raw materials free, we found that we were met by the textile manufacturers, who were receiving protection to the extent of 25, 30, 40, or 50 per cent in some cases, who insisted that the articles that went into the manufacture of their commodity must be upon the free list.

We found the influence of foreign manufacturers powerful enough to get in behind the strongest textile manufacturers and compel them to come to the committee and force upon them legislation which was not even in their interest, which was not in the interest of the dye industry of the United States, and which in my judgment was not in the interest of the people of the United States. You can have the satisfaction when you are voting for this schedule of knowing that it shields and protects nobody except as he who runs may read.

Every coal tar crude comes into this country free. Every coal tar intermediate pays 15 per cent ad valorem and 2½ cents specific. Every finished coal-tar product pays 30 per cent and 5 cents specific. The dyes that were imported into the United States for the years 1913 and 1914, if they had been imported under the proposed legislation, would have paid 49½ per cent equivalent ad valorem.

If the legislation which is now proposed had been upon the statute books for the years 1913 and 1914, the average rate of duty that those commodities would have paid is 49.5 per cent ad valorem. I want to say that that statement should be modified in this way: Quite a heavy percentage of the dyestuffs that come into this country is made up of indigo, synthetic and natural. Synthetic and natural indigo can be brought in either in the form of a paste or in the form of a powder. If it comes in in the form of a paste it is only 20 per cent indigo.

If it is brought in in the form of powder, it is practically 100 per cent pure. This duty is laid upon a 20 per cent purity indigo paste, and that duty can be brought down to a little more than 31 per cent ad valorem.

There is a reason, and one which should appeal to the Senator, for treating indigo as the other dyes are treated. The Senator, in his argument, states that natural indigo should come in free. Of course, if that is done, it means that syn-

thetic indigo should come in free, because there is no way of telling the difference. If you should put natural indigo on the free list and leave the duty upon synthetic indigo, it would be easy enough to send synthetic indigo to China or India, or wherever the natural indigo is produced, and bring it in. I see that the Senator from Utah [Mr. SMOOT] shakes his head. All I can say is that I have the word of the chemists of the Treasury Department, but I will not attempt to put them up against the superior wisdom and judgment of the Senator from Utah. All I can say and know is what they say to me.

Mr. President, I do not think it is necessary for me to say any more on this subject than I have said. This schedule, regardless of the rates, is a fair schedule. In my judgment, importations under it will continue. In my judgment it will still be possible for us to have a competition between the importers and the manufacturers; but it will not be possible for any man to patent a product, have it slapped on nominee into a tariff schedule, bring it into this country free, escaping the payment of the 30 per cent that similar products are called upon to pay, and control this market. Under this schedule you will not find the other anomalous condition of charging a duty of 15 per cent on an intermediate that a dye manufacturer must purchase in order to make a finished product, and then asking him to meet that finished product on the free list.

Mr. UNDERWOOD. If it does not interrupt my friend from New Jersey, will he allow me to ask him a question there?

Mr. HUGHES. Yes, sir.

Mr. UNDERWOOD. I admit that from a protection standpoint you have written what is called a scientific tax on dyes; but how can you reconcile the fact that you put what I call a 63 per cent tax on indigo with the fact that denims, out of which overalls are made, are on the free list, and entirely untaxed? If you are scientific in what you are doing about these dyestuffs, why do you not carry your scientific action further, and put a tax on denims, which are now on the free list, and in the case of which you are taxing their raw material?

Mr. HUGHES. I do not see why the Senator should complain about that.

Mr. UNDERWOOD. I am not complaining.

Mr. HUGHES. There is only one manufacturer in the United States who has complained about this schedule; and, understand, the manufacturers are going to pay this increase in rates, because on the Senator's own theory by increasing the tariff we have not given them the right to pass it on to the people. So every manufacturer in the United States, so far as tariff action is concerned, is paying this increased price; and every one of them is willing to do it, except this man from North Carolina. He is the only manufacturer who is complaining; and I come from a city where there are thousands of them.

Mr. STONE. The Senator means, a State where there are thousands of them.

Mr. HUGHES. I mean that my own city, the city of Paterson, has thousands of manufacturers, representing millions of dollars, and every one of them wants this particular title enacted; and every one of them will be compelled to pay the prices which the Senator complains about, if he is correct.

Mr. UNDERWOOD. I do not want to interrupt the Senator; but if there was competition I would yield in the cheap cotton goods, such as denims. No competition comes into this country. I was simply speaking of the logic of comparing these rates.

Mr. OVERMAN. The Democratic members filed a minority report to put indigo on the free list, and out of respect to the Democrats Mr. Aldrich agreed to it, and it has been on the free list for 36 years.

Mr. HUGHES. The foreign makers of indigo may have been able to get some manufacturers to complain to the minority members and impress them with the justice of their cause.

Mr. OVERMAN. Then the Democrats were influenced by foreigners in asking them to put it on the free list?

Mr. HUGHES. The Democrats were influenced and many another Senator was influenced by words and by communications and personal appeals made to us when we were revising the schedule.

Mr. OVERMAN. It had been on the free list for 36 years.

Mr. HUGHES. Of course.

Mr. OVERMAN. And now we ought to do what is right.

Mr. HUGHES. We want to treat them as we treat all the others. We ought not to make fish of one and flesh of the other. There is not a single manufacturer in the United States, as my friend from Alabama says, who has complained about it except one man from North Carolina. The argument was made for him that we are putting a 63 per cent duty on it. Let us see. According to the Oil, Paint, and Drug Report of the United States of August 28, 1916, natural indigo was $3 a pound. So that was less than 31 per cent.

Mr. OVERMAN. But the Senator——

Mr. HUGHES. Let me finish. I am not arguing with the Senator from North Carolina. I am speaking about the provision of the Senator from Alabama. I want to say particularly to the Senator from Alabama there never was and never will be an ounce of natural indigo made in this country, and why should we complain that every ounce that is used should pay a duty of 30 per cent into the United States Treasury? That is a tariff for revenue with a vengeance.

Mr. OVERMAN. If the Senator will pardon me, how much has this rate also been increased over the House rate?

Mr. HUGHES. By a specific duty of less than 1 per cent on the present price.

Mr. UNDERWOOD. I will state to the Senator that the House bill, I think, carries a 30 per cent tax and the Senate committee added 5 cents.

Mr. OVERMAN. That makes 60 per cent?

Mr. HUGHES. I will not allow the Senator to interject a statement of that kind. It is an absolutely inaccurate statement.

Mr. OVERMAN. I only ask for information. I ask the Senator how much it is.

Mr. HUGHES. According to the price of indigo to-day we have increased it less than 1 per cent.

Mr. SMITH of Georgia. And after the war?

Mr. HUGHES. I do not know what the price will be after the war.

Mr. OVERMAN. I will say to the Senator if there was one man who would not make it at the House rate, you have put this in to encourage that one man in the manufacture.

Mr. HUGHES. I say to the Senator that is not so. I am chiefly responsible for urging it, and it was put on the same basis as every other dye.

I could not see then and I can not see now why one selling or manufacturing in the United States should be given a privilege over another. You could not leave that where it was, justly, without changing the rate on alizarin and anthracene and other dyestuffs of similar character.

Mr. OVERMAN. I understand that this rate is in the interest of one man, to make him rich and the balance of the people will pay the tax. This one man will make the indigo. He says he can not manufacture it at 30 per cent, but if you will make it 63 per cent he will put his money in it and manufacture it. Do you propose to make him rich and to make the people pay the money?

Mr. HUGHES. Mr. President, I will relieve the Senator's mind by saying that I do not know whom he is talking about. No one man ever communicated with me. I have heard that certain gentlemen said if they got a certain rate, they would make these dyes. That had no influence upon me. I am trying to make the schedule what I believe it ought to be. I can not see any reason for treating one of these dyes in one way and another in another way. Whether that man comes from North Carolina or whether he comes from New Jersey, I know when you put three or four of these cheap dyes to an advantage over others, to that extent you disadvantage the other dyes. That has been the trouble with the Payne-Aldrich law, and that has been the trouble with the modified Underwood law. In my opinion, they should all be treated just alike, and we have treated them all alike. What the Senator from Alabama says is true; the only beneficiary will be the Treasury of the United States.

Mr. President, that is all I care to say on the subject, so far as I am concerned.

Mr. SMOOT. Mr. President, for the last 10 years I have advocated a rate upon dyestuffs that would enable the establishment of that industry in the United States. I have seen industries established and I have seen those same industries destroyed by Germany dumping goods into this country at prices at which the goods could not be manufactured either in Germany or in this country. I have seen dyestuff machinery built and placed in operation and within a few years after I have seen that same machinery thrown on the dump heap.

I have called the attention of the Senate to those conditions many times. I have told the Senate time and time again that the only way the industry could be established in the United States was to protect the product of the industry by a rate of duty that would be high enough to prevent Germany or any other country from dumping their goods into this market, and by so doing destroy the industry, then raise the price, as they have done in the past, higher than it was at the time the dumping began.

If I wanted to take time this afternoon I could recite to the Senate the chemical industries that have been established in the United States, and by so doing the price of chemicals have been lowered until the German chemical combination has decided that the American industry must be destroyed, and it was destroyed. I have seen prices raised to the American buyer after the American industry was destroyed to more than compensate the German maker for all that he lost in destroying the American industry by dumping his products into this country.

There is no necessity of it, Mr. President. That time has passed; and now I am glad to say that I doubt whether there is a single Senator who will not admit that there has been an injustice done our country in not encouraging this industry.

I remember, three years ago, calling attention to an industry in the city of St. Louis that had been making chemicals of what may be termed the higher grade. The Underwood bill became a law, and it had not been in operation six months before that establishment was out of business, the machinery thrown out upon the dump heap, and the building used for other purposes.

Mr. SMITH of Georgia. I wish to ask the Senator a question for information.

Mr. SMOOT. Certainly.

Mr. SMITH of Georgia. How long had they been in existence? How fully had those factories developed?

Mr. SMOOT. It was not a dyestuff industry, it was a chemical industry, as I stated.

Mr. SMITH of Georgia. I am speaking of dyestuffs.

Mr. SMOOT. No; I spoke of a higher grade of chemicals.

Mr. SMITH of Georgia. I was interested to know if there were any considerable number of successful producers in this country during the 20 years prior to the passage of the Underwood law.

Mr. SMOOT. I think we had about nine establishments making dyestuffs, but I will say that Germany not only secured the most of our business but secured the greater part of the business of the world.

In fact Germany produces and furnishes to the world over 80 per cent of all the dyestuffs used; and not only that, Mr. President, she has cartels or combinations, and the German Government encourages their formation and operation, and dyestuffs are sold irrespective of cost in any country that undertakes to establish a dye industry, and they simply drive the competing business out of existence.

Mr. SMITH of Georgia. Did they then put up their prices?

Mr. SMOOT. Certainly. Take oxalic acid. We undertook to manufacture oxalic acid in this country and we placed a duty upon it, and oxalic acid was made in this country. At that time the price was around 9 cents a pound, as I remember. Just as soon as the American product was placed upon the market the price began to fall, and it fell until the American manufacturer had to close up, and just as soon as the American factory was closed the price advanced higher than it had been before.

Mr. President, I want to say that if Germany had not established the protective system 30 years ago, if Germany through protection had not built up her industries and her manufacturing concerns, Germany in the present war would have been crushed by England and her other enemies in a very few months.

The Senator from Alabama complains of the rates provided for in this bill, not upon the crude articles, because they are on the free list, but of the rate of 15 per cent ad valorem and 2½ cents per pound specific duty. He complains of the rate of 30 per cent ad valorem and 5 cents a pound specific duty upon the finished product, and he cites an article that used to cost 15 cents per pound to show that the latter rate is too high.

It is the same old argument. You take the very lowest-priced article there is and you figure an average rate of duty upon that article and never take into consideration the 85 per cent of all the other importations, the price of which runs from $1 to $3 a pound under normal conditions.

I admit if the price of coal-tar dyes was only 15 cents a pound and there was a duty of 30 per cent ad valorem and a 5 cents per pound specific duty it would amount to 63 per cent. But, Mr. President, if it was $3 a pound it would be 30 per cent and 1⅔ per cent, which would make 31⅔ per cent instead of 63 per cent.

Then the Senator also undertook to impress the Senate with the statement that it was this class of dyes that was used in the clothing of the poor. Mr. President, indigo is used in the dyeing of denims, the cloth used in the making of men's overalls. I say now that it does not cost more than 1 cent a yard, if it costs that, to dye denims blue. The fact is, the blues used for dyeing cloth for the mass of the people, for the same poor man's family, the clothes that he himself wears, with the exception of his overalls, if dyed blue, is dyed from dyestuffs ranging in price from 50 cents to $3 per pound.

Mr. President, if we are going to establish this industry in this country, I tell the Senate now that the specific rate of 2½ cents a pound on intermediates and 5 cents upon the finished product is not sufficient to protect the industry. Whenever the war is over and things in Germany become normal again it will be easy for the German manufacturers, through their combinations and cartels, to take off 2½ cents a pound from intermediates and 5 cents a pound from the finished product and destroy the industry in the United States if it is ever established.

Mr. SMITH of Georgia. I ask the Senator if this applies to synthetic and natural indigo?

Mr. SMOOT. It does apply to natural indigo and synthetic indigo. By the way, let me call attention to the fact that natural indigo has been on the free list for 30 years. Natural indigo never will be produced in the United States. It is a product of the earth. Synthetic indigo is made from coal-tar products that answer exactly the same purpose in dyeing that natural indigo does. Nobody wants to dye now with natural indigo if they can secure the synthetic product. It is much simpler and inexpensive to use, and, above all, much cleaner. The alizarins are most used to-day and can be handled more cheaply, and produce a better color, in my opinion. As far as synthetic indigo is concerned, of course, that was not known 30 years ago.

Mr. HUGHES. I think the Senator will agree with me that synthetic indigo was first discovered by one man.

Mr. SMOOT. Certainly.

Mr. HUGHES. And through our tariff laws then existing one man was able to bring it into this country free, when it came into competition with natural indigo and drove it from the market, so that nobody could handle it or produce it.

Mr. SMOOT. Not only was that the case with synthetic indigo, but it was also the case with alizarin.

Mr. HUGHES. Yes.

Mr. SMOOT. I believe I have recited what I myself happened to see in Germany at one time. I used to buy a great many coal-tar dyes from Germany. I went to Germany to meet the people with whom I had done so much business. When going through the largest plant in the world I was shown into the chemists' department. Among the hundreds of chemists that were working at that great plant I was shown into a room where I was told that the chemists there had been experimenting for nearly 20 years to produce a dyestuff that would take the place of indigo blue. Our Government used to specify indigo blue for all of its uniforms; every Government on earth used to do the same. These enterprising German manufacturers undertook to find something that would answer the purpose of indigo blue, and yet which would cost less money.

While there I talked with a chemist, and I asked him if he had yet discovered an article that would take the place of indigo blue. He said, "Not yet"; but I was told that those chemists were put into that room with but one instruction, and that was never to give up their investigations until such an article was discovered. No matter how much money it might cost and no matter how long it might take, they were instructed to find something that would take the place of indigo blue.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Colorado?

Mr. SMOOT. Yes; I yield.

Mr. THOMAS. It is needless to say that the incident which the Senator from Utah has just mentioned carries within itself the secret of German success in dye making and also in dye control all over the world, in countries which have tariffs and in countries which have no tariffs. We may pass all the tariff laws imaginable, but we shall have no dye industry here until we get that German spirit of patience and investigation and success.

Mr. SMOOT. Mr. President, I was going to ask what would have been the result if a manufacturer in the United States had 30 years ago undertaken to discover an article that would have taken the place of indigo blue? Why, Mr. President, perhaps he would have worked at it for six months, and if he had been a very patient American he might have worked at it for a year, but at the end of the year he would have said, "Oh, life is too short; I shall not bother further with anything like this." So I say, Mr. President, no matter what rates of duty we place in this bill, unless they are sufficiently high to allow an industry to be established in this country and to maintain itself until it can get upon its feet, we might just as well propose no duties at all.

I say, now, with a specific duty of 2½ cents on intermediates and of 5 cents on the finished product, the industry in the

United States will not be established. I do not say that under this bill some of the cheaper lines will not be made in this country, but what I am saying is that a complete line of dyestuffs made from coal tar, so that our users of dyestuffs can depend upon America for what dyestuffs they are compelled to use, will not be made in the United States.

Mr. GALLINGER. Mr. President, do I understand the Senator from Utah, who has made a special study of this schedule, to say that the provision of this bill is inadequate to ever establish the dyestuffs industry on a firm basis in this country?

Mr. SMOOT. I have no doubt about it. I say that there are some lines of the industry which may be established.

Mr. GALLINGER. What would the Senator from Utah suggest as to the rates?

Mr. SMOOT. Instead of 2½ cents, I would make it 3¾ cents for intermediates, and I would make a rate of 7½ cents instead of 5 cents for the finished product. I am speaking now of specific rates. If those rates were established, I have no doubt in my mind that the industry might be established in this country, perhaps with the single exception of some of the very finest and highest-priced coal-tar products that are made elsewhere in the world. Perhaps the most delicate shades of pink and the most delicate shades of blue that are made we should not for a few years be able to establish an industry to take care of, but the demand for such colors is so small and their use in this country is so limited that I am not worrying about that; nor would I ask rates so high that they would take care of such, but experience would bring the ability to produce them and time alone would give that experience.

Mr. GALLINGER. Mr. President, will the Senator permit me to again interrupt him?

Mr. SMOOT. I yield.

Mr. GALLINGER. I have been importuned to vote for this provision, and have also been importuned to vote against it. I want to ask the Senator if he wishes to disclose his present state of mind—he having made a special study of this matter, which I have not done—whether he is going to vote for the provision or against it?

Mr. SMOOT. Mr. President, I want to be perfectly frank with the Senator from New Hampshire and to tell him why he has received protests against the adoption of this provision. The manufacturers in this country have in the past always been against a duty upon dyestuffs, and never did consent to allow more than 30 per cent on the finished product. They were willing to pay that in the past, but at no time have we had a higher rate of duty than 30 per cent upon our coal-tar dyes. I say now that the manufacturers of the United States using dyestuffs have since the European war began been compelled to pay prices that would more than have justified them in supporting a rate of duty in the past that would have enabled this industry to have been established years ago in the United States.

Why, Senators, do you know that many of the dyestuffs have risen in price 1,200 per cent since the beginning of the European war? Do you know that the reds that we use in the printing of our own money have risen from 34 cents to $4 a pound, and that we can not get a sufficient quantity even at $4 a pound?

Mr. GALLINGER. Mr. President, if the Senator will permit me further, I apprehend that the textile manufacturers, some of whom certainly are against this provision, are of opinion that after the European war closes dyestuffs will be reduced in price to a point below what they can be produced for in this country even under a reasonable tariff, but does not the Senator believe that after the European war closes, unless we have some competing industry, that they will be disappointed in their expected reduction of prices on the part of Germany?

Mr. SMOOT. There is no doubt, Mr. President, that if Germany after the war is over controls the dyestuffs industry of the world she is not going to reduce the price until she is compelled to do so. And how will she be so compelled? Japan to-day is not only advancing money to her manufacturers for the establishment of dye industries in Japan, but she is assisting in every other way possible to insure such an industry being established there. England is doing likewise and has abandoned her free-trade policy in relation to dyestuffs. France is doing the same thing. Until competition compels the German manufacturers to reduce the price of dyestuffs the American manufacturers will pay every dollar that the German producers can force out of them, just as they did in the case of the dyestuffs that were landed from the submarine *Deutschland* about a month ago. There is no question about that, Senators.

So, Mr. President, if we are going to pass a bill having in view the establishment of a dyestuff industry in this country, I want to see a bill enacted into law from which there is a likelihood that something will be developed.

I know there are some manufacturers in this country, particularly the chemists, who are manufacturing low-priced, heavy dye products who are perfectly satisfied with the rates proposed in this bill. They have had the business in the past under the rates heretofore established, and they will have it under the rates named in the pending provision; but they do not constitute a great dye industry in this country; and that is what we want to establish. If we do not succeed in establishing one, I say all success to Japan; I say to England, "success to your endeavors," and I express the hope that France will so solve the problem in her country that some competition will be insured in the production and sale of dyestuffs.

I think our home market is the best market on earth. I can not agree with the position taken by the Senator from Alabama. I understood him to say that our buying dyestuffs from Germany enabled Germany to buy our products and it was a mutual advantage, and this was the only way trade between the countries could be maintained. I can not agree with the Senator. Foreign countries purchase from us just what they are compelled to and no more.

I wish to say, Mr. President, that so far as I am concerned, I would like to see established in this country all kinds of industries; but if the contention of the Senator from Alabama is correct, we ought to entirely confine our activities in this country to raising cotton, wheat, and other agricultural products, and send those products to wherever people may want them, taking in return their manufactured products in payment for same.

Mr. President, I would not only favor raising our wheat and our cotton, but in connection with the agricultural industry I would favor the establishment of manufacturing concerns in sufficient numbers to produce all the goods required by the people of this country and make within our own borders every dollar's worth of goods consumed by the American people, if it were possible to do so. If that policy were followed, it would not be long until we would be the wealthiest people on this earth.

Mr. STONE. We are now.

Mr. SMOOT. The Senator from Missouri says we are now, but we were not a few years ago.

I desire to say, Mr. President, that if the war continues for two more years, as I said in a short statement here the other day, the people of America will virtually control the finances of the world for many, many years to come.

Mr. President, there will be no effective dye industry in this country if the Germans, who have been furnishing us more than 80 per cent of all the colors we consume, can prevent it. The recent visit of the undersea merchantman *Deutschland* is evidence of that fact. That vessel brought principally dyestuffs, and other such vessels are promised with similar cargoes. The agitation in this country, owing to the high prices and scarcity of dyes, for the establishment of the industry has been an incentive for the Germans to get their dyes here to meet the demand even while the war lasts. This is only one of many incidents emphasizing the need for adequate protection if we are to have a satisfactory dye industry, and also make ourselves able to produce all the explosives needed in case of a war. The House of Representatives passed the bill providing protection for the dyestuff industry three days after the German undersea vessel arrived. But the rates fixed in that measure are inadequate, and for that reason will be useless. They were chiefly instrumental in showing the hollow pretense of the Democratic Party in declaring in its national platform time and again that a protective tariff is unconstitutional. Holding that view, despite the decisions of the Supreme Court to the contrary, the President has maintained it with great earnestness, yet the party admittedly adopts what it calls protective rates on a part of the dyes for which we have been dependent upon a foreign nation.

If the Democrats should control the elections in November the dye industry would lag just as it has done heretofore. There would be no reliance on the promise to help establish the industry in view of the defective legislation and the party's free-trade record. Effective work in any line can not be expected from a person who does not believe in the work he is undertaking. For that reason effective protective duties are not provided in this bill to establish or maintain the dye industry. In this case we have the evidence of 10,000 chemists and other experts to that effect.

What is known as the Hill bill, introduced in the House, provided for a specific duty of 7½ cents per pound on the finished dyes, and 3¾ cents per pound on the intermediates, in

addition to a 30 per cent ad valorem duty on the former and 15 per cent on the latter. Those rates were approved by the committee appointed by the American Chemical Society and by President Herty of that organization, who is a resident of Chapel Hill, N. C., and by Dr. Bernard C. Hesse, a well-known free trader of New York; H. A. Metz, a German and American manufacturer and a former Democratic Member of the House, and many other representative men in this industry. But instead of adopting those rates the bill passed by the House provides for the ad valorem duty, but the specific rates were reduced 33⅓ per cent. The committee appointed by the chemists approved the rates in the Hill bill by stating that they "are the lowest at which a self-contained, complete, independent coal-tar chemical and dye industry can be created in this country, and at the same time which offers a legitimate incentive to capital for a legitimate effort to produce these goods in this country." Mr. Metz, himself a German manufacturer, asserted:

> On anything less you will be off, anyway. I do not know whether that is high enough

Dr. Hesse, whom the New York Times (Democratic) says is president of the American Chemical Society, and who is an open and an avowed free trader, in a recent address in New York before the Dress Fabrics Buyers' Association said:

> The United States has a sufficient supply of coal-tar materials of suitable quality to produce all of its own requirements of coal-tar dyes, if it so chose to use them, and it has domestic access to all the needful auxiliary chemicals except sodium nitrate, in which respect it has been dependent upon Chile, and in that regard has been in the same position as practically every other nation. To-day we are in a most favorable position in these respects—a better condition than ever before. The coal-tar dye industry was started in England and France fully four years before it was started in Germany, but in recent years Germany has made 90 per cent of the coal-tar dyes consumed in the world.

That has been the result of the protection given to this industry in Germany, which has built up a large and valuable trade with other countries in the matter of dyes. In 1913 Germany had 22 large establishments making coal-tar dyes. The dividends declared in 191[illegible] by 21 of the German manufacturers amounted to $11,600,000. The manufacturers' value of all coal-tar dyes consumed in the United States in normal times is about $15,000,000. One great advantage in this industry is that these manufactories can be used for the production of explosives in case of war, which has been of enormous advantage to Germany. Her opponents in the existing war were at a great disadvantage at the start because of their inability to obtain the requisite explosives for use in the war. The coal-tar dye industry pays higher dividends in Germany than any other branch of the chemical industry, and Germany has sold these dyes to 33 outside countries. We had a tariff rate in 1882 that led to the establishment of nine coal-tar dye manufactories in this country, but the Democrats in 1883 reduced those rates so as practically to wipe out the industry in this country. Since that time we have never had an effective tariff on these dyes because of the opposition of the manufacturers who used the dyes. The war in Europe has furnished an effective lesson as to the great folly of that course. There appears now to be a probability that something will be done to establish the industry fairly within the United States. If it is not done by this Congress, I think we will have a Congress following this one that will take the necessary action. The present rate of duty is 30 per cent, and that on a part only of the dyes made from coal tar. Dr. Hesse in his speech in New York said:

> The Underwood law has not created a dye industry; the Hill bill would probably create an industry, if enacted into law, that would produce not only coal-tar dyes and explosives but also many other things obtainable from coal tar and other like materials, and anything less than the Hill rates is not likely to lead to any substantial industry. With this view the most experienced domestic coal-tar dye makers agree. Protection in order to protect this industry must protect it all the way round. The Hill bill does that; the Kitchin bill does not. Unless we protect the coal-tar dyes and chemical industries in this country, we are not going to have any such industries. The Hill bill gives the dye maker what he says he needs; the Kitchin bill does not. If we really want an American coal-tar dye industry and all it brings and may bring with it, why should we thus haggle? The dye-using interests insist that something must be done to establish this industry, but those interests have been responsible for the disastrous rates since 1883. It is not time for a half-hearted measure. Either we must have the substantial whole of the industry or we will have nothing of value in time of stress. The longer we delay in getting this industry the more difficult the task will become. We can if we will make just as good qualities as any one, but we can not do it unless we have the opportunity to acquire the experience. The difference between the effective rates and the rates in the Kitchin bill, so far as the cost of finished fabrics is concerned, can not be great, hardly ever large enough to pass along.

Mr. HILL stated in the House that $42,000,000 for the development of this industry had been promised in case sufficient rates were established. France, Japan, England, and Russia have already taken effective measures to establish the industry in those countries, but we are quibbling here over 2½ cents a pound. One-thirtieth of 1 cent per yard is said to be the ultimate cost to the final consumer of satisfactory rates to establish this industry.

This country has lost more because of the German monopoly since the European war began than all of the extra costs that could possibly accumulate in a century by the establishment of effective rates. The British Government has put $15,000,000 into the establishment of the industry in that country. Japan has guaranteed 8 per cent profit on any Japanese capital invested in the business. We have voted at this session of Congress $20,000,000 of Government money to make fertilizers and nitrates, $11,000,000 to build an armor-plate plant, and large sums for other such purposes, but the party in power refuses to give satisfactory rates to establish this very important industry, and we will, if the Democratic Party has its way, continue to be dependent on Germany.

A committee representing the manufacturers of dyestuffs and coal-tar intermediates and also representing 30 different associations of consumers of finished dyestuffs have called attention to the fact that the House bill cuts out from the special 5 per cent duty "natural and synthetic alizarin and dyes obtained from alizarin, anthracene, carbazol, and natural and synthetic indigo and all indigoids, whether or not obtained from indigo." These excepted colors constituted 27 per cent in value of all the dyes imported from Germany in 1913. The bill provides that the special duty shall cease unless an American industry shall have been built up in five years' time capable of furnishing 60 per cent in value of the country's consumption. This arbitrary reduction of 27 per cent of the industry will make the attainment of the 60 per cent of the total a practical impossibility. The classes of colors excepted will be of great advantage to foreign competitors. The importation of those colors increased nearly three times in quantity in three years.

The European manufacturers can further develop those colors so as to provide practically all the colors required for our consumption. Indigo is also included in that exception, and it is by far the most important single color imported. This committee asserts that "no one would be tempted to invest money in making aniline colors so long as he could be exposed to competition by another group or class of colors paying a much lower duty." Twenty-seven per cent of our entire consumption cut off by being left without the benefit of any specific duty leaves it to Germany to sell us only 13 per cent, and then the President has got to order the suspension of all the duties. That is the way this bill was made up and passed by the other branch of Congress. It is very evident that the industry will never be established in this country to any large extent under the bill as it passed the House. When the war ends Germany will have plenty of dyes to unload in this market. As she consumes only a fraction of the dyes she produces, she could sell the part used at home at very low prices and thus escape any charge of dumping under the faulty provisions of this bill. The Democrats proceed on the policy of going on record as verbally in favor of protection and legislatively against that policy.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

Mr. STONE. Mr. President, I desire to address the Senate briefly before a vote is taken. I understand that the cloakrooms of the Senate are well filled, and I suppose Senators in the cloakrooms are technically within the Senate Chamber, although at this moment there are very few Senators actually present within the Chamber. The brief observations I have to make will therefore be addressed more to the RECORD than to Senators, although I shall be pleased to speak to those who honor me with their presence. All I wish to do is to state my view of the Democratic position on the matter now before the Senate. I suppose Democratic Senators, generally, will be content to express their views by their votes.

Mr. President, I have only two thoughts to present at this time to the Senate. One concerns the statement made by the Senator from Alabama [Mr. UNDERWOOD] that the provisions of the bill covered by the title now under consideration are not Democratic. That is a challenge to Democrats as to the democracy of the bill. Then, secondly, there is another question which relates to the actual merits of this title or these provisions of the bill.

No one in the Senate has greater personal regard for the ability and well-deserved reputation of the Senator from Alabama than I; but I deny his right, as I would deny the right of any other Senator, to speak ex cathedra respecting Democratic doctrine.

I shall not have any discussion with the Senator from Alabama or any other Senator on such a subject. I leave my position with the statement I have made—that no Senator has the right authoritatively to tell the Senate what the true party doctrine is on any subject. The Senator from Alabama has

said that this provision of the bill we are considering is antagonistic to everything fundamentally Democratic. I am not attempting to quote his exact verbiage, but I am attempting in a few words to give expression to his opinion as he stated it for our guidance.

Mr. President, I have been a member of the Democratic Party fully as long as—indeed, for some years longer than—my friend from Alabama. That is because I am older than he. I have as good a right to express an opinion about what is true Democracy as the Senator from Alabama. I go further than that. Any Senator on this side has a right to say what he thinks about whether this measure we are considering is Democratic or un-Democratic—as good a right as the Senator from Alabama. The Senator from Alabama has by his service made a record as one of the great Democrats of this Nation, and therefore I say he has absolute leave, here or anywhere, to say what he thinks about any measure before the Senate from the standpoint of Democracy or party policy; but he would say, I am sure, that I have an equal right to express my views upon any such subjects.

Mr. UNDERWOOD. Mr. President, will the Senator from Missouri permit an interruption?

The PRESIDING OFFICER (Mr. VARDAMAN in the chair). Does the Senator from Missouri yield to the Senator from Alabama?

Mr. STONE. I do.

Mr. UNDERWOOD. I will state to the Senator from Missouri that while I do not recall my exact language, I will not controvert in any way his statement, which was that I stated that this particular paragraph of the bill under consideration was not in accord with the principles of Democracy. That is only an expression of opinion. I concede to every other Senator his right to an opinion on the same subject. The only question involved is this: I expressed my reasons and the facts on which I based my reasons in making my statement. If those facts are true and my reasoning was correct, then I was sound in my statement. It is not a question of my criticizing any of my brother Senators on this side. I merely announced a conclusion and gave the facts on which I based the statement. My reasoning is based on those facts, and it is a question for the Senate and for the country to determine whether the reasoning from those facts is sound or otherwise.

Mr. STONE. The Senator from Alabama did just what he says, and I will have no semblance of quarrel with him about that. As to whether this provision of the bill is Democratic or not, I have only this to say:

This measure has, first, the approval of the Democratic House of Representatives. I do not mean that the House has yet approved of the entire verbiage of the bill as now before us, with the Senate amendments, but I do say that the House has approved of all the essential features of the bill as now before us. Substantially the bill, in this particular—that is as to the provision under consideration—remains almost identically as the House passed it.

This provision therefore expresses the judgment of the Democratic House of Representatives. That is something to begin with when we come to inquire about Democratic doctrine.

Then the Finance Committee of the Senate indorsed the action of the House, with some amendments as to details, which are submitted to the Senate. The action of the Democratic Finance Committee, before being submitted to the Senate, was submitted to the Democratic conference, and that body, representing the entire Democratic representation on this floor, approved the action of the committee and authorized the committee to present the bill in its present form to the Senate.

The President of the United States and, I will undertake to say, the Vice President of the United States approve this legislation, and the President and the Vice President are our candidates for reelection.

So, then, what have we here? We have the judgment of the Democratic President and Vice President; we have the judgment of the Democratic House of Representatives; we have the judgment of the Democratic Finance Committee of the Senate; and we have the judgment of the Democratic conference of the Senate.

Against this, all of this, one or two, possibly more, Senators on this side project their individual opinions and undertake to say that they know better than all the balance of us what is real Democracy and what is the wisest policy for the party to pursue in the party interest or in the public interest.

Mr. UNDERWOOD. Mr. President, if the Senator will allow me——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Alabama?

Mr. STONE. With pleasure.

Mr. UNDERWOOD. Unquestionably the Senator is correct about the House of Representatives, both on the Democratic side and on the Republican side, having approved this schedule. He is correct about the Finance Committee, as I understand, both on the Republican side and the Democratic side, having approved it. I do not know whether the President has taken an affirmative position in reference to the items and the duties levied in this bill or not. My contention is, however—and I think it is admitted by practically everybody I have talked to—that this tax is levied for the sake of protection, not for the sake of revenue. In that case, it is contrary to the doctrine of the party declared in its platform; and unquestionably a position of that kind has not the approval of the Democratic masses of the American people, as evidenced in the recent elections that have taken place in the United States.

Mr. STONE. I do not know what the Senator means by "the recent elections."

Mr. UNDERWOOD. I mean the election of 1910, when they returned a Democratic House of Representatives in protest against the passage of the high-tariff duties in the Aldrich-Payne bill; the election of 1912, when they clearly elected Mr. Wilson President of the United States on a platform declaring for the Democratic principle of a tariff for revenue, when it was one of the great issues of the campaign, when it was the main issue, and he was returned on that issue. Now we admittedly reverse the engine and write a protective schedule into this bill.

Mr. STONE. Mr. President, I do not care to go into all that; it would only be confusing. I will go on from the point I had reached when I was interrupted by the Senator from Alabama. As to whether this provision in this bill is sound Democracy—I wish to put the words "sound Democracy" as broadly as possible—whether this is sound Democracy, to say nothing of the academic question as to whether it is sound economic policy, I prefer, for myself, to stand by the judgment of a Democratic House of Representatives, of a Democratic Senate committee, of a Democratic Senate conference—all backed, as I say it is, by a Democratic President—than to take even the judgment of so distinguished a gentleman as the Senator from Alabama. So much I have to say, and no more, in defense of the position that this provision of the bill is sound from a Democratic standpoint; so much in reply to the animadversions of the Senator from Alabama.

Is this really Democratic? I say it is; and in a few words, condensing my argument, I mean to show that it is both a wise economic measure and literally a Democratic measure.

It is true, as the Senator from Alabama says, that the Democratic Party does not as a matter of national policy approve the idea of levying customs duties purely for protective purposes. Of course, I agree to that. The Democratic tariff policy, generally speaking, is one lying upon the basic idea of raising revenue for the support of the Government, and not primarily and purely for what we call protection. The bill known as the "Underwood bill"—in the preparation of which the Senator from Alabama [Mr. UNDERWOOD] had as much to do as any of his colleagues of the House Ways and Means Committee, possibly more—I indorse. Moreover, as chairman of the platform committee at the St. Louis convention held two and a half months ago, I cordially agreed to write into the national platform a declaration of unqualified indorsement of the general principles of the Underwood bill.

But there is another thing we have written into our platform. Let us not chain our thought to one proposition alone. We have declared for more than one thing, but for numerous things of equal importance. We have more than once, in fact, many times, written into our platforms that the Democratic Party is stubbornly opposed to any form of commercial or industrial monopoly. That is an old policy of the Democratic Party; that is the accepted doctrine of the party; and, I am happy to believe, is the generally accepted doctrine of the American people.

What are we here called on to do? What do we confront? Mr. President, there is no dye industry in the United States. There is no dye industry in Great Britain, or France, or Italy, or in any other European country of any moment, except Germany. Are you listening to what I am saying? I want those of you who are here to listen to this. My friend from Alabama is doing me the honor of giving me his attention, and I am glad of that. I repeat the statement that there is no essential, permanent dye manufacturing industry in the United States, or, for that matter, in any nation of the world, outside of Germany. That is a great tribute to Germany, but it is hard on the United States.

Mr. UNDERWOOD rose.

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Alabama?

Mr. UNDERWOOD. I did not intend to interrupt the Senator, but he has called attention to my presence and he has made a statement as though desiring to have me accept it.

Mr. STONE. The Senator was listening to me, and I complimented myself by saying he was present and honoring me with his attention.

Mr. UNDERWOOD. I thank the Senator, but I do not wish to be put in the attitude of accepting as my conclusion the statement of the Senator. I desire to call his attention to the fact that from fifty to sixty million pounds of these dyestuffs cover the consumption of the American market, and Mr. Schoellkopf testified that he was making at the time he testified in January at his plant 14,000,000 pounds. There was a time when the Schoellkopf plant bought their intermediates and made only the finished product. Then the Senator might have said as far as that plant was concerned it was not a real dye industry, but to-day they are manufacturing the product from the raw material, and one man alone in the United States, according to that testimony last January, was making one-fourth of the product that is consumed by the American people. There were other plants in the country when one was making one-fourth of the entire consumption. I do not think the statement of the Senator in saying that there is no dye industry is justified by the facts.

Mr. STONE. Mr. President, it may be that I should have modified what I said to this extent, that whatever dyestuff industry of real moment we have in the United States now is due not to prohibitory tariffs but to the prohibitory effects of the European war. Germany, the practically sole manufacturer of dyestuffs, can not bring them to us. War conditions, not tariff rates, make imports impossible. Accordingly a mushroom industry has sprung up. The Senator's statement confirms the thought I had in mind and was trying to express, that we have no permanent, dependable dyestuff industry in the United States, and have not had for years, nor has any other country in the world outside of Germany. That is positively true. And I may add that this is greatly to the credit of Germany, but not to the honor or industrial advantage of the United States.

Mr. President, in this connection I may say that Japan is waking up. I wish to read from a Tokio dispatch appearing in this morning's Washington Post, showing what Japan is doing. The dispatch speaks of various new industries upon which Japan is entering, due in large measure to the stress of the European war, and as a result of the lessons of the war.

With respect to dyestuffs and chemicals, the dispatch says:

> Dyestuffs (aniline salts and black dyes), chemicals (subnitrate of bismuth, salicylic acid, antipyrin, acetate of calcium, and formalin), glasswares, celluloid, paper, pulp, phosphorus, potassium chloride, and soda.

That is, Japan is for the first time entering into these industries. The dyestuffs mentioned would furnish only a limited supply, but it is a start on a most important line. Japan is starting in to furnish her textile industries with what is essential to their life.

Mr. PENROSE. Will the Senator permit an inquiry?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Pennsylvania?

Mr. STONE. Whenever the Senator from Pennsylvania gets up I can not but feel that he is trying to stir up something.

The PRESIDING OFFICER. Does the Senator yield?

Mr. STONE. I do not want to get into any controversy with the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Missouri refuses to yield.

Mr. STONE. If the Senator merely wishes to ask me a civil question, I yield.

Mr. PENROSE. That is the only kind I ever ask. I wished to ask the Senator whether he announced his position as believing in a protective duty to found an infant industry in the United States in the shape of the dyestuff industry—whether that is the novel doctrine advanced by the Democratic leader in Congress?

Mr. STONE. I am going in a few words to state my position.

Mr. PENROSE. All right. I will wait with interest. The Senator is making a wonderfully interesting tariff speech.

Mr. STONE. I am not making a tariff speech. I am not thinking of the tariff. This is not a question of establishing a protective duty to foster an infant industry along the line of the Senator's school of politics, but along a wholly different line of thought. I have not in mind the Senator's thought of merely protecting an industry against fair competition by a prohibitive duty, but I have in mind the distinction of a great, dominating monopoly, flourishing at the expense of American industry. Our American people are opposed to any sort of grasping, throttling monopoly, domestic or foreign. I know that is the position of the Democratic Party; and I believe it to be the position of the American people.

Now, Mr. President, the dyestuff industry of the world has been for years controlled by Germany. With respect to this vital industry the world has been subject to Germany. No other nation in the world manufactures enough dyestuffs for its own use in normal times. Undoubtedly Germany has a world monopoly on dyestuffs. If such a monopoly as that we know to exist in that foreign country should be attempted in the United States the courts of the United States, under our anti-trust laws, would take it in hand, as they have taken other monopolies in hand, and dissipate it.

But this monopoly is not subject to the authority of the United States. The United States has no control over it. It is controlled by combinations in a foreign country, which combinations are backed, supported, and controlled by the Government of that foreign country. How shall we deal with that? Great Britain, France, Italy—no European power has been able to contend against this monopoly in the past, although these are great manufacturing nations. They have been subject to the same monopolistic exactions to which the United States has been subjected. It has been stated to us in the committee that where efforts have been made by men in this country to start dye industries, confined to the manufacture of only a few dyes—perhaps half a dozen out of hundreds—the agents of German concerns have gone to them—that is what they have said—and told them that if they would not enlarge the scope of their manufacture, but keep within present limits, there would be no fight against them. Moreover, these foreign commercial dictators told these American manufacturers that if they would agree to their terms they would make them their agents for the distribution of German-manufactured dyes in the United States, and that if that proposition was not accepted they would flood the market to which the American manufacturer had access with competing goods that did not take into account the question of profit or loss.

Mr. President, here is a giant monopoly—confessed monopoly—in a foreign country dominating, defiant, and in absolute control of a great industry essential in its effects to many important industries of our country. What shall we do about that? Every nation on earth has yielded and fallen before it.

Mr. UNDERWOOD. Will the Senator allow me to ask him a question?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Alabama?

Mr. STONE. I do.

Mr. UNDERWOOD. I desire to ask the Senator if he expects by excluding German dyes from this country to destroy a monopoly in Germany, and what effect that would have upon the American people. At the time the so-called German monopoly was selling goods in this country we were getting dyes at 4 and 5 cents a pound, which when excluded by war conditions go to 70 and 80 cents a pound. It is beneficial to our people even though it is a monopoly. When it was coming into the market we got the dyes for 4 or 5 cents a pound, and when it is kept out of the market we are paying 60 and 70 and 80 cents a pound for the same dyes.

Mr. STONE. Mr. President, I answer with perfect frankness in this way: I do not believe that where a monopoly exists anywhere in the world—government sustained, as this is, or otherwise, whatever the force behind it, a monopoly that controls the world's markets and subjects American industries to its edicts—the United States ought to submit to that situation.

Mr. President, there is no need for me to speak about the importance of dyestuffs to our industries; and I mean industries of inestimable and necessary value to our people, industries where millions of people are employed and where millions of capital are invested—all dependent for life upon a single monopoly, and that a foreign monopoly. What think you of that? The thing to my mind is intolerable.

Suppose it were not dyestuffs, but coal——

Mr. SMITH of Michigan. Or sugar.

Mr. STONE. Yes; or sugar or anything that supplies a family necessity; think of a monopoly that would shut such necessities out. How long would we stand for that, even if it were a domestic monopoly? And how long would we suffer from such ills if inflicted by a foreign monopoly? That is the exact principle involved in this legislation now proposed.

Mr. President, I am for this bill on Democratic antimonopoly grounds; not on the grounds of a protective tariff. I am for this clause of the bill as written because I am opposed to any great monopoly, even in this country—much less in any foreign

country—controlling the supplies of any great commodity necessary to the industries of this country.

How shall we meet an evil of this kind? That is the question. I do not know how we can reach an evil of this kind, except through the customhouses.

Mr. UNDERWOOD. Will the Senator allow me to interrupt him?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Alabama?

Mr. STONE. Certainly.

Mr. UNDERWOOD. The Senator says that we must pass this bill, because it will keep out of this country a German monopoly, and yet we pass it in face of the fact that two industrial plants alone say that they will supply the entire market if this bill passes. We drive out the so-called German monopoly that has served us at low prices, and create an American monopoly at high prices.

Mr. STONE. My friend from Alabama is too good a logician to believe that what he states is a sound argument. His statement has the appearance of a mere evasion. We have, so the Senator says, two concerns in the United States producing dyestuffs sufficient to meet substantially the needs af the American textile industries at this time. I do not know about that, but I doubt it. They may be able to do so in a small way as to certain limited number of dyes, but not in the larger way.

Mr. President, the Senator asks, Are we going to drive out the foreign monopoly and open the door to a domestic monopoly? No; I do not intend to do that; but if I should be compelled to choose between a foreign monopoly and a domestic monopoly, I would take the one at home, for this reason if no other, that whenever it should be established that there was a monopoly existing in contravention of the laws of the United States, the Department of Justice could proceed to suppress it.

Mr. OLIVER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Pennsylvania?

Mr. STONE. I do.

Mr. OLIVER. Mr. President, I do not know that I have followed the argument of the Senator from Missouri exactly, but I should like to ask him if he contends that this tax is not levied as a protective measure, but solely as a means of overcoming the monopoly in this industry now enjoyed by the Germans under the protection of their Government? I understand that that is his line of argument.

Mr. STONE. I speak for myself, and am simply stating my own attitude. I have supported, and now support, this provision of the bill upon the ground that I believe it is the only means at the command of the Government of the United States by which it can destroy a foreign monopoly preying upon our country.

Mr. OLIVER. Then, Mr. President, I will ask the Senator how he reconciles that statement with this declaration of the Democratic Party, which I shall read:

> We declare it to be a fundamental principle of the Democratic Party that the Federal Government, under the Constitution, has no right or power to impose or collect tariff duties except for the purpose of revenue.

Now, confessedly, this is not for the purpose of revenue——

Mr. STONE. Oh, Mr. President——

Mr. OLIVER. And still the Senator contends it is in full accord with Democratic doctrines.

Mr. STONE. Oh, well——

Mr. OLIVER. Now, if the Senator will allow me to finish, I desire to say that I am heartily in accord with the conclusion of the Senator in support of this provision.

Mr. STONE. But for a wholly different reason.

Mr. OLIVER. But I can not understand how his reason is in accord with the printed declaration of the Democratic Party, though still he contends that it is.

Mr. STONE. The Senator is in accord with me, so he says, but he admits for a wholly different reason. He would put prohibitory tariff duties upon practically everything to establish universal monopoly in the United States.

Mr. OLIVER. Mr. President, the Senator has no right to say what I would do under any circumstances.

Mr. STONE. I say that is what the Republican Party stands for as a general proposition.

Mr. OLIVER. Let the Senator stigmatize the Republican Party, if he will, but he has no right to say what I personally or individually would do under any other circumstances than those which exist to-day.

Mr. STONE. That is true, and if I have offended I apologize. I merely said what the Senator would do, because he is such a fine representative of his political party.

Mr. OLIVER. The Senator compliments me beyond my deserts.

Mr. STONE. Now, Mr. President, I am through. I wish only to remark that I stand for this bill, because I know of no other way to break down and free our industries from the domination of a great foreign monopoly that preys upon them. The old political feature of a tariff, the question of protection or free trade, is not involved. The question is, Shall we use the only power this Government has at its command, the taxing power, to destroy or to control a monopoly of the kind I have indicated?

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the Committee on Finance.

Mr. UNDERWOOD. I ask for the yeas and nays on that question.

The yeas and nays were ordered.

Mr. STONE. I understand the motion—I have been asked concerning it by a number of Senators—is to strike out a portion of the House text. Am I correct?

The PRESIDING OFFICER. The question is on agreeing to the Senate committee amendment, on page 128, striking out the House text beginning in line 15 of that page and extending to line 12, on page 129, and inserting new matter from that point down to line 19, on page 138; and also the Senate committee amendment in Group III, on page 130, down to the end of line 3, on page 131.

Mr. UNDERWOOD. Mr. President, I asked that the Senate committee amendments to Group II and to Group III be considered together. I understand we are voting on the question of the adoption of the Senate committee amendments to both Group II and Group III at one time?

The PRESIDING OFFICER. That is what the Chair has stated.

Mr. HUGHES. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUGHES. The vote comes now upon the committee amendment?

The PRESIDING OFFICER. The vote comes upon the committee amendment.

Mr. HUGHES. A vote "yea" sustains the committee and a vote "nay" opposes the committee amendment.

The PRESIDING OFFICER. That is true. The Secretary will call the roll.

Mr. SMOOT. Mr. President, so that there may be no mistake about it, I will state that we are not voting now on section 84. The amendment that we are voting on concludes with line 3, on page 131.

The PRESIDING OFFICER. That is what the Chair has stated.

Mr. UNDERWOOD. As I understand, we are voting on the adoption of the Senate committee amendments, both to group II and group III.

The PRESIDING OFFICER. That is what the Chair has stated. The Secretary will call the roll.

The SECRETARY proceeded to call the roll.

Mr. BRYAN (when his name was called). I have a pair with the junior Senator from Michigan [Mr. TOWNSEND], which I transfer to the junior Senator from Louisiana [Mr. BROUSSARD] and vote "nay."

Mr. COLT (when his name was called). I have a general pair with the junior Senator from Delaware [Mr. SAULSBURY]. In view of his absence, I withhold my vote.

Mr. GALLINGER (when his name was called). I have a general pair with the senior Senator from New York [Mr. O'GORMAN]. I transfer that pair to the junior Senator from Vermont [Mr. PAGE] and vote "yea."

Mr. GRONNA (when his name was called). I have a general pair with the Senator from Maine [Mr. JOHNSON]. In his absence, I withhold my vote. If permitted to vote, I should vote "yea."

Mr. SHAFROTH (when his name was called). I have a general pair with the junior Senator from Washington [Mr. POINDEXTER]. I transfer that pair to the Senator from Tennessee [Mr. LEA] and vote "yea."

Mr. SIMMONS (when his name was called). I have a general pair with the junior Senator from Minnesota [Mr. CLAPP], but, by virtue of an understanding with him, I am permitted to vote, and I vote "yea."

Mr. SMITH of Georgia (when his name was called). I transfer my pair with the senior Senator from Massachusetts [Mr. LODGE] to the senior Senator from Nebraska [Mr. HITCHCOCK]. I will let that transfer remain for the balance of the day and vote "yea" on this question.

Mr. STONE (when his name was called). I transfer my pair with the senior Senator from Wyoming [Mr. CLARK] to the senior Senator from Indiana [Mr. KERN] and vote "yea."

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from North Dakota [Mr. MCCUMBER]. In his absence I withhold my vote. I desire, however, to be counted present for the purpose of making a quorum.

Mr. SMITH of Michigan (when Mr. TOWNSEND'S name was called). I desire the RECORD to show that my colleague [Mr. TOWNSEND] is detained from the Senate because of illness in his family. He is paired, however, with the Senator from Florida [Mr. BRYAN]. If my colleague were present and at liberty to vote, he would vote "yea."

Mr. UNDERWOOD (when his name was called). I have a general pair with the junior Senator from Ohio [Mr. HARDING]. In his absence I transfer that pair to the junior Senator from Georgia [Mr. HARDWICK], and I wish to announce that the junior Senator from Georgia asked me to state that if he were present he would vote against the committee amendment. I vote "nay."

The PRESIDING OFFICER (when Mr. VARDAMAN'S name was called). The present occupant of the chair has a pair with the junior Senator from Idaho [Mr. BRADY]. In the absence of a transfer the Chair withholds his vote. If permitted to vote, he would vote "nay."

Mr. WEEKS (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. JAMES], which I transfer to the senior Senator from California [Mr. WORKS] and vote "yea."

I desire to announce that my colleague [Mr. LODGE] is unavoidably absent. He has a general pair with the senior Senator from Georgia [Mr. SMITH].

The roll call was concluded.

Mr. BECKHAM. I transfer my pair with the senior Senator from Delaware [Mr. DU PONT] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. WARREN. My colleague [Mr. CLARK of Wyoming] is unavoidably absent. He is paired with the senior Senator from Missouri [Mr. STONE]. If present, my colleague would vote "yea."

Mr. DILLINGHAM (after having voted in the affirmative). May I inquire if the senior Senator from Maryland [Mr. SMITH] has voted?

The PRESIDING OFFICER. He has not.

Mr. DILLINGHAM. Then I am obliged to withdraw my vote, having a pair with that Senator.

Mr. PENROSE (after having voted in the affirmative). I observe that the senior Senator from Mississippi [Mr. WILLIAMS] has not voted. I am paired with that Senator, but I transfer the pair to the senior Senator from Minnesota [Mr. NELSON] and will let my vote stand

Mr. COLT. I transfer my pair with the Senator from Delaware [Mr. SAULSBURY] to the senior Senator from Idaho [Mr. BORAH] and vote "yea."

Mr. MYERS. I inquire if the Senator from Connecticut [Mr. MCLEAN] has voted?

The PRESIDING OFFICER. He has not.

Mr. MYERS. I have a pair with the Senator from Connecticut, which I transfer to the Senator from South Dakota [Mr. JOHNSON] and vote "yea."

At this time I desire to announce that my colleague [Mr. WALSH] is necessarily absent. He is paired with the Senator from Rhode Island [Mr. LIPPITT].

The PRESIDING OFFICER [Mr. VARDAMAN]. The present occupant of the chair announces a transfer of his pair to the senior Senator from Nevada [Mr. NEWLANDS] and votes "nay."

Mr. HUGHES. I desire to announce the unavoidable absence of the senior Senator from Kentucky [Mr. JAMES]. He is paired with the Senator from Massachusetts [Mr. WEEKS]. If present, the Senator from Kentucky would vote "yea."

Mr. OWEN. I inquire if the Senator from New Mexico [Mr. CATRON] has voted?

The PRESIDING OFFICER. He has not.

Mr. OWEN. I am paired with that Senator, and therefore withhold my vote. If I were at liberty to vote, I should vote "nay."

Mr. CURTIS. I am requested to announce the following pairs:

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from Rhode Island [Mr. LIPPITT] with the Senator from Montana [Mr. WALSH];

The Senator from Utah [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. CLARKE];

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS]; and

The Senator from Connecticut [Mr. BRANDEGEE] with the Senator from Arkansas [Mr. ROBINSON].

The result was announced—yeas 43, nays 7, as follows:

YEAS—43.

Ashurst	Husting	Penrose	Smith, Mich.
Beckham	Jones	Pittman	Smith, S. C.
Chamberlain	Kenyon	Pomerene	Smoot
Chilton	La Follette	Ransdell	Sterling
Colt	Lee, Md.	Shafroth	Stone
Cummins	Lewis	Sheppard	Swanson
Curtis	Martin, Va.	Sherman	Taggart
Fall	Martine, N. J.	Shields	Thompson
Fletcher	Myers	Simmons	Warren
Gallinger	Norris	Smith, Ariz.	Weeks
Hughes	Oliver	Smith, Ga.	

NAYS—7.

Bankhead	Lane	Reed	Vardaman
Bryan	Overman	Underwood	

NOT VOTING—45.

Borah	Gore	Lodge	Smith, Md.
Brady	Gronna	McCumber	Sutherland
Brandegee	Harding	McLean	Thomas
Broussard	Hardwick	Nelson	Tillman
Catron	Hitchcock	Newlands	Townsend
Clapp	Hollis	O'Gorman	Wadsworth
Clark, Wyo.	James	Owen	Walsh
Clarke, Ark.	Johnson, Me.	Page	Williams
Culberson	Johnson, S. Dak.	Phelan	Works
Dillingham	Kern	Poindexter	
du Pont	Lea, Tenn.	Robinson	
Goff	Lippitt	Saulsbury	

So the amendment of the committee was agreed to.

Mr. SIMMONS. Mr. President, I should like to inquire whether there is any possibility of reaching an agreement to fix a time to vote upon this bill?

Mr. GALLINGER. Mr. President, I feel constrained to say to the Senator that there is no possibility of fixing a time at this hour; but I want to assure the Senator that the Senators on this side of the Chamber are quite as anxious as any Senator on the other side can be to facilitate the passage of this bill. I have made inquiry and am fully satisfied that the bill will be passed to-morrow, without any doubt. That is my conviction.

Mr. SIMMONS. The Senator thinks we could not have an agreement this afternoon. Does the Senator think we could have an agreement to-morrow?

Mr. GALLINGER. The Senator could, so far as I am individually concerned, but the inquiries that I have made develop the fact that there will be objection to fixing a time.

Mr. SIMMONS. The Senator feels confident, however, that we can agree upon a time to-morrow, and that a vote can be had during the next calendar day?

Mr. GALLINGER. During the next calendar day.

Mr. SIMMONS. Before adjournment to-morrow?

Mr. GALLINGER. I have no doubt at all about it; not the least in the world. Of course, all human calculations at times are disappointed, but I assure the Senator that that is my full belief.

Mr. UNDERWOOD. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Alabama?

Mr. SIMMONS. I do.

Mr. UNDERWOOD. I desire to ask the Senator from North Carolina, in charge of the bill, whether it is his intention to have a night session to-night or to adjourn at the usual hour?

Mr. SIMMONS. I desire to say, in reply to the Senator from Alabama, that it is the wish of Senators on the committee, and others with whom I have conferred, that we go on until about 8 o'clock.

Mr. GALLINGER. Mr. President, I will venture to make the observation, for what it is worth, that no substantial progress will be made by holding the Senate in session longer than the usual hour to-night. There are Senators on this side—I am speaking with entire frankness—who, if we are to have unusual hours, will make speeches. If we do not have unusual hours, those speeches will not be made.

Mr. SIMMONS. I hope the Senator will not make any objection to our going on a little later than usual this afternoon.

Mr. GALLINGER. I want to repeat what I said the other afternoon—that in my judgment we do not make any substantial progress by holding night sessions. If we could lock the galleries I think we might, but as long as the galleries are open—I have watched that for a great many years—we do mighty little legislating. Of course, the matter is in the hands of the Senate.

Mr. SIMMONS. I think we can make a little headway. If it turns out that we are not making headway we can adjourn.

Mr. SMITH of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Georgia?

Mr. SIMMONS. I do.

Mr. SMITH of Georgia. The suggestion of the Senator from North Carolina is that we go on until about the time that the galleries fill, and then stop.

Mr. SMOOT. Would it not be very much better to take a recess at 6.30 to-night until 10 o'clock to-morrow morning? There is not any question in my mind but that we can get through with the bill to-morrow.

Mr. GALLINGER. Not the least.

Mr. SIMMONS. If I felt assured of that I would not insist, but I feel that it is so important that we should finish up this matter to-morrow that if we can make a little further headway this afternoon we ought to do it. I will let it drift on until half past 6, however, and then we will see.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Oklahoma?

Mr. SIMMONS. Yes.

Mr. OWEN. I wish to inquire whether there are any Senators who desire to be heard on the revenue bill now?

Mr. SIMMONS. We will take up the amendments. I hope we may not have much discussion upon the next amendment.

Mr. OWEN. If there is no discussion desired to-night on the revenue bill, I ask that the remainder of the day be devoted to the corrupt-practices act.

Mr. SIMMONS. I can not consent to that, Mr. President. The revenue bill is before the Senate, and I have stated that we did not wish to and would not, unless the Senate directed that it be done, lay it aside to take up anything until we have finished it.

Mr. OWEN. Mr. President, the time is growing very short——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Oklahoma?

Mr. SIMMONS. Yes.

Mr. OWEN. I will wait until the Senator has concluded.

Mr. SIMMONS. I yield to the Senator. I have not declined to yield to him.

Mr. OWEN. I know, but I do not wish to take up the Senator's time. I desire to make a statement in my own time.

Mr. OLIVER. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Pennsylvania?

Mr. SIMMONS. Yes.

Mr. OLIVER. I desire to call the attention of the Senator from North Carolina to the fact that we have not yet finished the reading of the bill. I suggest that we go right along.

Mr. SIMMONS. That is what I desire to do.

The PRESIDING OFFICER. The Secretary will continue the reading of the bill. That is the question before the Senate.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. OWEN. What I want to call attention to is that if Senators do not want to use the remaining part of the day, since it is the desire of so many——

Mr. SIMMONS. Why, Mr. President, if the Senator will pardon me——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from North Carolina?

Mr. OWEN. I yield for a question; yes.

Mr. SIMMONS. The Senator must not have been in here when I stated that I hoped we might continue the consideration of the bill until 8 o'clock in order that we might make further progress with it.

Mr. OWEN. I understand that perfectly, but the Senator is permitting the program to be determined by the minority, and that is what I object to.

Mr. SIMMONS. No; I am not. I have not yielded anything to the minority. I have not changed my purpose.

Mr. OWEN. It is perfectly easy for the minority to use the revenue bill as a buffer with which to use up the time and in that way preclude any reasonable time for the consideration of the corrupt-practices act. It is just as good a way to filibuster against the corrupt-practices act as to do it openly, and I prefer to have it done openly if that is the desire of the minority. I do not want to have the time which is available not utilized when I regard the corrupt-practices act as vital to the welfare of this Nation, and I hope the Senator from North Carolina will go on with the revenue bill until at least 11 o'clock to-night.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Utah?

Mr. OWEN. I yield the floor.

Mr. SMOOT. I thought the Senator had concluded.

Mr. OWEN. I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

Mr. SMOOT. Mr. President, I think it is unfair for the Senator from Oklahoma to refer to a "filibuster" on this side of the Chamber. Does the Senator know that most of the day has been occupied by Senators on the other side of the Chamber? Does he know that the discussion was started by the Senator from Illinois [Mr. LEWIS]? Does he know that the Senator from Alabama [Mr. UNDERWOOD] and the Senator from New Jersey [Mr. HUGHES] occupied a great deal of time to-day? Does he know that upon this side of the Chamber the only time that has been occupied was consumed by the Senator from Minnesota [Mr. NELSON], who spoke for about one hour and two minutes, I think, and the Senator from Utah [Mr. SMOOT], who occupied about 25 minutes? Then, too, the Senator from Missouri [Mr. STONE] has been speaking.

I do not think it is just or right that the Senator should try to make it appear that there is any filibuster on this side of the Chamber.

Mr. LEWIS rose.

Mr. OLIVER. I call for the regular order.

The PRESIDING OFFICER. The Senator from Illinois rose to address the Chair.

Mr. LEWIS. I desire to inform the Senators that there is an item now upon the table that might give opportunity, if not necessity, for debate. I tendered this morning what is called the Webb bill, embodying the export-trade feature, as an amendment to the present measure. It being on the table, I wanted to invite attention to it.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from North Carolina?

Mr. LEWIS. Yes.

Mr. SIMMONS. We are not yet through with the committee amendments. As soon as we are through with the committee amendments, the amendment offered by the Senator from Illinois will be in order.

Mr. LEWIS. I thank the Senator, but I was not rising to that point. It was to inform a couple of Senators who wanted to know if that amendment had been introduced. They were of the impression that when it was reached it would entail some debate, and the Senator from Oklahoma desired to regulate his future course in accordance with that matter. I am merely informing those interested that I have tendered the amendment, and it lies on the table, to be called up at the appropriate time. Whether it shall awaken debate or not, I do not know.

PAY OF EMPLOYEES.

Mr. MARTIN of Virginia. Mr. President, the Senator from North Carolina has kindly agreed to yield to me temporarily to enable me to introduce a joint resolution, which will not take three minutes to consider, I am sure, and which will appeal to every Senator.

The PRESIDING OFFICER. If there is no objection, the Secretary will read the joint resolution.

The joint resolution (S. J. Res. 173) authorizing the payment of September salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session, was read the first time by its title and the second time at length, as follows:

Resolved, etc., That the Secretary of the Senate and the Clerk of the House of Representatives are authorized and instructed to pay the officers and employees of the Senate and House, including the Capitol police and including the pages who shall be continued upon the rolls of September, their respective salaries or per diem for the month of September, 1916, on the day of adjournment of the present session; and the Clerk of the House is authorized to pay on the same day to Members, Delegates, and Resident Commissioners their allowance for clerk hire for the said month of September; and so much money as may be necessary to pay the pages of the Senate and the House of Representatives until the end of September is hereby appropriated out of any money in the Treasury not otherwise appropriated.

Mr. MARTIN of Virginia. This is an exact copy of the joint resolution adopted in 1914. It is simply to advance their pay to these clerks who have to start home. I ask unanimous consent for its present consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objetion, the joint resolution was considered as in Committee of the Whole.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

The PRESIDING OFFICER. The Secretary will read the next section of the bill.

The reading of the bill was resumed, beginning with section 84, on page 131.

The next amendment was, on page 131, line 4, after the word "That," to strike out "on and after the day following the passage of this act"; in line 5, after the word "section," to strike out "400" and insert "83"; and in line 9, after the words "Group III" to strike out "except natural and synthetic alizarin, and dyes obtained from alizarin, anthracene, and carbazol; and natural and synthetic indigo and all indigoids, whether or not obtained from indigo," so as to make the clause read:

SEC. 84. That in addition to the duties provided in section 83, there shall be levied, collected, and paid upon all articles contained in Group II a special duty of 2½ cents per pound, and upon all articles contained in Group III a special duty of 5 cents per pound.

Mr. SMOOT. Mr. President, at this time I simply desire to give notice that I shall move to strike out "two and a half" and insert "three and three-quarters," and to strike out "five" and insert "seven and a half"; but I shall not do that until the committee amendments are disposed of.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 131, line 15, after the word "after," to strike out "the passage of"; and in the same line, after the word "this," to strike out "act" and insert "title shall go into effect," so as to make the clause read:

During the period of five years beginning five years after this title shall go into effect, such special duties shall be annually reduced by 20 per cent of the rate imposed by this section, so that at the end of such period such special duties shall no longer be assessed, levied, or collected; but if, at the expiration of five years from the date of the passage of this act, the President finds that there is not being manufactured or produced within the United States as much as 60 per cent in value of the domestic consumption of the articles mentioned in Groups II and III of section 400, he shall by proclamation so declare, whereupon the special duties imposed by this section on such articles shall no longer be assessed, levied, or collected.

The amendment was agreed to.

Mr. OLIVER. I suggest that in line 24, page 131, "section 400" should be changed to "section 83."

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. In line 24, page 131, strike out "400" and insert "83" after the word "section."

The amendment was agreed to.

The next amendment was, on page 132, line 4, after the words "twenty-three," to insert "and the words 'salicylic acid' in paragraph 1," so as to make the clause read:

SEC. 85. That paragraphs 20, 21, 22, and 23 and the words "salicylic acid" in paragraph 1 of Schedule A of section 1 of an act entitled "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," approved October 3, 1913, and paragraphs 394, 452, and 514, and the words "carbolic" and "phthalic," in paragraph 387 of the "free list" of section 1 of said act, and so much of said act or any existing law or parts of law as may be inconsistent with this title are hereby repealed.

The amendment was agreed to.

The next amendment was, on page 132, after line 15, to insert:

SEC. 86. That until the termination of the present European war, or until the conditions of importations of the articles therein specified shall have been substantially restored, which shall be evidenced by the proclamation of the President of the United States to that effect, the provisions of Title V of this act shall not take effect or become operative.

The amendment was agreed to.

The Secretary proceeded to read the amendment, "Title VI, printing paper," beginning on page 132, line 22.

Mr. HUGHES. In order to clarify the title we have just finished, I should like to return to page 130, line 12, and propose an amendment.

The PRESIDING OFFICER. If there is no objection, the vote by which the amendment of the committee, on page 130, was agreed to will be reconsidered.

Mr. HUGHES. In line 12, after the word "acids," I move to insert "equal to or more than," so as to read:

A quantity of tar acids equal to or more than 5 per cent.

The amendment to the amendment was agreed to.

Mr. HUGHES. In lines 12 and 13, I move to strike out the words "or more," so as to read: "5 per cent of the original distillate."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. HUGHES. In the next paragraph, on page 130, line 23, "phenalic" should read "phenolic."

The PRESIDING OFFICER. That amendment will be agreed to without objection.

Mr. HUGHES. On page 131, line 1, I move to strike out the word "including."

The PRESIDING OFFICER. Without objection, the amendment will be agreed to.

Mr. SMOOT. Just a moment. Is the Senator from New Jersey quite sure that the word "including" should be stricken out?

Mr. HUGHES. I feel certain that it should be stricken out. I will say to the Senator. It was suggested to me by the Treasury Department, and the reason seemed to me to be sound. If there is any question about it I will be glad to talk to the Senator about it. The matter can be reached later in the consideration of the bill or in conference.

Mr. SMOOT. I will say to the Senator I think the word "including" is necessary. It reads "including natural alizarin and indigo and color dyes, or color lakes obtained, derived, or manufactured therefrom."

Mr. HUGHES. I will ask the Senator to let the amendment be adopted. I shall be perfectly willing to revert to it later.

Mr. WEEKS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Massachusetts?

Mr. HUGHES. I do.

Mr. WEEKS. I should like to have the Senator explain briefly what this will do. There were no hearings, no evidence, no explanation of any kind. I do not understand it myself, and I should like to have some explanation of it.

Mr. HUGHES. All right. I shall be delighted to explain it to the Senator privately as well as publicly.

Mr. WEEKS. I am looking for information.

Mr. HUGHES. I will be glad to give the Senator all the information I have. That will not take me long.

Mr. WEEKS. I think as long as the information will not take very long, it had better be made public.

Mr. HUGHES. What is the Senator referring to?

Mr. WEEKS. I am referring to the paragraph relating to paper that we have under consideration.

Mr. HUGHES. I was not directing myself to that paragraph, because——

The PRESIDING OFFICER. That paragraph is not before the Senate now.

Mr. WEEKS. Is not the paragraph beginning on page 132, line 22, before the Senate now?

Mr. HUGHES. No; it is not. I will say to the Senator I am dealing with the title of dyestuffs. I have not attempted to make any change in the paper title, and I do not purpose to make any as far as I am concerned; I am going to leave that to some one else. I have trouble enough of my own. I ask unanimous consent to recur to page 99 and to offer the following amendment——

The PRESIDING OFFICER. The Chair suggests to the Senator that the amendment just offered be disposed of before taking up another amendment.

Mr. HUGHES. I understood that it was agreed to.

The PRESIDING OFFICER. The Chair hears no objection, and it will be considered as agreed to.

Mr. GALLINGER. Is that the print-paper title?

The PRESIDING OFFICER. No; that is not before the Senate; it is in the dyestuff title. The Senator from New Jersey asks unanimous consent to return to page 99 and to add a new section, which will be read.

The SECRETARY. It is proposed to insert as section 56, after line 15, on page 99, the following:

SEC. 56. That section 3255 of the Revised Statutes as amended by act of June 3, 1896, and as further amended by act of March 2, 1911, be further amended so as to read as follows:

"SEC. 3255. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may exempt distillers of brandy made exclusively from apples, peaches, grapes, pears, pineapples, oranges, apricots, berries, plums, pawpaws, persimmons, prunes, figs, or cherries from any provision of this title relating to the manufacture of spirits, except as to the tax thereon, when in his judgment it may seem expedient to do so: *Provided*, That where, in manufacture of wine, artificial sweetening has been used the wine or the fruit pomace residuum may be used in the distillation of brandy, as such use shall not prevent the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, from exempting such distiller from any provision of this title relating to the manufacture of spirits, except as to the tax thereon, when in his judgment it may seem expedient to do so: *And provided further*, That the distillers mentioned in this section may add to not less than 500 gallons (or 10 barrels) of grape cheese not more than 500 gallons of a sugar solution made from cane, beet, starch, or corn sugar, such solution to have a saccharine strength of not to exceed 10 per cent, and may ferment the resultant mixture on a winery or distillery premises, and such fermented product shall be regarded as distilling material."

Mr. GALLINGER. This seems to be a pretty important amendment. I should like the Senator from New Jersey to give some explanation of it.

Mr. SIMMONS. If the Senator will pardon me, that is not a committee amendment, and I hope the Senator from New Jersey will let us finish the committee amendments.

Mr. HUGHES. Of course, if the Senator insists upon proceeding in order——

Mr. SIMMONS. I have insisted in the case of the Senator from Illinois, and I think I ought to apply the same rule to the Senator from New Jersey.

Mr. HUGHES. It makes no difference to me whether the amendment is passed or not. I should like to get what I am charged with doing off my mind as soon as possible. There was no opposition to this amendment on the part of anyone, as far as I know.

The PRESIDING OFFICER. The Senator from New Jersey asks unanimous consent——

Mr. SIMMONS. If there is no objection, I will not object.

The PRESIDING OFFICER. The Chair is going to find out whether there is objection. Is there objection?

Mr. GALLINGER. Unless the amendment is explained, I shall object.

Mr. HUGHES. I will be glad to explain it.

Mr. GALLINGER. It seems to be an applejack amendment, and I should like to know something about it.

The PRESIDING OFFICER. Is there objection to the consideration of the amendment now?

Mr. OLIVER. Mr. President, I really think we ought to complete the reading of the bill and let the amendment come in afterwards.

Mr. HUGHES. I ask that the amendment may lie on the table.

The PRESIDING OFFICER. The amendment will lie on the table, and the Secretary will state the next amendment.

The next amendment was, on page 132, after line 21, to insert:

TITLE VI. PRINTING PAPER.

SEC. 87. That section 322, Schedule M, and section 567 of the free list of the tariff act of October 3, 1913, be amended so that the same shall read as follows:

"SEC. 322. Printing paper (other than paper commercially known as handmade or machine handmade paper, japan paper, and imitation japan paper by whatever name known), unsized, sized, or glued, suitable for the printing of books and newspapers, but not for covers or bindings, not specially provided for in this section, valued above 5 cents per pound, 12 per cent ad valorem: *Provided, however*, That if any country, dependency, province, or other subdivision of government shall impose any export duty, export license fee, or other charge of any kind whatsoever (whether in the form of additional charge or license fee or otherwise) upon printing paper, wood pulp, or wood for use in the manufacture of wood pulp, there shall be imposed upon printing paper, valued above 5 cents per pound, when imported either directly or indirectly from such country, dependency, province, or other subdivision of government, an additional duty equal to the amount of the highest export duty or other export charge imposed by such country, dependency, province, or other subdivision of government, upon either printing paper or upon an amount of wood pulp, or wood for use in the manufacture of wood pulp necessary to manufacture such printing paper.

"SEC. 567. Printing paper (other than paper commercially known as handmade or machine handmade paper, japan paper, and imitation japan paper by whatever name known), unsized, sized, or glued, suitable for the printing of books and newspapers, but not for covers or bindings, not specially provided for in this section, valued at not above 5 cents per pound, decalcomania paper not printed."

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

Mr. GALLINGER. Mr. President, I recall very vividly the controversy that arose not long ago over this matter of print paper, when it was contended that, if we removed the duty and allowed Canada to bring paper into this country on more favorable terms, it would reduce the cost of paper. I am not going to argue this question at all, nor precipitate a tariff discussion, but I want to put in the RECORD precisely what has happened since this class of paper was put on the free list. I will ask the Secretary to read the table I have sent to the desk.

Mr. SIMMONS. Does the Senator desire it read?

Mr. GALLINGER. It is just a few lines, and I should like to have it read.

The PRESIDING OFFICER. In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

Imports of news print paper from Canada.

	Tons.
1911	54,485
1912	84,634
1913	218,793
1914	310,401
1915	366,921
January, 1916	35,986
February, 1916	35,838
March, 1916	41,952
April, 1916	38,032
May, 1916	43,845

For five months, January to May, 1916, inclusive, 195,653 tons have been imported. At that rate the importations for 1916 will be 469,560 tons.

Mr. GALLINGER. Mr. President, I put that table in the RECORD for the purpose of showing that we have transferred this industry to Canada; and I do not know that we are getting paper any cheaper. On the contrary, I understand that the cost of print paper is higher than it was when we transferred the industry from our own country to a foreign country.

Mr. SIMMONS. Mr. President, when in the present tariff law provision was made for the free importation of paper not costing more than a certain sum per pound, I think it was done with practically general assent in the Senate.

Mr. GALLINGER. Mr. President——

Mr. SIMMONS. I do not mean to say that it was unanimous, but I think there was general assent.

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from New Hampshire?

Mr. SIMMONS. Yes.

Mr. GALLINGER. If the Senator will permit me, in my feeble way, occupying considerable time, I entered as earnest a protest against it as I knew how to do.

Mr. SIMMONS. I do not recall the attitude of the Senator from New Hampshire exactly, and, of course, I accept his statement as to what his attitude was at the time; but I think that I am safe in saying that the action taken was with the acquiescence of pretty nearly the entire Senate and the entire Congress. It was in response to an almost universal, if not quite universal, demand from the newspapers for cheaper print paper, and was based largely upon educational grounds. Now, the price of print paper has gone far beyond the limit as to value fixed in the tariff law, and the papers are not getting the benefit of the free paper intended by the provision in the present law to be accorded to them; and if they are to have the benefit of the privilege of getting print paper duty free, then it is necessary to raise the limit as to value per pound. That is all there is in this amendment. I myself do not care to discuss it, but I simply wanted to state the reason why the committee put this provision in the bill.

Mr. OLIVER. Mr. President, this amendment is put in, as the Senator from North Carolina states, for the purpose of securing, as far as possible, the favor of the newspapers of the country. I do not say that the Senator from North Carolina stated that, but I say that that is the open and palpable purpose.

Mr. SIMMONS. I hope the Senator will not put words in my mouth which I did not utter.

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from North Carolina?

Mr. OLIVER. Yes.

Mr. SIMMONS. What I said was that the original provision was placed in the tariff law, whether rightfully or wrongfully—I shall make no contention as to that, and I do not intend to enter upon a defense of it now—as a concession to the newspapers; and if they are to get the benefit of that concession we have got to change the limitation. That is all there is to it.

Mr. OLIVER. Mr. President, I will withdraw my statement in the form in which it was then expressed and say that the original act taking the duty off print paper valued at not above 2½ cents a pound was placed in the law as a concession to the newspapers of the country. This amendment is put in as a further concession.

As one of the favored class, Mr. President—because I am a newspaper publisher—I may say that I never asked any such concession, but that I was opposed to it; that I never believed it would enable me in the end to buy paper any cheaper than it could be obtained under a fair and reasonable duty placed upon imports of paper; and I am firmly of the opinion now that the present shortage of paper in this country would be by no means so acute if the duty upon print paper had been allowed to remain at $2 per ton, because the moment that the duty was taken off all development of the paper industry within the borders of the United States ceased as if by magic, and the development in Canada, while it has been great, as shown by the figures submitted by the Senator from New Hampshire [Mr. GALLINGER], has been by no means as great as would have been the development in this country if Congress had trusted to the enterprise and the energy of our own people who would have put up additional units and added to their paper-making capacity as fast as the demands of the newspapers of the country required. So I believe that the present shortage of paper would have been to a certain extent avoided—not altogether, perhaps, because the demand for paper has been phenomenal during the last year, while the supply of some of the materials for making paper, owing to conditions arising out of the war, has been restricted to a certain extent—but if we had continued the duty on paper, I believe that news-print paper to-day would not have

been selling above 2½ cents per pound; and if we should place a fair and reasonable duty upon it now and encourage the establishment and the enlargement of the industry within our own borders, I believe that within a short time the problem before the newspapers of the country would be solved.

The PRESIDING OFFICER. The question is on the agreeing to the committee amendment.

The amendment was agreed to.

The reading of the bill was resumed, and the Secretary read to the end of section 90, on page 136, line 23.

Mr. SIMMONS. Mr. President, I have concluded, as the result of some arrangements that have been made by which I think the disposition of the bill can be facilitated, not to insist upon a night session. I therefore move that when the Senate takes a recess to-night it be until 10 o'clock to-morrow morning.

Mr. MARTIN of Virginia. Why not move a recess now? It is practically 6.30 o'clock.

Mr. SIMMONS. No; a brief executive session is desired.

The PRESIDING OFFICER. The question is on the motion of the Senator from North Carolina.

The motion was agreed to.

Mr. STERLING. Mr. President——

Mr. HUGHES. Mr. President, I move that the Secretary be authorized to change the text of the bill in order to correspond with the new numbering of the paragraphs.

The PRESIDING OFFICER. Is there any objection? The Chair hears none, and it is so ordered.

Mr. STERLING. I submit an amendment to the Tariff Commission feature of the bill, and ask to have it printed and lie on the table.

The PRESIDING OFFICER. The amendment will lie on the table and be printed.

EXECUTIVE SESSION.

Mr. STONE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

RECESS.

Mr. SIMMONS. I move that the Senate take a recess until to-morrow morning at 10 o'clock.

The motion was agreed to; and (at 6 o'clock and 29 minutes p. m., Monday, September 4, 1916) the Senate took a recess until to-morrow, Tuesday, September 5, 1916, at 10 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate September 4 (legislative day of September 1), 1916.

CONSUL.

CLASS 9.

Arthur A. McLean, jr., to be a consul of class 9.

PROMOTIONS IN THE ARMY.

INFANTRY ARM.

Lieut. Col. Erneste V. Smith to be colonel.

CORPS OF ENGINEERS.

Capt. Henry H. Robert to be major.

To be captains.

First Lieut. Lindsay C. Herkness.
First Lieut. Albert K. B. Lyman.
First Lieut. Frederick S. Strong, jr.
First Lieut. Creswell Garlington.
First Lieut. Daniel D. Pullen.
First Lieut. Carey H. Brown.
First Lieut. Oscar N. Sohlberg.
First Lieut. Beverly C. Dunn.
First Lieut. Donald H. Connolly.
First Lieut. Raymond F. Fowler.
First Lieut. David McCoach, jr.
First Lieut. James G. B. Lampert.
First Lieut. Philip B. Fleming.
First Lieut. John W. Stewart.
First Lieut. Joseph C. Mehaffey.
First Lieut. Paul S. Reinecke.
First Lieut. Raymond A. Wheeler.
First Lieut. W. Morris Chubb.
First Lieut. Howard S. Bennion.
First Lieut. William C. Sherman.
First Lieut. Rudolph C. Kuldell.
First Lieut. Roscoe C. Crawford.
First Lieut. Earl G. Paules.
First Lieut. Bradford G. Chynoweth.
First Lieut. Milo P. Fox.
First Lieut. John C. Gotwals.

To be first lieutenants.

Second Lieut. George J. Richards.
Second Lieut. Alexander P. Cronkhite.
Second Lieut. John S. Smylie.
Second Lieut. Lehman W. Miller.
Second Lieut. Douglas L. Weart.
Second Lieut. Earl E. Gesler.
Second Lieut. Edwin A. Bethel.
Second Lieut. John F. Conklin.
Second Lieut. Alfred L. Ganahl.
Second Lieut. John E. Harris.
Second Lieut. William F. Tompkins.
Second Lieut. Douglas H. Gillette.
Second Lieut. Paul A. Hodgson.
Second Lieut. Donald A. Davison.
Second Lieut. Thomas B. Larkin.
Second Lieut. Edwin C. Kelton.
Second Lieut. Mason J. Young.
Second Lieut. Layson E. Atkins.
Second Lieut. John H. Wills.
Second Lieut. Raymond G. Moses.
Second Lieut. Wilhelm D. Styer.
Second Lieut. John W. Fraser.
Second Lieut. Charles H. Cunningham.
Second Lieut. Dwight F. Johns.
Second Lieut. William A. Snow.
Second Lieut. Thomas D. Finley.
Second Lieut. William H. Britton.
Second Lieut. Elroy S. J. Irvine.
Second Lieut. Notley Y. Du Hamel.
Second Lieut. Wilburn H. Henderson.
Second Lieut. Robert G. Guyer.
Second Lieut. Edward C. Smith.
Second Lieut. Robert A. Sharrer.
Second Lieut. Ludson D. Worsham.
Second Lieut. Edward G. Bliss.
Second Lieut. Ralph G. Barrows.
Second Lieut. Holland L. Robb.
Second Lieut. Frederick W. Bonfils.
Second Lieut. Robert R. Neyland, jr.

To be probational first lieutenants.

Probational Second Lieut. George Mayo.
Probational Second Lieut. Paul T. Bock.
Probational Second Lieut. Charles O. Boynton.
Probational Second Lieut. Arthur P. von Deesten.
Probational Second Lieut. Edward N. Whitney.

APPOINTMENTS IN THE ARMY.

MEDICAL RESERVE CORPS.

To be first lieutenants.

James Norment Baker.
Samuel Clifton Baldwin.
Carlton Mann Beebe.
John Marshall Beffel.
Thomas Cleland Bell.
Nelson Miles Black.
William Parsons Boardman.
Horace Manchester Brown.
Polk Duncan Brown.
Coleman Graves Buford.
Nuckols Thornton Davie.
George Strong Derby.
Thomas Patrick Foley.
William Brown Ford.
Louis Julian Genella.
Robert Goldthwaite.
Chester Sigmund Harris.
James Barnard Hastings.
John Robert Hume.
Thomas William Jenkins.
Walter Arthur Jillson.
Norman Emmett Jobes.
Otto Anthony Kreml.
Roger Irving Lee.
Francis Hector McNaught.
Earle Hobart McRae.
Nathaniel Robert Mason.
Fitch Champlin Edmunde Mattison.
Norman Randolph Price.
George Samuel Reiss.
Robert Lewis Rhodes.

William Frederic Andrew George Rienhoff.
Augustus Washington Shea.
Edward Bernard Sheehan.
Jesse Pickrell Simpson.
John Paul Spooner.
James Leavitt Stoddard.
Thomas Cromwell Stunkard.
Henry Ladd Stickney.
Bert Tillery.
Carl Christian Vogel.
Fred Cecil Watson.
Harry Bernard Zimmermann.
Charles Carlin Ayres.
Harold Augustus Benson.
Joseph Edward Campbell.
Walcott Denison.
Gouverneur Vincent Emerson.
Roy Macleay Fortier.
William Archer Hagins.
Paul Ramsey Hawley.
Robert Burns Hill.
Leroy Taylor Howard.
William Rogers Klingensmith.
Charles Le Baron, jr.
Alva Burton McKie.
Emery Bowers Neff.
Oramel Henry Stanley.
Prescott Stearns Tucker.
Otto Emil Utzinger.
Bascom Lee Wilson.
William Roy Cain.
Thomas Lee Gore.
Asa Margrave Lehman.
Benjamin Norris.
John Roy Oswalt.
Cary Robert Pollock.
William Clark Thomas.

QUARTERMASTER CORPS.

Charles P. Daly, chief clerk, office of the Quartermaster Corps, United States Army, to be military storekeeper with the rank of captain.

POSTMASTERS.

ILLINOIS.

Joseph M. Connery, Enfield.

MASSACHUSETTS.

James W. T. Davis, Amherst.
Richard T. Fennessey, Danvers.
Sydney Harrocks, Westminster.

PENNSYLVANIA.

Thomas H. McKiveen, Trafford.

SOUTH DAKOTA.

E. J. Dunn, Bryant.
Julius Palmer, Gary.

HOUSE OF REPRESENTATIVES.

MONDAY, *September 4, 1916.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We bless Thee, our Father in heaven, for this newborn day, token of Thy presence and continued care; for our great and growing Republic, with its vast resources, manifold industries, its educational facilities and scientific achievements, its religious liberty and philanthropic institutions; for the great opportunities it affords for development of all that is best in man.

We pray for an increased patriotic citizenship, which shall solidify our Government into a perfect whole, that we may continue to grow in all that makes a nation great and strong; that peace may be ours, and a place among the nations for increased good in all the world, and everlasting praise shall be Thine, in the name of the Prince of Peace. Amen.

The Journal of the proceedings of Saturday, September 2, 1916, was read and approved.

CHANGE OF CONFEREES.

The SPEAKER. The other day the Chair appointed the gentleman from California [Mr. RAKER], the gentleman from Colorado [Mr. TAYLOR], and the gentleman from Wisconsin [Mr. LENROOT] as conferees on Senate bill 3646. Mr. TAYLOR and Mr. LENROOT are both out of the city, and the Chair appoints the gentleman from Colorado [Mr. HAYDEN] and the gentleman from Washington [Mr. LA FOLLETTE].

LEAVE TO EXTEND REMARKS.

Mr. DOOLITTLE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of Americanism and John Ericsson.

The SPEAKER. The gentleman from Kansas asks unanimous consent to extend his remarks in the RECORD on the subject of Americanism and John Ericsson. Is there objection?

There was no objection.

Mr. MANN. I ask unanimous consent that my colleague [Mr. CHIPERFIELD] be permitted to extend his remarks in the RECORD by inserting a speech in relation to the National Guard which he delivered before the American Society of Military Law at the meeting of the American Bar Association.

The SPEAKER. The gentleman from Illinois [Mr. MANN] asks unanimous consent that his colleague [Mr. CHIPERFIELD] have permission to extend his remarks by printing in the CONGRESSIONAL RECORD a speech that he made recently on the subject of the National Guard. Is there objection?

There was no objection.

Mr. McARTHUR. I ask unanimous consent to extend my remarks in the RECORD by printing remarks on the eight-hour law, and also on the question of preparedness.

The SPEAKER. The gentleman from Oregon asks unanimous consent to extend his remarks in the RECORD on the eight-hour law and on the subject of preparedness.

Mr. ADAMSON. Reserving the right to object, I announced on Saturday, with the concurrence of the gentleman from Illinois [Mr. MANN], that I would ask for general leave to print on the eight-hour law, and I now make that request.

The SPEAKER. First, is there objection to the latter part of the request of the gentleman from Oregon?

There was no objection.

The SPEAKER. The gentleman from Georgia [Mr. ADAMSON] asks unanimous consent that all gentlemen have permission to print in the RECORD speeches on the subject of the eight-hour law, and so forth. Is there objection?

Mr. MANN. For how many days?

Mr. ADAMSON. I do not know that it makes any difference. How many days would suit the gentleman?

Mr. MANN. I am not particular.

Mr. ADAMSON. I will say 10 days, so as to give them plenty of time.

The SPEAKER. The gentleman from Georgia asks unanimous consent that all Members have leave to print remarks on the subject of the eight-hour law for 10 days. Is there objection?

Mr. MANN. I take it those speeches will appear in the permanent RECORD as of to-day and not as of last Friday.

Mr. ADAMSON. That is what they ought to do.

The SPEAKER. The speeches printed under this leave to appear in the permanent RECORD as if delivered to-day. Is there objection?

There was no objection.

COMPENSATION FOR INJURED FEDERAL EMPLOYEES—CONFERENCE REPORT.

Mr. GARD. Mr. Speaker, I desire to present a conference report on the workmen's compensation bill, H. R. 15316.

The SPEAKER. The gentleman presents a conference report to be printed in the RECORD.

Mr. MANN. I think it ought to be disposed of now.

Mr. WEBB. I ask unanimous consent that we may now consider the conference report. It is very brief.

The SPEAKER. The gentleman from North Carolina [Mr. WEBB] asks unanimous consent to consider this conference report now, the rule about printing to the contrary notwithstanding. Is there objection?

There was no objection.

The Clerk read the conference report, as follows:

CONFERENCE REPORT (NO. 1195).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15316) to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 1: That the Senate recede from its disagreement to the amendment of the House numbered 1, to the amendment of the Senate, and agree to the same with an amendment as follows: In lieu of the matter proposed by said amendment insert the following:

"SEC. 28a. Upon the organization of said commission and notification of the heads of all executive departments that the commission is ready to take up the work devolved upon it by this act, all commissions and independent bureaus, by or in which payments for compensation are now provided, together with the adjustment and settlement of such claims, shall cease and determine, and such executive departments, commissions, and independent bureaus, shall transfer all pending claims to said commission to be administered by it. The said commission may obtain, in all cases, in addition to the reports provided in section 24, such information and such reports from employees of the departments as may be agreed upon by the commission and the heads of the respective departments. All clerks and employees now exclusively engaged in carrying on said work in the various executive departments, commissions, and independent bureaus, shall be transferred to, and become employees of, the commission at their present grades and salaries."

And the House agree to the same.

E. Y. WEBB,
WARREN GARD,
A. J. VOLSTEAD,
Managers on the part of the House.

HOKE SMITH,
CLAUDE A. SWANSON,
W. E. BORAH,
Managers on the part of the Senate.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

INDIAN SCHOOLS.

Mr. STEPHENS of Texas. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 6748) providing that Indian schools may be maintained without restriction as to annual rate of expenditure per pupil.

The SPEAKER. Is it on the House Calendar?

Mr. STEPHENS of Texas. On the Union Calendar. It is an emergency matter.

The SPEAKER. The gentleman from Texas asks unanimous consent for the present consideration of a Senate bill, which the Clerk will report.

The bill was read, as follows:

Be it enacted, etc., That all moneys appropriated or available for Indian school purposes may be expended without restriction as to per capita expenditure for the annual support and education of any one pupil in any Indian school.

With the following committee amendment:

Page 1, line 6, after the word "school" insert: "*Provided*, That in no event shall the per capita cost at any one school exceed the sum of $200.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. This bill is on the Union Calendar.

Mr. STEPHENS of Texas. I ask unanimous consent to consider it in the House as in Committee of the Whole.

The SPEAKER. The gentleman asks unanimous consent to consider it in the House as in Committee of the Whole. Is there objection?

There was no objection.

Mr. MANN. I suppose that amendment means $200 per annum.

Mr. STEPHENS of Texas. Per annum and per capita; yes.

Mr. MANN. Should not the words "per annum" be inserted?

Mr. STEPHENS of Texas. I have no objection to that. It means so much per capita.

Mr. MANN. If you do not put in the words "per annum," it will soon close the school. I move to amend by inserting after "$200" the words "per annum."

The Clerk read as follows:

Amend the amendment by inserting after the word "$200" the words "per annum."

Mr. NORTON. Would it not be inferred from the text of the bill that the words "per capita" referred to the length of time, "per annum"—per capita, per annum?

Mr. STEPHENS of Texas. I think the preceding language of the bill possibly would cover the point which the gentleman from Illinois seems to desire. I think both points are covered by that language.

The SPEAKER. The question is on the amendment of the gentleman from Illinois [Mr. MANN] to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The bill as amended was ordered to a third reading, and was accordingly read the third time and passed.

On motion of Mr. STEPHENS of Texas, a motion to reconsider the vote by which the bill was passed was laid on the table.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had insisted upon its amendments to the bill (H. R. 17645) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1916, and prior years, and for other purposes, had requested a conference with the House, and had appointed Mr. MARTIN of Virginia, Mr. BRYAN, and Mr. SMOOT as the conferees on the part of the Senate.

The message also announced that the Senate had passed without amendment bill of the following title:

H. R. 14391. An act authorizing the purchase of a site and the erection of a public building thereon at Madison, Wis., and for other purposes.

The message also announced that the Senate had agreed to the amendment of the House of Representatives to the bill (S. 5407) authorizing and directing the Secretary of the Treasury to extend the time of payment of the amount due the Government by the city of Augusta, Ga.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that on September 2, 1916, they had presented to the President of the United States for his approval the following bills:

H. R. 17700. An act to establish an eight-hour day for employees of carriers engaged in interstate and foreign commerce, and for other purposes;

H. R. 15455. An act to establish a United States Shipping Board for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a merchant marine to meet the requirements of the commerce of the United States with its Territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and interstate commerce of the United States; and for other purposes;

H. R. 16719. An act for the relief of John P. Sutton;

H. R. 17567. An act to authorize the county of Luzerne, State of Pennsylvania, to construct a bridge across the North Branch of the Susquehanna River from the city of Wilkes-Barre, county of Luzerne, Pa., to the borough of Dorranceton, county of Luzerne, Pa.;

H. R. 1528. An act for the relief of Martin Huhn; and

H. R. 6914. An act to amend section 82, chapter 231, of the act to codify, revise, and amend the laws relating to the judiciary.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the bill (H. R. 15316) to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes.

EXTENSION OF REMARKS.

Mr. CANNON. Mr. Speaker, I ask unanimous consent to extend my remarks upon the record of this and the last Congress and the present administration.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks on the record of this Congress, the last preceding Congress, and the administration. Is there objection?

There was no objection.

FARM-LOAN ASSOCIATIONS.

Mr. STEENERSON. Mr. Speaker, I ask unanimous consent to have Circular No. 2, of the Treasury Department, relating to how farmers may form national farm-loan associations, printed as a public document, and that 25,000 extra copies be printed beside the usual number.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to have printed as a House document Circular No. 2, of the Treasury Department, in regard to farm-loan associations. Is there objection?

Mr. FOSTER. Reserving the right to object, I would like to ask if the chairman of the Printing Committee, Mr. BARNHART, has been consulted.

Mr. STEENERSON. I asked the gentleman from Indiana [Mr. BARNHART] in regard to it, and he said he wanted me to present it, that he could not get a meeting of the committee. It will cost less than $100.

Mr. MANN. Why does not the commission print it?

Mr. STEENERSON. They have printed it, but we can not get copies.

Mr. COX. Is this Circular No. 62?

Mr. STEENERSON. No; No. 2.

Mr. COX. There are two circulars and I think both of them ought to be printed. I think they are both extremely valuable documents.

Mr. STEENERSON. It only consists of eight pages, and it gives instruction to farmers how to form these farm-loan associations.

Mr. COX. The Agricultural Department has recently gotten out a circular very much akin to that.

Mr. FOSTER. How are these to be distributed, through the folding or the document room?

Mr. STEENERSON. Through the document room.

Mr. FOSTER. They ought to be distributed through the folding room.

Mr. MANN. And they ought to be printed by the commission.

Mr. STAFFORD. Representatives from the city districts have no desire for these documents. It is a pure waste of them to put them in the folding room. Let them be distributed through the commission so Members can get what they wish.

Mr. FOSTER. I am not in favor of printing this as a House document and distributing the copies through the commission. If they are printed by the House we ought to give them to Members and not to the commission.

Mr. ADAMSON. If the gentleman from Wisconsin does not want the copies, if he will give them to me I will see that they are used.

Mr. STEENERSON. Mr. Speaker, I will ask that they be distributed through the folding room.

The SPEAKER. The gentleman from Minnesota adds to his request the provision that they be distributed through the folding room.

Mr. STEENERSON. Is that satisfactory to the gentleman from Wisconsin?

Mr. STAFFORD. Satisfactory, with an objection.

The SPEAKER. Is there objection?

Mr. STAFFORD. I object.

Mr. STEENERSON. I made the request for them to be distributed through the folding room understanding that that would be satisfactory to the gentleman from Wisconsin.

Mr. STAFFORD. I said satisfactory, with an objection. I have no objection to their being distributed through the document room.

Mr. STEENERSON. Then, Mr. Speaker, I ask unanimous consent to change my request and have them distributed through the document room.

Mr. FOSTER. I object.

THE EIGHT-HOUR DAY.

Mr. SIMS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by publishing a short editorial in to-day's New York World entitled "A rule-or-ruin policy."

The SPEAKER. The gentleman from Tennessee asks unanimous consent to extend his remarks in the RECORD by publishing a short editorial from the New York World entitled "A rule-or-ruin policy." Is there objection?

There was no objection.

The editorial is as follows:

A RULE-OR-RUIN POLICY.

In unison that suggests a cheer leader, railroad presidents are chanting, "The eight-hour day will increase the cost of living." It is a reckless cry, because they do not know. It is a wicked cry, because it plays into the hands of conscienceless men who find no excuse too silly for combinations to raise prices unduly.

The new basis does not go into effect until January 1. No one knows what its effect will be. No credible estimate puts the cost as high as 2 per cent of railroad revenue; union men say less than 1 per cent. The added cost will be but a fraction of the increase in railroad earnings since 1914; but a fraction of the vast sums saved by the use of bigger engines and longer trains.

At the highest guess, the new wage basis will cost less per ton-mile than the labor cost of moving freight per ton-mile 20 years ago. Are all railroad managers, like most railroad presidents, bankers' clerks? Has inventive skill died in their business? Can there be no more economies of operation? If the old instinct for efficiency survives, the new rule may in the end add nothing even to present labor cost. It is only honest dealing to wait for facts.

An unnecessary railroad embargo on perishable goods for a strike that never came gave food sharks a chance to put prices up. Railroad executives who talk as most of them talk to-day give extortioners an excuse for keeping prices up, still in anticipation of what may never happen. Sore at defeat, they forget that the most unwise of all policies is a policy of rule or ruin.

EXTENSION OF REMARKS.

Mr. MOORE of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Texas situation.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD on the Texas situation. Is there objection?

There was no objection.

FEDERAL ROADS IN FOREST RESERVES.

Mr. RAKER. Mr. Speaker, I ask unanimous consent that there be printed as a House document the rules and regulations by the Secretary of Agriculture under section 8 of the Federal-aid roads, forest reserve.

The SPEAKER. The gentleman from California asks unanimous consent that there be printed as a House document a circular issued by the Secretary of Agriculture on the Federal roads aid in forest reserves.

Mr. FOSTER. Reserving the right to object, will these go through the folding room or the document room?

Mr. RAKER. How does the gentleman want them to go?

Mr. FOSTER. Through the folding room.

Mr. RAKER. Then, Mr. Speaker, I ask that they be distributed through the folding room.

Mr. FOSTER. I do not want them to go where any one man can grab the whole of them.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, what is it that the gentleman wishes to print as a House document?

Mr. RAKER. These are the rules and regulations under section 8 of the Federal-aid road act to carry out the building of roads in forest reserves.

Mr. STAFFORD. Three-quarters of the Members are not interested in them, and they will only encumber the quota of Members in the folding room, and I object.

WESTERN SOUTH DAKOTA.

Mr. GANDY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the legislation and departmental affairs affecting western South Dakota.

The SPEAKER. The gentleman from South Dakota asks unanimous consent to extend his remarks in the RECORD on legislation on departmental affairs in western South Dakota. Is there objection?

There was no objection.

LEAVE TO PRINT.

Mr. BUCHANAN of Illinois. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BUCHANAN of Illinois. Two or three weeks ago I asked unanimous consent to extend my remarks in the RECORD. I wish to ask what is the limit of time on such leave.

The SPEAKER. If the gentleman got general leave, he can extend remarks at any time this side of the 4th of March.

EXTENSION OF REMARKS.

Mr. SLEMP. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Virginia asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

FEDERAL AID TO ROADS IN FOREST RESERVES.

Mr. RAKER. Mr. Speaker, I renew my request to have the rules and regulations printed under section 8 of the Federal-aid roads act as a public document, to be distributed through the document room.

Mr. SLAYDEN. Reserving the right to object, I would like to ask the gentleman why not distribute them through the folding room?

Mr. RAKER. There are only 16 public-land States and a few others, and a good many gentlemen have no use for them, but the people in the West want them.

Mr. SLAYDEN. I thought the gentleman wanted to print the rules for the operation of the general road act.

Mr. RAKER. Oh, no; only section 8, relating to forest reserves.

The SPEAKER. How does the gentleman want these distributed?

Mr. RAKER. Through the document room.

Mr. MANN. Mr. Speaker, reserving the right to object, are these regulations in reference to the appropriation that was made for the forest reserves?

Mr. RAKER. Only section 8.

Mr. MANN. My question is simple.

Mr. RAKER. Yes.

Mr. MANN. The department has gotten out the regulations. When do they intend to print them?

Mr. RAKER. In a week or so.

Mr. MANN. Mr. Speaker, every department of the Government has certain appropriations for printing purposes. They always want Congress to do their printing out of our congressional appropriation, if they can.

Mr. RAKER. No; that is not the purpose at all at this time.

Mr. MANN. I suspect that is the purpose.

Mr. RAKER. No; the purpose is that we may send these out immediately. The people are asking for them, and a limit of time as to when the first application should be filed is fixed, and they should know so that they can prepare their proper applications and be properly heard before the department.

Mr. MANN. Oh, the department will get out the regulations in time for the people to be heard. If they do not, they are not at all responsive to the duties, and I think they are fully capable of taking care of themselves.

Mr. RAKER. Let us have this as a public document.

Mr. MANN. The gentleman wants to have extra copies printed out of the congressional appropriation. The department has an appropriation for printing these. The departments ought to print such things as this out of their own appropriations. We appropriate a million dollars a year for this purpose for printing information.

Mr. RAKER. Two weeks ago there was printed as a public document a general circular letter as to how the funds would be distributed, and these are the rules and regulations as to handling the entire matter.

Mr. MANN. We probably ought not to have printed the first, but the department, finding out a way to get Congress to do their printing for them and pay for it out of our appropriation, ask us to do this whenever they can.

Mr. RAKER. That is not the purpose.

Mr. MANN. What is the purpose?

Mr. RAKER. The purpose is so that they can get these out to the people who want to see them now.

Mr. MANN. The Government Printing Office can print them just as quickly for the department as it can for Congress. The regulations are prepared by the department. It will not take any more time to print them for the department than it will if done for the Congress.

Mr. RAKER. If we get consent, we will have them ready to-morrow morning, and I hope the gentleman will not object.

Mr. MANN. The department can get them ready by to-morrow morning if it wants them printed by to-morrow morning, but they want us to pay for it out of our appropriation, and then people constantly talk of how extravagant Congress is about printing.

Mr. RAKER. The department is not responsible for this at all. This is done on my own responsibility after discussing the matter with a number of people. They want the information.

Mr. HILLIARD. Mr. Speaker, I demand the regular order.

The SPEAKER. The gentleman from Colorado demands the regular order. The regular order is, Is there objection to the request of the gentleman from California?

Mr. STAFFORD. Mr. Speaker, I object.

The SPEAKER. The gentleman from Wisconsin objects.

EXTENSION OF REMARKS.

Mr. SMITH of Idaho. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the operation of the rural-credit law.

The SPEAKER. The gentleman from Idaho asks unanimous consent to extend his remarks in the RECORD upon the subject of the operation of the rural-credit law. Is there objection?

There was no objection.

Mr. PARKER of New Jersey. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the state of the Union.

The SPEAKER. The gentleman from New Jersey asks unanimous consent to extend his remarks in the RECORD upon the state of the Union. Is there objection?

There was no objection.

Mr. RAINEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. HEFLIN. Mr. Speaker, I make the same request.

Mr. FARR. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from Alabama and the gentleman from Pennsylvania make similar requests.

Mr. KEATING. Mr. Speaker, I make a similar request.

The SPEAKER. And the gentleman from Colorado makes a similar request. Is there objection to these four gentlemen extending their remarks in the RECORD?

There was no objection.

CALENDAR FOR UNANIMOUS CONSENT.

The SPEAKER. The Clerk will call the first bill on the Calendar for Unanimous Consent.

OVERISSUE OF SECURITIES BY CARRIERS.

The first business on the Calendar for Unanimous Consent was the bill (H. R. 563) to amend section 20 of an act to regulate commerce, to prevent overissues of securities by carriers, and for other purposes.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, there are some gentlemen who are not present who desire to be heard upon this bill when it is considered. I hope the gentleman in charge will ask to have it passed over without prejudice.

Mr. ADAMSON. Mr. Speaker, the author of the bill, Mr. RAYBURN, is present, and I will ask his attention. The suggestion is that the first bill on the calendar be passed over without prejudice.

Mr. RAYBURN. I have no objection.

Mr. ADAMSON. Then, Mr. Speaker, I make that request.

The SPEAKER. Without objection, the bill will be passed over without prejudice. Is there objection?

There was no objection.

METALLIFEROUS MINERALS ON INDIAN RESERVATIONS.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 12426) to authorize mining for metalliferous minerals on Indian reservations in the State of Arizona.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, this bill was passed over on my objection two weeks ago, or when we last called the Calendar for Unanimous Consent. In the meantime I have given further consideration to the measure and have had the benefit of the counsel of the author of the bill. I understand that he is willing to reduce the term of years provided in the bill for which a lease may be made from 50 years to 30 years.

Mr. HAYDEN. Yes, sir.

Mr. STAFFORD. And also to leave it discretionary with the Secretary of the Interior to charge a royalty greater than 5 per cent on the gross value of the output of the minerals.

Mr. HAYDEN. Yes; amend by making the royalty not less than 5 per cent.

Mr. STAFFORD. And in the discretion of the Secretary.

Mr. HAYDEN. Yes.

Mr. STAFFORD. I believe I am correct in saying that it is the purpose of the gentleman, so far as he can see to it, that if these amendments are adopted when the bill is sent to conference and becomes enacted into law, that they will be adhered to.

Mr. HAYDEN. I will do my best to maintain the judgment of the House in this matter.

Mr. STAFFORD. Mr. Speaker, I withdraw my reservation under that condition.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. This bill is on the Union Calendar.

Mr. HAYDEN. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in the Committee of the Whole House on the state of the Union.

The SPEAKER. Is there objection to the request of the gentleman? [After a pause.] The Chair hears none.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior be, and hereby is, authorized and empowered, under general regulations to be fixed by him and under such terms and conditions as he may prescribe, not inconsistent with the terms of this act, to lease to citizens of the United States or to any association of such persons or to any corporation organized under the laws of the United States or of any State or Territory thereof, any part of the unallotted lands within any Indian reservation in the State of Arizona heretofore withdrawn from entry under the mining laws for the purpose of mining for deposits of gold, silver, copper, and other valuable metalliferous minerals, which leases shall be irrevocable, except as herein provided, but which may be declared null and void upon breach of any of their terms.

Mr. STAFFORD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. STAFFORD. The bill is being considered in the House as in the Committee of the Whole House on the state of the Union by sections. Is it in order for amendments to a section to be considered at the conclusion of the reading of each section?

The SPEAKER. No; the bill has not been read.

The Clerk read as follows:

SEC. 2. That from and after 90 days after the passage and approval of this act all unallotted lands within Indian reservations in the State of Arizona heretofore withdrawn from entry under the mining laws shall at all times be open to exploration for and discovery of deposits of gold, silver, copper, and other valuable metalliferous minerals by citizens of the United States and mining claims may be located by such citizens in the same manner as mining claims are located under the mining laws of the United States: *Provided*, That the locators of all such mining claims, or their heirs, successors, or assigns, shall have a preference right to apply to the Secretary of the Interior for a lease, under the terms and conditions of this act, within one year after the date of the location of any mining claim, and any such locator who

shall fail to apply for a lease within one year from the date of location shall forfeit all rights to such mining claim: *Provided further*, That duplicate copies of the location notice shall be filed within 60 days with the superintendent in charge of the reservation on which the mining claim is located, and that application for a lease under this act may be filed with such superintendent for transmission through official channels to the Secretary of the Interior.

SEC. 3. That leases under this act shall be for a period of 50 years, with the preferential right in the lessee to renew the same for successive periods of 10 years upon such reasonable terms and conditions as may be prescribed by the Secretary of the Interior, unless otherwise provided by law at the time of the expiration of such periods: *Provided*, That the lessee may, in the discretion of the Secretary of the Interior, be permitted at any time to make written relinquishment of all rights under such a lease, and upon acceptance thereof be thereby relieved of all future obligations under said lease.

SEC. 4. That in addition to areas of mineral land to be included in leases under this act the Secretary of the Interior, in his discretion, may grant to the lessee the right to use, during the life of the lease, a tract of unoccupied land, not exceeding 20 acres in area, for camp sites, milling, smelting, and refining works, and for other purposes connected with and necessary to the proper development and use of the deposits covered by the lease.

SEC. 5. That the Secretary of the Interior, in his discretion, in making any lease under this act, may reserve to the United States the right to lease, sell, or otherwise dispose of the surface of the lands embraced within such lease under existing law or laws hereafter enacted, in so far as said surface is not necessary for use of the lessee in extracting and removing the deposits therein: *Provided*, That the said Secretary, during the life of the lease, is hereby authorized to issue such permits for easements herein provided to be reserved.

SEC. 6. That any successor in interest or assignee of any lease granted under this act, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the conditions of the approval under which such rights are held and also subject to all the provisions and conditions of this act to the same extent as though such successor or assign were the original lessee hereunder.

SEC. 7. That any lease granted under this act may be forfeited and canceled by appropriate proceedings in the United States district court for the district in which said property or some part thereof is situated whenever the lessee, after reasonable notice in writing, as prescribed in the lease, shall fail to comply with the terms of this act or with such conditions not inconsistent herewith as may be specifically recited in the lease.

SEC. 8. That for the privilege of mining or extracting the mineral deposits in the ground covered by the lease the lessee shall pay to the United States, for the benefit of the Indians, a royalty which shall be 2 per cent of the gross value of the output of the minerals at the mine, due and payable at the end of each month succeeding that of the extraction of the minerals from the mine, and an annual rental, payable at the date of such lease and annually thereafter on the area covered by such lease, at the rate of 25 cents per acre for the first calendar year thereafter; 50 cents per acre for the second, third, fourth, and fifth years, respectively; and $1 per acre for each and every year thereafter during the continuance of the lease, except that such rental for any year shall be credited against the royalties as they accrue for that year.

SEC. 9. That in addition to the payment of the royalties and rentals as herein provided the lessee shall expend annually not less than $100 in development work for each mining claim located or leased in the same manner as an annual expenditure for labor or improvements is required to be made under the mining laws of the United States.

SEC. 10. That the Secretary of the Interior is hereby authorized to examine the books and accounts of lessees, and to require them to submit statements, representations, or reports, including information as to cost of mining, all of which statements, representations, or reports so required shall be upon oath, unless otherwise specified, and in such form and upon such blanks as the Secretary of the Interior may require; and any person making any false statement, representation, or report under oath shall be subject to punishment as for perjury.

SEC. 11. That all moneys received from royalties and rentals under the provisions of this act shall be deposited in the Treasury of the United States to the credit of the Indians belonging and having tribal rights on the reservation where the leased land is located, which moneys shall be at all times subject to appropriation by Congress for their education, support, and civilization.

SEC. 12. That the Secretary of the Interior is hereby authorized to perform any and all acts and to make such rules and regulations not inconsistent with this act as may be necessary and proper for the protection of the interests of the Indians and for the purpose of carry the provisions of this act into full force and effect: *Provided*, That nothing in this act shall be construed or held to affect the right of the State or other local authority to exercise any rights which they may have to levy and collect taxes upon improvements, output of mines, or other rights, property, or assets of any lessee.

The committee amendments were read, as follows:

Amend, on page 2, line 1, by striking out the words "in the State of Arizona".

Amend, page 2, by striking out all of section 2 from line 7 down to and including line 13, and inserting the following:

"SEC. 2. That after the passage and approval of this act unallotted lands within Indian reservations heretofore withheld from disposition under the mining laws may be declared by the Secretary of the Interior to be subject to exploration for and discovery of deposits of gold, silver, copper, and other valuable metalliferous minerals by citizens of the United States, and after such declaration mining claims may be."

Amend, on page 4, line 2, by striking out the word "twenty" and inserting "eighty."

Amend, on page 5, in line 9, by striking out "two" and inserting "five."

Amend, on page 6, in line 24, by striking out the word "carry" and inserting the word "carrying."

Amend, on page 7, by inserting a new section, as follows:

"SEC. 13. That the provisions of this act shall not apply to the Five Civilized Tribes and Osage Nation of Indians in Oklahoma."

The SPEAKER. The question is on agreeing to the committee amendments.

Mr. COOPER of Wisconsin. Mr. Speaker, I desire to say a word on that. Does this amendment of the committee striking out the word "Arizona"—I have not got a copy of the bill—open up all the Indian lands in this country?

Mr. HAYDEN. This bill provides for a system of leasing Indian lands for mining for metalliferous minerals, which will apply to all the States containing Indian reservations except the Five Civilized Tribes and the Osage Nation in Oklahoma.

Mr. COOPER of Wisconsin. And opens up how many millions of acres of land? I am told 30,000,000.

Mr. HAYDEN. There are over 19,000,000 acres of land in Arizona that will be affected. Yes; I think probably about 30,000,000 acres altogether, two-thirds of it in my State and about 10,000,000 acres outside of Arizona.

Mr. COOPER of Wisconsin. Well, I only have this comment to make: This is no time, in my judgment, to be opening up in this way, by unanimous consent, 30,000,000 acres of land for prospecting without any more discussion than we are going to have here on this bill. That sort of legislation ought not to go through the House of Representatives. If I had known of this amendment, I would have objected to the consideration of it at such a time as this. The bill ought not to pass the House under such circumstances, first naming Arizona and then, after getting unanimous consent, to put in a committee amendment here opening up altogether about 30,000,000 acres of land belonging to the Indians to be run over by prospectors looking for anything they want to look for. That ought not to be the way to legislate for this country.

Mr. HAYDEN. Mr. Speaker, I will state to the gentleman from Wisconsin that as introduced this bill applied to the State of Arizona only, and it was at the suggestion of the Department of the Interior that the change was made making it apply to all the Western States. As far as I am concerned, my chief interest is to see the bill apply to Arizona, because I know the conditions in my State, and I am satisfied that this bill is workable there.

No one who is at all familiar with the facts doubts that valuable deposits of gold, silver, copper, and other metalliferous minerals are to be found in the various Indian reservations in Arizona and the other Western States. The existence of many of such deposits has been known for many years, but in the absence of suitable legislation these resources have remained undeveloped. Without either the skill or the capital that is required to conduct successful mining operations, it has been impossible for the Indians to obtain any benefit from the minerals that lie unused in their lands. I have therefore introduced this bill in the hope that it will provide a workable plan whereby the mining industry, particularly of my own State, will be promoted for the benefit of the Indians and the white people alike.

You will note that this act applies only to Indian lands that have been heretofore withdrawn from entry under the mining laws, so that it will in no way interfere with mining on any Indian reservation where the same is now authorized by existing law. This is likewise true of reservations where the title to the mineral in the lands has not passed to the Indians, as in the case of the Papago Reservation in Arizona. When that reservation was created the President wisely determined that the Papagos had acquired no right to the minerals in their country, because they have made no attempt to mine them, and in the Executive order establishing the Papago Reservation it is specifically stated that the mineral lands within the reservation are to remain open to entry under the mining laws. It would have been much better if such a provision had been included in the Executive orders by which the other reservations were created; but this was not done, so that the minerals have been given to the Indians, and there is now no other way to proceed except to recognize their ownership.

I am well aware that there are many Members of the House who object to the adoption of a leasing system, and I am in accord with them in opposing the payment of royalties for the privilege of mining for metalliferous minerals on the public domain. We must not forget, however, that the lands which may be leased under the provisions of this bill are the tribal property of the Indians and that it has not been the policy of the Government to permit mining on Indian reservations under the general mining laws except in the case of the Papago Reservation, to which I have just referred. Since the lands in all of the other reservations have been set aside for the exclusive use and benefit of the Indians we must recognize that they are entitled to receive the same income from their property as any other private proprietor.

So far as the Indians are concerned, now is the opportune time to pass this bill. The present high prices that are received for all of the metals makes it certain that the enactment of the measure into law will mean the immediate development of many valuable mines, so that the Indians will soon be receiving an income from royalties and rentals that will be of great

assistance in advancing their civilization. I am satisfied that within a very few years after this bill is in operation a number of Indian tribes will be receiving enough money from this source to provide for their education and support, so that it will be no longer necessary for Congress to appropriate funds from the Treasury for this purpose.

I used as the basis for this bill the two conservation measures which have twice passed this House, once in the Sixty-third Congress and again in this Congress, the water-power bill and the oil and coal leasing bill, known as the Ferris bills. I took the sections which were applicable to metalliferous mining, and there is no proposition in this bill which has not been debated for days in the last two Congresses. All of the safeguards against waste or monopoly to be found in the Ferris bills are contained in this bill for the benefit of the Indians. There is nothing new or novel in it.

Mr. COOPER of Wisconsin. Does the gentleman say that the provisions relating to leasing are substantially those that were in the Ferris water-power bill when we passed that bill?

Mr. HAYDEN. Not only substantially but actually taken word for word from the Ferris bill. If the gentleman desires to ask me about any section of this bill, I can tell him where it comes from in the conservation bills.

Mr. COOPER of Wisconsin. I have not been able to get a copy of the bill. I sent for it three times, and the boys brought me something else each time.

Mr. STEPHENS of Texas. Two bills of this character have heretofore passed the House giving the Secretary of the Interior the full right to lease these lands under certain rules and regulations that he might prescribe.

Mr. COOPER of Wisconsin. As I understand, Mr. Speaker, the Ferris bill laid down with much particularity the terms and conditions under which the Secretary could lease, but the gentleman from Texas has just said that the terms and conditions were to be left to the discretion of the Secretary of the Interior.

Mr. HAYDEN. That was the bill authorizing the Secretary of the Interior to issue revocable permits for mining on Indian reservations.

Mr. STEPHENS of Texas. In the Sixty-first Congress it passed the House and was defeated in the Senate.

Mr. COOPER of Wisconsin. No such discretion ought to be vested in any executive officer. We often use here the old expression, "This is a government of laws and not of men," but if there is anything that will make it a government of men and not of laws it is to give executive officers unlimited discretion in the disposition of public property.

Mr. HAYDEN. I am in hearty accord with the gentleman.

Mr. STEPHENS of Texas. That was probably the reason for its defeat in the Senate This is a meritorious bill, however.

The SPEAKER. The time of the gentleman from Arizona has expired.

Mr. STAFFORD. Mr. Speaker, after the committee amendments are passed upon I desire to offer some amendments.

The SPEAKER. The question is on agreeing to the committee amendments.

The question was taken, and the amendments were agreed to.

Mr. STAFFORD. Mr. Speaker, on page 3, line 12, I move to strike out "fifty" and insert "thirty."

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Page 3, line 12, strike out the word "fifty" and insert "thirty."

Mr. STAFFORD. Mr. Speaker, several Members of the House have given very thorough consideration to this bill. The gentleman from Illinois [Mr. MANN] and myself have on former occasions asked to have this bill passed over without prejudice, so that thorough consideration could be given it. At the last meeting, when we considered the Unanimous Consent Calendar, I was opposed to certain provisions in this bill, and particularly this, which granted the Secretary of the Interior the right to impose on the unallotted lands of Indians of this country without their consent or approval a lease for 50 years. The gentleman from Arizona [Mr. HAYDEN] has consented to accept an amendment to substitute 30 years for 50 years. I realize that you could not limit it to 10, or perhaps 20, years, and thereby get sufficient capital to develop these large mines that may be developed on these unallotted Indian lands, but certainly 30 years is a reasonable time to grant as initial tenure in view of the other right that the lessees will have for a renewal for successive 10-year periods under the discretion of the Secretary of the Interior.

Mr. COOPER of Wisconsin. Mr. Speaker, I desire to ask one more question. When the report was read there was some statement about something being irrevocable. What was the word "irrevocable" used in connection with?

Mr. HAYDEN. That language is taken directly from the first section of H. R. 408, the Ferris water-power bill. It says:

Which leases shall be irrevocable, except as herein provided, but which may be declared null and void upon breach of any of their terms.

Mr. COOPER of Wisconsin. It is irrevocable during 30 years?

Mr. HAYDEN. Yes; except for a breach of the terms of the lease.

The SPEAKER. The question is on agreeing to the amendment offered by the gentleman from Wisconsin [Mr. STAFFORD].

The amendment was agreed to.

Mr. STAFFORD. Mr. Speaker, I wish to offer another amendment.

The SPEAKER. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. STAFFORD: Page 5, line 9, after the word "which," insert "in the discretion of the Secretary of the Interior"; after the word "shall" insert "in"; and after the word "be" insert "less than."

Mr. STAFFORD. Mr. Speaker, this amendment, if adopted, will make the line read as follows:

A royalty which, in the discretion of the Secretary of the Interior, shall not be less than 5 per cent.

This is an amendment that was accepted by the gentleman from Arizona [Mr. HAYDEN], so as to vest in the Secretary of the Interior the discretion in case it is obviously a rich mine, and one where the profits will be great, to exact a larger royalty than 5 per cent. The bill as originally drawn fixes an absolute royalty of 5 per cent, and this is to grant, as I said, to the Secretary of the Interior the right to exact a larger royalty if he sees fit.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. COOPER of Wisconsin. Mr. Speaker, there is another question I would like to ask the gentleman.

The SPEAKER. The gentleman from Wisconsin [Mr. COOPER] is recognized for five minutes.

Mr. COOPER of Wisconsin. I notice that the letter of the Secretary of the Interior approving the bill H. R. 12426 is dated April 16 of the present year.

Mr. HAYDEN. Yes, sir.

Mr. COOPER of Wisconsin. Were any amendments made by the committee or recommended by the committee which were not approved by the Secretary of the Interior?

Mr. HAYDEN. No. We adopted all of the amendments suggested by the Secretary of the Interior.

Mr. COOPER of Wisconsin. And any other?

Mr. HAYDEN. The only other amendment adopted was that on page 4, which enlarges the area which may be leased for camp sites, milling, smelting, and refining works, from 20 to 80 acres. That is the only committee amendment which was not suggested in the Secretary's report.

Mr. COOPER of Wisconsin. An increase from 20 to 80 acres?

Mr. HAYDEN. Yes, sir.

Mr. COOPER of Wisconsin. That is quite an enlargement.

Mr. HAYDEN. Well, when the matter came up for consideration in the committee it was thought that the Secretary ought to have discretion to lease not more than 80 acres of the surface for this purpose. He might not lease more than 10 acres, but he is allowed discretion to lease not to exceed 80 acres.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, was read the third time, and passed.

The SPEAKER. Without objection, the title will be amended to conform to the text.

There was no objection.

On motion of Mr. HAYDEN, a motion to reconsider the vote whereby the bill was passed was laid on the table.

Mr. HAYDEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bill.

The SPEAKER. The gentleman from Arizona asks unanimous consent to extend his remarks in the RECORD on the bill. Is there objection?

There was no objection.

Mr. HAYDEN. In accordance with the permission granted me, I desire to extend my remarks by printing in the RECORD the following memorial passed by the Second Legislature of

the State of Arizona, favoring legislation by Congress which will permit mining within Indian reservations:

To the Senate and House of Representatives of the United States of America in Congress assembled:

Your memorialist, the Second Legislature of the State of Arizona, respectfully represents:

That the several Indian reservations in the State of Arizona now embrace large areas of mineral land, which, under present regulations, are not open to location as mineral claims, and are valueless as tillable or agricultural land; and

Whereas the opening of these mineral lands in these aforesaid reservations to entry as mineral claims by prospectors, miners, and legitimate mining companies will hasten the development of the State and at the same time give employment to the Indians on the reservations in road building and other departments of work and make them more self-supporting; and

Whereas the opening of these claims to mining will develop water in many heretofore arid portions of the State and improve the value of said lands for grazing, to which they are now allotted: Therefore

Be it resolved by the Senate and House of Representatives of the State of Arizona, That the Congress of the United States is hereby petitioned and urged to enact such legislation as may be necessary to open to entry and location the mineral lands embraced within the confines of these aforesaid Indian reservations by bona fide prospectors and miners, subject to the same regulations governing mineral lands on other public domain: *Provided however*, That this petition shall not be so construed as to permit any person, company, or corporation to enter in or upon large tracts of land in these reservations for any purpose other than mining as hereinbefore stated: *And provided further*, That no land other than mineral lands, as defined in the mineral laws of the United States pertaining thereto, shall be included within the provisions of this petition; and be it further

Resolved, That a copy of this memorial and these resolutions be forwarded to the President of the United States, the President of the Senate, the Speaker of the House of Representatives, the honorable Secretary of the Interior, and the Representatives of Arizona in Congress; and that our Representatives in Congress be, and they are hereby, requested to do all in their power to accomplish the enactment of such legislation.

Passed the house February 19, 1915, by a vote of 30 ayes, 1 no, none absent, 4 excused.

WM. E. BROOKS,
Speaker of the House.

Passed the senate February 25, 1915, by a vote of 19 ayes, no noes, none absent, none excused.

W. P. SIMS, *President.*

EXTENSION OF REMARKS.

Mr. FOSTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the tariff.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD on the subject of the tariff. Is there objection?

There was no objection.

Mr. BENNET. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. STEPHENS of Nebraska. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the administration's legislative program.

The SPEAKER. The gentleman from Nebraska asks unanimous consent to extend his remarks in the RECORD on the administration's legislative program. Is there objection?

There was no objection.

STANDARDS OF CLASSIFICATION FOR COTTON.

The SPEAKER. The Clerk will report the next bill.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 15913) to authorize the Secretary of Agriculture to establish uniform standards of classification for cotton; to provide for the application, enforcement, and use of such standards in transactions in interstate and foreign commerce, to prevent deception therein, and for other purposes.

The title of the bill was read.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, this is too important a bill to be considered on the Unanimous Consent Calendar. I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent that the bill be passed over without prejudice. Is there objection?

There was no objection.

GRANTING PUBLIC LANDS TO OKLAHOMA.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 15156) granting public lands to the State of Oklahoma.

The title of the bill was read.

Mr. RAKER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. The gentleman from California asks unanimous consent that the bill be passed over without prejudice. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE.

Mr. MOORE of Pennsylvania. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to address the House for 10 minutes. Is there objection?

There was no objection.

Mr. MANN. Mr. Speaker, will the gentleman yield to me for a moment to make a request?

Mr. MOORE of Pennsylvania. Yes; I yield.

Mr. MANN. Just a second.

Mr. MOORE of Pennsylvania. Yes.

Mr. MANN. When the session of last Saturday closed I believe there were a number of cases where gentlemen had obtained leave to address the House, and that leave expired on Saturday. I ask unanimous consent that those orders be made continuing orders, subject to the usual provision.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the orders heretofore made about certain gentlemen having leave to make speeches be a continuing order. Is there objection?

There was no objection.

THE EIGHT-HOUR DAY.

Mr. MOORE of Pennsylvania. Mr. Speaker, on Friday last the House was in a state of mental turmoil with respect to the President's recommendations upon the so-called strike situation, and a vote was finally taken which was supposed to relieve the people of the United States from the strike that was to have occurred this morning at 7 o'clock. Action in another body confirming a majority of the Members of the House, has since been approved by the President of the United States, and we now have as a law the Adamson bill (H. R. 17700), which provides that, "beginning January 1, 1917, eight hours shall in contracts for labor and service be deemed a day's work," and also providing for a commission of three, who shall investigate as to eight-hour labor conditions, and report.

That is substantially as far as the law goes, leaving the whole question as between the employers and the employees up in the air; leaving the men free to strike if they want to, or the employers free to lock out the men if they so desire. By this law we have simply postponed for a period of several months the impending catastrophe which worried the President and embarrassed Congress.

Mr. FESS. Mr. Speaker, will the gentleman yield for a question?

Mr. MOORE of Pennsylvania. We have not made a permanent law, so far as the menace of a strike is concerned. I yield to the gentleman from Ohio.

Mr. FESS. This law is called an "eight-hour law."

Mr. MOORE of Pennsylvania It is.

Mr. FESS. What is the meaning of eight hours as interpreted by this? Does it mean that when the eight hours are up, the men stop work?

Mr. MOORE of Pennsylvania. As interpreted, from what I have read in the newspapers as coming from the leaders of the brotherhoods, it means a 25 per cent wage increase, and that is all it means. It means practically no change in the working conditions at all.

Mr. FESS. It is not, then, a humanitarian move to limit the hours of labor, as suggested by the President in his message?

Mr. MOORE of Pennsylvania. Well, if it was, the President has not lived up to his own suggestion—which is the very point I am about to make to the House.

Mr. BORLAND. Mr. Speaker, will the gentleman yield?

Mr. MOORE of Pennsylvania. Unless I can get more time I shall not be able to yield. This question arose through the insistence of the President of the United States acting as a mediator, in spite of the law creating a Board of Mediation and Conciliation. From what was said by organization leaders on the floor of the House, and from what was reported elsewhere, it appeared that the President had "butted into" the conferences that were being held between employers and employees in New York, or while mediation with a view to settlement without legislation was pending. I say "settlement without legislation" because it is established doctrine of union labor that they do not want eight hours by law. The unions want to be left free to act on the eight-hour question in their own way. In other words, the labor unions at the present time, as shown by the action of the American Federation of Labor in San Fran-

cisco last year, prefer that the legislative bodies shall keep their hands off the question of wages and hours. These resolutions I quoted last Saturday.

Now, then, in a panic this great Congress of the United States ran to cover on the strike question, because the President of the United States wanted to relieve himself of the responsibility that he had brought upon his own shoulders by taking over the matter of mediation with the Board of Mediation and Conciliation then upon the ground.

After he failed as mediator—a voluntary office which he assumed as no other President had done—the President of the United States came into this House and told us what he wanted us to do. He brought his speech down to certain concrete recommendations and asked for immediate action. What did he want? First, the enlargement and reorganization of the Interstate Commerce Commission along the lines embodied in the bill recently passed by the House of Representatives and now awaiting action by the Senate, in order that the commission might be enabled to deal with the many great and various duties now devolving upon it with a promptness and fairness which under its present constitution would be practically impossible.

The chairman of the Committee on Interstate and Foreign Commerce and the majority of the House, which is now proceeding to business "calmly after the storm," seems to think this question of disputes between the railroad employees and the railroads has been settled. I will ask the chairman, the gentleman from Georgia [Mr. ADAMSON], for I see him present, what has been done by the Congress of the United States to live up to that recommendation of the President to increase the number of members of the Interstate Commerce Commission?

Mr. ADAMSON. Does the gentleman ask me that question and desire an answer?

Mr. MOORE of Pennsylvania. I do.

Mr. ADAMSON. Then I will take pleasure in saying that the bill passed by the House of Representatives has nothing to do with that situation, and was never intended to have, and I am sorry that it has ever been mixed up with it by certain gentlemen; and I think the Senate—if I may be allowed to mention that body in polite company—ought to go ahead and pass that bill, because the Interstate Commerce Commission is actually in need of the assistance promised by that bill, without reference to any expected addition of work. [Applause.]

Now, further, I understand the gentleman has asked what has been accomplished. I can easily tell him that. This much has been accomplished: We have adopted a suggestion which we all understand, which everybody understands, and which ought to have been adopted in any bill, or anywhere at any time, and would have been at some time; and the suggestions of 10,000 different men about 10,000 different things that no two of us could agree on, or had the time to agree on, are postponed for further consideration. That is all there is to it. The statement that it is a bill to increase labor or take control of labor is without any foundation on earth. It merely provides that the status quo shall be maintained until the operation of this eight-hour law can be observed, and other legislation be had. Nobody need apprehend that the committee of which I am chairman, or the Congress of which I am a Member, or the American people, will ever disregard the rights of either class of servants. They are both our servants, working to maintain our great system of transportation, working to see that each class gets its dues. We can not do everything in a day. Rome was not built in a day. Probably the gentleman has heard that somewhere. But we did what we could with the light before us. Unfortunately it came up in a crisis. Unfortunately when the President made this plain, clear proposition to the two sets of men, the railroad managers were not patriotic enough to accept it. The other crowd did accept it. The sensible, plain, rational thing to do, then, to avert a strike, was simply to do what one crowd had agreed to do, that we all knew was right, that ought to be done, that would have been done at some time, and we did what we knew how to do and postponed what we differed on. That is all there is to it. There is no use of any political misrepresentations about it. [Applause on the Democratic side.]

The SPEAKER. The time of the gentleman from Pennsylvania has expired. [Laughter.]

Mr. ADAMSON. The gentleman gave it to me of his own motion. He tempted me, and asked me to take advantage of it. I am willing that he should have more time now.

Mr. MOORE of Pennsylvania. I ask unanimous consent that I may proceed for 10 minutes.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent that he be allowed to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. MOORE of Pennsylvania. I did not want to interrupt the gentleman from Georgia, because I think it is fair that he should make his statement. He had little chance, as few of us had, to make any statement here on Friday, when this bill was before the House. The gentleman may think this over, that in the passage of his bill he has imposed an obligation of $60,000,000——

Mr. ADAMSON. I deny that.

Mr. MOORE of Pennsylvania. He has imposed an obligation of $60,000,000 upon the American people generally in one year.

The SPEAKER. The gentleman from Georgia must not interrupt without the consent of the gentleman who has the floor.

Mr. ADAMSON. He is willing to let me say that.

The SPEAKER. The Chair does not know whether he is or not.

Mr. MOORE of Pennsylvania. I am willing. Perhaps the gentleman will deny that in the passage of this bill he has denied the right of arbitration to one side or the other.

Mr. ADAMSON. I do deny it. It is not true.

Mr. MOORE of Pennsylvania. It is true.

Mr. ADAMSON. It is not.

The SPEAKER. The gentleman from Georgia can not interrupt the gentleman who has the floor without his permission.

Mr. ADAMSON. He referred to me.

Mr. MOORE of Pennsylvania. Perhaps the gentleman will deny that the President of the United States took one side of this controversy.

Mr. ADAMSON. I do deny that.

Mr. MOORE of Pennsylvania. Will the gentleman tell me wherein the President of the United States permitted arbitration in which the employers might present their side of the eight-hour question?

Mr. ADAMSON. There was never a fairer or better balanced statement made anywhere than the proposition the President made to the two sides, in the interest of the American people, to whom the whole crowd belong, railroads and all. [Applause.] The position of a neutral is always misunderstood by the parties. Each side thinks he is taking the part of the other side, and that was so in this case, because he was fair and honest. Both sides ought to have accepted his proposition, for it was sensible and plain and fair and patriotic, and proposed just what ought to have been done. [Applause.]

The SPEAKER. The Chair wants to ask the gentleman from Pennsylvania a question.

Mr. MOORE of Pennsylvania. I yield.

The SPEAKER When the gentleman from Pennsylvania asks any gentleman sitting in his seat a question, does he desire the gentleman to get up and answer it in his time?

Mr. MOORE of Pennsylvania. I realize, Mr. Speaker, that the gentleman from Georgia did not comply with the rules by rising to answer my question.

The SPEAKER. The Chair wants to know whether the gentleman wants the Member whom he is interrogating to get up and answer the question in his time or wait until he gets through?

Mr. MOORE of Pennsylvania. I intended that the gentleman from Georgia should have time to answer, and I yielded ample time to him in order that he might do so. I wanted to be fair. I know the gentleman from Georgia well, and appreciat highly his splendid ability, and I know that he was placed in a very peculiar position in this matter, and he ought to have an opportunity to explain all he cares to explain with regard to that bill. [Applause on the Republican side.]

Mr. ADAMSON. Mr. Speaker, will the gentleman yield?

Mr. MOORE of Pennsylvania. I can not yield now.

Mr. ADAMSON. I have not asked for any opportunity to explain. I have no apology to make and nothing to explain, but I deny the things that I think are unjustly charged against this legislation or against the administration. [Applause on the Democratic side.]

Mr. MOORE of Pennsylvania. The gentleman wants to do in this matter what the President of the United States wants to have done, does he not?

Mr. ADAMSON. I do not know whether I do or not. I did not do what he first said he wanted done, and he came to Congress and agreed that I was right.

Mr. MOORE of Pennsylvania. Then the gentleman evidently brought the President of the United States to terms.

Mr. ADAMSON. The President of the United States of America is a reasonable man, and when you talk sense to him he listens to it.

Mr. MOORE of Pennsylvania. Will the gentleman, rising in his place, tell me why the President of the United States makes six points that he desires Congress to act upon and the gentleman from Georgia and his party will accept only two of them?

Mr. ADAMSON. The President was acting on his traditional charitable fairness. He stated a system of what he as an in-

dividual thought might be right. I do not understand that he assumed to order or to ask anybody to do it all now. He said, "I have tried to adjust this matter, and one side refuses to adjust it. I wash my hands of it, and I turn it over to you," and turned it over to us, and we did what we did and he approved it. [Applause on the Democratic side.]

Mr. MOORE of Pennsylvania. I will ask the gentleman one more question—whether he regards the eight-hour law passed Saturday and signed by the President on Sunday with four pens, which he gave the four brotherhood chieftains—whether he regards that as permanent law.

Mr. ADAMSON. I thought the gentleman was going to ask why he did not give the railroad managers four pens, and he will do it if they want them. The act that we passed is but partial; it did not undertake to build all of the system at once. We did not have time. The gentleman and I could not agree now in a week about the additional things that ought to be done.

Mr. MOORE of Pennsylvania. I will tell the gentleman what the President said, because I regard the action of the gentleman from Georgia, together with that of his colleagues on that side of the House, as being contrary to the recommendations of the President. The President has gone off to deliver an address taking over the Abraham Lincoln birthplace, satisfied that he has achieved a great political victory, but the President and the Congress have put the people of the United States in the position of accepting at the hands of Congress a makeshift law which may bring on a strike, not now when the weather is favorable, but in the wintertime when there would be a real calamity.

Mr. ADAMSON. Will the gentleman yield?

Mr. MOORE of Pennsylvania. I can not now. I would like to yield to the gentleman, but I have only five minutes. I would like to yield, because I enjoy these interruptions. If the President is satisfied with that law, so mote it be. The President is satisfied only to this extent, and so are gentlemen on that side of the House, that they know it is a makeshift law which will cover up their tracks until after election; but for one I propose to let the facts be known so far as my feeble voice will carry throughout the land.

What did the President say when he came before the Congress, having failed as mediator, after taking the matter out of the hands of the Board of Mediation and Conciliation? He said:

> I was seeking to compose the present in order to safeguard the future.

That was not a makeshift proposition; he wanted "to safeguard the future." What was the matter with him? Was he scared about a strike that was going to happen at 7 o'clock this morning? I do not know whether it was going to happen or not. There have been a good many rumors that it was all understood; that it would not have happened at all. The gentleman from Georgia told us on July 15 that he knew about it four months ago. The President told us he knew about it a year ago. Was it staged to bring in this 7 o'clock Labor Day strike calamity just before election?

Mr. ADAMSON. Will the gentleman yield?

Mr. MOORE of Pennsylvania. I can not just now. We got by the calamity strike at 7 o'clock this morning, but you have not got away from the prospect of a strike coming upon us somewhere in midwinter, when coal is scarce and there will be great difficulty in getting food and supplies for the people. The President said he was trying to "compose the present in order to safeguard the future." What has Congress done to "safeguard the future"? Nothing. All you have done is to legislate an eight-hour day.

Read what the President says in addition to establishing the eight-hour day.

Mr. ADAMSON. Will the gentleman yield?

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. MOORE of Pennsylvania. I ask unanimous consent to proceed for five minutes more.

Mr. BORLAND. Reserving the right to object, I want to say that there are a good many gentlemen here who have bills on the calendar waiting to be considered.

Mr. MOORE of Pennsylvania. I will say that there is nothing more important before the country to-day than this legislation on this question and the strike and "safeguarding the future."

The SPEAKER. Is there objection to the gentleman continuing five minutes?

Mr. ADAMSON. Reserving the right to object, and I have no private objection, but the gentleman has made two propositions, one that this was a question of politics and the other that I knew about the strike four months ago, and unless he permits me to reply to those two suggestions I do not think he ought to go on.

Mr. MOORE of Pennsylvania. I am making this speech for the purpose of having the gentleman reply.

Mr. ADAMSON. But I do not want to reply in a speech, I want to reply and put the facts into the gentleman's speech. [Laughter.]

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania for five minutes more?

Mr. BORLAND. I will have to object.

Mr. MOORE of Pennsylvania. I advise the gentleman not to object. The unanimous-consent bills are not equal in importance to this great proposition of "safeguarding the future" against calamity strikes.

The SPEAKER. The gentleman from Missouri objects.

Mr. BORLAND. I do not want to object, but the gentleman has had already 15 minutes.

Mr. HEFLIN. Mr. Speaker, I would like to have the gentleman have 5 minutes more, and I would like 10 minutes to reply to him.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BORLAND. I have no personal objection, Mr. Speaker, and I will withdraw my objection, with the condition that the gentleman from Alabama may have 10 minutes, and that that may conclude this political debate.

Mr. LONDON. Mr. Speaker, may I have 10 minutes in which to discuss this subject? I am not making that a condition.

The SPEAKER. The Chair wants to dispose of one thing at a time. Is there objection to the request of the gentleman from Pennsylvania to proceed for five minutes?

Mr. MANN. Reserving the right to object——

Mr. BORLAND. And the gentleman from Alabama [Mr. HEFLIN] for 10 minutes.

The SPEAKER. Did the gentleman object?

Mr. HEFLIN. Mr. Speaker, I did not object. I want to follow the gentleman from Pennsylvania for 10 minutes.

The SPEAKER. What the Chair desires to determine now is whether there is objection.

Mr. BORLAND. Mr. Speaker, I withdraw my objection.

Mr. MANN. Mr. Speaker, reserving the right to object, this is Labor Day. We met to-day primarily for the purpose of sending the deficiency appropriation bill to conference, and, secondarily, for the purpose of considering the Unanimous Consent Calendar for the last time at this session. My friend from Pennsylvania [Mr. MOORE] has had 20 minutes, about 6 of which he has occupied himself. If we are going to have debate upon this subject all afternoon, I give notice now that when we get through I shall make the point of no quorum, and the Unanimous Consent Calendar can not come up at this time.

Mr. ADAMSON. I suggest that the gentleman make the point now.

Mr. MANN. I was hoping that gentlemen would be willing to let this debate go over until to-morrow morning, when there will be time, and when it will not interfere with consideration of the Unanimous Consent Calendar.

Mr. BORLAND. Would the gentleman from Pennsylvania be willing to proceed to-morrow?

Mr. GOODWIN of Arkansas. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. MOORE], while he has the floor, continue for five minutes, and that then we take up the Calendar for Unanimous Consent, and that the gentleman from Alabama [Mr. HEFLIN] and the gentleman from New York [Mr. LONDON] address the House thereafter.

The SPEAKER. That is exactly what the Chair is trying to determine. Is there objection to the request of the gentleman from Pennsylvania that he proceed for five minutes more?

There was no objection.

Mr. MOORE of Pennsylvania. Mr. Speaker, I shall ask not to be interrupted in order that I may use the five minutes myself. I desire to call to the attention of the House and of the country, which is vastly interested in this question this morning, the second proposition which the President made to the Congress, which was that we could have an eight-hour day as a legal basis for work. I admit that the Committee on Interstate and Foreign Commerce has met that point and has covered it in the bill. The President's third point was for the authorization of the appointment by the President of a small body of men to observe the actual results and experience of the adoption of the eight-hour day, and I admit that the Committee on Interstate and Foreign Commerce and the Congress has met that point of the President. That, however, is as far as the Congress of the United States has gone. It has done nothing with the proposition to increase the membership of the Interstate Commerce Commission to meet questions of this kind. The fourth proposition was for—

> explicit approval by the Congress of the consideration by the Interstate Commerce Commission of an increase of freight rates to meet such addi-

tional expenditures by the railroads as may have been rendered necessary by the adoption of the eight-hour day and which have not been offset by administrative readjustments and economies should the facts disclosed justify the increase.

Pray tell me what the Congress has done to respond to this request that we grant legislation which, if the first proposition was agreed to—namely, increase in the pay of the men—that we also pass legislation to enable the railroads to increase freight charges to the people of the country?

Mr. BURNETT. Mr. Speaker, will the gentleman yield?

Mr. MOORE of Pennsylvania. Not that I am in favor of increasing the rates——

The SPEAKER. The gentleman has said that he did not want to be interrupted.

Mr. MOORE of Pennsylvania. But apparently the Congress of the United States was timorous of this question, and has refused to submit to the recommendation of the President of the United States to play fair to both sides. Why not take up the freight-rate recommendation of the President?

The fifth recommendation of the President was for—

an amendment of the existing Federal statute which provides for mediation, conciliation, and arbitration of such controversies as the present by adding to it a provision that in case the methods of accommodation now provided for should fail a full public investigation of the merits of every such dispute shall be instituted and completed before a strike or lockout may lawfully be attempted.

What has the Congress done to meet this very important and necessary provision "for the future" which the President made as his excuse for coming into the Congress of the United States and asking support? Does not such a suggestion carry weight? The Republican minority of the Committee on Interstate and Foreign Commerce is not at fault; it brought in an amendment to the Adamson bill asking that this recommendation of the President be carried into effect "looking to the future"; but when the committee that had the power here was in full swing, with the force of the unions and the other influences behind them, they had no time to listen to mediation, no time to listen to conciliation, no time to listen to arbitration, no time to provide permanent law for the future, but insisted on going forward and passing an ex parte, special piece of legislation that threatens to impose great burdens upon all the people of the country. We heard very little about the details, but it is evident the committee overrode the more important of the President's recommendations.

Congress has run away from the important problem of "safeguarding the future"; it has simply temporized with the present, and yet here to-day, the day on which this great calamity was to befall us, without taking up the question of providing against a strike in December or in the dead of winter, the majority of this House complacently goes along passing unanimous-consent bills and other small matters, and considers it has done its full duty by the people of the United States. And the President apparently is satisfied.

Mr. Speaker, I charge that the party in power has run away from its full obligation to the people of the United States in this matter. It has satisfied itself with the fatuous notion that it has done its full duty by passing a makeshift law—a law temporary in character only—and it has left open until the dead of winter the problem of a great strike which may bring a real distress and a real calamity upon this country. Now, you gentlemen can answer. [Applause on the Republican side.]

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. HEFLIN. Mr. Speaker, I ask unanimous consent that I may proceed for 10 minutes. I did not object to the gentleman from Pennsylvania proceeding for 25 minutes.

The SPEAKER. The gentleman from Alabama asks unanimous consent to speak for 10 minutes. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I have no objection to the gentleman making his request for to-morrow.

Mr. HEFLIN. I prefer to proceed now. The gentleman from Pennsylvania has made an assault upon the administration——

Mr. MANN. And some one will want to follow the gentleman.

Mr. HEFLIN. Nobody will want to follow me on this side. The administration has been attacked, and I think that some Democrat in a Democratic House ought to have an opportunity to answer.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, I object.

Mr. BURNETT. It is a powerless attack. I do not think it amounts to anything.

The SPEAKER. This is not debatable. The gentleman from Illinois objects.

Mr. BORLAND. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama have 10 minutes, and thereafter all speeches be confined to the bills under consideration to-day.

The SPEAKER. The gentleman from Missouri asks unanimous consent that the gentleman from Alabama have 10 minutes and that the speeches for the rest of the day shall be confined to the bills under consideration.

Mr. MANN. Oh, nobody can prevent another unanimous-consent request being made.

The SPEAKER. That is the absolute fact.

Mr. MANN. Will the gentleman from Alabama speak to-morrow?

Mr. HEFLIN. I want to follow the gentleman from Philadelphia now. We have given him 25 minutes.

The SPEAKER. Is there objection?

Mr. MANN. I object.

Mr. HARRISON. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama may proceed for 10 minutes in the morning, immediately following the reading of the Journal, and that after him the gentleman from New York [Mr. LONDON] may have 10 minutes.

The SPEAKER. The gentleman from Mississippi [Mr. HARRISON] asks unanimous consent that to-morrow morning, after the reading of the Journal and the clearing up of the business on the Speaker's table, the gentleman from Alabama have 10 minutes, to be followed by the gentleman from New York [Mr. LONDON], subject, of course, to conference reports and things of that sort. Is there objection?

Mr. BARKLEY. Mr. Speaker, I ask that I be permitted to have 10 minutes following the gentleman from New York [Mr. LONDON].

Mr. MANN. Mr. Speaker, I have no objection to the other two going on in the morning, but there are a number of gentlemen who have time set for to-morrow. After that the gentleman could come in.

Mr. BARKLEY. That is up to the House, of course.

Mr. GARRETT. Mr. Speaker, I want to appeal to the sense of fairness of the gentleman from Illinois, that the gentleman from Alabama be permitted to proceed for 10 minutes at this time. A number of us had no objection to listening to the gentleman from Pennsylvania speak for 25 minutes.

Mr. MANN. The gentleman from Pennsylvania did not speak for 12 minutes. The gentleman from Georgia [Mr. ADAMSON] consumed more than half the time.

Mr. GARRETT. The gentleman from Pennsylvania had 25 minutes of time. If he yielded to the gentleman from Georgia, that was his matter. The gentleman from Pennsylvania was making a political speech——

Mr. MANN. Which, I think, ought not to have been interjected.

Mr. GARRETT. I suggest to the gentleman from Illinois that it is extremely unfair now to object to unanimous consent being given to enable the gentleman to reply to a political speech.

Mr. MANN. I think it is very unfair for the gentleman from Tennessee to make such a statement.

The SPEAKER. Is there objection to the request?

Mr. MANN. I shall object to any extraneous matter the rest of the day by anybody. [Applause.]

Mr. GARRETT. The gentleman chooses his time for making such an objection.

Mr. MANN. I choose the right time, the decent time.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. GARRETT]?

Mr. MANN. He made no request. He endeavored to give a lecture; that is all.

Mr. GARRETT. No; I had appealed to the sense of fairness of the gentleman from Illinois. I thought he possessed it.

Mr. MANN. Well, I did possess it, but the gentleman from Tennessee has an exaggerated notion.

The SPEAKER. All this debate is entirely out of order. The Clerk will report the next bill.

Mr. ROUSE. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Illinois rise?

Mr. ROUSE. To ask to extend my remarks in the RECORD on the Postal Service.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

THE VIRUS, SERUM, AND TOXIN ACT.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 15914) to authorize the Secretary of Agriculture to license establishments for and to regulate the preparation of viruses, serums, toxins, and analogous products for use in the treatment of domestic animals, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, there are several gentlemen who want to be heard on this bill and there are a number of amendments to be offered to it. Unless it is asked to be passed over I shall have to object.

The SPEAKER. Who is managing this bill?

Mr. MANN. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. The gentleman from Illinois asks unanimous consent to pass the bill over without prejudice. Is there objection? [After a pause.] The Chair hears none.

UNCOMPAHGRE INDIAN RESERVATION.

The next business on the Calendar for Unanimous Consent was the bill (S. 43) in relation to the location, entry, and patenting of lands within the former Uncompahgre Indian Reservation, in the State of Utah, containing gilsonite or other like substances, and for other purposes.

The title of the bill was read.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, I object.

Mr. COOPER of Wisconsin. Mr. Speaker, reserving the right to object——

Mr. MAYS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection?

Mr. COOPER of Wisconsin. Does this mean it is to be called up again this session?

Mr. MAYS. Probably not, but it retains its place on the calendar.

Mr. COOPER of Wisconsin. A parliamentary inquiry.

The SPEAKER. The gentleman will state it. I say that there is no chance, if we pass it over without prejudice, to call it up again at this session unless we stay here until two weeks from to-day.

Mr. COOPER of Wisconsin. That is satisfactory to me.

The SPEAKER. Without objection, it will be passed over without prejudice.

There was no objection.

SIOUX CLAIMS.

The next business on the Calendar for Unanimous Consent was the bill (S. 437!) authorizing the Sioux Tribe of Indians to submit claims to the Court of Claims.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, unless the gentleman wants to have it passed over, I will object.

Mr. GANDY. Mr. Speaker, I ask unanimous consent that this number on the calendar and the next one, H. R. 10774, may be passed over without prejudice, due to the fact that there is objection.

The SPEAKER. The gentleman from South Dakota asks unanimous consent that this bill and the next one, H. R. 10774, be passed over without prejudice. Is there objection. [After a pause.] The Chair hears none.

IMPORTATION OF VIRUSES, SERUMS, ETC.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 199) to regulate the importation of viruses, serums, toxins, and analogous products, to regulate interstate traffic in said articles, and for other purposes.

The SPEAKER. Is there objection?

Mr. BENNET. Mr. Speaker, unless they desire to have this bill go over, I think I shall object.

Mr. ADAMSON. I do not want it to go off the calendar. Will the gentleman reserve his objection?

Mr. BENNET. I understand that if I do not object others will. Therefore, I object.

Mr. ADAMSON. Mr. Speaker, then I ask that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

EXPENSES, JOINT ENCAMPMENT, AUGUSTA, GA.

The next business in order on the Calendar for Unanimous Consent was the bill (S. 708) to make immediately available for the use of the State of Georgia in paying expenses incurred by said State in connection with the joint encampment held at Augusta, Ga., July 22 to 31, 1914, certain sums appropriated for arming and equipping the militia of said State.

Mr. STAFFORD. Mr. Speaker, I reserve the right to object.

Mr. MANN. Mr. Speaker, I am not interested in the bill. I had this passed over several times in order to get additional information in reference to it. The bill does not contain so very much information on its face. Under the Revised Statutes, section 1661, there is a permanent annual appropriation for the benefit of certain things in the National Guard. That statute has been amended so as to increase the amount of the appropriation and pay for additional things out of the appropriation. The National Guard of Georgia was called into encampment and there was an understanding that certain expenses would be paid. The appropriation for that fiscal year was not sufficient to pay all of the expenses, although they were incurred. The National Guard now asks that the balance that is due may be paid out of the amount that would go to the State of Georgia for the ensuing fiscal year. The War Department very urgently requests that that be done. I have a letter from the Secretary of War in response to a letter which I wrote to him upon the subject.

Mr. STAFFORD. Mr. Speaker, there is nothing in the report whatsoever to give a Member any clear idea as to the real purpose of this proposal. The explanation of the gentleman from Illinois [Mr. MANN] explains it is similar to other cases for which we have made provision. I therefore withdraw the reservation.

Mr. BENNET. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Illinois and the gentleman from Georgia if there is anything in this request that would not readily be granted by the War Department?

Mr. ADAMSON. I yield to the gentleman from Illinois [Mr. MANN].

Mr. MANN. I will read this statement, which is a portion of the letter which the Secretary of War wrote to me:

> The State of Georgia did not, at the end of the fiscal year 1915, have any funds remaining to its credit from the appropriation under section 1661, Revised Statutes, to meet the expense involved at the joint camp of instruction at Augusta, Ga., July, 1914, but has now sufficient funds remaining from the appropriation in question from the fiscal year 1916. These funds for the fiscal year 1916, however, under a ruling of the Comptroller of the Treasury, are not available for an indebtedness incurred prior to the year for which appropriated.
>
> No precedent would be created in using the funds appropriated under section 1661, Revised Statutes, for the purpose of transportation, which is an authorized expense against these funds, but the purpose of the bill is, it is understood, to authorize the expenditure of these funds appropriated for the fiscal year 1916 for an authorized expenditure, but which can not be made in view of the comptroller's decision referred to in paragraph 2.

Mr. BENNET. It is simply a situation in which any State might find itself. Illinois or New York might have to make a similar request.

Mr. MANN. They might, but they probably would not. The fact is, I am told, the expense of the encampment of 1915, probably owing to the military feeling throughout the world, was greater than anticipated, because more troops came, and they ran over the expense allowed under the appropriation for that year. Now, they would be entitled to have the appropriation for 1916. This simply authorizes them to use that for part of the expenses of 1915.

Mr. BENNET. In view of the explanation of the gentleman from Illinois, I shall not object, but the report absolutely contains no information from which you can form an opinion for or against the bill.

Mr. MANN. I will say to the gentleman if he will look up section 1661 of the Revised Statutes as it was he would be opposed to the bill, but that section has been amended to cover these cases, although that is not referred to.

Mr. ADAMSON. Mr. Speaker, I am very much obliged to the gentleman from Illinois for his valuable services and wish to thank him in behalf of my State.

The SPEAKER. Is there objection to the consideration of the bill? [After a pause.] The Chair hears none.

Mr. ADAMSON. Mr. Speaker, I ask unanimous consent that it be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Chair is in doubt as to whether he ever put the request of the gentleman from Alabama [Mr. HEFLIN] to speak 10 minutes to-morrow morning, so he puts the request now. Is there objection?

Mr. MANN. That to-day or to-morrow?

The SPEAKER. To-morrow. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the bill.

The Clerk read as follows:

> *Be it enacted, etc.*, That the sum appropriated by section 1661, Revised Statutes, for arming and equipping the whole body of the militia, the sum of $14,409.98, proportioned to the State of Georgia for the year 1915 and 1916 be, and the same is hereby, made immediately available for the purpose of paying the expenses incurred by said State over and above the allotments made by the Secretary of War to the State of Georgia from all appropriations therefor in connection with the joint encampment held at Augusta, Ga., July 22 to 31, 1914; and the Secretary of the Treasury is hereby authorized and instructed to pay over said amount to the governor of said State of Georgia for said purpose.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. ADAMSON, a motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. KAHN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore (Mr. HARRISON). The gentleman from California asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

TOWN SITES IN CONNECTION WITH IRRIGATION PROJECTS.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 15958) to amend an act providing for the withdrawal from public entry of lands deeded for town sites in connection with irrigation projects.

The title of the bill was read.

The SPEAKER pro tempore. Is there objection?

Mr. BORLAND. Reserving the right to object, Mr. Speaker, I do not see the author of the bill [Mr. SMITH of Idaho] here.

Mr. MONDELL. The gentleman is out for the moment. I hope the gentleman from Missouri will not object.

Mr. STAFFORD. The author of the bill was here a few minutes ago.

Mr. BORLAND. The author of the bill and I agreed to an amendment.

Mr. MONDELL. I do not think there is any serious objection to the amendment.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. RAKER. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER pro tempore. The gentleman from California asks unanimous consent that the bill be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 5 of an act entitled "An act providing for the withdrawal from public entry of lands needed for town-site purposes in connection with irrigation projects under the reclamation act of June 17, 1902, and for other purposes," approved April 16, 1906, as amended by the act entitled "An act to amend an act entitled 'An act providing for the withdrawal from public entry of lands needed for town-site purposes in connection with irrigation projects under the reclamation act of June 17, 1902, and for other purposes,' approved April 16, 1906," be amended to read as follows:

"SEC. 5. That whenever a development of power is necessary for the irrigation of lands, under any project undertaken under the said act, or any opportunity is afforded for the development of power under any such project, the Secretary of the Interior is authorized to lease for a period not exceeding 50 years, giving preference to irrigation districts duly organized under State law and to municipal purposes, any surplus power or power privilege, and the money derived from such leases shall be covered into the reclamation fund and be placed to the credit of the project from which said power is derived: *Provided*, That no lease shall be made for such surplus power or power privilege as will impair the efficiency of the irrigation project: *Provided further*, That the Secretary of the Interior is authorized, in his discretion, to make such a lease in connection with the Rio Grande project in Texas and New Mexico for a period not exceeding 50 years, with the approval of the water users' association, or associations, under any such project organized in conformity with the rules and regulations prescribed by the Secretary of the Interior in pursuance of section 6 of the reclamation act approved June 17, 1902."

With the following committee amendments:

In line 8, page 1, after the word "act," insert the words "of February 24, 1911."

On page 2, line 8, strike out the words "said act" and insert the words "reclamation law."

In line 10, after the word "Interior," insert "with the approval of the legally organized and acting water users' association, or associations, under any such project."

In line 13, after the word "preference," insert the words "to municipal purposes and."

In line 15, after the word "law," strike out the words "and to municipal purposes."

In line 21, strike out, after the word "project," the remainder of the section from line 21 on page 2 to line 4 on page 3.

The SPEAKER pro tempore. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

Mr. BORLAND. Mr. Speaker, I offer an amendment.

The SPEAKER pro tempore. The Clerk will report the amendment offered by the gentleman from Missouri.

The Clerk read as follows:

Amendment by Mr. BORLAND: Page 2, line 21, after the word "project," insert "*Provided further*, That leases for three years or less shall not require the approval of the water users' association."

Mr. STAFFORD. Mr. Speaker, I wish the gentleman would explain this amendment. It has not been recommended by the department.

Mr. MONDELL. It is not objected to.

Mr. BORLAND. I will say to the gentleman from Wisconsin that this bill provides for long-term leases of 50 years, which, it is assumed, will begin when the projects are virtually completed; but, as the gentleman knows, there are a number of projects where the water power is sufficiently developed to be used for some purpose while the project is still in course of construction. As to those works that are still in course of construction, it occurs to me that the Secretary of the Interior ought to have a wide discretionary power to utilize and derive profit from that water power during those construction days, without any veto from the water users' association. When the water power is virtually completed, then the water users' association will agree upon a long-time lease.

Mr. COOPER of Wisconsin. What were the terms of that amendment? When is it to be leased for three years?

Mr. BORLAND. The exact terms of the amendment are to except leases for three years or less from the requirement of the approval of the water users' association.

Mr. MONDELL. In fact, such leases can be made at any time by the Secretary of the Interior without consulting the water users' association, the theory being that frequently the Secretary finds he can make short-term leases of the surplus power, which can be made quickly, and so long as it does not run for any considerable period of time there is no reason why the water users' association should be called upon to approve such a brief lease.

Mr. COOPER of Wisconsin. Can he make this lease hereafter?

Mr. BORLAND. He could under the amendment. If not, these projects may not be completed. One part of it may have the water power fully developed and another part the water power only partially developed.

Mr. COOPER of Wisconsin. If the Secretary of the Interior can make a three-year lease at any time, and it is left discretionary with him to do it, without the consent of the water users' association, may not some Secretary of the Interior keep leasing over and over the surplus power for three years at a time?

Mr. MONDELL. I do not know but that that could be done, but it does not occur to me that that is possible.

Mr. BORLAND. Let me answer the gentleman from Wisconsin. That would not be a very profitable way to dispose of the power. This bill is bottomed upon the theory that the long-time lease permits the lessee to adjust himself to the situation and arrange what he wants to use the power for. That is the most profitable way to use the power, and the man or company who knows he can get a 25-year lease will be willing to pay more than the man who can use it only for three years, and perhaps use only a small amount. If the Secretary wishes to use the surplus power most profitably, the whole theory of these gentlemen is that they must have a long lease, and that long lease, in order to safeguard it from the improper or arbitrary action of the Secretary of the Interior, is to be submitted to the water users' association. But the short-time lease, practically confined to construction days, if it is required to be approved by the water users' association, is an entirely different matter.

Mr. COOPER of Wisconsin. The gentleman says this is to be practically confined to the construction time. It is not actually confined, but he could make a three-year lease at any time?

Mr. BORLAND. It is practicable but it is not probable, because that is not a very advantageous way to dispose of power arising from a water-power project. In any event, after the project is completed, the water users would have control and the Secretary would not have jurisdiction.

Mr. COOPER of Wisconsin. Who is to determine when the projects are finished?

Mr. SMITH of Idaho. The Secretary of the Interior determines that.

The SPEAKER pro tempore. The time of the gentleman from Wisconsin [Mr. STAFFORD] has expired.

Mr. COOPER of Wisconsin. Mr. Speaker, I ask unanimous consent that the amendment be again reported.

The SPEAKER pro tempore. Without objection, the amendment will again be reported.

The amendment was again read.

Mr. RAKER. Mr. Speaker, I wonder if the gentleman really understands what that amendment means? Does he not intend that this provision shall apply during the construction of the project, and not apply after it is completed? Under this provision he can lease for three years and then lease for three years more, and then lease for three years more, and absolutely defeat the purpose of the bill.

Mr. BORLAND. Mr. Speaker, if the gentleman will permit me to answer the question that he just asked me——

Mr. RAKER. That is what I asked it for.

Mr. BORLAND. The gentleman from Wyoming has already answered the question. The construction days may not be technically completed at all. There is practically no difficulty

in permitting these leases to be made by the Secretary of the Interior for three years.

Mr. MONDELL. Will the gentleman yield to me?

Mr. BORLAND. The only question is that that is not a very profitable way to dispose of power, and would not be resorted to except before the water users really came into control.

Mr. MONDELL. I think that all these differing views can be composed by a very slight change of the language:

Provided further, That leases for three years or less, during the construction of a project——

Mr. RAKER. That is the purpose that I rose for.

Mr. BORLAND. I shall not object to that amendment.

Mr. RAKER. That answers the whole question.

Mr. BORLAND. I do not think it adds a thing to it, but the gentleman may offer the amendment if he wants to.

Mr. MONDELL. I prefer to have the gentleman offer it.

Mr. BORLAND. I ask unanimous consent to amend by inserting the words "during the construction of a project" after the word "less."

The SPEAKER pro tempore. The Clerk will report the amendment as modified.

The Clerk read as follows:

Page 2, line 21, after the word "project," insert: *"Provided further*, That leases for three years, or during the construction of a project, shall not require the approval of the water users' association."

Mr. BORLAND. I do not think the Clerk read that correctly.

Mr. MANN. I understood the gentleman's amendment was to give the right for 3 years to lease by the Secretary. This might give the right for 50 years, for aught I know.

The SPEAKER pro tempore. The Clerk will again report the amendment as modified.

The Clerk read as follows:

Page 2, line 21, after the word "project," insert: *"Provided further*, That leases for three years or less, during the construction of a project, shall not require the approval of the water users' association."

The SPEAKER pro tempore. The question is on the adoption of the amendment as modified.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

On motion of Mr. SMITH of Idaho, a motion to reconsider the vote by which the bill was passed was laid on the table.

HOUR OF MEETING TO-MORROW.

Mr. MANN. Does the gentleman from North Carolina want the House to meet early to-morrow?

Mr. KITCHIN. I think we had better meet at 11 o'clock, because we want to get the general deficiency bill into conference as early as possible. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that when the House adjourns to-day it adjourn to meet to-morrow at 11 o'clock a. m. Is there objection?

There was no objection.

LEAVE TO EXTEND REMARKS.

Mr. MANN. Mr. Speaker, I make the point of no quorum.

Mr. CANDLER of Mississippi. Will the gentleman withhold that for a moment?

Mr. MANN. I will withhold it.

Mr. CANDLER of Mississippi. I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Mississippi asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. RAKER. I ask unanimous consent that I may extend my remarks in the RECORD.

The SPEAKER. The gentleman from California asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, on what subject?

Mr. RAKER. On general legislation.

Mr. STAFFORD. Is it to extend in the RECORD the regulations that were objected to?

Mr. RAKER. No. Having been defeated on that, I understand that I do not get the permission unless I make a special request for it.

The SPEAKER. Is there objection?

There was no objection.

Mr. HELGESEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from North Dakota asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. McKELLAR. I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. GLASS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Virginia asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

ENROLLED BILL SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 17235. An act granting the consent of Congress to W. H. Crosby, W. H. Andrews, E. G. Connette, Daniel Good, Henry May, Robert C. Gaupp, Edward Kener, jr., William F. McGlashan, Eugene L. Falk, John W. Robinson, John M. Willys, Oliver Cabana, jr., Conrad E. Wettlaufer, H. A. Hurt, George J. Meyer, Myron S. Hall, John Lord O'Brian, Frank S. McGraw, and William A. Morgan to construct a bridge across Niagara River within or near the city limits of Buffalo, and for other purposes.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 8 minutes p. m.), under the order heretofore made, the House adjourned until to-morrow, Tuesday, September 5, 1916, at 11 o'clock a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. SLAYDEN, from the Committee on the Library, to which was referred the joint resolution (H. J. Res. 301) authorizing the acceptance by the United States Government of portraits of Hon. James Latimer and Hon. Dr. Henry Latimer, reported the same with amendment, accompanied by a report (No. 1190), which said bill and report were referred to the House Calendar.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 17746) granting an increase of pension to Charles W. Webster; to the Committee on Invalid Pensions.

By Mr. CASEY: A bill (H. R. 17747) to remove the charge of desertion from the record of Thomas McCannon; to the Committee on Military Affairs.

By Mr. OAKEY: A bill (H. R. 17748) for the relief of the Douglass & Walkley Co., and for other purposes; to the Committee on the Public Lands.

By Mr. THOMAS: A bill (H. R. 17749) granting a pension to Alex P. Minton; to the Committee on Pensions.

By Mr. DAVENPORT: A bill (H. R. 17750) granting a pension to the deputy United States marshals of the United States district court for the western district of Arkansas and the United States courts in the Indian Territory while the said court for the western district and the United States courts in the Indian Territory had jurisdiction over the Indian Territory prior to September 1, 1896; to the Committee on Pensions.

By Mr. FULLER: A bill (H. R. 17751) granting an increase of pension to James S. Barber; to the Committee on Invalid Pensions.

By Mr. SHERWOOD: A bill (H. R. 17752) granting an increase of pension to George W. Darrah; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ASHBROOK: Evidence to be filed with House bill 17610, Daniel Gormley for special relief; to the Committee on Invalid Pensions.

By Mr. BRUCKNER: Petitions of Ralph Savino, of New York City; Fred C. Sceeneck, of New York City; and H. Schlandohorn, of New York City, favoring the Stevens bill; to the Committee on Interstate and Foreign Commerce.

Also, petitions of James Sponza, Charles J. Sully, and George D. Schott, favoring House bill 6915, the Griffin bill; to the Committee on the Post Office and Post Roads.

Also, petition of William P. Appleton, of Boston, favoring the Chamberlain-Hayden game-sanctuary bill; to the Committee on Agriculture.

By Mr. DALE of New York: Petition of Swedish Evangelical Free Church of North America, in session at Chicago, favoring an embargo on arms to Europe; to the Committee on Foreign Affairs.

By Mr. FULLER: Petition of the National Confectioners' Association, for House bill 17350, the Webb bill; to the Committee on the Judiciary.

Also, petition of Max Loeb, of the board of education of the city of Chicago, favoring the Smith-Hughes vocational education bill; to the Committee on Education.

Also, petition of railroad employees of La Salle County, Ill., against a strike; to the Committee on Interstate and Foreign Commerce.

Also, petition of sundry citizens of Rockford, Ill., against additional tax on insurance companies; to the Committee on Ways and Means.

Also, petition of the National Retail Dry Goods Association for adequate salaries for members of the Tariff Commission; to the Committee on Ways and Means.

Also, petition of the National Foreign Trade Council for House bill 17350, the Webb bill; to the Committee on Interstate and Foreign Commerce.

Also, petitions of Inland Daily Press Association and the Illinois Daily Newspaper Association concerning the increased cost of paper; to the Committee on Interstate and Foreign Commerce.

Also, petition of the Swedish Evangelical Church of North America for an embargo on the exportation of arms and ammunition to the belligerent nations of Europe; to the Committee on Foreign Affairs.

Also, petition of Chicago & Alton Railroad Co., concerning the revenue bill; to the Committee on Ways and Means.

Also, papers to accompany a bill granting an increase of pension to James S. Barber; to the Committee on Invalid Pensions.

By Mr. LAFEAN: Memorial of Philadelphia Bourse referring to employees of public-service corporations; to the Committee on Interstate and Foreign Commerce.

By Mr. LOBECK: Petition of G. M. Jenkins and 20 other citizens of Lincoln, Nebr., favoring Government ownership of railroads, telegraph, and telephone lines; to the Committee on Interstate and Foreign Commerce.

Also, petition of ministers and laymen of the Swedish Evangelical Free Church of North America, in session assembled in Chicago, Ill., June 7 to 11, 1916, protesting against the shipment of munitions of war to nations in Europe, with reasons therefor; to the Committee on Foreign Affairs.

By Mr. LOUD: Petition of Carl E. Fainelt, of Tawas City, Mich., and 22 others protesting most vigorously against the denial by Great Britain of the rights of the sea; to the Committee on Foreign Affairs.

SENATE.

TUESDAY, *September 5, 1916.*

(Legislative day of Friday, September 1, 1916.)

The Senate reassembled at 10 o'clock a. m., on the expiration of the recess.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. GALLINGER. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator from New Hampshire suggests the absence of a quorum. Let the Secretary call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Culberson	Hardwick	Lane
Bryan	Cummins	Husting	Lea, Tenn.
Chamberlain	Dillingham	Johnson, S. Dak.	McCumber
Clapp	Fletcher	Jones	Martin, Va.
Clarke, Ark.	Gallinger	Kenyon	Martine, N. J.
Colt	Gronna	La Follette	Myers
Norris	Reed	Smith, Ga.	Taggart
Overman	Shafroth	Smith, Mich.	Thomas
Penrose	Sheppard	Smith, S. C.	Thompson
Phelan	Sherman	Smoot	Underwood
Pittman	Simmons	Sterling	Vardaman

The PRESIDENT pro tempore. The second roll will be called.

The Secretary called the names of the absent Senators, and Mr. LEE of Maryland, Mr. POMERENE, and Mr. WEEKS answered to their names when called.

Mr. BRADY and Mr. RANSDELL entered the Chamber and answered to their names.

Mr. GALLINGER. I desire to announce that the Senator from Wyoming [Mr. WARREN] is detained from the Senate on account of illness.

The PRESIDENT pro tempore. Forty-nine Senators have answered to their names. A quorum of the Senate is present.

Mr. SMOOT. I ask the Senator having the bill in charge if he will not allow me to offer an amendment at this time, as I am compelled to leave the Chamber to attend a conference?

Mr. SIMMONS. I will be very glad to yield to the Senator for that purpose. I would not like to violate the rule I have followed, but the Senator has to attend a conference committee, and I yield to him to offer the amendment.

Mr. SMOOT. The amendment proposes to amend section 3354 of the Revised Statutes. All it provides is that any unfermented and partially fermented liquors may be transferred from the vat to the brewery by a pipe line. The law now provides that fermented liquors may be so transferred, but near beer that is being manufactured now can not under the law be transferred from the vat to the bottling department by pipe line. By changing the law the process will be much cleaner, and the department recommends the change. I therefore offer the following amendment.

The PRESIDENT pro tempore. The Secretary will read the amendment.

The SECRETARY. It is proposed to add at the end of the bill the following additional section:

SEC. —. That section 3354 of the Revised Statutes of the United States, as amended by the act approved June 18, 1890, be, and is hereby, amended to read as follows:

"SEC. 3354. Every person who withdraws any fermented liquor from any hogshead, barrel, keg, or other vessel upon which the proper stamp has not been affixed for the purpose of bottling the same, or who carries on or attempts to carry on the business of bottling fermented liquor in any brewery or other place in which fermented liquor is made, or upon any premises having communication with such brewery, or any warehouse, shall be liable to a fine of $500, and the property used in such bottling or business shall be liable to forfeiture: *Provided, however,* That this section shall not be construed to prevent the withdrawal and transfer of unfermented, partially fermented, or fermented liquors from any of the vats in any brewery by way of a pipe line or other conduit to another building or place for the sole purpose of bottling the same, such pipe line or conduit to be constructed and operated in such manner and with such cisterns, vats, tanks, valves, cocks, faucets, and gauges, or other utensils or apparatus, either on the premises of the brewery or the bottling house, and with such changes of or additions thereto, and such locks, seals, or other fastenings, and under such rules and regulations as shall be from time to time prescribed by the Commissioner of Internal Revenue, subject to the approval of the Secretary of the Treasury, and all locks and seals prescribed shall be provided by the Commissioner of Internal Revenue at the expense of the United States: *Provided further,* That the tax imposed in section 3339 of the Revised Statutes of the United States shall be paid on all fermented liquor removed from a brewery to a bottling house by means of a pipe or conduit, at the time of such removal, by the cancellation and defacement, by the collector of the district or his deputy, in the presence of the brewer of the number of stamps denoting the tax on the fermented liquor thus removed. The stamps thus canceled and defaced shall be disposed of and accounted for in the manner directed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. And any violation of the rules and regulations hereafter prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, in pursuance of these provisions, shall be subject to the penalties above provided by this section. Every owner, agent, or superintendent of any brewery or bottling house who removes, or connives at the removal of, any fermented liquor through a pipe line or conduit, without payment of the tax thereon, or who attempts in any manner to defraud the revenue as above, shall forfeit all the liquors made by and for him, and all the vessels, utensils, and apparatus used in making the same."

The PRESIDENT pro tempore. The question is on the adoption of the amendment.

Mr. SIMMONS. The amendment covers a bill which has already passed the House. There was an omission, however, in the bill which passed the House. The Senator has included that in the amendment?

Mr. SMOOT. That is included in the amendment.

Mr. SIMMONS. This amendment was suggested to the committee. I transmitted it to the department to see if there were any administration or revenue objections to it, and under date of August 28 I have a letter from the Acting Secretary, Mr. Malburn, in which he says that the department has no objection to the adoption of the amendment.

Mr. PENROSE. I should like to ask the Senator from Utah or the Senator from North Carolina what is the purpose of the amendment.

Mr. SMOOT. I will state the purpose to the Senator. Under the section that is proposed to be amended fermented liquors can be transferred from the vat to the bottling department in a pipe line. The department has held that near beer is not a fermented liquor and can not be transferred by pipe line under the law. The amendment simply adds to the law so as to allow near beer, so called, or unfermented liquors to be transferred through pipe lines from the vat to the bottling works.

Mr. PENROSE. It strikes me very favorably.

Mr. SIMMONS. In connection with what I have stated I desire to have the letter from the Assistant Secretary of the Treasury printed in the RECORD.

The letter was ordered to be printed in the RECORD, as follows:

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, August 28, 1916.

Hon. F. M. SIMMONS,
Chairman Committee on Finance, United States Senate.

SIR: I have the honor to acknowledge the receipt of your letter of this date, inclosing a bill (H. R. 17601) introduced in the House by Representative BRITTEN, which you forward for a report by me as to its possible effect upon the revenue and also with reference to frauds.

In reply I have the honor to call attention to what was probably an oversight in drafting the bill in omitting all the latter part of section 3354 in the restatement of that section as proposed. The portion omitted reads as follows:

"*Provided further*, That the tax imposed in section 3339 of the Revised Statutes of the United States shall be paid on all fermented liquor removed from a brewery to a bottling house by means of a pipe or conduit at the time of such removal, by cancellation and defacement, by the collector of the district or his deputy in the presence of the brewer, of the number of stamps denoting the tax on the fermented liquor thus removed. The stamps thus canceled and defaced shall be disposed of and accounted for in the manner directed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. And any violation of the rules and regulations hereafter prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, in pursuance of these provisions shall be subject to the penalties above provided by this section. Every owner agent, or superintendent of any brewery or bottling house who removes or connives at the removal of any fermented liquor through a pipe line or conduit without payment of the tax thereon, or who attempts in any manner to defraud the revenue as above, shall forfeit all the liquors made by and for him and all the vessels, utensils, and apparatus used in making the same."

The omission of this portion of the section might operate as a repeal of such portion, which I am sure was not the intent of the author of the bill.

The purpose and effect of the bill, assuming the omitted portion of section 3354 to be restored, is to extend to brewers the same pipe-line facility for the bottling of beverages containing less than half of 1 per cent of alcohol by volume, which are held to be nontaxable, as they now enjoy with respect to the fermented liquor manufactured on their premises. The extension of the privilege as to these beverages would not affect the revenue adversely, inasmuch as the same are not taxed, whether removed by pipe line or otherwise.

I am satisfied that regulations can be framed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, as provided for in the bill, which will fully protect the revenue from any attempts to fraudulently use the new facilities for the transmission of the taxable article without properly taxpaying the same.

It is true that under any regulations likely to be made some additional expense to the Government might be incurred, arising from the necessary cost of additional supervision. This, however, is a minor matter, and I do not believe it would overbalance the benefits to be derived from the standpoint not only of the brewer but from that of the Government and the public as well.

From an administrative point of view, I see no objection to the passage of the bill, always assuming, as above suggested, that the portion omitted after the last proviso to section 3354 be restored in the restatement of the section in the text of the bill.

Respectfully,
WM. P. MALBURN,
Acting Secretary.

Mr. MARTINE of New Jersey. Mr. President——

Mr. SIMMONS. I have not yielded the floor.

Mr. MARTINE of New Jersey. I ask the Senator from North Carolina if he will permit me just a moment.

Mr. SIMMONS. I will yield to the Senator if the purpose for which he rises will lead to no debate.

Mr. MARTINE of New Jersey. I can not think that it will lead to any debate.

Mr. SIMMONS. Very well.

SIR ROGER CASEMENT.

Mr. MARTINE of New Jersey. Mr. President, on July 29, 1916, a resolution was passed by the Senate of the United States requesting the President to use his kindly offices with the Government of Great Britain to stay the execution of Sir Roger Casement. Mr. President, it is currently stated and generally believed that through some one's failure or carelessness this resolution, weak as it was, was not officially forwarded to the British Government until after this martyr to the cause of liberty had been placed in his coffin. If this be true, it is too shocking to contemplate.

Hence I offer this resolution of inquiry (S. Res. 264):

Resolved, That the State Department of the United States is hereby requested to convey to the Senate the exact date and hour that the Senate resolution regarding Sir Roger Casement's sentence of death was placed in the hands of the British authorities.

If delay or carelessness existed in the transmission of that resolution, I feel that the people of this country should know the fact and upon whom the blame belongs.

I press the adoption of this resolution.

The PRESIDENT pro tempore. Unless there is objection, the resolution is agreed to.

Mr. SIMMONS. I suggest that the resolution go to the Committee on Foreign Relations.

The PRESIDENT pro tempore. The Senator from North Carolina objects to the present consideration of the resolution.

Mr. GALLINGER. Let it go to the Committee on Foreign Relations.

Mr. POMERENE. Mr. President——

Mr. SIMMONS. I will yield to the Senator from Ohio.

Mr. PENROSE. Let the resolution go to the committee.

The PRESIDENT pro tempore. The request of the Senator from New Jersey is for unanimous consent for the present consideration of the resolution. The Senator from North Carolina objects.

Mr. SIMMONS. I object, and move that the resolution be referred to the Committee on Foreign Relations.

The PRESIDENT pro tempore. Objection is made, and it goes over under the rule for a day. It can not even be referred.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

The PRESIDENT pro tempore. The question is on the adoption of the amendment of the Senator from Utah.

The amendment was agreed to.

RESERVE OFFICERS' TRAINING CORPS.

Mr. POMERENE. Mr. President, without intending to interfere with the consideration of the pending bill except for a moment, as I shall be obliged to be absent from the Chamber a portion of the day, I wish to ask unanimous consent to call up the joint resolution (S. J. Res. 169) interpreting section 50 of the act of June 3, 1916, for making further and more effectual provision for the national defense, and for other purposes.

The PRESIDENT pro tempore. The Senator from Ohio asks unanimous consent to temporarily lay aside the pending bill, in order to take up Senate joint resolution 169. Is there objection?

Mr. PENROSE. Let the joint resolution be read subject to objection.

The PRESIDENT pro tempore. The Senator from Pennsylvania asks that the joint resolution may be read before the request for unanimous consent is disposed of. The Secretary will read the joint resolution.

The Secretary read the joint resolution, as follows:

Resolved, etc., That in the interpretation and execution of section 50 of the act of Congress approved June 3, 1916, credit shall be given as for service in the senior division of the Reserve Officers' Training Corps to any member of that division for any period or periods of time during which such member has received or shall have received at an educational institution under the direction of an officer of the Army, detailed as professor of military science and tactics, a course of military training substantially equivalent to that prescribed by regulations under this section for the corresponding period or periods of training of the senior division, Reserve Officers' Training Corps.

Mr. PENROSE. Mr. President——

The PRESIDENT pro tempore. Is there objection to the present consideration of the joint resolution?

Mr. PENROSE. I should like to ask the Senator from Ohio whether this joint resolution is recommended by the War Department?

Mr. POMERENE. It is recommended by the War Department, and I shall be glad to make a very brief explanation of it to the Senate.

Mr. PENROSE. I am not objecting to the consideration of the joint resolution, but I should like to have the Senator's explanation.

The PRESIDENT pro tempore. The Chair hears no objection to the present consideration of the joint resolution.

The Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

Mr. POMERENE. Mr. President, under the recent Army reorganization act, section 50 of that act provided for the senior division of the reserve officers' training corps. There was also a junior division of the reserve officers' training corps provided for. It was intended by the act that, before a student

could be admitted to the senior division, he should have two years' training under a course of study which would meet the approval of the War Department. Under a strict construction of section 50, it is said that this would only apply to students who shall receive two years' training from and after the date the act went into effect. If so construed, a young man who has heretofore had two years of military instruction would not be entitled to the commutations the law authorizes. It was clearly the intention of the War Department, as it was of both the Senate and the House of Representatives, as I believe, that if a student had two years' training, even prior to the date of the passage of that act, in a course of study that had met the approval of the department, then he would be admitted to the senior division and would be entitled to the commutations.

The purpose of this amendment is so to construe section 50 of the act as to give students who have heretofore received two years' training, or who may hereafter receive it, the privilege of these commutations. I am quite sure it was the intention of the Senate and of the House to grant that privilege to such students, provided they passed the necessary examinations on a course of study which met the approval of the War Department.

The PRESIDENT pro tempore. The joint resolution is before the Senate, as in Committee of the Whole, and open to amendment. If there be no amendment, the joint resolution will be reported to the Senate.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

DISTRICT COURT IN MAINE.

Mr. OVERMAN. Mr. President, on behalf of the Senator from Maine [Mr. JOHNSON] I ask unanimous consent for the present consideration of House bill 15807, which simply provides for the holding of court in a certain district in Maine. There is no provision in the bill for the appointment of a judge or anything of that kind.

The PRESIDENT pro tempore. The Senator from North Carolina asks unanimous consent for the present consideration of the bill named by him. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 15807) to provide for holding sessions of the United States district court in the district of Maine and for dividing said district into divisions, and providing for offices of the clerk and marshal of said district to be maintained in each of said divisions, and for the appointment of a field deputy marshal in the division in which the marshal does not reside; which had been reported from the Committee on the Judiciary with amendments.

The first amendment was, in section 1, page 1, line 7, after the words "first Tuesday of," to strike out "June" and to insert "February"; in line 8, after the words "first Tuesday of," to strike out "December," and to insert "June"; in the same line, before the word "sessions," to strike out "two," and to insert "three"; on page 2, line 2, after the word "April," to strike out "and," and to insert "on"; and in the same line, after the word "September," to strike out "in the year A. D. 1916 only, a term of said court shall also be held at said city of Portland on the second Tuesday of December," and to insert "and on the second Tuesday in December"; so as to make the section read:

That hereafter, and until otherwise provided by law, two sessions of the United States district court for the district of Maine shall be held in each and every year in the city of Bangor, in said district, beginning, respectively, on the first Tuesday of February and the first Tuesday of June, and three sessions of said court shall be held in each and every year in the city of Portland, in said district, beginning, respectively, on the first Tuesday of April, on the third Tuesday of September, and on the second Tuesday in December.

The amendment was agreed to.

The next amendment was, in section 2, page 2, line 21, after the word "marshal," to insert:

And such field deputy, before he enters on the duties of his office, shall give bond before the judge of said district of like tenor, effect, and amount and of similar form and condition, with like sureties, and to be approved in like manner, as now or may hereafter be required by law of the marshal of said district.

The amendment was agreed to.

The next amendment was, in section 3, page 3, line 8, after the word "and," to strike out "Franklin," and to insert "Somerset," so as to make the section read:

SEC. 3. That for the purpose of holding terms of the United States district court the district of Maine as heretofore constituted shall be divided into two divisions, to be known, respectively, as the northern and southern divisions. The counties of Aroostook, Penobscot, Piscataquis, Washington, Hancock, Waldo, and Somerset shall be known as the northern division, the court for which shall be held in the said city of Bangor. The remaining counties in said State and district of Maine shall constitute the southern division, the court for which shall be held in the said city of Portland.

The amendment was agreed to.

The next amendment was, on page 5, to strike out section 8, as follows:

SEC. 8. That grand and petit jurors summoned for service at the term of said court to be held in said city of Bangor on the first Tuesday of December, A. D. 1916, may if in the opinion of the court or judge the public convenience so requires, be directed to serve also at the term of said court to be held in said city of Portland on the second Tuesday of December, A. D. 1916, as provided in section 1 of this act.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

HEARINGS BY COMMITTEE ON FINANCE.

Mr. SHAFROTH. Mr. President, I ask unanimous consent for the present consideration of Senate resolution 244, which was submitted by the Senator from North Carolina [Mr. SIMMONS] on August 5, referred to the Committee to Audit and Control the Contingent Expenses of the Senate, and reported from that committee on August 12 by me, with an amendment. It proposes to grant the right to the Committee on Finance to employ a stenographer to take testimony before that committee.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Colorado?

Mr. SMOOT. Mr. President, I shall not object to the consideration of this resolution, but I shall object to anything further now being taken up from the calendar and considered.

The PRESIDENT pro tempore. The Chair hears no objection to the present consideration of the resolution.

The Senate proceeded to consider the resolution, which had been reported from the Committee to Audit and Control the Contingent Expenses of the Senate on August 12, 1916, with an amendment on page 1, line 3, after the word "Congress," to strike out the words "to send for persons, books, and papers," so as to make the resolution read:

Resolved, That the Committee on Finance, or any subcommittee thereof, be, and hereby is, authorized, during the Sixty-fourth Congress, to administer oaths, and to employ a stenographer, at a cost not exceeding $1 per printed page, to report such hearings as may be had in connection with any subject which may be pending before said committee, the expenses thereof to be paid out of the contingent fund of the Senate, and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

The amendment was agreed to.

The resolution as amended was agreed to.

THE REVENUE.

Mr. SIMMONS. Mr. President, I now call for the regular order.

Mr. STERLING. Mr. President, I wonder if the Senator from North Carolina would not yield to me to ask unanimous consent to call up order of business No. 324, being House bill 407.

The PRESIDENT pro tempore. The Senator from South Dakota asks unanimous consent for the present consideration of the order of business named by him. Is there objection?

Mr. SIMMONS. I wish to ask the Senator a question about it. Does the Senator anticipate that it will lead to any discussion?

Mr. STERLING. I hardly think it will.

Mr. SMITH of Georgia. It is the stock-raising homestead bill, and undoubtedly will lead to discussion; so I object.

Mr. SIMMONS. Mr. President, I am going to reserve the right to object if the bill leads to any discussion.

The PRESIDENT pro tempore. The Senator can not reserve the right to object. If he does not object now, he can not object at all. Is there objection?

Mr. SMITH of Georgia. Yes; I object.

The PRESIDENT pro tempore. There is objection. The Senator from North Carolina [Mr. SIMMONS] has called for the regular order.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

The Secretary resumed the reading of the bill, and read Title VII, creating a tariff commission.

Mr. UNDERWOOD. Mr. President, under the rule of procedure which we have adopted in connection with this bill that committee amendments should have precedence, I do not know whether it is in order to make the motion at this time which I desire to make. I desire to move to strike out the sections relating to the tariff commission, and I desire to ask the Chair whether that is in order?

The PRESIDENT pro tempore. Certain amendments have been proposed by the committee. The rule is that where a motion is made to strike out a proposition the friends of the proposition have the right to perfect it before the motion to strike out is submitted. A motion to strike out can not be put until all pending amendments to perfect the provision have been presented and disposed of.

Mr. UNDERWOOD. At this time, are there committee amendments pending?

The PRESIDENT pro tempore. Three committee amendments appear to have been presented, one in line 12 and two in line 13, on page 142.

Mr. GALLINGER. Has the entire provision been read?

The PRESIDENT pro tempore. The tariff-commission provision has been read. Is that the provision to which the Senator from Alabama directs his inquiry?

Mr. UNDERWOOD. Yes, sir.

The PRESIDENT pro tempore. The Chair thought the Senator referred to the provision on page 142, which the Secretary was just beginning to read.

Mr. UNDERWOOD. I desire to move to strike out the provisions the Secretary has just read relating to a tariff commission.

The PRESIDENT pro tempore. The Chair will inform the Senator that the meaning of the rule is that no individual amendments can be entertained until the committee amendments have been disposed of, and there are still other committee amendments to be considered. After they are acted upon the Chair will be glad to recognize the Senator for the purpose indicated.

Mr. STERLING. Mr. President, does that mean the committee amendments to the entire bill or committee amendments to the several parts or titles of the bill?

The PRESIDENT pro tempore. Amendments may be offered at the proper time to any part of the bill a Senator may think needs amendment. There is no limitation upon the right of an individual Senator to offer amendments.

Mr. STERLING. I inquire if it would be in order to offer an amendment to the tariff-commission provision of the bill at this time?

The PRESIDENT pro tempore. Not at this time, as the committee amendments to the bill have not all been disposed of. The Senator from Alabama has just indicated that he desires to make a motion to strike out the entire provision relating to a tariff commission, but before that motion is put amendments looking to the perfection of the provision will be in order. At present, however, there remain committee amendments to be considered. The Secretary will proceed with the reading.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 142, line 7, in the headline after the word "Title," to strike out "VII" and insert "VIII," so as to read:

Title VIII.—Unfair competition.

The amendment was agreed to.

The next amendment was, on page 142, in line 12, after the name "United States," to strike out "to," in the same line, after the word "systematically," to insert "to import"; and in line 13, before the word "sold," to insert "imported or," so as to make the clause read:

SEC. 99. That it shall be unlawful for any person importing or assisting in importing any articles from any foreign country into the United States, commonly and systematically to import, sell, or cause to be imported or sold such articles within the United States at a price substantially less than the actual market value or wholesale price of such articles, at the time of exportation to the United States, in the principal markets of the country of their production, or of other foreign countries to which they are commonly exported, after adding to such market value or wholesale price, freight, duty, and other charges and expenses necessarily incident to the importation and sale thereof in the United States: *Provided*, That such act or acts be done with the intent of destroying or injuring an industry in the United States, or of preventing the establishment of an industry in the United States, or of restraining or monopolizing any part of trade and commerce in such articles in the United States.

The amendment was agreed to.

The next amendment was, on page 143, line 24, after the word "duty," to insert: "*Provided*, That the above shall not be interpreted to prevent the establishing in this country on the part of a foreign producer of an exclusive agency for the sale in the United States of the products of said foreign producer." So as to make the clause read:

SEC. 100. That if any article produced in a foreign country is imported into the United States under any agreement, understanding, or condition that the importer thereof or any other person in the United States shall not use, purchase, or deal in, or shall be restricted in his using, purchasing, or dealing in, the articles of any other person, there shall be levied, collected, and paid thereon, in addition to the duty otherwise imposed by law, a special duty equal to double the amount of such duty: *Provied*, That the above shall not be interpreted to prevent the establishing in this country on the part of a foreign producer of an exclusive agency for the sale in the United States of the products of said foreign producer.

Mr. SMOOT. Mr. President, in section 100 the committee report an amendment to the House provision, as follows:

Provided, That the above shall not be interpreted to prevent the establishing in this country on the part of a foreign producer of an exclusive agency for the sale in the United States of the products of said foreign producer.

I believe that that amendment is a proper one; but I believe we ought to go further than the amendment of the committee, by adding to that amendment these words:

Nor to prevent such exclusive agent from agreeing not to use, purchase, or deal in the articles of any other person.

Mr. THOMAS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Colorado?

Mr. SMOOT. Certainly.

Mr. THOMAS. The amendment presented by the committee was prepared with a good deal of care by an attorney who represented certain importers in the city of New York, and the purpose designed to be covered by it was so obvious that it was accepted by the committee. Afterwards the amendment just suggested by the Senator from Utah was brought to the committee's attention, and after due consideration it was rejected, because we feared it might be the basis of a practice—that, however, was an apprehension rather than a certainty—which would result in defeating the proviso altogether. We therefore concluded that it was better to reject it.

Mr. SMOOT. I will say to the Senator from Colorado that I fully agree with the amendment that has been agreed to by the committee and that has just been reported to the Senate; but if we go that far, it seems to me we ought to go a step farther and provide:

Nor to prevent such exclusive agent from agreeing not to use, purchase, or deal in the articles of any other person.

In other words, Mr. President, an exclusive agency in this country for a foreign article should not prevent that person from acting as an agent for an entirely different line of goods, and it seems to me that he is restricted under the language of the committee. If he is dealing in any article of a foreign manufacturer, unless the provision as suggested by me is adopted, I can not see how he can become the agent of any other person or firm; and I do not think we want to go that far in this bill.

Mr. THOMAS. Mr. President, I believe that this amendment, as it appears in the bill, would not preclude an agent appointed under it from doing what is intended to be permitted by the suggested amendment of the Senator from Utah. On the other hand, I do not think it is prudent to invest the exclusive agent of a foreign firm with authority to become also the exclusive agent of other foreign firms, either in the same line or some other line of business.

Mr. SMOOT. But I can not see why that should not be done; and I believe if this amendment is not adopted no person in the United States can act as an exclusive agent for two foreign firms that may make entirely different goods.

Mr. THOMAS. If that is the objection of the Senator, I do not think it applies at all. The exclusive agent of one line of goods certainly would not be precluded from becoming the exclusive agent for another line of goods that were entirely different from the first.

Mr. SMOOT. This is what the section provides:

That if any article produced in a foreign country is imported into the United States under any agreement, understanding, or condition that the importer thereof or any other person in the United States shall not use, purchase, or deal in, or shall be restricted in his using, purchasing, or dealing in, the articles of any other person, there shall be levied, collected, and paid thereon, in addition to the duty otherwise imposed by law, a special duty equal to double the amount of such duty.

Mr. THOMAS. Yes; and then we make an exception with regard to exclusive agencies for foreign goods.

Mr. SMOOT. Yes; certainly you do, in relation to foreign goods; but my amendment goes further, and says:

Nor to prevent such exclusive agent—

That is, of foreign goods—

from agreeing not to use, purchase, or deal in the articles of any other person—

Whether it be in the United States or whether it be in a foreign country. I do not believe the Senator will undertake to defend the position that if a person is an exclusive agent for a foreign manufacturer he can not also make an agreement to sell here goods made by any other person.

Mr. THOMAS. Oh, I do not defend any part of it. This whole section is repulsive to my notions of what we ought to do, Mr. President.

Mr. CUMMINS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Iowa?

Mr. SMOOT. I do.

Mr. CUMMINS. The exception is not quite as broad as indicated by the Senator from Utah, and I fear that it will not have the effect that the committee has in mind. It will be observed that it is limited to a foreign producer; that is, a foreign merchant can not establish an exclusive agency.

Mr. THOMAS. If the Senator will permit me to call the attention of the chairman to the phraseology of the proviso, I agent of other foreign firms, either in the same line or in some different or better expression than the word "producer" the committee will be glad to accept it. With regard to the suggested amendment of the Senator from Utah, if the chairman does not object, I am perfectly willing to accept it and let it go to conference, where the matter can be adjusted.

Mr. CUMMINS. The thought in my mind, and I want to ask the Senator from Colorado——

Mr. SIMMONS. Will the Senator let us finish this amendment before we go on to that one? The Senator from Utah has offered an amendment, as I understand.

Mr. CUMMINS. What I was about to say has to do with the amendment.

Mr. SIMMONS. Well, then, let me simplify it by saying that I think the suggestion of the Senator from Colorado is a very good one. Let it go in the bill, and in conference we can consider it.

Mr. SMOOT. That will be satisfactory to me, as far as my amendment is concerned.

The PRESIDENT pro tempore. What is the proposition of the chairman of the committee?

Mr. SIMMONS. What I said, Mr. President, was that I thought the suggestion made by the Senator from Colorado, who has charge of this part of the bill, was a very good one, and that I saw no objection to allowing the amendment offered by the Senator from Utah to go into the bill, with the understanding that the matter would be taken up in conference.

The PRESIDENT pro tempore. Unless there is objection, that course will be adopted. The Chair hears none, and it is so ordered. The Senator from Utah has not yet sent his amendment to the desk.

Mr. SMOOT. I will say to the Chair that I will write out the amendment and hand it to the Secretary.

The PRESIDENT pro tempore. The question is on agreeing to the amendment as amended.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment was, on page 144, after line 6, to insert:

SEC. 102. That whenever any country, dependency, or colony shall prohibit the importation of any article the product of the soil or industry of the United States and not injurious to health or morals, the President, within his discretion, shall have power to prohibit, during the period such prohibition is in force the importation into the United States of similar articles, or in case the United States does not import similar articles from that country, then other articles, the products of such country, dependency, or colony.

And the Secretary of the Treasury, with the approval of the President, shall make such rules and regulations as are necessary for the execution of the provisions of this section.

The amendment was agreed to.

The next amendment was, on page 144, after line 18, to insert:

TITLE IX.

SEC. 103. That from and after 90 days after the passage of this act no fresh or frozen halibut or salmon from the north Pacific Ocean or its tributary waters shall be admitted into the United States through any foreign country, except when the same shall be in bond from an American port.

The amendment was agreed to.

Mr. CHAMBERLAIN. Mr. President, I do not intend to address the Senate on this particular provision. It was proposed as an amendment to the bill by me, referred to the Finance Committee for consideration, and reported back as a part of the bill now being considered.

Through the courtesy of Hon. CLAUDE KITCHIN I have been furnished two letters bearing upon the subject and giving a complete history of the necessities which have made the provision necessary in order to protect a great and growing industry off the banks of Alaska and American vessels and seamen engaged in this industry. One of these letters was addressed by the Secretary of Commerce to the President of the United States, and the other was addressed by the Commissioner of Fisheries to the Secretary of Commerce, both dealing with the conditions to which this amendment refers and the interests which it is intended to protect.

These communications were referred to Mr. KITCHIN by the President and deal so completely with the subject that I request that they may be printed in the RECORD as a part of the history of the provision under consideration.

The PRESIDENT pro tempore. The request of the Senator from Oregon will be complied with unless there is objection. The Chair hears none.

The matter referred to is as follows:

DEPARTMENT OF COMMERCE,
OFFICE OF THE SECRETARY,
Washington, May 6, 1916.

MY DEAR MR. PRESIDENT: I beg respectfully to inclose original report of the Commissioner of Fisheries to me on the conditions which threaten serious economic loss, if not disaster, to the important town of Ketchikan in southeastern Alaska. A copy of this has been submitted to the Department of State who advise under date of May 1 as follows:

"As you probably already know, there is no legal objection to the proposed legislation There is a question of policy involved, and as to that it would seem that the Treasury Department had better be consulted. As far as this department is concerned, I can see no objection to the proposed legislation."

The above is signed by Mr. Lansing. Pursuant to the above suggestion the matter was submitted to the Treasury Department, who under date of May 4 advise as follows:

"I have received your letter of May 3 inclosing a memorandum from the Commissioner of Fisheries to you, dated March 30, 1916, in regard to the effect of the order in council of the Canadian Government of March 9, 1915, relaxing restrictions previously in effect in respect to the landing of and transshipping of fresh fish by American vessels at Canadian-Pacific coast ports on the industries of Ketchikan and other towns in the United States, and asking if the enactment of a proposed law as follows would be objectionable from the viewpoint of this department:

"'No fresh or frozen halibut or salmon from the North Pacific Ocean or its tributary waters shall be admitted into the United States through any foreign country except when the same is in bond from an American port.'

"This is a matter which does not affect the revenues of the Government and I can see nothing objectionable in the proposed legislation."

I beg respectfully to ask that the report of the Commissioner of Fisheries with copy of this letter which is sent for that purpose in duplicate, may be transmitted to the chairman of the Committee on Ways and Means of the House of Representatives for incorporation, if possible, in the proposed revenue bill. If, however, this matter should in your judgment be treated otherwise, I shall be glad to be advised and will follow your wishes.

Let me add to what the Commissioner of Fisheries has stated that the subject has been discussed between the counselor for the State Department, Mr. Frank L. Polk, the British ambassador, and myself, and I have also taken it up briefly with the deputy minister of fisheries of the Canadian Government at a recent call upon me.

Mr. H. C. Strong, of Ketchikan, advises me that the Grand Trunk Pacific Railway has informed him that they would take steps to put Ketchikan on a satisfactory basis as regards Prince Rupert if and when they were forced to do so. This would mean running a ferry steamer three times a week at present for the 90 miles from Ketchikan to Prince Rupert. They are not now doing so, however, with the result that by reason of the specially tempting privileges extended to fishermen at Prince Rupert the commercial existence of the port of Ketchikan is seriously threatened. I have tried to make clear through the British ambassador the unwisdom on the part of the railroad authorities of antagonizing our Alaskan interests, to whom they must inevitably look in the future for a considerable part of their business, but they show no sign of action.

Yours, very truly,

WILLIAM C. REDFIELD, *Secretary.*

THE PRESIDENT,
The White House.

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DEPARTMENT OF COMMERCE,
OFFICE OF THE SECRETARY,
Washington, March 30, 1916.

THE SECRETARY OF COMMERCE:

In compliance with the instructions in your letter of the 15th instant to prepare a report, for consideration, if necessary, by committees of Congress, upon the halibut fishery of the Pacific coast, particularly in respect to conditions which have developed within the last year or two in the way of diverting the industry from American ports to Prince Rupert, British Columbia, it seems not inappropriate to review briefly a few of the more important historical facts and submit a statement of the methods pursued in regard to the halibut fishery of the Pacific coast.

From the records it appears that beginning about 1888 there was some desultory halibut fishing, chiefly on banks which were beginning to become known in the vicinity of Cape Flattery, on the northern coast of Washington, and extending from there northward, most of the fish being landed at Seattle and Tacoma. It was not until 1894 that the industry assumed any noteworthy commercial importance. From that time until the present its growth has been such that now approximately 95 per cent of the halibut consumed in the United States comes from the Pacific coast, where the catch amounts to more than 65,000,000 pounds a year. Only a small part of the output has come from waters south of Cape Flattery, although in recent years increased attention has been given to grounds lying off the Oregon and Washington coast, and considerable quantities of fish have there been taken. The more important banks, however, are to the northward, and now the larger proportion of the entire catch is from the banks off the coast of Alaska. It is the Alaskan banks to which attention is now chiefly directed, for it is believed that upon these banks there exists the greatest supply of halibut known to the world.

METHODS.

In describing briefly the methods pursued in the Pacific halibut fishery, it may be noted that halibut are caught on hooks attached to long lines or trawls and baited with herring. The lines are set from dories operated from steamers or power schooners of commodious and seaworthy capacity, so as to enable the vessels to weather gales while out on the fishing banks. There are now upward of 150 American vessels thus engaged. Halibut fishing is generally conducted in water of from 40 to 100 fathoms in depth, although halibut are sometimes taken at a depth of 250 fathoms. The steamers are generally equipped with 12 to 14 dories, while the power schooners as a rule carry from 4 to 8 dories. Each dory is manned by two fishermen. The fishermen on

steam vessels usually receive 1½ cents a pound for the halibut caught, clear of all expense of operation, board, etc. As a rule, in schooner operations the vessel takes one-fifth of the gross catch, while from the remaining four-fifths there is deducted all cost for fuel, stores, supplies, and other items, and the remainder is then divided equally among the crew. Sometimes the captain receives in addition a small commission.

A modification of dory fishing has been adopted recently to a rather limited degree. It consists of setting the trawl lines directly from the deck of the vessel and hauling them in by means of a power winch. This enables vessels to operate when the weather is too stormy to permit of dory fishing.

CENTERS OF INDUSTRY.

The halibut industry of the Pacific Coast has always centered at Seattle, Wash. The greater portion of the catch has been brought to Seattle by the fishing fleet, but there have been approximately 14,000,000 pounds per annum discharged at Alaska ports, and there iced, boxed, and shipped to dealers in Seattle; but the unsatisfactory steamer service and the disadvantages arising from the inability of the fishermen to deal in person with the buyers have made this practice unpopular. The price in the year 1915 has varied from about 12½ cents per pound in winter to 2½ cents per pound in the late spring, when the catches have been heaviest, the average for the year being about 5½ cents a pound. This is the price received by the independent fishermen for halibut as delivered at the docks in Seattle, and is for first-grade fish in good condition. The average weight of the best grade of halibut is about 30 pounds per fish. The so-called chicken halibut, those running usually about 10 to 15 pounds in weight, and the larger halibut, weighing from 50 to 100 pounds or more, are not regarded with as much favor as those averaging about 30 pounds.

The cold-storage plants at Juneau, Sitka, Wrangell, and Ketchikan receive some fish throughout most of the year, but it is chiefly when halibut are plentiful that most of the freezing is done. The largest of these plants is that of the New England Fish Company at Ketchikan. This establishment was completed in 1909 and was enlarged three years later, so that at present it has a storage capacity of approximately 4,000,000 pounds of frozen halibut and represents an investment of about $300,000. The other plants referred to are smaller and depend upon independent fishermen for receipts of halibut, whereas the New England Fish Company operates vessels on its own account.

At Seattle and Tacoma there are five cold-storage establishments where halibut are handled, and in addition there are several buyers who receive the fish as landed by the fishing vessels. At certain seasons of the year the fish are frozen and stored, but at other times they are iced for immediate shipment, the chief distributing centers being Boston and New York. In the winter months when the arrivals of fresh fish are comparatively limited—so small in fact at times that it is only the local demand or requirements of the western States that can be supplied—the shipments of frozen halibut are made to the eastern markets.

For many years halibut have been landed at Tacoma, Wash., though in nothing like the quantity landed at Seattle, and also in a less degree at Grays Harbor and Everett, Wash., and Stevenson, Hayesport, and Vancouver, British Columbia.

The foregoing is an outline of the halibut fishery of the Pacific coast as it existed up to a year or two ago, when Prince Rupert, British Columbia, came to the fore and now bids fair to become the chief center of the industry, unless early steps of a definite character are taken to retain it in American ports.

ENTRY OF PRINCE RUPERT AS HALIBUT CENTER.

It is understood that dominant Canadian interests for a number of years had been carrying out a logically conceived policy to make Prince Rupert one of the chief fishery centers of the Pacific coast. This carefully arranged plan had its culmination in the completion of the Grand Trunk Pacific Railway, followed by the order in council of March 9, 1915. It is reported that the Canadian Government subsidized the Grand Trunk Pacific Railway and in addition gave a subsidy for the construction of a fish-freezing establishment at Prince Rupert, which is said to be the largest of its kind on the Pacific coast.

With the completion of the Grand Trunk Pacific Railway through to Prince Rupert, British Columbia, the halibut situation became acute. Since that time an active campaign has been waged between the American cities on the one hand and Prince Rupert and, to a less degree, Vancouver on the other hand for control of the industry. The seriousness of the situation as seen from the American point of view may be recognized from the fact that during the year 1914 American fishing vessels landed no fish at Prince Rupert, but from March, 1915, to the end of the year American vessels landed more than 7,000,000 pounds of halibut at that port and Canadian vessels 8,000,000 pounds. It is reported that 80 per cent of the Canadian-caught fish were shipped to American markets.

This active entry of Prince Rupert into the field for the trade in American as well as Canadian-caught halibut was made possible through a Dominion order in council on March 9, 1915, relaxing restrictions previously in effect in respect to the landing and transshipping of fresh fish by American vessels at Canadian Pacific coast ports. This order was as follows:

"During the present calendar year (1915) foreigners or foreign corporations bringing fresh fish in vessels registered in the United States of America to any port in British Columbia shall be permitted to land such fresh fish at such port without payment of duties and transship the same in bond to any port in the United States, or to sell such fish in bond to such local dealers or dealer as may be properly and duly licensed therefor, under the regulations and conditions in compliance with the bonding requirements (without the right, however, in either instance, to sell in Canada for consumption therein, or otherwise except in bond, any of such fresh fish so landed); and such foreigners and foreign corporations bringing fresh fish in vessels registered in the United States of America to any port in British Columbia, shall be permitted to purchase supplies, and ship crews for such vessels, at any port in the said Province of British Columbia, the whole under such regulations and conditions as the minister of customs may determine."

The chief feature of this order is that it altered Canadian regulations to such an extent as to make it possible for Canada to receive the benefits of the American fishing industry, and yet it does not benefit American trade, as the fish so landed by American vessels are prohibited from going into consumption in Canada.

Although Seattle has felt to a certain extent the new order of things, it has nevertheless, by reason of being the headquarters of the large fishing firms owning their own steamers, held a considerable volume during the year 1915; but three of these companies have announced that they will find it necessary to establish themselves at Prince Rupert in 1916 unless conditions change.

So far, Ketchikan has suffered most. Prior to the promulgation of the order in council, hereinabove cited, Ketchikan enjoyed a profitable halibut fishery. In fact, it was regarded as the center of the industry in Alaska. At certain seasons of the year many cargoes of halibut were landed at Ketchikan, and there was the incidental industrial activity due to the purchase of supplies and the outfitting of the vessels as well as paying off crews. It is reported that soon after the Canadian order in council became effective the American fishermen almost entirely discontinued the landing of cargoes at Ketchikan for shipment to Seattle, finding it advantageous to accept the inducements offered at Prince Rupert where they were able to meet and do business directly with buyers for the American markets. Thus the Canadian port became their headquarters.

The present hold of Prince Rupert, by reason of its more direct transportation facilities to the halibut markets of the East and because of privileges and inducements offered to American fishermen through the order in council of March 9, 1915, is so firmly established that American fishermen and American companies handling fresh halibut have literally been forced to transfer their chief activities to Prince Rupert. American fishermen are taking up their residence there, and the United States is thus suffering the loss of a class of citizens who have done considerable toward the development of Alaska, particularly southeastern Alaska. At the same time there is the attendant loss which other lines of industry suffer as the result of the removal of these fishermen and their families to Prince Rupert.

INVESTMENT IN THE HALIBUT FISHERY.

Exact figures as to the investment in the halibut fishery of the Pacific coast are not available. Upon the basis of very careful estimates, however, the total investment in the American halibut fishery on the Pacific coast may be stated as approximately $3,500,000, which sum includes the packing and refrigerating plants valued in excess of $1,500,000, and a fishing fleet of approximately 150 vessels worth about $2,000,000. These vessels include both large and small, varying in value from $5,000 to $100,000 each. Approximately 2,000 persons are engaged and the value to the fishermen of the American-caught fish in 1915 is estimated to be $2,500,000. The estimated investment in the Canadian halibut fishery is $1,000,000, and it gives employment to about 500 persons, the value of the product to Canadian fishermen being about $750,000. At the present time the Canadian fleet numbers about 30 vessels. Combining these estimated figures covering the American and Canadian halibut fishery, there is a total investment of $4,500,000, employment is given to 2,500 persons, and the annual value of the product to the fishermen is $3,250,000. The retail value is four times this amount.

COMPARISON OF HALIBUT CATCH OF 1914 AND 1915.

The total catch of halibut from Pacific waters landed at both American and Canadian ports was approximately 64,000,000 pounds in 1914 and 66,000,000 pounds in 1915. Less than one-fourth of these catches was made by Canadian vessels. Of the 1914 catch arrivals in British Columbia ports amounted to about 17,000,000 pounds, but in 1915 when the total production of all Pacific waters was only a little larger than the previous year the arrivals of halibut in British Columbia increased to nearly 28,000,000 pounds, an increase in receipts for British Columbia in 1915 of 11,000,000 pounds. This increase represents halibut landed by American vessels as a result of concessions made by the Canadian Government to draw the American fleet to its ports. As was obviously intended by Canada, Prince Rupert has been the chief beneficiary, for it was at that port that American fishing vessels landed more than 7,000,000 pounds of halibut in 1915 as against nothing in 1914. Vancouver also shows a notable gain in 1915, when American vessels landed about 4,000,000 pounds. These gains in trade for Canada have been at the direct expense of American ports, chiefly Ketchikan and Seattle.

FROZEN SALMON.

There is also a trade in frozen salmon that is passing from southeastern Alaska to Prince Rupert that demands consideration in order that it may be continued as an American industry. At present it is small as compared to the halibut trade, but it may be developed considerably. It is estimated that it produces a quarter of a million pounds of frozen salmon annually, valued at $25,000, and gives partial employment for two or three months in the year to about 1,000 persons, whose catch, however, is chiefly used for mild curing. Most of the salmon frozen are caught in waters contiguous to the Alaskan coast, and the trade rightfully belongs to Alaska.

GENERAL RATHER THAN LOCAL INJURY TO AMERICAN INTERESTS.

The opening of the Grand Trunk Pacific Railway to Prince Rupert, which prompted the order in council of March 9, 1915, has in reality been the all-important cause back of this loss of American trade, and as its effect is felt both at Ketchikan and Seattle as well as other less important American ports, the injury may with propriety be regarded as of a general character rather than of a local nature. It is not only the American fishing industry which is harmed, but there are extensive collateral interests represented by firms engaged in outfitting and supplying the fishing fleets with ice, bait, foodstuffs, fishing gear, and distillate, the trade in which is lost to the United States when vessels land their catch at Canadian ports. It is estimated that the loss of such collateral trade to America in 1915 amounted to $500,000. Unless conditions are changed speedily, this diversion will increase rapidly. Already one large Seattle firm, whose chief business has been the outfitting of halibut vessels, has been forced to establish a branch at Prince Rupert. Two large American corporations operating cold-storage plants at Seattle have recently stated in communications that the Bureau of Fisheries has seen that unless prompt action is taken to relieve the existing condition it will be necessary for them to build plants and make other heavy investments at Prince Rupert. These companies have clearly indicated that they do not care to enter this field, preferring to make their northern investments in Alaska, but that they will be forced to do so in order to retain their share of the business unless the situation changes.

Another serious phase of the situation is the fact that America is losing a valuable citizenry in those who will move to Canada and in the course of a few years will be assimilated completely by that country. Thus the diversion of Pacific halibut trade through Canadian ports means not only a pecuniary loss to American interests, but also the loss of good citizens and their families, who will eventually become alienated from the United States. There may be stout denials of this alienation, but the insidious workings of time and environment will unquestionably produce this result.

SUGGESTED REMEDIES.

Various suggestions more or less important have been made to improve conditions affecting the Pacific coast halibut fishery, but at the present time and after full and careful consideration of the problem it is believed that the enactment of the following measure offers the best solution:

"No fresh or frozen halibut or salmon from the North Pacific Ocean or its tributary waters shall be admitted into the United States through any foreign country except when the same is in bond from an American port."

This measure seems simple in its terms and easy of application, and its adoption is believed to be an efficient means of reserving the halibut fishery to American cities on the Pacific coast and at the same time will not admit readily of retaliatory masures or acts of reprisal by the Canadian authorities. Its effect on the fishermen will simply be that the fish they now land at Canadian ports will be landed chiefly at Ketchikan, where they will have market facilities equaling those now at Prince Rupert, and they will save the 90-mile trip to the Canadian port. It will necessitate the inauguration by the Grand Trunk Pacific Railway of a ferry service suitable for the transportation of fish from Ketchikan, where the shipments would be accepted in bond for our eastern markets. The Grand Trunk Pacific Railway will, if the measure hereinabove suggested is adopted, undoubtedly grant such facilities, as it needs the business of southeast Alaska. Prince Rupert is bound to benefit by the shipment of halibut even though originally landed at Ketchikan, but over and above this the fact stands forth plainly that the Grand Trunk Pacific Railway undoubtedly needs this business as halibut is the road's most profitable factor in the eastbound freight.

It is not deemed expedient that the United States Government should adopt measures which will mean that fresh Alaskan halibut can not or will not be shipped to Eastern markets over the Canadian railroads, but it is believed that such fish should go in bond from an American port. The Grand Trunk Pacific Railway is undoubtedly a shorter line to the east, probably saving at least 48 hours between Alaska and the chief distributing centers for halibut, Boston and New York. Any means which will permit of more prompt delivery of a perishable food product is of advantage to the consumer. This situation, however, only slightly affects halibut shipped to Seattle; and, as a matter of fact, according to the present schedule halibut can be laid down in Chicago more quickly from Seattle than from Prince Rupert, but shipments to Boston and New York can be made from Alaska more quickly through Prince Rupert than by way of steamer to Seattle and thence over an American railroad.

Under present regulations American fishing vessels are barred from discharging fish at Canadian ports for consumption in Canada, but Canadian vessels have the privilege of selling their catch in the United States in addition to selling in Canada. In other words, Canada discriminates against American vessels, but the United States does not place similar restrictions upon the sale of fish caught by Canadian vessels. This means that Americans are forced to add vessels of Canadian registry to their fleets if they want to participate in the Canadian trade, and without effective legislation the tendency will be to increase the Canadian fleet at American expense.

The American shipping laws require that if a foreign fishing vessel enters a port in the United States and discharges its cargo it can not clear for the fishing banks and return with its catch to an American port. Instead the vessel after landing its catch must clear for its home port. After entering there it may proceed to the fishing banks and again land its cargo at an American port. The measure herein suggested, that no fresh or frozen fish from the North Pacific shall be admitted into the United States through any foreign country except when the same is in bond from an American port, would not work a hardship upon Canadian vessels as, after discharging their catch, they can easily enter a Canadian port before returning to the fishing grounds.

So far as this office is aware no practicable plan has yet been suggested whereby the bureau, the town of Ketchikan, or the Territory of Alaska, can take any action that will be helpful. The only solution seems to be congressional action, and the best remedy that has yet been developed for consideration by Congress is the passage of a law worded as hereinabove suggested. It is not thought that this measure is open to international complications, the only possibility along this line being an attempt on the part of Canada to modify the present reciprocal relations in respect to the bonding of goods in transit through the respective countries, which is not at all probable. Such an act on the part of Canada would not only deprive her railroads of revenue, but equally inconvenience her own people.

H. M. SMITH,
Commissioner.

The reading of the bill was resumed.

The next amendment was, on page 145, line 1, in the headline, to strike out "VIII" and insert "X," so as to read:

Title X.

The amendment was agreed to.

The next amendment was, on page 145, after line 9, to strike out:

SEC. 701. That unless otherwise herein specially provided, this act shall take effect on the day following its passage, and all provisions of any act or acts inconsistent with the provisions of this act are hereby repealed.

The amendment was agreed to.

The reading of the bill was concluded.

Mr. THOMAS. Mr. President, the committee offers the amendment which I send to the desk.

The PRESIDENT pro tempore. The Senator from Colorado, on behalf of the Finance Committee, proposes an amendment which will be stated by the Secretary.

The SECRETARY. On page 144, at the end of line 18, following the amendment heretofore agreed to——

Mr. THOMAS. I think the words "at the end of line 18" should be excluded, because an amendment has been adopted—the amendment of the Senator from Kentucky [Mr. JAMES]—which is inserted after the end of line 18. This amendment will succeed the amendment of the Senator from Kentucky.

The SECRETARY. Following an amendment heretofore agreed to, it is proposed to insert a new section to read as follows:

SEC. —. That whenever, during the existence of a war in which the United States is not engaged, the President shall be satisfied that there is reasonable ground to believe that any vessel, American or foreign, is, on account of the laws, regulations, or practices of a belligerent Government, making or giving any undue or unreasonable preference or advantage in any respect whatsoever to any particular person, company, firm, or corporation, or any particular description of traffic in the United States or its possessions or to any citizens of the United States residing in neutral countries abroad, or is subjecting any particular person, company, firm, or corporation or any particular description of traffic in the United States or its possessions, or any citizens of the United States residing in neutral countries abroad to any undue or unreasonable prejudice, disadvantage, injury, or discrimination in regard to accepting, receiving, transporting, or delivering, or refusing to accept, receive, transfer, or deliver any cargo, freight, or passengers, or in any other respect whatsoever, he is hereby authorized and empowered, in his discretion, to direct the detention of such vessels by withholding clearance or by formal notice forbidding departure and to revoke, modify, or renew any such direction as in his opinion the public interest may require.

That whenever, during the existence of a war in which the United States is not engaged, the President shall be satisfied that there is reasonable ground to believe that under the laws, regulations, or practices of any belligerent country or Government American ships or American citizens are not accorded any of the facilities of commerce which the vessels or citizens of that belligerent country enjoy in the United States or its possessions, or are not accorded by such belligerent equal privileges or facilities of trade with vessels or citizens of any nationality other than that of such belligerent, the President is hereby authorized and empowered, in his discretion, to withhold clearance from one or more vessels of such belligerent country until such belligerent shall restore to such American vessels and American citizens reciprocal liberty of commerce and equal facilities of trade; or the President may, in his discretion, direct that similar privileges and facilities, if any, enjoyed by vessels or citizens of such belligerent in the United States or its possessions be refused to vessels or citizens of such belligerent; and in such case he shall make proclamation of his direction, stating the facilities and privileges which shall be refused, and the belligerent to whose vessels or citizens they are to be refused, and thereafter the furnishing of such prohibited privileges and facilities to any vessel or citizen of the belligerent named in such proclamation shall be unlawful; and he may change, modify, revoke, or renew such proclamation as in his opinion the public good may require; and any person or persons who shall furnish or attempt or conspire to furnish or be concerned in furnishing or in the concealment of furnishing facilities or privileges to ships or persons contrary to the prohibition in such proclamation shall be liable to a fine of not less than $2,000 nor more than $50,000 or to imprisonment not to exceed two years, or both, in the discretion of the court.

In case any vessel which is detained by virtue of this act shall depart or attempt to depart from the jurisdiction of the United States without clearance or other lawful authority, the owner or master or person or persons having charge or command of such vessel shall be severally liable to a fine of not less than $2,000 nor more than $10,000, or to imprisonment not to exceed two years, or both, and in addition such vessel shall be forfeited to the United States.

That the President of the United States is hereby authorized and empowered to employ such part of the land or naval forces of the United States as shall be necessary to carry out the purposes of this act.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. PHELAN. Mr. President, I desire to submit an amendment at this time.

The PRESIDENT pro tempore. The Chair will announce that if no further committee amendments are to be presented the amendment offered by the Senator from California will be stated.

Mr. SIMMONS. Mr. President, I wish to offer certain additional amendments.

The PRESIDENT pro tempore. The Senator from California presents an amendment, which the Secretary will read.

Mr. SIMMONS. Why, Mr. President——

The PRESIDENT pro tempore. The Chair does not know what it is until it is read. Then it will appear whether it is a committee amendment or not.

Mr. PHELAN. It is not a committee amendment.

The PRESIDENT pro tempore. Then it is not in order. The Senator from North Carolina.

Mr. SIMMONS. Mr. President, on page 34 of the bill, at the end of line 11, under the exemptions in reference to securities of farm and Federal land banks, and so forth, I desire to offer a new paragraph in these words:

Joint-stock land banks as to income derived from bonds or debentures of other joint-stock land banks or any Federal land bank belonging to such joint-stock land bank.

That is an amendment suggested by the Secretary of the Treasury.

The PRESIDENT pro tempore. The Senator will send the amendment to the desk and it will be read.

The SECRETARY. On page 34, paragraph "thirteenth," proposed by the committee, was passed over at the instance of the Senator from Utah. After that paragraph which has been passed over it is proposed to insert:

Fourteenth. Joint-stock land banks as to income derived from bonds or debentures of other joint-stock land banks or any Federal land bank belonging to such joint-stock land bank.

The PRESIDENT pro tempore. Unless there is objection, the amendment offered by the Senator from North Carolina on behalf of the Finance Committee will be agreed to. The Chair hears no objection, and it is so ordered.

Mr. SIMMONS. On page 8 line 10, after the word "possessions," I move to add "or securities issued under the provisions of the Federal farm-loan act of July 17, 1916."

The amendment was agreed to.

Mr. SIMMONS. On page 49, line 16, after the word "title," I move to insert the words "and the acts of August 5, 1909, and October 3, 1913."

The PRESIDENT pro tempore. Without objection, the vote by which the amendment of the committee at that place was agreed to will be reconsidered. The Senator from North Carolina offered an amendment to the amendment, which will be stated.

The SECRETARY. In the amendment on page 49, line 15, after the word "title," insert "and the acts of August 5, 1909, and October 3, 1913."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. The Secretary informs the Chair that one of the committee amendments was passed over without being disposed of. It will be stated.

The SECRETARY. On page 34, after line 2, the committee report to insert the following:

Thirteenth. Federal land banks and national farm-loan associations as provided in section 26 of the act approved July 17, 1916, entitled "An act to provide capital for agricultural development, to create standard forms of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to create Government depositaries and financial agents for the United States, and for other purposes."

Mr. SMOOT. Mr. President, I asked that that paragraph might go over, but I am quite sure that nothing I might say would change the determination of the committee to keep it in the bill. It is an exemption perhaps warranted under past practice of our legislation in behalf of Government institutions, but it takes a step toward discriminating agninst individual enterprise in the loaning of money to the farmers of the country not only by individuals but by State corporations. I shall not make any objection further.

The PRESIDENT pro tempore. The question is on the adoption of the amendment of the committee.

The amendment was agreed to.

The PRESIDENT pro tempore. This completes the committee amendments.

Mr. SIMMONS. As far as I know at present, those are all the amendments to be suggested by the committee.

Mr. GALLINGER. I have two amendments, which I propose to submit to the provision for a tariff board. Before doing so I ask unanimous consent that the Secretary read the letter I send the desk.

The PRESIDENT pro tempore. Such will be the order unless there is objection. The Chair hears none.

The Secretary read as follows:

WASHINGTON, D. C., *August 31, 1916.*

MY DEAR SENATOR: I am glad of the opportunity to submit to you observations upon the tariff commission section of the revenue bill.

The demand for handling the tariff with the aid of a nonpartisan tariff commission comes from all parts of the land with great unanimity, and no group of citizens are more in earnest in this than those living on the farms of our country.

There are actively supporting us in this measure over 700 organizations comprising labor, agriculture, business, and other activities, and it is noteworthy that 96 per cent of all organizations considering it came out strongly in support of it. There has probably never been in the history of the country a more universal and insistent demand than there is for this pending measure.

The need for such a board is obvious. The industrial and commercial world will be remade when the great war is over and undoubtedly the sharpest competition ever known will be inaugurated for the markets of the world. The various countries will use their tariffs as a means to aid it in this struggle, which will become probably the most important factor in the game which we must play, and play it against the most highly trained intellects in the world. A strong and highly efficient tariff commission that has the confidence of our people and the respect of the world will be a vital factor in the preparedness for peace, and it is quite as necessary to prepare for peace as it is for war.

The tariff commission the people want is a big job for big men, and the people are ready to pay the bill. If the commissioners at the outset are discredited by lower rank and pay than other commissioners, some of which will be charged with less duties and responsibilities, the country will resent it. To say that the proposed pay is the same that Members of the Senate receive is not to the point. Senators hold positions of very high rank and of great honor. The pay is only incidental. One of the most distinguished majority Members said: "While I am not convinced a tariff commission would accomplish what its friends predict, it is clear that the people want to try the experiment and are ready to pay the bill, and it should be tried out with the best commission that can be had. Therefore I am for it and for compensation equal to that paid any other commission." This is a true interpretation of public sentiment.

If in its wisdom Congress shall hereafter determine that the salaries of all the commissioners are too high, would it not be more equitable to place the tariff commission at the outset upon the same basis as other commissions, and if a reduction is afterwards made no one can charge that the tariff commission had been discriminated against and discredited by being treated differently from other commissions.

Sincerely, yours,

HOWARD H. GROSS,
President Tariff Commission League.

Mr. GALLINGER. I offer the following amendment to the text of the bill. I trust the Senator from North Carolina will give it careful attention, and the Senator from Georgia [Mr. SMITH] as well.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The SECRETARY. On page 136, lines 12 and 13, after the word "commission," insert the words "to conserve the industrial and commercial interests of the United States, to safeguard the American standards of wages, and"; and after the word "fiscal," in the same line, insert the words "and industrial." In line 22, on the same page, after the word "revenues," insert the words "their effect upon the industries and labor of the country"; and on page 137, line 12, after the words "preferential provisions," insert the words "economic alliances."

The PRESIDENT pro tempore. The question is on the adoption of the amendment offered by the Senator from New Hampshire.

Mr. GALLINGER. Mr. President, I simply want to say in a word, because I am not going to be guilty of detaining the consideration of the bill, I feel very sure that this strengthens the act and gives to the commission important duties that are not provided for in the bill as it now stands. It surely can do no harm to let it go to conference at least for the careful consideration of the conferees.

Mr. SMITH of Georgia. Mr. President, the first one of the amendments, I think, is quite objectionable. I think it changes the character of the commission. I think it is the duty of Congress to consider legislation and not this commission. I think, therefore, the provision "that it shall be the duty of said commission to conserve the industrial and commercial interests of the United States, to safeguard the American standard of wages and to investigate the administration of fiscal effects," and so forth, ought not to be in the bill. It is the object of the commission to gather information primarily for the use of the Senate and the House, and I object to the provision. I think it is a duty that ought not to rest upon them, but which rests upon us after the information is gathered.

Mr. GALLINGER. What has the Senator to say about the other proposed amendment? Does the Senator object to those words?

Mr. SMITH of Georgia. I should like to dispose of the first one first.

Mr. GALLINGER. I will withdraw that, of course, if the Senator objects to it.

The PRESIDENT pro tempore. The Senator from New Hampshire withdraws the first part of the amendment.

Mr. SMITH of Georgia. I do not object to the other suggestion going in; we will see in conference about it; but to the first I object.

Mr. GALLINGER. Very well.

Mr. SMITH of Georgia. It seems to me to evade our responsibilities.

Mr. GALLINGER. That has been withdrawn, I will say to the Senator.

The PRESIDENT pro tempore. That part of the amendment has been withdrawn by the proposer of it. The question is on the adoption of the remainder.

The amendment was agreed to.

Mr. GALLINGER. I offer an additional amendment and then I am through.

The PRESIDENT pro tempore. The amendment will be stated.

The SECRETARY. On page 135, lines 19 and 20, strike out the words "a part of the classified civil service" and substitute the words "appointed from lists of eligibles to be supplied by the Civil Service Commission and in accordance with the civil-service law."

Mr. SMITH of Georgia. My view has been that the language used by the House means exactly the same as the language used by the Senator from New Hampshire and I do not object to the amendment.

The amendment was agreed to.

Mr. PHELAN. I call for the reading of the amendment I presented.

The PRESIDENT pro tempore. The Senator from California presents an amendment which the Secretary will state.

The SECRETARY. Add at the end of the bill a new section as follows:

SEC. —. That whenever, during the existence of a war in which the United States is not engaged, the President shall be satisfied that there is reasonable ground to believe that under the laws, regulations, or practices of any belligerent country or Government, American ships or American citizens or firms composed in part of American citizens, or American companies or corporations are not accorded any of the facilities of commerce, including the unhampered traffic in mails, which the vessels or citizens, firms, companies, or corporations of that belligerent country enjoy in the United States or its possessions, or are not accorded by such belligerent equal privileges or facilities of trade with vessels or citizens, firms, companies, or corporations of any nationality other than that of such belligerent, the President is hereby authorized and empowered, in his discretion, to deny to the citizens, firms, companies, or corporations of such belligerent countries the use of the United States mails, or the facilities of any express company engaged in interstate commerce, or of any telegraph, wireless, or cable company; and in such case he shall make a proclamation stating the denial of the use of the mails, or of the facilities of such express, telegraph, wireless, or cable company, or any or all of them, and the name of the country to whose citizens such privilege or privileges are denied.

Upon the making of such proclamation the use of said mails or facilities of such express, telegraph, wireless, or cable company by any citizen, firm, company, or corporation so prohibited shall be unlawful; and the President may change, modify, revoke, or renew such proclamation as in his opinion the public good may require.

Any person, firm, company, or corporation and its servants and employees who shall make such prohibited use of the mails or express, telegraph, wireless, or cable companies or either of them or shall furnish such facilities of either mails or express, telegraph, wireless, or cable company to such person, firm, company, or corporation contrary to such proclamation shall be guilty of a misdemeanor and shall be punished by a fine of not less than $2,000 nor more than $10,000 or by imprisonment for not more than one year, or by both such fine and imprisonment.

Mr. THOMAS. Mr. President, the committee accepts the amendment offered and will let it go to conference.

The amendment was agreed to.

Mr. STERLING. I offer the following amendment.

The PRESIDENT pro tempore. The Secretary will state it.

The SECRETARY. On page 136, strike out section 90 and in lieu insert:

SEC. —. That it shall be the duty of said commission to investigate the cost of production at home and abroad upon all articles which are or might be now or hereafter, the subject of tariff legislation, with special reference to the prices paid for domestic and for foreign labor, the hours of service, and the standard of living; also the prices paid for raw materials, whether domestic or imported, entering into manufactured articles, for the purpose of determining the differences between the cost of manufacturing such articles in the United States and articles of foreign manufacture of similar kind and quality; the importing cash price plus expenses and the tariff thereon at the United States port of entry; and shall tabulate and set forth all detailed information obtainable with respect thereto, and particularly as to the amount of revenue that the several articles, respectively, have produced under the various tariff acts of the United States, the amount of revenue at the time being produced thereon under any existing tariff act, and, so far as the same can be determined or estimated, the effect upon the revenue of raising or lowering the tariff rate a stated amount, and all other information that may be useful to enable Congress to ascertain as nearly as possible whether or not a tariff duty thereon is necessary or expedient, and if so, what the rate should be. In reaching its conclusion the commission may take into account the difference in the cost and standard of living at home and abroad by the workers engaged in the industry.

It shall be the duty of the commission to make, or cause to be made, a study of the classification of the various items that appear in the existing tariff enactment and the classification of similar articles in any tariff schedule of the principal commercial countries of the world, for the purpose of ascertaining whether the several items are fairly and properly classified, and if not, to make such recommendations as will properly fix the status of such items in the tariff schedules.

The commission is hereby empowered and directed to formulate, publish and establish such rules and regulations as it may deem expedient for receiving persons who desire to present to the commission any matter of business pertinent to or coming within the scope of its duties.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from South Dakota.

Mr. STERLING. Mr. President, I simply wish to say that the language of this amendment is not original with me. The language is taken from a tariff-commission bill proposed by the Chamber of Commerce of the United States, which, by a referendum vote of 715 to 9, declared in favor of a tariff commission.

It seems to me, Mr. President, that the language of this proposed amendment is incomparably superior to the language of the bill prescribing the duties of the tariff commission. If we will examine that language, we will find that it is very general, that it is in instances vague and indefinite, and it is hard to determine just what the commission is to do from the very general language of section 90 as found in the bill.

The amendment I propose suggests an investigation in regard to a most important subject, that of the difference between the cost of production abroad and the cost of production at home. Otherwise, too, the amendment is very full and explicit and states exactly what information we want, what information Congress should have from the efforts and from the investigations made by the tariff commission.

I think any impartial reader of the two provisions will see that the one I suggest as a substitute for the one in the bill is far superior. I hope it will receive favorable consideration.

Mr. SMITH of Georgia. Mr. President, I hope the amendment of the Senator from South Dakota will be rejected. Sections 90 and 92 together cover the scope of the general work of the commission, and they are amply broad enough to make an investigation upon these lines.

The commission is furthermore subject at all times to the direction of the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives to furnish information that we require for legislative purposes. They are also subject to the direction of the President to furnish information to aid in certain lines of diplomacy or in the enforcement of our rights of trade as they may be affected by foreign countries. Without further discussion, I urge that the amendment be rejected.

Mr. STERLING. Mr. President, if I may be permitted a word, section 92 covers for the most part an altogether different subject. It is not referred to in the substitute which I suggest to section 90. Section 92 has for its main object the investigation of treaties and the consideration of preferential provisions in treaties with foreign countries. The language confers power, among other things, to investigate—

the effect of export bounties and preferential transportation rates, the volume of importations compared with domestic production and consumption.

It further states, as a part of the powers of the commission, the power to investigate—

conditions, causes, and effects relating to competition of foreign industries with those of the United States—

Now, note—

including dumping and cost of production.

That is the only reference whatever in all this bill to a consideration of the cost of production, and there it is simply incidentally mentioned. The natural inference would be that the cost of production is to be considered in connection with the dumping of foreign goods upon the American market, and that is all. No comparative study in the cost of production is anywhere required.

Mr. President, we have always considered that as one of the most important subjects connected with tariff revision, namely, the difference between the cost of production at home and abroad, and the regulation of our tariff rates accordingly. Why should not this provision, prescribing the duties of a tariff commission, make it a part of their duty—a great part of their duty—to ascertain the difference between the cost of producing here at home and abroad?

The PRESIDENT pro tempore. The question is on the adoption of the amendment offered by the Senator from South Dakota. [Putting the question.] The "noes" seem to have it.

Mr. STERLING. I ask for a division, Mr. President.

The PRESIDENT pro tempore. The "noes" have it.

Mr. CUMMINS. Mr. President——

Mr. STERLING. Mr. President, is it too late to call for the yeas and nays on this proposition?

The PRESIDENT pro tempore. Yes, sir; the matter has been disposed of.

Mr. STERLING. I bow to the decision of the Chair.

Mr. CUMMINS. I desire to offer two amendments, which I send to the desk.

The PRESIDENT pro tempore. The Senator from Iowa offers an amendment, which will be stated.

The SECRETARY. On page 134, in lines 21 and 22, it is proposed to strike out the words "the President shall also designate biennially the chairman and vice chairman," and to insert after the word "succeed," in line 1, on page 135, the words "the President shall designate annually the chairman and vice chairman of the commission," and on page 135, line 9, strike out the figures "$7,500" and to insert "$10,000."

Mr. CUMMINS. Mr. President, I recognize that I have offered two amendments. I do not ask that they both be voted on at the same time. I call the attention of the chairman of the committee to the obvious error in lines 21 and 22, on page 134. The language is:

The first members appointed shall continue in office for terms of two, four, six, eight, ten, and twelve years, respectively, from the date of the passage of this act, the term of each to be designated by the President. The President shall also designate biennially the chairman and vice chairman, but their successors shall be appointed for terms of 12 years.

A single glance at the language as at present arranged shows that what I ask shall be lifted out of its connection there and transferred to the top of page 25 ought to be concurred in. Certainly the successors of the chairman and vice chairman are not to be appointed for terms of 12 years.

Mr. SMITH of Georgia. The language in lines 21 and 22 evidently has gotten a little out of place.

Mr. CUMMINS. Precisely. One way to correct it is to transfer the words "the President shall also designate biennially the chairman and vice chairman" to another point in the paragraph; and a good point is after the word "succeed," on line 1, page 135.

Mr. SMITH of Georgia. I think that is right, and I accept the amendment. Then, after the word "President," in line 21, there should be a comma instead of a period.

Mr. CUMMINS. Yes. I assume that so much of the amendment would be readily accepted.

Mr. SMITH of Georgia. I think that that transposition should be made.

The PRESIDENT pro tempore. If the Senator from Iowa and the Senator from Georgia have come to some agreement about the matter, will they state it sufficiently plain that it may be understood at the desk?

Mr. SMITH of Georgia. I ask that the change suggested by the Senator from Iowa [Mr. CUMMINS] be approved by the Senate.

The PRESIDENT pro tempore. That part of the amendment proposed by the Senator from Iowa, which is referred to by the Senator from Georgia, will be agreed to, unless there is objection. The Chair hears none.

Mr. CUMMINS. Mr. President, I do not want to get anything under a misapprehension. My amendment in its entirety means really more than the mere transposition of the phrase. The amendment provides that the designation by the President of the chairman and vice chairman shall be annually instead of biennially. Does the Senator from Georgia also think that is wise?

Mr. SMITH of Georgia. I should like to ask the Senator from Iowa why he thinks it is more desirable that the appointment should be made annually?

Mr. CUMMINS. It is thought desirable for this reason: The effort in this bill—and I am entirely in sympathy with it, so far as that point is concerned—is to create a commission which shall reflect the varying political or economic opinions of the political parties. It is, therefore, to be composed of persons no more than three of whom shall be members of one political party. It seems, therefore, that it is wise as nearly as possible, to get the chairman of the commission in political or economic harmony with the President of the United States, and it would, as it seems to me, be wise to permit the President to designate the chairman and vice chairman every year.

Mr. SMITH of Georgia. I do not see any special objection to that. I suppose the theory of their being appointed every two years was that Congress would work with the board, and the bill having been brought into the House that the same chairman and vice chairman would act through an entire Congress. I am perfectly willing, however, for the change suggested by the Senator from Iowa to be made providing for their appointment annually. We shall in conference ascertain why the House wanted the appointment to be made biennially. The usual rule here is an annual appointment.

The PRESIDENT pro tempore. The amendment will be stated.

The SECRETARY. On page 134, lines 21 and 22, it is proposed to strike out the words "The President shall also designate biennially the chairman and vice chairman" and insert after the word "succeed," in line 1, page 135, the words "The President shall designate annually the chairman and vice chairman of the commission."

The PRESIDENT pro tempore. Unless there is objection to the amendment offered by the Senator from Iowa, it will be agreed to. The Chair hears none.

Mr. CUMMINS. Now I offer the second amendment contained on the paper which I sent to the desk.

The PRESIDENT pro tempore. The amendment offered by the Senator from Iowa will be stated.

The SECRETARY. On page 135, line 9, it is proposed to strike out "$7,500," the amount of the salary of each commissioner, and insert in lieu thereof "$10,000."

Mr. CUMMINS. Mr. President, I can hardly hope that the distinguished Senator from Georgia will agree with me with respect to the amendment now before the Senate. If I had not discussed the matter with him personally, I would have assumed that his wise, comprehensive judgment and liberal view of public affairs would lead him to the conclusion that the Tariff Commission ought to be paid as liberally as any commission we have organized, but, having heard his view of it, I am compelled to say a word in support of the amendment I have offered.

I do not think it can be said that this Congress has been disposed toward the utmost economy. There has been a liberal spirit prevailing, which has met with some criticism now and then, but which at least is sure evidence that we are looking at national affairs from a broad and generous standpoint. The effort here to reduce the salaries of these commissioners, if successful, will save $15,000 per year, but it will be saved, Mr. President, at tremendous cost; it will be saved by disparaging from the very beginning the dignity and position of this commission in the affairs of the country.

We have an Interstate Commerce Commission, the members of which, I believe, receive $10,000 annually. I do not say that the Tariff Commission will be a more important body than the Interstate Commerce Commission, but I do assert that if the Tariff Commission fulfills the expectation of those who have advocated that method of dealing with this intricate subject in the past, it will be fully as important a body as the Interstate Commerce Commission. Many of us here have passed through two revisions of the tariff—many Members of the Senate have passed through more than two revisions of the tariff—and granting the utmost industry, the immense, if not impossible, difficulties encountered by those who are charged with the duty of framing tariff laws will be remembered by everyone who has had anything whatsoever to do with the subject.

We need, Mr. President, a commission that can take the most comprehensive view of the commercial affairs of the United States, that can understand the relation which the people and the commerce of other lands bear to our people and our commerce, a commerce which will be constantly growing, a commerce which is daily becoming more intricate, a commerce which every year surpasses in volume and value the commerce of any other country in the world.

We are creating a commission which we hope will be helpful to the people of this country, and especially helpful to Congress in dealing with foreign countries. The commission really rises above, in point of dignity—or, if not in dignity, at least, in importance—the Department of State. While the Department of State deals with the subject diplomatically, the tariff commission will deal with it commercially; and if we intend to create it at all, let us give it the standing, let us give it the position, let us give it the reputation which will make it influential in the legislation which is to follow.

We gave the members of the Interstate Commerce Commission $10,000 a year. When we organized the Federal Reserve Board, a board which, in my opinion, while, of course, important, as all these boards and commissions are, does not approach in the value of its work and the difficulty of its work the tariff commission, we gave the members of that board $12,000 per year. We organized the Federal Trade Commission; and without speaking of its work or its value, both of which I think are great, we gave to each member of that commission $10,000 a year, and it was not until the other day, when we were creating a still further commission, known as the Shipping Board, that we reduced the compensation below $10,000. I have not any idea that that standard of compensation will be permanent. I think we ought to give the members of the Tariff Board $10,000 a year, and if we do not do it it will be conclusive evidence to me that my friends on the other side of the Chamber are not altogether sincere in the establishment of the Tariff Commission, or, at least, do not comprehend or appreciate the character of the work which the commission should do.

I desire, Mr. President, inasmuch as it is fashionable here to argue through the newspapers, to insert as part of my remarks upon this subject an editorial found in the Washington Herald of Monday, September 4, headed "The Tariff Commission."

I also desire to append to my remarks, as a part of them, an article in the New York Times of September 4, entitled "The Tariff Commission"; also a very short editorial in the New York World of September 1, entitled "Salaries to Fit the Work," and a still briefer editorial in the New York Times of August 25, entitled "The Tariff Commission." All these editorials are persuasive arguments in favor of establishing a fair and reasonable compensation for the commission we are about to create. I send them to the desk and ask leave to publish them as part of my remarks.

The PRESIDENT pro tempore. The request of the Senator from Iowa will be complied with, unless there is objection. The Chair hears none.

The matter referred to is as follows:

[From the Washington Herald of Monday, Sept. 4, 1916.]

THE TARIFF COMMISSION.

Congress is finishing a notable session. Within the next day or two it will dispose of the revenue bill that carries with it the Rainey tariff commission measure. All parties are fully committed to this feature, for which there has been and there is an insistent and country-wide demand. The Rainey bill, as it was reported by the Ways and Means Committee, fully and fairly met the need of the Government and the demands of the people. It carried, with the approval of the President, of the general public, and practically the entire press, a permanent appropriation of $300,000, one that by the terms of the bill would automatically go on

from year to year until changed by an act of Congress. Hence in all discussion of this body the word "permanent" attaches. When we recall the experience of the Civil Service Commission in its early career, how it was badgered and mauled about and its appropriation held up and its life made a burden by political pressure coming from all sides, the need of protecting the tariff commission with a permanent appropriation is apparent.

There can be no doubt that the country wants a tariff commission of the highest rank and as well paid certainly as other commissions.

It looks to the President and the Democratic Party to fully and fairly meet the obligation. To discredit and demote this body in creating it will raise the question of good faith. The proposition to cut the salaries of the tariff commission from 25 to 40 per cent below other boards created by this administration is unjust and indefensible. The psychological effect will be to discount in advance the standing of the commission and belittle its work. To attempt to justify this cut from $10,000 to $7,500 on the plea that this is all the Members of Congress are paid is inane and pointless. No Member of either House would admit he was serving for the salary.

The tariff commission is a man's-size job, it calls for the best talent available, and the public is ready to pay the bill. The Republicans should aid in restoring this measure and not content themselves by throwing monkey wrenches into the machinery.

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[From the New York Times of Monday, Sept. 4, 1916.]

THE TARIFF COMMISSION.

This Congress has appointed a baker's dozen of commissions. The standard of pay beginning with the tariff commission is to be not more than what Senators receive. Even the Senators are not agreed about this innovation. The Democratic caucus has voted two ways about it, and the difference of opinion has been referred to the full Senate. Perhaps the Senators think that both themselves and the future commissions ought to be paid more.

One way of arriving at a standard of pay is comparison with the pay of other commissions. The tariff commission is to be tagged with the lowest of the lot, either the creation of this Congress or of other Congresses. The Taft Tariff Commission had the use of $250,000 in a lump sum. The salary charge of the next tariff commission is to be $45,000. After voting a couple of billions the Senate thought that economy was a necessity, and it resolved to save $15,000 in the salaries of half a dozen commissioners who are charged with functions rivaling even those of the Interstate Commerce Commission in importance to every industrial enterprise. At every angle the productive resources of this country will be concerned with the competence of the tariff commission, and hardly less with the common estimate of its prestige. It is good Republican doctrine that a cheap man is worse than a cheap coat. It is on the point of being enacted Democratic doctrine that no commissioner can be too cheap to make a tariff, since Congress will make the tariff according to its own judgment, anyway.

In that case, why have any tariff commission? Why not save all the salaries? The other way would be to have a tariff commission worth while and paid accordingly. No salary in reason would be excessive for a tariff commission which should speak with the authority of the Federal Reserve Board, or the Rural Credit Board, and so through the long list of this Congress's commissions. But this tariff commission is belittled by the act of appointment. When it is underpaid it is underrated, and notice is served that its recommendations will be lightly esteemed.

The country may be so fortunate as to get a tariff commission which shall impose its views by the strength of their reason, but Congress, if it adheres to its present ideas about the market value of talent of that sort, will have done its best to make it unlikely, and to make it difficult to discover it, if it shall be so. If it was Republican perfidy and dishonor to fail to fulfill the people's mandate to revise the tariff in the manner which they intended, it is something of the same quality to begin the Democratic revision in a manner equally promising of unworthy results. The country wants a tariff worth its cost, not the cheapest sort of tariff the cheapest commission can produce for the mangling of Congress.

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[From the New York World of Sept. 1, 1916.]

SALARIES TO FIT THE WORK.

If the purpose of Congress in creating a tariff commission is to obtain the service of first-class men whose investigations shall command respect, that end will not be furthered by providing for the payment of inadequate salaries. Second-rate men will be dear at any price.

Members of the Interstate Commerce Commission, the Federal Trade Commission, and the Rural Credits Commission receive salaries of $10,000 each, and members of the Federal Reserve Board salaries of $12,000. It would be a poor kind of economy to discriminate against the tariff commission, whose duties will be no less important.

The salary of tariff commissioner in the new revenue bill was fixed by the House Ways and Means Committee at $10,000, but was reduced by the House to $7,500. In turn, the Senate Finance Committee recommended $10,000, but for unknown reasons in the Democratic caucus it was cut to $7,500. It is late in the day, if Congress is sincere, to enforce this form of retrenchment, in view of the part the commission is destined to take in future revisions of the tariff.

Both parties are committed to the principle of a tariff commission. The establishment of a permanent Government agency competent to make a thorough, impartial study of all aspects of the tariff question and the tariff relations of the United States and other countries has been insistently demanded by leading commercial associations of the United States. As far as possible it gives promise that the tariff shall be divorced from partisanship and raised to the plane of a fiscal and trade problem. But it is not through low salaries that a commission qualified to serve Congress as it needs to be served will be secured.

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[From the New York Times of Aug. 25, 1916.]

THE TARIFF COMMISSION.

A commission which should speak upon tariff subjects with such authority that they would be taken out of politics would be of great value. A commission of caliber so small that Congress should feel free to slight if not to insult it would be dear at any price. According to present arrangements the country is to be supplied with the worthless sort of commission upon a false plea of economy. The reason is plain. The tariff is a subject which concerns the entire country, but no Congressman represents the country. The Congressmen represent local districts, each of which takes a selfish view of its own interests regarding the industries situated there. Individually the Congressmen take even a narrower view, many of them voting regarding the tariff with reference to such unrelated subjects as how the Germans in any given district are likely to vote. Moreover, there is a regrettable abundance of evidence that Congress intends to retain the control of the tariff legislation in its own hands for what there is in it.

Never has the advice of a tariff commission been effective. There is no new way of making a tariff. The present tariff proposals, whatever their merit, have been reached in the old bad way of closet negotiations, with resultant benefit to producers in the name of patriotism, but at the cost of consumers, and without benefit to wage earners. It would be easy to argue for or against a tariff commission upon theory, but it is not possible to sustain on the merits Congress's treatment of the subject. Practically, notice is given in advance that the commission contemplated is held so cheap that the investment in it is waste, except for the incidental political benefits.

The members of the Federal Reserve Board receive $12,000 each and are worth more. The Federal trade commissioners have $10,000 and are working hard on a difficult subject. The tariff commissioners are thought worth no more than $7,500 apiece, $45,000 for the commission. This from a Congress which found $20,000,000 for a nitrate plant. Moreover, the tariff-commission appropriation is not made permanent, and its power to lease premises is restricted to two years. If the office were honorary and honored, public spirit might lead to acceptance of the positions for nothing. If the salary were adequate, men worth more money might be induced to make a sacrifice for the opportunity of influencing public affairs. But when Congress practically advertises that it holds the commission in disesteem, and proposes to act independently of its advice, even men worth $7,500 would hesitate to accept the duties so cheapened. The sort of tariff commission which confronts the country is one of political hacks, for campaign purposes only.

The PRESIDENT pro tempore. The question is on the adoption of the amendment offered by the Senator from Iowa.

Mr. SMITH of Georgia. Mr. President, I wish to assure the Senator from Iowa that my insistence that the salary fixed by the House shall remain as the salary of this commission is in no sense a reflection upon the commission. A few days ago we had before us the creation of a shipping board, a commission to take charge of the utilization of the $50,000,000, with many other duties in regard to shipping and commerce by water transportation. Upon my motion the salary of $10,000 provided by the bill was reduced to $7,500. I really desired to cooperate to reduce the salaries of the Farm Loan Board, and intended to do so, but I found that as to parts or the whole of the legislation I was perhaps committed, and did not feel myself free to reduce it. I shall vote to reduce that salary to $7,500 just as soon as a bill can be presented. I think the salaries of the members of the Federal Trade Commission should be reduced to $7,500. I think that is ample. I think we will get the same men to serve gladly at $7,500 who serve at $10,000 on each of these boards. I would, perhaps, make an exception in the case of the Interstate Commerce Commission. I do not think the labors of any of these boards, including the tariff board, will be in any way commensurate with those of the Interstate Commerce Commission.

We only pay judges of the United States circuit court of appeals, I believe, $7,500. They are the very ablest men in the land, or should be. The time is past when the service of a Senator or a Member of the House is confined to a few months each year. Men who serve in these bodies, and really do their work, must give up everything else and devote their whole time to the service. I believe we will do our work better here in Washington, and we will have better service from these commissions, if we do not pay them over $7,500 a year. I think they will listen better to the advice of a Senator if they have not been put on a financial pedestal above a Senator. I think that when a Senator comes with information about affairs in his State he ought not to have to hang around one of these bureau men and try to persuade him as to a State problem. I think they should realize their responsibility to the legislative body and to the representatives from the States to Washington, the Members of the United States Senate.

I am opposed to paying any of these new boards that we have created over $7,500 a year. We have not bettered the service by doing so. We will get better service if we do not do it, in my judgment.

The Senator says he wants them to be influential. Why, we will select just as able men at $7,500. Their work is that of statisticians. I have no doubt some of them will be drawn from the colleges of the country—men who have devoted their lives to the study of problems of this kind. I am sure you will not improve the men by making the salary $10,000. What is their work? Not to legislate, not to pass finally upon the great problems of tariff taxation, but, as statisticians, to make investigations for us.

I wish just as able men of that class as can be found in the land. I object to this salary going to $10,000, because I wish to keep up the precedent we started when the shipping bill reached us, and then go back just as soon as we meet in Decem-

ber and reduce some of the salaries that we have improperly placed too high in the case of these commissions. I confess the blunder. I went along and only realized it when we had reached the Farm Loan Board; and I could not vote as I wished to, because I concluded that I would perhaps be breaking faith if I did it. But I intend to vote for a bill, if I have a chance, to reduce them to $7,500.

I wish to reiterate that it is not a reflection upon these men. I understand the Senator from Iowa has an amendment that he will offer to make the compensation continuous. I think we can accept that. I want this board as a permanent board. I believe in the necessity of such a board. I am most cordially in favor of it. I was in favor of it before an intimation came from the White House that the President was for it. I became in favor of it as the result of over three months of hard work, and not very valuable work, three years ago on the Finance Committee, when I realized my own need on that committee of some such permanent board to help members of the committee to know how to write schedules. We may know generally, but it is utterly impossible for us, with the other duties resting upon us as Senators, to make investigations that fit us at all to vote upon many of the propositions that come before the Finance Committee when tariff schedules are considered.

I want to insist that my view upon this subject does not involve any reflection upon this board. I believe we will have an able board, and I do not believe the salary we pay them will affect the character of the board at all.

Mr. GALLINGER. Mr. President, I never have been very keen in behalf of a tariff board or a tariff commission. In fact, I have believed that a board of that kind would make more trouble than it would do good in the matter of legislation; but in looking over this little book I find that the Republican Party in its national convention declared in favor of a tariff commission, and for that reason I shall support it.

I am very glad, in looking at the bill, to note that the House of Representatives carefully avoided declaring in favor of a "nonpartisan" commission. In some remarks I made a few days ago I took occasion to say that in my judgment no man outside of a home for the feeble-minded could be nonpartisan on the question of the tariff, and I still hold to that view.

Mr. President, I hope this board will be composed of the very best men that can be found for the place, but I have grave fears that my hope will prove disappointing. The President of the United States, whom I quote sometimes approvingly and sometimes not, in an address delivered at St. Louis on February 3, 1916, said:

> Personally I look forward to the establishment of a tariff board with some misgivings, because I will have to choose the men that make it; and I tell you that men without prepossessions are hard to find, and when you find them they are generally empty of everything else. Gentlemen who have not done a lot of thinking and formed some very definite convictions are not very serviceable in public affairs; and, knowing that I have my due quota of prejudices and prepossessions myself and that I hold even my untested convictions in fighting spirit, I am not sure that I would be a suitable member of a tariff board.

Mr. President, that declaration is a sound one; and I sincerely trust that when the President of the United States comes to appoint this board he will forget that men have prepossessions and prejudices on this great question. They will have convictions to a greater or less extent, beyond a doubt, but it seems to me that this board should be largely composed of strong, able, vigorous, intelligent business men, and I hope that will be the result.

The Senator from Georgia [Mr. SMITH] suggests that doubtless some of them will be taken from colleges. I have no prejudice against college men, but I could point the Senator to some colleges where the teaching on the question of protection and free trade is of a character that I think would disqualify those men from acting on a board of this kind.

I rose simply to say that I am glad the House carefully avoided, and that the Senate has likewise avoided, that catch phrase that we so frequently hear, "a nonpartisan commission," and, further, to express the hope that the President in appointing this board will follow precisely the line of reasoning in which he indulged in the speech that he made in St. Louis, but the President changes his mind so often that there is no assurance that his words will be crystallized into deeds.

Mr. THOMAS. Mr. President, I shall detain the Senate for only a moment. I merely wish to express my approval of the sentiments which have been uttered just now by the Senator from Iowa [Mr. CUMMINS]. I think the members of a board of this kind should receive salaries commensurate with its importance; and I am unable to understand or appreciate the system of reasoning which measures the compensation for every place by that received by Senators of the United States.

Generally speaking, a Senator is not entirely confined to his duties here. He has other opportunities, and perfectly legitimate ones, for adding to his salary, particularly if he is a member of the legal profession.

If we are to have the highest and the best talent of the country, which I hope will be secured, and if we are in earnest, as I know we are, in the establishment of this board—and I speak of the majority—we certainly should not even seem to withhold our complete and cordial sympathy and support of the board by reducing the salary to the sum of $7,500.

I trust, therefore, that the amendment offered by the Senator from Iowa will be adopted.

Mr. OWEN. Mr. President, I believe it will be for the better public interest to provide a salary of $10,000 rather than a salary of $7,500. The opportunities for men of ability in this country are so vast that it is a sacrifice in a pecuniary way for men who are really qualified to serve on this board to serve for a smaller salary, and however attractive the honor and opportunity to serve the public, men will be restrained by the feeling that it is not fair to their own families and dependents to sacrifice their own earning power to the public in exchange for position in public affairs.

It is natural, of course, that Members of the Senate should set the standard of compensation for other public servants at the same price fixed for Members of the Senate; but every Senator knows it is extremely difficulty for a Senator to live on the salary he receives in the dignity which modern social life seems to impose on a Senator. Many Members of this body, without any extravagances at all, expend twice the amount of their salaries in living here in Washington. I think it would be better for the dignity of this tariff commission to have a salary at least commensurate with the salaries paid to the other great commissions that are handling these most important administrative services. I do not think any of these services will prove to be more important than the service of this tariff commission, and for that reason I should support the salary of $10,000. This sum would be saved to the people thousands of times if this commission should meet the highest expectations and hopes of the country. It would not be an extravagance but an economy to make the savings of the larger by the expenditure of the less.

Mr. SHAFROTH. Mr. President, I must differ from the Senator from Oklahoma [Mr. OWEN] with relation to the amount of the salaries to be paid. There has been a tendency in later years to increase salaries of high officials to a point abnormally high, and it seems to me this tendency is demoralizing to the subordinate officers throughout the entire United States. We find that there is a continual stream of people trying to get increases of salary, due to a large extent to the high salaries we pay to members of commissions and boards. It is easy to spend other people's money. We do not seem to take into consideration the fact that these are high and honorable positions, and that there ought not to be in a republic extraordinarily high salaries.

Of course, some men who come here as Senators may expend $15,000 or $20,000 a year for living expenses, and yet at the same time we could not provide salaries by any gauge of that kind. The salaries of the Senators of the United States are large enough. These are high and honorable positions, and we will not get better service by an increase of salary.

Mr. President, this tariff commission which is being created is not a board whose members have any discretionary power of deciding anything of consequence. All that they do is to make reports as to facts without being permitted to make recommendations. Is it possible that you can compare the importance of that board with that of the Interstate Commerce Commission, whose decisions involve millions and sometimes hundreds of millions of dollars? Can it be compared with the Federal Reserve Board? I must say that I wanted the salaries of the Federal Reserve Board to be $10,000 each, and I wanted the salaries of the Federal Farm Loan Board to be $7,500 each.

Mr. President, there are a number of officers in the United States that perform greater duties with greater responsibilities, and who get insignificant salaries. If we are to increase salaries, I believe in increasing the lower ones instead of the higher ones. Why, Mr. President, take the Interior Department. Assistant Secretaries of the Interior get $5,000 or $4,500 a year—the First Assistant $5,000, and the Second Assistant $4,500 a year—and yet each year they pass upon questions involving millions of dollars to the Government. Is it fair to those men, unless you are going to change their salaries, to give to the members of a commission that has no responsibility so far as determining questions is concerned $10,000 salary, and yet give to the Assistant Secretaries of the Interior $5,000 or $4,500 a year?

Mr. President, it is not fair unless you go down and increase the entire schedule of salaries. Senators may think it is popular to have men in office at high salaries, but I will warrant you that if you should submit the question to a vote of the

people you would find that no $10,000 salary would be given to this board or perhaps to any other board that has been created in the United States.

When this Government was organized, it started upon the principle of economy. It commenced with a salary for the Chief Justice of the Supreme Court of the United States of $3,500 a year. John Marshall, one of the greatest of all of the Chief Justices, served for 30 years for $3,500 a year. Nearly all the governors of our States get only $5,000 per year. Judge Cooley, one of the greatest judges of America, received only $3,000 per annum. The idea that because the salary is low you are not going to get good men is absolutely exploded. There has to be patriotism back of the office. There must be a feeling on the part of the applicant or on the part of the holder of the position that he wants to do something for his country; and then you will get the service, even if the salary is not as great as some other boards may draw.

Mr. President, I would have a good board. I am not very favorable to a tariff commission, yet I have acquiesced in it because I think some information can be obtained that would be valuable. I would not want a commission that would determine and fix tariff rates. I think that is a question which is always to remain with the Congress of the United States.

But, Mr. President, to say that these salaries shall be $10,000 would mean that no other boards ever will be created by Congress unless you fix the salary of the members at $10,000. As to the theory that the farmers or the people will not think that this board which gets for its members a salary of $7,500 is of as high dignity as one that gets $10,000, I do not believe the farmers entertain any such view. We have heard no protest about the members of the shipping board, recently created, receiving $7,500.

I agree with the Senator from Georgia that instead of salaries being kept up they ought to be reduced. The taxpayers have to pay large sums of money, and we should not set the standard at $10,000 a year when the assistant secretaries throughout all the departments of the Government have just as much work and just as much responsibility as two-thirds of these commissions, and yet they only draw half as much. If you are going to increase such salaries, you will have to make an increase in the Government expenditures that will be great indeed.

Mr. President, I hope that the provisions contained——

Mr. SMITH of Georgia. And the salaries of circuit judges and district judges would have to be raised.

Mr. SHAFROTH. Of course, we would have to do that because they are men who are especially educated for such purpose. As the Senator from Georgia says, circuit judges who get $7,500 a year and judges of the United States district courts who get $6,000 a year, are men of great ability and they are holding those offices because they put into the service a degree of patriotism to try to make this Government give justice in the administration of the law. The man who goes into an office purely for making the money that is in it, solely to get a sum that he can spend easily, does not give the service that a man does who is prompted by patriotism to aid and assist his Government in its good work of administration.

Mr. CUMMINS. Will the Senator from Colorado answer a question?

Mr. SHAFROTH. I yield to the Senator.

Mr. CUMMINS. When John Marshall was getting $3,500 a year what did Senators get?

Mr. SHAFROTH. I think they were getting $7 per day; that is my impression; but of course we started as a young republic and set out with the idea of economy, and that principle ought to prevail in a republic everywhere, because salaries of a gigantic amount tend toward monarchy. Monarchs always have had the theory of paying their high officers extravagantly and paying their subordinate officers exceedingly low. That widens the difference between the officeholder and clerk, between the aristocracy and the plain people. I believe more in equalizing these things and letting the men who have the low salaries have some increase and the men who are having such high salaries having a little reduction.

Mr. President, I hope that the House provision providing $7,500 will prevail.

Mr. SMOOT. Mr. President, if this tariff commission is to be a permanent one, and if it is going to do what the advocates of the commission think it will accomplish, it must have a personnel of the very highest character.

I tried in this body to reduce the salaries of the members of the Federal Farm Loan Board from $10,000 to $7,500. I asked for the yeas and nays upon the amendment I offered reducing those salaries and it was overwhelmingly defeated. Nearly every Senator upon the other side of the Chamber voted against it. To compare the work that will be done by a tariff commission with the work that will be done by the Federal Farm Loan Board is to compare the work of a man with that of a child.

The Senator from Colorado says that the commissions and boards now created have millions of dollars to pass upon. Mr. President, if a tariff commission is to be anything more than a farce, and if the recommendations of that commission are to be considered seriously by Congress, and Congress is to act upon the recommendations or findings of the commission, then not only are millions but billions of dollars involved and the happiness and prosperity of the American people are involved.

Mr. UNDERWOOD. Will the Senator yield to me?

Mr. SMOOT. I yield.

Mr. UNDERWOOD. I should like to get some information. The Senator may be right in what he says. Are there any findings to come from this board? As I read and have read the provisions of the bill, so far as they relate to this board, it is a board of statisticians; they are to accumulate data; but I do not find anything in it that they are to report a procedure to Congress. If the Senator has discovered something of that kind in the bill I should like to have him point it out to me.

Mr. SMOOT. I want to say to the Senator from Alabama, I think the provision creating a tariff commission ought to be amended. I believe if a tariff commission is to be created it ought to be a permanent commission.

Mr. UNDERWOOD. But I am talking about the work laid out for the commission. If there is anything in the bill authorizing the commission to report findings of fact in reference to what Congress should do or to make recommendations, I do not know of it, and if it is in there I would like to find it.

Mr. SMITH of Georgia. Is it not perfectly clear that the commission is not to make any recommendation but simply furnish facts?

Mr. SMOOT. The Senator refers not to recommendations but reports?

Mr. SMITH of Georgia. Nothing but facts.

Mr. SMOOT. That is, reports. Whether they are facts or not, it is a report.

Mr. UNDERWOOD. As to merely accumulating statistical data, we pay men down here in the bureaus $2,500 a year to do that, and they make good reports.

Mr. SMOOT. If that is all the members of this commission are to do, and if that is the class of men to be appointed by the President, and if appointed for the purpose of collecting statistics as now published monthly by the Department of Commerce, then the creation of this commission is an absolute waste of money, and we ought to strike out the whole provision from the bill.

Mr. GALLINGER. If the Senator will permit me, in some observations I made a few days ago, one of the criticisms I made on the bill was that there was no provision for a report; that it did not say to whom the report should be made. I have not read the bill carefully, and I will ask the Senator from Georgia if there is such a provision.

Mr. SMITH of Georgia. They are to furnish the facts to Congress, to report to Congress.

Mr. SMOOT. I am fearful that it is the intent to create this a temporary commission.

Mr. GALLINGER. Let the Senator from Georgia answer me.

Mr. SMOOT. Certainly.

Mr. SMITH of Georgia. If the Senator will permit me, my view of this commission is that they are to become students of the questions that are involved in our tariff legislation, and they are to be ready to furnish the Ways and Means Committee of the House and the Finance Committee of the Senate detailed and prompt information on all the lines, even suggested by an inquiry, if either view is entertained by a Senator. Both parties are represented, half and half, and the facts as far as they can work them out are to be gathered to help us determine what on each particular item we ought to do.

Mr. GALLINGER. Then they are to report to the two committees of Congress, and that would suggest that that will be when we are considering a tariff bill, which might not be more than once in five years. I think they ought to make reports to the Senate which would be printed for the information of the country.

Mr. SMITH of Georgia. They are required to report annually.

Mr. UNDERWOOD. I will ask the Senator, if the Senator from Utah will allow me, if he contends that this commission is required to report anything but statistical facts? Is there anything in this proposed law requiring the commission to reach a conclusion and report upon it?

Mr. SMITH of Georgia. On the contrary, I understand they have no such business.

Mr. UNDERWOOD. Very well.

Mr. SMITH of Georgia. I would myself not be favorable to have that a part of their business. I think that responsibility rests upon Congress, and it ought to remain there.

Mr. UNDERWOOD. It is merely creating an additional statistical bureau?

Mr. SMITH of Georgia. One that is broader and more responsible and more permanent.

Mr. CUMMINS. May I interrupt the Senator from Utah?

Mr. SMOOT. I yield to the Senator.

Mr. CUMMINS. Because, if the Senator from Alabama is right, I can not understand why the Senator from Georgia supports the measure. If the bill creates a mere statistical board, it is, of course, a pretense and a sham. But I think it does much more than that. I call the attention of the Senator from Utah to it in order that he may reply to the Senator from Alabama. A part of section 90 provides:

That it shall be the duty of said commission to investigate the administration and fiscal effects of the customs laws of this country now in force.

I do not read that to mean simply that it is to return to Congress the amount of revenue produced by the tariff law during the course of a year.

Mr. SMITH of Georgia. It does not mean that at all.

Mr. CUMMINS. Certainly not. It requires the opinion of the board as well as its report upon the facts; and that is true of the entire section. But that is very narrow as compared with section 92, in which it is declared—

That the commission shall have power to investigate the tariff relations between the United States and foreign countries, commercial treaties, preferential provisions, the effect of export bounties and preferential transportation rates, the volume of importations compared with domestic production and consumption, and conditions, causes, and effects relating to competition of foreign industries with those of the United States, including dumping and cost of production.

If that does not give to the commission the authority to do something more than to collect tables of figures and to report to Congress I do not understand the English language.

Mr. SMITH of Georgia. It does more; it gives them the right to make a study of these questions, to make an investigation and comparison of them, to gather all the information involved in section 92, but I do not understand that they are to recommend the kind of legislation we are to pass.

Mr. CUMMINS. I suppose not, but it takes the biggest kind of a man to find out the facts in regard to those subjects. They are not confined to figures.

Mr. SMITH of Georgia. I am not asking for a legal man. I believe we can get just as capable men at $7,500 as at $10,000, and in all probability exactly the same men for the lower amount that we would get for the larger salary.

Mr. SMOOT. Mr. President, as I stated when interrupted I am fearful that the tariff commission that is being created in this bill is to be a temporary affair. I am fearful that soon after the election the belief on the part of our Democratic friends will return, and that the tariff commission created by this bill will be as short lived as the commission which was created under the Republican administration, because of the refusal to make an appropriation for their work to continue.

Mr. POMERENE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Ohio?

Mr. SMOOT. I wanted to get through very soon, but I will yield.

Mr. POMERENE. I want to ask, if I may, a question. The Senator expresses a fear that this is only to be a temporary measure. I have not seen or heard anything that would lead me to believe it was to be a temporary measure, and I should like to know what is the foundation of the Senator's fear?

Mr. SMOOT. Perhaps it would be just as well for me to quote some of the remarks made by leading Democrats of the country, from the President down, to which I called the attention of the Senate the other day.

Mr. SIMMONS. Mr. President——

Mr. SMOOT. If the Senator will just let me go on, I should like to answer the question of the Senator from Ohio, and then I will gladly yield to him.

THE PRESIDENT'S DEMAND FOR A TARIFF COMMISSION.

The President's demand for a tariff commission, the result of a sudden change of mind, his party has found difficult to understand. The chairman of the Ways and Means Committee stated in the House that the party, of which he is the leader in that body, until about two months before he brought in this remarkable bill was opposed to a tariff commission. But in this matter, as in many others, it promptly changed its mind on demand of the President. There was no call for reasons and no serious consideration given to the change, it being sufficient that the President asked for it. In his canvass in 1912 the President said, "I will not have any commissions playing Providence to me." Not long ago, in his Indianapolis speech, the President said that the establishment of a tariff commission was unnecessary, as the power had already been given to the Federal Trade Commission. The President said that in framing the Trade Commission law they had "slipped one over" on the Republicans in securing such power for the commission. That statement was not true, as the Republicans had not been deceived in the least in the matter; but while the President opposed such a commission and was in accord with his party in forcing out of existence the bipartisan commission that was in office at the time he was elected, he now asks for a commission.

The Democratic Party has always opposed a tariff commission. The one appointed by President Taft was indirectly authorized by the tariff law then in existence, as the Democrats prevented the passage of a bill to create such a commission. A tariff board, the Democrats held, was a useless expense, and such a conclusion was the only consistent one to accord with their theory of a tariff for revenue only.

The Democratic platform denounced a protective tariff as unconstitutional; and if the only object in framing a tariff law is to secure revenue, there is no necessity for any information from a tariff board. The present Speaker of the House of Representatives stated that "such a thing as a nonpartisan board is an impossibility in nature," and he declared that a tariff board was useless. Another leading Democrat in the House declared that the bill to create a tariff commission "violates a well-established and venerated principle in the doctrine of the Democratic Party." Another leading Democrat asked, "Why do men who believe in a tariff for revenue only want to know what it costs to make or not to make foreign goods that come in competition with our own?" The Senator from Alabama, former chairman of the Ways and Means Committee of the House, stated that he was "not in favor of a tariff commission and never had been." And from what I understand, the Senator is not in favor of one now and intends to move to strike the provision out of the bill.

Mr. UNDERWOOD. The Senator is correct.

Mr. SMOOT. The Senator added:

I am thoroughly opposed to a tariff commission in any form whatever.

The present Governor General of the Philippines, a former Member of the House, declared his belief that a tariff commission was—

a useless expenditure of public money.

Adding:

I do not see any place in the framing of a Democratic tariff bill for revenue only for an inquiry into the difference of cost between production here and abroad. The purpose of such a commission bill is to harass and delay.

The present chairman of the Ways and Means Committee of the House declared that he had never known a Democratic district convention, a Democratic State convention, or a Democratic national convention to declare in favor of a tariff board or tariff commission of any kind. That was true enough until the last Democratic national convention adopted a plank, written by the President, in favor of this proposed commission. The junior Senator from Georgia said:

For one I stand on the traditional ground of opposition to these commissions, of opposition to legislation encroaching on the constitutional functions of Congress.

A Representative from Alabama, an associate of the junior Senator from that State, declared that a tariff board was "a makeshift and a false pretense." A leading Democratic Representative from Indiana [Mr. Cox] declared that the tariff board was "wrong in principle and wrong in policy."

A prominent Democrat from Mississippi [Mr. SISSON] declared a tariff board—

would be a surrender of the dearest of Democratic principles.

The Senator from Kentucky [Mr. JAMES] said:

I have always been against boards and commissions. I believe that the fathers of the Republic were wise, even wiser than they knew, when they lodged with the great House of Representatives of the people the right to formulate tariff legislation.

Another eminent Democrat quoted the well-known lines:

The Devil was sick, the Devil a monk would be;
The Devil was well, the devil a monk was he.

From which it would appear that that Member, now chairman of the Committee on Printing, thinks that the President is a pretty sick man politically, which is no doubt the case.

If we want to improve the system of tariff making we can do it by having Congress appoint a body of practical men who have had experience in business to aid in drawing up tariff schedules.

Such a body, however, should be merely a legislative auxiliary. It should work under the direction of the Ways and Means Committee of the House and the Finance Committee of the Senate, and aid these bodies in drawing up the tariff schedules.

The German system is to appoint a commission composed of leading business men, captains of industries, and agriculturists, and other experts. The last tariff commission consisted of 24 members, one-half nominated by the German Government, avowed and consistently protectionist in its policy, and one-sixth each being named by the Central Association of German Industrialists, the German Agriculture Council, and the German Commercial Diet, respectively. For the purpose of strengthening the commission there were appointed a great number of experts, representing all the principal industries and occupations, who took part in the proceedings relating to their respective interests.

The commission also received the hearty support of manufacturing, agricultural, and commercial associations all over the German Empire, all of whom freely placed their organizations, statistics, and so forth, at the disposal of the commission. That commission had no political complexion whatever, being entirely nonpartisan in its make-up. Political parties of Germany are not based on the tariff belief of individuals, as protectionists are found in all the great parties. Whenever the people of this country are united on the tariff, as are the people of Germany, such a commission could be appointed here. But as long as the Democratic Party is opposed to a protective tariff and holds it to be unconstitutional, although it protects various industries for sectional and political reasons, we can not have in this country the system of preparing the tariff that is followed in Germany. Whatever commission or board may be appointed must be for the purpose of gathering information for the assistance of Congress, which alone has the right to legislate on this subject, a right that can not be passed over to any other body.

The tariff can not be taken out of politics, for the simple reason that the tariff is politics. It has been the leading issue in this country for a great many years, and will continue to be until the Democrats give up their old free-trade views. The national revenues are vitally affected by the tariff.

The Democrats are aiming to enforce in this country the British free-trade system, which was referred to with approval in the report on this bill in the House of Representatives. Their legislation ever since they came into control of the Government under President Wilson has been in the direction of raising the revenue from direct taxation instead of imposing taxes on foreigners who sell in this market. If they are continued in power, they will keep on in that same direction and we will have the English system, including the enormous number of paupers which are characteristic of that system.

The provision in regard to the tariff commission requires that it shall—

> investigate the administration and fiscal effects of customs laws now in force or to be hereafter enacted, the effects of ad valorem and specific duties, and the operation and effects of tariff laws, including their relations to the Federal revenues.

A report on the "effect" of a tariff law can only be an expression of opinion of the men making the report.

The Senator from Illinois [Mr. LEWIS] in a published article regarding the Russo-Japanese pact says that the proposed tariff commission is to deal with this question and also with the arrangement between France and England and the other allied powers in regard to trade in Europe. Imagine a commission made up of such experts as those publicly mentioned for members of this commission dealing with such exhaustive subjects as those mentioned by the Senator, subjects which would require the closest attention of the Secretary of State and the President.

The Baltimore platform of the Democratic Party told us about all the "effects" of the tariff; how it caused the high cost of living, the trust evils, the extravagant appropriations, and so forth, all of which were to be reformed by the Democratic tariff. Well, we have had the Democratic tariff for some three years and more; the cost of living is immensely higher, expenditures have been enormously increased, while taxes have been piled so high that an ordinary man finds difficulty in paying his share. Each session of Congress we have bills to still further increase these taxes, and what the end will be if the Democrats remain in power no man can tell. The people know from experience of the vast thousands of empty freight cars, the closed factories, the millions of idle workmen, the soup kitchens, and other such things that accompany Democratic tariff laws. The sad experience under the existing law before the war in Europe changed things is a lesson that will not be forgotten.

DEMOCRATIC INCONSISTENCY.

The President thinks that this Tariff Commission that he is to appoint can in a short time solve the problems that have aroused the attention of Congress for over a century. It is such vain ideas that explain the President's sudden change of mind. The reports of the Taft bipartisan Tariff Commission, which were signed by all the members of the commission, were contemptuously kicked aside in both the House and Senate, on the theory that cost of production at home and abroad had nothing to do with the revenue tariff. If a protective tariff is unconstitutional and immoral, if the National Government has, as the Democratic national platform in 1912 asserted, no right to foster private enterprise by tariff adjustments, and if the duty on imports is added to the price paid by the consumer, and is therefore an unjust form of taxation, how senseless it is to create a tariff commission to look into foreign and domestic production cost. Mr. Bryan declares in the Commoner that the party in power gained ascendancy through a pledge to the people that it was against the protective policy. He wants the party to be honest and stand by that issue, asserting that if it equivocates on the tariff question it will be "laughed out of court." That is true enough, but it does not appeal to the President, or the party he controls. This tariff commission clause in the bill, the duty on dyes, the antidumping provision, and other things show that votes and not consistency govern the Democratic Party at the present time.

The head of the Bureau of Foreign and Domestic Commerce does not always speak with the authority of the President, but in a recent address he seems to have been using some information from the White House. He declared that the proposed tariff board would gather such information and furnish such data as would be necessary for reciprocity treaties with other nations. He says that this will make it possible for the United States to bargain actively for foreign trade, particularly with Latin America. If any such result were possible the Underwood tariff law would have to be materially changed, and the President has recently declared his opposition to any such change.

That law has not only been a miserable failure as a revenue producer, but it practically made it impossible to negotiate reciprocity treaties which the Democrats have opposed. Nearly all the important products of Latin America are either admitted free or else at such low rates of duty as to close the way to any reciprocity agreement. The Democratic leaders at the time of the passage of that law took particular pains to inform the public that the rates were revenue rates only; that there was not a line of protection in the bill. If a rate is laid for revenue only, how can we bargain with a country by making a rate still lower or abolishing it altogether when the revenue is so notoriously inadequate?

The talk about a scientific tariff has no sound foundation. There really is not anything in existence known as a scientific tariff anywhere. Tariffs are imposed either for revenue or protection, and plain business judgment is used, or should be, in fixing rates. Free trade has been England's popular method of the best way to carry forward its business as the middleman and skilled artisan to use other nations' raw materials. A "fighting" or "trading" discriminatory tariff is the exponent of Germany's commercial genius. The American tariff as it at present exists is a hodgepodge production of the Democratic Party, which is getting ready to change it. France has a tariff devised to suit her own particular interests. A national body to act in an advisory capacity to the French Government is now being formed under the auspices of the Chamber of Commerce of Paris, with a view of tariff changes. The association of all important lines of industry will be represented by technical experts in this French body. Russia is preparing to arrange her tariff and commercial treaties so as to bring about "economic independence" and to develop new industries. All of the European nations excepting England are on a protective bases. All South America is rearranging tariffs, some countries temporarily putting on duties, and nearly all considering complete revisions within a few years, with a view of getting better results in stimulating feasible industries. Even England is making changes, and is seriously talking about tariffs to build up her chemical industry and others, and to use in connection with her political and financial arrangements with other countries. No nation has a tariff commission such as that proposed by the President. The German commission is not in any sense, when it is in existence, similar to that proposed by the President. Austria-Hungary has ministeries of commerce in both kingdoms which have jurisdiction over internal and external industry and commerce, with broad regulatory powers covering the field of our Interstate Commerce

Commission, Federal Trade Commission, and Departments of Commerce, Labor, Interior and Post Office.

The ministers are virtual heads of the commercial organizations of the kingdoms, which are autonomous but semiofficial, and so responsible to the Government. Regular parliamentary sessions are held at frequent intervals of a body consisting of 75 representatives from each half of the dual monarchy, part elected by technical associations of industry, part appointed by the Government from the membership of chambers of commerce. The two ministers of commerce, the minister of justice, the minister of finance, and the minister of foreign relations, with a subordinate especially delegated to specialize upon commercial diplomacy, are also part of this parliament, whose recommendations regarding tariffs and commercial diplomacy are almost invariably followed by the legislative body and by the foreign relations minister of Austria-Hungary.

Holland has a commission that consists of the heads of the "waterstaat," commerce, industry, colonial affairs, and justice ministers, together with officially appointed members selected by the Government from commercial, industrial, and shipping circles of the country. It supplies information to the Government in regard to all changes of the tariff. The English Board of Trade, which is a Government department, does like work for the United Kingdom. Russia has been developing machinery to operate in regard to new tariffs, and there are a number of influential organizations which may be called upon in a semiofficial advisory connection.

There never has been a really scientific tariff, for the reason that these laws are devised for specific purposes in the different countries, and views differ in other countries, as they do in the United States, as to what is best to accomplish the purpose sought. But the United States is the only great country in the world in which the two leading parties make the tariff their principal dividing line.

Mr. President, I could go on and quote from the Democratic leaders of the House and Senate all day long. It is for that reason I say with the actions that have manifested themselves at this time the tariff commission proposed in the bill is in danger of being but a temporary affair.

Mr. THOMAS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Colorado?

Mr. SMOOT. I yield to the Senator.

Mr. THOMAS. I ask the Senator if he could not quote similar sentiments from the speeches of some of the Republican Senators in 1911 during the consideration of the tariff board bill?

Mr. SMOOT. There were perhaps three Republican Senators at that time who made speeches in opposition to the tariff commission, as the Senator has stated.

Mr. THOMAS. Is it not a fact that the Senator from Iowa [Mr. KENYON] forced a vote upon that measure by preventing the reaching of an agreement for a vote upon the Lorimer resolution until that matter was disposed of?

Mr. SMOOT. I do not remember as to the details.

Mr. THOMAS. I refer the Senator to the CONGRESSIONAL RECORD.

Mr. SMOOT. But it makes no difference whether it was or was not, as far as my argument is concerned or as far as the particular Tariff Commission that is to be created under the bill is concerned.

Mr. McCUMBER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from North Dakota?

Mr. SMOOT. I yield.

Mr. McCUMBER. I wish to ask the Senator from Utah what authority or what duty has this board to perform that is not included within the law which created the Trade Commission? Are we not in fact duplicating the same labors that were imposed upon the Trade Commission? Are they not required to report on all these matters pertaining to our trade, and that means the cost of production, and so forth, in other countries, and to advise Congress concerning them?

Mr. SMOOT. The President thought so; and as far as the law itself is concerned I believe it authorizes the Trade Commission to do so. But there has been a sentiment in this country, growing very rapidly of late, for the creation of a tariff commission.

Mr. McCUMBER. If we have created a commission that is supposed to do this work——

Mr. SMOOT. It is not doing the work.

Mr. McCUMBER. Why should we duplicate it in providing another commission to do the same thing before we have changed our law?

Mr. SMOOT. I will say, as far as the Federal Trade Commission is concerned, they are not doing that class of work.

Mr. McCUMBER. But they are authorized to do it, are they not?

Mr. SMOOT. Perhaps there is no appropriation made to do it.

Mr. SMITH of Georgia. If the Senator will allow me——

Mr. SMOOT. I yield to the Senator.

Mr. SMITH of Georgia. I think it could hardly be claimed that that law contemplates the study of our foreign trade relations and the detailed work that this bill puts upon the tariff board. I want to say that after serving on the Committee on Finance of the Senate for the past three years and a half I myself believe it is as much as six of the ablest men we can find, excluding all other kinds of work from their study, can do to master the details of this problem.

Mr. McCUMBER. I will agree with that.

Mr. SMOOT. Of course I can not agree with the Senator from Georgia in relation to just what the Federal trade act authorizes. I think myself that under that act the Federal trade board could go into every question that is really incorporated in the creation of this commission, but everyone knows that it was not created for that purpose. Everyone knows what the people of the United States expect that board to do. They are not expected to investigate questions involved in our fixing rates of duty on importations.

Mr. SMITH of Georgia. It is as much as any six men can do.

Mr. UNDERWOOD. If the Senator from Utah will yield while we are on this subject, there is not a line in the bill that is not a duplication. If it is not the duty of the Federal Trade Commission then the law establishing the Bureau of Foreign and Domestic Commerce of the Department of Commerce covers everything, because this bill is almost copied from the language creating the Bureau of Foreign and Domestic Commerce; and then there is the work of the Census Bureau in gathering facts. Everything that this commission is called on to do is absolutely duplicated either in the Federal Trade Commission or the Bureau of Foreign and Domestic Commerce or the Census Bureau.

Mr. SMOOT. Of course, Mr. President, I have to admit that what the Senator from Alabama has just stated is in the main true, and I will say frankly to the Senator that that is the only excuse I think he can give for the striking out of the provision; and yet, on the other hand, there has been a sentiment in this country, as I stated, for a tariff commission whose only and sole duty shall be the collection of the information as directed in the pending bill.

Mr. UNDERWOOD. Now, if the Senator will just yield a moment, I will not interrupt him further. Is not that sentiment throughout the country really for a commission that would fix tariff rates? Of course the Senator and I know that such a commission could not be created, but from what I read in the papers and from what I hear from business men's speeches and what I read in magazine articles they all reach the conclusion that these men want a tariff commission with the idea that it is going to fix rates, not give information.

Mr. McCUMBER. All of them, if the Senator will allow me, declare that the subjects should be taken out of politics.

Mr. UNDERWOOD. Certainly.

Mr. McCUMBER. That is exactly what they mean.

Mr. SMOOT. I will admit that is the sentiment of a great many people of the country, but we all know, of course, we can not legislate any power to any board or commission to fix the rates that will be imposed upon our imports.

I do not believe the time will ever come when the tariff will be out of American politics. It will never come, Mr. President, unless the people of the United States believe in protection the same as the people of Germany do to-day. I would advise my Democratic friends to reform as quickly as possible. They took the first step yesterday. I remember the Senator from Mississippi [Mr. WILLIAMS] stated that about the hardest pill he ever had to swallow was on his sixty-fourth birthday when he was compelled to vote for the provision in the pending bill imposing a tariff duty upon dyestuffs.

Mr. THOMAS. His sixty-second.

Mr. SMOOT. He said sixty-fourth, and he was corrected in the Democratic caucus by stating that it was only the sixty-second.

Mr. GALLINGER. Then, he has two years in which to repent before he reaches 64.

Mr. SMOOT. Or else abandon his position. Now, Mr. President, if we want to improve the system of tariff making, we can do it by having Congress appoint a body of practical men, not mere statisticians.

Mr. REED. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Missouri?

Mr. SMOOT. I will yield in a moment; just as soon as I finish the sentence.

I say, Mr. President, that this question of rates of duty upon imports into our country is a business proposition, and that we must have practical business men, who know what effect the rates will have upon the business interests of the country. Now, I yield to the Senator from Missouri.

Mr. REED. I suppose that the "practical men," whom the Senator from Utah would suggest, would be the managers or representatives of the gentlemen who run the big industries.

Mr. SMOOT. Oh, well, the Senator from Missouri supposes a good many things that are not true.

Mr. REED. So that the man who is to collect the tax would also have the pleasant privilege of writing the law specifying its amount. That is the way you used to write these bills; notably in the case of the American Woolen Manufacturers' Association, which sent its man North down here to prepare the woolen schedule. Is that the kind of "practical men" the Senator would suggest?

Mr. SMOOT. Well, this is about the tenth time I have heard the Senator from Missouri refer to Mr. North. Mr. President, the Senator from Utah, in what little experience he has had in helping to frame tariff legislation in the past, has always taken the position that wherever an industry in this country needs protection that that protection ought to measure the difference between the cost of making the goods in this country and in foreign countries; and I want it distinctly understood that that is all that I desire.

I also want it distinctly understood that whatever influence I may have toward securing tariff legislation by Congress will be used along that line. I say to the Senator from Missouri, that, no matter what rates have been heretofore written into Republican tariff acts, there has been secured at the same time prosperity to all of the people of the United States.

Mr. President, I had expected to speak but a few moments, and I shall close simply by saying that I shall vote for the amendment making this commission permanent, and I am going to vote for the increase of the salary of its members to $10,000 a year, for I believe the work of this commission will be more important than that of any commission which has heretofore been created by Congress.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER (Mr. SHAFROTH in the chair). Does the Senator from Utah yield to the Senator from New Hampshire?

Mr. SMOOT. I do.

Mr. GALLINGER. There seems to be an opinion, quite commonly held, that this proposed law does not make this commission permanent. The chairman of the Committee on Appropriations of the House, Mr. FITZGERALD of New York, had the word "permanent" stricken from the bill, and that created the impression that the commission was not to be permanent; but, as I read section 97, the commission is made permanent. The provision is very brief and I will read it. It provides:

> SEC. 97. That there is hereby appropriated, for the purpose of defraying the expense of the establishment and maintenance of the commission, including the payment of salaries herein authorized, out of any money in the Treasury of the United States not otherwise appropriated the sum of $300,000 for the fiscal year ending June 30, 1917, and for each fiscal year thereafter a like sum is authorized to be appropriated.

Of course a future Congress can repeal that provision; but the terms of the bill itself, it seems to me, make the commission permanent.

Mr. SMOOT. Mr. President, I will say to the Senator that the original House provision specifically provided for a permanent commission; but the word "permanent" was stricken out.

Mr. GALLINGER. Yes; but section 97 was not stricken out.

Mr. SMOOT. No; but I will say to the Senator from New Hampshire that the life of the commission depends upon an appropriation being made each year. Therefore, I think it is not a permanent commission in the sense that other commissions, which have been created, are permanent.

Mr. SIMMONS. Mr. President, I do not wish to take up the time of the Senate unnecessarily in the discussion of the reasons for the creation of a tariff board, nor do I care to take up the time of the Senate in discussing the attitude of the two parties in reference to this question in the past. I do wish to say, however, in passing, that since I have been a member of this body, and before the advent of the present administration, numerous bills were introduced in the Senate and numerous resolutions were offered in the Senate providing for the establishment of a permanent tariff commission; but none of those bills and none of those resolutions were enacted into law by the present minority party, which was then the majority party.

I recall very well when, I believe, we were discussing the Payne-Aldrich bill that the brilliant Senator from Indiana at that time, Mr. Beveridge, made a great fight here in behalf of a tariff commission—a comprehensive and permanent commission; but that effort of the then Senator from Indiana received very scant attention and very meager consideration from the other side of the Chamber. Notwithstanding his earnest efforts, Mr. President, aided by many other able Senators on both sides of the Chamber, the net outcome of it all was the authorization to the President to appoint, I think, two or three persons to aid him in applying the minimum and maximum provisions of the tariff law of 1909. Subsequently the authority of this temporary board, with limited powers, was somewhat enlarged, not by an enactment in the form of permanent law, however, but by a simple paragraph in an appropriation bill.

If the Republican Party while it was in power had been in favor of the creation of a tariff board, such as they now profess to favor, surely they did nothing to that end during the long years of their control of all branches of the Government, notwithstanding the advocacy and insistency of many earnest and sincere friends of an effective commission in both branches of Congress.

Mr. President, that much in passing. I do not understand why our friends upon the other side of the Chamber, in the vague manner of the Senator from Utah [Mr. SMOOT], should attempt, in the face of the provisions of this bill, to produce the impression upon the country that in its attempt at creating this tribunal the Democratic Party have the purpose of making it a mere temporary commission. Not only here, but outside, an effort has been made to create that impression.

When this bill was first printed it contained a provision with reference to leasing or contracting for quarters for this commission. It contained a provision that they should not be authorized to make a lease of more than two years' duration. That was seized upon by certain newspapers sympathizing with the Republican Party and by certain Republican Senators to try to create the impression that there was a secret purpose on the part of the majority party to limit the life of this tribunal. As a matter of fact, Mr. President, the committee, in incorporating that provision in the bill, took no thought with reference to the life of the commission. It was a suggestion that grew entirely out of the fact that the committee thought it was unwise to authorize a long lease in view of the probability in a short time of securing suitable quarters in publicly owned buildings. We therefore put that provision in the bill because we believed that it was bad policy to lease for long periods buildings for governmental purposes. The committee desired to limit the time of the lease to as short a period as seemed to be practicable under the circumstances.

Mr. President, that is a mere incident, showing a disposition to try to create a false impression with reference to the purposes of the Democratic Party in creating this board. If there is any purpose on the part of anyone connected with the present administration or connected with the framing of this bill that this commission should be other than a permanent institution, it has never come to my knowledge; but, Mr. President, that question ought to be absolutely foreclosed by the provisions that are incorporated in the bill. If there ever was a piece of legislation that upon its face bore its purpose with respect to a particular thing, the provisions of this bill show a clear and unmistakable purpose on the part of its authors and its sponsors with reference to the permanency of this board.

Mr. SMITH of Georgia. We make this service 12 years.

Mr. SIMMONS. Yes; in the very first section of that part of the bill which relates to the tariff commission we provide that—

> The first members appointed shall continue in office for terms of 2, 4, 6, 8, 10, and 12 years, respectively, from the date of the passage of this act, the term of each to be designated by the President. The President shall also designate biennially the chairman and vice chairman, but their successors shall be appointed for terms of 12 years.

Mr. President, not only that, not only is there a provision for the appointment of a commission the members of which are to be appointed for a term of 12 years, but in that very same section there is a provision that no member shall engage actively in any other business function or employment.

Senators say that we intend this to be a board with certain perfunctory duties with regard to getting up statistics and making such reports as clerks who are competent statisticians, but whose abilities and knowledge do not justify salaries in excess of $2,000 a year, could compile and make. Mr. President, that seems to me, in the face of the language contained in this bill, to be a very far-fetched conclusion. It is evident

from the very language of the bill that the Democratic Party not only expects this board to be a permanent board, but expects it to be a board of great powers, of broad jurisdiction, and one that in the judgment of the Democratic Party will call for men of large ability, and that its work will be of such importance and of such volume that it is necessary that the men who are appointed on this board shall eschew absolutely while they are serving upon it all other occupations and give their whole time, attention, and abilities to the working out of the matters which are referred to them in this bill.

Now, why, in the light of these circumstances, should Senators impugn the motives of the dominant party simply because some members of that party have in the past held a different view from those they now profess with reference to a tariff commission? Let me call the attention of Senators on the other side of the Chamber to the fact that some members of their party in recent years have likewise held different views with reference to a tariff commission.

Senators say that the duties of this board are to be of a limited and circumscribed character. Why, Mr. President, if you will take the two sections conferring power upon and defining the scope of the work of the commission and put them side by side—they are separated in the bill—and give to the broad, general language used constructions that are generally placed upon general language in statutes and in laws, with the implied power that we always understand expressed powers to carry, I think you will find that the functions of this commission are exceedingly broad. I myself think it is very much better to describe these powers in general terms rather than in specific terms. If in writing a law conferring powers you can find suitable general terms, I think it is the experience of lawyers and of judges that it is preferable to do so rather than to be specific. That was the course pursued by our fathers when they adopted the Constitution of the United States. They did not particularize; they did not go into detail; they purposely used general terms, and thereby secured that elasticity which has made that great instrument adjustable to changing conditions and circumstances and enables the courts to give full efficacy to the implied powers conferred by the general language and adapt those powers to the requirements and the needs of the times.

As the Senator from Iowa [Mr. CUMMINS] has very justly said, the powers that are conferred in section 92, which seems to have escaped the attention of some Senators, very greatly broaden and enlarge the powers given in section 90. I want to read section 92:

That the commission shall have power to investigate the tariff relations between the United States and foreign countries—

That is a very broad phrase—"tariff relations." It embraces a great many things. It embraces most things that are connected with our trade relations with foreign countries—

commercial treaties—

Our trade relations with foreign countries are in a very large measure defined and limited or enlarged by our commercial treaties. I believe we have some 20 or 30 such treaties, or we did have, defining our trade rights and exemptions in dealing with other countries. So that the two words "commercial treaties" in themselves embrace a volume; in fact, they embrace all things that are specified and agreed to in our numerous trade compacts with the other countries of the world.

Preferential provisions—

Mr. President, we understand what an important effect such provisions in the tariff laws of certain countries have upon our trade relations with those countries. We understand what an important effect the preferential rate given in the Canadian tariff to the British Government has upon our trade relations with Canada. We understand what an effect the preferential rates given by our treaty with Cuba has upon the trade relations of other countries with us and with Cuba. There we have again a broad term. I proceed—

The effect of export bounties and preferential transportation rates—

Those are things that very materially affect our trade relations with other countries. Germany, for a long time, Austria, and other countries in Europe granted export bounties to the producers of certain of their agricultural products which have affected the markets of the whole world with respect to such products.

The question of preferential transportation is also important. Only a few days ago some Senator in this Chamber referred pointedly and forcefully to the fact that Germany, as one means of combating world competition in world markets, had a provision by which exports from her borders were given preferential railroad rates from inland points to the seashore, thereby giving her people an advantage over other competitors in the markets of the world—a very important subject.

The volume of importations compared with domestic production and consumption—

"The volume of importations compared with domestic production and consumption" is a most fundamental factor, and one upon which, as I understand, the Senator from Alabama declared he based the application of the principle of a competitive tariff in the present law. In order that you may know what rates to fix in writing a competitive tariff, you want to know the importations into this country as compared with domestic production and consumption. That is provided for here.

Then, Mr. President, to further enlarge these broad grants of powers and jurisdiction, the section adds, in the nature of a summary—

And conditions, causes, and effects relating to competition of foreign industries with those of the United States, including dumping and cost of production

I undertake to say that no tariff-commission bill that has ever been written and proposed to the Senate or to either branch of Congress since I have been a Member of it has carried with it broader or more general powers than this bill carries. Some of them have specified more, some of them have particularized more, but none of them has conferred broader powers than these upon a tariff board.

Mr. President, some Senators have said that the proposed tariff commission has no power to and it is not required to submit reports. Why, Mr. President, it is specifically provided in the bill that they shall submit "reports of its investigations as hereinafter provided." How "hereinafter provided"? I read the provision from the bill:

SEC. 91. That the commission shall put at the disposal of the President of the United States, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, whenever requested, all information at its command, and shall make such investigations and reports as may be requested by the President or by either of said committees or by either branch of the Congress, and shall report to Congress on the first Monday of December of each year hereafter a statement of the methods adopted and all expenses incurred, and a summary of all reports made during the year.

Mr. President, I did not expect when I took the floor to consume the time that I have. I wanted only to make it clear that this is to be a permanent commission. The majority party has no other purpose. I wanted to make it clear that the powers of this commission are broad and will enable it, if it exercises them to the fullest extent, to investigate every important question in connection with our foreign trade relations and in connection with our imports and exports. I wanted also to make it clear that when these labors have been performed the result of their efforts and investigations will be at the command and service of the Congress; but I wanted more especially, Mr. President, to make it clear that the Democratic Party not only wanted a permanent institution but that it wanted men who were able to efficiently perform the duties of the position; and to that end they have provided that the men who are appointed on that board shall, for the time being and as long as they remain members of it, give up all other avocations in life and confine themselves solely and exclusively to the performance of the duties and functions of their office.

Mr. SIMMONS subsequently said: I ask unanimous consent to attach as a part of the remarks that I submitted with reference to the tariff commission a short time ago a statement of various and sundry bills that have been introduced in Congress during the last ten or dozen years proposing to create a tariff commission, and the fate of those bills.

The PRESIDING OFFICER. In the absence of objection, consent will be granted.

The statement referred to is as follows:

ABORTIVE EFFORTS TO CREATE TARIFF BOARDS.

At the session December 4, 1904–March, 1905: In the House Mr. Spalding offered H. R. 15596 to provide for a tariff commission. Referred and not reported back.

There was also a House resolution, No. 380, to appoint a commission by the House

At the session December 4, 1905–June 30, 1906, there was H. Res. 523 to appoint a committee to investigate tariff schedules. No action.

At the session December 3, 1906–March 4, 1907: In the House Mr. STEENERSON (H. R. 2504), creating a tariff commission. Referred; no action.

By Mr. CAMPBELL of Kansas, H. J. Res. 199, for the appointment of a tariff commission, providing for the appointment of the commission to inquire into relation of the tariff to trusts and monopolies and the industrial and labor interests of the United States, and to recommend such changes, if any, in the existing schedules as will better promote the common welfare. No action.

At the session December 21, 1907–May, 1908, in the Senate: Senator Beveridge offered S. 3163 to create a tariff commission. Senator LA FOLLETTE offered S. 6256 to create a tariff commission.

In the House: Mr. STEENERSON (H. R. 162) and Mr. MILLER (H. R. 13098), to create tariff commissions.

At the session December 7, 1908–March 4, 1909: Mr. Fowler offered two bills (H. R. 243 and H. R. 28050) to establish tariff commissions. Referred; no other action.

At the session of March 4, 1909–August 5, 1909, Mr. Fowler offered in the House H. R. 38 to provide for maximum and minimum tariff schedules and to establish a commission which shall investigate all duties on imports and fix the rates within said maximum and minimum tariff schedules, negotiate reciprocal treaties and recommend the adoption of the same, and collect such information with regard to products, manufactures, and commerce as will aid in the performance of its duties and promote and provide for the general welfare. No action.

By Mr. GARDNER, H. Res. 6517 to create a tariff commission.

In the Senate: Senator LA FOLLETTE offered S. 1747 to create a tariff commission.

Senator Beveridge offered S. 1820 and also S. 3095 to create a tariff commission. No action.

In the second section of the tariff bill of 1909 there was a provision "to secure information to assist the President in the discharge of the duties imposed upon him by this section and the officers of the Government in the administration of the customs laws, the President is hereby authorized to employ such persons as may be required," the duties referred to being to make treaties of reciprocity.

Mr. POMERENE. Mr. President, the Senator from Utah is very greatly disturbed because the word "permanent" was stricken from the bill. If the word "permanent" were there, it should be stricken from the bill, because it is unnecessary. If the word "permanent" were there, it would be a very easy matter to make the board a temporary one by the denial of appropriations.

When the Federal Trade Commission bill was passed, we did not say it was to be permanent in character. When the Interstate Commerce Commission was created, the bill did not say it was to be permanent in character. When we created the United States Circuit Court of Appeals, we did not provide that it was to be permanent in character. When we create an additional United States district judge, we do not say the place is to be permanent in character, because so to designate it is unnecessary.

Mr. President, I have no doubt of the good faith of those who are responsible for this legislation. I have no doubt that they intended that this board should be permanent in character. I have been a believer in a tariff commission for long years; and if I may be permitted to be personal I may say that in an address before the joint session of the General Assembly of Ohio, after my election to the Senate, I then declared my faith in a tariff commission, and in the Sixty-second Congress I voted for a tariff commission.

I am one of those who believe that exact information on any subject is not going to hurt legislation. I care not whether we look at the subject from the standpoint of the high protectionist or from the viewpoint of the Democrat who believes in a revenue tariff. The difficulty on both sides of the Chamber is that we never have been exactly candid with one another when we discuss this subject.

If we look at it from the standpoint of the protectionist, it is necessary that we have this information. I remember, during the Sixty-second Congress, when we were discussing the reciprocity legislation, that a high protectionist, the senior Senator from North Dakota [Mr. MCCUMBER], proved, to his own satisfaction, that if that bill were to become a law it was going to destroy the wheat industry of the Dakotas, because the price of wheat north of the Canadian line was less than it was south of the Canadian line; and in the course of the same debate another high protectionist, the junior Senator from Michigan [Mr. TOWNSEND], proved that the price of wheat north of the Canadian line was as high, if not higher, than it was south of the Canadian line. The debate conclusively demonstrated that one or the other or perhaps both of these high protectionists were wrong in their figures.

On the other hand, if we look at it from the standpoint of the Democratic Party, there never has been a tariff bill enacted which was purely and simply a revenue bill. In the discussions which have taken place on the floor of the Senate and on the floor of the House the Republicans have said that they were opposed to a measure which had been proposed by the Democrats, because of its effect upon wage. The Democrats, on the other hand, have insisted upon their measure because, in their judgment, it would not interfere with the wages of the workingman. Truth compels the statement that there never has been any law fathered by the Republican Party, high though it may have been in protective character, that was not at the same time a revenue-producing bill; and equal candor suggests that there never has been a revenue measure proposed by the Democrats which was not pro tanto also protective in character, and often highly protective. For this reason why should any man say, "We do not care what the wage cost is or what the material cost is, we are going to frame a law without respect to the information and conclusions which we may draw from given established facts"?

So that I care not from what standpoint we approach tariff legislation, both sides of the Chamber, both schools of thought, will be benefited by having information which is reliable and which is exact.

Some Senators say: "We believe in protection. We must know the cost both of wage and of material." I have been interested to observe that most Senators are able to get statistics to prove anything they want, on any side of a question. I believe that if we have a permanent board composed of men who will use discretion, talent, and experience in the investigation of these subjects, they will be able to furnish data which will receive more credit from both sides of the Chamber than any that we have heretofore had.

Mr. President, it is said that the Bureau of Foreign and Domestic Commerce is already clothed with the power to collect this information, and that the Federal Trade Commission likewise has the power. I believe they both have; but, at the same time, it is my judgment that this subject is of such very grave importance that there ought to be a special commission whose sole duty it would be to study and investigate this subject.

Mr. STERLING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from South Dakota?

Mr. POMERENE. I do.

Mr. STERLING. If the Senator from Ohio will permit me, I should like to call his attention to the provision of the Federal Trade Commission law, under which I think the Federal Trade Commission has its only power in regard to the investigation of trade conditions abroad. This seems to be the provision:

To investigate, from time to time, trade conditions in and with foreign countries—

Now comes the limitation—

where associations, combinations, or practices of manufacturers, merchants, or traders, or other conditions, may affect the foreign trade of the United States, and to report to Congress thereon, with such recommendations as it deems advisable.

It would seem that their only power lies where there are "associations, combinations, or practices of manufacturers, merchants, or traders," and so forth, which call for such investigation.

Mr. POMERENE. Mr. President, I recognize that there may be room for honest difference of opinion as to the construction which should be given the language the Senator quotes; but I am not concerned about that. Whether the power exists there as broadly as we believe or not, the pending bill is broad enough; and whether the Federal Trade Commission has this power or not, surely the Bureau of Foreign and Domestic Commerce have it, and they have been acting upon it.

Mr. STERLING. Mr. President, will the Senator permit another question?

Mr. POMERENE. Yes.

Mr. STERLING. The Senator makes the statement that the pending bill is broad enough. Does the Senator believe that the pending bill is specific enough relative to the investigation of the question of cost of production at home and abroad?

Mr. POMERENE. Mr. President, I do not know what definition the Senator intends to give to the word "specific." Its terms are general enough, and in that sense specific enough, to confer upon this board the widest power of investigation.

Mr. President, personally I do not believe in high salaries for Government officials. I do not believe that the salary attached to any official position should be the first desideratum of the officeholder. But we have heretofore, by other legislation, set a standard of compensation. It may be right, or it may be wrong. For myself, I attach just as much importance to this tariff commission as I do to any of the other commissions we have created. The functions which they will exercise are just as important, and if their work is well done it will be of just as much benefit to the public as the work which is to be performed by any other commission. For that reason I am disposed to think that the salaries should be increased to $10,000.

Mr. COLT. Mr. President, the question before the Senate is whether the salaries of the tariff commission should be $10,000 or $7,500. I am in favor of the amendment offered by the Senator from Iowa [Mr. CUMMINS], making the salary $10,000, because of the importance of the duties which will fall to this commission, and for the further reason that I do not believe you can obtain men of the character and standing which would be necessary to fulfill these duties unless you pay a sufficiently high salary.

Mr. President, the question of protection has reached a new phase, depending upon new industrial and economic conditions.

That the question of protection has reached a new phase is plainly shown by the attitude of the Democratic Party in the provisions contained in this bill with respect to the duty upon dyestuffs and the appointment of a tariff commission. I maintain that the question of protection has changed fundamentally owing to changes in economic conditions. A nation is now obliged to adopt protection in self-defense in order to preserve its economic position. Why do I say this? I say it because free trade is based upon the fundamental proposition of fair and just competition, and if such competition does not exist among the great commercial nations there is no solution of the problem except through protection.

If Germany has adopted a system of organizing her industries into vast syndicates for the sole purpose of capturing foreign trade by dumping her products into the foreign market at any price which will effectually stifle foreign industries, there is no way of meeting that situation except by protection. If a nation ambitious to become a world power pursues the policy of obtaining control of the raw materials of the world and thereby monopolizes these materials and the industries dependent upon them, there is no way of meeting this situation except through a system of protection.

Mr. President, we have reached a new stage so far as the protective principle is concerned. Why, England has become a protectionist for self-preservation; and if England has become a protectionist by reason of the economic methods of Germany, and to some extent of other nations, how can we any longer defend the doctrine of a tariff for revenue only?

Therefore, the duties of this tariff commission, to my mind, are more important than the duties of any commission which has been appointed by this Congress. They have to investigate a question which vitally concerns the business interests of this country, which concerns in a larger point of view the national welfare and safety. When I look at the duties which this commission have to perform, when I see the matters which they are to investigate, I feel that no body of men in the country will be clothed with greater or higher responsibilities. We know the trade conditions which will confront us at the close of the war. We also know that we need all the light we can have upon the difficult and complex economic problems which will then present themselves, and we also know that we need men of the highest intelligence and business attainments to solve these problems.

Mr. President, $7,500 a year may appear to be a fair salary. It has always seemed to me that there was nothing upon which men honestly differ so much as the question of what is a proper salary. What is a proper salary depends a great deal upon circumstances. It might depend somewhat upon whether these commissioners lived in a large city like New York or Washington, or whether they lived in the country; it might depend upon whether or not they have large families. I know that you get the best work out of a man when he does not have to worry over the sufficiency of his salary. There is certainly a feeling of independence that a man possesses when his salary is more than adequate to meet all ordinary and reasonable expenses.

Mr. President, we must judge of things in the age in which we live, and not in the time of John Marshall. Probably the purchasing power of a dollar has declined several times since Marshall was Chief Justice of the United States. It has been said that in the time of Queen Elizabeth an English pound would purchase fourteen times what it will to-day. Men of the proper intelligence and standing to serve on a commission of this kind, especially if you select business men, undoubtedly would receive very much higher salaries in their business; and the same is true with regard to professional men.

Mr. President, this is not a case where we ought in the least to be governed by any narrow or prejudiced notions as to what is a proper salary. It is a great position. We should appoint men of the highest ability. They have to investigate the most important question now before the American people. If we should consult the public opinion of this country—and that ought to influence us—I believe that $10,000 is not an excessive salary for this commission.

For these reasons, I am in favor of the amendment proposed by the Senator from Iowa.

Mr. PENROSE. Mr. President, I do not intend to detain the Senate for more than a few minutes in discussing the Tariff Commission provision of the pending bill. I do not take it seriously I look on it merely as a catch phrase to take advantage of whatever popular sentiment there may be in favor of a real bona fide tariff commission to render this bill, carrying this burden of direct taxes upon the American people, more palatable, if it were possible to do so.

The Tariff Commission, as constituted in the bill, means nothing, as I view it. It is declared that such a tariff commission is proposed to carry out a pledge of the Democratic national convention at St. Louis on June 16, 1916. As is the case in nearly every other legislative or administrative act under the present administration, the necessity for it, and the utter change of attitude on the part of the majority, is blamed upon the requirements and the necessities of the war in Europe; and so we contemplate a tariff commission in the pending bill, the purpose of which, it is declared, is—

> To make an impartial and thorough study of every economic fact that may throw light either upon our past or upon our future fiscal policy.

Just what this means, Mr. President, is difficult to determine; but the framers of the bill are to be congratulated that they have omitted to embody in the paragraph the overridden, threadbare phrase "nonpartisan." There is no pretense that this commission shall be nonpartisan. There seems to be a suggestion that it shall be composed of members who have no preconceived ideas whatever about what might be the proper fiscal or economic policy of the United States.

As a matter of fact, Mr. President, I am one of those who believe that it will always be impossible to keep these questions outside of the realm of political discussion. I know that the average business man pictures in his mind a tariff commission which shall have the power of fixing rates, and so fixing them without the political discussion antecedent thereto in a presidential campaign or in the election of Members of Congress. But that thought on his part to my mind is an evanescent dream. It is impossible to take these great economic questions outside of the arena of political discussion. The Republican business man who pictures this blissful condition of fiscal and economic settlement takes it for granted that there shall be a protectionist commission, and that the members of the commission shall be prepared to impose upon imports adequate protective rates. The free trader and the importer picture a commission which will place the country largely upon a free-trade basis. When the question is brought up to them as to what would be the real result, there is not one of them who can fail to see at once that the picture which they have painted is impossible and, in my opinion, undesirable.

From the beginning of the history of the country down to the present time a large part of our political contests and controversies have had the question of free trade or protection as the leading and absorbing issue. In fact, this has been the case nearly always, except when some matter of an acute character arose, such as the controversy over slavery in the ante bellum days, but always the pendulum has swung back and the tariff has appeared upon the scene.

This question has been preeminently paramount in the American Republic, largely due to our Federal system, which was presumed to apply itself first to the resources of the customhouse for raising of revenue for the expenses of the Nation, but the same contests have been waged in other countries, varying from generation to generation as the economic needs of any particular country brought about a change. England at one time was the most highly protected nation in the world, and its merchant marine was entirely built up by the most oppressive system of navigation laws that was ever devised by human ingenuity; but when the time came that England had an altered position in the affairs of the world and had outstripped other nations by reason of the inventions of a line of brilliant inventors in the textile and other manufacturing industries and no longer required her navigation laws, then she changed, after a long and strenuous political discussion, her protection notions and became a free-trade country, and so continued for a period of some 100 years, until to-day, as the result of the conditions brought about by the war in Europe she is coming around again to a condition of protection and to an advocacy of all kinds of restriction upon merchant marine and trade, calculated for their further protection, equal in their drastic character to any that was proposed prior to the wars in Europe in the first quarter of the last century. So while these economic discussions are perhaps more prominent in our Federal Union than they are abroad it is only a difference in degree. They must always be a matter of discussion before the people, and the verdict must lie with the popular decisions upon these questions.

How a nonpartisan tariff board can adjust the differences between a free-trade Democrat and a protectionist Republican has always been a difficult problem for me to solve. There is no guiding suggestion laid down in the present provision regarding a tariff commission. I would have added to the paragraph that it should be the principal duty of the commission to investigate the difference in wages and labor conditions between here and abroad, but this important element in the welfare of our people apparently has not been considered in any way as a part of the purpose of the tariff commission. If the

nonpartisan character of the commission is to be put in evidence by the appointment of Republicans such as have been generally selected by the present administration for nonpartisan boards, the Republican Party will not get very much consolation out of the kind of protectionist Republicans that are likely to be selected.

We have only to examine the debates in the CONGRESSIONAL RECORD up until this session of Congress to realize the fact that the Democrats in the House and Senate have been unanimously opposed to a tariff commission.

The subject has been treated with sneers, with contempt, and with ridicule. I do not recall a case where it has found favor on the Democratic side, either in the Senate or in the House of Representatives, so far as we can learn from the spoken words of Democrats in either branch of Congress.

A tariff commission is doubtless well enough to collect data and furnish information and even to suggest rates, but the value of this information and these suggestions will depend entirely upon the point of view. If the point of view is that of an ad valorem low-duty direct-tax Democrat, it will hardly receive acceptance should the Republicans be in control of the Congress; and in the same way if the recommendation comes from a board having the point of view of specific duties and adequate protective duties, we have only to recall the fate of the wool schedule and the recommendation of the tariff commission under President Taft to know what indifferent treatment a nonpartisan tariff commission report receives from a party in power of opposite view regarding fiscal legislation. There never was a more voluminous or illuminating report than that made by the last tariff commission upon the wool schedule. The field was exhausted; many thousand dollars were spent in gathering the information; the recommendations regarding differences in costs and differences in industrial conditions were full and exhaustive. And yet the Democratic Party had determined on free wool, and having gone so far during the campaign in proclaiming their intention to have free wool that they could not have avoided to reverse themselves, even had they been convinced and persuaded to the contrary, the Democratic majority in Congress completely ignored the report of the tariff commission and put wool on the free list; and I regret to say that even on the Republican side it seemed impossible to get unanimity upon a wool schedule, notwithstanding the elaborate report of the tariff commission upon wool, available for every Member of the Senate and the House.

I say it with all due respect to my colleagues on this side of the Chamber, but the fact remains and will be recalled by those who were in the last and in the Congress preceding that several bills relating to the wool schedule were introduced on the Republican side in the Senate, and several were also introduced in the House of Representatives by Republicans, differing materially in most essential details and all claiming to be based on the report of the Taft Commission upon the wool schedule.

As I recall it, the senior Senator from Utah [Mr. SMOOT] and the senior Senator from Wisconsin [Mr. LA FOLLETTE] had a bill, and I had a bill. The Representative from Connecticut [Mr. HILL], I believe, had a bill; and there were several other bills. Many of these bills the manufacturers of New England and Pennsylvania informed me would be absolutely useless as practical measures and they would rather have the original Underwood bill passed than have several of them which they specified enacted into law. Yet all of them were introduced by Republicans and were urged as being based upon the findings of the Taft Tariff Commission upon schedule K.

So that after all, while a tariff commission may be useful, just as the reports of the consular agents are useful and the statistics of the Treasury experts are useful, yet anyone who persuades himself that their report can ever be conclusive or relieve Congress of the ultimate responsibility of solving the problem, in my opinion, fails to appreciate the lessons in the recent past.

It is nothing new to state that the President has vacillated and changed his mind on this question, as he has on numerous other questions, since he was an author of books of history and political discussion, or even since he has occupied the high office which he now holds. In his address at Indianapolis he said what I will ask the Secretary to read from Mr. Wilson's address.

The Secretary read as follows:

> But if by scientific treatment of the tariff they mean adjustment to the actual trade conditions of America and the world, then I am with them, and I want to call their attention, for though they voted for it they apparently have not noticed it, to the fact that the bill which creates the new trade commission does that very thing. We were at pains to see that it was put in there. That commission is authorized and empowered to inquire into and report to Congress not only upon all the conditions of trade in this country, but upon the conditions of trade, the cost of manufacture, the cost of transportation—all the things that enter into the question of the tariff—in foreign countries as well as in the United States, and into all those questions of foreign combinations which affect international trade between Europe and the United States. It has the full powers which will guide Congress in the scientific treatment of questions of international trade. Being by profession a schoolmaster, I am glad to point that out to the class of uninstructed Republicans, though I have not always taught in the primary grade.

Mr. PENROSE. My experience is that when you get into the practical affairs of life you have to unlearn a great deal that is taught by the schoolmaster.

Just what is meant by a trade commission, with power to bring about an adjustment to the actual trade conditions of America and the world, I am at a loss to understand. The language partakes of that rhetorical vagueness too often characteristic of similar utterances.

Later on, however, the President shows his conversion to the tariff-commission proposition in his letters to the chairman of the Committee on Ways and Means of the House of Representatives. In that connection he declares in favor of—

> some such instrumentality as would be supplied by a tariff board.

And he further declares that the board should be—

> free from any strong prepossession in favor of any political policy, and capable of looking at the whole economic situation of the country with a dispassionate and disinterested scrutiny.

And follows with a number of general statements calculated to impress anyone having practical experience with matters of legislation that the kind of tariff board he intended to describe would be of about as useless and impracticable a character as is well possible for any board or commission to be.

The tariff-commission paragraph in the pending bill is not of any very great importance. It apparently is put in merely as a measure to attract and mislead Republicans. In fact, there has been a propaganda conducted throughout the country in favor of a tariff commission. This provision in the pending bill supplies a popular catchword which is meaningless and ineffective in this connection. Should the Republicans be restored to power, they will doubtless provide for a tariff commission which will produce practical and effective results in the direction of reasonable and adequate protective rates, based upon a thorough examination of the difference in cost here and abroad.

Not only was the present Trade Commission supposed to be an agency to investigate the tariff question, but when the Bureau of Foreign and Domestic Commerce was created by the consolidation of the Bureau of Foreign Commerce of the State Department and the Bureau of Statistics of the Department of Commerce and Labor, a weapon was thought to have been thus created by the Democrats with which to investigate business men who claimed that a Democratic tariff injured their business. Mr. UNDERWOOD on May 8, 1913, stated in the House:

> We have established a Bureau of Foreign and Domestic Commerce * * * when a great manufacturing institution is ready to frighten its laborers with a reduction of wages because they say there has been adverse action and legislation in Congress * * * that bureau has the power to walk into their offices and ascertain whether there is real reason for their cutting the wages of their labor or whether it is merely a selfish attempt to put money into their own pockets.

A few days before this statement the chairman of the House Ways and Means Committee also declared—

> This House within a year has created the machinery of government by which the President of the United States can ascertain the facts desired and through that medium already established can give the Congress not only the information that we call for in this bill but can give Congress the information called for in the Tariff Board amendment. The Bureau of Foreign and Domestic Commerce was builded for that purpose.

Both the Trade Commission and the Bureau of Foreign and Domestic Commerce have failed as agencies for tariff investigation.

And now we have the proposal of a commission which will necessarily prove to be more ineffective and useless than either the other two boards, because this proposed tariff commission is provided for on lines almost identical with the provisions of the law providing for the two bureaus to which I have referred. I have said that the bureaus already authorized have failed in their purpose as far as tariff investigations are concerned. Perhaps I am wrong.

I have here the report on trade and tariff in Brazil, Uruguay, Argentina, Chile, Bolivia, and Peru, published by the Federal Trade Commission, issued as late as June 30, 1916. I have no doubt this is a very elaborate, illuminating, and interesting report. What tariff commission upon any line suggested in the pending revenue bill can do any more than duplicate the work which it is evident from this report the Federal Trade Commission is already performing?

The only service is, as I have said, to afford a catch phrase in the bill to make, perhaps, a certain number of Republicans

in the country think that something has been down toward the creation of an effective tariff commission upon protective lines.

I do not intend to pursue this matter further. I do not want to be supposed to be in opposition to a proper tariff commission, and an effective one. I would be foolish to array myself in opposition to any agency which can collect information for both branches of Congress when every five or six or eight or ten years this tariff question comes up requiring the adjustment of our tariff schedules to the changing needs of the country.

I feel that we already have many agencies collecting this information for the benefit of Congress. We have the reports of our consular agents all over the world, the reports of the Treasury Department through its various bureaus and agencies, the reports of the Department of Commerce through its bureaus and agencies, and the elaborate hearings which are always held when tariff measures are up particularly by the Ways and Means Committee of the House of Representatives.

I am not one of those, Mr. President, who belittle or underrate the value of the information and the hearings furnished by the business men and the manufacturers of America when a tariff bill is under consideration. I can only recall the methods of the German Government in framing tariff laws when the business men of Germany are taken by their Government officials into their full confidence and cooperation, and with their help the tariff laws are framed for the German Empire, which have resulted, in my opinion, in enabling Germany to stand self-sustaining, cut off from the rest of the world, in this the greatest war of our history. And I also welcome at such hearings and conferences the wage earners and workers of the land interested in upholding the high standard of American wages.

Had Germany ignored the information and advice of the business men, had she not protected the products of her farms and mills, surrounded and confined as she is by hostile forces cutting her off from supplies from everywhere else, she would long ago have been obliged to succumb to the forces which are opposing her.

In concluding, however, Mr. President, I wish to call attention to a brief extract from a speech delivered in Congress by William McKinley in reference to a tariff commission. Before I ask the Secretary to read it I will say in conclusion that I shall advocate an amendment to this paragraph instructing the commission to investigate the differences in wages and cost of production here and abroad, and that I shall at all times support a tariff commission proposed for a bona fide purpose and with a sincere intention; but this commission to me is meaningless; it is simply a duplication of two other commissions for which large appropriations have been allowed, and has no other purpose, in my opinion, than to mislead the people of the country when they come to visit their condemnation upon this monstrous measure of direct taxation.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary read as follows:

I can not refrain from saying that we are taking a new and somewhat hazardous step in delegating a duty that we ought ourselves to perform—a duty confided to us by the Constitution, and to no others. It is true that a commission does not legislate, and therefore its work may or may not be adopted by Congress. This is the safety of the proposition. The information it will furnish will be important, and its statistics of rare value, but the same sources of information are open to Congress and to the Committee on Ways and Means as will be available to a commission; and as the former will ultimately have to deal with the question practically in Congress, it has seemed to me if that committee were willing to undertake the task, and had the requisite time to perform it, it would be the wisest and most certain course to the accomplishment of results desired by all. Certainty and stability are essential elements to the success of trade, and as long as we are doing reasonably well experiments should be avoided.

Mr. SIMMONS. Mr. President, the Republican Party to-day, as in the past, is the special representative in legislation and in Government of the so-called interests. The disaster which that party suffered in the election of 1912 has not weaned it from this odious copartnership. Events now transpiring make it clear that if that party is restored to power this old copartnership will not only continue, but the alliance will be even more strongly knit together than in the past.

Out of this alliance sprung what came to be known throughout the country as the invisible government.

These interests wrote our tariff laws; they wrote our financial laws and controlled our financial policies. The Republican Party could deny them nothing which they demanded and could do nothing which they opposed. Our legislation became a system of special privileges and governmental favors to these privileged classes. They demanded that they be protected from competition from abroad and that they be permitted to protect themselves against competition at home, and it was granted. At their dictation a financial system had been built up which placed the money of the country in the hands of a few great financiers, who made money plentiful or scarce as their selfish interests required. The people's interest was forgotten or considered of minor or secondary importance.

When this exploitation of the people through the agency of the Republican Party had reached a point where it became unbearable the protest against that party became so strong that its candidate for President in 1912 carried only two small States in the Union, and a Democratic President and Congress were elected upon the promise to put an end to these outrageous abuses and usurpations and to reestablish government by the people and for the people.

The Democratic Party in response to this demand of the people has put an end to these shameful, scandalous prostitutions of governmental functions. The special interests no longer control at the White House or in the Halls of Congress. They no longer dictate and control our economic, fiscal, and commercial policies. Their special privileges have been taken away from them, and in truth and in fact the rule of the people has been restored.

But for the power and influence and almost exhaustless resources of these great special interests which the Democratic Party in 1912 unhorsed and have since stripped of their privileges, the crushing defeat then administered to the Republican Party would have eliminated it as a factor in the coming election, and the contest this year would be between the Democratic and Progressive Parties. But these powerful interests, with exhaustless resources, ready to dare and do everything, have in a last desperate effort to regain the scepter then wrested from their hands again rallied around the old guard of that party as their only hope, and have enabled the stand-pat and reactionary wing of that party to capture the Progressive wing, and the old fight between government by the few in the interest of the classes and the special interests and government by the people in the interest of the people is again on, and it goes without saying that these interests will fight with the desperation of a monarch who has lost his throne and thinks he sees a last desperate chance to win it back. They fight not for a throne but what to them means more than a throne—the privilege of exploiting at will 100,000,000 people for their selfish ambitions and greed. Their plethoric pocketbooks are wide open to regain these lost privileges, and it is for the purpose of making the purchase safe that the Republicans in Congress have announced their determination and purpose to defeat the corrupt practices act, thereby giving them a free hand in their effort to buy the election and again install themselves in their old position of dictation at the White House and in Congress.

There can be no concealment of the fact that the Republican Party as organized and controlled to-day is more thoroughly representative of the special interests and if again placed in power would be more thoroughly under the control of those interests than in the days of Aldrich and CANNON. The men who control that party to-day in Congress and in the country, the men who controlled and brought about the nomination of the Republican candidate for the Presidency, are as close to the special interests, as representative of those interests, and as sympathetic with their demands as were the men who controlled the policies of that party during the Taft and Roosevelt administrations, when special privilege and monopoly were more rampant and dominant in this country than in any period of our history.

Only a few days ago the Senate heard with amazement the bold declaration of the Senator from New Hampshire [Mr. GALLINGER], one of the strongest and most ardent champions of special privilege and governmental favoritism through legislation in the Republican Party, criticizing the so-called concessions of the Payne-Aldrich Tariff Act, and impliedly, almost directly, attributing the misfortunes of the Republican Party to what he declared to be the fact that in an unguarded moment it had yielded to the uninformed demand of the people and permitted reductions from the Dingley tariff rates. Evidently that Senator, filled with the reactionary spirit to which I have referred as dominant in the minds of the element now in control of the Republican Party, believes if that party is restored to power it should enact a tariff law more radically protective and favorable to the special interests than either the Payne-Aldrich or the Dingley tariffs. I commend this part of the speech of the Senator from New Hampshire to those Progressives who are considering supporting the Republican Party in this campaign.

I am not surprised that the special interests do not like our Democratic tariff. They did not write it, not because they did not want to write it, but because we would not let them write it. When we were making it they came to Washington in full force with their experts and their attorneys, as in the old days

of Republican tariff making, to tell us how to write it. We treated them courteously and kindly, but when it came to writing the bill we let them understand that that was our job, and that we were the representatives of the people and not of their tariff overlords, and as such we proposed to make the bill in their interests and not in the interest of their taskmasters.

These same interests, through representatives in Congress and outside, say it is the worst tariff law ever written. Undoubtedly it is the worst ever written for the trusts, the monopolists, and tariff grabbers, but I am sure it is the best ever written for the people who bear the burdens and pay the taxes.

They complain that our tariff has made the tariff wall so low that the foreigner can climb over it. That is just what we intended to do.

You can revise the tariff downward without hurting the special interests if you keep the wall high enough to keep the foreigner out. That was what the Payne-Aldrich law did in many instances. But you can not revise the tariff in the interest of the people unless you lower the wall enough to let the foreigner over and allow some competition from abroad, especially when the price here is above the level of a fair and just profit. That is what we aimed to do when we wrote the present law, and that is what I think we did do. If any are dissatisfied, it is because they are not content with fair prices and reasonable profits. If any suffer, it is because we have taken their business from a monopolistic basis and put it upon a fairly competitive basis.

Now, let us consider the charges made by the Republicans against the actual operations of the present tariff. While claiming that the tariff has had nothing to do with the overflowing prosperity we are now enjoying, they charge that before the war the Democratic tariff had flooded the country with cheap foreign goods, reduced our sales abroad, brought disaster to business, and proved a failure as a revenue producer.

Mr. President, in passing I can not refrain from referring to the great embarrassment—yea, distress—of our Republican friends because of the prosperity the people are to-day enjoying under Democratic administration. Its effect upon their mental attitude is painful to behold. They have brooded over it until they seem to have developed a positive antipathy to prosperity. They snarl at it, turn up their noses at it, and even question whether it is not an unwholesome and sinister sort of thing thrust upon us by evil portents. They leave the impression that it would be intolerable to them but for the hope that it may soon disappear.

Now and then under Republican administrations we had some prosperity, never permanent—subject always to such disastrous panics as we had in 1907 on account of the makeshift financial system of that party. But such prosperity as we had—vacillating and uncertain as it was—when that party was in power they attributed always to the tariff and the Republican Party. They would not admit that those spurts of prosperity were due in any way to any conditions except the legislation and policies of that party. If crops were bountiful here and short elsewhere, they would not admit that those conditions had anything to do with the greater prosperity which resulted. This prosperity was altogether a Republican product, dependent in no way upon the fundamental laws of supply and demand, dependent in no way upon conditions affecting production here and elsewhere—a thing with which the people had nothing to do except to enjoy, a blessing having its source and center solely in Republican legislation.

Now that we are enjoying a prosperity incomparably greater—a prosperity more thoroughly diffused than ever before—a prosperity which has placed us in the forefront of the nations of the world they ridicule it, deny that legislation or good government has anything to do with it, and proclaim it a thing which has been forced upon us and that will disappear as suddenly as it came and leave wreck and ruin behind it.

But this aside, let us examine their several criticisms of the actual operations of the Democratic tariff and revenue system before the war, in their order.

FIRST CHARGE.

The first charge they make against the Democratic tariff law is that it had proved a failure before the war in that it did not produce adequate revenue to run the Government. This charge is without foundation and is false as a statement of fact.

This is not a matter of argument or conjecture; it is a matter of record—a question to be determined by the facts, and the facts are facts of record and can not be disputed except by a willful perversion of the record.

What is that record? The record fact is that during the first year of the life of the present tariff act the receipts of the Treasury were the largest up to that time in all our history—$10,500,000 larger than in the previous year under the Payne-Aldrich Act; they were not only sufficient to pay the expenses of the Government, but left in the Treasury enough to pay the expenses of that year's construction work of the Panama Canal.

This statement is not only true with respect to the first fiscal year of the present administration, but it is equally true with respect to that part of that fiscal year which elapsed after the present tariff law went into effect. From January 1, 1914, to August 1, 1914, being that part of the year immediately preceding the war, when the present act was in full force, the ordinary receipts of the Treasury under the present law were $27,000,000 greater than those from January 1, 1913, to August 1, 1913. So that whether we take the whole fiscal year immediately before the war or the seven months when the present law was in full force, the revenues of the Government during this period were greater than during the like period of the preceding year, when the Payne-Aldrich Act was in force.

Instead of our tariff law being a failure as a revenue producer during the period of its operation before the war the books of the Treasury will show that during the first fiscal year under it the receipts of the Treasury were greater than in any previous year of all our history—greater than in any year under the McKinley tariff; greater than in any year under the Dingley tariff; greater than in any year under the Payne-Aldrich tariff; greater than under any revenue system ever enacted in our whole history; greater by $13,000,000 than I estimated when I reported the bill to the Senate; and after paying all expenses there was a surplus in the Treasury. And we did not have to sell any bonds either, while under the Dingley and Payne-Aldrich Acts on four different occasions during the administrations of Roosevelt and Taft it was found expedient to reimburse the Treasury by the sale of bonds.

Ordinary receipts of the Government (exclusive of postal).

Fiscal year.	Receipts.	Increase.	Decrease.
1911	$701,372,000		
1912	691,778,000		$9,594,000
1913	724,111,000	$32,333,000	
1914	734,673,000	10,562,000	
Jan. 1 to Aug. 1:			
1913	429,558,000		
1914	456,728,000	27,170,000	

We not only had a surplus in the Treasury on the 1st day of July, 1914, being the end of the first fiscal year under the present administration, but on August 1, 1914, we had a balance in the general fund in the Treasury of $158,384,000, being $20,000,000 more than on the 1st day of August during any year of the Payne-Aldrich bill.

In a colloquy between Senators GRONNA, WEEKS, SMOOT, and myself on August 25, in which we were discussing the question of how the Republicans proposed to raise the three hundred and sixty-odd million dollars in addition to the current expenses for preparedness, the Senator from Massachusetts, Senator WEEKS, stated "that if the lowest Payne-Aldrich rate was now in force, based on our present importations, there would be an added revenue of $176,000,000 per year." The lowest Payne-Aldrich ad valorem rate was 17.69 per cent in 1913.

The Senator from Utah [Mr. SMOOT] stated that the average ad valorem rate of the Payne-Aldrich law was 18.8 per cent and if the importations were the same during the fiscal year 1917 as they were in 1916 there would be a gain of $183,000,000 in customs receipts.

This result was obtained by the Senator from Massachusetts [Mr. WEEKS] by applying the lowest Payne-Aldrich ad valorem rate, which was 17.69 per cent, and the result was obtained by the Senator from Utah [Mr. SMOOT], as he stated on the floor, by applying the average ad valorem rate under the Payne-Aldrich bill, which was 18.8 per cent, to the actual imports for the fiscal year 1916.

The fallacy of this method of calculation would seem to be too apparent to require any consideration. The ad valorem rate of the same tariff law varies from year to year, according as the character and price of the imports change. There was no year during the Dingley law, as there was no year under the Payne-Aldrich law and as there has been no year under the present law, when the average ad valorem on imports was the same.

During each of these three periods when these fluctuations in the average ad valorem rates under each of these several acts were going on the tariff rates were the same.

I hereto attach a table taken from the Statistical Abstract for 1915, page 497, giving the average ad valorem rate for each year from 1898 to 1916, inclusive.

Total imports of United States for consumption.
[Statistical Abstract, 1915, p. 479.]

Dingley law.		Payne-Aldrich law.		Underwood-Simmons law.	
Fiscal year.	Average ad valorem.	Fiscal year.	Average ad valorem.	Fiscal year.	Average ad valorem.
	Per cent.		*Per cent.*		*Per cent.*
1898	24.77	1910	21.11	1914	14.88
1899	29.48	1911	20.29	1915	12.49
1900	27.62	1912	18.58	1916	9.72
1908	23.88	1913	17.69		
1909	22.99				

It will be seen from this table that the average ad valorem under the Dingley law fell from 29.48 per cent for 1899 (the first full year under that law) to 22.99 per cent for 1909 (the last full year), a decrease of over 22 per cent for the 10 years, or an average of over 2 per cent per year.

The average ad valorem under the Payne-Aldrich law fell from 21.11 per cent for 1910 to 17.69 per cent for 1913, a decrease of about 16 per cent for three years, or an average of 5½ per cent per year.

The average ad valorem under the present law fell from 12.49 per cent for the first full year of that law (1915) to 9.72 per cent for 1916, a decrease of 22 per cent.

The steady decrease from 1899 to 1913 was due principally to the steady increase in prices, an increase which still continues, and which has been very much greater since the beginning of the war than at any time before.

The decrease from 1909 to 1913 was caused by the steady increase in prices, together with the practical prohibition of many of the rates of the Payne-Aldrich law. This explains the more than doubling of the annual rate of decrease.

The decrease from 1914 to 1916 was caused by the lower rates of the present law, aided by the change in the character of our imports and large increase in price due to abnormal conditions.

To plainly see the effect on the ad valorem rate of duty of the increase in price and also of the increase in the total value of imports, while the amount imported changes very little, let us look at our sugar trade for the past few years.

Sugar—Illustration of effect of increase in price on ad valorem rate.

Year.	Imports.		Average price (cents per pound).	Estimated duty collected on total imports.	
	Quantity.	Value.		Amount.	Ad valorem rate.
	Pounds.				*P. ct.*
1914	5,066,821,873	$101,649,375	2.09	$62,000,000	61
1915	5,420,981,867	173,992,603	3.21	54,000,000	31
1916	5,633,161,749	208,769,399	3.71	56,000,000	27

This shows that the importations increased from 1914 to 1916 about 11 per cent, while the price increased over 85 per cent and the ad valorem decreased over 55 per cent.

The specific rate for the last three months of 1914 and for the years 1915 and 1916 was the same—a reduction from the Payne-Aldrich rate of about 25 per cent. The quantity imported for 1914, 1915, and 1916 was practically the same, but the equivalent ad valorem rate of duty was cut in half.

It is said that the average Payne-Aldrich rate was 18.8 per cent. It will also be seen that the average rate under the present law is 12.35. It is evident that it would be absurd to apply either of these rates to the actual imports of 1916, as is shown by the fact that the rate of the present tariff applied to the actual imports of 1916 gives an ad valorem widely different from the ad valorem of either of the two previous years.

The question therefore is, What would be the average actual ad valorem on imports for the fiscal year 1917 if the Payne-Aldrich rates were applied? It is not a question of applying the ad valorems of any other years, but a question of applying fixed rates to actual imports.

I have requested the Treasury Department to furnish me, if possible, with a fair and reasonable basis for applying the Payne-Aldrich rates to actual imports for the year 1916.

At the request of the Secretary of the Treasury, this statement has been prepared for me by Mr. McCoy, the Actuary of the Treasury Department, and Mr. Nevius, chief statistician of the Customs Division of that department, working in concert. They have given me two bases of calculation. The statement furnished by Messrs McCoy and Nevius is as follows:

CUSTOMS REVENUE FOR 1916 UNDER PAYNE-ALDRICH RATES.

The war has very much curtailed the European manufactures of the highly dutiable goods formerly sent to this country. It has also caused a great increase in prices, thus reducing the ad valorem rate of duty equivalent to the specific rates imposed by our tariff law. This, together with a large increase in our import of crude articles, has much reduced the average ad valorem rate of duty upon our total imports.

In order to find this effect upon the average rate of ad valorem duty under the present law, we assume as the normal the average rate for the fiscal year 1914 (14.88 per cent) and 1915 (12.49 per cent), which is—per cent—	13.69
Average rate fiscal year 1916—do—	9.72
A decrease in ad valorem of—do—	3.97

This 3.97 per cent ad valorem is 29 per cent of the normal 13.69 per cent.

Payne-Aldrich rate, ad valorem, fiscal year 1913, per cent	17.69
This reduced by the 29 per cent above shown—per cent—	5.13
This leaves as the estimated Payne-Aldrich rate for 1916—per cent—	12.56
Total importation of all goods, fiscal year 1916	$2,197,900,000
This multiplied by the average rate as above—per cent—	12.56
Customs revenue for 1916 under Payne-Aldrich rate	$276,056,000
Actual customs revenue, 1916, under present law	211,866,000
Additional revenue under Payne-Aldrich rates—	64,190,000

The Department of Commerce, in Senate Document No. 336, first session Sixty-fourth Congress, has carefully worked out the following ad valorem rates:

Average ad valorem rates on total imports of the United States for nine months' periods, exclusive of wool and manufactures of wool for the first three months and of sugar and molasses for the first six months in both cases.

October 1, 1912, to June 30, 1913—per cent—	15.45
October 1, 1913, to June 30, 1914—do—	12.30
Abnormal conditions have resulted in the ad valorem rate of duty on total imports for 1916 being reduced to—per cent—	9.72
A reduction from—do—	12.30
Of—do—	2.58

2.58 per cent ad valorem is 21 per cent of 12.30 per cent ad valorem.

Payne-Aldrich rate, as shown above—per cent—	15.45
Reduce this by 21 per cent, as above shown—do—	3.24
This leaves as the estimated Payne-Aldrich rate for 1916—per cent—	12.21
Total imports for 1916	$2,197,900,000
This multiplied by the average rate—per cent—	12.21
Gives customs revenue for 1916 under Payne-Aldrich rates	$268,364,000
Actual customs revenue for 1916 under present law—	211,866,000
Decrease in revenue under present law—	56,498,000

It will be seen by both of these tests, if the Payne-Aldrich rates were applied to the importations of 1916 the increase in customs revenues would be only $56,498,000, which is $126,500,000 less than the statement made by the Senator from Utah [Mr. SMOOT] and $119,500,000 less than the statement made by the Senator from Massachusetts [Mr. WEEKS].

This shows that if the Payne-Aldrich rates were applied to the importations of 1916 the increased revenue would be less than the receipts from personal income taxes for the year 1916 and much less than the receipts from the income tax imposed under the pending bill, and would leave over $300,000,000 of the cost of preparedness unprovided for.

The fact that our customs revenues have not in recent months increased proportionately with our imports is used as an argument against the revenue-producing qualities of the Democratic tariff. The answer is simple and conclusive.

The revenue derived from imports depends upon their character and the war has radically changed the character of our imports.

Our dutiable imports have greatly decreased since the war. Our dutiable imports from Europe, from whence in normal times we derive two-thirds of our total dutiable imports, decreased 32 per cent in 1915 and from the balance of the world something over 6 per cent. This fact fully accounts for the continued shortage in customs revenues. But while our dutiable imports have greatly decreased, as a result of the war, our free imports, especially from nonmanufacturing countries, have increased; first, because since the war we have taken the place of Europe in supplying these countries with their manufactures, and have had, as a matter of course, to take their crude products in payment. Secondly, because the enormous foreign

demand for our products during the past 12 or 18 months has made it necessary for us to increase our purchases of raw materials—some of which we do not produce at all—from abroad.

SECOND CHARGE.

Secondly, it is charged that before the war, under the present tariff act, the country was flooded with cheap foreign goods. This charge is not true, as the record will show, either as to free or dutiable imports prior to the war. There was, as I have stated, a falling off in our dutiable imports and the increase in our free imports was not abnormal.

The Republican tariff, as does our tariff, carried a big free list. Most of the things on the Republican free list were for the benefit of the manufacturer—free raw materials for use in his manufactures. When we came to write the tariff we added somewhat to the Republican free list, but while some of the things we added were for the benefit of the manufacturer, most of them were for the benefit of the people—things that without further manipulation go directly into consumption by the people—but the ratio of increase in our free imports under the Democratic tariff up to the time of the beginning of the war and until the enormous demand upon our factories, mines, and fields to supply the requirements of our great export trade made it necessary for our manufacturers to increase their purchases of free raw materials from abroad was no greater than under the Payne-Aldrich Act.

In reply to this charge I again appeal to the record. It will show that our imports of dutiable goods for the fiscal year 1914 fell off $59,000,000 and that our general imports of goods free of duty that year increased $140,000,000, making a total increase in general imports of that year of $81,000,000.

This is the record of the increase in general imports under the present law during the first year before the war. It is a normal increase. It is very much less than was estimated at the time the tariff bill of 1913 was reported to the Senate by the Committee on Finance, as will be shown by reference to my report filed for the committee on that bill.

This increase of $81,000,000 in our general imports during the first year of that law is now held up to the country by Republican politicians as showing that this law and its operation before the war was a menace to our industries and a voluntary turning over of the American market to the foreigner. How utterly absurd this charge is and how completely the Republicans are estopped from making such an argument will appear when the increase in our imports for the year 1914—the first year of the present tariff law—is compared with the increase in our imports during the first year of the Payne-Aldrich law which it supplanted. I have the record showing that increase.

If you will turn to the Monthly Summary of Foreign Commerce, June, 1916, page 57, you will be amazed to find, in view of this Republican charge against the present law, that during the year 1910—the first fiscal year of the Payne-Aldrich Act—there was an increase in our general imports over the previous year of $245,000,000, the increase being three times as great as that during the first year of the present law.

But let us bring these periods of comparison nearer together. Instead of taking the first year under each of these laws let us take the last year under the Payne-Aldrich law and the first year under the Democratic law. What is the result?

A reference to the volume to which I have just called attention will show that during the last year under the Payne-Aldrich Act the increase in general imports was $160,000,000 as against $81,000,000 during the first year under the present law, or twice as great as under the present law.

The table which I hereto attach from the Monthly Summary for June, 1916, not only sustains these statements, but in addition it shows that the increase in general imports under the Payne-Aldrich law during its whole life was $502,000,000, or an annual average increase of $125,000,000, while the increase in general imports under the present law for the first three fiscal years of its life was $385,000,000, or a yearly average of $128,000,000.

In other words, the total average annual increase of imports under the present law over the Payne-Aldrich law has amounted to only $3,000,000.

General imports—Monthly summary of commerce, June, 1916.

Tariff law.	Year	Total imports.
Dingley	1909	$1,236,927,000
Payne-Aldrich	1910	1,556,947,000
Do	1911	1,527,223,000
Do	1912	1,653,265,000
Do	1913	1,813,098,000
Underwood-Simmons	1914	1,893,926,000
Do	1915	1,674,170,000
Do	1916	2,197,884,000

These facts constitute the record. That record can not be disputed or explained away, and it furnishes the conclusive answer to all the charges and imputations of the Republican Party with respect to the increase in imports under the present law before the war. Misrepresentation and hypocrisy have never brought success to any cause and it will not do so this year.

In passing, in this connection it may be well to call attention to the stress laid by the Republicans on the circumstance that during the four months of April, May, June, and July, 1914, our imports exceeded our exports by something over $19,000,000. They never tire of referring to this fact. It is trumpeted as a fact which utterly condemns the present law. It is used by them as an unanswerable argument in support of their charge that it is a public menace.

I am sure our Republican friends in pursuing this line of argument have overlooked the record of imports and exports for the year 1910, the first year of the Payne-Aldrich law. If they will take the trouble to examine it they will find the following:

February, 1910:	
Imports	$130,117,980
Exports	124,558,630
March, 1910:	
Imports	162,999,535
Exports	143,657,857
Total imports for two months	293,197,415
Total exports for two months	268,216,487
Excess of imports over exports for two months	24,900,928

This examination makes it unnecessary to consider further the Republican assault upon the present law on account of an excess of imports over exports for a few months.

But this is not all. If we take the average annual increase in our total imports, free and dutiable, from 1899 to 1914, we find that this increase is 11.44 per cent, against 4.5 per cent during the year 1914—the first year under the present law.

I hereto attach tables of imports for these two periods, giving the percentage of increase during each period.

General imports—Fiscal years.

FREE.

Fiscal year ending June 30—	Amount.	Increase over previous year.	Per cent
1899	$300,279,810	$8,865,035	3.04
1900	367,236,866	66,957,056	2.30
1901	339,608,669	[1] 27,628,197	7.52
1902	396,818,871	57,210,202	16.85
1903	426,180,979	29,362,108	7.40
1904	454,130,240	27,949,261	6.56
1905	517,442,302	63,312,062	13.94
1906	549,623,878	32,181,576	6.22
1907	644,029,761	94,405,883	17.17
1908	525,603,308	[1] 118,426,453	[1] 18.38
1909	599,555,639	73,953,331	14.07
1910	755,311,396	155,754,757	25.98
1911	776,972,509	21,661,113	2.87
1912	881,670,830	104,698,321	13.48
1913	987,524,162	105,853,332	12.01
1914	1,127,529,699	139,978,537	14.17
1915	1,033,526,675	[1] 93,976,024	[1] 8.33
1916	1,492,663,786	459,137,111	44.44

[1] Decrease.

Average annual increase from 1899 to 1914, $55,148,193, or 18.36 per cent, as against 14.2 in 1914.

DUTIABLE.

Fiscal year ending June 30—	Amount.	Increase over previous year.	Per cent
1899	$396,868,679	$72,233,200	22.25
1900	482,704,318	85,835,639	21.64
1901	483,563,496	859,178	.18
1902	506,502,077	22,938,581	4.74
1903	599,538,258	93,036,181	18.37
1904	536,957,131	[1] 62,581,127	[1] 10.44
1905	600,070,769	63,113,638	11.75
1906	676,938,568	76,867,799	12.81
1907	790,391,664	113,453,096	16.76
1908	669,738,484	[1] 121,653,180	[1] 18.99
1909	712,383,585	43,625,101	6.12
1910	801,656,034	89,272,449	12.53
1911	753,253,596	[1] 51,382,438	[1] 6.41
1912	771,594,104	21,340,508	2.81
1913	825,481,072	53,886,968	6.98
1914	705,422,958	[1] 50,091,114	[1] 7.15
1915	643,643,095	[1] 125,779,893	[1] 16.41
1916	705,219,724	64,576,659	10.03

[1] Decrease.

Average annual increase from 1899 to 1914, $24,636,952, or 6.21 per cent, as against a decrease of 7.17 for 1914.

FREE AND DUTIABLE.

Fiscal year ended June 30—	Amount.	Increase over previous year.	
		Amount.	Per cent.
1899	$697,148,489	$81,098,835	13.16
1900	849,941,184	152,792,695	21.92
1901	823,172,165	[26,769,019	[3.15
1902	903,320,948	80,148,783	9.74
1903	1,025,719,237	122,398,289	13.55
1904	991,087,371	[34,631,866	[3.38
1905	1,117,513,671	126,425,700	12.76
1906	1,226,562,446	109,049,375	9.76
1907	1,434,421,425	207,858,979	16.95
1908	1,194,341,792	[240,079,633	16.74
1909	1,311,920,224	117,578,432	9.84
1910	1,556,947,430	245,027,206	18.68
1911	1,527,226,105	[29,721,325	[1.91
1912	1,653,264,934	126,038,829	8.25
1913	1,813,008,234	159,743,300	9.66
1914	1,887,925,657	80,917,423	4.46
1915	1,674,169,740	[219,755,917	11.69
1916	2,197,883,510	523,713,770	31.23

Average annual increase 1899 to 1914, $79,785,145, or 11.44 per cent, as against 4.5 per cent in 1914.

These tables show that of the general imports for the fiscal years beginning with 1899 the average annual increase in imports free of duty from 1899 to 1914, the first year of the present law, to be 18.36 per cent, as against 14.2 per cent during the fiscal year 1914—the first year under the present law.

These tables also show that the average annual increase in dutiable imports from 1899 to 1914 was 6.21 per cent, as against 7.17 per cent for the year 1914—the first year under the present law.

These tables show that average annual increase in both free and dutiable from 1899 to 1914 was 11.14 per cent, as against 4.5 per cent for 1914.

THIRD CHARGE.

Nor is it true that our Democratic tariff brought about a curtailment of our sales abroad during the period of its operation before the war. The amount of goods a nation sells abroad, like the amount of goods a merchant sells to his customers, depends upon the ability of the customer to buy.

There was a period of world depression in 1914. On account of this depression the nations with whom we trade did not buy as heavily during that year as usual, either from us or from other nations, and for this reason our sales abroad during the Democratic fiscal year of 1914 were not as great as during the Republican fiscal year of 1913, but, with the single exception of the year 1912, our exports during the Democratic fiscal year of 1914 were greater than in any previous year of all of our history; greater than in any year under the McKinley tariff; greater than in any year under the Dingley tariff; greater than in any other year under the Payne-Aldrich tariff.

I hereto attach a table taken from the Monthly Summary of Commerce, for June, 1916, showing our imports under the Dingley law, under the Payne-Aldrich law, and under the present law up to 1917, also our total exports for the same period, and our total balance of trade for the same period:

Balance of trade of United States.

[Monthly Summary of Commerce, June, 1916.]

Tariff law.	Year.	Total imports.	Total exports.	Balance of trade.	Total.
Dingley	1909	$1,311,920,000	$1,663,011,000		
Payne-Aldrich	1910	1,556,947,000	1,744,985,000	$188,038,000	$1,261,189,000
Do	1911	1,527,226,000	2,049,320,000	522,094,000	
Do	1912	1,653,265,000	2,204,322,000	551,057,000	
Do	1913	1,813,008,000	2,465,884,000	652,876,000	
Underwood-Simmons	1914	1,893,926,000	2,364,579,000	470,653,000	3,700,847,000
Do	1915	1,674,170,000	2,768,589,000	1,094,419,000	
Do	1916	2,197,884,000	4,333,659,000	2,135,775,000	
		Average, $420,396,300.		Average, $1,233,615,700.	

This table shows that—

The increase in general imports under the Payne-Aldrich bill during its life was $502,000,000, or a yearly average increase of $125,500,000.

The increase in general imports under the present law for the first three years was $385,000,000, or a yearly average of $128,300,000.

The increase in the total exports of goods from the United States under the Payne-Aldrich bill during its life was $803,000,000, a yearly average of $200,750,000.

The increase in the total exports under the present law for the first three years was $1,868,000,000, or a yearly average of $622,700,000.

The balance of trade for the first three years under the Payne-Aldrich law was $1,261,000,000, an annual average of $420,400,000.

The balance of trade for the first three years under the present law was $3,700,800,000, or an annual average balance of $1,233,600,000.

FOURTH CHARGE—BUSINESS DEPRESSION.

Republican politicians likewise charge that this bill during the first year before the war brought disaster to business. I say politicians because the business interests made no such charge. These politicians charge that before the war began our tariff legislation had brought the country to the verge of bankruptcy and industrial ruin. It is true when we assumed control of the Government we found a condition of business depression. It was a depression which started before we came into power and which continued for some while after we came into power. It was not a depression, however, confined to this country. The same depression existed throughout the world. It was less acute here than elsewhere. It was less acute here than in Europe. Less acute here than in Canada. Less acute here than in South America and other parts of the world. But it came about under Republican administration and it continued for a while after we came into power.

But for months before the outbreak of the war there had been a recovery from these conditions, confidence had been restored, and prosperity had returned. The voice of great metropolitan journals, of great national trade agencies, of great captains of industry, from one end of the country to the other, proclaiming in no uncertain terms that prosperity was not only coming, but had already arrived and to stay, had silenced the partisan clamor of professional politicians and calamity howlers.

Mr. President, at this point I ask permission to attach as an appendix to my remarks clippings from a mass of great newspapers, magazines, trade journals, and agencies covering a period of six months immediately before the war, voicing this return of prosperity and declaring that it has come to stay, and that business had no further fear about it.

The PRESIDING OFFICER. Without objection, permission is granted.

The matter referred to will be found as an appendix to Mr. SIMMONS's remarks.

SUMMARY.

Mr. SIMMONS. First. The net result of this analysis is that the present bill did not prove a failure as a revenue producer during the first year of its life, but that the receipts of the Treasury during that year were the greatest in our history up to that time.

Second. The increase in general imports during this period was not abnormal, and not as great as was estimated by its friends when it was passed. It was only about one-half as great as the increase during the last year of the Payne-Aldrich bill, and only about one-third as much as the increase during the first year of the Payne-Aldrich bill.

Third. Our exports for that year were not abnormally low, as the Republicans would have the people believe, but, with the single exception of the year 1913, the greatest of any previous year in all our history.

Fourth. Instead of bringing disaster to business before the war began, the depression which existed when the present administration went into office had disappeared, confidence had been restored, and prosperity returned, largely as a result of our splendid financial legislation and the satisfactory operations of the new tariff.

Finally, our Republican friends charge that the increase in imports, especially free imports, during the past fiscal year, stamps the present law as a free-trade measure and as a menace to the American producer and laboring man.

Here again the record not only contradicts but overwhelmingly answers the charge.

Our total imports for the fiscal year 1913, the last full year under the Payne-Aldrich law, amounted to $1,813,000,000, while in 1916 our total imports amounted to $2,197,000,000, an increase over the last year of the Payne-Aldrich Act of only $384,000,000, and an increase over those of 1914, the first year under the present law, of $304,000,000.

Our total exports for 1916, the latest year under the present law, exceeded those for the fiscal year 1913, the last year under

the Payne-Aldrich law, $1,868,000,000, and exceeded those of 1914, the first year under the present law, $1,969,000,000.

This presents a net gain in our foreign trade balance for 1916 over 1913 of $1,484,000,000.

Does this show we have turned our domestic markets over to the foreign producer and laboring man? Yea, on the contrary, does it not show we have captured the foreign ma kets for the benefit of the American producer and laboring man?

During the last year of the Payne-Aldrich law 54 per cent of our imports came in free. The most of these imports were raw materials for the use of our manufacturers. It was a part of the policy of that party to permit these products to come in free. They did not think it bad policy to do that. They did not think it hurtful to do that, as we have not thought it bad policy or hurtful to do that.

Their criticism against our bill at the time of its enactment was that it would destroy our manufacturing industries, not because of free importation of raw materials, but because it would open the doors to a larger importation of manufactures ready for consumption. They were afraid of the factories of Great Britain, France, and Germany. They predicted a great increase in these imports as a result of our reduction in duties.

The facts show that this prediction was unfounded, and that instead of an increase there has been a very notable decrease in this class of imports, a decrease of $133,965,000.

I attach a table showing the character and quantity of imports and exports for 1914 and 1916:

United States imports.

Articles.	Fiscal year—		Increase.
	1914	1916	
FOR USE IN MANUFACTURING.			
Free:			
Crudes	$549,061,406	$846,657,276	$297,591,870
Advanced	200,925,040	258,096,935	57,171,895
Total	749,986,446	1,104,753,211	354,763,765
Dutiable:			
Crudes	83,804,454	97,451,952	13,647,496
Advanced	118,350,448	101,344,525	— 17,005,882
Total	202,154,902	198,796,518	— 3,358,384
Total free and dutiable:			
Crudes	632,865,860	944,109,228	311,239,368
Advanced	319,275,488	359,441,501	40,166,013
Total	952,141,348	1,303,546,729	351,405,381
MANUFACTURES READY FOR CONSUMPTION.			
Free	127,308,163	123,458,696	— 4,049,467
Dutiable	321,810,051	191,894,938	—129,915,113
Total	449,318,214	315,353,631	—133,964,583

United States exports.

Articles.	Fiscal year—		Increase.
	1914	1916	
DOMESTIC.			
For use in manufacturing:			
Crudes	$792,716,109	$536,189,752	—$256,526,357
Advanced	374,224,210	662,549,838	288,325,628
Total	1,166,940,319	1,198,739,590	31,799,271
Manufactures ready for consumption	724,908,000	1,996,367,492	1,271,459,492
Decrease in imports of manufactures ready for consumption			133,966,585
Total of increased exports and decreased imports of manufactures			1,405,424,077
This represents the increase in the market sales of manufactures ready for consumption due to foreign trade.			
Total increase in all imports, 1916 over 1914			304,000,000
This increase is more than equaled by the $351,000,000 increase in our imports of crude and advanced materials for use in manufacturing.			

Résumé, United States foreign trade, fiscal year 1916, compared with fiscal year 1914.

Articles for use in manufacturing, excluding foodstuffs:		
Crude—		
Imports	increase	$311,239,368
Exports	decrease	256,526,357
Advance—		
Imports	increase	40,166,013
Exports	do	288,325,628
Total for use in manufacturing:		
Imports	increase	$351,405,381
Exports	do	31,799,271
Manufactures ready for consumption, excluding foodstuffs:		
Imports	decrease	133,964,580
Exports	increase	1,271,459,492

It is true, Mr. President, that our imports for 1916 have increased over the last year of the Payne-Aldrich law about $384,000,000, but I deny that this increase is due solely or even chiefly to the tariff. I deny especially that it is due to the reduction or enlarging of the free list made by the present law.

On the contrary an examination of the record will show that it is due—

First. To the change in the character of our imports as a result of the war.

Second. To the greater demand for raw materials to enable our manufacturers to meet the foreign demand for their goods.

Third. To the great increase in price of imported goods.

The war has brought about a very remarkable change in the character of our imports.

While there has been a considerable increase in our free imports there has been a great falling off in our imports of dutiable products of manufactured goods, especially manufactures ready for consumption, the latter amounting in the last year to $134,000,000.

The falling off of our dutiable imports is due almost entirely to the fact that we import under normal conditions nearly two-thirds of our dutiable goods from Europe, but on account of the embargo placed by the war upon importations from many of the great manufacturing countries of that continent, and other war conditions, our imports of this character of goods from that source have decreased something around 40 per cent. This accounts for the falling off in our customs revenues.

On the other hand, the increase in our free imports is due in part to the fact that many of the neutral markets of the world, especially South America, unable to get their supplies from Europe, have been buying from us and we have had to take their raw materials in payment as Europe had to do.

In 1915 our free imports from Europe declined, as did our dutiable imports from that continent, but our free imports from the balance of the world increased 25.5 per cent. This increase in free imports came largely from countries which before the war bought their manufactures from Europe—Germany, France, Belgium, England. Being unable, on account of the war, to get their supply of manufactures from Europe, they were from necessity forced to buy them chiefly from us.

When these countries bought from Europe, they paid not in money but by exchange of such commodities as they produce, which, in the main, are things which our old and new tariff list as free. Now when forced to buy their manufactures from us they must pay for them either in the things which they have to sell or go without them. This has resulted in increasing our purchases, as well as our sales to these countries.

Secondly, the large increase in our exports has compelled an increase in our purchases of many things, especially raw materials, mostly free under both tariff acts, and which are used by our manufacturers to make the things we are now exporting in such large quantities. Many of these raw materials we do not produce at all, or if at all in insufficient quantities to meet the demands of our export trade. Without these purchases from abroad our great export trade of the past 18 or 20 months would have been practically impossible.

The importation of these crude foreign products has not curtailed but has enhanced and broadened the opportunity of American labor and production, and opened new avenues to American trade and commerce, stimulating and broadening our industrial activity, and added hundreds of millions of dollars to our national wealth.

Third. In the third place the price of most of the free as well as dutiable products we have imported has greatly increased on account of the war, and this increase in selling price has swelled the aggregate of our imports when measured in dollars and cents out of proportion to the actual increase in the quantity of the merchandise imported. In other words, because of the much higher prices in 1916 than in 1912, a statement of the value of the imports in 1916 as compared with 1912 does not measure the difference in the quantity of the merchandise imported in 1916 and 1912, and the same thing is true with reference to the revenue derived, especially where the duty is specific instead of ad valorem.

The truth of these statements as to imports is illustrated by the case of sugar. We imported practically the same number of pounds of sugar in 1914 and 1915, and yet our imports of sugar measured in dollars and cents—and that is the way we measure it—was $101,000,000 in 1914 and $202,000,000 in 1915. There was practically no increase in quantity of sugar imported,

but measured in dollars there was an increase of $101,000,000. Here we have an increase of $101,000,000 with practically no increase in the quantity of the thing imported. The same is true in a large measure as to many other products.

The total increase in our imports for 1916 over 1914 amounted, as I have said before, to $304,000,000, while the total increase in our imports of crude materials for use in manufacturing during that period was $311,000,000. Most of these raw materials are free under both the old and the new law, so that the total increase in our imports for the use of our manufacturers is greater than the total increase of all of our imports.

That this increase has not been the result of the tariff is further shown by the fact that during the period of this increase in imports of raw materials for our factories there has been a contemporaneous decrease of $134,000,000 of manufactures ready for consumption.

Mr. President, in closing my remarks upon the first year under the present administration I spoke of a return of confidence and prosperity under conditions then existing. Barring a few months immediately after the war, when international trade was temporarily suspended, this tide of prosperity has continued to grow in ever-increasing volume until to-day we are the most prosperous people in the world. During the last fiscal year we sold abroad $2,135,000,000 worth of goods more than we bought abroad—more than three times as much as our excess sales abroad during the last year of the Payne-Aldrich bill—more than 10 times as much as our excess sales abroad under the first year of that tariff and 5 times as much as the average annual excess in our sales abroad during the four years of the Payne-Aldrich law.

The average annual increase in our imports under the present law exceeded the average annual increase of imports under the Payne-Aldrich law only about $3,000,000. This slight increase in our imports is, of course, but a bagatelle compared with the enormous increase in our exports.

From these facts it is manifest that instead of surrendering our markets to the foreigner we have invaded and captured his. There has been no betrayal of the American producer and laboring man, but a net gain of over $2,000,000,000 in cash receipts to the American producer and in jobs to the American laborer. Our present great prosperity has not been hurt by the slight increase in our foreign purchases, but our enormous sales abroad, out of which this prosperity has in part grown, have been made possible by these slightly increased purchases abroad. Without an increase in our purchases of crude products and raw materials from other countries our fields, mines, and factories could not have supplied the enormous foreign demand of the last year for their products, and without these purchases of their goods our foreign customers would have been without the means to pay for their purchases from us.

The theory of protection as exemplified in the teachings and practice of the Republican Party has been to discourage purchases from abroad of products produced here, and at least until recent years our manufacturers have made no special effort to cultivate and establish a foreign demand and market for their products; as a result our foreign trade has consisted largely in the purchase of such raw materials as were needed to supply our mills and factories and the sale of our surplus agricultural products. Whatever may be said in favor of this theory during the period of developing our production to the point of supplying the home demand, it must be obvious that when that degree of development has been reached further adherence to it halts development and produces industrial stagnation, which must eventually tend to contraction and retrocession. We have now unmistakably reached that state in commercial and industrial advance. If we seek expansion through foreign trade we must abandon a policy based upon the theory of isolation and exclusion. We must not by legislation close our markets to the foreigner if we wish him to open his to us. Even if he were willing to sanction this one-sided trade arrangement it would collapse because of its impracticability, for with a nation as with an individual, sustained purchasing capacity is essential to sustained selling capacity.

In this connection I wish to quote from an article appearing in the March issue of the Wall Street Magazine by the Hon. George E. Roberts, vice president of the National City Bank and former Director of the Mint. In this article Mr. Roberts, who is, as is well known, a Republican, says:

TRADE NOT ONE SIDED.

If anything has been demonstrated in the last year it has been the truth of that proposition that you can not have a permanently one-sided trade. All trade, in the last analysis, consists of an exchange of commodities. Any other means of settlement is a makeshift and necessarily temporary. We have kept our great export trade going in the last year, first by taking back our own securities, and then by taking over foreign securities. This, I say, is a makeshift. You can not build up a permanent foreign trade upon that basis or by insisting upon payment in gold. You can have no permanent trade that is not advantageous to all parties concerned; there must be an exchange of service and commodities. An industrial country which aspires to sell finished products abroad must be willing to receive the crude commodities of other countries.

APPENDIX.

ALTOONA, PA., *July 7.*

In every department of the Altoona shops, the industrial center of the Pennsylvania Railroad Co., working full time and many of the departments working overtime, this city is enjoying an unsurpassed era of prosperity. (New York World of July 8, 1914.)

PITTSBURGH, *July 7.*

Anticipating a big increase in freight business, the Baltimore & Ohio Railroad Co. has put on 700 men in its shops. (New York World, July 8, 1914.)

Mr. Ford told the President that the automobile business never was better, and that there is a substantial increase in the business this year over last year. Mr. Ford stated that the increase in his business was so great that he is preparing to enlarge his plant. * * * Mr. Ford did not confine himself to a discussion of his own line as an evidence of good times. He went into the matter generally, telling of the steel industry and its allied business. (New York World, July 10, 1914.)

PITTSBURGH, *July 10.*

The Chronicle-Telegraph, Senator GEORGE T. OLIVER'S afternoon daily paper, prints the following to-day: "Pittsburgh is the first of the American cities to recover from the depression in business which has affected the entire country. * * * Pittsburgh is returning to its old-time prosperity."

All branches of trade, the paper declares, are feeling the stimulus of returning normal conditions. (New York World, p. 4, July 11, 1914.)

PITTSBURGH, *July 17.*

Voting their confidence in such a return to good times that a record year is in prospect, the independent sheet and tin-plate manufacturers, principally of the Middle West, the Western Bar-Iron Association, and the big independent steel concerns, the Republic Iron & Steel Co. have just completed signing scales for affiliated mills with the Amalgamated Association Iron, Steel, and Tin Workers. President Williams, of the Amalgamated Association, said: "We based our fight on a return of prosperity, and the manufacturers are granting what we asked, felt the same way about it, and that a big year for their business was ahead." A long list of concerns in Ohio, Illinois, Indiana, Missouri, and some in Pennsylvania is given with the statement that they are all going to work now. (New York World, p. 4, July 17, 1914.)

S. R. Burton, banker, and Joseph B. Gallinger, a manufacturer of New York, called on the President to-day. Both informed the Executive that business conditions were improving right along, and the country was entering an era of prosperity. (New York World, July 21, 1914.)

"ONE YEAR OF DEMOCRATIC RULE."

[From the New York World Washington Correspondent.]

WHAT WILSON HAS ACHIEVED IN FIRST YEAR—NO SUCH RECORD MADE BY ANY PREDECESSOR.

WASHINGTON, *February 28, 1914.*

For the first time in 50 years the hand of Wall Street has been removed from the Government of the United States.

This desirable result is regarded by President Wilson as the paramount achievement of his administration. He considers the elimination of Wall Street as a dominating factor in many governmental functions the best gift of triumphant Democracy to the American people. The removal of this blighting influence will prove beneficial, if not permanent.

Aside from this accomplished blessing, the President views the creation of a new banking and currency system as the most notable event of his incumbency. He believes this great reform takes precedence over downward revision of the tariff, with the partial destruction of special privilege and the transfer of taxation from poverty to wealth.

One year of Woodrow Wilson's service as President of the United States and leader of the Democratic Party has become history. One-fourth of his elective period has expired. In taking stock no Chief Executive has ever found such a remarkable record of performance to his credit. With persistence and wisdom he has steadfastly urged redemption of all pledges carried in the Baltimore platform. He has been supported by both branches of Congress to a more marked degree than any predecessor in office.

GREAT ACHIEVEMENTS.

Among the great achievements which President Wilson has guided to consummation are:

A banking and currency law which has removed the hand of Wall Street and established a democracy of credit.

A tariff act comprising reduction in duties on imported necessities and calculated to lower the cost of living. No favoritism has been shown protected interests, but the people were substituted as beneficiaries. In framing this legislation the supervision of Wall Street and special interests was rejected.

The lobby, representing all those who profited from legislation, through publicity on the part of Mr. Wilson, was removed as a powerful instrumentality in the shaping of statutes. As a result of exposures made by the President, this obnoxious feature of congressional intimidation was removed.

Two important amendments to the Constitution—the first adopted in 43 years—were made effective. One provides for the direct election of Senators by the people. The other authorizes the imposition of a tax on incomes, thus transferring the burden of maintaining the Government from the poor to the wealthy.

Proposals were made to all civilized nations for the arrangement of treaties whereby actual hostilities would be deferred during a year of reflection. Thirty Governments signified their acceptance of this principle.

RETURN TO POPULAR GOVERNMENT.

A return to popular government was encouraged when the President appeared in person and addressed the two branches of Congress on

legislative propositions. He thus sought to terminate domination through private arrangements and secret conferences by the aid of public opinion.

The amendment of laws whereby arbitration of disputes between capital and labor was made more successful.

The constitution of peace presented by the President has gone far in the direction of breaking up interlocking directorates, which formed the backbone of trusts and monopolies.

The helping hand of the Government was extended to the farmers when $50,000,000 were distributed to assist in moving crops.

The divorcement of the Government from the New York financial concerns that proposed cooperation with foreign Governments in furnishing funds for China.

The employment of peaceable methods by which the Telephone Trust was dissolved without litigation or expense.

The policy of diplomatic postponement under which the unsettled relations between the United States and Mexico have been handled.

The placing of the Postal System on a self-sustaining basis for the first time in governmental history.

The Parcel Post System has been developed and extended to a remarkable degree of efficiency and benefit.

MAJORITY RULE IN CONGRESS.

Parliamentary rules in the Senate and House were amended, removing the heritage received from Aldrich and Cannon, leaving the majority to control.

The pure-food act was extended to include inspection of all meats, thus affording adequate protection to American consumers.

A bureau of markets was established in the Department of Agriculture, providing a scientific method by which farm products may be transported and distributed.

The Armor Plate Trust was compelled to submit competitive bids in connection with the construction of American battleships. The Government was saved more than $2,000,000.

The special delivery system was extended to the parcel post.

The home life of the farmer was given consideration by the Department of Agriculture. Encouragement in the utilization of labor-saving devices was contained in 55,000 letters sent out.

The full protection of the law has been given Indian children.

A new public-land policy was inaugurated. It combines conservation and the proper use of the national domain.

The enactment of an agricultural extension law, which is expected to double the production of American farms.

The institution in the Navy of academic, vocational, and technical instruction.

The two great transportation monopolies of the East and West were forced to dissolve. The Pennsylvania Railroad relinquished its holdings in the Baltimore & Ohio. The Southern and Union Pacific merger was canceled.

The extinction of many great combinations in restraint of trade by agreement.

The ratification of eight general arbitration treaties, which will enable the President to adjust numerous foreign disputes and complications that now prove irritating. Among the treaties approved were those between the United States and Great Britain and with Japan.

The establishment of an eight-hour day for women and girls in the District of Columbia.

TO REDEEM PLATFORM PROMISES.

Marvelous as has been the record of performance, it represents less than 50 per cent of President Wilson's plans for redeeming platform promises and perpetuating prosperity for the people. In addition to the achievements indicated, he has planned and started on the road to legislative completion more beneficial propositions than any predecessor. Many of these will soon be on the statute books. All the remaining features of his program will be enacted into law before another anniversary of presidential incumbency is reached.

The list of important matters under way includes:

The negotiation and ratification of a treaty with Colombia by which payment shall be made for the loss of Panama and the Canal Zone. This is considered on a parity with the great achievements of the past year. It is intended to remove the stain upon national honor caused by the violent seizure of Panama and restore friendly relations with a sister Republic.

The repeal of the tolls-exemption clause in the Adamson Act, under which American coastwise vessels are given free use of the Panama Canal. This is expected to remove causes for irritation between this Government and those of Great Britain and other maritime powers. It will demonstrate that the United States is willing to respect all treaty obligations.

The ratification by the Senate of 16 additional general arbitration treaties.

The continued arrangement of peace treaties until all civilized nations have been brought into a "breathing" agreement with this country.

Continued efforts for the restoration of peace in Mexico without intervention or the employment of force.

Perfection of a treaty with Nicaragua under which this Government will acquire the right to construct a canal over the Nicaraguan route and secure sites for a naval base and fortifications to protect the Panama waterway.

Legislation under which the Federal Government and the various States will unite in the construction of good roads.

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[From New York Herald, Tuesday, Feb. 17, 1914.]

STATEMENT OF SUPERINTENDENT OF EMPLOYMENT BUREAU AS TO NUMBER OF PEOPLE OUT OF EMPLOYMENT.

J. J. Fitzgerald, head of the employment department of Gimbel Bros., said:

"Several days ago we placed a big display advertisement in the four leading New York newspapers asking for applications for positions of milliners, copyists, milliner helpers, and apprentices. We offered the highest salaries obtainable by this class of help in New York City. We expected hundreds of applications, but received only seven. The advertisement was taken out of the classified columns and placed in other parts of these four papers, in the belief that we would have better results, but they failed to bring a single answer.

"Picture fitters usually are to be had in any number. We advertised for them, and received seven applications. Two years ago, when business was unusually prosperous, according to all reports, we frequently had 8 and 10 applications from chauffeurs. If we told them that we could not take them on, they frequently asked to be employed as helpers until there was an opening. Now we have few applications, and I haven't heard a chauffeur ask for a helper's job for many months.

MORE HELP NEEDED.

"I was looking over our employment sheets and wondering where I was to obtain more help when the head of the mail-order department telephoned to me and said that he would need several men. Every department store in the city is confronted with the same situation with which we are faced, and I can not remember any period when there was a less number of applicants for work than at present.

"Just previous to the holidays we had hundreds of applications for work, and if there was any business depression it was to be felt then, to judge from the number of unemployed. If we had advertised at that time for sewing-machine salesmen we would have received scores of applications, many of the persons making an effort to 'bluff' their way through. A few days ago we advertised for this same kind of help and received two applications."

ONE CLASS ALWAYS "OUT OF WORK."

James T. Hunt, business manager of the Bowery Mission and head of the Mission Employment Bureau, said:

"We are having a great number of applicants for work, but not a sufficient number to lead us to think that there are 350 000 men out of work in New York City alone, as has been said. Several months ago we had hundreds of applications from men who had been laid off by railroads, street car lines, telephone and telegraph companies, but they soon began to grow scarce, and I understand that most of them have again been placed at work at their trades.

"It would make no difference what state of prosperity we had, there would always be a certain element looking for work and making a howl about hard times. It is easy to discriminate between this class and that composed of able-bodied, willing, and intelligent workmen who may be thrown out of employment. We will always have both classes to deal with, irrespective of how good business conditions may be.

"During the seven years that our empoyment bureau has been in existence we have placed 22,000 men. At present we are receiving just as many calls for men as we received during the time when we were supposed to be enjoying an unusual run of prosperity. Manufacturing plants that were partly closed down two months ago are again working with full forces, and in many instances I have heard of extra men being placed at work to take care of increasing business."

GAIN IN TYPEWRITER BUSINESS.

Alfred Augustus Fraser, general manager of the New York office of the Remington Typewriter Co., at No. 327 Broadway, said that his company's business has shown a decided improvement in the last two months.

"Business is better with us in all parts of the country," said Mr. Fraser, "but in New York the improvement is more marked than elsewhere. Our sales in December greatly exceeded those for December, 1912, and since January 1 we are far ahead of our business for the corresponding period in 1913. Orders and contracts now in hand assure us a profitable year. We feel certain that business in general must be good and getting better, because there is no surer barometer to the condition of trade than the typewriting industry. Our employment agency also reflects the healthful tone of business. There is an increased demand to-day for stenographers, and we find that salaries are running higher than they have been for many a day. Employers are ready to pay more now for stenographers and bookkeepers than they were willing to pay at any time last year. Good operators are in demand daily, and where last year they had trouble in obtaining permanent places at relatively low wages they are finding them now at salaries that give no concern about making ends meet."

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STATEMENT OF MRS. HARRIMAN, RESIDENT COMMISSIONER ON UNITED STATES INDUSTRIAL RELATIONS, TO THE EFFECT THAT CONDITIONS ARE ABOUT THE SAME IN LABOR MARKET NOW AS THEY ARE AT THIS SEASON EACH YEAR.

Mrs. J. Borden Harriman, resident commissioner of the United States Commission on Industrial Relations, to-day gave out the following statement supplementing yesterday's announcement of an investigation by the commission into unemployment:

"Anyone who fails to realize that conditions are about the same in the labor market now as they are at this season each year is either ignorant of conditions or insincere.

"The unskilled laborers, who are the chief sufferers from these annual periods of unemployment, are for the most part migratory and belong to the class known as floating labor. This makes the problem an interstate one, which can only be adequately studied by a Federal body."

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[Editorial from the New York Herald, Tuesday, Feb. 17, 1914.]

UNEMPLOYED IN NEW YORK—AN "ARMY" THAT HAS DISAPPEARED.

President Wilson is fully justified in questioning "statistics" that assume to show the presence of 350,000, or anything like that number, of unemployed in this city. The Herald certainly challenges their accuracy, and examples of Sunday and of yesterday furnish ample warrant for the challenge.

Confronted by the herculean task of clearing the city's streets of the heavy accumulation of snow, Commissioner Featherstone and the contractors working under him sent out urgent calls for men. The response was prompt on the part of those who wanted work. Every man who applied was employed, and still the need for men remained.

Were there 350,000 applicants? Were there one-half, one-tenth that number? Mr. A. F. Gunther, superintendent of the bureau of snow removal, said he had about 13,000 men working yesterday. "We could use many more if they would apply," Mr. Gunther added. Either the "vast army of the unemployed" upon which the croakers have been harping has never existed or it vanished at the first suggestion of work.

STATEMENT GIVEN THE NEW YORK HERALD BY MR. GOMPERS FEBRUARY 26, 1914.

Unfortunately there is considerable unemployment among the working people of our country—and in so far as when any one man is unemployed through no fault of his own, to him it appears that all our social fabric is a failure—but that reports of the tremendous number of unemployed are much exaggerated I have not the slightest doubt. We are in the midst of winter and are now passing through the transitory stage of reconstructive tariff and banking legislation, and my experience warrants me in saying that the number of unemployed at present is comparatively less than during similar seasons of the year

when tariff legislation had previously just been enacted. I am also decidedly of the opinion that the period of unemployment will be much shorter than during former similar periods and transitory conditions. The adjustment of industry to the new conditions is of vital consideration.

BUSINESS CONDITIONS.

There are three facts which answer completely the charge that conditions are panicky and that there is no work for the man who wants to work.

First is the fact, admitted by the leader of the House in the discussion in that body on last Friday, not denied by anybody, that there is plenty of money to be had for investment at low rates of interest.

Second, while there has been a slight drop in prices of commodities, prices, as a rule, have been maintained.

Third, wages have been maintained.

These conditions are absolutely the reverse of conditions that exist in times of panic or business stagnation.

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[Extract from speech by Representative Ansberry, CONGRESSIONAL RECORD.]

CALAMITY-CRY POLITICS SHOWN BY PLATE MATTER SENT BY OHIO REPUBLICAN EXECUTIVE COMMITTEE.

Some time in January of this year the Republican organization in the State of Ohio sent out boiler-plate matter to the little weekly and daily Republican papers throughout the State of Ohio on this same question, containing a calamity howl. Among other papers they sent this boiler-plate matter to the Medina County Gazette, which is supposed to be a stalwart Republican paper; but the Gazette did not look at the world through the colored spectacles of the gentleman who has charge of that organization, and here is what the Republican paper said with reference to the attitude of these men:

"DASTARDLY POLITICS.

"There has been nothing more reprehensible in American politics than the present studied effort on the part of the standpat forces in control of the Republican Party to aid and abet an era of hard times in this country. It was openly proclaimed at the recent meeting of the Republican national committee at Washington that hard times, want, and poverty were to be the life-savers of that party. To-day from every standpat source is coming a calamity howl coldly calculated to shake business confidence and bring on industrial paralysis.

"As we write there lies on our desk a copy of the Republican News Letter, dated at Columbus, January 3, 1914. Editors are invited to use the contents of this letter in whole or in part. And what is this Republican News Letter that all the editors of Ohio are 'invited' to use and bring before their readers? It is a pure calamity howl calculated to bring on a business panic, if possible, and it is nothing else. Its one big flaring headline reads: 'Industrial depression.' Then follow three columns of 'calamity' talk, prophesying hard times and business disaster.

"At a recent meeting of the Republican national committee at Washington Senator REED SMOOT, national committeeman from Utah, was cheered again and again when he airily made the following declaration for a turkey-buzzard policy for his party: 'The silent wheels of the factories, the smokeless stacks of our mills, and the suffering of our people under a Democratic administration will speak louder than any national declaration of principles that we can make. All we have to do to bring victory to our banners will be to point to the closed mill doors and say: "Wilson—that's all."'

"No declaration of principles needed, says SMOOT; just wait for calamity and suffering.

"From every other stand-pat Republican source is coming the same sort of business poison—the studied attempt to bring suffering and want to millions of American citizens to further the political ends of the PENROSES and SMOOTS and Barneses and Daughertys now in control of the Republican Party.

"The attempt to inject this poison into the business arteries of this country is made, too, when reliable financial authorities like Bradstreets's and Dun's and Henry Clews tell us that the business outlook for 1914 is brightening daily and that there is no business depression nor panic ahead.

* * * * * * *

"The despicable political panic effort has already failed. The country is aroused against it, and the boomerang is already recoiling upon its projectors.

"The political party that seeks a new lease of life at the hands of American voters by encouraging panic and hard times badly miscalculates, for it can reap from such foul sowing only the contempt and distrust of all right-thinking people."

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[From the New York Herald, February 17, 1914.]

CHICAGO.

Charles A. Stevens, president of Charles A. Stevens & Bros., dealers in women's wear: "The prospects of spring trade are better than they have been for several years."

Modie J. Spiegil, treasurer of May, Stern Bros.: "The merchants and jobbers are making more and larger orders than they have in a long time. From the reports I have received from all parts of the country, I take it that these improved conditions are universal."

E. D. Hurlbert, president of Merchants Loan & Trust Co.: "All indications are that the improvement is sound and permanent."

SAGINAW, MICH.

"Industrially, Saginaw has never been in better condition than to-day, and the business prospects never looked brighter. Bankers, manufacturers, and merchants are all enthusiastic." W. S. Lenters, Republican postmaster, said: "The future never looked brighter for Saginaw than it does at the present time."

Charles W. McClure, Republican, president of one of the largest silo-manufacturing concerns in the United States, said: "Our business is 10 times as great as at any time in the history of our company, and prospects never looked brighter for all five of our plants."

W. R. Burt, one of Michigan's wealthiest citizens, is very enthusiatic over the business outlook. He said: "This prosperous condition not only prevails in Saginaw, but statements from towns throughout the St. Croix district show business throughout the section to be excellent, with the best possible prospects for the future."

WICHITA, KANS.

That prosperity has settled on Wichita is evinced by the amount of building that is being contracted for at present. Prospects for the largest crops in the history of the State were never better.

B. F. McLean, president of the Fourth National Bank and a prominent Republican: "Everyone is feeling fine over the outlook."

Judge E. B. Juritt, vice president of the Farmers & Bankers' Life Insurance Co., a prominent Republican, said: "Every condition points to better times. The farmers all have money."

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WHAT THE FOLKS BACK HOME SAY.

DANVILLE, ILL.

Danville, home of JOSEPH G. CANNON, is in a rich agricultural region. The failure of some crops and curtailment of others, owing to the long drought last summer and the unseasonable weather of fall and this winter, have been felt by business men of this city and the eighteenth congressional district in general; but most of them declare that, notwithstanding these handicaps, their business for the last year has been equal to, and in many instances greater, than any year since 1907.

There have been no business failures here; every business room is occupied, and merchants generally unite in predicting unprecedented prosperity for the next year, barring another crop failure. Real estate values are gradually increasing after several years of depression, and arrangements are being made for unusual building operations with the opening of spring.

Augustus I. Webster, Republican, president of the Webster Grocery Co., is an optimist on the future business outlook of this city and vicinity.

"Early in 1913 the prevailing conditions caused me to believe that business conditions would not improve during the last year, but my opinion was not verified," he said to-day. "The year 1913 was productive of bigger business than any year since I came to Danville, almost half a century ago. I believe every wholesale concern in Danville also enjoyed the same measure of prosperity.

"Comparing conditions existing at the present time with the conditions a year ago, I firmly believe that 1914 will be a greater season for the wholesale business in Danville than the eminently successful year of 1913. This is saying a great deal, but existing commercial and industrial conditions in Danville is the reason for my belief."

Charles L. English, Republican, president of the First National Bank, was more outspoken concerning his opinion of "Uncle JOE'S" calamity talk.

"This is largely an agricultural country," said Mr. English, "and, of course, the failure of the oats crop, partial failure of the corn and other crops, was a severe blow from the principal money-producing source. Labor is now pretty generally employed, and there is a fair degree of prosperity in every branch of business. Money may be a little tight for the next six months, but I regard prospects for the coming year as being very bright."

M. S. Plant, Republican, a leading clothing merchant, said: "I regard the business outlook for the coming year as exceptionally good, barring another crop failure."

J. S. Emery, head of a large dry-goods firm; H. C. Adams, president of a building association, and Joseph Schingel, jr., a prominent contractor, expressed practically the same views as the above. One of them stated that the general feeling of optimism for the future and congratulation over past and present conditions in the face of adverse circumstances ought to be sufficient answer to "Uncle JOE."

SEATTLE, WASH.

"Business conditions in the Pacific Northwest," said C. B. Yandell, secretary of the Seattle Chamber of Commerce, "are 20 per cent better to-day than they were during the corresponding period a year ago. Bank clearings, customs receipts, building permits, and railroad business prove my statement. Prospects of the early recognition in the House of Alaskan needs, the opening of the Panama Canal, the recent abundant rains are sure to bring on a feeling that the entire Pacific coast country, particularly Seattle and the Northwest, is entering into an era of prosperity not known here in five years.

CONCORD, N. H.

Secretary James O. Lyford, of the Concord Board of Trade, who was naval officer of the port of Boston from 1898 to 1913, and who now is mentioned as a Republican candidate for the United States Senate in succession to Senator GALLINGER, said to-night that there was no business depression in this city or vicinity and no indication that anything of the sort was impending.

"With one exception," he said, "every Concord industry is employing as many men to-day, at as high wages and for as many hours in the week, as was the case a year or two years ago. The one exception is the shops of the Boston & Maine Railroad, where the force employed has been diminished one-fourth owing to the opening of the road's new shops at Billerica, Mass.

"Both our wholesale and retail business houses report trade and collections up to the average for this season of the year."

LYNN, MASS.

After a period of depression, during which hundreds of employees were laid off, the big plant of the General Electric Co. here is getting busy again, and, according to Walter C. Fisher, its general manager, the outlook is bright. Many of the employees who were laid off have returned to work, and within a short time it is expected that every department of the plant will be in operation again. This is the between-seasons period for the shoe factories, but most of them here are busier than they have been for several months, and most of the manufacturers are confident that business will improve steadily from now on. The percentage of persons out of work in Lynn is very small compared with other years.

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SIXTEEN HUNDRED MEN RESUME WORK AT GARY STEEL MILLS.

CHICAGO, ILL.

More than 1,600 men have been put back to work recently and the plant is operating about 80 per cent of capacity.

Declaring he is glad to find a factor like the Herald substantiating the position of optimism regarding business conditions he assumed more than a year ago, Henry R. Towne, president of the Yale & Towne Manufacturing Co. and formerly president of the Merchants' Association, said yesterday that he believes business everywhere is safe, sound, and promising.

"Speaking of my own business," Mr. Towne said, "and the insight that gives to allied businesses, and my contact with business men from every part of the country, I hold, and I have steadily held for a year, the conviction that business everywhere is in a sound, safe, and promising condition."

That business conditions in this country are improving as a result of public confidence following the enactment of currency legislation was the statement made to the Herald yesterday by L. H. Shearman, vice president of W. R. Grace & Co., exporters, of No. 7 Hanover Square. Mr. Shearman said:

"It will be admitted by all business men that conditions are improving and that things will be better within a short time. The public fear that President Wilson's currency and tariff legislation might cause serious trouble if not precipitate a money panic, as was predicted by many, proved to be unfounded and a healthy reaction is now taking place. From now on I look for a steady advance in the volume of business in this country."

OPINION OF C. A. SCHIEREN, JR.

Charles A. Schieren, jr., of the Charles A. Schieren Co., No. 34 Ferry Street, and first vice president of the American Manufacturers' Export Association, said that after a careful study of business conditions prevailing in this country the promises for great industrial activity in the coming spring are excellent. Mr. Schieren said:

"There was a decrease in the volume of business by our company in January of only 7 per cent, as compared with the figures for the same month last year. But that loss promises to be made up by a corresponding increase in the business for the current month. These facts, coupled with reliable information supplied to me by correspondents in the Middle West, assure me that a steady, healthful revival of business is in progress.

"Every business man felt the effect of the calamity cries which arose when the tariff and currency legislation was being discussed. The pessimists seemingly convinced the people of the country that if either of President Wilson's measures was passed a death blow to business would be dealt. But happily this prediction was not verified, the fact being that public confidence, upon which the prosperity of the Nation actually depends, has been restored."

COTTON MILLS INCREASE OUTPUT.

Edward K. Cone, president of the New York Cotton Exchange, said that there is a strong revival of business in the industries associated with cotton. The cotton mills not only have not closed, as was predicted by pessimists, but have steadily increased their output. The consumption of cotton at the mills during January established a new high record. "All the statistics and estimates of the cotton trade," said Mr. Cone, "bear out the Herald's contention that at the base of commercial conditions all is well."

NO HALT IN GROCERY TRADE.

Few men have a better opportunity of obtaining information regarding the general aspect of trade and business than M. E. Roche, manager of the Butler grocery stores throughout the city. Daily he meets salesmen from all parts of the country and confers with the managers of the many stores over which he has supervision. He has to make estimates and purchase accordingly. When business conditions are on the wane he is among the first to realize the fact. When they are otherwise his source of information never fails him. This is what he thinks of the outlook:

"I think the prospect never was better. Business to-day is in a splendid condition. We know by the purchases that are made daily. When there is uncertainty and lack of confidence there is a decrease in the sale of luxuries. At present there is no such thing. As far as the public is concerned, the alarmist reports of a few months ago fell on deaf ears.

"Our business year ended on November 1 last. It was a very successful one. Since then, in view of the various reports which have been circulated concerning the general business situation, I have maintained a close surveillance upon our own affairs. The result is that I am able to report that for the period between November 1 and to-day I find that we are ahead of the corresponding period of last year.

"I do not regard the situation simply from my own standpoint. In the course of my daily routine I meet and converse with men who are active in other lines. Many of these are salesmen, who come here with goods to sell and whose opportunities for gleaning authentic information are remarkably good.

"When sales are slow for them it indicates that business is slow generally. If the merchant is slow to purchase, his sales are not up to the average, and if the public is hesitant, then everything becomes more or less stagnant. But that is not the case now. Everyone seems to be ready to purchase in good quantity."

TEXTILE TRADES PROSPER.

Thomas Smidt, a member of the dry goods firm of Victor & Achelis, was another who sounded a note of optimism concerning the situation of trade.

"Our own business is in splendid condition," he said, "and the textile trade in general throughout the country is flourishing. That I know. Merchants are beginning to realize that no ill effects have been felt from the change in the tariff, and that none may be expected. This, of course, lends stimulus to trade.

"The prospects for the near future are just as bright as those of a year ago, and as far as we are concerned all departments are just as busy as they ever were. We observe also that trade all around us is in healthy condition, and we place no credence whatever in what some persons have been declaring about hard times. We have plenty of confidence. The Herald's attitude in the matter is praiseworthy indeed."

Samuel S. Campbell, vice president and director of the Fourth National Bank and director in several other concerns, stated that he observed distinct signs of improvement in the business situation generally.

"We observe a much better outlook," he remarked.

COASTWISE SHIPPING ACTIVE.

Anton A. Raven, president of the American Bureau of Shipping, said:

"The surest barometer of business conditions I know of is the coastwise shipping trade. There is no better argument that I can advance to show that business generally throughout the country is prospering than to point to the increasing amount of business being handled by our coastwise vessels.

"There has been no appreciable change either for good or worse in the foreign shipping, although an increase was expected in the imports when the new tariff schedule went into effect. Our exports still lead the imports by a healthy margin, and from all indications it would be safe to say that they will show a greater gain at the end of the fiscal year than ever before in history. The shipping interests which confine their operations solely to the coastwise trade have nothing but encouraging news to give out on conditions to-day and the outlook for the future.

"With the situation cleared up in Mexico I believe there will be a great step forward in conditions in this country."

George Doubleday, president of the Ingersoll-Rand Co., said: "Business everywhere is improving, and I hear few complaints. The Ingersoll-Rand Co. is working full time again, and many of the big industrial plants are employing extra help. I hear nothing but encouraging reports. It seems to me that this talk of a business depression is absurd."

ENGINEERING CONCERN BUSY.

S. L. Selden, of the J. G. White Corporation, of No. 43 Exchange Place, one of the foremost engineering and construction concerns of the country, said that in his opinion the country would this year enjoy one of the most prosperous years commercially and industrially known in decades. Mr. Selden said:

"There is not the shadow of a doubt in my mind but we are entering up a highly prosperous year. This conviction is based upon a careful study of the situation and comparison with the statistical data of previous years. Last autumn we wondered if we would find work enough to keep our forces employed during the winter. That question was answered when we received so many commissions that we must work hard to keep up with them.

"If business conditions had not improved, our corporation would have been among the first to suffer. It is because of this that I say with confidence that this will be a banner year in this country. There never was anything fundamentally wrong with industrial conditions in this country, but the depression noticeable last year was almost wholly due to the groundless fear that radical changes in our financial and tariff systems would bring hard times. This fear was aggravated by senseless predictions of disappointed politicians, but in the face of it all confidence is returning, and with it the inevitable revival of business along all lines."

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[From the New York Herald, Feb. 22, 1914.]

GOOD TRADE REPORTS IN WEST AND SOUTH—MERCHANTS, BUYERS, AND TRAVELERS ALL SEE EVIDENCES OF PROSPERITY THROUGHOUT COUNTRY.

Buyers from all sections of the country, traveling salesmen, and manufacturers who were in New York yesterday were practically unanimous in the opinion that the United States is on the threshold of one of the greatest eras of prosperity in its history.

The general business conditions of the country were reflected by the fact that in most cases the buyers are increasing their orders for stocks of goods, according to the buyers and merchants whom I interviewed yesterday.

One of the large buyers who makes frequent trips to New York is George B. Monning, of the Monning Dry Goods Co., Fort Worth, Tex., who is staying at the Albert Hotel, University Place and Eleventh Street.

"The business prospects in Texas," said Mr. Monning, "are much better than at any time in the last six years. This is a conservative opinion based on a thorough knowledge of business conditions throughout the entire State."

GOOD REPORTS FROM GEORGIA.

One of the largest manufacturers of Georgia is L. M. Lynch, who is at the Albert Hotel. Mr. Lynch's concern, the Muscogee Manufacturing Co., of Columbus, Ga., which is in the cotton-goods manufacturing business, has a New York office at No. 47 Leonard Street.

"I have traveled all through the South and the Middle West recently," said Mr. Lynch yesterday, "and I know from personal experience and observation that the country is just as prosperous as the Herald's interviews and editorials have stated."

Walter Lassiter, who is a traveling salesman for Eugene Teschner & Co., dealers in flowers and feathers, at No. 719 Broadway, said that he had just returned from a trip through the Carolinas, Maryland, and Virginia, and found a wonderful condition of prosperity throughout those sections.

"In my own State of North Carolina," he said, "everything is moving in a satisfactory manner. Merchants, farmers, bankers, and, in fact, everybody is prosperous, with the outlook bright for more prosperity during the coming year. Sales are good and everybody is happy."

LABOR.

In discussing the matter every man interviewed said that, so far as he knew, the price of labor had not been reduced. They used this argument to refute the contention that there are unusually large numbers of unemployed men throughout the country.

"If the supply of labor is greater than the demand," they said, "and this situation exists for a great length of time, the price will fall because of the competition. We have noticed no such condition in our section."

SOUTH ENJOYING BOOM TIMES.

"The South is not entering upon but it is enjoying the greatest era of prosperity in its history. The Civil War no longer is a date for commercial comparison. From the Shenandoah to the Gulf and from the Carolinas to Texas the reign of Midas is more nearly absolute than at any other time since the war or than it ever was in the days of slavery."

Thus spoke James L. Tapp, president, general manager, and buyer of the James L. Tapp Co., of Columbia, S. C., which for 30 years has conducted the largest wholesale and retail department store in the State. Mr. Tapp has been here a week on one of his periodical buying trips, of which he usually makes 8 or 10 a year. But he said yesterday that he found it necessary to make several times the ordinary amount of February purchases of stock and that in consequence his present stay would be prolonged nearly a month. Mr. Tapp is a director in the Palmetto National Bank, of Columbia, and is largely interested in other enterprises of that city.

"I have been in business in Columbia 28 years," said Mr. Tapp, "and I never before saw trade so good as it is to-day. Our store did the largest and most profitable business in its history last year, and the volume of business so far this year is far ahead of 1913.

SEE GREATEST YEAR IN DECADE.

J. J. Selman, representing William Morris & Co., of No. 140 West Twenty-second Street, manufacturers of silk petticoats, and Lichtenstein, Reichlin & Co., of Philadelphia, manufacturers of silk dresses and waists, has just returned from a trip through the South and West. Mr. Selman said yesterday:

"I went as far south as Texas, and everywhere I found business good and the outlook even better. All through the South and West manufacturers and dealers are stocking up as if they expected 1914 to be the greatest business year in a decade. The South is too busy to pay any attention to the political pessimist."

Albert F. Rockwell, president of the New Departure Manufacturing Co., of Bristol, Conn., which employs 1,500 operatives and is running on full time, said, "That we regard business as good and expect it to be better is proved by the fact that we have just completed a large extension to our plant and are about to enlarge further by adding another building for our coaster-brake department."

C. E. Burch, of No. 45 West Thirty-fourth Street, New York buyer for Burch Bros. & Co., owners of dry goods stores in Waterloo, Marshalltown, and Mason City, Iowa, and Aberdeen, S. Dak.: "We have the largest dry goods stores in Iowa, and we can see nothing but prosperity ahead."

A. W. Burch, of Waterloo, Iowa, manager of Burch Bros. & Co.'s Waterloo store: "The West is in very good condition, and it is going from good to better. All the 100 factories in Waterloo have their entire output sold for the coming year. Prosperity prevails throughout Iowa."

1914 "YEAR OF PLENTY."

J. C. Ratcliff, buyer for the Battery Dry Goods Co., of Gaffney City, S. C.: "Business is very good with us and with merchants and manufacturers of South Carolina and the South generally. In fact, we are too busy to think of any possible interruption of prosperity, and there are no indications, so far as I can see, that 1914 will not be a year of plenty and happiness."

THE MEN WHO KNOW BEST.

In interviews with well-known manufacturers occupying a half page of yesterday's issue sentiments such as these were uttered:

R. L. Prather, Boston: "We feel absolutely optimistic, and our sales are excellent."

F. R. Maxwell, Boston: "The fundamental business conditions are all right; the situation only needs an optimistic spirit to make business boom."

H. T. Colwell, Newburgh, N. Y.: "The business outlook for the coming year never was better."

C. B. Hamilton, Grand Rapids, Mich.: "There is every prospect that 1914 will finish strong."

W. Laughlin, Chicago, Ill.: "The country is bound to be more prosperous."

O. B. Carson, Southbridge, Mass.: "The outlook is excellent."

F. I. Towle, St. Johnsbury, Vt.: "The southwestern territory is in particularly good condition."

A. B. Whitlock, Wheeling, W. Va.: "Our sales are ahead of 1913."

A. B. Pfeiffer, Chicago, Ill.: "Prospects for a big business year."

Frank G. Drew, New Haven, Conn.: "The outlook is very encouraging."

Davis H. Reddie, Springfield, Mass.: "Prosperity is in store for us."

Edward Fleshi, Milwaukee, Wis.: "Nineteen hundred and fourteen will be a splendid year for business."

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[From the New York Herald, Feb. 20, 1914.]

"The year 1914 should be the greatest in the history of our State." This is the statement of Robert Newton Lynch, the president and manager of the Chamber of Commerce of San Francisco. Mr. Lynch added: "As far as we have learned from our business contact with other States throughout the country, there is a general rise in confidence all around and a thoroughly optimistic look."

Concerning employment conditions in the West, Mr. Lynch declared that, while labor demands were being met, the supply does not exceed the demand, save in seasonal employments.

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[From the New York Herald, Feb. 22, 1914.]

TRADE CONDITIONS.

INDICATIONS FOR GOOD SPRING TRADE.

A. V. Hamburg, president of the Newark Board of Trade, said: "Business is pretty good and orders are coming in well, with indications that the spring trade we are preparing for will materialize."

Attention was called yesterday by an important business man to an anomalous condition faced by the Daily Iron Trade, a Cleveland publication, which about a month ago undertook to collect proof that there was wide depression in the iron, steel, and metal trades of the United States. He exhibited a copy of the publication to show that its own news articles contradicted that assumption. On January 16 last the front page of the Daily Iron Trade, which is an organ for the industry, contained an article under this heading: "Steel trade backs up idle workmen statements."

On page 3 of the same issue appear articles under the following heads: "Structurals in better demand," "See big rail tonnage," "Sheets appear of firmer tone," "Puddling mills to resume work," "Buffalo sold much," "Wire goods in better demand," "Larger bar tonnage."

TEXTILES.

Herman W. Block, of the S. S. Stein Co., said: "Letters we are receiving from retailers and from our agents everywhere speak hopefully of the future. Orders which we are receiving are unusually large for this time of the year."

TYPEWRITING BUSINESS.

The typewriter industry never was more prosperous or more promising than it is now, according to Harry Bates, of the Underwood Typewriter Co., in its head offices in the Underwood Building in Vesey Street.

"Instead of feeling any depressed business condition," he said, "we have been enjoying a continuous boom. Our business is better now than ever before, and contracts in hand indicate unmistakably that it is going to be better still.

"No one thought of crying hard times a year ago, yet business conditions everywhere, as indicated by our business, are better than they were a year ago.

WOMEN'S COSTUMES.

I. Lahm, of Lahm & Deutz, women's costume designers, at Nos. 33 and 39 West Thirty-fourth Street, said he expected the biggest season the firm ever has known.

"Already our sales for this year have exceeded by 10 per cent double the sales of this time last year," he said. "Our collections, which until recently were rather slow, are fine now, and our losses for the last several months have reached a minimum. I regard the promises of this business year as nothing short of phenomenal. Merchants who have come here to place their spring orders are actually sending in hurried reorders, saying that business in its present state promises so well that they do not want to be caught short handed. We find right now that our only trouble is the inability to fill orders, not to sell goods."

TRADE IN JEWELRY SPECIALTIES.

Charles Lippman, of the Lippman, Spier & Hahn Co., designers and wholesalers of jewelers' novelties, at No. 1261 Broadway, with branches all over the country and in Europe and South America, said: "Our business, I find, is an excellent index of general conditions. We sell largely to the big department stores, and they buy little of our goods when times are dull, because their customers do not buy many trinkets when they have little money. This year our sales have been heavy, and the quality of the goods has been excellent."

Matthias Stratton, of Alling & Co., manufacturing jewelers, said: "Storms have caused a cessation of orders in our line from the central western section of the country, but otherwise the trade is keeping up. Collections have improved since the first of the year, and jewelry manufacturers generally are working on full time making spring goods, the outlook being good for a brisk demand."

AUTOMOBILES.

From the automobile industry comes the particularly optimistic statement of Harry S. Houpt, president of the automobile company of that name, which deals principally in Lozier cars, at No. 1751 Broadway.

"This is the eleventh year I have been in the automobile business," said Mr. Haupt, "and in January and February of this year I have been more successful than in any other two months since I began. Since the first of the year I have outsold the previous best two months by 14 automobiles."

Arthur B. Underwood, president and manager Riley-Klotz Co., makers of automobile accessories, said: "We are not as busy as we could be, but orders are coming in steadily, and we are hoping that the indications for a brisk trade revival this spring will materialize. There is nothing to croak about, and if the promised forward movement arrives on time we'll all be too busy to even shout for joy."

SANGUINE IN CLOTHING TRADE.

An indication of business conditions from the viewpoint of New York business men was shown in a statement by Maurice Brill, of Brill Bros., dealers in men's wearing apparel. "Everyone in our line of business is sanguine," said Mr. Brill. "Manufacturers and importers are going ahead as fast as ever."

SHOES AND LEATHER.

Johnson & Murphy, shoe manufacturers, reported a full force, working full time. The season is regarded as a good one, with bright prospects for spring trade.

Weingarten Bros.' corset manufactory is running full time, with a force of about 1,500 workers. Sales for January exceeded those for the same month last year and big orders are coming in.

Whitehead & Hoag, manufacturers of badges, buttons, and novelties, have between 750 and 800 hands working full time, a larger force than was employed a year ago.

Peter Loehnberg, Atlantic Leather Co., said: "The leather trade has picked up considerably during the last few weeks. Orders are coming in and there are indications that within the next 60 days the leather-making industry will be humming along at a great rate."

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BRIDGEPORT FACTORIES WORKING TO CAPACITY.

BRIDGEPORT, CONN.

Threatened disturbances in business having been found mythical, factories here are working at capacity and some of them overtime to meet demands of their trade. Among others, the Union Metallic Cartridge Co. is working overtime.

D. W. Wheeler, secretary of the Acme Shear Co., said: "The business outlook is very good. We can see good business ahead."

S. T. Davis, jr., president Locomobile Co. of America, said: "As far as our own business is concerned, we know that the tendency is toward improvement. The general sentiment throughout the country is optimistic."

F. J. Kingsbury, president Bridgeport Brass Co., said: "Business is better with us now than at the close of last year. The outlook is for a steadier business than last year."

C. E. Woods, manager of the American Graphophone Co., said: "Up to January 1 we never had such big business, and business at the present is about 20 per cent ahead of last year. There has been no diminution in the export trade."

Charles V. Barrington, secretary Crane Valve Co., said: "We are running full time in our plants here. Everything is picking up and conditions look good for the future. We are shipping to all parts of the United States."

Dever H. Warner, president Warner Bros. Co., manufacturers of corsets, employing 5,000 persons, said: "We look for normal conditions of business during the year and think that the work being done is bound to be a benefit to the country. We believe that the tariff will adjust itself and that from every viewpoint business is bound to be good. Our export business is increasing."

F. E. Basketz, superintendent of the Fletcher Engineering Co., said: "The business outlook in this country is good. We expect a big year not only from the building operations which have already begun, but from contracts upon which we are asked to bid."

Charles Hutchinson, treasurer Barnum & Bailey Circus, said: "We are expecting one of the biggest years in the circus business which we ever have known. The seating capacity of our big tent has been increased several thousand."

Thomas J. Seward, superintendent Electric Cable Co., said: "With a quiet beginning, we look forward to a good business. Our factory is working full time, with new business in sight for March and April. This is an extremely good outlook for what is usually a bad season."

Lynn W. Wilson said: "Business should be better than normal during the year. Many concerns here are putting on help, and some few are working overtime. At this season of the year outdoor workers are usually without employment. When outdoor occupations are resumed in the spring it will be discovered that the scale of employment is greater than it was a year earlier."

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[From the New York Herald, Feb. 21, 1914.]

MANUFACTURERS REPRESENTING $500,000,000, IN PROSPERITY CONFERENCES HERE, SEE GREAT BUSINESS YEAR AHEAD.

Sounding a note of present and forthcoming prosperity and of confidence in the stability of the fundamental business principles of this country, more than 50 prominent manufacturers, representing $500,-

000,000 of invested capital, met yesterday at the Waldorf-Astoria to consider cooperation for immediate expenditures that would develop trade and bring added volumes of business in the revival that they predict is near at hand.

C. L. Forgey, representing Berry Bros., varnish manufacturers: "This year looks fine for us. We have received orders for fine baking japans for use by concerns in Milan, Italy, and Turin. Business is fine, and the prospects are bright. Our Detroit, Walkerville, and San Francisco factories are running all the time, and one branch of the Detroit plant is running day and night."

R. L. Prather, advertising manager of the Thomas G. Plant Co., Boston: "We manufacture fine shoes for women. Naturally we come into contact with the best stores not only in America but abroad. We feel exceptionally optimistic, and our sales are most excellent. We have every confidence that the market is going to be just as good, if not better, as the year advances."

GOOD OUTLOOK FOR SHOE TRADE.

F. R. Maxwell, vice president of the Thomas G. Plant Co., Boston, shoe manufacturers: "The fundamental business conditions are all right."

H. T. Coldwell, assistant general manager and secretary of the Coldwell Lawn Mower Co., Newburgh, N. Y.: "There is every reason to say that the business outlook for the coming year never was better. It is so with us. Conditions are good for prosperity, and we are going to have a corking year."

FINE PROSPECTS FOR FURNITURE.

C. B. Hamilton, of the Berkey & Gay Furniture Co., Grand Rapids, Mich.: "There is every prospect that 1914, while it has started slow, will finish strong. Retail stocks are low, and every condition points to a successful year."

W. Laughlin, representing Armour & Co., Chicago: "With a greater consumption of 'the ham what am,' the country is bound to be more prosperous."

O. B. Carson, advertising manager of the American Optical Co., Southbridge, Mass.: "The outlook for the current year is excellent. Present business is most encouraging. It started slow for the year, but bids fair to end with record business. We have felt no hard times since President Wilson went into office, and we are expecting a general improvement all around."

Frank I. Towle, of the Towle Maple Products Co., St. Paul, Minn., and St. Johnsbury, Vt.: "From reports given to us by our salesmen throughout the section west of Chicago we find the southwestern territory in particularly good business and financial condition."

A. B. Whitlock, New York representative of the Hazel-Atlas Glass Co., Wheeling, W. Va.: "Our sales are ahead of the same period in 1913. The prospect is good for the rest of the year."

ARMOUR & CO. SATISFIED.

A. F. Pfeiffer, representing Armour & Co., Chicago: "Prospects and conditions are encouraging for a big business year."

Frank G. Drew, sales manager of the Winchester Repeating Arms Co., New Haven: "Business at present is normal with us. The outlook for 1914 is very encouraging."

David H. Reddie, of Smith & Wesson, Springfield, Mass.: "With conditions fairly normal, we believe that prosperity is in store for us."

John H. Eggens, of the L. E Waterman Co.: "Business is good and improving, as unsettled conditions are being cleared up."

E. P. Seymour, of the L. E. Waterman Co.: "When uncertain matters of legislation are settled, business will resume activities to proportions heretofore unknown in this country."

H. E. Cragin, representing Armour & Co., Chicago: "Conditions are promising."

Edward Freshl, president of the Holeproof Hosiery Co., Milwaukee, Wis.: "Indications are that 1914 will be a splendid year for business."

George W. Dickerman, vice president of the Remington Typewriter Co.: "There seems to be a better feeling generally to-day, with sounder business conditions."

Walter H. McClure, of the Hazel-Atlas Glass Co., Wheeling, W. Va.: "Conditions are normal; orders are plentiful and prospects are good."

George S. Quay, of the Hazel-Atlas Glass Co., Wheeling, W. Va.: "The business outlook for 1914 is very bright."

John Rickaby, of the Towle Maple Products Co., St. Paul, Minn.: "The business outlook is, in our opinion, favorable for healthy progress in all legitimate lines."

John J. Gardiner, sales manager of the Hull Bros.' Umbrella Co., of Toledo, Ohio: "We have every reason to believe this will be our banner year."

Eben C. Speiden, of the International Acheson Graphite Co., Niagara Falls: "Prospects and conditions are encouraging. The Rice Leaders of the World Association represents the most powerful force for the promotion of clean and honest business that ever existed in this or any other country."

Charles M. Steele, vice president and general manager of the Carl M. Green Advertising Agency, Detroit, representing Berry Bros. (Inc.) and the Anderson Electric Car Co.: "Automobile and other business in Detroit shows marked improvement. The outlook for the year is very bright."

FACTORIES RUNNING OVERTIME.

Francis D. Bowman, advertising manager of the Carborundum Co., of Niagara Falls: "We sell grinding wheels and other abrasive products to the factories of the world. When factories are running, our products move. At present our plant is running overtime to meet demands. The manufacture of grinding wheels and grinding products is a splendid trade barometer."

George U. Crocker, president of the Simplex Electric Heating Co., of Cambridge, Mass.: "A period of readjustment to new business ideals is closing, and a period of advance under new conditions is in sight."

H. H. Whiting, Pillsbury Flour Mills Co., of Minneapolis, Minn.: "The business outlook is very encouraging at the present time."

P. C. Ludlam, general sales manager of the Coldwell Lawn Mower Co., Newburgh, N. Y.: "Business prospects are excellent, and the Rice Leaders of the World Association will materially improve the already prosperous business conditions."

Philip F. Hall, National Veneer Products Co., of Mishawaka, Ind.: "Business is 35 per cent ahead of last year, and it looks as if we will hold it for a year."

BUSINESS IN GLASSWARE GOOD.

J. C. Brady, vice president of the Hazel-Atlas Glass Co., Wheeling, W. Va.: "Judging solely from our own business, general conditions and prospects are good."

E. C. Waidvogel, assistant general manager of the Yale & Towne Manufacturing Co.: "Business for 1914 will be up to the normal, with more to come."

Lothar W. Faber, of the Eberhard-Faber Pencil Co.: "Present business conditions are normal. The future prospects are favorable, unless interfered with through legislative action."

A. G. Baker, vice president of the Niagara Silk Mills, of North Tonawanda, N. Y.: "Conditions are promising for a good year, and there is every indication of a returning confidence and prosperity."

W. C. Anderson, president of the Anderson Electric Car Co.: "The future depends upon the action of legislation on railroads and corporations. Give prosperity a chance and we will have it."

At the banquet last night at the Waldorf, Job E. Hedges presided, and speeches were made by Isaac F. Marcosson and William B. Howland.

VOTE OF THANKS TO THE HERALD.

Felicitous speeches were made also by C. B. Hamilton, of the Berkey & Gay Furniture Co., of Grand Rapids; H. Seymour, of the L. E. Waterman Co.; E. Eaton, of the Eaton, Crane & Pike Co.; F. R. Maxwell, vice president of the Thomas G. Plant Co.; and Mr. Rice, all of whom had a tone of hopefulness and praised the purposes of the association.

Mr. Hedges brought up the matter of the Herald's attention to prosperous companies, and said that, as this newspaper had exerted itself toward expressing the optimistic side of the situation, he thought it was in keeping with the purposes of the association to extend a vote of thanks. David H. Reddie, of the Smith & Wesson Co., put the question in the form of a motion, and Edward Freshl, president of the Holeproof Hosiery Co., seconded it. Mr. Hedges then put the subject to a vote, and it was passed unanimously.

Nathan Straus, of New York: "We are entering what will be the greatest era of prosperity the country has known. The grip of Wall Street on the United States has been shaken off by the new currency law. It means that all parts of the country may act on their own initiative without being compelled to consult Wall Street."

B. J. Greenhut, of the Greenhut-Siegel Cooper Co., said there is not the slightest indication of slackening in the speed of business in his house, and in coming in contact with others in the same and associated lines he has learned, he said, that the same feeling of confidence is firmly established throughout the country. There are as many employees at work in the various great business houses throughout the city as there were a year ago, and as far as the Greenhut-Siegel Cooper Co. is concerned, said Mr. Greenhut, business is very healthy, indeed, and everyone is busy.

GLASS.

Commending the Herald's reports on the business situation, Representative Edwin S. Underhill, of New York, in an interview to-day called attention to the boom conditions in the glass industry. He said:

"It may be of interest to the Herald to know that the Corning (N. Y.) Glass Works is at present enjoying a period of the greatest activity since its establishment, 40 years ago. It is the largest glass factory in the United States, employing upward of 1,500 persons. It never employed so many men before and its pay roll was never so large.

"Corning's leading paper states that the pay roll last week was nearly 30 per cent higher than the corresponding period a year ago, and that one of the blowers received $45 for his week's work on the piecework basis, on which the factory operates."

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[From New York Journal of Commerce, Feb. 3, 1914.]

NATIONAL ASSOCIATION OF CREDIT MEN ON BUSINESS OUTLOOK.

That business men are more cheerful regarding the outlook is asserted in the February circular letter issued yesterday by the National Association of Credit Men. It says:

"The first month of the new year has clearly given a new note to business. Uncertainty as to what was going to happen next has been giving way during the month to definiteness. Instead of pursuing a policy of self-protection, as business men have thought necessary for several years, they may look forward, in lines where stocks have not been carried over on account of unseasonable weather, with genuine confidence, working aggressively and expansively for business.

"There is a world-wide ease in the money market, a condition almost novel, so long is it since we have been free from financial stress and strain in one or more of the world's centers.

"This note of cheer does not mean that we need be less vigilant in keeping receivables well under control, for no matter how favorable business prospects may be, anything but a close-collection policy is bad business.

"It is obvious, from reports reaching the national office, that during the last two months of 1913 slowness in the settlement of merchandise accounts was general. There are two distinctive reasons for this condition: First, unseasonable weather operating against sales of winter stocks; and, second, timidity on the part of the interior banks pending banking and currency legislation."

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[From the St. Louis Republic, Feb. 12, 1914.]

GENERAL BUSINESS.

The marked changes in financial conditions in New York to-day are harbingers of a period of great prosperity, according to Ben Altheimer, president of the Altheimer & Rawlings Investment Co., who has just returned from the East.

"There is money everywhere for investment. Interest and discount rates have been lowered. Commercial paper in large amounts is being bought up rapidly by the banks, and new issues of securities are absorbed as quickly as they are offered.

"Banking houses that had prepared February bond circulars to mail to their clients were compelled to withhold them, as the securities were disposed of without the necessity of circularizing.

"Whether this is a natural reaction from the lethargy of business that existed a few months ago, or whether it is caused by the demand resulting from prosperity, I can not say. It is certain, however, that confidence has been restored here and abroad, and Wall Street has proved again that it is not only cold and practical, but also sensitive and sentimental—a contradiction, but a fact.

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EXTRACTED MATTER RELATING AFFIRMATIVELY TO STATEMENTS THAT PROSPERITY IN THE UNITED STATES HAD BEEN REVIVING BEFORE THE EUROPEAN WAR.

[Extracted from the New York Times of Jan. 1, 1914, p. 17, Chicago dispatch.]

The big bankers of Chicago are a unit in their belief that the year 1914 will bring an era of general prosperity and a resumption of business activity in centers where there has been an undeniable depression.

[Extracted from the New York Times of Jan. 2, 1914, p. 1, Philadelphia dispatch.]

John Wanamaker, at a Union League dinner, sounded a note of optimism by declaring that he had no fear of any serious unsettlement of business or of any long disturbance of prosperity.

[Extracted from the New York Times of Jan. 4, 1914, p. 8, editorial article.]

A sane and sober optimism is the dominant note in the trade forecasts of bankers and business men published in the annual financial section of the Times yesterday. * * * In the first place, the business year 1913 was not a bad one. * * * Very soon everybody will get over being afraid, men will see that there is no reason for fear; they will cease looking for causes of alarm and timidity. Then, other conditions being unquestionably favorable, the country will find itself in the midst of prosperity.

[Extracted from article "A return of optimism" in Literary Digest of Jan. 10, 1914, v. 48, pp. 80–81.]

From many quarters both here and in Europe the closing week of the year brought signs of returning optimism in financial quarters. Bankers of international repute were understood to have become "increasingly sanguine," the chief reason being an approaching end to a world-wide tension in money.

One of the best-known bank presidents in Chicago was quoted as having said in public just after Christmas that the currency bill as modified and passed was "a good thing for the entire country and would start the wheels of prosperity rolling again." A prominent business man in Boston declared his belief that the country was "on the eve of the greatest prosperity ever known." The tariff and currency bills he thought would "bring new life and spirit into business." The boom, in his opinion, would be well under way by the fall of 1914.

[Extracted from the New York Times of Feb. 8, 1914, p. 13. Local news article.]

Mr. E. J. Cattell, city statistician of Philadelphia, said the Nation was facing an era of prosperity "beyond any known in any country of the world at any period" because of greater agricultural production and output of mines.

[Extracted from the New York Times of Feb. 26, 1914, p. 7. Washington dispatch.]

In Mr. James J. Hill's opinion, basic conditions were sound and business would soon be showing signs of great national prosperity.

[Extracted from the New York Times of Feb. 27, 1914, p. 10. Reprint from Evening Sun.]

Andrew Carnegie takes an optimistic view of economic and industrial conditions. "No country," he said, "travels ahead at a uniform pace. They all have their periods of prosperity and depression. But no country in the world has such prospects as our own Republic. * * * Our exports and imports show the situation clearly."

[Extracted from the New York Times of May 28, 1914, p. 21. Local news article.]

Walton H. Marshall, managing director of the Vanderbilt, got back yesterday from a business trip through the South as far as New Orleans and reported that everywhere business was booming.

[Extracted from article "'Psychological' Hard Times," in Literary Digest of June 13, 1914, v. 48, pp. 1420–1421.]

With these figures [used by Secretary Redfield before the Raleigh Chamber of Commerce] in mind, the Democratic Philadelphia Record points out that "the country is doing more business under the Underwood tariff than it did under the Payne-Aldrich tariff." Secretary Redfield's optimism is shared by the steel men who recently gathered in New York. Judge Gary thinks prosperity is at hand. President Thomas, of the Briar Hill Steel Co., of Youngstown, Ohio, says, "We are in the swing now and may shortly expect a remarkable period of expansion." These men agree that conditions are fundamentally sound. And meanwhile, notes the Baltimore Sun, "bumper wheat and fruit crops are predicted, bank clearings are running along greater than they were last year, and the cost of living, as shown by the index numbers, has decreased." The same story, says the New York Herald, "is told by recent comparative increase in the earnings of a number of the railways. Pittsburgh tells of greater purchases of basic pig iron—the inevitable forerunner of greater demand for finished steel products. Fall River notes an improved inquiry for cotton textiles. And so runs the better feeling through the whole cycle of industries. * * * There are signs on every side that the period of retrenchment, economy, doubt, and gloom has ended and that the country is about to enter upon an era of expansion and prosperity."

[Extracted from the New York Times of June 26, 1914, p. 1. Washington dispatch.]

Addressing a delegation of Virginia editors, President Wilson declared that the United States was on the eve of the greatest business boom in its history.

[Extracted from the New York Times of July 4, 1914, p. 10. Wall Street "topic."]

Col Robert M. Thompson, chairman of the International Nickel Co., just returned after nearly four months in Europe, was yesterday quoted as saying that business was better in the United States than it was abroad.

[Extracted from the New York Times of July 10, 1914, p. 2. Washington dispatch.]

"Cheer up! I agree with the President that the era of prosperity is coming fast," said Henry Ford on leaving the White House to-day. Mr. Ford pleased the President by telling him that the tariff had not caused business depression.

[Extracted from the New York Times of July 14, 1914, p. 8. Editorial article.]

Signs of the early revival of business, which were abundant in the reports from authoritative sources all over the country published in yesterday's Times, are multiplied in to-day's news. There are more buyers from every part of the United States in town to-day than ever before at this time of the year, and the list of them fills two columns and a half of print.

[Extracted from the New York Times of July 17, 1914, p. 3. Chicago dispatch.]

John V. Farwell, head of the wholesale dry-goods firm of J. V. Farwell & Co., asserted to-day that prosperity already was here.

[Extracted from article "Advance Notices of Prosperity," in Literary Digest of July 25, 1914, v. 49, pp. 138–139.]

But even in steel and iron there are reports of better times. Take, for instance, this announcement from a Republican paper, the Pittsburgh Telegraph: "Pittsburgh is returning to its old-time prosperity. This is the opinion voiced by leading manufacturers, bankers, and business men of the community. All branches of trade are feeling the stimulus of the return of normal conditions. * * * Reports in the iron and steel industry for July in the Pittsburgh district show an increase over June of 10 per cent. For August, the outlook is still better." The Iron Age reports that "the corner seems to have been turned at last" in the steel trade, and tells of manufacturers shortening their usual mid-year shutdowns for inventories and repairs because of demands from customers.

Several newspapers are encouraged by the Pennsylvania Railroad's recent order for 81 new locomotives, 1,000 all-steel freight cars, and 100,000 tons of new steel rails. Men laid off at this road's Altoona shops have returned and additional workmen have been required. The New York Commercial and other authorities report a "more liberal buying on the part of railroads." The Wall Street Journal tells of a most encouraging outlook for a large demand for coal in the fall. Several business authorities, including the American Wool and Cotton Reporter and Marshall Field & Co.'s weekly trade review, speak of growing activity in textiles. Delegates to a New York convention of the National Leather and Shoe Finders' Association gave out most optimistic statements to the press, making, as the Jersey City Journal (Ind.) puts it, "an assault upon the calamity howlers that will long be remembered."

The New York Times has been making a Nation-wide inquiry into business conditions and prospects at the beginning of this month, as compared with the same time last year. Summing up the correspondence and reports received, it notes running through the entire mass "a feeling of confidence in the immediate future." The railroads have suffered most, but "expect a big increase over last year's business when the crops begin to move." It will take 525,000 cars to move the winter-wheat crop alone, after making allowance for farm and local consumption, says E. C. Simmons, the St. Louis hardware magnate. Automobile manufacturers, says the Times in its summary, "report business booming."

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Several papers mention the country's bank clearings as a good sign. "For the first half of 1914," says the Springfield Republican (Ind.), "they were but 1.4 per cent below the same period last year," and in the early weeks of July they exceeded the 1913 record. "These figures," says the Republican, "can not be explained in any way consistent with 'hard times': in all previous periods of very severe depression in business bank clearings have fallen off from 10 to 20 per cent." Idle railroad cars are now "decreasing fast as the crop movement goes on," and, according to the Republican, "it is now admitted that the figures of idle cars have for months been swollen at least 10 per cent by the inclusion of freight cars that under ordinary circumstances would be scrapped. These cars can never be put back into service, but their inclusion in the idle-car showing made a fine hard-times exhibit and helped to intensify the 'psychological' side of business depression."

Mr. HUSTING. Mr. President, I want to say a few words about the question at issue here, which, as I understand, is whether the members of this commission shall receive $7,500 a year salary or $10,000 a year salary. The Senate has been debating this question for about five hours and a half and is debating it at this time, and I understand that we have devoted five hours and a half to save the sum of $15,000 a year. I like to see economy practiced, but a Congress that has expended the amount of money that this Congress has, whether it expends another $15,000 upon this board or not, is not going to make any particular dent in the appropriations or put any particular bump upon it.

I think this is a wrong time to talk economy in establishing a board of this kind. A Congress that can vote $42,000,000 for river and harbor appropriations ought not to balk on $15,000 a year. A Congress that has expended the amount of money this Congress has expended ought not to balk upon $15,000 a year when the results that are going to be obtained by such alleged economy are certain to be bad and not good.

I do not think the question is so much whether $7,500 is the proper compensation as the question. Why should this commission receive less than other commissions of equal or less importance? Why should we now have this spasm of economy upon this particular subject? I can not understand it. The reason why I am in favor of the amendment of the Senator from Iowa [Mr. CUMMINS] is that in establishing this commission, with the powers that have been given to it, I think it is very bad policy to attach to it something that is going to lower it in the public confidence, in the public esteem, and in the public respect.

We can talk as we will, but if this commission is of the importance that is claimed for it, and that the bill says it is,

and that the Senator from North Carolina says it is, why, then, should we put upon it something that gives it not only the appearance, but will give the people the impression and the understanding that its functions are of less importance, and that this is an inferior commission to all the others?

It is my idea that the members of this commission should receive what the members of the other commissions are receiving. Then, if some Senator wants to introduce here a bill to reduce the salaries of all the commissions, I think a good deal of what has been said upon this floor now would then be pertinent to the issue; at least, it would be worthy of consideration. But when we have already established commissions and given the members salaries of from $10,000 to $12,000 each, I think we are begging the question and losing sight of the main issue when we suddenly say we must economize and we must give these men less than the others are receiving.

The Senator from North Carolina, in my opinion, made a very good argument as to why these men should receive $10,000 a year. He pointed out their functions. He showed that this commission is more important and has greater powers than almost any other commission that has been established by this Congress. He pointed out why, and he said it so well that it is not necessary to repeat it; and I could not improve upon it if I wanted to. But he conclusively shows that this commission is invested with powers and is to be composed of men who will need a higher degree of ability in the performance of their duties than almost any other commission that has been heretofore established.

To fill this position properly the man has to to be a student, a scholar, an economist, and a statesman. His qualifications, in my judgment, will have to be greater than those of most, if not all, of the other commissions, whose members are receiving ten or twelve thousand dollars a year.

Why does the Democratic Party, or why does the Senate, after giving the people what it understands has been demanded for a great many years, at the very moment when it is yielding to public sentiment, want to go and spoil its own work by parsimonious treatment of salaries and put to their act the injurious appearance that while yielding to the public demand it does so grudgingly and stingily? Why do we want to make it appear that while we organize a commission we also want to discredit it and humble it?

The contention has already been raised on the other side of the Chamber that this is only a temporary makeshift; that we have not established this commission in good faith; and it was argued here by Senators on this side that there is no foundation for any such charges.

There is not any except the salary that you are going to pay; and when you reduce the salary to $7,500 a year you lay yourselves open to this very imputation that you are not in good faith putting men here who you think are going to be of any great service, and are in a way confessing that you do not believe that this commission amounts to as much as other commissions amount to whose members receive a greater salary. That is the plain inference that is going to be drawn. It is the argument that is going to be made.

The argument that it is not a permanent commission has been sufficiently answered. It is a permanent commission, and it is a commission whose members are invested with high, multifarious, and important duties to perform. Perplexing questions will arise before it, and we have provided in this bill for a continuing appropriation. But after doing all that we ought to do in the matter, we finally taper it off by saying: "Well, we do not think it amounts to very much, anyway, and its members ought not to receive the salaries that other commissions which we have established are receiving."

The facts that these duties have been committed to other branches of the public service or to other commissions does not in any way reflect upon or take away the importance of the duties of this commission. It may be that the Federal Trade Commission, among the hundred powers with which it is invested, may do this very thing; but this bill is for a special purpose. It is to have a commission to specialize on this very branch of inquiry. It is a special field that is to be turned over to them, and its powers are as broad as they can constitutionally be made by the Congress.

While it may be true that others expected that legislative power would be vested in this commission, yet everybody knows, or ought to know, that Congress can not delegate the power of legislation to anyone else, and that this commission goes as far as any commission can go in assisting the Congress in proper tariff legislation. It has been recognized now by both parties that tariff legislation ought to be based on well-known facts, facts gathered and collated together which will enable Congress to legislate intelligently and effectively upon this subject, which has been the football of so much politics in the past. It will require men of high standing; and no man ought to be deterred from entering upon the performance of his duties because of the idea that this is an inferior commission and is only to be filled by mere clerks and statisticians. I say it requires not only statisticians, or a man who understands statistics; it requires a statesman to properly fulfill the duties of this office and to do his part in the performance of the important duties with which he will be invested under the bill. I hope that the amendment will be adopted.

Mr. THOMAS. Mr. President, the session is now rapidly drawing to a close and I hesitate to trespass upon the patience of the Senate. But I can not forbear making some rejoinder to the criticisms which have from time to time been directed ostensibly to this bill, but actually to the policy of the party which sponsors it. They have, I think, been designed, not so much to provoke discussion as to furnish material to the Republican campaigner, whose tendency to accept their conclusions will be justified by our failure to notice them. For this reason only I ask the indulgence of the Senate for half an hour.

It has been asserted by the Senators from Pennsylvania and Utah that the Underwood bill was the harbinger of hard times; that the country was prosperous when Mr. Taft surrendered the Presidency to his successor; that these pleasant conditions were aggravated as time passed, and but for the providential occurrence of the European war the country would, through Democratic administration, have been plunged into the horrors of a wide-spread panic. The truth of this assertion I challenge in detail and in conclusion.

The depression in commercial and industrial circles throughout the greater part of 1912 was a noticeable and depressing feature of that year. The world-wide expansion of credit, the failure of many large enterprises to meet their current obligations, the sensational exposure of the New Haven wreckers and the wide-spread ruin of its shareholders, the collapse of other great railway systems through criminal mismanagement and dissipation of their resources, the increase of European army and navy establishments, necessitating enlarged budgets and taxation, could have produced no other result. Added to this was the burden of the Payne-Aldrich bill upon the industries of the people. These conditions supplemented by the disclosures of the Pou committee were inherited by Mr. Wilson's administration as a legacy of the immediate past. They continued with varying degrees of change through the succeeding year, and were rapidly responding to the beneficent legislation of the Sixty-third Congress when the assassination of the Austrian heir apparent, in July, 1914, plunged the Old World without warning into the most awful conflict of history.

The immediate consequences of this war upon the economic and financial affairs of all neutral nations was appalling. I shall not review them, for they are too fresh in the memory of everyone. Our sufferings were acute, albeit we suffered far less than other countries. Our cotton planters were reduced to bankruptcy; our exchanges closed to transactions of every sort; business suffered sudden paralysis; all enterprise was palsied; great manufacturing establishments temporarily suspended their chief activities; and money disappeared from circulation. But for the recent monetary legislation of a Democratic Congress, panic and wide-spread disaster would have been our certain store. For these conditions no party was responsible.

This widespread disarrangement of our normal activities was at once ascribed by the Senators from Pennsylvania and Utah, with many others, as the logical offspring of the Underwood bill. In this very Chamber they made the assertion and reiterated it. They gleefully pointed to the bread lines in the great cities, to the collapse of the cotton market, to the suspension of the exchanges, and to the issue of emergency currency as a full and final vindication of their prelegislation prophecies. They gloated over the sufferings of the public, taunted Democracy with incapacity, and called upon the country to make note of the consequences of the defeat of the good old party of Lincoln.

To our reply that financial disaster was world-wide, they were derisive. To our reminder that other countries were declaring moratoriums, canceling obligations, and facing national bankruptcy, for the same reasons which caused our sufferings, they voiced loud and strident denial. They would have it otherwise.

Then came the change. Business revived. Industries stirred with renewed activity. Commerce rode upon the waves and spread her white wings of prosperity over the continent. Money poured into the lap of the Nation from every point of the compass. The farmer flourished and waxed with abundance. Cotton resumed its throne, and the great transportation systems

groaned beneath the burden of their overtaxed equipment. No such times had been ours within the memory of man.

Now, these gentlemen, chagrined because the bread line disappeared and employment has become the boon of every citizen, have readapted themselves to the situation. They can not deny that prosperity is here, but they say it is here in spite of Democracy; that it is a war prosperity, a temporary prosperity, a blood-bought prosperity; that the war is the salvation of Democracy, and that with the return of peace in Europe, prosperity will spread her wings and fly away, leaving us distraught and desolate again.

Mr. President, I shall not deny that much of our present prosperity is the offspring of the great war. Mr. Seward said to the New York merchants in 1861, that there was no customer like a great nation engaged in an offensive war. The entente allies of Europe are our customers. They have given us enormous orders and quickened the currents in every channel of activity. They have set all the wheels of our machinery in motion, have taken our surplus fabrics and foodstuffs and poured the golden treasure of their centuries of accumulation into the streams of our national commerce. But to attribute all our fortunes to that single cause is unjust and unfair. Every impediment to full and free exchange, to expanding industry, and to international commerce had been removed by wise remedial legislation of this administration. But for these aids our facilities would have been inadequate for the strain of disaster immediately following the commencement of the war, or the demand for supplies which quickly succeeded the transient depression.

Prognostication is easy when it is ex post facto. I can with equal propriety and with equal truth declare that had the war never occurred the stagnation in business affairs characterizing the last year of the Taft administration, and the greater part of 1913 as well, would have disappeared under the beneficent operation of the Underwood bill, the Federal reserve act, and other acts of helpful legislation placed upon the statute books by the first session of the Sixty-third Congress, the abundant evidences of which were everywhere prevalent in the midsummer of 1914.

Republicans are fond of claiming credit for the red-letter years 1899 and 1900, but they can not deny that for more than a year after the enactment of the Dingley tariff law times were as depressed and business as stagnant as in the immediate years preceding. No reaction from the hard conditions of 1895 and 1896 was anywhere apparent prior to the Spanish-American War. The flood tide of McKinley prosperity was born with the declaration of hostilities in 1898. The country responded to like demands for war material and equipment; the Government expended its millions in fitting out its fleet and mobilizing its Army. Business caught the infection of national activity, and every occupation became endowed with renewed life. It is a truth which history demonstrates, that wars are breeders of commerce and good times. The bloody sacrifices of humanity find expression in a quickened and enlarged industrial movement responding to the demand for vast and unlimited governmental supplies. The close of the Spanish War did not terminate the prosperity which it created; that remained with us until wild and limitless speculation of our people culminated in the financial unheaval of 1901. Senators upon the other side of the Chamber can not deny this historic sequence of events nor escape the assertion that war was quite as much responsible for the good times of which they boast as it is for that which the Nation now enjoys.

Senators have taken occasion during these debates to denounce what they are pleased to term "Democratic extravagance." This seems to be their chief source of complaint, since they return to it without ceasing. It is true that our expenditures have exceeded the limit of preceding Congresses, but it is equally true that the Government has largely extended the area of its activities since 1913. This means increased expenditures, or the administration of new laws is impossible. The Senator from Pennsylvania knows this as well as anyone. He also knows that the Roosevelt administration was in this respect the most extravagant of them all, for he was a part of it, and, if I mistake not, a supporter of all its policies. Indeed, I may say without offense, but with perfect truth, that the Senator does not care a rap for extravagance in administration, except as it may supply him with political capital. He has been in public life for many years, during which time he has never lifted a finger in the effort to economize. He has been conspicuous when his own party was in power for his advocacy and support of any and every thing tending to enlarge the power of his organization; and if ever, by voice or vote, he protested against the extravagance of his own party, the RECORD fails to show it.

Since 1913 the Senator's seat in this body has generally been vacant. Only during the past month has he been constant in his attendance, his purpose being revealed by his captious and carping criticism of every movement of the majority.

With here and there an exception of which the junior Senator from Iowa is the most notable example, no effort in the direction of economy has been observable upon the other side of this Chamber. On the contrary Republican Senators have in general been greedy for appropriations for their own constituents, and eager to vote for others without regard to their nature, extent, or purpose when coupled with their own. Republicans have asked for and received many gratuities in common with their Democratic brethern. Laxatives for sick ducks, appropriations for killing coyotes and prairie dogs, for pulling stumps, and repairing river banks in the Northwest are marshaled side by side with those aimed at citrus disease, the gipsy moth, the boll weevil, and the improvement of dry watercourses. The insincerity of the denunciations of Democratic extravagance is easily revealed by reference to these common assaults upon the National Treasury. They are characteristic of the times and on a par with the man who aids his associates in plundering an outsider, and then while retaining his part of the booty denounces them for lawlessness and outrage.

It was the Republican Party which acquired the Philippine Islands, and through its still powerful influence the attempted Democratic efforts to give them over to their own people, have been defeated. These islands have cost the American people more than three-quarters of a billion of dollars. Their cost will continue so long as we retain them. And every dollar of it is a total loss. But few Senators on the other side of the Chamber have protested against their retention, and none have denied the enormous expense to which they have subjected us. Certainly the Senators from Utah and Pennsylvania have not done so. These islands are productive to their constituents, who look forward to the time when, if retained, their resources can be exploited and made to yield of their abundance. Neither have these Senators protested nor complained of our pension appropriations. They know as well as we that a great proportion of pension legislation is prompted by political considerations. It is easy to use the Treasury to secure votes. Both parties, therefore, resort to it, and pension legislation has become a common scandal. But these gentlemen dare not include such appropriations in their indictment of Democratic extravagance, lest there be a reaction to their political detriment.

Republicans boast of their construction of the Panama Canal. This stupendous enterprise, constructed at a cost of half a billion dollars, is by no means a demonstrated successful one. Its foundations are as unstable as Republican principles. One or two more slides like those of recent occurrence and it might as well be abandoned. Its location was a blunder if not a crime. The next two years will determine whether it will prove a monument of national pride or of Republican extravagance. If it be the latter, the American people will visit their resentment upon the Republican Party and justly hold it responsible for rejecting the counsel of the best-informed and wisest statesmen of the hour, who plead for a different, indeed, for the only feasible and safe location.

There has been much weeping and wailing over the shipping-bill appropriation. Against it the sharpest witticisms and the most caustic sarcasms of the Senator from Pennsylvania have been directed. He knows, of course, that his party in its last platform declared for a merchant marine, as it has done for many years before, and he merely voices the protest of that platform against the shipping bill because it provided for the purchase and construction of vessels to be owned by the Government instead of giving their cost as subsidies to private interests as a reward for purchasing or building vessels of their own. To him and his party a subsidy is a sacred thing, because it enriches individuals. A Government-owned merchant marine is anathema, since no one is benefited but the people.

Indeed, Mr. President, the resolution of the Senator from Pennsylvania demanding the return of the revenue bill to the committee, with instructions to report an old-fashioned protection measure, discloses the real purpose, both of Republican criticism of the bill and its advocacy of preparedness. The latter has entailed an enormous added burden upon the taxpayers of the Nation. Revenues to meet this burden must be raised by taxation. Direct taxation is always unpopular. Any system which hypnotizes and then robs the individual, though more deadly, is far preferable to direct methods which never fail to provoke hostility and suggest political reprisals. Increased expenditures, therefore, tend to promote the protection spirit and lead to a return to the good old Payne-Aldrich days. What better platform, therefore, than PENROSE, preparedness, and protection?

The Senator from Rhode Island [Mr. COLT], the Senator from North Dakota [Mr. MCCUMBER], the Senator from Minnesota

[Mr. NELSON], and others have joined the Senators from Pennsylvania and Utah in their cry for protection. Indeed, they would not only forgive but commend the Democratic Party for its alleged extravagances, if, forsooth, this would lead to a restoration of the Republican protective régime. And we are told that such should be our legislative policy, because the close of the war will find the nations of Europe clogged and overburdened with huge masses of merchandise manufactured during the period of war, to be dumped upon our shores at bankrupt prices to the ruin of our people and the dismantling of their industries Nothing they declare can prevent this save a wall of protection mounting upward far beyond anything heretofore dreamed of in tariff legislation.

Mr. President, such assertions are so absurd that it is difficult to believe them to be seriously made. No such good fortune awaits the American consumer. The labor of Europe for the past two years has been dying on the battle fields, fighting in the trenches, nursing the wounded, manufacturing and furnishing supplies to the living, tilling the fields, and absorbing itself in the far-reaching and terrible requirements of nations battling for existence. Their manufactories have been converted into huge creations for the production of munitions, and commerce is suspended during the period of conflict. The raw material of industry is exhausted in responding to the requirements of war. The loom and spindle have given way to the maker of shells and dynamite.

When the war shall have ended, the demand for American goods will be as great as now, and theirs will be the vacuum to which American merchandise will be inevitably directed. My only fear is that these exhausted nations may be wholly unable to pay for the goods they need, and that our foreign commerce will suffer from the poverty which war always inflicts upon victor and vanquished alike.

The fear entertained by the Senator from Pennsylvania that the products of pauper labor in Europe may overwhelm the American market increases as the pauper himself diminishes or becomes incompetent. They are killing and maiming each other by the million, yet are they more dangerous than before. But this danger is neither so direct nor so appalling as to suggest to the Senator the expediency of excluding him or his goods. On the contrary, the more Pennsylvania can secure foreign pauper labor free of duty, the more drastic the competition with the American wage earner, the better pleased are those whom he represents here. I have on various occasions during the past two or three years been attracted by some editorials of the Saturday Evening Post regarding this subject, and with the consent of the Senate, I here append them.

The PRESIDING OFFICER. Without objection, permission is granted.

The matter referred to is as follows:

[From the Saturday Evening Post, Philadelphia, June 21, 1913.]

THE TARIFF.

TARIFF AND TRADE.

According to the elaborate investigation made by the London Board of Trade three years ago, wages for skilled labor in the United States are 130 per cent higher than in England; and in the Canadian market England gets a tariff preference amounting to 33⅓ per cent. Any high protectionist who is true to the basic protectionist dogma that ability to compete depends upon the wage scale will tell you that under those conditions the United States can not possibly compete with England for Canada's trade. But the United States does compete, and with signal success.

Eliminating all those items in which we have a decided natural advantage over England—including breadstuffs, meat, mineral substances and manufactures of wood—and taking only articles as to which England is fairly on all fours with us, a Scotch investigator finds that our sales to Canada have increased 280 per cent in 10 years, while England's sales have increased only 138 per cent.

Of iron and steel manufactures, books and printed matter, boots and shoes, electric apparatus, brass manufactures, and like articles—which England, paying less than half our wages, should theoretically make much cheaper than we can—we sold Canada last year more than a hundred million dollars' worth, while England sold only $16,000,000 worth. On the other hand, England can take our cotton, make it into cloth, and beat us selling the cloth to Canada; and of textiles as a whole, England sells Canada four times as much as we do.

The tariff has nothing to do with it. The wage scale has comparatively little to do with it. Ability to compete—that is, to make goods cheaply—depends upon the efficiency of the labor. Where our labor is most efficient, as in machinery, agricultural implements, and so on, we beat England in spite of a much higher wage scale. Where English labor is most efficient she beats us.

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[From the Saturday Evening Post, Philadelphia, Aug. 2, 1913.]

THE LESSEN OF OUR EXPORTS.

The Dingley tariff act was passed 16 years ago this summer and the Payne-Aldrich act changed it very little. Since that time our exports have risen from one billion dollars to two and a half billions; but exports of foodstuffs, whether crude or wholly or partly prepared for use, have actually decreased. Of manufactures, excluding wholly or partly manufactured foodstuffs, we exported $310,000,000 worth 16 years ago; but in the fiscal year just closed we exported decidedly more than a billion dollars' worth.

In the first year of the Dingley law foodstuffs amounted almost to one-half of our total exports. Last year they amounted to less than one-fifth. In 1897 manufactures were but little over one-quarter of total exports; they are now almost one-half. In exports of manufactures since 1900 the United States has gained 110 per cent, Germany 87 per cent, France 71 per cent, Great Britain, 69 per cent. All the other countries pay much lower wages than we do, yet in relative gains we decidedly beat any of them. Our exports of manufactures to Europe have almost doubled in eight years. We are selling the countries of North and South America practically three times as much manufactures as we did eight years ago.

These immense gains in exports of manufactures have been made under wide-open competition with every other country. We pay higher wages, meet all comers on an even footing, and pay the freight besides. In view of which the cry that a reduction of duties from the present 40 per cent level to about 30 per cent will ruin manufacturing in this country seems excessively absurd.

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MYTHICAL TARIFF BLESSINGS.

Most of the laborers engaged in steelmaking work 12 hours a day. A committee appointed by the stockholders of the Steel Corporation, headed by Stuyvesant Fish, pointed out the exhausting effects of 12 hours' daily labor in a steel mill, but at the recent annual meeting a resolution looking to the elimination of the 12-hour day was tabled.

The average earnings of laborers engaged in producing iron and steel are 22½ cents an hour, or about $16 a week when fully employed for 12 hours a day. At the same rate for an 8-hour day the men would earn only $10.72 a week, and they could not live on that. On the other hand, the Steel Corporation says it can not pay the same daily wage for 8 hours of work or even for 10, as it now pays for 12.

Volume 3 of the Government's investigation of the steel industry was recently published. It shows that in the production of pig iron labor constitutes only 6.4 per cent of the total cost; for the principal products of the steel mills it constitutes only 17.1 per cent of the total cost. Consequently, if labor were paid the same amount for an 8-hour day that it now receives for a 12-hour day, the total cost of producing pig iron would be increased only 2.6 per cent, and the total cost of producing the principal steel products would be increased only 6 per cent

Moreover, in English blast furnaces, under absolute free trade, the eight-hour day has been generally introduced, and employers find that it increases the efficiency of labor sufficiently to overcome the increased labor cost.

What benefit do our iron and steel workers actually get from a protective tariff?

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[From the Saturday Evening Post.]

LABOR ON THE FREE LIST.

Something disagreeable will happen to us, Judge Gary thinks, unless we "have protection against the cheap labor and the impoverished conditions abroad which are inevitable after the war."

The argument, as we get it, is this: With the discharge of millions of soldiers there will be much unemployed labor in Europe; wages will fall; low wages will cheapen manufactures; cheap manufactures will undersell American goods in this market, causing a fall in prices here, which will cause a fall in wages.

Therefore we should have a high protective tariff, so that competition of European goods can not cause a fall in prices here.

Meanwhile every port should be wide open, so that Europe's cheap labor—unable to get employment at home in making goods for the American market—shall pour over here and compete with domestic labor, thereby causing a fall in wages but not in prices.

We must have adequate protection against the results of cheap labor abroad, but not against the cheap labor itself. Over 8,000,000 immigrants came over here in the last census period. That their competition affected wages adversely is rather probable. If there is to be such a condition in Europe as Judge Gary suggests, we may be obliged to discard the Sixth Grade Guide to Rhetoric, upon which we have so far mostly relied in dealing with the immigration question, and go at it with arithmetic That will be a loss in some respects, because a constitutional inability to multiply two by two and arrive at the correct result will shut out some of the talent that has been devoted to the subject in the past.

THE TARIFF BOGY.

In this last fiscal year our purchases of foreign goods were smaller by $200,000,000 than in the year before, and at the end of the period commodity prices in the United States, as reflected by Bradstreet's index number, were the highest ever known. But in spite of that the country, our protectionist friends tell us, is being mysteriously ruined by the pauper labor of Europe.

The aforesaid labor is getting killed and maimed to an extent that appalls the world. The factories in which it was employed are increasingly disorganized by war. The capital behind it is being shot away at the rate of tens of millions of dollars a day. But those things were mere broken reeds to lean upon, unless we are further fortified against European competition by a very high tariff.

You might sink Europe in the sea to-morrow, and your true high protectionist would still go about pale and trembling, unless he had in his pocket the rabbit's foot of high duties to fend off the specter of pauper labor. A Europe with both arms in a sling and not a leg to stand on would still frighten him into gooseflesh unless he had the tariff horseshoe over his door.

So the tariff will, no doubt, be one of the issues of the next presidential election, and if the Republicans win we shall have another revision of it. The loudest champions of high protection do not want an intelligent tariff; they want a political one, with the usual logrolling. This is painful to contemplate; but as neither Democrats nor Republicans seem at all minded to take the tariff out of politics, there is probably no help for it.

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THE WRONG AND THE REMEDY.

Originally the common stock of the Steel Corporation was thinner than water but it is not now. The last annual report shows that, first and last, $600,000,000 of net earnings have been used for the purpose of solidifying the water. One hundred and seventy-five million dollars have been paid in dividends on the common stock. Four hundred and twenty-five million dollars of earnings have been appropriated for the purchase of additional property, for new construction, and for the retirement of mortgage liens—all to the benefit of the common stock.

Six hundred million dollars is far more than three years' full wages for every hand employed by the corporation. Last year, after deducting approximately $45,000,000 from earnings for ordinary re-

pairs and maintenance, the corporation further deducted twenty-two millions for extraordinary replacements and twenty-five millions for common-stock dividends. These two sums—applied to strengthen the common stock—would have increased the pay of every employee, from the president down, by 25 per cent.

That common stock issue was an economic crime. It puts a perpetual handicap upon higher pay, shorter hours, and lower prices; but any corporation is still at liberty to issue all the common stock it pleases—if not in one State, then in another. Here is a very tangible trust evil that legislation can easily cure. Why does not legislation go about it? The wrong is patent; the remedy at hand. We should rejoice to see one practical step taken by the Federal Government on this trust subject.

Mr. THOMAS. They graphically illustrate the well-worn and well-known truth that wages and labor cost are as distinct and different as the hills from the valley. The highest wages are frequently the attendants of the lowest labor cost, the most signal and successful example of which is furnished by the Ford Motor Co., which pays the highest wages and sells the cheapest product of its kind to be found in the markets of the world.

The Senator from Utah has of late been harping frequently upon what he is pleased to term "the Democratic deficit." It is true, Mr. President, that the dislocation of our revenues by the rude hand of war, coupled with our enormous increases of expenditures almost entirely due to the new program of preparedness, has made the financial problems of this administration a matter of constantly increasing difficulty. We will meet the situation, nevertheless, as we have met others equally embarrassing and difficult since our accession to power. But, Mr. President, the charge that Democratic administration means deficiencies in revenues, and that Republican administration means the contrary, is like many other things asserted here of late—entirely without foundation. At the end of Mr. Cleveland's first administration the Treasury was swollen with an enormous surplus. In February of 1893, President Harrison found himself at the close of his administration facing a very serious deficiency. Bonds covering this deficit were ordered and had been lithographed, when the administration decided not to use them, but to pass the situation on to Mr. Cleveland again. The financial difficulties of his administration are fresh in the public recollection. These instances are sufficient to refute the reflection cast upon Democratic financial administration by Senators who can not plead ignorance of them.

The Senator from Pennsylvania has on several occasions charged that more than 30,000 names have been added to the roll of Government employees under the administration of President Wilson. The statement has been refuted by the official declaration of the Civil Service Commission, which declares that its jurisdiction has been enlarged so as to include about that number of added positions, and that the real increase in the number of employees so named has been negligible. This refutation, however, does not concern the Senator, who, having heard the statement, persists in its repetition. Like his distinguished leader, he is looking for an issue, and seems content to find it in petty criticisms having no excuse or foundation in actual fact. I might retort by reminding the Senator that during the administration of President Roosevelt the Federal civil service was almost doubled in number. This, however, would be regarded by the Senator as an evidence of honest Republican activity. It is only the employment of Democrats which excites his resentment or arouses his wrath. Like Mr. Hughes, he would have none but Republicans on guard, since to remove one or even to fill a new position with a man of another political faith is conclusive evidence of governmental incapacity.

I have been both interested and amused by Republican criticisms of the President. The Senator from Iowa denounces him for dictating legislation. The Senator from Pennsylvania echoes the denunciation. He goes further and criticizes the President for coming to the Capitol at all. He prefers the old way of going to the White House when ordered. Other Senators declare that the leadership of the President is the leadership of a dictator; that Senators have surrendered to his domination and carry out his orders with dispatch. The junior Senator from New York, on the other hand, seriously criticizes us for not regarding the President's wishes concerning income and revenue. He declares that we have refused to adopt a single item of revenue resource to which the President directed our attention in his annual message in December last. And the Republican candidate for President declares Mr. Wilson to be inapt and vacillating. Between these varying and wholly irreconcilable criticisms, each may take his choice. The fact remains that the President in the exercise of his undoubted prerogative has exerted a proper and a wholesome influence in legislation; that his leadership has been respected and recognized, and that in all that he has requested he has been in accord with Democratic sentiment and Democratic purpose.

Just here let me ask our Republican friends a few questions. They assert with apparent confidence their abiding conviction of Republican success in November. It is fair to assume that in such an event they will formulate a legislative policy in harmony with their oft-repeated announcements. I venture, therefore, to ask the following questions:

If the Republican Party is restored to power, will it reenact the Payne-Aldrich bill or its equivalent? To this it is but fair to request a categorical answer. Will it abandon all rivers and harbors legislation? You have denounced the Democracy for the enactment of the recent rivers and harbors bill, albeit the bill received the active support of many Republican Senators, while the legislation itself originated with Republican administrations. Will you repeal the income and inheritance tax laws or modify them; and if so, in what direction? Will you abandon the policy of flood control, a policy which you expressly declared for in 1912? Will you repeal the seamen's bill, which you have denounced as destructive of the remaining vestiges of our merchant marine, although you indorsed just such a bill in your platform of 1912? In view of your criticisms during the past three weeks, these questions are pertinent and demand immediate consideration.

Mr. President, we have been reproached with abandoning all, or the greater part, of our convictions regarding tariff laws because we advocate and stand for a tariff commission. It has been said that our demand for such legislation recognizes the soundness of the Republican doctrine of protection, and accepts that doctrine to the exclusion of our convictions in behalf of "tariff for revenue only." This is strange doctrine coming from Republican lips. It is quite true that the suggestion of a tariff commission is unwelcome to some Democrats, as it was a few years ago unwelcome to practically all Republicans. And it is also true that many Republicans and some Democrats now apparently supporting the proposition are at heart thoroughly unfavorable to it. President Taft's suggestion of a tariff commission in 1909 hardly received respectful consideration. Mr. Aldrich disdained it, the interests which he represented rejected it, and none was heard to do it honor. The Tariff Board of 1911 was wrung from the reluctant hands of the Republican Party by the demands of the people, voiced through the action of Democrats and Progressive Republicans. It was opposed and derided on this floor in 1911 by Republican Senators like Hale and Heyburn, and a vote upon the measure was forced by the Senator from Iowa [Mr. CUMMINS], who declined to consent to a vote on the Lorimer resolution until a time was fixed for voting upon the bill for creating the Tariff Board. The regular and stand-pat Republicans did not want it then, and do not want the commission now. They take it because they are forced to, and try to make a little capital out of the fact by falsely accusing Democrats of abandoning their principles by advocating it.

Mr. President, Democracy lives and learns, for it is progressive. I became an advocate of a tariff commission as a result of my experiences on the Finance Committee in 1913. In my consideration of the tariff measure of that year, I derived more substantial benefit from the incomplete and fragmentary report of the Tariff Board of 1911 than was available from any other source. I became convinced that a body of well-informed men actuated by no partisan motive and devoted to an examination in all its phases of the intricate problem of impost duties could do more to lift the subject of the tariff from the low level of politics and relieve the people of the country from the incubus of political controversy and recrimination than all the statutes we might enact upon the subject in half a score of years. I have been advocating a tariff commission ever since, and shall not be content until one is provided for and appointed. In this connection, I beg to read into the RECORD a letter from the late James J. Hill, which so fully represents my views that I submit the subject without further comment:

THE MOST IMPORTANT ECONOMIC ISSUE BEFORE THE COUNTRY TO-DAY.

[A letter from Mr. James J. Hill.]

ST. PAUL, MINN., *October 1, 1915.*

To the EDITOR OF THE ECONOMIC WORLD.

SIR: I have received your letter requesting my views on the importance of a nonpartisan tariff commission. It must be evident to every thoughtful person that this is the only wise, just, and permanent solution of the tariff question.

The same persons who were certain, a little more than a year ago, that the tariff had been adjusted for many years to come declare now that it must be changed to suit changed conditions. Revenue needs call for it. New industries have been established here in fields that we had not before entered. Old industries find themselves in new situations. And while the war has magnified these changes so as to make them visible to all, they are only enlarged copies of changes that take place every year, in peace, through the variation of conditions of production and exchange.

Only a permanent body can cover needs continually arising, and only a body of experts can know what treatment they require. It is fairly certain that, in the profound and world-wide changes in commercial and

financial intercourse which will follow the close of this war, all tariffs must be remade. Certainly our greatest, possibly our last, opportunity to fit our tariff scientifically to our business needs will be lost if it should continue to be the stock in trade of politicians and the sport of selfish interests. The creation of such a tariff commission as has been recommended, with power to act, is by far the most important matter with which the country has now to deal.

Yours, very truly,

JAMES J. HILL.

[The tariff commission proposal referred to by Mr. Hill in his characteristically forceful style in the foregoing letter is that outlined in a pamphlet issued by the Tariff Commission League, First National Bank Building, Chicago. We understand these pamphlets are obtainable upon application to the headquarters of the league.—Editor.]

Mr. President, the first session of the Sixty-fourth Congress is about to close. It has been a long and a most important one. For what it has accomplished, the Democratic Party is entirely responsible. We submit its splendid record to the people with full confidence that it will receive their approval, and that the Democracy under the leadership of its great President will be given by an overwhelming majority a renewed lease of power.

Mr. GALLINGER. Mr. President, I am under obligations to the Senator from Pennsylvania [Mr. PENROSE] for yielding to me a few minutes of time before he concludes his interesting speech, which he commenced some hours ago.

The most extraordinary and misleading speech of the Senator from North Carolina [Mr. SIMMONS] will go to the country for what it is worth.

The people in the factories and on the farms are thinking to-day as they never thought before. They know that our increased exports are largely due to the existence of the horrible war in Europe. Everybody knows that we have been exporting enormous quantities of war munitions, and, in addition to this, the export trade of many of the European countries has been entirely suspended, thus opening new markets to the people of the United States, which will terminate when the foreign war closes.

The people know all this, and Democratic oratory can not change that fact.

Mr. President, Thomas O. Marvin, secretary of the Home Market Club, has contributed some suggestions about the Democratic revenue policy which are worthy of careful thought. Among other things, Mr. Marvin truly says that in his first inaugural address Thomas Jefferson referred to "the throes and convulsions of the ancient world" and declared that "it was not wonderful that the agitation of the billows should reach even this distant and powerful shore." Among the essential principles of our Government he mentioned "peace, commerce, and honest friendship with all nations, entangling alliances with none."

These words were spoken on March 4, 1801, and nine months later, in his first message to Congress, December 5, 1801, although the foreign situation still interfered with the revenues of the Government, President Jefferson assured Congress that "there is reasonable ground for confidence that we may now safely dispense with all the internal taxes, and that the remaining sources of revenue will be sufficient to provide for the support of the Government, to pay the interest of the public debts, and to discharge the principal within shorter periods than the laws or the general expectation had contemplated."

The principles of Federal taxation laid down by Jefferson in his inaugural address and messages to Congress are in sharp contrast with the methods employed to-day by the party in power. Jefferson looked forward with confidence to dispensing with all internal taxes. His followers, now in control of the Government, recklessly increase internal taxation beyond anything ever known in this country.

Jefferson believed that the revenues of the Government should be raised by customs duties. Many of his followers to-day would abolish the customhouses, and the Democratic Party, in the face of extraordinary need of revenue, keeps on the statute books the lowest tariff law in a hundred years. It has gone as far as it dares in suppressing customs duties, a policy which, as Jefferson said, "gives advantage to foreign over domestic manufacturers."

Other countries are increasing their tariff duties, affording protection to their industries, and making foreigners pay for the privilege of doing business in their markets, even Great Britain contemplating resorting to a tariff law at the close of the war. But our Congress, as at present constituted, refuses to provide adequate duties to protect the industrial interests of the United States.

Mr. Marvin wisely suggests that with the world facing conditions unprecedented in history, with the keenest struggle of all time approaching for control of the world markets, our Congress leaves unamended the lowest tariff law which we have had in a century and calmly invites foreign manufacturers to exploit our markets when the war ends.

In an editorial on "Preparedness against the next war," the New York Herald, August 24, 1916, said:

The next war will be commercial, brought on by the struggles of nations now belligerents to rehabilitate themselves industrially. Unless we have an adequate protective tariff, American manufacturers and American labor will be its victims. The overshadowing issue of the present campaign is, Which candidate and which political party are best equipped to meet this great business problem? At bottom it is a tariff issue.

Mr. President, that declaration from so influential and widely circuated a newspaper as the New York Herald, not Republican in politics, ought to engage the attention of every thinking man in the United States.

Beyond a question the next war, so far as the United States is concerned, will be an industrial war, and unless we are prepared to protect our own markets, the best markets in all the world, against the aggressions of foreign nations we will suffer consequences too serious to be calmly contemplated at this moment.

Jefferson declared that agriculture, manufactures, commerce, and navigation are the four pillars of our prosperity, and he said to Congress in 1801:

If in the course of your observations or inquiries they should appear to need any aid within the limits of our constitutional powers, your sense of their importance is a sufficient assurance they will occupy your attention.

It is a pity that some men with Jefferson's influence in his party did not say to the Democratic Congress of 1916:

Agriculture, manufactures, commerce, and shipping are the pillars of our prosperity; study their needs, inquire into all of the conditions confronting them, and if they need aid back them with all of the power of the Government.

The importance of these "pillars of our prosperity" has made no impression upon the mind of the President and upon the minds of those who control our Congress, and not even the upheavals of the world's greatest war draw from Congress any sign that affords assurance that they even will occupy its attention so long as the present party control continues.

Instead of shaping the revenue policy of the Government along the lines recommended by the founders of their party, the present Democratic Congress has ignored the revenue opportunities in a wise increase of customs duties, but has resorted to an unprecedented increase in internal taxation, a method of taxation which Jefferson said 115 years ago might wisely be dispensed with.

The condition of the Treasury, the extravagance of appropriations, and the revenue needs of the Government make it impossible to carry out in full the Jeffersonian theory, but his party has drifted far from his teachings when it so completely ignores the raising of revenue by import duties as it does in the bill we are now considering and resorts almost entirely to internal and direct taxation.

To tax wealth its fair share of the benefits of Government is just and equitable, but to leave the producers of wealth, in factory or on farm, unprotected from destructive competition is neither just nor equitable.

It is from productive enterprises that capital is accumulated. Capital is necessary to the development of agriculture, manufacturing, and commerce. It is from the profits of well-conducted enterprises that new enterprises spring, enlargements of plants are made, and increased employment is provided for labor. Confiscatory taxes on production strike a death blow at national development and progress. Such taxes if imposed and continued will mark the end of the accumulation of American capital. They will mark the end of business expansion and rob labor of its opportunity of gainful employment. No proposition so un-American in its spirit, so destructive in character, so damaging to American business prospects, and so dangerous to national welfare has ever before been presented to the Congress of the United States.

Senators, this is not an ordinary revenue measure; it is a program of practical confiscation and a notice to American business men that profitable enterprise is not to be permitted if those in control of the Government can prevent it. If the Democratic revenue policy becomes an established fact in this country, it means the destruction of the Republican protective policy and the opening of our splendid markets to all the nations of the world, which will be, to again quote Jefferson, "a strange speculation." That condition may be imposed upon the country by the present Democratic administration, but if so it will not long continue after the Republican Party resumes control of the affairs of the Government after the 4th day of March next.

Mr. PENROSE. Mr. President, it is not my purpose to answer in detail, and in fact I did not rise to answer at all, the statement of the chairman of the Finance Committee made this afternoon. It will be sufficient for me to refer to the fact that in

the preliminary part of his statement he rolled with the usual gusto under his tongue the epithets "special interests" and "predatory interests" and other time-worn and threadbare campaign phrases as applied to Republican economic policies.

I recall, Mr. President, the spectacle presented in the Senate the other day when the paragraph relating to the taxes on munitions was under consideration. When the paragraph imposing a tax upon the component parts entering into munitions was reached we beheld the remarkable spectacle of the Senators representing the special, shall I say predatory interests, copper interests and the cotton interests of a number of States in the South and the lead and zinc and lumber interests scurrying to cover, having notified the Democratic caucus that they would rather defeat the bill than have the burdens of direct taxation imposed upon the special interests which they represented in this body.

Cotton particularly, a sensitive matter with many of my colleagues in this Chamber whom I esteem most highly, entering as it does to the amount of 68 per cent into every 100 pounds of explosives manufactured and sent to the belligerent nations in order that they may destroy each other, was too sacred a subject for the sacrilegious hand of the tax gatherer to touch.

So I had hoped that we had heard for the last time this cheap invective applied to Republican policies and Republican leadership suggesting identity with so-called special interests, a myth conjured up during the campaign and unworthy of employment or reference in this Chamber in a serious discussion of a revenue measure, particularly after the impressive spectacle which we all witnessed and to which I have referred.

I might almost make another reference, before leaving this branch of the subject, to that impressive warfare which we witnessed between California, New Jersey, and Ohio, in which California tried to put it over on New Jersey, to use a slang term, when the wine tax became solely and exclusively an undisguised controversy in the Senate regarding the special interests of those localities.

Mr. HUGHES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from New Jersey?

Mr. PENROSE. I do.

Mr. HUGHES. I do not know whether the Senator is serious or not, but I want to explain to him that the interest in the State of New Jersey is so slight that I would be ashamed to insist upon any particular reference to it. What I was trying to do was to do justice to the industry no matter where it was located.

Mr. PENROSE. I will absolve the Senator from any but the loftiest motives in his course, but I have no particular reference to him, and I am rather surprised that he should be so sensitive as to think that I had him at all in mind, although I can not help contemplating his distinguished appearance here in the Chamber extending to me the compliment of listening to the remarks which I am making. But clearly it was a controversy between the eastern wine growers and those on the Pacific slope, a controversy which to my mind was not calculated to elevate our opinion of human nature as exhibiting the qualities of fair dealing and equality and uniform treatment, particularly when we came to consider the details of the wine paragraph in the House bill and as it was amended in the Senate and the speeches made upon both sides of the controversy.

Then, further, Mr. President, the chairman of the committee proceeded with those equally time-honored and somewhat worn arguments—which, I confess, I am tired of hearing and tired of replying to or even noticing—in expatiating upon the remarkable prosperity which the country has enjoyed during the last three years. How anyone in his senses can take any satisfaction out of a prosperity which is born of a war condition in Europe is almost incredible to me, unless it is an assumption of courage, a whistling in the dark, or a declamation for campaign purposes, because we all know that the country was on the verge of a great industrial crisis prior to the war in Europe, despite what figures you give. We know that it was a fact staring us in the face and, in the opinion of every sane man, conditions still more disastrous will confront us when the war in Europe draws to a close. If the Democratic Party can find consolation out of the innumerable figures showing exports and imports and industrial output during the war in Europe, I will leave them to the happy hallucinations of their fancy, knowing that when the awakening comes it will indeed be a rude one and will terminate their control of governmental affairs in the United States for another generation.

What about the munitions taxes? Mr. President, of course they will go harmoniously on so long as the taxes are only imposed upon a few of the higher manufactured products, which are chiefly from Bridgeport or Philadelphia. After carefully exempting cotton, copper, zinc, lead, and lumber——

Mr. SMITH of Georgia. Mr. President, the Senator from Pennsylvania has omitted steel billets—shrapnel steel. They also were included in the exemption.

Mr. PENROSE. I would just as soon have steel billets taxed as any of the other articles that are taxed.

Mr. SMITH of Georgia. I mentioned steel billets as one of our great southern industries, in Alabama.

Mr. PENROSE. Yes. I will put that in. I forgot about that. I have no doubt the Senator from Georgia carefully looked after steel billets also. He is an attentive and diligent Senator.

The munitions tax, Mr. President, is sectional; it is ununiform; it is of doubtful validity; it is of questionable legality. In my opinion, it will fail to produce anywhere near the amount of revenue expected, and it is objectionable in many other ways. It has no analogy to the munition tax imposed by foreign Governments during the present war, because such munitions were sold to the Governments themselves, while our munitions are sold to belligerant nations abroad. It might be claimed to be an evasion, therefore, of the constitutional inhibition against taxing exports if it is to be considered from the point of view of taxation on such exports; but if it is not a tax on exports, and is a direct tax similar to other direct taxes now embodied in the law, then it clearly constitutes a double tax, since the manufacturing corporations involved in the munitions tax already pay one Federal tax on earnings and will continue to pay one Federal tax upon increased earnings due to whatever profit they may make out of munitions. If we are disposed to go further into the theoretical aspects of the munitions tax, it might be argued with some plausibility that such a tax will affect our neutrality. A neutral Government does not protect trade in contraband. It can not engage in it itself. It is merely relieved of the expense of suppressing it. If the Government tried to turn it into a source of revenue it might well be argued that the Government might lay itself open to a charge of such interest in the business as to make it a virtual partner. No candid person can deny that when the Government supplies its revenues from munitions sold to belligerent nations it becomes a partner in a traffic, which many Americans consider nefarious and objectionable, and even of a character that ought to be entirely prohibited.

The question naturally arises as to the definition of "munitions." We find "munitions" defined in the dictionary as follows:

> Whatever materials are used in war for defense or for annoying an enemy; ammunition; also stores and provisions; military stores of all kinds; hence necessary equipment or provision in general. * * *

This definition would seem to open the field to a much wider scope of taxation than is recognized in the pending bill, because that measure merely taxes gunpowder and certain high grades of manufactured arms and ordnance. The "munitions" referred to in the bill constitute but a small percentage of the total exports for use by the belligerent nations. The official reports show that there have been more than $3,000,000,000 of munitions of war, as defined to be material and provisions used in war, exported from this country direct to the war zone in the last two years. Why was not this enormous sum of money levied upon, instead of the very much smaller sum of several hundred million dollars' worth of the munitions described in the bill? Why are not these $3,000,000,000 worth of exports levied upon to procure ample revenue for the needs of the Government? They are accessible and available.

In these exports are included canned meats, army rations of various kinds, shoes, stockings, harness, saddles, blankets, kerosene, gasoline, acids, alcohol, locomotives, parts of submarines, range finders, stamped metal military equipment, swords, bayonets, bromine and other military gases, barbed wire and other products of iron and steel. Horses to the value of $128,872,000 and mules to the value of $31,186,000 have been exported for military purposes from the State of Missouri and from other States in the southwestern part of the country.

There need not be any guesswork about the articles which have been furnished the belligerent nations, and which have been just as necessary to the conduct of the war as ordnance and gunpowder made in New Jersey and Pennsylvania, even if they do come from the sacred borders of Missouri and other Western States.

Through a dispatch dated April 20, 1916, from the American consul general in London, there has been transmitted the British contraband list. I believe that since this was issued, other contraband lists have been issued in the various White Books and other diplomatic publications of our own State Department;

but I need not burden the RECORD or detain the Senate any further than to call the attention of the Senate to the dispatch dated April 20, transmitting the British contraband list as of that date. It comprises the articles which have been declared to be absolute contraband, as well as those which have been declared to be conditional contraband. Among the articles found on the list are: Animals, saddle, draft or pack, suitable, or which may become suitable, for use in war; cotton, raw; linters, cotton waste, cotton yarns, cotton piece goods, and other cotton products capable of being used in the manufacture of explosives; clothing and fabrics for clothing suitable for use in war; foodstuffs; forage and feeding stuffs for animals; harness and saddlery; hides of cattle and horses; leather belting, hydraulic leather, and pump leather, and all leather undressed or dressed, suitable for saddlery, harness, military boots, or military clothing; military wagons and their component parts; vehicles of all kinds, other than motor vehicles, available for use in war, and their component parts; together with a long list of other articles, containing a large number of chemical products used in war. All of these articles are just as essential—mules, horses, clothing, and cotton—as are the rifles and the shrapnel made in Connecticut or in Pennsylvania.

I have here, Mr. President, the telegram of the consul general of the United States at London, dated June 29, 1916, calling attention to a proclamation dated June 27, supplementing previous contraband proclamations and putting a few minor articles on the list in addition to the British contraband list of date April 20, 1916, which I ask to have printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The matter referred to will be found in the appendix of Mr. PENROSE'S remarks.

Mr. PENROSE. That contraband list, Mr. President, is a list of the articles which should have been subject to taxation had there been a fair spirit to tax everything furnished the belligerents and not to select a few articles that did not worry anybody in particular except in a few Republican States and put the burden upon them.

I know that there is little or no restriction on the part of Congress in any of the provisions of the Constitution regarding its power of taxation. That taxation should be uniform, to the best of my recollection, is about the only restriction; yet, Mr. President, whatever interpretation the courts have put or may put upon the word "uniformity," it is certainly neither geographical uniformity nor uniformity of any other kind or from any other point of view, when the munitions and contraband of certain sections of the country are singled out for taxation, while the vast bulk in money value of the material furnished to the belligerents is left untouched as in the pending revenue measure.

The tax, I suppose, is levied on munitions on the theory that enormous profits are being made, and it is only upon such an assumption that we can find a pretense to justification for the very remarkable way in which the tax is levied in the House bill on gross receipts.

Mr. President, was there ever a greater evidence of incapacity, was there ever a greater display of ignorance of the fundamental principles and technicalities of taxation, than when the House passed a bill levying a tax, a very heavy tax, upon the gross receipts of those engaged in the production of very highly manufactured articles? Why the mere fact, Mr. President, that such a monstrous effort was made is proof conclusive of the incompetence of the original framers of this measure.

A tax on gross receipts finds some precedent in legislation, but it has generally been levied upon a raw material or upon an article where there was an ample margin between the tax and the well-known profits, but here is a tax, it is true, amended in the Senate, but as proposed by the House, representing the economic and fiscal wisdom of the Democratic leadership in that body, in the Treasury Department, and in the Executive Mansion, levied upon the gross receipts of a business which has, as a matter of fact, proven hazardous and in some cases unprofitable; in fact, I think it is no exaggeration to say that a large majority of the manufacturers who went into the munitions business have not fared well; many have gone into bankruptcy, many more have made no money at all, some have made a fair profit, and, of course, a very few have made good profits. Taking it all in all, it is only stating the truth to say that there has been comparatively a small amount of money made by the manufacture of munitions of war in this country.

When American capitalists and manufacturers went into the business, the impression widely prevailed throughout the country that the profits were likely to be enormous. Experience has shown, Mr. President, beyond any question, that the contrary has been the fact. Its benefits have been mostly in the way of giving workingmen large wages and keeping plants running day and night, and promoting industrial prosperity, which, had it not been for the war in Europe, would not have existed in this country. When the manufacturers went into the business they, of course, had no warning or intimation that they were to have to pay to the Government a tax on contracts which were made without any consideration of such a possibility. Moreover, wages have gone up to an extraordinary degree and to an extent never contemplated. I know of concerns, in Pennsylvania, Mr. President, by way of illustration, which are paying $10 and $11 a day for labor of the most ordinary character, labor which under normal conditions would get $1.50 or $2 a day or $3 a day at the most; but, in order to fulfill their contracts, they had to have the labor, and so they are paying these enormous wages for labor, as I have said, of the most ordinary kind and of no especial skill, in the making of munitions.

Materials have also increased in price, and the inspection of foreign governments has become more rigid with every month, and particularly as the ability to produce munitions in the several belligerent countries has developed and there is much less need to rely upon the American manufacturer.

When the war broke out, many of the belligerent nations, or all of them perhaps, with the exception of Germany, were largely unprepared. They had to have munitions from the American manufacturer at any price and under any conditions. The consequence was that they were anxious to take from us, with a very lax inspection, arms and ordnance hastily turned out by unskilled workmen at any price and in any shape. Those conditions now are entirely changed. The belligerent nations have established their munitions plants, mobilized their industrial establishments, and are making their munitions for themselves, and many of the contracts which they have made in the United States they would only be too glad to get an excuse to get out of. However, inspections which were never thought of six months or a year ago, are now imposed with a heavy hand on all these munitions plants. These manufacturers, therefore, have gone into a hazardous business, in which they have either lost money—and I say this advisedly, Mr. President, and in all seriousness—or only made a reasonable profit, with certain exceptions, but with two very beneficial results to the country at this time: They have given employment at good wages to thousands of workingmen and they have established in the United States a series of plants and developed many thousand skilled workers in the making of munitions which will be of invaluable assistance to the Government in connection with the preparedness program.

I say, without exaggeration, Mr. President, that the facts I have stated above will come out clearly when the officials of the Internal-Revenue Bureau come to ascertain the net earnings or profits of these munition industries; and I have no hesitation in making the statement, and no apprehension whatever but that I will be vindicated in it, that the tax will be vastly disappointing in the amount received, and will rapidly disappear as the manufacture of munitions gradually subsides and vanishes in this country, as it will within the next six months or a year.

Mr. President, I shall not refer at length to the special taxes, including stamp taxes, that are carried in this bill, many of them oppressive and unpopular, in the existing so-called emergency-tax law which the pending revenue bill was originally supposed to have repealed entirely.

In view of the unbridled extravagance which has been previously referred to, in which millions of dollars have been squandered for all kinds of ill-advised and unnecessary projects, it would seem inevitable that when the people realize for what questionable purposes they are being subjected to these direct taxes their resentment will be intensified. For the Federal Government, making appropriations for enormous amounts, actually to go into the bowling alley or the billiard room, places of amusement for the plain people, and levy its tribute of $5 on each alley and $5 on each table, seems to me to be barbarous, unjust, and unnecessary.

Another illustration of the almost incredible crudity which seems to have pervaded the mental processes of the framers of the bill in the House is shown in the tax on theaters, amusement and concert halls. This bill as it came from the House actually places a direct tax on the gross receipts of theaters in cities over a certain population. It is difficult to imagine the lack of knowledge of practical affairs or experience with social conditions throughout the country which must prevail when a tax is proposed on the gross receipts of a theater. In the first place, these theaters, even where it is a direct tax of $25 or $50 or $100, are already burdened by taxes. City, State, and county all tax moving-picture shows and the little theaters in many of

the States of the country. I know that in Pennsylvania the tax is already so burdensome that every year numbers of little moving-picture shows, furnishing occupation to the owner, his wife, and his children, and a fair living to them from it, maintained in a small town and furnishing educational features to the people of the village, have been shut up as the result of Pennsylvania direct taxes; and what will happen when the heavy hand of the Federal Government is imposed on them in addition?

As I was saying, Mr President, it does seem incredible that the House should ever have contemplated making this a tax on gross receipts. This method of taxing gross receipts is a new theory in financial legislation. If followed out, and if the Senate had not amended the bill, it would prove a genuine hardship to every theater manager in the country. Many of these theaters in Pennsylvania, I know, are run at a loss. The buildings can not be used for any other purpose than that of a theatrical entertainment. A tax so large as the last emergency tax, as I have said, closed motion-picture theaters in every State in the Union.

I shall only refer in passing to the taxes on tobacco and wines and liquors. These will produce but a small amount of additional revenue in a bill which will be totally unequal to raising sufficient revenue to meet the inevitable deficit in the public revenues.

It can be shown that money for sufficient legitimate preparedness in excess of ordinary appropriations could have been raised and saved without resort to these unnecessary taxes imposed in the pending bill. As large as are these proposed taxes, estimated at $197,000,000 in the House bill and, I believe, $205,000,000 in the bill as amended by the Senate for the fiscal year, and some $250,000,000 when the law is in full operation, this amount will be inadequate to meet the additional demands on the Treasury on account of appropriations for ill-advised projects, concerning which, at least, there was no urgency, and for the appropriations for preparedness, even though $125,000,000 should be deducted for the expenses of the Army in Mexico on account of the proposed bond issue.

In stating the amount expected to be produced by the bill I have taken the estimates of the Ways and Means Committee. I do not, however, agree with that estimate. In my opinion, it is extremely doubtful whether the estimated amount that this bill will raise will be realized. The tax from munitions is overestimated. Already establishments turning out munitions have announced fulfillment of all orders and no new contracts; hence this source of taxation is apt to diminish henceforth. Moreover, the war in Europe necessarily will come to a close sooner or later, and then this source of revenue will disappear entirely. If the tax is changed from a percentage on gross receipts to a percentage on net profits, the tax will be disappointing to the framers of the bill to a very much larger extent, because as soon as the effort to ascertain net profits of munition manufacturers is made the remarkable facts will be disclosed, doubtless to the astonishment of many persons, that many of these munition manufacturers have made very small profits, and some have worked at a loss, as I have already explained

Additional taxes on wines, experience has shown, will not bring a proportionate increase of revenues, because it will diminish the consumption of these beverages. There is a point at which whisky or wine can be taxed which is the point of highest revenue. A higher rate simply encourages illegal distilling and other violations of the law or reduces the consumption of articles of luxury like wines.

Any estimate on the death dues must necessarily be problematical. Taking it all in all, the estimates will have to stand the test of the present fiscal year.

It is difficult to ascertain the actual condition of the Treasury at the close of the fiscal year on the 30th of June last. No one outside of the confidence of the Secretary of the Treasury can become fully advised as to the financial situation. The House Committee on Ways and Means, in its report on this bill, accepted the figures of the Treasury Department statement that the net balance in the general fund was $177,000,000; the committee estimates that $197,000,000 additional revenue will be derived from the pending bill. They then propose to deduct $69,922,000 from the general fund referred to, which, added to the amount of additional revenue estimated under the pending bill, would make up a total of $266,922,000, which the committee estimates as the additional receipts required for the fiscal year 1917.

Of course, in giving these figures as I have done and in giving those which I now intend to give, they must be subject to modification within narrow margins on account of changes in appropriation bills and changes made here in the Senate in the revenue bill; but the figures are approximately correct, and it was impossible for me to change them from day to day as the Senate progressed in amending and developing the revenue bill. The final result will be conservative and far within the limitations which I will show in conclusion will be placed upon the deficit which will exist at the end of the present fiscal year in the United States Treasury.

The sum to which I have just referred—that is, the amount raised under the pending revenue law—and the amount taken from the general fund will be inadequate, as it will be seen upon a careful analysis of the available figures of the appropriations already made and of the estimated appropriations yet to be made at this session. In his statement to the House on June 28, 1916, the chairman of the House Committee on Appropriations stated that the grand total of appropriations for the fiscal year 1917, authorized up to that time, were $1,499,330,479.32. This amount is $384,393,467.30 in excess of the total appropriations for the fiscal year 1916, and, of course, since this estimate was made by the chairman of the committee appropriations have been considerably increased. There must be added $148,295,654 in the Army appropriation bill as reported to the Senate, $45,857,588 in the Navy bill passed by the Senate, and the amount to be carried in the general deficiency bill, estimated to be $17,000,000. These several amounts, for the Army and Navy and general deficiency, total $211,153,242.81, and, added to the total appropriations already made in excess of those of the fiscal year 1916, make a grand total of $595,546,710.11, or a total of appropriations for the fiscal year 1917 of $1,710,483,722.13. From this must be deducted the appropriations for the Postal Service, amounting to $322,206,579, leaving a net total of $1,388,277,143.13, or $273,340,131.11 in excess of the appropriations of 1916. The Post Office Department estimated that the postal revenues for the fiscal year 1917 would probably amount to $316,000,000, and the expenditure for the Postal Service $324,000,000. According to these figures, there will therefore be a deficit in the postal revenue to the extent of $8,000,000, and as the appropriations for 1917 for the Postal Service are $322,000,000, the deficit chargeable to the General Treasury will be about $6,000,000, which amount should be added to the obligations to be made during the fiscal year 1917, bringing the total excess appropriations for 1917 over 1916 to $279,340,131.11.

To the preparedness program may be charged $228,624,814.23 for the Army, $19,000,000 for fortifications and other works of defense, $166,164,978.67 for increase in the Navy, and $39,974,543.53 for deficiency appropriations for various military purposes, a total of $453,764,136.53. Of this amount it is proposed, doubtless after election, to finance $125,000,000 by bonds, estimated to be the amount made necessary by the Mexican performance. Deducting this $125,000,000 leaves $328,764,136.53 as the net sum of the appropriations for preparedness alone.

For purely domestic and peaceful objects the appropriations for 1917 in excess of 1916, estimated from available figures, is $45,000,000 carried in the regular annual appropriation bills, to which should be added $20,000,000 for the construction of a nitrate plant, $6,000,000 of the $85,000,000 authorized for good roads, $15,100,000 authorized by the land-bank bill, and $50,100,000 authorized in the shipping bill, a grand total of $136,200,000.

And in addition to these vast sums of money actually appropriated for the fiscal year 1917, contracts have been authorized, or are likely to be authorized, having passed the House, involving the stupendous total of $632,643,977, divided as follows: Navy increase, $480,192,027; in sundry civil act for contract obligations, $1,827,000; fortifications, $14,300,000; river and harbor act, $2,724,950; for flood control, $50,600,000; and for good roads, $79,000,000.

It is true that some of these authorizations will not be called upon during this fiscal year, but I am justified in citing them because they illustrate the reckless, lavish expenditure and the rapid gait at which the present Congress has traveled in the way of appropriating for expenses in the future, and this revenue bill will utterly fail upon its very face to meet the enormous requirements of appropriations and disbursements and authorizations for the future.

It will be recalled these authorizations binding the Government to future appropriations, together with the actual appropriations for 1917, aggregate the fabulous grand total of $2,347,127,699, authorized and appropriated during the present Congress.

And in this estimate of moneys actually appropriated from the Public Treasury or authorized by Congress, and to which the Government is committed, might be added such items, which up to within a few years would have been considered large, yet now seem insignificant, as are likely to be added during the

present fiscal year to the vast sum already mentioned. I refer to the public-building bill carrying $35,000,000, the item of some $30,000,000 for which the Government will be liable during the present fiscal year should the Supreme Court declare the refund provision illegal, possibly $25,000,000 for the Danish Islands together with innumerable and constantly appearing items disbursed with a lavish hand, such as high-salaried commissions for different purposes—a million here and a million there, all adding to the burdens of the people, the impoverishment of the Treasury, and the certainty of a growing deficit in the revenues.

Mr. FLETCHER. May I interrupt the Senator?

Mr. PENROSE. Certainly.

Mr. FLETCHER. I wish merely to suggest that whereas we hear a great deal about a public-building bill it ought to be understood and known that this is the first public-building bill that has been introduced since 1913. The last public-building act passed in March, 1913, under the Republican administration. During this administration a public-building bill has never been proposed until the present bill was introduced in the House.

Mr. PENROSE. Mr. President, I am not advised as to the merits of the measure. When the Republicans passed a public-building bill they were engaged in constructing the Panama Canal or in completing it out of the current revenues, and they were not talking about issuing bonds. They had an ample surplus in the Treasury and the country was prosperous.

In my opinion—I say it in all sincerity and without any exaggeration—the Federal Treasury is now bankrupt. I am not discussing the merits of these different measures; but I do maintain that we should have a little regard for the condition of the Treasury when we throw money right and left as we have been doing for the last two years. When I refer to their merits I should like to qualify my statement by adding that, in my opinion, many of them are of very doubtful utility. We have scores of commissions, and appropriations for floods and for other temporary matters, which I have no doubt aggregate considerably over $10,000,000, in addition to the larger and more permanent projects which I have already mentioned.

I have already stated that the estimate of the chairman of the House Committee on Appropriations on June 28 that the grand total appropriations for the fiscal year, authorized up to that time, for 1917, was $1,499,330,479.32. How rapidly the tide of lavish disbursements is rising, however, is illustrated by the fact that a few days afterwards, on July 5, 1916, the chairman of the Committee on Ways and Means estimated the total appropriations for the fiscal year 1917 would not exceed $1,579,000,000. This total includes, in the report aforesaid, $125,000,000 to meet the extraordinary expenses or disbursements occasioned by the "Mexican situation," as it is termed, caused by the mobilizing of the National Guard and the operation of troops along the Mexican border and in Mexico. In the opinion of the committee this and any other appropriations that may be necessary to meet the abnormal and extraordinary expenses which may be incurred on such account should be financed by bond issues. Thus the door is literally opened for bond issues to an unlimited extent, furnishing very evidently unlimited opportunities to cover up deficits in the revenues, notwithstanding the fact that the United States is in profound peace and the excuse of mobilizing the National Guard is made as a reason for bond issues, furnishing a convenient method for the jugglery of Treasury accounts and for peculiar bookkeeping to cover inadequate revenue.

The Ways and Means Committee in its report on the revenue bill estimated the excess disbursements over receipts for the fiscal year 1917 as $266,922,000, to be met by revenues under this bill of $197,000,000, the balance, $69,922,000, to be taken out of the general fund. This estimate falls short of the actual requirements for preparedness alone of $61,842,126.53, to say nothing of the revenue that must be raised to meet increased obligations for domestic purposes, amounting to $136,200,000. The Ways and Means Committee also estimated that the total appropriations for the fiscal year 1917 would be $1,579,000,000, from which the committee deducted $125,000,000 to be financed by bonds; $60,727,000 as the sinking-fund requirement; postal appropriations of $324,723,000, and 5 per cent as the balance estimated that will be unexpended—$53,428,000—or a total of $1,015,122,000 for which it is necessary to provide revenue. They estimate the revenue under the present laws at $748,200,000, or $266,922,000 less than the estimated disbursements. As a matter of fact the total of appropriations, even after deducting the amount required for the sinking fund and 5 per cent of the unexpended appropriations, leaves $140,000,143 in excess of the committee's estimates of the amount necessary to provide revenue, showing that this bill is totally inadequate for the purpose and that some other method must be employed.

If Congress had exercised economy by curtailing or refusing appropriations for needless projects, or projects that could well wait, such as a nitrate plant, land-bank bill, shipping bill, flood-control bill, and so forth, it is safe to say that from $175,000,000 to $200,000,000 could have been saved to the people during the fiscal year 1917. This amount, together with at least $100,000,000 which the Treasury has lost from custom duties under the Underwood tariff law, or nearly $200,000,000, as some estimate, aggregates an amount more than sufficient to meet the authorized expenditures for preparedness during this fiscal year.

In other words, Mr. President, economy and the application of the Government to the resources of the customhouse would have placed the Government in a position to have met all the requirements of military and naval preparedness.

The estimates of revenue made by the Committee on Ways and Means and the majority members of the Finance Committee in the Senate are as misleading and inaccurate as are the estimates of appropriations. Dependence is placed upon the daily statement of the Treasury. This statement showed an apparent balance in the current fund at the close of the fiscal year 1916 of $177,000,000. It will be noticed, however, by an examination of any of the daily statements of the United States Treasury that the amount to the credit of disbursing officers is carried as an asset and included in the net balance. Thus, in the statement referred to, the $59,000,000 above mentioned is carried as an asset. It should not only not be carried as an asset, but it should be deducted from the assets, which would reduce the apparent balance referred to in the general fund to $118,000,000. But, further, there is yet to be deducted $51,366,437.50 on account of national-bank note redemptions payable from the general cash in the Treasury. This amount still further reduces the general balance to $66,635,562.50. It should be remembered the Ways and Means Committee figures on $69,922,000 to be taken from the general fund to make up the balance necessary to meet excess disbursements for 1917. At the rate at which the general balance is disappearing, there will be no general balance, but more likely a deficit at the end of this fiscal year. On July 19 there remained but $24,000,000.

In the view of several prominent authorities items are also carried in the Treasury statement as assets which should be charged to liabilities, for example: Limited tender or unavailable assets, such as subsidiary silver coin, fractional currency, minor coin, and silver bullion; deposits in the Philippine treasury, which were always considered unavailable before the change to the present system was made last October; Treasury warrants; outstanding matured coupons; and interest checks. This latter item probably is offset by daily receipts in transit, but at the end of a month or the close of a quarter the former usually exceed the latter.

The difficulty of obtaining accurate information as to the condition of the United States Treasury prompts me to make the suggestion that Congress should put a stop to the practice of juggling with these figures and provide by law specifically as to how the daily Treasury balance and public-debt statements should be prepared. It is no exaggeration to say that if any bank official should attempt to present an account of assets and liabilities in the misleading way it is now being made the practice of the Treasury Department, he would very likely discover that he had involved himself quite seriously with the Secretary of the Treasury and the Comptroller of the Currency, if he had not incurred some of the penalties made and provided in such cases.

Mr. President, I know that the chairman of the Finance Committee is anxious to expedite a vote upon this measure and other Senators desire to be heard. If it should turn out that the bill goes over until to-morrow and time permits, I might continue my remarks. If it should be voted on to-day I will close and ask permission of the Senate to print a number of tables and statements which I have at hand.

The PRESIDENT pro tempore. Permission will be granted without objection. The Chair hears none.

Total of appropriations for the fiscal year 1917 carried by bills enacted or pending June 27, 1916.

Chairman FITZGERALD estimated		$1,499,330,479.32
Amount of appropriations for fiscal year 1916, including sinking fund and Postal Service		1,114,937,012.02
Excess for 1917 over 1916 to June 28, 1916		384,393,467.30
Estimated amount of additional appropriations in Army, Navy, and general deficiency bills:		
Army	$148,295,654.00	
Navy	45,857,588.81	
General deficiencies	17,000,000.00	
		211,153,242.81
Total excess of appropriations for 1917 over 1916		595,546,710.11
Grand total appropriations for 1917		1,710,483,722.13

Deduct appropriations for Postal Service, payable from postal revenues	$322,206,579.00	
Deduct for Mexican situation, to be financed by bonds	125,000,000.00	
Deduct sinking-fund requirement	60,727,000.00	
Deduct 5 per cent as unexpended balance	53,428,000.00	
		$561,361,579.00
Total appropriations after deducting above items		1,149,122,143.13
Add probable postal deficit		6,000,000.00
Net total appropriations for 1917		1,155,122,143.13
Contracts authorized additional to appropriations:		
Navy increase		488,192,027
In sundry civil bill		1,827,000
Fortifications		14,300,000
River and harbor act		2,724,950
Flood control		50,000,000
State aid for roads		79,000,000
		636,643,977
Add appropriations for 1917		1,710,483,722
Grand total of authorizations and appropriations		2,347,127,699
Appropriations for 1917 in excess of 1916 chargeable to the preparedness program:		
Army		228,624,814.23
Navy		166,164,978.67
Fortifications		19,000,000.00
Deficiencies		39,974,343.53
Total		453,764,136.43
Deduct for Mexican situation to be financed by bonds		125,000,000.00
Net total for preparedness		328,764,136.43
Appropriations for 1917 in excess of 1916 for new objects other than preparedness:		
Estimated in appropriation bills		45,000,000
Nitrate plant		20,000,000
State aid for roads		6,000,000
Land banks		15,100,000
Purchase of ships		50,100,000
Total		136,200,000
Ways and Means Committee estimate of appropriations for 1917		1,579,000,000
From which the committee deducted for:		
Mexican situation, to be financed by bonds	$125,000,000	
Sinking fund requirement	60,727,000	
Postal appropriations	324,723,000	
Five per cent unexpended balance	53,428,000	
		563,878,000
Balance of appropriations for which it is necessary to provide revenue		1,015,122,000
Ways and Means Committee estimate of revenue under existing laws		748,200,000
Excess disbursements, 1917		266,922,000
To meet which it is proposed to raise by revenue bill	$197,000,000	
Balance from general fund	69,922,000	
	266,922,000	
Total		1,015,122,000
Appropriations for 1917		1,155,122,143
Ways and Means Committee estimate of revenue under existing laws		748,200,000
Difference between this estimate and actual appropriations		406,922,143
Ways and Means Committee estimate of excess disbursements to be raised by taxation and from general fund		266,922,000
Difference between this estimate and actual amount necessary, or a deficit of		140,000,143

APPENDIX.

[Telegram received.]

LONDON, *June 29, 1916.*

SECRETARY OF STATE,
Washington:

Proclamation dated June 27, supplements previous contraband proclamations, as follows: "Following articles will be treated as absolute contraband in addition to those set out in our royal proclamation aforementioned: Electric appliances adapted for use in war and their component parts, asphalt, bitumen, pitch and tar, sensitized photographic films, plates and paper, felspar, gold-beaters skin, talc, bamboo."

SKINNER,
Consul General.

[Transmitted by unnumbered dispatch dated Apr. 20, 1916, from American consulate general, London, England. File No. 763.72112/2527.]

BRITISH CONTRABAND LIST—LIST OF ARTICLES DECLARED TO BE CONTRABAND OF WAR.

FOREIGN OFFICE, *April 13, 1916.*

The articles declared to be contraband of war in the proclamations now in force have been arranged alphabetically in the accompanying list. It is hoped that this will be convenient to all parties concerned.

The list comprises the articles which have been declared to be absolute contraband as well as those which have been declared to be conditional contraband. The circumstances of the present war are so peculiar that His Majesty's Government consider that for practical purposes the distinction between the two classes of contraband has ceased to have any value. So large a proportion of the inhabitants of the enemy country are taking part, directly or indirectly, in the war that no real distinction can now be drawn between the armed forces and the civilian population. Similarly, the enemy Government has taken control, by a series of decrees and orders, of practically all the articles in the list of conditional contraband, so that they are now available for Government use. So long as these exceptional conditions continue our belligerent rights with respect to the two kinds of contraband are the same, and our treatment of them must be identical.

LIST OF ARTICLES.

Acetic acid and acetates.
Acetic ether.
Acetones, and raw and finished materials, usable for their preparation.
Aircraft of all kinds, including aeroplanes, airships, balloons, and their component parts, together with accessories and articles suitable for use in connection with aircraft.
Aluminium, alumina, and salts of aluminium.
Ammonia liquor.
Ammonium salts.
Aniline and its derivaties.
Animals—saddle, draft, or pack, suitable, or which may become suitable, for use in war
Antimony, together with the sulphides and oxides of antimony.
Apparatus designed exclusively for the manufacture of munitions of war, or for the manufacture or repair of arms or of war material for use on land or sea.
Armor plates.
Arms of all kinds, including arms for sporting purposes, and their component parts.
Arsenic and its compounds.
Arsenical ore.
Articles especially adapted for use in the manufacture or repair of tires.
Asbestos.
Barbed wire.
Barium chlorate and perchlorate.
Bauxite.
Benzol and its mixtures and derivatives.
Bladders, guts, casings, and sausage skins.
Bones in any form, whole or crushed, and bone ash.
Boots and shoes suitable for use in war.
Borax, boric acid, and other boron compounds.
Bromine.
Calcium acetate, calcium nitrate, and calcium carbide.
Camp equipments, articles of, and their component parts.
Camphor.
Capsicum.
Carbon disulphide.
Carbon, halogen compounds of.
Carbonyl chloride.
Carborundum in all forms.
Casein.
Caustic potash and caustic soda.
Celluloid.
Charges and cartridges of all kinds and their component parts.
Chlorides, metallic (except chloride of sodium) and metalloidic.
Chlorine.
Chrome ore.
Chronometers.
Clothing and fabrics for clothing suitable for use in war.
Clothing of a distinctively military character.
Cobalt.
Copper pyrites and other copper ores.
Copper, unwrought and part wrought; copper wire; alloys and compounds of copper
Cork, including cork dust.
Corundum, natural and artificial (alundum), in all forms.
Cotton, raw, linters, cotton waste, cotton yarns, cotton piece goods, and other cotton products capable of being used in the manufacture of explosives.
Cresol and its mixtures and derivatives.
Cyanamide.
Docks, parts of.
Emery in all forms.
Equipment of a distinctively military character.
Ethyl alcohol.
Explosives, whether specially prepared for use in war or not.
Ferro alloys, including ferrotungsten, ferromolybdenum, ferromanganese, ferrovanadium, and ferrochrome.
Field forges and their component parts.
Field glasses.
Flax.
Floating docks and their component parts.
Foodstuffs.
Forage and feeding stuffs for animals.
Formic ether.
Fuel, other than mineral oils.
Fuming sulphuric acid.
Furs utilizable for clothing suitable for use in war.
Glycerine.
Gold.
Gun mountings and their component parts.
Hair—animal, of all kinds; and tops, noils, and yarns of animal hair.
Harness and saddlery.
Harness of a distinctively military character, all kinds of.
Hemp.
Hides of cattle, buffaloes, and horses.
Horseshoes and shoeing material.
Hydrochloric acid.
Implements designed exclusively for the manufacture of munitions of war, or for the manufacture or repair of arms or of war material for use on land or sea.
Implements for fixing and cutting barbed wire.
Iodine and its compounds.
Iron, electrolytic.
Iron, hematite and hematite-iron ore.

Kapok.
Iron pyrites.
Lathes capable of being employed in the manufacture of munitions of war.
Lead and lead ore.
Leather belting, hydraulic leather, pump leather.
Leather, undressed or dressed, suitable for saddlery, harness, military boots, or military clothing.
Limbers and limber boxes and their component parts.
Lubricants.
Machines capable of being employed in the manufacture of munitions of war.
Manganese and manganese ore.
Manganese dioxide.
Maps and plans of any place within the territory of any belligerent, or within the area of military operations, on a scale of 4 miles to 1 inch or any larger scale, and reproductions on any scale, by photography or otherwise, of such maps or plans.
Materials especially adapted for use in the manufacture or repair of tires.
Materials used in the manufacture of explosives.
Mercury.
Methyl alcohol.
Military wagons and their component parts.
Mineral oils, including benzine and motor spirit.
Molybdenum and molybdenite.
Motor vehicles of all kinds and their component parts and accessories.
Naphthalene and its mixtures and derivatives.
Nautical instruments, all kinds of.
Negotiable instruments.
Nickel and nickel ore.
Nitric acid and nitrates of all kinds.
Oils and fats—animal, fish, and vegetable, other than those capable of use as lubricants, and not including essential oils.
Oleaginous seeds, nuts, and kernels.
Oleum.
Paper money.
Paraffin wax.
Peppers.
Phenol (carbolic acid) and its mixtures and derivatives.
Phosphorus and its compounds.
Phosgene.
Potassium salts.
Powders, whether specially prepared for use in war or not.
Projectiles of all kinds and their component parts.
Prussiate of soda.
Railway materials, both fixed and rolling stock.
Ramie.
Range finders and their component parts.
Rattans.
Realizable securities.
Resinous products.
Rubber (including raw, waste, and reclaimed rubber, solutions and jellies containing rubber, or any other preparations containing rubber, balata, and gutta-percha, and the following varieties of rubber, viz, Borneo, Gunyule, Jelutong, Palembang, Pontianac, and all other substances containing caoutchouc), and goods made wholly or partly of rubber.
Sabadilla seeds and preparations therefrom.
Scheelite.
Searchlights and their component parts.
Selenium.
Silver.
Skins of calves, pigs, sheep, goats, and deer.
Skins utilizable for clothing suitable for use in war.
Soap.
Sodium.
Sodium chlorate and perchlorate.
Sodium cyanide.
Solvent naphtha and its mixtures and derivatives.
Starch.
Steel containing tungsten or molybdenum.
Submarine sound signaling apparatus.
Sulphur.
Sulphur dioxide.
Sulphuric acid.
Sulphuric ether.
Tanning substances of all kinds, including quebracho wood and extracts for use in tanning.
Telegraphs, materials for.
Telephones, materials for.
Telescopes.
Tin, chloride of tin, and tin ore.
Toluol and its mixtures and derivatives.
Tools capable of being employed in the manufacture of munitions of war.
Tungsten.
Turpentine (oil and spirit).
Tires for motor vehicles and for cycles.
Urea.
Vanadium.
Vegetable fibers and yarns made therefrom.
Vehicles of all kinds, other than motor vehicles, available for use in war, and their component parts.
Vessels, craft, and boats of all kinds.
Warships, including boats and their component parts of such a nature that they can only be used on a vessel of war.
Wireless telegraphs, materials for.
Wolframite.
Wood tar and wood tar oil.
Wool, raw, combed, or carded; wool waste; wool tops and noils; woolen or worsted yarns.
Xyloi and its mixtures and derivatives.
Zinc ore.

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[Telegram received.]

LONDON, *April 20, 1916.*
(Received 9.30 a. m.)

SECRETARY OF STATE,
Washington:

White paper issued by foreign office declares:

"Circumstances of present war are so peculiar that Government considers that for practical purposes distinction between two classes of contraband has ceased to have value," and that

"So long as these exceptional conditions continue our belligerent rights re selecting two kinds of contraband are the same and our treatment of them must be identical."

List contraband issued incorporating former conditional contraband in list absolute.

SKINNER, *Consul General.*

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[Transmitted by American Embassy at London, dispatch No. 3506, Apr. 18, 1916, file No. 763.72112/2519.]

A PROCLAMATION BY THE KING MAKING CERTAIN ADDITIONS TO AND AMENDMENTS IN THE LIST OF ARTICLES TO BE TREATED AS CONTRABAND OF WAR.

George R. I.:

Whereas on the 14th day of October, 1915, we did issue our royal proclamation specifying the articles which it was our intention to treat as contraband during the continuance of hostilities, or until we did give further public notice; and

Whereas on the 27th day of January, 1916, we did by our royal proclamation of that date make certain additions to and modifications in the list of articles to be treated as contraband; and

Whereas it is expedient to make certain further additions to and modifications in the said list: Now, therefore

We do hereby declare, by and with the advice of our privy council, that during the continuance of the war or until we do give further public notice the following articles will be treated as absolute contraband in addition to those set out in our royal proclamations aforementioned:

Gold, silver, paper money, and all negotiable instruments and realizable securities.

Metallic chlorides, except chloride of sodium; metalloidic chlorides; halogen compounds of carbon.

Starch.

Borax, boric acid, and other boron compounds.

Sabadilla seeds and preparations therefrom.

And we do hereby further declare that as from this date the following amendments shall be made in schedule 1 of our royal proclamation aforesaid:

In item 3 the following shall be substituted for the present wording:

"Lathes, machines, and tools capable of being employed in the manufacture of munitions of war."

In item 8, for "ether" shall be substituted "formic ether; sulphuric ether."

And we do hereby further declare that no gold, silver, or paper money captured after this date shall be treated as conditional contraband, and that, except as to captures already effected, item 14 shall, as from this date, be struck out of Schedule II of our royal proclamation aforementioned.

Given at our court at Buckingham Palace this 12th day of April, in the year of our Lord 1916 and in the sixth year of our reign.

God save the King.

(Extract from Second Supplement to the London Gazette of Tuesday, Apr. 11, 1916.)

[NOTE.—The French Government has made changes in its contraband list practically the same as those made by the British Government in the above proclamation.]

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[Telegram.]

ADDITIONS AND CHANGES IN BRITISH AND FRENCH CONTRABAND LIST.

LONDON, *February 3, 1916.*

SECRETARY OF STATE, *Washington:*

Following proclamation making certain additions to and amendments in list of articles to be treated as contraband of war, dated January 27, has to-day been received from foreign office:

"Now, therefore, we do hereby declare, by and with the advice of our privy council, that during the continuance of the war, or until we do give further public notice, the following articles will be treated as absolute contraband in addition to those set out in schedule 1 of our royal proclamation aforementioned: Cork, including cork dust; bones in any form, whole or crushed, and bone ash; soap; vegetable fibers and yarns made therefrom.

"And we do hereby further declare that as from this date the following amendments shall be made in schedule 1 of our royal proclamation aforementioned: In item 8 for 'acetone' shall be substituted 'acetones and raw or finished materials usable for their preparation.'

"In item 9 for 'phosphorus' shall be substituted 'phosphorus and its compounds.'

"In item 26 there shall be added after the word 'parts' the words 'and accessories.'

"In item 38 the more general term 'lead' shall be substituted for the words 'lead, pig, sheet, or pipe.'

"And we do hereby declare that the following articles shall as from this date be treated as conditional contraband in addition to those set out in schedule 2 of our royal proclamation aforementioned: Casein, bladders, guts, casings, and sausage skins." (The French Government has issued a list of changes and additions to its contraband list conforming to the above changes and additions to the British list.)

AMERICAN EMBASSY,
London.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives by D. K. Hempstead, its enrolling clerk, announced that the House had passed the bill (S. 708) to make immediately available for the use of the State of Georgia in paying expenses incurred by said State in connection with the joint encampment held at Augusta, Ga., July 22 to 31, 1914, certain sums appropriated for arming and equipping the militia of said State.

The message also announced that the House had passed the bill (S. 6748) providing that Indian schools may be maintained without restriction as to annual rate of expenditure per pupil, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 12426. An act to authorize mining for metalliferous minerals on Indian reservations; and

H. R. 15958. An act to amend an act providing for the withdrawal from public entry of lands needed for town sites in connection with irrigation projects.

HOUSE BILL REFERRED.

H. R. 12426. An act to authorize mining for metalliferous minerals on Indian reservations was read twice by its title and referred to the Committee on Indian Affairs.

MAINTENANCE OF INDIAN SCHOOLS.

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 6748) providing that Indian schools may be maintained without restriction as to annual rate of expenditure per pupil, which was, in line 6, after "school," to insert "*Provided*, That in no event shall the per capita cost at any one school exceed the sum of $200 per annum."

Mr. CURTIS. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

EXEMPTIONS FROM CIVIL-SERVICE REQUIREMENTS (S. DOC. NO. 544).

The PRESIDENT pro tempore. The Chair lays before the Senate a communication from the Civil Service Commission, in response to a resolution of the Senate, which will be read and printed for the use of the Senate.

The Secretary read as follows:

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., September 2, 1916.

The PRESIDENT OF THE SENATE,
Washington, D. C.

SIR: This commission has the honor to make report, in response to the following resolution of the Senate dated August 16, 1916:

"*Resolved*, That the United States Civil Service Commission be, and it is hereby, directed to send to the Senate a list of the Executive orders issued since March 4, 1913, exempting appointees in the Federal service from civil-service requirements or placing under the civil service employees previously appointed outside of any eligible list furnished by the Civil Service Commission; also a similar list of the Executive orders issued during each administration prior thereto, beginning with the first administration of President Cleveland, exempting appointees in the Federal service from civil-service requirements, or placing employees under the civil service previously appointed outside of any eligible list prescribed by the Civil Service Commission; also the number of Executive orders issued during each administration, beginning with the first administration of President Cleveland to and including the administration of President Wilson, with the concurrence of the commission and the number issued without the approval of the commission, and those issued during each of said administrations without having been referred to the commission."

The material submitted is as follows:

1. Copies of all "Executive orders issued since March 4, 1913, exempting appointees in the Federal service from civil-service requirements or placing under the civil service employees previously appointed outside of any eligible list furnished by the Civil Service Commission."

For convenience this list is arranged under the following general heads grouped under subheads to show orders issued with the concurrence of the commission, orders issued without its concurrence, orders issued without reference for its recommendation, and orders which it was directed to prepare.

(a) Executive orders issued since March 4, 1913, amending the civil-service rules to exempt positions from examination. (Under the present rules this class of positions is enumerated under Schedule A.)

(b) Executive orders placing under the civil service groups of employees appointed outside any eligible register furnished by the Civil Service Commission.

(c) Executive orders exempting particular individuals from examination or waiving some requirement of the civil-service rules in their behalf.

2. Copies of Executive orders issued between March 4, 1885, and March 3, 1913, inclusive, "exempting appointees in the Federal service from civil-service requirements, or placing employees under the civil service previously appointed outside of any eligible list prescribed by the Civil Service Commission."

For convenience this list is arranged by presidential administrations under headings similar to those used in the report concerning the present administration.

3. Appointments authorized by the commission under authority of Executive orders and civil-service rules.

Two exhibits which will show the number of positions affected by general orders are appended.

By direction of the commission.

Very respectfully,

JOHN A. MCILHENNY,
President.

Mr. PENROSE. That is an important communication. It is in response to a resolution adopted by the Senate requesting a list of the Executive orders made since, I believe, the first administration of President Cleveland. I ask the Senator from Utah [Mr. SMOOT] in what form he would suggest it should be printed. As a Senate document?

Mr. SMOOT. I understood the Chair to say that it would be printed?

The PRESIDENT pro tempore. It will be printed as a document for the use of the Senate. The Chair does not know the exact number.

Mr. PENROSE. All right; that is satisfactory.

The PRESIDENT pro tempore. The order will be entered that it be printed for the use of the Senate. There is a confidential communication on the same subject.

Mr. PENROSE. I ask that the confidential communication, which is not of great importance, may lie on the table, and, if necessary to bring it up, it will be brought up in executive session.

The PRESIDENT pro tempore. Such will be the order.

CENTENNIAL EXPOSITION AT GULFPORT, MISS.

Mr. VARDAMAN. I ask unanimous consent to submit a report from the Committee on Post Offices and Post Roads. I am directed by that committee, to which was referred the joint resolution (H. J. Res. 237) authorizing the Postmaster General to provide the postmaster of Gulfport, Miss., with a special canceling die for the Mississippi Centennial Exposition celebration, to report it back favorably, without amendment, and I ask unanimous consent for its immediate consideration. It will not take a moment. It provides that the Postmaster General may have a canceling die made for the use of the centennial exposition at Gulfport, Miss. It carries no appropriation.

There being no objection, the joint resolution was considered as in Committee of the Whole, and it was read, as follows:

Joint resolution authorizing the Postmaster General to provide the postmaster of Gulfport, Miss., with a special canceling die for the Mississippi Centennial Exposition celebration.

Whereas the city of Gulfport, Miss., is making extensive preparations to celebrate the one hundredth anniversary of the admission of the State of Mississippi into the Union, the celebration to begin on October 1, 1917, and to continue until April 1, 1918; and

Whereas the projected celebration in said city will include industrial, agricultural, horticultural, and other exhibitions, pageants, national athletic games, tournaments, parades, conventions, and many other interesting features that will attract visitors from all parts of the United States; and

Whereas the Mississippi Centennial Exposition Commission having the celebration in charge will widely advertise the approaching events, with the result that a great increase of incoming and outgoing mail matter will be handled by the Gulfport post office; and

Whereas the governor of the State of Mississippi has issued a proclamation inviting all the States of the Union to participate and will invite the countries of South and Central America and Mexico to participate in the celebration; and

Whereas the extensive preparations being made by the citizens of Gulfport and the State of Mississippi for the celebration give to said celebration a national character and significance; Therefore be it

Resolved, etc., That the Postmaster General of the United States be, and he hereby is, authorized to prepare and deliver to the postmaster of Gulfport a special canceling die to be used in the cancellation of mail matter in the post office of that city from January 1, 1917, to April 1, 1918, said die to be of such design as may be agreed upon by the Postmaster General and the Mississippi Centennial Exposition Commission.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. HUGHES. Mr. President, I desire to ask unanimous consent to return temporarily to page 99 for the purpose of having considered an amendment.

The PRESIDENT pro tempore. The Senator from Utah [Mr. SMOOT] has been recognized. Does the Senator from Utah yield to the Senator from New Jersey?

Mr. HUGHES. I ask the Senator to yield to me.

Mr. SMITH of Georgia. Mr. President, I am very anxious to dispose of the pending amendment to the portion of the bill of which I have charge. I hope we may proceed with that and get rid of it.

The PRESIDENT pro tempore. Does the Senator from Georgia object?

Mr. SMITH of Georgia. I desire to go on with the pending amendment.

The PRESIDENT pro tempore. The Senator from Georgia objects. The Senator from Utah will proceed.

Mr. SMOOT. Mr. President, I have said very little thus far upon the pending revenue measure, and I shall be as brief as possible this afternoon. For that reason I am well aware that I shall not cover the ground as fully as it ought to be covered; but I shall take occasion at this time to call particular attention to the conditions existing both with respect to the receipts of our Government and its expenditures.

IMPORTS VASTLY GREATER AND REVENUE MUCH LESS.

The imports for the last fiscal year aggregated $2,197,984,842, an increase of $523,815,102 over the previous year. This vast aggregate of imports shows how hollow the pretense is that the revenues have declined because of the European war cutting off imports. The imports were $384,976,608 greater than for the

last fiscal year of the protective tariff, 1913. In that year there was a surplus of $41,340,524. Everybody wanting work was employed, and prosperity prevailed over all the land; but following the fiscal year of 1916, with nearly $400,000,000 more of imports, we have before us the greatest tax bill Congress has ever been asked to pass on. This bill provides for an estimated burden of taxation of $382,740,926.32, distributed as follows:

From income tax	$234,367,430.28
From miscellaneous tax	88,373,496.04
From estate tax	20,000,000.00
From munition tax	40,000,000.00
Total	382,740,926.32

And it is to be followed by the issue of $130,000,000 or more of bonds to provide for the expenses incident to the gross mismanagement of Mexican affairs by the existing administration, $50,000,000 of bonds to buy ships for the mercantile trade, and $20,000,000 for the building of a fertilizer plant; part of this $382,000,000 tax bill is a reenactment of a previous law, but that does not change the situation in the least, as that previous measure was a so-called emergency act. This is the third tax bill brought forward by the Democratic Party to make up for the enormous losses caused by wanton extravagance and the shameful tariff bill they passed in violation of their pledges. They promised to reduce the cost of living, while not disturbing the business of the country, and to increase our foreign trade and collect sufficient revenue to run the Government.

The appropriations were to be reduced along with the number of officeholders and many other things were to be done, not one of which has been accomplished. The cost of living has been greatly increased. The disturbance to the business of the country, before the European war brought relief, was greater than ever before in the history of the Nation. Millions of men were out of employment; imports enormously increased; soup houses were necessary to feed the starving persons out of work; the balance of trade turned against the country, and appropriations were far in excess of anything ever before known in our history. With smaller revenues and an enormous increase in expenditures, tax bills had to be put through Congress to afford relief. Each session of Congress since that time the question of increasing taxes to meet the additional appropriations, and the loss in revenue because of the blundering tariff law has occupied much of our time.

The war has been of tremendous aid to the Democrats because of the great demand for war materials. The Democrats seek to mislead the country by having it appear that such prosperity as is caused by the demand for material for the armies of Europe is a result of their tariff law. But any reasonable person knows there is no truth in that assertion. War munitions are not confined to explosives or guns. Armies have to be fed as well as the people of the countries whose workmen are occupied in fighting its battles. The soldiers and the people must be clothed, and there is a demand in various ways for our products, wholly the result of that gigantic struggle. When the war ends these demands will cease and the men now engaged in the war will return to their former employments at such wages as they can get, which will necessarily be low. Their employers will endeavor to sell their goods in the United States, the best market in the world, at whatever prices they can obtain that will save them from loss. Legislation should be passed at this session to meet that situation, but nothing is being done in that direction. Our time is taken up with useless appropriations and in devising methods of taxation to pay the bills. Great distress will naturally follow the end of the war if the tariff law is not changed, but the Democratic Party and its President have reaffirmed their belief in the efficacy of the so-called Underwood law. The only hope for the people is in the election of Mr. Hughes to the Presidency at the coming election, with a return of a Republican majority in both Houses of Congress. Fortunately the prospects for such a result are very good. But even then it will be a good while before the necessary change in the law can be made, and in the meanwhile the people will suffer.

OTHER GOVERNMENTS RAISE TARIFF RATES—AN INEQUITABLE MEASURE.

Foreign Governments are raising their tariff rates. That is the tendency the world over. Our Government is the only important one on earth that has reduced its tariff in recent years. The allied Governments engaged in the war in Europe have already agreed to adopt measures of a protective character, and to operate in conjunction so as to benefit each other. That means injury to the United States. The commercial attaché of the United States in London recently reported, according to an Associated Press dispatch, that the British Government is planning to establish soon a tariff on American goods, other than munitions of war, for raising revenue. In fact they have already prohibited the importation of some American goods, while others are received under restriction. France is also taking like measures, and these foreshadow what we will have to meet when the war ends. But the Democratic Party places confidence in a measure that opens our doors to the free admission of over 70 per cent of our enormous imports, while the rates on the remainder are insufficient both for revenue and protection. Instead of Congress preparing to meet this serious situation practically nothing is being done except to increase taxation. There was a measure of protection for dyestuffs in the pending bill as it passed the House, but as it was not sufficient protection it would have been practically worthless. In the same way we have an antidumping clause with loopholes in it that will make it of little or no value.

The New York Times, a very important Democratic newspaper, condemns the pending measure as—

inequitable between sections of the country and between individual citizens, and designedly so.

It adds:

These discriminations are outdone in the munitions tax. Three-quarters of our four billions of exports is war trade, and the taxes are levied upon copper, guns, and shells and powder. The principle of the tax, so far as any principle is discoverable, is the same intentional discrimination against wealth and profits as that embodied in the income tax. The industries taxed were selected because they were concentrated and profitable. The result is that the State which has, say, one five-hundredths of the population pays one-fifth of the tax. There is no reason why business equally warlike to that of powder should go scott-free while powder shareholders may, perhaps, pay as much as $21,000,000, say $30 per share, more or less, in the form of the tax so levied that it may be paid by those who sold their shares before the tax was levied. The result is that those who have ceased to share the profits, perhaps, must pay, while those whose profits continue escape.

Many war supplies altogether escape any war tax. Business men are not alone in their grievance against discriminating legislation. There has been similar legislation against the railroads. Is there political wisdom in this economic folly? There are five or six States which might be swung out of the list of States which the Democratic cipherers are calculating upon.

SECRET METHODS TO FAVOR THE SOUTH.

The bill was drawn up in secret by the Democrats of the House committee, and the Republicans were only given a single day's notice in which to prepare a minority report. The bill was rushed through the House under gag rule that cut off amendments to a large degree and did not admit of many Members speaking on the subject, although the House has apparently nothing to do and has been adjourning three days at a time. That is the Democratic method of carrying out their ferocious attacks on the alleged gag rule of the Republicans. The bill was sent over to this body and is considered in secret by the Democratic members of the Finance Committee. But gag rule does not prevail, I am glad to say, in this body, although some of our opponents have been very anxious to adopt such a method of cutting off debate. The Democrats do their legislation in caucus. The committees of the House that are of importance, with one exception, have Southern men for chairmen. Practically the same situation rules in the Senate. Four northern States—New York, Pennsylvania, Massachusetts, and Illinois—paid $85,000,000 of the $124,000,000 collected from income taxes during the last fiscal year, while 12 southern States—Mississippi, Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, North and South Carolina, Tennessee, Virginia, and West Virginia—paid a total of $5,389,670. Twelve northern States paid $409,000,000 of the $512,000,000 internal taxes. Eleven southern States have a billion dollars more capital than New York, but pay a mere fraction of the taxes for the Federal Government as compared with New York. Of the river and harbor appropriation bill New York received $2,917,500, but 11 southern States get $9,168,698. If the flood bill is also considered, the situation is much worse. This explains why our southern friends are eager to increase the income rates and secure the revenue by methods of taxation which relieve their States from paying a fair proportion.

A TREMENDOUS INCREASE IN APPROPRIATIONS.

The appropriations for this session of Congress will amount to nearly $1,700,000,000. The public of mature age will not forget the tremendous attacks the Democrats made on the Republicans for appropriating a billion dollars in the so-called "billion-dollar Congress." Now, when they have an opportunity, the Democrats practically treble the amount. Much of this expenditure is absolutely inexcusable, while a large part of it could be deferred without any injury to the country and with great relief to the taxpayers. Instead of reducing the number of so-called useless officeholders, as they promised, they make an enormous increase, with its consequential burden on taxpayers. They are not satisfied, but at this session are creating thousands of additional places. At least more than one-third of the $43,000,000 carried in the river and harbor bill is wasted. Twenty million dollars were appropriated for a

nitrate plant, though in reality the purpose is to supply fertilizers for the use of our southern friends. Eleven million dollars have been thrown away in the establishment of an armor-plate plant, whereas the owners of existing plants offer to allow the Government to fix the price for producing armor plate. Fifty million dollars have been appropriated for the purchase of ships to be operated by the Government in the mercantile trade, and the President insisted that the Senate should pass that bill at this session. Such an appropriation is an absolute waste and an injury to shipping not owned by the Government. Our Democratic friends never give up the pursuit of money for digging out creeks and otherwise helping in their respective districts. These numerous wasteful expenditures aggregate almost as much as the amount of revenue to be derived from the increase in the income and other taxes.

THREE-FOURTHS OF OUR EXPORTS WAR TRADE.

The New York Times says that three-fourths of our $4,000,000,000 of exports is war trade. Secretary Redfield and his echoes try to make the public believe that only a small percentage of the exports, those confined largely to explosives, are the result of the war. That is a ridiculous statement and fools no one of sense. But the fact that three-quarters of the exports are the result of the war, according to the Times, indicates the great change that will take place when the war ends. Even our trade with some other countries than those engaged in the war has been increased as a result of that struggle. Our exports to Denmark for the 11 months ending with May of this year were in value $51,449,681, and last year they were over $75,000,000; but in 1914, before the war began, for the fiscal year they were only a little over $14,000,000, showing that the increase is altogether due to the war. The imports for the three years from Denmark varied only a few thousand dollars, being a little over $3,000,000 each year. We sent over $32,000,000 worth of exports to Greece in the last fiscal year, but for the fiscal year 1914, before the war began, we sent only about $1,000,000. Exports to Italy have more than quadrupled since the war began, but imports from Italy remain about the same. Exports to Norway have increased six times over since 1914, but imports from that country have declined, thus showing the effects of the war trade. The imports that came to this country before the war have been deflected in part to the nations at war. Exports to Portugal were three times greater last year than in 1914. To Russia in Europe they jumped from $28,000,000 in 1914, for the 11 months, to $175,000,000 for the 11 months of the last fiscal year. To France the increase was from $152,000,000 to $555,000,000; to Spain, from $28,000,000 to $46,000,000; to the United Kingdom, they increased from $557,000,000 to $1,352,000,000. That will give a fair idea of what the war has done for our export trade.

WHERE IMPORTS INCREASE FASTER THAN EXPORTS.

To Central American countries our exports were less in 1915, by over $5,000,000, than in 1914, and were only $3,000,000 more in the last fiscal year.

That is a part of the world where our trade, relieved to a large extent from European competition, should have shown a vast increase. But the fact that it does not do so, while imports from those countries have increased about $7,000,000, shows the absurdity of the statement put forward by Secretary Redfield in regard to exports. In the same way to the British West Indies the exports in 1915 were much less than in 1914, and show only a small increase in the last fiscal year. Exports to Cuba and other West India Islands, other than British islands, increased some $59,000,000, while the imports from those islands increased over $90,000,000. Exports to Argentina increased some $16,000,000, but the imports from that country increased $60,000,000. Exports to Brazil last year were some $8,000,000 more than in 1914, but the imports from that country were $25,000,000 more, and the total of imports was nearly four times as much as the exports to that country. In the same way imports have increased much faster from Chile than the exports to that country. We sell Peru $8,000,000 and take from her $21,000,000, counting the 11 months of the last year. To Uruguay we sell $3,000,000 less than we buy from her; while to Venezuela the difference in favor of imports is $5,000,000. Altogether we bought from South America in the 11 months of last year $189,000,000 more of goods than we sold to those countries.

To China we sold less last year than in 1914, but we bought from that country $27,000,000 more than in 1914. To the British East Indies there was an increase in sales last year over 1914 of $8,000,000, but there was an increase in imports of $53,000,000. We sold to Japan in 11 months last year some $16,000,000 more in value of goods than in 1914, but we bought from that country $32,000,000 more than in 1914. To Russia in Asia we sent over $100,000,000 more last year than in 1914, all munitions of war and other war supplies. To Africa the exports of last year were $13,000,000 more than in 1913—that is, the 11 months—but the imports from that country were $43,000,000 more.

I give these figures from the official record to show the utter falsity of the Democratic claim for a great increase in exports outside of war material. Imports from other countries have increased to a far greater extent than our exports to those countries. That situation will be vastly worse the minute the war ends and the enormous quantities of war supplies cease to be exported. We will be in a far worse condition than we were before the war began as a result in the change in the balance of trade, due to the Democratic tariff law.

And what are our Democratic friends doing to meet that untoward situation? Nothing, except to increase taxes. They provide for a tariff commission to furnish places for some of their politicians and add $300,000 to the burdens of the taxpayers. Then they made a pretense of furnishing protection for the dye industry, but it was a mere pretense. They provide an antidumping clause, but in such a way that it is of no practical value. That clause does not affect the 70 per cent of free imports in the least. The dumping clause is only effective when it can be shown that the importer has the intent of destroying or injuring an industry in the United States, or of preventing the establishment of an industry, or of controlling or monopolizing any part of the trade or commerce in such articles in the United States. It will be practically impossible to show any such intent. The dumping provision will have no effect whatever on the competition that results from the low wages in Europe. The dumping clause was devised to capture Republican votes, but Republicans are able to see the utter weakness of the provision. The foreigners can manufacture for export only as they have done in the past, and there is no way to ascertain their foreign price.

This revenue bill illustrates and emphasizes the fundamental difference that distinguishes the Republican and Democratic parties. It proposes to raise revenue by the imposition of larger internal taxes upon our own people rather than by an increase in duties upon foreign merchandise imported into this country. Although the Democratic Party has long advocated a tariff for revenue, it has been so uncompromisingly opposed to a tariff giving protection to American industry that it refuses to establish import duties high enough to supply the needed increase in national income, lest such duties might also afford American labor and American capital some advantage in the keen competition with the cheap capital and cheaper labor engaged in productive enterprise on the other shores of the Atlantic and the Pacific. The need of greater revenue is admitted. The certainty of increased import duties as a source of greater revenue can not be disputed. It is clear, therefore, that when the Democratic Party prefers to raise additional funds for governmental purposes by levying new, burdensome, and vexatious taxes it does so through continued adherence to its time-honored opposition to a protective tariff.

For that reason I say this bill illustrates the fundamental difference between the two great political parties in this country. The bill emphasizes that difference by including one item—the duty on dyestuffs, which expressly admits the efficacy of a protective tariff in the building of home industry—but at the same time refusing to indicate any intention to maintain permanently a protective duty upon dyes or any other commodity the production of which is desirable in this country.

Because the Democratic Party thus declares and emphasizes its opposition to a "made-in-America" policy, the tariff is and must continue to be a political issue before the American people. The Democratic Party insists upon making it an issue.

While I condemn the attitude of the Democratic Party in refusing to increase import duties to a degree sufficient to raise additional revenue, that is not my most serious objection to the policy of that party upon the tariff question. In my opinion the tariff is of far more value as a means of protection to American industry than it has ever been or ever will be as a source of revenue. I shall undertake to demonstrate, by statistics which can not be disputed, that even if every dollar of revenue collected at our customhouses were a tax upon the consumers of the United States, yet the removal of that tax imposes upon those same consumers, in their capacity as producers, a far heavier tax—a tax upon the whole country and its resources. The mere words of a law which purports on its face to be a tax measure does not necessarily represent the extent of its burden upon the people. While it seems a paradox to make the assertion, I shall undertake to prove that although reducing the import duties theoretically reduced the tax imposed upon us, yet the ultimate practical effect of that legislative action was to impose upon the American people, and particularly upon the wage earners of the country, a tax far more burdensome than

any which could possibly have been imposed by the strongest protective tariff measure ever enacted in the United States.

The largest sum ever collected in one year at our customhouses was $333,683,000, collected in the fiscal year 1910 under a Republican tariff law. While I deny most emphatically that this tax was paid by the American people, yet, if we assume for the sake of argument that it was paid by our own people, nevertheless that sum of money was expended within the United States for the employment of American people and the purchase of American supplies. It was not lost to American industry. Even if this were paid by the American people, it would be an obligation which they should pay as citizens of the United States bound to support their Government.

THE FREE-TRADE TAX.

But let us see how this tax compares with the tax imposed upon us by the reduction of the customs duty. The Underwood tariff law was enacted October 3, 1913, and was in force 10 months up to the time of the outbreak of the European war, which everyone admits disarranged commercial relations. Since that time the abnormal influence of the war upon both export and import trade has made statistics of relatively little value for comparative purposes.

It is important, therefore, to study the effect of the Underwood tariff during the 10 months it was in operation entirely free from the influence of the war in Europe. During that period our imports increased $101,977,000 and our exports decreased $158,888,000, thus causing a reduction in our balance of trade to the extent of more than $260,000,000. In this connection we must not forget that of this $260,000,000 reduction in our balance of trade $127,453,750 of it occurred during the months of April and May, 1914, just preceding the war and at a time when war was not thought of, but after the Democratic tariff act had sufficient time after its passage to become fairly operative.

Every dollar of this sum represents a dollar sent across the ocean and absolutely lost to American industry. It represents $260,000,000 added to the business of our industrial competitors in Europe and Asia. Since it is generally admitted that a dollar expended in any active line of business in the United States changes hands from 10 to a dozen times a year, the removal of this $260,000,000 from American business meant, in the course of a year, a diminution of American business to the extent of at least $2,600,000,000. It meant a corresponding aid to the development of industry in foreign lands.

That is the measure of the annual tax imposed upon American industry by the reduction of tariff duties which diminished activity in American industry and increased activity in industry abroad. The enactment of the Democratic tariff law reduced the customs revenue to the extent of about $100,000,000 a year, but at the same time that this was done that same law had the direct effect of taking out of the channels of American business $260,000,000 in 10 months. If this $260,000,000 had been merely collected from our own people and expended in our own country for governmental affairs, there would have been no material loss to our own people and the burden would have been little felt. But the removal of $260,000,000 entirely from American enterprise and the enhancement and encouragement of foreign enterprise to a corresponding amount was an injury necessarily felt in every line of American business activity.

That is why American mills were closed or operated on part time in 1913 and 1914.

That is why over 3,000,000 men were out of employment and many of them were forced to join the bread lines and seek free shelter from the vicissitudes of the season.

That is why our railroads had long lines of idle freight cars on their sidetracks, building operations were curtailed, bank clearings declined, and bankruptcy courts were flooded with business.

The figures I have given demonstrate that such a reduction of import duties as will increase importations from abroad and decrease our export trade is a more grievous burden upon our people than any high-protective duty any political party ever proposed.

A REPUBLICAN "MADE-IN-AMERICA" POLICY.

Concisely stated the protective-tariff principle is the basis of a "made-in-America" policy. Free trade encourages people to buy where they can buy the cheapest. The protective principle assumes that it is the patriotic duty of Americans to patronize home industry, but recognizes the fact that through carelessness, or lack of information, or influenced by a desire to economize, many people buy the cheaper article, even though, in the long run, they curtail or destroy American enterprises and build up the industries of other lands. Believing it to be the duty of Americans to give a preference to goods "made in America," we advocate a protective tariff which will put our economic theories into actual practice. Democrats claim to be in favor of "America first," but they enact legislation which places foreign products first in American markets.

An economic policy which encourages purchases abroad can not be otherwise than injurious to American industry. On the other hand, a policy which induces the purchase of American goods can not be otherwise than helpful. A protective tariff is constructive—free trade is destructive.

That is a broad statement of conclusions with which our Democratic friends disagree. I shall not ask them, or anyone, to accept the statement without proof. I shall undertake to prove my assertion that a protective tariff is constructive and that a free-trade policy is destructive, and, in doing so, shall take occasion to reply to certain portions of an address recently delivered on this floor by the Senator from Colorado, Mr. SHAFROTH.

INDUSTRIAL PROGRESS UNDER REPUBLICAN POLICIES.

In his address to the Senate on July 19, 1916, the Senator from Colorado asserted that upon assuming control of the Government in March, 1913, the Wilson administration "found the business life of the Nation in a deplorably enfeebled condition."

That presents an indictment of the Republican Party and its tariff policy, for our party was in control of the Government from 1897 until 1913. It is an indictment to which the party pleads "not guilty," and we shall gladly go to trial upon the evidence before the great jury of the American people.

If it were true, as the Senator from Colorado asserted, that the business life of the Nation was in a deplorably enfeebled condition at the end of 16 years of Republican administration, then we deserve the humiliation of political repudiation. If it is not true, then the party whose spokesman has presented the indictment deserves rebuke and the Republican Party merits return to power.

Let us see what the evidence shows.

It is not practicable to secure statistics showing actual business conditions on March 4, 1913, the exact date upon which the Democratic Party took control, for official statistics are computed as of June 30, the end of the fiscal year, or as of December 31, the end of the calendar year. Inasmuch as the new Democratic administration enacted no legislation taking effect prior to June 30, 1913, the country was still under Republican legislation, though it had already suffered some of the depressing effects of the certainty of the establishment of Democratic policies. However, for the purpose of comparison, statistics as of that date are the best that are available, and, where not entirely accurate, the advantage is in favor of the charge made by the Democratic Party against us. We shall gladly give the Democratic Party that advantage in submission of evidence and still have confidence that we shall sustain our plea of "not guilty."

If I were inclined to be at all technical in producing and submitting evidence of a statistical nature, I would compare conditions in 1913 with conditions in 1895, the earlier date being in the middle of the last Democratic administration, when business was in about as enfeebled a condition as any of us imagined possible for a nation with resources such as those possessed by the United States. I undertake to say that no Democrat would criticize as unfair a comparison of conditions under the Democratic administration with conditions at the time designated by the Senator from Colorado—the close of the Republican régime.

But I shall again give the Democratic Party an advantage in the selection of the period over which the comparison is to be made. I think it will be generally agreed that by 1900, after the Republican Party had been in power three years, we had fairly recovered from the depression of the Democratic administration and that the business of the country was then at least reasonably prosperous.

With conditions in 1900 as a starting point, let us see what our position was in 1913.

Let us ascertain from the record whether we descended to a "deplorably enfeebled condition" or whether we made progress which justly excited the envy of the people of other nations and should arouse the pride of the people of our own.

Let us determine whether the Senator from Colorado has truthfully depicted the status of business America or has yielded to the temptation to malign our institutions in the hope of gaining some partisan advantage.

While it may take some research, some patient attention, and some valuable time, I believe it worth while to take stock of our resources and to review our progress in order that we may know whether in 1913 we had a country of whose government and governmental policies we should have been proud, or whether that government and its policies were such as should make us ashamed.

From 1900 to 1913 our population increased from 76,000,000 to 97,000,000, an increase of 27.7 per cent. The 76,000,000 peo-

ple we had in 1900 were in a fairly prosperous condition. Since our numbers increased a little less than 28 per cent in the period up to 1913, if the conditions surrounding our people improved at a greater rate than that, it follows, as a necessary conclusion, that their status in business and social life improved in a corresponding degree.

In 1900 our national wealth was $88,517,000,000, or $1,164 per capita. Under Republican administration our wealth increased to $187,739,000,000, or $1,965 per capita in 1912, the nearest year for which figures are given in the Statistical Abstract. This was an increase of nearly 70 per cent in wealth per capita in 12 years as compared with an increase of 27.7 per cent in population in 13 years. That bit of evidence does not point to a "deplorably enfeebled condition" at the end of Republican administration.

In 1900 our national debt less cash in the Treasury amounted to $14.58 per capita, but in 1913 we had reduced it to $10.60 per capita, and had in the meantime built the Panama Canal largely out of current revenues. While our population was increasing a little less than 28 per cent we educed our per capita national debt a little more than 28 per cent. If this be an evidence of a "deplorably enfeebled condition," I trust we shall have more of it.

The total amount of money in circulation in 1900 was $2,055,000,000, but increased to $3,363,000,000 in 1913, an increase of more than 63 per cent. If a population in 1913, which had been increased 28 per cent over 1900, felt "deplorably enfeebled" by an increase of 63 per cent in the amount of money in circulation, it must have been due to fatigue incident to carrying around the increased amount of money. The amount of money in circulation per capita increased from $26.93 in 1900 to $34.56 in 1913.

But business is not transacted with money alone. In modern business we utilize bank checks to a very large extent, and we are accustomed to measure the condition of trade by the transactions of the clearing houses. Let us see the record in this respect. In 1900 bank clearings in the United States amounted to $84,582,000,000, from which sum they increased to $173,000,000,000 in 1913, an increase of more than 100 per cent. If that is an evidence that American business was "enfeebled," it requires more ingenuity than I possess to frame a line of argument by which that conclusion could be reached.

The number of national banks increased from 3,732 in 1900 to 7,473 in 1913, an increase of 100 per cent, and at the same time the paid-in capital of these banks increased from $621,536,000 to $1,056,919,000, an increase of about 60 per cent. The increase was in the smaller banks. In the same period the surplus and undivided profits of these banks increased from $391,000,000 to $988,000,000, an increase of 170 per cent. The total individual deposits in State and National banks increased in the same period from $7,238,000,000 to $17,475,000,000, an increase of 140 per cent. When a population that increases only 27.7 per cent can increase its bank deposits 140 per cent, and when the banks can strengthen themselves by increasing their surplus and undivided profits 170 per cent, it is strange that any man should find in that situation any justification for the assertion that our business was "deplorably enfeebled."

But, at the same time that Republican administrations were so conducting the affairs of the Government as to aid in producing this marvelous activity in private business, the Government itself was not increasing the burdens upon the people. Our total ordinary revenues in 1900 amounted to $7.43 per capita, while in 1913 they were only $7.44 per capita. And our revenues were in excess of our expenditures in both 1900 and 1913, whereas in 1915, under Democratic administration, total expenditures exceeded total receipts by more than $64,000,000.

The marvelously active business which these banking statistics indicate in our domestic trade has its counterpart in our foreign trade. In 1900 our total exports amounted to $1,394,000,000, which we increased by the exercise of American enterprise under sound economic legislation to $2,465,000,000 in 1913. This was an increase of 76 per cent, which is a very gratifying record for a population that increased only 27.7 per cent.

But it is not in banking and in foreign trade alone that we find these evidences of enormous industrial development under Republican administration. During the period when our population was increasing 27.7 per cent the value of our farms increased more than 100 per cent, the value of farm animals increased 150 per cent, the production of wheat increased 45 per cent, and the production of beet sugar, in which the State of Colorado is interested more than any other State in the Union, increased from 163,000,000 pounds in 1900 to 1,385,000,000 pounds in 1913, an increase of 750 per cent. If there was any one industry which profited by Republican legislative policies, it was the beet-sugar industry, which, in my opinion, should have continued encouragement in order that we may produce more sugar at home and send less of our money abroad. Will the Senator from Colorado assert that when the Wilson administration came into power it found the beet-sugar industry of this country in a "deplorably enfeebled condition"; and, if so, will he tell us when, in time of peace, the beet-sugar industry was more prosperous than under Republican protective-tariff laws?

During this same period, which the Senator from Colorado deems so injurious to American business, we increased our production of aluminum from 7,000,000 pounds to 72,000,000 pounds; production of cement, used so extensively in construction work, increased from 17,000,000 barrels to 89,000,000 barrels; the output of coal increased from 240,000,000 tons to 508,000,000 tons. That increase of 100 per cent in the production of coal had its counterpart in a 100 per cent increase in the production of copper, the use of which is a very strong indication of business conditions.

In that same period of marvelous development, which, through the colored glasses of the Senator from Colorado, looks like a period of depression, we increased our production of petroleum from 2,600,000,000 gallons to 10,400,000,000 gallons, an increase of 300 per cent.

One industry that has long been recognized as a barometer of business conditions is the production of pig iron and steel.

These products are used in construction work, and the demand for them varies according to general economic conditions. It is interesting to note, therefore, the increase in iron and steel production during the period which the Senator from Colorado says brought us to deplorable enfeeblement. In 1900 we produced 13,789,000 tons of pig iron and in 1913 we had increased the production to 30,966,000 tons, an increase of considerably more than 100 per cent. During the same time, the production of steel increased 200 per cent. If we observe such increases as those during a period when our population increased only 27.7 per cent, and call that a "deplorably enfeebled" condition, what has the Senator from Colorado to say in characterization of the fact that in 1914 there was a radical decline in iron and steel production?

In 1900 we produced 678,000,000 pounds of tin plate for the use of construction and canning industries. Our active business enterprises had so rapidly developed under the beneficent influences of Republican legislation that we produced nearly three times as much in 1913. It is of particular interest to know that in 1890 we imported a billion pounds of tin plate and had no domestic production. With the enactment of a Republican protective duty on tin plate, we began the development of a tin-plate industry of our own. Our imports have now become of slight consequence, and, at the end of what the Senator from Colorado deems a deplorably enfeebling national administration, we were producing about 2,000,000,000 pounds per annum.

The Statistical Abstract contains no figures regarding cotton manufactures for each year during the 13-year period I have been considering, and the nearest statistics available are for the period from 1899 to 1909. During that 10-year period our cotton manufactures increased from $329,000,000 to $628,000,000 and, when extended to cover a 13-year period, I have no doubt they show an increase of 100 per cent. At any rate, our exports of domestic cotton manufactures increased more than 100 per cent during that 13-year period which, in the opinion of the Senator from Colorado, found us in a "deplorably enfeebled condition."

In that same 10-year period our manufactures of wool increased from $297,000,000 to $507,000,000, an increase of 70 per cent, which is not so bad a showing for a population that increased less than 28 per cent.

If business were, in fact, deplorably enfeebled, that condition would certainly be reflected in diminished passenger and freight traffic on our railroads. But there was no recession. On the contrary, there was an increase of both forms of traffic far in excess of the rate of increase in our population. In 1900 the railroads carried less than 577,000,000 passengers, while in 1913 they carried 1,033,000,000, an increase of about 95 per cent. The quantity of freight transported increased more than 100 per cent.

This same story of steady and healthy industrial activity is supported by postal statistics. In 1900 the receipts of the postal service were $102,000,000, but business activity so rapidly increased the use of the mails that in 1913 the total receipts were $266,000,000, an increase of 160 per cent. When a 28 per cent increase in population is accompanied by a 160 per cent increase

in use of the mails, there is something besides stagnation permeating our industrial life.

In 1900 the Post Office Department issued domestic money orders to the amount of $239,000,000. In the 13 years that followed, our banking business increased to the extent already shown, and money-order business increased to $624,000,000. When a population that increases only 28 per cent can increase its purchase of money orders to the extent of 160 per cent, it is difficult to understand how a United States Senator can read a story of business depression between the lines. Would he consider it an evidence of bad conditions in his own private business if he had an increase of 160 per cent with only a 28 per cent increase in the scope of his trade?

These facts clearly and indisputably demonstrate that through the 13-year period I have discussed, while the Republican Party was in control of the affairs of the Government, we enjoyed a steady advance in material prosperity. There was one brief check to our advance, it is true, but the interim was short and of no lasting effect upon the onward and upward sweep of our industrial progress. And during that period of material prosperity, we were not neglectful of higher considerations. In 1900 we spent $215,000,000 on our public schools but increased this to $534,000,000 in 1913, an increase of 148 per cent in public-school expenditures for the benefit of a 28 per cent increase in population.

THE PANIC OF 1907.

In a very adroit but not entirely frank, and far from accurate, statement the Senator from Colorado said that "the depressing effects of the 1907 panic extended through the balance of the Roosevelt administration, through all of the Taft administration, and into the first part of the Wilson administration." I shall not attempt any extended discussion of the panic of 1907, nor shall I deny any responsibility the Republican administration should bear. I do deny, however, that the effects of that panic extended through the balance of the Roosevelt administration or through all or any part of the Taft administration. I shall present evidence which will conclusively prove that the Senator is not justified in his assertions.

Preliminary thereto, however, permit me to say that the American people have already passed judgment upon the administration which may have been partly responsible for the panic of 1907. It is common knowledge that prior to the panic of that year the executive branch of the Government had been conducting a crusade against a class of people whom it characterized as malefactors of great wealth. In my judgment, there was justification for a part of that crusade. It was at that time and still is my opinion that the crusade gathered a momentum which carried it beyond the point of reason. This was recognized by President Roosevelt himself, who called a halt when he realized the extent to which enthusiasm had carried his colaborers.

But while I was then and still am of the opinion that the crusade, however wisely begun, was carried to unwise extremes, yet I have never for a moment doubted the sincerity of the man who started that crusade. Neither is there any doubt on that point in the minds of the American people. That has been twice conclusively proven. In 1908 the Republican Party nominated and the American people elected a candidate who was the personal choice of Theodore Roosevelt. William H. Taft was nominated and elected President in 1908 through the influence of Theodore Roosevelt with the American people. His election was to all intents and purposes an indorsement of the Roosevelt administration. In fact, throughout the 1908 campaign there was no argument or plea that aroused more enthusiasm in public meetings or that won more votes for the Republican candidate than did reference to and commendation of the administration of Theodore Roosevelt.

Not only was Mr. Taft the personal choice of Mr. Roosevelt, but the platform on which Mr. Taft ran contained an unqualified indorsement of the Roosevelt administration. At the head of the Democratic ticket was Mr. Bryan, who was then and probably is now the most popular man in the Democratic Party. The platform upon which Mr. Bryan ran contained a scathing denunciation of the Roosevelt administration and of the Republican Party. Nevertheless, and notwithstanding the fact that Mr. Bryan polled a hundred thousand more votes than did Mr. Wilson in 1912, yet Mr. Bryan fell 1,269,000 votes behind the vote for the Republican nominee. If the Republican Party or the Republican President were responsible for the financial flurry of 1907, they were never censured by the American people.

Moreover, the election of 1912 disclosed another demonstration of the truth of the assertion that even though his administrative course may have precipitated the panic of 1907, yet the American people did not lose confidence in the integrity and general wise judgment of Theodore Roosevelt. Although he ran on a third-party ticket and with an organization hastily brought together, he received the votes of 4,119,507 American citizens, which, together with the 3,484,956 votes polled for the Republican nominee, made a total of 7,604,463, or more than 1,300,000 votes in excess of those polled for the Democratic nominee.

While it may be true that the crusade against bad business led to the panic of 1907, statistics published under the approval of the present Secretary of Commerce show that the effects of that panic were of brief duration, that the industries and the commerce of the country rapidly resumed their normal stride, and that we were on a rising tide of prosperity at the time the Democratic Party came into power in 1913.

THE DEPRESSION OF 1913–14.

The Senator from Colorado made the assertion that no better index of the business conditions in the country exists than the reports of Bradstreet's and Dun's commercial agencies, and that "for the last year" they have been noting a marked increase of activity in industry and commerce. This is undoubtedly true. There will be no disputing the statement that the reports of the commercial agencies are a good index of business conditions, and that "for the last year" there has been a marked increase of activity in industry and commerce. The "last year" has been a year of war which gave us the largest foreign trade in our history.

Since the Senator from Colorado considers Bradstreet's reports a good index of business conditions, I should like to quote a few statements from the publications of that periodical during the period of time when the Senator from Colorado said that "the channels of commerce were sluggish and the currents of trade were stagnant."

In its first issue of the year 1912 Bradstreet's opened its comment on the state of trade with this assertion:

At the advent of the new year the undertone of trade and industrial conditions seems to be of an encouraging character. At the moment retail lines present the most active branches of distributive trade, while in industrial pursuits iron and steel and textile mills have enlarged their working forces.

At the end of the first three months of 1912 Bradstreet's said that bank clearings for the month of March apparently spelled betterment in the trend of affairs in general.

This fact is reflected in a total of $14,319,021,715, which sum first of all indicates an increase of 12.1 per cent over the preceding month and a general increase of 7.6 per cent over March, 1911.

It is apparent that business was on the upgrade rather than down grade in 1912.

In opening its reviews for 1913, Bradstreet's said that—

Nineteen hundred and twelve was a year of remarkable achievement in agriculture, in trade, and in industry. It saw set up many new records of crop yield, of commodity price movements, of foreign and domestic trade, and of manufacture. * * * Briefly stated, it was a period of peaceful progress and plenteous production during which were laid some firm foundations for a season of prosperity in the current year.

If the Senator from Colorado has, as he professes to have, great regard for the comments of Bradstreet's upon industrial conditions, how can he harmonize that statement, made at the opening of the calendar year 1913, with his assertion that—

Commerce was sluggish and the currents of trade stagnant.

The quotation I have just made from Bradstreet's was published only two months before the Democratic Party assumed control of the affairs of this Government. At the end of three months after the Democratic Party had assumed control, and four months before it had enacted its destructive tariff law, Bradstreet's opened its review with this statement:

Varying factors are presented by this week's reports, financial pessimism, plus apprehension over tariff changes, being in sharp contrast to very favorable returns as to actual current trade and as to crops. * * * The financial situation, involving as it does stock market liquidation, tight money, and more than usual difficulty in making collections, together with the certain degree of uncertainty regarding tariff matters, continues to hold up operations for the far future.

When the Underwood tariff law, which was enacted on October 3, 1913, had been in effect one month, Bradstreet's said:

Bank clearings for the week ending October 30 aggregated $3,181,423,000, a decrease of 12 per cent over last week and of 7.9 per cent over the same week last year.

In its first issue for 1914, reviewing the business year 1913, Bradstreet's said:

Nineteen hundred and thirteen was a year of disquiet and disappointment alike in foreign and domestic finance, trade, and industry. The disquiet was world-wide, though until the latter part of this year not so much in evidence at home as abroad.

I direct the particular attention of the Senator from Colorado to the statement that it was not until "the latter part of the year," when the Underwood tariff law took effect, that the depression was severely felt in this country. I shall make only a few quotations from Bradstreet's reports at the end of the

first three months of 1914, showing conditions from various viewpoints:

There is a good deal of irregularity in current trade reports, and while business in many lines makes an acceptable comparison with last year, the nub of the various complaints now heard is found in the tendency patent to buy in small lots for immediate use rather than to make heavy purchases for distant prospective wants. * * * Sentiment in the iron and steel trades is even less favorable than it was. This is directly traceable to the fact that demand is exceptionally light and because of retrenchments by some of the leading railways. * * * Pig iron is very dull, and prices on southern grades are lower. * * * The quarterly report of failures and liabilities is not very encouraging. There were more failures in March than a year ago, and the liabilities were likewise the largest ever reported in that month. The first quarter's total is larger than a year ago, and larger than in any previous first quarter since 1896, exceeding even the first quarter of 1908 by a fraction of 1 per cent.

But the most interesting, the most useful, and the most convincing expressions from Bradstreet's regarding business conditions are those early in the months of June and July, 1914, before we heard even the rumblings of the approaching storm in Europe. The Underwood tariff law had at that time been in effect only 8 or 9 months. It was in effect only 10 months prior to the sudden outbreak of the war, on August 1, 1914. In its issue of June 27, 1914, Bradstreet's said:

Foreign trade in May was smaller than in April, owing mainly to a decrease in imports, but compared with May a year ago imports were much larger, while exports were considerably smaller. The result was a balance in favor of imports of nearly $2,000,000 as against a balance in favor of exports a year ago of nearly $61,000,000.

I trust the Senator from Colorado and his colleagues who helped pass the Underwood tariff law do not fail to observe the full force and significance of that statement. Under the Republican tariff law we had in May, 1913, an export balance of nearly $61,000,000, whereas in May, 1914, under the Underwood law, we had an import balance of nearly $2,000,000. It makes a vast amount of difference whether trade is in our favor or against us.

On July 4, 1914, Bradstreet's printed its review of the first half of the calendar year. It said:

Good and excellent crop reports, quieter distributive trade, and dull and depressed industry and manufacture are the salient features of this week's advices. * * * Collections this week are rather slow, though crop movements may tend to improve this. * * * Failures for six months of 1914 number 7,745, a total of 8.4 per cent larger than last year and 2.4 per cent heavier than in 1908. Liabilities for six months aggregate $149,969,754, a sum 31 per cent larger than a year ago, but 16 per cent smaller than in the first half of 1908.

Regarding foreign trade movements, Bradstreet's for July 11, 1914, said that—

Import trade in May showed a large increase, 22.8 per cent, over May, 1913. Our exports fell off 16.9 per cent. In imports the feature was the large gain in receipts of foodstuffs, while in exports a notable tendency was to lessen the shipments of manufactures.

As the Senator from Colorado has well said, Bradstreet's is not a political publication. It is entirely nonpartisan, and yet it would be difficult for any Republican Senator to make a statement that in effect more severely condemns the Underwood tariff law than does the Bradstreet's review from which I am quoting. Continuing, Bradstreet's of July 11, 1914, says:

Thus, of the total increase in all imports of $31,000,000, foodstuffs showed a gain of $14,036,000, or 50 per cent increase on a year ago. Crude materials for use in manufacture gained $13,340,000, or 27 per cent, while manufactures for use in manufacture fell off about $14,000,000, or 13 per cent, and manufactures ready for consumption increased about $7,000,000, or 24.6 per cent, making a net decrease in all imports of manufactures of $7,000,000, or 16 per cent.

That statement is well worth the studious attention of every man who is a sincere believer in the maintenance of the economic policy very aptly described by the expression "America first." A 50 per cent increase in our imports of foodstuffs could not be otherwise than injurious to the American producers of foodstuffs who were ruthlessly thrown into competition with foreign producers. Imports of manufactures ready for consumption increased 24.6 per cent, showing that we were increasing our purchase of the products of foreign labor to the detriment of those of our people who are engaged in manufacture at home.

At the same time that those changes were taking place exports of manufactures from this country fell off $20,000,000, or 18 per cent, and exports of food products fell off $6,000,000, or 17 per cent.

Those figures cover only the month of May. Bradstreet's report for eight months, under the new tariff law, shows a decrease in our export balance of 36.3 per cent. Our exports of crude materials increased $29,000,000 during the eight months, showing that we were sending our raw materials abroad to be made into manufactured products by foreign labor.

Contrast the conditions in the middle of 1914 with those in the middle of 1915, when the war had been 11 months in progress. The first issue of Bradstreet's in the month of July, 1915, asserted that—

War orders are of enormous proportions. Brass mills in New England, sold far ahead, are intensely active; tin-plate plants are overflowing with orders, subletting of contracts being a feature; steel mills are doing more; specifications for finished steel are larger; the amount of pig iron is increasing; idleness continues to decrease; effects of war orders are sprouting out to other lines, percolating, as it were, through general trade; money is easy, and country banks are drawing funds for crop-making processes. * * * Our Chicago correspondent says the value of war orders placed throughout the country is $1,500,000,000, which at a profit of 20 per cent yields $300,000,000. Buffalo reports a large rush order for steel rails, also a large contract for steel with which to make shrapnel. A local plant manufacturing benzol has sold its full output for export. Baltimore says manufacturers of workingmen's shirts and overalls are working full time, in some cases overtime. From New Haven comes the report that some brass manufacturers have enough orders on hand to keep up activities for the next five years.

It is needless to continue these quotations from Bradstreet's. The story is pretty clear to every reader of the daily press. From a state of industrial depression due to tariff legislation which turned our export trade into an import trade—turned our producers into consumers—we were rescued by the outbreak of the war, which created a demand for a vast line of products and gave us a war-order business, which, as Bradstreet's very pertinently says, percolated through general trade.

Some of our Democratic friends are inclined to deny that the business activity we are now enjoying is a "war-order" prosperity. Others do not make express denial, but assume that by some mysterious means the present administration has brought about a revival of industrial enterprise. In all Democratic quarters there is a feverish hope that the American voters will be content with good wages and high prices, however attained, and will not study the economic conditions and the abnormal circumstances which exist.

In order to make my demonstration more comprehensive by submitting more specific evidence from a different viewpoint, I shall present a table showing the values of exports of 47 classes of articles that are essential to the maintenance of modern warfare. I shall give the export figures for a period of 10 months under Republican tariff laws, then for a corresponding period under the Democratic tariff prior to the outbreak of the war; next for the first 10 months of the war, and, finally, for the corresponding 10 months of the second year of the war. I can not conceive a fairer or more conclusive method of studying this question, if one desires to get the actual facts.

It will be seen that our total exports of these 47 classes of commodities amounted to $734,476,000 under the Republican period, but during the Democratic period the depressing effect of tariff legislation decreased the exports to $630,652,000. The first 10 months of the war increased these exports to $1,360,266,000, while continuation of the war raised the exports to $2,383,598,000 for the corresponding period in the second year of war.

Here are the figures in condensed form:

Class.	Republican law, October, 1912–July, 1913.	Democratic law.		
		October, 1913–July, 1914.	August, 1914–May, 1915.	August, 1915–May, 1916.
Aluminum and manufactures	$794,000	$956,000	$2,946,000	$4,808,000
Animals:				
Horses	3,511,000	2,824,000	55,820,000	70,141,000
Mules	677,000	562,000	10,150,000	18,206,000
Brass and manufactures	6,755,000	6,184,000	15,779,000	128,388,000
Breadstuffs and oats	189,057,000	132,523,000	513,287,000	383,697,000
Buttons and parts	700,000	540,000	972,000	1,515,000
Cars, carriages, etc.:				
Aeroplanes and parts	74,000	201,000	1,115,000	5,755,000
Autos and parts	27,740,000	28,279,000	51,936,000	99,942,000
Auto tires	3,234,000	2,709,000	3,883,000	15,730,000
Steam railway cars	14,347,000	7,708,000	2,910,000	23,900,000
Miscellaneous vehicles	6,847,000	5,865,000	9,042,000	11,929,000
Acids:				
Sulphuric	65,000	101,000	450,000	1,557,000
All other	302,000	302,000	7,238,000	18,274,000
"Other" chemicals	7,084,000	7,575,000	18,713,000	45,313,000
Copper pigs, etc	115,405,000	120,929,000	80,008,000	139,888,000
Cotton manufactures:				
Knit goods	2,064,000	2,039,000	11,447,000	17,104,000
All other	5,253,000	5,213,000	13,413,000	9,140,000
Eggs	3,654,000	3,026,000	4,435,000	5,433,000
Explosives	4,395,000	5,480,000	29,032,000	398,229,000
Fish	8,722,000	11,623,000	10,695,000	18,045,000
Fruit:				
Dried	13,152,000	8,744,000	10,786,000	13,020,000
Canned	3,902,000	3,606,000	5,667,000	6,528,000
Hay	821,000	642,000	1,578,000	2,505,000
India rubber goods	8,412,000	7,273,000	8,644,000	14,463,000
Instruments, and appliances, medical, surgical, and optical	2,341,000	2,638,000	5,743,000	7,617,000

Class.	Republican law, October 1912–July, 1913.	Democratic law.		
		October, 1913–July, 1914.	August, 1914–May, 1915.	August, 1915–May, 1916.
Iron and steel manufactures:				
Bars, rods, blooms	$12,103,000	$6,596,000	$11,743,000	$65,506,000
Cutlery	917,000	925,000	1,361,000	3,650,000
Firearms	3,585,000	2,749,000	8,244,000	13,943,000
Horseshoes	82,000	79,000	1,499,000	1,493,000
Locomotives	5,550,000	2,797,000	1,944,000	11,615,000
Machine tools	13,599,000	11,157,000	23,617,000	48,976,000
Nails, wire	1,939,000	1,240,000	1,913,000	5,697,000
Rails, railway	11,467,000	6,286,000	3,175,000	14,933,000
Wire, barbed, etc.	8,342,000	6,461,000	11,168,000	32,029,000
All other manufactures of iron and steel	17,009,000	14,736,000	15,274,000	[1]116,424,000
Leather, tanned skins, and manufactures:				
Men's shoes	9,282,000	8,077,000	13,110,000	31,731,000
Saddles and harness	641,000	706,000	15,871,000	5,076,000
All other	42,197,000	38,301,000	76,944,000	89,711,000
Meat products	128,474,000	114,798,000	160,430,000	229,908,000
Dairy products	2,722,000	2,417,000	11,159,000	19,657,000
Oils, gas and fuel	7,061,000	12,959,000	15,317,000	20,776,000
Distillates (except gasoline)	11,475,000	4,715,000	7,420,000	24,185,000
Paraffin	7,560,000	5,298,000	8,886,000	10,167,000
Vegetables, canned and other	5,973,000	5,926,000	9,006,000	12,992,000
Wool manufactures	3,717,000	4,034,000	23,291,000	47,305,000
Zinc manufactures	1,005,000	279,000	18,265,000	38,283,000
Articles not listed	6,965,000	6,253,000	9,792,000	20,068,000
Total, 47 classes	734,476,000	630,657,000	1,360,266,000	2,383,598,000
Total exports, 10 months' period	2,110,466,000	1,951,870,000	2,345,903,000	3,601,186,000
Percentage, above classes....per cent	35	32	60	66

[1]Includes shell steel.

But while I have a due regard for the opinions expressed by Bradstreet's and by any other commercial institution which makes a specialty of collecting facts and drawing conclusions therefrom, yet there rests upon every American citizen the ultimate duty and responsibility of studying the facts for himself and drawing his own conclusions as a test of the accuracy of the conclusions drawn by others. I have made a few excerpts from the opinions expressed by Bradstreet's. Since they are mere excerpts, they are open to the suspicion that they were selected to support the views I had already formed. I have made these quotations merely for the purpose of demonstrating that whereas the Senator from Colorado quoted Bradstreet's to show the excellent condition of industry and commerce in the United States at the present time, he could have found, if he had been so disposed, equally strong expressions showing the depression which resulted from the enactment of Democratic tariff legislation. Since there may be some doubt as to the fairness of my selection of quotations, just as there may well be a belief that the Senator from Colorado sought only those particular quotations which supported the cause he represents, I shall avoid any criticism that might thus be made by setting forth further statistics, in order that those who hear or read my remarks may ascertain for themselves whether my views are correct as to fundamental economic conditions in the United States during the closing months of the Republican administration, as compared with the Democratic administration prior to the outbreak of the war in Europe.

These statistics are also taken from Bradstreet's Review and compare the first 10 months under the Democratic tariff law with the corresponding 10 months in the previous year under the Republican law. I choose those periods for comparison for the obvious reason that the Underwood tariff law was in force only 10 months prior to the European war. The Underwood tariff law took effect October 3, 1913. During the remaining three months of that year and the first seven months of 1914 up to August 1, when the war began, there were 13,120 business failures, with total liabilities of $261,847,114, as compared with 11,736 failures in the corresponding 10 months in the last year of Republican administration, with total liabilities of $214,243,203.

In the calendar year 1912 commercial failures amounted to $98,816,000, while in 1913 they amounted to $115,863,000 and in 1914 to $175,298,000.

During the 10 months the Underwood tariff law was in effect prior to the war building expenditures amounted to only $679,000,000, as compared with $750,000,000 in the corresponding period in the previous year. For the calendar year 1912 building expenditures amounted to $879,000,000, while in 1913 they dropped to $814,000,000 and in 1914 to $729,000,000.

During the calendar year 1912 new companies with capitalization of $100,000 or more each, were organized with a total capitalization of $2,295,172,000, while in 1913 the aggregate dropped to $1,534,254,000 and in 1914 the depression had become so great that the total was only $894,947,000.

It is evident from these figures and also from the fact that bank clearings for the 10 months of the Underwood tariff law were $3,300,000,000 less than during the corresponding period under Republican administration that there was in 1913–14 a cessation of active enterprise, a halting of general industrial activity, and a well-founded apprehension on the part of careful business men that the economic policies of the Democratic Party would destroy rather than conserve or construct American industry.

STATISTICS FROM A DEMOCRATIC SOURCE.

The efficacy of a protective tariff system in promoting industrial development and in maintaining sound and active business conditions is attested not only by Bradstreet's but by the first annual report of the present administration giving an annual review of the foreign commerce of the United States. Although that report was not submitted until February, 1914, it covered the fiscal year ended June 30, 1913, a period entirely under Republican tariff legislation, though the statistics for the period were compiled by a Democratic administration.

Although we were supposed to be at that time, according to the Senator from Colorado, in a "deplorably enfeebled condition," that report declares that our foreign commerce for 1913 exceeded that for any previous year. The total of imports and exports is of less importance, however, than the character of the exports and imports. If we were increasing our imports of manufactured goods and decreasing our exports of manufactures, the showing would be bad for us, for it would show that we were paying foreign workmen to do the work we should do in our own mills. But no such showing is made. On the contrary, it is demonstrated that under Republican tariff laws we were increasing our exports of manufactures and decreasing our imports.

Commenting upon this phase of the statistical showing, the report says that the chief increase in imports was in manufacturers' materials—the commodities needed in order to keep American mills busy. The chief increase in exports was in manufactures—the product of American labor. What a magnificent tribute the newly inaugurated Democratic administration thus paid to the success of the Republican economic policy!

The report further says that—

Imports of foodstuffs, both those in a crude condition and those partly or wholly manufactured, show a slight decrease and formed a smaller percentage of the total importations than in the preceding year. Manufacturers' raw materials imported increased 79 million dollars and formed 35.04 per cent of the total, against 33.63 per cent in 1912. Manufactures for further use in manufacturing increased 56 million dollars and formed a larger percentage of the total than ever before, being 19.27 per cent, against 18.84 per cent in 1911 and 17.77 per cent in 1912. Manufactures ready for consumption increased 48 million dollars, forming 22.51 per cent of the total imports, against 23.9 per cent in 1900 and 29.23 per cent in 1890.

The increase in exports occurred chiefly in manufactures. The group, manufactures ready for consumption, showed an increase of 104 million dollars over 1912, the former high-record year, and formed a larger share of the total (31.97 per cent) than in any preceding year. Manufactures for further use in manufacturing increased 61 million dollars and formed a larger percentage of the total exports (16.83 per cent) than in any preceding year. Manufacturers' raw material exported increased but 9 million dollars and formed a smaller percentage of the total exports (30.13 per cent) than in any year since 1906. Manufactured foodstuffs increased but 2½ million dollars; but crude foodstuffs showed an increase of 82 million dollars over 1912, this increase occurring chiefly in wheat, of which the exports amounted to 89 million dollars, against 28½ million in 1912; oats also showing an increase of 12 million dollars when compared with 1912. This unusually large increase in the exportation of wheat and oats brought the total exports of agricultural products to the highest total in value in the history of the export trade, aggregating $1,121,290,345 in 1913, against $1,048,433,768 in 1912 and $1,054,405,416 in 1907, the former high-record year.

The imports by great groups, compared with the preceding year, were as follows:

Groups.	1912	1913
Crude materials for use in manufacturing	$555,986,041	$635,210,201
Foodstuffs in crude condition, and food animals	230,358,230	211,746,503
Foodstuffs partly or wholly manufactured	196,100,608	194,240,229
Manufactures for further use in manufacturing	293,739,134	349,491,928
Manufactures ready for consumption	360,018,963	408,178,704
Miscellaneous	17,091,958	14,227,651
Total	1,653,294,934	1,813,095,234

The exports by great groups, compared with the preceding year, were as follows:

Groups.	1912	1913
Crude materials for use in manufacturing	$723,008,839	$731,758,513
Foodstuffs in crude condition, and food animals	99,899,270	181,907,266
Foodstuffs partly or wholly manufactured	318,838,493	321,204,373
Manufactures for further use in manufacturing	348,149,524	408,806,949
Manufactures ready for consumption	672,268,163	776,297,360
Miscellaneous	8,155,539	8,531,897
Total domestic exports	2,170,319,828	2,428,506,358
Foreign exports	34,002,581	37,377,791
Total exports	2,204,322,409	2,465,884,149

The broadening field for the exports of our domestic products is sharply illustrated by the figures of the fiscal year 1913. Exports to the other sections of America formed 30.96 per cent of the total against 16.24 per cent in 1900, 15.50 per cent in 1890, and 11.08 per cent in 1880; while those to Europe formed 59.98 per cent of the total against 74.60 per cent in 1900, 79.74 per cent in 1890, and 86.10 per cent in 1880.

FACTS REGARDING SPECIFIC INDUSTRIES.

I have now shown by indisputable statistics that under Republican tariff policies we experienced a rapid and practically continuous industrial growth up to the time when the Democratic Party secured control of the Government and enacted a tariff law whose rates of duty were so low as to constitute in effect free trade. I have shown that because of the enactment of the Democratic tariff law our imports increased, our exports decreased, domestic business declined, our bank clearings fell off, productive enterprise was halted, and business failures increased. The statistics I have presented are general in their character, showing the effect of a free-trade policy upon our business life as a whole.

I have asserted that a protective tariff is constructive while free trade is destructive. Perhaps there are some who will not be satisfied with the demonstration made by the general statistics I have submitted. For their particular benefit and for the information of all who may be interested, I propose to submit some specific facts regarding particular industries for the purpose of further proving beyond possibility of dispute the constructive effects of a protective tariff and the destroying influence of reduction or removal of the protective duty.

Mr. President, I do not stand here advocating a tariff for the protection of the industries of Utah alone. While I am a Senator from the State of Utah I am a Senator of the United States, and deem it my duty, regardless of the special interests of my own State, to advocate such legislation as will redound to the benefit of the Nation as a whole. It is true that the wool growers of Utah, the zinc and lead and sugar producers of that State, earnestly desire a protective tariff upon their products. It is my opinion that such a protective tariff is not only justified but absolutely essential to the largest possible success of those industries.

But we are not so narrow in our vision as to be deluded with the idea that we can be prosperous through a protective tariff upon our own products if all other industries of the United States are impoverished by ruinous competition with the products of cheap labor, cheap raw material, and cheap land in Europe, South America, or Asia. We depend upon other sections of the United States for the greater part of our market for the products of Utah and, in order that we may have an active demand for our goods and a correspondingly satisfactory price, those who are engaged in other enterprises must themselves be prosperous.

PEARL BUTTONS.

We desire, for instance, to sell the products of our wool to the pearl-button producers of Illinois, who are so ably represented in some respects, but I believe ill-advisedly represented in other respects, by a distinguished Senator [Mr. LEWIS] who is a member of the opposite party. In order that the pearl-button producers of his State may be liberal buyers of wool products, it is necessary that they be protected from the low-waged labor of Japan, Germany, Austria, and other countries. In order to demonstrate the necessity for a protective tariff upon pearl buttons, I desire to call attention to the fact that 25 years ago there was no pearl-button industry in this country. About that time the McKinley bill was passed and in it was inserted a protective duty upon pearl buttons, with the result that an industry was built up now employing some 22,000 men and women. The rate of duty imposed by the Republicans was not sufficient to be prohibitive of imports, as is evidenced by the fact that during the fiscal year 1913 we imported pearl buttons to the value of $91,000, from which the Republican revenue law collected, in round numbers, $70,000. When the Underwood law was passed in October, 1913, the duty was very materially reduced, with the result that in the remainder of that fiscal year, covering a period of only nine months, we imported $170,000 worth of pearl buttons from which the Democratic revenue law collected approximately $61,800 of revenue. The imports were at the rate of $226,000 per year, or two and one-half times the imports under the Republican law. I challenge the Senator from Illinois to assert on this floor that this increased importation of pearl buttons had no injurious effect upon those citizens of his State who are engaged in this industry. It is a small industry, it is true, but it is one of those thousands of industries which go to make up our industrial commonwealth.

TABLE CUTLERY.

I am here to plead also for the table-cutlery manufacturers of New York, New Jersey, Ohio, and other States, some of which are represented on this floor by men who voted to reduce the import duty on cutlery. In the manufacture of table cutlery there was invested in 1913 more than $5,300,000 and the average production was in the neighborhood of $3,500,000. Some 4,000 men and women find employment in that industry. Evidence before the Finance Committee shows that daily wages in this industry range from $1.80 for unskilled labor to $3.15 for skilled labor, as compared with 75 cents per day to $1.42 per day in Germany and England. Under the latest Republican tariff law this industry was protected by both specific and ad valorem duties which produced a revenue amounting to about 42 per cent. Nevertheless, there was a sufficient importation to demonstrate that the duties were not prohibitive. We built up no monopoly of table-cutlery production under that law. The act of October 3, 1913, passed by a Democratic administration, reduced the tariff rate, with the result that importations more than doubled up to the time of the outbreak of the war in Europe, which temporarily shut off foreign competition. Since the war began we have made heavy exportations of table cutlery. I challenge the Democratic Senators from New York, New Jersey, or Ohio to assert on this floor that American workmen should be required to compete with the foreign workmen at the wages I have stated without the protection of the rate of duty imposed by the Republican tariff law.

TIN PLATE.

Mr. President, one of the important industries built up in this country as a direct consequence of the enactment of a Republican protective tariff law is the tin-plate industry, to which I have already alluded, and which had its origin in the State of Indiana. Study of the history of the American tin-plate industry should be of particular interest because we manufactured none of this article in this country prior to 1890, but imported our supply from Wales. The McKinley bill of 1890 imposed a duty of 2.2 cents per pound, and under the assurance thus given that the American producer would have a tariff advantage which would equalize the disadvantage of higher wages which he must pay, tin-plate factories were established first in Indiana and then in other States.

In 1913 Indiana was represented by two Democrats, who voted to reduce that duty. Let us see the difference in the effect of the Republican constructive tariff and Democratic destructive legislation. From no industry at all in 1890 we built up tin-plate production to an annual output of 18,000,000 boxes of 100 pounds each, valued at about $62,000,000, in 1912. During that same time the price of tin plate to the user was reduced from about $6 per box to about $3.20 per box. After the industry had been firmly established under the McKinley rate of 2.2 cents per pound the rate was reduced by the Payne law of 1907 to 1.2 cents per pound. Statistics show that in the matter of labor cost Wales has an advantage over the United States of about 34 cents per hundred pounds, in cost of raw material 10 cents per hundred pounds, on capital cost 13 cents per hundred, and on freight cost 40 cents per hundred, thus showing a total advantage in favor of the Welsh producer of 97 cents per hundred pounds. The Payne rate of $1.20 per hundred pounds was therefore declared to cover the difference in cost of production. The Underwood law, however, cut the duty to 15 per cent ad valorem, or about 46 cents per hundred pounds. Fortunately, the outbreak of the European war has protected us from an invasion of our markets by the factories of Wales, but American tin-plate producers were considerably startled by the announcement that 2,000 tons of tin plate have recently reached our ports from China, and that the Chinese Empire is rapidly developing a tin-plate industry which hopes to invade and capture a large portion of the American market. With all the necessary raw material at hand and with the cheapest labor to be found anywhere on the globe, China is in a fair position to take advantage of the low tariff rate imposed on tin plate in the Underwood tariff law.

DYESTUFFS.

Mr. President, I shall not hope to say anything new upon the subject of a protective tariff on dyes, but in attempting to make an address of rather comprehensive character, I shall touch upon this subject not only for the purpose of emphasizing the need of a dye industry, but also for the purpose of incorporating in my remarks some comment upon the practical admissions that have been made by our Democratic friends as to the effectiveness of a protective tariff in building up American industry. In this connection it is amazing that some Democrats criticize the Republican Party because it did not during its years of control of national policies enact a tariff law which would build up a dye industry and make us industrially independent. I have never contended that a Republican tariff law was perfect. I have always believed that some of our tariff rates were too low, even under Republican administrations, and I think quite possibly some of them were higher than necessary. In the past few have realized the importance of establishing a dye duty high enough to insure the establishment of an adequate dye industry in this country. I have pleaded for adequate protection for this industry time and time again. We have now learned by experience, and have learned not only the importance of a dye industry, but the absolute necessity of a protective tariff as a means of securing it. Our Democratic friends acknowledge the necessity of a protective duty in order to encourage American capitalists to embark in this enterprise on such a scale as to give assurance of permanency, and yet they are unwilling to establish a protective tariff at such a rate as to assure the adventurous captains of industry that when their dye plants have been established they will be secure against the destructive competition of a nation which has grim determination to monopolize the dye industry of the world. With a lack of foresight and a vacillation of policy it is characteristic of the Democratic Party to induce men to invest their capital in an enterprise which they are willing shall later be destroyed. This policy is quite consistent with that which they have pursued in foreign affairs. They have asked and encouraged the American people to go into Mexico and South America to invest in industry which should bring trade to the United States, but when a crucial test has come they have refused to give those same people the protection to which they are entitled as American citizens under the treaties made in good faith with those Southern nations.

So long as the Democratic Party remains in power there is no encouragement for any reasonably cautious man to invest his money in South American countries or in the development of a dye industry within our own borders. Personally, I advocate a high duty on dyes for three reasons. First, it will develop a new industry in this country and directly give employment to a large number of American workmen and provide a field for a larger amount of American capital. Second, it will make other industries which are users of dyes independent of foreign countries, whereas they are now entirely dependent. Third, we have had a demonstration in the case of Germany that dye plants can be readily transformed into factories for the production of explosives. In my opinion, there is nothing that we could do that would more effectively contribute to military preparedness than the establishment of a dye industry so extensive as to insure the production of all our dye material in our own country. If we should unfortunately be involved in war, every one of such dye plants would be immediately available for the production of the first essential of modern warfare.

SEWING MACHINES.

One of the great industries we have built up in this country is the manufacture of sewing machines. The largest sewing machine company in this country maintains factories also in Canada, Germany, Russia, and Scotland. It maintains factories in these countries because of the lower cost of labor. Naturally, a large part of its product in those countries is sold to users in those countries. Under a Republican tariff law, sewing machines imported into this country must pay a duty of 30 per cent ad valorem, while parts of sewing machines paid a duty of 45 per cent. The Democratic tariff law of 1913 put all these commodities on the free list. During the last quarter under the Republican tariff law our importations of sewing machines amounted to less than $18,000. During the first quarter under the Democratic free trade law the imports were $32,000, during the next quarter $219,000, during the following quarter $317,000, and in the next quarter $268,000. I challenge any gentleman on the other side of the Senate to assert that it is desirable for us to buy sewing machines made in Germany, Scotland, Canada, or Russia rather than machines made in America by American labor and American capital, particularly when the price of the machines to the retail buyer is the same in either case.

KNIT GOODS AND HOSIERY.

Mr. President, I have already stated that in my opinion Republican tariff laws have been imperfect and that sometimes our rates have been too low, as they have also, perhaps, been too high. One instance in which our rate was too low is found in the duty on hosiery. For instance, under a Republican tariff law the importations of higher grades of hosiery increased from $3,000,000 in 1898 to nearly $7,000,000 in 1907. In order to remedy this condition the Republican tariff law of 1909 slightly increased the import duty on the lower grades and the importations decreased from $6,400,000 in 1909 to $2,700,000 in 1913, a decrease of $3,700,000, or 60 per cent. This was a saving of $3,700,000 to American labor and American producers of raw material. That Republican tariff legislation kept $3,700,000 of money in this country for the development of American industry. The Underwood law greatly reduced the import duty on hosiery, and, as a consequence, importations for the 10 months the Democratic tariff law was in force, prior to the war, increased 26 per cent as compared with a similar period under the Republican law, and foreign producers were making every preparation to increase their sales in this country to an even greater extent when the war shut them off from our market and gave us an abnormal market for our product.

What is true of hosiery is true of other knit goods, the importations of which increased from $302,000 to $2,821,000 during the 10-month periods already mentioned. It is asserted by practical operators in the knit-goods industry that they were seriously injured as a result of the enactment of the Underwood tariff law, not so much because of the amount of importations as because of the lack of confidence created among the buyers. The general depression which followed the enactment of the Underwood law caused all lines of industry to buy sparingly, because of realization of the fact that the foreign producer had an open door to our market and would almost certainly cut his price to such an extent as to drive the American producer out of the field.

Hosiery, Mr. President, is an industry in which the State of North Carolina is very extensively interested, and in which it will be much more extensively interested in the future. I do not pretend to be a better representative of the interests and the sentiment of North Carolina in matters of general governmental policy than are the distinguished gentlemen who represent that State on this floor, but I do undertake to assert that the hosiery manufacturers of that State, the employees in those factories, the retail merchants, the bankers, and the professional men, all of whom are indirectly benefited by the building up of a hosiery industry, agree with my views on the subject of a protective tariff rather than with the views of the gentlemen who helped reduce the protective duty on that important article of industry and commerce.

ALUMINUM LEAF.

Mr. President, it may seem a trivial matter to mention industries which are so small as to be unknown to a vast majority of the people of this country, but our prosperity is very largely founded on a multitude of small industries which afford employment to people in small communities rather than upon industries which afford employment to large numbers of people in congested districts. For my own part, I prefer to encourage that line of manufacture which will develop small industries scattered over a wide area rather than those which tend to draw so large a proportion of our citizenry to the congested districts of our large cities. I have in mind in this connection the aluminum leaf industry, which is conducted quite extensively, although in a small way in each individual instance, in New York, New Jersey, Connecticut, Ohio, and Illinois. Aluminum leaf is used chiefly for ornamental purposes and by sign painters and bookbinders. Very frequently the producer has his factory in his own home and utilizes the assistance of his family. Notwithstanding the Republican import duty of about 70 per cent ad valorem, German producers were selling so extensively in this country that the Ways and Means Committee of the House was asked in 1913 to increase the duty. That request was refused, and the duty was reduced to about 25 per cent ad valorem, under which rate German factories immediately began to supply our market, and the aluminum leaf beaters of this country were compelled to discontinue their operations.

As in the case of a great many other industries, the war shut off foreign importations, and the American aluminum leaf beaters resumed operation and are now successfully plying their trade. They do so, however, under the handicap of the certain

knowledge that as soon as the war is over Germany will be as free to seize our market as she was before the war began. Under present tariff laws there is no encouragement whatever for any man to attempt to build up an extensive aluminum leaf industry in this country. I challenge the Senator from New Jersey to defend the reduction of the duty on aluminum leaf.

AGRICULTURAL PRODUCTS.

My interest in manufacturing industries is no more earnest than my interest in agricultural industries, for I recognize the fact that the very character of our resources makes agriculture our fundamental industry. Among our agricultural products which need the aid of a protective tariff in order to successfully meet foreign competition is sugar. To this subject I shall devote no attention on this occasion for the reason that my own State is largely interested in this industry, and I desire to avoid even the appearance of being a special pleader on the tariff question. But there are other branches of agriculture in which other sections of the United States are deeply interested, and I stand here to plead their cause.

It has been the consistent effort of the Democratic Party for many years to create the impression that the protective tariff is of benefit to manufacturers only and of no benefit to agricultural producers. This is not the fact, as the records will show. Agriculture reached its greatest depression during the period from 1893 to 1897, when Democratic tariff laws were in effect. Although there were hungry thousands in our cities, the farmers of the Middle West used for fuel the wheat and corn they could not sell. This depression was due no more to the reduction of the tariff on agricultural products than to the reduction of the tariff on other commodities, creating a general depression throughout the country and diminishing the demand for agricultural products.

As I have frequently remarked, the only fair basis for comparison of imports is the 10 months' period during which the Democratic tariff law was in effect prior to the war. I shall, therefore, present a very brief table of statistics showing the imports of certain important agricultural products during that 10 months' period as compared with a corresponding period in the previous year under the Republican tariff law, from which table it will be seen that our imports of $72,694,000 in the Republican period were increased to $174,622,000 in the Democratic period.

	Ten months ended July 31—		
	1913, Republican peace period.	1914, Democratic peace period.	1915, Democratic war period.
Meat and dairy products	$12,460,501	$40,545,512	$30,421,210
Wool, classes 1 and 2	13,997,460	38,118,561	54,240,425
Breadstuffs	13,413,245	34,945,247	14,916,762
Vegetables	9,046,224	13,760,680	8,172,462
Cattle, hogs, sheep, etc	8,649,817	22,943,695	17,931,670
Hay	1,027,696	1,505,389	83,199
Broom corn	11,241	155,220	1,582
Plants, shrubs, etc	2,065,103	2,221,873	2,242,683
Seeds	11,872,964	19,336,225	20,501,362
Eggs	[1] 150,000	1,089,941	376,504
Total	72,694,351	174,622,355	148,937,859

[1] Estimated.

While those imports were small compared with our total production, I assert that they materially affected the prices our producers received, because those imports could have been very largely increased if the American producer had not met the competition.

EGGS.

Mr. President, as we citizens of Utah have no direct interest in the fish industry of the coast country, neither have we a direct interest in egg production so far as it relates to foreign competition. We feel considerable concern, however, when we learn of the extent to which Chinese egg producers have been able to sell their product along the Pacific coast. We are sorry to say that this invasion of our markets has been so extensive that the State legislatures of Oregon and California deemed it advisable to enact legislation calculated to exclude Chinese eggs from sale in those States. There could scarcely be a stronger testimonial to the soundness of Republican protective tariff policies than this action on the part of State legislatures in trying to make up, by local legislation, for the faults of laws passed by a Democratic national administration. It is unfortunate that the Supreme Court of the State of Oregon has declared the statute in that State unconstitutional, for the farmers and the egg consumers of Oregon are now entirely without protection from the cheap product of China.

Removal of the duty on fresh eggs and reduction of the duty on dried eggs hurt American industry in two respects: It permitted importations and a consequent drain upon our finances, and also encouraged American capital to go to China for investment in the egg industry. An American factory producing dried eggs has been closed and the same concern has begun operations in Hongkong, China.

During the 10 months the Underwood tariff law was in operation before the outbreak of the war, 6,000,000 dozen eggs were imported, chiefly from China, compared with none at all during the corresponding period under the Republican tariff law when there was a duty of 5 cents per dozen. Since the outbreak of the war importations of fresh eggs have somewhat diminished, but there has been a corresponding increase in importation of dried eggs, no figures being available except a statement in a consular report from China that consignment had been arranged for the shipment of 7,500,000 pounds of dried eggs to New York City and another for 656,000 pounds to Seattle. Since it takes three dozen eggs to make a pound of dried product, it is evident that these two shipments, amounting to 8,000,000 pounds, represent an importation of 24,000,000 dozen Chinese eggs. I have no hesitancy in asserting that the man who orders eggs at a restaurant or hotel, or the housewife who buys them in the market, has not procured them 1 cent per dozen cheaper on account of these large importations, though it is altogether probable that the bakers and restaurant keepers who have purchased these eggs from the importers have made a considerable profit by buying the cheaper product "laid in China."

For a great many years the State of Oregon was represented on this floor by two Republican Senators, who supported Republican protective tariff principles. It is difficult to believe that the people of the State have changed their views upon the question of a protective tariff, especially since their legislature passed and their governor signed a local measure designed to accomplish the same purpose as a protective tariff, so far as it relates to importation of eggs. I challenge either of the Senators from Oregon who supported the Underwood tariff law to defend this reduction or removal of the tariff on eggs, and challenge them to assert here that they deem it wise economic policy for the United States to encourage the sale of cheap Chinese eggs in America.

I was considerably impressed a month or so ago when the Senator from Oregon [Mr. CHAMBERLAIN], in the discussion of questions relating to the Military Establishment, made the assertion that the American soldier, like the American laborer, demands to be better fed, better clothed, and better taken care of than those of any other nation on earth. He asserted that if we placed our Army on the same basis with some other army, we would not have a corporal's guard in the United States. With this I entirely agree, but I am utterly unable to harmonize his statement of facts in this regard with his action in voting for a tariff-for-revenue-only bill. I assume from his declaration that he approves the demand of the American soldier and the American laborer to be better fed, better clothed, and better cared for than those of other lands. If this be his attitude, how can he justify his vote for a tariff law that does not make allowance for the difference in the standards of living here and abroad? I have no hesitancy in asserting the belief that the people of his State agree with his attitude upon the standard of living which should be maintained in this country as compared with the standards maintained across the sea, but it is difficult to believe that if they entertain that view they also agree with him in his attitude in favor of what is practically free trade in the commodities with which we have serious competition from abroad.

I could proceed and show similar conditions with nearly every paragraph of nearly every schedule of the present Democratic tariff act, but I shall not take the time of the Senate to do so.

LIST OF FACTS PROVEN.

In the wide range which I have attempted to cover for the purpose of demonstrating to a mathematical certainty that a protective tariff is constructive while free trade is destructive, I have conclusively established six things:

First. That under a protective tariff we enjoyed an industrial prosperity which increased much more rapidly than our population.

Second. That this prosperity continued up to the time of the enactment of the Democratic tariff act of 1913.

Third. That immediately following the enactment of that law our imports increased and our exports decreased, causing a loss of $260,000,000 in our balance of trade in the 10 months before the war began.

Fourth. That this drain upon our wealth caused the curtailment of American industry, made business men apprehensive as to the future, discouraged new undertakings, diminished all lines of business activity, threw workmen out of employment, and increased the number and magnitude of commercial failures.

Fifth. That this condition of depression continued until the outbreak of the war in Europe cut off imports and gave us an abnormal and enormous demand for our products, chiefly of those classes essential for the conduct of modern warfare.

Sixth. That the evidence of the general constructive effect of a protective tariff and the destructive effect of a free-trade policy is confirmed by numerous citations of the effect of those policies upon specific industries of varied character and located in various sections of the United States.

No mathematical demonstration could be more conclusive than the showing thus made. From every viewpoint that it is possible to take, we reach the conviction that a protective tariff is absolutely essential to the prosperity of American industry if we are to maintain the higher scale of wages and the higher standards of living which we have adopted in this country.

With such evidence as this before them, the great jury of American voters will declare when they render their verdict in November that the Republican Party is not guilty of the charge that it brought the business of this country to a "deplorably enfeebled condition." Rather will the jury record an expression of confidence in the policies and principles of that party and will rebuke the party whose legislation and administration brought on a period of depression relieved only by the extreme necessities of nations involved in the most sanguinary war in history.

THE TARIFF AND REVENUE.

Turning now from a study of import duties as a means of protection to a study of such duties as a source of revenue, which is the immediate question before us, we find that Democratic tariff legislation was ruinous not only to the industries of this country, but to the finances of the Federal Treasury itself. Not long ago a very interesting and instructive computation was made showing that from August, 1897, when the Dingley tariff law went into effect, down to the repeal of the Payne-Aldrich law, a period of 194 months, our total ordinary receipts amounted to $9,677,952,080, or an average of $49,886,351 per month. During the same period the ordinary disbursements amounted to $9,293,083,392, or an average of $47,902,492 per month. This shows an average monthly surplus of nearly $2,000,000 under Republican laws governing revenues and appropriations.

During the first 27 months under Democratic legislation, up to the time this computation was made, the average monthly ordinary revenue was $58,505,483, and the average monthly expenditure $60,070,670, or an average monthly deficit of $1,565,187.

Under this administration the Government has had poverty continually staring it in the face.

That poverty has existed in spite of continually increasing taxes imposed upon our own people. In the last fiscal year of the Republican tariff law we collected 47 per cent of our revenues from the customs tax upon foreign goods imported into this country. During the fiscal year ended June 30, 1916, we collected only 30 per cent of our revenue from foreign importers and 70 per cent by means of internal revenues paid by our own people. The same administration which enacted laws tending to destroy American industry increased the burden of taxes American enterprise must pay.

The relative merits of Republican tariff laws and of Democratic tariff laws, from the standpoint of revenue, can be very clearly seen from a comparative table of imports, customs revenues, and average duty rates for the past seven years. In order that the comparison may be very conveniently made, I have had a table prepared by fiscal years. It must be borne in mind, however, that the Democratic tariff did not take effect simultaneously with the beginning of a fiscal year, nor did all the provisions of the Democratic law take effect at the same time. In general, the law went into effect on October 3, 1913. In the case of wool the Republican rates were continued two months, and in the case of Angora goat hair for three months, and in the case of wool manufactures for three months. On sugar and molasses the Republican rates were continued for five months. We must remember, therefore, in considering the comparative statistics, that the revenues for the fiscal year ended June 30, 1914, were derived entirely from a Republican tariff up to October 3, 1913, and in part from Republican tariffs up to March 1, 1914. But for this fact the revenues would have been much smaller than they were.

The following tabulation shows imports, customs revenues derived therefrom, and average rate of duty for fiscal years ended with June 30 for the past seven years:

Year ended June 30—	Value of imports.	Duties collected.	Average duty rate.
			Per cent.
1910[1]	$1,556,947,437	$333,683,445	21.4
1911[2]	1,527,228,105	314,497,071	20.5
1912[3]	1,653,264,934	311,257,348	18.8
1913[4]	1,813,008,231	318,142,344	17.5
1914[5]	1,893,925,657	292,128,523	15.4
1915[6]	1,674,169,741	209,268,107	12.5
1916[7]	2,197,883,510	211,863,222	9.72

[1] Payne law took effect Aug. 6, 1909—seven months.
[2] First full year Payne law.
[3] Democrats came into control. Revision of tariff by schedules undertaken; vetoed by Taft.
[4] Democrats in complete control. General revision under way.
[5] Underwood law took effect Oct. 4, 1913—nine months.
[6] Eleven months war period.
[7] Full war period.

If this amount of $2,197,883,510 imports had paid the same average rate of duty as was paid on imports for the year ending June 30, 1913, under Republican law, namely, 18 per cent, the amount collected would have been $395,619,031 instead of $211,866,222, the amount collected under the Underwood law, or a gain to the Treasury of the United States of $183,752,809. With this additional amount collected from customs, with the unnecessary and extravagant appropriations of at least $150,000,000 in this year's appropriations which should and could have been saved to the Government, it would have amounted to $333,752,809, a sufficient amount to meet the unjust taxes imposed upon the people by this pending revenue bill.

Thus we see that by their repeal or reduction of duties upon foreign goods imported into this country the Democratic Party cut off more than $100,000,000 a year of national revenue, at the same time throwing open the doors of our markets to the goods of the foreign producer. That reduction of customs revenue at the beginning of an administration which has had no parallel in extravagant expenditures made necessary the raising of revenue from other sources. The sources to which recourse was had were the income tax, increased corporation taxes, and various stamp taxes and license taxes not previously imposed upon the American people in time of peace.

This increase in taxation, coincident with legislation which throws the American producer into ruinous competition with the cheap labor of Europe and Asia, is doubly subject to criticism because it not only discriminates against American citizens but against one portion of the American people and in favor of another portion. Under the system of taxation established and maintained by the Democratic Party revenues are collected in an unfair and indefensible degree from the residents of the Northern States while the people of the South are correspondingly relieved of the tax burden.

In order to show in detail that this is true I shall compare taxes paid by 12 Southern States with taxes paid by 12 Northern States, the 12 Northern States being so selected as to represent the East, the Middle West, and the extreme West.

The 12 Southern States are Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, and Virginia.

The 12 Northern and Western States are California, Connecticut, Illinois, Massachusetts, Michigan, Minnesota, Missouri, New Jersey, New York, Ohio, Pennsylvania, and Wisconsin.

Here is a table that shows what each of these States in the two groups paid in the form of war taxes, corporation taxes, and income taxes, respectively, during the fiscal year ended June 30, 1916:

State.	War tax.	Corporation tax.	Income tax.
12 SOUTHERN STATES.			
Alabama	$264,967	$210,569	$109,983
Arkansas	240,192	112,074	44,279
Florida	309,380	108,690	133,461
Georgia	651,580	367,292	199,546
Kentucky	795,135	411,845	165,113
Louisiana	917,970	406,416	250,341
Mississippi	146,888	78,097	67,457
North Carolina	333,033	323,927	176,754
South Carolina	236,863	173,189	76,250
Tennessee	605,745	529,015	307,316
Texas	1,517,773	197,671	472,456
Virginia	647,809	647,834	280,933
Total	6,866,335	4,057,620	2,438,891
Grand total, $13,362,845.			

State.	War tax.	Corporation tax.	Income tax.
12 NORTHERN STATES.			
California	$3,407,418	$1,886,379	$1,488,185
Connecticut	1,123,039	1,275,390	1,446,218
Illinois	8,783,789	5,579,152	5,166,690
Massachusetts	3,610,684	2,668,190	4,193,828
Michican	2,370,278	2,020,473	1,876,746
Minnesota	2,166,680	1,854,447	866,558
Missouri	3,627,065	1,583,237	1,206,729
New Jersey	2,788,394	1,637,734	2,928,300
New York	23,131,431	14,947,802	30,252,255
Ohio	4,730,614	3,627,219	2,416,701
Pennsylvania	7,544,834	6,789,243	6,313,191
Wisconsin	3,180,686	778,336	559,949
Total	66,364,913	44,647,612	58,715,350

Grand total, $169,727,875.

That comparison of figures should be of interest to all American citizens who believe in fair play and of special personal interest to residents of the northern and western States.

I do not believe there are many people who believe in the policy of Rob Roy, appropriated by the Democratic administration:

Let him take who has the power; let him keep who can.

When the present bill becomes a law the unfair and indefensible discrimination will be further increased.

We Republicans are frequently asked, "What would you have done?" this question applying particularly to the management of foreign affairs. There is no reason why the same question should not be applied to domestic questions and, among others, to the question of revenue legislation.

That we would have enacted an income-tax law is evidenced by the fact that a Republican Congress passed the act submitting the income-tax amendment to a vote of the States. We would have continued the policy of customs duties high enough to provide both revenue and protection, revising the duties from time to time upon information secured by a tariff board. Such import duties, together with the usual internal revenues and the income taxes, would have produced sufficient funds to pay all the wise expenditures of the Government. We would have kept our expenditures within those revenues for all the ordinary purposes of government. We would have continued the tariff board for the purpose of gathering and submitting to Congress information upon which scientific revision of the tariff could have been conducted. We would not have imposed war taxes in time of peace; we would not have destroyed the protective tariff; we would not have enacted a less-than-revenue tariff law; we would not have undertaken extravagant and useless expenditures.

I have now enumerated four serious mistakes made by the Democratic Party in fiscal legislation:

First, the abandonment of the protective policy.

Second, reduction of import duties below the point of needed revenue production.

Third, imposition of burdensome and irritating internal taxes as a substitute for a portion of the import tax upon foreign goods shipped into this country.

Fourth, imposition of taxes which bear unequally and unfairly upon different sections of the country.

Those four mistakes relate to the raising of revenue. A fifth but no less important mistake made in fiscal affairs is in the matter of appropriations.

The Democratic Party was amply warned as to the effects of its revenue legislation. It knew, or should have known, that receipts of the Federal Treasury would be reduced. It was pledged to reduction of expenditures, to the reduction of the number of offices, to the adoption of more economical methods in Government service.

In the face of certain reduction of revenues and in spite of its pledge to reduce expenses, it proceeded to make the largest appropriations in our history, as shown by the following comparisons of appropriations for the fiscal years 1912 to 1917.

The increase for 1917 over 1916 was $515,446,670.

The increase in 1915, 1916, and 1917 over 1912, 1913, and 1914 is $716,664,415.

Title of act.	Fiscal year. 1912	1913	1914	1915	1916	1917	Increase 1917 over 1916.	Decrease 1917 under 1916.
Agriculture	$16,900,016.00	$16,651,196.00	$17,986,945.00	$19,865,832.00	$22,971,782.00	$24,948,852.00	$1,977,070.00	
Army	93,274,755.37	90,958,712.98	94,266,145.51	101,019,212.50	101,974,195.87	267,596,530.10	65,622,334.23	
Diplomatic and Consular	3,988,516.41	3,638,047.41	3,730,642.66	4,309,856.66	4,061,280.01	5,355,096.66	1,293,816.65	
District of Columbia	12,056,786.50	10,670,753.00	11,383,739.00	12,172,539.49	11,859,584.45	12,841,907.10	982,322.65	
Fortification	5,473,707.00	4,036,235.00	5,218,250.00	5,627,700.00	6,060,216.90	25,748,050.00	19,687,833.10	
Indian	8,842,136.37	8,920,970.66	9,486,819.67	9,771,902.76	9,771,902.76	10,907,644.88	1,135,742.12	
Legislative, etc	35,378,149.85	34,216,463.58	35,172,434.50	37,630,229.70	36,904,799.75	37,925,690.25	1,020,890.50	
Military Academy	1,163,424.07	1,064,668.26	1,099,302.87	997,899.54	1,069,813.37	1,225,043.57	155,230.20	
Naval	126,478,338.24	123,225,007.76	140,800,643.53	144,868,716.61	149,661,964.88	313,300,095.84	163,638,230.96	
Pension	153,182,000.00	165,146,145.84	180,300,000.00	169,150,000.00	164,100,000.00	158,065,000.00		$6,035,000.00
Post Office	259,134,493.00	271,429,599.00	285,376,271.00	313,364,667.00	313,364,667.00	322,937,679.00	9,573,012.00	
River and harbor	23,855,342.00	31,059,370.50	41,073,094.00	20,000,000.00	30,000,000.00	40,508,135.00	10,508,135.00	
Sundry civil	142,265,044.14	112,039,184.40	116,795,327.01	110,070,227.39	120,922,750.79	128,299,285.24	1,376,534.45	
Total regular annuals	882,592,679.55	873,056,634.19	942,089,614.75	948,848,783.65	978,722,857.78	1,349,809,009.64	377,121,151.86	6,035,000.00
Deficiencies	9,740,971.24	9,700,939.67	28,074,912.31	23,363,586.61	12,316,343.90	[1] 72,500,000.00	60,183,656.10	
Miscellaneous	4,773,306.81	3,448,712.93	388,597.22	12,709,361.29	2,330,603.34	[1] 85,000,000.00	82,669,396.66	
Permanent annuals	129,575,924.12	133,206,424.12	127,525,664.12	131,196,407.00	121,567,207.00	123,074,673.00	1,507,466.00	
Grand total	1,026,682,881.72	1,019,412,710.91	1,098,678,788.40	1,116,118,138.55	1,114,937,012.02	1,630,383,682.64	521,481,670.62	6,035,000.00

[1] This amount is approximated.

Increase 1917 over 1916	$515,446,670.62
Increase 1915, 1916, and 1917 over 1912, 1913, and 1914	716,664,452.18

In addition to the appropriations for the last fiscal year of $1,630,383,682.64 direct appropriations as shown in the table I insert in the RECORD, there have been contracts authorized for the fiscal year 1917, as follows:

Fortifications act	$13,800,000
Further urgent deficiency act	506,000
Legislative, executive, and judicial act	85,000
River and harbor act	2,287,950
Sundry civil act	5,107,000
Naval act	205,089,476
Total	226,875,366

Also the following appropriations authorized, fiscal year 1917:

Construction of rural post roads	$79,000,000
Agricultural appropriation act, protection of the watersheds of navigable streams, 1918	2,000,000
Federal farm-loan act, subscription for stock of Federal land banks, if not subscribed by national farm-loan associations	9,000,000
Total	316,875,366

So the total direct and authorized appropriations and contracts amounts to the enormous sum of $1,947,259,048.64.

O national preparedness, what wanton extravagance has been charged to thy name!

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House disagrees to the amendments of the Senate to the bill (H. R. 17645) making appropriations to supply deficiencies in appropriations for the fiscal year 1916 and prior fiscal years, and for other purposes, agrees to the conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. FITZGERALD, Mr. SISSON, and Mr. CANNON managers at the conference on the part of the House.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3646) to amend the act of February 11, 1915 (38 Stat. L., 807), providing for the opening of the Fort Assiniboine Military Reservation.

The message further announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H. R. 13046. An act to consolidate certain forest lands in the Oregon National Forest in the State of Oregon; and

H. J. Res. 252. Joint resolution authorizing the transfer of the Government exhibit, or such portion thereof as the President may determine is advisable, now at the Panama-California International Exposition at San Diego, Cal., to the Mississippi Centennial Exposition at Gulfport, Miss.

ENROLLED BILLS SIGNED.

The message further announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the President pro tempore:

S. 708. An act to make immediately available for the use of the State of Georgia in paying expenses incurred by said State in connection with the joint encampment held at Augusta, Ga., July 22 to 31, 1914, certain sums appropriated for arming and equipping the militia of said State;

S. 3268. An act for the relief of John Duggan; and

S. 5407. An act authorizing and directing the Secretary of the Treasury to extend the time of payment of the amount due the Government by the city of Augusta, Ga.

PETITIONS AND MEMORIALS.

Mr. NELSON presented a petition of the Draymen's Protective Association, of St. Paul, Minn., praying for the use of arbitration in the settlement of difficulties between capital and labor, which was referred to the Committee on Interstate Commerce.

Mr. PHELAN presented a petition of the Audubon Society of Carmel, Cal., praying for the passage of the so-called game sanctuary bill, which was referred to the Committee on Agriculture and Forestry.

He also presented a memorial of the Pacific Mutual Life Insurance Co., of Los Angeles, Cal., remonstrating against the tax on insurance companies, which was ordered to lie on the table.

REPORTS OF COMMITTEE ON POST OFFICES AND POST ROADS.

Mr. BANKHEAD, from the Committee on Post Offices and Post Roads, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 6267. An act to reimburse Tennie A. Anderson, postmaster at Maplewood, Fayette County, W. Va., for money, money orders, and postage stamps stolen (Rept. No. 866); and

H. R. 12135. An act to reimburse D. H. Carpenter, postmaster at Seddon, Ala., for money and stamps stolen from said post office at Seddon, Ala., and repaid by him to the Post Office Department (Rept. No. 867).

He also, from the same committee, to which was referred the joint resolution (H. J. Res. 282) authorizing the Postmaster General to provide the postmaster at Springfield Ill., with a special canceling die for the one hundredth anniversary of the admission of the State of Illinois into the Federal Union, reported it without amendment.

BILL INTRODUCED.

Mr. PITTMAN introduced a bill (S. 7002) to amend an act entitled "An act to provide for the sale of desert lands in certain States," approved March 3, 1877, which was read twice by its title and referred to the Committee on Public Lands.

FORT ASSINNIBOINE MILITARY RESERVATION—CONFERENCE REPORT.

Mr. MYERS submitted the following report:

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3646) to amend the act of February 11, 1915 (38 Stat. L., p. 807), providing for the opening of the Fort Assinniboine Military Reservation, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same.

That the Senate recede from its disagreement to the amendment of the House numbered 2, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the House insert the following:

"SEC. 12. That the Secretary of the Interior is hereby authorized and directed to withdraw and set aside as a camping ground, the same to be kept and maintained without cost to the Government of the United States, the following-described land in said reservation lying on both sides of Beaver Creek within townships 29, 30, and 31 north, 15 and 16 east, to wit: The west half section 34; all of sections 33, 28, and 21; the west half southwest quarter, northwest quarter section 22; all of section 16; the south half, northwest quarter, west half northeast quarter, section 9; the east half northeast quarter section 8; the east half southeast quarter section 5; the west half, northeast quarter, west half southeast quarter section 4, township 29 north, range 16 east; and the south half southwest quarter, south half southeast quarter, northeast quarter southeast quarter, east half northeast quarter, section 33; the southeast quarter southeast quarter, north half southeast quarter, southwest quarter southwest quarter, north half southwest quarter, north half, section 28; the west half southeast quarter, west half northeast quarter, west half, section 21; the east half southeast quarter, east half northeast quarter, section 20; the west half section 16; east half, east half northwest quarter, section 17; the east half southwest quarter, east half northwest quarter, east half, section 8; the west half southwest quarter, west half northwest quarter, section 9; all of section 5; the northeast quarter section 6, township 30 north, range 16 east; and the southwest quarter section 32; the south half, northwest quarter, southwest quarter northeast quarter section 31, township 31 north, range 16 east; and the east half southeast quarter section 25; southeast quarter southeast quarter, northwest quarter southeast quarter, northeast quarter northeast quarter, west half northeast quarter, east half northwest quarter, northwest quarter northwest quarter, section 26; south half southwest quarter, south half southeast quarter, section 23, township 31 north, range 15 east, Montana principal meridian, embracing an area of approximately 8,880 acres."

And the House agree to the same.

H. L. MYERS,
M. A. SMITH,
REED SMOOT,
Managers on the part of the Senate.

JOHN E. RAKER,
CARL HAYDEN,
WILLIAM L. LA FOLLETTE,
Managers on the part of the House.

The report was agreed to.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had on September 5, 1916, approved and signed the following acts:

S. 5496. An act to amend sections 5 and 6 of an act entitled "An act to authorize the drainage of certain lands in the State of Minnesota," approved May 20, 1908;

S. 6369. An act granting pensions and increase of pension to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors;

S. 6370. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors; and

S. 6497. An act for the relief of Oleanne Marie Zahl Branum.

EXECUTIVE SESSION.

Mr. STONE and Mr. BANKHEAD addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. STONE. Mr. President, it is very desirable that there should be a brief executive session. I have been authorized by the Committee on Foreign Relations to make an important report to the Senate. I wish to make the report in order that it may be printed for the information of the Senate. I am told by the executive clerk that the Executive Calendar will not take more than three or four minutes to dispose of. I am going to move, with the consent of the Senator from North Carolina [Mr. SIMMONS], in charge of the revenue bill, an executive session; but I wish to repeat to Senators that the executive session will probably not take more than 8 or 10 minutes, and then it is the purpose of the Senator from North Carolina immediately to move that the Senate resume legislative session.

Mr. SIMMONS. Mr. President, I wish to state in that connection that I shall insist upon going on with the revenue bill to-night. I trust, therefore, Senators will not leave on account of the executive session and will not leave at all this evening until we have finished the consideration of this bill.

Mr. STONE. I now move that the Senate proceed to the consideration of executive business.

Mr. SIMMONS. If the Senator will allow me, I desire to add that I shall ask the Senate to remain in session until we have finished the bill or have been able to reach some satisfactory agreement as to a time to vote upon it. I hope that we may finish the bill to-night; but, of course, I do not mean to say that I would want to stay here or would want to keep Senators here later than 11 o'clock, say. If we can not by that time finish the bill, then I will be glad to have an agreement to have a vote early to-morrow.

Mr. GALLINGER. Would not the Senator think it wise, in view of the fact that some other Senators wish to speak, to ask

unanimous consent for a vote on this bill at 12 o'clock to-morrow, with a recess from this evening until 10 to-morrow?

Mr. CUMMINS. Mr. Pvesident, in order that there may be no misunderstanding, I will not consent to any agreement to fix the time to vote on this bill until the amendments which I have proposed are voted upon. I offered an amendment at half past 10 o'clock this morning, and it has now been debated for seven or eight hours.

Mr. STONE. I wish to ask Senators if these matters can not be arranged after the executive session?

Mr. GALLINGER. I think they can be arranged then just as well.

Mr. STONE. I renew my motion that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After eight minutes spent in executive session the doors were reopened.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. SIMMONS. I move that the order of the Senate heretofore made fixing the hour of half past 6 as the hour for taking a recess or adjourning be suspended for the day.

The PRESIDING OFFICER. The question is on the motion of the Senator from North Carolina that the previous order of the Senate as to the limitation of the length of the daily session be suspended for the day.

The motion was agreed to.

Mr. CUMMINS. Mr. President, I ask for order in the Chamber.

The PRESIDING OFFICER. The Senate can not proceed unless there is order. The Senator from Iowa has the floor.

Mr. GALLINGER. Mr. President, I duplicate the request that we should have order. The Senator from Iowa submitted an amendment a number of hours ago, but general discussion has intervened, and I think the Senator is entitled now to speak to his amendment and have it voted on.

The PRESIDING OFFICER. The remarks of the Senator from New Hampshire are well timed. The Chair asks Senators to be in order, so that the Senator from Iowa may be heard.

Mr. CUMMINS. Mr. President, I hope that the suggestion I made a few moments ago will not be accepted by anyone as indicating an intimation upon my part to prolong the consideration of the bill before us. The amendment which I offered, and which every Senator here, of course, has forgotten, was submitted about half past 10 o'clock this morning. It is now half past 5 o'clock in the afternoon, and if there have been any words said in the meantime respecting the amendment which I offered, I am sure that they could be compressed within the limits of 10 or 15 minutes.

I have no objection whatever to general debate; it is very illuminating and very helpful—I mean on the stump instead of here in the Senate—and I have no doubt these arguments will be found persuasive throughout the country. The only application that I observe which they have to the amendment which has been offered is this:

My Democratic friends have proven very conclusively that the Republicans are absolutely incompetent, if not enemies of their country; my friends on the Republican side have proven, with equal conclusiveness, that the Democrats are absolutely unworthy to pass upon the affairs of a great Republic. If both of these things be true, we certainly have vast need of a tariff commission when we come to compose a tariff law. If that be not the application of these very eloquent and very learned arguments, I fail to catch the application.

Let me remind you what the amendment is. It is to strike out "$7,500," proposed in the House bill as compensation for the members of the tariff commission, and to substitute a compensation of $10,000 per year.

Mr. President, we are progressing. There are but two classes of statesmen now who do not need the services of a tariff commission, and I am sure those classes are diminishing in number all the while. First, there are those who believe that no duty can be too high. I agree that a tariff commissiol can be of no value to men who hold that economic view. There are men apparently who believe that no duties can be too low. A tariff commission can not be helpful to those men, but between the two there is a great army both in Congress and out of it who believe that there are limits both up and down for tariff duties, and I care not whether the student is a disciple of protection or whether he is a believer in a tariff for revenue alone, the work of a tariff commission is absolutely indispensable to him. If, on the other side of the Chamber, you are making an inquiry to ascertain the maximum revenue that can be derived upon imports with the minimum imposition of duties, you need a tariff commission—a body of men who have carefully observed the workings of the commerce of the world. If, on the other hand, on this side we believe that there should be duties upon all competitive imports that will fairly and adequately protect the American factory and the American workingman we need to know what duties will accomplish that result. I want the commission to be composed of three of the biggest and brainiest Democrats in the United States and three of the biggest and brainiest Republicans in the United States—three men who believe in the theory which our Democratic friends adopt for a tariff law and three men who believe in the theory or policy which the Republican Party adopts for a tariff law; and if the President of the United States fails in his appointments to recognize the real spirit of this law, he will be false to the duty which the statute will impose upon him.

Mr. President, it is only a question of compensation so far as the technical amendment is concerned; but the real question is the standing of the commission in the affairs of the country, and the influence which its investigations and reports will have upon the legislation of the country. I say no more. I only reassert that if we reduce this compensation below the salaries which we have provided for other commissions and tribunals which are not more important, we will have said to the country in advance that we are not sincere in our belief respecting the helpfulness of the commission we are about to create.

Mr. SMITH of Georgia. Mr. President, I am just as earnestly in favor of the commission, and believe as much in the necessity of the commission, and that the commission should be permanent, as the Senator from Iowa [Mr. CUMMINS]. My conviction on the subject grew out of an effort, three years ago, to help make tariff schedules, and a consciousness of the necessity for such an organization to give facilities to do the work intelligently. So upon that line of the argument I fully indorse everything that he says. I do not believe the character of a commission will be affected one particle by changing the salary from $7,500 to $10,000, any more than I believe a change of the salary of a Senator would change the character of the Senate.

Mr. SHERMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Illinois?

Mr. SMITH of Georgia. I do not yield to the Senator. I am going to say what I have to say in about three minutes more, and sit down.

The sole question is, first, would the difference in the salary affect the character of the men who will go on the commission? I do not believe a Senator believes that it will. I do not believe the salaries have affected the other men who have been appointed recently on commissions. I am opposed to creating any more commissions at over $7,500 salary. We succeeded a few days ago in cutting down the salary of the members of the Shipping Board to $7,500. Without regard to party, we voted for it and cut it down. We came very near stopping the $10,000 salaries of the Rural Credits Board, and I believe to-day we would stop it. The first chance I get I am going to vote to reduce the salaries of the members of the Federal Trade Commission. If we put this up to $10,000, it is the end of the fight on this subject with reference to these commissions. You can not stop any of them.

It is not a reflection upon this board, because we have just done the same thing in our last action as to the Shipping Board. The Senate amended the House bill, and cut it to $7,500.

Our judges of the Circuit Court of Appeals get $7,500 a year. Their position is just as high and they draw just as able lawyers as are found in the country, and this commission will draw to itself just as able students of economy or students of statistics or students of the tariff as there are in the country if the salaries are left at $7,500.

It is simply a question not as to the character of the men but whether you want to increase these salaries. I am opposed to paying the increase to them. The House of Representatives fixed the salary this time, not the Committee on Ways and Means. The Committee on Ways and Means reported it out at $10,000. On the floor Republicans and Democrats joined, by an overwhelming vote, and cut the salary to $7,500. The Committee on Finance agreed to a salary of $7,500. The Democratic conference agreed to a salary of $7,500. It is all right if the Senate wants to change it, but I believe in the $7,500 salary, and I have voted for it all along.

Mr. SHERMAN. Mr. President, the Senator from Georgia has largely answered what I would have asked, because I am in complete sympathy with him; and I only wish to ask if the salaries of the members of the legislature of the State of Georgia or the State of Illinois, or the Members of the House, or, as

he has already suggested, if the salaries of the Members of the Senate were increased, whether it would increase the quality or the character of the men?

Mr. SMITH of Georgia. Not one particle.

Mr. SHERMAN. I think that is entirely correct, and I am in complete sympathy with the Senator from Georgia all the way through. I will vote to reduce the salaries of the commissions now appointed—the Federal Trade Commission, the Federal Reserve Board, and the others. The idea that the respectability, the ability, or the dignity of a commission, or the appointive officials on it, is fixed by the compensation is an erroneous one. If that is so, then let us double our salaries and double our respectability. [Laughter.] If one is a good argument, the other is a good argument.

Senators know very well that for some years a Member of the House and of the Senate has had no time to carry on any private occupation. Since I became a Member of this body in April, 1913, I have wholly abandoned my profession. It is five years in September since I have been in a court room or earned a dollar in any legitimate occupation [laughter], in anything relating to my profession. I see that the Senators are quick to understand. I wished to see whether there was that lively sense of apprehension when I used the phrase. Having satisfied myself in that indirect way, I will now withdraw it.

Mr. President, $7,500 has compensated Members of Congress for a long time. We knew when we were candidates what the compensation would be, and, so far as those who are now sitting are concerned, for their tenures of office, it is fixed. It can not be increased in any lawful way. But $7,500 will compensate this board as well as it compensates us or the other branch of Congress, the House Members. If we undertook to raise the compensation of our successors, I know full well what the cry would be. Some of the older Members of this body know it. Some who have served for many years in the House know it. The instant you undertook to raise the compensation of Representatives or Senators to $10,000 or $12,000 from one end of this country to another, from a large part of the public press of this country, would go up a shout of "Salary grab." I have heard that, both in State legislatures and elsewhere, until I am tired of it.

Within the last 10 years we have doubled the salaries of members of the Illinois Legislature, and I do not believe that membership is one particle better than it was before. In that time about the same charges and scandals of a more or less vital character have happened in the Illinois Legislature, with double the salary, as happened before. It has not increased either the character or the respectability of any legislative body with which I have any acquaintance. I do not reflect upon the legislature and say it is any worse than it was before, but I do say it is no better than it was before. The mere matter of salary decides nothing. Public opinion and character determine it. If these gentlemen who wish to serve on these boards can not serve for $7,500 a year, then it is time Members of Congress ceased serving for $7,500 a year.

I am tired of bureaucrats, anyhow, myself. I do not care with what party they are affiliated. This Government now is a bureaucrat-ridden Government. A lot of supercilious gentlemen, with affiliations both Republican and Democratic, are sitting at the heads of departments, great and small, who could not be elected town constable in Georgia or in Illinois. They know nothing of public sentiment. They care less. They are routine in their characteristics. They care little for the gentlemen who have to bear the burden and heat of the day in both political parties. They make it impossible for a man to be self-respecting when he goes back home, if he spends his time wearing out his shoe leather around departments here more than legislating. I do not care what administration it is, whether it is Democratic or Republican, it is the same old thing. I will never vote while I am a Member of this body to pay any appointive officer more than the Members of Congress are willing to pay themselves in common decency and to maintain their own self-respect.

The PRESIDING OFFICER. The question is on the adoption of the amendment of the Senator from Iowa [Mr. CUMMINS].

Mr. CUMMINS and Mr. SMITH of Georgia called for the yeas and nays, and they were ordered.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. BRYAN (when his name was called). I have a pair with the junior Senator from Michigan [Mr. TOWNSEND], which I transfer to the junior Senator from Louisiana [Mr. BROUSSARD]. I make that announcement for the balance of the day. I vote "nay."

Mr. COLT (when his name was called). The junior Senator from Alabama [Mr. UNDERWOOD] has a pair with the junior Senator from Ohio [Mr. HARDING]. I have a pair with the junior Senator from Delaware [Mr. SAULSBURY]. In pursuance of an understanding with the junior Senator from Alabama I transfer my pair to the junior Senator from Ohio and vote "yea."

Mr. CURTIS (when his name was called). I have a pair with the junior Senator from Georgia [Mr. HARDWICK]. In his absence I withhold my vote. If at liberty to vote, I would vote "yea."

Mr. GALLINGER (when his name was called). I have a general pair with the senior Senator from New York [Mr. O'GORMAN]. I transfer that pair to the junior Senator from Vermont [Mr. PAGE] and will vote. I vote "nay."

Mr. GRONNA (when his name was called). I have a pair with the Senator from Maine [Mr. JOHNSON]. In his absence I withhold my vote.

Mr. WEEKS (when Mr. LODGE's name was called). My colleague [Mr. LODGE] is unavoidably absent. He has a general pair with the senior Senator from Georgia [Mr. SMITH]. I wish this announcement to stand for the day.

The PRESIDING OFFICER (when Mr. OVERMAN's name was called). The present occupant of the chair has a pair with the junior Senator from Wyoming [Mr. WARREN], who is absent on account of sickness. He therefore withholds his vote.

Mr. OWEN (when his name was called). I am paired with the junior Senator from New Mexico [Mr. CATRON] who is absent. I therefore withhold my vote.

Mr. SHAFROTH (when his name was called). I have a general pair with the junior Senator from Washington [Mr. POINDEXTER]. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and will vote. I vote "nay."

Mr. SMITH of Georgia (when his name was called). I transfer my pair with the senior Senator from Massachusetts [Mr. LODGE] to the senior Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote "nay."

Mr. STONE (when his name was called). I transfer my pair with the senior Senator from Wyoming [Mr. CLARK] to the senior Senator from Indiana [Mr. KERN] and will vote. I vote "nay."

Mr. JONES (when Mr. TOWNSEND's name was called). I desire to announce that the junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent on account of illness in his family. I will allow this announcement to stand for the rest of the day.

Mr. UNDERWOOD (when his name was called). I have a general pair with the junior Senator from Ohio [Mr. HARDING]. I transfer that pair to the junior Senator from Delaware [Mr. SAULSBURY], and ask that this announcement may stand for the day. I vote "nay."

Mr. VARDAMAN (when his name was called). I have a pair with the junior Senator from Idaho [Mr. BRADY]. I transfer that pair to the junior Senator from Georgia [Mr. HARDWICK] by an understanding with his pair, the Senator from Kansas [Mr. CURTIS], and vote "nay."

Mr. GALLINGER (when Mr. WARREN's name was called). The junior Senator from Wyoming [Mr. WARREN] is detained from the Senate to-day on account of illness. He is paired with the present occupant of the chair [Mr. OVERMAN].

Mr. WEEKS (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. JAMES]. I make a double transfer with the Senator from Oregon [Mr. CHAMBERLAIN]. I am paired with the senior Senator from Kentucky [Mr. JAMES], and he with the junior Senator from Pennsylvania [Mr. OLIVER]. I vote "yea." I should like to have this announcement stand for the day.

The roll call was concluded.

Mr. DILLINGHAM (after having voted in the negative). I observe that the senior Senator from Maryland [Mr. SMITH] has not voted. I have a pair with him, and therefore withdraw my vote.

Mr. PENROSE (after having voted in the negative). I observe that the senior Senator from Mississippi [Mr. WILLIAMS] has not voted. I am paired with that Senator. I transfer my pair to the senior Senator from California [Mr. WORKS] and will allow my vote to stand. I ask that this announcement shall stand for the rest of the votes to be taken on this bill to-day.

Mr. CURTIS. On account of the double transfer that has been made, I vote "yea."

Mr. REED. I transfer my pair with the senior Senator from Michigan [Mr. SMITH] to the junior Senator from Arizona [Mr. SMITH] and will vote. I vote "nay."

Mr. HUGHES. I desire to announce the necessary absence of the senior Senator from Kentucky [Mr. JAMES].

Mr. MYERS. I transfer my pair with the junior Senator from Connecticut [Mr. MCLEAN] to the senior Senator from Nevada [Mr. NEWLANDS] and will vote. I vote "yea."

Mr. CHAMBERLAIN. I have already voted "yea," but my pair is absent from the Chamber. On account of the arrangement for a double transfer, as announced by the Senator from Massachusetts [Mr. WEEKS], I transfer my pair to the Senator from Kentucky [Mr. JAMES] and will allow my vote to stand.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Connecticut [Mr. BRANDEGEE] with the Senator from Arkansas [Mr. ROBINSON];

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS];

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from Rhode Island [Mr. LIPPITT] with the Senator from Montana [Mr. WALSH]; and

The Senator from Utah [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. CLARKE].

The result was announced—yeas 18, nays 35, as follows:

YEAS—18.

Ashurst	Cummins	Johnson, S. Dak.	Smoot
Chamberlain	Curtis	La Follette	Thomas
Chilton	du Pont	Lewis	Weeks
Clapp	Fletcher	Myers	
Colt	Husting	Pomerene	

NAYS—35.

Bankhead	Lea, Tenn.	Pittman	Smith, S. C.
Beckham	Lee, Md.	Ransdell	Sterling
Bryan	McCumber	Reed	Stone
Fall	Martin, Va.	Shafroth	Swanson
Gallinger	Martine, N. J.	Sheppard	Taggart
Hughes	Nelson	Sherman	Thompson
Jones	Norris	Shields	Underwood
Kenyon	Penrose	Simmons	Vardaman
Lane	Phelan	Smith, Ga.	

NOT VOTING—42.

Borah	Gronna	Newlands	Smith, Mich.
Brady	Harding	O'Gorman	Sutherland
Brandegee	Hardwick	Oliver	Tillman
Broussard	Hitchcock	Overman	Townsend
Catron	Hollis	Owen	Wadsworth
Clark, Wyo.	James	Page	Walsh
Clarke, Ark.	Johnson, Me.	Poindexter	Warren
Culberson	Kern	Robinson	Williams
Dillingham	Lippitt	Saulsbury	Works
Goff	Lodge	Smith, Ariz.	
Gore	McLean	Smith, Md.	

So Mr. CUMMINS's amendment was rejected.

Mr. WEEKS. Mr. President, I send to the desk an amendment which I should like to have read.

The PRESIDING OFFICER. The amendment will be read.

The SECRETARY. On page 32, line 17, after the word "association," add the words "and cooperative banks organized and operated for mutual purposes and without profit."

Mr. WEEKS. Mr. President, in the State which I represent there are a large number of cooperative banks which are entirely mutual in their character and which are not operated for profit. They are in the same class as the domestic building and loan associations, and I think they should be included in the provision in the bill which excludes from taxation organizations of that character.

Mr. SIMMONS. Mr. President, I think the amendment of the Senator from Massachusetts is a very proper one and it ought to be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MARTINE of New Jersey. Mr. President, I desire to present an amendment.

The PRESIDING OFFICER. It will be read.

The SECRETARY. It is proposed to add to the bill under the head of free list the following: "news print paper and materials entering into its making."

Mr. MARTINE of New Jersey. Mr. President, I am prompted to offer this amendment from the fact that the greed of the Paper Trust has driven the price of paper up to an almost inordinate figure. Many small papers have been driven out of existence through the advance in the price of print paper and many of the large papers of the country have curtailed their size in consequence of it. I met yesterday in this city a gentleman connected with one of the papers here who said that the increase in the cost of print paper had driven up their weekly expenses $100.

I believe this would result in the lowering of the price of paper. To my mind there is no warrant for the maintenance of a duty on paper. I feel that the diffusion of public intelligence demands this correction in this instance, and I trust the amendment will be adopted.

Mr. SIMMONS. Mr. President, we have adopted an amendment to the present bill which places all print paper upon the free list where the invoice price is less than 5 cents a pound.

Mr. MARTINE of New Jersey. I realize that, but there is print paper that has been forced up to a price of over 5 cents, and I am sure in instances to 8 cents. I am perfectly conscious of the adoption of the amendment yesterday, but there is no reason or warrant for the maintenance of the duty on print paper. The Paper Trust, as I said, has fattened through greed at the expense of every paper user in the land.

Mr. SIMMONS. News-print paper has not reached 5 cents a pound; it has not yet reached 4 cents a pound; I think not much over 3 cents. We put it very much above the present price, anticipating that possibly there might be an additional rate. The representatives of the newspapers who called upon me with the Senator from Alabama [Mr. UNDERWOOD] thought that 5 cents a pound would certainly secure to them the benefits that we expected when we adopted the present tariff law by the rates fixed there.

Mr. MARTINE of New Jersey. I am conscious of the fact that it was raised to that limit, but while the Senator says gentlemen called on him with reference to this print paper, representatives of papers and magazines and other publishers have called upon me with reference to it, and it took very little argument to convince me that this was a most unwarranted abuse and it should be abolished by putting it on the free list. I ask for the adoption of the amendment.

Mr. UNDERWOOD. Mr. President, I do not desire to detain the Senate in reference to this matter, but I do not think the amendment should be adopted without careful investigation. There is no dividing line in the trade directly between news print paper and other print paper. It is a matter that was in controversy for a great many years. At the time the present tariff law was enacted it was the consensus of opinion that the price of 2½ cents would cover the price of paper that was ordinarily used by the newspapers. There were no reasons why the revenue should be lost and other print paper placed on the free list; and Congress at that time determined to adopt 2½ cents as the dividing line between the paper that should go on the free list and that that should be taxed.

On account of the very great increase in the price to-day newsprint paper is rising above the 2½ cent rate, but it has not so greatly risen above it. To the small newspapers it is approaching 3½ or 4 cents, but to the average trade the price is not above 3 cents.

When the Committee on Finance placed the amendment in the bill and raised the limit to 5 cents for the admission of paper into this country free of duty they certainly reached the outside limit so far as the tariff is concerned, because all the class of paper that is used to print a newspaper on will be imported into this country at a price not less than 5 cents a pound. There is no reason to abandon the revenue on the print paper that is above 5 cents a pound, because the Almighty knows this Government needs some revenue to-day, and it is going to need it, and all the revenue is not very great. There is no reason on earth, after we kept the faith establishing a line of demarcation as to the admission of news-print paper free of duty, why we should abandon the revenue that is derived on other classes of print paper, and I hope the amendment will not prevail.

Mr. MARTINE of New Jersey. Mr. President, I have no doubt about the need of revenue; we all agree to that. But there are places upon which we could place the revenue with infinitely more propriety than on print paper, and I insist on the justice and right of my amendment.

Mr. GALLINGER. Mr. President, when the matter was before the Senate two years or three years ago and it was proposed to make a violent reduction in the duty on print paper I opposed it as best I could on the ground that it would destroy the American industry and transfer the business to our neighbors on the north. That result has happened. We are to-day importing eight times as much print paper from Canada as we imported in the year 1912. I do not know that putting it on the free list would do very much harm at the present time to those in this country who formerly have been engaged and perhaps to a very limited extent are now engaged in the manufacture of print paper.

But what I wanted to say, and all I care to say, is that we have lost this industry and yet I feel sure that we ought to get some revenue from the product that is coming in from Canada.

For that reason I shall vote against putting it on the free list, simply for the purpose of saving revenue rather than for the purpose of trying to save an industry which has been ruthlessly

slaughtered by a mistaken notion as to what was good policy in reference to this great industry.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey.

The amendment was rejected.

Mr. CUMMINS. I offer an amendment to be inserted at the end of section 92.

The PRESIDING OFFICER. It will be read.

The SECRETARY. At the end of section 92, page 137, after line 18, insert:

The commission shall have power, and it shall be its duty, to investigate wages paid in foreign countries and the United States in competitive industries and all other items which enter into the cost of production with respect to all imports competing in domestic markets or domestic production, shall ascertain and report what import duties will be required in order to equalize the conditions under which foreign commodities are offered for sale in domestic markets as compared with the conditions under which similar commodities made in the United States can be offered for sale in the same market.

Mr. CUMMINS. Mr. President, I have but a word to say on the amendment. It enlarges a little the scope and power of the commission and directs it to make inquiries into a field and to make a report concerning a field very material for one who desires to construct a tariff law along protective lines.

If it is the purpose of our Democratic friends to make it difficult if not impossible for the tariff commission to furnish the facts or the information which are necessary in constructing a protective tariff law, then, of course, this amendment ought not to be adopted, but I have assumed that the purpose here was to create the commission broad enough and big enough to furnish information to every school of economic thought. I am not meaning that any member of the commission will twist or turn or pervert the truth in any way, but it makes a vast difference whether the field which furnishes the information for one tariff law is explored or whether it is closed.

I have another amendment and I might as well say what I have to say about it now so that it can be voted upon without any undue delay.

I have an amendment which authorizes any three members of the commission to prosecute any inquiry within the scope of the act and to make any report which the act authorizes. This is for the same purpose of allowing the commission to be serviceable not only to the Democratic Party but to the Republican Party as well. Otherwise the commission may fail utterly in its mission.

I hope, of course, that the commission will be united in all its inquiries; that it will take a broad, comprehensive view of commerce and our relations to foreign countries; but inasmuch as we are creating a commission of six, never before known I think in the history of commissions, and inasmuch as we are contemplating that three of its members shall be Democrats and three of them Republicans, it is but fair, indeed it is necessary, that the three Democrats or the three Republicans can, in the event of difference of opinion amongst them so that there shall be no majority, prosecute such investigation as may seem wise.

That is the whole purpose and effect of the amendment I have offered and the amendment which I shall offer in a moment.

Mr. SMITH of Georgia. Has the Senator in his hand the amendment which he is just now offering?

Mr. CUMMINS. Here is one of them, but it is not the one I sent up a moment ago to the desk.

Mr. SMITH of Georgia. I would be glad to hear the amendment pending read.

The Secretary again read the amendment.

Mr. SMITH of Georgia. Mr. President, we can not agree to that amendment. It is an effort to direct the attention of the commission in a partisan line. We think that the scope of the bill already gives them the right to make the fullest kind of investigation without an indication of a purpose to turn it toward protection.

Mr. CUMMINS. Mr. President, they must turn it in some direction.

Mr. STERLING. Mr. President, I simply want to say that this amendment is substantially the same amendment I offered this morning in the nature of a substitute, and the same amendment that I have been prepared to offer as a provision to section 90. I hope the Senator from Iowa will call for a record vote on this proposition.

Mr. WEEKS. Mr. President, I should like to make a suggestion of an addition to the amendment which has been offered by the Senator from Iowa. After the word "markets," in line 11 of the amendment, I desire to add the words "and to investigate the Paris Economy Pact and similar organizations in Europe."

Mr. CUMMINS. I am very glad to accept the suggestion of the Senator from Massachusetts and to make it a part of my amendment, because it falls directly within the purpose and spirit of the amendment.

Mr. SMITH of Georgia. I think if the amendment of the Senator from Massachusetts to the amendment of the Senator from Iowa were offered separately, it might be accepted; but if it is to be adopted as a part of the amendment of the Senator from Iowa I certainly should have to object to it.

The PRESIDING OFFICER. The question is upon the adoption of the amendment proposed by the Senator from Iowa.

Mr. CUMMINS. Upon that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. MARTINE of New Jersey (when Mr. CHAMBERLAIN's name was called). I am requested to state that the Senator from Oregon [Mr. CHAMBERLAIN] is unavoidably absent, and that he is paired with the Senator from Pennsylvania [Mr. OLIVER].

Mr. COLT (when his name was called). Making the same announcement as I did before, I vote "yea."

Mr. DILLINGHAM (when his name was called). I have a general pair with the Senator from Maryland [Mr. SMITH]. In his absence I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. GALLINGER (when his name was called). Making the same transfer of my pair as I did on the last vote, I vote "yea."

Mr. MYERS (when his name was called). I make the same announcement about the transfer of my pair as I did on the last vote, and I vote "nay."

The PRESIDING OFFICER (when Mr. OVERMAN's name was called). Making the same announcement as I did on the last vote, I withhold my vote.

Mr. OWEN (when his name was called). I transfer my pair to the Senator from Arizona [Mr. ASHURST] and vote "yea."

Mr. REED (when his name was called). Making the same transfer as on the last vote, I vote "nay."

Mr. SHAFROTH (when his name was called). Making the same transfer I did on the last vote, I vote "nay."

Mr. SMITH of Georgia (when his name was called). Making the same transfer of my pair that I did on the last vote, and continuing it for the balance of the day, I vote "nay."

Mr. STONE (when his name was called). Transferring my pair with the senior Senator from Wyoming [Mr. CLARK] to senior Senator from Indiana [Mr. KERN], I vote "nay."

The roll call was concluded.

Mr. MYERS. My colleague [Mr. WALSH] is necessarily absent. He is paired with the Senator from Rhode Island [Mr. LIPPITT].

Mr. TAGGART. My colleague, the senior Senator from Indiana [Mr. KERN] is unavoidably absent. If he were here, he would vote "nay."

Mr. SHERMAN. Has the senior Senator from Kansas [Mr. THOMPSON] voted?

The PRESIDING OFFICER. He has not.

Mr. SHERMAN. I have a pair with that Senator, and therefore withhold my vote. If at liberty to vote, I should vote "yea."

Mr. DILLINGHAM. I desire to transfer my pair with the Senator from Maryland [Mr. SMITH] to the Senator from Idaho [Mr. BORAH] and to vote. I vote "yea."

Mr. GALLINGER. I have been requested to announce the following pairs:

The Senator from Idaho [Mr. BRADY] with the Senator from Mississippi [Mr. VARDAMAN];

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from Rhode Island [Mr. LIPPITT] with the Senator from Montana [Mr. WALSH];

The Senator from Kansas [Mr. CURTIS] with the Senator from Georgia [Mr. HARDWICK];

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS]; and

The Senator from Utah [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. CLARKE].

Mr. WEEKS (after having voted in the affirmative). The senior Senator from Oregon [Mr. CHAMBERLAIN] is not now present, and I can not, therefore, make the transfer which I did previously. I therefore withdraw my vote.

Mr. ROBINSON. I transfer my pair with the Senator from Connecticut [Mr. BRANDEGEE] to the Senator from Kentucky [Mr. JAMES] and vote "nay."

Mr. SHEPPARD. I desire to state that the Senator from Mississippi [Mr. VARDAMAN] is unavoidably absent.

The result was announced—yeas 17, nays 29, as follows:

YEAS—17.

Clapp	Gallinger	Martine, N. J.	Smoot
Colt	Jones	Nelson	Sterling
Cummins	Kenyon	Norris	
Dillingham	La Follette	Owen	
du Pont	McCumber	Penrose	

NAYS—29.

Bankhead	Lee, Md.	Reed	Stone
Beckham	Lewis	Robinson	Swanson
Bryan	Martin, Va.	Shafroth	Taggart
Chilton	Myers	Sheppard	Thomas
Fall	Phelan	Shields	Underwood
Fletcher	Pittman	Simmons	
Hasting	Pomerene	Smith, Ga.	
Lea, Tenn.	Ransdell	Smith, S. C.	

NOT VOTING—49.

Ashurst	Gronna	McLean	Thompson
Borah	Harding	Newlands	Tillman
Brady	Hardwick	O'Gorman	Townsend
Brandegee	Hitchcock	Oliver	Vardaman
Broussard	Hollis	Overman	Wadsworth
Catron	Hughes	Page	Walsh
Chamberlain	James	Poindexter	Warren
Clark, Wyo.	Johnson, Me.	Saulsbury	Weeks
Clarke, Ark.	Johnson, S. Dak.	Sherman	Williams
Culberson	Kern	Smith, Ariz.	Works
Curtis	Lane	Smith, Md.	
Goff	Lippitt	Smith, Mich.	
Gore	Lodge	Sutherland	

The PRESIDING OFFICER. The Senator from Illinois [Mr. SHERMAN], the Senator from Massachusetts [Mr. WEEKS], and the present occupant of the Chair being in the Chamber, a quorum is present. The amendment is rejected.

Mr. CUMMINS. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment offered by the Senator from Iowa will be stated.

The SECRETARY. At the end of section 91, on page 137, after line 9, it is proposed to insert:

Any three members of the commission shall have the authority to carry forward any investigation within the scope of this act and make any report herein provided for.

Mr. CUMMINS. Mr. President, as I have explained, the amendment I now offer is really a part of the amendment just rejected. I offer it rather to complete the record, and from my point of view to show that the effort to create a bipartisan commission will end in the creation of a strictly partisan commission.

I do not intend to ask for the yeas and nays upon the amendment.

Mr. SMITH of Georgia. Mr. President, I desire to say just a word against this amendment. I hope that the entire commission will be able to work together. If we say they are to report three and three, we invite them to separate and to be entirely partisan. That is all I wish to say.

Mr. NORRIS. Mr. President, I want to say just a word or two on this amendment. The remark made by the Senator from Georgia [Mr. SMITH] calls to my mind and emphasizes a provision in this bill in relation to the personnel of the commission, dividing it between the political parties. While I think I would favor the amendment of the Senator from Iowa [Mr. CUMMINS], I can see some merit in the objection made by the Senator from Georgia. That, however, ought to be eliminated by making this a nonpartisan commission, instead of a bipartisan commission. I know that the intention of the Senators who favor the language of the bill, which says that not more than three members of the tariff commission shall belong to any one political party, is of the very best, and their idea is to make the commission nonpartisan; but, in my judgment, it makes it a partisan commission. That language ought to be stricken out, and there ought to be no provision in the bill in reference to the politics or political affiliations of any of the members of the commission.

We ought to have—and I think we all want—a nonpartisan commission. Just the moment we provide that some members of the commission must belong to one party and some to another, we make of it a bipartisan commission; and the men who are appointed, for instance as Republicans, will feel that on the commission they represent the Republican Party, and the men who are appointed as Democrats will feel that they represent the Democratic Party. We have nothing in our entire Government that comes nearer being nonpartisan than the judiciary; and no man has ever undertaken to have incorporated in a law with regard to the judiciary a provision that its members shall belong to any one particular party.

Again, suppose the President in carrying out this law after it shall have been adopted should appoint three men as Republicans and three as Democrats against whose party affiliations no objection whatever could be urged. They are appointed for 12 years. Suppose 6 years from now some of these men, or half of them, who were appointed, let us say, as Republicans become Democrats. It is not an uncommon thing for men to change from one party to another. Not only is it not uncommon among the ordinary citizens, but the great leaders of human thought often change their political convictions, and even Members of this body have changed them. It is a thing that is likely to happen to any man, no matter what his position may be. If that thing should occur, what are you going to do about it? The law says not that they shall be appointed from those parties, but it says that not more than three of the members of this commission shall belong to one party; and no matter who may be selected, however honest the appointees may be, there is a chance that they will all be of one party in the course of a few years. The provision will have, in my judgment, the very opposite effect to that which Senators intend it shall have.

I want to call attention to what occurred in regard to the Farm Loan Board provided for in the recent bill which we passed. That bill contained the same kind of a provision in it. On the floor of the Senate I made a motion to strike it out. I was glad to make such a motion at a time when there was a Democratic President, so that if there should be occasion hereafter while I am a Member of this body, under a Republican administration, I would be consistent in making the same effort then; but my motion was defeated on a roll call by an overwhelming vote.

Now, let us see what happened. In due time, under a provision exactly similar to the provision I am now discussing, after the enactment of the rural-credits law, the President made the appointment of Members to the Farm Loan Board. He appointed certain members of the board as Democrats and certain other members of the board as Republicans. I happened to be on the committee in this body to which those nominations were referred. It is an interesting fact that when the members of the committees got together to pass on those nominations the first thing that happened was an objection made by a Republican member of the committee that one member of the board appointed as a Republican was not a Republican. An investigation and a search of that man's record through several years of his life disclosed the fact that he had voted for a Democratic Congressman. That charge was brought up against him, and he did not deny it. The charge was made, "He is not a Republican, because once in his life he voted for a Democrat." Not a question was asked and no investigation was made as to his qualifications to serve on the board; but the question was, "Is he a Republican," and had it not been for the fact that the Republican Senators from the State in which the man lived were both in favor of his confirmation I presume there would have been a contest on the floor of the Senate in regard to that nomination.

In the same batch of nominations was the name of a man called a Democrat, and a Democratic member of the committee found fault with him, not because he was not qualified to fill the place but because he was, in the judgment of that Senator, not a good Democrat.

Mr. President, I call attention to these facts. They will occur constantly under this kind of a law; they will naturally happen, no matter what the President may do. In the selection of nominees under such a provision there will be a suspicion at once that the President is appointing somebody who is not a good Republican or who is not a good Democrat. So in the contention as to his politics sight is lost of the fact as to whether or not a man is qualified to hold the position.

I remember soon after President Wilson entered upon the duties of his office a discussion took place on the floor of the Senate when something was said in regard to the Civil Service Commission, all of the members of which had been appointed by a Republican President under a provision of law similar to the provision now being discussed, that the appointing power must take some of the members of the commision from each party. The charge was made here by leading Democrats of this body that the Democratic members appointed by a Republican President at the time they were appointed on the Civil Service Commission were not good Democrats. I do not know what the facts were, but it was charged that they were appointed because they had voted the Republican ticket at some time and helped out some Republican candidate or in some way helped the Republican Party; in other words, under such a system suspicion always attaches immediately and their good faith is always doubted.

No good can come from such a situation. The men who are appointed on this board, if they do their duty, will be nonpartisan. I think it would be a good idea in the law to say that they ought to be nonpartisan; but the minute that we say some of them shall belong to one party and some to another party we make a bipartisan body of it, and from the very nature

of things they can not be always as completely nonpartisan as they otherwise would be.

It is immaterial, it seems to me, if these men are qualified to perform the duties of their office, whether they are Democrats or Republicans, or what not.

Another thing, some men who are the best-fitted citizens in the United States for membership on this board have no particular affiliation with any political party. As to some of the men who are best-qualified to perform the duties that are prescribed in this bill now before the Senate, if they are appointed objection will be made at once either that they are not Republicans or are not Democrats; and the objection on that ground would be good, because they have no particular politics. There are men as well qualified as any under the sun who do not care whether they are called Republicans or Democrats or Socialists or Progressives or Prohibitionists. They have no particular political affiliation; but they may have made a study for a lifetime of the questions which they will be required to investigate, and they would be disqualified from being appointed on this board.

So far as I am concerned, I should like to say now that while we have a Democratic President I want to pass a law making the commission nonpartisan, and then give to him the responsibility of appointing men who will not be moved by the bias and prejudice of political affiliation.

Mr. SHERMAN. Mr. President, we have had nearly a hundred years of party government, and I am prepared to say that I believe it has been better than a nonpartisan government. What is a political party? It is one of the instrumentalities of administering civil government. No popular government can survive without it. It fixes responsibility and presents issues. It is only a division of opinion. All who believe in certain governmental principles applied in practice circle themselves around the principle or series of principles as a recruiting station, and that forms the nucleus of a political party. Whenever the age of political irresponsibility begins, in my judgment the decay of government begins. I believe in a healthy partisanship, and I would rather vote to confirm a capable, stalwart Democrat or a Republican, as the case might be, than to vote for a political maverick and a sexless nondescript any day in the week.

Mr. NORRIS. Mr. President—has the Senator finished?

Mr. SHERMAN. I had not intended to; but if the spirit moves the Senator from anything I said, I will gladly yield.

Mr. NORRIS. No; I am going to take the floor, if I can get it, when the Senator is through. I thought he was through.

Mr. SHERMAN. I was just waiting for it to have its effect, to see whether further argument appeared useful.

Mr. NORRIS. I have no objection to the Senator's waiting. He can wait as long as he pleases.

Mr. SHERMAN. I had hoped that we might speedily dispose of this matter, but I see that there is some moving of the spirit on the adverse side of it, and so, having spoiled a good dinner already, I am disposed to go on. [Laughter.]

Mr. President, reference has been made to the judiciary. Not since I have been a voter has any President ever ignored party lines in appointing judges until the last Republican administration. I am not prepared to criticize it. I think the choices made of Democrats for judicial positions were fit ones, and I think they adorn and dignify the bench. They were good lawyers before; but they were then Democrats, and just as good Democrats—these two that President Taft appointed—after they went on the bench as they had been before, although their partisan activities are properly dormant. As a matter of fact, when Cleveland was President from 1885 to 1889 he did not appoint a solitary judicial occupant who was a Republican—not one; and in his second term, from 1893 to 1897, he appointed no judges who were Republicans, and I honor Grover Cleveland for it. It does not destroy a man's character to be a Democrat or a Republican. As Ingalls said in this Chamber many years ago—

> Male and female created He them.

Be one or the other; but as to the person who hovers on the borderland of both parties, speculating on the wants and necessities of each, ready to traffic with all to see whom he can make the most profitable bargain with—as to that type of man, I am against him anyhow. [Laughter.] In or out of office he is vacillating, uncertain, impracticable, and of such as he practical administration of affairs among men is not had.

I can understand a Democrat, and I respect him for his different belief from mine in the administration of vital and elementary governmental principles. I can understand him, and I can understand a Republican. We have our family difficulties in administering affairs; but when it comes to the appointment of a tariff commission, I would rather have three Democrats and three Republicans, or three Progressives, as the case may be, and no Republicans, than to undertake to administer it by a nonpartisan board; and as a matter of fact such a thing does not exist. If a man is otherwise fit to serve on such a board, and has no party affiliations, if he has taken so little interest in the affairs of this country as to be unable to tell what political party he would affiliate with if he ever went to vote, has lived to mature years and never made up his mind on such issues, he is not the right man to sit on that kind of a board.

Why, Mr. President, my friend Gompers has not voted for many years I think, according to his own confession—and still he wants to govern the Senate, and to administer affairs generally, and to dictate to Presidents and Cabinets and Senators and Representatives. He is a nonpartisan—the most celebrated instance of a modern nonpartisan. He has been speculating around the borderland of everybody and everything. Talk about a nonpartisan member of a tariff commission! Well, as the little girl once said, "There ain't no such animal." [Laughter.]

A tariff refers to revenue. Revenue inevitably results in taxation. The investigation of sources of revenue and the methods of taxation are vital exercises of governmental power. When we exercise that power we create differences of opinion on the best way of raising revenue.

Our Democratic friends adhere to one method and Republicans to another. Since this Republic began, from the days of Washington to the days of Wilson, men have divided on the question of taxation, and they will continue to divide, and it will be a vital and elementary issue in political parties for years to come.

Mr. President, the tariff will become nonpartisan when men cease to have differences of opinion on the question of taxation. When we all agree on how to raise money, when we all agree on the best sources from which to draw that money, then we shall cease to have differences over tariffs. This is a revenue bill. How long have we been discussing it? A good while, and in earnest. There has been some light shed upon the question. The division between the parties is pretty sharply drawn. It is made much plainer. It is on the question of direct or indirect taxation; and still, by merely striking out some objectionable words, all partisan activity shall cease and the tariff will be immediately relegated into the clouds, up in the air castles, where only angels and college professors dwell. [Laughter.]

For my part, I shall vote with every Democratic associate of mine to keep the partisan feature of this measure in it. What President of yours would appoint a nonpartisan tariff board? And I am ready to say for any President that I ever expect to support that I do not know that I would want to support him very hard if he were not equally partisan on political issues. What would you think of a Democratic President who abandoned his faith and served political ends by nonpolitical agents? What would you expect the present occupant of the Executive office to do, Mr. President—appoint five Progressives and one Republican? Appoint some professors of economics who have not voted in a primary or at the polls for 30 years? Appoint some learned gentlemen who have been hanging about the cloistered shades of some university, nauseated at the thought of practical politics or unable to administer practical government?

Put somebody of that kind on a tariff commission, and see what kind of a pitiful governmental result you will get out of it in the way of information for men that have to deal with the sober things of life. Government is the applied science of politics. It concerns men and not books, and it is found among men of affairs rather than on chautauqua platforms. I remarked here a year or two ago that I was perfectly surfeited with a lot of theoretical gentlemen who could write elegant essays, and wear an air of bored perfection on the platform, but they could not practically administer the affairs of a poultry yard. This country is full of them. For my part, I do not want any of them administering the affairs of the Republican Party. I believe in a stalwart partisanship, and this country will be all Democratic or all Republican; it is going to be all protection or all tariff-for-revenue or all free trade, according to the voters. It will not be a mixture. It will be one or the other.

I am going to vote that way, and I expect the Republican or the Democratic President, as the case may be, to make this either a bipartisan tariff board or to make it a partisan tariff board altogether. If you leave this out and leave it to the tender mercies of the average President, as Presidents come and go in this blessed country of ours, he will make it a partisan tariff commission. He will put no representatives of the opposite party on it unless they are in the minority. It will be a 4–2 combination; that is certain.

What would the President do at this time if he had to appoint such a commission? After you got the cover off, Mr. President, you would find about four stalwart Democrats, and you would find about two whose antecedents are at first unknown, and objectionable after discovery. [Laughter.]

Mr. NORRIS. Mr. President, if the Senator from Illinois had his way, he would abolish by law all the State universities. He would drive all the college professors out of the country. I presume he would abolish the high schools, because there are presidents of big universities who do not know how, as he says, to run a poultry yard. Why, there are some men in the Senate who would not be able to do that very thing, and yet who might make very good members of a tariff commission.

If the Senator follows out his argument in regard to the courts, he must be in favor of eliminating this language from the bill, because he says Presidents appoint judges, sometimes Democrats and sometimes Republicans, but he must remember that in the law that gives to the President the authority and the right to appoint judges there is not anywhere any such language as we have provided here.

The Senator says the courts get along very well, and they do. But the language that gives the President the right to appoint judges does not say that he must appoint a Republican judge to-day and a Democratic judge to-morrow, and we have had good results from that.

The Senator certainly will not contend that a judge ought to be a partisan. He will not contend, if he will take a second thought, that the members of this tariff commission ought to represent political parties on the commission. The tariff may remain in politics, but the object of this commission is to gather the facts. If you once get the facts gathered carefully and honestly, without shading them to suit Democratic principles or Republican principles, then let Congress have those facts, in order to pass the proper kind of a tariff law.

We have been passing tariff laws in both of the political parties by giving hearings before the committees and having the interested parties appear until the enlightened sentiment of the country, or most of it, I think, has reached the conclusion that this method of making up a tariff bill is not sound; that some commission, some body of men, unbiased, unprejudiced, ought to make these investigations and give Congress the facts. That is what is provided here shall be done. They shall report every year to Congress. Now, do we want to say to these men, "You are appointed as a Republican," and "you are appointed as a Democrat," and put them in an attitude where they shall shade their report or their investigation according to the ideas of the political party to which they belong?

Why, Mr. President, there is not any objection to appointing a Republican or a Democrat on this commission; but if you simply appoint them on the commission, and do not appoint them as a Republican or as a Democrat, just like you appoint the judges, they will go on during their 12 years of work and do good work without being looked upon as representatives of a political party, where there ought to be an unbiased investigation without partisan shade, without partisan bias, so that Congress can have the facts, and have them in such shape that the country and the Congress will have confidence in them when they get the reports.

So it seems to me, Mr. President, that all this tirade about the man who has not any political party being an undesirable citizen has not anything to do with the question. We have got to admit that men who vote the Democratic ticket to-day and the Republican ticket a year from now, exercising a right that no man would think of taking away, are just as honest, just as intelligent, just at patriotic citizens, as the man who says: "I will swallow the ticket straight, yellow dog and all, under all considerations." No man can deny it. The Senator himself, when he makes a campaign for election to this body, tries to get Democratic votes. If the theory that he is promulgating here is right, then every time he asks a Democrat to vote for him he insults him, because he has said in effect: "You are a mongrel statesman. You are a nondescript. You are not a stalwart Democrat." If he had his theory promulgated and put into law, there would not be any such thing as deciding, when you came to vote, as between candidates. There would be only one thing printed on the ballot, and that would be the name of the political party. That would be the logical result of it.

Mr. President, we have a provision in this law that has a tendency to carry that into law. That is what I object to. I am not going to make a motion to strike it out, because I know there are too many Members of this body who feel that this language ought to remain in. I tried it on the other law providing for the Farm Loan Board, and the roll call there showed that a large majority of the Members were in favor of keeping this board partisan. When we come to pass on the men who shall be appointed, the Senator from Illinois will be one of the first men to object, if a man is appointed as a Republican, if he can search his long life and find where some time, 20 years ago perhaps, he voted for a Democrat for road overseer. He will denounce him as one of these undesirable citizens who is not fit to vote, who ought not to have the right to vote; or if, perchance, some man is appointed who did not vote last year, he will be in that class, and will not be entitled to be appointed.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Iowa [Mr. CUMMINS].

The amendment was rejected.

Mr. HUSTING and Mr. CUMMINS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. HUSTING. I should like to offer an amendment to come in on page 49, line 22.

Mr. SMITH of Georgia. Will the Senator from Wisconsin yield to the Senator from Iowa, to enable him to conclude his amendments on the tariff board, and then present his amendment? I think it would be easier and simpler.

Mr. HUSTING. I have been waiting all the afternoon to get in this amendment.

Mr. SMITH of Georgia. If the Senator from Iowa can submit all of his amendments on the tariff board and get through with that, then we can turn to other parts of the bill.

The PRESIDING OFFICER. Does the Senator from Wisconsin withdraw his amendment?

Mr. HUSTING. No; I will not withdraw my amendment.

Mr. SMITH of Georgia. Will the Senator let it lie on the table until the Senator from Iowa finishes with his amendments to the tariff-commission schedule?

Mr. HUSTING. Very well. How many more amendments does the Senator propose to offer?

Mr. CUMMINS. Well, I have one in my mind.

Mr. HUSTING. I will yield for one more to the Senator.

Mr. CUMMINS. I do not make any bargain or ask any favors, however. I hope Senators will remember that.

Mr. SMITH of Georgia. I just thought I would make that request.

Mr. CUMMINS. I have always tried to enjoy my rights here and not trespass upon the rights of any other Senator.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. CUMMINS. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment submitted by the Senator from Iowa will be stated.

The SECRETARY. On page 142, line 6, strike out the words "authorized to be" and insert the word "hereby," so as to read: "is hereby appropriated."

Mr. CUMMINS. Will the Secretary read the paragraph so that it will be understood?

The SECRETARY. So that if amended it will read:

SEC. 97. That there is hereby appropriated, for the purpose of defraying the expense of the establishment and maintenance of the commission, including the payment of salaries herein authorized, out of any money in the Treasury of the United States not otherwise appropriated, the sum of $300,000 for the fiscal year ending June 30, 1917, and for each fiscal year thereafter a like sum is hereby appropriated.

Mr. SMITH of Georgia. The only effect of this amendment is to make at once the appropriation and establish the commission without additional appropriations of money. I do not think that is customary, but there has been a question raised as to the permanency of the commission, and I am perfectly willing to accept the amendment and vote on it.

Mr. CUMMINS. I am very glad of that. I certainly shall not impose any argument upon the Senate if it is willing to take the view of the Senator from Georgia.

Mr. GALLINGER. Mr. President, I wish to call the attention of the Senator from Iowa to the fact that if his amendment is agreed to this is an appropriation covering an indefinite length of time, and for each fiscal year thereafter a like sum is appropriated

Mr. CUMMINS. It is what is known as a continuous appropriation, a method of appropriation that has been common, I think, in Government affairs.

Mr. SMITH of Georgia. I do not really know that we would need it except as to the salaries of the commissioners.

Mr. CUMMINS. If the salaries are not paid, they will be of very little value.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa.

The amendment was agreed to.

Mr. HUSTING. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. It will be read.

The SECRETARY. On page 49, line 22, in the committee amendment already agreed to——

The PRESIDING OFFICER. The amendment is in an amendment already agreed to.

Mr. GALLINGER. Let it be reconsidered by unanimous consent.

The PRESIDING OFFICER. By unanimous consent if there is no objection the vote whereby the amendment was agreed to will be reconsidered for the purpose of enabling the Senator from Wisconsin to offer his amendment. The amendment will be read.

The SECRETARY. On page 49, line 22, insert, after the word "any," the word "person"; on page 50, line 4, after the word "such," insert the words 'under the same rules and regulations as govern the inspection of public records generally"; on page 50, line 4, strike out the words "*Provided*, That"; and further strike out all of lines 5 to 15, inclusive, on page 50, so that subsection (b) of section 14, as so amended, shall read as follows:

When the assessments of any person, corporation, joint-stock company, or association, or insurance company shall be made as provided in this title the returns together with any correction thereof which may have been made by the commissioner shall be filed in the office of the Commissioner of Internal Revenue, shall constitute public records and be open to inspection as such under the same rules and regulations as govern the inspection of public records generally.

Mr. PENROSE. I raise the point of order that this amendment has already been voted on.

Mr. SIMMONS. The substance, I think, if not the language of the amendment has already been voted upon.

Mr. PENROSE. It is therefore not in order.

Mr. HUSTING. I believe I have the floor.

Mr. PENROSE. I raise the point of order and ask for a ruling upon it.

The PRESIDING OFFICER. The Senator from Wisconsin has the floor.

Mr. HUSTING. I wish to say that if an amendment has been offered striking out the language of the section, I am not aware of it, at least I have not heard it. If I am mistaken I would like to be corrected. I will state that I did offer an amendment to insert the word "person" after the word "such," which is a part of this amendment, but the balance of the amendment was not offered.

Mr. SIMMONS. I rise to a question of order. A point of order has been raised, but the Chair has not ruled upon it.

The PRESIDING OFFICER. The Chair has not ruled because there is a question of fact involved. The Senator from Wisconsin says he did not offer the identical amendment.

Mr. SMITH of Georgia. I do not understand that that is the point made by the Senator from North Carolina. If the Presiding Officer will turn to the paragraph he will see that it was amended, and the paragraph having been so amended and adopted an amendment to it is not in order.

The PRESIDING OFFICER. By unanimous consent it was reconsidered.

Mr. SIMMONS. Of course, I have not before me the amendment upon which we voted, but I ask the Senator from Wisconsin if that part of his amendment which relates to the records kept in the office of the Commissioner of Internal Revenue, and which provides that the records shall be public and open to anyone who may desire to ascertain the returns of the taxpayers, has not been heretofore voted upon.

Mr. HUSTING. I will state, as I said before, that I offered an amendment to insert the word "person," on page 50, line 4, and that is all there was in the amendment that I offered. In addition to that, I now propose to strike out the words "provided that," in line 4, page 50, and all of lines 5 to 15, inclusive. Those lines provide that certain returns may be open to inspection upon the order of the President, and further that the proper officers of any State imposing a general income tax may, upon the request of the governor, have access to the returns or an abstract thereof. If any other Senator on the floor offered an amendment to strike out the proviso I am not aware of it.

Mr. SIMMONS. I ask the Senator if that part of his amendment, which comes under the head of letter b, has not been voted on?

Mr. HUSTING. It has not been voted on except the particular amendment I stated, that I proposed to the committee amendment.

The PRESIDING OFFICER. There has been called to the attention of the Chair the record showing that the Senator from Wisconsin gave notice he would offer this amendment.

Mr. PENROSE. Let us vote on it.

Mr. HUSTING. I think I have a right to make a few remarks.

The PRESIDING OFFICER. The Senator from Wisconsin can proceed.

Mr. HUSTING. Mr. President, the amendment I offer is for the purpose of opening the income-tax record to public inspection by any State government, or anybody else. The terms are very simple and plain. The question is, Shall the income-tax records be secret records, not to be looked at by anybody except those in the employ of the Government, or shall they have the same status that records generally have to which the public has access?

Mr. President, I do not believe in secret records. I believe there should be very strong reasons why any records should be secret and why they should be withheld from the public to whom they belong. We have executive sessions here which are secret, I presume, for reasons that are peculiar to the business we transact in them, but in all tax measures in every other form of taxation the records are public. If anybody wants to know what return a man has made on his real estate or his personal property he can go to the records and find out. It can not be said that you are seeking to nose into his business, but his circumstances, his financial affairs, are open to everybody. Under the inheritance tax the records are public in the office of the probate judge or surrogate, and you can go there and see how much a man died possessed of. But for some reason which never has been satisfactorily explained to me, or at least for reasons which I do not think are satisfactory, when it comes to an income tax you put the seal of secrecy upon the returns and do not allow anybody to look at them. I say the people have a right to look at them. They are their records.

But there is another reason why they ought to have a right to look at them. Every man has a right to know whether his neighbor or fellow taxpayer pays his just share of taxes. He has to pay his. When he makes a sworn income-tax return he has to make a statement upon his oath, and if he is a truthful and honest citizen, he has to pay his just share of taxes, and has he not a right to know whether his neighbor or some other man is equally truthful? Yet you make it easy by putting this cloak over the tax returns, for the situation to exist whereby one man who has a conscience, who has a sense of public duty and of decency, and who is honest must pay his share of the income tax and his neighbor can escape under the seal of secrecy. On the other hand, if you open up those records to him he can tell whether his neighbor is paying his just taxes or not. He has an interest in that money that is being paid as taxes by another taxpayer, because in so far as his neighbor, his fellow citizen, escapes his share of taxes it is piled on him. All you are doing in this sort of a law, in my judgment, is this: You are putting a premium on dishonesty and on graft by protecting a man from public exposure by means of covering up his income-tax return and not letting anybody look at it.

We have gone to work here in this income-tax bill and we have raised the supertax. We have raised it up quite high. Why? Because we needed more income. Instead of doing it that way why is it not better policy to administer the laws that we have so that we make those laws produce more tax?

I have a pamphlet here that is published at the Government Printing Office. It is an extract from some other public document reprinted. It says in hearings before the House Committee on Expenditures in the Treasury Department wherein a gentleman, Basil M. Manley, claimed that the people are evading the income tax to the extent of $320,000,000 in the United States. I have not studied this report and I can not vouch for its correctness, but the statement is made there and the reasons given and the figures given, which go to prove in the author's opinion that the United States is being deprived of $320,000,000 annually because of incorrect and unfair returns.

Now, if only a tenth part of that is true, if it is only $32,000,000, if it is only $20,000,000, I do not care how much it is, why not get it? Why raise the tax and make the fair man, the truthful man, the honest man pay more and more because he is making truthful returns, and at the same time make it easy for the man who is not truthful, who is not honest, and who is not fair, to escape his share of the taxes? Why not make him produce that $32,000,000 or that $320,000,000, if this statement in the pamphlet is true?

If those figures are anywhere near accurate, we are getting but one-third of the amount of the income tax that we are entitled to under the law as it stands to-day. It is a much better policy to make people pay taxes under the existing laws, in my judgment, than to go on making new laws with the same inefficient administration and have still more evasion of the tax laws by those who do not want to pay their just share of taxes.

Now, secrecy was never in any field promotive of fair dealing and honesty. It is under secrecy that crimes are committed, that dishonest and double dealings take place. Crime and vice and dishonesty thrive under the cloak of secrecy. And yet here in passing an income-tax law we are putting a cover and cloak by which the proneness to evade taxes may thrive and promote dishonesty and crookedness.

Now, why do we do that? Why should the United States make it difficult for it to collect its own taxes? Why does not the United States take the means, which it has at its command, to administer the income-tax law. If the income-tax law is a good thing and if it is fair, and no one stands up here and says it is not fair, why should not a man pay his just tax under the income-tax law?

I know there is a feeling throughout the country, I am satisfied of it, that the people want these records to be open. I think there is a sentiment here that the income-tax law will never be properly administered until the records become free, open, and public documents where State officers or individuals can go and look and obtain the information that they are entitled to. Whether you pass this provision now or not, if you ever want an income-tax law administered efficiently you will eventually have to come to the point where you will make a man's record of his income tax an open book. Why should you pull a cloak over him to make it possible to evade his just share of taxes? I say, from my point of view, from the point of view of efficiency, from the point of view of raising enough revenue, from the point of view of making a man pay what fairly and justly he ought to pay, you ought to make these returns a matter of public record so that men will make fair returns of their income tax and pay what the law requires them, and which in all good conscience they ought to pay.

Mr. KENYON. I wish to ask the Senator from Wisconsin a question.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Iowa?

Mr. HUSTING. I do.

Mr. KENYON. I ask the Senator if the Wisconsin income-tax law provided that the return should be open to public inspection.

Mr. HUSTING. I looked up the matter in Wisconsin. The figures are open and they are subject to such other rules and regulations as may be prescribed by the board.

Mr. KENYON. What board is that?

Mr. HUSTING. The tax commission.

Mr. REED. Mr. President, I know what an imposition it is on the Senate to take its time to discuss any matter at this stage of the legislative proceedings, and I shall therefore be very brief; but I affirm that no living man can give a sound reason why the tax returns in the aggregate, omitting the details, should not be open to public inspection. There may be a reason why a taxpayer ought not to be required to make public record of a particular source of income, although I confess I see no reason why any honorable man, having only honorable sources of income, should hesitate to make the facts known as to all the sources of his income. We may slump this matter over as we please, but we will not satisfy ourselves and we will not satisfy the justice of the case if we do so.

Let us see, if a man owns only a little property, what he has to do. He must turn into the tax collector of his county a list of everything he has. If he has a watch, or if his wife has a watch, that fact is made a matter of public record. If he has a horse or a cow, he must make return of that horse or cow, and the return is a matter of public record. If he has household goods which are worth $5 or $500, he must return the fact. If he, fortunately or unfortunately, owns a piano, he must schedule his piano. We go into the very homes of the common men of the country and we require them to list substantially everything they own. There is no delicacy then; there is then none of the sentiment that men are entitled to privacy. We fairly count the spoons of the ordinary citizen.

Mr. WEEKS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Massachusetts?

Mr. REED. I do.

Mr. WEEKS. May I suggest to the Senator from Missouri that he has instanced personal property, not sources of income?

Mr. REED. Why, certainly, I have instanced personal property, not sources of income. I shall discuss that in a moment.

We also tax in the name of the owner the real estate of the country. Now, what is there sacred about an income? What is there that makes an income of such a delicate nature or of such a private character that we should not require the amount of that income to be stated? What sound reason is there for that distinction suggested by the Senator from Massachusetts? Is it because a man is ashamed of having a large income? Very few men are ashamed of that fact. Is it because he is ashamed that his income is so small? That is no reason for a man to feel a sense of shame. In what way does a public record of an income tax interfere with a man's business or his opportunities in life? After all, this delicacy of feeling must be bottomed upon the fact that a rich man with a large income is entitled to some protection that a poor man with a small income or with a small amount of property is not entitled to.

I concur absolutely in one line of argument made by the Senator from Wisconsin [Mr. HUSTING], which is that publicity in all these matters makes for honesty of returns. There is one county in my State where I have been told there are several millionaires, and it is not a county with a city in it. I have been also told that the mere publication of the tax returns of those gentlemen would result in astonishing the entire community. I want somebody to tell me why public taxation is not public business. I want somebody to tell me why every man in the community is not interested in knowing, and has not the right to know, the source of every dollar of revenue that is collected by the Government, and to know whether or not other people are paying their just share of the burdens of Government.

I am in favor of this amendment, and I hope it will be adopted.

The PRESIDING OFFICER. The question is on the adoption of the amendment. [Putting the question.]

Mr. LANE. Mr. President, just one moment. Let not the Presiding Officer be in such an inordinate rush.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. PENROSE. The Senator from Oregon should speak from his place, as the rule requires.

Mr. LANE. Mr. President——

The PRESIDING OFFICER. The Senator is out of order.

Mr. PENROSE. I rise to a question of order, Mr. President. Is it not one of the rules of the Senate that a Senator in addressing the Senate shall speak from his place and not walking up and down the aisle in front of Senators and conducting his address in an irregular manner?

The PRESIDING OFFICER. The point of order is well taken. The Chair has recognized the Senator from Nebraska [Mr. NORRIS].

Mr. LANE. Mr. President, I will say that those who are more agile——

The PRESIDING OFFICER. The Senator is out of order.

Mr. LANE. All right.

Mr. NORRIS. Mr. President, it seems to me that this is the place where it would be well to give the country a dose of "pitiless publicity." If there ever was a place where publicity would redound to the public good, it strikes me it is in a case where by means of publicity the just revenues of the Government will be increased. I do not believe there can be any reason for not making such returns public. Secrecy can only be desired by those who want to cover up their incomes as a means of preventing the Government from collecting that which it ought to get under the law.

As the Senator from Wisconsin has well said, it discriminates against the honest man, who makes an honest and fair return, by compelling him to pay upon all of the income that the law provides he shall pay an income tax upon and relieving the man whose conscientious convictions are such that he does not hesitate to cover up or conceal his income. There can be no question, in my judgment, that the adoption of the amendment offered by the Senator from Wisconsin would result in the collection of a very large additional sum of money under the income-tax provision of the law.

The Senator has referred to the figures given by Mr. Manly in an article on the subject. I have read and seen those figures; and, while, of course, to some extent the deductions in the article must necessarily be based on estimates, I do not believe anybody can read the arguments and study the figures given in the article without being impressed with the fact that there is an enormous amount of income tax due the Government which is not being collected. I do not have before me the article, but there are several instances given in it which, it seems to me, demonstrate practically conclusively that the Government has failed to collect large amounts of money which were honestly due it under the law.

Mr. President, it may be that there is good reason why these returns should be kept secret, but I have never heard one given; and I am unable myself to discover just what reason there can be. We have publicity as to nearly everything else in connection with taxation. I presume there is not a State in the Union that does not provide for the publicity of tax returns. One can

go to the proper officer in a State and find out exactly the property returned by any individual upon which, under his affidavit and his oath, he pays taxes.

Mr. WEEKS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Massachusetts?

Mr. NORRIS. I yield to the Senator.

Mr. WEEKS. The principal reason, it seems to me, advanced for offering this amendment is that the Government does not get all of the taxes which it should get, because there are people who swear to things which are not true. The law provides for the punishment of such people if they swear falsely, and why do not the law officers of the Government proceed against such individuals and punish them?

Mr. NORRIS. Mr. President, the very evidence, to a great extent, on which such men could be punished is covered up in the law itself, because the returns are secret, and because the public generally do not know about them. If the returns were made public, there would probably be a good many prosecutions where there are none now.

Mr. WEEKS. Mr. President, the law officers of the Government and the internal-revenue officers of the Government know all about these returns, and if they have any reason to think there has been a false return made it is very easy for them to proceed against the person making it.

Mr. NORRIS. Oh, yes; if those officers knew about it they probably would act. The argument I am making is that complete publicity would give information to people who perhaps would know that something had been concealed, and by giving that information to a public official there might result prosecutions. The result which I think would follow would be that the returns would show larger incomes.

Mr. WEEKS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield further to the Senator from Massachusetts?

Mr. NORRIS. Yes.

Mr. WEEKS. Does the Senator wish to make every man a detective to spy on the actions of his neighbor?

Mr. NORRIS. I am not arguing here that everybody who makes an income-tax return swears falsely to it. I am not claiming that; but if the Senator can give me a reason why such returns ought to be concealed and ought to be kept secret I should like to have him do so.

Mr. WEEKS. Well, Mr. President, I think there is a very substantial reason in the fact that no man wishes to expose or to be compelled to expose his private affairs to the public. He does not do so under any other circumstances except when he asks for credit. If the law officers and the officers of the Internal Revenue Department have a complete statement of a man's affairs it seems to me that it is prying into them in an illegitimate and improper way to compel him to expose his private affairs to public inspection.

Mr. NORRIS. Mr. President, as I look at it, if that is the reason, if that is the objection to the amendment of the Senator from Wisconsin, then, if we follow that line of reasoning, we ought to provide by law in every State that the tax schedules as to all taxes paid shall be kept secret. I do not believe it is any worse or any more humiliating for me to say that I am getting $10,000 income from Government bonds or railroad bonds or securities of that kind or that I am not getting such an income than it would be in a tax schedule to set forth that I have a diamond ring or that I have a gold watch or that I have a bicycle or an automobile. Such matters are public under our taxation system. It is not any greater disgrace——

Mr. WEEKS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield further to the Senator from Massachusetts?

Mr. NORRIS. I will yield in a moment.

Mr. LANE. I rise to a point of order.

The PRESIDING OFFICER. The Senator from Oregon will state his point of order.

Mr. LANE. The Senator from Massachusetts is addressing the Chair out of his place. I understood the Chair to rule a while ago that when a Senator addressed the Senate he must rise in his place and speak from there.

Mr. WEEKS. Mr. President, the Senator is right. I am out of my place.

The PRESIDING OFFICER. Does the Senator from Nebraska now yield to the Senator from Massachusetts?

Mr. NORRIS. Yes; I yield to the Senator from Massachusetts or any other Senator.

Mr. LANE. Mr. President, I should like to ask the Chair another question.

The PRESIDING OFFICER. The Chair has ruled that a Senator when he desires to address the Senate shall rise in his place and address the Chair.

Mr. LANE. Very well, then. I will ask the Chair to keep all Senators in their places.

Mr. NORRIS. Mr. President, taxation is always burdensome. We all dislike to pay taxes, and I do not blame anybody for entertaining that feeling. I am not claiming that the men who make income-tax returns are any more dishonest than those who do not make such returns or than those who make returns of their personal property under local tax schedules; I am not claiming anything of that kind, but it does seem to me that a man would be very touchy who would say, "I do not want this return made public, because I do not want the public to know anything about my business," when, as a matter of fact, already if he makes a return under the tax laws of any of the various States, so far as I know about them, publicity is given to that return as to all the property which he may own, as to the amount of goods he holds, the stocks he owns, and the debts which he owes, all of which is more humiliating probably than having an income-tax return made public. Why should it be humiliating to the Senator from Iowa [Mr. KENYON] if he had an income of $100,000 from stock of the Bethlehem Steel Co. for him to state that fact?

Mr. KENYON. I rise to a point of order. That is entirely too startling as applied to any circumstances.

Mr. NORRIS. Why would it humiliate him to say in his schedule that he had that income? I can not conceive of anything disgraceful or humiliating to any man to state the source of his income, unless he is getting an income from some shady proposition, some dishonorable source, some illegal affair.

As I have said, there may be reasons—I have not heard them, and I can not think of any myself—why these returns should not be made public. It seems to me that there ought to be, and can be, no objection to a man stating his income in his return, and then having the return made public, so that the proper publicity may be given to it. Why, Mr. President, it is one of the fundamental principles of nearly all governments that publicity in government is the cure for more evils of government than any other one thing. Our courts must be public; our deliberations here must be public; the action of practically all of our officials must be public; and provision is made by law that they must be public. Now, the person who has an income from property that is, perhaps, intangible would be able to cover up the source of his income, whereas the man who had a farm or who had a building would necessarily have some publicity in regard to his income.

It seems to me that in the interest of fairness, as well as in the interest of getting as much money under the law as the law provides we shall get, we ought to have absolute and pitiless publicity.

Mr. WILLIAMS. Mr. President——

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. NORRIS. The Senator from Mississippi is not in his place.

The PRESIDING OFFICER. The rule is not as to his place. The rule says a Senator can not proceed until he is recognized. A point of order was made against the Senator from Oregon [Mr. LANE] on the ground that he was walking down the aisle, and had not been recognized. The Senator from Mississippi has the floor.

Mr. WILLIAMS. Mr. President, a distinguished Englishman is reported once to have said:

> Words, words, words, and yet more words, and what paucity of ideas accompanies them!

We have thrashed out this whole proposition. We thrashed it out in the Committee on Finance. We thrashed it out in the Ways and Means Committee of the House. We thrashed it out on the floor of the House. We thrashed it out on the floor of the Senate. All the verbalities and verbosities that have been recently resorted to mean only this—a general denial of the fact that there is any such thing in existence as private business. Of course, every man of real good sense knows there is such a thing as private business.

I hope the amendment will be defeated.

SEVERAL SENATORS. Vote!

Mr. LANE. Mr. President, I can not find the rule that has been referred to. I find in Jefferson's Manual that a Member must rise in his place and address the Chair, but it does not say any particularly fixed place. I think it would apply more to those who are too ponderous to get around, perhaps, than it would to those who are quicker on their feet. [Laughter.]

But, be that as it may, I wish to say, in regard to this amendment, that it is my opinion that neither the Senate nor

the House nor anybody representing the people, the people's servants, have the right to deny their employers full access to the facts concerning their affairs. The provision in the bill which makes it a finable offense for anyone to give information to the people of this country as to the sources from which their revenue is derived, upon whom is placed this impost upon information is going beyond our power. In my opinion, is a bit of cool impudence. In fact, it ought to be an unlawful transaction, and a punishable one, to conceal the facts, and an offense finable and punishable with imprisonment, if necessary, for any public official to attempt to conceal them.

The people of this country will never be able to govern their affairs wisely and economically nor to place their taxes justly until they know all the facts concerning the sources of their revenue and the manner in which it is expended. I do not believe there is any Republican or any Democrat or any Socialist or independent Republican or any citizen who will deny that statement. The business of the people should be managed in such a way that they will have access to all of the facts. The idea of men sitting in this body or in the other House who have gone before the people and requested them to send them here as their representatives, as their agents, in fact, to represent them justly, getting into a meeting, holding a session, beginning, if you please, perhaps, in the committee which drew the bill, and then imposing the will of that committee, or rather the minority of it, as binding upon the conference of a certain party, and then in turn making that binding on the Senate, and passing a bill denying the people of this country the right to information respecting the source from whence comes their revenue! I can not understand how the people will stand such an insult from their servants. It is a case of the servant denying the master, the owner of the property, information concerning from whence comes his revenue. It is a preposterous proposition, and one that can not, in my opinion, be defended on any ground of decent government, and I protest it. I object to it.

The amendment of the Senator from Wisconsin is pertinent and to the point. The result of this manner of doing business, this manner of keeping the facts from the people, is, I am informed, that the larger, the more opulent members of the community escape their taxation, and it is passed on down to those least able to pay it. That is wrong. No country can succeed to the full extent to which it is entitled, which permits that manner of handling its affairs, where the majority suffer to the special advantage of the wealthy minority.

An amendment of this kind, I notice, attracts but little attention in the Senate. It does not hold the Senate's attention. It meets with a smile and a hasty attempt to bowl it over, and put it out of sight, and be done with it; but it reaches right to the heart of the legislation. It will reach right to the heart of this body later on, right to the heart of it. It will come home here when the people realize it; and the gentlemen who now try to slip by it quickly, and those who resent it or any discussion of it, will see the day when they will be hat in hand before the people asking for their forbearance for the evil they have done unto them.

Just a few days ago there came here what is called the aristocratic element of the laboring people of this country—they who earn $5 a day—and it was resented by many that they did come. They came, and they put through, or there was put through to meet their wishes, legislation which prevented them from working over eight hours a day. In regard to that I have nothing to say. To me it was just an omen, a forecast, the dawn of the day when those who are unorganized now—not the aristocracy but the lower-paid class of labor, who are paid the least possible for their labor and who work 16 hours a day, some of them—will come knocking at the doors of the United States Senate, the greatest deliberative body in the world, the greatest talking body in the world, if you please, and asking for a hearing, and they will get it.

They will get it. The aristocrats of the big interests—they whose income in some instances is over half a million dollars a day—have knocked at the door of the Senate for years, and their knock has been answered quickly. Tiptoeing to the door have we gone and listened and obeyed the behests. But now comes the laboring men; and later along the large interests, one-half of whose property is founded upon watered stocks, upon a steal, if you please, upon theft, robbery, stolen money, will come to a clinch with the aristocrats of labor and the laboring poor, they who receive less than $5 a day, and between them they will grind the interests of the people, they who belong to neither class—the man who makes $2 a day, with his wife and three children to support, and who comes out at the end of the month with $10 profit. Those people will come here to be heard, and they will be entitled to a hearing, and it is going to be a good day for this body, a blessed day for the Senate, if it listens to them.

Now the people, through some of their Representatives, are asking this body, with no great hope of succeeding, I confess, that they make public, that they leave open to public inspection, to the plain people and the mass of the people, to anybody, to the one-eyed Irish woman who takes in washing for a living, if you please, to the old colored woman that goes on a crutch to do the scrubbing work around the halls of this or any other place, the facts as they relate to the taxes that are paid by other people of this country, and they will have a right to know, the last and least one of them, just as much right as the most plethoric gentleman that sits in this Chamber. It is upon their behalf, and to be right when that day comes, if it comes in my time, when they will ask for the accounting, when they will demand it at your hands, and against that day in which they come and first sit in the galleries and listen to your "waw-waw," and later along get that which they came for, that I support this amendment. The people of this country are entitled to the information; it is theirs. I resent the dicta of any Member of this or any other body who refuses to the people their sacred and inalienable right to the information which is theirs, and theirs alone, but denied them in this bill by usurpation of the power and rights of those who sent them here.

Mr. OWEN. Mr. President, I favor the amendment offered by the Senator from Wisconsin [Mr. HUSTING], because I believe it will enable the Government more nearly to collect the tax on these large incomes. I do not believe the Treasury Department will be deterred in the least by any inquiries that may be made by interested citizens as to the reports that may be made to the Internal-Revenue Department. I think granting this power will serve the public interest. I think it will promote honesty in government. I think the amendment ought to be agreed to, and I shall cast my vote for it.

The PRESIDING OFFICER. The question is on the adoption of the amendment of the Senator from Wisconsin [Mr. HUSTING].

Mr. HUSTING. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gronna	Oliver	Smith, Ga.
Bankhead	Hughes	Overman	Smith, S. C.
Beckham	Husting	Owen	Smoot
Brady	Jones	Penrose	Sterling
Bryan	Kenyon	Phelan	Stone
Chilton	La Follette	Pittman	Swanson
Clapp	Lane	Ransdell	Taggart
Colt	Lee, Md.	Reed	Thomas
Cummins	Lewis	Robinson	Underwood
Curtis	McCumber	Shafroth	Weeks
Dillingham	Martin, Va.	Sheppard	Williams
Fall	Martine, N. J.	Sherman	
Fletcher	Myers	Shields	
Gallinger	Norris	Simmons	

Mr. MARTINE of New Jersey. I wish again to announce that the senior Senator from Oregon [Mr. CHAMBERLAIN] is unavoidably absent from the Senate, and is paired on all votes with the junior Senator from Pennsylvania [Mr. OLIVER].

The PRESIDING OFFICER. Fifty-three Senators have answered to their names. A quorum is present. The question is upon the amendment offered by the Senator from Wisconsin.

Mr. HUSTING. Mr. President——

SEVERAL SENATORS. Vote!

The PRESIDING OFFICER. Upon that amendment the Senator from Wisconsin calls for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Secretary will call the roll.

Mr. ASHURST. Let the question be stated.

Mr. HUSTING. Mr. President, I tried to get recognition from the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. HUSTING. I should like to state the amendment, just briefly. This amendment is to make the income-tax returns public in the same manner that all other public records are made public, in the same manner that all other tax returns are made public. The amendment provides that all income-tax records shall be public records, and shall be open to inspection by the public. That is the substance of it.

SEVERAL SENATORS. Vote!

Mr. LA FOLLETTE. Mr. President, I want to say just a word on this amendment before the vote is taken, and only a word.

I have been a little disappointed at the impatience of some Senators here that there should be any discussion upon this amendment, or that the amendment should be proposed at all. We all know that the income-tax law was enacted by the Federal Government, just as it had been enacted by State govern-

ments, to reach a large class of property intangible in character which wholly escaped taxation.

The extent of the evasion of this class of property is positively startling. The attempt to collect it under State income-tax law failed universally and failed because the effort was made, so far as I know, in every State to execute the law through local assessors. In every community would be found men of large means, each village and small city having its money king, who concealed all or largely his intangible property and escaped the payment of tax upon it. To attempt to assess that property through a local assessor proved utterly futile. It was always within the power of the man of large means in every community to defeat any man who as an assessor ferreted out any considerable portion of property which had been theretofore escaping taxation.

I think it is a matter of history that every attempt on the part of a State government to collect income taxes through local assessors, to execute their law through local officers, proved a total failure. I believe the one State in the Union that ever made any considerable return upon an income-tax law executed in that manner was the State of Virginia. I think the largest amount ever returned on the income-tax law of Virginia was about four years ago, when they collected about $125,000.

If I may be permitted, without appearing provincial, to refer to the State which I in part have the honor to represent here, I want to say that the State of Wisconsin—and I think it is the first State in the Union that attempted to do the thing—established an income-tax law, created a tax commission, and put the execution of that law under the tax commission and ferreted out the intangible property through supervisors in districts laid out over the State. Those men were beyond the reach of the local money king in each community. The only way that he could rid himself of the tax ferrets who searched out the intangible property was to be strong enough in combination with others of his class to force the State government to destroy the tax commission.

The result of the execution of that law by that means was the return of three and a quarter million dollars the very first year, and from property that had been evading taxation.

Mr. President, shortly after that we adopted the national income-tax law, and the first tax collected under that national income-tax law, as I remember, was considerably larger than the second tax collected under it.

I am not able to turn at once to the page in the hearings on the House resolution which lies before me upon the table, but I will state my recollection of it. The first year, I think, under the Federal income-tax law we collected something like $120,000,000, considerably over $100,000,000. The second year, 1916, we collected $80,000,000.

That is an evidence of just one thing, Mr. President, and that is that the corporations and the individuals who made out the tax returns under the Federal income-tax law discovered a means of evasion. We are having that experience in Wisconsin. There has been a falling off in the collection of the income tax there after the first year, and greater vigilance is manifestly necessary there, as it is everywhere, to make these tax dodgers pay their share of the taxes.

I can think of nobody so mean in this Government as the corporations and the men of wealth who will not pay their share of taxes. I know of nothing from which the citizen gets so large a return as upon the money which he invests in the payment of taxes. Schools provided for his children, protection given to his home, the streets paved and lighted, everything that goes to make community life of high advantage is provided through taxation.

This great Government of ours through its system of taxation throws about the citizen the panoply of this power, protects him at home and protects his person abroad, giving him, Mr. President, everything that a citizen of a hundred million of the most progressive people in the world could possibly desire from government. And yet on every hand men of great individual wealth and organized forms of business dodge and evade and use every possible effort to throw upon the individual taxpayer the burden of government.

Our Federal taxes are paid, of course, by indirect taxation; they are paid by what we wear and use and live upon. The individual head of every little family pays out of all proportion to the man of great wealth, where the taxes are paid by customs duties. The equalization can only be made where you reach this intangible wealth and make it bear its fair share through an income tax.

Mr. President, there is no possible way of accounting for the diminution, the shrinkage, which has come in the administration of the income-tax law except the dulling of the conscience and the diminution of the fear of the Federal Government. They are beginning now to try the methods of evasion. Secretary McAdoo in his report says that not less than $20,000,000 of shrinkage in the corporation tax is due to evasions of that tax.

Mr. President and fellow Senators, publicity of this tax record will help the administrators to reach the tax dodgers, corporate and individual. Why will not the Senate adopt this amendment? Why should there be secrecy for people who have always from the beginning of the Government thrown upon the owners of little homes, the heads of families, the burden of taxes for the support of the Federal Government? Will somebody stand up here and defend it?

Oh, you say if anyone has the courage to say anything in defense of the secret system, that it is repugnant to our American ideas that private affairs should be exposed. It is not private affairs. If you by law are required to pay upon your income and you lie about it when you make out your return, it is a public affair. Whether you tell the truth or not is a public affair and whether every corporation makes an honest return is a matter of public interest; it is not a private affair.

Mr. President, if there be any danger to the future of this country, if there lurks anywhere in our system of government a canker which year by year and decade by decade will weaken and destroy it, it lies in the fact that you are building up here a protected class that does not bear its share of the burdens of government, but it imposes upon the great body of the people of the country burdens that are unjust and unequal, and through all your lawmaking there runs a dark web and woof that will not bear the light of an investigation which demands equal rights for everybody.

Mr. President, this amendment ought to be adopted. I know that Senators and particularly Senators upon the Democratic side are reluctant to make amendments in the bill. The chairman of the committee comes forward, when a suggestion is made for a change in the bill; we are reminded that it is late in the session, we are reminded—I do not know that we have been by the chairman of the committee to-day, but we were the other day—that the other House may be without a quorum and that we have got to accept things as they are.

That is not the way to legislate, Mr. President, on such an important measure as this. There is an opportunity here for the Democratic Party. I will speak to you from a political standpoint as an opponent of your party. There is an opportunity here for you to write an amendment into this law in the interest of the public that can not fail to make its appeal to the public. And to my colleagues on this side, let me say to you that the record vote on this amendment which has just been ordered will not be to the credit of the Republican organization in the contest that is now on. Every other tax has its publicity element. Why not this tax? Tell me that if you can. The law says you shall pay on your income the exact amount of it.

The sources of it, so that we may know you are not lying about it, form public business, not private business. Is not that fair? Is not that square? Will you not put that into this bill? Can you give your constituents any good reason why you did not, when the roll is called? In your respective States you come up for election one after another on this side, and not only upon this vote but upon all votes that bear upon the question of whether you served the public or served these interests is presented to your constituents. How will you feel about this vote?

I am going to take just a moment to say, Mr. President, that I have gone into many States and presented the record vote upon great public questions in the Senate. I recall one instance that I think is worth reciting here this evening. I remember an occasion a few years ago when I was to speak one afternoon in a State represented by a Republican Senator on this floor. I was to speak in the city in which he lived. He called upon me shortly before I was to go upon the platform and said that he had come down to pay his respects, that he had a carriage waiting to take me out to the place where I was to speak, and would introduce me to the audience. I drew him to one side—a group of men were standing about—and I said to him, "Senator, I am going to talk about legislation that has been pending and has been the subject of discussion, and of votes in the Senate during the session that has just closed. What I have to say will in effect be a criticism upon your position, and I do not think it would be pleasant for you to present me to that audience or to be upon the platform." "Oh," he said, "this is my home; the door is open to you; go ahead; you can not say anything here that will harm me." I said, "Senator, I have no personal feeling in this matter, but I believe that this Government of ours was designed to be a representative government. I have conceived the idea that the people of each of the States have a right to know how they are represented. I am discussing questions which are of public interest, and I am pre-

senting the records of Senators upon the roll call. I make no comment upon any individual; I just state the question and then read the roll call. I do not even emphasize the name of the Senator in whose State I happen to be at the time more than that of any other Senator. It is just laying before the people of that State certain important issues which have seemed to me very important to the people of representative government and informing them of the issue raised by the legislation upon which their Senators voted." He said to me, "Get right into the carriage; say anything you please to this audience; it is a matter of utter indifference to me; these people know me; you are a stranger here." It was the first time I had ever been in that city, the first time I had ever looked into the faces of that audience. I was taken out to the place where the meeting was to be held. I was introduced by that Senator to that audience.

I made my address, Mr. President, and I laid before that audience one after another of several very important measures that had been pending before the United States Senate. I remember now that one of them was a bill introduced here for the valuation of railroad property by the Interstate Commerce Commission. I read the roll call of the Senate, starting with Aldrich and ending with Wetmore. That is the way the roll call happened to begin and end at that time.

Mr. President, after having stated the object of the bill—for instance, the bill for the valuation of railway property—as I proceeded with that roll call it would have been an interesting study for any one of you Senators to have been where you could have observed that audience. They had a pretty fair understanding when I got through of the need of railway valuation as a basis for regulation. As that roll call proceeded they began to lean forward. As we passed down the alphabet to that letter within the group, beginning with the letter of the alphabet in which their Senator would be found, I noticed them all leaning forward in their seats, more and more attentive, more and more tense. As I reached the name of that Senator there were expressions of profound surprise upon their faces as they turned and looked one into the other's face. There was not any outbreak on the first roll call; but, Mr. President, when I went on down through important measures on the second or third roll call there were demonstrations from the audience of hostility to their Senator. Presently there were outcries, there were hisses; men rose in their seats with expressions of denunciation upon their lips, and he was literally driven from the platform. When I finished he was walking to and fro back of the auditorium. I said to him: "Senator, personally I have not the slightest feeling in this matter; this is not a personal matter; it embodies a great principle of government; that is, that the people shall be represented. I am sorry that you went on the platform." He was a good, game fellow, and he said to me: "It is all right; you were perfectly square, but if I had known how hot you were going to make it for me I would not have gone up there and introduced you."

Mr. President, the record votes of the Senate since we have adopted the constitutional amendment which gives the right to the voters of this country to vote directly for Senators, are going to grow in importance year by year, and the people of the different States and of the different congressional districts are going to be informed of the record made by Representatives and Senators upon questions touching profound and vital interests. That, Mr. President, I believe is one of the means of the redemption of representative government.

I ask you here on this floor this evening what valid excuse will you give to the electorate in your various States for voting to enshroud in secrecy the returns that these corporations and these possessors of immense fortunes are making upon their income reports? Why, in a hearing before the House of Representatives, I find one case that is especially interesting. May I just ask the attention of the Senate to it? I read from page 38, No. 1, of the "Hearing before the Committee on Expenditures in the Treasury Department, House of Representatives, on House resolution 221; No. 1:"

> The contention over the estate of L. V. Harkness, lately deceased Standard Oil magnate, said to be valued at $100,000,000, has uncovered what may prove to be one of the greatest frauds in the history of the United States income tax, involving more than $1,000,000 in taxes and penalties. A record of 700 pages has been filed in New York in connection with a suit by the State of New York to determine whether the estate is taxable under the New York inheritance law. The heirs have set up the claim that the estate is not taxable, alleging that Harkness was not a resident of the State of New York, but of Louisville, Ky.
>
> Among the records is evidence showing that the total Federal income tax paid by Harkness was $58,035. The records do not reveal the exact value of the estate, but the statement of the New York State tax commissioners places the value of the estate at $100,000,000. This estate consists almost entirely of stocks and bonds, among which the most numerous are Standard Oil securities, which not only pay enormous dividends, but which have also nearly doubled in value since the time of the famous "dissolution." Even at the rate of 5 per cent, which is far below the average rate on stocks, the income from an estate of $100,000,000 would be not less than $5,000,000.

And yet this man paid what? The paltry sum, under the Federal income-tax law, of $58,035.

The loss to the United States Treasury therefore would be $283,000 per year.

Oh, Mr. President, by this very bill you are searching out all possible sources of taxation in order to meet the demands which have been laid upon the bended backs of the American people, because of the excess of appropriations largely—very largely, Mr. President—due to the enormous preparedness program which has been put through the Congress of the United States, for which the electorate two or four years hence, when this false, this infamous, artificial, fraudulent campaign for preparedness shall have worn itself out and the people have come to know how they have been imposed upon—then, Mr. President, there will be a revulsion of sentiment against the enormous taxation which has been laid by this administration upon the people for "preparedness"; and yet it was not enough to satisfy my brethren upon this side; they would have had still more of it.

Mr. President, we are exhausting, I say, by this bill, as we have been doing by previous legislation, every possible means to meet the demands which the cataclysm of the world war has brought upon the country. Why, then, I ask my colleagues upon the Republican side, and some Senators on the other side as well, do you cover up with secrecy, so that there may be an evasion of taxation, the incomes of the great, big property owners, the magnates who have filched their fortunes, in violation of the Sherman law, out of the American people? Why are you in favor of a system of secrecy in regard to this income tax that would put a shield in front of the corporations of this country and enable them to lie about their incomes? Go to the country, go to the voters, and justify it, if you can. You can not do it.

Mr. President, I have said what I desired to say upon this question of an income tax. I am going to say something else upon another portion of this bill before it shall become a law; but I say to you that in my humble opinion you can not find any justification anywhere—I can not, anyhow—for voting against this amendment offered by my colleague from Wisconsin. It applies to the big corporations, to the men who get millions and millions of income from sources, as to a part of which at least, if they paid the penalties under the Sherman Antitrust Act, they would be wearing stripes. You know that; every one of you know it. Now, then, let those gentlemen come up—it is not much for them to pay—let them come up and pay, and let them put the cards on the table. Let us have no concealment about this income tax any more, corporation or personal.

The amendment as offered by my colleague asks for nothing except what the public is entitled to know; and I want to suggest to Senators here as I close what I have got to say that it does seem to me that we had better let the public know about this matter to the extent to which my colleague's amendment goes.

Mr. ASHURST. Mr. President, I shall be very brief this evening. I can well understand, and I am quite in sympathy with, the impatience of the committee with respect to passing this bill at an early date. The committee should have, and I believe it will have, the thanks of an appreciative American people. They have brought from the Committee on Finance a most acceptable bill. Very few bills are perfect, if, indeed, any be perfect; but, Mr. President, knowing, as I do, the desire of the committee for early action on the bill, I can not, and I shall not, fail to say a few words at this time in favor of the pending amendment.

Mr. President, the previous remarks in behalf of this amendment have covered the ground so well that it would seem to be a work almost of supererogation for me to say much more; but when we establish the policy of an income tax, as we have by our constitutional amendment and statutes made thereunder, as a logical, as a necessary, as an inevitable result it should follow that the returns under the income tax should be made public.

As has been asked here, Is this public business we are about? It is. Why, then, say to the public that they shall not have access to the tax return? Are such returns "private" public documents? No, Mr. President; they are not private public documents. They ought not to be private. Go into the assessor's or tax collector's office of the various counties in the States of the Union and you can ascertain all the facts from the tax returns. Any citizen may walk into a tax collector's office, assessor's office, or the office of the clerk of the board of supervisors and say, "Let me see your tax books, please; let me see the assessment of Mr. John Smith, Mr. William Jones,

or Mr. HENRY ASHURST." The humblest citizen of the State is accorded that privilege in every county in which I have ever been in this Union. Why, then, Mr. President, should these great interests that wield such tremendous power be permitted to file an affidavit and a return and make payment of taxes upon that return when it is not subject to review, not subject to investigation?

If the full light of publicity were thrown upon the return, if many inquiring eyes were turned upon it, the truth would be discovered. If there be nothing wrong about the return, why this secrecy?

Within a few days Democratic Senators will be speaking from the stump. We will soon not only be making the woods but the welkin ring, telling how—and it will be true—we drove a corrupt lobby from this Capitol in 1913; how we forced the light of publicity upon the lobby's doings and compelled it to make legitimate arguments to committees instead of arguments of devious kinds, as it had been making in the "good old days." That is what we will be telling. We will be telling how we have destroyed the "invisible government" that reigned so long in these Houses of Congress. We will be telling how we destroyed the workings of that "wireless" which used to run from the White House to the "special interests" in the days of Taft and Roosevelt.

While telling these things we will be forced to add that we took good care to see that these same special interests were guarded and protected, and that whether they pay much or little or make a false return or not their doings should not be made public.

No, Mr. President! Let us be fair and courageous until the last hour, and preserve in its entirety the splendid record upon which we are going before the American people.

When the Democratic Party came into power it took the control from the special interests. It lodged that control into the hands of the people. To-day it is the party to whom people appeal for justice and for right reason. No progressive citizen will appeal to the other party. Why? Because it was tried for 14 years and failed. Its record to-day is the cheerless words, "Forget it." It faces this campaign with an inventory of past mistakes and we face the campaign with an inventory of good works and good deeds.

There is every reason why the amendment should be adopted, and no logical or fair reason, in conscience or in economics, why these papers showing the income-tax returns should be filed away, perchance to be examined only if some future President may give an order to some person to examine them.

Mr. President, the States are going to adopt an income tax. It will be of great benefit to the various States if they may, through their appropriate officials, acquire this information for the purpose of making their assessments.

Senators may sit here in their seats with a feeling of security, but it will be different when you go before the country. The country is watching this question. I have received numerous letters—a few from my own State and many from other States—asking why we have been so tender with respect to these great interests; why we are so very cautious to see that their transactions with the Government shall not be disclosed, but that they shall have a screen thrown about them, so that the ordinary citizen will be afforded no opportunity to investigate and ascertain the truth.

I earnestly hope, good as the bill is, that it will be made better by the adoption of this amendment. The distinguished chairman of the committee was not in the Chamber when I made the observation that I could well appreciate the apparent impatience of the committee in regard to these tedious speeches that have been made this afternoon. The committee, I repeat in the presence of the chairman, who has just come in, have brought out a good bill from the committee. They have worked diligently, they have worked faithfully, and the impartial historian is going to give the chairman of this committee a large and generous share of credit and of honor for the good work he has done. But, Mr. President, great as is the Finance Committee, learned and wise as are its members, they must not for one moment ever let the idea enter their heads that an individual Senator is precluded from offering an amendment to this bill, or that he must be told that we are in a hurry to get this bill through.

I am to-day a candidate for reelection to the United States Senate. I should like to be home campaigning. I have been a Member of this body four years and five months and I have been absent from the Senate's sessions but three days. I am willing to stay here until the election day, if necessary, in order to do the business of the country, and I hope we will not adjourn until we pass the corrupt-practices act and the Webb bill and the other bills that the country expects of us. If I were a Republican, as I am a Democrat, I should be ashamed of the record which the Republican Party has made in its opposition to the corrupt-practices act. This is a progressive age. This is an age when people have come to the conclusion that the Golden Rule instead of the rule of gold shall prevail; and I say to you Republicans that if you block the passage of the corrupt-practices act it will be because you believe now, as of old, that Senatorships and Presidencies can be acquired by auction instead of by election.

SEVERAL SENATORS. Vote!

Mr. SIMMONS. Mr. President, the Senator is entirely mistaken if he means to intimate that I have manifested any impatience with Senators who desire to offer amendments and who desire to discuss them. What I did in respect to this matter was not done in a spirit of impatience at all. When the Senator from Wisconsin [Mr. HUSTING] offered his amendment I was under the honest impression, and am still under that impression, that substantially the very same proposition had been presented by him earlier in the consideration of this bill, and that after very thorough and exhaustive discussion, and after a very lengthy and able speech delivered by the Senator himself, the Senate had voted upon his amendment. Whether it was a yea-and-nay vote I do not now recall, but I am rather inclined to think it was a yea-and-nay vote; and I did feel that the Senate, in the circumstances in which we find ourselves to-night, ought not to have its time taken up in a rediscussion of something upon which it had already acted and acted with fullness of information, so far as the Senate could get that information from the discussions which took place.

I do not think the discussion we have had to-night has developed any fact with reference to this matter that was not developed in the first discussion. I have no disposition to continue that discussion. This question was presented to the committee. We gave it very thorough consideration. We decided that the law as it is now written ought to be continued in force. Of course that is not binding upon the Senate. I am not insisting that the Senate shall be bound by the action of the committee; but I do say that we gave this matter thorough consideration, and considered all the arguments that presented themselves to our minds, pro and con. Now it is for the Senate to settle the question again.

I hope we may now have a vote, and I trust this amendment may not prevail, because I do not think it would be wise policy to throw these returns open.

Mr. SMITH of Georgia. Mr. President, I wish in just two or three minutes to give some of the reasons which have influenced the failure to make these returns public.

It has not been for the purpose of concealing the condition of the big corporations. Nearly every big corporation under its State laws, is required to disclose its condition each year. We certainly have not been influenced by any desire to keep the fortunes of the very rich from being made public. The true reason, the true argument, has been that there are a great many men in the smaller lines of business, men of small fortunes, men of limited business, who will be injured by the annual publication of their exact financial condition and their exact profit. That is what has influenced us to agree to the failure to make public any of these returns. There are a great many professional men of limited means and not large incomes who would be embarrassed by the publication annually of just what they were making.

It was in consideration, not of the great fortunes, not of the big corporations, but of those of much more limited means who might be adversely affected by publication that the committee took the action that it did; and the threat that this injury would come was one of the arguments usually made against income taxes.

Mr. PENROSE. And in this bill also.

The PRESIDING OFFICER. The question is on the adoption of the amendment proposed by the Senator from Wisconsin [Mr. HUSTING]. On that the yeas and nays have been ordered. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). I have a general pair with the senior Senator from Maryland [Mr. SMITH]. In his absence I withhold my vote.

Mr. GALLINGER (when his name was called). I have a general pair with the senior Senator from New York [Mr. O'GORMAN]. I transfer that pair to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. GRONNA (when his name was called). I have a general pair with the Senator from Maine [Mr. JOHNSON], which I transfer to the senior Senator from Idaho [Mr. BORAH], and will vote. I vote "yea."

Mr. MYERS (when his name was called). I announce the same transfer of my pair as on the last roll call and vote "yea."

The PRESIDING OFFICER (when Mr. OVERMAN'S name was called). The present occupant of the Chair is paired with the junior Senator from Wyoming [Mr. WARREN], who is absent on account of sickness. Being unable to get a transfer, I withhold my vote.

Mr. OWEN (when his name was called). I transfer my pair to the Senator from Kentucky [Mr. JAMES] and vote "yea."

Mr. REED (when his name was called). I transfer my pair with the senior Senator from Michigan [Mr. SMITH] to the junior Senator from Arizona [Mr. SMITH] and will vote. I vote "yea."

Mr. ROBINSON (when his name was called). I transfer my pair with the senior Senator from Connecticut [Mr. BRANDEGEE] to the junior Senator from South Dakota [Mr. JOHNSON] and vote "yea."

Mr. STONE (when his name was called). I have a standing pair with the senior Senator from Wyoming [Mr. CLARK]. Not being able to get a transfer, I withhold my vote. If at liberty to vote, I would vote "nay."

The roll call was concluded.

Mr. DILLINGHAM. I transfer my pair with the senior Senator from Maryland [Mr. SMITH] to the senior Senator from California [Mr. WORKS] and vote "nay."

Mr. SHAFROTH. I have a general pair with the junior Senator from Washington [Mr. POINDEXTER]. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. HARDWICK (after having voted in the negative). I inquire whether the junior Senator from Kansas [Mr. CURTIS] has voted?

The PRESIDING OFFICER. He has not voted.

Mr. HARDWICK. I have a general pair with that Senator, and therefore withdraw my vote.

Mr. STONE. I am advised that if my pair, the Senator from Wyoming [Mr. CLARK], were present he would vote as I have announced I would vote. Therefore I wish to have my vote recorded in the negative.

Mr. HARDWICK. I transfer my pair with the Senator from Kansas [Mr. CURTIS] to the Senator from Ohio [Mr. POMERENE] and will allow my vote in the negative to stand.

Mr. GALLINGER. I have been requested to announce the following pairs:

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from Rhode Island [Mr. LIPPITT] with the Senator from Montana [Mr. WALSH];

The Senator from Utah [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. CLARKE]; and

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS].

The result was announced—yeas 26, nays 32, as follows:

YEAS—26.

Ashurst	Husting	McCumber	Shafroth
Brady	Jones	Martine, N. J.	Sheppard
Chamberlain	Kenyon	Myers	Smith, S. C.
Clapp	La Follette	Norris	Thompson
Cummins	Lane	Owen	Vardaman
Fall	Lea, Tenn.	Reed	
Gronna	Lewis	Robinson	

NAYS—32.

Bankhead	Gallinger	Phelan	Sterling
Beckham	Hardwick	Pittman	Stone
Bryan	Hughes	Ransdell	Swanson
Chilton	Lee, Md.	Sherman	Taggart
Colt	Martin, Va.	Shields	Thomas
Dillingham	Nelson	Simmons	Underwood
du Pont	Oliver	Smith, Ga.	Weeks
Fletcher	Penrose	Smoot	Williams

NOT VOTING—37.

Borah	Harding	Newlands	Sutherland
Brandegee	Hitchcock	O'Gorman	Tillman
Broussard	Hollis	Overman	Townsend
Catron	James	Page	Wadsworth
Clark, Wyo.	Johnson, Me.	Poindexter	Walsh
Clarke, Ark.	Johnson, S. Dak.	Pomerene	Warren
Culberson	Kern	Saulsbury	Works
Curtis	Lippitt	Smith, Ariz.	
Goff	Lodge	Smith, Md.	
Gore	McLean	Smith, Mich.	

So Mr. HUSTING'S amendment was rejected.

Mr. WEEKS. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 141, after line 23, it is proposed to add as a new paragraph the following words:

The commission shall have power to investigate the Paris economy pact and similar organizations and arrangements in Europe.

Mr. SMITH of Georgia. After conferring with the chairman of the committee, I have agreed to make no objection to the amendment.

The amendment was agreed to.

Mr. WEEKS. I have one more amendment to offer.

The PRESIDING OFFICER. It will be stated.

The SECRETARY. On page 21, line 24, after the word "partnership," insert "except income exempt under section 4 of this act," and on page 21, after line 25, after the word "deductions," insert "and credit."

Mr. SIMMONS. I think those are very proper amendments, and they ought to be added to the bill.

The amendments were agreed to.

Mr. STERLING. I offer the following amendment.

The SECRETARY. On page 143, at the end of line 15, insert:

The foregoing provision shall not be construed to deprive the proper State court of jurisdiction in actions for damages thereunder.

Mr. WILLIAMS. I ask to see the amendment for a moment.

Mr. STERLING. I think perhaps the chairman of the committee having the bill in charge will be willing to accept the amendment.

Mr. WILLIAMS. It is all right.

The PRESIDING OFFICER (Mr. SHAFROTH in the chair). The question is on agreeing to the amendment submitted by the Senator from South Dakota.

The amendment was agreed to.

Mr. HUGHES. I offer an amendment on page 99, line 15.

The PRESIDING OFFICER. The amendment will be read.

The SECRETARY. On page 99, after line 15, add a new section, as follows:

SEC. 56. That section 3255 of the Revised Statutes as amended by act of June 3, 1896, and as further amended by act of March 2, 1911, be further amended so as to read as follows:

"SEC. 3255. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may exempt distillers of brandy made exclusively from apples, peaches, grapes, pears, pineapples, oranges, apricots, berries, plums, pawpaws, persimmons, prunes, figs, or cherries from any provision of this title relating to the manufacture of spirits, except as to the tax thereon, when in his judgment it may seem expedient to do so: *Provided*, That where, in manufacture of wine, artificial sweetening has been used the wine or the fruit pomace residuum may be used in the distillation of brandy, as such use shall not prevent the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, from exempting such distiller from any provision of this title relating to the manufacture of spirits, except as to the tax thereon, when in his judgment it may seem expedient to do so: *And provided further*, That the distillers mentioned in this section may add to not less than 500 gallons (or 10 barrels) of grape cheese not more than 500 gallons of a sugar solution made from cane, beet, starch, or corn sugar, such solution to have a saccharine strength of not to exceed 10 per cent, and may ferment the resultant mixture on a winery or distillery premises, and such fermented product shall be regarded as distilling material."

Mr. HUGHES. If there is any explanation necessary, I will state that the wine producers in certain sections of the country desire to use certain by-products, by means of which their products can be perfectly utilized and from which can be distilled brandy. This provision will add to the revenues of the Treasury $100,000 a year. The Department of Agriculture and the Treasury Department favor it. I know of no reason why it should not be adopted.

Mr. PHELAN. I move to amend the amendment by adding, in line 12, page 2, the words "95 per cent pure."

Mr. HUGHES. I have no objection to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. HUGHES. I offer the following amendment.

The PRESIDING OFFICER. It will be read.

The SECRETARY. Following the amendment just agreed to, insert the following:

That distilled spirits, known commercially as gin, of not less than 80 per cent proof may at any time within eight years after entry in bond at any distillery be bottled in bond at such distillery for export without the payment of tax under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe.

Mr. PENROSE. I should like to ask the Senator from New Jersey whether this amendment is not identical with a bill which has already passed the House of Representatives and which was pending before the Finance Committee?

Mr. HUGHES. The Senator is correct about that.

Mr. PENROSE. I wish to say, for the information of the Senate, that the bill was referred to a subcommittee at the last meeting of the Finance Committee of which I was a member, and I think the Senator from Kentucky [Mr. JAMES] was a member, and there was a third member of the committee whose name I do not recall; and I think the subcommittee is unanimous that the measure ought to pass. It is to correct an omission in the revenue law. I therefore, as a minority Member of this body, recommend the adoption of the amendment.

Mr. HUGHES. It is simply to cure a situation that has grown up as the result of the European war.

Mr. SIMMONS. I accept the amendment.

The PRESIDING OFFICER. The question is on the adoption of the amendment of the Senator from New Jersey.

The amendment was agreed to.

Mr. PHELAN. On page 90, line 3, I move to strike out "90 days" and in lieu thereof to insert "one year." I believe this is agreeable to the Senator in charge of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

Mr. STONE. I wish to know just what we are to vote upon.

Mr. PHELAN. Does the Senator desire an explanation.

Mr. STONE. Yes.

Mr. PHELAN. The provision is that there shall be levied against the producer of such wine a tax of 50 cents per proof gallon of grape brandy or wine spirits so used by him in the fortification of such wines during the preceding month, which assessment shall be paid by him within 90 days from the date of notice thereof.

Mr. STONE. Why should it be extended?

Mr. PHELAN. It should be extended because it would be impossible for the wine maker to finance himself and make a very considerable payment within 90 days.

Mr. HUGHES. I will state that while I am not authorized to accept the amendment, it seems to me to be a fair and just provision. We know the Government will not lose a dollar, but, as the Senator says, it will enable the wine makers to finance themselves.

Mr. PHELAN. For some years past they have paid a 3-cent or 10-cent tax.

Mr. OLIVER. Mr. President, we do not know what is going on on the other side.

The PRESIDING OFFICER. The Senate will be in order.

Mr. PHELAN. I am insisting that if they are to pay a 55-cent tax, we do not want to make it any more difficult for them than is possible. I want to make it as easy for them as I can.

Mr. THOMAS. Does not the Senator think one year is too long?

Mr. PHELAN. I will make the amendment read six months instead of 90 days.

Mr. THOMAS. I will not object to that.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 90, line 3, strike out "90 days" and insert "six months."

Mr. WILLIAMS. Mr. President, I hope the amendment will not be adopted. The entire matter has been fought out and thrashed out.

The PRESIDING OFFICER. The question is on the amendment of the Senator from California.

The amendment was agreed to.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. The Senator from Illinois.

Mr. WILLIAMS. I call for the yeas and nays.

Mr. THOMAS. I rise to a question of order. The vote has been announced, and it is too late to call for the yeas and nays. Another Senator has been recognized.

The PRESIDING OFFICER. The point of order is sustained. The Senator from Illinois will proceed.

Mr. LEWIS. Mr. President, I desire to invite the attention of the Senate to an amendment which is lying on the table of the Secretary, tendered by myself and embodying what is known as the Webb bill. I make this announcement of designation that Senators who are interested in the subject may recall the contents of the measure by this designation.

Mr. President, I have tendered an amendment to the revenue bill in the form of a specific section to be added, if adopted, at the end of the bill. The amendment comprises the exact words, phraseology, and sentences of the bill which lately passed the House for the purpose of encouraging export trade.

Mr. President, I desire the consideration of that amendment, if such can be had this evening without serious inconvenience or embarrassment to the vote upon the revenue bill.

I really have but one or two words to state what I generally assume is known to be the purpose of this bill. It is assumed, Mr. President, by those who engage in large commerce in this country and those who are engaged in foreign commerce that they expect to expand their undertakings to foreign countries. That if they can be permitted to consolidate their agencies into a single body they will be enabled to sell abroad with such advantages by the lessening of expenses that they will be able to hold the markets in South America and in Europe against the competitors of the United States.

The Federal Trade Commission—certain members of it I may add, including its chairman, Edwin N. Hurley, a very able and efficient officer, schooled in all matters touching trade and having personally visited South America, and having given the subject his personal investigation, and aided by others in connection with that same commission—have reported that the expense upon each individual attempting to open a branch in Europe or in South America for the purpose of extending trade is so great and the inconveniences so many that it is discouraging to the entrance upon the undertaking, but that if there could be a measure which afforded an opportunity for consolidation in a single agency to one or half a dozen or a dozen different branches of commerce, such combination or consolidation to have its office and bureau for the purpose of purely export trade abroad, it would facilitate trade to such an extent as to make it profitable. For this reason they advocate it. Mr. Hurley has gone to great trouble to give to the legislative body volumes of information for their guidance. I now present the volumes for reference by them.

It is clear, Mr. President, and here I must state it, that these provisions impinge upon what is known as the Sherman Anti-trust Act, and likewise upon what is known as the Clayton Act, and work to a modified degree some repeal of those provisions so far as those laws would prevent organization to aid foreign trade. There is no object of modifying either of these statutes for domestic trade. The Federal Trade Commission, and particularly Chairman Hurley, are anxious to have it known that as to all domestic commerce they are anxious that nothing be done to change the status of those laws. It is as to foreign trade they are in this measure addressing themselves.

With this statement I should like to hear from the able Senator the chairman of the Finance Committee [Mr. SIMMONS] whether he feels from his own information and discussion with the Senators as to the amendment that I have tendered that it would take such a field and be so prolonged as to affect the due disposition of this measure. I pause for information from him.

Mr. SIMMONS. Mr. President——

Mr. LEWIS. I temporarily yield to the Senator at this time, not yielding the floor.

Mr. SIMMONS. Mr. President, the proposition of the Senator from Illinois to amend the pending bill by adding what is known as the Webb bill, the provisions and purpose of which he has just discussed, was considered by the Finance Committee very thoroughly. The committee was unable to agree, and it made no recommendations to the Senate with respect to it.

Personally, I am very much in favor of the amendment. I should like to see it added to the pending bill. I think it would accomplish great good; but I have conferred with my colleagues on both sides of the Chamber and I find very determined opposition to it.

I find that if the amendment is insisted upon it will probably be days, if not weeks, before we will be able to secure a vote upon this bill and before Congress will be able to adjourn.

I do not think, important as I believe the amendment to be, that it is so important to pass it just at this time that we should put Senators to the inconvenience of a delay of the adjournment of Congress and the passage of the pending bill for the length of time which I am absolutely sure it would take to dispose of the bill if the amendment is to be discussed and acted upon. I am saying this after most thorough investigation of the situation. If I had any doubt about the situation I would not say it; if I believed that we could secure action upon this amendment within two days I would favor pressing it; but I am absolutely sure that that can not be done. For that reason I am inclined to appeal to the Senator from Illinois to withdraw the amendment.

The bill which he now offers as an amendment has passed the other House by a very large majority; it is pending in this body, and it will not die with the adjournment of this session, but it will be on the calendar when we meet here in December. Then we can give it thorough consideration, with ample time to discuss it. I hope the Senator will not press his amendment under these circumstances.

Mr. LA FOLLETTE. Mr. President——

Mr. LEWIS. Mr. President, before I continue my observations, I yield to the Senator from Wisconsin, who, I understand, desires to give me some views as to the time he thinks the discussion from his viewpoint will require.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. LA FOLLETTE. Mr. President, for myself, I am very strongly opposed to the adoption of the proposed amendment at this time. I regard it as altogether too important to be taken up in the closing hours of this session. I think it would consume a very considerable portion of time if we were to debate it as thoroughly as its importance would require. I can not bring myself, with my present opinion upon the subject, to consent that the Sherman Act shall be so amended as to permit the formation of combinations in this country to exploit, as I be-

lieve such formations would exploit, the great masses of the people of other countries. I do not wish to take the time of the Senate now to go into the matter more fully, but I will say to the Senator from Illinois that I am convinced, from information which I have as to the attitude of Senators, not only upon this side of the Chamber but upon the other side as well, toward this amendment, that we should be entering upon a subject of discussion the end of which no Member of this body can at this time foretell.

Mr. MYERS. Mr. President, will the Senator from Illinois yield to me?

Mr. LEWIS. I yield to the Senator from Montana.

Mr. MYERS. As the genial Senator from Illinois is distributing his time, and has called for an expression of opinion as to the advisability of considering his amendment at this time, I take advantage of his generous offer to say a few words on the subject and to express my ideas in relation to it.

I am glad the Senator from Illinois has offered this amendment, and I have been very much in the hope that it would now be considered by the Senate and decided on its merits. I see no reason why it should not be. It is a matter of vast importance. It is a matter to which I have been giving much study and attention for the last two or three years, and it is a matter on which I have very decided views.

Two years ago, when the Interstate Commerce Committee of the Senate, of which I then had and have now the honor of being a member, was considering the bill for the Federal Trade Commission law and formulating it as it was reported to the Senate, and was sitting almost daily, I tried to have the principles of the Webb bill adopted by that committee and reported out and made a part of the Federal Trade Commission law. At that time my suggestions met with very slight consideration; no Senator seemed disposed to pay any attention to them; no Senator seemed to regard them as being of much merit or importance. I received very little encouragement. I am glad, however, to see that, with further publicity given to the matter, the principles embodied in the Webb bill have grown very much in public favor until they are now approved by no less a personage than the President of the United States, as evidenced by his remarks upon the subject at quite a number of recent public gatherings where he made addresses, and that they also have the unanimous approval and indorsement of the Federal Trade Commission.

I feel glad to have had the honor, so far as I know, of having originated—or, at least, if not having originated, of having originally presented—the principles embodied in this bill to a committee of this body and having urged their embodiment in a bill to be reported to the Senate. I feel very much gratified that my views, which two years ago met with such scant consideration, have grown so much in popular approval. While at that time I was not able to have the principles of the Webb bill embodied in the bill which was reported by the Interstate Commerce Committee of this body and made a part of its report in favor of the trade commission law, I did succeed in having adopted by the Senate Committee on Interstate Commerce, at my instance, the provision of the Federal Trade Commission law which authorizes and directs the Federal Trade Commission to investigate the practices of foreign combinations organized and conducted for the purpose of beating down and keeping down the prices of our export products. It was at my instance that that provision was by that committee put into the Federal Trade Commission law, which was passed by the Senate, accepted by the House, and became a part of the law.

I am also glad to say that when the members of the Federal Trade Commission were appointed and were assembled to organize, when the President of the United States addressed them on their duties and on his understanding of the meaning of the law, the President urged them, as their first and most important duty, to take up the work, authorized by my provision, of studying the workings and the practices of foreign combinations organized and conducted for the purpose of keeping down the prices of our export products.

The commission, I believe, did take that question up as its first work, and conducted an extended investigation through its agents in foreign countries of the workings of the combinations formed to keep down the prices of our export products. As the result of that investigation the commission has made an exhaustive report, which, I believe, was submitted to Congress, or to the President and Congress jointly, in which the commission reports findings of fact and gives its conclusions and views, unanimously taking the position that a law of this kind is badly needed and should be enacted. It reported as a result of that investigation that our export trade is the subject of vicious, unfair, and dishonest practices and combinations in foreign countries which work to the detriment of our export trade, and therefore to the detriment of this country and of its prosperity. I am glad to say the commission is unanimous in that report, and the report is before us; at least, it has been placed where it is available to us. I think that its reasoning is incontrovertible; I think it shows facts and submits conclusions that ought to convince any fair-minded man that there is great need of a law of this kind.

Our exporters in many instances are at the mercy of these conscienceless combinations in foreign countries. I know the testimony taken in that investigation, which I have read, shows that as to some of our products the buyers of Europe buy through one buying agency—that is, practically all of the principal buying in Europe in some lines of our products is done through one purchasing agent. That agent says to our exporters, "We will pay you so much for your product; and if you do not want to take that, you must wait until you are willing to sell at that price."

Our manufacturers and producers are engaged in continuous production of their goods. They must keep in operation. They can not afford to close down. They are men to whose capital there is some limit; they are not all possessed of unlimited capital; they can not afford to go ahead year after year producing their goods, laying them up, storing them away, and waiting before disposing of their goods an indefinite length of time, disregarding these unfair offers from abroad. The consequence is that in a measure they must take what they can get, and in many instances they have to take the prices that are offered by the foreign agencies.

Mr. President, the esteemed Senator from Illinois seems to be about to interrupt me. If I am taking him off of the floor, I will desist; but I understood him to invite other Senators to express their views, and I accepted his invitation.

The PRESIDING OFFICER. Does the Senator from Illinois yield further to the Senator from Montana?

Mr. LEWIS. I assure the Senator I do not want to disturb him. I will be very glad to hear his views as to whether this amendment should be considered to-night; but, if the Senator desires to continue further remarks as to the merits of the measure, I am afraid the measure will have to be laid before the Senate.

Mr. MYERS. I thought that was what the esteemed Senator wanted. I thought his amendment was before the Senate and that he had called for expressions about it. I will bring my remarks to a close very shortly, however. I know I am trespassing on the generosity of the esteemed Senator from Illinois, who is entitled to the floor.

Mr. LEWIS. I do not want to disturb the Senator, because his observations are very illuminating and entertaining upon that particular subject.

Mr. MYERS. I thank the Senator for the compliment. I appreciate that he says my remarks are very illuminating, but the Senator does not want to hear much more of them. I know I am trespassing on his time.

Mr. LEWIS. Mr. President, I may say, if that is true, it would merely be because of the contrast of the brilliancy of the Senator's observations to my feeble efforts, and I should have to protect myself under the law of self-preservation.

Mr. MYERS. The Senator is indulging in sarcasm, I fear. I am not worthy to be mentioned in the same breath with the brilliant Senator from Illinois. He is more generous with his compliments than his time. I shall desist directly, thanking him for his patience.

Mr. LEWIS. I want to say to the Senator that if he desires to continue his very interesting discussion upon the merits of the matter he must not let me cut him off. I only desire to remind him that if he could proceed without taking me from the floor I would be glad to yield.

Mr. MYERS. I am nearly through. I will finish in a very few minutes.

Mr. GALLINGER. Mr. President, I rise to a question of order. This symposium may be interesting, and possibly instructive, but the Senator from Illinois has no right to hold the floor and farm it out to other Senators indefinitely.

Mr. MYERS. Mr. President, if I am trespassing too far, I will conclude. I was fearful from what the Senator from Illinois said that he was about to withdraw his amendment. There would then be nothing before the Senate pertaining to it, and I wanted to urge him not to withdraw it. If the good Senator from New Hampshire and the good Senator from Illinois will bear with me just about one minute longer, I will close, and not say anything further.

Mr. OLIVER. Mr. President, it is getting very late and I presume the chairman of the Finance Committee wishes to dispose of this bill to-night. I really think the Senate ought to

proceed in order, and if the Senator from Illinois is going to withdraw his amendment, he should be allowed to do so. If he is going to offer it, then, of course, the Senator from Montana has a perfect right to proceed to debate it. He is debating the merits of a question now which is not before the Senate.

Mr. MYERS. Mr. President, that is not unusual at all. However, I will say to the Senator from Pennsylvania that if he will be patient for just a few moments, I will quit. I was fearful that if I did not say a few words now, I would have no opportunity at all. I presume I have occupied so much of the time of the Senate to-day that Senators are not to be blamed for becoming weary. I do not wonder at their protesting. I do not see why this amendment should not be considered on its merits. Suppose it does take two or three or four days, what are three or four days of time as compared to the importance of our export trade. [Laughter.] Mr. President, even if trespassing on the time of others, I am glad I am humorous. The Senator from North Carolina spoke of this debate continuing three or four days, and I was quoting him.

Mr. GALLINGER. Mr. President, three or four days of time is little compared to eternity; but I do not think we want to stay here and listen to the Senator for three or four days.

Mr. MYERS. I was not expecting to take that length of time nor a small part of it. I supposed others would speak on the amendment. The Senator from New Hampshire need not stay and listen to me a moment if he does not choose to do so.

Mr. GALLINGER. Mr. President, I renew my point of order. There is something before the Senate or there is not. Furthermore, the Senator from Illinois can not farm out the floor to other Senators.

The PRESIDING OFFICER. The Senator from Illinois is recognized, if he desires to proceed.

Mr. MYERS. Mr. President, I will finish in a few sentences, if the Senator will permit me.

Mr. LEWIS. If the Senator from Montana only desires that length of time, I will yield.

Mr. MYERS. Mr. President, I think we ought to consider the amendment now, and not put it over until December. The December session, the winter session, is going to be crowded with land-leasing legislation, water-power legislation, appropriation bills, and other things that must come up then, and we will be lucky if we get through with the program which has already been mapped out for the winter session. I hope the Senator will not withdraw his amendment, and that we may consider it now. Now, Mr. President, having trespassed further on the time of the genial Senator from Illinois than I intended, I close. I may have more to say to the Senate on this highly important subject at another time. I thank the esteemed Senator from Illinois for his kind indulgence and thank the Senate for its attention.

Mr. JONES. May I suggest to the Senator——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Washington?

Mr. JONES. I merely want to suggest to the Senator from Montana that there is nothing to prevent him offering the amendment if the Senator from Illinois withdraws it.

Mr. MYERS. The consensus of opinion seems to be that I am not entitled to the floor. Therefore I will not answer the esteemed Senator from Washington further than to thank him for his kind suggestion and to say I will consider it. I may act as he suggests. Circumstances will determine my course. This matter must and shall have attention.

Mr. LEWIS. Mr. President, from the carefully considered remarks of the able Senator from Montana [Mr. MYERS], and from the record I have produced, it is very apparent that this matter has great merit, and will at a proper time be considered by the Senate; but the eminent chairman of the committee having charge of this bill, feeling that the introduction of this matter at this time would seriously interfere with the prospects of an early vote and the proper disposition of the revenue bill, and as he is informed by six Senators on the Republican side and three or more on the Democratic that six days of debate would be consumed in an effort to defeat the measure, I am compelled to respect his wishes and not urge my amendment at this time; but I give notice now that I shall at the first opportunity, even if it has to be at the December session, press the matter because of the merit it discloses, as is shown by the report made upon it by the efficient officers of our Government who have given so deep and conscientious study to the subject. I shall have this bill passed. I yield for the present.

I ask, Mr. President, that my amendment may still remain on the table.

Mr. OLIVER. Mr. President, I offer an amendment, which I send to the Secretary's desk, and call the attention of the Senator from Colorado to it.

The PRESIDING OFFICER. The amendment offered by the Senator from Pennsylvania will be stated.

The SECRETARY. On page 144, line 1, after the word "producer," it is proposed to insert the words "or merchant"; and on page 144, line 3, after the word "producer," it is proposed to insert the words "or merchant."

Mr. OLIVER. Mr. President, I will not take any time in explaining this amendment.

Mr. THOMAS. I will accept the amendment.

The PRESIDING OFFICER. Without objection, the amendment will be agreed to.

Mr. JONES. Mr. President, I desire to present an amendment, which I have submitted to the chairman of the committee, to come in after line 4 on page 23.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 23, after line 4, it is proposed to insert:

No penalty shall be imposed or collected from any person or corporation for failing heretofore or hereafter to retain a tax at the source, if it is shown satisfactorily that no tax was or would be due by reason of an exemption for which no claim was filed with such person or corporation by the person entitled to such exemption.

Mr. SIMMONS. Mr. President, I think that is a very proper amendment, and I accept it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. OWEN. Mr. President, I have an amendment which I wish to offer, and to which I invite the attention of the members of the committee and of the Senate.

I can hardly hope that the Senate is prepared at this time to accept this amendment as an amendment to the revenue bill, but it contains a principle which I think ultimately will be written into the law, and which I think ought to be considered. I should be glad to have the Senate adopt it, although I think it will arouse some controversy that would preclude its present adoption. It proposes to add a new section, 96-A, on page 141, after line 23, as follows:

The President of the United States shall have the right, after due public notice, to lower any rate on any article in any schedule of the tariff acts whenever he may find it practicable thereby to enlarge the exports of the United States to a foreign country by a reciprocal agreement whereby each party thereto shall agree to lower certain of its own tariff rates so as to enlarge the mutual exchange of commerce between the countries parties to such reciprocal contract, provided no rate shall be fixed by the President at a point lower than the difference in the cost of production at home and abroad, as ascertained by the United States Tariff Commission, or which shall permit unfair competition with American goods.

Mr. President, I am not going to detain the Senate by any discussion of this matter. I think every Senator here probably has his mind as fully made up now as it would be after several hours of discussion. I only wish now to submit it to the Senate. I shall not even ask for a record vote. If it be voted down, if it be not acceptable to the Senate, I shall not urge it. I am not a member of the committee. I think that we are able to expand our own internal activities in an important way by expanding our exports; we can not hope to expand our exports except to the extent that we permit imports to pay for those exports. Believing that, and believing that American exports can not be paid for in gold, but must be paid for ultimately in the products of other people, I believe that we should enlarge our own internal activities to the extent that we enlarge our exports, and that we must discriminate and permit imports of like value in order to expand these exports. Believing in that principle, I have drawn this proposed amendment for the RECORD, hoping to sow some seed that may ultimately lead to fruit.

Mr. SIMMONS. Mr. President, the Senator was kind enough to show me his amendment this afternoon, and I told him that it would be impossible for the committee to accept it. I trust we may have a vote on it, and that it may not prevail.

Mr. LA FOLLETTE. Mr. President, I am going to take just one minute to say that the proposition offered by the Senator from Oklahoma has the sanction of the name of a great leader of the Republican Party.

Mr. OWEN. McKinley.

Mr. LA FOLLETTE. Blaine's whole administration of the State Department, really, in so far as economic problems were concerned, was embodied in exactly that principle.

Mr. GALLINGER. But, Mr. President, will the Senator permit me?

Mr. LA FOLLETTE. In just a moment. I remember, as a member of the Ways and Means Committee, going to the State Department. The entire committee was called there to confer with Mr. Blaine upon exactly this proposition. It was his desire that we should retain the sugar duties—at the time sugar in the bill as we were framing it was made free—in order that

he, as Secretary of State, might have the opportunity to use those duties as a basis of enlarging our trade abroad.

Mr. GALLINGER. Mr. President, I quite agree with the Senator, so far as the reciprocity feature is concerned; but I do not recall that Mr. Blaine advocated giving the President of the United States authority to change tariff rates.

Mr. LA FOLLETTE. Yes; that was exactly the provision that was embodied in the Dingley bill. The President was given exactly that power.

Mr. GALLINGER. Under reciprocal relations?

Mr. LA FOLLETTE. Yes; in order that we might get reciprocal trade benefits out of it; just precisely that. If the Senator from Oklahoma had studied the tariff policy of Mr. Blaine as it was carried forward and, according to my recollection, embodied in the Dingley law by a provision in that law, I do not think he could have more accurately embodied it in an amendment than he has in the amendment which he has offered.

Mr. STONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Missouri?

Mr. LA FOLLETTE. I yield the floor.

Mr. STONE. No; I desire to ask the Senator a question. I understood the Senator from Wisconsin to say that when he was a Member of the House of Representatives and a member of the Ways and Means Committee of the House the entire committee was called to the State Department to confer with Secretary Blaine about tariff legislation.

Mr. LA FOLLETTE. Yes, Mr. President; that is exactly what I said.

Mr. STONE. May I inquire, if the Senator please, whether, according to his recollection, the honorable Senator from New Hampshire [Mr. GALLINGER] was at that time a member of the Committee on Ways and Means?

Mr. LA FOLLETTE. He was not, Mr. President. I do not know that he was ever a member of the Committee on Ways and Means of the House. He was not at that time, in any event.

Mr. GALLINGER. No; I was not. I served with the Senator when he was a member.

Mr. LA FOLLETTE. And permit me to say, Mr. President, on the question of the propriety of the committee's going to the State Department to confer with Secretary Blaine under the circumstances, that Mr. Blaine was in ill health at that time to such an extent that it was impossible for him to address the committee standing. It was not possible for him then to appear before the Committee on Ways and Means at the House end of the Capitol.

Mr. SIMMONS. May I inquire of my friend who was Speaker of the House at that time?

Mr. LA FOLLETTE. Reed, of Maine, was Speaker of the House at that time.

Mr. STONE. The great and conspicuous Speaker, the rather renowned Speaker.

Mr. LA FOLLETTE. He was, indeed, a great Speaker, as the Senator will recall. He was a Member of the House at that time.

Mr. STONE. I interrupt the Senator to call attention—special attention—to the fact that in those good old days of Republican control, even when Tom Reed, one of our great men, with whom I served in the House, as the Senator from Wisconsin did, was the Speaker of the House, as I understand the Senator, the Ways and Means Committee of the House, and I suppose also the Finance Committee of the Senate, were called to the State Department that they might gather around the then Secretary of State, Mr. Blaine, and receive not instructions, of course, but advice or suggestions from a wise and very able man as to public policies, legislative policies, then pending. I call attention to this fact because of the criticisms that have been recently made upon the Senate floor by Republican Senators that Democrats of one committee or another have been called into council with the Democratic President. This seems to be an old habit. Moreover, I think it altogether right that legislators and executive officials should so confer.

Mr. LA FOLLETTE. Mr. President, I had no idea that my reminiscent mood would be productive of anything political. The reason assigned for the Ways and Means Committee visiting the Department of State at that time was the condition of Mr. Blaine's health. I remember him as he greeted us, his face as white as parchment. The only thing in that face which seemed to be animated was those brilliant eyes that spoke of the wonderful intellect of the man. I recall that he attempted to discuss this question with us sitting in his chair, and that he finally said: "I am so accustomed to speak standing on my feet that I ask you to let me lean on the desk and speak to you." He was in very frail health. He made a talk to the Committee on Ways and Means that will always remain in my memory. He impressed upon us the importance of extending our trade and the importance of employing precisely the principle suggested by the Senator from Oklahoma as a means of opening foreign markets without sacrificing the principle of protection.

The PRESIDING OFFICER. The question is upon the amendment offered by the Senator from Oklahoma [Mr. OWEN].

The amendment was rejected.

Mr. SHIELDS. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 58, line 7, it is proposed to insert the following proviso:

Provided, That where any tax heretofore due and payable has been duly paid by the taxpayer, it shall not be re-collected from any person or corporation——

Mr. SIMMONS. Mr. President, I wish to say to the Senator from Tennessee that I think we have just adopted that amendment, offered by the Senator from Washington.

Mr. JONES. Oh, no; it is a different amendment.

Mr. SHIELDS. I will say that the Senator from North Carolina is mistaken. I ask that the reading be continued.

Mr. SIMMONS. Probably I did not hear enough of the reading.

The Secretary read as follows:

Provided, That where any tax heretofore due and payable has been duly paid by the taxpayer, it shall not be re-collected from any person or corporation required to retain it at its source, nor shall any penalty be imposed or collected in such cases from the taxpayer, or such person or corporation whose duty it was to retain it, for failure to return or pay the same, unless such failure was fraudulent and for the purpose of evading payment.

Mr. SHIELDS. This amendment is somewhat similar to the amendment offered by the Senator from Washington, but it covers a case that that does not. I will ask that the chairman of the committee accept this amendment, and the two can be reconciled by the conference committee.

The PRESIDING OFFICER. The question is upon the adoption of the amendment offered by the Senator from Tennessee.

Mr. SHIELDS. I do not think the Senator from North Carolina heard the statement I made.

Mr. SIMMONS. No; I did not. I beg the Senator's pardon.

Mr. SHIELDS. This amendment covers cases of injustice in the collection of taxes that are not covered by the amendment offered by the Senator from Washington, and just accepted by the committee. I will ask that this be accepted, and that the two be reconciled by the conference committee.

Mr. SIMMONS. I can see no objection to that, Mr. President. I am not able now to catch the difference; but in conference we can take the two amendments and write out the correct principle.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Tennessee.

The amendment was agreed to.

Mr. LEE of Maryland. Mr. President, when the Army appropriation bill was before the Senate the Senator from Wisconsin [Mr. LA FOLLETTE], under a suspension of the rules, offered, and there was agreed to, an amendment providing for an appropriation of $2,000,000 for the support of the dependents of soldiers, enlisted men, in the militia and in the Regular Army for a certain period; that is to say, from the time of the call until the mustering out of the National Guard, a future event.

There have been two constructions of this amendment by the Comptroller of the Treasury. It seems that it was submitted to the comptroller before it had actually passed the Senate and House; and these two constructions by the comptroller very seriously affect the application of the appropriation. The comptroller holds that the benefits to the dependents of the National Guard can not begin to run until the date when the bill was signed, and in view of the veto and the subsequent delays, even on that theory there has been a very serious postponement. The object of the Senate, I submit, was to provide for the support of these dependents from the time that the bread winner entered the service and was unable to support his family, and the act, with all due submission, reads in that way, but the comptroller has ruled otherwise. In another respect he has held, as I see by the evening papers, that only those men who were in the National Guard at the time of the call of the President can have a benefit for their families. In this way cutting out a very large number of men with dependents who were recruited immediately after the call, and who were lawfully enlisted in the service of the United States. Since that time there has been a rule of recruiting adopted providing that men with dependents shall not be recruited, but at that time it was lawful, and on the impulse, responding to the call of the President, it was largely done.

I have therefore prepared and now offer an amendment, which I have discussed with a number of Senators on this side of the Chamber and with some on the other side, and which seems to be generally acceptable. This amendment seeks to correct the ruling made by the comptroller, and to make this provision for the dependents of the National Guardsmen take effect from the time that the man ceased to support his family and was sent to the frontier, and to be applicable to all classes of enlisted men with dependents who are serving there to-day.

The PRESIDING OFFICER. The Secretary will read the amendment.

The SECRETARY. It is proposed to add the following as a new section at the end of the bill:

SEC. 106. The act approved August 29, 1916, being an act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes, is hereby amended as follows:

"The sum of $2,000,000 therein appropriated to be expended under the direction of the Secretary of War for the support of the family of each enlisted man of the Organized Militia or National Guard, or of the Regular Army, as therein provided, shall be available to be paid on the basis of and for time subsequent to June 18, 1916, the date of the call by the President, and the time for which such payment shall be made shall correspond with the time of service of the enlisted men, and payment shall be made without reference to the enlisted man having enlisted before or after the call by the President."

Mr. SIMMONS. Mr. President, the amendment offered by the Senator from Maryland is in the nature of an appropriation or to correct a mistake in an appropriation bill. It has no place upon this bill. Of course, it is impossible for me to accept it. If there is urgency about it, the Senator could easily to-morrow secure the passage of a joint resolution and send it over to the House, and action should be had upon it. We can not afford to encumber this bill with amendments covering all sorts of subjects. I trust the Senator will not insist upon it.

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Mississippi?

Mr. SIMMONS. I do.

Mr. VARDAMAN. Is it not the understanding that Congress will adjourn to-morrow?

Mr. SIMMONS. I do not know that it is. No resolution has been passed. I do not think it will be possible for Congress to adjourn to-morrow.

Mr. VARDAMAN. What will be the objection to attaching it to this bill? It is to correct a manifest injustice and to carry out the will of the Congress imperfectly expressed in a measure passed some days ago.

Mr. SIMMONS. If the Senate wants to put it on the bill, that is for the Senate.

Mr. VARDAMAN. I hope the Senate will do it. These men are entitled to pay for the service rendered the Government. Congress has appropriated the money for that purpose, and to withhold it now would be very wrong.

Mr. SIMMONS. There are a great many other people in this country entitled to money that is due them, but we can not put claims of every class for every purpose upon a revenue bill.

Mr. VARDAMAN. The Senator understands that this amendment is simply for the correction of an act passed by Congress a few days ago. As stated by the Senator from Maryland the auditor has made an interpretation which was not expected and really is contrary to the opinion or conclusion of anybody who considered the bill upon its passage. The Government of the United States can not afford to be unjust to the men who have offered their services and their lives in defense of the Nation's flag and upheld the Nation's honor.

Mr. SIMMONS. If the Senator from Maryland is willing to have a vote taken upon the question, let it be taken.

Mr. LEE of Maryland. I merely ask the Senator to permit a vote.

Mr. SIMMONS. Surely I have no objection to the Senate passing upon the question.

Mr. LEE of Maryland. All I ask is a vote.

Mr. LA FOLLETTE. Mr. President, I rose for the purpose of asking for the yeas and nays upon the amendment; but if the amendment is voted upon, I am confident it will be voted into the bill viva voce, and I will not delay, unless it becomes necessary, the proceedings of the Senate by calling for a yea-and-nay vote. I ask for a vote on the amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Maryland.

The amendment was agreed to.

Mr. UNDERWOOD. I move to strike out of the bill sections 88, 89, 90, 92, 93, 94, 95, and 96.

Mr. STONE. Why not strike out all after the enacting clause?

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Alabama.

Mr. UNDERWOOD. There are really some revenue features of the bill that the Government needs and will be of benefit to the Government of the United States. The part that I endeavor to strike out is that part which is in the bill for political purposes and not for the benefit of the Government or the people of the United States.

I make this motion, and if the sections that I move to strike out go out of the bill it will carry out what is known as the tariff commission.

Mr. President, I have seen it stated in the papers that I am opposed to a tariff commission. That does not carry an absolute statement of the fact. I am opposed to this tariff commission. As a matter of fact, I have voted for a tariff commission in my legislative career, and I might do so again under certain circumstances. It is not the tariff commission that I object to; it is the purpose for which this tariff commission is to be created.

When the Dingley law was on the statute books, and a strong sentiment had grown up in this country against the protective tariff, the Republican Party at that time not being willing to lower the duties themselves, it was proposed that a tariff commission be created to help the Republican Party reduce its high tariff rates. I was heartily in favor of that commission, not because it was a tariff commission, but because the purpose of the commission was to move in a Democratic direction toward a lower tariff, and, besides, at that time there was not all the necessary machinery on the statute books to obtain the information that the Ways and Means Committee needed to properly legislate on the question of fixing customs duties.

Mr. HARDWICK. Will the Senator pardon me a moment?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Georgia?

Mr. UNDERWOOD. I do.

Mr. HARDWICK. I should like to suggest to the Senator that at the time to which he refers, when he and I were Members of the House, there was a large number of Democratic Members of that body who were opposed to the tariff commission, even under the circumstances described by the Senator.

Mr. UNDERWOOD. I am not contesting that proposition at all.

Mr. HARDWICK. I simply wanted to remind the Senator of that fact.

Mr. UNDERWOOD. But my opposition to this Tariff Commission is not the mere fact that it is a tariff commission or that it is intended to gather certain facts. My opposition to this Tariff Commission, as I stated a few moments ago, is the direction in which this legislation is moving.

Subsequent to the time I speak of, and that my friend from Georgia speaks of, the Democratic Party in the House created what is known as the Bureau of Foreign and Domestic Commerce in the Department of Commerce. That bureau is vested with practically all the power that is given to this so-called Tariff Commission, the power to investigate industrial conditions abroad and at home, to assemble facts and data for the information of Congress, and is required to report to the President of the United States and to the two Houses of Congress. I know of nothing that directly relates to the tariff that is embraced in the power given the commission in this bill that has not already been vested by Democratic legislation in the Bureau of Foreign and Domestic Commerce.

There are some other powers that are given to the commission in the bill, but every one of those powers is embraced in the powers that have been given to the Trade Commission. Taking the power that has been given to the Trade Commission, the power that has been given to the Bureau of Foreign and Domestic Commerce, and the work that is being done by the Census Bureau, every subject that it is proposed to have this commission investigate is provided for now. There is not a particle of this legislation that the machinery of the Government can not to-day operate in reference to and does not operate in reference to.

It was only a few days ago that I read on the floor of this Chamber from a very able document prepared by the Bureau of Foreign and Domestic Commerce, giving information in reference to the very subject it is proposed to appoint this commission to investigate.

If there were no governmental powers to obtain facts for the information of a Ways and Means Committee of the House or a Finance Committee of the Senate, I would be willing to create some governmental bureau or some governmental body with powers to ascertain those facts. I would not care whether you called it a tariff commission or whether you called it a bureau of the Government, the name would be entirely immaterial. But you already have a bureau to do this work, and the laws

have been enacted by the Democratic Party. Now you are proposing in this bill to make an annual appropriation of $300,000 a year to duplicate the work that is already being done by order of Democratic Congresses.

I do not know why the committee thought it necessary to make this an annual appropriation. Of course, I understand when they write in the law that the appropriation of $300,000 shall be an annual appropriation it will be paid out of the Treasury of the United States each year, and it will not be necessary to come back to Congress and ask for any more money unless they endeavored to exceed that amount, because the appropriation will be continued and Congress will have no further check over the matter unless there is a sentiment in both Houses of Congress existing at the same time to repeal the annual appropriation.

My objection to this tariff commission is that it is not going to accomplish the results desired. I hold in my hand an article that was written for the North American Review by Prof. F. W. Taussig, who occupies a chair in one of the leading universities of this country. Prof. Taussig is an authority on questions of this kind, and he writes this article on the proposal for a tariff commission. I will not read the entire article, but I desire to read to the Senate a few statements made by Prof. Taussig on this subject. He says:

> The first thing that needs to be borne in mind is that no tariff commission can settle policies. No administrative body of any kind can decide for the country whether it is to adopt protection or free trade, to apply more of protection or less, to enact "a tariff for revenue with incidental protection," or a system of purely fiscal duties. Such questions of principle must be settled by Congress—that is, by the voters.

Prof. Taussig is eminently right in reaching this conclusion. In fact he is so right that the Committee on Finance in preparing this bill has recognized that fact and do not authorize the commission that it proposes to appoint to do any work except a finding of facts. They are not authorized or directed to report their conclusions as to whether there shall be a high tariff rate or a low tariff rate to Congress; they are not authorized in any way to change the tariff laws of the country.

There has been a sentiment in the United States in favor of a tariff commission. There has been a sentiment in the United States that is in favor of taking the tariff out of politics. I think there has been a strong sentiment to that effect, and many men in the United States have favored and still favor and will continue to favor a tariff commission because they believe that if a tariff commission is created it will take away from the two Houses of Congress the control of tariff legislation and vest it in a body that will be independent of political control.

Well, of course, you and I know that that is an impossible proposition; that when the Constitution of the United States placed in the hands of the House of Representatives the sole authority to originate revenue legislation it decreed for all time to come that tariff legislation must originate in the House of Representatives; that it must be written by the Congress and can not be divorced from political control so long as that provision of the Constitution of the United States remains; and that provision of the Constitution will never be amended, because, no matter what gentlemen of high finance may think, and gentlemen who own the great industries of the country may desire, the plain people of the United States will never consent that the power to tax them shall be taken away from their immediate Representatives in the Congress of the United States.

It has been said that you are going to write a "scientific" tariff, and that the purpose of creating this board is to write a "scientific" tariff law. I am not surprised that men outside of the Congress of the United States should make that statement, but I am surprised that men in the Congress of the United States should stand for a proposition of that kind.

Do you Republicans believe that you can find men to act on this commission who will have a more intimate and scientific knowledge of industrial conditions and their relation to customs legislation than Walker, McKinley, Wilson, and Dingley?

In the first place, there can not be a scientific tariff law, and if there could be a scientific tariff law, are the Members of the Congress of the United States willing to admit that we can employ clerks in the departments who are more capable of writing scientific tariff laws than are we? If that be so, we had better send our commissions back to our people and ask them to send men here who are capable of representing them in connection with the great subjects with which we have to deal. Here is what Prof. Taussig says in reference to this subject:

> It is further to be borne in mind that the advocacy of a "scientific" settlement of the tariff does not carry us far. There are no scientific laws applicable to economic problems in the same way as the laws of physics are applicable to engineering problems. If we extend the term "science" to economics we must remember that it can refer in this subject only to certain generalizations and to a body of useful information, not to a system of clear-cut principles or laws.

He is eminently correct. You may establish a board or a bureau that can furnish Congress with a fund of useful information; and that is as far as you can go, because the representatives of the people must, of necessity, when they get that information, determine on what basis your tax laws shall be written.

It is the political principle that the people of the United States must decide how your custom tax laws shall be written. If they desire a low tariff, they elect a Democratic Congress; at least they are supposed to send them here for that purpose; if they want a high protective tariff, they send a Republican Congress; and on the basis of facts that your clerks may furnish you, either a Democratic House of Representatives or a Republican House of Representatives prepares a bill to meet the theory that the people of the United States have selected them to write on the statute books.

I know there is complaint about the committees of Congress making mistakes in the preparation of tariff legislation. In my own judgment there are mistakes made; there will always be mistakes made, no matter from what source you gather your information or in what hands you place the writing of the law; but the greatest difficulty that the Congress of the United States and its committees have to face on this subject is the fact that political exigencies drive the Republican Party or drive the Democratic Party to an entire revision of all the tariff schedules at one time. I do not think there is a Republican Member of this Senate who will deny the fact that if so unfortunate a thing to the country should happen in the next November election as the Republican Party being returned to power in both branches of Congress and the election of a Republican President, you would reenact tariff laws without waiting for the report of this tariff commission.

I ask, Is there a Senator on the Republican side who will controvert my statement? Not one. You are not going to await the report of this tariff commission if the people return you to power. We did not await the report of a tariff commission when the people returned us to power. They had given us the mandate; we obeyed it; and so will you.

The only thing I can say to you, if you want to enact carefully considered tariff laws, is to make them in detail; write one schedule at a time; take ample time, after careful consideration of each schedule, and you will improve the preparation of the law as we would improve the preparation of the law if we would go at it in that way. You will never improve it by paying $300,000 a year for a tariff commission, that will merely duplicate the facts that you will have in hand on the 4th day of March of next year if you are returned to power.

My friends on the Republican side of the Chamber have based their argument in favor of a tariff commission on the idea that the country and the Congress are entitled to know the difference in the cost of production at home and abroad, a theory which has been repudiated by Democratic Congresses until this tariff commission bill was presented to this Congress. The Democratic Party has never accepted until now this theory that we should write customhouse tax legislation by ascertaining what was the difference in the cost of production at home and abroad, because that of itself recognizes the fact that we should write such legislation for the special interests that it is desired to protect, and not primarily in the interest of the Government of the United States and its revenue.

Here I want to put on the stand on this subject of the difference in the cost of production at home and abroad, a Republican witness, Prof. Taussig, a man who believes in a protective tariff—a moderate protective tariff I must say, but a protective tariff—and I desire to call to your attention what he says with reference to this cost-of-production theory——

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER (Mr. OVERMAN in the chair). Does the Senator from Alabama yield to the Senator from New Hampshire?

Mr. UNDERWOOD. I do.

Mr. GALLINGER. Before the Senator reads that, will the Senator tell me, for my personal information, where he gets the idea that Prof. Taussig is a Republican?

Mr. UNDERWOOD. I think I heard him so state before the Committee on Ways and Means at a hearing which was held when the Payne tariff bill was being considered.

Mr. GALLINGER. That will be news to the people of New England, I think.

Mr. PENROSE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Pennsylvania?

Mr. UNDERWOOD. I do.

Mr. PENROSE. I will state, for the information of the Senator from Alabama, that I studied political economy under Prof. Taussig some 33 or 34 years ago at Harvard College, and as soon as I graduated I endeavored to forget as rapidly as possible all I had learned under him. He was a free trader, with no politics, and is to-day. I speak that with the highest respect for Prof. Taussig, for he is a notable man, and has made many contributions to economic literature, for what they are worth.

Mr. UNDERWOOD. I am sure that the Senator from Pennsylvania proceeded to forget Prof. Taussig's instruction, because, as I have said, although Prof. Taussig believes in a protective tariff, he believes in a low protective tariff, and I am satisfied that the Senator from Pennsylvania differs from him, because the Senator from Pennsylvania believes in so high a protective tariff that the industries of Pennsylvania will meet with no competition whatever from abroad.

Mr. PENROSE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield further to the Senator from Pennsylvania?

Mr. PENROSE. If the Senator will permit me——

The PRESIDING OFFICER. Does the Senator from Alabama yield?

Mr. UNDERWOOD. I yield.

Mr. PENROSE. I am so accustomed to that kind of argument that I am becoming rather callous to it. As a Senator of this body, I am no more interested in the industries of Pennsylvania than I am in those of Alabama, but whether or not Prof. Taussig—and I speak with the greatest respect and regard for that gentleman—believes in duties on imports, the duties he favors are even lower than those ad valorem duties advocated by the Senator from Alabama, and, to my mind, amount to practically free trade and render him ineligible to qualify as a Republican witness.

Mr. UNDERWOOD. Well, I am satisfied if the Senator will take the trouble to read Prof. Taussig's latest book on the tariff——

Mr. PENROSE. I have read all his books.

Mr. UNDERWOOD. He will find that the professor states that he does favor a protective tariff. However, he is an able man, a man of very great scientific attainments; and here is what he says about the cost-of-production theory:

> For example, it is often maintained, not only in the United States but in other countries as well, that the scientific solution of the question is that of the equalization of competition, or the equalization of costs of production. The underlying idea is that such duties shall be imposed as will equalize the difference between cost of production within a country and a lower cost of production in foreign countries. Now, I do not myself believe that this is a scientific or a commendable basis for the levying of protective duties. Consistently carried out, it amounts to saying that all industries are equally worth having; but when differences in cost are great, duties should be correspondingly high; that every industry, no matter how ill adapted to a country's natural resources or its industrial qualities, should have the equalizing protection; that we should never stop to consider what are the directions in which we can apply a country's labor and capital to greatest advantage.

And no one can determine that except the Congress of the United States. You will accomplish nothing by telling this commission to ascertain production cost, as you do in this bill. You can not ascertain the production cost or the difference in the production cost at home and abroad, because the difference of cost between two plants in this country you would often find is greater than the difference between the average cost in this country and the cost in some plant abroad. It is a matter that can not be ascertained; it can only be guessed at. Prof. Taussig continues:

> Much is said at the present juncture about the importance of a tariff commission in order to put the country in a state of industrial "preparedness." The war, it is said, must necessarily come to a close before very long, and then new conditions of international competition will have to be faced. Should we not have a careful and elaborate inquiry as to the best way of facing the coming situation? On this matter also I doubt whether a tariff commission can help us much. No one, not the ablest set of men, even though provided with any amount of money for engaging "experts," can possibly learn what sort of industrial conditions will have to be faced when the war comes to an end. We could not go to European countries for the purpose of investigation, or send agents to European countries, for the obvious reason that the respective Governments would not allow us to peer into their affairs. Even if we could send agents and get all possible information concerning existing conditions, no prediction could be made concerning the course of development after peace.

Omitting part of his statement, he continues:

> Incidentally, I venture to express my opinion that there is exaggeration in the talk about the necessity of preparedness for the coming conditions of peace. No doubt there will be a jar, a shock, when the war comes to a close, but it is not likely to be so great as that which came at the outbreak of the war. Then there was a crash from a clear sky. Now, everybody knows that the change is certain to come, and everybody is more or less on the lookout for it. It is in the highest degree improbable that the end of the war will cause an industrial crisis in any country at all comparable to that of the midsummer of 1914, least of all in the United States. No doubt there will be a period of readjustment, of uncertainty, very possibly of depression; then a gradual settling down to the new conditions. And as this gradual settlement takes place, I am by no means sure that any far-reaching change in international trade will be experienced.
>
> Certainly, so far as imports of manufactured articles into the United States are concerned, I see no probability that they will be greatly swelled. European industry is much more likely to be weakened than to be strengthened by the fearful strain of the war, and for some years in the future is less likely to be a formidable competitor than before. Undoubtedly there will be varying conditions in different industries, but I see no indications of a portentous outpouring of exports. Whether the great struggle will eventually have far-reaching consequences upon the commercial relations between nations it would be hazardous now to predict. But any long-drawn-out and slowly developing consequences of this kind can have no bearing upon the immediate tariff problem confronting the United States. To repeat, the tariff-commission project should be considered without regard to the war contingencies.

That statement can not be successfully controverted. I read, in a letter published by the National City Bank of New York last July, a statement that in the war zones of Europe there had been destroyed by the contending armies $3,000,000,000 worth of industrial plants. Does anyone suppose that they can be rebuilt in an hour or a day? Does anybody suppose that the railroads that have been torn up and destroyed are going to be rebuilt in an hour? Does not everyone know that the whole strain of the contending powers of Europe has been on winning this war, and not on industry; that there are millions and millions of dollars of machinery and industrial plants that have been worn out and destroyed and can not be replaced? Then, to say that the hour this war closes we will be in more danger of competition from abroad than we were before the war commenced is an idle theory, in my judgment.

Why should you create this tariff commission now? There never was a more ill-advised time. There is no competition from abroad that seriously jeopardizes any American industry of to-day. You can not ascertain the facts by the creation of this tariff commission. You can not ascertain them at home, and you can not ascertain them abroad, because all industry at home and abroad is in an abnormal condition. Your tariff commission can not go to the great countries of Europe and investigate cost conditions or trade conditions to-day. They probably will not, for a year or more, be able to do so. But even if they did, they would not find normal conditions on which to base their conclusions; and when you come to the conditions at home, is there a man in this Chamber who will assert that industrial conditions at home are normal? You know they are not. I know they are not. Then why pursue the indefensible policy of appointing a commission, giving certain gentlemen high office, and making a charge on the people of the United States of $300,000 a year to engage at this time in the investigation of industrial problems that everybody admits are not normal, and that will be of no value when normal conditions return? And everybody admits that until normal conditions return there is no necessity for their doing the work of finding these facts.

It was my purpose, Mr. President, to go very much more thoroughly into the discussion of this subject than I intend to do to-night. The hour is late. I had hoped that I could have brought this matter before the Senate this morning, but other Senators had the right of way with their amendments, and my opportunity to move to strike out these sections of the bill of necessity was delayed.

I know that the argument I make is idle for the present. The words I say in the main fall on deaf ears. But, Mr. President, for 20 years of my life, at the other end of the Capitol, I represented a great manufacturing district. Many of my constituency believed in the theory of a high protective tariff.

I honestly believed that we had no right to use the taxing power of this great Government to advance special interests; that we had no right to use the taxing power of this Government to tax a dollar out of one man's pocket and to put it into another man's pocket. For 20 years, representing a manufacturing district, I maintained that faith, and I had the great honor of aiding, in part, in ultimately writing that faith on the statute books of this land.

To-day I represent a larger constituency—a constituency that is largely agricultural and not manufacturing; a constituency that thoroughly sustains the view I take that the taxing power should not be used to advance special interests. Therefore, although I regret greatly that it is my misfortune to differ from my party colleagues, I would be recreant to the trust that the people of Alabama have imposed upon me if I remained silent and accepted a change of faith without protest.

As I said, I am not opposed to the mere appointing of some clerks and calling them a tariff commission. There are circumstances under which I might be willing to agree to it, and have agreed to it. I am not opposed to gathering all the facts

that can be gathered for the information of the Ways and Means Committee of the House or the Finance Committee of the Senate. The more facts they have, the better will be their legislation. I merely desire again to call to your attention the fact that every detail that you provide for this bill is already in the existing law; that the machinery of this Government is prepared to-day under the law to furnish the Congress of the United States with every fact that this so-called tariff commission can find for you, and that it is a waste of money to make this duplication.

But that is not the point to which I most object. My objection to the writing of this legislation into law at this time is that it is written in the statute books to move away from the fundamental principles of Democracy so far as its idea of writing the customs laws of this country is concerned. There never has been a tariff commission created in the history of this country for the purpose of sustaining fundamental principles, but they have all been created as an excuse to the people, to temporize with conditions.

Take the tariff board of 1883. There was a growing demand in the United States for a lowering of the tariff rates throughout the country. The tariff board of 1883 was appointed to meet that condition. That board met and reported in favor of a reduction of tariff rates, with what result? The finding of the board was repudiated by the Republican Party. The Republican Party a few years ago, when there came again a universal demand for a reduction of the tariff after the Payne tariff law had its disappointing effects on the country, tried to better conditions by the creation of a tariff board. The reports of that tariff board resulted in finding facts which did not sustain Republican theories, and I know of no Republican statesman who was willing to base his tariff views on the findings of his own board. They did not use it, and could not use it. It was appointed to temporize with political conditions.

I want to know from my Democratic colleagues why they want to temporize with conditions to-day? That is what this section of the bill means. Why do they want to temporize with conditions to-day? It is only three years ago that you wrote on the statute books a tariff bill which you said kept the faith to the American people, and which your party and your President said kept the faith. It has had no chance for trial. There has been no opportunity to determine fairly whether it was wise or not. During the few short months it was on the statute books before the outbreak of the European war it produced the necessary revenue to run the Government under the then existing conditions, and it did not bring about an alarming condition to the industries of this country, as shown by the facts. But most of the imports that competed with home industry came from Europe. A large proportion of our revenues came from Europe.

When all of Europe went to war, instead of the tariff law of to-day having an opportunity to show whether it was a fairly competitive tariff, and whether it was bringing ameliorating conditions to the American people, the war itself put up a protective wall that it was impossible to go over. The war itself destroyed competition and destroyed revenue, and those conditions will remain until after this war is over.

There is not an industry in America to-day whose business is being threatened by foreign competition. You are facing and enjoying the greatest era of prosperity in America to-day that this country has ever known, and you are enjoying it under Democratic laws and a Democratic administration. You have not given the child of your own loins an opportunity to grow and develop, and you are proposing to placate and yield to adverse criticism of your political enemies by attempting to buy their silence with the proposal of a tariff commission.

My colleagues, I do not criticize any other man, and what I say is not in the way of criticism; but I can not stand here in silence and accept the repudiation of the work of my own party under these conditions. Nothing could happen that would destroy industry if you waited until this war was over. There is nothing to be accomplished by the writing of this legislation at this time. It is merely a waste of money, unless you do it to avoid the criticism of your opponents; in other words, unless the Democratic Party is preparing to-day to lower its spear and, under the white flag to retreat, to make terms with the common enemy on the greatest principle that your party has advocated for more than half a century.

Mr. President, I can not stand with my colleagues on that position; and I must, in duty to the constituency I represent, protest against the retreat that has been sounded on fundamental principles.

Mr. SMITH of Georgia. Mr. President, in 1911 the Senator from Alabama [Mr. UNDERWOOD] was a Member of the House of Representatives and the leader there of the Democratic Party. He had been for many years a member of the Committee on Ways and Means of the House, charged with the duty of studying tariff bills and tariff problems.

At that time a bill came before the House of Representatives to create a tariff board. The question was as to the necessity for such a board. The provisions of the bill were broad. They gave much power to the board. Not as much power as the present bill, but it was a tariff-board bill, and the Senator from Alabama supported the bill not only by his vote upon the floor of the House; he also ably advocated it. Among other things at that time, he said:

> I say to you candidly that there is no proposition that I have ever had to face that has confronted me with more difficulty than to attempt properly to adjust the tariff rates in conformity to the principles of my party without having sufficient information on which I could base my judgment.

If, with his many years of experience upon the Ways and Means Committee, with his public life almost entirely devoted to the problem of revenue raising and the tariff, he needed information, what is the condition of the average legislator or Senator who is called upon to serve on the Ways and Means Committee of the House or the Finance Committee of the Senate?

Three years ago last summer we had before the Finance Committee of the Senate the tariff bill sent to us from the House. The tariff bill touched, either upon the free list or with tariff duties, every production of industry, every production of the farm, every production of the mine.

Mr. President, it was simply an impossibility then for Senators, with their other duties, to give it study and obtain a grasp of the details of the subject fit to handle it as we desired. At that time, being a member of that committee, I reached the conviction that a tariff board or tariff commission was essential and of the utmost importance to aid Congress in handling tariff problems, and I have advocated the creation of a tariff commission and have suggested it whenever I had an opportunity to the President on more than one occasion since.

Mr. UNDERWOOD. Will the Senator allow me to ask him a question? Is the Senator in favor of repealing the present Democratic tariff law?

Mr. SMITH of Georgia. No.

Mr. UNDERWOOD. Is there any particular feature of it that he desires to repeal at this time?

Mr. SMITH of Georgia. I can not say that there is.

Mr. UNDERWOOD. Then, why should we need a commission?

Mr. SMITH of Georgia. I will answer the Senator. Since that time the information upon which we acted is almost like a heap of scrap. The condition of the world has changed. The condition in foreign countries has changed. The war has simply placed an entirely new face upon foreign industries and domestic industries. Just to-day, perhaps, there is no occasion for action, although I do myself join heartily with the action of the Finance Committee and of the House of Representatives found in this present bill in placing a tax on dyestuffs. But with all the information we could obtain to draw the measure, I am not sure the rates fixed are right, but I approve of such legislation on account of the changed conditions.

I do not believe there is a Member of the Senate. I do not believe there is a Member of the Finance Committee who to-day would know how to handle a tariff bill. I do not believe they have the information if the war stopped in 60 days to know how to levy a tariff tax. If they favored high protection, or if they favored a tariff for revenue, or a competitive tariff, or a low protective tariff I do not believe there is a member of the Finance Committee, I feel sure there is not one, who, if the war closed in 60 days, would be master of the subject to know how to draw a bill no matter which of the four lines it was desired to make it on. It is in view of what is ahead of us, in view of the fact that we know we must soon face a condition with which we are not familiar, with reference to which we have not the information, with reference to which we have not the time to study and gather the information, that I most cordially approve the creation of a tariff board of able men who may give all of their time, aided by statisticians and research men, handling the reports of our consuls from abroad, that they may become masters of the subject in advance, so far was it is possible, that they may have the knowledge necessary to aid in the character of legislation which then we may find necessary.

And, Mr. President, instead of raising the white flag to our enemies, instead of seeking to avoid attack by legislation along the line of our political enemies, I say that the creation of this tariff board is along the line of wisdom that has been shown by the Democratic administration, consisting both of the President and of the Congress, during the past three years and a half. We carry the responsibility of the Nation, and we look the

future in the face as well as the present, and we hold ourselves prepared to meet any emergency that may confront our country, and we intend to look in advance to see what that emergency may be. We will not be tied down by past tariff bills no matter who made them, no matter though they carry to-day the name of the Underwood-Simmons bill. We will drop those names if necessary to remodel the tariff bill to meet the conditions that will confront the world and our country a little later on.

I congratulate the country that it has an administration of Democrats in the House and in the Senate and in the White House prepared to look forward to meet any emergency that may confront the people. The creation of the tariff commission is only one of the many proofs that the Democratic Party is to-day progressive, ready to meet wisely any emergency that may come upon the country.

The PRESIDING OFFICER. The question is on the motion of the Senator from Alabama to strike out the sections he has indicated.

Mr. UNDERWOOD. Mr. President, just one word. The distinguished Senator from Georgia admits what I suspected to be the fact. He wants a tariff commission created to-day to ascertain the facts of to-day, abnormal facts with which to meet normal conditions of to-morrow, just as the Senator from Georgia advocated on yesterday the passage of an amendment to the tariff law relating to the dyestuffs that wrote on the statute books a high protective tariff that would have taken the breath away from the Republican Party itself if it had been taken unawares.

The Senator from Georgia states, and he speaks for those who advocate this tariff commission, that he is prepared to change the name at the head of the tariff law, the name that represents myself and the distinguished chairman of the Finance Committee, in order that legislation of yesterday may be succeeded by legislation that will meet the conditions of to-morrow.

Well might that be so, Mr. President. I am sure that I have no desire, so far as I am concerned, to have my identity or name carried on the legislation of my country unless the legislation with which it is connected serves my country and serves it well.

But, mark you, Mr. President, here to-night, before the happening of the event, when there are no importations from abroad, when no man can predict to-day what the importations of the future will be, we are told by the distinguished Senator from Georgia, the leader of this sentiment in his party, that we are prepared to surrender and retreat before we have reached the day when we will meet the common enemy.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Alabama.

Mr. UNDERWOOD. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. COLT (when his name was called). I make the same announcement in regard to my pair that I made before, and I vote "nay."

Mr. GALLINGER (when his name was called). Transferring my pair with the senior Senator from New York [Mr. O'GORMAN] to the junior Senator from Vermont [Mr. PAGE], I vote "nay."

Mr. GRONNA (when his name was called). I have a general pair with the senior Senator from Maine [Mr. JOHNSON], which I transfer to the senior Senator from Idaho [Mr. BORAH] and vote "nay."

The PRESIDING OFFICER (when Mr. OVERMAN's name was called). The present occupant of the chair is paired with the junior Senator from Wyoming [Mr. WARREN], who is absent on account of sickness.

Mr. OWEN (when his name was called). I transfer my pair with the Senator from New Mexico [Mr. CATRON] to the Senator from Kentucky [Mr. JAMES] and vote "nay."

Mr. ROBINSON (when his name was called). I transfer my pair with the Senator from Connecticut [Mr. BRANDEGEE] to the Senator from South Dakota [Mr. JOHNSON] and vote "nay."

Mr. SHAFROTH (when his name was called). I am paired with the junior Senator from Washington [Mr. POINDEXTER]. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. STONE (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. CLARK]. Not being able to secure a transfer, I withhold my vote.

Mr. WEEKS (when his name was called). I have a general pair with the Senator from Kentucky [Mr. JAMES]. The Senator from Oklahoma [Mr. OWEN] is paired with the Senator from New Mexico [Mr. CATRON]. I transfer my pair to the Senator from New Mexico [Mr. CATRON] and vote "nay."

The roll call was concluded.

Mr. DILLINGHAM. I transfer my pair with the Senator from Maryland [Mr. SMITH] to the Senator from California [Mr. WORKS] and vote "nay."

Mr. JONES. I desire to announce that the junior Senator from Michigan [Mr. TOWNSEND] if present would vote "nay."

I will also state that my colleague [Mr. POINDEXTER] if present would vote "nay."

Mr. WEEKS. I wish to state that if my colleague [Mr. LODGE] were present he would vote "nay."

Mr. MYERS. I have a pair with the Senator from Connecticut [Mr. MCLEAN]. In his absence I am not able to obtain a transfer and I withhold my vote. If at liberty to vote, I would vote "nay."

Mr. CURTIS. I was requested to announce the following pairs:

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from Rhode Island [Mr. LIPPITT] with the Senator from Montana [Mr. WALSH];

The Senator from Utah [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. CLARKE];

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS]; and

The Senator from Michigan [Mr. SMITH] with the Senator from Missouri [Mr. REED].

Mr. STONE. I transfer my pair with the Senator from Wyoming [Mr. CLARK] to the Senator from Arizona [Mr. SMITH] and vote "nay."

The result was announced—yeas 5, nays 55, as follows:

YEAS—5.

Bankhead	Shields	Underwood	Vardaman
Hardwick			

NAYS—55.

Ashurst	Gallinger	Martine, N. J.	Sherman
Beckham	Gronna	Nelson	Simmons
Brady	Hughes	Newlands	Smith, Ga.
Bryan	Husting	Norris	Smith, S. C.
Chamberlain	Jones	Oliver	Smoot
Chilton	Kenyon	Owen	Sterling
Clapp	Kern	Penrose	Stone
Colt	La Follette	Phelan	Swanson
Cummins	Lane	Pittman	Taggart
Curtis	Lea, Tenn.	Pomerene	Thomas
Dillingham	Lee, Md.	Ransdell	Thompson
du Pont	Lewis	Robinson	Weeks
Fall	McCumber	Shafroth	Williams
Fletcher	Martin, Va.	Sheppard	

NOT VOTING—35.

Borah	Harding	Myers	Smith, Mich.
Brandegee	Hitchcock	O'Gorman	Sutherland
Broussard	Hollis	Overman	Tillman
Catron	James	Page	Townsend
Clark, Wyo.	Johnson, Me.	Poindexter	Wadsworth
Clarke, Ark.	Johnson, S. Dak.	Reed	Walsh
Culberson	Lippitt	Saulsbury	Warren
Goff	Lodge	Smith, Ariz.	Works
Gore	McLean	Smith, Md.	

So Mr. UNDERWOOD's amendment was rejected.

Mr. GALLINGER. Mr. President, there is one feature of this bill that I think does an injustice to the States. Almost every State in this Union has an inheritance-tax law. It is now proposed in this legislation to impose a Federal inheritance tax upon the people of the respective States. I propose an amendment, which I trust will receive the support of the Senate, which, to a certain extent, relieves the States from a burden that will be very oppressive unless the provision in the proposed law is changed, as I have suggested.

The PRESIDING OFFICER. The amendment proposed by the Senator from New Hampshire will be stated.

The SECRETARY. On page 62, line 7, after the name "United States," it is proposed to insert the following:

Provided, That 50 per cent of the tax collected under the provisions of this title in any case shall be paid into the treasury of the State of which the decedent was a citizen.

Mr. SIMMONS. Mr. President, I hope that amendment will not be adopted.

The PRESIDING OFFICER. The question is on the adoption of the amendment proposed by the Senator from New Hampshire.

The amendment was rejected.

Mr. PENROSE obtained the floor.

Mr. SIMMONS. Mr. President, I ask the Senator from Pennsylvania to let me have two formal amendments made to the bill before he proceeds.

Mr. PENROSE. Certainly.

Mr. SIMMONS. On page 23, line 1, I move to strike out the words "such commissioner," and to insert in lieu thereof the words "Commissioner of Internal Revenue."

The amendment was agreed to.

Mr. SIMMONS. On page 11, line 14, after the word "association," I move to insert the word "trustees."

The amendment was agreed to.

Mr. PENROSE. Mr. President, in order to keep the record of these proceedings complete, which are now drawing to a close, I desire to ask a vote upon the resolution which I introduced some days ago looking to the recommitment of this bill to the Finance Committee with instructions. I believe that the resolution has the approval of the minority members of the Finance Committee. It is modeled somewhat on the lines of a similar resolution which was voted on in the House of Representatives, commanding the support of the minority in that body; and the language is taken almost verbatim from the platform of the Republican Party adopted at Chicago by the last Republican national convention. I ask to have the resolution read, and then I shall ask for a yea-and-nay vote upon it.

The PRESIDING OFFICER. The Secretary will read the resolution.

The Secretary read the resolution (S. Res. 253), as follows:

Resolved, That H. R. 16763 be recommitted to the Committee on Finance, with instructions to amend the bill so as to raise an equitable portion of the required revenue from a protective tariff "sufficient to protect adequately American industry and American labor, and to be so adjusted as to prevent undue exactions by monopolies or trusts"; and

With further instructions to the Committee on Finance to give special attention to securing the industrial independence of the United States, to the end that "our industries can be so organized that they will become not only a commercial bulwark but a powerful aid to national defense"; and

That the bill be further amended so as to require the Tariff Commission to report the difference in wages and the cost of production between foreign countries and the United States.

The PRESIDING OFFICER. The question is on the resolution proposed by the Senator from Pennsylvania.

Mr. PENROSE. I ask for the yeas and nays on the resolution.

Mr. SIMMONS. I hope the resolution will not be adopted.

The yeas and nays were ordered; and the Secretary proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). I again announce the transfer of my pair with the Senator from Maryland [Mr. SMITH] to the Senator from California [Mr. WORKS], and vote "yea."

Mr. GALLINGER (when his name was called). Announcing the same transfer of my pair as on the last vote, I vote "yea."

Mr. GRONNA (when his name was called). I transfer my pair with the Senator from Maine [Mr. JOHNSON] to the senior Senator from Idaho [Mr. BORAH], and vote "yea."

Mr. MYERS (when his name was called). On account of the absence of my pair, the Senator from Connecticut [Mr. MCLEAN], I withhold my vote. If at liberty to vote, I should vote "nay."

The PRESIDING OFFICER (when Mr. OVERMAN's name was called). The present occupant of the chair announces his pair as before, and withholds his vote.

Mr. OWEN (when his name was called). I transfer my pair with the Senator from New Mexico [Mr. CATRON] to the Senator from Kentucky [Mr. JAMES] and vote. I vote "nay."

Mr. ROBINSON (when his name was called). Again announcing the same transfer as I did on the previous vote, I vote "nay."

Mr. SHAFROTH (when his name was called). Making the same transfer as I did on the last preceding vote, I vote "nay."

Mr. STONE (when his name was called). I transfer my pair with the Senator from Wyoming [Mr. CLARK] to the Senator from Arizona [Mr. SMITH] and vote "nay."

Mr. JONES (when Mr. TOWNSEND's name was called). If the junior Senator from Michigan [Mr. TOWNSEND] were present and not paired, he would vote "yea."

Mr. WEEKS (when his name was called). Making the same announcement that I did on the last ballot, I vote "yea." If my colleague [Mr. LODGE] were present, he would vote the same way.

The roll call was concluded.

Mr. CURTIS. I am requested to announce that the junior Senator from Ohio [Mr. HARDING] is unavoidably detained from the Senate. Were he present, he would vote "yea."

Mr. SMOOT. I desire to announce the absence of my colleague [Mr. SUTHERLAND]. He has a general pair with the senior Senator from Arkansas [Mr. CLARKE]. If he were present and permitted to vote, my colleague would vote "yea."

Mr. GALLINGER. I desire to announce that the Senator from Wyoming [Mr. WARREN] is absent on account of sickness. If present, he would vote "yea." He is paired with the Senator who is now in the chair [Mr. OVERMAN].

The result was announced—yeas 21, nays 39, as follows:

YEAS—21.

Brady	du Pont	McCumber	Smoot
Clapp	Fall	Nelson	Sterling
Colt	Gallinger	Norris	Weeks
Cummins	Gronna	Oliver	
Curtis	Jones	Penrose	
Dillingham	Kenyon	Sherman	

NAYS—39.

Ashurst	Kern	Phelan	Smith, S. C.
Bankhead	La Follette	Pittman	Stone
Beckham	Lane	Pomerene	Swanson
Bryan	Lea, Tenn.	Ransdell	Taggart
Chamberlain	Lee, Md.	Robinson	Thomas
Chilton	Lewis	Shafroth	Thompson
Fletcher	Martin, Va.	Sheppard	Underwood
Hardwick	Martine, N. J.	Shields	Vardaman
Hughes	Newlands	Simmons	Williams
Husting	Owen	Smith, Ga.	

NOT VOTING—35.

Borah	Harding	Myers	Smith, Mich.
Brandegee	Hitchcock	O'Gorman	Sutherland
Broussard	Hollis	Overman	Tillman
Catron	James	Page	Townsend
Clark, Wyo.	Johnson, Me.	Poindexter	Wadsworth
Clarke, Ark.	Johnson, S. Dak.	Reed	Walsh
Culberson	Lippitt	Saulsbury	Warren
Goff	Lodge	Smith, Ariz.	Works
Gore	McLean	Smith, Md	

Mr. CURTIS. I was requested to announce the following pairs:

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from Rhode Island [Mr. LIPPITT] with the Senator from Montana [Mr. WALSH];

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS]; and

The Senator from Michigan [Mr. SMITH] with the Senator from Missouri [Mr. REED].

So Mr. PENROSE's resolution was rejected.

The PRESIDING OFFICER. The bill is still before the Senate, as in Committee of the Whole, and open to amendment.

Mr. LA FOLLETTE. Mr. President, I offer the amendment which I send to the Secretary's desk, to be inserted after the word "production," in line 18, on page 137.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 137, line 18, after the word "production," it is proposed to insert:

That the commission shall investigate and report to Congress—

1. What is the nature and use of each commodity upon the dutiable list and each commodity upon the free list of the existing tariff law?
2. What are the raw materials used in its production?
3. What is the amount of the production of each commodity in this country?
4. What is the amount of the consumption of each commodity in this country?
5. How many concerns are engaged in the manufacture of each commodity?
6. Who are the principal producers?
7. What are the ruling market prices of each commodity in this country?
8. What are the ruling market prices of each commodity in competing countries?
9. What is the total cost of production per unit of each commodity in this country?
10. What is the total cost of production per unit of each product in competing countries?
11. What is the percentage of the labor cost to the total cost of a unit of product in this country?
12. What is the percentage of the labor cost to the total cost of a unit of product in competing foreign countries?
13. What is the cost of transportation to the principal markets in this country from the principal point of production in this country of each product?
14. What is the cost of transportation to the principal markets in this country from the principal points of production in competing foreign countries of each of said commodities?
15. What part of the existing duty represents the difference in the cost of production between this and competing foreign countries of each of said commodities?
16. What part of the existing duty represents the profit of the American manufacturer upon each of said commodities?

Mr. LA FOLLETTE. Mr. President, I do not purpose at this late hour to tax the patience of the Senate with an argument in favor of the amendment which I have presented. The answers to the questions which the amendment provides shall be answered by the Tariff Commission and submitted to Congress will embody the information necessary for Congress, it seems to me, intelligently to fix duties, whether it be, Mr. President, in connection with a bill based upon the principle which has been embodied in the Republican platform as a correct measure of protective duties, namely, the difference in the cost of production at home and abroad, or whether it be the principle embodied in the bill known as the Underwood-Simmons bill, which was passed during this administration. That bill, as stated by the House report, as stated by the Senate report, and

as stated by the Senator from North Carolina [Mr. SIMMONS] in his first speech submitted to the Senate upon it, was drawn with a view of fixing duties at such a rate as would constitute a competitive tariff, and it was called a "competitive-tariff bill."

It is impossible either to determine duties that will fix a competitive relation between foreign producers and producers in this country, or duties that will measure the difference in the cost of production at home and abroad without having exactly the information embodied in the 16 paragraphs which I have submitted in the amendment; but, Mr. President, I understand perfectly well that the Senate is in no temper to amend the bill.

It will be contended on the other side that the general provisions of the Tariff Commission section would permit the Tariff Commission to ascertain these specific facts. So they would; but answers to these specific questions will put into the hands of Congress the precise knowledge which it must have either to enact a competitive tariff bill or to enact a bill based upon the principle of the cost of production.

Mr. GALLINGER. Mr. President, in view of the fact that almost every nation in the world is in turmoil at the present time, it would be an absolute impossibility to ascertain the cost of production in those countries; and, in view of the fact that there is an abnormal increase in transportation rates, it would be of little use to ascertain the cost of transportation from other countries to this country of articles exported to our shores as compared with the cost of transportation of articles produced here.

Mr. President, the time may come when an inquiry of this kind might well be undertaken; that is, after normal conditions return to the countries of Europe; but I feel sure it would be idle to undertake it at the present time, and for that reason I trust the amendment will not be agreed to.

Mr. LA FOLLETTE. Mr. President, just one word. The tariff commission proposed in this bill is not to be a temporary body. It is expected, of course, that this tariff commission will report from time to time to Congress as the varying conditions will need to be reported, if Congress is to act intelligently upon the tariff question from time to time.

Furthermore, Mr. President, precisely those questions were offered by me as a resolution of direction to the Finance Committee of the Senate when it was framing the Underwood-Simmons bill; and, upon the motion of the Senator from Pennsylvania [Mr. PENROSE] that resolution was passed by the Senate.

Furthermore, Mr. President, the chairman of the Finance Committee of the Senate, the Senator from North Carolina [Mr. SIMMONS], embodied those questions as essential to the information of the committee in framing the Underwood-Simmons tariff bill, and they were sent to every individual or corporation that asked for a tariff hearing before the Democratic Finance Committee; and in the report of the committee to this body, upon which it acted, the answers to those questions were cited by the chairman of the Committee on Finance as embodying information which the Senate ought to consider as important in guiding its work and its deliberations.

I have said more than I intended to say, Mr. President.

Mr. SIMMONS. Mr. President, the Senator is undoubtedly right in his statement about the resolution directing the Finance Committee to send out questions to the various gentlemen representing industries in this country who had appeared before the Finance Committee. They were sent out under the authority of this resolution by the committee. I regret to say, however, that only a very few of the gentlemen who had appeared and asked for increased tariff rates answered the questions. I think what I did say about it was that I had secured so few answers and those that came were so utterly unsatisfactory——

Mr. LA FOLLETTE. Mr. President, will the Senator permit me?

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Wisconsin?

Mr. SIMMONS. I do.

Mr. LA FOLLETTE. Granting that the Senator's recollection upon that matter is better than mine, the fact that the Senate adopted those questions and that the Finance Committee sent them out is an important fact for the Senate to consider in passing upon them now; and the fact that they were not voluntarily answered, that there was no compulsion, does not make against the interrogatories, but is rather in their favor. Special interests desiring an excessive tariff would not be inclined voluntarily and freely to give up their costs of production; but this commission would be empowered, if it were made a part of this bill, to get those facts and to lay them before the committee, and eventually they would come to the Senate and to the House. No Member here can for a moment, it seems to me, fail to appreciate the value of that information. If you had it before you when you were legislating upon the question of the tariff—if you knew, for instance, how much were the profits made by the protected industries of this country—then you would have some guide, as you would if the other questions were answered.

Mr. SIMMONS. Mr. President, to-day I went very thoroughly into a discussion of the powers conferred upon this commission in sections 90 and 92. I think they are exceedingly broad. They comprehend practically all the information that will be needed. Certainly there will be no lack of power in the commission to make their investigations as broad as the circumstances may seem to require. After the commission have secured the information that is necessary to enable them to reach a reasonable conclusion, section 91 gives to the Ways and Means Committee of the House, and to the Finance Committee of the Senate, power to call upon the commission for any information and report that they may desire, and in that request it will be competent for either of these two great committees to propound to the commission questions that would elicit the information they have secured by the exercise of the broad powers given them in sections 90 and 92.

Mr. LA FOLLETTE. Mr. President, will the Senator yield for just a moment before he sits down?

Mr. SIMMONS. Yes.

Mr. LA FOLLETTE. Granting that, Mr. President, it must be apparent to everybody that pending the consideration of a tariff bill by the Ways and Means Committee of the House, or by the Finance Committee of the Senate, or by this body, to call upon a tariff commission for that information would be utterly futile. It would require the time of the tariff commission for months to secure that information. Its accuracy depends upon an inspection of the cost production in each of the industries and would require much time, but the information would be invaluable.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Wisconsin.

Mr. LA FOLLETTE. I ask for a roll call upon that amendment, as it is so important.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. GALLINGER (when his name was called). Making the same announcement concerning my pair as on the last roll call, I vote "nay."

Mr. GRONNA (when his name was called). Making the same announcement as before, I vote "yea."

The PRESIDING OFFICER (when Mr. OVERMAN's name was called). Making the same announcement as heretofore, I withhold my vote.

Mr. OWEN (when his name was called). I transfer my pair with the Senator from New Mexico [Mr. CATRON] to the Senator from Kentucky [Mr. JAMES], and vote "yea."

Mr. ROBINSON (when his name was called). Announcing the same pair and transfer as on a previous roll call, I vote "nay."

Mr. SHAFROTH (when his name was called). Announcing the same transfer that I made on preceding roll calls, I vote "nay."

Mr. STONE (when his name was called). I transfer my pair with the Senator from Wyoming [Mr. CLARK] to the Senator from Arizona [Mr. SMITH], and vote "nay."

The roll call was concluded.

Mr. DILLINGHAM. I transfer my pair with the Senator from Maryland [Mr. SMITH] to the Senator from California [Mr. WORKS] and vote "yea."

Mr. MYERS. I transfer the pair which I have with the Senator from Connecticut [Mr. MCLEAN] to the Senator from Nevada [Mr. NEWLANDS] and vote "nay."

The result was announced—yeas 17, nays 40, as follows:

YEAS—17.

Clapp	Gronna	Lane	Owen
Colt	Husting	McCumber	Sterling
Cummins	Jones	Martine, N. J.	
Curtis	Kenyon	Norris	
Dillingham	La Follette	Oliver	

NAYS—40.

Ashurst	Hardwick	Phelan	Smith, Ga.
Bankhead	Hughes	Pittman	Smith, S. C.
Beckham	Kern	Pomerene	Smoot
Brady	Lea, Tenn.	Ransdell	Stone
Bryan	Lee, Md.	Robinson	Swanson
Chamberlain	Lewis	Shafroth	Taggart
Chilton	Martin, Va.	Sheppard	Thomas
du Pont	Myers	Sherman	Thompson
Fletcher	Nelson	Shields	Underwood
Gallinger	Penrose	Simmons	Williams

NOT VOTING—38.

Borah	Harding	O'Gorman	Tillman
Brandegee	Hitchcock	Overman	Townsend
Broussard	Hollis	Page	Vardaman
Catron	James	Poindexter	Wadsworth
Clark, Wyo.	Johnson, Me.	Reed	Walsh
Clarke, Ark.	Johnson, S. Dak.	Saulsbury	Warren
Culberson	Lippitt	Smith, Ariz.	Weeks
Fall	Lodge	Smith, Md.	Works
Goff	McLean	Smith, Mich.	
Gore	Newlands	Sutherland	

So Mr. LA FOLLETTE's amendment was rejected.

Mr. NORRIS. Mr. President, the exceedingly extravagant appropriations of this Congress make it necessary for some law to be enacted to raise additional revenue, and I presume the bill now about to pass is the result of that necessity.

I voted against nearly all of the appropriations that have brought about a condition where additional revenue has become necessary. I do not feel in any way responsible for that condition. In my weak way, I did what I could to defeat those appropriations; but Congress in its wisdom, or in its haste and unwisdom, has seen fit to make it necessary that some law should be enacted to meet these extraordinary appropriations.

I believe that it is the duty of a Senator or a Member of the House of Representatives, when that condition presents itself to him, not to vote against any bill for which he would otherwise vote for the production of additional revenue simply because he was opposed to the condition and voted against the appropriations that made necessary such additional revenue. It seems to me, therefore, that it is my duty, in passing on this bill, to vote the same as though it were a debt—which, in my judgment, it is—or an obligation of the Government that was legal, at least technically, and that had to be paid. I feel that it is the same as though I owed a debt—a judgment, perhaps—and that although I might believe it to be unjust, yet if it had the sanction of a duly constituted court having judisdiction, it would be one that I would have to pay.

Looking at it in that light, Mr. President, it seems to me that the bill under consideration raising revenue ought to be considered, and that I ought to act on it in the light of its being my duty, as a Member of the legislative body of the Nation, to provide as best I can, and in the way that I may help, the revenue necessary to pay the obligations.

I will not take the time of the Senate at this late hour to go over the past, but I only want to say that I have had no sympathy whatever with a great many of the things that have brought about these extraordinary appropriations and have made necessary additional revenue. If my conclusion is right thus far, then I ought to pass on this proposed legislation without reference to the causes or the conditions that have made this legislation or other revenue legislation necessary.

I believe that the present bill contains in it so many features that I have stood for, and that I believe in the main the party to which I belong has stood for, that I can not consistently vote against it. In other words, I am of the opinion that as far as raising this additional revenue is concerned, this bill has many good features. It raises the large bulk of the revenue in ways that I believe to be commendable. It has in it, for instance, an antidumping clause. It contains a protective-tariff proposition as far as dyestuffs are concerned. I think it is conceded by everybody that the existing war in Europe has disclosed the fact that we need some legislation in regard to dyestuffs, and that we ought to be able to produce in this country the dyestuffs that we need. I believe that this bill carries the necessary enactment to bring that about. It contains an antidumping clause—another condition that, in my judgment, and, I think, in the judgment of most thinking men, will have to be met when this war is over; and it seems to me that the provisions in regard to that are such that any fair-minded man trying to remedy a situation that I believe will be upon us when the war is over could not be opposed to the provisions on that subject.

The bill contains a provision for a tariff commission, a permanent tariff board—something that I have always advocated and believed in ever since I have been a Member of Congress; something that my party has always, or, at least, for several years past, advocated.

I know that the charge is made, and has been made, on this floor that this particular provision of the bill, coming from Democratic sources, coming from men who have always heretofore opposed a tariff commission, is not proposed in good faith. In my judgment, that is not a sufficient objection. I do not believe that I ought to vote against this bill when it contains provisions in which I believe simply because those provisions have been proposed by somebody whose good faith in the matter may be doubted, or who, in the past, has been opposed to it.

The tariff commission provision here is not just exactly what I should like to have, but in the main it strikes me as being sufficient to bring about the proper organization for a wise investigation of the tariff subject, enabling Congress, when it has that information, to legislate intelligently. It is a provision that, it seems to me, goes naturally and logically with the protective tariff idea, if that protection is to measure—as I think it ought to—the difference in cost of production at home and abroad.

The bill contains a repeal of the stamp taxes carried in the last so-called emergency revenue bill passed by a preceding Congress during this administration—provisions which were obnoxious to almost everybody, and which, in my judgment, never ought to have been adopted—and I hail with delight an opportunity to vote for their repeal.

The bill also contains a provision for an inheritance tax. It is not exactly the kind of inheritance tax I would provide for, but if we are going to enact a law for an inheritance tax, or, rather, an estate tax, as this is properly called, for the purpose of raising revenue, then the provisions of this bill will be ample.

In my judgment the provisions of the bill in regard to the estate tax will raise a large amount of revenue. I know the objection is made, and I have sympathy with it, that this is one of the methods of raising revenue by the States. I voted for the amendment offered by the Senator from New Hampshire to give half the money to the States. I would be willing to give more. When the Underwood tariff bill was before this body I offered an amendment providing for a progressive inheritance tax, that after making an exemption of $50,000 the tax should be collected in a progressive way, with the idea not particularly of raising money so much, although it would have raised a great deal, as to break up the large fortunes, and I provided, I think, that 90 or 95 per cent of the money so raised should practically be paid to the State, or, in other words, I provided that a State which had an inheritance tax and some one who was liable to pay it would present a receipt to the proper officer of the Federal Government showing the payment of the inheritance tax on that bequest to the State government he should be credited with 95 per cent of the amount that he had paid. This estate tax is, in my judgment, the best inheritance tax or estate tax of this kind that has ever been enacted by Congress in any law that it has ever passed. It provides for a progressive tax running up in very large estates to as high as 10 per cent.

The bill also provides for an increase of the income tax, and in a part of that I think the bill is wrong. I would not favor doubling the normal tax, but the increase of the tax on large incomes meets with my hearty approval and goes a great way to convince me that I ought to vote for the bill.

It has a tax on munitions of war. I have repeatedly said that while I was opposed to the various programs that were enacted to make it necessary for us to raise a large amount of revenue if we did carry out these various programs of the present administration and the many appropriations, I thought we ought to raise the additional revenue by an increased tax on large incomes, by an inheritance tax, and by a tax on munitions. The bill provides for a tax on munitions.

Mr. President, without going into details, I want to call attention to some of the profits of those who have been engaged in the manufacture of munitions of war since the beginning of the war. The figures that I give were taken from the Wall Street Journal, but placed in the RECORD by Representative GOOD of Iowa. In these two articles, quoted in full in the RECORD of July 12, 1916, at pages 12622 and several pages following, it appears that most of the munitions in this country shipped abroad during the war were made by 26 corporations. I want to call attention to the fact that the market value of the stocks of those corporations before the war began, as given by the Wall Street Journal, was $1,287,658,000. At the end of the year 1915 the market value of those stocks had increased to $2,212,986,000, and they have not quit going up yet. They have been going up a good deal since. These figures were taken at the end of the year 1915, making a total increase of $919,323,000—nearly a billion dollars.

There is quite a high tax levied on the people engaged in this business. I could go on at length and show the profits they have made and the per cent they have made. It has been astounding. It strikes me that institutions whose stocks have been increased in value in the several billion dollars' worth of orders that they have received—I do not know, I think somewhere about $3,000,000,000—not only ought to be required out of the profits they have made to pay a large portion of the tax, a great deal of which is to be spent for a continuation of their own business when the war ends. The great propaganda for preparedness that swept this country like a whirlwind was for

the benefit of those men and those corporations that had already made millions, and whose business would be curtailed somewhat when the war was over, and they were, therefore, directly interested in the great propaganda that went over the country for the so-called preparedness plan. So, when the war is over, instead of supplying these various materials to foreign countries, they are going, to a great extent, to supply them to our own country in time of peace.

It is no more than just, it is no more than fair, it seems to me, that the men who have made the money ought to be required to help very materially to contribute to the so-called expense.

Taking it all in all, it seems to me, Mr. President, that laying aside, of course, the conditions and the legislation and the appropriations that have made this revenue bill necessary, it would be difficult to draft a bill, according to my judgment, more systematically or better adapted to properly raise revenue for the payment of the debts that we have so foolishly and so extravagantly and ruthlessly contracted.

For that reason, it seems to me, Mr. President, that the bill ought to receive unanimous approval of this body. It ought to receive, it seems to me, the approval of every Republican for the several provisions that it contains, for which we have contested and contended and fought for years. The inheritance tax was one that we put in the Payne-Aldrich bill, so called. We had an income tax early, and a tariff commission. We have contested and contended for these principles. We get them now in this bill, even though they come from men who have been converted to our cause, and because the Democrats who have proposed it have changed front is no reason why we should change front and oppose it. As far as I am concerned I am just as willing to vote for it if it comes from the enemy as though it comes from our own house, if I believe it is right, and believing it is right, Mr. President, I am ready to vote for the bill.

The PRESIDING OFFICER. If there are no further amendments as in Committee of the Whole the bill will be reported to the Senate.

Mr. LANE. I give notice I shall offer in the Senate an amendment on pages 49 and 50.

The bill was reported to the Senate as amended, and the amendments were concurred in.

Mr. LANE. I present the following amendment and ask for a vote on it.

The PRESIDING OFFICER. The amendment will be read.

The SECRETARY. On page 49, line 22, insert after the word "any" the word "person"; on page 50, line 4, after the word "such" insert the words "under the same rules and regulations governing the inspection of public records generally"; and on page 50, line 4, strike out the words "*Provided*, That," and further strike out all of lines 5 to 15, inclusive, on page 50, so that subsection (b) of section 14 when so amended shall read as follows:

> When the assessments of any person, corporation, joint-stock company or association, or insurance company shall be made, as provided in this title, the returns together with any correction thereof which may have been made by the commissioner, shall be filed in the office of the Commissioner of Internal Revenue and shall constitute public records and be open to inspection as such, under the same rules and regulations governing the inspection of public records generally;"

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

Mr. PENROSE. That has been voted on once.

The PRESIDING OFFICER. It is renewed in the Senate. The Senator from Oregon has a right to present it. The question is on agreeing to the amendment.

Mr. LANE. I ask for the yeas and nays.

The yeas and nays were not ordered.

The amendment was rejected.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. SMOOT. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). Again announcing my pair with the Senator from Maryland [Mr. SMITH], and transferring my pair to the Senator from California [Mr. WORKS], I vote "nay."

Mr. GALLINGER (when his name was called). Announcing the same transfer of my pair as on the last vote, I vote "nay."

Mr. GRONNA (when his name was called). Again announcing the transfer of my pair with the junior Senator from Maine [Mr. JOHNSON] to the senior Senator from Idaho [Mr. BORAH], I vote "nay."

The PRESIDING OFFICER (when Mr. OVERMAN's name was called). The present occupant of the chair is paired with the Senator from Wyoming [Mr. WARREN] and withholds his vote.

Mr. OWEN (when his name was called). I transfer my pair with the Senator from New Mexico [Mr. CATRON] to the Senator from Kentucky [Mr. JAMES] and vote "yea."

Mr. REED (when his name was called). I am paired with the Senator from Michigan [Mr. SMITH]. If permitted to vote, I would vote "yea."

Mr. ROBINSON (when his name was called). I make the same transfer of my pair as on previous votes, and I vote "yea."

Mr. SHAFROTH (when his name was called). I am paired with the junior Senator from Washington [Mr. POINDEXTER]. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. STONE (when his name was called). I transfer my standing pair with the Senator from Wyoming [Mr. CLARK] to the Senator from Arizona [Mr. SMITH] and vote "yea."

Mr. VARDAMAN (when his name was called). I have a pair with the Senator from Idaho [Mr. BRADY] and withhold my vote.

Mr. WEEKS (when his name was called). Making the same announcement as on the last vote, I vote "nay."

If my colleague [Mr. LODGE] were present, he would vote "nay."

The roll call was concluded.

Mr. ROBINSON. The Senator from Delaware [Mr. SAULSBURY] is unavoidably absent. He is paired with the Senator from Rhode Island [Mr. COLT]. If the Senator from Delaware were present and at liberty to vote, he would vote "yea."

Mr. MYERS. I have a pair with the Senator from Connecticut [Mr. MCLEAN]. He is absent and I am not able to obtain a transfer and I withhold my vote. If at liberty to vote, I would vote "yea."

My colleague [Mr. WALSH] is necessarily absent. He is paired with the Senator from Rhode Island [Mr. LIPPITT]. If my colleague were present and at liberty to vote, he would vote "yea."

Mr. UNDERWOOD. The Senator from Arkansas [Mr. ROBINSON] made an incorrect statement as to the pair of the Senator from Delaware [Mr. SAULSBURY]. The Senator from Rhode Island [Mr. COLT] and myself have transferred our pairs, so that the Senator from Delaware [Mr. SAULSBURY] stands paired with the Senator from Ohio [Mr. HARDING].

Mr. ROBINSON. I was requested to make the announcement, and I withdraw it.

Mr. SMOOT. I desire to announce the absence of my colleague [Mr. SUTHERLAND]. He has a general pair with the senior Senator from Arkansas [Mr. CLARKE]. If my colleague were present, he would vote "nay."

Mr. CURTIS. I was requested to announce the unavoidable absence of the junior Senator from Ohio [Mr. HARDING], and to state that if present he would vote "nay."

Mr. HUGHES. I desire to announce the unavoidable absence of the senior Senator from Kentucky [Mr. JAMES]. If he were present, he would vote "yea."

Mr. GALLINGER. I announce the unavoidable absence of the senior Senator from Wyoming [Mr. CLARK] and the junior Senator from Wyoming [Mr. WARREN]. If they were present, they would both vote "nay."

Mr. CURTIS. I was requested to announce the following pairs:

The Senator from Connecticut [Mr. BRANDEGEE] with the Senator from Arkansas [Mr. ROBINSON];

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from Rhode Island [Mr. LIPPITT] with the Senator from Montana [Mr. WALSH];

The Senator from Michigan [Mr. TOWNSEND] with the Senator from Florida [Mr. BRYAN]; and

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS].

Mr. COLT. On account of the transfer of my pair, I am at liberty to vote on this question, and I vote "nay."

Mr. CURTIS. I was requested to announce that the senior Senator from Rhode Island [Mr. LIPPITT] and the senior Senator from Connecticut [Mr. BRANDEGEE] if present would both vote "nay."

Mr. SHEPPARD. I desire to announce that my colleague, the senior Senator from Texas [Mr. CULBERSON] is necessarily absent. He is paired with the Senator from Washington [Mr. POINDEXTER].

The result was announced—yeas 42, nays 16, as follows:

YEAS—42.

Ashurst	Husting	Norris	Smith, Ga.
Bankhead	Kenyon	Owen	Smith, S. C.
Beckham	Kern	Phelan	Stone
Bryan	La Follette	Pittman	Swanson
Chamberlain	Lane	Pomerene	Taggart
Chilton	Lea, Tenn.	Ransdell	Thomas
Clapp	Lee, Md.	Robinson	Thompson
Cummins	Lewis	Shafroth	Underwood
Fletcher	Martin, Va.	Sheppard	Williams
Hardwick	Martine, N. J.	Shields	
Hughes	Newlands	Simmons	

NAYS—16.

Colt	Fall	McCumber	Sherman
Curtis	Gallinger	Nelson	Smoot
Dillingham	Gronna	Oliver	Sterling
du Pont	Jones	Penrose	Weeks

NOT VOTING—37.

Borah	Harding	O'Gorman	Tillman
Brady	Hitchcock	Overman	Townsend
Brandegee	Hollis	Page	Vardaman
Broussard	James	Poindexter	Wadsworth
Catron	Johnson, Me.	Reed	Walsh
Clark, Wyo.	Johnson, S. Dak.	Saulsbury	Warren
Clarke, Ark.	Lippitt	Smith, Ariz.	Works
Culberson	Lodge	Smith, Md.	
Goff	McLean	Smith, Mich.	
Gore	Myers	Sutherland	

So the bill was passed.

Mr. SIMMONS. I move that the Senate request a conference with the House of Representatives on the bill and amendments and that the Chair appoint seven conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. SIMMONS, Mr. WILLIAMS, Mr. SMITH of Georgia, Mr. HUGHES, Mr. PENROSE, Mr. MCCUMBER, and Mr. SMOOT conferees on the part of the Senate.

Mr. SIMMONS. I ask unanimous consent that the bill as amended be printed.

The PRESIDING OFFICER. If there is no objection that order will be made.

RECESS.

Mr. SIMMONS. Mr. President, I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 12 o'clock and 20 minutes a. m., Wednesday, September 6, 1916) the Senate took a recess until 11 o'clock a. m., Wednesday, September 6, 1916.

NOMINATION.

Executive nomination received by the Senate September 5 (legislative day of September 1), 1916.

REGISTER OF LAND OFFICE.

Charles S. Dunn, of La Grande, Oreg., to be register of the land office at La Grande, Oreg., vice Frank C. Bramwell, term expired.

CONFIRMATIONS.

Executive nominations confirmed by the Senate September 5 (legislative day of September 1), 1916.

CONSUL.

CLASS 8.

Frank Anderson Henry to be a consul of class 8.

COLLECTOR OF CUSTOMS.

George P. Woollen to be collector of customs for customs collection district No. 43.

PUBLIC HEALTH SERVICE.

Asst. Surg. Grover A. Kempf to be passed assistant surgeon.

POSTMASTERS.

LOUISIANA.

Lewis A. Wood, Ponchatoula.

MINNESOTA.

C. H. Leighty, Glenville.
George J. Reichert, Long Prairie.

PENNSYLVANIA.

Ira C. Gleim, Mount Holly Springs.
Alexander S. Guffey, Pittsburgh.
John F. Lavelle, Girardville.

TEXAS.

A. H. Buie, Ennis.

HOUSE OF REPRESENTATIVES.

TUESDAY, *September 5, 1916.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Infinite and eternal God, inspire us with clear perceptions as to our calling in life that our hearts may beat true to the heavenly vision and follow with faith and confidence whithersoever it may lead that we may hallow Thy name by the absolute rectitude of our behavior in all that pertains to life, private and public, and thus emulate the virtues of the world's great Exemplar. For Thine is the kingdom and the power and the glory forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

GENERAL DEFICIENCY BILL.

Mr. SISSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 17645, the general deficiency bill, disagree to the Senate amendments, and agree to the conference asked for by the Senate.

The SPEAKER. The gentleman from Mississippi asks unanimous consent to take from the Speaker's table the bill H. R. 17645, disagree to the Senate amendments and agree to the conference asked for by the Senate. Is there objection?

Mr. COX. Reserving the right to object, and I am not going to object, I have no doubt that the gentleman from Mississippi will be a member of the conferees. I want to call his attention to an amendment put on in the Senate. It relates to what is known as the steel bloom bill, which carries an appropriation of $142,000, and there is no merit in the claim. It has no place on this bill, for it is not a deficiency. I see in the RECORD that one Senator said he was willing to let it go in on certain conditions, and he would appear before the conferees. I hope the gentleman will look seriously to that item before he concurs in that amendment.

The SPEAKER. Is there objection?

There was no objection.

The Speaker appointed as conferees on the part of the House Mr. FITZGERALD, Mr. SISSON, and Mr. CANNON.

THE FORT ASSINNIBOINE MILITARY RESERVATION.

Mr. RAKER. Mr. Speaker, I present a conference report on the bill (S. 3646) to amend the act of February 11, 1915 (38 Stat. L., p. 807), providing for the opening of the Fort Assiniboine Military Reservation, and I ask unanimous consent for its present consideration, notwithstanding it has not been printed.

The SPEAKER. The gentleman from California asks unanimous consent to consider this conference report, notwithstanding the rule with reference to printing. Is there objection?

Mr. MANN. Reserving the right to object, I do not know anything about it.

The SPEAKER. There were only two amendments; the first was to set aside a certain tract of land for the Indians as a permanent reservation, and the Senate agreed to the House amendment striking out the word "permanent." The last amendment was to set aside about 8,000 acres of land for a park and camping ground. The House receded from that amendment by striking out the word "permanent" and adding a provision that the use of the park should be without expense hereafter to the United States.

Mr. MANN. What did the Senate do?

Mr. RAKER. The Senate receded from its disagreement.

Mr. MANN. Let the conference report be read.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report, as follows:

CONFERENCE REPORT (NO. 1196).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3646) to amend the act of February 11, 1915 (38 Stat. L., p. 807), providing for the opening of the Fort Assiniboine Military Reservation, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 1: That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same.

Amendment numbered 2: That the Senate recede from its disagreement to the amendment of the House numbered 2, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be stricken out by the House insert the following:

"SEC. 12. That the Secretary of the Interior is hereby authorized and directed to withdraw and set aside as a camping

ground, the same to be kept and maintained without cost to the Government of the United States, the following-described land in said reservation lying on both sides of Beaver Creek within townships 29, 30, and 31 north, 15 and 16 east, to wit: The west half section 34; all of sections 33, 28, and 21; the west half southwest quarter, northwest quarter section 22; all of section 16; the south half, northwest quarter, west half northeast quarter, section 9; the east half northeast quarter section 8; the east half southeast quarter section 5; the west half, northeast quarter, west half southeast quarter section 4, township 29 north, range 16 east; and the south half southwest quarter, south half southeast quarter, northeast quarter southeast quarter, east half northeast quarter, section 33; the southeast quarter southeast quarter, north half southeast quarter, southwest quarter southwest quarter, north half southwest quarter, north half, section 28; the west half southeast quarter, west half northeast quarter, west half, section 21; the east half southeast quarter, east half northeast quarter, section 20; the west half section 16; east half, east half northwest quarter, section 17; the east half southwest quarter, east half northwest quarter, east half, section 8; the west half southwest quarter, west half northwest quarter, section 9; all of section 5; the northeast quarter section 6, township 30 north, range 16 east; and the southwest quarter section 32; the south half, northwest quarter, southwest quarter northeast quarter section 31, township 31 north, range 16 east; and the east half southeast quarter section 25; southeast quarter southeast quarter, northwest quarter southeast quarter, northeast quarter northeast quarter, west half northeast quarter, east half northwest quarter, northwest quarter northwest quarter, section 26; south half southwest quarter, south half southeast quarter, section 23, township 31 north, range 15 east, Montana principal meridian," embracing an area of approximately 8,880 acres.

JOHN E. RAKER,
CARL HAYDEN,
WM. L. LA FOLLETTE,
Managers on the part of the House.

H. L. MYERS,
M. A. SMITH,
REED SMOOT,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference of the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3646) to amend the act of February 11, 1915 (38 Stat. L.), providing for the opening of the Fort Assiniboine Military Reservation, submit the following written statement explaining the effect of the actions agreed upon:

House amendment No. 1: This amendment strikes out of the bill the word "permanent" and simply sets apart the tract of land as a reservation for the Rocky Boy's Band of Chippewas and other homeless Indians in the State of Montana as the Secretary of the Interior may see fit to locate thereon.

House amendment No. 2: This amendment struck out all of section 12, which authorized the Secretary of the Interior to withdraw and set aside as a camping ground approximately 8,880 acres. The amendment by the House was receded from with an amendment striking out the words "permanent park" and simply providing for camping ground and restoring all of section 12, with an amendment to the effect that after this land is set aside by the Secretary of the Interior the same is to be kept and maintained without any cost to the United States Government. It is made to appear to the conferees that these lands had been used for many years by the people in the surrounding community as a general camping ground and that it ought to be maintained for that purpose; that it would be kept up and maintained, as in the past, without any cost to the Government. It was believed that this was a wise provision, and with the amendment that the original section 12 should be agreed to, for the reasons stated.

The establishment of this camping ground and the maintenance of it, as it has been for many years in the past, without any cost or expense to the Government is a worthy object and much good will come from it. To dispose of the land involved for other purposes would be of no practical benefit to anyone and discommode those who have heretofore used the land involved as a camping ground, from which much benefit has been derived.

All of which is respectfully submitted.

JOHN E. RAKER,
CARL HAYDEN,
WM. L. LA FOLLETTE,
Managers on the Part of the House.

Mr. MANN. Reserving the right to object, as I understand, the House struck out that provision.

Mr. RAKER. It struck out section 12.

Mr. MANN. And this reinstates it.

Mr. RAKER. Yes; reinstates it, striking out the word "permanent" and inserting as an amendment that the camping ground may be set aside, but that it is without expense to the Government of the United States.

The SPEAKER. Is here objection?

There was no objection.

The conference report was agreed to.

WILLIAM HAROLD KEHOE.

Mr. FIELDS. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 6279) for the relief of William Harold Kehoe.

The Clerk read the bill at length.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, what are the circumstances in the case that call for this act?

Mr. FIELDS. This cadet while participating in drill service was kicked by a horse. A long illness followed, and as the result of that illness tuberculosis developed.

Mr. STAFFORD. I ask that the gentleman withdraw the bill for the present.

Mr. FIELDS. Mr. Speaker, I will withdraw it without prejudice.

Mr. MANN. There is no prejudice about it.

LEAVE TO ADDRESS THE HOUSE.

Mr. CHANDLER of New York. Mr. Speaker, I ask unanimous consent to address the House immediately at the close of the speech of the gentleman from New York [Mr. LONDON].

The SPEAKER. The gentleman from New York asks permission to address the House at the close of the speech of the gentleman from New York [Mr. LONDON]. Is there objection?

There was no objection.

Mr. MANN. Mr. Speaker, I ask unanimous consent that my colleague, Mr. RODENBERG, be permitted to address the House for 30 minutes at the conclusion of the address of the others.

The SPEAKER. The gentleman from Illinois asks unanimous consent that his colleague, Mr. RODENBERG, at the conclusion of the addresses by the speakers already scheduled, be allowed to address the House for 30 minutes. Is there objection?

There was no objection.

Mr. BYRNS of Tennessee. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes at the conclusion of the address of the gentleman from Illinois [Mr. RODENBERG].

The SPEAKER. The gentleman from Tennessee asks unanimous consent to address the House at the conclusion of the remarks of the gentleman from Illinois [Mr. RODENBERG]. Is there objection?

There was no objection.

SHERMAN COUNTY SETTLERS' RELIEF.

Mr. SINNOTT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the Sherman County settlers' relief bill.

The SPEAKER. Is there objection?

There was no objection.

CLERK TO COMMITTEE ON EDUCATION.

Mr. LLOYD. Mr. Speaker, I present the following privileged resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House resolution 224 (H. Rept. 1191).

Resolved, That in lieu of the session clerk heretofore assigned, the Committee on Education be, and is hereby, allotted an annual clerk at a salary of $2,000 per annum, to be paid out of the contingent fund of the House until otherwise provided by law.

With the following committee amendments:

Line 3, strike out the words "an annual" and insert the word "a."

Line 3, strike out the words "$2,000 per annum" and insert in lieu thereof the words "$180 per month during the remainder of the Sixty-fourth Congress."

The SPEAKER. The question is on agreeing to the committee amendments.

Mr. LLOYD. Mr. Speaker, the Committee on Education are very insistent that they shall have an annual clerk and insist that they have a lot of work to do between now and December. The Committee on Accounts refused to allow them the annual clerk, but by an amendment we provide that they may have a clerk during the interim between the close of this session and the next regular session of Congress.

Mr. MANN. Is the gentleman quite sure that this form of resolution does not authorize an appropriation for an annual clerk?

Mr. LLOYD. Very sure, because we take out the word "annual," and we provide that his employment shall conclude at the close of the Sixty-fourth Congress.

The SPEAKER. The question is on agreeing to the amendments.

The amendments were agreed to.

The resolution as amended was agreed to.

PREPAREDNESS.

Mr. CLINE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the subject of preparedness.

The SPEAKER. Is there objection?

There was no objection.

MESSENGERS IN POST OFFICE.

Mr. LLOYD. Mr. Speaker, I present the following privileged resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House resolution 353 (H. Rept. 1192).

Resolved, That nine messengers in the post office of the House of Representatives now authorized to be employed during the session may continue to be employed during the period between the adjournment of the present session and the 1st of December, 1916, and be paid out of the contingent fund of the House at the rate of $100 per month.

Mr. LLOYD. Mr. Speaker, this is the usual resolution passed at the adjournment of the long session with reference to the session employees of the House in the post office of the House.

Mr. MANN. Mr. Speaker, we authorize the employment of certain people in the post office of the House while Congress is in session because they deliver the mail to the Members. Of course this is just a present to these nine messengers during the recess.

Mr. LLOYD. Not altogether.

Mr. MANN. Formerly we used to provide for an extra month's pay for all of the employees. This provides an extra three months' pay for some of the employees but not for the balance. I rather think that the old method of treating all alike was fairer than it is to take a few and give them three months' extra pay. Of course we all know that they will not be employed.

Mr. LLOYD. Mr. Speaker, there are some of these people who will be employed all of this time. There are clerks of Members who remain here and there are a number of Members of Congress who come here shortly after the election and are here during the month of November, so that these messengers will have work to do nearly all of the time.

Mr. MANN. But two clerks can do all of the work. Four hundred and thirty-five Members of the House and the officers of the House conduct a very heavy correspondence while the House is in session, but when Congress adjourns they do not have very much to do. They have something to do, but not much. The clerks over there have something to do, but these are messengers. These are not clerks in the post office, as I understand it.

There are a number of annual employees connected with the post office. We need those, of course. However, if the gentleman from Missouri [Mr. LLOYD] and the Democratic side of the House think it is more proper to pay a few clerks three months' extra pay than it is to divide it up and pay all of the employees one month's extra pay, I do not know that I can help it. It is not according to my idea of the proprieties, however.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

JOSEPH S. M'COY.

Mr. LLOYD. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the desk and ask to have read.

The Clerk read as follows:

House resolution 364.

Resolved, That the Clerk of the House is hereby authorized and directed to pay to Joseph S. McCoy, out of the contingent fund of the House, the sum of $325 for services rendered the Ways and Means Committee from April 3, to July 10, 1916.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, let us have an explanation of this.

Mr. LLOYD. Mr. Speaker, this provides for additional pay for an expert who is detailed from the Treasury Department to the Committee on Ways and Means. That expert is to receive $100 a month for extra services that he rendered the committee. This provides for three and one-quarter months' pay, from April to July 10.

Mr. STAFFORD. Is it customary to pay these clerks who are detailed from the Treasury Department to the committees of Congress?

Mr. LLOYD. Yes. They are usually provided for in a special fund, and the gentleman will remember that there was a special fund provided for, but it was not provided for this session of Congress. There is no fund out of which to pay this man.

Mr. STAFFORD. Is this the only clerk that will be paid?

Mr. LLOYD. Yes; this is the only extra compensation asked for by the Committee on Ways and Means.

Mr. NORTON. What does this clerk receive from the Treasury Department? This is in addition to his compensation from the Treasury Department.

Mr. LLOYD. I am not sure about his salary, but my understanding is that it is $2,500 a year.

Mr. KITCHIN. I will state to the gentleman that while working here he also does his work in the department. He gets down two or three hours earlier and returns there and keeps up his work there in addition to his committee work.

Mr. NORTON. This is additional work outside of their regular work in the department.

Mr. KITCHIN. Yes. This has been the custom heretofore.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The question was taken, and the resolution was agreed to.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Carr, one of its clerks, announced that the Senate had passed joint resolution (S. J. Res. 173) authorizing payment of the salaries of officers and employees of Congress for September, 1916, in which the concurrence of the House of Representatives was requested.

CONDITIONS AT ELLIS ISLAND.

Mr. BENNET. Mr. Speaker, I move to discharge the Committee on Immigration and Naturalization from the further consideration of the following resolution, which is now privileged.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House resolution 341.

Resolved, That the Secretary of Labor be directed to send to the House of Representatives the results of the examinations into conditions on Ellis Island, taken by and before Byron H. Uhl, assistant commissioner of immigration, at Ellis Island July 25, 26, and 27, 1916.

The SPEAKER. This becomes privileged by virtue of the seven-day rule?

Mr. BENNET. Yes, sir.

Mr. HARRISON. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Mississippi rise?

Mr. HARRISON. To ask the gentleman if he will withhold that for a moment.

Mr. BENNET. Certainly; any particular reason?

Mr. HARRISON. I ask the gentleman to withhold it; I have some doubt about it being privileged. It is merely asking for some papers, as I heard it read, and not an investigation.

Mr. BENNET. That is all. It does not refer to the resolution before the Committee on Rules. It merely asks that the result of the examination into the conditions at Ellis Island, taken by and before the assistant commissioner on three successive days, be sent to the House of Representatives.

The SPEAKER. The gentleman from Mississippi asks the gentleman from New York to defer his motion for a few moments.

Mr. BENNET. Why, certainly.

The SPEAKER. The gentleman from Alabama [Mr. HEFLIN] is recognized for 10 minutes. [Applause.]

Mr. HEFLIN. Mr. Speaker——

PAYMENT OF SEPTEMBER SALARIES TO OFFICERS AND EMPLOYEES OF SENATE AND HOUSE OF REPRESENTATIVES.

Mr. LLOYD. Mr. Speaker, if the gentleman will permit me, I ask to take from the Speaker's table the resolution which has just come in from the Senate.

The SPEAKER. The gentleman from Missouri asks unanimous consent to take from the Speaker's table and consider the resolution which has just come over. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, what is the purpose of the resolution?

Mr. LLOYD. The Clerk will please read the resolution.

The SPEAKER. The Clerk will report the resolution. It is a Senate resolution.

The Clerk read as follows:

Joint resolution (S. J. Res. 173) authorizing the payment of September salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session.

Resolved, etc., That the Secretary of the Senate and the Clerk of the House of Representatives be, and they are hereby, authorized and instructed to pay to the officers and employees of the Senate and House of Representatives, including the Capitol police and pages, borne upon

the annual and session rolls, their respective salaries and per diem for the month of September, 1916, on the day of adjournment; and the Clerk of the House is authorized to pay on said day to Members, Delegates, and Resident Commissioners their allowances for clerk hire for said month of September: *Provided*, That the session employees of the Senate and House of Representatives shall be paid hereunder for the entire month of September, and a sufficient sum is appropriated, out of any money in the Treasury not otherwise appropriated, for that purpose.

Mr. STAFFORD. I take it the purpose of this resolution is to grant the employees of the House virtually an extra month's salary.

Mr. LLOYD. No, sir; it provides no additional salary of any kind. All it does is to provide that whatever they would receive in the month of September they receive on the day of adjournment, and the purpose of authorizing payment on the day of adjournment rather than on the 1st day of October is that some of these employees want to go home and, to be frank about it, have not got the money to do so, and this gives them an opportunity to go home.

Mr. STAFFORD. What is the purpose of the second clause which says that session employees shall be entitled to a full month's salary?

Mr. LLOYD. I did not so understand.

Mr. STAFFORD. I ask unanimous consent that the last clause be read again.

The SPEAKER. The Clerk will report the last clause.

The Clerk read as follows:

Provided, That the session employees of the Senate and House of Representatives shall be paid hereunder for the entire month of September.

Mr. STAFFORD. To be frank, its purpose is to give an extra month's salary to the session employees of the House and Senate. Now, of course, the Republicans, when they were in control, always granted the employees an extra month's salary; but when the Democrats took possession, with their great cardinal position of economy, they refused to grant it.

Mr. LLOYD. Mr Speaker, I have not carefully but casually examined the resolution in the RECORD, and I did not notice that the word "entire" was used there. The only purpose we have is to have a resolution which will pay session clerks on the day of adjournment for the services they have rendered up to the end of this session. I do not think the House would favor any proposition that would pay these session clerks to the 1st day of October, because we have consistently and persistently refused to pay any extra month's salary, and therefore I should desire to amend the resolution by providing that session clerks shall be paid up to the day of adjournment on the day of adjournment.

The SPEAKER. What is the amendment?

Mr. LLOYD. I have not the text before me, but it is that the session clerks shall be paid on the date of adjournment for services rendered in September.

Mr. BUCHANAN of Illinois. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Illinois rise?

Mr. BUCHANAN of Illinois. To ask unanimous consent that the resolution be so amended that it will provide that mileage at the rate of 5 cents per mile be paid to these employees going to their homes.

Mr. LLOYD. Mr. Speaker, I ask unanimous consent to withdraw this resolution for the moment.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none, and therefore the motion of the gentleman falls to the ground.

THE EIGHT-HOUR LAW.

Mr. HEFLIN. Mr. Speaker, on yesterday the gentleman from Pennsylvania [Mr. MOORE] showed that he was considerably worried and disturbed in his mind because a Democratic House, Senate, and President had averted the greatest strike that ever threatened the country. I have been wondering, Mr. Speaker, why it was that these gentlemen voted against the measure intended to prevent the strike, and the best reason that I can find is in the Scripture, which says, "The ox knoweth his owner and the ass his master's crib." [Applause on the Democratic side.]

Mr. Speaker, in my speech of last Friday I said that many Republicans did not want the railroad strike settled; that some of them were really hoping that the strike, with all its demoralization and ruin, would come upon the country, and the gentleman from Pennsylvania [Mr. MOORE] has proven that I was correct in that position. [Applause on the Democratic side.] Last Friday he moaned and groaned because he feared that we would settle the strike, and on yesterday he was visibly affected and noticeably sad because we had settled it. [Applause on the Democratic side.] Poor old degenerated and conscienceless Republican Party, reckless and desperate now, it is the tool of the bosses and the slave of special interests. [Applause on the Democratic side.]

If there ever was a time when you could test out a situation and show just where Representatives stand, it is on an occasion like that in the House last Friday and that presented in the Senate on Saturday. If there ever was a time when the people could find out who is on the people's side, it is on an occasion of that character. When the people's welfare is involved and the rights of the laboring man are at stake, you always find the Democratic Party on the side of right and on the side of the people. [Applause on the Democratic side.]

Mr. Speaker, the Republican leaders are indignant because President Wilson invited the trainmen of the United States to the White House. They are actually mad because the President has dared to consider and dignify the appeal of this honest industrial army. [Applause on the Democratic side.] They are so accustomed to star-chamber proceedings and so used to being told by the bosses what to do that they can not grasp the question from the standpoint of right or get the humane viewpoint of the masses of the people. [Applause on Democratic side.] They have betrayed the confidence of the American citizen and lost the respect and support of hundreds of thousands of patriotic Republicans. [Applause on the Democratic side.] They have shown a willingness to sacrifice principle to obtain power and to injure the country to carry the national election. [Applause on the Democratic side.] They can not realize that this is a Government of the people. They are out of touch and sympathy with the spirit of our institutions. [Applause on the Democratic side.] The present subserviency, management, and leadership of the Republican Party have damned and destroyed its usefulness. [Applause on the Democratic side.] The Progressives left it because it was dominated by the bosses and owned by the privileged interests. [Applause on Democratic side.] Four years ago they refused to bow the knee and humble themselves at the feet of the "porch-climbing" bosses of the Republican Party, and conditions now are worse than then. [Applause on Democratic side.] Do you think that they will throw away their self-respect, be false to their sense of duty, and unfaithful to their country and come back to be the menials of the same brazen bosses who outraged them and betrayed their country four years ago? [Applause on Democratic side.] No, gentlemen, a new day has dawned.

The bosses and the haughty privileged classes have had their day, but now in the freedom of the new day men are standing with heads erect and light upon their faces and ready to render patriotic service to their country. [Applause on the Democratic side.] All hail to the new freedom and all praise to Woodrow Wilson for the wholesome and happy new order of things! [Applause on the Democratic side.]

The gentleman from Pennsylvania [Mr. MOORE] is sad because the President used four pens in signing the strike-prevention measure, and he is disturbed because the President gave the four pens to the heads of the brotherhoods of the trainmen of the United States. Why should he not have given the pens to these faithful soldiers of the rail? [Applause on the Democratic side.] He has employed more pens for more good purposes in three and a half years than your Republican Presidents have in a dozen administrations. [Applause on the Democratic side.] As the gentleman from Pennsylvania spoke of the disposition of those pens I wondered what Mr. Roosevelt had done with the pen that he used when he addressed "My Dear Harriman," and requested him to come over and read his message to Congress and see if there was anything in it to which special interests objected. [Applause on the Democratic side.] I wondered what Mr. Taft had done with the pen that he used when he signed Ballinger's commission for a place in his Cabinet, a man who, in secret league with certain lumber kings and coal barons, was turning over to them the public domain of the West. [Applause on the Democratic side.] And I am still wondering what he did with the pens that he used when he signed the Payne-Aldrich tariff bill, with its Schedule K; but I said he must have given one to the head of the Wool Trust and the other to the captain of industry at Lawrence, Mass., where they were grinding out the lives of little children. [Applause on the Democratic side.]

But what about this man Wilson? Is he a man of the people? Do the people have his ear? Yes; and he is serving them faithfully. [Applause on the Democratic side.] Merchants and bankers came to him and said, "We want a banking system that will serve our needs, prevent panics, and take away from a few men in Wall Street the control of the credit and money supply of the country; and he gave it to them. [Applause on the Democratic side.] When the farmers of the country came and said, "We want banking facilities that will serve our pur-

pose and meet our needs," he gave them a rural credit system. [Applause on the Democratic side.] When the laboring people came and said, "In some localities the courts are used to coerce and intimidate the toiler, and we ask for the right of trial by jury in certain contempt cases," and Woodrow Wilson gave it to them. [Applause on the Democratic side.]

Mr. Speaker, on last Friday, when the President of the United States and the Congress were trying to avert the greatest railroad strike that ever threatened the country, I saw Republican leaders here and in the Senate doing all in their power to defeat the measure that would prevent the strike. [Applause on the Democratic side.] When manufacturers all over the country and business men in our industrial centers were urging the President, by telegrams and telephone messages, to avert the strike if possible and prevent the widespread demoralization of business that would surely follow, what was the conduct of Republican leaders then? Majority leader KITCHIN, anxious to pass the measure and get it over to the Senate as soon as possible, asked unanimous consent to take the bill up and consider it at once, and the leader of the Republican Party in this House [Mr. MANN] objected. [Applause on the Democratic side.] And, Mr. Speaker, when the cities of the country, dependent upon regular freight-train service for their food supplies, were about to be cut off from the base of supplies, upon the farms of the country, and when mothers whose little children's lives depended upon fresh milk supplies that came in each day from the country were imploring the President to prevent the strike and save their children, Mr. MANN, the leader of the Republican Party in this House, voted against the measure that prevented the strike. [Applause on the Democratic side.]

Yes, Mr. Speaker, when a railroad strike had been ordered and was ready to break upon us in all its fury, tying up the transportation facilities of the country, demoralizing business, paralyzing interstate commerce, and starving people in many of the large cities, the leader of the Republican Party in this House, Mr. MANN, and the leaders of the Republican Party in the Senate, Messrs. SMOOT, PENROSE, and GALLINGER, all voted against the measure that has averted the strike and prevented untold suffering and misery amongst the people of the whole country. [Applause on the Democratic side.]

But the gentleman from Pennsylvania [Mr. MOORE] objects to the trainmen getting the pens that the President used in signing the bill. He objects to these toilers being received and their course considered by the President.

Mr. Speaker—

There's glory in the shuttle song; there's triumph in the anvil stroke.
There's merit in the brave and strong who dig the mine or fell the oak.
I doubt if he who lolls his head where idleness and plenty meet
Enjoys his pillow or his bread as those who earn the meals they eat.

And I can say to these trainmen in the language of Eliza Cook—

Hold up your brow in honest pride,
Though rough and swart your hands may be—
Such hands are sap veins that provide
The life blood for the Nation's tree.

[Applause on Democratic side.]

Mr. MOORE of Pennsylvania. Mr. Speaker, will the gentleman yield to me for a question?

The SPEAKER. The time of the gentleman has expired. The Chair suggests to the gentleman to wait until we get this straightened out first.

Mr. GOODWIN of Arkansas. I yield 10 minutes to the gentleman from Alabama.

Mr. MOORE of Pennsylvania. Just one question would be all that I desire to ask the gentleman.

Mr. HEFLIN. Very well; just one question.

Mr. MOORE of Pennsylvania. Is the gentleman from Alabama in favor of an eight-hour law in Alabama?

Mr. HEFLIN. Is that your question?

Mr. MOORE of Pennsylvania. That is my question.

Mr. HEFLIN. I am in favor of the eight-hour principle for trainmen.

Mr. STAFFORD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. STAFFORD. Has the gentleman's time been extended at the request of the gentleman from Pennsylvania?

The SPEAKER. By the gentleman from Arkansas [Mr. GOODWIN], who has an hour assigned to him.

Mr. STAFFORD. I did not understand that one gentleman to whom time had been granted by unanimous consent could assign any of it.

Mr. BENNET. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama may proceed for 10 minutes.

Mr. STAFFORD. When a gentleman was entitled to an hour he could assign part of that time to others. I ask that the gentleman from Alabama may proceed for 10 minutes.

Mr. HEFLIN. Does the gentleman object?

The SPEAKER. If the gentleman from Wisconsin objects, the Chair will sustain the objection.

Mr. STAFFORD. I do not object. I ask that the gentleman's time be extended.

Mr. MOORE of Pennsylvania. I submitted a request for unanimous consent, which was the regular order.

The SPEAKER. Nobody would care about this yielding of 10 minutes here to-day, but we do not want to set a general rule that when a Member is granted permission to speak 10 or 15 or 20 minutes, or whatever it is—an unusual sort of request—he can parcel it out. It would be setting a bad example, and the Chair sustains the point of order, and puts the request, both of the gentleman from New York [Mr. BENNET] and that of the gentleman from Wisconsin [Mr. STAFFORD], that the time of the gentleman be extended 10 minutes. Is there objection?

There was no objection.

Mr. MOORE of Pennsylvania. Will the gentleman from Alabama yield for one question?

Mr. HEFLIN. For one question.

Mr. MOORE of Pennsylvania. I desire to ask the gentleman from Alabama if he is in favor of an eight-hour law covering the farmers of Alabama?

Mr. HEFLIN. I will be glad to answer the gentleman's question. I am in favor of it for trainmen in Alabama engaged in the service like that we considered Friday.

Mr. MOORE of Pennsylvania. If the gentleman pleases, he has not answered my question.

Mr. HEFLIN. I will answer it, and answer it in my own way. Of course, I am not in favor of an eight-hour law for farmers, and the gentleman knows that we have nothing to do with that subject.

Mr. MOORE of Pennsylvania. That is what I thought.

Mr. HEFLIN. I am in favor of more people working on the farm. I would be in favor of putting the gentleman from Pennsylvania on a farm [laughter], and if he were anywhere else except in the stand-pat district that he represents I think they would send him to the farm on account of his votes here. [Laughter.] Out on the farm people are in the open air, in the sunshine, where they fare well and become healthy and physically strong, but in the sweat shops and factories, from which places Woodrow Wilson has taken the little children, the situation is quite different. [Applause on the Democratic side.]

Now, Mr. Speaker——

Mr. HASTINGS. Mr. Speaker, will the gentleman yield for a second?

Mr. HEFLIN. I would rather not. I have but little time.

Mr. HASTINGS. I wanted to call attention to the fact that gentlemen on the other side do not know anything about the farmers and the needs of the farmers, because they are not referred to at all in their platform of 1916.

Mr. HEFLIN. That is true. They know how to "farm" the farmer. That is the only kind of farming that they know or care anything about. [Laughter.]

Mr. Speaker, Republicans are indignant because the trainmen were invited to the White House, but it was all right for the railroad presidents to go to the White House when Theodore Roosevelt was President and have the Treasury of your country and mine to issue money upon railroad bonds. You did not criticize that; not one of you. [Applause on the Democratic side.] But it is all wrong for this army of trainmen, these laboring people, to come to the White House and ask that a just and humane principle be acknowledged and their rights considered. It was all right for you to write into your platform in 1908 a guaranty to the manufacturer of a reasonable profit on the money he had invested, and you even permitted him to be the judge of what a reasonable profit should be. [Applause on the Democratic side.]

And it was all right when the money lords of Wall Street told Roosevelt that they would produce a panic if he did not let them have the Government's money, and when he refused they produced the panic in 1907; and then he opened the Treasury to them and took the Government's money to New York and turned it over to them, and they loaned it out at a high rate of interest. [Applause on the Democratic side.]

That was all right, you say. You loaned the people's money to the railroad presidents on railroad bonds. It was all right to go into the purse of the people and take millions to Wall Street when they held the threat of a panic over Roosevelt's head. That was all right.

And it is all right, you say, to use a pen in writing a guaranty of a reasonable profit to the manufacturer, forgetting the farmer, the merchant, the laboring man, the preacher, the teacher,

and the toilers of every class. [Applause on the Democratic side].

Mr. MOORE of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. HEFLIN. I can not yield. I have only a few minutes remaining.

The SPEAKER. The gentleman declines to yield.

Mr. HEFLIN. I would like very much to yield to my good friend, because he is in trouble. [Laughter.]

Mr. MOORE of Pennsylvania. Then why do you not?

Mr. HEFLIN. He is in trouble because of the position that he took on the strike question Friday and yesterday. It ought to disturb him and haunt him and make him lose sleep. I do not believe that he has slept a wink since the President signed that bill. [Laughter and applause on the Democratic side.]

The gentleman just simply can not get used to the people's rule. He was trained in the school of the bosses. When they had the Ways and Means Committee and passed the Payne-Aldrich tariff bill they did not have the consumers before the committee, not one of them. They did not invite the laboring men. They had only the bosses and the captains of industry who contributed to the campaign funds of the Republican Party [applause on the Democratic side], and that is why they wrote a guaranty to the manufacturers for a reasonable profit. And yet you have the gall to stand up here and talk about the President putting his nose into this railroad controversy in the effort to prevent a strike. When the situation threatened starvation in big cities, transportation facilities tied up, interstate commerce paralyzed, children starving, men and women terror stricken begging the President to prevent the strike, and here you are playing a miserable game of politics at the cost of principle and to the detriment and great injury of your country. [Applause on the Democratic side.] Oh, Mr. Speaker, these gentlemen would like to see the old order of things restored, and if the country should be so reckless as to place the Republicans in control of the House they will restore Cannonism and take from the Members the power to elect committees. They will again give that power to the Speaker, and the Cannon dynasty will be reestablished. Bills will be buried in committees unless the Speaker wishes them brought out. [Applause on the Democratic side.] That is the condition that will obtain in this House if you should get control. [Applause on the Democratic side.]

Mr. Speaker, the bosses of the Republican Party are misrepresenting the administration and slandering the President, and are using money corruptly. They intend to try to buy the election in some places and to obtain it under false pretenses in others. [Applause on the Democratic side.] Yes; and then they are appealing to sectional prejudice.

I want the gentleman from Illinois [Mr. RODENBERG] to bear this in mind when he comes to speak. When we had the Panama exposition matter up in this House, and he was pleading for it to go New Orleans, he talked about sectionalism being dead. He said the last vestige of it was gone, and he thanked God that we had a reunited country. But not long ago, strange to say, he made an appeal to sectionalism and sought to arouse sectional prejudice. The Republican candidate for President speaks of Americanism in one breath and then appeals to sectionalism in another. [Applause on the Democratic side.] That is not the Americanism that Grant had in mind when he refused to take Lee's sword at Appomattox. That is not the Americanism that Grant had in his heart when he said to Gen. Lee, "Tell your men to take their horses home and make a crop." [Applause on the Democratic side.] That is not the kind of Americanism that Lincoln stood for when he heard of Lee's surrender, for tears came into his eyes as he caught a glimpse of that great America to be, and he told the bandmaster to play Dixie. [Applause on the Democratic side.] That is not the kind of Americanism that Fitzhugh Lee and Frederick Grant illustrated when, in uniforms of blue, they stood under Old Glory at San Juan Hill. [Applause on the Democratic side.] No, Mr. Hughes, your Americanism is not the kind of Americanism that McKinley spoke for when he stood in the capitol of Georgia, the home State of Alexander H. Stephens, vice president of the Confederacy, and congratulated the country upon the increasing cordiality and growing friendship between the sections. [Applause on the Democratic side.] It is not the Americanism that McKinley had in mind when he said the graves of Confederate dead on the Nation's battle fields shall be marked and cared for. [Applause on the Democratic side.] Not the kind of Americanism that Taft stood for when he appointed the associate justices from the South and appointed an ex-Confederate soldier to the Chief Justiceship of the highest court in the land. [Applause on the Democratic side.] Gentlemen, no sincere patriot, no genuine American statesman, will do anything now to try to disturb this increasing cordiality and growing friendship between the sections. [Applause on the Democratic side.] The man who does it is not a friend of the American people; he is an enemy to his country. [Applause on the Democratic side.]

The SPEAKER. The time of the gentleman has expired.

Mr. HEFLIN. Just one minute more, Mr. Speaker.

Mr. MOORE of Pennsylvania. I ask unanimous consent that the gentleman from Alabama have one minute more.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent that the gentleman from Alabama may have one minute more. Is there objection?

There was no objection.

Mr. HEFLIN. That is very kind of my friend, but they would not let me follow him on yesterday.

Mr. MOORE of Pennsylvania. I desired to have him follow me yesterday, I will say to the gentleman.

Mr. HEFLIN. President Wilson is the Lincoln of the twentieth century [applause on the Democratic side], with all his humane impulses and love for the common people. [Applause on the Democratic side.] No President has encountered so many serious and trying difficulties, so many grave and perplexing problems. He has met and mastered problems of State, interstate, national, and international character. With powerful foreign influences at work trying to draw him into the war, and with powerful sinister interests at home trying to drive him into war, he has kept his country free from war. [Applause on the Democratic side.] With a diplomacy unparalleled in history, he has upheld the dignity of our country, preserved the national honor, and kept us at peace with the world. [Applause on the Democratic side.] And, Mr. Speaker, when the history of this trying time shall finally be made up, the history of the great men most conspicuous in it, the master spirit, the sublimest figure of them all, will be Woodrow Wilson, President of these United States. [Applause on the Democratic side.] And, Mr. Speaker, long after those who malign him have passed away and those who traduce him are dead and forgotten, his deeds will live in the hearts of the people and his name will be radiant in the history of his country as one who loved and served mankind. [Prolonged applause.]

LEAVE TO ADDRESS THE HOUSE.

Mr. BARKLEY. Mr. Speaker, I ask unanimous consent that following the gentleman from Tennessee [Mr. BYRNS] I may have 20 minutes.

The SPEAKER. The gentleman from Kentucky asks unanimous consent that following the gentleman from Tennessee [Mr. BYRNS] he be permitted to address the House for not exceeding 20 minutes.

Mr. BARKLEY. Mr. Speaker, I desire to couple with it the request that if I am unable to speak this afternoon, it may go over until to-morrow morning.

Mr. BENNET. It is a continuing order.

The SPEAKER. They all go over. Is there objection?

There was no objection.

EXTENSION OF REMARKS.

Mr. HUDDLESTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Alabama asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

MILEAGE FOR EMPLOYEES.

Mr. BUCHANAN of Illinois. Mr. Speaker, I ask unanimous consent for the immediate consideration of the following resolution which I send to the Clerk's desk.

The SPEAKER. The gentleman from Illinois asks unanimous consent for the immediate consideration of the resolution which the Clerk will report.

The Clerk read as follows:

Joint resolution authorizing the payment of mileage to officers and employees of the Senate and House of Representatives.

Resolved, etc., That the Secretary of the Senate and the Clerk of the House of Representatives be, and they hereby are, directed to pay to the officers and employees of the Senate and House of Representatives, including clerks to Members, Delegates, and Resident Commissioners, the Capitol police, and W. A. Smith, CONGRESSIONAL RECORD clerk, borne on the annual and session rolls on the 1st day of September, 1916, mileage at the rate of 5 cents per mile, each way, to be estimated by the nearest route usually traveled in coming from and returning to their homes

That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, a sum sufficient to carry out the provisions of this act, the same to be immediately available.

The SPEAKER. Is there objection?

Mr. CULLOP. I object.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed with amendments the bill (H. R. 15807) to provide for holding sessions of the United States district court in the district of Maine, and for dividing said district into divisions, and providing for offices of the clerk and marshal of said district to be maintained in each of said divisions, and for the appointment of a field deputy marshal in the division in which the marshal does not reside, in which the concurrence of the House of Representatives was requested.

The message also announced that the Senate had passed joint resolution of the following title, in which the concurrence of the House of Representatives was requested:

S. J. Res. 169. Joint resolution interpreting section 50 of the act of June 3, 1916, for making further and more effectual provision for the national defense, and for other purposes.

COMMITTEE ON MILITARY AFFAIRS.

Mr. KITCHIN. Mr. Speaker, I want to bring a little matter to the attention of the House. The gentleman from Virginia [Mr. HAY] has handed in his resignation as a Member of the House, to take effect on September 30. That will leave a vacancy in the chairmanship of the Committee on Military Affairs. That committee will have to meet, as they generally do, before the next session convenes in order to make up appropriations, and it is necessary that a chairman should be elected in his place. I therefore desire to nominate and move the election of the Hon. S. H. DENT, Jr., of Alabama, as chairman of the Military Affairs Committee, to take effect October 1 next.

Mr. GARRETT. Mr. Speaker, I have no objection to Mr. DENT, but my impression was that under the rules of the House Mr. DENT would automatically become chairman.

Mr. KITCHIN. No; not in the case of a resignation; only in the case of temporary absence of the chairman.

The SPEAKER. The gentleman from North Carolina moves the election of the gentleman from Alabama [Mr. DENT] as chairman of the Committee on Military Affairs, to take effect October 1 next. Are there any other nominations?

There were no other nominations.

The question was taken; and Mr. DENT was declared elected chairman of the Committee on Military Affairs.

SANITARY CONDITION OF DAIRIES IN UNITED STATES.

Mr. CHANDLER of New York. Mr. Chairman, in the closing hours of this session of Congress I want to register a vigorous protest against the failure of the House Rules Committee to report out House resolution 137, a resolution providing for a committee to investigate the sanitary conditions of dairies in the United States. I want also to serve notice at this time that I shall unite my efforts with those of other friends of this measure at the opening of the regular session in December to have this resolution reported out and passed by the House

During the last nine months we have been in almost constant session, presumably legislating for the common defense and promoting the public welfare of our country. To a certain extent we have succeeded. Some very beneficial legislative measures have been passed. Others not so good, and some positively bad and vicious, have run the gantlet of both the House and Senate.

I am a Republican in politics. I believe that the principles of the Republican Party are best suited for the happy and prosperous development and government of our land. But I hold that at times, when occasion demands, the true representative of the people should bury his partisanship in his patriotism, and that severe punishment should be administered to any public servant who seeks to derive partisan advantage at the expense of the welfare of his country. I have made it a point, therefore, during my congressional career to support any measures, from whatever source they came, that were designed to contribute to the prosperity of the people and to augment the glory and grandeur of the Republic.

Following this nonpartisan impulse, and in obedience to this patriotic principle, it has afforded me pleasure to support the resolution (H. Res. 137) of my distinguished Democratic colleague from Maryland, Mr. LINTHICUM. My pleasure in rendering this support has been only heightened by the reflection that I was redeeming one of my promises to the people of my district at the last election, when I told them that I would do everything in my power to strengthen and improve our Federal pure-food laws.

It is all very well for us to sit from day to day in solemn session discussing national preparedness, Philippine independence, the tariff, and other revenue measures, but matters of equally great importance, though not so august in name or pompous in sound, are those questions that seriously affect the physical well-being and health of the people of our country. We can not be either healthy or happy without sound bodies, and we can not have sound bodies by being compelled to eat and drink unhealthful things. In our immigration laws, in our criminal enactments, and in the encouragement that we give to religious freedom, we seek to raise the standard of the morals of the community. In our statutes pertaining to public instruction we seek to elevate the intellect and strengthen the public intelligence of the Nation. This is all very well, but we should not neglect the very foundation of all these things—the proper care of the bodies of our citizens and rigid legislative provisions looking to their protection against bad food and drink.

The resolution of my colleague from Maryland illustrates very clearly its own meaning, and in its every line and letter offers its own best argument. I therefore insert it at this point entire. It is as follows:

"[H. Res. 137, Sixty-fourth Congress, first session.]

"Whereas it is reported by the Bureau of Animal Industry that 94.5 per cent of the creameries of the country are insanitary to a greater or less degree; that 61.5 per cent of the cream used is unclean or decomposed, or both; that 72.6 per cent of the cream is not pasteurized, but is made into butter to be consumed in raw state, in which state disease germs retain their virulence for a long period of time; that a large percentage of all dairy cattle are affected with tuberculosis; and that infected dairy products are among the active agents in the spread of tuberculosis, typhoid fever, and other infectious diseases; and

"Whereas dairy products are the most widely used of all human foods; and

"Whereas dairies and dairy products are not subject to Federal inspection, so that there is a growing sense of alarm among the consumers: Therefore be it

"*Resolved*, That the Speaker of the House of Representatives appoint a committee of five Members of the House, whose duty it shall be to investigate and report as speedily as practicable (a) whether conditions prevailing in dairies and dairy products seriously menace the health and property of people of the United States; (b) whether Federal inspection and supervision, either alone or in cooperation with State and municipal inspection and supervision, is necessary to the reasonable protection of the health and property of the citizens of the United States; (c) if so, then the best and most economic methods of inaugurating and enforcing the inspection and supervision.

"Second. That for the purpose of fulfilling its functions said committee is empowered to summon and examine witnesses, enforce the production of records, and to do all other things needful and lawful to accomplish its purpose.

"*Resolved further*, That the expenses of said inquiry and investigation shall be paid out of the contingent fund of the House upon vouchers approved by the chairman of said committee, to be immediately available."

The beauty of this resolution is the official basis upon which it rests. The introductory, or "Whereas," clause is an almost literal quotation from the report of the Bureau of Animal Industry of 1912. Being official, we may reasonably assume it to be true. In fact, an official document as to the correctness of the statements contained in it is one of the strongest forms of evidence that we have. Then note, if you please, this verbatim quotation from the report of the department:

"Investigations have shown that 61 per cent out of 1,554 lots of cream received at creameries and buying stations was of third grade—that is, dirty, decomposed, and very sour—that 94.5 per cent of 715 creameries investigated were insanitary to a greater or less degree; and that 72.6 per cent of these creameries did not pasteurize the milk so as to destroy any disease germs that might be present. As disease-producing germs are known to survive for long periods in butter made from unpasteurized cream, and as butter is eaten in the raw state, this product when made under such conditions as prevail in the majority of creameries can not be said to be wholesome and free from danger to human health."

I am well aware that this report of the Bureau of Animal Industry has been attacked as false and misleading. The National Dairy Union is especially vehement in its denials and accusations. Mr. William T. Creasy, secretary of the National Dairy Union, in the hearings before the Rules Committee, spoke of "the broad sweep and unwarranted conclusion" of the report. Subsequently, in a letter to Mr. Creasy upon the subject Hon. D. F. Houston, Secretary of Agriculture, made the following statement:

"So far as can now be determined the report itself is a fair index of conditions existing in the territory surveyed at the

time it was issued. The statements are very moderate in the light of the data in the department's files. This information was collected by the Dairy Division staff by men who were identified with and friendly to the dairy industry. It is unfortunate if this report, issued in 1912, has been distorted or misrepresented or made to appear applicable to existing conditions and necessarily to sections other than those involved in the survey. But I do not see how explanations could be made without repeating to a considerable extent what was said in the report. While it is believed that dairy conditions have improved considerably since the report was issued, it is not thought that they have yet reached a standard of perfection that much can be said on the subject without giving information that would still be to some extent unfavorable and objectionable to the interests that you represent."

The fact that there is a dispute between certain agents of the Government and certain representatives of the National Dairy Union as to the truthfulness of statements in the report of the Bureau of Animal Industry is the very best reason and the very strongest argument for the appointment of a congressional investigating committee to determine who is right. Undoubtedly there is a prima facie case made by the official statement of the Government for congressional action, if we are not wholly inclined to the accommodation of private interests rather than to a zealous guardianship of the public welfare. The result of the investigation might show that Mr. Creasy and the National Dairy Union were right when they attacked the report. It might be developed at the hearings before the committee that the investigations made by the Bureau of Animal Industry, which formed the basis of the report of 1912, were too limited in physical area or numerically too small in the number of cows and creameries examined to justify congressional action in the matter of framing Federal laws. The matter could then be left to the control of State inspection, although this is admitted to be exceedingly deficient and unsatisfactory. On the other hand, it might be discovered that the report of the Government was well founded both as to extent of territory and as to the number of cows and creameries examined. It might also be shown that the whole United States was infected, and that the conditions existing were a serious menace to the health of the public. What then could intelligent, conscientious, responsible representatives of the people do but get ready at once to legislate against the evil? Would our neglect to act immediately upon such a report be anything less than a flagrant breach of public duty?

The alarming extent of the evil which we suspect may be judged by a few extracts from the testimony of the experts at the hearings before the Committee on Rules. The following is pertinent:

"Mr. LENROOT. How many creameries are there in the United States?

"Dr. MELVIN. Creameries or dairies? There are 6,000 creameries.

"Mr. LENROOT. And how many dairies?

"Dr. MELVIN. We were estimating on that yesterday. There are about 22,000,000 dairy cows in the United States, and I think they estimate from 7 to 9 head in each dairy, so even at that 10 to each dairy would make it 2,200,000."

At the same hearings, Mr. E. C. Schroeder, a scientist of the Bureau of Animal Industry, declared "that a trifle more than 9 per cent of the cattle of the United States are affected with tuberculosis, and this means virtually one cow out of every ten."

If the testimony of the experts be true, we have, then, about 10 per cent of 22,000,000 dairy cows in the United States affected with tuberculosis. These 2,200,000 tubercular cows are a menace to the health and lives of the people of our country, and it is our solemn duty as representatives of the people to give the matter serious and careful consideration. It is not a matter for jest or conjecture. I insist that it is a serious and solemn proposition. The gravity of the situation may be shown by data and statistics furnished by physicians and experts as the result of complete scientific research and experiment.

From the New York Globe of September 30, 1915, we quote the following:

"At the interstate conference on milk control, held at the New York Academy of Medicine, February 5 and 6, 1913, Dr. William H. Park said: 'We attack this problem in New York City by examining many hundreds of children and adults that have tuberculosis, our experience being the same as that recorded in Germany and England—that 10 per cent of the fatal cases of tuberculosis among children were due to bovine bacilli; that of all the children which were fed with raw dairy products one-half died of bovine bacilli; and that about one-half of all the people, younger children and older children, that had gland tuberculosis had bovine infection.'"

And again, in the same paper, of the same issue, we find the following:

"At the congress held in Washington, from which Dr. Park's statements were quoted here, Dr. G. Sims Woodhead, University of Cambridge, said: 'It can undoubtedly be demonstrated that a considerable proportion of cases of tuberculosis of the intestines and of the lymphatic glands are caused by bovine infection—milk, pot cheese, ice cream, and butter. Such infection occurs especially in the early years of life, and affects not only the intestines, with their associated glands, but also the bones, and even the lungs.' It has been generally accepted that the milk from cows in which the udder is manifestly tuberculous contains tubercle bacilli, and that the milk of one such cow mixed with the milk of 99 perfectly healthy cows infects the entire batch.

"At this congress the work of Dr. Delepine, of Manchester, was reviewed. Dr. Delepine demonstrated that tuberculosis other than tuberculosis of the lungs is responsible for a little less than one-third of the total number of deaths attributed to tuberculosis. All these cases, he holds, are due to food infection and aero infection. These are his words: 'Taking all evidence into consideration, it is possible to say, without fear of exaggeration, that not less than 25 per cent of the children suffering from tuberculosis under 5 years of age suffer from tuberculosis of bovine origin, and that this rate is much lower than one based on probabilities would be.'"

In the testimony of experts heretofore adduced we have both the cause and the effect demonstrated. Dr. Melvin and Dr. Schroeder tell us how many tubercular cows there are in the United States. Dr. Park and Dr. Delepine point out the large percentage of deaths due to tuberculosis of bovine origin, and still we doubt and hesitate to act in the simple matter of a proposition to appoint a congressional committee to investigate the matter thoroughly and report to the Congress the results of its investigation.

The report of the Bureau of Animal Industry of 1912 furnishes not only a very fine basis for congressional investigation of the sanitary conditions of dairies in the United States, but outlines as well a most wise and efficient course of Federal legislation to remedy existing evils. As a supplement to State inspection laws, the following suggestions are made:

It is believed that a proper law well enforced would remove nearly all of the bad conditions now existing. A Federal law would, of course, apply only to products made for interstate or export shipment or to establishments engaged in interstate or foreign commerce. Such a law should embody the following requirements:

(1) That a proper standard of sanitation in the plants be maintained.

(2) Compulsory pasteurization of all cream.

(3) The power should be given to inspect the cream received at such establishments and to supervise the processes of manufacture, as well as to inspect the finished product and to condemn and destroy for food purposes any milk, cream, or butter found to be unwholesome or unfit for human food.

(4) Low-grade cream which is neutralized, blown, or otherwise renovated should be required to be handled in a separate plant and the butter made from such cream labeled so as to indicate that it is made from renovated cream; in other words, it should be handled in the same manner as renovated butter.

(5) The stamp of approval of the United States Government should be required upon all cases before any transportation company is allowed to accept them for interstate or export shipment.

(6) The interstate shipment for food purposes of cream or other dairy products that are unwholesome or unfit for human food should be prohibited.

(7) Suitable penalties should be provided for all violations.

I know of no more humane and beneficent service that the Congress of the United States could render to all the people of the Nation than to institute an investigation into one of the great causes of tuberculosis and then to pass Federal laws that would help to restrain and suppress the evil. We have it upon good authority that nearly 100,000 people die annually within the boundaries of our country of tuberculosis. This dread disease is the scourge of the race, and all the forces of mercy, philanthropy, and charity are combining their efforts to combat it and stamp it out. Religion, through the denominational sanitarium, is lending its aid. Organized charity is doing its part magnificently and well. The profession of medicine is yielding its secrets and dedicating the best products of its labors and of its genius in a grand, gigantic effort to stem the tide. Let not Congress be a coward or a laggard in this great and

humane struggle. Let us perform our duties like brave and intelligent men. Let us stand by the babies and small children of our country and hold over them a protecting arm. Let us extend to suffering humanity a helping hand. Let us pass this resolution, and then, if need be, enact Federal laws that the emergency demands. We shall then each enjoy the approval of a good conscience and merit the commendation of a grateful constituency. [Applause.]

THE EIGHT-HOUR LAW.

Mr. LONDON. Mr. Speaker, the gentleman from Pennsylvania, Mr. MOORE, was evidently staggering under the blow which he inflicted upon himself when he voted against the eight-hour bill. Let us be serious about it. One of the greatest strikes in history confronted the country. The most powerful union in the world put forth certain demands. The President offered his services as mediator. When he failed he came to Congress and asked Congress to act. The truth is that the railway brotherhoods have been heretofore opposed to legislation in the matter of wages and hours. They are so conservative that even the conservative American Federation of Labor is too radical for them, and they do not belong to the American Federation of Labor. The enactment of what is now known as the eight-hour law is one of the greatest events in American political history. It came as a complete surprise to the railway men themselves. The brotherhoods became the plaything of economic forces which they do not understand. The great membership of this Congress hardly appreciate the significance of that eight-hour bill. Although it is not an eight-hour bill, it is a most important act. It will probably give a new direction to the entire labor movement. The temporary feature of it is that a strike has been prevented, and it is the height of folly to criticize the President for having prevented the strike. [Applause on the Democratic side.] It is the height of injustice and of narrow, unreasoning partisanship to attempt to make political capital out of this situation.

I am not holding a brief for the President or the Democratic Party. I do not intend to do so. I intend to fight both political parties until the great masses of the working people will be intelligent enough to see that both old parties are worthless. But I want to be just.

What has happened? You have not really legislated, you acted the part of a mediator. Mediation was offered to the railroad companies by the Chief Executive, the representative of the entire people. Instead of looking upon themselves as agents of a public utility and servants of the people, they took the ground that they were absolute owners of the railroad companies and they refused mediation. Having refused the President's mediation, they had to take the mediation of Congress.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. LONDON. No; I have only a few minutes. I may yield when I get through. The great difficulty with compulsory arbitration is to find an impartial arbitrator in a controversy arising out of a conflict of class interests. The proposition of an eight-hour day may appear preposterous to the banker and to the financial magnate, while to the worker it is a matter of elementary justice.

It is a question of a viewpoint, of a philosophy of life dictated by economic interests. These things do not lend themselves to arbitration, and if they are to be arbitrated at all there should be no smaller arbitrator than the elected Representatives of the people of the United States, and that is what happened here. [Applause on the Democratic side.]

You, unconsciously, unknowingly, and perhaps unintelligently acted the part of arbitrators of a great controversy. Before I close, I want to ask you gentlemen, particularly those who take so much pride in having passed the law, not to take away with the left hand what you have given with the right. Do not permit yourselves to be deceived into the belief that compulsory arbitration is a possible thing in the United States. Do not permit yourselves to believe for one moment that the working people will stand for compulsory arbitration. Those who talk about establishing an industrial court utterly fail to comprehend the real character of industrial disputes. They are bread and butter questions. They lie at the very root of all endeavor for betterment. Ultimately, we will have to have national ownership of the railways in this country. The presidents of the railways, as well as the hundreds of thousands of workers employed, have to realize that they are the servants of the people. In this particular dispute the railroad workers were weak and helpless, because they were so powerful. Their strike would have paralyzed the country, and they realized it when the moment to strike came. They were helpless in their great strength, and they were happy, and they are happy now that the Congress of the United States has come in and helped to adjust this great difficulty. There is danger that compulsory arbitration will become an issue after the election is over. This issue should be nipped in the bud. There can not be any compulsory arbitration. I now yield to the gentleman from Pennsylvania [Mr. MOORE].

Mr. MOORE of Pennsylvania. The gentleman stated that it was the policy of organized labor, including the American Federation of Labor, not to ask for legislation——

Mr. LONDON. Upon the subject of hours and wages.

Mr. MOORE of Pennsylvania. With respect to hours and wages. That is true. Is it not a fact that the American Federation of Labor, in its convention at San Francisco last year, passed a resolution asking Congress and other legislative bodies to keep hands off in the matter of hours and wages?

Mr. LONDON. I know there was a vote of something like 8,000 to 6,000, the majority holding that they should not appeal to the legislature for an eight-hour law.

Mr. MOORE of Pennsylvania. The gentleman is a thinker upon this subject——

Mr. LONDON. Pardon me, but what I was trying to emphasize is this. You talk about the railroad men holding up Congress. That is absolutely untrue, because they never asked Congress to legislate for them. I do not mean the gentleman individually, but I refer to the people who are talking generally with reference to the railroad men having held up Congress.

Mr. MOORE of Pennsylvania. Gentlemen on the other side who make political speeches may not believe it, but I am in sympathy with the eight-hour principle, and have said so time and again in this House and have voted that way, but I object to dictation, as does the gentleman, from the White House or elsewhere so far as my legislative duty is concerned.

Mr. LONDON. Oh, I want to say, so far as the White House is concerned, that the President has such a powerful grip upon his party that it follows him wherever he leads.

DEMOCRATIC LEGISLATION.

The SPEAKER. The gentleman from Illinois [Mr. WM. ELZA WILLIAMS] is recognized for 30 minutes.

Mr. WM. ELZA WILLIAMS. Mr. Speaker, my attention has been called to a matter to which I desire to invite the attention of the House. We have a campaign in Illinois that is becoming very interesting, and some one recently sent me a newspaper published at Aurora, Ill.—the Aurora Beacon News. When I opened it, I discovered the very handsome countenance of my genial colleague, the Hon. IRA C. COPLEY. Attracted by the picture of the distinguished gentleman, I commenced to read and was surprised and at the same time gratified and pleased at the compliment extended to the Democratic Party and its accomplishments. I understand there are other gentlemen in Illinois resorting to the same method of campaigning, who seek an election, even a nomination, by taking credit for Democratic legislation. I understand that my colleague Mr. MCKENZIE and my colleague Mr. FOSS rejoice that they are different from other Republicans and only those Republicans who live in very strong Republican districts, stand-pat in sentiment, have the courage to pursue any other course. Some of these gentlemen went so far the other day as to vote for a Democratic measure—the eight-hour law. My colleague Mr. CANNON, with workshops, railroad shops, and thousands of railroad men in his district, voted for the eight-hour law.

I will read just what our friend and colleague Mr. COPLEY has to say, and upon what theory he is seeking the nomination as well as election. He starts out:

HON. IRA C. COPLEY, CONGRESSMAN OF THE ELEVENTH DISTRICT OF ILLINOIS, CANDIDATE FOR RENOMINATION AT THE REPUBLICAN PRIMARIES.

To the Voters of the Eleventh Congressional District of Illinois:

During the five and one-half years since Mr. COPLEY entered Congress, he has had an active part in the enactment of many constructive acts of legislation, among which are the following:

The Clayton antitrust law.

[Applause on the Democratic side.]

The bill to create the Department of Labor.

[Applause on the Democratic side.]

The rural credits act—

[Applause on the Democratic side.]

which is calculated to place the farmer upon the same footing as other business men in respect to credits.

Mr. KEATING. Will the gentleman yield?

Mr. WM. ELZA WILLIAMS. Yes, sir.

Mr. KEATING. Is this rural credits bill mentioned by Mr. COPLEY, Republican candidate for Congress in Illinois, the same rural credits bill which was denounced in the last Republican national platform as being a mere makeshift?

Mr. WM. ELZA WILLIAMS. It is the same which the Republicans denounced in their platform as ineffective.

Mr. BRITTEN. Did my colleague Mr. COPLEY refer to the Mexican resolution wherein we justified our Army and Navy going into Vera Cruz?

Mr. WM. ELZA WILLIAMS. I do not know how Mr. COPLEY voted on that question.

Mr. BRITTEN. I am asking about the gentleman who has the floor, who voted to justify the President's action in the use of the Army and Navy at Vera Cruz.

Mr. WM. ELZA WILLIAMS. So I did, and I would do it again. [Applause on the Democratic side.]

Mr. BRITTEN. Is Mr. COPLEY boasting of it?

Mr. WM. ELZA WILLIAMS. If the gentleman will listen he will find out how many things Mr. COPLEY boasts of.

Mr. FARR. Will the gentleman yield simply for a question?

Mr. WM. ELZA WILLIAMS. Oh, yes.

Mr. FARR. Did not President Taft sign the measure creating the Department of Labor?

Mr. WM. ELZA WILLIAMS. That may be, but it was passed by a Democratic House.

Mr. FARR. No; by a Republican Senate, signed by a Republican President. Would not Mr. COPLEY be justified in having voted for that measure and in having engaged in its enactment?

Mr. WM. ELZA WILLIAMS. Well, it passed a Democratic House and he takes credit for his vote. As I understand, it originated here on a bill introduced by Mr. Wilson, now Secretary of Labor.

Mr. STEENERSON. In regard to rural credits legislation, is it not a fact the first time the subject was mentioned in any platform was four years ago, and that both parties favored rural credits legislation, and therefore it could not be called a one-party measure.

Mr. WM. ELZA WILLIAMS. Does the gentleman recall the language of his platform recently adopted at Chicago?

Mr. STEENERSON. I was speaking of the platform that Mr. COPLEY was elected on four years ago.

Mr. WM. ELZA WILLIAMS. I will read the platform he is running on at the present time. Here is the present Republican platform:

We favor an effective system of rural credits as opposed to the ineffective law proposed by the present Democratic administration.

Mr. STEENERSON. That is this year.

Mr. WM. ELZA WILLIAMS. After that platform was adopted, and this ineffective measure, which you condemned in your convention speeches, came up for a vote in the House, but 10 Republicans in the House and 5 in the Senate had the courage to vote against it.

Mr. STEENERSON. But the gentleman must remember it was the only rural credits act we could get, and the gentleman also knows the present rural credits act is ineffective. It is simply making a lot of loan agents throughout the country. We were in favor of rural credits, but this was the only plan which we could vote on. We had nothing else offered.

Mr. GLASS. Did the gentleman vote to create these loan agents throughout the United States?

Mr. STEENERSON. I certainly did.

Mr. GLASS. Why did he do it, if he thought it was ineffective?

Mr. STEENERSON. Because it was the best thing we could get.

Mr. GLASS. It is the best thing the gentleman will ever get.

Mr. STEENERSON. It establishes a reserve system so as to keep all the money in the reserve banks for commercial and speculative purposes and not to allow the farmers to employ the money——

Mr. GLASS. There is not a provision in the act that relates to speculative purposes. The gentleman from Virginia reported a rural-credits act so good that the gentleman from Minnesota was afraid to vote against it.

Mr. STEENERSON. I wanted a better rural-credits law, and the gentleman knows that speculators in Wall Street never had such a chance since the reserve system was created——

Mr. WM. ELZA WILLIAMS. Mr. Speaker, I have the floor.

The SPEAKER. The gentleman from Illinois has the floor.

Mr. WM. ELZA WILLIAMS. I want to say further in regard to the rural-credits act that I voted for it. The entire Democratic membership of this House and Senate voted for it in sincere good faith, believing that it would be effective, while our friends on the other side of the House voted for what they profess to believe to be an ineffective law and then——

Mr. STEENERSON. It was the best we could get.

Mr. WM. ELZA WILLIAMS. Mr. Speaker, I will read further from Mr. COPLEY's list of Democratic legislation which he voted for:

A nonpartisan tariff commission which will enable Congress to approach tariff legislation from a fair and scientific standpoint.

The sixteenth amendment to the Constitution of the United States, which provides for the election of United States Senators by direct vote of the people.

Mr. HENSLEY. Mr. Speaker, will the gentleman yield?

Mr. WM. ELZA WILLIAMS. Yes.

Mr. HENSLEY. Did the Republican Party ever make any serious effort to enact any rural-credit legislation during the time they were in power?

Mr. WM. ELZA WILLIAMS. Never, to my knowledge. They never introduced a bill.

Mr. STEENERSON. No platform demanded it, either Democrat, Republican, Populist, or any other one.

Mr. WM. ELZA WILLIAMS. Reading further, Mr. COPLEY says he voted for—

The inheritance tax, which exempts moderate inheritances and imposes a tax upon the larger inheritances, which it is estimated will yield $50,000,000 annually.

The income-tax law in its present form, which exempts moderate incomes and imposes a graduated tax upon the larger incomes, whereby, according to conservative estimates, $150,000,000 annually will be raised.

The Federal reserve act, otherwise known as the currency law. The importance of this act is hardly yet fully realized. It makes it impossible for a half dozen Wall Street bankers to create for their purposes a money panic, such as we experienced in 1907 and on numerous other occasions.

The Trade Commission, which gives the Government regulation and control of the large industrial corporations whose business approaches the proportions of a monopoly. The business of this country can not be conducted without these great corporations, which in the past have been groping in the dark as to their legal rights, as a result of which they have too often violated the law when there was no intention to do so. This act, in addition, gives these corporations the benefit of governmental guidance in their operations which makes a violation of the antitrust laws inexcusable.

Then, not content with a mere recital of the many good laws supported by him, Mr. COPLEY concludes his address to the people with the following sweeping declaration, which we all indorse:

Congressman COPLEY is now completing his third term in Congress. During this time more legislation of a constructive character has been considered and enacted into law than in any like period in the history of the country.

[Applause on the Democratic side.]

Congressman COPLEY is a candidate for renomination on the Republican ticket at the primaries to be held Wednesday, September 13. We bespeak your support of Congressman COPLEY at the primaries.

COPLEY CAMPAIGN COMMITTEE.

Mr. Speaker, I believe I stated that others of my colleagues in Illinois had resorted to the same method of campaigning. The fact is they are awakening to a sentiment that prevails in that great agricultural and industrial State. The spirit of progressiveness, of constructive legislation, dominates the political sentiment of the State of Illinois, and it is only those Republicans who live in overwhelming Republican districts who have dared face this sentiment and turn it down. In the district represented by my friend from Bloomington [Mr. STERLING], another represented by the minority leader [Mr. MANN], the Republicans are so overwhelming in numbers that they dare face this sentiment and yield nothing.

In the election of 1912 three-fifths of the Republicans of the State of Illinois voted for Mr. Roosevelt; two-fifths of them voted for Mr. Taft. That is about the correct proportion of standpatters and Progressives in the ranks of the Republican Party in the State of Illinois. And I want to say to my friends here upon the Republican side of this Chamber, you deceive yourselves when you believe that there is a consolidation of the two elements, the standpatters and the Progressives, and you reckon without your host when you say that you can add those two votes together and have as a result a majority of so many thousand.

My correspondence in the State has been extensive for the last six weeks, from every congressional district and from all parts of the State. I violate no secret when I say that a poll of the State of Illinois, conducted in the most systematic manner, with extensive correspondence reaching into every district and into every precinct of the State, discloses that among Republicans, and especially among progressive Republicans, there is a wide-prevailing and deep-seated sentiment and love and affection for Mr. Wilson and a revolt against the Republican Party that is portentous; and outside of the city of Chicago and down through the agricultural portion of the State the Democrats are going to make enormous gains from those who formerly voted the Republican ticket, and that section of the State which heretofore has furnished the Republican majority is going to split even in the coming election. [Applause on the Democratic side.]

And I break a little news to the further consternation, perhaps, of my good friends representing the Republican Party on the floor of this House when I say that a systematic poll in the city of Chicago, among all classes of voters, in Democratic and Republican precincts alike, covering the entire city of Chicago, discloses a change in sentiment and an avowed purpose and intention to vote the Democratic ticket, which will land Chicago in the Democratic column by over 100,000.

Mr. BORLAND. Mr. Speaker, will the gentleman yield?

Mr. WM. ELZA WILLIAMS. Yes, sir.

Mr. BORLAND. It may interest the gentleman to know that the regularly nominated Progressive candidate in the fifth district of Missouri has withdrawn from the race and has issued a statement in which he says he intends to support Woodrow Wilson and the entire Democratic ticket. [Applause on the Democratic side.] The reason he gives for that action is that the present administration of the White House has carried out all the progressive and humanitarian measures which were the foundation of the Progressive Party. [Applause on the Democratic side.]

Mr. WM. ELZA WILLIAMS. I will say, Mr. Speaker, in that connection that these changes and declarations on the part of the rank and file in Illinois have become so everyday and so common that they hardly create a passing interest. Illinois is going to line up in the Democratic column. Immediately after Mr. Hughes's nomination there seemed to be considerable sentiment in the State in his favor and the Republicans seemed very much encouraged; but after he made his speech of acceptance and started on his swing around the circle you could just feel the reaction. It has come. Our friends have to admit it. There is no disguising the fact, and I think that I am safe in predicting—perhaps in the last opportunity that I will take to address this House at this session and prior to the coming election—that the electoral vote of Illinois will be cast for Woodrow Wilson. [Applause on the Democratic side.]

Mr. Speaker, I wish to ask unanimous consent, entirely independent of what I have said here to-day, for leave to extend my remarks in the RECORD.

The SPEAKER pro tempore (Mr. VENABLE). The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD.

Mr. WM. ELZA WILLIAMS. Independent of what I have said to-day.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. FARR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting the speech of Col. Roosevelt, recently made at Lewiston, Me.

The SPEAKER pro tempore. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD by inserting the speech of Col. Roosevelt, recently made at Lewiston, Me. Is there objection?

There was no objection.

Mr. BORLAND. Mr. Speaker, reserving the right to object, I think the gentleman ought to accompany that with the telegram of congratulation from Candidate Hughes, for the benefit of our German friends.

The SPEAKER pro tempore. The gentleman from New York [Mr. BENNET] is recognized for 25 minutes.

IMMIGRATION STATION AT ELLIS ISLAND.

Mr. BENNET. Mr. Speaker, on the 18th of July, in pursuance of what seemed to me to be a clear public duty, I made certain statements on the floor of this House in relation to the Commissioner of Immgration at Ellis Island. A Member of this House is by the Constitution protected in whatever he says from any action taken elsewhere, and therefore we ought to be more careful to be accurate in our statements. I have come before the House in these closing days of the session to detail briefly some of the results of the remarks that I made at that time. I made, as they appear on page 11261 of the RECORD, four charges:

First. That Commissioner Howe permitted the prostitutes, the pimps, the procurers, to mingle at will with the other inmates at Ellis Island.

Second——

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. BENNET. Yes; for a question.

Mr. KEATING. I wanted to ask the gentleman if he would yield to permit me to make a unanimous-consent request in connection with his speech. The unanimous-consent request I desired to make was this: This is the second time the gentleman from New York has addressed the House on this subject. I have some facts that I would like to present to the House in relation to this same matter at the conclusion of the gentleman's remarks, as a matter of fairness to Mr. Howe, and I wanted at this time to ask the House for permission to follow the gentleman for a limited time, to present some facts on the other side of this question.

Mr. MANN. For how long a time?

Mr. KEATING. How much time has the gentleman?

Mr. BENNET. Twenty-five minutes.

Mr. KEATING. And he took about half an hour before.

Mr. MANN. There are other gentlemen to follow him.

Mr. KEATING. I realize that, and therefore I hesitate to prefer this request. I would like to have 20 minutes. I would like to follow the gentleman, so that I can have it in the RECORD.

Mr. MANN. If the gentleman will be content with 20 minutes, and after he uses it will not put somebody in an embarrassing position by asking for more——

Mr. BYRNS of Tennessee. Mr. Speaker, reserving the right to object, I understand the gentleman asks for 20 minutes, to follow the gentleman from New York [Mr. BENNET]. I want to say to the gentleman that I have been very kindly given permission by the House to speak for 30 minutes. I rarely take up the time of the House, and I want to speak on a matter that is of some importance to the people I represent, relative to an amendment in the revenue bill. I dislike very much to object to the request of the gentleman from Colorado, but under the circumstances I do not think I can consent. I must object.

Mr. KEATING. I request that the gentleman withhold his objection for a moment—long enough for me to refer to some of the matters concerning the Commissioner of Immigration. Those facts ought to go into the RECORD.

Mr. BYRNS of Tennessee. That is true, Mr. Speaker, but 3,000,000 people are suffering in this country now because of the belligerent powers denying the rights of shippers of tobacco to get to their market. I want to get in before this conference report on the revenue bill is agreed to.

Mr. KEATING. Then, Mr. Speaker, I will not press my request.

Mr. SLOAN. Mr. Speaker, reserving the right to object, what is the occasion for making any further speeches after all these matters have been finally settled by the gentleman from Illinois [Mr. WILLIAMS]?

The SPEAKER pro tempore. The gentleman from New York [Mr. BENNET] is recognized for 25 minutes.

Mr. BENNET. Mr. Speaker, as I was about to say when I yielded to the gentleman from Colorado to make a request for unanimous consent, to which request I did not object, I had made four charges against the commissioner at Ellis Island.

Immediately I became the target for the abuse of Mr. Howe's newspaper friends. On July 18 I told the House that I had incurred the enmity of the Globe in 1913 by representing Hudgins & Dumar, the Ellis Island contractors, as their attorney during the investigation of the charges made against them by the Globe. These charges I was able to prove to be false and unfounded, and even to prove the motives behind them. The truth won the investigation for my clients, but the fact that I had the temerity to oppose the Globe earned me its enmity.

In the present controversy it at once connected my fight against Government operation of the privileges at Ellis Island with my former retainer. It ignored the fact that my amendment was offered June 24 and that the Hudgins & Dumar contract expired June 30, only six days later. It has never published the fact that Mr. Hudgins, who is now the proprietor of Hudgins & Dumar, did not bid to succeed himself and that the contract for the feeding privilege has been let to a Mr. Lusier, the present proprietor of the restaurant in front of which Herman Rosenthal was killed. In the face of these facts it continues to assert, even so recently as September 6, that my action of June 24 was intended to benefit my former client, Mr. Hudgins. I have made arrangements to sue the Globe, Times, and Vorwarts for libel, as some of their false and outrageous statements have gone far beyond the limits of legitimate criticism of a public official.

Before I was interrupted I had read one of the charges I made July 18. The second was that this commissioner turns them—alluding to the class I had mentioned, men, women, and children—out into a common recreation ground; hardened prostitutes and adolescent youths. Third, in relation to a Mrs. Harris whom I mentioned, that the result of her coming to Ellis Island had been beneficial, and that upon some of her recommendations the conditions there have been somewhat mitigated and some of the scandalous occurrences that used to typify the twilight hours of the island had ceased to exist. And fourth, I charged that in the two years, on repeated occasions, in a number of cases, he has recommended to the department at Washington that these

individual prostitutes be admitted on bond, which simply means a license to proceed wherever they will to practice their vocation.

In connection with those four charges I mentioned two illustrative cases, one of a prostitute known as Giulietta La Marca. Mr. Howe, from Siasconset, Mass., under date of July 20, 1916, wired an interview several columns long to the New York Globe. In relation to Giulietta La Marca, he said:

I investigated her case and found that her husband had stolen her clothes and compelled her to receive men. The husband was sent to prison and Giulietta to the island.

Mr. Speaker, as stated by Mr. Howe, that is a most pitiful case; but the most pitiful thing about it is that Mr. Howe's statement is entirely, absolutely, completely untrue. The facts in relation to the case are on file in the Bureau of Immigration, file No. 53986. Giulietta La Marca, an Italian by birth, was what is known as a clandestine prostitute, who lived in 1913 in Algiers, Africa, with one Paolo Palumbo. She had been married abroad prior to that time, and so far as the State Department is able to find out her husband, an entirely respectable Italian, is still living at 30 Strada Vico, Resina, Italy. She had a child, but she abandoned that child, as she abandoned her husband, and entered into this life of prostitution. In the spring of 1914 she came to the United States on the steamship *Martha Washington*, landing in Brooklyn on June 10, 1914, stating that she was going to her husband at 116 Van Brunt Street, Brooklyn, care of M. Ciro. She had no husband at 116 Van Brunt Street, Brooklyn. The facts, as disclosed by the documents, are that she and Paolo Palumbo and one Vincenzo Palumbo, Paolo's brother, had agreed that she should leave Algiers and go to the United States for the purpose of practicing prostitution, and that when she came to the United States she went to Vincenzo Palumbo, alias Michael Maggio, alias Marco Ciro, at 116 Van Brunt Street, Brooklyn. After about a year she was caught in the practice of prostitution in the United States of America. There were caught with her Vincenzo Palumbo and a man who occupied to her the position of a broker, called Francisco Messina, whose dirty business it was to bring to her customers on a commission. Palumbo and Messino were tried in the United States District Court for the Eastern District of New York, Brooklyn, in June and July, 1915, and I read the letter of the United States attorney for that district, written to me in relation to the case:

DEPARTMENT OF JUSTICE,
OFFICE OF THE UNITED STATES ATTORNEY,
Brooklyn, N. Y., August 7, 1916.

HON. WILLIAM S. BENNET,
House of Representatives, Washington, D. C.

SIR: I acknowledge receipt of your letter of August 5, 1916, inquiring as to the date of trial of Palumbo and Messina.

In reply thereto I beg to advise you that Vincenzo Palumbo and Francesco Messina were indicted on June 8, 1915, for violation of section 3 of the act of February 20, 1907, as amended by the act of March 26, 1910, for importing an alien woman, Giulietta La Marca, for the purpose of prostitution. Trial was begun on June 29 and finished July 2, 1915, both defendants being found guilty. Palumbo was sentenced to seven and one-half years at Atlanta and Messina to three years at Atlanta.

I trust that this gives you the information which you desire.

Respectfully,

MELVILLE J. FRANCE,
United States Attorney.

After that conviction Giulietta La Marca was examined at Ellis Island, as the law requires, to show cause why she should not be deported. *She made no claim that she had been forced into her life by any husband.* She denied that she had ever been a prostitute. She made a claim that she was living with a mythical husband in Brooklyn who never existed, and whose nonexistence was very easily ascertained by the officers of the law.

And yet after all those facts, after the trial, after the conviction, after the examination, the commissioner of immigration, over his own signature, says:

I investigated her case and found that her husband had stolen her clothes and compelled her to receive men. The husband was sent to prison and Giulietta to the island.

Comment is unnecessary.

I used another illustration in relation to a young man whom I described as a Portuguese, because he spoke the Portuguese language. His nationality was Brazilian. I said that he had taken a woman on Ellis Island into one of the rooms in the detention quarters and that they had locked the door. Mr. Howe came before the Committee on Immigration here in Washington on July 28 and, among other things, met that in a way which would have been a complete defense except for one thing, and that was that the defense was untrue. Here was the defense. He said:

There is not a single door in the detention quarters at Ellis Island that locks on the inside.

And I thought from the positive way he said it that he knew what he was talking about, and I thought I had been misinformed. On the 4th of August I went over to Ellis Island, went up into that corridor with an inspector furnished me by Commissioner Howe, and found that there were eight doors to rooms in that corridor and that seven of those doors to rooms had locks on the inside. In the meantime Mr. Dinsmore, the Assistant Secretary of Labor, had made the same statement as Mr. Howe to the Committee on Immigration as of his personal knowledge. The Secretary of Labor had made the same statement to this House over his own signature as a matter of knowledge, when the facts were as I have stated. Commissioner Howe, on the same day that I was there, after he knew that I had found out the truth about the locks, wrote me a letter, in which he said:

I do not know whether you noticed it or not, but the room where we always kept the women warrant cases up to a recent transfer is room 216. It is known as the women's warrant room and has always been so designated. This is where the difficult cases we have recently had were kept up to the time when we separated them as far as possible in the corridor from the warrant men.

I said nothing about room 216 in my statement on the floor of the House. I said a room in the detention quarters.

This room can not be locked on the inside. The inside of the lock is a blank, and there is no aperture through which a key could be placed. This is known as the immoral women's room, and I presume the lock was taken off the inside for this very reason. Up to this morning I had supposed that all the rooms were alike in this regard.

Mr. Howe has been commissioner of immigration on Ellis Island for two years. He came down here on notice to testify before a committee of the House, and he stated as an absolute fact something that was not so—that a moment's investigation would have found out that it was not so. I do not know whether he did not know it or whether he did know it and presumed upon the fact that nobody would ever go down there and look at those doors. I give you the facts.

Mr. MANN. Are there locks on the inside of the doors?

Mr. BENNET. On seven of the eight rooms; and Mr. Howe admits it in his letter and says:

Up to this morning I had supposed that all the rooms were alike in this regard.

Mr. MANN. He says in his letter that one door does not have a lock on the inside.

Mr. BENNET. The other seven had.

Mr. SLAYDEN. Will the gentleman permit a question?

Mr. BENNET. Yes; a question.

Mr. SLAYDEN. Does the gentleman believe that a man of Mr. Howe's character and his generally efficient administration there would deliberately state a falsehood about things of that kind?

Mr. BENNET. Was the gentleman in the room when I stated the facts in relation to Giulietta La Marca?

Mr. SLAYDEN. No; I was not. I was getting some lunch.

Mr. BENNET. I will refer the gentleman to that part of my remarks.

Mr. SLAYDEN. With reference to whom?

Mr. BENNET. Giulietta La Marca, in which case Commissioner Howe, over his own signature, on the 20th of July, made a statement which the records of the Bureau of Immigration demonstrate to be untrue from start to finish.

Mr. SLAYDEN. A man may make an incorrect statement.

Mr. BENNET. That was not an incorrect statement. It was untrue from start to finish.

Mr. SLAYDEN. There is a difference between an incorrect statement and a falsehood.

Mr. BENNET. The gentleman can make his own comment at any time. Now as to the charges. I made my remarks on the 18th of July. On the 19th of July a New York World reporter was sent to Ellis Island to make an independent investigation, and this is what that reporter reported:

No great surprise was occasioned at Ellis Island to-day by the charges made by WILLIAM S. BENNET, of New York, in Congress yesterday. There was regret expressed that conditions on the island were to be made the subject of public scandal, for many of Commissioner Frederick C. Howe's lieutenants, although disagreeing with him in his views, feel they will be subject to criticism equally with their chief. The Evening World reporter found no difficulty in confirming many of the statements made by Representative BENNET.

Commissioner Howe has absented himself from his office more than any other immigration head in several years. It is seldom that he may be found at the island, and then usually by appointment. The affairs of the island are conducted through Byron H. Uhl, the assistant commissioner and the superintendent of the immigration station. When Commissioner Howe's return is asked about the official questioned usually replies by naming all the days of the week and then adding, "or possibly some time next week or so."

HOWE DID AWAY WITH SEGREGATION SYSTEM.

It was Commissioner Howe who first inaugurated the system of allowing all the detained aliens to mingle freely with one another. In the past it had been the custom to segregate criminals from the others. Now, however, they mingle as one family. Efforts had been made to have Commissioner Howe reverse himself, and it was felt by several of his subordinates that he was beginning to realize the falsity of his system.

Although Commissioner Howe is freely criticized by his subordinates, there are none that charge him with deliberately allowing or bringing about conditions that would make for wrong. They say the commis-

sioner is a dreamer, who does things under the belief that he is aiding the penned-up immigrants.

Abnormal conditions developed on Ellis Island with the outbreak of hostilities in Europe. There were several hundred detained immigrants whose deportation had been ordered. The majority of these aliens were from Germany and Austria-Hungary. It was impossible to send them back, and for months they were held almost as prisoners on the island. Then gradually steps were taken to allow them to land, and but seven or eight remain.

Commissioner Howe instituted the rule to allow all the aliens to mingle with each other, believing it a humanitarian step. As a result there has been an intermingling of the sexes that provokes scandal.

Representative SIEGEL, a member of the Committee on Immigration, visited Ellis Island on the 20th, and wrote to the chairman of the Committee on Immigration, making among other things this suggestion:

That all known prostitutes, who are held on warrant for deportation, be immediately segregated and kept apart from all other persons on the island; second, that all ex-convicts, being held on warrant for deportation, be kept separate and apart from all other persons on the island.

On the same day, only two days after I made my remarks, Mr. Densmore, the acting Secretary of Labor, in the absence of Mr. Howe and without consulting him, visited Ellis Island, and when he found what the conditions were he directed that an order be issued that prostitutes and convicts be segregated on the balconies and on the recreation grounds. Here is the order:

UNITED STATES DEPARTMENT OF LABOR,
IMMIGRATION SERVICE,
OFFICE OF COMMISSIONER OF IMMIGRATION,
Ellis Island, New York Harbor, N. Y., July 20, 1916.

Inspector in charge deporting division:

You will see to it that hereafter prostitutes and ex-convicts detained at this station do not mingle with any other detained persons. Prostitutes may be given access to the porch or playground when either of these places is not occupied by other immigrants. This course may also be followed as to detained ex-convicts, but ex-convicts and prostitutes should not be given access to either of the places named, or any other quarters, at the same time.

BYRON H. UHL,
Assistant Commissioner.

This order is right and does that for which I contended. It separates the immoral persons from the decent, reputable immigrants.

The testimony on July 28 was that the order was issued under the direction of the secretary, Mr. Densmore.

The executive secretary of a great missionary society of a Protestant denomination wrote me on July 19, 1916, as follows:

I have read with great interest the report in the morning papers of your speech before Congress exposing unfavorable conditions at Ellis Island. Kindly accept my congratulations for your courageous utterance. From our touch with the work at Ellis Island I can simply say that the situation has been very trying since the appointment of Commissioner Howe. We assumed, however, that the administration favored his methods and that naturally there was no alternative but to make the best of it. This we have done without complaint or criticism.

We sincerely hope and pray that your resolution may bring forth a more healthful condition of affairs than is maintained at this port of entry.

A Roman Catholic priest from my district wrote me as follows:

A few days before you spoke about Ellis Island I was down there with a friend, and we went through the plant. I knew all your speech three days before, because from the guide on Ellis Island we heard of free love and the loose way things were running without any head.

A missionary on duty at Ellis Island writes as follows:

The missionaries have always shown their disapproval of the unfortunate mixture of sexes, conditions, and life here on the island. Demogogic experiments should have been done in different places, not where good honest families, for the rigid necessities of the law, are detained against their will.

Mr. KEATING. Will the gentleman yield?

Mr. BENNET. Yes.

Mr. KEATING. Will the gentleman insert the names of these priests and ministers and missionaries.

Mr. BENNET. If the investigation I have asked for is ordered by the House I will produce them before the committee.

Now, that relates to charges 1 and 2 and, I think, fully proves them. I might say in addition to the second that nobody denies, and Commissioner Howe admits, that the prostitutes and convicts were turned out together on the common lawn. In his hearing before the House committee on July 28, after he had been reversed by the department he said: "I defend my policy. I say that there is far more safety at Ellis Island in letting the people out on a big open porch 300 feet long and 150 feet wide."

He does not seem to comprehend that good decent women and children and adolescent youth were not accustomed to mingling with prostitutes, pimps, and procurers and have a right to be protected from that kind of people.

The next thing I said was that some of Mrs. Harris's recommendations have been adopted and conditions there have been to some extent mitigated, and some of the scandalous occurrences that seem to typify the twilight hours have ceased to exist.

I will not read the rules except to say that I will put them in. They are as follows:

1. The detained warrant men will be instructed to keep to their rooms or the men's day detention room; not to traverse the corridors except by way of the men's detention room to meals, and not otherwise; and not to enter the laundry or other rooms where women are detained.

They will be permitted on that part of the balcony to the east of the benches and will be instructed that if they violate this rule and pass this line and mingle with the women, the privilege of using the porch will be taken away from them.

2. The same instructions will be given to the warrant women, who are to be moved to room 212. They are permitted on the west side of the balcony, with instructions not to cross to the east end or to mingle with the men.

3. The doors of the corridors are to be kept closed.

4. There is to be no loitering in the corridors. This rule applies not only to warrant cases but to all aliens detained here. Watchmen and matrons are instructed to send both men and women out of all the corridors into the day detention rooms, except when they are passing through the corridors for meals or some other business.

5. The warrant cases will be advised that continuance of the privileges they are receiving depends upon their good behavior, and these privileges will be taken away from them if they are guilty of any improprieties.

6. Warrant men and warrant women are not to sit together at the tables.

Now, Mr. Howe says that one of the reasons why he has had so much trouble is on account of there having been so many people to deal with. Why, Mr. Speaker, there never has been a commissioner that had so few people to deal with on Ellis Island as has Mr. Howe.

On the 4th of August I went there and made inquiries to verify my recollection. Ellis Island holds, and has beds for, over 2,000 people, and more have stayed there.

On December 9, 1913, there were 2,371; on December 9, 1915, there were 425; on December 13, 1913, there were 1,575; on December 13, 1915, there were 257; on September 5, 1913, there were 1,440, and on September 15, 1915, there were 288.

Here are some sample figures of overnight detentions at Ellis Island before and during the European war, showing the great shrinkage in immigration:

Aug. 4, 1913	2,003
Aug. 4, 1915	273
Aug. 5, 1913	2,034
Aug. 5, 1915	257
Aug. 6, 1913	1,567
Aug. 6, 1915	247
Aug. 7, 1913	1,766
Aug. 7, 1915	279
Sept. 4, 1913	1,603
Sept. 4, 1915	311
Sept. 5, 1913	1,440
Sept. 5, 1915	288
Sept. 6, 1913	1,279
Sept. 6, 1915	290
Oct. 7, 1913	2,005
Oct. 7, 1915	599
Oct. 12, 1913	1,516
Oct. 12, 1915	382
Oct. 30, 1913	1,948
Oct. 30, 1915	292
Nov. 25, 1913	1,518
Nov. 25, 1915	368
Dec. 9, 1913	2,371
Dec. 9, 1915	425
Dec. 13, 1913	1,575
Dec. 13, 1915	257
Dec. 25, 1913	1,983
Dec. 25, 1915	319

Room? Why, not only has he the extra room in the administration building, but Congress, through its generosity, built on the third island hospital buildings for an emergency far in excess of the normal needs purposely for a case of epidemic, and there are 11 hospital buildings of a capacity, as my colleague, Mr. FITZGERALD, said, for 660 people. On the 2d of August there were 39 people in these 11 buildings. Mr. Howe had all that extra space in addition to the room in the administration building. Now, that about cleans up everything.

Mr. BURNETT. Will the gentleman yield?

Mr. BENNET. Yes.

Mr. BURNETT. Does the gentleman think the commissioner would be justified in using the hospital buildings for anything except hospital needs?

Mr. BENNET. Under the law the commissioner has.

Mr. BURNETT. The gentleman thinks so, without doubt?

Mr. BENNET. Without doubt. I said that Mr. Howe was the most negligent commissioner we have ever had at Ellis Island. Until the investigation called for in my resolution, 317, is had that can not be fully proved, but I call attention to some facts which are patent. Mr. Howe's is an important position. The commissioner at Ellis Island gets $1,500 a year more than the Assistant Secretary of Labor. He gets $6,500 a year, and he ought to attend to his business. Every other commissioner in my experience has. Mr. Howe was the director of the People's Institute in New York when he was appointed. He is still a director of the People's Institute, although, I understand, with-

out compensation. Mr. Howe was chairman of the national board of censorship of motion pictures of New York and chairman of the executive committee of the same organization. Their last report, dated January, 1915, discloses that Mr. Howe then occupied both those offices.

Mr. SLAYDEN. Mr. Speaker, will the gentleman yield for a question?

Mr. BENNET. Yes.

Mr. SLAYDEN. How much of his time does that position on the board of censorship take?

Mr. BENNET. I do not know. I have mentioned two positions that he occupies, and I am about to mention a third. I have not got through yet. One of the burning questions in our city is the question of the municipal operation of public utilities. I find in the New York Times of July 31 that Frederick C. Howe is president of the League for Municipal Ownership and Operation in New York City, and engaged in a bitter controversy with the public-service commission, and if he does what he ought to do that will take at least half of his time. Nor is that all. Mr. Howe is an author—a professional writer, is what he calls himself.

The Library of Congress furnishes me with the following:

[Memorandum from the Division of Bibliography.]

AUGUST 4, 1916.

The following is a list of the books and articles in periodicals published by Frederic C. Howe during 1914–1916:

The City: The Hope of Democracy. New and cheaper edition. New York, C. Scribner's Sons, 1914.

The Modern City and Its Problems. New York, Chicago, C. Scribner's Sons [1915]. 390 pages.

Socialized Germany. New York, C. Scribner's Sons, 1915. 342 pages.

Why War? New York, C. Scribner's Sons, 1916. 366 pages.

National Board of Censorship of Motion Pictures, New York. The Question of Motion-Picture Censorship. New York City, 1914. 16 pages. Frederic C. Howe, chairman.

National Board of Censorship of Motion Pictures, New York. The Policy and Standards of the National Board of Censorship of Motion Pictures. Revised January, 1915. New York City [1915]. 23 pages. Frederic C. Howe, chairman.

ARTICLES IN PERIODICALS.

Leisure. Survey, January 3, 1914, volume 31: 415–416.

Joseph Fels. Survey, March 28, 1914, volume 31: 812–813.

German system of labor exchanges. American Labor Legislation Review, May, 1914, volume 4: 300–304.

What to do with the motion-picture show. Outlook, June 20, 1914, volume 107: 412–416.

Constitution and public opinion. Academy of Political Science. Proceedings, October, 1914, volume 5: 7–19.

Municipal ownership—the testing of foreign experience. American Academy of Political and Social Science. Annals, January, 1915, volume 57: 194–208. Also published separately. 1915. 15 pages. 25 cents.

Reservoirs of strife. Survey, March 6, 1915, volume 33: 614–615.

Unemployment. Century Magazine, April, 1915, volume 89: 848–848.

Home rule for American cities. Technical World Magazine, April 1915, volume 23: 234–237.

Free ports: an agency for the development of American commerce. American Academy of Political and Social Science. Annals, May, 1915, volume 59: 236–244. Also published separately, 1915. 9 pages, 15 cents. Same condensed. Popular Science Magazine, April, 1915, volume 86: 384–388.

Background of modern Germany. Scribner's Magazine, July, 1915, volume 58: 46–51.

Immigration, industry, and the war. American review of reviews, November, 1915, volume 52: 598–602.

Immigration after the war. Scribner's Magazine, November, 1915, volume 58: 635–639. Same condensed. Current opinion, December, 1915, volume 59: 420–421.

Incomplete preparedness. New Republic, Feb. 26, 1916, volume 6: 94–96.

Baker: trained administrator. Independent, March 20, 1916, volume 85: 414–415.

Labor and industry after the war. Engineering Magazine, April, 1916, volume 51: 22–24.

Better towns. Independent, May 29, 1916, volume 86: 338–339.

Turned back in time of war. Survey, May 6, 1916, volume 36: 147–156.

Flag and the investor. New Republic, June 17, 1916, volume 7: 170–171.

Respectfully submitted.

F. S. HELLMAN,
Acting Chief Bibliographer.

With all those vocations and avocations, in addition to his official position, what I now present is the logical sequence. He had to do some of his private work on Ellis Island, and here it is. Here are 100 or 150 pages of manuscript of one of his books, written on Government paper at Ellis Island by a Government stenographer. That is the way that Mr. Howe has discharged his duties as Commissioner of Immigration at Ellis Island.

As to the charge that he recommended the admission of women charged with being prostitutes, he admits that and places the number at nine.

Under leave granted me by the House, I extend my remarks to comment briefly on the speech of Representative KEATING, of Colorado, delivered September 5 (RECORD, p. 13887), and to one which, by leave of the House, he inserted in the RECORD September 7.

There are 42 Representatives from New York, other than myself, and 21 from Ohio, in which two States Mr. Howe has lived and held office. Among these 63 Representatives are Democrats, Republicans, and 1 Socialist. It is somewhat singular that none of the Representatives from the States where Mr. Howe is best known took up the cudgels for him. Mr. KEATING, of Colorado, is Mr. Howe's enthusiastic friend. But, being from Colorado and probably never having set foot on Ellis Island, he very properly does not pretend any real knowledge of Ellis Island conditions. He inserted in his remarks in full the statement of Mr. Howe before the House Committee on Immigration on July 28. I asked unanimous consent that I have six minutes' time in which to comment on Mr. Howe's examination and that Mr. KEATING have six minutes to reply to me. Mr. KEATING first agreed, but finally objected and prevented me from occupying the time, but the House later gave me leave to extend my remarks.

Mr. Howe claims for himself one thing on which I wish to comment:

That he makes the steamship companies pay $100,000 more a year than they used to for hospital charges. Probably that is true. But why does not Mr. Howe tell the whole truth? Prior to 1913 the steamship companies had contested in the courts the right of the Government to make them pay these hospital charges. They won their case. Thereupon Congress in 1913 passed an act *requiring* the steamship companies to pay these charges. Mr. Howe is the first commissioner to have the benefit of this act, and naturally he can make the steamship companies pay.

Outside of this there is only one other matter in Mr. Howe's statement which requires comment. Mr. Howe says:

I want to open with the statement that the immigration law says that it is the duty of the commissioner to protect the immigrants from fraud and loss. That is an obligation upon him just as much as any other obligation, *but it is an obligation that, so far as I know, no other commissioner ever took very seriously*

This is an unconscious revelation of Mr. Howe. He only came to New York City in 1910 and was appointed in 1914.

Commissioner Williams was a hard man in many respects, but he certainly did protect the immigrants from fraud and loss. Robert Watchorn, himself an immigrant, was constantly protecting the immigrant. My personal knowledge goes back no further than these two.

Mr. KEATING's inserted remarks on September 7 consist of a statement by Mr. Howe. It displays Mr. Howe's unquestioned literary ability. But he does not stick to facts. He says: "The immoral cases were kept by themselves," and so forth. This is untrue. The gravamen of my complaint was that they were permitted to mingle. If they were not permitted to mingle, why was the department order of July 20, forbidding them to mingle any more, issued?

Mr. Howe says that an investigation was made at Ellis Island of each of the cases referred to by me. That is true. It was made on July 25, 26, and 27. I introduced a resolution to have those investigations sent to Congress. It is as follows:

House resolution 341.

Resolved, That the Secretary of Labor be directed to send to the House of Representatives the examinations into conditions on Ellis Island, taken by and before Byron H. Uhl, assistant commissioner of immigration, at Ellis Island, July 25, 26, and 27, 1916.

The Department of Labor has refused me, a Representative chosen by the people, permission even to see the testimony taken. Why not let Congress, rather than Mr. Howe, pass on Mr. Howe's investigation? Mr. Howe leaves the impression that the food contract is a very valuable contract. Why not tell the truth?

Official correspondence in Mr. Howe's office shows that in May, 1915, the then food contractor found that he was losing so much money that he notified the steamship companies that unless they would increase, voluntarily, what they were paying him from 8 cents a meal to 15 cents a meal, he would abandon the contract. They made the increase, and the contractor served until June 30, 1916—the end of his contract period. During the summer Mr. Howe relet the contract, after receiving bids, to a Mr. Lusier. The former contractors, Hudgins & Dumar, did not bid.

If Mr. Howe has given Mr. Lusier a contract by which he can charge the immigrants and the steamship companies cost and a clear profit of 10 per cent, he has given out the most profitable food contract Ellis Island has seen since the days of the scandals of 1892.

I represent a district composed largely of immigrants and descendants of immigrants. I have as a member of the United States Immigration Commission of 1907–1910 visited the homes of the immigrants in Russia, Roumania, Greece, Italy, Palestine, Syria, and other countries. I have seen them board ship at Beirut, Patra, Hamburg, Naples, Geneva, Messina, Palermo,

and Liverpool. I know the immigrant and his needs. He is a human being, and for years I have fought to have him treated as such. Mr. Howe writes beautifully about the immigrant. Some of the things which he does, such as concerts, are good, but, never having really mingled with the immigrant, he fails to comprehend that the immigrant women are as much entitled to be protected from forced association with prostitutes and criminals as are the good women who make up his family and mine. I am glad that, as he could not see this himself, his superiors have taken the bull by the horns and by the order of July 20 protected the decent women and children from these distasteful and dangerous companionships.

FREDERIC C. HOWE.

Mr. KEATING. Mr. Speaker, I renew my request for unanimous consent that I be permitted to address the House for 20 minutes in reply to the gentleman from New York.

The SPEAKER pro tempore. The gentleman from Colorado asks unanimous consent to address the House for 20 minutes. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, do I understand that this is with the approval of the gentleman from Tennessee [Mr. BYRNS]?

Mr. KEATING. Yes.

Mr. STAFFORD. I have no objection.

The SPEAKER pro tempore. The Chair hears no objection. The gentleman is recognized for 20 minutes.

Mr. KEATING. Mr. Speaker, Frederic C. Howe is my friend. That is my excuse for taking part in this discussion. In addition to that, I come from the "untutored West," where it is not considered good form to strike a man when his hands are tied, or to assail the reputation—the good name—of a distinguished citizen, of a splendid public official, in a forum where that official has no chance to reply.

Mr. BENNET. Mr. Speaker, will the gentleman yield?

Mr. KEATING. Certainly.

Mr. BENNET. Does the gentleman think we ought never to criticize public officials on the floor of this House?

Mr. KEATING. Oh, no; I do not hold to that at all; but I do hold that when gentlemen appear upon the floor of this House and indulge in the vilest of personalities they should be sure of their facts.

In the speech which the gentleman delivered on July 18, he charged among other things that Frederic C. Howe believed in free love. I am informed that the gentleman has cut that sentence from his printed speech.

Mr. BENNET. Mr. Speaker, will the gentleman yield?

Mr. KEATING. Yes.

Mr. BENNET. I do not recall having made such a statement in that way. I used the expression "free love" as an adjective, and the gentleman ought to be fair enough to say that when Mr. Howe denied that he was a believer in free love I had his letter published in the CONGRESSIONAL RECORD.

Mr. KEATING. Mr. Speaker, let me read the exact words used by the gentleman from New York on that occasion:

> Mr. Speaker, it is of very little moment to the people at large whether in offering the particular amendment which I read in your hearing I discharged my duty to the best of my capacity. I believe I did, I know I did. But it is of tremendous importance that a half-baked radical, who has free-love ideas, no proper idea of the effect of the mingling of the bad with the good, should be spoken of plainly.

That is the statement that the gentleman made on the floor of this House on July 18. Of course anyone who knows Frederic C. Howe, anyone who has ever heard him lecture, anyone who has ever read his books, anyone who has ever come in personal contact with the man, knows the charge is cruelly untrue.

The gentleman says that Mr. Howe is an author, and that seems to be the most serious charge that he brings against him to-day; that Mr. Howe writes books and magazine articles. There was a time when our Republican friends insisted that the Democrats were unlettered, illiterate, ignorant, and that for that reason they were incapable of conducting the Government.

The gentleman now charges that we put men of letters in responsible positions; that they write books and magazine articles; and that because a man has written 3 books and 16 magazine articles it is self-evident that he could not have performed his official duties. That all depends. It may be that the gentleman from New York, if he had an opportunity to work from now until the end of his days, could not write one book that anyone on top of God's earth would read; but there are others, including Mr. Howe, who are capable of performing the duties they owe to Uncle Sam and at the same time contributing to the world's literature. But, gentlemen, think of a Representative of the American people coming upon the floor of this House and in one breath telling you that this man is a great author, is capable of producing 3 books of wide circulation and 16 magazine articles in two years, and then producing the kind of testimony the gentleman from New York has presented to this House to-day for the purpose of blackening that man's good name.

Mr. OVERMYER. Will the gentleman yield?

Mr. KEATING. The gentleman will have to pardon me; I have not the time.

Mr. OVERMYER. I just wanted to inquire if the gentleman thinks the gentleman from New York might be a little peeved because Mr. Howe was one of the 37 eminent writers who addressed letters to Mr. Hughes a short time ago?

Mr. KEATING. That is not the reason the gentleman from New York is "peeved." I will tell the House why the gentleman is "peeved." I will tell the House why the gentleman from New York made the attack of July 18 and why he has renewed it to-day.

The firm of Hudgins & Dumar has a contract or concession for feeding immigrants at the Ellis Island immigrant station. The gentleman from New York while out of Congress was attorney for that firm. I understand he now says that since he came back to Congress he has ceased to be their legal representative, but there is no question that he was their attorney at one time.

Hudgins & Dumar's contract to feed the immigrants at Ellis Island was a very valuable one. On an investment of fifteen or twenty thousand dollars they did a business of about half a million dollars a year. The net profits were probably between fifty and one hundred thousand dollars a year. I do not pretend that these figures are official, but they will be found to be approximately correct.

When Frederic C. Howe took charge of the immigration station at Ellis Island he decided that public policy demanded that the task of feeding the immigrants should be performed by the Government, and he therefore recommended that the Government take charge of the work and refuse to renew the contract held by Hudgins & Dumar.

Mr. BENNET rose.

Mr. KEATING. I trust the gentleman will pardon me, but I can not yield, as I have very little time.

It was then that the gentleman from New York began his activities against Mr. Howe. The contract held by Hudgins & Dumar, and that alone, is at the bottom of all the attacks that the gentleman from New York has made on Mr. Howe.

The Secretary of Labor decided to support Mr. Howe in his contention that the Government should take charge of the work of feeding the immigrants, and plans were made to terminate the contract of Hudgins & Dumar. When the gentleman from New York learned of this he offered an amendment to the sundry civil appropriation bill, as follows:

> Page 168, line 26, after the end of the line, insert:
> "*Provided further*, That no part of the sum hereby appropriated shall be expended for the maintenance at any United States immigrant station of any of the privileges now disposed of after public competition, as provided by the act of February 20, 1907, entitled 'An act to regulate the immigration of aliens into the United States.'"

This amendment rendered it impossible for Commissioner Howe and the Department of Labor to proceed with their plans. The incident led to some discussion in New York newspapers, and the gentleman from New York, because of his former connection with the firm of Hudgins & Dumar, was charged in the public prints with "practicing law" on the floor of the House.

In response to this attack the gentleman from New York introduced a resolution calling on the Department of Labor for certain information in relation to the conduct of Ellis Island, and in support of that resolution the gentleman from New York delivered his first attack on Mr. Howe.

The resolution introduced by the gentleman from New York was referred to the Committee on Immigration and Naturalization. The committee held a hearing. The gentleman from New York was present and had an opportunity to cross-examine the witnesses. Commissioner Howe was also there.

Among the other cases considered was that of this prostitute Giulietta La Marca.

In his first speech the gentleman from New York stated that Mr. Howe had had this prostitute released to himself and later transferred to a friend. In order that I may not do the gentleman from New York an injustice I will quote his exact language:

> As I was saying, he has recommended the admission of prostitutes on bond, and in one case, something unexampled, he recommended the admission of one of these prostitutes to himself, a woman named Giulietta, and had her transferred to the family of a friend as a servant. I do not believe that he is morally wrong in the sense that my remarks might indicate; I simply think that his governmental ideas are wrong, and, as he is said to have said, "What these people did with their bodies was their own business."

Now, what are the facts? Mr. Howe in his statement to the Committee on Immigration and Naturalization—and remember,

the gentleman from New York was present and in a position to cross-examine Mr. Howe—referred to the case of Giulietta La Marca, and told the story of her release as follows:

I want to take up the thing that concerns me as a citizen first; that is, the case of Giulietta La Marca, referred to by Mr. BENNET and said to have been committed to the custody of a friend. That is not true. I want to read my official letter bearing upon that woman. It was stated that I urged her admission. Here is the letter to the bureau:

DEPARTMENT OF LABOR, IMMIGRATION SERVICE,
OFFICE OF THE COMMISSIONER OF IMMIGRATION,
Ellis Island, New York Harbor, N. Y., February 14, 1916.

COMMISSIONER GENERAL OF IMMIGRATION,
Washington, D. C.:

This refers to bureau No. 53986/43, in the case of Giulietta (or Giuletta) La Marca, who has been detained at this station since May 28, 1915, awaiting deportation. The St. Raphael Society for Italian Immigrants has offered to take the woman and find her a good position where she can earn an honest living if released into their custody. As the alien is unable to furnish a bond, and there is no likelihood of her being able to return to her native country in the near future, I request authority to release her upon her own recognizance

FREDERIC C. HOWE, *Commissioner.*

That woman, either through the St. Raphael Society or some other agency, got in touch with one of the physicians at the station, who offered to take her as a servant. She went there as a servant. She has been there ever since. She is earning $5 a week. She is cooking and washing for 13 people and reports regularly to the station, and the doctor reports also. So far as I know, she is deporting herself with the utmost propriety. She is sticking to the hardest domestic job that I have heard of for a long time at $5 a week.

The CHAIRMAN. The society recommended the doctor to you?

Mr. HOWE. I do not remember that fact. He is a physician at the station; a perfectly reputable physician. He is one of the Treasury Department's physicians; not ours.

Mr. SIEGEL. He is connected with the Public Health Service?

Mr. HOWE. Yes, sir. This woman was at the station for months. Matron after matron came to me and recommended her admission. They said, "This woman has conducted herself with propriety. She has kept away from the men. She has a son in Italy, and she wants to make a little money in order to bring him over here." The matter came up three or four times, and finally she was admitted. She could not be deported because transportation was suspended to the Mediterranean.

It will be seen from Mr. Howe's statement that the St. Raphael Society, a religious organization which operates at Ellis Island, recommended this girl's release. The physician in the Public Health Service, and according to all the evidence in the hearing, a reputable gentleman, agreed to take this girl into his family and give her a chance to make good.

On the suggestion of the San Raphael Society, Mr. Howe recommended the release of this girl. She was taken into the home of this physician; she is there now, so far as this evidence shows, and she is making good. Her shame would never have been revealed if it had not been for the desire of the gentleman from New York to besmirch the good name of a great and pure-mined official.

Now, what has Commissioner Howe been doing while in office in addition to writing three books—and, by the way, he has not written three books since he has been commissioner of immigration, but that is a detail of small importance, and it is quite as reliable and accurate as most of the statements made by the gentleman? The Secretary of Labor reported to the Committee on Immigration that Mr. Howe, while writing these 3 books and these 16 magazine articles referred to by the gentleman from New York, had "made thorough investigation with experts as to the cost of the hospitals, which were alleged to be self-sustaining. The commissioner found that the hospitals were losing over $100,000 a year, which loss was being paid by the Government for the benefit of the steamship companies."

Are there any attorneys for steamship companies in the House?

These steamship companies had been saving $100,000 a year under previous administrations, and Mr. Howe discovered the loss and compelled them to come across and put up $100,000 a year.

I ask again, are there any attorneys for steamship companies or ex-attorneys for steamship companies directing criticism at Frederic C. Howe? I would be glad to be interrupted now.

Second, he reinvestigated requests for money for permanent appropriations and after the investigation reduced such requests in 1915 by $300,000.

Mr. BENNET. Mr. Speaker, as the gentleman has indicated he is willing to be interrupted by request——

Mr. KEATING. Yes; I will yield.

Mr. BENNET. Will the gentleman tell the House in connection with this the reason Mr. Howe cut them down was because this Congress in 1913 for the first time passed a law permitting the Department of Labor to collect these amounts from the steamship companies?

Mr. KEATING. I am reading from the report of the Secretary of Labor. Mr. Howe is a subordinate official and the Secretary probably knows what his subordinate has been doing.

Mr. BENNET. Is it not true, I will ask the gentleman——

Mr. KEATING. I will have to decline to yield further, because my time is passing so rapidly.

I will place in the RECORD at this point the summary of Mr. Howe's achievements as commissioner of immigration at Ellis Island as prepared by the Secretary of Labor and submitted to the House Committee on Immigration and Naturalization. It is as follows:

(1) A thorough investigation with experts was made of the cost of the hospitals which were alleged to be self-sustaining. The commissioner found that the hospitals were losing over $100,000 a year, which loss was being paid by the Government for the benefit of the steamship companies. He secured an increase in hospital charges to steamship companies which has increased the earnings of the hospital by approximately $100,000;

(2) He reinvestigated requests for money for permanent appropriations and after investigation reduced such request, in 1915, by $300,000;

(3) He reduced, in response to war conditions, the operating salary costs of the Ellis Island station by approximately $100,000 a year;

(4) He investigated the many immigration lodging houses and homes in New York and brought about a clean-up in a number of them;

(5) He secured the cooperation of the commissioner of police to clean up the conditions which surrounded the barge office, and by so doing protected the incoming immigrants at New York from the individuals who had previously preyed upon them;

(6) He investigated and brought about many reforms in the protection of the aliens en route from Ellis Island, both at Jersey City and along the route;

(7) He organized all of the employees at the station into an association for making the wants of the employees known and for securing the cooperation of all the employees in the administration of the station;

(8) He brought about a reorganization of the purchasing of supplies for the hospitals at a great saving and improvement in the service;

(9) He made an investigation of the conditions under which landing of first and second cabin aliens were made at the various piers around New York, and ended many abuses and losses to which the aliens were exposed;

(10) He brought about a change in the inspection of first and second cabin aliens on shipboard which greatly improved the service;

(11) He made a number of studies, at the request of the department, as to means for increasing the efficiency and the rating of the employees;

(12) He greatly increased the output of the Divisions of Statistics and brought about a complete change in the filing system;

(13) He worked in cooperation with the board of education in New York for the opening of night schools for the education of adult aliens;

(14) He organized a number of agencies looking to the protection of aliens in New York;

(15) He organized a movement in 1916 for Americanization day celebrations throughout the country, and over 100 cities held citizenship celebrations as a result of the commissioner's efforts; and

(16) During the past two years Ellis Island has been almost free from the constant criticism on the part of foreign organizations and of the foreign press, which prior to his administration was continuous. It was directed at the alleged lack of kindness and consideration to incoming aliens. The nonforeign press of New York has been almost unanimous in its approval of his administration and the many changes and improvements which he has brought about.

I remain, very respectfully, yours,

W. B. WILSON,
Secretary of Labor.

HON. JOHN L. BURNETT,
Chairman Committee on Immigration and Naturalization,
House of Representatives, Washington, D. C.

These are some of the things Mr. Howe was doing when the reporters mentioned by the gentleman from New York called at his office: Instead of being there to chat with reporters, he was out organizing "Americanization Day" celebrations so as to assist in making the alien an American; instead of being there to converse with the reporters he was out investigating conditions in the lodging houses of Jersey City, Hoboken, and New York; instead of conversing with the reporters he was investigating how he might reduce the cost of feeding the immigrants and how he might protect them from the harpies who preyed upon them when they landed on these shores. And that is the great duty that this administration wanted Frederick C. Howe to perform.

Mr. SLAYDEN. Will the gentleman yield?

Mr. KEATING. Yes.

Mr. SLAYDEN. How does the press of New York, that is investigating this matter, regard Mr. Howe?

Mr. KEATING. At the time the gentleman made his first attack on Mr. Howe I took occasion to read the papers, and the papers I read sustained Mr. Howe's side of the case. But it is not necessary to appeal to the press of New York. All that I ask on behalf of my friend, Frederic C. Howe, is that every Member of this House who is interested in this subject, or who has heard the gentleman's charges, will read Mr. Howe's statement, which I will place in the RECORD; will read the letter of Secretary Wilson, which I will place in the RECORD. I am willing to go to the jury on those two statements, because when the gentleman from New York had his day in court before the Committee on Immigration, when Mr. Howe was there in a forum where he could answer the gentleman from New York, and the gentleman from New York had the opportunity to propound questions, the gentleman was unable to make a dent in Mr. Howe's armor. The hearings will show that every charge was disposed of to the perfect satisfaction of fair-minded men.

Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD to the extent of inserting the letter of the Secre-

tary of Labor and the statement of Commissioner Howe before the Committee on Immigration and Naturalization.

The SPEAKER pro tempore. The gentleman from Colorado asks unanimous consent to extend his remarks. Is there objection?

There was no objection.

SECRETARY OF LABOR WILSON'S STATEMENT.

Mr. KEATING. Mr. Speaker, the letter of Secretary W. D. Wilson of the Department of Labor to the chairman of the House Committee on Immigration and Naturalization, in reference to the Howe case, is as follows:

DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, July 27, 1916.

SIR: In response to House resolution No. 317, introduced by Mr. Bennet July 21, 1916, and referred to the Committee on Immigration and Naturalization, requesting information bearing upon conditions at Ellis Island, I beg to inclose herewith the following, requested by such resolution:

(1) Copy of memorandum inclosed by the Solicitor of the Department of Labor in his letter to the Department of Justice under date of April 15, 1916.

(2) Copies of all letters of commendation or criticism of the food contractors at Ellis Island written by the commissioner at Ellis Island between July 1, 1915, and June 30, 1916.

(3) No written report was made by the night watchman in the cabin detention quarters to Frank McKee. A report was submitted, however, by the inspector in charge of the night force to Supt. Baker. The substance of the report was immediately transmitted to the bureau under date of July 10, 1916, with a request for the deportation of the woman alien involved, who came from Austria and could not be deported under existing orders of the department. Officials at the station could make no further investigation of the case because the alien man involved had been ordered landed temporarily by the department before the facts referred to came to the attention of the station.

(4) The regulations at Ellis Island bearing upon the freedom of action of the ordinary nonwarrant aliens were not in written form. In general, they provided for permitting families to be together during the day in the large detention rooms at one end of the building. They also permitted the aliens to go upon the porch and also to the playgrounds after it was opened by the commissioner. In detention rooms, on the playgrounds, and porch matrons and watchmen are always in attendance, while charwomen and other employees are constantly cleaning the place.

(5) Copy of orders of Commissioner Howe bearing upon the segregation of the immoral cases. The orders were issued after a conference with the assistant commissioner, superintendent, chief of detention division, and Matron Harris. These orders followed an investigation by the matron, which were ordered a few days before, upon her appointment. The orders requested her to report on anything she could find to criticize, and were of a confidential nature. I do not deem it to be for the good of the service to have this confidential communication published.

(6) Copies of all letters written by Commissioner Howe recommending the admission of warrant-case women, as well as recommendations by him as to women who have been taken from the liners by inspectors for hearings before the board of special inquiry, which cases came before the commissioner on appeal. Of the former I find there are but 9 and of the latter 12.

(7) Copy of official letter from Commissioner Howe recommending the admission of an alleged immoral woman, Giulietta, which letter, however, did not recommend her admission to "his custody" as alleged, but to the custody of the St. Raphael Society for Italian Immigrants. This alien was, however, paroled to a physician, where she has since been working as a domestic and has been regularly reporting to the station.

(8) I am informed that no general orders were issued bearing upon the use of the playgrounds and porch by the ordinary aliens. As to the immoral cases, their privileges are covered by the standing order referred to in item 5 above. Immoral cases are not permitted to mingle with other cases. There are strict rules bearing upon them made by the commissioner. They are segregated in so far as physical limitations of the station permit.

(9) It is impossible to satisfy the request asking for the number of official communications from Ellis Island which bear the signature of the commissioner and other officials. A quarter of a million aliens enter Ellis Island each year. It is the great office of naturalization. The correspondence of the station is colossal. Only a part of it is on file at this office.

Inasmuch as this resolution bears upon the alleged immoral conditions at Ellis Island and the admission to this country of certain persons charged with immorality, it seems proper to me that the difficulties imposed upon the commissioner at Ellis Island, the improvements he has made in the service, as well as the problems the Department of Labor has had to face should also be laid before your body, for these conditions have been a matter of departmental concern and frequent conference and investigation.

I also desire to call attention to my own interpretation of the kind of service which should be rendered incoming aliens at immigration stations, and the directions to officials that these stations are "not intended to be penalizing." The reference to this matter appears in my annual report of 1913 and is as follows:

"For a satisfactory administration of the immigration laws the character and condition of immigrant stations at ports of entry are of prime importance. So far, therefore, as the Department of Labor is permitted by law and equipped for the purpose it aims to make these stations as much like temporary homes as possible. While regulation and exclusion, and therefore detention, are necessary in respect of immigration, it should be understood by all who participate in administering these laws that they are not intended to be penalizing. It is with no unfriendliness to aliens that immigrants are detained and some of them excluded, but solely for the protection of our people and our own institutions. Indifference, then, to the physical or mental comfort of these wards of ours from other lands should not be tolerated. Accordingly every reasonable effort is made by the department, within the limits of the appropriations, to minimize all the necessary hardships of their detention and to abolish all that are not necessary.

"The war upset the administration of Ellis Island. The station was designed as a rapid clearing house for peace conditions, the detained cases being deported within a few days after their arrival at the station. All of the internal construction of the station was planned to meet such conditions. There are no individual cells at the station, only a series of large dormitories scattered over a very great area and located on different floors and in different parts of the building. A long corridor, possibly 200 feet long, contains smaller dormitories which were designed to be used by first and second cabin passengers who were detained; other rooms designed for the temporary detention of men cases held under warrant for various offenses and other rooms for women offenders held under similar conditions. Thus, we have been compelled to hold in the same corridor first-cabin aliens, who may be detained merely because of sickness or some other question involving their right to land, as well as offenders of every shade of offense who have been brought to this port. This includes men and women who have been picked out of the passengers on board of the liners because of suspicion from anonymous or other communications or other reason for thinking that possibly they may fall within the excluded classes.

"Hundreds of aliens were at the station when the war broke out. They came from Russia, Poland, Austria-Hungary, Germany, and the whole of central Europe, to which countries they could no longer be deported. Ships in transit increased this number. Excludable aliens were being brought to Ellis Island by inland immigration officials because of lack of detention quarters at other stations, to be held at Ellis Island for deportation. For months the accumulation was permitted to grow in the hope of an early termination of the war. Incoming ships were adding to the congestion, while warrant cases were being thrown upon the station because of the responsibility of the Federal Government to care for such cases. The station was confronted with the necessity of carrying on its current business, and, in addition, there was thrown upon it the burden of being a detention camp for those who could not be deported, who represented every shade of suspected or convicted persons.

"Only two alternatives were presented to the department, either to permit warrant cases to accumulate, and, by so doing, contaminate the innocent persons detained because of sickness, poverty, or some other cause, or to relieve the situation by the admission of such cases as could be landed with reasonable propriety and safety to the country. For the only accommodations for immoral cases is in a corridor designed by Congress for offenders as well as perfectly innocent first and second cabin passengers.

"After some months, a policy of selection was decided upon. An investigation of the record in each case was held. On several occasions representatives of the department at Washington went to New York and examined numbers of excluded cases. Specially selected boards made studies of individual cases. Rarely was anyone admitted until they had been at the station a sufficient length of time to permit of the matrons, representatives of religious and other societies to gain an impression of them, or to find an institution, society, or private person who would be willing to assume the responsibility of accepting the alien under their employment.

"In this work of finding homes the Young Men's Christian Association and religious societies cooperated.

"From an examination of the records, only nine warrant cases have been admitted bearing the personal indorsement of Commissioner Howe.

"In addition to the so-called warrant or arrest cases, there are appeal cases. The appeal cases relate to persons seeking admission to the country who are temporarily held for examination by the inspector and are then examined by the board of special inquiry, and finally take an appeal to the Secretary of Labor. These persons, it should be remembered, are first, second, and third cabin passengers. They are held on various kinds of evidence, such as their general appearance, unsatisfactory, inconclusive statements as to the persons to whom they are going, communications received concerning them, or matters which develop at the trial. The great majority of these cases do not look any different from other aliens; they usually deny their guilt, and very great delicacy has to be exercised by the department before it stamps a woman as a prostitute or places her in the dormitory in which the prostitutes are held. A single mistake of this kind would not only be a disgrace to the detained alien, it would be a serious wrong for the department to commit. Only 12 communications recommending admission of appeal cases of this class have been found in the files.

"As to the alleged immorality at the station among the detained cases, probably 300,000 persons have slept at Ellis Island during the past two years, the average detention being probably 400 a day. The men sleep in one dormitory in one part of the building and the women and children sleep in another, there being no provision for individual accommodations. There has not been reported to us, and Commissioner Howe reports that no case has been reported to him, of any irregularity among the aliens who are temporarily detained in this way in the large dormitories.

"There have, however, been several cases of immorality reported by detained immoral men and women who offered to disclose specific facts, provided some privilege, such as admission to the country, or the payment of transportation to some other country than that from which the alien came, was granted by the Government. Each of these cases has been investigated officially. One alleged instance related to a male prostitute slipping into an unlocked room when the watchman on the corridor had temporarily left his post, and another case reported by an immoral alien involved a watchman whose name he did not divulge. There have been a few other cases of a similar sort, all of which have arisen within the past few months. They have all been investigated and acted on, in so far as action was possible.

"I am advised by the commissioner that the following are and have always been the regulations for preventing such occurrences: Immoral men and women are locked in their rooms at night. The aliens are counted into their room before the doors are locked. There are watchmen and matrons on duty at all times. The cabins for these aliens are on a separate floor from the great mass of the aliens and no possible means of communication exists.

"During the day the warrant cases are for the most part kept in their rooms, the women being segregated in one room and the men in another. The rooms can be locked only on the outside by officials. They are always liable to be opened. At the end of the corridor, and with a clear view of it, a watchman is stationed, while all day long watchmen, matrons, officials of the station, and representatives of the religious and philanthropic societies, of which there are 70 at the island, are going and coming in these corridors. Usually a matron sits in the room with the women warrant cases. During the day the men warrant cases are permitted to be at one end of the porch, with a barrier dividing them from other aliens.

"Immorality under these conditions can only occur under accidental circumstances, when all of the precautions provided fail to the ground at the same time.

As stated before, there are between 60 and 70 representatives of agencies at Ellis Island to look after the moral and physical welfare of the aliens. They include the Y. M. C. A., Y. W. C. A., and the various Protestant and Catholic denominations. They are among them all the time, hearing their stories, ascertaining their needs. Friends and relatives of aliens come to the island daily. The commissioner has placed complaint boxes about the detention quarters, into which communications can be placed. Notwithstanding these facts, up to the present time none of the representatives of religious organizations has reported any immorality at the island, and no suggestions of the same have reached officials through the complaint boxes, nor have any of the thousands of friends of aliens complained. There is no difficulty in reaching the commissioner, as his office is known to be open to any employee, no matter how humble, to any society or representative, or to anyone else at the island who desires to call upon him, as many of these representatives constantly do.

The situation, as stated before, is an extremely difficult one. The station is not built for complete segregation, short of locking suspected persons in their rooms day and night without employment of any kind to relieve their minds. The alternative of locking immoral women in their rooms some months ago resulted in their smashing down the doors opening into the corridor. A similar outbreak occurred on Sunday last. The following freedom has been given the alien prostitutes: Immoral women are segregated at the table. They eat by themselves. On the north side of the building an immense open porch has been built, probably 300 feet long and 150 feet wide, onto which the aliens go from the day detention quarters. Upon this porch there are watchmen and matrons. The immoral women have been permitted to go onto this open porch, to sit on the benches, but the orders are that they shall not mingle with the other aliens. They are ordered to remain on the westerly end, as is indicated by the standing orders attached. Similar orders require the men to remain at the eastern end of the porch. All of the aliens are permitted to go to a large open lawn in the mornings and afternoons, under the supervision of watchmen and matrons. Here, too, they are under constant supervision. The standing orders relative to the freedom allowed and the supervision to be exercised were issued after a conference between the commissioner, assistant commissioner, superintendent, chief of the detention quarters, and the matron in charge, and are attached herewith.

Separate and apart from the quarters of detained immoral cases are three large day detention rooms, two of which are set aside for women with children and one for men. In view of the fact that whole families have been detained at Ellis Island for weeks and months at a time, and a large number of persons have been detained for nearly two years, the old rules which provided for the complete separation of families and men and women have been modified by Commissioner Howe, although husbands and wives sleep in separate dormitories. In each of these day detention rooms there is a corps of scrubwomen and matrons at work all of the time keeping the place clean.

Ellis Island, as stated before, was not built for this kind of a strain brought about by the hundreds of persons detained there. Along with the maintenance of a great inclosed hotel for an average of from 400 to 600 persons, precautions had to be taken to keep the immoral cases away from the others with the most limited facilities for doing so. The aliens have nothing to do, and the Government has no authority to provide employment for them. They sit day in and day out awaiting for the war to end, under circumstances which in prison have been universally recognized as conducive to insanity.

To meet these conditions, the commissioner has done a number of things. Among these are the opening of playgrounds to which the aliens go during the day. Concerts have been arranged for every Sunday for nearly two years. These concerts are given by various foreign and other societies, including the churches, schools, and public organizations. During the week motion pictures are shown in the main detention rooms. Calisthentics were introduced among the men by the Y. M. C. A. Religious societies organized classes in sewing for the women. The commissioner secured the cooperation of the board of education to open a classroom for the detained children which was continued until the board of education was compelled to abandon it. A big indoor children's playroom was opened. During the Christmas holidays, entertainments were given for nearly two weeks in the evenings. Swings, games of all kinds, victrolas, and other means of recreation have been secured by the commissioner for various organizations. The Y. M. C. A. and the Y. W. C. A. have detailed men and women to aid in relieving the tedium of the long detention, while hundreds of organizations have cooperated in the endeavor to relieve conditions imposed upon the station by the war.

As to the final request in the resolution for a statement of the number of official communications received from the commissioner during the year bearing his name, I beg to say that between 80 and 90 per cent of the immigration of the country passes through Ellis Island. The correspondence is colossal. The appeal cases alone run into the thousands, while tens of thousands of applicants for naturalization, with endless other correspondence on every variety of the station's activities form part of the routine work of the station. Our records show that the appeals are duplicates largely signed by the commissioner; that all letters bearing on matters of policy bear his signature, as do contracts, many pay-roll vouchers, recommendations relative to the personnel and the general conduct of the station. Merely to sign all the communications from Ellis Island would occupy more than one man's time.

As bearing upon the above intimation of neglect, I beg to say, however, that the following substantial achievements in the efficient administration of the station have been effected by Commissioner Howe:

(1) A thorough investigation with experts was made of the cost of the hospitals which were alleged to be self-sustaining. The commissioner found that the hospitals were losing over $100,000 a year, which loss was being paid by the Government for the benefit of the steamship companies. He secured an increase in hospital charges to steamship companies which has increased the earnings of the hospitals by approximately $100,000;

(2) He reinvestigated requests for money for permanent appropriations and after investigation reduced such request, in 1915, by $300,000;

(3) He reduced, in response to war conditions, the operating salary costs of the Ellis Island station by approximately $100,000 a year;

(4) He investigated the many immigration lodging houses and homes in New York and brought about a clean-up in a number of them;

(5) He secured the cooperation of the commissioner of police to clean up the conditions which surrounded the barge office, and by so doing protected the incoming immigrants at New York from the individuals who had previously preyed upon them;

(6) He investigated and brought about many reforms in the protection of the aliens en route from Ellis Island, both at Jersey City and along the route;

(7) He organized all of the employees at the station into an association for making the wants of the employees known and for securing the cooperation of all the employees in the administration of the station;

(8) He brought about a reorganization of the purchasing of supplies for the hospitals at a great saving and improvement in the service;

(9) He made an investigation of the conditions under which landing of first and second cabin aliens were made at the various piers around New York, and ended many abuses and losses to which the aliens were exposed;

(10) He brought about a change in the inspection of first and second cabin aliens on shipboard which greatly improved the service;

(11) He made a number of studies at the request of the department as to means for increasing the efficiency and the rating of the employees;

(12) He greatly increased the output of the Division of Statistics and brought about a complete change in the filing system;

(13) He worked in cooperation with the board of education in New York for the opening of night schools for the education of adult aliens;

(14) He organized a number of agencies looking to the protection of aliens in New York;

(15) He organized a movement in 1916 for Americanization day celebrations throughout the country, and over 100 cities held citizenship celebrations as a result of the commissioner's efforts;

(16) During the past two years Ellis Island has been almost free from the constant criticism on the part of foreign organizations and of the foreign press, which, prior to his administration, was continuous. It was directed at the alleged lack of kindness and consideration to incoming aliens. The nonforeign press of New York has been almost unanimous in its approval of his administration and the many changes and improvements which he has brought about.

I remain, very respectfully, yours,

W. B. WILSON, *Secretary of Labor.*

Hon. JOHN L. BURNETT,
Chairman Committee on Immigration and Naturalization,
House of Representatives, Washington, D. C.

COMMISSIONER HOWE'S STATEMENT.

Mr. Speaker, Commissioner Howe's statement before the House Committee on Immigration and Naturalization, in answer to the charges of the gentleman from New York, was as follows:

Mr. HOWE. I want to take up the thing that concerns me as a citizen first; that is the case of Giuletta La Marca, referred to by Mr. BENNET, and said to have been committed to the custody of a friend. That is not true. I want to read my official letter bearing upon that woman. It was stated that I urged her admission. Here is the letter to the bureau:

DEPARTMENT OF LABOR, IMMIGRATION SERVICE,
OFFICE OF COMMISSIONER OF IMMIGRATION,
Ellis Island, New York Harbor, N. Y., February 14, 1916.

COMMISSIONER GENERAL OF IMMIGRATION,
Washington, D. C.:

This refers to bureau No. 53986/43, in the case of Giulietta (or Giuletta) La Marca, who has been detained at this station since May 28, 1915, awaiting deportation. The St. Raphael Society for Italian Immigrants has offered to take the woman and find her a good position where she can earn an honest living if released into their custody. As the alien is unable to furnish a bond and there is no likelihood of her being able to return to her native country in the near future, I request authority to release her upon her own recognizance.

FREDERIC C. HOWE, *Commissioner.*

That woman, either through the St. Raphael Society or some other agency, got in touch with one of the physicians at the station, who offered to take her as a servant. She went there as a servant. She has been there ever since. She is earning $5 a week. She is cooking and washing for 13 people, and reports regularly to the station, and the doctor reports also. So far as I know, she is deporting herself with the utmost propriety. She is sticking to the hardest domestic job that I have heard of for a long time, at $5 a week.

The CHAIRMAN. That society recommended the doctor to you?

Mr. HOWE. I do not remember that fact. He is a physician at the station, a perfectly reputable physician. He is one of the Treasury Department's physicians; not ours.

Mr. SIEGEL. He is connected with the Public Health Service?

Mr. HOWE. Yes, sir. This woman was at the station for months. Matron after matron came to me and recommended her admission. They said, "This woman has conducted herself with propriety. She has kept away from the men. She has a son in Italy, and she wants to make a little money in order to bring him over here." The matter came up three or four times, and finally she was admitted. She could not be deported, because transportation was suspended to the Mediterranean.

Second. Along the same line, it was urged that I encouraged the admission of a large number of warrant cases. I have no power to admit anyone. The department has made an investigation, and I find that in two years' time I have recommended the admission of nine out of I do not know how many cases—warrant cases—in every case through a society, through an organization, or through some one who was responsible for it. Almost all the aliens who have been admitted there were admitted after a long conference; the representatives of the Department of Labor came over there, and they held court; they brought the aliens in and they took testimony and relieved the congestion in that way.

Mr. SLAYDEN. They have authority to do that under the law?

Mr. HOWE. They are the only persons who have authority; I have not any authority.

Mr. SLAYDEN. You have authority to recommend?

Mr. HOWE. That is all. In two years' time there were only nine cases of the class whom I can find to have been recommended by me for admission. After they are admitted they are inspected just as periodically as possible. We send out persons, and, so far as I know, they are all making good; they are all working and have not gone back to prostitution.

Mr. RAKER. You recommended the admission of nine?

Mr. HOWE. In I do not know how many cases.

Mr. RAKER. Were those nine admitted?

Mr. HOWE. Yes, sir.

Mr. RAKER. And they are making good, so far as you know?
Mr. HOWE. Yes, sir
The CHAIRMAN. They report to you frequently?
Mr. HOWE. Some of them, I know, report to me or to the station, or they are inspected by special inspectors whom we have out there all the time, covering the territory as well as we can. Of course, with our limited force we can not keep watch of them all the time.
Mr. SLAYDEN. You keep up with them?
Mr. HOWE. We keep up with them as well as we can. The alternative was of permitting I don't know how many of these people who had accumulated there to create the evil conditions complained of. We were between the devil and the deep blue sea, with all of these warrant persons in detention there and having all these other ordinary aliens with us. We tried putting many of them in homes like the Florence Crittenden homes, and we found other homes for them; but there is no home that they have gone into that I did not know about personally, and we have declined to permit them to go to some homes. I never recommended the admission of a single alien to my own custody, except one—or, rather, there were four of them. I was going around the station one day, and I saw sitting on a bench a big Irish woman who was 60 or 65 years of age. She was as big as any two of us. She had with her three beautiful children, who were sitting alongside her. I said to the woman, "Are you a visitor here, waiting to see some one?" She said, "No, sir; I am held here."

I said, "Is there anything I can do for you?" She said, "I am held here as one likely to become a public charge." I said that that did not seem to be likely to me, and I told her I wished she would come down to the office to see me.

She came down to the office with her three little children, one 7 years old, one 9 years old, and the other 13 years old. She said that her husband had been shot to pieces in Flanders; that one of her sons had been killed in South Africa; and that another son had disappeared in South Africa. They had a farm down there, but everything living had been taken from it by the British Government. She had come to this country to join a married sister in North Carolina, but when she got there her sister's husband refused to receive her. Then she was sent back as a person likely to become a public charge. I wrote to the department and said she ought to be admitted, because I did not think there was any likelihood of a big, strong woman like that becoming a public charge. She said that she would receive a pension on account of the injury to her husband in London, but she could not go back to London or South Africa because there was nothing there for her to do. I appended a note to the letter, stating that the children had won me so much and that I liked them so much that, if nothing else could be done with them, I would adopt them. The department wrote back that the woman and the three children were admitted in the custody of the commissioner. I carried them up to my own home and wanted to adopt two of the children. I got a cottage for them and I expected to get a job for the woman as a nurse. They were on my hands for five months and cost me $200 before I could find employment for them. I finally sent them down to a farm in West Virginia, where they obtained work. That is the only case where any alien has ever been admitted in the commissioner's custody.

The CHAIRMAN. That includes the four—the woman and her three children?

Mr. HOWE. Yes, sir; they were the most beautiful children you ever saw. They were round, rosy, laughing children, climbing all over you in a minute. It almost broke my heart to send them away. I would adopt them in a minute if I had some place to send them.

Now, I want to come to the last thing discussed in this resolution—that is, about the attention I give to my official duties and the efficiency with which I have run that station, and in this connection I want to open with the statement that the immigration law says that it is the duty of the commissioner to protect the immigrants from fraud and loss. That is an obligation upon him just as much as any other obligation, but it is an obligation that, so far as I know, no other commissioner ever took very seriously. It is a thing that I have taken as seriously as I have taken anything else, and it has occupied as much of my time as anything else. The first thing I did when I went there was to communicate with the representatives of many of the most prominent philanthropic organizations in New York. For instance, I conferred with such men as Oscar Straus and with such women as Mrs. Lillian D. Wald.

I conferred with people and organizations all over New York, Jews and gentiles alike, and we mapped out a program for the protection of the immigrants. That program of protection ran into all sorts of places, both weak and powerful. I found that the second-cabin aliens were being dumped over in Hoboken and in Brooklyn and all along the water front of New York. I recommended to the department that the second-cabin aliens be brought to Ellis Island for protection from loss. The department had hearings on the matter at Ellis Island, and it seems to me that all of Hoboken came in there. The city officials, representatives of the chamber of commerce, etc., came to the hearings. They said that Hoboken lived off of the immigrants. They said, "They give us $500,000 a year." The hotels and expressmen were represented at the hearings, and the board of trade and merchants' association sent representatives. There were representatives from the hotel companies, from the express companies, and the railroad companies. They filled a great room like this. That room was filled with people protesting against the loss of the rake-off that they were getting in one way or another from the immigrants. It cost from $5 to $10 or $15 for an alien to land at Hoboken and then come over to New York, then drop back to the barge office, and then go west. It meant a loss of two days, possibly, and I do not know how many people preyed on him unnecessarily. Now, he might have come directly to Ellis Island and gone west from there. There was probably three-quarters of a million dollars involved in it.

I ordered an investigation of places around New York, for proper things or improper things, and I found that many men were preying on the aliens. I had the police department send around the best men that could be obtained in those investigations. We found that the railroad situation in Jersey City was not right. We found that the railroad pool there routed the aliens; we found that they sent them, say, over the Baltimore & Ohio and Chesapeake & Ohio to Chicago. It took them 50 hours to go to Chicago. Then they were packed in cars with inadequate toilet facilities, the men and women being bunched in together. We found that they were likely to be killed by the score in going over the tracks at Jersey City. We cleaned up that situation as well as we could with our limited powers.

The CHAIRMAN. Did you move the Hoboken station?

Mr. HOWE. No, sir; there was no Hoboken station at the time. They were fighting for one when the war was over.

Then I began an investigation of conditions surrounding the alien at Ellis Island. As soon as admitted the alien goes down to a place to get his money changed, and you can see the aliens lined up for 100 feet waiting to get their money changed by private money changers, Richards & Co. have that concession. Now, I do not say that they were dishonest, because I do not mean anything of that kind, but they have their clerks there doing the work. Now, the money that the alien gets he gets from a private individual—the clerk of a private person—who has every opportunity in the world to short change the alien. The alien wants to get a 20-franc piece exchanged and the man may give him $4 or he may not. The next man may have a piece of Greek money to be exchanged, and the next may be Russian or German. The alien only wants to get out. He does not know what the rate of exchange is, and he takes what is given to him.

Then he has to pass by the telegraph offices. The telegraph offices are there to make money, and they have men out urging the aliens to come in and telegraph to their friends. We have men there trying to stop any abuse, but we do not know what they do. Then they go over to the railroad office, and finally come to the food concessionaire, who sells cartons of food. It may be proper to sell them at the price at which they are sold, but it is to the interest of the private concessionaire to sell as many as he can for as much as he can. He has a man out trying to encourage them to buy. My protest is not as to the dishonesty of any man because I do not know about that. There is somebody trying to get money out of the alien all the time, and he wants to get through. He is eager to get out, and he has learned abroad that the only way to get out is to buy something all along the line. I say that that is a bad system—a rotten bad system—and the United States Government ought not to have private concessionaires at the threshold of this country for that purpose. I am sure that if the Government furnished the food it would do it as well as in the case of the hospital. I am sure that the hospital supplies are bought right down to the bone. We buy $40,000 worth a year——

Mr. BENNET. What proportion of the food for the hospitals is supplied by Rhodes & Brand?

Mr. HOWE. I do not know of any. We have competition for that every three months.

Mr. BENNET. They are the contractors, are they not?

Mr. HOWE. I do not know. I do know of one change that would take place if we ran the concessions there, and that is we would pay more wages. We would provide for $2 per day. We would provide that no wages less than $2 per day should be paid there.

Mr. SLAYDEN. To anyone?

Mr. HOWE. Yes, sir; to anyone.

Mr. SLAYDEN. What do they pay now?

Mr. HOWE. As low as $6 per week.

Now, I want to come to the thing that affects me officially; that is, as to whether I have been an efficient commissioner, or whether I have been a good business administrator. I do not think that is the primary thing, but that is the point of view that many people take. I assumed that my obligation to the Government there was just the same as would be my obligation to a private person, and I tried to effect all the economies I could, to make that station just as serviceable as I could, and to cut down any expense I could. They came to me and said that the hospital was earning money and that it made a profit last year. I said, "We will find out about that." I had experts to go through all of the hospital records to find out whether they were making a profit or not. I did not believe that they were, and when these experts got through we found that they were losing $120,000 a year, although the department's instructions are that the charges to the steamship companies should be enough to make the hospital self-supporting. In other words, the steamboat companies were receiving outdoor relief to the extent of $120,000 a year from the Government. We eliminated from the cost the payments to the doctors, who were in the Public Health Service, and we only put in the cost of the food, the cost of the nurses, the depreciation on the buildings, and the cost of lights, water, and heat, and we increased the earnings of the hospital $100,000 a year by increasing the charges to the steamship companies. The steamship companies beefed and bellowed about it, and they have been beefing and bellowing about it ever since, but it is not my conception of my official duty to permit them, who are responsible for the bringing of improper aliens to this country, to enjoy that kind of privileges furnished by the United States Government without paying for it.

Then, when the order came from the department two years ago that economy was to be urged, I took up all of our requests for appropriations and went over them very carefully. I cut out something like $300,000 for permanent improvements. I am partially responsible for the fact that we have not made application for first-cabin accommodations, because I voluntarily reduced the requests that had been pending for years, believing that when the Secretary of Labor made that request he meant it. We cut out $300,000, and those things have never been requested from that day until this, although all of them could be defended.

Then later, when the Secretary said to me that it was urgent in order to meet the demands of Congress to make a reduction in our expenses, I took that mandate also seriously, and I cut them down with the cooperation of the department. We did that by transferring employees and finding other jobs for them, and by means of furloughs, and other ways. We cut the labor cost at Ellis Island $100,000. We cut down the clerical force alone $30,000, and then we lost a number of our watchmen. We lost a lot of men who went to the border on the call for troops, and as soon as the watchmen were gone, or simultaneously with their going, these troubles arose.

Now, there is another thing that I take a real, genuine, and hearty pride in. When I went to Ellis Island it was organized on the basis of what some people would say was the best kind of discipline. I called all of the employees into my office by groups, and I said to them, "My office is open every day from 11 o'clock to 1 o'clock for you to make any suggestions on any question and to give me any information on anything you want to bring before me. If there is anything you want to bring to the attention of the commissioner you bring it here to me; do not bring it up through the chief of your division, and if there is anything you want to see me about come to me." That rule has been in effect ever since. I found that every employee at the station there was in a hierarchy, composed of the commissioner, the assistant commissioner, and the chiefs of divisions. I said to the men, "You go out and organize yourselves into what we will call a union; let the matrons organize, let the inspectors organize, let the stenographers and engineers and every one of you organize. You get together and talk over the welfare of this station, and talk over anything that we can do to better it, and if you have any plan for improving it, bring that up through a committee. If you want a raise in salary, get your own associates to agree on it before you bring it to me."

Then we created another group to hear appeals, so that nothing would come to me of a frivolous nature. That had the effect of putting them on their mettle; they were put upon their honor, and they never took advantage of it. I got 98 suggestions. They ran all the way from the big things down to the little things. There was a suggestion by one humble employee by which an economy of $40,000 would have been effected in one division alone. Now, that is my idea of efficiency. It is the way to call out the full working capacity of any man, no matter how humble he may be. I like it, and it has been successful. Now, some men at the top do not like that, because it has diminished the power of their positions. Some men do not like to have other men have access to me, but I do like it. I am sure it has protected me, because it has given me 500 sources of information that a man who looks to only one or two men in the force would not have.

Then, I put complaint boxes all over the station, and I did that for the same reason. Those are complaint boxes into which anybody can put a complaint at any time, or a suggestion at any time. They may come from aliens, inspectors, or from visitors, and that is the way I keep in touch with the aliens and with the visitors who come over there. Very often they make valuable suggestions to me.

Mr. SIEGEL. The signs on the complaint boxes are in English. Has it occurred to you that they might be put into different languages?

Mr. HOWE. That may be, but the complaints come in every language now.

Mr. SIEGEL. They have other signs around there in different languages, but not these particular ones.

The CHAIRMAN. They know they are complaint boxes, whether they can read the signs on them or not?

Mr. SIEGEL. Some of them do, but some of them do not. They read in all kinds of languages.

Mr. SLAYDEN. Don't you suppose that the news as to what they are gets about among all of them?

Mr. HOWE. Yes, sir. Now, I want to explain something else: Our statistical division employs 60 men, and I went into that division and studied it. I shook it up. I said to them, "You hate to be appointed into this division, and you call it the morgue. Now, let us see if we can not improve this division." I took it up, and in six months' time we had nearly doubled the per capita output of work in that division, and had cut down the operating cost. They were copying cards and doing that sort of work.

I took hold of the filing system in the same way, and appointed experts to make a study of the best filing systems in New York. We cleaned up the filing system, and I put the best man I could get at the head of it. As soon as I get a division like that cleaned up and reporting regularly I forget it, or take it as a purely routine matter. I went through the station division by division in the same way, making them efficient from my point of view.

Now, the war broke out on me just as I was appointed, and the war is responsible for this trouble that Mr. BENNET talks about. On the very day I went there, almost, the war broke out, and we had 400 or 500 aliens; and I am not sure but there were 800 aliens when I went there. They could not be deported to Russia, Austria, Hungary, Poland, Germany, or Belgium. At the same time they were coming in from the interior, from stations that had no places or facilities for taking care of warrant cases or the crooked cases. We have at the present time 90 people who have been there since the war broke out—men, women, and children.

I used to go through the detention rooms day after day, and I would see these little children sitting on benches with their parents. They were getting anemic and going to pieces. The only exercise they had was in walking to and from the dining room. At the end of a couple of months I said, "I can not keep these children there any longer; you have got to get them out and put them on the grass." Some of the people said, "You can not put them on the grass out there, because we have been working for three years to get the grass growing." They have had trouble with it because they have not had any too much soil. I said, "I am more concerned over dead children than I am over dead grass; put them out and see what happens." They turned them all out in front of my window and I watched them. They lay down on the grass like animals; they rolled over and over; they hugged the grass; they kissed the grass; and tears rolled down their cheeks. They were peasants, and that was the first time they had had access to the land for months. Then I opened up the playground as a permanent institution, and gave them their freedom.

The appetites of the children came back. And this is an interesting psychological fact. Prior to giving them freedom these aliens sawed their way through those heavy bars, as thick as your finger; they tore them down; they crawled out and got down by the use of suspenders, and so on, and leaped into the river; they leaped into the icy river in order to swim to the Jersey shore. They were so obsessed; they had nothing to do; there was nothing to do there, and you know what happens in prisons when people have nothing to do. People go insane. I gave them this freedom outside and permitted them to walk around. I got a lot of things for the children to play with. We organized classes; we organized sewing classes for the women; we put in a schoolroom for the detained children, there being no provision for such a thing there for the children. I got a Y. W. C. A. woman to take charge of it, because I had no money with which to do such a thing. With the exception of two German deserters, there is not a soul who has attempted to escape since they were given freedom.

What applied to that in that way applied also to these immoral cases. We locked them up, as they had committed some wrong. Those rooms had 10 to 12 beds in them, the rooms in which the prostitutes are kept. We keep as close a watch on them as we possibly can. There is almost always a matron in there looking after them. As we had no other place to put them, we had to do it in that way. Last Saturday we locked them up, and on Sunday morning we had a rough house. Two aliens attacked a guard and beat him up pretty badly. Men and women were raising Cain going through the corridors. It was all we could do to keep them from causing any damage. Now, we are up against that situation, with 400, sometimes 600, and sometimes 800 aliens over there, some of them kept there for months and months at a stretch.

The CHAIRMAN. How many warrant cases have you?

Mr. HOWE. At the present time 6 women and 16 men. The number will go up and down; sometimes we will have a large number there. Mr. BENNET says that at one time we had 100, and if we had 100 we had every available space occupied. I do not want 100 warrant cases there very long. At this moment, with those men locked in a room, as they are at the present time, and with the women locked up, you may expect anything to happen. I expect them to assault a guard who is unprotected. I should not be surprised that anything might be the result of the present policy.

Now, we had the alternative of locking them up or the other alternative of what has been called permitting them to mingle, which they did not really do. I defend my policy. I defend my policy and say that there is far more safety at Ellis Island in letting these people out on a big open porch, which is 300 feet long and 150 feet wide, with a watchman at this end and a watchman at that end and matrons going along all the time, and having the people where we could see them, than there was in locking them in their rooms. The same is true of the lawns.

Now, we have rules, which were adopted after an inspection made by Matron Harris, who was appointed last spring. I want to say that for the first 15 months I was there I had no head matron. The department could not give me any money so that I could employ a head matron. All I had was a lot of matrons there and a lot of scrub women there, with nobody over them. I think there ought to be a deputy woman commissioner at Ellis Island, and I said so before Mrs. Harris was appointed. I told her to make an investigation of anything she could find. She came back and made a report. Two days afterwards I called a conference of Mr. Uhl, Mr. Baker, Mr. McKee, superintendent of the deporting division, and Mrs. Harris, and we framed up these rules, which are the rules Mr. BENNET requests:

APRIL 15, 1916.

MEMORANDUM AS TO RULES GOVERNING WARRANT CASES.

1. The detained warrant men will be instructed to keep to their rooms or the men's day detention room; not to traverse the corridors except by way of the men's detention room to meals, and not otherwise; and not to enter the laundry or other rooms where women are detained.

They will be permitted on that part of the balcony to the east of the benches, and will be instructed that if they violate this rule and pass this line and mingle with the women the privilege of using the porch will be taken away from them.

Now, let me describe conditions there. Here are all the accommodations we have for warrant cases at Ellis Island [indicating on sketch]; here are all of the accommodations that we have for first-cabin aliens, who are just as clean as we are [indicating]; here are all of the accommodations that we have for second-cabin aliens [indicating]. Now, these are the ample, generous, and palatial accommodations that Congress has given us to take care of all the worst cases and the best cases as well [indicating]. There is a little laundry over there [indicating]. And that is a pathetic room. About three months ago I opened a laundry. These people had not many clothes, many of them having only the clothes they had on their backs. They would not send them to the laundries because they would mangle them, and so I opened this little laundry down here [indicating]; I put in washtubs and ironing boards, and the next day it was filled with these women aliens, who had nothing to do and who had not had a change of underwear for a long time. They went to their trunks there and pulled out a lot of things and washed them; then they came out with cleaner clothes, and it is the most popular place on the island, and that did more to improve their morals than a lot of other things might do.

They had no place in which to read or write, and so I fitted up this room [indicating] as a reading room and rest room. So the women are kept over there all day long. Now, there are almost as many children as there are women; maybe not as many as that, but there are many of them and they are of all ages. They are all around making noises and they are sometimes sick. They had no place to go except out here on the porch.

Mr. RAKER. You say children?

Mr. HOWE. Yes. In order to take care of the children I wanted to go out and buy a farm and take some of them on it. When I found the department could not do that, I was going to do it myself, but I found that if I did I might be indicted for making a profit out of the aliens. So I had to give it up. These little children were in there with their mothers, romping all around, and raising Cain all the time. Many of you gentlemen have families and you know what happens to your peace of mind when children are romping around all the time and raising Cain generally. They would get sick or their mothers would get sick. Now, we got them out on the porch and I opened up that rest room in there where the sick mothers could go, and that is the only place they could go except some little place in here [indicating], where there are a few beds; otherwise the children are compelled to lie on hard board floors.

Now, in the old days the women were there and the men were kept over there [indicating]. Three times a day the men come through here, walked out through here, and the women walked out through here [indicating], and they ate together. I let the husbands and wives be together all day long, and they met in this room over here [indicating]; they sat there and talked; they chat and they walk up and down the porch together. That left us a room for the first and second cabin passengers and four warrant rooms.

Now, here is the way we try to protect from immorality. It has not been perfect; it has not been completely successful, because we have had these cases for many months that have to be deported. We investigate them and we report our investigations to the department. Within 24 hours after a complaint of that kind comes it is a matter of record, if we get any knowledge at all. I think we get everything that happens through our system and through the talk and gossip that naturally takes place. It is all a matter of record right down here. Then, let me tell you that the only people who gossip or report on cases of immorality are prostitutes, pimps, and procurers, and nobody else, that I know of. And they often tell things for the purpose of making a deal. There was one man who offered to tell some things if we would send him to South America instead of sending him back to Austria, but we could not bribe him in that way. I want to say that whenever these reports come to us we investigate them up to the point where proof is almost impossible.

Mr. SIEGEL. As I understand it, this man Fair, who has been referred to, has been trying for about two weeks to bargain with the department so that he would be sent to Brazil instead of to Germany. He stated he would make certain confessions provided such a bargain was made with him.

Mr. HOWE. Yes. Here is the arrangement we have to protect these warrant cases. A watchman stays there [indicating] all day long; there is a corridor which goes up there, and there is a corridor which goes across there [indicating], and there is a corridor coming down there [indicating]. There is the men's detention room, and here is the women's [indicating]. There is a man there all the time on duty; those are the orders, and I have never been there when there was not one there.

The CHAIRMAN. Day and night?

Mr. HOWE. Well, I have never slept at the station at night, but the orders are to patrol that corridor at night; yes, sir. Now, there are no bolts on the inside of the doors; they all lock on the outside. At night these warrant men are locked in, and the keys are carried by the man on duty at night. In the daytime the doors are generally open. This is where we keep a matron [indicating], and nine times out of ten when I have been through there a matron has been there. Then, again, scrub women are scrubbing there all the time, because it is a dirty place. These people spit on the floor, and it is necessary to keep cleaning the floor all the time. There are matrons going back and forth, and there are workmen going back and forth all the time.

I give it all as much attention is I can, because the aliens interest me. I have met as many interesting people on Ellis Island as I have met anywhere. Then we have representatives of societies at Ellis Island. We have agents of the Y. W. C. A.; we have agents of the Presbyterian Church, the Lutheran Church, and the Catholic Church. I think there are 70 such institutions represented there. They are at the island all the time, and I am sure the ministers would see some of this immorality and bring it to my attention if it existed to any great degree. But, as I say, everything is done to prevent it. I think it is better to have these people outside than to have them locked in rooms all the time. I think there is less likelihood of immorality on the street than there is in a cellarway. I have adopted it as a policy that the more I can get them out the easier it will be to watch them; it will be easier to have somebody watch them while they are out on the lawn than it would be if they were locked in these rooms or compelled to remain in these rooms, where it might be possible for somebody to sneak in. Of course, that is a matter of judgment, but it is my judgment that that is the better plan, and it has worked pretty well and did work pretty well up to the time we were stripped of our employees who had to go to the war, when we could not watch them as carefully as we did before. Mr. Bennet, is it not true that every one of these stories has arisen within the last six weeks; I mean stories of immorality?

Mr. BENNET. Yes.

Mr. HOWE. Every one that I have heard of has arisen within the last six weeks, and I guess I got them all.

Mr. DENSMORE. When you refer to your employees going to the war you mean that they went to the Mexican border?

Mr. HOWE. Yes. They called out our men, and we lost a number of them.

Mr. SLAYDEN. Would it annoy you if I would ask you a question merely for the expression of an opinion?

Mr. HOWE. Not at all.

Mr. SLAYDEN. We have been immensely interested in your statement. In your judgment, what percentage of the people who are detained at Ellis Island are downright immoral people? For instance, that woman and her three children, while they were detained, were not immoral.

Mr. HOWE. Of course not——

Mr. SLAYDEN (interposing). I say that that woman was clearly not immoral. Now, what percentage of the people there, in your judgment, might be accounted as decidedly immoral people, such as pimps, procurers, prostitutes, and others of that kind?

Mr. HOWE. It probably ranges from 20 to 50 out of from 400 to 600. It may be 5 per cent, or it may rise to 10 per cent.

The CHAIRMAN. Of course those who are not detained upon that ground are supposed to be all right?

Mr. HOWE. Of course we know how many warrant cases there are.

Mr. SLAYDEN. It is a comparatively small number?

Mr. HOWE. Yes, sir. Mr. Bennet, have you ever heard of any immorality among the ordinary detained aliens? Have you ever heard of a case of immorality among the ordinary run of aliens down there, outside of the detained warrant cases?

Mr. BENNET. I can not say that I have—not in your time.

Mr. HOWE. Possibly you would not include those Chinamen among nonwarrant cases?

Mr. BENNET. No, sir; I would include them, in view of your statement—I think I would not call them warrant cases. They were not detained there for any immorality, but simply because they were Chinamen.

The CHAIRMAN. There was no warrant for them, and they were not warrant cases?

Mr. HOWE. No, sir. Within two years' time 300,000 people have slept at Ellis Island since I have been the commissioner. They have slept in those dormitories upstairs. Husbands are separated from their wives. The husbands have not slept with their wives all the time they have been there. As I was saying, while 300,000 people have slept there during the last two years, there had not been any suggestion of any immorality there.

The CHAIRMAN. There is no place where husbands and wives can sleep together?

Mr. HOWE. They do not.

The CHAIRMAN. You have kept them together in the daytime?

Mr. HOWE. Yes, sir. The trouble there is largely due to the fact that these people have been detained there for a long time. Ellis Island is not built like a prison, and we are not prison keepers. We have no means of punishment. They have to be either watched in those rooms or kept outside.

Mr. RAKER. Is not another great trouble due to the fact, not that you have no place to punish them but that you have nothing for them to do?

Mr. HOWE. That is true.

Mr. RAKER. I want you to elaborate somewhat on the question of punishment and the question of having something for them to do.

Mr. SIEGEL. On the other hand, you would not have any authority to put them to work?

Mr. HOWE. No, sir.

Mr. DENSMORE. In connection with whatever immorality that has been even alleged over there, if it has been committed, it has been committed upon one single prostitute who is absolutely incorrigible. From what Mrs. Harris told me, she is subnormal or abnormal. She is positively a degenerate. I refer to Ella Lebewetz. There is no difficulty with even the other prostitutes, except possibly Anna Bell.

Mr. HOWE. I want to complete the regulations we adopted governing the warrant cases.

Mr. SLAYDEN. I move that Mr. Howe be permitted to get through with his statement without interruption

Mr. HOWE. Here are the orders adopted after that conference:

"1. The detained warrent men will be instructed to keep to their rooms or the men's day detention room; not to traverse the corridors except by way of the men's detention room to meals, and not otherwise; and not to enter the laundry or other rooms where women are detained. They will be permitted on that part of the balcony to the east of the benches, and will be instructed that if they violate this rule and pass this line and mingle with the women, the privilege of using the porch will be taken away from them.

"2. The same instructions will be given to the warrant women, who are to be moved to room 212. They are permitted on the west side of the balcony, with instructions not to cross to the east end or to mingle with the men.

"3. The doors of the corridors are to be kept closed."

They are to be kept closed so that they can only be opened by the officials.

"4. There is to be no loitering in the corridors. This rule applies not only to warrant cases but to all aliens detained here. Watchmen and matrons are instructed to send both men and women out of all the corridors into the day detention rooms, except when they are passing through the corridors for meals or some other business.

"5. The warrant cases will be advised that continuance of the privileges they are receiving depends upon their good behavior, and these privileges will be taken away from them if they are guilty of any improprieties.

"6. Warrant men and warrant women are not to sit together at the tables.

"FREDERIC C. HOWE, *Commissioner*."

That is signed by the commissioner, and it is dated April 6, 1916. Previous to that these questions had been handled piecemeal under rules substantially like those I have read, although I think there were some abuses there that are covered in these rules that are not like the general instructions we gave to the matrons and watchmen. They had standing rules to see that the prostitutes did not go with the other people and to see that they stayed by themselves on the playground; to see that they walked together on the porch; and to see that they did not converse with the men. Two cases were reported to me by matrons. A matron came down one day and said: "Mr. Howe, there are familiarities going on on the porch by that prostitute who was brought over this morning. I watched her and saw her slap a man on the back and walk along the porch with him. I went to her and said, 'See here, you ought not to be familiar with the men like that; you have only been here since this morning and have not been introduced to anybody.'" I said, "What d'd she say?" The matron said, "She said, 'If you had been in a Florence Crittendon Home for eight months and had not seen a man in all that time, I think probably you would put your hands on a man, too, if you saw one.'"

We tried to watch it as well as we could. Now, I have talked longer than I intended to, but I simply wanted to show that I am perfectly open and frank about this matter.

Mr. DENSMORE. Mr. Howe, did you make it clear that the instructions that you have just read with regard to the warrant cases were made after Mrs. Harris had made to you her report that this resolution calls for?

Mr. HOWE. I did. They were delivered to the assistant commissioner and they were delivered to Mr. Baker, who was the superintendent; they were given to Mr. McKee, who is at the head of the detention division, and also to Mrs. Harris. Mrs. Harris has the power to enforce any rule just the same as I have, and Mr. McKee has the same power, but they are inadequately supplied with help. We are inadequately supplied with men, and we are trying to run a prison in an immigration station, and can not do it. I did not invite that when I was appointed commissioner. I did not expect to be the keeper of a prison.

The CHAIRMAN. There was some question raised about absenteeism.

Mr. HOWE. Yes; and I would like to answer that, too. Mr. Chairman, I get to the office all the way from half past 8 in the morning until 10 o'clock, depending upon the train connection that I make, or, rather, the ferry connection. If I do not catch the 9 o'clock ferry, I come in at 10 o'clock. As a matter of fact, I usually have a launch that brings me over at approximately half past 9 o'clock. I think I work with more rapidity than almost anybody else, and I usually catch the 5 o'clock train to the country, which means that I leave the station a little bit before the others do. They leave at 4.40 o'clock, while I leave at a quarter past 4. On many days I leave before that when I clean up all the work and there is nothing more to do. When the work is cleaned up and there is nothing further to be done, I leave. When I became commissioner I said that I would make it a rule to trust the men as far as I found I could trust them, and as soon as I found I could trust officials, I trusted them. I insist, however, that everything that relates to administrative policy shall be decided by me, and I decide everything that relates to personnel. I pass upon—I can not tell you the percentage of appeals—but I pass upon all the appeals when I am there, and upon the pay rolls and vouchers, and all administrative policies. I also sign all contracts. I have been devoting a large part of my time to the work of protecting the aliens from fraud and loss, to the question of bad conditions, and to the question of making economies in the expenditures.

The CHAIRMAN. It is not that so much, as I understand it, but the charge relates to absenteeism from the island.

Mr. HOWE. I can answer that, I think. Probably there has not been any two weeks in this year, and certainly not any three weeks, that I have not been called to Washington. Ellis Island does from 80 per cent to 90 per cent of the work of the entire Immigration Service, and I am here often anywhere from one to three days. So far as I can recollect, I have been away on my own personal matters only twice—I have been away possibly six times. Then, in addition to that I was away from the station to make, I suppose, 20 speeches—generally bunching them—on the subject of immigration. I have done that intentionally and consciously, because I was trying to interest the people of the United States in the question of immigration. In addition to that, I started, by correspondence and otherwise, 100 cities to having citizenship receptions on the Fourth of July. That was a year ago. I have spoken in St. Louis, to chambers of commerce in North Dakota, in Milwaukee, Chicago, Philadelphia, Boston, and, I think, in Providence and Syracuse, on the immigration policy, which is a policy that would educate the immigrants after we got them and which would protect them. I have given a great deal of time to that and considered it as a part of my duty as immigration commissioner, because I felt that the duty of the Government did not end when a man was admitted to this country; that there was some obligation on the part of the Government to see that he was not imposed upon after he got here.

The CHAIRMAN. Has that taken up any unusual amount of your time?

Mr. HOWE. No.

Mr. BENNET. Mr. Speaker, I ask unanimous consent to extend my remarks in connection with the statement of Mr. Howe, which has just been inserted in the RECORD.

The SPEAKER. The gentleman from New York asks unanimous consent to extend——

Mr. BENNET. Or in the alternative, if there is opportunity before the close of the session, that I may have six minutes, confined simply to that statement of Mr. Howe.

Mr. KEATING. Reserving the right to object, all that I want under the circumstances is simply an opportunity to comment upon what the gentleman may say. I have no desire to restrict the gentleman's activities at all.

Mr. BENNET. Then I ask unanimous consent that the gentleman from Colorado may also have six minutes to comment on what I say after I am through.

The SPEAKER pro tempore. The gentleman from New York [Mr. BENNET] asks unanimous consent that he may extend his remarks in the RECORD——

Mr. BENNET. This request was made at the conclusion of the gentleman's remarks, and he already has the consent.

Mr. KEATING. This will take the place of unanimous consent to insert matter in the RECORD.

Mr. BENNET. If I do not get a chance to speak, I will insert the matter in the RECORD.

Mr. KEATING. The gentleman's request is that he have six minutes, and that I take six minutes at the conclusion of these other speeches.

Mr. BENNET. My request is that I have the alternative, if I can be reached at this session, of having six minutes to comment on Mr. Howe's statement, and if I can not be reached that I have the right to extend my remarks in the RECORD in relation to Mr. Howe's statement, which the gentleman from Colorado [Mr. KEATING] has put in the RECORD, and if I do speak six minutes that the gentleman from Colorado may also speak six minutes after I am through.

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent that he and the gentleman from Colorado [Mr. KEATING] be allowed six minutes each to comment on the statements made by Mr. Howe, or, if that is not possible, that the gentleman from New York may have unanimous consent to extend his remark in the RECORD in order to comment on the statement of Mr. Howe. Is there objection?

Mr. KEATING. Reserving the right to object, I feel that this discussion should close unless Mr. Howe is given the same opportunity for a statement, through his friends on this floor, that the gentleman from New York desires.

Mr. BENNET. Mr. Speaker, on the 17th of July I offered a resolution for investigation of the whole matter. If the House Committee on Rules will report that out, not only will Mr. Howe, but everybody else, have an opportunity to be heard.

Mr. WINGO. Mr. Speaker, I demand the regular order.

Mr. MANN. I will say to the gentleman from Arkansas I would not do that.

Mr. WINGO. The gentlemen have already taken up about 15 minutes in talk. I am willing to have the gentlemen use six minutes apiece, but there is no use of bandying words across the aisle.

Mr. BENNET. I make the request, Mr. Speaker.

Mr. KEATING. I object, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Arkansas [Mr. GODWIN] is recognized for 60 minutes.

IS THE PRESENT UNEQUALED AMERICAN PROSPERITY TEMPORARY.

Mr. GOODWIN of Arkansas. Mr. Speaker, in the midst of the greatest war of all time, a war in which 15 nations are already engaged, with 30,000,000 men on the firing line and 14,000,000 men already killed, wounded, and missing, with an expenditure of over $55,000,000,000 and countless billions of dollars' worth of property destroyed; in the midst of this great war, which is shaking the very foundations of European society, bringing devastation, poverty, ruin, and despair to a great civilization, the American Commonwealth, sir, is at peace with the world and all mankind and is enjoying a period of prosperity unequaled before in the annals of any country.

Sir, this gives our friends, the enemy, on that side of the aisle no little concern. In fact, it has much perturbed the spirit of their dreams. Many have been the efforts sought to be made to account for this widespread and unequaled prosperity. Among other speeches made upon this floor was one made a few weeks ago by the distinguished gentleman from Illinois [Mr. RODENBERG], always engaging, often plausible, sometimes convincing, in an effort on his part to resurrect his party from political insolvency and bankruptcy. Strange and extraordinary indeed, Mr. Speaker, was a part of the speech of the gentleman from Illinois. In giving an account of the causes that brought about the overthrow of that party, let me read to you the queer and novel statement made by the distinguished gentleman from Illinois [Mr. RODENBERG]:

> But, strange and anomalous as it may seem, it was this very unprecedented and unparalleled prosperity that was responsible for the overthrow of the Republican supremacy and for the installation of the Democratic administration. The American people are in some respects a peculiar people. They are always restless, and they are never entirely satisfied. They are constantly looking for something new, and when they have found it they are willing to experiment with it simply because it is new. Especially is this true when everything is moving along smoothly and there are no signs of impending disaster in the skies.

Mr. Speaker, the Republican Party has indeed been very ingenious in drilling into the minds of the people of the country, controlling as it has done and as it still does largely the great press of the country, the theory that the Democratic Party and hard times go hand in hand, and that the Republican Party and prosperity are concomitant, coeval, and coterminous. Sir, the distinguished gentleman never once referred to the great panic in 1907, when all the coordinate branches of the Government were absolutely and unqualifiedly within the control of the Republican Party. He does not refer to that greatest of all modern scandals, the absorption of the Tennessee Coal & Iron Co. by its only great rival, the United States Steel Corporation, by an executive order of the then President of the United States, Theodore Roosevelt, and does not recall that other scandal, sir, in connection with that great panic, when the news spread all over the country that a great financier in the city of New York, Mr. J. Pierpont Morgan, had thrown himself into the breach and proclaimed to the world that he was the world's benefactor in that behalf [applause on the Democratic side], when he said that he would stop the panic and go to the rescue of the failing banks—which did not stop the panic—and by loaning his own funds and those which he controlled in the various banks, $25,000,000; but, later on, sir, when an investigation was held it was then and there learned that the $25,000,000 did not come from his coffers, but that it was the people's money, deposited in the great banking institutions of Wall Street, loaned not to the small bankers of the country to meet local emergencies but loaned upon the stock exchange, in the gambling pit, upon the curb, upon call loans, not at a small rate per cent, not at 4 or 5 or 10 per cent, but at the exorbitant rate of interest as high as 125 per cent upon call loans.

Why, Mr. Speaker, if the so-called "good times" of those days—a misnomer in fact and in name—were the cause of the downfall, the death, the despair, the hell and damnation of the Republican Party [applause on the Democratic side], then, sir, indeed every red-blooded, patriotic American citizen to-day may well tremble in his boots lest our Republic be overthrown and destroyed when he realizes the unequaled prosperity now overflowing the country, under the auspices of the Democratic Party, guided by a Democratic President. [Applause on the Democratic side.]

But here we listen to much said about "efficiency" and the "lack of efficiency" now in our governmental institutions. It has been the policy of the Republican Party to say that it is the only one qualified to administer the affairs of government. I remember in the great coal strike a few years ago, Mr. George F. Baer, the president of the Reading Railroad and of the Reading Coal & Iron Co., owner of extensive anthracite coal fields in Pennsylvania, said that the good Lord had vouchsafed these vast fields of coal to him, and to his friends, as "trustees for the American people"—a partnership, if you please, between the Lord and those who sit in high financial places.

Sir, there is efficiency, there should be efficiency, in government, but there should not only be efficiency but there should likewise be honesty in the conduct of affairs of administration. Does anyone suppose for one moment, Mr. Speaker, that a parallel could now take place under Woodrow Wilson's administration in the absorption by a great trust of its only rival by violating the Sherman antitrust law, as was done in the absorption of the Tennessee Coal & Iron Co. by the United States Steel Corporation with the permission of Theodore Roosevelt? Does anyone, Mr. Speaker, for one moment think an iniquity like the spending of the Government's money by J. Pierpont Morgan upon call loans as high as 125 per cent could take place with William Gibbs McAdoo as Secretary of the Treasury? Nobody has challenged the honesty of this administration. [Applause on the Democratic side.]

But the Republicans say they are the only ones who are efficient. Let me call your attention, Mr. Speaker, to something else that they would like to remain forever a closed book. A few years ago—and I guess it is well within the memory of most of us—there had been conducted in the customhouse of New York a system of highway robbery which redounded to the behoof and

to the interest of the great Sugar Trust and sugar importers of this country.

Throughout part of the administration of Mr. Roosevelt, while Mr. W. H. Moody was Attorney General, all throughout the administration of Charles J. Bonaparte as Attorney General, and partially through the administration of William Howard Taft, when Mr. Wickersham was Attorney General, efforts had been made for years and years by George H. Earle, jr., to induce the Attorney General and his staff to investigate those awful sugar frauds. These letters were afterwards published in a Senate document, letter after letter showing the unqualified proof. Neither Mr. Roosevelt, Mr. Moody, Mr. Bonaparte, Mr. Taft, nor Mr. Wickersham took action until public opinion was so thoroughly aroused that they were forced and compelled to take action, and when action was taken what happened? The Sugar Trust and the importers of sugar came across and compromised with Uncle Sam by paying into the coffers of the Federal Treasury, as I now recall, $3,600,000 as an evidence of their graft and of their misdeeds.

What else in that connection? I want to read a letter written by Mr. Wickersham to Henry A. Wise, district attorney of New York, dated Washington, D. C., June 27, 1909:

[From the Cleveland Plain Dealer, August, 1909.]

WASHINGTON, *Sunday, June 27, 1909.*

MY DEAR WISE: Senator Root has sent me the proof of a petition signed by Bowers, Milburn & Guthrie in support of their contention that the statute of limitations has run in favor of Messrs. Parsons, Kissel & Harned. If the only overt acts done to carry out the objects of the unlawful conspiracy were those referred to in the brief, I should think they were insufficient to save the bar of the statute.

A strong effort will be made to-morrow to persuade the President to interfere in some way to prevent the indictments, but aside from that no indictments should be returned against anyone if there is no reasonable ground to believe they can be sustained. If, for instance, the offenses charged are clearly barred by the statute. I need hardly say this to you.

What I want to impress upon you is that, if you have any reasonable doubt in the matter, you either have the grand jury or ask the court for instructions, or, if that is not feasible, that you advise the department of the specific charges on which you rely to save the statute before actually having the indictments brought in. You may telephone either to me, or to Mr. Ellis if I should be out of the department, when you call on this point.

GEORGE W. WICKERSHAM.

P. S.—As I am writing from my house and have no copy of this, will you kindly have your typewriter make and send me a copy?

Now, Mr. Speaker, that letter was written some five or six years after these sugar frauds had been known all that time to other Attorneys General, including Mr. Wickersham, and to two Republican Presidents of the United States. When Mr. Earle, the receiver of a defunct real estate company up there, familiar with all those proceedings, had begged and importuned the department to take action in the premises, we have the spectacle of a Senator of the United States, a great lawyer, writing to the Attorney General in the way indicated in that letter. I will not charge that he was the attorney for the Sugar Trust or for those who committed the sugar fraud, but at that time Elihu Root wore the toga as a Senator from the great Empire State of New York, and hurriedly, on Sunday evening, he wrote a letter to the then Attorney General, George W. Wickersham, and upon that as a predicate and a basis, this letter which I have just read to the House was penned at the home of the Attorney General in this city to the then district attorney at New York, Henry A. Wise. When this letter and additional evidence came before the people, so strong and potential became the wrath and sense of outrage of the people of this country, that proceedings were brought, and the compromise which I have referred to followed by the payment into the Federal Treasury of the amount as I recall named by me.

Now, Mr. Speaker, I do not contend that all of the virtue is in the ranks of the Democracy or all the turpitude and baseness in the Republican Party. Men are corrupt regardless of party affiliations; but that which I do want to emphasize is this: While distinguished gentlemen upon that side of the aisle claim to have a monopoly of efficiency, we want and we have coupled with efficiency, honesty and integrity in administering the affairs of government. [Applause on the Democratic side.]

I here now, Mr. Speaker, charge, and I ask our good Republican friends on that side of the aisle to now rise in their places, and I will pause for an answer at any time throughout this address, for any challenge of the fact that for many years past there has been an alliance, a distinct and a most unqualified alliance subsisting between the great, big business, privilege-seeking interests of this country upon one side and the great Republican Party upon the other side; that in exchange for heavy campaign contributions levied upon the coffers of those for whom special legislation had been enacted, to carry the elections at the polls, that party, sir, not unmindful, not ungrateful to their benefactors, put upon the statute books in return certain laws, in order that the contributors might extract from the bounty and the substance of the people the donations and the contributions made for Republican success at the polls. [Applause on the Democratic side.] I here now challenge, and I invite successful contradiction of the charge and allegation, that the Standard Oil Co. for many years has been a most liberal benefactor and contributor to the Republican Party; and that it has contributed lavishly to its campaigns.

I here now charge, while speaking upon the question of integrity and honesty in the discharge of the functions of government, that in 1904 the great Standard Oil Co. contributed $125,000 to bring success to the Republican Party in that year in its campaign. I furthermore charge that that was done with the knowledge, by the connivance and with the consent of Theodore Roosevelt and George B. Cortelyou, a member of his Cabinet, who had been promoted to the chairmanship of the Republican national committee. And I furthermore here and now charge, and I challenge successful contradiction, that an additional $150,000 was demanded of the same Standard Oil Co. in that campaign, urgently insisted upon by Theodore Roosevelt, by George B. Cortelyou and others who stood in high places. Does any gentleman upon that side of the aisle deny or challenge that charge? If so, I will give him time now to interrupt me. You do not deny it, do you, Mr. FESS?

Mr. FESS. Oh, I have not the facts.

Mr. GOODWIN of Arkansas. No; but I have the facts, and that is the beauty of our contention. The facts have been put in the CONGRESSIONAL RECORD.

Mr. Speaker, four years ago—I believe it was on the 21st of August, 1912—when the great kilkenny cat fight was on between the regulars, the "Old Guard," the standpat Republicans, and the Progressives, when the Progressive Party, through Theodore Roosevelt and others of its adherents, had called the "Old Guard," the standpat Republicans, porch climbers, thieves, thugs, highwaymen, robbers—and I have heard no good Democrat or Progressive deny those charges to this day, and when the "Old Guard" said that Theodore Roosevelt was a mountebank and a buffoon, and since then I have heard no standpat Republican deny that charge—on that 21st day of August, 1912, I chanced into the United States Senate, and there I heard and saw the distinguished senior Senator from the Keystone State, BOIES PENROSE, arise in his place and expose and wash the dirty linen of his party and the good Progressive friends who now have lined up with him ostensibly. In that speech he said the same things that I have charged here against campaign contributions for that year, that Theodore Roosevelt knew of the $125,000 campaign contribution made by the Standard Oil Co. in that campaign; that in addition to that Roosevelt sought another $150,000 to be contributed by the Standard Oil Co. to the Republican campaign fund.

Furthermore, he said that William J. Flynn, who in that year had suddenly been converted to the Progressive cause, had offered him and a man by the name of Durham, from Pennsylvania, $1,000,000, or even $2,000,000, if the late governor, Samuel W. Pennypacker, who only a few days ago passed off the stage of life—if those two gentlemen would be responsible for the governor appointing him, Flynn, successor to the late Matthew Stanley Quay as United States Senator for Pennsylvania.

One million or even as high as two million dollars was the sum, was the gratuity, was the consideration. Ah, Mr. Speaker, I do not know what a senatorship is worth to gentlemen from the great State of Pennsylvania or of the neighboring States to Pennsylvania, but if they can give $2,000,000 for a temporary appointment by the governor, what might be given for a full senatorship?

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. GOODWIN of Arkansas. I will.

Mr. MOORE of Pennsylvania. Mr. Speaker, I have just come in, and I have observed that the gentleman from Arkansas is making an attack on my State and naming a Senator of the United States. I do not want to make a point of order, but the gentleman is wholly without the rules in using the name of a Senator, and for the present I shall ask the gentleman where he got all this remarkable information about the governor of Pennsylvania whose body was laid away in its grave day before yesterday.

The SPEAKER. The gentleman from Arkansas can not refer to a Senator of the United States by name.

Mr. GOODWIN of Arkansas. I am referring only to what is in the CONGRESSIONAL RECORD.

The SPEAKER. It makes no difference about the RECORD, the rule is that the gentleman can not do it.

Mr. GOODWIN of Arkansas. I am not making any reflection, Mr. Speaker, on the late governor of Pennsylvania. I am simply giving some data that was furnished by the senior Senator from Pennsylvania as to certain propositions and transactions that took place in 1904.

The SPEAKER. The rule is that Members of the House can not refer to the Senate or a Senator.

Mr. GOODWIN of Arkansas. I always do so, Mr. Speaker, with the greatest deference.

Mr. MOORE of Pennsylvania. The gentleman is not referring in complimentary terms to the senior Senator, and is naming him, and as he is not here I shall have to make the point of order against the use of his name in debate.

The SPEAKER. The gentleman will proceed and comply with the rule.

Mr. GOODWIN of Arkansas. I need not call the Senator's name, but I will read the telegram from Mr. Flynn to John D. Archbold, which the senior Senator from Pennsylvania read while addressing the Senate, and if that disturbs the gentleman's equanimity he can go home and take a powder to make him sleep.

Mr. MOORE of Pennsylvania. Mr. Speaker, what the gentleman says or does as to record matters I have nothing to do. If the matter to which he refers is a matter of record, he may proceed to use the record; but I hope the gentleman will confine himself to the rule, so far as personalities are concerned.

Mr. GOODWIN of Arkansas. I am somewhat familiar with the rule, and all I have said is historical and in complimentary terms if one wants to consider it as such.

I will now read a telegram from William Flynn to John D. Archbold, of the Standard Oil Co.

Mr. MOORE of Pennsylvania. Does the gentleman think that a senatorial toga from Pennsylvania or from Arkansas is worth one or two million dollars?

Mr. GOODWIN of Arkansas. I do not know what it is worth in the gentleman's State, but down our way we have not been offering quite that price. [Laughter.]

Mr. MOORE of Pennsylvania. Has the gentleman's State been entirely free from criticism in times past in reference to political conditions around and about the State capitol?

Mr. GOODWIN of Arkansas. Mr. Speaker, there have always been and always will be corruption in high places and in low places. But I was only making certain animadversions on some persons in the State of Pennsylvania standing high in Republican councils, and I insist that honor and integrity should be a cardinal principle as well as efficiency in government.

Mr. MOORE of Pennsylvania. Will the gentleman include the State of Arkansas in his animadversions?

Mr. GOODWIN of Arkansas. Mr. Speaker, the lack of efficiency is coupled with every criticism Republicans make of Woodrow Wilson's administration, and it seems to be the shibboleth of the Republican Party.

Mr. MOORE of Pennsylvania. Is it not true that several years ago a lieutenant governor in the State of Arkansas and several members of the legislature were tried for passing contracts out of which there was some graft taken for the benefit of themselves?

Mr. GOODWIN of Arkansas. I will say that the gentleman is correct about there being certain indictments down there. I think there has been corruption, unfortunately, in many legislatures of the country, but I do not here allege corruption in the Arkansas Legislature; but, Mr. Speaker, that is far from the mark. I am only addressing myself to the contention that you gentlemen insist on efficiency and by your preachments you have never said anything about official honesty and official integrity.

Mr. MOORE of Pennsylvania. I think the gentleman will concede, as colleague to colleague, that members of the Pennsylvania delegation do the best they can to uphold the honor of the State in this House, and they concede the same right to their colleagues.

Mr. GOODWIN of Arkansas. I will agree to that, and I have some of my best friends among the Representatives from that State.

Mr. MOORE of Pennsylvania. If we had time we could pick flaws in each other's State if we desired so to do.

Mr. GOODWIN of Arkansas. I think so, but "art is long but time is fleeting," and I must proceed, as my time is limited.

Mr. MOORE of Pennsylvania. I realize that, but a million dollars is a large sum of money.

Mr. GOODWIN of Arkansas. And two millions is twice as much, and a large amount to give for a temporary senatorial appointment.

Now, I will read the telegram sent from William Flynn to John D. Archbold as read into the Senate proceedings on the occasion I have referred to. It is as follows:

PITTSBURGH, PA., *June 7, 1904.*

I tried to talk to you over the phone last night, but could not hear you. I am making an effort to go to the United States Senate as M. S. Quay's successor. As it now stands the appointment will go to Allegheny County, and I expect to get it. The Republican organization of Allegheny County are desirous of my appointment and are working in. Also the Republican organization of the surrounding counties. The decision of the question is up to Senator BOIES PENROSE, State chairman, and Israel W. Durham. The efforts of a few of my influential friends put forth at once with PENROSE and Durham will settle the question. If you will use your influence with them in my behalf I will greatly appreciate it. The decision will probably be reached Wednesday. Can you help me?

WILLIAM FLYNN.

You see Mr. Flynn sent forth an S O S signal—something must be doing right soon. Now, read the answer to that telegram. It is dated June 7, 1904, and this is a classic, and I will ask gentlemen to listen to it very attentively:

Telegram received. Sorry that the Posy did not shout friskiness. I expect to jail pop sharply parsed fanning, and until flagon prefix it is lamented for me to have flood hatred reship.

[Applause.]

Mr. Speaker, that must be a cipher code, so to speak. I have heard it said—and I do not know how true it is—that these big fellows—I will not say any Member of this House or the other House knows the meaning of all of that code, but I have understood that they have practically a Webster's unabridged cipher-code dictionary, which they use in big business affairs. What does that telegram mean when translated according to the code? Here is the interpretation as made by the senior Senator from Pennsylvania in his speech:

Telegram received. Sorry that the phone did not work better. I expect to have talk with Senator PENROSE, and until after that it is impossible for me to have any definite view.

JOHN D. ARCHBOLD.

Mr. Speaker, I am only speaking now in reply to the charge made against the Democratic Party that it is inefficient in the Government's business. I maintain, as I am making every effort to show and will show later, that we have been not only efficient, but likewise that we have been honest in our dealings with the American people.

Mr. MEEKER. Mr. Speaker, will the gentleman yield?

Mr. GOODWIN of Arkansas. Yes.

Mr. MEEKER. I wish at this particular time that the gentleman would inject into his remarks the speech made by the chairman of the Committee on Appropriations last year in respect to Democratic economy.

Mr. GOODWIN of Arkansas. Did the chairman of the Committee on Appropriations make any insinuations as to the political integrity of the Democratic Party?

Mr. MEEKER. But the gentleman has been talking about economic efficiency.

Mr. GOODWIN of Arkansas. I am talking about economic efficiency, business efficiency in affairs of government, as contradistinguished somewhat from economies in savings.

Mr. MEEKER. The gentleman makes no charge against his party that it has been economic in its expenditures?

Mr. GOODWIN of Arkansas. I say that it has been the most economic, efficient, business administration in a broad sense of any administration since the Civil War, and no Republican, however bitter in his partisanship, has ever questioned the honesty and integrity of a single official act of Woodrow Wilson's administration.

Mr. STAFFORD. The gentleman means in a liberal sense. [Laughter.]

Mr. MOORE of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. GOODWIN of Arkansas. Yes.

Mr. MOORE of Pennsylvania. The gentleman absolves the Democratic Party from any contact with corporations or big interests, as I understand him?

Mr. GOODWIN of Arkansas. Oh, I make no absolution of any political party as to its whole history.

Mr. MOORE of Pennsylvania. How does the gentleman account for the reception of the President two years ago of the 62 presidents of the railroad corporations and other large concerns, including the Standard Oil and the United States Steel interests, who desired certain things in the way of legislation?

Mr. GOODWIN of Arkansas. Are the presidents of the railroads supporting Mr. Woodrow Wilson to-day? Are they not supporting Mr. Hughes?

Mr. MOORE of Pennsylvania. They supported Mr. Wilson until very recently, up until the threatened railroad strike; and does the gentleman mean to say that the Standard Oil Co. is not sympathetic with the President to-day?

Mr. GOODWIN of Arkansas. I am sure that the great industrial corporations are not supporting Mr. Wilson, nor is the Standard Oil, and no one knows it any better than the gentleman from Pennsylvania.

Mr. MOORE of Pennsylvania. Does the gentleman mean to say that the United States Steel Corporation is not in favor with the departments and the White House to-day?

Mr. GOODWIN of Arkansas. Has the gentleman any proof that it is? The gentleman from Pennsylvania is an adept at

making insinuations in debate that can not be supported by proof.

Mr. MOORE of Pennsylvania. I have seen the evidence of the appreciation by this administration of the assistance that has been given to it by the United States Steel Corporation.

Mr. GOODWIN of Arkansas. Has the gentleman any evidence like a certain letter that Theodore Roosevelt, grateful and appreciative of things done for him by Wall Street and by the late Mr. Harriman, addressed to Mr. Harriman after his election in 1904, when he said—and I am not quoting the exact words—in effect:

MY DEAR HARRIMAN: You and I are practical men. I appreciate the $250,000 you went out on the curb of Wall Street and raised. I am deeply appreciative of that. Come down to the White House; come in at the back door, as it may be best for you not to be seen. I have just finished my message. Perhaps you would like to look it over before it is submitted to the Federal Congress.

Has the gentleman from Pennsylvania any proof, document, or evidence or any inferential proof that Mr. Wilson ever even winked in that direction?

Mr. MOORE of Pennsylvania. I have seen the list of contributors to the Wilson campaign in 1912, and they include representatives of the United States Steel Corporation, the Standard Oil Co., and all the big railroad interests of the country, and Mr. Schiff, of Kuhn, Loeb & Co., now operating large financial affairs, was one of those who contributed large sums of money.

Mr. GOODWIN of Arkansas. And are they supporting his administration to-day or contributing to the Democratic campaign fund? They are supporting your candidate for the Presidency.

Mr. MOORE of Pennsylvania. I think not.

Mr. GOODWIN of Arkansas. We know they are.

Mr. MOORE of Pennsylvania. The gentleman knows full well that when Mr. Vanderlip, who is now operating large transactions in South America and Europe and a number of other gentlemen heading railroad corporations, appeared before the President of the United States two years ago and asked him to establish a war-risk insurance bureau, taking $5,000,000 of capital out of the Treasury of the United States, which any one of them could have furnished himself, the President when they recommended it came up here and forced the Democratic Party to grant it.

Mr. GOODWIN of Arkansas. And I will say that I know nothing about the correctness of Mr. Vanderlip's visiting the President, but I will say this—did not you oppose the war-risk insurance bill? And is not Mr. Vanderlip strongly supporting Mr. Hughes for President?

Mr. MOORE of Pennsylvania. I surely did.

Mr. GOODWIN of Arkansas. And in doing so, you are absolutely consistent with your political record. In those days war-insurance rates were absolutely prohibitive and confiscatory and by coming to the rescue of the shipping interests, agricultural as well as manufactured products, we cut the rates down that had been so high on the high seas, and in doing so we put $2,000,000 of profit into the Federal Treasury. Otherwise over-sea commerce would have been paralyzed and it was practically paralyzed until a Democratic Congress had the Government of the United States take over the war-risk insurance, thus reviving commerce on the high seas, giving us the greatest foreign trade in the history of the country. You were standing by the insurance trust; we were standing by the people.

Mr. MOORE of Pennsylvania. Who got that benefit? The Standard Oil Co. and the United States Steel Corporation in their transport business——

Mr. GOODWIN of Arkansas. Nothing of the kind. It was a benefit enjoyed by the shipper of grain, the shipper of wool, the shipper of steel, and of cotton—in short, for all American shippers alike.

Mr. MOORE of Pennsylvania. It was the large corporations who got the entire benefit from it.

Mr. GOODWIN of Arkansas. Oh, the gentleman knows he is mistaken.

Mr. MOORE of Pennsylvania. The President came up here only last month——

Mr. GOODWIN of Arkansas. Mr. Speaker, I shall have to decline to yield further, as my time is fast slipping by.

Mr. MOORE of Pennsylvania. And asked——

The SPEAKER. The gentleman declines to yield.

Mr. GOODWIN of Arkansas. Mr. Speaker, I must decline to yield. Some people talk ad infinitum and some talk ad nauseam. [Laughter.]

Mr. HASTINGS. The gentleman referred to the very thing to which I wish to call attention, namely, that we had made $2,237,000 by the enactment of the war-risk bill.

Mr. MOORE of Pennsylvania. And lost $700,000 the first crack out of the box when the *Evelyn* and——

The SPEAKER. Does the gentleman from Arkansas yield?

Mr. GOODWIN of Arkansas. Not further. I will say, furthermore, Mr. Speaker, that neither the Standard Oil Co. nor the Steel Trust needed this insurance, because they are wealthy enough to carry their own insurance. They have their own vessels that plow the high seas.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. GOODWIN of Arkansas. I will not yield further.

The SPEAKER. The Chair wants to know whether the gentleman yields further or not. If he does not, the Chair will keep everybody out of his speech.

Mr. GOODWIN of Arkansas. Mr. Speaker, I think I had better proceed now, because I have only a few minutes left. Mr. Speaker, it has been said in this connection and repeated upon the other side that the great unrivaled and unprecedented prosperity is only temporary in this country. That has been one of the contentions of Charles Evans Hughes, the Republican candidate. Mr. Hughes said that we are indeed living in a "fool's paradise."

I am glad that the titular head and leader of the Republican Party is forced by these unexampled times, good times, fat times, to admit that we are in a paradise in this country, a land literally flowing with milk and honey, but he says it is a "fool's paradise," and having a paradise, Mr. Speaker, it is most lamentable, indeed, that this paradise can not be inhabited by wise men, but the foolish, who, like the poor, we always have them with us, especially during Republican ascendency, inhabit a part of the paradise that the balance of the country is rejoiced to live in. But are the good times due to the war? I want to be fair in this discussion. I want to be dispassionate in everything I say. I want to say that some of this prosperity—of course no man except he be a blind partisan would deny that—is, of course, due to the abnormal condition of the world. But let us analyze the figures. The wealth of this country when Mr. Taft left the Presidency was $187,000,000,000, less than four years ago, and to-day, Mr. Speaker, so tremendous have been these good times that the national wealth of this country is $228,000,000,000, an increase of $41,000,000,000. Dividing $41,000,000,000 of increase in national wealth by 100,000,000 American people and we have a per capita increase—you may not have it, I may not have it, all the people may not have it—but there is a per capita increase in wealth of every man, woman, and child of this country for the past three and a half years of $410. Never before has there been such an increase in the history of all the world. But they say this great increase in wealth may be ascribed entirely to the development and condition of our great export trade. But let us see in regard to our export trade. The average increase of exports over imports for the past four years before Woodrow Wilson assumed the reins of government was $550,000,000 per annum, or $1,110,000,000 for the years 1911 and 1912. Now, proceeding upon the theory that this increased prosperity is due absolutely to the war, we will see how the books stand. From 1914 to 1916, giving the fiscal years, our excess, not our total foreign trade, but, sir, our excess exports over imports, were $2,310,000,000, or $23.10 per capita. Twenty-three dollars and ten cents for every man, woman, and child! Now, that even is not fair, because all of these exports were not profits.

Mr. HASTINGS. Will the gentleman yield for a question?

Mr. GOODWIN of Arkansas. Not right now, please. All of these were not profits, Mr. Speaker. But counting, for the sake of argument, all of our excess exports as profits—and I suppose 15 or 20 per cent possibly would register the amount of profits—still we only have $23.10 as the result of the prosperity coming to the average man, woman, and child of this country on account of the war as against $410 per capita, the increase of wealth during the period to which I have referred. Subtract $23.10 from 410 and we have $386.90, if my figures be correct, as I am speaking entirely from my recollection of the figures. In other words, sir, the American people to-day for every man, woman, and child are nearly $400 more prosperous up to this time than they were when Mr. William Howard Taft quit the Presidency of the United States. Now, I will yield to the gentleman from Oklahoma.

Mr. HASTINGS. The gentleman has been making a very excellent speech. In referring to the prosperity of the country, in reference to the prosperity of the farmers, I would ask if the gentleman has read the last Republican platform of 1916, and did he know that no reference whatever was made to the farmers in the last Republican platform, and that the word "farmer" is not mentioned or referred to, nor is "agriculture" mentioned at all?

Mr. GOODWIN of Arkansas. I understand that to be the case. I will say that I have not read the platform that closely, but my good friend from Oklahoma [Mr. HASTINGS] I know has, for he is certainly one of the fairest and most exact Members

of this House, and he would not make that suggestion if he were not sure of his footing. But I will say in reply to my good friend from Oklahoma that it causes no surprise to me, because the great rank and file, the producers, the men who bare their backs to the hot sun, and with tanned cheeks and face feed and clothe the world, are seldom looked after in the legislative proceedings of that party, and it is quite possible that the Republicans were unmindful of that splendid class of people when their platform was enunciated at Chicago. [Applause on the Democratic side.]

And what else, Mr. Speaker? Is the Republican Party the only hand that can stanch the commercial wound the European countries will seek to inflict upon American commerce when the war is over? They say they should come into power because they are a great constructive party. They have coupled our name with the word "destructive," because they say we are not constructive but destructive. Since when, sir, did the Republican Party ever think of expanding our commerce across the seas? Since when did they begin to have ambition to go out and conquer the world commercially and to have our ships floating upon all the seas and entering all the ports of the world with the products of our fields and factories? Why, sir, I well recall——

Mr. FOCHT. The gentleman asks us to answer. He said, "When," and I will tell him. It was when Grover Cleveland abrogated the reciprocal trade relations with Central and South American Republics that our commerce ceased.

Mr. GOODWIN of Arkansas. That great Secretary of State, James G. Blaine, in 1890, under President Harrison, had a vision as to the great South American trade.

Mr. FOCHT. And he got it, too.

Mr. GOODWIN of Arkansas. And so did Mr. McKinley have a vision, as demonstrated by that great utterance of his just before the assassin's bullet felled him to an untimely grave. But what have you done in all that time, from Blaine in 1890, as Secretary of State, to Philander C. Knox in 1913, to extend American commerce abroad and to break the shackles that have fettered and bound the country to a domestic, to a provincial commercialism?

Mr. FOCHT. You ask the question, and I will answer. We were kept busy supplying our own home market under the protective tariff.

Mr. GOODWIN of Arkansas. We have not only done that, but we have sent our products and merchandise into the four corners of the earth.

Let me give you some figures. You talk about building up a merchant marine. Why, in July, 1912, under Taft's administration, there were only 131 ships, steel ships, then in the course of construction, with a tonnage of 271,313, but on the 1st of July, 1916, under the great forward-looking, world-wide progressive administration of Woodrow Wilson, we have 385 ships, with a total of 1,225,794 tons; or, in other words, Mr. Speaker, three years from the time Mr. Taft went out of office, there were under course of construction three times as many ships of commerce as were under construction when Taft left office—that is, American steel ships—there was more than five times the amount of tonnage under course of construction. That is what we have done within three years, manifestly more than your party would accomplish, if uninterrupted in the course of government control, in the course of a quarter of a century.

I am quoting the figures from a letter I received from the Department of Commerce on August 10, 1916. I will give the figures to my friend from Pennsylvania [Mr. FOCHT] for his investigation.

Mr. FOCHT. Now, my good friend, we will agree that you are building a great tonnage, but will you show the House the figures as to how the commerce with Central and South America has fallen off ever since Woodrow Wilson was elected President?

Mr. GOODWIN of Arkansas. The gentleman from Pennsylvania is quite mistaken. Our trade with South and Central America has not only not decreased since the Democratic Party came into power three and one-half years ago, but has increased wonderfully during the past three years, as shown by the following figures. This commerce, of course, shows a balance of trade against the United States and in favor of South and Central America, but this, I believe, has been the invariable rule under all administrations, Democratic or Republican, for the reason that we buy pretty much all our coffees, citrus fruits, and the like from these countries, and many hides and other raw material, which we manufacture into the finished product; and under the liberalized terms of the Underwood bill and the Federal reserve act we have given a stimulus to American industry not only at home but abroad.

There was a falling off of exports to South America for the first two years, but the gentleman should know that practically all European credits had been withdrawn, not only from South America but from other borrowing nations of European capital, for the reason that Europe was upon the brink of war and she was withdrawing and reservoiring in her banks all foreign loans as rapidly as they fell due for the purpose of prosecuting the war that she knew inevitably would follow. Therefore our neighbors to the south of us had no credit. Moratorium after moratorium was declared throughout 1913 and 1914. Debts could not be collected and practically all further credits had been withdrawn. Not only was South and Central America without credit, Mr. Speaker, and therefore unable to buy from us as much as had been their custom, but the country knows that when the European war came on over-sea commerce was largely at a standstill. Ships could not be had. War-risk insurance was prohibitive, so high were the rates, until the Treasury Department, through Democratic legislation, took over the war risks and made possible a renewal of American commerce for all American products. I here quote the figures of our Latin-American trade:

Foreign commerce of United States with Latin America, comparing last three years of Taft's administration with last three years of present administration.

Year ending June 30—	Imports from Latin America.	Exports to Latin America.	Total trade.
1910	$392,955,257	$242,123,502	
1911	371,300,234	273,525,344	
1912	423,037,208	296,141,651	
Total	1,187,292,799	811,790,497	$1,999,083,296
1914	469,082,667	282,070,153	
1915	557,413,053	251,469,431	
1916	760,133,729	411,474,170	
Total	1,786,628,449	945,013,754	2,731,642,203
Increase in Latin American trade under present administration			732,558,907

England, the mistress of the seas, is conducting her export trade, not in a reciprocal way by carrying commerce of her neighbors and the balance of the world, but her commerce has increased by confining her carrying trade largely to her own wares. England has ships, Germany has ships, all the warring nations have ships; but these ships, Mr. Speaker, are not to-day engaged in world trade save and except for the benefit of the nations themselves engaged in war. Is that satisfactory to my good friend from Pennsylvania?

Mr. FOCHT. If the gentleman will add the postscript that it is all due to the horrible war and the munitions that are sent there.

Mr. GOODWIN of Arkansas. In spite of the horrible war, I am endeavoring to show that this country is going forward by leaps and bounds commercially and enjoying a prosperity never before equaled in the history of this country.

But my friend from Pennsylvania insists, as do other Republicans, that our great volume of export trade as well as domestic prosperity is due to the European war. I submit herewith, Mr. Speaker, a group of imports and exports for the fiscal years 1914 and 1916, respectively:

Analysis of the foreign commerce of the United States for the nine months ending March, 1916, compared with the nine months ending March, 1914.

Groups	Nine months ending March—			
	1916	Per cent of total.	1914	Per cent of total.
IMPORTS.				
Crude materials for use in manufacturing	$648,103,223	43.1	$454,525,833	32.5
Foodstuffs in crude condition, and food animals	186,594,695	12.4	189,735,389	13.6
Foodstuffs partly or wholly manufactured	193,993,357	12.9	151,606,388	10.8
Manufactures for further use in manufacturing	237,179,073	15.7	242,307,584	17.3
Manufactures ready for consumption	225,435,201	15.0	346,682,925	24.8
Miscellaneous	13,309,169	.9	13,494,459	1.0
Total imports	1,504,614,718	100.0	1,398,352,578	100.0
EXPORTS.				
Crude materials for use in manufacturing	386,568,200	13.1	684,429,750	36.8
Foodstuffs in crude condition and food animals	285,406,588	9.7	110,001,318	5.9
Foodstuffs partly or wholly manufactured	428,448,792	14.5	233,062,645	12.5

Analysis of the foreign commerce of the United States, etc.—Continued.

Groups.	Nine months ending March—			
	1915	Percent of total.	1914	Percent of total.
EXPORTS—continued.				
Manufactures for further use in manufacturing	$441,592,642	15.0	$280,656,211	15.1
Manufactured ready for consumption	1,324,344,607	44.9	545,746,785	29.4
Miscellaneous	82,805,505	2.8	5,219,435	.3
Total domestic exports	2,949,166,335	100.0	1,859,116,141	100.0
Foreign merchandise exported	48,006,037	.....	24,105,771	.....
Total exports	2,997,172,472	.....	1,883,221,915	.....

It will be noticed that our excess imports of 1916 over 1914 consist largely of crude and raw materials, and that our excess exports for 1916 over 1914 are over $1,000,000,000, and that only a small part of these exports consist of munitions. In fact, Mr. Speaker, our excess exports to the European warring nations exceed our usual exports to those countries only 3 per cent of our industrial production, and this excess is $1,350,000,000, whereas our total export business amounts to $4,300,000,000, and that is less than 10 per cent of our aggregate volume of production, which for the fiscal year 1916 was $45,000,000,000. Does the gentleman think this is temporary prosperity, or that this unequaled American business is due entirely to the European war? Do our Republican friends contend that our total manufactures for the fiscal year 1916, exceeding $30,000,000,000 as against $20,670,000,000, as shown by the 1910 census, or an increase of 45 per cent, is due entirely to the European war? Do gentlemen on that side of the aisle contend that the railroad earnings of 1916, the heaviest on record and which amount to from fifty to sixty million dollars per month, an increase of over 25 per cent as compared to 1912, can be ascribed to the European war and to temporary prosperity? Do our Republican friends seriously contend that the increase in farm products from $9,000,000,000 per annum under Mr. Taft to $10,000,000,000 per annum under Woodrow Wilson's administration, and but $7,000,000,000 during the Roosevelt administration, constitute temporary prosperity and due entirely to the European war? Or do they contend, Mr. Speaker, that the increase in bank deposits in the United States and the Hawaiian Islands from $8,015,511,000 in 1912 under Mr. Taft's administration, whereas the deposits in 1915 were $11,135,000,322, or an increase of over $3,000,000,000 in the national banks alone in this country, constitute temporary prosperity and that the Woodrow Wilson administration is a blight upon the hopes and happiness of the American people? Or, sir, do they contend that the total bank deposits of all banking institutions in this country, which amounted to $19,207,000,000 in 1912 under Taft, as compared with $24,208,000,000 under President Wilson, an increase of over $5,000,000,000, or an increase of over 26 per cent, constitute temporary prosperity and that this prosperity is due entirely to the European war? Or that our foreign commerce in 1913, amounting to $6,531,000,000, as against $4,278,000,000 in 1912, making an increase of $2,253,000,000, or over 52 per cent increased foreign trade, constitutes only temporary prosperity?

Or will our good Republican friends insist that our great prosperity is due to the European war, when less than two-thirds of 1 per cent of the total industrial production of the United States for the fiscal year 1916 consists of war munitions?

Or that the increase in wages paid to laboring people in this country under Wilson's administration was $3,000,000,000 more than the wages paid to these people during the Taft régime, and that this constitutes temporary prosperity and due to the European war?

Or that the increase in manufactured products from $22,800,000,000 in 1912 to $32,200,000,000 in 1916, or over 41 per cent increase, is due to the European war, and that this brings us only temporary prosperity?

Or will our friends insist that the Wilson administration has been a failure in the face of an increase of $41,000,000,000 of national wealth during the past three years, and that to-day the American people possess more national wealth than Great Britain, Ireland, Germany, and France combined, with several billion dollars to spare?

I might continue indefinitely, Mr. Speaker, in giving additional data as to the great increase in business, as well as prosperity of the country, under the Democratic administration over any other period in our national history; but this certainly should be an answer—a complete and final answer—to the hue and cry raised every day upon this floor and throughout the country in the Republican press that the Democratic Party is incapable of governing the country and the best interests of all the people.

We have been, Mr. Speaker, not only efficient, but no Republican can point to any official act of the administration and claim that the same was corrupt. Nay, he can not point his finger to one legislative achievement and even insinuate with a grain of truth that such legislation was backed up by certain interests expecting to be served and against the interests of the great mass of the people. Therefore I say that we have been not only efficient, but we have been honest with the American people in our dealings, and these two virtues—efficiency and honesty—should be our slogan throughout this campaign, efficient in all the fiscal and economic laws that we have placed upon the statute books, honest in our endeavor to serve the great body of American people without fear or favor to the predatory interests of the country, who in the past, as well as to-day, have lent succor and help to perpetuate the Republican Party in power.

We stand on our record and our achievements, and upon the fact that we have peace with the world and all mankind, and that this peace has been maintained without the sacrifice of national honor or national dignity.

But, Mr. Speaker, in the face of this most horrible war, when every American patriot, regardless of politics, should have been holding up the hands of the administration, we find our partisan friends on that side of the aisle, and the partisan press of the country, doing all within their power to complicate and embarrass the very delicate international disputes and controversies that have engaged our Republic, and, Mr. Speaker, no administration has ever before been confronted with more perilous and threatening international controversies. Yet these have been settled—settled without the sword being drawn, settled by international law as it has existed for many years, adjusted with honor and with peace to the American people.

Mr. Wilson, like every great man who meets a crisis courageously and patriotically, has been assailed hundreds of times upon this floor when he should have had his hands upheld by gentlemen on that side of the aisle. He has been the recipient of more epithets, and more indignities have been heaped upon him than any American of modern times. It was so to a large extent with Washington, with Jefferson, with Jackson; it was so with Lincoln, and it was the same with Grant, but these men have survived in the hearts and the memories of the American people; yea, they have been enshrined in the affections of the American people, while their detractors have long since been forgotten; and I am glad, Mr. Speaker, that the American people in 1912 once more turned their eyes to the "Old Dominion" for a son that should lead them in peace and in honor during the greatest crisis in the history of all the world. All honor to Woodrow Wilson and to the glory of his achievements. All honor to Virginia, who claims him as her own, as there he first saw the light of day, and we may say of Mr. Wilson as Lowell said of Washington:

> Virginia gave us this majestic man,
> Cast in the massive mold
> Of those high-statured, ages old,
> She gave us this imperial gentleman.
> What shall we give her back but love and praise?

[Prolonged applause.]

EXTENSION OF REMARKS.

Mr. STONE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore (Mr. BORLAND). The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE.

Mr. MANN. Mr. Speaker, I ask unanimous consent that the gentlemen who are on the list to speak to-day who may not be reached before adjournment shall have leave to address the House to-morrow under the same conditions.

The SPEAKER pro tempore. The gentleman from Illinois asks unanimous consent that all Members who are on the list to-day to speak who are not reached before adjournment shall have leave to speak to-morrow under the same conditions. Is there objection?

There was no objection.

MISSISSIPPI CENTENNIAL EXPOSITION AT GULFPORT, MISS.

Mr. HARRISON. Mr. Speaker, I ask unanimous consent for the present consideration of House joint resolution 252.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read the resolution by title, as follows:

Joint resolution (H. J. Res. 252) authorizing the transfer of the Government exhibit, or such portion thereof, as the President may determine is advisable, now at the Panama-California International Exposition at San Diego, Cal., to the Mississippi Centennial Exposition at Gulfport, Miss

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Reserving the right to object. Mr. Speaker, I understand the gentleman from Mississippi [Mr. HARRISON] has some amendments to cover the hiatus between the termination of the exposition at San Diego and the opening of the exposition at Gulfport.

Mr. HARRISON. I have; and I will offer an amendment that will be satisfactory to the gentleman.

Mr. STAFFORD. Can the gentleman explain what the purport of the amendment is?

Mr. HARRISON. Yes. The purport of the amendment is, that if, in the discretion of the exhibit board, with the approval of the President, they should desire to take this exhibit and rearrange it and add to or subtract from it in the meantime, they can do so, between the closing of the San Diego Exposition and the beginning of the Gulfport Exposition.

Mr. STAFFORD. Does the gentleman know what will become of the exhibit during that period of time?

Mr. HARRISON. No; except to leave it absolutely in the discretion of the exhibit board. The same provisions will be applicable to the board then as are now applicable to it.

Mr. STAFFORD. Is it the gentleman's purpose to have the same expense continue in connection with the exhibit when neither exposition is in progress?

Mr. HARRISON. Oh, no. The idea is to bring a large portion of the exhibits to Washington for rearrangement. I have talked with the gentleman in charge of the exhibit and he tells me that will be done.

Mr. STAFFORD. One further inquiry: The gentleman limits the amount that will be expended under this resolution by the Government to $75,000. Does the gentleman think that will meet all the expenses of the exhibit at the Mississippi Exposition?

Mr. HARRISON. Yes. I have a letter from the board stating that that will be an ample amount to cover the expense necessary to transfer, maintain, and keep this exhibit. I assure the gentleman that it will not be violated. There will be no greater amount asked.

Mr. STAFFORD. Of course, I am in sympathy with the idea of having the exhibit presented at the Mississippi Centennial Exposition, but I thought it might involve considerable expense to keep it intact for nine months or more, from the time the San Diego Exposition closes on December 31 next until the time of the opening of the Gulfport Exposition.

Mr. HARRISON. I understand some of the departments are not now represented, and they have a larger exhibit for other departments.

Mr. STAFFORD. Mr. Speaker, I withdraw my objection on the explanation of the gentleman from Mississippi.

The SPEAKER. Is there objection?

There was no objection.

Mr. MANN. Mr. Speaker, the bill is on the Union Calendar.

Mr. HARRISON. Mr. Speaker, I ask unanimous consent that this House joint resolution be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Mississippi asks unanimous consent that the resolution be considered in the House as in Committee of the Whole. Is there objection.

There was no objection.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Whereas there is to be held at Gulfport, Miss., beginning in October, 1917, and ending in March, 1918, the Mississippi Centennial Exposition to commemorate the one hundredth anniversary of the admission of Mississippi into the Union; and

Whereas there is now a Government exhibit at the Panama-California International Exposition at San Diego, Cal., which exposition will close December 31, 1916: Therefore be it

Resolved, etc., That the said Government exhibit at the Panama-California International Exposition, or such portion thereof as may be determined by the President as advisable, be transferred at the close of the Panama-California International Exposition to the Mississippi Centennial Exposition at Gulfport, Miss., and to be maintained during the continuance of the said Mississippi Centennial Exposition and until not later than March 31, 1918: *Provided*, That the Government of the United States does not become responsible in any manner for any bond, debt, contract, expenditure, expense, or liability of the said Mississippi Centennial Exposition, its officers, agents, servants, or employees, or incident to or growing out of the said exposition beyond such appropriation as is necessary to cover the expense of transferring and maintaining the said exhibit of such portion thereof as may be determined by the President as advisable, said appropriation to be expended out of any funds not heretofore appropriated.

With a committee amendment, as follows:

On page 2, after the word "eighteen," in line 10, insert "and for the purposes herein named there is herein authorized to be expended the sum of $75,000, or so much thereof as is necessary to cover the expenses of transferring and maintaining the said exhibit, or such part thereof as may be determined by the President as available." And on page 2, strike out, in line 24, after the word "advisable," the comma and the words "said appropriation to be expended out of any funds not heretofore appropriated."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HARRISON. Mr. Speaker, I desire to offer an amendment to the second paragraph, on page 1. Strike out "October" and insert "December," and, on the next line, strike out "March" and insert "April."

The SPEAKER. The Clerk will report the amendment.

The Clerk reads as follows:

On page 1, on the second paragraph, strike out the word "October" and insert the word "December."

Mr. HARRISON. That is on the second "whereas."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HARRISON. I desire, Mr. Speaker, to strike out "March 31" and insert "April 30."

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amend, on page 2, line 10, by striking out "March 31" and inserting "April 30."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HARRISON. Mr. Speaker, I would like to strike out, on page 2, line 15, the colon and insert a period.

The SPEAKER. What line is it in?

Mr. HARRISON. Line 15, page 2. Strike out the colon and insert a period.

The Clerk read as follows:

Line 15, page 2, strike out the colon and insert a period.

The amendment was agreed to.

Mr. HARRISON. Mr. Speaker, I desire to offer another amendment.

The SPEAKER. The gentleman from Mississippi offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HARRISON: Page 2, line 5, strike out "*Provided*" and insert in lieu thereof a new section, No. 2, as follows:

"That all laws or parts of laws relating to said Government exhibit and constituting a Government exhibit board and authorizing the detail of civilians and Army and Navy officers of the United States in connection with the Government exhibit at the Panama-Pacific International Exposition and which were continued and made applicable by act of Congress, December 17, 1915, so far as the same could be made applicable, to the Panama-California International Exposition at San Diego, Cal., is hereby continued and made applicable, so far as the same may be made applicable, to the Mississippi Centennial Exposition, at Gulfport, Miss., during its said continuance."

Mr. STAFFORD. Mr. Speaker——

Mr. HARRISON. I may say, Mr. Speaker, that is in the exact words, except changed to meet this case, of the law with reference to San Diego touching the exhibit that was moved from San Francisco to San Diego.

Mr. STAFFORD. Is it purposed by this amendment to continue in office all those servants and attachés who are now connected with the exhibit at San Diego?

Mr. MANN. Oh, not at all. The Government board consists of men from various departments, who constitute a Government exhibit board. No extra expense attaches, so far as that is concerned. Dr. Stratton of the Bureau of Standards, is one of them, and Mr. Ravenel of the National Museum, is one of them. There are four or five of them who constitute a Government board on exhibits. They do not get any extra salaries.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HARRISON. Mr. Speaker, I offer another amendment.

The SPEAKER. The gentleman from Mississippi offers another amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HARRISON: After section 2 insert the following as section 3:

"That nothing herein contained shall prevent the Government exhibit board, in their discretion, with the approval of the President, from transferring said Government exhibit at the close of the Panama-California International Exposition from San Diego to some other

point in the United States, if desirable, for being rearranged, repaired, or added to before transferring said exhibit to the Mississippi Centennial Exposition at Gulfport."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HARRISON. Mr. Speaker, I offer another amendment.

The SPEAKER. The gentleman from Mississippi offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HARRISON: After section 3 insert as section 4 all on line 15, page 2, from the word "That" to and including all on line 24, page 2.

Mr. MANN. Does the gentleman want to include the part that was stricken out by amendment?

Mr. WEBB. No; I am just making the last provision into a new section, to be numbered section 4.

Mr. MANN. I understand, but line 24 includes "said appropriation to be expended out of any funds not," which words were eliminated.

Mr. HARRISON. Yes; they were eliminated by action of the House.

The amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

On motion of Mr. HARRISON, a motion to reconsider the last vote was laid on the table.

LEAVE TO EXTEND REMARKS.

Mr. GOODWIN of Arkansas. Mr. Speaker, I desire to revise and extend my remarks in the RECORD.

The SPEAKER. The gentleman from Arkansas asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection.

There was no objection.

Mr. LONDON. Mr. Speaker, I ask leave to revise, extend, and enlarge my remarks.

The SPEAKER. The gentleman from New York [Mr. LONDON] asks leave to revise, extend, and enlarge his remarks. Is there objection?

There was no objection.

Mr. STINESS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an address by President Howard Edwards, of the Rhode Island State College, delivered June 13, 1915.

The SPEAKER. The gentleman from Rhode Island asks unanimous consent to extend his remarks in the RECORD by printing an address of President Howard Edwards, of the Rhode Island State College. Is there objection?

There was no objection.

Mr. SUTHERLAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the state of the Union.

The SPEAKER. The gentleman from West Virginia asks unanimous consent to extend his remarks in the RECORD on the state of the Union. Is there objection?

There was no objection.

Mr. FOSTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the state of the Union.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD on the state of the Union. Is there objection?

There was no objection.

Mr. BENNET. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. STEPHENS of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

OREGON NATIONAL FOREST.

Mr. McARTHUR. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 13046) to consolidate certain forest lands in the Oregon National Forest, in the State of Oregon.

The SPEAKER. The gentleman from Oregon asks unanimous consent for the present consideration of a bill, which the clerk will report.

The bill was read, as follows:

Be it enacted, etc., That for the purpose of consolidating forest lands belonging to the United States within the Oregon National Forest, the Secretary of the Interior be, and he hereby is, authorized and empowered, upon the recommendation of the Secretary of Agriculture, to exchange, upon the basis of equal value, lands belonging to the United States in national forests in the State of Oregon for privately owned lands lying within the exterior limits of the Oregon National Forest; and upon the consummation of such exchanges the lands deeded to the United States shall become parts of the Oregon National Forest.

SEC. 2. That for the purpose of carrying out the provisions of this act there is hereby appropriated, out of the Treasury of the United States, from money not otherwise appropriated, the sum of $6,000, or so much thereof as may be necessary, said payment to be made by the Treasury Department upon warrants or order of the Secretary of Agriculture.

The SPEAKER. Is there objection?

There was no objection.

Mr. McARTHUR. I ask unanimous consent that this bill be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Oregon asks unanimous consent that the bill be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The following committee amendments were read, considered, and agreed to:

Page 1, line 8, after the word "in," strike out the words "national forests in the State of Oregon" and insert "the Oregon National Forest."

Page 2, lines 3 to 9, inclusive, strike out all of section 2.

The bill as amended was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

ENROLLED BILLS SIGNED.

The SPEAKER announced his signature to enrolled bills of the following titles:

S. 5407. An act authorizing and directing the Secretary of the Treasury to extend the time of payment of the amount due the Government by the city of Augusta, Ga.;

S. 708. An act to make immediately available for the use of the State of Georgia in paying expenses incurred by said State in connection with the joint encampment held at Augusta, Ga., July 22 to 31, 1914, certain sums appropriated for arming and equipping the militia of said State; and

S. 3268. An act for the relief of John Duggan.

HOUR OF MEETING TO-MORROW.

Mr. HARRISON. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet to-morrow at 10 o'clock.

The SPEAKER. The gentleman from Mississippi asks unanimous consent that when the House adjourns to-day it adjourn to meet at 10 o'clock to-morrow morning. Is there objection?

There was no objection.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. DARROW (at the request of Mr. MOORE of Pennsylvania) indefinitely, on account of a death in his family.

ADJOURNMENT.

Mr. HARRISON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 52 minutes p. m.), under the order heretofore made, the House adjourned until to-morrow, Wednesday, September 6, 1916, at 10 o'clock a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. REILLY, from the Committee on Agriculture, to which was referred the bill (H. R. 17381) to establish game sanctuaries in national forests, and for other purposes, reported the same without amendment, accompanied by a report (No. 1189), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. SMITH of New York, from the Committee on Patents, to which was referred the bill (H. R. 8955) granting an extension of patent to Thomas A. Dicks, reported the same without amendment, accompanied by a report (No. 1193), which said bill and report were referred to the Private Calendar.

Mr. SHALLENBERGER, from the Committee on Military Affairs, to which was referred the bill (H. R. 1018) to remove the charge of desertion from the record of Joseph A. Choate, reported the same with amendment, accompanied by a report (No. 1194), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills and a resolution were introduced and severally referred as follows:

By Mr. SMALL: A bill (H. R. 17753) to exempt from compulsory pilotage, imposed by the laws of the several States (except the State of Louisiana), the barges and sail vessels while in tow of steam vessels navigated by Government pilots; to the Committee on the Merchant Marine and Fisheries.

By Mr. McCLINTIC (by request): A bill (H. R. 17754) to provide for the vesting of title to certain lands in Oklahoma in municipal corporations; to the Committee on the Public Lands.

By Mr. DAVENPORT: A bill (H. R. 17755) granting a pension to the deputy United States marshals of the United States district court for the Western District of Arkansas and the United States courts in the Indian Territory, while the said court for the Western District and the United States courts in the Indian Territory had jurisdiction over the Indian Territory prior to September 1, 1896; to the Committee on Pensions.

By Mr. SMITH of Idaho: A bill (H. R. 17756) providing for the reclamation of the lands embraced in the King Hill irrigation system in southern Idaho, and the completion of said system by the Reclamation Service under the direction of the Secretary of the Interior; to the Committee on Appropriations.

By Mr. CARLIN: Resolution (H. Res. 365) to pay R. T. Cook for extra services rendered in the folding room of the House; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills were introduced and severally referred as follows:

By Mr. COLEMAN: A bill (H. R. 17757) granting a pension to Mary A. Stoddart; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17758) to correct the naval record of John Stoddart; to the Committee on Naval Affairs.

By Mr. HASTINGS: A bill (H. R. 17759) granting an increase of pension to Joshua Gague; to the Committee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 17760) for the relief of Amos Dahuff; to the Committee on Military Affairs.

By Mr. HUMPHREY of Washington: A bill (H. R. 17761) granting an increase of pension to Carlton H. Finley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17762) granting an increase of pension to Josiah Wilson; to the Committee on Invalid Pensions.

By Mr. SEARS: A bill (H. R. 17763) granting an increase of pension to Theodore R. Kuntz; to the Committee on Pensions.

By Mr. STEELE of Iowa: A bill (H. R. 17764) granting a pension to Elizabeth Holliday; to the Committee on Invalid Pensions.

By Mr. THOMAS: A bill (H. R. 17765) granting a pension to Cordelia Holder; to the Committee on Invalid Pensions.

By Mr. WATSON of Pennsylvania: A bill (H. R. 17766) granting a pension to Mary J. Guy; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of sundry negro women in re lynching; to the Committee on the Judiciary.

By Mr. CHARLES: Protest of Thomas P. Bayles, of Schenectady, N. Y., against the usurpation of American rights by Great Britain; to the Committee on Foreign Affairs.

By Mr. GARDNER: Communication from Rev. L. M. Powers, of Gloucester, Mass., protesting against certain acts of Great Britain; to the Committee on Foreign Affairs.

By Mr. HASTINGS: Petition of Epworth League of Checotah, Okla., for House joint resolutions 84 and 85; to the Committee on the Judiciary.

By Mr. MATTHEWS: Petition of J. F. Bockrath, of Ottawa, Ohio, against the seizure of United States mails by the British; to the Committee on Foreign Affairs.

By Mr. MILLER of Minnesota: Petition of the Western Rug Co., of Duluth, Minn., urging the passage of House bill 702, to establish and maintain the manufacture of dyestuffs; to the Committee on Ways and Means.

By Mr. MORIN: Petition of Swedish Evangelical Free Church of North America, in session at Chicago, in re embargo on arms to Europe; to the Committee on Foreign Affairs.

SENATE.

WEDNESDAY, *September 6, 1916.*

(*Legislative day of Friday, September 1, 1916.*)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

The VICE PRESIDENT resumed the chair.

Mr. OWEN. Mr. President, I move that the Senate proceed to the consideration of the bill (H. R. 15842) to revise, amend, and codify the laws relating to publicity of contributions and expenditures made for the purpose of influencing the nomination and election of candidates for the offices of Senator and Representative in the Congress of the United States, extending the same to candidates for nomination and election to the offices of President and Vice President of the United States, limiting the amount which may be expended, providing for the publicity of campaign expenses, and for other purposes.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hughes	Martine, N. J.	Simmons
Beckham	Husting	Myers	Smith, Ga.
Brady	James	Nelson	Smith, S. C.
Bryan	Jones	Norris	Smoot
Chamberlain	Kenyon	Overman	Sterling
Chilton	Kern	Oweh	Stone
Clapp	La Follette	Penrose	Taggart
Culberson	Lane	Phelan	Thomas
Cummins	Lea, Tenn.	Pomerene	Thompson
Curtis	Lee, Md.	Robinson	Vardaman
Dillingham	Lewis	Shafroth	
Gallinger	McCumber	Sheppard	
Gronna	Martin, Va.	Sherman	

Mr. JONES. I desire to announce that the junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent on account of illness in his family. I will allow this announcement to stand for the day.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the joint resolution (S. J. Res. 173) authorizing the payment of September salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session.

ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

H. R. 14391. An act authorizing the purchase of a site and the erection of a public building thereon at Madison, Wis., and for other purposes; and

H. R. 15316. An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes.

OREGON NATIONAL FOREST.

The VICE PRESIDENT. The Chair lays before the Senate a bill from the House of Representatives and calls the attention of the Senator from Oregon [Mr. CHAMBERLAIN] to it.

H. R. 13046. An act to consolidate certain forest lands in the Oregon National Forest, in the State of Oregon, was read twice by its title.

Mr. CHAMBERLAIN. That is a local bill and it is exactly the same as a bill which is now on the calendar, Senate bill 5515, reported out by the Committee on Agriculture and Forestry. I ask unanimous consent for the immediate consideration of the bill.

Mr. OWEN. I am not willing to yield the floor. By unanimous consent the bill may be disposed of without taking me from the floor.

The VICE PRESIDENT. The Chair will recognize the Senator from Oklahoma next, but the Senator from Oklahoma does not have the floor. He could not get it in the absence of a quorum. Is there objection to the consideration of the bill?

There being no objection, the bill was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That for the purpose of consolidating forest lands belonging to the United States within the Oregon National Forest, the Secretary of the Interior be, and he hereby is, authorized and empowered, upon the recommendation of the Secretary of Agriculture, to exchange, upon the basis of equal value, lands belonging to the United States in the Oregon National Forest for privately owned lands lying

within the exterior limits of the Oregon National Forest; and upon the consummation of such exchanges the lands deeded to the United States shall become parts of the Oregon National Forest.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

The VICE PRESIDENT. The bill (S. 5515) to consolidate certain forest lands in the Oregon National Forest in the State of Oregon, will be indefinitely postponed.

CORRUPT PRACTICES.

Mr. OWEN. I move that the Senate proceed to the consideration of the bill (H. R. 15842) to revise, amend, and codify the laws relating to publicity of contributions and expenditures made for the purpose of influencing the nomination and election of candidates for the offices of Senator and Representative in the Congress of the United States, and so forth.

Mr. HUGHES. As a substitute for that motion I move that the Senate proceed to consideration of House bill——

Mr. OWEN. That is not in order.

The VICE PRESIDENT. No; the vote must be on the motion of the Senator from Oklahoma.

Mr. OWEN. I ask for a yea-and-nay vote on the motion.

The yeas and nays were ordered.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary proceeded to call the roll, and Mr. ASHURST answered "yea."

Mr. PENROSE. Is the motion debatable?

The VICE PRESIDENT. Not now. The Senator from Arizona has answered. The roll call will be proceeded with.

The Secretary resumed the calling of the roll.

Mr. BRYAN (when his name was called). I have a pair with the junior Senator from Michigan [Mr. TOWNSEND]. I transfer that pair to the Senator from Louisiana [Mr. BROUSSARD] and vote "nay."

Mr. CHAMBERLAIN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER]. In his absence I withhold my vote. If permitted to vote, I would vote "yea."

Mr. CURTIS (when his name was called). I have a pair with the junior Senator from Georgia [Mr. HARDWICK] and withhold my vote.

Mr. DILLINGHAM (when his name was called). I have a general pair with the Senator from Maryland [Mr. SMITH]. In his absence I withhold my vote.

Mr. GALLINGER (when his name was called). I have a general pair with the senior Senator from New York [Mr. O'GORMAN]. I transfer my pair to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. GRONNA (when his name was called). I have a general pair with the Senator from Maine [Mr. JOHNSON], which I transfer to the senior Senator from Idaho [Mr. BORAH] and vote "yea."

Mr. JAMES (when his name was called). I have a pair with the junior Senator from Massachusetts [Mr. WEEKS]. In his absence I withhold my vote. If I were at liberty to vote I would vote "yea."

Mr. OVERMAN (when his name was called). I have a general pair with the junior Senator from Wyoming [Mr. WARREN], who is absent on account of sickness. I therefore withhold my vote.

Mr. OWEN (when his name was called). I am paired with the Senator from New Mexico [Mr. CATRON], and in his absence I withhold my vote.

Mr. ROBINSON (when his name was called). I have a pair with the Senator from Connecticut [Mr. BRANDEGEE]. I transfer that pair to the Senator from South Dakota [Mr. JOHNSON] and vote. I vote "yea."

Mr. SHAFROTH (when his name was called). I have a pair with the Senator from Washington [Mr. POINDEXTER]. Being unable to obtain a transfer I withhold my vote. If permitted to vote, I would vote "yea."

Mr. SMITH of Georgia (when his name was called). I have a pair with the senior Senator from Massachusetts [Mr. LODGE]. In his absence I withhold my vote.

Mr. STONE (when his name was called). I transfer my standing pair with the Senator from Wyoming [Mr. CLARK] to the Senator from Oklahoma [Mr. GORE] and vote "yea."

The roll call was concluded.

Mr. OWEN. I transfer my pair to the Senator from Louisiana [Mr. RANSDELL] and vote "yea."

I wish to announce the unavoidable absence of the Senator from Delaware [Mr. SAULSBURY], who is paired with the Senator from Rhode Island [Mr. COLT]. If the Senator from Delaware [Mr. SAULSBURY] were present and not paired, he would vote "yea."

Mr. MYERS. I transfer my pair with the Senator from Connecticut [Mr. MCLEAN] to the Senator from Nevada [Mr. NEWLANDS] and vote "yea."

I wish to state that my colleague [Mr. WALSH] is necessarily detained, and that if he were present he would vote "yea."

Mr. CURTIS. I was requested to announce the following pairs:

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from Ohio [Mr. HARDING] with the Senator from Alabama [Mr. UNDERWOOD];

The Senator from Rhode Island [Mr. LIPPITT] with the Senator from Montana [Mr. WALSH];

The Senator from Michigan [Mr. SMITH] with the Senator from Missouri [Mr. REED];

The Senator from Utah [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. CLARKE]; and

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS].

Mr. JAMES. I transfer my pair with the junior Senator from Massachusetts [Mr. WEEKS] to the junior Senator from Tennessee [Mr. SHIELDS] and vote "yea."

Mr. SHAFROTH. I transfer my pair with the junior Senator from Washington [Mr. POINDEXTER] to the Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. GALLINGER. I was requested to announce the unavoidable absence of the junior Senator from Wyoming [Mr. WARREN] on account of illness.

The roll call resulted—yeas 32, nays 14, as follows:

YEAS—32.

Ashurst	Husting	Lewis	Robinson
Beckham	James	Martine, N. J.	Shafroth
Brady	Jones	Myers	Sheppard
Chilton	Kenyon	Norris	Smith, S. C.
Clapp	Kern	Owen	Sterling
Culberson	La Follette	Phelan	Stone
Cummins	Lane	Pittman	Thompson
Gronna	Lee, Md.	Pomerene	Vardaman

NAYS—14.

Bankhead	Fletcher	Nelson	Smoot
Bryan	Gallinger	Penrose	Thomas
du Pont	Hughes	Sherman	
Fall	Martin, Va.	Simmons	

NOT VOTING—49.

Borah	Hardwick	Overman	Taggart
Brandegee	Hitchcock	Page	Tillman
Broussard	Hollis	Poindexter	Townsend
Catron	Johnson, Me.	Ransdell	Underwood
Chamberlain	Johnson, S. Dak.	Reed	Wadsworth
Clark, Wyo.	Lea, Tenn.	Saulsbury	Walsh
Clarke, Ark.	Lippitt	Shields	Warren
Colt	Lodge	Smith, Ariz.	Weeks
Curtis	McCumber	Smith, Ga.	Williams
Dillingham	McLean	Smith, Md.	Works
Goff	Newlands	Smith, Mich.	
Gore	O'Gorman	Sutherland	
Harding	Oliver	Swanson	

The VICE PRESIDENT. On the motion of the Senator from Oklahoma the yeas are 32 and the nays are 14. The Senator from Oregon [Mr. CHAMBERLAIN], the Senator from Kansas [Mr. CURTIS], the Senator from Vermont [Mr. DILLINGHAM], the Senator from North Carolina [Mr. OVERMAN], and the Senator from Georgia [Mr. SMITH] not voting, these Senators constitute a quorum. The yeas have it, and the Chair lays the bill before the Senate.

The Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 15842) to revise, amend, and codify the laws relating to publicity of contributions and expenditures made for the purpose of influencing the nomination and election of candidates for the offices of Senator and Representative in the Congress of the United States, extending the same to candidates for nomination and election to the offices of President and Vice President of the United States, limiting the amount which may be expended, providing for the publicity of campaign expenses, and for other purposes, which had been reported from the Committee on Privileges and Elections with an amendment in the nature of a substitute.

Mr. OWEN obtained the floor.

Mr. THOMAS. Will the Senator from Oklahoma yield to me for a moment?

Mr. OWEN. I yield to the Senator.

Mr. THOMAS. I voted against the consideration of this bill at the present time. I did so because I did not think it was prudent to now take it up. The bill being before the Senate, if it shall reach a vote, I shall vote in favor of it.

Mr. OWEN. Mr. President, I think every Senator on this floor understands the contents of this bill. It requires no further explanation. I shall, therefore, not take the time of the Senate to attempt any further abstract of this bill than that which I have heretofore given to the Senate and placed in the

RECORD. The bill is very simple in its terms. It defines the meaning of the words, fixes the amounts that may be used, and makes it a criminal offense to be guilty of certain corrupt practices.

Mr. President, the House of Representatives at the last Congress passed a bill to strengthen the safety of our elections. It was favorably reported by the Committee on Privileges and Elections of the Senate of the United States, but no action was taken because it was pushed off by other things. My urgent desire that there might then be action was disappointed. At the beginning of this session, on the first day of this session, the chairman of the Democratic conference introduced a bill of like character in the Senate. It was favorably reported by the committee, but remained on the calendar without action. Although the steering committee made it a part of the legislative program, and although the Democratic conference by a formal vote made it a part of the legislative program of the Democracy, no action was taken. Other things pushed it aside; and I verily believe that it was pushed aside because of the opposition of Senators on the other side of the aisle.

The House of Representatives then again passed a bill (H. R. 15842) to further protect our elections. This bill was duly considered by the Committee on Privileges and Elections and favorably reported. It is now before the Senate for action, and can only be defeated by a standpat filibuster.

Mr. President, this bill, simple in its character, only proposes to put an end to some of the most egregious corrupt practices in this country. The time ought to have arrived in the United States when it shall be made by law impossible to buy the governing power of the people of the United States. That is all I ask. I ask it in the name of the honest men of all parties. I hope it is not too much.

Mr. LANE. Mr. President, I realize that a majority of the Members of this body desire to go home; that they have been here so long that it has worn out their patience; yet I believe that the most valuable service which they can render their country at this time is to take up this bill and pass it. The relief which it offers has been overdue for more than a half century.

Anyone looking back over the past history of the country, any American citizen who is loyal to his country, and who loves it and wishes it to be respected by other nations, must blush with shame when the history of the election of many Members of this body, as it was composed a number of years ago, is brought to his attention.

The American Nation, through the sale and the purchase of seats in this body, for instance, at one time became a stench in the nostrils of all of the other civilized nations of the world; and it will take years to come and better conduct and a radical departure from previous methods of election before we regain the respect of other countries. The lack of power upon the part of the people to prevent traffic in their affairs in and out of the Halls of Congress by their representatives and in the corruption of their trusted agents is an evil that bears down upon every decent and honest citizen of the country, from the highest to the lowest. It prevents just and equal legislation; it causes an increase in taxtion; it causes corrupt government. It is at the root and is the foundation of inefficiency and waste and loss upon every hand.

Why should there be any question or any deliberation on a measure which attempts to cure an evil that is a disgrace to the Nation, which will rot it, which will sap its foundation, is beyond my comprehension. The people are at a disadvantage; they are engaged in their daily toil; they are unable to watch the machinations of those who use money to control the affairs of this Government. The methods used are so insidious that they are incapable of proof, yet so thoroughly do they permeate the elections to public office that the matter is one of great gravity and imperils the life of the Nation. Money by the thousands and by the hundreds of thousands of dollars in individual States is being expended in the primary elections which are now taking place; money is being used to-day, was being used yesterday, and will be used again to-morrow, not for the benefit of the people but to their destruction; and this corruption will continue if we do not do something to stop the evil. If we do not pass a law under which a permanent and absolute estoppel can be put upon that method of controlling the affairs of the people. This, in my opinion, as I said before, is a matter of public concern so important that it would justify the President, even at this time, to call a special session to demand the enactment of such legislation if the Congress should adjourn the session without having done so.

Mr. ASHURST. Mr. President, in the cautious language of exalted diplomacy this bill would be called "A bill to prohibit the improper influence of electors and to bring about purity of elections," but in the terse expression of contemporary slang this bill would be called "A bill to prevent corrupt men from buying their way into power."

It is very appropriate at this time that this bill should be passed. There are evidences making themselves manifest that the standpat element of the Republican Party, which dominated the country for so many years, is extremely resentful over the record of achievement presented by the Democratic Party. It is impossible to estimate the number of dollars corrupt politicians of the standpat variety and the privilege-hunting classes would be willing to contribute to prevent the election of Woodrow Wilson and a Democratic Congress. Why are they so resentful? Because, as I said last night, the corrupt lobbies which in the days of Roosevelt and in the days of Taft had their free will have been driven from the Capitol. They are now required to make legitimate and logical arguments in order to convince voters and public officials. The "wireless" which once worked between the White House and those who made large contributions to the campaign is no longer in action. The President of the United States now comes before the Congress and makes his recommendations personally. It is a day of the rule of the people, and I trust this Congress will not adjourn until it shall have enacted this bill into law.

Mr. PENROSE. Mr. President——

Mr. ASHURST. I yield to the Senator from Pennsylvania.

Mr. PENROSE. It does not matter. I will wait until the Senator is through.

Mr. ASHURST. As I was proceeding to say when the ponderous form of my distinguished friend on the other side silhouetted across the aisle—and I am not surprised to "get a rise" out of him when I begin to talk about campaign contributions, although I am not here to assail individuals—the improper use of money in political campaigns began in this country in 1876. It grew in volume, as contributions were made to both sides. It was widely charged in 1876 that one of the candidates had used money in trying to influence voters; it was widely charged in 1884 that the improper use of money had influenced the election; it was widely charged, and generally believed, in 1896 that the election was purchased. I do not assert it to be a fact, but I do say, in view of the serious charges of the improper use of money that have been bandied back and forth and that have been voiced in the public prints, it is high time that this Congress should pay attention to the evil and attempt to remedy it.

In the old days, before the people had the right to elect their Senators, millionaires sometimes captured a legislature on the bargain counter, bought their way into the Senate, and sat dumbly here, speechless except at roll calls, and almost inaudible then, finding in senatorial life not a place for exalted and useful public service, but a place for ostentatious and ridiculous display. Therefore it is proper at this time that a bill—the bill now before us—should be considered and passed by this Congress. It is one of the most, if not the most, essential and notable reforms that can be effected.

The next reform that will come, in my judgment, will be a rule of the Senate providing for a modified form of cloture. On last Saturday, the second day of this month, the Senate was in session, and every American had a still further right to be proud to be an American when he saw the Senate in session. Speeches were made for and against the bill then pending. They were of a high order; there was legitimate debate, a debate in which not one word was wasted; and it was an edifying spectacle to see the American Senate proceeding in a dignified and in an orderly way. Now, if we had not had the 5-minute rule or the 15-minute rule, Senators would have risen and droned away for hours at a time without hesitation or reflection, but with the 5-minute or the 10-minute or the 30-minute rule in force, Senators were required to use words to express their thoughts and not to conceal their thoughts. So, in addition to the passage of the corrupt-practices act I hope also that the Senate next December will pass a modified form of cloture.

Mr. GALLINGER. Mr. President——

Mr. ASHURST. I yield to the Senator from New Hampshire.

Mr. GALLINGER. I will ask the Senator to yield, although it is not necessary, because I rise to a point of order.

Mr. ASHURST. I cheerfully yield.

Mr. GALLINGER. I understand the Senator is discussing a bill that has not been read; am I correct?

The VICE PRESIDENT. The Chair is not in possession of the information.

Mr. GALLINGER. Perhaps the Secretary can give it.

The VICE PRESIDENT. The Chair is informed by the Secretary that the bill has not been read.

Mr. GALLINGER. I do not like to interrupt the Senator, but at the conclusion of his remarks I shall ask that the bill be read.

Mr. PENROSE. Mr. President, we certainly could gather a more intelligent conclusion regarding the Senator's remarks if we had this bill read. It is difficult to follow the drift of the Senator's statements when not a line of the measure to which his remarks are directed has been read.

Mr. ASHURST. The distinguished Senator from New Hampshire and the distinguished Senator from Pennsylvania are correct, and I am going to yield for the purpose of having the bill read.

The VICE PRESIDENT. The Secretary will read the bill.

The SECRETARY. The committee proposes to strike out all after the enacting clause of the House bill and to insert, beginning on page 18, line 10——

Mr. CURTIS. Mr. President, let the text of the bill as it came from the House of Representatives be read. We want to know all about this measure.

The VICE PRESIDENT. The Secretary will read the entire bill.

The Secretary read the text of the House bill proposed to be stricken out by the committee.

Mr. THOMAS. I have been looking at the recitals of the bill during the reading of the House text by the Secretary. I find, on page 32, a provision that in case of the violation of the preceding recitals of the section—

such candidate shall be deemed guilty of a felony and shall be disqualified, if nominated, to have his name appear upon the ballots for the ensuing election, and, if elected, from holding his seat as a United States Senator, and on conviction shall be punished as hereinafter provided.

On page 33, lines 9, 10, and 11, there is a similar recital in regard to Representatives in Congress, and on page 45, beginning on line 9, it is provided that—

No candidate found by the House in which he claims membership to be a party to a violation of this act shall receive or retain the office for which he was a candidate.

The Constitution of the United States expressly declares that "each House shall be the judge of the elections, returns, and qualifications of its own Members." I should like to ask the Senator in charge of the bill how he reconciles those provisions with the express authority given by the Constitution to the two Houses?

Mr. GALLINGER. Mr. President, I rise to a question of order. The reading of the bill has not been completed.

The VICE PRESIDENT. The bill is not subject to discussion until it has been read.

Mr. THOMAS. I thought the reading of the bill had been concluded.

Mr. GALLINGER. No.

Mr. THOMAS. I thought that all the Secretary was requested to do was to read the House text. Of course, if I am not in order I will postpone my query for another time.

Mr. OWEN. I ask that the amendment of the committee be read.

The VICE PRESIDENT. The bill must be read, and it has not been read.

The SECRETARY. In lieu of the words just read the Committee on Privileges and Elections propose to insert the following words:

That the act of Congress approved June 25, 1910, entitled "An act providing for publicity of contributions made for the purpose of influencing elections at which Representatives in Congress are elected," shall be further amended to read as follows:

"SECTION 1. Definition of words and phrases in this act: (a) The term 'political committee' wherever used in this act shall mean and include the national committees of all political parties, and the national congressional campaign committees of all political parties, the regular or special committees provided for by the rules of any party, where such committee is directly or indirectly attempting to influence the election or defeat of any candidate for the office of President, Vice President, United States Senator, or Member of the House of Representatives, and such other committees, associations, and organizations as shall become political committees in the manner provided for by the provisions of this act.

"(b) The term 'candidate' whenever used in this act shall mean and include every nominee of every political party for its choice as a presidential elector, and also every person who has announced to the public that he is a candidate for nomination or election to the office of United States Senator or Representative in Congress.

"(c) The word 'election' whenever used in this act shall mean and include any election in which there is submitted to the popular vote the names of any persons for choice as presidential electors, and also any primary or election in which there is submitted to such vote the name of any person for nomination or election to the office of United States Senator or Representative in Congress.

"(d) Any act shall be deemed to have been done for 'political purposes' when the act is of a nature, is done with the intent, or is done in such a way as to influence or tend to influence, directly or indirectly, voting; or is done on account of any person having voted or refrained from voting, or being about to vote, or refrain from voting at any election at which presidential electors are to be chosen, or at any primary or election at which a United States Senator or a Representative in Congress is to be nominated or elected.

"(e) The term 'disbursement' shall mean and include every act by or through which any money, property, office, position, or other thing of value passes, or is directly or indirectly conveyed, given, provided, paid, expended, promised, pledged, contributed, or loaned; and also any money, property, office, or position, or other thing of value so given, provided, paid, expended, promised, pledged, contributed, or loaned.

"(f) The term 'person' whenever used in this act shall mean and include any private person, firm, association, corporation, or committee, and the singular shall include the plural.

"(g) The words 'Representative,' 'Representatives,' and 'Representatives in the Congress,' wherever they occur in this act, shall be held and construed to include and embrace Delegates to the Congress of the United States.

"SEC. 2. That every association, organization, or committee, consisting of five or more members, excepting corporations organized for profit, may constitute itself or themselves a political committee under the terms and provisions of this act in the manner following:

"At a regular or special meeting of the members of said association, organization, or committee a resolution shall be duly passed expressing the desire of the members that said association, organization, or committee shall be constituted and known as a political committee in order that it may participate in a primary or election or both in connection with which presidential and vice presidential electors or Senators or Representatives in the Congress of the United States are to be voted for, and said resolution shall state fully and in detail the particular candidate or candidates in which said association, organization, or committee is interested, and in whose behalf it is desired or intended to participate and influence the result of said election. Upon the adoption of such a resolution, a copy thereof, with the correct name and a list of officers of said association and the location of the principal office or headquarters thereof, shall within five days be certified under oath and in duplicate to the Chief Clerk of the House of Representatives of the United States. Upon the receipt of such affidavit in duplicate and in proper form, the Chief Clerk of the House of Representatives of the United States shall issue his certificate, declaring said association, organization, or committee a duly constituted political committee under the provisions of this act, which said certificate shall have attached to it the duplicate copy of the affidavit theretofore filed, and the same shall be delivered to the so constituted political committee, whereupon said association, organization, or committee shall become a political committee under the terms of this act and shall be subject to all of the provisions hereof. The said certificate, with affidavit attached, shall be kept in a conspicuous place in the principal office or headquarters of said political committee as designated in said affidavit, and shall at all times be subject to inspection by any duly qualified elector of the State in which said headquarters is situated. The original affidavit shall remain on file in the office of the Chief Clerk of the House of Representatives for the period of two years from the date of the certificate issued thereon. The principal office or headquarters of such political committee can be changed upon filing notice of such proposed change, together with a statement of the proposed new location, with the Chief Clerk of the House of Representatives.

"The certificate of the Chief Clerk of the House of Representatives shall be effective and shall constitute said association, organization, or committee a political committee as defined and provided for by the terms of this act for the period of two years from the date thereof, and at the expiration of said period of two years said certificate shall be void and of no effect and said association, organization, or committee shall cease to be a political committee: *Provided, however*, That another certificate may be secured in the manner provided for by this act: *Provided further*, That no association, organization, or committee shall be permitted to file the affidavit provided for by this section expressing the desire of its members to be constituted a political committee and designating the name of the candidate or candidates in whose behalf such proposed committee desires to participate and influence the result, unless there shall be attached thereto the written statement of such candidate or candidates, consenting to the issuing of a certificate by the Chief Clerk of the House of Representatives of the United States, declaring such association, organization, or committee a political committee under the provisions of this act for the purposes set forth in said affidavit: *And provided further*, That in the case of candidates for President or Vice President of the United States, such candidate may, by power of attorney filed with the Chief Clerk of the House of Representatives of the United States, appoint an agent who shall be authorized to execute such statement as fully as his principal might do under the provisions of this section.

"SEC. 3. Political committees to have chairman and treasurer—Treasurer's duties: Every political committee shall have a chairman and a treasurer. It shall be the duty of the treasurer to keep a detailed account of all money or its equivalent received by or promised to such committee or any member thereof, or by or to any person acting under its authority or in its behalf; and the name of every person from whom received, and of all expenditures, disbursements, and promises of payment or disbursement made by the committee or any member thereof, or by any person acting under its authority or in its behalf, and to whom paid, distributed, or disbursed. No officer or member of such committee or other person acting under its authority or in its behalf shall receive any money or its equivalent or expend or promise to expend any money on behalf of such committee until after the chairman or treasurer of such committee shall have been chosen: *Provided, however*, That the record of all money, or its equivalent, received by a political committee shall constitute a public record and shall be open to the inspection of every other candidate and to the officers of every other political committee at any time, and the refusal of any officer of a political committee to permit such an inspection shall be a violation of the provisions of this act.

"SEC. 4. That every political committee shall keep in the name of its treasurer a bank account in some bank authorized by law to receive deposits of moneys, funds, and credits paid to or received by said political committee, which shall be regularly deposited to the credit of said association or treasurer in said banking institution. No money shall be expended for any purpose by said political committee or its officers, agents, and employees, except by a check duly drawn against said account, which said check shall be payable to the person to whom said political committee is indebted to the full amount of the proceeds thereof, or to the person by whom services are to be rendered to said political committee. In no case shall any check be issued to any person for the purpose or with the intent that said payee shall pay the proceeds or any part thereof to any other person.

"SEC. 5. Receipts for payments, etc., by political committees to be preserved: Every payment or disbursement made by a political committee exceeding $10 in amount shall be evidenced by a receipted bill, stating the particulars of expense, and every such record, voucher, receipt, or account shall be preserved for 15 months after the election to which it relates, and open to public inspection.

"SEC. 6. Account to treasurer and record of contributions, etc.: Whoever, acting under the authority or in behalf of any such political committee, whether as a member thereof or otherwise, receives any contribution, payment, loan, gift, advance, deposit, or promise of money or its equivalent shall, on demand, and in any event within five days after the receipt of such contribution, payment, loan, gift, advance, deposit, or promise, render to the treasurer of such political committee a detailed account of the same, together with the name and address of the person from whom received, and said treasurer shall forthwith enter the same in a ledger or record to be kept by him for that purpose, which leager or record shall plainly show the items or sums contributed, paid, loaned, given, advanced, deposited, or promised by citizens of each State separate from other States and shall be open to public inspection.

"SEC. 7. Statements by treasurer to be filed with Clerk of House of Representatives; to be preserved and open to inspection: The treasurer of every such political committee shall, not more than 15 and not less than 10 days next before any election whereat any Representative in Congress is to be nominated and elected make, transmit, and cause to be delivered for filing to the Clerk of the House of Representatives at Washington, D. C., an itemized statement, and on each sixth day after the day of delivery of said original statement to and until the day of such election, and once again within 30 days after such election, said treasurer shall also make, transmit, and cause to be so delivered for filing in each case a similar supplemental statement.

"Each statement thereof shall be signed and sworn to by said treasurer, shall be true and complete, and shall both in form and substance conform to the requirements of the next following section of this act, save that no supplemental statement need contain any item already given publicity in an earlier statement filed as herein provided.

"Said clerk shall receive, and from time to time file, each such statement in his office, and shall there preserve the same, subject to inspection like other public records, for full 15 months after the receipt by him.

"SEC. 8. Details of statements: The statements required by the preceding section of this act shall state:

"(a) Contributions, etc., of $100 or more:

"First. The name and address of each person who or which has contributed, promised, loaned, given, or advanced to such political committee, or any officer, member, or agent thereof, either in one or more items, money or its equivalent of the aggregate amount or value of $100 or more, and the total amount or sum so contributed, promised, loaned, given, or advanced by each.

"(b) Aggregate of contributions, etc., of less than $100:

"Second. The aggregate sum contributed, promised, loaned, given, or advanced to such political committee or to any officer, member, or agent thereof, in amounts of less than $100.

"(c) Total of contributions, etc.:

"Third. The aggregate amount contributed, promised, loaned, given, or advanced by citizens of each State, respectively, together with the total sum of all contributions, promises, loans, gifts, and advances received by such political committee or any officer, member, or agent thereof.

"(d) Disbursements, etc., of $10 or more:

"Fourth. The name and address of each person to whom such political committee or any officer, member, or agent thereof, has distributed, disbursed, contributed, loaned, advanced, given, or promised any sum of money or its equivalent of the amount or value of $10 or more, stating in each case the actual amount or sum distributed, disbursed, contributed, loaned, advanced, given, or promised to each, and the purpose thereof, together with a true and accurate statement of the items or sums distributed disbursed, contributed, loaned, advanced, given, or promised to persons in each State separate from other States.

"(e) Aggregate of disbursements, etc., of less than $10:

"Fifth. The aggregate sum distributed, disbursed, contributed, loaned, advanced, given, or promised by such political committee, or any officer, member, or agent thereof, where the aggregate amount or value of such distribution, disbursement, loan, advance, gift, or promise to any one person in one or more items is less than $10.

"(f) Total of disbursements, etc.:

"Sixth. The total sum disbursed, distributed, contributed, loaned, advanced, given, or promised by such political committee, or any officer, member, or agent thereof.

"SEC. 9. Statements by others than political committees of expenditures, etc., of $50 or more: Every person, except political committees, as hereinbefore defined, that shall expend or promise any sum of money or other thing of value amounting to $50 or more for the purpose of influencing or controlling the result of an election at which presidential electors are to be chosen, or of an election at which a United States Senator or a Representative in Congress is to be nominated or elected, unless he or it shall contribute the same to a political committee as hereinbefore defined, shall make, transmit, and cause to be delivered for filing to the Clerk of the House of Representatives at Washington, D. C., statements in regard thereto similar to those required by section 5 of this act, which statements shall be held by said Clerk in all respects as required by section 5 of this act. No person shall contribute to any election a sum exceeding $5,000.

"SEC. 10. Limitations on expenditures and filing of statements relating thereto: (a) The aggregate disbursements of the national and congressional campaign committees of any party made for the purpose of influencing or controlling the choice of presidential electors in behalf of any presidential and vice presidential candidate shall not exceed the sum of $400,000

"(b) The chairman and treasurer of each national political committee shall be charged with the responsibility of preventing the aggregate of such disbursements from exceeding such sum, and whoever, being such chairman and treasurer, shall knowingly and willfully allow such expenditures to exceed this said sum of $400,000 shall be guilty of a felony, and on conviction shall be punished as hereinafter prescribed.

"The chairman and treasurer of the national congressional campaign committees shall be charged with the responsibility to account to the treasurer of the r respective national committees for the disbursements made by them, respectively, for the purpose of influencing the choice of presidential electors in any State, and such committees and their chairman and treasurer and members shall make to their respective national committees such reports of expenditures as may be required by the respective treasurers thereof, and shall not in their respective disbursements exceed such sums as may be respectively prescribed in their behalf by their respective national committees.

"(c) The aggregate of all disbursements made for the purpose of aiding, influencing, or controlling, or attempting to aid, influence, or control the nomination of any candidate for the Presidency of the United States made by or with his knowledge or consent, shall not exceed the sum of $50,000.

"The aggregate of all disbursements made for the purpose of aiding, influencing, or controlling, or attempting to aid, influence, or control the nomination of any candidate for the Vice Presidency of the United States shall not exceed the sum of $25,000.

"No political committee or any member or officer thereof, and no personal campaign committee or any member or officer thereof, of any candidate for nomination to the Presidency or the Vice Presidency of the United States shall make any disbursement for the nomination of such candidate except under the direction and with the consent of such candidate, and every such candidate shall be charged with the responsibility of keeping all such disbursements within the aggregate fixed by law.

"(d) The aggregate of all disbursements made for the purpose of aiding, influencing, or controlling, or attempting to aid, influence, or control, each nomination or election of any United States Senator, shall not exceed the sum of $5,000. No political committee or any member or officer thereof, and no personal campaign committee or any member or officer thereof, of any candidate for nomination or election as a United States Senator shall make any disbursement for any of the purposes last named, except under the direction and with the consent of such candidate, and every such candidate shall be charged with the responsibility of keeping all such disbursements within the aggregate amount of $5,000; and in case the aggregate of all such expenditures, as shall be made with the knowledge, consent, or connivance of such candidate for the purposes last aforesaid, shall exceed the sum of $5,000, such candidate shall be deemed guilty of a felony and shall be disqualified, if nominated, to have his name appear upon the ballots for the ensuing election, and, if elected, from holding his seat as a United States Senator, and on conviction shall be punished as hereinafter provided.

"(e) The aggregate of all disbursements made for the purpose of aiding, influencing, or controlling, or attempting to aid, influence, or control, the nomination or election of any Representative in Congress shall not exceed the sum of $2,500. No political committee or any member or officer thereof, and no personal campaign committee or any member or officer thereof, of any candidate for nomination or election as a Representative in Congress shall make any disbursement for any of the purposes last named, except under the direction and with the consent of such candidate, and every such candidate shall be charged with the responsibility of keeping all such disbursements within the aggregate amount of $2,500; and in case the aggregate of all such expenditures as shall be made with the knowledge, consent, or connivance of such candidate for the purposes last named shall exceed the sum of $2,500 such candidate shall be deemed guilty of a felony and shall be disqualified, if nominated, to have his name appear upon the ballots for the ensuing election; and, if elected, from holding his seat as a Representative in Congress, and on conviction shall be punished as hereinafter provided.

"(f) Every candidate for the nomination of President or Vice President shall, within 10 days prior to the meeting of the nominating convention and within 30 days thereafter, cause a complete report to be made of the expenditures made in his behalf relative thereto to the Secretary of the United States Senate. Every person who shall be a candidate for nomination at any primary election or nominating convention, or for election or, in the case of a candidate for United States Senator, for indorsement or election, at any general or special election as Senator or as Representative in the Congress of the United States shall, not less than 10 nor more than 15 days before the day for holding such primary election or nominating convention, and also not less than 10 nor more than 15 days before the day of any such general or special election, and also within 15 days after any such primary election or nominating convention, and also within 30 days after any such general or special election make, transmit, and cause to be delivered for filing to the Clerk of the House of Representatives, at Washington, D. C., in the case of a candidate for Representative, or to the Secretary of the Senate, at Washington, D. C., in the case of a candidate for Senator, a full, correct, and itemized statement of all money and things of value received by him or by anyone for him, with his knowledge and consent, from any source in aid or support of his candidacy, together with the names of all those who have furnished the same in whole or in part; and such statement shall contain a true and itemized account of all moneys and things of value given, contributed, expended, used, or promised by such candidate or by his agent, representative, or other person for or in his behalf, with his knowledge and consent, together with the names of all those to whom any and all such gifts, contributions, payments, or promises were made for the purpose of procuring his nomination or election. Every such statement so delivered for filing shall be received and filed and preserved for inspection, as is provided in section 5 herein, in the case of the statements therein provided for.

"(g) Every such candidate shall include in every such statement so to be filed by him a statement of every promise or pledge made by him, or by anyone for him with his knowledge and consent, or by anyone to whom he has given authority to make any such promise or pledge, before the completion of any such primary election or nominating convention or general or special election, relative to the appointment or recommendation for appointment of any person to any position of trust, honor, or profit, either in the county, State, or Nation, or in any political subdivision thereof, or in any private or corporate employment, for the purpose of procuring the support of such person or of any person in his candidacy; and if any such promise or pledge shall have been made the name or names, the address or addresses, and the occupation or occupations of the person or persons to whom such promise or pledge shall have been made shall be stated, together with a discription of the position relating to which such promise or pledge has been made. In the event that no such promise or pledge has been made by such candidate that fact shall be distinctly stated.

"(h) No candidate for Representative in Congress or for Senator of the United States shall promise during his candidacy any office or position to any person, or to use his influence or to give his support to any person for any office or position; but such candidate may, within the limitations and restrictions and subject to the requirements of this act, contribute to political committees having charge of the disbursement of campaign funds.

"(i) The statements herein required to be made and filed before the general election at which such candidate seeks election need not contain items of which publicity is given in a previous statement, but the statement required to be made and filed after said general election shall, in addition to an itemized statement of all expenses not theretofore given publicity, contain a summary of all preceding statements.

"(j) Every statement herein required from any candidate or person other than a political committee shall be verified by the oath or affirmation of such candidate or person taken before an officer authorized to administer oaths; and the depositing of any statement required by this act in a regular post office, directed to the Clerk of the House of Representatives or to the Secretary of the Senate, as the case may be, duly stamped and registered within the time required herein, shall be deemed a sufficient transmitting and causing to be delivered for filing of any such statement under any of the provisions of this act.

"The statements required by this act of candidates for the office of Senator or Member of the House of Representatives shall also be filed in the office of the Clerk of the United States district court within whose jurisdiction such candidate resides.

"The forms for the statements required by this section shall be furnished by the Clerk of the House of Representatives, except that the Secretary of the Senate shall furnish the forms relating to Senators.

"(k) This act shall not be construed to annul or vitiate the laws of any State, not directly in conflict herewith, relating to the nomination or election of candidates for the offices herein named, or to exempt any such candidates from complying with such State laws.

"No disbursements may be lawfully made except for the following purposes, to wit:

"First. For the traveling expenses and expenses of subsistence of the candidate and of the members of political committees and their bona fide officers and assistants.

"Second. The payment of fees or charges for placing the name of the candidate upon the primary ballot.

"Third. The hire of clerks and stenographers and the cost of clerical and stenographic work and of addressing, preparing, and mailing campaign literature

"Fourth. Telegraph and telephone tolls, postage, freight, and express charges.

"Fifth. Printing and stationery.

"Sixth. Procuring and formulating lists of voters.

"Seventh. Headquarters or office rent.

"Eighth. Newspaper and other advertising.

"Ninth. Renting of halls or providing places for public meetings and all expenses of advertising and other expenses usually incident to holding such meetings.

"Any person who, otherwise than in compliance with the provisions of this act, shall hire or employ or offer to hire or employ, or shall reward or give to any person anything of value for his services, or for loss of time or for reimbursement of his expenses in consideration of such person directly or indirectly working, electioneering, or making public addresses for or against any candidates or candidate, or who rewards or offers to reward any person for his vote or influence, or the promise of his vote or influence, for or against any candidate for the office of President, Vice President, or Senator of the United States, or Member of the House of Representatives, shall be deemed guilty of a felony, and upon conviction shall be punished by imprisonment in the penitentiary for a term of not less than 1 or more than 10 years.

"SEC. 11. That the statements required by this act to be made before nomination and before election shall include the full name and post-office address, if known, of each opponent for nomination or election, as the case may be, together with the name or number of the Federal judicial district in which such opponent resides. And if any person thus named as a candidate for nomination or election to any office referred to shall fail, neglect, or refuse to file any statement therein required, it shall be the duty of the Clerk of the House of Representatives or the Secretary of the Senate, as the case may be, within 30 days after such statement or statements should have been filed, to certify that fact to the district attorney of the United States for the Federal judicial district in which said candidate resides.

"SEC. 12. That the Clerk of the House and the Secretary of the Senate shall, on or before the 15th day of January next after any general or special election for Representative in Congress or Senator of the United States, report to the House and Senate, respectively, the name of each candidate for nomination or election to such office who has filed statements as required by this act, giving his place of residence and the congressional district or State, as the case may be, in which he was such candidate and the total amount of campaign expenses paid or promised by him or by anyone for him, as shown by such statements; also the name of each candidate for such nomination or election as shown by the files of his office or otherwise ascertained, whether nominated or elected or not, who has failed, neglected, or refused to file any or all of the statements required by this act, giving his place of residence and the congressional district or State, as the case may be, in which he was such candidate, as shown by said files or otherwise ascertained; also the complete reports of political committees, as defined in this act. The report required by this section shall be printed as a public document.

"SEC. 13. That jurisdiction over all violations of this act is hereby conferred upon any district court of the United States held in the Federal judicial district in which the congressional district or the State, as the case may be, or any part of same in which the accused is or was a candidate, is situate.

"SEC. 14. Personal expenses for traveling, stationery, etc., not subject to this act. Any person may, in connection with his candidacy for nomination or election as a United States Senator or as a Representative in the Congress of the United States, incur and pay from his own private funds all necessary personal expenses for his traveling, for stationery, circulars, advertising, postage, and for telegraph and telephone service, without being subject in respect thereto to the provisions of this act: *Provided*, That an account shall be kept of all moneys expended for circulars and advertising authorized by this section, which shall be reported in the statements required by this act as an addenda thereto, but not subject to the limitations in amount fixed by section 16 of this act.

"No corporation or officer thereof on behalf of such corporation or from corporate property shall make any contribution whatever for political purposes. No funds shall be transmitted from one State into another for political purposes in excess of $1,000 for each congressional district.

"SEC. 15. That every candidate and political committee shall securely keep and preserve, for a period of two years from the date of any primary or election at which such candidate was voted for or in which such political committee participated, all records, accounts, ledgers, cash books, canceled checks, check stubs, and other written or documentary evidence and the records of all receipts and expenditures made by him or it or on his or its behalf, and these records shall be, and are hereby, declared to be public records, which any court of the United States may order to be produced before any grand jury in any district of the United States in a proper proceeding pending therein, and which either branch of the Congress of the United States, or any committee thereof, may require to be produced before it.

"SEC. 16. That no person not a candidate, and no organization, association, partnership, or committee not a political committee under the terms of this act, shall contribute, pay, or expend, directly or indirectly, any money or thing of value for the purpose of assisting in nominating or electing presidential or vice presidential electors, or Senators or Representatives in the Congress of the United States, or for the purpose of influencing or affecting the result of or in connection with any primary or election at which presidential and vice presidential electors, or Senators or Representatives in the Congress of the United States, are to be voted for, excepting as contribution to a candidate or to a political committee as defined and provided for by this act, and any person making such a contribution to a candidate or a political committee shall retain for a period of two years a full record of the transaction, the date of payment, the name of the candidate or political committee, and the officer of said committee to whom such contribution was made. No person shall contribute or pay to any candidate or political committee any money, funds, credits, or anything of value that belongs to or is under the control of any other person, nor shall any person making such a contribution or payment of money or other thing of value charge the same or any part thereof to any other person or to any firm, partnership, association, organization, or corporation on any expense account or salary account or accept the same or any part thereof as a gift or gratuity of any kind.

"Except as herein otherwise provided, no person shall issue or circulate or cause to be published, issued, or circulated, otherwise than in a newspaper or other periodical, any matter tending to influence voting at any election or primary which fails to bear on the face thereof the name of the candidate or political party or other body or association authorized by this act to incur election expenses, causing such matter to be published, issued, or circulated.

"During any campaign no newspaper or other periodical shall publish gratuitously any letter or communication on any political subject, composed by any person not an officer, editor, or employee of such newspaper or other periodical, unless the real name of the author thereof be appended thereto and published with such communication.

"SEC. 17. No publisher of any newspaper or other periodical shall insert, either in the advertising columns of such newspaper or other periodical or elsewhere therein, any matter paid for or to be paid for directly or indirectly, which is intended to or tends to influence, directly or indirectly, any voting at any election or primaries, unless at the head of said matter is printed in 12-point type the words 'Paid advertisement,' and unless there is also a statement at the head of said matter of the name of the candidate or political committee in whose behalf the matter is inserted, and of any candidate or political committee or association authorized by this act to incur election expenses, if any, authorizing the publication and unless also the price paid or contracted to be paid for such advertisement is stated at the head of said matter.

"No owner or publisher of any newspaper or other periodical, no agent or employee of such owner or publisher shall, directly or indirectly, solicit or receive (r accept any payment, promise, or compensation, nor shall any person pay or promise to pay or in any manner compensate any such owner, publisher, agent, or employee, directly or indirectly, for the purpose of influencing or attempting to influence, through any printed matter in such newspaper or other periodical, any voting at any election or primary through any means whatsoever, except through the matter inserted in such newspaper or other periodical as 'paid advertisement' and so designated as provided by this act, nor for such other purpose shall any person withdraw or threaten to withdraw his patronage or advertising from such publication.

"SEC. 18. Legal expenses in election contests not limited or affected by act: Nothing contained in this act shall limit or affect the right of any person to spend money for proper legal expenses in maintaining or contesting the results of any election.

"SEC. 19. Punishment for violation of act: Every person willfully violating any of the foregoing provisions of this act where the penalty is not specifically provided shall, upon conviction, be fined not more than $10,000 and imprisoned not less than one year nor more than two years.

"No candidate found by the House in which he claims membership to be a party to a violation of this act shall receive or retain the office for which he was a candidate.

"SEC. 20. Immunity of witnesses: That no person shall be excused from attending and testifying, or from producing books, papers, contracts, agreements, or documents, in obedience to any subpœna issued by any court of the United States or by either House of the Congress of the United States or any duly authorized committee thereof, in any cause or proceeding, criminal or otherwise, based upon or growing out of any alleged violation of this act, or of any other act of Congress relating to the conduct of elections or contributions to elections in connection with which candidates for presidential and vice presidential electors, or Senators or Representatives in the Congress of the United States, are voted for, on the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to criminate him or subject him to a penalty or forfeiture. But no person shall be prosecuted or subjected to any penalty for or on account of any transaction, matter, or thing concerning which he may testify or produce evidence, documentary or otherwise, in obedience to a subpœna in any such case or proceeding: *Provided*, That no person so testifying shall be exempt from prosecution and punishment for perjury committed in so testifying

"SEC. 21. That all acts and parts of acts in conflict with the provisions of this act are hereby repealed."

Mr. JONES. Mr. President, I desire to present an amendment intended to be proposed to the bill, and ask that it may be read and printed and lie on the table.

The PRESIDING OFFICER (Mr. LEE of Maryland in the chair). The amendment will be read for the information of the Senate.

The SECRETARY. It is proposed to insert, at the proper place, a new section, as follows:

SEC. —. Any person, association, partnership, or corporation engaged or interested, directly or indirectly, in the manufacture, distribution, or sale of intoxicating liquors who shall contribute anything of value, or pay any sum whatsoever to any person or political committee to be

used in any way to assist or promote the election of any candidate for nomination or election to any office covered by this act shall be guilty of a felony and punished by a fine of not less than $1,000 or by imprisonment for not less than one year, or by both fine and imprisonment; and any candidate who shall knowingly receive, directly or indirectly, any sum of money or contribution of any kind from such person, association, partnership, or corporation shall be guilty of a felony, and upon conviction shall be punished as above provided.

The PRESIDING OFFICER. The amendment will lie on the table and be printed.

Mr. CURTIS. I ask that the report be read.

Mr. THOMAS. Before the report is read, will the Senator permit me to pursue the inquiry which I made a few minutes ago of the Senator having charge of the bill? It will take only a moment.

Mr. CURTIS. I yield to the Senator.

Mr. THOMAS. I wish again to ask the Senator having charge of the bill how he reconciles the recitals of pages 32, 33, and 45, to which I called attention a few moments ago, with that provision of the Constitution which makes each House the exclusive judge of the elections, returns, and qualifications of its own Members?

Mr. OWEN. There is no conflict whatever. This is an act of the lower House, in the first place, and they interpret their membership rights within the light of the statutes as they exist; and even if they had a constitutional right, regardless of the statute which they themselves had passed, they would be within their rights to determine it.

Mr. THOMAS. Mr. President, one House or one Congress can not abrogate or lessen the constitutional powers of succeeding Congresses; and if that is the basis upon which these insertions appear, I am afraid the Senator will find that he is leaning upon a very weak support. I stated a few moments ago that I would be glad to support a bill for the regulation of elections and the prevention of corrupt practices; but I am unable to give my assent to a bill which contains clauses like these, which in my judgment are palpably in violation of the Constitution of the United States.

Mr. OWEN. It is entirely within the Senator's rights to vote against the bill on constitutional grounds. I have no objection to his doing so.

Mr. CURTIS. I ask for the reading of the report.

The PRESIDING OFFICER. The request is made that the report be read. If there is no objection, it will be so ordered. The Chair hears none.

The Secretary proceeded to read the report.

Mr. OWEN. The Secretary is reading the exhibits, which are merely copies of existing statutes. I move that the reading of the existing statutes be dispensed with.

Mr. CURTIS. I ask for the reading of the entire report. It will save the reading of it in the debate.

Mr. OWEN. If the Senator insists on having it read, of course I shall not interpose further objection, but I call attention to the fact that it will take a great deal of time, which is quite unnecessary, and will make it more difficult to act on this measure which we want to have passed on.

Mr. CURTIS. I think it will give Senators some information they do not have. I think a great many Senators do not realize what is contained in the existing law.

The PRESIDING OFFICER. The Secretary will resume the reading of the report.

The Secretary resumed and concluded the reading of the report, which is as follows:

Mr. KERN, from the Committee on Privileges and Elections, submitted the following report, to accompany H. R. 15842:

Your committee, having had under consideration H. R. 15842, respectfully report the bill to the Senate and recommend that it pass with an amendment in the nature of a substitute.

This act of the House of Representatives is similar to an act which was reported during the last Congress by the Committee on Privileges and Elections of the Senate, and which was again, in a somewhat similar form, reported to the Senate in the early part of this session.

The bill, now proposed as a substitute by your committee, was considered by the Committee on Privileges and Elections and reported to the Senate on May 18 (calendar day, May 29), 1916 (Rept. No. 498).

The difference between S. 5437 and H. R. 15842 consists in some technical definitions suggested by the Department of Justice and certain provisions which are deemed necessary in order to strengthen the act. These provisions will better appear from the proposed act than from the report.

Your committee respectfully recommend that the bill as substituted be passed.

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EXHIBIT A.

LAWS RELATING TO CAMPAIGN CONTRIBUTIONS.

[Public, No. 36.]

An act to prohibit corporations from making money contributions in connection with political elections.

Be it enacted, etc., That it shall be unlawful for any national bank, or any corporation organized by authority of any laws of Congress, to make a money contribution in connection with any election to any political office. It shall also be unlawful for any corporation whatever to make a money contribution in connection with any election at which Presidential and Vice Presidential electors or a Representative in Congress is to be voted for or any election by any State legislature of a United States Senator. Every corporation which shall make any contribution in violation of the foregoing provisions shall be subject to a fine not exceeding $5,000, and every officer or director of any corporation who shall consent to any contribution by the corporation in violation of the foregoing provisions shall upon conviction be punished by a fine of not exceeding $1,000 and not less than $250, or by imprisonment for a term of not more than one year, or both such fine and imprisonment in the discretion of the court.

Approved, January 26, 1907.

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[Public, No. 274.]

An act (H. R. 2230) providing for publicity of contributions made for the purpose of influencing elections at which Representatives in Congress are elected.

Be it enacted, etc., That the term "political committee" under the provisions of this act shall include the national committees of all political parties and the national congressional campaign committees of all political parties and all committees, associations, or organizations which shall in two or more States influence the result or attempt to influence the result of an election at which Representatives in Congress are to be elected.

SEC. 2. That every political committee as defined in this act shall have a chairman and a treasurer. It shall be the duty of the treasurer to keep a detailed and exact account of all money or its equivalent received by or promised to such committee or any member thereof, or by or to any person acting under its authority or in its behalf, and the name of every person, firm, association, or committee from whom received, and of all expenditures, disbursements, and promises of payment or disbursement made by the committee or any member thereof, or by any person acting under its authority or in its behalf, and to whom paid, distributed, or disbursed. No officer or member of such committee, or other person acting under its authority or in its behalf, shall receive any money or its equivalent, or expend or promise to expend any money on behalf of such committee, until after a chairman and treasurer of such committee shall have been chosen.

SEC. 3. That every payment or disbursement made by a political committee exceeding $10 in amount be evidenced by a receipted bill stating the particulars of expense, and every such record, voucher, receipt, or account shall be preserved for 15 months after the election to which it relates.

SEC. 4. That whoever, acting under the authority or in behalf of such political committee, whether as a member thereof or otherwise, receives any contribution, payment, loan, gift, advance, deposit, or promise of money or its equivalent shall, on demand, and in any event within five days after the receipt of such contribution, payment, loan, gift, advance, deposit, or promise, render to the treasurer of such political committee a detailed account of the same, together with the name and address from whom received, and said treasurer shall forthwith enter the same in a ledger or record to be kept by him for that purpose.

SEC. 5. That the treasurer of every such political committee shall, within 30 days after the election at which Representatives in Congress were chosen in two or more States, file with the Clerk of the House of Representatives at Washington, D. C., an itemized, detailed statement, sworn to by said treasurer and conforming to the requirements of the following section of this act. The statement so filed with the Clerk of the House of Representatives shall be preserved by him for 15 months, and shall be a part of the public records of his office, and shall be open to public inspection.

SEC. 6. That the statements required by the preceding section of this act shall state—

First. The name and address of each person, firm, association, or committee who or which has contributed, promised, loaned, or advanced to such political committee, or any officer, member, or agent thereof, either in one or more items, money or its equivalent of the aggregate amount or value of $100 or more.

Second. The total sum contributed, promised, loaned, or advanced to such political committee, or to any officer, member, or agent thereof, in amounts less than $100.

Third. The total sum of all contributions, promises, loans, and advances received by such political committee or any officer, member, or agent thereof.

Fourth. The name and address of each person, firm, association, or committee to whom such political committee, or any officer, member, or agent thereof, has disbursed, distributed, contributed, loaned, advanced, or promised any sum of money or its equivalent of the amount or value of $10 or more, and the purpose thereof.

Fifth. The total sum disbursed, distributed, contributed, loaned, advanced, or promised by such political committee, or any officer, member, or agent thereof, where the amount or value of such disbursement, distribution, loan, advance, or promise to any one person, firm, association, or committee in one or more items is less than $10.

Sixth. The total sum disbursed, distributed, contributed, loaned, advanced, or promised by such political committee or any officer, member, or agent thereof.

SEC. 7. That every person, firm, association, or committee, except political committees as hereinbefore defined, that shall expend or promise any sum of money or other thing of value amounting to $50 or more for the purpose of influencing or controlling, in two or more States, the result of an election at which Representatives to the Congress of the United States are elected, unless he or it shall contribute the same to a political committee as hereinbefore defined, shall file the statements of the same under oath, as required by section 6 of this act, in the office of the Clerk of the House of Representatives, at Washington, D. C., which statements shall be held by said Clerk in all respects as required by section 5 of this act.

SEC. 8. That any person may in connection with such election incur and pay from his own private funds for the purpose of influencing or controlling, in two or more States, the result of an election at which Representatives to the Congress of the United States are elected all personal expenses for his traveling and for purposes incidental to traveling, for stationery and postage, and for telegraph and telephone service without being subject to the provisions of this act.

SEC. 9. That nothing contained in this act shall limit or affect the right of any person to spend money for proper legal expenses in maintaining or contesting the results of any election.

SEC. 10. That every person willfully violating any of the foregoing provisions of this act shall, upon conviction, be fined not more than $1,000 or imprisoned not more than one year, or both.

Approved, June 25, 1910.

[Public—No. 32.]

An act (H. R. 2958) to amend an act entitled "An act providing for publicity of contributions made for the purpose of influencing elections at which Representatives in Congress are elected" and extending the same to candidates for nomination and election to the offices of Representative and Senator in the Congress of the United States and limiting the amount of campaign expenses.

Be it enacted, etc., That sections 5, 6, and 8 of an act entitled "An act providing for publicity of contributions made for the purpose of influencing elections at which Representatives in Congress are elected," approved June 25, 1910, be, and the same are hereby, amended to read as follows:

"SEC. 5. That the treasurer of every such political committee shall, not more than 15 days and not less than 10 days next before an election at which Representatives in Congress are to be elected in two or more States, file in the office of the Clerk of the House of Representatives at Washington, D. C., with said Clerk, an itemized detailed statement; and on each sixth day thereafter until such election said treasurer shall file with said Clerk a supplemental itemized detailed statement. Each of said statements shall conform to the requirements of the following section of this act, except that the supplemental statement herein required need not contain any item of which publicity is given in a previous statement. Each of said statements shall be full and complete, and shall be signed and sworn to by said treasurer.

"It shall also be the duty of said treasurer to file a similar statement with said Clerk within 30 days after such election, such final statement also to be signed and sworn to by said treasurer and to conform to the requirements of the following section of this act. The statements so filed with the Clerk of the House shall be preserved by him for 15 months and shall be a part of the public records of his office and shall be open to public inspection.

"SEC. 6. That the statements required by the preceding section of this act shall state:

"First. The name and address of each person, firm, association, or committee who or which has contributed, promised, loaned, or advanced to such political committee, or any officer, member, or agent thereof, either in one or more items, money or its equivalent of the aggregate amount or value of $100 or more, and the amount or sum contributed, promised, loaned, or advanced by each.

"Second. The aggregate sum contributed, promised, loaned, or advanced to such political committee, or to any officer, member, or agent thereof, in amounts of less than $100.

"Third. The total sum of all contributions, promises, loans, and advances received by such political committee or any officer, member, or agent thereof.

"Fourth. The name and address of each person, firm, association, or committee to whom such political committee, or any officer, member, or agent thereof, has distributed, disbursed, contributed, loaned, advanced, or promised any sum of money or its equivalent of the amount or value of $10 or more, stating the amount or sum distributed, disbursed, contributed, loaned, advanced, or promised to each, and the purpose thereof.

"Fifth. The aggregate sum distributed, disbursed, contributed, loaned, advanced, or promised by such political committee, or any officer, member, or agent thereof, where the amount or value of such distribution, disbursement, loan, advance, or promise to any one person, firm, association, or committee in one or more items is less than $10.

"Sixth. The total sum disbursed, distributed, contributed, loaned, advanced, or promised by such political committee, or any officer, member, or agent thereof.

"SEC. 8. That any person may in connection with such election incur and pay from his own private funds for the purpose of influencing or controlling, in two or more States, the results of an election at which Representatives to the Congress of the United States are elected, all necessary personal expenses for his traveling, for stationery, and postage, and for telegraph and telephone service without being subject to the provisions of this act."

SEC. 2. That section 8, as above amended, and sections 9 and 10 of said act be renumbered as sections 9, 10, and 11, and that a new section be inserted after section 7 of the said original act to read as follows:

"SEC. 8. The word 'candidate' as used in this section shall include all persons whose names are presented for nomination for Representative or Senator in the Congress of the United States at any primary election or nominating convention, or for indorsement or election at any general or special election held in connection with the nomination or election of a person to fill such office, whether or not such persons are actually nominated, indorsed, or elected.

"Every person who shall be a candidate for nomination at any primary election or nominating convention, or for election at any general or special election, as Representative in the Congress of the United States, shall, not less than 10 nor more than 15 days before the day for holding such primary election or nominating convention, and not less than 10 nor more than 15 days before the day of the general or special election at which candidates for Representatives are to be elected, file with the Clerk of the House of Representatives at Washington, D. C., a full, correct, and itemized statement of all moneys and things of value received by him or by anyone for him with his knowledge and consent, from any source, in aid or support of his candidacy, together with the names of all those who have furnished the same in whole or in part; and such statement shall contain a true and itemized account of all moneys and things of value given, contributed, expended, used, or promised by such candidate, or by his agent, representative, or other person for and in his behalf with his knowledge and consent, together with the names of all those to whom any and all such gifts, contributions, payments, or promises were made, for the purpose of procuring his nomination or election.

"Every person who shall be a candidate for nomination at any primary election or nominating convention, or for indorsement at any general or special election, or election by the legislature of any State, as Senator in the Congress of the United States, shall, not less than 10 nor more than 15 days before the day for holding such primary election or nominating convention, and not less than 10 nor more than 15 days before the day of the general or special election at which he is seeking indorsement, and not less than 5 nor more than 10 days before the day upon which the first vote is to be taken in the two houses of the legislature before which he is a candidate for election as Senator, file with the Secretary of the Senate at Washington, D. C., a full, correct, and itemized statement of all moneys and things of value received by him or by anyone for him with his knowledge and consent, from any source, in aid or support of his candidacy, together with the names of all those who have furnished the same in whole or in part; and such statement shall contain a true and itemized account of all moneys and things of value given, contributed, expended, used, or promised by such candidate, or by his agent, representative, or other person for and in his behalf with his knowledge and consent, together with the names of all those to whom any and all such gifts, contributions, payments, or promises were made for the purpose of procuring his nomination or election.

"Every such candidate for nomination at any primary election or nominating convention, or for indorsement or election at any general or special election, or for election by the legislature of any State, shall, within 15 days after such primary election or nominating convention, and within 30 days after any such general or special election, and within 30 days after the day upon which the legislature shall have elected a Senator, file with the Clerk of the House of Representatives or with the Secretary of the Senate, as the case may be, a full, correct, and itemized statement of all moneys and things of value received by him or by anyone for him with his knowledge and consent, from any source, in aid or support of his candidacy, together with the names of all those who have furnished the same in whole or in part; and such statement shall contain a true and itemized account of all moneys and things of value given, contributed, expended, used, or promised by such candidate, or by his agent, representative, or other person for and in his behalf with his knowledge and consent, up to, on, and after the day of such primary election, nominating convention, general or special election, or election by the legislature, together with the names of all those to whom any and all such gifts, contributions, payments, or promises were made for the purpose of procuring his nomination, indorsement, or election.

"Every such candidate shall include therein a statement of every promise or pledge made by him, or by anyone for him with his knowledge and consent or to whom he has given authority to make any such promise or pledge, before the completion of any such primary election or nominating convention or general or special election or election by the legislature, relative to the appointment or recommendation for appointment of any person to any position of trust, honor, or profit, either in the county, State, or Nation, or in any political subdivision thereof, or in any private or corporate employment, for the purpose of procuring the support of such person, or of any person in his candidacy, and if any such promise or pledge shall have been made, the name or names, the address or addresses, and the occupation or occupations of the person or persons to whom such promise or pledge shall have been made shall be stated, together with a description of the position relating to which such promise or pledge has been made. In the event that no such promise or pledge has been made by such candidate, that fact shall be distinctly stated.

"No candidate for Representative in Congress or for Senator of the United States shall promise any office or position to any person, or to use his influence or to give his support to any person for any office or position for the purpose of procuring the support of such person, or of any person, in his candidacy; nor shall any candidate for Senator of the United States give, contribute, expend, use, or promise any money or thing of value to assist in procuring the nomination or election of any particular candidate for the legislature of the State in which he resides, but such candidate may, within the limitations and restrictions and subject to the requirements of this act, contribute to political committees having charge of the disbursement of campaign funds.

"No candidate for Representative in Congress or for Senator of the United States shall give, contribute, expend, use, or promise, or cause to be given, contributed, expended, used, or promised, in procuring his nomination and election, any sum in the aggregate in excess of the amount which he may lawfully give, contribute, expend, or promise under the laws of the State in which he resides: *Provided*, That no candidate for Representative in Congress shall give, contribute, expend, use, or promise any sum in the aggregate exceeding $5,000 in any campaign for his nomination and election; and no candidate for Senator of the United States shall give, contribute, expend, use, or promise any sum in the aggregate exceeding $10,000 in any campaign for his nomination and election: *Provided further*, That money expended by any such candidate to meet and discharge any assessment, fee, or charge made or levied upon candidates by the laws of the State in which he resides, or for his necessary personal expenses, incurred for himself alone, for travel and subsistence, stationery and postage, writing or printing (other than in newspapers), and distributing letters, circulars, and posters, and for telegraph and telephone service, shall not be regarded as an expenditure within the meaning of this section and shall not be considered any part of the sum herein fixed as the limit of expense and need not be shown in the statements herein required to be filed.

"The statements herein required to be made and filed before the general election, or the election by the legislature at which such candidate seeks election, need not contain items of which publicity is given in a previous statement, but the statement required to be made and filed after said general election or election by the legislature shall, in addition to an itemized statement of all expenses not therefore given publicity, contain a summary of all preceding statements.

"Any person not then a candidate for Senator of the United States who shall have given, contributed, expended, used, or promised any money or thing of value to aid or assist in the nomination or election of any particular member of the legislature of the State in which he resides shall, if he thereafter becomes a candidate for such office, or if he shall thereafter be elected to such office without becoming a candidate therefor, comply with all of the provisions of this section relating to candidates for such office, so far as the same may be applicable; and the statement herein required to be made, verified, and filed after such election shall contain a full, true, and itemized account of each and every gift, contribution, expenditure, and promise, whenever made, in anywise relating to the nomination or election of members of the legislature of said State, or in anywise connected with or pertaining to his nomination and election of which publicity is not given in a previous statement.

"Every statement herein required shall be verified by the oath or affirmation of the candidate, taken before an officer authorized to administer oaths under the laws of the State in which he is a candidate, and shall be sworn to or affirmed by the candidate in the district in which he is a candidate for Representative, or the State in which he is a candidate for Senator in the Congress of the United States: *Provided*, That if at the time of such primary election, nominating convention, general or special election, or election by the State legislature said candidate shall be in attendance upon either House of Congress as a Member thereof he may at his election verify such statements before any officer authorized to administer oaths in the District of Columbia: *Provided further*, That the depositing of any such statement in a regular post office, directed to the Clerk of the House of Representatives or

to the Secretary of the Senate, as the case may be, duly stamped and registered within the time required herein, shall be deemed a sufficient filing of any such statement under any of the provisions of this act.

"This act shall not be construed to annul or vitiate the laws of any State, not directly in conflict herewith, relating to the nomination or election of candidates for the offices herein named, or to exempt any such candidate from complying with such State laws."

Approved, August 19, 1911.

[Public—No. 298.]

An act (H. R. 26278) amending paragraph 10 of section 8 of an act entitled "An act providing for publicity of contributions made for the purpose of influencing elections at which Representatives in Congress are elected," approved June 25, 1910, as amended by section 2 of an act entitled "An act to amend an act entitled 'An act providing for publicity of contributions made for the purpose of influencing elections at which Representatives in Congress are elected' and extending the same to candidates for nomination and election to the offices of Representative and Senator in the Congress of the United States and limiting the amount of campaign expenses," approved August 19, 1911.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph 10 of section 8 of an act entitled "An act providing for publicity of contributions made for the purpose of influencing elections at which Representatives in Congress are elected," approved June 25, 1910, as amended by section 2 of an act entitled "An act to amend an act entitled 'An act providing for publicity of contributions made for the purpose of influencing elections at which Representatives in Congress are elected,' and extending the same to candidates for nomination and election to the offices of Representative and Senator in the Congress of the United States and limiting the amount of campaign expenses," approved August 19, 1911, be, and the same is hereby, amended so as to read as follows:

"Every statement herein required shall be verified by the oath or affirmation of the candidate, taken before an officer authorized to administer oaths; and the depositing of any such statement in a regular post office, directed to the Clerk of the House of Representatives or to the Secretary of the Senate, as the case may be, duly stamped and registered within the time required herein, shall be deemed a sufficient filing of any such statement under any of the provisions of this act."

Approved, August 23, 1912.

Mr. CURTIS. I suggest the absence of a quorum.

Mr. LEA of Tennessee. Will the Senator withhold the call for a moment that I may make a statement?

Mr. CURTIS. Certainly.

Mr. LEA of Tennessee. I desire to state that I was called out of the Chamber on public business this morning and I was unable to vote on the motion to take up this bill for consideration. I regret it very much, because I am in thorough accord with the purpose of taking up the bill and heartily in favor of its enactment.

Mr. CURTIS. I make the point of no quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hardwick	Norris	Smith, Md.
Bankhead	Husting	Overman	Smith, S. C.
Beckham	James	Owen	Smoot
Brady	Jones	Penrose	Sterling
Bryan	Kenyon	Phelan	Stone
Chamberlain	Kern	Pittman	Swanson
Chilton	La Follette	Pomerene	Taggart
Clapp	Lea, Tenn.	Ransdell	Thomas
Clarke, Ark.	Lee, Md.	Robinson	Thompson
Curtis	Lewis	Shafroth	Underwood
Dillingham	McCumber	Sheppard	Vardaman
du Pont	Martin, Va.	Sherman	Warren
Fletcher	Martine, N. J.	Simmons	Williams
Gallinger	Myers	Smith, Ariz.	
Gronna	Nels	Smith, Ga.	

The PRESIDING OFFICER. Fifty-eight Senators having answered to their names, a quorum is present.

Mr. HUSTING. Mr. President, in deciding to take up the corrupt-practices act the Senate has been entirely consistent with its record made during this session. It was taken up, as the RECORD shows, by a vote of 32 to 14, which demonstrates the overwhelming sentiment in this Chamber in favor of a corrupt-practices act.

It has been said here and charged, I think, that there is going to be a filibuster that will delay, hinder, and obstruct the passage of this bill. I understand that it is the hope of some Senators that by obstructing, hindering, and delaying the vote they may tire out the Democrats so that they will cease their efforts to pass this bill. I do not know what is the disposition of other Senators on this side of the Chamber, or on the other side, but I should like to be recorded as saying that I for one am ready to stay here until election day if necessary to pass this bill. I believe I am also warranted in saying that there is the same thought and purpose in the minds of many other Senators on this side. I think that if there is going to be such a test of endurance a number of Senators on this side at least are ready for the test; they are not afraid of the test.

I believe every Senator is anxious to go back to his State and take part in the campaign, but anxious as he may be, and necessary as it may be for him to go there, I think a great many feel that we can perform no better service to the people whom we represent or to the country than to pass a bill to prevent the purchase of elections and the corruption of the electorate.

We all know what has happened in the last number of years. It is a matter of common knowledge that money has played a prominent part in elections in the past. If this country knows itself, and if it is going to continue to exist as it deserves to exist, it will have to keep clean and pure the very fountain head of its political life. Everybody knows that we can not poison the fountain of our political existence, that we can not pollute it, without having that poison and that pollution run through every vein and artery of the body politic. The people will not endure a government, they will not tolerate a government, they will not suffer a government to govern them which does not represent them and which is not the result of a free and fair electorate. In other words, the people will not abide a decision which they believe is not a free and true expression of public sentiment or of public choice, which they know is merely the manifestation, not of the people's will, nor of the will of the electorate, but of the will of certain money powers which are holding the money bags and which are holding the purse strings that make the puppet dance according to the way they pull the strings.

I say that in my humble judgment this Congress can not more fittingly bring its session to a close than by passing an act which will make difficult if not impossible the corruption of the people of the States and the purchasing of elections, and which will insure a fair and unpurchased verdict of the jury—of the American jury—who will soon sit upon and consider the matter of electing the President and the matter of indorsing the work of his past administration.

We all know in a general way what has been done in this country. It is not necessary to go back and rake up all the foul material of this nature that is a blot upon the country. I do not know that it is necessary to remind Senators here of moneys that have been expended in elections, or of reminding them that men have been elected to office not as the result of a fair choice but as a result of conspiracy, financed by money kings who put men in places of responsibility not to serve the public but to serve the men who paid the price.

There is another phase of this situation, and one follows the other just as logically as the day follows the night. When the people have a free choice, and it is exercised voluntarily and freely, and properly represents their sovereign will, and they elect a man to one of the Houses of Congress to represent them, they always find that the man whom they elect, and whose election is an expression of their own will, will serve them, the people who elected him. When men are elected to office by a free electorate, whom do they serve? They serve the people. It is just as natural and as true to-day that when a representative is elected by some sinister and outside influence he will, when he gets into a place of responsibility, serve that very sinister influence that put him there; in other words, he will serve the instrumentality that served him. If the people want to be well served, they will have to insist that they be given a free rein and elect men who will recognize their masters and not be committed to some other intervening force which, by electing a man to office, not only expects but demands and will always receive the services of that man.

We have had corruption, we have had the expenditure of great amounts of money, in presidential elections in the past. Do we want to leave the door open here, now on the eve of adjourning this Congress, so that those influences can work their will in the coming election? Why are Senators so frantic about staying this legislation and saying, "We will take it up next December"? Do we want to lock the stable door after the horse has gone? Do we want to put this legislation into operation only then in a sanctimonious way, by sanctimonious expressions, after the campaign is over and corruption has done its work? Or do we not want to say now that, if it is a good thing, we can not put it into operation too soon, and, therefore, we will enact it now, so that in going to the country with "a fair field and no favor," we can let the people judge whether or not they want to reelect President Wilson on his record and not be subjected to conditions where they may lose sight entirely of the main issue and elect somebody whom somebody else wants elected?

Everybody knows that money has heretofore been expended in presidential elections by the millions. We have had experiences of this nature in the State of Wisconsin in the way of elections, and those same elections have been heard from in this Chamber. It is not so many years ago when certain candidates for the United States Senate, in a primary election, by their own sworn statements admitted having expended at least within a few thousand dollars of $400,000. And one man was nominated for that high office who admitted, on his own sworn statement,

that he had spent at least $200,000 to secure the nomination. That election in Wisconsin was followed by another election in Illinois, which also came before this body.

I do not know anything about the Illinois conditions except from hearsay, but I did see something of the effects of the methods employed in Wisconsin. I have a personal knowledge of the expenditure of money in my State and in every nook and cranny of the State of Wisconsin in the primary campaign when nearly $400,000 was spent in attempting to secure the nomination of candidates. Men were given sums as high as $5,000, and when asked to account for them they could not remember what they had done with the money. They gave incomplete returns and they attempted to make the investigating committee believe that they had absolutely forgotten what they did with the $5,000. Sums ranging all the way from $5 to $100 were given to ward workers, ostensibly for the purpose of getting men to the polls. An army of men was employed as pickets in every voting precinct in the State of Wisconsin, and they were paid from $5 to $10 apiece to work for and to build up the vote for their man. It would take too long to go on and to give in extended detail an account of what happened there; but, suffice it to say, there was put in circulation in that State nearly $400,000. That election resulted in the nomination of the man who spent the most money—the man who spent $209,000. And when the final contest was decided in the legislature men belonging to an opposite party were induced to stay out of the senate chamber in order to permit the election of a man of a party other than their own. It is a foul blot, a foul chapter in the fair history of Wisconsin.

I am glad to say that those conditions, I believe, have gone from Wisconsin, never again to return. Corrupt-practice laws were passed. If I may be pardoned a personal allusion, I had something to do with the drafting of the bill, a great deal of the substance of which finally became the law in Wisconsin. The committee, of which I was a member, that had the framing of the original proposition, after this Wisconsin debauch, made up its mind that there was only one legitimate way to expend money in a campaign, and that was for information to the voter and that the spending of money for any other purpose was wrong and should be stopped. I am glad to see that this bill contains that same idea. The purposes for which money may be expended are enumerated in the bill, and a study of that language will show that those expenditures are permissible only for publicity. Then such expenditures are limited in another portion of the bill by the total amount of money which can be expended only for publicity.

I think everybody will agree that a man who wants to be elected to office ought to be elected on his own merits, or on the merits of the measures he stands for, or upon the principles of his party; and he should be given every reasonable opportunity to tell and to fully inform the people of his district, or of his State, or of his country, as the case may be, for what he stands, for what his opponent stands, and everything else that is pertinent to the questions involved.

I know very well that there was a time when it was thought entirely proper for a candidate to entertain his friends in saloons, by junkets, or in "any other old way." He was a public entertainer, and he was elected many times because of his ability as an entertainer, though it often happened that he was not endowed with the ability to make him a proper officer, a public servant, or a public official, such as he ought to be. I think that this condition is now a thing of the past.

I say that that time has gone by, and this bill provides for the expenditure of money for the purpose of publicity, and publicity only. The expenditures for purposes of publicity are further limited by the total amount of money that can be expended for that purpose.

There is a reason why that should be done. Men can, for instance, in a great many places, unless the laws are properly drawn, go to a newspaper, and, ostensibly for newspaper and publicity purposes, pay a newspaper $500 or $1,000 for space in the paper which would ordinarily or legitimately cost only a few dollars, or they may flood the country with material in such a way that an opponent of less financial ability will not have the opportunity to bring his name in like manner before the public. So even this publicity has got to be circumscribed to a certain extent. Even that may be overdone and become a pernicious practice if not limited to certain amounts.

It seems to me this bill ought to pass. I should like to hear one good reason advanced by its opponents, if they can do so, why it ought not to pass. The contest over the passage of this bill ought not to be one of endurance. This bill ought to pass or it ought to be defeated on its merits. It is a simple bill. I think many States have laws now in force similar in their provisions to this bill. Division on this bill will not be on its details, but it will be on the broad issue, which I understand to be this: Are you in favor of the expenditure of an unlimited amount of money in an unlimited manner by unlimited agencies to get your man or yourself into office, or do you believe in a corrupt-practices act which puts your opponent and yourself on the same plane and permits you to go to the people upon the merits of your case? Is not the latter the American spirit?

Is it fair play for one man to sandbag his opponent with a bag of money? How can any American citizen who believes in fair play oppose a bill which is calculated only to give him and his opponent a fair field and an open field and no favor?

So, I say, the issue is plain enough, and the vote will show where Senators stand on the issue. I do not think that the fight on this bill, if one is going to be made, will deceive anyone. I think it will be perfectly obvious and plain that those who are against this bill are against it because they believe that in some way it is going to curtail their power to get money to elect their candidates, to "put their candidates over." I think their opposition to the bill will prove that they do not want a fair fight in this election, but that they want to go into this fight with their opponents laboring under the handicap of a lack of funds, and that they expect and hope that they will have the advantage in that respect, so that they can go in and, with their money, win the election.

I repeat that the people are not going to be deceived on this question. They are going to know who are for this bill and why they are for it, and who are against it and why they are against it. They are going to understand that the fight is on here now in the Senate for pure elections in the coming campaign and in all future campaigns. They will understand that the fight is on here now to put a stop once and forever to the purchase of elections and the corruption of the electorate of this country.

They will know that the fight is on here now between those interests that are not satisfied when the people alone are well served and those people who believe in political purity. There are, it appears, certain interests which, in addition to the special privileges which they now enjoy, want the special privilege of electing a President of the United States and both branches of Congress, so that these branches of government will do their bidding and will serve them and not the people of the United States. The people of this country will understand very well and fully that this fight is on here now and that there will be a division upon this question. They will understand that the men who vote against a good corrupt-practices act are doing so because they fear that their only weapon is going to be taken away from them. They will also know and understand that the fight is on as to whether certain people of this country can be corrupted to defeat, destroy, and punish a President who refused to put his neck under the yoke of the financial interests which have many times in the recent history of this country supplied such yokes for others. They will understand very well what the purpose is. They will understand very well what a filibuster is, as my friend from Oklahoma [Mr. OWEN] suggests; and they will understand that if a filibuster is instituted at this time it will be instituted for the purpose of attempting to carry this bill over until after the next election, so that these powers can work their own will in their own way in their attempt to elect a President of the United States and to defeat the man who has been our President for the past four years and who has served the people who elected him, and who they know will serve them again if elected this time, and not the money kings who buy what they want and who expect to get what they pay for.

Mr. CLARKE of Arkansas. Mr. President——

The PRESIDING OFFICER (Mr. VARDAMAN in the chair). Does the Senator from Wisconsin yield to the Senator from Arkansas?

Mr. HUSTING. Certainly.

Mr. CLARKE of Arkansas. Does the Senator think that presidential electors are Federal officers in the sense that their election can be controlled by laws passed through the Congress of the United States?

Mr. HUSTING. I will say to the Senator that I have never given the matter very much study, but I should say that obviously they are so closely connected with the election of the President of the United States that I would have very little doubt but that we have a right to control their election and pass a corrupt-practices act to prevent fraud and other evils in their election.

Mr. CLARKE of Arkansas. I did not submit the inquiry altogether as the result of my own curiosity. I was rather prompted to do so by this quotation from a decision of the Supreme Court

of the United States in the case of Fitzgerald against Greene, in One hundred and thirty-fourth United States:

> The sole function of the presidential electors is to cast, certify, and transmit the vote of the State for President and Vice President of the Nation. Although the electors are appointed and act under and pursuant to the Constitution of the United States, they are no more officers or agents of the United States than are the members of the State legislatures when acting as electors of Federal Senators or the people of the States when acting as electors of Representatives in Congress.

Mr. HUSTING. Was that a case involving a corrupt-practices act?

Mr. CLARKE of Arkansas. It was a case involving the punishment of a presidential elector for failure to do his duty, and making false returns as a presidential elector.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Oklahoma?

Mr. HUSTING. Certainly.

Mr. OWEN. Mr. President, a citizen of the United States without conflict fills the position of a citizen of his town, of his county, of his State, and of the Federal Government. There is no conflict of allegiance between the one and the other, and when he acts as a citizen of the United States in the exercise of his franchise in the choice of an elector, he acts as a citizen of the United States. The electors chosen by citizens of the United States resident in Oklahoma are electors and officials and functionaries of the United States, and not of the State. It makes no difference if this decision of the Supreme Court of the United States be read. The powers of Government are vested in the people of the United States, who make constitutions and make supreme courts and make Presidents; and the Supreme Court can change its mind on that subject, if it is necessary to do so. The people of the United States have got a right to defend the life of their own Government. To make an argument that the people in their organized form can not control corrupt practices vital to the selection of a Senate, of a House, and of a President is making an argument which the people of this country will not stand for.

Mr. CLARKE of Arkansas. Mr. President, let me make one further observation in justification of the suggestion I have made.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Arkansas?

Mr. HUSTING. Before the Senator makes any further observation, I should like to say what I want to say in regard to the question the Senator propounded to me.

The PRESIDING OFFICER. The Senator from Wisconsin refuses to yield.

Mr. HUSTING. I will say that certainly the Government of the United States has a right to protect the very fountain head of its own elections.

Mr. CURTIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Kansas?

Mr. HUSTING. If the Senator will wait a moment——

Mr. CURTIS. I rise to a point of no quorum. We are discussing a very important question, and I should like to have a quorum here.

The PRESIDING OFFICER. The Senator from Wisconsin declines to yield for that purpose.

Mr. CURTIS. I make the point of order that there is no quorum present, and I hope the Senator will yield for that purpose.

Mr. HUSTING. I decline to yield for that purpose in the midst of the argument that I should like to make on this matter. I say that the Congress and the Government of the United States has certainly a right to protect the fountain head of its own existence through laws calculated to insure fair and uncorrupt election of such electors. Whether electors are strictly Government officers or not is another question entirely. I take it that the official status of an elector was the point involved in the case referred to by the Senator from Arkansas, but that does not go to the question of a corrupt-practices act. It is certainly within the province of Congress to say to the man invested with some office, whether as an elector or as any other officer, who performs the function of assisting in sending a Senator to Congress, that he shall not buy an election or have it bought for him.

Mr. CLARKE of Arkansas. Mr. President, the Senator did not understand me as suggesting that the Congress of the United States has no——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Arkansas?

Mr. HUSTING. Yes, sir.

Mr. CLARKE of Arkansas. That the Congress of the United States has no right to regulate the election of Senators and Members of the Lower House, I hope.

Mr. HUSTING. I did not understand the Senator.

Mr. CLARKE of Arkansas. I say the Senator did not understand me to intimate that Congress did not have the power to regulate the election of Senators and Members of the Lower House of Congress, because that is expressly provided for by the Constitution. I did not intend to do more than simply to get the opinion of the Senator. I did not expect to confront any further remarks by my objection; but I want to call attention to a section of the Constitution that prompted me to make the inquiry. Section 1 of Article II provides:

> Each State shall appoint, in such manner as the legislature thereof may direct, a number of electors, equal to the whole number of Senators and Representatives to which the State may be entitled in the Congress.

It will be seen that there is no provision of the Constitution of the United States, and there can not be any, that would require presidential electors to be selected by an election at all. Down to the time of the Civil War many of the States chose electors directly through the action of their legislatures. I simply asked the question I did in good faith for information.

Mr. HUSTING. I am trying to answer the Senator in good faith.

Mr. CLARKE of Arkansas. I merely desired to ascertain whether the Senator thought there was any such connection between the service of presidential electors and an election as to justify Congress in providing for any system of regulation for the selection of officers of that kind.

Mr. HUSTING. Mr. President, I will say that, for instance, under the old system of election in the States there was no such thing as a primary election. Nominations were made by conventions, and yet the States went on and prescribed rules of conduct for conventions and now prescribe rules of conduct for nominations by primaries, and impose penalties for the violation of election laws under the corrupt-practices acts. I have never heard the question raised that they had no right to legislate as to the conventions or primaries which selected and nominated men, or that they were precluded from passing laws providing pure elections either by primaries or conventions.

Mr. CLARKE of Arkansas. That would be determined by the character of the officer to be elected at a particular election. The Senator would not insist that the Congress of the United States could pass a corrupt-practices act that related exclusively to a State election for State and county officers, would he?

Mr. HUSTING. Not in an exclusively State election, but this bill does not attempt to do that. I might illustrate it by saying that surely it would be within the province of Congress, at least I think so, and within their authority, if they wanted to exercise the power, to provide that no one shall corruptly buy a legislature. I think that they have got a right to go into a question——

Mr. CLARKE of Arkansas. That is the answer that I wanted; that is to say, I wanted to locate the Senator's view on that subject, and probably, if the occasion required, I might antagonize that view.

Mr. HUSTING. I want to say further that there does not seem to me to be any doubt that Congress has a right to pass a corrupt-practices act and that it has a right to provide that corrupt practices shall not be employed in the election of the President; and yet, if the point of the Senator from Arkansas were well taken, we would be powerless to punish corruption in the election of the President of the United States, because he is only elected through the instrumentality of an electoral college, and it would reduce this proposition, I think, to one approaching absurdity to say that Congress would be absolutely powerless to prevent or punish corrupt practices in the election of a President.

Mr. CLARKE of Arkansas. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Arkansas?

Mr. HUSTING. I do.

Mr. CLARKE of Arkansas. Would the obvious necessity for some remedy of that kind justify a criticism of the constitutional convention which delegated the power of electing a President exclusively to State agents, or would it warrant the Congress in extending its own power beyond the terms of the Constitution in order to protect the public against an obvious defect?

Mr. HUSTING. If there were any constitutional provision which prohibited the Congress from passing laws of this kind, I would say that that would be a matter to be considered; but I do not understand the Constitution to so provide.

Mr. CLARKE of Arkansas. The Senator, of course, recalls the fact that the National Government is a Government of delegated powers, and that no power not expressly or by necessary implication granted comes within the competency of Congress.

Mr. HUSTING. I understand that; but I do not see the application of it, because the fact that the States have reserved to themselves the powers not expressly granted to the Federal Government has no bearing upon this question.

Mr. CLARKE of Arkansas. What is the power that is expressly granted to Congress by the Constitution of the United States? It says that electors shall be chosen in such manner as the State legislatures of the several States shall provide—not Congress but the State legislatures.

Mr. HUSTING. Will the Senator read that again?

Mr. CLARKE of Arkansas. I will read it from the Constitution:

> Each State shall appoint, in such manner as the legislature thereof may direct, a number of electors, equal to the whole number of Senators and Representative to which the State may be entitled in the Congress.

The States select the presidential electors, and not the National Government.

Mr. HUSTING. It says:

> Each State shall appoint, in such manner as the legislature thereof may direct, a number of electors, equal to the whole number of Senators and Representatives to which the State may be entitled in the Congress, but no Senator or Representative, or person holding an office of trust or profit under the United States, shall be appointed an elector.

I must confess to the Senator from Arkansas that I can not see anything in that which is in any way repugnant to or in conflict with the purpose of this proposed law. The mere fact that they "shall appoint in such manner as the legislature * * * may direct" does not mean that the legislature can authorize the purchase of these electors, or sell them to the highest bidder in the manner that they may direct, and then say that the great Government of the United States is powerless to prevent or punish them. When we are talking about powers expressly delegated and those reserved, when they delegate to the United States a government, and provide that a President shall be elected, why have they not thereby directly delegated to the Government the right to protect and safeguard the manner in which that President shall be elected in everything else except that it shall be done by electors? Such delegation must surely be implied in the express delegation.

Mr. CLARKE of Arkansas. In order to make my question a little bit clearer—and then I will not intrude upon the Senator further—I call attention to a clause in the same section of the Constitution, which appears on page 210 of the manual, which defines the extent of the control that the Constitution reserves to Congress over presidential electors, and the manner in which they shall discharge their duties:

> The Congress may determine the time of choosing the electors, and the day on which they shall give their votes, which day shall be the same throughout the United States.

That is the ultimate control that the Constitution gives Congress over presidential electors. There is nothing said in that about authorizing the Congress of the United States to prescribe a system of election by which they can be elected.

Mr. HUSTING. I want to say to the Senator that I do not think the Constitution will bear any such narrow construction as that. I would be willing to say offhand, with a great deal of positiveness and assurance, at least in my own mind——

Mr. CLARKE of Arkansas. One other word, and then I believe I will be through.

The PRESIDING OFFICER. Does the Senator from Wisconsin further yield to the Senator from Arkansas?

Mr. HUSTING. Not at present. I should like to make a connected statement in regard to this matter.

The PRESIDING OFFICER. The Senator from Wisconsin declines to yield.

Mr. HUSTING. I say that the election of a President of the United States is a matter of national concern, a matter affecting the very life of the country itself. The President is our ruler, in so far as we can have a ruler; and the mere fact that we have said that each State shall appoint, as the legislature may direct, a certain number of electors does not in any way circumscribe or hinder or obstruct the United States in determining at least that they shall not choose such electors corruptly. It must mean that the States must have electors chosen legally and not fraudulently or corruptly.

Here is the President of the United States. He is elected by electors. These electors are necessarily chosen in the several States. With all respect to the Senator from Arkansas, I think he would not want to stake his reputation as a lawyer on the proposition just suggested by him—he does not say that he really believes it, but it is suggested by him—that a corrupt practices act governing the election of President of the United States is absolutely unconstitutional.

I want to say to the Senator that I do not believe that he or any other lawyer who wants to maintain a reputation as a constitutional lawyer would ever want even to raise that question before the Supreme Court of the United States. I think the Supreme Court of the United States would say that inasmuch as the election of a President is a matter of national concern and a matter of national business, and that inasmuch as it is conceded that to buy that election is contrary to the welfare of the United States, and that the purchase of such an office is a crime against the people of the United States, Congress has the fullest power to prevent and punish such crimes as that and enact laws to prevent them. To hold otherwise would be to say that while we are interested in the election of a President of the United States, we are absolutely powerless to prevent the corruption of the election of that President.

Because of the Senator's high standing as a lawyer and my great admiration and respect for him I really do not want to pay the poor compliment to the Senator of taking him seriously this time, and so I really think that he is trying to have a little merriment. I really do not think the Senator meant it at all seriously, and with that I will pass on from that phase of the subject.

But I do not think any Senator in this body is going to vote against this bill because he is afraid that it is unconstitutional. In my experience in legislative halls and my much shorter experience in this body I have found that constitutional questions are raised against almost every measure that has merit; but I do not think any Senator will get up here and seriously contend against any provision in this bill on constitutional grounds. Let me say this in concluding: If any Senator tries to do so, let him not delude himself into the belief that he is deceiving anybody. Let him not think for a moment that the people really believe that he thinks the bill is unconstitutional. They will probably attribute his opposition not to his great reverence for the Constitution, but to his reverence for the old election institutions—"for the good old times" when it was permissible to use an unlimited amount of money to get an office, when money was used as a potent persuasive of the merits of a candidate who oftentimes had none. The people will know that such a legislator has tried to throw this monkey wrench into the wheels of this legislation for the purpose of breaking it up and not for the purpose of preserving the Constitution of the United States.

Mr. CHILTON. Mr. President, I should like to ask the Senator a question.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from West Virginia?

Mr. HUSTING. Certainly.

Mr. CHILTON. This bill, as I understand, disqualifies a candidate for Senator or Member of the House of Representatives who violates its provisions. Does it disqualify a candidate for elector of President and Vice President in the same way?

Mr. HUSTING. I shall have to refer that question to the Senator from Oklahoma. I am informed by that Senator that it does not.

Mr. CHILTON. Is there any reason for that? Was that an oversight, or should that be done to make this a proper bill, to cover the whole subject?

Mr. HUSTING. I will ask the Senator from Oklahoma, who prepared the bill, to answer that question.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized to answer the Senator from West Virginia.

Mr. OWEN. Since the electors, under the practice of the American people, simply vote as their States direct them to vote, they are merely automatic instrumentalities; so that it is not regarded as of any importance.

Mr. CHILTON. At the same time, electors are elected. They do have certificates of election. But whatever they may be, it seems to me that we ought to disqualify an elector who was elected by corrupt means, if we can do it, as we are trying to disqualify a candidate for the Senate or for the House in the same way.

Mr. OWEN. I think there is a good deal of force in the Senator's suggestion.

Mr. HUSTING. I want to say that I entirely agree with the Senator on that proposition. I am not speaking in behalf of this bill in its details, or saying that it should not be subjected to some amendments. I am talking on the main features of the bill, the main scheme of the bill; and I shall be glad to support any amendments which make it better and stronger and will do the business better than this bill will. I do not presume that the Senators who have charge of this bill have any objection

at all to making it stronger; only let not the amendments be made to emasculate the bill, to make it mean nothing, or to make it do nothing along the lines that it has for its purpose.

In conclusion, I just want to say this: We all know what has happened in the past. We all know what may happen in the future unless something of this kind is done. I have not any doubt but that we all want the same thing. We all want, in the American system of elections, fair play—that is all. We want men elected on their merits. We want parties to prevail on their merits. We are going into a campaign at this time with the forces lined up, with capable men on both sides. Why should any Senator object? Why should any person object to a bill of this kind? Here are the issues. Let us go before the people on these issues.

You ought not to want to win unless you are right. We ought not to want to win unless we are right. The means by which the people can find out who is right and who is wrong is not by the unlimited expenditure of money, but by publicity, by debate, by talking, by arguing, by using the newspapers and the mails, by using every legitimate vehicle of argument and of publicity. Then let the great American people decide upon the record—a record made up of facts; a record open for inspection; a record open to the daylight—and fight it out on those lines. Then, no matter who wins or who loses, the people will have expressed their will; and if they have a right to express their untrammeled and unpurchased will they are entitled to have the men elected by them put into office and the measures for which they have voted put into force.

Mr. BRADY. Mr. President, this is a very important measure coming up for consideration in the Senate very late in the session; but, for one, I am willing to remain here and help in my humble way to perfect this bill, and write a law at this time that will prevent corrupt practices in the election of the President and Vice President of the United States and Members of the Senate and the House of Representatives.

The Senator from Arkansas [Mr. CLARKE] raised some question about the constitutionality of this bill. There are very few bills that come up for consideration in this body but that somebody, at some time, raises the question of the constitutionality of the law that we at that time are attempting to enact. I remember, in the consideration of the child-labor bill, that lawyers on both sides of this Chamber argued for days against the constitutionality of that measure, and Members of this body voted for it, expressing at the same time their opinion that it was unconstitutional; and yet they were willing to vote for a good law, and have the matter forever settled by our Supreme Court. Just so with this bill. The time has arrived when it should be enacted into law. I believe it is constitutional. Whether it is constitutional or whether it is not is a matter that must be decided eventually by our Supreme Court and not by this body, and I am willing to do my part to place it in a form to be submitted to the Supreme Court, if necessary, that will forever settle the question as to whether or not we are to have a corrupt-practices law upon our statute books.

My good friend the junior Senator from Wisconsin [Mr. HUSTING] very naturally, as seems to be usual with my Democratic friends, reserves for the Democratic Party all the virtue and all the honesty of all the world. I believe that there have been just as many men elected in this body and in the House of Representatives by corrupt practices that were Democrats as that were Republicans. I do not believe a man's political faith is any criterion of what he will do in a corrupt way in a political campaign. We have dishonest Republicans and we have dishonest Democrats, and we have honest Republicans and honest Democrats. This law is not intended to cover Republicans or to cover Democrats, but it is intended to cover all dishonest practices, whether by one party or the other. This bill is liberal in its provisions. It affords a candidate ample opportunity for publicity, and a careful study of this measure will demonstrate that the publicity that may be obtained, with the allowance for expenditure and the privilege of printing and distributing literature, is sufficient to place before the public the claims of any candidate for office, and any man who can not be elected to an office under the provisions of this bill is not entitled to hold that office.

The Senator from Wisconsin is very fearful that there is going to be a filibuster on the Republican side. I hope he will be disappointed. The vote this morning on taking up the bill of the Senator from Oklahoma does not indicate that there is any more opposition to this bill on the Republican than on the Democratic side.

Mr. HUSTING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Wisconsin?

Mr. BRADY. I yield to the Senator.

Mr. HUSTING. I want to say to the Senator that I said I had been informed—I did not say I had any knowledge of it—that it was the purpose of several Senators on the other side to engage in a filibuster. I did not intend to include the Senator who is now speaking in that idea; but I have been told that there are some Senators getting ready to talk here, not only several hours but several days on this subject. I see some material on the desks now that seems to indicate that somebody has a long speech in his system.

Mr. BRADY. That may be quite true, Mr. President. I am quite an observing person myself, and I think I observe some indications of a filibuster on the Democratic side of this Chamber. A moment ago I think I heard the Senator from Wisconsin say something about a Democratic Senator "throwing a wrench in the proceedings" in order to delay them. You are going to find opposition on both sides of the Chamber, and you are going to find assistance on both sides of the Chamber.

Let us take what occurred this morning. There were 46 votes cast on the question of taking up the bill offered by the Senator from Oklahoma. Thirty-two votes were in favor of it and 14 against it. Nine Republicans voted for taking up the bill—a little bit over one-fourth. Five Democrats voted against taking up the bill, lacking just 2 of being one-half the votes cast against it. So there is no reason why we should talk to each other about which party is going to try the hardest to defeat this bill. Your business and mine and that of every other man who believes in honest, straightforward elections is to use his best efforts and to cooperate in every possible way in having this bill enacted into law with proper amendments. I believe it needs some amendments. I expect to offer some amendments to this bill; but if it can not be amended, rather than not have any corrupt-practices law I shall vote for the bill as reported by the committee. I am convinced, however, that there are some things we should counsel together upon and some things we should give careful consideration to and some changes we should make in order to make it a workable bill.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Oklahoma?

Mr. BRADY. I yield, with pleasure.

Mr. OWEN. I am glad to say to the Senator that I am most anxious to have the bill meet the reasonable requirements of its friends, in order that we may have a bill that is really acceptable. I understand that there may be things in this bill that are not altogether acceptable. I only ask that the amendments be offered for the purpose of perfecting the bill and enabling the bill to become a law.

Mr. BRADY. I am glad to have the Senator make that statement; and at this time I want to call the attention of the Senate to the changes that have been made in the House bill, or some differences between the two bills that are very material. The House gave careful consideration to the bill before passing it, and they decided that the law applying to Senators and Representatives should not become effective until January 1, 1917.

Mr. OWEN. Mr. President, the Senator called attention to a provision in the House bill, as follows:

Provided, That the provisions of existing law limiting the amount that may be expended by candidates for Senator and Representative in securing nomination and election shall remain in force until January 1, 1917.

That is because the campaign has already progressed in part. I am willing to accept that as an amendment, if the Senator wishes it done, to be inserted on page 38, after line 24, and I ask that that be accepted as an amendment.

The PRESIDING OFFICER. If there is no objection, the amendment will be adopted.

Mr. GALLINGER. Well, let us understand it, Mr. President. Does the Senator think it is desirable to continue corrupt practices for a few months? Is that the idea?

Mr. OWEN. I hardly supposed the Senator was asking that question of me with a view to eliciting an answer, as to "continuing corrupt practices."

The PRESIDING OFFICER. Let the Chair understand. Is there objection to the adoption of that amendment?

Mr. GALLINGER. I want an explanation, first, Mr. President, before I conclude whether to object or not.

Mr. OWEN. The explanation is this: In the House bill the following language occurs:

That the provisions of existing law limiting the amount that may be expended by candidates for Senator and Representative in securing nomination and election shall remain in force until January 1, 1917.

I say that I have no objection to that going in, if Senators desire it.

Mr. GALLINGER. My inquiry was along this line: The Senator says that corrupt practices prevail in this country. That is not true in my State, I will say. The Senator says corrupt practices prevail, and yet he is willing to allow the present status to continue until the 1st of January next. If conditions are as bad as the Senator says, I do not see why the Senator should agree to that.

Mr. OWEN. I am simply, in the interest of conciliation, willing to make concessions that may promote the passage of the bill. If the Senator from New Hampshire objects to it, of course I leave that between him and the Senator from Idaho.

Mr. GALLINGER. My only point is that if conditions are such as the Senator depicts, the remedy can not be applied too soon, I should judge, from the Senator's point of view. I have a different point of view.

Mr. OWEN. I should prefer not to have it, but I am willing to concede it in order to get something.

Mr. CURTIS. Mr. President——

The PRESIDING OFFICER. Does the Senator object to the amendment that has been proposed?

Mr. GALLINGER. I do not object to that amendment if the Senator from Idaho does not. I do not think it will make any special difference whether it goes in or stays out.

Mr. BRADY. I do not object to it.

The PRESIDING OFFICER. The Secretary will state the amendment.

The SECRETARY. On page 38, after line 24, it is proposed to insert:

Provided, That the provisions of existing law limiting the amount that may be expended by candidates for Senator and Representative in securing nomination and election shall remain in force until January 1, 1917.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. BRADY. Mr. President, I think it will be conceded by all parties that if there are any corrupt practices the Democratic Party has just as much of a burden to bear along those lines as the Republican Party. There is not one bit of difference as to which party is practicing corruption, if it is practiced at all.

I have no knowledge of any corrupt practices myself, and do not propose to make any such charge at this time, but I want to have enacted a bill that will be fair and equitable to all parties. This campaign is halfway through. I have heard it stated—and I want it understood that I do not say that it is true—that the reason why the Democratic Party want this bill passed at this time is because they have their campaign fund raised, and they are satisfied that the Republican Party have not their campaign fund raised, and for that reason they want this law enacted at this time. I do not say that I believe anything of that kind, but these charges are being made. We can enact a better bill by giving it careful and proper consideration and having it take effect January 1, 1917, than we can by rushing it through at this time, when the campaign is half over, for, of course, we can not enact a law that will be retroactive in effect.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Ohio?

Mr. BRADY. I yield to the Senator from Ohio.

Mr. POMERENE. The Senator has just referred to the canard to the effect that the Democratic Party have their campaign funds raised. The Senator has said he does not believe that, as I understand him. If there is any question about it, it will be a very easy matter to place a limitation upon the expenditure of any such sum.

Mr. BRADY. There is no question that we can impose that limitation. But they have started this campaign, and have conducted it almost halfway through, under the old plan; and, as I have just said, we can not pass a law that will be retroactive. We have no legal way of finding out how much money has been spent up to this time. They have no system of bookkeeping. It would be almost impossible to find out where these funds come from or how they have been expended, and it would be the easiest thing in the world for either party to violate that law without being detected. I believe it would be better for us, if we enact this law, to have it take effect on January 1, 1917, and, at least, we will have made a long stride in the right direction. It will certainly cover the next general election, and I therefore offer the amendment which I send to the desk.

The PRESIDING OFFICER. The Secretary will state the amendment offered by the Senator from Idaho.

The SECRETARY. It is proposed to add a new section at the end of the bill as follows:

SEC. 22. This act shall be in force and effect on and after January 1, 1917.

Mr. BRADY. I ask that the amendment may be printed and lie on the table.

The PRESIDING OFFICER. It will be so ordered.

Mr. BRADY. I can offer this amendment consistently, for we do not have any election of United States Senator in my State this year, and there is no accusation on either side that any money is unlawfully being used in the presidential election. I offer it for the consideration of the Senate, not at this time but at a later day when the amendments are considered, and I hope the Senator from Oklahoma will see his way clear to have it adopted. But whether it is adopted or whether it is not I am going to vote for this bill. All the provisions apply now practically to Senators and Representatives. The laws of my State are much more strict than the law we are enacting here to-day, and why not let it apply to the office of President and Vice President just as well as to Senators and Representatives? For that reason I shall favor and vote for the bill.

Mr. CURTIS. Mr. President, I do not intend to help in a filibuster against this measure. Personally, I will go as far as any Member of the Senate in passing a corrupt-practices act. In fact, I would go further than this measure goes.

I do think, however, that it is a great mistake to take up this bill at this time, for several reasons. First, the campaign is half over. The amount that each candidate for the Senate and House could spend is proposed to be changed. Some of the candidates already may have expended as much money as the pending bill would authorize them to expend, or, rather, under the law they would not be permitted to make any further expenditures before the election. Of course that would be unfair if the expenditures were for legitimate expenses.

Another thing, this bill amends the House measure. We are told that there is no quorum in the other House. Yet it is proposed that we shall send them an amended bill. I know a large number of Senators on this side are away because they were advised that this measure would not be taken up.

As was said by the Senator from Idaho [Mr. BRADY], I have heard—I do not know how much truth there is in it—that the other side, or those conducting the campaign for the Democratic administration and are trying for the reelection of President Wilson, have already raised all the money they need for this campaign.

Mr. SHAFROTH. Mr. President——

Mr. CURTIS. I have heard in one State——

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Colorado?

Mr. CURTIS. I decline to yield now.

The PRESIDING OFFICER. The Senator from Kansas declines to yield.

Mr. CURTIS. I have heard that the Democratic committee has sent over $200,000 to one State already.

The Senator from Wisconsin [Mr. HUSTING] has left the Chamber. I should like to ask that Senator to go over the list of the contributions that were made four years ago—the list has been printed in the RECORD—to help out this Democratic administration and help elect Mr. Wilson President; and if he will read the list, he will not question anyone on this side of the Chamber about raising money for campaign purposes.

Mr. President, as I said, I will go further than this bill goes. I am fortunate in living in a State where the Republican State committee will ask for no contributions from the Republican national campaign committee. They will need none. The State of Kansas will give Mr. Hughes some 80,000 majority, and the Republican committee does not need help to do it. We will do it on the record, and we are willing to go before the people on the record and advocating Republican principles.

But I want to call the attention of the Senator who has charge of the bill to the fact that we already have upon the statute books five corrupt-practices acts, passed by Republican administrations. Those corrupt-practices acts, if what has been said on the other side is true, have not been enforced.

Now, what change does this bill make? The only change you make is that you include the President and the Vice President.

Mr. OWEN. No; the Senator is mistaken.

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Oklahoma?

Mr. CURTIS. I yield, if I am mistaken. I intended to state some others, but that is the principal change.

Mr. OWEN. The act referred to by the Senator only relates to committees having charge of two or more States and requires

no publicity, much less control of individuals or individual committees inside of one State. The law is therefore worthless.

Mr. CURTIS. The committees in the States, as is known by the Senator, are State committees. The only committees that have charge and who will be compelled to report under this law are the congressional committee and the national committee—that is, the State committees do not report to Congress; they run the State's campaign.

Now, I would make this law go a little further. If I had my way about it, I would make it a crime for a Senator of the United States to use the stationery that is furnished him by the Government or to his committees to advance his campaign.

I hold in my hand—and I want it read from the desk or I will read it myself—a letter which was sent out with the letterhead printed by the Government, furnished by the Government, to the number, I am told, of over 70,000 under the frank of a Senator. I should like to have that letter read in my time.

The PRESIDING OFFICER. Without objection, the Secretary will read the letter.

The Secretary read as follows:

UNITED STATES SENATE,
COMMITTEE ON INDIAN AFFAIRS,
Washington, D. C., July 3, 1916.

MY DEAR FRIEND AND CONSTITUENT: It is but proper that I should render to the people of Arizona some account of my record as United States Senator.

The departmental work has been enormously heavy (usual regarding a new State), but none of it has been neglected. Every letter received by me requiring an answer has been promptly answered and the information furnished as soon as the same could be obtained.

Within twenty days after entering the Senate I discovered that the phrase "of all the national forests within said State, the area" (referring to Arizona) was unfortunately omitted from section 24 of the enabling act, although the phrase appeared in section 6 of said act wherein it referred to New Mexico. Believing it was the intention of Congress to apply the same rule to both Arizona and New Mexico with regard to the proportionate amount to be paid to each State to the credit of the common-school fund by reason of school lands in national forests, I obtained departmental construction of said section 24, which results in securing $28,000 additional annually for the Arizona common-school fund.

Within three months after entering the Senate the bill establishing a parcel post was considered, and I made one of the principal arguments in favor of the constitutionality of the same.

As evidence of my vigilance, take for example the first session of the present Congress. The whole number of bills introduced to date in the Senate is 6,700; of these bills 1,412 have passed the Senate, or one in every 4.1. Of these bills I introduced 42 and have passed 19 of them through the Senate, or 1 in every 2. The average number of bills passed by each Senator in a long session of Congress is 14, and it will be observed that I have passed 19.

I have not attempted to be prominent in debate, but have always addressed the Senate when I could add any new fact or throw any light on the subject under discussion. The power and opportunity to render useful service in the Senate depends largely upon the committee assignments a Senator may secure. No other Senator has more important committee assignments than I. After twenty-two months' service I was made chairman of the Committee on Indian Affairs, which annually appropriates over ten millions of dollars. I am the only Senator of whom I have any knowledge who has been chosen chairman of one of the important appropriation committees after so short a service. I am the ranking member—that is, I am next to the chairman—of the Committee on Mines and Mining, a committee extremely important to our mining States. I am a member of the Committee on the Judiciary. This is the law committee and is regarded by many as the most important committee of the Senate, for it deals with every question of law and constitutional limitation that may arise in the Senate. As a member of the Judiciary Committee, I favorably reported my colleague's bill requiring sessions of our Federal court twice a year at Globe, Tucson, Prescott, and Phoenix. My membership on the Committee on Public Buildings and Grounds has enabled me to secure favorable action on the following: A bill appropriating $110,000 for a site and Federal building at Nogales; a bill appropriating $100,000 for a Federal building in Douglas; a bill appropriating $100,000 for a Federal building in Globe; a bill appropriating $7,500 for a site and $100,000 for a Federal building in Prescott; and a bill appropriating $25,000 for a site for a Federal building in Bisbee, and I have to-day favorably reported my colleague's bill appropriating $325,000 for a Federal building in Tucson.

I am also a member of the Committee on the Census; Expenditures in the Interior Department; Cuban Relations; and recently have been chosen a member of the Committee on Education and Labor.

I submit herewith a statement as to my votes upon a few of the important questions, which will serve as an index as to my general attitude upon public questions:

I voted for woman suffrage; for prohibition in the District of Columbia; for a system of Government railroads in Alaska; for the income tax; for an inheritance tax; for rural credits; for tariff commission; for the bill prohibiting child labor; for the Webb-Kenyon-Sheppard law; for the bill providing Federal aid to good roads, and under this wholesome good-roads law Arizona will receive for her roads within the next five years from the Federal Government $1,077,000. In addition thereto Arizona will also receive $100,000 per year for the next ten years for the construction of roads within national forests in Arizona, and this total of $2,077,000 will be in addition to the $112,690 Arizona is now annually receiving on account of national forests. I voted for the bill creating a Bureau of Markets; for the resolution proposing to abolish secret sessions of the Senate; for authorizing the Department of Agriculture to study and report upon methods promoting cooperation among farmers; for the bill limiting campaign contributions; for the resolution investigating contributions made in previous campaigns; for establishing the new currency bill and financial system, the result of which law has been to deprive Wall Street of the control of the money market and to provide a currency sufficiently elastic to meet the requirements of our trade at all times. I voted to expel Senator Lorimer because I believed it was proved that bribery and corruption had been used in procuring his election. I voted to convict Judge Archbald because I believed the evidence disclosed that he had been guilty of corrupt misconduct on the Federal bench.

I voted for the Federal Trade Commission; for freedom for the Filipino people; for extension of pure-food and meat-inspection acts; for academic and vocational education for men in the Army and Navy; for abolishing unfair and cutthroat competition; for requiring all contractors and subcontractors doing work for the National Government to observe the eight-hour day; for eight hours per day for all post-office clerks, letter carriers, and employees in the railway post offices; for the bill amending and strengthening the Bureau of Mines act, thereby tending to conserve the health and safety of metalliferous and coal miners; for compensation of persons injured in Government employ; for the physical valuation of steam railroads and express companies; for the bill to develop rescue work in the Bureau of Mines; for the Children's Bureau; and for extending the right of petition to Government employees.

I voted repeatedly against measures which were designed to injure and hamper the parcel post in the interest of the express companies. I strongly opposed the pernicious practice of government by injunction in labor disputes, and in the Senate repeatedly denounced the arbitrary ex parte orders issued by some Federal judges against workingmen.

As a member of the Judiciary Committee, I assisted in framing and passing the Clayton antitrust bill, which, among other things, declares that the labor of a human being is not a commodity or article of commerce, prohibits arbitrary ex parte injunctions against workingmen and guarantees the right of trial by jury in all cases of alleged contempt committed outside the presence of the court.

I voted for the creation of a Commission on Industrial Relations. This commission held hearings, took testimony, and made its final report in 1915. An attempt was made to prevent the publication of the report, whereupon I introduced and passed a resolution providing for the printing of one hundred thousand copies of the report and ten thousand copies of the testimony. I introduced and passed the resolution providing for the investigation of the labor troubles in Michigan. I voted in favor of the seaman's bill, the effect of which was to relieve American seamen from an odious slavery.

I led the fight in behalf of the confirmation of Louis D. Brandeis to be Associate Justice of the Supreme Court of the United States. I favored Federal aid to indigent tubercular patients; election of United States Senators by direct vote of the people; rigid and close inspection of all imported meats; the bill to require the installation of safety devices on all railroads doing interstate business, which greatly diminishes the possibility of wrecks; and the bill proposing to acquire some Government ships for carrying our over-seas trade.

After three years' work on my part the principles of my bill proposing to erect a Government armor-plate factory were enacted into law, and by virtue of this legislation the Government will save upward of one million dollars annually on armor plate alone. I delivered the first speech made in the Senate showing the necessity for a Government plant for the fixation of atmospheric nitrogen in order to supply our American farmers with sufficient fertilizers and our Government with nitric acid for making explosives.

I have passed a bill appropriating $50,000 for a fish-cultural station in Arizona and many bills not of a public nature but for the relief of citizens having just claims against the Government.

As chairman of the Committee on Indian Affairs I reported the appropriation bill of May 15, 1914, containing items aggregating $606,000 to be disbursed in Arizona; on March 9, 1916, I reported the Indian appropriation bill containing items aggregating $688,000 to be disbursed in Arizona. Among the principal Arizona items in the 1916 bill are two items of $75,000 each for beginning the construction of diversion dams for diverting water from the Gila River near Sacaton and above Florence. During my term of service as a member and as chairman of the Indian Committee $153,300 have been appropriated for the construction of bridges in Arizona.

I have made it a special object to assist in securing favorable legislation for homesteaders.

At my suggestion and request, the Secretary of the Interior set apart $3,500 for the purpose of exploring for artesian water in Mohave County.

I have introduced and am advocating a bill authorizing prospecting and mining on Indian reservations. I am also advocating legislation proposing appropriations to construct roads within Indian reservations. To me it seems but just that the Federal Government should pay the expenses of constructing such roads, for the Government withholds these large tracts of land from settlers in the State. I have also favored the opening to our settlers of such Indian reservations and national forests as were not actually required for Indian and forestry purposes. I have favored appropriations for the eradication of loco weed, foot-and-mouth disease, and for the destruction of predatory animals.

In the matter of raising revenue to pay the expenses of the Federal Government I have especially urged the graduated income tax, an inheritance tax, and excise taxes on arms and ammunition manufactured for shipment to foreign countries, for, in my opinion, the above methods of taxation are equitable and draw heaviest upon those persons most able to bear the burden and lightest upon those least able.

I have constantly cooperated with my colleague, Senator SMITH, who is chairman of the Committee on Irrigation and Reclamation of Arid Lands, and Representative HAYDEN in efforts to secure proper relief for the water users under the Salt River and Yuma projects. I have made continual and vehement demands that sufficient troops be kept on the border to protect the lives and property of our citizens, and that all raiding bandits and outlaws be apprehended and speedily punished.

Here I must stop; this letter would prove tedious to you were I to say more, and I will conclude by stating that I have served with industry and with an earnest desire to promote your welfare.

Very respectfully, yours,

HENRY F. ASHURST.

Mr. CURTIS. Mr. President, I do not believe there is another Senator in this body who has had printed upon the Government stationery 50,000 letters of that kind and sent them out under a frank. I do not believe a Senator should do it. More than that, if a Senator does do it it comes with bad grace for him to stand in his place and criticize the conduct of anyone on this side of the Chamber.

Mr. SMITH of Arizona. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Arizona?

Mr. CURTIS. I will yield for a question.

Mr. SMITH of Arizona. It is not particularly a question I wanted to ask, but I should like to suggest the common propriety and the courtesy in this sort of an assault, and it should not be made in the absence of my colleague.

Mr. CURTIS. It is not an assault. It is a statement of facts.

Mr. SMITH of Arizona. I know nothing about it one way or another; but I would certainly have given notice to the Senator from Kansas if I had had anything to put in the RECORD.

Mr. CURTIS. The Senator from Arizona was here taking part in this debate, and I thought he was about the Chamber when I began. I have been here on the floor all the time.

Mr. ASHURST entered the Chamber.

Mr. CURTIS. He is here now. In addition to having the letter read, I ask that this estimate as to what the letter cost be read.

The PRESIDING OFFICER. If there is no objection, the Secretary will read as requested.

The Secretary read as follows:

AUGUST 30, 1916.

I hereby make the following estimate on 50,000 five-page circular letters, according to the specifications required to conform to the samples submitted. The sheet of the sample is of a different quality than the four follow sheets, it being of high-grade bond that would cost wholesale about 21½ cents per pound laid down in Phoenix, 500 pounds being required for the job. The four follow sheets are of a cheaper grade of bond, costing about 13½ cents per pound wholesale laid down in Phoenix, and 2,000 pounds being required.

For printing the letterhead on the top sheet, which has been done at a separate operation on the sample	$225.50
For the stock and printing of 50,000 top letter sheets	237.85
For stock and printing the four follow sheets	405.30
For gathering the five sheets, 250,000 pieces, making two folds and inserting letters in envelopes	180.00
For the stock and printing on 50,000 No. 10 envelopes	217.08
Making a total of	1,062.73

The above does not include the addressing of the envelopes.

F. O. ADAMS,
Superintendent Arizona Republican Job Department.

Added to the above is an item of $75 for addressing (by hand) the envelopes, and for stamps, $1,000.

Mr. KENYON. I should like to ask the Senator if the Post Office Department has not ruled that such a letter is frankable?

Mr. CURTIS. They have.

Mr. KENYON. Why is the Senator from Arizona selected for criticism?

Mr. CURTIS. I stated to the committee that if I had charge of this measure I would amend it so as to prohibit the use of the letterheads of a committee, and I would also amend the law so as to make such matter unfrankable. The letternead submitted is clearly a committee letterhead.

Mr. OWEN. I will say——

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Oklahoma?

Mr. CURTIS. For a question.

Mr. OWEN. I will accept an amendment of that sort.

Mr. CURTIS. There will be some more amendments suggested by me.

Mr. GALLINGER. Will the Senator permit me?

Mr. CURTIS. Certainly.

Mr. OWEN. If it does not weaken the bill, I think I would accept it.

Mr. GALLINGER. If I understand the Senator from Iowa [Mr. KENYON], the Post Office Department has ruled that this is a document which can be properly sent under the frank of a Senator. Am I right?

Mr. KENYON. I asked the question——

Mr. ASHURST. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Arizona?

Mr. CURTIS. Certainly.

Mr. KENYON. I asked the question of the Senator from Kansas and he stated that the department had so ruled.

Mr. GALLINGER. It is a most extraordinary ruling, if it has been done.

Mr. ASHURST. Will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Arizona?

Mr. GALLINGER. The Senator from Kansas has yielded to me. It is a most extraordinary ruling. I have not been in the habit of criticizing the departments of the Government; I have not been in the habit of criticizing the President, as every Senator knows; but I have a letter here that I feel constrained to read and call attention to the use that is being made of the post offices of the Government at the present time. It is a letter from the Democratic national committee, the treasurer of whom is Mr. Wilbur W. Marsh. The officers of this committee are Vance C. McCormick, chairman; Homer S. Cummings, vice chairman; Wilbur W. Marsh, treasurer; and Henry Morgenthau, chairman finance committee:

DEMOCRATIC NATIONAL COMMITTEE,
OFFICE OF TREASURER,
HEADQUARTERS, 30 EAST FORTY-SECOND STREET,
New York, August 29, 1916.

This letter, Mr. President, was written to a man whom Mr. Marsh supposed was a Democratic postmaster. He happened to be the Republican postmaster who was superseded some months ago. Mr. Marsh had not acquainted himself with that fact. He writes to the man supposing that he is the postmaster at the present time:

DEAR SIR: I wrote you—

The man to whom the letter was written is a citizen of New Hampshire—

I wrote you some days ago asking you to supply me with the names and occupations of five to seven of the best Democrats in your town available to serve as a local branch of the Democratic national committee.

As yet I have not received a reply to that request. Possibly you have been away. Possibly you put my letter aside, expecting to answer it later. Possibly you are doubtful about whether you should answer it.

Mr. Marsh had a doubt in his mind whether it was advisable to use the postmasters for this political purpose.

Whatever the reason, the fact remains that our failure to receive your reply is holding us back. It is putting an obstruction on the track. It is helping the enemy, not us.

Please answer my letter now. Don't put it off another day. If for any reason you feel that you can not conscientiously comply with my request, a prompt reply either way will be appreciated. It is now a good many days since my letter was mailed, and your delay is very discouraging. I assure you it is proper for you to comply—

He thought it over after he had written the other sentence, and concluded that it was proper to use the post offices of the country for political purposes—

I trust you are really with us.

Sincerely, yours, WILBUR W. MARSH, *Treasurer.*

Mr. President, I want to say that if the Postmaster General is permitting the post offices to be used in that way in this country, it is not remarkable that he ruled that the document which has been read could properly be sent out under a frank, which we all know ought not to have been done.

Mr. SHAFROTH. Does the Senator contend——

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Colorado?

Mr. CURTIS. I yield for a question.

Mr. SHAFROTH. I wish to ask a question of the Senator from New Hampshire. Does the Senator contend that that was sent out under the frank of any Senator?

Mr. GALLINGER. I said nothing of the kind.

Mr. SHAFROTH. Is there anything improper in the letter itself?

Mr. GALLINGER. If the Democratic Party thinks that the post offices of the country should be made political headquarters, there is something objectionable; if there is not, it is not so.

Mr. SHAFROTH. He was asking for information. Is there anything wrong in asking for information as to five persons who might——

Mr. GALLINGER. He asked for information from a Democrat, as he supposed.

Mr. SHAFROTH. The fact that he was a Republican does not make him immune from any letters that might be written and questions that might be asked.

Mr. GALLINGER. We have heard a great deal about political activity, and we have been criticized a great deal about it. I simply want to say if this is a proper thing to do the post offices of the country can be used for any political purpose whatsoever.

Mr. SHAFROTH. Does the Senator claim that the Postmaster General is a party to it in any way?

Mr. GALLINGER. I do not claim that.

Mr. SHAFROTH. It seems to me there is nothing in the point the Senator makes.

Mr. GALLINGER. But inasmuch as he ruled that that extraordinary letter was frankable, I have no doubt he would think it proper to use the post offices for a purpose that the Democratic national chairman thinks would be of use, that is all.

Mr. CURTIS. Mr. President——

Mr. STONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Missouri?

Mr. CURTIS. For a question.

Mr. STONE. I simply want to inquire whether I understood the Senator from New Hampshire correctly when I understood

him to say that the Postmaster General has ruled that the letter he read was frankable?

Mr. GALLINGER. Not the letter that I read, but the letter the Senator from Kansas had read. It is said that he ruled it was frankable.

Mr. ASHURST. Mr. President, will the Senator from Kansas yield to me?

Mr. CURTIS. For a question.

Mr. ASHURST. I was called from the Chamber about 20 minutes ago by a constituent over at the Senate Office Building, and I have just returned. I have been told that my esteemed friend the Senator from Kansas [Mr. CURTIS] had very generously read a letter purporting to have been written by me. I will ask if the Senator was kind enough to read it all?

Mr. CURTIS. I had it all read. I thought it was used in violation of the franking privilege notwithstanding the ruling of the department, and that it ought to be read. It is now in the CONGRESSIONAL RECORD, and the Senator can take it from the RECORD.

Mr. ASHURST. If the Senator will yield to me, I will state to him that so far as his charge that this letter was in violation of the franking privilege is concerned, the Senator exhibits sweetbreads for brains when he makes such a charge.

If the Senator will pardon me, I will state that before I prepared the letter I asked what was the custom for the last 40 years among Senators and Representatives. I was told that they send out under their frank various material, and I could prepare, if I wished to frank it, anything whatever in the way of a communication to any person, and I prepared the same.

I then took it to the Postmaster General, and he read it and said it was frankable, and he referred me to Gen. Dockery. The general after complimenting me on the letter said, "It is the first and only letter submitted for a long time that is all frankable." The general's word goes with me, but in this life I must have things in writing. So I said to the general, "Will you kindly write a letter stating that the letter is frankable, because I have been very anxious in behalf of my constituents, and the American people in general, and I intend that my constituents shall have an accounting in the way as to how I have voted. I can not send them all copies of the CONGRESSIONAL RECORD."

So in the letter which the Senator from Kansas has read, and which has gone into the RECORD, he has anticipated me, because I had prepared and sent to the Printing Office in advance a speech which I intended to make, and I was going to put the same in the RECORD either to-morrow or this afternoon, containing this letter. The Senator has relieved me, but I think along with it should go a letter from Gen. Dockery, and I ask that it be read at this time.

Mr. CURTIS. The Senator can read it.

Mr. ASHURST. The poison which the Senator has intended and has vainly attempted to inject into the discussion will have no lodgment.

I think, if the Senator wishes to be fair in this discussion, he will now permit the letter from Gen. Dockery to me, stating that the whole thing was frankable, to go with his statement.

Mr. CURTIS. I have no objection to the reading of the letter.

The PRESIDING OFFICER. The Secretary will read the letter.

The Secretary read as follows:

[In your reply refer to C. D. No. 150051.]

POST OFFICE DEPARTMENT,
THIRD ASSISTANT POSTMASTER GENERAL,
DIVISION OF CLASSIFICATION,
Washington, July 6, 1916.

Hon. HENRY F. ASHURST,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Referring to your call to-day, submitting a draft of a circular letter, a copy of which is inclosed, which it is your desire to send to your constituents and inquiring whether it is frankable, I have to say that a careful examination of the circular shows that it is upon official business, and therefore frankable under the law.

Yours, very truly,

A. M. DOCKERY,
Third Assistant Postmaster General.

(Mw Inc. WCW-r.) W. J. B.

[Henry F. Ashurst, Arizona, chairman; Henry L. Myers, Montana; Key Pittman, Nevada; Harry Lane, Oregon; Robert L. Owen, Oklahoma; James Hamilton Lewis, Illinois; Paul O. Husting, Wisconsin; Edwin S. Johnson, South Dakota; Thomas J. Walsh, Montana; Moses E. Clapp, Minnesota; Robert M. La Follette, Wisconsin; Carroll S. Page, Vermont; Asle J. Gronna, North Dakota; Albert B. Fall, New Mexico; Charles Curtis, Kansas.]

UNITED STATES SENATE,
COMMITTEE ON INDIAN AFFAIRS,
Washington, D. C., July 3, 1916.

MY DEAR FRIEND AND CONSTITUENT: It is but proper that I should render to the people of Arizona some account of my record as United States Senator.

The departmental work has been enormously heavy (usual regarding a new State), but none of it has been neglected. Every letter received by me requiring an answer has been promptly answered and the information furnished as soon as the same could be obtained.

Within 20 days after entering the Senate I discovered that the phrase "of all the national forests within said State, the area" (referring to Arizona) was unfortunately omitted from section 24 of the enabling act, although the phrase appeared in section 6 of said act, wherein it referred to New Mexico. Believing it was the intention of Congress to apply the same rule to both Arizona and New Mexico with regard to the proportionate amount to be paid to each State to the credit of the common school fund by reason of school lands in national forests, I obtained departmental construction of said section 24, which results in securing $28,000 additional annually for the Arizona common school fund.

Within three months after entering the Senate the bill establishing a parcel post was considered, and I made one of the principal arguments in favor of the constitutionality of the same.

As evidence of my vigilance, take, for example, the first session of the present Congress. The whole number of bills introduced to date in the Senate is 6,700; of these bills 1,412 have passed the Senate, or 1 in every 4.1. Of these bills I introduced 42, and have passed 19 of them through the Senate, or 1 in every 2. The average number of bills passed by each Senator in a long session of Congress is 14, and it will be observed that I have passed 19.

I have not attempted to be prominent in debate, but have always addressed the Senate when I could add any new fact or throw any light on the subject under discussion. The power and opportunity to render useful service in the Senate depends largely upon the committee assignments a Senator may secure. No other Senator has more important committee assignments than I. After 22 months' service I was made chairman of the Committee on Indian Affairs, which annually appropriates over ten millions of dollars. I am the only Senator of whom I have any knowledge who has been chosen chairman of one of the important appropriation committees after so short a service. I am the ranking member; that is, I am next to the chairman of the Committee on Mines and Mining, a committee extremely important to our mining States. I am a member of the Committee on the Judiciary. This is the law committee, and is regarded by many as the most important committee of the Senate, for it deals with every question of law and constitutional limitation that may arise in the Senate. As a member of the Judiciary Committee, I favorably reported my colleague's bill requiring sessions of our Federal court twice a year at Globe, Tucson, Prescott, and Phoenix. My membership on the Committee on Public Buildings and Grounds has enabled me to secure favorable action on the following: A bill appropriating $110,000 for a site and Federal building at Nogales; a bill appropriating $100,000 for a Federal building in Douglas; a bill appropriating $100,000 for a Federal building in Globe; a bill appropriating $7,500 for a site and $100,000 for a Federal building in Prescott; and a bill appropriating $25,000 for a site for a Federal building in Bisbee; and I have to-day favorably reported my colleague's bill appropriating $325,000 for a Federal building in Tucson.

I am also a member of the Committee on the Census, Expenditures in the Interior Department, Cuban Relations, and recently have been chosen a member of the Committee on Education and Labor.

I submit herewith a statement as to my votes upon a few of the important questions, which will serve as an index as to my general attitude upon public questions:

I voted for woman suffrage, for prohibition in the District of Columbia, for a system of Government railroads in Alaska, for the income tax, for an inheritance tax, for rural credits, for Tariff Commission, for the bill prohibiting child labor, for the Webb-Kenyon-Sheppard law, for the bill providing Federal aid to good roads, and under this wholesome good-roads law Arizona will receive for her roads within the next five years from the Federal Government $1,077,000. In addition thereto Arizona will also receive $100,000 per year for the next 10 years for the construction of roads within national forests in Arizona, and this total of $2,077,000 will be in addition to the $112,690 Arizona is now annually receiving on account of national forests. I voted for the bill creating a Bureau of Markets, for the resolution proposing to abolish secret sessions of the Senate, for authorizing the Department of Agriculture to study and report upon methods promoting cooperation among farmers, for the bill limiting campaign contributions, for the resolution investigating contributions made in previous campaigns, for establishing the new currency bill and financial system, the result of which law has been to deprive Wall Street of the control of the money market, and to provide a currency sufficiently elastic to meet the requirements of our trade at all times. I voted to expel Senator Lorimer because I believed it was proved that bribery and corruption had been used in procuring his election. I voted to convict Judge Archbald because I believed the evidence disclosed that he had been guilty of corrupt misconduct on the Federal bench.

I voted for the Federal Trade Commission; for freedom for the Filipino people; for extension of pure-food and meat-inspection acts; for academic and vocational education for men in the Army and Navy; for abolishing unfair and cut-throat competition; for requiring all contractors and subcontractors doing work for the National Government to observe the eight-hour day; for eight-hours per day for all post-office clerks, letter carriers, and employees in the railway post offices; for the bill amending and strengthening the Bureau of Mines act, thereby tending to conserve the health and safety of metalliferous and coal miners; for compensation of persons injured in Government employ; for the physical valuation of steam railroads and express companies; for the bill to develop rescue work in the Bureau of Mines; for the childrens' bureau, and for extending the right of petition to Government employees.

I voted repeatedly against measures which were designed to injure and bamper the parcel post, in the interest of the express companies. I strongly opposed the pernicious practice of Government by injunction in labor disputes, and in the Senate repeatedly denounced the arbitrary ex parte orders issued by some Federal judges against working men.

As a member of the Judiciary Committee I assisted in framing and passing the Clayton antitrust bill, which, among other things, declares that the labor of a human being is not a commodity or article of commerce, prohibits arbitrary ex parte injunctions against working men and guarantees the right of trial by jury in all cases of alleged contempt committed outside the presence of the court.

I voted for the creation of a Commission on Industrial Relations. This commission held hearings, took testimony, and made its final report in 1915. An attempt was made to prevent the publication of the report, whereupon I introduced and passed a resolution providing for

the printing of 100,000 copies of the report and 10,000 copies of the testimony. I introduced and passed the resolution providing for the investigation of the labor troubles in Michigan. I voted in favor of the seaman's bill the effect of which was to relieve American seamen from an odious slavery.

I led the fight in behalf of the confirmation of Louis D. Brandeis to be associated justice of the Supreme Court of the United States. I favored Federal aid to indigent tubercular patients; election of United States Senators by direct vote of the people; rigid and close inspection of all imported meats; the bill to require the installation of safety devices on all railroads doing interstate business, which greatly diminishes the possibility of wrecks; and the bill proposing to acquire some Government ships for carrying our overseas trade.

After three years' work on my part the principles of my bill proposing to erect a Government armor-plate factory were enacted into law, and by virtue of this legislation the Government will save upward of $1,000,000 annually on armor plate alone. I delivered the first speech made in the Senate showing the necessity for a Government plant for the fixation of atmospheric nitrogen in order to supply our American farmers with sufficient fertilizers and our Government with nitric acid for making explosives.

I have passed a bill appropriating $50,000 for a fish-cultural station in Arizona and many bills not of a public nature but for the relief of citizens having just claims against the Government.

As chairman of the Committee on Indian Affairs I reported the appropriation bill of May 15, 1914, containing items aggregating $600,000 to be disbursed in Arizona; on March 9, 1916, I reported the Indian appropriation bill containing items aggregating $688,000 to be disbursed in Arizona. Among the principal Arizona items in the 1916 bill are two items of $75,000 each for beginning the construction of diversion dams for diverting water from the Gila River near Sacaton and above Florence. During my term of service as a member and as chairman of the Indian Committee $153,300 have been appropriated for the construction of bridges in Arizona.

I have made it a special object to assist in securing favorable legislation for homesteaders.

At my suggestion and request the Secretary of the Interior set apart $3,500 for the purpose of exploring for artesian water in Mohave County.

I have introduced and am advocating a bill authorizing prospecting and mining on Indian reservations. I am also advocating legislation proposing appropriations to construct roads within Indian reservations. To me it seems but just that the Federal Government should pay the expenses of constructing such roads, for the Government withholds these large tracts of land from settlers in the State. I have also favored the opening to our settlers of such Indian reservations and national forests as were not actually required for Indian and forestry purposes. I have favored appropriations for the eradication of loco weed, foot-and-mouth disease, and for the destruction of predatory animals.

In the matter of raising revenue to pay the expenses of the Federal Government I have especially urged the graduated income tax, an inheritance tax, and excise taxes on arms and ammunition manufactured for shipment to foreign countries, for, in my opinion, the above methods of taxation are equitable and draw heaviest upon those persons most able to bear the burden and lightest upon those least able.

I have constantly cooperated with my colleague, Senator SMITH, who is chairman of the Committee on Irrigation and Reclamation of Arid Lands, and Representative HAYDEN in efforts to secure proper relief for the water users under the Salt River and Yuma projects. I have made continual and vehement demands that sufficient troops be kept on the border to protect the lives and property of our citizens, and that all raiding bandits and outlaws be apprehended and speedily punished.

Here I must stop; this letter would prove tedious to you were I to say more, and I will conclude by stating that I have served with industry and with an earnest desire to promote your welfare.

Very respectfully yours

HENRY F. ASHURST.

Mr. CURTIS. Now, Mr. President——

Mr. ASHURST. Will the Senator yield to me for just one more question?

Mr. CURTIS. I yield for a question, certainly.

Mr. ASHURST. I should say for a statement, not a question.

I think I should make the statement that I paid, of course, for the printing of this letter some $146, and made my return; I have filed it, in accordance with the law, and the Senator will find it on file with the Secretary of the Senate, wherein I say for printing this letter, so much money—$146, I believe.

As to the paper, I did what the Senator from Kansas does and has done, and what every other Senator here does.

Mr. CURTIS. Mr. President, right there I want to say that the Senator from Arizona did not do what the Senator from Kansas has done. When the Senator from Kansas in his campaign four years ago desired to go before his people, he paid the postage on every letter he sent out; he paid for every letterhead that was printed; and paid for every bit of paper on which the letters were written. That is the way the Republicans carry on their campaigns.

Mr. ASHURST. I am very glad to hear that. It is very gratifying to learn that the Senator has in some way paid for something.

Mr. JONES. Mr. President——

Mr. ASHURST. I merely want to make a further statement.

The PRESIDING OFFICER. Does the Senator from Kansas yield further?

Mr. CURTIS. I yield only for a question.

Mr. JONES. I merely want to make a statement in connection with the statement made by the Senator from Arizona. That Senator has made his statement very broad.

The PRESIDING OFFICER. Does the Senator from Kansas yield; and, if so, to whom?

Mr. CURTIS. I yield only for a question, and not for an argument. I wish to finish my remarks.

The PRESIDING OFFICER. The Senator from Kansas yields to the Senator from Washington for a question.

Mr. JONES. I have no question to ask. I simply want to say that the statement made by the Senator from Arizona [Mr. ASHURST] is not correct, so far as I am concerned.

Mr. CURTIS. Mr. President, before the Senator from Arizona came in I had stated that this letter had been held by the department to be frankable.

Mr. ASHURST. I thank the Senator from Kansas for the statement of facts. I did not know the Senator had so stated.

Mr. CURTIS. I simply questioned the good judgment of the Postmaster General, and I think it is evident that not only the Postmaster General but every Cabinet officer of this administration is doing everything he can to stretch the law to help reelect Mr. Wilson as President of the United States. Reports have come to me within the last two weeks that the administration are sending men out over the country to the larger post offices and calling in the clerks to talk efficiency, and instead of talking efficiency they talk politics from the time they meet until they adjourn, and nothing is said about efficiency.

The Senator said that he was glad that I had paid for something. I am sorry I can not return the compliment. I have been in the Senate quite a time, and every time the question has come up as to the franking privilege or the using of the telegraph frank I have noticed that the Senator from Arizona has always taken advantage of his right to frank, and that his right to do so has even been questioned heretofore. I desire, in passing, to call the Senator's attention to the RECORD of July 18, 1913, in which former Senator Bristow of Kansas stated:

> Mr. BRISTOW. I have the floor. I want to say to the Senator from Arizona, who has been so kind as to bring up some of the old political campaign documents that were circulated in Kansas years ago, that since I have been a Member of this body I have not expended a hundred dollars a day of the funds of the United States to carry private telegrams to my State on personal political business.
>
> Mr. ASHURST. The Senator from Kansas has not been in touch with his constituents as much as his duty would require.
>
> Mr. BRISTOW. Not by carrying on private correspondence by telegraph when it should have been by letter and carried at his own expense.

The Senator from Arizona has never questioned the statement that he had used his telegram frank to that extent. He may represent a new State——

Mr. ASHURST. Will the Senator from Kansas yield to me right there?

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Arizona?

Mr. CURTIS. I yield for a question.

Mr. ASHURST. I hardly wish to ask a question, but I wish to have a short statement read.

Mr. CURTIS. I decline to yield to have a statement read. The Senator can put it in in his own time.

The PRESIDING OFFICER. The Senator from Kansas declines to yield.

Mr. ASHURST. If the Senator from Kansas will pardon me——

The PRESIDING OFFICER. The Senator from Kansas declines to yield.

Mr. CURTIS. The Senator from Arizona may pay his own expenses, so far as public business is concerned, but I doubt if he can make his constituents in Arizona believe that he was required to send $100 worth of telegrams in one day on official business.

Mr. SHAFROTH. Mr. President, will the Senator from Kansas yield to me?

Mr. CURTIS. For a question; yes.

Mr. SHAFROTH. What I want to say to the Senator is that I am a member of the Committee to Audit and Control the Contingent Expenses of the Senate, and the question of the payment of these bills came before that committee. We examined the communication which the Senator from Arizona had sent forth. It related to the appointment of a judge of the United States court, and he felt that there ought to be an expression upon the part of the people as to who should be recommended to him, as Senator, for the purpose of enabling him to make the proper recommendation to the President of the United States. In my judgment, unquestionably the telegrams were sent on official business.

Mr. CURTIS. I am glad to hear this long-delayed statement of the Senator from Colorado. When the case was pending before the Senate the Senator from Colorado was a Member of this body, and he did not then stand in his place and question the statement that was made by the former Senator from Kansas, Mr. Bristow. Mr. Bristow was then a Member of the Senate, and, as this record shows, he challenged the production of the record. He was also a member of the very committee

to which the Senator from Colorado has referred. The Senator from Oklahoma [Mr. OWEN] might amend this proposed law further and make it a crime to "doctor" records.

I did not intend to make a speech on this question, and perhaps should not have done so but for the fact that Senators on the other side of the Chamber questioned the sincerity of Senators on this side. It is claimed that you have raised your money for the campaign and you have distributed it. Many of your men now in office, whom we Republicans hope to defeat in November—some 14 Senators in this body—were candidates for renomination without opposition, had no money to spend, or were required to spend but little. Their opponents have made hard campaigns, sometimes there being three and four candidates for the nomination, and they have already expended in some cases more than the bill of the Senator from Oklahoma authorizes. By this measure you give the sitting Member a great advantage.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Oklahoma?

Mr. CURTIS. I yield for a question.

Mr. OWEN. I ask the Senator from Kansas to make a bill of particulars.

Mr. CURTIS. It would take too long.

Mr. OWEN. Then, take a part of the time to do that, if you please.

Mr. CURTIS. We hope to adjourn to-morrow; but if the Senator wants me to do so I will read some of the contributions to the Democratic Party in the last campaign. The Senator from Wisconsin said the only way we could judge of the future was by the past. That is true. The law now requires that the national committees shall make a report of contributions. Will the Senator kindly tell the Senate, in his time, why John L. De Saulles, of New York, now minister to Uruguay, gave $5,000 to the Democratic campaign committee?

Mr. OWEN. Well, Mr. President, this bill, I think, will meet contingencies of that sort.

Mr. CURTIS. If you want to make it a crime to appoint a man to office who has contributed to your campaign funds, why do you not prepare such a measure?

Mr. OWEN. Mr. President, I should be glad to make some kind of a reduction, at least.

Mr. CURTIS. Mr. James W. Gerard, ambassador to Germany, contributed $13,500. They must have come back to him the second time. Mr. Thomas D. Jones contributed $10,000, and then declined an appointment to the Federal Reserve Board. Later he contributed $10,500 more. Does the Senator in charge of this bill question that he made those contributions?

Mr. OWEN. Mr. President, this bill——

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Oklahoma?

Mr. CURTIS. I only yield for a question. Let the Senator explain in his own time.

The PRESIDING OFFICER. The Senator from Kansas declines to yield, except for a question.

Mr. OWEN. I will ask the Senator——

Mr. CURTIS. William F. McCombs, of New York——

The PRESIDING OFFICER. Does the Senator from Kansas yield for a question?

Mr. CURTIS. I decline to yield, except for a question.

Mr. OWEN. I should like to ask the Senator whether or not he knows it to be a fact that on January 6, 1915, the statement was made by Mr. A. Mitchell Palmer that $750,000 was spent in Pennsylvania?

Mr. CURTIS. I do not know what Mr. A. Mitchell Palmer said. The reports from the Secretary's office will show. That is another reason——

Mr. OWEN. No; they do not show, unhappily.

Mr. CURTIS. They ought to show.

Mr. OWEN. They do not and ought not under the law, because the law does not provide that any showing shall be made under those circumstances. That is what we are trying to provide for now. We are trying to make these public matters.

Mr. CURTIS. The law now requires a showing to be made by the national committees of every dollar contributed. The law now requires that reports be made by the congressional committees and by individuals who expend money in behalf of a candidate for the Senate or House; the law now requires a showing to be made by every candidate for Congress; the law now requires a showing to be made by every candidate for the United States Senate. That is what the law now requires.

Mr. OWEN. The present law leaves the door wide open for Bill Jones or Tom Smith to spend a million dollars without reporting it.

Mr. CURTIS. If that is the case, it is all spent on your side.

Mr. OWEN. We have not that much on this side.

Mr. PENROSE. Mr. President, will the Senator from Kansas permit me?

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Pennsylvania?

Mr. CURTIS. I have some more very interesting matter here.

Mr. PENROSE. The Senator from Oklahoma has referred to Pennsylvania.

Mr. CURTIS. I will yield to the Senator on that account.

Mr. PENROSE. Mr. Palmer was making a partisan statement without any affidavit, and I want to assure the Senator from Oklahoma that I have much more creditable information concerning the expenditure of several hundred thousand dollars in his behalf in his own contest for reelection in the State of Oklahoma.

Mr. OWEN. Mr. President, I will be glad to have the Senator present, or, if he will permit me, I will present for the RECORD the statement of Mr. A. Mitchell Palmer.

Mr. CURTIS. Mr. President, I do not know that we should overlook any of these gentlemen who were so liberal. The Senator would have us believe that they do not intend to contribute now or have not already contributed. I find here Charles R. Crane, of Chicago, who was offered the position of ambassador to Russia, but declined, gave the small sum of $40,000. Charles R. Crane contributed another $10,000, making $50,000. That is one-eighth of all that this proposed law would permit to be expended for the election of a President. Mr. Morgenthau, of New York, formerly ambassador to Turkey, contributed $10,000 and a few days later $20,000 more. I understand he is now a member of the Democratic national committee. I do not know how much he put up when he was selected, but probably he was liberal. Mr. Penfield, of Germantown, Pa., by the way, and now ambassador to Austria, contributed $10,000. There must have been a little money spent in Pennsylvania on the other side. Mr. Penfield later contributed $12,000 more. But why go on? Here [exhibiting] is the list.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Oklahoma?

Mr. CURTIS. I yield for a question.

Mr. OWEN. I ask the Senator to give a bill of particulars. The large expenditures of which he is now speaking are matters of public record and have long been on file. Everybody knows about them; and it is a good thing that these matters are made public; but I should like the Senator, who charges that the Democrats have raised a large amount and have been expending large amounts and says he knows about it—I should like him to state the facts.

Mr. CURTIS. I said, as was stated by the Senator from Idaho [Mr. BRADY], that it has already been circulated in the newspapers——

Mr. OWEN. Circulated on the other side of the Chamber, Mr. President.

Mr. CURTIS. And it is current comment that the Democratic administration, through the Secretary of the Treasury and other Cabinet officers, have raised all the money they need for the coming campaign. It has also been stated that in one State $200,000 has been sent by the Democratic organization or committee to help elect two United States Senators.

Mr. OWEN. I ask the Senator for the particulars.

Mr. CURTIS. Well, now, if the Senator desires particulars, I may tell him something about the Senator from Oklahoma [Mr. OWEN].

Mr. OWEN. That is a very convenient way not to answer.

Mr. CURTIS. Well, if the Senator wants to know it, I question the sincerity of Senators upon the other side of the Chamber. They come here and talk about being opposed to corruption and the use of money in elections; they talk about the violation of the law; and the very men who talk the loudest have been at best near the edge. I remember on one occasion when I was down in the State of the Senator from Oklahoma, in the town of Guthrie, he then being a candidate for Senator, I was told that in the town of Guthrie you could trace the Senator, then a candidate, by the checks he had given out. I do not know whether or not that was true; but I have just as much right to state that and to circulate it, and more right, because it came to me the day after the Senator left Guthrie, than Senators on the other side have a right to charge corruption and the improper use of money upon this side. If the other side wants a corrupt-practices measure passed, withdraw the notice that Congress will adjourn to-morrow.

Mr. PENROSE. Mr. President, will the Senator from Kansas permit me to interrupt him?

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Pennsylvania?

Mr. CURTIS. Yes.

Mr. PENROSE. The Senator from Kansas has made a very interesting statement of the close relation between officeholding and campaign contributions. I want to call his attention to the fact the books are being kept well balanced and up to date. Abram I. Elkus contributed $12,500 to the Wilson campaign, and was appointed minister to Turkey on July 18, 1916. His reward was a little belated, but he got it finally, none the less.

Mr. CURTIS. If Senators on the other side desire to pass this measure, call back a quorum in the other House, withdraw the notice that you are going to adjourn to-morrow, and let us take up this measure and perfect it. I will vote for just as stringent a corrupt practices act as any Senator upon the other side of the Chamber. As I said a few moments ago, out in my section of the country we do not care how strong such a law is made. We are asking for no contributions from the national committee; no big slush fund will be used there. We are ready to go as far as the Senator from Oklahoma; but even the Senator, with all of his haste—and he has been here only about a couple of weeks since returning from a visit to a summer resort—in trying to force this measure through now admits that it is very defective and does not apply, he says, to presidential electors, although they elect the President and Vice President of the United States. Now he wants the bill amended so as to include them.

Mr. PENROSE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Pennsylvania.

Mr. CURTIS. I yield.

Mr. PENROSE. It is very interesting to note, in connection with the remarks of the Senator from Kansas, that Cleveland H. Dodge gave $85,800 to the Wilson campaign fund.

Mr. GALLINGER. Not $85,000, did he?

Mr. PENROSE. Yes; $85,800, which amounts to nearly one-fourth of the whole sum authorized to be used under this bill. That was a contribution not for the election but for the prenomination campaign of Woodrow Wilson, and in order, I presume, to stimulate "the uplift."

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Colorado?

Mr. CURTIS. I yield for a question.

Mr. THOMAS. I desire to ask the Senator from Pennsylvania a question while he is on the floor.

Mr. PENROSE. Yes.

The PRESIDING OFFICER. Does the Senator from Kansas yield for that purpose?

Mr. CURTIS. I yield for a question.

Mr. THOMAS. I will ask the Senator from Pennsylvania if he will state the contributions of Ambassadors Herrick and Reid to the Taft campaign in 1908? He must know what they were.

Mr. PENROSE. They did not have enough money in the Taft campaign to pay their printing bills.

Mr. THOMAS. That is about as accurate as many of the statements which the Senator has made upon this floor in the last few days.

Mr. PENROSE. I am quoting an official document, and I say that Cleveland H. Dodge gave over $85,000 to the Wilson prenomination campaign.

Mr. CURTIS. Mr. President, in conclusion I want to say again that, so far as I am personally concerned, I am willing to vote for a corrupt-practices act. You can not make it too strong for me, and I think it ought to include and apply to some of the practices of Senators upon this floor. If the Post Office Department will hold that an article of self-laudation that a Senator sends out for his own campaign purposes and to help him in his effort to secure reelection or renomination is frankable, then the Congress ought to put its stamp of condemnation upon that practice. If it is lawful for the chairman of a committee to have printed at Government expense 50,000 or 100,000 of the committee letterheads and use them in his campaign, then there should be brought in a bill making such acts unlawful. Every candidate for election or reelection should pay the expenses of his campaign and take nothing out of the Treasury of the Government or abuse the rights of a Senator. The Senator from Oklahoma now admits that one provision of his bill is wrong.

Mr. OWEN. Oh, no; Mr. President, I have not admitted anything of the sort.

Mr. CURTIS. The Senator has already amended it, and has said——

Mr. OWEN. Oh, no; I simply was willing to accept an amendment in order to conciliate some of the opposition to the bill.

Mr. CURTIS. Is the Senator so anxious to get this measure through that he will put any old thing in it?

Mr. OWEN. Well, it was not "any old thing" quite; it was——

Mr. CURTIS. Why does not the Senator stand for his own bill?

Mr. OWEN. The amendment came from one of the Senator's colleagues. He requested it, and I yielded to it in order to make progress.

Mr. CURTIS. Well, the Senator admits it must have been a proper request, or he would not have yielded to it. The Senator knows it is unfair in the middle of a campaign to reduce the amount that a candidate may expend. The Senator must know that, and that is what we are complaining of.

Mr. SHAFROTH. Does not the Senator recognize——

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Colorado?

Mr. CURTIS. I yield for a question.

Mr. SHAFROTH. That if this bill becomes a law it would not include the expenditures of the past, but would only be operative from the time it was enacted, which would entitle the Republican committee, or any other committee of a national party, to expend $400,000?

Mr. CURTIS. Mr. President, if the other side should be in control of the next Senate, I would dislike to trust a contest if a man expended more than he was allowed under the law, even if it should be enacted in the middle of a campaign, especially if the Senate was close. On this question of raising funds I want to have read in this connection an article which appeared in the Washington Herald of March 31, 1915.

The PRESIDING OFFICER. If there is no objection, the Secretary will read the article.

The Secretary read as follows:

[From the Washington Herald, Mar. 31, 1915.]

DEMOCRATS RAISING FUNDS—PALMER SIGNS LETTERS ASKING FOR MONEY FOR COMING CAMPAIGN.

An appeal is being sent out from the Democratic national committee headquarters in Washington signed by A. Mitchell Palmer, recently appointed justice of the United States Court of Claims, asking for funds to promote the work of the committee. Mr. Palmer has signed the letter as chairman of the subcommittee on finance. Each member of the national committee has been urged to collect all the funds possible to start the work, and letters have been sent to men who have contributed to the campaign in the past. Members of Congress have received many of the letters.

A story was afloat yesterday that the letter appealed for a fund of $100,000 to start a movement for the reelection of Wilson, but Mr. Palmer, who was busy at the headquarters signing his name to letters, denied that it was to promote a boom for the President's renomination.

"The President will be renominated," said he. "It will not be necessary to organize for that purpose. That has been settled all along. All this talk about work under the surface in the interest of other candidates is unfounded."

Mr. CURTIS. No; the money was needed for the election. So we behold an appointee of the President of the United States as far back as March, 1915, a man who had been recently appointed to a judicial position, raising campaign funds for the Democratic candidate for the Presidency of the United States. Nay, more, you can bring in——

Mr. BRYAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Florida?

Mr. CURTIS. I yield for a question.

Mr. BRYAN. Did Mr. Palmer accept the appointment to the bench?

Mr. CURTIS. I do not know as to that. The article in the paper says he had recently been appointed a justice of the Court of Claims.

Mr. BRYAN. The Senator knows that he did not accept the appointment.

Mr. CURTIS. A Senator sitting near me says that Mr. Palmer was nominated but declined the appointment.

Mr. BRYAN. Let us get that straight. Mr. Palmer was not a judge sitting on the bench when he was acting in that capacity.

Mr. CURTIS. He had been nominated at the time the article was printed.

Mr. BRYAN. And had declined.

Mr. PENROSE. No; I do not think so.

Mr. BRYAN. Well, at any rate, he never qualified.

Mr. CURTIS. Oh, well, it does not make any difference.

Mr. BRYAN. It makes a considerable difference.

Mr. CURTIS. He stood so well with the administration that they would appoint him to office and then appoint him to go out and collect funds.

Mr. BRYAN. The point I wanted to make was to get the Senator to admit that he was not a judge upon the bench when acting in that capacity.

Mr. CURTIS. Why, I will admit that; certainly. He was nominated, but declined afterwards.

I will say this further: Go yonder in the Secretary's office, bring in the names of your postmasters that have been appointed in the last two years, and you will find in some States that 90 per cent of them contributed to campaign funds about two years ago. The trouble with some of the Senators on the other side—some of them, not all of them—is that they want to get up here and tell how good they are, when their records hardly sustain their contentions.

Mr. ASHURST. Mr. President, I trust the Senator from Kansas will not leave the Chamber——

Mr. CURTIS. I am not going to.

Mr. ASHURST. I shall feel obliged to make some statements that he ought to hear.

It is an easy thing to play the rôle of Pharisee, and point to the width of our phylacteries, assume virtue, but have no character, and therefore assail some one who has. That is a very easy thing to do.

Mr. President, the Senator from Kansas in my absence—and I make no complaint of that; for as I said before, I was called out of the Chamber for half an hour—saw fit to put into the RECORD a letter of mine. He was within his rights in incorporating that letter in the RECORD. I have had read to the Senate and to the country a statement from the Assistant Postmaster General to the effect that the letter was frankable. Of course, I could not exercise the excellent taste in the preparation of the letter that the Senator from Kansas exercises in all departments of life. As to the particular composition of the letter, possibly the Senator might improve on it; but at least it stated the truth. It stated my vote upon various matters presented for action. I am quite content to rest that particular phase of the Senator's harangue upon the statement of the Post Office Department that the letter had a right to be sent through the mail.

The Senator then, with a bitterness that arises only from his desire to see me defeated for reelection if he can—but he will not see it; his malice will be thwarted, because in my State any condemnation which comes to me from the Senator from Kansas will be accepted by the right-thinking people as a letter of commendation—the Senator saw fit then to state that some year or two ago I had telegraphed some newspapers in Arizona, not in cipher code, and he reiterated a charge which his distinguished predecessor from Kansas, Mr. Bristow, at that time made regarding some telegrams which I sent to the public.

Mr. President, soiling another will not make me clean. If the letters were not public business, my action ought to be criticized. But they were public business. The trouble with the Senator from Kansas is that he knows I have been an industrious and an active man, and have been in communication with the people rather than in communication with "special interests." That is what is the trouble with him. I have taken the people into my confidence. He did take special interests into his confidence. That is the difference between the Senator from Kansas and myself.

I ask that the Secretary may read a letter from the Sergeant at Arms with respect to the telegrams of which the Senator complains.

The PRESIDING OFFICER. The Secretary will read, in the absence of objection.

Mr. ASHURST. I should like to have the whole matter read, date and all.

The Secretary read as follows:

SENATE OF THE UNITED STATES,
SERGEANT AT ARMS,
September 29, 1914.

Hon. HENRY F. ASHURST,
United States Senate.

SIR: For your information, will state that the bills of the various telegraph companies for sending official telegrams for the United States Senate, accompanied by the original messages, are always referred to my office, where they are audited and then referred to the Committee to Audit and Control the Contingent Expenses of the Senate. This committee is composed of Senators WILLIAMS (chairman), SHAFROTH, REED, DILLINGHAM, and Bristow. After the approval of the bills by the said committee and the approval thereof indorsed by the chairman the bills are sent to the Secretary of the Senate for payment by the financial clerk.

The financial clerk informs me that all bills for telegraph messages sent or received to March 31, 1914, have been received by him as approved by the chairman of the Committee to Audit and Control the Contingent Expenses of the Senate, and that in no instance was payment for any message disallowed. Therefore, all your telegrams, and especially those telegrams to which Senator Bristow, of Kansas, objected in July, 1913, have been audited and decided by the committee to be official business and not private or personal business.

Very respectfully, yours,

CHARLES P. HIGGINS,
Sergeant at Arms, United States Senate.

Mr. ASHURST. Mr. President, I occupied the attitude of one who was charged by a fellow Senator with having committed an impropriety. My fellow Senator who made the charge was a member of the committee, and it became his duty later to act as a judge in that case; but he was at least honest enough, when the facts were presented to him, to join with his fellow Senators and say, "This is public business."

So the charge of the Senator from Kansas in the exuberance of his zeal falls harmless at my feet. The letters I have sent are public business. The Post Office Department say I had a right to send them, and they said so before I sent them. They said it was one of the few, if not the only one, which had in it nothing but official business.

The charge of the Senator's former colleague, the Senator's predecessor, that the telegrams were not public business has been exploded, the bill has been audited and passed upon by the committee of the Senate chosen for that particular purpose, and they were found to be not "part" public business but "all" public business. I am very content to let the record respecting myself on this particular point rest just there, and say that if my services in the Senate and my services to the country are so poor and so weak that my defeat could be caused by such a politician as the Senator from Kansas I ought to be retired from public life. If he has it in his power to destroy a servant of the people, if he, with many lines in times past running to the various interests, connecting him and the interests, can destroy a man who has earnestly tried to serve the people, I welcome the issue, and I do not shrink from it.

Now, let us see about this Pharisee from Kansas, who points to the width of his phylacteries, and in the exuberance of his zeal says that some Senators have telegraphed too much. I will read the Senator a telegram. I do not say that that telegram should not have been sent. It is a matter of taste. Was it good taste when I wired the newspapers of my State asking their opinion as to a Federal judge? The country must say whether that was good taste or not. The telegrams were sent to newspapers. I sent a copy of my letter to all the people of my State, and I expect to continue to send letters to the people of my State.

When Mr. Root was Secretary of War some years ago the junior Senator from Kansas was not a Member of this body. He was a Member of the other House. The records are available to him now, if he wishes to peruse them. Mr. Taft was Secretary of War. The few telegrams that I sent in trying to select a good Federal judge—and we did select a most excellent Federal judge to serve the public—I presume cost three or four hundred dollars. We spent that amount in getting a good Federal judge. That is a frightful thing to the Senator from Kansas, to spend three or four hundred dollars to assist the people in selecting an excellent Federal judge. It is a frightful thing here to the Senator from Kansas that a Senator should see fit to communicate with his constituents.

But about this communication which took place between Secretary Root and Gov. Taft, Governor of the Philippine Islands: Mr. Taft on April 15, 1903, sent a telegram as follows from the Philippine Islands, at 52 cents a word:

APRIL 15, 1903.

SECWAR, *Washington:*

Stood trip well, rode horseback 25 miles to 5,000 feet altitude. Hope amebic dysentery cured. Great Province this, only 150 miles from Manila, with air as bracing as Adirondacks or Murray Bay—

Fifty-two cents a word! The Senator from Kansas is silent about that. He objects, now, when the people get a chance to choose a good judge—

Only pines and grass lands. Temperature this hottest month in the Philippines in my cottage porch at 3 in the afternoon 68. Fires are necessary night and morning.

TAFT.

Mr. CURTIS. Mr. President——

Mr. ASHURST. No; I do not yield at this time. I do not wish to have my remarks broken into. I will yield later.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. ASHURST. Then the commentator makes this statement:

As quick as the wires could bring it, he received the following reply:

WASHINGTON, D. C., *April 16, 1903.*

TAFT, *Manila:*

Referring to telegram from your office of 15th instant, how is horse?

ROOT.

[Laughter.]

Fifty-two cents a word, inquiring "How is the horse?" But when a Senator who is not dominated by "special interests" comes here and tells the people about his votes this Pharisee from Kansas is shocked!

Mr. CURTIS. Mr. President——

Mr. ASHURST. No; I do not yield now. That did not shock the Senator. Now, just another word:

"How is the horse?"—52 cents a word! The Senator from Kansas is as silent as the tomb about such a telegram, but he

makes much about a telegram that I sent to the newspapers of Arizona asking what in their opinion would be a very excellent way of securing the advice of the people as to whom I might recommend for Federal judge. Oh, that is an improper use of my frank!

In 1913 a corrupt lobby was driven from this city. The President of the United States announced that an insidious lobby was trying to influence legislation.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. ASHURST. I yield to the Senator from Utah.

Mr. SMOOT. Before the Senator from Arizona takes up that question, I want to ask the Senator if it is not a fact that Secretary Root, the Secretary of State, and Gov. Taft at that time had personal franks for the purpose of telegraphing on questions of personal business?

Mr. ASHURST. Oh, yes; at 52 cents a word.

Mr. SMOOT. No; not at any number of cents a word.

Mr. ASHURST. Yes; at 52 cents a word. I went to the telegraph office and asked about it.

Mr. SMOOT. I want to ask the Senator whether those two men did not have franks, not only from the Western Union Telegraph Co. but from the Cable Co. as well?

Mr. ASHURST. All I know is that the Cable Co. tells me that they charged the Government 52 cents a word for those messages. That is all I know.

Mr. KENYON. Mr. President——

Mr. ASHURST. I yield to the Senator from Iowa.

Mr. KENYON. I should like to inquire if there was any return message about the condition of the horse? [Laughter.]

Mr. ASHURST. No, Mr. President. No other telegram is disclosed as to the condition of the horse.

When this lobby, which was driven from the city by this Congress and by Woodrow Wilson, was trying to influence legislation, there was some more franking done. There was a man who testified—to wit, Col. Martin M. Mulhall, I believe—that "Sugar at a glance" was prepared under or by his direction. It was sent out under the frank of the senior Senator from Massachusetts [Mr. LODGE], and the cost to the public for sending out that document in behalf of special interests was $28,000!

I am corrected with the statement that the cost was $57,000; and a suit is now pending, brought by the Government of the United States, to recover that sum of money. The Senator from Kansas is silent about that. It was very appropriate, from his viewpoint, to send out under frank fifty-odd thousand dollars' worth of material in behalf of the special interests, but a very inappropriate thing, from his narrow viewpoint, to send out a letter to one's own constituency.

Mr. GALLINGER. Mr. President——

Mr. ASHURST. I yield to the Senator for a question.

Mr. GALLINGER. Yes; a question only. The Senator says that "an insidious lobby" was driven from the Capitol. I remember that I was called to testify in that famous case, and I have been looking for a report from the committee. Has the Senator any reason to suppose that one will be made?

Mr. ASHURST. I have three or four volumes here on my desk.

Mr. GALLINGER. That is the testimony.

Mr. ASHURST. That is the testimony?

Mr. GALLINGER. Yes. I never have seen a report. Does the Senator know whether there is a report?

Mr. ASHURST. I am unable to say. I think, though, that in view of the disclosures that were made, whether a report has been made or not it is unnecessary. The lobby absconded. The lobby fled, and is now required to make legitimate and proper arguments before committees, instead of arguments that are of an inappropriate and unseemly character.

Mr. GALLINGER. I have never before known an investigating committee that did not make a report. I ask the question in good faith, because I have been looking for it.

Mr. ASHURST. I do not know whether a report was made or not.

Mr. GALLINGER. But the Senator does not really think any great good was done so far as the lobby was concerned, does he?

Mr. ASHURST. Why, certainly. Under the old Taft and Roosevelt régimes the special interests secured from Congress just about what they wanted, and Senators on that side helped them to do it.

Mr. GALLINGER. Mr. President——

Mr. ASHURST. I do not yield now. When the Senator from Wisconsin [Mr. LA FOLLETTE] came to the Senate he was an outcast and an Ishmaelite among you because he stood for honest government when you did not.

Mr. GALLINGER. Well——

Mr. ASHURST. He stood for equal rights to all and special privileges to none, and you stood for the opposite; therefore he was an outcast.

Mr. GALLINGER. Is the Senator making that personal to me?

Mr. ASHURST. I make no personal statement. I refer to Senators PENROSE and GALLINGER, and LODGE and CURTIS, and men of that kind. If that is personal—why, yes.

Mr. GALLINGER. The Senator has no right to make that statement. In the first place, he is violating the rule of the Senate in referring to Senators by their names.

Mr. ASHURST. I will say, "the senior Senator from New Hampshire," then.

Mr. GALLINGER. Yes; that would be in better taste.

Mr. ASHURST. The Senator is a judge of good taste.

Mr. GALLINGER. Yes; I am, sometimes. Now, I have seen lobbyists in the galleries looking down approvingly on the Senator from Arizona, and I noticed the other day that there was a copper lobby here. Did the Senator see any of those men?

Mr. ASHURST. A copper lobby?

Mr. GALLINGER. A copper lobby.

Mr. ASHURST. If there was one here I know nothing of it. Some very legitimate and proper arguments were made to me; some telegrams and letters were sent to me. I did not put them in the RECORD, but they were in behalf of or against a certain provision in the bill.

Mr. PENROSE. They counted on the Senator very confidently.

Mr. ASHURST. I am glad to see the ponderous form of my obese friend from Pennsylvania rise.

The PRESIDING OFFICER. Senators will please address the Chair before interrupting.

Mr. ASHURST. I yield to the Senator from Pennsylvania. I yield to that shining exemplar of morals and purity in politics, the Senator from Pennsylvania.

Mr. PENROSE. Mr. President, as long as the Senator is talking about lobbies, he might as well refer to the most recent lobby. The copper lobby very confidently counted on the Senator from Arizona, and his colleagues gave him the distinguished honor of offering the amendment which struck out of the revenue bill the tax on the component parts of munitions, doubtless to endear him still further to the copper lobby in Arizona and other Western States.

Mr. ASHURST. Mr. President, if the Senator from Pennsylvania should say that a lobby influenced my vote in that particular, I would say, of course, that the Senator lied. I would say that. That may be——

The PRESIDING OFFICER. The Chair will admonish Senators to observe the rules of decorum.

Mr. ASHURST. I will use a few moments now in regard to the copper tax.

Mr. GALLINGER. Mr. President, the Senator would better withdraw the remark he has just made.

Mr. ASHURST. No; I say, if the Senator asserts that any copper or other lobby influenced me—if he says that. Does he say it?

Mr. PENROSE. I do not know. The Senator exhibited very suspicious zeal.

Mr. ASHURST. Well, then, if he withdraws his statement, I withdraw mine.

Mr. PENROSE. Of course, appearances are often deceiving, I will say to the Senator from Arizona that I am a little near-sighted, and maybe I did not——

Mr. JAMES. Oh, Mr. President, a remark of the character that the Senator from Pennsylvania has just made is as much out of order as the remark of the Senator from Arizona.

The PRESIDING OFFICER. The Chair must ask Senators to observe the rules of decorum in debate.

Mr. ASHURST. Mr. President, the Senator says certain things deceive. I leave it to the judgment of the American people as to whose appearance, the Senator's or mine, would be the more liable to deceive.

I have no desire to engage in a bitter personal controversy. The Senators on that side started this. You made the assault on me, and now you ought not to complain when I reply. You make an assault, and then when a reply is made you say it is personal and improper.

I want now to say just a few words on the copper question. The House of Representatives passed a bill which laid a direct tax on copper. It did not appeal to me because I thought it was unjust, and certainly I have never been the apologist for any of the larger copper-mining companies, if they need an apologist. So far as their political activities in my State are concerned, I have received but very scant support or comfort from

them. It has gone to the other side, to my opponents, as a rule. But because an unjust thing is about to be attempted that fact does not preclude me from trying to correct that injustice. Whether a man be a supporter of mine or whether an institution be a supporter of mine or not does not weigh in the balance with me when I come to consider its legal and just demands and claims. A tax upon copper was unjust unless you should levy it also on steel, iron, coal, wood, zinc, and all other materials.

Now, Mr. President, I am going to conclude my remarks.

Mr. CURTIS. Mr. President, just a word.

The PRESIDING OFFICER. The Senator from Arizona has the floor.

Mr. ASHURST. I yield to the Senator.

Mr. CURTIS. I simply want to say that I think the Senator should be fair enough to state that I never heard of the cablegrams which he claims were sent between Gov. Taft and Secretary Root until they were read here this afternoon. I would condemn a Cabinet officer just as quickly as I would a Senator for violating the franking privilege.

Mr. POMERENE. Mr. President, I am very glad the Senate has taken up this bill. A short time ago, as I understand, an amendment was offered which, if adopted, would provide that this act shall take effect on January 1, 1917. I trust that amendment may not be incorporated in the law. It seems to me that now is the accepted time for legislation of this character. Of course I should infinitely prefer that a law be adopted which would take effect January 1, 1917, rather than to have no legislation upon the subject. I think it is unfortunate that this has been so long delayed. I would not say that any one Senator is more responsible for it than another, or that one side of the Chamber is more responsible for it than another. We all know that this has been a very busy session, and many important things remain upon the calendar to be disposed of.

Mr. President, Senators have referred to contributions which have been made to campaign funds in the past, and particularly to contributions which have been made to the campaign of our present Chief Executive, and to the fact that certain appointments have been parceled out to certain gentlemen who were friendly enough to contribute toward the expenses of that campaign. I do not think the Senator who referred to this was quite fair. He spoke of it as though it were something unusual. I have before me the record of the investigations of the campaign-fund investigating committee; and in the testimony of Mr. Sheldon I find as contributors the names of such men as these, who were beneficiaries at the hands of the Taft administration:

Larz Anderson, $25,000.
Whitelaw Reid, $10,000.
Robert Bacon, $5,000.
Myron T. Herrick, chairman, $50,000.

And we, perhaps, could go on and name others.

Mr. SHAFROTH. Will the Senator state to what positions those men were appointed?

Mr. POMERENE. Mr. Herrick was an ambassador, Mr. Robert Bacon was an ambassador, Mr. Whitelaw Reid was an ambassador, and Mr. Larz Anderson was an ambassador or minister.

Mr. SHAFROTH. Appointed by whom?

Mr. POMERENE. By President Taft. I could refer to others.

I have also before me the hearings before the campaign-fund investigating committee, and there was a peculiarly illuminating exhibit furnished before that campaign committee by Mr. Elmer Dover, who for a time was chairman of the Republican national committee. It gives the names of the contributors to the Republican campaign fund, and it is interesting to note the great financial interests represented by them. I am going to ask that this list be printed as an exhibit to my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. POMERENE. Hundreds of thousands of dollars and millions of dollars were contributed during that campaign, and there were contributions of like character on both sides. I want to be perfectly fair about this. I refer to it, first, because of the reference which was made on the other side of the Chamber, and, secondly, because the facts are such that they ought to be an object lesson for us to-day when we have under consideration this legislation. That is the portion of this information which gives to it a very important character and a very important bearing upon this subject. We should not lose our temper in discussing this matter. I assume that we are all actuated by a higher purpose than that.

Mr. President, a corrupt-practices act can not be made too drastic for me. No one who has kept touch with the political campaigns of the last generation, if he is honest with himself, will hesitate to admit that the lavish use of money in elections has been most baneful in its influence upon the public mind. I will not consume the time of the Senate in trying to define why this is so or how it is so. Fair-minded men everywhere take it for granted. I think I should have perhaps contented myself with casting my vote in favor of taking up this measure, and then voting for its passage with such amendments as further discussion might suggest, if it were not for the fact that my failure to express my views might be misconstrued.

I have been honored by my party with the renomination as a candidate for the seat I now have the privilege to occupy. I come from a State which is generally regarded as a Republican State. We have carried it in four out of the five last campaigns for governor. I am confident we shall win in the coming election. Everyone who is familiar with Ohio politics believes that in a number of elections to the United States Senate in the State of Ohio the seat was bought and paid for. The men who participated in these corruptions have for the most part gone to their reward, and I would be glad to draw the veil over the past except for present conditions in my State and in the country. Not that I have a desire to tear open old sores or to point the finger of scorn toward acts which have been heretofore committed, but because I hope hereby to challenge the attention of our State and of the country to these conditions of the past in order that we may ascertain what is our duty now and what shall be our duty in the future.

Under the corrupt-practices act of the State of Ohio (sec. 5175–2) every candidate voted for at any election or primary election held in the State, and every person, committee, or association of persons, incorporated or unincorporated, who have contributed, promised, received, or expended, directly or indirectly, any money or thing of value in connection with the election or primary is required within 10 days thereafter to file an itemized statement showing in detail—

All the moneys or things of value so contributed, promised, received, or expended, and all the liabilities directly or indirectly incurred in connection with such elections.

Under this statute, Mr. Herrick, the successful Republican nominee at the recent primary, filed his statement with the secretary of state at Columbus, showing that he had personally spent or contracted to spend in his primary campaign the sum of $22,175, and the so-called Herrick Voter's League filed their statement with the secretary of state, showing their expenditures in this same behalf aggregating $29,000, or a total of $51,175. I am advised that there are other organizations throughout the different counties in the State which likewise spent considerable sums of money in Mr. Herrick's behalf. The newspapers in Ohio, I am informed, have estimated the expenditures in this campaign at $150,000 to $200,000, and they report Republican politicians as having stated so. Now, I want to be perfectly fair. I am not here to say that any of this money was *corruptly* expended. I do not know whether it was or not, and, so far as this statement is concerned, I am willing to assume that it was not corruptly expended, but I am here to say that the expenditure of this sum of money, or anything similar to it, is altogether vicious in its influence upon the public.

I am here to say that when any man has rendered such great service, whether in a public or private capacity, which should so appeal to the public electorate that he should be further honored by his fellow citizens with a seat in the United States Senate, it is not necessary that he spend this vast sum of money in order to show his popularity or the merits of his great service. Think of it! The American people in their wisdom, through the Congress, have said, in their judgment, that a salary of $7,500 per year, or $45,000 for a term of six years, is a reasonable compensation for services that a Senator is supposed to render to his constituency; and yet we have an example in my home State of the spending of more than $50,000—more than the entire salary of an entire term—in order to secure the nomination for this exalted position to which he has been so spontaneously called by the suffrage of his fellow citizens! And if he is willing to approve the expenditure of this amount of money in order to be successful at a primary election, how much more will he expend in order that he may obtain the coveted honor in the election?

Senators, I had supposed that the day was past in my own State when any man by the aid of money would seek to secure for himself a seat in this body. If nominations are to be secured, and thereafter an election, by this lavish expenditure of money, what encouragement will there be for any man of modest means, no matter what his talents or what his merits may be, to aspire to a seat in this body? As for myself, I covet the honor of retiring from this Senate rather than to be elected by the extravagant and lavish use of money. I would not pay $20,000 for a nomination and election to the United States Senate if I could, and I could not if I would. If I am obliged to

combat an avalanche of dollars from a big bank account, the people of my own State will know it, if to tell them is the last thing on earth that I shall do. I have no objection to any man being a millionaire, and I have no objection to his multiplying his millions many times by honorable means, but I do object to these dollars being the stepping-stone into the legislative body which plays so great a part in the governmental operations of this great country of ours.

Among the contributors to the Herrick Voters' League fund are many citizens of prominence in Cleveland who rank among her richest men. They are living witnesses to the truth of David Harum's philosophy as embodied in the sentence, "Them that's got gits," and some of these contributors, I suspect, are willing to "git" by legislation. It is no compliment to any man to secure a nomination or an election to a high office by the lavish expenditure of money. It is no compliment to the people of a great State to know that a nomination or an election has thus been attained. It is neither complimentary to the ability nor the standing of any man who thus asserts that he and his friends find it necessary to spend large sums of money to make the people appreciate and understand his ability or position in society, and it is not complimentary to the people to say to them that this money should be spent in order to enlighten the electorate as to its duties. And, more, it is not fair to competitors of equal character and ability to compel them to meet propaganda which only money without limit can spread throughout the State.

To my very great disappointment, no limitation is placed on the amount which may be expended in the State of Ohio for either a nomination or election, or both, to the Senate, unless it is embraced in the provision of the statute limiting the expenses of a Member of Congress to $2,000, and this I doubt. The only limitation to be found anywhere is that contained in the Federal statute which has been so vaguely drawn that it is a question as to whether or not it will afford any protection against the vicious practices which have grown up throughout the country. And it may be that if one hundred thousand or a million dollars are turned loose in the Ohio senatorial campaign this year, there is no legal way to prevent it. I went into this matter most thoroughly several years ago when the Stephenson case was up for consideration. To my very great regret, this investigation showed that there was no law, common or statutory, State or National, placing a limitation upon the amount that could be expended at that time in the nomination and election of candidates to the United States Senate. The present Federal corrupt-practices act was passed and approved August 19, 1911, *three years after the Stephenson election.* Whatever may have been thought of its effectiveness at the time it was passed, it is very clear, judging from what has transpired in Ohio, that it places no limitation upon the amount that can be expended in behalf of any candidate, though under the statute itself he can not spend exceeding $10,000, but this does not include any "assessment fee or charge made or levied upon a candidate by the laws of the State in which he resides or for his necessary personal expense incurred for himself alone for traveling and subsistence, stationery and postage, writing and printing (other than in newspapers), and distributing letters, circulars, and postals, and for telegraph and telephone service."

The practice of expending large sums of money in elections is and ought to be condemned by every law-abiding citizen. No man who seeks to win his seat in this Senate or any legislative body, or to enter other public office by the extravagant use of money will ever have my support, whether he is on my ticket or not.

Do Senators on either side of the Chamber believe that large campaign expenditures should be permitted? I am sure they do not. Do Senators believe that $50,000 ought to be used in any one State to secure a nomination for election to this place? Does not this vast expenditure for the primary indicate a willingness to expend larger sums by those interested in securing the election of their candidate? It is not too late to prevent it, and I want to appeal to Senators who believe in honest elections—and I assume we all do—to record the will of the people now, and while it is not too late, and to stay here long enough to place upon the statute books a law which will be sufficient to reduce to a minimum the vicious practices which will occur if we fail to act. Our duty is plain. The people of every State, irrespective of party, with few and rare exceptions, will applaud our efforts if we remain here until this corrupt-practices bill, or something akin to it, shall be placed on the statute books.

I want to add that if it is feared that the bill or any provisions of it are retroactive, of course an amendment can be added to the bill which would very readily prevent that, if such an amendment were necessary.

EXHIBIT DOVER No. 1. (See p. 13924 for reference.)

A. D. Shepard	$250.00
Isaach N. Seligman	10,000.00
Jacob H. Schiff	10,000.00
Jacob H. Schiff	15,000.00
Brayton Ives	500.00
A. D. Julliard	10,000.00
C. S. Herbert, North Dakota, through chairman	100.00
John Claflin	5,000.00
C. G. Glover, through G. B. C.	1,000.00
Whitelaw Reid	10,000.00
Jos. Milbank	5,000.00
Judson W. Lyons, Washington, D. C.	100.00
F. C. McBrown, Brunswick, Ga.	100.00
James Speyer	20,000.00
James Speyer	5,000.00
Sanford B. Ladd, Kansas City, Mo., through Akins	250.00
Rev. E. E. Hale	10.00
Seth Low	1,000.00
D. Swiney, Queenstown (G. B. C.)	101.64
C. C. Glover, Washington, D. C. (G. B. C.)	2,500.00
R. Ross Perry, Washington, D. C.	100.00
Gen. Horace Porter (G. B. C.)	5,000.00
James Stillman (G. B. C.)	5,000.00
A. C. Lane, Lansing, Mich.	10.00
Norton Goddard, for C. Kenyon Co.	500.00
J. L. B. Alexander, Phoenix, Ariz.	100.00
J. F. Hanson, Macon, Ga.	1,000.00
M. A. Hanna (family)	15,000.00
A. J. Milbank	250.00
James Stokes	250.00
H. A. Rucker, Atlanta, Ga.	150.00
Wm. Nobel, South McAlester, Ind. T.	500.00
Wm. Nobel, South McAlester, Ind. T.	500.00
R. A. C. Smith	1,000.00
John J. McCook	1,000.00
Lowell Lindeho	250.00
T. L. Park	250.00
Mrs. E. M. Anderson, by A. T. Milbank	1,000.00
American Surety Co., by R. A. C. Smith	1,000.00
F. W. Haynes	50.00
G. W. P.	100,000.00
W. L. Wick, jr., Philadelphia	25.00
David J. Hill Berne, Switzerland	2,000.00
Theodore Roosevelt	5,000.00
Geo. W. Rouzer, for J. F. Dryden	10,000.00
Netor Achelis	500.00
J. L. Bausher	500.00
George Lauder, Pittsburgh	5,000.00
John B. Griffiths, Jermyn	10.00
Fritz Achelis	250.00
Smith, Hogg & Co.	500.00
Schafer, Schramm & Vogel	250.00
Parker, Wilder & Co.	250.00
C. A. Auffmordt & Co.	250.00
Heller & Long	100.00
Herrmann, Aukau & Co.	250.00
William Iselin & Co.	250.00
Collins & Co.	100.00
Taylor, Wendell & Co.	250.00
John Barrett	150.00
Andrew Carnegie	10,000.00
Robert Maxwell	250.00
M. A. Otero, New Mexico	1,000.00
D. M. Munroe, Washington	10.00
J. J. Burke, Norman, Okla.	100.00
C. W. Fairbanks	5,000.00
W. Emlen Roosevelt	5,000.00
W. Emlen Roosevelt, for another	1,000.00
E. F. Byrne (Brooker)	100.00
John F. Dryden, New Jersey	25,000.00
H. Clay Evans	500.00
Adolph Lewisohn	10,000.00
Bacon & Co.	200.00
Sawyer & Blake	100.00
Wm. Rothschild & Son	75.00
Creighton & Burch	100.00
H. & W. H. Lewis	100.00
Lorraine Manufacturing Co.	250.00
G. W. P.	25,000.00
Jas. H. Hyde	25,000.00
Gifford Pinchot	3,000.00
Gifford Pinchot	2,000.00
A. C. Paine	500.00
Fred Baker	500.00
J. H. Eadis	100.00
John J. Howley, Washington, D. C.	100.00
H. Dudley Coleman, New Orleans	50.00
James Talcott	500.00
Eldredge Lewis & Co.	200.00
Francis Curtis	50.00
Franklin Murphy	5,000.00
Powell Clayton	1,250.00
M. S. Carey, Atlanta, Ga.	10.00
Charles Taft	5,000.00
John F. Dryden	5,000.00
Leslie D. Ward	5,000.00
William Sheerer	5,000.00
Uzel H. McCarter	5,000.00
J. C. Wheeler, Washington, D. C.	50.00
G. von L. Meyer	25,000.00
S. W. Milliken	1,000.00
William H. Meredith	100.00
Robert Watchhorn	100.00
Einstein, Wolff & Co.	200.00
Treat, Converse & Co.	200.00
Rusch & Co.	100.00

Joseph J. Lee, Panama	$25.00
W. H. Evans, Wilkes-Barre, Pa	2.00
S. Rosenbaum	100.00
H. Rothschild	300.00
C. H. Poper & Co	100.00
W. C. Witherbee, Plattsburg, N. Y	500.00
John E. Kehl, United States consul, Stettin	50.00
W. F. Powell, United States minister, Haiti	300.00
Joseph H. Choate	2,000.00
Adolph Lewisohn	1,000.00
T. J. Jones	50.00
Joseph Wild & Co	100.00
H. Huntington	20.00
Millard Welch	20.00
T. A. Gillespie, through Dryden	1,000.00
Albert Cordes	100.00
G. W. Whitehead	200.00
Thomas Denny, jr	100.00
Samuel R. Betts	50.00
Henry White, London	1,000.00
Gen. H. E. Merriam	1,000.00
John C. Dancy, Washington, D. C	50.00
E. E. Paine, Washington, D. C	25.00
W. H. Cudworth, Norwood, Mass	5.00
Thomas B. Penick, Government Printing Office	20.00
Cheury Bros	1,000.00
Judson W. Lyons, Washington D. C	100.00
H. Dudley Coleman, New Orleans, La	50.00
Theodore Ives, for Amer	3,000.00
Frelinghuyson, for Clark Co	2,500.00
William Williams	200.00
G. v. L. Meyer, Boston committee	10,000.00
Oscar S. Straus	1,000.00
E. E. Osborn, 52 Wall	25,000.00
C. & N. W. Hughin, Illinois	5,000.00
Kountze Bros., J. Schiff	1,000.00
Lazard Freres, J. H. S	100,000.00
George J. Gould	50.00
John H. Deveaux, Savannah, Ga	1,000.00
Bellamy Storer	
John F. Dryden, Franklin Conklin, and sundry New Jersey collections	3,475.00
John Hay	5,000.00
F. B. Williams, New Orleans, La	10,000.00
E. T. Stotesbury, Philadelphia committee	20,000.00
Charlemagne Tower, by Stotesbury, Philadelphia committee	5,000.00
Botany Worsted Mills, per Dryden	2,000.00
Worthen & Aldrich Co., by Dryden	100.00
J. B. Hoyt, New York	25.00
H. S. Holden	50.00
J. N. Coombs, Florida	500.00
J. W. Ragsdale	50.00
Solvay Process Co	500.00
Hawaiian Sugar Planters' Association	10,000.00
G. v. L. Meyer, Boston committee	10,000.00
Roswell Miller	20,000.00
C., M. & St. P. Ry	5,000.00
Charles Lauler	1,000.00
Judson W. Lyons, Washington, D. C	50.00
R. H. McNeil, sundry Florida collections	5,427.00
Algonquin Co, by Dryden	300.00
N. Brandon, by Brooker	25.00
A. C. Caine	25.00
S. T. Wainwright, Pittsburgh committee	25,000.00
Simon Borg & Co	200.00
Charles W. Morse	25.00
American Felt Co	1,000.00
E. H. Harriman	100,000.00
C. S. Mellen, president	50,000.00
Clarence H. Mackey	15,000.00
G. v. L. Meyer	10,000.00
D. O. Mills	5,000.00
M. Guggenheim Sons	2,500.00
F. F. Ayer	500.00
J. N. Cochran, South Carolina	50.00
G. G. Sheperd, South Carolina	10.00
Mrs. Catherine Faye	50.00
American Bank Note Co	2,000.00
E. T. Stotesbury, Philadelphia committee	25,000.00
L. C. Weir	1,000.00
American Bank Note Co., E. T. S., Philadelphia	1,000.00
John Henry Hammond	50.00
F. I. Allen, Commissioner of Patents	250.00
John Stewart, through Dryden	500.00
Robert Small	30.00
S. J. Wainwright, jr., Pittsburgh committee	20,000.00
C. W. Post, Postum Cereal Co	2,500.00
J. L. Davenport, Deputy Commissioner of Pensions	100.00
A. O. Brodie, Arizona	50.00
W. F. Nichols, Arizona	100.00
M. H. McCord, Arizona	100.00
Ned S. Navi, Arizona	200.00
J. H. Campbell, Arizona	75.00
W. S. Sturges, Arizona	100.00
John Jacob Astor per D. Robinson	5,000.00
Mrs. Garret A. Hobart, New Jersey	2,000.00
C. H. Dexter, New York	25.00
S. J. Wainwright, jr., Pittsburgh committee	30,000.00
W. D. Sloane, New York	1,000.00
John F. Talmadge	100.00
Whitelaw Reid	10,000.00
Paterson Parchment Paper Co. (Dryden)	50.00
United Pierce Dye Works (Dryden)	250.00
M. T. Hungertord Brass & Copper Co	500.00
C. E. McChesney, South Dakota	100.00
Mortimer L. Schiff by Hammond	1,000.00
Felix M Warburg by Sheffield	1,000.00
Dryden & Conklin, New Jersey	3,850.00
C. N. Bliss, for P. R	25,000.00
L. N. Hammerling	20.00
T. Roosevelt & Sons	500.00
W. Blumenthal, for Senator Platt	10,000.00
J. H. Lane & Co	500.00
G. v. L. Meyer, Boston committee	$20,000.00
Union League Club	5,925.00
C. Kenyon	250.00
Ensor	100.00
Edwin P. Morgan, secretary	1,500.00
Preston Rivers, State committee	45.00
Louis Stern	2,000.00
Geo. v. L. Meyer, Boston committee	10,000.00
John Conley	25.00
A. C. Meniceo, State committee	15.00
W. E. Boykin	15.00
C. J. Dumas	1,000.00
G. v. L. Meyer, Boston committee	5,000.00
M. Stunberg, Schell Co	500.00
Henry Monchan	10.00
E. T Stotesbury Philadelphia committee	25,000.00
Millard, Ellis Island	250.00
C. N. B., for P. R	25,000.00
Union League Club	5,315.00
R. H. McNeill, southern collections	4,300.00
Wm. Small, consul, Collingwood, Ontario	50.00
James E. White, superintendent, Washington, D. C	50.00
A. A. Cowles, through Brooker	100.00
H. J. Pierce, Wood Product Co., Buffalo	5,000.00
M. C. D. Borden	10,000.00
T. Coleman du Pont	5,000.00
Samuel Sachs	100.00
Mrs. Richard Butler	100.00
James Stillman	5,000.00
W. Bayard Cutting	3,000.00
H. T. Baker	250.00
Dr. James C. Kelley	100.00
John H. Shulton	1,000.00
A. G. Smith, for Cuba Mail Steamship Co	10,000.00
W. & T. Sloane	1,000.00
B. Levy, State committee	25.00
Live Stock Sanitary, Arizona, by Sturges	100.00
S. J. Wainwright, Pittsburgh committee	25,000.00
E. T. Stotesbury, Philadelphia committee	25,000.00
W. H. Bliss, for London	2,000.00
Lewis Emery, jr., Bradford, Pa	500.00
Charles W. Harkness	250.00
H. H. R., J. D. W	100,000.00
William H. H. Holton	40.00
L. C. Weir	1,500.00
S. Slater & Sons	100.00
Ivin & Co	50.00
M. K. Jessup	500.00
Union League Club	6,315.00
Douglas Robinson	500.00
Wm. Nelson Cromwell	5,000.00
Robt. J. Wynne, Postmaster General	250.00
A. A. Adee, U. S. S	100.00
H. M. Hoyt, Washington	100.00
John G. Foster	100.00
E. E. Brown	100.00
O. C. Barber, Ohio	4,500.00
Great Lakes Dredge & Passenger Co	5,000.00
Emory Speer, Georgia	50.00
Moran Bros., Seattle	500.00
E. H. Conger	500.00
Dryden Conkling, collecrions	950.00
Dryden Conkling, collections	350.00
H. T. Libby & Co	100.00
Wm. Barbour	6,000.00
I. F. Derann v. c	50.00
St. Joseph Lead Co	2,000.00
A. T. Jennings	25.00
W. D. Baldwin	2,000.00
Horace W. Metcalf	50.00
M. K. Jessup, additional	500.00
G. v. L. Meyer, Boston committee	5,000.00
Richard F. Howes, International Harvester Co	20,000.00
H. T. Libby & Co	100.00
Babcock, Wilcox & Co	5,000.00
E. W. Bloomingdale	450.00
W. L. Wellington	25.00
W. D. Lewis	25.00
E. A. Hitchcock	1,000.00
John K. Gowdy, Paris	300.00
Remington Typewriter Co	1,000.00
Miscellaneous, G. B. C	300.00
Geo. F. Valentine (Brooker)	150.00
International Nickel Co	1,000.00
A. Lanfear Morris	100.00
Robt. Shaw Oliver, Washington	300.00
Robt. F. Ballantine (Dryden)	1,000.00
E. C. Madden	200.00
D. L. Einstein	1,500.00
Union Selling Co	100.00
Chas. E. Magoon	250.00
S. Listro, consul	100.00
G. B. Dean	100.00
Charles Parsons, St. Louis collections	105.00
Sundries	565.00
Union League Club	3,110.00
H. H. Rogers	10,000.00
W. A. Richards	500.00
T. H. Davis & Co., Boston	100.00
Frank M. Brandegee	50.00
R. H. N. Ferguson	250.00
Clark, Chapin & Budnell	50.00
Chas. J. Lavis	50.00
Martin Maloney, Philadelphia	250.00
Thos. W. Smith, Washington	250.00
Bloomingdale Bros	1,000.00
Joseph Eastman	250.00
C. A. Moore	1,000.00
Olebeman Co	1,000.00
Heitman	1,000.00
Port Hency collections	830.00
Bethlehem Steel Co	5,000.00
E. T. Stotesbury, Philadelphia committee	20,000.00
Robt. C. Prunyn (?), Albany	5,000.00

W. H. P. Martin	$100.00
R. D. Hawley, Texas	1,000.00
Cornelius Vanderbilt	250.00
Irving B. Dudley Pennsylvania	500.00
Thos. Ryan	200.00
Austin Nichols Co	100.00
D. S. Walton Co	50.00
Abner Bussing	50.00
John E. McCall	200.00
W. C. Stokes & Co	100.00
John F. Sullivan	5,000.00
William Gamull	1,000.00
Vermilye Co	1,000.00
John W. O'Brien	40.00
F. B. Sawyer	20.00
R. D. Douglas	100.00
W. C. Witherbee, collections	25.00
Mrs. Fred Billings	1,000.00
G. W. P committee	100,000.00
American Can Co. by J. C. Shafer	10,000.00
Robert Mather	25,000.00
Sundry collections	5,000.00
B. L. & N. C. Taylor	5,000.00
Bulkley Dutton Co	100.00
Iona Bulkley	50.00
W. H. H. Hull Co	25.00
F. M. Emanuel, South Carolina	25.00
William C. M. Kenzie	500.00
J. F. Wilder	30.00
W. S. Witherbee, collections	25.00
J. E. B	50.00
Samuel Spencer, by Geo. F. Baker	5,000.00
J. P. Morgan & Co	100,000.00
A. D. Russell	1,000.00
James W. Pinchot	1,000.00
S. Guggenheim	7,500.00
Allen Lane Co., Boston	200.00
Gen. H. E. Tremain, congressional committee	5,000.00
Henry Kowalsky	250.00
E. Baker	50.00
Charles G. Kinseli, Texas	100.00
Otto V. Lee, Oklahoma	50.00
C. Rosenbaum	50.00
Union League Club	4,665.00
R. H. McNeill, collections	5,382.00
William H. ——, Alabama	100.00
L. P. Evans, Maryland	50.00
Walter Burns, Texas	250.00
Charles N. Swift	1,000.00
J. G. White Co	1,000.00
P. S. Arnold, Georgia	25.00
William A. Pue, Massachusetts	200.00
Sundries	35.00
H. Z. Re——	500.00
N. W. Kendall, New Haven	20,000.00
L. Leatherman, Boston	30.00
W. C. Sheldon & Co	1,500.00
Robert Winthrop & Co	3,000.00
Harvey Fisk Sons	1,500.00
Gerald Davis	100.00
James A. Blair	1,000.00
Frank T. Hecker	1,000.00
George G. Heron, jr	50.00
G. v. L. Meyer, Boston committee	5,000.00
E. T. Stotesbury, Philadelphia committee	10,000.00
Union League of Philadelphia, E. T. S	10,000.00
W. R. Deeble, Washington	100.00
S. G. Cronwell	100.00
Perry Knitting Co	500.00
W. B. Clarke, Kansas City committee	2,067.00
John Boyle	250.00
N. Fisher & Co	50.00
Cecil A. Lyons, Texas	250.00
Charles Dillingham	1,000.00
H. B. Boynton, Washington	50.00
Sundries	20.00
E. H. Gatto	250.00
C. A. Coffin, for General Electric	3,000.00
Martin A. Knapp, Interstate Commerce Commission	300.00
American Locomotive Co	1,000.00
J. J. Williams	25.00
W. W. Nell	25.00
Louis Wild	25.00
W. H. Osmer	25.00
E. J. Watson	25.00
W. L. Morsey	200.00
Chauncey M. Depew	100,000.00
S. S. Conover	1,000.00
J. D. Adams & Co	215.00
New Jersey Twine Co	2,500.00
Sundries	141.00
Miller Bros. Cutlery Co	100.00
C. C. Billings	20.00
H. G. Boodle, Missouri	25.00
C. S. Wayland, Washington	100.00
Frank Wyman, Missouri	300.00
John Stevenson, Pennsylvania	500.00
E. T. Stotesbury Philadelphia committee	5,000.00
Union League Philadelphia committee	5,000.00
Frank B. Kellogg, Minnesota	1,000.00
Louis De Jongo Co., New York	100.00
Clement & Stockman Co	50.00
Sundries	35.00
R. H. McNeill, collections	2,820.00
Henry L. Burnett	250.00
A. F. Carle	50.00
D. S. Wendell	50.00
W. C. Witherbee, collections	75.00
T. W. Bonne, E. W. B	400.00
Sundries, E. W. B	125.00
Robert Bacon	10,000.00
Sundries	180.00
Union League	2,940.00
George W. Allen, Key West, Fla	$500.00
Tower Manufacturing Co	500.00
Thomas R. Wallace	50.00
Sundries	40.00
J. P. Morgan & Co., additional	50,000.00
J. H. Hyde	25,000.00
I. N. Seligman	5,000.00
C. N. Bliss	5,000.00
James Stillman	10,000.00
E. H. Harriman	50,000.00
H. C. Frick	50,000.00
D. O. Mills	5,000.00
H. McI. Twombly	10,000.00
E. T. Stotesbury	10,000.00
G. W. Perkins	10,000.00
Jacob H. Schiff	5,000.00
Isaac N. Seligman	5,000.00
J. F. Dryden, collection, New Jersey	25,000.00
N. B. Ream	2,500.00
Union League Club	1,915.00
Henry W. Tatt	250.00
T. W. Dorman	25.00
J. C. Dawes, Kentucky	25.00
Mrs. James Longstreet	15.00
M. A. Montgomery, Mississippi	50.00
Edwin N. Morgan	500.00
Sundries	45.00
Whitelaw Reid	10,000.00
Isidor Wormser	500.00
John Vahant, New York	25.00
M. L. Wellington	25.00
Nuss Bros., Bliss, jr	250.00
H. A. Cassar & Co	100.00
M. B. Macfarlane, Florida	750.00
James W. Cunningham	500.00
C. V. C. Van Deysin	100.00
H. P. Wilson, Pennsylvania	100.00
F. L. Lee, Texas	100.00
L. M. Gowdy, Mississippi	25.00
R. L. Longstreet, District of Columbia	15.00
M. Guggenheim	5,000.00
Sundries	480.00
Victor Morawetz	1,000.00
Gen. J. W. Congdon, New Jersey	3,000.00
John F. Dryden	5,000.00
G. v. L. Meyer	4,000.00
Lawyers' Club	450.00
W. D. Baldwin, Otis Elevator	1,000.00
J. W. Wright, jr	100.00
George H. Bayne	150.00
J. N. Coombs, Florida	1,000.00
W. A. Wadsworth	1,000.00
Sundry small collections	365.00
G. v. L. Meyer, Boston committee	1,500.00
J. F. O'Shaghnessey, New York	100.00
Sundries	90.00
W. S. Woods	500.00
W. T. Dolphin	1,000.00
John Barrett	50.00
Elmer Stewart, Missouri	10.00
W. F. Swan, Mississippi	100.00
Nicholas M. Butler	5,000.00
R. C. Lake, per Clarke, Missouri	25,000.00
Union League Club	1,330.00
Sundries	96.00
E. H. Van Ingen	100.00
S. T. Wainwright, Pittsburgh	1,700.00
G. W. Perkins	5,000.00
R. H. McNeill, collections	343.00
Clark, collections	50.00
G. v. L. Meyer, Boston	227.00
Charles Dick	675.00
E. T. Stotesbury, Philadelphia	759.00

Mr. STONE. Mr. President, I will ask the Senator from Oklahoma if he will not consent to lay aside the bill for a short time that we may have an executive session, and after that we can resume its consideration.

Mr. OWEN. I am willing to have the bill temporarily laid aside subject to the executive session, with the understanding that after the executive session is disposed of we shall then proceed with the consideration of the bill.

Mr. STONE. The Senator agrees to lay it aside for the present?

Mr. OWEN. For the present for that purpose.

Mr. GALLINGER. The Senator from Oklahoma does not want to exact a promise that a motion to take up——

Mr. OWEN. I make no exaction of a promise. I am simply willing to lay it aside with that understanding.

Mr. GALLINGER. The Senator would not exclude any other Senator from moving to take up another bill if he saw proper to do so?

Mr. OWEN. I do not think I would have the power if I wanted to do it.

Mr. STONE. I merely paid the ordinary courtesy due in making a request of a Senator in charge of a bill when I asked the Senator from Oklahoma if he was willing that it might be laid aside temporarily.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House disagrees to the amendments of the Senate to the bill (H. R. 16763) to increase the revenue, and for other purposes, agrees to the

conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. KITCHIN, Mr. RAINEY, Mr. DIXON, Mr. HULL of Tennessee, Mr. FORDNEY, Mr. GARDNER, and Mr. MOORE of Pennsylvania, managers at the conference on the part of the House.

The message also announced that the House had passed a bill (H. R. 455) to define the rights and privileges of the trustees of municipally owned interstate railways, and construing the acts to regulate commerce with reference thereto, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED.

H. R. 455. An act to define the rights and privileges of the trustees of municipally owned interstate railways and construing the acts to regulate commerce with reference thereto was read twice by its title and referred to the Committee on Interstate Commerce.

EXECUTIVE SESSION.

Mr. STONE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After two hours and ten minutes spent in executive session the doors were reopened.

REPORTS OF COMMITTEE ON CLAIMS.

Mr. SHEPPARD (for Mr. JOHNSON of South Dakota), from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 6867. A bill for the relief of Lena Garagnon (Rept. No. 868); and

S. 6868. A bill for the relief of Ethel Frederickson and daughter Ethel (Rept. No. 869).

IMMIGRANT STATION, BALTIMORE, MD.

Mr. SMITH of Maryland. From the Committee on Appropriations I report back favorably without amendment the bill (H. R. 6034) to make available a portion of the appropriation for the immigration station at Baltimore, Md., for such counters, booths, screens, railings, seats, bunks, kitchen and laundry equipment, and so forth, as necessary in connection with said station, and I submit a report (No. 870) thereon. I ask unanimous consent for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the act of Congress approved July 17, 1914 (38 Stats, ch. 152, p. 513), increasing the limit of cost for the immigration station at Baltimore, Md., from $280,000 to $550,000 be, and the same is hereby, amended so as to make said amount also available for such counters, booths, screens, railings, seats, bunks, kitchen and laundry equipment, etc., as may be deemed necessary in connection with said station.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ASHURST:

A bill (S. 7003) granting a pension to Thomas F. Maher; to the Committee on Pensions.

By Mr. TAGGART:

A bill (S. 7004) granting an increase of pension to Fred Hauk; to the Committee on Pensions.

By Mr. LEA of Tennessee:

A bill (S. 7005) granting a pension to Lola A. Cheek; and

A bill (S. 7006) granting a pension to Clyde C. Morris; to the Committee on Pensions.

By Mr. CURTIS:

A bill (S. 7007) granting an increase of pension to Elias Andrew (with accompanying papers); and

A bill (S. 7008) granting a pension to Catherine Stapleton (with accompanying papers); to the Committee on Pensions.

By Mr. LEWIS:

A bill (S. 7009) granting a pension to Bertha B. Pratt; and

A bill (S. 7010) granting an increase of pension to John Luther Skinner; to the Committee on Pensions.

By Mr. TAGGART (for Mr. JOHNSON of Maine):

A bill (S. 7011) granting a pension to Harry C. Chute (with accompanying papers); to the Committee on Pensions.

By Mr. DILLINGHAM:

A bill (S. 7012) granting a pension to William W. Nally (with accompanying papers); and

A bill (S. 7013) granting a pension to Edward F. Griswold; to the Committee on Pensions.

By Mr. CHILTON:

A bill (S. 7014) granting a pension to George C. Hayes; to the Committee on Pensions.

COMMITTEE ON THE CENSUS.

Mr. CHILTON submitted the following resolution (S. Res. 265), which was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on the Census be, and it is hereby, authorized to employ an additional clerk at the rate of $100 a month until otherwise provided by law.

LOBBY INVESTIGATION.

Mr. OVERMAN submitted the following resolution (S. Res. 266), which was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the time by which the Committee on the Judiciary was instructed to report to the Senate on the investigation by a subcommittee thereof authorized under Senate resolution No. 92, Sixty-third Congress first session, being a resolution instructing them to investigate the charge that a lobby is maintained to influence legislation pending in the Senate, which was heretofore extended by resolutions of June 6 and June 26, 1913 and February 19 (calendar day, March 3), 1915, be, and the same is hereby, extended so as to permit the said subcommittee to conclude its investigation and the committee to make its report to the Senate in the second session of the Sixty-fourth Congress; and that the authority granted under resolutions of August 9, 1913; October 8 (calendar day, October 12), 1914; and February 19 (calendar day, March 3), 1915, for the incurring and payment of expenses is hereby extended for the same length of time so far as it relates to the said investigation and report.

PUBLIC-LAND STATUTES (S. DOC. NO. 547).

Mr. CHILTON. From the Committee on Printing I report back favorably without amendment Senate resolution 243 to print the publication entitled "Public Land Statutes of the United States" as a Senate document, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

The Senate, by unanimous consent, proceeded to consider the resolution.

Mr. SMOOT. I move to amend the resolution by inserting, in line 1, after the word "That," the words "10,000 copies of"; in line 2, after the word "printed," to strike out "as a Senate document and that 3,000 additional" and insert "of which 5,000"; in line 3, after the word "copies," to insert "shall"; in the same line, after the word "be," to strike out "printed"; in line 4, after the words "Senate folding room," to insert "4,000 copies for the use of the House of Representatives"; in the same line, after the word "thousand," to strike out "additional" and insert "copies"; and in line 5, before the word "Committee," to insert "use of the."

The amendments were agreed to.

The resolution as amended was agreed to, as follows:

Resolved, That 10,000 copies of the publication entitled "Public Land Statutes of the United States" be printed, of which 5,000 copies shall be for the use of the Senate folding room, 4,000 copies for the use of the House of Representatives, and 1,000 copies for the use of the Committee on Public Lands.

MISSISSIPPI RIVER BRIDGE.

Mr. CLARKE of Arkansas. On August 21 the bill (S. 5886) extending the time for the completion of a bridge across the Mississippi River at Memphis, Tenn., and so forth, together with the amendments of the House, was referred to the Committee on Commerce. I am directed by that committee to report back the bill and amendments of the House, with an additional proviso to section 2, and I ask for its consideration.

The VICE PRESIDENT. The amendment proposed by the Committee on Commerce will be read.

The SECRETARY. Add as an additional proviso to the amendment of the House numbered 4:

Provided further, That the term "passage," as used in the foregoing proviso, for which said sum of 25 cents is made the maximum rate of charge, shall include the right of the passenger to be carried over the approaches and connecting railway tracks of said bridge from the nearest stopping place to receive and discharge passengers at one terminal thereof to the nearest like stopping place at the other terminal thereof. And this proviso shall apply to and govern the authorized charge for passage to be made by the Kansas City & Memphis Railway & Bridge Co. for passage over its bridge and the approaches and connecting railway tracks thereof, across the Mississippi River, at Memphis, Tenn.

So as to make section 2 of the bill read:

SEC. 2. That the proviso in section 1 of said act approved August 23, 1912, be, and the same is hereby, amended to read as follows: "*Provided*, That said bridge shall be so constructed, maintained, and operated that, in addition to its use for railroad purposes, it shall provide for an adequate and a separate roadway and approaches and continuous use by the public as a highway bridge, to be used by vehicles, pedestrians, horsemen, animals, and all kinds of traffic and travel, for the transit of which reasonable rates of toll may be charged and received, but no rate for passage of a single passenger on a railroad train shall exceed 25 cents: *Provided further*, That the term 'passage,' as used in the foregoing proviso, for which said sum of 25 cents is made the maximum

rate of charge, shall include the right of the passenger to be carried over the approaches and connecting railway tracks of said bridge from the nearest stopping place to receive and discharge passengers at one terminal thereof to the nearest like stopping place at the other terminal thereof. And this proviso shall apply to and govern the authorized charge for passage to be made by the Kansas City & Memphis Railway & Bridge Co. for passage over its bridge and the approaches and connecting railway tracks thereof, across the Mississippi River, at Memphis, Tenn."

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senate to the amendment numbered 4 of the House.

The amendment was agreed to.

Mr. CLARKE of Arkansas. I move that the amendment of the House as amended be concurred in.

The motion was agreed to.

Mr. GALLINGER. I move the Senate adjourn until to-morrow morning at 10 o'clock.

The motion was agreed to; and (at 6 o'clock and 29 minutes p. m., Wednesday, September 6, 1916) the Senate adjourned until to-morrow, Thursday, September 7, 1916, at 10 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate September 6 (legislative day of September 1), 1916.

COAST GUARD.

Second Lieutenant of Engineers Frederick Harvey Young to be first lieutenant of engineers in the Coast Guard of the United States, to rank as such from July 1, 1916, in place of First Lieutenant of Engineers John B. Coyle, promoted.

Third Lieutenant of Engineers Ellis Reed-Hill to be second lieutenant of engineers in the Coast Guard of the United States, to rank as such from March 31, 1916, in place of Clarence J. Curtiss, resigned

Third Lieutenant of Engineers Mayson White Torbet to be second lieutenant of engineers in the Coast Guard of the United States, to rank as such from July 1, 1916, in place of Frederick H. Young, promoted.

PROMOTIONS IN THE NAVY.

Col. Charles H. Lauchheimer, adjutant and inspector, to be the adjutant and inspector of the Marine Corps, with the rank of brigadier general from the 29th day of August, 1916.

Col. George Richards, paymaster, to be the paymaster of the Marine Corps, with the rank of brigadier general, from the 29th day of August, 1916.

Col. Charles L. McCawley, quartermaster, to be the quartermaster of the Marine Corps, with the rank of brigadier general, from the 29th day of August, 1916.

POSTMASTERS.

ALABAMA.

Skipwith Coale to be postmaster at Jackson, Ala., in place of Skipwith Coale. Incumbent's commission expired August 26, 1916.

ILLINOIS.

L. D. Fuess to be postmaster at Mount Olive, Ill., in place of W. H. Whitehouse. Incumbent's commission expired August 22, 1916.

D. E. Noonan to be postmaster at Morrisonville, Ill., in place of J. W. Campbell. Incumbent's commission expired July 18, 1916.

IOWA.

W. B. Perkins to be postmaster at Seymour, Iowa, in place of H. E. Morrison. Incumbent's commission expired May 17, 1916.

G. A. Stout to be postmaster at Pella, Iowa, in place of L. F. Bousquet. Incumbent's commission expired July 27, 1916.

KANSAS.

Albert H. Gillis to be postmaster at Kansas City, Kans., in place of William Firstenberger, removed.

KENTUCKY.

James B. Simpson to be postmaster at Cynthianna, Ky., in place of Lewis M. Lebus. Incumbent's commission expired July 18, 1916.

MASSACHUSETTS.

Arthur J. Fairgrieve to be postmaster at Tewksbury, Mass., in place of A. J. Fairgrieve. Office became presidential January 1, 1916.

James B. Logan to be postmaster at North Wilbraham, Mass., in place of John W. Baldwin, resigned.

Joseph A. Mahan to be postmaster at Natick, Mass., in place of L. E. Pulsifer. Incumbent's commission expired July 24, 1915.

Frederick H. Mulcahey to be postmaster at Gardner, Mass., in place of G. L. Minott. Incumbent's commission expired July 18, 1916.

Everett P. Sheridan to be postmaster at Warren, Mass., in place of William J. Bell, not commissioned.

John T. Toomey to be postmaster at Oxford, Mass., in place of W. A. Taft. Incumbent's commission expired March 1, 1916.

NEBRASKA.

Vernon E. Plank to be postmaster at Wolbach, Nebr., in place of R. W. Davis, resigned.

NEW JERSEY.

Jesse Ward to be postmaster at Butler, N. J., in place of R. F. Treweeke. Incumbent's commission expired August 16, 1916.

NEW YORK.

O. Edmund Griswold to be postmaster at Riverhead, N. Y., in place of J. Frank Dimon, deceased.

NORTH DAKOTA.

A. J. O'Keefe to be postmaster at Beach, N. Dak., in place of John M. Baer, resigned.

OHIO.

Paul Machovina to be postmaster at Berea, Ohio, in place of Carl J. Eckert. Incumbent's commission expired February 15, 1916.

Jesse C. Ruff to be postmaster at Minerva, Ohio, in place of Frederick Greenwood. Incumbent's commission expired August 23, 1916.

OKLAHOMA.

M. M. Henderson to be postmaster at Tecumseh, Okla., in place of W. E. Johnston. Incumbent's commission expired April 5, 1914.

Robert L. Windsor to be postmaster at Wagoner, Okla., in place of H. E. Thomson, removed.

OREGON.

R. E. L. Bedillion to be postmaster at Bandon, Oreg., in place of W. J. Sweet. Incumbent's commission expired July 30, 1916.

S. A. Easterday to be postmaster at Clatskanie, Oreg., in place of C. E. Culbertson. Incumbent's commission expired August 24, 1916.

George P. Mims to be postmaster at Medford, Oreg., in place of J. R. Woodford. Incumbent's commission expired June 14, 1916.

J. W. Stacy to be postmaster at Rainier, Oreg., in place of J. W. McMilan. Incumbent's commission expired March 8, 1914.

D. M. Roberts to be postmaster at Gresham, Oreg., in place of Ione McColl. Incumbent's commission expired April 17, 1916.

PENNSYLVANIA.

John W. Andrews to be postmaster at Ariel, Pa., in place of John W. Andrews. Office became presidential July 1, 1916.

J. H. Fagan to be postmaster at Clymer, Pa., in place of J. W. Houck. Incumbent's commission expired July 24, 1916.

TEXAS.

J. D. Hooks to be postmaster at Onalaska, Tex., in place of H. A. Anderson, resigned.

Rufus L. Hybarger to be postmaster at Pineland, Tex., in place of R. L. Hybarger. Office became presidential July 1, 1916.

WYOMING.

H. H. Given to be postmaster at Gillette, Wyo., in place of Margaret E. Vines, deceased.

CONFIRMATIONS.

Executive nominations confirmed by the Senate September 6 (legislative day of September 1), 1916.

REGISTERS OF THE LAND OFFICE.

Charles S. Dunn to be register of the land office at La Grande, Oreg.

James Walter Mee to be register of the land office at Rapid City, S. Dak.

CONSULS.

CLASS 6.

Henry D. Baker to be a consul of class 6.

Joseph E. Haven to be a consul of class 6.

CLASS 7.

William L. Avery to be a consul of class 7.

POSTMASTERS.

GEORGIA.

Walter K. Kimbrough, Talbotton.

IOWA.

Hamett S. Armstrong, Nevada.
Thomas Carmody, Whittemore.
Park Homan, Prescott.

KANSAS.

Albert H. Gillis, Kansas City.

KENTUCKY.

James B. Simpson, Cynthiana.

MINNESOTA.

C. J. Aidean, Verndale.
Edward J. Cleary, South St. Paul.

NEW JERSEY.

John H. Mylod, Glen Ridge.

OKLAHOMA.

George M. Carson, Blackwell.
Joseph Garland, Frederick.

PENNSYLVANIA.

Bert B. Bowen, Sheffield.
Joseph A. Schroeder, Matamoras.

TEXAS.

Alvah F. Ferguson, Belton.

UTAH.

Nephi O. Palmer, Farmington.

REJECTION.

Executive nomination rejected by the Senate September 6 (legislative day of September 1), 1916.

POSTMASTER.

ILLINOIS.

Dixon C. Williams, Chicago.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *September 6, 1916.*

The House met at 10 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven, we thank Thee for the energy and perseverance which characterizes the work of the first session of the Sixty-fourth Congress, about to pass into history. For the skill, and uniform courtesy extended to all by the Speaker of this House and displayed by its Members, a wonderful school of discipline, which teaches the art of self-control and urbanity. Grant that the work which has been arduous and long continued, may be to the good of the people here represented and an object lesson in the efficiency of popular government. Let Thy blessing follow the Members and their respective families, the officers and employees to keep them in health and vigor, in body and mind until they shall again assemble to finish the tasks which wait on them, and all praise be Thine in the name of Him who taught us Fatherhood, brotherhood. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had agreed to the amendment of the House of Representatives to the bill (S. 6748) providing that Indian schools may be maintained without restriction as to annual rate of expenditure per pupil.

The message also announced that the Senate had passed without amendment joint resolution of the following title:

H. J. Res. 237. Joint resolution authorizing the Postmaster General to provide the postmaster of Gulfport, Miss., with a special canceling die for the Mississippi Centennial Exposition celebration.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3646) to amend the act of February 11, 1915 (38 Stat. L., p. 807), providing for the opening of the Fort Assiniboine Military Reservation.

The message also announced that the Senate had insisted upon its amendments to the bill (H. R. 16763) to increase the revenue, and for other purposes, had requested a conference on the bill and amendments, and had appointed Mr. SIMMONS, Mr. WILLIAMS, Mr. SMITH of Georgia, Mr. HUGHES, Mr. PENROSE, Mr. MCCUMBER, and Mr. SMOOT as the conferees on the part of the Senate.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that on September 5, 1916, that they had presented to the President of the United States, for his approval, the following bills:

H. R. 15158. An act to amend the Judicial Code, to fix the time when the annual term of the Supreme Court shall commence, and further to define the jurisdiction of that court; and

H. R. 17235. An act granting the consent of Congress to W. H. Crosby, W. H. Andrews, E. G. Connette, Daniel Good, Henry May, Robert C. Gaupp, Edward Kener, jr., William F. MacGlashan, Eugene L. Falk, John W. Robinson, John M. Willys, Oliver Cabana, jr., Conrad E. Wettlaufer, H. A. Hurt, George J. Meyer, Miron S. Hall, John Lord O'Brian, Frank S. McGraw, and William A. Morgan to construct a bridge across Niagara River within or near the city limits of Buffalo, and for other purposes.

ENROLLED BILLS SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 15316. An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes; and

H. R. 14391. An act authorizing the purchase of a site and the erection of a public building thereon at Madison, Wis., and for other purposes.

REVENUE.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 16763) to increase the revenue, and for other purposes, with Senate amendments thereto, and move to disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to take from the Speaker's table the revenue bill, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, we have not been able yet to see the amendments of the Senate. I think it is fair that the Members of the House should have an opportunity to see the amendments of the Senate, so that they may at least be informed of them before the bill goes to conference. It is my impression that the Senate ordered the bill printed with the Senate amendments.

Mr. LLOYD. Yes; it has been printed.

Mr. MANN. I was not able to get it at the document room when I went there this morning.

The SPEAKER. It is already printed.

Mr. MANN. Of course, it is of no value to me until I see it.

Mr. KITCHIN. I suggest, then, that I make the request at a later time in the day.

Mr. MANN. Yes; I suggest that the gentleman make his request later.

Mr. KITCHIN. Say at 12 o'clock?

Mr. MANN. I imagine that it will take more than two hours to look at the amendments, and I do not suppose it will delay the matter any.

Mr. KITCHIN. How long would the gentleman suggest?

Mr. MANN. I can not say until I read the amendments. I want to go over them. It has been impossible to follow the Senate amendments in the RECORD, as that body has the habit of amending a thing and then 40 pages over amending it again.

Mr. KITCHIN. I withdraw the request for the present.

The SPEAKER. The gentleman from North Carolina withdraws his request.

ARTHUR LUCAS.

Mr. LLOYD. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the Clerk's desk and ask to have read.

The Clerk read as follows:

House resolution 366.

Resolved, etc., That the Clerk of the House of Representatives be, and he is hereby, authorized and directed to pay out of the contingent fund of the House $90 to Arthur Lucas for special janitor services rendered during the first session of the Sixty-fourth Congress.

Mr. LLOYD. Mr. Speaker, this resolution provides for pay for additional janitor service rendered by Arthur Lucas. In addition to his duties as janitor he has had charge of the office room of ex-Speaker CANNON. He has performed that janitor

service during the whole of the year, and he asks only $10 a month for this additional service.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

SEPTEMBER PAY OF EMPLOYEES.

Mr. LLOYD. Mr. Speaker, I call up from the Speaker's table Senate joint resolution 173, authorizing the payment of September salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Resolved, etc., That the Secretary of the Senate and the Clerk of the House of Representatives be, and they are hereby, authorized and instructed to pay to the officers and employees of the Senate and House of Representatives, including the Capitol police and pages, borne upon the annual and session rolls, their respective salaries and per diem for the month of September, 1916, on the day of adjournment; and the Clerk of the House is authorized to pay on said day to Members, Delegates, and Resident Commissioners their allowances for clerk hire for said month of September: *Provided*, That the session employees of the Senate and House of Representatives shall be paid hereunder for the entire month of September, and a sufficient sum is appropriated, out of any money in the Treasury not otherwise appropriated, for that purpose.

Mr. LLOYD. Mr. Speaker, I move the adoption of the Senate joint resolution.

The SPEAKER. Is there an amendment pending?

Mr. LLOYD. No; I did not present the amendment.

Mr. FITZGERALD. What is this?

Mr. LLOYD. It is a resolution similar to the one the gentleman had passed two years ago.

Mr. FITZGERALD. Identical in every respect?

Mr. LLOYD. Yes.

The SPEAKER. The question is on the third reading of the Senate joint resolution.

The joint resolution was ordered to be read a third time, was read the third time, and passed.

MUNICIPALLY OWNED INTERSTATE RAILWAYS.

Mr. ALLEN. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 455) to define the rights and privileges of the trustees of municipally owned interstate railways, and construing the act to regulate commerce with reference thereto.

The SPEAKER. The gentleman from Ohio asks unanimous consent for the present consideration of the bill H. R. 455. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I have not my copy of the bill and report with me, but as I recall the report on this measure the trustees at the present time, under the ruling of the Interstate Commerce Commission, have the right to be taken by special car on a tour of inspection of these railroads whenever they see fit.

Mr. ALLEN. Once a quarter; that is, four times a year. This is for a general inspection tour. These trustees, for instance, can not have their engineer along when it is necessary to ascertain what is to be done about the raising or lowering of a bridge or the changing of a grade or location of a right of way.

Mr. STAFFORD. Does the gentleman mean to say that when the trustees make their official trip they are not permitted to take their engineer with them on the tour of inspection?

Mr. ALLEN. Not without paying his transportation. That is what the bill is for—to remedy that situation and to properly perform their duties.

Mr. STAFFORD. I do not read the report that way, I will say to the gentleman.

Mr. ALLEN. Well, that is the fact in the case. They have always had, under their contract with the lessee company, the right to passes for their officers and employees, such as their secretary, engineers, and attorney. Under the ruling of the Interstate Commerce Commission they are not permitted to have these passes, nor were the trustees permitted to have passes at any other time that it became necessary for them to go over the road to perform the duties which the law has placed upon them, save as to themselves when using the private car at stated intervals, for inspection.

Mr. STAFFORD. This would permit the trustees to grant passes to any person whomsoever they saw fit?

Mr. ALLEN. No.

Mr. STAFFORD. Why not?

Mr. ALLEN. Only their own officers and agents. It is very important that they should have such employees accompany them in the performance of their duties. It is a unanimous report of the committee. I will say to the gentleman. Hearings were had upon the bill and it was carefully gone into.

Mr. STAFFORD. Mr. Speaker, if the facts are as stated by the gentleman from Ohio—and I have no question but what he is more conversant with the facts than are disclosed in the report—under present arrangement the trustees are not privileged to take their engineers or other officials of the road with them on these tours of inspections, and its purpose is merely to grant transportation to these officers and employees, I have no objection.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the trustees of any interstate line of railway owned by a municipality and leased to and operated by a common carrier company, said trustees being vested with the power of eminent domain for the purpose of said railway under the laws of the respective States and charged with the care, supervision, and inspection of said line of railway and of its operation, shall, for the purpose of the act to regulate commerce and the acts amendatory thereof, be held and considered to be entitled to all the rights and privileges of officials of said operating company under said act as to transportation. And the terms of this act shall be held to apply to the officers and agents of said trustees.

SEC. 2. That nothing in said act to regulate commerce and the acts amendatory thereof shall be so construed as to abrogate any of the terms and conditions of any lease of such railway or to prevent a strict compliance therewith by either of the parties thereto or relieve either of them from the obligations thereof.

SEC. 3. That this act shall take effect and be in force from and after its passage.

The committee amendment was read, as follows:

Strike out all after the enacting clause, down to and including line 12, on page 2, and insert the following:

"That nothing contained in the act to regulate commerce, approved February 4, 1887, or the acts amendatory thereof, shall be so construed by the Interstate Commerce Commission, or by the courts, as to prevent the lessee of the Cincinnati Southern Railway from complying with its obligation assumed in leasing said railway to furnish free transportation to the trustees of said Cincinnati Southern Railway, their officers and agents."

The question was taken, and the amendment in the nature of a substitute was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. MANN. Mr. Speaker, I move to strike out the last word, or will the gentleman from Ohio yield me some time?

Mr. ALLEN. I will yield to the gentleman five minutes.

Mr. MANN. Mr. Speaker, I did not object to the consideration of this bill at this time, although I did once before. When we provided by law against the issuance of passes we interfered with a great many contracts between the railroads and other parties which provided for the granting of passes. Many of them were perfectly legitimate contracts. We have refused to vary the antipass law except in the case of charity or some of the old soldiers. There have been many, many requests urged with a great deal of strength and sometimes considerable logic in favor of varying the provisions of the antipass law so as to allow passes to be granted. Here is a company, the trustees of which claim, undoubtedly true, that they have certain supervisory work to carry on on a road which they have leased. They want the leased road to have the right to give them passes, and undoubtedly they will issue passes to a great many people in their employ, or be asked to at least, who have nothing to do with the real work of supervision. If we start in to yield to the demands to vary the antipass law so as to allow the issuance of passes, it will come a little at a time until it is very largely destroyed in its effect. Under the circumstances I have not felt at liberty to object to the consideration of the bill, although I very much doubt the propriety of it, but I hope at least that it will not be construed by the others who are clamoring for the same privilege as a precedent upon which they have the right to base a claim that they, too, shall be taken care of as well as these people.

Mr. COOPER of Wisconsin. Mr. Speaker, I call attention to the language in lines 19 and 20, page 2, which proposes to furnish free transportation to the trustees of the Cincinnati Southern Railway and "their officers and agents." Who are the "officers" of the trustees?

Mr. ALLEN. The reference is to the attorney, the civil engineer, and——

Mr. COOPER of Wisconsin. They are officers of the company, not officers of the trustees. It says here, "their officers and agents."

Mr. ALLEN. Well, I can say to the gentleman the language used follows the language in the lease. They really have no officers, in the ordinary sense, perhaps. There are five trustees

appointed by the superior court of Cincinnati under the act of the legislature authorizing——

Mr. COOPER of Wisconsin. I will say to the gentleman from Ohio that I was interested to know what that language meant. This is supposed to give free transportation to the trustees "and their officers."

Mr. ALLEN. Well, the president of the board of trustees and their secretary——

Mr. COOPER of Wisconsin. Who else?

Mr. ALLEN. Those are the only two officers of the board of trustees I can think of just now.

Mr. COOPER of Wisconsin. What of the company?

Mr. ALLEN. Their engineer, their attorney, and there may be an assistant engineer or two.

Mr. COOPER of Wisconsin. And everything enumerated here as "their officers" means only those two?

Mr. ALLEN. The secretary is not a trustee. He is employed at an annual salary, but is not a trustee.

Mr. COOPER of Wisconsin. How many men would this include?

Mr. ALLEN. It is very limited, I would say, to five or six, but I could not say what number definitely.

Mr. COOPER of Wisconsin. Is the limit set or is it in the trustees' discretion?

Mr. ALLEN. No; it is not. They have never had occasion to have more than that, except, possibly, in construction or in condemnation proceedings.

Mr. COOPER of Wisconsin. It leaves it to their discretion to appoint anybody their agent for any purpose whatever?

Mr. ALLEN. They do not do that. For instance, their salaries are limited to about $2,000 a year. It has been a matter of a great deal of civic pride in Cincinnati in the character of men selected for these trusteeships and in operating this railroad and maintaining it. It is a line between Cincinnati and Chattanooga, Tenn., and the trust has been conducted at a minimum cost, and the gentlemen who are appointed trustees by the court have always been very high-class gentlemen who have a great pride in the economical administration of the trust.

They are men to whom the salary is only a nominal stipend. In fact, they pay it nearly all out in incidental expenses.

Mr. COOPER of Wisconsin. The reason I have made these inquiries is because of the very vivid recollection I have of the abuses, the gross abuses, under the old system of indiscriminate granting of passes by railroads. They were many times granted for purposes entirely legitimate, but they were often granted also for the deliberate purpose of bribery. There is no doubt about that. And they were sometimes put into the hands of people who were powerful in molding public opinion and even in molding it the wrong way. All of the people own the franchises which enable the railroads to exist, and all of the people ought to be treated impartially in the matter of transportation over the railways. Passes ought not to be granted except when absolutely necessary for the proper administration of the affairs of the railroad. We ought to be exceedingly careful about legislation of this sort.

Mr. ALLEN. I will say to the gentleman that I agree with him fully on that proposition. This is a case that is entirely different from any other one existing. It is a municipally owned steam railroad, under lease to an operating company, and there are very few except the trustees connected with the management on the part of the city of Cincinnati. There is no other similar case in the United States. And it is in order to permit them to perform their duties and to enable the lessees to carry out their contract of lease that this relief is sought, and I can say to the gentleman that this right will be limited strictly to the legitimate agents and employees of the trustees.

The SPEAKER. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. ALLEN, a motion to reconsider the vote by which the bill was passed was laid on the table.

LEAVE TO ADDRESS THE HOUSE.

Mr. MUDD. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. The gentleman from Maryland asks unanimous consent to address the House for five minutes. Is there objection?

Mr. GARRETT. Mr. Speaker, reserving the right to object, I think there are some special orders for to-day, are there not?

The SPEAKER. Yes.

Mr. GARRETT. I ask for the regular order, then.

Mr. STAFFORD. It will take only five minutes. The other requests are for very lengthy speeches.

Mr. GARRETT. I think we ought to have the regular order. There is no objection to the gentleman's speaking at all, but here is my colleague, who has been crowded out for a few days.

Mr. BYRNS of Tennessee. The gentleman can get in here in a few minutes.

Mr. STAFFORD. A few hours, the gentleman means.

The SPEAKER. Is there objection?

Mr. GARRETT. I object.

Mr. MANN. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. MUDD] may address the House for 10 minutes at the conclusion of the other speeches.

The SPEAKER. The gentleman from Illinois [Mr. MANN] asks unanimous consent that the gentleman from Maryland [Mr. MUDD] may follow the gentleman from Indiana [Mr. MORRISON] for not to exceed 10 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. McARTHUR. Mr. Speaker, I ask unanimous consent that at the conclusion of the remarks of the gentleman from Maryland [Mr. MUDD] I may be permitted to proceed for 10 minutes.

The SPEAKER. The gentleman from Oregon [Mr. McARTHUR] asks unanimous consent that at the conclusion of the remarks of the gentleman from Maryland [Mr. MUDD] he be allowed to proceed for not to exceed 10 minutes. Is there objection. [After a pause.] The Chair hears none.

EXTENSION OF REMARKS.

Mr. GARDNER. Mr. Speaker, on August 26 the minority leader [Mr. MANN] obtained permission for me to print in the RECORD an interview of mine, in answer to the interview of Admiral Dewey, on the Navy. I ask unanimous consent now to print the interview substantially as I gave it to the New York Herald.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. BENNET. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an article by former Ambassador David Jayne Hill, in the North American Review for September, entitled "President Wilson's administration of foreign affairs."

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD by printing an article by David Jayne Hill, former ambassador to Germany and other countries, printed in the North American Review for September.

Mr. BORLAND. Mr. Speaker, reserving the right to object, how long an article is that? Does it occupy the entire magazine?

Mr. BENNET. It does not. It extends from page 345 to page 361.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. CONNELLY. Mr. Speaker, I ask unanimous consent to print some remarks in the RECORD about matters political.

The SPEAKER. The gentleman from Kansas asks unanimous consent to extend his remarks in the RECORD on matters political. Is there objection? [After a pause.] The Chair hears none.

Mr. TAGUE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman asks unanimous consent to extend his remarks in the RECORD. Is there objection. [After a pause.] The Chair hears none.

Mr. TIMBERLAKE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the issues of the campaign.

The SPEAKER. The gentleman from Colorado asks unanimous consent to extend his remarks in the RECORD on the issues of the campaign. Is there objection? [After a pause.] The Chair hears none.

Mr. SIEGEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing certain quotations from the speeches of Mr. Hughes.

The SPEAKER. The gentleman from New York [Mr. SIEGEL] asks unanimous consent to extend his remarks in the RECORD by printing certain quotations from Mr. Justice Hughes. Is there objection?

There was no objection.

Mr. ALMON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Alabama [Mr. ALMON] asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. LOBECK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD about Nebraska.

The SPEAKER. About what?

Mr. LOBECK. About the State of Nebraska and her resources.

The SPEAKER. The gentleman from Nebraska asks unanimous consent to extend his remarks in the RECORD concerning the State of Nebraska and her resources. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE.

Mr. BORLAND. Mr. Speaker, I ask unanimous consent that at the conclusion of the remarks of the gentleman from Oregon [Mr. MCARTHUR], if there is any time left, I may have 15 minutes.

The SPEAKER. The gentleman from Missouri [Mr. BORLAND] asks unanimous consent that at the conclusion of the remarks of the gentleman from Oregon [Mr. MCARTHUR] he may have 15 minutes. Is there objection?

Mr. CANNON. The gentleman from Maryland [Mr. MUDD] asked unanimous consent to follow the others for 10 minutes.

The SPEAKER. He got his leave.

Mr. CANNON. Does this supersede him?

The SPEAKER. No; it comes after him. Is there objection?

There was no objection.

The SPEAKER. Of course, all of these speeches are subject to the restrictions heretofore imposed.

Mr. DENISON. Mr. Speaker, is there any way I can ascertain how much time has been granted now, so that I may know whether to ask for time at the conclusion of these other speeches?

The SPEAKER. Two hours and twenty-five minutes have been allotted.

Mr. DENISON. Then I ask unanimous consent that I may address the House for 10 minutes at the conclusion of the remarks of the gentleman from Missouri [Mr. BORLAND].

The SPEAKER. The gentleman from Illinois [Mr. DENISON] asks unanimous consent to proceed for 10 minutes at the conclusion of the remarks of the gentleman from Missouri. Is there objection?

There was no objection.

CIVIL WAR VOLUNTEER OFFICERS' RETIRED LIST.

The SPEAKER. The gentleman from Ohio [Mr. BRUMBAUGH] is recognized for 10 minutes.

Mr. BRUMBAUGH. Mr. Speaker and gentlemen of the House, I obtained permission two weeks ago to make this talk, and I have been waiting patiently ever since. I am glad the opportunity has arrived to make it now. I shall not claim the time of the House, in these closing hours of Congress, to enter upon the discussion of any political theme. I have a higher and nobler theme.

I come to present the claims and to plead the cause of men of deathless fame and deathless deeds of patriotic service to the Nation.

I come to ask for generous recognition, simple justice, and the long-deferred fulfillment of the Nation's sacred pledge of honor. A pledge made to boys of 50 years ago who, in the day of the Nation's crisis, were ready to stake all and give all; yea, who did stake all and give all that the Nation might live and the flag float over a never-to-be-divided Nation of freedom. [Applause.]

AN APPEAL FOR PASSAGE OF THE BILL.

Mr. Speaker, my whole heart and soul beats with anxious desire to see this Congress pass, before we shall adjourn, the Civil War volunteer officers' retired list bill.

Ever since I have been a Member of Congress, before the Military Committee I have sought the passage of this measure with the deepest interest. The justice of it, the duty of it, the wisdom of it has appealed to me, and now, when after long effort we have obtained from the Military Committee favorable action and the bill is now before Congress with a favorable report of the committee recommending its passage, I appeal for its passage with the deepest solicitude.

LET US ACT NOW BEFORE IT IS FOREVER TOO LATE.

Gentlemen, this is a solemn hour to every man who has in his heart a just appreciation of the services of these old veterans. The volunteer officers of the Civil War who have honorable discharge from the Army and Navy of the United States make, as they believe, this their last appeal for justice.

The decrepitude of old age and the increasing number of the death list render it improbable that the remaining and impoverished few ever again will have strength of heart or hope to make much further effort to obtain that which the solemn pledge of Congress declared they should have, and which, although the law of this magnificent Republic now in full force has been ignored, overlooked, forgotten, and broken for full 50 years.

Soon the last of these heroic men will be gone. Only a few of them are left among us.

They live in our midst, a few here and a few there, living teachers of patriotism and good citizenship and living monuments of honor.

They should have our tenderest solicitude.

They and the men they led crowned American manhood with the highest tests of human bravery and patriotism.

They knew no fear, they should want for no affectionate regard.

The fame of these men and of the common soldier whom they led fills the earth and their glory walks the pathway of the stars.

Soon it will be too late to do this simple act of justice.

Why not do it now, before it shall be forever too late?

Two years ago there appeared before the Military Committee Col. Charles R. E. Koch, of Chicago, and 11 veteran comrades. To-day not a member of that band is alive. Col. Koch recently addressed the Military Committee. He has since answered the last call.

For these old veterans, whether they wore the blue or the gray, I have this wish: God circle and shelter them with his tenderest love. [Applause.]

Soon, in the words of the poet Holmes, we can say of the old veteran and the friends of his youth:

The mossy marbles rest
On the lips that he has pressed
In his bloom;
And the names he loved to hear
Have been carved for many a year
On the tomb.

Soon the last heroic figure will be gone, and all that will be left of them will be: The deathless memory of men of deeds of deathless fame.

Now, while we can, let us do this act that shall honor us in honoring them.

Let us prove to them that like God Himself the Nation is just.

Now, let us do this act of simple justice that will cheer every veteran's heart and fan his aged brow with joy like a breeze from paradise itself.

I agree with the beautiful sentiment expressed by Col. W. W. Smith, of Topeka, Kans., in a communication to me, in which he says:

The high duty rests on this Nation to keep its promise with its defenders as much as it would be to vigorously uphold its conventions and treaties with the nations of the world.

The few decrepid officers of the volunteer force now living absolutely depend and bank on the fulfillment of what Congress has pledged to them.

They have no persistency in urging what particular measure shall be passed, nor the schedule or amount to be paid, but it would be a flame in their hearts to know that Congress, in its own way, had performed its pledge while their canes still clicked on the pavement.

BRIEF REVIEW AND ARGUMENT IN SUPPORT OF THE BILL.

Mr. Speaker, the passage of this bill will fulfill the pledge that Lincoln made to these men more than a half a century ago. It will be a well-merited and long-deferred act of justice. The justice of this bill appeals to me, and my whole heart is in it. I have remained here in constant attendance in Congress when my personal interests called loudly elsewhere, seeking to find the open door of opportunity to push the bill to passage by unanimous consent before Congress adjourns. To do this I have not been absent a single day, even to look after my own interests in my campaign for renomination. I desire briefly to present some facts in support of this bill.

It will be seen that this bill would fulfill an unfulfilled pledge made to the Nation's defenders more than a half a century ago.

As reasons to justify the passage of this bill the following statement of facts are presented:

[Act of May 25, 1861; act of July 22, 1861; approved July 22, 1861.]

SEC. 5. *And be it further enacted*, That the officers, noncommissioned officers, and privates, organized as above set forth, shall in all respects be placed on the footing, as to pay and allowances, of similar corps of the Regular Army.

SEC. 6. *And be it further enacted*, That any volunteer who may be received into the service of the United States under this act, and who may be wounded or otherwise disabled in the service, shall be entitled to the benefits which have been or may be conferred on persons disabled in the regular service. * * *

Approved, July 22, 1861

This act places Volunteers and Regulars, as to pay and allowances, in all respects on equal footing. On those and other Government promises the Union forces were enlisted and mustered, served the cause, and were retired by discharge for wounds or disability or close of term of service or end of war, 1866, and that promised equality should now be fulfilled in whole or part as proposed in this act, H. R. 386.

The following facts are submitted as showing the justness of these claims:

1. Full retired pay was granted for life to all survivors of the Revolutionary, 1812, and Indian Wars, in accordance with rank. (U. S. Stat. L., vol. 4, pp. 269, 270, 529, 530.)

2. The present extra grade and extra pay granted to all Regulars with Civil War volunteer service, regardless of term of such service or its nature.

3. The acts of Congress March 3, 1905, nearly 40 years after the close of the Civil War, giving retirement and retired pay to Gen. Hawley and Gen. Osterhaus as brigadier generals for Civil War service as Volunteers. The granting of more than enlisted men's pay to all such surviving Volunteers by pension act of May 11, 1912.

The legislatures of States representing 50,000,000 of people and all Loyal Legion commanderies have approved the volunteer retired-list measures.

Without commissioned officers to guide, direct, and care for the more than 2,000,000 men of the Army and Navy in 1861 to 1866, the preservation of the Union could not have been accomplished.

Justice delayed for 50 years calls for this legislation. There are not over 6,000 survivors, average age 78, and their numbers are rapidly growing less.

Ninety-five per cent of the officers of the Union forces were volunteers from civil life and promoted from the ranks, but have received no recognition as officers by any general legislation, and 90 per cent of these preservers of the Nation have died without the honor and benefit to which they were entitled by acts of Congress.

All nations of the world have given especial honors to their warrior officers, always recognizing by pay and distinction their claims to consideration.

The Nation is again calling for defenders of the flag, and its vital necessity to-day is officers with ability and courage to command them. No greater inducement could be used to influence patriotic men to make sacrifices for the country at this hour than to show by congressional action that we do not forget such services after they have been rendered. All nations have shown their appreciation of such devotion upon the part of the leaders of their soldiers in battle. Surely we can afford to show a determination to render just reward to our warrior officers who may have been spared to us 50 years after having rendered their great service to the country. They are the survivors of a long roll of honor. They are in the sear and yellow leaf of life. They are the only heroes we have left to us who have actually led men into the red line of battle.

We retire our Regular Army officers at the age of 64 years. Few of these officers ever saw any battle service. There is never any question raised as to cost. Here is a body of men whose average age is about 80 years, every one of whom has seen service in war. We ought to recognize merit and service.

A bill very similar to this, entitled "A bill for the relief of the surviving officers of the Revolution," was before the Senate and debated on the 25th of April, 1828, which passed and became a law. Daniel Webster, then a Senator from Massachusetts, spoke in favor of that bill:

> This bill is intended for those who, being in the Army in October, 1780, then received a solemn promise of half pay for life, on condition that they would continue to serve through the war. Their ground of merit, in that whensoever they joined the Army, being thus solicited by their country to remain in it, they at once went for the whole war; they fastened their fortunes to the standards which they bore, and resolved to continue their military service until it should terminate either in their country's success or in their own death. This is their merit and the ground of their claim.
>
> The militia who fought at Concord, Lexington, at Bunker Hill, have been alluded to in the course of this debate in terms of well-deserved praise. Be assured, sir, there could with difficulty be found a man who drew his sword or carried his musket at Concord or Lexington or Bunker Hill who would wish you to reject this bill. They might ask you to do more, but never to refrain from doing this. Would to God they were assembled here and had the fate of the bill in their own hands! Would to God the question of its passage were to be put to them! They would affirm it with a unity of acclamation that would rend the roof of the Capitol.
>
> The objects, then, sir, of the proposed bounty are most worthy and deserving objects. The services which they rendered were in the highest degree useful and important. The country to which they rendered them is great and prosperous. They have lived to see it glorious; let them not live to see it unkind. For me, I can give them but my vote and my prayers, and I give them both with my whole heart.

Senator H. M. Teller, of Colorado, on June 13, 1906, presented a memorial favoring this legislation, as follows:

> In considering the claims of the petitioners to the considerate action of Congress, the value of their services must be judged of by the magnitude and importance of the issues involved in the Civil War and the results accomplished.
>
> In respect to the interests of the whole race of mankind, the preservation of the Union was the most important political event in the tide of time.
>
> The victory of the Union Army kept in the political firmament of the world, as a beacon light, the republican principle of self-government.
>
> Not only the repose, the progress, and the prosperity, but the very existence of the United States as a nation was involved in the tremendous struggle.
>
> The people of the United States owe their present marvelous prosperity, their peace at home, and their influence abroad to the fact that the Union was preserved by the patriotism, valor, and fortitude of the Volunteers.
>
> It is a well-established historical fact that officers of the Volunteers commanding troops in the field performed their duties with equal ability, zeal, and courage, and encountered the same hazards as did officers of similar rank of the Regular Army. Upon an examination of the records of these surviving generals it will be found that they all had long service, and that the great majority of them entered the service in 1861 and remained therein until the close of the war in 1865.

In view of all of these facts it seems clear that justice and fair dealing require that in respect to services in said war the rights of volunteer officers to honors and emoluments should have been equal to those of the Regular Army. This was not done. The appeal of these veteran volunteer officers is not a call for charity. They simply point to the record and request the Government to render equity to men who believed they have earned and thus far failed to receive equality.

The present request for the proposed legislation is based on this fivefold sanction:

(1) The general merits of the case, including the magnitude, results, and value of the service rendered, national expediency, and patriotic gratitude.

(2) The pledges given by Congress and President Lincoln at the opening of the Civil War to the several States and to the volunteers furnished by them.

(3) The action and policy of the Government since the war in extending to practically all surviving officers of the Regular Army and Navy special rewards exclusively for Civil War service, which, contrary to the pledges referred to, have thus far been withheld from surviving volunteer officers.

(4) The commanding precedent furnished by the United States Government in 1828 and 1832 in granting to the aged surviving officers of the Revolutionary Army full pay, limited to that of a captain, during the remainder of life.

(5) Present public sentiment in the Nation, as shown, among other proofs, by the unanimous action of the legislatures of 13 States, speaking for nearly 50,000,000 of our people, recommending the enactment of such a measure.

LEST WE FORGET.

Gentlemen, I want to appeal to all for support of this bill, not merely to confer honor and compensation upon these men but as a measure to keep the plighted solemn faith of a Nation to them and to show our appreciation of their patriotic services to our common country.

I appeal to men from all sections of our common country, and I want to pay a tribute to the fine chivalrous spirit so often displayed by the southern Member of Congress in these matters, and I want to testify that I have seldom ever appealed to a Confederate veteran or the son of a Confederate veteran and gone empty handed away.

Their services and sacrifices were for us all, and I long to see the day when there will be more general recognition and more tender solicitude felt for the veterans on both sides, by whose sacrifices alone we passed through the crucible that made us the Nation undivided and indivisible that we are to-day. Their blood it was that cemented the divided parts of our common country into one glorious indissoluble Union.

WE HONOR OURSELVES IN HONORING THEM.

For myself I consider it an honor as well as a pleasure to support this measure without reserve and with all my heart. I do this willingly and cheerfully, because I believe that these veterans who preserved for us and our common country the comforts and blessings which we enjoy as a result of their labor and sacrifices are entitled to and should cheerfully receive our deepest appreciation, sympathy, and best efforts in their behalf. [Applause.]

THEIR FAME IS IMMORTAL.

We can not add to their fame, but we can be grateful.

This generation can do little at most to reward or confer honor upon these old veterans.

Their sacrifices and deeds of valor have written their names in letters of unfading light upon the pages of history which time can not dim nor grow old.

They have conferred honor and glory upon our Nation and our generation far beyond our ability to compensate or reward.

Their valor is the Nation's priceless heritage.

They placed a new glory on the brow of freedom.

They gave a sweeter meaning to liberty.

They gave the Nation new life and hope, and they bathed our flag in immortal glory, so that all men from all parts of our common country to-day can unite in one grand song together till its music fills every heart and rolls along the bending sky

above us—The song of the flag—the song of a common country and a common flag:

Your flag and my flag,
And how it waves to-day
O'er your land and my land,
And half the world away;
Rose red and blood red,
Its stripes forever gleam;
Snow white and soul white,
The good forefather's dream;
Sky-blue and true blue,
Its stars that shine aright,
A glorious guidon of the day,
A shelter through the night.

Your flag and my flag,
And, oh, how much it holds
Of your heart and my heart,
Secure within its folds;
Your heart and my heart
Beat quicker at its sight,
Sun kissed and wind tossed,
The red and blue and white,
The one flag, the great flag,
The flag for me and you,
Glorified all else beside,
The red and white and blue.

[Applause.]

WILLIAM HAROLD KEHOE.

Mr. FIELDS. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 6279) for the relief of William Harold Kehoe.

The SPEAKER. The gentleman from Kentucky [Mr. FIELDS] asks unanimous consent for the present consideration of the bill which the Clerk will report.

The Clerk read as follows:

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized, by and with the advice and consent of the Senate, to appoint William Harold Kehoe, a cadet at the Military Academy at West Point, upon the graduation of the class of 1917, of which he was a member, to the position of second lieutenant of Infantry of the Army, and to place him upon the retired list with the pay of a retired second lieutenant of Infantry.

The SPEAKER. Is there objection?

Mr. GARRETT. Let it be again reported, Mr. Speaker.

Mr. STAFFORD. I object.

The SPEAKER. The gentleman from Wisconsin [Mr. STAFFORD] objects. The gentleman from Illinois [Mr. RODENBERG] is recognized for 30 minutes.

SHIPMENT OF MUNITIONS INTO MEXICO.

THE POLITICAL CAMPAIGN.

Mr. RODENBERG. Mr. Speaker, on August 4, 1916, I addressed the House at considerable length, and in the course of my remarks, while discussing the Mexican situation, I employed the following language:

The trouble at Parral occurred as late as April 10 of this year. The attack on our soldiers at that place was made by the soldiers of Carranza. Four days after the attack, and after the administration had full knowledge of Carranza's treachery, Secretary Lansing issued an order permitting Carranza to import 1,000,000 rounds of small-arms ammunition. The day before the order was issued Mr. Cleveland H. Dodge, vice president of the Phelps-Dodge Co., was in the city of Washington and, according to the newspapers, visited the Secretary of State.

The Phelps-Dodge Co. is engaged in the manufacture and sale of munitions of war, and is the same company that was indicted in the Federal courts for violating the embargo on the shipment of munitions to Mexico in the last year of the Taft administration, and escaped conviction on the technicality that the munitions had not actually reached the Republic of Mexico, but had been stopped at Bisbee, Ariz. Mr. Cleveland H. Dodge, vice president of the Phelps-Dodge Co., is a most interesting gentleman. The records show that he was the heaviest individual contributor to the Democratic national campaign fund in 1912, his first contribution being $30,000. I am not making any charge against the integrity of the Secretary of State, nor do I know positively that the Phelps-Dodge Co. sold Carranza this 1,000,000 rounds of ammunition, but I can not help wondering if there is any connection between the call of Mr. Dodge on Mr. Lansing and the issuance of the order. The ammunition which was imported by Carranza under that order was used in the attack on our soldiers at Carrizal, in which 19 of the Nation's defenders, including 2 officers, lost their lives. If there should be any connection between the visit of Mr. Dodge and the issuance of the order, and if the ammunition that was shipped to Mexico was shipped by the Phelps-Dodge Co., then may God have mercy on an administration that permits a campaign contributor to recoup himself at the expense of the lives of our gallant soldier boys.

[Applause on the Republican side.]

This statement of mine has called forth two denials, one by Mr. Cleveland H. Dodge, which appears in the form of a telegram published in the New York Times on August 6, 1916, and the other by Mr. Robert Lansing, Secretary of State, which appears in the very able address of the distinguished gentleman from Mississippi [Mr. HARRISON], delivered in the House August 8, 1916.

I shall first address myself to the denial of Mr. Cleveland H. Dodge. It is dated Newport, R. I., August 5, 1916, and reads as follows:

Please deny for me the insinuation and statements of Representative RODENBERG. They are absolutely false. Neither Phelps, Dodge & Co. nor I personally have any interest in manufacture of munitions of war.

CLEVELAND H. DODGE.

In wording his denial as he did Mr. Dodge proves conclusively that, after all, there is something in a name. [Laughter on the Republican side.] It is very apparent that he is trying to "dodge" the charge that I made against him and the corporation with which he is connected. I distinctly stated in my speech that the Phelps-Dodge Co. is engaged in the "manufacture and sale of munitions of war," and in support of that charge I desire to submit the following proof: In volume 209, Federal Reporter, year 1913, beginning at page 910, will be found an account of the indictment of the Phelps-Dodge Mercantile Co., in 1913, for shipping munitions into Mexico in violation of the neutrality resolution of March 14, 1912. The trial judge was Hon. William H. Sawtelle, and the record reads as follows:

UNITED STATES v. PHELPS-DODGE MERCANTILE CO. ET AL.

The Phelps-Dodge Mercantile Co., a corporation, and the Douglas Hardware Co., a corporation, and certain others were indicted for violating neutrality resolution, March 14, 1912, No. 10 (37 Stat., 630), in that they participated in a shipment of munitions of war intended for use in the Mexican revolution. On demurrer to the indictment. Sustained.

Joseph E. Morrison, United States attorney, of Bisbee, Ariz., Doan & Doan, of Douglas, Ariz., for Douglas Hardware Co.; Ellinwood & Ross, of Bisbee, Ariz., and Reese M. Llug, of Phoenix, Ariz., for Phelps-Dodge Mercantile Co., W. H. Brophy, and F. E. Coles.

Sawtelle, district judge: The indictment in this case contains two counts. The charging part of the first count thereof is as follows:

"That Phelps-Dodge Mercantile Co. and Douglas Hardware Co., reputed corporations, and W. H. Brophy, F. E. Coles, and W. F. Fisher, on or about the 15th day of May, A. D. 1913, in the said district and within the jurisdiction of this court, did unlawfully, knowingly, willfully, and feloniously, and with intent to export the munitions of war hereinafter described from the United States of America to and into the United States of Mexico, make and caused to be made a certain shipment of munitions of war, to wit, 50,000 cartridges of the caliber commonly known and designated as 7-M-M; that is to say, did make and caused to be made a shipment of said munitions of war from the city of Douglas, in the county of Cochise, State and district of Arizona, and with the State of Sonora, in the United States of Mexico, as the ultimate destination of said shipment, by them, at the city of Douglas, in the county of Cochise, State and district of Arizona, transporting and causing the said munitions of war to be transported, by means of horses and wagons and by express and railroad transportation in and over the railroad lines of the railroad commonly known and designated as the El Paso & Southwestern Railroad, from the store buildings of the said Douglas Hardware Co., in said city of Douglas, county of Cochise, State and district of Arizona, to the store buildings of the said Phelps-Dodge Mercantile Co., at the city of Bisbee, county of Cochise, State and district of Arizona."

The second count is identical with the first, except that it charges a shipment of 90,000 cartridges of the calibers commonly known and designated as 7-M-M and 30-30 from the store building of the Phelps-Dodge Mercantile Co., at Bisbee, county of Cochise, State and district of Arizona, and with the State of Sonora, in the United States of Mexico, as the ultimate destination of said shipment, by transporting said munitions of war by means of horses and wagon from the store building and warehouse of the Phelps-Dodge Mercantile Co., at Bisbee, to a point in the village of Bakersville, near the Bakersville Hotel, in the said county of Cochise, State and district of Arizona.

The indictment was designed to charge the defendants, and each of them, with a violation of the provisions of the joint resolution of March 14, 1912 (No. 10, 37 Stat. L., p. 630), which is as follows:

"*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled*, That the joint resolution to prohibit the export of coal or other material used in war from any seaport of the United States, approved April 22, 1898, be, and hereby is, amended to read as follows:

"That whenever the President shall find that in any American country conditions of domestic violence exist which are promoted by the use of arms or munitions of war procured from the United States, and shall make proclamation thereof, it shall be unlawful to export except under such limitations and exceptions as the President shall prescribe any arms or munitions of war from any place in the United States to such country until otherwise ordered by the President or by Congress.

"SEC. 2. That any shipment of material hereby declared unlawful after such a proclamation shall be punishable by fine not exceeding $10,000, or imprisonment not exceeding two years, or both."

A demurrer has been interposed to each count of the indictment upon the grounds that neither count of said indictment states facts sufficient to constitute a public offense on the part of the defendants, or any of them, under the laws of the United States of America.

(1) It will be observed that the pleader has attempted to follow the form of indictment approved by the Supreme Court of the United States in the case of the United States v. Chavez, reported in 228 U. S., 525 et seq., 33 Sup. Ct., 595, 57 L. Ed., 950; but, in my opinion, the indictment in this case does not measure up to the indictment in the Chavez case, and it is my opinion that the demurrer to the indictment in this case should be sustained, because when the indictment is carefully considered it is made manifest that the defendants are charged with the mere intent to ship the munitions of war in question into the forbidden territory and nothing more, and because the indictment is fatally defective in that it does not name a place of destination of the shipment of the said munitions of war within the forbidden territory.

As I have stated in the case of United States v. Steinfeld & Co. (No. C. 705, 209 Fed. 904), decided at this term, and in which case demurrer was sustained to the indictment, I do not consider the mere shipping of munitions of war from one point in the United States of America to another point in the United States of America an offense under the joint resolution of Congress above referred to, and I do not consider the mere intent to ship goods from a point within the United States of America into the United States of Mexico an offense, unless that intent is coupled with an actual shipment made from a definite point in the United States of America to a definite point in the United States of Mexico.

In the case of United States v. Chavez, above referred to, the offense charged was an actual shipment started from El Paso, Tex., to the city of Juarez, Mexico, and the defendant was carrying the munitions of war on his person and was arrested in the city of El Paso, after having started and while he was on his way to the city of Juarez. That case is not a parallel one to the case at bar, because in the case at bar

the actual shipment charged was a shipment made from one point in the United States of America, and in the State of Arizona, to another point in the State of Arizona, and a careful study of the indictment reveals no actual shipment made from a point in Arizona to a point within the forbidden territory, and the mere intent to make a shipment of munitions of war can not, in my judgment, be held to be an offense under the joint resolution of Congress in question, because that resolution nowhere makes it an offense, either directly or by necessary implication; and the Chavez case, above referred to, as I construe it, does not so hold, because in the Chavez case the intent which appears in the indictment was coupled with the actual shipment made from El Paso to the city of Juarez, while in the case at bar the intent stands alone and is coupled with no actual shipment save the shipment which was already made and previously ended.

(2) Furthermore, this indictment is bad in law, because it fails to specify a definite point of destination within the forbidden territory to which the shipment of munitions of war is alleged to have been made, or to charge that the point of destination in the State of Sonora, United States of Mexico, was to the grand jury unknown.

In the case of Almy *v.* State of California (24 How. (65 U. S.), 174; 16 L. Ed., 644), to which I have already referred in my opinion in the case of United States *v.* Steinfeld & Co., the Supreme Court of the United States has made it very clear, if the opinion of any court on the point were necessary, that the course of business is that, when a shipment of goods is made from one country to another, a bill of lading is made out and the goods are shipped and consigned to some definite consignee at some definite point of destination.

It is not conceivable that the defendants in this case should have shipped the munitions of war in question into the forbidden territory without having shipped them to some definite consignee at some definite destination, and, if this had been done, the point of destination could and should have been alleged in the indictment, so as to give the defendants notice of the precise offense charged against them, and so that a conviction or acquittal under this indictment could be pleaded in bar to a subsequent indictment for the same offense charged in the same way.

During the argument of this demurrer the United States attorney avowed that, in drawing the indictment in this and other similar cases, he took the indictment in the case of United States *v.* Chavez, supra, as his model. Since the indictment in the Chavez case charges of shipment of munitions of war made to the city of Juarez, Mexico, a definite place of destination within the forbidden territory, and the indictment in the case at bar merely charges a shipment of munitions of war made, with the State of Sonora, a large country and not a place, as its ultimate destination, it appears that the pleader did not follow his model in this particular in this indictment, and it becomes pertinent to inquire why he did not do so. Under these circumstances it seems reasonable to asume that if the pleader did not charge the place of ultimate destination in the State of Sonora, he did not do so because he could not, and he could not do it because he did not know what the destination was; and if he did not know what it was, and still did not charge that the place of destination was to the grand jury unknown, he must have done so because no shipment had actually been put on its final transit toward and into the forbidden territory, and there was, in fact, no shipment made, and hence no place of ultimate destination within the State of Sonora.

In this connection it should be observed that the indictment charges that the ultimate destination was the State of Sonora, and that the word "ultimate" was interlined in the original indictment, thus showing that the pleader of necessity had it in mind that the shipment made from the city of Douglas to the city of Bisbee, or the shipment from the city of Bisbee to the village of Bakersville, was not in either case the final shipment, and that the munitions of war were to be afterwards reshipped, from Bisbee or Bakersville or some other point across the border into the State of Sonora, and therefore that the respective shipments charged in the indictment were merely from one place in the United States of America to another place in the United States of America, and not in the State of Sonora, as the indictment apparently charges, and consequently that the indictment in fact charges no overt act of illegal shipment done in connection with the mere naked intent charged.

It should also be observed that in holding that a definite destination for each shipment should have been named in the indictment, or else that the indictment should have been charged that such destination was to the grand jury unknown, this court intends to go no further than the United States Supreme Court tacitly went in upholding the indictment in the Chavez case on this point, and does not intend to hold or even to intimate that allegations charging the giving of a bill of lading and the naming of a consignee are necessary ingredients of an indictment of the kind under consideration here; but what has been said and quoted above regarding a consignee and a bill of lading has been used merely for the purpose of showing the necessity of having a definite place of destination of a shipment of munitions of war or goods of any other kind in commercial transaction of every sort, where a shipment is alleged.

The demurrer will be sustained to each count, and the indictment will be quashed and dismissed, and judgment accordingly will be entered.

The Phelps-Dodge Mercantile Co. is a subsidiary of the Phelps-Dodge Co., as is clearly shown by "Moody's Manual of Railronds and Corporation Securities" for the year 1915. On page 3127 of this manual this subsidiary corporation is described as follows:

Phelps-Dodge Mercantile Co. (controlled by stock ownership): Incorporated December 14, 1911, and acquired the store business and stocks of merchandise of the Copper Queen Consolidated Mining Co., Detroit Copper Mining Co. of Arizona, Montezuma Copper Co., Southwestern Mercantile Co., and Burro Mountain Copper Co. The total gross sales and transfers for the year 1914 were $5,920,223, on which a net profit of 8.38 per cent was made.

Capital stock: Authorized, $4,000,000; issued, $2,000,000; par, $100. No bonded debt. All owned by Phelps, Dodge & Co. A dividend of 15 per cent was paid in 1912, 25 per cent in 1913, and 20 per cent in 1914.

Income account, year ended December 31, 1914: Net earnings, $460,656; depreciation, etc., $36,791; dividends paid, $400,000; surplus for year, $23,865.

Officers: James McLean, president; A. C. James, C. H. Dodge, vice presidents; George Notman, secretary and treasurer; F. T. Bulmer, assistant secretary; C. W. Parsons, assistant treasurer, New York; W. H. Brophy, general manager, Bisbee, Ariz.

Directors: Not reported.

It will be noted that Mr. Cleveland H. Dodge is one of the vice presidents of the Phelps-Dodge Mercantile Co., and the manual also shows that he is one of the vice presidents of Phelps, Dodge & Co. It may be true that Phelps, Dodge & Co. are not directly engaged in the "manufacture" of munitions of war, but in the face of this record it can not be denied by any man who has the slightest regard for the truth that Phelps, Dodge & Co., of which corporation Cleveland H. Dodge is vice president, are interested in the sale of munitions of war. [Applause on the Republican side.]

I shall not attempt to analyze the opinion rendered by Judge Sawtelle, as it speaks for itself. The neutrality resolution, adopted by Congress on March 14, 1912, reads, in part, as follows:

It shall be unlawful to export, except under such limitations and exceptions as the President shall prescribe, any arms or munitions of war from any place in the United States to such country until otherwise ordered by the President or by Congress.

The indictment as drawn by the United States district attorney stated explicitly that the defendant company "did make and caused to be made a shipment of said munitions of war from the city of Douglas, in the county of Cochise, State and district of Arizona, and with the State of Sonora, in the United States of Mexico, as the ultimate destination of said shipment." The mere fact that the indictment did not specify a definite point of destination within the State of Sonora caused the learned judge to hold that the indictment was fatally defective, and on this flimsy technicality the demurrer was sustained and the indictment was quashed and dismissed.

The Hon. William H. Sawtelle was appointed Federal judge for Arizona on August 18, 1913, by President Wilson. His principal backer and the man who was primarily responsible for his appointment was Mr. Everett E. Ellinwood, general attorney for the Phelps, Dodge & Co. interests in Arizona, and who appears as attorney for the defendants in this case. I have no doubt that Mr. Cleveland H. Dodge joined in the recommendation of his general attorney. [Applause on the Republican side.]

At the time this indictment was returned the Hon Joseph E. Morrison, of Bisbee, Ariz., was the United States district attorney. Mr. Morrison, who is a highly reputable gentleman, states that he received specific instructions from the Department of Justice in Washington to prevent the indictment at the same time of the Winchester Arms Co., in which Marcellus Dodge, a relative of Cleveland H. Dodge, is heavily interested, and which concern was also involved in the shipment of munitions to Mexico in violation of the neutrality resolution. [Applause on the Republican side.]

Later on Mr. Morrison received a request from A. B. Bielaski, Chief of the Division of Investigation, asking him to suppress the instructions issued by the Department of Justice and under no circumstances to permit them to be made public. [Applause on the Republican side.] Mr. Morrison is no longer United States district attorney, having been supplanted by a "deserving Democrat."

In order to get at the facts with regard to the shipment of munitions of war from the United States to Mexico I introduced the following concurrent resolution on August 7, 1916:

House concurrent resolution 53.

Resolved by the House of Representatives (the Senate concurring), That a select committee of five Senators and five Representatives be appointed by the President of the Senate and the Speaker of the House, respectively, and be empowered and instructed to investigate the shipment of munitions of war from the United States to Mexico, and to any Government, belligerent faction, outlaw band, or private individual in Mexico, from the date of the embargo proclamation of President Taft to and including the days when the investigation shall be in progress; and

Resolved further, That said select committee shall particularly investigate and report whether any one particular firm, company, or corporation, or several particular firms, companies, or corporations has or have been identified with the business of shipping munitions to Mexico and whether any such company, firm, or corporation has, in its corporate capacity or through any of its officers, directors, trustees, or large stockholders, been prominently identified with any officer of this Government or any political party, or has contributed largely to the campaign funds of any party or candidate.

This resolution was properly referred by the Speaker to the Committee on Foreign Affairs. On August 10, 1916, I addressed the following letter to the Hon. HENRY D. FLOOD, chairman of the Committee on Foreign Affairs:

AUGUST 10, 1916.

Hon. HENRY D. FLOOD,
Chairman Committee on Foreign Affairs,
House of Representatives.

MY DEAR MR. FLOOD: On August 7 I introduced House concurrent resolution No. 53, providing for the appointment of a select committee of five Senators and five Representatives to investigate the shipment of munitions of war from the United States into Mexico. I would greatly appreciate it if the committee, of which you are chairman, would grant me a hearing on this resolution.

If it is not your purpose to grant hearings, I urgently request that the committee take some action on my resolution. I regard it of the

greatest importance that all the facts relating to the shipment of munitions to Mexico should be made public, especially as the ammunition which has been imported into Mexico from the United States has been used by the adherents of Carranza in the destruction of American life and property.

Very respectfully, W. A. RODENBERG.

Mr. COOPER of Wisconsin. Mr. Speaker, will the gentleman yield right there to an interruption?

Mr. RODENBERG. Yes.

Mr. COOPER of Wisconsin. I am a member of the Committee on Foreign Affairs and this is the first time I knew that a resolution of that kind was before the committee.

Mr. RODENBERG. That is not surprising. The distinguished chairman has up to this time failed to reply to my letter, and I confess that I am beginning to despair of ever hearing from him. If the shipment of munitions to Mexico will bear the light of that "pitiless publicity," of which we heard so much in the early days of the present administration, then why should the Democratic majority in this House hesitate to pass my resolution, which provides for a full investigation by a select committee in which Democrats will predominate? [Applause on the Republican side.]

In crediting Mr. Cleveland H. Dodge with a contribution of only $30,000 to the Democratic campaign fund of 1912 I unintentionally did that gentleman a gross injustice, as he is fairly entitled to credit for a much larger amount. There is nothing cheap about Mr. Dodge. In the testimony of Mr. William F. McCombs, chairman of the Democratic national committee of 1912, given before a subcommittee on Privileges and Elections of the United States Senate pursuant to Senate resolution 79, volume 1, page 875, Mr. McCombs states that in the prenomination contest Mr. Cleveland H. Dodge contributed $51,300 to the fund that was raised to insure the nomination of Woodrow Wilson.

In the sworn statement of receipts and expenditures of the national Democratic committee for the 1912 campaign two additional contributions are credited to Mr. Cleveland H. Dodge. According to this statement on August 30, 1912, Mr. Dodge donated $5,000 and on November 9, 1912, Mr. Dodge again contributed $30,000. The three contributions of which we have been able to find a record total the enormous sum of $86,300.

I submit these facts for what they are worth, and the public can draw its own conclusions as to whether or not Mr. Cleveland H. Dodge is able to exercise any "sinister" influence with the present administration. [Applause on the Republican side.]

Now, as to the denial of Mr. Lansing: In his speech on August 8 the eloquent gentleman from Mississippi, Mr. HARRISON, incorporated a telegram from Mr. Lansing to Mr. Polk, Acting Secretary of State, and in which Mr. Lansing says:

> Have never met Cleveland H. Dodge in my life. Have had no communications with him of any kind. Rodenberg charge utterly false.

In the speech of the gentleman from Mississippi, discussing the date of the shipment of munitions into Mexico, he further says:

> And the records show that on the 3d day of April Mr. Arredondo, accredited agent of Carranza, requested and got permission to ship these goods from Douglas, Ariz., into Mexico. They had been in Mexico for a week before the killing at Parral.

I have no desire to misrepresent the facts or to place Secretary Lansing in a false light before the country. I based my statement that the State Department had permitted 1,000,000 rounds of ammunition to be shipped into Mexico after the fight at Parral on the following press dispatch, which appeared on the first page of the Washington Post on April 15, 1916, and which reads as follows:

> STATE DEPARTMENT TO LET 1,000,000 ROUNDS OF AMMUNITION CROSS LINE.
>
> DOUGLAS, ARIZ., *April 14*.
>
> The State Department has issued a permit to the de facto government of Mexico to pass 1,000,000 rounds of small-arm ammunition from Douglas across the lines of Agua Prieta during the next few days. The ammunition is now en route to the border.

Just about this time Mr. Cleveland H. Dodge visited the city of Washington, and I was informed that he had called at the White House and on several Cabinet officers, among them Mr. Lansing. The statement of the Secretary of State that he has never met Cleveland H. Dodge is accepted by me as the truth, because I have no hesitancy in saying that I have much greater respect for Mr. Lansing's veracity than I have for his ability. There are so many things that he does not know that I am quite willing to believe that he is not even acquainted with the "good angel" of the Democratic Party. However, the fact that this particular shipment of 1,000,000 rounds of ammunition was authorized to be made before and not after the trouble at Parral is not in any way material, in view of the very damaging admission made by Secretary Lansing in his note to Carranza on June 26, 1916. In that note Mr. Lansing employs this direct and unequivocal language:

> It would be tedious to recount instance after instance, outrage after outrage, atrocity after atrocity to illustrate the true nature and extent of the widespread conditions of lawlessness and violence which have prevailed. During the past nine months in particular the frontier of the United States along the lower Rio Grande has been thrown into a state of constant apprehension and turmoil because of frequent and sudden incursions into American territory and depredations and murders on American soil by Mexican bandits, who have taken the lives and destroyed the property of American citizens, sometimes carrying American citizens across the international boundary with the booty seized. American garrisons have been attacked at night, American soldiers killed and their equipment and horses stolen; American ranches have been raided, property stolen and destroyed, and American trains wrecked and plundered. The attacks on Brownsville, Red House Ferry, Progreso Post Office, and Las Peladas, all occurring during September last, are typical. In these attacks on American territory, Carranzista adherents, and even Carranzista soldiers, took part in the looting, burning, and killing. Not only were these murders characterized by ruthless brutality, but uncivilized acts of mutilation were perpetrated.

By Mr. Lansing's own admission the State Department stands convicted of criminal inefficiency. The Secretary distinctly states that "the attack on Brownsville, Red House Ferry, Progreso Post Office, and Las Peladas, all occurring during September last," in the year 1915, and yet as late as April 3, 1916, or seven months after these attacks by the soldiers of Carranza, according to the statement of the gentleman from Mississippi [Mr. HARRISON], based on the proof furnished by the Secretary of State, Mr. Arredondo secured permission to import 1,000,000 rounds of ammunition into Mexico.

No apologist for the administration will attempt to deny that this ammunition was used in the fight at Carrizal, which occurred on June 21 of this year, and in which 19 of our brave troopers were ambushed and foully murdered by the adherents of Carranza. The point that I make and that I wish to impress upon the country is that the State Department has permitted ammunition to be imported into Mexico from the United States to be subsequently used in an attack upon our soldiers, and that, too, after the department had ample notice of the treachery of Carranza and his followers. This fact is fully established by the admission of the Secretary of State himself and by the statement of the gentleman from Mississippi. It is one of the very strongest counts in the indictment of the present administration, and on this count the people will render a verdict of guilty on the 7th day of November.

Democracy's feast of folly is drawing to a close. The days are numbered. The handwriting appears upon the wall: "Mene, mene, tekel, Upharsin"—"Thou art weighed in the balances and art found wanting." [Applause on the Republican side.]

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had passed without amendment bill of the following title:

H. R. 13046. An act to consolidate certain forest lands in the Oregon National Forest in the State of Oregon.

LINCOLN MEMORIAL.

Mr. JOHNSON of Kentucky. Mr. Speaker, I ask unanimous consent that the addresses delivered at the Lincoln memorial services day before yesterday at Hodgenville, Ky., may be printed in the RECORD.

The SPEAKER. Did not the gentleman secure permission to print the President's speech in the RECORD?

Mr. JOHNSON of Kentucky. I secured that leave, Mr. Speaker, for the President, but speeches were made there by Mr. Robert J. Collier, Gov. Joseph W. Folk, Senator WILLIAMS, Monsignor Shahan, the Secretary of War, and Rev. Dr. William A. Ganfield.

The SPEAKER. The gentleman from Kentucky asks unanimous consent to print in the CONGRESSIONAL RECORD the speeches delivered at Hodgenville touching the Lincoln memorial last Monday. Is there objection?

There was no objection.

THE POLITICAL CAMPAIGN.

Mr. BYRNS of Tennessee. Mr. Speaker——

The SPEAKER. The gentleman from Tennessee is recognized for 30 minutes.

Mr. BYRNS of Tennessee. Mr. Speaker, I have listened with a great deal of interest to the remarks made by my friend, the gentleman from Illinois [Mr. RODENBERG], in explanation of the insinuations and intimations which he sought to make against the State Department in a speech delivered some weeks ago. The gentleman always speaks with great force and splendid eloquence, but he is only another illustration of the fact that those who have been speaking during this Republican campaign have been unable to raise any direct issue before the

American people except by insinuation and intimation, for which they always have to apologize or explain when confronted with the facts, which in this particular case were so clearly set forth in the able speech of the gentleman from Mississippi [Mr. HARRISON]. [Applause on the Democratic side.] It is always easy to criticize. The gentleman himself, with all of the eloquence that he possesses, has shown that to be a fact. But it is more difficult to present something constructive, or to show what those criticizing would have done if placed in a similar situation. The man who owns a house will not permit another to tear it down unless he is guaranteed that the one tearing it down has the ability and the intention to put up a better structure in its place. So the people of the United States will not permit the Republican Party to destroy the wise legislation enacted by a Democratic Congress and approved by a Democratic President, to absolutely overturn the performances of a Democratic administration, unless they can guarantee to the country that they are in a position to enact better legislation and to do something better for the people of the United States. [Applause on the Democratic side.] This they have failed to do. Even the eloquence of the gentleman from Illinois [Mr. RODENBERG] has failed to show to the country anything that he could have done to improve upon what the Democratic Congress has done. Even the presidential candidate of the Republican Party, in the great number of speeches he has made upon his western and southern tour, has been unable to give to the people any evidence that if placed in that position of great responsibility he could have done any better, that he could have accomplished any more than a Democratic President and a Democratic Congress have accomplished.

I was very much impressed with the press reports of a speech Mr. Hughes delivered in my home city of Nashville, Tenn., a few days ago, in the course of which he undertook to evade the positive and emphatic statement he made in his speech of acceptance and in other speeches that if he had been President of the United States he would have recognized Huerta, the man who won the confidence of Madero, and, having won that confidence, was placed at the head of the Mexican Army, and then used the power conferred upon him to betray his benefactor, to throw him into prison, and finally to assassinate him with the soldiers who were under his command. When the Republican candidate was asked in the course of his criticism of the President's Mexican policy what he would have done, all Mr. Hughes was able to say was that he would have protected American rights, but he did not explain how he would have done so. He was not able to offer any specific plan of improvement over the Democratic policy.

Mr. Speaker, the people will not forget that Woodrow Wilson has kept this Nation out of war. [Applause on the Democratic side.]

They will not forget that he has preferred to save the lives of thousands of the young men of this country rather than to plunge us into a needless and unnecessary war in Mexico at the behest and instance of a few men who have great property interests in that country. [Applause on the Democratic side.]

Mr. MILLER of Minnesota. Will the gentleman yield?

Mr. BYRNS of Tennessee. No, not now. I will do so later, if I have the time. The people of this country will not forget that during this administration this country has enjoyed a prosperity almost unparalleled. And I wish to say to the gentleman from Illinois that the Democratic Party, the Democrats in Congress, the Democrats in the country look with absolute confidence upon the verdict of the people which will be rendered upon November 7. [Applause on the Democratic side.]

But, Mr. Speaker, I arose to discuss the serious situation which confronts the people whom I have the honor to represent and hundreds of thousands of people in other States.

I wish to speak a few moments on an amendment adopted by the Senate to the revenue bill which is now in conference between the two Houses, and which will be shortly presented to this House for its consideration, and I trust its approval. That amendment reads as follows:

That whenever during the existence of a war in which the United States is not engaged the President shall be satisfied that there is reasonable ground to believe that under the laws, regulations, or practices of any country, colony, or dependency contrary to the law and practice of nations, the importation into their own or any other country, dependency, or colony of any article the product of the soil or industry of the United States and not injurious to health or morals is prevented or restricted the President is authorized and empowered, within his discretion, to prohibit or restrict during the period such prohibition or restriction is in force, the importation into the United States of similar or other articles, products of such country, dependency, or colony as in his opinion the public interest may require; and in such case he shall make proclamation stating the article or articles which are prohibited from importation into the United States; and any person or persons who shall import, or attempt or conspire to import, or be concerned in importing, such article or articles into the United States contrary to the prohibition in such proclamation, shall be liable to a fine of not less than $2,000 nor more than $50,000, or to imprisonment not to exceed two years, or both, in the discretion of the court. The President may change, modify, revoke, or renew such proclamation in his discretion.

The only objection I have to this amendment is that it does not go far enough. Personally, if the restrictions on the importation of tobacco into neutral countries are not removed I would be glad to see an amendment adopted which would place an embargo upon some of the supplies which Great Britain is receiving from this country, or at least impose a tax upon her securities which have been disposed of in such great quantities in this country in order to secure funds with which to carry on the war in which she is engaged.

The enactment of the amendment which I have quoted is necessary in order to prevent discrimination against the products of our soil and factories, by giving the President of the United States the authority to resort to retaliatory measures, if necessary, in order to maintain a free and fair field for the products of American labor in neutral countries during the European war. It is of tremendous importance, particularly to the growers of tobacco, whose product is being discriminated against and denied a free and unrestricted market in neutral countries by reason of the unlawful and arbitrary action of Great Britain.

It was suggested and prepared as the result of a largely attended conference of tobacco growers from Tennessee, Kentucky, Virginia, and Maryland recently held in the city of Washington and which was attended by a number of Senators and Representatives from those States for the purpose of securing relief from the unreasonable and unjust restrictions imposed upon tobacco shipments by the British Government.

At the request of the conference it was submitted before introduction in the Senate to the State Department and has its approval. The Secretary of State, Mr. Lansing, and our foreign trade adviser, Mr. Marion Letcher, have been for some time making insistent efforts to secure relief through negotiations, but those efforts have up to this time apparently failed, and the conference felt that the exigencies of the situation demanded that the power should be put in the hands of the President to use retaliatory measures in order to preserve a free and fair field for our tobacco in the markets of the world, provided Great Britain continues to persist in what appears to be a deliberate determination to deprive this product of a neutral market.

Although introduced primarily in the interest of tobacco, the amendment applies to all products of the farm and factory. It should be promptly enacted into law, and the power conferred upon the President should be promptly exercised if Great Britain refuses to change her policy with respect to our foreign trade.

We are not responsible for the European war, and certainly during its continuance the products of American labor should not be permitted to suffer merely to serve the selfish purposes of any one of the belligerent powers. We hear a good deal in this day and time about Americanism and the proud privilege of being an American. It is indeed a high privilege, and the American citizen who does not unreservedly stand for America first, last, and all the time is unworthy of being an American citizen. [Applause.]

But, Mr. Speaker, the Government also owes a duty to its citizens. America owes a duty to Americans, and that is to protect them and their products from the unjust exactions and practices of every other nation in the world. [Applause.]

If this amendment is enacted into law, it will give to the President the power to protect our citizens in their just rights in a peaceable but none the less effective manner.

Permit me to briefly recount to you the situation which now confronts the tobacco growers in the district I have the honor to represent and in the States of Kentucky and Virginia, where dark tobacco is grown. This tobacco is almost entirely exported. The quantity absorbed in this country is negligible. By British orders in council of March, 1915, restrictions and conditions were imposed on the shipment of tobacco into markets in neutral countries which resulted in practically prohibiting its export to Holland and Scandinavia because ships refused to carry it in the face of these restrictions. As a consequence, the 1915 crop, which was in the field and which was harvested and made ready for the market in the fall, was reduced in price in the hands of the grower to a point below the cost of production. In response to continuous demands of our Government Great Britain, on November 15, 1915, agreed to no longer interfere with tobacco shipments to Holland and Denmark, or to impose any restrictions or conditions whatever on shipments to any neutral country.

Tobacco then began to move, and the price in the markets rapidly advanced owing to the increased demand. But, Mr. Speaker, the rise in price came entirely too late to benefit the

majority of tobacco growers, because at the time the agreement was made, in many instances, the tobacco had passed out of the hands of the men who produced it into the hands of the buyer. However, the growers, knowing there would be necessarily a greater demand for the 1916 tobacco crop if the war continued, and having no reason to believe that the British Government was not acting in good faith in making the agreement, were induced to put out a greater crop than for many years. Possibly 25 per cent more tobacco was raised this year than was raised last year.

And just at this time, just when the tobacco grower is making ready to put his tobacco on the market, the British Government, without warning, suddenly withdraws from its agreement, restores former conditions by reimposing the restrictions which were placed on tobacco shipments prior to November 15, 1915. More than that, it is even denying the right of shipment of that portion of the 1915 crop which is lying in the ports of this country not yet exported. A few weeks ago it agreed to modify that agreement by saying that if the 1915 crop had been purchased in good faith prior to August 4 and was shipped before August 31, it might go through without restrictions; but I happen to know that there are hundreds of hogsheads of tobacco now lying in the ports of New Orleans and Baltimore which can not secure ships to transport them across the ocean because of the fact that these ships fear that they will be detained when they get into European waters. I happen to know of the case of one great shipping line which had agreed to take more than 1,600 hogsheads of tobacco to Holland and Denmark, but later on withdrew from that agreement, notifying the proposed shippers that it could not lift the tobacco unless they first secured a cable from the London foreign office to the headquarters of the line giving assurances that the ships carrying the tobacco would not be held or detained when they reached the other side of the ocean; and despite the fact that our department has been attempting since that time to secure such assurance from the London foreign office, up to this time it has not been given.

Mr. Speaker, these facts show bad faith, of which no Government in this world should be guilty, and which this Government ought not in the interest of our producers to permit. [Applause on the Democratic side.] When all of the facts are considered, one can not fail to be impressed with the idea that it was part of a deliberate scheme to depress the price of this great American product in the hands of the man who has toiled to produce it. It is a blow at 3,000,000 of citizens of this country who are dependent upon this product not only for the comforts but for the actual necessities of life. What is the reason for this action? Why do I say that it is a part of a scheme to depress the price of tobacco in the hands of the growers? Tobacco has been expressly declared to be a noncontraband. It can neither be used for food nor clothing nor munitions. It can afford no aid to the enemy in the carrying on of the war. Then why should Great Britain, just at the opening of the market, withdraw from her previous agreement and reimpose the restrictions which effectually prevented the entrance of our tobacco into Holland?

The reason is made plain by the results which will unquestionably follow. Germany and Austria have always been heavy buyers of our tobacco. These markets furnish possibly 60 per cent of the competition in buying. France and Italy have likewise bought a great deal of our tobacco, but in those countries the Governments exercise a monopoly in the purchase of tobacco. The Bureau of Foreign and Domestic Commerce states that if the war continues, France and Italy will possibly need twice their normal supply during the coming year. In addition to this, there were imported into Great Britain in 1915 more than 124,000,000 pounds of tobacco. It is true that the same report states that on April 30 of this year there were in bond in England over 251,000,000 pounds, but it is also stated by the Bureau of Foreign and Domestic Commerce that Great Britain has granted a concession to the British & American Tobacco Co. to import during the year beginning June 1, four times, plus 10 per cent, the amount imported into England during the quarter ending March 31 of this year; but the power to buy on the part of this great English company is not limited by the number of pounds they can import into Great Britain. The Imperial Tobacco Co. controls possibly 80 per cent of the tobacco trade of England. It is a rich and powerful company. It has the resources to enable it to come to this country and to go into our tobacco fields, buy our tobacco from the tobacco growers at a low price, then, if necessary, put that tobacco into warehouses and hold it on this side of the ocean until either the war ceases or prices advance. It is to the interest of these buyers, it is to the interest of the countries named, to purchase their tobacco as cheaply as possible, and the cutting off of the competition which will be had if tobacco is permitted to go unrestricted into neutral countries will bring about the result evidently sought to be accomplished. If shipments of tobacco are not restricted, there is going to be an unprecedented advance in prices, for France and all European countries are bound to buy very largely. The British Government does not seem to be concerned over the fact that by reason of its agreement the tobacco growers of this country put in a big crop rather than turn their attention to other crops, and now, after the crop has been produced and is about ready for the market they find the agreement abrogated, and they are left to the mercy of the big speculator who can afford to buy the product and hold it for better prices. It is not concerned over the fact that these restrictions mean a low price for tobacco to the hundreds of thousands whose toil has produced it, who will be compelled to sell their tobacco because they are not financially able to hold it for better prices. It will mean a loss of $50,000,000 to the tobacco growers of this country, and of more than five and possibly ten millions of dollars to the people of the immediate section from which I come. It works an equal hardship on the small buyer, because he is not financially able to buy the tobacco and hold it for better prices.

This condition of affairs should not be tolerated. Our Government has exercised, properly and consistently, a strict neutrality during this European war.

RECIPROCITY.—But it is a fact, nevertheless, that Great Britain has enjoyed wonderful advantages in the way of purchasing supplies and munitions and the immense volume of credit extended. She should stand in a more reciprocal attitude toward this country. She should understand that she can not expect to continue to enjoy all these advantages and at the same time impose restrictions and unjustly hamper and embarrass our foreign trade to the detriment of our law-abiding citizens. [Applause.] Our President should be given authority to retaliate against any nation which unjustly seeks to lay its hand on the product of American labor. No one denies the right of any belligerent country to prohibit the importation of any article of commerce into its own territory or to prevent the shipment of contraband into the territory of its enemy. But, Mr. Speaker, we do deny the right of any belligerent country to interfere with the shipment of our noncontraband products to neutral ports or to seek to impose any restrictions whatsoever upon a product so clearly noncontraband as tobacco. I speak in behalf of thousands of honest, hard-working, patriotic, and law-abiding citizens whose year's labor is tied up in tobacco, and who will be denied the just fruits of their labor if these restrictions are not removed and the right of transportation guaranteed. I appeal in their behalf to Congress to enact this legislation, and when enacted I shall earnestly appeal to the President to use the power so conferred to exact justice for these good citizens and the respect of all belligerents for the right of this great agricultural product to freely move to the neutral countries of the world. [Applause on the Democratic side.]

In conclusion I may be pardoned for referring to the fact that during this stupendous conflict there have been evidences of a strong leaning among various groups and even leaders of public thought in this country toward either one or the other of the contending forces. This action is not in accordance with the spirit of neutrality which is enjoined upon us as a great neutral nation and a distinct variance from the warning expressed by Washington to steer clear of all entangling alliances and affiliations. I am happy to state, Mr. Speaker, that this is a charge which can not be laid at the door of the constituency which I have the honor to represent and which most undeservedly is the victim of an unfair abridgement of their rights and plain privileges. [Applause.]

Of all the sections of this country, it stands out as one not participating in the prosperity attending the furnishing of munitions and other war supplies. Owing to the unjust and wrongful interference with the sale of its noncontraband product, it has been made to suffer while other sections have basked in prosperity. This section, without in any sense expressing either criticism or envy at the good fortune which has come to others, however, feels that this all the more emphasizes its claim to protection and justice at the hands of this Government. [Applause.] Permit me to say, Mr. Speaker, that there is a deep-seated resentment in the minds of the 3,000,000 citizens thus affected, which is strongly reflected in the press, and with which this body must reckon, and which those people have a right to feel will be respected. [Applause.]

Among the many expressions which have appeared in the press I take the liberty of referring particularly to editorials which have appeared in the Nashville Banner, of Nashville, Tenn., one of the most widely circulated and influential papers in the entire South. This paper has repeatedly and urgently

demanded for an insistence of those rights which are but the common due of the American tobacco growers and on which their hope of a fair recompense for their labor—aye, their hope of acquiring those necessities on which their welfare and very subsistence depends. Conscious of the correctness of its stand, the Nashville Banner has, I repeat, taken up the just cause of the tobacco grower, and with an insight into the situation at once clear, and the broadest comprehension. Because of the breadth of understanding and for the further enlightenment of this House as to the true insight and the dire need which this proposed restriction will bring to thousands of the best type of American citizenship, I am taking the liberty of quoting one of the Banner editorials which has just appeared on this subject. The editorial reads as follows:

THE TOBACCO EMBARGO.

The arbitrary action of Great Britain revoking the November agreement, which permitted the entrance of American tobacco to neutral ports without restriction, has aroused an indignant determination among tobacco growers in Tennessee, Kentucky, and Virginia to protest against this action taking effect. A delegation of growers from these States has gone to Washington to consult with their representatives in Congress about the matter.

This is a most vital question for this section. Tennessee has a yield of about 70,000,000 pounds of tobacco, and most of it is grown in the region proximate to Nashville. The prices are now high and if this embargo can be broken the prices will likely be record breaking. Experts expect an increase from 50 to 60 per cent over the present prices.

The embargo was to have gone into effect on August 1, but a protest, chiefly through the activity of Representative BYRNS, caused a postponement to September 1. This will help the grower indirectly and in a small measure, because considerable tobacco in the warehouses was in this way cleared.

There appears to be three agencies working against the grower:

First. Great Britain and her allies, because a restriction of sale to the central powers through neutral sources will cheapen the stock which must be bought for their armies in the field.

Second. Because the American Tobacco Co. is endeavoring to get the price of tobacco cheapened by curtailing the foreign demand.

Third. Holland grows tobacco extensively in Java and also in Sumatra and according to our commercial reports the price of Dutch tobacco (which was exempted from restrictions of any kind) rose enormously in price until 16 days after the November agreement removing the embargo had been reached, when competition with American tobacco caused a considerable fall in the Dutch product, as naturally its monopoly of trade with the central powers was broken.

These three factors, and particularly the first, will emphasize the difficulties which confront us.

If our tobacco is shut out for a considerable period, what is to hinder the Dutch trader from getting a hold on the German trade, which will be hard to break even at the close of the war?

The Bulgar is now fighting his way into Grecian Macedonia, which, east of Cavalla, has immense possibilities for tobacco cultivation and which grows the higher grades of Turkish tobacco. He may not stick there, but if he does, or if an agreement with Greece is reached, it will furnish a new tobacco supply for the central powers. If the Germans are deprived of our product for a considerable length of time they will get used to the Dutch or Greek tobacco, and this will have an effect on the sale of our product even in time of peace.

The hope had been set high that record prices would be paid for Tennessee tobacco this year, which would not only help the producers, but would be felt in all the trade channels in the district. Now, this selfish and unreasonable act of Great Britain, if not stopped, will blight these anticipations. Owing to the increased demand occasioned by the supply needed for the armies it is likely that tobacco may maintain a fair price even if the German market is denied to American exports, but this is a matter of pure conjecture. If, however, we are permitted to ship to neutral markets and thus indirectly supply the central powers the producers will profit greatly. There is no sane argument that can justify England's action. It is arbitrary, unfriendly, and selfish.

This is a matter for diplomatic treatment and should be dealt with vigorously. It should be in the President's power to prevent Great Britain's arbitrary action. She in many ways depends on this country and can be brought to time in matters of this kind by acts of reprisals if they are not stopped.

EMBARGO ON TOBACCO.

Mr. BARKLEY. Mr. Speaker, I rise at this time in defense of the people of my district and of other districts against the injustice and unreasonableness of the embargo placed by Great Britain and other belligerent nations of Europe upon the shipment of tobacco from the United States to the markets of Europe.

During the existence of the present European war Great Britain has twice placed these unjust restrictions upon the shipments of tobacco from our country to the neutral markets of Europe. In March, 1915, the British Government issued an order in council by which restrictions and conditions were imposed upon the shipment of tobacco into the markets of neutral countries, which practically prohibited its export to Holland and Scandinavia, because shippers refused to accept tobacco on account of the restrictions imposed by the British Government. On account of these conditions buyers of tobacco who desired to ship this product to Germany and Austria were unable to export tobacco into Germany and Austria or into Holland and Scandinavia. As a considerable portion of the dark tobacco raised in Kentucky and Tennessee is exported to these countries, this restriction and hindrance resulted in a reduction in the price to the grower of tobacco to such an extent that in many cases the farmers were compelled to sell their product at less than the cost of production. Strong protests were made by the State Department of this Government against the action of Great Britain in imposing these restrictions, and in November, 1915, the British Government removed this embargo and permitted tobacco to be shipped into Holland, Scandinavia, and thence into Germany and Austria.

But this relief came too late to be of benefit to a large number of farmers who were unable to hold their tobacco in the face of the uncertainties that then existed concerning the tobacco market. But after this embargo was lifted tobacco began to increase in price, and those who were able to hold their crops until the effect of this relief was felt realized a reasonable price for their tobacco.

Relying upon the belief that Great Britain would not again impose these unjust restrictions upon the shipment of tobacco to neutral countries, the farmers increased their acreage and there has been raised during the year 1916 one of the largest and best crops of tobacco that has been raised in recent years in Kentucky, Tennessee, and other States.

It is well known that France, Italy, and Spain will be in the market for increased quantities of tobacco during the coming season. It is also known that Great Britain has issued a license to the British-American Tobacco Co., permitting that company to import into England quantities of dark tobacco to an amount four times as large as the shipments for the quarter ending March 31 last. On account of this increased demand upon the part of Great Britain and her allies and the central empires for the tobacco raised in our country, we need an unrestricted market in all tobacco-consuming countries of Europe in order that the growers of tobacco in Kentucky and other States may be able to realize a fair and reasonable price for the product of their toil. But it is a strange circumstance, and one which is calculated to create suspicion, that just at this time, when this large crop of tobacco is being raised and will soon be placed upon the market, Great Britain and other nations see fit to renew this embargo and thus cut off a large part of the market in Europe for the type of tobacco which our people produce.

It is believed in many quarters that this action has been taken in collusion with the Governments of Italy, France, and possibly Spain, all of which exercise a Government monopoly in the purchase and sale of tobacco, in order to reduce the price which those countries will have to pay to the American farmer for this product. If this be the intention of Great Britain and her allies, then it is not only a breach of good faith but it is so unjustifiable as to call for the strongest protest and most radical action possible on the part of our own Government to protect our people from this injustice. [Applause on the Democratic side.]

It is recognized by all nations that under the practices of international law tobacco is not a contraband of war. It can not be used for food nor clothing, nor can it be manufactured into munitions of war. Its use would not in any way affect the military operations of any country now at war, nor would its use affect the efficiency of any soldier that now is or may be hereafter in the trenches. Germany does not exercise a Government monopoly in the purchase and sale of tobacco, but, on the contrary, in normal times, affords a free and open market to the type of tobacco which we raise. And it is easy to understand that to cut off entirely this large section of the foreign market for our tobacco is calculated to work a great injury and loss to the farmers and business men of every section of the country engaged in the growing of dark tobacco.

During the existence of the embargo put upon tobacco in March, 1915, the State Department exercised all of its power and made a most urgent protest until the embargo was raised in November, 1915. Since the latest embargo has been placed upon tobacco by the British Government the State Department has again made strong representations to Great Britain and her allies, and has pointed out to them the injustice and the unreasonableness of the restrictions now in force, urging that these restrictions be removed before they are permitted to affect the market and the prices for the tobacco which is now being raised, housed, and matured. But up to the present time the State Department has been unable to secure the desired relief, and we are now seeking to obtain from Congress the enactment of legislation which will empower the President of the United States to retaliate against any nation that unjustly discriminates against our neutral commerce either with that nation or with other nations. [Applause on the Democratic side.]

During the consideration of the revenue bill in the Senate two amendments were added to that bill which are designed to give the President the power to retaliate against any nation that unjustly discriminates against our products and our commerce by prohibiting the importation of similar or other products from

that nation so long as it discriminates against us. The amendments to which I refer are as follows:

SEC. 102. That whenever during the existence of a war in which the United States is not engaged the President shall be satisfied that there is reasonable ground to believe that under the laws, regulations, or practices of any country, colony, or dependency contrary to the law and practice of nations, the importation into their own or any other country, dependency, or colony of any article the product of the soil or industry of the United States and not injurious to health or morals is prevented or restricted the President is authorized and empowered, within his discretion, to prohibit or restrict during the period such prohibition or restriction is in force, the importation into the United States of similar or other articles, products of such country, dependency, or colony as in his opinion the public interest may require; and in such case he shall make proclamation stating the article or articles which are prohibited from importation into the United States; and any person or persons who shall import, or attempt or conspire to import, or be concerned in importing, such article or articles into the United States contrary to the prohibition in such proclamation, shall be liable to a fine of not less than $2,000 nor more than $50,000, or to imprisonment not to exceed two years, or both, in the discretion of the court. The President may change, modify, revoke, or renew such proclamation in his discretion.

SEC. 103. That whenever, during the existence of a war in which the United States is not engaged, the President shall be satisfied that there is reasonable ground to believe that any vessel, American or foreign, is, on account of the laws, regulations, or practices of a belligerent Government, making or giving any undue or unreasonable preference or advantage in any respect whatsoever to any particular person, company, firm, or corporation, or any particular description of traffic in the United States or its possessions, or to any citizens of the United States residing in neutral countries abroad, or is subjecting any particular person, company, firm, or corporation or any particular description of traffic in the United States or its possessions, or any citizens of the United States residing in neutral countries abroad to any undue or unreasonable prejudice, disadvantage, injury, or discrimination in regard to accepting, receiving, transporting, or delivering, or refusing to accept, receive, transfer, or deliver any cargo, freight, or passengers, or in any other respect whatsoever, he is hereby authorized and empowered, in his discretion, to direct the detention of such vessels by withholding clearance or by formal notice forbidding departure, and to revoke, modify, or renew any such direction as in his opinion the public interest may require.

That whenever, during the existence of a war in which the United States is not engaged, the President shall be satisfied that there is reasonable ground to believe that, under the laws, regulations, or practices of any belligerent country or Government, American ships or American citizens are not accorded any of the facilities of commerce which the vessels or citizens of that belligerent country enjoy in the United States or its possessions, or are not accorded by such belligerent equal privileges or facilities of trade with vessels or citizens of any nationality other than that of such belligerent, the President is hereby authorized and empowered, in his discretion, to withhold clearance from one or more vessels of such belligerent country until such belligerent shall restore to such American vessels and American citizens reciprocal liberty of commerce and equal facilities of trade; or the President may, in his discretion, direct that similar privileges and facilities, if any, enjoyed by vessels or citizens of such belligerent in the United States or its possessions be refused to vessels or citizens of such belligerent; and in such case he shall make proclamation of his direction, stating the facilities and privileges which shall be refused, and the belligerent to whose vessels or citizens they are to be refused, and thereafter the furnishing of such prohibited privileges and facilities to any vessel or citizen of the belligerent named in such proclamation shall be unlawful; and he may change, modify, revoke, or renew such proclamation as in his opinion the public good may require; and any person or persons who shall furnish or attempt or conspire to furnish or be concerned in furnishing or in the concealment of furnishing facilities or privileges to ships or persons contrary to the prohibition in such proclamation shall be liable to a fine of not less than $2,000 nor more than $50,000, or to imprisonment not to exceed two years, or both, in the discretion of the court.

In case any vessel which is detained by virtue of this act shall depart or attempt to depart from the jurisdiction of the United States without clearance or other lawful authority, the owner or master or person or persons having charge or command of such vessel shall be severally liable to a fine of not less than $2,000 nor more than $10,000 or to imprisonment not to exceed two years, or both, and, in addition, such vessel shall be forfeited to the United States.

That the President of the United States is hereby authorized and empowered to employ such part of the land or naval forces of the United States as shall be necessary to carry out the purposes of this act.

It will be seen that if these amendments are adopted the President will have power to exercise retaliatory measures against any nation that unjustly discriminates against our products by cutting off importations from the offending country. I would be glad if the amendments went still further and authorized the President to prohibit the exportation of certain necessary supplies from the United States to those countries so as to give him still more power in his attempts to bring to time any nation that without reason or justice seeks to discriminate against products of American toil and bring down the price of American products below the cost of production. But on account of the parliamentary situation all we can obtain at this time is the amendments to which I have referred authorizing the President to retaliate by preventing the importation from the country that offends against neutral commerce of the United States. I sincerely hope that the House will adopt these amendments. I appeal to the sense of fairness of the Members of this House to concur in these amendments, so that if Great Britain or France or any other country seeks to take advantage of an unfortunate war to curtail our neutral trade and to bring loss and damage and want to a great portion of our people, the President may have a weapon with which to strike back and compel fair treatment of our people on the part of any such nation. [Applause.]

Tobacco is a crop that requires the constant attention of the farmer in its production. It is a common adage in our country that it takes 13 months out of a year to raise a crop of tobacco. In the late winter and early spring the farmer sows his plant bed, then later in the spring, when the season is suitable, he transplants this tobacco into the field where he has prepared the soil for its cultivation. From then on he is compelled to give it his constant attention, and so necessary is it that this crop be cultivated almost entirely by hand that no one man can produce a large number of acres of tobacco, like he can with other crops upon the farm. There has been no machinery yet invented, and in all likelihood none will soon be invented, that will enable the farmer to produce a crop of tobacco except by hand. He sows the bed by hand, draws the plans by hand, replants the tobacco into the field by hand, cultivates by hand, he primes and tops and cares for it by hand, he must cut it and put it into the barn by hand, and then he must cure it and strip it and prepare it for the market almost entirely by the use of his hands; so that when the farmer's tobacco crop is finally delivered to the market, it represents constant effort upon the part of himself and his family in its cultivation and production. If the price of tobacco is reasonable, the farmer can at least obtain a reasonable reward for his toil; if the price of tobacco is low, the farmer necessarily must suffer the brunt of these unfortunate conditions, and he is the first to suffer from a reduction in the price of his crop.

Some years ago the tobacco farmers of this country were compelled to engage in a struggle with the American Tobacco Trust in order to obtain for their tobacco a reasonable compensation. After undergoing severe hardships and loss almost beyond computation, they were enabled to force this monopoly to pay a fair price for the product of their toil. But it is peculiarly unjust and unfortunate at this time that any foreign nation, while admitting tobacco not to be a contraband of war and not capable either of hindering or helping any warring nation in Europe, should deliberately and for what would seem to me to be an ulterior purpose place this embargo on tobacco and undertake to restrict the market for this American product, and thus deprive the tobacco farmer of a just reward for his irksome toil. Under these circumstances I conceive it to be the duty of this Government and of this Congress to enact such legislation as will enable the President to enforce our just demands upon any foreign nation, whether it be England, France, Germany, or any other country, which attempts to discriminate against and cripple our commerce with the neutral nations of the world. [Applause on the Democratic side.]

From 85 to 90 per cent of the dark tobacco grown in Kentucky and Tennessee is exported to foreign markets. Italy, Spain, France, England, Holland, Germany, and Austria have been large purchasers of our type of tobacco. More than 3,000,000 people are dependent upon the tobacco crop for not only the necessaries of life but for the success and prosperity of all branches of business. The people of the United States have been strictly neutral as between the warring nations of Europe. We have no part in that conflict. All we ask is that these mad nations shall not infringe upon our rights nor attempt unjustly to destroy the commerce or the lives of our people.

It is fortunate, indeed, that under Providence and under the guidance of wise statesmanship our Nation has been able to keep its hands out of this turmoil which is now drenching the fields of Europe with the blood of its soldiers. And for this reason, as well as many others, it is incumbent upon these nations to recognize the justice of the demand that a neutral and noncontraband product of the American farm and factory shall not be unjustly discriminated against in the markets of the world. We have appealed through the channels of diplomacy. But the weapon of diplomacy is reason and persuasion. When this weapon fails, other more drastic, though peaceful, remedies must be administered. The provisions of this bill, in which I ask the House to concur, provide more drastic remedies to be called into commission when diplomacy and negotiations have failed of their purpose. I sincerely hope that the conference committee of the two Houses in considering these provisions will recommend their adoption, and that the House will adopt them in order to give the President a remedy with which to bring about the relief which is so necessary to the people of the State which I in part represent, as well as to the other tobacco-growing States of this country. [Applause.] If these conditions are suffered to continue until the tobacco crop of 1916 has been sold by the farmers, many of whom are financially unable to hold their crops until a larger price can be obtained, it will mean the loss of between fifty and one hundred millions of dollars to the farmers and business men of the

United States, and I fear it will result in the loss of hundreds of thousands, or perhaps millions, of dollars to the people of the district which I represent. I desire that this Government shall be empowered to take every step necessary to safeguard our people against this financial loss. They are entitled and expect their Government to protect them against injustice and the encroachment of other nations. They appreciate what the Government already has done in their behalf; but this will give the Government an additional weapon which can be put to effective use in bringing to time those nations which, either through selfishness or injustice, seek to hamper and cripple the neutral commerce of the United States. [Applause.]

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. STAFFORD. Which does the gentleman think is the most important, to have our mails, which have been interrupted and intercepted by Great Britain these many months, by the central allies, or some article of commerce?

Mr. BARKLEY. Well, I think, when it comes to a question of bread and meat for hundreds of thousands, if there is to be any difference at all, it is more important that they should receive a fair price for their crop than that a letter should be received on time. [Applause.] But, so far as I am concerned, I desire that the injustice imposed upon the mails from the United States shall be removed. One of the amendments which has been adopted by the Senate will give the President more power in demanding that interference with our mails should also be stopped. I desire that every unjust restriction upon American commerce shall be removed, no matter whether that restriction is placed upon one article of commerce or another, or upon the mails from the United States to foreign countries. I will vote for any reasonable provision that will give to our Government more strength and more authority in asserting its just demands.

Mr. STAFFORD. I am glad the embargo is impinging on the toes of other Members of the House.

Mr. BARKLEY. I hope the gentleman from Wisconsin enjoys gloating over the misfortunes of others. So far as I am concerned, I am willing to trust the President of the United States to exercise the powers given to him in behalf of the people of this country, a thing which the gentleman from Wisconsin, himself, was not willing to do some months ago. [Applause on the Democratic side.]

Mr. STAFFORD. The President for many moons has had that authority, but he has not attempted to exercise it.

Mr. BARKLEY. The President has exercised all the authority which he possessed, and what we are attempting to do now is to give him some more authority. The State of Wisconsin, which is represented in part by the gentleman himself, raises tobacco. I hope he is not deaf to the conditions which might exist in that region on account of this tobacco embargo.

Mr. STAFFORD. Oh, if the gentleman will permit, I am not concerned in just merely one article. I want to see the outlawry that Great Britain has been pursuing from the very beginning of this war checked.

Mr. BARKLEY. I agree with the gentleman from Wisconsin in that statement, but I differ from him in this particular, that I want the outlawry of all nations against our rights checked, whereas he only desires the outlawry of certain nations to be checked. We are a neutral nation, and I want to treat them all alike. And this is what this administration has done, and this is what it will continue to do, demanding that our just rights shall be respected by all the nations of the world. [Applause on the Democratic side.] The provisions of the bill which I ask the House to adopt will give more authority to the President to exercise retaliatory measures against any nation that unjustly discriminates against our people.

Mr. STAFFORD. Can the gentleman give us any assurance that if we give the President further authority to assert our neutral rights he will use it?

Mr. BARKLEY. I realize that my hide-bound Republican friend from Wisconsin takes pleasure in insinuating that the President may not exercise his authority in protecting the rights of American citizens, but I have absolute confidence in the President not only by reason of what he has already done but by reason of my faith in his character and his patriotic Americanism. [Applause on the Democratic side.] And I believe that he will take such steps as may be necessary to assert the rights of the American people against the intrusion of any other nation, whether it be England, France, Germany, or any other country in the world. Germany has issued an order prohibiting the importation of tobacco, except from Turkey. That is a discrimination against our farmers also.

Mr. BENNET. I recall that a few days ago, when the shipping bill was under consideration in the House, the gentleman from Kentucky voted for the Sutherland amendment to that bill, which directed the Secretary of the Treasury to refuse clearance papers to any ship in an American port which discriminated against American products.

Mr. BARKLEY. Yes; I voted for that amendment because I believed it was a just and fair amendment and would make it possible to protect our commerce from unjust restrictions of shipowners acting under orders from other nations.

Mr. BENNET. I desire to say that the gentleman voted in the interests of his constituents when he voted for that amendment.

Mr. BARKLEY. I am always glad to vote for any just and fair measure that is in the interest of the American people, no matter who may introduce it.

Mr. MANN. Will the gentleman yield?

Mr. BARKLEY. I yield to the gentleman from Illinois.

Mr. MANN. Will the gentleman vote to concur in the Senate amendments?

Mr. BARKLEY. I certainly will, with great enthusiasm. I would not be speaking in behalf of them if I did not intend to vote for them. Will the gentleman from Illinois vote to concur in them?

Mr. MANN. In the main they strike me with considerable favor.

Mr. GARDNER. Will the gentleman yield to me?

Mr. BARKLEY. I will yield to the gentleman from Massachusetts.

Mr. GARDNER. Did not the President say he would hold Germany to strict accountability in the *Lusitania* case, or would demand that Germany disavow the sinking of the *Lusitania*? Has he done so?

Mr. BARKLEY. I do not care to inject a discussion concerning the *Lusitania* case in my remarks upon the tobacco situation, but I will answer the gentleman by saying that the President has held Germany to strict account on account of the sinking of the *Lusitania*, and he obtained from Germany recognition of our rights under international law without mustering in a single soldier and without spilling a drop of blood. [Applause on the Democratic side.] And I will predict for the benefit of the gentleman from Massachusetts that on the 7th day of November the people of the United States will show their approval of his conduct by his overwhelming reelection as President. [Applause on the Democratic side.]

Mr. GARDNER. He would have kept his country out of war if he had been King of the Belgians. [Laughter on the Republican side.]

Mr. BARKLEY. Well, we have no kings in this country. Ours is a Government of the people, where the rulers consult the wishes of the people, and the gentleman from Massachusetts will find that the President of the United States during this administration has properly interpreted the wishes of the American people in his efforts not only to maintain the rights of our Nation at home and abroad, but in keeping our people from the vortex of the senseless war that is now being waged in Europe. [Applause on the Democratic side.]

In conclusion, Mr. Speaker, I desire to urge most earnestly and with as much force as I can command that the House concur in these amendments of the Senate and give the President more power in his efforts to protect the humble people of this Nation from the injustice that is calculated to be brought upon them by the arbitrary action of the nations now at war. It will be an act not only of justice but of righteousness on the part of this Congress to give to the President and the Secretary of State the moral support which the adoption of these amendments will indicate. I hope that when the offending nations stop long enough in their present madness to recognize the justice of our claims they will be prompt to recognize them, so that it will not be necessary to bring into operation and make use of the weapon which we are seeking to place in the hands of the President by the adoption of these provisions. We know that we have justice and equity on our side. I believe that this House realizes that this is true, and I look confidently forward to the overwhelming adoption of these provisions in behalf of millions of American citizens, asking for nothing except the just and righteous privilege of pursuing their honest enterprises with success and freedom. [Applause on the Democratic side.]

The SPEAKER pro tempore. The gentleman from Indiana [Mr. MORRISON] is recognized for 20 minutes.

TEMPERANCE LEGISLATION.

Mr. MORRISON. Mr. Speaker, I have craved permission to speak a few words in defense of a friend of mine who is much misjudged by certain Members of this House. I refer to the editor in chief of the new national organ of the Flying Squadron

Foundation. You will all recognize at once that the organization to which I have just referred is perhaps the newest, and certainly the truest and best of the long list of noble institutions dedicated to the task of doing the people's thinking for them, informing their minds, arousing their consciences, telling them how to vote, and otherwise hastening the dawn of a higher and better civilization. To permit a man engaged in such an heroic enterprise, with its attendant self-sacrifice and personal financial loss, to be misunderstood by men who are themselves fairly good citizens, but not accustomed to deeds of moral heroism and knightly valor, is unfair to the man and to the sacred cause he represents.

An entirely insignificant incident has led to this inexcusable tendency on the part of some Members of this House to indulge in adverse criticism of my friend. Were it not that friendship for me has led them to put me in the false light of being the unhappy occasion of their harsh and unjust words, I would be silent and in a cowardly fashion permit my friend to bear his grievous burden alone.

In the Sixty-third Congress I introduced House joint resolution 389, in these words:

Joint resolution proposing an amendment to the Constitution of the United States.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein) That the following be proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as a part of the Constitution when ratified by the legislatures of three-fourths of the States, as provided by the Constitution.

"ARTICLE —.

"SECTION 1. The importation of any spirituous, vinous, malted, fermented, or other intoxicating liquors into any State of the United States, or into the District of Columbia, or into the Territory of Alaska, from any other State, District, Territory, country, place, or region, domestic or foreign, is forever prohibited.

"SEC. 2. It shall be the duty of the Congress from time to time to enact appropriate legislation for the effective enforcement of the provisions of this article."

On December 22, 1914, I offered it as a substitute for one of the 57 varieties of Hobson resolution then pending, and voted for my own motion, along with 40 other Members of this House who were total abstainers, and who had a right, therefore, to vote for a real temperance measure. The vote was comparatively small, but the proportion of men who are total abstainers is small. In an address delivered at Tomlinson Hall at Indianapolis, Ind., on December 10, 1915, former Representative Capt. Richmond Pearson Hobson estimated that "only 20 per cent of our people are total abstainers." The statisticians employed by the brewers and distillers estimate that but 18 per cent of the people are total abstainers. Assuming the accuracy of this estimate made by acknowledged experts, and assuming that representative government really represents the people, the 41 votes cast in favor of my motion on December 22, 1914, were fairly representative of what might be reasonably expected to be the attitude of the then Members of this House toward a proposed reform which seriously threatened to interfere with the so-called "personal liberties" of men—a process more euphoniously referred to by Capt. Hobson as that of "invading the sanctity of the home."

The Hobson resolution promised practically free whisky. At least it would have made straight, unadulterated whisky cost less to the producer, gallon for gallon, than the current market price of fresh, home-churned buttermilk in a country town. [Laughter.] You can see at once that professional reformers would swarm around the Hobson resolution like school boys around an empty sugar hogshead. [Laughter.]

Possibly some of the new Members of this House may not be acquainted with the genus "professional reformer." He is a comparatively new creature in the animal kingdom. He disproves completely the doctrine of evolution and the accepted theory of the origin of species. He was not evolved by slow and tedious processes, but burst into life full-grown and full-fledged, claiming for himself universal expertness and 56 other varieties of pertness, and up to date he has been able to get away with it.

His is the most altruistic of lives. He is engaged in the quasi-moral, pseudo-religious, and altogether sacrificial enterprise of reforming the lives of other men at so many hundred dollars per hour. He is a myriad-minded man. At least I find him accurately described in the writings of the myriad-minded Shakespeare. As a rule and on the average the professional reformer, "as some ungracious pastors do," shows to other men "the steep and thorny way to heaven, whilst, like a puff'd and reckless libertine, himself the primrose path of dalliance treads and recks not his own road."

Immediately after December 22, 1914, I prepared a bill embodying the principle of House joint resolution 389. It is in these words:

A bill to prohibit the importation of intoxicating liquors into any State of the United States, or into the District of Columbia, or into the Territory of Alaska.

Be it enacted, etc., That the importation of any spirituous, vinous, malted, fermented, or other intoxicating liquors into any State of the United States, or into the District of Columbia, or into the Territory of Alaska from any other State, District, Territory, country, place, or region, domestic or foreign, is hereby prohibited.

SEC. 2. That if any such intoxicating liquors shall at any time be imported into any State of the United States, or into the District of Columbia, or into the Territory of Alaska, from any other State, District, Territory, country, place, or region, domestic or foreign, all right, title, interest, or claim of the importer thereof shall then and there and thereby become at once forfeited, shall wholly terminate, and be null and void as against the importer thereof and as against all persons claiming of, by, from, through, or under such importer, directly or indirectly, immediately or remotely.

SEC. 3. That the word "importer," as used in this act, shall be construed and deemed to include all persons who shall so import intoxicating liquors into any State of the United States, or into the District of Columbia, or into the Territory of Alaska, or cause the same to be so imported, or shall aid in the importation thereof, or shall abet any person or persons in the importation thereof.

SEC. 4. That the word "person," as used in this act, shall be construed and deemed to include individuals, firms, copartnerships, joint-stock companies, corporations, and all other persons, natural or artificial.

The congressional lobby in charge of the Hobson resolution had issued a circular letter, asserting that Congress has the present power by a mere statute to accomplish the purpose of House joint resolution 389. They suggested that I introduce it as a bill for a statute. While I did not feel entirely secure either as to the constitutional warrant for the proposed statute, or as to the advisability of resting so great a reform on a mere statute, I decided to follow their suggestion. I sent copies of my resolution and bill to the temperance workers of the country during the summer of 1915, with the statement that I would introduce them into the House on December 6, 1915. On that day, when the House was organized, the bill and resolution were in the basket on the Speaker's table, and are now known on the official records of this House as House joint resolution 20 and House bill 394 of the Sixty-fourth Congress.

The official organ of the flying squadron foundation is the National Enquirer. I subscribed for it before its first issue, and I read every line of every issue. I was assured that it would be fair, fearless, able, truthful, and interesting. At any rate, I was sure it would be interesting, and it is. In its issue of the 22d day of December, 1915, it undertook to give to its readers a résumé of "dry" bills then pending in the National House of Representatives. On page 9, which was page 1 of part 2 of that issue, in the fourth column of the page, this article is found. The headline reads as follows: "Six Congressmen offer 'dry' bills." The body of the article gives the names of five Members of the House and the subject matter of the several bills and resolutions they had introduced. The name of the sixth Member and the subject matter of his bill and resolution do not appear. The article does not include the name of the Representative of the ninth Indiana district, nor does it refer to House joint resolution 20 or House bill 394.

In its issue of January 27, 1916, the National Enquirer reproduced an article, credited to another paper, purporting to give a résumé of temperance legislation pending in the Congress. This article was doubtless based upon the article above referred to. It likewise omitted all reference to the Representative of the ninth Indiana district and did not mention House joint resolution 20 or House bill 394.

In its issue of August 24, 1916, the National Enquirer carried an article in the nature of an editorial discussion of the Congress and the temperance bills now pending before it. It gives again what purports to be a list of pending measures, and it refrains again from the slightest reference to the fact and the pendency of House joint resolution No. 20 or House bill 394. Thus again the professional reformers have, by necessary implication, assured the temperance workers of the country that the Representative of the ninth Indiana district has failed to keep his promise to introduce House joint resolution No. 20 and House bill 394 into the Sixty-fourth Congress, and that his oft-repeated statement that he did introduce them is false.

The omission from each of the articles above referred to in the National Enquirer of all reference to the Representative of the ninth Indiana district or the resolution and bill introduced by him is equivalent to the republication of an affirmative assertion that the promises made by him have not been kept and that the statements being made by him as to the pendency of his resolution and bill are untrue.

A newspaper friend of mine resented what he conceived to be an injustice to me, the more unjust in his opinion because the editor in chief gives much space to the pleasant pastime of denouncing the Representative of the ninth Indiana district as an enemy to the cause of temperance. Some of my friends hold this against the editor in chief. I do not. I know that he does not mean it. Besides, he was speaking in general terms.

He made no specific statement. He never tells his readers what measures I introduce or support. He just scolds. I know that he hates to do it, but it is, from his standpoint as a professional reformer, a military necessity. He would be fair, if it were safe, and truthful, if he dared. I personally accept the will for the deed, and keep his name on the list of my good friends, but I have good friends who do not.

My newspaper friend investigated the entire case and gave it as his opinion that the man in charge of the get-up of the news elements of the issue of the National Enquirer on the 22d day of December, 1915, wrote the figure "6" in the headline to match the body of the article; that the body of the article contained a sixth name, the name of MARTIN A. MORRISON, of Indiana, and the subjects referred to in House joint resolution 20 and House bill 394; that the editor in chief saw this name in the list just at the last moment and ordered it to be dropped out, but forgot to change the figure "6" in the headline to the figure "5." My newspaper friend says that the editor in chief did not think it consistent with his high Christian character to condemn a man in the editorial columns and vindicate him completely in the news columns of the same issue of the same paper; and that he, therefore, refused to permit his readers to learn the truth about the man whom he believed it to be to his advantage, in his editorial and reformatory capacity, to misrepresent, malign, and traduce.

I do not join in this opinion. It is more charitable to infer that the lines containing the omitted name and subject matter dropped out by some mere accident. It does seem too bad, however, that the same accident did not drop the figure "6" out of the headline and drop the figure "5" into its place.

My newspaper friend complains because the editor in chief did not correct this serious mistake and atone as far as possible for the injustice his paper had done when the error was called to his attention. I do not criticize him for that. I can myself almost invent a complete justification of his attitude and action. All self-called, self-selected, self-made, self-certified, self-praised, self-centered, self-seeking professional uplifters claim infallibility. They must. Otherwise they would be expected to submit arguments to sustain their contentions. It is against the ethics of the profession ever to make an argument or answer one. They must rely entirely upon their assumed and self-confessed infallibility. It is not morally possible, therefore, for them ever to correct an error, for the very correction would be an admission that would be fatal to their entire policy and practice. [Laughter.]

I can see where my reformatory friend is right, and I still insist that he is one of my good friends, subject, however, to certain mental reservations and self-evasions.

My newspaper friend also complains that the editor in chief denounces me like a pickpocket for refusing to support the Hobson resolution as voted for in this House on December 22, 1914, while it is known to all newspaper men that the editor in chief does not believe that the Hobson resolution is a genuine temperance measure.

Again I vindicate the action of the editor in chief. It is true that his opinion of the Hobson resolution is the same as my own. I certainly approve of that. We both attended the conference of the temperance workers held in the Calvary Baptist Church at Washington, D. C., on July 10, 1915. On that day the editor in chief and I were both of the opinion that the Hobson resolution was, as a temperance proposition, a fake and a fraud, a delusion and a snare. So we had much in common, but that opinion was shared by every student of the temperance question who attended that conference and who was not dependent upon the pay roll of the congressional lobby for his daily bread. When the conference drove out the newspaper reporters and began the process of binding the consciences of all delegates to pretend to believe what they knew to be false, I went out with the newspaper reporters. [Laughter.] The editor in chief remained, made a manly fight, and lost. Being a man of honor, he is now in honor bound to pretend to believe what he knows to be untrue, and to denounce me for believing now what he himself believed on July 10, 1915. He is in honor bound to advocate the exact proposition that on July 10, 1915, he knew to be a fake and a fraud, a delusion and a snare. And the editor in chief is an honorable man. "So are they all, all honorable men." [Laughter.]

Not only is he thus in honor bound, but he is impelled by a certain semireligious sense of a certain almost sacred duty that rests on him alone. The theory that sacrifice for its own sake is a virtue has long since been exploded. To be virtuous, the result attained must be at least equal to the loss sustained. By that token I justify the attitude and action of my friend. The Flying Squadron Foundation, of which my friend is president, is a truly tremendous power for civic righteousness in America and throughout the world. It is to the bogus Flying Squadron, organized by the congressional lobby, as truth is to falsehood, or as the light of the sun is to a starless midnight. If my friend were to tell the truth about House joint resolution 20, and House bill 394, and the attitude and action of their author, or if he were to speak his honest opinion of the Hobson resolution, the congressional lobby would discredit and destroy him. It would cut off the financial resources of the Flying Squadron and its official organ and drive them into bankruptcy. I can conceive of no greater disaster to the cause of political, moral, and religious progress and reform in America. I would not ask my friend to sacrifice so much for the mere sake of speaking and doing the truth. I am sometimes tempted to look with a degree of allowance upon his manifest conviction that the life of a great moral reform ought not to be sacrificed, or even to be put in jeopardy, for the sake of a mere sentiment or the maintenance of a mere ideal of personal righteousness. It is true, as asserted by my newspaper friend, that my reformatory friend does not dare to mention in his paper the bill and resolution which I introduced. Much less does he dare to publish their texts in full. But, as I have shown, that is not to his discredit.

These remarks were prepared a considerable time ago, but have been withheld in the vain hope that the editor in chief might some day correct his own error and right the wrong he has done.

After these remarks were prepared, and as though the editor in chief had been informed of their very language, the editor in chief wrote a signed editorial stating the entire situation more clearly and strongly than I have done. The editorial is in no sense controversial. It is an explicit, general, and special plea of guilty to more than I have dared to intimate.

It appeared in the third column of the fourth page of the issue of February 24, 1916. The editorial is, in part, as follows:

EDITING THE EDITORS.

Great editors have almost ceased to be. The day of the old-time journalist who owned his paper, wrote his convictions, and spoke to a personal constituency is past. Few, if any, of the great daily newspapers, East or West, are edited by their editors, except in the most formal nominal sense. *They are edited by their publishers,* not by their editors—edited *in the countingroom,* and *not in the editorial office.* * * * Allen L. Benson, in the March number of Pearson's Magazine, writing on this subject, puts it well:

"*The publishers edit the editor. The publisher lays down to his editor the newspaper's 'policy.' A 'policy' is both a dead line and a program.* It is a list of things to do and a list of things not to do.

"*The publisher is not a publicist—he is a business man. Like other business men, he is making money, owing money, and looking for money.* * * * As business men they are all in the same boat. * * *

"If the publisher's commodity were soap instead of what purports to be disinterested advice to the public, his position would be ethically unassailable. *A soap manufacturer is nothing but a soap manufacturer. He does not pretend to be saving the country*—except from dirt. *The publisher pretends to be saving the country. Day in and day out he is telling his part of the public what to do for their own good. In his news columns he pretends to print the news. The truth is* that when great public questions are before the country *he usually takes an editorial position that is dictated by the selfish interests of a small class of which he is a part and 'prints the news' in such a manner as to fortify his editorial position.*"

Because of this fact the editorial page of the daily press has lost much of its influence and power.

I shall italicize portions of this quotation for the RECORD so as to call attention to the language which specifically admits all I have said and much more.

It is said that "an open confession is good for the soul." This confession is not quite open. The editor in chief limits his assertions to the papers whose proprietors have editorial writers. The complaint he makes is that the editorial rooms are too closely connected with the countingroom. He fears the subservience of the editor to the publisher. The reason for the editor in chief's condemnation falls more heavily on his own case than on the ones against which he pretends to direct it. In his case he is both publisher and editor. He takes no chances on the thoughtlessness of a hired writer, who is only indirectly connected with the money drawer of the proprietor and publisher, and incidentally he saves the salary of an editorial writer. The editorial room and the countingroom are one. Which one? I fancy that the proprietor and publisher gives first place to himself as proprietor and publisher and sets apart to himself in his editorial capacity desk room in some remote corner of his spacious and prosperous-looking countingroom.

In that way he can himself keep a watchful eye upon himself so that he may so "pretend to print the news" as not to interfere with his ruling passion of "looking for money and the easiest way to get it." No other status and relationship could so certainly insure the complete subserviency of the editor to the publisher, of the reformer to the financier, of the uplifter to the cross-lifter.

I trust that no one will construe this quotation or these remarks as an adverse criticism of my reformatory friend. They are not so intended. I started out to justify his every word

and deed on strictly high moral grounds, and I shall do it at all hazards and at any cost.

Outward appearances to the contrary notwithstanding, the entire policy of the editor in chief is justifiable by the very necessities of the new profession of which he is in part the founder and in which he is a bright and shining light.

Besides, there is not a great religious newspaper in the country that dares to publish the truth which the editor in chief has suppressed. The congressional lobby would discredit such a paper and drive it into bankruptcy.

There are but few ministers of the gospel in America—I know of but two—who dare to read them from their pulpits.

I do not criticize the ministers of the gospel. They are simply the victims of misplaced confidence. I dare not suggest that they are easy marks, for I myself believed in this same leadership until I learned the true inwardness of their plan of campaign and had watched their game at close range. The truth of this situation is so at variance with men's accepted presumptions in the case that one can come to believe the truth only by slow degrees even after he has come into its full knowledge. When I realize how completely the ministers of the gospel are deceived and are duped into deceiving the men, women, and children of their congregations, I am moved to indignation against their deceivers, but utter no word of adverse criticism of those who are deceived. When an irresponsible aggregation of political preachers and discredited politicans discover a growing public sentiment in favor of a great moral reform, capture it, capitalize it, and reduce it into a strictly private asset, they are able to deceive the very elect.

Here and there a young and wide-awake minister has already caught a passing vision of truth. He is hesitating as to his duty in the premises. It is with him a question of advisability, not of mere courage. Some day one of these young ministers will take counsel of his courage, throw discretion to the winds, enter his pulpit, confess his own mistakes, and tell his people the whole truth.

That will be a critical hour for the cause of temperance. I hope that he shall survive the first furious onslaught of the lobby. If the beast shall fail to tear him to shreds at its first bound, its game will be lost forever. Other ministers, inspired by a righteous example, will make the same manly and courageous confession and open disavowal. A general ministerial revolt will sweep over the land and the long reign of terror that the congressional lobby has maintained over the preachers of America will come to a sudden and inglorious end.

In the meantime I would not ask a friend of mine to take the hazard. Finding in myself none of the heroic stuff of which martyrs are made, I do not find it in my heart to urge my preacher friends to suffer the awful punishment the beast has decreed against the first minister of the gospel who shall dare to learn and speak and do the truth. The congressional lobby would misrepresent, malign, and traduce him; would seek to discredit him before his own people and drive him from his pulpit, if not from his sacred calling itself.

It has been said that everything depends upon the point of view. The Hobson resolution is a superb illustration of this truth.

Whether or not a man favors the Hobson resolution depends almost exclusively on his point of view or his refusal to make use of any point of view.

Hundreds of men favor the Hobson resolution, thousands think they do, hundreds of thousands think that they think that they do. [Laughter.]

Those who favor it may be broadly divided into those who are in private life and those who are in public life. By those who are in private life I mean only those who are not in public office and are not hoping to break into public office. I have talked to hundreds of such men who think that they favor the Hobson resolution. I have never talked to one who had read the Hobson resolution or had the slightest knowledge of its provisions. Among men in strictly private life it is safe to affirm that no one who is for the Hobson resolution has read it, and that not one who had read the Hobson resolution is for it.

By men in public life I mean only men in public office who are overanxious to remain in public office, also men out of public office who are scheming to get in, and also men who are on the pay roll of some unholy alliance of shysters and mountebanks who are enriching themselves by levying blackmail upon men in public life and who find it a good "safety-first" proposition to "steal the livery of heaven to serve the devil in."

To the general classification I have just made I expressly make one notable exception. I do not include Representatives and Senators in the Sixty-third or Sixty-fourth Congress of the United States. As to them I have rather definite and fixed opinions and as to many I have much definite, direct, and personal knowledge, but as to them all my opinion and knowledge are, and shall remain, a profound, incommunicable secret. [Laughter.]

In preparing these remarks I do not admit that I had any of them remotely in mind. On the contrary I boldly allege that nothing I have said or shall say to-day refers in any way or degree to anyone who is or has in recent years been a Member of either branch of the American Congress.

Among men in public life I have known many who really and conscientiously believe that they believe that the Hobson resolution is a genuine temperance measure. They are great-souled, broad-minded, honest men, who are serving their country well, and feel the impelling and compelling force of a patriotic duty to continue in the public service. I speak the words of truth and soberness when I say that I have for them the highest respect, and in them unlimited confidence. They have but one besetting sin—ambition, "that last frailty of noble minds"—and it has made their mental processes hopelessly unreliable on this single proposition. "By that sin fell the angels. How can man, then, the image of his Maker, hope to win by it?"

Every unbiased student of the temperance question knows that the Hobson resolution is not in any true sense a temperance measure. You ask me what these men see in the Hobson resolution that makes it attractive to them? I have studied the psychology of this situation and understand these most estimable gentlemen better than they understand themselves. All unconsciously to himself, and without fault upon his part, such a man fails to recognize the vast difference between the general public benefit that will certainly come from the enactment of a genuine temperance measure and the more limited, special, and problematical public benefit that is said to be likely to result from committing the temperance forces of America unitedly and enthusiastically to a plan of campaign that is a betrayal of the cause of temperance. I do not hesitate to affirm that the former proposition will result in a larger public benefaction than the latter, even though the latter plan be guaranteed to become to a large number of the perfectly elegant gentleman in their candidatorial capacity, an effective personal political life preserver.

Bearing in mind the enforced subserviency of all workers in the broad field of human uplift and social regeneration to the congressional lobby in charge of the Hobson resolution in Washington, I find no just ground for adverse criticism of the conduct of my good friends who are working along those lines, and who appear to have become entirely conversant with, if not entirely reconciled to, the supreme alternative rules of the game laid down by the congressional lobby for their guidance—first, live and lie; or, second, tell the truth and die.

I have hesitated to make public statement of this deplorable lack of brotherly love among the leaders of the great moral movement. Perhaps it is best that the people should know. I at least am willing to trust them with a knowledge of the truth as to this vital situation, seeing that their recognized leaders never trust them with so much as to the slightest degree of the truth.

These various groups of leaders hold each other in mutual contempt and hate. I respect, honor, trust, and love them all. It is my Christian duty to do that. The congressional lobby hates my reformatory friend, the editor in chief, and is impatient for a chance to destroy him. The editor in chief hates and despises the congressional lobby, but also fears its power. He dares not call his soul his own. I do not share in the low estimate in which they mutually hold each other, although I can not fail to recognize the fact that each of them probably knows the other better than I know any of them.

And yet I must be true to all my friends. Their present unhappy lot is more their misfortune than their fault. They are more sinned against than sinning. I do not criticize them, much less do I hate them. I pity them, and would gladly rescue them if I could, but that seems now impossible. In the circumstances I can only reaffirm my unfaltering faith in them all and solemnly declare each of them to be what all of us know that he is not.

THE DEMOCRATIC PLATFORM.

Mr. BROWNING. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an editorial which appeared in the New York Sun on Sunday, September 3.

The SPEAKER. The gentleman from New Jersey asks unanimous consent to extend his remarks in the RECORD by printing an editorial. Is there objection?

There was no objection.

The editorial is as follows:

SHADOW SHAPES AT SHADOW LAWN.

With that fine and now well-known air of personal detachment from all common and base and vulgar things, and with the also familiar staccato utterance denoting careful consideration in the choice of words, and great sense of responsibility for the thoughts behind them, the candidate said, at half past 4 o'clock yesterday afternoon, gazing over the heads of those assembled on the lawn:

"I have no disposition to boast of what the Democratic Party has accomplished. It has merely done its duty. It has merely fulfilled its explicit promises."

After a few minutes devoted to the enunciation of elegant periods previously fabricated, the candidate at quarter before 5 o'clock returned to the subject of promises honorably redeemed:

"I have not spoken explicitly, gentlemen, of the platform adopted at St. Louis; but it has been implicit in all I have said. The people of the United States do not need to be assured now that that platform is a definite pledge, a practical program. We have proved to them that our promises are made to be kept."

Made to be kept!

At this point there was a disturbance on the lawn. An angry shadow pushed his way to the front and shook his fist directly beneath the Hon. Woodrow Wilson's smugly smiling countenance.

"I am Baltimore promise No. 1!" shouted the angry shadow. "I am the single-term promise made in your behalf and by you accepted and utilized to your profit to the extent of election for four years at a salary of $75,000 and emoluments. I demand to know if I was 'kept.' I demand to be told, not in weasel words, but in straightforward English, why, when there was a feeble attempt in Congress to start an amendment to the Constitution making the President of the United States ineligible for reelection, you privately and personally interposed your political influence to block it."

But before Tumulty could call the detectives another shadow was menacing the candidate's nose. "I am Baltimore promise No. 2!" he roared. "I am the promise to return to the simplicity and economy which befits a Democratic Government. I want to know if I have been 'kept.' I want to know what this wielder of words has to say to the unprecedented total of lavish appropriations by Congress during his administration, the profligate waste of money wrung from the people by taxation, the utter abandonment of even a pretence of fulfilling the Baltimore pledge."

And the shadows of the broken promises made at Baltimore came crowding up to the speaker's stand, tumbling over one another's heels in their eagerness to give the lie to the candidate's impudent declaration that he and his party had proved that their pledges were "made to be kept."

The shadow of the promise to reduce the high cost of living; the shadow of the promise of a tariff for revenue only; the shadow of the promise to maintain the integrity of the coordinate branches of the Federal Government and not to allow the Executive to encroach on the just powers of the others; the shadow of the promise to restore the merchant marine without bounties or subsidies; the shadow of the promise to exempt from tolls at the Panama Canal American ships engaged in the coastwise trade; the shadow of the promise to enforce honestly and rigidly the civil-service standards of merit and ability rather than political service rendered the party—in angry procession the shadows of the broken promises of Baltimore surged into the presence of the candidate in a demonstration amounting almost to a riot.

The last of all came the youngest and blackest of the gathering shadows, the shadow of the Baltimore promise of a "return to the rule of the people"; protection "from the misuse of delegated power and the usurpation of governmental instrumentalities by special interests."

"You dare to say you have kept your promises?" shrieked this shadow, "and you dare to say it at the very moment when you are forcing a reluctant Congress to misuse its delegated powers at your selfish dictation, to permit the usurpation of governmental instrumentalities by a special interest represented by the four brotherhoods?"

"The highwayman," continued the excited shadow, "sometimes obtains that which he demands at the pistol's point. Sometimes, later, he gets hanged along with any aiding and abetting criminal, whether in policeman's uniform or not. If my supernatural vision does not deceive me, public opinion in America is already preparing the gallows platform upon which another sort of a notification speech will be addressed to you, Mr. Woodrow Wilson!"

Thus it hapened that the notification ceremony, notwithstanding the high expectations of the person chiefly concerned, was not much of a success.

"This is what comes," remarked the eldest and wisest of the mutinous shadows on Shadow Lawn, "of intrusting political power to intelligence without character."

LEAVE TO WITHDRAW PAPERS—JOHN W. CONNORS.

Mr. CURRY, by unanimous consent, obtained leave to withdraw from the files of the House, without leaving copies, the papers in the case of John W. Connors (H. R. 7783), first session Sixty-third Congress, no adverse report having been made thereon.

REVENUE.

Mr. KITCHIN. Mr. Speaker, I renew my request for unanimous consent to take from the Speaker's table the revenue bill (H. R. 16763), and to move to disagree to all the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. The gentleman from North Carolina [Mr. KITCHIN] asks unanimous consent to take from the Speaker's table the revenue bill, disagree to all the Senate amendments, and agree to the conference asked by the Senate. Is there objection?

Mr. MANN. Reserving the right to object, I should like to ask the gentleman in reference to amendments 265, 266, 267, 268, and I think the gentleman from Massachusetts [Mr. GARDNER] may want to make an inquiry about 269.

In reference to these other amendments, if they should not be agreed to in conference, either in their present form or possibly modified, would there probably be an opportunity for the House to express its opinion on them?

Mr. KITCHIN. If they are not agreed to. I will say to the gentleman that while I have had time to go over them only hurriedly, I regard them with a great deal of favor.

Mr. MANN. I will repeat the gentleman's language. I will not say that as to amendment 269, because I am not familiar with that.

Mr. KITCHIN. I did not refer to amendment 269. I refer to what is known as the retaliatory provisions.

Mr. GARDNER. Reserving the right to object, I will say that I regard them with great disfavor, but everybody does not agree with me.

Mr. KITCHIN. I do not know what the conferees will do. I do not think amendment No. 269 should be in here at this time.

Mr. BARKLEY. Mr. Speaker, reserving the right to object, can the gentleman from North Carolina give any idea as to whether these amendments will be agreed to in conference.

Mr. KITCHIN. Of course I can not tell, but we are going to talk them over. As I said, they strike me with some favor.

Mr. BARKLEY. If they are not agreed to, is it understood that we shall have a separate vote on the amendments?

Mr. KITCHIN. Yes; if they are not agreed to, in substance, we will have a vote on them.

Mr. RAKER. Reserving the right to object, will there be an opportunity for a separate vote on amendments 165 to 199, covering the wine subject?

Mr. KITCHIN. If the conferees do not agree, there will be an opportunity for a separate vote. That will be one of the bones of contention. I am very much in favor of the House provision.

Mr. RAKER. I want to call the gentleman's attention particularly to amendment 199. That is an amendment dropped down at the bottom of the bill after the rest is all disposed of, permitting alcohol to be made out of grain and then call it wine. In other words, it is making whisky and calling it wine on a wine bill.

Mr. KITCHIN. The conferees will no doubt give that very careful consideration.

Mr. BARKLEY. I want to ask the gentleman from North Carolina whether or not the conference committee would have the authority to go any further than these amendments providing any matter of retaliation against any country that discriminates against our commerce? The House having taken no action, and the amendment being put on in the Senate, is the conference committee limited to only minor changes in the phraseology of the Senate, or can it go further?

Mr. MANN. I would suggest that the Speaker ought not to be compelled to answer that question now.

Mr. KITCHIN. As far as I am concerned, I am willing that the Speaker should answer for both of us. It is a difficult question.

Mr. FITZGERALD. Mr. Speaker, on page 84 there is a provision appropriating $100,000. The House struck out the permanent appropriation for the Tariff Commission by a vote of over 3 to 1, and provided that the appropriation should be made annually, as appropriations for all expenses of the Government are.

Mr. KITCHIN. I will say to the gentleman that I have a great deal of confidence in the House vote, and I take it almost as an instruction.

Mr. FITZGERALD. If the gentleman will drop out the word "almost," it will be satisfactory.

Mr. KITCHIN. I can only say that the House conferees will do the best they can.

Mr. FITZGERALD. That will not satisfy me on this item. I am unwilling that the bill shall go to conference unless there shall be some assurance that the managers on the part of the House will not agree unless the House has an opportunity to pass on it. I do not propose to spend 15 years of my life repealing permanent appropriations to have them created in this way.

Mr. KITCHIN. I will say that I think the House conferees will stand with the House on this proposition.

Mr. FITZGERALD. If they do not, you had better have a quorum here.

Mr. KITCHIN. I do not think it will be necessary for the gentleman from New York to exercise that power.

Mr. CURRY. Mr. Speaker, will the gentleman from North Carolina give the House an opportunity to vote on the wine-tax schedule?

Mr. KITCHIN. I do not know. I am very much opposed to some of the provisions that the Senate has put in, and I am under the impression that it is right for the House to vote on it before any real radical change is made. I am in hopes that we can get together satisfactorily on it.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none.

Mr. MANN. Mr. Speaker, I would like to have a few minutes before the conferees are appointed.

Mr. KITCHIN. I will yield to the gentleman.

Mr. MANN. Mr. Speaker, on page 136 of the revenue bill, amendment 235, is a Senate amendment in reference to print paper. We all know in a general way what the situation is in regard to print paper. There has been a very unusual and abnormal rise in the price of print paper, especially as purchased by the smaller consumers, who did not have annual contracts, and the probabilities are that when the annual contracts, which most of the large newspapers have, expire in November or December, which is the usual, although not always, date for the expiration of the contract, there will be some increase in their contracts.

We passed in the Underwood tariff law a provision putting print paper on the free list costing less than 2½ cents a pound, or $2.50 a hundred. The price of print paper at that time on contract and otherwise ran from possibly a little over $2 to $2.25 or $2.30, or somewhere along there. That provision of the Underwood tariff law, which was in connection with previous provisions in the Payne tariff law, as far as the language is concerned, was prepared by me, in conjunction with Mr. John Norris, who was representing the Newspaper Publishers' Association. I do not mean to say that I helped draw the bill, but at Mr. Underwood's request on this matter I gave some help, because I had been giving study to the print-paper question.

Mr. Norris and I both agreed that we ought to put a tariff duty on print paper coming from Canada which cost over $2.50 a hundred, and the purpose of that is perfectly patent. It was in order to prevent a combination between paper manufacturers in the United States and Canada, which would enable them to put the price of print paper up a little over $2.50 a hundred, because the moment it got over $2.50 a hundred they would have to pay—I am not sure of the amount—12 cents a hundred, I think, as tariff duties, and during all of this present excitement in reference to paper, while some of our people have been paying as high as $3 and $4, I think in some cases as high as $5, a hundred for news-print paper, the Canadians, so far as they have been selling paper to us—and nearly all of their manufacture comes to the United States—have in no case sold paper for over $2.50 a hundred. The moment they sell for over $2.50 a hundred they have to pay a tariff duty.

The Senate has increased the limit to 5 cents a pound. You might just as well say that we entirely remove the tariff on print paper, and thereby transfer the industry absolutely to Canada. We have tried in recent years to secure to the American manufacturers of print paper the raw material from which to make it, much of which has to come from Canada—that is, the pulp wood, mostly spruce, and some ground wood pulp, together with a little sulphite pulp. Print paper is made in the main by a process of grinding up spruce wood, although they use some other kinds of wood, but not to any very great extent. It is a very cheap process. The ground wood is not quite strong enough to hang together during the process of manufacture, so they put in with the ground wood a little of what they call sulphite pulp, which is a chemical pulp which has a longer fiber, using about 25 to 30 per cent of the sulphite pulp, and that makes a fiber strong enough while it is wet, running through the mill, to hang together. We are dependent upon Canada to a large extent for the pulp wood from which print paper will be made, although every once in a while you will hear of some one who proposes to make news-print paper out of some other material—corn stalks, cotton stalks, or something else. The truth is that the cost of producing print paper made from spruce wood by the present process is probably less than the cost of assembling the material out of which it may be proposed to make it from some other product. So that we will not see the day when news-print paper is made from anything else than this ground wood.

If we take off the tariff entirely I think the result is more likely to be to increase the present price of paper than it is to reduce it. The Canadians at present can not charge $2.60 a hundred for paper selling to the United States. That is impossible, because if they charge over $2.50 a hundred they have to pay 12 cents a hundred duty. Of course, if print paper gets up to $3 a hundred it is absolutely immaterial whether there is a tariff upon it or not; but if we transfer the industry to Canada, and that is the tendency at present, I think it will be a sorrowful day for the men who print and read newspapers, because why should Canada, when they have absorbed the business, furnish paper to the United States any cheaper than they want to? Most of the Canadian wood is owned by the Canadian Government or by the Provinces of Canada and is to be found on Crown lands. They do not own it all, but they own the major portion of it, and for the same reason that Brazil makes us pay for her coffee the Canadian people, if they have any sense, if they ever acquire the industry, will say, when they have the controlling interest in the business, "Our pulp wood is worth more than we have been charging, and you will have to pay for it."

Mr. WINGO. Mr. Speaker, will the gentleman yield?

Mr. MANN. Certainly.

Mr. WINGO. Do they not do that already?

Mr. MANN. Oh, they do it already, surely.

Mr. WINGO. The Canadian Government prohibits the sending out of the country of the wood pulp now. A gentleman who recently appeared before the Trade Commission, who is either the president or the managing official of a concern that manufactures two-thirds of the print paper in this country, said they were locating their new mills in Canada, because the Canadian Government prohibited the sending out of the pulp wood; and it is not the tariff that makes him go there, but the regulation of the Government, which absolutely prohibits the sending out of wood pulp from Canada.

Mr. MANN. It is both, I will say to the gentleman. The tariff, of course, does not have any effect now, or has not in the past, upon the price of paper, so that it has no effect directly, but it has affected the establishment of new manufacturing plants in the United States.

Mr. BENNET. Mr. Speaker, will the gentleman yield?

Mr. MANN. In just a moment. We tried to put into the law—we wrote it into the Payne law—a provision forbidding importation from any Province of any Government if that Province forbade the importation into the United States of pulp wood. I did not intend to go into that, however. I wrote that provision, I should think, a dozen times in different forms and submitted it to a great many different people, and they all said it meant the same thing; but when the Treasury Department came to construe it it construed it to mean directly the opposite of what we had intended to write. I do not know which construction was the correct one. We wrote another provision later, which President Taft told me in advance he had examined, and which we had the right to do, which was intended to operate in the same way against Canadians if they discriminated against us; but instead of construing the law in that way, when it was written they held it up and let the customs court construe it, and that court construed it that we had to treat everyone alike all over the world, and practically destroyed that bill.

But I think it is a mistake to put this provision in the bill. I do not think it will reduce the price of paper one cent. It will have a tendency to raise the price of paper and, what is more serious, will have the tendency to move over to Canada all of the print-paper manufacture. We have not increased our mills, but we have a large number of mills making paper now; not so many now as there were several years ago, one reason of that being—and that is one reason for the shortage of print paper—that some of the people engaged in the manufacture of print paper are now making wall paper. The same mills that make print paper can make wall paper, and there has been a greater increase, I think, in the price of wall paper, if I am told correctly, than there has been in print paper. If our country legislates—and this is really what I rose to say—so that the future mills are established in Canada and the present mills in the United States are closed, with the timber over there belonging practically in the main to the Government, it is inevitable that those governments will increase the charge they make for cutting timber on the Crown lands, and our people will have to pay for it. You can not expect them to act altruistically. It will be their duty in Canada, where they will have statesmen as well as we, if they control the situation, to get a higher price for their product, and the only way we can protect ourselves in the United States is by preventing the removal of the business into Canada. I now yield to the gentleman from New York.

Mr. BENNET. Is it not a fact that since 1910 the importation of print paper from Canada increased something like 1,000 per cent?

Mr. MANN. I do not remember; I should hardly think so, but it may be true.

Mr. BENNET. From something like 34,000 tons to 340,000 tons?

Mr. MANN. That may be, but I hardly suppose it increased so much. I have the figures downstairs, but I have not got them here.

Mr. BENNET. They are in the RECORD; I was looking for them, but I can not find them at the moment.

Mr. GLASS. Will the gentleman yield for a question?

Mr. MANN. Certainly.

Mr. GLASS. If it be a fact, as the gentleman says—and if he says it is I have no doubt of it—that the importation from Canada to this country is at a rate not in excess of 2½ cents, why is it that newspaper publishers have to pay 5 cents for it?

Mr. MANN. There is no difficulty about that. Nearly all of the mills have contracts for nearly all their surplus. The newspapers that are paying 5 cents for paper now probably are, in the main, buying paper from brokers. Whether there is collusion between the broker and the manufacturer who supplies the broker I do not know, but many brokers have contracts, and I have no doubt that in many cases the brokers have taken advantage. The Canadian manufacturers, in the main, have their supply sold at lower rates, but they can not take advantage of the situation over here and sell paper at over 2½ cents unless they are willing to pay duty on it. Of course, if they have a large supply of paper, a surplus in Canada, the price could not go up, just as if they had a large surplus anywhere the price could not go up.

Mr. WINGO. Will the gentleman yield?

Mr. MANN. I will.

Mr. WINGO. Is it not a fact that the greater part of the importations of paper coming into the United States from Canada are importations by American manufacturers who are now saying to the newspaper publishers, whose contracts are expiring, "We can not supply you with an ironclad contract; we will have to do the best we can," and these same publishers are approached later on by brokers who sell that same manufacturer's paper at exorbitant prices? One instance I have in mind is where the price was four ninety, where the price under the expired contract had been one ninety. Is it not true that the American manufacturers are themselves, in the main, bringing in the paper from Canada?

Mr. MANN. I think not; because when we made the investigation before, if my memory serves me rightly, the Canadian mills had contracts for the major portion of their paper.

Mr. WINGO. That was a few years ago.

Mr. MANN. I think that is more true now than it was then.

Mr. WINGO. I think the gentleman will find, if he will take investigations recently made, that conditions have changed very materially.

Mr. MANN. I have been making some investigation of my own recently. I have not seen anybody's else, but this is my opinion, and whether it is correct or not I will not undertake to say. I introduced a resolution asking for an investigation by a committee of the House, and I thought the wise thing to do would be to have an investigation where the information was made public from day to day. The Federal Trade Commission was, and I suppose is, making an investigation. They had hearings. Those hearings were of some value; but the Federal Trade Commission, I suppose, necessarily makes most of its investigations through its experts and not through public hearings. The main value of an investigation which the committee of which I was chairman made some years ago, I think, was in the fact that there was published from day to day what took place before the committee, and there is no doubt whatever that that investigation kept down the price of print paper, because there was a panic in reference to the price then as there is a panic in reference to the price now. Our investigation showed that there was no just cause for a panic and the panic subsided.

I think if you had an investigation now it would show that there is no just cause for the panic which is putting print paper away up so high. A newspaper publisher to-day whose contract for paper has expired and who tries to get paper has hard work to do so. In preference to closing his plant he has to buy at an increased price, and where two or three are bidding through the same broker, the broker, having a limited supply, naturally puts up the price. That is human nature.

Mr. KREIDER. The gentleman just stated he introduced a resolution asking for an investigation. Does the gentleman know what has become of it? Has any action been taken on it?

Mr. MANN. I have not pressed it. That resolution went to the Committee on Rules, I suppose. I never asked the committee to take action upon it. I wanted the resolution passed, but I could not suppose that the Committee on Rules would probably provide for an investigation by a committee of the House to do a thing which the Federal Trade Commission had taken up and was endeavoring to do. There is nobody to blame for that, I think. [Applause.]

CONFEREES ON REVENUE BILL.

The SPEAKER announced the following conferees: Mr. KITCHIN, Mr. RAINEY, Mr. DIXON, Mr. HULL of Tennessee, Mr. FORDNEY, Mr. GARDNER, and Mr. MOORE of Pennsylvania.

LEAVE TO EXTEND REMARKS.

Mr. HULBERT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from from New York asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. KREIDER. Mr Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Mexican situation.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD on the Mexican situation. Is there objection? [After a pause.] The Chair hears none.

Mr. HUMPHREYS of Mississippi. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a newspaper editorial.

The SPEAKER. The gentleman from Mississippi asks unanimous consent to extend his remarks in the RECORD by printing a newspaper editorial. Is there objection?

Mr. MANN. Reserving the right to object, are we going to print all the editorials?

Mr. HUMPHREYS of Mississippi. I am not.

Mr. MANN. I suppose this is a political editorial.

Mr. HUMPHREYS of Mississippi. It is an editorial on the railroad-strike situation.

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, from what paper is it? Not that it makes any difference.

Mr. HUMPHREYS of Mississippi. It is from the New York World.

Mr. MANN. I think somebody put it in the other day.

Mr. HUMPHREYS of Mississippi. I would not want to put it in twice.

Mr. MANN. The gentleman from Tennessee [Mr. SIMS] placed in the RECORD an article from the New York World the other day.

The SPEAKER. The title of the article which the gentleman from Tennessee printed in the RECORD was "Rule or ruin."

Mr. HUMPHREYS of Mississippi. The title of this editorial is "The appeal to Cæsar."

Mr. MANN. I do not think I will object, but I can see no earthly reason for reproducing in the CONGRESSIONAL RECORD in the same week printed editorials appearing in the New York World.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

LEAVE TO ADDRESS THE HOUSE.

Mr. KINCHELOE. Mr. Speaker, I ask unanimous consent that immediately after the address of the gentleman from Illinois [Mr. DENISON] I may address the House for not exceeding 10 minutes.

The SPEAKER. The gentleman from Kentucky asks unanimous consent that following the address of the gentleman from Illinois [Mr. DENISON] he have permission to address the House for 10 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. GARDNER. Mr. Speaker, I ask unanimous consent that at the conclusion of the speech of the gentleman from Kentucky [Mr. KINCHELOE] I may be allowed to address the House for half a minute, or to do so now.

The SPEAKER. For how long?

Mr. GARDNER. Half a minute.

The SPEAKER. The gentleman from Massachusetts [Mr. GARDNER] asks unanimous consent at the conclusion of the remarks of the gentleman from Kentucky [Mr. KINCHELOE]——

Mr. MANN. Make it now.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to address the House for half a minute. Is there objection?

There was no objection.

Mr. GARDNER. Mr. Speaker, the other day while the debate was in progress on the President's bill to settle the railroad strike I sat by the side of a new Member of Congress who is just beginning to get a sturdy footing in the House. He and I, like so many of our fellow Members, longed to make a certainty of our reelection by yielding to the wishes of the powerful

railroad brotherhoods, and yet we were unconvinced of the righteousness of legislation under duress.

The eloquent gentleman from Alabama, THOMAS HEFLIN, was speaking in support of the President's bill. Suddenly he paused, shook his finger at the Republican side of the House, and accused us of at heart desiring a strike regardless of the welfare of the Nation. The new Member at my side flushed to the roots of his hair. He leaned over to me and said: "Every dollar I have in the world, and more, too, I have invested in a dairy plant from which I ship highly perishable products to the markets of the city of Portland, Oreg. If there is a strike, even for a few days, my loss will be heavy to bear. If the strike is prolonged, I am utterly ruined. If I regard my own fortunes, I am against a strike, no matter what the cost."

The time at last came for voting. The long roll call progressed. I listened to hear that new Member speak. With a cynicism which I regret but can not help I said to myself, "Well, I suppose that he has convinced himself that the eternal verities are on the same side as his political and personal interests."

I had mistaken my man. When the test came C. N. MCARTHUR, of Oregon, voted "no," and then turned quietly to his task to repair as best he might the damage to his political fortunes which his conscience had required him to make.

EXTENSION OF REMARKS.

Mr. BARKLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject on which I spoke a little while ago.

The SPEAKER. The gentleman from Kentucky asks unanimous consent to extend his remarks in the RECORD on the subject on which he addressed the House a few moments ago. Is there objection? [After a pause.] The Chair hears none.

Mr. FOCHT. Mr. Speaker, I desire to extend my remarks in the RECORD on a bill that I introduced providing for old-age pensions.

The SPEAKER. Is there objection? [After a pause.] The Chair hear none.

Mr. SMITH of Idaho. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the revenue bill.

The SPEAKER. The gentleman from Idaho asks unanimous consent to extend his remarks in the RECORD on the revenue bill. Is there objection? [After a pause.] The Chair hears none.

HOMESTEADS IN ALASKA.

Mr. RAKER. Mr. Speaker, I would like to obtain unanimous consent to have the Speaker lay before the House the bill S. 1064, in regard to the disposition of homesteads in Alaska. It is a question of whether or not under the rules it is not privileged and entitled to be considered, anyhow.

The SPEAKER. The gentleman from California asks unanimous consent for the present consideration of the bill S. 1064——

Mr. MUDD. Mr. Speaker, I demand the regular order.

The SPEAKER. The gentleman from Maryland demands the regular order, and the regular order is the gentleman from from Maryland [Mr. MUDD], who is recognized for 10 minutes.

ANNAPOLIS AND INDIANHEAD HIGHWAYS.

Mr. MUDD. Mr. Speaker, during the present session of Congress I have submitted to the House for its consideration proposed legislation embracing the construction of important military roads and highways leading from the National Capital to Annapolis and the Naval Academy, situated on the Chesapeake Bay, where our naval officers are educated and trained for the country's service, and to the naval proving grounds, on the Potomac River, at Indianhead, Md., where smokeless powder is manufactured by the Government, and where all of the guns used in the Navy are tested before their acceptance for use on naval vessels.

From the beginning of this, my first term in Congress, I have devoted considerable time to the work of securing adequate and vitally needed appropriations for these worthy purposes, and shall continue so to do until Congress, I hope, will realize their importance from the standpoint of strategy, of preparedness, and of public utility in time of peace, as well as in time of war. For the present the larger questions of military and naval preparedness, increases of the Army and of the Navy, have absorbed both the interest and the time of Congress.

The Naval Academy and the proving grounds are two of the most important and prominent naval stations in the country, and each is situated at a distance of about 30 miles from the city of Washington. At both places millions of dollars have been spent by the Government and millions more will be spent in the years to come, but Congress has unwittingly delayed affording a direct means of communication and proper facilities for travel and transportation between the Capital of the Nation and these two institutions.

Magnificent boulevards have been constructed by American and European cities leading to their suburbs, to other cities, and to varied places of amusement. Shall it be said that this country shall be lacking in the serious and important undertaking of constructing proper arteries for national protection, when less important connections are made in countless numbers? New England and other sections of this growing and powerful country are linked as with rods of steel by spacious roads constructed with care and attention, on the best and firmest foundations; but while this meritorious work goes on as it should, it should be strongly linked and go hand and hand with the even more important work of a comprehensive system having for its view and goal the safety and protection of our very hearthstones. Every loyal American citizen will view with pride such enterprises and will cheerfully sustain his part of the cost.

The State of Maryland has done her part and duty in road work, having spent upward of $20,000,000 in building a magnificent system of turnpike roads covering her main thoroughfares. At the last session of her State legislature the State of Maryland appropriated the sum of $125,000 for a national defense highway between Washington and Annapolis, to become available when the Government shall have appropriated a like or larger amount.

The Maryland roads constitute magnificent arteries of interstate as well as of intrastate commerce, affording also a system of post roads unexcelled in this country. And I submit, Mr. Speaker, that the obligation for their construction rests not alone upon the State of Maryland, but should be borne, in part at least, by the Federal Government. They are not strictly State roads by their very nature, but are designed for the good of the people of all States whose citizens find pleasure and profit in traversing them, as is done most freely.

Ample appropriations for both the proposed roads are imperative. No expense should be spared for their construction with the best modern materials and according to the highest standards of efficiency and durability.

I believe the time has arrived when Congress should anticipate the future, and in pursuance of our policy of national preparedness build a system of strategic highways wherever needed in this country, over which, in event of invasion or threatened invasion, troops, supplies, ammunition, and guns could be quickly and expeditiously transported. If in 1812 we had been equipped with an adequate military force and national highways of the character I now propose, we would not have suffered the humiliation of having to see the troops of the British march to this city and burn the Capitol and the White House.

When highways of this description are finished the Capital will be in the closest possible touch with at least two of its most important naval surroundings, and a step forward will be taken in a larger and broader scheme which when completed will have gone far in aiding the safety and security of our people. The completion of such roads will make them available for massing troops, will enable quick transportation to be had to these bases, will be conclusive evidence that at the Capital of the United States a full and just appreciation is being paid to the needs of our country, and that a beacon has been lighted that should shine through and illuminate other sections with vital needs for defense.

Taking lessons from war-cursed Europe, we see there the great use for national highways and Government roads, and when we consider the ease and celerity with which huge guns and tractors have been rushed to the front, to save and win battles, it makes it even more evident that the time has arrived for prompt and decisive action on this side of the water, where to be forewarned should be to be forearmed.

I trust the day will never come when a foreign fleet will stand at our gates with hostile intent, but I am very firmly convinced that we should not overlook the possibility of such an occurrence, and in the meantime should adopt those measures which if danger threatens would at least give our citizens the reasonable protection to which they are entitled as Americans.

It behooves us in every way to conserve and protect the safety of the National Capital and to take every step to insure its proper defense.

The expenditure of money for such a project will be in the nature of wise peace insurance for the safety of Washington in the future, and will also enable the Federal Government effectively and quickly to mobilize troops and resources whose slowness in reaching their base in the past has menaced our country with gravest danger.

Completed as military highways these roads will serve in times of peace, and it is my earnest wish that along their stretches the commerce of Washington and its adjoining sister

State of Maryland may be carried on in ever increasing volume and diversity.

Congress in the past has appropriated money for roads to and from our national cemeteries, the final resting places of the Nation's honored dead. Broad and spacious highways lead to the silent cities where the heroes of land and sea sleep under the laurel of "fame's eternal camping ground." No words of tongue or pen can add to or subtract from the manly and unselfish qualities of our dead who in time of peril and stress gave their life's blood that the Nation might live. It is our sacred duty and ambition to-day to protect, if possible, the lives and security of our countrymen by those walls of defense and arteries of connection whose erection may mean the securing of lasting peace and the protection of our country from the ruthless hand of the invader. We owe, it is true, a debt of honor and gratitude to our heroic dead, but we also owe a debt equally large to ourselves and posterity.

We can in part pay that debt by the passage of these measures which, designed for protection from invasion, provide also for the safety and security of a mighty land. [Applause.]

I attach as a part of my remarks the bills introduced by me to which I have referred, namely:

A bill (H. R. 11959) to aid the State of Maryland to construct a military and post road to be known as the National Defense Highway, connecting the United States Naval Academy grounds at Annapolis, the capital of Maryland, and the seat of the Federal Government, the District of Columbia.

Be it enacted, etc., That for the purpose of cooperating with and to aid the State of Maryland to construct a military and post road, which shall be a modern high-grade road, said road to be known and designated as the National Defense Highway, connecting and affording direct means of transportation and communication between the city of Annapolis, the capital of the State of Maryland, wherein is located the United States Naval Academy, and the District of Columbia, the seat of the Federal Government, the Capital of the United States, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be expended by and under the direction and supervision of the Secretary of Agriculture, as hereinafter provided, the sum of $250,000, or so much thereof as may be necessary: *Provided*, That no part of said sum shall be expended until the Secretary of Agriculture is satisfied that the State of Maryland has made provision and authority for the expenditure of an amount equal thereto toward the construction of said highway: *Provided further*, That the maintenance of said National Defense Highway shall not be a charge against the United States except to the extent of a proportionate amount of any appropriation that may hereafter be made by Congress in aid of the States for a general system of highways: *And provided further*, That no toll shall be exacted or charged for the use of said highway.

SEC. 2. That said National Defense Highway shall be a military highway and post road for the transportation of military supplies and postal matter: *Provided*, That the United States does not hereby assume jurisdiction over that part of said highway within the State of Maryland.

SEC. 3. That the Secretary of Agriculture, when advised by the proper authorities of the State of Maryland that the terms of this act are satisfactory and that said State will construct said highway in accordance with surveys, plans, and specifications to be submitted to and approved by him, he shall, in his discretion, from time to time, make payments upon such construction as the same progresses, but these payments shall in no case be more than the pro rata part of the United States of the value of labor and materials which have been put into such construction: *Provided*, That all actual construction of said highway under the provisions of this act shall be under the supervision and control of the highway commission of the State of Maryland; but the Secretary of Agriculture may make or cause to be made such inspection and examinations of said highway as he shall deem necessary, and prescribe what reports shall be made to him in relation thereto, when they shall be made, and the subject matter thereof.

SEC. 4. That all payments of money from the appropriation authorized by this act shall be made by the Treasurer of the United States upon warrants drawn by the Secretary of Agriculture.

A bill (H. R. 17768) authorizing the construction of a military road from Washington City, D. C., to the naval proving grounds, Indianhead, Md., and making an appropriation therefor.

Be it enacted, etc., That for the purpose of constructing a modern high-grade road, which shall be a military and post road, connecting and affording direct means of transportation and communication between the city of Washington, D. C., and the naval proving grounds at Indianhead, Md., there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $500,000, or so much thereof as may be necessary, to be expended by and under the direction and supervision of the Secretary of the Navy and the Secretary of Agriculture jointly, under such regulations as they may prescribe: *Provided*, That in the selection of a suitable route and in the actual construction of said road provision shall be made for the cooperation of the highway commission of the State of Maryland: *Provided further*, That the United States shall exercise exclusive jurisdiction over said road for all purposes other than of offenses committed thereon indictable under the laws of the State of Maryland and shall maintain and keep the same in repair: *And provided further*, That no toll shall be exacted or charged for the use of said road.

SEC. 2 That the road authorized to be constructed by this act shall be known and designated as the Indianhead Military Road.

ORDER OF BUSINESS.

Mr. BUCHANAN of Illinois. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the Clerk's desk.

Mr. STAFFORD. Mr. Speaker, I demand the regular order.

Mr. BUCHANAN of Illinois. It is always in order, Mr. Speaker, to ask unanimous consent, is it not?

Mr. STAFFORD. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. The Chair will have to object to that resolution himself.

Mr. BUCHANAN of Illinois. Will the gentleman withhold it for a moment?

Mr. STAFFORD. Mr. Speaker, I demand the regular order. There are a number of Members who have had unanimous consent who are anxious to address the House.

The SPEAKER pro tempore. A number of gentlemen, by unanimous consent, are entitled to speak to-day, and occupying the Chair temporarily I do not feel that I am at liberty to recognize the gentleman for any other purpose.

Mr. BUCHANAN of Illinois. The Chair feels that he is at liberty to make an objection to the resolution but not at liberty to reserve an objection?

The SPEAKER pro tempore. My feeling that I am not free to do it is confirmed by the fact that I would feel compelled to object if I were on the floor when this resolution was offered.

Mr. BUCHANAN of Illinois. It seems to me that the two positions of the Chair are opposed to each other.

The SPEAKER pro tempore. The gentleman from Oregon [Mr. MCARTHUR] is recognized for 10 minutes.

COMMERCIAL PREPAREDNESS.

Mr. MCARTHUR. Mr. Speaker, the paramount issue of the present campaign for control of the executive and legislative branches of the Government is the question of preparedness for conditions that are bound to exist in this country after the European war. There are other important issues, but commercial preparedness is of greatest consequence to the people of the country and therefore deserves our most serious consideration. Since the outbreak of the war, in August, 1914, our export trade to the warring nations has grown by leaps and bounds, breaking all records, and bringing to certain sections of our country such prosperity that no less a person than Mr. Charles E. Hughes recently said the American people are living in a "fool's paradise." This statement has been ridiculed by partisan newspapers and stump speakers, but it will, nevertheless, stand the test of the most carefnl analysis. [Applause on the Republican side.] To show the effect that the war has had upon our prosperity, let us take the export figures for the year commencing September 1, 1913—a year of peace—and compare them with the figures for the year commencing September 1, 1914—a year of war.

During the year of peace we sold in breadstuffs to Europe $181,484,000 worth. During the year of war we sold $567,607,000, a gain of 213 per cent.

During the year of peace we sold to Europe horses to the value of $3,177,000. During the year of war we sold them horses to the value of $82,276,000, a gain of 2,590 per cent.

During the year of peace we sold to Europe mules to the value of $622,000. During the year of war we sold them mules to the value of $18,041,000, a gain of 2,795 per cent.

During the year of peace we sold to Europe hay to the value of $790,000. During the year of war we sold to Europe hay to the value of $2,263,000, a gain of 233 per cent.

During the year of peace we sold to Europe meats and dairy products to the value of $138,736,000. During the year of war we sold them meats and dairy products to the value of $243,098,000, a gain of 75 per cent.

During the year of peace we sold to Europe sugar to the value of $4,341,000. During the year of war we sold to Europe sugar to the value of $36,816,000, a gain of 748 per cent.

The figures which I have just quoted refer exclusively to exports of the products of our farms and ranges, but they are insignificant as compared with the great sums of money that have been spent here for arms and explosives. During the fiscal year ending June 30, 1916, we exported nearly $470,000,000 worth of explosives, $135,000,000 worth of shell steel, and nearly $20,000,000 worth of firearms. The United States Cartridge Co., of Lowell, Mass., was a moderate-sized concern before the war, with a force of 300 workers and a weekly pay roll of $2,400. To-day the same concern employs 10,000 men and women and has a weekly pay roll of $103,000. The American Steel Foundries Co. is completing an $18,000,000 order for 8-inch shells and has booked another order of $20,000,000. The Bethlehem Steel Co. is shipping 1,000,000 shells monthly to the allied armies. Taking 47 classes of articles properly characterized as war munitions—and clothing and food are as necessary to soldiers as ammunition and guns—these classes comprised more than 60 per cent of our $4,333,000,000 worth of exports for the fiscal year 1916. This statement can be verified by the June Monthly Summary of the Department of Commerce. These are but samples of the war orders that have been bringing us an average of $200,000,000 worth of trade per month and which have put more than $4,800,000,000 into the coffers of our

manufacturers since the outbreak of the great struggle across the sea. A large percentage of this amount has been spent for wages and the products of labor and its diffusion through the channels of trade and commerce has brought prosperity to many parts of the country.

PROSPERITY IS SECTIONAL.

This prosperity, however, is largely sectional, and purely artificial. It is the prosperity of war, not of peace. It is a prosperity of hate, misery, suffering, and death. It has been bathed in the blood of the dying soldier and in the tears of his widow and his orphan. It is not a permanent, substantial prosperity and will vanish like leaves before the autumn blast when the great war shall have closed. I said that this prosperity has been sectional and I shall illustrate this by pointing to the Pacific coast and particularly to the Pacific northwest, where war orders have been few and far between as compared with those placed in the great manufacturing centers of the East where the arms and munitions are made. In that section of our country we are having normal Democratic times—the kind we always have when the country is on a free-trade basis. [Applause on the Republican side.] We have had no orders for firearms and explosives, and have struggled along as best we could with practically all of our products on the free list of the Underwood-Simmons tariff law.

The Morning Oregonian, speaking editorially on August 22, said:

Oregon suffered as much as any other State from the effects of the Underwood tariff before the war and it has shared only to a slight degree in the temporary prosperity brought by the war. Its lumber industry was struck down, its dairy industry was exposed to competition of New Zealand butter, Chinese eggs, and Danish cheese, and its wool industry gained a respite only through a short clip in other countries and through the war. If Oregon is to enjoy permanent prosperity it must have protection under a Republican administration which believes in protection.

[Applause on the Republican side.]

Mr. YOUNG of North Dakota. I did not understand what paper the gentleman was reading from.

Mr. McARTHUR. From the Morning Oregonian, of Portland.

IMPORTS FROM ASIA INCREASING.

On the Pacific coast the values of imports from Asia have grown perceptibly since the Democratic tariff law became operative. Imports from four Asiatic countries increased nearly $200,000,000 during the fiscal year 1916 over 1913 under the Republican protective tariff law, or from $262,000,000 for 1913 to $461,000,000 in 1916. While we were standing at our eastern door gloating over our tremendous war-order business; while the Democratic Party was gleefully making political capital from the shekels pouring into the United States in payment for war supplies; while the lifeblood of hundreds of thousands was pouring onto European battle fields woven into tangled mazes with American barbed wire, furrowed with trenches dug with American tools, rutted with American motor cars, trodden by American shoes, and torn by American shells, these four little countries were gumshoeing through our western door and appropriating 21 per cent of our entire import trade for the fiscal year 1916. Is it not about time to turn to the other side of the house and put a protective latch on the western portal? Here are the figures:

Country.	Imports, 1913.	Imports, 1916.	Increase.
			Per cent.
Australia and New Zealand	$15,241,362	$64,553,441	327
British East Indies	116,220,591	177,423,346	53
China	39,010,800	71,655,045	80
Japan	91,633,240	147,644,228	61
Total	262,205,993	461,276,060	76

With the exception of Australia and New Zealand, these countries have the lowest wage scale on earth, on an average not greater than one-tenth the American scale of wages, while the scale in the kangaroo countries is far less than our own.

In manufactured goods Japan is fast becoming our most serious commercial rival in the far eastern trade, and every year under the Democratic tariff law sees her exports to us increasing by leaps and bounds. The far lower cost of production, which gives Japan such an advantage over us, and the shortsighted policy of the administration which discouraged American financiers from sharing in the six-power loan to China are hurting us immeasurably in our export trade with the Celestial Empire, while under our policy of near-free trade a great many American investors find it profitable to develop industries in China, using Chinese cheap labor and Chinese raw material and shipping their product to the American market to displace the product of American mills and labor receiving the American wage.

In referring to Australia and New Zealand it should be borne in mind that the 327 per cent increase in their exports to us was recorded despite the fact that Great Britain has placed a rigid embargo on many products of Australia which otherwise would enter into competition with American products, and these consist chiefly of meats, wool, agricultural, and dairy products. Wool was for a long time under embargo. When the war is over what a fat market this will be for Australia under our present tariff law. Do American farmers welcome this competition? Are they going to let Democratic orators fool them into keeping the door open to Australia, New Zealand, Argentina, Bermuda, Canada, the Orient, and every other country on the globe whose tillers of the soil live on less than it requires to fatten an American pig? [Applause on the Republican side.]

CANADIAN PRODUCERS REAP PROFIT.

While Asia has been flooding our western coast with the products of her cheap labor our Canadian neighbors have not been idle. I quote some figures comparing certain lines of imports from Canada for the fiscal year ending June 30, 1913, when the laborers and producers of this country enjoyed the blessings of a protective tariff, with those for the year ending June 30, 1915, when the Underwood-Simmons law was in full force and effect:

Articles.	1913	1915
Cattle	$1,026,301	$9,285,277
Fish	3,942,824	6,588,747
Steel rails	11,010	1,503,090
Butter	75,258	263,880
Belting and sole leather	100,112	1,513,075
Shingles	1,399,751	3,104,102

The total of our imports from Canada for the fiscal year 1913 was $120,000,000, as compared with $160,000,000 for the fiscal year 1915. Of these imports $102,416,000 in 1915 were such as come into direct competition with the products of those States bordering on Canada, compared with $60,648,000 in 1913, which more than accounts for the entire increase in 1915 over 1913. I may mention in passing that under the old tariff law 53 per cent of our imports from Canada were on the free list, while under the present Democratic law 86 per cent are admitted free. During the fiscal year just passed our imports from Canada totaled $204,000,000, of which practically 90 per cent were free of duty. We have given a free market to Canada while we pay to enter hers.

In the great lumbering States of Oregon and Washington many shingle mills have been forced to close down, throwing their men out of employment, while shingles by the trainload have been manufactured by the cheap oriental labor of British Columbia and hauled past our very doors to markets in different parts of our country. The lumber business has also fallen into a deplorable condition, due largely to lumber being on the free list.

AMERICA WILL BE DUMPING GROUND FOR EUROPEAN PRODUCTS.

The European war can not last forever and may God speed the day when its last shot is fired! The close of this great struggle will mark the beginning of a commercial war such as the world has never seen. The great armies now in the trenches will return to the factories and fields of Europe with a training that will make them more efficient than ever before. The great European nations will strive to capture the world's commerce, and, with their cheap labor, will unload their products on our wharves and put them in competition with the products of our high-priced labor, with the result that the latter will either be forced to accept lower wages or cease work altogether. We have received intimations of the sort of competition we will be called upon to meet from the reports of the so-called Paris pact of the allies and the Vienna conference of the central powers. With these two groups waging a bitter trade war following the cessation of the war by force of arms there can be but one outcome. Without a protective barrier the United States will be the great battle ground of the European powers for the control of our enormous market, and a competition absolutely destructive of American industries will be waged under the very noses of our producing classes. To guard against such a calamity our people must have the protective policies of the Republican Party. Strong, capable, constructive statesmanship is now the crying need of the country, but it is easy to foresee the conditions which will exist if we remain on a free-trade or near free-trade basis. [Applause on the Republican side.]

I have quoted figures—reliable and authentic, coming from official sources—showing how our imports from Canada and the Orient have increased under the Underwood-Simmons law. Our imports from Europe will be infinitely larger when the war is over unless we anticipate conditions and put up a tariff barrier. It has been suggested that the Tariff Commission provided in the pending revenue act will solve the problem. But the Tariff Commission, under our Constitution, has no power to legislate. It can merely recommend. Any export tariff commission will undoubtedly prove of great value to the country, but the power to fix schedules is vested in Congress, and our Democratic friends in the Baltimore platform (1912) declared legislation fixing protective rates to be unconstitutional. It is quite apparent, then, that if the country is to enjoy the blessings of a protective tariff it will not receive them through the instrumentality of the Democratic Party, notwithstanding that party's recent departure from its cherished position when it committed itself in debate to the protection of the manufacture of dyestuffs in the United States, but refused to fix rates which were protective. The Democratic Party has been and is the party of free trade or tariff for revenue only. We all remember the conditions that followed the adoption of these Democratic theories in 1892, and we have a vivid recollection of conditions that existed following the enactment of the Underwood-Simmons tariff law and continued until the European war orders revived them.

REPUBLICAN POLICIES SOUND.

The November election will decide the question and will tell whether the American people wish to continue an administration that will bring ruin upon the laborers and producers of the country, or whether they wish to return to the sound policies which prevailed almost continuously for half a century and which, because of their soundness, carried genuine prosperity to all classes. [Applause on the Republican side.]

The SPEAKER pro tempore. The gentleman from Missouri [Mr. BORLAND] is recognized for 15 minutes.

THE EIGHT-HOUR LAW.

Mr. BORLAND. Mr. Speaker, I had it in mind to speak a few words on the subject of the recent crisis in the transportation system of our country, more especially in view of the fact that the greatest misinformation or lack of information seems to prevail as to the effect of the terms of the settlement.

It would not be surprising if our Republican friends, in their mad search for an issue, should attempt to make an issue out of the granting of an eight-hour day to the trainmen, although exactly how they are going to make an issue out of that, in view of the fact that nearly three-fourths of their membership in this House voted for the eight-hour bill, I am unable to see. Possibly there is no more objection to their candidate for President discrediting three-fourths of the membership of his party in this House on their vote on that bill than in his discrediting their vote on the rural-credits bill, the Vera Cruz resolution, and numerous other Democratic measures. Possibly they may go before the country attacking the principle of an eight-hour day, although I have my grave doubts on that subject, because with all of their mad struggles for an issue the rank and file of Republican politicians in this country have not parted with their senses. They are anxious to get into office, and they are not anxious to sink themselves deeper in the sea of obscurity.

But I had in mind more especially to call attention to the total misapprehension, the absolute lack of practical knowledge, which distinguishes my friend from Pennsylvania [Mr. MOORE]. He started out by contending that this eight-hour bill, for which you gentlemen as well as ourselves voted, was no more and no less than an increase in wages. It so happens that when I was a boy I was in the railroad business and know a little practically about the subject. I know what is the position of the trainmen to-day on the subject of the 8-hour day as distinguished from the 10-hour day. Their original demand, gentlemen, was that they be given an 8-hour day, or 100 miles, as a standard for a day's work. At present the standard on those roads is 10 hours, or 100 miles. The mileage standard is not changed by the form of this agreement nor by the form of their demands. They ask 100 miles as a day's work, to be accomplished in 8 hours rather than in 10 hours.

Now, I want to remind all our misinformed friends that trainmen are paid on a mileage basis, and that it is the miles accomplished in the day's run for which they are paid and which constitute the standard of their employment. The hours consumed are not important, except on layouts, and unless a layout occurs in a regular run the hours' schedule cuts no figure in most cases. The pay is based upon the miles.

With that explanation in mind, gentlemen will see the utter falsity and unsoundness of a claim that a reduction of the time within which the mileage must be accomplished from 10 hours to 8 hours is an automatic increase of 25 per cent in the wages. They are comparing it in their own minds with a manufacturing institution or a mercantile business. If an employer employs a large number of men in a manufacturing institution and works them 10 hours a day, he has a given output. If he reduces the day to 8 hours, manifestly he decreases his output 20 per cent, and increases his wage scale 25 per cent if he pays the same wages. That is automatic, and the common impression upon the business man's mind is that that is what occurs in the railroad situation. It is that false notion that our partisan friends desire to inculcate in the public mind. The truth about the matter is that that principle does not apply to the railroad business at all. The railroad managers say that these trainmen involved in this dispute draw $400,000,000 a year wages, and that to increase their wages 25 per cent, which they assume will be done by a reduction from 10 to 8 hours, means an additional expense of $100,000,000. If they were running a factory, that would be absolutely true. If they were running a retail store, it would be absolutely incontestable; but it has not the slightest application to train-men. It is not a fact. There will not be an increase of $100,000,000 in the expense of running the railroads, and in my judgment and in the judgment of competent railroad men to whom I have talked there is very little chance for actual increase in the operating expenses of railroads.

The railroad trainmen tell me that in 95 cases out of 100 on the present existing schedule the run of 100 miles can be made within eight hours, and in many cases it is made within the eight hours or less right now. Ten hours for 100 miles are an average of 10 miles an hour for a freight train. A freight train can make in running time 20 to 22 miles an hour. Now, the trainmen are asking that it shall be put over the road, including stops and layouts, at an average speed of 12½ miles an hour instead of an average speed of 10 miles an hour. And there you have the whole gist of the situation.

To show that the trainmen are right in their contention, I want to state another thing that has not been brought to the attention of the public. The trainmen do not desire to earn overtime. They deny that their plan is to work 10 hours and secure 8 hours for a day's work and 2 hours overtime. They desire to cut their day's work to eight hours, and they point out one incontestable proof of their sincerity of purpose in that respect. And if you will follow me, I will tell you what it is: Their first proposition was that overtime over the eight hours should be penalized by charging time and a half for overtime. As those who had had no practical experience in railroading could not see the justice of that, it was cut out of their proposition and they abandoned it and surrendered it. But the effect of that is this: They say that if the punitive overtime were allowed, the railroads would put their trains through in eight hours, and no overtime would be paid to the men. Therefore they would not make a cent more wages, but would simply accomplish the net result of a reduction in their working hours. That is perfectly manifest when you know the conditions under which they work.

They say that if you give them only the present rate for overtime, the railroads will not feel the punitive weight of the time and a half and will not be so careful to put the trains through on an eight-hour schedule. In other words, the more you increase the expense to the railroad for keeping the train on the road beyond eight hours, the more you make it incumbent upon the railroad management to put through the eight-hour schedule and the less overtime earned by the men. That is a matter of common experience. If it costs the railroad managers no more in proportion to run a train 10 hours than 8 hours, they are liable to run them 10 hours, but if it costs them more for punitive time, then they will see by increased efficiency that they will keep to the eight-hour schedule, and the trainmen will get not a cent for overtime. I say that in justice to the trainmen. They did not demand overtime with a view that it should go into their pockets but with a view that it would cut down to eight hours time, which they demanded.

The reduction from 10 hours to 8 hours is not an automatic increase in wages. As a matter of fact, they are paid on a mileage basis of 100 miles, which will be the same to-day after the 8-hour law as under the 10-hour law, and that prevails now in many cases, and it will prevail in 90 per cent of the cases when the schedules are reduced. That an eight-hour schedule is practicable is shown by the fact that most roads operate their passenger schedule on that basis now, and many roads their freight schedule also.

How, then, does this affect the general public? In two ways. In the first place, the railroad presidents have no right to make a blanket demand for increase of rates until it is established that

the increase of rates is needed to meet the increase of operating expenses. If it turns out that the railroad men are right, or partially right, in establishing this change, it will not affect the cost of operation and will not add to the operating expenses, then the general public can not be visited by this demand for increased rates. There you have the whole gist of the situation, politically and economically. There you have what the railroad presidents were contending for, a further opportunity to increase the railroad rates of this country upon the pretext of an eight-hour day for trainmen.

How did the President meet that situation? He said, "Gentlemen, let us concede the eight-hour day as a principle and that it may be made practical in railroading as in other business." Does any gentleman here deny that? "Then let us investigate by a fair commission how much this affects the operating cost of the railroads, if any." That plain, simple, business proposition was what was rejected by the railroad presidents. It was a plain business proposition Congress had put into force by its law. That covers to-day the whole of the legislative program that is practical now and which can be adopted at this stage of the contention. If the eight-hour day as a principle can be applied to railroading as to other businesses, then practical results, as the President said in his message, practical observation and experience are the only test to determine whether increased efficiency will offset the extra cost of the service.

Now, gentlemen, I want to say this in answer to a great deal of misapprehension that seems to be abroad in this House. The railroad trainmen are not paid by day or month. The railroad trainman is not a fixed employee of the railroad. He does not earn a penny of salary unless he takes out a load of freight. Every time a trainman goes out with a train his wages are measured into the tonnage he carries. A railroad trainman differs from a shopman, differs from a clerk in the mercantile employ or a factory operative. He is not on day wages; he is working on a commission basis. He goes out with a train and it is that train that pays him, and his pay is measured into the earnings of the train. To-day the trains are not run in 25 or 30 loads, but in 75, 80, and 90 loads. The railroads are straining every nerve to carry the commerce of the country, and the railroad man is taking much more tonnage per man than in the history of railroads. His wages are actually less when measured into the tonnage to-day than ever before in the history of railroads. [Applause.]

The SPEAKER pro tempore. The time of the gentleman has expired.

LEAVE TO ADDRESS THE HOUSE.

Mr. STEENERSON. Mr. Speaker, I ask unanimous consent that on to-morrow I may be allowed to address the House on the political issues of the day for one hour.

The SPEAKER pro tempore (Mr. FITZGERALD). Not to-morrow.

Mr. MANN. I ask unanimous consent that the gentleman from Minnesota have permission to address the House to-morrow for one hour, not to interfere with privileged matters.

The SPEAKER pro tempore. There may be other requests and other business, and that there will not be time.

Mr. MANN. There will be no other business——

The SPEAKER pro tempore. The Chair will object to it himself.

Mr. MANN. Then I shall object to all request for to-morrow. The Chair has no right to object.

The SPEAKER pro tempore. Under the unbroken precedents of the House, the Chair has the right to exercise his privilege.

Mr. MANN. No Speaker has ever objected; sometimes some occupant who got into the chair has objected.

The SPEAKER pro tempore. The Speakers of the House heretofore have exercised that right, and the present occupant of the chair exercises his right as a Member of the House.

Mr. MANN. Then there will be no business by unanimous consent to-morrow.

The SPEAKER pro tempore. That threat does not keep the present occupant of the chair from exercising his privilege.

Mr. MANN. It will affect the action of the House.

ENROLLED BILLS SIGNED.

The SPEAKER announced his signature to enrolled bills of the following titles:

S. 6748. An act providing that Indian schools may be maintained without restriction as to annual rate of expenditure per pupil; and

S. 3646. An act to amend the act of February 11, 1915 (38 Stat. L., p. 807), providing for the opening of the Fort Assiniboine Military Reservation.

ADJOURNMENT.

Mr. CARLIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 37 minutes p. m.) the House adjourned until to-morrow, Thursday, September 7, 1916, at 12 o'clock noon.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills and a resolution were introduced and severally referred as follows:

By Mr. STEPHENS of Texas: A bill (H. R. 17767) authorizing the Secretary of the Treasury to cause the present building at Wichita Falls, Tex., to be enlarged, extended, and remodeled to accommodate a Federal court; to the Committee on Public Buildings and Grounds.

By Mr. MUDD: A bill (H. R. 17768) authorizing the construction of a military road from Washington City, D. C., to the Naval Proving Grounds, Indianhead, Md., and making an appropriation therefor; to the Committee on Military Affairs.

By Mr. LAZARO: Resolution (H. Res. 367) authorizing the chairman of the Committee on Enrolled Bills to employ additional assistant clerks; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills were introduced and severally referred as follows:

By Mr. CRAGO: A bill (H. R. 17769) for the relief of James W. Pringle; to the Committee on Military Affairs.

By Mr. FAIRCHILD: A bill (H. R. 17770) granting an increase of pension to Edward Loomis; to the Committee on Invalid Pensions.

By Mr. GILLETT: A bill (H. R. 17771) granting an increase of pension to John E. Stanton; to the Committee on Invalid Pensions.

By Mr. KAHN: A bill (H. R. 17772) for the relief of the East Asiatic Co. (Ltd.); to the Committee on Claims.

By Mr. KEY of Ohio: A bill (H. R. 17773) granting an increase of pension to Harry E. Bryan; to the Committee on Pensions.

By Mr. McGILLICUDDY: A bill (H. R. 17774) granting an increase of pension to Henry P. Huntley; to the Committee on Invalid Pensions.

By Mr. McARTHUR: A bill (H. R. 17775) granting a pension to Christian S. Lowe; to the Committee on Pensions.

Also, a bill (H. R. 17776) granting an increase of pension to Eliza A. Piatt; to the Committee on Invalid Pensions.

By Mr. NEELY: A bill (H. R. 17777) granting an increase of pension to Nelson Virgin; to the Committee on Pensions.

Also, a bill (H. R. 17778) granting a pension to A. S. Radford; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17779) granting a pension to Richard McNeely; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17780) granting a pension to John R. Crayton; to the Committee on Pensions.

By Mr. RAKER: A bill (H. R. 17781) for the relief of Alexander F. McCollam; to the Committee on the Public Lands.

By Mr. WILLIAMS of Ohio: A bill (H. R. 17782) granting a pension to Jennie Wood; to the Committee on Pensions.

Also, a bill (H. R. 17783) granting a pension to Lavinia M. Goe; to the Committee on Pensions.

Also, a bill (H. R. 17784) to correct the military record of Adam B. Ackerman; to the Committee on Military Affairs.

By Mr. WILSON of Florida: A bill (H. R. 17785) granting a pension to Mrs. Elizabeth Lewis; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BACHARACH: Communications from Edward J. Murtha, Carl E. Thorbecke, Christian Dick, and Dr. W. Jentsch, all of Riverside, N. J., protesting against British blacklist and other acts of Great Britain on sea and on land; to the Committee on Interstate and Foreign Commerce.

By Mr. WILLIAMS of Ohio: Protest of Erie Railroad Co., of New York, N. Y., against the imposition of a tax on capital, surplus, and undivided profits in the revenue bill; to the Committee on Ways and Means.

SENATE.

THURSDAY, *September 7, 1916.*

The Senate met at 10 o'clock a. m.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we lift our hearts reverently to Thee this morning and ask Thy blessing upon us. We would carry into the labor of this day the impression of Thy presence with us and the inspiration that comes to us from a desire to glorify Thy name in the service that we render to our fellow men. We would remember the deep and lasting significance of every act in this Chamber of legislation. We ask Thee so to subdue all passion, so to refine us by the constant influences of Thy spirit that we may act in all things with a sense of our divine obligation, that through Thy leadership we may accomplish great things in the interest of humanity. We ask for Christ's sake. Amen.

CALLING OF THE ROLL.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Husting	Nelson	Smoot
Bryan	James	Norris	Sterling
Chamberlain	Jones	Owen	Stone
Chilton	Kenyon	Penrose	Swanson
Clapp	Kern	Pittman	Taggart
Culberson	Lane	Reed	Thomas
Cummins	Lea, Tenn.	Shafroth	Thompson
Curtis	McCumber	Sheppard	Vardaman
Dillingham	Martin, Va.	Sherman	Warren
Fletcher	Martine, N. J.	Smith, Ga.	
Gallinger	Myers	Smith, S. C.	

The VICE PRESIDENT. Forty-two Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. HUGHES, Mr. PHELAN, and Mr. SIMMONS answered to their names when called.

Mr. JONES. I desire to announce that the junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent on account of illness in his family. I will let this announcement stand for the day.

Mr. LEWIS entered the Chamber and answered to his name.

The VICE PRESIDENT. Forty-six Senators have answered to the roll call. There is not a quorum present.

Mr. KERN. I move that the Sergeant at Arms be instructed to request the attendance of absent Senators.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will carry out the instructions of the Senate.

Mr. FALL and Mr. RANSDELL entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-eight Senators have answered to the roll call. There is a quorum present. The Secretary will read the Journal of the proceedings of the preceding session.

THE JOURNAL.

Mr. FLETCHER. I ask unanimous consent that the reading of the Journal be dispensed with.

Mr. GALLINGER. I object. Let the Journal be read.

The VICE PRESIDENT. The Journal will be read. There is objection.

The Secretary proceeded to read the Journal of the proceedings of the legislative day of Friday, September 1, 1916, and was interrupted by

Mr. PENROSE. Mr. President, I think it would comport more with the dignity of this body if the Journal was read with a little degree of clearness and slowness, so that we may know just what is in it, and not be rattled through in the way it is being done.

Mr. OWEN. I should like to ask the Senator from Pennsylvania whether he wants to have the time taken up by a slow reading.

Mr. PENROSE. No; but I do not want to have it read with such rapidity as to make the reading a farce. If the Journal is worth reading at all, it is worth being read properly.

The VICE PRESIDENT. This entire colloquy is out of order. The reading of the Journal will be proceeded with.

Mr. OWEN. I ask unanimous consent that the further reading of the Journal be dispensed with.

The VICE PRESIDENT. That has already been objected to.

Mr. PENROSE. There is objection to that.

Mr. GALLINGER. Let the Journal be read.

Mr. PENROSE. In connection with the point of order to which I rose I suppose I have a right to say a word. There has been too much of a practice in the last two months of passing bills without reading them, just reading the titles. I have known prominent lawyers in Pennsylvania and prominent citizens who had been sitting in the galleries come away with signs of disgust at the way the public business has been proceeded with in this body during the last six weeks. It is absurd to pass bills by only reading their titles, and even that reading conducted in a rambling fashion——

The VICE PRESIDENT. The Senator from Pennsylvania will come to order.

Mr. PENROSE. Have I not a right to speak on the point of order?

The VICE PRESIDENT. The Senator has no right——

Mr. PENROSE. Then I am done.

The VICE PRESIDENT. To proceed to lecture Senators here.

The Secretary resumed the reading of the Journal, and was interrupted by

Mr. REED. I move that the further reading of the Journal be dispensed with.

Mr. GALLINGER. I have objected and shall object again to such a request.

The VICE PRESIDENT. Objection has been made, and the Journal must be read.

The Secretary resumed and concluded the reading of the Journal, and it was approved.

LINCOLN FARM ADDRESSES (S. DOC. NO. 546).

Mr. FLETCHER. I ask unanimous consent to have printed as a public document the address of President Wilson on the occasion of the acceptance by the War Department of a deed of gift to the Nation by the Lincoln Farm Association of the Lincoln birthplace farm at Hodgenville, Ky., September 4, 1916.

The PRESIDING OFFICER (Mr. CHILTON in the chair). Is there objection to the request of the Senator from Florida?

Mr. SMOOT. Of course, the Senator is chairman of the Committee on Printing, and he understands that we have virtually agreed that all such requests shall go to the Committee on Printing. This being the address of the President of the United States, I am going to make an exception, but it is only because it is the address of the President of the United States, and I will allow it to be printed without going to the committee.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. FLETCHER. May I make the same request as to the address delivered on that occasion by the Senator from Mississippi [Mr. WILLIAMS]? (S. Doc. No. 545.)

Mr. SMOOT. Yes; the Senator can do that, too.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

PUBLIC-LAND STATUTES (S. DOC. NO. 547).

Mr. FLETCHER. I desire to call attention to Senate resolution 243, which was amended yesterday and adopted as amended. As amended it creates a situation which I think we have to recede from. I am going to move to reconsider the vote by which the resolution was adopted, because the effect of the amendment would be to increase the necessary expense beyond what the law allows for either House to expend in the matter of printing a document.

The estimated cost of printing provided for in the resolution as amended is $1,473.79. This estimate is based upon the cost of $259.51 for the usual number and $134.92 for each additional thousand, as estimated by the Public Printer.

The original resolution as reported by the committee provided for 3,000 additional copies, at a cost of $404.79.

The resolution as amended is a violation of the act of March 1, 1907, which provides that "if the cost of extra copies exceeds $500 the printing shall be ordered by concurrent or joint resolution; the latter if self-appropriating." It has not been customary, either, for one House to order printing of documents for the use of the other House by a simple resolution. If it is desired to pass the resolution as amended, it must be made a concurrent resolution to comply with the law.

I ask the Senate to consent to reconsider the resolution and pass it as it was reported from the committee.

Mr. SMOOT. I merely wish to say the resolution was worded wrong in the first place if the law applies to it. It says it shall be printed as a public document. If it has already been printed as a public document, then there ought to be extra copies ordered; and if it has not been printed as a public document, the law the Senator has cited does not apply to it. I took it for granted that it had not been printed as a public document on account of the wording of the resolution.

Mr. MYERS. It had not been printed as a public document.

Mr. SMOOT. Then the law does not apply to it. The law applies wherever there are additional copies of a public document to be printed, and these are not additional copies. This is the original order to have the public document printed.

Mr. MYERS. I will state that the Public Lands Committee had a few copies printed but it was never printed as a public document.

Mr. SMOOT. That is not a public document.

The PRESIDING OFFICER. What is the request of the Senator from Florida?

Mr. FLETCHER. My motion would be to reconsider the vote and pass the resolution as it was reported. Otherwise we would have to amend it so as to make it a concurrent resolution, and I believe we could not get it through the House at this time.

Mr. SMOOT. I think the Senator is wrong. If it had been printed as a public document before, then the Senator would be right, but it has not been printed as a public document before and the Senate has a perfect right under the law to order whatever number of copies it may see fit. Thus, as the Senator knows, we have had public documents printed here by a Senate resolution that cost $43,000; but if extra copies are to be printed then the cost can not be more than $500 if the printing is ordered by a resolution of either House.

Mr. FLETCHER. Of course, this document has been printed.

Mr. SMOOT. Not as a public document.

Mr. FLETCHER. It was printed for the committee. There are extra copies provided for in the resolution itself. I do not believe under the law the Public Printer would have authority to print the extra copies according to the resolution as amended. That is the danger of it.

Mr. SMOOT. If the Senator from Montana is satisfied with 3,000 copies I have no objection to a reconsideration of the resolution and passing it as reported to the Senate.

Mr. MYERS. I would much rather have 10,000 copies than 3,000 copies. There is a great demand for copies of this document. The Senators on the Printing Committee, the Senator from Florida and the Senator from Utah, disagree diametrically about the law and I am not able to say because I am not a member of the committee and I have never looked up the law. I can only say that it never has been printed before as a public document. If we could agree on what the law is I would know what to say, but when the two members of the Printing Committee disagree about the law I do not know what to say except two things. It has never been printed as a public document, and I would like very much to have 10,000 copies.

Mr. WARREN. May I ask the Senator from Montana if it has been printed by the committee as a committee document?

Mr. MYERS The committee had a few copies printed.

Mr. WARREN. It is undoubtedly in type, and the expense for additional copies would be very slight.

Mr. FLETCHER. It would cost four hundred and some odd dollars to print the precise number originally asked by the Senator from Montana in his resolution. Why not stand by that? That is what the committee reported, and that is within our limit. If you amend it so as to print 10,000 copies, you exceed the limit, and it is going to cost $1,473.79; and I do not believe the Public Printer can print them under a Senate resolution.

Mr. SMOOT. The Senator must be mistaken as to the $1,400. The cost for 3,000 copies was $259.50. That is the estimated cost from the Printing Office. Ten thousand copies could not cost more than three times that amount.

Mr. FLETCHER. I have an estimate to the effect that it will cost $1,473.79 for 10,000 extra copies.

Mr. SMOOT. I will say that the estimate made upon the resolution as reported last night was two hundred and fifty-odd dollars. Let me suggest to the Senator that he ask for a reconsideration of the resolution and that we provide for 5,000 copies. There is not any question but that that will come within the $500 limit.

Mr. MYERS. I will ask the Senator from Florida if he feels absolutely certain it will never be printed as a public document unless the resolution is amended.

Mr. FLETCHER. Under the resolution as it now stands amended the Public Printer absolutely, in my opinion, could not print the full 10,000 extra copies.

Mr. MYERS. Then I am willing to have the resolution reconsidered and to print 5,000 copies. As the Senator from Utah says, it is too late to look up the law, and I do not want to take the chance of getting no copies at all.

Mr. SMOOT. I have sent for the original resolution, on which the cost was estimated by the department.

Mr. SHAFROTH. Does not the Senator from Utah recognize that the printing of 10,000 copies will be much cheaper in proportion to the cost than to have the number limited? It is a very valuable work. There is not any question but that the compilation of these laws will supersede looking up the statutes, and nearly every lawyer in the West and nearly every person interested in public lands will want a copy. I think 10,000 copies should be printed.

Mr. MYERS. They can send a dollar to the Public Printer and get a copy.

Mr. FLETCHER. It can be printed at the Government Printing Office and sold to the lawyers of the country at a nominal price, based upon the cost of reprinting.

Mr. MYERS. That is not the intention, Mr. President, in making it a public document. I have been told that the price would be $1, and any person writing to the superintendent of documents could get a copy.

Mr. SMOOT. I will say to the Senator from Montana that that would not be the case if the resolution is passed. Then each Senator is allowed his pro rata of the copies printed for the Senate.

Mr. SHAFROTH. Does not the Senator think there ought to be some copies for the lawyers of the country?

Mr. FLETCHER. We can order them to be printed as a public document for free distribution to the extent of the number provided for, and they can also be put on sale by the superintendent of documents. The sale of the document has nothing to do with the resolution.

Mr. SMOOT. I have the estimated cost here of printing 3,000 copies. It was $259.51. I thought it was $252.

Mr. WARREN. There is some error evidently about it.

Mr. FLETCHER. The estimate of $259.51 refers to the "usual number" of copies, and the estimated cost for each additional thousand is $144.92, making a total cost of $434.76 for the 3,000 extra copies provided for in the original resolution. The $500 limit of cost on "extra copies" does not apply to the cost of printing the "usual number."

Mr. SMOOT. Certainly, it would not cost any more to print additional copies than to print the original 3,000 copies. So if the 3,000 copies cost only $259.51——

Mr. FLETCHER. That is the estimate for the usual number only.

Mr. SMOOT. No; this is the estimate for 3,000 copies called for in the original resolution.

Mr. FLETCHER. I think the Senator will find that the estimate of $259.51 was for the usual number, which would be only 1,345 copies, and in addition to that $144.92 for each additional thousand copies.

Mr. SMOOT. Let me read the original resolution. The estimate was made on the original resolution. It says:

Resolved, That the publication entitled "Public Land Statutes of the United States" be printed as a Senate document, and that 3,000 additional copies be printed for the use of the Senate folding room and 1,000 additional for the Committee on Public Lands.

That included 3,000 copies, and the estimated cost under the resolution was $259.51.

What I thought was that by reconsidering the resolution and striking out "3,000" and inserting "5,000" we would be within the limits of $500, and let the resolution be passed in that form.

Mr. MYERS. I am willing for that.

Mr. FLETCHER. I move to reconsider the vote by which the resolution was passed.

The motion to reconsider was agreed to.

Mr. FLETCHER. I move that the resolution be amended by substituting "5,000 copies" for "3,000 copies."

The PRESIDING OFFICER. The Secretary will state the amendment.

Mr. SMOOT. I should like to amend it so that in the distribution there shall be 4,000 copies for the use of the Senate folding room and 1,000 copies for the use of the Senate Committee on Public Lands.

The PRESIDING OFFICER. The Secretary will read the resolution as proposed to be amended.

The Secretary read the resolution as proposed to be amended, as follows:

Resolved, That the publication entitled "Public Land Statutes" be printed as a Senate document, and that 4,000 additional copies be printed for the use of the Senate folding room and 1,000 additional copies for the Committee on Public Lands.

The amendment was agreed to.

The resolution as amended was agreed to.

MISSISSIPPI CENTENNIAL EXPOSITION AT GULFPORT.

Mr. VARDAMAN. Mr. President, I am going to ask the Senate this morning to indulge me just a moment while I make a statement, to be followed by a request of the Senate, which I shall make in behalf of the people of Mississippi. House joint resolution No. 252, which lies on the desk of the Presiding Officer,

authorizes the transfer of the Government exhibits now at the Panama-California International Exposition at San Diego, Cal., to the Mississippi Centennial Exposition, to be held at Gulfport, Miss., during the year 1917. The joint resolution carries an appropriation of $75,000 to defray the necessary expenses of maintaining the Government exhibits there. I am going to ask the Senate for immediate consideration of that resolution. While local in its application, I trust that the effect of the enactment of the resolution may be national in its scope, because I maintain that you can not aid, by Government or otherwise, a legitimate enterprise in one State without at the same time benefiting all of the States.

Mr. President, the people of Mississippi have gone to, or will go to, the expense of raising something like three-quarters of a million dollars for this exposition, which will be held in celebration of the one hundredth anniversary of the admission of the State of Mississippi into the American Union.

Marvelous changes have taken place in the affairs of the Nation since this great commonwealth linked its destiny with the sisterhood of States to form this great Republic. It is the purpose of the promoters of this enterprise in Mississippi to show forth not only the things that have been done in America, but in the light of the achievements of the present, to indicate the almost infinite possibilities of the future. To say that Mississippi has contributed her part to the development of our national civilization would be but a repetition of history known to every student of national affairs. We have not amassed the fabulous private fortunes which characterize the achievements of men of other sections of our common country, but our State has been glorious—wonderfully rich in the character and intellectual accomplishments and moral qualities of its men and women, which after all is the source of all true greatness of every country. Mississippi was the first State in the Union to emancipate woman commercially—to recognize the right of woman to control and manage her own property. Within the State of Mississippi by public taxation was established the first girls' industrial college, which equips woman for the duties of life and gives her independence in the matter of self-support and self-care. That institution to-day, situated at Columbus, is one of the great schools of America for the literary and industrial education of woman, and after all, Mr. President, woman is the custodian of the morals of the Nation and man's reverence for woman determines the excellency of all civilizations. It was Mississippi that first undertook by legal means, in the face of constitutional hindrance, the solution of the great race problem of America, which beclouds the future of our country with its well-nigh insoluble difficulties. I might weary the Senate by recounting the things that have been done by Mississippi men and women which contributed to the upbuilding of America's incomparable civilization, but the limited time at my command this morning will prevent, besides I am admonished that other Senators have matters of local interest which they wish considered by the Senate. But I will trespass upon the patience of the Senate to add just this brief statement. It is the purpose of the people of Mississippi to make this exposition an international enterprise. We hope to have every State in the Union represented there, and in addition the Central and South American countries with which the United States is now endeavoring to cultivate more intimate business relations. The proximity of the coast of Mississippi to the Central and South American countries will make the exposition easily accessible to them, and I have no doubt but that every one of these countries will take advantage of the opportunity to show to the world, through our exposition at Gulfport, the wonderful resources of their respective countries. I know the influence and effect of written treaties, but personal contact between men will do more toward cultivating the relation of friendship and exciting mutual interests than all the words that could be written on parchment and published in newspapers for a hundred years. Of course, Mr. President, Senators understand that this proposed legislation is not without precedent. A number of expositions have been held in the different States at which the Government was represented, and the one at San Diego, Cal., from which we hope to have these exhibits transferred settles the question of precedent.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from New Hampshire?

Mr. VARDAMAN. I yield.

Mr. GALLINGER. I have not seen the joint resolution. Will the Senator state, for my information, where this exposition is to be held?

Mr. VARDAMAN. It is to be held at the city of Gulfport, which is a very enterprising little city of about 10,000 people on the Gulf coast of Mississippi—I think the most beautiful Gulf coast in America.

Mr. GALLINGER. I know about Gulfport. It is a very enterprising city and is growing rapidly.

Mr. VARDAMAN. It is growing very rapidly, and its people have shown great pluck and enterprise by that little city taxing itself $125,000 for this exposition. But I am not going to take up further the time of the Senate, for, as I have stated heretofore, I understand every Senator in the Chamber probably has some local matter which he hopes to get through during the closing hours of the session. I want to say in conclusion, however, that if the Government's exhibit shall be carried to Gulfport, it will contribute very much to the success of the exposition. We all desire it, and it will be, personally, very gratifying to me if the Senate shall agree to this resolution.

I wish also, on behalf of the people of Mississippi, to extend to the Members of the Senate, in advance, a very cordial invitation to visit the exposition next year, and I assure them that we shall extend to them that hospitality which is the perfume of the fairest flower of our civilization.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from New Hampshire?

Mr. VARDAMAN. With pleasure.

Mr. GALLINGER. One other question. I have not examined the joint resolution, and I desire to ask under whose direction will these exhibits be transferred from San Diego to Gulfport?

Mr. VARDAMAN. If the Senator from New Hampshire will permit me, I will read the joint resolution, which explains all that.

Mr. GALLINGER. I shall be glad to have the Senator do so.

Mr. VARDAMAN. It is to be done by the direction of a commission to be appointed by the President. I will read the joint resolution, which is as follows:

Joint resolution (H. J. Res. 252) authorizing the transfer of the Government exhibit, or such portion thereof as the President may determine is advisable, now at the Panama-California International Exposition at San Diego, Cal., to the Mississippi Centennial Exposition at Gulfport, Miss.

Whereas there is to be held at Gulfport, Miss., beginning in December, 1917, and ending in March, 1918, the Mississippi Centennial Exposition to commemorate the one hundredth anniversary of the admission of Mississippi into the Union; and

Whereas there is now a Government exhibit at the Panama-California International Exposition at San Diego, Cal., which exposition will close December 31, 1916: Therefore be it

Resolved, etc., That the said Government exhibit at the Panama-California International Exposition, or such portion thereof as may be determined by the President as advisable, be transferred at the close of the Panama-California International Exposition to the Mississippi Centennial Exposition at Gulfport, Miss., and to be maintained during the continuance of the said Mississippi Centennial Exposition and until not later than April 30, 1918, and for the purposes herein named there is hereby authorized to be expended the sum of $75,000, or so much thereof as is necessary to cover the expense of transferring and maintaining the said exhibit, or such part thereof as may be determined by the President as available.

SEC. 2. That all laws or parts of laws relating to said Government exhibit and constituting a Government Exhibit Board and authorizing the detail of civilians and Army and Navy officers of the United States in connection with the Government exhibit at the Panama-Pacific International Exposition and which were continued and made applicable by act of Congress, December 17, 1915, so far as the same could be made applicable, to the Panama-California International Exposition at San Diego, Cal., is hereby continued and made applicable, so far as the same may be made applicable, to the Mississippi Centennial Exposition at Gulfport, Miss., during its said continuance.

SEC. 3. That nothing herein contained shall prevent the Government Exhibit Board in their discretion with the approval of the President, from transferring said Government exhibit at the close of the Panama-California International Exposition from San Diego to some other point in the United States, if desirable, for being rearranged, repaired, or added to before transferring said exhibit to the Mississippi Centennial Exposition at Gulfport.

SEC. 4. That the Government of the United States does not become responsible in any manner for any bond, debt, contract, expenditure, expense, or liability of the said Mississippi Centennial Exposition, its officers, agents, servants, or employees, or incident to or growing out of the said exposition, beyond such appropriation as is necessary to cover the expense of transferring and maintaining the said exhibit or such portion thereof as may be determined by the President as advisable.

Mr. President, with that statement, I ask unanimous consent for the immediate consideration of the joint resolution, and I trust that the Senate may pass it.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution? The Chair hears none.

Mr. GALLINGER. Let the joint resolution be laid before the Senate.

The PRESIDING OFFICER. The Chair lays before the Senate the joint resolution referred to, which will be read.

The joint resolution (H. J. Res. 252) authorizing the transfer of the Government exhibit, or such portion thereof as the President may determine is advisable, now at the Panama-California International Exposition at San Diego, Cal., to the Mississippi

Centennial Exposition at Gulfport, Miss., was read twice by its title.

Mr. GALLINGER. The Senator from Mississippi [Mr. VARDAMAN] having read the joint resolution at length, it is hardly necessary that it be reread in full.

The PRESIDING OFFICER. Without objection, the formal reading of the joint resolution will be dispensed with.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

Mr. GALLINGER. Mr. President, I desire to say that heretofore I have been rather technical about insisting that matters of this kind should go to committees and be reported; but this proposition strikes me very favorably. I think that we ought to generously grant this request. As the joint resolution comes from the other House, I shall not raise the point on it, which under ordinary circumstances I would do.

Mr. VARDAMAN. Mr. President, I wish, in behalf of the people of Mississippi, as well as for myself, to express sincere thanks to the distinguished Senator from New Hampshire for his generous interest in this matter. The Senator's conduct in this instance is in keeping with the uniform kindness and courtesy which always characterizes his conduct in his intercourse with his brother Senators ir this Chamber.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, and read the third time.

Mr. TAGGART. Mr. President, I ask unanimous consent——

Mr. VARDAMAN. Will not the Senator from Indiana wait until this joint resolution is passed?

The PRESIDING OFFICER. The Senator from Indiana will suspend a moment. The joint resolution has not yet been passed. The question is, Shall the joint resolution pass?

Mr. GALLINGER. Mr. President, before the joint resolution is passed, I desire to say that after it has been passed I shall insist upon the regular order, which is the presentation of petitions and memorials—the regular morning business.

Mr. SMITH of Georgia. Mr. President, I do not think the Senator from New Hampshire will object to the request which the Senator from Indiana [Mr. TAGGART] is about to make, to take up the widows' pension bill for consideration.

Mr. GALLINGER. Very likely I shall not.

Mr. SMITH of Georgia. All the objections to the consideration of the bill have been withdrawn, and we desire to have the bill passed at this time.

Mr. GALLINGER. I certainly shall not object to that.

The PRESIDING OFFICER. The question is, Shall the joint resolution pass?

The joint resolution was passed.

PENSIONS OF SOLDIERS' WIDOWS, MINOR CHILDREN, ETC.

Mr. TAGGART. Mr. President, I ask unanimous consent for the present consideration of Order of Business 529, being House bill 11707, which is known as the widows' pension bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Indiana?

Mr. THOMAS. Mr. President, the Senator from Florida [Mr. BRYAN] is detained on conference committee work, but he has requested me to say that he will not object to the consideration of this bill, provided a certain amendment which he proposes to offer to the bill shall be agreed to.

Mr. JONES. Mr. President, I should like to know what that amendment is.

Mr. THOMAS. I will read the amendment. It is very short, and is as follows:

> Hereafter changes in rates of Army and Navy pensions under general laws shall take effect on the first day of the quarterly payment period.

Personally I have no interest whatever in the matter.

Mr. JAMES. But I understood the Senator from Florida had no objection to the consideration of the bill.

Mr. PENROSE. Before unanimous consent is given for the consideration of the bill I ask that it be read. I do not know what the bill is.

The PRESIDING OFFICER. The Secretary will state the title of the bill.

The SECRETARY. A bill (H. R. 11707) to amend an act entitled "An act to increase the pension of widows, minor children, etc., of deceased soldiers and sailors of the late Civil War, the War with Mexico, the various Indian wars, etc., and to grant a pension to certain widows of the deceased soldiers and sailors of the late Civil War," approved April 19, 1908, and for other purposes.

The PRESIDING OFFICER. There are numerous committee amendments to the bill.

Mr. SMITH of Georgia. Mr. President, I desire to move to amend section 4 as it came from the House, which reads:

> That no claim agent or attorney shall be recognized in the adjudication of claims under the first and second sections of this act.

The PRESIDING OFFICER. The question before the Senate is, Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported by the Committee on Pensions with amendments.

Mr. CURTIS. Mr. President, I desire to inquire if the committee amendments are not first to be considered?

The PRESIDING OFFICER. The first two committee amendments to the bill have heretofore been agreed to, the Secretary advises the Chair. There is no rule which requires committee amendments to be first considered.

Mr. SMOOT. In order that we may all know just what course of procedure will be pursued, I ask unanimous consent that the committee amendments be first acted upon.

Mr. SMITH of Georgia. I understood we had acted upon the committee amendments down to the proposed committee amendment to section 4.

Mr. SMOOT. No; I do not think we have reached that point.

Mr. SMITH of Georgia. When we reach section 4 I desire to offer an amendment to the House provision and to urge it instead of the committee amendment.

The PRESIDING OFFICER. The Senator from Utah [Mr. SMOOT] asks unanimous consent that the amendments of the committee which have not been disposed of be acted on before other amendments are offered. Is there objection? The Chair hears none, and it is so ordered. The Secretary will state the next amendment reported by the committee.

The SECRETARY. The first two committee amendments having been previously agreed to, the next amendment of the Committee on Pensions is, in section 2, page 2, line 17, after the word "widow," to insert "of an officer or enlisted man who served in the Army, Navy, or Marine Corps of the United States during the Civil War"; on page 3, line 3, after the word "law," to strike out "or laws"; and in the same line, after the word "pensioned," to insert "and the law or laws amendatory thereof," so as to read:

> SEC. 2. That any widow of an officer or enlisted man who served in the Army, Navy, or Marine Corps of the United States during the Civil War whose name was placed or shall hereafter be placed on the pension roll under any existing law and whose name has been or shall hereafter be dropped from said pension roll by reason of her marriage to another person who has since died or shall hereafter die, or from whom she has been heretofore or shall be hereafter divorced upon her own application and without fault on her part, shall be entitled to have her name again placed on the pension roll at the rate allowed by the law under which she was formerly pensioned, and the law or laws amendatory thereof, unless she be entitled to a greater rate of pension under the provisions of section 1 of this act, such pension to commence from the date of filing her application in the Bureau of Pensions after the passage of this act.

Mr. STONE. Mr. President, I wish some member of the Committee on Pensions would tell me what rate of pension is allowed at this time to widows included in this bill?

Mr. SMOOT. Under the present law the rate is $12 per month.

Mr. STONE. And this bill increases that to $20 per month?

Mr. SMOOT. This bill makes it $20 per month.

Mr. GALLINGER. When the widow reaches the age of 70.

Mr. SMOOT. Yes; when the widow reaches the age of 70.

Mr. STONE. I do not quite understand the bill as providing that the widow must have reached the age of 70 in order to be entitled to the increased rating.

Mr. SMOOT. Oh, yes; the bill specifically states "who has reached or shall hereafter reach the age of 70 years."

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Pensions was, in section 2, page 3, line 23, after the word "remarriage," to insert "and to any person who was lawfully married to an officer or enlisted man, who served in the Army, Navy, or Marine Corps of the United States during the Civil War and was honorably discharged therefrom and has since deceased, and who, having remarried since his death is again a widow, or has been divorced from her last husband upon her own application without fault on her part and who, otherwise entitled, was barred by reason of such remarriage from receiving pension under any existing law," so as to read:

> *And provided further*, That the provisions of this act shall be extended to those widows, otherwise entitled, whose husbands died of wounds, injuries, or disease incurred during the period of their military

or naval service, but who were deprived of pension under the act of March 3, 1865, because of their failure to draw any pension by reason of their remarriage, and to any person who was lawfully married to an officer or enlisted man who served in the Army, Navy, or Marine Corps of the United States during the Civil War and was honorably discharged therefrom and has since deceased, and who, having remarried since his death, is again a widow, or has been divorced from her last husband upon her own application without fault on her part, and who, otherwise entitled, was barred by reason of such remarriage from receiving pension under any existing law.

The amendment was agreed to.

The next amendment was, in section 3, page 4, line 10, after the words "prior to," to strike out "June twenty-seventh, nineteen hundred and five," and insert "the passage of this act," so as to make the section read:

SEC. 3. That any widow, as described in section 2 of the act approved April 19, 1908, who married the soldier or sailor prior to the passage of this act, shall have title to pension under the provisions of said section of said act, to commence from the date of filing her application in the Bureau of Pensions after the passage of this act: *Provided, however*, That the benefits of this act shall include those widows whose husbands, if living, would have a pensionable status under the joint resolutions of February 15, 1895, July 1, 1902, and June 28, 1906.

Mr. SMITH of Georgia. Mr. President, I move to amend the House provision in section 4, which reads:

That no claim agent or attorney shall be recognized in the adjudication of claims under the first and second sections of this act.

That clearly is intended to save to the pensioners the full amount of the money which they receive from the Government in the form of pensions. I wish to add this amendment:

It shall be illegal for any claim agent, attorney, or other person to charge or receive from any pensioner provided for by this act any sum in connection with the procurement of a pension, and any person violating this provision shall, on conviction, be fined not more than $500 or imprisoned not more than six months.

This will absolutely save the money to the pensioners. Those receiving the benefits of this act do not need anybody to represent them. They will get what they are entitled to on application; and their Representatives in Congress are always ready to look out for them. I do want what the Government gives to go to the 70-year-old widows.

The PRESIDING OFFICER. The Chair desires to call the attention of the Senator from Georgia to the fact that there is a committee amendment pending to this section; and, under the order of the Senate, the committee amendments must be first disposed of.

Mr. SMITH of Georgia. But I wish to perfect the House provision before we vote upon the Senate amendment.

The PRESIDING OFFICER. The Senator is correct. The question is on the adoption of the amendment offered by the Senator from Georgia to the House provision of the bill.

Mr. SMOOT. Mr. President, I have no objection at all to the provision that the Senator has offered as an amendment to section 4 of the House bill, but I do have objection to having the amended House section 4 substituted for the Senate amendment. As soon as we agree to the amendment offered by the Senator from Georgia, to which I have no objection, I want to speak to the question itself.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Georgia to the House provision of the bill.

The amendment was agreed to.

Mr. SMOOT. Now, the question reverts, I suppose——

The PRESIDING OFFICER. The Secretary will state the Senate amendment.

The SECRETARY. The committee proposes to strike out section 4, and to insert a new section 4, as follows:

That no claim agent or attorney shall be recognized in the adjudication of claims under the first section of this act, nor shall any claim agent or attorney be recognized in the adjudication of claims under the second section of this act for renewal of pension previously allowed, and in claims for original pension under section 2 of this act no greater sum than $10 shall be allowed for services in preparing, presenting, or prosecuting such claim, which sum shall be payable only upon the order of the Commissioner of Pensions under such rules and regulations as he may deem proper to make.

The Senator from Georgia [Mr. SMITH] moves to amend the portion proposed to be striken out so that it will read:

It shall be illegal for any claim agent, attorney, or other person to charge or receive from any pensioner provided for by this act any sum in connection with the procurement of a pension, and any person violating this provision shall, on conviction, be fined not more than $500 or imprisoned not more than six months for each offense.

The PRESIDING OFFICER. The status of the matter is that the Senator from Georgia has proposed to amend the text of the House bill, and his amendment has been agreed to. The question now is on the adoption of the Senate amendment as a substitute for the House language as amended by the Senator from Georgia.

Mr. SMOOT. Mr. President, I sincerely hope the Senate will adopt the Senate committee amendment. The latter part of it provides:

In claims for original pension under section 2 of this act no greater sum than $10 shall be allowed for services in preparing, presenting, or prosecuting such claims.

Ten dollars ought to be allowed for those purposes; but I do not believe, and the Senate committee has so provided, that any claim agent or attorney should be paid in the adjudication of claims under the first section of the act.

Let us see how this will work, Mr. President. Wherever there is a question of testimony that a widow will be compelled to submit to the department, she can not without assistance present it in the way that it must be presented. She can not prepare the required affidavits. Perhaps she has no friends that can prepare them properly, and she would be perfectly helpless. Some of the widows could hardly understand the letters that would be sent them by the Commissioner of Pensions in answer to their application for pension. Now, we want to prevent any attorney or any claim agent from receiving more than $10 for such service. Not only that, but we go further and we limit the payment of that amount until the Commissioner of Pensions orders it paid. We have guarded it in every way possible; but I know that if that provision is not put into the law there will be thousands of widows in this country who will never receive the benefit of this act.

Mr. President, I do not believe there is a Senator who wants to debar any widow who is entitled under the law to receive a pension from doing so.

Mr. CLAPP. Mr. President, will the Senator pardon an interruption?

Mr. SMOOT. Certainly.

Mr. CLAPP. My observation leads me to believe that there are a great many people in this country who do not realize that they can write to their Senator or Congressman with regard to pension matters, and that is the vice of the special pension system. Some one who does know a Congressman or Senator will bring a meritorious case to his attention and get a bill passed, while others—and there are lots of them who do not know the Congressman or Senator—do not realize that they can appeal to him, and they go without the protection which the law sought to give them because of that fact.

I believe the Senator from Utah is right. There are a great many people sought to be reached by this bill who would not understand that they could write to their Senator or Congressman in regard to the matter. I am just as anxious as anybody to protect the pensioners from the rapacity of agents and attorneys, but I am inclined to think that in our effort to protect the pensioners we are perhaps doing what may result in injury to some of them.

Mr. KERN and Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER (Mr. UNDERWOOD in the chair). Does the Senator from Utah yield, and to whom?

Mr. SMOOT. I yield to the Senator fron. Indiana.

Mr. KERN. I want to ask the Senator whether he thinks that Senators and Members of Congress could find time to prepare the necessary affidavits and hunt up the evidence necessary for the prosecution of these claims? I am quite sure that some provision must be made here that will enable these women who will be entitled to pensions under this act to go to somebody other than their Congressman or Senator for aid in the prosecution of their claims.

Mr. CLAPP. Mr. President, I think the Senators and Congressmen, as a rule, through their official force, do take care of those cases that come to their attention. The trouble is that I know well enough that there are any number of people who, not being personally acquainted with a Congressman or a Senator, do not realize that they can write to him; and I do not think we ought to throw this obstacle in the way of deserving pensioners.

Mr. SMOOT. There is another class of cases, Mr. President, that will have to be looked after under the $10 provision. There are many names dropped from the pension rolls upon the reports of pension examiners. Now, are we going to say that a widow who is dropped from the pension rolls, without receiving any information other than the notification of her name being dropped, shall not have the privilege of going to an attorney or a pension agent and have her case submitted to the department for reconsideration? It is unreasonable; and it seems to me that we have limited the amount in this bill so that no one is going to be taken advantage of.

I am in full accord with the policy of the Senate Pension Committee for the past 10 years in preventing pension-claim sharks from robbing the applicants for pensions, for that is

what they have been doing in the past. I know not only of cases where there have been pension-claim agents who have taken all of the first year's pension that the pensioner received, but I have known cases where in order to meet their demands they have taken as high as three years' pension. Of late—I think during the last six years—there has not been a pension bill passed without a limitation being placed upon the charges that could be made by a claim agent or an attorney acting in behalf of a claimant for pension.

This being a widows' pension bill, we have limited the amount that may be allowed to the small sum of $10, not as to the first section of the bill but applying only to the second section. The testimony or application may be submitted by an attorney or a claim agent, but in no case shall he be paid more than $10.

If the Senate amendment is not agreed to and if the House provision as amended by the Senator from Georgia is agreed to, I say now that there will be many, many of the widows of officers and soldiers who never will be placed upon the pension rolls. Not only that, but I want to say that in every case where a name is dropped from the pension rolls I doubt whether it will ever be put back.

Mr. NELSON. Mr. President, I should like to ask the Senator from Utah a question.

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Minnesota?

Mr. SMOOT. Certainly.

Mr. NELSON. I am not clear from hearing the bill read whether it affects the limitation of existing law that prohibits a widow from getting a pension unless she married a soldier prior to a certain date. Does it change that law?

Mr. SMOOT. It does change that law, Mr. President.

Mr. NELSON. To what extent?

Mr. SMOOT. I will read the provision to the Senator.

Mr. NELSON. Under the existing law it is some date in 1890—June 30, 1890, I believe. Unless a widow married a soldier before that date, she is not entitled to any pension. This removes that limitation entirely, as I understand. Is that the effect of it?

Mr. SMOOT. That is the effect, Mr. President. It removes the limitation.

Mr. NELSON. As to widows of the Civil War?

Mr. SMOOT. Widows of the Civil War will receive a pension down to the passage of this act.

Mr. NELSON. A pension of $20?

Mr. SMOOT. No; $20, provided they are 70 years old; but $12, as the law now provides, if they are not.

Mr. NELSON. No matter if they married the soldier yesterday?

Mr. SMOOT. That is true, Mr. President.

Mr. KERN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Indiana?

Mr. SMOOT. I do.

Mr. KERN. I want to call the attention of Senators to the fact that we have only seven minutes left in which to pass this bill.

Mr. SMOOT. I am ready to vote.

Mr. KERN. The Senator from Utah is insisting that there is no unfinished business. The Senator from Oklahoma [Mr. OWEN] claims that there is unfinished business. Now, while we have this seven minutes, let us pass this bill.

Mr. SMOOT. I am ready to vote. Mr. President.

Mr. SMITH of Georgia. I am not.

Mr. KERN. The matter can be disposed of in conference.

Mr. SMITH of Georgia. The Senator has taken up the time in objecting to the amendment which I made, and I desire to reply to him.

I do not believe there is a county in the United States in which there are not high-class lawyers who would willingly represent the widow of a soldier for nothing and attend to her work for her. I have not very much opinion of the $10 lawyers or the $10 claim agents. I would rather risk a widow in the hands of a high-class lawyer who would gladly serve her for nothing, if she needed it, than in the hands of the $10 claim agent.

When I was connected with the Interior Department, there was often called to my attention the improper treatment that pensioners received from claim agents. I introduced this amendment because I am willing to see these 70-year-old widows get every dollar that the bill gives them. I am not much in favor of the widow who marries now and is not of advanced years herself; but the provision in the bill that takes care of the 70-year-old widow is what appeals to me, and I want them to have all the money.

Mr. CURTIS. Mr. President, this is a very important measure, and I do hope it will pass before the morning hour expires, if there is unfinished business. The enactment of this bill into law will bring joy to the hearts of thousands of deserving widows; and I hope it may pass to-day.

Mr. SMOOT. I do not think there is.

The PRESIDING OFFICER. The question is on the adoption of the committee amendment.

Mr. KERN. Let us have the question put.

The PRESIDING OFFICER. The amendment of the Senator from Georgia [Mr. SMITH] to the House text has already been agreed to. The question is on the adoption of the Senate committee amendment.

The amendment was agreed to.

Mr. THOMAS. Mr. President, I want to return to section 3, and ask a reconsideration of the Senate amendment there which provides that any widow who married a soldier prior to the passage of the act should be entitled to a pension. That means that if a woman 20 years old to-day marries an old soldier who dies to-morrow, and she lives 50 years longer, she will be a pensioner upon this Government at the rate of $360 a year. Now, I can conceive of no reason for that.

Mr. SMOOT. No; $12 a month, unless she is 70 years old.

Mr. THOMAS. Well, $12 a month, $144 a year. Upon what theory can we so legislate? A good many lectures have been read to the Democratic majority in the last few days regarding our extravagances. None of them have had reference to pensions. Here we propose to pension a lot of women who are not even married to-day, who may be married to-morrow, before the passage of this act, and who thereby become life pensioners.

I ask for a reconsideration of this amendment, and the adoption of the House provision.

The PRESIDING OFFICER. Will the Senator state what it is that he moves to reconsider?

Mr. THOMAS. I move to reconsider the vote by which the amendment to section 3, on line 11, page 4, was agreed to.

The PRESIDING OFFICER. The Secretary will state the motion of the Senator from Colorado.

The SECRETARY. The committee amendment struck out the words "June 27, 1905," and inserted the words "the passage of this act," so that it would read:

That any widow, as described in section 2 of the act approved April 19, 1908, who married the soldier or sailor prior to the passage of this act, shall have title to pension under the provisions of said section of said act, to commence from the date of filing her application in the Bureau of Pensions after the passage of this Act.

Mr. SMITH of Georgia. I hope the friends of this measure will leave it as the House had it. I think that is very fair.

The PRESIDING OFFICER. The question is on the motion of the Senator from Colorado to reconsider the action of the Senate in reference to section 3. [Putting the question.] By the sound the "noes" seem to have it.

Mr. SMITH of Georgia. I call for a division.

The motion was lost, on a division.

Mr. THOMAS. Mr. President, I shall object to the further consideration of this bill unless it contains the House provision in section 3.

Mr. THOMPSON. Mr. President, I rise to a point of order. I do not think the Senator can object after unanimous consent has been given for the consideration of the bill. The Senate is considering it under a unanimous-consent agreement.

The PRESIDING OFFICER. The Chair understands that under the rules of the Senate objection can be made in the morning hour at any time when a bill is being considered; but if the Senator from Kansas has any further light that he can throw on that the Chair will be glad to hear from him.

Mr. MYERS. I move that the Senate proceed to the consideration of the bill notwithstanding the objection.

Mr. SMITH of Georgia. The motion is not in order. The morning business has not closed, and a motion to proceed can not be made until the morning business is closed.

The PRESIDING OFFICER. The point of order made by the Senator from Georgia is sustained by the Chair.

Mr. SMOOT. Has not the morning business closed?

The PRESIDING OFFICER. The morning hour had not closed then, but the hour of 12 o'clock having just arrived the morning hour is closed and——

Mr. SMOOT. I move that the Senate proceed to the consideration of House bill 11767.

Mr. OWEN. Before the Senator's motion is in order the unfinished business automatically must be laid before the Senate under the rule. I ask that the unfinished business be laid before the Senate as a matter of due order.

Mr. SMOOT. The calendar does not show that there is any unfinished business.

Mr. OWEN. The print of the calendar is a matter of no consequence.

Mr. SMOOT. I am aware that it is no evidence in itself, but I should like to say to the Senator he allowed the bill to be temporarily laid aside for the purpose of going into an executive session, and after the business of the executive session was completed there was a great deal of legislative business transacted, as the Journal discloses this morning, and we adjourned by a vote of the Senate. The Senator well knows that the corrupt-practices bill was not before the Senate when we adjourned, and therefore it can not be the unfinished business.

Mr. OWEN. I recognize the fact that the attitude of the Republican leaders this morning in demanding the reading of the Journal for an hour and a half, more or less, and the present attitude of the Senator from Utah is merely a filibuster against this bill.

Mr. SMOOT. It is no filibuster. I am perfectly willing to have the Chair decide this question by the rules of the Senate, and I have not another word to say.

Mr. OWEN. The unfinished business was temporarily laid aside for the consideration of the Danish treaty, and while in executive session some legislative matters were considered, but it was done under a unanimous consent. But the fact was that the bill which had the right of way was merely temporarily laid aside for the consideration of the executive business, and it is in good conscience entitled now to its status as the unfinished business.

Mr. SMOOT. As far as I am concerned, I do not care what the ruling of the Chair is. I am perfectly willing to submit it now and let the Chair decide.

The PRESIDING OFFICER. The present occupant of the chair was not in the Senate at the time the bill was laid aside, and therefore has to turn to the RECORD to find what occurred. The Chair finds the RECORD discloses the fact that the Senator from Missouri [Mr. STONE], addressing the Chair, said:

Mr. President, I will ask the Senator from Oklahoma if he will not consent to lay aside the bill for a short time that we may have an executive session——

Mr. OWEN. That was the unanimous-consent agreement.

The PRESIDING OFFICER. If the Senator will allow the Chair to finish—

that we may have an executive session, and after that we can resume its consideration.

Mr. OWEN. I am willing to have the bill temporarily laid aside subject to the executive session, with the understanding that after the executive session is disposed of we shall then proceed with the consideration of the bill.

The Chair finds that, after we went into executive session, by unanimous consent there were certain other matters that were taken up, but it seems to the Chair that when the Senator from Oklahoma consented to lay aside the consideration of the bill before the Senate it was clearly with the understanding that its status as the unfinished business should not be disturbed, and the Chair holds that it is the unfinished business of the Senate. The Secretary will report the bill to the Senate.

The SECRETARY. A bill, H. R. 15842, known as the corrupt-practices act.

Mr. SMOOT and Mr. OWEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma has charge of the bill.

Mr. OWEN. I am willing, unless the widows' pension bill is going to consume an unlimited amount of time, to ask that the unfinished business be temporarily laid aside to dispose of that bill. If Senators mean to talk on the widows' pension bill indefinitely, then I do not feel willing to have the unfinished business laid aside. I should be glad to know whether the Senators are willing to have the pension bill disposed of.

Mr. THOMAS. If I may be allowed, so far as I am concerned, I will say that if the Senate will accept the House bill and reject the amendment to section 3, I shall not say a word against the bill.

Mr. SMITH of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Georgia?

Mr. OWEN. I do.

Mr. SMITH of Georgia. If the Senator will allow me, the House bill was brought to the attention of myself and several other Senators, and it seemed so fair and so much in the interest of women of advanced years that we agreed to cooperate and support the bill and put it through.

The Senate committee amendments confront us with an entirely different bill. I do not claim that anyone has acted improperly in it; but I was shown the House bill, and the 70-year-old widows appealed to me tremendously, and I wanted to help do something for them. I thought here is a chance to help me to vote for a measure I am glad to support. This change to let a girl marry a man of 75 to-morrow and draw the pension does not appeal to me at all.

Mr. SMOOT. Is that the only provision the Senator objects to?

Mr. SMITH of Georgia. That is the one I principally object to.

Mr. THOMAS. It is the only one I object to.

Mr. SMITH of Georgia. Why should we not pass the House bill and close it?

Mr. SMOOT. I will tell the Senator why. For instance, the first Senate amendment I do not think the Senator will object to. It is to perfect the House bill; that is, to make the House bill read:

That from and after the passage of this act the rate of pension for a widow who was the lawful wife of any officer or enlisted man in the Army, Navy, or Marine Corps of the United States during the period of his service in the Civil War shall be $20 per month.

To perfect that the Senate committee put in the words:

Now on the roll or hereafter to be placed on the pension roll and entitled to receive a less rate than hereinafter provided.

The Senator would not object to that.

Mr. THOMAS. I would not object to it.

Mr. SMITH of Georgia. I do not object to that.

Mr. SMOOT. The only thing the two Senators object to is the provision granting a pension to the widow who may have married a day before the passage of this act.

Mr. THOMAS. Striking out "June 27, 1905."

Mr. SMOOT. I am willing that that amendment should be rejected in order to get the bill through.

Mr. SMITH of Georgia. I should like to get rid of the $10 to pension agents, but I will waive even that.

Mr. SMOOT. I will say that rather than see this bill fail this session of Congress I would be willing to accept the House provision.

Mr. OWEN. With that understanding, and that this bill will therefore take only a few minutes to dispose of, I ask that the unfinished business be temporarily laid aside for this purpose and then return to the unfinished business.

Mr. SMOOT. I will say to the Senator from Oklahoma I do not think it will take 10 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma? The Chair hears none, and it is so ordered.

Mr. SMOOT. I move that the Senate proceed to the consideration of House bill 11707.

Mr. SMITH of Georgia. I ask unanimous consent to take it up. There is not any objection.

The PRESIDING OFFICER. Without objection, the bill is before the Senate as in Committee of the Whole.

Mr. SMITH of Georgia. All we need is to let the House bill pass into the Senate and reserve the amendment to section 3.

Mr. SMOOT. The one amendment.

Mr. SMITH of Georgia. The one amendment to section 3.

Mr. SMOOT. I should like to have the amendment to section 4 agreed to in Committee of the Whole.

Mr. SMITH of Georgia. It has been agreed to.

Mr. SMOOT. I do not remember the Senate agreeing to it.

The PRESIDING OFFICER. The amendment has been agreed to, the Chair is advised. The bill is in Committee of the Whole and open to amendment.

Mr. MYERS. I move to amend the bill in line 9, on page 2, by striking out the word "seventy" and inserting "sixty."

The PRESIDING OFFICER. The Secretary will state the amendment.

The SECRETARY. On page 2, line 9, before the word "years," strike out "seventy" and insert "sixty."

The amendment was rejected.

Mr. SMOOT. There is one other amendment I want to call attention to.

Mr. THOMAS. What has been done with the amendment to section 3?

The PRESIDING OFFICER. The Chair will inform the Senator from Colorado that that amendment has been reserved for action when the bill goes into the Senate.

Mr. THOMAS. Is the bill now in a position where other amendments can be offered?

The PRESIDING OFFICER. It is.

Mr. THOMAS. At the request of the Senator from Florida [Mr. BRYAN], I offer an amendment. I understand it is acceptable.

The PRESIDING OFFICER. The Secretary will read the amendment.

The SECRETARY. Add, at the end of the bill, a new section, as follows:

SEC. —. Hereafter changes in rates of Army and Navy pensions under general law shall take effect on the first day of the quarterly payment period.

Mr. SMOOT. The committee can not accept that. That does not affect the widows included in this bill but it affects every old soldier in the United States.

Mr. THOMAS. The amendment is not mine. I have introduced it by request.

The PRESIDING OFFICER. The question is on the amendment submitted by the Senator from Colorado.

Mr. SMOOT. Mr. President——

Mr. THOMAS. I suggest to the Senator to let it go to conference.

The PRESIDING OFFICER. The Senator from Utah has the floor.

Mr. SMOOT. I will not take the time of the Senate, because I gave my word to the Senator from Oklahoma that it would not take very long to conclude the consideration of the bill. All I will say is that I sincerely hope the Senate will not vote for the amendment. It means that every old soldier in the country who arrives at the age of 75 years, we will say, is not entitled to increase of pension immediately as the law provides, but he must wait until the first day of the next quarter. That is what it means. I ask that the Senate disagree to the amendment.

Mr. VARDAMAN. What is the purpose of the amendment?

Mr. SMOOT. The purpose of the amendment is that the pensioners shall be paid only quarterly, or, in other words, on the 1st day of January——

Mr. VARDAMAN. It is simply a matter of bookkeeping.

Mr. SMOOT. That is not all. Increases of pensions are to begin on the 1st day of January, the 1st day of April, the 1st day of July, and the 1st day of October; and if an old soldier arrives at the age of 75 on the 2d day of January he can not receive an increase of pension until the 1st day of April.

Mr. VARDAMAN. Let us vote on it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. SMOOT. There is one other amendment I wish to offer. I do not want any discussion over it. If there is any objection to it, I will withdraw it. I will state very briefly what it means. It is to strike out the proviso commencing with the words "*Provided, however,*" in line 15, page 4 of the bill, down to and including line 20, and insert:

Provided, however, That where a pension has been granted to a soldier's or sailor's helpless or idiotic child or children, or child or children under the age of 16 years, his widow shall not be entitled to pension under this section unless the pension to such child or children has terminated or unless such child or children be a member or members of her family and cared for by her, and upon allowance of pension to the widow payment of pension to such child or children shall cease.

Mr. SMITH of Georgia. I think that is all right.

Mr. SMOOT. I was going to say that it takes care of the widows of Confederate soldiers who afterwards served in the Union Army.

Mr. CHILTON. Does the Senator's amendment strike out lines 15 to 20, inclusive, and insert that which follows?

Mr. SMOOT. It strikes out those lines and inserts that which I have read.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Utah.

The amendment was agreed to.

Mr. NELSON. What has become of the amendment to section 3?

Mr. SMITH of Georgia. That is reserved for a vote in the Senate.

Mr. SMOOT. It is reserved for action in the Senate.

Mr. NELSON. Very well.

The bill was reported to the Senate as amended.

The PRESIDING OFFICER. The question is on concurring in all the amendments made as in Committee of the Whole except the amendment to section 3, which was reserved.

Mr. THOMAS. I ask that the Senate disagree to the amendment in section 3, on lines 10 and 11 of page 4.

The PRESIDING OFFICER. Will the Senator allow the Chair to put the question on concurring in the other amendments made as in Committee of the Whole?

Mr. THOMAS. Certainly.

The amendments were concurred in.

The PRESIDING OFFICER. The committee proposed, on page 4, lines 10 and 11, to strike out the words "June 27, 1905," and to insert the words "the passage of this act."

Mr. SMITH of Georgia. Mr. President, I only want to say that a number of us agreed to help to get this bill through as it was written in the House at that place, and think it only fair it should go through in that way. I hope the amendment will be rejected.

The amendment was rejected.

Mr. THOMPSON. I should like to move, on page 2, line 9, before the word "years," to strike out "seventy" and insert "sixty-five."

Mr. GALLINGER. Mr. President, I trust that that amendment will not be agreed to.

Mr. SMITH of Georgia. That is another change proposed from the bill that we all agreed to help through, and I think the amendment ought to be rejected.

The PRESIDING OFFICER. The question is on the adoption of the amendment of the Senator from Kansas.

The amendment was rejected.

Mr. JONES. Mr. President, I will take just a minute. I think it was in the Sixty-second Congress that I introduced a bill providing a pension of $24 a month for widows who were the wives of soldiers during the war. I believed then, and I still believe, that those women ought to have some recognition in their own right. They suffered as much, if not more, than any man who was at the front. That bill was favorably reported at $20 a month. I have been pressing it ever since, and I am glad that in this bill those widows receive recognition; that there is granted a pension to those widows, regardless of their age, if they were the wives of soldiers during the war. Of course I suppose there are hardly any of them who are not now 70 years of age; but it is a sort of a statutory recognition, at any rate, of these women, and I am glad to support the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the Speaker of the House had signed the following enrolled bills and joint resolution, and they were thereupon signed by the Vice President:

S. 3646. An act to amend the act of February 11, 1915 (38 Stat. L., p. 807) providing for the opening of the Fort Assiniboine Military Reservation;

S. 6748. An act providing that Indian schools may be maintained without restriction as to annual rate of expenditure per pupil; and

H. J. Res. 237. Joint resolution authorizing the Postmaster General to provide the postmaster at Gulfport, Miss., with a special canceling die for the Mississippi Centennial Exposition celebration.

HOUSE BILL REFERRED.

H. R. 15958. An act to amend an act providing for the withdrawal from public entry of lands needed for town sites in connection with irrigation projects was read twice by its title and referred to the Committee on Irrigation and Reclamation of Arid Lands.

PETITIONS AND MEMORIALS.

Mr. MYERS presented a memorial of sundry citizens of Missoula, Mont., remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which was ordered to lie on the table.

Mr. PHELAN presented a petition of the board of supervisors of San Francisco, Cal., praying for the enactment of legislation providing for the establishment of a naval academy on the Pacific coast; which was referred to the Committee on Naval Affairs.

ADULTERATION OF PAINT.

Mr. CUMMINS, from the Committee on Manufactures, to which was referred the bill (S. 1289) for preventing the manufacture, sale, or transportation of adulterated, mislabeled, or misbranded linseed oil, turpentine, or paint, reported it with amendments and submitted a report (No. 871) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TAGGART (for Mr. JOHNSON of Maine):

A bill (S. 7015) granting an increase of pension to Thomas B. Wiggin, jr. (with accompanying papers); to the Committee on Pensions.

By Mr. KENYON:

A bill (S. 7016) for the relief of Capt. Ellis B. Miller; to the Committee on Naval Affairs.

By Mr. MYERS:

A bill (S. 7017) granting a pension to Louisa L. Wright (with accompanying papers); to the Committee on Pensions.

By Mr. GALLINGER:

A bill (S. 7018) granting an increase of pension to Andrew Goodwin (with accompanying papers); to the Committee on Pensions.

By Mr. TAGGART:

A bill (S. 7019) granting an increase of pension to John D. Whitted; to the Committee on Pensions.

By Mr. LEA of Tennessee:

A bill (S. 7020) to amend section 107 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, as heretofore amended; to the Committee on the Judiciary.

TRADE WITH CHINA.

Mr. SMITH of Georgia. I introduce a joint resolution and ask that it be printed in the RECORD and referred to the Committee on Foreign Relations.

The joint resolution (S. J. Res. 174) providing for an American Congressional Commission for the investigation of commercial trade opportunities in China and the establishment of direct trade relations between China and the United States of America was read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Whereas it is apparent that the markets of the world are undergoing and will continue to undergo reorganization as the result of changed conditions caused by the European war; and

Whereas it is necessary to broaden and extend the markets for American products to the end that with the close of the war the largest possible demand for American products should exist throughout the world; and

Whereas there are great possibilities and opportunities for enlargement of trade with China, and especially for such enlargement as a result of direct trade relations between China and the United States: Therefore be it

Resolved, etc., That a commission, to be known as the American Congressional Chinese Commercial Commission, composed of four Senators and five Members of the House of Representatives, shall be named by the President of the Senate and the Speaker of the House of Representatives, to investigate and study the opportunities and inducements for enlarged commercial trade with China and the development to the fullest extent of direct trade relations between that country and the United States of America; and be it

Resolved further, That the President is requested to name five citizens of the United States selected from those interested in trade development with China, who shall also be members of said commission, all the members of the commission to serve without compensation; and

Resolved further, That the said commission shall visit, as soon as practicable, the Republic of China, its principal commercial and manufacturing cities, as well as its agricultural districts, and the President is authorized to furnish a vessel of the United States for the use of the commission in making the trip; and the said commission shall submit a report to the Congress as early as practicable, giving the result of the investigations and such recommendations as it may see fit to make.

THREATENED STRIKE OF RAILWAY EMPLOYEES (S. DOC. NO. 549).

Mr. NEWLANDS submitted the following resolution (S. Res. 267), which was read and referred to the Committee on Printing:

Resolved, That the hearing entitled "Threatened strike of railway employees" before the Senate Committee on Interstate Commerce be printed as a Senate document, and that 9,000 additional copies be printed, of which 4,000 copies shall be for the use of the Senate document room and 5,000 copies for the use of the Senate Committee on Interstate Commerce.

Mr. FLETCHER subsequently, from the Committee on Printing, to which was referred the foregoing resolution, reported it without amendment, and it was considered by unanimous consent and agreed to.

NATIONAL PARK IN INDIANA.

Mr. TAGGART. I submit a resolution which has for its object the investigation of the practicability of converting three sand-dune counties in the State of Indiana into a national park. I ask unanimous consent for the present consideration of the resolution.

Mr. SMOOT. Does the resolution require an appropriation?

Mr. TAGGART. No appropriation is involved.

The resolution (S. Res. 268) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Secretary of the Interior be, and is hereby, directed to investigate and report to Congress at its next session the advisability of the securing, by purchase or otherwise, all that portion of the counties of Lake, Laporte, and Porter, in the State of Indiana, bordering upon Lake Michigan and commonly known as the "Sand Dunes," with a view that such lands be created a national park.

That the said Secretary shall also report the cost of acquiring such lands and the probable expense of maintaining them as a part of the national-park system.

FEDERAL AID ROAD ACT (S. DOC. NO. 548).

Mr. BANKHEAD. Mr. President, I desire to have printed as a public document the Federal aid road act of July 11, 1916, together with a summary of the rules and regulations relating thereto; and also an article by the Secretary of Agriculture on the Government and good roads. I ask that the matter be referred to the Committee on Printing, with a view to having it printed as a public document.

The PRESIDING OFFICER. Without objection, the matter will be referred to the Committee on Printing for action.

Mr. FLETCHER subsequently, from the Committee on Printing, reported the following resolution (S. Res. 270), which was read, considered by unanimous consent, and agreed to:

Resolved, That the manuscript submitted by the Senator from Alabama [Mr. BANKHEAD] on September 7, 1916, entitled "The Federal aid road act of 1916," including a summary of the same, rules and regulations of the Secretary of Agriculture, and an article entitled "The Government and good roads," by Hon. David F. Houston, be printed as a Senate document.

DONATION OF CONDEMNED CANNON—CONFERENCE REPORT.

Mr. CHAMBERLAIN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill S. 6625, entitled "An act authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls," having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments to the House, and the House agree to the same.

GEORGE E. CHAMBERLAIN,
G. M. HITCHCOCK,
Managers on the part of the Senate.

W. J. FIELDS,
FRANK L. GREENE,
Managers on the part of the House.

The report was agreed to.

WYANDOTTE INDIAN CEMETERY.

Mr. THOMPSON. I ask the Senator from Oklahoma if he will not yield one moment for a little local bill for the preservation of the cemetery of the Wyandotte Indians in Kansas City, Kans.? It is right in the midst of the city and is not being taken care of. The bill has been favorably recommended, has been passed by the House, and has been favorably reported by my colleague [Mr. CURTIS] from the Committee on Indian Affairs. It provides for $10,000 to take care of the grounds.

The PRESIDING OFFICER. The Senator from Oklahoma is entitled to recognition upon the unfinished business.

Mr. OWEN. I have no objection to withholding the matter for a moment.

Mr. THOMPSON. I am sure there will be no objection to it. I ask for the present consideration of the bill (H. R. 10089) making appropriation for the preservation, improvement, and perpetual care of Huron Cemetery, a burial place of the Wyandotte Indians in the city of Kansas City, Kans.

There being no objection, the bill was considered as in Committee of the Whole, and it was read, as follows:

Be it enacted, etc., That the sum of $10,000, or so much thereof as may be necessary, is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the preservation and improvement of Huron Cemetery, a tract of land in the city of Kansas City, Kans., owned by the Government of the United States, the use of which was conveyed by treaty to the Wyandotte Tribe of Indians as a cemetery for the members of said tribe: *Provided*, That the authorities of Kansas City, Kans., will construct and maintain all necessary retaining or outside walls along all the boundaries of said cemetery abutting on streets.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

PUBLIC AUCTIONS IN THE DISTRICT OF COLUMBIA.

Mr. JAMES. I ask the Senator from Oklahoma to yield to me that I may ask unanimous consent to call up the bill (H. R. 14824) to prevent fraud at public auctions in the District of Columbia. The bill has passed the House of Representatives and has been favorably reported by the Committee on the District of Columbia. It is to prevent fake auctions in the District of Columbia, and I do not think there will be the slightest objection to its consideration.

Mr. GALLINGER. I hope consent will be given. It is an important matter.

The PRESIDING OFFICER. Does the Senator from Oklahoma yield?

Mr. OWEN. I have no objection.

There being no objection, the bill was considered as in Committee of the Whole, and it was read, as follows:

Be it enacted, etc., That hereafter, excepting sales made under authority of law, it shall be unlawful in the District of Columbia for any person, firm, or corporation, either for himself or itself, or for another or for any firm, or corporation to sell or offer to sell at public auction any stock or stocks of merchandise, in whole or in part, with-

out first obtaining from the Board of Commissioners of the District of Columbia a written or printed permit so to do; and the said Board of Commissioners shall not issue a permit for any such sale or sales until they are satisfied that neither fraud nor deception of any kind is contemplated or will be practiced, and that neither the sale, the reasons therefor nor the goods to be sold have not already been or will not thereafter be fraudulently or falsely advertised or in any wise whatsoever misrepresented.

SEC. 2. That every such permit shall be issued for a definite period of time not exceeding 12 months from its date of issue, and the date and hour of its expiration shall be stated in the permit, and before such permit shall be issued the applicant therefor shall pay to the District of Columbia, through its collector of taxes, such fee as the said Board of Commissioners may deem sufficient to reimburse the District of Columbia for the work and expense of issuing the permit and gathering information concerning the applicant and his goods as the said board may deem prudent and best for the protection of the public, but which fee shall not exceed the sum of $50. The application for the said permit shall be by verified petition, stating the name of the applicant, residence, street, and number of the proposed place of selling, and shall set forth in detail the goods to be sold and what statements or representations are to be made or advertised as to the same, and the length of time for which the permit is desired; and, if previously engaged in a like or similar business, to designate all the places where the same was conducted, and shall furnish to said commissioners such further evidence as shall be deemed necessary to establish the truth of the statements made in the said petition.

SEC. 3. That no permit as herein provided for shall be required for the sale of any wagon, carriage, automobile, mechanics' tools, used farming implements, live stock, including game, poultry (dressed or undressed), vegetables, fruits, melons, berries, flowers, or for the sale of used household furniture and effects when being sold at the residence of the housekeeper selling them.

SEC. 4. That the Board of Commissioners of the District of Columbia are hereby vested with authority to temporarily suspend the operation of the license herein provided for whenever they may believe that this act or any part thereof, or regulations made in pursuance thereof, are about to be or are being violated, and they shall thereupon forthwith institute the appropriate proceeding in the police court in accordance with this act, and in the event that the said violation results in a conviction, then and in that event the license shall be and become null and void, but in the event that the said proceeding shall terminate in favor of the defendant, then and in that event the suspension of said license shall be at an end, and the license shall thereupon be restored and be in full force and effect.

SEC. 5. That no person as herein provided for shall sell at public auction, from the 1st day of April until the 30th day of September, both inclusive, between the hours of 7 o'clock in the evening and 8 o'clock the following morning, nor from the 1st day of October until the 30th day of March, both inclusive, between the hours of 6 o'clock in the evening and 8 o'clock in the morning, any jewelry, diamond, or other precious stone, watch, gold and silver ware, gold and silver plated ware, statuary, porcelains, bric-a-brac, or articles of virtu.

SEC. 6. That any person selling or offering for sale any property under the provisions of this act shall, in describing the same, be truthful with respect to the character, quality, kind, and description of the same and which, for the purpose hereof, shall be considered as warranties, and any breach of the same shall be punishable by prosecution in the police court, as hereinbefore set forth.

SEC. 7. That all prosecutions under this act shall be in the police court of the District of Columbia upon information by the corporation counsel or one of his assistants. Any person violating any of the provisions of this act shall, upon conviction thereof, be punished by a fine of not less than $10 nor more than $200 or imprisonment of not more than 60 days or both, in the discretion of the court.

SEC. 8. That nothing herein shall be construed to excuse or release any person, firm, or corporation, or property from the payment of any occupational or property tax, or any other tax imposed or levied by law. Neither shall anything herein be construed to obviate the application of any fraudulent or false advertisement statute of the District of Columbia to any person who may violate the same; nor shall anything herein be construed to prevent any prosecution for fraud, deceit, or larceny by trick; nor to in any way estop or hinder any remedy at law or in equity, or the right to cancel or estop any unconscionable bargain or fraudulent transaction.

SEC. 9. That all acts and parts of acts inconsistent herewith are hereby repealed.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

SCHOOL LANDS IN MINNESOTA.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Minnesota?

Mr. OWEN. I yield to the Senator from Minnesota.

Mr. NELSON. Will the Senator from Oklahoma be kind enough to yield a moment to allow me to have passed a bill to deed certain land in the White Earth Reservation to the village for school purposes? It is to give them a deed for a schoolhouse site on the White Earth Reservation. It will not take a moment.

Mr. OWEN. I shall not object.

Mr. NELSON. I ask the Senate to proceed to the consideration of the bill (H. R. 14533) to authorize the Secretary of the Interior to issue a patent in fee simple to the district school board No. 112, of White Earth Village, Becker County, Minn., for a certain tract of land upon payment therefor to the United States in trust for the Chippewa Indians of Minnesota.

Mr. OWEN. I shall not object.

There being no objection, the bill was considered as in Committee of the Whole, and it was read, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to issue to the district school board No. 112, of White Earth Village, Becker County, Minn., a patent for the east half of the southeast quarter of the southeast quarter of section 22, in township 142 north, range 41 west, of the fifth principal meridian in the State of Minnesota or such part thereof as the said district school board may select, upon payment by them to the United States in trust for the Chippewa Indians of Minnesota of the appraised value of said land.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

LAND AT NEWELL, S. DAK.

Mr. STERLING. I wonder if the Senator from Oklahoma will yield to me long enough to call up a local bill?

Mr. OWEN. I will yield to the Senator.

Mr. STERLING. I ask the Senate to proceed to the consideration of the bill (H. R. 12889) authorizing the Secretary of the Interior to sell the unsold and unappropriated portions of lands within the town site of Newell, S. Dak., and for other purposes.

There being no objection, the bill was considered as in Committee of the Whole and it was read, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to reserve and set apart such portions of the unsold and unappropriated lands within the town site of Newell, Butte County, S. Dak., as he deems necessary for administrative purposes in connection with the Belle Fourche irrigation project, and after subdividing the remaining portions of such lands into tracts that in his judgment would render the same most salable, and, appraising the reasonable value of each such tracts, sell the same, for not less than the appraised value, at public auction to the highest bidder, on such terms and under such rules and regulations as he may establish.

SEC. 2. That of the proceeds of such sales, after deducting all expenses incurred in the subdivision, appraisement, and sale of said land, an amount not exceeding $15,000 shall be covered into the Treasury of the United States in a special fund available only for expenditure by the Secretary of the Interior to provide or assist in providing the said town of Newell, Butte County, S. Dak., an adequate system of water supply for domestic purposes, under such terms and conditions as may be provided by the Secretary of the Interior, or for such other and further public improvements as the Secretary of the Interior and the municipal authorities of said town may agree upon. The net proceeds of such sale in excess of $15,000, if any there be, shall be covered into the Treasury of the United States and credited to the reclamation fund in accordance with existing law for the sale of town sites on reclamation projects.

SEC. 3. That the Secretary of the Interior is hereby authorized to make such rules and regulations as may be necessary for carrying into effect the provisions of this act.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

NAVAL INFORMATION.

Mr. PHELAN. I ask unanimous consent for the consideration of Senate resolution 258.

Mr. OWEN. I yield to the Senator from California for that purpose.

The PRESIDING OFFICER. The Chair is advised that the resolution has been referred to the Committee on Naval Affairs.

Mr. PHELAN. I ask that the Committee on Naval Affairs be discharged from the further consideration of the resolution.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

The resolution was read, considered, and agreed to, as follows:

Resolved, That the Secretary of the Navy be, and he is hereby, requested to furnish the following information to the Senate:

First. The number of midshipmen now authorized by law.

Second. The number of midshipmen now enrolled at the Annapolis Naval Academy.

Third. The number of midshipmen who shall attend the academy during the next academic year.

Fourth. The capacity of the academy and how and by what methods of crowding or otherwise can it be made to meet the present and future demands.

Fifth. What plan of expansion will best promote the health, comfort, and efficiency of the students.

Sixth. In case the number of students exceeds the capacity of the academy and any reasonable expansion thereof, is there any reason affecting the efficiency of the service why officers for the Navy should not be educated in another naval academy in some other part of the country?

JAMES L. YOKUM.

Mr. BANKHEAD. I ask the Senator from Oklahoma to allow me to call up a little bill which will not take a minute.

Mr. OWEN. I yield for that purpose.

Mr. BANKHEAD. I ask for the consideration of the bill (H. R. 2208) for the relief of James L. Yokum. The bill has been reported from the Committee on Claims and authorizes the payment of $1,000 as a reward for the arrest of a mail robber.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, and it was read, as follows:

Be it enacted, etc., That the sum of $1,000 be, and the same is hereby, appropriated out of any money in the Treasury not otherwise appropriated, and the Secretary of the Treasury is hereby directed to pay James

L. Yokum, a citizen of Red Bluff, Tehama County, in the State of California, reward for the arrest of mail-train robber on the night of November 8, 1912.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

OREGON WARM SPRINGS RESERVATION.

Mr. LANE. Mr. President, I ask unanimous consent for the present consideration of the bill (S. 5916) authorizing an investigation to determine the true north and west boundaries of the Warm Springs Reservation in Oregon.

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Oregon?

Mr. OWEN. I will yield for the consideration of the bill, if it occasions no debate.

The PRESIDING OFFICER. Is there objection to the consideration of the bill named by the Senator from Oregon?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 5916) authorizing an investigation to determine the true north and west boundaries of the Warm Springs Reservation in Oregon. It directs the Secretary of the Interior to investigate and report to Congress his conclusions on the merits of the claim of the Indians of the Warm Springs Reservation in Oregon to additional land arising from alleged erroneous surveys of the north and west boundaries of their reservation as defined in the treaty concluded June 25, 1855 (12 Stats. L., p. 963), and appropriates $100,000 for the purpose of conducting the investigation and $10,000 to make such surveys or resurveys as may be necessary for the purpose of carrying out the provisions of this act.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

SPANISH-AMERICAN WAR PENSIONS.

Mr. LEWIS. Mr. President, will the Senator from Oklahoma yield to me to give a notice? I shall not intrude on his time, for he has been very gracious.

Mr. OWEN. I yield to the Senator from Illinois for that purpose.

Mr. LEWIS. I desire to give notice that at the conclusion of the pending measure, known as the corrupt practices act, I shall move to take up what is known as the Key bill, from the House of Representatives, providing for pensions to widows and minor children of the Spanish-American War soldiers. It is Order of Business 265, being the bill (H. R. 54) to pension widows and minor children of officers and enlisted men who served in the War with Spain, Philippine Insurrection, or in China. I desire to give notice now that I shall make the motion to take up that bill and to have it considered immediately following the measure of which the Senator from Oklahoma is now sponsor.

JOHN E. KEYS.

Mr. WARREN. Will the Senator from Oklahoma yield to me to call up a small bill? It will not lead to debate.

Mr. OWEN. If the bill will lead to no debate, I will yield to the Senator from Wyoming.

Mr. WARREN. I desire to say that the claimant is suffering for want of the money for the payment of which the bill provides. I ask unanimous consent for the present consideration of the bill (H. R. 1963) for the relief of John E. Keys.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill. It proposes to pay $602 to John E. Keys, for injuries received during the construction of the Corbett Tunnel on the Shoshone reclamation project in Wyoming.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

NONCONTIGUOUS HOMESTEAD ENTRIES IN MONTANA.

Mr. MYERS and Mr. MARTINE of New Jersey addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma [Mr. OWEN] has the floor. Does he yield, and to whom?

Mr. OWEN. I yield to the Senator from Montana.

Mr. MYERS. Mr. President, I desire to ask for the present consideration of Senate bill 5611, which, I suppose, will lead to no debate. It proposes to extend to settlers on the Fort Peck Indian Reservation in Montana the right to take up noncontiguous lands on enlarged homesteads. A similar privilege has been extended everywhere else in the United States.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 5611) providing for noncontiguous homestead entries within the former Fort Peck Indian Reservation, Mont., of land of the character described in the enlarged-homestead act of February 19, 1909.

It proposes to permit any person who has made or shall make homestead entry subject to the provisions of the act approved May 30, 1908 (35 Stat., p. 558), entitled "An act for the survey and allotment of lands now embraced within the limits of the Fort Peck Indian Reservation, in the State of Montana," etc., of land of the character provided by the enlarged-homestead act approved February 19, 1909 (35 Stat., p. 639), and who is unable, because there is no vacant land of like character contiguous to his original entry, to enter additional land, to make an additional entry, also subject to the act of May 30, 1908, of noncontiguous land of the character described in the enlarged-homestead act, above cited, which shall not, together with the original entry, exceed 320 acres; such additional entry to be in reasonably compact form and subject to the general provisions of the homestead laws relating to improvements, cultivation, and final proof; but the land originally entered and that covered by the additional entry shall have first been designated under the enlarged-homestead act.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

ADDITIONAL JUDICIAL DISTRICT IN TEXAS.

Mr. CULBERSON. I ask unanimous consent for the present consideration of Senate bill 5450.

The PRESIDING OFFICER. The Senator from Oklahoma has the floor, having charge of the unfinished business.

Mr. OWEN. I ask the Senator from Texas whether the bill for which he desires consideration will lead to any debate?

Mr. CULBERSON. I hope not.

Mr. OWEN. If it does not, I will yield to the Senator for its consideration.

Mr. CULBERSON. I ask unanimous consent for the present consideration of the bill which I have named.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. JONES. What does the bill propose to do?

Mr. NELSON. The bill simply proposes to add another judicial district in the State of Texas.

Mr. JONES. Does it provide for the appointment of an additional judge?

Mr. NELSON. It provides for an additional judge for the additional district. The Committee on the Judiciary unanimously reported in favor of the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 5450) to amend section 108, chapter 5, of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, which had been reported from the Committee on the Judiciary with an amendment, on page 7, line 14, after the name "Burnet," to insert "Caldwell," so as to read:

The central district shall include the territory embraced on the 1st day of January, 1916, in the counties of Bastrop, Blanco, Burleson, Burnet, Caldwell, Hays, Lampasas, Lee, Llano, Mason, Travis, Washington, and Williamson, which shall constitute the Austin division; also the territory embraced on the date last mentioned in the counties of Bell, Bosque, Coryell, Falls, Hamilton, Freestone, Hill, Leon, Limestone, McLennan, Milam, Robertson, and Somervell, which shall constitute the Waco division.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ARTICLES BY MAXIMILIAN HARDEN.

Mr. MARTINE of New Jersey. Mr. President——

The PRESIDING OFFICER. The Senator from Oklahoma has the floor.

Mr. MARTINE of New Jersey. Will the Senator from Oklahoma yield to me for just a second?

Mr. OWEN. If the purpose for which the Senator from New Jersey desires me to yield leads to no debate, I shall yield.

Mr. MARTINE of New Jersey. I ask unanimous consent to have printed in the RECORD two articles from the New York Times.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The articles referred to are as follows:

[From the New York Times, May 28, 1916.]

FULL TEXT OF THE EXTRAORDINARY ARTICLE BY MAXIMILIAN HARDEN, "IF I WERE WILSON" "LISTEN, MANKIND, TO THE MESSAGE OF A MAN!"

Maximilian Harden, author of the remarkable article printed below, has been known for years as the most famous and feared of European publicists. He first leaped into prominence when he denounced the "Round Table" scandals in 1907, involving close friends of the Kaiser, and since then it has been said that his fame in Germany is second

only to that of the Emperor himself. Harden's writings on the present war have attracted world-wide attention.

The article printed below, one of the most striking utterances of the war, occupied the entire April 22 issue of Die Zukunft, Harden's paper. He called it "If I were Wilson," and it is written in the form of an imaginary address by President Wilson to the German Government. Up to now only small excerpts have been cabled across the ocean. The New York Times has obtained the full text, and it is printed here for the first time in America.

It is significant that the publication of the article was permitted by the German Government at a time when the submarine controversy between the United States and Germany was acute.

(By Maximilian Harden.)

[President Wilson is supposed to be speaking throughout the article, addressing himself to the German Government.]

1. WAR.

The son of Nun, whom you may call Joshua, Jeshua, or Jesus, and who, as the head of the tribe of Ephraim, after the death of the great Moses became ruler over Israel, the brain and sword of his people, led the multitude, which by the grace of God had been redeemed from the dominion of the heathen, dry foot over Jordan, by the power of a breath, blown from their trumpets of rams' horns by his seven priests, threw down on the seventh day the Walls of Jericho; he also conquered and burned the town of Ai, and from the fortified camp of Gilgal stretched out his arm far over the Promised Land. He defeated five kings, those of Eglon and Hebron, of Jarmuth and of Lachish, and also the Amorite of Jerusalem, and he commanded the leaders of his men of war to place their foot on the necks of the five. "So," said he, "shall it be done to all the enemies who fight against us." He had the kings killed and hanged upon five trees. There they hung till the going down of the sun. Then did Joshua order that they should be cut down and thrown into the cave in which they had hidden themselves from him, and he had great stones rolled to the mouth of the cave.

The sun, which brought this miraculous victory, and another also beyond Makkedah, stood longer in the heavens than ever before. For when the Lord, to help his chosen people in their sore struggle, lashed the Amorites with hail, Joshua in holy wrath cried aloud to the bright firmament, "Sun, stand still upon Gibeon and thou moon in the Valley of Ajelon!" And the stars stood still until Israel was revenged upon its enemies. In the middle of the heavens flamed the sun almost the whole day long, and no day was ever like this day, when the light of the world obeyed a human voice.

TURNING BACK HANDS OF THE CLOCK.

A thing which in that distant time, without the help of experience and knowledge, was the work of a day could now be completed in an hour. And at this very moment there have come to us the tidings that the nations which are fighting on the other side of our Atlantic wish, in order that they might be more certain of their vengeance upon their enemies, to lengthen their day by an hour of the sun. Joshua is now a high official, a member of the Paris Chamber of Deputies, and he has won for his proposal not only his homeland, but also the German Empire, now thrusting far into the countryside of France. In both countries, and therefore we may assume in all the lands of western Europe ringed by the conflagration of war, the clock is to be put back an hour, the light of day to be lengthened for every worker by 60 minutes.

Here it need not trouble us that the object of the idea is economy, the reduction of lighting expenditure by millions and millions of francs, the increase of the possibilities of work. We seen men and women, whom we recognize as our parents or love as our brothers and sisters, strike out an hour from their life, offer a portion of time, whose every minute might be charged with happiness, on the altar of their hatred.

Joshua, to make full use of his victory, requires a double day, an extension of brightness for he is without the means of illuminating night, giving her an eye between her beclouded brow and flaccid cheeks. That can the warriors do now; but since their will in its money vesture already discerns the warning signs of weariness, and fear that sleep may come upon them, they filch an hour from the night lest indolence make them rest too long and money vesture become threadbare too soon. Rage will not content itself with the old measures of time. The descendants of Jesus of Gibeon, in their steel panoply, have forgotten the warning which came to their ancestors when Jesus of Nazareth hung upon the cross; have forgotten that an unwonted darkness hung over the earth when Jerusalem and Rome, the strongest of the great powers—spirit of force, mind, and will—joined for the destruction of the finest flower of humanity.

Do they in their shortsightedness imagine that by a prefect's edict, by the decree of an official girt with the sword, they could append an addition onto the day, to the will power of raging humanity? Has the memory of Europe become so darkened that it does not see how the kingdom which was won by Joshua and the later leaders of Israel's army came to nothingness? Then let our voice recall the wearied madmen to reason. Because the Continent, which, since the birth of Veda and the Holy Scriptures (of the Old and New Covenant), since the death of the Buddha and the Christ, has produced the richest fruits of the spirit, is tired, the attempt may succeed. Because the message sounds forth in the atmosphere of holy week, steeped in thoughts of crucifixion and resurrection, it finds the spirit of man in a favorable mood. Hear, mankind, the message of a man!

A MESSAGE THAT WILL BRING PEACE.

This message goes to the Congress of the United States of America, and at the same time to all kingdoms, all nations of Europe, belligerent and neutral. It will utter that which is; from the sum of that which has been made possible in one and twenty months it will complete that which is necessary and show the way to secure it; that is, it will bring peace.

It is not from the assumption of a right which does not belong to me that this determination has come. Did another mouth speak, I would gladly be silent. But who will relieve me of this heavy burden? Thirteen nations are in the turmoil of war. The neighboring neutral States, even if united, weigh too light to draw down the scales. The pope, whose spiritual army no one but a fool would underestimate, is without physically effectual, physically tangible power, and as the head of the church, whose adherents swarm in both camps, his will to action is paralyzed. Brightness will not penetrate into the thicket from a light which is fading, but only from the glow of a young power which has not yet reached the pinnacle of its capacity for growth.

For the hundred thousand seeds and germs which the spirit and industry of Europe have sown on our ground our gratitude is due. And we would have shown true gratitude if Europe had been saved by our counsel. But our counsel can only be of use if it comes from the passionate desire for justice and speaks with the tongue of scrupulous honesty. Painful truth must be spoken, but none shall be offended. Europe has blundered into this war as a child who, deceived by the thin ice, falls into the running water. Does it not need a powerful arm to lift it out of the stream, and duty's call to us to stretch out this arm is louder in proportion as the danger comes nearer that the stream of fate will entice us also into its eddy.

We are still neutral, not only without bias, but also without the prejudice which shoots up like a clinging weed from the consciousness of the unity of the race. He who has considered our people finds in their form and feature the mark of every race of the ancient world; the mark of the Briton, of the Roman, of the Celt, of the German, of the Scandinavian, and the Iberian. He whose vision has penetrated below the surface and has learned not to be astonished that he sat on Thursday by a Spaniard and on Friday by a Scotchwoman, both of whom had been conceived and born in America from Americans, will also find in the recesses of our being the theories and ideals of all nations, often thrown together in wild confusion. We who gladly would be ancestors are descendants. Notwithstanding the foolish caricatures painted by jealousy we are no more intent on gain and on money than other active and busy nations; it is only because, in the words of the German poet, we have no useless memories and ruined castles that we are more disposed than the guardians of such hordes to see in possession the creator, or at least the measure, of value.

Could it be otherwise in a land where we have neither princely power nor feudal retainers, neither warrior caste nor noble birth, but where the quick brain of the rascal who used to cry out papers wet from the press has built palaces for children and changed heaps of refuse into gardens which might delight the lord of Versailles? Far be from us ever the childish whim of desiring to change Europe into our image. Far, too, the presumptuous desire, in the insolence of an irreverent energy, of interfering in the fate of a continent which for us long has given laws to the earth, contents and form to the history of mankind.

The demesne which we rule and where we may gather in our harvest lies between Cape Lincoln and Cape Horn; and in it there is room for all the people to be born to our children and our children's children. But the weal and the woe of both worlds are so closely knitted together by the network of nerves that complete separation is scarcely thinkable. The decay of the one can no longer be imagined without a profound weakening of the other. If you grow poorer, we seem richer; but still we should have to mourn a fountain and a market, the richest mine of intellect and our best customer. The longing for beauty and selfishness wed one another; and from their union springs the wish that health, which the Logosman calls reason, may return to you.

And over his cradle bends pride, and demands at last in clear and unmistakable words the undiminished maintenance of our rights. Too long have they been treated with disregard; the disregard we have entered in our ledger, we have not requited with arms as a coarse insult. We are a strong and free people which can not continue to live unless we enjoy self-esteem; and we are the leader and voice of all the nations which have not yet been forced into your war. The United States, not only of America North and South, but of the white world, wish for speedy peace. For they can no longer look on inactive, can not again and again dawdle through the months in discussion with this or that camp, and exchange their own counters with those of strangers in the play of words. For they would here place themselves in the bloody ranks and join in the conduct of the war, if they are not, by suffering the war to continue, to see honor and wealth decay away. This is felt by the most sober; but they do not venture to speak it openly. We must be peacemakers, or, in our own way, join in the fray. And the hour which demands the decision has struck. Set your European clock as you will, extend or shorten the day, let yourselves be lulled to sleep by coxcombs and rogues with the fable of our impotence, our empty boasting which will yield before the sword; there is no steel that will cut away this hour from the body of your fate.

We are still neutral. In Europe this is violently contested in both camps. In both camps, by means of insulting articles and caricatures, which even one who is free from pedantry and prudery and is a genuine friend of vigorous satire can only look at with disgust; attempts are made to lower in public opinion the President of the United States as a ludicrous and contemptible fool. Much greater men have borne in silence similar insults for decades. And from the morass of this pitiful wit, which greedily angles for the applause of the mob, I look to the word of the German who was unapproached in purity of will, in intellectual courage, in power of decision and manly courtesy. He whose work has become the New Testament of all statesmanship: "The honor which I bear in my own heart suffices for me, and no man is judge of it, and can decide whether I have it. My honor before God and men is my possession; I award myself so much of it as I think I have deserved, and renounce all addition."

MUST BE GUIDED BY MY CONSCIENCE.

Millions of my fellow citizens have intrusted to me the conduct of the affairs of state. Had they wished to lay this office in the hands of a man in whom the unrestrained rashness of a Cavalry colonel or of a submarine commander weakens all reflection, they would not have chosen a man of learning. As my conscience bids me, in that way alone can I administer my high office; not to blind men by my impetuosity, not to hasten on decisions without a firm and secure foundation of facts. Nine-tenths at least of our citizens wish to live in peace and friendship with all nations, especially with those of Europe; this wish must be my guide so long as the honor or a vital interest of our country does not rise up against it. Has the growing wrath of popular feeling at last cut asunder the tightened thread?

The western powers accuse us of weakly tolerating German breaches of international law, and mock at us because we answer the killing of American citizens in courteous notes, and allow ourselves to be delayed by promises of information and other excuses. In their opinion, we should have defended the neutrality of Belgium, of which we are joint guarantors, and guarded the dearly bought blessings of civilization with a loud and warning voice, and, if necessary, with the sword. Germany and Austria-Hungary scold us because arms and ammunition are delivered to their enemies from American factories, and because we put hindrances in the way of their conduct of the war, as they believe, without any justification; because we "meddle in things which do not concern us" (this more or less is their formula). Double accusation of this kind is the lot of all who attempt to maintain impartial justice. In the long duration of the war the Government of the United States has not taken the smallest step which a clear head could interpret as offense not even as the faintest offense against the obligations of neutrality. Great Britain is carrying on an industrial war against Germany, prevents the importation of provisions, and says:

"This form of warfare is not only permitted and has been customary from olden times up to the present against beleaguered towns and coun-

tries, but it is also the most tolerable kind of warfare according to the feelings of our days. We live on an island; we are not a nation of land warriors; we desire disputes between States to be settled by arbitration; and we can not overcome a wild animal madly running against us with the sword, but only by exhaustion. If his means of life disappear his madness will yield to the reasonable consideration of realities. Whoever contrasts our action with a 'chivalrous passage of arms' and calls it infamous is either blind or a liar. Present-day warfare, which allows siege shells of the most monstrous caliber to descend on men like hail, which works with floating mines, asphyxiating gas, liquid fire, explosives and poison, with deceit and treachery of every kind—such war has absolutely nothing in common with knightly warfare, not even with the wars of the nineteenth century, which were confined to infantry, cavalry, and field guns. To burn out the enemy's eyes or lungs, to bombard unfortified towns and villages from the air, from the depth of the water to rip the bellies of defenseless ships carrying men or goods, to kill or maim women or children, old men and sick people with air bombs or torpedoes—is this more chivalrous than our attempt to cut off from the enemy the opportunity of buying and selling and so compel him to cease his shell fire? To bombard his coast towns would not be more humane and would be useless, since naval guns are of no avail against strong coast defenses. Our blockade is 'effective,' it has the 'effect' that the German flag has disappeared from the seas and that no ship passes through the North Sea or the Channel without our permission. This fact has been done away by the bold strokes of certain stout fellows, such as every corsair period has known and preserved in literature. And the ineffectiveness of a blockade is not proved because a bold patrol gets through a gap and perhaps even manages to get back. On the sea by disguises and deceptive flags this has become the easier in that the thought of German ships now comes less into men's minds. And again we ask, is the attempt to approach a merchantman, your vessel disguised with artificial funnel and painted sides and a false flag, and under threat of firing to take off its crew and goods and then sink it—is this more chivalrous than our bloodless economic warfare? The only aim Germany had in building her fleet—she disclaims any intention of attacking us—was to break through such a barrier, with the possibility of which she has always reckoned. Her task, like that of any blockaded power, was to turn herself with all her might against the blockader, who has reached his aim and has no reason to trouble himself further, and, if she could, overcome him. This was what was promised by the creators of the fleet.

"The submarine warfare against defenseless merchant ships is not permitted by international law, and it contradicts the demand made from of old by civilized humanity that the fight of armed men against unarmed should be proscribed. Our decision, forced upon us by bitter experience, of arming merchant ships, in no way justifies this war. A merchant ship will only attack a submarine if there is no doubt about the latter's intention to attack; otherwise fear of a superior weapon is sufficient check. We determined to arm merchant ships when many of our merchantmen had been destroyed by submarines. If in a street many inhabitants of a certain house have been killed in the dark, and the survivors, in consequence, only go out armed with a revolver, may the concealed murderers say that it was within their rights to shoot down these armed men because they were capable of attacking?"

That they may not. And we Americans who, in spite of or because of our relationship, are always on the lookout against English arrogance—we find at most in England's statement of the case the idea of an "effective blockade" unsatisfactory. But we have much more to complain of in England's action. That she cuts off our trade with Europe and asserts her right of search and seizure is an offense we might have punished long ago if Germany had not been doing us a wrong that affects us far more deeply, for almost a year, by the murder of American citizens. The sorrow of the widowed, of the orphaned, of mourning parents, cries more loudly to heaven than the loss of merchantmen. And yet the manner in which England uses her blockading power is irreconcilable with international law.

THE LAW OF NATIONS NOT INVALIDATED.

This law is not a feeble conception of letters, it was not intended for the time when the nations were living at peace among themselves, and it is not invalidated by the discovery of new means of warfare. "In the time of war the laws are silent, but only those of trade and those which might be followed in peace by foreign courts of justice; not the eternal laws, valid for every age. The possibility of suffering outrage never gives a State the right to use outrage itself." These sentences of the Dutchman, Hugo Grotius, are pillars on which our conviction rests firm. We share no guilt for the outbreak of the war, and we can get nothing out of it. We put up with the fact that under its reign of terror our exports and imports are shrinking; we can not endure that they should be altogether arrested, that our cotton market should be laid desolate, our agriculture deprived of potash, and our textile manufactures arbitrarily deprived of coal-tar dyes. Still less, that deadly peril should be prepared by act of men for our citizens on roads which they have a right to use. Such roads are the great waterways between continents. To cut off principal portions of such roads by a bare one-sided proclamation and call them "war areas," and to rob and kill anyone who ventures in them, is not permitted anyone either by the letter or by the spirit of any international law. It is a legal fiction, a legal pretension, to which we will not bow, and which we may the less expect, in that we have generously given up hitherto to European bands our whole trade with Europe, which supports in opulence a dozen merchant fleets and gives life to tens of thousands of employees, contractors, and actionaries.

Because England is not to receive corn, meat, textile fabrics, copper, steel, explosives, petroleum, and fat, and England's enemy has no means allowed by international law, no means by which she is able to give a warning recognizable at a distance, of cutting off the importation of these goods, because of this fact, is it permitted to a crawler along the bottom of the sea to destroy every ship suspected of carrying such goods, together with crew and its passengers? It would be just as incoherent a law which would allow it to be announced to our world to-morrow that Spain was to be considered as a war area because France was able to get goods from her, or that Sweden was to be considered such because Russia could get goods from her, and permitted German airships to throw bombs on every railway train which they could see in these countries because everyone is under suspicion of supplying essential materials for French and Russian economic or even military needs.

The submarine war does not violate any of the sovereign rights of any State; but day by day it violates the rights of men and nations. It can not but violate them if it is not confined to warships. For since a usage, unfortunately still valid, allows the carrying of false flags, every ship sailing under a neutral flag may possible be the property of the enemy; whether a merchantman has two or three guns can not be recognized from a submarine; and the mines which these boats strew in the sea do not ask whether it is an enemy or a neutral ship which they blow to atoms; for this reason the promise of protecting neutral and unarmed ships, of warning them, or calling to them, or saving crew and passengers before firing into them, is one which with the best will in the world can not be kept.

CRUX OF THE DISPUTE WITH GERMANY.

Nevertheless, since the horrible end of the *Lusitania*—the anniversary of which is just approaching—the German-American dispute has turned round this question. It has been doubly envenomed. Many factories of our States have provided the British, French, and the Russians with guns, shells, and war material of every kind. They had a right to do this; and it was not their fault that Germany, whose custom would have been equally welcome to them, was unable to buy anything from them on account of the blockade. In all wars of modern times German industry, in spite of the empire's neutrality, has supplied one party, often both parties, with arms and munitions; if she had not done this—so said the Berlin Government—her industrial capabilities must have shown a swift decline. What was allowed to her to an unlimited extent can not be prohibted to the industry of America. The statistics as to material delivered have been enormously exaggerated, and everything produced in South America and in the English colony of Canada has been reckoned to us as well. The entirely private contracting business, the extent of which is scarcely worth talking about, could only have been prevented by the State by means of an export prohibition. I have declined to demand this from Congress; and not merely because I was certain that Congress would refuse it. We do not desire that any State should be compelled to accumulate arms in the time of peace; for this very accumulation is a temptation to settle any dispute by war. We do not desire that a power armed to the teeth should be in a position to impose its will on a badly armed one to which neutral countries close their sources of supply; for we earnestly hope to see an extension of arbitration and an organized peace, not industriously and artificially organized force.

We do not desire a condition of law which, should we be compelled to go to war, must prevent us from buying weapons from neutral countries—weapons which we peaceful farmers, traders, professors, and artists lack. For a hundred years England has not been prepared for a land war of European dimensions; to have left her without arms in the difficult opening stages of a struggle which had no increase of territory for its aim would have gone, we felt, against the nature of the free, peaceful America, nay, against the spirit of modern humanity as well. The merchants, manufacturers, and administrators of the United States acted within their sure and incontestable rights. But their doing so drew upon them the bitter anger of the Germans, even of those who had been admitted as friends into our free States.

From their error arose the second element of poison. Many of them believed it their duty to avenge on their new home a wrong committed on their Fatherland, and to tear our State districts asunder. The proofs of such punishable behavior or of its encouragement lie in our archives. We had done no wrong to the German Empire, and we demand from each immigrant that he shall carefully respect the laws of the States. Why did he come here? Why, because at some time in his life the laws and the business prospects of our country seemed more favorable than his own. If he wished to remain in every fiber of his being a German or an Irishman, to plunge under all conditions into activities for his native land, he should have stayed at home and endured unfavorable conditions of life and cooperated for the improvement of the political and social system. To pick and choose all the tasty morsels from our country, and at the first storm to behave as a raging German or furious Irishman—that would be an intolerable piece of presumption. To give examples of what has happened would only stir up the flames which I would gladly see die down. For this reason I will only ask, Would Germany, during the Manchurian war, have allowed Japanese agents to work upon the Prussian Poles, to intimidate the German Empire into alienation from Russia by stirring up disturbances, by canvassing, by fiery speeches, by imperiling munition factories? And I would ask, too, Has not our legal contention been all through as good as the Germans'?

WARNING TO GERMAN PATRIOTS IN AMERICA.

I understand that to a nation fighting in peril of its life such cool reflection on real values is difficult, that under pressure of necessity it forgets how often it has itself supplied the enemies of its friends with arms and munitions. Yet I must demand from Germany that she shall break loose from any common action with injudicious patriots, however strongly her sympathies with them may be—for patriots who, as guests, or as admitted citizens of the United States, misuse the law of hospitality to undermine the civil peace; by which action they do not benefit the German Empire, they only greatly injure it. No serious man blames them for wishing this empire to gain the victory, for helping it by works of charity. But no man favorable to his Fatherland can allow them to hoist their three-colored flag over our star-spangled banner, to make our domestic political institutions an instrument in their campaign for Germanism and to append to their vote, which their second home has given them, the condition that the elected candidate shall pledge himself to help forward their German cause.

I am bound, secondly, to demand from Germany that she shall without circumlocution declare how she proposes henceforward to respect our national law and to protect the life and property of the American citizens. How she can protect; for the question whether there is to be friendship or hostility between two great nations certain of their future can no longer depend upon the eyelashes and nerves of a young submarine commander anxious to serve his Fatherland and cut his name in the German oak, and in whose ear conscience speaks only one command. Sink whatever can be laid hold of. Everyone must admire the bold cunning of such men. Their boats, however, have no surer position in international law than the corsair frigates which in the 20 years of the Anglo-French war, especially during the continental blockade against England, used to creep out secretly from the small harbors of Flanders, Normany, and Brittany and rob the Britons of 500 merchant ships every year. To-day, 100 years after the Napoleon frigate war, in spite of the conferences at The Hague (1907) and in London (1909), we have no valid international maritime law under the protection of an arbitrating authority with executive power. Yet the dictates of recognized morality, which, for example, does not give the right of sacrificing the lives of 10 strangers to save one's own child, and the experiences gained hitherto in submarine warfare, show the way to an understanding which would leave elbow room for both States.

Compromise would signify weakness on neither side; it would merely give expression to the honest wish to safeguard friendly intercourse between two nations which are not forced into hostility by any

unsurmountable reason. The hope to frighten by threats a nation so brave and so strong as the German would be absurd and vain. Moreover, it is generally known in Germany, and it is also known to those responsible for her government, what would be the consequences of a rupture. Our whole continent north and south, would become hostile to Germany, and that not merely for the period of the war. Germany would lose all her ships lying in American ports, and would have to reckon them a considerable addition to enemy tonnage.

From the day of the rupture Germany would have to provision Belgium, which we are now supplying with foodstuffs. Holland and Scandinavia could hardly hope any longer for imports from overseas; for this reason they could not export any more goods, cattle, or grain, since by doing so they would be in danger of suffering scarcity themselves. It is for Germany only to examine, on the basis of what the Napoleonic blockade achieved and what the power of a league may be which America would join with her capital and economic resources, whether it would be wise to pay so high a price for the weakening of England through scarcity of food and tonnage. It is certain that the conclusion of the war would then be put far out of sight, because, even if badly weakened, the enemies of Germany could wait until our help made itself felt. And, further, from that moment we, too, should present at home an absolutely united front. The different extractions—German, Irish, Austrian, or Hungarian—would be at once forgotten, and every American would be wedded to the Stars and Stripes, and he who was yesterday disloyal at heart would to-morrow become a zealous, glowing patriot, as it has happened with Plechanoff, Guesde, and Legien.

We have not let our tongues run furiously about Belgium, because our purse had to secure her food, and this was possible only by an understanding with the German authorities. We have not taken exception to the procrastination in the dispute pending between Germany and ourselves, because in almost all cases facts could not be ascertained beyond dispute; further, because we were restrained by the wish to spare the world the horrors of an unrestrained submarine warfare, and spare the neutral States of western Europe the pain and misery which would be the effects of such a war; because the Berlin Government gave us the clear proofs of an honest will to reach an understanding, and did not hesitate to remove a vigorous statesman, highly esteemed by many, in order that in future only one tendency expressive of will should rule its policy; because we understand the enormous difficulty of her responsible action, and could not expect the second winter of war to give birth to the decision which is to be the goal of the spring of peace, viz, to put diplomacy above strategy and to establish firmly the higher authority of the council of statesmen over every irruption or interference of those brought up for the work of war.

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2—PEACE.

If this higher authority was already secured, we would not have to-day a war which is the horror, and, in spite of all the virtues which it brings forth every day, the disgrace of the white race. Is it any good to dig for its roots once more in the soil washed by seas of blood and riddled by the worms feeding on corpses? All are guilty; the difference is only in the weight and time of their sins. This fact is not discerned by him whose eyes are darkened by his own guilt. It is hidden also from him who sees only what gave the last push and judges hastily, without following up or weighing the long chain of causes: "Germany abruptly refused the arbitration which was recommended by all the powers for the settlement of the Austro-Serbian dispute, and which was finally accepted by Austria-Hungary itself; she began the war, which, according to the undisputed testimony of San Giuliano and Giolitti, she had wanted as early as 1913; she wantonly violated the neutrality of Belgium, which originally she herself had demanded, carried through, and guaranteed, and after a rapid and devastating invasion, seized a powerful pledge in the shape of the industrial districts of France. She has, therefore, to be declared guilty without admission of any extenuating circumstances. This is the conclusion formed from a comparison of all the official documents."

FRENCH AND GERMAN AIMS CONTRASTED.

That this is the conclusion indeed has been proved a thousand times in all languages, even by the men of science with tempers of ice. Only they forgot to turn over the leaves of the book of the history which came before the month of July, 1914. France could not get over the loss of Sedan, Metz, and Strassburg; she did not set the loss to the account of the accursed Empire, nor did she decide on a new war, but she irritated, by continuous, sometimes noisy, threats of "revanche" the conqueror of 1870, who did not wish to take from her a single straw or a single stone more, and gladly allowed her to acquire the second biggest colonial empire, and she offered her alliance to anyone with the help of whose sword she could hope to reconquer Alsace and German Lorraine. The wire which unites France to the Russian Empire would have been made fast much earlier if Bismarck had not, even as an old man, climbed again and again untiringly the pole and broken the strands.

After 30 years of grace, Germany is no longer served by an unselfish genius, but she has acquired, through the unsurpassed and unsurpassable efficiency of her people, undreamed wealth, and has secured for herself an enormous share in the trade of the world. In all zones Germans make themselves snug and work diligently—more diligently than any of their competitors—for the capital and flag of their fatherland. Germany does not, unfortunately, remember that she can only win forgiveness for so rapid a rise, for so unexampled and flourishing success in every branch of activity, by a dignified and modest self-suppression; and she does not remember that the enemies at whose expense she has grown great are still alive, and some of them are still full of fight. She rattles the sword, and, in shining armor, she frequently allows to transpire the intention of enlarging her dominion. Instead of limiting herself to the defense of her coast, to the building of light cruisers and torpedo boats, Germany builds a battle fleet, of which the radius does not extend beyond the North Sea and the Channel, and which would yield a decent return for the milliards invested in it, only if after a successful war it broke at least one important prong from the Crown of Britannia. Great Britain feels that her trade and technical achievements have been surpassed; that her commerce, world trade, and her colonies are in danger; that her predominant position in the Islamic world, therefore also in Egypt and India, is threatened by competition; everywhere she has Germany pressing her hard.

GREAT BRITAIN SEES A VITAL THREAT.

Because Great Britain refuses to sit idle till some fine day she has to bow under the yoke of Germany's will, and because a mistrustful amour propre refuses any understanding concerning naval armaments, Great Britain has to relinquish her policy of splendid isolation and conclude an alliance with Germany's enemy. That enemy—France—was suddenly awakened from her indolent leaning to Socialism and her pacific content by the violent interference of Germany in her rights to Morocco (which Bismarck had acknowledged in 1880), and the common complaint at the disturbances of business, which knew no limits of time or place led her into an understanding with Great Britain. Tangier, Casablanca, Algeciras, Agadir—the jibers denoted by these names must not be overlooked by him who examines the roots of the war.

Germany asserts, all too zealously, her will to preserve peace; she increases, nevertheless, her military forces on land and on sea. Why, when no one wishes to deprive her of any piece of territory and no sword will be unsheathed for the sake of Alsace-Lorraine? Evidently to enlarge her frontiers. This can be guarded against only by firmly encircling her. Russia, driven out of eastern Asia by Japan at the order of Great Britain, fears the German militarization of Turkey, which Russia would fain deprive of Armenia and of the Straits, and bites at the bait, in hope of undoing, with the help of the strongest powers of western Europe, the work of Prussian generals in the Turkish Empire; of acquiring at least in the Balkan States, liberated by Russian blood, at least a religious and spiritual influence, and of expunging by the intimidation, or even the diminution of Austria-Hungary, the blot of the Manchurian defeats before the eyes of town society and mujiks, of Europeans, and of Asiatics. The wars in Tripoli, Albania, Macedonia, and Thrace are the results of the close alliances which had arisen over the Morocco dispute, and had for their aim to put southern eastern Europe under Slav and Latin guardianship in order to prevent its permeation by German power, culture, and trade.

Should this plan succeed, should Italy fix herself in the Adriatic flank of the Balkans, and Austria-Hungary be shut in between the Slavs (Russians and Serbs) and Latins (Italians and Rumanians), should her body be paralyzed by fragments of alien peoples which aim at reunion with their own nations, Germany would no longer be able to deliver a powerful blow. Her enemies do not wish for war; only because they are afraid of an attack and the attempt to establish an unbearable hegemony, do they try to contain the youngest great power of Europe within the frontiers which it had already acquired.

In view of her growth in population and wealth, of her spiritual and economic achievements, Germany can not accept them as final; and because she does not want to submit to a hostile will, because she does not want to let her most powerful weapon rust—the war to be carried on with technical means, and in accordance with the methods of big industry—because she does not want to miss the favorable moment for the fateful enterprise, she throws off all diplomatic mediation and whips out her sword against France and Russia. By this resolve, dictated, as she believes, by necessity, she exposes herself to the most dangerous misconstruction and forgets the warning word which the creator of the German Empire uttered in his most fruitful speech: "If we become aggressors, the whole weight of the imponderabilia, which weigh heavier than all material things, will be on the side of the antagonist whom we have assailed."

A preventive war, then? The classical case. Two groups of powers which do not trust each other across the street. France fears that she may be attacked and treated as a hostage, Russia that she may be cut off from an ice-free sea for another hundred years. England has bound herself to take no share in any aggressive war against Germany, but has not, as was desired in Berlin, promised her neutrality in any war "forced upon" the German Empire; for it could not but apprehend that any war provoked by aggressiveness would appear to be "forced upon" those suffering by it. Germany did not want to be boxed in, nor to give the right of arbitration to a hostile majority, nor to allow herself to be weakened by the dismemberment, attempted from three quarters, of Austria.

It is a libel upon Germany to say that it chose war not as a necessary measure of defense (Nothwehr), but as a means of conquest. Only a madman could desire such a war, of issues impossible to forecast, and from which no gain could be garnered in the long run. It is just as false, indeed, to assume that England, France, and Russia, which were not armed at all, or at best only half ready (and needed a year to obtain the most necessary things), started with the deliberate intent to attack. They desired a diplomatic, not a military, struggle, and strained every nerve to avoid immediate war. The outbreak, however, was not to be prevented; because, at the decisive moment, the will of the military chiefs was more powerful than that of the statesmen. To the military authorities Bismarck's advice, "In preparation for war always remain one step behind your adversary," was counted mere talk, with which a cunning drafter of notes wished to thrust his clumsy hand into the rough work of warriors. When Mars rules, think they, only their expert opinion is of consequence; and only they can judge when this crimson régime is to begin.

From the oldest times, since the original quarrel waged by Agamemnon and Calchas between sword and brain, doubt as to the truth of anything issuing from the writer's desk has been firmly implanted in the minds of those who command in war. In every attempt to control them (we have witnessed it once more) they see an attempt to blunt the weapons for the efficiency of which they are responsible. They do not believe that Russia, as the Czar asserts, would, even with a mobilized army, refrain from any warlike step or even gesture, until the last hope of agreement had vanished. They do not believe that England will abandon her convenient, and now especially profitable, neutrality, and enter the struggle, and they regard the London warning against any such belief as bluff. Grey's plain promise to pledge the whole power of England, and his own reputation, upon the maintenance of proper relations between the triple entente and Germany, if peace be preserved, they regard as an empty swindle. For them only physical tangible facts count. They do not realize that annexation has for a long time ceased to be the only way of obtaining power, and they see in Russia's and England's hesitation to content themselves with an assurance of the complete maintenance of French, Belgian, and Serbian territorial integrity, a proof of treacherous deceit. They have no need for the information that the establishment (1815) and the neutralization (1839) of the Flemish-Walloon Belgian State was brought about at the wish of Britain, to protect that island kingdom from attack from this dangerous portion of northwest European coast, and that England was bound to resist, on the ground that it was the prelude to operations against itself from the same base, the German attempt to use Belgium as a base of operations against France.

HOW MILITARISM PERMEATES A NATION.

All that is of importance in their opinion is to avoid delay in mobilization, to give their country all the advantages of a good start, and to choose the way by which the fruits of victory can be rapidly

plucked. They have neither time nor sense to weight the imponderables or to distinguish between a neutral State which may decide to enter into the war any day and a State neutralized under a guarantee, which is bound by oath to defend its irrevocable neutrality. Because they reserve to themselves the final decision in all military matters, they think that the British plenipotentiary, who announced in Brussels in 1912 that England would, in case of need, without asking, land troops on the Belgian coast, also spoke in the name of the United Kingdom, and ridicule as a miserable civilian evasion the statement that this Lieut. Col. Bridges was censured by the London Government and rejected by the Brussels Government on account of this unhappy thought.

All treaties, events, feelings, and bonds of mutual interest confirm the statesman in his conviction that Belgium, in order to avoid becoming the theater of war, would have resisted with all its force any invasion, including an Anglo-French one. The army chief takes the possibility (the toleration of the advance of enemy troops into Belgium) for a certainty and infers therefrom, "We must be the first to get in; they will let us through all right." Superiority of force, he thinks, will quickly compel them to give over resistance. Also the warrior is not to be bound with thread; negotiations waste irreplaceable time; the Fatherland is calling.

The state of affairs which gives precedence to such thoughts in every higher circle of communal life is called in modern speech "militarism." It does not only press for ever more powerful armaments, but it also accustoms citizens, scholars, merchants, and artists to the idea that for a struggle between people the only adequate weapon is armed conflict, and that everything else is unworthy and useless. In this way it permeates every root and every branch and twig of the nation. Militarism is a state of mind and a form of civilization. That without its existence heroism and the warlike virtues can thrive, a single glance at England and France, at the two Serbian States, at Hungary, at Austria at Australia, and Canada shows. That militarism alone can guarantee constant readiness of every limb of the body politic for the rapid transition to war is proved by Germany's achievement, which is unequaled in the history of the world. That is, in the material sphere; as a spiritual achievement many will place higher the voluntary enlistment of three million island and colonial Englishmen, the heroic endurance and self-sacrifice of the Serbians and the French, fighting in the very face of the enemy. Twenty million heroes are fighting between Antwerp and Trebizond, and the majority grew up in unmilitary countries—yes, in some which seemed to have succumbed to the plague of luxury.

NO ARMED TRUCE BUT A FIRM PEACE.

Because militarism facilitates readiness for and temptation to war, and because it can only spread farther and farther unless weeded out root and branch, the war must endure until it is destroyed. The slogan is proclaimed aloud by all the enemies of the German Empire and is whispered by all neutrals. How long only by them? After the inconceivably horrible slaughter of which to-day at least 5,000,000 corpses and 10,000,000 cripples are evidence, the cry for the sure establishing of peace will, even between Hamburg and Bagdad, drown every other. Is the uprooting of militarism possible? To my mind, yes; an inevitable certainty. Its approach has been merely retarded by the foolish attempt to cut from the body of a State a portion which is indispensable to its vital functions or for its self-respect. From the first day of peace onward this State would be compelled to make every sacrifice in blood and money to attain the restablishment of its constitution and its prestige. Think, Grey, Briand, Sazonoff, through what thunderclouds and what pressure of misery you would have to pine if this mutilated power were immortal Germany, compelled to gather together all the energies of mind and economic strength for the bursting of the barrier erected before its house and for the chastisement of impious excess! But, Bethmann and Burian, do not forget that those who pine are more sensitive than giants, and that Servia itself has once already risen from the moldy tombs in which it seemed to be inclosed! A peace which, like a war, left crippled peoples behind it would only mean a truce. And we do not desire a peace that is a truce but a truce which will give rise to a firm and noble peace, to Europe's Easter. We wish it to-day because to-day it is possible and therefore necessary.

We, all who are not blinded by irrational rage, whose numbers grow every day in multitude and with whom in both camps, man for man, the dead agree. Those only stand far off who imagine that this war is essentially like other wars, and might—indeed, must, like other wars—end in victory and defeat, treaty and indemnity. Those upon whom the realization has not yet dawned that this war's most certain consequence—its only certain consequence—will be the most gigantic revolution of all times, a revolution that penetrates the whole of Europe with its flame, that plows up the whole continent, beside which the revolutions of 1789 and 1793 might seem petty child's play, and that every man of good will and natural piety must exert himself fervently to keep this revolution clear of blood guilt and confine it to the world of the spirit.

No State, no people, no class, neither man nor woman, will after this war, this cataclysm, be as they were before. Constitutions and laws, prejudices and scruples, will lie prone before the whirlwind, like reeds in a pool. Let us take care that, from the altar of the new league—the league of humanity with divinely inspired nature—a grateful odor shall be wafted heavenward, as from Noah's thank offering when his second dove had brought him the olive branch in its bill, while the message of "Peace on earth!" was written shimmering across the sky.

An armistice is possible. Nothing indispensable remains to be conquered; nothing that would sufficiently reward the effort involved. The aim and result of that effort can only be the ventilation, cleansing, disinfecting, the hallowing without priest or dogma of the Continent; the transformation of swampy, moldy, hate-befogged, envy-poisoned ground into the luminous abode of free men, working on the basis of their own right, and consequently respecting that of others—men who, just because they are strong and proud of their reason can not but affirm their will to select in peaceful ways the fittest, whether among individuals or peoples. The wolf will not graze beside the lamb nor the lion run with the hare. But the form of war and other horrors will be radically altered, as after the first deluge when the curse and condemnation of all living things was lifted from the earth and the rainbow bridged over the chasm between godhood and beasthood.

This hope does not appeal to you? You want vengeance, retribution, the chastisement, the annihilation of the enemy? Woe to you if it should be left to the wrath of the people to drive their rulers and governors out of the thorny entanglements of such illusions! Only at the cost of its own enervation can one group so crush the other to earth. And behind the melancholy monument of such a universally destructive victory militarism would rear itself more menacingly aloft. Now it may be rooted out from the field on which honor has been maintained and power demonstrated, but the decisive battle has not been fought. Now the power which received it as an heirloom from the soldier King and Frederick the Great then let it rust and only polished it up again under the lash of Bonaparte, that power can now, without inward or outward impoverishment, lay it to rest.

The days of competitive armament are dead. In unconquered countries the will of the people, together with lack of money, forbids its revival. Has it not ever been the part of wisdom to do voluntarily to-day what would have to be done involuntarily to-morrow, and to make a profit of necessity? As Scharnhorst borrowed from the enemy, from the leaders of the French revolutionary armies, the cry for universal service; as Bismarck annexed and added to his own hand the Austrian trump card of manhood suffrage, thereby securing the preponderance of Prussia in the German Confederation and the union of all Germans save those under Hapsburg sovereignty, so will the new Germany make the watchword of her enemies her own, and, impressing upon it the stamp of her spirit, confer upon it the value which her needs require. "In the half-ripe Europe, botched by the Congress of Vienna, and not yet adjusted to the dread of national disintegration, while we were threatened by the envy of our neighbors and oppressed by the nightmare of a hostile coalition, we have never, whether in poverty or in wealth, neglected or haggled over anything required for the strengthening of our defensive armament. That in our efforts to build up the military State we were not following a deceptive will-o'-the-wisp the summer of 1914 has proved. Now, however, in a continent which has discharged its humors, the aim of our striving is: Organized peace. We can not give up the army; indispensable as a school of manhood; we can only transform its nature, its period of service, and its method of training, in the light of the lessons of yesterday and with a view to the needs of to-morrow. We can undertake no humiliating engagement nor anything in the least approaching to it; but in a Europe spiritually purified and freed from the gray spider's web of knavish treaties, we can come to an understanding with other strong peoples as to the extent of our armaments and place ourselves in frank fellowship with all other States, under the control of arbitration. This we can do without fear of being outvoted or constrained to do aught unfitting; for the longing for the preservation of peace will be ten times—aye, a hundred times—stronger in all other lands than in ours, and in none will the wish arise wantonly to attack us after what we have achieved in these two summers and two winters."

Were Germany to speak thus the world would rapturously acclaim her spirit of yearning toward the future and the high courage of her soul.

Not a day longer should the war last, nor any useless memory of unfruitful strife.

Hark, oh hark! the hours are fleeting!
Rapturous strains his advent greeting,
New-born day dethrones the night.
Mountain portals roll asunder,
Phœbus comes on wheels of thunder,
Tumult harbingers the light.

The dawn of rejuvenated humanity! It breathes afresh. Let reason at last get in a word again, and shame spread a thick veil over self-deification and enemy bedevilment. Who would bet that, if any of the buds of hope failed of maturity, were nipped of frost, humanity would not again resolve to pass from armistice into a state of war? What profit could war bring? To the French, Alsace-Lorraine and the Cameroons; to the Germans, Couraland and Polish and Lithuanian territory; to the Austro-Hungarians, Serbia, Montenegro, Northern Albania. That would mean, instead of establishing peace, sowing the seeds of new wars; to say nothing of disruptive domestic dissensions. To what European State, during the last century, has the incorporation of foreign populations brought any appreciable gain? To Russia, Austria, and Prussia, the Netherlands, the German Empire? To none of them! The Savoyards and the people of the Maritime Alps were already half French and, like most of those living by work for the foreigners, remote from the storms of national feeling. Annexation has long been recognized by the far-sighted as a form of the extension of power not to be reconciled with European custom. Nothing is easier than to proclaim annexation, but if the morsel, once swallowed, proves indigestible, and the swallower would willingly spit it out, yet honor commands him to retain it, and, even at the risk of his life, to protect it against greedy enemies.

LOOKING FORWARD TO THE FUTURE.

German banks and industrial companies hold the mastery over—"control" is the hypocritical New York expression—many foreign undertakings, whether openly or from behind a screen painted with other colors. They have acquired the majority of shares, or something approaching to it, but not the land and buildings, and they have taken great care not to install German officials or to hang out the banner of the Empire. Why must States act with less sagacity? Might gives right; the appearance of might, nothing but vexation.

The eye of my spirit looks forward to the time when States shall league themselves in a community of interests, pass from pooling to fusion, and, to save expenses, merge two official staffs into one. For the present that is only to be thought of as between different sections of one national organism. But the more sterile, in the days of electric trunk lines and international legality, the idea of frontiers becomes, and the more solid the unity of Europe, will it not hold good, too, as between Holland, Belgium, and Luxemburg, between Spain and Portugal, between the Scandinavian Kingdoms, between the Baltic Provinces from Riga to Finnish Tornea, between two or three Balkan States? The new form of annexation, which opens to the stronger State the channel of influence and spares the feelings of the weaker, will certainly be in process of casting to-morrow. And, as—since the war has broken down all dams the flood of democracy is unrestrainable—the hour can not be very distant in which even great powers shall unite in defensive associations, and, after amalgamating their steamship lines, both for freight and passenger traffic, shall maintain only a fleet of cruisers, a submarine squadron, and a standing army. Why not, since even to-day they can not take from each other any possession of enduring worth, and the day after to-morrow, at latest, the unmuzzled populace will forbid them even to wish to do so? Hearken to the voice of the fleeting hours! At their bidding, if madness no longer howls them down, greater miracles than this will come to birth.

The first timid aspirations toward this end may be heard in the demand for the nationalization of all munition manufactures. If it can not supplant private enterprise altogether, by enlisting men of the stature of Ballin, Lloyd George, Rathenau, Stinnes, and Thomas for the organization of the whole business, it may farm out the work to private individuals at high, but fixed, rentals. Our deluge has swept away, among so many other things, the superstition that only when spurred by the craving for profits can men do great things. Never again and nowhere must a class of men arise who shall suck profit from the

dripping veins of soldiers—who have a loathsome business interest in the outbreak and prolongation of a war, because it destroys weapons, guns, clothes, boots, horses, motor cars, armor plates, barbed wire, explosives, copper, nickel, rubber, ships and airships, camp kitchens, cement, concrete, searchlights, and commercial tonnage, and therefore requires them to be replaced at lightning speed and at enormously inflated prices. No Parliament will then vote money for armaments of which the chief profits do not flow into the coffers of the State.

The Government which did not bind itself to this would beg in vain to be admitted to the fire and life insurance league formed by the nations, great and small.

This international insurance company requires a strong police force or militia; otherwise it could not compel obedience to its verdicts, and a verdict which can not be executed is rubbish and ultimately fuel. It requires, destitute as it is of any revenue to finance itself and its European militia, to possess a fund bearing interest. How is it to amass such from the wasted and impoverished continent? How, I ask, is it to find the means to pay off the war loans, to defray the costs of restoring the country, rebuilding the ruined cities and villages, replacing the implements, maintaining the cripples and helpless, survivors in dignity, far above the mere minimum of necessity, to their lives' end? Twenty-one months of war have cost from 100,000,000,000 to 120,000,000,000 marks; to that are to be added the costs of restoration and the burden of maintaining disabled soldiers and their dependents. A bare indemnity, which in respect of such sums would look like not more than the musbroom at the foot of the giant beech tree, even the victor in the height of his triumph can not hope to obtain. And tribute wrung out by a military occupation protracted beyond the lustrum, the decade, was a possibility in the time of Rome's glory and fall, but to-day is as little a possibility as that forcible deportation of whole tribes and peoples of which many dream. No State that has been involved in the deluge can look for any other indemnification but that which it creates by its own economics.

Any great power which abridges its annual expenditure on land and sea defenses by 1,000,000,000 marks may hope after a generation to see again the first dawn of financial regularity. And what will become of debts and liabilities? Because what is gained by saving suffices at the most to cover to a tolerable extent the new needs which are the legacy of the war. Taxes and customs duties, which brought in were it only an equivalent of the interest of the tenth billion of debt, would cripple industry and commerce in the competition with our continent, with Australia and the yellow world, would break up the idea of property, and drive the moderately well to do, from the fear of confiscations, into neutral States of sound financial constitution, and stamp out the courage for far-reaching enterprises as a horse crushes a rose leaf. Money does not grow like grass. What then is to happen?

What has never happened before anywhere on earth. Nothing save new thoughts, no sere and yellowing ones, opens the drain vent of the abyss. After the first deluge Noah kept himself by the cultivation of the vine. Just as his son Ham, because he despised the uncovered shame of the drunken vintager and told his brothers, was laid under the curse of being the servant of all servants, so the old continent would come under the curse of servitude to the younger continent, if its humanity did not speedily succeed in covering the exposed shame of their racial breeds with the mantle of brotherhood. Let Europe's war debt become a fund of atonement. Let the loan coupons in all the European States which have participated in the war (and in those ready to recognize the principle of arbitration) be valid money, guaranteed by all the debtors, not a currency which can be rendered worthless by dissoluteness and fraud like the assignats of the Jacobin convention and the French directorate. Money which in every country subject to the authority of the court of arbitration must be taken at every counter by every creditor at its full face value. For how long?

Till those weakened by the war can redeem the international currency with national metal or paper. In 40 years at the earliest, in 60 years at the longest, after the conclusion of peace. The international court of justice administers the fund and sets aside in equal portions from the contributions of all the States what it needs for itself and its militia. It has to punish the party disobedient to its verdict by the infliction of a money penalty and invalidate, call in, destroy, all the current loan coupons of any State which, without being threatened in life and limb, breaks the peace. In that direction the glimpse of a mutual European security may be descried, a bond which can hold together and yet not pull the strings too tight, not throttle to death. The Continent would be freed from money tightness; it would not need to allow the arts and sciences to wither, industry, technique, commerce, and household decencies to sink back into destitution. It would not need to frighten its citizens by the threat of crushing taxation across the seas.

It would be under gentle compulsion to bury deep and bury quickly the idle remembrance of fruitless strife in order that the stink of its rottenness might nowhere poison the will for great, clean human business yielding fruit to justice and civilization to those near and those far away. He who holds us for nothing but hucksterers, without ideals and without reverence for the noble things fashioned by brain and hand, can not doubt that we, North and South America, will, for the sake of custom and a market, if for nothing else, take a new paper money in payment, that we will set it in circulation and enter with both feet into the federal hall, under the dome of which we might deliver our giant island from fear of attack and from something still more painful, the duty of undergoing uncomfortable militarism.

France, so lovably unreasonable, secure against irremediable exhaustion of its power of reproduction, wellspring of the finest social delights, surrounded by the bubblings of the old Gallic festivity, France neutralized, and that soon it may be at its own desire, like the free Belgium (free, too, from lust of revenge), the costs of whose rebuilding will be borne, half of them by Germany and a quarter of them by England and France, respectively.

Great Britain, land power and sea power, which has outgrown the fretful desire to be the suspiciously grumbling trustees of Europe, rudely awakened out of supine slumber and easy-going comfort, honestly reconciled to the German Empire, to which it has opened coaling stations and large fertile lands for settlement, lands not cut through by wedges of alien peoples; first among its peers upon the seas that are freed now from rights of capture and every other bad custom of the times of envious rapacity.

Russia finally, purged clean after the hurricane from Tartar rubbish and all relics of ghostly nonsense, with a broad outlet into the always open sea, rid wholly of the craving to make community of creed, out beyond lakes and mountains, contribute to its power, under engagement to the international court of justice not to cut short the political rights of Balts, Finns, Poles, Ukranians, and Letts: peasant country, using all its strength for modern methods, schools, roads, changing its cities from garish boils to reservoirs of the strongest forces of the people, purifying its tchin, spiritual and secular, in the fire of unfettered popular wrath.

PICTURE OF A FREE AND PEACEFUL GERMANY.

Austria-Hungary, a league of States, between the German and the Swiss pattern, into which Serbia, with all the Serbian people and with good commercial harbors, is admitted as an independent federal State, like Saxony in Germany, and into which every Balkan State can be admitted when it will; master of its Adriatic coasts, from which the west Slavs scare away the inheritor of Rome, firm and clear in the determination to eliminate harmful prejudice, to secure every nationality its own tongue, every member of the body of the empire freedom of movement; in the Near East, sower and reaper.

Germany * * * but you will see how Germany will display its glory when peace has come, and we no longer with fevered heads dispute what sort of submarine attack is permitted, what sort forbidden. When everywhere freedom reigns, kindness without weakness commands, and the rights of men are respected, even in the tattered beggar.

When Europe can speak before the graves and urns of those who are fallen: "It was for this that ye died, not for bits of territory coveted yesterday and to-morrow without delight, nor for the work, uncongenial to our age, of implanting fragments of our stock, about which morbid matter was soon running from our own flesh and blood. Ye died for clear freedom and for a worthy peace, its foundations deep in the rock to the weal of the Fatherland and mother Europe. And a death of more beautiful consecration no German maiden has ever sought for her beloved." Then the survivors need no longer put back the clock in order that their day of sunshine may be longer.

Thirty-one kings vanquished by Israel did the aged eyes of Joshua, diving deep into remembrance, see upon both banks of the Jordan, and his wrinkled mouth spoke what the Lord had instilled into his ear: "Great and mighty peoples did he drive out before you, and even unto this day hath not one of them stood before you, but every man of you driveth a thousand far away. But where ye suffer other people to come among you, there they shall be unto you a snare and a net, a goad and a scourge, and such event will take away from you the good land that ye now possess."

So warned the voice whose command once for a whole day long in Gibeon the light of the world obeyed. The day star above the dark world. The Joshua who would enlighten it with the ray of His glance did not concern Himself with the tribe of Ephraim or with the children of Israel; it was not for them He lived, nor for them that He died. What was their plat of land to Him, the noise of their tongues, loud with the vainglory of war? He stands before the governor, does no more than acknowledge that Pontius calls Him King of the Jews, and when high priests and soldiers accuse Him vehemently, He does not so much as open His lips for an audible breath. For His will is toward the cross. His will is that the soldiers shall spit upon Him, smite His face, cast lots for His garments. The threshold of the gates of Yerushalaim, the abode of peace, have been purified by His tears. "Oh, that thou wouldst learn not too late" so He spake to the Blind City, "the things which belong to thy peace! Yet are they hid from thine eyes. But the day is near when thine enemies shall besiege thee, together with thy children, shall cast down thy fortresses, and not leave one stone upon another, because thou knewest not what the time of thy visitation doth require of thee."

Only to the faithful Disciples He gave His peace, not as the world gives. "Let not your heart be troubled, neither let it be afraid." Not one stone remained of the fortress wherein the conquerors of 31 kings looked with astonishment upon Joshua's sun. But for us the crucified is arisen.

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[From the New York Times, June 11, 1916.]

FULL TEXT OF ANOTHER EXTRAORDINARY ARTICLE BY MAXIMILIAN HARDEN—"THE REAL WILSON"—THE DARING EDITOR OF DIE ZUKUNFT, GERMANY'S MOST RENOWNED AND DREADED WRITER, AGAIN FEARLESSLY CRITICIZES THE KAISER'S GOVERNMENT, EULOGIZES THE PRESIDENT, AND ADVOCATES FRIENDLY GERMAN-AMERICAN RELATIONS.

In this and others of those bold and extraordinary articles with which Maximilian Harden has astonished the world since the war began, the famous German publicist gives an estimate, a defense, and a eulogy of President Wilson. "The real Wilson" is the title of Harden's article, which has been banned by the authorities in Germany. The copy, printed in German, which was sent to the New York Times from England, is believed to be the only one that has reached this country. In frankness and effectiveness, this article ranks with the remarkable Harden essay, "If I were Wilson," which was published in the Times two weeks ago.

(By Maximilian Harden.)

"Not a stone remained of the stronghold where the victors over the 31 Kings had gazed in wonder at the sun of Joshua. But the crucified One is arisen."

Not to a race like Mohammed, from whose deathbed Omar went before the tent and cried that his curved saber would split every throat wide open that dared to assert the prophet was dead. He who arose from the rocky tomb in the garden of Joseph of Arimathea does not live under the shield of a threat that is to frighten doubters. All you shall live who, without having touched His arisen body, believe in the resurrection of His soul.

On the seventh day after Easter, on Quasimodo Sunday, following the admonition in St. Peter's First Epistle to wipe out evil and deceit, hypocrisy and envy, and, like new-born babes with pure milk, to become saturated with nothing but clear understanding, there is read from the pulpit from the next to the last chapter of the Gospel according to St. John:

"When, therefore, it was evening on that day, the first day of the week, and when the doors were shut where the disciples were for fear of the Jews, Jesus came and stood in the midst, and saith unto them, Peace be unto you.

"And when He had said this He showed them His hands and His side. The disciples therefore were glad when they saw the Lord.

"Jesus therefore said to them again. Peace be unto you; as the Father has sent Me, even so send I you

THE STORY OF DOUBTING THOMAS.

"And when He had said this, He breathed on them and saith unto them, Receive ye the Holy Ghost.

"Whose soever sins ye forgive, they are forgiven unto them; whose soever sins ye retain, they are retained.

"But Thomas, one of the twelve, called Didymus, was not with them when Jesus came.

"The other disciples, therefore, said unto him, We have seen the Lord. But he said unto them, Except I shall see in His hands the print of the nails, and put my finger into the print of the nails, and put my hand into His side, I will not believe.

"And after eight days again the disciples were within and Thomas with them. Jesus cometh the doors being shut, and stood in the midst, and said, Peace be unto you.

"Then saith He to Thomas, Reach hither thy finger, and see My hands; and reach hither thy hand, and put it into My side, and be not faithless, but believing.

"Thomas answered and said unto Him, My Lord and my God.

"Jesus saith unto him, Because thou hast seen Me thou hast believed; blessed are they that have not seen, and yet have believed."

Noli me tangere: This motto stands at the door of every faith that wishes to spread itself around the world like the warming and protecting rays of light from an open tower. Thou shalt not touch Me; not from a sense of touch, sight, or hearing shall thy will allow thy faith to spring, but from the heaven-born fruit conceived by a divinity. If this divinity needs force to assert itself, if the menacing curse of Moses or the saber of Omar must win respect for it, then it dwells in the crumbling despotic citadels of the old covenants.

A new covenant, such as the Occident never had seen, became possible when a son of a man, without the evidence of touch, sight, or hearing, believed in the resurrection of a body familiar to the eye, therefore in a new divinity. Because Mary of Magdala sincerely believes it, the woman despised yesterday as a creature of the devil is able to transmit her pious ardor to the brains of Peter and John. Because the faith became as firm as a rock in two of the disciples, ten of them, among whom there is not merely one doubting Thomas, cling to Him and gather together a congregation t which He becomes a shelter in the whirlwind of events. Because an abiding hope, whose ardor was never cooled by any draft of mean-souled distrust, caused unseen things to be made visible in Jerusalem and in Galilee, to this very day Calvins in the Netherlands upon their deathbeds see the towering figure of the Savior. The belief that He will come and at the last moment of their life free them from the bonds of sin has been sucked in with their mother's milk. And in the realms of the physic being the infallible passionate hope always forces into sight the face of what it desires.

In this German spring, in which the sap, not by spurts, but with a gentle flow that promises good fruit, rises from the roots to the stalk and the branches, is there not germinating somewhere faith in the resurrection of Europe and in the new humanity in a restored earth, whose wounds and marks left by the Crucifixion may be felt by every finger? It will spread like rays from a warming and transparent tower far out across the desert over silent privation and shrieking misery if it is cherished ardently.

It will win to the sacred cause hundreds and hundreds of thousands if its defender, with the other disciples, does not fear the hardships of journeying, the pain of persecution. Can Pentecost come from Easter without spring thunder showers? Can a strong and united faith develop from splintered doubts without persecution and vengeful wrath?

Hark back through the echo of the spring festival at home to the teachings of Christ. The Sadducees, Hanan, Alexander, and Jochanan, are in power; their tool is the high priest Caiaphas, whose weak will is subject to that of his father-in-law, Hanan. They have crucified the happiness of the world. And shall their stern mind, never softened by the falling dew nor by the gentle tear of sympathy, permit that a handful of peace advocates, with the heritage of the One so shamefully executed, insinuate itself into the favor of the unthinking masses? Then all the amount of labor, the increase of power that the gloomy Nisanmond has brought them would be wasted in vain. It would have been wiser to have let the seducer himself, the catcher of souls, who through long delay and through oft-repeated warnings must have lost prestige, continue to wander through Judea and to have sent out word ahead of him that the main object of the vagabond's march was to rake in money.

Josephus writes that the Sadducees constantly engendered more ferocious severity than any other of the sects within the domain of the patricians of the temple. From their ranks came the watchword, "Rather the death of a man than pestilence and the ruin of the entire people." Hanan, a hundred times more severe than Pontius Pilate, is burdened with the guilt of the crucifixion, and can only escape the curse of the survivors if he leads his "party of order," the herd of Jehovah imperialists, to victory and roots out of all the highways of Israel and out of every furrow of earth the weeds sown there and nourished by the breath of the deceiver. In the shadow of the Savior's spirit the flower of the priesthood perishes from cold. Woe unto you, if this shadow succeeds in spreading! Wrath, that calls itself pious, because it clings to the dust of old phrases, eagerly arms its bailiffs against it.

VOICE OF WARNING FOUND NO ECHO.

What punishment may the Jews demand and inflict without a protest by Roman powers, by the mild legate in Syria, Vitellius? Imprisonment and driving out with whips. In the Sanhedrin Peter and John shout for joy under the lash. The people who live in the temple and from the temple, for whom every wall of the holy house sweats outrageous profits, and who consequently believe themselves called to guard the temple as the ones chosen by the powers of Heaven, want to force free spirits to do their will by means of orders and inhibitions, by punishments and pains, and do not even suspect what happiness this torture causes to the persecuted ones who are filled with their cause. One man warns them. It is the old rabbi, Gamaliel, a wise grandson of the wise Hillel. This most famous scholar and most tolerant priest in Israel speaks as follows to his comrades of the Sanhedrin:

"If the new doctrine is criminal sacrilege, it will fall to pieces of its own weight. If it is the creation of an earnest spirit, then it is wanted by God, and the risky attempt to destroy a work that is favored by God can never succeed."

The voice of the warner found no echo. When was common sense ever heeded in the cloud of sparks stirred up by fanaticism? Stephen becomes the first victim of blind rage. Before the descendants of the Jews from Alexandria and Ephesus, Kilikien and Kyrene, he has, in the synagogue of the Libertines, denounced the Jews as rebels who still dispute ocular evidence, and who are guilty of a grievous crime, because their hate put the Messiah on the cross. A sermon that stamps the Galilean as the Messiah and sets him upon the exalted seat of the promised Savior can not remain unpunished. The beneficiaries of the temple send out listeners. How can the ruling clique quickly seize the bold chap by the neck? Has he not, perhaps, by the allegation of things not proved to be true, lowered the esteem the public holds for Moses, the bringer of laws of the faith? He has; therefore, he must answer to the Sanhedrin.

He shouts to his judges: "Ye stiff-necked and uncircumcised in heart and ears, ye do always resist the Holy Ghost: as your fathers did, so do ye. Which of the prophets did not your fathers persecute? And they killed them which showed before the coming of the Righteous One; of whom ye have now become the betrayers and murderers; ye who received the law as it was ordained by angels, and kept it not. * * * Behold, I see the heavens opened and the Son of Man standing on the right hand of God."

Hastily they ram their fingers into their ears so as not to hear such an impious declaration. Slaver drips from gnashing teeth over lips pressed hard together in rage. What says the law about such blasphemy? It says in Deuteronomy:

"The dreamer who tries to convert you to the belief in a new divinity must die. As soon as the tongues of two witnesses have pronounced him guilty, take him before the gate of the city. The hand of the witnesses shall cast the first stone. Then all the people shall stone the wicked man, so that he shall be completely destroyed. For he wanted to lead you away from the Lord thy God, Who brought you out of bondage in the land of Egypt and Whom you must thank."

YOUTH WHO DEFIED THE DISCIPLES.

Stephen is taken outside the city. The witnesses who are to cast the first stones take off their outer garments and lay them before the feet of a youth who, with wide-opened eyes, is watching the execution of the sentence. Now he stoops to pick up a stone himself. He is happy at being able to assist in the execution of the blasphemer. And from this day on he is the tool of hard-hearted, heretic-hunting priests. Armed with their warrant he breaks into suspected houses, drags the followers of the doctrine of Christ, men and women, before the judges or to prison. No one (as is shown in the Epistle to the Galatians) is a hotter persecutor of the congregations of Christ; no one else lend themselves more willingly to the service of the old laws. Indeed, many a night he hears through the darkness the sighs of the women thrown into jail on his accusations; he lies sleepless and meditates on the gentleness, on the quiet, heroic renunciation of the world by his victims and of the earthly pilgrimage, still producing miracles, of Him for whom they joyfully suffer and die; often his face turns crimson because he believes he sees the blood of Stephen that his stone drew from its veins spurt forth again. But he turns with horror from the seduction of such a deception of the senses and pulls himself together with the resolution to avenge every breach of the law as it is handed down with unswerving severity and never to spare anyone who did not regard the law as the embattled home center of their desires and actions.

This Saul becomes the terror of the band of disciples. He becomes, after the day of Damascus, the Apostle Paul, who spreads the sectarian belief through the mass of the world church. Gamaliel's pupil, who for so long had sealed all the pores of his soul to the ancient wisdom of his teacher, hears the question from on high:

"Saul, Saul, why persecutest thou me?"

Through the roaring thunder it rings, as clear as the call of the lark from on high, in the ear of the weary man, who in the fatal Spring of the Emperor Tiberius, who with wounded feet had wandered from the wastes of the hot land of Iturea and saw with blazing eyes the plateau of Damascus rendered fruitful by the blessing of God and the labor of man. Has a thunderbolt struck his brain? Saul falls to the ground. Paul, with a bewildered brain but with a soul like the sun at noonday, rises from the earth. The Christian, Hanania, becomes his physician, healer, teacher, and brother. The scales fall from Paul's eyes. With resistless power of the will he tears out the thorn that for months has been boring into his flesh, and with it the imp of Satan that has been chastising his heart, and he also receives the baptism. The thoughtless one who, with his brain fired with passion by everything, was the most ferocious persecutor of Christians, becomes the most earnest and enthusiastic Christian. He elevates the ardent, all-embracing faith far above Essenism; delivers it from the hands of the sects that live from day to day in the belief that the end of the world is at hand and the twilight of humanity near; joins power to its faith and insures its immortality through this union.

Is there germinating in our Spring the faith in the resurrection of Europe and in the new humanity in a restored world, whose wounds and marks of crucifixion every one can touch with their fingers? This faith will tower like a transparent, warning lighthouse above the desert, above dumb suffering and howling misery, if it has been filled with light by the ardor of a strong, tried man and the will to power. He will win hundreds and hundreds of thousands to the holy cause. It needs Stephen and Paul; it needs the devotion of the spirit of martyrdom and of the head of a statesman. You Germans who remain Europeans and do not want to sink back into primitive animal life, become the apostles of the new faith! Do not let yourselves be halted either by the continual bawling of those living in the past, and who classify your pure desires as a Utopia and a barren island of idle dreamers, or be frightened by the tools of blind force, who are not suited by the tendency of your thoughts. Hanan can do no more in a warrior's garb than he has been able to do in priestly raiment.

He can proscribe heretics—those of to-day who will be the fathers of the church of to-morrow—can cut their spiritual bide to pieces with the lashes of his jailers, banish them from a hearing by their own people, and have them stoned by every people, have their freedom of movement curtailed with iron nails, but he can never throttle the soul with his heavy hand. That rises from the wreck of the body, crosses the borders, slides under the barriers, and wins disciples the world around. Let him act fearlessly who feels his soul prepared, he who has ever heard with the ear of his soul the plaintive cry, "Why dost thou persecute the longing of humanity after the holy ghost?"

We want a Germany that is strong, merry, bright, with agreeable, not haughty, dignity, and earnest gladness. This Germany can not be spared by humanity; but neither can she do without humanity. It is not her task to enslave it or to color it after her own fashion, but to flourish in it as a powerful member in a constant interchange of healthful, life-giving streams. We know that in every great period Germany's most effective weapon was thought; spades and plows, creators, not like mortars, howitzers, and asphyxiating-gas destroyers.

We want reason, not the sword, to be Germany's guiding star; the statesman, not fortune's casual favorite on the battle field or in the submarine. So that history may not some day judge us thus. With an unexampled display of popular strength, genius, and endurance, Germany fought for an ideal that had long been reduced to a shrunken, withered shadow, against the band of her foes, who with all their superficiality of judgment, with their confused dilettantelike ignorance, still combined in the perception of the direction pointed out for mankind to follow by all the great signs of present times.

So that Clio may not sigh; with a most admirable implement wrought by the brain and the army on the one side a futile cause was served; on the other, with useless tools and with an outworn, unprofitable, dusty force of the will, the work of preparation for what was recognized as necessary was shamefully bungled.

WANTS AN ERA OF PEACE AND GOOD WILL.

We want Europe to get well, not pine away as a cripple; we want her to become clean, not still more disgustingly besmirched. We want the vital questions of the world to be answered in a way that will meet the needs of the nations, both the strong and the weak, and, without supplementary strife over it, will last long after the day on which peace is declared. We do not want people to brag about the greatness of a time that was merely destructive, for with us greatness is the characteristic of creative ability. We want a free people to be in the future the creator of its own destiny from the ground up, and be able to rejoice without envy at the prosperity and spiritual advancement of other peoples; we wish that goodness and human rights be respected, even in the most ragged beggar. There you have the basic outline of our faith and desire. All you who wish to dwell within its arch gather quickly from all camps to the loyal union. Steel yourselves with the vow of brave men, to venture something at last. Only by daring will you be worthy of the heroes who are cheerfully bleeding out there. At no place and at no time has Pentecost come out of Easter without spring thunderstorms.

THE QUESTION.

No matter how often we must think of it, the discovery of America must each time make a fresh appeal to our imaginations. For centuries, indeed from the beginning, the face of Europe had been turned toward the East. All the routes of trade, every impulse and energy, ran from west to east. The Atlantic lay at the world's back door. Then, suddenly, the conquest of Constantinople by the Turks closed the route to the Orient. Europe had either to face about or lack any outlet for her energies; the unknown sea at the west at last was ventured upon, and the earth learned that it was twice as big as it had thought. In that part of the world, upon that new-found half of the globe, mankind, late in its history, was thus afforded an opportunity to set up a new civilization; here it was strangely privileged to make a new human experiment.

Never can that moment of unique opportunity fail to excite the emotion of all who consider its strangeness and richness; a thousand fanciful histories of the earth might be contrived without the imagination daring to conceive such a romance as the hiding away of half the globe until the fullness of time had come for a new start in civilization. A mere sea captain's ambition to trace a new trade route gave way to a moral adventure for humanity.

"The race was to found a new order here on this delectable land, which no man approached without receiving, as the old voyagers relate, you remember, sweet airs out of woods aflame with flowers and murmurous with the sound of pellucid waters. The hemisphere lay waiting to be touched with life—life from the old centers of living, surely, but cleansed of defilement and cured of weariness, so as to be fit for the virgin purity of a new bride. The whole thing springs into the imagination like a wonderful vision, an exquisite marvel which only once in all history could be vouchsafed.

"AMERICA A BEACON FOR THE WORLD.

"One other thing only compares with it; only one other thing touches the springs of emotion as does the picture of the ships of Columbus drawing near the bright shores, and that is the thought of the choke in the throat of the immigrant of to-day as he gazes from the steerage deck at the land where he has been taught to believe he in his turn shall find an earthly paradise, where, a free man, he shall forget the heartaches of the old life and enter into the fulfillment of the hope of the world. * * *

"* * * The men who founded America * * * set up their standards here in America in the tenet of hope, as a beacon of encouragement to all the nations of the world. * * * Tyranny has become more subtle and has learned to wear the guise of mere industry, and even of benevolence. * * *

"What is liberty?

"I have long had an image in my mind of what constitutes liberty. Suppose that I were building a great piece of powerful machinery, and suppose that I should so awkwardly and unskillfully assemble the parts of it that every time one part tried to move it would be interfered with by the others, and the whole thing would buckle up and be checked. Liberty for the several parts would consist in the best possible assembling and adjustment of them all, would it not? * * *

"We say of a boat skimming the water with light foot, 'How free she runs.' * * * Human freedom consists in perfect adjustments of human interests and human energies. * * *

"Well, then, in this new sense and meaning of it are we preserving freedom in this land of ours? * * *

"Have we, inheritors of this continent and of the ideals to which our fathers consecrated it—have we maintained them, realizing them, as each generation must, anew? * * * Are we, in the consciousness that the life of man is pledged to higher levels here than elsewhere, striving to bear aloft the standards of liberty and hope? * * *

"And we stand in danger of utter failure yet except we fulfill speedily the determination we have reached to deal with the new and subtle tyrannies according to their deserts."

(Herr Harden then proceeds to quote scattered sentences and paragraphs from Mr. Wilson's speeches, bringing out the necessity for America to hold fast to the old ideals of liberty and equality of opportunity for all.)

I have collected these excerpts from the campaign speeches of Woodrow Wilson (that under the title "The New Freedom, a Call for the Emancipation of the Generous Energies of a People," have also been published in the German language) in order to indicate what manner of man it is over whom there has been so much talk during the past weeks and months. So much silly and, unfortunately, also miserably shameless, talk. "A dusty professor," "a rabid enemy of Germany who has sworn to prevent England's defeat with all the means in his power." "a rascal bought by England." This is the parrotlike chatter of lazy ignorance that has nothing in common with holy love of country. Burn up at least ninety-nine hundredths of all the parasitical war "literature," bound in warlike covers, and throw all these poems, speeches, romances, treatises, boostings, and tracts in the only place where they are of any use—in the paper mills—and devote your time to books from which you draw the spiritual inspiration of clear speech. Then, perhaps, pure reason will return to its home and awaken the duty of respecting the dignity of strangers.

GERMANY MIGHT BE PROUD TO OWN WILSON.

As Rodin and Hodler, Maeterlinck and Verhaeren, Kipling and Wells, Forain and Raemaekers, Spitteler and d'Annunzio, by their angry attacks on Germany lose none of their value in an artistic sense, so, too, Woodrow Wilson, the scholar and politician, would not be a wretch even if he did prefer English ways and statesmanship to German. That he has done so has never been shown. The problem, if the President of the United States is an eagle, may be decided when he spreads out his wings for a flight. He certainly is a man of high moral and intellectual rank—a man of whom we might be proud if he were one of ours (and he could speak, as I let him speak from these pages two weeks ago). He is at the least an American Fichte. In the State of Virginia he was born by the descendant of an Irishman to the grandson of a Scotchman. So this man, who is now nearly 60 years old, has no blood prejudice that promotes blind deification of England.

As a student at Princeton University he writes against "Cabinet government," loudly attacks the secrecy and avoidance of responsibility that prevail in the business of the Government, and that mit into a sounder steep from year to year the people's desire for active cooperation. The review is followed by a book over Government by Congress that earns him the call to a chair in the youngest college for women. He leaves the presidency of Princeton University (that, as the favorite resort of the proud and rich youth, might be called the Bonn of America) after eight years of fruitful administration because an endowment of twelve millions had conditions attached to it the acceptance of which the president feared would be of serious injury to his college (through a deepening of the gulf between the classes). In order not to soil his ideals, the image of his power of thought, he goes, and is, as the wise and valiant fighter of ugly abuses chosen as the governor of New Jersey. He frees this State from the bondage in which it was held by the trusts. In defiance of the silly inrooted custom that limits the governor to written communication with the assembly, he defends his plans of reform personally in the legislature and also at the voters' meetings and in the press. He does not hesitate to make known throughout the land the names of the obstinate deputies. And, with the enthusiastic support of the people's will, he puts his plans through.

REBUKE FOR SLANDERERS OF THE PRESIDENT.

He has outlined the life of Washington, the history of the American people, and the nature of the State in good books, and in the collection of essays, Only Literature, on politicians and statesmen, poets and writers, he has said as many wise things as hardly another in the two worlds for many a year. Then, as a new man in the highest place in the Republic, he has made far-reaching mistakes. Is he the only one among all the heads of governments? This man loves his people and has the desire to lead it upward to the heights of the ideal from which it has slipped into the swamp. Germany must be ashamed of the persons who slander him, because there has been slimy dirt in the newspapers.

Wilson, the teacher of political law, who now speaks in the name of the United States of America, stands upon the conviction that the announcement that from March, 1915, the Imperial Government would treat the waters around Great Britain and Ireland as being in the war zone was a gross denial of international law; that the premeditated method of the German submarine warfare is not compatible with the basic laws of humanity; that this method which, without the flimsiest legal justification, without a twinge of conscience, destroys mighty ocean liners and unarmed passenger ships, and has cost the lives of hundreds of peaceful Americans, wantonly smashes to bits the undeniable rights of neutrals and the sacred privileges of all those not engaged in the war; that the Imperial Government, whose uprightness and good faith are not put in doubt, neither has succeeded nor ever will succeed in reconciling its methods with the basic principles of humanity.

And as every promise of caution by Germany has been followed by an act by a submarine sharply contradicting it, the Government of the United States, that has been patient so long because it feels a genuine friendship for the people and rulers of Germany, must break off diplomatic relations with the Imperial Government unless the methods of submarine warfare are immediately given up, passenger and freight ships not armed for attack are spared, and the rules of humanity, of international law, and of the rights of neutrals are again put into effect.

These are the principal contents of the note that the American ambassador laid before the state secretary of our foreign office on the evening of April 20. Dare we treat the complaint of a great, free people, radiating the strength of youth and represented by a man of the importance and stamp of Wilson, according to the rules of a students' row? Shall we haggle over words, refuse to stand for the "entirely impertinent" tone, and use it as a pretext for refusing to answer?

That would be unworthy of the great matter in dispute, of the belligerent nations, of the human race. If President Wilson, after careful examination, is convinced that a long chain of German methods of conducting warfare has worn away and broken to pieces the laws of humanity and the holy custom of nations, it is not only his right but his duty to speak with uncompromising clearness. He owes the fulfillment of this duty not only to his own country but to ours. For we, the German nation and Government, do not wish that something which is not to be kept shall be agreed to, that agreements shall not be observed. In the darkness of the state of siege (not to be profitably endured much longer, Emperor and chancellor) we can find out whether such a thing has happened only when a firm hand, not to be turned aside by prohibitions, completely bares the real situation to our gaze.

Mr. Wilson demands nothing new. Has there been an agreement to do what can not be done, has there been failure to keep an agreement? That is the entire question. Against Wilson's basic argument that, even in the most ferocious war, the voice of humanity and of international law must be heard, nobody even lightly affected by the morality of our stage of culture will present objections; the Princeton professor might base his arguments on Bismarck or Goethe—who, in the presentation of essentials, are not so far removed from each other as heedless or hostile phrase makers would have them.

Are the statements of the American correct? That is the question. The imperial chancellor, who, before he answers, looks upon the evidence of both sides from every angle, deserves the gratitude of every thinking German. He is not "weak," but strong. He is strong in the peculiar sense attaching to his position; strong as the only responsible guardian of the Empire, of German faith and trustworthiness must always be.

The audacity of the chancellor should not be compared with that of the U-boat commander; the fate of 70,000,000 Germans must not be

intrusted to a daring submarine commander nor to a man disguised as a statesman. Yet such pilots for the ship of state are wished by the silly clamorers whose unbridled actions are becoming gradually more dangerous to the Fatherland than all the endeavors of the foe, driven far back into his own territories. If these Pistols and the like, instead of pouring the wine of Mistress Quickly upon their noses, had stuck them into the book of history, their shouts for the strong man must have been choked at the memory of Cleon, the Athenian tanner. There was a swaggerer who was a strong man in the eyes of bullies. He branded the wise Pericles, because he carefully weighed all possible consequences, as a foolish philosopher, and, as head of the rascally crew of sycophants, he denounced all who worked independently for the good of the people instead of for profitable popularity. Informing and intimidation freed him from discomforting speakers and writers, and stole from the Athenians their most valuable possession, freedom of speech, and increased the fortune of the avaricious. "Pericles demanded calm deliberation on all matters; Cleon used every means to nourish and heighten the feverish excitement of the people. Pericles sought to act only according to reason and to set aside all results of unclear states of mind; Cleon drove the credulous multitude, by means of soothsaying, trumped-up oracular speeches, and inflammatory statements of all sorts, into the wildest excitement. He concealed from the citizens the perils of the situation and held up to their eyes certain victory, from which they were sure to derive new advantages and benefits." (Curtius.)

QUOTES LESSON FROM ANCIENT HISTORY.

"To annex and evacuate" was already Cleon's watchword. The entire Peloponnesus was conquered and tribute was wrung from Arcadia. Listen to his diatribes against Sparta and Mytilene. Terror alone can tame the islanders; only rascals can seek to turn away the Athenians from the prosecution of mercilessly cruel warfare. The inhabitants of Mytilene, having shamefully assaulted us, must be beaten to their knees and annihilated; if this is not done, their treachery will threaten us within a few years with another war. Does Diodotos advise you to keep hatred and lust for vengeance apart from political quarrels, which are not to be looked upon as a case before a law court? Does he counsel you to think only of the welfare and future of the State, unblinded by passion? That is but the old whimpering of the faint-hearted, who chatter about magnanimity and humanity when the only hope of deliverance from deadly peril is the merciless employment of every possible weapon. Sparta? Only when she has yielded all the territory that should be given by right to the Athenians—in the Peloponnesus, in Megaris, Nisaia, Pegai, Troezen, Achaia—then, and only then, can there be talk of an armistice. It is a waste of time to listen to the empty talk of Sparta's ambassadors; every Spartan lies as soon as he opens his mouth.

Cleon attains his goal. The ambassadors depart and the most propitious hour for concluding peace and dissolving the hostile alliance is gone. Because the voice of statesmanlike prudence is drowned, the most important affair of state is ruined by the frivolity of the flatterer of the multitude.

Does not he whose memory is good seem to see clearly before him our Cleons, the blonde and dark ones? Whether Fortune would smile even for one day on the Pistols as Generals and Admirals as she did on their immortal prototype at Pylos, when she bestowed upon him the cooperation of Demosthenes and the treason of Menedalos, the Spartan leader, is as uncertain as is the hope that to-morrow a new Aristophanes may cure the hide of the tanner's tribe with the sharp weapon of his wit.

They have deserved this chastisement ten times tenfold. Are they strong because, far from the front and the sea, they open wide their mouths twice daily and clamor for the conquest and annihilation of the world, which others in the van are to buy with their bones? Are they strong because they have never learned anything worth while, because they have simply picked up the speech of the power drunk, the foundations of all statecraft, the soul history, and political economy of the nations hostile to us?—because they never saw the thin spots in their hide, because they drive the multitude by coarse flattery to insane lust for power and to self-deification? Is it proof of strength to exalt the lowest impulse as the noblest, to wring applause from callous hearts and sweating hands by such cheap country fair tricks, by such horse-swappers' artifices? Even if those among us who resemble Pericles and Diodotos were of weaker fiber, reason speaks forth from them, not madness. They do not enrich themselves by supplying the Army and the needy people; they are not paid by cliques and speculators for dirty work; hard times do not double their earnings; for them no fat roast is cooking over the fires of war. They serve the Fatherland within the limits of their brain, modestly, after a fashion, and without thought of self interest. Whosoever, consciously or unconsciously, from a safe hiding place far from the enemy, accuses those governing us of dishonest weakness, betrays their interests.

OUTBURST OF SCOLDING ROUNDLY DENOUNCED.

It was to me like physical pain when Deputy Dr. Ernst von Heydebrandt wandered away into the midst of such evil company. In solitude I have often praised the brave earnestness of this man, his great will power controlled by keen understanding, the steely sharpness tempered with sobriety of his speech—I have praised him as the only personality in the Landstag and Reichstag worthy of the esteem even of his foes. But what he has now allowed to be printed is unworthy abuse, drearier than anything that the most violent enemy of the junkers could imagine. This outburst of scolding pusillanimity from an embittered heart would not stand out above the rest even in a calendar for peasant children. Nowhere is there even a spark of the fire from a statesman's brain. Every understrapper of the foreign office—yes; even the author of the *Sussex* note—would be justified in exclaiming, with a shrug of the shoulders, when he saw the tortures of this Heydebrandt: "Yet that fellow would set up to be my judge; that fellow would damn men of my stamp."

"America," says the deputy and party leader, "was even before the war, in relations with our opponents." (So was the German Empire; with Italy, Japan, Portugal, Russia—with Great Britain even, as has been said to us at least twice each year. To have such a relationship was quite within the rights of the United States; that it may have been set forth in a treaty is improbable and not supported by a shred of evidence.) "During the war America stood at first secretly, later openly, on the side of our enemies." (That remains to be proved; according to what I know the Republic never violated neutrality.) Mr. Wilson is "insolent"; his "arrogance can not be surpassed." Because it "favors his chances of reelection" he bases his acts on dictates of humanity, "which are surpassed only by the hypocrisy with which he advances them." The Americans are "business people" to whom an Empire of the strength of Germany must speak only in the most harshly unequivocal terms. They supplied the belligerents with arms and ammunition. (So did we, neutrals, in every war of the last decades. And, during the Boer War, we were, in a more limited sense, exactly in the position of America to-day, able to sell the British arms and ammunition, but unable to sell them to the Transvaal and the Orange Free State on account of the English sea blockade. Does anybody with even half the average sense doubt that the American private business houses who armed our enemies would have shipped to Hamburg and Bremen with equal willingness all that we ourselves ordered? The exportation of war material could not have been prevented except by special legislation, and the reasons for open opposition to such legislation were based neither on greed nor "relations.")

Without this supply to our foes from America, we hear, the war would "have been over more than a year ago." (A friendly notion, which can not be looked upon except as an error, even if Lloyd George, without apparent reason, had lied when he said that everything supplied by America amounted at most to one-sixth of the total.) Therefore, "the blood of hundreds of thousands cries to heaven against this brand of humanity." (Not louder than the blood of all those laid low by the fire of Krupp and Ehrhardt guns, among whom, until yesterday, there were very many Germans.) "We see ultimate victory beckoning," but we must "voluntarily forego it," and "give up the best and most effective weapon against our deadly foe England because it suits the political and business interests of the Americans. To such a pass have we come!"

To such a pass that it may be said openly that responsible persons exist in the German Empire to-day who wish to forego using an effective, victory-promising weapon because they tremble before America's "insolent demand." To such a pass, that a party leader, whose strength and parliamentary strategy are rightly rated higher than those of anyone else, speaks openly during a fateful hour for his dearly beloved fatherland, about things and beings concerning which he has not the slightest knowledge. Therefore, it would be hopelessly foolish to call him "hypocritical." He is too clever to be embittered by the lost cause of the Prussian right to vote, too long accustomed to fair play to use the exaggerated hope of the masses for submarine victory as a favoring wind for floating the ship of his party off the sands.

SPIRIT THAT MUST ANIMATE THE PEOPLE.

But does this serious man seriously believe that ignorance blazoned forth with the power of a Hercules will pull him through the flood; does he expect to go through this world epoch without the slightest inkling of the history and will power, the needs and ambitions of great foreign nations, of the duties and rights of imperial world politics? After the war also a conservative party will be needed. It will be possible, however—(despite the alliance with the big manufacturing interests, which assure to both sides not as much as three dozen seats in Parliament)—only if it be entirely renewed, if it fit its thoughts and acts to the newly-plowed earth, to the uprooted will of the time, changed from the smallest to the greatest. This can happen only if the party's leader does not, in fateful days for Germany, lay about him with his flail in the workshop of subtle statesmanship. The party will be thanked for giving the army able leaders; it will be blamed, perhaps too hastily, for having been economically inferior to the more cultured classes. Everywhere the war has brought greater profits to the agriculturer than to the masses in the cities—let that be allowed to him without envy. But let not one "who can see it through" speak harshly about patriotic duty to one driven by losses into want. Let him work in his district for social betterment and honest prices, but let him not haughtily brand as unpatriotic because they think differently from him, men who have worked harder, and by their industry attained to wider knowledge and thus to a more accurate appreciation of what is politically possible and necessary. Hanan did that once.

Herr von Heydebrandt did this. "We have a fractional patriotism which considers all beyond its fraction as something foreign which can be damaged in any way provided it bring advantage to the fraction." Thus Bismarck scoffs; Bismarck, whose spirit has never been grasped by the noise makers of to-day, for which reason they uselessly desecrate his name. Compared to him, Herr von Bethmann seems a daredevil.

Bismarck, even in the most difficult moments of battle, always reckoned as a probability the most unfavorable of possible results; in every one of his three wars he tried everything conceivable to appease neutrals.

In the Reichstag he himself bore witness to the fact that, in the service of the Fatherland, he set aside "aggressiveness, threats, vituperation," that he sought to soften, and even in extreme cases did not hesitate to "back down and grovel." He did this, he said, because "the wiser man yields."

Has reason become madness? Was Bismarck, the always just, the soldier well acquainted with Shakespeare's lordly heroes, backward in his belief in Prussia's and Germany's mission? Look upon him at Versailles, with his white cap and sulphur-yellow collar, standing sleepless in the moonlight, on the ladder, before the common soldier on sentry go. "Do you believe that we shall ever get into Paris?" The confidence of that common soldier helps the Chancellor to sleep.

Listen to him! "I have never looked upon international disputes, which can be settled only by war, from the point of view of German student honor, but only in relation to their effect on the demand of the German nation to live in common with all other great powers of Europe, an independent political life, on the basis of a national ability peculiar to us. Politics should not be a Nemesis; vengeance is not ours. Politics is a task to which, in reality, nothing but navigation in unknown waters is comparable. One does not know what the weather, what the currents, will be, what storms one must live through. And, moreover, in politics one is essentially dependent on the decisions of others and can never act independently. It is easy for a statesman in the Cabinet or the Chamber of Deputies to use the wind of popular opinion for blowing the war trumpet, and then quietly to warm himself beside his hearth; it is easy for him to make thunderous speeches from his platform and then allow the riflemen, bleeding to death in the snow, to decide whether his policy is or is not to bring victory and glory. Nothing is easier than that. But woe to the statesman in this day of ours who does not cast about him for a casus belli, which will be still tenable after war is over."

HOW BISMARCK MIGHT HAVE USED POWER.

There speaks Bismarck. Who dares to maintain that this genius, this Vulcan tamed by politeness, would ever have treated a land of such inner and outer strength, such abounding youth and confidence in the future as America, in the way that Herr Heydebrandt counsels, even were Germany already menaced by nine foes? Would he not have carefully weighed the efficacy of moral against military means—assured of the cup of victory which only imprudence could dash from his lips, would he have allowed irresponsible trifling with carefully guarded

public opinion? Were Bismarck now Chancellor, Herr von Heydebrandt on the morning after his downfall from the narrow pinnacle of his glory, would have read this in the North German Gazette:

"In a certain highly important conservative circle, which usually backs up the Government—not always gratuitously—efforts have of late been made by a press campaign and demagogical speechifying, to exert influence on decisions of unusual importance.

The Imperial Government takes pleasure in recalling that, during the best days of the Conservative Party, the Government has often been requested not to countenance such machinations in any way. Conscious of its responsibility, the Government spurns all such machinations. The Government's actions are based upon dutiful weighing of circumstances, means, and situations of which it has thorough knowledge; of which, moreover, to a considerable extent, the Government alone has such knowledge. Concerning international decisions the Government is even less willing than in everyday matters to endure attacks upon its prestige more patiently from the Right in Parliament than from the Left. Should the Government need further support. * * *"

THE ANSWER.

"Now," says Herr von Heydebrandt, "I think that the German answer will be worthy of our country and of this great hour." I think so, too; and I hope that, in this hour, Herr von Bethmann will measure up to the greatness of his destiny. To blow the war trumpet, to make thunderous speeches, to hand still another ambassador his passports and swear all submarine commanders to merciless sweeping of the seas, would be easy to the dullest intellect. What would hinder him? Fools and hirelings would extol him as the strong man sent by Providence; for three days he would hear nothing about butter famine, shortage of cattle, speculation in veal, rise in price of poultry and pigs' tails; he would no longer hear nothing but the cry from the soul of the nation for a food dictator—who, of course, should not be a far-sighted captain of industry or big merchant, but an efficient field marshal behind the front. The Bardolphs and Pistols of Pan Germany would hail him with hosannas. And if, at the end of the week, the success promised by a hundred lickspittles had not arrived, the chancellor would, nevertheless, have hoarded up the applause, and would blame the navy, which had promised more than it could achieve.

Any fool would be capable of enacting such a farce. A courageous man, one of strong heart, is he who sticks to the determination not to yield to artificially stimulated popular clamor, but to do what is necessary, what does not glitter, what does not penetrate until later into the brains of the political mob. Is it to be a matter of "student honor," or is there to be careful reflection whether the complaint brought to the Imperial Government is justified? No essentially new concession that might be considered a sign of weak yielding in us is asked; the contention is merely advanced that something already promised has not been fulfilled because it was not possible to fulfill it within the bounds of the method of sea warfare chosen. If this contention is shown to be justified, atonement must be made for a mistake. And Germany never shirks such a duty.

There can be no doubt that President Wilson is speaking for all neutral nations of both hemispheres, having come to an understanding with them before he wrote his note of complaint. (To be sure, only one European nation has as yet definitely signified its agreement with him, viz, Monaco. "As a ruler, as an explorer of the seas and savant, I join you in the complaint which your noble feeling for human dignity causes you to make against the shameful attacks by Germany on neutral rights, the honor of mariners, and the conscience of humanity."

Albert Honorius, ruler of all the inhabitants of Monaco, lessor of the most famous gambling house and brothel, formerly our friend, telegraphed to the White House at Washington the above words. Olet; non dolet. It is unavoidable for us to fall out with all of them; but we will not tremble. But if, without overpowering provocation but on account of questions of advantage or points of honor, we bring upon ourselves the enmity of the New World, we shall then be playing the trump card of our foes. What does the enemy desire? That we fall out with America—and a quarrel with the United States would automatically bring one with the South American nations. What would bitterly disillusion our enemy and make him resign himself to fate? The fact that we had found firm foundations for an understanding with America.

England muddled along about conscription because she hoped that her answer on the question would be made easier if the United States raised a million men to fight us. If we come to an agreement quickly and genuinely with the Americans, the dispute of America and all other neutrals against England will at once flame forth again, and England will have to loosen her commercial blockade and forego her prying into cargoes, which only Sweden refuses to tolerate. Then she can breathe again, for bottoms for her cargoes and means of nourishment will be assured to her. Of that more will be said later, and steps must be taken to prevent U any longer being made into X.

NO JOY OF VICTORY IN DROWNING WOMEN.

If we blunder blindly into new enmities, we play England's game. The effects of the break would be enormous; they would be felt in southeastern Europe, in the heart of Canada, Australia, Japan (to whose account a gigantic part of the over-seas arms and ammunition supplied to our foes must be placed), China, India, and Africa. Equally momentous for us would be the effect of a firm agreement. Yet it must not be prepared and received with a wry face; we do not wish to do what the enemy desires, but we also wish to swallow no poisoned pill. There must be neither untruthfulness nor underhand dealings. Let us fight whenever it is inevitable, but never when it can be avoided; let us wage no fight in which only frightfulness can bring victory. Should victory hinge upon the pitiless drowning of all defenseless men and women, old people and children, from neutral lands, in order to frighten every ship away from traffic with England, then millions of good Germans would feel no joy in such a victory, and many a daring submarine commander would gladly exchange such hard duty for a watery grave. Never again could Germany assume her old position in the human race and live in communion with others, for she would then not only have sundered herself from the law of nations, but have broken a word that ought to have been binding upon her as an oath.

This should have been foreseen before that word was pledged, now it is too late. If our position is shown to be untenable it must be evacuated with the proud mein of him who has conquered himself. The bravest generals have often acted thus, and have blamed the general who did not. They never hesitated before the phantom of "honor" that might change from the coat-of-arms to the funeral procession of a nation.

SENSITIVE, SWORDLESS, YET COURAGEOUS SOULS.

Let the sword be the instrument of the brain, the general the helper of the statesman. And whosoever deems the sword a rusty thing, no longer worthy of the new human race, let him not tax us for that reason with possessing a cowardly soul. Since every day the belief grows that military means are not sufficient to bring war's horrors to a successful end, necessity is forcing us to look upon reason as the root of politics, forcing us to the conviction that within our boundaries there are worthy, morally sensitive, swordless, yet courageous souls.

In President Wilson's eyes war is a terrible crime, that bloody survival from the tales of knights, robbers, and ghosts against which Goethe once warned America's enthusiastic youth. He would apply international law and have a tribunal for laying it down and guaranteeing its execution. Are we to revile him for that? To-morrow 100,000,000 people will rally about him. Is he to be criticized for harboring the idea now and then that, after a triumphant war in Europe, all-powerful Germany would some day turn threateningly toward America and covet the hemisphere, discovered after the rest of the world, as an outlet for her long-repressed lust of power? He is mistaken (as an American, not as a slave of England); he will live to see our interests in harmony with his. When everybody has realized that even the strongest coalition can not conquer us despite the longest struggle, that the majority of voices in a debate is not, as it appeared to be in the days of the two groups of great powers, the expression of superior strength, then we may without fear of being misunderstood acknowledge our readiness for organized peace, such as will secure to each State its sovereignty. We will try every path that may lead toward this goal, willingly and without prejudice. If our answering note to America should show this willingness in words worthy of the great issue at stake (without foolish trimmings and distrustful fripperies) it would mean an appreciable step forward, and before the end of the summer one of the heads of the military bogy would be hacked off.

Plentiful declarations of war have not turned the fifth chancellor of the German Empire from his wish to mix ethics with politics. German history and German genius will thank him if what now is weakness becomes the strength of a giant. Two rulers, essentially similar in mind, may easily come to an agreement in the dwelling place of free nations.

"Peace be with you!" Must martyrs die on the threshold of every new doctrine? The seat of Paul is empty.

WHITMAN NATIONAL FOREST, OREG.

Mr. CHAMBERLAIN and Mr. FLETCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma has the floor. Does he yield, and if so, to whom?

Mr. CHAMBERLAIN. I ask the Senator from Oklahoma to yield to me to ask unanimous consent to take up a purely local bill which has passed the House of Representatives. It is Calendar No. 712.

Mr. OWEN. If it leads to no debate, I shall yield to the Senator.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 16732) authorizing an adjustment of the boundaries of the Whitman National Forest, in the State of Oregon, and for other purposes.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

THE FEDERAL FARM-LOAN ACT.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. The Senator from Oklahoma has the floor. Does he yield to the Senator from Florida?

Mr. OWEN. I yield to the Senator from Florida if the matter he desires considered will lead to no debate.

Mr. FLETCHER. I desire to call up Senate concurrent resolution No. 26, providing for the printing of additional copies of what is known as the Federal farm-loan act.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida?

There being no objection, Senate concurrent resolution No. 26 was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed 150,000 additional copies of Senate Document No. 500, Sixty-fourth Congress, entitled "The Federal farm-loan act," of which 50,000 copies shall be for the use of the Senate and 100,000 copies for the use of the House of Representatives.

PROPOSED PRINTING OF NEWSPAPER ARTICLE.

Mr. THOMPSON. Mr. President, I should like to have printed——

The PRESIDING OFFICER. The Senator from Oklahoma has the floor.

Mr. OWEN. I hope Senators will now permit us to proceed with the pending matter. I do not wish to seem to be ungracious at all, and I know that there are many of these small bills which it will only take a moment to dispose of. For that reason I have felt impelled to yield to Senators on both sides of the Chamber.

Mr. THOMPSON. Will the Senator from Oklahoma yield to me merely to have an editorial printed in the RECORD without reading?

Mr. OWEN. I yield to the Senator for that purpose.

Mr. THOMPSON. I ask to have printed in the RECORD without reading an editorial which has heretofore appeared in the Washington Post relative to stopping the recent threatened railroad strike.

Mr. GALLINGER. What is the article which the Senator from Kansas desires to have printed?

The PRESIDING OFFICER. The Senator from Kansas asks to have printed in the RECORD an editorial article appearing in the Washington Post relative to the strike situation.

Mr. GALLINGER. The strike situation is over, and I object.

The PRESIDING OFFICER. Objection is made.

KAREN S. SORENSON AND JAMES LYLE.

Mr. WARREN. Will the Senator from Oklahoma yield to me for the consideration of a small bill, which will not lead to any discussion?

Mr. OWEN. If it occasions no discussion, I will yield to the Senator.

Mr. WARREN. I ask unanimous consent for the present consideration of the bill (H. R. 1636) for the relief of Karen S. Sorenson and James Lyle.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill. It proposes to pay $1,019.69 to Karen S. Sorenson and James Lyle, doing business as copartners at Honolulu, Territory of Hawaii, under the firm name and style of Sorenson & Lyle, for use of marine railway, work done, and materials furnished in making necessary repairs to the schooner *Charles Levi Woodbury*, which schooner was damaged as the result of a collision with the U. S. S. *Iroquois* in the Pacific Ocean, off the coast of Kauai, Territory of Hawaii, on May 4, 1905.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

DEPOSITS IN NATIONAL AND STATE BANKS, ETC.

Mr. OWEN. I wish to submit, and to have printed in the RECORD, a letter from the Comptroller of the Currency, stating the amount of deposits in the banks of the country. It is a short statement.

The PRESIDING OFFICER. Is there objection to printing in the RECORD the document referred to by the Senator from Oklahoma? The Chair hears none, and it is so ordered.

The document referred to is as follows:

COMPTROLLER OF THE CURRENCY,
Washington, September 5, 1916.

Hon. ROBERT L. OWEN,
United States Senate.

MY DEAR SENATOR: I have received your request, transmitted through your secretary, for certain data in regard to the growth of deposits in national banks and State banks, trust companies, etc., from January, 1914, to the present time.

I am inclosing herewith a memorandum which I have had prepared, and which, I trust, will give you the information desired.

We receive reports from the State banks and trust companies only once each year, usually in June. The returns for 1916 are not yet complete, but in the attached memorandum we have estimated the increase in all States to be in the same proportion as the increase shown by the banks in the 37 States from which we have heard.

If there is any further information you desire in this connection, please advise.

With high regard,
Sincerely, yours,

JNO. SKELTON WILLIAMS.

Comparatice statement of total deposits held by national banks on Jan. 13, 1914, and June 30, 1916; and all other banks on June 4, 1913, and June 30, 1916.

NATIONAL-BANK DEPOSITS.

June 30, 1916	$10,877,087,000
Jan. 13, 1914	8,393,373,000
Increase, 29 per cent	2,483,714,000

STATE BANK AND TRUST COMPANY DEPOSITS.

June 30, 1916 (estimated on the basis of the reports received from 37 States which show an average increase in total deposits of 28 per cent over June 4, 1913)	$15,352,900,000
June 4, 1913	11,994,453,000
Increase, 28 per cent	3,358,447,000
Deposits of all banks, June 30, 1916 (partly estimated)	26,229,987,000
Deposits of State banks, June 4, 1913, and national banks, Jan 13, 1914 aggregate	20,387,826,000
Total increase of 28.6 per cent in deposits of national banks, State banks, and trust companies	5,842,161,000
National-bank deposits, June 30, 1916	10,877,087,000
National-bank deposits, June 4, 1913, the date for which data as to State banks and trust companies are furnished	8,143,929,000
33.5 per cent increase during three-year period	2,733,158,000

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. A. Hempstead, its enrolling clerk, announced that the Speaker of the House had signed the following enrolled bills:

H. R. 1636. An act for the relief of Karen S. Sorenson, and James Lyle;

H. R. 1963. An act for the relief of John E. Keys;

H. R. 14824. An act to prevent fraud at public auctions in the District of Columbia; and

H. R. 16532. An act authorizing an adjustment of the boundaries of the Whitman National Forest, in the State of Oregon, and for other purposes.

CORRUPT PRACTICES.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15842) to revise, amend, and codify the laws relating to publicity of contributions and expenditures made for the purpose of influencing the nomination and election of candidates for the offices of Senator and Representative in the Congress of the United States, etc.

Mr. OWEN. Mr. President, I call the attention of the Senate to the unfinished business, which is the so-called corrupt-practices act. I do not really think there is anything in the bill to which any Senator could seriously object if he would consider it. Any amendments which are desired to be made to the bill by those who are friendly to the bill, and which would not weaken the bill, I shall be glad to accede to. I very much hope that Senators will not feel impelled to merely consume time for the purpose of preventing action on the bill. We have now had the bill under consideration for a day. A large part of the time on yesterday was consumed in efforts to delay action, and this morning over an hour was consumed by compelling the reading of the Journal, the Senator from Pennsylvania [Mr. PENROSE] demanding that it be read slowly. I hope that course will not be persisted in. I think the country is entitled to action on this measure.

Mr. PENROSE. Mr. President——

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. GALLINGER. Mr. President——

Mr. PENROSE. The Senator from New Hampshire, I am informed, desires to address the Senate, and so I shall wait until he has concluded. I did not know that he desired to speak at this time.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GALLINGER. Mr. President, before proceeding, I ask unanimous consent to have printed in the RECORD, without reading, a table showing imports of merchandise and agricultural products in June, 1916 and 1915, under the Underwood law, as compared with June, 1913, under the Payne law. It is a very brief table.

The PRESIDING OFFICER. Without objection, the table will be printed in the RECORD. The Chair hears no objection.

The table referred to is as follows:

Imports of merchandise and agricultural products in June, 1916 and 1915, under the Underwood law, and June, 1913, under the Payne law, using products having the most extreme foreign competition.

Products.	1916 values.	1915 values.	Difference.	Payne law, 1913.
			Increase.	
Breadstuffs	$1,857,402	$1,491,934	$365,468	$1,595,339
Automobiles and parts	160,075	115,579	44,496	117,512
Watches and parts	328,374	243,561	84,813	215,343
Cotton cloths	1,080,867	487,143	593,724	492,262
Lace and lace articles	1,021,901	707,550	314,351	711,846
Embroideries	489,631	449,447	40,184	852,240
Nets and nettings	327,694	98,015	229,679	164,863
Knit goods less hose	219,140	81,110	138,030	22,000
Handkerchiefs (linen)	227,206	203,795	23,411	131,535
Yarns (linen)	162,082	55,417	106,665	50,615
Fish	1,432,527	1,198,254	234,273	1,288,981
Fruits and nuts	5,530,423	4,894,334	636,089	4,566,705
Plate glass	922		922	35,092
Other glass	257,985	211,113	46,872	484,664
Hides and skins	19,964,799	11,863,940	8,095,859	7,874,194
Cutlery	55,326	39,619	15,715	138,240
Tin plate	21,556	9,099	12,457	548,240
Leather and tanned skins	1,542,504	705,026	837,478	583,146
Gloves (leather)	327,220	273,580	53,640	182,224
Paper and manufactures	2,478,525	2,083,709	394,815	1,839,705
Perfumery, etc	263,102	238,260	24,842	128,984
Films and plates	121,166	106,756	14,410	105,037
Seeds	3,749,424	2,771,717	977,707	746,823
Silk manufactures	3,333,486	1,980,824	1,352,662	2,032,761
Vegetables	702,140	543,481	158,659	566,624
Wood pulp	1,282,322	1,058,444	223,878	1,065,143
Wool	10,378,629	6,870,784	3,507,845	1,203,253
Wool manufactures	1,744,343	1,497,557	246,786	1,246,943
Total, 28 products	59,060,771	40,285,009	18,775,762	28,961,700

Imports of merchandise and agricultural products, etc.—Continued.

Products.	1916 values.	1915 values.	Difference.	Payne law, 1913.
			Increase.	
Aluminum scrap	167,962	307,993	138,031	296,765
Aluminum manufactures	6,063	58,040	51,977	85,220
Clocks and parts	5,695	16,705	11,010	56,652
Stockings (cotton)	33,622	57,225	23,603	189,230
Eggs	4,917	21,093	16,179	
Enameled ware	25,942	36,835	10,893	55,180
Meat and dairy products	2,537,637	3,340,120	802,485	1,307,875
Oilcloth and linoleum	39,112	70,551	31,439	127,922
Artificial silk	166,795	232,929	66,134	246,728
Shingles and laths	500,460	514,513	14,053	295,807
Total, 10 products	3,488,205	4,654,007	1,165,802	2,661,390
From increase list	59,060,771	40,285,009	18,775,762	28,964,705
Total, 38 products	62,548,976	44,939,016	17,609,960	31,623,095

Total imports of merchandise in June, 1916, were	$245,795,433
Total imports of merchandise in June, 1915, were	157,695,140
Increase in June, 1916, over June, 1915, was	88,100,293
Total imports of merchandise in June, 1913, were	131,215,877

Increase in June, 1916, over June, 1913, was almost 100 per cent.

Mr. GALLINGER. In June, 1915, but 5 of the above products showed an increase over imports in June, 1914, while in June, 1916, 28 products show an increase of over 100 per cent over June, 1913, and if this rate of increase continues as it has since October, 1915, it means the end of prosperity in the United States, and I doubt if anyone will contend that we are blessed with "the best tariff law ever passed" in this country, but will demand a tariff law that will protect our industries.

Mr. President, I desire to consume a little time in the legitimate discussion of this bill, and, first, I want to have a little friendly conversation with the Senator from Oklahoma [Mr. OWEN] who has charge of the bill. I realize the fact that the Senator need not answer any question I may propound unless he sees proper to do so.

Mr. President, in New Hampshire we have very stringent laws against bribery, regulating contributions for political purposes, and providing for reports as to such contributions, which I shall call to the attention of the Senate after a little. First, I want to ask the Senator from Oklahoma if they have a stringent law on the matter of political contributions in his own State, if he cares to answer?

Mr. OWEN. Mr. President, the law in the State of Oklahoma limits the amount of expenditures by a candidate for Senator to $3,000.

Mr. GALLINGER. To $3,000, as I understand it.

Mr. OWEN. I think that a similar limit is set on the amount that a candidate for governor may spend, and also, perhaps, upon the amount that may be spent by candidates for some other State offices, and a smaller amount for less important offices. I think the law there is a fairly good law, but I think the carrying out of the law anywhere largely depends upon the public sentiment of the State. There are many ingenious ways by which laws may be evaded, and that is the reason why we thought that the national act needed to be corrected and to have put in it a provision by which evasion could not be so easily carried out.

Mr. GALLINGER. The Senator from Oklahoma, as I understand, had much to do with the enactment of the law in his own State——

Mr. OWEN. The Senator is mistaken in that; I had not.

Mr. GALLINGER. Then I am mistaken on that point. However that may be, if I have acquainted myself correctly with the facts, there was a vote in the Senator's State not long ago relating to a proposed amendment to the constitution of the State pertaining to the subject of elections. I am correct on that point, am I not?

Mr. OWEN. The Senator is.

Mr. GALLINGER. And it was defeated by a large majority——

Mr. OWEN. It was.

Mr. GALLINGER. It was defeated, notwithstanding it was recommended and urged by the Democratic legislature of that State.

Mr. President, in opening the debate a few days ago on this subject the Senator from Oklahoma openly declared that the Lumber Trust had sent $40,000 into his State to defeat him for reelection. The Senator subsequently modified that by saying that he did not mean to say that it was the Lumber Trust, but that that amount was contributed by certain men interested in the production of lumber who wanted to punish the Senator for his opposition to the former Senator from Illinois, Mr. Lorimer. I want to ask the Senator, in all good conscience, Mr. President, if that money was sent into the State of Oklahoma and the Senator knew of it why proceedings were not commenced against the offenders against the law?

Mr. OWEN. Mr. President, the information which came to me, in the first instance, was offered by a man named Waugh. It was not in connection with the election, but in connection with the primaries. It was an attempt to defeat me at the primary.

Mr. GALLINGER. Yes; but it amounts to the same thing.

Mr. OWEN. The man who was used in that connection I regarded as a despicable character, and I was not willing to accept from him his own statements, although he claimed to have letters, telegrams, and so forth, corroborating what he had said. Afterwards I was informed by Mr. M. C. French, of Okmulgee, that he talked to the man who sent money in there, and that this man said money was sent. I believe it was sent by the same people who were behind Lorimer. They were not residents of the State, not amenable to its laws; it was secretly done, through secret agents, and the Federal law did not forbid it; but I call the attention of the Senator to the fact that his discussion and enlargement of that matter is really not discussing the bill itself. I would be glad if the Senator would endeavor to improve this bill by suggestions, if he will.

Mr. GALLINGER. Oh, well, Mr. President, I will conduct the discussion in my own way. The Senator was responsible for injecting that matter into the RECORD, stating that $40,000 had been sent into his State by the Lumber Trust, as he then said, to defeat his renomination. Afterwards he qualified that. Now he says that somebody told somebody that somebody sent and somebody received some money for that purpose. The bill of particulars is very vague and very unsatisfactory to me. I do not believe that any such transaction occurred in the State of Oklahoma as the Senator suggests.

Mr. OWEN. The Senator would believe that the Senator from Oklahoma spent the summer at the seaside. He is willing to make that statement on the floor here, when the Senator from Oklahoma has not spent the summer, or any part of the summer, at the seaside, having been at Atlantic City one day to address the bankers of New Jersey, and on Long Island one day to visit his family.

Mr. GALLINGER. Well, Mr. President, that is neither here nor there. I have heretofore put in the RECORD the fact that the Senator has responded to about 37 per cent of the roll calls during the last six months; and he was somewhere; I do not know where he was, just as his colleague [Mr. GORE] deserted the Senate in the middle of the consideration of an important bill, reported by the committee of which he was chairman, and has responded to less than 35 per cent of the roll calls during the session.

Mr. OWEN. Oh, Mr. President, the Senator from Oklahoma sits on this floor and does not vote on all roll calls because the associate and colleague of the Senator from New Hampshire [Mr. CATRON] is absent, and therefore the Senator from Oklahoma protects that Senator.

Mr. GALLINGER. The Senator can not do his full duty when he is not in the Senate Chamber.

Mr. President, I have no disposition to enter into a personal controversy with the Senator. I want to get some facts concerning this matter. The limit of the law in Oklahoma, I believe, on the amount of money that can be expended in the primaries is $3,000. Now, Mr. President, the Senator had a competitor, at least there was a Republican running for the office of Senator, who, I suppose, was selected in the primary. I do not know him personally, but I have gone to the record and found that he made a sworn statement that he spent $2,822.54. I assume that he swore to the truth. Now, if $40,000 had been sent there, or any part of $40,000, and had been used for political purposes, it seems to me that it would be an easy matter to uncover it, and, with the Senator's usual vigor and his great ability as a lawyer, it occurs to me that that atrocious act ought to have been brought to the light and the guilty parties punished.

Mr. OWEN. Mr. President, the Senator is confusing his facts somewhat. In the primary a Democrat runs against a Democrat.

Mr. GALLINGER. Certainly.

Mr. OWEN. And a Republican runs against a Republican.

Mr. GALLINGER. Yes.

Mr. OWEN. The Republican candidate was a very good man, by the name of Dickinson—Judge Dickinson—a very respectable Republican, who is somewhat progressive, but when it came to the election the people of the State of Oklahoma elected me by a majority that ran 15,000 more than the majority given to President Wilson, there being about 15,000 Republicans who voted for me in that State, which is the best evidence of the

fact that I had been a decent man in the State, because when Republicans will vote for a Democrat it is a pretty good guarantee that that Democrat is a pretty decent sort of a man. I will say, further, to the Senator that in the election after the primary I did not spend anything whatever, except for my traveling expenses in going around the State in behalf of the State campaign.

Mr. GALLINGER. That may be, Mr. President. I do not doubt the Senator got some Republican votes. It is a tribute to his popularity——

Mr. OWEN. I do not believe the Senator has great joy in it.

Mr. GALLINGER. And to his standing in the State.

Mr. OVERMAN. Mr. President, will the Senator from New Hampshire yield to me?

Mr. GALLINGER. Certainly.

Mr. OVERMAN. I should like to know if the Senator from New Hampshire has examined the facts, so that he can say how many States have corrupt-practices acts?

Mr. GALLINGER. I have not made a comprehensive investigation as to that matter, but think most States have such laws.

Mr. OVERMAN. The Senator from Oklahoma made a statement that astounded me. He said that a corrupt-practices act was on the statute books in each State, but those acts were not enforced, and his idea was to have a Federal law, so that the Federal courts would enforce the law of Oklahoma as well as the laws of other States.

Mr. OWEN. I made no such statement as the Senator is now attributing to me.

Mr. OVERMAN. I beg the Senator's pardon. I understood him to say to the Senator from New Hampshire that there was such a law in the State of Oklahoma, but that it was evaded, and he wanted a national law so that it could be enforced. I should like to know as to that. I hope the Senator did not say it, but that is what I understood him to say, and I beg the Senator's pardon if I have misstated his attitude. I will ask the Senator from New Hampshire how he understood the statement of the Senator from Oklahoma?

Mr. GALLINGER. I understood it precisely as the Senator from North Carolina did.

Now, Mr. President, I know but little about Oklahoma or Oklahoma politics. I have no disposition to make any criticism that is not justified by the facts. I know that the Senator was reelected, and that he was elected over a very good man. As I understand, that very good man has made a sworn statement that he did not spend as much money as he was entitled to expend under the laws of Oklahoma. I presume the Senator does not question the correctness of that statement or the integrity of his opponent.

But, Mr. President, if conditions were as bad in Oklahoma as the Senator depicted a few days ago, and some wicked men sent $40,000 into that State to defeat his nomination, it is rather a singular circumstance that shortly afterwards a vote of the people of Oklahoma was taken on a proposition to strengthen their election law, a proposition recommended by a Democratic legislature, as I understand, and it was defeated by 40,000 majority.

Mr. OWEN. Mr. President, the election law referred to by the Senator probably related to a section which was intended to establish certain qualifications as to suffrage which were supposed to be unfair to the illiterate classes. It was so interpreted by many of the people of the State, and it was for that reason that the people of the State voted it down, because they wanted to have perfectly fair treatment for everybody. I do not think the law would have been unfair except, perhaps, in an indirect way; but that was the sentiment of the people of the State, and they voted it down. It is far from being a discredit to the people of the State.

Mr. GALLINGER. Well, Mr. President, I am not going to enter into the question of the laws of Oklahoma as regards elections. I have read enough to know that they are about as bad as they can be, and that while the Senator is here contending and clamoring for pure elections——

Mr. OWEN. The Senator must not say that the Senator from Oklahoma is here pretending, because the Senator from New Hampshire is out of order. The Senator from Oklahoma is not making any pretense.

Mr. GALLINGER. Well, Mr. President, I have not yielded to the Senator.

The PRESIDING OFFICER (Mr. LEA of Tennessee in the chair). The Senator from New Hampshire has the floor.

Mr. OWEN. I call the Senator to order.

Mr. GALLINGER. The Senator forgets the rules of the Senate when he undertakes to interrupt me without my consent.

Mr. OWEN. I call the Senator to order.

Mr. GALLINGER. The Senator can not call me to order when I have not transgressed the rules.

Mr. OWEN. The Senator can not attribute an improper motive to a Senator on this floor.

Mr. GALLINGER. If it is attributing an improper motive to a Senator to say that he is contending for something——

Mr. OWEN. I thought the Senator said "pretending."

Mr. GALLINGER. I did not; I said "contending."

Mr. OWEN. Then I withdraw my comment.

Mr. GALLINGER. I think the Senator ought to do so. The Senator is contending for what he calls pure elections; and yet it is a notorious fact that the laws of Oklahoma disqualify a large number of people who, under the Constitution and laws of the country, have a right to vote. The Senator knows that.

Mr. OWEN. I do not, and the Senator does not.

Mr. GALLINGER. The Senator has not read the laws of his own State, then.

Mr. OWEN. Oh, yes; he knows the law sufficiently well.

Mr. GALLINGER. They are very lax and unfair.

Now, Mr. President, already one amendment has been made to this proposed law, with the consent of the Senator from Oklahoma, and that is that it shall not take effect until January 1, 1917. Why, that is a most extraordinary provision in a law that is intended, Mr. President, to purify the elections in this country and to prevent corrupt practices. It is a most astounding suggestion to me that the corrupt practices can be allowed to continue for three months by statute law.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Oklahoma?

Mr. GALLINGER. I yield to the Senator.

Mr. OWEN. Mr. President, the Senator surely does not feel willing to give an interpretation to that provision that is impossible. It only directed that the amount which a Senator or a Representative might expend should be fixed by the present law during this campaign, but that the inhibition against the corrupt practices forbidden by this act should go into immediate effect.

Mr. GALLINGER. But the corrupt practices relate to the amount being used, from the standpoint of the Senator.

Mr. OWEN. Oh, no.

Mr. GALLINGER. That is largely what constitutes a corrupt practice.

Mr. OWEN. Oh, no.

Mr. GALLINGER. Mr. President, I seldom allude to myself in the Senate of the United States. I have never thought it was necessary to issue a broadside, such as one Senator has done, showing the wonderful things that he has accomplished during his incumbency of the office of Senator. I never have found it necessary to use the franking privilege to circulate material throughout my State calculated to secure votes at elections. Departing, however, from my usual custom, I want to say that there may be great corruption in some parts of this country of which, in the very nature of things, I would not have knowledge, unless the facts were brought to my attention; but however that may be it has not been necessary for me to use money in elections in New Hampshire.

I was elected twice to the House of Representatives, with a sharp contest each time, and I have been elected five times to the Senate of the United States, and I have not found it necessary to use a dollar illegitimately in any one of those contests. In fact I have used very few dollars for any purpose. Hence, I am naturally somewhat surprised to learn from the Senator from Oklahoma that in his own State, with a very stringent corrupt-practices act on the statute books, and he a distinguished lawyer, with knowledge, he says, at least from a statement made to him by one disreputable and by one reputable citizen of his State, that $40,000 was sent into that State to defeat his renomination—I am surprised beyond measure to know that the laws of his State have not been invoked to punish those criminals and to purify matters in his own State, before he undertakes to purify them in other States.

The statutes of New Hampshire are very specific on this subject. We have had on our statute books for a great many years a statute against bribery at elections; and at the polling places in New Hampshire, Mr. President, that statute is read on the morning of election day before a single vote is cast, so that the people who come there for the purpose of exercising the right of suffrage may fully understand what the law of the State is and what the penalties are; and, if they violate the law, they are subject to prosecution under the law, and some prosecutions have resulted.

Chapter 99 of the Public Statutes of New Hampshire says:

Any person guilty of offering, giving, or accepting a bribe, or of aiding or abetting bribery, or of attempting or conspiring to bribe, with intent to influence the vote of any person at any election, caucus, con-

vention, or primary election shall be deemed guilty of a misdemeanor, and upon conviction shall be fined not more than $500 nor less than $100 and be imprisoned in the county jail not less than 30 nor more than 90 days for each offense.

CHAP. 99, SEC. 2. Any person convicted under the provisions of the foregoing section shall thereafter be forever disqualified from holding any civil office in this State and from exercising the right of suffrage.

CHAP. 99, SEC. 3. No witness in any proceeding under this act or in any proceeding for violation of the election laws shall be excused from giving his testimony upon the ground that such testimony would incriminate him, but no such testimony shall be used against such witness at any time or in any prosecution. And any person who voluntarily discloses the facts to the proper authorities, and procures a conviction in any such proceeding, shall not be prosecuted for his connection with the bribery or attempted bribery.

Mr. President, that is a pretty stringent law. It is not a law of recent origin, either. It was placed on our statute books a good many years ago, I think before the Senator from Oklahoma became so intensely interested in getting a Federal statute to govern the elections in my State.

I turn again, Mr. President, to the public statutes of the State of New Hampshire, and I find some further legislation on this subject. Let me read:

If any person shall directly or indirectly give spirituous liquor to a voter—

If that is not in the Senator's bill, it ought to be in it. Perhaps it is in it.

If any person shall directly or indirectly give spirituous liquor to a voter at any time with a view to influence any election, or as a treat for his vote, or for the honors bestowed on any candidate at such election, he shall be fined not exceeding $20 for each offense.

SEC. 11. If any person shall directly or indirectly hire, procure, induce, or in any way influence or attempt to hire, procure, induce, or in any way influence, by payment, promises, offers of emolument, offers of reward of any kind, loans of money or other thing, threats or intimidations, any voter to stay away from any town meeting, or to avoid voting at any town meeting, or to vote at any town meeting for or against any particular ticket or candidate for office, or to ask, in order to disqualify himself from voting at any election, the abatement of his taxes, or to be excused from paying taxes, such person shall be fined not exceeding $500, or be imprisoned not exceeding three months.

SEC. 12. If any person shall directly or indirectly contribute or furnish, or promise to contribute or furnish, any money, goods, chattels, or other thing whatsoever to be used to induce any voter to stay away from any town meeting, or to avoid voting at any town meeting, or to vote at any town meeting for or against any particular ticket or candidate for office, or to ask, in order to disqualify himself from voting at any election, the abatement of his taxes, or to be excused from paying taxes, such person shall be fined not exceeding $500, or be imprisoned not exceeding three months.

Mr. President, there is much more to the same effect in the statutes of New Hampshire covering this matter. I can not conceive, for the life of me, why we need a Federal statute to govern the elections in my State. All the provisions that seem to be necessary are incorporated. There is a chapter on political advertising in newspapers; there is a chapter on campaign contributions by corporations, enacted a great many years ago. I want to read it. I do not believe the Senator's bill improves on it. Here it is:

No corporation incorporated under the laws of or doing business in this State, and no officer, director, agent, or employee of and acting in behalf of such corporation, shall pay or contribute or authorize or direct to be paid or contributed any sum of money or any check, draft, note, or other article of value to any political party, committee, or to any individual or corporation for the purpose or with the intention of having such money, or any part thereof, or such check, draft, note, or other article of value, or any part thereof, expended or used for the purpose of aiding or promoting or of preventing or opposing the nomination or election of any person to public office established by or under the authority of the constitution or laws of this State or of the United States, or expended or used for the purpose of promoting or antagonizing the interests of any political party.

No person shall solicit or receive payment of any sum of money or the delivery of any check, draft, note, or other article of value for the purposes specified in the preceding paragraph from any corporation incorporated under the laws of or doing business in this State or from any officer, director, agent, or employee of such corporation and on its behalf.

Any corporation violating any of the provisions of this act shall be punished by a fine of not exceeding $3,000 for each offense; and any individual violating any of the provisions of this act shall be punished by a fine of not exceeding $1,000, or by imprisonment not exceeding six months.

The statutes of New Hampshire may have, in some minor particulars, been changed from what I have read; but what I have cited is substantially correct.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Oklahoma?

Mr. GALLINGER. I yield to the Senator.

Mr. OWEN. I should like to ask the Senator whether he thinks, because the State of New Hampshire has a good corrupt-practices act, that that constitutes a reason why the United States Government should not have one?

Mr. GALLINGER. Mr. President, I have several times said in this Chamber that I believed I was almost the only State rights man in this body. I have been astounded to see the Democratic Senators one by one apparently abandon the ancient doctrine of State rights, and consent to legislation transferring the affairs of this great country from the hands of the several States and placing them in the hands of the Federal Government. I will say to the Senator that I see no reason why every State in the American Union should not have as strict State laws as the State of Oklahoma or the State of New Hampshire, and I believe that will be the result in the very near future.

Mr. OWEN. I will ask the Senator if he thinks a State which has no corrupt-practices act, and where a Senatorship can be bought and sold, ought to have the right to send a Senator on this floor to vote upon the affairs of New Hampshire, which has such a good corrupt-practices act?

Mr. GALLINGER. I know of no State where Senators purchase their elections to this body, but there may be such instances. It was stated in this Chamber the other day that a long time ago the Senate was dominated by men of that class. I have been here a long time, almost 26 years. I am a poor man, as the world goes nowadays. I have associated with the rich men and the poor men in this body, and my observation has been, Mr. President, that the allegation that was made that the rich men who came to this body did nothing in the matter of legislation, but simply disported themselves upon the ill-gotten gains that they had received, has no foundation in fact. I have associated on committees, I have associated in this Chamber, with very rich men, and I have found them as a rule just as much interested in the affairs of the Government, just as much interested in the legislation of this body, as those of us who belong to a different class, so far as money is concerned.

Mr. President, I get tired of this talk about "predatory wealth," about the men who are accumulating vast sums of money and using it illegitimately in the matter of elections. I have had very little experience in that direction. For 18 long years I served as chairman of the Republican State committee of New Hampshire, and the men that I found least disposed to separate themselves from their money for political purposes were the rich men. It may be that somewhere else—it may be that in Oklahoma or some other State—they open their pocketbooks or resort to their check books to corrupt the ballot, but my observation has been that as a rule it was the men of moderate means who made contributions to the funds of State campaigns.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Oklahoma?

Mr. GALLINGER. I yield to the Senator.

Mr. OWEN. The Globe-Democrat announced, in their issue of September 5, in a very complimentary article with regard to Mr. R. C. Kerens, that he had contributed fully $500,000 to the Republican Party. He is a good man, too, I should like to say, because I knew Mr. Kerens very well, but he was a very generous man. I only call the attention of the Senator to the contribution to show that some of these gentlemen do contribute very liberally—more than perhaps a private citizen would be justified in contributing—and it lays the natural foundation that a man should ask for political preferment if he makes very large contributions. I think that is a trait of human nature. I do not think it is peculiar to any party.

I think when men show their interest by making very large contributions it does become a foundation for their preferment. Mr. Kerens was made ambassador to Austria, and I have no doubt he filled the office well, because I think he was thoroughly competent to fill any office that he might care to hold.

Mr. GALLINGER. Mr. Kerens is dead. Did I understand the Senator to say that Mr. Kerens had contributed $500,000?

Mr. OWEN. The Globe-Democrat, in a complimentary article on him, said that.

Mr. GALLINGER. I think the books of the Republican national committee do not show that.

Mr. OWEN. Mr. President, I remind the Senator that the books of the national committee do not show these contributions, and that is the trouble about it. The books of the national committee do show $100,000 from Morgan & Co., $100,000 from Perkins, and $100,000 from George Gould and other men—gigantic sums considering the ordinary citizen—but while they do show that, they do not show what may be contributed inside of State lines. They may make any contribution. That is the thing I am objecting to and hoping that we might have a limitation upon the amount contributed inside of State lines.

Mr. GALLINGER. What I was addressing myself to was especially the contributions that are made for purposes within the State. Undoubtedly, large contributions have been made to national committees for the nomination and election of Presidents. There is no question about that. I think a great deal more money has been spent than ought to have been spent along those lines. For instance, I have here in the testimony

that was taken by the committee investigating this matter a statement that is most illuminating. I do not think it often happens, and it ought never to happen, but I doubt very much whether the Senator's bill would reach a case of this kind. It is the testimony of Mr. Thomas Fortune Ryan, of Oak Ridge, Va., a very rich Democrat. He says:

I went to the St. Louis convention of 1904 as a delegate from Virginia. Judge Parker was a prominent candidate for the Presidency at that time, and his friends, who sought to enlist me in his campaign, had come to me. I opposed his nomination and I was not in favor of his nomination. I was in favor of my friend, Senator Gorman's nomination—of Maryland—because of his long service to the party and his great abilities. Judge Parker was nominated at St. Louis. I took no part in aiding his nomination and I made no commitment to furnish campaign funds for the campaign. After the committees were organized in New York, however, I made a contribution of $50,000, which I thought was all that could reasonably be expected of me. Later on I contributed in small amounts during the early part of the campaign up to, I should say, $100,000. Toward the end of the campaign the members of the committee came to me and said, when it was perfectly evident that Judge Parker could not be elected, that the campaign would collapse unless they had financial aid, and I made up my mind, in the interest of the Democratic Party, and through the Democratic Party the interest of the people, as I believed the principles of the party to be the best for the interests of the people of this country, I made up my mind to give further aid, just before the close of the campaign, so that the workers, the party workers throughout the country, who were trying to keep the Democratic Party together, should have the aid that they thought necessary, and I contributed in the neighborhood of $350,000 and paid the debts of the committee, so that on the day before election every debt the Democratic national committee had was paid, and the party workers were reasonably satisfied, and I did that because I did not want to see the Democratic Party disintegrate.

And I notice that the chairman asked Mr. Ryan:

Your first contribution, I understood you to say, was $50,000?
Mr. RYAN. Yes, sir.
The CHAIRMAN. Was that made solely by yourself or on behalf of anyone else, or in association with anyone else?
Mr. RYAN. Every dollar up to the $450,000 was made by myself, collected from no corporation and no individual.

That is a most extraordinary case. Four hundred and fifty thousand dollars to help the Democratic Party elect a President.

Mr. OWEN. Mr. President, does the Senator think that is a good system of government? Does the Senator approve of that?

Mr. GALLINGER. I suggested that I thought it was a bad precedent, but I doubt very much whether the Senator's bill would prevent money being used in that way.

Mr. OWEN. It makes it a criminal offense for any individual to contribute over $5,000, and I would be willing to put it at $1,000.

Mr. GALLINGER. Does the Senator's bill provide that a man shall not pay the debts of the Democratic committee after the campaign is closed? That is what Mr. Ryan says he did. He allowed the committee to run in debt, using their money either properly or improperly, and when he found the committee had exhausted their funds and had become involved to the extent of $450,000, more or less, he paid up their debts.

Mr. OWEN. As I understand the Senator, because of his views on State rights he is opposed to any Federal corrupt-practices act?

Mr. GALLINGER. No; I am opposed to the kind of a bill the Senator is advocating. I want to say this to the Senator now, in all seriousness and in all candor: If we had time to consider this bill in all its bearings, in all its phases, in all its ramifications, I would have no objection whatever to giving time for that purpose; but I beg to call the Senator's attention to the fact, which I believe I called to his attention the other day, and he took offense apparently at my suggestion, that we have been here for nine long, weary months. I have been in my seat every day but one during that time, and I am not by any means the youngest Member of this body. I have seen the Democratic majority fritter away not only days but weeks and months of valuable time since December last, and if the Senator from Oklahoma had been here, as he ought to have been here, there would have been a great many opportunities for him to get at this bill and give us time to discuss it properly.

Mr. OWEN. Oh, no; Mr. President.

Mr. GALLINGER. But the Senator comes in during the expiring days of a long, weary session of Congress and says he is going to have this bill, nolens volens. He is going to insist that it shall be passed, and it can only be passed in that way, without proper and adequate discussion.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Oklahoma?

Mr. GALLINGER. I yield.

Mr. OWEN. I decline to believe the Senator from New Hampshire would willingly misrepresent the attitude of the Senator from Oklahoma. On the very first day of this session I caused that bill to be introduced. It was reported at the last Congress, at my instance and urgent request, and no action was taken on it. Then it was reported last May. I went before the Committee on Committees—or the steering committee, as it is sometimes called—and they agreed to make it a part of the program. I took it before the committee of conference on the Democratic side, and they agreed to make it a part of the legislative program; but I was informed, and I think it was true, that it was deferred because of the hostility of the gentlemen on that side. If I am wrong about that, I should be glad to be corrected; but I do think that the Senator ought not to charge the Senator from Oklahoma with laches or negligence or indifference about it, because he acted on the first day of the session and he has done what he could, in his very feeble and limited way, to bring this matter to a consideration.

Mr. GALLINGER. Mr. President, I have once corrected the statement that the Senator has just made, and I will correct it once again, and that will be the last time. The Senator says that the Democratic steering committee did not add this bill to their program because of opposition on this side of the Chamber. I have put in the RECORD precisely what the Democratic steering committee submitted to the minority of this body, without any prior consultation with any member of the minority, so far as I know, and their program did not include the corrupt-practices act. The Senator must know that; at least he knows that I made that uncontradicted statement some days ago.

Mr. OWEN. I have had conflicting statements about it, and I do not wish to raise issues of veracity between Senators. I simply gave the impression that I had from statements that had been made to me.

Mr. GALLINGER. As already stated by me, I put in the RECORD not long ago—and the Senator will find it there—the proposition that came to the minority from the Democratic majority, word for word, syllable for syllable, comma for comma, and it did not contain this bill as a part of the Democratic legislative program.

Mr. OWEN. My understanding was that when this program was submitted to the minority it was due to numerous conferences that had taken place and a fixed belief on the part of those who presented it that it was impossible for them to get any agreement if the corrupt-practices act were included.

Mr. GALLINGER. I know of no such conferences. There was one thing that the minority did insist upon, and that was that the immigration bill should be added to the program. That is the bill we ought to be considering to-day instead of the bill of the Senator from Oklahoma. The country is demanding that that bill shall become a law. There is almost a universal demand on the part of the people of the United States for its passage. True, the President of the United States does not want it to become a law and does not want it passed, because he does not want to veto it, as he has said he would, just before an election. But I say to the Senator from Oklahoma that that is the bill that we ought to be considering at the present time instead of the bill which the Senator is advocating and which is receiving more or less opposition on both sides of the Chamber.

Mr. OWEN. Apparently two-thirds of the Senate were willing to take it up, and that would indicate that two-thirds of the Senate are desirous of passing on it, and only a filibuster will prevent its passing now.

Mr. GALLINGER. Mr. President, it will not require two-thirds of the Senate to take up the immigration bill; and if I were in charge of that bill, which I am not, I certainly should move to take it up and displace the present unfinished business, because I think it is a bill of infinitely greater consequence than the one now under consideration to the people of this country. It is of infinitely greater consequence to the morality and intellectual probity of the people who go to the polls and cast their votes in these United States. The idea of admitting from a quarter of a million to a million people from the slums of southern Europe every year, and not requiring them to have intelligence enough to read a single line in any language—and that is all we require—is an insult to the intelligence of the Congress of the United States when they refuse to pass that bill. So, I say, if the Senator from Oklahoma wants to purify the electorate of this country, if he wants to improve the quality of the men who make laws in this country, he ought to give his consent and his willing support to passing an immigration law which requires that when men come, most of them ignorant and many of them vicious, to the United States from the slums of southern Europe, they ought at least to show some degree of intelligence before they are permitted to cast their ballots to elect Presidents, Senators, Representatives in Congress, and other officials.

I again say, Mr. President, that what we ought to be considering, and what we ought to have been considering during the last three or four days, if not before, is the immigration

bill, which has been strangled because the President of the United States does not want to veto it just before an election. That is all there is to it.

Mr. President, I have said pretty much all I care to say. I have the same rights in this Chamber that the Senator from Oklahoma has, and he has the same rights that I have. We differ on a great many propositions. The Senator from Oklahoma, if he had his way, would turn the government of this country upside down.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Oklahoma?

Mr. GALLINGER. I yield.

Mr. OWEN. If the Senator will pardon me, I would have this Government so conducted that the pyramid to which it may be compared would rest upon a square, sound foundation, and that the top should rest upon those beneath, not as rulers, not as those governing, but as the public servants of those who are beneath, and who ought to be served by those who hold the honors and the dignities of the people of this country.

Mr. GALLINGER. Mr. President, I have not the document in my desk—I carried it here for a good while, but it has been mislaid—showing exactly what the Senator from Oklahoma would do if he had the power, so far as the Government of the United States is concerned. The Senator knows what his views are. He knows that they are not in accordance with the conservative sentiment of either the Democratic or the Republican Party in this country. The Senator is a free-lance, and I do not believe the Senator has any greater desire to build that pyramid and to have it what it ought to be than some of the rest of us who do not share his extreme socialistic views.

Mr. OWEN. Mr. President, the Senator from Oklahoma can not be classed as entertaining the views of the Socialists. The Senator from Oklahoma believes in the fundamental doctrine that the sovereignty of the people of this country is a real truth, and that the mechanism ought to be provided by which that sovereignty can be intelligently expressed.

Mr. GALLINGER. Mr. President, the Senator and I are wide apart.

Mr. OWEN. I am glad of it.

Mr. GALLINGER. So am I. The Senator is an "uplifter" and I am not. I want to see things go along in their normal and natural course. The thought of this country is a progressive thought. There is an evolution in the human mind in this intelligent Nation of ours, and when better laws than are on the statute books become necessary there is no doubt that the people will place them there. There is no question about that; but it is not necessary to do it in a violent and revolutionary way.

As I said a moment ago, Mr. President, I have been here every day but one during this session, and I propose to leave to-morrow morning whether the session closes or not; but before going I wanted to put on record the few thoughts that I have expressed, without preparation and without any intention of being offensive to anybody.

If every State in the American Union has not a law that makes bribery at elections a crime, every State in the American Union ought to have such a law; and I give the Senator credit for the belief that I entertain that the discussion that has been had here during the last two or three days will have a tendency to call the attention of the people of the several States renewedly to the fact that they ought to have proper legislation on this subject. But I do not believe—and I can not bring myself to believe that the Senator from Oklahoma seriously believes—that as we are gathering up the expiring embers of a nine months' session, men on this side having sat here during the superheated season to help maintain a quorum of this body in order that business might be done—I do not believe the Senator from Oklahoma in his heart believes that in these closing hours a great question such as is involved in this bill should be forced to a vote because the Senator from Oklahoma or anyone else demands that it shall be done.

Mr. President, I sat here a few days ago registering my vote against the proposition, and saw a bill as important as any that has ever passed the legislative bodies of this country and received the assent of a President of the United States forced through both Houses of Congress because the President of the United States and four men, representing four brotherhoods of trainmen, demanded that it should be done and that it should be done that very day. That kind of legislation I do not approve of. I believe in deliberate legislation. I believe in discussion adequate to present all phases of every question that comes before the Congress of the United States. I repeat to the Senator, and it is my closing words, that if when we have time to take up his bill, consider it in all its details and ramifications, discuss it fairly and adequately, I shall not occupy the position of opposing it; but I believe that to force it through the Congress of the United States at the present time would be a proceeding unwarranted and unwise and one that I shall not support.

Mr. REED. Mr. President, the remarks just made by the Senator from New Hampshire, to the effect that he had in the last two or three days witnessed the forcing through Congress of an important law by four men representing the railroad brotherhoods of the country, merits a moment's consideration. An attempt is studiously being made to give the country to understand that the representatives of the railway employees came to Congress with certain demands, and told Congress if it did not accede to their demands they would immediately call a strike. It is further impudently asserted that because of that threat thus made Congress, in a cringing and cowardly manner, and without any consideration, enacted the so-called eight-hour law.

I have already taken occasion to call attention to the facts as they exist, not as they may be imagined or willfully misstated. Nevertheless I desire again to state the case as it is, and in the light of the plain facts which I shall relate the inference which is left in the statement of the Senator from New Hampshire can not be given any credence or weight.

Now, what are the plain, cold facts? Four hundred and fifty thousand railway men, organized in their various societies, handle the trains of this country. These men for many years have been organized. They have, during all that time, as organized bodies, negotiated with the managements of the various railways with reference to the wages to be paid, the hours of labor, and other conditions of employment. Speaking broadly they have had written contracts with the railway companies, and again speaking broadly, for there are some exceptions, these contracts have run for the period of one year, with the right of either party to terminate the contract by giving 30 days' notice.

Many months ago notice was served upon the railway managements by the representatives of the men that they desired an eight-hour day for all men engaged in the hazardous business of moving trains. It is only fair to say that—at least by implication, if not by direction—they gave the railway companies to understand that they expected the 8-hour day, without any reduction of the pay which now goes with a 10-hour day. That marks the second step in the procedure.

The third step was the meeting of the representatives of the companies and the representatives of the men to endeavor to compose their differences and arrive at an understanding. That meeting resulted in absolute disagreement. Thereupon the representatives of the men took what they call a referendum vote, submitting to the various 450,000 employees the question whether authority should be given to call a strike in the event the eight-hour day was not conceded. The result of that referendum vote was an overwhelming majority in favor of conferring the authority upon the representatives of the men to order a strike if the eight-hour day was not conceded.

Then came the third phase of the controversy, namely, both sides prepared for battle. The railway companies began to take all the steps usual when a disaster in the nature of a strike is impending. It is not necessary to go into details. We know what these steps are. Among other things it is the refusal to receive freight of a perishable character, to be followed by a refusal to receive other varieties of freight, to be followed very shortly by a refusal to receive any freight, and running along coincident with this line of preparation generally you find them organizing men for the purpose of breaking the strike. That usually implies the employment of armed men who are to take the places of the men who strike. I said armed men; at least men who are armed or who are backed by those who are armed.

This, then, was the condition of affairs. The two parties to this controversy had advanced on the field of battle. They stood there, figuratively speaking, in martial array, waiting merely the advent of the 4th day of September to begin that fight. Up to that time neither side had appealed to the President, neither side had appealed to Congress. I also emphatically state that up to this present moment neither side has appealed to the President, neither side has appealed to Congress, neither side has made any demand on the President, and neither side has made any demand on Congress. Any man who asserts they did is either ignorant of the facts or willfully misstates the case.

But, Mr. President, when these two lines of battle had been formed, when the conflict was about to begin, it was apparent to every man with ordinary perception that when that fight did begin the men on either side of it would not be the ones

injured most. Between those two battle lines lay the great body of the American people, with all the rights of innocent bystanders, and with more than the rights of innocent bystanders—with the right, under the laws of the country, to have the great public highways of the country kept open. Not as the representative of the men, neither as the representative of the railroads; not because of interest in the men nor because of interest in the companies, but solely because of interest in and representation of the hundred million people of this country who were not parties to the conflict on either side, the President stepped in and undertook to compose the difficulties and avert a national calamity. If he had not done so, he would be denounced by every man on the other side of the Chamber; he would be at this moment subject to the denunciation, the cavilling, the criticism, and the whining abuse of Mr. Hughes, the candidate of the Republican Party.

When the President stepped in he found both sides rigidly adhering to their positions. He finally in his own mind conceived what he thought to be a plan which he thought just and that would avert the calamity. He said, as I say, as you say when you are home talking to your people—for none of you dare say anything else when you are home talking to your people—that the eight-hour day is a thing that is bound to come in this country. Particularly is the eight-hour day certain to be applied in those occupations which require a great strain upon the brain and the muscle and the nerve of the employee. That is a thing inevitably to come, and it is especially certain to come in employments like that of running railway trains, because no man ought to sit at the throttle of an engine for a longer space of time than eight hours when his engine draws a freightage of human beings. After eight hours of such labor the brain may become dull, the eye may become uncertain, the nerve may fail; if there be only an instant's lapse of attention there may follow the calamity, the shriek, the grinding of bones, and the death of innocent people.

Statistics prove beyond any question that the great majority of railway accidents in this country and all over the world have occurred when the responsible party had been worked beyond the powers of ordinary human endurance.

Now, the President said to the railway companies, "Concede the eight-hour day," and he said to the men, "If the railways will concede the eight-hour day, will you declare this strike off and give us time to arbitrate all other questions?" The men agreed to this, and further agreed to arbitrate the question of overtime pay. The railway management said they would not arbitrate unless the eight-hour day was included in the arbitration, and also a great many other questions that had been for a long time settled by agreements voluntarily made. The men said they would include everything except the eight-hour day.

In that state of affairs the negotiation failed; and then the President, not at the demand of the men, not at the demand of the railway presidents, but as the representative of the innocent bystanders, who in this case were the 100,000,000 people of the United States, came to Congress and said, in this emergency, "I ask you to help not the men, not the companies, but the public, the people of the United States." Congress had to confront that issue.

Congress knew there would be no strike if the eight-hour day was granted. Congress knew if it did not pass a law providing for an eight-hour day there would be a strike, and so Congress enacted an eight-hour statute and prevented the strike. But at the same time we provided for the creation of a board to study all questions in dispute and to ascertain, among other things, how much the legal establishment of the eight-hour day would cost the railway companies and how the plan would work out. We did this not to the end of again abolishing the eight-hour day. That is never going to be done in this country until standpat Republicanism dares emerge from the shadows in which it took refuge from the wrath of the people to again take up the servile tasks in which it was so long employed. Because of what the Democratic administration did the strike did not occur. There is not a man on the other side of this Chamber but would have voted for the law if the responsibility for averting the strike or permitting it to go on had been directly on his party. But the majority of those on the other side fondly hoped that a strike would occur during a Democratic administration. Accordingly they did all they could to prevent any remedial legislation.

Being unable to realize their hopes, they now try to make a virtue of their cruel disregard of the welfare of the people, and hence raise the false issue, "You surrendered the majesty of the law and Congress to the demands of union labor." They also raise the cry that we passed legislation without investigation. Again I state the case: The only legislation we passed was the eight-hour day and the creation of a tribunal to investigate how, after a practical test, that eight-hour day works.

Of course you can not find out how it will work out in a practical test until you have a practical test. You can not have an investigation of how it will work until you have produced the conditions for such a test.

So what, then, did we really do? We adopted an eight-hour day, and they say we did that without investigation. The oldest question there is before the American people that is unsettled is the question of the eight-hour day. It has been debated in every country grammar school, it has been debated in every college, it has been debated on every street corner and at the forks of the creek the old fellows who whittle sticks and spit tobacco juice at cracks have discussed it from morning until night. It has been discussed, and intelligently discussed, for 10 or 15 years in this country. There is not any new light to be shed on it. It is a question of humanity on one side and of brutality upon the other side. Applied to the case in point, it is a question of whether you will in the hot days of August put a man in the cab of an engine close up against a boiler that carries 200 pounds of steam, just over a white-hot furnace, and require him to remain there for more than eight hours and at the same time demand that for every instant his eye must be alert, his every faculty at its keenest and highest tension.

I talked the other night with a man who is manifestly to-day more than half a nervous wreck. He is still a young man. He used to pull the twentieth century limited, the 18-hour train between Chicago and New York. He told me that by actual mathematics it could be demonstrated that upon that run the engineer holding that throttle had to read and record in his own brain six signals every second. Every second! That frequently at the division points there was less than two minutes for inspection; that he had found flanges of wheels torn off and other dangerous conditions, and that if he came in three minutes late with his train, although he had been obliged to run through a fog so dense he could not see the signal light, he was called onto the carpet and asked "whether he was losing his nerve."

Eight hours a day is long enough for that kind of labor. Eight hours a day is long enough for the passengers to ride behind a man under that kind of a strain.

Talk about lack of investigation on an eight-hour day. We have had investigation after investigation of the eight-hour day. There may be employments that men can work at longer; tasks that do not subject a man to a constant strain; tasks that may be performed automatically; tasks that are hard for one moment and easy for the next; tasks where the character of work is varied. But the kind of employment I am discussing and the kind involved in this legislation was that of the man sitting over a fire box against a superheated engine, drawing a freightage frequently of human lives, and if not of human lives, then of very valuable property. That question needed no investigation. It may be it is a question as to whether the roads should have an increase of rates. We have prepared for the investigation of that question, and when it has been investigated in the light of experience and not in the light of guesswork, in the light of facts and not in the light of theory, then I shall be prepared and the Democratic Party will be ready to do justice to the railroads, whatever it may be, and to do justice to the shippers, whatever that may be.

Now, Mr. President, let us look at the alternatives that were presented.

Again I state the case: Four hundred and fifty thousand railway men were assembled in battle array prepared for a great struggle, which might last for weeks or months. Confronting them were representatives of nearly 300,000 miles of railways that reached in their ramifications almost every hamlet and village of the United States. As was said by somebody the other day, those lines of transportation are as essential to the industrial and commercial life of this country as the veins, arteries, and blood are to the life of the human body.

This battle was about to occur, and the country was to suffer the disarrangement of its commercial arteries and the complete stoppage of its commercial blood. The President represented the people of the land, and he said, for the protection of the people from the great injury they are about to suffer, we must stop this conflict between the railways and the men. We stopped it by passing an eight-hour law. There was no other sensible way. There is not a man on the other side of this Chamber will dare to come to this Congress next session and introduce a bill to repeal the eight-hour day.

All the scribes and pharisees and hypocrites that still infest this earth may parade themselves, and, wrapping the garment

of their holiness about them, exclaim, "We are not as you wicked Democrats," but not one of you will dare next session of Congress to bring in a bill entitled "An act to make railway men work 10 hours a day." Now, what was the alternative? The alternative was to sit still and do nothing and allow the strike to come. There was perhaps another alternative—to call the Army back from Mexico and to endeavor to run the railways by force.

Now, let it be understood that if the 450,000 trainmen now engaged in the operation of these roads go out there are no 450,000 other men to take their places. Men can come to Congress without any experience and can legislate without knowledge, but you can not get aboard of a mogul engine and run it until you have learned the business.

I take it no Republican advocates the bringing in of the Army, and if you were to do so you would simply have sprinkled the lintels of your doors with blood. You would have had riot and disturbance and agony and death. Inevitably you would have brought great ruin to the country. I do not believe there is a Republican in this Chamber so wicked as to have desired the employment of the Army, with all its attendant consequences. However that may be, I know there is not one of you who dares now rise in this Chamber and declare that he favors such a policy. It follows that the only policy you stand for was one of masterly inactivity. You proposed to stand still and do nothing. If that policy had been pursued, the men would have refused to work unless their demand for an eight-hour day was conceded. Upon the other hand, some 8 or 10 railroad presidents would have refused to concede anything. Accordingly, the strike would have occurred. While the two opposing forces were battling it out what would have happened to the rest of the people? In answering this let me take a leaf out of the past.

Mr. President, in 1912 there was a threatened railroad strike that would have involved *only the eastern railroads*. A Republican President appointed a board to investigate and arbitrate. I read a few excerpts from that report:

Early in the year 1912 the Brotherhood of Locomotive Engineers, on behalf of the engineers employed on 52 railroads in the eastern section of the United States, presented a concerted request to the management of these railroads for a general increase in wages and for certain modifications of the rules governing their employment. This concerted movement resulted in conferences held in New York City on March 14, 15, and 25 between representatives of the Brotherhood of Locomotive Engineers and a conference committee of managers representing the railroads. At the last of these conferences the representatives of the railroads declined to grant the requests of the engineers either in whole or in part.

The refusal of the railroads to grant the requests of the engineers or any part of them led to a strike vote among the engineers upon the roads concerned.

That strike only involved the engineers and not, as did this one, all kinds of trainmen, and it only involved a portion of the country, not all of the country, as did this one. The committee met and investigated. Now, let me read to my friends upon the other side a part of its report, which is signed by Charles R. Van Hise, chairman; Oscar S. Straus, Frederick N. Judson, Otto M. Eidlitz, Albert Shaw, and D. Willard. I believe nearly all of the gentlemen named are good Republicans, and they were all picked by a Republican President. Say these gentlemen:

Never in the history of the United States has there been a concerted strike on all the railroads of a great section of the country. The strikes have usually been upon individual roads, although in some cases strikes have taken place upon a number of roads at the same time. The present arbitration, involving as it does, a concerted movement affecting 52 railroads, is therefore a new phase of development.

Mark you, this strike was limited to 52 railroads and to the eastern section of the country, while the strike which we escaped the other day was to embrace the United States from ocean to ocean and from Canada to Mexico. I continue reading as follows:

On January 27, 1912, the locomotive engineers made uniform requests upon all the railroads in the eastern district. The railroads affected by these demands had in 1910 an aggregate of 66,876 miles of main track, as compared with 266,185 for the whole United States, or 25⅒ per cent of the total mileage.

So these gentlemen were dealing with a question but one-fourth as large as the one which presented itself to us the other day.

The report continues:

These railways represent nearly 40 per cent of the aggregate revenues and expenses of all the railways of the United States, from 42 to 47 per cent of the traffic, something over 40 per cent of the total number of employees, of the number of engineers, and of the compensation of these employees. The population of the great region immediately affected by this movement is over 38,000,000, as compared with approximately 54,000,000 for the remainder of the country, or about 42 per cent of the total population. If we assume that the wealth of the region is in proportion to the amount of railroad traffic and to the density of population, it may be fairly concluded that the territory affected by this demand represents at least four-tenths of the wealth of the country.

As we have seen, the managers, after several conferences with the locomotive engineers, refused to accede to the requests of the engineers. The question of a strike was then submitted to the men. The vote showed 93.3 per cent of the men in favor of a strike, provided a satisfactory settlement could not be made. All that was necessary for a strike to take place was the assent of the grand chief engineer in conjunction with the general committees of the different railroads. This assent is necessary, for if a strike is voted by the members of the brotherhood the grand chief has the veto power.

At the hearings of the arbitration it seemed to be the opinion of the parties concerned that if the engineers had declared a strike it would have effectively tied up the railroads in the eastern district.

An effective strike on these railroads, extending through an area that includes all of New England, New York, New Jersey, Pennsylvania, Delaware, Maryland, Ohio, Indiana, the lower peninsula of Michigan, much of Illinois, and a small part of West Virginia would have had most disastrous effects upon the commerce and industry of this entire region, to say nothing of its effects on the remainder of the country. Indeed it would be difficult to exaggerate the seriousness of such a calamity. *While no statistics on the subject are available it is safe to say that the large cities of the East, if the strike had taken place, would have found their supply of many articles of food exhausted within a week. Of so important a commodity as milk the cities have not usually more than a day's supply. Many of the people in the cities would therefore have been short of food if the strike had taken place.*

Assuming that no damage were done to their property, *the loss to the railroads through cessation of business would have been enormous.* The total operating revenues of the 52 railroads concerned amount to over $20,000,000 a week, and the net operating revenue to nearly $7,000,000 a week. The loss to the engineers would likewise have probably run into the millions. Their present pay roll amounts to over $800,000 per week.

"But the loss to the public would have been vastly larger than that of both parties to the conflict. Of necessity, building operations and many other lines of employment would have ceased in whole or in part; for not only are the people of the great cities dependent upon the railroads for their daily food supply, but the great industries depend on the railroads daily for their materials, and a week's failure on the part of the railroads to deliver materials to the manufacturers would have made it necessary for many to shut down, even if the owners had wished to continue them in operation. But in any case many of the owners would have been compelled to shut down their plants, inasmuch as they could not afford to continue manufacturing articles of commerce which they had no means of transporting to the places of sale.

"It thus appears if a strike of railroad employees were successful in stopping traffic, its effects upon the industry of the country would be analogous to those of a general strike, simply because a great number of other industries could not continue if the railroads ceased to operate. Such a strike would have at least a partial effect of a universal strike, forced upon the public, and even the willing workers in other branches of industry. In certain general strikes of some foreign countries there have been exceptions made of certain employments necessary to human existence, but in a suspension of business through stoppage of all transportation there would be no exception.

A case in the United States somewhat analogous to a railway strike for an entire region was the anthracite coal strike in 1902, where the stoppage of coal supply to a great commercial and manufacturing interest was deemed a calamity which compelled the intervention of the President of the United States. However, the stoppage of the anthracite coal supply was not nearly so serious as would be the stoppage of railway traffic, for bituminous coal can in an emergency in large measure take the place of anthracite; but there is nothing under modern conditions that can take the place of the railroads for transportation.

In short, a general strike on the railroads for a great section of the country would have paralyzed the industries of that section, and even if food were obtainable millions of laboring people would have felt the pinch of want.

Those who opposed this measure the other day voted to impose "the pinch of want" upon millions of laboring people; those who criticize us now for averting that dire calamity criticize us because we saved the people from want and misery.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Colorado?

Mr. REED. I do.

Mr. THOMAS. I think the Senator from Missouri might well refer to the fact, in connection with the statement which he has just made, that four or five days prior to the time when this strike was to go into effect the great railroad systems of the country laid an embargo upon the amount of foodstuffs which could be transported. I think that was done as early as the day after the strike order was promulgated, which, of course, meant suffering and starvation to the great communities of the country, and which had as much to do, if not more, with aggravating the situation and making some action absolutely essential as did the threatened strike itself.

Mr. REED. I thank the Senator; but let me ask him if the policy of shutting off food supplies to the cities by the railway presidents does not in some respects remind him of the policy of a certain nation that has sought to compel another nation to surrender by shutting off its food supply?

Mr. THOMAS. Mr. President, I think that one purpose of the embargo was to force a public sentiment against the demands of the brotherhoods, and at the same time to bring about those conditions which they were declaring to be the result of a continued insistence by the brotherhoods upon an eight-hour day.

Mr. REED. I thank the Senator. I continue reading:

If a strike of the character indicated lasted only for a single week—

Say these eminent gentlemen who were appointed by a Republican President—

the suffering would have been beyond our power of description; and if it had continued for a month the loss, not only in property but in life, would have been enormous.

Those who voted not to settle this strike, the other day, not to end it, took the chance of voting the death of hundreds or thousands of innocent people. I continue the reading:

Also, as usual in such cases, the disaster would have fallen most heavily upon those least able to bear it. While the rich might have felt themselves poorer because of depleted bank accounts, they would have had sufficient for the necessities of life. The middle classes would have been injured financially, but still they could have subsisted. The working classes would have suffered acutely. They would have been the ones to feel soonest, longest, and most intensely the unspeakable calamity of a general railroad strike.

At first thought it may appear that this picture is overdrawn. But it should be remembered that never has a railroad strike affected an entire region of the United States. There have been strikes on particular railroad systems. In such cases the neighboring roads took care of the more pressing necessities of the great terminal centers, and there was no acute suffering except at minor points served exclusively by one railroad system.

A general strike for the eastern territory would put the Eastern States in much the same situation as France was placed two years ago, when there was a general strike on the railroads of that country.

Which, by the way, was ended by ordering every railway man to mobilize as a soldier, and in that way they ran the railroads of France—a thing that can not be done here.

Mr. President, what state would we have been in at this blessed hour had the strike not been averted. If it had not been for our action, the strike would now have been three days in full operation. I affirm that the railroads would already have lost more money themselves by that stoppage and by the damages that would have been incident to it than would pay the increased wage for the next 10 years.

I talked with an old railroad builder only last night, a man who has constructed a system of road many thousands of miles in length. He told me that the railroads could not cease operation for a single day without it costing them more loss than would pay the additional wage of the men for a year's time, and that, if it were to stop for five days, the loss would be so great to the railroads that it would pay the additional wages of the men for the next five years. He went on to explain why, and cited the disruption of business, the waste of rolling stock, the damage suits that would pile mountain high, the general paralysis of the business of the country that would be bound to reflect itself back upon the railroads even when transportation was restored, and a multitude of other reasons that I can not pause to state.

But if this be true as to the railroads, what would have been the loss to the men? Their wages would have stopped, and I have no doubt—I know—that a week's loss of labor to these men would amount into the millions.

But what about the public? Do I exaggerate when I say that you can not have a strike in the United States that ties up all lines of railroad for three days' time without it costs the people of this country more than $100,000,000? I believe it would cost $500,000,000; and every man who reflects on it will more and more come to the conclusion that those figures are moderate, that they are understated instead of overstated.

Let us see: Here is a train loaded with live stock which has started from a western point to an eastern terminal. It is stopped halfway and put on a sidetrack. Here is not one train, but there are hundreds—and I presume it would not be an exaggeration, perhaps, to say thousands—of such trains containing live stock or containing perishable goods of all kinds and varieties. All that freight would be subject to waste, deterioration, or to destruction. Here are 10,000 buildings on which there ought to be employed a million hammers working in the art of construction, but now one material or another can not come, and the result is that every hammer has to cease making the music of industry. Here are a million spindles, but the railroads can not deliver some necessary article and the mills must stop. The idle workmen and workwomen march out of the doors of the factory and begin to be consumers instead of producers. Here are the roaring furnaces of the steel mills, where men work three shifts a day, and have been making so much money for their employers, if not for themselves, that the rotten stock of the Steel Trust, the watered stock of the Steel Trust, went above par the day after the strike was called off. Its stock would have gone, probably, to 20 cents if the strike had come. I care little for the big steel company, but I care a lot for the thousands of men who work for it.

Their work would necessarily have ceased. The grain of the farmer in transit would either have rotted on the sidetracks or would have had to be stored at great expense. The fat cattle, prime and ready for shipment, would have had to be kept at an expense and would have deteriorated. Likely enough the market would also break. Even the eggs and butter of the farm could not get to the consumer.

But, Mr. President, on top of that, what? On top of that what would have become of the people of the great congested centers of this country? Stop every train going into New York City, and you have starvation in some degree started within 24 hours. Continue that stoppage for a week, and you would have death and pestilence. Stop the milk trains going into New York City for 24 hours, and you have the pale lips of babes crying for sustenance and the ghost of dissolution standing over the cradle. Stop shipments into New York, and you find the prices raised, doubled, trebled, quadrupled upon every necessity of life that men eat. The poor man with limited means and the woman who makes her living by her hard toil would eat less or not eat at all. Stop the railroads of this country for 36 hours, and the great city of Chicago would be in but little better condition than the city of New York. The cities of Pittsburgh, of Philadelphia, of Cincinnati, of Cleveland, all our major cities, would witness within a few hours' time shortage of food; and within a few hours' more time the pinch of hunger would be gripping the stomachs of some, and those who needed fresh food and fresh vegetables would begin to languish and death, maybap pestilence, would begin its awful march, first through the ranks of the poor and later perhaps would reach up its skeleton hand to touch the roses in the cheeks of the children of the rich.

And you voted to bring this on the people. You voted that there should not be a hand raised or a law written. You wanted to investigate while the house was burning down, while the fire of the fuse was slowly eating its way along to the powder; you wanted to stop and take no responsibility of action. I hold in utter contempt the man who was unwilling to take the responsibility himself, who had no policy of his own except the policy of sitting still or standing pat, a habit that is well formed on the other side of this Chamber, and having occupied that unenviable position, now turns to attack the party that met a desperate issue by the best plan that has been suggested by any man, either inside or outside of Congress.

I notice that our friend Hughes goes around the country talking in his hieroglyphics, generally so conspicuous for their clarity, that I observed the other day—I believe it was in the Washington Post—a headline stating "It is thought Mr. Hughes refers to the strike legislation." "It is thought he refers to it." Truly here is direction indeed. This bold and gallant chieftain talks so indirectly that a smart newspaper headliner, after he has read what he had said, can only say "it is thought or suspected" that he refers to something, but, as near as I can interpret his riddles, as near as I can follow his shadow dance, as near as I can make out what he is driving at, he means that we did something wicked to pass legislation "under coercion."

I have already answered that. There was no coercion in it by any man. There was the necessity for immediate action created by a condition that confronted us. "It was a condition, not a theory."

What would he have done if he had been President now? You can not get this thing out in the nebulous belt, gentlemen. This is a thing of the earth, earthy—an exceedingly substantial and practical fact. What would Brother Hughes have done if he had been President of the United States and this very condition had confronted him?

I will tell you what he might have done. He might have called out the Army and Navy of the United States; and he might have seized all these railroad men and put them in jail, and then he would not have had anybody to run the trains. He might have strung soldiers along the tracks, and said: "When the train goes by here, any man who interferes shall be shot at sight"; but what then? There would have been nobody to run the trains, or not sufficient numbers, because, if you took the 450,000 trainmen out of the service, there would be no 450,000 men to take their places.

What could have happened? We could have had the strike. We could have had the usual proceedings of strike breaking, the efforts of the presidents of these railway companies to get men to take the places of the men discharged, the gathering up of the old "scab" labor that has been turned out for one cause or another. Then assume that the whole force of the Army was brought to bear to protect it. How many months would it have been, how many years would it have been, until transportation was really restored to its normal condition? How many hundreds of millions of dollars would that have cost the people of the United States—the innocent bystander? What would Hughes have done?

But what is the use of asking what Hughes would have done? A lot of newspaper men asked him, a good while ago, what he would have done in this, that, or the other case, all of them pertinent to the present campaign. They have been no more

able, these smart newspaper men—and they are about the smartest fellows in the world—to get Brother Hughes to locate himself so that they can tell what his position is with reference to any of those questions than the Irishman was able to put his thumb upon the evasive flea in the dark night.

I say again, what would he have done? Oh, boldly he would have stood, I suppose, and while he stood the country could have starved.

What are the effects necessarily flowing from just this thing I am discussing? Why, Mr. President, here is a copy of a telegram I want to put in the RECORD. It is not the telegram of a man who seeks an opportunity to turn his men out of employment. It is the telegram of one man who has made money and who has been willing to divide it with other people:

DETROIT, MICH., *September 1, 1916.*

The PRESIDENT:

The moment it is positively known that a strike will become effective on railroads the Ford Motor Co. will of absolute necessity shut down its factory and all its assembling plants throughout the country, and every man of its more than 49,000 workers will have to go off the pay roll. Our business is so organized that the supplies and product must be kept moving constantly. We can not move a day without railroad service. We are making 2,200 cars a day. The materials must be moved in and cars out. I sincerely hope something can be done to avert the strike. Your efforts are appreciated here and should be commended by every citizen in the country.

HENRY FORD.

Forty-nine thousand men to go out of employment in one institution, and that even before the hour fixed by the strike! Let your imaginations now run riot; give to them every impetus and power you may be able to put back of them; yet the imagination of men can not portray the calamity which we escaped.

There is a telegram here which throws just a little side light upon this matter. It is addressed to the President. I get it out of a newspaper:

GRAND JUNCTION, COLO., *September 5, 1916.*

The PRESIDENT:

Hundreds of fruit growers in this country who had thousands of cars of fruit ready to market, and on which their living expenses for the next year depended, give you full credit for preventing them from suffering a terrible loss had the railroad strike not been averted. This community alone—

Grand Junction, Colo., a small place—

This community alone could easily have lost a million dollars and suffered the worst business disaster in its history. Not only the fruit growers but citizens of all classes are grateful to you and congratulate you upon the success that crowned your firm, conscientious, and determined efforts to avert this great national calamity.

WALTER WALKER,
Editor Daily Sentinel.

Mr. President, there are times when wise and patriotic men do the thing that is necessary to avert a calamity, and they do not stop to haggle about just how it is going to be done. They can settle that afterwards. If there is a bombshell thrown through your roof, and it is about to explode and kill your family, and you have time enough to reach over and pitch it out of the window, you do it, and you do not stop to raise the window in order to save a 15-cent pane of glass. You get the bomb outside. If your house is on fire, and you need water to put it out, you do not stop to investigate whether or not it is going to injure your clothing, or whether it is going to discommode somebody else if you draw a pail of water to throw on the flames. If you have any sense on earth, you get the bucket of water and ask permission from your neighbor afterwards. When a storm is raging, you undertake to save that which can be saved, and after the storm is over you then sit down to deliberate about cyclone cellars for the future.

But not so with these men who would make politics out of anything, who would have willingly produced a strike if they had thought it would make a few votes for their party. Not so with them. They solemnly meet in party caucus, or party conference, or whatever you call it; they meet to determine a party policy. A crisis was before the Nation. It was impending. It was about to fall upon us. If it did fall the devastating effect would be felt for years to come, and ghastly horror would result in the land. With that situation before them, they came forward and said: "We have nothing to suggest except that we are 'agin'' whatever you gentlemen are going to do." That, we are told, is to be the political issue of the campaign.

I read from the Washington Herald of September 7:

G. O. P. WILL WAR ON EIGHT-HOUR LAW—LEADERS DECIDE TO MAKE ISSUE OF "RAISED-WAGE ACT."

NEW YORK, *September 6.*

Hughes's presidential campaign directors will appeal to voters to repudiate the Adamson labor act, not as an eight-hour law, but as a raised-wage law.

After a conference to-day between Chairman WILLCOX, Senators WEEKS, WARREN, and OLIVER, of Pennsylvania, and National Committeeman Parsons, the plans of the attack on the railroad legislation were outlined.

Senator WEEKS said:

"We are going to make a big issue of this misnamed eight-hour law. We call it the raised-wage law. We shall ask the voters to say whether they approve of a group of men headed by the President forcing Congress to enact a law suddenly framed, with but a few days' consideration, and without the slightest investigation as to whether it is desirable.

"Not in 12 years of public life have I received so many protests against any one measure. I have fully a thousand messages. Those in favor of the Adamson Act all came from labor unions in practically the same language as if they had been written by Samuel Gompers himself. Those in opposition came from business men and employers who are to derive no benefit from the law."

Of course I can understand why any of these distinguished gentlemen would not be much pleased with messages coming from union labor men, because, if I know anything about their record, they have represented in the Congress of the United States every day they have been here not human beings but dollars; not things that are sentient, that feel and think, but things that clink and chime and make the music that tickles the auditory nerve that connects their pockets.

Of course that element of the Republican Party has always held that the business of government is to take care of big business and let big business take care of the people. Of course that element of the Republican Party has always and at all times, in season and out of season, taken its inspiration from those great institutions that furnish the fat for elections to a political committee, and take the fat out of the people after the elections to reimburse themselves for expenditures. Of course one of the chief apostles of that kind of thought, the distinguished Senator from New Hampshire [Mr. GALLINGER], necessarily is naturally found here to-day in opposition to the corrupt practice that proposes to cut off a source of political revenue, and at the same time to separate that element of his party to which he belongs from the source of its political inspiration.

On August 29 I reviewed briefly the position taken by Mr. Roosevelt on our European policy, and undertook to show that Mr. Hughes indorses that position. Since the date of that speech both of these eminent gentlemen have been talking.

I now present cumulative evidence, and offer a few observations upon the theme, "Blood is thicker than water."

Theodore Roosevelt, speaking in Maine (Lewiston) on August 31, said:

It is our high and solemn duty, both to prepare our own strength so as to guarantee our own safety, and also to treat every foreign nation, in any given crisis, as its conduct in that crisis demands. The citizen who does not act so and who endeavors to shape America's policy in the interest of the country from which he or his ancestors have sprung is no true American and has no moral right to citizenship in this country.

Any attempt to organize American citizens along politico-racial lines is a foul and evil thing. Any organization of American citizens which acts in the interest of a foreign power is guilty of moral treason to the Republic. It is because of such action that I condemn those professional German-Americans who in our politics act as servants and allies of Germany, not as Americans interested solely in the honor and welfare of America; and I would condemn just as quickly English-Americans or French-Americans or Irish-Americans who acted in such manner.

Since 1912 we have had four years of a policy which has been an opiate to the spirit of idealism. It has meant the relaxation of our moral fiber. Horror of war, combined with sordid appeal of self-interest and fear, has paralyzed the national conscience. We have been told that even as between Belgium and Germany we should be neutral not only in act but in sympathy.

His (Wilson's) task was not an especially difficult or dangerous task; but it needed a brave heart and a steady hand. Under his lead America could and should have put itself at the head of all the neutral nations, by its example, if not by direct diplomatic agreements, in demanding that the war should be conducted in accordance with the usage of civilized nations, that international law should be observed, that the rights of neutrals and noncombatants should be respected.

If this spirit had animated our administration, there would probably have been no invasion of Belgium, no fears of a like fate to terrorize other smaller nations, no torpedoing of merchant vessels, no bombarding of churches and hospitals, no massacring of women and children, no murder of Miss Cavell, no attempted extermination of the Armenians and Syrian Christians. We can not undo what has been done. But we can repudiate what has been done. We can regain our own self-respect and the respect of other nations for this country. We can put in power an administration which will throughout its term of power protect our own citizens *and live up to our national obligations.*

As between Mr. Hughes and Mr. Wilson, who can doubt which is the man who will with austere courage stand for the national duty?

We have against him (Wilson) *in Mr. Hughes a man whose public life is a guaranty that whatever he says he will make good, and that all his words will be borne out by his deeds.*

Mr. Hughes on the following day, September 1, read the speech and wired Roosevelt as follows:

KANSAS CITY, *September 1, 1916.*

The Hon. THEODORE ROOSEVELT:

I heartily congratulate you on the speech at Lewiston and warmly appreciate your effective support.

CHAS. E. HUGHES.

That same day in his address at Kansas City he referred to Roosevelt as "*That stalwart American who woke the country,*" and aped Roosevelt by saying, "*We want deeds to match words.* We want a new tone in our life. *I am not one of the kind that is too proud to fight.*" The following day in St. Louis he stated

that he knew what was in Roosevelt's Maine speech and indorsed every word of it.

BLOOD IS THICKER THAN WATER.

The foregoing quotations show that Roosevelt continues to denounce our German-American citizens, those thousands of men and women whose parents were born in Germany and who sympathize with the Fatherland because the blood of the Teutonic race is in their veins. This sympathy is not a "foul and evil thing," but is natural and human, and it courses just as strong in British blood as in German, perhaps a little stronger at times. An investigation will show that practically all the Germans who immigrate to this country renounce their old allegiance and become naturalized citizens of the United States, while, on the other hand, excluding the Irish, who have never been much in love with England, a large percentage of the people coming from Britain proudly retain and proclaim their British citizenship.

The Republican presidential candidate springs from the most loyal of British stock, the Welsh. His father, Rev. David Charles Hughes, came to this country from Wales in 1855, barely seven years before the birth of the son. In the controversy now going on between Germany and England it is as natural for Mr. Hughes to sympathize with England as it is for a son or daughter of a German immigrant to sympathize with that country which they still lovingly refer to as the Fatherland. Indeed, it is natural that Mr. Hughes should put the stamp of his approval upon all that Roosevelt, the hater and traducer of German-American citizens, utters. It is not remarkable that he should wire Roosevelt, indorsing the Maine speech and thanking him for it.

Mr. President, I have replied to criticisms of the Democratic administration for enacting an eight-hour law applicable to men engaged in the hazardous business of railroading. I have called attention to the fact that every man on the other side of the Chamber who was present, with the single exception—an exception I did not make, but I now make it—of the Senator from Wisconsin [Mr. LA FOLLETTE], voted against the eight-hour proposition. I repeat, because it is a matter in point, that the law applied only to men engaged in the hazardous business of running trains.

I desire, in connection with those remarks, to read from a document that four short years ago was the law and gospel of the great Progressive Party. It was the doctrine upon which the great Progressive leader of that time stood, and upon which he made his campaign. I read from the Progressive platform adopted in 1912:

The supreme duty of the National Government is the conservation of human resources through an enlarged measure of social and industrial justice. We pledge ourselves to work unceasingly in State and Nation for:

Effective legislation looking to the prevention of industrial accidents, occupational diseases, overwork, involuntary unemployment, and other injurious effects incident to modern industry.

The fixing of minimum safety and health standards for the various occupations and the exercise of the public authority of State and Nation, including the Federal control over interstate commerce and the taxing power to maintain such standards.

The prohibition of child labor.

Minimum wage standards for working women, to provide a "living wage" in all industrial occupations.

The general prohibition of night work for women and the establishment of an eight-hour day for women and young persons.

One day's rest in seven for all wageworkers.

The 8-hour day in continuous 24-hour industries.

The abolition of the convict contract-labor system; substituting a system of prison production for governmental consumption only and the application of prisoners' earnings to the support of their dependent families.

Publicity as to wages, hours, and conditions of labor; full reports upon industrial accidents and diseases, and the opening to public inspection of all tallies, weights, measures, and check systems on labor products.

Standards of compensation for death by industrial accident and injury and trade disease which will transfer the burden of lost earnings from the families of working people to the industry and thus to the community.

The protection of home life against the hazards of sickness, irregular employment, and old age through the adoption of a system of social insurance adapted to American use.

The development of the creative labor power of America by lifting the last load of illiteracy from American youth and establishing continuation schools for industrial education under public control and encouraging agricultural education and demonstration in rural schools.

The establishment of industrial research laboratories to put the methods of discoveries of science at the service of American producers.

We favor the organization of the workers, men and women, as a means of protecting their interests and of promoting their progress.

Mr. President, what has become of the sacred principles of the Bull Moose Party? When we voted on the eight-hour law, where were the Senators who in 1912 subscribed to the Progressive platform which expressly advocated the fixing of an eight-hour day in occupations that are continuous during the 24 hours? That exactly fits the railroads. The case we had before us came exactly within the terms of the plank to which the Bull Moose Party in 1912, without investigation, I presume—for that was the complaint the other day—unhesitatingly committed itself, and upon which it made its compaign to the people of the United States.

Now, when the Democratic Party, in the presence of a great crisis and emergency, in order to prevent infinite damage to the people of this country, adopted an eight-hour day strictly in line and conformity with the plank of the Bull Moose platform, you hear every Bull Mooser in the Senate roaring almost as loudly as they did when Roosevelt betrayed them into the hands of the standpatters.

I want the country to understand how completely these gentlemen have now taken the back track; that is, how completely some of them have taken the back track. It is still to be hoped that there are in the country some real Bull Moosers who believed in this platform who will stand by the Democratic Party for enacting the eight-hour day applicable to railroad employees.

Mr. President, while I am on my feet I want to ask leave to put in the RECORD some documents.

I ask to put into the RECORD the veto message of Gov. Hughes, of New York, dated June 11, 1907, in which he vetoed the 2-cent railroad fare bill of that State.

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Without objection, that will be included.

The matter referred to is as follows:

PROVIDING FOR A MAXIMUM RAILWAY PASSENGER FARE, WITH CERTAIN EXCEPTIONS, OF 2 CENTS PER MILE.

STATE OF NEW YORK, EXECUTIVE CHAMBER,
Albany, June 11, 1907.

To the Assembly:

I return herewith, without my approval, Assembly bill No. 2269, entitled "An act to amend the railroad law, in relation to rates of fare."

This bill with specified exceptions provides for a maximum passenger fare of 2 cents per mile upon the railroads in this State. Steam railroads less than 150 miles in length which are not within the counties of New York and Kings (or within the limits of an incorporated city) are permitted a higher maximum charge of 3, 4, and 5 cents a mile, according to the length of line, unless through consolidation, lease, or control they form a part of a system whose combined lines exceed 150 miles, in which case the provision for a maximum rate of 2 cents a mile is applicable.

The passage of the bill was not preceded by legislative investigation or suitable inquiry under the authority of the State. Nor is the fixing of this rate predicated on reports or statistics officially collated which would permit a fair conclusion as to the justice of its operation with reference to the railroads within its purview. It plainly reflects dissatisfaction with existing conditions and an effort to provide a remedy through arbitrary action. It seems largely to have been the result of annoying requirements and discriminations in connection with the sale of mileage books on certain roads.

The bill represents a policy seriously mistaken and pregnant with disaster. It is of the utmost importance that the management of our railroad corporations should be subject to strict supervision by the State and that regulations compelling the observance of the law and proper and adequate service should be rigidly enforced. It is the duty of these corporations to provide transportation of passengers and goods at reasonable rates, and the State should compel the performance of this obligation.

But injustice on the part of railroad corporations toward the public does not justify injustice on the part of the State toward the railroad corporations. The action of government should be fair and impartial, and upon this every citizen, whatever his interest, is entitled to insist. We shall make matters not better but worse if to cure one wrong we establish another. The fact that those in control of railroad corporations have been guilty of grossly improper financiering and of illegal and injurious discriminations in charges points clearly to the necessity of effective State action, but does not require or warrant arbitrary reprisals. In dealing with these questions democracy must demonstrate its capacity to act upon deliberation and to deal justly.

It is of the greatest importance not only that railroad corporations should be compelled to respect their public obligations, but also that they should be permitted to operate under conditions which will give a fair return for their service. Upon this depends not simply the security of investors but the security of their employees and the protection of every form of industry and commerce through the maintenance and extension of necessary transportation facilities. Nothing could be more opposed to the interests of the community as a whole than to cripple transportation corporations by arbitrary reduction of earnings. It may be said that a 2-cent passenger rate is not so extreme as to have a very injurious result. But this is a debatable question. Large and prosperous suburban communities have been built up through the offer of commutation rates much less than the proposed maximum. Upon the maintenance of these rates many thousands of our citizens rely. Considerable differences exist between the railroad corporations with respect to the territory they serve and the cost of service, and it is manifest that what would be fair for one might be far from fair for another. An arbitrary dislocation of tariffs by the fiat of the legislature without investigation is a matter of serious concern. The best that could be said for such legislation would be that it should be regarded as an isolated case and not as a precedent. For if flat freight rates, either for all commodities or for different kinds of commodities were similarly to be fixed by the legislature without investigation or proper ascertainment of their justice our railroad business and our industrial and commercial interests would be thrown into confusion.

I do not mean to be understood as saying that a maximum 2-cent passenger rate would be unreasonably low. It might be high enough in many cases. Possibly it would be high enough in all cases. I fully appreciate the fact that those who have promoted this bill believe that such a rate would be fair. But I deem it most important that the policy of dealing with matters of this sort arbitrarily, by legislative rule of general application without reference to the demands of justice in

particular cases, should be condemned. Every workingman, every tradesman, and every citizen believing himself to have aught at stake in the prosperity of the country should determinedly oppose it. For it not only threatens the stability of business enterprise which makes our prosperity possible, but it substitutes unreason for sound judgment, the ill-considered demands of resentment for the spirit of fair play, and makes impossible patient and honorable effort to correct abuses.

There is a better way. It has already been pointed out in the legislation of this State. It is practically impossible, in view of the nature of the problems and the many questions requiring consideration for the legislature to deal directly with railroad rates in a satisfactory manner. Where a matter requires investigation in order that a just result may be reached, the obvious course is to create a body which can investigate, with expert assistance, as summarily as possible, and which shall have adequate power to make appropriate orders. Such a body has been created in this State through the public-service commission law recently enacted.

Provision is made for inquiry into matters of freight rates and passenger fares and for the fixing of such rates as shall be found just and reasonable. If a passenger rate of 2 cents a mile is just and reasonable it can be fixed; if it is not just and reasonable it should not be fixed.

It will be said that this requires time and investigation. But it will not require any longer time or any more protracted investigation than are necessary to reach a right result. The interests of the country are so great and our individual interests are so closely interwoven that it is to the highest degree dangerous to give encouragement to the spirit of impatience with the orderly processes of inquiry.

It may also be said that many other States have adopted similar legislation. If the principle of that legislation be sound, we could readily follow the precedent; but if it be unsound, there is the greater reason why it should not be followed. The State of New York has provided machinery to settle these questions justly to all with as much dispatch as possible. It is to the interest of all that this machinery should be made as perfect and efficient as possible. It is to the interest of none that it should be discarded because of preference for arbitrary legislative action.

If this bill were to become a law, it would most probably lead in many cases—on account of pretended or real necessity—to economies in service and to readjustment of rates now lower, to the annoyance and injury of considerable numbers of the traveling public for which the gain to others would not necessarily compensate. Again, the validity of such a statute would most certainly be contested in protracted litigation, the result of which, to say the least, would be in doubt. At a critical time, when the interests of all demand that reason and judgment should control in dealing with such matters, we should have abandoned our true line of action and facilitated still wider departures.

I therefore disapprove this bill.

CHARLES E. HUGHES.

Mr. REED. I ask to print in the RECORD as part of my remarks the veto message of Gov. Hughes, dated June 15, 1907, in which he vetoed the full-crew train bill when passed by the General Assembly of New York.

The PRESIDING OFFICER. Without objection, that course will be pursued.

The matter referred to is as follows:

PROVIDING FOR ADDITIONAL BRAKEMEN FOR FREIGHT TRAINS.

STATE OF NEW YORK, EXECUTIVE CHAMBER,
Albany, June 15, 1907.

To the Assembly:

I return herewith, without my approval, Assembly bill No. 455 (Senate reprint No. 1338), entitled, "An act to better protect the lives of railroad employees."

This bill provides that it shall be unlawful for any railroad company in the State of New York "that runs more than four freight trains in 24 hours" to run over any part of its road outside of yard limits any freight train composed of more than 20 cars with less than a full crew of six persons, to wit, one engineer, one fireman, one conductor, and three brakemen; or a light engine without cars without a crew composed of one engineer, one fireman, one conductor or flagman, when running a distance of 10 miles or more from starting point.

According to present practice freight trains are very generally operated with a crew of five persons, and the object of this bill is to compel the employment of an additional brakeman. The necessity for this is said to lie in the fact that without three brakemen the freight trains are insufficiently manned, and that firemen are compelled to leave their places in all kinds of weather to throw switches when the two brakemen are required respectively to go ahead of and behind the train.

This bill, however, upon the facts developed before me upon the hearing and undisputed, is clearly unconstitutional. Such a measure should define the service required with suitable reference to circumstances and conditions so that the law would apply in proper cases and not otherwise. The bill takes no account of the differences between the different roads and parts of roads, in trackage and switching facilities, and of the fact that what may be necessary in the case of some railroads may be wholly unnecessary in others. In the case of the New York Central Railroad it was shown that the trackage and switching facilities on its main lines were of such a character as to make unnecessary the employment of a third brakeman in accordance with the provisions of the bill. This was frankly conceded by supporters of the bill.

To require the expenditure of a very large amount of money (estimated at several hundred thousand dollars annually) without necessity for the outlay, is simply arbitrary exaction and a taking of property without due process of law. The bill does not refer its requirements to any proper standard of necessity or provide any criterion by which its proper application under varying conditions is to be determined. It contains an absolute requirement which upon the facts conceded before me can not be justified.

CHARLES E. HUGHES.

Mr. REED. I ask to put into the RECORD as part of my remarks the opinion in the case of Lawlor against Loewe, generally known as the Danbury Hat case, which is printed in volume 225 of the United States Supreme Courts Reports, beginning at page 522, the opinion being by Mr. Justice Holmes and concurred in by Mr. Justice Hughes.

The PRESIDING OFFICER. Without objection, that course will be pursued.

The matter referred to is as follows:

Mr. Justice Holmes delivered the opinion of the court.

This is an action under the act of July 2, 1890, chapter 647, section 7, Twenty-sixth Statutes, pages 209 and 210, for a combination and conspiracy in restraint of commerce among the States, specifically directed against the plaintiffs (defendants in error), among others, and effectively carried out with the infliction of great damage. The declaration was held good on demurrer in Loewe v. Lawlor (208 U. S., 274), where it will be found set forth at length. The substance of the charge is that the plaintiffs were hat manufacturers who employed nonunion labor; that the defendants were members of the United Hatters of North America and also of the American Federation of Labor; that in pursuance of a general scheme to unionize the labor employed by manufacturers of fur hats (a purpose previously made effective against all but a few manufacturers), the defendants and other members of the United Hatters caused the American Federation of Labor to declare a boycott against the plaintiffs and against all hats sold by the plaintiffs to dealers in other States and against dealers who should deal in them; and that they carried out their plan with such success that they have restrained or destroyed the plaintiffs' commerce with other States. The case now has been tried, the plaintiffs have got a verdict, and the judgment of the district court has been affirmed by the circuit court of appeals. (209 Fed. Rep., 721; 126 C. C. A., 445.)

The grounds for discussion under the statute that were not cut away by the decision upon the demurrer have been narrowed still further since the trial by the case of Eastern States Retail Lumber Dealers' Association v. United States. (234 U. S., 600.) Whatever may be the law otherwise, that case establishes that, irrespective of compulsion or even agreement to observe its intimation, the circulation of a list of "unfair dealers," manifestly intended to put the ban upon those whose names appear therein, among an important body of possible customers combined with a view to joint action and in anticipation of such reports, is within the prohibitions of the Sherman Act if it is intended to restrain and restrains commerce among the States.

It requires more than the blindness of justice not to see that many branches of the United Hatters and the Federation of Labor, to both of which the defendants belonged, in pursuance of a plan emanating from headquarters made use of such lists, and of the primary and secondary boycott in their effort to subdue the plaintiffs to their demands. The union label was used and a strike of the plaintiffs' employees was ordered and carried out to the same end, and the purpose to break up the plaintiffs' commerce affected the quality of the acts. (Loewe v. Lawlor, 208 U. S., 274, 299.) We agree with the circuit court of appeals that a combination and conspiracy forbidden by the statute were proved, and that the question is narrowed to the responsibility of the defendants for what was done by the sanction and procurement of the societies above named.

The court in substance instructed the jury that if these members paid their dues and continued to delegate authority to their officers unlawfully to interfere with the plaintiffs' interstate commerce in such circumstances that they knew or ought to have known, and such officers were warranted in the belief that they were acting in the matters within their delegated authority, then such members were jointly liable, and no others. It seems to us that this instruction sufficiently guarded the defendants' rights, and that the defendants got all that they were entitled to ask in not being held chargeable with knowledge as matter of law. It is a tax on credulity to ask anyone to believe that members of labor unions at that time did not know that the primary and secondary boycott and the use of the "We don't patronize" or "Unfair" list were means expected to be employed in the effort to unionize shops. Very possibly they were thought to be lawful. (See Gompers v. United States, 233 U. S., 604.) By the constitution of the United Hatters the directors are to use "all the means in their power" to bring shops "not under our jurisdiction" "into the trade." The by-laws provide a separate fund to be kept for strikes, lockouts, and agitation for the union label. Members are forbidden to sell nonunion hats. The Federation of Labor, with which the hatters were affiliated, had organization of labor for one of its objects, helped affiliated unions in trade disputes, and to that end, before the present trouble, had provided in its constitution for prosecuting and had prosecuted many what it called legal boycotts. Their conduct in this and former cases was made public especially among the members in every possible way. If the words of the documents on their face and without explanation did not authorize what was done, the evidence of what was done publicly and habitually showed their meaning and how they were interpreted. The jury could not but find that by the usage of the unions the acts complained of were authorized, and authorized without regard to their interference with commerce among the States. We think it unnecessary to repeat the evidence of the publicity of this particular struggle in the common newspapers and union prints, evidence that made it almost inconceivable that the defendants, all living in the neighborhood of the plaintiffs, did not know what was done in the specific case. If they did not know that, they were bound to know the constitution of their societies, and at least well might be found to have known how the words of those constitutions had been construed in the act.

It is suggested that injustice was done by the judge speaking of "proof" that in carrying out the object of the associations unlawful means had been used with their approval. The judge cautioned the jury with special care not to take their view of what had been proved from him, going even farther than he need have gone. (Graham v. United States, 231 U. S., 474, 480.) But the context showed plainly that proof was used here in a popular way for evidence and must have been understood in that sense.

Damages accruing since the action began were allowed, but only such as were the consequence of acts done before and constituting part of the cause of action declared on. This was correct. (New York, Lake Erie & Western R. R. v. Estill, 147 U. S., 591, 615, 616.) We shall not discuss the objections to evidence separately and in detail, as we find no error requiring it. The introduction of newspapers, etc., was proper in large part to show publicity in places and directions where the facts were likely to be brought home to the defendants, and also to prove an intended and detrimental consequence of the principal acts, not to speak of other grounds. The reason given by customers for ceasing to deal with sellers of the Loewe hats, including letters from dealers to Loewe & Co., were admissible. (3 Wigmore, Evidence, sec. 1729, 2.) We need not repeat or add to what was said by the circuit court of appeals with regard to evidence of the payment of dues after this suit was begun. And in short neither the argument nor the perusal of the voluminous brief for the plaintiffs in error shows

that they suffered any injustice or that there was any error requiring the judgment to be reversed.

Judgment affirmed.

Mr. REED. I ask to put into the RECORD the veto message dated January 5, 1910, of Gov. Hughes, of New York, in which he vetoed the income-tax amendment.

The PRESIDING OFFICER. Without objection, that course will be pursued.

The matter referred to is as follows:

IN SENATE,

January 5, 1910.

SPECIAL MESSAGE FROM THE GOVERNOR SUBMITTING TO THE LEGISLATURE CERTIFIED COPY OF A RESOLUTION OF CONGRESS ENTITLED "JOINT RESOLUTION PROPOSING AN AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES."

STATE OF NEW YORK,
EXECUTIVE CHAMBER,
Albany, January 5, 1910.

To the Legislature:

I have received from the Secretary of State of the United States a certified copy of a resolution of Congress entitled "Joint resolution proposing an amendment to the Constitution of the United States," and in accordance with his request I submit it to your honorable body for such action as may be had thereon.

The amendment proposed by this joint resolution, adopted by two-thirds of both Houses of Congress, is as follows:

"ART. XVI. The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States and without regard to any census or enumeration."

The power to lay a tax upon incomes, without apportionment, was long supposed to be possessed by the Federal Government and has been repeatedly exercised. Such taxes were laid and paid for the purpose of meeting the exigencies caused by the Civil War.

In 1895, in the case of Pollock v. Farmers' Loan & Trust Co. (158 U. S., 601), the United States Supreme Court decided that taxes on the rents or income of real estate, and taxes on personal property or on the income of personal property, are direct taxes and hence under the Constitution can not be imposed without apportionment among the several States according to their respective populations.

It was not the function of the court, and it did not attempt, to decide whether or not a Federal income tax was desirable. It simply interpreted the Constitution according to the judgment of the majority of its members and left the question of the advisability of conferring such a power upon the Federal Government to be determined in the constitutional method.

The limitations so placed upon the Federal taxing power are thus described by Mr. Justice Harlan in his dissenting opinion:

"Any attempt upon the part of Congress to apportion among the States, upon the basis simply of their population, taxation of personal property or of incomes, would tend to arouse such indignation among the freemen of America that it would never be repeated. When, therefore, this court adjudges, as it does now adjudge, that Congress can not impose a duty or tax upon personal property, or upon income arising either from rents of real estate or from personal property, including invested personal property, bonds, stocks, and investments of all kinds, except by apportioning the sum to be so raised among the States according to population, it practically decides that, without an amendment of the Constitution—two-thirds of both Houses of Congress and three-fourths of the States concurring—such property and incomes can never be made to contribute to the support of the National Government." (Id., pp. 671, 672.) * * *

"Incomes arising from trades, employments, callings, and professions can be taxed, under the rule of uniformity or equality, by both the National Government and the respective State governments, while incomes from property, bonds, stocks, and investments can not, under the present decision, be taxed by the National Government except under the impracticable rule of apportionment among the States according to population. No sound reason for such a discrimination has been or can be suggested." (Id., p. 680.)

I am in favor of conferring upon the Federal Government the power to lay and collect an income tax without apportionment among the States according to population. I believe that this power should be held by the Federal Government so as properly to equip it with the means of meeting national exigencies.

But the power to tax incomes should not be granted in such terms as to subject to Federal taxation the incomes derived from bonds issued by the State itself, or those issued by municipal governments organized under the State's authority. To place the borrowing capacity of the State and of its governmental agencies at the mercy of the Federal taxing power would be an impairment of the essential rights of the State which, as its officers, we are bound to defend.

You are called upon to deal with a specific proposal to amend the Constitution, and your action must necessarily be determined not by a general consideration of the propriety of a just Federal income tax, or of giving to the Federal Government the power to lay such a tax, but whether or not the particular proposal is of such a character as to warrant your assent.

This proposal is that the Federal Government shall have the power to lay and collect taxes on incomes "from whatever source derived."

It is to be borne in mind that this is not a mere statute, to be construed in the light of constitutional restrictions, express or implied, but a proposed amendment to the Constitution itself, which, if ratified, will be in effect a grant to the Federal Government of the power which it defines.

The comprehensive words "from whatever source derived," if taken in their natural sense, would include not only incomes from ordinary real or personal property, but also incomes derived from State and municipal securities.

It may be urged that the amendment would be limited by construction. But there can be no satisfactory assurance of this. The words in terms are all inclusive. An amendment to the Constitution of the United States is the most important of political acts, and there should be no amendment expressed in such terms as to afford the opportunity for Federal action in violation of the fundamental conditions of State authority.

I am not now referring to the advantage which the States might derive from the exclusive power to tax incomes from property, or to the argument that for this reason the power to tax such incomes shall be withheld from the Federal Government. To that argument I do not assent.

I am referring to a proposal to authorize a tax which might be laid, in fact, upon the instrumentalities of State government. In order that a market may be provided for State bonds and for municipal bonds, and that thus means may be afforded for State and local administration, such securities from time to time are excepted from taxation. In this way lower rates of interest are paid than otherwise would be possible. To permit such securities to be the subject of Federal taxation is to place such limitations upon the borrowing power of the State as to make the performance of the functions of local government a matter of Federal grace.

This has been repeatedly recognized. In the case of The Collector v. Day (11 Wall., p. 127), decided in 1870, the United States Supreme Court said:

"It is admitted that there is no express provision in the Constitution that prohibits the General Government from taxing the means and instrumentalities of the States, nor is there any prohibiting the States from taxing the means and instrumentalities of that Government. In both cases the exemption rests upon necessary implication and is upheld by the great law of self-preservation, as any government whose means employed in conducting its operations, if subject to the control of another and distinct government, can exist only at the mercy of that government. Of what avail are these means if another power may tax them at discretion?"

In the case of Pollock v. Farmers' Loan & Trust Co. (157 U. S., pp. 584–585), Chief Justice Fuller said, referring to the tax upon incomes from municipal bonds, one of the matters there involved:

"A municipal corporation is the representative of the State and one of the instrumentalities of the State government. It was long ago determined that the property and revenues of municipal corporations are not subjects of Federal taxation. * * * But we think the same want of power to tax the property or revenues of the States or their instrumentalities exists in relation to a tax on the income from their securities."

In the same case, Mr. Justice Field said (id., p. 601):

"These bonds and securities are as important to the performance of the duties of the State as like bonds and securities of the United States are important to the performance of their duties, and are as exempt from the taxation of the United States as the former are exempt from the taxation of the States."

And the learned justice added, quoting from United States v. Railroad Co. (17 Wall., pp. 322, 327), as follows:

"The right of the States to administer their own affairs through their legislative, executive, and judicial departments in their own manner through their own agencies, is conceded by the uniform decisions of this court, and by the practice of the Federal Government from its organization. This carries with it an exemption of those agencies and instruments from the taxing power of the Federal Government. If they may be taxed lightly, they may be taxed heavily; if justly, oppressively. Their operation may be impeded and may be destroyed, if any interference is permitted. Hence, the beginning of such taxation is not allowed on the one side, is not claimed on the other."

While the justices of the court in the Pollock case differed in opinion upon the question whether a tax upon income from property was a direct tax and as such could not be laid without apportionment, they were unanimous in their conclusion that no Federal tax could be laid upon the income from municipal bonds. Mr. Justice White, who dissented in the Pollock case with regard to other questions, as to this said (157 U. S., on p. 652):

"The authorities cited in the opinion are decisive of this question. They are relevant to one case and not to the other, because, in the one case, there is full power in the Federal Government to tax, the only controversy being whether the tax imposed is direct or indirect; while in the other there is no power whatever in the Federal Government, and, therefore, the levy, whether direct or indirect, is beyond the taxing power."

It is certainly significant that the words "from whatever source derived," have been introduced into the proposed amendment as if it were the intention to make it impossible for the claim to be urged that the income from any property, even though it consist of the bonds of the State or of a municipality organized by it, will be removed from the reach of the taxing power of the Federal Government.

The immunity from Federal taxation that the State and its instrumentalities of government now enjoy is derived not from any express provision of the Federal Constitution, but from what has been deemed to be necessary implication. Who can say that any such implication with respect to the proposed tax will survive the adoption of this explicit and comprehensive amendment?

We can not suppose that Congress will not seek to tax incomes derived from securities issued by the State and its municipalities. It has repeatedly endeavored to lay such taxes and its efforts have been defeated only by implied constitutional restriction which this amendment threatens to destroy. While we may desire that the Federal Government may be equipped with all necessary national powers in order that it may perform its national function we must be equally solicitous to secure the essential bases of State government.

I therefore deem it my duty, as Governor of the State, to recommend that this proposed amendment should not be ratified.

CHARLES E. HUGHES.

(From N. Y. Senate docs., 133d sess., 1910, vol. 1, No. 3.)

Mr. REED. I ask to put into the RECORD the veto message of Gov. Hughes in which he vetoed the bill which reduced charges upon street railways to 5 cents unless the public-service commission should see fit to give permission to raise the price above 5 cents. The message is dated May 23, 1908.

The PRESIDING OFFICER. Without objection, that course will be pursued.

The matter referred to is as follows:

[From public papers of Gov. Hughes, 1908, p. 93.]

Providing for a 5-cent fare on railroads, other than a steam or trunk line, within any city or village, unless the public-service commission gives its consent to an additional fare.

STATE OF NEW YORK,
EXECUTIVE CHAMBER,
Albany, May 23, 1908.

Memorandum filed with assembly bill No. 1603, entitled "An act to amend the railroad law in relation to the rate of fare."

Not approved.

This bill provides, in effect, that no railroad (other than a steam or trunk line railroad) shall charge more than 5 cents for any continuous ride on the lines operated or controlled by it within any city or village, unless the public-service commission shall give its consent to an additional fare.

It is plainly intended to affect charges over existing lines. It establishes a maximum rate of 5 cents without regard to the length of the route or the reasonableness of such a fare. In other words, it is an arbitrary maximum imposed by legislative fiat. But it is clear that if the rate is not a reasonable one and if the requirement would operate as a confiscation of the company's property, the legislature can not impose it. The attempt to enforce such a rate under such circumstances would be abortive, as a successful appeal could be made to the courts. It is idle to suppose that the companies can be compelled to reduce their fares to 5 cents merely because the legislature says so.

Whether a 5-cent fare is a fair one depends upon facts and not upon sentiment, desire, or prejudice. Whether the result be agreeable or disagreeable, it inevitably will be reached only after the facts have been ascertained and considered. Justice requires this, and under the Constitution the requirement will be enforced.

The proper way to deal with these matters is to provide for investigation in which the whole subject can be considered, specious claims sifted out, and a result just both to the corporations and to the public arrived at.

It may be said that the provisions of this bill with regard to the Public Service Commission has this effect. But this is not the case. The bill provides for a flat rate of 5 cents unless the commission consents to a higher fare. It does not provide that the commission shall ascertain or fix a just and reasonable rate or that an increase shall be allowed because it is just and reasonable. Evidently the bill was drawn not to give the commission power to fix a just and reasonable rate but to fix a rate by statute with a provision for appeal from the legislature to the commission and without any proper indication of the conditions under which the appeal is to be heard.

This can only result in confusion, affording, as it would, opportunity for protracted litigation over the validity of such a statute and postponing the proper settlement of the real question involved.

It is highly important that we should have transportation in our cities at the lowest fair rates. It is desirable that in New York City there should be low rates from the congested quarters to the breathing spots in the outlying districts and by the sea. The sure way and the only way to make real progress in this direction is through the ascertainment of the essential facts and the making of reasonable rates in accordance with the facts. This bill is wrong in principle and is not adapted to secure the desired result. I can not approve it.

CHARLES E. HUGHES.

Mr. REED. In the light of these vetoes, I am wondering how long it would have taken him, if he had been President, to have made up his august mind as to the kind of legislation that ought to be enacted to settle this strike question, and how many long months the country would have suffered, and just how much it would have cost us to have had Hughes President instead of Woodrow Wilson.

There is one thing further I want to put in the RECORD, not because I indorse it, but because it is a very interesting contribution by an eminent lawyer—an article dealing with the legal phases of the child-labor law, by Mr. Fauntleroy, of St. Louis.

The PRESIDING OFFICER. Without objection, that course will be pursued.

The matter referred to is as follows:

The proposed enactment by Congress of a Federal law for the regulation of child labor in the several States would be a palpable violation of the Constitution of the United States. In fact, it would be revolutionary. I am heartily in favor of a strict regulation of child labor which would protect the health and welfare of all young children, but it is a right and duty that belongs only to the State governments. To allow the Federal Government to intervene in such matters would be to destroy the fundamental principles of our Government.

The regulation of child labor is a matter of internal-police power, and it is kindergarten constitutional law that the police powers are original inherent rights that belong only to the several States of this Union.

In the License Cases, reported in 5 Howard 504, the Supreme Court of the United States said: "But what are the police powers of a State? They are nothing more or less than the powers of government inherent in every sovereignty to the extent of its dominions." In the case of Moore *v.* State of Illinois, reported in 14 Howard 15, the Supreme Court of the United States, in their opinion written by Justice Grier, of Pennsylvania, said: "The power to make municipal regulations for the restraint and punishment of crime, for the preservation of the health and morals of her citizens, and for the public peace has never been surrendered by the States, or restrained by the Constitution of the United States."

Knowing full well the utter unconstitutionality of this proposed Federal law, on account of its being a usurpation of the police powers of the States, its advocates have attempted to disguise it under the pretended application of the interstate-commerce clause of the Constitution.

Appending the word interstate to a law which is merely a usurpation does not give it any validity. Chief Justice Marshall, Chief Justice Chase, one of the founders of the Republican Party, and an orthodox Hamiltonian, and Chief Justice Waite, appointed by Gen. Grant, and also an orthodox Hamiltonian, have all said in delivering their opinions for the Supreme Court of the United States that the Federal Government is one of delegated, limited, and enumerated powers, and that the Government must look to the Constitution to find out what its powers can be. Its powers being all delegated, it has no inherent powers. Implied powers are not inherent powers. Any law passed by Congress in violation of the Federal Constitution is ultra vires.

There is nothing unhygienic or defective in the goods made by child labor. The attack is not made on the goods but on the employers of the makers of the goods. These goods in nowise endanger the health of the people of the several States of this Union. Their manufacture injures the health and education of the children who help to make them, but these matters are under the control of the States of which the children are residents, and not of the General Government.

The hypocrisy of the advocates of this proposed law is transparent. They are appealing to the sympathy of mankind for children, and are keeping arguments concerning interstate commerce in the background. They do this in order to get votes, because they know unless they do so they will fail.

The origin of this attempted law is the jealousy of the manufacturers of one State of those of another.

Every trust and monopoly in the United States has its headquarters either in Boston or New York. Lord Chief Justice Popham, of England, said monopoly was against common law and common right. The statutes of every State of this Union, as well as of the United States, make monopoly a public offense. Let some one introduce into Congress a bill forbidding the transportation through and sale in the United States of any article manufactured by a trust or monopoly and you will then hear a howl go up from Boston to Chicago, and this unconstitutional child-labor law will then die an early death. All centralizers and admirers of Chief Justice Marshall say that the greatest decision he ever rendered was McCulloch *v.* State of Maryland.

In that decision he says: "No political dreamer was ever wild enough to think of breaking down the lines which separate the States and of compounding the American people into one common mass."

As late as the year 1909 the Supreme Court of the United States, in the case of Keller *v.* United States, reported in 213 United States, 138, in an opinion written by Justice Brewer, an orthodox Republican and Hamiltonian, said: "To exaggerate in the one direction and restrict in the other will tend to substitute one consolidated government for the present Federal system. We should never forget the declaration in Texas *v.* White (7 Wall., 700), that the Constitution in all its provisions looks to an indestructible Union composed of indestructible States."

Thomas Jefferson, the master of the science of government, said, in his famous first inaugural address: "What I deem the essential principles of our Government and, consequently, those which ought to shape its administration, are the support of the State governments in all their rights as the most competent administrations for our domestic concerns and the surest bulwarks against antirepublican tendencies, and the preservation of the General Government in its whole constitutional vigor as the sheet anchor of our peace at home and safety abroad."

Do the American people wish to see our Federal Government turned into a centralized bureaucratic despotism?

CORNELIUS H. FAUNTLEROY.

ST. LOUIS.

Mr. REED. I also ask permission to insert in the RECORD, without reading, as a part of my remarks, an article by Mr. Benson.

The PRESIDING OFFICER. Without objection, that course will be pursued.

The matter referred to is as follows:

CHARLES E. HUGHES.

[By Allan L. Benson.]

We shall see, if we scrutinize the facts carefully, that the Republican Party this year has the same claim to the support of 90 per cent of the American people that a chicken hawk has to the support of chickens. A political party must be judged by its candidates, its platform, and the men who make its candidates and its platform. Judged by these standards, the Republican Party this year is particularly bad. Its candidates are the life-long servants of the plutocracy. Its platform is the last word in insincerity, hypocrisy, and rapacity. The men who made the candidates and the platform are the sort of men who like such candidates and such a platform. Roosevelt is thrown in as a supporter for good measure. Without Roosevelt, the element of insincerity in the Republican campaign could hardly have escaped observation. With Roosevelt, it blazes up like a burning haystack at midnight.

Mr. Hughes is the stalking horse of a group of bad men. It is the purpose of these men to throw this country on its back and pick its pockets. They have chosen Mr. Hughes to assist them because Mr. Hughes has, among persons who do not know him, a good reputation. It has always been the good fortune of Mr. Hughes to escape the censure that he deserved and received praise to which he was not entitled. As an ideal candidate of the grabbing class, he also has about him a certain air of religion. A religious atmosphere is a political asset. Mr. Hughes is not only the son of a Baptist clergyman, but in years gone by, he was the superintendent of the Sunday school of the Fifth Avenue Baptist Church to which the Rockefellers go to meet God. Mr. Hughes's respectability is further enhanced by the fact that to him still clings something of the aroma of the United States Supreme Court. Mr. Taft once said that, of all men, a judge occupied a position most like that of God. What wonder then that millions of the unthinking believe the Republican candidate for the Presidency to be a particularly suitable person to lead the fight in American against intrenched wrong?

It may surprise such kindly gentlemen to be told that Mr. Hughes is and always has been a fighter on the side of intrenched wrong. At the beginning of his career as a lawyer, he deliberately chose to support money as against men. Now money is supporting him.

Suppose we consider the concrete facts upon which these statements are based. Mr. Hughes, after his graduation from college turned to the study of the law. Desiring to enter the office of a firm of lawyers, he chose the office of Chamberlain, Carter & Hornblower, of New York City. Hornblower was a celebrated corporation lawyer, the New York Central Railroad Co. being one of his clients. He was also, and had been since 1880, an attorney for and one of the trustees of the New York Life Insurance Co., and as such trustee was the head of the committee that approved the "yellow-dog" fund with which the company molded legislation at Albany to its will. Mr. Hughes married the daughter of Mr. Carter, the senior member of the firm.

Mr. Hughes was admitted to the bar in 1884 and in 1888 became a member of the firm, the name of which was changed to Carter, Hughes & Cravath. Mr. Cravath is and for a generation has been one of the most eminent of corporation lawyers. Thomas F. Ryan was then building his great fortune, and Cravath helped him.

Mr. Hughes had not long been a member of the firm when a big case came his way. It concerned the question as to whether the electric light companies should obey the State law which required them to put their wire under ground. Mr. Hughes said they should not. A good many firemen had been electrocuted by the wires. The legislature had been moved to enact the law only because of the deep indignation of the people. Yet Mr. Hughes lent whatever powers he had to keep the wires

where they were. Property rights were at stake. Property rights must be defended. The court thought so, too, and decided against the city. The city appealed to a higher court which reversed the decision, and incidentally placed the following blister upon the back of Mr. Hughes and his associates:

"When it is apparent," said the higher court, "as in the case at bar, that the condition of the wires is such that they are dangerous to human life, and that any passer-by, without negligence on his part, is liable to be struck dead in the street, can it be said for a moment that the public authorities have no power to abate this nuisance and protect the lives of its citizens?"

The court also added that the companies "are without excuse, and when they claim that the destruction of these instruments of death * * * is an invasion of the rights of property, such claim seems to proceed upon the assumption that nothing has a right to exist except themselves."

Charles Evans Hughes was in favor of corporate wealth then; that was in 1889. Where does corporate wealth stand now as to Charles Evans Hughes?

Read something recently written that was not intended for the public. Read what the New York stockbrokers who receive the service of Paine, Webber & Co. were told about the middle of July. This is the way the railway interests regard the candidacy of Mr. Hughes:

"In addition to the ordinary considerations of values, there has arisen a particularly favorable element in the Republican candidacy of Mr. Hughes. His attitude toward the railroads in the past has been extremely reassuring and there is slight reason to doubt that his election would be followed by such constructive action as would seem most desirable to all who are interested in railway investments."

Does Wall Street's memory go back to the electric light suit of 1889 and all that lies between? It does. Is the class for which he was then for him now? It is. I have a means of getting information direct from Wall Street. In July information came to me that Wall Street regarded the election of Hughes as a certainty, and boasted that within a year from his inauguration we should be at war with Mexico. The "Street"—which means Rockefeller and Morgan—intends to put behind the Hughes campaign all the money it needs. Wall Street believes money settles all political questions. Wall Street is right. When men will not think, money talks. The men of America seldom think. They are too busy working for a bare living. Furthermore, too little that is worth thinking about is put before them in print. Wall Street sees to that. The capitalist interests, through the press, always obscure real issues and trump up fraudulent ones. Why should not money decide the election? It always has. The great capitalists, under President Wilson, have prospered wonderfully, not because of anything he has done, but because of what he has not done. If Mr. Wilson were to be reelected, the grafting game would still be good. Wall Street believes that if Mr. Hughes were to be elected the grafting game would be a great deal better. If the great capitalists care to put up enough money, they can unquestionably "put Hughes over." We shall know after election precisely to what extent the great capitalists preferred Hughes to Wilson.

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The fact that railway interests are using the Hughes candidacy to bull the market for railway stocks is therefore an indication of the unusual friendship that Mr. Hughes has shown for the railroads. Need we be in the dark as to the facts? Not at all. What did Mr. Hughes do when, as governor of New York, the legislature enacted a law limiting to 2 cents a mile the sum that any railway operating within the State might charge for hauling a passenger? He promptly vetoed the bill. Why? The reason he gave was that he did not believe the legislature had sufficiently investigated the question to enable it to say that 2 cents a mile was enough. He did not assert that he knew 2 cents a mile to be too little. Instead of approving the bill and putting upon the railroads the burden of proving that 2 cents a mile was not enough, he vetoed it and put upon the people the burden of proving that more than 2 cents a mile was too much. The burden is there yet. The people are loosely knit together and slow to act. The railway interests are closely knit together and act swiftly. The railway interests are now acting to bring about the election of Hughes. As the stock market bulletin says of Hughes: "His attitude toward the railroads in the past has been extremely reassuring, and there is slight reason to doubt that his election would be followed by such constructive action as would seem most desirable to all who are interested in railway investments."

Glanced at as mere lines of type, this is but a fine flow of language. Considered closely, it is more. What do investors in railway securities consider "most desirable"? Does the word "dividends" constitute an answer? If so, upon what do higher dividends depend? Can they depend upon anything else—the volume of traffic being constant—than higher freight and passenger rates? The railway interests can not expect the election of Hughes to increase traffic, which has already reached the physical capacity of the roads. Stripped down to plain English, then, the railway interests believe the election of Hughes would cause higher passenger and freight rates.

Is this an unwarranted assumption? If you believe it is, look at the Republican platform. A paragraph about which not much will be said during the campaign reads as follows:

"The entire transportation system of the country has become essentially national. We therefore favor such action by legislation or, if necessary, through an amendment to the Constitution of the United States as will result in placing it exclusively under Federal control."

Do you observe the word "exclusively" near the end of the last sentence? The railroads want no more meddling with their affairs by States. All corporations welcome the States when they can hide behind them. All corporations desire to hamstring the States when the States are more responsive than the Congress to the popular will. The railroads, believing it would be easier to control one Congress than 48 State legislatures, now want the legislatures to be deprived of their power to legislate in railway matters. The railway gentlemen are not to be blamed for their ability to see upon which side their bread is buttered. But what shall we say of the people if they butter the bread of railway shareholders by voting for Hughes?

The great corporations are quite right in turning from Mr. Wilson, who has served them tolerably well in many instances, to Mr. Hughes, who would doubtless serve them much better in each instance. When Mr. Hughes was governor of New York he heard that Congress had submitted to the State legislatures for ratification a proposed amendment to the Constitution authorizing the taxation of incomes. Mr. Hughes straightway got into action. With a magnifying glass of exceedingly high power, he discovered a flyspeck upon the proposed amendment. In a lengthy message to the legislature he called attention to the words "from whatever source derived" in the proposed amendment. These words, he said, would give the National Government power to impose what would amount to a tax upon State bonds by compelling the holders of such bonds to pay a tax upon the interest received. Mr. Hughes tried hard to make his flyspeck appear to be a mountain, but failed. More than three-fourths of the State legislatures brushed his quibbling aside. Still Mr. Hughes tried, and his effort stands to his credit in Wall Street to-day.

Mr. Hughes, when he became governor of New York, found the people in ugly mood toward the great corporations. Mr. Hughes kindly offered a remedy. The transportation, light, power, telegraph, and telephone companies would be placed under State control. One public-service commission would keep the corporations in the city of New York in order. Another public-service commission would keep its heel on the corporations in the rest of the State.

These public-service commissions have been in existence ever since Mr. Hughes's time. They have yet to perform the act for which Mr. Hughes said he intended them. The governor nominates them, the senate confirms them, and the corporations rule them. They have fallen so low in public esteem that none will do them honor. The same plan has been tried in New Jersey with the same result. Instead of putting the corporations in their place and keeping them there, the corporations put the commissioners in their place and keep them there. What Mr. Hughes appeared not to think of has happened—the corporations control the commissions. The corporations are so fond of the commissions that Mr. Hughes created to "control" them that they placed a section in the proposed new constitution for New York in which public-service commissioners were made constitutional officers, and therefore unremovable by the governor or the legislature. This constitution, it may be remembered, when submitted in 1915 to the people for approval, was defeated by a majority of about 500,000. Yet many people believe that the Hughes public-service commission idea constitutes one of the reasons why he should be elected President of the United States.

Another jewel in the Hughes crown is the fact that he helped to do away with race-track gambling in the State of New York. He is entitled to credit for that. Some gambling continues, but that is the fault of the district attorneys who fail to proceed against the gamblers and the governor who fails to remove the district attorneys rather than the fault of Hughes. But why reward with the Presidency a man who honestly tried to do away with race-track gambling in New York? Has the Presidency become so cheap as that? Race-track gambling has been done away with in a number of States. Does anyone know the names of the governors who were in at the finish? Has anyone suggested that any of them be elected President? But did any of them also veto a 2-cent fare bill, and sting his State with a public-service commission that the corporations liked and the people detested?

But what about Mr. Hughes's part in the insurance investigation a dozen years ago? Well, what about it? What did he do?

Here is what Hughes did. He cross-examined the witnesses by asking questions suggested to him by an actuary. The insurance business is a highly technical subject. Hughes knew nothing in particular about it. An actuary coached him all the way. I doubt if Hughes knew exactly what he was doing some of the time. I am compelled to believe this in order to believe him honest. This is why: While the investigation was proceeding an official of one of the great companies whom I had long known in a friendly way said to me: "Hughes always stops when to press his questions a little further would bring out matters that none of the insurance companies want known."

Hughes's work as an investigator of the insurance companies probably did some good. I say "probably," because it is unlikely that anything of whien so much has been made was entirely useless. But the value of the work was unquestionably much overestimated. The great fact is that the insurance companies are still charging too much for insurance, the policyholders are paying the money, and the companies are getting it. Besides this fact all others are of little consequence. The insurance companies are so tremendously powerful financially that if Hughes had really hurt them they would never have forgiven him. What insurance magnate is fighting Hughes now for what he did in 1905? Let Hughes or any of his friends name one.

The fact is that the men of greatest wealth are solidly lined up behind Hughes. If we were to believe newspaper reports, perhaps we should have to make an exception of John D. Rockefeller, jr. The younger Rockefeller, according to the newspapers, has announced that he favors the reelection of Mr. Wilson.

I suspect that young Mr. Rockefeller is trying to hurt Wilson by tainting him with the Rockefeller indorsement. If young Mr. Rockefeller is against Hughes, he has changed since 1906, when he contributed $2,500 to help elect Hughes governor of New York. Rockefeller and Hughes are both Baptists, and, as already stated, Hughes was once the Sunday-school superintendent in Rockefeller's church. Before Hughes went to Washington to live he and young John D. Rockefeller were frequently seen together in New York, and their actions indicated that they were warm friends.

But there are other reasons for believing that Mr. Hughes has not been deserted by the Rockefellers. Mr. Hughes chose for his campaign manager Mr. William R. Willcox. Mr. Willcox married into the Havemeyer family. Wall Street understands that he is private counsel for the Consolidated Gas Co., of New York. The Consolidated Gas Co. is a Rockefeller institution. It is the understanding in Wall Street that Mr. Willcox is very close to the Standard Oil interests.

Hughes and the great corporations have ever worked hand in hand, he helping them and they helping him. When he was governor of New York he vetoed a bill to reduce the fare from New York City to Coney Island from 10 to 5 cents. Also, during his term of office, a great many residents of New York petitioned him to remove District Attorney Jerome, who having been elected to office to prosecute the traction looters failed to do so. Hughes ignored the petitioners and permitted Jerome to remain in office. The people themselves, however, never forgave Mr. Jerome, their fallen idol.

The great capitalists evidently believed Hughes would be the kind of governor he was, as they contributed heavily to bring about his election in 1906. J. P. Morgan & Co. gave $20,000. Levi P. Morton gave $20,000 more. Andrew Carnegie, John D. Rockefeller, jr., H. B. Hollins, and E. M. Wells each gave $5,000. J. & W. Seligman and Kuhn, Loeb & Co. were among those who gave $2,500 each. Charles M. Schwab, Edwin Gould, Jacob Schiff, William H. Moore, and Adolph Lewisohn gave $2,000 each. The whole fund amounted to $313,923.

So far as known no labor union contributed a dollar to this fund. If any labor union did contribute a dollar, it did not succeed in weaning Hughes away from his Wall Street leanings. When Hughes became an associate justice of the United States Supreme Court he concurred in the decision that threatened to take away the homes of the striking Danbury hatters and turn them over to their employers. All that Hughes could do to take away the homes of these old men he did. The homes were saved only because organized labor raised a fund to save them.

It would therefore be risky to say of Hughes, as we sometimes say of a candidate, that he is better than the platform of his party. The Republican platform is exceedingly bad, but it is doubtful if it is so bad as that. Hughes is bad, not only because of his associations and his record, but because of the shameless insincerity with which he is trying to displace Wilson. He appears to be willing to do or say anything to get votes. If Democratic demagogues wave the flag, Hughes tries to wave it a little harder. When the Progressive Party went to pieces Hughes welcomed its traitor leader and sent a letter to the rank and file of the party urging them to "forget past differences" and come back to the Republican Party.

What a monstrous appeal! How can the Progressives, if they are honest—which most of the rank and file are—forget past differences? Those differences were differences of principle. They are as glaring now as they were in 1912. The Republican Party this year is in the hands of the same sinister interests that controlled it four years ago. If there were reasons why honest Republicans should quit the party in 1912, each of those reasons still exists. Yet Mr. Hughes insults honest Progressives by asking them to "forget past differences," thereby assuming that they left the Republican Party not on principle, but because of some miserable differences with its leaders. Mr. Roosevelt, having left the Republican Party to punish it, went back to it when he believed it had been punished enough. If every other Progressive were as shifty, selfish, and politically fraudulent as Mr. Roosevelt, the appeal of Mr. Hughes to "forget past differences" might be expected to have great effect. The Hughes appeal will have no effect among Progressives that are both intelligent and honest—and there must be many such.

Mr. Hughes betrayed his insincerity shortly after his nomination when he declared that every intelligent person knew that the present prosperity was destined to be short-lived.

I agree with Mr. Hughes that Mr. Wilson and his party did not bring the improved business conditions that exist. As to how long these conditions will remain, I do not know. Neither does Mr. Hughes know. If there is anything that neither Republicans nor Democrats know how to get or how to keep, it is improved business conditions. Business went to smash in 1907 under a Republican President. Another Republican President, Mr. Taft, was elected to make business good, but in four years he failed to do it. Then a Democratic President was elected to make business good. Mr. Wilson, in my opinion, is exceptional among Presidents for the fidelity with which he has proceeded to carry out the platform promises of his party. How worthless were these promises may be judged from the fact that notwithstanding Mr. Wilson's "achievements" business in this country was exceedingly bad until the European war dumped so much money into America that business had to revive.

The insincerity of Hughes's criticism of the temporary nature of the present "prosperity" is that he holds out the hope that if the country were to turn to him and his party such "prosperity" would become permanent. The Republican Party in 1904 did not know how to keep prosperity, or it would not have permitted the panic of 1907. The Republican Party in 1908 did not know enough to bring prosperity, or it would not have permitted the administration of Taft to pass without any prosperity. What has the Republican Party learned about prosperity since 1908?

The Republican platform opens with an attack upon Mr. Wilson's foreign policy, particularly as it pertains to the European war and the rights of neutrals. Mr. Hughes will not seriously contend that this even remotely touches the subject of prosperity.

The next paragraph has to do with Mexico. As an example of studied hypocrisy this paragraph could not well be excelled. The Republican Party has the audacity to "sympathize" with the people of Mexico because they have for three years been plagued with "bandits." The Republican gentlemen seem not to know that the Mexican people have for three years been making a tremendous effort to recover their land and other resources that American and other capitalists have obtained by means mostly fraudulent. The Republican gentlemen seem not to know that such banditti as have arisen are but the inevitable results of civil war in such a Nation. The hypocrites who wrote this plank denounce "the indefensible methods of interference" employed by the Wilson administration, and in the next breath pledge their aid "in restoring order and maintaining peace in Mexico."

Farther than that hypocrisy and cold cunning can not go. They are the last words in their line. And they have nothing to do with the matter of bringing prosperity to America and keeping it.

The platform next indorses the Monroe doctrine, but it indorses it no more strongly than does the Democratic platform. The Monroe doctrine can hardly be said to have anything to do with prosperity, and if it had, Mr. Hughes has nothing to teach Mr. Wilson about it.

Then comes a hypocritical line about "drawing more and more closely" the business relations between the United States and Latin America. If Latin America is any judge of American treatment of her, the line that American business men mostly try to draw about her is the noose. At any rate, the paragraph has nothing to do with prosperity.

The Republican platform stands for the retention of the Philippines, at least until about the time that Gabriel blows his trumpet. The Democratic Party in 1912 took the opposite view but broke its promise, and this year drops the subject, which is practical acquiescence in the Republican demand. Nor does this show how to hold prosperity.

The Republican platform is for "an adequate Army and Navy." So is the Democratic platform. The Republicans demand a higher tariff. So do the Democrats. The Republican Party demands "rigid supervision of corporations." Oh, how the corporations fear the Republican Party!

The Republican and the Democratic platforms both indorse woman suffrage, while leaving it to the women to go about the hardest way to get it, and the Republican platform has this gem:

"We pledge the Republican Party to the faithful enforcement of all Federal laws passed for the protection of labor."

There are no Federal laws in the interest of labor that amount to anything, and those that amount to nothing apply, for the most part, only to Federal employees and the District of Columbia. These laws the Republican Party pledges itself to enforce!

So the platform goes. The remainder of it has to do only with minor matters which have absolutely nothing to do with prosperity. Yet Mr. Hughes has the audacity to criticize Mr. Wilson because the present improved conditions are only temporary! When men of less renown than Mr. Hughes employ such cheap devices unkind persons sometimes call them demagogues. What can Mr. Hughes bring forward to prove he is not a demagogue? If he has proof he should submit it. If he knows how to bring and keep prosperity he knows more than his party has demonstrated up to this time that it knows. If he knows no more about the matter than Mr. Wilson and the Democratic Party know common honesty should prevent him from scoring the President and holding out false hope. If Mr. Wilson is politically wise he will rub this subject in Mr. Hughes's face at every opportunity this fall. He will make Mr. Hughes tell what he knows about bringing and keeping prosperity, or he will make him admit, at least by his evasion of the issue, that he is something of a mountebank.

Mr. Hughes and his platform should command, on their merits, the solid millionaire vote. They should command nothing else. An American farmer or an American wageworker who votes the Republican ticket will thereby demonstrate his inability to tell his own interests from the interests of those who are robbing him. Yet the power of the great capitalists of America is so great that they will induce millions to vote the bread out of their own mouths!

Mr. KENYON. Mr. President, I have been suspicious at times that there was a filibuster in process of operation against the corrupt-practices bill. I confess that it is sometimes difficult for me to distinguish a filibuster, but I have my suspicions about this one. I want to say, however, that in the brief remarks I am about to make I am in no way trying to assist the filibuster against the corrupt-practices act, because I thoroughly believe in a corrupt-practices act, and hope that we may pass one at this session, though my hope is growing less. I think those upon this side who are filibustering, if they are, against the corrupt-practices bill, if the filibuster is directed against any corrupt-practices bill, are making a very great mistake; and I do not for one instant concede that they represent the Republican Party in so doing, or any large element of the Republican Party.

If this bill ought to be amended, both sides ought to meet it in a fair spirit and enact a law that would amount to something, and quit calling each other names. It is a case of the pot calling the kettle black. Both parties have been guilty of spending too much money in elections. We ought to have a corrupt-practices act unless somebody wants to buy the Presidency, and I do not believe that one party wants to buy it any more than the other.

But I did not rise for that purpose. I rose more to a question of privilege.

During my absence from the Senate some days ago the senior Senator from Louisiana [Mr. RANSDELL] said, as appears by the CONGRESSIONAL RECORD:

> It is a curious fact that the State of Iowa is the only one of the States of the Union which showed an actual decrease in population at the last census; and, as I view it, if the distinguished Senator from Iowa [Mr. KENYON], who has so persistently fought appropriations for rivers and harbors, would study the situation carefully he would see that the future industrial development of his State will be vitally affected by the improvement and use, or the failure to improve and use, the waterways which run from the borders of his State to the waters of the seas.

Mr. President, this was in the nature of a mild rebuke to our State and to some of its representatives, a gentle hint that the State of Iowa would be more prosperous if it joined with the general raid upon the Public Treasury for river and harbor bills, a sort of philosophy that the prosperity of a State had some dependence upon the pork barrel. If it be true, of course, that large appropriations for rivers and harbors bring about great prosperity, and that the failure to secure them operates in the opposite direction, it would be supposed that the State of my good friend from Louisiana would be vastly more prosperous than the State of Iowa, because in securing appropriations I am sure no one is more deft or successful than the able Senator from the State of Louisiana.

It is a curious coincidence that just about the time that my good friend was admonishing us that we ought to join more heartily in securing these appropriations and regretting the decrease in population of our State, a committee from his State was in our State, a few days after that, studying agricultural conditions and studying how Iowa was making such a success of farming. I ask, without reading it, as I do not want to take up unnecessary time, that it be inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The matter referred to is as follows:

LOUISIANA MEN TO VIEW IOWA FARMS.

DES MOINES, *August 22.*

Louisian agriculturists, business men, and newspaper correspondents will study farm conditions in Iowa from August 30 to September 3, it was announced here to day. The party, which numbers about 100, will visit Waterloo on August 30, coming to Des Moines the next day, going to Ames on September 2, and concluding their stay in the State at Des Moines on September 3.

The purpose of the tour, according to J. Z. George, acting general manager of the New Orleans Association of Commerce, is to study the advanced farming and dairying methods used by the farmers of this section, with a view to using the information in the promotion of scientific farming in the agricultural sections of Louisiana. The tour also includes the States of Illinois, Wisconsin, and Missouri.

Mr. KENYON. It is true, Mr. President, that there was some decrease in population in my State from 1900 to 1910; and I

insert in the RECORD without reading, an editorial from Wallace Farmer in relation to that subject. I will say a word about it later.

The PRESIDING OFFICER. Without objection, that course will be pursued.

The matter referred to is as follows:

WRONG IDEA OF POPULATION DECREASE.

While there has been much talk about the decrease in population in Iowa from 1900 to 1910, after all there was a falling off of only 7,082, which is very small. This, of course, was in the rural territory, and practically all the States showed a falling off in rural population. The urban population in Iowa gained 19.9 per cent from 1900 to 1910, while the rural population decreased 7.2 per cent. There was a decrease in the number of foreign-born population from 1900 to 1910 of 32,155. The total foreign-born population in 1900 was 305,920 and in 1910 it was 273,765.

Mr. KENYON. The people of Iowa have gone to most of the States of the Union. I know that there are cities in the State of the Senator from Louisiana populated almost entirely by Iowa people. In California every year they hold what is called an Iowa picnic, at which there are registered from 35,000 to 50,000 Iowa people. Our people have gone into the States of the Northwest and have helped to populate them.

Mr. President, it might be inferred from the statement of the Senator that we did not have in Iowa the high degree of prosperity that we should have. I want to insert in the RECORD a short article from the Des Moines Register, showing that in the year 1914 the crops of Iowa amounted to $1,000,000,000, and the dairy products alone amounted to $100,000,000. I will not stop to read this, but assume that it may be printed, without objection.

The PRESIDING OFFICER. In the absence of objection, that course will be pursued.

The matter referred to is as follows:

IOWA IN BILLION-DOLLAR CLASS BY HERSELF IN 1914—FARM CROPS ARE WORTH OVER $1,000,000,000, WITH DAIRY PRODUCTS $100,000,000—OTHER STATES DISTANCED—CORN CROP MILLIONS OF BUSHELS AHEAD OF ILLINOIS, THE NEAREST COMPETITOR—WORLD'S DEMANDS LARGE—HAWKEYE PRODUCTS TO COMMAND HIGH PRICES ALL ALONG THE LINE.

Iowa's farm crops this year are valued at more than $1,000,000,000, and the dairy products, poultry, and eggs will yield $100,000,000 additional, according to a statement issued yesterday by Howard N. Whitney, of the Iowa department of agriculture.

This year, in spite of a serious drought during the growing season, Iowa's leadership over other States of the Union as the greatest agricultural Commonwealth is more pronounced than ever. Her corn crop is 74,000,000 bushels greater than that of her nearest competitor for agricultural honors—Illinois. Indiana ranks third in the United States in the number of bushels of corn produced this year, yet Iowa's corn yield is two and one-third times greater than that of Indiana.

HAS LONG LEAD.

"Iowa also has a long lead over the other grain-producing States in her oats crop, which is 27,000,000 bushels greater than that of Illinois, which produced the second largest oat crop," said Mr. Whitney. "This year Iowa's wheat crop, both spring and winter, did not equal that of last year by about 5,000,000 bushels, but prices for wheat are running strong, and this year's wheat crop will undoubtedly be of more money value than that of last year. In 1913 the potato crop was almost a failure, but this year the crop totals over 13,000,000 bushels, which is about the average crop.

"The hay crop, while short in southern Iowa, was good in other parts of the State and totals 3,899,000 tons, valued at $46,788,000. In fact, this year's field crops will be worth more than $1,000,000,000. The dairy products and poultry and eggs will be worth another $100,000,000. If to the field crops and the dairy and poultry products are added the value of live stock on farms the figures would total considerably more than $1,000,000,000.

"WORLD'S FOOD SUPPLY.

"This magnificent contribution to the necessities of life from the fields and herds of Iowa is considered especially fortunate this year, when foreign countries are being devastated by war. Iowa will undoubtedly be called upon to furnish a large per cent of the world's food supply, and will profit accordingly.

"That Iowa should produce a corn crop of 379,000,000 bushels in this last season of unusual drought is significant of the fertility of the soil and the skill of the Iowa farmer. Iowa's corn crop for the last five years has averaged around 350,000,000 bushels, so that this year's crop is above the average, in spite of the fact that corn suffered seriously from the dry weather, especially in southern Iowa.

"GOOD PRICES FOR GRAIN.

"All of the grain crops will bring good prices this year. On October 1 the average farm price for corn throughout the United States was 69 cents, which would make the Iowa corn crop worth $261,510,000. The Iowa oats crop totaled 163,000,000 bushels and would be worth, according to October 1 prices, over $60,000,000. The wheat crop, totaling 14,800,000 bushels, would be worth at October 1 farm prices $13,383,000. The barley crop, totaling 9,980,000 bushels, would be worth $4,990,000, and the rye crop, totaling 1,121,000 bushels, would be worth $885,590. The potato crop, totaling 13,600,000 bushels, would be worth $8,604,000, and the hay crop of 3,889,000 tons would be worth $46,788,000.

"Iowa alone produces more corn than Nebraska, Kansas, and Oklahoma combined. She produces more oats than the total of the three States of North Dakota, South Dakota, and Missouri. In her poultry products she is again far in the lead, and is gaining steadily on New York and Wisconsin in their dairy output.

"Reports from over the State are to the effect that lands are not changing hands as generally as in the seasons past, and there is a big demand for farms to rent. Iowa farmers are in a position to hold their crops for the most advantageous prices, and there is evidence that next spring's prices will be unusually high."

Mr. KENYON. The Monthly Crop Reporter, February 20, 1916, giving the value of the 13 principal crops, gives Iowa $295,202,000, and gives the State of my distinguished friend $71,042,000. It may be remarked, parenthetically, that in the year 1914 Iowa outranked all other States in the Union in the value of crops.

From the same publication, January 1, 1916, I place in the RECORD a statement showing the estimated value of live stock, including horses, mules, cows, cattle, sheep, and swine, in the State of Iowa and the State of Louisiana:

Estimated live stock, Jan. 1, 1916.

	Iowa.	Louisiana.
Horses	$166,320,000	$15,820,000
Mules	6,710,000	12,672,000
Milch cows	81,374,000	10,027,000
Other cattle	104,827,000	7,980,000
Sheep	8,026,000	426,000
Swine	84,342,000	11,307,000
Total	451,599,000	61,368,000

It is sufficient to say that the value of Iowa live stock is approximately $451,599,000 and of the State of Louisiana $61,568,000, and the amount of money deposited in banks is something of a criterion as to the prosperity of a State.

In the State of my distinguished friend the money deposited in the national banks up to June 30, 1915, was $40,337,000; the amount deposited in other banks up to June 30, 1915, was $90,484,000; the amount deposited in national banks up to June 30, 1916, was $55,384,000. The total deposits of the national banks in the whole State of Iowa for the year ending June 30, 1916, was $203,162,000; in other banks, outside of private banks, $364,744,000, making a total of $567,162,744.

There is more money on deposit in the savings banks of Iowa than there is on deposit in the savings banks of all the Southern States combined.

I insert an editorial along this line taken from the Des Moines Register and Leader, which I ask may be incorporated in the RECORD without reading.

The PRESIDING OFFICER. Without objection, that course will be pursued.

The matter referred to is as follows:

[Editorial from Des Moines Register and Leader.]

Iowa produces in greater abundance than any spot on earth the raw materials of wealth.

If it were not for the newspapers, Iowa would never know of panics.

It is a very small town in Iowa where the local banks do not hold a million dollars of surplus farm money.

Iowa subscribes for more magazines, pays for more newspapers, maintains more chautauquas and lecture courses, buys more books, rides in new automobiles, and offers a better market for everything that ought to have a market than any equal population on earth.

Mr. KENYON. Mr. President, the fairest land the sun shines on to-day is that imperial domain between the great rivers. Iowa has advanced in the value of its farm land in the last 10 years more than any State in the Union. The production of its lands almost staggers belief. Iowa is first of all the States in the Union in the production of corn; it is first in the production of oats; first in the value of its live stock: first in its eggs and poultry; first in its hogs; first in the value of its horses; second in the production of hay. In the year 1913 Iowa's corn yield amounted to 338,300,000 bushels, and this was a poor year, being 93,721,000 bushels less than was raised in the State in 1912. In the year 1913 Iowa had planted to corn 9,956,000 acres; Illinois had planted to corn in the same year 10,450,000 acres; but Illinois produced some 50,000,000 bushels less of corn on more land, and this year the corn crop alone of Iowa will amount to 365,000,000 bushels.

In the year 1913 Iowa produced 168,360,000 bushels of oats; Minnesota stood second, with a yield of 112,644,000 bushels of oats.

In the year 1913 Iowa produced one-seventh of the total corn crop of the United States and one-tenth of the total corn crop of the world.

The Iowa hens in 1913 laid 1,170,596,792 eggs, and had a three months' vacation in the bargain. Enough eggs placed end to end to reach around the world and half way to the moon. The value of the poultry and eggs in 1913 in the State of Iowa was about $38,000,000. That is more than the sugar-cane production of the State of Louisiana. This is more than the annual output of the gold mines of Alaska. Iowa's poultry, together with the egg crop, in a single year would buy 64,000 automobiles of the Ford variety.

In 1913 Iowa produced one-fourth of the total sweet corn, packed, of the world. Iowa has twice the number of swine of any State in the Union. Iowa people received last year about

$28,285,249 for butter made in Iowa. Iowa's apple crop is exceeded only by the States of New York, Pennsylvania, Michigan, and Missouri. Iowa's berry crop is greater in value than that of any State west of the Mississippi River, except Missouri and California.

Iowa has over 95 per cent of its land tillable; its crop in 1914 was worth approximately $1,000,000,000. The crop output of the United States that year was nearly $10,000,000,000. The State of Iowa produced one-tenth of all that wealth.

Iowa has more banks than any other State in the Union, representing deposits of $567,000,000, as I have heretofore said.

Iowa has the lowest per cent of illiteracy of any State in the Union; it has the greatest per capita wealth of any State in the Union; it has the smallest per capita of indebtedness of any State in the Union, amounting to only 3 cents per capita.

A considerable percentage of the Members of Congress, I think of both the House and Senate, were born in Iowa and many of those who could not themselves be born in Iowa went to Iowa to get their wives.

According to the census of 1910 here are the values of the farm lands in a number of States, which I ask may be inserted in the RECORD.

According to the census of 1910 the value of all farm property in the State of—

New Hampshire	$103,704,196
Massachusetts	226,474,0 5
New York	1,451,481,495
Iowa	3,745,860,544
Louisiana	301,220,988

The value of the land in these States, according to the census of 1910, was as follows:

New Hampshire	44,519,047
Massachusetts	105,532,616
New York	707,747,828
Iowa	2,801,973,729
Louisiana	187,803,277

Implements and machinery.

New Hampshire	5,877,657
Massachusetts	11,563,894
New York	83,644,822
Iowa	95,477,948
Louisiana	18,077,053

Value of live stock.

New Hampshire	11,910,478
Massachusetts	20,741,366
New York	183,090,844
Iowa	393,603,196
Louisiana	44,699,485

The average value of land for these various States, according to the 1910 census per acre:

New Hampshire, $13.70, an increase over 1900 of 39.4 per cent.

Massachusetts, average value $36.69, an increase over 1900 of 32.8 per cent.

New York, average value $32.13, an increase over 1900 of 32 per cent.

Iowa, average value $82.58, an increase over 1900 of 127.2 per cent.

Louisiana, average value $17,99 an increase over 1900 of 84.7 per cent.

Average value per farm, 1910 census.

New Hampshire	$3,833
Massachusetts	6,135
New York	6,732
Iowa	17,259
Louisiana	2,499

These figures are all from the census of 1910. Since that time Iowa lands have gone forward by leaps and bounds until today land with no improvement beside a fence is selling in the State of Iowa for $150 per acre, while improved farms are selling from $200 to $300 per acre.

This is the State that my good friend the Senator advises to get prosperity in by securing more money out of the Federal Treasury.

There has never been a complete failure of crops in Iowa. Not only in agriculture is the State progressing, but in manufacture. In 1909 she ranked eighteenth in the States in the Union in manufacturing, but her manufacturing establishments now produce goods that nearly equal the grain production of the State in value each year, so that Iowa is becoming a manufacturing State as well as an agricultural State. There was a slight decrease in poulation, as shown in the last census, a decrease of some 7,000.

It has been questioned whether the census was properly taken, but, in any event, this was confined to the rural districts; rural population everywhere has been decreasing, and as Iowa is, above all else, an agricultural State, it was natural that she should suffer in this respect. The urban population gained 19.9 per cent from 1900 to 1910, while the rural population decreased 7.2 per cent. The lands have become so high that the farmer is unable to buy adjacent lands for his boys, and so sells his farm and goes to a country of cheaper land, but they are already commencing to return, and many are simply trying to save money enough to get back into the old State of Iowa.

I ask to insert as a part of my remarks, without reading, a short article from Dr. Frank Crane, of Iowa.

The PRESIDING OFFICER. Without objection it is so ordered.

The article referred to is as follows:

OUR GOOD OLD IOWA AS DR. CRANE SEES IT.

[By Dr. Frank Crane—Copyright, 1914.]

If Congress were to offer me my choice of any State in the Union as a reward for my worth and modesty, I should say, unhesitatingly, "Give me Iowa."

Because Iowa is the most American State in the Nation.

There are few millionaires, few paupers. No scum, no dregs, to speak of. They are just plain United States folks.

Iowa buys more first-class reading matter than any other State except New York.

Every 10 miles or so in Iowa there is a Chautauqua in the summer time. And where you find Chautauquas you find the people of the western world at their best.

If any foreigner wants to see what a real, genuine, dyed-in-the-wool United Stateser is, let him attend a Chautauqua.

Iowa is the new New England. New England is not New England any more. It is swamped, diluted, and washed out by immigrants.

There is about as much of the old *Mayflower* stock left in Massachusetts as there is old colonial furniture in Nantucket.

Boston is Irish, Worcester is Swedish, and Lowell is a little of everything.

Iowa is where the New Englanders that had snap have gone to.

In a recent financial paper I note:

That the farms of Iowa are worth more than the farms of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New Jersey, Delaware, Maryland, West Virginia, South Carolina, Florida, Alabama, Arizona, Utah, Nevada, New Mexico, Montana, and Wyoming combined.

The increase in value of Iowa farm land in the last 10 years is greater than the increase in value of all farm land in Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, Arkansas, Louisiana, and Oregon combined.

The Iowa corn crop is greater in value than the wheat crop of Canada or Argentine Republic.

The annual corn crop of Iowa is worth more than the annual yield of either iron ore, anthracite coal, petroleum products, or the products of all the gold, silver, or copper mines of the United States.

Iowa farm property is valued at $3,745,000,000.

Iowa farmers own farm machinery valued at $95,447,000.

Value of Iowa cattle $118,884,000.

Value of Iowa horses, $7,551,000.

Value of Iowa swine, $69,693,000.

Value of Iowa mules, $7,551,000.

Value of Iowa sheep, $5,748,000.

Value of Iowa poultry, $23,482,000.

Iowa last year made 93,911,906 pounds of butter in creameries, of which all but 6,978,000 pounds was exported from the State.

Iowa hens produced more wealth than Colorado's mines.

Iowa's per capita wealth, $1,839.

Some State, believe me!

Mr. KENYON. I also ask to insert an article by J. Edward Kirbye.

The PRESIDING OFFICER. Such will be the order if there be no objection.

The article referred to is as follows:

THE CREED OF IOWA.

[By J. Edward Kirbye.]

I believe in Iowa, beautiful land of open and starlit skies, of opalescent clouds of heat and cold, sunshine and rain which vivifies our splendid soil and makes it respond to the wants of man.

I believe in Iowa beautiful land of limitless prairies with rolling hills and fertile valleys, with winding and widening streams, with bounteous crops and fruit-laden trees, yielding to man their wealth and health.

I believe in Iowa land of agricultural resources almost untold, of limitless opportunities for development of wealth and where the automobile and the latest achievements in the science of farming find a welcome in a hundred thousand homes.

I believe in Iowa, rich in her men and women of power and might. I believe in her authors and educators, her statesmen and ministers whose intellectual and moral contribution is the mainstay of the Republic—true in the hour of danger and steadfast in the hour of triumph.

I believe in Iowa magnet and meeting place of all nations fused into a noble unity Americans all, blended into a free people. I believe in her stalwart sons, her winsome women, in her colleges and churches, in her institutions of philanthrophy and mercy, in her press, the voice and instructor of her common mind and will, in her leadership and destiny, in the magnificence of her opportunity, and in the responsibilities of her citizenship.

I believe in our Commonwealth yet young and in the process of making and palpitant with energy and faring forth with high hope and swift step, and I covenant with the God of my fathers to give myself in service, mind and money, hand and heart to explore and develop her physical, intellectual, and moral resources, to sing her praises truthfully to keep her politics pure, her ideals high, and to make better and better her schools and churches, her lands and homes, and to make her in fact what she is by divine right, the queen of all the Commonwealths.

Mr. KENYON. I wish simply to say in conclusion that I want to invite my distinguished friend to come out to Iowa. We will show him the greatest agricultural college in the world, with 3,000 bright boys and girls learning the science of agriculture; we will show him the greatest agricultural fair of any State

in the Union; we will in the summer time pick up a Packard car from one of our prosperous farmers and drive him through miles and miles of fields of corn; we will show him thousands of acres where "Maud Muller on a summer's day" might draw a great inspiration "raking hay"; we will show him magnificent cattle and horses and hogs, chickens, eggs, potatoes, and everything that man might desire to see and know.

James G. Blaine, when once asked by some travelers of foreign nations as to what they should see in this country, replied: "The only advice I have to give is to see Iowa in the daytime in the harvest season." I want the Senator from Louisiana to take that advice. He will be satisfied that James G. Blaine was right; he will know that Iowa is indeed the beautiful land, and a cordiality of reception will be extended to him that will warm his heart. He will be convinced that the people of Iowa are not only attending to commercial and agricultural life, but they are engaged in the development of the highest ideals of citizenship. He will find schools, churches, colleges, homes and home lovers, builders of a mighty civilization.

He will be convinced of the truth of the epitaph upon the stone over the grave of one of Iowa's distinguished citizens in days gone by: "Iowa, the affections of her people like the rivers of her borders flow onward to an inseparable union"; he will also be convinced that—

God never made a better land
From the dawn of endless day;
He tried His hand on projects grand
Then made sweet Iowa.

Mr. THOMPSON obtained the floor.

Mr. RANSDELL. Will the Senator yield to me for a moment.

Mr. THOMPSON. I yield to the Senator from Louisiana.

Mr. CLAPP. Will the Senator from Louisiana yield to me for a moment?

The PRESIDING OFFICER. The Senator from Kansas has the floor.

Mr. THOMPSON. I yield to the Senator from Minnesota.

Mr. CLAPP. Mr. President, I wanted to join in the invitation of the Senator from Iowa to the Senator from Louisiana to visit Iowa because that would partially fit him and reconcile him to the still grander development and splendor of Minnesota. If he would continue his journey one day northward from Iowa it would acquaint him with that which he is not accustomed to.

Mr. RANSDELL. Mr. President, I thank the Senators from Iowa and Minnesota very cordially for their invitations and gladly accept them. I shall be delighted to visit Iowa at the first opportunity, and when there will go also to Minnesota. I know that they are two of our greatest States, and the only thing I ask of these Senators is that, after I have visited them, they shall come to Louisiana and see the finest and best of all the States in the Union.

I had not the slightest idea when I was making my general speech on waterways in response to Mr. HUGHES that I was going to stir up my Iowa friend to make a speech on his State. I was talking about waterways for the whole Nation, and he has made a speech on the glories of Iowa. No one knows these glories much better than I do, and let me tell you where I learned of them, principally from Iowa people who settled in Louisiana, and they never have gone back to Iowa to live. They were so happy and prosperous in Louisiana that they have stayed there. Those Iowa folks are the very best men in the world who went to Louisiana and helped to develop its splendid resources. They were heartily welcomed, and we will gladly receive as many more as desire to come.

Senator KENYON, let me tell you when your people sell their lands at $300 to $350 an acre and wish to invest in the best lands in America send them to Louisiana. You can not find such opportunities in States which are fully developed. A large percentage of the lands of Louisiana are in a virgin state.

I did not intend to tread on the toes of the Senator from Iowa in the slightest degree when I said there had been a diminution of population in his great State, according to the last census. I believe it is the only State that has fallen off some seven or eight thousand in population. Just why I do not know, but the Senator has made an argument which confirms everything that I said about the wisdom of improving waterways. There is a marvelous commerce in Iowa to move, and I was trying to persuade the Senator and others to develop the waterways of this country in order that commerce might move by water—the cheapest and the best of all known means of transportation.

You have a fine river, Senator, on your eastern and another on your western border, and also good rivers in your interior. You have to-day an agricultural commerce exceeding a billion dollars every year, according to your showing; and that vast commerce requires capable transportation agents to move it. All that I asked of you in that respect and all I ask now is that we shall develop our waterways, which are much cheaper freight carriers than railways, that we shall not confine the people of Iowa or of the Union to railroads alone, but give them the competition which nature and nature's God intended they should have on their waterways, the best and the cheapest agencies of transportation on earth.

Mr. THOMPSON. Mr. President, I am sure we were all delighted with the remarks of the brilliant junior Senator from Iowa [Mr. KENYON] pertaining to the glorious things which exist in Iowa, and we were also delighted with the enthusiasm of the Senators from Minnesota and Louisiana for their States, but Kansas will be, as she always has been, glad to take care of the people from Iowa, from Louisiana, and from Minnesota as they gradually become dissatisfied there.

I must acknowledge that Iowa in some years past—I dare not say how many—did excel Kansas in one think only, and that is in the women it produced. As the Senator from Iowa intimated, I went to Iowa for a wife, but it was not until after she became dissatisfied with Iowa and came to Kansas. That is the only thing I can think of now in which Iowa has ever excelled the great Sunflower State, and she has now lost out on this score.

Mr. President, I am exceedingly glad that the senior Senator from Oklahoma [Mr. OWEN] has insisted upon the passage of this corrupt-practices bill before the adjournment of Congress, for if there is any legislation of the greatest importance to the Nation at this particular time, just preceding a national election, it is a good, workable, and efficient corrupt-practices act. To wait until after the election would be like locking the stable door after the horse is stolen. I have no reference to the horse mentioned by my genial friend, the distinguished Senator from Arizona [Mr. ASHURST], upon yesterday. [Laughter.]

Mr. President, ever since I have been in the Senate I have been greatly interested in corrupt-practice legislation. Among my first official acts as Senator, on April 17, 1913, a short time after the special session convened, I introduced a corrupt-practice bill known as Senate bill 1177. After three and a half years' struggle with legislation of this character in the Senate and before the Committee on Privileges and Elections, on which I have the honor to serve, it was indeed a great pleasure to me to have the privilege on May 29, 1916, to finally report favorably Senate bill 5437. Shortly after that date the House bill we are now considering, H. R. 15842, was referred to our committee and it was reported a few days later by the popular and distinguished senior Senator from Indiana [Mr. KERN].

Mr. President, my special interest in this character of legislation was brought about because it was an issue in the campaign in which I was elected to the United States Senate. At the very commencement of that campaign at Melvern, Kans., where I spoke on the same platform with my opponent, the then governor of the State, Hon. W. R. Stubbs, I made this statement:

It is as much a disgrace for a candidate for President, by himself or others, to expend $16,000,000 to secure election, as it is for a candidate for the United States Senate to expend $100,000. No such expenditure can be honest or legitimate, and the man who makes it should be disqualified from holding the position he seeks, and certainly ineligible for a third term.

I have never changed my mind on the propositions there laid down.

Mr. President, I made that statement because at that time it was generally published and understood that the Roosevelt campaign of 1904 had cost the enormous sum of $16,000,000. I made the other statement in reference to United States Senators, because my opponent was a millionaire, and it was generally reputed that he had spent $50,000 to obtain the nomination for the Senate and would expend $50,000 more to secure the election. My opponent immediately seized upon this statement and upon the position I took as one of the issues for the campaign. I challenged him then and many times afterwards upon the stump to keep a record of every item of expenditure, and of every dollar contributed, and I would do the same. He agreed to this. I regret that he did not keep his word to do so, as well as I, for, Mr. President, I did keep account of every cent received from every source and of every cent expended for every purpose, as the records in the office of the Secretary of the Senate show. The total expenditures amounted to $5,991.32. My opponent, although a millionaire, and it was generally reputed that the election was to be bought, and it was known that money was lavishly spent everywhere, returned a statement showing an expenditure of only $2,555.97. I am sure my distinguished colleague [Mr. CURTIS] will verify his expense

for telegrams alone that year, both before the primary and before the election, far exceeded the entire amount returned by him as expended during the two campaigns, for there was not a single prominent political worker in any precinct of the State who did not receive a long telegram the night before the primary and also before the general election; and at that time there were about 2,300 precincts in the State. If three workers, on an average received a telegram, at the lowest possible figure of 25 cents, this item alone would have amounted to nearly $3,500, and no return whatever was made of it.

In his sworn statement, which I have before me, there is no return for automobile hire, for automobiles used at the primary and on election day in the various 2,300 precincts, and there is no return for railroad fare anywhere about the State; while it will be seen by the return made by me, which I also have here, that this total, $5,991.32, includes telegrams, transportation, board, printing, railroad fare, postage, clerk hire, and everything else pertaining to the senatorial campaign.

Mr. President, if in a State 400 miles long and 200 miles wide, containing 2,300 voting precincts, and with a voting population of 350,000, you can legitimately conduct a campaign for the United States Senate and enter the 105 counties of the State in that campaign, there is no reason in the world why this bill should not at this time be passed. I know, from having kept track of every item, that such a campaign can be made for less than the amount which this bill permits as legitimate expenditures. "The proof of the pudding is in the eating." I know it can be done, and everybody knows it should be done.

Mr. President, my interest in this matter was such that, after I introduced the first bill, I addressed a letter to every secretary of state in the United States and to every State chairman of every political party in the various States of the Union as follows:

UNITED STATES SENATE,
COMMITTEE ON EXPENDITURES IN THE
DEPARTMENT OF COMMERCE,
November 16, 1914.

MY DEAR SIR: For legislative purposes I would be glad to know exactly or approximately the total amount of money expended by the Republican and Democratic State central committees in your State and National campaigns for the last three national campaigns, to wit, 1904, 1908, 1912, and by the Progressives in 1912. If you are unable to give me a statement or an estimate of these figures from the books or from memory, will you please refer me to someone who can.

Assuring you that I will fully appreciate any information you can furnish on this subject, and that I will gladly reciprocate the favor at my first opportunity, I remain,

Very respectfully, ——— ———.

I received a reply to nearly every letter; but to show the absolute necessity of a law of this character, I desire to state that there were very few States in the entire Union, either through their State officials or through political organizations, that were able to furnish the information which I sought.

In 1904 only 9 States were able to give me the amount received and expended by the Democratic Party, and only 7 States were able to give me the amount received and expended by the Republican Party. In 1912 only 14 States were able to give me the information as to the amount received and expended by the Progressive Party. For the benefit of the Senate and the country, I desire to give the result of my research in this respect and to insert in the RECORD, without reading, the amounts returned from the various States in response to my inquiry.

The PRESIDING OFFICER. Without objection, that course will be pursued.

The matter referred to is as follows:

Statement of election campaign expenses of political parties so far as reported.

	Democratic.	Republican.	Progressive.
Arizona, 1912	$2,463.50	$2,590.75	$2,488.67
Arkansas:			
1904	2,500.00	5,000.00	
1908	2,500.00	5,000.00	
1912	2,500.00	5,000.00	5,000.00
California:			
1904		35,971.92	
1908		22,003.08	
Colorado:			
1904	50,301.44	148,264.92	
1908	40,008.93	34,045.00	
1912	21,141.98	13,297.80	17,557.23
Connecticut: 1912	12,000.00	29,000.00	8,000.00
Georgia: 1912	6,184.35	17,830.38	10,329.19
Idaho:			
1904	3,000.00		
1908	3,600.00		
1912	6,000.00	15,000.00	5,000.00
Indiana:			
1904		150,000.00	
1908		100,000.00	
1912		50,000.00	

Statement of election campaign expenses of political parties—Continued.

	Democratic.	Republican.	Progressive.
Iowa			
1908	3,828.17	18,835.72	
1912	15,148.55	8,301.31	13,307.27
Kansas: 1912	22,281.85	11,396.91	
Maryland:			
1908	13,904.01		
1912	20,703.82		
Massachusetts:			
1904	60,673.25	28,040.41	
1908	2,591.23	50,592.72	
1912	29,747.22	97,359.00	52,059.78
Michigan:			
1904	6,500.00		
1908	5,000.00		
1912	15,000.00		
Montana: 1912	20,402.84		8,501.00
Nebraska: 1912		14,176.00	
New Jersey: 1912	17,877.20	38,095.98	
New York:			
1904	[2] 755,838.51	[3] 1,466,373.91	
1912	198,965.12	319,286.49	221,052.82
North Carolina:			
1904	(1)		
1908	(1)		
1912	(1)		
North Dakota:			
1904	6,000.00		
1908	8,000.00		
1912	8,893.00		
Oregon: 1912	6,500.00	7,500.00	11,000.00
Pennsylvania: 1912	34,274.36	6,960.40	[4] 45,507.08
Virginia:			
1904	5,000.00		
1908	5,000.00		
1912	5,500.00		
Washington: 1912		14,000.00	
West Virginia: 1912		54,540.30	
Wisconsin:			
1904		19,473.00	
1912	13,553.81	7,476.52	8,347.16
Wyoming: 1912	17,604.75	22,043.99	6,955.38

SUMMARY.

Year.	Number of States reporting.	Total.
Democratic Party:		
1904	9	$512,893.94
1908	11	454,605.89
1912	20	463,104.60
		1,430,604.43
Republican Party:		
1904	7	1,129,937.20
1908	7	963,573.47
1912	19	724,782.83
		2,818,293.50
Progressive Party, 1912	14	415,316.08
Grand total		4,664,214.01

[1] State only.
[2] For 1904 and 1908, inclusive.
[3] Estimated $2,000 to $8,000 for each campaign.
[4] Progressive.

1904.

Democratic Party in 9 States	$512,893.94
Republican Party in 7 States	1,129,937.20

1908.

Democratic Party in 11 States	454,605.89
Republican Party in 7 States	963,573.47

1912.

Democratic Party in 20 States	463,104.60
Republican Party in 19 States	724,782.83
Progressive Party in 14 States	415,316.08
Total amount expended by all parties in the States reporting	4,664,214.01

Mr. THOMPSON. But with this limited information, which is all I was able to get, there is shown in these few States the use of money by the Republican Party largely in excess of any other party. It is shown that in these few States there was an expenditure of $4,664,214.01 for the years which I have mentioned, so far as there was any record to show, and it is safe to say no record was kept of many of the expenditures.

But from the information we have received as the result of the great investigation in the year 1912, carried on by the distinguished Senator from Minnesota [Mr. CLAPP] as chairman, who, I am sure, we all regret will not remain in the Chamber after next March, there is such an enormous expenditure of money coming from suspicious sources as to constitute a scandal in the political life of the Nation. So, I say that now, before

the election, before the horse is stolen, is the time that this bill should be passed; and, if the filibuster being conducted on the Republican side of the Chamber will cease, we can pass this legislation and receive the approbation of an anxious public who want an honest election this fall. If this bill fails to pass, it will be the fault of the Republicans, and the public will understand the motive. If it fails by reason of their filibuster permitted by the rule of unlimited debate, it will furnish another reason for cloture, which is the next reform to be established by the Democrats of the Senate.

While all political parties have used more money than they had any right to use under the law, or in good conscience, or according to the rules of good conduct, and what is best for the Nation, we should all join together now in aiding the distinguished Senator from Oklahoma in passing this bill, which is the most vital piece of legislation yet to be enacted by this Congress, in order that we may have an effective law that will do some good in the coming election.

Now, Mr. President, without reading, I desire to have printed as part of my remarks an editorial from the Wisconsin State Journal, a Republican paper, demanding that Congress pass the Owen bill, and pass it before adjournment.

The PRESIDING OFFICER. Without objection, that course will be pursued.

The editorial referred to is as follows:

[From Wisconsin State Journal of Sept. 5, 1916.]

PASS THE OWEN BILL.

On the first day of the first session of the Sixty-fourth Congress a bill was introduced, prepared by Senator OWEN of Oklahoma, known as the corrupt practices prevention act. This bill was later amended, reintroduced by Senator OWEN, and favorably reported on May 18, 1916. The avowed purpose of this act was to prevent the control of the election of the President, Vice President, Senators, and Members of the House by the corrupt use of money.

On July 15, 1916, the Senate Democratic conference made this measure a part of its legislative program. Under the rules of the Senate permitting unlimited debate and preventing the Senate from determining when it may dispose of a matter by a vote so much time has been consumed that the enemies of this corrupt practices act are now trying to prevent any action on it by taking advantage of the impatience of Senators who are up for election and who naturally desire to go home and take active part in their own campaigns.

The Senate ought not to adjourn until this bill has been acted upon.

The country remembers the scandal a few years ago in which evidence of a somewhat overwhelming character was introduced to show the purchase of a seat in the Senate, which was only vacated after two strenuous contests.

Under the present Federal law there is no adequate control of corrupt practices in relation to the election of the President or of Senators or of Members of the House. The acts of 1907 and 1910, the amendment of 1911, and the act of 1912 do not apply to acts within a single State; they leave loopholes through which elections may be corruptly influenced without publicity and without punishment.

The Owen bill now before the Senate forbids private persons from contributing more than $5,000 to influence Federal elections; forbids any person from spending more than $50 without giving it publicity; forbids money from being sent from one State to another; limits the amount which may be expended by the national committees and by the candidates themselves; gives an immunity bath to witnesses, and then compels them to give evidence, and thereby exposes violators of the law to the law to the danger of its penalties. It makes corrupt practices under the law punishable as a felony and forbids a candidate retaining office if he be found guilty of violating the statute.

The House of Representatives has passed a corrupt-practices act along similar lines, and the matter is now before the Senate. The bill ought to become a law.

Mr. THOMPSON. In this connection, Mr. President, I ask to have printed as part of my remarks the comment made generally by the press of my State upon the statement of my contributions and expenditures during the campaign of 1912.

The PRESIDING OFFICER. If there is no objection, that course will be pursued.

The matter referred to is as follows:

COMMENTS APPEARING IN PAPERS OF KANSAS CONCERNING SENATOR THOMPSON'S CAMPAIGN STATEMENT.

Judge WILLIAM H. THOMPSON, of Garden City, Kans., the successful Democratic candidate for the United States Senate, has just completed and forwarded to Washington his statement of campaign contributions and expenditures, as required by the new publicity law passed by Congress. While this law provides for making public all contributions, it excludes a large number of expenditures which may be made by any candidate and not accounted for, the law providing that candidates need not account for—

"Money expended by any such candidate to meet and discharge any assessment, fee, or charge made or levied upon candidates, or for his necessary personal expenses, incurred for himself alone, for travel and subsistence, stationery and postage, writing or printing (other than in newspapers), and distributing letters, circulars, and posters, and for telegraph and telephone service, shall not be regarded as an expenditure within the meaning of this section, and shall not be considered any part of the sum fixed as the limit of expense and need not be shown in the statements required to be filed."

The law limits the expenditures of candidates for Representative in Congress to $5,000 and the expenditures of candidates for the United States Senate to $10,000, but it excludes all of the above items mentioned in the quotation. Judge THOMPSON, however, has kept a complete record of every item of expense, including his own personal expenditures for railroad fare, hotel bills, livery, hack and street car fare, clerical work, postage, advertising, telephone and telegraph, and printing. In fact, every item of his expense and accounting for all these items he has only spent a little over one-half of what the law allows. His total expenditures for all campaign expenses before the primary, $1,813.62, and for 30 days after the primary until the campaign for election commenced, $342.95, and all expenses before the election, $1,872.80, and for 30 days after the election and including all items not thereto accounted for, $1,924.75, making a total of $5,953.12. His total contributions from all sources, $2,500 of which was contributed by the State committee and $572 by the national committee and the balance by popular subscription of personal friends, amounted to $3,560.75. Judge THOMPSON in his statement has given the names and addresses of every contributor from $1 up, and has given a complete statement of all the expenses and for what purpose by both himself and the State committee. This is the most complete statement filed by any candidate for the Senate or House in the United States. The only item he would have had to account for under the strict letter of the law would have been $805.42, advertising in newspapers.

Knowing now that every item can be accounted for and that a successful State-wide campaign can be made for a reasonable expenditure, it is Judge THOMPSON'S intention to introduce into Congress a bill providing that all candidates for the House and Senate shall hereafter account for every cent received and every cent paid out, personally and otherwise, and making a false statement in this regard sufficient for a removal from office. In short, he will endeavor to have the old law amended by striking out the above exception.

The principal items of expense shown by the statement are as follows: Printing, $1,862.40; advertising in newspapers, $805.42; postage, $1,040.50; personal expenses, hotel bills, railroad fare, livery and hack, $1,085.25; clerical hire, $725.; telephone and telegraph, $95. It will be observed that his statement shows that he personally expended $2,392.37 above all contributions and help received from the State and national committees.

EIGHT-HOUR LABOR LAW.

Mr. THOMPSON. In conclusion, Mr. President, I desire to have printed in the RECORD an editorial, which I have had some little trouble in getting in, but I do not think now that the Senator from Utah will deny me the privilege that he has extended to every other Senator upon the floor to have printed as part of my remarks, from the Washington Post of September 1 entitled "Stopping the Strike." While it is a little late, yet it answers the argument of the senior Senator from New Hampshire [Mr. GALLINGER] made this afternoon.

The PRESIDING OFFICER. Without objection, the editorial will be published in the RECORD.

The editorial referred to is as follows:

[From Washington Post of Sept. 1.]

STOPPING THE STRIKE.

The progress made yesterday with emergency legislation in Congress makes it almost a certainty that the strike scheduled for Monday morning will be called off. There is little fear that the strike will occur, at any rate, for even if the legislation be not perfected by Monday morning it has abundantly shown the good faith of the administration and Congress in trying to remedy the situation. To permit the strike to occur in these circumstances would be a colossal blunder which the shrewd leaders in charge of the brotherhoods would hardly be capable of committing. They have not pursued a course which gives rise to any such apprehension.

There is nothing in the Senate and House bills which need delay a prompt agreement between the two Houses. The public cares nothing for the details of the bills. All it wants at this time is a law that will prevent the strike. The simpler the law the better, since it is acknowledged to be merely emergency legislation, to be followed at leisure by a thorough consideration of the labor situation in interstate commerce.

There is widespread expression of a feeling that the Government has been coerced into enacting the eight-hour law, and many persons and newspapers condemn the President and Congress for "surrendering" under duress. Mr. Wilson, however, has kept steadily in mind one great purpose, and that is to prevent the threatened strike. He is about to succeed, with the help of Congress. This fact counts for more than all the criticism that can be brought against it. Laws can be amended or repealed, but a nation-wide strike, once in effect, could not be called off before it had worked immense loss and hardship. It is the old alternative of clinging to a theory or facing and mastering a condition. The stopping of the strike will be counted to the President's credit. There need be no fear that the integrity of the Republic is destroyed or that Americans have proved themselves to be no longer independent and self-governing. In the end justice will prevail, and neither the brotherhoods nor the managers will get anything that they are not entitled to.

It should not be forgotten by the pessimists who think the granting of an eight-hour day is a blow at the sovereignty of the United States that the Government itself established the eight-hour day without any compulsion or influence from organized labor. It may develop that the eight-hour day in railroad service is a just reform, in the interest of public safety as well as in recognition of the rights of labor. Certainly the new standard will tend to cut down overtime and thus reduce the danger of accidents through the overtaxing of trainmen. If this much is clearly established, it will be worth all its cost in the shape of increased freight rates. The increase of rates necessary to cover the cost of the new standard will be so small per capita that it can not even be honestly figured in the cost of commodities. Dishonest men will use it in an effort to boost prices, of course, just as they have used the excuse of the European war or a revision of tariff rates. But vigilance on the part of consumers will soon expose and frustrate such attempts.

In a nation that counts its producers by the millions and the value of its products by the billions a change of a few cents a day in the wages of trainmen is imperceptible. The stoppage of the Nation's activities for a single day would represent more money than the wages of the trainmen for a year.

Mr. SMOOT. Mr. President, I desire to say——

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Utah?

Mr. THOMPSON. I do not yield at this time, Mr. President.

The PRESIDING OFFICER. The Senator from Kansas declines to yield.

Mr. THOMPSON. I ask also to have printed as part of my remarks an article appearing in McClure's Magazine of November, 1911, by A. Z. Blair, entitled "Seventeen hundred rural vote sellers."

The PRESIDING OFFICER. Without objection, it is so ordered.

The article referred to is as follows:

SEVENTEEN HUNDRED RURAL VOTE SELLERS—HOW WE DISFRANCHISED A QUARTER OF THE VOTING POPULATION OF ADAMS COUNTY, OHIO.

[By A. Z. Blair, judge of the seventh district of the common pleas court of Ohio.]

[The corruption of the voting population of large American cities is a commonplace of current political history in the United States. A similar condition has from time to time been shown in some rural communities, but never thoroughly described. The following article is written by the judge who has just conducted a trial resulting in the most remarkable revelations of corruption in a rural electorate that were ever made in this country.—EDITOR.]

The writer has just completed in his court the conviction and disfranchisement of one-quarter of the electors of Adams County, Ohio, for selling their votes at the last election. This matter has excited much attention throughout the Nation. Now that the work is finished, the writer, as presiding judge, is for the first time at liberty to describe it. In justice to the county where he has spent most of his active life and to the Nation at large he should do so. If, as he has been credibly informed, conditions similar to those in Adams County exist in other sections of the country, his narrative may be of value.

Our county in southern Ohio is populated by as old and excellent American stock as any in the United States. Whatever the case may be concerning the venality of the foreign-born population in great cities, no such condition enters into the discussion of her case. In Adams County but 1 person out of 25 is of foreign parentage, against 1 out of 3 in the country at large; and but 1 man in 100 is a negro, against 1 in 8 in the United States as a whole.

Adams County was settled by Revolutionary soldiers from Virginia, and a great part of the present population is descended from them. As originally established, after the Revolutionary War, it included most of the Virginia military lands, which had been set aside by Congress for the State of Virginia to divide into farms for her soldiers. Out of this original territory have come some of the ablest men of the Nation. Gen. Grant was born here, and here was the home of Senator Allen G. Thurman. Eight governors and five United States Senators of Ohio have been chosen from this territory. To journalism it has contributed Whitelaw Reid, the present ambassador to England, and the late John A. Cockerill; among recent legislators, ex-Senators Joseph B. Foraker and Albert J. Beveridge.

A CENTURY OF BITTER POLITICS.

This original territory of Adams County has been embroiled in political strife ever since it was settled. The Virginia military lands formed a sort of quadrangle, bounded by the Ohio, Scioto, and Little Miami Rivers, and with its northern line a little north of Columbus. It was a part of the Northwest Territory. On either side of the Virginians were settlers from the North, largely from New England. The New Englanders were Federalists; the government of the Territory was Federalist. The Jeffersonians in the Virginia military lands very soon came into conflict with their neighbors in the bitter controversies over the theory of government which followed the Revolution.

Their theoretical differences brought more than theoretical results to the residents of Adams County. The two oldest settlements in Ohio, Cincinnati and Marietta—made by Federalists—were protected by forts against the Indians. Manchester, the county seat of Jeffersonian Adams County, which was the third settlement in the State, was given no fort, and the county was the scene of bloody Indian wars. The name of a Federalist President was forced upon it; and finally the Federalist governor of the Territory arbitrarily moved the county seat from Manchester and placed it in a hamlet which he named Adamsville, but which the Virginians of Adams County refused to call anything but "Scantville" during its existence.

The intense political feeling of the Virginia stock showed itself in the fights over the framing of the constitution of Ohio and in the control of the State on its admission to the Union. Their county lay along the Mason and Dixon line—a political hotbed—and the spirit of partisanship that developed after the Revolutionary War has never abated. Political loyality has amounted almost to a passion with the residents of the county. When the original county was cut down into the much smaller county of to-day no part of it retained this spirit more strongly than ours.

There was no purchasing of votes, however, previous to the Civil War; there was no need of it; the county itself was too strongly Democratic. But the Civil War made a great change. Although the population of Adams County was Democratic, it was intensely loyal to the Union. It has been said that it furnished more Volunteer soldiers in this war in proportion to its population than any other county in the North. Its largest town, Manchester, with at that time 841 people, by actual records, furnished 114 soldiers. These young men, after associating with the other soldiers of the Union Army, came back Republicans. The parties were now closely divided in Adams County, and the same old bitterness remained and was intensified. The buying and selling of votes began at that time. I have been familiar with this condition since I was a boy, and, as I shall speak of how other people were connected with the wholesale vote buying, it is but just that I should bare to public gaze the part I myself have taken in it. Whatever the humiliation may be in the eyes of my countrymen, it is only right that I should do this.

MY INITIATION BY MY SCHOOL-TEACHER.

I was born in 1861, in Hingland County, a part of the original Adams County, about a mile north of the present Adams County line. I was an active boy, and, like most active boys in our section, I very early got into politics. The first experience I had in buying votes was at the solicitation of my school-teacher. I had at that time left school, being about 21 years old; but as this man had been my teacher for most of my school days, I was glad to help him. He desired the election to the office of probate judge, on the Democratic ticket, of a candidate who would appoint his brother-in-law examiner of school-teachers for Highland County.

With my former teacher and his relative, who was a candidate for school examiner, I had charge of the Democratic campaign in Jackson Township. This was a "money fight," as we call those campaigns in which votes are freely bought. I myself took part in the buying of votes. In the evenings the hired man on my father's farm and I would go out quietly and arrange to secure votes. Our candidate was elected for probate judge, and my teacher's relative was appointed examiner. He was advanced in politics and now holds a high position in the Federal Civil Service Commission at Washington.

My initiation into this kind of politics may seem strange. On the contrary, it was typical. At that time the practice of wholesale vote buying had become a fixture in our politics, and the generation of voters to which I belonged had come to regard it as the natural and usual thing. They knew of no other kind of election. Men discussed openly before their boys the prices for which votes were sold; and the boys, hearing the older men in the families discussing the transactions in this way, were drawn into it as a matter of course.

It must be remembered, too, that during this period, when the buying and selling of the votes of the entire county became fixed upon us, the practice was not prohibited by any law. Under the present constitution of Ohio, adopted in 1851, common-law offenses are not recognized as crimes, but only such acts as are made criminal by statute. From 1851 to 1889, when the first statute on the subject was passed, it was no offense to pay electors for their votes; from 1851 to 1891 it was not an offense for an elector to take money for his vote. In the meanwhile the two parties had firmly established the custom of buying and selling votes.

Vote buying on a large scale in Adams County began in the election of 1867—the year when Rutherford B. Hayes and Allen G. Thurman ran for the governorship of Ohio. This was a time when feeling ran very high. On one side, the Democrats fought for their inherited political faith with an intensity heightened by the fear that they would lose control of the county. On the other hand, the Republicans, with a ticket of Union war veterans, fought with much of the feeling aroused by the recent war. Votes were bought on a considerable scale then. But it was done quietly. In 1871 there was a bitter local fight over the location of the county seat, between Manchester, the largest town, and West Union, which had been the county seat for 60 years before. The buying of votes in that year was an open and accepted fact. From that time on it became established as a commonplace practice.

THE TWO CLASSES—BUYERS AND SELLERS.

When I myself began my lifelong participation in the politics of the county the custom was thoroughly established. It is, rightly, considered evidence of an extraordinary and horrible condition that we should have convicted a quarter of the voters of our county of selling their votes. But this does not by any means represent the real state of affairs. It is much better shown by a careful examination of an average election precinct of the county, which was made during our recent investigation by some of the best-informed men of each party in the precinct. These men found that 85 per cent of all the electors who cast their votes at the election last fall had at some time in their life been engaged in either buying or selling votes. Of the remaining 15 per cent, 4 per cent were either first voters or men who had lately moved into the precinct, leaving but 11 per cent who were guiltless of this practice.

From the time when I entered politics, in my boyhood, the voting inhabitants of Adams County were divided into two classes—buyers and sellers of votes. The guilt of these classes is the same, both morally and before the law; but it is a fact, well established by the court proceedings we have just gone through, that the buyers and sellers of votes have come from very different classes of the population.

The vote-buying class included, from the time of my first knowledge, many of the otherwise most reputable and trustworthy members of the population. They were men of sound metal—men who would stick by you and whom you could rely on. Church members, merchants, county and school officials were in this class. The intense feeling which started with the foundation of the Republic, and which was intensified by the Civil War, drove the men who had genuine interest in government to make party politics a continual bitter warfare. So bitter was the partisanship in this class that it was not an uncommon thing to see a young man with a family, and with no property or means of his own on earth, take the last cent out of his pocket, when the funds in his election precinct were low, or even go to the bank and borrow money, and give it to his party to buy the vote of some vote seller which was still for sale.

The other class in the electorate, the sellers, were largely of the poorer people in the community. A few of them—like old Billy Grooms, of West Union—were men with some property, generally land; but the majority of them were younger men, either unmarried, or, if married, men who owned no property. Many of them were farm laborers. They were not foreigners, however, as has been wrongly stated; most of them were of the same native stock as their neighbors. They were the more careless members of the community—the men who had not much interest in government.

Between the buyers and sellers of votes, a very large percentage of the voters turned out at election time. At least a quarter of the whole population in Adams County votes, a very much larger proportion than in most places. In New York City, for example, less than a seventh of the population votes. But everybody has voted in Adams County who could. The buyers turned out to carry on their old political fight; the sellers came out to get their money. Men who had moved into other parts of the State kept their residence in Adams County for years so as to come back at election time, either to help their party or to sell their vote. Politics was a chief source of conversation, and the excitement at election time not infrequently culminated in murder.

A RACE OF SCHOOL-TEACHERS IN POLITICS.

There was another reason why the people of Adams County were so concerned with politics. It had an influence on their lives in a peculiar way. The county lies on the north bank of the Ohio River; the little streams emptying into the river cut it with ridges north and south. And when the railroads were built east and west they went to the north of us to avoid our hills and valleys. Adams County, therefore, has to-day the only county seat in Ohio without a railroad; and it was not until the eighties that its one railroad—the present Norfolk & Western—cut across its extreme northern border.

For this reason there was no manufacturing development in the county. Its largest town to-day has only 2,000 inhabitants. The

young people were compelled either to work on the farms or to get into some profession. The ambitions and traditions of their stock drove them very largely to take up the latter. I have traveled considerably through this country, and everywhere I have found in the professions men who were natives of Adams County. I doubt if any county of its size has ever produced a larger number of professional men.

The usual first step into professional life in Adams County is to become a school-teacher. There are many poor families living in log huts in the county in which you can find one or more young people with the certificate of school-teacher. The county itself employs only about 125 teachers; yet I have known times, during summer vacations, when nearly 600 teachers from homes in the county were attending the county institute. The young men among these were fitting themselves, while teaching, for careers in other professions.

Many of these teachers naturally started as teachers in the local schools; they were examined by the local officers for the certificate which every teacher in Ohio must have. The giving of employment or a teacher's certificate was largely a matter of party politics, and from the first the young people were deeply interested in one side or the other of the general fight that split the county. At times positions were put up to the highest bidder; in other cases the aspirants were compelled to do political service.

I myself came into politics in this way. For a dozen years I was a school-teacher, first in my home township of Jackson, and later for a short time in the southern part of Adams County. After that I was for a few years appointed county engineer, and during that time I prepared myself for my present profession of the law. My interest in politics continued, and I served first as a member and afterwards as head of the county committee of the Democratic Party, and later—on leaving that party on account of disagreement with its attitude during the Spanish War—in the same capacity for the Republicans.

SELLING A VOTER AT AUCTION.

In the late eighties when I began to take a more influential part in county politics, "money fights" were at their height. The "bloody-shirt" issue of the Civil War still added especial bitterness to the local feeling and the lack of an Australian ballot made the practice of vote buying as much a matter-of-fact transaction as the trade in any merchandise. I remember about 1889 standing before the courthouse in West Union, the county seat, and seeing a voter auctioned off to the highest bidder of the two precinct leaders, like a horse or a hog. The price finally bid was thirty-odd dollars. The successful bidder took his man to the polls, cast his vote, brought him back, and stood him up again on the auction block. Then he peeled the money from his bank roll and paid him.

"I want you all to see," he said to the crowd, "that when I promise to do a thing I do just what I promise."

There were about a hundred men around the auction block, including the prosecuting attorney, the sheriff of the county, and the mayor and marshal of West Union. The practice was set so hard and fast in custom that men paid no attention to it. At every election it was the commonest of sights to see men paid off after they voted. Some of them would take money only from their own party; some would linger about the polls all day and get the party leaders to bid for their vote. And the introduction of the Australian ballot in 1890 virtually made no change. Election officials about the ballot box watched the vote sellers to see that they delivered the votes they were paid for.

THE REVOLT OF THE WOMEN.

There was, though, one class of the population which rebelled against the practice. It was the womanhood of Adams County, which had never become reconciled to the custom, and whose continual hostility has resulted finally, I hope, in its abolishment. The women could see very clearly that the buying of votes was degrading their husbands and sons. The practice was so common that everybody knew of it; and it was not at all unusual to hear boys on their way to school say, as they passed by the polls on election day, "I wish I was 21, so I could get $5 for my vote." The partisanship in choosing school-teachers also affected the women very directly—not only when a member of the family was an applicant for a position as teacher, but as it resulted in a lower quality of teaching. The standards of the county generally were lower than they had been, and the women recognized it.

My own mother, from the time when I went out in the evenings to work in one of the "money fights," never ceased to protest against the idea. After I married my wife took the same view. By the early nineties many men, under promise to their women folks, refused to engage longer in the practice or to continue its support. I, with others, was convinced that some change must be made. At that time the candidates and committees of the two chief parties were induced to sign an agreement, which I prepared, to stop buying votes and to put up several thousand dollars to be used for the prosecution, under the newly enacted laws of the State, of anyone who did so.

THE VOTE SELLERS OUTWIT THE REFORMERS.

This agreement was well kept through the first election. It was to the advantage of both parties to keep it; for with both parties refusing to buy votes, they remained in the same relative position as before. But the agreement lasted only for two elections. This was due to the bitter fight made by the sellers of votes. Many of these men, it is true, made no protest, but a large number of them did. The politicians were very distrustful of their opponents—with good reason. For men whose word was as good as gold in business life did not hesitate to make any statement, no matter how untrue, in political contests.

In the first election the political managers on both sides merely went around explaining to the vote sellers that their opponents were entirely responsible for the agreement not to buy votes; that they themselves had been tricked into signing it. They had the money, they said, and believed that the poor voter should get it. They would never, they said, be caught in the same trap again. In this election the vote sellers were puzzled as to who was responsible and didn't know what to do. But in the second one they outwitted the political leaders. The latter signed a similar agreement again and began to make the same excuses once more. But this time the vote sellers had got together and figured it out. They sent representatives to the political leaders to say that they didn't know who was responsible for the agreement, and they didn't care; if somebody didn't buy their votes, they would merely vote against the first man whose name appeared on the agreement. Then the politicians immediately began to buy votes again. For the next few years the practice went on just as much as ever, because there was no candidate who dared to sign his name first on a petition against it.

NATIONAL FIGURES CONCERNED.

In all this time the vote buying in Adams County had been going on with the full knowledge of the party managers of the State. The names of men very high in the Nation were connected with it. Through my position as chairman of the county executive committee for first one party and then the other, I knew of my own cognizance or from credible information of many concrete instances.

Marcus A. Hanna, the late Senator from Ohio, and John M. Pattison, who was first a Congressman and afterwards governor of Ohio, both, to my own personal knowledge, contributed largely to the funds used for buying votes in Adams County, with full understanding of how money was used in the county.

In Calvin Brice's second campaign for the senatorship an interesting example of political methods in Adams County took place. The campaign manager of the Republicans was a popular little merchant who kept a harness shop and drug store in West Union. At one time he had been county treasurer, and his handwriting was familiar to all the taxpayers of the county. The Democrats got some one to practice his writing till he got it perfectly; then a day or two before election some one went into his store and bought some of his stationery.

On the morning of the election, at every one of the twenty-odd voting precincts in the county, a man drove up, handed a letter to the head Republican worker, and, making some excuse, whipped up his horse and drove away before the worker could read the letter.

The letter read something like this:

"Brice has put $5,000 more into county; we can not meet it. Don't pay out any money for votes."

It was signed with the name of the Republican county manager, and apparently was in his handwriting. When the Republican workers got this message they stopped buying votes. The vote sellers were on hand as usual for offers. The Democrats were well supplied with money, and in a few hours they had bought a great share of the votes that were offered for sale. Later in the morning word of this letter reached the county headquarters, and the county managers started to notify their workers that it was a lie. Every telephone wire leading out into the county had been cut and every livery team hired by the Democrats. The county was swept by the Democrats for the Brice ticket. In the evening the Republican managers got together and threatened to arrest the Democrats under the law for forgery. They found, however, that such a charge would be of no avail in connection with vote buying and abandoned it.

GRADUATES OF THE LOCAL SYSTEM.

The local politicians who worked out from Adams County into larger affairs all graduated from this system. John P. Leedom, an early leader of the Democrats in their "money fights," was afterwards Congressman, and was Sergeant at Arms in the Forty-eighth, Forty-ninth, and Fiftieth Congresses; Joseph P. Smith, later President McKinley's confidential adviser and director of the Bureau of American Republics, led the Republicans against Leedom. Edward A. Crawford, now State printer of Ohio, is another man who has handled campaign funds used for buying votes, and who has been rewarded by promotion. In fact, any young man with ambition for political success in Adams County was encouraged in every way to consider the buying and selling of votes as a natural political duty—not only by the customs of the county itself, but by the men selected from the county for advancement.

But, after all, there were not many or great political prizes to be had in Adams County. There are only about 26,000 inhabitants; the largest town has about 2,000 people. The largest salaried office in the county does not now pay more than $2,500 a year, and there is no "graft" in public office: there are no contracts of sufficient size to give any. The main incentive which has led to the "money fights" at election time has been the inherited taste for partisan warfare. The contributions of money which are used in this are not recouped from the taxpayers by dishonest officeholders. They come out of the pockets of individuals in a county where individual fortunes are, to say the most, very moderate; yet in the campaign last fall $20,000 was spent in vote buying and 90 per cent of that was contributed by individuals in Adams County.

I AM CHOSEN TO THE BENCH.

In the spring of 1904 the Hon. Henry Collings, a resident of the county and one of the judges of the common pleas court of the district, died, and I was appointed by the governor of the State to fill the vacancy. In the fall of that year I was nominated for the position by the Republican Party. My opposition to vote buying being well known at the time, the Democratic politicians sought to make capital of it by getting me to head an agreement against vote buying. In this way they hoped to direct the antagonism of the vote sellers against me. I headed the agreement, and at the same time I gave notice that if there was any vote buying at the election I, as judge of the district, would see that the offender was prosecuted. As I would have had, even if defeated, a month to start proceedings in, there was little vote buying that fall, and, in spite of the hostility of the vote sellers, I, favored by the Roosevelt tidal wave, was swept into office by a large majority.

It was in the next election, in 1906, that the vote sellers really got together against me. Having now served the unexpired term of Judge Collings, I was renominated for the full term of six years. During the campaign I spoke frequently against the practice of vote buying, and the lower class of vote sellers were thoroughly aroused against me. The leaders of the opposing party saw in this another chance to play sharp politics.

On my return, after holding court in another county, to my home in West Union a few days before the election I was encountered by representatives of the Democrats and asked to sign my name to another agreement against vote buying. Their own candidates had signed it, and I gladly put my name with theirs. I had scarcely done so when I was called to the Republican headquarters and told by candidates on my ticket and some of my party leaders that I had injured them greatly, and that my action would defeat the whole Republican ticket. The meeting, after an angry discussion, adjourned.

THE VOTE SELLERS' ULTIMATUM.

In a short time I myself heard from the vote sellers. The custom of selling votes had been so long established in our county that a very considerable class of voters considered any interference with it as taking away an income to which they were entitled. In one of the precincts at one time, when we were attacking the custom, a file of vote sellers marched up and down the public way near the polling place, swearing and threatening, as men sometimes do in a strike. The same spirit was shown in their dealings with me.

About a hundred of the vote sellers of one of the precincts held a caucus to consider my action, and sent a committee to my house to interview me. The leader of this—a big, blustering fellow—did most of the talking. They used the vote seller's argument, which has become familiar to us—the usual plea for the "poor fellow." It made no difference to him who was elected; he was no better off in any case, one way or the other; the only thing he got out of it was the little he was paid on the day of election; the men who went into office got large pay, and they should divide it. The vote sellers' committee ended by demanding that our candidate for Congress and the two candidate for judgeships should put $8,000 in the hands of the Republican county executive committee for use at the polls or be slaughtered. We refused.

The committee of vote buyers at once approached the other candidates on the Republican county ticket and induced them all to resign. The vote-selling interest then approached our Democratic county paper, which is called the People's Defender. This attacked me for attempting to dictate to the other candidates of my party; it also printed my name as the first one of the candidates signing the agreement to stop vote buying, although as a matter of fact, I had signed it after the others.

All this caused the "vote sellers" to line up squarely against our ticket. But, with the aid of an awakened public sentiment, we elected our Congressmen and two judges in spite of them, and just missed electing the other members of the county ticket, who had hastily been put up in place of the Republican candidates who resigned. At the close of that election I promised the people of Adams County that if the opportunity ever came all the powers of the law would be used in cleansing the county of vote buying.

The subdivision of the common pleas district to which I was elected contains four counties besides Adams, and through the division of the court's work I was taken out of Adams County. I did not return to it to hold court, except for one or two special cases, until the fall of 1910, shortly before election. The political situation was such, as it often is before election, that it was dangerous to attempt to try any case, as scheming politicians were likely to thwart the administration of justice in order to help their party candidates. Court was therefore adjourned until after election.

The election was close. At any time within a month a contest could be instituted. The investigation of the vote buying was put over until the election was settled so that it could not in any way be used to interfere with the results. On December 13 we empaneled the grand jury.

One very bad result of our political system in Adams County was its interference with justice. Our jurors and grand juries were continually divided on party lines. More than that, whenever a crime was committed the criminal and his friends would begin at once to secure party influence. They usually went not to the leaders of their own party, but to the leaders of the opposition. It was generally believed that the opposition would be willing to do more to secure their votes than their own party would do to keep them, especially if they were members of large families. In this way the families of criminals would not infrequently change their politics.

Under the circumstances the selection of a grand jury for our work was difficult. The one in existence was discharged, and, together with the sheriff of the county and the prosecuting attorney, the court selected 15 persons as grand jurymen. These men were chosen after a long canvassing of the voters of the district. They were men of the highest character, who could be counted on to do their duty.

It was a very delicate task to abolish by law a practice so common that some of the members of our grand jury and the court officials had, at some time in their lives, taken part in it. In the first place, in order that politics be entirely eliminated from the investigation, seven of these jurymen were chosen from the Republican Party and seven from the Democratic. The fifteenth man was a Prohibitionist. The foreman of the jury was a prominent Republican—ex-Congressman L. J. Fenton. The prosecuting attorney of the county had been overtaken at the time with an illness, of which he has since died. W. P. Stephenson, Esq., chairman of the Democratic executive committee of the county, a man who had refused to have anything to do with the bribery at the election, was chosen by the court to take his place. In this way the political parties were fairly balanced, and we were ready to proceed with our work

VOTE BUYERS OR VOTE SELLERS—WHICH?

The first practical question to be met was this: Which class should be prosecuted—the buyers or the sellers? The main purpose was, of course, to break up the custom of vote buying in Adams County. The court prosecutor and jury debated at length whether they should undertake to indict the buyers or the sellers, or should proceed with whatever information they could get against either side. They decided to indict the vote sellers and to compel the vote buyers to testify. This meant that the vote buyers would not be punished, as the law provides that whichever party to bribery transactions is compelled to testify shall be immune from punishment for the offense concerning which he gives his testimony.

This step was taken for a number of reasons. It appeared, first of all, the only way to secure results. Each buyer of votes, naturally, had more information in his possession than any individual seller. To get any full understanding of the practice as a whole it was absolutely essential to trace the funds with which the voters had been paid.

It was clear, too, that no jury, either in Adams or in any of the surrounding counties would, under existing circumstances and on the testimony of vote sellers, sentence vote buyers to prison, as the law demanded. An attempt to do this had already been made in the Federal court of the district, and a grand jury, although selected from other counties, had refused to return an indictment. It was further taken into consideration that the vote buyers had tried to break up the habit and had been defeated by the vote sellers; and that, if there were any wholesale imprisonment of vote buyers, which would be required by law if they were found guilty, the heads of most of the important industries of the county would be sent to prison, all the commercial activities of the county would be affected, and much labor would be thrown out of employment.

TRACING THE MONEY TO THE VOTER.

So the prosecutor and the grand jury proceeded at once to trace the funds with which the voters were bribed. This was not difficult. The cashiers of the banks, who were always told at election time to get together large sums in small bills, testified as to who received the moneys from them. The party leaders—some willingly, some under threats of punishment for contempt of court—testified just how and to whom the money was distributed in every one of the thirty-odd voting precincts in the county. The fact that both the court and the prosecuting attorney were perfectly familiar with the local political methods and with the people was of advantage in handling the situation.

The leaders of the voting precincts were then taken, at first from two specimen precincts—one a strongly Republican precinct and one a Democratic stronghold. When these leaders were brought before the grand jury the prosecuting attorney went at them at once with a question worded something like this:

"Now, Sam Smith, you had $415 to spend on the last election. What'd you do with it?"

As the man would not know how the prosecutor had got such exact information, he would naturally be astonished and scared. He would hesitate and balk; but, finally, under threats of commitment for contempt of court he would give half a dozen names—generally of men in the opposite party whom he didn't like very well. He would be dismissed for the time, and the same process would be repeated with the other leader in the precinct.

We started this on Friday, and by Friday night we had a dozen names of men who had been bribed. We knew that as soon as each leader got back home everybody in his own party would come to him and ask him if he had given them away. He would say that he had not, which would be true. So everybody would be reassured and happy. On Friday night we picked out half a dozen men we were sure of, in three different townships in the county, and at midnight sent the sheriffs to drag them out of bed and bring them to the lock-up.

The next morning, Saturday, I had the six men brought before me. They pleaded guilty and begged for mercy. I fined them $200 apiece and gave them eight months in jail, and then I adjourned court and left the town for my home at Portsmouth, in Scioto County.

On Saturday afternoon the country folks all over the county gather about in the stores. Every one of these stores has a telephone, and in less than 10 minutes after the sentence was imposed all these meeting places had news of it. The county had Saturday afternoon and Sunday in which to think.

AN AVALANCHE OF CONFESSIONS.

On Monday morning I left Portsmouth on the early morning train and got off at Peebles, a little station from which we drive to West Union, the county seat. It was about 5 o'clock in the morning when I arrived there. Everything was snapping and cracking with the cold. There were 31 men waiting for me in the dark.

"Hello, Judge," said somebody. "You ain't goin' to be too hard on us, are you?"

We walked up the long walk from the station to the hotel in a silent procession, and at almost every window somebody poked out his head to see what was going on. All 31 of them pleaded guilty at the hotel.

When I got down to West Union at about 8 o'clock the yard around the sheriff's office was full of teams and men. The courthouse had burned down a short time before, and I had to hear the pleas in a little room about 10 feet square in the sheriff's house. Two hundred and forty-one pleaded guilty that first day. While we were trying to keep the vote sellers from breaking down the doors to come in and confess the precinct workers whom we had had on the stand the week before telephoned in and begged for the chance to tell everything they knew. They didn't know what the sellers might be telling about them. In the next few days from a hundred to two hundred sellers pleaded guilty every day.

As soon as the sellers began to plead guilty the court announced that there would be leniency for those who confessed, but that the law would be fully enforced against those who put the State to the trouble of prosecuting them. Every man who pleaded guilty was fined $25 and costs and given six months in the workhouse. The prison sentence and $20 of the fine were both suspended, leaving the charge of $10.92, of which $5.92 was for costs. Each man was also disfranchised for five years.

THREATS AGAINST MY LIFE.

While these hundreds of vote sellers were coming into court to plead there was still resistance among the lower class of vote sellers. In the first place, several letters were received by me threatening my life. A Republican newspaper of Manchester, the Signal, criticized the action of the court in electing to prosecute the sellers of votes. Its editor was promptly punished for contempt. In various places individuals went around advising the sellers not to plead guilty. The court was kept informed of this, and whenever the stream of men from any particular district stopped the men who were doing this exhorting were indicted, arrested, and brought into court, for they were all vote sellers themselves.

In this way there were by February over 1,400 who had pleaded guilty of vote selling and were fined. At that time a group of vote sellers secured an attorney who desired to appeal and test the constitutionality of the law. By special arrangement, the case was heard directly by the supreme court, and the law was decided to be entirely valid. Since then something over 200 more men have pleaded guilty and received their sentence. At the time of this writing (in August) the work is practically done. We have convicted 1,679 to date—26 per cent of the 6,505 voting in the election. A few have left the county.

In addition to these, the proceedings showed that there were at least 500 men engaged in the work of vote buying. These men handled about $20,000, which would be about $12 a vote, if distributed among the men convicted of selling. As a matter of fact, we found the prices paid averaged from $5 to $25. Practically all of this money was spent for buying votes, and our investigations showed that it was handled with scrupulous honesty. It was believed by some of the party managers that a few of the workers might have retained money for their own use. We checked up the amount of money distributed by the party leaders with the amount received by the vote sellers, and in every instance they tallied. Before we were through we accounted for practically every dollar spent in the county.

A COUNTY ONE-QUARTER DISFRANCHISED.

As we now stand, a quarter of our voters in Adams County have been disfranchised. In some of the voting precincts as many as 50 per cent can not vote; in others only 10 or 12 per cent are ineligible. In a number of cases whole families, containing as many as 30 voters in the various branches, have been disfranchised. In one instance a lay preacher and practically all the members of his congregation lost their votes.

It was our main purpose to free the country of the vicious condition which has existed there virtually ever since the Civil War, and not to punish individuals for an offense which had become almost universal. Of all those found guilty only one young man, who refused to pay his fine—a man who was living off the means furnished his invalid father

and mother by charity—was sent to the workhouse. Only six—the first arrested—were put in jail, and they for but a few days, after which their sentence was suspended, as in the case of the rest.

For the next five years the offenders in the last election will not vote. This will give time for the growth of a public sentiment concerning the value and sanctity of the franchise. At the end of the five-year period, if these men should engage in vote-selling again, they will immediately become liable to a sentence of six months' imprisonment in the workhouse, with $20 fine. I do not believe that many of these men will repeat their offense. In most instances, out of the nearly 1,700, the man pleading guilty of vote selling seemed to have been brought by his experience to some sense, at least, of the character of his act.

Just how far conditions like those in Adams County are prevalent throughout the country I do not know of my own knowledge. I do know that conditions very similar prevail in most of the counties in the southern part of Ohio and in the counties of Kentucky across the river from them. Since our investigation I have received scores of letters from other parts of the United States stating that votes are sold and bought at wholesale in the writers' own community. It was this information concerning conditions elsewhere that led me to put into writing the story of our experience in Adams County. It is my hope that in this way the people of our county, whose ancestors helped to give to the world the American democracy, may now serve as a helpful example to this country at large by their purification of themselves from the degradation into which they had fallen.

Mr. THOMPSON. Now I yield to the Senator from Utah.

Mr. SMOOT. All I wanted to say, Mr. President, was that the Senator from Kansas has never been discriminated against by the Senator from Utah. As a part of his remarks I have no objection whatever to the editorial to which he has referred being printed in the RECORD.

Mr. THOMPSON. I do not care to discuss that question further.

Mr. SMOOT. I thought it was very uncalled for for the Senator to refer to the matter in the way he did.

Mr. THOMPSON. I do not care to enter into an argument relative to that matter now. I have been trying since the 1st of September to have printed in the RECORD this little editorial article relative to the stopping of the strike, which seems to be a subject in regard to which some Republican Senators are extremely sensitive, and they have continuously objected to that article being printed. I meant no reflection upon the Senator from Utah.

Mr. SMOOT. The Senator must know that he only made the request once, and that was in the morning hour. I told the Senator at that time that, if he desired to read the article, he had a perfect right to do so.

Mr. THOMPSON. The incident is closed, so far as I am concerned.

Mr. SMOOT. Nobody objected to the article going into the RECORD, if it went in in a proper way.

Mr. THOMPSON. The RECORD will show who is right about that. I made the request once on the 1st of September, twice on the 4th of September, when the Senator from Utah objected; and once before to-day, when the senior Senator from New Hampshire [Mr. GALLINGER] objected.

Mr. SMOOT. I am perfectly willing to rely upon the RECORD.

Mr. THOMPSON. I am, too. I should also like, as part of my remarks, to have printed an article by Albert Shaw, entitled "A national lesson from Adams County," appearing in the Review of Reviews, for February, 1911.

The PRESIDING OFFICER. There being no objection, the article referred to will be printed in the RECORD.

The article referred to is as follows:

A NATIONAL LESSON FROM ADAMS COUNTY.

[By Albert Shaw.]

A country lawyer of courage and sagacity, serving as a local judge in southern Ohio, is now setting this country an example in methods of political reform that will give his name an enduring place in the annals of our great American experiment of self-government. By many different means—some of them bold and flagrant, others stealthy and indirect—the use of money has tainted the purity and honor of our politics. But of all these forms of corruption, the one most to be deplored is the poisoning of the spring of popular government at its very source.

The habitual and wholesale bribery of voters not only makes the rule of the majority a laughing stock and a farce but it destroys the dignity and self-respect of communities, and so impairs manhood as to unfit it for the best things in every sphere of social or business life. We have had in our great cities fearful examples of ballot-box stuffing, fraudulent registration, dishonesty in the counting of votes and returning of results, colonization of repeaters, false naturalization of foreigners, and other offenses against fair and honest elections. But these things, which may, indeed, defeat the will of a majority of the rightful voters, are too trivial to be mentioned in comparison with the offense of corrupting the rightful voters themselves. The bribed voter has lost his natural zest for the great American game of politics. He has forsworn that tradition of party narrowness and prejudice that has its shining virtues, because the followers of Jackson or Clay were at least honest in partisanship. The voter who has reconciled himself to the practice of selling his vote to the party or the candidate that can offer the best cash price has lost the hope and faith that make us a real "people of destiny" and that must be our reliance in any national crisis.

Sweeping reforms have at times been accomplished through the power of a concrete example, when the evil seemed most prevalent and most difficult to combat. Judge A. Z. Blair, holding court in Adams County, Ohio, has furnished such an example, and there is reason to believe that the result of his work will be felt in hundreds of counties and in many different States. Our comment, therefore, is not for the purpose of holding up that county to an unpleasant notoriety. On the contrary, Adams County is to be praised and congratulated.

With no threat or help or suggestion from the outside world, Adams County—lying somewhat off the main lines of travel and left a good deal to its own leadership and its own conclusions—has shown moral and social power to regenerate itself. When election day comes round again—as, for example, next year, when a President of the United States is to be chosen as well as many other officials of narrower jurisdiction—Adams County will have a restricted electorate of perhaps 4,000 votes, as compared with the 6,000 votes available for recent elections. But the 4,000 next year will go to the polls with a finer pride in the honor of being sovereign American citizens than has ever been felt heretofore in any county of the United States. They will have had the thing brought home to them—some 2,000 citizens of Adams County who have heretofore indulged in the practice of selling their votes will have been kept away from the polls by sentence of disfranchisement for a term of five years.

Judge Blair is himself a product of Adams County, although his home is at Portsmouth, the chief town of the adjoining county of Scioto. His judicial circuit lies in the great bend of the Ohio River at the extreme southern point of the State, and includes Adams, Pike, Scioto, and Lawrence Counties. This part of Ohio was settled in early pioneering days, when the Ohio River was the chief thoroughfare to the West. Many Revolutionary soldiers from Virginia and Pennsylvania went into those counties, together with pioneers from the Carolinas, by way of Kentucky, and some families from New York and the Eastern States. In the Civil War these counties were represented more largely than almost any other part of the country.

Since the war, however, this southern strip of Ohio, like many other rural localities east of the Mississippi River, has been at a standstill. And where country neighborhoods are not making marked progress, they are likely to give evidence of some moral and social decadence. Just a hundred years ago there was great vitality in the pioneering communities of southern Ohio along the river. The majestic forests were rapidly broken by clearings, and the virgin soils were highly productive. There was zeal for education; and strong men and women were in the lead. But after the Civil War, many of the most vigorous and progressive of these people from the river counties went to Illinois, Missouri, and the farther west. Those who remained at home had to compete with the still richer farm lands of the prairie States.

The farm country tributary to Cincinnati before the Civil War had been the most prosperous in America. But Chicago, St. Louis, Kansas City, Omaha, and other western centers arose to destroy—for a time—the importance of the river valleys tributary to Cincinnati as producers of grain and meat. The log-cabin stage of civilization in the first generation is not harmful. But where a checking of agricultural development holds the people of the "back townships" practically in the log-cabin stage for a hundred years, there comes a marked falling off in the average of character and efficiency. Undoubtedly some of the poorer townships of these Ohio River counties have shown this kind of tendency to social decline.

This would explain the fact that it has been found, within the past month, that in certain neighborhoods having, let us say, a hundred votes, every voter without exception was actually guilty of having sold his vote in the last election and was accordingly indicted and disfranchised for a period of five years. Such a condition would have been not only impossible, but almost unthinkable, at any time before the Civil War.

What these communities need is a fresh start. They need a civic and industrial revival much more than they need the old-fashioned kind of religious revival. They have not been lacking in a certain sort of religious life—at least they have had a continuity of the church organizations of the earlier days. Yet, in the dragnet of last month, not only were hundreds of church members disfranchised for the crime of making merchandise of their votes but the list also included church officers, Sunday-school superintendents, and two or three ministers of the gospel. Yet the churches must not be disparaged; for, in the main, they have helped to keep alive in Adams County that spirit of decency which has at last so strongly asserted itself. In these rural counties drinking and gambling and other forms of social disorder have a tendency to destroy the vitality of the people; and the churches have for some years been fighting these bad tendencies. Judge Blair himself had been strongly identified with the movement against the drink evil. It seems to be within bounds to say that the moral force requisite to begin the successful assault upon the trafficking in votes had been accumulated in the effort to fight down the worst evils of the drink traffic in Adams County, and to eliminate other forms of social corruption—movements in which the women have shown greater numerical strength and deeper power of conviction and continuous effort than the men.

Judge Blair's great title to fame will lie in the fact that he has invented and applied a really effective method of reform. It is not that the laws of Ohio against bribery and corruption in elections are either good, bad, or indifferent. In fact, they are not what they should be, as Gov. Harmon now reminds the legislature. But such practices have always, everywhere, under popular governments, been manifestly unlawful. The trouble has always been, in a corrupted community, to find the leverage whereby to obtain the evidence, secure indictments, and make certain of convictions. Judge Blair himself for several years has been trying to find a way to purify the politics of Adams County, and it is only now that he has succeeded. Like almost every great thing, it all seems easy and simple when once stated. Let the outline of the method be presented in a few sentences.

To begin with, the buying and selling of votes, which had been going on in Adams County for more than 30 years, had become so open and shameless as to be a matter of common knowledge. Nobody in private conversation denied the facts. Many of those who had sold their votes seemed rather proud than ashamed of the transaction. Judge Blair had been so intimately acquainted with the political life of the county that he knew, as did many others, the condition prevailing. He knew that both parties had been guilty, and that the local politicians and "party workers" had been very generally engaged in making the bargains and distributing the money, using their respective quotas of funds contributed in greater part by candidates for office.

The law of Ohio permits the judge, in a bribery case, to grant immunity to those who turn informer and become State's evidence. Judge Blair's great thought was to take all the politicians and vote buyers in the county to the number perhaps of two or three hundred, summon them as witnesses before a special grand jury, and promise them all immunity from present or future prosecution if they would turn over to the court and grand jury their lists of purchased voters,

with the amounts paid, and all the necessary facts. It was not Judge Blair's motive to subject any individuals whatsoever to drastic punishment, nor did he intend to humiliate anyone, beyond the point of incidental necessity. His one object was to break up the practice of bribe giving and taking. It was plain enough that if all the vote buyers should put the grand jury in possession, frankly, of the entire truth, they would bring no harm upon themselves and a minimum of harm upon the men whose votes had been sold.

The essence of Judge Blair's scheme was leniency toward all who confessed fully and freely, and stern threats of condign punishment against those who refused to confess. Under these circumstances it was clearly best for the politicians to put all the facts in the hands of the judge and the jury.

The next part of the scheme was to be the announcement, through all the newspapers of the county, and through all other sources of publicity, that the names of those who had sold their votes were known to Judge Blair and to the grand jury, and that indictments had been found against them. If, however, they were wise enough to come to West Union, the county seat, of their own free will and make confession to the judge—thus saving the expense and trouble of serving papers and making arrests—they would be treated with great leniency. It was a part of the scheme not to make known the information disclosed to the grand jury by the politicians, and not to make public the names of those against whom indictments had been found. It was desired that as many as possible might facilitate the movement of justice by making confession, and allowing themselves to be sentenced.

Such was the bold, simple project. Suffice it to say that it was as effective in practice as it was comprehensive in conception.

Judge Blair formed his special grand jury of 15 citizens of Adams County, and operations began on the 13th of December. To show that no party advantage was sought, the grand jury consisted of seven Republicans, seven Democrats, and one Prohibitionist. A former Congressman, the Hon. L. J. Fenton, a man of intelligence and probity, was made foreman. In his charge to the grand jury, Judge Blair made a frank statement of the situation, the following paragraph being an example of his forcible, direct style:

"Conservative leaders of both parties claim that the purchasable vote of Adams County is at least 2,000, or more than one-third of the total vote. The young people of the county are growing up with full knowledge of this open traffic in votes and conditions are becoming intolerable. The purchase of votes with which this county has been cursed for years is so common that only a few men, comparatively speaking, are not identified with this merchandise of the ballot. I have been told that the grand jury would not dare indict anyone for the purchase or sale of votes, but I believe you will do your duty. If it should develop that you do not bring indictments, then a condition of anarchy prevails in Adams County."

The grand jury took the judge at his word; all the politicians and precinct workers were gathered in; a local editor who wrote an article denouncing the investigation was sentenced to fine and imprisonment for contempt of court; and forthwith there was consternation throughout the 625 square miles of Adams County. Within a few days the indictment mill was grinding out true bills at the average rate of a hundred or more every day. The politicians gave the evidence, and the particular precinct or township under inquiry was duly warned. The judge was aided by a special prosecutor, Mr. W. P. Stephenson, whose efforts were assiduous, and by no means unnecessary. For, although a situation had been created which frightened the guilty, making them feel that if they did not confess they might be sent to prison, there still remained many points to be dealt with by a firm and resolute prosecutor who was in full sympathy with the judge. For it was not quite the uniform rule that the guilty confessed, and in a few instances there were jail sentences which were not remitted.

After the movement had fairly begun and some hundreds of indictments had been found, Judge Blair and Prosecutor Stephenson inserted the following notice in all the newspapers of Adams County:

"We ask all citizens who have knowledge of any persons who received money at the last election and who are not coming in, or who know of any person who bought votes and who has not been in court, or who has tried to shield any person who received money at the last election, to let the undersigned know at once. We will keep your name in strict confidence and you will greatly facilitate our work.

"ALBION C. BLAIR, *Judge*.
"WILL P. STEPHENSON, *Prosecutor*."

As a result of these notices, the grand jury was busy on the first two days of the new year, and by that time it had indicted exactly 1,500 voters. It then adjourned for a few days to enable Judge Blair to catch up with his work of sentencing the hundreds who were pleading guilty. The judge's method in dealing with these men was simple, colloquial, and informal. His manner and tone were kindly and often humorous. The culprit was generally asked to tell something of his family and his circumstances, as well as the facts about the vote-selling transaction; and the judge showed a rare talent for giving the needed word of good advice.

From the first, his practice was to impose a fine of $25 at once, remitting all but $5, then to pronounce a sentence of six months in the workhouse at Cincinnati—which was at once suspended in consideration of future good behavior—and finally to disfranchise the voter for five years, this part of the penalty being absolute.

The scenes and incidents of this notable movement have been both picturesque and pathetic in an unusual degree. The county town is many miles from a railroad station. Octogenarians walked for miles over rough, wintry roads to make their humiliating confessions. Women came from remote parts of the county to beg the court's leniency for bedridden husbands. The jail served for court purposes, the old courthouse having been destroyed by fire. A very few skin-flint farmers of large means were found misleading the court as to their possessions, and were fined several hundred dollars by way of example.

Such details, illustrating every phase of human frailty and rustic character, do not belong to any permanent record of the work of ballot reform in Adams County—although many of them will be cherished as illustrating the methods and the qualities of the remarkable personality who leads the movement. For there are traits of mind and character in Judge Blair that remind one of the patient and resolute country lawyer of Illinois who, 50 years ago, was President-elect and about to enter upon his great burden of national responsibility. Abraham Lincoln was much more interested in the work he had to do than in the attainment of high place. If he had been the victim of personal ambition, he could not have been the man of strength and wisdom for the country's need. Judge Blair stands well in the opinion of the people of his judicial circuit. He has a great work to accomplish, and it is of high importance that this work be done thoroughly and completely. It will have been enough for any man to do in our generation. It is of small consequence, therefore, comparatively speaking, whether Judge Blair in future time be promoted to higher offices or not. It is his great distinction that in his local office he has seen real work to do, and that—in doing it because it was plain duty—he has been rendering his State and this entire country an immeasurable service.

Our representative, who went to West Union to see Judge Blair and to take the photographs which accompany this article, came back with the impression that the judge intended to apply a similar method of voting reform in the other counties of his circuit. When questioned on this point Judge Blair was naturally reticent. There were obvious reasons why he could not speak. But on January 14 he answered the question in the most practical way. He opened court at Portsmouth, on the Ohio River, in the county of Scioto, lying just east of Adams County, and promptly announced that he would institute in Scioto the same kind of an investigation that was still going on in Adams.

And he allowed it to be quite generally believed that the same method would be applied in Pike and Lawrence Counties. Common rumor from those neighboring counties points to the serious prevalence of the practice of buying and selling votes, although we have no information that would permit even a guess as to the extent to which the practice has been carried on elsewhere than in Adams County. Assertions have been made that Judge Blair's method ought to be used by other common-pleas judges throughout the State of Ohio.

Heretofore the talk about the wholesale buying of votes has been largely conjectural. In a number of instances entire boroughs have been disfranchised in England because a high percentage of venality had been discovered among the voters. But Judge Blair's proof that 2,000 out of the 6,600 voters of Adams County are accustomed to sell their votes is the most definite piece of tangible information in that general field of discussion that we have ever obtained in the United States. To save the people of Ohio from the supposition that we are holding them up to the world's reproach or contempt, it is only fair to remind our readers that the rumors of wholesale vote selling in parts of the State of New York and of the New England States have been for years very persistent and seldom denied.

An analysis of the recent election in the State of New York shows that the Democratic victory was not due to any increase in the Democratic vote, which, indeed, was smaller than usual, but to an enormous falling off of the Republican vote in the rural counties. And the public ought to know that politicians, among themselves, agree in attributing a great part of this falling off to the fact that the Republicans were without any funds this year to be distributed liberally among local workers for use on election day in "getting out the vote." Generally the Republicans of the State of New York have had ample funds contributed to the "machine" by the great corporations and special interests. This year such money was withheld, and the Republican treasury was empty.

Undoubtedly there is a distinction between money used for getting out the vote and money used to pay the voter for voting one ticket rather than the other. But the distinction is one which has a tendency in contested campaigns to become blurred. The New York farmer who says he is a Republican and will never vote the Democratic ticket—but who also declares that he will not harness his horse and drive to town over bad roads to cast his vote on election day unless somebody gives him $5 or $10—may have learned to convince himself that he is not a bribe taker. Yet his refusal to vote unless paid is equivalent to giving a half vote to the other party.

The methods of using money wholesale on election day throughout the East, if not clearly criminal under the law, are dangerously close to it. They destroy the independence and self-respect of the voter; and they so weaken his sense of duty and privilege as a citizen that it would not be a long stride for him to change his vote and to take money from the other party, when he has once learned to abstain from voting unless bribed by his own party.

Abstention from voting, unless a fairly good reason can be given, should subject the voter to some kind of penalty—such, for example, as disability to vote at the next following election. And the acceptance of money in payment for the trouble of coming to the polls should be regarded as both morally disgraceful and legally culpable.

Adams County, therefore, no matter how low she may have fallen, has risen, unaided, in the strength of her own sense of rectitude, and now heads the list. In the presidential election next year the most decent lot of voters in the entire country will be those of Adams County, Ohio. For this rehabilitation Adams County should accord great honor to Judge Blair.

THE WAR AND COTTON.

Mr. BANKHEAD obtained the floor.

Mr. STONE. Mr. President, I inquire if the Senator from Kansas is through?

The PRESIDING OFFICER. The Chair understands the Senator from Kansas has concluded, and the Senator from Alabama has been recognized. Does the Senator from Alabama yield to the Senator from Missouri?

Mr. BANKHEAD. For what purpose?

Mr. STONE. I desire to move an executive session.

Mr. BANKHEAD. Mr. President, I will occupy not over 10 minutes.

Mr. STONE. Very well.

Mr. BANKHEAD. Mr. President, I think that I have been very good during the long drawn out debate of the Senate for the past 30 or 60 days. I now only intend to occupy about 10 minutes of the time of the Senate, and do not propose to discuss the corrupt-practices act, because we have in Alabama, I think, the very best law on that subject of any State in the Union, drawn by the best talent that this country can produce, and we have honest elections.

Mr. President, I did not participate in the debate when the income-tax provision of the pending bill was being considered. I did not entirely agree with the views of some of my colleagues upon section 2 of the bill. I protested against the provision re-

ported to the Senate, which, in effect, imposed an additional burden and discriminated against the cotton producer of the Southern States by the imposition of a duty of 5 per cent on the net profits that accrue to the corporation which has supplied cotton to the munition manufacturer since the 1st day of January, 1916, entering into the manufacture of war munitions, and also sought to levy a like tribute on that portion of the crop in the future that may enter into the manufacture of munitions of war. It is well understood in business circles in the South that the average price of cotton for two years, and until within the recent past, has been slightly above the cost of production. But a more important and far greater reason for my protest was the fact that the cotton farmer during the existence of this tax in the future would be required to assume indirectly this additional burden upon the product of his labor, since, of course, the corporation which sells the cotton to the munition manufacturer would protect itself to the extent of this tax by deducting that amount from the price he would otherwise have paid the farmer.

I believe that the method provided would have resulted in the greatest possible confusion and the cost of collection would have amounted to more than the money derived, hence I contributed what I could to the elimination of the provision without taking part in the debate.

Almost every section of the Union has profited by the increased demand for the product of their respective communities and the consequent increase in market values due to conditions growing out of the war, yet the opposite has been true with respect to the farmer who grows cotton. His market, instead of being enlarged, has not only decreased, but for several months following the outbreak of war was absolutely destroyed. Cotton was made contraband of war by the English and allied Governments, who so effectively controlled the seas that they in effect denied to our people the opportunity to seek markets that could otherwise be found. When the war came on the early crop of cotton was about to go upon the market. It rapidly declined to ridiculously low prices, far below the cost of production, and so remained for several months. As a consequence business conditions throughout the cotton-growing States became demoralized, since cotton is our chief money crop, and business obligations are made with a view to liquidation at the time cotton is marketed, from early September to the middle of the following January. Immediately prior to the declaration of war cotton was selling at 13½ cents per pound. When war was declared the price at once fell to 6 cents per pound. The farmer was suddenly confronted with a serious situation. The local banks were not in position to and declined to advance him one penny on his crop as security.

My chief purpose now is to call the attention of the Senate to a situation that existed here on or about the 8th of October, 1914.

At that time so acute was the situation and so insistent was the demand for relief from whatever source it might be obtained that earnest appeals were made to Congress, then in session, and a number of measures were seriously submitted to our consideration by which it was sought to have the Federal Government come to the rescue.

Mr. President, I am one of those who did not believe that it was within the province of the Federal Government to contribute to the relief of the situation then existing. A nation-wide buy-a-bale movement, at 10 cents per pound, was inaugurated. It was suggested and urged that Congress should authorize the purchase by the Government of a portion of the crop at reasonable prices or lend money direct to the farmer, with his cotton as security, or that it issue its bonds with which to supply the funds for purposes of relief until normal conditions were restored. An attempt was made to organize a pool to supply $150,000,000 to lend to the farmer, which plan never materialized. It is generally known that during the harvesting and marketing season of the cotton crop a large percentage is forced on the market, known to the trade as distress cotton, because the producer has either pledged it as security for debts then due or has other pressing obligations that must be cared for, and is compelled to accept whatever the prevailing price may be at the time. In a speech on the floor of the Senate on the 8th day of October, 1914, during a discussion of the subject I made this statement:

> We are confronted with a situation fraught with disastrous consequences to the people of the South unless some heroic measure is resorted to. This is no time for quibbling or abstract discussion of paternalism and other such doctrines of government. While we are not actually at war, we have all the business consequences of war. The farmer can not handle the situation. It is the duty of the State government to step into the breach and work out a plan and lend its credit until this perilous time has passed. It can do so without impairing its credit and without the loss ultimately of a dollar.
>
> It is not money we need; it is a market. We have the cotton; nobody will buy it, and until a market is restored there can be no relief.

Mr. President, in that statement I did not exaggerate the conditions or overdraw the picture. Nothing, however, in a practical way was accomplished, so far as legislation was concerned, to relieve the farmer. I did not believe it was a subject with which the National Government could properly deal. However, by indulgence and forbearance born of an intimate knowledge of the situation through personal contact with conditions that foretold the impending disaster confronting the people of the South, the southern banker, the merchant, and other sympathetic interests extended all the assistance available to them, and in a manner bridged over the difficulties, though not without embarrassment, and in some instances assignments and bankruptcy were unavoidable; but let it be said to their credit they weathered the storm, without any permanent disturbance of economic conditions in that section. Many planters, however, were unable to carry their crop over for indefinite periods, and were forced to sacrifice it at a price far below the cost of production, and are now laboring under obligations which they could have avoided had there been extended to them some plan by which they could tide over their temporary embarrassments. They had the security.

There is none better than cotton, which the world must have and which occupies such a valuable position in the business life of this Republic. No one doubted that the price of cotton would not within a reasonable time advance to a price commensurate with the cost of production and that it could be marketed at a profit, which otherwise would have been the case during that season but for the war in Europe.

In the speech to which I refer I urged the adoption of a plan that had been carefully thought out and approved by some of the best financial experts of the country. Being convinced there was no opportunity whereby the National Government could extend adequate relief, I suggested that the States themselves had the authority, and could relieve the situation in a way that was prudent and practicable. I addressed an open letter to the people of Alabama suggesting a plan applicable alike to any cotton-growing State in the South, which time has demonstrated would have been successful. Briefly, it was suggested that the legislature, pursuant to a constitutional amendment, should authorize the issuance of sufficient short-time State bonds, bearing 4 per cent interest, with which to purchase approximately one-half the crop of each farmer, or such an amount as would relieve him and enable him to carry the remainder of his crop as long as was necessary or desirable, the price to be paid to be sufficient to protect him against loss. It was estimated that one-half of the crop in Alabama would approximate 800,000 bales, which, at 10 cents per pound, would have cost the State, if it became necessary to purchase one-half of the crop, $40,000,000, the maximum interest charge for which would have been $1,600,000 per annum. However, it would not have amounted to this sum, in view of the fact the legislature would have established a system of cotton warehouses, through which the State would have issued against the crop purchased from the farmer noninterest-bearing warrants in small denominations, to pass as currency in the payment of local debts and obligations.

These warrants would have been underwritten by the credit of the State and protected by the cotton purchased, thereby affording as ample security as can be found on the face of the earth. In event any banker, merchant, or other person should desire to convert these warrants into interest-bearing bonds, he could have surrendered them to the State and procured in exchange the cotton bonds in larger denominations bearing 4 per cent interest. Under the authority of the Federal reserve act, these bonds could have been pledged by the banks as security for which emergency currency could have been obtained that would have quickly found its way into the avenues of commerce in the South and relieved the stringency of the money market. It can be assumed therefore, that the State would never have been called upon to dispose of the entire authorized issue, and that the maximum interest charge would never have been incurred.

The plan proposed met with favor by many thoughtful and earnest citizens of the State, a large number of the newspapers advocated, and numerous mass meeting were held and petitions forwarded to the governor requesting that the legislature be called into special session to consider it. A large and respectable patriotic element of the people, including the governor, however, did not approve the plan, and no chance was given to the voters of the State to express an opinion on it. I recognize that those who opposed it did so from sincere motives. Many thought it an unsound and unsafe principle of government and

a dangerous precedent to establish. However, the situation was unprecedented and called for heroic measures. I did what I could to have it adopted.

Assuming, however, that it had been adopted and the State had purchased 800,000 bales at 10 cents per pound, the interest would have been $1,600,000 per annum. It would have cost the State for principal and interest for one year $41,600,000, and if $400,000 should be added for incidental and administrative expenses, there would have been a total cost of $42,000,000. This cotton could have been sold within 12 months at 12 cents per pound, or at a profit of $6,000,000 to the State of Alabama, and the farmer relieved of the necessity of sacrificing the proceeds of a year's labor, which, at a conservative estimate must have amounted to an additional $6,000,000. If the cotton had been held until the present week, a little more than one and a half years, it could have been sold for 15 cents per pound, or at a profit to the State of nearly $18,000,000. This amount would have paid the State's bonded indebtedness and returned to the people in the way of internal improvements for roads and for the advancement of agriculture and education $10,000,000.

Mr. President, I make these statements and give these figures to justify the position then taken and to prove the correctness of my judgment at that time.

CHANGE OF REFERENCE.

Mr. SHERMAN obtained the floor.

Mr. OVERMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from North Carolina?

Mr. OVERMAN. I simply want to make a motion.

The PRESIDING OFFICER. Does the Senator from Illinois yield for a motion?

Mr. SHERMAN. Yes; if I will not be denied the floor hereafter.

The PRESIDING OFFICER. No.

Mr. OVERMAN. I move that House bill 17350, known as the Webb bill, be taken from the Interstate Commerce Committee and referred to the Committee on the Judiciary, for the reason that the bill is now being considered by the Judiciary Committee, having been sent to that committee by the Federal Trade Commission.

Mr. OWEN. Mr. President, I shall not make any objection to the matter interfering with the regular order unless it is going to lead to prolonged debate.

Mr. OVERMAN. It will lead to no debate. I simply ask that that action be taken.

The PRESIDING OFFICER. Is there objection to the motion of the Senator from North Carolina?

Mr. LANE. I do not understand the motion. To what does it refer?

Mr. OVERMAN. It is simply a motion to transfer House bill 17350, known as the Webb bill, from the Interstate Commerce Committee to the Judiciary Committee.

Mr. OWEN. It is the Webb bill.

Mr. STONE and Mr. UNDERWOOD addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Missouri.

Mr. UNDERWOOD. But I desire to be heard for just a moment on the motion of the Senator from North Carolina.

Mr. STONE. Does the Senator object?

Mr. UNDERWOOD. I will ask the Senator from North Carolina to withhold the motion for the present. The chairman of the Interstate Commerce Committee, of which committee I happen to be a member, is not in the Chamber at this moment.

Mr. OVERMAN. I am simply making the motion because I am chairman of the subcommittee of the Judiciary Committee, which is considering that matter. I will not make it, however, if the Senator objects.

Mr. UNDERWOOD. I will ask the Senator to withhold the motion until the chairman of the Interstate Commerce Committee can be present.

Mr. OVERMAN. All right.

CORRUPT PRACTICES.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15842) to revise, amend, and codify the laws relating to publicity of contributions and expenditures made for the purpose of influencing the nomination and election of candidates for the offices of Senator and Representative in the Congress of the United States, extending the same to candidates for nomination and election to the offices of President and Vice President of the United States, limiting the amount which may be expended, providing for the publicity of campaign expenses, and for other purposes.

Mr. SHERMAN. Mr. President——

Mr. STONE. Mr. President, a moment ago the Chair stated that he recognized the Senator from Missouri, and I yielded to the Senator from Alabama. Now, who is recognized?

The PRESIDING OFFICER. On the list which was made out before the present occupant of the chair took the chair, there appears the name of the Senator from Illinois [Mr. SHERMAN]. If the Senator desires to make a motion, no doubt the Senator from Illinois will yield for that purpose.

Mr. STONE. Mr. President, I will not interfere if the Senator wishes to go away. I will say to him, however, that I desire, at the earliest possible moment, to move an executive session to consider the treaty we had before us on yesterday.

The PRESIDING OFFICER. The Senator from Missouri understands that the Chair is assured that the Senator from Illinois desires to go away on matters of business, and he has asked that he may occupy a few moments.

Mr. STONE. So I am advised.

Mr. SHERMAN. I have no objection. I will promise to be expeditious in my remarks, so the executive session may be held. I will suggest to the Senator from Missouri that I am in favor of the matter that is pending in executive session.

This bill, Mr. President, is not one to which I am opposed in principle. The only opposition I offer is because of the time at which it is urged and the circumstances in which many find themselves who are engaged in political candidacies. The limitation of expenditure in the case of candidates for Senator—I shall refer first to those connected with the Senate—is $5,000 and in the case of candidates for the House of Representatives $2,500.

The PRESIDING OFFICER. The Senate will be in order.

Mr. SHERMAN. As the Senator from Minnesota [Mr. NELSON] remarked the other day, "Do not disturb them," it does not disturb me. If it is consonant with the rule of the Senate and the manner in which business ought to be conducted, I can get along very comfortably, and I will never make any point of order that there is disorder in the Chamber.

The Members who have been candidates in primaries have expended a considerable sum of money legitimately up to this time. I know that many candidates for the House of Representatives have now spent in a perfectly legitimate way in their several districts $2,500 in their primary contests, the maximum that is permitted by this bill to be expended both in primaries and in elections. In some of the States where the primaries have not yet been held—for instance, in my own State the primary will be held on the 13th day of September—they have expended $2,500 now in their campaigns, and it is not an unreasonable sum of money. Neither would it be inferred that there is any corruption or illegal use of money in those expenditures.

Mr. OWEN. Mr. President, I desire to suggest to the Senator that I shall be quite willing to have a provision go into this bill that it shall not be considered ex post facto in regard to any of these expenditures.

Mr. SHERMAN. That would remove a portion of the objection, but it would only leave $2,500 for the expenses from the primaries until the November election.

Another difficulty is that it provides an inflexible rule. It limits the expenses without regard to the size of the district or the difficulties that present themselves in a campaign. It takes no reckoning of the size of the State.

There is a great deal of difference in the States, not only territorially but in population. Some States are much more expensive than others in which to campaign. Some States have large territorial areas, the population not being centered in cities, and therefore not easily accessible. In other States there are cities of very large population, making it more expensive in a legitimate way to campaign in such centers than where the population of the State is more sparsely distributed.

For instance, Rhode Island has 1,067 square miles. The State of Texas has 265,000 square miles. One will require comparatively little travel; the other will require a great deal. The State of Texas, from east to west, requires a very large railway fare for a single trip; and in the large area that is sought to be traversed in a campaign, if a candidate presents himself to any considerable number of the voters it would become indispensable that he properly expend more money for travel in the State of Texas than would be necessary in the small territorial State of Rhode Island or the small territorial State of Delaware.

I do not think that a rigid rule of this kind, fixing a maximum expenditure of $2,500 in the congressional district in one case and $5,000 in the State in the other, is at all flexible enough to be fair or to give a candidate an opportunity to be heard and to meet the voters.

The candidates now—and the tendency is to increase it in States where it is not now the law—are all required to submit themselves to direct primaries. Wherever the direct primary is in force, in substance the candidate must undergo two elections, and it necessarily doubles the expense.

In my own State we have had a direct primary for some years. There are four States in the Union that have more than a million votes at the election. Those States are the State of Illinois, the State of Ohio, the State of Pennsylvania, and the State of New York. Those four States, with their voting population of more than 1,000,000 each, would necessarily require more legitimate expense than the State of Nevada, which has barely 20,000 voters, and more than the State of Arizona, where there are 23,722 voters; those are the votes cast in the election of 1912.

If that be compared with the four States in each of which more than 1,000,000 votes are cast, it can be seen that the legitimate expenses would not be fairly provided for in this fixed limitation. For instance, in my own State there are 600,000 Republicans in normal times, before the division of 1912, and for some years the percentage was kept up. A mailing list that is at all useful in that country must contain at least 150,000 party names. My own mailing list in that State contains about 215,000—those who are readily accessible, either by the city or by the rural free delivery. Those are the Republicans showing more than the ordinary activity in political affairs.

In the State of Arizona, for instance, the Senator could send out for a 2-cent postage stamp to every voter in the State for $474 a sealed letter. Outside of the clerical help and the printing bill required $474 will carry a 2-cent letter in that State to every voter of all parties—Democrats, Republicans, and others. In the State of Nevada a trifle over $400 will take a campaign letter to every voter in that State. In my own State to take a campaign letter in a primary contest to every Republican in the State of Illinois will require $12,000 in round numbers, a little more than that; if I send a single letter to every voter in my own State for the 13th day of September, 1916, it would require not $2,500 but $12,000 for a single mailing list. My own mailing list that I have used and kept for some years, containing the 215,000 names mentioned, requires $4,300 every time I send out a letter under seal taking a 2-cent stamp.

Now, in a direct primary I could reach a part of them only under such limitations as are provided in this bill; but I say such limitations are unfair when they are applied to the larger States under the conditions we campaign in there. It is an impossibility to reach my constituents under such restrictions as are placed in this bill. It is equally true of the Democratic candidates in that State, or in the State of Pennsylvania or New York. There are at least 500,000 straight Democratic votes in that State, and if a Democratic candidate sought to reach all the voters with a 2-cent postage, a sealed letter, it would require at least $10,000 alone to reach the voters from his mailing list. Outside of the mail there are the public press and such limited number as the candidate can appeal to by personal meeting or his voice on the platform. Those are the only three ways of reaching the public on either party matters or upon public matters to be used at the November election and in the preceding primary campaign. The newspapers, through political advertisements, can reach their readers, and they are powerful and proper agencies for those purposes.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Does the Senator from Illinois yield to the Senator from Oklahoma?

Mr. SHERMAN. Certainly.

Mr. OWEN. I wish to suggest to the Senator that by the publicity pamphlet amendment, which I offered in the Senate, that would put a Senator's case or a Member's case or a President's case, for that matter, in the hands of every single voter without expense, except to publish it.

Mr. SHERMAN. That will cover that part, the mail portion of it?

Mr. OWEN. Yes.

Mr. SHERMAN. But there are the traveling expenses. My own State is nearly 400 miles from the Wisconsin line to the Kentucky border. Travel in that State is 2 cents a mile on local roads. My own traveling expense in a careful, economically conducted campaign, as I made in 1914, alone were very heavy. I began on the 3d day of July, 1914; I came home the morning of the election, and my own traveling expenses take up a material part of the expenditures. If I were a candidate covering only a district, it would be correspondingly less, but it takes up a large part of the $5,000, which is the maximum amount of expenditure limited in this bill for a senatorial candidate.

Another thing that I think is proper here to consider is the fact that 4 States as stated have over 1,000,000 votes, 4 other States have over 500,000 votes, 17 States in the Union have 200,000 votes and not over 500,000, 9 States have 100,000 votes and not over 200,000, and 14 States of the Union have less than 100,000 votes. In the smaller States I can see how the postage would be comparatively light. In the larger States it is indispensable that it be allowed, according to the relaxation suggested by the Senator from Oklahoma. But by this bill both the large and the small States are subjected to a fixed rule. A general rule presupposes similar conditions. That general rule applied to dissimilar conditions works injustice. Either, therefore, the limitations must be enlarged or the States classified and a different rule imposed on some.

Mr. OWEN. Another way would be to provide that the expenditure should not exceed a certain amount per capita or per voter. That would meet the point. But in this bill the postage and circulars were not to be limited by the $5,000. I think it is better to limit it to a certain amount to the voters.

Mr. SHERMAN. That is true; but I do not know what the rates are in Oklahoma for political advertisement. I know what they are in the city of Chicago. I very much doubt whether $2,500 would cover more than about 3 inches of nonpareil type in some insignificant corner. They are not publishing newspapers for their health in Chicago any more than they are in New York City. In Chicago and in the larger cities outside, the cities of Peoria, Quincy, Decatur, and Springfield, the political advertisements are quite expensive, where they are paid for just as commercial advertisements. The limitation probably would depend somewhat on the rate charged for space in newspapers. There is no fixed rate. It depends on the city, the circulation; it depends upon the size of the place and upon numerous things that fix a charge different in some localities from that in others.

Another thing that I think will be unfair in this kind of a limitation is the fact that the percentage of votes in some parts of the Union or some States of the Union is a comparatively small per cent of the total population. I do not allude to this and I shall not, for the purpose of making any political comments. I am only directing attention to the fact that there is a comparatively small per cent of the votes to be reached in some States and that the expense of reaching them will be correspondingly less.

In my own State in 1914 I think my expense account filed with the Secretary of the Senate aggregates about $8,700. I wish to say, Mr. President, that every cent of that was legitimate expenses. There were no unusual items in it. They are made up of the items that every person going through a primary campaign and in a direct primary and in the subsequent election would be called upon to meet. I conducted the campaign as economically as I could. I have no money to throw away any more than other Senators have.

The further provision in this bill that the political campaign committee or managing committee for the area in which the election is had concerning this particular candidate, whoever he may be, is limited to this amount. There is also a provision that the candidate himself may spend out of his own money without limitation for certain purposes; those purposes are all necessary expenses for his traveling, for stationery, circulars, advertising, postage, and for telegraph and telephone service without being subject in respect thereto to the provisions of this act.

This relaxes, as the Senator has suggested, the limitations of the bill. But what about the Senator who has no pocketbook to go through a fight of this kind? I have had the misfortune to practice law for some 30 years without ever being a very good business man. I have spent too much time, probably, in taking care of troubles that appealed to me in which there was no great compensation. I have fought some cases through without practically any pay for them.

I only refer to that to illustrate that if a candidate, by the means referred to in section 14, goes through a senatorial campaign with $5,000 as the extreme limit of his expenses, if contributed by others and managed by campaign committees, he has beyond that to take it out of his own pocket. Suppose he has not got it in his own pocket. Suppose he does not have the money. His friends can not contribute a dollar for him.

I say to you quite frankly if my friends had not paid a large part of my campaign expenses in years past in the hard fights I have been in, both State and otherwise, I could not have met the legitimate expenses of my campaign and must have risked defeat accordingly. I have been opposed to the element in my party that finally ended in scandals in the Senate. The Senator from Oklahoma voted as I would have voted if I had been a member of this body at that time, without any regard to party

san affiliation. For more than 17 years I have been in a family contest, a factional contest, as it has been called, inside the ranks of my own party with that unhappy element. Those contests can not be fought with cologne water and silk gloves. They can not be overcome by reading essays on a Chautauqua platform.

A practical politician must be met by practical methods, and finally we met them by practical methods. We spent more than $5,000 in the campaign. That was all legitimate expenditure. I am glad my friends had enough money that I could contribute something myself to the defeat of that element with whom I was not in accord in my own party.

These are primary fights, and there were contests before the days of the direct primary. That was the era of delegate conventions. Those were the days when soap-box primaries ruled and when King Caucus was expected to be obeyed. So I do not think in a contest in the larger States of the kind I have named these expenditures are at all liberal enough.

When I speak of the comparison of the total population and the vote it is not for the purpose of drawing an invidious comparison. It is only the statement of the facts, tending to show that some States required greater expenditures than others to reach those voters.

For instance, in the State of Arizona its 23,722 votes are 9 per cent of the population. Georgia, with a total vote of 121,420, shows that 4.65 per cent of the total population vote. In the State of Mississippi 3.6 per cent of the population vote. In North Carolina it is nearly three times as much, because it is 10 per cent, which is something like a normal average in many States, even in latitudes farther north than that. In Oklahoma 12.23 per cent of the population vote. In the State of South Carolina 3.16 per cent of the population vote, which is the lowest per cent, compared with the total population, of any other State in the Union.

Now, compare some of the other States. In Illinois 20 per cent of our population vote; in Indiana 23 per cent of the population vote; in the State of Iowa 23 per cent of the population vote; in Kentucky nearly 15 per cent of the population vote; 18.75 per cent of the population vote in the State of Maryland; nearly 17 per cent vote in the State of Minnesota; 20 per cent vote in the State of New Hampshire. Wherever the per cent rises the number of voters necessarily increase. That number of voters require in some way to be approached by a candidate. He can be approached in only one of the three ways I have suggested—one by the mails, another by the public press, and the other by the candidate himself by word of mouth, by his personal presence, either on the platform or by personal solicitation.

These are the three methods, and in a large State like Texas or New York, compared with a small and densely populated State, the maximums that are fixed are unfair. I do not think in the larger States that a legitimate campaign can at all be waged unless a person takes the money out of his own pocket. This limitation enlarged by section 14 of the bill therefore puts a premium upon the person who has means and imposes a signal disability upon the man who is without means.

Another thing I do not particularly like. This proposed act is to be imposed upon the larger States by the votes of Senators of the smaller States of the Union where these limits are reasonable, where if these sums were expended it would probably mark the limits of legitimate expenditure.

But I am quite sure, Mr. President, that the condition in some of the States, under their local laws, is such as to make it unnecessary to spend the large sums of money that would be necessary in New York, Pennsylvania, or Illinois. One of the reasons I think so is because in the constitution of Oklahoma I find these provisions:

ARTICLE III—SUFFRAGE.

SECTION 1. The qualified electors of the State shall be male citizens of the United States, male citizens of the State, and male persons of Indian descent native of the United States, who are over the age of 21 years, who have resided in the State 1 year, in the county 6 months, and in the election precinct 30 days next preceding the election at which any such elector offers to vote.

Then there is a provision that no person who shall be guilty of a felony shall vote unless he shall have had restored to him his civil rights. Then I find further on an amendment, section 4a. A change is made in the qualification. The section which I have just read was adopted in 1907. It was that portion relating to the elective franchise in the constitution when Oklahoma was admitted into the Union, but in 1910, some three years afterwards, section 4a was added, which is as follows:

SEC. 4a. No person shall be registered as an elector of this State, or be allowed to vote in any election held herein, unless he is able to read and write any section of the constitution of the State of Oklahoma; but no person who was, on January 1, 1866, or at any time prior thereto, entitled to vote under any form of government, or who at that time resided in some foreign nation, and no lineal descendent of such person, shall be denied the right to register and vote because of his inability to so read and write sections of such constitution.

That is commonly known as the grandfather clause. That was in force until, within a few hundred feet of this Senate Chamber last winter, as I remember, the Supreme Court of the United States gave a decision. It was in a case pending, brought to that court by a proper process and reviewed. They held that this provision, 4a, of the amended section of the Oklahoma constitution was utterly void, the court saying in substance that it was in contravention of the fifteenth amendment. Possibly if this bill be now applied to that State, the election expenses will be higher than they were in former years. It might result in some enlargement of the elective franchise. The literacy test provided in section 4a, the amendment of 1910, is broken down, so that the same test applies to all or to none as the case may be.

Pursuant to this, a statute is in force in the State of Oklahoma governing elections. Now, I wish to call attention to the fact how simple a thing it is in Oklahoma to control the election machinery. It begins with the governor; it ends with the precinct election officials. If the governor is of a given political party, all the rest of the control necessarily follows. It is true there is a provision that only two of them shall be of the same political party; but I understand a decision of the supreme court of that State has nullified this provision, and now practically gives power to the election board to appoint anybody whom they please.

So we begin with the State election board, appointed by the governor, consisting of three members. They in turn appoint the county election board, and the county election board in turn appoints all of the precinct election officers for the holding of the election in the various localities. The elective county officers have no part in naming precinct election officers. The people have no home rule in the control of their own elections. They are controlled by officers named at the State capitol. So this is comparatively simple alongside the more complicated election laws of some of the other States.

I do not want to go more into detail in this matter. I am only suggesting that if this election act were postponed so that it would apply after this election it would then give time for candidates to adjust themselves to the conditions with which they are surrounded. There are 435 candidates for the House of Representatives who must be elected. They have engaged in primary contests; they have gauged their expenditures under existing law. The primary is over; they must now approach the November election. Consequently, I think it would be fair to let this campaign go to a finish, except upon the conditions which existed at the time it began.

I know that many of the States have provisions for the initiative, the referendum, the recall, and many other modern devices that are supposed to forward the purity of elections and to provide for popular government. Such schemes are beautiful on paper. Wherever tried sufficiently to test them, they destroy popular government in large populations and convert elections into a jest and idle clamor.

The tendency, Mr. President, all the time is to increase the legitimate expenses of elections, rather than to decrease them. Device after device has been heaped upon the candidates in almost every State in the Union. Busybodies who seldom run for office themselves spend their energies providing for more elections. If they had faith in their schemes they would become candidates in elections now held and improve existing conditions, instead of merely multiplying elections. There are no simple election laws any more.

In the city of Chicago a primary ballot contains over 3,000 names. In my own city, which is 180 miles out of Chicago, a city of 75,000 population, the last time I went into a primary election I took my ballot into the booth to vote. I looked at the ballot and I counted the names. There were 302 names on the ballot. I had more than the ordinary citizen's acquaintance, and, to save my life, out of the 302 names, by giving one the benefit of the doubt, I knew but 25 men. On the other 277 men I voted absolutely blindly in my own city. In the city of Chicago the evil becomes very manifest.

The only way you can conduct a campaign there is by organization. It begins with the precinct and the ward—with the 35 wards in Chicago and 6 election commissioners' districts outside. The same thing holds true in every large city. The expenses are legitimate. You can not reach the people in any other way. You must take the metropolitan press or you have got to take political organizations in such large centers of population.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Oklahoma?

Mr. SHERMAN. Yes, sir.

Mr. OWEN. There is a very easy remedy for that condition of that multiplied number of names on the ballot, and that is the short ballot by which the difficulty would be obviated.

Mr. SHERMAN. I did not catch the last part of the Senator's observation.

Mr. OWEN. I say the short-ballot system effectually meets that difficulty; and it is perfectly obvious that the democracy can not operate through a ballot containing many hundreds of names. So a short ballot is essential.

Mr. SHERMAN. Yes, sir; that is true. The short ballot would palliate the evil. I remember when we were framing the election laws in the fervor of "the uplift" several years ago I tried to except from its operations school directors and members of boards of education, and I came near being hanged, drawn, and quartered. I tried to except, and did except, presidential electors. I never thought that political parties, in which I believe, as I have already announced, ought to be subjected to the catch-as-catch-can plan of getting its electors. I was branded as an enemy of the people because I opposed the nomination of electors by a direct primary.

Sometimes anybody can be nominated in a direct primary. I say that with all due deference, and I have supported the direct primaries within reasonable limits. Men have carried populous counties in Illinois, with a fairly intelligent population compared with other parts of the Union, who, if themselves were subjected to a test by a competent alienist, would be found to be subnormal, to say the least of it. Still you have got to go out before the people in a direct primary, with over a million votes cast in the State—600,000 in my own party and 500,000 in the Democratic Party—you have got to go out with the $2,500 limit on you in the district and a $5,000 limit on you in the State. You must go before the people, who are just as intelligent as they have ever been, and explain to them in some way who it is that is running for office. In the city of Chicago there are 3,100 candidates on a single primary ballot. Every time a business man sees a candidate come around the block he flees from him as though he were a pestilence. The busier the man in a city, the more successful he is, the less use he has for any candidate.

Now, how are you going to get around it? You have either got to let the people vote blindly or you must get to the voters in some way. So it seems to me that these limitations are unreasonable.

I will vote for some fair publicity act or corrupt-practices act, but I will not vote for this proposed law as it now stands, because I think it is grossly unfair to the candidates.

I am aware that nearly all the members of organized labor from whom we hear are in favor of direct primaries, the referendum, the recall, the initiative, and other presumably popular devices for making it more expensive for a person to offer himself for public office or to stay in office after he is elected.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Oklahoma?

Mr. SHERMAN. Yes, sir.

Mr. OWEN. If the Senator would only mention the remaining part of the proposed program, namely, the publicity pamphlet, the short ballot, the preferential ballot, and the corrupt-practices act, it would not add to the expense nor difficulty, but would save expense and difficulty.

Mr. SHERMAN. It would be, Mr. President, some small mitigation of the evil; but when will the short ballot come? It has not been adopted in my State; it has not been adopted in the State of the Senator from Oklahoma; it has not been adopted over in Indiana nor in Ohio; and in the large States wherever the direct primary is in force at this time there is no short ballot. In 10 or 11 States farther south the process is a simpler one, because politics there does not involve a contest in the November election in the acute form it does in some of the other States. The primary fight there is the strong one; and generally it is the vital fight. When the primary is over, ordinarily the politics struggle in those States is at an end.

Now, when I think of simplifying the ballots I come to the conclusion that for this election there will be no simplification of the ballot in many of the States. There will not be in my State. The same laws will be in force in Illinois for the primary to be held on the 13th of September, 1916, that have been in force for several years; and so it is with most of the States which have not yet held their primary elections.

The publicity pamphlet is a doubtful expedient in a large State. It would have to be published in from five to seven languages in States like New York and Illinois.

The preferential ballot is a mere name as yet and would only add confusion to the bewildering chaos, unless the election laws of the States were radically overhauled and some of them disinfected with a little horse sense.

Mr. President, I understand from the Labor Day address of Mr. Gompers, which I have examined with some care, that he claims he has done a great variety of governmental deeds. I will specialize for a few minutes on Mr. Gompers.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from New Hampshire?

Mr. SHERMAN. Yes, sir.

Mr. GALLINGER. Before the Senator does that, the Senator doubtless recalls the fact that the Senator from Missouri [Mr. REED] said that Mr. Gompers did not meddle with politics, and I called attention to the fact that he had in New Hampshire meddled with politics on a certain important occasion in his efforts to defeat me for reelection. Has the Senator noticed any activity of a political nature on the part of Mr. Gompers of late?

Mr. SHERMAN. I reply to the Senator from New Hampshire that it has been with great sorrow that I have noticed the error of the Senator from Missouri [Mr. REED]. I have observed great political activity of Mr. Gompers for several years. I was taking the gentleman at his word; but, then, a short time after the nonpartisan proclamation was issued with a great blare of trumpets that he was a celebrated nonpartisan, he was caught red-handed in a most shameless and unbridled political partisan attempt. I understand from the Labor Day address of Mr. Gompers, he has declared that he will deliver the whole of the labor vote of the United States to President Wilson. Well, let him to so, if he can.

He gives a list of the labor laws that have been passed since April, 1913, when the special session of Congress convened. I shall not undertake to recite them here, but, after dwelling at some length upon the variety of good things that have been done, he says that he intends to support, and he calls upon all the labor unions of the country to support, the Democratic ticket. Still Mr. Gompers is not in politics.

Mr. Gompers's son, Samuel J. Gompers, has a $3,000 appointment under this administration. He is a "deserving Democrat." Gompers senior is not in politics. Mr. Gompers senior has blacklisted everybody at primaries and elections who refused to take orders from him. Yet he displays no political activity. It is likely merely Gomperian activity.

That declaration came while the proposed wage-increase law was a live question in Congress, as it is yet. All other questions might be ephemeral; but the principal thing that remains, elemental and permanent in its result, is the fact already alluded to in this Chamber, that Congress has assumed the power to regulate and fix the wage relations between employer and employee.

Mr. STONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Missouri?

Mr. SHERMAN. Yes, sir.

Mr. STONE. I hold no brief authorizing me to speak for Mr. Gompers. I have read in the papers in the last two or three days some reputed or reported expressions of his favorable to the reelection of Mr. Wilson. That is all I know as to his attitude. I do not rise to have any controversy with the Senator from Illinois as to whether or not Mr. Gompers properly gauged or estimated the situation. Unquestionably my friend from Illinois and I will not agree as to that; but would the Senator from Illinois deny to Samuel Gompers, because he happens to be permanently identified with a labor organization—the greatest labor organization of its kind in this country or in the world—the right of a citizen, purely as a citizen, to say that he favors the election of a certain candidate for President or the defeat of a certain candidate for President, or the election or defeat of a certain candidate for the Senate or for the House of Representatives, speaking from his viewpoint. The men associated with him in this great organization, or, at least, many of them—how many I know not—may not agree with him. I do not understand that he is attempting from what he says in a political way to speak for the organization of which he is the head, but to speak his individual views. I can not believe that the Senator from Illinois seeks to put any limitation or restraint upon Mr. Gompers or upon any other man in speaking what he thinks and what he believes is best for the country and best for the great industrial organization he represents. Certainly he has a right to give the best thought he has to that subject.

Mr. President, I can not understand why any Senator should make a personal, hostile, unkindly criticism of a citizen of our common country, a prominent citizen, because he expresses his views with respect to current questions, unless, perchance, the

purpose be to disparage him and to weaken the effect of what he might say upon the country as a whole or upon the vast number of men with whom he is especially identified in this great industrial organization of which he is the head.

I beg the Senator and all Senators to pass that by, and leave to Mr. Gompers or to Mr. Anybody Else, whether he belongs to a labor organization or not, the liberty of telling the American people what he thinks, just as the Senator from Illinois can do, or the Senator from New Hampshire can do, or I can do.

All of us stand in the great world outside upon terms of equality with our fellow citizens. I did hear the Senator from Illinois the other day say that he would have no dispute with Mr. Gompers unless Mr. Gompers could in some way come into the Senate and become the equal of the Senator from Illinois, so that they might debate on terms of equality, as the Senator expressed it. Well, Mr. Gompers is not in the Senate. He probably never will be here. He probably does not wish to come here. He probably could not come if he wished. I do not know. But about this the Senator from Illinois will agree with me—that when he and I walk out of this Chamber to mingle with the American people, we can not lift ourselves up with any idea that the men and women we meet are not our equals. We must meet them as our equals, for they are our equals, if our American democracy is what the Senator from Illinois and I wish it to be.

I beg the Senator not to upbraid and criticize and condemn Mr. Gompers, nor, as I said, Mr. Anybody Else, unless, standing outside of this Chamber, he sees proper to tell his constituents or his fellow citizens what he thinks is best for the promotion of the public welfare.

Mr. SHERMAN. Mr. President, while the Senator from Missouri disclaims holding a brief for Mr. Gompers, I never heard a lawyer take up as much time for a client he did not represent as the Senator has used.

I will agree on one thing that he says—that Mr. Gompers probably never will be in the Senate. If he does not run any better than he did as a delegate for the New York State constitutional convention the last time he ran, I am quite sure he will never get in the Senate or any other public office. I looked at the returns, when they came in, in 1914 in New York State; and in the city of New York when he was a candidate my recollection is that he was the tailender in the race, although he claimed he had all these mighty elements for him.

To go back, I will take up in turn the series of questions propounded and pay some attention to them, although I do not want to occupy much time. I always go on the idea that when a fellow has a lot of interrogatories in him and is filled up with something, he had better let it all come away from him at once; and I think the Senator is relieved because he propounded a multitude of interrogatories. I do not know whether they will enlighten the Senate much if I can answer them. Some of them I can not; some I can.

Suppose Mr. Gompers undertook to deliver the entire labor vote. He claims that there are 2,000,000 members of the American Federation of Labor. If he could deliver them, it would not be because he is Mr. Gompers but because he is president of the American Federation of Labor. As Mr. Gompers he could not deliver them any more than myself individually or the Senator from Missouri individually. If he walked abroad in the panoply and majesty merely of his American citizenship, he would not deliver them any more than we would deliver them, in the absence of political organizations, and from the mere fact that we happened temporarily to be occupying the position of Senator. Merely as citizens we would not deliver very much. I never was able to deliver anything. I have been beaten in my own precinct every once in a while, and that by the element in the party to which I referred a while ago. I was continually defeated until a few years ago, when matters seemed to change. So it is not merely as an American citizen that these things count.

I apprehend that Samuel J. Gompers is not on the pay roll in the Department of Labor—that is, Gompers junior—merely as an American citizen. He is there because his father is president of the Federation of Labor.

Mr. Gompers is not consulted when the Carranza government in Mexico is recognized because he is Mr. Gompers. It is because he has been plowing with the I. W. W.'s in Mexico, disturbers of the peace, rioters, incendiaries, persons guilty of arson of various degrees, from burning farmhouses to whole cities. On our own side of the border Mr. Gompers is associated with those gentlemen, and has been for a long time. In his Labor Day speech at Lewiston, Me.——

Mr. STONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Missouri?

Mr. SHERMAN. In a moment. In his Labor Day speech at Lewiston, Me., on the 4th day of September, 1916, he took occasion to refer to the fact that he is responsible for this administration's recognizing the Carranza government. I am glad to have another count in the indictment against this unwarranted usurper, this gentleman who receives the confidence of the people, prostitutes that confidence, and abuses the power vested in him.

Mr. STONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois now yield to the Senator from Missouri?

Mr. SHERMAN. I do.

Mr. STONE. Will the Senator allow me to do him a friendly service?

Mr. SHERMAN. Yes, sir.

Mr. STONE. When the Senator took the floor he said he would try to conclude by 5 o'clock. He is making an exceedingly interesting and able speech, and I am afraid he will become so absorbed in it that he may not keep track of the clock.

Mr. SHERMAN. I will take up the time that the Senator occupied in asking questions a while ago, and when I have taken that much time I will be through. I would have been through long ago but for the interruptions. I must leave, however, in a few minutes.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from New Hampshire?

Mr. SHERMAN. I do.

Mr. GALLINGER. Has the Senator observed that Mr. Gompers has now invaded Mexico and is organizing the so-called workingmen of that delightful Republic?

Mr. SHERMAN. Yes, sir. He claims to be in communication with them, and he soon expects to bring about a state of civil and industrial peace. By proclamation and resolution he intends to restore order in that nationality. If so, he will do more than anybody has been able to do up to this time with all the rulers of Mexico since Cortes invaded that country in 1519. Why, even Porfirio Diaz could not keep peace in Mexico. He was in trouble all the time. But here comes this self-sufficient autocrat, who will immediately go down there and by a proclamation restore order. He will stay on this side of the border when he makes the proclamation. He will never risk his precious person on the other side. I will be willing to wager any respectable sum on the locality in which he will be found.

Mr. FALL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from New Mexico?

Mr. SHERMAN. Yes, sir.

Mr. FALL. I hold in my hand the August number of the American Federationist, containing an article by Samuel Gompers. On pages 640 and 641 of this periodical there is set forth a letter from Samuel Gompers, under date of September 22, 1915, addressed to the President of the United States. I call the attention of the Senator to this letter of Mr. Gompers upon the recognition of Carranza and requesting the recognition of Carranza. It is dated September 22.

The statement preceding it by Mr. Gompers is that the Mexican situation was presented to the President by himself, as the president of the American Federation of Labor, as the first efforts of people long accustomed to despotism and denial of the rights of free citizens to realize ideals of freedom.

The letter to President Wilson follows. I will not undertake to read it, as it is of some length. Following the letter in this article, Mr. Gompers says:

> On October 19, 1915, the United States Government notified the representatives of the de facto Mexican Government in the United States that it would be pleased to receive formally in Washington a diplomatic representative of the constitutionalist government.

The Carranza government was recognized. Mr. Gompers in this article assumes the credit for persuading the President of the United States to recognize the Carranza government. It might be interesting, Mr. President, along with the Senator's remarks, if this letter were printed in the RECORD.

Mr. SHERMAN. I will ask to have that done, Mr. President.

The PRESIDING OFFICER. Without objection, that course will be pursued.

The matter referred to is as follows:

> WASHINGTON, D. C., *September 22, 1915.*
>
> SIR: In accord with the direction of the executive council of the American Federation of Labor, the following is respectfully submitted to you and which we hope will commend itself to your favorable consideration and action:
>
> There has been going on just across our southern boundary a battle which is part of the world-old struggle for freedom. Although that struggle may be associated with many things that are not in accord with our ideals, yet I am sure you recognize that these things are the first crude efforts of a people long accustomed to despotism and denial of the rights of free citizens to realize ideals of freedom. Nations, as well as individuals, as you well know, can not at once assume wisdom in the

exercise of freedom. They must learn to be free. They have the right to this freedom without unwarranted outside interference even from those who seek their welfare.

The revolt of the people under the leadership of Madero against the Diaz government was an effort to realize ideals. The support given to the ideals of Madero was a proof that national virility and resourcefulness had not been crushed out by the rule of despotism. It was a proof that there were yet ideals and yearnings for the opportunities that rightfully belonged to citizens under a free government.

Under the Madero government there were beginnings of a labor movement, and an effort of the workers to organize for the realization of their ideals and for the betterment of themselves and their fellow workers. This hope was overshadowed by the barbarism of Huerta, but again grew strong and steady when Carranza asserted himself as the leader of the people.

Gen. Carranza is recognized as the friend of the working people and the real leader of the people generally of Mexico. He has granted to the wage earners the right of organization, and has secured them opportunities for carrying out the legitimate purposes of organization. He has been thoroughly in sympathy with the ideals of greater opportunity and freedom of the masses of the people. The working people have been supporting him. They have adjourned as lodges and trade-unions to enlist in the Carranza army with their union officials serving as the officers of their regiments.

The workers of Mexico have tried as best they could with the resources available to present their request and their right to be allowed to work out their own problems. They asked you and our Government for a little more patience and a little more time to prove that the Carranza government really represented the people of Mexico. You granted that request, and time has proved that Gen. Carranza is really the representative of Mexican democracy; that he represents their efforts to establish a government of the people and for the people. Gen. Carranza has demonstrated his sympathy with the ideals for which Madero gave his life, and has refused to compromise these ideals with Mexican revolutionists who were seeking their own personal interests. He has endeavored to secure for the Mexican Republic the dignity and the respect that ought to be accorded to any sovereign government.

The sympathies of the workers of the United States have been very deeply touched by the struggles of our fellow workers of Mexico. As recent events have drawn all of the countries of the two American continents more closely together, so the workers of these various countries have been more thoroughly aroused to the common interests and the common welfare of the wage earners who are citizens of the countries.

It is with the desire that we Americans who have so much liberty and so much of opportunity should use our influence to aid those who are less fortunate, that as representatives of the labor movement of America we urge upon you recognition of Gen. Carranza as the head of the Mexican Government.

The matter we know is receiving your most earnest and most conscientious consideration, and we are sure that your sympathies are very strong for any genuine effort to secure larger liberty for the people; therefore we wish you to have the assurance that the course we, as the representatives of the organized labor movement of America, urge upon you, has, we are sure, the hearty approval and indorsement of the great rank and file of the citizenship of our country.

Very sincerely, yours,

SAMUEL GOMPERS,
President American Federation of Labor.

Hon. WOODROW WILSON,
President of the United States,
White House, Washington, D. C.

Mr. SHERMAN. It shows that what Mr. Gompers stated in his Labor Day speech on September 4, 1916, is borne out by corroborative evidence. This letter furnishes one of the links in the chain of testimony showing that undoubtedly he has had something to do with influencing the Executive to the recognition of that so-called Government.

I am perfectly willing for Mr. Gompers to have the credit of that recognition. He claims it. Let him have it. For all that has followed in its train, all the double-dealing, all the deception, all the riot, all the pillage, the murder, the arson, the unspeakable civil conditions that have prevailed in that unhappy country, and the deaths of our soldiers at Carrizal at the hands of Carranza's soldiers, Mr. President, since the recognition of the Carranza de facto government on the 19th day of October, 1915, down to the present time—if Mr. Gompers wants to take that responsibility upon his shoulders, a part of it or all of it, let him have it.

The Senator from Missouri asked if he was not acting in his individual capacity, and whether it was not his right and ought not subject him to criticism. If he were doing so merely as a citizen, it would not. Neither would I take time in the Senate to remark upon it. Neither would I join him in a public debate on this question. It does no good. I will answer it here where I properly can, and in the campaign to come where I properly can, and I shall do so at proper times and places. I can only say this:

If a priest undertook to deliver his parishioners, if a minister undertook to deliver his congregation, if he left his holy office, forgot his priestly robes, and undertook to vote his congregation as a political unit and to deliver them to the Republican ticket or any other ticket, I would say that he had prostituted his holy calling. I would criticize the priest, I would criticize the minister of the gospel, as unsparingly. He would have abdicated his function. He would have ceased to be the spiritual counselor and guide and would have sought to become the political autocrat delivering the votes of his congregation or his parish. The ecclesiastic would be lost in the partisan. The pulpit would be filled by a politician.

That is exactly the attitude of Mr. Gompers. Mr. Gompers seeks to deliver the labor vote. He always has done so. The Senator from New Hampshire [Mr. GALLINGER] is entirely correct. Mr. Gompers has been in politics from the beginning. He interferes in everybody's primaries, Democratic and Republican alike. He has done so for years. Generally, he is a Democrat. Ninety-nine per cent of him is a Democrat. I do not know of any time that he has ever indorsed a Republican ticket.

I have no objection to his doing as he pleases in any particular. That is his right. I object to his brazen, unauthorized attempt to deliver the whole of the labor vote of the United States connected with the American Federation of Labor merely because he is intrusted with the power given him as the president of that federation. That is what I object to. I have a right to criticize that, and I am doing it.

I am perfectly willing for Mr. Gompers to undertake to deliver the labor vote when yoked with his political associates. Who is the political manager of this campaign? Who is it that furnishes the maneuvering, the advice, the organization? Who directs the energies of the Democratic Party? It is the head of the Post Office Department, a former Member of Congress, Mr. Burleson, of Texas. He wields all the mighty power that goes with that department, with all the postmasters appointed and to be appointed.

One of his chief assistants, Mr. Roper, is now at the Democratic national headquarters. Nobody else could be so persuasive. Nobody else could so liberally fry the fat out of Democratic postmasters like Mr. Roper, because he has been the official headsman for nearly four years; and if the brethren do not come around with the coin of the realm they will be put on the unfair list.

Mr. THOMPSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Kansas?

Mr. SHERMAN. Yes, sir.

Mr. THOMPSON. Will not the Senator from Illinois be fair enough to say that Mr. Roper has resigned from the position of First Assistant Postmaster General?

Mr. SHERMAN. Oh, certainly.

Mr. PENROSE. Temporarily.

Mr. THOMPSON. No; for good.

Mr. SHERMAN. He has resigned—why, of course; and, as the Senator from Pennsylvania says, it is a temporary resignation. If the President should be reelected, I apprehend that Mr. Roper will be cared for in some berth where his exchequer will not suffer, before the arrangement has been worked out. No worthy laborer in the Democratic vineyard will come to want, much less Mr. Roper.

Now, so long as Mr. Burleson is taking care of the political end of it and Mr. Gompers is taking care of the labor end of it, I shall assume that those two gentlemen are the team that intend to deliver enough votes to elect the ticket. Those two Dromios are traveling along very harmoniously.

I have said all that I care to say at present about Mr. Gompers, except that I have had a great many resolutions from various labor organizations all the way from San Francisco to Philadelphia. They have denounced me without stint. If there is anything that I thrive on, it is abuse. Anybody does. When they understand both sides, they will commend me. Any normal human being will always react, just like the senior Senator from Missouri.

I had a resolution from a federation in Philadelphia yesterday morning, and it utterly denied my right even to criticize Mr. Gompers. It in substance said:

Mr. Gompers represents us, and if he needs any criticism we will criticize him. You keep your mouth shut.

That is the reason why I am opening it to-day, just among other things to show that I shall not obey the resolution. I believe in free speech for others and myself.

Now, I have a copy of the San Antonio Daily Express, dated Wednesday morning, October 20, 1909, published at San Antonio, Tex. It can be found readily in the files of the Congressional Library; it can be found in the Carnegie Library; a copy of the files of this paper can be found in the library of my home city and in at least five public libraries in the city of Chicago. So it is common property, only it has lain all these months unthought of. I deem as an impartial political historian as well as an antiquarian that it becomes my duty to dig out these remains and give them in this campaign to the public.

This is dated Fowler Station, Bosque County, Tex., October 19, 1909.

There was a labor investigating committee at that time acting under the authority of the Texas General Assembly. There was not a Republican member in the whole of that legislature.

They were investigating the convict labor of Texas. They went upon the farm which is in this report described as follows:

The Burleson & Johns farm, which lies partly in Hill County and partly in Bosque County, the Brazos River being the dividing line between those political subdivisions, is a splendid estate of about 5,000 acres. The State cultivates about 4,000 acres of it—3,200 in cotton, 800 in corn. It is the property of Congressman Burleson and his kinsman, Mr. Johns, of Austin. The principal tract lies in a big horseshoe bend of the Brazos River, in Hill County.

The men worked on this farm, Mr. President, are convicts of the Texas Penitentiary. They worked on the share plan. The State, I believe, takes 60 per cent of the proceeds and Mr. Burleson and Mr. Johns get 40 per cent of it. That arrangement was in force in 1909, when it was under investigation by the Legislature of the State of Texas. The contracts were made, and for some time prior to that Mr. Burleson was drawing the profits from that kind of an arrangement. He is now a political partner of Mr. Gompers, who intends to deliver the labor vote in this campaign.

It is my duty to apprise Mr. Gompers of just what kind of associates he has in this attempt. I have had in years past some criticism because I did not act quick enough to prohibit convict labor. We had to have a constitutional amendment in my home State to do so. Before that time we condemned the contract system, and at last abolished it. I know of no man on the Republican ticket, I know of none sitting in any cabinet position or assuming to deliver the labor vote in places connected with the contract system of years ago. More than 34 years ago it was abolished in Illinois.

Here about four years before his chief was inaugurated Mr. Burleson was engaged in drawing profit from a contract made with him and his partner by the State of Texas in which the convicts were farmed out for pecuniary gain. Labor unions have criticized that for many years, and, fortunately, in most States it is pronibited by law. Bills have been pending here for a long time to prohibit interstate commerce transporting convict-made goods and to close the customhouses of the country against the importation of foreign convict-made merchandise.

Now, that would be enough in this campaign, Mr. President, to cause Mr. Gompers some serious thought. He finds himself with a strange industrial or agricultural bedfellow. I will assume he does not know it. He has probably no more knowledge of it than he had of the MacNamaras, whose criminal deeds he said, after they confessed, he knew nothing about.

That is bad enough; but, Mr. President, the same unfortunate convicts working in the Burleson cotton fields were lashed—whether properly for good reason or not, I need not stop to inquire—but they were punished by a lash 5 feet in length; whipped repeatedly, as a State overseer said, for laziness. It is true they were negroes sent to the penitentiary for various felonies of which they were convicted in the State of Texas.

That does not justify, though, cutting their flesh open, and as the evidence taken before this legislative committee shows, standing them up on a stump 4 feet high in the burning sun until the ants out of the rotten stump crawled into their wounds. Finally one of them died. Durham was the State foreman at the time this unfortunate convict died. Thomas Durham was indicted. He was employed by the State of Texas in the capacity of custodian or overseer of the convict-labor farm of Burleson & Johns. The record shows that Durham was indicted and was charged with the direct responsibility of the death of the convict. The trial of the case occurred September 3, 1911, when Durham was acquitted, because the State could produce nothing but the evidence of convicts. This is not convincing sometimes, especially when they are negroes, before a Texas jury. The convict was dead of his injuries, though, at the time of the trial. Durham was absolved from criminal consequences. I will not criticize the jury, but it was purely convict evidence, and they saw fit to liberate him.

What happened afterwards? I commend this to my friend Mr. Gompers. Mr. Durham was appointed postmaster at Longview, Tex., by Burleson September 18, 1913. I say by Burleson, because it was his recommendation that appointed him, and not the President. The Congressman from that district protested against his appointment. The respectable citizens, a large number of them, and among them some of the most reputable citizens found in Longview, protested against Mr. Durham's appointment; but, nevertheless, the Postmaster General recommended him and he was appointed. He served until the time of his death and his successor, R. G. Brown, was appointed September 16, 1914. Mr. Durham was acquitted in 1911 and he was appointed in 1913, just two years afterwards.

Out of such labor, out of such profits from a State convict farm, out of such a tainted source, Postmaster General Burleson has become the wealthiest member of the Democratic Cabinet to-day. He has more worldly possessions than any other Cabinet member. He is Mr. Gompers's ally; he is Mr. Gompers's friend. Was this unknown when he was appointed? It will not be unknown from now afterwards. If the labor unions are as zealous about their belief and their rights as I think they are, they will begin to pass fewer resolutions about my advising them not to follow Mr. Gompers's advice on anything political and more resolutions on convict labor asking that Burleson be removed as Postmaster General. If there is any tainted money, of which Mr. Bryan made some comment in his talk, it certainly is found among the worldly possessions of the Postmaster General under this administration.

Mr. President, I am about to close, very greatly to the relief of the Senate, no doubt. I wish to add in conclusion that I suspect that Mr. Burleson can deliver more of the convict votes of this country than Mr. Gompers can of the labor votes, and I will let them make a neck-and-neck race to see who comes out ahead in that controversy.

President Wilson's administration is asking for the free labor vote. He ostentatiously asserts his devotion to organized labor. Why does he invite a convict-labor contractor to a seat in his Cabinet and still keep him when it is known to the world?

I wish to insert in the RECORD without reading the whole of the article, from which I made a quotation, from the San Antonia Daily Express.

The PRESIDING OFFICER. Without objection, that will be done.

The matter referred to is as follows:

[From the San Antonio Daily Express, Wednesday, Oct. 20, 1909.]

RESULTS OF THE INVESTIGATION AT BURLESON & JOHNS FARM—CONVICTS ARE NOT WHIPPED SO OFTEN NOW.

FOWLER STATION, BOSQUE COUNTY, TEX., *October 19.*

Upon its visit to the Burleson & Johns farm, upon which State convicts are worked upon the share plan, the subcommittee of the legislature, Senators Greer and Representatives Gilmore and Lee learned:

1. That whipping is the form of punishment in vogue upon the farm. It is not resorted to as often as formerly. The law provides that convicts shall not be whipped except upon orders from designated authorities, and not then until all authorized methods of punishment have failed. However, there is no dark cell upon this farm, no facilities for solitary confinement, no ball and chain. Hence the resort to whipping when admonition and persuasion have failed to correct a fault.

2. That conditions in respect to food, bedding, the care of buildings, and general treatment of convicts have recently improved.

FORCED TO WADE RIVER.

3. That convicts who cut wood last winter were obliged to wade the Brazos River in going to their work and returning from same. This was learned from the testimony of convicts, following up a lead learned upon the outside. There has been a change in the management of the farm since last winter.

4. Convict testimony was taken corroborating former testimony concerning the death of a convict at another farm from whipping, and the statement that this convict was forced to mount a burned stump and stand under the rays of the sun while ants crawled upon him and into his wounds.

The committee declared that the equipment and conditions at this farm were better than at any farm they have thus far visited but that they are far from satisfactory. It is taken into account, however, that it is uncertain how long the convict forces will be left on any of these farms, and therefore it is not reasonable to expect such equipment as doubtless would be provided if there was more permanency to the arrangement.

Many of the convicts with whom the members of the committee talked in the barracks, as well as two of those who testified, stoutly declared that they had not been warned not to disclose grievances, but upon the contrary had been told that they might feel free to tell the committee anything. Nevertheless, when asked if they were telling all, they said that they were afraid to testify, because they had found that convicts who told things to committees or inspectors invariably suffered for it. They added that they thought the committee would find the prisoners in all parts of the system reluctant to testify.

The testimony of the convicts was most favorable to the present sergeant, J. L. Brooks, who has been in charge of the farm since September 5 of the present year. Before the present commission he had had 16 years' experience in handling convicts in south Texas, but was out of the service for 3 years.

Asked if he had done any extra fixing up in anticipation of the visit of this committee, and when, Mr. Brooks frankly replied:

"Ever since I have been here."

Asked if there had not been special fixing just before the committee's testimony, Mr. Brooks answered:

FIXED UP FOR THE COMMITTEE.

"I saw a statement in a paper a day of two ago that you were coming, and I did a little extra screening around. We did some whitewashing only this morning. You can see the signs of it."

However, convicts who testified said that Mr. Brooks had the barracks whitewashed once a week, and that conditions at this time are about the same as they have been ever since he took charge. They said that Mr. Hicks, who preceded Mr. Brooks, had improved conditions, these improvements dating principally from about eight months ago, and that Mr. Brooks had gone still further, especially in the matter of food, clothing, and bedding. Mr. Brooks, they said, has the food better cooked and provides more of it; he also furnishes socks and underwear, which was done heretofore only in the winter.

At the request of Chairman Gilmore, the penitentiary management is having a record kept of the menu for each meal at each prison and camp. This record was started September 5, the day Mr. Brooks took charge at the Burleson & Johns farm.

The Burleson & Johns farm, which lies partly in Hill County and partly in Bosque County, the Brazos River being the dividing line between those political subdivisions, is a splendid estate of about 5,000 acres. The State cultivates about 4,000 acres of it—3,200 in cotton,

800 in corn. It is the property of Congressman Burleson and his kinsman, Mr. Johns, of Austin. The principal tract lies in a big horseshoe bend of the Brazos River, in Hill County.

SHOWER BATHS FOR PRISONERS.

The headquarters are on high ground, under the shelter of the hills which flank the bottoms. Good water is supplied from an artesian well, and shower baths are provided for the prisoners. The committee found the bathing arrangements objectionable, however, because the showers are located in an old board building, through which the wind may circulate, and which must be very uncomfortable in cold weather.

Convicts testified that they dodged the baths in winter; also that the State did not furnish towels, and that convicts who do not own towels were in a bad way to dry themselves after performing ablutions.

The buildings, sparkling with whitewash, made a pretty appearance in their setting of greensward, oak grove, and the hills for background—they look pretty and homelike at a distance. But it is a case where "distance lends enchantment to the view." They are constructed of rough boarding and are somewhat antiquated.

The main building, which is about 100 feet long and 55 feet wide, fronts east. About 20 feet of the front end is taken up by the kitchen and the guards' dining room. Back of that is a corridor. Then comes the convicts' dining room and sleeping quarters. A latticework separates the hallway from these quarters, and another lattice divides the convict dining room from the bunk house. The dining room is 15 by 80 feet and is unceiled, catching the slant of the roof. The bunk house is ceiled. It is 24 feet high over all, but only about 20 feet to the slopes on either side.

In the center of this room are the bunk racks. They are constructed of rough lumber, whitewashed, and remind one forcibly of potato bins or the racks for lumber in dry kilns. They are about 15 feet wide and 60 feet long. There are two rows of beds on each of the three tiers, a double bed and a single bed on each of the three tiers. Practically all the men on each tier sleep together. Each man has a little box for his belongings at the foot of his bed. The beds are reasonably clean; the mattresses seemingly have been refilled recently with shucks; the sheets and pillowcases are of coarse canvas.

THE TIERS OF BUNKS.

The first tier of bunks is about 3½ feet from the floor; the second is about 30 inches above the first, and the third 30 inches higher. The last mentioned has the rest of the way to the ceiling.

The ventilation is not good. On the south side of the building, the side that the breezes come from in this climate, there are six windows, about 3 by 7 feet each. These open into the dining room, between which and the bunk house the lattice intervenes. There is one window in the west, also opening into the dining room. There are only three windows on the north side of the building, and there are four on the east, opening into the corridor.

When the committee visited the building all the sash were in the windows and the lower sash on the south side were raised. On the north side the windows were down and the stoves were going.

The convicts said that in summer the sash were taken out. However, the tops of the windows are lower than the uppermost tier of bunks; the bottom of the upper sash is lower than the second tier of bunks. Convicts said that the house was very hot in summer. In cold weather the windows are closed. There is only one ceiling ventilator, about 4 by 4 feet, with slats cutting off about half the space.

The convicts wash at a perforated pipe about 12 feet long, below which is a trough, in one corner of the room. In the other corner are the toilets, four in number—square boxes, with lids, covering openings in the floor, beneath which are tubs on the ground. These tubs are emptied and sunned daily, two sets being used. Notwithstanding the free use of disinfectants, the odor is very disagreeable. It would seem that with an abundant supply of water sanitary closets might be installed. The room is lighted with kerosene lamps. There are long benches around it, upon which the prisoners sit.

Eighty convicts now occupy this building; there have been as many as 128. These convicts are all white. The committee was struck by their youth. Many of them are minors; few are above 25 years of age. Most of them have been brought direct from county jails to this camp, and few have ever been in either of the State penitentiaries. This is true even of some convicts whose terms will soon expire.

There is no school, no teaching of any kind, at this camp, and no religious services have been held during Capt. Brooks's incumbency. The physician comes out once a week; oftener if sent for.

Mr. Brooks told the committee that the rations were issued by one of the guards, and that he supervises the issuance every two or three days. Other duties prevent him from issuing the rations in person. He had whipped only two men since coming here, and neither of them severely. Their offense was laziness. The punishment was inflicted in consequence of his personal observation and upon orders. He does not give the men tasks. They are not unduly crowded at work and are not made to run. The guards do not curse or abuse the convicts; he thought the convicts would complain if they did so. He regarded corporal punishment as necessary in some cases.

Mr. Brooks said he had no recommendations to make; he regarded the present system as good enough.

During the testimony of the convicts the lash was brought out and measured. It is 5 feet long, 3½ inches wide, and three-tenths of an inch thick at the business end. The upper part is three-ply.

TELLS OF KILLING OF THREE CONVICTS.

One of the convicts told the story of the killing of three convicts at another camp by beating substantially as it was told to the committee when it took testimony at Huntsville. One convict told how a sergeant at another camp beat him with a quirt because he had failed to curse a stubborn ox, and beat him again because he cursed it as ordered.

Other features of the testimony have already been touched upon. The committee was favorably impressed with Capt. Brooks.

The menu for September 5, 6, and 7 at this farm, according to the records, was as follows:

Breakfast: Bacon, flour bread, coffee, sirup, gravy. Dinner: Bacon, corn bread, beans, sirup, soup. Supper: Coffee, rice, sirup, corn bread, bacon.

Breakfast: Gravy, coffee, flour bread, sirup, bacon. Dinner: Beans, corn bread, sirup, soup, bacon. Supper: Coffee, corn bread, rice, bacon, sirup.

Breakfast: Gravy, coffee, flour bread, sirup, bacon. Dinner: Beans, corn bread, sirup, bacon, soup. Supper: Rice, coffee, bacon, sirup, corn bread.

It will be noted that there are no fresh vegetables in these menus, not even potatoes, and that there isn't much variety of food.

The committee is accompanied by Nape Oxford, of Stephenville, official stenographer; Sam Hawkins, penitentiary inspector, by request; and Master Leon Gilmore, son of Chairman Gilmore. The committee left here for Cameron.

Mr. SHERMAN. I also wish to place in the RECORD the report of the penitentiary investigation committee of the Legislature of the State of Texas, beginning with the date line, Monday, October 25, 1909, at Huntsville, Tex., together with parts of the evidence and accompanying extracts that are material to the question that I have discussed.

The PRESIDING OFFICER. Without objection, that course will be observed.

The matter referred to is as follows:

REPORT OF PENITENTIARY INVESTIGATING COMMITTEE, MONDAY, OCTOBER 25, 1909, AT HUNTSVILLE.

The penitentiary investigating committee met at 1.30 in the afternoon, as per former adjournment, Chairman C. E. Gilmore presiding. The following members were present: Senators Paulus and Greer, Representatives Lee, Bowman, Moller, and Gilmore.

The committee went into executive session to discuss plans for the work.

Testimony of Senator H. B. Terrell and S. C. Branche, cashier, was taken up by the committee.

The subcommittee appointed by the chairman to visit the outside camps, composed of Senators Weinert, Paulus, and Hudspeth, and Representative Moller, reported that the subcommittee, with Senators Weinert and Paulus in attendance, had visited the following outside camps: Eldridge (Faber), Texas Planting Co. (Bonus), A. P. Borden (Wharton), Dyer & Bertrand (Richmond), and J. A. Robertson (Stimonton), and submitted the evidence taken as their report to the full committee.

The subcommittee appointed by the chairman to visit outside camps and composed of Senator Greer, Representatives Lee, Bowman, and Gilmore, reported that the subcommittee, with all members in attendance save Mr. Bowman for two days, reported that they had visited the following outside camps: Burleson & Johns farm, Henderson & Tomkins farm, Rogers & Steele farms, Calvert coal-mine force, and the Wood farm, and submitted the evidence taken at these camps as their report.

The committee adjourned to meet Tuesday morning at 9 o'clock.

REPORT OF SUBCOMMITTEE.

The subcommittee appointed by the chairman of the penitentiary investigating committee to investigate certain outside camps where convicts are worked and composed of Senator W. J. Greer and Representatives Brown F. Lee, J. R. Bowman, and C. E. Gilmore began its labors at the Burleson & Johns farm (near Fowler, Tex.) on Monday, October 18, 1909.

Representative Bowman was not with the subcommittee on the first day, but joined it at the Calvert mines.

The following testimony is the work of this subcommittee, and reported to the full committee at Huntsville on October 25, 1909. The last farm was visited on Friday, October 23, 1909.

(Oct. 18, 1909, at Burleson & Johns farm.)

Capt. J. L. Brooks, being sworn, examined by Representative Gilmore, testified as follows:

"I have been the sergeant of this camp since the 5th of September last. We have tolerable fair arrangements for bathing. We have a shower bath for the men, and each man is required to bathe once a week. Our clothing is all marked, and each man has his individual suits and he gets the suit that belongs to him. We use the stools in the building for the men at night and have tubs under these stools. We have three stools in the building. There are 80 men in the building now. We have two sets of these tubs, and after one set is used one night we haul it off between a quarter to half a mile and empty it and put lime in it and leave it to air until the next morning and then carry out the ones used that night and bring back the ones that have been out all day and night. We use lime as a disinfectant in the building. Mr. Rogers issues the rations to the men. I look after that personally occasionally. Yes, sir; I believe the rules of the commissary department make it my duty to see about the issuance of the rations personally, but since I have been here I have been crowded up with time and have not seen every issuance weighed every day. At the end of the month when requisition is made for more supplies I make the requisition myself. At the end of the month, to find out how much I have on hand I check it up by weighing the bacon and other things, and, of course, I count the flour. Yes, sir; I have checked my commissary at the end of the month, taking from it what we had used from what was on hand to see whether it checked or not. I am not a man of family. My assistant is a man of family. He does not take anything from the commissary for his family, except he lives here in the yard and takes his meal at home and at different times I have allowed Mr. Black enough beef for one meal, because he eats at home all the time. No sir; he does not take bacon, flour, or anything of that kind from the commissary. Yes, sir; I have at one time during all the time I served as sergeant, received additional pay or presents from the owner of the plantation. It was not here, though. I can not call to mind just how long ago it has been, but it was before this last law. No, sir; they have never since then given me any presents, such as hat, suits of clothes. I never received either directly or indirectly any assistance from them at all."

Examined by Representative Lee, he stated:

"I said there was 80 convicts on this farm. There are no negroes, all white men. I can not give you the dimensions of the building they are confined in at night. Yes, sir; it is a good large building. I would rather not estimate the dimensions; we can measure it if you think necessary. All of the men are confined in the main prison building at night except one, which is the cook, and he sleeps in the dining room. I have no sick convicts on the farm. One man complained yesterday and I left him in. He has not complained until yesterday. I have one crippled. He got crippled a week or 10 days ago. He got crippled by falling out the door, he and another trusty were on the steps and the trusty slipped and fell and he fell out over the trusty and bruised his knee. I have been here since the 5th of September. Capt. Hicks preceded me as captain of this camp. He was in Huntsville the last time I heard of him. No, sir; I don't think he was there in the service of the State.

"I don't know why he was let out here exactly, but suppose it was on account of his health. I have one assistant sergeant and eight guards on this farm. Yes, sir; all of these men receive their pay from the State. I have whipped two men since I have been here. I whipped them on the 3d of this month. They were both punished at the same time. I can give you the names and number of licks I gave them by looking at my record. [Witness looks at record.] This shows B. F. Luce punished, 18 licks; offense, laziness. The other man's name is Joe Oliver, punished on the 4th for laziness, and given 17 licks. This book is my time book. Yes, sir; both of these men were punished for laziness.

"Question. How did you determine that they were lazy?

"Answer. In the field they would look around over the field and wouldn't try to do anything nearly, and I would talk to them about it and they didn't seem to pay any attention to it. Yes, sir; it was from personal observation that I determined that they wouldn't do the required amount of work, and hence I punished them. Yes, sir; they are the only men I have punished. I punished them in the presence of the other convicts. I did not punish them in the field; it was in the prison building. The order for whipping these men has not been filed here. The time roll is in duplicate, and I sent one of them in. I didn't say this order had not been signed up. I said it had not been filed. No, sir; Mr. Hawkins does not sign up the blanks and leave them with me; he fills out all this other there. I made the application to Mr. Hawkins to whip Joe Oliver and J. S. Luce. I have not a copy of my letter to him. I stated in my letter the offense for which I wanted to punish them. I don't keep copies of those letters. That "O" marked there indicates a sick day. This sheet of this record is for October, 1909. Yes, sir; Louis Kincade is marked seven days; that is the man I spoke about having the bruised knee. No, sir; in whipping them I don't catch them and throw them on the floor to strap them. I didn't have to throw either of them. Yes, sir; their body was exposed. I whipped them on the rump. I didn't break the skin. It was red and bruised up a little. These are the only two men I have whipped since I came here. I don't believe I have had any other trouble since I came here. This is a share farm.

"Question. Who represents Burleson & Johns here?

"Answer. Mr. Johns comes out once in a while and talks to me about it. I generally represent both sides here. They keep a stock man here by the name of Ford. Mr. Ford never suggests to me about the working of the men. Mr. Johns never does, either, except in the working of the land.

"Question. When did you clean up with the expectation of the committee to come?

"Answer. I have been cleaning up ever since I have been here. I saw the account in the paper Saturday, I believe it was, that you were to meet in Dallas, and I made a little extra preparation around. Yes, sir; made a little this morning, too. The men were at work to-day until 10.30 this morning, when it began raining. I nearly always bring them in when it rains. Sometimes when it just comes a little shower I don't bring them in. One morning I was loading cotton with six or eight men, and it came a right smart little shower on us. I shipped 80 bales of cotton that morning. I don't divide the cotton. The financial agent and Mr. Johns does the dividing. I weigh the cotton and then ship it to Mr. Brock at Waco and send him a copy of the weights, and Mr. Johns a copy, and also the financial agent a copy. Mr. Brock is the man I ship the cotton to at Waco. Mr. Brock bought the cotton. He paid $12.75 for it. We have ginned 116 bales of cotton on this farm this year so far. I can not tell what the rest will be, for I can't tell what the bolls are going to do. I don't know how many bushels of corn was raised on this farm; it is all fed up. We didn't raise any wheat at all. This country has experienced one of the terriblest drouths ever. There is a copy of the weights and bales of cotton shipped from here this year. This retain copy shows cotton shipped from Burleson & Johns farm to James T. Brock, Waco, Tex., October 8, 1909. Tabulated bales, number, weight, number of bales running to 82, and all marked 'J. B.' Capt. Hicks said that there was 20 bales of cotton picked when I came here, and I had the rest picked. I take the men out to work about daylight, good. It is light enough to see a man well. Then we work until noon. Then give an hour for noon. Then go at it and stay until near dark.

"Question. How many hours is that?

"Answer. This time of the year it is in the neighborhood of 10 hours; maybe a little over or a little under. We try to take an hour for noon. We do not push them a great deal in their work. I didn't whip these men because I didn't think they were getting cotton enough. The way the cotton is this year I don't require any number of pounds, because we have to go over so much ground; but I have been in the service so long that I know whether a man is working or not, and whether I weighed his cotton or not I could tell if he is trying to get it. I have been working convicts 16 years to-day. During that time I have been absent from the service three years. I have worked down in the lower country. I worked negroes down there. The inspector has been here twice since I have been here. You will find the date of his visits on the book there. Inspector Sam Hawkins on the tenth month and fifteenth day, he was here last Friday. He was also here on the 26th day of September. He stayed here about two hours. He was not out in the field; just here in the building. He didn't go to where the men were at work; the men were in the building. It was about bedtime when he got here. The men were locked up, but he went in there and stayed with them an hour or so.

"Question. What recommendation have you to make to this committee that, in your judgment, would be for the betterment of the convicts on this farm?

"Answer. I don't know that I am able to say. It seems to me like under the present system that it is good enough, so far as I am able to see. When it is necessary, I believe in corporal punishment. No, sir, the necessity of it is not left largely with the guards under me. I never have yet whipped a man on the say so of a guard. My guards do not make complaints against the convicts here. If the guards have ever cursed and abused the men, I can not get a hold of it. If they have done so, I believe the convicts would tell me about it. I have always instructed them if they had complaints to make to come to me with them. I often get right down with the convicts and have a talk with them about their troubles. I am here and talk with them each day, and always stop and listen to them. We have never had religious services since I have been here. Dr. Lillard is the physician for this camp. He resides at Morgan, about 10 miles from here. I have had him here twice, and he calls twice a week, anyway. I don't work my men when they have chills and fever. There is no kind of school on the place for the convicts. There is no effort made to teach them here at all. I have a cook for the camp. I look after his work every day. The food is good and the quantity plenty for a man that works on the farm. I think a man is entitled to good wholesome food and plenty of it to give him strength to carry on farm work."

Examined by Representative Gilmore, he stated:

"I kept a record of what I gave the men for each meal—breakfast, dinner, and supper—for 30 days. I have a copy of it here. You may see it. I have been discharged from the service once during my connection with it. I was discharged for some letters I wrote to the financial agent in regard to some bacon. I don't remember the exact date, but it was in 1894 or 1895. I have never been discharged for any other purpose. I used the strap in punishing on this farm. I am familiar with the prison rules and know what they provide. They provide for stocking and dark celling and such as that as a punishment. They say resort to whipping as the last means. I always try to follow the rules. I never punish them any other way.

"Question. These two men that you whipped, did you use either of those punishments?

"Answer. No, sir; except talking to them. I warned them if they didn't improve in their work and try to do the right thing, I would have to punish them. I meant when I told them that that I would have to whip them. I resort to the strap after talking to them. We have no dark cell here, and no other mode of punishment. We have no ball and chain or shackle out here to put on them. I never tried bread and water nor isolation. The inspector has never left orders to whip men already signed for me to fill out. I would discharge a guard for cursing my men. I have done so. I don't remember the dates; possibly five or six years ago, under E. H. Cunningham. I don't know how many guards I have discharged. It is my opinion that the guards do not curse the men. There has been no complaint made of that kind. If a man has a chill, he has fever afterwards, and you can look at him and tell he is sick and not able to go out. I don't send them out every time they have a chill. If he has no fever, you can tell from his eyes and appearance that he is sick and not able to do a day's work."

Examined by Representative Lee, he stated:

"Question. I examined the place where you bathe your men during the summer time; it is a shower bath?

"Answer. Yes, sir. They bathe once a week. It is a small house, about 12 by 16. I don't know the exact measurement. I suppose that is about right. There is room for 12 or 14 to bathe there at a time. I was not here last winter. The house is pretty open. Yes, sir; I suppose that bathing in that house in a tub during the winter is a pretty cold proposition. It is not quite as cold as bathing out of doors. The wind is kinder broken off up there."

J. C. Zachery, being sworn, examined by Representative Lee, testified as follows:

"I was registered here as 28 years old when I came here, but I am considerably older than that. I was raised in Louisiana. I was convicted in Montague County of an assault with an intent to rape. I got four years and six months. The female that made the charge was supposed to be under 16 years of age. I was convicted about the 1st of February, 1907. I was brought directly to this prison, and have been here ever since. Yes, sir; I have spent two winters here. Last winter I didn't cut wood across the river. I had to cross it myself. I waded it. Yes, sir; in cold weather and all kinds; every night and morning. I generally pulled my shoes, pants, and drawers off to cross. The water was not the same depth all the time. It would generally come from the knees up to the waist on me. When we crossed we were not furnished towels to dry ourselves with before putting our clothes back on. We didn't cross the river that way in 1907. It was the winter of 1908. Yes, sir; that was last winter. Capt. P. M. Hicks was sergeant at that time. He is not here now. He left about the 6th of September, and Capt. Brooks has been here since. I don't remember how long Capt. Black has been here, but it was in the spring of 1908, some time, when he came.

"Question. Since you have been at this prison, tell this committee what has been the general treatment of the sergeant and underofficers toward the convicts?

"Answer. Well, as a general rule, they have been treated very well under the circumstances. I don't know hardly to explain my meaning. They have been very kind and good to us for the last year and 10 months, ever since the first sergeant I was under here left. Capt. Rick was his name. He didn't treat the men so well. He didn't treat us near as well as the rest do. Then he allowed the guards more privileges in abusing the men. I mean by that in cursing the men and driving them in the field. That was pretty often that the guards did that. I mean by driving the men that they would push and rush us, trying to get all the work out of us that they could get. That was not so bad after Capt. Hicks came here. The present sergeant is very good in that line. The guards now do not curse the men. I have never been punished. They do not punish men very often here. When they punish us they use that concern yonder. Yes, sir; that strap. I have seen Capt. Rich give one man a good many licks with that strap. Capt. Hicks didn't whip very much. I don't know the length of that strap. I would estimate it at something like 5 feet. I can take this rule and measure it. It is 3 feet long, 3½ inches wide. It is 3 ply to within 4 inches of half way, and then 2 ply in the center for about 4 inches, and then a single ply on down to the end. It is about three-sixteenths of an inch thick. I am not a very good guesser at weight. I guess it weighs about 3 pounds. That is the only kind of punishment I have ever seen inflicted since I have been on this farm. I don't know, sir, how many licks I have seen given to one man with that strap. There has been so many given I could not count them. They used to do that pretty often, but after Capt. Hicks came he didn't do it very often. Yes, sir; I have seen the skin broken with that strap and the blood run from the place where the man was hit. Yes, sir; and sores start from it. They hit us on the cheek of the behind and over the kidneys. I was never whipped myself. I don't know whether any men have been whipped in the last two months or not. I think Capt. Brooks has whipped two. The prison building is now cleaner than it has been in the last month or two. The inside of the building has just been whitewashed to-day. Capt. Brooks has it whitewashed every week. It is my opinion that since Capt. Brooks has been here the building has been as clean as it is to-day. Before Capt. Brooks came here the building was in an awful fix. We get plenty of fresh air in there. The sunshine never reaches the beds. They sun the beds every 10 days or so. They change the sheet on our beds every week. Our mattresses are made of shucks and are placed on boards. Our fare is common, but substantial, and has been cooked very well for the last month or six weeks. Capt. Brooks has made considerable change since he came here. We get plenty to eat all the time. I didn't see the cornbread you had for dinner. There are four men have died in this farm since I have been here. One died from typhoid fever and one was killed by light-

ning, and two others that were sick when they came here died afterwards. One man they said, had been down with typhoid fever for three months when they brought him here, and he came in on Sunday and died the next Monday. In the summer of 1908 there was three or four cases of fever but them came through all right. They kept these men in the hospital to the right of the main building. During the time that they had fever the building was kept pretty clean. They do not run us on the turn row. They do not push us in our work now, but they did when I first came here. There is no comparison in the conditions of the buildings now and what they were six months ago. They are much better now. They did not sun the beds six months ago as often as they do now. Sometimes they went for two and three months without being sunned. That was before Capt. Hicks left here and while he was in charge. We never had any bedbugs in there. Six months ago I have known men to go hungry. The men were not properly fed. The meat was not good. The bread was musty and half cooked. This change has been brought about since the 6th of September. Prior to that time the food was very bad. I have made complaint myself about the quality of the food and about being hungry. At that time we had on the table to eat about the same things that we have now, but it was poorly cooked, and we didn't get enough of it. We had beans and corn bread meat, and had coffee night and morning. I don't know whether or not any sugar or coffee or anything else ever went out of the commissary to other parties.

"We have plenty of clothes. They furnish us underwear. They do not furnish underwear all the year; only in the winter. We didn't wear socks all the time. They didn't furnish us socks. This man has given us socks since he came here. Last winter they gave me only two pairs of socks. Capt. Brooks gives us a pair of socks every Sunday. I don't know when all these new clothes were brought in. Just as they get low on clothing they order more."

John Hudson, being sworn, examined by Representative Lee, testified as follows:

"I was 21 years old the 4th day of last July. I was sent up from Tarrant County for manslaughter and given two years in the pen. I have been here 20 months and 17 days. My record has been all right, I reckon. I have never been punished or had any trouble. I have a month to serve from day after to-morrow, sir. Yes, sir; I only have a little more time to be here.

"Question. We want to ask you something about the present conditions of this prison and how you have been treated in the past?

"Answer. Well, since I have been here there has been a mighty good sergeant. He has not punished anyone since I have been here at all. Capt. P. M. Hicks has been the sergeant. Yes, sir; he would punish them sometimes, but he didn't whip them hard. I have never been whipped. I don't know how many men I have seen him whip. I have seen him whip two or three at a time. They were whipped for fighting one with another.

"Question. Did you ever see him whip a man until he bled?

"Answer. Yes, sir; I believe I have seen him whip one man, and he only hit him five or six licks. That man's name was Grantham. He went out of here in July.

"Question. Are there any other men in prison that have been whipped so severely that they bled?

"Answer. There was a couple whipped a while back, but I don't know how they were. The guards do not curse and abuse the men since I have been here.

"Question. Has anything been suggested to you or mentioned to the other men that they must not tell about the bad treatment?

"Answer. No, sir; only they will not let any mail go out to that effect. Since we heard that this committee was coming they have not told us not to tell anything. We can tell anything we want to. The building has only been as clean as it is now since this sergeant came here. He made them clean it up and keep it clean as it is now. The beds are kept as clean as they are now. The sheets and pillowcases are washed once a week. Since this man has been here they have given us plenty to eat, but before that we were not. We were just cut short on bread and meat before that. That has been off and on all the time since I have been here. Part of the time we would get plenty. The food has been prepared just so you could eat it and that is all. We get plenty to eat. I cut wood across the river last winter. I worked in the plow gang most of the time. The boys that cut wood waded across the river. They would take their shoes and pants off. I don't think the river ever froze over. I waded it when it was freezing weather. It was not so cold all the time. We bathed in cold water last winter. Yes, sir: up in that little house near the well. Yes, sir; that is a pretty cold place in cold weather. We kinder dodged bathing when we could. We didn't bathe in tubs; we had shower baths. They did not warm the water any just run it right out of the tank. They do not permit us to bathe in the prison building. I suppose they would permit us to take a towel and rub off in the building. They do not furnish us towels when we bathe. If you have a towel up there, you have to take your own. No sir; those are not the towels that they furnish us. If a man has no money to buy his towels with, he is up against it. Yes, sir; we do that in the winter. They do not work us in the rain, but they keep us out at work until it begins raining. When we come in we keep our clothes on until they dry. They didn't keep the building warm last winter. I had enough bedclothing to keep warm. They furnished it to me. When it is not too cold, they raise part of the windows in the building. Much of the time they are all down. I have on socks now. I have had these since cold weather. We don't wear socks all the year because we do not have them. They gave us two pair of socks last year. They give us underwear in the winter, but not in the summer."

P. Hubbard, being sworn, examined by Representative Gilmore, testified as follows:

"I was sent up from Houston, Tex., on a charge of burglary, and given 12 years. I have been here 6 years the 10th day of last April. The fare here is now a heap better than it was awhile back. It began to improve when this captain came here. It is the same grub, but it is cooked and seasoned better. Yes, sir; I cut wood last winter over across the river. Biggest part of the time we waded the river. The water was from knee deep to waist deep. When I waded the river I pulled my shoes and pants off. Sometimes on Saturday when the men were coming in to bathe and change clothes they didn't pull off their clothes. Yes, sir; they wade the river in cold weather. I didn't wade it when it was freezing weather but it was very cold. Hicks was sergeant here then. That was last winter; in 1908. I was punished twice by Sergt. Gains. He put me to driving oxen, and I had a bull that was not cut, and he was fighting me, and Capt. Gains came down and said that was the way he wanted me to drive these oxen, and began calling them G—d— s— of b—, and cursing them for everything he could think of, and two or three days afterwards he came down, and I was cursing them and talking to them like he told me to, and he punished me for cursing. I would be afraid to tell of any complaint I had to make. My reason is that I have been in here a long time and have never seen a convict tell anything to anyone that come in to visit them, or anyone going out, that they didn't get punished for it if they ever found it out. I have known of this committee coming. They have not told us not to tell anything. This captain told us if we had anything to tell the truth.

"Q. Now, your name is not to be used in the newspapers, and now if there is anything going wrong here we want to know about it, and we don't want to put you in a position where you will suffer, and we hope that we will not do anything that will cause you to be punished, and if there is any wrong being done here we want to see if we can correct it. Now, with that statement from us, is there something you can tell us about wrongs being done here that we may correct them?

A. There is a whole lot that has been done here, and I know you gentlemen will do what you say, but I am uneasy about telling it. I am here for a long time yet, and my punishment would be so severe I couldn't stand it. If I was only here for a short while I would tell you and take my punishment. I am 25 years old. I have been in over six years. I am in for burglary and theft. I got 10 years for burglary and 2 for theft. I pleaded guilty in both cases. If I was only here for a short time I would tell you what I know and take my punishment and lose my good time. Gains didn't have any orders for the whipping he gave me, and didn't take any good time off."

L. M. Dowd, being sworn, examined by Representative Gilmore, testified as follows:

"I am here from Montague County. I was sent up for two years for murder. I have been here something over eight months. I don't know that I have anything to tell the committee that I think the committee should know. If I did know anything I don't know that I would be afraid to tell them of it. Our treatment here and our food is as good as it ought to be, from what men say that come from other places. The food is better now than it used to be. The building is better under this man than it was under the other. The guards do not curse and abuse us. I have never been punished. I have seen men punished. I don't remember the exact day, but it was only two weeks ago that I saw men punished. I don't know how many licks they were struck. I saw them after they were whipped, but I didn't notice whether the skin was broken and bleeding. Their names were Joe Oliver and a fellow by the name of Luce. I said some of the guards curse, but they do not curse any of the men that I know of. I have been here about eight months. They push us in our work. Sometimes they run us on the turn row to keep up with some older men here. It is only occasionally that they do that. They get around pretty peart. I don't know just how far it is from the building to where we go to work. The furtherest point is about as far as from here to Fowler. It is about three miles. We don't run out there; we walk fast, though. Some of us have to trot to keep up. We come back about the same way. We go three miles and do a day's work, and then come back that far to the building. We generally leave here about daybreak.

"Sometimes we leave our work about sundown and sometimes later. When we are actually engaged in the work they hurry up the ones that are behind. They make us keep up with the squad. They have not placed any tasks on us since I have been here. The beds we sleep on are just a common shuck mattress. They are pretty rough when a fellow is used to better. Our sheets and pillowcases are made of ducking. We get meat three times a day and biscuits once and corn bread twice. We get all we want to eat now. I didn't see the corn bread the committee ate for dinner. When Mr. Hicks was here they had preaching once a month for a while. They held the services inside the buildings. They have no school taught here where we can see it. There is no one to teach the convicts if they wanted to study. I came here in February. We bathed up there at the bathhouse. The house is pretty open. Yes, sir; there are cracks all over it. It was pretty cold bathing. The water we used was not warm, it came right out of the well. They furnished us underwear last winter. I got one pair of socks last winter. When they were gone I had two pair that I brought with me, and when they wore out I went without. This sergeant has given us two pairs of socks. Some of the men have worn theirs out already and he has given them more. Mr. Hicks didn't make the men go out to work when they were complaining. There has been nobody died here since I came here."

J. S. Lowry, being sworn, examined by Representative Gilmore, testified as follows:

"I have been in prison since the 23d of December, 1906. During that time I have been at Rusk, Huntsville, Midway, and here. I have known during my time in prison a man by the name of Foster. I saw him whipped. I don't know how many licks he was given. They whipped him three or four times a day. The guards did the whipping. Their names were Robert Whitley and Preston Kittlebrand. H. L. Gentry was the sergeant. Yes, sir; he knew of the guards whipping Foster. I said I didn't count the licks. They whipped him four or five times a day. They beat him up until they saw he was going to die and kept him there two or three weeks and sent him to Huntsville. I saw the guards make Foster get up in a tree. The tree was full of ants and they got all over him. Yes, sir; I saw him. They kept him there 30 or 40 minutes. There was two or three other men murdered in cold blood down there on the farm. The first man's name I do not remember, but they called him 'Hot Bread.' That was in May, 1907. He was murdered because he couldn't keep up with the squad and the guard tied a rope around his neck and tied it to the horn of his saddle. He lived about three days after that. Jim Kittlebrand, the dog sergeant, did that. He was buried on the hill near the prison. I don't know where Kittlebrand is now. I know he is on the black list. The next man was by the name of Dunn. He was beaten to death by Bob Whitley and Boos Kittlebrand. He lived until about 9 o'clock that night. They didn't have the doctor with him. They buried him up on the hill, too. The sergeant was there on the camp. Gentry was the sergeant at the time. There was another fellow—a Mexican—that died this same night. I don't remember his name or his nickname or anything by which you could identify him. He was whipped with Mike Lunn in the field and the guards whipped them until they gave out and then tied them down in the field with their face up to the sun. Guards Whitley and Kittlebrand did that. Yes, sir; I saw these cases. I was right in the squad with them."

Examined by Representative Lee, he stated:

"The ants got on this man Foster when they put him in the tree. The old stump was infested with ants, and they came out and got on him. The stump was 2 or 3 feet high. I was working with the squad at that time. I can't say that I know of anything else to tell the committee to enable them in their work. Everything is getting better now. It has been getting better since the committee started. I am a trusty here. I was punished in November, 1907. I was punished by Rich, the sergeant, and he was drunk. He is not in the service any longer. The

guards do not drink whisky here to my knowledge. They have in the last year or so. I was in line at the time, but was told about it by the trusties."

Capt. Black, being sworn, examined by Representative Gilmore, testified as follows:

"Yes, sir; I will give you my promise under oath as an official here, that I will not discriminate against or permit the guards under me to discriminate against these men that have testified before you on account of their doing so."

Examined by Representative Lee, he stated:

"I have been in the service of the State in the penitentiary system for about 17 years. I have been on this farm 18 months. I am the assistant sergeant here. Yes, sir; I have charge of the guards, in a way. I do not permit the guards to curse and abuse the men. If I should catch them at that, it would be my duty to report the matter to the sergeant. I do try to protect my men from things like that. The building is now in a little better shape than it was when this man took charge. Ever since he came here he has been making headway toward cleaning up everything. I don't have anything to do with the feeding of the men. Our men are not pushed or rushed in their work. We just let them take an average gait. We do not push them and try to get all the work we can out of them. We just keep them moving along and don't let them stop. We do not run them on the turn rows. The captain has told them not to rush, and so have I. There has been two men shot since I have been here. One was killed and the other crippled. Ed. Williamson was the one that was killed. Foster, a guard, killed him. Williamson run and the guard hollered at him, and he didn't stop, and he shot him. It was on the bank of the river, and he shot two and killed one. He did not hit the other man. I think he followed him up and got him. The man that was killed was across the river from him. The men were about 40 yards from the guard when they run. The other man that was shot was named McGuire. Garrett shot him. McGuire said that the other fellows that were with him said the guard had told them to run and he would let them get away, and that he had not spoken to the guard about it, but thought it was all right for him to go too. He did not kill McGuire. He is here on the farm now. McGuire said he thought it was all right for him to run for the other two men said that they had it made up with the guard to let them go, and he thought it was all right for him to go, too, though he had never said anything to the guard about it, and he run and got shot. Garrett was not discharged from here. McGuire, the man that was shot, is still here. C. J. McGuire is his name, as I remember it. No, sir; the guard is not in the service now."

Examined by Representative Gilmore, he stated:

"I am a man of family. I get a salary of $50 per month here.

"Question. I presume you feed your family from the State commissary?

"Answer. I do not; with this exception, the sergeant allows me a little beef, because I take my meals at home. I got no other supplies from here. Since I have been in the service I have never accepted any pay or presents of the owner of the plantation."

Capt. Brooks, recalled, examined by Representative Lee, testified as follows:

"I have been here since the 5th of September. I don't know how much quinine I have used since I have been here. The doctor prescribes, and the night man gives it. Sometimes we give it to the men with chills and fever without the doctor prescribing. The doctor does not furnish that quinine. The State furnishes it. I don't know how much calomel has been given. We generally give a man 10 to 15 grains. That is given in four doses, two hours apart. Generally when calomel and quinine is given it is under the direction of the doctor. I can show you better than I can tell you about who has been treated since I came here. We do not give them quinine every day to keep malaria out of their system. This record shows the day this man stopped work. He stopped work on the 13th of the month and returned to work on the 15th. The doctor called once each day."

Examined by Representative Gilmore, he stated:

"If there has been any recent order issued by the superintendent with reference to the employees feeding their families from the commissary, I have not seen it. This is the first camp I have ever had any women on. Yes, sir; I pledge my word of honor as sergeant of this camp here that I will not permit the men to be discriminated against, nor will I discriminate against them for testifying before you. I have no other motive than to do the right thing by all of the men."

J. B. Maurice, being duly sworn, testified as follows:

"There has been no one punished here for testifying. We are worked from 12 to 14 hours every day. We leave the building before daylight, have 30 minutes at dinner, and come in after sundown. The gin on the farm is in a bad state. The buildings are tolerably good, but the gin is absolutely worthless. Men are treated fine here. Conditions have improved very much since the committee were here. Feed is much better. We attribute this improvement solely to the committee. This is a good sergeant."

Morris Ennison, being duly sworn, testified as follows:

"Conditions are about the same; no one has been punished for testifying; Capt. Brooks is a square man. He treats me right. Men get plenty to eat. Sometimes the meat is not cooked done."

Arch Baker, being duly sworn, testified as follows:

"No one is punished for testifying. Guards here do not curse the men. At Henderson and Thompkins farm I heard guards throw up to the men who testified before the committee. Conditions are much better since the committee came around. We all like Capt. Brooks very well. We leave the building at daylight and return at dark from our work, having 30 minutes for dinner."

E. B. Aiken, being duly sworn, testified as follows:

"No one punished, so far as I know, for testifying. They feed us enough. The meat could be cooked better. We go out to work at daylight, have 30 minutes at dinner, and come in at dark. Men seem to be treated pretty well here."

Lonnie McKinney, being duly sworn, testified as follows:

"No one punished for testifying. We do not gamble. The sergeant stopped it right after the committee came around. The sergeant treats us very well. The meat comes up raw sometimes. Guards nor sergeant curse us."

D. J. Humphrey, being duly sworn, testified as follows:

"Conditions about the same. No one punished for testifying. Feed very well, such as it is. Meat not cooked well at times. Sergeant a nice man. Guards do not curse the men. Some work us pretty hard. We would certainly appreciate a baseball game on Sunday. When the inspector, Mr. Mercer, came around he did not examine the naked bodies of the men to see if they had been whipped. We had to ask permission of Capt. Brooks before we could talk to the inspector. The inspector told us we would have to first see the captain if we wanted to talk to him. The inspector told the men he would give orders for 20 licks, and if that didn't do he would give orders for 120, and if that didn't do he would give the 1,020; he'd keep on giving them the leather until he got them all right."

J. B. Maurice, being recalled, testified as follows:

"The inspector went into the building. He said to the men, 'I have turned you all over to Capt. Brooks, and if 20 licks don't do I'll give orders for 120; and if that don't do, by the eternal gods, I'll give 1,020; as long as you get a—s, I'll furnish the leather.'"

Arch Baker, being recalled, testified as follows:

"The inspector said 'He was out to protect the captain as much as he could. The leather is here, it has not been removed; I am going to give orders for as many a—s as Capt. Brooks calls for. If 20 licks don't do, I'll give orders for 120.' He did not examine our naked bodies. He did not give us an opportunity to talk privately to him. He addressed us in an arrogant manner."

J. L. Brooks, being duly sworn, testified as follows:

"I am sergeant at the Burleson & Johns farm. It has 3,300 acres in cultivation. The biggest portion has Johnson grass. We have some heaves among the stock. Inspector Mercer was here January 17. He said: 'I'll give one order, and if that don't do I'll give 100; if that don't do I'll give 1,000.' He did not examine the naked bodies of the convicts. I think by what he said he meant orders and not licks. He said: 'We are going to make a crop here, but I want to do it with as little leather as possible.' The State has no stock of any kind; this is a share farm. The State gets 60 per cent; owner gets 40 per cent."

J. D. Blake, being duly sworn, testified as follows:

"I am assistant sergeant on this farm. I was here when Inspector Mercer came around. Mercer said he would give orders for 20 licks, and if that didn't do he would give orders for 120, and if that didn't do he would give orders for 1,020. He impressed it upon the convicts that he was the inspector, and that they must obey the rules. I was in the building at the time that Mercer was there. He did not examine the naked bodies of the prisoners. The men were whipped with the regulation strap, which was made since the committee came first."

T. K. Lillard, being duly sworn, testified as follows:

"I am camp physician of the Burleson & Johns farm. I was in the building when Inspector Mercer was in there. He said, 'He had given orders for 20 licks.' I didn't pay any attention to what he said, but think he said he hoped to get through with less punishment than had ever been given. I took charge September last. No deaths since I took charge. Five cases of pneumonia last month and 10 cases of grippe."

Mr. FALL obtained the floor.

Mr. STONE. Mr. President——

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Does the Senator from New Mexico yield to the Senator from Missouri?

Mr. FALL. I do.

Mr. STONE. I move that the Senate proceed to the consideration of executive business.

Mr. FLETCHER. I ask the Senator to yield to me that I may submit a resolution.

The PRESIDING OFFICER. The Senator from New Mexico has the floor, and he has yielded to the Senator from Missouri.

Mr. FLETCHER. The Senator from Missouri, I understood, intended to move an executive session. I wish to have this matter disposed of.

Mr. STONE. The Senator from New Mexico has yielded to me for the sole purpose of making a motion to proceed to the consideration of executive business. If the Senator from Florida has any request to prefer, let him make it to the Senator from New Mexico.

Mr. FALL. If the Senator from Missouri will withhold the motion——

Mr. STONE. I will withhold it.

Mr. FALL. I yield with pleasure to the Senator from Florida.

PRICES OF PAPER.

Mr. FLETCHER. I wish to offer a resolution.

Mr. President, I have here a letter from the Public Printer of this date, which shows that he has been able to get only one bid on 310,000 pounds of machine-finish printing paper, and that bid from a broker, at 11 cents per pound, or a total of $34,100 for the lot. I ask to have the letter printed in the RECORD as a part of my remarks.

Last year the same paper was furnished the Government Printing Office under contract at 3.75 cents per pound. This shows an increased price of 7.25 cents per pound, or nearly three times the amount paid last year. The total increase on the 310,000 pounds amounts to $22,475.

Another bid for only 1,000 reams of the same lot of paper is for 7.9 cents per pound, or almost double that paid last year.

For several months past the Public Printer has not been able to obtain any real competition whatever in his open-market purchases of paper required for the public printing and binding. Even for those items that he has under contract, some contractors are now refusing to deliver in excess of the estimated quantities, though the Attorney General has held that their contracts obligate them to deliver such quantities as may be required for the public printing and binding during

the year. The Solicitor of the Treasury has been requested to bring suit against such defaulting contractors, but these suits can not procure paper that is now needed to continue the work of printing the necessary records of the Government. Whether there is collusion among paper manufacturers and dealers to limit the competition and increase the price for paper required by the Government, I am not prepared to state, but the circumstances are sufficiently suspicious to warrant a special investigation of the matter. The resolution adopted by the Senate on April 24, 1916, applies only to an investigation of the price of news print paper. That investigation has been about completed by the Trade Commission. I believe that the information called for by this resolution will be of great service to the Government, especially as the Joint Committee on Printing will soon be called upon to invite proposals and award contracts for furnishing paper for the public printing and binding for the year beginning March 1, 1917. These proposals are usually submitted in January and the contracts awarded about the 1st of February of each year.

I offer the resolution and ask unanimous consent for its present consideration.

Mr. GALLINGER. Let it be read and see what it is.

Mr. SMOOT. Let the resolution be read.

The Secretary read the resolution (S. Res. 269), as follows:

Resolved, That the Federal Trade Commission be, and the same is hereby, directed to investigate the increase in the prices of the various kinds of paper required for printing and binding during the last year and to ascertain and report at as early a date as practicable whether there have been any violations of the antitrust acts by any corporation in connection with such advance in prices, with special reference to the prices demanded for paper necessary for the public printing and binding.

Mr. SMOOT. Mr. President——

Mr. FALL. Mr President, if the resolution is going to lead to debate, I must object to its consideration at this time.

Mr. FLETCHER. I do not think it will be debated.

Mr. GALLINGER. Will the Senator from Florida object to adding the words "and also whether or not the paper so used was manufactured in the United States or imported from the Dominion of Canada"?

Mr. FLETCHER. I have no objection to that amendment.

Mr. GALLINGER. I move that amendment.

The amendment was agreed to.

Mr. SMOOT. I will say to the Senator from New Mexico that I shall not occupy the time of the Senate more than two minutes. I simply want to call the attention of the Senate at this time to one or two facts.

I have not any doubt but that there has been inserted into the RECORD to-day without reading articles that will cost the Government of the United States between $5,000 and $7,000. It is a practice that we have tried to stop in the past, and I do not know when it will ever be stopped.

But there is a more serious situation than that. To-day the Government Printing Office has not enough paper on hand, if we were going to stay in session, to print the RECORD more than about 30 days. We generally have about six months' supply of paper on hand, but to-day it has run down to the very lowest ebb and we are compelled to buy the paper now at three times the ordinary price. A great deal of it comes about by Senators putting in the RECORD editorials, articles in magazines, and everything they can gather together that they have an idea the public want to read.

I hope that the resolution will be passed.

Mr. FLETCHER. Mr. President, I think there is a great deal of unnecessary matter going into the RECORD, but, at any rate, this investigation, I think, will clear up the situation somewhat. It has been exceedingly difficult to get more than one bid for furnishing certain varieties of paper to the Government Printing Office, although 30 concerns were invited to bid. I ask for the adoption of the resolution.

The PRESIDING OFFICER (Mr. SHAFROTH in the chair). The question is on agreeing to the resolution as amended.

The resolution as amended was agreed to.

Mr. FLETCHER. I ask unanimous consent to have printed as part of my remarks the letter which I send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter referred to is as follows:

OFFICE OF THE PUBLIC PRINTER,
Washington, September 7, 1916.

SIR: There is required for use in the Government Printing Office 152,000 pounds machine-finish printing paper, No. 1, white, 24 by 38 inches, 38 pounds; 76,000 pounds machine-finish printing paper, No. 1, white, 38 by 48 inches, 76 pounds; 48,000 pounds machine-finish printing paper, No. 1, white, 24 by 38 inches, 48 pounds; and 34,000 pounds machine-finish printing paper, No. 1, white, 24 by 32 inches, 34 pounds, for the purchase of which an invitation to bid on the specifications was issued, under date of August 24, to about 30 concerns interested in the manufacture or sale of paper of this description, with the result that only two bids were received, one of which covered all of the various lots described at a price of $0.11 per pound, the quotation being limited to acceptance within six days from September 5; the other bid covered one item only of 1,000 reams of 24 by 38 inches, 48 pounds, at a price of $3.792 per ream. Both prices were based upon samples submitted by each bidder.

In view of the fruitless effort to interest manufacturers of paper in submitting quotations for Government requirements, I feel that the situation is imperative enough to request that some action be taken whereby the Government will be enabled to purchase paper for public printing and binding work at a reasonable price, and in the meantime I respectfully request authority to purchase the 1,000 reams of 24 by 38 inches, 48 pounds, machine-finish printing paper, at the price of $3.792 per ream, and if the price of $0.11 per pound for the other items of machine-finish printing paper hereinabove described is acceptable that you authorize and direct the purchase.

In the event that you decide to disapprove the purchase of any of the items herein described, I respectfully urge that you issue definite instructions directing the procedure to be adopted in obtaining the necessary requirements of paper for public printing and binding work, as I am without authority to compel manufacturers of or dealers in paper to submit bids under existing conditions, and I regard the matter as important enough to justify your most serious consideration and prompt action

Respectfully,
CORNELIUS FORD,
Public Printer.

CHAIRMAN JOINT COMMITTEE ON PRINTING,
United States Senate, Washington, D. C.

RECESS ORDER RESCINDED.

Mr. STONE. Mr. President, I ask unanimous consent that the order of the Senate providing for adjournment at 6.30 be vacated for this day.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE SESSION.

Mr. STONE. Mr. President, I wish now to move an executive session.

Mr. OWEN. I will be glad to lay aside the unfinished business for the purpose of having an executive session, the unfinished business, however, not to lose its place because of that.

Mr. FALL. Mr. President, I have the floor, and yielded to the Senator from Missouri to allow him to make a motion for an executive session.

Mr. STONE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 2 hours and 52 minutes spent in executive session the doors were reopened and the Senate took a recess until 8.30 p. m., when it reassembled.

NAMING A PRESIDING OFFICER.

The Secretary read the following communication:

UNITED STATES SENATE,
Washington, D. C.

To the SENATE:

The Vice President being absent from the Senate and the undersigned being also necessarily absent therefrom, be, as President pro tempore of the Senate, hereby names the Senator from Kentucky, Mr. JAMES, to perform the duties of the Chair on the 7th day of September, 1916, this substitution not to extend beyond an adjournment.

JAMES P. CLARKE,
President pro tempore of the Senate.

Mr. JAMES thereupon took the chair as Presiding Officer.

EXECUTIVE SESSION.

Mr. STONE. I move that the Senate proceed to the consideration of executive business.

The PRESIDING OFFICER. The question is on the motion of the Senator from Missouri that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 44 minutes spent in executive session the doors were reopened.

ADDITIONAL CLERK FOR COMMITTEE ON THE CENSUS.

Mr. FALL. Mr. President——

Mr. LEA of Tennessee. Mr. President, will the Senator from New Mexico yield to me to report from the Committee to Audit and Control the Contingent Expenses of the Senate a Senate resolution with an amendment?

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Tennessee?

Mr. FALL. I yield if it is simply for the offering of a report and not for action upon it or for debate.

Mr. LEA of Tennessee. I do not think it will lead to any debate. I merely wish to report a resolution and to ask for its immediate consideration. It is a formal matter.

Mr. FALL. I yield for that purpose.

The PRESIDING OFFICER. The resolution reported by the Senator from Tennessee will be read.

The Secretary read the resolution (S. Res. 265) as follows:

Resolved, That the Committee on the Census be, and it is hereby, authorized to employ an additional clerk at the rate of $100 a month until otherwise provided by law.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. FALL. Mr. President, I shall not make any objection to the appointment of a campaign clerk. I am perfectly willing to cease my remarks for the time being, as it is such an important matter.

Mr. GALLINGER. What is the proposed amendment, I will ask?

The PRESIDING OFFICER. The Secretary will state the amendment.

The SECRETARY. In line 3, after the word "month," it is proposed to strike out the words "until otherwise provided by law" and to insert "for a period of 60 days," so as to make the resolution read:

Resolved, That the Committee on the Census be, and it is hereby, authorized to employ an additional clerk at the rate of $100 a month for a period of 60 days

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on the amendment reported by the Senator from Tennessee.

The amendment was agreed to.

The resolution as amended was agreed to.

Mr. FALL. Mr. President, unless it is for a conference report or some matter of general legislative importance, I must decline to yield further.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 136) for the relief of Eva M. Bowman.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 16763) to increase the revenue, and for other purposes.

The message further announced that the House had passed a concurrent resolution authorizing the President of the Senate and the Speaker of the House of Representatives to close the present session of the Congress by adjourning their respective Houses on the 8th day of September, 1916, at 10 o'clock ante meridian, in which it requested the concurrence of the Senate.

The message also announced that the Speaker of the House had appointed a committee of three Members of the House, to join with a similar committee appointed by the President of the Senate, to wait upon the President of the United States and to inform him that the two Houses have completed the business of the present session and are ready to adjourn, unless the President has some other communication to make to them, and in accordance with the provision of the resolution the Speaker of the House had appointed as a committee on the part of the House Mr. KITCHIN, Mr. FITZGERALD, and Mr. MANN.

ENROLLED BILL SIGNED.

The message further announced that the Speaker of the House had signed the enrolled bill (S. 6625) authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls, and it was thereupon signed by the Presiding Officer.

EVA M. BOWMAN—CONFERENCE REPORT.

Mr. CLAPP submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 136) for the relief of Eva M. Bowman having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same.

HENRY F. ASHURST,
HARRY LANE,
MOSES E. CLAPP,
Managers on the part of the Senate.

HUBERT D. STEPHENS,
GEORGE M. YOUNG,
Managers on the part of the House.

The report was agreed to.

DEVELOPMENT OF WATER POWER.

Mr. NEWLANDS submitted the following resolution (S. Res. 271) which was read and referred to the Committee on Printing:

Resolved, That the Senate hearing before the subcommittee of the Committee on Commerce, United States Senate, Sixty-fourth Congress, first session, on S. 5736, "A bill to promote interstate commerce, etc., by providing for the development and control of waterways, etc.," be printed as a Senate document, and that 5,000 additional copies be printed for the use of the Senate document room, and 5,000 additional copies for the use of the Senate Committee on Interstate Commerce.

CORRUPT PRACTICES.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15842) to revise, amend, and codify the laws relating to publicity of contributions and expenditures made for the purpose of influencing the nomination and election of candidates for the offices of Senator and Representative in the Congress of the United States, extending the same to candidates for nomination and election to the offices of President and Vice President of the United States, limiting the amount which may be expended, providing for the publicity of campaign expenses, and for other purposes.

[Mr. FALL addressed the Senate. His entire speech is printed on page 14032.]

MESSAGE FROM THE HOUSE.

A message from the House of Representatives by J. C. South, its Chief Clerk, announced that the House agrees to the amendments of the Senate to the bill (H. R. 11707) to amend an act entitled "An act to increase the pension of widows, minor children, etc., of deceased soldiers and sailors of the late Civil War, the War with Mexico, the various Indian wars, etc., and to grant a pension to certain widows of the deceased soldiers and sailors of the late Civil War," approved April 19, 1908, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 17645) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1916, and prior fiscal years, and for other purposes.

The message further announced that the House agrees to the amendments of the Senate to the bill (H. R. 15807) to provide for holding sessions of the United States district court in the district of Maine and for dividing said district into divisions, and providing for offices of the clerk and marshal of said district to be maintained in each of said divisions, and for the appointment of a field deputy marshal in the division in which the marshal does not reside.

The message also announced that the House agrees to the amendment of the Senate to the amendment of the House to the bill (S. 5886) extending the time for the completion of the bridge across the Mississippi River, at Memphis, Tenn., authorized by an act entitled "An act to amend an act approved July 20, 1912, entitled 'An act to authorize the Arkansas & Memphis Railway Bridge & Terminal Co. to construct, maintain, and operate a bridge across the Mississippi River,'" approved August 23, 1912.

The message further announced that the House agreed to the concurrent resolution of the Senate, providing for the printing of 150,000 additional copies of Senate Document No. 500, Sixty-fourth Congress, entitled "The Federal Farm-Loan Act."

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills and joint resolutions, and they were thereupon signed by the Presiding Officer:

H. R. 1636. An act for the relief of Karen S. Sorenson and James Lyle;

H. R. 1963. An act for the relief of John E. Keys;

H. R. 2208. An act for the relief of James L. Yokum;

H. R. 6034. An act to make available a portion of the appropriation for the immigration station at Baltimore, Md., for such counters, booths, screens, railings, seats, bunks, kitchen and laundry equipment, etc., as necessary in connection with said station;

H. R. 10989. An act making appropriation for the preservation, improvement, and perpetual care of Huron Cemetery, a burial place of the Wyandotte Indians, in the city of Kansas City, Kans.;

H. R. 11707. An act to amend an act entitled "An act to increase the pension of widows, minor children, etc., of deceased soldiers and sailors of the late Civil War, the War with Mexico, the various Indian wars, etc., and to grant a pension to

certain widows of the deceased soldiers and sailors of the late Civil War," approved April 19, 1908, and for other purposes;

H. R. 12889. An act authorizing the Secretary of the Interior to sell the unsold and unappropriated portions of lands within the town site of Newell, S. Dak., and for other purposes;

H. R. 13046. An act to consolidate certain forest lands in the Oregon National Forest, in the State of Oregon;

H. R. 14533. An act to authorize the Secretary of the Interior to issue a patent in fee simple to the district school board numbered 112, of White Earth Village, Becker County, Minn., for a certain tract of land upon payment therefor to the United States in trust for the Chippewa Indians of Minnesota;

H. R. 14824. An act to prevent fraud at public auctions in the District of Columbia;

H. R. 15807. An act to provide for holding sessions of the United States district court in the district of Maine and for dividing said district into divisions, and providing for offices of the clerk and marshal of said district to be maintained in each of said divisions, and for the appointment of a field deputy marshal in the division in which the marshal does not reside;

H. R. 16532. An act authorizing an adjustment of the boundaries of the Whitman National Forest, in the State of Oregon, and for other purposes;

S. J. Res. 173. Joint resolution authorizing the payment of September salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session; and

H. J. Res. 252. Joint resolution authorizing the transfer of the Government exhibit, or such portion thereof as the President may determine is advisable, now at the Panama-California International Exposition, at San Diego, Cal., to the Mississippi Centennial Exposition, at Gulfport, Miss.

CORRUPT PRACTICES.

Mr. MARTIN of Virginia. Mr. President, will the Senator yield to me for the consideration of this report?

Mr. FALL. For a conference report, I yield.

DEFICIENCY APPROPRIATIONS—CONFERENCE REPORT.

Mr. MARTIN of Virginia submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 17645) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1916, and prior fiscal years, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 5, 11, 13, 17, 19, 20, 29, 30, 31, 37, and 38.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 6, 9, 12, 14, 15, 18, 22, 23, 24, 25, 26, 27, 32, 33, 34, 35, 36, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, and 51, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "For refund of internal-revenue taxes to the J. L. da Roza Estate (Inc.), of Elk Grove, Cal., in accordance with private act numbered 83, approved August 7, 1916, $1,158"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: Omit lines 4 and 5 of the matter inserted by said amendment; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In line 4 of the matter inserted by said amendment strike out the sum "$200,000," and in line 9 strike out the sum "$200,000," and insert in lieu thereof the sum "$100,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: Omit the matter stricken out and inserted by said amendment, and on page 9 of the bill in line 8 strike out the word "purpose" and insert in lieu thereof the word "purchase"; and after line 18 insert as a new paragraph the following:

"The Bureau of Efficiency shall investigate the methods of transacting the public business in the Bureau of Internal Revenue and prepare recommendations for the improvement thereof and submit the same to the Secretary of the Treasury as early as practicable for his approval and to Congress at its next session."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: Omit all of lines 9 to 14, inclusive, of said amendment and in lieu thereof insert as a separate paragraph the following:

"One-half of the two foregoing sums shall be paid out of the revenues of the District of Columbia and the other half out of the Treasury of the United States."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"National Memorial Celebration and Peace Jubilee, Vicksburg, Miss.: For expenses, within the limits of this appropriation, in connection with the celebration to be held at Vicksburg, Miss., in the year 1917, by the survivors of the Armies of the Tennessee and of the Mississippi who participated in the Battle of Vicksburg in July, 1863, in commemoration of a half century of peace and good fellowship which happily exists throughout the Republic, to be expended under the direction and supervision of the Secretary of War as follows: For necessary sewerage, sanitation and hospital service of persons attending said celebration, for necessary camp and garrison equipment, rations and supplies for veterans of the Civil War attending said celebration, $150,000, no part of which shall be available until after January 1, 1917: *Provided*, That the Secretary of War is authorized and directed to fully complete all arrangements herein authorized before October 14, 1917, and that all camp equipment, including tents, supplies, and rations shall be fully ready for use by that date: *Provided further*, That the National Association of Vicksburg Veterans, formed in Chicago, Ill., August 9, 1913, shall have charge of the order of exercises during the celebration; the physical control of the camp and grounds and the movement of troops and marching bodies shall be in the hands of the Secretary of War, under such officers as he may detail for that purpose: *Provided further*, That the Secretary of War is authorized to reimburse and pay, out of the amount herein appropriated the traveling expenses of not exceeding seven members of the council of administration or of the executive committee of the National Association of Vicksburg Veterans for journeys authorized by him to be taken in attendance upon any one meeting in the interest of said celebration."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In line 2 of the matter inserted by said amendment, after the word "boards," insert the following: "fiscal year 1917"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment as follows: In line 4 of the amendment after the word "for" insert the words "the first Tuesday after"; and the Senate agree to the same.

THOMAS S. MARTIN,
N. P. BRYAN,
REED SMOOT,
Managers on the part of the Senate.

J. J. FITZGERALD,
T. U. SISSON,
J. G. CANNON,
Managers on the part of the House.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

APPROPRIATIONS AND EXPENDITURES.

Mr. MARTIN of Virginia. Mr. President, in order to meet misrepresentations which are constantly being made and to give to the country in convenient shape the appropriations made by Congress for the year ending July 31, 1917, and a comparison of the same with like appropriations made for the year ended July 31, 1916, I have gone carefully over the matter and have prepared some tables, which are as accurate as I have found it possible to make them. I send them to the desk and ask that they may go into the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The matter referred to is as follows:

Appropriations for 1916 compared with 1917.

Title of bill.	Law of 1916.	Amount for 1917.	Increase 1917 over 1916.	Decrease 1917 under 1916.
Agriculture	$22,971,782.00	$24,948,872.00	$1,977,090.00	
Army	101,974,195.87	267,596,334.19	165,622,138.32	
Diplomatic and Consular	4,061,280.01	5,355,096.66	1,293,816.65	
District of Columbia	11,859,584.45	12,841,707.10	982,122.65	
Fortifications	6,060,216.90	25,748,050.00	19,687,833.10	
Indian	9,771,902.76	10,967,644.88	1,195,742.12	
Legislative, etc	38,904,799.75	37,925,690.25	1,021,890.50	
Military Academy	1,069,813.37	1,225,043.57	155,230.20	
Navy	149,661,864.88	313,300,555.84	163,638,690.96	
Pensions	164,100,000.00	158,065,000.00		6,035,000.00
Post Office	313,364,667.00	322,937,679.00	9,573,012.00	
River and harbor	30,000,300.00	40,598,435.00	10,598,135.00	
Sundry civil	126,922,750.79	128,299,285.24	1,376,534.45	
Total regular annuals	978,722,857.78	1,349,809,289.64	377,121,414.86	6,035,000.00
Deficiencies	12,316,343.90	[1] 68,555,266.99	56,238,923.09	
Miscellaneous	2,330,803.34	[1] 85,000,000.00	82,669,196.66	
Permanent annual and indefinite appropriations	121,567,207.00	123,074,673.00	1,507,466.00	
Grand total	1,114,937,012.02	1,626,439,209.63	517,537,197.61	6,035,000.00
Deduct appropriations for defense of the country	[2] 4,786,757.99	[3] 423,170,024.07	[3] 418,383,266.08	
Deduct extraordinary appropriations	1,110,150,254.03	1,203,269,185.56	93,118,931.53	
		[4] 85,240,940.43	[4] 85,240,940.43	
Current appropriations	1,110,150,254.03	1,118,028,245.13	7,877,991.10	

Increase of appropriations for current expenses of the Government; 1917 over 1916 ..... $7,877,991.10

[1] This amount is approximated

[2] The items making up this sum are as follows:

Transportation of the Army and its supplies	$3,597,575.21
Transporting interned Mexican soldiers	71,253.13
Incidental expenses, Quartermaster Corps, water and sewers at military posts, and care of hospitals	222,313.30
Provisions, Navy	133,553.79
Coal and transportation, Navy	617,767.85
Freight, military stores, and contingent expenses, Marine Corps	231,300.00
Total	4,786,757.99

[3] The items making up this sum for increases for Army and Navy purposes for defense of the country, 1917 over 1916, are as follows:

Army act	165,622,134.23
Naval act	163,638,230.95
Fortification act	19,687,833.10
Military Academy act	155,230.20
Training the Organized Militia or National Guard (Public Act 92)	400,000.00
Extraordinary appropriations for defense of the country in various acts for Military and Naval Establishments made during the first session of the Sixty-fourth Congress, less $4,786,759.99 made for same purposes during the third session of the Sixty-third Congress	42,091,855.89
Nitrate plant, Army reorganization act	20,000,000.00
Panama Canal fortifications, sundry civil act	1,895,951.70
Armories and arsenals, sundry civil act	4,024,895.03
Military posts, sundry civil act	1,061,935.00
Total	418,383,266.08

[4] The items making up this sum for appropriations for extraordinary purposes, 1917 over 1916, are as follows:

Ship purchase act, to carry out the provisions of	50,100,000.00
Construction of rural post roads	6,000,000.00
Alaskan Engineering Commission	6,247,623.00
Post Office act, including increase in deficiency acts of first session Sixty-fourth Congress over third session Sixty-third Congress	12,144,270.43
Federal Farm Loan Board	6,100,000.00
Collecting internal revenue	1,674,053.00
Lincoln Memorial Commission	300,000.00
Legation buildings at Shanghai, China, and Habana, Cuba, heretofore authorized by law	455,000.00
Emergencies arising in the Diplomatic and Consular Service, post allowances to consular officers, and contingent expenses of United States consulates, all increases due to existence of hostilities abroad	432,000.00
Relief of sufferers from storms and floods in certain States	340,000.00
To carry out the provisions of the act to provide compensation of employees of the United States suffering injuries in the performance of their duties	550,000.00
Physical valuation of the property of carriers	500,000.00
Public Health Service, infantile paralysis outbreak (Public Act 179)	135,000.00
Total	85,240,940.43

Mr. MARTIN of Virginia. For each of the two years I have taken first the total of the amounts appropriated. I have then deducted for each year the amounts appropriated for preparedness or for the defense of the country, and extraordinary appropriations, so as to find for each year the true amount of appropriations made for the current expenses of the Government.

For the year 1916 I find the total appropriations made amounted to $1,114,937,012.02. From that total I deduct the extraordinary appropriations made for the defense of the country, amounting to $4,786,759.99, leaving $1,110,150,254.03 as the amount appropriated to meet the current expenses of the Government for the fiscal year 1916.

For the year ending July 31, 1917, I find the total of all appropriations amounts to $1,626,439,209.63. From this I deduct all the extraordinary appropriations made for the defense of the country, amounting to $423,170,024.07, leaving a balance of $1,203,269,185.56. From this I deduct the other extraordinary appropriations amounting to $85,240,940.43, leaving a balance of $1,118,028,245.13 as the total of amounts appropriated for the current expenses of the Government for the year 1917. Deducting the amounts appropriated for the current expenses of the Government for the year ended July 31, 1916, from the aggregate amount appropriated for the year ending July 31, 1917, for the current expenses of the Government we find that the amount for 1917 exceeds that for 1916 by $7,877,991.10.

This very moderate increase of current expenses for 1917 over those for 1916 does not more than represent the normal and natural growth and development of the country. This is a showing of which the Democratic Party may well be proud. It may be distinctly understood, too, that the Democratic Party does not pose as a party of small appropriations. It stands for economy in appropriations, but this country is big enough and rich enough to furnish the necessary money for the progressive activities which must be supplied in order to prevent retarding the growth of the country.

There has never been such a period of constructive legislation as has been shown during the present administration. The stand-pat inertia of successive Republican administrations has been supplanted by progress in almost every department of the material life of the country. In taking care of those activities it will be noted that we have appropriated over $50,000,000 for the purchase of ships to restore the American merchant marine on the high seas, $6,000,000 for the construction of rural post roads, over $6,000,000 for the Alaskan railroad, $6,100,000 for the Farm Loan Board, $455,000 for the purchase of legation buildings in China and Cuba, and many other lesser sums for other necessary activities of the Government.

The increased appropriations to put the Army in efficient shape amount to more than $165,000,000, and for the Navy more than $163,000,000, and for fortifications about $20,000,000 in excess of the amounts heretofore annually appropriated.

We have appropriated $20,000,000 for a nitrate plant in order that this country might not be entirely dependent on Chile for the nitrates necessary for the manufacture of explosives. The total increases over last year for the defense of the country amount to $418,383,266.08, and the total amount of extraordinary appropriation for the necessary activities of the Government is $85,240,940.43.

The Democratic Congress has simply appropriated the necessary money to make effective the progressive constructive legislation which was absolutely necessary for the protection of the country and the development of its material interests. The prosperity which the country is now experiencing is a result of Democratic constructive legislation and the appropriations made to make the same effective.

Mr. President, if time were available I would gladly go into detail in explanation of this table; but the table is so constructed as to furnish full information as to all details in connection with all of the appropriations made during the year 1917. That statement or statements—it is all on one paper, but contains quite a number of statements—will go into the RECORD as a part of my remarks, and will explain more in detail than I have explained the several appropriations made for the conduct of the business of the Government.

Mr. WARREN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Wyoming?

Mr. FALL. I do.

Mr. WARREN. I assume that the Senator from Virginia has included the permanent appropriations.

Mr. MARTIN of Virginia. They are set out in this statement which I have filed.

Mr. WARREN. The chairman of the Committee on Appropriations has made the best statement he could, and is making the best of a very bad matter. The Committee on Appropriations, of course, must provide for what the laws state shall be expended.

Mr. MARTIN of Virginia. Mr. President, if the Senator will permit an interruption, I will say that he is a member of the Committee on Appropriations; and if any of these appropriations were extravagant or improper it seems to me he ought to have made his voice heard in the committee. I do not recall, however, that in a single instance his voice has been raised to protest against a single appropriation that has been brought before the Senate from the Committee on Appropriations.

Mr. WARREN. If the Senator had waited a moment, until I had proceeded further, he would not have had occasion to say what he did. I was about to say that it has been quite usual in years past for the chairman of the Committee on Appropriations to make a careful statement, to present it on the last day of the session, and to give to the ranking Senator of that committee on the minority side a copy, as early as convenient, so that he can make any observations or criticisms that he sees fit to make.

I was about to say, when interrupted, that the Committee on Appropriations considered it its duty, and I have considered it such, as the chairman has also considered it, to appropriate money to fulfill the engagements or obligations of the Government called for by the various treaties and bills that have been passed into laws. In other words, we are to provide the means to pay what the Congress of the United States has engaged to pay.

But, Mr. President, it is a pretty sad commentary, not upon the Committee on Appropriations—for they have simply done their duty under the law and in the way provided by the law—but upon the great Democratic Party that came into power with a blaze of trumpets and with promises galore of what they could and would do to decrease or exterminate extravagance, to economize in expenditures, to reduce the annual outlay for running the Government, to reduce the cost of living, and various other reforms.

The thing itself makes the showing of what that party has done when put in the best possible light that figures can be arranged to show. I happen to have some figures at my desk which show that during the past eight years the appropriations are as follows:

The annual appropriations, less Panama Canal expenditures, were—

1910	$994,868,750.94
1911	838,887,924.46
1912	930,822,852.53
1913	935,336,409.06
Total	3,799,915,756.99

The 1913 appropriations were made by a Republican Senate and Democratic House.

For the last four years under Democratic rule—

The appropriations, less Panama Canal expenditures, have been as follows:

1914	$1,032,407,588.41
1915	1,094,275,613.55
1916	1,095,357,963.72
1917 (incomplete)	1,624,543,257.93

Accepting the figures given by the able chairman of the committee, which he will admit are not exactly complete because they could not well be on account of bills and treaties not yet laws which are continually being added, as, for instance, claims bills and others not yet enrolled or signed passed to-day, and also the $25,000,000 for certain islands.

As I understood the figures presented by the Senator from Virginia, the deficiency appropriations for the year amount to nearly $70,000,000. As the appropriations for the next fiscal year—already commenced—are larger for various purposes so will the deficiencies be larger than for past years, and the total amount necessary for the fiscal year will actually run away above $1,700,000,000. And this, too, without mentioning the millions upon millions—up into several hundred millions—that we are committed to for increased river and harbor improvements, Navy, and other outlays to follow in later years.

I am perfectly willing, instead of following the usual course of having been provided with a copy and the time to perhaps prepare some extended remarks, to leave the matter as the chairman of the committee and the members of the majority party have made it. He has done the best he could. He has made as good a showing as he could. He is an able and conscientious chairman with a most able assistant in his chief clerk. He has made the only showing that he could, and that is to state the amount as nearly as may be that we have spent or that we have engaged to spend; and the committee have only fulfilled their functions in providing the means.

I repeat, I am willing to let it stand as a monument to the party that after three or four years of great effort in lowering the price of living and to lower the expenses of the Government, to look upon the list of appropriations just as the chairman has presented it and as it will appear in the RECORD to-morrow. Everybody knows the cost of living has not been reduced, and the chairman has not raised that point, so I forbear discussion of it.

Mr. MARTIN of Virginia. Mr President, I want just to say one word of explanation. The Senator spoke of the chairman having to submit a statement.

Mr. WARREN. I laid no blame on that point.

Mr. MARTIN of Virginia. I have never known such a custom. This is my individual statement. I have not submitted it to Democrats or Republicans. I am responsible for it, and nobody else is. I have not submitted any statement on behalf of the committee, but I have submitted a statement that is supported by the records of the Senate. Every single item in it is beyond doubt correct and is fully verified by the record.

Mr. WARREN. That is what I have said; and if I have not said it plain enough, I want to bear witness as to the fact. As to the matter of furnishing a copy of the statement, if the Senator will look back in former years, he will find that it was generally the custom and sometimes led to long debates in the House and Senate. But I absolve the Senator from any desire to withhold anything from me or from any Senator or from the public.

THE REVENUE—CONFERENCE REPORT.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from North Carolina?

Mr. FALL. For a question.

Mr. SIMMONS. I desire to ask the Senator if he will not yield to me for the purpose of presenting a conference report and asking for its immediate consideration.

Mr. FALL. I yield for that purpose, with the understanding that I will not lose the floor.

Mr. SIMMONS. Mr. President, on behalf of the conferees of the Senate, I present the report on the disagreeing votes of the two Houses on House bill 16763, to increase the revenue, and for other purposes, and I ask for its immediate consideration.

The PRESIDING OFFICER. The Secretary will read the conference report.

The Secretary read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 16763) to increase the revenue, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 9, 14, 56, 57, 58, 59, 60, 61, 72, 77, 82, 103, 110, 134, 159, 160, 161,

168, 169, 170, 172, 175, 178, 191, 212, 218, 220, 227, 230, 234, 254, 268, and 269.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 15, 17, 18, 19, 20, 21, 22, 24, 25, 26, 27, 28, 29, 30, 31½, 32, 33, 34, 36, 37, 38, 39 41, 42, 43, 46, 47, 48, 50, 51, 52, 53, 54, 55, 55½, 56½, 62, 66, 67, 68, 69, 70, 71, 73, 75, 76, 78, 79, 81, 83, 85, 86, 87, 88, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 104, 105 107, 108, 108½ 109, 117, 121, 122, 123, 124, 126, 127, 128, 130, 131, 138, 143, 145, 147, 148, 149, 150, 151, 152, 153, 162, 167, 171, 173, 174, 176, 179, 180, 181, 182, 183, 184, 185, 186, 188, 189, 190, 192, 193, 194, 195, 196, 197, 198, 199, 200, 207, 223, 224, 225, 233, 236, 238, 239, 241, 243, 244, 247, 252, 255, 258, 259, 260, and 261, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"(c) For the purpose of ascertaining the gain derived from the sale or other disposition of property, real, personal, or mixed, acquired before March 1, 1913, the fair market price or value of such property as of March 1, 1913, shall be the basis for determining the amount of such gain derived."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In addition to the matter inserted by said amendment insert, on page 8 of the bill, line 6, after the word "school," the word "district"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Eighth. (a) In the case of oil and gas wells a reasonable allowance for actual reduction in flow and production to be ascertained not by the flush flow, but by the settled production or regular flow; (b) in the case of mines a reasonable allowance for depletion thereof not to exceed the market value in the mine of the product thereof, which has been mined and sold during the year for which the return and computation are made, such reasonable allowance to be made in the case of both (a) and (b) under rules and regulations to be prescribed by the Secretary of the Treasury: *Provided*, That when the allowances authorized in (a) and (b) shall equal the capital originally invested, or in case of purchase made prior to March 1, 1913, the fair market value as of that date, no further allowance shall be made."

And, on page 9 of the bill, lines 7 and 8, strike out the words ": *Provided*, That no" and insert a period and the word "No."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In addition to the matter inserted by said amendment, insert on page 10 of the bill, line 19, after the word "school," the word "district"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Fifth. In transactions entered into for profit but not connected with his business or trade, the losses actually sustained therein during the year to an amount not exceeding the profits arising therefrom, in the United States."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"(a) In the case of oil and gas wells a reasonable allowance for actual reduction in flow and production to be ascertained not by the flush flow but by the settled production or regular flow; (b) in the case of mines a reasonable allowance for depletion thereof not to exceed the market value in the mine of the product thereof which has been mined and sold during the year for which the return and computation are made, such reasonable allowance to be made in the case of both (a) and (b) under rules and regulations to be prescribed by the Secretary of the Treasury: *Provided*, That when the allowance authorized in (a) and (b) shall equal the capital originally invested, or in case of purchase made prior to March 1, 1913, the fair market value as of that date, no further allowance shall be made."

And on page 11 of the bill, lines 21 and 22, strike out ": *Provided*, That no" and insert in lieu thereof a period and the word "No"

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 7. (a) That for the purpose of the normal tax only, there shall be allowed as an exemption in the nature of a deduction from the amount of the net income of each of said persons, ascertained as provided herein, the sum of $3,000, plus $1,000 additional if the person making the return be a head of a family, or a married man with a wife living with him, or plus the sum of $1,000 additional if the person making the return be a married woman with a husband living with her; but in no event shall this additional exemption of $1,000 be deducted by both a husband and wife: *Provided*, That only one deduction of $4,000 shall be made from the aggregate income of both husband and wife when living together: *Provided further*, That guardians or trustees shall be allowed to make this personal exemption as to income derived from the property of which such guardian or trustee has charge in favor of each ward or cestui que trust: *Provided further*, That in no event shall a ward or cestui que trust be allowed a greater personal exemption than $3,000, or, if married, $4,000, as provided in this paragraph, from the amount of net income received from all sources. There shall also be allowed an exemption from the amount of the net income of estates of deceased persons during the period of administration or settlement, and of trust or other estates the income of which is not distributed annually or regularly under the provisions of paragraph (b), section 2, the sum of $3,000, including such deductions as are allowed under section 5."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "he has sufficient knowledge of the affairs of such person, trust, or estate to enable him to make such return and that the same is, to the best of his knowledge and belief"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert a colon and the following: "*Provided*, That the term 'dividends,' as used in this title shall be held to mean any distribution made or ordered to be made by a corporation, joint-stock company, association, or insurance company, out of its earnings or profits accrued since March 1, 1913, and payable to its shareholders, whether in cash or in stock of the corporation, joint-stock company, association, or insurance company, which stock dividend shall be considered income, to the amount of its cash value."; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment as follows: In the last line of the matter inserted by said amendment strike out the words "by sale of such property"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "and cooperative banks without capital stock organized and operated for mutual purposes and without profit" and a semicolon; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "(a) in the case of oil and gas wells a reasonable allowance for actual reduction in flow and production to be ascertained not by the flush flow, but by the settled production or regular flow; (b) in the case of mines a reasonable allowance for depletion thereof not to exceed the market value in the mine of the product thereof which has been mined and sold during the year for which the return and computation are made, such reasonable allowance to be made in the case of both (a) and (b) under rules and regulations to be prescribed by the Secretary of the Treasury: *Provided*, That when the allowance authorized in (a) and (b) shall equal the capital originally invested, or in case of purchase made prior to March 1, 1913, the fair market value as of that date, no further allowance shall be made; and (c) in the case of insurance companies, the net addition, if any, required by law to be made within the year to reserve funds and the sums other than dividends paid

within the year on policy and annuity contracts:"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment as follows: In addition to the matter inserted by said amendment on page 33 of the bill, line 13, after the word "school," insert the word "district"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"(a) of oil and gas wells a reasonable allowance for actual reduction in flow and production to be ascertained not by the flush flow, but by the settled production or regular flow; (b) in the case of mines a reasonable allowance for depletion thereof not to exceed the market value in the mine of the product thereof which has been mined and sold during the year for which the return and computation are made, such reasonable allowance to be made in the case of both (a) and (b) under rules and regulations to be prescribed by the Secretary of the Treasury: *Provided*, That when the allowance authorized in (a) and (b) shall equal the capital originally invested, or in case of purchase made prior to March 1, 1913, the fair market value as of that date, no further allowance shall be made; and (c) in the case of insurance companies, the net addition, if any, required by law to be made within the year to reserve funds and the sums other than dividends paid within the year on policy and annuity contracts:"

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 89, and agree to the same with an amendment as follows: In addition to the matter inserted by said amendment on page 36 of the bill, line 25, after the word "school" insert the word "district"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 102, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert a colon and the following: "*Provided*, That upon the examination of any return of income made pursuant to this title, the act of August 5, 1909, entitled 'An act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes,' and the act of October 3, 1913, entitled 'An act to reduce tariff duties and to provide revenue for the Government, and for other purposes,' if it shall appear that amounts of tax have been paid in excess of those properly due, the taxpayer shall be permitted to present a claim for refund thereof notwithstanding the provisions of section 3228 of the Revised Statutes" and a semicolon; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 106, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"(d) That section 3225 of the Revised Statutes of the United States be, and the same is hereby, amended so as to read as follows:

"'SEC. 3225. When a second assessment is made in case of any list, statement, or return, which in the opinion of the collector or deputy collector was false or fraudulent, or contained any understatement or undervaluation, no tax collected under such assessment shall be recovered by any suit unless it is proved that the said list, statement, or return was not false nor fraudulent and did not contain any understatement or undervaluation; but this section shall not apply to statements or returns made or to be made in good faith under the laws of the United States regarding annual depreciation of oil or gas wells and mines.'"

That the House recede from its disagreement to the amendment of the Senate numbered 111, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "20"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 112, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "21"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 113, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "22"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 114, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "23"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 115, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "24"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 116, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "25"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 118, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "200"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 119, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "201"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 120, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "203"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 125, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "202"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 129, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "203"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 132, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "205"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 133, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "204"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 135, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "205"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 136, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "203"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 137, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "203"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 139, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Return shall be made in all cases of estates subject to the tax or where the gross estate at the death of the decedent exceeds $60,000, and in the case of the estate of every nonresident any part of whose gross estate is situated in the United States. If the executor is unable to make a complete return as to any part of the gross estate of the decedent, he shall include in his return a description of such part and the name of every person holding a legal or beneficial interest therein, and upon notice from the collector such person shall in like manner make a return as to such part of the gross estate. The Commissioner of Internal Revenue shall make all assessments of the tax under the authority of existing administrative special and general provisions of law relating to the assessment and collection of taxes"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 140, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "206"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 141, and agree to the same with an amendment as follows: In lieu of the matter inserted by

said amendment insert "205"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 142, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "207"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 144, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "208"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 146, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "209"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 154, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "210"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numberd 155, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "205"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 156, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "211"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 157, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "212"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 158, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "300"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 163, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 301. (1) That every person manufacturing (a) gunpowder and other explosives, excepting blasting powder and dynamite used for industrial purposes; (b) cartridges, loaded and unloaded, caps or primers, exclusive of those used for industrial purposes; (c) projectiles, shells, or torpedoes of any kind, including shrapnel, loaded or unloaded, or fuses, or complete rounds of ammunition; (d) firearms of any kind and appendages, including small arms, cannon, machine guns, rifles, and bayonets; (e) electric motor boats, submarine or submersible vessels or boats; or (f) any part of any of the articles mentioned in (b), (c), (d), or (e), shall pay for each taxable year, in addition to the income tax imposed by Title I, an excise tax of 12½ per cent upon the entire net profits actually received or accrued for said year from the sale or disposition of such articles manufactured within the United States: *Provided, however,* That no person shall pay such tax upon net profits received during the year 1916 derived from the sale and delivery of the articles enumerated in this section under contracts executed and fully performed by such person prior to January 1, 1916.

"(2) This section shall cease to be of effect at the end of one year after the termination of the present European war, which shall be evidenced by the proclamation of the President of the United States declaring such war to have ended.

"SEC. 302. That in computing net profits under the provisions of this title, for the purpose of the tax there shall be allowed as deductions from the gross amount received or accrued for the taxable year from the sale or disposition of such articles manufactured within the United States, the following items:

"(a) The cost of raw materials entering into the manufacture;

"(b) Running expenses, including rentals, cost of repairs and maintenance, heat, power, insurance, management, salaries, and wages;

"(c) Interest paid within the taxable year on debts or loans contracted to meet the needs of the business, and the proceeds of which have been actually used to meet such needs;

"(d) Taxes of all kinds paid during the taxable year with respect to the business or property relating to the manufacture;

"(e) Losses actually sustained within the taxable year in connection with the business of manufacturing such articles, including losses from fire, flood, storm, or other casualty, and not compensated for by insurance or otherwise; and

"(f) A reasonable allowance according to the conditions peculiar to each concern, for amortization of the values of buildings and machinery, account being taken of the exceptional depreciation of special plants.

"SEC. 303. If any person manufactures any article specified in section 301 and during any taxable year or part thereof, whether under any agreement, arrangement, or understanding, or otherwise, sells or disposes of any such article at less than the fair market price obtainable therefor, either (a) in such manner as directly or indirectly to benefit such person or any person directly or indirectly interested in the business of such person, or (b) with intent to cause such benefit, the gross amount received or accrued for such year or part thereof from the sale or disposition of such article shall be taken to be the amount which would have been received or accrued from the sale or disposition of such article if sold at the fair market price.

"SEC. 304. On or before the 1st day of March, 1917, and the 1st day of March in each year thereafter a true and accurate return under oath shall be made by each person manufacturing articles specified in section 301 to the collector of internal revenue for the district in which such person has his principal office or place of business in such form as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, setting forth specifically the gross amount of income received or accrued from the sale or disposition of the articles specified in section 301, and from the total thereof deducting the aggregate items of allowance authorized in section 302, and such other particulars as to the gross receipts and items of allowance as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may require.

"SEC. 305. All such returns shall be transmitted forthwith by the collector to the Commissioner of Internal Revenue, who shall, as soon as practicable, assess the tax found due and notify the person making such return of the amount of tax for which such person is liable, and such person shall pay the tax to the collector on or before 30 days from the date of such notice.

"SEC. 306. If the Secretary of the Treasury or the Commissioner of Internal Revenue shall have reason to be dissatisfied with the return as made, or if no return is made, the commissioner is authorized to make an investigation and to determine the amount of net profits and may assess the proper tax accordingly. He shall notify the person making, or who should have made, such return and shall proceed to collect the tax in the same manner as provided in this title, unless the person so notified shall file a written request for a hearing with the commissioner within 30 days after the date of such notice; and on such hearing the burden of establishing to the satisfaction of the commissioner that the gross amount received or accrued or the amount of net profits, as determined by the commisioner, is incorrect, shall devolve upon such person.

"SEC. 307. The tax may be assessed on any person for the time being owning or carrying on the business, or on any person acting as agent for that person in carrying on the business, or where a business has ceased, on the person who owned or carried on the business, or acted as agent in carrying on the business immediately before the time at which the business ceased.

"SEC. 308. For the purpose of carrying out the provisions of this title the Commissioner of Internal Revenue is authorized, personally or by his agent, to examine the books, accounts, and records of any person subject to this tax.

"SEC. 309. No person employed by the United States shall communicate, or allow to be communicated to any person not legally entitled thereto, any information obtained under the provisions of this title, or allow any such person to inspect or have access to any return furnished under the provisions of this title.

"SEC. 310. Whoever violates any of the provisions of this title or the regulations made thereunder, or who knowingly makes false statements in any return, or refuses to give such information as may be called for, is guilty of a misdemeanor, and upon conviction shall, in addition to paying any tax to which he is liable, be fined not more than $10,000, or imprisoned not exceeding one year, or both, in the discretion of the court.

"SEC. 311. All administrative, special, and general provisions of law relating to the assessment and collection of taxes not specifically repealed are hereby made to apply to this title so far as applicable and not inconsistent with its provisions.

"SEC. 312. The commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall make all necessary regulations for carrying out the provisions of this title,

and may require any person subject to such provisions to furnish him with further information whenever in his judgment the same is necessary to collect the tax provided for herein."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 164, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "400"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 165, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 401. That natural wine within the meaning of this act shall be deemed to be the product made from the normal alcoholic fermentation of the juice of sound, ripe grapes, without addition or abstraction, except such as may occur in the usual cellar treatment of clarifying and aging: *Provided, however,* That the product made from the juice of sound, ripe grapes by complete fermentation of the must under proper cellar treatment and corrected by the addition (under the supervision of a gauger or storekeeper-gauger in the capacity of gauger) of a solution of water and pure cane, beet, or dextrose sugar (containing, respectively, not less than 95 per cent of actual sugar, calculated on a dry basis) to the must or to the wine, to correct natural deficiencies, when such addition shall not increase the volume of the resultant product more than 35 per cent, and the resultant product does not contain less than 5 parts per thousand of acid before fermentation and not more than 13 per cent of alcohol after complete fermentation, shall be deemed to be wine within the meaning of this act, and may be labeled, transported, and sold as 'wine,' qualified by the name of the locality where produced, and may be further qualified by the name of its own particular type or variety: *And provided further,* That wine as defined in this section may be sweetened with cane sugar or beet sugar or pure condensed grape must and fortified under the provisions of this act, and wines so sweetened or fortified shall be considered sweet wine within the meaning of this act."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 166, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "402"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 177, and agree to the same with an amendment as follows: Strike out the matter inserted by said amendment and insert in lieu thereof the words "or section four hundred and one of this act" and a comma; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 187, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "1½ cents"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 201, and agree to the same with an amendment as follows: In lieu of the section number proposed by the Senate amendment strike out "55" and insert "403"; and the Senate agree to the same

That the House recede from its disagreement to the amendment of the Senate numbered 202, and agree to the same with an amendment as follows: In lieu of the section number contained in the Senate amendment strike out "56" and insert "404"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 203, and agree to the same with an amendment as follows: Insert at the beginning of the amendment the following: "SEC. 405"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 204, and agree to the same with an amendment as follows: In lieu of the section number proposed by the Senate amendment strike out the numeral "57" and insert "406"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 205, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "407"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 206, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Every corporation, joint-stock company or association, now or hereafter organized in the United States for profit and having a capital stock represented by shares, and every insurance company, now or hereafter organized under the laws of the United States, or any State or Territory of the United States, shall pay annually a special excise tax with respect to the carrying on or doing business by such corporation, joint-stock company or association, or insurance company, equivalent to 50 cents for each $1,000 of the fair value of its capital stock, and in estimating the value of capital stock the surplus and undivided profits shall be included: *Provided,* That in the case of insurance companies such deposits and reserve funds as they are required by law or contract to maintain or hold for the protection of or payment to or apportionment among policyholders shall not be included. The amount of such annual tax shall in all cases be computed on the basis of the fair average value of the capital stock for the preceding year: *Provided,* That for the purpose of this tax an exemption of $99,000 shall be allowed from the capital stock as defined in this paragraph of each corporation, joint-stock company or association, or insurance company: *And provided further,* That a corporation, joint-stock company or association, or insurance company, actually paying the tax imposed by section 301 of Title III of this act shall be entitled to a credit as against the tax imposed by this paragraph equal to the amount of the tax so actually paid: *And provided further,* That this tax shall not be imposed upon any corporation, joint-stock company or association, or insurance company not engaged in business during the preceding taxable year, or which is exempt under the provisions of section 11, Title I, of this act.

"Every corporation, joint-stock company, or association, or insurance company, now or hereafter organized for profit under the laws of any foreign country and engaged in business in the United States, shall pay annually a special excise tax with respect to the carrying on or doing business in the United States by such corporation, joint-stock company, or association, or insurance company, equivalent to 50 cents for each $1,000 of the capital actually invested in the transaction of its business in the United States: *Provided,* That in the case of insurance companies such deposits or reserve funds as they are required by law or contract to maintain or hold in the United States for the protection of or payment to or apportionment among policyholders shall not be included. The amount of such annual tax shall in all cases be computed on the basis of the average amount of capital so invested during the preceding year: *Provided,* That for the purpose of this tax an exemption from the amount of capital so invested shall be allowed equal to such proportion of $99,000 as the amount so invested bears to the total amount invested in the transaction of business in the United States or elsewhere: *Provided further,* That this exemption shall be allowed only if such corporation, joint-stock company, or association, or insurance company makes return to the Commissioner of Internal Revenue, under regulations prescribed by him, with the approval of the Secretary of the Treasury, of the amount of capital invested in the transaction of business outside the United States: *And provided further,* That a corporation, joint-stock company, or association, or insurance company, actually paying the tax imposed by section 301 of Title III of this act, shall be entitled to a credit as against the tax imposed by this paragraph equal to the amount of the tax so actually paid: *And provided further,* That this tax shall not be imposed upon any corporation, joint-stock company, or association, or insurance company not engaged in business during the preceding taxable year, or which is exempt under the provisions of section 11, Title I, of this act."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 208, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Sixth. Proprietors of theaters, museums, and concert halls, where a charge for admission is made, having a seating capacity of not more than 250, shall pay $25; having a seating capacity of more than 250 and not exceeding 500, shall pay $50; having a seating capacity exceeding 500 and not exceeding 800, shall pay $75; having a seating capacity of more than 800, shall pay $100. Every edifice used for the purpose of dramatic or operatic or other representations, plays, or performances, for admission to which entrance money is received, not including halls or armories rented or used occasionally for concerts or theatrical representations, shall be regarded as a theater: *Provided,* That in cities, towns, or villages of 5,000 inhabitants or less the amount of such payment shall be one-half of that above stated: *Provided further,* That whenever any such edifice is under lease at the passage of this act, the tax shall be paid by

the lessee, unless otherwise stipulated between the parties to said lease."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 209, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the said amendment insert the following: "except in private homes"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 210, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "408"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 211, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert a comma and the following: "including small cigars weighing not more than 3 pounds per thousand"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 213, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "409"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 214, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "410"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 215, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "411"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 216, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "412"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 217, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 413. That all internal-revenue agents and inspectors be granted leave of absence with pay, which shall not be cumulative, not to exceed 30 days in any calendar year, under such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 219, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "500"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 221, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Group I. Acenaphthene, anthracene having a purity of less than 25 per cent, benzol, carbazol having a purity of less than 25 per cent, cresol, cumol, fluorene, metacresol having a purity of less than 90 per cent, methylanthracene, methylnaphthalene, naphthalene having a solidifying point less than 79 degrees centigrade, orthocresol having a purity of less than 90 per cent, paracresol having a purity of less than 90 per cent, pyridin, quinolin, toluol, xylol, crude coal tar, pitch of coal tar, dead or creosote oil, anthracene oil, all other distillates which on being subjected to distillation yield in the portion distilling below 200 degrees centigrade a quantity of tar acids less than 5 per cent of the original distillate, and all other products that are found naturally in coal tar, whether produced or obtained from coal tar or other source, and not otherwise specially provided for in this title, shall be exempt from duty."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 222, and agree to the same with an amendment as follows: In lieu of the matter inserted by the said amendment insert:

"Group II. Amidonaphthol, amidophenol, amidosalicylic acid, anilin oil, anilin salts, anthracene having a purity of 25 per cent or more, anthraquinone, benzoic acid, benzaldehyde, benzylchloride, benzidin, binitrobenzol, binitrochlorobenzol, binitronaphthalene, binitrotoluol, carbazol having a purity of 25 per cent or more, chlorophthalic acid, cumidin, dimethylanilin, dianisidin, dioxynaphthalene, diphenylamin, metacreosol having a purity of 90 per cent or more, methylanthraquinone, metanilic acid, naphthalene having a solidifying point of 79° C. or above, naphthylamin, naphthol, naphthylenediamin, nitrobenzol, nitrotoluol, nitronaphthalene, nitranilin, nitrophenylenediamin, nitrotoluylenediamin, orthocresol having a purity of 90 per cent or more, paracresol having a purity of 90 per cent or more, phenol, phthalic acid, phthalic anhydride, phenylenediamin, phenylnaphthylamin, resorcin, salicylic acid, sulphanilic acid, toluidin, tolidin, toluylenediamin, xylidin, or any sulphoacid or sulphonacid salt of any of the foregoing, all similar products obtained, derived, or manufactured in whole or in part from the products provided for in Group I, and all distillates which on being subjected to distillation yield in the portion distilling below 200° C. a quantity of tar acids equal to more than 5 per cent of the original distillate, all the foregoing not colors, dyes, or stains, photographic chemicals, medicinals, flavors, or explosives, and not otherwise provided for in this title, and provided for in the paragraphs of the act of October 3, 1913, which are hereinafter specifically repealed by section 502, 15 per cent ad valorem."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 226, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "501"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 228, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "500"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 229, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following: "(except natural and synthetic alizarin, and dyes obtained from alizarin, anthracene, and carbazol; natural and synthetic indigo and all indigoids, whether or not obtained from indigo; and medicinals and flavors)"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 231, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "500"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 232, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "502"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 235, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"TITLE VI. PRINTING PAPER.

"SEC. 600. That paragraph 322, Schedule M, and paragraph 567 of the free list of the act entitled 'An act to reduce tariff duties and to provide revenue for the Government, and for other purposes,' approved October 3, 1913, be amended so that the same shall read as follows:

"'322. Printing paper (other than paper commercially known as handmade or machine handmade paper, japan paper, and imitation japan paper by whatever name known), unsized, sized, or glued, suitable for the printing of books and newspapers, but not for covers or bindings, not specially provided for in this section, valued above 5 cents per pound, 12 per cent ad valorem: *Provided, however*, That if any country, dependency, province, or other subdivision of government shall impose any export duty, export license fee, or other charge of any kind whatsoever (whether in the form of additional charge or license fee or otherwise) upon printing paper, wood pulp, or wood for use in the manufacture of wood pulp, there shall be imposed upon printing paper, valued above 5 cents per pound, when imported either directly or indirectly from such country, dependency, province, or other subdivision of government, an additional duty equal to the amount of the highest export duty or other export charge imposed by such country, dependency, province, or other subdivision of government, upon either printing paper or upon an amount of wood pulp, or wood for use in the manufacture of wood pulp necessary to manufacture such printing paper.

"'567. Printing paper (other than paper commercially known as handmade or machine handmade paper, japan paper, and imitation japan paper by whatever name known), unsized, sized, or glued, suitable for the printing of books and newspapers, but not for covers or bindings, not specially provided for in this section, valued at not above 5 cents per pound, decalcomania paper not printed.'"

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 237, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "700"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 240, and agree to the same with an

amendment as follows: In lieu of the matter inserted by said amendment insert "701"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 242, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "702"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 245, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "703"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 246, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "704"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 248, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "705"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 249, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "706"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 250, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "707"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 251, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "708"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 253, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "709"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 256, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "800"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 257, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "801"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 262, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "802"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 263, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert: "*Provided*, That the above shall not be interpreted to prevent the establishing in this country on the part of a foreign producer of an exclusive agency for the sale in the United States of the products of said foreign producer or merchant, nor to prevent such exclusive agent from agreeing not to use, purchase, or deal in the article of any other person, but this proviso shall not be construed to exempt from the provisions of this section any article imported by such exclusive agent if such agent is required by the foreign producer or if it is agreed between such agent and such foreign producer that any agreement, understanding, or condition set out in this section shall be imposed by such agent upon the sale or other disposition of such article to any person in the United States"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 264, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "803," and on page 100 of the bill, line 15, strike out the words "six hundred and two" and insert in lieu thereof the words "eight hundred and two"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 265, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 804. That whenever any country, dependency, or colony shall prohibit the importation of any article the product of the soil or industry of the United States and not injurious to health or morals, the President shall have power to prohibit, during the period such prohibition is in force, the importation into the United States of similar articles, or in case the United States does not import similar articles from that country, then other articles, the products of such country, dependency, or colony.

"And the Secretary of the Treasury, with the approval of the President, shall make such rules and regulations as are necessary for the execution of the provisions of this section."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 266, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 805. That whenever during the existence of a war in which the United States is not engaged the President shall be satisfied that there is reasonable ground to believe that under the laws, regulations, or practices of any country, colony, or dependency contrary to the law and practice of nations, the importation into their own or any other country, dependency, or colony of any article the product of the soil or industry of the United States and not injurious to health or morals is prevented or restricted the President is authorized and empowered to prohibit or restrict, during the period such prohibition or restriction is in force, the importation into the United States of similar or other articles, products of such country, dependency, or colony as in his opinion the public interest may require; and in such case he shall make proclamation stating the article or articles which are prohibited from importation into the United States; and any person or persons who shall import, or attempt or conspire to import, or be concerned in importing, such article or articles into the United States contrary to the prohibition in such proclamation, shall be liable to a fine of not less than $2,000 nor more than $50,000, or to imprisonment not to exceed two years, or both, in the discretion of the court. The President may change, modify, revoke, or renew such proclamation in his discretion."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate No. 267, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 806. That whenever, during the existence of a war in which the United States is not engaged, the President shall be satisfied that there is reasonable ground to believe that any vessel, American or foreign, is, on account of the laws, regulations, or practices of a belligerent Government, making or giving any undue or unreasonable preference or advantage in any respect whatsoever to any particular person, company, firm, or corporation, or any particular description of traffic in the United States or its possessions or to any citizens of the United States residing in neutral countries abroad, or is subjecting any particular person, company, firm, or corporation or any particular description of traffic in the United States or its possessions, or any citizens of the United States residing in neutral countries abroad to any undue or unreasonable prejudice, disadvantage, injury, or discrimination in regard to accepting, receiving, transporting, or delivering, or refusing to accept, receive, transfer, or deliver any cargo, freight or passengers, or in any other respect whatsoever, he is hereby authorized and empowered to direct the detention of such vessels by withholding clearance or by formal notice forbidding departure, and to revoke, modify, or renew any such direction.

"That whenever, during the existence of a war in which the United States is not engaged, the President shall be satisfied that there is reasonable ground to believe that under the laws, regulations, or practices of any belligerent country or government, American ships or American citizens are not accorded any of the facilities of commerce which the vessels or citizens of that belligerent country enjoy in the United States or its possessions, or are not accorded by such belligerent equal privileges or facilities of trade with vessels or citizens of any nationality other than that of such belligerent, the President is hereby authorized and empowered to withhold clearance from one or more vessels of such belligerent country until such belligerent shall restore to such American vessels and American citizens reciprocal liberty of commerce and equal facilities of trade; or the President may direct that similar privileges and facilities, if any, enjoyed by vessels or citizens of such belligerent in the United States or its possessions be refused to vessels or citizens of such belligerent; and in such case he shall make proclamation of his direction, stating the facilities and privileges which shall be refused, and the belligerent to whose vessels or citizens they are to be refused, and thereafter the furnishing of such prohibited privileges and facilities to any vessel or citizen of the belligerent named in such proclamation shall be unlawful; and he may change, modify, revoke, or renew such proclamation; and any person or persons who shall furnish or

attempt or conspire to furnish or be concerned in furnishing or in the concealment of furnishing facilities or privileges to ships or persons contrary to the prohibition in such proclamation shall be liable to a fine of not less than $2,000 nor more than $50,000 or to imprisonment not to exceed two years, or both, in the discretion of the court.

"In case any vessel which is detained by virtue of this act shall depart or attempt to depart from the jurisdiction of the United States without clearance or other lawful authority, the owner or master or person or persons having charge or command of such vessel shall be severally liable to a fine of not less than $2,000 nor more than $10,000, or to imprisonment not to exceed two years, or both, and in addition such vessel shall be forfeited to the United States.

"That the President of the United States is hereby authorized and empowered to employ such part of the land or naval forces of the United States as shall be necessary to carry out the purposes of this act."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 270, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "IX"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 271, and agree to the same with an amendment as follows: In lieu of the matter proposed by Senate amendment insert "900"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 272, and agree to the same with an amendment as follows: In lieu of the section number proposed by said amendment strike out "107" and insert "901"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 273, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following:

"SEC. 902. That unless otherwise herein specially provided, this act shall take effect on the day following its passage, and all provisions of any act or acts inconsistent with the provisions of this act are hereby repealed."

F. M. SIMMONS,
HOKE SMITH,
JOHN SHARP WILLIAMS,
WILLIAM HUGHES,
Managers on the part of the Senate.

CLAUDE KITCHIN,
HENRY T. RAINEY,
LINCOLN DIXON,
CORDELL HULL,
Managers on the part of the House.

Mr. SIMMONS. I move that the Senate proceed to the consideration of the conference report.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The question is on agreeing to the conference report.

Mr. PENROSE. Mr. President, I merely want to make a statement in a few words regarding the position of the minority.

The minority conferees were not invited into the deliberations of the majority members of the conference, and therefore did not participate in any way in the discussions concerning the adjustment of differences between the two Houses on this measure. Therefore the minority conferees have not signed the report. The bill is distinctly a measure for which the majority must take the responsibility before the American people.

As a record vote has been taken already upon the final passage of this bill, and as I am informed that the matters adjusted in the conference are not of a radical nature, I do not intend to detain the Senate by asking for a yea-and-nay vote upon the conference report. I will content myself with a statement of the position of the minority and with a reference to the fact that the minority is already on record on the revenue measure.

Mr. CHAMBERLAIN. Mr. President, I should like to ask the chairman of the committee if section 105, Title IX, of the bill as reported by the committee to the Senate was eliminated in the conference? I refer to the amendment offered by me having reference to the shipment of halibut into the United States through any foreign country.

Mr. SIMMONS. To what page is the Senator referring?

Mr. CHAMBERLAIN. Page 154 of the bill referred to.

Mr. SIMMONS. I will state to the Senator from Oregon that very reluctantly, after much discussion, the Senate conferees were forced to recede on that.

Mr. CHAMBERLAIN. Mr. President, I took very little time, and in fact no time, in the discussion of this bill when it was up for consideration before the Senate; but I desire to enter my very vigorous protest against the elimination of section 105 from this bill. I feel a good deal as the Senator from Alabama [Mr. UNDERWOOD] did the other evening, Mr. President, when he opposed the Tariff Commission provision which is contained in this bill, that no matter what I may say in reference to the provision now under consideration, it will not have the effect of inducing the Senate or the Congress to change its position with respect thereto. That provision is as follows:

That from and after 90 days after the passage of this act no fresh or frozen halibut or salmon from the north Pacific Ocean or its tributary waters shall be admitted into the United States through any foreign country, except when the same shall be in bond from an American port.

The elimination of that provision, Mr. President, was and is a disgraceful and a humiliating surrender to the demands of the Canadian Government of a most valuable American industry and American interest. I do not charge that the Senate conferees could have maintained this section in the bill if they had continued their efforts to retain it there. I am willing to concede that they did all in their power to keep it there. But, however that may be, Mr. President, it is an absolute surrender upon the part of the American Congress to the demands and threats of the Canadian Government.

We have spent $35,000,000, or propose to spend $35,000,000, in the development of Alaska by the construction of a railroad into that magnificent undeveloped Territory of the United States; and here, at the very first opportunity open to Congress to assist in building up the greatest industry in Alaska, it surrenders to the demands, or possibly the threats of a foreign Government and strikes it down. There is absolutely too much Toryism in the Congress of the United States, both in the House and in the Senate; and I, for one, propose to voice my protest against surrendering what I conceive to be one of the greatest interests in the Northwest and one of the greatest possibilities for this country.

Mr. President, I am speaking by the book when I say that this surrender has been consummated by and through the demand or threats of retaliatory legislation on the part of the Canadian Government or its officials. Talk about a lobby, Mr. President, and about driving lobbies from the Congress of the United States when distinguished gentlemen—representatives, I assume, of the Canadian Government, Sir Joseph Pope, who, I believe, occupies the position of undersecretary of external affairs, and another distinguished member of the Canadian Government, Mr. Found, superintendent of fisheries of that Government—while they may not have attempted directly to influence Congress, have been beseiging the officials of the Government in this country in order to discourage this legislation, and that without protest of any kind from Congress or elsewhere. Only this afternoon a little paper called the Bulletin, which is published here in the city, and which gives the current news and gossip of the Capital City, had this to say:

Sir Joseph Pope, Canadian minister of external affairs, much disgruntled, arranged to leave Washington to-day without any assurances from Secretary Lansing that the administration would alter its stand as embodied in the Chamberlain bill, aimed to counteract attempted British control of the Alaska fishery industry.

Be it said to the credit of the administration, Mr. President, that the Secretary of State, Mr. Lansing; the Secretary of Commerce, Mr. Redfield; and the Secretary of the Treasury, Mr. McAdoo, each and all of them said that there was nothing objectionable in this legislation, and each and all of them, in effect, recommended its enactment and in the very language that has been embodied in this bill, because when the matter was taken up with them a bill couched in the language of this amendment was submitted to these several distinguished heads of the Government of the United States and they knew what was in it. Yet, notwithstanding the fact that this measure has had the approval of those who understand the situation, we find the conferees of the Senate and House, in the face of the recommendation of these distinguished officials, eliminating from the bill a provision which had for its sole purpose the protection of a great American industry in the Northwest.

To show to you, Mr. President, that what I say is absolutely true, and that this measure had the qualified, if not the express, approval of the distinguished officers of the Government to whom I have called attention, I am going even at this late hour and at the expense of tiring an already tired Congress to quote the language of these gentlemen. In a letter under date of May 6, 1916, written by Mr. Redfield, Secretary of Commerce, to the President of the United States, he says:

I beg respectfully to inclose original report of the Commissioner of Fisheries to me on the conditions which threaten serious economic loss, if not disaster, to the important town of Ketchikan in southeastern Alaska. A copy of this has been submitted to the Department of State, who advise under date of May 1 as follows:

"As you probably already know, there is no legal objection to the proposed legislation. There is a question of policy involved, and as to that it would seem that the Treasury Department had better be consulted. As far as this department is concerned, I can see no objection to the proposed legislation."

It was then referred to the Treasury Department, and here is what Mr. McAdoo said about it:

"I have received your letter of May 3, inclosing a memorandum from the Commissioner of Fisheries to you, dated March 30, 1916, in regard to the effect of the order in council of the Canadian Government of March 9, 1915, relaxing restrictions previously in effect in respect to the landing of and transshipping of fresh fish by American vessels at Canadian-Pacific coast ports on the industries of Ketchikan and other towns in the United States, and asking if the enactment of a proposed law as follows would be objectionable from the viewpoint of this department.

Mr. President, I ask for order in the Senate. I am going to finish this if it takes all night.

The PRESIDING OFFICER (Mr. JAMES in the chair). The Senate will be in order.

Mr. CHAMBERLAIN. No one dislikes any more than I do to trespass upon the time of the Senate, but I propose to get in the RECORD my views on this subject if it takes all night, because, not only is it a matter of very great importance to the United States, Mr. President, but it is a matter of still greater importance to the people of my section of the country.

The Secretary of the Treasury had before him this very provision, and here is what he said about it:

This is a matter which does not affect the revenues of the Government and I can see nothing objectionable in the proposed legislation.

The Secretary of Commerce, Mr. Redfield, then proceeds in his letter to the President to say:

I beg respectfully to ask that the report of the Commissioner of Fisheries, with copy of this letter which is sent for that purpose in duplicate, may be transmitted to the chairman of the Committee on Ways and Means of the House of Representatives for incorporation, if possible, in the proposed revenue bill. If, however, this matter should in your judgment be treated otherwise, I shall be glad to be advised and will follow your wishes.

Let me add to what the Commissioner of Fisheries has stated that the subject has been discussed between the counselor for the State Department, Mr. Frank L. Polk, the British ambassador, and myself, and I have also taken it up briefly with the deputy minister of fisheries of the Canadian Government at a recent call upon me.

Mr. H. C. Strong, of Ketchikan, advises me that the Grand Trunk Pacific Railway has informed him that they would take steps to put Ketchikan on a satisfactory basis as regards Prince Rupert if and when they were forced to do so. This would mean running a ferry steamer three times a week at present for the 90 miles from Ketchikan to Prince Rupert. They are not now doing so, however, with the result that by reason of the specially tempting privileges extended to fisherman at Prince Rupert the commercial existence of the port of Ketchikan is seriously threatened. I have tried to make clear through the British ambassador the unwisdom on the part of the railroad authorities of antagonizing our Alaskan interests, to whom they must inevitably look in the future for a considerable part of their business, but they show no sign of action.

This letter of Mr. Redfield to the President of the United States, inclosing the letter from Mr. H. M. Smith, of the Bureau of Fisheries, was sent by the President of the United States to Hon. CLAUDE KITCHIN, chairman of the Ways and Means Committee of the House of Representatives. While it would not probably be correct to say that the President approved it, he did not disapprove it, because his letter of transmission simply said, in effect, that he submitted it to Mr. KITCHIN for his very earnest consideration.

The letter of the Commissioner of Fisheries discloses exactly the condition of this great industry in the Northwest, describes its genesis and its gradual evolution in the Territory of Alaska and in the Northwest, and then shows in express terms how that industry has been and is being destroyed. How? Not by any act of Parliament of the Canadian Government but by orders in council, pursuing the same course in Canada that the British Government pursues in England and on the high seas for the purpose of destroying not only the commerce of our own country but the commerce of any other neutral country that it sees fit to destroy.

The letter of Mr. H. M. Smith, Commissioner of Fisheries, is so illuminating and states the facts so concisely that I can not resist the temptation to read the same into this address as a part thereof, and it is as follows:

DEPARTMENT OF COMMERCE,
OFFICE OF THE SECRETARY,
Washington, March 30, 1916.

THE SECRETARY OF COMMERCE:

In compliance with the instructions in your letter of the 15th instant to prepare a report, for consideration, if necessary, by committees of Congress, upon the halibut fishery of the Pacific coast, particularly in respect to conditions which have developed within the last year or two in the way of diverting the industry from American ports to Prince Rupert, British Columbia, it seems not inappropriate to review briefly a few of the more important historical facts and submit a statement of the methods pursued in regard to the halibut fishery of the Pacific coast.

From the records it appears that beginning about 1888 there was some desultory halibut fishing, chiefly on banks which were beginning to become known in the vicinity of Cape Flattery, on the northern coast of Washington, and extending from there northward, most of the fish being landed at Seattle and Tacoma. It was not until 1894 that the industry assumed any noteworthy commercial importance. From that time until the present its growth has been such that now approximately 95 per cent of the halibut consumed in the United States comes from the Pacific coast, where the catch amounts to more than 65,000,000 pounds a year. Only a small part of the output has come from waters south of Cape Flattery, although in recent years increased attention has been given to grounds lying off the Oregon and Washington coast, and considerable quantities of fish have there been taken. The more important banks, however, are to the northward, and now the larger proportion of the entire catch is from the banks off the coast of Alaska. It is the Alaskan banks to which attention is now chiefly directed, for it is believed that upon these banks there exists the greatest supply of halibut known to the world.

METHODS.

In describing briefly the methods pursued in the Pacific halibut fishery it may be noted that halibut are caught on hooks attached to long lines or trawls and baited with herring. The lines are set from dories operated from steamers or power schooners of commodious and seaworthy capacity, so as to enable the vessels to weather gales while out on the fishing banks. There are now upward of 150 American vessels thus engaged. Halibut fishing is generally conducted in water of from 40 to 100 fathoms in depth, although halibut are sometimes taken at a depth of 250 fathoms. The steamers are generally equipped with 12 to 14 dories, while the power schooners, as a rule, carry from 4 to 8 dories. Each dory is manned by two fishermen. The fishermen on steam vessels usually receive 1¼ cents a pound for the halibut caught, clear of all expense of operation, board, etc. As a rule, in schooner operations the vessel takes one-fifth of the gross catch, while from the remaining four-fifths there is deducted all cost for fuel, stores, supplies, and other items, and the remainder is then divided equally among the crew. Sometimes the captain receives in addition a small commission.

A modification of dory fishing has been adopted recently to a rather limited degree. It consists of setting the trawl lines directly from the deck of the vessel and hauling them in by means of a power winch. This enables vessels to operate when the weather is too stormy to permit of dory fishing.

CENTERS OF INDUSTRY.

The halibut industry of the Pacific coast has always centered at Seattle, Wash. The greater portion of the catch has been brought to Seattle by the fishing fleet, but there have been approximately 14,000,000 pounds per annum discharged at Alaska ports, and there iced, boxed, and shipped to dealers in Seattle; but the unsatisfactory steamer service and the disadvantages arising from the inability of the fishermen to deal in person with the buyers have made this practice unpopular. The price in the year 1915 has varied from about 12½ cents per pound in winter to 2½ cents per pound in the late spring, when the catches have been heaviest, the average for the year being about 5½ cents a pound. This is the price received by the independent fishermen for halibut as delivered at the docks in Seattle, and is for first-grade fish in good condition. The average weight of the best grade of halibut is about 30 pounds per fish. The so-called chicken halibut, those running usually about 10 to 15 pounds in weight, and the larger halibut, weighing from 50 to 100 pounds or more, are not regarded with as much favor as those averaging about 30 pounds.

The cold-storage plants at Juneau, Sitka, Wrangell, and Ketchikan receive some fish throughout most of the year, but it is chiefly when halibut are plentiful that most of the freezing is done. The largest of these plants is that of the New England Fish Co. at Ketchikan. This establishment was completed in 1909 and was enlarged three years later, so that at present it has a storage capacity of approximately 4,000,000 pounds of frozen halibut and represents an investment of about $300,000. The other plants referred to are smaller and depend upon independent fishermen for receipts of halibut, whereas the New England Fish Co. operates vessels on its own account.

At Seattle and Tacoma there are five cold-storage establishments where halibut are handled, and in addition there are several buyers who receive the fish as landed by the fishing vessels. At certain seasons of the year the fish are frozen and stored, but at other times they are iced for immediate shipment, the chief distributing centers being Boston and New York. In the winter months when the arrivals of fresh fish are comparatively limited—so small in fact at times that it is only the local demand or requirements of the western States that can be supplied—the shipments of frozen halibut are made to the eastern markets.

For many years halibut have been landed at Tacoma, Wash., though in nothing like the quantity landed at Seattle, and also in a less degree at Grays Harbor and Everett, Wash., and Stevenson, Hayesport, and Vancouver, British Columbia.

The foregoing is an outline of the halibut fishery of the Pacific coast as it existed up to a year or two ago, when Prince Rupert, British Columbia, came to the fore and now bids fair to become the chief center of the industry, unless early steps of a definite character are taken to retain it in American ports.

ENTRY OF PRINCE RUPERT AS HALIBUT CENTER.

It is understood that dominant Canadian interests for a number of years had been carrying out a logically conceived policy to make Prince Rupert one of the chief fishery centers of the Pacific coast. This carefully arranged plan had its culmination in the completion of the Grand Trunk Pacific Railway, followed by the order in council of March 9, 1915. It is reported that the Canadian Government subsidized the Grand Trunk Pacific Railway and in addition gave a subsidy for the construction of a fish-freezing establishment at Prince Rupert, which is said to be the largest of its kind on the Pacific coast.

With the completion of the Grand Trunk Pacific Railway through to Prince Rupert, British Columbia, the halibut situation became acute. Since that time an active campaign has been waged between the American cities on the one hand and Prince Rupert and, to a less degree, Vancouver on the other hand for control of the industry. The seriousness of the situation as seen from the American point of view may be recognized from the fact that during the year 1914 American fishing vessels landed no fish at Prince Rupert, but from March, 1915, to the end of the year American vessels landed more than 7,000,000 pounds of halibut at that port and Canadian vessels 8,000,000 pounds. It is reported that 80 per cent of the Canadian-caught fish were shipped to American markets.

This active entry of Prince Rupert into the field for the trade in American as well as Canadian caught halibut was made possible

through a Dominion order in council on March 9, 1915, relaxing restrictions previously in effect in respect to the landing and transshipping of fresh fish by American vessels at Canadian Pacific coast ports. This order was as follows:

"During the present calendar year (1915) foreigners or foreign corporations bringing fresh fish in vessels registered in the United States of America to any port in British Columbia shall be permitted to land such fresh fish at such port without payment of duties and transship the same in bond to any port in the United States, or to sell such fish in bond to such local dealers or dealer as may be properly and duly licensed therefor, under the regulations and conditions in compliance with the bonding requirements (without the right, however, in either instance, to sell in Canada for consumption therein, or otherwise except in bond, any of such fresh fish so landed); and such foreigners and foreign corporations bringing fresh fish in vessels registered in the United States of America to any port in British Columbia, shall be permitted to purchase supplies and ship crews for such vessels at any port in the said Province of British Columbia, the whole under such regulations and conditions as the minister of customs may determine."

The chief feature of this order is that it altered Canadian regulations to such an extent as to make it possible for Canada to receive the benefits of the American fishing industry, and yet it does not benefit American trade, as the fish so landed by American vessels are prohibited from going into consumption in Canada.

Although Seattle has felt to a certain extent the new order of things, it has nevertheless, by reason of being the headquarters of the large fishing firms owning their own steamers, held a considerable volume during the year 1915; but three of these companies have announced that they will find it necessary to establish themselves at Prince Rupert in 1916 unless conditions change.

So far, Ketchikan has suffered most. Prior to the promulgation of the order in council hereinabove cited, Ketchikan enjoyed a profitable halibut fishery. In fact, it was regarded as the center of the industry in Alaska. At certain seasons of the year many cargoes of halibut were landed at Ketchikan, and there was the incidental industrial activity due to the purchase of supplies and the outfitting of the vessels as well as paying off crews. It is reported that soon after the Canadian order in council became effective the American fishermen almost entirely discontinued the landing of cargoes at Ketchikan for shipment to Seattle, finding it advantageous to accept the inducements offered at Prince Rupert where they were able to meet and do business directly with buyers for the American markets. Thus the Canadian port became their headquarters.

The present hold of Prince Rupert, by reason of its more direct transportation facilities to the halibut markets of the East and because of privileges and inducements offered to American fishermen through the order in council of March 9, 1915, is so firmly established that American fishermen and American companies handling fresh halibut have literally been forced to transfer their chief activities to Prince Rupert. American fishermen are taking up their residence there, and the United States is thus suffering the loss of a class of citizens who have done considerable toward the development of Alaska, particularly southeastern Alaska. At the same time there is the attendant loss which other lines of industry suffer as the result of the removal of these fishermen and their families to Prince Rupert.

INVESTMENT IN THE HALIBUT FISHERY.

Exact figures as to the investment in the halibut fishery of the Pacific coast are not available. Upon the basis of very careful estimates, however, the total investment in the American halibut fishery on the Pacific coast may be stated as approximately $3,500,000, which sum includes the packing and refrigerating plants, valued in excess of $1,500,000, and a fishing fleet of approximately 150 vessels worth about $2,000,000. These vessels include both large and small, varying in value from $5,000 to $100,000 each. Approximately 2,000 persons are engaged and the value to the fishermen of the American-caught fish in 1915 is estimated to be $2,500,000. The estimated investment in the Canadian halibut fishery is $1,000,000, and it gives employment to about 500 persons, the value of the product to Canadian fishermen being about $750,000. At the present time the Canadian fleet numbers about 30 vessels. Combining these estimated figures covering the American and Canadian halibut fishery, there is a total investment of $4,500,000, employment is given to 2,500 persons, and the annual value of the product to the fishermen is $3,250,000. The retail value is four times this amount.

COMPARISON OF HALIBUT CATCH OF 1914 AND 1915.

The total catch of halibut from Pacific waters landed at both American and Canadian ports was approximately 64,000,000 pounds in 1914 and 66,000,000 pounds in 1915. Less than one-fourth of these catches was made by Canadian vessels. Of the 1914 catch arrivals in British Columbia ports amounted to about 17,000,000 pounds, but in 1915 when the total production of all Pacific waters was only a little larger than the previous year the arrivals of halibut in British Columbia increased to nearly 28,000,000 pounds, an increase in receipts for British Columbia in 1915 of 11,000,000 pounds. This increase represents halibut landed by American vessels as a result of concessions made by the Canadian Government to draw the American fleet to its ports. As was obviously intended by Canada, Prince Rupert has been the chief beneficiary, for it was at that port that American fishing vessels landed more than 7,000,000 pounds of halibut in 1915 as against nothing in 1914. Vancouver also shows a notable gain in 1915, when American vessels landed about 4,000,000 pounds. These gains in trade for Canada have been at the direct expense of American ports, chiefly Ketchikan and Seattle.

FROZEN SALMON.

There is also a trade in frozen salmon that is passing from southeastern Alaska to Prince Rupert that demands consideration in order that it may be continued as an American industry. At present it is small as compared to the halibut trade, but it may be developed considerably. It is estimated that it produces a quarter of a million pounds of frozen salmon annually, valued at $25,000, and gives partial employment for two or three months in the year to about 1,000 persons, whose catch, however, is chiefly used for mild curing. Most of the salmon frozen are caught in waters contiguous to the Alaskan coast, and the trade rightfully belongs to Alaska.

GENERAL RATHER THAN LOCAL INJURY TO AMERICAN INTERESTS.

The opening of the Grand Trunk Pacific Railway to Prince Rupert, which prompted the order in council of March 9, 1915, has in reality been the all-important cause back of this loss of American trade, and as its effect is felt both at Ketchikan and Seattle as well as other less important American ports, the injury may with propriety be regarded as of a general character rather than of a local nature. It is not only the American fishing industry which is harmed, but there are extensive collateral interests represented by firms engaged in outfitting and supplying the fishing fleets with ice, bait, foodstuffs, fishing gear, and distillate, the trade in which is lost to the United States when vessels land their catch at Canadian ports. It is estimated that the loss of such collateral trade to America in 1915 amounted to $500,000. Unless conditions are changed speedily, this diversion will increase rapidly. Already one large Seattle firm, whose chief business has been the outfitting of halibut vessels, has been forced to establish a branch at Prince Rupert. Two large American corporations operating cold-storage plants at Seattle have recently stated in communications that the Bureau of Fisheries has seen that unless prompt action is taken to relieve the existing condition it will be necessary for them to build plants and make other heavy investments at Prince Rupert. These companies have clearly indicated that they do not care to enter this field, preferring to make their northern investments in Alaska, but that they will be forced to do so in order to retain their share of the business unless the situation changes.

Another serious phase of the situation is the fact that America is losing a valuable citizenry in those who will move to Canada and in the course of a few years will be assimilated completely by that country. Thus the diversion of Pacific halibut trade through Canadian ports means not only a pecuniary loss to American interests, but also the loss of good citizens and their families, who will eventually become alienated from the United States. There may be stout denials of this alienation, but the insidious workings of time and environment will unquestionably produce this result.

SUGGESTED REMEDIES.

Various suggestions more or less important have been made to improve conditions affecting the Pacific coast halibut fishery, but at the present time and after full and careful consideration of the problem it is believed that the enactment of the following measure offers the best solution:

"No fresh or frozen halibut or salmon from the North Pacific Ocean or its tributary waters shall be admitted into the United States through any foreign country except when the same is in bond from an American port."

This measure seems simple in its terms and easy of application, and its adoption is believed to be an efficient means of reserving the halibut fishery to American cities on the Pacific coast and at the same time will not admit readily of retaliatory measures or acts of reprisal by the Canadian authorities. Its effect on the fishermen will simply be that the fish they now land at Canadian ports will be landed chiefly at Ketchikan where they will have market facilities equaling those now at Prince Rupert, and they will save the 90-mile trip to the Canadian port. It will necessitate the inauguration by the Grand Trunk Pacific Railway of a ferry service suitable for the transportation of fish from Ketchikan, where the shipments would be accepted in bond for our eastern markets. The Grand Trunk Pacific Railway will, if the measure hereinabove suggested is adopted, undoubtedly grant such facilities, as it needs the business of southeast Alaska. Prince Rupert is bound to benefit by the shipment of halibut even though originally landed at Ketchikan, but over and above this the fact stands forth plainly that the Grand Trunk Pacific Railway undoubtedly needs this business as halibut is the road's most profitable factor in the eastbound freight.

It is not deemed expedient that the United States Government should adopt measures which will mean that fresh Alaskan halibut can not or will not be shipped to eastern markets over the Canadian railroads, but it is believed that such fish should go in bond from an American port. The Grand Trunk Pacific Railway is undoubtedly a shorter line to the East, probably saving at least 48 hours between Alaska and the chief distributing centers for halibut, Boston and New York. Any means which will permit of more prompt delivery of a perishable food product is of advantage to the consumer. This situation, however, only slightly affects halibut shipped to Seattle; and, as a matter of fact, according to the present schedule halibut can be laid down in Chicago more quickly from Seattle than from Prince Rupert, but shipments to Boston and New York can be made from Alaska more quickly through Prince Rupert than by way of steamer to Seattle and thence over an American railroad.

Under present regulations American fishing vessels are barred from discharging fish at Canadian ports for consumption in Canada, but Canadian vessels have the privilege of selling their catch in the United States in addition to selling in Canada. In other words, Canada discriminates against American vessels, but the United States does not place similar restrictions upon the sale of fish caught by Canadian vessels. This means that Americans are forced to add vessels of Canadian registry to their fleets if they want to participate in the Canadian trade, and without effective legislation the tendency will be to increase the Canadian fleet at American expense.

The American shipping laws require that if a foreign fishing vessel enters a port in the United States and discharges its cargo it can not clear for the fishing banks and return with its catch to an American port. Instead the vessel after landing its catch must clear for its home port. After entering there it may proceed to the fishing banks and again land its cargo at an American port. The measure herein suggested, that no fresh or frozen fish from the North Pacific shall be admitted into the United States through any foreign country except when the same is in bond from an American port, would not work a hardship upon Canadian vessels as, after discharging their catch, they can easily enter a Canadian port before returning to the fishing grounds.

So far as this office is aware no practicable plan has yet been suggested whereby the bureau, the town of Ketchikan, or the Territory of Alaska, can take any action that will be helpful. The only solution seems to be congressional action, and the best remedy that has yet been developed for consideration by Congress is the passage of a law worded as hereinabove suggested. It is not thought that this measure is open to international complications, the only possibility along this line being an attempt on the part of Canada to modify the present reciprocal relations in respect to the bonding of goods in transit through the respective countries, which is not at all probable. Such an act on the part of Canada, would not only deprive her railroads of revenue, but equally inconvenience her own people.

H. M. SMITH, *Commissioner.*

Mr. President, I listened a while ago to a speech in the House of Representatives by a very distinguished Member, expressing the opinion that the world will look upon this measure as retaliatory legislation, notwithstanding the fact that our commerce has practically been swept off the seas by the greatest naval power on the globe. Even if it be so looked upon, it

would be justified in the eyes of most men. But it is not retaliatory legislation. It is justified by the action of the Canadian Government.

Let us see what has been the course of that Government which has resulted in destroying a growing and a thriving industry in Ketchikan and other points in Alaska, as well as in other of our northwestern ports.

Here is the order in council, and I want the Members of the Senate to consider it carefully in connection with the language of the section of the act under consideration as it was adopted by the Senate. It is almost identical with the language in the Senate bill. And yet, notwithstanding the fact that Canada more than a year and a half ago adopted a policy such as we, for corrective purposes, are attempting to adopt, in order to promote Canadian interests and for the purpose of destroying an American industry and turning it over to the Grand Trunk Pacific Railway for exploitation, they now come here and through their representatives claim that we are indulging in a species of retaliatory legislation that may prove disastrous to the United States.

Mr. President, if it is to prove disastrous to the commerce of the United States for Congress to take steps for the protection of that commerce and to meet the orders made in council by the Canadian Government, then I say let retaliation come. It would be a fitting supplement and climax to what these orders in council have done to destroy the American fishing industry of the Northwest. The duty of Congress is plain, and there should not be now or at any time a shrinking from that duty.

Now, let us see what that order in council was, Mr. President. Mind you, the good people of the little town of Ketchikan, in Alaska, which was growing and thriving, had invested $300,000 in a refrigerating plant for the pufpose of carrying on this same business. Juneau, Sitka, and Wrangell had expended large sums of money for the purpose of putting in plants to handle this very industry. Seattle, Tacoma, and other western towns had done the same thing, and they were building up a splendid and thriving business in the fishing industry. In order to destroy that by transferring it to Prince Rupert, here is what the Canadian Government did by order in council:

During the present calendar year (1915) foreigners or foreign corporations bringing fresh fish in vessels registered in the United States of America to any port in British Columbia shall be permitted to land such fresh fish at such ports without payment of duties and transship the same in bond to any port in the United States, or to sell such fish in bond to such local dealers or dealer as may be properly and duly licensed therefor, under the regulations and conditions in compliance with the bonding requirements—

Now note—

(without the right, however, in either instance, to sell in Canada for consumption therein, or otherwise except in bond, any of such fresh fish so landed); and such foreigners and foreign corporations bringing fresh fish in vessels registered in the United States of America to any port in British Columbia shall be permitted to purchase supplies and ship crews for such vessels at any port in the said Province of British Columbia, the whole under such regulations and conditions as the minister of customs may determine.

Mr. President, that was the order in council adopted in March, 1915, and on the very face of it discriminations against America are disclosed as well as the purposes of the Canadian Government.

Mr. H. C. Strong, of Ketchikan, whose name is mentioned in the letter of the Secretary of Commerce, whom I have met and who impresses me as being an honorable, intelligent, and patriotic citizen of Alaska, addressed me a letter on the subject of the discriminations practiced by Canadians at their ports against the American Pacific fishing fleet. I can not vouch for the accuracy of the statements he makes to me, but I have reason to believe that they are true. He says, amongst other things:

Through order in council, they have authority to, by regulation, meet practically every situation found necessary to protect Canadian vessels and interests, which they are using in various ways to handicap American interests in favor of Canadian.

First, the fish of an American vessel discharged at a Canadian port is absolutely barred from the Canadian market. It can not go into consumption in Canada, even upon the payment of duty.

Various trade regulations discriminate. With an American vessel at their port in need of ice, bait, or other supplies they demand a declaration from the master of the American vessel that he will return to the Canadian port with his next catch of fish, to be shipped from there to the American market.

On the other hand, when one of our vessels has discharged her fish at a Canadian port, and might be inclined to proceed to an American port for supplies, her master is given to understand that their business relations will be more cordial, and that it will be to his interest to disburse the vessel receipts, buy her supplies, etc., at their port.

Early during the present summer a regulation was made putting into effect a most contemptible discrimination. The order provided that all fish discharged by an American vessel must move from the Canadian port by rail. This regulation actually placed a value on fish caught by Canadian vessels at the port of discharge of from 25 per cent to 33⅓ per cent, or approximately 2 cents per pound more than the fish of equal quality caught in the same waters under the same conditions and discharged the same day by American vessels at the same port. This order prevented the grading of American fish by denying the privilege of shipping same by coasting vessels to American ports the fish needed to supply the demand in our Pacific, Mountain, and far Western States, also the disposition of that portion of the fish not suitable for the transcontinental shipment to our Eastern States.

Fish caught by Canadian vessels have free access to all of these markets, in addition to Canadian markets, hence the increased market value on the product of her vessels.

In the opinion of Mr. Strong the situation complained of by him, and by the chambers of commerce of the Northwest as well, can be cured by the provision contained in the amendment on the subject passed by the Senate and which was eliminated in conference. On this subject he says in his letter referred to:

The legislation proposed will do all of the above, besides being an economic advantage and at the same time save to our Nation a most valuable resource and one which will develop and engage thousands of hardy seamen, of which there is no class of citizenship that our country more greatly needs. These men should be kept under the American flag, and there is no class better suited for the settlement and development of the coast of Alaska, which would be the natural result of the proposed bill.

I want to cite an incident which should impress upon you the necessity of the passage of this bill at the earliest possible date.

Two years ago the attention of official Washington was brought to the anticipated serious effect which would be had upon our Pacific fishing and commercial interests by the opening of the new Canadian port.

Over 18 months ago a delegation composed of some of the best business men from the State of Washington and Alaska cities came to Washington for the purpose of securing regulations or legislation which would have prevented the conditions which followed. The committee returned to the Pacific coast completely discouraged.

One member in particular of this committee, whose business had been confined to the Pacific fishing fleet, realized that the opening of rail transportation to a point 600 miles north of Seattle would be the means of centering this great industry in southern Alaska, providing they could secure the assistance of our Federal Government; otherwise the industry would be centered on the Canadian side at the new Canadian port of Prince Rupert.

The gentleman referred to had investigated conditions and the Alaska side and had arranged for a business location, but upon his return from Washington he was convinced that he must establish himself at Prince Rupert or lose the business which he had controlled.

This he has done, investing at the Canadian port a sum which to him is large.

The bill which is now before you will have a serious effect upon the interests of this man at Prince Rupert, which he had been forced to make through the lack of our Government in appreciating the serious situation, yet he is too good an American citizen to protest against the legislation we are now seeking.

At the present time there are hundreds of thousands of dollars invested by Americans in Canada affected the same as the case illustrated, yet we do not know of a single protest originating from these people.

If Congress will not give us immediate relief we shall within a short time find American capital to the extent of millions instead of hundreds of thousands invested in Canada and Canadian vessels, going to the up building of Canada; thus to save additional embarrassment to these people we should have immediate action.

I wish to call to your attention the fact that this is not increasing business opportunities for Americans but is actually taking a vast amount of business and some of our best citizenship from the United States to a foreign port, where they are obliged to submit to discriminations against the United States.

The Commissioner of Fisheries, Mr. President, in his letter which I have embodied in my remarks, discusses the whole subject, and his letter shows that the injury to American interests is general, rather than local, although these halibut fisheries are off the banks of Alaska and in the waters of the north Pacific. He suggests certain remedies, and the most forceful remedy that he suggests is the amendment which was embodied in this bill, and which the conferees have abandoned.

Now, the excuse is made, Mr. President, that, if the Senate conferees had insisted upon this amendment, the absence of a quorum would have been suggested in the House of Representatives, and possibly in the Senate. Mr. President, for one, I am tired of hearing these threats made. If, as a matter of fact, there was not or is not a quorum in the House of Representatives, and if, as a matter of fact, there is no quorum in the Senate when this and other important matters are under consideration or are to be considered, there ought to be a quorum. Here is a bill proposing to raise revenue of one hundred or more million dollars—I do not know how much, and I presume the members of the committee do not know how much it will raise—yet, while we are taxing the people of this country to that extent annually, we are surrendering an industry in the Northwest that in the course of a few years would have brought to the people of America more than that amount of money.

Sir Joseph Pope and the other distinguished gentleman who came down here from Canada, did not hesitate to try to influence the officials of our Government. Has there been a time in the history of this country when the Government of the United States sent its emissaries to Canada or to Britain or to any other foreign Government, in order to endeavor to influence legislation in those Governments? Talk about cleaning out a lobby from the Senate and House of Representatives of the United States, Mr. President, and yet cheerfully and submissively listening to a lobby that comes here from some for-

eign country undertaking to influence legislation through our heads of departments!

There is entirely too much of intermeddling with our affairs by foreign governments, and proper respect for our country demands that we call a halt to it here and now. It is getting so that the timid ones are afraid to legislate upon affairs purely local for fear such legislation may in some remote and indirect way interfere with the policies or interests of some other supersensitive country. The sooner America assumes the right to act for her own interests and for her own citizens along lines that are honest and just—and she should not act otherwise—the sooner will this pernicious intermeddling come to an end.

If in moments of haste or influenced by the impulses of the moment a law, whether State or Federal, is enacted which trenches upon the legal rights of or violates our treaties with another power, the proper way to reach such a condition is through proper representations and through established diplomatic channels.

I resent as forcibly as I can this interference on the part of the Canadian Government in our affairs, as I would resent interference from any other foreign source. Without solicitation upon my part, on the 31st of August, 1916, Mr. Lansing, Secretary of State, sent me a letter with certain indorsements. He did not mark it personal or confidential, and I hope I am not violating any confidence when I read it to the Senate, because I want the American people to know that some of their Representatives either in the Senate or in the other House may be influenced by representatives of other governments who have come here, in violation of those amenities that ought to exist between nations, for the purpose of protesting against this legislation.

The letter referred to is as follows:

DEPARTMENT OF STATE,
Washington, August 31, 1916.

MY DEAR SENATOR CHAMBERLAIN: I inclose for your information and without comment a note which I have just received from the counselor of the British Embassy inclosing a memorandum from Sir Joseph Pope, the under secretary of external affairs of Canada, in regard to section 103 of the pending revenue bill prohibiting the entry into the United States from Canada of fresh or frozen halibut or salmon caught in the Pacific Ocean, except in bond.

I also inclose for your information on the same subject a telegram which I have just received from Mr. S. C. Bone, chairman of the Alaska bureau of the Seattle Chamber of Commerce. As the condition of the American fishing industry in the Northwest is well known to Members of Congress, it is unnecessary for me to comment upon Mr. Bone's telegram.

I am, my dear Senator CHAMBERLAIN,
Very sincerely, yours, ROBERT LANSING.

The Hon. GEORGE E. CHAMBERLAIN,
United States Senate.

There was no need of comment, for the distinguished Secretary had already commented on the general subject of the proposed legislation in his letter to the Secretary of Commerce to which I have already made reference.

The memorandum inclosed, Mr. President, is dated at the British Embassy, Washington, and marked "Urgent," and is as follows:

[Urgent.] BRITISH EMBASSY,
Washington.

MY DEAR MR. SECRETARY: In accordance with the request made by you to Sir Joseph Pope during the interview, which you were good enough to accord to him this morning, I beg to transmit to you herewith a memorandum which has been prepared by Sir Joseph setting forth the views of the Canadian Government in regard to the question of the prohibition of the entrance into the United States from Canada of fresh or frozen halibut or salmon caught in the Pacific Ocean, except the same shall be shipped in bond from an American port.

Believe me, my dear Mr. Secretary,
Very sincerely, yours, COLVILLE BARCLAY.

The honorable ROBERT LANSING,
Secretary of State of the United States.

Now, let us see what Sir Joseph Pope had to say. The communication is not long, and I am going to read it. Mind you, he is the gentleman who went away disgruntled, according to a little notice I read from a paper a short time ago. He could not get the Secretary of State to recede from his position; he could not get Mr. Redfield to recede from his position; he could not get Mr. McAdoo to recede from his position; and he evidently had not been able to get the President of the United States to take a hand in his cause. There was, therefore, a very good reason why he should go away a little bit disgruntled; but here were his views, expressed in writing, before he left.

It may be I am not speaking in as diplomatic language as I ought, Mr. President, but we know that the language of diplomacy is used to conceal an idea rather than to express it; but, feeble as I am, and humble as I am, I am trying to say what I think. If I fail to make myself understood, either as to what should be our course or what that of the Canadian Government is and has been, it is my infirmity and my misfortune, and not my fault:

Memorandum expressive of the views of the Canadian Government on the measure now before Congress to prohibit the entrance into the United States from Canada of fresh or frozen halibut or salmon caught in the Pacific Ocean, except the same shall be in bond from an American port. Title IX, section 103 of the revenue bill (H. R. 16763).

The Government of Canada view with much concern the introduction of this measure as being highly detrimental to Canadian interests, and they would be glad to be informed of the causes which, in the opinion of the promoters, have rendered it necessary.

The Canadian order in council rendered it necessary. That is what made it necessary. Until that Canadian order in council was adopted Ketchikan and Washington ports were doing all the business in the Northwest. Sir Joseph Pope knew the reason. We were simply trying by the proposed amendment to protect our commerce against the action which the Canadian Government more than a year ago had taken.

From an interview which the Secretary of State was good enough to accord to the undersigned, it would appear that a principal object in view was to benefit the port of Ketchikan, which at present suffers from competition of Prince Rupert. Mr. Lansing also stated that American fishermen were not being fairly treated in respect of being denied the privilege of bonding by water from Prince Rupert to Seattle, and also in the matter of the purchase of bait.

The Canadian Government would point out that they have not been favored with any previous notice of the attitude of the United States Government upon these points, and they can not but regard it as somewhat strange that the first intimation they receive thereon should take the form of this drastic measure of nonintercourse.

Mr. President, the incorrectness of that statement must be apparent when it is remembered that for months the subject has been one of acute discussion between our own officials and the British Embassy. It can not be possible that the distinguished Sir Joseph Pope was ignorant of what was being done, too, by the Canadian Government. It can not be that he was not advised as to the purpose of that order in council which had been adopted. And the order in council was not all there was to it, because there was vested in the department of fisheries and in the customs officials the power to make further rules and regulations governing the subject. Continuing, Sir Joseph says:

The early termination of the present session of Congress and the position of the measure, appearing as it does as a rider to a revenue bill, precludes any attempt at useful discussion of its provisions and effect. The Canadian Government respectfully suggest that it be withdrawn.

In the meantime, pending an opportunity for a full examination of the points involved, they will be glad to be informed more fully of the United States Government's objections to such of their regulations governing the fishing industry on the Pacific coast as may be judged to operate harshly toward American fishermen.

JOSEPH POPE.

THE SHOREHAM HOTEL,
Washington, D. C., August 30, 1916.

The complaint, Mr. President, is against a provision practically in the language of the provision of the order in council adopted in March, 1915, by the Canadian Government. The only difference between the two was that the Canadian order in council allowed these goods to be received from American vessels in Canadian ports and transshipped in bond to American ports over the Grand Trunk Pacific, and the pending provision allowed them to be received in an American port to be shipped in bond through Canadian ports or other foreign ports. That is the only difference. They are protesting in this letter to the Secretary of State against such course on the part of Congress as they followed more than a year ago, the only difference between the two being that their action was in favor of the Canadian Government and ours is in favor of the United States. They stand firmly by their action, Mr. President, and their purposes, and the American Congress recedes at their demand and makes a most disgraceful and a most humiliating surrender.

Mr. President, the other inclosure in the letter of the Secretary of State was a telegram from Mr. Scott C. Bone, formerly editor of one of the daily papers in this city and well known here, now chairman of the Alaska bureau, Seattle Chamber of Commerce, Seattle, dated August 29, 1916, as follows:

Hon. ROBERT LANSING,
Secretary of State, Washington:

We are advised that a Canadian delegation has protested to you against the passage of section 103 of revenue bill, prescribing manner of movement of fish for American markets through a foreign country. Protest is said to maintain that route via Prince Rupert gives American consumer better fish than formerly. This has no bearing on proposed legislation which in no manner interferes with movement of fish via Prince Rupert, but merely requires vessels supplying American markets to bond such shipments from an American port when moving through Canada. The purpose of this measure is to prevent driving this purely American industry from southeastern Alaska ports to Prince Rupert where it would be under exclusive control of Canada.

SCOTT C. BONE,
Chairman Alaska Bureau, Seattle Chamber of Commerce.

Mr. President, the correct suggestion contained in the memorandum of Sir Joseph Pope to the Secretary of State, is that this Government proceed diplomatically to deal with this subject. There is not any treaty that prohibits this legislation; not at all. He suggests, however, by implication that it be taken up by diplomatic negotiations and in that way disposed of. Mr. President, I am ashamed for my country to say that the United States has never entered into any diplomatic negotiations with Great Britain nor with any other power that she did not get the worst of it. This is particularly true as regards the northwestern part of our country. Coming from the West some time ago to my place in the Senate, I traveled for several hundred miles over a magnificent territory between the degrees of latitude 49 and "54.40 or fight," if you please, which the United States surrendered to Great Britain or to Canada as the result of one of these so-called diplomatic negotiations.

It is the finest section of country on the continent to-day, where everything grows in profusion and all vegetation blooms and blossoms as the rose, and yet we gave that up in a so-called diplomatic negotiation.

It is said that Andrew Jackson, in his last illness and when death was fast approaching, expressed the fear that President Polk would not insist upon 54° 40′ as the northwestern boundary line between the United States and Canada. It was the old man's desire that the United States should insist upon 54° 40′ or fight, as declared in the Democratic platform of 1844. We did not fight. We diplomatically gave up a strip of magnificent territory between 49° and 54° 40′, and that country is a part of the British Columbia of to-day.

That is not our last diplomatic negotiation. The last was with respect to the Alaskan boundary, and there, too, the United States yielded up territory that she never should have yielded; pushed her boundary line back beyond the stakes that had been set a hundred years ago, and gave to Canada an outlet to the Pacific Ocean she never would have had but for these negotiations, and which in equity and conscience she ought not to have had.

Mr. President, if we follow out the suggestion contained in Sir Joseph Pope's letter and enter into negotiations with the British Government with reference to this subject, we will find that the United States will be in the same position that she has always occupied when she has entered into negotiations with the distinguished diplomats of that splendid country.

If it were not so late I would go into the subject much more exhaustively. My distinguished colleague from the Northwest [Mr. JONES] went into it at considerable length a few days ago, and I may have covered some part of the ground covered by him; but I have tried to do it in my own way. I do not want to trespass upon the time of the Senate any further than to enter my protest against this legislation. We have not been afraid to insert some retaliatory legislation, so called, in the bill, and some of our good friends are even afraid of that. For my part I approve and commend it, and I predict that it will prove most beneficial to our country.

Mr. OWEN. Mr. President, what is the color of the reasoning that has been urged against the position which the Senator so clearly states? I can not conceive why the Congress of the United States should yield in such a way upon such a plain question.

Mr. CHAMBERLAIN. They threaten, I believe, that if we adopt this legislation it will result in trade disagreements, and retaliatory legislation upon the part of the Canadian Government.

Mr. JONES. Mr. President——

Mr. OWEN. What if it does?

Mr. CHAMBERLAIN. It does not make any difference. They can not retaliate without injury to themselves. They have done us all the harm they can with respect to this industry by the adoption of the order in council, to which I have called attention, and the proceedings that have been had under it. All in the world that American vessels do on the Atlantic coast is to go into Canadian ports for the purpose of purchasing bait and supplies for their ships. If they want to retaliate and cut that out, all right. There is no other form of retaliation they can resort to, unless they go out and pursue with greater vigor some of the very things they are doing now in other ports of the world.

Mr. JONES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Washington?

Mr. CHAMBERLAIN. Yes.

Mr. JONES. Will the Senator yield to let me make a suggestion in answer to the question of the Senator from Oklahoma?

Mr. CHAMBERLAIN. Certainly.

Mr. JONES. I read the other day an extract from a letter I received from the Acting Secretary of State, in which he said this:

> On July 12 the department received an informal and confidential communication from the British ambassador, stating that the Canadian Government had requested him to say that the passage of House bill 15839—

That was this provision in the form of a bill—

> would affect the relations of the two countries, and might cause the Canadian Government to enact retaliatory legislation.

Mr. CHAMBERLAIN. That is the secret of it, I will say to the Senator.

Mr. OWEN. I think that is an impudent suggestion.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Illinois?

Mr. CHAMBERLAIN. I yield to the Senator.

Mr. LEWIS. May I ask a question for specific information? The subject is not a stranger to me, as the able Senator from Oregon knows. It happened to be thrown my way once.

Do I understand, from the observations of the Senator from Washington and the Senator from Oregon, that the threat or the fear is of retaliation upon the fishing industry of the Atlantic coast, and that the fear of retaliation upon the fishing industry of the Atlantic coast is such that by such fear the fishing interests of the Pacific coast are yielded?

Mr. CHAMBERLAIN. Must suffer; yes.

Mr. LEWIS. Are surrendered?

Mr. CHAMBERLAIN. Are surrendered.

Mr. LEWIS. In consideration of favors to be expected or in fear of retaliation to be apprehended upon the fishing industry on the Atlantic coast?

Mr. CHAMBERLAIN. I do not know any other reason than that very suggestion. It is the same old threat that is always made when America undertakes to assert her rights against the British Government. We do not want to get into trouble with Great Britain, nor any other country, but we do want to protect our own rights; and if in order to do it we must suffer retaliation in some other line or at some other place, why, Mr. President, let us at whatever cost make the effort to protect ourselves and let these retaliatory measures come whenever and wherever they see fit to bring them.

Why, there are some of our friends so tender-footed and so fearful of offending the majesty of Great Britain that they do not want to retain any of these so-called retaliatory provisions in this bill; and, yet, in violation of every treaty obligation, we find that Great Britain has not only been interfering with our commerce but is doing the very things that this measure is intended to relieve against; not only blacklisting our merchants but opening and censoring our mails. Only a few days ago I got a letter from a constituent of mine inclosing a letter from his good old mother in Germany, who wrote him that she had not heard from him for months, and yet he has been writing to her every week. Why? Because on the plea of military or other necessity Great Britain is invading the mails of the United States even when addressed to neutrals or neutral countries, and taking from the mail pouches private letters and every other kind, except such as may be protected not by international law—because they violate international law—but by special agreement between that country and this; not only letters but drafts and money and papers and everything else. I have letters from a prominent man in Pennsylvania who tells me that letters containing orders to his house from neutral countries are opened, the orders taken out and sent to British manufacturing establishments, and there filled; and the Government that has done these things has the impudence, as suggested by the letter addressed to the Senator from Washington, to insist that if we enact such legislation as that proposed and which we deem necessary to protect our people and our country, she will retaliate in some way. She can not retaliate any worse than she has done, Mr. President, without law, without authority, and in violation of every national and international right.

I know that there are Senators here who do not agree with me. I heard a distinguished gentleman say to-night that Great Britain was fighting our battles. If that be true, does she find it necessary, in fighting our battles, to destroy our commerce, to rifle our mail sacks, to take our money, to prevent our intercourse with neutrals, and to do everything or anything to our injury, whether sanctioned by the laws of nations or in spite of them?

I get tired of hearing this, Mr. President. Until the United States has the courage that Great Britain has always had to assert her rights and dare maintain them, the United States may expect to be imposed upon. One of my reasons for advocating

preparation for self-defense was to let the world know that from this time on the United States expected to protect her citizens and her country and her country's interests at all hazards; and the very fact that she is prepared to assert those rights when occasion requires and demands is all that it will be necessary to do. She will never have to utilize her resources for war.

Mr. President, I have said all that I intended to say, and possibly more than I ought to have said; but I want to protest against this part of the conference report, and I serve notice on the Senate now that I propose to introduce a bill at the next session of Congress embodying the provision under consideration and try to call it to the attention of the Senate, and, if necessary, to the attention of the country, and to show the country who is responsible for this base surrender of our rights to the demands of the Canadian Government. I want to protest as loudly as I can against Sir Joseph Pope or any other Canadian official or the representatives of any other foreign Government coming over here, either to the Executive Chambers or to the Department of State or to any other department of the Government, unless duly accredited, and interfering with the enactment of laws by the American Congress that the American people feel are necessary for their protection and the protection of their commerce. I think if any American citizen ever dared to enter upon such a course without an invitation, there ought to be some way found to punish him for attempting to interfere with the legislation proposed by a foreign Government in its own way and for its own purposes.

I have entered my protest against this, Mr. President. That is all I expect to do. It may fall upon deaf ears in these the closing hours of the Congress, but the time will come when a reluctant Congress will hear and hearken.

Mr. WILLIAMS. Mr. President, there is just one thing that even my friend GEORGE CHAMBERLAIN can not do. He can not create war between us and the men and the women and the children of Canada. We are too near akin to one another in blood and in language and in literature and in law and in everything else that makes men and women akin to one another for that.

The greatest crime that the world could possibly witness would be a war between the people of the United States and the people of Canada. It is unthinkable from a sane man's standpoint, no matter what happens, no matter what occurs.

Mr. President, the most sublime spectacle in the world's history is the spectacle of peace that has been kept on the Canadian and the United States border for over 3,000 miles, protected only by three war vessels, I believe, on each side. The world has been given a spectacle of brotherhood and of fraternity between us and Canada that it has never witnessed anywhere else in all this universe, and by God's blessing we are going to keep it up.

The Senator says that we assert and we dare to maintain our rights. Of course we do. So do they assert and so do they dare maintain their rights, and they are weaker than we. All the more reason why we should be considerate in our treatment of them, and by God's blessing we are going to be. We are not hunting retaliation with Canada, either from her ports or from ours. We are seeking nothing except justice in the world.

There is one more thing to be said, Mr. President. A pathway of commercial retaliation is a pathway of war. In the long run it means that. It can not mean anything else. What we want is the old Democratic standpoint of the utmost free-trade relations with everybody on the earth. The utmost they grant us we ought to grant them. That spells peace; that spells amity; that spells friendship. The opposite course spells war in the long run, and to attempt to convert these 3,000 miles of boundary between us and Canada into an area of retaliation and trade hostility is to convert it ultimately into a relationship of war.

I, for one, have been opposed to it all the time, and I am opposed to it now. I can not conceive of a greater crime than having our children kill the children of the Canadians or have their children kill our children in an absolutely useless species of hostility. If we start with trade hostilities, we will wind up with warlike hostilities.

I do not care about Canada's relationship with Great Britain. That has nothing to do with the proposition, in my opinion. I am perfectly willing to go out as my forefathers did and fight Great Britain, but I am not willing to go out and fight Canada, Canadian men and women and children, and I am not willing to be put in an attitude of trade hostility to them any more than an attitude of warlike hostility.

Mr. THOMAS. Mr. President, I shall detain the Senate but a moment.

Senate amendment numbered 110 was receded from in the conference committee. This provision is practically in the present law, but it was not in the House bill. It provides that—

> Nothing in this title shall be construed to release a taxable person from liability for income tax, and any contract hereafter entered into for payment of any interest, rent, or other fixed or determinable annual or periodical payment without allowing any deduction authorized to be made by this title or for the reimbursement of any amount so deducted shall be void.

I merely wish to say that I regret more than I can express that the conferees on the part of the Senate found it necessary to recede from this amendment. Its purpose was to prevent the shifting and passing on of the income tax to other people. The moment that principle is introduced into an income-tax law it ceases to be that kind of a law and becomes something else. I protest against it, and will do what I can at the next session of Congress to amend this measure so that the features of the present law may be reinstated.

Mr. SIMMONS. Mr. President, I think the Senator from Oregon [Mr. CHAMBERLAIN] has been somewhat unkind and unjust in his criticism of the Senate conferees in receding from the amendment which he has discussed. There were 273 amendments placed upon the bill by the Senate. All those amendments, with some slight emendations by the conferees, have been retained except 34. The conferees on the part of the Senate labored nearly three days and two nights in an earnest effort to come to an agreement with the conferees on the part of the House. There were many matters of difference in the beginning. Finally the matters in difference were worked down to about four or five propositions, and one of those four or five that were retained for final discussion, because of the Senate conferees' attitude upon them, was the amendment of the Senator from Oregon which was placed in the bill by the Senate. After considerable discussion in the early stages of our conference we found that we could not agree upon that amendment. We passed it over. According to my recollection, we returned to it again and still were unable to agree, the House conferees being firmly set against it. Finally we yielded to the House conferees. It was one of the last amendments on which we yielded.

Mr. President, the Senator from Oregon characterizes our action in yielding to the House upon this matter as a cowardly surrender of the rights of this country to a foreign country. I want to state to the Senator that the conferees on the part of the House did not put their opposition to his amendment upon the ground of any foreign protest. They did not ask that it be striken out because of any suggestion that it was unsatisfactory or unacceptable to the Canadian Government. They asked that it be stricken out upon what they claimed was the merits of the proposition. I am not stating our position about it; I am stating the position of the House conferees. They claimed that it was an effort by legislation to change a natural condition, an effort to force American fishermen to patronize an American town for the shipment of their fish when they preferred, as a matter of convenience and interest, to patronize a foreign town. That was their claim.

Mr. CHAMBERLAIN. May I interrupt the Senator just a moment?

Mr. SIMMONS. Certainly.

Mr. CHAMBERLAIN. Did they stop to think at all that the order in council was doing the same thing—making the American business men and American ships go to Canadian ports to do business in a Canadian port, not in our own?

Mr. SIMMONS. They claimed that the fishermen wanted to go there.

Now, here is the situation as they contended. I was not familiar with the merits of the proposition from their standpoint. The Senator from Oregon had in the regular way offered his amendment to the pending bill and it was referred to the Finance Committee. Before it was adopted by the committee the Senator conferred with me about it. I do not think the Senator has ever introduced a bill for this purpose. I do not think any Senator from the Pacific coast has ever introduced such a bill. The first time I heard of this proposition was through the amendments offered to this bill by the Senators from Oregon and Washington. These amendments were practically the same.

Mr. CHAMBERLAIN. I know the Senator wants to be perfectly fair about it. When the Senator said the committee had determined to put it in the bill I did not think any explanation was necessary. I thought the Senator knew all about it or he would not have put it in.

Mr. SIMMONS. I was not complaining of that. I said the Senator had not introduced a bill covering this subject, nor

had any Senator from the Pacific coast. I knew his side of the question, however, because I had heard the Senator from Washington discuss it at length in the Senate, and I discussed it to some extent with the Senator from Oregon.

The House conferees, as I understand, had considered the question of putting it into the original House bill, but after some investigation they decided not to put it in the bill and became opposed to it upon its merits.

Now, here was their contention with reference to it: They said here is Ketchikan, an Alaska town. Here is Prince Rupert, a Canadian town, to which runs the Grand Trunk Railroad. Here is Seattle, another American town. There is nothing in the law now to prevent American fishermen in the adjacent waters from taking their fish either to the Alaska port or to the Canadian port or to the port of Seattle. They have their choice.

Many of them live in Prince Rupert; and, exercising their choice under the present law and as a matter of convenience and as a matter of economy, and because of better transportation facilities at Prince Rupert, they chose, as they had a right to do under the law, to patronize the Canadian port of Prince Rupert rather than the American ports of Ketchikan or Seattle. They said the object of this legislation seemed to be to force these fishermen against their will to carry their fish to Ketchikan or to Seattle instead of Prince Rupert. They said that no request for this legislation had come from the fishermen. They said the request for this legislation came chiefly from people living in Ketchikan who were interested in having these fishermen make their homes in Ketchikan and patronize that port, and it had the appearance of an attempt in the interest of that town to force trade out of its natural lines for the purpose of booming that town and promoting the interest of the people who live there and who, of course, were anxious to see their town prosper and to establish there this industry.

Mr. President, further than that it was said that if this law was passed and these fishermen were not permitted to ship from the Canadian ports, but required to go to Ketchikan and ship from there in American bond, this would happen: When they took their fish to Ketchikan and assorted them and prepared them for shipment in bond, they would be forced to put them in a foreign vessel, take them to Prince Rupert, and ship them over a Canadian road into the United States. They asked, Why should these American fishermen be compelled by law to take their fish to Ketchikan, an inconvenient point, and ship them to Prince Rupert on their way to the American market instead of taking them in the first instance to Prince Rupert, as they now do from choice? Why so inconvenience and penalize these poor people to build up the town and port of Ketchikan?

The House conferees refused to agree to legislation which they thought would accomplish this unfair result. I am not discussing the question of whether they were right or not, I have simply sought to present the situation as it confronted the conferees. That is all I desire to say.

Mr. HUGHES. Mr. President, I desire to supplement what the Senator from North Carolina said by stating that in addition to the feeling of the House conferees on this subject matter, so far as the Senator stated it, there was another angle that they considered, which was the condition existing upon the Atlantic coast. A Member of Congress representing the Atlantic coast came before the conference and said that those Atlantic coast fishermen were operating absolutely at the suffrance of the Canadian Government; that they had privileges extended to them there which were not guaranteed by any law or by any treaty, but were guaranteed them by a sort of modus vivendi, which had no foundation in law, a sort of gentlemen's agreement; and he convinced us that any attempt on our part to resort to retaliatory measures, however successful it might be for the Pacific coast, would result very much to the detriment of the fishermen of the Atlantic coast.

Furthermore, he called our attention to the fact that there is now in existence a statute which enables the President of the United States to act, which places in the hands of the President of the United States the power to deal with the situation as fully as Congress could possibly deal with it; that the only question to be decided by the President of the United States is whether or not the interests affected on one coast would be greater than the interests affected on the other coast. No matter which way the weight inclined the information that I, as a member of the conference committee, received inclined me to believe that it was not a matter to deal with by retaliatory methods, but that should be decided by the representatives of both countries to meet in a spirit of fairness and equity and justice.

I will say to the Senate that in the Finance Committee I was the one who offered this provision. The ex parte information at my disposal inclined me very strongly to support the view held by the Senator from Washington and the Senator from Oregon. Like the Senator from North Carolina, I was compelled to admit the justice of the claim made by the Atlantic coast fishermen and forced to the conclusion that it was not a matter to be dealt with by means of retaliatory legislation. I feel very much that the last case of the fishermen on both the Atlantic and Pacific coasts might be worse than the first.

Mr. OWEN. Mr. President, after the Senate shall have acted on the conference report now pending, I assume that many Senators will depart from the city, that a quorum will no longer be possible, and no further transaction of business will be available.

Mr. HUGHES. Does the Senator assume that no one else has anything to say on the conference report?

Mr. OWEN. I assumed that the discussion on the conference report had terminated. If the Senator wishes to discuss the report further——

Mr. HUGHES. Is the Senator proceeding upon the assumption that we are not going to get a vote upon the report tonight?

Mr. OWEN. I am not.

Mr. SMOOT. Mr. President, we can not hear a word the Senators are saying.

Mr. OWEN. The Senator from New Jersey asked if I was proceeding upon the theory that there would be no vote upon the conference report. I replied that I was not.

Mr. President, in the Democratic platform of 1908 appears this pledge:

> We pledge the Democratic Party to the enactment of a law prohibiting any corporation from contributing to a campaign fund and any individual from contributing any amount above a reasonable maximum, and providing for the publication before election of all such contributions above a reasonable maximum.

That pledge has not been carried out. In the Democratic platform of 1912 appears this pledge:

> We pledge the Democratic Party to the enactment of a law prohibiting any corporation from contributing to a campaign fund and any individual from contributing any amount above a reasonable maximum.

That has not been carried out. It is true that during the last Congress the House of Representatives passed a measure proposing to strengthen the elections of the United States against corrupt practices; it is true that the Senate of the United States, through its proper Committee on Privileges and Elections, reported that bill favorably; but it is also true that it was impossible to pass it through the Senate of the United States because of the ease with which a filibuster can be carried on in this body in the absence of a previous question.

Certainly no one can say that the Senator from Oklahoma has not been diligent in pressing the corrupt-practices act during this session. He caused a bill to prevent such practices to be introduced on the first day of the session—last December. December has gone; January, February, March, April, May, June, July, and August have gone, and yet there has been no action. The steering committee made that bill a part of the legislative program; the Democratic conference made it a part of the legislative program; and the real reason why it has not been passed has been because of the fixed and determined hostility to the passage of such a measure by Senators on the other side of the aisle, or, at least, by some of them. I would make an exception of those progressive Senators whom I have heretofore named—seven in number—who voted to take up this bill when it came before the Senate a few days ago.

Mr. President, in the United States we all know of many most egregious wrongs against the purity of our elections, against the common honesty of our elections, against the common decency in our elections. Evidence has been submitted to the Senate on account of which a Senator was removed from the Senate because of his having bought a place on this floor; yet the Senate of the United States stands here and refuses to pass an act by which the repetition of this conduct——

Mr. FALL. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator will state his point of order.

Mr. FALL. I had the floor, and I was addressing the Senate. The chairman of the conference committee came in with his report, and, as is usual, at his request I agreed to yield to the conference report, with the statement, which I think is of record, that I did not yield the floor, except purely for that purpose. Now, sir, I have listened to speeches on every subject practically. The Senator from Oklahoma [Mr. OWEN] is making a speech upon his bill, which he has had every opportunity to make at any time that he pleased. I therefore think the Senator is out of order.

Mr. OWEN. The conference report is before the Senate.

Mr. SIMMONS. Mr. President, will the Senator from Oklahoma yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from North Carolina.

Mr. OWEN. I yield to the Senator.

Mr. SIMMONS. The Senator from New Mexico [Mr. FALL] is correct. He had the floor. I interrupted him, and asked him if he would not yield to me to present the conference report and to ask for its consideration. He said he would. Of course the Senator from New Mexico understands that I am not responsible, and I can not prevent——

Mr. FALL. I do not hold the Senator from North Carolina at all responsible. I simply rely upon the point of order.

Mr. SIMMONS. I hope the Senator from Oklahoma will have plenty of time to discuss the question.

Mr. OWEN. Mr. President, there need not be any controversy between the Senator from New Mexico and myself. Under the practice of the Senate it has been always in order to speak on anything a Senator pleased at any time he pleased, no matter what is before the Senate. That practice has been so common that it has become a uniform rule. I am perfectly willing to yield the floor to the Senator from New Mexico and let him proceed with his remarks if he wishes to do so.

Mr. FALL. If I have not a right to the floor under the rules of the Senate, I do not ask the Senator from Oklahoma to yield to me.

The PRESIDING OFFICER. The Chair desires to state that though the Senator from New Mexico yielded the floor for the purpose of the consideration of the conference report, while the conference report is yet before the Senate there is no way with which the Chair is familiar in which he could decide what might be discussed or what might not be discussed by any Senator who might obtain the floor pending the consideration of the report.

Mr. FALL. Certainly, if the Senator from Oklahoma is discussing the conference report——

Mr. OWEN. I shall feel bound by what the Senator from New Mexico understood when he gave up the floor—because that was what he did say—and I think he is within his rights to ask that he should have the floor. I therefore will withhold any further comment until he has concluded.

Mr. FALL. Mr. President, I will say that had I been allowed to continue, I do not think that my remarks would have occupied to exceed more than 10 minutes of the time of the Senate.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from North Carolina?

Mr. FALL. Mr. President, I have had a lesson taught me tonight. I have never in my experience in the Senate refused or hesitated to yield the floor for a conference report. I yielded two hours ago. I have heard a speech made here—a postmortem speech—on matters which have been discussed and rediscussed for three or four months. The Senator from Missouri [Mr. REED] appears suddenly upon the scene, after making a speech this morning, upon this conference report, and proceeds to talk upon the eight-hour bill and the Republican platform.

Now, I will say to the Senator from North Carolina [Mr. SIMMONS] that for the purpose of taking up and having the immediate consideration of the conference report, I will again cheerfully yield to him, with the understanding, however—and I hope the Senate will understand—that immediately upon the conclusion of that matter I shall endeavor, with the permission of the Senate, to conclude my remarks.

Mr. OWEN. I shall have to object to that agreement.

Mr. FALL. Very well, then, if there is objection I can not yield.

Mr. SIMMONS. Mr. President, I desire to ask the Senator——

The PRESIDING OFFICER. The question now before the Senate is, Shall the conference report be agreed to? Does the Senator from New Mexico desire to address himself to that question?

Mr. FALL. I do not desire to address myself to the conference report, Mr. President. I will not take advantage of the Senate by making that statement.

Mr. SIMMONS. Will not the Senator permit me to make a statement?

The PRESIDING OFFICER. The question, then, is, Will the Senate agree to the conference report?

Mr. JONES. Mr. President, I do not intend to take the time of the Senate at any length, but I wish to state that I indorse without qualification the statement made by the Senator from Oregon [Mr. CHAMBERLAIN]. I am quite sure he did not intend to reflect upon the Senate conferees. I do not. I am satisfied the Senate conferees did the very best they could under the circumstances. If any recession of this matter is made, it will be made by Congress, and Congress will be the responsible body.

When I say that I indorse what the Senator from Oregon said, I do not understand that I am trying to get up a war with Canada or with Canadians or anything of that sort, as was suggested by the Senator from Mississippi [Mr. WILLIAMS].

As I understand this amendment, it simply provides for doing what we have a perfect right to do; and there is no question of retaliation involved in it even against Canada. It does not affect the rights of the Canadians in any way, shape, or form. We simply regulate the manner in which fresh fish shall be brought into our own country through our own ports; which, it seems to me, we have a perfect right to do. Our Canadian friends do not seem to hesitate to do something to encourage and develop and promote their industries; and how it can be considered as seeking a war with them, or even retaliation, for us to endeavor to promote, develop, and build up our own industries, I fail to see. One thing is certain, Mr. President, that so long as we submit entirely to them, so long as we do nothing to protect our own interests and our own rights, so long as we simply accept their protests without any resistance whatever, so long will they invade our rights and develop their own industries; and we will gain nothing from them except their disrespect. We do not have their respect. I respect Canada for insisting upon her rights, for trying to build up her industries, and for protecting her interests, and I have no complaint against Canada for succeeding in this matter.

The complaint which I have is against ourselves for allowing them to interfere with our absolute rights and privileges.

A few days ago I submitted some remarks in reference to this matter. I set forth the various orders in council that the Canadian Government had enacted, evidencing, in my judgment, not only the assertion of their own rights, but rank discrimination against our people and our industries. I shall not take the time of the Senate to go over all these matters again. I simply want to emphasize and to call the attention of the Senate to one or two particular matters.

It was no wonder to me that Senators should inquire why it was that we had to recede from this very just and meritorious amendment.

Mr. SMITH of Georgia. Mr. President, would the Senator mind my asking him, for future use, if he will put his finger on the injustice of the British order in council? We will have this subject to deal with again, and it may be helpful to have that information from the Senator.

Mr. JONES. I will put first my finger upon one of the main things the Canadians desire to do, as set out in one of the whereases of the order in council. It reads:

> And whereas the minister of the naval service is informed that, in view of the fact that Prince Rupert is several hundred miles nearer the fishing grounds than is Seattle, and as the Grand Trunk Pacific Railway is now operating so that fish can as readily be shipped to the eastern United States markets from Prince Rupert as from Seattle, if such boats and smaller vessels were permitted to go to Prince Rupert and sell their catches to some person or corporation which would in turn ship them in bond to the United States, and if such vessels or boats were then permitted to purchase supplies for their fishing operations, a considerable number of them would transfer their base of operations from Seattle to Prince Rupert and would probably later transfer their vessels or boats to the Canadian registry and permanently operate from Prince Rupert.

In other words, one of the principal things in this amendatory order in council is not only to get these fishing boats to center their operations at Prince Rupert, but to transfer their American registry to Canadian registry. That was perfectly legitimate.

Mr. SMITH of Georgia. But, Mr. President, the Senator does not show us the British order in council.

Mr. JONES. That was from the British order in council.

Mr. SMITH of Georgia. No; that was in a resolution passed at Seattle.

Mr. JONES. No, it was not; that was one of the whereases in the Canadian order in council. That is what they say—whereas that is desirable, and so on. After the whereases, the order in council reads:

> The said order in council of December 10, 1914, is hereby amended to provide—

Then comes the actual order in council to accomplish the purposes set out in the whereases. The order is printed at length on page 13183 of the RECORD, and I do not believe that I will take the time of the Senate to read it now, as it can be found there in full, together with various other orders in council and the reasons why they wanted to do these things. Here is another order in council for the present year, 1916, which provides:

> That such foreigners and foreign corporations, before bringing fresh fish to a port in British Columbia, may be permitted to purchase bait at any port in said Province of British Columbia upon an undertaking

to the satisfaction of the minister of customs that catches of fish made with any baiting so supplied shall be landed at any port on the mainland of British Columbia, and be thence forwarded in bond to a port in the United States, the whole under such regulations and conditions as the minister of customs may determine.

In other words, it is provided by a British order in council that our fishermen can not get bait in Canadian waters unless they agree beforehand to take their catch into a Canadian port and ship it from there in bond to the United States. The Canadians have a perfect right to do that. I do not question their right to do that. They are building up their industries, but they do not hesitate to impose a restriction like that upon our fishermen and upon our people. I will ask the Senator to listen to what a very responsible merchant in Seattle wrote me the other day. His letter was dated August 4, 1916, and he said:

Just this week fishing vessels have arrived that have taken bait and ice in British Columbia, but did not go back there with their catch, and they have been blacklisted and denied the privilege of again entering a British port and discharge cargo, and one of them, calling again for bait at a Canadian port, the Canadian dealer refused to supply him with any, having been listed as one of the undesirables by this Government that is working so hard to benefit the American fishermen.

That is what they do to our people. Those are the steps they are taking to build up their industries. Now, Mr. President, why is it that we can not, in order to promote our own interests and develop our own industries, provide how fish shall come into our own ports? The amendment does not take away any of the rights of a Canadian fisherman. He could under it ship his fish in here just as he is shipping them now, but they will not let us sell fish in the Canadian market for home consumption.

Mr. President, I have set out the facts pretty fully in my previous remarks, as I have said, and I am not going to take the time of the Senate to go over the matter in detail again. I simply want to call attention to an extract, which I read in the time of the Senator from Oregon, from a letter from our State Department, in which it is stated that the British ambassador, after the Canadian Government had found that this bill was pending, represented to our State Department that, if this bill were enacted into law, the Canadian Government would have to retaliate. Retaliate why? The action proposed in the amendment to the revenue bill which was adopted by the Senate was not retaliation; it simply affected our own people and our own interests and prescribed how certain things should be brought into our own markets. I do not say that we are receding from our position because of this threat.

It is suggested that some of the interests on the Atlantic coast insist that our interests shall be sacrificed to their interests and their rights.

Well, is Congress going to do that? We supply from the Pacific coast 95 per cent of the halibut used in the United States. There are 4,000,000 pounds of halibut caught on the Atlantic coast and 60,000,000 pounds on the Pacific coast.

I am not going to take the time of the Senate further. I recognize the situation. This is a conference report. It must be accepted in full or rejected in full. We all know that. We want to adjourn, I know. As I said a while ago, I believe our conferees have done the very best they possibly could. I have no criticism at all to make of them; but I wish that Congress itself would say that we will stay in session to enact legislation that we believe in, and we will not recede from it either under pressure from any other Government or under pressure for lack of time.

Mr. FALL and Mr. STONE addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. FALL. Mr. President, I believe I have the floor. I will yield to the Senator for a conference report, or for a vote, or for discussion of the conference report, if I can yield for that purpose, and for no other purpose.

Mr. SIMMONS. Mr. President, I hope we can have a vote. It is exceedingly late. Senators are going home, and it would be a great relief to finish up this matter and take a recess.

Mr. STONE. Do I understand—may I have permission to say—that the Senator from New Mexico takes the floor to tell the Senate what it may do at his pleasure? I desire to make a few feeble remarks, and I am going to make them before this vote is taken. The Senator from New Mexico can proceed if he wishes, but he will not control the floor to tell the Senate what it may do.

Mr. FALL. The Senator from Missouri having kindly given his consent that the Senator from New Mexico may proceed to make his remarks, the Senator from New Mexico will thank the Senator from Missouri for his kind permission, and with that he will proceed to make those few feeble remarks.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from North Carolina?

Mr. SIMMONS. I understand that the Senator from Missouri merely desires to address himself to the question under discussion, relating to a provision of the revenue bill.

Mr. FALL. The Senator from Missouri evidently did not catch the statement I have made. The Senator from New Mexico had the floor. That was the parliamentary situation. The Senator from New Mexico had yielded the floor purely for the consideration of the conference report. Several other speeches were interjected not referring to the conference report. The Senator from New Mexico raised a point of order as to the other speeches, and the point was sustained by the Chair. The Senator from New Mexico again took the floor. The Senator from New Mexico yielded for the conference report. If the Senator from Missouri desires to speak upon the conference report, the Senator from New Mexico will again gracefully take his seat. The Senator from New Mexico is not undertaking to dictate; but, having the floor, he has a parliamentary advantage, and he can yield for certain purposes; and if those purposes are not to be carried out he can refuse to yield. That is the situation.

Mr. STONE. Well, what does the Senator do? Does he proceed, or is he disposed to take his seat?

The PRESIDING OFFICER. The Chair desires to state that the Senator from New Mexico having yielded for the consideration of the conference report, that report would be considered by the Senate. While, of course, the Senator himself has the right to obtain the floor, as he now has, for the purpose of speaking upon that or any other subject, he does not have the right to deal out time to Senators to discuss this or any other subject.

Mr. FALL. The Senator from New Mexico has not assumed to dictate to the Senate, nor to the present Presiding Officer of the Senate. The Senator from New Mexico does take the position, and takes it fairly, that he has the floor, and he does not yield.

The PRESIDING OFFICER. The Chair was merely stating, in response to an inquiry made by the Senator from Missouri, what he understood the parliamentary situation to be.

Mr. FALL. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

CORRUPT PRACTICES.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15842) to revise, amend, and codify the laws relating to publicity of contributions and expenditures made for the purpose of influencing the nomination and election of candidates for the offices of Senator and Representative in the Congress of the United States, extending the same to candidates for nomination and election to the offices of President and Vice President of the United States, limiting the amount which may be expended, providing for the publicity of campaign expenses, and for other purposes.

[Mr. FALL resumed and concluded the speech heretofore begun by him. The entire speech is as follows:]

Mr. FALL. Mr. President, before undertaking to discuss the provisions of the bill which has been before the Senate now for two days, I want to say that I have been very much interested in one or two phases of the discussion. Particularly, sir, was I interested in the little colloquy between the Senator having charge of the bill [Mr. OWEN] and the Senator from Arkansas [Mr. CLARKE]. The colloquy between those Senators made an impression upon my mind which I feel impelled to give utterance to. I refer to the tendency displayed by those holding the views of the Senator from Oklahoma to bring matters before the Senate for consideration, and when those matters are objected to upon a constitutional ground or upon the ground that the precedents or the decisions of the courts are contrary to the trend or tenor of the desired legislation, to wave aside as of nothing, as of no importance, not only the Constitution of the United States, but the decisions of the highest courts of the land upon subjects similar to those under discussion. That tendency has impressed me more than once, but I have never seen it so forcibly expressed in the legislative halls as in the instance to which I have referred.

Mr. President, it is true that in a democracy statesmen are born every day. Some statesmen finding their way into the legislative halls are impatient with the rules which have prevailed prior to their advent; some are impatient even with the constitutional limitations placed upon legislation; some, as the Sena-

tor from Oklahoma [Mr. OWEN] very frankly says, say that the constitutional limitations should not be considered at all; that the people make constitutions and that the Supreme Court can change its decisions upon the proposition involved in the legislation now pending. That is true; but the pride of Anglo-Saxon civilization has been that the people change their fundamental law legally and according to the forms and precedents of the law. The boast of our Anglo-Saxon civilization has been that our liberties, our constitutional rights, came down to us, not through legislation, but by inheritance. Our boast has been that our forefathers obtained nothing by Magna Charta of an affirmative character, but that they simply wrested from those who had encroached upon their natural rights a recognition of those rights, and the promise that forever such rights should be safeguarded; but more recently a school of statesmen has grown up—and it is natural in a democracy—who, impatient with precedent, impatient with forms, forget the past history of thousands of years of civilization and embodied in decisions of the courts, and are willing to sweep aside all constitutional restraints and limitations when they stand in the way of legislation sought by themselves; who desire to ignore completely the past history of the human race.

Mr. President some statesmen forget that when the Constitution, under which we are now proceeding with the business of this country, was formed the United States had been in travail for 11 years. The men who formed the Constitution of the United States composed the greatest body of men whom the world ever knew to be gathered for such a purpose or for any other purpose. This may not be popular doctrine with some modern statesmen, but, nevertheless, my assertion is sustained, I think, by the verdict of every writer upon the American form of government from De Tocqueville to Bryce, and every other writer or historian who has written since the Constitution was adopted.

Madison for years had, through Thomas Jefferson, secured every work on government written in every language which Jefferson was able to procure for him in Europe. Madison knew, when he was engaged in writing a constitution or in assisting in writing a constitution for us, that a thousand years before that time Athens had gone through exactly the cycle which this country must go through if the constitutional limitations placed by our forefathers, the system of checks and balances inaugurated by them is to be ignored, done away with, not considered at all, at the behest of every statesman of the modern school. Shelley wrote many years ago, that more than a thousand years ago liberty said:

> Let there be light,
> And, like the sunrise on the broad sea,
> Athens rose.

Our forefathers understood the distinction between a republican form of government and a pure democracy, and the tendency of the legislative work of these modern statesmen is to do away with that labor of our forefathers, the results of which, if anything, would perpetuate this Government on the face of the earth.

But, sir, the Senator from Oklahoma has a preceder: for his views. The President of the United States has, if I read him correctly, long held and entertained similar views. I remember reading with great interest from time to time the views upon government entertained by then Dr. Wilson, now President Wilson. I think they were very similar in some respects to those entertained by the Senator from Oklahoma. For instance, in his Constitutional Government, the President says:

> I am not repeating the famous sentence of the Massachusetts bill of rights "to the end that this may be a government of laws and not of men." There never was such a government. Constitute them how you will, governments are always governments of men, and no part of any government is better than the men to whom that part is intrusted.

Again he says—and I want to call the attention of Senators to the fact that, not only has the President criticized the spokesmen or the leaders of one of the great political parties, but he long, long since made the discovery that Jefferson and Madison and Washington and Hamilton and others, laboring sincerely though they were, in forming the Constitution, some by direct action and others, as Jefferson, by advice transmitted even from Europe to them, were mistaken. He says:

> The makers of our Federal Constitution followed the scheme as they found it expounded in Montesquieu, followed it with genuine scientific enthusiasm. The admirable expositions of the Federalist read like thoughtful applications of Montesquieu to the political needs and circumstances of America. They are full of the theory of checks and balances—

Full of the theory of checks and balances—

> The President is balanced off against Congress, Congress against the President, and each against the courts. Our statesmen of the earlier generations quoted no one so often as Montesquieu, and they quoted him always as a scientific standard in the field of politics. Politics is turned into mechanics under his touch. The theory of gravitation is supreme.
>
> The trouble with the theory is that government is not a machine, but a living thing. It falls, not under the theory of the universe, but under the theory of organic life. It is accountable to Darwin, not to Newton.

The President of the United States is, as the Senator from Oklahoma is, an adherent of the Darwinian theory rather than, as he expresses it, of the Newtonian theory.

Mr. President, I have some hesitation in criticizing the bill now before the Senate. I am aware of the fact that when legislation of this character is offered some statesmen believe that if criticism in turn is offered those criticizing must be governed by unworthy motives; that they must be held up to the people and the galleries in the Senate as being in favor of corrupt practices, or, rather, opposed to legislation purifying elections. Nevertheless, Mr. President, while understanding this tendency on the part of the "congressional salvation army," I shall, in pursuance of what I conceive to be my duty, point to some of the defects of this legislation.

Mr. President, I am not opposed, nor do I believe there is a Senator in this body who is opposed, to any proper and constitutional legislation which will tend to purify elections or which will tend to prevent corruption among the electorate. There are, however, some of us who do not propose by our votes to assist in enacting legislation of the character proposed. I, for one, do not believe that an act or an utterance done or published tending directly or indirectly to influence a vote is per se corrupt. I believe that proper information extended through the press, proper acts done to inform the electorate, are worthy acts, and should not be denounced, and the expenditure made in performing them should not be prohibited, as is proposed in this bill. In other words, I object to the same limitation upon the corruption of the voter by bribing him directly being applied to a proper effort to inform him and influence him properly, and yet no distinction is made in this proposed legislation.

Reading on page 19, subsection (d), we find that—

> Any act shall be deemed to have been done for "political purposes" when the act is of a nature, is done with the intent, or is done in such a way as to influence or tend to influence, directly or indirectly, voting.

Not "corruptly influence," but "tend to influence"; and this act is placed in the same category as the bribing of a voter by money.

There is an attempt in this bill to form a classification of organizations which may take part in elections. The first is the national committee, the expenditures of which are limited, broadly speaking, to $400,000 in a campaign. Next are the congressional committees. Next is a committee, an association of persons, five or more, who may file articles of association with the Clerk of the House of Representatives.

The expenditures of that committee are unlimited in this bill. There is no provision that only one committee shall be so formed. Under the provisions of this bill 500 such committees can be so formed; and if there is one word of limitation upon their expenditures contained in this bill, even by implication, I am unaware of it. If, by implication, it may be held that there is some attempt at limitation, then it would only be under the $400,000 limitation applicable to the national committees.

Then, Mr. President, under the terms of this corrupt practices act the national committee itself is limited in its expenditures to $400,000; and either one horn of the dilemma or the other must be taken by those advocating the bill with reference to limitation or nonlimitation of expenditures of these committees organized by filing their articles of incorporation with Congress. There is a provision that they shall make a statement as to the subscriptions given to them. There is a provision that they shall make a statement as to their expenditures, but there is no limitation upon their expenditures, unless, as I say, by implication the courts might say that the limitation of $400,000 placed upon the national committee also applies to each of these anomalous committees.

[At this point Mr. FALL yielded for the presentation of a conference report.]

Mr. FALL. Mr. President, as I was saying, under the provisions of this bill, even granted that there might be, which I do not grant, by implication a limitation upon the expenditures of this class of committees to which I have referred as committees which will be formed by filing their articles of association with the Clerk of the House—even granting that the same limitation applied to the expenditures of each of those committees as would apply to the expenditures of the national committee—there is certainly no attempt, even by implication or otherwise, to limit the number of such committees; so that 5 or 15 or 50 such committees might be formed under the terms of the bill, as I read it, and each might expend at least the sum of $400,000 to assist

any one candidate or for such purposes as legitimately they can expend money under the provisions of the bill.

If, on the other hand, it is claimed that the aggregate of expenditures of the national committee and of certain committees so formed under the terms of the bill is $400,000, in that event one or two committees so formed might deprive the national committee of the opportunity to spend one cent, which, of course, is a ridiculous proposition to advance. I do not advance it; it is contained in the bill.

Again, Mr. President, any person taking an interest in this election becomes a committee under the provisions of the bill. That is to say, any person or number of persons associating themselves together as a committee or acting individually, who do not become a committee or association under the terms of the bill, are prohibited from expending money except as set forth therein.

Now, sir, the woman's suffrage union or any individuals interested in the woman's suffrage union would come under the provisions which I have just referred to, and the limitations of the expenditure of the woman's union for suffrage would be $5,000 in the campaign.

There are persons associated together in the United States engaged in another great moral work, the Antisaloon League of the United States, who would come under the provisions which I have just referred to, and its legitimate expenditures would be under the terms of the bill limited in this election to $5,000. Yet we already have through the press the news that when the prohibition convention was held, when Gov. Hanley was nominated as the candidate of the Prohibition Party for the Presidency, one citizen of Florida openly in the convention contributed $50,000 to the election or to the Prohibition propaganda, and later, we are informed by the press, this citizen upon his return to Florida contributed a second $50,000 for such purpose. Yet that contribution is not only denounced in this bill, but under the strict terms of it a party so contributing might be guilty of a felony, fined and imprisoned, and forever disgraced.

The American Federation of Labor, the president of which is now engaged in a political campaign for the purpose of influencing votes in behalf of one of the candidates for the Presidency, is the editor of a labor journal.

The American Federation of Labor, through the columns of this journal, under the direction of its president, is engaged in offering reasons why the people of this country should support one candidate for the Presidency and not another. Literature is being sent out by this organization. A propaganda is always being carried on by this organization for the purpose of influencing votes in the election held in the congressional districts and in the States. Under the terms of the bill such influence or such influences so used costing beyond the limitations of $5,000 would be illegal.

It is unnecessary, possibly, to say that the courts might not sustain the constitutionality of the act. That makes no difference in so far as the author of the bill is concerned. He says that if the act is unconstitutional the courts can change their decision.

Mr. President, the intent of the bill in some respects may be good. I will say to the Senator from Oklahoma or to any of his colleagues that I will go just as far as he or anyone else will in undertaking to secure free and fair elections, and will go further than he or they will in seeing that the electorate is informed through the public press and through any other legitimate method properly informed and properly influenced for good.

There are many matters which should be considered by the electorate during this campaign and in this election, matters aside from the ordinary routine, matters of the organization of a committee, the sending out of a campaign book, and printing the speeches.

There is the power through the prestige of the executive department of the Government, through the different departments themselves, through the Cabinet officers, by which campaign literature can be sent out and is being sent out without limitation on the cost of it. The incident which occurred here yesterday, painful as it might be considered in some aspects, is simply illustrative of the point which I am making. A Senator in power, in office, under the terms of the bill, under the ruling of the Post Office Department, may send out literature in his own behalf costing the taxpayers, assuming that a 2-cent stamp simply performs its duty and makes no profit, instead of a thousand dollars, ten thousand dollars. This is no reflection upon the Senator. He had the legal right, it was so held; but he, a Senator in office, under the terms of the bill can expend $5,000 of his personal funds. A Senator now in office may use the franking privilege to any amount he desires. His opponent, contesting him before the people for the office, pays for every postage stamp which he uses, and yet that opponent is limited to $5,000 total expenditure, while the Senator in office can also expend the public funds without limit.

Mr. President, any utterance from the White House, any news from the State Department of the Government, is immediately sent to the four quarters of the earth through the public press of the country. Every paper of whatever political complexion publishes anything emanating from the White House or from the departments; and therefore the party in power is not only able to expend the same amount of money in publicity or in legitimate election expenses as the party out of power, but is able to secure publicity which would cost millions of dollars instead of $400,000, which publicity is not at the beck and call of the party out of power.

There have been various statements emanating from the Executive Mansion and the departments with reference to very important matters which should be and will be considered by the electorate at this election, statements which I am here prepared to show at any time are in very many respects, to say the least, to use the mildest term, erroneous and absolutely misleading.

I say that if it cost $5,000,000 for publicity legitimately to remove from the minds of the people of the United States the erroneous impressions which they have imbibed possibly to some extent from the utterances of the executive department of the Government such expenditures are not only legitimate but that if—and this is a strong statement—if our institutions are to be perpetuated the people must be reached with some correct information on various propositions which are not correctly understood we will say by the Executive or the executive departments of the Nation.

Sir, we are told through the public press, we are told even in statements issued from the White House itself, that upon our southern border there are men engaged in sending out false reports, that those men are selfishly interested in a neighboring Republic, and that they are sending out constantly false reports for their own selfish ends to enhance the value of their property located in a foreign country. We are told in public speeches from the first speech made by the President at Mobile, Ala., down to the present time, that in all Latin American countries and in Mexico there are grafting concessions being held by American citizens, and that such citizens have attempted to foment difficulty. We have heard it even here upon the floor of the Senate that selfish interests holding grafting concessions in Mexico have misled or attempted to mislead the people, and not only that but that they caused the original trouble in Mexico, and that the result of their efforts was the overthrow of Diaz by a bloody revolution.

We have been told that in various utterances coming from the executive department, we have been told it, I say, by Senators here upon the floor, getting their information possibly from the source which they considered they should seek it from, the source which they considered should have such information.

Sir, the Senate was electrified and the country was astounded here a short time ago when the Senator from Illinois [Mr. LEWIS] in attacking the Republican candidate for the Presidency denounced Americans in Mexico as holding thieving concessions and as having been interested in stirring up revolution. And the charge was also made that the Republican candidate and Republican leaders have in every way thrown obstacles in the way of the present Executive of this Government in his attempt to pacify and bring order out of Mexico. Oh, Mr. President, a change has come over the spirit of their dreams.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER (Mr. LEA of Tennessee in the chair). Does the Senator from New Mexico yield to the Senator from Illinois?

Mr. FALL. I yield with pleasure.

Mr. LEWIS. I only want, in order to have the RECORD clear, to say that the reference of the able Senator from New Mexico to the Senator from Illinois is to myself, and not to my colleague [Mr. SHERMAN]. It is I who am responsible for the declaration referred to. The Senator is correct. I made those allegations upon the floor of the Senate.

Mr. FALL. I should like to ask the Senator from Illinois a question. Has the distinguished Senator from Illinois read the acceptance speech of his candidate for the Presidency?

Mr. LEWIS. I would answer that I have read it.

Mr. FALL. Did the able Senator from Illinois discover, after his very careful reading of that most beautiful flow of language, anything to substantiate the charges which he made here against the Republicans and their candidate for the Presidency?

Mr. LEWIS. I will say that I assume the President felt that my own accusations were so thoroughly sustained that it was unnecessary for him to refer to them.

Mr. FALL. At any rate, although the President had made the same charges before, he has not made them since.

Mr. LEWIS. I concede to the able Senator, though in a more serious vein, that I was attracted to the fact that in the President's acceptance there was an absence of matters referred to by the distinguished President in an address which he had delivered to Congress upon the same subject; and I assumed that possibly his object was to force the issues in this campaign to the real material things within the Government—the domestic policy—rather than to have them wander off upon matters in which there had been so much uncertainty and, possibly, so little of real information as there had been on certain collateral matters of Mexico.

Mr. FALL. Mr. President, I am grateful to the Senator from Illinois. I agree with him that I think there was a very studied effort upon the part of the President of the United States to avoid the issue which the Senator himself undertook to inject into this campaign. I think that the President displayed more discretion, sir, with due deference to the distinguished Senator from Illinois, than that Senator has displayed.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER (Mr. CHILTON in the Chair). Does the Senator from New Mexico yield to the Senator from Oklahoma?

Mr. FALL. I yield for a question.

Mr. OWEN. Does the Senator from New Mexico disagree with the long-time policy of the Senate of the United States, that party lines should cease at tidewater and at our own boundaries?

Mr. FALL. I did not exactly understand the Senator's question.

Mr. OWEN. I ask the Senator whether or not he agrees with the long-time policy of the Senate of the United States that party lines should cease at tidewater?

Mr. FALL. Mr. President, I have proven, I think, before in my course, not only as a Senator but as a citizen, that I believe that no matter what administration was in power when the country was in danger partisanship should cease; but I have not yet so far sunk my own convictions, nor surrendered my commission as a Senator here in this body, as to agree that the President of the United States is always right. I propose to support my country. If the President of the United States is leading my country into danger, if the President of the United States is misleading the people of the United States as to facts, and calling upon them to follow him, and I am able to impede his progress in the wrong direction, or if I am able to disabuse the minds of the people of the United States, then, sir, I hold a commission here to do that very thing, and I shall perform it.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield further to the Senator from Oklahoma?

Mr. FALL. Yes.

Mr. OWEN. Does not the able Senator think that the duty of adviser should be performed without making a partisan issue of our relations to foreign countries?

Mr. FALL. Oh, of course, Mr. President; but we have apparently, in so far as the Mexican question is concerned, no foreign issue at all. Mexico, the President of the United States told us, has no government. He told us repeatedly that Mexico has no government. The people of Mexico to-day themselves say they have no government; but the President of the United States found a man whom, he says, he has recognized, constituted, and made as the de facto representative of some de facto government in Mexico—his creature. You say that I shall not criticize his act in creating him. Of what timber is the Senator from Oklahoma built? What is his idea? What is his conception of his duty as a Senator? I can gather some conception of it from his words.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield further?

Mr. FALL. Yes.

Mr. OWEN. When a question arose in the Senate with regard to our relations to a foreign country, I should on such an occasion give the best advice I could in relation to the matter, in order to promote what I believe to be the best interest of our country; but I——

Mr. FALL. Oh——

Mr. OWEN. Just a moment, if the Senator pleases, since he asked me what I would do. In doing so, I would not do that as a Democrat, but I would do it as an American. I would discard the party issue in dealing with Mexico or with Belgium or with Germany or with France or with Great Britain.

Mr. FALL. I defy the Senator from Oklahoma to point to one act of his in the Senate of the United States with reference to Mexico or any foreign country which has not been the act of a partisan servilely following the man who temporarily is his leader.

Mr. President, as I said, there is certainly a very grave misconception in the minds of a very many good, sincere, honest, and earnest people in the United States concerning the interest of Americans in Mexico—a very grave and serious misapprehension. The President apparently does not understand that what he has often referred to as "a concession," through which he seems to imagine that some American has obtained some advantage over the Mexican people by the use of graft or corrupt practices with some Mexican official—the President of the United States does not seem to have the slightest correct impression, at least as to what a Mexican concession is.

Mr. President, for this RECORD, I want to say to the Senators here, I am going to have printed, with their permission and consent, one railroad concession, one smelting concession, so called, one manufacturing concession, and possibly one or two other concessions, for the purpose of showing that there is no country under heaven to-day which has laws and practices such as are carried out in Mexico, that has undertaken, as has Mexico, to restrict and restrain capital for the benefit of the people of Mexico, and that the whole power of the Mexican Government itself might be retained upon every such investment of capital. There is not a concession, so called, held by an American citizen entitling him to do business under the federal laws in the Republic of Mexico in any line; not one concession or contract under which one American is doing business to-day in Mexico, nor has there been during the time of Porfirio Diaz, which is not an act of the Mexican Congress.

We hear of mining concessions. There is no such thing in Mexico as a mining concession. One acquires a mining claim under the law in Mexico exactly as the people in the western part of the United States acquire such claims. The miner proceeds to work that mining claim without asking the permission of any official or anyone whomsoever. Mining is a public business in Mexico; mining is declared by the Mexican law a public utility. It is under the restrictions and protection of the Federal Government. You need no mining concession to work a mine; you need no oil concession, and you get no oil concession in Mexico. You drill an oil well and sell the product from it. Yet we are told daily of the grafting concessions.

Why, sir, what is ordinarily meant by an "oil concession" is this: When the party owning an oil well desires to dispose of his product and to build a pipe line for that purpose he must secure the right of eminent domain, so that he may go over public property or over the property of his neighbor. He then applies for a contract enabling him to do so. Obtaining such contract, he must put up a bond with the Mexican Government as a part of his contract, and in return therefor the utmost concession which he gets is an exemption from import duties upon the material for the pipe line. He pays his taxes; he guarantees that he will expend a certain amount of money for the development of the country, enabling him to get oil to market. Mexico wants the oil; and, in consideration of it all, the Government gives him the right of eminent domain and an exemption from import duties into Mexico on his machinery. So much for your grafting oil concessions.

The same is true of other concessions. I hold here in my hand a railroad concession. I will not undertake to read it, but I am going to ask, after referring to one or two portions of it, that it may be printed in the RECORD. It is the general form used in Mexico, and similar terms are placed in every contract for the building of every railroad in Mexico. Why, these grafting Americans who go into Mexico and open up the country and ask for the privilege of building a railroad must, in the first place, before they are allowed to file their articles of incorporation, declare the exact amount of their capital stock which will be applied to the business of that road in Mexico. Before they are allowed to issue a bond they must have the permission of the Mexican department of communications, corresponding to our Interstate Commerce Commission. The amount of bonds which they may issue is limited by that commission. Every railroad built becomes the property of the Mexican Government in 99 years, with all of its rolling stock, all of its stations, all of its sidetracks, and all of its properties, of whatsoever kind, free of bonded indebtedness. These are a few of the facts.

As a preliminary to every such railroad concession, it is necessary to make an application for it before the department of communications and public works. The contract is entered into between the secretary of that department and the party seeking the so-called concession. That contract must be submitted to and approved by the National Congress of Mexico, passed upon

in open session through both branches, certified by the officers of the Congress to the President of the Republic, who in turn certifies it to the secretary before it becomes lawful. In every contract, in every railroad concession, under which every American or any other foreign road or domestic road is constructed in Mexico, the maximum rates which may be charged for passenger traffic and the maximum freight rates are fixed absolutely once and for all in the contract. They can not be varied by the other party; but every three months he submits his tariff sheet to the department, and the department may reduce the figures to the figures which to it seem proper. We have no such law in the United States. In this concession, to which I refer, which is the ordinary and usual form, article 9 provides:

As a maximum for the transportation of passengers and merchandise the company shall charge the following rates:

PASSENGERS.

For the transportation of each passenger for kilometer run—
First class: Six cents Mexican money, 3 cents American money.
Second class: Four cents Mexican money, 2 cents American money.

These are the maximum passenger rates allowed to this company, which has lost during this revolution 547 bridges. You can imagine what that road cost to build—from $75,000 to $100,000 per mile with not one dollar of subvention or of subsidy or of assistance given by the Mexican Government, but only the right to import the steel necessary for the laying of its tracks for five years free of duty. There is no exemption from taxation, no special privileges of any kind or character, and the rates are limited to 3 cents a mile, American money, first class, and 2 cents a mile, American money, second class.

The charges for telegrams are fixed in the contract itself, and those charges constitute the maximum, subject to revision by the Mexican department without appeal. There are also regulations as to the storage of goods; in fact, every possible precaution is taken, and, as I have said, the amount of bonds which may be issued is limited, the amount of stock which may be applicable to its use is limited; and I say to you, sir, without fear of contradiction, that there is no State in the United States which in its railroad laws throws such protection around the interests of the citizens of that State as does the Mexican railroad law, and contracts around the citizens of the states in the Republic of Mexico. The same thing, sir, I may say is true of the other concessions.

Here, Mr. President, as a portion of my remarks at this time, I ask that there may be printed the following contract for a concession.

The PRESIDING OFFICER. Without objection, it is so ordered. The Chair hears none.

The matter referred to is as follows:

No. V. A contract entered into under the railroad law of the 29th of April, 1899, between Mr. Leandro Fernandez, Secretary of State, and of the Department of Communications and Public Works, in representation of the executive of the union, and in representation of the Sierra Madre and Pacific Railroad Co.; to subdivide into two separate contracts the concession contract that embraces several lines of railroad in the States of Sonora and Chihuahua, dated the 28th of March, 1904, together with its additions and amendments of the 13th of May, 1905, 23d of October, 1906, and the 12th of May, 1908; the first contract of which is as follows:

ARTICLE I. The Sierra Madre and Pacific Railroad Co. is authorized, on its own account or on the account of the company or companies that it may organize for the purpose, to construct and exploit for a term of 99 years, in accordance with the provisions of the railroad law of the 29th of April, 1899, the following lines of railroad in the states of Sonora and Chihuahua:

I. A line that shall commence at the station of Del Rio, on the Naco-Cananea Railroad, or a near-by point, and shall terminate on a point at a distance of 20 or 30 kilometers from the boundary line with the United States, and situated on the boundary line between the states of Sonora and Chihuahua.

II. A line that shall commence at the termination of the first and shall unite with the Rio Grande Sierra Madre and Pacific, at a suitable point, under the approval of the Department of Communications and Public Works.

III. A line which shall be a continuation of the former, to its union with the Mexican Central Railroad, at a point which shall also be agreed upon.

IV. A line that shall unite the Naco & Cananea Railroad with the Sonora Railroad.

ART. II. Within six months the concessionaire company shall commence its surveys of the lines herein granted to it, giving the department of communications and public works 15 days' previous notice of the time and place when and where the surveys are to commence.

ART. III. The concessionaire company shall complete the construction of at least 100 kilometers by the 25th of November, 1910, and another 30 kilometers, at least, in each one of the following years, but so that all the lines shall be completed by the 25th of November, 1920.

ART. IV. The gauge of the road between the interior flanges of the rails shall be 1 meter 435 millimeters, or 914 millimeters, at the option of the company, upon the presentation of its maps.

The weight of the rails for the gauge of 1 meter and 435 millimeters shall be of 30 kilograms for each linear meter and 22 kilograms for each linear meter if the gauge should be 914 millimeters. The curves and the radii, as well as the grades, shall be determined in due time by the department of communications and public works, in conformity with the technical rulings of the railroad law.

The road shall be operated by steam.

ART. V. The company shall contribute every month hereafter, commencing on the 1st of this month, and for the whole term of the concession, the sum of 230 pesos for the railroad-inspection fund.

In the event that the company makes use of the authorization granted to it to construct the line from a point on line No. 5 to Agiabampo, the department of communications shall determine the sum to be contributed for the said fund.

ART. VI. The company shall have its principal domicile at Cananea, Sonora.

ART. VII. The period for the free importation of the materials and supplies which are embraced by article 74 of the railroad law shall be of five years' duration, reckoned from the 7th of April, 1904.

ART. VIII. The right of way, referred to by rule 1, article 74, of the said railroad law, shall be the indispensable width for the construction of the road and its railroad properties, without exceeding 70 meters.

ART. IX. As a maximum for the transportation of passengers and merchandise, the company shall charge the following rates:

PASSENGERS.

For the transportation of each passenger for kilometer run:

	Cents.
First class	6
Second class	4

Every passenger shall be allowed the free transportation of his baggage in the following proportion:

	Kilograms.
First class	50
Second class	15

The company shall be under no obligation to receive less than 20 cents for each passenger, whatever be the distance traveled by him.

MERCHANDISE.

The freight on each ton of 1,000 kilograms per kilometer traveled:

First class	0.1260
Second class	.1127
Third class	.1054
Fourth class	.0981
Fifth class	.0909
Sixth class	.0836
Seventh class	.0736
Eighth class	.0690
Ninth class	.0618
Tenth class	.0545
Eleventh class	.0472
Twelfth class	.0400

The company shall not be bound to receive any amount less than 50 cents for any quantity of freight, whatever be the distance over which it may have to be transported.

Excess of baggage and express shall pay 15 cents per ton and per kilometer.

In no case shall foreign goods imported over the company's line enjoy better rates than similar Mexican goods.

For the transportation of coal the company shall charge 3 cents per ton and per kilometer.

All national products transported over a distance greater than 150 kilometers and destined for exportation shall enjoy a reduction of 50 per cent in the rates fixed by this contract, provided evidence of the exportation thereof is properly shown.

TELEGRAMS.

The charges for telegrams transmitted over the company's line by passengers, shippers, or consignees of freight on matters connected with the railroad service shall not exceed the following:

For each message containing up to 10 words, over and above the date, address, and signature, transmitted by the company's line over a distance of 100 kilometers, 15 cents.

For each additional word contained in the message over the first 10 words the proportional part of 15 cents as charged for 10 words shall be paid at the most.

STORAGE.

Whenever the owners or consignees of goods have not appeared to remove them from the warehouses within 48 hours, after receiving notice of their arrival they shall pay 1 cent per day for the first 15 days for indivisible fractions of 100 kilograms and 2 cents for every day that may elapse after the first 15. Precious metals and articles of value shall pay double the above rates for each 200 pesos in value or per fraction of 200 pesos. The company shall also be allowed to charge whatever may be necessary to cover the expenses of receiving and delivering freight at the warehouses.

ART. X. For the transit of trains of other railroads over its tracks the company shall charge 60 per cent of its regular tariff rates on the goods and passengers so transported.

ART. XI. With regard to the effects produced by a forfeiture as provided by article 46 of the said railroad law, the four lines mentioned in article 1 of this contract are considered as different sections.

It is agreed that in the event the forfeiture of any of the said lines should be declared the company shall forfeit part of the deposit of 61,735 pesos, which is mentioned in article 13, in the following proportion:

First section (line 1)	$14,800
Second section (line 2)	22,500
Third section (line 3)	12,885
Fourth section (line 4)	11,550
Total	61,735

ART. XII. In accordance with the provisions of article 29 of the said railroad law no other contract shall be entered into during a term of 10 years, reckoned from the 7th of April, 1904, to build, either in whole or in part, parallel lines to those granted by this concession within a zone of 30 kilometers on each side of the railroad.

ART. XIII. The deposit of $61,735 in bonds of the consolidated public debt made by the company in the general federal treasury guarantees the performance of the obligations that the concessionaire assumes under this contract.

ART. XIV. This contract substitutes and stands in the place of the concession contracts of the 28th of March, 1904, the one of the 13th of May, 1905, together with their amendments of the 23d of October, 1906,

and of the 12th of May, 1908, in all that the said contracts may contain applicable to the construction and exploitation of the four lines mentioned in article 1 of this contract.

LEANDRO FERNANDEZ.
TOMÁS MACMANUS.

It is a copy.

GILBERTO MONTIEL, *Subsecretary.*

MEXICO, *June 1, 1908.*

Mr. FALL. This contract was afterwards approved by the Mexican Congress, and is one of the contracts under which a large British, Canadian, and American corporation is seeking to operate a railroad in Mexico.

I hold in my hand, Mr. President, a State agreement for the erection of a sawmill, paper mill, and furniture factory. The same precaution is thrown around it to guard the interests of the people of Mexico in this contract as in the railroad contract, the same provision practically as to forfeiture unless the law is strictly complied with, and every agreement contained in it is strictly complied with. No more special privileges are granted, nothing like the special privileges granted by many of the municipalities of this country to Americans for building street railroads or waterworks or electric-light plants. I ask at this point that this form of concession granted by the governor of the State of Chihuahua be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Enrique C. Creel, provisional and constitutional governor of the free and sovereign State of Chihuahua, to its inhabitants, know—

That in execution of the power which the law concedes of June 27, 1896, conceded to me, I have decided to grant to the ——— Company the concession which said corporation solicited in order to establish various industries in the districts of Galeana and Guerrero, on the base of the following stipulations:

ARTICLE I. The ——— Company shall establish in the districts of Galeana and Guerrero, in the State of Chihuahua, the following-named industries:

1. Sawmills: Machinery, with all the necessary appurtenances to saw lumber, together with officers which are necessary for the carrying on of this industry.

2. Paper mill: A factory to produce paper of all kinds.

3. Furniture: A factory for furniture and all kinds of wooden articles.

ART. II. The ——— Company shall begin with the installation of the industries to which the foregoing article refers within 12 months, and obligates itself to have installed each one of them in the course of two years successively, or, in other words, within a period of six years.

ART. III. The ——— Company obligates itself to invest in the installation of the above-mentioned industries and in the carrying on and working of the same a capital of not less than $200,000, which fact shall be proved to the satisfaction of the executive.

ART. IV. The company shall be exempt for the term of 10 years, counted from the time in which each one of said industries be established, from any kind of tax or contribution to the State or municipality on the capital invested in the installation or the carrying on of such industries.

This exemption comprises the products as well as the taxes on the bonds of the company.

ART. V. Within the term of two years at least one of the industries to which Article I refers must be established, in which a capital of not less than $50,000 shall be employed.

ART. VI. The tracts of land situated in the districts of Galeana and Guerrero, which the company has acquired, shall be exempt from the payment of contributions to the State or municipality for a period of 10 years counted from the date on which the paper factory shall be in operation, with the stipulation that said factory commences to operate at the latest within 3 years from the date of his concession.

ART. VII. The enterprise may esablish a commissary to cater exclusively to its employees and laborers and said store shall also be exempt from all taxes of State or municipality for the term of 10 years, with the exception of the taxes on liquors and intoxicating drinks.

ART. VIII. The company, its partners, shareholders, employees, and workmen must consider themselves Mexicans, even though all or some of their number be foreigners, and shall be subject to the jurisdiction of the courts of the State and of the Republic, without being allowed to claim at any time, in regard to matters connected with this concession, any privilege of being foreigners, under any form whatever; and they shall only have such rights, and the means to support them, as the laws of the Republic concede to the Mexicans, so that in consequence in said matters the foreign diplomatic agent shall not be able to interfere in any way.

ART. IX. The fulfilling of this contract is guaranteed by the corporation by a deposit of $3,000 in cash or bonds of the State, made in the general treasury, within 60 days from the date of this contract.

ART. X. The present concession shall become void for one of the following reasons:

1. Failure to make deposit: For not making the deposit to which the foregoing article refers.

2. Failure to commence work: For not commencing work within the limits specified by article No. 2.

3. Failure to establish industries within time limit: For not establishing any of the industries to which article No. 1 refers within the limit of two years.

4. Noncompliance with article 21 Ley de Hacienda: For any other stipulation which article No. 21 of the Ley de Hacienda of the State decrees.

Given in the palace of the executive in Chihuahua, on the 13th day of December, 1904.

E. CREEL,
I. CORTAZAR, *Secretary.*

(Copy from translation.)

Mr. FALL. Following this, Mr. President, I have here a contract between Gen. Manuel Gonzales Cosio, secretary of state, and the department of fomento colonization and industries, representing the federal executive, and Mr. Tomas Macmanus, jr., in representation of blank, for the establishment of a smelting plant at some point on the district of Guerrero, State of Chihuahua.

I shall not undertake to call attention in my limited time to the different matters contained in this concession, but I want to say that the rights of the Mexican people and of the Republic are protected as they are not protected in any State in this Union of which I have any knowledge—practically, reasonably, sensibly, and yet strictly and firmly protected. Not only that, but they compel the concessionaire company to agree that in its assay office and in its smelting plant it shall receive and support six students from the engineering school of Mexico at its own expense. The same thing is true of every concession of like character granted under the Diaz administration in Mexico.

I offer this contract for concession and ask that it may be printed in the RECORD as part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered. The Chair hears none.

The matter referred to is as follows:

Contract entered into between Gen. Manuel Gonzalez Cosio, secretary of state, and the department of fomento colonization and industries, representing the Federal executive, and Mr. Tomas Macmanus, jr., in representation of ——— ——— for the establishment of a smelting plant at some point in the district of Guerrero, State of Chihuahua.

ARTICLE I. ——— ——— is hereby authorized to construct and exploit in the district of Guerrero, State of Chihuahua, and within the time given in article 7, a smelting plant for the treatment of all kinds of metals or minerals that may contain gold, silver, platinum, iron, copper, lead, zinc, tin, antimony, nickel, cobalt, manganese, bismuth, and arsenic, and the said ——— ——— shall enjoy the rights and submit to the obligations established in the present contract.

ART. II. The smelter shall have the minimum capacity to treat 200 metric tons of mineral rock per day.

ART. III. During the term of this contract neither the capitals used in the construction of the smelting plant or in the acquisition of lands for the buildings which may be raised or in the works destined to said exploitation, nor the shares of stock or bonds which ——— ——— may issue, shall be subject to any Federal tax, with the understanding that the tax paid in the shape of stamps or the "stamp tax" is not included in these exemptions.

ART. IV. Shall have the right to export the products of the smelting plant, submitting to the rulings actually in force relative to the stamp tax, smelting, assaying, and coinage dues, and shall enjoy the franchises to which article 9 of the law of March 27, 1897, refers, but with the understanding that the exemption from dues shall be on three one-thousandths of the silver in the lead bullions and on ten one-thousandths in the copper bullions that the smelter may produce, having to pay entire said dues for the over-remaining contents of this metal and without enjoying any exemption for the gold.

ART. V. Shall also have the right to import free of duty, for once only, the machinery, apparatus of all kinds, materials, and accessories which may be necessary for the construction of the smelter subject matter of this contract, having for the purpose to present to the department of fomento detailed lists of the effects that he may have to import when he may need them, provided this be done within the time stipulated in the present contract for the construction works, specifying in said lists the number, quantity, and quality of the effects and observing for their importation the prescriptions of circular letter No. 106 of June 25, 1900, of the department of finance and whatever limitations the department of fomento may make.

The effects that may be needed shall be imported by Mr. Greene to be employed exclusively in the construction of the smelter; but should he sell or apply to other uses any of these articles or effects the department of finance shall exact the payment of the respective duties, without this payment exempting him from the penalties which the laws establish for smuggling.

ART. VI. All the concessions and franchises of this contract contained in the preceding articles shall cease to exist the 17th day of December, 1906.

OBLIGATIONS OF THE CONCESSIONARY.

ART. VII. Shall begin the construction works for the smelting plant within six months, to be reckoned from the date of the promulgation of this contract, and said works shall be terminated, at the latest, within two years from the same date, with the definite obligation of fixing in that time the locality for the erection of the smelter to which Article I refers.

ART. VIII. Is obliged to invest, within the term of this concession, in the construction of the smelting plant, subject matter of this contract, and in the works that same may require, as the building of offices, railways, transportation material, implements, accessories, and machinery, the sum of $200,000 Mexican currency.

Shall justify this investment before the department of fomento by presenting the pay rolls, bills of lading, books of accounts, etc., whether original or in certified copies, or else by whatever means the department of fomento may indicate.

ART. IX. As soon as the smelting plant is terminated, obligates himself to smelt daily 100 tons of mineral, and in order to prove that he is complying with this obligation he shall send annually to the department of fomento a statement sufficiently attested to, in the opinion of the said department of the number of tons of mineral rock that may be smelted in the plant.

ART. X. Is obliged to send to the department of fomento at the end of each fiscal year whatever information and statistical and economic data it may ask for and need, for the better study of the mining industry of the country.

ART. XI. Is also obliged to admit within his smelting plant the students of the National School of Engineers who may have to make their practice there, giving them all the necessary data for their use and advancement.

ART. XII. Shall appoint as attorney, domiciled in this capital, at the latest three months after the publication of this contract, sufficiently authorized to treat with the department of fomento in all matters relating to the present contract.

ART. XIII. Can not transfer in whole or in part the franchises granted him in this concession to another person or company without the previous permission and approbation of the department of fomento, and under no consideration can he do it to a foreign Government or its agent nor allow them as associates.

ART. XIV. As guaranty for the fulfillment of the obligations hereby contracted, within the month following the publication of this contract, shall deposit in the National Bank of Mexico the sum of $5,000 in recognized bonds of the public debt, which he shall lose in the case of noncompliance with the dispositions of Article VII of this contract, and which shall be returned to him upon the termination of the construction of the smelter.

During the time in which the bonds shall be in deposit, and there not being any reason for declaring the forfeiture of the contract, shall receive the interest coupons of the bonds, according as they become due, upon orders to this effect from the department of fomento.

GENERAL CLAUSES.

ART. XV. This contract shall have no force or effect for not constituting the deposit within the time and in the manner mentioned in the foregoing article and shall forfeit for any of the following causes:

I. For not fixing the locality for the erection of the smelting plant nor beginning the construction works of same within the time given in Article VII.

II. For not terminating the construction of the smelting plant in the time fixed in the same Article VII.

III. For not proving in the manner indicated in Article VIII the investment of capital therein mentioned.

IV. For suspending the treatment of ores (or smelting processes) during four consecutive months or else for smelting within that time less than 30 tons of mineral rock per day as an average.

V. For transferring this contract or any of its concessions to a private individual or company without the permission and approbation of the Government.

VI. For transferring this contract or any of its concessions to any foreign Government or agent of same or for admitting them as associates.

In any of the cases specified shall lose the deposit, which according to Article XIV he must constitute.

In the I, II, III, IV, and V instances he shall lose, besides, the concessions and franchises granted him herein.

If the forfeiture is declared for the reason given in Fraction VI, ——— shall incur the loss of all the rights, goods, and properties of all kinds relating to this contract, all these becoming the property of the nation without her having to pay any indemnity.

In every case, and before making the corresponding declaration of forfeiture, the department of fomento shall grant ——— a prudent length of time within which to present his defense.

ART. XVI. It is an understood condition of this contract that the said declaration of forfeiture, for whatever cause it may be made, shall be made administratively by the department of fomento.

ART. XVII. ——— and whoever may succeed him in his rights, as well as the employees, shareholders, and other persons who may have a common interest with him, shall always be considered as Mexicans in all matters relating to the present contract, and consequently shall be subject conclusively to the jurisdiction of the courts of the Republic in all the business and matters the cause and action of which shall take place within its territory.

Foreigners and their successors who may take part with ———, in whatever character, shall never be allowed to plea regarding matters relating to this concession, rights of foreigners, in whatever form this might be done, and shall only have the rights and the means of making them effective that the laws of the Republic grant to Mexicans without therefore any diplomatic foreign agents having any right of interference.

ART. XVIII. The time terms fixed in this contract shall be suspended in all fortuitous cases or case of force majeure, same time terms being prorogued for all the length of time the impediment may last and two months more.

In any of said cases ——— shall present to the Federal Executive the statements and proofs of there having occurred a fortuitous case or case of force majeure of the character mentioned within the term of three months from the beginning of the impediment. For the mere fact of not presenting said statements and proofs within the allotted time ——— shall be barred from alleging in any case the circumstances of a fortuitous or force majeure case.

ART. XIX. All the concessions made in the present contract shall be understood to be given without prejudice to the other rights which the concessionaire or the companies which may succeed him may have according to the laws without the need of special concessions.

ART. XX. This contract shall be submitted to the approval of Congress before it can have any effect.

ART. XXI. The stamps for this contract shall be furnished by the concessionaire, and it shall be issued in duplicate, one for each contracting party.

Made in the City of Mexico the 3d day of December, 1904.

MANUEL GONSALEZ COSIO.
TOMAS MACMANUS, JR.

Mr. FALL. Following this contract I have another from the State of Chihuahua. The different States in the Federal Republic, under the Constitution of the Republic, have the right, of course, to grant railroad concessions or contracts within the State boundaries for purely State roads. The contract which I have here is for the construction of smelting plants, reduction plants, building of wagon roads, building of State roads, telephone lines, telegraph lines, and for like purposes. The rates to be charged for hauling freights by the railroad are limited and provided for in the concession. The uses of the railroad are provided for in the concession. The uses of the smelter and of the works of the company are provided for in the concession. Nothing is left to chance. Nothing is left to construction. The rights of the people of the State of Chihuahua are guaranteed more absolutely than under the laws of any State of the Union of which I have any knowledge.

I want to say, sir, that under this concession the company constructed a wagon road 105 miles in length that cost $350,000, down into the deepest canyons and up over the highest mountains in the Sierra Madre Range. Through the use of that road, constructed by one of these "grafting" American companies at its own cost and expense, Gen. Pershing's forces were enabled to penetrate into the fastnesses of the Sierra Madre Mountains.

Mr. President, I ask permission at this point that the contract to which I have referred may be printed as part of my remarks.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The matter referred to is as follows:

Contract entered into between Jose Maria Sanchez, constitutional governor ad interim of the free and sovereign State of Chihuahua, for the one part, and the ——— ———, for the other part, for the establishment of various industries in the State, under the following bases:

First, ——— ——— is authorized by the present contract to establish, for its own account, or for the account of the company or companies which it organizes, the following industries:

A. In such places as may be selected in the State, and particularly in the districts of Bravos, Guerrero, Rayon, and Galeana, reduction works (mills or smelters), each with a capacity of treating at least 50 tons per day.

B. Within the State, and particularly within the same districts, miscellaneous stores for the selling of every kind of merchandise to the employees, workmen, and laborers employed by the company, without including the sale of intoxicating liquors.

C. The exploitation of mines in some districts of the State, and especially in the said States of Bravos, Guerrero, Rayon, and Galeana.

D. One or more railroads within the territory of the State for the transportation of ores from the mines exploited by the company, for its account, to the mills or smelters which may be established by virtue of this concession. The railroad lines shall have the width determined by the railroad regulations of the Federal Government at the election of said company.

E. The telegraph and telephone lines which said company may need for the objects of the same.

F. One or more hydraulic plants for developing motive power and transmission of electric force, using for such purpose the water of the Aros River, in accordance with the concession granted by the Federal Government, and such other streams as may be available under concession from the Federal or State Governments, as the case may be.

G. The opening of wagon roads which may be necessary to facilitate the exploitation of the mines the company or companies may own or lease, from the railroads which may be constructed, or from the railroads or wagon roads already existing, to the mining camps of the said company in the said districts of Bravos, Rayon, Guerrero, and Galeana, or in other districts of the State.

Second. The capital which is invested in the construction and establishment of the reduction works, in railroads, telegraph and telephone lines, buildings, stores, and other works necessary for the industries to which this concession refers, as also the lands upon which they are constructed; the articles of incorporation, bonds, and shares which the company may issue, shall be exempt from all State or municipal taxation for a period of 20 years.

Third. During the same period of 20 years the minerals extracted from the mines and treated in the reduction works owned by the company shall be subject to the payment of mining taxes imposed by existing State laws, or that may hereafter be imposed.

Fourth. The ores treated in the reduction works herein referred to from mines in the State that do not belong to the concessionary company or companies shall pay at the rate of 1 per cent on their value, according to assay.

Fifth. During the same period of 20 years the employees of the company working for the same for salary are exempted from the payment of personal taxes to the State. This exemption does not include personal municipal taxes which must be paid.

Sixth. In case the company should require lands and water of private property for the installation of its reduction works and accessories, pertaining to their exploitation or that of the mines, as also for electrical installations, railways, telegraph, and telephone lines, the company shall be at liberty to obtain them from their owners; and in case it should not be possible to arrange with them on a fair basis, it may ask for the expropriation of the same under the relative laws in force.

Seventh. The work of construction of the reduction works shall be commenced within a period of six months, and be completed within two years following; and the other industries, as soon as may be convenient to the interests of the company, but within a term not to exceed six years.

Eighth. The company obligates itself to admit five pupils from the State schools, who will be sent to it by the direction of the Government, for the purpose of practical instruction in the mines and shops of the concern, as also in its reduction works.

Ninth. The company likewise obligates itself to permit the transportation, over the railways and wagon roads it may construct, of the employees, school supplies, and other effects pertaining to the public service, as also the transmission of telegraphic and telephone messages, relation to public service, without payment on the part of the State. All such services shall be ordered by the governor of the State.

Tenth. The railroad or railroads which may be constructed shall be dedicated to the transportation of the ores from the mines of the company to its reduction works, but they may be placed at the service of the public, as also the telegraph and telephone lines, after the approval by the executive of the respective tariffs of freight, passenger, and message charges.

Eleventh. The railroad, telegraph, and telephone lines the company may establish under this concession shall be subject, in so far as relates to their establishment and exploitation, to all the laws, regulations, and provisions on the subject of railroads, telegraphs, and telephones of the federation, until those of the State shall be issued.

Twelfth. The railway, telegraph, and telephone lines the company may construct under this concession shall be such as the laws of the Republic consider as of the jurisdiction of the State, and if it treated of those which should be reputed as general lines of communication, the company must obtain the respective concessions from the General Government.

Thirteenth. The wagon road being a public utility, municipal lands may be occupied for their construction, in a zone of 10 meters in width, and regarding right of way over lands of private ownership, which may not be gratuitously granted, it shall be left in charge of the State government to make the necessary arrangements, and in case it is indis-

pensable, it shall proceed to the expropriation by reason of public utility.

Fourteenth. The company guarantees compliance with the obligations imposed upon it by this concession by a deposit of $5,000, which shall be paid into the general treasury of the State within 60 days after the publication of this concession.

Fifteenth. This concession can not be transferred to other person or company, without the prior approval of the executive of the State.

Sixteenth. The company, for all the effects of this concession, shall be considered as Mexican, even though all or some of its members be foreigners, and it or they shall be subject to the jurisdiction of the tribunals of the State and of the Republic, without right to plead rights of foreigners at any time, and shall only have the rights and means of enforcing them which the laws of the Republic grant to Mexicans, and therefore foreign diplomatic agents can have no right to intervene in such matters relating to this contract.

Seventeenth. For the construction of the railways to which section "d" of the first clause refers, the company will present previously to the executive for approbation, the corresponding blue print (drawings) in compliance with the provisions of article 29, division 3 of the stamp-tariff law in force.

Eighteenth. With the construction of said railroads, it is understood that the prohibited zone will not be invaded, which has already obtained concessions granted by the executive for the construction and exploitation of various railways, etc., within the territory of the State.

Nineteenth. This concession will cease:

1. For not commencing the work for the establishment of the reduction works at any of the mines belonging to the company, and to install same within the terms set out in the seventh clause.

2. For not constituting the deposit of $5,000, to which clause 14 refers, within the period of time specified.

3. For not completely installing within the period of two years, at one of the reduction works, as expressed in said clause 7.

4. For not proving within the term of six years the investment of $1,000,000 in the construction and exploitation of the industries expressed in this contract.

5. For violation of the provisions of clause 15, or for the transfer of this concession, in whole or in part, to any foreign Government or agent of the same.

Twentieth. The forfeiture of this concession in any of the cases stated in the preceding article will be declared administratively by the executive of the State.

Twenty-first. The periods of time fixed in this concession will be counted from the date on which the same is approved by the honorable legislature of the State, but the time limits will be stopped in cases of fortuity or superior force, which the company shall prove to the government of the State, and the same periods of time shall be extended for all the time such impediments may last and two months more.

Twenty-second. The company shall be under obligation to furnish the government of the State, when it calls for it, the economic and statistical data it may indicate in reference to its business, but in such data the company shall not be required to give the chemical formulæ or secrets which it uses in the exploitation of its industries.

Twenty-third. All stamps required for the present concession shall be paid for by the company.

Twenty-fourth. This contract shall be submitted to the approval of the honorable congress of the State.

Done in the city of Chihuahua, on the 6th day of the month of April, 1907.

(Blank.)

(Signed) JOSÉ MARIA SANCHEZ,
[THEIR SEALS.] ED. DELHUMEAU,
Secretary.

Mr. FALL. Mr. President, I think matters of this kind are of sufficient importance to justify almost any legitimate expenditure in informing the people of the United States. The people want information. The Mexican question is one of the issues in this campaign; and, despite the President's letter of acceptance, he can not evade it. The people are entitled to correct information as to the facts. I tell you, sir, that I stand here to resent the charges which have been made repeatedly that Americans in Mexico have sought to stir up trouble.

[At this point Mr. FALL yielded for the presentation and consideration of a conference report.]

Mr. FALL. As I was saying, I resent very seriously the charges which I have heard made here and elsewhere that American interests have sought to foment trouble, disturbance, bloodshed, and revolution in the Republic of Mexico.

On the second of June, while addressing the Senate upon the question of the recognition of Carranza, I was asked by one of the Senators what, in my opinion, was the actuating motive behind the recognition of Carranza, in view of the statements, substantiated by documents, which I made at that time. I did not answer that question fully. I am now prepared to throw further light upon it.

I have in my hand a copy of the American Federationist of July, 1916, containing an editorial by Mr. Samuel Gompers. I ask at this time that there may be printed, as a portion of my remarks, from the top of page 575 to the second paragraph of page 577 of this document. I only call the attention of the Senate specifically to one statement, among various others, made there by Mr. Gompers:

> The workers and the revolutionary forces in Mexico, as did Madero, knew the efforts which the American Federation of Labor put forth in the overthrow of the tyrant Diaz, so that when the Madero government was established in power there went into Mexico a committee representing the United Mine Workers of America.

I ask that the pages referred to may be printed as a portion of my remarks.

The PRESIDING OFFICER. Without objection, it will be so ordered. The Chair hears none.

The matter referred to is as follows:

LIBERTY'S HOPE IS IN THY KEEPING, ORGANIZED LABOR.

There is being enacted just across our border line in a neighbor Republic a tremendous struggle for human freedom, a struggle inspired by ideals of those who long dreamed of human freedom and have come to value it lightly because they have been denied the reality. America's workers have an interest in the affairs of Mexico—an interest that is concerned with something bigger than political changes, for political changes do not always indicate progress toward justice.

Because this struggle in Mexico represents a cause that is as big and as wide and as comprehensive as the cause of human freedom it has a very strong appeal for the workers of the United States whose every advance and betterment has been part of a world-old struggle for freedom and humanity.

The changes now in progress of making in Mexico are deeper and more significant than a mere political revolution; they are an economic revolution. The fundamental problem of injustice in Mexico is economic in origin. Those who know and understand the force of the industrial ties that unite Mexico and the United States know that there is no boundary line between the industrial problems of the workers of the two countries. This is true not only because of the overlapping of the interests of the employers of the two countries but because of the intermingling and the blending of the workers of the two countries.

It is conservatively estimated that there are within the United States 2,000,000 Mexican workers. There are Mexican laborers in Texas, Mexican coal miners in Colorado and New Mexico, and Mexican gold miners in New Mexico and Colorado. There are Mexican trade unionists in the building trades of the Pacific coast.

All the world knows the bravery, the loyalty, and determination of the Mexican miners who helped to win the recent strike in Clifton, Ariz. It is not so well known that previous to the termination of the former agreement between the anthracite miners and coal operators of Pennsylvania there was an effort made to bring Mexicans into our country to defeat the demands of coal miners, hoping thereby to reduce standards and defeat the plans of the anthracite miners. The Deering Harvester Co. recently brought in Mexicans to be used as strike breakers against their men, who were then making demands for higher wages and better conditions of work.

There must be understanding and cooperation between the workers of Mexico and the United States in order that neither may permit themselves to be used for the undoing of all. Many of the Mexican workers who are now within our border lines have already united in the cause of organized labor. Since the present effort to overthrow despotism in Mexico has been in progress there has been a determined effort in that country to organize the workers for their mutual protection and to secure for them rights and opportunities that will result in freedom.

The workers and the revolutionary forces in Mexico, as did Madero, knew the efforts which the American Federation of Labor put forth in the overthrow of the tyrant Diaz, so that when the Madero government was established in power there went into Mexico a committee representing the United Mine Workers of America. This committee secured from Madero indorsement of the organized labor movement and promise of protection and cooperation in efforts to organize the miners of Mexico. The Madero era marked a new period in the labor movement of Mexico. What was declared under Madero has been carried out and on a broader scale under the present Constitutionalist government.

The workers are not overconcerned with political factions or wedded to any political leader, but they are concerned with securing cooperation that will enable them to advance the cause of freedom and humanity.

When Carranza became first chief of the Constitutionalist government of Mexico he entered into agreements with the organized-labor movement of the country and promised that trade unions would be protected under the laws of Mexico and that workers would be assured opportunities and rights. In return for these pledges, which were officially announced by the Government in the form of manifestos and circulated generally throughout the country, the organized-labor movement of Mexico gave its support to the Constitutionalist government and united with that government in an effort to solve the problems of the citizens of Mexico and to work out government and laws that would establish industrial, social, and political justice.

Because the workers of Mexico through their organized-labor movement appealed to the organized-labor movement of the United States we tried to secure to them the opportunity to work out their own problems in accord with their own ideals and their own understanding.

With the political issues and political factions of Mexico the American labor movement has no vital concern, but it has a deep-abiding interest in the growth and progress of the cause of labor in Mexico, and it desires to do all that can be done in a spirit of fraternity and cooperation. The American labor movement recognizes that in the organization of the Mexican workers there lies an element of great hope, for there is a force that has power to shape a great future for a people capable of conceiving great ideas and an understanding of the possibilities which human life can attain when given opportunities and freedom.

The labor movement of Mexico has dared to assert that there is something infinitely higher than property rights and the mere forms of established law and order. They have proclaimed to the world that they wish to establish a government in which human rights shall be paramount and land and property shall be made to serve mankind.

But the labor movement of our country knows that freedom can not be given as a gift; it must be achieved by all as they work out their life problems—democracy and free institutions may be suddenly established, but their maintenance rests upon constant and persistent determination, for in Mexico, as in all the world, the price of liberty is eternal vigilance. They must be the result of the experiences of the people who have learned how to be free and how to use institutions of freedom. In learning these things those who have been long held in despotic government make many mistakes, but those of us who have had larger opportunities for freedom must have patience with the mistakes of those who are just learning. We know that the lesson can not be learned by interposing dictation from an outside judgment, either from a dictator among their own people or from superimposing the judgment of an outside country.

Because of the desire of America's workers to be helpful to fellow workers of Mexico, a suggestion was made to the organized-labor movement of Mexico to send representatives to meet with representatives of the American Federation of Labor in conference in El Paso, Tex., in the near future. This suggestion has met with most cordial and enthusiastic acceptance from the labor organizations of Mexico, and that the conference will be held there is no doubt. It is hoped that the outcome of this conference will bring tremendous impetus and inspiration to the cause of humanity both within Mexico and the United

States. If such a conference can result in the betterment of humanity and imposing a check upon those forces that desire to exploit human beings for their own aggrandizement, there will be given to the world a note of inspiration that will be in a great measure somewhat in the nature of compensation for the miserable failure of our hopes and plans seen in the present European war.

And who knows but out of that meeting may come a larger conference in which there shall be represented the workers' organization of all the countries making up this great America of ours, a Pan American Federation of Labor, that shall make not only this great power for internal and international right, justice, and welfare, but shall help in the establishment of a broad international labor movement of the whole world, and that the international parliament of man for which philosophers have dreamed and poets have sung, and which it is the mission of the workers to establish, shall be realized.

Mr. FALL. Mr. President, in the August (1916) issue of the American Federationist, starting on the first page, there is an article by Mr. Samuel Gompers upon the condition in Mexico, setting forth at great length the efforts of Mr. Gompers, as the President of the American Federation of Labor, in the matter of the Mexican revolution, the recognition of Carranza, and so forth. I ask at this time that there may be printed in the RECORD this article by Mr. Gompers, from page 633 down to the second paragraph of page 646. I only call the attention of the Senate to the fact that Mr. Gompers states here that in 1908 the convention of the American Federation of Labor adopted a resolution of sympathy with the organizing power of the Mexican labor unions, a resolution of sympathy with Ricardo Flores Magon, Antonio Villareal, and others. This is contained on page 637 of this document.

Mr. President, Mr. Gompers calls attention in this article to the sympathy expressed in that resolution with the Magons, in which he holds out the Magon junta as patriots, and deprecates the fact that they were then being prosecuted for violation of the neutrality laws by the Taft administration.

I understand that the order was that the first article referred to be printed. I ask that the second be printed as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered. The Chair hears none.

The matter referred to is as follows:

UNITED STATES—MEXICO—LABOR—THEIR RELATIONS.

[By Samuel Gompers.]

The recent conference held in Washington between representatives of the Mexican labor movement and the executive council of the American Federation of Labor was the inevitable result of fundamental forces that have been drawing the workers of the two countries more closely together and making them realize that the problems of the Mexican worker were the problems of the worker of the United States.

The interests that the workers of the two countries have in common are basic—wages, hours of labor, and conditions of work. Our other interests touch because all are the outgrowth of economic needs and aspirations that grow out of them.

The economic interests of the workers follow the country's expansion industrially and commercially. The development of material civilization, and more extensive utilization of natural resources to the westward brought the workers of our country in contact with the workers of Mexico both within their country and in the Southwest.

The boundary line between Mexico and the United States is an artificial division and has no relation to industrial needs or commercial exchange. There are rich copper mines part in New Mexico, U. S. A., and part in Sonora, Mexico. They are one and the same, even though they are under political jurisdiction of the two countries. But what was a boundary between the copper mine operators of the Mexican and the American States? When confronted by demands for higher wages, shorter hours, and better conditions in New Mexico the mine operators called across the border line and Mexican miners came to take the places of the Americans. Internationalization of capital has made necessary the internationalization of the labor movement.

In Mexico law and governmental policy formerly forbade workers to organize, and thus deprived them of the only means by which they could fight their way to greater liberty. The right to free assemblage, free association, free speech, and free press were under the ban.

Distance was no barrier to the coal and gold mine operators of Colorado who wished to use unsuspecting Mexican miners in order to maintain their domination over the lives of the miners of Colorado.

Reports of better conditions in the United States came across the border line to the workers of Mexico. Into the border States came workers who had been denied by governmental authorities and Mexican employers an appreciation of their rights or the possibilities to which they ought to aspire. Conditions had stultified Mexican laborers. They were not fully conscious of the wrongs done to themselves or the injury that they did to American workers by undermining existing standards and conditions. The Mexican Government and laws were brutalizing.

But here and there came a glimmering and suggestion of common interest, a longing—an understanding that Mexican workers, too, might have the freedom that ought to obtain under a republican form of government. Not only did the Mexican Government exploit the workers but it despoiled the whole nation of its national birthright. The natural resources of the country, the land itself, were taken from the natives and citizens of Mexico and given over to foreign exploiters. The great money interests of the whole world gathered to prey upon helpless Mexico. Foreigners who had in some way secured the favor of the ruling power were given rich lands or mines. Even possessions were taken from the natives and only the tyrannical, corrupt Government received any compensation paid in exchange.

The trusts of our country fastened their tentacles upon Mexico. The Standard Oil Co. found its purposes opposed by the Pearson Oil Co., of England. The Hearsts and the Otises took possession of great tracts of country, so large that they were rich principalities. The copper barons extended their holdings in order to maintain their monopoly control. Wall Street was interested in "developing" the country.

When the revolution came against Diaz 75 per cent of the wealth and capital of Mexico was held by foreign owners. This meant that the masses of the nation had been exploited. They were united in the uprising against governmental despotism and the tyranny and inhumanity of the trusts, for the American trusts were even more unscrupulous and conscienceless in their Mexican policies than they have been in the United States. In the United States they have been held in check in some degree by the fact that the people have a better understanding of their rights and freer opportunities for action.

BEFORE THE REVOLUTION.

It is difficult to exaggerate the tyranny, the oppression, and the ruthlessness that prevailed in Mexico under the Diaz régime. United protests came in the revolution under Madero, which represented the yearnings of the people and their protests against injustice. It was a revolt of a united people who had been despoiled of their political rights as well as of their property and opportunities.

The Mexican people are made up of many bloods. They have most perplexing race problems, yet all were united in determination to overthrow the Diaz government.

Mexicans are dreamers, idealists of many kinds. Those who are students have come under the influence of the theories of Spain and Italy. Those whose opportunities have been less generous have dreams of other kinds. In this philosophy of life, beauty and artistic values are of great importance—of greater importance than quantity of production or intricate industrial organization. This philosophy would use products for the service of men, and life as something larger and more wonderful than a competitive struggle for large fortunes. This is the fundamental philosophy the Mexican people are struggling to establish—a purpose akin to the highest idealism of the French Revolution. The cosmopolitan nature of the people and the diversity of ideals made the constructive period that followed the revolution difficult and uncertain. There was no general plan; no common understanding. Idealists and leaders were attempting to take their followers along different plans. They united against a common enemy but could not agree upon constructive measures. Madero became the head of the Government. He was an idealist who had understanding and sympathy for the needs of the workers. Under him they had their first real opportunities for organization. He not only gave them the opportunity to organize and hold meetings, but gave them advantages and assistance in carrying out the work of organization. There had been some few efforts at organization among the tobacco workers who came in contact with organized fellow trades from Key West, Cuba, Porto Rico, maritime workers, and railway workers.

Out of the Mexican revolution there has come one tremendously important result that is fundamental and therefore will be permanent. It is the Mexican organized labor movement.

During the time of Diaz, to strike was a political offense. Labor "agitators" and those who were seeking better conditions for wage earners were treated as criminals. They were hounded within their own country and followed if they fled across the border line into the United States, and the governmental machinery of both countries was used to place behind prison bars those who tried to give efforts for the betterment of themselves and their fellow workers.

Individuals in the American labor movement who had encountered either Mexican fugitive labor organizers (so-called revolutionists) or who had been forced to see the danger to American workers through the masses of Mexican workers—who, because of their enforced low standards and their lack of information, were the agency by which American employers hoped to club their workers into submission—began to appreciate how closely the problems and welfare of the workers of the two countries were identified.

It was not the fault of the Mexican workers that they were pawns in the hands of employers. It was their lack of opportunity and information. That opportunity came as the result of years of agitation. Many a leader on both sides of the border had battled in vain against organized tyranny and oppression, but there was not an effort that was without influence. Out of it all there came the hope that freedom could be achieved.

Whatever progress has come is due in a great measure to those who dreamed and struggled and suffered and went to jail for freedom—many nameless in history now dead and forgotten, but living in the results of their work.

THE REVOLUTION.

In addition to this growing conviction among the Mexican wage earners other groups were driven into the work of revolution. Practically the whole nation had been despoiled of its birthright and of opportunities. The landholder and the capitalists had a stranglehold on the men and women of Mexico.

There are among Mexicans philosophers and students. There are those capable of understanding their rights and who know the spirit of freedom that obtained in other countries. They determined upon a revolutionary program that had a twofold purpose—the establishment of democratic institutions and the return of the land and opportunities to the masses of the people. Practically the whole nation anticipated advantages from a revolution.

This revolutionary movement found expression in the overthrow of Diaz and the establishment of Madero. The nation was united in the movement to overthrow despotism, but as it always happens, the revolutionary group divides up into factions of different ideals and purposes when the constructive work is attempted. The Mexican nation divided into groups supporting the leader whom they thought most likely and most capable of establishing their ideals.

Madero recognized that the welfare of Mexico depended upon the welfare of the working people, that any plans that would succeed must proceed upon the fundamental basis that the workers were afforded opportunities to struggle for and secure justice and freedom. The Mexican nation as a whole had somehow caught the vision that the essential principle of democracy must be followed and the people must work out their own regeneration.

For years the liberal elements in Mexico were generally united in the Liberal Party, which had for its chief purpose the reestablishment of the constitution of 1857. As that constitution provided rights and opportunities for the people, those who were seeking freedom in all lines were in sympathy with the effort to restore it. Because it had an appeal for the workingmen as well as for other groups of citizens, workingmen both in the United States and Mexico gave aid and indorsement to the leaders of the Liberal Party, who were termed revolutionists by the Mexican Government and persecuted as political offenders. Often these men escaped across the border line for refuge. The Mexican Government did not relinquish its persecution at the border line, but worked out methods whereby it pursued progressive Mexicans even in their political asylum in the United States. They endeavored to secure

the extradition of fugitive Mexicans on criminal charges. The Mexican Government retained the services of detective agencies that were to seek out fugitives. When found, the fugitives were arrested, put into jail, where they were held until the charges were either dismissed as groundless or evidence could be manufactured. Just as soon as the prison doors opened for these victims they were rearrested upon other trumped-up charges and again confined. Kidnaping was not uncommon.

POSITION OF A. F. OF L.

The persecution of these men aroused the sympathy of the members of the organized labor movement. The Denver, 1908, convention of the A. F. of L. adopted the following resolution:

Whereas Ricardo Flores Magon, Antonio I. Villarreal, Librado Rivera, and other members of the Mexican Liberal Party were arrested in Los Angeles, Cal., August 23, 1907, at the instance of the Mexican Government, and have since been detained in prison, while extraordinary effort has been made to extradite them; and

Whereas the Mexican Government, as prosecutor, has succeeded in inducing the American authorities to hold them on varying criminal charges, ranking from petty larceny to that of murder; and

Whereas the several charges, in turn and of necessity, have been abandoned when fully refuted by legal testimony, and the one active charge remaining is that of endeavoring to invade Mexico with an armed force, all of which proves by court records that these men are not criminals in any sense—if offenders at all, political offenders only: Therefore be it

Resolved, That the A. F. of L. extends its earnest sympathy to the aforesaid Magon, Villarreal, Rivera, et al., and commends to all affiliated organizations the consideration of proper means for their defense.

In following up this matter, in pursuance of the instructions of this convention, the A. F. of L. assisted in the effort to get a congressional investigation of this persecution of political refugees from Mexico. In 1910 a committee of the House of Representatives inquired into this matter, and educed testimony from those who had been the victims of this persecution and others who had come into contact with the conditions.

The president of the A. F. of L., in a letter to the President of the United States, called his attention to the charges that were being made that men in the employ of the United States Government were using the agencies of justice of this country to assist in the political persecution of members of the Liberal Party of Mexico. It was the insistence and the love of liberty and justice among the workers of the United States that disclosed and denounced the practices which made the agencies of justice of this country subservient tools of the Mexican Government and forced the administrations under President Roosevelt and President Taft to refuse longer to allow the United States Government to be Mexican man hunters. The Rochester, 1912, convention of the A. F. of L. adopted the following resolution:

Whereas there now is and has been a struggle going on in Mexico to abolish the present conditions of peonage and of land tenure; and

Whereas there is a considerable agitation in some quarters to influence the United States Government to intervene between contending factions in the said country: Therefore be it

Resolved, That we are utterly opposed to any intervention in Mexico; that we believe in a determined policy of "hands off" on the part of our Government; and be it further

Resolved, That we extend our cordial greetings and best wishes to the men in Mexico now struggling to abolish age-long wrongs by striking the shackles from the limbs and minds of men and women and to abolish the present land tenure.

On July 25, 1914, the executive council of the A. F. of L. communicated with Señor Zubarin, the representative of the Mexican constitutionalist government at Washington, and urged the advisability of a declaration by their government, through its first chief, that a policy of punishment and retribution would not be followed in dealing with the political enemies of the Carranza government.

The service that the A. F. of L. was able to render to the cause of humanity in Mexico was fully reported to the San Francisco convention under the heading "Pan American Labor Relations."

ORGANIZATION OF MEXICAN WORKERS.

It was one of the most significant and most hopeful manifestations of this spirit that Madero accorded to the workers the right to organize, the legal right to strike, and gave to them assistance in their efforts to organize.

Representatives of the revolutionary movement of Mexico and the officers of the A. F. of L. were in constant correspondence. Several of the former had conferences with the president and the executive council of the A. F. of L. A better understanding had been reached and the ground broken for sympathetic cooperation between the organized labor movement of America and whatever existed of the embryo labor movement and the revolutionary movement of Mexico. But the labor movement of Mexico dates from Madero. The news of the change in Mexico quickly flashed across the border line. That organization in the United States, whose members have been most intimately connected with Mexican workers, the miners' organization, sent a delegation to confer with Madero. As a result of that conference governmental approval was given to the efforts of organized miners to organize their fellow workers in Mexico. The cordial relations thus established were helpful in the work of organization.

Other organizers, as individuals, have gone into Mexico and carried the message of organized labor in America to the workers of Mexico who were seeking a way out of bondage. Various trades organized into unions upon lines necessary to meet the immediate problems and conditions. The conditions were such that immediate benefits were essential. Stone masons, woodworkers, printers, carpenters, shoemakers, machinists, and workers in other lines organized in the city of Mexico into a federation known as the Casa del Obrero Mundial.

For a brief time it seemed that the revolution in Mexico would be suppressed by the tyranny of the usurper and tyrant Huerta, but with his downfall and the ascendancy of Carranza, backed by a group of liberal elements, the Carranza government made a compact with the organized labor movement of Mexico. The compact was signed on behalf of the Government by Rafael Zubarin Company. The Government pledged its support to the organized labor movement and pledged the maintenance of freedom for activities necessary to carry out the high purposes of organized labor. It also gave immediate assistance, permitting the labor organizations to use large houses in various cities, such as Vera Cruz, Tampico, and Mexico City for the purpose of holding meetings and for the protection of their families. In these buildings the labor organizations were permitted to set up their printing presses and issue labor and liberal papers. Transportation was given to their delegations to go to various parts of Mexico to organize different trades and federate them under the national organization.

The Carranza government has made an earnest effort to fulfill these obligations. In return the workers, holding that their interests were identified for the time at least with the Carranza government, have supported that government, and some labor organizations have enlisted in the Carranza army and served en masse with the officers of their union as the officers of the company. Some of these regiments, such as the regiments formed of the Orizaba textile workers, are known as the "red regiments."

Soon after its organization the Casa del Obrero Mundial elected delegates to come to the United States for the purpose of giving American workers information of the labor movement in Mexico. Unfortunately complications and lack of financial means prevented carrying out this purpose at first. Later in the year another federation of labor organizations, known as the Federacion de Sindicatos Obreros, sent a representative to the United States. This representative was a man who was also a colonel of one of the red regiments.

NO INTERVENTION—THE A. F. OF L.

Through the machinations of those whose financial and material interests were endangered by the Mexican revolution an international condition was brought about which made it seem that intervention of the United States Government in the affairs of Mexico was inevitable. It must be remembered that foreign capital in Mexico was interested in "developing" natural resources of Mexico and diverting the mass of the profit to foreign countries. There were the foreign concessionaires who had been given the wealth that ought to belong to the Mexican people and were using that wealth for their own private aggrandizement, for the exploitation and domination of the Mexicans. These were the elements—the interests—which endeavored to provoke intervention by some force that would suppress the revolution, but the revolution and the ideals of the revolution, as maintained under the Carranza government, were of vital interest to the people of Mexico generally, the great majority of whom are included in the wage earners.

When all other agencies failed, the representatives of the Mexican workers came to the president of the American Federation of Labor and asked him to present to the President of the United States reasons why intervention ought not to be made—reasons which were based upon the ideals and purposes which the Mexican people were trying to work out as best they could under the best form of government they could establish at that time. The president of the American Federation of Labor made an appeal to President Wilson in the name of the working people of the United States, whose ideals and policies are closely identified and associated with those of the Mexican workers.

The United States Government did not intervene. Later in the year, when the question of recognizing the Constitutionalist government of Mexico was under consideration by the President, in accord with the instructions of the executive council of the American Federation of Labor, a letter was written requesting that the Constitutionalist government be recognized. The Mexican situation was presented to the President as the first efforts of people, long accustomed to despotism and denial of rights of free citizens, to realize ideals of freedom. The letter to President Wilson was as follows:

WASHINGTON, D. C., *September 22, 1915.*

SIR: In accord with the direction of the executive council of the American Federation of Labor, the following is respectfully submitted to you and which we hope will commend itself to your favorable consideration and action.

There has been going on just across our southern boundary a battle which is part of the world-old struggle for freedom. Although that struggle may be associated with many things that are not in accord with our ideals, yet I am sure you recognize that these things are the first crude efforts of a people long accustomed to despotism and denial of the rights of free citizens to realize ideals of freedom. Nations, as well as individuals, as you well know, can not at once assume wisdom in the exercise of freedom. They must learn to be free. They have the right to this freedom without unwarranted outside interference even from those who seek their welfare.

The revolt of the people under the leadership of Madero against the Diaz government was an effort to realize ideals. The support given to the ideals of Madero was a proof that national virility and resourcefulness had not been crushed out by the rule of despotism. It was a proof that there were yet ideals and yearnings for the opportunities that rightfully belonged to citizens under a free government.

Under the Madero government there were beginnings of a labor movement and an effort of the workers to organize for the realization of their ideals and for the betterment of themselves and their fellow-workers. This hope was overshadowed by the barbarism of Huerta but again grew strong and steady when Carranza asserted himself as the leader of the people.

Gen. Carranza is recognized as the friend of the working people and the real leader of the people generally of Mexico. He has granted to the wage earners the right of organization and has secured them opportunities for carrying out the legitimate purposes of organization. He has been thoroughly in sympathy with the ideals of greater opportunity and freedom of the masses of the people. The working people have been supporting him. They have adjourned as lodges and trade-unions to enlist in the Carranza army with their union officials serving as the officers of their regiments.

The workers of Mexico have tried as best they could with the resources available to present their request and their right to be allowed to work out their own problems. They asked you and our Government for a little more patience and a little more time to prove that the Carranza government really represented the people of Mexico. You granted that request and time has proved that Gen. Carranza is really the representative of Mexican democracy—that he represents their efforts to establish a government of the people and for the people. Gen. Carranza has demonstrated his sympathy with the ideals for which Madero gave his life, and has refused to compromise these ideals with Mexican revolutionists who were seeking their own personal interests. He has endeavored to secure for the Mexican Republic the dignity and the respect that ought to be accorded to any sovereign government.

The sympathies of the workers of the United States have been very deeply touched by the struggles of our fellow workers of Mexico. As recent events have drawn all of the countries of the two American continents more closely together, so the workers of these various countries have been more thoroughly aroused to the common interests and the common welfare of the wage earners who are citizens of the countries.

It is with the desire that we Americans who have so much liberty and so much of opportunity should use our influence to aid those who are

less fortunate, that as representatives of the labor movement of America we urge upon you recognition of Gen. Carranza as the head of the Mexican government.

The matter we know is receiving your most earnest and most conscientious consideration, and we are sure that your sympathies are very strong for any genuine effort to secure larger liberty for the people; therefore we wish you to have the assurance that the course we, as the representatives of the organized labor movement of America urge upon you, has, we are sure, the hearty approval and indorsement of the great rank and file of the citizenship of our country.

Very sincerely, yours,

SAMUEL GOMPERS,
President American Federation of Labor.

Hon. WOODROW WILSON,
President of the United States,
White House, Washington, D. C.

On October 19, 1915, the United States Government notified the representative of the de facto Mexican government in the United States that it would be pleased to receive formally in Washington a diplomatic representative of the Constitutionalist government. The Carranza government was recognized.

MEXICO-UNITED STATES LABOR CONFERENCE.

The concessionaries, the American trusts in Mexico and the foreign capitalists who had invested money there became increasingly disturbed as the Carranza government continued its program. They were in danger of losing the privileges that they had secured in devious ways. As these foreigners owned 75 per cent of the capital and land of Mexico, they saw no benefit to be secured through indemnities, for indemnities would be the result of taxation of Mexican property, the property to which they claimed title, consequently, indemnities meant they themselves must pay.

Then began an effort on a gigantic scale to create "public opinion" for American intervention in Mexico. Nor were these efforts confined to press publicity. President Wilson in a public statement declared that interests hostile to international peace were inciting trouble along the border line between Mexico and the United States.

One of the most conspicuous of these efforts was the expedition sent from California into Lower California, Mexico, headed by Mr. Chandler, son-in-law of Gen. Otis, of the Los Angeles Times. Gen. Otis owns about 64,000 acres in Mexico, which was virtually an extension of the great Imperial Valley of California. Gen. Otis, as all the world knows, is actuated by far from idealistic purposes. The conditions connected with this expedition were brought to the attention of the grand jury of California, indictments followed, and some of the men concerned in the expedition were sentenced to terms in the penitentiary. However, the men who planned the expedition and were to profit by it have so far escaped punishment. This case is known as California *v.* Chandler, Ablez, et al.

When conditions became critical, in the name of the workers of the United States, the president of the American Federation of Labor sent the following letter to the Casa del Obrero Mundial of Mexico:

WASHINGTON, D. C., *May 23, 1916.*

Secretary CASA DEL OBRERO MUNDIAL,
City of Mexico.

DEAR SIR AND BROTHER: Permit me, on behalf of the American Federation of Labor, to send fraternal greetings to the Casa del Obrero Mundial, to the entire labor movement of Mexico.

The labor movement of North America has seen with what splendid courage organized labor in Mexico has, from the time of the presidency of the late Francisco I. Madero, demanded and obtained recognition for the cause of labor and justice in our sister Republic.

From time to time the American Federation of Labor has received confidential reports from delegates duly accredited by your organization and others who came to Washington in behalf of the Mexican labor movement and the Mexican cause. From these delegates the executive council of the American Federation of Labor has learned how deeply the spirit of international brotherhood has guided all your struggles in Mexico. We learned with intense interest of the historic agreement between the Casa del Obrero Mundial and the Constitutionalist government and signed on behalf of that government by Rafael Zubaran Company.

We have learned with what bravery and determination the Mexican miners in the State of Arizona organized and struck work with their brother Americans of the north and won advancement for themselves and the cause of international solidarity.

All these facts point to the necessity of a still closer understanding between the workers of all the Americas, particularly in this crisis in the world's history. To this end and to propose a practical method of mutual cooperation between organized labor in Mexico and in the United States, I suggest that, at a date to be agreed upon, representatives from the Casa del Obrero Mundial and as many other of the labor organizations in Mexico as possible meet for a conference in El Paso, Tex., with representatives of the American Federation of Labor. Matters for the mutual welfare of the sister Republic could then be discussed and a future cooperative policy outlined.

With you I agree that the future peace of the world rests in the hands of the wage earners, and this is most cogently expressed by the organized labor movement of each and all countries.

I hope to hear from you as soon as possible as to the actual conditions of the Mexican labor movement at the present time, and a reply to the suggestion I have made herein.

Fraternally, yours,

SAMUEL GOMPERS,
President American Federation of Labor.

Copies of this letter were sent to President Wilson and to each member of his Cabinet and to the officers of the Constitutionalist government in Mexico, as well as to a number of governors of Mexican States, who were in a position and who would probably be disposed to give general publicity to the letter among the workers of Mexico.

Within a very short time there came telegraphic response from the labor organizations of Mexico heartily indorsing the holding of a labor conference and suggesting an immediate date. Within brief time came further telegraphic information stating that the labor organizations of Mexico City had elected delegates, who were instructed to proceed at once to the border to hold a conference on June 25. As June 26 was the date that had been set for the meeting of the executive council of the American Federation of Labor in Washington and not sufficient time was allowed for communicating with the workers of Mexico, it was impossible to have a time mutually agreed upon for the conference before these workers started for Eagle Pass, Tex. Immediately upon their arrival in Eagle Pass, the delegates telegraphed to Washington. There were 20 representatives of various trade organizations in this delegation. The suggestion was made that the delegates who had come to Eagle Pass should proceed to Washington, which was considered a better place for a conference, in addition to affording an opportunity for the delegates to meet with the executive council of the American Federation of Labor. Conditions on the border were such as to make a labor conference there ill-advised.

The Mexican delegation elected two of their number to come to Washington. They were Luis N. Morones, an electrical worker, of Mexico City, and Mr. Salvador Gonzales Garcia, a machinist. Both of these workers represented the Casa del Obrero Mundial.

In the meanwhile the Confederacion of Sindicatos Obreros had again sent their labor representative, Edmundo E. Martinez, to the United States and commissioned him to bring to the E. C. of the A. F. of L. a gold medal expressing the appreciation of the Mexican workers for what the American labor movement had done for them in their struggle for liberty. This medal was formally presented in the conferences which the Mexican delegates had with the E. C.

The State of Yucatan now has as governor Salvadore Alvarado, a man who has some understanding of the labor movement and is in sympathy with its needs and purposes and has done much to better conditions in Yucatan. It must be remembered that less than a year ago the workers of Yucatan were peons—slaves. In a brief while the revolution has given them a chance to be free men, and they have used that freedom as best they could under the circumstances. What they have done at present in the way of industrial organization is perhaps not the ideal thing, but it represents their first efforts to bring about changes in the oppressive conditions that have so long prevailed.

However, democracy can not come in a year, but the people of Yucatan will learn democracy and will gradually supersede autocracy, whether political or industrial. The governor of Yucatan believed so strongly in organized labor that he commissioned two representatives of the workers to come to the United States bringing an appeal from the workers of Yucatan. This appeal was for the purpose of establishing better relations between organized labor of Yucatan and the United States and all Pan-American countries. These two delegates from Yucatan participated in the Mexican conference; they are Baltazar Pages, editor, Voice of the Revolution, and Carlos Loveira, chief of the department of labor. They had credentials signed by the following labor organizations of Yucatan: The Society of Dockers; the Syndicate of Machinists, Blacksmiths, and Boilermakers; Union of Railway Men of Yucatan; Society of Sailors; Syndicate of Waiters and Assistants of Restaurants and Saloons; Syndicate of Carpenters; Syndicate of Mechanical Electricians; Clerks' Headquarters of Yucatan; Syndicate of Bakers; Syndicate of Molders; Syndicate of Coach Drivers; Mutual Beneficial Society of Truck Drivers; Syndicate of House Tenants.

The representatives of the Casa del Obrero Mundial had credentials from that organization and asserted that they represented 100,000 organized workers.

The purpose of this conference was the consideration of ways and means for the establishment of closer relations between our respective labor movements, in order that there might be better understanding and better cooperation. It was in recognition of the fact that their economic interests were identical and that there must be permanent relationship established between the economic organizations.

All parties to the conference agreed upon the principle of action, that the economic movement is the fundamental agency for the welfare of the workers and that the economic movement must be made the instrumentality for establishing their freedom and promoting all of their interests.

As a result of the conference held in Washington the following declaration was formulated and signed:

WASHINGTON, D. C., *July 3, 1916.*

The undersigned, the E. C. of the A. F. of L., and the representatives of the organized-labor movement of Mexico, express our deep gratification in the consummation of this conference, which we hope and believe has laid the basis for better understanding and has welded ties that shall bind together the workers of our respective countries.

We are confident that personal conferences of the workers of the United States and of Mexico will be a constructive force in bringing about understanding necessary for better relations between our countries and for maintaining peace founded upon a proper regard for the rights of all. It is our opinion that this conference should be followed by another, in which the workers of both countries shall be more generally represented, for the purpose of agreeing upon plans for maintaining permanent relations and for the federation of the labor movement of all of the countries of the two Americas.

In view of the present relations between the United States and Mexico, we are of the opinion that such a general conference is for the present untimely, and we express the judgment that the holding of such a conference should be deferred until later in the year. However, in the event of an emergency which would make a general conference of advantage in averting an international crisis, such a conference could and should be called for the earliest time mutually agreeable. To carry this plan into effect, a joint commission shall be chosen, to consist of two members from both labor movements, to remain in Washington until the present crisis is passed, the said joint commission to have the power of calling a general conference if necessary.

We hold this to be fundamental: No relations between our countries can be permanent that are not based upon the will of the masses of the people and in accord with their concepts of justice.

We deem it an essential step toward democracy and justice that there shall be established for the masses who have hitherto been without regular agencies for expressing their views and desires opportunities that will enable them to have a voice in helping to determine international affairs.

The labor movements of the various countries constitute the instrumentalities that can best accomplish this purpose and give expression to national ideas and convictions that have been too long inarticulate and impotent.

We direct that the president of the A. F. of L. and the official representatives of organized labor of Mexico should keep in touch through correspondence, and that they be authorized to carry out the purposes specified in this declaration.

In joint conference as the representatives of the workers, the masses of our respective countries, we urge upon our Governments to adjust existing differences without war and to establish conditions conducive to permanent peace with justice.

We appeal to the workers and all of the people of the United States and of Mexico to do everything within their power to promote correct understanding of purposes and actions, to prevent friction, to encourage good will, and to promote an intelligent national opinion that ultimately

shall direct relations between our countries and shall be a potent humanitarian force in promoting world progress.

It is an unavoidable conclusion that present differences between our countries are the result of misunderstanding growing out of inadequate or incorrect information; that the unfortunate consequences of past relations between the United States and Mexico have formulated a national attitude that questions the good faith of our Governments; that existing agencies and methods of reaching an adjustment of these differences are unsuitable for dealing with those problems which are fundamentally humane problems; and that the relations between our countries ought not to be directed in accord with abstract standards of justice, but ought to be keenly sensitive and responsive to the human interests and moral forces. Therefore, we, the representatives of the organized workers, having the right to speak for all of the workers and in the interests of all of the people, urge upon our Governments the appointment of a commission to be composed of high-minded citizens, fully representative of our nations, to consider differences that have brought our nations to the verge of war, and to make such recommendations for adjustment as shall fitly express the highest ideals of the great rank and file of the citizenship of our two countries.

We direct that copies of this declaration shall be presented to the President of the United States, Hon. Woodrow Wilson, and to the first chief of the Constitutionalist Government of Mexico, Gen. Venustiano Carranza, and that it be given widest publicity among the workers of our respective countries.

For the organized workers of the United States:

SAM'L GOMPERS, *President.*
JAMES DUNCAN, *First Vice President.*
JAS. O'CONNELL, *Second Vice President.*
D. A. HAYES, *Third Vice President.*
JOS. F VALENTINE, *Fourth Vice President.*
JOHN R. ALPINE, *Fifth Vice President.*
H. B. PERHAM, *Sixth Vice President.*
FRANK DUFFY, *Seventh Vice President.*
WM. GREEN, *Eighth Vice President.*
JOHN B. LENNON, *Treasurer.*
FRANK MORRISON, *Secretary.*

For the organized workers of Mexico:

C. LOVEIRA.
BALTAZAR PAGES.
L. N. MORONES.
S GONZALO GARCIA.
EDMUNDO E. MARTINEZ.

LABOR'S EFFORTS TO PREVENT WAR.

While the conference was in progress an actual clash between the American troops in Mexico and the Mexican army had taken place, in which some American soldiers were killed and some were imprisoned and held in jail. The President of the United States issued an ultimatum demanding the immediate release of the American soldiers. No word was received from the Mexican Government as to their intentions in the matter, public opinion was aroused to fever heat, and it seemed as though war was inevitable.

In this great anxiety an appeal came from the Mexican governmental representatives in this country to the president of the American Federation of Labor asking him to send a personal appeal to Gen. Carranza for the release of the American soldiers.

On the afternoon of June 28, about half past 2, the following telegram was sent:

[Telegram.]

WASHINGTON, D. C., *June 28, 1916.*

Gen. VENUSTIANO CARRANZA,
First Chief Constitutionalist Government,
Mexico City, Mexico:

In the name of common justice and humanity, in the interest of a better understanding between the peoples and the Governments of the United States and Mexico, for the purpose of giving the opportunity to maintain peace and avoid the horrors of war, upon the grounds of highest patriotism and love, I appeal to you to release the American soldiers held by your officers in Chihuahua.

SAMUEL GOMPERS,
President American Federation of Labor.

On the evening of that same day extra papers on the streets announced that Gen. Carranza had just issued an order releasing the American soldiers.

On the following day was received from Gen. Carranza this:

[Telegram.]

MEXICO, *June 29, 1916.*

SAMUEL GOMPERS,
President American Federation of Labor, Washington:

In replying to your message dated yesterday I would state that the Government in my charge has ordered the liberty of the American soldiers whom the Mexican forces took as prisoners in Carrizal. Salute, very affectionately,

V. CARRANZA.

The executive council, which was at the time considering Mexican affairs, authorized the sending of the following:

[Telegram.]

WASHINGTON, D. C., *June 30, 1916.*

Gen. VENUSTIANO CARRANZA,
First Chief Constitutionalist Government,
Mexico City, Mexico:

Your telegram of June 29 received and laid before the executive council of the American Federation of Labor, in session at Washington, and we express to you our appreciation of your order releasing the American soldiers, and thus helping to clear the way for a mutually honorable settlement of any differences existing between the Governments of the United States and of Mexico.

SAMUEL GOMPERS,
President American Federation of Labor.

Mr. FALL. Mr. President, we will see who the Magons were, with whom Mr. Gompers was sympathizing. The Magon-Villareal junta were operating under the I. W. W. constitution and laws. I read from the constitution of the I. W. W., the Industrial Workers of the World:

I. W. W. TACTICS OR METHODS.

As a revolutionary organization, the Industrial Workers of the World aim to use any and all tactics that will get the results sought with the least expenditure of time and energy. The tactics used are determined solely by the power of the organization to make good in their use. The question of right and wrong does not concern us. No terms made with the employer are final—

And so on. I ask that from this document that portion of the laws governing the I. W. W., contained on pages 314 and 315, may be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it will be so ordered. The Chair hears none.

The matter referred to is as follows:

I. W. W. TACTICS OR METHODS.

As a revolutionary organization, the Industrial Workers of the World aim to use any and all tactics that will get the results sought with the least expenditure of time and energy. The tactics used are determined solely by the power of the organization to make good in their use. The question of "right" and "wrong" does not concern us.

No terms made with an employer are final. All peace, so long as the wage system lasts, is but an armed truce. At any favorable opportunity the struggle for more control of industry is renewed.

The Industrial Workers realize that the day of successful long strikes is past. Under all ordinary circumstances a strike that is not won in four to six weeks can not be won by remaining out longer. In trustified industry the employer can better afford to fight one strike that lasts six months than he can six strikes that take place in that period.

The organization does not allow any party to enter into time contracts with the employers. It aims, where strikes are used, to paralyze all branches of the industry involved when the employers can least afford a cessation of work—during the busy season and when there are rush orders to be filled.

The Indutsrial Workers of the World maintain that nothing will be conceded by the employers except that which we have the power to take and hold by the strength of our organization. Therefore we seek no agreements with the employers.

Failing to force concessions from the employers by the strike, work is resumed and "sabotage" is used to force the employers to concede the demands of the workers.

The great progress made in machine production results in an ever-increasing army of unemployed. To counteract this the Industrial Workers of the World aim to establish the shorter workday and to slow up the working pace, thus compelling the employment of more and more workers.

To facilitate the work of organization large initiation fees and dues are prohibited by the I. W. W. as the organization.

During strikes the works are closely picketed and every effort made to keep the employers from getting workers into the shops. All supplies are cut off from strike-bound shops. All shipments are refused or missent, delayed, and lost if possible. Strike breakers are also isolated to the full extent of the power of the organization. Interference by the Government is resented by open violation of the Government's orders, going to jail en masse, causing expense to the taxpayers—which is but another name for the employing class.

In short, the I. W. W. advocate the use of militant "direct-action" tactics to the full extent of our power to make good.

Mr. FALL. Mr. President, at the time Mr. Gompers claims that he assisted in the overthrow of Diaz and the establishment of the labor organizations under the Madero administration in Mexico, the Magons were again arrested in Los Angeles, Cal. These people with whom he sympathized were again arrested by Madero, the great labor-organization man of the Republic of Mexico, upon compiaints made by him, and with the assistance of attorneys employed by him the Magons were sent to San Quentin Penitentiary for 23 months.

In connection with Mr. Gompers's statements I also desire to call attention to his letter as contained in the American Federation of Labor Proceedings, volume 34, for 1914, on pages 50, 51, and 52, under the head "The situation in Mexico." I ask that that may be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered. The Chair hears none.

The matter referred to is as follows:

THE SITUATION IN MEXICO.

As a matter of historical record, as well as to ask your approval of our course, we submit to you herewith a letter which President Gompers, by the authority of the executive council, addressed to the United States representative of the Mexican Constitutionalists:

WASHINGTON, D. C., *July 25, 1914.*

Mr. R. ZUBARAN,
United States Representative Mexican Constitutionalists,
Burlington Apartment, Washington, D. C.

DEAR SIR: From direct communication as well as from statements published in the newspapers within the past few days, the situation now existing in Mexico has been fairly and accurately presented to my associates, the executive council of the American Federation of Labor, during our last week's session. We are prompted, and I was directed, to communicate to you and respectfully ask that you communicate in turn to Gen. Carranza, chief of the Constitutionalists of Mexico, the following statement of fact and expression of hope.

But, first, let me say that it is with much satisfaction that the executive council of the American Federation of Labor extends felicitations to the constitutionalist cause and expresses hopes for its early and successful consummation.

At the outset I should say that the working people of the United States are intensely interested in the affairs of the people of Mexico, as they are by their very position and organization vitally concerned in the affairs of the people the world over, and especially those con-

ditions which affect the working people and their conditions of life and work.

Nor is it amiss to say that during the Mexican revolution against the autocratic and tyrannical administration of President Diaz, the American Federation of Labor aided as best it could, and particularly in the field of information and the creation of public opinion in the United States in the movement to dispose Diaz. We were greatly gratified when, as a result, the great Madero was installed into office as President of the Republic and in the high purpose to which he was devoting his talents and ideals for the benefit of the Mexican people.

When Gen. Huerta and his coterie, by assassination and treachery, overturned the government of President Madero and Gen. Huerta established himself as Provisional President and then dispersed the Mexican Congress and proclaimed himself dictator, there was no power, outside that of the Government of the United States, which exerted so potential and international an influence in the solution of the difficulty which confronted the Mexican people as the American Federation of Labor.

We helped in sustaining the attitude of the Government of the United States in its refusal to recognize Huerta up to the present hour and for the success of the revolutionary movement headed by Gen. Carranza.

Now, the only difficulty which seems to be in the way of a complete settlement of the contest of the last several years is the avowed declaration on the part of those who speak or assume to speak in the name of Gen. Carranza, that punishment and retribution of the most draconian character will be meted out by him and his government to the Huertists and those responsible for the overturning of the Madero government.

What I have in mind is, that since the American Federation of Labor, as no other American instrumentality outside the Government of the United States, has aided for the success of the prospective government, we have the right to suggest to those who represent Gen. Carranza and the victorious revolutionary army that the higher humanitarian consideration be given, aye, even to those who have been guilty. And that in our judgment such a policy would have a tranquilizing effect, promoting the successful inauguration of the new constitutional government of Mexico and would tend to unite the people of Mexico in support of an orderly government of the country.

And it is also earnestly hoped and respectfully suggested that some definite declaration be made, not only upon the lines indicated above but should be coupled with an avowal of purpose that the constitutionalists will carry into effect a rightful and justifiable division of the lands of Mexico for the working people.

We feel confident that such a declaration faithfully carried into effect would institute and maintain a better economic condition and a more humanitarian policy than have heretofore prevailed in Mexico.

In our judgment, such a declaration and policy would do more than aught else to bring peace, unity, and progress to the people of Mexico and the stability of their government, all of which is submitted to the respectful consideration of yourself and your chief from the sincere purpose of your well-wishers and your friends.

Very truly, yours,

EXECUTIVE COUNCIL, AMERICAN FEDERATION OF LABOR,
SAMUEL GOMPERS, *President*.

The United States representative of the constitutionalists expressed himself as profoundly grateful for this expression of opinion, suggestion, and judgment of the American Federation of Labor as to the course which should be pursued by the Mexican Constitutionalists. And now that the constitutionalists have driven the traitor and tyrant Huerta from the office he usurped and have established the constitutional government, and that the true aims in the purposes which prompted the Carranza-Villa constitutional revolution are to be carried out, we can take pride and satisfaction in the course pursued by the American Federation of Labor and by the executive council in giving aid and encouragement to the men of Mexico who are engaged in their avowed purpose for the democratization of the institutions of the Republic of Mexico to make for the greater safety and protection of life and liberty to her people, for the abolition of slavery and peonage, and for the better distribution of the fertile lands of that country. We extend to the people of Mexico under this new régime our felicitations and our best hopes for their welfare and progress.

Mr. FALL. Now, sir, Mr. Gompers has tied himself up with the Industrial Workers of the World, the labor organization of Mexico. I have here, taken from The Railway Conductor, the magazine of the O. R. C. of the United States (the Order of Railroad Conductors), volume 29, pages 444 and 445, the report of W. K. Suit, chief conductor of the Railroad Conductors of Mexico (the Americans), protesting against the action of the Madero government and the organized labor of Mexico in forcing out of the Republic of Mexico the railroad conductors, engineers, and all trainmen. I want this to go along with the record which Mr. Gompers has made for himself, showing the people with whom he is associating, in whose behalf he is acting in Mexico, the labor organizations that killed the American railroad conductors, the American railroad engineers, the American trainmen, and forced 600 of them out of the Republic of Mexico.

I ask that that may be printed in the RECORD.

The PRESIDING OFFICER. Without objection it will be so ordered. The Chair hears none.

The matter referred to is as follows:

[From The Railway Conductor, Vol. XXIX, pp. 444–445.]

GUADALAJARA, MEXICO, *April 18, 1912.*

To the OFFICERS AND MEMBERS, DIVISION 540, O. R. C.

BROTHERS: It is with profound regret that it has become my duty to announce to you the necessity of surrendering the charter of our division. However painful it may be, it would be more so if I could look back over the events that have transpired in the last two years with an impartial eye and see where it was due to our failure in doing our duty either as conductors in railroad service or to a lack of loyalty to the Order of Railway Conductors. The discontinuation of the division is due to the never-ceasing agitation of the unreliable railroad element among the Mexicans that never has and never will do good service.

This same class of people has succeeded in ruining the only effective government that Mexico has ever had, and they are now engaged in destroying the business institutions that have been built up by foreign talent and money during the last 30 years of peace and prosperity.

They have also taken advantage of the weak and tottering government at a time when they have not the strength to resist and have capured the greatest business institution in Mexico and will proceed to wreck it as they have the government.

We did not lose our positions because we are making demands that are unreasonable. We have lost them because the railroad management, working under the support of the government, has annulled the agreement for the purpose of forcing us out of the service, as they see it, a few at a time, so that it will not cripple the service, and at the same time knowing that they have us at their mercy.

I am proud to know that each and every one of you are not only true Americans but that you are loyal O. R. C. brothers, and that all of you have responded to the demand for justice.

Our experience in Mexico and the history of the Texas colony under Mexican rule has taught us that the moment he becomes your master he sets himself upon a royal throne and expects you to worship him, and if you dare to resent his rule, you make of him a life-long enemy, and from that time on you are never free from his treachery; and for that reason you have chosen to go down in defeat, fighting like the brave defenders of the Alamo, rather than to submit to a brutal ruler and be slaughtered like the Texans at Goliad.

We may be defeated in one sense of the word, but by the fight you have made you have saved your pride and dignity and have assisted in creating a sentiment in the civilized world that will some day bring results.

By the assistance of the Order of Railway Conductors the undesirable railroad man has been removed from Mexico, and the company is now losing the best men that have ever worked in Mexico; and from the various tests of diplomacy, judgment, and nerve to which you have been subjected in the past 18 months I feel free in saying that you stand head and shoulders above any public servants in the world to-day. Like the captain of a ship, a conductor's first duty is the care and protection of his passengers.

The Madero rebellion broke out in Mexico about the time the sentiment against the Americans was so strong, partly on account of the rapist, Rodriguez, who was lynched in Texas, and partly because the Americans had the best railroad jobs. In addition to this sentiment against us, we came in contact with both of the bitter factions and were often asked by both parties to express our opinions regarding the situation. We saw the rough element gradually get bolder; we saw thieves and pickpockets who had been in prison reappear and begin their bold work; we saw the army and the local authorities lose control of the people; we saw the small bands collect and move about as we passed through the country. In fact, by virtue of our position we held the pulse of the nation in our hands, and when we realized that the peon mobs could be called nothing but bloodthirsty savages, we all made up our minds, for the protection of the women and children, not to allow any soldiers to ride on passenger trains through the dangerous territory where the rebels were likely to hold the trains up, knowing that if they saw soldiers they would not hesitate to shoot into the trains and kill everybody in sight in an effort to kill a few loyal soldiers.

By this method you have made enemies of one faction while your motives were not understood by others. Many trains were delayed, and in some cases you have refused to go into the danger zone and tie up trains, until you were sure that the line was safe for your passengers. Some of you were subjected to vile abuse by army officers and threatened to be placed in irons. Other people openly asked the question, "Are you in sympathy with Madero and the rebellion?" "Are you openly taking part in the fight to overthrow the Government?" while others boldly asserted that you should be shot down on the spot. But with all the intimidations, not one of you retreated from the stand you had taken, which showed your rare judgment and nerve to back it up, and after mature reflection the traveling public, which represents most all of the nations of earth, realized that you were right and that you did not do this through sympathy for any faction, but to protect your passengers, and they indorsed your actions. Although some of you were ordered taken out of service by the Government, not one of you lost your positions.

Neither the railroad company nor the public can afford to lose such servants as you are, but just and right can not prevail under existing circumstances. The American tourist, who formerly found a courteous guide on every passenger train, in the form of an American conductor, will now spend his vacation in some other part of the world, realizing that he would be among people who do not know how to appreciate him, and the hundreds of poor beggars who gathered up the pennies freely given by Americans in days gone by will go hungry to bed in the future.

The United States of America, by the Monroe doctrine, assisted by sending an American army to the Rio Grande in 1865, handed Mexico her liberty on a silver platter, and has protected her ever since. Our reward is now being received in the form of about nine-tenths of our citizens fleeing from the country, under humiliating circumstances, to save their lives, while others are being shot down like mad dogs by a lot of savages, whose brains are pickled in alcohol and their nerves wrecked by immoral living, and who, convinced that they can not compete with honest business men in respectable pursuits of life, have turned loose to lay the country to waste in their own natural way. Every American who has been in touch with the situation, and every citizen of other civilized countries, sees the necessity of adding the "big stick" to the Monroe doctrine, and the only question is, "When will it be done?"

Every voter of the hundred thousand conductors and engineers in the United States of America should see that this question is put to the candidates for President of the United States in the campaign which has opened there, and not let them get away from it until they have fully expressed their opinions in public on the question.

I can not refrain from expressing my special appreciation of the never-tiring efforts of our secretary, Brother A. W. Earnest, for his work for the good of the order, and especially in behalf of Brother James A. Cook while he was in prison at Guadalajara, partly due to the same influence of the same element that is destroying the country in an effort to humiliate the American railroad men and drive them from the Republic. Also, Brother D. A. Kelly, our local chairman of the grievance committee, who has had to fight on every inch of the ground he has covered for many months, and has proven a true and loyal brother and a first-class grievance man in every respect. Also, our general chairman, Brother T. K. Eccles, of whom I can say that in all of my 23 years of railroading I have never known a brother to

have to face so many complicated and humiliating questions. Nor have I ever seen a man handle them as successfully as Brother Eccles has done.

But there is a limit to all things, and we have arrived at the limit of our endurance and forbearance in Mexico; and may God be with you all and deliver you to the other side of the Rio Grande in safety.

I thank you all for the support and respect you have shown me in my efforts to serve the order and the brothers.

Yours, in P. F.,

W. K. SUIT, *Chief Conductor.*

[From the Railway Conductor, p. 443, Vol. XXIX.]

GUADALAJARA, MEXICO.

The following is from the minutes of a special meeting held April 18, 1912:

"Moved and seconded that a vote of thanks be extended our chief conductor, Brother W. K. Suit, for his untiring efforts in our behalf, and in particular for his letter announcing the necessity of disbanding the division, giving an outline of the situation in this country, and that a copy of this letter be sent to each member of the division and to the Railway Conductor. Carried unanimously."

Yours, truly, in P. F.,

A. W. EARNEST,
Secretary Division 540.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from North Carolina?

Mr. FALL. In one moment I will be through.

Mr. President, I have here, which I ask may be printed in the RECORD, a copy of an article from the New York Times, dated September 28, 1915, showing the protests of the Carranza consul at San Antonio, Tex., made, so it is claimed, to the officers of the United States Government in the Department of Justice, that the Mexican I. W. W. were the people who were guilty of the murder of Americans on this side of the boundary. This is offered in connection with Mr. Gompers's record and his kind words spoken of the Mexican labor organizations.

The PRESIDING OFFICER. In the absence of objection, it is so ordered.

The matter referred to is as follows:

[From the New York Times of Sept. 28, 1915.]

LAYS BORDER ATTACKS TO MEXICAN I. W. W.'S.—CARRANZA AGENT CHARGES THAT LABOR AGITATORS IMPERSONATE SOLDIERS—AMERICAN HELD.

Col. Tiodulo R. Beltran, Carranzista consul at San Antonio, Tex., will lay before the Department of Justice to-morrow information tending to show that much of the disturbance along the Mexican border is due to the activities of the Mexican branch of the Industrial Workers of the World. The local members are known as Magonistas. Most of them, according to Col. Beltran, are engaged in railway construction work on the border. They are fanatics, he says, and believe that by making trouble intervention will be brought on, and after that the land will be divided among the people.

Col. Beltran is convinced that Carranzista soldiers are not responsible for the border clashes. Their uniform, he says, is a cheap affair, easily imitated, and the Magonistas have adopted it, he believes, to increase the international significance of their acts.

Mr. FALL. Mr. President, with this I shall close at this time, calling attention simply to the speech made by Mr. Gompers, and asking that that portion of it referring the record of this administration with reference to Mexico, and asking the votes of the electors at this election for Mr. Wilson, as taken from one of the daily papers, may also be published in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered. The Chair hears none.

The matter referred to is as follows:

The international issue that now comes closest to the labor movement is the policy of our Government toward Mexico. The cause of humanity is in the balance in Mexico. The people there are trying to work out their own problems and to establish their own ideals of political, social, and economic justice. The labor movement in Mexico has developed; that is, the most power and the most constructive product of the revolution.

Representatives of the labor movement of Mexico have joined the representatives of the labor movement of America to insure to the workers and citizens of Mexico the rights of human beings—opportunities for freedom and for independence. Many of the problems of the Mexican workers are problems of the workers of the United States. Their welfare is our welfare. The boundary line between the two countries is only an artificial division that has little or no effect upon the course and the nature of industrial and commercial development.

The problem of industrial welfare in the States of the Southwest is largely a Mexican problem. With low standards of life and work prevailing upon the 15,000,000 Mexicans, there exists an obstacle to the establishment of higher standards within the United States. There are capitalists and exploiting interests of the United States who because they have property in Mexico—often corruptly and dishonestly obtained—desire to maintain governmental agencies by which they can hold the people in subjection and deny to them the opportunity for protecting themselves through the organized-labor movement and other opportunities for growth and development.

The selfish exploiting interests are concentrating their political power in the present campaign to secure a different policy on the part of our Government toward Mexico. Even under the guise of intervention, no matter how unnecessary and unwarrantable, the advocates of that policy really aim at the conquest and annexation of Mexico.

A few of the most reckless, such as the Otis and Hearst interests, come out brazenly in the demand for intervention, invasion, conquest, and annexation of Mexico. Of course every effort must be made to safeguard the lives and property of our people living along the border line, but who can honestly say that the Mexican marauders were the only offenders?

The allied forces of greed and profit would deny the Mexican people the opportunity for their development; they would gladly embroil the United States in an unnecessary and unwarrantable war with Mexico. To them property, property rights, profits are held far more sacred than human beings, international honor, and human liberty.

SIR ALMROTH E. WRIGHT.

Mr. LEA of Tennessee. Mr. President, I ask unanimous consent to have printed in the RECORD, without reading, a short statement in regard to Sir Almroth E. Wright, the celebrated scientist and physician, and certain correspondence between him and certain other physicians. I make this request because the Senate recently ordered printed as a public document the results of certain investigations in Sir Almroth Wright's laboratory upon the Von Ruck treatment for tuberculosis.

The PRESIDING OFFICER. Is there any objection? The Chair hears none, and it will be so ordered.

The matter referred to is as follows:

Mr. LEA of Tennessee. Mr. President, on December 10, 1914, Dr. Stimson, of the Hygienic Laboratory, Public Health Service, made a report on the investigations by the Public Health Service representatives of the vaccine used by Dr. Von Ruck, of Asheville, N. C., for immunizing against the infection of tuberculosis and in the treatment of cases of tuberculosis. This report was printed as a Senate document—No. 641.

During the progress of this investigation disagreements having arisen between Dr Von Ruck and the officers of the Public Health Service as to the manner of its conduct, Dr. Von Ruck went to Europe and succeeded in having an investigation made in the laboratory of Sir Almroth E. Wright. Sir Almroth Wright was formerly professor of pathology in the Army Medical School, Netley, England, and since 1902 is director of the department of therapeutic immunization, St. Mary's Hospital, London. He is now consulting bacteriologist to the expeditionary forces in France, where he has been since late in 1914.

Sir Almroth E. Wright is widely known for his original work on vaccination against typhoid fever. The antityphoid-fever vaccination was originally employed during the Boer War and thereafter widely used in the British Army. It was introduced in the United States Army in 1909. Almroth E. Wright was knighted in recognition of his scientific work. Dr. Von Ruck was fortunate in interesting Sir Almroth Wright in his work against tuberculosis.

This work was originally under the personal direction of Sir Almroth E. Wright, as is shown by cablegram from him to Dr. Von Ruck under date of October 14, 1914:

KARL VON RUCK, *Asheville, N. C.:*

Think it advisable Clemenger continue experiments to November 1. Autopsy then. Present outlook favorable.

And by personal letter to Dr. Von Ruck under date of October 17, 1914:

6 PARK CRESCENT,
Portland Place W.—October 17, 1914.

DEAR DR. VON RUCK: I was delighted to get your letter and to hear the better report of your health.

* * * * * * * * *

We have been frantically busy since the war and have made in all now 1,400,000 doses of vaccine; also Parry Morgan has gone to the large military hospital at Netley to inoculate and do bacteriological diagnosis. I have got Dr. Martley, who is a very sound man, to replace him in working with Clemenger. Clemenger is, in conformity with your cable of the 15th, letting the experiment run on to November 1, and it will then take him a week or thereabouts, he thinks, to finish up and work up the results. I think that there is distinct promise in the experiments, both in the experiments with active and those with passive immunity. But, of course, there will be and are already, cases where one has tuberculosis only at the site of infection and not elsewhere; and also cases where death has been produced by pseudo-tubercle in an animal which might, if it had lived, get rid of the tubercle at the site of infection, and these cases will be difficult to tabulate, though, of course, they count in your favor.

I have myself to go out to the war next Wednesday as consultant physician to the forces (I shall be working at wound infection), so I shall not be able to write such an interpretation of the results as you suggest. But I will do all that I can to do that, and I may find that I can usefully return from the war to do research. I may have time in the off hours to write the report you wish. Kindest regards.

Always sincerely, yours,

A. E. WRIGHT.

As is shown by this letter, Sir Almroth Wright was compelled to go to France with the army, where he has been practically ever since, and, unfortunately, this work could not be continued directly under his personal control. However, according to his suggestions, it was continued in his laboratory by Drs. F. J. Clemenger and F. C. Martley, who have prepared a scientific paper giving their report on this work of Dr. Von Ruck.

I am glad to say that the resolution introduced by the Senator from North Carolina [Mr. OVERMAN] authorizing the printing of this report by Drs. Clemenger and Martley was adopted recently.

Laymen who fear an invasion by this dread disease are told that a negative microscopic examination of their sputum is not con-

clusive, while an affirmative examination is always conclusive and proves the presence of tuberculosis. To my mind the negative result of the investigation by the officers of the hygienic laboratory is likewise inconclusive, while the report of Drs. Clemenger and Martley, being essentially confirmatory and affirmative of Dr. Von Ruck's work, is necessarily conclusive. Two positive results, independently arrived at, in the investigation of a scientific problem are reciprocally confirmative of the truth, whereas negative evidence opposed to them constitutes, in fact, no evidence at all.

I have been so situated personally that I have been thrown in contact with both the Von Rucks. Being a layman, I do not pretend to fully understand their claims or to be able to state whether they are sound or unsound. I know that Dr. Von Ruck does not claim that his vaccine is a specific which will cure any and all cases of tuberculosis. He does contend that the vaccine has proven in his own hands and in those of many other physicians a most valuable adjunct to other generally recognized methods of treatment of tuberculosis in suitably selected cases. He further claims that a person can be immunized by this vaccine and rendered immune to infection by the tubercle bacillus, just as a person can be immunized for a certain period of time against typhoid fever by antityphoid vaccine. From my personal observation and by the presence in this Chamber of one Senator, at least, I know that Dr. Von Ruck's claim relative to the advantage of treatment in tuberculosis with his vaccine is sustained. It is further sustained by the experience of persons from all parts of this country, as attested by extracts from a few of the many letters from prominent physicians in various parts of the United States, which I ask to have printed as a part of my remarks.

I am delighted that the Senate ordered printed this report of Drs. Clemenger and Martley of their investigations conducted in Sir Almroth Wright's laboratory. These investigations, conducted not only with the approval but at the request of Dr. Von Ruck, negative absolutely the suggestion that Dr. Von Ruck's is a secret remedy. Its method of preparation has been published and given to the profession and the public. Dr. Von Ruck's position in this is that whatever of value his research and investigation has produced should be made available for the benefit of mankind.

It is both proper and fair that both sides of this controversy should be presented to the medical profession and to the public. A great war is being waged against tuberculosis, the winning of which is too important for us not to take advantage of every legitimate means which may aid in the prevention and the delimitation of a disease which is the greatest enemy to human life, health, and usefulness.

Hon. JAMES H. LEWIS,
United States Senate, Washington, D. C.

MY DEAR SIR: I am creditably informed that the United States Senate has passed a resolution providing for "an investigation of the methods and practices of the Von Ruck research laboratory for tuberculosis, of Asheville, N. C."

I have been and I am at the present time interested in tuberculosis, chiefly from the viewpoint of the chemistry of the tubercle bacillus and its products. I learned through certain scientific journals of Von Ruck's extensive researches in the chemistry of tuberculosis, and, following a brief correspondence with him, I visited the Von Ruck laboratory early in March, 1913, and again late in June, 1913, to see the actual procedures followed there.

It is not necessary to enter into technical details at this time, but I am glad to express formally my admiration of the extensive, careful, and systematic study of the chemistry of the tubercle bacillus of Dr. Von Ruck. I know of no laboratory in this country where more extensive investigations of this difficult subject have been made, and I am equally confident that few individuals have a more complete grasp of the voluminous literature thereto appertaining.

Yours, very respectfully,

ARTHUR KENDALL,
Professor Bacteriology, Northwestern University.

THE TEMPLE SANITARIUM,
Temple, Tex., December 24, 1914.

Hon. Senator CHAS. A. CULBERSON,
Washington, D. C.

DEAR SIR: I understand that your Committee on Public Health now has under consideration the report of the hygienic laboratory upon the method of the Von Rucks in the preventive vaccination for tuberculosis. Together with many physicians of this and other countries, I am very much interested in seeing that this method has a very thorough and fair investigation. If there be anything in this method, it is of the most far-reaching importance. There is not a family in our country which does not now have some member infected with tuberculosis or will have within five years.

In November and December of 1913, very shortly after the men from the hygienic laboratory were in Asheville, I went to the Von Ruck laboratory to make an investigation on my own part, paying all my own expenses for the trip. I was somewhat prejudiced against them at the start. However, I found that they had a laboratory splendidly equipped for this work, numerous animals under observation, and the men were very competent in this line of work. I could find no fault with their technique, although I have had a considerable experience with similar lines of work, and I watched the work very carefully, with this in view. After three weeks' instruction under these men, spending from 8 to 10 hours daily right in the laboratory, I was able to duplicate their serum tests. I also followed 11 cases in people who came for the vaccination, making the physical examination in each case, watched the vaccination, drew the blood myself, and worked with it. I was able to confirm their finding of specific antibodies in the serum of these vaccinated patients. I know these substances were not there before, because I tested them out.

I remind you that the Von Rucks can hardly have a selfish pecuniary motive, because all their work has been published in reputable medical journals, and if the method is generally adopted any biological house can furnish the material commercially. Dr. Karl Von Ruck has the most complete library on tuberculosis in this country and keeps it up to date.

It is to be hoped that another commission can be appointed with men who have had experience with this particular line of work or who will acquire it before making a report on this method. I believe that every phase of the Von Rucks claims should be included in the scope of the investigation, their work upon patients as well as the laboratory experiments with animals. The National Government can well afford financially to back this up, for if a few people are saved from this disease in a year it is economically a wise thing.

Trusting that your committee will see fit to recommend further investigation along this line, I am,

Very sincerely, yours.

JAMES J. TERRELL, M. D.,
Pathologist Temple Sanitarium.

(Formerly professor pathology, medical department, University of Texas.)

EXTRACTS FROM LETTERS.

Dr. G. A. Waters, Lennpah, Okla., March 20, 1914: "I am administering your vaccine to several patients, and so far have obtained very favorable results."

Dr. Gardner C. Johnson, 300 Washington Avenue, Evansville, Ind., March 7, 1914: "I am getting very good results with the vaccine."

Dr. Eben Alexander, Knoxville, March 5, 1914: "I do little but surgical work, but I have used lots of the vaccine here. Its wonders do not cease."

Dr. C. J. Overman, Iroquois Block, Marion, Ind., March 3, 1914: "I am using it (the vaccine) in a case of tubercular vertebra with wonderful improvement, both local and general."

Dr. A. C. Watts, Birmingham, Ala., June 3, 1912: "I am using a great deal of your preparation, with good results."

Dr. C. A. Julian, Thomasville, N. C., May 5, 1914: "I am getting results from the last vaccine I got from you and it is renewing my great faith in it."

Dr. C. K. Brosheer, Middlesboro, Ky., September 14, 1914: "Since writing you in April I have used your vaccine in several cases and am very much pleased with the results. Have had marked improvement in each case."

Dr. B. F. Terry, Rising Star, Tex., October 16, 1913: "Am still having wonderful effects with both watery extract and vaccine. Our people know it is a fact."

Dr. L. E. Cox, Greenwood, Ind., March 10, 1914: "After seeing with my own eyes what you are doing along the line of prevention while I was at your place last spring, I am hoping that some time during my lifetime that I will be able to, through State legislation, brin your great work to the attention of every adult in this State."

Dr. F. M. Pottenger, Monrovia, Cal.: "I have been very much interested in the use of your special watery extract that you sent me for trial last spring. I think it has been of great value in the cases in which I have used it. I have used it only in selected cases."

Dr. H. E. Stroud, 214 Lankershim Building, Los Angeles, Cal.: "Your watery extract cured my wife some 15 years ago and she has been well ever since."

Dr. John G. Ames, Wilson Avenue and Sheridan Road, Chicago, September 29, 1913: "The results I obtain from the watery extract are wonderful to me."

EIGHT-HOUR LAW AND CIVIL SERVICE.

Mr. HUGHES. Mr. President, I simply want to call the attention of the Senate at this time to what I regard as a departure from the straight and narrow path usually followed by the members of the Hughes family in the case of my distinguished namesake, the Republican candidate for the Presidency. He has recently spoken against the eight-hour law. And I want to call the attention of the Senate in that connection to a speech made by William McKinley.

Mr. PENROSE. Oh, let us have that after the election.

Mr. HUGHES. I have the floor.

The PRESIDING OFFICER (Mr. JAMES). The Senator from New Jersey can not be interrupted without his consent.

Mr. HUGHES. As the Senators are anxious to adjourn, I will content myself with having the balance of the speech printed after I read one or two ringing sentences for the benefit of the Senator from Pennsylvania, who I know will be glad to hear the true doctrine with reference to the eight-hour day, so recently repudiated by the candidate of the Republican Party.

Mr. SMOOT. No; Gov. Hughes has not repudiated the eight-hour day.

Mr. PENROSE. I will raise the point of a quorum if it is too long, I will tell the Senator that.

Mr. HUGHES. The Senator can not raise the point of a quroum while I have the floor.

Mr. PENROSE. No; but there is going to be a breach of a gentlemen's agreement——

Mr. HUGHES. The Senator can raise it immediately if there was a gentlemen's agreement and the Senator will point out any breach of it.

Mr. PENROSE. The gentlemen's agreement precluded any buncombe like this at this hour of night.

Mr. HUGHES. I can not consent to a gentlemen's agreement which characterizes my speech as buncombe. The Senator

from Pennsylvania has been characterized much more severely than myself. I am surprised that the representative and alleged leader of the Republican Party in this body—a man who is contesting for the leadership, who has already torn the mantle to tatters in his efforts to get it from one or two other gentlemen who want to wear it—should object to having the speech of a former President of the United States read in the United States Senate. That is all I am asking to do. I am not asking to read any buncombe. I am asking to read a speech of William McKinley; and I am amazed that a Senator from Pennsylvania who attempts to represent his party in this body should characterize the speech of William McKinley, the martyred President, as buncombe.

Mr. PENROSE. If the Senator will allow me——

Mr. HUGHES. I decline to yield. I will read what Mr. McKinley said as a Member of the House of Representatives when there was pending an act relating to the limitation of hours of daily service of laborers and mechanics employed upon the public works of the United States and the District of Columbia. Mr. McKinley said:

Mr. MCKINLEY. Mr. Speaker, I am in favor of this bill. It has been said that it is a bill to limit the opportunity of the workingman to gain a livelihood. This is not so; it will have the opposite effect. So far as the Government of the United States, as an employer, is concerned, in the limitation for a day's work provided in this bill to eight hours, instead of putting any limitation upon the opportunity of the American freeman to earn a living, it increases and enlarges the opportunity for the workingman to earn a living. [Applause.]

The Senator from Pennsylvania was not a Member of the House at that time. I call his attention to the fact that nobody rose there and objected to this speech but it was applauded.

Eight hours under the laws of the United States constitute a day's work. That law has been on our statute books for 20 or more years.

SEVERAL MEMBERS. Since 1868.

Mr. MCKINLEY. They say around me that it has been on our statute books for 22 years. In all these years it has been "the word of promise to the ear," but by the Government of the United States it has been "broken to the hope." [Applause.] The Government and its officials should be swift to execute and enforce its own laws, and failure in this particular is most reprehensible.

I want to pause here long enough to say that under the act of 1868 an order was issued by another Republican President, Ulysses S. Grant, who was then President of the United States. Mr. McKinley goes on:

Now, Mr. Speaker, it must be remembered that when we constitute 8 hours a day's work, instead of 10 hours, every four days give an additional day's work to some workingman who may not have any employment at all. [Applause.]

The applause is in strange contrast with the silence now observed by the Senator from Pennsylvania—

It is one more day's work, one more day's wages, one more opportunity for work and wages, an increased demand for labor. I am in favor of this bill as it is amended by the motion of the gentleman from Maryland [Mr. McComas].

It applies now only to the labor of men's hands. It applies only to their work. It does not apply to material; it does not apply to transportation.

The balance of it, Mr. President, with the consent of the Senate, I will put in the RECORD. I trust the Senator from Pennsylvania will not object.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah object?

Mr. SMOOT. To what?

The PRESIDING OFFICER. To having printed in the RECORD the speech of Mr. McKinley, referred to.

Mr. SMOOT. Certainly not, and I approve every word of it.

Mr. PENROSE. I approve every word of it.

The matter referred to is as follows:

It only applies to the actual labor, skilled or unskilled, employed on public works and in the execution of the contracts of the Government. And the Government of the United States ought, finally and in good faith, to set this example of eight hours as constituting a day's work required of laboring men in the service of the United States. [Applause.] The tendency of the times the world over is for shorter hours for labor, shorter hours in the interest of health, shorter hours in the interests of humanity, shorter hours in the interest of the home and the family; and the United States can do no better service to labor and to its own citizens than to set the example to States, to corporations, and to individuals employing men by declaring that, so far as the Government is concerned, eight hours shall constitute a day's work, and be all that is required of its laboring force. [Applause.]

Therefore, Mr. Speaker, this bill should be passed. My colleague, Mr. Morey, has stated what we owe the family in this connection, and Cardinal Manning, in a recent article, spoke noble words on the general subject when he said:

"But if the domestic life of the people be vital above all; if the peace, the purity of homes, the education of children, the duties of wives and mothers, the duties of husbands and of fathers, be written in the natural law of mankind, and if these things are sacred, far beyond anything that can be sold in the market, then I say, if the hours of labor resulting from the unregulated sale of a man's strength and skill shall lead to the destruction of domestic life, to the neglect of children, to turning wives and mothers into living machines, and of fathers and husbands into—what shall I say, creatures of burden?—I will not say any other word—who rise up before the sun and come back when it is set, wearied and able only to take food and lie down to rest, the domestic life of men exists no longer, and we dare not go on in this path."

Mr. Speaker, we owe something to the care, the elevation, the dignity, and the education of labor. We owe something to the workingmen and the families of the workingmen throughout the United States who constitute the large body of our population, and this bill is a step in the right direction. [Applause.]

Mr. MCKINLEY. Mr. Speaker, I am in favor of this bill. It has been said that it is a bill to limit the opportunity of the workingman to gain a livelihood. This is not so; it will have the opposite effect. So far as the Government of the United States, as an employer, is concerned, in the limitation for a day's work provided in this bill to eight hours, instead of putting any limitation upon the opportunity of the American freemen to earn a living, it increases and enlarges the opportunity for the workingman to earn a living. [Applause.] Eight hours under the laws of the United States constitute a day's work. That law has been on our statute books for twenty or more years.

Several MEMBERS. Since 1868.

Mr. MCKINLEY. They say around me that it has been on our statute books for 22 years. In all these years it has been "the word of promise to the ear," but by the Government of the United States it has been "broken to the hope." [Applause.] The Government and its officials should be swift to execute and enforce its own laws, and failure in this particular is most reprehensible.

Now, Mr. Speaker, it must be remembered that when we constitute 8 hours a day's work, instead of 10 hours, every four days give an additional day's work to some workingman who may not have any employment at all. [Applause.] It is one more day's work, one more day's wages, one more opportunity for work and wages, an increased demand for labor. I am in favor of this bill as it is amended by the motion of the gentleman from Maryland [Mr. McComas].

It applies now only to the labor of men's hands. It applies only to their work.

* * * * * * *

Mr. CONNELL. I yield two minutes to the gentleman from Illinois [Mr. Smith].

Mr. SMITH of Illinois. Mr. Speaker, while I work from 16 to 18 hours a day for my constituents, yet I am willing that all laborers should work only 8 hours, unless they are paid for working beyond that time. In the two minutes allowed me I have not time to elaborate on this, but it seems to me, from the discussion so far presented, that there is a misapprehension of this bill by some gentlemen. It does not prevent a person from working more than 8 hours, but it does prevent the Government, when it employs a man to work 8 hours—which, as has been said by the gentleman from Ohio, constitute a day's work under the laws of the land—it prevents the Government of the United States from receiving his labor for 10 hours and only paying him for 8 hours.

A simple reading of the bill will correct the misapprehension:

"Eight hours shall constitute a day's work for all laborers, workmen, and mechanics, etc., except in cases of emergency: *Provided*, That in all such cases the laborers, workmen, or mechanics so employed and working to exceed eight hours per calendar day shall be paid on the basis of eight hours constituting a day's work."

Mr. CUTCHEON. How can they work more than 8 hours when they are not permitted to do so?

Mr. SMITH of Illinois. Section 2 provides, and that is the point that our friends object to:

"And it shall be unlawful for any such corporation, person, or persons to require or permit any laborer, workman, or mechanic to work more than eight hours in any calendar day"—

And there they stop. But it says—

"to work more than eight hours in any calendar day in doing such work or manufacturing such materials except in the cases and upon the conditions provided in section 1 of this act."

Which provides that if they have worked more than eight hours they shall be paid extra for it. I am heartily in favor of the bill.

Mr. CUTCHEON. That clause which you refer to refers only to the cases of emergency.

Mr. CONNELL. I yield two minutes to the gentleman from New York [Mr. Farquhar].

Mr. FARQUHAR. This eight-hour question will not down with talk. When you can see processions of 30,000 men tramping the streets of our great cities, when those men, independent of Congress and politicians, can make eight-hour laws and contracts, we are a little behind the procession in the House of Representatives.

Now, while the gentleman from Ohio [Mr. Butterworth] was talking, if he had devoted a little more time during the morning hour to the discussion of the adjustment bill he would have had all the argument he desired and all the answer. The act of 1868 was repeatedly violated by the officers of the Government, and was so violated even after the proclamation of the President; and when this Congress seeks now to cleat down this law, and then to make it penal or a felony to break the law, gentlemen talk about the liberty of the American citizen and make a stump speech that has nothing to do with the bill.

[Here the hammer fell.]

Mr. FARQUHAR. Now, Mr. Speaker, one word.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. FARQUHAR. I know it. One word. This is the first vote of the sense of this Congress and the only opportunity in 20 years that the House of Representatives has had to say whether it is in accord with American thought or not.

The SPEAKER pro tempore. The gentleman from Pennsylvania has four minutes remaining.

Mr. MUTCHLER. I think I have six minutes.

The SPEAKER pro tempore. The gentleman has four minutes.

Mr. MUTCHLER. I yield three minutes to my colleague [Mr. Vaux].

Mr. VAUX. Mr. Speaker, very much has been said and eloquently said about the rights of the laboring man, and against all that has been said asking Congress to protect his rights and protect him in the rights of his own independent judgment I have not a word to say. That is a matter entirely within the discretion of the honorable Members of this House; but when they ask me to enact class legislation, and that, too, class legislation the most marked of all that has ever been presented in my time in Federal legislation, and ask that that class legislation be enforced by penalties, by fine and imprisonment, I think class legislation has gone about as far as the American citizen is willing it should go.

Now, a great deal has been said, and I do not criticize or traverse the eloquence that has been emitted in this discussion; but I ask this House to say whether or not, in asking for this system of class legislation, they are going very far from the old doctrine that we were taught, and that for the benefit of these workingmen of this country this class

legislation is to be forced by fine and imprisonment; yet, so far as I can see, it seems that it does not apply this imprisonment to anybody but the Government. They say the "Government" is to be imprisoned, the "Government" is to be fined, or anybody "representing the Government" is to be fined or imprisoned.

Mr. EVANS. Will the gentleman permit me to ask him a practical question?

Mr. VAUX. Certainly, if there is such.

Mr. EVANS. I am in favor of the eight-hour law. I simply speak of it so far as it affects contractors. I am employing mechanics and laborers. They work 10 hours a day. I pay them the scale of wages agreed upon by the amalgamated iron and steel workers, molders, and mechanics. Would I be subject to fine and imprisonment under this bill as a criminal?

Mr. VAUX. Yes, sir; if you employed them on a Government contract.

I ask the attention of the gentleman to the third section:

"That any officer of the Government of the United States, or any person acting under or for such officer, or any contractor with the United States or other person violating any of the provisions of this act, shall for each offense be punished by a fine not less than $50 nor more than $1,000, or imprisonment not more than six months, or be both fined and imprisoned in the discretion of the court."

So that by this law every man employing 20 men who shall unintentionally or accidentally violate this law, these 20 men can apply to have this law put in force, and he can be fined a thousand dollars and imprisoned six months for each offense. If this is not class legislation with a vengeance, I do not know what class legislation is.

Mr. MUTCHLER. I now yield to a minute to the gentleman from New York [Mr. Flower].

Mr. FLOWER. I desire to offer as an additional section to this bill the provisions of the bill (H. R. 11230) to limit the hours of work of clerks and employees in first and second class post offices, as follows:

"That hereafter eight hours' labor shall constitute a day's work for clerks and employees in all first and second class post offices whose salaries do not exceed $1,400 per annum, for which they shall receive not less than the classified salary for a day's work. That for the purpose of carrying into effect the provisions of this act there is hereby appropriated, to be paid out of any moneys in the Treasury not otherwise appropriated, the sum of $1,782,685, or so much thereof as may be necessary."

Even if this amendment should not be adopted, I would vote for this bill but for the fact that I am paired with my colleague [Mr. Belden].

The SPEAKER pro tempore. Without objection, the amendment will be considered as pending.

Mr. KERR of Iowa. I object.

Mr. BLISS. Mr. Speaker, this bill is second to none in importance that has claimed or can claim the attention of this House.

It is the appeal of an element in our country which has already received too little attention at the hands of Congress. Briefly stated, it is the crystallized statement of labor, courteously made, but firmly asking for relief which will elevate and ennoble the wage workers of our land. The true lover of his country must and does recognize that a Government to exist in a prosperous state must have as its basis an intelligent, happy, and prosperous people.

Ignorance among the masses has ever been the bane of civilization. It begets unrest both in the relations of the citizen to the State and to his family. Domestic peace, contentment at the home fireside is the first condition of national peace. We recognize that the safety of the Republic rests upon the happiness and contentment of all her people.

This bill recognizes the claim of the laborers under the Government to be shown the same consideration shown the clerks under the Government. This bill wipes out the distinction so long maintained against the daily laborers employed on Government work. It would be impossible for a private firm to inaugurate this reform alone, for the reason that they must compete with their commercial rivals. But the Government has no competition and can well afford to take the first step, which, I believe, will tend to prepare the country for shorter hours of labor.

It may be said that such legislation is a breach of precedent. Admit it. In this rushing age of thought and measureless activity it is well that we be not too closely wedded to long established precedents. By this bill we say to the wage earners and the world at large that we recognize and adopt that good provision in the divine economy that eight hours were given to man for sleep, eight for labor, and eight for mental development. And while it is not the province of Congress to interfere with the private affairs of our people, while we may not say to the employers of labor how many hours the employed shall work, believing, as we do, that intelligent, well-directed effort is more conducive to the interests of the employer, we say to the world, as far as those who labor for the Government are concerned, eight hours of heaven's sunlight at the beginning and ending of each day is and shall be his for mental and moral development. We are trying no new experiment from one standpoint.

All history shows and all experience teaches that cheerful, contented labor is the most valuable to employers. Alacrity takes the place of sluggishness, and intelligent, well-directed action the place of the lifeless, spiritless machine. The friends of this measure expect much to come of it to laboring men of this country. Their lot is comparatively a hard one. It is not for us to stop now and inquire from what cause or series of causes such great numbers of our fellow citizens are compelled to perform arduous labor in order that they and those they love may live. Such, however, is the condition presented. Be it ours to use such power as we have to lighten this burden.

We present this measure believing that it will carry into the countless homes a degree of the sunlight of hope and good cheer. We have in our country a vast army of unemployed labor. This is due not so much to the suggestion that there is nothing for so many to do as to the sordid, avaricious, grinding policy pursued by so many toward the employed. The employer too often loses sight of the fact that the laborer thinks as he works. He forgets that if discontent and unrest sit where the satisfied soul should dwell this condition not unfrequently bodes no good to his interest. By this bill we set the example to the private employer of labor and confidently expect the result of this legislation to demonstrate that with an opportunity given the wage earner to read and cultivate those finer qualities of his nature more and better service will result.

The American Congress in 1868 placed this law upon the statute books, but it was nugatory for want of penalties to enforce it. This measure supplies the remedy. This measure will put in operation the law passed 22 years ago, but which after all these years has proven fatally defective because wanting in penalties to enforce it. We predict as the provisions of this legislation go into effect a new dignity will attach to labor. We expect to see the army of the unemployed grow less, and as a consequence fewer strikes, and consequently less conflict between those handmaidens of civilization, capital and labor.

Mr. Speaker, I regard this bill as the key note to a song which will swell and fill our land with joy. While apparently a small measure, in it, in my humble judgment, we will yet find, the germ of a bountiful harvest of much that makes a people happy.

Let the American laborer be recognized as worthy of congressional care and guardianship; let him see that the Nation recognizes that in his hands as much as in any other rests the responsibility of Government; let him, in other words, be able to take his loved ones to his bosom and say, "My Government is considerate for my interests," and we may rest assured he will respond with this declaration, "I love my country in return."

Mr. Speaker, I desire to emphasize a thought heretofore but briefly alluded to. It is the absolute necessity to the existence of liberty for an enlightened citizenship. Men, as a rule, are not ignorant or uninformed from choice, but from necessity. Let the literature of the day come to the home of the toiler with time to master it at his command; let the father have time morning and evening to become acquainted with his wife and children and cultivate those qualities which beautify the home; and who will deny that better homes, better husbands, better wives and children must bless our land? And if I am correct in this—and I challenge successful contradiction—a more intelligent, contented, and consequently a purer citizenship will bless our land.

The SPEAKER pro tempore. The time under the special order for the discussion of this bill has expired. The hour of 5 o'clock having arrived, the previous question is operating upon this bill and pending amendments.

Mr. LEWIS. Will the Senator from New Jersey allow me?

Mr. SMOOT. If the Senator from New Jersey is through with his speech he can not hold the floor any longer.

Mr. HUGHES. I have been recognized, and I was about to make a motion that the Senate take a recess.

Mr. SMOOT. I will ask the Senator from New Jersey if he will withhold his motion for just a moment?

Mr. HUGHES. Yes.

Mr. SMOOT. I want to say most emphatically that Gov. Hughes has never declared against an eight-hour day's work. It has been stated on the floor of the Senate so many times in the last day or so that I think it ought to now be denied. He has denounced the so-called Adamson law, and justly so.

I want to say to the Senator from New Jersey that the Adamson law is not an eight-hour day law. It was not intended to be such. It is an eight-hour wage law. No Senator can truthfully claim that it is an eight-hour day law. It provides that certain trainmen shall be paid their present wages for 10 hours of work on the basis of an eight-hour wage day.

I agree with every word that Mr. McKinley uttered in his speech, a part of which has just been read by the Senator from New Jersey. That part of Mr. McKinley's speech that the Senator read claiming that with an eight-hour day every four days enables another working man to secure a day's work is absolutely sound. The eight-hour wage law passed last Saturday does not give a single working man a day's extra work. It does not provide that the trainmen affected shall work but 8 hours out of the 24. They may work 16 hours if required to do so by the railroad, and it will be no violation of the law. But 8 hours was made the basis for pay instead of 10. This administration may try to make the American people think otherwise, but will fail.

Mr. HUGHES. In connection with my remarks I should like to have printed instead of reading a statement with reference to civil-service appointments. Accusations were made on the floor by Senators, and rather than read it at this time I should like to print it in connection with the remarks I have just made.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. WARREN. Let me ask if it is a copy or is it some original matter?

Mr. HUGHES. Does the Senator ask if it was prepared by somebody else?

Mr. WARREN. Yes.

Mr. HUGHES. It was prepared by somebody else, but it has my approval.

Mr. JONES. The Senate has a rule under which we do not print our speeches.

Mr. HUGHES. I am going to print it as a part of my remarks.

Mr. JONES. It was prepared by some one else?

Mr. HUGHES. Yes.

Mr. PENROSE. Who prepared it?

Mr. HUGHES. I do not want to be cross-examined by the Senator. The Senator can object if he likes. I never asked the Senator that question. He has appeared on this floor with a great many reams of printed paper that I know he has not prepared. I have never had the temerity to ask him who did it.

Mr. PENROSE. I have not asked to have anything printed that I have not spoken.

Mr. HUGHES. But I am trying to do something the Senator did not do. The Senator has stood here on several occasions

and read quires and reams of paper which perhaps somebody else prepared. I do not know, but I suspected somebody else had prepared it; but I would not ask him. I would not be guilty of the bad taste.

Mr. PENROSE. The Senator stated that this had been prepared by some one else.

Mr. HUGHES. Yes.

Mr. PENROSE. I had a natural curiosity to know who prepared it.

Mr. HUGHES. Who prepared the last speech the Senator delivered?

Mr. PENROSE. All the speeches I have delivered I have myself prepared. The Senator voluntarily stated that he did not prepare it.

Mr. HUGHES. I had to state it because it was true.

Mr. PENROSE. I know the Senator would not state anything that was not true. If my inquiry is embarrassing to the Senator, I will withdraw it. I view the document with a great deal of suspicion.

Mr. HUGHES. I may agree with the Senator.

The matter referred to is as follows:

"On August 10, 1916, Senator PENROSE criticized the administration's record with respect to the appointment of postal employees, especially fourth-class postmasters, charging that the department had been actuated by political motives in making appointments and removals. The remarks of the Senator are so misleading that the following reply is presented categorically.

"Senator PENROSE said:

"It was given forth that the postmasters were to be permitted to serve their four years' tenure of office. That has always been a custom recognized by the Republican Party. These officials are not within the classified service, and, so far as the people are educated to the civil-service standards, they are looked upon as the spoils of war; but there has always been a thought that it was for the interest of the service, and perhaps to the advantage of the party in power, to permit each postmaster to serve out his four years, and then, when his four years' term had expired, the question of a new appointment came up. Otherwise this enormous patronage, amounting to many thousand postmasters, was thrown upon the party in power all at once; changes of a sweeping and radical character were made, the party in power was embarrassed, and the service was disturbed.

"An intimation that that rule would be observed was held out by the Postmaster General or some accredited official of the administration. It had always been the custom of Republican administrations when in power. I know that following Cleveland's last administration, which is the most recent precedent, in Pennsylvania I do not recall a case where the Senators from Pennsylvania or the Representatives from that State requested the removal of a Democratic postmaster until his term had expired; and even toward the expiration of the Congress prior to Mr. Cleveland's relinquishing the presidential office the Republicans in the Senate cheerfully acquiesced in the confirmation of Democratic postmasters up to the 4th of March. On the other hand, when Mr. Wilson was elected, we witnessed the deliberate 'holdup,' through a threatened filibuster, of all the long list of nominees for postmasters and other appointments sent in by President Taft during the short session of the last Congress during his administration. Then, when the present administration assumed office, the postmasters all over the country were ruthlessly beheaded. The intimation that they were to be permitted to serve four years was cast to the winds; and, further than that, honorable men, who had served as postmasters during the 18 years of Republican control, were besmirched by innuendo, trumped-up charges, and accusations trivial in nature, but calculated to reflect on their character for the rest of their careers, just as charges were trumped up against Durand.

"The charge that Republican postmasters have been removed from the service without cause is absolutely untrue. Postmasters appointed by the last administration have been permitted to serve out their four-year terms except in a few cases where it has been shown, after careful investigation of charges presented against them, in 99 per cent of the cases by Republican inspectors, that they were incompetent to perform properly, or were shamefully neglecting, their duties as postmasters. In this connection it is pertinent to say that the requirements are much more exacting now than under the past administration. Every postmaster, by order of the present Postmaster General, is required to actually supervise the work of his office and devote not less than eight hours daily to his official duties. Their failure to do this is sufficient and just cause for their removal and they have been removed for this cause. Postmasters appointed by this administration who have failed to measure up to the requirements also have been removed.

"Senator PENROSE said:

"I know, as a member of the Committee on Post Offices and Post Roads, how Republican officials, honorable men, efficient officers, have been humiliated in their homes and besmirched down here at the department, with no opportunity to secure an investigation and no opportunity to defend themselves, subjected to an infamous and cowardly attack, which I resent and every other honorable man would resent. The methods pursued, perhaps, more than what was done afford a source of serious complaint, not only in the Post Office Department but in all the other departments.

"Let the Senator be specific. The truth is that this administration has been overscrupulous about these removals. It has refused to act on charges unless they have been thoroughly investigated and conclusively established and confirmed by reports of post-office inspectors, based on information procured from impartial and disinterested sources. Furthermore, in this connection a new rule was adopted to avoid even the chance of partisan discrimination.

"Early in this administration the Postmaster General adopted the rule of referring to the Civil Service Commission every case of alleged political activity on the part of presidential postmasters. This action was decided upon as being in direct line with his policy of complying not only with the letter but with the spirit of the civil-service rules and regulations. This action was voluntary on the part of the Postmaster General and had never in the history of the Government been done by any Cabinet officer.

"The following letter addressed to the Civil Service Commission by the Postmaster General under date of July 2, 1913, indicates the action taken by the Post Office Department in cases of this kind:

JULY 2, 1913.

CIVIL SERVICE COMMISSION,
Washington, D. C.

GENTLEMEN: I send you herewith the report of Post Office Inspectors Mosby and Robinson, with certain memoranda attached thereto, relating to the recent inspection made of the Newark, N. J., post office. The recommendation is made that Mr. Frank J. Book, postmaster, be removed for pernicious political activity during his incumbency of the office.

I transmit the report and memorandum to you for such suggestions as you may see fit to give. The recommendation for the removal of Postmaster Book is for the reason of partisan activity. It is my intention in all cases where offensive partisanship is the sole reason upon which the recommendation for removal is based to refer same to you for suggestion.

Very sincerely,
A. S. BURLESON,
Postmaster General.

"Mr. PENROSE is challenged to name one case where this rule has been violated. It is easy to make the broad general statement, but let him specify.

"In referring to the criticisms of the National Civil Service Reform League against the administration for alleged violations of the civil service, Senator PENROSE quoted from the statements of the league, as follows:

"The league goes on to say:

"'Another feature of the national administration which calls for serious consideration and early action is the lack of any real system of promotion on merit in the departments.'

"The fact of the matter is, Mr. President, the demotions and the promotions have utterly disregarded merit within the classified service. Good Democrats were promoted and good Republicans demoted.

"There has been less partisanship in the selection and promotion of postal employees during the past three and one-half years than under any Republican administration. Take the force of post-office inspectors as an illustration. When Mr. Burleson was sworn in as Postmaster General nine out of every ten of the post-office inspectors were Republicans. In attempting to correct this prostitution of the civil service Mr. Burleson has been so careful not to do injury or injustice to any meritorious inspector that a majority of the positions in each of the higher grades of inspectors are still held by Republicans, with the exception of the positions of inspectors in charge, which are divided equally between the Democrats and Republicans.

"Under the last administration the position of chief post-office inspector was taken from the classified service and a man from private life was named chief inspector. Postmaster General Burleson restored this position to the classified service and promoted to the position a man who had a classified status.

"Senator PENROSE said:

"Now, about the Civil Service Commission, Mr. President. On August 10 we noticed in the Washington Post the astonishing information that the officials of the Civil Service League can not get access to the records of the commission. I will ask the Secretary to read this short extract from the Post.

"The PRESIDING OFFICER (Mr. OVERMAN in the chair). Without objection, the Secretary will read as requested.

"The Secretary read as follows:

"'SEES CIVIL SERVICE SECRECY—REFORM LEAGUE CHARGES IT WAS NOT ALLOWED TO INSPECT RECORDS.

"'NEW YORK, *August 9.*

"'Charges that the Federal Civil Service Commission has inaugurated a policy of secrecy which threatens to endanger the civil-service law and has been sustained in that action by President Wilson were made by the National Civil Service Reform League to-day.

"'The league made public correspondence it has had with the president of the Civil Service Commission and also with President Wilson. League officers charged that the Federal Civil Service Commission for the first time, with the exception of one short period in 1899, refused permission for an examination of its records on the ground that an attempt might be made to mislead the public and attack and embarrass the Wilson administration. The league wanted to observe the practical effect of the Executive order of May 7, 1913, requiring fourth-class postmasters to submit to a competitive examination, declaring that in many instances the effect of the act was simply to replace Republicans with Democrats.'

"Mr. PENROSE. That is an extraordinary position for the Civil Service Commission to take with the consent of the President. It has only been taken heretofore upon the one occasion referred to, and I am not advised as to the reasons for it then; but upon every other occasion

under Republican administration the books and the data and the archives have been opened. Such should be the practice of every department, with a few exceptions. How can it embarrass the administration of President Wilson to permit the Civil Service League to examine these archives? Is there anything there that shows guilt, or that shows violations of law, or that shows an entire disregard for the merit system, that these doors must be kept locked and closed to an honorable and respectable association which have for years, from their point of view, and to the best of their ability, endeavored to advance a propaganda in which they believe? I charge now that they are kept locked because they do not dare open them to the National Civil Service League, because the disclosures there would be too shocking and glaring to everyone, not alone to those interested in the merit system but to those interested in efficient public service.

"In connection with the charge of the National Civil Service Reform League that they had been denied access to the records of the Civil Service Commission showing the action taken with regard to the appointment of fourth-class postmasters, attention is invited to the letter of Hon. Charles M. Galloway, a member of the Civil Service Commission, addressed to the editor of the Philadelphia Public Ledger under date of August 12, 1916, in which a full statement is made regarding the action taken in this matter:

A POLICY OF SECRECY—DENIAL OF THE CHARGE THAT THE CIVIL SERVICE COMMISSION HAS DEPARTED FROM CUSTOM.

WASHINGTON, D. C., *August 12, 1916.*

To the EDITOR OF PUBLIC LEDGER.

SIR: In an editorial article in your issue of August 10, 1916, you say, "The exposure by the National Civil Service Reform League of the policy of secrecy adopted by the Federal Civil Service Commission in regard to the examinations for fourth-class postmasters comes at an unfortunate moment for the President and his Cabinet defenders." In the interest of fairness permit me to make this statement in reply thereto:

The charge of the National Civil Service Reform League that the United States Civil Service Commission has inaugurated a policy of secrecy with reference to its files and correspondence is not correct. The claim of the league that with the exception of a brief period in 1899 the commission has heretofore extended to the league the general privilege of examining its files can not be substantiated. With reference to this matter, there has been absolutely no change from the practice of the commission that has prevailed continuously ever since the establishment of the commission in 1883. While the commission has often in its discretion furnished to the league and to individuals specific information regarding civil-service matters, the league has never possessed or exercised the general privilege of inspecting the files and correspondence of the commission. The practice of the commission with reference to the inspection of its files is precisely the same as that which prevails in every executive department of the Government. The reasons for this policy are fully set forth in the commission's letter to the National Civil Service Reform League, published in the CONGRESSIONAL RECORD of August 11.

Few persons after mature consideration will consider it good administrative policy for one department, bureau, or commission of the Government, whose records are not by law public records, to turn over its files to any voluntary organization or to any individual, to be used as the basis of an investigation of another department, bureau, or commission.

CHARLES M. GALLOWAY,
Commissioner.

"Under date of October 15, 1912, just prior to the presidential election of that year, President Taft issued an Executive order blanketing into the classified civil service thousands of fourth-class postmasters without requiring any test whatever as to their qualifications. On May 7, 1913, President Wilson issued a modifying order requiring the incumbents at the offices covered by President Taft's order to stand an open competitive examination with any other applicants who desired to compete. Positive instructions, which were followed, were issued by the Postmaster General to the First Assistant Postmaster General to select in every instance the person at the head of the eligible list, except in those cases where good and valid service reasons were submitted to the department showing that this would not be in the best interests of the service. These written instructions provided further that in no case should the second or third eligible be chosen unless the appointment of one of the highest standing eligibles has been shown to be inadvisable from the standpoint of the greatest efficiency in the Postal Service. And the reason for passing the first or second eligible was required to be noted on the record.

"Under President Wilson's Executive order 35,900 cases were acted upon, and 66 per cent of the incumbent postmasters were successful in the examination and retained their positions and have been given a classified status.

"To show how very unfair and inconsistent and how far from the facts are some of the statements in connection with their charges that the Post Office Department and other departments of the Government are not observing the spirit and letter of civil service, attention is invited to the following letter from the Postmaster General addressed to the chairman of the Post Office and Post Roads Committee of the House of Representatives, Hon. JOHN A. MOON, under date of Demember 20, 1913, showing that at the very inception of this administration an earnest effort was made, which has been continued up to the present time, to see that absolute fairness and justness prevailed in the administration of civil service, and that instead of the Post Office Department endeavoring to take postmasterships out of civil service an earnest effort was being made to extend the benefits of civil service, as alleged, in every possible way:

DECEMBER 20, 1913.

Hon. JOHN A. MOON,
Chairman Committee on the Post Office and Post Roads,
House of Representatives.

MY DEAR JUDGE MOON: I am somewhat disturbed by a paragraph in this morning's paper to the effect that your committee has voted to put into the Post Office appropriation bill for the next fiscal year a provision removing the position of assistant postmaster from the classified service. I think the enactment of such a provision would be subversive of the best interests of the Postal Service, and certainly it would militate against the effectiveness of the policy outlined in the last annual report of the department.

There are at this time 2,464 post offices of the first and second classes in which the positions of assistant postmaster are classified. All save about 100 of the persons occupying these positions are now within the classified service. In these 100 cases the benefits and rights of classification have been withheld from the incumbents because they have failed to satisfy this department as to their capacity for efficient service.

In the interest of the most efficient and effective Postal Service it is vitally necessary that the positions of assistant postmaster be filled by persons specially qualified to discharge the duties thereof, and I feel that no person should hold the position of assistant postmaster whose capacity and efficiency has not been properly and thoroughly tested. Among the qualifications necessary for this position are practical knowledge of and experience in post-office work, coupled with administrative ability. The present administration has been rigidly enforcing the policy of filling these position either by the promotion of competent employees already in the office or by the transfer of experienced employees from some other branch of the Postal Service. Only in rare instances are postmasters permitted to fill the position otherwise, and then only by selection from a certification of eligibles resulting from an open competitive civil-service examination.

In connection with this subject, I wish to direct your attention to the following excerpts from the last annual report of this department:

"The prime consideration in perfecting the personnel of the Postal Service should be to recognize efficiency and to eliminate partisanship. It is the earnest hope that ultimately all positions will be covered under the classified civil service and that merit and faithfulness will be the sole consideration in making appointments, as well as promotions." (Page 8.)

* * * * * * * *

"It is hoped that by thus maintaining a high standard of efficiency for postmasters and keeping paramount the interest of the postal service in making appointments that the way will be made clear for the eventual classification of all presidential postmasters." (Page 43.)

* * * * * * * *

"The post-office system is essentially a business institution. It touches every home, comes in contact with every commercial institution and with those engaged in every line of industrial enterprise throughout the country, and in the nature of things it is highly important that only the most efficient employees should be in its service. For this reason the merit system should be adhered to in the Post Office Department above all others in order to secure the very highest standard of efficiency in the conduct of its affairs." (Page 43.)

I have received no official advice as to the accuracy of the newspaper report referred to, and therefore my anxiety and deep interest in the Postal Service must be the excuse for this letter. I trust, however, that in its wisdom your committee will not see fit to recommend the enactment of the legislation referred to.

Very sincerely,

A. S. BURLESON,
Postmaster General.

"Senator PENROSE said:

"It is well known, and can not be denied, that the invasion of all these new, untried, and inexperienced men as postmasters all over the country resulted in an utter demoralization of the service. * * * I have visited the State of the Senator from Florida and have seen postmasters in charge there at some of the post offices who would hardly be competent, physically or mentally, to sweep the streets.

"Mr. BRYAN. Mr. President, I am sure the postmasters to whom the Senator refers must have been Republicans.

"Mr. PENROSE. No; this was a good Democrat I had in mind. There was only one Republican in the town, and he——

"Mr. BRYAN. He was the postmaster, I have no doubt.

"If this charge made by Senator PENROSE is true, it is a most serious indictment of the Post Office Department as at present managed. But is it true? Read what Senator PENROSE said about the Auditor for the Post Office Department:

"Mr SMITH of Georgia. Certainly it is; and I was giving mine.

"Some one sends me a memorandum giving me the name of an auditor in the Post Office Department and states that he is a partisan Republican. I do not know whether he is or not. I will say that I have found him as courteous in my dealings with him as anyone else I have found; and I will not add his name personally to this controversy, because whatever party he belongs to, I have found him exceedingly pleasant to deal with, and I am glad he is left, no matter what party he is connected with.

"Mr. PENROSE. If he is the gentleman I have in mind, he is kept there because a new man absolutely could not do his work. He is a skilled expert, has been in the department a great number of years, and is kept there, not out of any love and affection, but simply because the department could not get along without him.

"Note Senator PENROSE'S eulogy of Auditor Kram, who has better facilities for knowing the competency of postmasters throughout the United States than any other officer of the Government, not excepting the Postmaster General or the First Assistant Postmaster General themselves, *and then read the following letter from Mr. Kram, in which he comments upon the high standard of efficiency now existing among the postmasters of the country under the present administration:*

TREASURY DEPARTMENT,
Washington, August 9, 1916.

Hon. ALBERT S. BURLESON,
Postmaster General.

MY DEAR MR. BURLESON: You will doubtless be gratified to learn that 90 per cent of postmasters' quarterly postal accounts for the period April 1 to June 30, 1916, have been audited, and that the audit will be completed on the 15th instant. This result will have been attained in 35 working days as compared with the audit of the accounts for the quarter ended March 31, 1916, which was completed in 41 days.

The accounts so far as tabulated indicate that the net postal surplus for the fiscal year will exceed $4,500,000.

The submission of the financial statement at the earliest date in the history of the department is to be credited to the improved system of accounting in successful operation largely through your hearty support, and the care and promptness exercised by postmasters in the preparation of their accounts. At no time in the past 25 years, during which I have been connected with the auditing department, has the standard of efficiency among postmasters been so high as at the present.

Sincerely, yours,

CHAS. S. KRAM,
Auditor for the Post Office Department.

"In striking contrast to the scrupulous and painstaking effort of the Post Office Department and other departments of the Government under the present administration to observe the spirit and letter of civil service, attention is invited to the gross perversion of civil service practiced under the last administration, as shown by the following statement from an employee of the Post Office Department, showing that for some time after the issuance of President Taft's Executive order, October 26, 1912, the Republican officials of the Post Office Department continued to make appointments of fourth-class postmasters on the recommendation of Members of Congress or advisers in deliberate violation of civil service and the Executive order of the President. The statement follows:

"STATEMENT OF POST OFFICE DEPARTMENT.

"POST OFFICE DEPARTMENT,
"FIRST ASSISTANT POSTMASTER GENERAL,
"Washington, August 12, 1916.

"I was acting as Assistant Superintendent of the Division of Postmasters' appointments in your stead while you were on vacation during the period of October 26, 1912, when President Taft issued his orders to the effect that all postmasters appointed on and after a certain date should be made upon the report of a post-office inspector where the compensation was less than $500 and upon the certification of the Civil Service Commission where the compensation was $500 or more. The Journal of October 26 was the date of the last appointments made upon the recommendation of Members of Congress or advisers. The records show that some 402 appointments were made upon this date. The Journal was extended over two or three days—that is, appointments were made later than October 26, but bore the date of the 26th. This action was taken at the direction of Mr. Wyman, Superintendent of the Division of Postmasters' Appointments.

"All appointments were ordered made wherever the adviser was on file regardless of whether the case was otherwise complete within itself.

"The Postmaster General demonstrated his belief in the merit system by the recommendation made in his annual report for the first full fiscal year of this administration. On page 67 of his report for the fiscal year ended June 30, 1914, you will find a recommendation to Congress that legislation be enacted which would permit the placing of third-class postmasterships under the civil service. This would throw open to competitive examination over 6,000 positions paying from $1,000 to $1,900 per annum. If this recommendation had been approved by Congress, the President at once would have issued an Executive order classifying the positions of third-class postmasters and providing that the qualifications of the present incumbents be tested by competitive examinations under civil-service rules and regulations and in accordance with the methods followed under the Executive order of May 7, 1913, for testing the qualifications of the incumbents of fourth-class postmasterships.

"Again, in the annual report of the Postmaster General for the fiscal year 1915 he went further and recommended that authority be given to place not only the third-class postmasterships but also the second-class postmasterships under the civil service. This would throw open to competitive examination over 2,000 additional places paying from $2,000 to $2,900 per annum. These recommendations to Congress were for the placing of all but the 500 first-class postmasterships under the civil service; but no incumbent postmaster would, in the event that this legislation became law, be permitted to retain his office except after having taken an open competitive examination to prove his fitness for the position.

"In addition to earnestly endeavoring to promote the highest efficiency among postmasters, the Post Office Department has also adopted an efficiency system as required by law, and early in his tenure the Postmaster General appointed an efficiency board, designating as one member of the three on that board a representative from the Civil Service Commission, and all promotion of clerks in the Post Office Department is made only after careful investigation by this board and upon their recommendation.

"It has been charged on the floor of Congress and in certain newspapers that Congress has created boards, bureaus, and commissions, and that persons have been appointed on these bodies without being required to qualify under any kind of a civil-service examination. It is believed by some that these charges have been inspired by those having selfish political motives, aided and abetted by Republican Congressmen and Senators and others actuated by partisan considerations, to create a false impression in the minds of the people with reference to the attitude of this administration toward civil service. The truth is that anyone with ordinary intelligence knows that it is impracticable in some cases to pass through the rather elaborate procedure ordinarily required to secure eligibles because in some cases the law requires in the exigencies of the service that these positions be filled immediately, and in other instances men with technical knowledge and training along certain lines of industry and education is required, and no eligible register has been established from which to make such appointments. Therefore it is imperatively necessary to waive civil-service rules and regulations at times in order to secure specially trained men to fill responsible positions and which positions must be filled immediately to meet the emergencies of the service. Thus this explains why certain appointments may have been made on boards and commissions under this administration without civil service; but the comparatively few appointments of this character which are entirely justified and right under all the circumstances is as nothing contrasted with the scrupulous, painstaking, and conscientious observance of the spirit and letter of civil service by the present administration.

"Certain men and sets of men who have been so loud in their denunciation of this administration were strangely silent under the last administration, although in several instances they occupied positions which carried with them an influence that would have redounded to the advancement of civil service if they had preferred to use it in that way instead of, as they did, to promote their political interests.

"These same men—several of them Republicans in Congress, enjoying the large salaries that their offices carry—have seen fit to criticize this administration because certain departments have asked the President to issue Executive orders to waive civil-service requirements in a very few exceptionally meritorious cases, such as, for example, providing a means of livelihood for two or three unfortunate widows whose husbands—Republicans—died after years of faithful service to their Government and as a result of illness or disease contracted while in the service and in line of duty, or in the cases of some friendless and needy and deserving colored men who had rendered long and loyal service. In view of the fact that the Executive orders here referred to were secured for Republicans and that they were in the interest of rank and file of the toiling masses of Government employees as against the favored and privileged few, it comes in poor grace for the more fortunate on the Government pay roll to condemn an administration that has been guided by justice and fairness and charity in the treatment of its employees rather than having been controlled by selfish political bias and partisanship.

"If time permitted, much could be said here on the subject of civil service during a long Republican régime that might not be creditable to those particular Republican politicians who, in order to make political capital, have vainly tried to injure an administration which has been conspicuous for its scrupulous observance of the spirit and letter of civil service."

Mr. LEWIS. Will the Senator from New Jersey yield to me?

Mr. HUGHES. I yield to the Senator.

Mr. LEWIS. The Senator withholds his motion for a recess for a moment. I desire to state, that the RECORD may contain my remarks, that the speech of the able Senator from New Mexico [Mr. FALL], which was started by making references appropriate to the speech that I made on the floor touching Mexico, was concluded after midnight. That the allusions of the able Senator touching the administration of Mexican affairs and the President would have been replied to by me, and both premises and conclusions of the Senator would have been disclosed as all erroneous but for the fact that the speech was closed on the part of the able Senator from New Mexico at 5 minutes to 1 o'clock in the morning, and at such an inappropriate hour I could not take the floor. The speech could not have been replied to at all at such time without interfering with the pressing business of the Senate, the agreeing to the revenue bill, as well as working great inconvenience and discomfort of its Members.

RECESS.

Mr. HUGHES. I insist on my motion that the Senate take a recess until 8 o'clock a. m.

The motion was agreed to; and (at 1 o'clock and 10 minutes a. m., Friday, September 8, 1916) the Senate took a recess until 8 o'clock a. m., Friday September 8, 1916.

NOMINATIONS.

Executive nominations received by the Senate September 7, 1916.

SOLICITOR OF THE DEPARTMENT OF THE INTERIOR.

Charles D. Mahaffie, of Portland, Oreg., to be Solicitor for the Department of the Interior, vice Alexander T. Vogelsang, nominated to be First Assistant Secretary Department of the Interior.

PROMOTIONS IN THE ARMY.

CAVALRY ARM.

Lieut. Col. Alonzo Gray, Cavalry, unassigned, to be colonel from August 27, 1916, vice Col. Cunliffe H. Murray, Ninth Cavalry, retired from active service August 26, 1916.

Maj. Oren B. Meyer, Fourteenth Cavalry, to be lieutenant colonel from July 2, 1916, vice Lieut. Col. George L. Byram, Cavalry, unassigned, retired from active service July 1, 1916.

Maj. Charles J. Symmonds, Ninth Cavalry, to be lieutenant colonel from July 12, 1916, vice Lieut. Col. Francis H. Beach, Cavalry, unassigned, promoted.

Maj. Charles W. Fenton, Second Cavalry, to be lieutenant colonel from July 21, 1916, vice Lieut. Col. Matthew C. Butler, jr., unassigned, who died July 20, 1916.

Maj. Edward D. Anderson, Sixth Cavalry, to be lieutenant colonel from August 27, 1916, vice Lieut. Col. Alonzo Gray, Cavalry, unassigned, promoted.

To be majors, to fill casual vacancies.

Capt. Charles E. Stodter, Seventh Cavalry, from July 1, 1916, vice Maj. Michael M. McNamee, unassigned, promoted.

Capt. Alexander M. Miller, Eleventh Cavalry, from July 1, 1916, vice Maj. Ralph Harrison, First Cavalry, promoted.

Capt. Charles B. Drake, Cavalry, detailed in the Quartermaster Corps, from July 1, 1916, vice Maj. Charles D. Rhodes, unassigned, promoted.

Capt. Harry O. Williard, Fifth Cavalry, from July 1, 1916, vice Maj. George T. Langhorne, Eighth Cavalry, promoted.

Capt. Lucius R. Holbrook, Cavalry, detailed in the Quartermaster Corps, from July 1, 1916, vice Maj. Charles Young, Tenth Cavalry, promoted.

Capt. John P. Wade, Second Cavalry, from July 1, 1916, vice Maj. Francis C. Marshall, Fifteenth Cavalry, promoted.

Capt. Elvin R. Heiberg, Cavalry, unassigned, from July 1, 1916, vice Maj. James A. Ryan, Thirteenth Cavalry, promoted.

Capt. Ola W. Bell, Fourteenth Cavalry, from July 1, 1916, vice Maj. James J. Hornbrook, Sixth Cavalry, promoted.

Capt. Abraham G. Lott, Fifteenth Cavalry, from July 1, 1916, vice Maj. Samuel G. Jones, Fifteenth Cavalry, promoted.

Capt. Edward L. King, Second Cavalry, from July 1, 1916, vice Maj. Melvin W. Rowell, Eleventh Cavalry, promoted.

Capt. Samuel F. Dallam, Seventh Cavalry, from July 1, 1916, vice Maj. Lawrence J. Fleming, Fifth Cavalry, promoted.

Capt. William Kelly, jr., Eighth Cavalry, from July 1, 1916, vice Maj. Charles B. Drake, detailed in the Quartermaster Corps.

Capt. Henry C. Whitehead, Twelfth Cavalry, from July 1, 1916, vice Maj. Lucius R. Holbrook, detailed in the Quartermater Corps.

Capt. William D. Chitty, First Cavalry, from July 2, 1916, vice Maj. Oren B. Meyer, Fourteenth Cavalry, promoted.

Capt. Alfred E. Kennington, Tenth Cavalry, from July 10, 1916, vice Maj. Walter C. Babcock, unassigned, detailed in the General Staff Corps.

Capt. Edward P. Orton, Fifth Cavalry, from July 12, 1916, vice Maj. Charles J. Symmonds, Ninth Cavalry, promoted.

Capt. Robert B. Powers, Cavalry, detailed in the Quartermaster Corps, from July 15, 1916, vice Maj. William T. Johnston, Eighth Cavalry, detailed in the Adjutant General's Department.

Capt. Francis H. Pope, Cavalry, detailed in the Quartermaster Corps, from July 15, 1916, vice Maj. Robert B. Powers, detailed in the Quartermaster Corps.

Capt. Herman A. Sievert, Seventh Cavalry, from July 15, 1916, vice Maj. Francis H. Pope, detailed in the Quartermaster Corps.

Capt. George E. Mitchell, Sixth Cavalry, from August 27, 1916, vice Maj. Edward D. Anderson, Sixth Cavalry, promoted.

CORPS OF ENGINEERS.

First Lieut. Francis K. Newcomer, Corps of Engineers, to be captain from August 12, 1916, vice Capt. Clarence H. Knight, honorably discharged August 11, 1916.

Second Lieut. William M. Hoge, jr., Corps of Engineers, to be first lieutenant from August 12, 1916, vice First Lieut. Francis K. Newcomer, promoted.

COAST ARTILLERY CORPS.

Lieut. Col. John P. Hains, Coast Artillery Corps, to be colonel from August 22, 1916, vice Col. John W. Ruckman, appointed brigadier general.

Maj. George T. Patterson, Coast Artillery Corps, to be lieutenant colonel from August 22, 1916, vice Lieut. Col. John P. Hains, promoted.

INFANTRY ARM.

Maj. Willis Uline, Eighth Infantry, to be lieutenant colonel from July 10, 1916, subject to examination required by law, vice Lieut. Col. James W. McAndrew, Infantry, unassigned, detailed in the General Staff Corps.

Maj. Charles C. Clark, Infantry, detailed in the Quartermaster Corps, to be lieutenant colonel from July 19, 1916, vice Lieut. Col. Charles C. Ballou, Twenty-fourth Infantry, promoted.

Maj. Vernon A. Caldwell, Twenty-third Infantry, to be lieutenant colonel from July 19, 1916, subject to examination required by law, vice Lieut. Col. Charles C. Clark, detailed in the Quartermaster Corps.

Maj. Edmund L. Butts, Twelfth Infantry, to be lieutenant colonel from July 26, 1916, subject to examination required by law, vice Lieut. Col. James T. Dean, Infantry, unassigned, detailed in The Adjutant General's Department.

Maj. Henry J. Hunt, Infantry, unassigned, to be lieutenant colonel from July 26, 1916, vice Lieut. Col. Frederic D. Evans, unassigned, detailed in The Adjutant General's Department.

Maj. Charles Miller, Infantry, unassigned, to be lieutenant colonel from August 10, 1916, vice Lieut. Col. Erneste V. Smith, Sixth Infantry, promoted.

Capt. Charles H. Bridges, Infantry, unassigned, to be major from July 10, 1916, vice Maj. Willis Uline, Eighth Infantry, promoted.

Capt. John Robertson, Eighteenth Infantry, to be major from July 10, 1916, vice Maj. Oliver Edwards, unassigned, detailed in the General Staff Corps.

Capt. James V. Heidt, Ninth Infantry, to be major from July 10, 1916, vice Maj. Briant H. Wells, unassigned, detailed in the General Staff Corps.

Capt. Charles S. Lincoln, Infantry, unassigned, to be major from July 15, 1916, vice Maj. John E. Woodward, Seventh Infantry, detailed in The Adjutant General's Department.

Capt. Patrick H. Mullay, Thirteenth Infantry, to be major from July 15, 1916, vice Maj. Orrin R. Wolfe, Twenty-sixth Infantry, detailed in The Adjutant General's Department.

Capt. Robert McCleave, Twenty-second Infantry, to be major from July 19, 1916, vice Maj. Vernon A. Caldwell, Twenty-third Infantry, promoted.

Capt. Monroe C. Kerth, Infantry, detailed in the General Staff Corps, to be major from July 20, 1916, subject to examination required by law, vice Maj. Ernest B. Gose, Infantry, unassigned, retired from active service July 19, 1916.

Capt. Lambert W. Jordan, jr., Sixth Infantry, to be major from July 20, 1916, subject to examination required by law, vice Maj. Monroe C. Kerth, unassigned, detailed in the General Staff Corps.

Capt. James B. Gowen, Tenth Infantry, to be major from July 23, 1916, vice Maj. Joseph Frazier, Twenty-sixth Infantry, retired from active service July 22, 1916.

Capt. Harvey W. Miller, Twenty-eighth Infantry, to be major from July 26, 1916, subject to examination required by law, vice Maj. Edmund L. Butts, Twelfth Infantry, promoted.

Capt. Daniel G. Berry, Twenty-fourth Infantry, to be major from July 26, 1916, subject to examination required by law, vice Maj. Henry J. Hunt, Infantry, unassigned, promoted.

PORTO RICO REGIMENT OF INFANTRY.

To be captains with rank from June 3, 1916, to fill original vacancies.

First Lieut. Jaime Nadal, Porto Rico Regiment of Infantry.

First Lieut. Eduardo Iriarte, Porto Rico Regiment of Infantry.

First Lieut. Teofilo Marxuach, Porto Rico Regiment of Infantry.

First Lieut. Eugenio C. de Hostos, Porto Rico Regiment of Infantry.

To be captains, to fill casual vacancies.

First Lieut. Louis S. Emmanuelli, Porto Rico Regiment of Infantry, from July 20, 1916, vice Capt. Miles K. Taulbee, appointed major.

First Lieut. Pascual Lopez, Porto Rico Regiment of Infantry, from July 21, 1916, vice Capt. Orval P. Townshend, appointed lieutenant colonel.

First Lieut. Felix Emmanuelli, Porto Rico Regiment of Infantry, from July 21, 1916, vice Capt. John M. Field, appointed major.

First Lieut. Daniel Rodriguez, Porto Rico Regiment of Infantry, from July 21, 1916, vice Capt. Edwin J. Griffith, appointed major.

To be first lieutenants with rank from June 3, 1916, to fill original vacancies.

Second Lieut. Adolfo J. de Hostos, Porto Rico Regiment of Infantry.

Second Lieut. Enrique de Orbeta, Porto Rico Regiment of Infantry.

Second Lieut. Enrique Urrutia, jr., Porto Rico Regiment of Infantry.

Second Lieut. Arturo Moreno, Porto Rico Regiment of Infantry.

Second Lieut. Carlos M. Lopez, Porto Rico Regiment of Infantry.

Second Lieut. Rafael Bird, Porto Rico Regiment of Infantry.

To be first lieutenants, to fill casual vacancies.

Second Lieut. Serafin M. Montesinos, Porto Rico Regiment of Infantry, from June 3, 1916, vice First Lieut. Jaime Nadal, promoted.

Second Lieut. Pedro A. Hernandez, Porto Rico Regiment of Infantry, from June 3, 1916, vice First Lieut. Eduardo Iriarte, promoted.

Second Lieut. Manuel Font, Porto Rico Regiment of Infantry, from June 3, 1916, vice First Lieut. Teofilo Marxuach, promoted.

CONFIRMATIONS.

Executive nominations confirmed by the Senate September 7, 1916.

SOLICITOR OF THE DEPARTMENT OF THE INTERIOR.

Charles D. Mahaffie to be Solicitor of the Department of the Interior.

COAST GUARD.

Second Lieut. of Engineers Frederick Harvey Young to be first lieutenant of engineers.

Third Lieut. of Engineers Ellis Reed-Hill to be second lieutenant of engineers.

Third Lieut. of Engineers Mayson White Torbet to be second lieutenant of engineers.

PROMOTIONS IN THE ARMY.

CORPS OF ENGINEERS.

First Lieut. Francis N. Newcomer to be captain.
Second Lieut. William M. Hoge, jr., to be first lieutenant.

COAST ARTILLERY CORPS.

Lieut. Col. John P. Hains to be colonel.
Maj. George T. Patterson to be lieutenant colonel.

INFANTRY ARM.

Maj. Willis Uline to be lieutenant colonel.
Maj. Charles C. Clark to be lieutenant colonel.
Maj. Vernon A. Caldwell to be lieutenant colonel.
Maj. Edmund L. Butts to be lieutenant colonel.
Maj. Henry J. Hunt to be lieutenant colonel.
Maj. Charles Miller to be lieutenant colonel.
Capt. Charles H. Bridges to be major.
Capt. John Robertson to be major.
Capt. James V. Heidt to be major.
Capt. Charles S. Lincoln to be major.
Capt. Patrick H. Mullay to be major.
Capt. Robert McCleave to be major.
Capt. Monroe C. Kerth to be major.
Capt. Lambert W. Jordan, jr., to be major.
Capt. James B. Gowen to be major.
Capt. Harvey W. Miller to be major.
Capt. Daniel G. Berry to be major.

CAVALRY ARM.

Lieut. Col. Alonzo Gray to be colonel.
Maj. Oren B. Meyer to be lieutenant colonel.
Maj. Charles J. Symmonds to be lieutenant colonel.
Maj. Charles W. Fenton to be lieutenant colonel.
Maj. Edward D. Anderson to be lieutenant colonel.

To be majors, to fill casual vacancies.

Capt. Charles E. Stodter.
Capt. Alexander M. Miller.
Capt. Charles B. Drake.
Capt. Harry O. Williard.
Capt. Lucius R. Holbrook.
Capt. John P. Wade.
Capt. Elvin R. Heiberg.
Capt. Ola W. Bell.
Capt. Abraham G. Lott.
Capt. Edward L. King.
Capt. Samuel F. Dallam.
Capt. William Kelly, jr.
Capt. Henry C. Whitehead.
Capt. William D. Chitty.
Capt. Alfred E. Kennington.
Capt. Edward P. Orton.
Capt. Robert B. Powers.
Capt. Francis H. Pope.
Capt. Herman A. Sievert.
Capt. George E. Mitchell.

PORTO RICO REGIMENT OF INFANTRY.

To be captains with rank from June 3, 1916.

First Lieut. Jaime Nadal.
First Lieut. Eduardo Iriarte.
First Lieut. Teofilo Marxuach.
First Lieut. Eugenio C. de Hostos.

To be captains.

First Lieut. Louis S. Emmanuelli.
First Lieut. Pascual Lopez.
First Lieut. Felix Emmanuelli.
First Lieut. Daniel Rodriguez.

To be first lieutenants with rank from June 3, 1916.

Second Lieut. Adolfo J. de Hostos.
Second Lieut. Enrique de Orbeta.
Second Lieut. Enrique Urrutia, jr.
Second Lieut. Arturo Moreno.
Second Lieut. Carlos M. Lopez.
Second Lieut. Rafael Bird.

To be first lieutenants.

Second Lieut. Serafin M. Montesinos.
Second Lieut. Pedro A. Hernandez.
Second Lieut. Manuel Font.

PROMOTIONS IN THE NAVY.

Col. Charles H. Lauchheimer to be the adjutant and inspector of the Marine Corps, with the rank of brigadier general.

Col. George Richards to be the paymaster of the Marine Corps, with the rank of brigadier general.

Col. Charles L. McCawley to be the quartermaster of the Marine Corps, with the rank of brigadier general.

POSTMASTERS.

ALABAMA.

Skipwith Coale, Jackson.

ILLINOIS.

L. D. Fuess, Mount Olive.
D. E. Noonan, Morrisonville.

IOWA.

R. A. Mortland, Montezuma.
W. B. Perkins, Seymour.
G. A. Stout, Pella.

MASSACHUSETTS.

Arthur J. Fairgrieve, Tewksbury.
James B. Logan, North Wilbraham.
Everett P. Sheridan, Warren.
John T. Toomey, Oxford.

NEBRASKA.

Vernon E. Plank, Wolbach.

NEW JERSEY.

Jesse Ward, Butler.

NEW YORK.

O. Edmund Griswold, Riverhead.

OHIO.

Paul Machovina, Berea.
Jesse C. Ruff, Minerva.

OKLAHOMA.

M. M. Henderson, Tecumseh.
Robert L. Windsor, Wagoner.

OREGON.

R. E. L. Bedillion, Bandon.
S. A. Easterday, Clatskanie.
George P. Mims, Medford.
D. M. Roberts, Gresham.
J. W. Stacy, Rainier.

PENNSYLVANIA.

John W. Andrews, Ariel.
J. H. Fagan, Clymer.

TEXAS.

J. D. Hooks, Onalaska.
Rufus L. Hybarger, Pineland.

WYOMING.

H. H. Given, Gillette.

HOUSE OF REPRESENTATIVES.

THURSDAY, *September 7, 1916.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Thou great Spirit, heavenly Father, who doeth all things well, help us to lean with more faith and confidence upon Thee that we may be able to solve the intricate and perplexing problems as they present themselves, in accordance with the light Thou hast given us and art ever ready to give to those who seek Thee. The world is plunged into darkness and despair through the selfishness, greed and unhallowed ambitions of men but Thou dost live and out of it all shall come a brighter day when wrongs shall be righted and hate turned to love, for Thy will is good will and shall at last prevail, for Thine is the kingdom and the power and the glory. Thy purposes shall be fulfilled, wrong die and right live on forever. Thus we hope and aspire and pray for now abideth faith, hope, love, these three, but the greatest of these is love. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had agreed to the amendments of the House numbered 1, 2, 3, and 5, and also had agreed to House amendment numbered 4 with an amendment, to bill S. 5886, an act extending the time for the completion of the bridge across the Mississippi River, at Memphis, Tenn., authorized by an act entitled "An act to amend an act approved July 20, 1912, entitled 'An act to authorize the Arkansas & Memphis Railway Bridge & Terminal Co. to construct, maintain, and operate a bridge across the Mississippi River,' approved August 23, 1912," in which the concurrence of the House of Representatives was requested.

The message also announced that the Senate had passed without amendment bill of the following title:

H. R. 6034. An act to make available a portion of the appropriation for the immigration station at Baltimore, Md., for such counters, booths, screens, railings, seats, bunks, kitchen and laundry equipment, etc., as necessary in connection with said station.

The message also announced that the Senate had passed without amendment joint resolution of the following title:

H. J. Res. 252. Joint resolution authorizing the transfer of the Government exhibit, or such portion thereof as the President may determine is advisable, now at the Panama-California International Exposition at San Diego, Cal., to the Mississippi Centennial Exposition at Gulfport, Miss.

The message also announced that the President had approved and signed bills and a joint resolution of the following titles:

On August 31, 1916:

S. J. Res. 129. Joint resolution extending until April 15, 1917, the effective date of section 10 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914.

On September 1, 1916:

S. 5103. An act authorizing and directing the Secretary of War to lease to Charleston-Dunbar Traction Co. a certain strip or parcel of land owned by the United States Government on the Great Kanawha River, in West Virginia.

On September 5, 1916:

S. 5496. An act to amend sections 5 and 6 of an act entitled "An act to authorize the drainage of certain lands in the State of Minnesota," approved May 20, 1908;

S. 6369. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors;

S. 6370. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors; and

S. 6497. An act for the relief of Oleanne Marie Zahl Branum.

ADDITIONAL ASSISTANT CLERKS, COMMITTEE ON ENROLLED BILLS.

Mr. LLOYD. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the Clerk's desk and ask to have read.

The Clerk read as follows:

House resolution 367 (H. Rept. ——).

Resolved, That the chairman of the Committee on Enrolled Bills be, and he is hereby, authorized to employ such additional assistant clerks as may be necessary during the remainder of the Sixty-fourth Congress, first session, the payment for services, not to exceed the sum of $60, to be paid out of the contingent fund of the House.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, is there such pressing need in these closing hours of the session for extra clerks for the Committee on Enrolled Bills when we have only one bill to be enrolled, the revenue bill?

Mr. LLOYD. Oh, there is the revenue bill and the general deficiency appropriation bill.

Mr. STAFFORD. Does that require the employment of these additional clerks? Of course, in the closing hours of other sessions, when we have appropriation bills in great numbers being thrown at us at the very last minute, I can see the need of additional help.

Mr. LLOYD. Mr. Speaker, I want to say for the present chairman of the Committee on Enrolled Bills that he has taken better care of that committee and has made less expenditure than anyone we have ever had, so far as I know; and now at the close of this long session he asks for $60. No other chairman, so far as I know, has ever asked for so small an amount, and, in addition to that, I am assured that he may not spend all of the $60.

Mr. MANN. Mr. Speaker, I do not know whether the Committee on Enrolled Bills needs these extra clerks, but I would like to make this observation: I believe the present enrolling clerk of the House is the best enrolling clerk any legislative body ever had. [Applause.]

Mr. LLOYD. And in that I concur.

Mr. MANN. Of course, I am not making that statement of the Committee on Enrolled Bills.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

UNITED STATES DISTRICT COURT IN MAINE.

Mr. WEBB. Mr. Speaker, I ask the Speaker to lay before the House the bill (H. R. 17807) to provide for holding sessions of the United States district court in the district of Maine and for dividing said district into divisions, and providing for offices of the clerk and marshal of said district to be maintained in each of said divisions, and for the appointment of a field deputy marshal in the division in which the marshal does not reside, with Senate amendments thereto, and I move to concur in the Senate amendments.

The SPEAKER. The Clerk will report the Senate amendments.

The Senate amendments were read.

Mr. WEBB. Mr. Speaker, I move to concur in the Senate amendments.

The Senate amendments were concurred in.

LEAVE TO ADDRESS THE HOUSE—EXTENSION OF REMARKS.

Mr. MANN. Mr. Speaker, yesterday there were two gentlemen on the list for speeches—my colleague from Illinois [Mr. DENISON] and the gentleman from Kentucky [Mr. KINCHELOE]—who did not speak, probably because they were reached sooner than they expected, and I ask unanimous consent that they may address the House to-day for the time that was allotted to them for yesterday, and that the gentleman from Minnesota [Mr. STEENERSON], following them, have leave to address the House for one hour, not to interfere with conference reports or other privileged business.

The SPEAKER. The continuing order is: Mr. DENISON, 15 minutes; Mr. KINCHELOE, 10 minutes.

Mr. MANN. They were called yesterday, and I am asking to renew that order for them.

The SPEAKER. The gentleman from Illinois asks unanimous consent to renew the order, together with a request that the gentleman from Minnesota [Mr. STEENERSON] may address the House for one hour, or not to exceed that time, at the close of the remarks of the gentleman from Kentucky [Mr. KINCHELOE]. Is there objection?

Mr. ALLEN. Mr. Speaker, reserving the right to object, I would like to couple with that a request that the gentleman

from Virginia [Mr. GLASS] may follow the gentleman from Minnesota [Mr. STEENERSON] for one hour upon the question of the Federal reserve act.

Mr. MANN. I shall not have any objection to that; but let my request be put.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. LINDBERGH. Mr. Speaker, I reserve the right to object, for a moment.

The SPEAKER. The three gentlemen involved in the request of the gentleman from Illinois are the gentleman from Illinois [Mr. DENISON], the gentleman from Kentucky [Mr. KINCHELOE], and the gentleman from Minnesota [Mr. STEENERSON]. Is there objection?

Mr. HASTINGS. Mr. Speaker, reserving the right to object—and I shall not object—I think it is absolutely unfair that any man be given an hour to-day, when we are expecting to adjourn to-night. It is well known that there are not going to be half a dozen men in the House to listen to these speeches. The speeches could be printed in the RECORD, and granting the time keeps anyone else from having an opportunity to make a speech—practically monopolizes all of the time of the House to-day. I am a new Member of the House, and if I were an older Member I would object.

Mr. MANN. Oh, we will have plenty of time.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, will the gentleman from Oklahoma yield?

The SPEAKER. The gentleman from Oklahoma has not the floor.

Mr. STAFFORD. Has the gentleman any assurance that we are going to adjourn to-day?

Mr. LINDBERGH. Mr. Speaker, I rise to a point of order.

Mr. HASTINGS. Mr. Speaker, I do not possess such information as my distinguished friend from Wisconsin.

Mr. LINDBERGH. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. LINDBERGH. I make the point of order that there is no quorum here.

The SPEAKER. The Chair will count.

Mr. LINDBERGH. I will withhold it for the moment.

Mr. MOSS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. While the gentleman is withholding it, the Chair will put the request of the gentleman from Illinois about these three Members making speeches.

Mr. HEFLIN. Mr. Speaker, I ask unanimous consent to address the House for 20 minutes some time to-day.

The SPEAKER. The Chair will put the request after he gets through with the others. Is there objection to the request of the gentleman from Illinois as to Messrs. DENISON, KINCHELOE, and STEENERSON?

Mr. BURNETT. Mr. Speaker, reserving the right to object, I ask the gentleman if he will not cut that down to half an hour apiece.

The SPEAKER. Mr. DENISON has 15 minutes, Mr. KINCHELOE has 10, and the gentleman from Minnesota asks for an hour. That makes 1 hour and 25 minutes altogether.

Mr. BURNETT. I ask the gentleman from Illinois if he will not make it half an hour or three-quarters of an hour?

Mr. MANN. I think there is time enough. I think there will be time enough.

Mr. BURNET. Will not the gentleman make it 45 minutes?

Mr. ALLEN. It will not interfere with privileged matters.

Mr. BURNETT. Then I would like to couple with that the privilege of addressing the House for 20 minutes, after these remarks have been concluded, on the failures of the Republican Party and on the achievements of the Democratic Party.

Mr. MANN. Mr. Speaker, I think the requests should be submitted separately.

The SPEAKER. The Chair puts the request of the gentleman from Illinois for the three gentlemen already named. Is there objection? [After a pause.] The Chair hears none. Now does the gentleman from Minnesota insist on his point of order?

Mr. HEFLIN. While it is being withheld I ask unanimous consent to address the House for 20 minutes.

Mr. MOSS. I would like to have my request to extend my remarks to come in after this.

The SPEAKER. The Chair thought he had put the request. The gentleman from Indiana [Mr. Moss] asks leave to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none. The gentleman from Alabama asks leave to address the House for not exceeding 20 minutes following the speech of the gentleman from Minnesota [Mr. STEENERSON]. Is there objection? [After a pause.] The Chair hears none.

Mr. MOORE of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on two subjects, one the National Guard and the other protection.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks on two subjects, the National Guard and the tariff. Is there objection? [After a pause.] The Chair hears none.

Mr. BURNETT. Mr. Speaker, I ask leave to address the House for 20 minutes, on the subject I announced a while ago, after the conclusion of the remarks of the gentleman from Alabama [Mr. HEFLIN].

Mr. SINNOTT. Mr. Speaker, reserving the right to object, I desire to couple with the request of the gentleman from Alabama a request that I may be permitted to address the House for half an hour.

Mr. MANN. These requests should be put separately.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. BURNETT]? [After a pause.] The Chair hears none.

Mr. SINNOTT. Now, Mr. Speaker, I request that after the remarks of the gentleman from Alabama [Mr. BURNETT] I may be given the privilege of addressing the House for 45 minutes.

The SPEAKER. The gentleman from Oregon asks unanimous consent that at the end of the remarks of the gentleman from Alabama [Mr. BURNETT] he may address the House for 45 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. ALLEN. I would ask that the gentleman from Virginia [Mr. GLASS] be permitted to address the House for 45 minutes, following those who have already obtained permission.

The SPEAKER. The gentleman from Ohio [Mr. ALLEN] asks unanimous consent that at the conclusion of the remarks of the gentleman from Oregon [Mr. SINNOTT] the gentleman from Virginia [Mr. GLASS] be permitted to address the House not to exceed 45 minutes on the reserve bank bill. Is there objection? [After a pause.] The Chair hears none.

Mr. NORTON. Mr. Speaker, I ask unanimous consent that at the conclusion of the gentleman's remarks I may be permitted to address the House for 10 minutes.

The SPEAKER. The gentleman from North Dakota asks unanimous consent that at the conclusion of the remarks of the gentleman from Virginia he may be permitted to address the House for 10 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. WATSON of Virginia. Mr. Speaker, I ask unanimous consent that the gentleman from Virginia [Mr. FLOOD] may be permitted to extend his remarks in the RECORD on two subjects, our diplomatic representatives and general political conditions.

The SPEAKER. The gentleman from Virginia asks unanimous consent that his colleague [Mr. FLOOD] be permitted to extend his remarks in the RECORD on two subjects, diplomatic relations and general political conditions. Is there objection? [After a pause.] The Chair hears none.

Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a letter from Emmet A. Jones, chief of the bureau of agricultural industries, department of immigration and markets bureau, Montgomery, Ala., in reference to the convention of the American Dairy, Food, and Drug Officials recently held in Detroit, Mich.

The SPEAKER. The gentleman from Maryland asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I could not hear the request of the gentleman. I would like to suggest that it is not a very good practice to go down in front of the Speaker's desk and make a request where nobody else can hear it.

Mr. LINTHICUM. I will say to the gentleman from Illinois that I merely followed suit with him. [Laughter.] I was out there when he advanced to the front.

Mr. MANN. Well, I talk loud enough to be heard all over the Chamber, and the gentleman does not.

Mr. LINTHICUM. I endeavor to do that myself. I ask unanimous consent, Mr. Speaker, to extend my remarks in the RECORD by printing a letter received by me, dated August 14, 1916, from Mr. Emmet A. Jones in reference to the American Dairy, Food, and Drug Officials' convention which recently met in the city of Detroit, Mich.

The SPEAKER. Is there objection?

There was no objection.

Following is the letter referred to:

WASHINGTON, D. C., *August 14, 1916.*

HON. J. CHARLES LINTHICUM, M. C.,
Washington, D. C.

MY DEAR MR. LINTHICUM: The American Dairy Food and Drug Officials met in annual convention at Detroit, Mich., last week. The mem-

bership of that organization is restricted to the executive State officer or officers, or their subordinates, regulating the sale of drug, dairy, and other food products.

The object of their official position and the purpose of the national association is to protect human life by preventing the sale of unwholesome food products.

I attended that convention, representing the State of Alabama, bearing my authority from the commissioner of agriculture, who is the executive officer regulating the sale of food products. Upon presenting my credentials to a committee for the purpose of passing on the same I was promptly seated, and the president soon after named me as a member of one of the important committees, showing conclusively that I was recognized as the official representative of Alabama in the convention.

Later on I introduced a resolution in that convention calling upon Congress to enact and put into operation some adequate plan of inspection of dairy products, inasmuch as milk products are especially exempt from the meat-inspection act as well as the pure-food law.

A number of the members of that association seemed to be considerably agitated that such a resolution should be introduced at that convention, and immediately set to work to prevent the discussion and otherwise oppose this resolution. They succeeded by practically doing away with the constitution and by-laws and all other parliamentary rules and usages, and they also succeeded in declaring me as not the official representing the State of Alabama, thereby putting themselves on record as being opposed to inspection of dairy products. The members of that association know, or ought to know, that 61½ per cent of all the butter made in the United States is classed as No. 3. This class is bad butter. A large per cent of this butter is made from cream that is often putrid; 94.5 per cent of the creameries in this country are insanitary to a greater or less degree. I am in position to support these statements by the highest authorities.

I was a legal delegate at the convention held in Detroit of the American Dairy Food and Drug Officials, having my proper credentials from Hon. James A. Wade, commissioner of agriculture and industries, and his excellency Charles Henderson, governor of Alabama.

It was a cowardly act of the officials of that organization to throw me out on a technicality for the specific reason of preventing a fair discussion of the insanitary dairy conditions and the unwholesome butter that the American people must eat or go hungry.

This organization, whose duty it is to prevent such criminal practices, refused to put themselves on record as favoring Federal inspection of dairy products. If the dairies are clean, and if the butter is made from pure, wholesome cream, why should the officials of this organization, who, as I understand, represent the dairy interests, object to inspection?

The American dairy food and drug officials are the ones whom the American people have a perfect right to look to for protection against impure and diseased foods, and for that organization of food officials to take the position to oppose Federal inspection by their official act in convention at Detroit, August 10, they have gone directly contrary to the purpose for which their office was created.

Milk products, the most universally used food, and a food eaten raw, and a food most subject to contamination of impurities and disease, these officials have violated the public trust invested in them by the people of these United States. They have commercialized their office and the association. They have, by their official act in refusing to even consider this important resolution, as much as told the American people that the almighty dollar was of more importance than human life.

The members of the association know, or should know, that 15 per cent of all tuberculosis is of bovine source, and a greater per cent of typhoid fever is directly traceable to milk products. In Alabama alone last year more than 2,600 of our people died of tuberculosis, according to Dr. Schroeder, the highest authority on this subject; 15 per cent of that figure means that 390 of these deaths were preventable. Federal inspection of dairy products is the unquestionable cure for this evil, inasmuch as nearly all the State officials in charge of this work frankly state that they are not able to cope with these conditions, owing to the flood of interstate milk products pouring in upon them, together with inadequate State laws, as well as funds.

It is beyond me why such State officials admit they are not able to prevent the sale of butter made from rotten cream and at the same time refuse to ask Congress to enact a law that would supply Federal aid and would accomplish the end that their office was created for, namely, to protect human life by preventing the sale of impure, diseased food products.

In this case the people's representatives in their pure-food department have refused to do this. The American people must take the matter in their own hands and in no uncertain terms communicate their views to their Congressmen and Senators in Washington.

It was clearly the duty of the members of that organization to take up and discuss the insanitary condition of dairies and to look into and prevent the sale of butter made from cream that is unclean, decomposed, and putrid. These conditions do exist, and State officials refused to do their duty when they took part in disfranchising me at this convention. From the proceedings it would seem that the powerful and, to my mind, iniquitous Butter Trust dominates State officials regulating pure food.

The leading dairy journals and health officials declare that insanitary conditions exist in many instances, and that a large percentage of the milk products are produced from decomposed, putrid, and diseased cream.

We have sought some authoritative statement of the extent of this awful crime against the helpless and the innocent. In the annual report of the United States Department of Agriculture for 1912 it is said (pp. 315, 334) that cream is frequently shipped great distances to creameries to be made into butter and is often received in such a filthy and putrid state as to be thoroughly unfit to enter into the composition of a food product; that an examination of 1,554 lots of cream delivered to the creameries and cream-buying stations showed 113, or 7.3 per cent, to be of first grade; 484, or 31.1 per cent, of second grade; and 957, or 61.5 per cent, of third grade; that the third grade consists of cream that is dirty, decomposed, or very sour; that 94.5 per cent of 715 creameries investigated were insanitary to a greater or less degree; and that 72.6 per cent of these creameries did not pasteurize the milk so as to destroy any disease germs that might be present; that as disease-producing germs are known to survive for long periods in butter from unpasteurized cream, and as butter is eaten in the raw state, this product when made under such conditions as prevail in the majority of creameries can not be said to be wholesome and free from danger to human health; that millions of gallons of cream that have been allowed to stand in the barn, in the cellar, or in the woodshed until it is sour or decomposed is sent to the creamery and, without even being pasteurized, is made into butter; that aside from the danger of pathogenic infection, consumers should not be expected to eat a product from an insanitary place and made from material that is unclean and decomposed.

It is this 61.5 per cent of third-grade butter so terribly indicted by dairy journals and health officials and others, tried and found guilty by such conservative and well-informed men as the senior editor of Hoard's Dairyman and Prof. Farrington, and the sentence confirmed by the quoted highest authority in the land—it is this disease-laden, filthy product, beautifully but artificially colored and artistically wrapped, which a majority of the American people must eat or go hungry.

Allow me to call your attention to two excerpts from the Chicago Dairy Products, March 21, 1916. On page 18 a lengthy address is published, which says:

"Beware of the cream buyer that tells you he would just as soon have old, sour, rotten cream as good, clean, sweet-flavored cream. Today competition in many localities is keen among the cream buyers, and they force one another to accept anything that looks like cream."

What does this association think of this kind of competition? Will you help to maintain or help to reform?

In the same address it is said:

"A good housewife does not leave the supper dishes stand overnight and use them again for breakfast without first washing them. And still the small amount of food particles left on the supper dishes is far less repulsive and objectionable than the dirty, filthy, often bloody pus matter that collects as slime in the separator bowl."

And one of your members stated during the convention this week that he had found the baby's soiled clothes soaking in the separator.

Who eats this cream and butter separated from "the dirty, filthy, often bloody, pus matter that collects as slime in the separator bowl, with the additional flavor obtained from the baby's soiled clothes?"

On page 20 another address is given, in which it is said, quoting:

"It is claimed by the veterinary department of our State that in sections where whole-milk creameries are the most numerous they find a larger per cent of hogs infected with tuberculosis, all of which shows beyond a doubt that the disease is spread from farm to farm through this medium of skim milk. Another case is cited where a number of the family where market milk was produced were infected with typhoid fever, the raw milk from the dairy was delivered, and an epidemic of typhoid fever among the patrons of the dairy was the result. * * * Butter itself may carry disease, according to a bulletin issued by the United States Department of Agriculture recently. It was found that tubercle bacilli existed in a raw-cream unsalted butter for a period of nine months after being made, and in raw-cream salted butter for six months after being made. It was also found that out of 1,233 samples of raw-cream butter made in different sections of the country 163, or 13.2 per cent, contained tubercle bacilli."

Does the producer of this kind of dairy products offer a word of denial to these charges? Do they suggest the slightest remedy?

Ex-Gov. Hoard, of Wisconsin, called, in hearings before a congressional committee, the "father of dairying," treasurer of the National Dairy Union and editor of Hoard's Dairyman, says in his issue of February 21, 1913:

"Resolutions have been passed and passed again. * * * The cry is 'Something must be done,' but nothing is done. * * * No one familiar with the work, and finding himself behind suitable closed doors, has denied the conditions. * * * No one is more interested in this than the Farmers' Cooperative Creameries. * * * They see tendencies working insidiously and eternally to break down quality. They labor under conditions that make them accept poor cream, do poor work, and sometimes keep things in insanitary condition. * * * There are certain tendencies in the creamery business that are demoralizing to the last degree. We refer to the willingness of creameries to accept poor, bad, decomposed cream, knowing, if they do not, the cream will go to a competitor. The large central creameries have been the chief, though not the only, sinners in this respect. They have invaded the territory of the local creameries and forced them to let down the bars to all that is bad in cream. They have invaded the territory of each other until they have absolutely no control over the product they receive from the farmer."

Mr. David Klein, State analyst for the State Food Commission of Illinois, in a letter says:

"Adulterated milk and butter is somewhat frequent. * * * Most of our adulteration consists of dirty milk or that which contains high bacterial content. * * * The question of regulation of dairy products is exceedingly complex. * * * By all means, the problem should be dealt with at its source and not at the end of its journey."

Minnesota Dairy and Food Department Bulletin No. 58, appendix 3, page 58:

"A special investigation has been made of economic and commercial conditions in the creamery industry, and information has been received showing that there is practically a monopoly in some sections; * * * that the cream is received over a wide territory, and much of it is received in a state condition, and that a very large percentage of the butter in the market is below grade."

Yearbook of the United States Department of Agriculture, 1910, page 46:

"The Bureau of Animal Industry has conducted the inspection of butter as it is received at the New York, Chicago, and San Francisco markets. The competition among creameries for the purchase of cream has resulted in cream being accepted which is sometimes in very bad condition, and as a result much butter of inferior quality is placed on the market."

Page 278:

"Through the dairy districts such as Iowa, Minnesota, Wisconsin, Illinois, Michigan, Ohio, etc., the farmers a few years ago delivered to the creameries clean, sweet milk, which was made into a first grade of butter that brought the highest price. Many of the same farmers are to-day delivering cream a week old. This is not done because of lack of knowledge, but because their cream, bad as it is, is accepted by the creamery. If one creamery does not accept it, another will; the farmer, therefore, is simply following the line of least resistance."

In a page advertisement appearing in one of the leading dairy journals was "How to make good butter out of rotten cream."

It would have been a reflection on the intelligence of that organization for me to proceed further in producing evidence showing that insanitary conditions do exist and that a large per cent of the milk products are made from decomposed, putrid, and diseased cream.

Now, I wish to dwell for a few minutes on the effect of such conditions. The health of a community, a State, and a country should

come first in the minds and the hearts of officials. Consequently disease-spreading foods should have had their serious consideration.

Dr. E. C. Shroeder, in the hearing before the Committee on Agriculture in the Sixty-first Congress said (p. 319):

"The remarkable thing found by Dr. W. H. Park and his associates was that among a certain number of fatal cases of tuberculosis among infants 10 per cent were due to bovine source; among a certain number of children under 5 years of age, not all of which were fatal, however, something in the neighborhood of 26 per cent were due to bovine source; among children between 16 and 5 years, about 16 per cent of all tuberculosis was due to bovine source." * * *

Page 321:

"The more closely the bovine type is approached, the higher the virulence of the bacilli seems to be." * * *

On page 325 he estimates that 15 per cent of all human tuberculosis is of bovine origin.

On page 324 he says:

"Estimates which have been made—not by myself, however—seem to indicate that about 60 per cent of all bacilli in a given sample of milk are concentrated in the cream. In making investigations myself I have repeatedly made butter from infected cream, and I found that when the cream was infected the bacilli were transferred to the butter. Quite a number of experiments with cheese have been made, and the investigations show conclusively that when cheese is made from infected milk the cheese will also contain infection. If typhoid germs get into milk, their presence there is more dangerous than the presence of the tubercle bacilli."

In the twenty-fifth annual report of the United States Bureau of Animal Industry it is said (p. 152):

"The conclusion is almost forced upon us that the tuberculosis dairy cow is, to say the very least, one of the most important sources of tubercle bacilli with which we have to deal."

Page 160:

"Infection of cattle and hogs is most frequently seen in districts in which dairy interests are most prominent. * * * It has been estimated in the Bureau of Animal Industry that the annual sum that may be charged to loss and depreciation through tuberculosis in cattle and hogs is in the neighborhood of $23,000,000."

According to figures presented at the International Congress on Tuberculosis by the United States Public Health and Marine-Hospital Service, tuberculosis destroyed 60,000 more lives in the United States in one year alone than yellow fever destroyed in the United States during a whole century.

Dr. E. C. Shroeder, in the Twenty-sixth Annual Report of the Bureau of Animal Industry (p 200), says:

"I am thoroughly convinced that there is no equal number of cases of tuberculosis * * * that can be prevented as easily, as cheaply, and as certainly as the numerous cases that are due to persons infected with tuberculosis bacilli derived from the bodies of tuberculous cattle."

I felt that every member of this convention is trying to develop their dairy interests for the health and happiness, not the disease and death of their people. They try to inspect the herds and destroy the diseased ones, but how can they compete with interstate butter pouring in upon them free from Federal inspection and regulation, which constantly infects their people and in turn reinfects their herd.

The unscrupulous dairyman and the dishonest creameries and butter factories seem to turn a deaf ear to the thousands of American mothers, whose children are every year being murdered by slovenly farmers and debauching creameries.

Some of the dairy journals have seen fit to attack me personally and officially for my views on this subject and have alluded to me as the "wicked Jones" and made out a case of "hard-headedness" against me, and to my mind a case of "hard-heartedness" against themselves.

If I must choose, I pray that my heart may ever be tender and true to the millions of our people who must buy food and that the cry of the little diseased children and their mothers may never go up against me.

And now, Mr. LINTHICUM, I wish to commend you for the brave and able fight you are making against these criminal practices, and I offer you my services whole-heartedly, and will consider it a favor if you will call on me at any time.

Very truly, yours,

EMMET A. JONES,
Chief of Bureau Agriculture and Industries Department, Immigration and Markets Bureau, Montgomery, Ala.

Mr. HULBERT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the achievements of the present session of Congress.

The SPEAKER. The gentleman from New York [Mr. HULBERT] asks unanimous consent to extend his remarks in the RECORD on the achievements of the present session of Congress. Is there objection?

There was no objection.

Mr. MANN. If it is true, it will be very short. [Laughter.]

Mr. HOLLINGSWORTH. Mr. Speaker, I ask unanimous consent to extend my remarks on two subjects—world peace and the naval bill.

The SPEAKER. The gentleman from Ohio [Mr. HOLLINGSWORTH] asks unanimous consent to extend his remarks in the RECORD on two subjects—world peace and the naval appropriation bill. Is there objection?

There was no objection.

Mr. SMITH of Minnesota. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the achievements of the Republican Party if it had been in power in the last four years. [Laughter.]

Mr. ADAMSON. Romance, pure and simple. [Renewed laughter.]

The SPEAKER. The gentleman from Minnesota asks unanimous consent to extend his remarks in the RECORD on what the Republican Party would have done if it had been in power in the last four years. Is there objection?

There was no objection.

Mr. RAKER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on House joint resolution No. 1.

The SPEAKER. The gentleman from California asks unanimous consent to extend his remarks in the RECORD on House joint resolution No. 1. Is there objection?

There was no objection.

Mr. EVANS. I ask unanimous consent, Mr. Speaker, to extend my remarks in the RECORD upon what the Democratic Party has done in the last four years while it has been in power.

The SPEAKER. The gentleman from Montana [Mr. EVANS] asks unanimous consent to extend his remarks in the RECORD upon what the Democratic Party has done in the last four years. Is there objection?

There was no objection.

POINT OF NO QUORUM.

Mr. LINDBERGH. Mr. Speaker, a while ago I made a point of order that there was no quorum here. I withhold that for half an hour on condition that I may make a statement now as to why I made that point, and it is this: That I understand there is a trading process going on between certain parties in this body and in another body that affects the legislation. I do not know whether that is so or not; but if it is so, we ought to have a quorum here, and I withhold my point now for half an hour.

The SPEAKER. The gentleman withholds his point of order.

Mr. ADAMSON. Can you find out in half an hour?

BRIDGE ACROSS MISSISSIPPI RIVER AT MEMPHIS.

Mr. ADAMSON. Mr. Speaker, there is a bill on the Speaker's desk that the Senate has passed backward and forward two or three times. I would like to move to the House to end it by concurrence.

Mr. MANN. What is it?

Mr. ADAMSON. A bridge bill.

The SPEAKER. The Chair lays before the House the Senate bill 5886, which the Clerk will report.

The Clerk read as follows:

A bill (S. 5886) entitled "An act extending the time for the completion of the bridge across the Mississippi River, at Memphis, Tenn., authorized by an act entitled 'An act to amend an act approved July 20, 1912, entitled "An act to authorize the Arkansas & Memphis Railway Bridge & Terminal Co. to construct, maintain, and operate a bridge across the Mississippi River," approved August 23, 1912.'"

Mr. MANN. Mr. Speaker, until I saw that the Senate had acted upon this bill yesterday I was very strongly of the impression that it was only recently that the gentleman from Arkansas [Mr. CARAWAY] moved to concur in the Senate amendment on this bill.

Mr. ADAMSON. They have concurred in our amendments with an amendment.

Mr. MANN. I think he moved to concur in the Senate amendment.

Mr. ADAMSON. I thought he did, too, but they are piling one mountain on top of another—I forget their names—Pelion on Ossa.

Mr. MANN. Unless I am very much mistaken, the gentleman from Arkansas [Mr. CARAWAY], when this same bill came over from the Senate before, moved to concur in the Senate amendments.

Mr. ADAMSON. Suppose the gentleman read what the House did there. He has it all there.

Mr. MANN. This was a House bill, was it not?

Mr. ADAMSON. No. It was a Senate bill. The House amended it, and the Senate now concurs in the House amendments.

Mr. MANN. The bill was reported to the House with certain committee amendments. Then the gentleman from Arkansas [Mr. CARAWAY] offered some further amendments.

Mr. ADAMSON. Yes.

Mr. MANN. I know I looked into the matter very carefully.

Mr. ADAMSON. The Senate amended that.

Mr. MANN. That went to the Senate, and the Senate amended that. I am sure that that bill came back, and the gentleman from Arkansas moved to concur in the Senate amendments. Now it comes back again from the Senate.

Mr. ADAMSON. I suggest that the Clerk read the action of the House, taken when the bill was last here.

Mr. MANN. I hope the gentleman will take time to look it up.

Mr. ADAMSON. Let it lie on the table in the meantime.

The SPEAKER. Is there objection?

There was no objection.

Subsequently,

Mr. ADAMSON. Mr. Speaker, the gentleman from Illinois finds that this is a different bill, and I move to concur in the amendment of the Senate, in which the Senate couple on a new

proviso. They accept the House amendments with an amendment.

The Senate amendment was read, as follows:

That the Senate agrees to House amendment numbered 4 to said bill with an amendment as follows: Insert the matter contained in said amendmeat with an additional proviso, to be inserted at the end of said amendment before the period, to read as follows: ": *Provided further*, That the term 'passage' as used in the foregoing proviso, for which said sum of 25 cents is made the maximum rate of charge, shall include the right of the passenger to be carried over the approaches and connecting railway tracks of said bridge from the nearest stopping place to receive and discharge passengers at one terminal thereof to the nearest like stopping place at the other terminal thereof. And this proviso shall apply to and govern the authorized charge for passage to be made by the Kansas City & Memphis Railway & Bridge Co. for passage over its bridge and the approaches and connecting railway tracks thereof, across the Mississippi River, at Memphis, Tenn."

Mr. COOPER of Wisconsin. Mr. Speaker, it is impossible for Members of the House not having copies of the bill before them to understand the effect of the amendment. Will the gentleman from Georgia please explain it?

Mr. ADAMSON. The amendment simply provides that where a man has to pay a charge for crossing the bridge he shall have a place to get on and a place to get off at each end of the bridge. That is, that they can not charge him double, but that he can get on at the nearest station to the bridge and get off at the nearest station beyond the bridge without paying any extra fare except the charge for crossing the bridge.

Mr. COOPER of Wisconsin. Is that all there is to it?

Mr. ADAMSON. That is all there is to it.

The SPEAKER. The question is on concurring in the Senate amendment.

The Senate amendment was concurred in.

On motion of Mr. ADAMSON, a motion to reconsider the last vote was laid on the table.

The SPEAKER. The gentleman from Illinois [Mr. DENISON] is recognized for 15 minutes.

CHILD-LABOR LAW.

Mr. DENISON. Mr. Speaker, some days ago the Democratic Members of the Senate met in caucus and decided on a legislative program for the remainder of the session. The child-labor bill, which passed the House on February 2 and had been before the Senate since that time, was not included among those that were to be passed before adjournment. As the President has assumed the rule of umpire as to what bills should or should not be passed by Congress in addition to his regular duties as Chief Executive of the Nation, we are justified in concluding that he must have been consulted and have known and approved of the legislative program decided upon by the caucus. At least the program, omitting the child-labor bill, was published in the daily papers, and the President, so far as we know, made no objection to it.

But as soon as the action of the caucus became known over the country, telegrams began coming to Washington urging action on this bill before adjournment. The women of the country particularly, through their clubs and organizations, began sending telegrams demanding that the child-labor bill be passed.

It is interesting to note that a short time before this Mr. Hughes had made a statement of his personal views on extending the right of suffrage to women, and there was much discussion in the press of the country of the effect his statement on that question would have on the coming election in those States where the women vote.

Suddenly the President appeared one day at the Capitol unannounced and, if the reports in the daily papers can be taken as true, called some of the Democratic Senators before him and told them that the legislative program of the caucus must be rearranged and the child-labor bill must pass before adjournment.

Surprise was freely expressed about the Capitol at this precipitous action of the President; many of us could not, while others would not, understand the sudden reversal of the President's attitude toward this bill and his insistence that it be passed now. There was no national emergency connected with it, nor any public interest which would particularly suffer if the passage of the bill should be deferred until December.

Subsequent events, however, have thrown some light on this matter. The date of the President's notification of his renomination had been fixed and was soon to be. His speech of acceptance was to be a catalogue of the wise and beneficent legislation that had been enacted by the Democratic Congress under his benign influence and guiding hand. And, of course, this catalogue would not read well with many of the people unless the child-labor bill were included.

The caucus program was forthwith rearranged and the bill was passed.

On the 2d of September the President was notified of his renomination, and in his speech of acceptance he made the following statement, in reviewing the legislation for which the country, as he claims, is indebted to the Democratic Party under his administration:

We have effected the emancipation of the children of the country by releasing them from hurtful labor.

These are fine words. They appeal to human sentiment. And I have no doubt my friend Mr. HEFLIN, the gentleman from Alabama, one of the few States whose representatives fought so hard to prevent the passage of the bill, was swayed with profound emotions as he heard his chief tell in these touching words how the children of the country had been saved and emancipated from hurtful labor by the Democratic Party. And possibly there may be some voters somewhere in the country who will blindly accept this statement for what it says.

But to those of us who know the facts it is a huge joke. It is truly ludicrous. Those who are familiar with child-labor legislation in this country and who know the past records of the candidates of the two great political parties on this subject can not help wondering what motive inspired the President in claiming that the Democratic Party has emancipated the children of the country from hurtful labor. Could it be possible that the President has been ill advised or is otherwise not correctly informed on this subject?

Why, Mr. Speaker, in 30 States of the Union wise child-labor laws have been enacted by Republican legislatures and signed by Republican governors. I have not yet been able to learn whether the laws of Kentucky and Maryland were enacted under Republican or Democratic legislatures. If under the former, then the number would be 32. Many of these laws were enacted while the President was yet a school-teacher, and most, if not all, of them were enacted before he became President. The child-labor law of the District of Columbia, I am informed, was passed during a Republican administration. And the only States that have no child-labor laws or whose laws are entirely inadequate to protect their citizens from the evils of child labor are the States that always have been Democratic and where real Republicans can not grow.

Now, the child-labor bill that has just become a law was reported to the House by the Labor Committee, of which I am a member. On the motion to favorably report the bill out, four Democrats and five Republicans voted in the affirmative. Three of the Democratic members of the committee opposed it and filed a minority report against it. Three of the Democratic members of the committee fought the bill on the floor of the House.

If the five Republican members of the Labor Committee had opposed the bill the Democrats alone never could have gotten the bill before the House at this session, even if they had been disposed to do so.

In the House a determined fight was made on the bill by the Democrats alone; they even tried to kill it by a prolonged and determined filibuster which was aided by the able chairman of the Judiciary Committee, Mr. WEBB. The Democratic leader, Mr. KITCHIN, opposed the bill and voted against it.

When the final vote on the passage of the bill was taken, 179 Republicans and only 158 Democrats voted in favor of it. Only 2 Republicans voted against it, while 44 Democrats are recorded against it.

So the record, with which we may reasonably presume the President was familiar, shows that generally speaking this bill was supported by the Republicans and opposed by the Democrats, and that without the aid of almost the solid Republican vote it never could have been passed by this Congress.

In the Senate every Republican Senator but two voted for the bill, while a number of Democratic Senators not only voted against it but conducted a determined fight to prevent its passage.

All who are at all familiar with this subject know that all the States have adequate child-labor laws of their own, except North and South Carolina and possibly two or three other Southern States where the large cotton mills are located; and therefore the provisions of this bill will only affect those few Democratic States.

Why, then, should the President declare in his speech of acceptance that the Democratic Party has "effected the emancipation of the children of the country by releasing them from hurtful labor"?

The facts are exactly to the contrary. The only States where the children have not been emancipated by releasing them from hurtful labor are Democratic States.

Such is briefly the record of the legislation of the country on this subject.

But what are the records of the two presidential candidates on the subject of child labor?

In 1907, nine years ago, while Mr. Hughes was governor of the State of New York, he made the following recommendation in a message to the legislature:

I recommend to your careful consideration the important subject of child-labor laws for the protection of children in securing for them their rights through an elementary education and in surrounding them with appropriate safeguards, making an especial appeal to human sentiment and that nothing should be left undone to give them full effect.

I am informed that during the term of office of Gov. Hughes child-labor laws were enacted by the Legislature of New York which followed fully the recommendation of the governor and received his approval.

Years after Gov. Hughes was urging the enactment of child-labor laws and was getting results at the hands of a Republican legislature, putting his words into deeds, Mr. Wilson was ridiculing the idea of child-labor legislation by Congress and declaring to the young men of the country that such proposed legislation was but the scheme of politicians.

In a lecture on constitutional law, delivered in 1911, Mr. Wilson, speaking of the power of the Federal Government with reference to child-labor legislation, said:

Its power is to regulate commerce between the States, and the attempts now made during every session of Congress to carry the implications of that power beyond the utmost boundaries of reasonable and honest inference show that the only limits likely to be observed by politicians are those set by the good sense and conservative temper of the country

The proposed Federal legislation with regard to the regulation of child labor affords a striking example. If the power to regulate commerce between the States can be stretched to include the regulation of labor in mills and factories, it can be made to embrace every particular of the industrial organization and action of the country. The only limitation Congress would observe, should the Supreme Court assent to such obviously absurd extravagances of interpretation, would be the limitations of opinion and of circumstances.

Thus, according to Mr. Wilson's views before he became a politician, this child-labor bill that Congress has just passed "carries the implications of the power to regulate commerce between the States beyond the utmost boundaries of reasonable and honest inference"; it is an "obviously absurd extravagance of interpretation."

Of course, now that Mr. Wilson is no longer lecturing learnedly to the young men of the country on constitutional law, but has become a candidate for reelection to the Presidency, he has an entirely different and larger audience to reach, and the rules of interpretation of the Constitution are entirely different. What was then an "obviously absurd extravagance of interpretation" now becomes a very proper and benign law for the "emancipation of the children of the country from hurtful labor."

Such are the records of the two candidates for President upon this important question of child-labor legislation. And their records on this subject are not unlike their records on other important subjects in which the people of the country, and particularly the laboring people, are interested.

Mr. Speaker, my only purpose in calling the attention of the House and of the country to these matters at this time is that I think the statement of the President in his speech of acceptance will be misleading to the people. The fact is, the subject of child-labor legislation is not, never has been, and should not be a partisan question. It is one that affects the welfare of the whole Nation, and no political party nor the candidate of any political party should attempt to influence the voters of the country by a pretense or claim that such legislation has been partisan. I think it is most unfortunate that the President should have claimed in his speech of acceptance that the child-labor law just passed by Congress is one of the fruits of Democratic legislation.

Neither the Democratic Party nor the President is responsible for this law. The bill would have passed the Senate in December, or at least before adjournment, in March, without any pressure by the President.

The President, however, is entitled to credit for forcing the bill through the Senate before adjournment. But in view of his former opinions on child-labor legislation, as well as his strange statement on the subject in his speech of acceptance, we are justified in the conclusion that the purpose of his demand for immediate action on the bill was purely political.

The fact is, Mr. Speaker, the President forced the passage of this bill before adjournment for the same reason that he prevented the passage of the immigration bill. He forced it, not against the opposition of the Republicans, for we have all, with the exception of two in the House and two in the Senate, been in favor of the bill and wanted it passed as soon as possible; he forced it against the opposition of members of his own party and in the face of an approaching national election.

The country knows that the President will veto the immigration bill as soon as it passes the Senate. A veto of this important bill, in which the laboring men of the country are so deeply interested, would cost the President many votes. So he and his advisers have prevented the passage of the immigration bill before adjournment in order that his veto of the measure may be postponed until after the election.

Thus the country beholds the playing of politics in high places. [Applause on the Republican side.]

Mr. BARKLEY. I want to say to the gentleman that the child-labor laws of Kentucky were enacted under a Democratic administration.

Mr. BRUMBAUGH. I want to make the same observation with regard to the Ohio law.

Mr. DENISON. I thank the gentlemen for the information.

Mr. COOPER of Wisconsin. The gentleman in his remarks has referred to the fact that Mr. Wilson, before he became President, made the statement in one of his books that a child-labor law enacted by Congress would be unconstitutional.

Mr. DENISON. Yes.

Mr. COOPER of Wisconsin. I want to ask the gentleman a question: Is the President entitled to any credit for urging Congress to pass a law which, before he became President, he declared would, if enacted into law, be a violation—involve a dishonest interpretation—of the Constitution of the United States?

Mr. DENISON. That is a very pertinent question, and one that the country will have to answer.

Mr. LONDON. Does the gentleman contend that a Democratic President has no right to learn anything?

Mr. MILLER of Minnesota. He can not.

Mr. DENISON. I do not, of course, make the contention that he has no right to learn anything.

Mr. MEEKER. Does the gentleman insist that the Democratic President has learned anything?

Mr. BARKLEY. He has not learned anything from the gentleman from Missouri.

Mr. DENISON. I repeat that we are justified in the conclusion that the purpose of his demand for immediate action on this bill was entirely political. [Applause on the Republican side.]

BRITISH EMBARGO ON TOBACCO.

Mr. KINCHELOE. Mr. Speaker, I have the honor to represent in this House a great tobacco district. I was born and reared on a farm, and raised tobacco during the most of my boyhood years, and I think I am familiar with the hardships and obstacles with which the tobacco grower has to contend.

There are no more patriotic, industrious, and law-abiding citizens in this Republic than the tobacco growers of Kentucky, Virginia, and Tennessee, and yet they are the poorest and smallest paid laborers for the amount of work they do in this country. [Applause.]

These people are appealing to the American Congress for a right to which they are justly entitled, and that is an open market for their tobacco to every country on earth.

In March, 1915, by an order in council of the British Government, Great Britain placed an embargo on tobacco, together with other commodities. As a result of this embargo practically all tobacco exported from this country at that time was consigned to the Netherland Oversea Trust. The Netherland Oversea Trust then required every exporter to guarantee, by executing a bond, that the tobacco exported should go only to the country to which it was consigned, which in effect cut out the market of the European countries, except Great Britain. The fact is practically 60 per cent of the competition of the dark-tobacco buying in this country comes from Germany and Austria.

The State Department, through its able Secretary, Hon. Robert Lansing, and his assistants, immediately sent a strong protest to the British Government against this embargo. After various protests, the State Department finally succeeded, in November, 1915, in having this order in council of the British Government set aside. The result was, in a short time thereafter, the price of tobacco began to increase rapidly. The pathetic thing about this transaction was that by the time the tobacco increased to a good price nearly all of it was out of the hands of the growers. But notwithstanding this the tobacco growers, encouraged by future prospects, planted the crop of 1916 with great hopes that these high prices would continue, and they were also informed, and I think correctly so, that there would be a 25 per cent greater demand for tobacco this year than in 1915. With these assurances, the tobacco growers of my district, together with the rest of Kentucky, Tennessee, and

Virginia, have planted and are now housing one of the biggest and finest crops of tobacco that has been raised in these States for many years. Now, to their disappointment, Great Britain, without a reason and arbitrarily, has again placed an embargo upon tobacco, which became effective the 31st of last month.

So unless this embargo is removed or modified before this year's crop goes on the market the tobacco grower will be confronted with the sad fact that his crop of tobacco is to be sold with practically no bidders from the European countries. Practically 80 per cent of the tobacco grown in my district is export tobacco. The State Department now is earnestly protesting against this embargo and is doing everything in its power to have it removed, but with no power under the law to retaliate in any way.

Only last week I received a letter from Ross-Vaughn Tobacco Co., of Owensboro, Ky., saying that they had shipped 233 hogsheads of tobacco, worth $30,000, to Philadelphia, consigned to Copenhagen, Denmark, and asking me to go to the British Embassy here and see if they would get authority from London letting the shipment go. I went to the embassy and pleaded in behalf of this company. I was informed by them that they had already wired London for permission for this shipment, but had not received a reply. I then asked them if they would not hurry the matter and was informed very frankly that there was no way to hurry it. I left immediately in disgust. I submit to you if it is not a shame that our citizens have to endure this kind of treatment. [Applause.]

I am delighted, however, to know that the Senate has passed amendments 265 and 266 to the revenue bill, which empower the President to enforce retaliatory measures to prohibit this great injustice to tobacco growers and to exporters of other commodities in this country, which amendments are as follows:

Amendment 265: That whenever any country, dependency, or colony shall prohibit the importation of any article the product of the soil or industry of the United States and not injurious to health or morals the President, within his discretion, shall have power to prohibit, during the period such prohibition is in force, the importation into the United States of similar articles, or in case the United States does not import similar articles from that country, then other articles the products of such country, dependency, or colony.

Amendment 266: That whenever during the existence of a war in which the United States is not engaged the President shall be satisfied that there is reasonable ground to believe that under the laws, regulations, or practices of any country, colony, or dependency, contrary to the law and practice of nations, the importation into their own or any other country, dependency, or colony of any article the product of the soil or industry of the United States and not injurious to health or morals is prevented or restricted the President is authorized and empowered, within his discretion, to prohibit or restrict, during the period such prohibition or restriction is in force, the importation into the United States of similar or other articles products of such country, dependency, or colony as in his opinion the public interest may require; and in such case he shall make proclamation stating the article or articles which are prohibited from importation into the United States; and any person or persons who shall import, or attempt or conspire to import, or be concerned in importing, such article or articles into the United States contrary to the prohibition in such proclamation shall be liable to a fine of not less than $2,000 nor more than $50,000 or to imprisonment not to exceed two years, or both, in the discrertion of the court. The President may change, modify, revoke, or renew such proclamation in his discretion.

So you will see from the reading of these amendments that whenever any country shall prohibit the importation of any article the product of the soil or industry of the United States and not injurious to health or morals the President of the United States, in his discretion, is empowered to prohibit, during such period, the importation into this country of similar artcles, or if the United States does not import similar articles from that country, then any other articles. And after he shall make a proclamation stating the prohibitory articles the countries which continue to import them here shall be liable to a fine and imprisonment. These two amendments, if adopted, will give the President the power to retaliate whenever injuries are done to the people of this country, like the embargo placed upon tobacco by Great Britain.

I do not believe this country should or will suffer these outrages to be perpetrated upon the American people. Tobacco is not one of the necessaries of life nor a contraband of war, and no reason can be given why this embargo is placed upon tobacco by Great Britain except that she and her allies hope to buy the tobacco from the tobacco grower at their own price and then sell it to the other countries of Europe at an enormous profit to themselves. Great Britain can not with any consistency give as a reason for placing this embargo on tobacco that she does not want Germany to have it. Germany's fighting powers would not be increased any if her soldiers got all the tobacco they wanted to chew and smoke; nor would they be decreased any if she did not get any. Besides, every dollar that Germany spent for tobacco would leave that much less in her treasury with which to buy ammunition, guns, and something to eat and wear for her soldiers. That argument or excuse would fall to the ground of its own weight. This country is big enough and strong enough to protect the lives and property of its citizens, and I believe she will do it. On a great question like this I am neither pro-English, pro-ally, or pro-German, but I am pro-American. I want to right these wrongs, and I believe in doing it. The God of the Universe created the high seas for the whole human family, and I do not believe in permitting any nation to monopolize them for her own aggrandizement, to the detriment of any other nation and her citizens. [Applause.] If these two amendments are adopted, which will give the President of the United States power to retaliate, I am sure that he will be glad to exercise this right at once in behalf of the tobacco growers of this country, if necessary. His every act since he has been President of the United States toward labor has always been in favor of the laboring man and the downtrodden. I do not think he would have to exercise this power, for the moment Great Britain understands that we mean business and will tolerate the injustices to our citizens no longer, she will raise this embargo, for she needs us and what we have to sell worse than we need her. I am opposed to and shall fight to the last ditch against Great Britain or any other country coining the sweat and labor of the tobacco growers of my district into money to make her richer by the unfair and unjust methods of this embargo.

If I had my way about it, I would make these amendments even stronger than they are. I would not only give the President power to prohibit imports to this country as a retaliatory measure, but I would also give him power to lay an embargo, in his discretion, upon exports consigned to the countries that place an embargo upon such products as tobacco, because England wants to buy our products worse than we want hers. I would offer that amendment now if it were in order, but I realize under the rules of the House such an amendment would be subject to a point of order at this stage of this legislation.

Mr. MEEKER. Will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. MEEKER. Is it not that policy which you have been discussing that made it possible for Wilson to keep us out of war?

Mr. KINCHELOE. It is not. It is the firm stand that this great President has taken in his diplomatic relations with foreign countries, together with his love for peace, that has kept us out of war.

The Members of Congress and United States Senators from the tobacco-growing districts have been making this fight for the tobacco growers ever since the embargo was first laid upon tobacco in March, 1915, and are doing all in their power to have these two amendments adopted.

Tobacco is a product that takes 12 months in the year to produce and sell, and in former years the tobacco growers have been compelled to sell their tobacco at almost starvation prices. The tobacco grower not only gives practically a year's time and labor to the raising of tobacco, but gives his best land and best cultivation to it. They are now housing a great crop of tobacco, not only in quantity but in quality, and I want to see a free and open market this fall in order that this crop may bring the best prices possible. The tobacco growers, land owners, and tenants alike are looking to Congress for this relief, and I believe when these facts are detailed to you opposition to these two amendments will be small.

Mr. BENNET. Will the gentleman yield?

Mr. KINCHELOE. Yes; I yield with pleasure.

Mr. BENNET. Did the gentleman vote for the Sutherland amendment the other day?

Mr. KINCHELOE. Yes.

Mr. BENNET. I think in that the gentleman upheld the rights of his constituents, and that he did the wise thing.

Mr. KINCHELOE. I voted for the Sutherland amendment because my people are affected in this matter, and I will vote for any other amendment, whether offered by a Democrat or a Republican, to stop an embargo on the products of this country going to a neutral nation, and I do not care whether it is put on by England or Germany or any other country; we are too big a country to submit to anything of that sort.

Mr. BENNET. I think the gentleman is right in putting his Americanism above his Democracy.

Mr. KINCHELOE. I think so; I do not think Mr. Hughes, your candidate for President, has any corner on patriotism or Americanism in this country, notwithstanding he exploits it all over the country wherever he goes, in trying to make an issue in this campaign. [Applause on the Democratic side.]

Tobacco is the money crop of my district, and when the price is low it affects every character of business.

Personally, I have been assisting in the waging of this fight to remove this embargo on tobacco ever since I have been in Congress, and I expect to continue this fight until this injustice to my people has been removed, for the happiness and prosperity of over 3,000,000 people in this Republic are dependent almost entirely upon the raising of tobacco, and if I can assist in some way in the removing of this diabolical embargo on tobacco, placed there by Great Britain, I will feel that I have rendered great service to my people.

When these two amendments shall have been adopted, as I believe they will, and the 3,000,000 people living in the tobacco section of this country are apprised of this fact, happiness and contentment will be with them as never before, and this Congress will receive the undying gratitude of them all. [Prolonged applause.]

The SPEAKER. The gentleman from Minnesota is recognized for one hour.

POLITICAL ISSUES AND PARTY CLAIMS.

Mr. STEENERSON. Mr. Speaker, I thank the House for this courtesy. I want to make a few calm, dispassionate remarks on the subject of the political issues and party claims. I like to approach this subject in a judicial way. The word "issue" when applied to politics is often used with such looseness as to be confusing. Strictly speaking, in order to raise an issue, there must be an affirmation on the one side and a negation on the other. It should be remembered that four-fifths of all the legislation in Congress is based upon the unanimous report of committees composed of the two leading parties, and sometimes third-party members; and there is no division on party lines, but only an effort to perfect the legislation to accomplish the end in view. A good illustration of that is the child-labor law which has been discussed by the gentleman from Illinois [Mr. DENISON]. There were no politics in that law. There was a unanimous report from the committee upon it, and more Republicans, proportionately, than Democrats voted for it.

This is a growing country, and the need for new laws is constantly appearing. The Democratic orators in Congress and out have this year been especially active in making claims "in behalf of their party" of legislation accomplished since their advent into power. The claims are very extraordinary and extravagant, but it is noticeable that nearly every one relates to legislation, and not to administration. Political issues can properly be divided into two classes; those which relate to the administration or execution of existing law or policy, and those which relate to new legislation, or the formation of a policy to be followed. Legislation which is properly the subject of a political issue should be disputed legislation, dividing the parties on party lines, and must relate to subjects on which the parties are clearly divided.

It is not fair for the political party in power to claim all the credit for all the legislation enacted during its term of control, regardless of this distinction. Most of the legislation for which the Democratic Party claims entire credit really originated under previous Republican administrations. The Federal reserve act was the outcome of the work of the Monetary Commission created under Taft. The Federal Trade Commission was a Republican measure and was expressly advocated in the Republican platform of 1912, but never mentioned in the Democratic platform. The income-tax amendment to the Constitution was passed during a Republican administration. The first time that rural credits attracted public attention was during the administration of President Taft, who sent a special message to Congress on the subject and later appointed a commission to investigate the matter in Europe. The Republican platform of 1912 contained a plank in favor of rural credits, and a similar plank was later inserted in the Democratic platform of that year. Federal aid to roads was advocated by all leading political parties in their platforms. The parcel-post law was enacted and the service established before the present administration came into power; and so we might go on almost to the end of the list of Democratic accomplishments.

In reading over President Wilson's speech of acceptance and the campaign speeches printed in the CONGRESSIONAL RECORD, there is one thing that strikes one most forcibly, and that is that so much space is devoted to claims based upon legislation and so little is said about administration. Evidently the Democratic Party has great faith in legislation as a remedy for human ills. Bryan is known to fame as "The apostle of the quantitative theory of money," but Wilson seems to be the apostle of the quantitative theory of legislation. [Applause and laughter on the Republican side.]

He said the Democratic Party has fulfilled all its promises and points out what it has done, nine-tenths of which consists in the enumeration of new enactments, but he overlooks the fact that the chief promises which his party made were to reduce the cost of living and to practice economy in public affairs, and both of these promises have been ruthlessly broken. [Applause on the Republican side.] The cost of everything has certainly advanced and extravagance has run riot both in legislation and administration, so that war taxes have been imposed in times of profound peace, and the burden of taxation for the ordinary operations of public affairs, excluding any question of military preparedness, has increased enormously. What good does it do the man whose meat or grocery bill has been increased 20 per cent, or the farmer or the motorist whose gasoline bill has been doubled, to tell him that "we gave you the trade commission act, the Clayton antitrust law, and besides that the Federal reserve system and rural credits?" What does it boot the man whose shoes and clothing cost him more than ever that "The laws against trusts have been clarified by definition with a view to making it plain that they were not directed against big business," as remarked by President Wilson in his acceptance speech? The Democratic newspapers and orators have been profuse in their condemnation of the Republican candidate, Mr. Hughes, for criticizing the performances of the administration. Before I go on with that I want to say a word about trusts. It is claimed on the part of the Democratic Party that they have enacted trust legislation. When the price of gasoline rose 100 per cent last fall, entailing an enormous expense upon the farmers of my district, because they use gasoline for motive power for their traction engines and do most of their farming in that way, and also entailing enormous expense upon all who use motor boats or automobiles, I introduced a resolution asking the Department of Justice to prosecute those responsible for this unnatural increase. I took the ground that it was self-evident that it was not a natural increase in response to the law of supply and demand, but that it was an artificial rise in price through combination and monopoly. The Department of Justice answered that they had no evidence sufficient to prosecute anybody, but that they would instruct their United States attorneys throughout the country to keep watch, and they said one thing which was remarkable.

They said that in these times of European war everybody that dealt in anything would be likely to claim that the rise in price was due to the war. I made up my mind at that time that all of the dealers, especially in gasoline, must be Democrats, because they were blaming the war for everything, but that, according to the Department of Justice, was the excuse given. I then introduced a bill providing for Congress to fix a maximum price on gasoline through the Trade Commission. The Trade Commission investigated, pursuant to another resolution at the session before, this question of gasoline prices, and they found, as a matter of fact, that the rise in price was not due to natural causes, but must be the result of natural monopoly or combination. A similar conclusion was reached after the investigation by the Bureau of Mines and the Committee on Mines and Mining and by the Interior Department. There seems to be no question that the high price of gasoline was due to a monopoly, and yet with all these improved antimonopoly laws the Democratic Party is boasting about how helpless we are, according to the Department of Justice, and can get no relief. [Applause on the Republican side.]

There has been nobody put in jail for a violation of the antitrust laws during this administration that anybody ever heard of. [Applause on the Republican side.] They have pulled the teeth out of the antitrust law and they have instituted, according to the President's acceptance speech, the Trade Commission for the purpose of telling the people how they should monopolize and still not violate the law. Two years ago a leading member of the President's Cabinet, Mr. Bryan, went through the Northwest and made campaign speeches. Invariably he opened his speech by saying that for 12 years he had been prosecuting attorney, and had arraigned the Republican Party, the party which was then in power, for its misdeeds, but now that his own party had come into power he appeared for it as attorney for the defendant. The analogy is sound and complete. But now when our candidate for President and the Republican speakers criticize this administration for its performances the Democrats and their organs complain because they say we are criticizing them without telling them what we would have done under the circumstances. They are criticizing Mr. Hughes for his policy in this campaign, and yet his policy is exactly the policy they had pursued when they were in the minority and when we were in the majority and in power. It is therefore perfectly proper and fair for the Republicans to hold up the performances of the Democratic Party, both as to legislation

and administration, to the public view. It is the only logical view to take of a political campaign under free institutions. This is a Government of parties. The American Nation is the jury, and that party which has possession of the offices and is in power is the defendant.

It is the duty of the minority in Congress to criticize the majority and hold them up to their responsibility. The country is benefited by an active and vigilant minority. We are but discharging our duty and rendering the country a valuable service in pointing out the disgraceful pork-barrel legislation that has recently been enacted. The $50,000,000 for flood control of the Mississippi is largely, it is said, to reclaim private lands, and the $20,000,000 for the nitrate plant is merely to manufacture cheap fertilizers for the South, and these are proper subjects of criticism. There are numerous indefensible items in the rivers and harbors bill. Many of the items in the appropriation bills seem to have been designed so as to extract as much money as possible from the Northern States and spend it in one section of the country, to wit, the South. When these things were called to the attention of the American people by Mr. Hughes and others gentlemen on this floor raised the cry that we were "waving the bloody shirt." Nothing can be farther from the truth. It was not that kind of a garment we were waving. What we were waving was a greasy, pork-besmirched shirt which they themselves were guilty of soiling. You are fond of pointing to the "record" of your party, but what you refer to is mostly words, words, words, either written or spoken. What the people want is deeds. The performance of promises does not consist merely in things written in legislation or said in speeches, but in results and in things done. The test of your policies was from March 4, 1913, to August 1, 1914. Then there was no European war, and the commerce and industry of the whole world was in a normal state. What was the result of your policies from March 4, 1913, to August 1, 1914? That was before the European war began, and the commerce and industry should have been normal. Where, then, was our prosperity? More than three-quarters of a million idle workmen were reported from our large cities in 1914 and idle freight cars by the hundreds of thousands.

The balance of trade was falling and the Treasury balance disappearing. Then came the war, in August, 1914. Congress was in session. The President appeared to make a special address in September to recommend the imposition of special war taxes. The dominating note in the message and in the departmental reports in the fall of that year was that the hard times, the shrinking customs and postal receipts, were due to the European war. The administration had been in power 17 months before the war began, but had offered no explanation of the industrial depression, the shrinking customs and postal receipts, and hard times; but within a few weeks after the war began, then explanations were profuse. The whole industrial depression, they said, was due to the war in Europe. The Postmaster General, in trying to explain the extraordinary falling off in postal receipts during the fiscal year ending June 30, 1914—mind you, it was the fiscal year ending a month before the war began when the receipts had fallen off, showing that the business was smaller—in his official report said:

> In July, 1914, the first month of the fiscal year 1915, the rumblings of the European war were plainly heard, and the postal receipts declined perceptibly.

[Applause on the Republican side.]

He said that the rumblings of the war were heard and affected the postal receipts before the war began.

I am very glad, however, that the Postmaster General committed himself to an unvarying test of prosperity. We have heard and seen applied a good many tests of prosperity.

Some say it is the total manufactures, some say it is the total bank deposits, some say it is the total number of freight cars, and some say it is the balance of trade, but the Postmaster General, in his annual report, and the same thing is repeated by two of his assistants, says:

> It is a noteworthy fact that in no other activity, governmental or private, are conditions of prosperity or depression more quickly reflected than in the revenues of the postal establishment. Having a close relation to the affairs of all the people, the postal receipts may be used as a thermometer, as it were, to ascertain existing conditions of business, and as a barometer to forecast those to come.

With all due respect to the barometer part, I do not believe you can forecast so much, but you can certainly state what has happened. The quotation is a maxim in political truth, and it only has this qualification, that the laws in regard to mailable matter and postage should be the same for the two periods compared.

In comparing postal receipts in the years before parcel post and after, this distinction should be borne in mind.

"Now, for a good many years," says the Postmaster General in his official report, "the ordinary and usual increase in receipts has been 7 per cent, or a fraction over 7 per cent."

It is a notable fact that the tendency to blame the European war for the business and industrial depression continued until the summer of 1915, when orders for all kinds of supplies came in and business began to revive. The postal receipts then began to grow again. When there was business depression it was due to the war, and when business revived it was credited to the Democratic Party. Common fairness would have required that credit for business revival should have been given where it belonged, to the European war demand, but never a word was heard on that score. On the contrary, the chief effort has been to prove that the war orders were but a small part of the total business in our foreign and domestic trade. They began to say that after all it was the Underwood law that was beginning to show its merits. They began to magnify our prosperity on every occasion, and to attribute it to Democratic legislation and Democratic tariff policies.

The table of postal receipts from month to month follows.

From this table it will be seen that the falling off in the normal increase, which is 7 per cent, appears in the first eight months of 1914, and during the last four months there is an actual decrease which continues until July, 1915, when the war orders for munitions and supplies of all kinds began coming in, and by September, 1915, and from then on the receipts have been far above the normal, showing the real source of our prosperity.

Statement of postal receipts at the 50 largest post offices, by months, from January, 1910, to July 1, 1916, inclusive, showing the percentage of increase or decrease.

Month.	Year.	Receipts.	Per cent increase.	Per cent decrease.
January	1910	$9,006,960		
	1911	9,642,524	— 6.1	
	1912	10,374,610	— 7.5	
	1913	12,386,358	—10.7	
	[1] 1914	12,629,225	— 1.1	
	1915	11,586,390		—9.0
	1916	12,832,655	+ 9.8	
February	1910	8,732,830		
	1911	9,397,872	— 6.0	
	1912	10,127,769	— 8.1	
	1913	11,242,089	—10.9	
	1914	11,637,402	— 3.2	
	1915	11,074,330		—4.8
	1916	12,805,615	+13.5	
March	1910	10,729,133		
	1911	11,175,486	— 4.1	
	1912	11,361,515	— 1.6	
	1913	12,833,338	—12.9	
	[2] 1914	13,257,925	— 3.3	
	1915	13,223,870		— .25
	1916	14,463,984	+ 8.5	
April	1910	9,075,224		
	1911	9,715,129	— 6.0	
	1912	10,612,765	— 9.2	
	1913	11,565,746	— 8.9	
	1914	12,456,547	— 7.7	
	1915	12,183,884		—2.2
	1916	13,285,070	+ 8.3	
May	1910	8,561,262		
	1911	9,237,842	— 7.9	
	1912	9,988,187	— 8.1	
	1913	11,484,106	—15.9	
	1914	11,519,727	— 1.1	
	1915	11,485,139		— .3
	1916	13,445,301	+14.5	
June	1911	9,325,118	— 5.0	
	1912	9,341,831	— .01	
	1913	10,568,012	—13.2	
	1914	11,324,912	— 7.1	
	1915	11,558,467	— 2.5	
	1916	13,112,942	+11.8	
July	1911	7,827,425	— 4.7	
	1912	8,760,176	—10.7	
	1913	10,053,371	—14.7	
	1914	10,536,394	— 4.7	
	1915	10,529,001	— .02	
August	1910	8,511,822		
	1911	9,111,302	— 7.0	
	1912	9,803,385	— 7.5	
	[3] 1913	10,374,217	— 5.8	
	1914	10,250,204		—2.6
	1915	10,661,912	— 4.8	
September	1910	9,920,635		
	1911	10,228,787	— 3.1	
	1912	10,233,005	— .00	
	1913	12,077,730	—18.0	
	1914	11,775,702		2.6
	1915	12,341,479	4.8	
October	1910	9,723,408		
	1911	10,246,147	— 5.4	
	1912	11,785,754	—15.0	
	1913	13,278,774	—12.7	
	1914	12,751,040		—4.2
	1915	13,207,259	— 3.5	

[1] Limit raised 50 pounds.
[2] Books admitted.
[3] Weight limit raised to 30 pounds.

Statement of postal receipts at the 50 largest post offices, etc.—Cont'd.

Month.	Year.	Receipts.	Per cent increase.	Per cent decrease.
November	1910	$9,979,477		
	1911	10,295,412	— 3.1	
	1912	10,757,250	— 4.4	
	1913	12,001,539	— 1.1	
	1914	11,316,311		—6.0
	1915	13,349,450	17.9	
December	1910	11,562,213		
	1911	11,858,917	— 2.6	
	1912	12,387,422	— 4.4	
	1913	14,973,479	—20.3	
	1914	14,241,922		5.1
	1915	15,905,241	11.6	

Never in the history of this country have the different bureaus of this Government been so perverted to partisan purposes as they have been during this administration. [Applause on the Republican side.]

As proof of that I cite to you the fact that when the Postmaster General came in he was hardly "dry behind the ears" in his office before he changed the system of bookkeeping and wiped out a postal surplus of his predecessor as shown by the books of the auditor's department, who is an official of the Treasury. He wiped it out by main strength, because he said he was going to estimate it on a different plan, and then he went to work to show the figures, and he claimed that for the first time in 30 years there was a postal surplus. That was the year ending June 30, 1913.

Now, mind you, he had only been in office 3 months and 26 days. There was not a single Democratic law on the statute books. The Taft administration was in power until the 4th of March, 1913—8 months and 4 days of that fiscal year.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. STEENERSON. I certainly will.

Mr. COX. The gentleman recognizes, does he not, that that report to which the gentleman now refers was made by four men, and among them Gen. Stewart, Second Assistant Postmaster General, who was a Republican who had held that position for 16 years under a Republican administration, signed that report to which the gentleman refers?

Mr. STEENERSON. Well, it is so palpably wrong that I do not care who made it. You can not fool anybody who knows anything about that business. Of course, we know that subservient officials will do almost anything in order to hold their jobs, especially Republicans under a Democratic administration. Mr. Burleson had been in office 3 months and 26 days of that fiscal year, and he arrogated to himself the accumulation of four and one-half million dollars of postal surplus; and it was all due, he said, to the glorious legislation of the Democratic Party, although there was not a line of Democratic legislation on the books. [Applause on the Republican side.] The tariff act was not enacted until October. July, August, and September expired before it was enacted. Why should he claim that this postal surplus—the first in 30 years—was the great achievement of his party, when in fact it was accumulated by the Republican administration of President Taft that preceded him? The most he was entitled to claim was a million and a half for the 3 months and 26 days in which his party had been in office.

The next year he claimed $3,500,000 as a surplus for the fiscal year 1914. Then comes the fiscal year 1915, and there was an $11,333,000 deficit, wiping out all this boasted postal surplus.

But another thing happened. In order to force a showing of a surplus in the previous year he refused to pay the rural carriers their salaries as fixed by Congress. [Applause on the Republican side.] He withheld from them $2,225,000, which a Democratic House and Senate, in this year A. D. 1916, ordered him to pay unwillingly, and which he had wrongfully withheld from them. [Applause on the Republican side.] It was a rebuke to an executive officer and to the President that they ought to take to heart, and when you consider that that must be deducted, then the deficit grows by that amount.

The department estimates that for this past fiscal year ending June 30, 1916, they will have a surplus of $5,800,000, of which they say they paid over $5,200,000 to the Treasury and kept $600,000 as a working balance.

Assuming that they have this surplus for the last year, which will be the fourth year of the administration, and we add together $3,500,000 and $1,500,000; that is $5,000,000, and $5,800,000 more; that is $10,800,000; but we deduct $2,225,000 and $11,333,000, the deficit for the last fiscal year, and the money withheld from the carriers, which has now been ordered paid to them, and we have for the four years a net postal deficit of $2,758,000. [Applause on the Republican side.]

Now, was it not remarkable that so versatile a writer and politician as the President should write a letter of acceptance and forget the most important department of his Government and its achievements? The Postal Service reaches every man, woman, and child in the United States in daily contact, and yet in his letter of acceptance he totally forgot this great service that the Postmaster General has been boasting of for the last four years. Why is that? I will tell you what I think. The Postal Service under the present administration started out with popularity, but placed at the head of that department was a very strong, a very ardent, Democratic politician. He started out, not to render service to the people, not to administer the functions of that department efficiently and well, but to make political capital for the Democratic Party, and seeing that the receipts of the Government were falling off and that it was necessary to impose war taxes he conceived the idea that they were going to bleed the Postal Service for the general expenses of the Government. So the first proposition came to substitute the contract system for rural carriers instead of having them appointed under the civil-service law—letting out the routes by contract. The Postmaster General figured that he was going to save $18,000,000 by that. Also—and this was where the civil-service fidelity came in—he was going to abolish 2,800 assistant postmasters, or abolish their title, so as to be able to put in some new men, good and worthy Democrats, I have no doubt. But such publicity was given to the scheme, and the newspapers gave such voice to the resentment of the public, that the contract system for the rural service was abandoned. Even the Democrats in both houses were opposed to it.

What was the next proposition? That was to secure legislation authorizing the establishment of motor routes of 50 miles. The proposition went forth to motorize nearly all the rural routes in the country, consolidating the ordinary horse-drawn vehicle routes of 24 miles or less each and making two or three of those routes into one motor route. And, mind you, the man who ran the motor would not be under the civil service.

They would thus be able to do away with many, perhaps 25,000 civil-service employees, and substitute these contract men on the motorized routes. But this proved to be an unpopular proposition, and instead of getting it sanctioned by law, the Democratic House and Senate by law again rebuked the malfeasance in office of the administration of the Post Office Department by saying to them, "You must reorganize your motor routes. You must reemploy the old carriers. You must not establish new motor routes unless they are petitioned for by the patrons of the routes." And in the same provision the department was required to standardize the horse-drawn-vehicle routes. That was a limitation upon the discretion of the department that had never been thought of before; but they themselves said and thought that they could not trust this administration of the department with any discretion of that kind.

I want to call attention to another performance. In the great cities of Boston, New York, and Chicago, for instance, they took the old mail carriers and classified them into carriers of lower grades in order to reduce their salaries. Old and faithful employees were thus demoted and deprived of $100 or $200 a year. Their complaints were heard in Congress. So another clause went into the Post Office appropriation bill, requiring this administrative branch of the Government to reinstate those demoted carriers and restore them to their salaries. Can you wonder at the fact that the President of the United States forgot to say anything about the preformances of this department?

Here is what a Democratic Senator, Senator HARDWICK, of Georgia, said about it:

"This is not an effort to cripple a great department of the Government, but, on the contrary, it is an effort to keep a department of the Government from absolutely crippling and ruining a great department of the public service."

[Applause on the Republican side.]

Then, again, says Senator HARDWICK:

"If my State were not as certainly Democratic as it is, the conduct of the Post Office Department in that State would have lost it to the Democratic Party, and as it is it may cost it many votes; although, thank God, we can stand it and still have plenty of votes to spare. If we were a State in the Middle West, it would be impossible for the Democratic Party to carry it with any such administration of its Post Office Department as we have had there in respect to this matter of rural-mail service."

There were a lot of others. One of the Members of this House from Georgia was almost as vigorous in his remarks on this floor.

Senator GALLINGER, the leader of the Republicans in the Senate, said:

"The manner in which they have torn to pieces the rural mail service in my State and cut it off has been something intolerable."

Senator GALLINGER further said:

"I want to say that the destruction is universal. I have been deluged with appeals and protests from my own State and from other New England States that the administration of the Rural Delivery Service was absolutely indefensible."

The newspapers took this up, and the result was legislation to force this department to cease its malpractice and abuse of discretion.

In this connection I want to say something in the same line, but which affects the claim of the Democratic Party to loyalty to the civil service. In the fall of 1914, when the annual report of the Post Office Department came before the Committee on Post Office and Post Roads, it contained a very innocent recommendation for new legislation which they wanted put into the appropriation bill as a rider. It simply declared that the Post Office Department should have authority to establish substations of any post office in the country.

The thing went through without much attention. The gentleman from Tennessee [Mr. MOON] incorporated it in the appropriation bill, which he introduced, and it passed the committee and the House without debate. It went to the Senate and was stricken out; but, as I am told, through the urgent lobbying of the Post Office Department, the conferees were induced to put it back into the bill. But, as you will remember, that bill failed in a filibuster in the Senate and never became a law. Now, I want to explain the effect of it, if it had become a law. It would have enabled the Post Office Department, as they said they intended, to make one head post office in each county, all the other offices to be substations in charge either of clerks at $900 or more a year, or, if they did not have an income of $900, they would be substations in charge of a contract supervisor, the same as the drug-store stations in the cities.

That, of course, would have removed all the 40,000 fourth-class postmasters who are now under the civil service, and it would have given the appointment of all the contract substation superintendents to the postmasters in the county seats, who would control their salaries and their tenure of office. The postmaster at the county seat would have been the biggest political boss ever known to American history. [Applause on the Republican side.] By that time every county-seat postmaster was a Democrat, and the First Assistant Postmaster General, Mr. Roper, a very shrewd politician, who is now managing the speakers' bureau of the Democratic national committee, and who appointed all the fourth-class postmasters of the United States during his incumbency of office, was a very ardent advocate of this proposition. To show that the present administration was vitally interested in it, I will say that after the Committee on Post Offices and Post Roads voted it down it reappeared in the annual report of the Post Office Department as a recommendation for new legislation in the appropriation bill. After the explanation the committee turned it down, and the Democrats on the committee, I believe, were influenced largely by the fact that it would enable the department to take from Members the patronage of the second and third class offices. So we defeated it in committee, and the department was so persistent that they went over to the Senate and got it inserted as an amendment to the postal-savings law.

Mr. AYRES. Will the gentleman yield?

Mr. STEENERSON. Yes.

Mr. AYRES. Who does the gentleman mean by "we" defeated it, the minority of the committee?

Mr. STEENERSON. Oh, no; the whole committee. The department through its influence got it inserted by the Senate in the postal savings bank bill, and the conferees on that bill, of which I was one, opposed it, and the chairman and the two Democratic conferees, on the ground that it took away their patronage, were against it. The House sustained our position, and it went out.

That was not the end of it. When the appropriation bill went to the Senate and passed and came back to the House and conferees were appointed, lo and behold, the representatives of the department again brought in this proposition for a substation and for authority to abolish the 40,000 fourth-class postmasters in the country and make them subservient to the postmaster of the county seat, who would very largely fix their compensation and tenure of office, and insisted that it should go into the conference report. They brought to bear all the pressure they were capable of, and I never have been able to understand their great anxiety in the matter. I informed them it was not a proper subject for conference, because it was not in dispute between the two Houses, and that I should make a point of order against it, and no effort was made to put it in the bill.

Now, the four items—first, to get rid of the assistant postmasters; second, to do away with the rural carriers and to establish a contract system; third, to motorize the routes; and fourth, to abolish the fourth-class post offices, were all in the interest of the spoils system. [Applause on the Republican side.]

You understand that it makes no difference; when the party in power has control of the postmasters, then they can appoint whoever they please. What they need is vacancies. The trouble with the civil service is that all the fourth-class postmasters have not been kicked out, and there are a few left that passed an examination. Under this they could create vacancies in the twinkling of an eye, and they would all be filled by deserving Democrats. I have mentioned these things to show you the record of the administration of the Post Office Department under Woodrow Wilson.

Mr. YOUNG of North Dakota. Will the gentleman yield?

Mr. STEENERSON. Yes.

Mr. YOUNG of North Dakota. The gentleman is the ranking Republican member of the Post Office Committee, and I would like to have him comment on the statement of the President in his speech of acceptance that the Democratic Party had created the parcel post.

Mr. STEENERSON. I do not think he says that; but if he does, it is not true. I think he says that they extended the parcel post.

Mr. YOUNG of North Dakota. The ordinary Democratic speakers claim it in a vague way as a Democratic achievement, and the President went them one better.

Mr. STEENERSON. How much time have I, Mr. Speaker?

The SPEAKER. The gentleman has nine minutes remaining.

Mr. STEENERSON. I would like to say, in a general way, that it seems to me that the President and his supporters in the claims that they have made have misconceived the functions of the President. The Constitution says that the President shall take care that the laws are faithfully executed. That is his principal function. Nine-tenths of what is stated by the Democrats and the President about the achievements of the party consists in making new laws, but nothing about administering efficiently the existing laws.

As a good illustration, I noticed in the paper this morning the following statement from Dr. Wiley, formerly the Chief of the Bureau of Chemistry, who supported Mr. Wilson four years ago:

ADMINISTRATION INDIFFERENT TO PURE FOOD, SAYS WILEY.

WASHINGTON, *September 2.*

Dr. Harvey W. Wiley, the noted pure-food expert, who was active in the campaign for Wilson in 1912, has come out for Hughes.

In a letter made public here to-day, Dr. Wiley says he favors the election of Hughes for reasons entirely different from those held by most of his supporters.

"It is not because of the Mexican or the foreign policy of this administration nor by reason of its domestic policies," says Dr. Wiley, "that I favor the election of Mr. Hughes.

"It is because of the indifference of the administration of President Wilson to the cause of pure food and drugs. Practically all of the abuses which were injected into the pure-food law by the preceding administrations are still in force. Benzoate of soda is still regnant. The fumes of burning sulphur are marching along undisturbed.

"There is evidently a lull in the activities of the administration of the law. Coca Cola, declared by the Supreme Court misbranded and amenable to the pure-food law, has not been molested. No attempt has been made to enforce the law on the bleaching of flour. The repeal of the mixed-flour law, that splendid safeguard to the purity of our bread, has been tacitly approved by the Treasury Department.

"Mr. Hughes, in his activities on the Supreme Bench, has stood like a stone wall for the proper administration of the food law. I believe his election would see a radical change in the attitude of the Government toward pure food and pure drugs, so vital to the welfare of our people. For this reason I sincerely hope that Mr. Hughes will be chosen our next President.

Mr. YOUNG of North Dakota. Will the gentleman yield for me to read a sentence from the President's speech of acceptance?

Mr. STEENERSON. Yes.

Mr. YOUNG of North Dakota (reading)—

We have created, extended, and improved the service of the parcel post.

Mr. STEENERSON. That is not true. It was created before this administration came into power and everybody knows it. [Applause on the Republican side.]

Mr. HASTINGS. Was it not created during the Cleveland administration, and was not the first route established at that time—in 1896?

Mr. STEENERSON. The gentleman is mistaken. I will not yield for any historical misstatements of that kind.

Mr. COOPER of Wisconsin. The gentleman from Oklahoma is thinking about the Rural Delivery Service, and not about the parcel post.

Mr. HASTINGS. I thought the gentleman from Minnesota was speaking about the Rural Delivery Service?

Mr. STEENERSON. Mr. Speaker, I said that evidently the President and his supporters had misconceived the functions of the President, because they speak almost entirely of new legislation and have not said a word about how he has administered existing laws. He waited to accept the nomination until he had a few more scalps on his belt in the shape of new laws, the last being the child-labor law, which he dangled before the people. That is not the business of the President. He can recommend, but he should not force legislation in that way. Nor is it a thing to be especially boastful of. He wants it to appear that he is the greatest lawgiver since Moses. What he ought to show is that he has been the best administrator of the law since Abraham Lincoln, and he can not do it. [Applause on the Republican side.]

What the country needs is efficiency in administration and execution of the laws. This tendency to make new laws and create new functions and functionaries is an expensive matter to the people. Instead of lightening the burdens of taxation, the present administration has added to them. Not only have they packed pork barrels and enacted extravagant appropriations, but they have created more new offices than any Congress ever did before. There is published a Senate document each year giving the number of these new offices for each session. The record for the present session is not yet completed, and probably will not be until after election. But the record for the Sixty-third Congress shows that 24,900 new offices were created which add an expense of $26,000,000 per annum for their salaries. As the appropriations are much larger this present session, it is a fair estimate that more than 50,000 new offices have been created already. Mind you, this has nothing to do with the military program, or the Army and Navy, but relates to the civil service exclusively.

No fair-minded man can review the Mexican policy without coming to the conclusion that it has been a lamentable and dismal failure from beginning to end.

It is not only a failure, but a colossal blunder. One hundred and fifty thousand American citizens, good, worthy, and industrious people, not exploiters of peons, as has been alleged, have been turned from their homes, and many of them robbed and outraged, and more than 500 of them murdered. The outrages committed upon American citizens are enumerated in the letter of Mr. Lansing to the Carranza government which I will insert in the RECORD, and which is a graphic description of the results of watchful waiting. Viewed from a legal standpoint, the policy of the administration is also indefensible. The power to declare war is in Congress. The President, as Commander in Chief of the Army and Navy and the Militia, may suppress insurrection and repel invasion, but he can not carry on offensive warfare and invade the territory of another nation without committing an act of war, as the Constitution has vested the power to declare war in Congress. He is not authorized to commit acts of offensive war or to begin a war of aggression without a previous declaration of war by Congress. A declaration of war is an act of Congress, and is signed by the President, and is one of the laws of the Union, and the Constitution expressly provides that the President shall have power to "execute the laws of the Union."

The first two things—suppress insurrection and repel invasion—he can do without consulting Congress, but the third should succeed, not precede—a declaration of war. In the case of Vera Cruz the President actually made war and invaded the country and seized the town before he obtained authority from Congress to do so. The resolution that was offered in Congress and subsequently passed was not even a declaration of war, but a declaration that we authorized the use of the military forces for an invasion of Mexico, and added the hypocritical declaration that we did not intend to make war on the people of Mexico. It was like slapping a man in the face and then saying that we did not intend to assault him. Speaking from the legal point of view, the seizure of Vera Cruz was an act of aggressive war committed by the President without authority of Congress. It was an act for which there is no precedent. The next invasion was the so-called punitive expedition. Now, it may be conceded that as a part of the power to repel invasion the President had the right under international law to pursue the hot trail of bandits into Mexico and punish them. After the raid on Columbus our troops did pursue the raiders, and they were either disbanded or killed, and our forces returned to the United States. Then came the organization of the punitive expedition. Before sending it negotiations with the Carranza government were opened in Washington, and it was officially announced from the White House and the State Department that an arrangement was about to be completed. But here comes the latest blunder. Before the negotiations were completed the punitive expedition invaded Mexico, and the Mexican Government demanded their withdrawal. Under these circumstances the Carrizal incident occurred, and some of our brave officers and soldier boys were killed, and our troops were forced back to their Mexican base.

Has any explanation ever been made of why the Secretary of State did not complete his negotiations before sending the expedition? By entering into negotiations he recognized that he had no right to send the expedition without consent.

The President, in explaining his foreign policy, says he treats small nations with the same consideration as great ones. Suppose that a warship in the harbor of Victoria, British Columbia, had sent a boat crew ashore and they had been arrested for some violation of the rules of the harbor, and the commanding officer had demanded an apology and they were released, and then a demand for a salute to the flag, and refusal. Then, do you suppose that the President would have ordered the sailors and marines to land and take the customhouse at Victoria? And suppose he had done so, what would have been the opinion of the American people of such a course? Would not the cry at once have gone up that the President had commenced a war of aggression without authority from Congress, or of law? Or, suppose that bandit raiders from Canada had invaded Montana, and suppose that after they had been pursued and disbanded and our forces returned, that we had begun negotiations with Great Britain for permission to send a punitive expedition to further punish the remnant of the bandits, and while these negotiations were pending our armed forces were actually sent to invade Canada, but after being ordered out were fired upon. There would be no question then of the illegality of such procedure. It would be a violation of our Constitution and laws, as well as of international law. But this is precisely the conduct of the President toward Mexico, and it does not bear out his statement that it is his policy to treat strong and weak nations alike. From the point of international law and right, Mexico has had the best of the argument in these conflicts. [Applause on the Republican side.]

Mr. HARRISON. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for two minutes more, in order that he may answer a question that I desire to ask.

Mr. STEENERSON. I would be glad to answer any questions if I had the time.

The SPEAKER pro tempore. That would interfere with the order of proceedings, which has already been fixed. The gentleman from Alabama [Mr. HEFLIN] is recognized for 20 minutes.

EXTENSION OF REMARKS.

Mr. OLIVER. Mr. Speaker, will the gentleman yield to me for a moment?

Mr. HEFLIN. I yield.

Mr. OLIVER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the naval appropriation bill and upon the rural credit bill.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. ROUSE. Mr. Speaker, will the gentleman yield to me for a moment?

Mr. HEFLIN. Yes.

Mr. ROUSE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

PEACEABLE SETTLEMENT OF RAILROAD STRIKE.

Mr. HEFLIN. Mr. Speaker, I desire to submit some remarks upon the President's peaceable settlement of the railroad strike and the attitude of ex-Supreme Court Judge Hughes upon that subject. The gentleman nominated for President by the Republican bosses criticizes the President of the United States for bringing about a peaceable settlement of the greatest railroad strike that ever threatened the people of the United States. The Republican candidate for the office of President is indeed hard pressed for an issue. It seems that he is willing to oppose any position taken by the President, it matters not how grave and serious the question or how just the position of the President. [Applause on the Democratic side.] If the President had not acted and the strike had come, the President would then have been compelled to use force in breaking up the strike [applause on the Democratic side], and, Mr. Speaker, if the President had stood quietly by and permitted the strike to come, Mr. Hughes would have been the very first man to criticize—yes, and to denounce him for not preventing the strike. [Applause on the Democratic side.] If the course suggested by Mr. Hughes had been followed, the transportation facilities of the country would now be tied up, stagnation of business would prevail, and inside of a week the people of Chicago, New York, Phila-

delphia, and other large cities would be upon the verge of starvation. [Applause on the Democratic side.] But the candidate of the Republican Party, it seems, is willing to take up anything as an issue if his support of it will get him votes. [Applause on the Democratic side.]

Mr. MEEKER. Will the gentleman yield?

Mr. HEFLIN. I can not.

Mr. MEEKER. Just for a question.

Mr. HEFLIN. I can not yield.

Mr. MEEKER. Will the gentleman yield?

Mr. HEFLIN. No. I have but little time. Mr. Hughes is not fair when he tries to make the country believe that the settlement of the railroad strike was government by force. The failure to settle that strike would have produced business stagnation, starvation, and industrial war, and when President Wilson settled it he rendered a great service to the American people. [Applause on the Democratic side.]

President Wilson, in trying to settle the strike, said to railroad employer and employee: The matter in controversy affects both of you and it also affects the public, and if you should not agree and the strike should occur it will paralyze business and work great injury to people all over the country. [Applause on the Democratic side.] Then we hear him pleading with both parties to the controversy. He points out the necessity for a peaceable settlement of their differences. He shows how the business of farm and factory would be injured and he points out to them how utterly helpless the people would be if the strike should come. [Applause on the Democratic side.]

And finally, Mr. Speaker, the trainmen said: "Mr. President, your appeal touches us deeply. You have shown a disposition to do the fair and just thing, and we do not desire to embarrass you or to injure the country, and while there are several matters of difference between us we are willing to defer settlement of all of them but one, and that is, the eight-hour-a-day service for trainmen.

"Many of the railroads of the United States have already adopted the eight-hour plan, and they are pleased with the change from the old system. The trainmen look better and they fare better than those of us who are held down to the old system. We are convinced that the eight-hour principle for this character of work is right and just, and we feel that from the just and the humane standpoint we are entitled to it.

"We have seen the beneficent results of the eight-hour plan enjoyed by the other railroads and the other trainmen and we have determined to secure the adoption of that principle for our brotherhood. If the railroad presidents, some of whom have privately admitted that our contention is right, will give us a trial on the eight-hour plan, we will continue to work, and all of the other matters in controversy can be settled between us later."

[Applause on the Democratic side.]

But the spokesman for the railroad presidents said, "It will cost us money to adopt the eight-hour plan. We are willing to arbitrate the proposition." Whereupon the trainmen said, "We are willing to arbitrate all of the other questions in dispute, but there is nothing to arbitrate concerning the eight-hour plan until you institute it and obtain facts regarding its operation. We are willing for the trial of the eight-hour plan to determine whether it shall be temporary or permanent, but we insist that you put it on trial. Other roads have done so, and the good results to both roads and trainmen justify us in demanding that the experiment be made for us." This the railroad presidents declined to do, and the trainmen said, "We will order a strike." Then the President of the United States said, in substance, "Gentlemen, let me suggest a peaceable and a fair solution of this matter. I take it that both of you are willing to yield a little here and a little yonder in order to prevent a strike and that both of you are willing to concede that the public has rights in this matter which are paramount to those that you possess; and realizing, as I do, that a railroad strike would bring business ruin to the country and produce starvation in many sections of the United States, I am going to suggest that the eight-hour plan be adopted temporarily and given a few months' trial, and in order that the railroads may not be burdened with additional expense by adopting the eight-hour plan, I will appoint a commission to investigate the operation of it, and if it is shown that the inauguration of the eight-hour plan increases your operating expenses, you shall have the necessary increase in freight rates."

[Applause on the Democratic side.]

Mr. Speaker, could the President have been more considerate, fair, and just?

What did the trainmen say? They said, "We are willing to put aside all other matters in dispute and take the eight-hour plan on trial, and if this is agreed to we will not quit work, and there will be no strike." [Applause on the Democratic side.] What did the railroad presidents do? They refused to accept the suggestion of the President of the United States. And I submit that under all the circumstances their conduct showed no consideration for the public but was inexcusable and indefensible and, Mr. Speaker, the demeanor of some of them was exceedingly suspicious. [Applause on the Democratic side.] It was rumored here in the Capital of the Nation that certain railroad presidents had said before they left New York that no suggestion of the President would be accepted, and that the strike would surely come.

Yes; it was rumored that certain railroad presidents, belonging to the Republican Party, had agreed to be stubborn and unyielding and by their conduct force a strike, which would destroy the prosperity of the people and bring financial ruin to the country in the hope that it would injure President Wilson politically and help the Republican candidate in his race for President.

Was there ever a more gruesome game undertaken or criminal conspiracy formed by political desperadoes. [Applause on the Democratic side.]

Here is a statement that seems to substantiate the rumor that a conspiracy had been formed to force a railroad strike. I read from the New York World a statement made by a railroad president immediately after the President of the United States had signed the bill which prevented the strike. The statement was made by E. P. Ripley, president of the Santa Fe Railroad system.

He said, "I am sorry the strike has been called off," and now let me read what the World had to say editorially about this heartless statement of Mr. Ripley.

Sorry that American industry is not to be paralyzed? Sorry that thousands of innocent people are not to be ruined financially? Sorry that losses of hundreds of millions of dollars are not to be inflicted upon the country? Sorry that the people of the great cities are not to be in a state of famine, with all the suffering and death that this would cause? Sorry that the United States is not to be plunged into a civil war?

[Applause on the Democratic side.]

Mr. Speaker, in the settlement of the strike, the President of the United States has prevented stagnation and ruin in every line of business in the country, and he has done this without injuring any railroad in the United States. He has prevented industrial war, bloodshed, and starvation. [Applause on the Democratic side.] And yet Mr. Ripley, a partisan Republican, expresses regret because President Wilson has prevented untold suffering and misery amongst the people of our country. [Applause on Democratic side.]

Mr. Speaker, the big political bosses are sore because they are out of power. They are sore because they can not dictate the policies of the President or control the action of Congress. [Applause on the Democratic side.]

When the Republicans were in power the bosses had their way, and they got what they wanted, either by furnishing big campaign funds or by threatening to produce a strike or a panic.

In 1907, when Mr. Roosevelt was President, the stock gamblers of Wall Street desired Government money to carry on their operations, and they called on President Roosevelt for Government funds. He did not respond just then, and they threatened to produce a panic. They did produce a panic, demoralized business, and brought ruin to hundreds of thousands of our people. Then Roosevelt surrendered and opened the Treasury of the United States and let those who had produced the panic have millions of the people's money. [Applause on the Democratic side.] And those who got that Government money loaned it out in New York at a high rate of interest, and profited greatly at the expense of the public by the panic that they had produced by the ruin that they had wrought. [Applause on the Democratic side.]

Did Mr. Hughes say then that Roosevelt's act in trying to get rid of the panic was a cowardly surrender to those who had not only threatened to produce but who had actually produced a panic? [Applause on the Democratic side.]

Mr. Roosevelt used to say, "Down with the bosses"; but President Wilson says, "Down with the conditions that produce the bosses." With the Federal reserve act he took from a few money lords in Wall Street the power to produce panics, which tied up the money supply of the country and destroyed values over night. [Applause on the Democratic side.]

And in passing the strike-settlement measure he has prevented the carrying out of a strike conspiracy, which, if it had been successful, would have demoralized trade, shut down industries,

and injured business of every character in the country. [Applause on the Democratic side.]

When a Republican President was held up by the panic-producing plutocrats of the East and they demanded access to the funds of the Government, and that Republican President surrendered to them the key to the United States Treasury, Mr. Hughes found no fault with that criminal conduct. [Applause on the Democratic side.] But when a patriotic Democrat, like President Wilson, the servant of all the people, is face to face with a great railroad strike, whose attendant evils would bring business disturbance and ruin in nearly every field of endeavor, and when the President prevents that public calamity by peaceable means to the good of all the people and without injury to employer or employee, why, Mr. Hughes calls it government by force. [Applause on the Democratic side.]

According to Mr. Hughes's philosophy, it is all right to suspend a statute or open the Public Treasury to big organized interests when they demand it, but all wrong to avert a railroad strike by doing the thing necessary to prevent demoralization of trade and business ruin amongst the whole people of the United States. [Applause on the Democratic side.] If 20 per cent of the railroads of the country had already adopted the eight-hour plan, and employer and employee were both pleased with its operation, and if the presidents of these roads had said that the practical and beneficial results had been such as not only to fully justify the roads in its adoption, but that they would not exchange the eight-hour plan for the old system, was not the President of the United States justified, in the face of a threatened strike, in requesting the other roads to institute the eight-hour plan as an experiment, in order that we could try it out and let a commission appointed by the President watch its operation, with the view of reporting all the facts as to its feasibility and cost of operation and of granting an increase in freight rates, if necessary, to meet any additional expense placed upon the roads by the eight-hour plan? [Applause on the Democratic side.]

Then when certain Republican railroad presidents declined to submit the matter temporarily to Government investigation they showed a desire to aid in forcing a strike rather than a disposition to aid the President in preventing it. [Applause on the Democratic side.] And, Mr. Speaker, I submit to this House and to the country that President Wilson was not only justified in taking the steps he did to prevent the strike, but that he is entitled to the united praise of the American people for preventing the greatest industrial disturbance and business calamity that ever came upon the country, a calamity that would have cost the people of the United States $100,000,000 a day. [Applause on the Democratic side.]

In seeking to settle the railroad strike and prevent widespread disaster and untold suffering amongst the American people the President has not sought to injure the railroads in question and he has not injured them. When President Wilson prevented the strike he performed a solemn duty and rendered signal service to the whole people of the United States. [Applause on the Democratic side.]

The railroads have rights and I respect them. I realize that they are rendering a great service to our people. Their trains are the vehicles of transportation and their roads the indispensable arteries of commerce. The commercial and industrial welfare of the country and the very lives of our people are dependent upon the railroads, and I for one favor just and fair treatment for all these mighty agencies in the service of my country. [Applause on the Democratic side.] I am the friend of railroad employer and employee, and if I know my own heart I want to see both of them fare well and prosper.

Mr. Speaker, the people also have rights, and it is my duty as a Representative to see that those rights are respected. Constant and uninterrupted railroad service is absolutely necessary to the conduct of our business and to the well-being and happiness of the American people [applause on the Democratic side], and the President of the United States owes it to the people to see to it that no quarrel between railroad employer and employee should be permitted to tie up these transportation facilities and bring stagnation and business ruin to the people of this country. [Applause on the Democratic side.]

Mr. MOORE of Pennsylvania. There are several strikes pending now. We would like to hear about them.

Mr. HEFLIN. Yes; and the American people are going to strike the boss-ridden Republican Party a tremendous blow on the 7th of November. [Applause on the Democratic side.]

It may be that some of the strikes that the gentleman has in mind are being inspired for political purposes; but I can assure the gentleman that as long as President Wilson is in the White House no strike of a national character will be permitted to curse the American people, while it fights the battles of the time-serving Republican Party. [Applause on the Democratic side.]

Thank God for Woodrow Wilson. The cause of the humblest man commands his attention and every honest American citizen has a friend in him. [Applause on Democratic side.] When he was governor of New Jersey he gave to the trainmen of that State the full-crew law, but just across the line in the State of New York Gov. Hughes vetoed the full-crew bill passed by the legislature of that State [applause on the Democratic side], and when the people of New York City asked that the street car fare to Coney Island be reduced from 10 cents to 5 cents, stating that they could ride from one end of New York City to the other for 5 cents, a greater distance than that to Coney Island, and that if the reduction could be had it would be a blessing to the poor children in the city who could then be taken to Coney Island on Sunday for the sunshine and fresh air. What do you suppose Gov. Hughes did about it? Why the legislature passed the bill granting the 5-cent fare and he killed it with his veto. [Applause on Democratic side.]

Talk about the old boss-controlled Republican Party of today being the party of Lincoln, when Lincoln stood for the policy that placed the man above the dollar. Why, if Lincoln could come back to life there is one thing certain and that is he would repudiate the political oligarchy of PENROSE, SMOOT, and CRANE. [Applause on the Democratic side.]

Mr. MEEKER. Will the gentleman yield?

Mr. HEFLIN. No; I can not yield.

Mr. MEEKER. Then I will make the point of no quorum.

The SPEAKER. You can not take the gentleman from Alabama off the floor.

Mr. HEFLIN. But the desire to do it, Mr. Speaker, is in keeping with the spirit of fairness found in some of the hide-bound Republicans in this House. They rise in defense of plutocracy. They applaud those who stand for the aristocracy of the dollar, and they serve their masters, the special interests; but when some friend of the people rises here to plead for right, for justice, and humanity some hickory-nut-headed helgibite is ready to make the point of no quorum. [Applause and laughter on the Democratic side.]

Mr. Speaker, without fear or favor, but with a courage sublime and an eye single to the public good, President Wilson meets and masters public questions. In settling the railroad strike he pursued the wisest and best course open to him, and out of the 126 Republicans voting on the question in the House, 70 voted for President Wilson's plan as against the position of the Republican candidate for President, Mr. Hughes. [Applause on the Democratic side.] In the Senate, Senator LA FOLLETTE, a Republican, voted for the President's plan as against the position of Mr. Hughes, while PENROSE and SMOOT voted against the measure, the passage of which has prevented industrial war and business disaster of every kind, kept the wheels of industry going and the transportation facilities performing their helpful functions to the people of the United States. [Applause on the Democratic side.]

The SPEAKER. The time of the gentleman has expired.

Mr. HEFLIN. Mr. Speaker, I ask leave to print as a part of my remarks a portion of the arbitration commission's report on the railroad strike that threatened the eastern roads a few years ago. This report is signed by Charles R. Van Hise (chairman), Oscar S. Straus, F. N. Judson, Otto M. Eidlitz, Albert Shaw, and D. Willard.

The SPEAKER. Is there objection?

There was no objection.

The extracts are as follows:

THE SERIOUS NATURE OF A CONCERTED STRIKE.

Never in the history of the United States has there been a concerted strike on all the railroads of a great section of the country. The strikes have usually been upon individual roads, although in some cases strikes have taken place upon a number of roads at the same time. The present arbitration, involving as it does a concerted movement affecting 52 railroads, is therefore a new phase of development.

On January 27, 1912, the locomotive engineers made uniform requests upon all the railroads in the eastern district. The railroads affected by these demands had in 1910 an aggregate of 66,876 miles of main track, as compared with 266,185 for the whole United States, or 25.1 per cent of the total mileage. These railways represent nearly 40 per cent of the aggregate revenues and expenses of all the railways of the United States, from 42 to 47 per cent of the traffic, something over 40 per cent of the total number of employees, of the number of engineers, and of the compensation of these employees. The population of the great region immediately affected by this movement is over 38,000,000, as compared with approximately 54,000,000 for the remainder of the country, or about 42 per cent of the total population. If we assume that the wealth of the region is in proportion to the amount of railroad traffic and to the density of population, it may be fairly concluded that the territory affected by this demand represents at least four-tenths of the wealth of the country. As we have seen, the managers, after several conferences with the locomotive engineers, refused to accede to the requests of the engineers. The question of a strike was then submitted to the men. The vote showed 93.3 per cent of the men in favor of a strike, provided a satisfactory settlement could

not be made. All that was necessary for a strike to take place was the assent of the grand chief engineer in conjunction with the general committees of the different railroads. This assent is necessary, for if a strike is voted by the members of the brotherhood, the grand chief has the veto power.

At the hearings of the arbitration it seemed to be the opinion of the parties concerned that if the engineers had declared a strike it would have effectively tied up the railroads in the eastern district.

An effective strike on these railroads, extending through an area that includes all of New England, New York, New Jersey, Pennsylvania, Delaware, Maryland, Ohio, Indiana, the lower Peninsula of Michigan, much of Illinois, and a small part of West Virginia, would have had most disastrous effects upon the commerce and industry of this entire region, to say nothing of its effects upon the remainder of the country. Indeed it would be difficult to exaggerate the seriousness of such a calamity. While no statistics on the subject are available, it is safe to say that the large cities of the East, if the strike had taken place, would have found their supply of many articles of food exhausted within a week. Of so important a commodity as milk the cities have not usually more than a day's supply. Many of the people in the cities would therefore have been short of food if the strike had taken place. Assuming that no damage were done to their property, the loss of the railroads through cessation of business would have been enormous.

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But the loss to the public would have been vastly larger than that of both parties to the conflict. Of necessity, building operations and many other lines of employment would have ceased in whole or in part; for not only are the people of the great cities dependent upon the railroads for their daily food supply, but the great industries depend on the railroads daily for their materials, and a week's failure on the part of the railroads to deliver materials to the manufacturers would have made it necessary for many to shut down even if the owners had wished to continue them in operation. But in any case many of the owners would have been compelled to shut down their plants, inasmuch as they could not afford to continue manufacturing articles of commerce which they had no means of transporting to the places of sale.

It thus appears if a strike of railway employees were successful in stopping traffic, its effects upon the industry of the country would be analogous to those of a general strike, simply because a great number of other industries could not continue if the railroads ceased to operate.

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A case in the United States somewhat analogous to a railway strike for an entire region was the anthracite coal strike in 1902, where the stoppage of coal supply to a great commercial and manufacturing interest was deemed a calamity which compelled the intervention of the President of the United States. However, the stoppage of the anthracite coal supply was not nearly so serious as would be the stoppage of railway traffic, for bituminous coal can in an emergency in large measure take the place of anthracite, but there is nothing under modern conditions that can take the place of the railroads for transportation.

In short a general strike on the railroads for a great section of the country would have paralyzed the industries of that section, and even if food were obtainable millions of laboring people would have felt the pinch of want. If a strike of the character indicated lasted only for a single week, the suffering would have been beyond our power of description; and if it had continued for a month the loss, not only in property but in life, would have been enormous. Also, as usual in such cases, the disater would have fallen most heavily upon those least able to bear it. While the rich might have felt themselves poorer because of depleted bank accounts, they would have had sufficient for the necessities of life. The middle classes would have been injured financially, but still they could have subsisted. The working classes would have suffered acutely. They would have been the ones to feel soonest, longest, and most intensely the unspeakable calamity of a general railroad strike.

At first thought it may appear that this picture is overdrawn, but it should be remembered that never has a railroad strike affected an entire region of the United States. There have been strikes on particular railroad systems. In such cases the neighboring roads took care of the more pressing necessities of the great terminal centers, and there was no acute suffering except at minor points served exclusively by one railroad system.

THE GENERAL RAILWAY STRIKE IN FRANCE.

A general strike for the eastern territory would put the Eastern States in much the same situation as France was placed two years ago, when there was a general strike on the railroads of that country.

On October 12, 1910, the National Federation of Railway Employees of France and the Federation of Unions of Railway Engineers and Firemen of France called a general strike on all the railways of the country. Immediately afterwards work came nearly to a standstill on the northern and western lines, and the next day the strike extended to a number of other lines. In ordering this strike the men asserted it was their legal right to cease work.

At various places during the strike there were acts of violence, "trains were held up, signals destroyed, rails ripped from the ties, telephone and telegraph wires cut." Many cities and towns were threatened with famine. There was immediately a large increase in the price of food. In this respect Paris fared better than some of the smaller towns, because of the prompt use of the Seine in bringing in food from the sea.

The Government appreciated at once that if this general railway strike were allowed to continue, the nation would be paralyzed. Therefore upon the very day that the general strike was declared, the ministers, using their full authority under military laws, called for the mobilization of the strikers, commanding them the following day to join the colors for three weeks' military training. The military duty to which the employees were summoned consisted in the maintenance of the railways in normal working order and in obeying the orders of their official superiors. Disobedience would entail the punishment provided for by military law. The Government announced that the roads would be operated and the people of Paris would be fed.

So effective was the action of the Government that by the day following the strike a sufficient number of men had obeyed orders so that many passenger trains were running into Paris.

The strike of the railway men was regarded by the public in general as an act of criminal violence; indeed the ministry stated that the strike put the country in a condition of civil war. The action of the Government, with the prompt support of public opinion, led the railway labor organizations on the 18th of October to declare the strike terminated. Thus the total duration of the attempt for a general railway strike was six days.

In the later discussions in Parliament the principle advocated by M. Aristide Briand and the ministry was accepted, "that public servants must be required to discharge their duties regularly and without interruption." Indeed so imperative was it considered for the welfare of France that the railways be operated that in the discussion in the chamber, October 28, M. Briand declared that "if the Government had not found in the law that which enabled it to remain master of the frontiers of France and master of its railways, which are indispensable instruments of the national defense, if, in a word, the Government had found it necessary to resort to illegality, it would have done so." (The New International Year Book, 1910, pp. 269–271.) This he regarded as defensible under the doctrine Salus publica suprema lex.

THE EASTERN DISTRICT AND FRANCE COMPARED.

In connection with this arbitration it should be remembered that the population in 1910 of the territory concerned was more than 38,000,000, whereas the population of France in 1911 was 39,601,509. The great congested centers of the eastern district are much larger and more numerous than those of France. The figures in the United States, as given by the census of 1910, and in France for 1911, are as follows: New York City, population 4,766,883, is larger than Paris, 2,888,110; Philadelphia, 1,549,008, is nearly three times as large as Marseilles, 550,619; Boston, 670,585, is considerably larger than Lyons, 523,796. In France the only other two cities which exceed 200,000 in population are Bordeaux, 261,678, and Lille, 217,807; whereas in the eastern part of the United States there are three other cities that exceed 500,000—Cleveland, Baltimore, and Pittsburgh; two that exceed 400,000—Detroit and Buffalo; three that exceed 300,000—Cincinnati, Newark, and Washington; and four that exceed 200,000—Jersey City, Indianapolis, Providence, and Rochester.

The area of the country involved in this arbitration is one and one-half times as great as that of France. The main-track mileage of the eastern district is 66,876 miles, whereas that of France is only about 36,000.

Thus the comparison of a strike on the railroads of the eastern district with a general railroad strike in France is justifiable from every point of view—that of the mileage of the railroads concerned, that of population as a whole, the size of the cities, and the territory involved.

THE PUBLIC INTEREST PARAMOUNT.

It is evident, therefore, that for a great section of the United States a railroad strike can no longer be considered as a matter which primarily affects the railroad operators and employees. It does affect them and affects them seriously, but the public is far more deeply concerned. Indeed the interests of the public so far exceed those of the parties to a controversy as to render the former paramount. To this paramount interest both the railroad operators and employees should submit. It is therefore imperative that some other way be found to settle differences between railroads and their employees than by strikes.

If in the United States there were a general strike for the eastern territory, comprising, as we have seen, two-fifths of the population and approximately half the wealth of the country, every effort would undoubtedly be made to terminate the strike promptly and to operate the railroads, even though it became necessary for the President of the United States and the governors of the States to act in concert to the extreme limits of the laws and their reserve powers, which at times of national emergency are large. The military forces, both State and national, would undoubtedly be available if necessary to prevent any interference with the men who desired to work; but it is not easy to see how more than a fraction of the number of engineers necessary to run the railroads could be secured promptly. Hence the probable consequences of an effective engineers' strike would be those already described.

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CONCLUSION.

It is well understood by the board that the problem for which the above plan is a suggested solution is a complex and difficult one. The suggestion, however, grows out of a profound conviction that the food and clothing of our people, the industries and the general welfare of the Nation, can not be permitted to depend upon the policies and the dictates of any particular group of men, whether employers or employees, nor upon the determination of a group of employers and employees combined. The public utilities of the Nation are of such fundamental importance to the whole people that their operation must not be interrupted, and means must be worked out which will guarantee this result.

The above report is unanimously agreed to by the five members of the board appointed by the Chief Justice of the United States, the presiding judge of the Commerce Court, and the Commissioner of Labor; it is signed by Mr. Willard, with an explanatory statement; Mr. Morrissey files a dissenting opinion.

CHARLES R. VAN HISE, *Chairman.*
OSCAR S. STRAUS.
F. N. JUDSON.
OTTO M. EIDLITZ.
ALBERT SHAW.
D. WILLARD.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed without amendment bills of the following titles:

H. R. 14533. An act to authorize the Secretary of the Interior to issue a patent in fee simple to the district school board No. 112 of White Earth Village, Becker County, Minn., for a certain tract of land upon payment therefor to the United States in trust for the Chippewa Indians of Minnesota;

H. R. 12889. An act authorizing the Secretary of the Interior to sell the unsold and unappropriated portion of lands within the town site of Newell, S. Dak., and for other purposes;

H. R. 10989. An act making appropriation for the preservation, improvement, and perpetual care of Huron Cemetery, a burial place of the Wyandotte Indians in the city of Kansas City, Kans.;

H. R. 2208. An act for the relief of James L. Yokum;

H. R. 1963. An act for the relief of John E. Keys;

H. R. 1636. An act for the relief of Karen S. Sorenson and James Lyle;

H. R. 16532. An act authorizing an adjustment of the boundaries of the Whitman National Forest in the State of Oregon, and for other purposes; and

H. R. 14824. An act to prevent fraud at public auctions in the District of Columbia.

The message also announced that the Senate had passed the following resolution, in which the concurrence of the House of Representatives was requested:

Senate concurrent resolution 26.

Resolved by the Senate (the House of Representatives concurring), That there be printed 150,000 additional copies of Senate Document 500, Sixty-fourth Congress, entitled "The Federal farm-loan act," of which 50,000 copies shall be for the use of the Senate and 100,000 copies for the use of the House of Representatives.

WILLIAM HAROLD KEHOE.

Mr. FIELDS. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. FIELDS. To ask unanimous consent for the present consideration of the bill (S. 6279) for the relief of William Harold Kehoe.

The SPEAKER. The House fixed its own program by unanimous consent, and it was to be a speaking program. The gentleman from Alabama [Mr. BURNETT] is recognized.

PUBLIC SCHOOLS OF WASHINGTON.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in criticism of the action of the Board of Education of Washington yesterday afternoon in postponing the opening of the public schools.

The SPEAKER. Does the gentleman from Alabama [Mr. BURNETT] yield to the gentleman to make his request?

Mr. BURNETT. If it is not taken out of my time, Mr. Speaker, it will be all right.

Mr. MONDELL. I ask unanimous consent to extend my remarks in the RECORD in criticism of the action of the Board of Education yesterday afternoon in postponing the opening of the city schools for two weeks.

The SPEAKER. The gentleman from Wyoming asks unanimous consent to extend his remarks in the RECORD in criticism of the Board of Education of Washington in postponing the opening of the schools for two weeks. Is there objection?

There was no objection.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed with amendments bill of the following title, in which the concurrence of the House of Representatives was requested:

H. R. 11707. An act to amend an act entitled "An act to increase the pension of widows, minor children, etc., of deceased soldiers and sailors of the late Civil War, the War with Mexico, the various Indian wars, etc., and to grant a pension to certain widows of the deceased soldiers and sailors of the late Civil War, approved April 19, 1908, and for other purposes.

ENROLLED JOINT RESOLUTIONS SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled joint resolutions of the following titles, when the Speaker signed the same:

H. J. Res. 237. Joint resolution authorizing the Postmaster General to provide the postmaster of Gulfport, Miss., with a special canceling die for the Mississippi Centennial Exposition celebration; and

H. J. Res. 252. Joint resolution authorizing the transfer of the Government exhibit, or such portion thereof as the President may determine is advisable, now at the Panama-California International Exposition at San Diego, Cal., to the Mississippi Centennial Exposition at Gulfport, Miss.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed bills of the following title, in which the concurrence of the House of Representatives was requested:

S. 5450. An act to amend section 108, chapter 5, of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911;

S. 5916. An act authorizing an investigation to determine the true north and west boundaries of the Warm Springs Reservation in Oregon; and

S. 5611. An act providing for noncontiguous homestead entries within the former Fort Peck Indian Reservation, Mont., of land of the character described in the enlarged homestead act of February 19, 1909.

THE POLITICAL CAMPAIGN.

The SPEAKER. The gentleman from Alabama [Mr. BURNETT] is recognized for 25 minutes.

Mr. BURNETT. Mr. Speaker, no party since the Civil War has done as much for the benefit of the great masses of the people as has the Democratic Party during the past three years.

In fact, even before we gained full control of the executive and legislative branches of the Government we forced through legislation that was of inestimable good to the great agricultural people of this country.

PARCEL POST.

Some Republicans claim credit for the enactment of the parcel-post law. They have no warrant whatever for any such claim. For 16 years that party had full control of the Government. Had they desired to do so they could have enacted a parcel-post law at any time during that period, but the express companies had such control of the Republican Party that it did not dare to pass that beneficent piece of legislation. That monster corporation had its representatives on the floor of the Senate, and their opposition to parcel post was so powerful that no Republican leader ever dared to favor it. But when the outraged people turned that old satellite of the special interests out of the House of Representatives the real friends of the plain people got busy, and by an overwhelming majority passed the parcel-post law and forced it down the throats of an unwilling Republican Senate, and a subservient Republican President. [Applause on Democratic side.]

Who is there so bold as to assert that a Republican Speaker under the Joe Cannon rules would have ever allowed such a piece of legislation to even be considered on the floor of the House? When we got control of the House we elected Speaker CLARK, a man of the people and for the people, and he neither had the desire nor the power to throttle legislation.

SPEAKER'S POWER CURTAILED.

No Democrat believed that Speaker CLARK would ever abuse his power, but fearing that the party of the special interests might sometime be reinstated we changed the rules so that no tyrannical Speaker could ever again dominate Congress with an iron hand.

We took from the Speaker the power to appoint committees. This authority in the hands of autocratic Speakers had before been the club with which they had been able to beat truckling Members into submission.

The Democrats snatched this power from any Speaker, and now the members of committees are elected by the entire House. When, in 1913, the will of a long-suffering people prevailed, the toiling masses came into their own. [Applause on Democratic side.]

SECRETARY M'ADOO.

The President selected as his Secretary of the Treasury a man who sprang from the ranks of the common people, and whose great heart beat in unison with nature's noblemen. He found that under Republican administrations, whenever the gamblers of Wall Street had a panicky sensation, the Secretary of the Treasury had placed millions of the people's money in their coffers so as to enable them to keep up their nefarious transactions.

Mr. McAdoo said to these harpies, "It's all right for you to use the Government money when the Government don't need it, but it is right and fair that you should pay a reasonable interest for the use of it. [Applause on Democratic side.] Wall Street demurred, and swore they would never pay it; but Mr. McAdoo was firm, and, as a result, ever since he went into office, every national bank that has had the use of Government deposits has had to pay interest on it at the rate of 2 per cent. During the three years of his incumbency more than $3,000,000 have been turned into the Federal Treasury as a result of this order.

Had Roosevelt and Taft done this the Government would to-day have been at least $15,000,000 the richer. How many miles of good roads would that have built for the farmers?

TARIFF AND INCOME-TAX LEGISLATION.

One of the first legislative enactments of a Democratic Congress under a Democratic President was the revision of the tariff and an income-tax law.

Republicans said the revision of the tariff would ruin the farmer, and yet the truth is that the farmer has received better prices for his products under the Underwood bill than he ever got before. [Applause on the Democratic side.]

Compare the price of cotton, for instance, during the Wilson administration with what it was under Roosevelt and Taft. How well do we of the South remember how cotton under the Roosevelt administration went down to 8 cents per pound;

and the farmer could not get money for it even at that low price.

He had to take clearing-house certificates for it, while the money was tied up in the banks of New York.

When the European war broke out two years ago, cotton was bringing 12 cents per pound. The paralysis of all business ran it down to 5 or 6 cents per pound, and Republican spellbinders in my district told the people that it was the Democratic Party that did it. Some of them even went so far as to declare that there was no war and that the Democratic Party had started that story to get the people's cotton for nothing. My constituents know some of these men. Some of them are now running for office in my district, but the people are too honest to ever trust them with power.

The income-tax feature of this law requires those with bloated fortunes to pay at least some of the taxes to run the Government that they had robbed so long.

ELECTION OF SENATORS.

Under the Republican administrations United States Senators were elected by the legislatures of the several States.

Mr. MEEKER. Will the gentleman yield?

Mr. BURNETT. For a question.

Mr. MEEKER. Can the gentleman explain why the Democratic Senate has not passed the immigration bill?

Mr. BURNETT. No; I can not. I wish I could. I think that some timorous Senators are following the same course that the gentleman's President, Mr. Taft, did when he defeated it by a veto written by Mr. Nagel, and never written by the President. I think the Senators who are holding it up deserve condemnation, but in that respect they have nothing on the Republican Party that twice defeated it. Even Mr. Roosevelt, when a Republican Member of Congress went and asked him to aid in passing the bill then before the House, said: "No; Bishop Ireland has been here to see me, and the bishop does not think it ought to pass, and I agree with him." This, too, after he had sent one or two messages to Congress advocating the illiteracy test for alien immigrants. The gentleman's party is originally responsible for the defeat of what I believe to be the best piece of legislation that has been before Congress for years, and if he can get any comfort out of it, let him do so. He may take the sweet unction that his candidate, Mr. Hughes, has never declared that he would aid it otherwise than Taft and Roosevelt did.

The SPEAKER. The Chair will admonish the gentleman from Alabama that he must not refer to Senators. He can discuss the presidential candidates as much as he pleases.

Mr. BURNETT. Mr. Speaker, I shall revise my remarks, and I will cut out unparliamentary references. There is one who imagines himself a candidate for President that will never see daylight in November. [Applause on the Democratic side.]

Mr. KREIDER. Mr. Speaker, while I differ with the gentleman from Alabama on many political questions, I want to say that no man in Congress has worked as earnestly or assiduously for the passage of that great immigration bill as he has.

Mr. BURNETT. Such men as Lorimer, under the old system of electing Senators, could bribe enough legislators to get to the United States Senate, one of the greatest lawmaking bodies in the world. The Democrats secured the adoption of an amendment to the Constitution requiring Senators to be elected by the people, and now no Senator can gain his seat by bribery and corruption.

FEDERAL RESERVE BANKS.

The Democrats knew that so long as Wall Street held the purse strings of the country the producers of wealth had nothing to say about the price of their sweat and blood, nor about the price of the products of their toil. So we passed the Federal reserve bank law, the greatest piece of constructive legislation ever enacted up to that time.

Under this law the money was taken from the coffers of New York banks and placed in banks throughout the country, where it would be accessible to those in need.

The cotton spinners of England and New England started in to depress the price of the cotton crop of 1915, and in the early fall of that year did beat it down to 8 or 9 cents a pound.

Then it was that Mr. McAdoo said, "No; gentlemen, you can not force people in distress to sell the products of their toil and the toil of their wives and children for a song. Under the Federal reserve law I can and will place $15,000,000 of Government money in the banks of the South, with more to follow if necessary, and every dollar of it must be loaned to the farmer on his cotton warehouse receipt at the rate of 6 per cent interest."

The buyers and cotton gamblers then said, "Well, if there is to be no distress cotton, and if we are not to be again permitted to grind the faces of the poor, we had better begin to bid up on cotton."

They had to do so, and it went up to 10 and 12 and even 15 cents per pound, until a good bale of cotton and the seed out of it will now bring more than $100 cash.

Does any southern farmer who loves his toil-worn wife and children want to defeat this Congress and this President and go back to the days of Roosevelt prices and Joe Cannon rules? No; they were betrayed once, and will never take the risk again. [Applause on Democratic side.]

They love their homes and those whom God has made dependent on them too well to vote for candidates—national, State, or county—who would again deliver them into the power of the cormorants of Wall Street.

FARM-LOAN BILL.

The Democratic Party was not satisfied with this great achievement in the interest of the workingman. We believe that that man is the happiest man who owns some little spot where he can gather his wife and her little brood about him and call it home.

'Mid pleasures and palaces though we may roam,
Be it ever so humble, there's no place like home.

[Applause.]

So we went to work to put it in the power of every farmer to own his own home. As a result that other masterpiece of legislation was enacted by Congress and approved by the President which puts it in the power of every farmer to borrow money for 40 years, if he wants to do so, at the rate of 6 per cent interest, for the purpose of buying, paying for, improving, and stocking his farm. So wisely has this law been drawn that if from misfortune he can not even pay the interest he is given an extension on that item, and thus can not be forced to lose his home. If he wants to pay it all off and stop the interest at any time after five years he can do that.

If he desires and is able to do so he can make partial payments at stated times, and thus liquidate the entire principal and interest without great trouble.

Did the Republican Party ever think long enough about the man who toils to even consider such a law as that? Yet they are asking working people to defeat Mr. Wilson for President, and to beat me for Congress with a man who still belongs to a party that has ever been the ally of those whose fortunes were made by the sweat of other men's brows.

GOOD-ROADS BILL.

For years the Republican Party professed to be the champion of good roads, and yet I challenge any one of them to show where his party ever appropriated a dollar to help the man who hauls his products over muddy ways.

Seven years of Roosevelt gave them nothing, four years of Taft gave them nothing, although their platforms promised much.

This Democratic Congress has passed a bill which will give millions of dollars each year to the building of roads for the man who all his life has been paying the mud tax.

Alabama this year will get over $100,000 of this money, and more each year that follows.

Which party, I ask the farmers and laborers of the country, has been their friend, and which flag do they prefer to follow?

CHILD-LABOR AND OTHER LAWS.

We passed the child-labor law advocated by all the labor and farmers' organizations of the country; we passed the bill to stop gambling in farm products; the agricultural warehouse bill; and scores of other wise and beneficent laws that the country would never have had but for the supremacy of the Democratic Party.

Does any farmer or laborer want to go back to the fleshpots of Egypt, and give the power to a party who never lowered its eyes to see or opened its ears to hear the calls of distress from the men who toil?

Only a few days ago the Democrats passed legislation that prevented the most stupendous strike that ever threatened any land. If it had taken place, thousands of people would have starved in a month. Business would have been paralyzed, cotton would have dropped to 6 cents a pound, and other farm products, except in the cities, would have gone to nothing for lack of transportation facilities. Yet many Republican Members voted against this bill.

But, Mr. Speaker, the crowning glory of this administration is the fact that it has kept us out of war.

Those who owned large interests in Mexico have hounded the President for nearly four years in their efforts to force us into war with that country. Those who would fill their swelling coffers from the sales of guns and cannons and munitions for the murder of human beings have exhausted every energy to desolate homes, and make widows and orphans and weeping mothers, whose sons they would feed to the guns of an enemy.

But a Democratic President with the steady hand of a trained pilot has guided the ship of state thus far through peaceful waters, and I do not believe the people will turn that ship over to Hughes and Roosevelt. Let the people choose in November which pilot they prefer. Mr. Hughes said at his Roosevelt luncheon that he and Roosevelt were in perfect accord. If so, he agrees with Roosevelt in his desire for war with Germany and in his hatred of the German people. When Roosevelt spoke in Maine a few days ago he was loud in his denunciation of the German people, and yet Judge Hughes telegraphed him his congratulations on that speech. Do the people want war or peace? The ides of November will tell, and I for one have no fears of the result.

THE HUGHES CAMPAIGN.

I shall not criticize the Republican Party for invading the sanctity of the Supreme Court to get a candidate for President. The stress of the situation no doubt required them to do this. They realized that Roosevelt had to be defeated, and they perhaps knew that none of the little men who were candidates could do it. Hence they had to take the judge. The leaders of that once great but now discredited party have no doubt already rued the day that they fell upon Judge Hughes to drag them out of the low planes into which they had fallen. [Laughter on the Democratic side.]

The campaign of Judge Hughes through the West has no doubt been disappointing to such big Republicans as my good friends from Illinois, Mr. MANN, Mr. CANNON, and others who are giants in the grand old party.

He pitched his campaign on the lowest plane that any candidate for President has ever done except four years ago when Roosevelt and Taft condescended to call each other liars, and applied other compliments to each other that they borrowed from the billingsgate of the London fish market.

Judge Hughes has in his campaign waved the bloody shirt, and tried to arouse sectional prejudice that even his own party can not stand for.

Mr. Speaker, I will read one little extract from an Oshkosh paper, the leading Republican paper of Wisconsin, to show how his own party is absolutely ashamed of their nominee.

A QUESTION OF TASTE.

[From the Oshkosh Northwestern, Aug. 11, 1916.]

To every sensitive and sensible voter the spectacle of a candidate for the highest office in the world running around the country kissing babies, shaking hands with the crowd, and begging for votes is certainly very unpleasant. It adds nothing to the dignity and respect that ought to be associated with the great presidential office. If President Wilson should have the good taste to remain quietly at home during the campaign after Congress adjourns and allow his Cabinet ministers and his party leaders to make the political speeches it would count in his favor among right-thinking people. But if Judge Hughes is to go out after votes like the ordinary demagogue traveling through the country at a speed which will enable him to see the greatest number of people in the shortest possible time, he can at least take high ground in his speeches and discuss politics as a great statesman and not as a great demagogue. It is the sensible people who decide things, in the long run, and surely they will think better of him if he will make the change.

A few days ago the press carried the statement that Mr. Wilcox, the chairman of the Republican campaign committee, had been summoned to St. Louis by Judge Hughes, to show cause why he should not be deposed on account of inefficiency. The question arose at once in the minds of many as to whether Mr. Wilcox had been summoned to decide whether he should be deposed by Judge Hughes for inefficiency, or whether he should take Judge Hughes down for the same cause. I confess that Democrats trembled for fear Judge Hughes would be withdrawn, in order that a strong man like the minority leader or Uncle JOE CANNON could be substituted in his place. [Applause on the Democratic side.]

Mr. MONDELL. Will the gentleman yield?

Mr. BURNETT. Yes.

Mr. MONDELL. Does my memory serve me right that a gentleman by the name of Bryan, a few times a candidate of the Democratic Party, went around over the country seeking votes?

Mr. BURNETT. Yes; and that same gentleman was defeated, great and good man though he was, just as the gentleman who is the nominee of the gentleman's party is going to be by the people of this country on the 7th day of November next. [Applause on the Democratic side.]

The SPEAKER. The gentleman from Oregon is recognized for 45 minutes.

A PARTIAL REPLY TO "DEFENSE OF MR. SAMUEL HERRICK."

Mr. SINNOTT. Mr. Speaker and gentlemen of the House, in the last Monday's RECORD, on page 16145, under the heading "Defense of Samuel Herrick," occurs an extension of remarks by the gentleman from South Dakota [Mr. JOHNSON]. These remarks were not delivered on the floor, but they were slipped into the RECORD under leave to print. These remarks contain some severe strictures upon me. The remarks are full of slurs and insinuations and criticism on account of a bill known as the Sherman County settlers relief bill which I introduced at this session of Congress and is now a law.

This bill appropriated some $94,000 for the relief of settlers and claimants in Oregon who lost their lands. The remarks in the RECORD are occasioned by a report of an interview which I gave to the press informing a number of the beneficiaries that Samuel Herrick, an attorney of the city of Washington, was not entitled to any fees in securing the passage of this bill.

The gentleman from South Dakota states that he comes to the defense of this attorney for the reason that this attorney, Samuel Herrick, is a voter in his district and a fellow citizen of South Dakota, although at present he is a practicing attorney in the city of Washington and has been such for 15 years. The gentleman inserted these remarks in the RECORD without according me the usual, or what might be expected, courtesy of consulting me to learn the reasons for my position. I regret that the gentleman from South Dakota is not present. I tried to get his office by phone, but was not successful. He bases his remarks upon a certain article which appeared in the Portland (Oreg.) Journal of August 7, and the article is as follows:

WASHINGTON, *August 7, 1916.*

Congressman SINNOTT, greatly pleased by the passage of his bill appropriating $94,000 for the relief of the settlers of Sherman County, Oreg., who were dispossessed by the Eastern Oregon Land Co., is strongly of the opinion that attorneys claiming fees for services in securing passage of the bill are entitled to nothing on that account.

Samuel Herrick, a Washington attorney, has contracts with a number of the claimants providing that he is to receive 20 per cent of the sum realized for presenting their case to Congress. The bill provides that not more than 5 per cent shall be paid on account of such claims, and Mr. SINNOTT says Herrick is not entitled to that.

HERRICK OF NO ASSISTANCE.

"Herrick was of no assistance at all in securing passage of this bill," says the Oregon Congressman. "He was rather a detriment than a help.

"When I came to Washington I went into this matter fully to determine why it was that this legislation had not made headway. I found that bills before Congress, which Herrick had prepared, failed to distinguish between good claimants and those who admittedly had no claim, although a report of Special Agent T. B. Neuhausen detailing the merits of the different claims was available.

"Many of the items in the bill thus presented could not be defended and the measure was consequently held up."

I wish to reiterate and repeat that language here on the floor of the House, that this attorney was of no practical assistance in securing relief for these poor evicted settlers, but, on the contrary, his witless work, his ignorance of the subject matter, and the dishonest bills which he has been behind are the reasons the entire subject has for many years been in bad odor in the House and these settlers have been denied relief for many years. The interview further reads:

In conversation with Herrick I learned that he had drafted the bill without reference to Neuhausen's comment on these claims. I then introduced the bill which has passed, in which I included meritorious claims that I felt could not be successfully attacked. This bill has passed through my efforts and the efforts of other members of the Oregon delegation. Herrick had nothing to do with it, and no one owes him anything for services, so far as I can see.

That statement is substantially correct, except that I am given too much credit in this paragraph. While I introduced the bill which passed at this session of Congress, the bill which I introduced was the bill that was reported favorably upon as a substitute for the Herrick bill at the last session of Congress. I introduced the bill at this session of Congress because I was assured by Members who had theretofore been objecting to the Sherman County relief bill that they were satisfied with that bill and would not object to it. I wanted to hold the ground so far gained and not jeopardize the chances for partial relief by a change of bills, so I introduced that bill at this session of Congress, feeling reasonably sure that I could secure some relief for some of those unfortunate settlers and applicants by the introduction of the bill.

In this connection it may be well to explain for the benefit of those who are not familiar with the rules of the House how these bills are considered.

Bills containing private claims, unless in very exceptional cases, which do not occur once in 10 years, can only pass the House by unanimous consent; that is, the bill is called on the calendar and read by the Clerk. Any Member who is opposed to a bill when it is called may rise in his place and without assigning any reason may say, "I object, Mr. Speaker." This statement is sufficient to defer action on the bill, and, if renewed, results in the defeat of the bill objected to.

Claim bills are placed upon what is known as the "Private Calendar." The Private Calendar is called only on Fridays.

The second and fourth Fridays of each month are devoted to private pension claims and to bills removing political disabilities and the charges of desertion. The remaining Fridays of the month alternate between the Committee on Claims and the Committee on War Claims. From this you will see that the House can devote very little attention to private bills reported from the Committee on Claims, which committee has jurisdiction over such claims as the Sherman County settlers' claim. There are always a great many bills to be considered whenever the Private Calendar is reached. It results from this that if there are objections to any particular features of a private claim bill the House will not take the time to eliminate objectionable features, but some Member will arise and object in toto to the bill, so that time may be had for consideration of other bills which can be briefly considered and passed.

It is thus evident that a questionable or suspicious bill can not be considered, but its consideration will be blocked at once by any Member objecting.

Why, my bill, cut to the bone as it was from distrusted claims, was twice at this session blocked by Members objecting, and passed the House only in the absence of a Member who had objected to its consideration.

I desire now to call attention to a significant thing: All of this interview in the Portland Journal was not printed in last Monday's extension of remarks. This paragraph was omitted, and it was designedly and maliciously omitted for the purpose of enabling Mr. Herrick to build up a man of straw in an attempt to misrepresent me, so that he could make the insinuation that I had abandoned all those whose names were not in the Sherman County bill which I introduced at this session of Congress. Here is the paragraph that was left out wherein I stated—

I do not believe all the meritorious claims have been recognized in the bill we have passed, and intend to introduce another to pick up the stragglers.

That paragraph was omitted from the extract from the Portland Journal set forth in this extension of remarks. I am going to be charitable enough to the gentleman from South Dakota [Mr. JOHNSON] to acquit him of the charge of full authorship of these remarks in the RECORD. I am fully convinced that these remarks in the RECORD were for the most part gotten up by Mr. Herrick, and that Mr. Herrick is the real author of them. They bear the earmarks of his ignorance of the entire subject matter of the Sherman County settlers' relief, of the Neuhausen report, and ignorance of the very bills which he himself has been promoting.

This extension of remarks is in three parts: First, there is a fulsome eulogy of Mr. Herrick, with laudatory quotations from letters of misinformed friends of Mr. Herrick, in the years 1907 and 1908—but wait till I cite you to letters and official records of 1907 not so laudatory; second, a criticism of me for not having secured relief for everyone mentioned in the Neuhausen report; and, third, a defense of the bills which Mr Herrick had been promoting and endeavoring to secure the passage of for some eight or nine years. Mr. JOHNSON states this in his extension of remarks:

After a thorough investigation of the matter, I am of the opinion that the criticism of Mr Herrick's services by the gentleman from Oregon, Mr. SINNOTT, was entirely uncalled for and unjust, and that as a matter of fact the passage of the measure in the form advocated by the gentleman from Oregon operated as an injustice to the settlers whose claims were eliminated.

It will be interesting to observe the fruits of this "thorough investigation."

Then Mr. JOHNSON of South Dakota speaks of Herrick:

Mr. Herrick is a fellow citizen of mine, a resident and a voter of South Dakota, and known to me to be an upright, conscientious, and able lawyer, particularly in his specialty of public and mining law.

Then there follow extracts from a number of letters speaking of Herrick's probity and his integrity and uprightness.

Mr. Speaker, I have not brought this controversy to the floor of this House and did not intend to bring it in here; it has been forced here by the insertion of remarks under leave to print. Before I get through, if I have sufficient time, I propose to show that this man, who is so extravagantly and autobiographically extolled, omitted significant quotations from letters received by himself in the year 1907, the year in which he received so many of the effusions of "epistolary" eulogies quoted in the extension of remarks on last Monday, which will throw additional light upon character and reputation.

I have initiated no attack on the gentleman's reputation or character. My criticism has been of his diligence and work for his clients. He has put his reputation and character in issue to bolster up his unjust attempt to filch fees from my constituents. Accordingly I am compelled, regretfully, I must say, to meet this issue.

HERRICK'S RECORD.

I hold in my hand certified copies of letters and orders in the suspension and disbarment proceedings against Samuel Herrick in file No. 21-310 of the Department of the Interior.

This file shows that Samuel Herrick, whose eulogistic autobiography for advertisement purposes at "Uncle Sam's" expense was printed in last Monday's RECORD, was by the Commissioner of the General Land Office recommended for suspension from practice, in the year 1907, before the Department of the Interior and its bureaus. This recommendation was approved by the Secretary of the Interior, James Rudolph Garfield. Unfortunately for my constituents, this suspension was not promulgated but was withdrawn on condition that Mr. Herrick acknowledge his misconduct and apologize to the Commissioner of the General Land Office. This he did, at the same time receiving a severe reprimand from Secretary Garfield with the written pointed statement of the Secretary—I quote—

that any further misconduct on your part in your practice before the General Land Office or any bureau of this department will be considered as sufficient cause for your immediate disbarment.

This record further discloses that Mr. Herrick was repeatedly called to account for reprehensible practices and improprieties in the practice of law before the General Land Office.

It further discloses conduct in line with his claims and misrepresentations made in this Sherman County relief bill matter.

It discloses unfounded claims of services rendered, of demands for fees where he was not employed—I quote—

and without rendering any important service.

This record further discloses—I quote—

methods of practice not in accordance with the practice of reputable attorneys.

It further discloses misrepresentations for the purposes of advertisement on the part of Mr. Herrick, misrepresentations of having reversed the decisions of the Commissioner of the General Land Office in cases which were not reversed and in cases where appeals were not taken and in a case where the record—I quote—

fails to show that you appeared as attorney for Rivers.

I have only 45 minutes allotted to me on the floor. When this Sherman County matter was up in the Sixty-second Congress, Mr. MANN, the Republican floor leader, objected to the consideration of the Sherman County bill, saying that it would take him three hours to discuss the subject. This record which I hold in my hand is too long to read, though I wish I had the time to read it, but I will print it at the end of my remarks. I regret that I have not a full day to cover the matter and expose Mr. Herrick's record and his abortive and bungling efforts in behalf of these claimants. I shall also print at the end of my remarks a letter which Mr. MANN, the Republican floor leader, wrote to me concerning this subject. Mr. MANN, as you all know, makes a specialty of carefully scrutinizing all claim bills and objects to doubtful and suspicious bills. It was his objection which blocked the Sherman County bill in the Sixty-second Congress.

Mr. Speaker, the Sherman County settlers' matter arises out of the fact that in the year 1900 a number of settlers and claimants in Sherman and Wasco Counties, Oreg., of lands declared to be public lands by the Commissioner of the General Land Office in 1891, which holding was approved by Secretary of Interior John W. Noble in 1893 and Secretary of Interior Hoke Smith in 1893, were evicted on account of a decision of the Supreme Court of the United States, that court holding that the lands in question were not public lands, but that they belonged to the Eastern Oregon Land Co., successors in interest to The Dalles Military Road Co., grantees of the United States.

In 1904 an act of Congress was passed directing the Secretary of the Interior to ascertain the value of these lands at the date of the ouster and also the value of the improvements placed upon the land by the various settlers and claimants still in possession, also in case of purchase from the road company the price paid. Pursuant to that act of Congress, Mr. T. B. Neuhausen, a special agent of the Interior Department, was sent to Oregon to ascertain these facts. Mr. Neuhausen, after an extended investigation, made a report to Congress concerning the value of these lands and the improvements placed thereon by the evicted claimants and settlers. That report was published as House Document No. 36 of the Fifty-eighth Congress, third session. That report is also copied in a report which I hold in my hand, being House Report No. 786, Sixty-second Congress, second session. The report is a report made to accompany Senate bill 295 of the Sixty-second Congress. Senate bill 295 was one of the Herrick bills which had passed the Senate.

Mr. Neuhausen, commencing on page 18, and the following pages up to page 30, set forth the names of the various claimants,

First he set forth the name of the claimant and a description of his land, then the acreage, then the value of improvements on the land not sold or removed, then the date of the ouster, the value of the land per acre, and total value of the land at the date of the ouster. In some cases the values were omitted. Here is the page from that Neuhausen report, and I ask unanimous consent, Mr. Speaker, to insert this page and other excerpts in the RECORD.

The SPEAKER pro tempore (Mr. RAKER). Without objection it is so ordered.

There was no objection.

The excerpts from the report are as follows:

Classified list.—Summary of data relating to claims within the overlapping limits of the grants to the Northern Pacific Railroad Co. and The Dalles Military Road Co. in Sherman County, Oreg.

[Claims marked with an asterisk (*) are located in Wasco County.]

I.—HOMESTEAD CLAIMANTS.

Class A.—Those who asserted a homestead claim and actually resided upon the land claimed, but who never received patent therefor and are not now in possession thereof.

Case No.	Name of claimant	Description	Acreage.	Improvements not sold or removed.	Date of ouster (in 1909)	Value at ouster.	
						Per acre.	Total.
1	Harry Hill	SW. ¼ NE. ¼ and lots 1 and 2 sec. 1, T. 1 S., R. 16 E.	129.00	$175.00	May 16	$9.00	$1,080.00
2	Hiram E. Powell, deceased	S. ½ NW. ¼ and lots 3 and 4 sec. 1, T. 1 S., R. 16 E.	167.63	100.00	Spring	9.00	1,508.67
3	Otis B. Messinger	NW. ¼ sec. 13, T. 1 S., R. 16 E.	160.00	.....	Apr. 7	9.00	1,440.00
4	David W. Hall, deceased	NE. ¼ sec. 35, T. 1 S., R. 15 E.	160.00	.....	Spring	9.00	1,440.00
5	William S. Powell	W. ½ SE. ¼ and NE. ¼ SE. ¼ sec. 1, T. 2 S., R. 15 E.	120.00	185.00	Apr. 27	9.00	1,080.00
6	Luther B. Hill	NW. ¼ sec. 11, T. 2 S., R. 16 E.	160.00	.....	Summer	5.00	800.00
7	Alva B. Craft	SE. ¼ sec. 11, T. 2 S., R. 16 E.	160.00	10.00	Mar. 7	8.00	1,280.00
8	Benj. E. Dougherty	SW. ¼ sec. 11, T. 2 S., R. 16 E.	160.00	.....	Apr. 18	10.00	1,600.00
9	Theron S. Hill, deceased	NE. ¼ sec. 15, T. 2 S., R. 16 E.	160.00	.....	Summer	11.00	1,760.00
10	James H. Clements	SW. ¼ sec. 15, T. 2 S., R. 16 E.	160.00	.....	Mar. 7	8.50	1,360.00
11	Absalom B. Allison	NE. ¼ sec. 21, T. 2 S., R. 16 E.	160.00	95.00	Apr. 14	8.00	1,280.00
12	Edgar Lewis	SE. ¼ sec. 21, T. 2 S., R. 16 E.	160.00	60.00	Apr. 12	7.00	1,120.00
13	Elizabeth A. Bates	NW. ¼ sec. 23, T. 2 S., R. 16 E.	160.00	105.00	Apr. 14	8.00	1,280.00
14	Lena Wegener	SW. ¼ sec. 23, T. 2 S., R. 16 E.	160.00	.....	Apr. 17	8.00	1,280.00
15	Rufus H. King (in possession as lessee)	SE. ¼ sec. 27, T. 2 S., R. 16 E.	160.00	10.00	Mar. 7	12.00	1,924.00
16	Charles K. Huff	NE. ¼ sec. 33, T. 2 S., R. 16 E.	160.00	.....	Apr. 4	10.00	1,600.00
*	Adam Holder (see Class C)	N. ½ NE. ¼ and N. ½ NW. ¼ sec. 35, T. 2 S., R. 16 E.	.....	.....	.....	.....	.....
*	Timothy Brownfull (see Class C)	N. ½ SW. ¼ and N. ½ SE. ¼ sec. 35, T. 2 S., R. 16 E.	.....	.....	.....	.....	.....
17	Grace T. Hill	S. ½ SW. ¼ and S. ½ SE. ¼ sec. 35, T. 2 S., R. 16 E.	160.00	25.00	Spring	10.00	1,600.00
*	Friedrich W. Matthias (see Class C)	SE. ¼ sec. 5, T. 1 S., R. 17 E.	.....	.....	.....	.....	.....
18	John B. Coon (in possession as lessee)	NW. ¼ sec. 1, T. 3 S., R. 16 E.	158.49	.....	Mar. 8	9.00	1,426.41
19	Merit F. S. Henton	SW. ¼ sec. 1, T. 3 S., R. 16 E.	160.00	60.00	Apr. 20	9.00	1,440.00
20	Robert L. Allison	NE. ¼ sec. 3, T. 3 S., R. 16 E.	160.00	18.00	Apr. 17	10.00	1,600.00
21	Clark E. Brown	SE. ¼ sec. 3, T. 3 S., R. 16 E.	160.00	75.00	Mar. 8	9.00	1,440.00
22	Reuben D. Allison	SW. ¼ sec. 3, T. 3 S., R. 16 E.	160.00	10.00	Apr. 17	9.00	1,440.00
23	Adolph Perrault (in possession as lessee)	NE. ¼ sec. 9, T. 3 S., R. 16 E.	160.00	1,125.00	Feb. 27	11.00	1,760.00
24	Lester A. Heath	SE. ¼ sec. 9, T. 3 S., R. 16 E.	160.00	70.00	April	11.00	1,760.00
25	Warren D. Marshall	NE. ¼ sec. 11, T. 3 S., R. 16 E.	160.00	570.00	Apr. 12	10.00	1,600.00
26	Harold L. Chenoweth, deceased	NW. ¼ sec. 18, T. 3 S., R. 16 E.	160.00	.....	do	10.00	1,600.00
27	Levant L. Minton	SW. ¼ sec. 13, T. 3 S., R. 16 E.	160.00	.....	Oct. 26	9.00	1,440.00
28	Anastasse Perrault	NE. ¼ sec. 17, T. 3 S., R. 16 E.	160.00	340.00	Feb. 27	7.00	1,120.00
29	John Willet	SE. ¼ sec. 17, T. 3 S., R. 16 E.	160.00	70.00	do	7.00	1,120.00
*	Augustus Smith (see Class C)	SE. ¼ sec. 21, T. 3 S., R. 16 E.	160.00	175.00	Mar. 9	6.00	960.00
*	Cascious W. Fairchild (see Class C)	SW. ¼ sec. 29, T. 3 S., R. 16 E.	160.00	.....	.....	.....	.....
*	Philander C. Davis (see Class C)	NE. ¼ sec. 5, T. 4 S., R. 17 E.	167.00	.....	.....	.....	.....
30	John W. Willis	SW. ¼ sec. 5, T. 4 S., R. 17 E.	159.00	.....	Spring	5.00	800.00
*	Charles A. Stanton (see Class C)	SW. ¼ NW. ¼ and W. ½ SW. ¼ sec. 21, T. 3 S., R. 17 E.	123.00	.....	.....	.....	.....
31	Alfred F. Hawley, deceased	NE. ¼ sec. 29, T. 3 S., R. 17 E.	160.00	.....	Nov	6.00	960.00
32	Grant Hawley	NW. ¼ sec. 29, T. 3 S., R. 17 E.	160.00	10.00	Apr. 28	7.00	1,123.00
33	Lee Mounts	E. ½ SW. ¼ and W. ½ SE. ¼ sec. 29, T. 3 S., R. 17 E.	160.00	.....	do	6.00	960.00
34	Diedrich Patjens, deceased	S. ½ NW. ¼ and N. ½ SW. ¼ sec. 33, T. 3 S., R. 17 E.	160.00	50.00	Mar. 9	5.00	800.00
35	Ellen E. McLeod (in possession as lessee)	SW. ¼ sec. 35, T. 3 S., R. 17 E.	160.00	.....	May 2	5.00	800.00
36	George M. Simpson	SW. ¼ sec. 13, T. 4 S., R. 16 E.	160.00	.....	April	5.00	800.00
37	Henry Nachand	SW. ¼ sec. 5, T. 4 S., R. 17 E.	160.00	.....	Apr. 17	5.00	800.00
38	Minnie M. Smith (now M. Fairfield)	NW. ¼ sec. 9, T. 4 S., R. 17 E.	160.00	215.00	1898	4.00	640.00
39	Edward Nachand	N. ½ NE. ¼ and E. ½ NW. ¼ sec. 11 T. 4 S., R. 17 E.	160.00	20.00	Apr. 17	5.00	800.00
40	Cascious W. Fairchild	SW. ¼ sec. 29, T. 3 S., R. 16 E.	160.00	55.00	Feb. 26	5.00	800.00
41	Frank Watkins, deceased	NE. ¼ sec. 25, T. 4 S., R. 17 E.	160.00	.....	Sept. 12	7.00	1,120.00
42	William Daugherty deceased	W. ½ NW. ¼ SE. ¼ NW. ¼, and SW. ¼ NE. ¼ sec. 13, T. 5 S., R. 17 E.	155.00	580.00	June	3.00	459.00
43	Alice M. Coats, deceased	W. ½ NE. ¼ sec. 28, T. 5 S. R. 17 E.	160.00	250.00	April	2.00	320.00

These are generally meritorious claims, the individuals having resided upon the lands until dispossessed. If the company is in a position to release these lands, the claims might be perfected and patented and the rights of the individual claimant thus preserved.

Class E.—Land entered as homestead, but with little or no residence shown thereon and only slight improvements. Party not now in possession.

Case No.	Name of claimant.	Description	Acreage.	Improvements not sold or removed.	Date of ouster (in 1900).	Value at ouster.	
						Per acre.	Total.
75	Eugene Cushman	SE. ¼ sec. 35, T. 1 S., R. 16 E.	160.00	.....	.....	$12.00	$1,920.00
76	Thomas F. Cochran (additional homestead entry).	NE. ¼ SE. ¼ sec. 9, T. 1 S., R. 17 E.	40.00	.....	Spring	.50	300.00
77	Walter P. Lyons (see settlement claims, Jesse P. Barnet).	SE. ¼ sec. 1, T. 3 S., R. 16 E.	160.00	.....	.....	.....	.....
78	Geo. S. Donaldson	SW. ¼ NE. ¼, W. ½ SE. ¼ and SE. ¼ SE. ¼ sec. 5, T. 3 S., R. 16 E.	160.00	.....	Spring	3.00	480.00
79	Sam C. Klair (see applicants for cash entries, Charles H. Schwartz).	SE. ¼ sec. 11 T. 2 S., R. 16 E.	160.00	.....	.....	.....	.....
80	Charles Davis (see applicants for cash entries, Charles H. Schwartz).	SW. ¼ sec. 11, T. 3 S., R. 16 E.	160.00	.....	.....	.....	.....
81	Richard G. Closter (deceased)	W. ½ NE. ¼ and W. ½ SE. ¼ sec. 33, T. 3 S., R. 16 E.	160.00	.....	Oct. 15, 1897.	5.00	800.00
82	Alex. McDonald	E. ½ NW. ¼ and E. ½ SW. ¼ sec. 33, T. 3 S., R. 16 E.	160.00	.....	Oct. 17, 1899.	5.00	800.00
83	Johann Suhr	SE. ¼ sec. 31, T. 3 S., R. 17 E.	160.00	.....	Oct. 24	5.00	800.00
84	John D. Glass	SE. ¼ sec. 33, T. 3 S., R. 17 E.	160.00	.....	.....	5.00	800.00
85	Harry J. Adams	NW. ¼ sec. 3, T. 4 S., R. 16 E.	161.07	.....	.....	5.00	805.00

Classified list.—Summary of data relating to claims within the overlapping limits of the grants to the Northern Pacific Railroad Co., and The Dalles Military Road Co. in Sherman County, Oreg.—Continued.

III. APPLICATIONS TO PURCHASE UNDER ACT OF SEPT. 29, 1890.

[Claims based on occupancy and attempted purchase without entries of record.]

Class (a).—Applicants who apparently gave up occupancy of land between the date of application and date of Supreme Court decision (Jan. 8, 1900) and were not in possession at that date, even as lessees.

Case No.	Name of claimant.	Description.	Acreage.	Improvements not sold or removed.	Date of ouster.	Value at ouster.	
						Per acre.	Total.
128	Godfred Guinther	E. ½ sec. 29, T. 1 N., R. 16 E	320	$180.00			
129	Christian Guenther, deceased	N. ½ N. ½ sec. 33, T. 1 N., R. 16 E	160	100.00			
130	Thomas Calvert	E. ½ NE. ¼ and E. ½ SE. ¼ sec. 33, T. 1 N., R. 17 E	160	100.00			
131	Manuel D. Adams	S. ½ SW. ¼ sec. 11, T. 1 S., R. 16 E	80		1893	$11.00	$880.00
132	Benjamin B. Clark	NW. ¼ sec. 15, T. 2 S., R. 16 E	160				
133	John A. Moore, deceased; no claim	S. ½ sec. 31, T. 1 S., R. 17 E	320				
134	Obed Cushman, deceased	N. ½ sec. 29, T. 2 S., R. 17 E	320		Spring, 1897.	5.00	1,600.00
135	James A. W. Scoggin	E. ½ sec. 11, T. 4 S., R. 17 E	320		Left in 1897.	2.00	640.00
136	Justus A. Dickerson, deceased	N. ½ sec. 3, T. 5 S., R. 17 E	320			5.00	1,600.00

Mr. SINNOTT. Over in the back of this Neuhausen report, commencing at page 34, are set forth the affidavits of these various claimants concerning their claims. Where affidavits could not be obtained Mr. Neuhausen reports the facts ascertained as to residence, improvements, and cultivation. In some instances following the affidavits and reports Mr. Neuhausen set forth his opinion as to the merit of certain claims.

Now, this Mr. Herrick has been promoting a bill contemplating the payment to every person whose claim is listed between pages 18 and 30 of the Neuhausen report where the value of improvements and the value of the land are indicated following the name of the claimant, notwithstanding the fact that over in the back of the report Mr. Neuhausen in a number of cases suggests that the claimant is entitled to no relief. Mr. Herrick drafted his bill on the theory that the values of improvement and land following the name of claimants between pages 18 and 30 of the Neuhausen report was the amount Mr. Neuhausen found due and recommended for payment, wholly ignoring the fact that in a number of cases it is obvious from the affidavit of the claimants in the back of the report and also from Mr. Neuhausen's comments that no relief was warranted.

In Mr. Herrick's extension of remarks by proxy in last Monday's RECORD he now defends his bill by stating "and the amount going to each settler being the sum recommended by the special agent." He also makes the following argument:

> In this connection it is to be noted that none of the prior bills, and which have been so severely criticized, appropriated a lump sum for the payment of these claims, but only so much of such sum "as may be necessary," and then specified the sum as the amount recommended in the report of Special Agent Neuhausen. As to some of these claims Neuhausen recommended no relief to be extended, and consequently under the terms of these bills none would have been received by the claimants. Consequently the criticism above quoted, "that bills before Congress which Herrick had prepared failed to distinguish between good claimants and those who admittedly had no claims," falls of its own weight. Both the qualifying words after the mention of $250,000, the further provisions as to the maximum amount to be paid each settler, and the authority given the Secretary of the Interior to make the payments constituted ample safeguards against any excessive amount being paid to any claimant.

This position is refuted by the most cursory reading of the Herrick bill, which is as follows:

> *Be it enacted, etc.*, That to adjust the claims of Harry Hill and other settlers, commonly known as the Sherman County settlers, on lands in Sherman and adjoining counties in the State of Oregon, there be, and hereby is, appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $250,000 or so much thereof as may be necessary, said sum to be paid in such amounts and to such persons, their heirs or legal representatives, as are mentioned in the report made by Special Agent Thomas B. Neuhausen, of the Department of the Interior, under authority of the act of Congress approved February 26, 1904 (33 Stats., p. 51), as embodied in pages 22 to 35, inclusive, of House Document No. 36, Fifty-eighth Congress third session; the amount to be paid to each settler his heirs or legal representatives, being the value of the land settled on by each, respectively, together with the value of the improvements erected by each, respectively, where such improvements were not sold or removed by the settler: *Provided, however*, That in those cases where the settler purchased land from The Dalles Military Road Co., or its successors, the amount to be paid to such settler, his heirs or legal representatives, shall be the amount so paid by him as consideration in his said purchase: *Provided further*, That no purchaser or assignee of any of said claims shall receive therefor a greater amount than was paid to the settler for his assignment.
>
> SEC. 2. That the Secretary of the Interior is authorized to make the payments herein provided for out of any money in the Treasury not otherwise appropriated, and shall draw his warrant therefor upon the Treasury.

It is also refuted by an examination of the Neuhausen report by the act of Congress authorizing the investigation, and in addition to this Mr. Herrick told me in my office that his bill was drawn on the theory that the values following the names of claimants between pages 18 and 30 were the sums which Mr. Neuhausen found due and recommended payment.

When I read the affidavits and Mr. Neuhausen's comments in the back of the report, and when I ascertained Mr. MANN'S reasons for objecting to relief in the Sixty-second Congress, I sent for Mr. Herrick. He came to my office, and on my asking him if his bill was not drawn on the theory that the amounts following the names were the amounts Mr. Neuhausen found due, he told me that that was the theory of his bill. I then told him that that theory contemplated the payment of some claims that were indefensible and of others where Mr. Neuhausen had specifically stated that no relief was justified. I pointed to claim No. 75, Eugene Cushman, on page 21, listed for $1,920. Mr. Neuhausen made no recommendation one way or the other as to this claim. I read to Mr. Herrick the report on this claim on page 96, which is as follows:

CASE 75—EUGENE A. CUSHMAN.

[Homestead entry No. 4694, dated June 8, 1893, for SE. ¼ sec. 35, T. 1 S., R. 16 E., Willamette meridian. Canceled Nov. 28, 1893.]

REPORT.—Cushman built a cabin on the land within six months after the date of his filing, but he never resided in same, as his right to the tract was immediately disputed by William E. White, who held title under purchase from The Dalles Military Road Co. White afterwards (Dec. 20, 1895) made cash entry No. 4130 for the tract and received patent therefor. (See case 126.)

THOS. B. NEUHAUSEN,
Special Agent, General Land Office.

I asked Mr. Herrick how he could defend the payment of $1,920 to Eugene Cushman under such circumstances. His sole reply was that Mr. Cushman was one of his clients. I then observed his dense ignorance of the Neuhausen report. The statement that the Herrick bill only contemplated the payment of the sum recommended by the special agent is a misrepresentation. The language of the bill admits of no such construction. In a great many cases Mr. Neuhausen made no recommendations at all. In the very case of Uriah Serviss, mentioned in Mr. Herrick's extension, no recommendation of payment was made. The act of Congress authorizing the investigation merely authorized him to ascertain the value of the lands at the date of ouster, the improvements placed on the land of party in possession, in case of purchase from the road company the amount paid by the settler to the road company. In some cases, however, he called attention to the spurious nature of the claim. Here is the language in the Herrick bill.

> Said sum to be paid in such amounts and to such persons, their heirs or legal representatives, as are *mentioned* in the report made by Special Agent Thomas B. Neuhausen. * * * The amount to be paid to each settler, his heirs or legal representatives, being the value of the land settled on by each, respectively, together with the value of the improvements erected by each, respectively, where such improvements were not sold or removed by the settler.

The statement in the extension of remarks that the Herrick bill—

> Then specified the sum as the amount recommended in the report of Special Agent Neuhausen—

is absolutely unfounded. That language is not in the bill. It is further intimated that there was some discretion vested in the Secretary as to what claimants should be paid. There is nothing in the language of the bill to justify such an interpretation. Grasping at straws to defend his abortive bill, he first contends that only payments recommended by Mr. Neuhausen were to be made, whereas in a great many meritorious cases Mr. Neuhausen made no recommendation, also in a number of indefensible cases no recommendations are made. Conscious of the untenableness of his position, he falls back on some discretionary power vested in the Secretary of the Interior, in no way expressed in the bill. Admitting, for the sake of the argument, that such an interpretation could be contorted from the language of the

bill, the very effort to so explain the bill on the floor of the House would arouse immediate objection to its consideration.

It must have been some such bill as this which was referred to in the letter to Mr. Herrick of March 4, 1907, which he inserts in the "extension of remarks" from which the following quotation was taken: "It seems to me you have nearly broken the record. The passage of this bill has been marvelous." For surely the passage of a bill so ambiguous, such a hodgepodge from Mr. Herrick's own viewpoint, would have been marvelous.

Bills should not be drawn so loosely even by an attorney who six years after his admission to the bar had a practice, according to his written statement, only "netting me more than $12,000 per annum" (vide file 21-310 at the end of these remarks). They should not be drawn by an attorney who, according to the exhibit excerpts in Monday's extension of remarks, is on the 17th day of January, 1907, proclaimed "the very best land lawyer in the United States," though 10 months thereafter, on the 29th day of November, 1907, 6 years after admission to the bar, with a $12,000 income, he is pleading his youth and inexperience to escape the suspension from practice recommended by the Commissioner of the General Land Office, the Assistant Attorney General of the United States, and approved by the Secretary of the Interior (vide file 21).

Now, let me call to your attention the legitimacy of some of these claims as found by the committee and see whether or not it is possible to secure the passage through this House of a bill containing claims of such doubtful character. In fact, had the Senate of the United States known what was contained in the Herrick bill, what vicious claims would have been paid under it, the bill would not have been introduced in the Senate and would never have passed the Senate. I say it was the duty of Mr. Herrick to notify the Oregon delegation in the Senate and in the House of the illegitimacy of a number of these claims. After I took my seat the Senate bill was passed. I endeavored to get a favorable report from the House committee upon this Herrick bill because I was not aware of the viciousness of a number of these claims, but as soon as I ascertained the character I told the chairman of the House committee about them and he immediately referred the Herrick bill to a subcommittee, and as a result thereof the Herrick bill was cast aside, together with its author, and a substitute bill was reported by Mr. YOUNG of North Dakota at the last session of Congress. This was not reached in time for consideration. That subcommittee bill I introduced at this session of Congress and it is now the law.

Let me call your attention to some of the claims condemned by the committee that the Herrick bills would have paid.

Claim No. 26, Harold L. Chenowith, listed at $1,600 on page 18. This was a homestead entry made in 1893, ouster occurred in 1900.

On page 57 Mr. Neuhausen, without making any recommendation for or against, states—

he appears to have resided for a short period on the land in a small cabin erected by him and to have built fencing worth about $50 at the date the company assumed possession

Claim No. 31, on page 19, is listed at $960. Mr. Neuhausen on page 19, referring generally to claims No. 1 to 43, states: "These are generally meritorious claims." However, no recommendation one way or the other is made concerning these claims, but as to this claim 31 on page 60 the affidavit concerning this claim, a homesteady entry made in 1893, ouster in 1900, shows that the entryman—

never established his residence on his homestead claim. He hauled some lumber onto the land a few months after making his filing with the object of building a house, but the house was never built. * * * Entryman never cultivated the tract.

The Herrick bill would have allowed this entryman $960.

Claim No. 39 is listed at $800. No recommendation one way or the other was made by Mr. Neuhausen as to this claim, which was a homestead entry. The affidavit on page 67 shows that entryman resided on the land three or four nights every six months, that he had 1 acre plowed. He was to receive a present of $820. His entry was in 1895, ouster in 1900.

Claim No. 75, Eugene Cushman, $1,920; no recommendation by Mr. Neuhausen. Page 96 of report shows he never resided on the land. This was a homestead entry. Entryman's right to the tract was disputed by another person, who secured entry and received patent.

Claim No. 78, George S. Donaldson, listed at $480 on page 21. On page 97 report shows residence on the land consisted in sleeping in a small cabin worth about $20 for a few nights; no improvements, no cultivation. Entry made in 1894, ouster in 1900.

Claim No. 136, Justis A. Dickerson, listed on page 26 at $1,600. On page 136 the report shows as follows:

CASE 136—JUSTUS A. DICKERSON, DECEASED.

[N. ½ sec. 3, T. 5 S., R. 17 E., Willamette meridian. No entry allowed.]

REPORT.—This entryman is dead and there are no known heirs. Various inquiries were made to determine his connection with this tract. The local land-office records show that he made application to purchase this half section on July 6, 1895. It further appears that he made soldier's homestead filing for the W. ½ SE. ¼ and E. ½ SW. ¼ sec. 34, T. 4 S., R. 17 E., Willamette meridian, on April 30, 1887 (homestead entry No. 2575); that he received final certificate No. 1042 on December 19, 1888, and patent on July 19, 1890.

By mistake this applicant built his homestead cabin on the N. ½ sec. 3, and evidently was under the impression that the land he was residing on was the tract covered by his homestead entry. When the error was discovered, John Donohue, now of Hood River, Oreg., on behalf of the heirs, made application under the act of September 29, 1890, for the N. ½ sec. 3.

There were no improvements except the homestead cabin, which should have been located on the adjoining section 34 (outside of the overlap).

THOS. B. NEUHAUSEN,
Special Agent, General Land Office.

And such claims would have been paid by the Herrick bill. One could go on and enumerate dozens of other such claims whose payment would be made if the bill has any application at all to the Neuhausen report.

Perhaps it is not surprising that a superficial or careless reading of the Neuhausen report would lead to the assumption that the valuation set opposite the names of the claimants between pages 18 and 30 was the amount found due or recommended for payment to the respective claimants, and also that wherever such valuation was omitted, as it was in some thirty-odd cases, no payment was recommended.

Such a bill could never receive consideration in the House of Representatives and was not entitled to receive consideration, and when it is discarded and another measure put through without the assistance of the promoter of such an abortive nugatory measure, the bungler who contracts to furnish prompt, careful, and diligent professional services, and who accomplishes nothing but delay and disappointment, is entitled to no reward.

It is contended in the extension of remarks that it is unconstitutional to limit fees. This question need not enter into this matter, for, conceding for the sake of the argument this position, every one of these claimants in the bill which is passed, in my opinion, could successfully set up the defense of malpractice, if such a term can be applied to attorneys' services. They can set up the defense of failure of consideration, negligence, inattention, and failure to perform as far as they are concerned, on Mr. Herrick's part, resulting in long years of delay to claimants whose claims were unquestioned. The drafting of a blanket bill making the good claims to stand or fall with unworthy claims was the grossest kind of professional neglect and inattention, which I do not think any jury in Christendom could countenance. As far as I am able to ascertain, the gentleman has contracts with the beneficiaries which if he can enforce will enable him to grab at least $5,000—how much more I don't know—from the beneficiaries, not on account of any cause and effect as far as he is concerned, but merely due to the coincidence of the possession of a contract and the passage of a bill in spite of his interference.

Gentlemen, the only object I have in this matter is to protect my people, these unfortunate settlers and claimants, from the extortions and the exactions that this man is trying to "pull off" on them. [Applause.] These men are getting little enough I wish they could receive more. Many of their sums are cut down from the amount which Mr. Neuhausen found to be the value of their land and improvements. The committee decided to place a maximum of allowance at $2,000; in other words, no one was to be allowed more than $2,000. Yet it is insinuated in the extension of remarks that the amount allowed Uriah Serviss was cut down because he was not a resident of Oregon. I wonder if the gentleman from South Dakota [Mr. JOHNSON], who states that he has made a thorough investigation of this matter, stands sponsor for this contemptible insinuation:

Possibly the fact that Uriah Serviss has for a number of years lived in the State of California and not in Oregon may account for the lack of interest in his claim and the allowance to him of a totally inadequate sum.

There were 11 persons given relief in my bill the value of whose holdings, as found by Mr. Neuhausen, ranged from $2,631 to $3,840. Uriah Serviss was listed at $4,000. Every one of these persons or their heirs, with the exception of Uriah Serviss, are residents of the State of Oregon. One man lives in my own home town. Most of the others are my warm personal friends. The committee saw fit to put a limit of $2,000 as the highest allowance. Ten men from the State of Oregon suffered by this limitation; one man, or his heirs, lives in the

State of California. Is there any justification for such aspersion? If the gentleman, in pursuit of his "thorough investigation," had consulted his friend Mr. YOUNG, of the neighboring State of North Dakota, who reported this bill at both sessions of Congress, he could have secured information, if he was seeking it, that would have saved him from standing sponsor for such misrepresentations and innuendo.

I desire to show up the cunning and craftiness of this man. I have not seen him since the last session of Congress. The Sherman County substitute bill was reported February 24, 1915. I did not see him for a long time prior to that date, nor have I seen him since, nor has Mr. YOUNG of North Dakota, who reported both bills, yet let me cite the letter he sent out to some of those who had contracts with him, as soon as the bill passed the House at this session. See how this letter is cunningly calculated with artful naïvete to convey the impression "I did it."

JUNE 10, 1916.

GEORGE MEADER, Esq.,
Wasco Oreg.

DEAR SIR: I am pleased to advise that the House of Representatives has finally passed the Sherman County bill, containing the appropriation for you. I shall now follow this up before the Senate committee in efforts to get favorable action there and keep you advised. Of course, it will be my efforts to have the bill amended so as to cover the claims of those which were left out by the House. But if I possibly fail in that, I will endeavor to urge this bill through to passage with the hope that at a subsequent Congress relief can be secured for the other claimants.

Congratulating you on the success thus far, I am,
Yours, very truly,

SAMUEL HERRICK.

Note the assumed tone of vigilance and activity. "I shall now follow this up before the Senate committee."

Is it suggestive of the military dispatch and expedition of Gen. Grant, "I propose to move immediately upon your works," or is it rather suggestive of the gentleman's assumption and brass, "Sonorous metal blowing bragging sounds"?

"I shall now follow this up before the Senate committee."

What hypocrisy in intended implication? He did not appear before the House committee at this session of Congress. Nor did he appear before the House committee since I took my seat March 4, 1913.

Here is another letter from Mr. Herrick written with affected ingenuousness in February, 1915, in which he recommends the passage of the bill which he reprobates so severely in the extension of his remarks.

FEBRUARY 26, 1915.

C. W. BARZEE, Esq.,
Portland, Oreg.

DEAR SIR: Am pleased to advise that House Committee on the Public Lands has finally reported out the Sherman County bill. Unfortunately it cuts down some of the claims and rejects a large number of others, but as I previously wrote you it seems to me it will pay to secure passage of the bill in its present form and then go after the rejected claims in a subsequent Congress. You also observe that it cuts down my compensation to five per cent, and while I regard this as unjust in view of the work I have done in the past six or seven years, I am willing to accept it rather than endanger its passage at this session. I have always had faith in the justness of these claims, so that I would rather lose three-fourths of my fees than that the claims should fail.

Inclosed I hand you a copy of the bill as reported out and shall endeavor to send you a full copy of the report, though same is rather bulky. Awaiting your advice, I am,
Very truly, yours,

SAMUEL HERRICK.

He had nothing to do with securing this report. Such letters were calculated to impress claimants with the idea that it was his accomplishment, that he was "on the job." The seeming generous and magnanimous renunciation of three-fourths of his alleged fees was intended to impress claimants with his soulful interest and activity in their behalf.

There are many reputable conscientious attorneys in the city of Washington who render valuable and efficient aid in connection with the consideration of bills before committees. But on the other hand the city of Washington is infested with a number of legal leaches and avaricious attorneys who secure contracts and barnacle themselves onto bills, and especially claim and Indian bills, with everything to gain and nothing to lose, who make the most extravagant claims about their influence and efforts, and who have practically nothing to do with the passage of bills, whose efforts consist almost solely in artificial manifestations of feverish activity, such as writing to Members, writing to parties interested, "keeping them advised," and telling them to prod up their Congressman, writing about committee meetings, giving notice of the reports of bills. This is about all they ever do. When they have such a matter as the Sherman County subject, with a 230-page report to wade through and analyze, they are unwilling to undergo such tedious labor, but are willing to fatten and profit on the labors of others. It is time the general public should be apprised of this situation.

Mr. Herrick refers to his conference with the Oregon Senators with a view of securing amendments and to urge the unconstitutionality of the limits on attorneys' fees. Senators LANE and CHAMBERLAIN and myself consulted about the matter of Senate amendments. We determined that it was unwise to offer Senate amendments late in the session with everyone anxious for adjournment. Such amendments would send the bill back to the House, perhaps to pigeonhole it indefinitely, particularly so for the reason that both Mr. YOUNG of North Dakota, of the Claims Committee, and Mr. MANN advised against Senate amendments. We deemed it best to secure further relief, if possible, by the introduction of a bill at another session.

Mr. Herrick's contracts with the claimants calls for payment within 30 days after the claimants received their warrants. He is writing to the various beneficiaries seeking a power of attorney to receive and transmit their warrants. He states in his letter that he does not ask any authority to indorse the warrants. If he obtains possession of any of these warrants he will no doubt send them to the claimants in care of some bank with a sight draft attached, or with an order to the bank to turn the draft over to the payee on payment of his unearned fees. I have felt it my duty to inform the beneficiaries of the facts concerning Mr. Herrick's connection with the Sherman County relief bill. I have not all of their addresses. If, after knowing the facts, they see fit to reward him it certainly is no concern of mine. In his extension of remarks he quotes from letters of beneficiaries commending him on his success. Whatever information these persons have received, they have received it from Mr. Herrick, and it is safe to say he has been affected with no undue modesty in transmitting such information. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Oregon has again expired.

Mr. SINNOTT. I ask unanimous consent, Mr. Speaker, that I may extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the gentleman's request?

There was no objection.

Mr. SINNOTT. I herewith add a letter from JAMES R. MANN, the Republican floor leader:

UNITED STATES HOUSE OF REPRESENTATIVES,
OFFICE OF REPUBLICAN LEADER, CAPITOL BUILDING,
Washington, D. C., September 6, 1916.

Hon. NICHOLAS J. SINNOTT,
House of Representatives.

MY DEAR SINNOTT: I see by the RECORD that some attorney is claiming some credit for the passage of the Sherman County settlers' claim bill.

You are the one who is entitled to the full credit for the passage of this bill. No one had ever made serious progress in the House with these claims until you came in. The Senate had, prior to your coming in a former Congress passed a bill on the subject which was so filled with glaring mistakes that it never had any chance in the House. I remember when you discussed these claims with me in your first term, and I went over the matter very carefully with you and finally said to you that if you would go through the claims yourself and cut out those to which I and others made objections and take charge of the matter yourself that we would aid in the passage of the bill. This you did. And though the bill was a very long one and had many claims in it, and it is unusual to pass such bills by unanimous consent, your bill finally went through because of the conscientious work you had done upon it.

Any attorney that may have been mixed up in the matter only prevented the passage of the bill in a previous Congress. He certainly did nothing toward helping to pass the bill in this Congress. Again I say, you are the man who did the work and are entitled to the credit.

Yours, very sincerely,

JAMES R. MANN.

I herewith add certain letters and records referred to in my remarks from file No. 21:

UNITED STATES OF AMERICA.

DEPARTMENT OF THE INTERIOR,
Washington, D. C., September 6, 1916.

Pursuant to section 882 of the Revised Statutes, I hereby certify that the annexed are certified copies of papers in the case of Samuel Herrick in file No. 21-310 of this department.

In testimony whereof I have hereunto subscribed my name and caused the seal of the Department of the Interior to be affixed, the day and year first above written.

[SEAL.]

BO SWEENEY,
Assistant Secretary of the Interior.

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DEPARTMENT OF THE INTERIOR,
Washington, October 16, 1907.

SAMUEL HERRICK,
Ouray Building, Washington, D. C.

Recommendation for his suspension, by the Commissioner of the General Land Office, with papers in the case.

OCTOBER 17, 1907.

Respectfully submitted to the Assistant Attorney General for recommendation.

J. W. HOLCOMBE,
Chief of Appointment Division.

ASSISTANT ATTORNEY GENERAL'S OFFICE,
November 23, 1907.

The SECRETARY OF THE INTERIOR.

SIR: Upon consideration of the record made in this proceeding, and especially the recommendation of the Commissioner of the General Land Office herein, October 16, 1907, that Samuel Herrick, of Washington, D. C., be suspended from practice before this department and its bureaus for the period of 60 days for unprofessional conduct in the distribution of advertising matter offensive to the General Land Office, and calculated to mislead and unfairly influence prospective clients, I have to advise that said recommendation be approved by you and that an order of suspension be at once issued.

G. W. WOODRUFF,
Assistant Attorney General.

Approved: November 23, 1907.
JAMES RUDOLPH GARFIELD,
Secretary.

DEPARTMENT OF THE INTERIOR,
GENERAL LAND OFFICE,
Washington, D. C., October 16, 1907.

Honorable SECRETARY OF THE INTERIOR:

SIR: The records of this office show that Mr. Samuel Herrick, attorney of this city, was admitted to practice, as attorney, before your department and its bureaus during the year 1901.

My attention having been called to the fact that facsimile copies of a personal letter addressed to Mr Patrick H. Loughran, prepared on an official letterhead of your department and of this office, signed by the chief, the examiners of mineral claims and contests, and the clerks of the Mineral Division, were being circulated as advertising matter by Mr. Loughran and the firm of Herrick & Herrick, on the 24th of September I addressed a communication to Mr. Loughran directing that he answer on October 7 to the charge of unprofessional conduct with respect thereto, and subsequently, my attention having been called to what I regarded as equally unprofessional conduct on the part of Mr. Samuel Herrick in connection with the printing and distribution of the copies of the aforesaid letter, I verbally informed Mr. Herrick of my intention of serving him a formal notice to respond to charges, and as he indicated a willingness that his case be consolidated and heard along with that of Mr. Loughran without the formality of notice on October 4 I addressed to him the following communication:

"In view of your conversation with me some days ago in reference to the citation of September 24, 1907, to Mr. Patrick H. Loughran, I wish to advise you that I have notified Mr. Loughran that I will hear the matter covered by my letter of the above date on Saturday afternoon, October 5, 1907, at 3 o'clock p. m., in my office in the General Land Office.

"If it is your pleasure that citation be waived in your case and you submit to a hearing at the same time covering your connection with the matter set out in the letter to Mr. Loughran, it will be agreeable to me to take the matter up concerning both yourself and Mr. Loughran at that time."

On Saturday the 5th Mr. Herrick appeared, waived service of notice and specification of charges, and was heard in his own behalf as well as in connection with Mr. Loughran's case.

By letter of even date herewith I have forwarded to your department my report and recommendations in the case of Mr. Loughran, a copy of which I inclose herewith for a more specific statement of the case herein against Mr. Herrick. I find that Mr. Herrick associated himself on June 21, 1907, with Mr. Patrick H. Loughran, then a clerk in this office, for the practice of mining law, and that conjointly with Mr. Loughran during the month of July, 1907, had printed or lithographed a letter, personal in character, addressed to Mr. Loughran, while a clerk in the Mineral Division of this office, by his associates and fellow employees and widely distributed as advertising matter copies thereof in conjunction with the business of Herrick & Herrick, and that in certain cards and other advertising matter sent out by Mr. Loughran and the firm of Herrick & Herrick Mr. Loughran was represented in the one instance as "More recently examiner of mining claims and contests in the Mineral Division of the General Land Office" and in the other as "Recently examiner of mining claims and contests," whereas in fact Mr. Loughran had never held the position of examiner of mineral claims and contests in the General Land Office, which fact Mr Herrick well knew. I further find that Mr. Herrick aided and assisted in the printing or lithographing of the letter, and in the distribution and circulation of copies thereof, knowing that the letter was given to his associate, Mr. Loughran, as an expression of friendly and personal esteem, and that the signers thereof did not intend that the letter should be used for advertising purposes by him, but for use only by Mr. Loughran in personal presentation. He assented to, if he did not actually participate in, the distribution of copies of the letter after he was informed that emphatic objection had been made to such use of the letter by one of the signers. He must have known that the printing or lithographing of the letter and the circulation of copies thereof advertising his and Mr. Loughran's business was a violation and betrayal of the confidence reposed in Mr. Laughran by his former friends and associates. The records of this office further show that this is not the first time Mr. Herrick has been called to respond to charges affecting his standing as an attorney, and I personally warned him a short time since, and the record herein will disclose that I called his attention thereto in the hearing in this case, that I would not longer tolerate his methods of procuring business before this office, and only desisted from recommending action by your department upon his solemn assurance that he would not continue such improper practices. While the extreme action of disbarment might be taken against him, yet in view of the fact that he is a young man, and considering the serious effect that disbarment would have upon his future prospects and would also affect his associates in business, I am unwilling to recommend that that step be taken at this time, but am convinced that his conduct in these particular cases fully demonstrates the necessity of his understanding that he can not continue before your department and its bureaus unprofessional practices.

I, therefore, recommend that he be suspended from practice before your department and its bureaus for a period of 60 days and until such time thereafter as this office is put in possession of the original letter and he has satisfied this office that the lithographs or prints, plates or forms, if any, in his possession or in the possession of his associates, as well as all copies of the letter in his possession or in the possession of his associates, or in any manner under his control, have been destroyed and that satisfactory evidence is submitted showing that he has addressed a letter to all the addressees of the circular letter hereinbefore referred to advising them that the printing and the circulation and distribution of the letter were without the authority or the knowledge or the consent of the parties signing the letter and met with the disapproval of the Commissioner of the General Land Office.

Very respectfully,

R. A. BALLINGER, *Commissioner.*

A. Copy of letter of October 4.
B. Transcript of testimony at hearing.
C. Letter from Chief of Field Division Glavis, containing copy of letter, card, and other advertising matter.
D. Copy of report and recommendation in Laughron case.

APRIL 19, 1907.

Mr. SAMUEL HERRICK,
Attorney at Law, Washington, D. C.

SIR: Pursuant to charges set forth in letter "P" of February 11, 1907, wherein it was stated, in substance, that you were charged with fraudulent conduct and a violation of the regulations governing the practice of attorneys before the Department of the Interior in the matter of securing certain contracts with one McLean, and others, and, in pursuance of your answer to said charges herein filed, under date of March 26, 1907, and, in further pursuance of the hearing thereon had before me and the honorable assistant commissioner on the 17th day of April, 1907, I have to inform you that to the extent of a technical violation of rule 9 of said regulations you were found to be guilty of speculating in relinquishments, and I so hold, but, in view of the circumstances fully presented and considered on said hearing, I am of the opinion that I am not warranted in either disbarring or suspending you from practice, in which the honorable assistant commissioner concurs.

It is to be understood, however, that this is not to be taken as, in any sense, a sanction of any violation of the regulations affecting the practice of attorneys before the Interior Department, but, on the contrary, such regulations will be rigidly adhered to.

Respectfully,

R. A. BALLINGER, *Commissioner.*

MESSRS. OGDEN & SLATER,
Thomas, Okla.

GENTLEMEN: By decision of the 20th instant the Commissioner of the General Land Office held Mr. Ogden's entry for cancellation, on the contest of Elva V. Seward. In our opinion, an appeal from this decision to the Secretary of the Interior ought to be taken on your behalf, and we should be glad to prosecute such appeal as your Washington counsel. Of course, we have no desire to interfere in any way with your local counsel (if any you have), but our long experience has thoroughly convinced us that every land claimant should have Washington counsel, who can personally present their case to the officials of the Interior Department, and who have therefore much better chances of success than have attorneys far remote from the National Capital. As to our ability, etc., we can refer to Messrs. A. N. Byers, of Harrison, Okla.; J. T. Martin, of Ponca, Okla.; E. C. Ballew, of El Reno, Okla.; C. C. Cleveland, of Leesville, La.; W. A. Wiegand, of Great Falls, Mont.; Delmer D. Imus, and Jacob I. Wood, of Kalama, Wash.; Richard De Haven, of Antelope, Oreg.; Clifford Hales, of Rugby; R. C. Butts, of Bowdon; J. V. Law, of Voltaire—all in North Dakota; Bernard Cole, of Wagner; Frank Thompson, of Armour; Dr. R. C. Kelsey, of White Rock—all in South Dakota—and others; all of whose cases we have recently won before the Secretary, reversing the commissioner in each; also, to many clients and attorneys in your own territory, including Jesse J. Dunn, Esq., of Alva, the president of the Oklahoma Bar Association, and to our cousin, Hon. Myron T. Herrick, of Cleveland, Ohio, the nominee for governor of that State.

Having for years made a specialty of public-land practice, particularly of homestead contests, we believe we can render you valuable services in an endeavor to have the commissioner's decision reversed, the entry sustained, and the contest dismissed. We would prepare and file the appeal, together with brief in support thereof, and in addition would orally argue the case before the Secretary's legal advisers, if necessary, for a retainer of $25 and a further fee of $75, the latter to be paid only in the event we succeed in securing favorable decision from the Secretary.

If these terms are satisfactory, kindly let us hear from you at an early date, in order that we may immediately commence efforts to save your homestead. Meantime we remain,

Very truly yours,

HERRICK & HERRICK.

MEMORANDA IN RE SAMUEL HERRICK, ATTORNEY.

October 28, 1903, Mr. E. G. Spillman, attorney of Kingfisher, Okla., addressed this office a communication complaining of the practices of Messrs. Herrick & Herrick, and inclosed a letter from this firm to Messrs. Ogden & Slater, of Thomas, Okla. (copy of letter attached). I find no press copy of notice of citation to Herrick & Herrick, but on the attorney's docket appears this undated memorandum:

"Herrick & Herrick, attorneys, Washington, charges by E. G. Spillman, Eureka, Cal. Charges for disbarment. Parties summoned before this office and exonerated."

In a letter addressed to Mr. E. G. Spillman, of Kingfisher, Okla., he is informed that Herrick & Herrick were summoned before this office to answer to the charges preferred by him and that—

"Mr. Herrick earnestly disclaimed any intentional violation of the rules of the office in any unprofessional action as to the rights or interest of other attorneys. He expressed regret for having used words calculated to create a wrong impression as to his methods."

Mr. Spillman's attention was further called to the fact that Herrick & Herrick were very young men and "not so well and full advised on the questions of professional duties and responsibilities as are older and more experienced members of the profession."

March 14, 1905, Mr. Samuel Herrick was advised by letter "A" of the receipt of a communication from the local land office at Chamberlain, S. Dak., transmitting affidavits affecting his actions while judge of election of the town of Herrick, S. Dak. Mr. Herrick was advised that "the papers were transmitted for the consideration of this office, but before taking any action you are requested within a reasonable time to file in this office such statements touching the matter as you may deem proper."

Charges were dismissed in letter "A" to the register and receiver at Chamberlain, S. Dak., March 28, 1905.

December 10, 1906, this office advised Mr. Herrick in substance that G. W. Searcey of Fort Cobb, Okla., had complained that after

his case pending before this office had been decided, Mr. Herrick notified him of the decision although he had not been retained as counsel. Furthermore, Mr. Herrick had advised Searcey that he had secured a favorable decision from this office for him and demanded security for an agreed contingent fee of $100. The records further show that Mr. Herrick had filed appearance for Searcey in this office and had been notified of office action by reason of such appearance. In closing this case January 7, 1907, it was said—

"It is clear from your answer and the statements made by Mr. Searcey that you did file your appearance and demand payment of fees from Mr. Searcey without being employed by him and without rendering any important services in his case. Your sworn statement that you honestly believed that you had been employed which were believed to be based on certain correspondence, and Mr. Searcey's request that no further action be taken, induced this office to dismiss the matter and close the case."

December 15, 1906, Mr. Samuel Herrick was advised that J. E. Kelley, attorney, of McCook, Nebr., by letter of December 11, 1906, complained of his action in writing certain letters to Mr. Kelley's clients, which letters he transmitted, and Mr. Herrick was advised from this office—

"This office is not favorably impressed with these methods of practice, they being not in accordance with the practices of reputable attorneys before the courts and this department. Within 10 days you are expected to explain, in writing, the matters herein complained of.

—

DEPARTMENT OF THE INTERIOR,
GENERAL LAND OFFICE,
Washington, D. C., September 7, 1904.

SAMUEL HERRICK, Esq.,
Attorney at Law, Washington, D. C.

SIR: On May 4, 1904, you addressed and mailed to Stanislaw Czierniejeski, of Crivitz, Wis., a letter in which you used the following language:

"Noting that you have a homestead contest pending in the General Land Office with James W. Henderson, we write to suggest that we should be very glad to represent you therein as your Washington counsel. Of course we have not the slightest intention or desire to interfere with your local counsel, if any you have, but our long experience has firmly convinced us that every land claimant should be supplied with Washington lawyers. As to our ability, etc., we refer you to our cousin, Hon. Myron T. Herrick, Governor of Ohio; to the parties on inclosed list, all of whose cases (among others) we have recently won before the Secretary, reversing the commissioner in each, within the last 16 months; also to many clients and attorneys in your own State.

"Having for years made a specialty of land practice, particularly of homestead cases, I believe I can render valuable services in an endeavor to have the case finally decided in your favor. We would enter appearance on your behalf, prepare and file brief before the commissioner, and in addition before the Secretary if the case were appealed, for a retainer of $25, and a further fee of $50, the latter to be paid only in the event we succeed in securing favorable decision from the department.

"If these terms are satisfactory, kindly let us hear from you at an early date, in order that we can immediately commence work to win you this land. Meantime we remain."

With this letter you inclosed a list, giving the names and post-office addresses of a number of persons, "all of whose cases (among others)" you say you "have recently won before the Secretary, reversing the commissioner in each, within the last 16 months."

Among the names on this list I find those of B. W. Sharborough, Claus W. Anderson, Jesse J. Murphy, Hon. J. P. McCumber, Hon. F. H. Register, and A. B. Huntley, who, after careful search both of the records of this office and of the department, do not appear to have been parties to any appeal prosecuted to the Secretary.

Your letter warrants the conclusion that all of the decisions of this office, to which you refer, were erroneous and unwarranted by the facts before it, and were reversed for that reason when, in fact, some of them were not "reversed," but were only modified on the showing of supplemental facts presented in the first instance to the department and not submitted for the consideration of the office prior to its decision.

John D. Rivers, one of the persons you mention, was a contestant in a case against Patrick J. Gerin, but the record fails to show that you appeared as attorney for Rivers.

You are hereby requested to make such explanation in justification of your said letter as you may care to submit, in order that this office may be fully advised before it takes further action in the matter.

Very respectfully,

J. H. FIMPLE,
Acting Commissioner.

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DEPARTMENT OF THE INTERIOR,
BUREAU OF PENSIONS,
Washington, D. C., November 27, 1907.

THE SECRETARY OF THE INTERIOR.

MR. SECRETARY: In accordance with request received this morning by telephone, I return herewith orders of November 23, 1907, directing the suspension from practice as attorneys before the department and bureaus thereof for 60 days from that date of Samuel Herrick and Patrick H. Loughran, of Washington, D. C.

Very respectfully,

V. WARNER,
Commissioner.

—

NOVEMBER 29, 1907.

REASONS WHY SAMUEL HERRICK SHOULD NOT BE SUSPENDED FROM PRACTICE BECAUSE OF THE TESTIMONIAL LETTER TO PATRICK H. LOUGHRAN.

I. Samuel Herrick did not advise such circularization, but strenuously objected to it, and was only induced by Loughran to permit it under protest.

II. I was much younger than Loughran, both in years, in the practice of law, and with respect to the Interior Department. I had never been in the Interior Department, whereas Loughran had for years served satisfactorily as a special agent, and as a clerk in several divisions of the General Land Office. For these reasons I relied upon and trusted to Loughran's advice.

III. The entire circularization was under the exclusive control of Mr. Loughran, the names and addresses of the recipients being unknown to me. I only yielded a reluctant permission upon Loughran's threat to withdraw from the association before it had fairly commenced, if this plan of advertising was not adopted. My opposition was not owing to the slightest doubt of the propriety of the letter, but to the expense of circularization.

IV. The letter was suggested by Mr. Heitman, then principal examiner of mineral claims and contests, and now Chief of the Mineral Division in the General Land Office, who prepared the original draft and approved the letter as completed and delivered to Mr. Loughran. The letter was not either suggested or requested by Mr. Loughran, and of course not by Mr. Herrick.

V. The writing of the letter upon the General Land Office heading, and the addition of the words "Board of Law Review, by E. C. Finney" were due entirely to the clerks, and not directly or indirectly due to either Loughran or Herrick.

VI. There is nothing in the phraseology of the letter indicating that Mr. Loughran or I possessed the slightest influence over the minds of the signers, or others in the General Land Office. On the contrary, it expressly refers to a "severance" of Mr. Loughran's personal and official relations with them. Such phraseology could not mislead mining attorneys, mining brokers, and mining operators—a body of men noted for their intelligence and shrewdness.

VII. The letter was tendered Mr. Loughran, accompanied by the oral expressions of those who signed it, that he should use it in the West by presenting it to mining attorneys and mining operators, to the end that he might gain their confidence and secure business from them.

VIII. The only use to which the letter has been put is the use for which it was intended and given. The method of distribution was the same for which the testimonial was given and intended, with the slight variation that the mails were in part substituted for the personal handing of the testimonial. The principle of both was the same.

IX. Many of the clerks who signed and delivered the testimonial as aforesaid, for the purpose aforesaid, were old and experienced in the General Land Office, all of them being the senior of Herrick, and the majority of them the senior of Loughran. In the case of three or more of those holding principal positions in the mineral division their seniority over Herrick ranged from 30 to 40 years. He had therefore every right to believe there was nothing in the letter calculated to deceive or mislead, and he so believed.

X. As manifesting the good faith in which the latter was used, it was not circulated covertly, but openly, and sent to 70 per cent of the Special Service Corps with whom Mr. Loughran was personally acquainted. Had there been any intention to mislead or deceive, the letter would not have been mailed to those very officials of the Interior Department whose duty it is to ferret out deception in reference to public lands.

XI. No business, of whatsoever character, has been obtained by Loughran or Herrick through the use of this letter. Every mining case which has been obtained since Mr. Loughran started West was from persons whom he personally interviewed in the West. Therefore the conclusion is irresistible that no one has been misled or deceived by the testimonial or its distribution.

XII. The reason we used this testimonial was not to deceive or mislead. It was to meet and correct an impression existing in certain parts of the West and South that Mr. Loughran was blamable in accordance with certain charges made against him while a special agent of the Interior Department. These charges were investigated by Commissioner Ballinger, found groundless, and dismissed. It was only natural and proper that in commencing the practice of law both Herrick and Loughran should desire the erroneous impression aforesaid entirely removed.

XIII. For years it has been the practice of those severing connection with the Interior Department and embarking upon the practice of law to advertise their said connection as reason why they are especially qualified to conduct cases before the department. Never before has criticism been made, to our knowledge, of any means employed by such persons, though within the last three months one high in the confidence of Secretaries Smith, Francis, Bliss and Hitchcock had circulated a letter, using by permission the names of all four said ex-Secretaries, and submitting the letter to Secretary Hitchcock before it was mailed. Mr. Herrick and Mr. Loughran had full knowledge of this, the former from the lips of Judge Parker himself, and had he possessed the slightest doubt of the propriety of the circularization of the Loughran testimonial such doubt would have been resolved favorably to its use by his knowledge of Secretary Hitchcock's approval aforesaid, by his high personal and professional opinion of Judge Parker, and by the fact that Judge Parker has your confidence and has been made your private secretary. This reference to the Parker letter is made not in a spirit of disapproval thereof, but merely for the purpose of establishing a precedent supportative of the action taken by myself and Mr. Loughran. A copy of it is submitted as an exhibit hereto. In addition there are submitted other letters from other attorneys who have left the department and advertised their connection therewith as a reason for their acquirement of land practice. Two of these were merely stenographers in your department, yet so far as can be learned there has been no official criticism of or charge against them.

XIV. Criticism was made at the hearing because Mr. Herrick had not first submitted the propriety of such advertising to the honorable commissioner. In reply I call attention to the fact that only a few months previously I had submitted to the honorable assistant commissioner another form of advertising, and especially requested that he take up with the honorable commissioner the question of its propriety. This he promised to do, but after repeated inquiries, and after the matter had lain before him for a month or more, I was unable to get any action. I inclose herewith the original envelope which the assistant commissioner handed to me in returning the aforesaid advertising matter without action or affirmative expression of approval or disapproval of it. I use this not in any spirit of criticism of the said honorable assistant commissioner, as I know full well how onerous were his duties immediately after assuming office, but because his failure to act in that case led me to believe that it would have been useless to submit the Loughran testimonial had I had the slightest doubt of the propriety of the letter. This I did not have.

XV. In the advertisement of this letter, and in Mr. Loughran's expenses in the West, a large amount of money was expended. Less than one-sixth of that amount has been received by us as fees in any mineral case or matter. The advertisement was a failure from the standpoint of securing mineral business. That fact alone shows that persons in the West were not misled or deceived. I hereby express my entire willingness to turn into the conscience fund of the Treasury, or to pay into your department, if any law can be found warranting it, every cent of money received by Loughran and myself as fees in mining business. I also tender my dockets, books, correspondence and

office files of every sort or nature to an examination by any representative of your office as supporting the above averments.

XVI. As another precedent for our action aforesaid, I refer you to the law book known as the "Mineral Digest," copies of which are in the official library of your office, and copies of which may be found through the West. This work was prepared and edited by "Horace F. Clark, land and mining attorney, Washington, D. C.; C. C. Heltman, assistant chief, Mineral Division, General Land Office; Charles F. Consaul, examiner of mining claims and contests, General Land Office." The work was largely prepared from the office files of the General Land Office, and largely within the confines of the Interior Department Building, though whether within office hours or not, I have no positive information. Clark's name as a mining attorney, employed with the names of his coauthors and their official positions, gave and give a quasi-official approval to the work, with a resulting favorable advertisement of the practice of Horace F. Clark. Whether entirely from this or not, the fact remains that he has to-day and for several years has had, a larger individual percentage of mining cases before the General Land Office and your office than any other attorney. Moreover, Mr. Heltman did on the day of our hearing in this case acknowledge that he still retains a proprietary interest in the book, and has received royalties from sales thereof within a year. Furthermore, Mr. Clark, the coauthor with Mr. Heltman, has within a year stated an intention of publishing a new edition.

XVII. The aforesaid Mr. Heltman has within the past three months been promoted by you to be Chief of the Mineral Division of the General Land Office, and I presume that the contemplated new edition will bear his present official designation.

XVIII. I never learned that any criticisms of or charge against Mr. Heltman for his aforesaid action had been made, except his admission at the hearing that one of the ex-Secretaries had reprimanded him, but Mr. Clark was for his action never disbarred or suspended for one instant before your department, and the said alleged reprimand did not have the effect of withdrawing the book from circularization or ending the advertisement of Mr Clark's business, or influence Mr. Heltman to withdraw his pecuniary interest therein.

XIX. Your action under consideration would be a total departure from action of previous Secretaries with regard to professional advertising. It is, I submit with all respect, unjust to place upon me the burden of this change of ruling, when other attorneys equally or more blamable are exempt from punishment.

XX. No precedent for suspension from practice upon such a ground as the charge against me can be found in the records of any department of the Government, nor has it been possible after the closest scrutiny of the reports of the courts of the various States to find any case even analogous to it. The law force in the General Land Office, when directed by the honorable commissioner to examine the precedents, were unable to develop even a remotely analogous case, and rested their judgment against us upon the decision in the Colorado courts, disbarring an attorney who in his cards stated an ability to secure divorces "quietly and without publicity."

XXI. Although suspension from practice is not disbarment, it is confused with that in the public mind. The result would be the loss of a practice netting me more than $12,000 per annum, which I have built up by constant, hard, and laborious work of years; it would result in my loss of professional business and social standing. It would practically debar me from election to any public office. It would stand as a perpetual stigma against my name and a blot upon my family record. Further than this, it would seriously affect, if not destroy, the patent law practice of Herrick, Herrick & Kent; also the Post Office Department practice of Herrick & Christensen. R. Peale Herrick (my brother), Frank J. Kent, and Andrew Christensen are wholly and absolutely blameless; they are all young men struggling ahead in the world. Under such circumstances the punishment which you propose to inflict would be disproportionate, unjust, and even cruel.

XXII. Although I am conscious of no wrongdoing, I hereby express my willingness to apologize to the honorable commissioner, the honorable assistant commissioner, and every signer of the testimonial for my use of it; to pay into the Treasury as aforesaid every cent of money received thus far from the mining practice secured by Mr. Loughran, and to execute any further repudiation of our action in this matter that to you may deem due and fit. Since that would amount to a loss of all the practice received through the advertising, and would, in addition, involve humiliation on my part, I submit that would be punishment enough. At the same time, I reiterate my firm and honest belief that neither I nor Mr. Loughran has been guilty of the least wrongdoing. Call it lack of judgment if you will, call it bad taste, or injudicious, but I can not perceive wherein it is wrong. Yet if it results in my suspension from practice, even for the slightest period of time, it will result in my being classed in the public's estimation with attorneys whose integrity has been impeached, and the thieves and blacklegs who are disbarred from practice before the courts, and would result in irreparable injury to a large amount of business which I am now conducting before the department, and which in due course should be determined within the next 60 days. This includes not only the representation of railroad, mining, electric power, irrigation, and other corporations, but likewise and more especially numerous individual clients, poor homesteaders on the public domain, and others whom I am called upon to represent.

While this memorandum is prepared primarily for the purpose of securing a change of your judgment in so far as it affects me, and while Mr. Loughran has written Mr Woodruff that he has no further statement to make, yet I respectfully submit that he likewise should not be punished by any suspension. Many of the arguments above advanced as to myself apply to him likewise.

With entire confidence that you will, with this new data before you, reconsider thoroughly the whole subject and change your conclusion therein, I respectfully submit this memorandum.

Very respectfully,

SAMUEL HERRICK.

WASHINGTON, D. C., *February 21, 1907.*

MR. JOHN D. RIVERS,
Chamberlain, S. Dak.

MY DEAR SIR: After several years' experience in the Interior Department as a principal examiner of land claims and contests in the General Land Office, an assistant attorney in the office of the Assistant Attorney General and chief of the Lands and Railroads Division in the office of the Secretary of the Interior, I have decided to sever my connection with the department about April 8 to open a law office in Washington and resume the practice of my profession.

I shall give special attention to matters arising under the public land laws, both agricultural and mineral; the several right-of-way acts; the national reclamation act; and to practice before the Supreme Court and the various executive departments.

I refer you by permission to Hon. E. A. Hitchcock, Secretary of the Interior, and to the following ex-Secretaries of the Interior: Hon. Cornelius N. Bliss, New York City; Hon. David R. Francis, St. Louis, Mo.; Hon. Hoke Smith, Atlanta, Ga.

Very respectfully,

JAMES I. PARKER,
221 Florida Avenue NW.

[Paul E. Sleman, attorney and counselor at law, 515 Colorado Building.]

WASHINGTON, D. C., *October 25, 1906.*

J. D. RIVERS, Esq.,
Attorney at Law, Chamberlain, S. Dak.

DEAR SIR: The writer has recently severed an official connection with the Secretary's office of the Department of the Interior of several years' duration in order to enter upon active practice in this city.

As you will readily appreciate, my experience of several years in the Secretary's office enabled me to thoroughly familiarize myself with the practice before the Interior Department and especially fitted me to intelligently represent any interests before that department in land, mining, irrigation, and Indian matters.

If in connection with any business you may have before the Interior or other departments of the Government in Washington, you desire the intelligent assistance of Washington counsel, I shall be very glad to hear from you.

Very truly, yours,

PAUL E. SLEMAN.

[Harry F. Lerch, attorney and counselor at law, 1320 F Street NW.]

WASHINGTON, D. C., *May 25, 1906.*

JNO. G. RIVERS, Esq.,
Attorney at Law, Chamberlain, S. Dak.

DEAR SIR: In connection with your cases before the General Land Office and the Department of the Interior I beg to say that I have just resigned from a position in the office of the Secretary of the Interior to enter upon the practice of law before the executive departments and the courts of this jurisdiction.

My peculiar experience in the handling of land and mineral cases qualifies me for the prosecution of all appeals in the Interior Department as well as any matters concerning the public lands and Indian rights and contests.

If you desire able Washington counsel in any matters requiring prompt and careful attention in the departments, in the courts, and in patent and copyright matters, I shall be pleased to hear from you.

Very truly, yours,

HARRY F. LERCH.

[Woodford D. Harlan, attorney at law, 1520 Ninth Street NW.]

WASHINGTON, D. C., *June 26, 1907.*

SIR: Having severed my connection with the General Land Office, in Washington, D. C., after a service therein for than 20 years as inspector of United States land offices and surveyors general, examiner of contested cases, and as chief of the Special Agents Division, I offer my services to the public in the belief that my long and varied experience can be utilized to the advantage of those having business before the Land Department.

I assure personal and prompt attention to all business entrusted to my care.

Correspondence solicited.

Very respectfully,

W. D. HARLAN.

[Victor H. Wallace, attorney at law, 472 Louisiana Avenue NW., Room 11, Gunton Building.]

WASHINGTON, D. C.

As there is considerable land business in your State, it is possible that you may have matters before the General Land Office or the Secretary of the Interior in this city requiring the aid of a local attorney. If so, I shall be glad to represent you.

I was formerly employed under the General Land Office, and since engaging in the active practice of law have made a specialty of contest and other land cases.

In all cases sent me by attorneys from the States I remit the forwarding attorney one-third of my own fees.

I refer to card in Sharp & Alleman, page 1296. I shall be glad at any time to answer any inquiries you may care to make regarding the status of cases in which you are interested or any other business you may have before the Government departments.

Very truly,

VICTOR H. WALLACE.

DECEMBER 21, 1907.

SAMUEL HERRICK, Esq.,
Ouray Building, Washington, D. C.

SIR: I have considered your memorandum of November 29, giving reasons for not suspending you from practice. I have gone over your case with that of Mr. P. H. Loughran, your partner. Your suggestion that you were led into this action by Mr. Loughran does not in the least appeal to me. You were as fully capable as he to know whether there was impropriety in the action complained of. I find that several times you have been called before the General Land Office to answer questions regarding alleged impropriety on your part in practice before that office. The facts in this case show that your familiarity with the regulations was such that you should not attempt to plead ignorance nor the excuse that you were advised by some one else.

The instance you cite in paragraph 13 as a precedent for your action, namely, the letter issued by James I. Parker, is wholly inapplicable to the facts in your case. There is not only nothing in common between the two cases, but with Mr. Parker, he obtained from the Secretary of the department permission to use a letter of recommendation after a full explanation to him of the purposes for which he intended to use it.

The use intended by you and Mr. Loughran was not disclosed to the persons who signed the letter, and the form in which the letter was published—namely, a photolithograph showing the official heading of the paper of the Land Office—shows to me very clearly that it was your intention to use a letter which was intended solely as a personal

recommendation as though it were an official recognition of your special ability. This fact alone would tend to mislead the ordinary claimant by giving him the impression that your firm had more than usual influence or connection with the General Land Office, and I have not the slightest doubt that such was your intention in so using that letter.

I appreciate very fully the serious injury disbarment would mean to you. My original intention was to suspend you from practice for a period of 60 days, but, after conference with Commissioner Ballinger, I have determined not to suspend you provided you take the following action, which in part is what you suggest in paragraph 22 of your memorandum:

That you immediately prepare and hand to the Commissioner of the General Land Office a letter acknowledging your misconduct and of apology for the same, satisfactory to the commissioner, and at the same time surrender to the commissioner the original letter of recommendation, which was photolithographed and copies thereof distributed by you and your partner, Mr. Loughran. You are further informed, in view of the abandonment of the order of suspension contemplated, that any further misconduct on your part in your practice before the General Land Office or any bureau of this department will be considered as sufficient cause for your immediate disbarment.

Respectfully,

JAMES RUDOLPH GARFIELD,
Secretary.

[Samuel Herrick, counselor at law, Westory Building, Washington.]

JANUARY 9, 1908.

Hon. R. A. BALLINGER,
Commissioner General Land Office, Washington, D. C.

SIR: Having been heretofore, on the 4th day of October, 1907, cited to appear before you to show cause why I should not be suspended or disbarred from practice as an attorney before the Department of the Interior, its offices and bureaus, and, having appeared before you on October 5, 1907, in response to said citation, and, having then and there waived service of specifications of charges, and having been duly heard before you and thereafter recommendations pursuant to said hearing having been submitted to the honorable Secretary of the Interior by you, and the honorable Secretary of the Interior, on the 22d day of November, 1907, having made an order suspending me from practice before the Department of the Interior, its offices and bureaus, for a period of 60 days, and upon application thereafter made by me to the honorable Secretary, and upon further consideration, the honorable Secretary having directed, as shown by his letter of December 21, 1907, prior to said order of suspension being promulgated, that my suspension be abandoned, conditioned upon my preparing and handing you a letter acknowledging my misconduct in the premises and of apology to you for the same, satisfactory to you, and at the same time causing to be surrendered to you the original letter of recommendation which was photolithographed and copies thereof distributed by me and my partner, Mr. Patrick H. Loughran; now, therefore, in pursuance of the foregoing and in full compliance with the conditions and instructions of the honorable Secretary, I have caused to be returned to you said original letter of recommendation and fully acknowledged the impropriety of its use and distribution, as made by myself and Mr. Loughran, with the statement that such photolithographed copies as remained in the possession of myself and Mr. Loughran have been destroyed, and tender my apologies for any impropriety or wrongdoing in the premises and in all things stand ready and willing to abide by the direction of the honorable Secretary, as contained in said letter of December 21, 1907.

Very respectfully,

SAMUEL HERRICK.

The SPEAKER pro tempore. The gentleman from Virginia [Mr. GLASS] is recognized for 45 minutes.

BANKING AND CURRENCY LEGISLATION.

Mr. GLASS. Mr. Speaker, in contemplating a purely economic problem, especially one of a complex nature, I have never been able to believe that the solution of it could be helped or hastened by the application of partisan political considerations. For this reason it never entered my mind during the discussions incident to the preparation and passage by Congress of the banking and currency bill to inquire whether or not any provision of the measure would prove popular or distasteful to any particular element of the community; I merely sought to convince myself that the thing was sound and right and would satisfy the reasonable demands of commerce. For this reason I have not been much disposed in the three years which have elapsed since the enactment of the measure by the Sixty-third Congress to treat the achievement in a spirit of partisan exultation. Perhaps I have made as many as 50 expositions of the law before trade bodies, bankers' associations, economic societies, and universities throughout the country without once introducing in any address one word of a political description. Indeed, only once, and that very recently on a strictly political occasion, have I moderately departed from this conception of the right way to present the story of the great reformation three years ago in the banking and currency system of the United States. To my mind the least consequential fact has been the personal or political identity of the proponents of the Federal reserve act. The most important fact has been the act itself. [Applause on the Democratic side.]

Latterly, however, we have had no little provocation to a rather different sort of treatment. Persons who had no part in effecting the reform of our banking and currency system—persons who, in fact, did all they could to obstruct and defeat it—and public journals which have no particular concern with the truth of what they say if they may hope to score a partisan advantage by saying it, have manifested a distinctly mendacious tendency both as to the genesis of the legislation and as to its effect. This reproach, I surmise, fits more exactly their deliberate misrepresentation of the effects of the new system than their talk about its origin. I think this, because the facts, statistical and otherwise, relating to the operations of the Federal reserve banks are readily accessible to anyone who will take the time to examine them and the pains to make reasonable deductions from them, whereas the derivation of fundamental ideas is something not so easily ascertained.

NO RESPONSIBLE PARTY ASSAULT.

There has been no responsible party assault on the Federal reserve act. The Republican national convention at Chicago in July said not one word in condemnation of it nor intimated the slightest criticism of any provision of it. This omission, in the circumstances, by a body that assailed every other legislative performance of the opposing party was tantamount to a substantial approval of the act. But recently individual Republican politicians, wiser in their own conceit than the assembled leaders of their party, have ventured to carp and cavil. Their comment has been fugitive and not in any sense precise. It has been turgid and in no degree discreet. In the measure that these critics have manifested petty partisan zeal, to that extent they have exhibited an ignorance of the legislation as amusing as it is dense. [Applause on the Democratic side.] As long as they directed their declamation to the uninitiated citizens of their country crossroads it did not much interest me, however much it may have misinformed their constituents. But now, since these trifling sophists persist in repeating one another's fables about the Federal reserve act and inserting their prevarications in the CONGRESSIONAL RECORD, to be read, possibly, by people who are none the less worthy because they are credulous, this would seem an opportune time to make an end of such political gasconade. [Applause on the Democratic side.] This is particularly the case when we find so good and guileless a gentleman as the Republican candidate for President of the United States accepting and echoing the mummery of his congressional tomtits. [Applause on the Democratic side.] If Mr. Hughes would give more heed to the real leader of his party here, a man of good perception and intellectual force, and pay less attention to these rhetorical dirt daubers, his next transcontinental tour might less likely turn out to be another political and ethical tragedy. [Applause on the Democratic side.]

WARNINGS UNHEEDED.

Generally these individual and journalistic attacks on the Federal Reserve System have taken on the guise of the faint praise which amounts to damnation. When this has not been so the political commentators have conceded the soundness and incalculable usefulness of the system only to appropriate for the Republican Party the credit of having "blazed the way and furnished the pattern" in the report of the Aldrich Monetary Commission. Even so, Mr. Speaker, and there comes crashing down upon the Republican Party the scriptural condemnation against the culprit of neglected opportunity, against the unpardonable perversity of those who might live in the light, but naturally prefer the darkness. [Applause on the Democratic side.] Time and again the warning to the Republican Party appeared in the nature of financial convulsions that shook the very foundations of our commercial and industrial establishments, precipitating ruin in nearly every place and causing distress to nearly every human being throughout the length and breadth of the land. Yet no permanent relief ever came; no line of remedial legislation was ever written.

WISE ADVICE REJECTED.

The wise men of the Republican Party frequently plead for relief, but were overborne by the politicians. Lyman J. Gage, Secretary of the Treasury under McKinley, came to Washington in 1908 to admonish his party leaders here that the Aldrich emergency makeshift was "a dangerous narcotic to lull the Nation into a sleep from which it would awaken in agony." But permanent legislation was thrust aside and the Republican chairman of the House Banking and Currency Committee was turned out and discredited because he dared attempt a scheme which threatened the supremacy of concentrated wealth. Likewise, Franklin MacVeagh, Secretary of the Treasury under Taft, repeatedly told his party in Congress that Federal banking laws literally nationalized panics and urged the leaders to postpone the remedy no longer. He told his party in this Capitol that the catastrophe of 1907 was "a gratuitous panic," that the financial system under which we were then living would "not only not prevent a panic, but make it inevitable." Not only so; he charged the Government with "exclusive responsibility" for the commercial, industrial, and social disasters which flow from panics. "This responsibility is fixed," said Mr. MacVeagh, "and ought to be frankly recognized and acknowledged. The people are helpless, and there can be no relief until Congress acts."

THE LURID WAY TO BANKING REFORM.

But, Mr. Speaker, there was no action; and the wretched pretense exigently put forward now to the effect that the Aldrich Monetary Commission "blazed the way for banking and currency reform" is a pure invention obviously designed to extenuate incompetency, to mitigate heedlessness, to excuse political cowardice, and to filch credit for labor which other men of another party performed. [Applause on the Democratic side.] The way to banking and currency reform under a Democratic administration was "blazed" by financial conflagrations under Republican administrations, the lurid flames of which had licked up the substance of American business men and the fierce ravages of which had devoured the profits of American industry until the losses entailed and the misery which ensued had exceeded human approximation. [Applause on the Democratic side.]

No serious contention on any subject was ever made with less foundation in fact or that was easier of absolute disproof than the assertion that the Aldrich Monetary Commission blazed the way for Democratic banking and currency reform. Aside from my own intimate knowledge of the history of the Federal reserve act, and apart from the very inherent differences in the principles, purposes, and processes of the banking and currency system which it provides and that which the late Senator Aldrich and his associates devised, the evidence which may be presented in confutation of the assertion in point is conclusive beyond dispute.

FIVE YEARS LOST.

The Aldrich Monetary Commission blazed no way and furnished no pattern for banking and currency reform under the Wilson administration. The Monetary Commission cost the Government nearly $300,000—the exact amount being $287,259.35—and delayed the enactment of comprehensive banking and currency legislation for five years and a half.

Mr. BENNET. Will the gentleman yield for a question?

Mr. GLASS. If the gentleman will get me time, I will yield. I have only 45 minutes, but I will yield to the gentleman for a question.

Mr. BENNET. I merely want to ask the gentleman if the report of the so-called Aldrich Commission was not a unanimous report signed by Democrats and Republicans alike?

Mr. GLASS. It was signed by one Democrat, I hate to admit, who never read a line of it before he authorized his signature to be attached to it. How many cases of this sort there were, I do not know.

Of the expenditure indicated, $102,357.37 was spent in assembling a library of 26 volumes of 12,000 pages and in procuring monographs from various persons having more or less familiarity with economics. The library may be useful to philosophers and monetary historians, and the monographs may be interesting to those who have time to spend in the cloister, but I venture nothing in saying that not one volume of the costly library nor one essay among the expensive monographs was essential to the work of preparing or enacting legislation for the reformation of the banking and currency system of the United States. Every work in the library thus assembled which could in any practical sense be utilized in the fabrication of a banking and currency bill such as the Monetary Commission proposed or such as the Congress subsequently passed was readily accessible, without a penny's charge, to any member of the commission or to any Member of Congress interested in the subject. And I may say that I have not talked with a member of the Monetary Commission or a member of the Banking and Currency Committee of either branch of Congress which dealt with the question who was willing to say that he had found it necessary to consult any volume of this vast library with which he was not familiar long before the appointment of the Monetary Commission.

I would be willing to wager my congressional salary for a year against a day's vacation that not two members of the Monetary Commission itself nor of the Banking and Currency Committee of the Senate or House ever thumbed one-fifth of the volumes of this library; and these he might easily have obtained without getting from under the dome of the Capitol. Hence I assert that no way was "blazed" here for the proponents of the Federal reserve act. [Applause on the Democratic side.]

PARTISAN MISREPRESENTATION.

In the other branch of Congress, even oftener than here, within the month many astonishingly inaccurate statements have been made with respect to the Federal reserve act and the Federal Reserve System. It has been asserted repeatedly that "three-fourths of the Federal reserve act was taken from the bill of the Aldrich commission, and that many of its provisions are bodily reproductions of the Aldrich bill." These statements are made in a partisan spirit and for immediate partisan effect, without reference to the truth. They are, as a matter of fact, utterly false and susceptible of easy disproof.

There is not one fundamental idea of the Aldrich bill which is distinctly original with the framers of that measure nor are there many essential ideas of the Federal reserve act which had not been, in some guise, considered and discussed long before either the Aldrich bill or the Federal reserve act was exactly conceived. The zone system of the Fowler Federal reserve bank bill, the Muhlemann central reserve bank plan, even the scheme of the Indianapolis Monetary Commission of 1898, and the device of the American Bankers' Association of a later date, might better be appealed to in the citation of similitudes than the scheme of the Aldrich bill. Very much more to the point than any of these might be adduced the organization and practices of the great clearing houses of the commercial centers of the country; for it was right here that the generic idea of the Federal Reserve System had its birth, and from this base the structure was erected with all its lateral parts. [Applause on the Democratic side.] Both the Aldrich central bank bill and the Federal reserve act merely sought to apply the accepted principles of cooperative banking to the conditions, the usages, and prevailing spirit of the banking community of the United States. And that the Federal reserve act accomplished the purpose in a vastly safer and more satisfactory way than the Aldrich bill is evidenced for one thing by the fact that the Republican national convention of 1912 did not dare approve the Aldrich bill, while the Republican national convention of 1916 did not dare condemn the Federal reserve act. [Applause on the Democratic side.]

ALDRICH BILL DANGEROUS TO COUNTRY.

Moreover, so manifestly dangerous and contrary to the genius of democratic institutions was the Aldrich scheme of monetary reform that not only did the Republican Party refuse to accept it, not only did the Democratic Party openly reject it, but the Progressive Party, which nominated Theodore Roosevelt for President and polled 4,000,000 votes, characterized it as a scheme "to place the currency and credit system of the United States in private hands, not subject to effective public control." Furthermore, not a Republican Member of either House of the Congress dared propose the Aldrich bill, now so vainly applauded here and elsewhere in the Capitol as a substitute for the Federal reserve bill. Not only so, but not one of the three surviving Republican Senators who were members of the Aldrich Monetary Commission, Messrs. PENROSE, Burton, and WEEKS, seemed willing to present for consideration that imperialistic scheme to seize the banking business of the United States and to monopolize the note-issuing function of our national banking system. [Applause on the Democratic side.] Indeed, on December 1, 1913, the then Senator from Ohio [Mr. Burton] proposed a bill of his own, as radically different from the Aldrich bill as the Aldrich bill is from the Federal reserve act. It was a bill to create a central bank to be owned by the people of the United States and operated by the Government at Washington, and not a bank to be owned and operated by a chosen tribe of bankers for their own profit and to make supreme their own power for an apparent period of 50 years but in reality for an eternity. [Applause on the Democratic side.]

IGNORANCE OR MENDACITY.

Mr. Speaker, I challenge gentlemen who recklessly assert that "three-fourths of the Federal reserve act was taken from the Aldrich bill" to confirm their statement by credible evidence, or stand accused in the RECORD of shameful ignorance or partisan misrepresentation, whichever indictment they may better relish or deserve. [Applause on the Democratic side.] I challenge them to show one-fourth or any part of the Aldrich bill not common to nearly every comprehensive cooperative banking scheme proposed in many years that has been transferred bodily or otherwise to the Federal reserve act, impliedly or in text. [Applause on the Democratic side.] Why do not they present their parallelisms? Why do they not specifically cite the identical features which would give a semblance of verity to their utterly unsubstantiated assertions? It is because they know they can not do it that they have never even attempted to justify their perversions by a presentation of the facts or by contrasting the various provisions of the two measures. [Applause on the Democratic side.]

NO FUNDAMENTAL RESEMBLANCES.

Aside from the technique familiar to all banking and currency schemes and excluding from the computation the nomenclature that inevitably applies to descriptions of commercial paper and discount operations of banks, there are few features of resemblance in the two plans. As I have already said, they differ in principle, in purpose, and in processes; and if these inherent dissimilarities, radical as they are, were not in them-

selves sufficiently obvious to prove the case, I could summon a witness whose competency and credibility would not be questioned even by those who have more concern for partisan advantage than they have for historical truth.

The late Senator Nelson W. Aldrich was chairman of the National Monetary Commission. It may be assumed that he knew pretty well what were the underlying principles of the bill presented to Congress by that commission. Likewise it may be assumed that Mr. Aldrich was fairly familiar with the text of the bill itself, which he is supposed to have drafted with the assistance of the commission's experts. It will not be denied in any quarter that the Rhode Island Senator, for years chairman of the Finance Committee of the upper branch of the Congress, had an intimate knowledge of the provisions of the Federal reserve act. Indeed, he had a mind so accustomed to financial analyses and a discernment usually so clear that he was universally regarded as a master among publicists. His very name attached to the Aldrich bank bill caused thousands of American bankers to swallow his proposed remedy without asking or knowing or apparently caring how much poison it contained.

On October 15, 1913, before the Academy of Political Science in New York City, Mr. Aldrich delivered an address on "Banking reform in the United States." It occupies 62 printed pages in the record of proceedings, and was devoted, almost in its entirety, to an examination of the major provisions of the banking and currency bill passed by the House and subsequently enacted into law as the Federal reserve act. If anybody who is too simple to differentiate for himself the inherent contrarities of the Aldrich bill and the Federal reserve act will read this address he will quickly see that Mr. Aldrich did not make the inscrutible blunder of relating the one measure to the other. If anybody who knows better, but has preferred for brazen partisan reasons to ascribe the paternity of the Federal reserve act, or any major part of it, to the Monetary Commission or to Mr. Aldrich, he may have a sufficient sensibility to realize just how asnamed of himself he should be for the imposture he has sought to practice upon the public. [Applause on the Democratic side.]

SENATOR ALDRICH'S BITTERNESS.

Mr. Aldrich, so at variance with his ordinary style of cool, deliberate, and circumspect speech, grows so unreasonably vehement in his criticism of the essential provisions of the Federal reserve act, so harsh in his judgments and unsparing in his characterizations as to suggest the supposition that, on this occasion at least, he had emulated the example of that British prime minister who some years ago was reported to have unhesitatingly confessed to delivering speeches at certain functions which had been prepared for him because he had not the time to spare from more vital concerns to prepare the addresses himself. In reading this address by Mr. Aldrich over and over again I have as often wondered if its intemperate zeal in criticism, its positive violence in denunciation of the chief features of the Federal Reserve System might not be imputed to some disappointed academician among those who were paid large fees to contribute ideas to legislative problems which were rejected as either dangerous or chimerical. Apart from the impetuosity and the fierceness of the address by Mr. Aldrich, foreign to his habit of debate, the production betrayed a tedium of literary and historical research and a preceptive, scholastic flavor that revealed the Rhode Island Senator in a different rôle from that in which I had observed him for many years.

ALDRICH'S SWEEPING ATTACK ON THE FEDERAL RESERVE ACT.

At all events, it will readily be observed that Mr. Aldrich in that New York address assailed every essential feature of the Federal reserve act. He attacked (1) the regional organization of the system as contrasted with his central bank plan, finding fault with every detail of the scheme of operating the divisional banks. With the incisiveness of a trained satirist he (2) ridiculed and, with the indignation of an irritated statesman, he literally screamed at the note-issue provision of the bill, bedecking it with vituperative epithets such as "fiatism" and "greenbackism" and "Bryanism." He (3) bitterly criticized the establishment of the Federal Reserve Board as an irresponsible central bank with extraordinary powers improvidently granted. He (4) berated these various powers separately and collectively, predicting that their exercise would lead to a financial oligarchy. He (5) denounced the bond-refunding feature, predicting tremendous losses to the banks and suggesting the probability of an utter destruction of the entire national banking system. He (6) condemned the rediscount requirements as inflationary to the last degree. He (7) railed at the open market section of the act as viciously accentuating the power of the reserve banks to inflate the currency by issuing inadequately secured notes. He (8) savagely assailed every reserve feature of the bill, particularly the fundamental idea of withdrawing the reserve funds of the country from the great money centers. He (9) deplored the apparent purpose of the bill to make the reserve banks active institutions in competition with the great banks of the large cities, with the consequent severance of long-established business relations. He (10) charged that no provision was made to promote foreign trade. He (11) attacked the redemption features of the bill as utterly insufficient and decrepit. He (12) deplored the proposition to establish a system of bank clearances. He (13) predicted that the shifting of reserves would create intense confusion and bring about momentarily a destructive contraction of commercial credits. He (14) deprecated the reduction of reserve requirements as wholly useless and undesirable, prophesying that it would lead to indefinite and destructive inflation. He (15) insisted that the statutory interest rate throughout the country should be uniform everywhere, and severely condemned the power given to the reserve board to differentiate conditions or circumstances. He (16) commented adversely on the failure to limit the amount of discounts which member banks might make. He (17) censured desperately the plan of Government deposits. He (18) charged that unexpected favors were accorded bankers in great centers. He (19) said the bill was "socialistic" in its features of Government control. He (20) pronounced the bill unconstitutional in its grants of power. Finally, ascribing paternity of the bill to two Virginians, he (21) appealed to the utterances of John Marshall and to Prof. George Tucker, friend and biographer of Jefferson, to rebuke these improvident sons of that Commonwealth who, "while they have not ignored the lessons of experience, are apparently afraid to make their legislation conform to its teachings on account of the declarations of a party platform."

AN IMPUDENT CLAIM.

Thus, Mr. Speaker, the chairman of the Aldrich Monetary Commission, the author of the Aldrich banking and currency bill for the establishment of a central bank, owned and controlled by bankers, heedlessly and passionately ranged through every section of the Federal reserve bill, condemning it unsparingly and denouncing every fundamental feature of it intemperately. Scarcely one provision of the measure escaped his bitter excoriation. And yet this is the man, because he was a Republican, and because a presidential election is imminent, who we are impudently told now furnished 75 per cent of the Federal reserve act—and we are told this in face of the fact that Mr. Aldrich himself, as may easily be seen, did not leave a single essential provision of the act as it stands untouched by his furious condemnation.

It will be observed that I have not undertaken to controvert the criticisms of the late Senator from Rhode Island; the event is confutation sufficient. The evil predictions ventured, it would seem in a mood of incredible exasperation, have not come true and will not come true; and it is a commentary upon the futility of impatient prophecy to cite now the fact that the Federal reserve system, under the terms of the act and the administration of the central board, has been so free from inflationary tendencies and from any excess of arbitrary authority that a close collaborator with Mr. Aldrich in the preparation of his central bank bill has recently, as a member of the Federal Reserve Board, importunately urged the Banking and Currency Committee of the Congress to make broader and more imperative the powers of the board and to give the reserve banks greater facilities for expansion in both the domestic and foreign fields of operation. [Applause on the Democratic side.] This the Congress has recently done, and I think wisely.

MORE FALSE STATEMENTS.

Mr. Speaker, I have an unutterable detestation of the habit which some politicians exhibit of perpetually blaring in a political way about all of our legislative transactions, and I have likewise a pity for the man who has not any higher aspiration or better occupation than to be beating a political tom-tom in season and out. I am provoked to say this for the reason that occasionally in this House and frequently in the other branch of Congress recently there has been evinced a distinctly partisan purpose to discredit the Federal Reserve System for no other reason than that it was adopted by a Democratic Congress under a Democratic administration. [Applause on the Democratic side.] It has been falsely stated that these reserve banks have not done enough business to pay house rent; that but two of the banks had ever paid a dividend; that their "cost to the Government has been $1,634,000," and other things of a kindred sort, as untrue as they are absurd. [Applause on the Democratic side.]

The Republican Senator who charged that the system had cost the Government more than one and a half million dollars is the same distinguished gentleman who said that the act was

75 per cent the work of the Republican Party. His mind appears to be awry, for he does not seem to realize that his various statements taken together constitute a shameful indictment of his own party. The fact is the most charitable thing that may be said about this sort of braying is that gentlemen who indulge in it know nothing about the Federal Reserve System; they have not even read the act. The system does not "cost the Government" a penny. Every dollar of expense is assessed against the member banks of the system; the salary of every official and attaché, from governor of the Federal Reserve Board to the janitor of a Federal reserve bank, is paid by the banks. Congress appropriated $100,000 at the beginning for the preliminary expense of organization; but, as I recall, $35,000 of that amount was not expended.

Every one of the statements that I have quoted, as well as many others, is—I hope not deliberately—untrue. As will be seen from a statement which I shall append to my remarks, 5 of the 12 regional banks have declared dividends at varying rates, and the last official bulletin, for the month of June, 1916, shows that all 12 of the regional reserve banks for the preceding six months had an excess of earnings over expenses amounting to $804,510. Eleven of the banks contributed to this surplus, only one showing a slight deficiency. For the month of June itself all 12 banks showed a considerable excess of earnings over expenses and a balance applicable to dividends in each case, ranging from 1.6 per cent in one bank to the maximum of 7.1 per cent, while the average rate for all 12 banks was 4 per cent. A study of the operations of the Federal Reserve System, if it would not prove interesting, might prove astonishing to some Republican statesmen who do not find it necessary or convenient or desirable to ascertain facts when they are talking for partisan purposes.

TRUE FUNCTION OF RESERVE SYSTEM.

Suppose it were true that all the banks are not earning dividends. Have gentlemen such a radical misconception of the real purpose of the Federal reserve system as to imagine that its primary object was to earn dividends? That was not it at all. It was established to conserve the banking facilities of the United States; to constitute a great reserve force; to keep in poise the banking and currency interest of the Nation. The only Republican member of the Federal Reserve Board, Mr. Paul M. Warburg, a banker of international fame, speaking to this point in Minneapolis not long ago, said:

> Earning capacity must never be considered the test of the efficiency of Federal reserve banks. Personally I should have felt heartily ashamed had all our banks, considering the circumstances under which they began operations, earned their dividends in the past year. Such an earning, with all it implied, would have been a proof that they had completely misunderstood their proper functions and obligations.

[Applause on the Democratic side.]

Would gentlemen who criticize the Federal Reserve System on this score have the reserve banks make a campaign for dividends when member banks, in consequence of the reduction of reserves by the Federal reserve act, are swollen with funds and credit? Would they have them do this merely to be able to say they had earned dividends? I will tell you why the reserve banks are not earning large dividends. It is because there are $2,076,000,000 of reserves in national banks, which is $801,000,000 more than the legal requirements. [Applause on the Democratic side.]

New England national banks have $48,000,000 above the amount required.

Eastern States, $269,000,000 more than required.

Southern States, $107,000,000 above requirements.

Middle States, $200,000,000 more than required.

Western States, $94,000,000 above the amount required.

Pacific States, $82,000,000 over requirements.

Alaska, Hawaii, and so forth, excess $1,000,000.

A STARTLING CONTRAST.

The Federal Reserve System is performing a vastly greater service than merely earning dividends. It is buttressing the public confidence, stimulating enterprise, and driving the Nation forward upon a career of business prosperity so marvelous as to almost stagger human imagination. [Applause on the Democratic side.] A startling difference in this system and the old system under which the country for 50 years operated is found in the fact that in 1907, after 43 years of the old system, New York could not in time of stress let a country bank have $50,000 of currency to meet the ordinary requirements of commercee or the pay rolls of industry, whereas in 1915, after but 1 year of the new system, New York let two European nations in the very cataclysm of a stupendous war have $500,000,000, and has recently let the same nations have an additional $250,000,000, and I speak with knowledge and not upon conjecture when I say that these banks were enabled to do this because of the existence of the Federal Reserve System. [Applause on the Democratic side.]

For the 12 months ending June 30, 1914, there were 19 bank failures in this country, with liabilities aggregating $30,952,000.

The 1st of August, 1914, the European war broke out, and a few weeks later, on November 16, 1914, the Federal Reserve System was inaugurated, and for the 12 months ending June 30, 1915, notwithstanding the disorganization caused by the war, there were only 16 bank failures with liabilities aggregating $15,972,000.

For the 12 months ending June 30, 1916, there were 15 bank failures, with aggregate liabilities of $3,838,000.

These figures show that for the first 12 months under the operation of the Federal Reserve System, the liabilities of failed banks have amounted to less than one-tenth of the liabilities of failed banks for the year immediately preceding the inauguration of the Federal Reserve System, and those banks which failed during the past 12 months were generally small concerns whose failure was traceable directly to criminal acts of the management—defalcations, embezzlements, and so forth—which, of course, it is practically impossible entirely to eliminate under any banking system. The figures conclusively dispose of another false statement circulated by enemies of the Federal Reserve System.

The SPEAKER pro tempore (Mr. RAKER). The time of the gentleman from Virginia has expired.

Mr. EAGLE. I ask unanimous consent that the time of the gentleman be extended 15 minutes.

Mr. GLASS. I think I can finish in less time.

The SPEAKER pro tempore. The gentleman from Texas asks unanimous consent that the time of the gentleman from Virginia be extended 15 minutes. Is there objection?

There was no objection.

FEDERAL RESERVE ACT PREVENTED PANIC.

Mr. GLASS. It is alleged that the Federal reserve act had nothing to do with preventing a panic when the European war suddenly burst upon the community. Both actually and psychologically it had much, if not everything, to do with preventing a panic. The very knowledge that the act was on the statute books and that confirmation of the central board by the Senate was only required to put it in operation had a powerful effect in steadying the public nerve and stimulating banking confidence. [Applause on the Democratic side.]

Ah, but it is insisted that the Republican Vreeland-Aldrich Act did this. That claim is subject to vital qualification. The Vreeland-Aldrich Act, as radically modified and extended by a Democratic Congress helped to prevent a panic by supplying emergency currency which the Federal reserve system would have supplied with greater facility had not the Republicans in the United States Senate so long delayed the organization of the system by opposition to the President's nominees for membership on the central board. [Applause on the Democratic side.] And just here the pregnant fact is that a Democratic Congress amended and extended the Vreeland-Aldrich Act as a part of the Federal reserve act and that the Republican Party in both branches of Congress voted against the act which made the modification and extension.

In another place on Thursday of last week when confronted with this significant circumstance, a distinguished Republican statesman took a short cut out of his dilemma by exclaiming, "The Aldrich-Vreeland Act was extended before the Federal reserve act was passed." I prefer to assume that the gentleman was simply ignorant of the facts and really did not know that his statement was utterly baseless. The Vreeland-Aldrich Act had never been modified or extended except by the passage of the Federal reserve act, against which every Republican Senator but three voted. [Applause on the Democratic side.]

TAX QUESTION VITAL.

But it is said by the gentlemen who have provoked this partisan discussion that the modification of the Vreeland-Aldrich Act by a Democratic Congress in reducing the tax levied on notes had no effect on the issuance of emergency currency in August, 1914. Admit it; and still the vital fact of extension remains, against which the Republican Party in Congress voted when it opposed passage of the Federal reserve act. Had there been no extension of the Vreeland-Aldrich Act there would have been no emergency act, in a modified or any other form. As a matter of fact, however, it is not only idle, but it is childish to say that the radical reduction of tax on note issues had no effect. When the Vreeland-Aldrich bill was originally proposed bankers throughout the country protested against the high tax as did distinguished Republican Members of Congress, including the Republican chairman of the Banking and Currency Committee and the very able and distinguished gentleman from Connecticut [Mr. HILL], who voted against the bill. The gentleman from Connecticut bitterly protested against the rate of taxation as absolutely prohibitive, and in the course of debate made the

unqualified assertion that the law could not be made operative. He ridiculed the idea of moving the staple crops of the country at a tax rate on the currency required ranging from 5 to 10 per cent and said it would never be done. It never was done. The Republican chairman of the Banking and Currency Committee, who also voted against the Vreeland-Aldrich bill, denounced the tax feature of the measure in the severest terms. He declared that any bank that would be willing to take out emergency currency at this tax rate would not need emergency currency, but would need a receiver, and that any honest comptroller of the currency would proceed forthwith to appoint a receiver.

A MATHEMATICAL DEMONSTRATION.

But to give a mathematical demonstration of whether or not modification of the tax rate had any effect on the issuance of emergency currency, I direct attention to the circumstance that at the low rate of 3 per cent provided in the Democratic amendment to the Vreeland-Aldrich Act there were outstanding on November 1, 1914, $365,000,000. On November 15, 1914, the day before the Federal Reserve System went into operation, $43,000,000 had been retired, and on February 15 following, $320,000,000 had been retired, leaving outstanding only about $25,000,000. Of the $2,977,066 collected by the Government from this source, *only the trivial sum of $11,559 represented the tax rate of 6 per cent.* In other words, the moment the tax rate went beyond 3 per cent, as well as the moment the Federal Reserve System went into operation, the great volume of the emergency currency was canceled.

VITAL AMENDMENTS TO VREELAND-ALDRICH ACT.

But, Mr. Speaker, the reduction of the tax rate on emergency currency made by amendment to the Vreeland-Aldrich bill was not the only modification made by the Democratic Congress, if it was even the most important. It is my own opinion that not a dollar of emergency currency would have been taken out under the Vreeland-Aldrich Act as originally passed; but if I am mistaken in that conjecture I call attention to the fact that there were other serious obstacles to taking out currency under the Vreeland-Aldrich Act. There was an unscientific limitation upon the total volume of notes; there was an unreasonable limitation upon the amount which individual banks might secure; there were unnecessary limitations upon the character of security, which were removed by amendments made, which amendments were justified by a further modification of the act which permitted the Secretary of the Treasury to increase at his discretion the amount of gold reserve behind emergency issue.

Gentlemen say that these modifications of the Vreeland-Aldrich Act, made by a Democratic Congress, did not effect its utility. I point them to the fact that 229 applying national banks which took out in the aggregate $126,997,480 of the emergency currency could not have taken out one dollar of those notes under the terms of the original Vreeland-Aldrich Act, requiring applying banks to have not less than 40 per cent of bond-secured circulation outstanding. I cite you to the fact that under the pro rata distribution provision of the original Vreeland-Aldrich Act New York banks, which took emergency currency in the amount of $156,539,960, could not, had the act not been amended by a Democratic Congress, have secured more than $93,500,000 of these notes. I append a letter from the Comptroller of the Currency, written by my request, giving the facts and figures in some detail:

TREASURY DEPARTMENT,
Washington, August 23, 1916.

HON. CARTER GLASS, M. C.,
Washington, D. C.

MY DEAR CONGRESSMAN: I have made a careful investigation to determine how many of the national banks in the United States applied for and were given "emergency" currency and which had on August 1, 1914, United States bond-secured circulation outstanding amounting to less than 40 per cent of their capital, and which would therefore have been unable to obtain any of this "emergency" currency had it not been for the amendment which was passed by a Democratic Congress during the early days of August, amending the Aldrich-Vreeland Act so as to permit the issuance of "emergency" currency to banks, whether they had outstanding circulation equal to 40 per cent of their capital or not.

The record shows that had it not been for this amendment the Treasury Department would have been unable to issue any "emergency" currency to 229 applying national banks, but that by virtue of this amendment the Treasury Department did approve applications for these particular banks for "emergency" currency up to the amount of $126,997,480.

A further analysis shows that of these banks which would have been ineligible for any "emergency" currency but for this amendment to the law, 11 were located in the New England States, the currency issued to them amounting to $15,706,500; 24 of these banks were in the Eastern States, and received $82,604,180 ($70,278,180 of which was issued to 11 banks in New York City and $5,578,000 to 6 banks in Pennsylvania); 151 of these banks in the Southern States, by the amendment to the law were enabled to get $5,406,300 "emergency" currency which they would not otherwise have gotten; 18 of the banks were in the Middle Western States, and received $21,204,500; 19 were in the Western States, and received $1,109,000; and 6 of the banks were in the Pacific States, receiving $967,000.

If the Federal reserve act had not been amended and the limitation of $500,000,000, which was to be apportioned according to capital and surplus of the banks, had not been removed, it appears that the national banks in New York would only have been able to secure about $93,500,000 of "emergency" currency (even if eligible), whereas the applications for currency actually approved for that State aggregated $156,539,960. There was also approved for issuance to the State of Massachusetts $28,674,500, which is several millions more than that State would have been able to receive under the unamended law.

Of the $2,977,066 collected as a tax on additional currency, $11,559 represented interest at 6 per cent.

Sincerely, yours,
JNO. SKELTON WILLIAMS.

DEMOCRATIC ACTION SAVED THE COUNTRY.

I have no patience with any man who, for partisan reasons, seeks to make it appear that these modifications of the original Vreeland-Aldrich Act were not necessary to make it an operative and available instrument in emergency. I know, and other gentlemen here know, that these amendments were essential; and it is due to fairness and to frankness to say that the distinguished Republican floor leader of this House and many of his influential colleagues on that side of the Chamber, but very especially the gentleman from Illinois [Mr. MANN], quickly recognized the necessity and met the occasion with patriotism of speech and action that was simply admirable. [Applause.]

It has been said that the closing of the New York Stock Exchange helped to prevent a panic when the war broke out, and that is measurably true, as did also the formation of the hundred million gold fund; but in a sense the closing of the stock exchange accentuated the difficulty by instantly transforming call loans into time loans, thus intensifying the immediate need of additional currency and credits by the banks. Why, Mr. Speaker, several days after the stock exchange had closed there came to this Capitol Building a delegation of great bankers, headed by Charles C. Glover, of the Riggs Bank, in Washington; Milton Ailes, the Washington representative of the National City Bank of New York; and, as I recall, J. Festus Wade, one of the most prominent bankers of the West, who called the Democratic floor leader [Mr. UNDERWOOD] and the chairman of the Banking and Currency Committee to the majority conference room, and there told us in plain terms that little, if any, emergency currency could or would be taken out under the Vreeland-Aldrich Act, even as modified by the Federal reserve act, unless other radical alterations were made, and that unless these modifications should be made the country would in 48 hours be in the grip of a panic. The changes which these bankers suggested as necessary to avert a disastrous panic had already been urged by the Secretary of the Treasury from New York, where he had gone to take charge of a grave situation; and next day Mr. McAdoo hastened back to Washington for a personal consultation with the conferees at the Capitol in an effort to expedite and make certain legislation so essential at the moment. In the face of these facts it is foolishly false to say that the modifications of the Vreeland-Aldrich Act by a Democratic administration were not necessary to make it available. Particularly is this true when it may be stated that the National City Bank of New York, which took out $29,900,000 of this emergency currency, and the Chase National Bank of the same city, which took out $11,000,000 of this emergency currency, making nearly $41,000,000 for these two banks alone, could not have taken out a dollar under the original restrictions of the Vreeland-Aldrich Act [applause on the Democratic side], for the National City Bank had out but 16 per cent of the required circulation and the Chase National less than 6 per cent.

A MERE FABLE.

These things I have thought proper and pertinent to say, not with any desire to engage in a partisan controversy, but merely in rebuttal of petty partisan misrepresentations. [Applause on the Democratic side.] One more word and I shall have finished. There occurred the other day in another place a sort of "Alphonse and Gaston" performance with respect to the Federal reserve legislation in which a gentleman who seems sincerely to imagine that he had a tremendous part in perfecting the act engaged in an exchange of felicitations with another gentleman who appears to think that the Senate of the United States radically altered the fundamental provisions of the House currency bill. I thought I had smashed this fable when, in presenting the conference report on the banking and currency bill on December 22, 1913, I gave in detail just exactly what important changes the Senate had made in the bill and just how few of these changes the House conferees had permitted to stand. [Applause on the Democratic side.] In order that the record may be clear on this point, I shall append to my remarks made to-day an address delivered by me before the American Bankers' Association October 14, 1914, which goes somewhat into the facts at issue, and, I think, demonstrates that the Federal reserve act, in all its essential provisions, was the conception and work of the House of Representatives and not of the Senate. [Applause.]

Earnings, current expenses, net earnings, capital, dividend and expense requirements; also rates of net earnings of the Federal reserve banks for the month of July, 1916.

Federal reserve banks.	Earnings.	Current expenses.	Excess of earnings over current expenses.	Capital July 31, 1916.	Dividend requirements, one-twelfth of 6 per cent on capital.	Dividend and expense requirements.	Rate of net earnings on capital.
							Per cent.
Boston	$39,475	$16,456	$23,019	$4,925,000	$21,625	$41,081	5.6
New York	86,903	36,312	50,591	11,371,000	57,855	94,167	5.2
Philadelphia	38,131	11,032	27,099	5,216,000	26,080	37,112	6.2
Cleveland	39,826	12,405	27,421	5,966,000	29,830	42,235	5.5
Richmond	28,750	11,478	17,272	3,359,000	16,795	28,273	6.2
Atlanta and New Orleans	17,913	9,390	8,523	2,495,000	12,475	21,865	4.1
Chicago	59,150	19,681	39,466	6,673,000	33,365	53,046	7.1
St. Louis	24,960	16,324	8,636	2,792,000	13,960	30,284	4.7
Minneapolis	20,350	9,688	10,662	2,583,000	12,900	22,588	5.0
Kansas City	32,418	14,624	17,794	2,999,000	14,995	29,619	7.1
Dallas	28,878	7,504	21,374	2,693,000	13,445	20,949	9.5
San Francisco	29,226	11,126	18,100	3,921,000	19,605	30,731	5.5
Total, July, 1916	445,980	176,023	269,957	55,186,000	275,930	451,953	5.9
Total, January-July, 1916	2,270,416	1,195,949	1,074,467	54,923,000	[1] 1,922,305	3,118,254	3.4

[1] Seven-twelfths of 6 per cent on $54,923,000, average of 32 weekly quotations of capital for the calendar year 1916.

Dividends declared by Federal reserve banks.

Federal reserve banks.	Date declared.	Period covered, November, 1914, to—	Rate.	Amount.
			Per cent.	
Richmond	December, 1915.	Dec. 31, 1915	6	$151,939.69
Do	April, 1916	....do	1	30,387.65
Atlanta	June, 1916	....do	6	129,198.01
Chicago	....do	Mar. 31, 1915	6	78,155.83
Dallas	January, 1916	June 30, 1915	6	65,522.74
Kansas City	July, 1916	....do	6	86,709.95

ADDRESS BY HON. CARTER GLASS BEFORE THE AMERICAN BANKERS' ASSOCIATION AT RICHMOND, VA.

Mr. Chairman and gentlemen of the American Bankers' Association, I am not quite sure that I would not have paid the American Bankers' Association a greater compliment, or if I would not have rendered them a greater service, by declining rather than by accepting the invitation to appear here this afternoon to address you upon the subject of the Federal reserve act. It is no credit to a public speaker, and less of a compliment to his audience, for him to come on a serious and important occasion without due and careful preparation. But, gentlemen, the fact is that for the past 10 months I have been exercising my wits in the direction of keeping things from being done to such an extent that I am rather rusty and confused as to what already has been accomplished. [Laughter.] And it is scarcely necessary that I should say to you, who are familiar with legislative processes, that at times it is of vastly more importance to keep things from being done than it is to do things. [Applause.]

Then, again, I am somewhat embarrassed at the idea of coming as a layman in the presence of experts to expound the provisions of an act that relates almost exclusively to your own business. And I scarcely think I shall venture in any great detail upon that task this afternoon.

"SIDE LIGHTS."

It has occurred to me that I might occupy the time assigned to me with a more or less interesting narrative of the "side lights" upon the Federal reserve act; and what I shall say will be somewhat a repetition of what I have already pretty generally said throughout the country, and I am afraid will not be very enlightening to a large part of this audience.

You will very readily understand that for the last 50 years, since the enactment of the national-bank act, you have been compelled to conduct the banking business of the country in a strait-jacket. There has been no elasticity, there has been little scope for initiative; in short, we have had in this country a banking system that by the best bankers has been pronounced "barbarous" in its operation. It has made us for years the scoff of European critics, both the practical banker and the text-book writer, because of its inefficiency; and, as I have so frequently said, here I repeat this afternoon, that the progress and prosperity of the American people and the achievements of the American banker have been made in spite of our banking system rather than because of it. [Applause.]

PAST FAILURES.

There have been many efforts at modification, amendment, and reformation, all of which until recently failed. As pointed out by Gov. Hamlin, we had the effort made at Indianapolis 18 years ago by the Indianapolis Monetary Commission. That body drafted a bill, which was introduced in the House of Representatives, and found its inevitable place in the musty archives of the Banking and Currency Committee room. Then we had the Walker bill, introduced by a distinguished chairman of the Banking and Currency Committee from Massachusetts; then we had the Fowler bill for asset currency, upon which some degree of progress was made; but the action of Congress was interrupted by the introduction of what is known as the Vreeland-Aldrich bill, or, rather, the Vreeland bill and the Aldrich bill—the one denounced by Senator Aldrich as utterly useless and the other denounced by Congressman Vreeland as altogether vicious. [Laughter.] The two were united and hyphenated into the Vreeland-Aldrich bill, which was pronounced by observant Members of Congress having some knowledge of the subject to be totally inefficient in its original form. It was foreseen that with its tax of 10 per cent upon the issues under it no bank on earth that was not already prepared to fly the signal of distress at the masthead could ever avail of its provisions. But when the Vreeland-Aldrich bill was passed one good thing was done in connection with that legislation; the Congress appointed a Monetary Commission, composed of distinguished gentlemen, and this commission went abroad and throughout this country taking testimony. At a cost of nearly $200,000, approximately—I think $196,000—it assembled one of the greatest libraries upon finance that was ever gathered on earth.

ORIGIN OF THE NEW LAW.

Following the report of this Monetary Commission came a more vehement agitation for currency legislation. To some of us having the question under consideration the idea occurred that if the great clearing-house organizations of the large money centers, and, indeed, of all communities of the country, could manage by prompt and intelligent cooperation to rescue the country from the throes of panic, why might not institutions of a kindred nature, given clearing facilities, together with larger banking functions, prevent panics? Upon that idea the Banking and Currency Committee of the House of Representatives set to work; and, without going into great detail, the Federal reserve act now upon the statute books is the result of that effort.

FUNDAMENTAL DEFECTS.

We found, upon investigation, that there were two fundamental defects in the existing banking and currency system. One was the inelasticity of the currency, with which all bankers are familiar, and the other was the fictitious nature of our national reserve system. We conceived the notion that if we could devise a system which would correct those two fundamental errors we would go a far way toward a solution of the problem. This we think, and confidently hope, the new Federal reserve act will accomplish.

Under the old system the currency was absolutely rigid and inelastic. We had operated for years on the assumption, the currency being based upon the Nation's indebtedness, that we never needed any more currency than could be measured by the national indebtedness, and, on the other hand, never needed any less; when, as a matter of fact, we frequently needed more, and, perhaps, just as often needed less. The volume was rigid, practically measured by the aggregate of the 2 per cent United States bonded indebtedness. In short, if the aggregate capital of the national banks of Richmond under the old system was

$30,000,000, that measured completely the ability of the national banks of the city of Richmond to respond, in the matter of currency, to the commercial and industrial needs of the community, albeit such needs might be twenty times $30,000,000. That being true, whenever stress and stringency came upon the country there could be no adequate response to the commercial needs of any active business community. Instead of cheerfully and confidently pursuing business prosperity, times came when business men discovered that prosperity actually caused wreck and ruin throughout the Republic. When the country banks, responsive to local demands, would begin drawing back their reserve funds from the reserve and central city banks, and those banks in turn were compelled to call in their loans, rates of interest mounted higher and higher, and pretty soon we would find ourselves in a financial cataclysm—banks closed, business and industry paralyzed, want and misery and deprivation spread broadcast over the land.

In the Federal reserve act we have undertaken to correct that inelasticity, to give you a currency not based upon the Nation's indebtedness, but a currency based upon the commercial and industrial requirements of the country, responsive automatically to those requirements, issuing forth when business is active and withdrawn when business is slack. Based upon short-time commercial paper—the plighted faith and ability of American merchants, manufacturers, and business men to respond to their individual and corporate obligations. And there is nothing more secure on earth, not even your Government bond, than that sort of security. [Applause.]

RADICAL CHANGE IN RESERVES.

In addition to an inelastic currency, you had a fictitious reserve system. I like to talk to people who do not understand these things, because [laughter] then I will be telling them something they don't know. Presumptively, we had a reserve of 15 per cent in the country banks and 25 per cent reserve in central reserve city banks, but in reality we did not have any such reserve. The law permitted the country banker to deposit a greater part of his reserve with the reserve city bank, and in turn permitted the reserve city banker to pyramid the reserve further by deposit in the central reserve city bank. That system resulted in withdrawing the reserve funds from all the country and centralizing them in the great money centers at a nominal rate of interest. Banks of the money centers, in order to recompense themselves, used those reserves at call-money rates in the maelstrom of Wall Street speculation; and thus the reserve funds of the country were employed largely for stock-gambling purposes rather than to promote the general business interests and prosperity of the country. I am not saying this in a critical sense; I am stating it as a matter of fact. In the great banks of New York City alone last March there were deposited $893,000,000 of the reserves of banks outside of that great money center, whereas New York was loaning the banks of the country only $187,000,000 on that date. There is an impression abroad that the balance of the country is dependent upon New York, but the facts I have cited show that New York is dependent upon the balance of this country. [Applause.]

It was that system—the concentration of the reserves of the country almost at a single center, to be used in speculative enterprises in the slack season, and unresponsive to demand at an urgent time—that created almost every panic that we ever had in this country.

CAUTION OBSERVED.

Well, we think we have devised a system in this Federal reserve act whereby over a period of years, without any shock to normal business or banking operations, we shall draw back these reserve funds from the great money centers and gradually impound them in those sections of the country where they originated and where they belong, and where they may at all times be held to respond to the business necessities and industrial requirements of the various sections of this country. We have spread the operation over a period of three years in order that there may be no violent disturbance of the usual processes of business.

In short, we have established a system of regional reserve banks, 12 of which are in course of organization now. The banks, as you know, are to be presided over by a board of nine directors, three of them selected by member banks especially to represent the banking interests, three selected by the member banks to represent the varied business interests of the community, and three appointed by the Federal Reserve Board at Washington to represent the people of the United States.

These regional reserve banks are to be owned and operated by the member banks of the system. The national banks are all required to subscribe a certain percentage of their capital and surplus to the capital stock of the regional reserve banks, and State banks and trust companies are permitted to subscribe the same amount to the capital stock.

The stock-holding banks of the system may receive a 6 per cent cumulative dividend from the earnings of the reserve bank. All earnings in excess of that amount shall first be applied to a 40 per cent surplus fund, in order to strengthen the regional reserve banks, and when the 6 per cent cumulative dividend—free of all taxation, National, State, or municipal—shall have been paid and the surplus fund accumulated all earnings in further excess shall go to the Government of the United States.

We provide a Federal Reserve Board to supervise the entire Federal Reserve System, composed of seven members, two of them—to wit, the Secretary of the Treasury and the Comptroller of the Currency—ex officio members and five to be appointed by the President of the United States for a term of 10 years.

The regional reserve bank, you will observe upon reading the law, has confided to it all of the strict banking functions of the system. The Federal Reserve Board has confided to it complete power of examination, supervision, and regulation, and, only upon the rarest occasions, under severe restrictions, the single banking function of ordering rediscounts. So that the Federal Reserve Board does not interfere in the slightest degree with that spirit of independent banking which is characteristic of this country. It does not interfere with the strict banking operations of the individual bank. It has broad powers of examination, supervision, and regulation; it is strictly an altruistic commission for the benefit of every business interest and of all the people of this country.

As I have indicated, and as you who are familiar with the subject know State banks may become members and national banks must become members. We have appointed a Federal advisory board, to be selected by the regional reserve banks themselves, with authority to meet in Washington and to advise with the Federal Reserve Board upon all matters considered by that board.

POWERS OF REGIONAL BANKS.

We have invested these Federal reserve banks with an almost unlimited power of rediscount. The individual bank, after discounting its commercial paper, may, upon indorsing that paper, pass it up to the regional reserve bank and get its paper rediscounted at the prevailing rate of rediscount initiated by the regional reserve bank, subject to the approval of the Federal Reserve Board. You will note that the individual bank has an almost unrestricted opportunity, regardless of its capital, to obtain these rediscounts. In other words, a bank capitalized at $100,000 may be accommodated to as great an extent as a bank capitalized at $500,000 or $1,000,000 if it has eligible short-time commercial paper at hand.

We also give the regional reserve bank a limited open-market operation—a power somewhat analogous to the operation of the Bank of England in going into the open market to loosen up money conditions in order to enforce its rate of discount.

The act permits the Secretary of the Treasury to make these regional reserve banks the fiscal agents of the United States Government and to deposit with them all the Government's current revenues.

We provide for the refunding over a period of 30 years of a greater portion of the Government 2 per cent bonds having the circulation privilege into Government 3 per cent bonds without the circulating privilege, and we provide for the issuance during that period of a certain amount of 3 per cent Government gold notes in place of existing Government bonds. This is gradually to retire the bond-secured currency and put us upon a commercial currency basis.

We think we have greatly improved the bank examination system of the country. We have a provision that gives national banks the right to loan a certain percentage of their funds, particularly their time deposits, upon real estate—something that the national banks under the national-bank act and the interpretations at Washington have never been able to do.

Finally, in order to promote our foreign trade and to subdue the disadvantages under which America for years and years has been operating, we have authorized banking institutions with as much as a million dollars' capital to establish branches in foreign countries.

OBJECTIONS ANSWERED.

If I may notice for a little while some of the objections to this bill, and at the same time indicate how they were met, I

think this audience will have a better understanding of the Federal reserve act. In the first place, it was objected by the banks that the regional reserve banks should be exclusivly in control of the banking community. It was argued that all the directors of the regional reserve banks should be selected by the banks themselves without restriction, the statement being that the regional reserve banks were owned by the stock-holding banks, and that, therefore, only the banks should select the directors to supervise the operation of the regional reserve banks.

It was pointed out, in response, that this was a great national system, proposed to be established not alone for the advantage of the banks, but equally for the advantage of the business community and for all the people of the United States. It was pointed out further that the United States would perhaps be the largest single depositor in the regional reserve banks. Therefore it was contended that the people of the United States, through their Government, being the largest depositors with the regional reserve bank, should be represented upon the boards of directors by the appointment of three class C directors, and it was so held by the Congress.

It was contended that the banks should select a certain proportion of the Federal Reserve Board, and by many it is so contended now. Gentlemen, that seemed a plausible and a fair proposition. The fact is, it fooled me good for a while. I did not hesitate from the beginning to the end of the contest to stand for the banks when I thought the banks ought to be upheld [applause] any more than to stand for the American people when I thought their rights were involved. [Applause.]

I thought the banks should have minority representation of their own selection upon the Federal Reserve Board, and so contended. When the President of the United States said to me that he did not approve the proposition I did not sleep one wink that night; and next morning, before leaving my room at the Raleigh Hotel, I sat down, "unawed by titled consequence," and wrote a letter to the President, saying to him that I thought his decision was fundamentally wrong and politically inexpedient. I hope he has torn the letter up. [Laughter.] Next day there came to Washington a committee of great bankers—George M. Reynolds, of Chicago; John Perrin, of the Pacific coast; Sol Wexler, from Louisiana; Festus J. Wade, of St. Louis, and others—to convince the President of the United States that he was wrong and that the bankers were right in their contention. I headed the procession to the White House.

The President gave us audience, cheerfully and cordially. I presented these gentlemen. The President knew my views, so it was not necessary for me to reiterate them, but these great bankers presented their views with all the persuasiveness of which they were capable—and you know what that means. [Laughter.] Already convinced in my own judgment, I was delighted at the tactful and logical way in which they presented the argument; but presently the President of the United States turned and said, "Gentlemen, I challenge you to point to one Government board in this or any other civilized country upon which private interests have representation." There was just such an intense silence in the President's room as there is in this hall right now. [Laughter.]

Not one of those gentlemen answered, and I could not answer. I was converted. [Applause.] I am convinced that the President was right.

On the floor of Congress this same contention was made, and I responded that it would be as reasonable to declare that railroad presidents and general managers of the railroads of this country should have representation upon the Interstate Commerce Commission, which is to regulate and manage them, as to say that the bankers, as such, should select representation upon a Government board which is to regulate the banking business. Ah, but the response was, "Do you contend that the Interstate Commerce Commission has the same power over the railroads that the Federal Reserve Board has over the banks?" Yes; infinitely more power over the railroads than the Federal Reserve Board has over the banks. They make a rate upon petition; aye, they can initiate rates for the railroads and enforce them, however much the railroads may object.

Ah, but said one of the critics, "Can they take the property of one railroad and use it for another?" Yes; and they do it every day. They take the rolling stock that one railroad has bought with the money of its stockholders and apply it to the use of some other railroad. They make a joint traffic rate that may not be satisfactorily compensatory to the railroads affected, but, nevertheless, they have to submit. The powers of the Interstate Commerce Commission over the railroads are incomparably broader and more stringent than the powers of the Federal Reserve Board over the banks.

POWERS OF FEDERAL RESERVE BOARD.

What are some of these powers of the Federal Reserve Board? I say to you here—and I challenge interruption or contradiction—that there is scarcely one power given by law to the Federal Reserve Board that has not been exercised, more or less, by a single public official of this Government for 30 years. There is the power of the board to suspend all reserve requirements for a period of 30 days and renew the suspension for a period of 15 days. You bankers know that power has been exercised by the Comptroller of the Currency under the national-bank act for 50 years. There is not a banker in this audience who may not permit his reserve to go down to-morrow—I do not know that there is one who has not done it [laughter]—and the only power on earth that can make him restore his reserve to the legal requirement is the Comptroller of the Currency, and he can only do it upon 30 days' notice. So that there were objections to a power to be exercised under this new law by the Comptroller of the Currency with six associates that had been exercised for 50 years by the Comptroller of the Currency alone under the old law.

Then there was vehement objection to that part of the act which authorizes the Federal Reserve Board to permit or compel one regional reserve bank to rediscount the discounted paper of another regional reserve bank. They said that was "confiscatory." No; it was not confiscatory. There was not an element of confiscation about it. The board was not permitted to require one bank to take the property of another without compensation; not at all. It was authorized to compel one bank with a redundancy of funds to come to the assistance of a bank without funds, the transaction being based upon prime commercial security and at a rate of interest above the normal prevailing rate. That is not confiscation. It is a power analogous to a power that has been possessed and exercised by the Secretary of the Treasury for 50 years under the national-bank act. The Secretary of the Treasury to-morrow can deplete every Government depository in New York and transfer the funds to New Orleans, or can take the Government funds out of the national banks of New Orleans and deposit them with the national banks of San Francisco or of Boston. It is a tremendous power, a power that your president here to-day said is repugnant to republican institutions. If so, I wonder that was not found out long ago. [Applause.] It has been possessed and exercised by the Secretary of the Treasury alone for 50 years.

In 1907, when the Secretary of the Treasury, at his own discretion, took $43,000,000 that had been collected from the American people by taxation and deposited it with the banks of New York to save the situation there, you did not hear a chirp or a word about "power repugnant to republican institutions." [Applause.] The Secretary of the Treasury did right then. But I agree with the president of the American Bankers' Association that some time we may have a Secretary of the Treasury who would do wrong, and we ought to jealously guard the functions of that great position. Hence, as I drafted the bill, the Secretary of the Treasury was specifically required to make these regional reserve banks the fiscal agents of the Government and to deposit the people's money with them. I believe now it ought to be the law.

THE CRY OF "FIATISM."

There was objection to the note issue provided by this bill. One of the distinguished members of the American Bankers' Association said this Federal reserve note was "fiat money." Gentlemen, there is not an element of "fiatism" in these notes—not a suggestion of it. What is fiat money? Fiat money is money that relies upon the Government alone for its value. Is that a correct definition of a Federal reserve note under this act? The gentleman who so characterized it can not appeal to a lexicographer in the civilized world to justify his definition of these notes.

They have a gold reserve of 40 per cent behind them to begin with. In addition to that, they have a secondary reserve of 100 per cent short-time commercial paper. In addition to that, they are made a first and paramount lien upon the assets of all the regional reserve banks, including the double liability of the member banks. In addition to that, they have the unqualified indorsement of a Nation of 95,000,000 free people. Fiat? When that gentleman was denouncing these notes as "fiat" the greatest international banker in America, who has since been made a member of the Federal Reserve Board, was in Washington protesting to me that they had too much security behind them. Mr. Warburg, then and since, has insisted that the secondary commercial reserve should be reduced to 66⅔ per cent.

NO INFLATION.

They said this system provided for "amazing inflation." Indeed, one critic in Chicago was proclaiming that the Federal

reserve act afforded a dangerous amount of inflation on the very same calendar day that another distinguished banker before the Senate committee in Washington was proclaiming that it provided an amazing amount of commercial contraction. It could not provide both at the same time, gentlemen, and, as a matter of fact, it does not provide either at any time. It provides for a reasonable amount of expansion, and the law would not be worth the paper it was written on if it did not provide that. That is what it was intended to provide—to be automatically responsive to the business activities of the country, but not to create nor tolerate inflation.

But if you gentlemen will pardon a little frankness, this criticism was leveled at the Federal reserve act by gentlemen who swallowed, without a grimace, the Aldrich bill, which provided for $6,000,000,000 of expansion. This was demonstrated by Mr. Hulbert in a public address, and yet you gentlemen gulped it down. [Laughter.] Before the Banking and Currency Committee of the House it was testified that the American Bankers' Association unanimously indorsed the Aldrich bill before the paper upon which it was printed had dried, so recently had it come from the press; and it was further asserted that not 5 per cent of the delegates present had read the bill when they indorsed it. There was a bill which provided that the notes of the central bank should be used by individual banks as reserve, thus involving inflation to the amount of $6,000,000,000; and yet gentlemen who were willing to indorse that sort of a measure criticize us in Congress for this bill. We have not undertaken in this law to do away with the sanity of the individual banker. We have made every possible safeguard against inflation. A gold reserve of 40 per cent, a secondary reserve of 100 per cent, the serious and solemn obligation of the individual banker to his stockholders in discounting paper, the serious and solemn obligation of the directors and managers of the regional reserve bank in scrutinizing the discounted paper before it is rediscounted, and then in the last analysis, the banking experience and observation and solemn duty of the Federal Reserve Board to pass upon it in the third degree—these are some of the safeguards provided against inflation, together with a 10 per cent penalty upon any regional reserve bank that shall pay out the notes of any other regional reserve bank.

Every device suggested to us by banker or layman that appealed to the judgment of Congress is here embodied in this bill. The House was criticized not only by certain bankers but by certain learned United States Senators, who insisted that the bill provided inflation. And pray, what did the Senate do to correct the inflation? It accentuated every possibility of it. It provided that Federal reserve notes should be used as reserve in individual banks. It proposed a system of unguarded domestic acceptances which Sir Edmund Walker testified before our committee would wreck any country on the civilized globe. It proposed that the denominations of the notes should be as low as ones and twos. It amazingly released bank reserves below the point of safety. Thus that august, that grave body of elder statesmen [laughter] undertook to guard against inflation.

SENATE DID NOT IMPROVE BILL.

Mr. Chairman, there is a report current which ought to be checked before it gets to a popular superstition. It is said that the United States Senate greatly improved the House currency bill. [Laughter.] A casual inspection of the CONGRESSIONAL RECORD will show that Senators have really convinced themselves that this is true. With a sort of misdirected pride, they refer to "the 400 changes made by the Senate in the House bill," but conveniently omit to refer to the fact that nearly every one of these changes which did not relate merely to phraseology was rejected by the House conferees and the bill restored in every essential feature to its original form.

The plain truth is that certain distinguished statesmen, together with certain metropolitan newspapers, precipitated a premature attack upon the House currency bill. Some of these statesmen vowed they would never support it; but later, when they found it desirable to shift position on the question, they invented this myth about the Senate having so greatly improved the measure as to enable them to give it their distinguished countenance. They charge that the House committee gave no hearings on the bill, and that only the Senate committee "opened its doors to let the people have a chance." As a matter of fact, the House bill was based on exhaustive hearings before a subcommittee, and the Banking and Currency Committee of the House, when it began to frame the bill, had in its files the testimony of nearly every business group in America, submitted by its most intelligent representatives. It had the testimony of American bankers, big and little, in the persons of men like Hepburn, Forgan, Warburg, Reynolds, Wexler, Hulbert, Wade, Frame, and others; currency experts like Morawetz, Hadley, Sprague, Laughlin, Meeker, Fisher, and Fowler; creditmen like Endy, Tregoe, Joyce, and Orr; farmers like Barrett, Creasey, Brooks, and others; merchants, manufacturers, laboring men, actuaries, and other classes. In short, the House committee had at its immediate service testimony so varied and voluminous that to digest it all, or even to read half of it, would be an unendurable physical and metaphysical task. It was upon this testimony that the House bill was based.

Contrast this with the so-called hearings of the Senate committee, which merely amounted to hammering over old brass. The list of Senate witnesses contains 68 bankers, 8 currency experts, 3 lawyers, 1 coal operator, 1 New York real estate dealer, 2 merchants, several trade representatives, and 3 of the most pestilential currency "freaks" in the United States. Not a single representative of the great agricultural interests of the country was heard, not a representative of the labor interests was heard; but nearly two months' time was wasted in hearing 68 bankers repeat exactly the same objection to the House currency bill that was made to its proponents before the bill was passed by the House.

WORK OF THE CONFEREES.

In what single respect did the Senate improve the House bill? Can any gentleman here point out? As a matter of record, permit me to summarize for the American Bankers' Association the work of the congressional conference committee, which will convincingly confirm the accuracy of my contention that not a fundamental alteration by the Senate in the House currency bill was permitted to stand:

1. The Senate eliminated the Secretary of Agriculture and Comptroller of the Currency from the organization committee, substituting two members of the Federal Reserve Board, to be designated by the President. Besides being totally impracticable and inconsistent with other provisions of the bill, this change would have indefinitely delayed the inauguration of the system, and the House restored the Secretary of Agriculture and Comptroller of the Currency to the organization committee.

2. The Senate eliminated the Comptroller of the Currency from membership on the Federal Reserve Board. This public official, charged by law with the supervision and control of the national banking system, was restored to the board by the House conferees.

3. The Senate authorized a system of domestic acceptances, without documents attached, permitting 25,000 banks, many without inspection requirements, to incur contingent liabilities without a dollar of reserve behind them—a system which Sir Edmund Walker, of Canada, as well as other eminent specialists, said would wreck the financial fabric of any civilized country on the globe. The House conferees struck out this Senate provision.

4. The Senate inserted a so-called "insurance of deposits" provision, appropriating a part of the Government's earnings of the system for the purpose of guaranteeing depositors in national banks. The House conferees threw out this provision.

5. The House conferees inserted a provision requiring that the net earnings going to the Government should be applied to the gold-redemption fund or to the reduction of the bonded indebtedness of the United States, and not to "guaranteeing deposits," as provided by the Senate amendment.

6. The Senate inserted a provision authorizing the use of Federal reserve notes as reserves in individual banks, thus providing an enormous amount of inflation estimated by competent statists and practical bankers at $6,000,000,000. The House conferees rejected this alteration in the bill.

7. The House conferees inserted a provision requiring that branch banks shall be operated by a board of seven directors, having the same qualifications as directors of the Federal reserve banks, four to be appointed by the parent bank and three by the Federal Reserve Board.

8. The House conferees altered the Senate reserve features so as to extend the transition period from two to three years, as was provided in the House bill, and also declined to concur in the radical reduction of reserves which the Senate provided.

9. The House conferees so altered the Senate reserve provisions as to require that at least one-third of the reserves of country banks should be held in the vaults of the local banks, as provided originally by the House, whereas the Senate provision permitted all the reserves to be held in the vaults of the reserve banks.

10. The House conferees practically restored the collection of checks at actual cost by a nation-wide clearance system, thus altering the Senate change in the House bill and insuring a tremendous saving to the commercial interests of the United States.

11. A new section on bank examinations was written, omitting some of the objectionable provisions put in by the Senate which

would have authorized investigations of an inquisitorial nature by irresponsible committees of either branch of Congress.

12. The House conferees so far restored the House bond provision as to authorize the retirement over a period of 20 years of about $450,000,000 of the bond-secured national-bank notes, whereas the Senate amendment did not provide for the retirement of more than $125,000,000.

13. The House conferees threw out the Senate provision compelling Federal reserve banks to issue circulating notes against Government bonds purchased from member banks as designed to forever perpetuate the existing bond-secured currency, the very thing no sane scheme of currency reform could sanction. The whole Senate bond-refunding provision was rewritten in conference.

14. The House conferees threw out the Senate provision prohibiting directors of the Federal reserve banks, class B, from being stockholders of any bank, and practically restored the House provision requiring directors of this class to be selected from a list supplied by the member banks. Had the Senate prevailed, the Federal reserve banks would have been managed by persons having no proprietary interest in their success.

15. The House conferees rejected the Senate provision making Congressmen ineligible to be officers or directors of national banks, which would have disqualified nearly 50 per cent of Congress from a perfectly proper relationship.

16. The House conferees practically restored the House restrictions in the matter of requiring one Federal reserve bank to rediscount for another Federal reserve bank.

17. The House conferees limited the denomination of the notes to be issued to $5 minimum, striking out the $1 and $2 provision of the Senate, which, it contended, would cause inflation.

18. The Senate provision fixing the number of banks at not less than 8 or more than 12 stands, as against the House provision making the number not less than 12.

19. There was a compromise on the minimum capital, the Senate bill requiring $3,000,000 and the House bill $5,000,000. The capital was finally fixed to $4,000,000.

20. The Senate provision striking the Secretary of Agriculture off the Federal Reserve Board stands, being regarded by the House conferees as inconsequential.

21. The Senate method of balloting for directors was retained, being a minor change.

22. The Senate increase of gold reserve behind the note issues to 40 per cent, with a graduated tax for falling below that amount, stands, as this change was left to the Senate, with the expectation that it would be made.

23. The method of raising the capital of the Federal reserve banks on capital and surplus of member banks instead of on capital alone was retained in the Senate amendment, as it merely reached the same result in a different way, though not so readily as by that provided by the House.

24. The Senate increase of salaries of members of the Federal Reserve Board from $10,000 to $12,000 is retained, as is the alteration in the term of service from 6 to 10 years.

25. There were several hundred alterations of the text of the Senate amendment.

THE HOUSE PREVAILED.

Thus, Mr. Chairman, it will be noted that, while the Senate made numerous alterations in the currency bill as it passed the House, *not one of these alterations, if it related to a fundamental feature of the House bill, was permitted by the House conferees to stand.* There were several hundred alterations of the phraseology of the House bill by the Senate, as there were several hundred alterations of Senate phraseology by the conferees. In this respect the bill in some places was bettered and in other places injured.

The Senate did one good thing. [Laughter.] It increased the gold reserve behind the notes from 35 to 40 per cent and provided a graduated tax for delinquencies. We wanted to do that in the House committee and in the House, but it was suggested that the legislation would be expedited if we would "let the Senate think it had some hand in this thing." [Laughter.] However, as if a little ashamed of having done one sound thing, the Senate immediately proceeded to reduce the reserve requirements of the banks to such an extent as to render the dangers of inflation serious and imminent; emasculated the House provision for exchanges at par; insured national-bank deposits with funds that the House bill applied to the Government gold reserve, and did quite a number of kindred things, for which the House conferees would not stand. Why, the Senate actually provided that no stockholder in a bank should be eligible as a director of class B of a regional reserve bank; thus they would have gone to the almshouse to get directors for the regional reserve bank. [Laughter and applause.] The House, of course, struck that out.

GOVERNMENT DEPOSITS.

In the matter of Government deposits the House bill required that the regional reserve banks should be constituted fiscal agents of the United States Government, and required the Secretary of the Treasury to deposit all of the current funds of the Government in these banks, omitting, of course, the Treasury trust funds. The Senate so altered this provision of the House bill as to make it optional with the Secretary of the Treasury to so deposit the Government funds, and to place it within the discretion of that official to constitute the regional reserve banks fiscal agents of the United States Government. I have been unable to get any clear perception of the reason for this alteration of the House bill further than that I little suspect that it was done for tactical purposes, perhaps to enable the Secretary of the Treasury to combat the schemes of intractable bankers, should there be such. The object of the framers of the House bill in making the provision mandatory instead of discretionary was to furnish the regional reserve banks with the idle funds of the Government as a basis for active business transactions, and at the same time to correct the unscientific and senseless process of withdrawing these funds from business channels and impounding them in the Treasury and subtreasuries. It is scarcely thinkable that we shall ever have a Secretary of the Treasury who would not so exercise the discretion conferred upon him by the act as to carry out the real purpose which the House had in view when it made this provision mandatory; hence the House conferees reluctantly yielded the point; and this one alteration comes nearer being a change in the fundamentals of the House bill than any made by the Senate and permitted by the House conferees to stand.

THE EXCHANGE QUESTION.

One of the most important provisions of the currency bill is that which puts an end to the flagrant abuse involved in excessive charges by banks throughout the country for collections and exchanges. The House bill provided that exchanges should be made at par and that charges for collections should not exceed the actual cost to the banks. This item of the bill was bitterly controverted in the Democratic caucus and also in the House. Naturally, thousands of banks deriving large profits from the practice of charging constructive interest upon checks in transit and arbitrary charges for collections and for exchanges exhibited great distaste to this provision of the bill. They vigorously protested to Members against the inclusion of this prohibition, and thus the effort to remove this tax burden upon the business of the country was contested with the utmost pertinacity. However, those of us in the House who sought to tear down these tollgates upon the highways of commerce prevailed. [Applause.] The fight was renewed in the Senate, and that body materially modified the House provision. The House conferees declined to yield on this point. They insisted upon such a modification of the Senate amendment as will exact exchanges at par and restrict charges for collections to the actual cost of such transactions to the banks. In brief, under the act banks can not make exchange and collection charges a source of profit; they can not any longer charge constructive interest; they can not exact a tax for a theoretical transfer of funds from point to point when no transfer is actually made, but only an entry on the books. They can no longer harass the commerce of the country nor penalize the business men of the Nation by an unjust tax. While the House conferees did not succeed in entirely restoring the provision as it left the House, they vastly improved the amendment made by the Senate. The provision as it stands will result in an immense saving to the tradespeople of the United States. It will eliminate the amazing wastefulness incident to many independent collection organizations by substituting one compact collection system. It will abolish the exchange charges altogether and appreciably reduce charges against collections. I speak thus confidently only in anticipation of wise action by the Federal Reserve Board. If the board will have the wisdom and courage to establish a comprehensive and economical plan of bank clearings, it will be difficult to compute the advantages that this section of the currency bill will secure. While some banks will have their profits diminished, it will be profits to which they are not fairly entitled, and for the loss of which they will be more than compensated by the better and speedier facilities afforded for the transaction of business. [Applause.]

THE RECORD CLEAR.

Mr. Chairman, it is thus clearly demonstrable from the record that there is not one particle of foundation for this ignorant talk about "the radical improvement made by the Senate in the House currency bill." Such talk is referable either to the ignorance of those who indulge in it or to the crafty desire of certain politicians to save their reputation for consistency. Even as notable a publicist as Mr. George Harvey, of the North

American Review, marred the pages of that magazine recently with the absurd statement that the Federal reserve act as passed by Congress could not be recognized as the original House bill, thus giving currency and respectability to this wretched myth. There is not, as I have said, an essential provision of the currency bill as it passed the House that is not a part of the Federal reserve act under which the banking system of the country is now being operated.

BANKERS NOT IGNORED.

There is one other criticism to which I will briefly refer in order to correct a popular misconception among bankers. It has been said that the bankers were "largely ignored in the consideration of the currency bill"; whereas the truth is I felt a little afraid to let it be known how frequently and how seriously the bankers of the country were consulted. The details of the bill were worked out with painstaking care upon expert advice and submitted from time to time to practical bankers of the very highest order of ability for criticism and suggestion. The bill had more thorough preparation and more prolonged consideration than all the currency measures proposed since the adoption of the national-bank act 50 years ago. Its minor as well as its major features were submitted to the inspection of expert bankers for their advice before the bill was introduced in the House. This was done to such an extent that one of the almost insuperable objections to the measure in the course of debate was the suggestion that it was "a banker's bill" rather than a general measure of relief.

PRESIDENT WILSON'S LEADERSHIP.

I have gotten a great deal of reputation of one sort or another out of my connection with this currency legislation, and have greatly appreciated some of the kind things said about me, as well as some of the adverse criticisms I have been compelled to endure. Sometimes I have been puzzled to know whether I should value more the abuse received than the praise I got. Frequently I have heard myself actually described as a "patriot and a statesman"; and this afternoon Gov. Hamlin, of the Federal Reserve Board, was gracious enough to put a capstone to these eulogistic references by describing me as "a genius." I have gone around the country appropriating all of this praise with good grace. [Laughter.] It has never given me any embarrassment except at a public reception tendered me at my own home, when, looking over that audience of boys with whom I had fought chickens and robbed apple orchards and things like that, it made me feel a little foolish to hear myself described as a distinguished citizen. [Laughter.] However, when I get where I am not known I rather enjoy it.

But, Mr. Chairman, in all seriousness, while I take no little satisfaction in having had part in the preparation and passage of the Federal reserve act, it is fair to state that the greatest amount of credit for this notable legislative achievement is due to the President of the United States. [Applause.] This legislative miracle was wrought by the supreme patience and unsurpassed patriotism of Woodrow Wilson, who during the trying ordeal exhibited courage that was never excelled, and a passionate desire to serve the people of his country that was a positive inspiration. [Applause.]

And let me say to the members of the American Bankers' Association here assembled that if you gentlemen could have any adequate conception of the number and character of dangerous things which have been kept out of this act, you would have a readier and a greater appreciation of what is in it. [Applause.] Why, only within the last few days at Washington I have been compelled to resist the serious proposal that the Government of the United States should go into a scheme of valorization for the advantage of a single agricultural commodity—that the Government of the United States, to-day framing a measure to tax the American people $100,000,000 to supply a deficiency in the public revenues occasioned by the European war, shall further tax the American people to the extent of $500,000,000 to guarantee the price of a particular product. [Applause.] And the chairman of the Banking and Currency Committee of the House, as a southern man, is upbraided and reproached by his colleagues from that section because he is not willing to wreck the fabric of American credit for an imaginary service to a single interest. [Applause.]

Every patriotic American citizen has the intensest sympathy for the cotton growers of the South. There is not anything in saneness or sense that might be done for their relief which any man would hesitate to do, whether he be from Massachusetts or Mississippi, from Virginia or California; but it is preposterous to talk about doing things so foolish and so unprecedented as are involved in this scheme of valorization. Not only is it foolish to suggest them, it is cruel and unpatriotic, as their proponents know they will not be done. [Applause.]

POLITICAL DELINQUENTS.

Finally, gentlemen, permit me to remark that there are some people in this world who are not of it. There are persons who are disposed to deride politics and who make a point of affecting contempt for public men. These, without discrimination, they characterize as "politicians," and ascribe to them an utter lack of patriotism and an incapacity to deal with business questions. Against critics of this type I desire to bring an indictment of responsibility for most of the maladministration of government and for most of the bad legislation that gets upon the statute books of the country. [Applause.] These critics are not confined to bankers, but you undoubtedly have a large percentage of the type among you. [Applause and laughter.] Men of this description toast their heels before their andirons in the evening with a complacent indifference to public affairs; and then on the morrow they complain that the "ward politicians," to whom they have given free rein, run politics as only ward politicians can. [Applause.] I feel like saying to the average American citizen of that type, whose wail is heard abroad in the land when anything is done that does not suit him in Congress: "You are responsible!" If these cynical critics would but attend to public affairs, if they would but take pride and patriotic interest in the politics of their country, if they would half way do their duty, there would be fewer demagogues in public life and less bad legislation on the public statute books. [Applause.] A demagogue is worse than an assassin, and I would, above most things, hate to be responsible for one of the species. If there is anything for which I feel that I can reverently thank God, it is that in my whole public career I have tried to do what my judgment has dictated should be done and have never paused in the doing long enough to inquire whether it was popular or unpopular. [Applause.]

CONCLUSION.

Now, I thank you again for your very courteous and gracious invitation, and even more for your rather apparent interest in what I have said I wish I could have withdrawn my thoughts from matters that were immediate and imperative at Washington, that I might better have prepared a succinct and cogent exposition of all the provisions of this Federal reserve act, but that was impossible, and I hope you will appreciate that it was because I was trying to serve my country there that I could not to-day do better here. [Applause.]

EXTENSION OF REMARKS.

Mr. WEBB. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. EAGAN. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from New Jersey [Mr. EAGAN] makes the same request. Is there objection?

There was no objection.

WAR PROSPERITY.

Mr. NORTON. Mr. Speaker, I believe in pitiless publicity in politics. I believe that political campaigns should be campaigns of education and of facts. Any part which I may take in the discussion of political and economic questions during the present presidential campaign it will be my earnest endeavor to present the plain, cold facts in regard to the principles of the Democratic and Republican Parties and the results obtained from the operation of these principles, so that my auditors and my readers may from these facts draw their own conclusions.

During the past few months a great deal has been said on the floor of the House by our Democratic friends concerning the prosperity which at present exists in the Nation. However, very little mention has been made by members on the Democratic side of the House of the business conditions that existed in the country during the spring and summer and just prior to the beginning of the European war in 1914. The depressed and deplorable condition of the business and industries of the country which followed the putting into effect of the Underwood tariff law and which was in evidence during the spring and summer of 1914 up to the time of the beginning of the European war in August of that year has not been forgotten and can not be forgotten by the millions of men who were out of employment during those days.

Prior to the present administration the Republican Party had been practically in uninterrupted control of the Government from March 4, 1897, to March 4, 1913. Since shortly after the Government was returned to the control of the Republican Party in 1897 and the country had recovered from the effect of Democratic tariff legislation under the Cleveland administration it has enjoyed a steady, vigorous, and sound development up to the time of the beginning of the Wilson administration in 1913, with the single exception of a short period of a few months in 1907 and 1908, when business was arrested by a temporary money panic brought on largely through a crusade inaugurated by President Roosevelt against bad business monopolies in the country.

While the Democratic Party had a majority in the House of Representatives in the Sixty-second Congress, which was called by President Taft in extraordinary session on April 4, 1911, the party did not come into full control of the Government until March 4, 1913. Since that time Woodrow Wilson has been President and a majority of Democratic Members have been in control of both the House and Senate. When the Republican Party turned control of the Government over to the Democratic Party in 1913 every line of business in the country was prosperous and flourishing and all men who would work found ready employment. Mines, factories, and shops everywhere were busy. The hum of industry was heard on every hand. The trade balance was as it had been for many years under Republican economic policies largely in our favor. Peace, happiness, and prosperity abounded throughout the whole country.

I am greatly surprised that some of our Democratic friends in their unbridled partisan criticism of the Republican Party make bold to charge that when the control of the country was taken over by the Democratic Party in 1913 the "business and industrial life of the country was in a weak and deplorable condition." This is a serious indictment, an indictment which, if true, after the Republican Party had been in full control of the Government for a decade and a half would warrant the repudiation of the Republican Party by the American people. How groundless and how untrue the indictment is can be best demonstrated by making a comparison of the condition of the leading business activities and industries of the Nation in the year 1900 and in the year 1913. I have selected this period, believing that it was fair to assume that conditions were normal under Republican control and under Republican Party economic principles in 1900, the country then having had three years to recover from the disastrous results of the economic follies of the Cleveland administration.

From 1900 to 1913 our population increased from 76,000,000 to 97,000,000, an increase of 27.7 per cent. In the 12 years' period of 1900 to 1912 our wealth increased from $88,517,307,000 to $187,739,071,090. The per capita wealth of the continental United States in 1900 was $1,164.79, and in 1912, $1,965. Thus it will be seen in the 12-year period from 1900 to 1912, as given by the Statistical Abstract of the United States, our wealth increased nearly 70 per cent, while during the 13 years from 1900 to 1913 our population increased but 27.7 per cent. This striking evidence can not be well said to indicate that "the business and industrial life of the country was in a weak and deplorable condition" when the control of the Government was taken over by the Democratic Party in 1913.

The amount of money in circulation in the United States in 1900 was $2,550,000,000. This was increased to $3,363,000,000 in 1913 under Republican control of the Government, an increase of more than 63 per cent. In 1900 our national debt, less cash in the United States Treasury, amounted to $1,107,711,257.89, or a per capita indebtedness of $14.58. In 1913 this amount had been reduced to $1,027,574,697.28, or to a per capita indebtedness of $10.60. While our population increased 27.7 per cent, it appears our public debt, less cash in the United States Treasury, decreased more than 28 per cent. The bank clearings of the United States, which in these days of modern business methods are one of the best criterions of the business condition of the country amounted in 1900 to $84,582,000,000 and in 1913 they had increased to $173,000,000,000, an increase of more than 100 per cent.

The number of national banks increased from 3,732 in 1900 to 7,473 in 1913, another increase of more than 100 per cent. During the same time the paid-up capital of these banks increased from $621,536,000 to $1,056,919,000, an increase of 60 per cent. At the same time the surplus and undivided profits of these banks had increased from $331,000,000 to $988,000,000, an increase of 170 per cent. Not alone was the great prosperity of the country during this period under Republican policy confined to the banking and commercial business interests of the country. During this period the farming industry, as well as all other industries, shows a marvelous progress and development. In 1900 the value of all farm property, including land, buildings, implements and machinery, and live stock, was $20,439,901,164. In 1910, the last year for which the census reports are available on this subject, shows that the value of all farm property had increased to $40,991,449,090, being an increase of more than 100 per cent. During this time the value of farm buildings alone increased nearly 100 per cent. The production of wheat was increased 46 per cent, and the production of cotton more than 39 per cent. The production of beet sugar increased from 163,458,075 pounds in 1900 to 1,385,112,000 pounds in 1913, an increase of 750 per cent. The production of coal increased 110 per cent, and the production of copper, the use of which enters into a large number of the industries of the country, increased 100 per cent. To-day is largely the age of iron and steel. The volume of these products used is looked upon as a true and safe measure of the sound business activities of the country. For this reason I call your attention particularly to the fact that the production of pig iron increased from 13,789,242 long tons in 1900 to 30,966,152 long tons in 1913, an increase of more than 100 per cent, while at the same time the production of steel increased from 10,188,229 long tons in 1900 to 31,300,874 long tons in 1913, an increase of 200 per cent.

In this same 13-year period the railroads evidenced a vigorous and steady growth. In 1900, 142,000,000 short tons of freight were carried 1 mile by the railroads of the country. This was increased to 301,000,000 short tons in 1913, an increase of more than 110 per cent in the freight traffic in the country. The passenger traffic showed a like increase of 80 per cent, 577,000,000 passengers being carried in 1900 and 1,034,000,000 in 1913. The Postal Service also presents further evidence of the general development and prosperity of the country during this period under Republican management. In 1900 the gross revenue of the Postal Department was $102,354,000. This was increased to $266,619,000 in 1913, an increase of 160 per cent.

In this 13-year period of marked material prosperity in the country the higher consideration of the future citizens of the country, who in the next generation are destined to rule the Nation, was not overlooked. In 1900 we expended for our public schools $214,954,000. This expenditure for common-school purposes was increased to $521,546,000 in 1913, an increase of 143 per cent. This increased expenditure for the common schools of the Nation during the period when our population increased but 27.7 per cent speaks volumes for the wise and statesmanlike leadership of those then guiding the Nation's destiny.

One of the modern methods of saving now generally employed by the laboring classes of our country is investment in life insurance policies. The number of life insurance policies taken out each year indicates in a considerable measure the prosperity or lack of prosperity among the laboring classes. The number of life insurance policies in ordinary and industrial companies in 1900 was 14,395,347. This number increased in 1913 to 37,448,941, an increase of more than 150 per cent. At the same time the amount paid to policyholders in 1900, being $168,687,601, had increased in 1913 to the splendid sum of $469,588,123, an increase of 180 per cent.

Not alone in our domestic banking, farming, mining, manufacturing, and commercial business do we find uncontrovertible evidence of sound prosperity under Republican control of the Government during the period between the Cleveland and Wilson administrations, but also do we find this evidence in our foreign trade. In 1900 our exports and foreign market amounted to $1,394,000,000. This was increased in 1913 to $2,465,000,000. This increase was not brought about through the occurrence of any great war, but by the exercise of American business enterprise fostered and protected by wise and sound economic legislation.

While the Republican Party was in control of the Government during those years, and was aiding and encouraging a wonderful activity and progress in all lines of business, it added no heavy burdens of governmental expenses on the people of the country. The total ordinary revenue of the Union amounted to $7.43 per capita in 1900 and to $7.44 per capita in 1913. In 1900, as well as in 1913, our revenue under Republican control of the Government was largely in excess of our expenditures, whereas in 1915, under Democratic control of the Government, the expenditures exceeded the revenue by nearly $63,000,000.

While it is a small matter, still it may be noted in passing, as it bears upon the oft-repeated charge of extravagance in governmental administration made by the Democratic Party against the Republican Party, the latest Statistical Abstract of the

United States shows that the cost of collecting the customs revenue during the year 1915 was 4.42 per cent of the amount collected. This was a larger percentage of cost for the collection of our customs revenue than that incurred during any year under Republican administration from 1900 to 1913.

When the cold facts and statistics of business and trade in the country are known and considered, the false charge that "the business and industrial life of the country was in a weak and deplorable condition" in 1913, when the control of the Government was turned over to the Democratic Party, crumbles and falls and, writhing, dies even among it own worshipers.

But let us consider what really occurred when the Democratic Party took charge of the Government in 1913. The Sixty-third Congress was called in extraordinary session by President Wilson for the special purpose of changing the Republican protective tariff law to conform, as it was proclaimed, to the declarations of the Democratic platform of 1912, which on that subject said:

We declare it to be a fundamental principle of the Democratic Party that the Federal Government, under the Constitution, has no right or power to impose or collect tariff duty except for the purpose of revenue.

The Underwood tariff law was approved by President Wilson on October 3, 1913. This law, according to Representative UNDERWOOD himself, was a very mild and homeopathic Democratic tariff law and only a forerunner of the sweeping tariff reductions which we were informed by him would soon thereafter follow under further Democratic control of the Government.

For the month of October, 1914, our exports exceeded our imports by $138,912,152. Following the enactment of the Underwood tariff law, our exports began to steadily decrease and our imports to increase until in March, 1914, the excess of our imports over our exports had fallen to $4,943,930. In April, 1914, for the first time in 15 years, our imports exceeded our exports. In this month of April, 1914, our imports exceeded our exports by $11,209,544. In May, June, and July of that year our imports exceeded our exports in steadily increasing amounts. In August, 1914, our imports exceeded our exports by $19,030,382. During the 10 months prior to the beginning of the European war in which the Underwood tariff law was in operation our imports increased $101,977,000 and our exports decreased $158,888,000, thus causing a reduction in our balance of trade of more than $260,000,000. Every dollar of this sum represented a dollar sent to a foreign country and lost to American industry.

The knowledge of this falling off in our trade balance, coupled with the knowledge that during this 10-month period our imports increased many millions of dollars and at the same time our customs revenue, due to the lower rate of the Underwood tariff law, decreased, is the key to the knowledge of the cause of the deplorable condition in which the business of the country was thrown during the months in 1914 preceding the European war.

For the 10 months in which the Underwood tariff law was in operation before the beginning of the European war, which began in August, 1914, the bank clearings of the country were $3,300,000,000 less than during the corresponding period in 1912 and 1913 under Republican economic policies. Commercial failures increased from $98,816,000 in 1912 to $113,863,000 in 1913 and to $175,298,000 in 1914. Statistics also show a decrease of many millions of dollars in the amount expended for building operations during this period.

The following table shows the imports and exports for each month of the 10-month period from October 1, 1912, to July 31, 1913, while the Payne tariff law was in operation:

	Imports.	Exports.	Excess of exports.
1912.			
October	$177,987,986	$254,633,504	$76,645,518
November	153,094,898	278,244,191	125,149,293
December	164,095,444	260,315,807	96,220,363
1913.			
January	163,063,438	227,032,930	63,969,492
February	149,913,918	193,996,942	44,083,024
March	155,445,498	187,426,711	31,981,213
April	146,194,461	199,813,438	53,618,977
May	123,723,713	184,607,422	60,883,709
June	131,245,877	163,401,916	32,159,039
July	139,061,770	160,980,778	21,929,008
	1,503,827,003	2,110,466,639	606,639,635

The following table shows the imports and exports for each month for the 10 months, October, 1913, to July 31, 1914, the time during which the Underwood tariff law was in operation before the beginning of the European war:

	Imports.	Exports.	Excess of—	
			Imports.	Exports.
1913.				
October	$132,949,302	$271,861,464		$138,912,162
November	148,236,536	245,539,042		97,302,506
December	184,025,571	233,195,628		49,170,057
1914.				
January	154,742,923	204,066,603		49,323,680
February	148,044,776	173,920,145		25,875,369
March	182,555,304	187,499,234		4,943,930
April	173,762,114	162,552,570	$11,209,544	
May	164,281,515	161,732,619	2,548,896	
June	157,529,450	157,072,044	457,406	
July	159,677,291	154,138,947	5,538,344	
	1,605,804,782	1,951,578,296	19,754,190	365,527,704

In the knowledge of these facts in mind it is not surprising that during this period thousands of men were out of employment, that hundreds of factories closed their doors, and that there was a dearth of new business enterprises and a halting of general industrial activity, and a widespread apprehension and belief that the economic policies of the Democratic Party would again destroy rather than foster and encourage American business and industry.

Then, in the height of this business depression, in August, 1914, suddenly burst on the world the gigantic European war, and with it the tremendous demand for war munitions, war supplies, and miscellaneous merchandise and foodstuffs needed in the struggle between the allied and central European powers. A new life was quickly injected into the trade and business of the country. At once our exports began to increase over our imports so that in September, 1914, our exports exceeded our imports by $16,341,732. During the fiscal year ended June 30, 1915, our export of merchandise exceeded our imports by the enormous sum of $1,094,419,600, our total export amounting in that year to $2,758,589,340, as compared with exports amounting to $2,364,579,148 in 1914. In 1916 our exports continued to increase and aggregated the enormous sum of $4,333,648,865 for the year ending June 30, 1916. During the fiscal year 1916 our exports exceeded our imports by $2,135,775,355, being practically 400 per cent greater than the average excess of our exports over our imports during the fiscal year 1913.

The balance of trade is at present in favor of the United States in an amount exceeding $200,000,000 a month, and is constantly increasing as the European war continues. The exports of the country for the fiscal year 1916 increased almost $2,000,000,000 above what our exports were during the fiscal year 1914. At the same time our imports increased from $1,803,925,657 in 1914 to $2,197,883,510 in 1916. The duty collected from customs, it will be noted, during this time fell off from $283,719,081 in 1914 to $211,866,222 in 1916. Our exports and imports and customs duties collected for the years 1913, 1914, and 1916 are shown in the following table:

	1913	1914	1916
Exports	$2,465,884,149	$2,364,579,148	$4,333,658,865
Imports	1,813,008,234	1,803,925,657	2,197,883,510
Excess of exports over imports	652,875,915	470,653,491	2,135,775,355
Per cent of free imports	54.47	59.53	67.91
Duties collected from customs	312,509,916	283,719,081	211,866,222

An examination of the character of the exports where the largest increases have occurred will disclose that the increase is composed altogether of war munitions and supplies and other merchandise needed by the people of the warring nations in carrying on their superlatively destructive warfare.

Mr. FITZGERALD. Will the gentleman yield?

Mr. NORTON. Certainly.

Mr. FITZGERALD. Does the gentleman mean to say that our exports of war munitions amount to $2,000,000,000 a year?

Mr. NORTON. I will say to the gentleman in reply that I intend to assert that the value of our exports of war munitions and supplies for war purposes, including merchandise necessary to the warring nations such as horses, mules, foodstuffs, and various manufactured articles, now aggregates fully $2,000,000,000 a year.

Mr. FITZGERALD. War munitions are about 6 per cent of our exports, or about $240,000,000.

Mr. NORTON. I have heard statements similar to that made before, that our export of war munitions, including guns and ammunition, amounted only to about 6 per cent of our total ex-

ports. Such a statement is entirely unsupported by the facts, and must have originated in the mind of some one who has given little or no study to this subject. The value of actual war munitions exported during the past year is incomparably greater than 6 per cent of the total export for the year. I shall place in the RECORD a table showing what the sum of our exports were during the normal year of 1914, while the Democratic Party was in control of the Government, and also what the amount of the exports of these articles was during the fiscal year ended June 30, 1916. This table will show conclusively what war munitions and war supplies have been exported and will demonstrate that the statement that only 6 per cent of all our exports was made up of war munitions is highly ridiculous.

Mr. GREENE of Vermont. Will the gentleman yield?

Mr. NORTON. I shall be pleased to yield to the distinguished gentleman from Vermont.

Mr. GREENE of Vermont. Is it not the fact that the character of the so-called munitions has been almost completely changed since the time of the last great war, and that articles now entering into and controlling war munitions formerly were only regarded as merchandise or common supplies?

Mr. NORTON. That is very true.

Mr. GREENE of Vermont. Is it not true that this is a machine-made war and that gasoline became an essential of war and of war munitions?

Mr. NORTON. Gasoline and aeroplanes and submarines and things unheard of in prior wars must properly be included at this time as actual munitions of war. As I said, I shall place in the RECORD an authentic table setting forth some of these articles and the amount of increase in exports of the same, and shall leave the question to you to determine whether or not the statement I make is a fair conclusion justified by the facts.

Mr. BENNET. Will the gentleman include the $41,000,000 in value of alcohol, which might be called munitions of war?

Mr. NORTON. Alcohol has become one of the war necessities in the present great war across the Atlantic, and there accordingly has been a great increase in the export of this commodity from this country since the beginning of that war.

Table showing exports which have been greatly increased through war demands.

Articles.	For fiscal year ending June 30, 1914.	For fiscal year ending June 30, 1916.	Excess in 1916 of exports over normal Democratic year of 1914.
Aeroplanes, and parts of	$226,149	$7,002,005	16,775,856
Aluminum, and manufactures of	1,101,920	5,644,319	4,542,399
Alcohol	67,728	8,784,742	8,717,014
Animals:			
Horses	3,388,819	73,531,146	70,142,327
Mules	690,974	22,946,312	22,255,338
Cattle	647,288	2,383,765	1,736,477
Automobiles and parts of	33,198,806	120,000,866	86,802,060
Barbed wire	4,039,590	23,909,209	19,869,619
Breadstuffs	165,302,388	435,696,629	270,394,241
Brass, and articles made from	7,472,476	164,876,044	157,403,568
Cars and railways	11,177,776	26,661,015	15,483,239
Chemicals, drugs, and medicines	27,079,092	124,362,167	97,283,075
Copper, and manufactures of	146,222,556	173,946,226	27,723,670
Cotton manufactures	51,467,233	112,053,127	60,585,894
Engines and parts of	17,056,124	36,931,253	19,875,129
Explosives	6,272,197	467,081,928	460,809,731
India rubber, manufactures of, including automobile tires	12,441,220	35,180,096	22,738,875
Iron and steel, manufacture not included in any of foregoing items	230,384,963	560,368,991	329,984,028
Leather goods and tanned skins, including boots, shoes, and harness	57,466,261	146,613,815	89,147,554
Meat products	143,261,846	266,795,608	123,533,762
Refined sugar	1,839,983	79,390,147	77,550,164
Wool, manufactures	4,790,087	53,983,655	49,193,568
Zinc, manufactures	406,208	45,867,156	45,460,948
Total	926,001,684	2,994,010,221	2,068,008,537

The table which I here present shows 23 articles which enter into the needs of the warring nations and the war demand for which during the year 1916 has increased the exports of these article more than $2,000,000,000 over what the exports of these articles were during the year 1914. This table is compiled from the official reports of the foreign commerce and navigation of the United States made by the Department of Commerce. The single item of explosives appearing in the table shows that the export of explosives increased in 1916 more than $460,000,000 over the value of the export of explosives in 1914, and explodes completely the statement of our Democratic friends that only about 6 per cent of our total exports in the year 1916 was composed of war munitions.

The conclusion from the facts and figures of our present export trade is inevitable that the temporary prosperity we are now experiencing is a war prosperity pure and simple. It is a prosperity constructed on no sound or lasting economic principle. It is a prosperity which will collapse—not after the war, but be washed away by the first advancing wave of peace in Europe. It is a prosperity which will collapse—not after the war, but at the very first negotiations for peace. When the dove of peace returns to the now embattled nations across the sea the cream of our present export business will become sour milk. Then American wage earners will drop out of the pay line in tens of thousands if, while we lose the war markets of the world to the extent of thousands of millions of dollars each year, there are no permanent business industries to which they may turn for their bread and butter, because the vessels of all the world will be bringing their cargoes into our markets. Your poor old Democratic Party is water-logged with opposition to our Republican Party principles for the upbuilding and the protection of American home industry and is hopelessly unable to provide means to meet the situation which is certain to follow the close of the European war. Your party does at last seem to realize the situation which confronts the Nation and is making a pretense before the coming presidential election of adopting some fundamental Republican economic policies.

While you have heretofore opposed and scorned the suggestions of the Republican Party for a tariff commission, within a few hours you will repudiate the position you have taken for years on this question and will provide for such a commission in the revenue bill you are to pass to-day. But, as Senator UNDERWOOD, the former leader of your party in this House, argues, what good can come from a tariff commission under a party holding, as the Democratic Party does, to the economic belief that a tariff for the protection and upbuilding of American industries is unconstitutional and indefensible? Naturally, no good will come of it under any Democratic administration. As I said on the floor of the House two years ago, the American people at the first opportunity will record their disapproval of the present Democratic administration in no uncertain manner. They have within the past three years witnessed the business life and the industry of the country prostrated by the impracticable economic policy of the Democratic Party. They have witnessed the hopelessness and inefficiency of the Democratic Party to meet the world problems with which we are now confronted. They will no longer risk their welfare and happiness with a party whose principles are destructive of American progress and prosperity. They will no longer be deceived by false party promises and by free-trade prophecies. When the next opportunity presents itself at the November election they will return to the control of the Government that grand old Republican Party which has so long stood for America first before all the world; that party which has successfully met every great problem that has confronted the Nation during the past 60 years; that party under whose sound economic principles the Nation has enjoyed a prosperity and progress unprecedented in all the history of the world. [Applause on the Republican side.]

FEDERAL FARM LOAN ACT.

Mr. BARNHART. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate concurrent resolution 26 and place it on its passage at this time.

Mr. BENNET. Mr. Speaker, to save time, for the present I shall object. Possibly if the gentleman makes his request later I will not.

Mr. BARNHART. Will the gentleman withhold his objection until it is reported?

Mr. BENNET. I will.

The Clerk read the concurrent resolution, as follows:

Senate concurrent resolution 26.

Resolved by the Senate (the House of Representatives concurring), That there be printed 150,000 additional copies of Senate Document No. 500, Sixty-fourth Congress, entitled "The Federal Farm Loan Act," of which 50,000 copies shall be for the use of the Senate and 100,000 copies for the use of the House of Representatives.

The SPEAKER. Is there objection?

Mr. BENNET. Reserving the right to object, has not this been printed by the House?

Mr. BARNHART. I understand not. The bill just came from the Senate. I have made inquiries at the desk, but they do not know of any such resolution, and none has been referred to the committee. If it was done, it was done in conjunction with the bill, and I have inquired of the gentleman from Indiana [Mr. Moss], and he said he knew nothing of such a resolution.

Mr. GLASS. Mr. Speaker, I will say to the gentleman from New York that the Banking and Currency Committee of the House has been overwhelmed by Members applying for copies of the farm-loan act, and I suggested to the Senator from Florida [Mr. FLETCHER], chairman of the Joint Committee on Printing, that he present this resolution to the Senate, which he did, and it was unanimously passed.

Mr. NORTON. Will the gentleman yield?

Mr. BARNHART. Yes.

Mr. NORTON. What provision is made as to how the bills are to be distributed—through the folding room or the document room?

Mr. BARNHART. It will be a House document and go to the folding room. They all go there unless it is specified that they shall go to the document room.

Mr. BENNET. What is the approximate cost?

Mr. BARNHART. It is not reported but it will be insignificant. It is a small pamphlet. The committee has had no means to have a meeting and it comes here as a matter of unanimous consent. I trust that the gentleman from New York at this late hour will not object. In ordinary matters of this kind I like to have them considered in that way, but there have been so many requests from Members, and because of my inability to have this attended to in my long absence, I hope that the gentleman will withdraw his objection.

Mr. CANNON. Mr. Speaker, I was under the impression that a day or two ago there was a resolution offered in the House—I do not recollect whether it passed or not—but there was some discussion about it. The minority leader insisted if I recollect right that the Agricultural Department was preparing full instructions and had a sufficient appropriation to answer all demands.

Mr. GLASS. I will say to the gentleman that by direction of the Banking and Currency Committee of the House I introduced a resolution to have 50,000 copies printed and the House agreed to the resolution. It was first submitted to the minority leader, but we found that we could have but 35,000 copies and they were soon exhausted.

Mr. BARNHART. That was for $500.

Mr. GLASS. Yes; and then we asked for 50,000 more. But in talking with the Senator from Florida who is the chairman of the Joint Committee on Printing, he and I concluded that in view of the enormous demand for the document we better have 150,000 printed and divide them between the Senate and the House.

Mr. CANNON. They will be distributed through the folding room?

Mr. GLASS. One hundred thousand of them will.

Mr. BENNET. Mr. Speaker, let us have the resolution again reported.

The SPEAKER. Without objection the Clerk will again report the resolution.

There was no objection, and the Clerk again reported the resolution.

Mr. BENNET. Mr. Speaker, in view of the fact that this request comes from the chairman of the Committee on Printing, a fact that I had overlooked, who is a pretty good guardian of the Treasury, I shall not object.

The SPEAKER. Is there objection?

Mr. CANNON. Mr. Speaker, I want to ask the gentleman a question. I have seen many copies of the act, but I think I saw one copy of it that had side notes upon it.

Mr. GLASS. Yes; and that is the one that is covered in this resolution.

Mr. BARNHART. That is the one.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. RAGSDALE, for two days, on account of the illness of his wife.

WILLIAM HAROLD KEHOE.

Mr. FIELDS. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 6279) for the relief of William Harold Kehoe.

The SPEAKER. Is there objection?

Mr. BENNET. Mr. Speaker, I object.

The SPEAKER. The gentleman from New York objects.

EXTENSION OF REMARKS.

Mr. MEEKER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the subject of the exports of the Nation for the last three years.

The SPEAKER. Is there objection?

There was no objection.

WIDOWS' PENSIONS.

Mr. ASHBROOK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 11707) to amend an act entitled "An act to increase the pension of widows, minor children, etc., of deceased soldiers and sailors of the late Civil War, the War with Mexico, the various Indian wars, etc., and to grant a pension to certain widows of the deceased soldiers and sailors of the late Civil War," approved April 19, 1908, and for other purposes, with Senate amendments thereto, and that the Senate amendments be agreed to.

The SPEAKER. The Clerk will report the Senate amendments.

The Clerk read the Senate amendments.

The SPEAKER. Is there objection?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, I move that the House concur in the Senate amendments.

Mr. NORTON. Mr. Speaker, will the gentleman briefly explain the amendments made by the Senate?

Mr. ASHBROOK. Mr. Speaker, I will say to the gentleman that the first amendment is to make more clear who is entitled to a pension under this bill. The second amendment also relates to the same. It provides that the widows of soldiers of the Civil War——

Mr. NORTON. And of the Spanish-American War?

Mr. ASHBROOK. No.

Mr. NORTON. It applies to the Civil War?

Mr. ASHBROOK. Yes.

Mr. BENNET. Mr. Speaker, amendment No. 2 also applies to the Mexican War and the War of 1812.

Mr. ASHBROOK. Yes; but does not include the Spanish-American War widows.

Mr. BRUMBAUGH. Will the gentleman yield?

Mr. ASHBROOK. I will.

Mr. BRUMBAUGH. The date, I understand, in the bill is fixed at 1905?

Mr. ASHBROOK. I will say that the bill as it passed the House fixed the day of marriage at June 27, 1905. The Senate Pension Committee moved the date up to the passage of the bill; but the Senate this morning in passing the bill rejected the amendment of the Senate Pension Committee and passed the bill the same as it left the House, to wit, June 27, 1905.

Mr. RAKER. The last amendment, does the gentleman think that is all right?

Mr. ASHBROOK. I would say to the gentleman——

Mr. RAKER. It is not in the House bill. The Senate gave considerable discussion to it to-day. I think the Pensions Committee of the House is really opposed to the provision charging the widows $10 for presenting their pensions. Now, as a matter of fact, the pension officials send out a notification and there is nothing on earth to do except for her to go before some notary public or friend and prepare and send it here, and then the Congressmen and Senators could attend to these matters. And why should these people be compelled to give up $10?

Mr. ASHBROOK. I will say that I originally thought practically the same way about it, that I would not allow any pension agent or attorney a single cent for his services, but this bill provides that for widows who are now on the roll the pension agents can not charge; only those widows who have never established a claim and who do not now receive a pension can be charged. In those cases there is likely to be considerable trouble, and it was thought perhaps wise that some provision should be made for the payment, because many widows are poor and ignorant and do not know very much about what they are required to do to establish their claim, which frequently requires much work to supply the required proof or evidence.

Mr. FITZGERALD. Any widow who now receives a pension and is entitled to an increase can not be charged for the pension.

Mr. ASHBROOK. In cases of that kind the pension agents are forbidden to make a charge.

Mr. RAKER. What in regard to making a charge in regard to remarriage? If the second husband is since dead, will they be charged under that?

Mr. ASHBROOK. If they were once upon the pension roll, there would be no charge. If they never have been on the pension roll, there will be.

Mr. RAKER. If they are on the roll now or have been on, there will be no charge against them?

Mr. ASHBROOK. That is right.

Mr. RAKER. It is simply the new cases?

Mr. ASHBROOK. That is right.

Mr. RAKER. And the gentleman would rather for it to go through this way than to have any question at this time?

Mr. ASHBROOK. I would by all means.

Mr. RAKER. I feel the same way.

Mr. CLINE. Could there be a charge for those cases where the widow on the pension rolls by virtue of this act gets an increase?

Mr. ASHBROOK. None whatever.

Mr. BENNET. I think the seventh amendment strikes out the proviso at the bottom of page 3, and apparently that takes out of this bill certain classes of widows. Am I correct, or is there some explanation of that?

Mr. ASHBROOK. I will say to the gentleman from New York that this amendment was prepared by the Pension Office and was offered by the Senator from Utah [Mr. SMOOT] and, as I understand this amendment, Mr. Speaker, it provides that a widow who has children, as mentioned in this paragraph, who are domiciled in her own home is entitled to this increase in the pension provided by this act, but if the children are not domiciled in her own home she is not entitled to it.

Mr. BENNET. I will say to the gentleman it does not seem to read that way. It strikes out this language:

That the benefits of this act shall include those widows whose husbands, if living, have a pensionable status under the joint resolutions of February 15, 1895, July 1, 1902, and June 28, 1906.

And it does not appear in any other amendment.

Mr. ASHBROOK. But if the gentleman will read, it says:

Provided, however, That where a pension has been granted to a soldier's or sailor's helpless or idiotic child or children, or child or children under the age of 16 years, his widow shall not be entitled to pension under this section, unless the pension to such child or children has terminated, or unless such child or children be a member or members of her family and cared for by her, and upon allowance of pension to the widow, payment of pension to such child or children shall cease.

Mr. BENNET. Yes; but there is absolutely no connection between the two. It strikes out a provision for certain widows, and then provides for certain other widows, but the children of certain described classes shall not get pensions while those widows are receiving pensions. I can not see any provision in the bill that does it.

Mr. ASHBROOK. As I stated to my friend, this provision was prepared at the Pension Office, and a copy was sent to Senator SMOOT and a copy to the ranking Democratic Member, with the suggestion that an amendment ought to be offered and adopted, and it was offered by the Senator from Utah and adopted without opposition in the Senate. I have had no opportunity to give the amendment any consideration except that I heard it slightly discussed in the Senate this morning.

Mr. BENNET. The most potent argument for the Senate amendment is the lateness of the session.

Mr. ASHBROOK. That is true, and I hope the gentleman will not raise any objection to this amendment. If we hope to pass this bill at this session, it is important that we concur in the amendment. In view of the fact that this is a recommendation of the Pension Office, I think we ought to be willing to accept it.

Mr. BRUMBAUGH. Mr. Speaker, will the gentleman yield for a question?

Mr. ASHBROOK. Certainly.

Mr. BRUMBAUGH. As the gentleman knows, I am very much in favor of the bill, but, like other gentlemen, I do not like the attorney's fee feature in it. But I do not want to delay the passage of the bill. I would like to ask the gentleman, Is there any provision against an attorney soliciting trade or must the attorney be a local attorney? Is there anything against these Washington atorneys looking up lists and writing to these people that a bill is pending and have us do all the work and they get the credit for it?

Mr. RAKER. As to that, I want to say that many people have already written to me about this bill, which they mention as having been pending here for the last three months, and they seem to know about it.

Mr. ASHBROOK. The widow must nominate her agent or attorney in her application. Of course whomever she chooses to nominate as her attorney when her claim is allowed will get the $10 fee. If she prefers a Washington attorney to a local attorney, of course that is her own affair.

Mr. HARRISON. Mr. Speaker, there seems to be a good deal of controversy over the Senate amendments to this bill. Does not the gentleman think it might be well to delay it to let us look over the amendments until to-night? I understand there is going to be another session.

Mr. ASHBROOK. I do not understand that there is to be any controversy over these amendments. Some questions have been asked about them, but I do not think that any Member will object to the amendments. I would like to have the amendments concurred in at this time, so that the bill will be signed by the Speaker and the Vice President to-night and by the President before he leaves the city to-morrow, and I trust my good friend will interpose no objection.

Mr. HARRISON. I do not want to object. I merely suggest that it might be well to have an opportunity to look over it and vote on it.

The SPEAKER. The question is on concurring in the Senate amendments.

The Senate amendments were concurred in.

On motion of Mr. ASHBROOK, a motion to reconsider the vote whereby the Senate amendments were concurred in was laid on the table.

Mr. ASHBROOK. Mr. Speaker, I ask unanimous consent to extend my remarks on this bill.

The SPEAKER. The gentleman from Ohio [Mr. ASHBROOK] asks unanimous consent to extend his remarks on this bill. Is there objection?

There was no objection.

Mr. RAKER. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from California makes the same request. Is there objection to the gentleman's request?

There was no objection.

Mr. BRUMBAUGH. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from Ohio [Mr. BRUMBAUGH] makes the same request. Is there objection?

There was no objection.

SPEECH OF EX-CONGRESSMAN GRAHAM, OF ILLINOIS.

Mr. STONE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a speech recently delivered by ex-Congressman Graham of Illinois.

The SPEAKER. The gentleman from Illinois [Mr. STONE] asks unanimous consent to extend his remarks in the RECORD by inserting a speech recently delivered by ex-Congressman Graham. Is there objection?

There was no objection.

ORDER OF BUSINESS.

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent that the House stand in recess until 8.30 o'clock this evening.

The SPEAKER. The gentleman from New York [Mr. FITZGERALD] asks unanimous consent that the House stand in recess until half past eight to-night. Is there objection?

Mr. BENNET. Mr. Speaker, reserving the right to object, is it the purpose of the evening session to take up the revenue bill and the general deficiency bill?

Mr. FITZGERALD. It is expected that the confernce report will be ready on the revenue bill, and the conference report is ready on the deficiency bill and will be presented at that time.

Mr. BENNET. That is the purpose of having this evening session?

Mr. FITZGERALD. Yes. It will take about 14 hours to engross the revenue bill, and a meeting should be held to-night so as to permit the engrossment of the bill in time for an adjournment to-morrow.

Mr. BENNET. Of course it is to facilitate final adjournment?

Mr. FITZGERALD. Yes.

The SPEAKER. Is there objection?

Mr. BUCHANAN of Illinois. Reserving the right to object, Mr. Speaker, aside from the revenue and deficiency bills, there is very important legislation now being considered over in the Senate, such as the corrupt-practices act. I think the Senate should be given further time to consider that measure. I object to the recess, and unless we can adjourn over until to-morrow I think I shall have to make the point of no quorum.

The SPEAKER. There will be an adjournment to-night until to-morrow.

Mr. BUCHANAN of Illinois. I do not think it is necessary to have a meeting to-night.

Mr. FITZGERALD. The regular order will be the calling of the calendar and the committees. If some bill is called up to which there is objection, why——

Mr. BUCHANAN of Illinois. I think a motion to adjourn would be a proper motion, and unless that motion is made I think I shall have to make the point of no quorum.

Mr. FITZGERALD. That motion ought not to be made, because it will require time to engross the revenue bill.

Mr. BUCHANAN of Illinois. I make the point of no quorum, Mr. Speaker.

The SPEAKER. The gentleman from Illinois makes the point of no quorum. The Chair will count.

Mr. BUCHANAN of Illinois. Mr. Speaker, I will withdraw the point for the present.

The SPEAKER. The gentleman from Illinois withdraws the point of no quorum.

Mr. BUCHANAN of Illinois. I will only agree to withhold it for about 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. FITZGERALD] that the House stand in recess?

Mr. BUCHANAN of Illinois. Reserving the right to object again, Mr. Speaker—not that I think I will object—but I have been endeavoring here a time or two, Mr. Speaker, to secure

the consideration of a simple little resolution providing for mileage for the employees of the House and Senate. Some Members—and I do not suppose that there is any record of their returning to the Treasury the mileage they themselves have gotten—seem to stay on the job to object to that legislation, which will do simple justice to the employees of the House and Senate. And it seems to me that if we are in favor of doing some sort of justice, before this recess is taken, I will ask unanimous consent that this resolution be considered at this time.

The SPEAKER. Unless the gentleman from New York withdraws his request, the first thing is to attend to that.

Mr. FITZGERALD. I shall have to object to the request of the gentleman from Illinois [Mr. BUCHANAN].

Mr. BUCHANAN of Illinois. Then I object to the recess. I withhold the point of no quorum for 30 minutes.

Mr. STEELE of Iowa. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Iowa rise?

Mr. STEELE of Iowa. To make the statement that I have been on this job for several months——

The SPEAKER. The gentleman from Iowa asks unanimous consent for one minute. Is there objection?

There was no objection.

Mr. STEELE of Iowa. I have sat around here, gentlemen, for all these months, and I believe it is about time that we should return to our homes. I am getting tired of hearing this political gas that is now escaping in the Halls of Congress, and I do not want to be held up here with a shotgun by the gentleman from Illinois [Mr. BUCHANAN], stating that if he does not have a certain resolution passed in this House he will make the point of no quorum. I have been his friend. I have watched him carefully, but I want to say to you, Mr. BUCHANAN of Illinois, if that is your desire, I want you to go ahead and make the point of no quorum, and get it over with, and we will get through with this business.

Mr. BUCHANAN of Illinois. Will the gentleman yield?

The SPEAKER. The gentleman has no time to yield.

Mr. BUCHANAN of Illinois. I ask unanimous consent that he have time to answer a question.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the gentleman from Iowa have two minutes more. Is there objection?

There was no objection.

Mr. BUCHANAN of Illinois. At this time there is being considered in the Senate some of the most important legislation, in my opinion, that has been before this Congress at this session. Of course, no one desires to have the displeasure of his associates, and no one wants to be misunderstood as making any movement of this sort for any personal reason. I do say it is absolutely unjust on the part of this House to withhold from the employees mileage to and from their homes, when they have to make that trip. And those who would object to that, in my opinion, if they are fair and square, would return their own mileage to the Treasury. Now, I consider that if by delaying the adjournment of this House two or three days it would result in the passage of the corrupt-practices act, even at the risk of the displeasure of a few of my friends, it would be worth doing, in order to secure the passage of that important legislation. Now, I do not want to be misunderstood by my good friend from Iowa or to incur his displeasure, but when I think I am right it is pretty difficult for somebody to get up and say——

Mr. STEELE of Iowa. I want to make this statement, that I do object to the gentleman from Illinois making the statement that unless this resolution is passed he will call for a quorum here. If he is going to do that, or if there are any other Members who are going to do that, let them do it now, and let us get done with it. [Applause.] I am tired of waiting around.

Mr. BUCHANAN of Illinois. If that seems to be the sense of the House——

The SPEAKER. If the gentleman wants to call up his resolution, let him call it up.

Mr. BUCHANAN of Illinois. I make the point of no quorum.

The SPEAKER. The gentleman stated that he wanted to call up his resolution.

Mr. BUCHANAN of Illinois. It seems to be in accord with the desire of Members here that I should make the point. I did agree to withhold it for half an hour, and I will keep my agreement, whatever I do.

The SPEAKER. The gentleman does not need to withhold it.

MILEAGE TO OFFICERS AND EMPLOYEES.

Mr. BUCHANAN of Illinois. I ask unanimous consent to have the following resolution considered at this time.

The SPEAKER. The gentleman from Illinois asks unanimous consent for the present consideration of a resolution, which the Clerk will report.

The Clerk read as follows:

Joint resolution authorizing the payment of mileage to officers and employees of the Senate and House of Representatives.

Resolved, etc., That the Secretary of the Senate and the Clerk of the House of Representatives be, and they hereby are, directed to pay to the officers and employees of the Senate and House of Representatives, including clerks to Members, Delegates, and Resident Commissioners, the Capitol police, and W. A. Smith, CONGRESSIONAL RECORD clerk, borne on the annual and session rolls on the 1st day of September, 1916, mileage at the rate of 5 cents per mile, each way, to be estimated by the nearest route usually traveled in coming from and returning to their homes.

The SPEAKER. Is there objection?

Mr. CULLOP. I object, Mr. Speaker.

Mr. GARRETT. Mr. Speaker——

Mr. BUCHANAN of Illinois. Will the gentleman reserve the objection?

Mr. CULLOP. No; I will not withhold it one minute.

Mr. GARRETT. Mr. Speaker, I ask unanimous consent that the House stand in recess until 8.30 p. m.

The SPEAKER. The gentleman from Tennessee [Mr. GARRETT] asks unanimous consent that the House stand in recess until 8.30 p. m. Is there objection?

Mr. BUCHANAN of Illinois. I object, Mr. Speaker.

Mr. HARRISON. Mr. Speaker, I ask unanimous consent that at 9 o'clock this evening the Senate resolution, which embodies the same proposition as that offered by the gentleman from Illinois, be considered.

Mr. FITZGERALD. I object.

ENROLLED BILLS SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 1636. An act for the relief of Karen S. Sorenson and James Lyle;

H. R. 1963. An act for the relief of John E. Keys;

H. R. 16532. An act authorizing an adjustment of the boundaries of the Whitman National Forest, in the State of Oregon, and for other purposes; and

H. R. 14824. An act to prevent fraud at public auctions in the District of Columbia.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bills:

H. R. 15316. An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes; and

H. R. 14391. An act authorizing the purchase of a site and the erection of a public building thereon at Madison, Wis., and for other purposes.

JACKSON ORR.

Mr. HILLIARD. Mr. Speaker, I ask unanimous consent to proceed for one minute.

The SPEAKER. The gentleman from Colorado asks unanimous consent that he be allowed to proceed for one minute. Is there objection?

There was no objection.

Mr. HILLIARD. Mr. Speaker, on the 6th of May, when there were felicitating speeches made to the gentleman from Illinois, former Speaker CANNON, by the distinguished and eloquent Members of this House, there was a response made by Mr. CANNON, which only he, of course, could make. In the course of his remarks he enumerated those Members of the Forty-third Congress who are still alive. It happens that he omitted a distinguished Member of that Congress, now a resident of Denver, Colo., the Hon. Jackson Orr. He was born four years before the gentleman from Illinois, and nearly four years before the gentleman from Ohio, Gen. SHERWOOD. He was in the Forty-second Congress. He was a veteran Congressman when these two gentlemen came here.

Twenty-five years ago Judge Orr went out to our city, and by his character and habits and manly attributes he conquered the hearts of that people. To-day his body is erect; his mind is clear; his heart is full of generosity, forgiveness, and mercy; and his soul, while willing to stay here, is ready for its flight, and he sends his greetings to the Sixty-fourth Congress. [Applause.]

RECESS.

Mr. GARRETT. Mr. Speaker, I renew my request that the House stand in recess until 8.30 p. m.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that the House stand in recess until 8.30 p. m. Is there objection?

There was no objection.

Accordingly (at 5 o'clock and 10 minutes) the House took a recess until 8.30 p. m.

EVENING SESSION.

The recess having expired, at 8 o'clock and 30 minutes p. m. the House was called to order by the Speaker.

GENERAL DEFICIENCY APPROPRIATION BILL.

Mr. FITZGERALD. Mr. Speaker, I present a conference report upon the bill H. R. 17645, the general deficiency appropriation bill, and ask unanimous consent for its present consideration.

The SPEAKER. The gentleman from New York asks unanimous consent for the present consideration of the conference report upon the general deficiency appropriation bill, the rule about printing to the contrary notwithstanding. Is there objection?

Mr. BUCHANAN of Illinois. Mr. Speaker, I object.

CHARLES EDWARD RUSSELL.

Mr. BENNET. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the Clerk's desk and ask to have read.

The Clerk read as follows:

Resolved, That the Secretary of State be directed, if not incompatible with the public interest, to inform the House of Representatives whether the occurrence detailed in the following newspaper article happened as stated.

Mr. FITZGERALD (interrupting the reading). Mr. Speaker, I object to that.

The SPEAKER. The gentleman from New York objects.

Mr. BENNET. Mr. Speaker, will the gentleman withhold his objection for a moment?

Mr. FITZGERALD. Oh, we can not ask the Secretary of State to answer as to the accuracy of every newspaper statement.

Mr. BENNET. I realize that; but this is a question whether Mr. Russell, a fellow citizen——

Mr. FITZGERALD. The Secretary of State would not have the time, in the first place, and I suggest that the gentleman telephone.

Mr. BENNET. Oh, no. This is——

Mr. FITZGERALD. I object.

The SPEAKER. The gentleman from New York [Mr. FITZGERALD] objects.

Mr. BENNET. Mr. Speaker, I ask unanimous consent that the resolution, including the newspaper article, be printed in the RECORD.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD by printing the resolution and the newspaper article. Is there objection? [After a pause.] The Chair hears none.

The resolution and newspaper article are as follows:

Resolved, That the Secretary of State be directed, if not incompatible with the public interest, to inform the House of Representatives whether the occurrence detailed in the following newspaper article happened as stated;

PARIS, *September 6.*

Robert Woods Bliss, first secretary of the American Embassy and chargé d'affaires in the absence of Ambassador Sharp, has attempted to establish a censorship over Americans far exceeding in rigor anything the French have ever done, even for military purposes. Mr. Bliss's ruling is that no American who criticises President Wilson shall receive assistance in his affairs from the American Embassy in Paris.

CRITIC OF THE PRESIDENT.

Charles Edward Russell, two years ago the Socialist candidate for Senator from New York now representing in Paris a well-known and important newspaper organization, is Mr. Bliss's most recent victim. He suffers for having written to the Paris edition of the Herald that it pleased him to see that many Americans had protested against Mr. Wilson's "most strange and grotesque felicitations to the Austrian Emperor."

After writing this letter, Mr. Russell wished to go to the Belgian front, and, according to the rule laid down by the Belgian Government, asked the embassy in Paris for a letter establishing his identity as a journalist, taking to Mr. Bliss his credentials from the organization employing him. Another journalist went with Mr. Russell on the same errand and both were told to come back the next day and get their letters. Next day the other man, who had not written to the Herald, received his letter, but Mr. Russell was refused his on the ground that he had criticized the President.

CENSORSHIP BY EMBASSY.

Mr. Russell asked if there was anything in the Constitution or the statutes forbidding criticism of the President. Mr. Bliss replied, "No;" but said that nothing in the Constitution or the statutes required him to give the letter asked for, and that no one who criticized the President could get anything from the embassy.

Mr. BENNET. Mr. Speaker, I ask unanimous consent to proceed for three minutes.

The SPEAKER. The gentleman from New York asks unanimous consent to proceed for three minutes. Is there objection?

There was no objection.

Mr. BENNET. Mr. Speaker, the article which the House has just ordered printed in the RECORD details an alleged occurrence in Paris, and I hope it is merely an alleged occurrence. The statement is that Charles Edward Russell, a resident of the State of New York, a Socialist, it is true, but an American citizen, and as such entitled to every consideration that every other American citizen is entitled to, was, because he had criticized President Wilson, refused permission by the American Embassy at Paris to visit the French Army front, permission being necessary in the first instance from the American Embassy. The reason I introduced the resolution at this time and attempted to have it considered is that the Department of State is this afternoon reported to have said that they would not do anything about this matter until it was brought officially to their attention. It seemed to me that a matter of this kind, printed in a reputable newspaper in this city, with names given and everything of that sort, deserved attention before we adjourned. I am sorry that my colleague objected. Mr. Russell, a resident of our State, has been once, possibly twice, the candidate of his party for governor, and is a man of standing, an author of repute, and a highly respected and reputable citizen. I would like very much to find out whether he has been discriminated against in Paris. He does not belong to my party, and no man in this House has opposed socialistic doctrines in this Congress more than I; but as an American citizen he is entitled to certain rights, and I am sorry that, under the objection of my colleague, the opportunity to find out whether he has been discriminated against is denied. [Applause on the Republican side.]

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 6625) authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 136) for the relief of Eva M. Bowman.

ENROLLED BILLS SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 12889. An act authorizing the Secretary of the Interior to sell the unsold and unappropriated portions of lands within the town site of Newell, S. Dak., and for other purposes;

H. R. 6034. An act to make available a portion of the appropriation for the immigration station at Baltimore, Md., for such counters, booths, screens, railings, seats, bunks, kitchen and laundry equipment, etc., as necessary in connection with said station;

H. R. 2208. An act for the relief of James L. Yokum;

H. R. 14533. An act to authorize the Secretary of the Interior to issue a patent in fee simple to the district school board No. 112, of White Earth Village, Becker County, Minn., for a certain tract of land upon payment therefor to the United States in trust for the Chippewa Indians of Minnesota;

H. R. 10989. An act making appropriation for the preservation, improvement, and perpetual care of Huron Cemetery, a burial place of the Wyandotte Indians, in the city of Kansas City, Kans.;

H. R. 13046. An act to consolidate certain forest lands in the Oregon National Forest, in the State of Oregon;

H. R. 11707. An act to amend an act entitled "An act to increase the pension of widows, minor children, etc., of deceased soldiers and sailors of the late Civil War, the War with Mexico, the various Indian wars, etc., and to grant a pension to certain widows of the deceased soldiers and sailors of the late Civil War," approved April 19, 1908; and

H. R. 15807. An act to provide for holding sessions of the United States district court in the district of Maine and for dividing said district into divisions, and providing for offices of the clerk and marshal of said district to be maintained in each of said divisions, and for the appointment of a field deputy marshal in the division in which the marshal does not reside.

The SPEAKER announced his signature to enrolled joint resolution of the following title:

S. J. Res. 173. Joint resolution authorizing the payment of September salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session.

CONDEMNED CANNON.

Mr. FIELDS. Mr. Speaker, I submit a conference report upon the bill (S. 6625) authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls and ask unanimous consent for its present consideration.

The SPEAKER. The gentleman from Kentucky presents a conference report and asks unanimous consent for its present consideration. Is there objection?

There was no objection.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report, as follows:

CONFERENCE REPORT (NO. 1201).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill S. 6625, entitled "An act authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls," having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House, and agree to the same.

W. J. FIELDS,
FRANK L. GREENE,
Managers on the part of the House.
GEO. E. CHAMBERLAIN,
G. M. HITCHCOCK,
Managers on the part of the Senate.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

EXTENSION OF REMARKS.

Mr. ALLEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Ohio asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. WM. ELZA WILLIAMS. Mr. Speaker, I desire to speak to a question of personal privilege.

The SPEAKER. The gentleman will state it.

Mr. WM. ELZA WILLIAMS. Mr. Speaker, when the immigration bill passed the House I was absent on sick leave. I was for the bill but against the literacy test. A newspaper circulating largely in my State has charged that I was paired against the bill and I want to read into the RECORD of the House the telegram which I sent to the pair clerk at the time, and ask leave that it may be printed as a part of my remarks.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

The telegram is as follows:

HOT SPRINGS, ARK., *March 29, 1916.*

PAIR CLERK,
House of Representatives, Washington, D. C.:

Pair me against literacy test in immigration bill and for bill on final passage.

W. E. WILLIAMS.

GENERAL DEFICIENCY APPROPRIATION BILL.

Mr. BUCHANAN of Illinois. Mr. Speaker, I withdraw my objection to the request made by the gentleman from New York [Mr. FITZGERALD]. [Applause.]

The SPEAKER. The gentleman from Illinois withdraws his objection to the request of the gentleman from New York [Mr. FITZGERALD], and the Clerk will read the report.

Mr. MANN. What is it?

The SPEAKER. On the general deficiency bill.

Mr. MANN. Mr. Speaker, I suppose the request for unanimous consent has to be put again.

The SPEAKER. The gentleman from New York requested unanimous consent a good while ago to consider this conference report.

Mr. MANN. But objection was made then.

The SPEAKER. The Chair understands, but the objection has been withdrawn.

Mr. MANN. Well, it has to be submitted again.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I want to ask what the report is.

Mr. GARLAND. Mr. Speaker, I want to ask for information, if it is possible to do so, why the gentleman from Illinois [Mr. BUCHANAN] withdrew his objection?

The SPEAKER. Well, that is not a matter to be inquired into except privately. Does the gentleman from Illinois desire to ask the gentleman from New York a question?

Mr. MANN. I want to ask the gentleman what is the conference report?

Mr. FITZGERALD. On the general deficiency bill.

Mr. MANN. I understand, but what has been agreed upon?

Mr. FITZGERALD. Well, there are 52 different amendments. The gentleman from Illinois [Mr. CANNON] was a conferee. As the bill passed the House, it carried $14,332,069.11. As it passed the Senate, it carried $15,741,870.54, an increase of $1,409,801.43. The House receded from items aggregating $891,778.55, and the Senate receded on items aggregating $518,022.08. Of these items $180,000 was appropriated to carry out legislation in the District bill for the police and firemen's fund, and $150,000 for the peace celebration at Vicksburg, Miss.

Mr. MANN. That goes in?

Mr. FITZGERALD. That goes in.

Mr. MANN. That is what I wanted to know about.

Mr. FITZGERALD. And there was another large item. That constitutes nearly $350,000 of the $890,000. In addition there was $150,000 for the reconstruction of the courthouse of the Supreme Court of the District of Columbia.

Mr. MANN. Mr. Speaker, it is customary for the chairman of the Committee on Appropriations and the ranking minority member of that committee to make a statement about this stage of the proceedings in reference to the appropriations for the session. Does the gentleman from New York intend to make that statement?

Mr. FITZGERALD. I hope to be able to make it to-morrow; I can not make it to-night. While I have the figures, I am trying to write a statement that will not only be readable but highly persuasive, if not convincing, upon the Republican and other opponents of the Democratic administration. [Laughter and applause.]

Mr. MANN. Well, I think it might be well to get unanimous consent that these statements may be inserted in the RECORD, at least the one from this side.

Mr. FITZGERALD. Well, we will be in session to-morrow. It is possible that I shall be ready with the gentleman from Massachusetts [Mr. GILLETT].

The SPEAKER. Is there objection?

Mr. COX. I want to ask the gentleman one question.

Mr. FITZGERALD. Very well.

Mr. COX. What was done with the amendment put on in the Senate in relation to the steel-bloom rebate, amounting to about $142,000?

Mr. FITZGERALD. What is known as the La Follette amendment?

Mr. COX. Yes; put on in the Senate.

Mr. FITZGERALD. A certain rebate of customs duties?

Mr. COX. Yes; that is right, amounting to one hundred and forty-odd thousand dollars.

Mr. FITZGERALD. The Senate receded from that.

Mr. COX. Good.

Mr. FITZGERALD. There is one place in the text of the bill where, by a clerical error, the word "purchase" has been printed "purpose." I wished to call attention to that. The managers on the part of the two Houses modified the text by making the proper correction. It was contrary to the technical rule, but it was merely a clerical correction. The managers took the liberty to do it.

Mr. MOORE of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. MOORE of Pennsylvania. Is any provision made in this bill for taking over roads in the National Military Park at Gettysburg?

Mr. FITZGERALD. There was no such provision in the bill.

Mr. MOORE of Pennsylvania. I understood there was a Senate amendment carrying such provision.

Mr. FITZGERALD. There was no such Senate amendment. Such an amendment, however, was proposed in the House, as I recall, either to the sundry civil bill or to this bill, but the argument advanced in support of it was not sufficiently convincing to induce the House to vote in favor of the amendment.

Mr. MOORE of Pennsylvania. I think the reason for it was that there was no appropriation available for it at the time. If it is not in this bill, that answers my question.

Mr. FITZGERALD. There is no such item in the bill.

Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The gentleman from New York asks unanimous consent that the statement be read in lieu of the report. Is there objection?

There was no objection.

The statement was read.

The conference report and accompanying statement are as follows:

CONFERENCE REPORT (NO. 1199).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 17645) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1916, and prior fiscal years, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 5, 11, 13, 17, 19, 20, 29, 30, 31, 37, and 38.

That the House recede from its disagreements to the amendments of the Senate numbered 1, 2, 6, 9, 12, 14, 15, 18, 22, 23, 24, 25, 26, 27, 32, 33, 34, 35, 36, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, and 51, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"For refund of internal revenue taxes to the J. L. da Roza Estate, Incorporated, of Elk Grove, Cal., in accordance with private act numbered 83, approved August 7, 1916, $1,158."

And the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: Omit lines 4 and 5 of the matter inserted by said amendment; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In line 4 of the matter inserted by said amendment strike out the sum "$200,000"; and in line 9 strike out the sum "$200,000," and insert in lieu thereof the sum "$100,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: Omit the matter stricken out and inserted by said amendment, and on page 9 of the bill in line 8 strike out the word "purpose" and insert in lieu thereof the word "purchase"; and after line 18 insert as a new paragraph the following:

"The Bureau of Efficiency shall investigate the methods of transacting the public business in the Bureau of Internal Revenue and prepare recommendations for the improvement thereof and submit the same to the Secretary of the Treasury as early as practicable for his approval and to Congress at its next session."

And the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: Omit all of lines 9 to 14 inclusive of said amendment and in lieu thereof insert as a separate paragraph the following:

"One-half of the two foregoing sums shall be paid out of the revenues of the District of Columbia and the other half out of the Treasury of the United States"

And the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"National Memorial Celebration and Peace Jubilee, Vicksburg, Miss.: For expenses, within the limits of this appropriation, in connection with the celebration to be held at Vicksburg, Miss., in the year 1917, by the survivors of the armies of the Tennessee and of the Mississippi who participated in the Battle of Vicksburg in July 1863, in commemoration of a half century of peace and good-fellowship which happily exists throughout the Republic, to be expended under the direction and supervision of the Secretary of War as follows: For necessary sewerage, sanitation, and hospital service of persons attending said celebration; for necessary camp and garrison equipment, rations, and supplies for veterans of the Civil War attending said celebration, $150,000, no part of which shall be available until after January 1, 1917: *Provided*, That the Secretary of War is authorized and directed to fully complete all arrangements herein authorized before October 14, 1917, and that all camp equipment, including tents, supplies, and rations, shall be fully ready for use by that date; *Provided further*, That the National Association of Vicksburg Veterans, formed in Chicago, Ill., August 9, 1913, shall have charge of the order of exercises during the celebration; the physical control of the camp and grounds and the movement of troops and marching bodies shall be in the hands of the Secretary of War, under such officers as he may detail for that purpose; *Provided further*, That the Secretary of War is authorized to reimburse and pay, out of the amount herein appropriated, the traveling expenses of not exceeding seven members of the council of administration or of the executive committee of the National Association of Vicksburg Veterans for journeys authorized by him to be taken in attendance upon any one meeting in the interest of said celebration."

And the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In line 2 of the matter inserted by said amendment, after the word "boards," insert the following: "fiscal year 1917"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment as follows: In line 4 of the amendment, after the word "for," insert the words "the first Tuesday after"; and the Senate agree to the same.

JOHN J. FITZGERALD,
T. U. SISSON,
J. G. CANNON,
Managers on the part of the House.

THOMAS S. MARTIN,
N. P. BRYAN,
REED SMOOT,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two House on the amendments of the Senate to the bill (H. R. 17645) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1916, and prior years, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon by the conference committee and submitted in the accompanying conference report as to each of the said amendments, namely:

No. 1: Authorizes the disbursing officer of the Federal Trade Commission to pay George Rublee his salary as a commissioner from his entry on duty March 16, 1915, to May 15, 1916, the date when his nomination was rejected by the Senate.

No. 2: Provides, as proposed by the Senate, that the Bureau of Efficiency shall continue to occupy its present quarters in the Winder Building.

No. 3: Appropriates $1,158, as proposed by the Senate, to refund to the J. L. da Roza estate of Elk Grove, Cal., internal-revenue taxes paid on grape brandy destroyed by fire while stored in custody of an internal-revenue officer.

No. 4: Strikes out the appropriations of $65,792.53 and $50,359.35, proposed by the Senate, to pay to Walston H. Brown and the estate of Henry A. V. Post, respectively, as a refund of import duties paid in excess of duties imposed by law on steel blooms.

No. 5: Strikes out the appropriation of $20,000, inserted by the Senate, for the removal of the present roof covering of the dome of the Chicago, Ill., post office and the substitution of a new copper covered roof.

No. 6: Inserts the appropriation of $250, proposed by the Senate, for an additional amount for the purchase of a site for the post office at Rogersville, Tenn.

No. 7: Inserts the appropriation of $20,000, proposed by the Senate, for repairs to the laundry of the Bureau of Engraving and Printing, and strikes out the appropriation of $5,000 for repairs to laundry machinery.

No. 8: Appropriates $100,000, instead of $200,000 as proposed by the Senate, for salaries and expenses of collectors of internal revenue, deputy collectors, surveyors, clerks, messengers, and janitors in internal-revenue offices.

Nos. 9 and 10: Strikes out the word "copper" from the paragraph appropriating for the collection of the taxes levied in the emergency revenue act and the language inserted by the Senate requiring the employees thereunder to be taken from the civil service and restores the language requiring the Bureau of Efficiency to investigate the methods of transacting the public business in the Bureau of Internal Revenue, modified so as to require a report to be made to the Secretary of the Treasury and to Congress.

No. 11: Strikes out the appropriations inserted by the Senate for the Coast Guard.

No. 12: Inserts the paragraph proposed by the Senate authorizing a credit in the accounts of Robert T. Crane, late United States consul at Rosario, Argentina.

Nos. 13 and 14: Restores the language requiring the judgments and costs of $34,637.36 in favor of the Georgetown Gas Light Co. and the Washington Gas Light Co. to be paid wholly out of the revenues of the District of Columbia and appropriates $180,000, as proposed by the Senate, from the policemen's and firemen's relief fund for the fiscal year 1917.

No. 15: Provides that the appropriation of $15,000 for rent for the War Department shall be available for use in the District of Columbia.

No. 16: Inserts the appropriations of $4,000 and $1,300, respectively, for the operation of the fountains on the Union Station Plaza and the lighting of the Plaza, and requires the sums to be paid one-half from the United States Treasury and one-half from the revenues of the District.

No. 17: Strikes out the increase of $15,000 proposed by the Senate in the appropriation for a sodium nitrate storage plant.

No. 18: Makes the appropriation of $5,000 for rental of an office for the aviation section of the Signal Corps available for use in the District of Columbia.

No. 19: Strikes out the appropriation of $12,000, proposed by the Senate, for expenses of the board to investigate the Government manufacture of arms.

No. 20: Fixes the limit of cost of two colliers for the Panama Canal at $1,500,000 each, as proposed by the House, instead of $1,975,000 each, as proposed by the Senate.

No. 21: Appropriates $150,000 for the national celebration and peace jubilee to be held at Vicksburg, Miss.

Nos. 22 and 23: Provides for a clerk at $1,600, as proposed by the Senate, instead of one at $1,400, as proposed by the House, in the office of the Chief of Naval Operations.

No. 24: Makes the appropriation of $2,860 for rent for the Bureau of Yards and Docks available for use in the District of Columbia.

Nos. 25 and 26: Inserts the appropriation of $150,000 for reconstruction of the courthouse in the District of Columbia and the appropriation of $15,500 for rental of temporary quarters for the courts pending that work.

Nos. 27 and 28: Appropriates $500 to pay Charles E. Munroe for services rendered in connection with the explosion in the reception room of the Senate wing of the Capitol and $3,000 for overhauling elevator machinery in the Senate wing of the Capitol and the installation of new control boards.

No. 29: Strikes out the authority, proposed by the Senate, for the use of $6,500 of the appropriation for "surveying public lands" for the employment of surveyors in the General Land Office during the winter season.

Nos. 30 and 31: Strikes out the appropriations of $16,250 and $5,000, respectively, for the National Park Service and the improvement of the Lassen Volcanic National Park, Cal.

No. 32: Appropriates $15,000, as proposed by the Senate, for an interstate wagon road or highway through the Mukuntuweap National Monument, Utah.

Nos. 33, 34, and 35: Appropriates $14,500 to pay the widow of Joseph R. Lamar, late a Justice of the Supreme Court of the United States, and $1,366.67 and $1,250, respectively, for commissioners in the Mount Rainier and Crater Lake National Parks for the fiscal year 1917.

No. 36: Appropriates $1,000, as proposed by the Senate, to pay Tom K. Richie, of Tucson, Ariz., the sum covered into the Treasury on a forfeited cash recognizance in a case pending in the the United States district court, the court having remitted the same on appearance of the defendant for trial.

Nos. 37 and 38: Appropriatiates $125,000, as proposed by the House, instead of $140,000, as proposed by the Senate, for repairing and rebuilding aids to navigation on the Gulf coast, and strikes out the appropriation of $7,000 for completion of the Saratoga, Wyo., fish station.

No. 39: Inserts the word "September" in the date of approval of the employees' compensation act.

Nos. 40, 41, and 42, relating to the Senate: Appropriates $7,500, as proposed by the Senate, to pay the heirs of the late Senator Burleigh; $4,200 to reimburse the official reporters for expenses of clerk hire and other clerical services; and $1,200 to pay Dennis Kerr for extra and expert services rendered to the Committee on Pensions.

No. 43: Appropriates $9,000, as proposed by the Senate, for printing and binding for the Library of Congress.

Nos. 44, 45, 46, 47 and 48: Appropriates for the payment of judgments of the Court of Claims transmitted to Congress after the bill had passed the House.

No. 49: Appropriates for the payment of claims allowed by the accounting officers of the Treasury transmitted to Congress after the bill had passed the House.

Nos. 50 and 51: Corrects a section number of the bill and provides, as proposed by the Senate, for the appointment of John McElroy as a member of the commission in charge of the construction of the Arlington Memorial Amphitheater in the place of Ivory G. Kimball, deceased.

No. 52: Inserts the section, proposed by the Senate, providing for the postponement of the elections in Porto Rico in the event the bill entitled "An act to provide for a civil government for Porto Rico, and for other purposes," does not become a law at this session.

JOHN J. FITZGERALD,
T. U. SISSON,
J. G. CANNON,
Managers on the part of the House.

Mr. BUCHANAN of Illinois. Mr. Speaker, will the gentleman yield to me two minutes?

Mr. FITZGERALD. I yield to the gentleman two minutes.

Mr. BUCHANAN of Illinois. Mr. Speaker, in order that gentlemen may understand my position this afternoon, I want to state that I had intended to delay the adjournment of Congress for the reason that I believed it was possible to secure the passage of the corrupt-practices act. I now have information that convinces me that the act could not be passed in the Senate in the next two or three days, and any effort to secure its passage would be without avail.

That is the reason why I changed my mind. I make that statement in reply to the inquiry of the gentleman from Pennsylvania [Mr. GARLAND]. That is the reason why I withdraw my objection, and I do not intend now to make any further objection for the obstruction of business.

Mr. GARLAND. I feared that perhaps——

The SPEAKER. The gentleman from New York [Mr. FITZGERALD] has the floor.

Mr. GARLAND. Who has the floor?

Mr. BUCHANAN of Illinois. I yield to the gentleman from Pennsylvania the balance of my time, if I have any time left.

Mr. GARLAND. The reason I asked the question was that I wanted it perfectly understood, just the same as the gentleman on the other side of the aisle. I feared the influences that seemed to be exerted here this afternoon before the recess had changed the gentleman's mind with reference to the action he might be going to take. I did not know whether that was true or not. I wanted a thorough understanding of the subject.

Mr. FITZGERALD. So long as the gentleman from Pennsylvania is satisfied, it is all right.

The SPEAKER. The question is on agreeing to the conference report.

Mr. CANNON. Mr. Speaker, I desire to be recognized.

Mr. FITZGERALD. How much time does the gentleman desire?

Mr. CANNON. All the way from 30 seconds to 5 minutes.

Mr. FITZGERALD. I will yield to the gentleman all the way from 30 seconds to 5 minutes, as much as the gentleman may desire to consume. [Laughter.]

Mr. CANNON. Mr. Speaker, I have signed this conference report, but I would not have done so, if greater time were allowed, on account of certain minor sins of omission in the conference report—the omission of minor amendments of the Senate which, in my judgment, ought to have been included in the report, and to which the House should have acceded by receding from its disagreement. There is one in particular which, while it does not affect me, is important from the standpoint of the public service, and that is an appropriation of $10,000, or, possibly, $20,000, for putting a copper roof on the Federal building in Chicago. I did not know that there was not a copper roof upon it, but it appears from the estimate that was made that the building is being damaged and the contents are being damaged for want of a new roof. I presume, if we can trust this administration in making estimates and telling the truth, that appropriation might have been made.

Chicago is a very considerable city [laughter]; I think the revenues of the post office in the city of Chicago are second only to those of the post office in the city of New York, and the combined postal revenues of those two cities are larger, possibly, than those of from 15 to 25 States of the Union. But I suppose they can sit when there is no water around and retire when it rains. [Laughter.] The House conferees were not willing to agree to the Senate amendment.

There was another appropriation for which, technically, there was no formal estimate, although there had been an estimate in the last session of Congress—an appropriation to com-

plete a fish hatchery in the State of Wyoming at a cost of $50,000. The first authorization was $25,000. The second authorization was $25,000 more. Only one-half of the last $25,000 authorized was appropriated, as I recall, and I think my recollection is substantially correct. While there was no formal estimate, technically speaking, there was a communication from the Fish Commissioner to the effect that this expenditure of $12,500 and the expenditure of $25,000 previously was of no account unless the remainder was furnished; that until that remaining appropriation was forthcoming the fish hatchery could not be used.

But the House conferees, or a majority of them, refused in these cases, and in two or three other minor matters that I will not refer to, to agree to recede at the close of the session, and I signed the report. I thought it was due to the House to state that much, as the first appropriation was to be made for a roof for the Federal building in Chicago and the second to finish the fish hatchery in Wyoming, which will not be occupied until the full amount authorized by law is appropriated.

Mr. FITZGERALD. Mr. Speaker, the two items to which the gentleman from Illinois refers were not agreed to by the managers on the part of the House for very definite and substantial reasons.

The post-office building in Chicago has a glass dome set in copper frames. It is glass because it is intended to permit natural light to come in to the building. There has been some difficulty in making the glass dome water-tight. The Supervising Architect's Office desires to remove the glass dome and substitute a copper dome in its place. While the members of the Committee on Appropriations do not profess to be expert architects or builders, they do believe that there are competent men in the United States who, if engaged, can make that glass dome in the Chicago post office tight—water-tight—so that it may be permitted to perform the functions intended originally, to permit the interior of the building to be lighted.

This matter was not something new upon this bill. It was carefully considered by the committee in the consideration of the sundry civil appropriation bill, and upon all the facts presented to the committee, the committee reached the conclusion that if there were not in the Supervising Architect's Office men competent to determine how this work should be done, it was about time that men should be employed there who would be competent to preserve this building, which was designed and constructed under the supervision of this public officer.

Mr. MANN. Oh, Mr. Speaker, will the gentleman yield? Unfortunately the Chicago post office was neither designed nor constructed under the supervision of the Supervising Architect's Office.

Mr. FITZGERALD. They had some control of it.

Mr. MANN. They did not have as much control as would have been fortunate if they had had it.

Mr. FITZGERALD. They might or might not. At all events, it is very apparent that a competent person can make this dome tight—water-tight—and permit whatever little daylight there may be in Chicago during the daytime to filter into the building and not to exclude it by the construction of a solid copper dome in a place of this magnitude.

Mr. MANN. The gentleman from New York ought not to make such a remark about Chicago merely because Chicago is forging ahead of New York City. He ought not to show his jealousy in that way. [Laughter.]

Mr. FITZGERALD. Oh, Mr. Speaker, it is not jealousy. If New York were jealous of Chicago she would be in favor of tightening up this glass dome in such a way that no light would filter into this building. The building was designed so as to obtain as much natural light as possible. The great glass dome is there, and the committee, after very careful consideration of the matter in connection with the sundry civil bill, were convinced that it should be and is possible to make that dome tight—water-tight; and without more complete information than has been furnished us, we do not propose to permit this dome to be removed, particularly at the price now prevailing for copper.

Mr. BENNET. Will the gentleman yield?

Mr. FITZGERALD. I yield to my colleague.

Mr. BENNET. I will ask my colleague why every time he uses the word "tight" in connection with this roof of this building in the city of Chicago, he is so careful to use the word "water-tight" in connection with it?

Mr. MANN. Because it is in Chicago and not in New York.

Mr. FITZGERALD. Because every time I used the word I happened to look at my colleague from New York, and knowing his strong prohibition sentiments I did not wish him to misunderstand the connection in which the term was used. [Applause.]

Now, as to the item for the fish hatchery in Wyoming. This fish hatchery was authorized, not after consideration by any committee of either House of Congress but in the way that fish hatcheries are frequently created, by an amendment offered in the Senate, to provide a fish hatchery to cost $25,000. There was never any estimate as to what it would cost. There was never any limit of cost fixed on it.

Mr. CANNON. My friend is mistaken.

Mr. FITZGERALD. I know what statements were made in the conference, but they were wholly at variance with the facts.

Mr. CANNON. The limit of cost, as I understand——

Mr. FITZGERALD. There was never any limit of cost fixed on it.

Mr. MONDELL. Will the gentleman from New York allow me a suggestion?

Mr. FITZGERALD. I would like to complete the statement about it. I am familiar with it.

Mr. MONDELL. If there was not limit of cost fixed——

Mr. FITZGERALD. It was crowded into the bill over my protest.

Mr. MONDELL. If there was not limit of cost fixed, why did the gentleman object to an appropriation of $7,000 to complete it?

Mr. FITZGERALD. I will go on and state the reason. The $25,000 was appropriated, and it was cheaper for the House to accept that fish hatchery at $25,000 when that particular appropriation bill was up, than it would have been to yield on some other items that were in the bill; and in adjusting the differences between the two Houses it was cheaper to give $25,000 for the fish hatchery in Wyoming. After the money was appropriated and obtained it was found that they could not build a fish hatchery for $25,000. Anybody who ever dreamed of getting enough water by natural means for a fish hatchery in Wyoming had never been in or near the State. So two years ago a request was made for $25,000 additional, and a number of items were mentioned as necessary, and with the assistance of the gentleman from Wyoming [Mr. MONDELL], who was a member of the subcommittee that considered the items in the bill—after very careful consideration—the committee recommended that $18,000 be appropriated. The $18,000 was appropriated. Well, here had been a request for $25,000 and $7,000 of it had not been granted. That was a criminal offense in the estimation of some people, so that when the sundry civil bill reached the Senate this year this $7,000 that had not been given last year, together with two or three other items, were inserted in the bill without any request of the department, and in conference they were eliminated. When this deficiency bill was considered in the Senate this same $7,000 was put back in the bill. The statement was made that the limit of cost had been fixed at $25,000, that the House had declined to appropriate it, and that nothing could be done until this $7,000 was had; and some sharp head of a department, seeing that the amendment had been offered in the Senate, wrote a very commendatory letter to the Senator hoping that it would be adopted, because it could be expended; but the managers upon the part of the House believed that, in view of all the surrounding circumstances and existing conditions, and in view of the necessity for money in great public matters, so long as the department had not felt it sufficiently important even to submit an estimate for this $7,000, there was not much excuse for hunting back in a previous Congress for an estimate in order to justify it.

Against the protest of my colleague, Mr. CANNON, the other managers representing the House were unable to acquiesce in the arguments made in favor of the item, and I think properly so. I simply made this statement about the two items so that nobody would misunderstand the attitude of the House in declining to provide this money at this time, and in the hope a fish hatchery that may be of some benefit and will accomplish some good may be constructed at some place within the State of Wyoming within the appropriation of $43,000 already made.

Mr. MONDELL. Before the gentleman makes the motion to adopt the conference report, will he yield to me five minutes to clarify the matter of these fish hatcheries, for there were two of them?

Mr. FITZGERALD. I yield to the gentleman five minutes.

Mr. MONDELL. Mr. Speaker, my only reason in taking the time of the House in connection with the fish-hatchery matter is to clear up in the mind of the chairman of the Committee on Appropriations—whose mind is ordinarily clear as a bell, but is a little confused in this matter—to clear up his mind in regard to this matter of two fish hatcheries.

There were two fish hatcheries provided for at one and the same time, one in the State of Wyoming and one in the State of Kentucky. The gentleman from New York seems to have

got the impression some way that the increased appropriations above the original $25,000 was due to a shortage of water.

That is not true so far as the Wyoming hatchery is concerned but is true so far as the Kentucky hatchery is concerned. Water is apparently so scarce in Kentucky that it became necessary to add to the original appropriation for the purpose of securing water there. The Wyoming hatchery is supplied with water from one of the most magnificent springs in all the world; it has its source of water supply in a fine, clear, bubbling spring, with enough water for a dozen fish hatcheries. The Kentucky fish hatchery, it was discovered after it had been provided for, was almost entirely without the important element of water.

Mr. FITZGERALD. Oh, it is on the banks of the Ohio River, and levees had to be built to keep it from being drowned out.

Mr. MONDELL. You can not use the Ohio River water unfiltered for hatching young fish, and therefore it became necessary in the Kentucky hatchery to make provision for sinking wells and purifying the water in order to make it available.

The additional $7,000 in the case of the Wyoming hatchery is to provide for buildings which will make it the best located and, take it all around, the finest trout hatchery in the world.

Mr. RUCKER. What does it cost to buy the water?

Mr. MONDELL. The water is as free as the mountain air.

Mr. RAKER. Will the gentleman from New York yield me five minutes on these two amendments?

Mr. FITZGERALD. I yield to the gentleman from California five minutes.

Mr. RAKER. Mr. Speaker, I am disappointed and somewhat surprised and a little bit chagrined and astonished at the conferees' action on amendments 30 and 31.

Mr. FITZGERALD. They were both before the House and the House rejected them.

Mr. RAKER. Yes; but there were very few Members in the House at the time the deficiency bill was up, and if there had been a quorum present there would have been no question but that they would have been placed in the bill by an overwhelming vote. The House rejected them by a vote of 11 to 9.

I proceeded to the Senate and found a willing ear, and the Senate placed the two amendments in the bill. The House and the Senate by a large vote established a National Park Service. The report to the House and the attitude of the Secretary of the Interior shows that it will be to the advantage of the service if these appropriations be made and the officers provided for in the bill made at the present time, particularly amendment 31, the National Volcanic Park in California, for protection and improvement for the fiscal year of 1917, the small sum of $5,000. Congress created the park. It is out of the forest reserve at the present time. The Secretary of the Interior made his estimate, which was approved by the Secretary of the Treasury and sent to the Speaker of the House, but it came late and, of course, could not be put in the sundry civil bill. The only place to get it was in the deficiency bill, to the end that the park might be provided for and cared for during 1917. This is one of the scenic wonders of the world and of California. The National Government has established this national park, the estimates have been provided, and I am sorry that the House committee in their great desire to economize did not see their way sufficiently clear to place the item of $5,000 in the bill.

The local communities are improving the surrounding country. Roads are being built, not only by the counties surrounding this national park but by the State itself. The State is taking great interest in building up the State highways so that the traveling public may obtain the benefits of this park.

The SPEAKER. The time of the gentleman from California has expired.

Mr. FITZGERALD. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. MANN].

Mr. MANN. Mr. Speaker, it has become the practice in Congress to try to keep out of all bills, except appropriation bills, actual appropriations, with the understanding, where a bill has become a law providing for certain offices, that there will be carried in the proper appropriation bill an appropriation of the necessary money. I think it is a good practice, but it is a practice which can not prevail unless the appropriating committees are willing to do their share and carry the items in the appropriation bill, because the House when it is considering a bill has the right to put in an appropriation necessary to carry the law into effect; and the House would do that were it not for the understanding that the necessary appropriation will be carried in the proper appropriation bill. Recently we passed a law providing for a National Park Service and providing for a Director of the National Park Service and for a few other officials in that office. We did not provide an appropriation in that law specifically, though I am not sure whether one was first carried in the bill or not. I think that under the understanding and practice of the House we had a right to expect that the appropriation necessary for this service would be carried in the deficiency appropriation bill. An estimate had not been presented in time for the Committee on Appropriations to include it in the bill that was reported to the House, but the Senate added an item to the deficiency bill in accordance with an estimate which was made in accordance with the law that we recently passed. I am very sorry that, under the circumstances, the House conferees refused to agree to that appropriation and insisted that it should go out, and I am afraid that the next time one of these matters comes up in the House and the gentleman from New York [Mr. FITZGERALD], or myself, endeavors to eliminate the appropriation we will be met with the statement that we can not rely upon the Committee on Appropriations to make the appropriation, and that the only safe thing to do is to carry it in the original organic bill itself.

Mr. FITZGERALD. Mr. Speaker, I believe that the criticism of the gentleman from Illinois [Mr. MANN] is not justified in this instance. It is true that a National Park Service has been created which provides for five statutory offices at designated salaries and also provides that other service may be engaged not exceeding in amount the sum of about $8,000. The bill passed just about the time the deficiency appropriation bill was reported to the House, around the 27th or 28th of August. The estimate did not reach the House in time to be considered. The estimate requested that all of the money that was authorized for the service be appropriated. The service has not been organized—nothing has been done. The managers upon the part of the House declined to agree to the provisions for this reason. The sundry civil appropriation act for the current year authorizes the employment of five persons in connection with the park service, whose compensation is payable out of the revenues of, and the appropriations for, the various parks. The managers on the part of the House and the conference committee took the position that between now and December, when Congress will be again in session, there will be practically no important work in connection with the national parks of the country. They are all practically closed to the tourists by the 15th of September, so that the important question——

Mr. RAKER. Mr. Speaker, will the gentleman yield?

Mr. FITZGERALD. Yes—oh, that is, outside of the Yosemite, but that is only one of many parks. Practically all of the national parks are closed to the public by the 15th of September, and all of the work necessary in connection with the appropriation for the organization of this park service can be done by the five persons whose employment is now authorized and who are actually employed in connection with this work. If this were an instance where a service had been created and no provision whatever had been made for it, it would be in a different position, but five persons are now employed under the authority carried in the appropriation bill, and they are ample to do everything necessary with the National Park Service between now and the time Congress will have an opportunity to obtain some information as to the character of the other service to be employed and the compensations proposed to be paid to the persons to be employed.

Mr. MANN. Mr. Speaker, will the gentleman yield?

Mr. FITZGERALD. I yield to the gentleman from Illinois.

Mr. MANN. As I gathered from what the gentleman said, there is no disposition on the part of the Committee on Appropriations to prevent this service going into effect at the proper time?

Mr. FITZGERALD. Not at all. The gentleman from Illinois recalls that when the deficiency bill was before the House estimates had come in about the time the bill had been reported. Now, the sundry civil bill, in an attempt upon the part of the Committee on Appropriations before the passage of the National Park Service bill, to establish some organization that would make the administration of the parks more effective and more beneficial, had authorized this organization with compensation payable out of various appropriations and revenues that are presumably proper, and the belief was that between now and the time that Congress will be again in session the matter will come up and no serious inconvenience will result.

Mr. MANN. Of course I have not the slightest idea who will be appointed as director of the National Park Service, whether it is somebody now in the service or outside of it.

Mr. FITZGERALD. I imagine Mr. Marshall, who is now in a position which corresponds to it, who has been for 20 years, I think, in the Geological Survey, and who has been in charge of this work, is the man whom the Secretary of the Interior at least has in mind to put at the head of the Park Service.

Mr. MANN. Has the gentleman thought that during the next session of Congress there may be provided in one of the deficiency bills some item which will authorize the making of appropriations for this service in time for next year?

Mr. FITZGERALD. Yes. All appropriations probably will become law by the 4th of March next, and this service will be provided for, in my opinion—I simply express my opinion—and for the remaining months of this fiscal year, so that it will be organized to do whatever should be done prior to the opening of the parks, the parks opening about the 1st of June.

Mr. Speaker, I ask for a vote.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken, and the conference report was agreed to.

On motion of Mr. FITZGERALD, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 17645) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1916, and prior fiscal years, and for other purposes.

ENROLLED BILL SIGNED.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 6625. An act authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls.

REVENUE.

Mr. KITCHIN. Mr. Speaker, I desire to present a conference report on the bill (H. R. 16763) to increase the revenue, and for other purposes.

The SPEAKER. The gentleman from North Carolina presents a report on the revenue bill, the title of which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of this conference report.

Mr. LINDBERGH. Will the gentleman permit a question?

Mr. KITCHIN. I will.

The SPEAKER. The gentleman from North Carolina asks unanimous consent for the present consideration of this conference report, the rule with reference to the printing of conference reports to the contrary notwithstanding.

Mr. MANN. Mr. Speaker, reserving the right to object, is it the gentleman's intention, if the conference report is considered, to give some explanation of it?

Mr. KITCHIN. I will. The statement will not be ready until about 12 o'clock to-night, but will be printed, with the consent of the House, in the RECORD.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The conference report and statement are as follows:

CONFERENCE REPORT (NO. 1200).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 16763) to increase the revenue, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 9, 14, 56, 57, 58, 59, 60, 61, 72, 77, 82, 103, 110, 134, 159, 160, 161, 168, 169, 170, 172, 175, 178, 191, 212, 218, 220, 227, 230, 234, 254, 268, and 269.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 15, 17, 18, 19, 20, 21, 22, 24, 25, 26, 27, 28, 29, 30, 31½, 32, 33, 34, 36, 37, 38, 39, 41, 42, 43, 46, 47, 48, 50, 51, 52, 53, 54, 55, 55½, 56½, 62, 66, 67, 68, 69, 70, 71, 73, 75, 76, 78, 79, 81, 83, 85, 86, 87, 88, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 104, 105, 107, 108, 108½, 109, 117, 121, 122, 123, 124, 126, 127, 128, 130, 131, 138, 143, 145, 147, 148, 149, 150, 151, 152, 153, 162, 167, 171, 173, 174, 176, 179, 180, 181, 182, 183, 184, 185, 186, 188, 189, 190, 192, 193, 194, 195, 196, 197, 198, 199, 200, 207, 223, 224, 225, 233, 236, 238, 239, 241, 243, 244, 247, 252, 255, 258, 259, 260, and 261, and agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"(c) For the purpose of ascertaining the gain derived from the sale or other disposition of property, real, personal, or mixed, acquired before March 1, 1913, the fair market price or value of such property as of March 1, 1913, shall be the basis for determining the amount of such gain derived."

And the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In addition to the matter inserted by said amendment insert on page 8 of the bill, line 6, after the word "school" the word "district"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Eighth. (a) In the case of oil and gas wells a reasonable allowance for actual reduction in flow and production to be ascertained not by the flush flow, but by the settled production or regular flow; (b) in the case of mines a reasonable allowance for depletion thereof not to exceed the market value in the mine of the product thereof which has been mined and sold during the year for which the return and computation are made, such reasonable allowance to be made in the case of both (a) and (b) under rules and regulations to be prescribed by the Secretary of the Treasury: *Provided*, That when the allowances authorized in (a) and (b) shall equal the capital originally invested, or in case of purchase made prior to March 1, 1913, the fair market value as of that date, no further allowance shall be made."

And on page 9 of the bill, lines 7 and 8, strike out the words "*Provided*, That no" and insert a period and the word "No."

And the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In addition to the matter inserted by said amendment insert on page 10 of the bill, line 19, after the word "school," the word "district"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Fifth. In transactions entered into for profit but not connected with his business or trade, the losses actually sustained therein during the year to an amount not exceeding the profits arising therefrom, in the United States."

And the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"(a) in the case of oil and gas wells a reasonable allowance for actual reduction in flow and productions to be ascertained not by the flush flow, but by the settled production or regular flow; (b) in the case of mines a reasonable allowance for depletion thereof not to exceed the market value in the mine of the product thereof which has been mined and sold during the year for which the return and computation are made, such reasonable allowance to be made in the case of both (a) and (b) under rules and regulations to be prescribed by the Secretary of the Treasury: *Provided*, That when the allowance authorized in (a) and (b) shall equal the capital originally invested, or in case of purchase made prior to March 1, 1913, the fair market value as of that date, no further allowance shall be made."

And on page 11 of the bill, lines 21 and 22, strike out ": *Provided*, That no" and insert in lieu thereof a period and the word "No."

And the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 7. (a) That for the purpose of the normal tax only, there shall be allowed as an exemption in the nature of a deduction from the amount of the net income of each of said persons, ascertained as provided herein, the sum of $3,000, plus $1,000 additional if the person making the return be a head of a family, or a married man with a wife living with him, or plus the sum of $1,000 additional if the person making the return be a married woman with a husband living with her; but in no event shall this additional exemption of $1,000 be de-

ducted by both a husband and wife: *Provided*, That only one deduction of $4,000 shall be made from the aggregate income of both husband and wife when living together: *Provided further*, That guardians or trustees shall be allowed to make this personal exemption as to income derived from the property of which such guardian or trustee has charge in favor of each ward or cestui que trust: *Provided further*, That in no event shall a ward or cestui que trust be allowed a greater personal exemption than $3,000, or, if married, $4,000, as provided in this paragraph, from the amount of net income received from all sources. There shall also be allowed an exemption from the amount of the net income of estates of deceased persons during the period of administration or settlement, and of trust or other estates the income of which is not distributed annually or regularly under the provisions of paragraph (b), section 2, the sum of $3,000, including such deductions as are allowed under section 5."

And the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "he has sufficient knowledge of the affairs of such person, trust, or estate to enable him to make such return and that the same is, to the best of his knowledge and belief"; and the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert a colon and the following: "*Provided*, That the term 'dividends' as used in this title shall be held to mean any distribution made or ordered to be made by a corporation, joint-stock company, association, or insurance company, out of its earnings or profits accrued since March 1, 1913, and payable to its shareholders, whether in cash or in stock of the corporation, joint-stock company, association, or insurance company, which stock dividend shall be considered income, to the amount of its cash value"; and the Senate agree to the same.

Amendment numbered 64: That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment as follows: In the last line of the matter inserted by said amendment strike out the words "by sale of such property"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "and cooperative banks without capital stock organized and operated for mutual purposes and without profit" and a semicolon; and the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"(a) in the case of oil and gas wells a reasonable allowance for actual reduction in flow and production to be ascertained not by the flush flow, but by the settled production or regular flow; (b) in the case of mines a reasonable allowance for depletion thereof not to exceed the market value in the mine of the product thereof which has been mined and sold during the year for which the return and computation are made, such reasonable allowance to be made in the case of both (a) and (b) under rules and regulations to be prescribed by the Secretary of the Treasury: *Provided*, That when the allowance authorized in (a) and (b) shall equal the capital originally invested, or in case of purchase made prior to March 1, 1913, the fair market value as of that date, no further allowance shall be made; and (c) in the case of insurance companies, the net addition, if any, required by law to be made within the year to reserve funds and the sums other than dividends paid within the year on policy and annuity contracts:"

And the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment as follows: In addition to the matter inserted by said amendment on page 33 of the bill, line 13, after the word "school" insert the word "district"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"(a) of oil and gas wells a reasonable allowance for actual reduction in flow and production to be ascertained not by the flush flow, but by the settled production or regular flow; (b) in the case of mines a reasonable allowance for depletion thereof not to exceed the market value in the mine of the product thereof which has been mined and sold during the year for which the return and computation are made, such reasonable allowance to be made in the case of both (a) and (b) under rules and regulations to be prescribed by the Secretary of the Treasury: *Provided*, That when the allowance authorized in (a) and (b) shall equal the capital originally invested, or in case of purchase made prior to March 1, 1913, the fair market value as of that date, no further allowance shall be made; and (c) in the case of insurance companies, the net addition, if any, required by law to be made within the year to reserve funds and the sums other than dividends paid within the year on policy and annuity contracts:"

And the Senate agree to the same.

Amendment numbered 89: That the House recede from its disagreement to the amendment of the Senate numbered 89, and agree to the same with an amendment as follows: In addition to the matter inserted by said amendment on page 36 of the bill, line 25, after the word "school," insert the word "district"; and the Senate agree to the same.

Amendment numbered 102: That the House recede from its disagreement to the amendment of the Senate numbered 102, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert a colon and the following: "*Provided*, That upon the examination of any return of income made pursuant to this title, the act of August 5, 1909, entitled 'An act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes,' and the act of October 3, 1913, entitled 'An act to reduce tariff duties and to provide revenue for the Government, and for other purposes,' if it shall appear that amounts of tax have been paid in excess of those properly due, the taxpayer shall be permitted to present a claim for refund thereof notwithstanding the provisions of section 3228 of the Revised Statutes" and a semicolon; and the Senate agree to the same.

Amendment numbered 106: That the House recede from its disagreement to the amendment of the Senate numbered 106, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"(d) That section 3225 of the Revised Statutes of the United States be, and the same is hereby, amended so as to read as follows:

"'SEC. 3225. When a second assessment is made in case of any list, statement, or return, which in the opinion of the collector or deputy collector was false or fraudulent, or contained any understatement or undervaluation, no tax collected under such assessment shall be recovered by any suit unless it is proved that the said list, statement, or return was not false nor fraudulent and did not contain any understatement or undervaluation; but this section shall not apply to statements or returns made or to be made in good faith under the laws of the United States regarding annual depreciation of oil or gas wells and mines.'"

Amendment numbered 111: That the House recede from its disagreement to the amendment of the Senate numbered 111, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "20"; and the Senate agree to the same.

Amendment numbered 112: That the House recede from its disagreement to the amendment of the Senate numbered 112, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "21"; and the Senate agree to the same.

Amendment numbered 113: That the House recede from its disagreement to the amendment of the Senate numbered 113, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "22"; and the Senate agree to the same.

Amendment numbered 114: That the House recede from its disagreement to the amendment of the Senate numbered 114, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "23"; and the Senate agree to the same.

Amendment numbered 115: That the House recede from its disagreement to the amendment of the Senate numbered 115, and agree to the same with an amendment as follows: In lieu of the matter inserted in said amendment insert "24"; and the Senate agree to the same.

Amendment numbered 116: That the House recede from its disagreement to the amendment of the Senate numbered 116, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "25"; and the Senate agree to the same.

Amendment numbered 118: That the House recede from its disagreement to the amendment of the Senate numbered 118, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "200"; and the Senate agree to the same.

Amendment numbered 119: That the House recede from its disagreement to the amendment of the Senate numbered 119, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "201"; and the Senate agree to the same.

Amendment numbered 120: That the House recede from its disagreement to the amendment of the Senate numbered 120, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "203"; and the Senate agree to the same.

Amendment numbered 125: That the House recede from its disagreement to the amendment of the Senate numbered 125, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "202"; and the Senate agree to the same.

Amendment numbered 129: That the House recede from its disagreement to the amendment of the Senate numbered 129, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "203"; and the Senate agree to the same.

Amendment numbered 132: That the House recede from its disagreement to the amendment of the Senate numbered 132, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "205"; and the Senate agree to the same.

Amendment numbered 133: That the House recede from its disagreement to the amendment of the Senate numbered 133, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "204"; and the Senate agree to the same.

Amendment numbered 135: That the House recede from its disagreement to the amendment of the Senate numbered 135, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "205"; and the Senate agree to the same.

Amendment numbered 136: That the House recede from its disagreement to the amendment of the Senate numbered 136, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "203"; and the Senate agree to the same.

Amendment numbered 137: That the House recede from its disagreement to the amendment of the Senate numbered 137, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "203"; and the Senate agree to the same.

Amendment numbered 139: That the House recede from its disagreement to the amendment of the Senate numbered 139, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Return shall be made in all cases of estates subject to the tax or where the gross estate at the death of the decedent exceeds $50,000, and in the case of the estate of every nonresident any part of whose gross estate is situated in the United States. If the executor is unable to make a complete return as to any part of the gross estate of the decedent, he shall include in his return a description of such part and the name of every person holding a legal or beneficial interest therein, and upon notice from the collector such person shall in like manner make a return as to such part of the gross estate. The Commissioner of Internal Revenue shall make all assessments of the tax under the authority of existing administrative special and general provisions of law relating to the assessment and collection of taxes"; and the Senate agree to the same.

Amendment numbered 140: That the House recede from its disagreement to the amendment of the Senate numbered 140, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "206"; and the Senate agree to the same.

Amendment numbered 141: That the House recede from its disagreement to the amendment of the Senate numbered 141, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "205"; and the Senate agree to the same.

Amendment numbered 142: That the House recede from its disagreement to the amendment of the Senate numbered 142, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "207"; and the Senate agree to the same.

Amendment numbered 144: That the House recede from its disagreement to the amendment of the Senate numbered 144, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "208"; and the Senate agree to the same.

Amendment numbered 146: That the House recede from its disagreement to the amendment of the Senate numbered 146, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "209"; and the Senate agree to the same.

Amendment numbered 154: That the House recede from its disagreement to the amendment of the Senate numbered 154, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "210"; and the Senate agree to the same.

Amendment numbered 155: That the House recede from its disagreement to the amendment of the Senate numbered 155, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "205"; and the Senate agree to the same.

Amendment numbered 156: That the House recede from its disagreement to the amendment of the Senate numbered 156, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "211"; and the Senate agree to the same.

Amendment numbered 157: That the House recede from its disagreement to the amendment of the Senate numbered 157, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "212"; and the Senate agree to the same.

Amendment numbered 158: That the House recede from its disagreement to the amendment of the Senate numbered 158, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "300"; and the Senate agree to the same.

Amendment numbered 163: That the House recede from its disagreement to the amendment of the Senate numbered 163, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 301. (1) That every person manufacturing (a) gunpowder and other explosives, excepting blasting powder and dynamite used for industrial purposes; (b) cartridges, loaded and unloaded, caps or primers, exclusive of those used for industrial purposes; (c) projectiles, shells, or torpedoes of any kind, including shrapnel, loaded or unloaded, or fuses, or complete rounds of ammunition; (d) firearms of any kind and appendages, including small arms, cannon, machine guns, rifles, and bayonets; (e) electric motor boats, submarine or submersible vessels or boats; or (f) any part of any of the articles mentioned in (b), (c), (d), or (e), shall pay for each taxable year, in addition to the income tax imposed by Title I, an excise tax of 12½ per cent upon the entire net profits actually received or accrued for said year from the sale or disposition of such articles manufactured within the United States: *Provided, however*, That no person shall pay such tax upon net profits received during the year 1916 derived from the sale and delivery of the articles enumerated in this section under contracts executed and fully performed by such person prior to January 1, 1916.

"(2) This section shall cease to be of effect at the end of one year after the termination of the present European war, which shall be evidenced by the proclamation of the President of the United States declaring such war to have ended.

"SEC. 302. That in computing net profits under the provisions of this title, for the purpose of the tax there shall be allowed as deductions from the gross amount received or accrued for the taxable year from the sale or disposition of such articles manufactured within the United States, the following items:

"(a) The cost of raw materials entering into the manufacture;

"(b) Running expenses, including rentals, cost of repairs and maintenance, heat, power, insurance, management, salaries, and wages;

"(c) Interest paid within the taxable year on debts or loans contracted to meet the needs of the business, and the proceeds of which have been actually used to meet such needs;

"(d) Taxes of all kinds paid during the taxable year with respect to the business or property relating to the manufacture;

"(e) Losses actually sustained within the taxable year in connection with the business of manufacturing such articles, including losses from fire, flood, storm, or other casualty, and not compensated for by insurance or otherwise; and

"(f) A reasonable allowance according to the conditions peculiar to each concern, for amortization of the values of buildings and machinery, account being taken of the exceptional depreciation of special plants.

"SEC. 303. If any person manufactures any article specified in section 301 and, during any taxable year or part thereof, whether under any agreement, arrangement, or understanding, or otherwise, sells or disposes of any such article at less than the fair market price obtainable therefor, either (a) in such manner as directly or indirectly to benefit such person or any person directly or indirectly interested in the business of such person, or (b) with intent to cause such benefit, the gross amount received or accrued for such year or part thereof from the sale or disposition of such article shall be taken to be the amount which would have been received or accrued from the sale or disposition of such article if sold at the fair market price.

"SEC. 304. On or before the 1st day of March, 1917, and the 1st day of March in each year thereafter a true and accurate return under oath shall be made by each person manufacturing articles specified in section 301, to the collector of internal revenue for the district in which such person has his principal office or place of business, in such form as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, setting forth specifically the gross amount of income received or accrued from the sale or disposition of the articles specified in section 301, and from the total thereof deducting the aggregate items of allowance authorized in section 302, and such other particulars as to the gross receipts and items of allowance, as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may require.

"SEC. 305. All such returns shall be transmitted forthwith by the collector to the Commissioner of Internal Revenue, who shall, as soon as practicable, assess the tax found due and notify the person making such return of the amount of tax for which such person is liable, and such person shall pay the tax to the collector on or before 30 days from the date of such notice.

"SEC. 306. If the Secretary of the Treasury or the Commissioner of Internal Revenue shall have reason to be dissatisfied with the return as made, or if no return is made, the commissioner is authorized to make an investigation and to determine the amount of net profits and may assess the proper tax accordingly. He shall notify the person making, or who should have made, such return and shall proceed to collect the tax in the same manner as provided in this title, unless the person so notified shall file a written request for a hearing with the commissioner within 30 days after the date of such notice; and on such hearing the burden of establishing to the satisfaction of the commissioner that the gross amount received or accrued or the amount of net profits, as determined by the commissioner, is incorrect, shall devolve upon such person.

"SEC. 307. The tax may be assessed on any person for the time being owning or carrying on the business, or on any person acting as agent for that person in carrying on the business, or where a business has ceased, on the person who owned or carried on the business, or acted as agent in carrying on the business immediately before the time at which the business ceased.

"SEC. 308. For the purpose of carrying out the provisions of this title the Commissioner of Internal Revenue is authorized, personally or by his agent, to examine the books, accounts, and records of any person subject to this tax.

"SEC. 309. No person employed by the United States shall communicate, or allow to be communicated to any person not legally entitled thereto, any information obtained under the provisions of this title, or allow any such person to inspect or have access to any return furnished under the provisions of this title.

"SEC. 310. Whoever violates any of the provisions of this title or the regulations made thereunder, or who knowingly makes false statements in any return, or refuses to give such information as may be called for, is guilty of a misdemeanor, and upon conviction shall, in addition to paying any tax to which he is liable, be fined not more than $10,000 or imprisoned not exceeding one year, or both, in the discretion of the court.

"SEC. 311. All administrative, special, and general provisions of law relating to the assessment and collection of taxes not specifically repealed are hereby made to apply to this title, so far as applicable and not inconsistent with its provisions.

"SEC. 312. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall make all necessary regulations for carrying out the provisions of this title, and may require any person subject to such provisions to furnish him with further information whenever in his judgment the same is necessary to collect the tax provided for herein."

And the Senate agree to the same.

Amendment numbered 164: That the House recede from its disagreement to the amendment of the Senate numbered 164, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "400"; and the Senate agree to the same.

Amendment numbered 165: That the House recede from its disagreement to the amendment of the Senate numbered 165, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 401. That natural wine within the meaning of this act shall be deemed to be the product made from the normal alcoholic fermentation of the juice of sound, ripe grapes, without addition or abstraction, except such as may occur in the usual cellar treatment of clarifying and aging: *Provided, however*, That the product made from the juice of sound, ripe grapes by complete fermentation of the must under proper cellar treatment and corrected by the addition (under the supervision of a gauger or storekeeper-gauger in the capacity of gauger) of a solution of water and pure cane, beet, or dextrose sugar (containing, respectively, not less than 95 per cent of actual sugar, calculated on a dry basis) to the must or to the wine, to correct natural deficiencies, when such addition shall not increase the volume of the resultant product more than 35 per cent, and the resultant product does not contain less than five parts per thousand of acid before fermentation and not more than 13 per cent of alcohol after complete fermentation, shall be deemed to be wine within the meaning of this act, and may be labeled, transported, and sold as 'wine,' qualified by the name of the locality where produced, and may be further qualified by the name of its own particular type or variety: *And provided further*, That wine as defined in this section may be sweetened with cane sugar or beet sugar or pure condensed grape must and fortified under the provisions of this act, and wines so sweetened or fortified shall be considered sweet wine within the meaning of this act."

And the Senate agree to the same.

Amendment numbered 166: That the House recede from its disagreement to the amendment of the Senate numbered 166, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "402"; and the Senate agree to the same.

Amendment numbered 177: That the House recede from its disagreement to the amendment of the Senate numbered 177, and agree to the same with an amendment as follows: Strike out the matter inserted by said amendment and insert in lieu thereof the words "or section 401 of this act" and a comma; and the Senate agree to the same.

Amendment numbered 187: That the House recede from its disagreement to the amendment of the Senate numbered 187, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "1½ cents"; and the Senate agree to the same.

Amendment numbered 201: That the House recede from its disagreement to the amendment of the Senate numbered 201, and agree to the same with an amendment as follows: In lieu of the section number proposed by the Senate amendment strike out "55" and insert "403"; and the Senate agree to the same.

Amendment numbered 202: That the House recede from its disagreement to the amendment of the Senate numbered 202, and agree to the same with an amendment as follows: In lieu of the section number contained in the Senate amendment strike out "56" and insert "404"; and the Senate agree to the same.

Amendment numbered 203: That the House recede from its disagreement to the amendment of the Senate numbered 203, and agree to the same with an amendment as follows: Insert at the beginning of the amendment the following: "Sec. 405"; and the Senate agree to the same.

Amendment numbered 204: That the House recede from its disagreement to the amendment of the Senate numbered 204, and agree to the same with an amendment as follows: In lieu of the section number proposed by the Senate amendment strike out the numeral "57" and insert "406"; and the Senate agree to the same.

Amendment numbered 205: That the House recede from its disagreement to the amendment of the Senate numbered 205, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "407"; and the Senate agree to the same.

Amendment numbered 206: That the House recede from its disagreement to the amendment of the Senate numbered 206, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Every corporation, joint-stock company or association, now or hereafter organized in the United States for profit and

having a capital stock represented by shares, and every insurance company, now or hereafter organized under the laws of the United States, or any State or Territory of the United States, shall pay annually a special excise tax with respect to the carrying on or doing business by such corporation, joint-stock company or association, or insurance company, equivalent to 50 cents for each $1,000 of the fair value of its capital stock and in estimating the value of capital stock the surplus and undivided profits shall be included: *Provided*, That in the case of insurance companies such deposits and reserve funds as they are required by law or contract to maintain or hold for the protection of or payment to or apportionment among policyholders shall not be included. The amount of such annual tax shall in all cases be computed on the basis of the fair average value of the capital stock for the preceding year: *Provided*, That for the purpose of this tax an exemption of $99,000 shall be allowed from the capital stock as defined in this paragraph of each corporation, joint-stock company or association, or insurance company. *And provided further*, That a corporation, joint-stock company or association, or insurance company, actually paying the tax imposed by section 301 of Title III of this act shall be entitled to a credit as against the tax imposed by this paragraph equal to the amount of the tax so actually paid: *And provided further*, That this tax shall not be imposed upon any corporation, joint-stock company or association, or insurance company not engaged in business during the preceding taxable year, or which is exempt under the provisions of section 11, Title I, of this act.

"Every corporation, joint-stock company, or association, or insurance company, now or hereafter organized for profit under the laws of any foreign country and engaged in business in the United States, shall pay annually a special excise tax with respect to the carrying on or doing business in the United States by such corporation, joint-stock company, or association, or insurance company, equivalent to 50 cents for each $1,000 of the capital actually invested in the transaction of its business in the United States: *Provided*, That in the case of insurance companies such deposits or reserve funds as they are required by law or contract to maintain or hold in the United States for the protection of or payment to or apportionment among policyholders shall not be included. The amount of such annual tax shall in all cases be computed on the basis of the average amount of capital so invested during the preceding year: *Provided*, That for the purpose of this tax an exemption from the amount of capital so invested shall be allowed equal to such proportion of $99,000 as the amount so invested bears to the total amount invested in the transaction of business in the United States or elsewhere: *Provided further*, That this exemption shall be allowed only if such corporation, joint-stock company, or association, or insurance company makes return to the Commissioner of Internal Revenue, under regulations prescribed by him, with the approval of the Secretary of the Treasury, of the amount of capital invested in the transaction of business outside the United States: *And provided further*, That a corporation, joint-stock company, or association, or insurance company, actually paying the tax imposed by section 301 of Title III of this act, shall be entitled to a credit as against the tax imposed by this paragraph equal to the amount of the tax so actually paid: *And provided further*, That this tax shall not be imposed upon any corporation, joint-stock company, or association, or insurance company not engaged in business during the preceding taxable year, or which is exempt under the provisions of section 11, Title I, of this act."

And the Senate agree to the same.

Amendment numbered 208: That the House recede from its disagreement to the amendment of the Senate numbered 208, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Sixth. Proprietors of theaters, museums, and concert halls, where a charge for admission is made, having a seating capacity of not more than 250, shall pay $25; having a seating capacity of more than 250 and not exceeding 500, shall pay $50; having a seating capacity exceeding 500 and not exceeding 800, shall pay $75; having a seating capacity of more than 800, shall pay $100. Every edifice used for the purpose of dramatic or operatic or other representations, plays, or performances, for admission to which entrance money is received, not including halls or armories rented or used occasionally for concerts or theatrical representations, shall be regarded as a theater: *Provided*, That in cities, towns, or villages of 5,000 inhabitants or less the amount of such payment shall be one-half of that above stated: *Provided further*, That whenever any such edifice is under lease at the passage of this act, the tax shall be paid by the lessee, unless otherwise stipulated between the parties to said lease."

And the Senate agree to the same.

Amendment numbered 209: That the House recede from its disagreement to the amendment of the Senate numbered 209, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the said amendment insert the following: "except in private homes"; and the Senate agree to the same.

Amendment numbered 210: That the house recede from its disagreement to the amendment of the Senate numbered 210, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "408"; and the Senate agree to the same.

Amendment numbered 211: That the House recede from its disagreement to the amendment of the Senate numbered 211, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert a comma and the following: ", including small cigars weighing not more than 3 pounds per 1,000"; and the Senate agree to the same.

Amendment numbered 213: That the House recede from its disagreement to the amendment of the Senate numbered 213, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "409"; and the Senate agree to the same.

Amendment numbered 214: That the House recede from its disagreement to the amendment of the Senate numbered 214, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "410"; and the Senate agree to the same.

Amendment numbered 215: That the House recede from its disagreement to the amendment of the Senate numbered 215, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "411"; and the Senate agree to the same.

Amendment numbered 216: That the House recede from its disagreement to the amendment of the Senate numbered 216, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "412"; and the Senate agree to the same.

Amendment numbered 217: That the house recede from its disagreement to the amendment of the Senate numbered 217, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 413. That all internal-revenue agents and inspectors be granted leave of absence with pay, which shall not be cumulative, not to exceed thirty days in any calendar year, under such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe."

And the Senate agree to the same.

Amendment numbered 219: That the House recede from its disagreement to the amendment of the Senate numbered 219, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "500"; and the Senate agree to the same.

Amendment numbered 221: That the House recede from its disagreement to the amendment of the Senate numbered 221, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Group I. Acenaphthene, anthracene having a purity of less than 25 per cent benzol, carbazol having a purity of less than 25 per cent, cresol, cumol, fluorene, metacresol having a purity of less than 90 per cent, methylanthracene, methylnaphthalene, naphthalene having a solidifying point less than 79 degrees centigrade, orthocresol having a purity of less than 90 per cent, paracresol having a purity of less than 90 per cent, pyridin, quinolin, toluol, xylol, crude coal tar, pitch of coal tar, dead or creosote oil, anthracene oil, all other distillates which on being subjected to distillation yield in the portion distilling below 200 degrees centigrade a quantity of tar acids less than 5 per cent of the original distillate, and all other products that are found naturally in coal tar, whether produced or obtained from coal tar or other source, and not otherwise specially provided for in this title, shall be exempt from duty."

And the Senate agree to the same.

Amendment numbered 222: That the House recede from its disagreement to the amendment of the Senate numbered 222, and agree to the same with an amendment as follows: In lieu of the matter inserted by the said amendment insert:

"Group II. Amidonaphthol, amidophenol, amidosalicylic acid, anilin oil, anilin salts, anthracene having a purity of 25 per cent or more, anthraquinone, benzoic acid, benzaldehyde, benzylchloride, benzidin, binitrobenzol, binitrochlorobenzol, binitro-

naphthalene, binitrotoluol, carbazol having a purity of 25 per cent or more, chlorophthalic acid, cumidin, dimethylanilin, dianisidin, dioxynaphthalene, diphenylamin, metacresol having a purity of 90 per cent or more, methylanthraquinone, metanilic acid, naphthalene having a solidifying point of 79° C. or above, naphthylamin, naphthol, naphthylenediamin, nitrobenzol, nitrotoluol, nitronaphthalene, nitranilin, nitrophenylenediamin, nitrotoluylenediamin, orthocresol having a purity of 90 per cent or more, paracresol having a purity of 90 per cent or more, phenol, phthalic acid, phthalic anhydride, phenylenediamin, phenylnaphthylamin, resorcin, salicylic acid, sulphanilic acid, toluidin, tolidin, tolylenediamin, xylidin, or any sulphoacid or sulphoacid salt of any of the foregoing, all similar products obtained, derived, or manufactured in whole or in part from the products provided for in Group I, and all distillates which on being subjected to distillation yield in the portion distilling below 200° C. a quantity of tar acids equal to more than 5 per cent of the original distillate, all the foregoing not colors, dyes, or stains, photographic chemicals, medicinals, flavors, or explosives, and not otherwise provided for in this title, and provided for in the paragraphs of the act of October 3, 1913, which are hereinafter specifically repealed by section 502, 15 per cent ad valorem."

And the Senate agree to the same.

Amendment numbered 226: That the House recede from its disagreement to the amendment of the Senate numbered 226, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "501"; and the Senate agree to the same.

Amendment numbered 228: That the House recede from its disagreement to the amendment of the Senate numbered 228, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "500"; and the Senate agree to the same.

Amendment numbered 229: That the House recede from its disagreement to the amendment of the Senate numbered 229, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following: "(except natural and synthetic alizarin, and dyes obtained from alizarin, anthracene, and carbazol; natural and synthetic indigo and all indigoids, whether or not obtained from indigo; and medicinals and flavors)"; and the Senate agree to the same.

Amendment numbered 231: That the House recede from its disagreement to the amendment of the Senate numbered 231, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "500"; and the Senate agree to the same.

Amendment numbered 232: That the House recede from its disagreement to the amendment of the Senate numbered 232, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "502"; and the Senate agree to the same.

Amendment numbered 235: That the House recede from its disagreement to the amendment of the Senate numbered 235, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"TITLE VI.—PRINTING PAPER.

"SEC. 600. That paragraph 322, Schedule M, and paragraph 567 of the free list of the act entitled 'An act to reduce tariff duties and to provide revenue for the Government, and for other purposes,' approved October 3, 1913, be amended so that the same shall read as follows:

"'322. Printing paper (other than paper commercially known as handmade or machine handmade paper, japan paper, and imitation japan paper by whatever name known), unsized, sized, or glued, suitable for the printing of books and newspapers, but not for covers or bindings, not specially provided for in this section, valued above 5 cents per pound, 12 per cent ad valorem: *Provided, however*, That if any country, dependency, province, or other subdivision of government shall impose any export duty, export license fee, or other charge of any kind whatsoever (whether in the form of additional charge or license fee or otherwise) upon printing paper, wood pulp, or wood for use in the manufacture of wood pulp, there shall be imposed upon printing paper, valued above 5 cents per pound, when imported either directly or indirectly from such country, dependency, province, or other subdivision of government, an additional duty equal to the amount of the highest export duty or other export charge imposed by such country, dependency, province, or other subdivision of government, upon either printing paper or upon an amount of wood pulp, or wood for use in the manufacture of wood pulp necessary to manufacture such printing paper.

"'567. Printing paper (other than paper commercially known as handmade or machine handmade paper, japan paper, and imitation japan paper by whatever name known), unsized, sized, or glued, suitable for the printing of books and newspapers, but not for covers or bindings, not specially provided for in this section, valued at not above 5 cents per pound, decalcomania paper not printed.'"

And the Senate agree to the same.

Amendment numbered 237: That the House recede from its disagreement to the amendment of the Senate numbered 237, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "700"; and the Senate agree to the same.

Amendment numbered 240: That the House recede from its disagreement to the amendment of the Senate numbered 240, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "701"; and the Senate agree to the same.

Amendment numbered 242: That the House recede from its disagreement to the amendment of the Senate numbered 242, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "702"; and the Senate agree to the same.

Amendment numbered 245: That the House recede from its disagreement to the amendment of the Senate numbered 245, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "703"; and the Senate agree to the same.

Amendment numbered 246: That the House recede from its disagreement to the amendment of the Senate numbered 246, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "704"; and the Senate agree to the same.

Amendment numbered 248: That the House recede from its disagreement to the amendment of the Senate numbered 248, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "705"; and the Senate agree to the same.

Amendment numbered 249: That the House recede from its disagreement to the amendment of the Senate numbered 249, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "706"; and the Senate agree to the same.

Amendment numbered 250: That the House recede from its disagreement to the amendment of the Senate numbered 250, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "707"; and the Senate agree to the same.

Amendment numbered 251: That the House recede from its disagreement to the amendment of the Senate numbered 251, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "708"; and the Senate agree to the same.

Amendment numbered 253: That the House recede from its disagreement to the amendment of the Senate numbered 253, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "709"; and the Senate agree to the same.

Amendment numbered 256: That the House recede from its disagreement to the amendment of the Senate numbered 256, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "800"; and the Senate agree to the same.

Amendment numbered 257: That the House recede from its disagreement to the amendment of the Senate numbered 257, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "801"; and the Senate agree to the same.

Amendment numbered 262: That the House recede from its disagreement to the amendment of the Senate numbered 262, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "802"; and the Senate agree to the same.

Amendment numbered 263: That the House recede from its disagreement to the amendment of the Senate numbered 263, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert: "*Provided*, That the above shall not be interpreted to prevent the establishing in this country on the part of a foreign producer of an exclusive agency for the sale in the United States of the products of said foreign producer or merchant, nor to prevent such exclusive agent from agreeing not to use, purchase, or deal in the article of any other person, but this proviso shall not be construed to exempt from the provisions of this section any article imported by such exclusive agent if such agent is required by the foreign producer or if it is agreed between such agent and such foreign producer that any agreement, understanding or condition set out in this section shall be imposed by such agent

upon the sale or other disposition of such article to any person in the United States"; and the Senate agree to the same.

Amendment numbered 264: That the House recede from its disagreement to the amendment of the Senate numbered 264, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "803," and on page 100 of the bill, line 15, strike out the words "six hundred and two" and insert in lieu thereof the words "eight hundred and two"; and the Senate agree to the same.

Amendment numbered 265: That the House recede from its disagreement to the amendment of the Senate numbered 265, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 804. That whenever any country, dependency, or colony shall prohibit the importation of any article the product of the soil or industry of the United States and not injurious to health or morals, the President shall have power to prohibit, during the period such prohibition is in force, the importation into the United States of similar articles, or in case the United States does not import similar articles from that country, then other articles, the products of such country, dependency, or colony.

"And the Secretary of the Treasury, with the approval of the President, shall make such rules and regulations as are necessary for the execution of the provisions of this section."

And the Senate agree to the same.

Amendment numbered 266: That the House recede from its disagreement to the amendment of the Senate numbered 266, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 805. That whenever during the existence of a war in which the United States is not engaged the President shall be satisfied that there is reasonable ground to believe that under the laws, regulations, or practices of any country, colony, or dependency contrary to the law and practice of nations, the importation into their own or any other country, dependency, or colony of any article the product of the soil or industry of the United States and not injurious to health or morals is prevented or restricted the President is authorized and empowered to prohibit or restrict, during the period such prohibition or restriction is in force, the importation into the United States of similar or other articles, products of such country, dependency, or colony as in his opinion the public interest may require; and in such case he shall make proclamation stating the article or articles which are prohibited from importation into the United States; and any person or persons who shall import, or attempt or conspire to import, or be concerned in importing, such article or articles into the United States contrary to the prohibition in such proclamation, shall be liable to a fine of not less than $2,000 nor more than $50,000, or to imprisonment not to exceed two years, or both, in the discretion of the court. The President may change, modify, revoke, or renew such proclamation in his discretion."

And the Senate agree to the same.

Amendment numbered 267: That the House recede from its disagreement to the amendment of the Senate numbered 267, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 806. That whenever, during the existence of a war in which the United States is not engaged, the President shall be satisfied that there is reasonable ground to believe that any vessel, American or foreign, is, on account of the laws, regulations, or practices of a belligerent Government, making or giving any undue or unreasonable preference or advantage in any respect whatsoever to any particular person, company, firm, or corporation, or any particular description of traffic in the United States or its possessions or to any citizens of the United States residing in neutral countries abroad, or is subjecting any particular person, company, firm, or corporation or any particular description of traffic in the United States or its possessions, or any citizens of the United States residing in neutral countries abroad to any undue or unreasonable prejudice, disadvantage, injury, or discrimination in regard to accepting, receiving, transporting, or delivering, or refusing to accept, receive, transfer, or deliver any cargo, freight or passengers, or in any other respect whatsoever, he is hereby authorized and empowered to direct the detention of such vessels by withholding clearance or by formal notice forbidding departure, and to revoke, modify, or renew any such direction.

"That whenever, during the existence of a war in which the United States is not engaged, the President shall be satisfied that there is reasonable ground to believe that under the laws, regulations, or practices of any belligerent country or government American ships or American citizens are not accorded any of the facilities of commerce which the vessels or citizens of that belligerent country enjoy in the United States or its possessions, or are not accorded by such belligerent equal privileges or facilities of trade with vessels or citizens of any nationality other than that of such belligerent, the President is hereby authorized and empowered to withhold clearance from one or more vessels of such belligerent country until such belligerent shall restore to such American vessels and American citizens reciprocal liberty of commerce and equal facilities of trade; or the President may direct that similar privileges and facilities, if any, enjoyed by vessels or citizens of such belligerent in the United States or its possessions be refused to vessels or citizens of such belligerent; and in such case he shall make proclamation of his direction, stating the facilities and privileges which shall be refused, and the belligerent to whose vessels or citizens they are to be refused, and thereafter the furnishing of such prohibited privileges and facilities to any vessel or citizen of the belligerent named in such proclamation shall be unlawful; and he may change, modify, revoke, or renew such proclamation; and any person or persons who shall furnish or attempt or conspire to furnish or be concerned in furnishing or in the concealment of furnishing facilities or privileges to ships or persons contrary to the prohibition in such proclamation shall be liable to a fine of not less than $2,000 nor more than $50,000 or to imprisonment not to exceed two years, or both, in the discretion of the court.

"In case any vessel which is detained by virtue of this act shall depart or attempt to depart from the jurisdiction of the United States without clearance or other lawful authority, the owner or master or person or persons having charge or command of such vessel shall be severally liable to a fine of not less than $2,000 nor more than $10,000, or to imprisonment not to exceed two years, or both, and in addition such vessel shall be forfeited to the United States.

"That the President of the United States is hereby authorized and empowered to employ such part of the land or naval forces of the United States as shall be necessary to carry out the purposes of this act."

And the Senate agree to the same.

Amendment numbered 270: That the House recede from its disagreement to the amendment of the Senate numbered 270, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "IX"; and the Senate agree to the same.

Amendment numbered 271: That the House recede from its disagreement to the amendment of the Senate numbered 271, and agree to the same with an amendment as follows: In lieu of the matter proposed by Senate amendment insert "900"; and the Senate agree to the same.

Amendment numbered 272: That the House recede from its disagreement to the amendment of the Senate numbered 272, and agree to the same with an amendment as follows: In lieu of the section number proposed by said amendment strike out "107" and insert "901"; and the Senate agree to the same.

Amendment numbered 273: That the House recede from its disagreement to the amendment of the Senate numbered 273, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following:

"SEC. 902. That unless otherwise herein specially provided, this act shall take effect on the day following its passage, and all provisions of any act or acts inconsistent with the provisions of this act are hereby repealed."

And the Senate agree to the same.

CLAUDE KITCHIN,
HENRY T. RAINEY,
LINCOLN DIXON,
CORDELL HULL,
Managers on the part of the House.

F. M. SIMMONS,
HOKE SMITH,
JOHN SHARP WILLIAMS,
WILLIAM HUGHES,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 16763) to increase the revenue, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: The Senate placed the repealing clause and the clause providing the date of effectiveness of the act, when said date is not otherwise specified, immediately following

the enacting clause. The Senate recedes from its amendment, which permits the aforementioned provisions to come at the close of the act as the last section as provided in the House bill.

Amendment No. 2: This amendment is merely a clerical change. And the House recedes.

Amendment No. 3: The House bill provided that the total net income in excess of $500,000 should be taxed 10 per cent. The Senate amendment provides that the rate of 10 per cent shall be imposed upon the amount by which the net income exceeds $500,000 and does not exceed $1,000,000, 11 per cent upon the amount by which the net income exceeds $1,000,000 and does not exceed $1,500,000, 12 per cent upon the amount by which the net income exceeds $1,500,000 and does not exceed $2,000,000, 13 per cent upon the amount by which the net income exceeds $2,000,000. And the House recedes.

Amendments Nos. 4, 5, 6, 7, and 8: These amendments are merely clerical changes, and the House recedes.

Amendment No. 9: The House bill provided that stock dividends made out of earnings or profits should be considered income to the amount of its cash value, and the Senate recedes.

Amendments Nos. 10, 11, 12, and 13: These amendments are merely clerical changes, and the House recedes.

Amendment No. 14: This amendment is a clerical change, and the Senate recedes.

Amendment No. 15: This amendment adds the words "or beneficiaries," and the House recedes.

Amendment No. 16: The Senate amendment provides that—

"For the purpose of ascertaining the gain derived from a sale or other disposition of real property, the profits realized within the year from the sale or other disposition of any real estate purchased within two years previous to the close of the year for which such income is estimated shall be the basis for determining the amount of such gain so derived from such sale or other disposition thereof."

The House recedes from its disagreement to the amendment, and agrees to the following amendment in lieu of the Senate amendment:

"(c) For the purpose of ascertaining the gain derived from the sale or other disposition of property, real, personal, or mixed, acquired before March 1, 1913, the fair market price or value of such property as of March 1, 1913, shall be the basis for determining the amount of such gain derived."

Amendments Nos. 17, 18, and 19: These amendments are merely clerical changes, and the House recedes.

Amendment No. 20: This amendment exempts securities issued under the provisions of the Federal farm-loan act of July 17, 1916, from the income-tax provisions; and the House recedes.

Amendments Nos. 21 and 22: These amendments are merely clerical changes, and the House recedes.

Amendment No. 23: This amendment is merely a clerical change, and the House recedes from its disagreement to the amendment with the amendment adding, after the word "school," on page 8 of the official print of the bill, line 6, the word "district."

Amendments Nos. 24, 25, 26, and 27: These amendments are merely clerical changes, and the House recedes.

Amendment No. 28: The Senate amendment provides:

"*Provided*, That for the purpose of ascertaining the loss sustained from the sale or other disposition of property, real, personal, or mixed, acquired before March 1, 1913, the fair market price or value of such property as of March 1, 1913, shall be the basis for determining the amount of such loss sustained."

And the House recedes.

Amendments Nos. 29 and 30: These amendments are merely clerical changes. And the House recedes.

Amendment No. 31: This Senate amendment provided that: "(a) In the case of oil and gas wells a reasonable allowance for actual reduction in flow and production to be ascertained not by the flush flow but by the settled production or regular flow under rules and regulations to be prescribed by the Secretary of the Treasury; (b) in the case of mines a reasonable allowance for depletion thereof, not to exceed the market value in the mine of the product thereof which has been mined and sold during the year for which the return and computation are made; (c) and in the case of timber a reasonable allowance for stumpage not in excess of the market value of the standing timber actually sawed and sold during the year for which such return and computation are made." The House agreed to the Senate amendment, with an amendment providing that the Secretary of the Treasury should have power to make rules and regulations with reference to the allowance allowed for the exhaustion of oil and gas wells and mines and eliminating the provision with reference to timber, as this portion of the amendment was not necessary in view of the fair market value of property on March 1, 1913, being agreed upon as the date for the basis of determining the amount of the gain derived from the sale or disposition of property.

Amendment No. 31½. This amendment provides that for the purpose of the normal tax only the income embraced in a personal return shall be credited with the amount received as dividends upon the stock or from the net earnings of a trustee. And the House recedes.

Amendments Nos. 32, 33, and 34: These amendments are merely clerical changes. And the House recedes.

Amendment No. 35: The Senate amendment is only a clerical change. And the House recedes with an amendment inserting, on page 10 of the official print of the bill, line 19, after the word "school," the word "district."

Amendments Nos. 36, 37, and 38: These amendments are merely clerical changes. And the House recedes.

Amendment No. 39: The Senate amendment provides: "*Provided*, That for the purpose of ascertaining the amount of such loss or losses sustained in trade, or speculative transactions not in trade, from the same or any kind of property acquired before March 1, 1913, the fair market price or value of such property as of March 1, 1913, shall be the basis for determining the amount of such loss or losses sustained." And the House recedes.

Amendment No. 40: The Senate amendment provided:

"In lawful business transactions entered into but not connected with his regular business or trade, the losses actually sustained therein during the year."

And the House recedes from its disagreement with the following amendment in lieu of the Senate amendment:

"In transactions entered into for profit but not connected with his business or trade, the losses actually sustained therein during the year to an amount not exceeding the profits arising therefrom, in the United States."

Amendment No. 41: The Senate amendment is a change in the paragraph number. And the House recedes.

Amendment No. 42: The Senate amendment is a clerical change. And the House recedes.

Amendment No. 43: The Senate amendment is a change in the paragraph number. And the House recedes.

Amendment No. 44: The Senate amendment provides that:

"(a) In case of oil and gas wells a reasonable allowance for actual reduction in flow and production to be ascertained not by the flush flow, but by the settled production or regular flow under rules and regulations to be prescribed by the Secretary of the Treasury; (b) in the case of mines a reasonable allowance for depletion thereof not to exceed the market value in the mine of the product thereof which has been mined and sold during the year for which the return and computation are made; (c) and in the case of timber a reasonable allowance for stumpage not in excess of the market value of the standing timber actually sawed and sold during the year for which such return and computation are made."

The House agreed to the Senate amendment with an amendment providing that the Secretary of the Treasury should have power to make rules and regulations with reference to the allowance allowed for the exhaustion of oil and gas wells and mines, and eliminating the provision with reference to timber, as this portion of the amendment was not necessary in view of the fair market value of property on March 1, 1913, being agreed upon as the date for the basis of determining the amount of the gain derived from the sale or disposition of property.

Amendment No. 45: The Senate amendment followed the present law with reference to the $3,000 and $4,000 exemption for unmarried and married persons, respectively. The House recedes from its disagreement to the Senate amendment making the $4,000 exemption extend to the heads of families as well as to married persons.

Amendments Nos. 46, 47, and 48: These Senate amendments are clerical changes, and the House recedes.

Amendment No. 49: This amendment relates to the oath to be made by a fiduciary in making his return. The House recedes from its disagreement to the Senate amendment with an amendment which in substance incorporates both the House and Senate provisions.

Amendment No. 50: The Senate amendment provides that no return of income not exceeding $3,000 shall be required of estates or trusts, and the House recedes.

Amendment No. 51: The Senate amendment is a necessary clerical change, and the House recedes.

Amendment No. 52: This amendment relates to the income return of persons carrying on business in partnership and more

clearly sets out the intent of the provisions than the House provision, and the House recedes.

Amendment No. 53: This amendment relates to the making of the return and should be carried over to the administrative section of the title. The effect of the Senate amendment is to strike the provision out of the individual section and to carry it over to the administrative section as a new section, which will be known as section 19, and the House recedes.

Amendment Nos. 54, 55, and 55½: These amendments are clerical changes, and the House recedes.

Amendment No. 56: The Senate amendment provides that: "No penalty shall be imposed or collected from any person or corporation for failing heretofore or hereafter to retain a tax at the source if it is shown satisfactorily that no tax in fact was or would be due by reason of an exemption for which no claim was filed with such person or corporation by the person entitled to such exemption," and the Senate recedes.

Amendment No. 56½: The Senate amendment is a clerical change, and the Senate recedes.

Amendments Nos. 57 and 58: The Senate amendments made it unnecessary for lessees to withhold rent, and the Senate recedes.

Amendments Nos. 59 and 60: These Senate amendments relate to the personal liability of persons withholding the tax at the source. The House provision made persons withholding the tax at the source liable for the tax. The Senate provision made such persons liable for the tax if they failed to withhold it, and provided that they should not be liable for any penalty if they made certified returns of information concerning the same to the collector of the district. The Senate recedes from both of these amendments.

Amendment No. 61: The Senate amendment provides that a person whose tax is withheld at the source may claim his exemptions by filing said claim with the collector of internal revenue of the district of his residence or chief place of business. The Senate recedes.

Amendment No. 62: The Senate amendment provides that if any person, for the purpose of obtaining any allowance or reduction by virtue of a claim for such exemption, knowingly makes any false or fraudulent representation, that he shall be liable to a penalty not exceeding $300, and the House recedes.

Amendment No. 63: The Senate amendment provided that dividends should include any distribution of the profits or earnings of a corporation or association accrued since March 1, 1913, whether made in cash or stock dividends. The House recedes from its disagreement to this amendment with an amendment providing that stock dividends made out of the earnings or profits shall be considered income to the amount of its cash value.

Amendment No. 64: The Senate amendment provided "for the purpose of ascertaining the gain derived or loss sustained from the sale or other disposition by a corporation, joint-stock company or association, or insurance company, of property, real, personal, or mixed, acquired before March 1, 1913, the fair market price or value of such property as of March 1, 1913, shall be the basis for determining the amount of such gain derived or loss sustained by sale of such property." The House recedes from its disagreement to this amendment with an amendment striking out the following last five words of the amendment inserted by the Senate: "by sale of such property."

Amendment No. 65: The Senate amendment provides that the income of cooperative banks organized and operated for mutual purposes and without profit shall be exempt from the income-tax provisions. The House recedes from its disagreement to the Senate amendment with an amendment exempting cooperative banks without capital stock organized and operated for mutual purposes and without profit.

Amendment No. 66: The Senate amendment is a clerical change. And the House recedes.

Amendment No. 67: The Senate amendment exempts mutual ditch or irrigation companies from the income-tax provisions. And the House recedes.

Amendments Nos. 68 and 69: The Senate amendments are clerical changes. And the House recedes.

Amendment No. 70: The Senate amendment exempts Federal land banks and national farm-loan associations from the income-tax provisions. And the House recedes.

Amendment No. 71: The Senate amendment exempts joint-stock land banks as to income derived from bonds or debentures of other joint-stock land banks or any Federal land bank belonging to such joint-stock land bank from the income-tax provisions. And the House recedes.

Amendment No. 72: The Senate amendment eliminated the provisions of the House bill which limited the deduction of the rentals paid by corporations as a condition to the continued use or possession of property to the case of property to which the corporation has not taken or is not taking title or in which it has no equity. And the Senate recedes.

Amendment No. 73: The Senate amendment adds losses charged off and not compensated by insurance or otherwise to the corporation-deduction provision. And the House recedes.

Amendment No. 74: The Senate amendment provided that "(a) in the case of oil and gas wells a reasonable allowance for actual reduction in flow and production, to be ascertained not by the flush flow but by the settled production or regular flow; (b) in the case of mines, a reasonable allowance for depletion thereof, not to exceed the market value in the mine of the product thereof which has been mined and sold during the year for which the return and computation are made; (c) and in the case of timber, a reasonable allowance for stumpage, not in excess of the market value of the standing timber actually sawed and sold during the year for which the return and computation are made, under such rules and regulations as may be prescribed by the Secretary of the Treasury; (d) and in the case of insurance companies, the net addition, if any, required by law to be made within the year to reserve funds and the sums other than dividends paid within the year on policy and annuity contracts."

The House agreed to the Senate amendment with an amendment providing that the Secretary of the Treasury should have power to make rules and regulations with reference to the allowance allowed for the exhaustion of oil and gas wells and mines and eliminating the provision with reference to timber, as this portion of the amendment was not necessary in view of the fair market value of property on March 1, 1913, being agreed upon as the date for the basis of determining the amount of the gain derived from the sale or disposition of property.

Amendment No. 75: The Senate amendment provided that mutual employers' liability and mutual workmen's compensation and mutual casualty insurance companies requiring their members to make premium deposits to provide for losses and expenses shall not return as income any portion of the premium deposits returned to their policyholders. And the House recedes.

Amendment No. 76: The Senate amendment is a clerical change. And the House recedes.

Amendment No. 77: The House provided that in the case of indebtedness wholly secured by property collateral, tangible or intangible, the subject of sale or hypothecation in the ordinary business of such corporation, joint-stock company, or association as a dealer only in the property constituting such collateral, or in loaning the funds thereby procured, the total interest paid by such corporation, company, or association within the year on any such indebtedness may be deducted as a part of its expense of doing business. And the Senate recedes from its amendment striking out the word "only."

Amendments Nos. 78 and 79: The Senate amendments are clerical changes. And the House recedes.

Amendment No. 80: The Senate amendment is a clerical change. And the House recedes from its disagreement to the amendment with an amendment adding, after the word "school," on page 33 of the official print of the bill, line 13, the word "district."

Amendment No. 81: This amendment is a mere clerical change. And the House recedes.

Amendment No. 82: The Senate amendment eliminated the provision of the House bill which limited the deduction of the rentals paid by corporations as a condition to the continued use or possession of property, to the case of property to which the corporation has not taken or is not taking title, or in which it has no equity. And the Senate recedes.

Amendment No. 83: This amendment is a clerical change. And the House recedes.

Amendment No. 84: The Senate amendment provides that "in the case of oil and gas wells a reasonable allowance for actual reduction in flow and production to be ascertained not by the flush flow, but by the settled production or regular flow; (b) in the case of mines a reasonable allowance for depletion thereof not to exceed the market value in the mine of the product thereof which has been mined and sold during the year for which the return and computation are made; (c) and in the case of timber, a reasonable allowance for stumpage not in excess of the market value of the standing timber actually sawed and sold during the year for which the return and computation are made under such rules and regulations as may be prescribed by the Secretary of the Treasury; (d) and in the case of insurance companies, the net addition, if any, required by law to be made within the year to reserve funds and the sums other than dividends paid within the year on policy and annuity contracts." The House agreed to the Senate amendment, providing that the

Secretary of the Treasury should have power to make rules and regulations with reference to the allowance allowed for the exhaustion of oil and gas wells and mines and eliminating the provision with reference to timber, as this portion of the amendment was not necessary in view of the fair market value of property on March 1, 1913, being agreed upon as the date for the basis of determining the amount of the gain derived from the sale or disposition of property.

Amendment No. 85: The Senate amendment provided that mutual employers' liability and mutual workmen's compensation and mutual casualty insurance companies requiring their members to make premium deposits to provide for losses and expenses shall not return as income any portion of the premium deposits returned to their policyholders. And the House recedes.

Amendment No. 86: This amendment is merely a clerical change. And the House recedes.

Amendment No. 87: This amendment prevents the deduction, in the case of bonds or other indebtedness which have been issued with a guaranty that the interest payable thereon shall be free from taxation, for the payment of any tax paid pursuant to such guaranty, instead of merely the income tax, as provided in the House bill. And the House recedes.

Amendment No. 88: This amendment is a clerical change. And the House recedes.

Amendment No. 89: The Senate amendment is only a clerical change. And the House recedes with an amendment inserting, on page 36 of the official print of the bill, line 25, after the word "school," the word "district."

Amendments Nos. 90, 91, and 92: These amendments are clerical changes. And the House recedes.

Amendment No. 93: This amendment provides that if a corporation, joint-stock company or association, or insurance company has no principal place of business, office, or agency in the United States, then the return shall be made to the collector of internal revenue at Baltimore, Md. And the House recedes.

Amendments Nos. 94, 95, 96, 97, 98, and 99: These amendments are clerical changes. And the House recedes.

Amendments Nos. 100 and 101: These amendments make the income-tax provisions relating to withholding at the source applicable to nonresident alien individuals apply to nonresident alien firms, copartnerships, companies, corporations, joint-stock companies or associations, and insurance companies. And the House recedes.

Amendment No. 102: This amendment provides that if an amount in excess of the amount properly due under an income-tax return required under the provisions of the act of August 5, 1909, the act of October 3, 1913, or this act has been paid into the Treasury a refund may be had of the excess amount paid, notwithstanding the provision of section 3228 of the Revised Statutes. And the House recedes with an amendment specifying the titles of the acts of August 5, 1909, and October 3, 1913.

Amendments Nos. 103 and 104: These amendments are clerical changes. And the House recedes.

Amendment No. 105: This amendment gives the Commissioner of Internal Revenue authority to grant corporations or individuals a reasonable extension of time in meritorious cases to make their returns. And the House recedes.

Amendment No. 106: The Senate amendment provides that section 3225 of the Revised Statutes shall not apply to a statement made in good faith, regarding annual depreciation of oil or gas wells, mines, and timberlands. The House recedes from its disagreement to this amendment with an amendment striking out "timberlands" so that this provision will only apply to statements and returns with reference to depreciation of oil and gas wells and mines.

Amendments Nos. 107 and 108: Are merely clerical changes. And the House recedes.

Amendment No. 108½: This amendment provides that "where any tax heretofore due and payable has been duly paid by the taxpayer, it shall not be re-collected from any person or corporation required to retain it at its source, nor shall any penalty be imposed or collected in such cases from the taxpayer, or such person or corporation whose duty it was to retain it, for failure to return or pay the same, unless such failure was fraudulent and for the purpose of evading payment." And the House recedes.

Amendment No. 109: This amendment relates to the making of the return and was carried in the House bill in the individual section. As an administrative provision it is more properly placed with the administrative sections. And the House recedes.

Amendment No. 110: The Senate amendment provided that "Nothing in this title shall be construed to release a taxable person from liability for income tax, and any contract hereafter entered into for payment of any interest, rent, or other fixed or determinable annual or periodical payment without allowing any deduction authorized to be made by this title or for the reimbursement of any amount so deducted shall be void." And the Senate recedes.

Amendments Nos. 111, 112, 113, 114, 115, and 116: These amendments are changes in section numbers. And the House recedes from its disagreement with the amendment numbering the sections numerically.

Amendment No. 117: This amendment provides that nothing in section 25 shall conflict with that portion of section 10 under which the taxpayer has fixed its own fiscal year. And the House recedes.

Amendments Nos. 118, 119, and 120: These amendments are changes in section numbers, and the House recedes from its disagreement to these amendments with amendments numbering the sections properly.

Amendments Nos. 121 and 122: These are clerical changes. The House recedes.

Amendment No. 123: The Senate amendment limits the 5 per cent rate to net estates exceeding $450,000 and not exceeding $1,000,000, and the House recedes.

Amendment No. 124: The Senate amendment introduces a new classification, as follows:

A 6 per cent rate upon the amount by which such net estate exceeds $1,000,000 and does not exceed $2,000,000;

A 7 per cent rate upon the amount by which such net estate exceeds $2,000,000 and does not exceed $3,000,000;

A 8 per cent rate upon the amount by which such net estate exceeds $3,000,000 and does not exceed $4,000,000;

A 9 per cent rate upon the amount by which such net estate exceeds $4,000,000 and does not exceed $5,000,000; and

A 10 per cent rate upon the amount by which such net estate exceeds $5,000,000, and the House recedes.

Amendment No. 125: This amendment is a change in section number, and the House recedes from its disagreement with an amendment numbering the section properly.

Amendment No. 126: The Senate amendment changes a printer's error. The House recedes.

Amendment No. 127: The Senate amendment strikes out the words "and adequate," leaving the consideration to be a fair one, instead of a fair and adequate one. The House recedes.

Amendment No. 128: The Senate amendment changes the period prior to death during which a transfer of property shall be deemed to have been made in contemplation of death, from four years to two years. The House recedes.

Amendment No. 129: This amendment is a change in section number. And the House recedes from its disagreement to the amendment with an amendment numbering the section properly.

Amendments Nos. 130 and 131: The Senate amendments are clerical. And the House recedes.

Amendments Nos. 132 and 133: These amendments are changes in section numbers. And the House recedes from its disagreement to the amendments with amendments numbering the sections properly.

Amendment No. 134: The Senate amendment changes the time of the beginning of interest on unpaid taxes upon estates to one year after the decedent's death instead of from the time of death. The Senate recedes.

Amendments Nos. 135, 136, and 137: These amendments are changes in section numbers. And the House recedes from its disagreement to the amendments with amendments numbering the sections properly.

Amendments Nos. 138 and 139: The Senate amendments provide that a return shall be made in case the gross estate at the time of death exceeds $50,000, together with certain details of such returns. The House recedes with an amendment requiring returns whenever there is an estate subject to this tax or where the gross estate exceeds $60,000.

Amendments Nos. 140, 141, and 142: These amendments are changes in section numbers. And the House recedes from its disagreement to the amendments with amendments numbering the sections properly.

Amendment No. 143: The Senate amendment strikes out the words "and adequate," leaving the consideration to be a fair one, instead of a fair and adequate one. The House recedes.

Amendment No. 144: This amendment is a change in section number. And the House recedes from its disagreement to the amendment with an amendment numbering the section properly.

Amendment No. 145: The Senate amendment provides that in case any of the tax provided for is paid out of the part of the estate passing to or in possession of any person other than the executor, such person shall be entitled to reimbursement from any part of the estate still undistributed, or by a just distribution from the other heirs. And the House recedes.

Amendment No. 146: This amendment is a change in section number. And the House recedes from its disagreement to the amendment with an amendment numbering the section properly.

Amendments Nos. 147, 148, 149, and 150: The Senate amendments in each instance insert the word "a" before the word "fair" and strike out the words "and adequate." These amendments leave the consideration as a fair one, instead of a fair and adequate one. And the House recedes.

Amendments Nos. 151, 152, and 153: These amendments are clerical changes. And the House recedes.

Amendments Nos. 154, 155, 156, and 157: These amendments are changes in section numbers. And the House recedes from its disagreement to the amendments with amendments numbering the sections properly.

Amendment No. 158: This amendment is a change in section number, and the House recedes from its disagreement to the amendment numbering the section with an amendment numbering the sections properly.

Amendment No. 159: The Senate amendment strikes out the word "person" and inserts the word "corporation." And the Senate recedes.

Amendment No. 160: The Senate amendment strikes out the word "partnership." The Senate recedes.

Amendment No. 161: The Senate amendment inserts the words "joint-stock companies." The Senate recedes.

Amendment No. 162: The Senate amendment strikes out the definition of the word "manufacture," as it is not necessary in the amended title. The House recedes.

Amendment No. 163: The Senate amendment strikes out the entire Title III, with the exception of section 300, and inserts in lieu thereof 10 new sections. The effect of the Senate amendments was to change the basis of the tax from the gross receipts to the net profits. It also strikes out the tax on copper and its alloys. It added a paragraph terminating the life of the tax one year after the end of the present European war. The House receded with certain amendments, the principal of which is the method of determining the net profits and the rate of tax is increased from 10 per cent, as provided by the Senate, to 12½ per cent.

Amendment No. 164: This amendment relates to a change in section number, and the House recedes from its disagreement with an amendment numbering the section properly.

Amendment No. 165: This Senate amendment defines wine. The House recedes from its disagreement to the amendment defining wine to be the product made from the normal alcoholic fermentation of the juice of sound, ripe grapes, without addition or abstraction, except such as may occur in the usual cellar treatment of clarifying and aging, and providing that wine can be perfected by the addition of sugar and water, but that the additions shall not increase the volume more than 35 per cent.

Amendment No. 166: This amendment is a change in section number, and the House recedes from its disagreement with an amendment numbering the section properly.

Amendment No. 167: The Senate amendment taxes compounds sold as wine at the same rates as still wines and artificial or imitation wines. And the House recedes.

Amendment No. 168: The Senate amendment fixed a uniform rate of 8 cents per gallon upon all wines. The Senate receded.

Amendment No. 169: The Senate amendment struck out the provisions imposing a tax of 4 cents per wine gallon upon wines containing less than 14 per cent of alcohol, 10 cents upon wine containing in excess of 14 per cent and not in excess of 21 per cent of alcohol, and 25 cents upon wines containing over 24 per cent of alcohol. The Senate receded.

Amendment No. 170: The Senate amendment changed the provisions imposing the distilled-liquor tax upon wines containing over 21 per cent of alcohol. The Senate receded.

Amendment No. 171: The Senate amendment is clerical, and the House receded.

Amendment No. 172: The Senate amendment struck out the provision abating or refunding the tax under the present law upon still wines unsold in the actual possession of the producer, so that the rates of this act could be imposed thereupon. The Senate receded.

Amendments Nos. 173 and 174: These amendments are clerical, and the House receded from them.

Amendment No. 175: This amendment is a clerical change. And the Senate recedes.

Amendment No. 176: This amendment is a clerical change. And the House recedes.

Amendment No. 177: This amendment is a change in section number; and the House recedes from its disagreement with an amendment numbering the section properly.

Amendment No. 178: The Senate increased the tax upon brandy for fortifying wines from the rate of 10 cents per proof gallon, provided in the House bill, to 55 cents per gallon; and the Senate recedes.

Amendment No. 179: The House provided that the tax upon brandy for fortifying sweet wines should be paid 90 days after notice. The Senate increased the period to 6 months; and the House recedes.

Amendment No. 180. This amendment provides that when sugar is used in sweetening wine, the sugar must contain not less than 95 per cent of actual sugar calculated on a dry basis; and the House recedes.

Amendments Nos. 181 and 182: These amendments are clerical changes; and the House recedes.

Amendment No. 183: This amendment allows an additional removal of wine from bonded premises before it is necessary to pay the tax; and the House recedes.

Amendments Nos. 184, 185, and 186: These amendments are clerical changes; and the House recedes.

Amendment No. 187: The House provided that each bottle or other container of artificial carbonated wine should pay 1 cent on each one-half pint or fraction thereof. The Senate increased this rate to 2½ cents. The House recedes from its disagreement to the Senate amendment with an amendment placing the tax at 1½ cents for each one-half pint or fraction thereof.

Amendment No. 188: This amendment restricts the taxable compounds to beverages; and the House recedes.

Amendments Nos. 189 and 190: The House provided that liqueurs, cordials, etc., containing distilled spirits of wine should pay a tax of 1½ cents on each one-half pint or fraction thereof. The Senate amendment provides that liqueurs, cordials, etc., containing sweet wine, fortified with grape brandy, shall pay a tax of 1½ cents on each pint or fraction thereof; and the House recedes.

Amendment No. 191: This amendment provides that liqueurs, cordials, etc., not containing sweet wines shall pay three-fourths cents on each one-half pint or fraction thereof; and the Senate recedes.

Amendment No. 192: This amendment is a clerical change; and the House recedes.

Amendment No. 193: The Senate struck out the tax upon medicinal compounds, so the House provision struck out by the Senate amendment is not necessary; and the House recedes.

Amendment No. 194: This amendment provides that in the case of imported still wines, including vermuth, sparkling wines, including champagne, and imported liqueurs, cordials, and similar compounds, the tax may be paid by assessment, instead of by stamps; and the House recedes.

Amendments Nos. 195, 196, 197, and 198: These amendments are clerical changes; and the House recedes.

Amendment No. 199: The Senate amendment is necessary in order to permit the blending of wines by other than rectifiers, and permits the use of grain or other ethyl alcohol in the fortification of sweet wines; and the House recedes.

Amendment No. 200: This amendment provides that distillers using the filtration-aeration process may use an unlimited amount of water in the process of mashing or filtration for fermentation; and the House recedes.

Amendment No. 201: This amendment provides that alcohol or other distilled spirits of proof strength of not less than 180 degrees intended for export free of tax may be drawn from receiving cisterns at any distillery or from storage tanks in any distillery warehouse, for transfer to tank or tank cars for export from the United States. The House recedes from its disagreement to this amendment with an amendment properly numbering the section.

Amendment No. 202: This amendment makes section 3255 of the Revised Statutes applicable to this act; and the House recedes with an amendment changing the section number to its proper number.

Amendment No. 203: This amendment provides that distilled spirits commercially known as gin, of not less than 80 per cent proof, at any time within eight years after entry in bond, at any distillery, may be bottled in bond at such distillery for export without payment of tax. The House recedes from its disagreement to this amendment with an amendment making this provision section 405.

Amendment No. 204: This amendment permits the use of a pipe line for the withdrawal of near beer from the brewery premises; and the House recedes from its disagreement to this amendment with an amendment to properly renumber the section.

Amendment No. 205: This amendment relates to the change in section number; and the House recedes from its disagreement

to the amendment with an amendment properly renumbering the section.

Amendment No. 206: The Senate provides that corporations, joint-stock companies, and associations shall pay 50 cents for each $1,000 of capital stock, surplus, and undivided profits used in any of the activities or functions of their business, including such sums of capital stock, surplus, and undivided profits as may be invested in or loaned upon stocks, bonds, mortgages, real estate, or other securities. The House recedes from its disagreement to this amendment with an amendment providing as follows: "every corporation, joint-stock company, or association now or hereafter organized in the United States for profit and having a capital stock, and every insurance company now or hereafter organized under the laws of the United States, or any State or Territory of the United States, shall pay annually a special excise tax with respect to the carrying on or doing business of such corporation, joint-stock company, or association, or insurance company, equivalent to 50 cents for each $1,000 of the fair value of its capital stock, and in estimating the amount of capital stock, surplus and undivided profits shall be included." The amendment further provides that in the case of an insurance company, such deposits and reserve funds as they are required by law or contract to maintain or hold for the protection of or payment to or apportionment among policyholders shall not be included in assessing the tax upon the fair value of the capital stock. The amendment allows an exemption of $99,000 from the capital stock. The amendment further provides that a nonresident corporation doing business in the United States shall pay a tax equivalent to 50 cents for each $1,000 of the capital actually invested in the transaction of this business in the United States, and contains the exemption for nonresident insurance companies the same as that given resident insurance companies. It also allows a deduction for nonresident companies, from the amount of capital so invested, equal to such proportion of $99,000 as the amount so invested bears to the total amount invested in the transaction of business in the United States or elsewhere.

Amendment No. 207: This amendment is clerical; and the House recedes.

Amendment No. 208: The House provided a tax upon theaters, museums, or concert halls which was based upon the gross receipts. The Senate reenacted the emergency revenue provisions relating to theaters, museums, or concert halls providing that in cities, towns, or villages of 5,000 inhabitants or less the amount of such payment should be one-half that of those located in the larger places. The House recedes from its disagreement to the Senate amendment with an amendment limiting the taxing provision to theaters, museums, and concert halls.

Amendment No. 209: The House provided a tax upon bowling alleys and billiard rooms open to the public with or without price. The Senate amendment placed the tax upon bowling alleys and billiard rooms open to the public with or without price in addition to clubs and private homes. The House recedes from its disagreement with the Senate amendment with an amendment providing that the tax shall not apply to billiard tables and bowling alleys in private homes.

Amendment No. 210: This amendment changes the section number. And the House recedes from its disagreement with an amendment renumbering the section.

Amendment No. 211: This amendment makes little cigars weighing not more than 3 pounds per thousand taxable at the same rate as cigarettes. The House recedes from its disagreement to the Senate with an amendment changing the word "little" before cigars to "small."

Amendment No. 212: The House provided a tax upon manufacturers of cigarettes of 3 cents for every 10,000. The Senate increased the tax upon manufacturers of cigarettes to 8 cents for every 10,000 and made small cigars taxable at the same rates. The Senate recedes from its amendment, thus leaving the tax upon manufacturers of cigarettes and small cigars 3 cents per every 10,000.

Amendments Nos. 213, 214, 215, and 216. These amendments are changes in section numbers. And the House recedes from its disagreement to the same with an amendment properly renumbering the section numbers.

Amendment No. 217: This amendment imposes a stamp tax upon bonds, debentures, and certificates of indebtedness, certificates of stock, stock transfers, sales, or agreements to sell products of merchandise at an exchange or board of trade or other similar place for future delivery, the entry of goods at customhouse for warehousing or withdrawal, passenger tickets and seats in parlor or palace cars, and berths in sleeping cars, etc. The House recedes with an amendment striking out all the stamp taxes but leaving the last section of this amendment, which provides for annual leave for internal-revenue agents and inspectors the same as granted to similar agents and inspectors in other departments.

Amendment No. 218: This amendment containing the administrative features for the stamp-tax provisions, and in view of the fact that the Senate receded from its amendment retaining the stamp taxes the Senate also recedes from its amendment containing the administrative provisions for the administration of the same.

Amendment No. 219: This amendment is a change in section number. And the House recedes from its disagreement with an amendment numbering the section properly.

Amendment No. 220: The Senate amendment struck out the words "on and after the day following the passage of this act," the effect of which was to change the time of this tax going into effect. The Senate recedes.

Amendment No. 221: The Senate amendment changed the free list by limiting a number of articles to their more crude condition. The House receded with amendments changing the spelling of certain of the terms.

Amendment No. 222: The Senate amendment changed Group II of this section by including therein certain of the more advanced articles included in Group I. The House receded with amendments changing the spelling.

Amendment No. 223: The Senate amendment inserts in Group III of this section medicinals, flavors, and synthetic phenolic resin. The House recedes.

Amendment No. 224: The Senate amendment is clerical. And the House recedes.

Amendment No. 225: The Senate amendment inserts in Group III the following: "Colors, dyes, or color taken, obtained, derived, or manufactured from natural alizarin and indigo." And the House recedes.

Amendment No. 226: The Senate amendment changes the section number. And the House recedes from its disagreement with an amendment numbering the section properly.

Amendment No. 227: The Senate amendment strikes out the words fixing the time of going into effect of the duties imposed in this section. And the Senate recedes, causing the tax to go into effect the day after the passage of this act.

Amendment No. 228: The Senate amendment changes the section number. The House recedes from its disagreement with an amendment numbering the section properly.

Amendment No. 229: The Senate amendment imposed the specific duty of this section upon alizarin, indigo, and dyes obtained therefrom. The House receded with an amendment excepting these dyes and medicinals and flavors from these specific taxes.

Amendment No. 230: The Senate amendment is a clerical one, and the House recedes.

Amendments Nos. 231 and 232: These amendments are changes in section numbers, and the House recedes with amendments numbering the sections properly.

Amendment No. 233: The Senate amendment inserts the following: "and the words 'salicylic acid,'" in paragraph 1. This is a necessary amendment, and the House recedes.

Amendment No. 234: The Senate amendment delayed the taking effect of this title until the termination of the present European war. The Senate receded, causing the title to take effect the day following the passage of this act.

Amendment No. 235: The Senate amendment inserted a new title, increasing the price limit of print paper that can be admitted free of duty from 2½ cents per pound to 5 cents per pound. The House receded with an amendment correcting clerical errors.

Amendment No. 236: This amendment is a change in the title number, and the House recedes.

Amendment No. 237: This amendment is a change in the section number, and the House recedes from its disagreement to the amendment with an amendment numbering the section properly.

Amendments Nos. 238 and 239: The House provided the President should designate the chairman and vice president of the Tariff Commission biennially. The Senate provided the President should designate the said chairman and vice president annually, and the House recedes from both amendments.

Amendment No. 240: The Senate amendment changed the section number, and the House recedes from its disagreement with an amendment numbering the section properly.

Amendment No. 241: The Senate amendment is clerical, and the House agrees.

Amendment No. 242: The Senate amendment changes the section number. The House recedes from its disagreement with an amendment numbering the section properly.

Amendment No. 243: The Senate amendment adds to the duties of the Tariff Commission the investigation of the industrial effects of our customs laws. The House recedes.

Amendment No. 244: The Senate amendment adds to the duties of the Tariff Commission the investigation of the effect upon the industries and labor of the country. And the House recedes.

Amendment No. 245: The Senate amendment changes the section number. The House recedes from its disagreement, with an amendment numbering the section properly.

Amendment No. 246: The Senate amendment changes the section number. The House recedes from its disagreement with an amendment numbering the section properly.

Amendment No. 247: The Senate amendment adds to the duties of the Tariff Commission the power to investigate economic alliances. The House recedes.

Amendments Nos. 248, 249, 250, and 251: The Senate amendments change section numbers. The House recedes, with amendments correcting these numbers.

Amendment No. 252: The Senate amendment empowers the Tariff Commission to investigate the Paris economy pact and similar organizations and arrangements in Europe. The House recedes.

Amendment No. 253: The Senate amendment changed the section number. The House recedes from its disagreement with an amendment numbering the section properly.

Amendment No. 254: The Senate amendment made a permanent appropriation of $300,000 per year. The House provision only authorized this appropriation. The Senate recedes.

Amendment No. 255: The Senate amendment changes the title number. The House recedes.

Amendments Nos. 256 and 257: The Senate amendment changes the section number. The House recedes with an amendment numbering the section properly.

Amendment No. 258: This Senate amendment is clerical. The House recedes.

Amendments Nos. 259 and 260: The Senate amendments extend the provisions of this section by making it unlawful to import or cause to be imported into the United States articles in unfair competition. The House recedes.

Amendment No. 261: The Senate amendment provides that nothing in this title shall be construed as depriving the proper State courts of jurisdiction in actions for damages thereunder. The House recedes.

Amendment No. 262: The Senate amendment changes the section number. The House recedes with an amendment correcting this number.

Amendment No. 263: The Senate amendment allows the establishment in this country on the part of a foreign producer of an exclusive agency for the sale of the products of said producer or merchant. The House receded with an amendment so as not to extend the exemption to the goods imported.

Amendment No. 264: The Senate amendment changed the section number. The House recedes with an amendment inserting proper section number.

Amendment No. 265: The Senate amendment inserts a section giving the President power to retaliate in case any country prohibits the imports of goods from the United States. The House recedes with a small clerical amendment.

Amendments Nos. 266 and 267: The Senate amendment inserted two sections empowering the President during the existence of a war in which the United States is not engaged, whenever he shall be satisfied that our trade is being unjustly discriminated against, to use retaliatory measures. The House recedes, with certain clerical amendments.

Amendment No. 268: The Senate amendment inserted a section empowering the President, under certain conditions, to deny the use of the United States mails, express companies, telegraph, cable, or wireless company to citizens, firms, companies, or corporations of certain belligerent countries. The Senate receded.

Amendment No. 269: The Senate amendment restricted the admission of certain fish from the North Pacific, through any foreign country, except in bond from an American port. The Senate receded.

Amendment No. 270: The Senate amendment changed the number of the title. The House receded with an amendment correcting the number of this title.

Amendment No. 271: The Senate amendment changes the section number. The House recedes with an amendment correcting this number.

Amendment No. 272: The Senate amendment provides that the appropriation of $2,000,000 carried in the Army appropriation act for the fiscal year 1917 shall be available for time subsequent to June 18, 1916, and that payment shall be made without reference to the enlisted men having enlisted before or after the call by the President. The House receded with an amendment correcting the number of the section.

Amendment No. 273: The Senate amendment had the effect of changing the position of the last section of the act. The House receded with an amendment restoring the section to its original position and numbering the section properly.

CLAUDE KITCHIN,
HENRY T. RAINEY,
LINCOLN DIXON,
CORDELL HULL,
Managers on the part of the House.

Mr. LINDBERGH. Mr. Speaker, I had reserved the right to object. I desired to ask the gentleman a question in reference to the provision on page 50, lines 17, 18, and 19.

Mr. KITCHIN. The Senate receded. It becomes a public record, to be inspected upon the order of the President.

Mr. LINDBERGH. That remains the same as it went from the House to the Senate?

Mr. KITCHIN. Yes, sir.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The gentleman from North Carolina [Mr. KITCHIN] is recognized for one hour.

Mr. KITCHIN. Mr. Speaker, the first difference between the Senate and House on the revenue bill was in the income-tax provisions. One of the material changes from the House bill, or, rather, additions to the bill, which were made by the Senate amendments, was the increase in the surtax of the income tax on amounts exceeding $500,000. The House bill provided that the total net income in excess of $500,000 should be taxed 10 per cent. The Senate amendment provides that the rate of 10 per cent shall be imposed upon the amount by which the net income exceeds $500,000, and does not exceed $1,000,000, 11 per cent upon the amount by which the net income exceeds $1,000,000 and does not exceed $1,500,000, 12 per cent upon the amount by which the net income exceeds $1,500,000 and does not exceed $2,000,000, and 13 per cent upon the amount by which the net income exceeds $2,000,000. The House receded from its disagreement to this amendment and concurred therein.

Another material change by Senate amendment was with respect to the exemptions. The House bill changed the present law by extending the exemptions of $4,000 to the head of a family instead of to a married person. The Senate amended the bill, striking this out and incorporating the provisions of the present law. The conferees agreed on the House provision extending the exemptions to the head of the family. These are the important propositions that came before the conference committee in regard to the income tax.

I think we could save time and better get at the important portions of the conference report if gentlemen who are interested will take the bill as it was amended by the Senate and ask me as to the action of the conferees with respect to the Senate amendments.

Mr. MEEKER. The gentleman means just in regard to the income tax?

Mr. KITCHIN. As to any amendment by the Senate. In regard to the estate or inheritance tax, we concurred in the Senate amendment increasing the rates on net estates exceeding $450,000. The House bill had it 5 per cent on the excess of the net estate over $450,000. The Senate amendments limited the 5 per cent rate to net estates exceeding $450,000 and not exceeding $1,000,000, and introduced a new classification, as follows:

A 6 per cent rate upon the amount by which such net estate exceeds $1,000,000 and does not exceed $2,000,000;

A 7 per cent rate upon the amount by which such net estate exceeds $2,000,000 and does not exceed $3,000,000;

An 8 per cent rate upon the amount by which such net estate exceeds $3,000,000 and does not exceed $4,000,000;

A 9 per cent rate upon the amount by which such net estate exceeds $4,000,000 and does not exceed $5,000,000; and

A 10 per cent rate upon the amount by which such net estate exceeds $5,000,000. The House receded and concurred in them.

In the munitions tax the House, as gentlemen will recall, levied a tax upon the gross receipts. We also levied a tax upon copper, alloyed and refined. The Senate struck out the copper tax. The House concurred in that amendment.

Mr. DENISON. Mr. Speaker, will the gentleman yield right there?

Mr. KITCHIN. I will.

Mr. DENISON. Does the gentleman intend to explain why that was left out?

Mr. KITCHIN. It was left out because the Senate conferees would not yield on it. That is the best reason I can give. Of course, I can not tell what took place in the conference.

Mr. DENISON. I was going to ask the gentleman if he could enlighten the House on the reasons that were given, whether the Senators——

Mr. KITCHIN. No; I could not say what reasons the conferees gave; but the Senate conferees would not yield.

Mr. ANDERSON. Mr. Speaker, will the gentleman permit a question?

Mr. KITCHIN. Yes.

Mr. ANDERSON. I wanted to know what was done on the Senate amendments relative to mutual fire and life insurance companies.

Mr. KITCHIN. The provisions as to mutual fire and life insurance companies are left substantially as the House bill had them. The amendments to which the gentleman refers are doubtless the amendments first reported by the Senate Finance Committee. These were stricken out or modified before the bill left the Senate.

Mr. MANN. Will the gentleman yield there?

Mr. KITCHIN. Yes.

Mr. MANN. On what theory was the copper tax stricken out?

Mr. KITCHIN. Well, on the theory that it was a special tax upon one industry, and there was no similar tax upon other industries, like zinc or lead or iron or steel.

Mr. MANN. Was that the theory that the committee had when they put the bill through the House?

Mr. KITCHIN. That was not the theory. The theory that we had was that it entered more largely into the composition of munitions of war than the products of the other big industries; that it was making exorbitant profits on account of the war, and it therefore could, without an unreasonable burden, and ought to pay a special tax.

Mr. MANN. Did the House conferees change their opinion on the subject?

Mr. KITCHIN. The House conferees have not changed their opinion, but under all the circumstances presented to them they reluctantly yielded. But the gentleman ought not to be too inquisitive, for he will get into the secrets of the conference. [Laughter.]

Mr. MANN. The Senators from the Democratic States were too much for the House conferees. [Laughter.]

Mr. KITCHIN. The Republican Senators were against the copper tax, and in deference to all the Republican Senators and a few Democratic Senators the Senate conferees insisted. [Laughter.]

Mr. MANN. The House conferees, then, did what they did because of the judgment of the Republican conferees in the Senate?

Mr. KITCHIN. No; the Democratic conferees and all the Republicans in the Senate. I fear that the Republican Senators badly influenced them. [Laughter.]

Mr. MANN. But the gentleman was not influenced by the Republican Members of the House.

Mr. KITCHIN. If the gentleman has nothing else to add that is real good; I will proceed. [Laughter.]

Now, instead of a tax on the gross receipts from munitions of war, the Senate placed a tax of 10 per cent on the net profits. The House conferees concurred with an amendment making it 12½ per cent on the net profits.

Mr. COOPER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. KITCHIN. Yes.

Mr. COOPER of Wisconsin. Can the gentleman please tell how the net profits are to be determined, and by whom?

Mr. KITCHIN. They are to be determined by taking the gross receipts and making the same deductions as were provided in the House bill; that is, deducting from gross receipts labor, materials, salaries, and overhead charges, and so forth. After deducting these from the gross receipts, the balance is the net profit.

Mr. COOPER of Wisconsin. Was there any limitation on the salaries that could be paid in order to diminish the net profits?

Mr. KITCHIN. No. That would have to be thrashed out by the Treasury Department and the companies should such a question arise. There are no provisions about that in the Federal income tax or in the income-tax laws of the States.

Mr. COOPER of Wisconsin. I have in mind some experience that the Government had with great corporations, in which certain sums were to be paid back from the net income, and there was never any net income from which to pay back anything. If the payments had been required to be made out of the gross receipts, then something would have been paid back. That is the simpler and only sure way to get what the Government is entitled to.

Mr. KITCHIN. I agree with the gentleman. It is my judgment that a smaller tax on the gross receipts would have been simpler and surer.

Mr. COOPER of Wisconsin. I would not impute to anybody a dishonest motive, to have a thing of this kind put into the law, and of course the gentleman from North Carolina would not infer that I was imputing such a motive.

Mr. KITCHIN. Certainly not.

Mr. COOPER of Wisconsin. But that sort of a provision in the law affords every sort of an opportunity to beat the Government out of what it is entitled to. When you leave it to the people to fix the amount of the net income, they will see to it that it is not any larger than it can possibly be made.

Mr. KITCHIN. I will say to the gentleman that we did not leave it to them any more than the net income under the income tax is left to the taxpayer. The department is authorized by the bill to examine their books, and they must show the cost of everything that enters into the cost of the product.

Mr. KREIDER. You arrive at that amount just the same as you do in the income tax of corporations and individuals?

Mr. KITCHIN. Yes; except as to the amortization of temporary buildings that they erect for this purpose. A reasonable deduction on account of this may be allowed by the Treasury Department.

Mr. KREIDER. The gentleman believes it would be as correct as in the income tax?

Mr. KITCHIN. Yes; as correct as in the income tax.

Mr. LINDBERGH. Mr. Speaker, will the gentleman yield?

Mr. KITCHIN. Yes.

Mr. LINDBERGH. Will the gentleman read lines 17, 18, and 19 on page 50 as they now are?

Mr. KITCHIN. The Senate amendment is stricken out, and that provision now reads this way:

When the assessment shall be made, as provided in this title, the returns——

Mr. LINDBERGH. That is satisfactory.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. KITCHIN. I yield to the gentleman from Pennsylvania.

Mr. MOORE of Pennsylvania. Building and loan associations are not included in this bill at all, are they?

Mr. KITCHIN. They are exempted.

Mr. MOORE of Pennsylvania. They are wholly exempted from taxation under this bill?

Mr. KITCHIN. Yes.

Mr. MOORE of Pennsylvania. Although a member of the conference committee I am not as well informed as to the amendments as I would like to be. [Laughter.] If the gentleman will indulge me——

Mr. KITCHIN. The gentleman did not come around early enough. He was late. [Laughter.]

Mr. MOORE of Pennsylvania. I came around promptly as per invitation for this evening at 8 o'clock, and we had such a pleasant social session that I will not at this time divulge any of the secrets of that conference. However, I should like to ask the gentleman what became of amendment 206, taxing joint-stock companies and corporations 50 cents for each $1,000 of capital stock.

Mr. KITCHIN. We have changed that by concurring with an amendment providing for a tax of 50 cents on each $1,000 of the fair value of the capital stock and provided that in ascertaining the fair value of the stock there shall be taken into consideration the surplus and undivided profits; not that the surplus and undivided profits as such should be taxed, but that in estimating the value of the capital stock they should be considered or included.

Mr. STAFFORD. Leaving it at the exemption of $99,000 still?

Mr. KITCHIN. Yes; $99,000.

Mr. MOORE of Pennsylvania. As to amendment 217, the documentary stamp tax, has that been taken from the bill?

Mr. KITCHIN. All stamp taxes of every kind put in by the Senate have been wiped out. [Applause.]

Mr. MOORE of Pennsylvania. Does that include adhesive stamps?

Mr. KITCHIN. Yes; all.

Mr. MOORE of Pennsylvania. The stamp taxes have been entirely eliminated?

Mr. KITCHIN. Yes.

Mr. MOORE of Pennsylvania. Pardon me for saying that I think that was a pretty good political move at this time.

I thought the gentleman and his party, who imposed the stamp tax, would see the propriety of taking it off.

Mr. KITCHIN. We followed the example of your party once and put them on, but we will not do so any more.

Mr. MOORE of Pennsylvania. About amendment 263, on page 148—this refers to the antidumping provision:

Provided, That the above shall not be interpreted to prevent the establishing in this country on the part of a foreign producer of an exclusive agency for the sale in the United States of the products of said foreign producer or merchant, nor to prevent such exclusive agent from agreeing not to use, purchase, or deal in the article of any other person.

Before the gentleman answers, I should like to call his attention to section 3 of the Clayton antitrust law, which prevents any such exclusive agency on the part of any manufacturer or agent in the United States. Having called the gentleman's attention to section 3 of the Clayton antitrust law, I would ask whether that amendment 263 standing in this bill is not in direct contravention of the Clayton antitrust law?

Mr. KITCHIN. I really do not think it is; but I think if the agent, after he received the goods, were to impose any of the conditions set out in the section upon the person here to whom he sells the exclusive agent would be guilty under the Clayton Antitrust Act. But we go further. The House conferees added another proviso, which was accepted, making that section apply to goods shipped by the foreign producer to this exclusive agent, if he required the agent or had any agreement with the agent to impose those conditions upon any person to whom he sold in the United States.

Mr. MOORE of Pennsylvania. Unless there was something additional in conference to what appears in the print here, this provision would be in direct conflict with the Clayton antitrust law. It would favor the foreigner as against the American manufacturer or agent.

Mr. KITCHIN. But certainly not with the amendment to that, to which I have alluded.

Mr. MOORE of Pennsylvania. Several gentlemen are interested in the wine-tax provision, about which there has been a great deal of correspondence. Will the gentleman explain what was done there?

Mr. KITCHIN. The wine tax is exactly where the House placed it, the Senate receding in several amendments; but as to wines known as the Ohio wines we concurred in the Senate amendment with an amendment which permits an amelioration of the wine with water and sugar to the amount of 35 per cent of the resultant product. The Senate amendment by its wording, though intending to permit 35 per cent of the resultant product, would only permit about 26 per cent of the resultant product; but we have changed it as it was intended to be and have allowed them to ameliorate the wine to 35 per cent in volume of the resultant product.

Mr. MOORE of Pennsylvania. Does the gentleman regard that as a compromise between the eastern and the California growers?

Mr. KITCHIN. I would not regard it exactly as a compromise. The eastern fellows wanted it more and the California fellows wanted it less.

We thought that was fair and just to both, and fair and just to the Treasury. I do not think that either the California wine producers or the Ohio wine producers will have much ground for protest.

Mr. MEEKER. Does the gentleman believe that that will clear up the contention between the California and the eastern men and give them a fair chance in the market?

Mr. KITCHIN. Yes. I will say to the gentleman that the Bureau of Chemistry in the Agricultural Department has forbidden the Ohio wine producers to make wine which would have exceeded 25 per cent of amelioration. I have given some little study to the wine production in Ohio and Missouri, and I was convinced, as the conferees on the part of the House were, that the Agricultural Department had made it a little too low. We believed that in some years, on account of the condition of the grape, its acidity, and so forth, they needed as much as 35 per cent—some years they do not need so much—and we put it at 35 per cent.

Mr. MOORE of Pennsylvania. What became of amendment No. 269, known as the Alaskan fishery rider?

Mr. KITCHIN. That went out.

Mr. ANDERSON. While the gentleman is on the wine proposition, what became of amendment No. 170, which reduced the alcoholic contents from 24 to 21 per cent?

Mr. KITCHIN. The Senate receded. The provisions of the House bill, agreed to by the conferees, conform to the tariff laws we have in that respect.

Mr. STAFFORD. I wish the gentleman would acquaint the House with the action of the conferees on the embargo amendments.

Mr. KITCHIN. The House concurred in all the amendments except section 104, which relates to the retaliation by mail, express, telegraph, and so forth.

Mr. STAFFORD. The language is as incorporated in the Senate?

Mr. KITCHIN. Yes.

Mr. STAFFORD. In relation to print paper, was that eliminated?

Mr. KITCHIN. No; that was agreed to.

Mr. STAFFORD. If I understand the contention of the gentleman from Illinois [Mr. MANN] correctly, that means virtually that the newspaper publishers will be obliged to pay higher for print paper, because the Canadians will be able to charge more than $2.50 a hundred pounds.

Mr. KITCHIN. I will say that I realize there is some ground for that argument.

Mr. STAFFORD. If I had not been a member with my distinguished colleague on the committee that investigated that subject, I would not be so firm in my belief in approving everything that the gentleman from Illinois stated yesterday as to the ultimate result of the news-print paper industry in this country. While the news-print paper concerns may temporarily get some benefit—those in Maine, New Hampshire, and New York where they have pulp wood—the other news-print paper concerns of the country will be starved in not being able to get the necessary supply of pulp wood from Canada. I think it was a grave mistake in the conferees to yield to the action of the Senate in that particular.

Mr. KITCHIN. For some time during the conference I shared the last sentiment that the gentleman just expressed, but not on the same grounds.

Mr. GILLETT. Will the gentleman tell us what became of amendment 100, for the collection of taxes?

Mr. KITCHIN. That went out as soon as we pointed the guns, and it was turned over to the gentleman's committee. I misunderstood the gentleman at first. I thought he asked about the $100,000 appropriation by the Senate amendment for the collection of the munition tax. Amendment 100 was concurred in.

Mr. GILLETT. And amendment 102, in relation to returns and incomes of insurance companies, page 50?

Mr. KITCHIN. That is kept in with an amendment describing the acts of 1909 and 1913 more definitely.

Mr. GILLETT. It was left in applying to acts of 1909 and 1913.

Mr. KITCHIN. Yes. We described the acts with more particularity, so that it will be certain what acts are referred to.

Mr. BRUMBAUGH. Was the stamp tax taken off from fire insurance premiums?

Mr. KITCHIN. Yes.

Mr. BENNET. This morning I called the attention of the gentleman from North Carolina to certain words in the blacklist amendment and suggested that they be stricken out. What happened?

Mr. KITCHIN. The words "discretion of the President" and "in the opinion of the President" were stricken out. I thank the gentleman from New York for calling the attention of the conferees to those words. After some discussion in conference, it was unanimously agreed that those words should go out, and we have stricken them out.

Mr. BENNET. I want to say that I think the conferees are to be congratulated on that. With those words out, which is the constitutional right of Congress to do, it seems to me that we have put in the law some very good blacklist provisions. I say that very frankly, because I have made some speeches in which I have criticized the administration for not having done it, and now it is done it seems to me no more than fair that I should admit that it is a good provision.

Mr. KITCHIN. I thought we would come along before the session adjourned and do something that might meet with the gentleman's approval. [Laughter.]

Mr. GARDNER. I would like to have 15 minutes before the gentleman moves the adoption of the conference report.

Mr. KITCHIN. The gentleman is one of the conferees, and I believe he ought to have 15 minutes. I hope that other gentlemen will ask for just as little time as possible. I am anxious to get this to the Senate as soon as possible. But I think the gentleman ought to have that time.

Mr. DENISON. Before the gentleman from Massachusetts begins, I want to ask about a special tax on capital stock. I understand the tax was rejected in the House when the bill was before the House.

Mr. KITCHIN. No; that simply applied to banks, and this applies to all corporations.

Mr. DENISON. The Senate amendment taxes the capital stock and undivided profits.

Mr. KITCHIN. We fixed it at the fair value of the capital stock.

Mr. DENISON. The effect of the amendment as insisted upon by the House managers will be to increase the tax, generally speaking?

Mr. KITCHIN. No; to decrease the tax. The Senate amendment had the tax on the capital stock, surplus, and undivided profits—that is, the par value of the capital stock. We have put a tax of 50 cents a thousand upon the fair average value of the capital stock.

Mr. DENISON. That means the market value?

Mr. KITCHIN. When it has a market value, it would be the market value; but some stocks have no market value, and they would have to ascertain what the fair actual value is.

Mr. DENISON. Does not the gentleman think that ordinarily the market value of bank stock is far grenter than the par value of the capital stock with the surplus added?

Mr. KITCHIN. Yes; and they would take that into consideration. They would get the actual value, and the provision declares they can consider the surplus and undivided profit in ascertaining that value. The earnings would also be considered.

Mr. DENISON. The result will be that all banks will pay their regular income tax and then this surtax of 50 cents per thousand on the actual value of the capital stock?

Mr. KITCHIN. Yes; and all other corporations. The bill as reported to the House had it $1 on the capital stock and surplus and undivided profits, and confined it to banks. This is 50 cents per thousand on the fair value only of the capital stock and applies to all corporations.

Mr. DENISON. Will that apply also to munition manufacturers?

Mr. KITCHIN. No. Munition manufacturers are permitted to deduct the special munition tax paid from this, too.

Mr. MANN. Mr. Speaker, will the gentleman yield?

Mr. KITCHIN. I yield to the gentleman from Illinois.

Mr. MANN. Mr. Speaker, in reference to that tax of 50 cents a thousand on the capital stock, I understood the gentleman to say that it would be 50 cents a thousand upon the fair market value?

Mr. KITCHIN. It reads, "The amount of such annual tax shall in all cases be computed on the basis of the fair average value of the capital stock for the preceding year."

Mr. MANN. Who determines that?

Mr. KITCHIN. The Treasury Department determines that, just as it would if we had put it the actual value. It would have to make investigation and determine the value.

Mr. MANN. Of course, it is a very simple matter to determine what the capital stock and surplus, and so forth, is, and it may be a simple matter to determine what the fair average value is, which, I take it, is the fair market value, where there is a market.

Mr. KITCHIN. Yes.

Mr. MANN. Is that to be determined as of a particular date, or the fair value for the year?

Mr. KITCHIN. It is a fair average value for the preceding year.

Mr. MANN. I would think it would take considerable figuring to find out the market value of some of the stock.

Mr. KITCHIN. I imagine they would take a day or two in each month of the year—say the first day in the month and the last—and average it in that way; or, as the gentleman from Pennsylvania [Mr. KREIDER] suggests, as is done by many corporations, the highest and lowest value during the year would be taken and divide it by two to get the average or the highest and lowest in each month, and from this get the average. It would be more difficult than if we had said the par value, but that would not be just, for some stocks of par value of 100 are not worth 20.

Mr. MANN. These people must make a return in the first instance?

Mr. KITCHIN. Yes.

Mr. MANN. I take it that the Treasury Department would not fix the value of the stock before the return is made?

Mr. KITCHIN. They make a return first, and they swear what the fair average value of the stock was for the preceding year. Of course if the department has any reason to suspect them, it would make them give it more particularly and in detail.

Mr. MANN. This, of course, will not tax the indebtedness?

Mr. KITCHIN. Oh, no; this will not. The Finance Committee in the Senate first had it on the capital. Then they had it on the capital stock, surplus, and undivided profits, and we now have it on a fair average value of the capital stock.

Mr. MANN. Is there any estimate as to how much money that will raise?

Mr. KITCHIN. First, as the Senate had it, they estimated it would raise about $18,000,000. I think it will raise from $12,000,000 to $15,000,000 as we now have it.

Mr. MANN. These corporations pay an income tax?

Mr. KITCHIN. Yes; pay an income tax.

Mr. MANN. They pay this capital-stock tax?

Mr. KITCHIN. Yes.

Mr. MANN. It is to be taken out of the munitions tax as to munition companies?

Mr. KITCHIN. They are given credit for what they pay on munition taxes.

Mr. KREIDER. If I understand the gentleman, all stamp taxes have been repealed?

Mr. KITCHIN. All.

Mr. KREIDER. Whether or not they are to be applied to the issue of stocks of corporations?

Mr. KITCHIN. Yes; this and all other stamp taxes are repealed. Mr. Speaker, if no one desires further to make inquiries as to the report, I yield 15 minutes to the gentleman from Massachusetts [Mr. GARDNER].

Mr. GARDNER. Mr. Speaker, I have a few words to say about your retaliatory amendments aimed against the allies.

Your President has bidden you to be neutral in thought, word, and deed. He has directed you to be neutral between right and wrong, between black and white, between humanity and inhumanity. But has he directed you to be hypocrites?

You claim that you are devoted to the cause of humanity and despise the cause of commercialism. Then, why do not you pass an amendment refusing our harbors to Germany's interned ships until she repudiates her *Lusitania* crime? Why do you pass amendments which even you admit can serve no other end than the stuffing of sordid pockets, already bulging with the golden harvest of our fellowmen's misery?

In adopting these retaliatory amendments you are taking an action which all over the world will be looked on as a blow in support of Germany's unholy cause. Without warning your own people you have suddenly surrendered to the insidious propaganda which so long has corrupted such a large part of our press. Doubtless your action will serve its purpose—it will bring to your standard in doubtful States hundreds of thousands of disloyal voters who care nothing for the bloom and glory on the American roll of honor, and everything for the jealousies and hatreds of lands which they swore to renounce when they took the oath which made them—God forgive us—American citizens.

With her uncanny thoroughness Germany arranged a system by which her spies could send their crafty news through neutral mails. The allies stopped the leak by military censorship, as stop it they must. Many innocent letters were opened, it is true; but ultimately they reached their destinations. Fortunate letters! More fortunate, indeed, than our women and babies who were lost on the *Lusitania*. They never will reach their destination in this world. Their unavenged corpses have long since been eaten by lower forms of life, leaving their weeping relatives to marvel at their country, which believes that "strict accountability" means a flood of gentle ink.

Ninety-nine men out of a hundred who howl against the allies' censorship want Germany to win the war. Yet the overwhelming mass of the American people pin their faith on the banners of the allies.

Fat traders, who by hook or by crook seek access to the luscious profits of the contraband market, yell against a blockade which hampers their lust for more gold to jingle in their already overweighted pockets.

And to all this we yield and in our statute book we inscribe still more threats, at whose unfulfillment countless Americans of the future will blush with shame. I say that the threats in this bill will be unfulfilled. President Wilson may rattle the saber which you have given him; doubtless he will do so in a series of resounding notes. He will not draw that saber. He will bark, but he will not bite. He will bluster, but he is "too proud to fight."

He has not dared to force from Germany a disavowal of her horrid crime against the *Lusitania*. He did not dare to face the banded trainmen and require them to withhold their hands till their Nation's Government could examine into the justice of their cause.

You are closing this Congress by adding a sorry chapter to a sorry record.

You saw Belgium violated with wanton inhumanity and you held your peace. You listened to the shocking tale of the cruel death of Edith Cavell and you smugly continued on your way. It was brought to you that thousands of helpless maidens in

northern France were being ravished from their homes to serve the needs of their bloody conquerors. You pretended that you could not hear their shrieks. Deaf to the cries of women and children! Mute when you should have spoken! Shouting when you should have been mute!

What has Congress done? Your only protests have been aimed at the allies, who are fighting our fight and the fight of civilization. The maniac Casement failed in his attempt to stab in the back 200,000 gallant Irishmen fighting for civilization in Flanders' blood-soaked trenches; you strove to stay the hand of justice.

And now you pass your paltry threats, which secretly you believe and hope are empty. Pass them! Nag and hinder the allies if you will! Bring a satisfied grin to the hideous face of hatred; feed another snarl to the nasty countenance of spite—but remember that for every grin and for every snarl future Americans must pay a millionfold in blushes!

Mr. KITCHIN. Mr. Speaker, I move the adoption of the conference report.

The SPEAKER. The question is on agreeing to the conference report.

Mr. MANN. Mr. Speaker, I ask leave to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. MOORE of Pennsylvania. Mr. Speaker, I ask the same privilege.

The SPEAKER. The gentleman from Pennsylvania asks the same privilege. Is there objection?

There was no objection.

Mr. GILLETT. Mr. Speaker, I ask the same privilege.

The SPEAKER. Is there objection?

There was no objection.

Mr. HELVERING. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from Kansas [Mr. HELVERING] makes the same request. Is there objection?

There was no objection.

Mr. LINDBERGH. Mr. Speaker, my call for a quorum, I am sorry to say, may inconvenience some Members and force others to return to Washington who are not here. But when I hear that the lack of a quorum is being used to whip into conference bills matters that ought not be in the bills and keep out of bills what ought to be in, I feel it my duty to make the point. The reason I withhold the point for the time being is that possibly the one matter that I have in mind may be corrected in order that the point of no quorum may not be insisted upon.

On page 50, lines 17, 18, and 19, the Senate amended the revenue bill, H. R. 16763, by striking out "assessment" and inserting "assessments of any corporation, joint-stock company, or association, or insurance company." As the House bill stood it included individuals, as the terms were general; but the amendment of the Senate restricts it to the concerns named in the amendment. It has been shown by reputable authority that it is individuals mostly who are dodging the income-tax law, and that multimillionaires have in the last year defrauded the Government, by false statements, of approximately $300,000,000. The effect of the House provision was to make the statements public, provided the President ordered it. The fact that the Senate amendment may prevent the Government collecting hundreds of millions of dollars that it would if the House provision is retained justifies me in making the point of no quorum, which I shall do unless the House provision is retained. There was an amendment offered in the Senate which would have been much better than even the House provision, but it was defeated by a narrow margin.

Mr. Speaker, the statement of Mr. Basil M. Manley in the hearings on H. Res. 221 sets out the conditions clearly. His statement claims that the income-tax evasion is $320,000,000, and is based upon his calculations that the aggregate income of everybody, including corporations, is $46,000,000,000 a year.

Secretary McAdoo denies that, and claims that the income is $20,000,000,000. The absurdity of McAdoo's claim seems to me clear. Even back in 1914 the census shows the income to be $24,000,000,000, and there can be no doubt that the census omitted a great deal. Since then the income has been enormously increased. This Congress has appropriated $1,700,000,000. If Secretary McAdoo was correct, then this Congress is taking 8½ per cent of all the people's earnings to run the Federal Government. If you add the taxes of the States, cities, counties, and other subdivisions, that would again be very much increased. There can be no doubt that Secretary McAdoo is away off in his figures.

Mr. DIXON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Indiana asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. IGOE. Mr. Speaker, I make the same request.

Mr. CANDLER of Mississippi. And I, Mr. Speaker, make the same request.

Mr. RAINEY. Mr. Speaker, I make the same request.

Mr. HULL of Tennessee. I make the same request, Mr. Speaker.

Mr. BLACK. Mr. Speaker, I make the same request.

The SPEAKER. Is there objection to these several requests?

There was no objection.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent to extend my remarks on this bill.

The SPEAKER. The gentleman from Wyoming asks unanimous consent to extend his remarks on this bill. Is there objection?

There was no objection.

Mr. JOHNSON of Kentucky. Mr. Speaker, I make the same request.

The SPEAKER. Is there objection to the gentleman's request?

There was no objection.

Mr. KEATING. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from Colorado makes the same request. Is there objection?

There was no objection.

Mr. AUSTIN. Mr. Speaker, I make the same request.

The SPEAKER. Is there objection to the gentleman's request?

There was no objection.

Mr. RAKER. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from California makes the same request. Is there objection?

There was no objection.

Mr. KREIDER. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from Pennsylvania makes the same request. Is there objection?

There was no objection.

Mr. PHELAN. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from Massachusetts makes the same request. Is there objection?

There was no objection.

Mr. BOWERS. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from West Virginia makes the same request. Is there objection?

There was no objection.

Mr. SIEGEL. I make the same request, Mr. Speaker.

The SPEAKER. The gentleman from New York makes the same request. Is there objection?

There was no objection.

Mr. FIELDS. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from Kentucky makes the same request. Is there objection?

There was no objection.

Mr. GARDNER. Mr. Speaker, is this leave on this bill or on all matters?

The SPEAKER. No; on this bill.

Mr. MANN. That is not on my request.

The SPEAKER. The gentleman's request is already granted.

Mr. MOORE of Pennsylvania. Mine was the request immediately following that of the gentleman from Illinois, and I asked specifically to extend my remarks on this bill. All the other requests were on the same line from that time on.

Mr. GILLETT. Mr. Speaker, I do not want to extend on this bill. I wanted to extend on appropriations.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts? [After a pause.] The Chair hears none.

Mr. RAKER. I wanted to extend my remarks on this bill, and also on vital statistics.

The SPEAKER. What is the gentleman's request?

Mr. RAKER. I want to extend my remarks on this bill and on the subject of vital statistics—vital conservation.

The SPEAKER. The gentleman from California asks unanimous consent to extend his remarks on this bill, and also on vital conservation. Is there objection?

There was no objection.

Mr. GARDNER. Mr. Speaker, I ask unanimous consent to extend my remarks on the military and naval legislation of the present Congress.

The SPEAKER. The gentleman from Massachusetts [Mr. GARDNER] asks unanimous consent to extend his remarks on the naval and military legislation of this Congress. Is there objection?

There was no objection.

Mr. LOBECK. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting a speech of the Hon. John A. Maguire, Member of the Sixty-first, Sixty-second, and Sixty-third Congresses, in relation to the work in Congress and his experience here.

The SPEAKER. The gentleman asks unanimous consent to extend his remarks on the work of Congress. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

On motion of Mr. KITCHIN, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

FINAL ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I send to the desk a privileged resolution.

The SPEAKER. The gentleman presents a privileged resolution, which the Clerk will report.

The Clerk read as follows:

House concurrent resolution 60.

Resolved by the House of Representatives (the Senate concurring), That the President of the Senate and the Speaker of the House of Representatives be authorized to close the present session of the Congress by adjourning their respective Houses on the 8th of September, 1916, at 10 o'clock ante meridian.

[Applause.]

Mr. KITCHIN. Mr. Speaker, I will say that before we adjourn I am going to ask unanimous consent that we meet at 8.30 o'clock to-morrow morning. I understand that the Senate will meet at that time, and they have asked me to fix the time for final adjournment at 10 o'clock. We are preparing to have the enrolled bill ready by 8.30 o'clock, and if it is, both Houses can adjourn at 10 o'clock.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

HOUR OF MEETING TO-MORROW.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 8.30 to-morrow morning.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that when the House adjourns to-day it adjourn to meet at 8.30 a. m. to-morrow. Is there objection?

There was no objection.

NOTIFICATION OF THE PRESIDENT.

Mr. KITCHIN. Mr. Speaker, I present another privileged resolution.

Mr. DECKER. Mr. Speaker, I ask unanimous consent, before we go home to-night, that I have five minutes to reply to the distinguished gentleman from Massachusetts [Mr. GARDNER] on his declaration of war.

The SPEAKER. The Chair will recognize the gentleman in half a minute. The Clerk will report the resolution offered by the gentleman from North Carolina.

The Clerk read as follows:

House resolution 369.

Resolved, That a committee of three Members of the House be appointed by the Speaker, to join a similar committee to be appointed by the Senate, to wait upon the President of the United States and inform him that the two Houses have completed the business of the present session and are ready to adjourn, unless the President has some other communication to make to them.

Mr. KITCHIN. I move the adoption of the resolution, Mr. Speaker.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was agreed to.

EVA M. BOWMAN.

Mr. STEPHENS of Mississippi. Mr. Speaker, I desire to call up the conference report on the bill (S. 136) for the relief of Eva M. Bowman.

The SPEAKER. The gentleman presents a conference report, which will be read by the Clerk.

The conference report was read, as follows:

CONFERENCE REPORT.

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 136) for the relief of Eva M. Bowman having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same.

HUBERT D. STEPHENS,
GEORGE M. YOUNG,
Managers on the part of the House.
HENRY F. ASHURST,
HARRY LANE,
MOSES E. CLAPP,
Managers on the part of the Senate.

Mr. MANN. Mr. Speaker, what is the amendment?

Mr. STEPHENS of Mississippi. The Senate allowed $5,000. The House struck out $5,000 and inserted $1,460. The Senate have receded and agreed to the House amendment.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

PEACE OR WAR.

Mr. DECKER. Now, Mr. Speaker, I renew my request.

The SPEAKER. The gentleman from Missouri [Mr. DECKER] asks unanimous consent to address the House for five minutes. Is there objection?

Mr. DECKER. I should like to amend that request by making it 10 minutes. I do not think I will use all the time.

The SPEAKER. The gentleman asks for 10 minutes.

Mr. MANN. Reserving the right to object—I am not going to object—I want to ask the gentleman from North Carolina if we are through with business for to-night?

Mr. KITCHIN. Yes.

Mr. MANN. And it is expected that we will adjourn when the gentleman from Missouri concludes his remarks?

Mr. KITCHIN. As soon as the speeches are over.

The SPEAKER. Is there objection?

There was no objection.

Mr. DECKER. Mr. Speaker and gentlemen of Congress, it may seem presumptuous on my part, but I can not sit silent in my seat and listen to the speech of the distinguished gentleman from Massachusetts [Mr. GARDNER] without saying to him and saying to the country and saying to the world that this House of Representatives is not an adjunct of the British Parliament; without saying to the country and to him that this is a neutral Nation.

The vitriolic speech of the distinguished gentleman is but a repetition of the sentiment and propaganda that has been coming from some parts of this country, from people who have bet their money on the English horse and want the United States to help it win, who want the United States to become a party to that awful, horrible, conflict beyond the sea.

He pours forth his vitriolic abuse against the distinguished head of this Nation. He refers again to the crossing of the Belgian frontier by the Germans and chides the President of this Nation because he did not interfere. He would leave the inference that when the guns of Liege could not stop them, where the brave Frenchmen could not stop them, that a mighty sweep of the big stick of Theodore Roosevelt would have sent the Germans back to Berlin.

There is just one proposition in this case. The distinguished gentleman—and he is distinguished; he was once the Republican candidate for governor of Massachusetts; he has just returned from campaigning for Mr. Hughes—talks about a more aggressive policy; he talks about the flood of ink; he wants but one thing. He is not satisfied with what Woodrow Wilson, the great President, has done; he wants but one thing, and that awful thing is war for the United States.

He can not play both ends against the middle. He knows in his artful way that many Germans in this country are not satisfied with the course of Woodrow Wilson because they think that he has been too aggressive. I am sorry that they all do not think, as I think, that that great man in the White House, following the example of George Washington, who was no molly-coddle, following the example of Alexander Hamilton, following the example of Ulysses S. Grant, has been trying to guide the ship of state along the lines of strict neutrality. But now he seeks to stir up in this country against Woodrow Wilson and this administration the animosity of those whose sympathies are with the allies in that awful struggle. He thinks that Mr. Hughes already has the German vote, and now, through men like himself and Theodore Roosevelt, who abused Woodrow Wilson for not going to war on account of Belgium, he expects to get the pro-English vote for Mr. Hughes. In his letter of nonacceptance Mr. Roosevelt said, in substance, "I talked to Mr.

Hughes, the candidate for President of the United States on the Republican ticket, and he is satisfactory to me," and if he is satisfactory to me, Theodore Roosevelt, he ought to be satisfactory to the most pro-English gentleman in this country.

But I want to say to the distinguished gentleman from Massachusetts that he does not voice the sentiment of the people of this country; he does not voice the sentiment of the true Republicans; he does not voice the sentiment of Democrats; he does not voice the sentiment of the Progressives, because the people of this country, not only many of the leaders high in authority but the rank and file of all parties, thank God to-night that there is a man in the White House who is following the path of strict neutrality.

Oh, you may call it a wobbling policy, you may call it resorting to the pen instead of resorting to the sword, but I want to say to you who believe as the gentleman from Massachusetts believes—and I hope there are not many that agree with him, and if there are I want to say to you—the people of this country thank God that they are living under the leadership of a man who is willing to resort to negotiation before he resorts to the sword.

They talk about the lowering of the prestige of this country, they talk about the sacred honor of that flag, they talk about the honor of our country, but I want to say to you that the prestige of this Nation, the honor of that sacred flag was never so high in the estimation of the world as it is to-night.

Oh, you say we do not stand high in the chancelleries of the world. Ah, we may not stand so high in the estimation of those people who with their scheming and their false pride brought on this horrible war on the other side of the sea, but over your faces I look to the faces of the people of this country. The man sitting in that Speaker's chair once said, "No man is fit to be the lawgiver for a mighty nation who yields to the demands and solicitations of the few who may have access to his ear, and is unmindful of the vast multitude who may never hear his voice or look into his face."

I am thinking to-night, Mr. Speaker, of the men out on the farms, to whom you then referred. I am thinking to-night, Mr. Speaker, of the men who go down in the mines to dig for their daily bread. I am thinking to-night of the men in the factories of old New England, whence the gentleman from Massachusetts [Mr. GARDNER] comes. I am thinking of the women and the men who earn their bread in the sweat of their face. I am thinking of those who have to die when war comes. I am thinking of them, Mr. Speaker; and I am thinking not only of those on this side of the sea, but I am thinking of the plain people over there beyond the seas, the kind of people to whom you referred, and I ask the gentleman from Massachusetts [Mr. GARDNER], How does our prestige stand with the plain people across the seas? I am willing to leave the question of our national prestige not to those who wear the gold braid over there, but I am willing to leave it to the mothers of Europe whose sons are dying at Verdun.

I am willing to leave the question of our prestige to the sisters of Europe whose brothers are rotting in unmarked graves along the far-flung battle lines. I am willing to leave the question of our prestige to the little children of Europe, who, as a result of this aggressive policy which the gentleman from Massachusetts recommends, this vengeful chip-on-the-shoulder policy, will go through life without a guiding father's care. I am willing to leave the question of our national prestige to the men over in Europe who are standing to-night in the trenches and hoping that they may live to see the rising of another sun. I am willing to leave it to those brave men behind the guns in Europe, who look with longing eyes to this land of ours beyond the seas and wish that they, too, had a ruler like Woodrow Wilson, who would be willing to negotiate before he plunged the men and the boys of his country into the awful caldron of war. Oh, yes; I am willing to leave it to them—this question of our honor and our prestige after the awful war is over, after the men begin to stagger home with parts of their bodies shot away, some of them with blinded eyes, some of them with awful pains of asphyxiating gas in their lungs, some of them with the dreadful effect of rheumatism from standing in the trenches—these men who go home to the firesides where chairs are empty and begin to bear the burdens and pay the debts caused by this saturnalia of destruction.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. DECKER. Mr. Speaker, I ask unanimous consent to proceed for one minute more.

The SPEAKER. Is there objection?

There was no objection.

Mr. DECKER. And I want to use in closing the words of the distinguished gentleman from New York who sounded the keynote of this campaign from the Democratic standpoint, as the gentleman from Massachusetts [Mr. GARDNER] sounded it to-night from the Republican standpoint. The issue is, Wilson with strict neutrality and honorable peace, or Hughes with the dangers of intermeddling and calamitous war. We accept the challenge and, in the words of Martin H. Glynn, we say to you and to the country, this policy of Woodrow Wilson "may not satisfy those who revel in destruction and find pleasure in despair. It may not satisfy the fire eater and the swashbuckler, but it does satisfy those who worship at the altar of the god of peace; it does satisfy the mothers of our land at whose hearth and fireside no jingoistic war has placed an empty chair; it does satisfy the daughters of our land from whom brag and bluster have sent no loving brother to the dissolution of the grave; it does satisfy the fathers of our land and the sons of our land who will fight for that flag and die for that flag when reason primes the rifle, when honor draws the sword, and justice breathes a blessing on the standards they uphold."

THE REVENUE BILL.

Mr. BENNET. Mr. Speaker, I take occasion in these few moments to disagree with both the gentleman from Massachusetts [Mr. GARDNER] and the gentleman from Missouri [Mr. DECKER]. There are questions in the United States of America which rise above partisanship. There are questions, and always have been questions, upon which men of both parties and of all parties have stood as one. I took occasion earlier in the evening, before any attempt had been made to impart a partisan tinge to this particular portion of the revenue bill, to extend, out of a full heart, my sincere congratulations to the managers on the part of the House for these provisions in the revenue bill alluded to as retaliatory provisions. I do not like the word "retaliatory." For my part, as an American, representing an American district in an American Congress, I prefer to refer to them as "American provisions." [Applause.] And, Mr. Speaker, I do congratulate the Congress of the United States, Democrats and Republicans, that, true to the highest traditions of our American country; that, disdaining to inject any element of partisanship into this body where we ought, on international questions, to stand united before the world, and do stand united before the world; almost as one man, Republicans and Democrats, with but one dissenting vote, and with but one dissenting voice in either House we have written into this revenue bill, about to become a law of the land, written again the ringing words of that patriot of old, "Millions for defense but not one cent for tribute." [Applause.] The eloquent gentleman from Missouri [Mr. DECKER] has described the horrors of war; described them well; described them accurately; but, Mr. Speaker, there are worse things even than war; one of those things is national humiliation.

Unless we had written upon the statute books the provisions perfected to-day by the managers on the part of the House and of the Senate we would have gone forth, not as Republicans, not as Democrats, not as Socialists, but gone forth as Representatives of the people of the United States who had proven themselves unworthy of the traditions of a long list of illustrious and patriotic predecessors. [Applause.] To-night, with that law on the statute books, as it will be, we can go out and face not only our constituents—the least matter from this aspect—not only our country, to which we owe the highest measure of duty, but we can face the countries of the world and the judgment of the ages with the sure knowledge that in this time of turmoil and stress, with the world in arms, with powerful nations to be affected by this particular legislation, with knowledge upon our part that every word and every line of this law that is going on the statute books may mean the putting behind it, as the law itself says, the forces of the Army and Navy, we have, nevertheless, by a unanimous vote, put into the hands of the President of the United States the power to use the land and naval forces of the country for the upholding of our national honor. [Applause.] We have done it and done it properly; done it rightly; done it as Americans. We have dared deliberately, seriously, firmly, to assert our sovereignty as a Nation. Whatever else we have done of good or ill in this Congress—I for one will look back upon the first session of the Sixty-fourth Congress, no matter what else has occurred, with pride, with satisfaction, with gratification, with joy, because in this supreme regard we have proven ourselves to be worthy the name of Americans. [Applause.]

COMMITTEE TO WAIT UPON THE PRESIDENT.

The SPEAKER. The Chair announces the committee to wait upon the President under the resolution adopted.

The Clerk read as follows:

Mr. KITCHIN, Mr. FITZGERALD, and Mr. MANN.

Mr. CULLOP. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Indiana rise?

Mr. CULLOP. To ask unanimous consent to proceed for five minutes.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

SENATE BILLS REFERRED.

Under clause 2, Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 5916. An act authorizing an investigation to determine the true north and west boundaries of the Warm Springs Reservation in Oregon; to the Committee on Indian Affairs.

S. 5611. An act providing for noncontiguous homestead entries within the former Fort Peck Indian Reservation, Mont., of land of the character described in the enlarged homestead act of February 19, 1909; to the Committee on the Public Lands.

S. 5450. An act to amend section 108, chapter 5, of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; to the Committee on the Judiciary.

NATIONAL DEFENSE, ETC.

Mr. DENT. Mr. Speaker, I ask unanimous consent for the gentleman from Indiana to yield to me for a moment to call up Senate joint resolution 169 on the Speaker's table.

Mr. CULLOP. I yield to the gentleman for that purpose.

The SPEAKER. The gentleman calls up Senate joint resolution 169, which the Clerk will report.

The Clerk read as follows:

Senate joint resolution 169, interpreting section 50 of the act of June 3, 1916, for making further and more effectual provision for the national defense, and for other purposes.

Resolved, etc., That in the interpretation and execution of section 50 of the act of Congress approved June 3, 1916, credit shall be given as for service in the senior division of the Reserve Officers' Training Corps to any member of that division for any period or periods of time during which such member has received or shall have received at an educational institution under the direction of an officer of the Army, detailed as professor of military science and tactics, a course of military training substantially equivalent to that prescribed by regulations under this section for the corresponding period or periods of training of the senior division, Reserve Officers' Training Corps.

The SPEAKER. Is there objection?

Mr. FITZGERALD. Reserving the right to object, Mr. Speaker, what does this do?

Mr. DENT. Mr. Speaker, the object of this resolution is simply to meet a construction that has been placed by the War Department on the Army reorganization act passed June 3, 1916. Under that act there was a provision for the Reserve Officers' Corps in the civil educational institutions of this country. The War Department has construed the language to mean that no benefit can be received from the provisions of section 50 until there shall have been a performance of military duty on the part of the students in those educational institutions for two years.

In other words the act will not go into effect, so far as section 50 is concerned, until two years after its passage, whereas, as a matter of fact, students in a number of these institutions have already received a training substantially as provided in the law. I might state it in another way. If the act is construed as the War Department says, members of the junior and senior classes at colleges who have been trained by military officers will have to go in under the same provisions as colleges that would take advantage of it from now on.

Mr. FITZGERALD. Well, will not this bill give all the land-grant colleges an advantage over every other educational institution that is willing to come under the operation of the law and establish the course established in the national defense?

Mr. DENT. It will give them the advantage because of the fact that under the terms of this legislation they are considered as having already had the experience and training provided for under the act.

Mr. FITZGERALD. My recollection is that under the terms of the defense act, at these institutions a corps must be organized and established and the War Department must provide the course of instruction to be followed, but that no such regulations have yet been adopted. This is to permit them to say that some course heretofore followed is equivalent to the course which is to be adopted in the future. My recollection is further that a certain number of hours a week——

Mr. DENT. Yes; five hours——

Mr. FITZGERALD. Had to be devoted to military instruction. There is no provision in this resolution, as I heard it read, requiring as a minimum five hours' instruction per week in this course that is construed as equivalent to the course to be fixed?

Mr. DENT. Oh, yes. The resolution states they must have complied with the provisions contained in the Army reorganization act. It plainly states that.

Mr. FITZGERALD. Is this legislation requested by the War Department?

Mr. DENT. It is. The Secretary of War requests it—urgently requests it.

Mr. FITZGERALD. Do the men who are commissioned as officers in this reserve corps get any advantage by reason of seniority?

Mr. DENT. Those who have had the training in accordance with the provisions of the act will, of course, have the advantage.

Mr. GREENE of Vermont. Mr. Speaker, will the gentleman permit me to make a suggestion?

Mr. DENT. I will.

Mr. GREENE of Vermont. It was asked whether this resolution gave an advantage to certain schools that now partake of the benefits of it. It does; but it might, perhaps, be well to say it is not a continuing advantage. It will not handicap any of the schools hereafter. It simply recognizes certain schools already recognized by the department as schools of superior excellence and training, and it will allow the students in those institutions now completing the two years' course to go on with the benefits of those two years so that they may complete the four-year course.

Mr. STAFFORD. This is to give certain provisions of the Army reorganization bill a retroactive force, as I understand it?

Mr. DENT. Yes. It gives to them an advantage to which they are entitled, because they have already performed the service prescribed in the act.

Mr. STAFFORD. There is no monetary obligation against the Government entailed by the passage of this resolution?

Mr. DENT. No monetary obligation, except the obligation as to rations of 30 cents a day.

Mr. STAFFORD. Dating from what time will these rations apply?

Mr. DENT. They will date from now, if this resolution is adopted.

If this resolution is not adopted it will be two years hence. In other words, the members of these junior and senior classes would have no incentive to go into this service.

Mr. STAFFORD. So far as the retroactive rations are concerned, it will have no effect?

Mr. DENT. No.

Mr. STAFFORD. It only seeks to take advantage of the prior military training they already have?

Mr. DENT. Yes. It puts them on the same basis as the colleges that go into the business from the beginning.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on the third reading of the Senate joint resolution.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

The SPEAKER. The gentleman from Indiana [Mr. CULLOP] is recognized.

[Mr. CULLOP addressed the House. See Appendix.]

ADJOURNMENT.

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 57 minutes p. m.) the House, under the order heretofore made, adjourned until to-morrow, Friday, September 8, 1916, at 8 o'clock and 30 minutes a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of War, transmitting a report of the Board of Engineers proposing a modification of the project for the reclamation and development of the Anacostia River and Flats, in the District of Columbia (H. Doc. No. 1357); to the Committee on the District of Columbia and ordered to be printed.

2. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, report on preliminary examination of Lynn Harbor, Mass. (H. Doc. No. 1358); to the Committee on Rivers and Harbors and ordered to be printed.

3. A letter from the Secretary of War, transmitting information relative to the military service of Passed Asst. Surg. Clarence C. Kress (H. Doc. No. 1359); to the Committee on Military Affairs and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. ABERCROMBIE, from the Committee on Education, to which was referred the bill (H. R. 399) to create the Department of Education, reported the same without amendment, accompanied by a report (No. 1197), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 17577) for the relief of Samuel Schmitz, and the same was referred to the Committee on Military Affairs.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills and a resolution were introduced and severally referred as follows:

By Mr. DENT: A bill (H. R. 17786) providing for military highways between Foley and Fort Morgan, in Baldwin County, Ala.; to the Committee on Military Affairs.

By Mr. GARDNER: A bill (H. R. 17793) to authorize an additional appropriation for the acquisition of a site and the erection of a Federal building at Newburyport, Mass.; to the Committee on Public Buildings and Grounds.

By Mr. STEPHENS of Mississippi (by request): A bill (H. R. 17794) to abolish exemptions from taxation of private realty in the District of Columbia; to the Committee on the District of Columbia.

By Mr. LINTHICUM: Resolution (H. Res. 368) requesting the Secretary of Agriculture to furnish to the House of Representatives copies of data on which a certain portion of the annual report of the Department of Agriculture for 1912 was based and correspondence relative thereto; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills were introduced and severally referred as follows:

By Mr. CASEY: A bill (H. R. 17787) granting an increase of pension to Martin Connelly; to the Committee on Invalid Pensions.

By Mr. POWERS: A bill (H. R. 17788) granting an increase of pension to Andrew York; to the Committee on Invalid Pensions.

By Mr. RAYBURN: A bill (H. R. 17789) for the relief of J. B. Smith, son of S. M. Smith; to the Committee on War Claims.

By Mr. WILLIAMS of Ohio: A bill (H. R. 17790) granting an increase of pension to Elias Hanes; to the Committee on Invalid Pensions.

By Mr. CRAMTON: A bill (H. R. 17791) granting an increase of pension to Hattie J. Beecher; to the Committee on Invalid Pensions.

By Mr. BRITT: A bill (H. R. 17792) granting a pension to Mrs. Lethea Chambers; to the Committee on Invalid Pensions.

By Mr. PHELAN: A bill (H. R. 17795) granting a pension to Joseph B. Wade, alias John Bent; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. KETTNER: Petition of John E. Cowgill, general chairman, Order of Railroad Telegraphers, San Francisco, Cal., urging that House bill 9216 be passed in its original form; to the Committee on Interstate and Foreign Commerce.

Also, petition of ministers and laymen of the Swedish Evangelical Free Church of North America in session assembled in Chicago, Ill., June 7 to 11, 1916, protesting against shipment of munitions of war to nations in Europe, with reasons therefor; to the Committee on Foreign Affairs.

Also, petition of C. E. Butler, executive, Knob Hill Orchards Association, Oakland, Cal., urging passage of the original Pomerene bill as passed by Senate on three different occasions; to the Committee on Interstate and Foreign Commerce.

Also, petition of H. C. Bryant, Museum of Vertebrate Zoology, Berkeley, Cal., urging passage of Chamberlain-Hayden game-sanctuary bill; to the Committee on Agriculture.

Also, petition of Langley & Michaels Co., San Francisco, Cal., favoring passage of House bill 17396, introduced by Representative DOREMUS; to the Committee on the Post Office and Post Roads.

Also, petition of W. B. Atkinson, Niland, Cal., favoring amendments to sections 2, 3, 4, 5, Cullop bill, H. R. 9216; to the Committee on Interstate and Foreign Commerce.

Also, petition of James E. Addicott, ex-president of Association of Applied Arts and Sciences of California, San Francisco, Cal.; Frank H. Ball, State Normal School, Santa Barbara, Cal.; George A. Merrill, director California School of Mechanical Arts, San Francisco, Cal., favoring Smith-Hughes vocational education bill; to the Committee on Education.

Also, petition of John S. Mitchell, president Chamber of Commerce, Los Angeles, Cal., protesting against proposed amendment to revenue bill suspending drawback payments on exports until six months after peace in Europe; to the Committee on Ways and Means.

Also, telegrams from H. L. Titus, San Diego, Cal., and Paul Shoup, president Pacific Electric Railway, Los Angeles, Cal., asking that all electric railways be excluded from any proposed legislation regulating hours of service; to the Committee on Interstate and Foreign Commerce.

Also, petition of mayor and common council, city of Riverside, Cal.; H. C. Cree, city clerk; and W. H. Schureman, secretary Chamber of Commerce, Pomona, Cal., urging that Interstate Commerce Commission is proper tribunal to deal with controversies between railroads and employees; that it should be invested with authority to deal with such controversies; to the Committee on Interstate and Foreign Commerce.

Also, telegram from W. Clayton, vice president, San Diego & Arizona and San Diego & Southeastern Railways, San Diego, Cal., protesting against eight-hour law; to the Committee on Interstate and Foreign Commerce.

By Mr. MORIN: Protest of Western Insurance Co., of Pittsburgh, Pa., in re refund of overpayments applying solely to new income-tax act; to the Committee on Ways and Means.

By Mr. RAKER: Memorial of San Francisco Board of Supervisors, petitioning the establishment of a naval academy and aviation school on the Pacific coast; to the Committee on Naval Affairs.

By Mr. TAGUE: Petition of George Daly, of Boston, Mass., in re foreign affairs; to the Committee on Foreign Affairs.

By Mr. VARE: Memorial of Pennsylvania Pharmaceutical Association, relative to proposed changes in the patent laws; to the Committee on Patents.

Also, memorial of Board of Trade of Philadelphia, Pa., relative to banking and currency laws; to the Committee on Banking and Currency.

By Mr. WARD: Petition of residents of Charlotteville, N. Y., in favor of the adoption of a prohibition amendment to the Constitution; to the Committee on the Judiciary.

Also, letters of protest against condition of affairs between Great Britain and the United States, signed by Henry M. Weyrauch, of Liberty, N. Y.; Isaac W. Dietz, Peter Sternberg, William Ehcke, and Lawyer Sternberg, of Central Bridge, N. Y.; Leopold Haidegger and J. T. Dayton, of Neversink, N. Y.; Rev. H. C. Freimuth, of Liberty, N. Y.; and Rev. George J. M. Ketner, of Central Bridge, N. Y.; to the Committee on Foreign Affairs.

SENATE.

FRIDAY, *September 8, 1916.*

(*Legislative day of Thursday, September 7, 1916.*)

The Senate reassembled at 8 o'clock a. m., on the expiration of the recess.

The VICE PRESIDENT resumed the chair.

THE FERTILIZER INDUSTRY (S. DOC. NO. 551).

The VICE PRESIDENT laid before the Senate a communication from the Federal Trade Commission, transmitting, in response to a resolution of the Senate, the report of the Federal Trade Commission on the fertilizer industry as of date of August 19, 1916, which, with the accompanying paper and illustrations, was referred to the Committee on Agriculture and Forestry and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had passed the joint resolution (S. J. Res. 169) interpreting section 50 of the act of June 3, 1916, for making further and more effectual provision for the national defense, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills and joint resolution, and they were thereupon signed by the Vice President:

S. 136. An act for the relief of Eva M. Bowman;

S. 5886. An act extending the time for the completion of the bridge across the Mississippi River at Memphis, Tenn., authorized by an act entitled "An act to amend an act approved July 20, 1912, entitled 'An act to authorize the Arkansas & Memphis Railway Bridge & Terminal Co. to construct, maintain, and operate a bridge across the Mississippi River,'" approved August 23, 1912;

H. R. 16763. An act to increase the revenue, and for other purposes;

H. R. 17645. An act making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1916, and prior fiscal years, and for other purposes;

H. R. 15287. An act authorizing the addition of certain lands to the Colorado and Pike National Forests, Colo.;

H. R. 11472. An act to reserve certain lands and make them a part of the Pike National Forest; and

S. J. Res. 169. Joint resolution interpreting section 50 of the act of June 3, 1916, for making further and more effectual provision for the national defense, and for other purposes.

CORRUPT PRACTICES.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15842) to revise, amend, and codify the laws relating to publicity of contributions and expenditures made for the purpose of influencing the nomination and election of candidates for the offices of Senator and Representative in the Congress of the United States, extending the same to candidates for nomination and election to the offices of President and Vice President of the United States, limiting the amount which may be expended, providing for the publicity of campaign expenses, and for other purposes.

Mr. OWEN obtained the floor.

Mr. LEWIS. Will the Senator yield to me?

Mr. OWEN. I yield to the Senator from Illinois.

Mr. LEWIS. Mr. President, I desire with the privilege of the Senator from Oklahoma at this time to have unanimous consent to bring up and have immediately considered without debate the bill providing for pensions of widows of the Spanish-American soldiers both of Cuba and the Philippines. If there were any way that that could be yielded to at this time I should like to have it done.

Mr. OWEN. I want to occupy the floor for only a few minutes, but if the matter does not lead to debate I shall not object.

Mr. LEWIS. I have made my request before. I will not take the Senator from his feet.

Mr. SMOOT. I suggest to the Senator that he make the request later.

Mr. SMITH of Georgia. I object to the request of the Senator from Illinois. I am very much opposed to that bill, and I object.

Mr. LEWIS. I understand the Senator from Georgia objects to the consideration.

Mr. SMITH of Georgia. Of course there is no quorum here and the bill ought not to pass at all.

Mr. LEWIS. With that opposition of the Senator from Georgia——

Mr. SMITH of Georgia. I have already expressed it clearly in the Senate. I think we would defeat the bill on a roll call in the Senate. It is an inexcusable raid on the Treasury.

Mr. LEWIS. I will not take the Senator from Oklahoma longer off his feet.

Mr. SMITH of Georgia. I should like, however, to make this statement in connection with what I have said: I would be gratified to see a bill drawn that would care for those who suffered from fever or sickness while in camp. I would support a bill that cared for those who actually went to Cuba or actually had anything to do with the war. But for the large majority, who never went outside of the United States at all and who were not sick at all while in camp, I consider it inexcusable to ask to treat them in any sense as the soldiers who fought during the Civil War were treated.

Mr. LEWIS. If the Senator will allow me for a moment, the Senator must be under a misapprehension as to the contents and purpose of the bill. It is a bill merely to requite those widows of soldiers whose lives were either lost in Cuba or the Philippines or having taken disease subsequently or as a result of the rigors of their service subsequently died.

I am very anxious about the bill, because I say, frankly, I served with the men and my affections are enlisted with them, and my knowledge of the necessity of this measure and the justice of it justifies me.

Mr. President, let me say in conclusion that I must inform the able Senator from Georgia that the distinguished Senator from Florida [Mr. BRYAN] and other Senators who oppose this bill under what I must insist is a misapprehension of its spirit that we can not hope to get enlistments in the present conflict in Mexico, or for any emergency, nor can we hope to keep them in service if they are to be met with the spectacle of what appears to be utter ingratitude on the part of their country.

I will not take the Senator from Oklahoma further from his feet, but I will press this bill to a successful passage in December. I now give ample notice of that determination.

Mr. OWEN. Mr. President, I confess that I feel deeply disappointed at the defeat of the passage of the corrupt practices prevention act at this session. In discussing the matter I have not had any will to wound the feelings of our political opponents. I realize that the use of money improperly is not entirely confined to either party, and I do not wish to appear as believing that the corruption of elections is strictly confined to either party or any party at any time. The poverty of people, the poverty of men who have the suffrage, often leads to their being influenced to sell their votes, directly or indirectly, for money or reward, in the form of employment, and so forth, and in that way it has become possible to resort to corrupt practices on a scale very dangerous to the Republic.

A somewhat extreme example of this occurred in Ohio which was exposed and punished there by a great and honest county judge, Judge Blair, and his patriotic fellow citizens. I wish to put in the RECORD the statement of that case, an editorial in the Outlook, without reading, together with the statement of the case by Mr. Creel, in which the details are presented. Without reading it I will make the extract for the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

WHAT ARE YOU GOING TO DO ABOUT IT?—THE SHAME OF OHIO.

[By George Creel and Sloane Gordon.]

[EDITOR'S NOTE.—Every third voter in a great county in a great State has for years regularly sold his vote, and the judge who haled him to court and spectacularly disfranchised him says the rest of the State is as bad. Here there is nothing—no plunderbund seeking unfair privileges—to strike back at; just everyday citizens who demand pay, not for voting this way or that, but for voting at all. The situation lends color to the sneering assertion of the corrupters of legislators that the people get what they deserve, and it is true that many public scandals are fruits of the people's own raising. Nevertheless, pointing to the latest sores in the body politic, the blush-bringing revelations of Ohio legislators' venality, the question is still asked of the American voter, with the assurance that it will be answered favorably, What are you going to do about it?]

In 1894, so the story goes, during an election in Adams County, Ohio, the treasurer of the Democratic executive committee counted out $600 in crinkly $2 bills with which to buy a party majority in Scott Township. A Democratic leader took the money, tucked it safely away, and started out on his errand of corruption in much the same matter-of-fact manner that rural mail carriers now go on their daily rounds. The day went by, and in the evening horsemen began to bring disturbing news from the Scott Township neighborhood. Neither money nor messenger had arrived, and the voters, peevish and impatient, had finally sold out to the Republicans for what they could get.

Late that night the leader drove into West Union and told at headquarters a harrowing tale of highway robbery. He had been "held up" at a lonely bend in the road, knocked down, and relieved of his roll of bills. In support of his thrilling story he showed much-muddied clothes and a badly battered hat. If you press for further facts concerning these alleged and strange happenings, the gossipy whittlers of Adams County will tell you that this leader was Albion Z. Blair, now a judge of the court of common pleas. The story as referred specifically to Judge Blair may be merely the invention of his political enemies, but it is typical of a situation which has disgraced Ohio politics for years. And the main point of interest about it is that this same Judge Blair is the man who hardly more than a year ago started a militant crusade against vote selling which resulted in the disfranchisement of about 1,600 voters—practically one-third of the entire electorate of Adams County. This was the beginning of Ohio's answer to Boss Tweed's sneering "What are you going to do about it?"

JUDGE BLAIR—WHOLESALE DISFRANCHISER.

That wholesale disfranchisement made Judge Blair a national figure. The corruption of Adams County became a scandal of national interest. And rightly so. For Adams County is a purely American farming community. There is not a foreigner in the county—even the usual Armenian rug peddler is missing—and the people have as hard and fast a pride in their unmixed blood as any Mayflower Bostonian. And if the conditions of our corrupt municipalities—of a New York, of a Chicago, of a Cincinnati—can obtain in these supposed strongholds of patriotism, here is a problem to appall the most optimistic.

A curiously interesting figure, this Judge Blair. A distinct "singed-cat" type—eyes squinted and dull behind thick glasses, tousled iron-gray hair covering ears and rusty coat collar, awkward, even shambling—he gives no hint of courage and large purpose, but rather expresses the snooping pursuit of card-playing youngsters, whisky-drinking country boys, and those other petty activities of the "reform" judge in rural centers. In Portsmouth, where he has lived since his election, he teaches a large Sunday-school class, imports evangelists of the Billy Sunday sort, and, according to newspaper print, frequently gets down on his knees to ask God's guidance whenever intuition deserts him, taking the repentant criminal along with him.

Aside from matters of a Scott Township nature, he talks very freely. Hunched up in an old, dilapidated chair, careless of the mud that

covered him after the 14-mile drive from the railroad, he looked down on West Union's courthouse yard and made no bones about confessing his own intimate knowledge of corruption.

AUCTIONING VOTES IN AN OHIO TOWN.

"Of course I knew all about it. Who didn't?" He had made a prohibition speech in Indiana the night before, and this strain had reduced his voice to a growl. "I've lived here pretty near all my life, and it has been going on ever since I remember. I saw them buying and selling votes as a boy; as a man I watched the infamous traffic going on under everybody's eyes. Why, I've stood right out there on that corner and seen 'em auction off voters to the highest bidder, the mayor and prosecutor looking on. They used to buy and sell the franchise as though it were an apple or an egg—openly, noisily, haggling over the price. Each year the evil grew. It took on the familiarity of habit. Men, scrupulously honest in every other relation of life, bought votes or sold them, and the youth of the county, coming to their majority in this poisoned air, were the unconscious victims of a vicious custom."

Of all the things connected with this well-nigh incredible story, there is nothing more amazing than these admissions of long-standing knowledge, long-standing tolerance. For 20 years Adams County stewed in corruption until honor ran in the gutters like water, yet never a citizen raised his voice in protest, never an official took thought of his solemn oath. "Everybody" knew it! "Everybody" stood for it! Not until this series of articles was well under way was there the slightest movement in the direction of reform. Blair himself had been upon the bench four years when he walked into West Union last November and set about the work of regeneration!

It can not be denied, however, that he made a good job of it when he did begin. As a first step he impaneled a carefully selected grand jury made up of seven Democrats, seven Republicans, and one Prohibitionist, with ex-Congressman J. J. Fenton as foreman. Now, the Ohio statutes with regard to election frauds provide that "any person violating such a law is a competent witness against another so offending, and the testimony so given can not be used against the person so testifying."

Our criminal law is a sorry thing at best, but its most wretched feature is the premium that it puts on treachery. Judge Blair and the grand jury decided that the vote buyers of Adams County should be given first chance to "turn traitor," thus saving their precious skins at the expense of the poor devils they had bought. At a conservative estimate, there were about 200 vote buyers in Adams County and about 2,000 vote sellers, so that the proposition on its face had a look of unfairness. "It was not a question of individuals but of results," Judge Blair explained.

The treasurers and executive committees of both parties were called in and plainly told that they must "give up everything" if they wished to escape present and future prosecution. The judge knew and the grand jurors knew. What use for them to lie, even had they had the courage? Notebooks, scraps of paper, pencilled envelopes, and what not were brought in; memories were searched and then taken out and shaken to see if any name remained. Such was the desire to curry favor that many a man ran back time after time with records that he had forgotten. From treasurers to campaign managers, from campaign managers to township captains, from township captains to the active buyers, the money was followed until it reached the pockets of the voters.

THE STAMPEDE TO THE COURTHOUSE.

As party leaders, workers, and candidates sneaked in and out of the grand-jury room a white-gilled electorate held its breath. "Everybody" now knew that vote selling was a crime. And by shrouding the workings of the probe in absolute mystery Judge Blair cunningly added to the panic. There were none of the usual leaks, for the "snitchers," out of very shame, kept their mouths shut.

Having squeezed the informers dry, Judge Blair shattered the county's dry-mouthed silence with this ominous announcement: "The name of every vote seller is known. If the guilty parties will come into court of their own volition and make full confession, the greatest leniency will be shown them. If they keep silent, however, and put the county to the expense and trouble of serving papers and making arrests, the full penalties of the law will be imposed."

Of course this was somewhat of a "bluff"; but having seen the cowardice of the vote buyers, Judge Blair took a chance on the cowardice of the vote sellers. But the people, although panic-stricken, still clung to the Missouri idea and held aloof. Whereupon the grand jury returned four indictments against well-known residents of West Union, and the sheriff made the arrests. Judge Blair, after sternly explaining to the prisoners that they had forfeited the right to his promised consideration, fined them $25 and costs each, sentenced them to eight months in the Cincinnati workhouse, and disfranchised them for five years.

That was on Saturday. When Judge Blair reached the courthouse Monday morning he found the street, porches, halls, and rooms packed and jammed with sweating hundreds, every man fighting for the privilege of confession. All of them were "respectable" in the sense that they worked for a living and had never begged or stolen, and the fear of the Cincinnati workhouse was sick in their mouths. Seemingly possessed by the idea that Judge Blair's leniency—like a department-store bargain—was for one day only, they pushed and shoved and grabbed at his arms and coat tails.

It was impossible to arraign them individually, so great the number, and Judge Blair adopted the simple expedient of taking them a "roomful at a time."

"Um-m-m!" he would murmur, peering through his bull's-eye glasses at the familiar faces of old friends. "All those that desire to plead guilty will hold up the right hand."

The plea of guilty having been entered in this expeditious fashion, the men formed in single file to go by the judge's little table.

"How much did you get, Charlie?"

"Five dollars, Judge."

"They flimflammed you. Over your way the market price was $10."

Slowly, methodically, his short-sighted eyes pressed close against the paper, Judge Blair put down the names, fined them the amount received for their votes, imposed a suspended sentence of six months in the workhouse, and then disfranchised them for five years. With the slip of paper clutched tightly in his hand, each defendant elbowed out, scurried across the hall into Clerk Garman's room, and planked down the amount of his fine.

THE BROTHERHOOD OF DISHONOR.

Day after day the rush continued. The courthouse square was thick with wagons, buggies, and horses, and the hotels could not feed or shelter the crowds. Many came 20 miles or more, walking the entire distance, and could not go home for the night. Private houses were thrown open, and citizens went up and down the lines of half-frozen culprits with trays of sandwiches and buckets of hot coffee. One old woman, clutching a dented lantern and dragging a simple son, came in and entered a plea of guilty for the boy and the invalid husband left at home. She had walked 18 miles, starting at midnight, and the ice edges had cut through her shoes. Some one asked her, "Why?"

"Well," she said, her mouth sagging and her faded eyes full of tears, "my old man allus thought it was the law to pay us fer our votes."

Two shamefaced preachers confessed and were fined and disfranchised, and many octogenarians, wearing Grand Army buttons, came and went with the miserable stream. "Everybody else was gettin' it," they mumbled when Judge Blair looked long at the bit of bronze in their buttonholes.

One man, worth $50,000, had sold his own, his son's, and his son-in-law's votes for $7.50, "much below the market price," as Judge Blair commented. The majority, as a matter of fact, were well-to-do, owning large farms; but there were those to whom the sale of the vote meant bread and clothes. Hill people these, far removed from the rich bottomlands, forced to tear livelihood from an ungracious soil with their very finger nails. A mother confessed to selling her son's first vote for food money; another had used his $5 to pay the doctor that helped the stork; and still others bought shoes for their barefoot children. First corrupted through their necessities and then betrayed that the corruptionist might save his own hide!

At the end of two weeks the rush died down, first fear having abated somewhat. Judge Blair straightway wrote a grim statement for the two weekly papers, saying that there were still many to hear from, and warning them that the time for confession was growing dangerously short. He also had "dodgers" printed and pasted in hotels and at crossroads, pleasant reading for the casual guest or lonely horseman. In consequence the crowd swelled to former proportions, and over the hills—walking, riding, driving—came more of Adams County's repentant manhood. Twenty-five men, living at a distance, tramped all night to get in an early plea, and after reading a "dodger" one old man walked 9 miles to tell Judge Blair that he had received $15 for his vote instead of $11, as first stated.

From dawn to dark, week after week, West Union listened to the shuffling of nervous feet, the scratching of the judge's pen, and the clink of money in Clerk Garman's office. On March 1, 2,107 indictments had been found, 1,585 men had pleaded guilty, and $15,000 in fines had been collected. Many gave checks, others paid cash, and there were those too poor to do else than make arrangements for weekly installments. The fines usually ran from $5 to $20, but frequently reached $50, and in one instance, where a rich farmer tangled himself in a lie, Judge Blair made him pay $300.

WHY "HONEST" MEN SOLD THEIR VOTES.

Several hundred vote sellers are still recalcitrant, it is estimated, and Clerk Garman figures that when the "job" shall have been finished the total disfranchisement will be about 2,000 and the collection in fines over $26,000. And of those who shambled before Judge Blair, confessing their shame in halting mumbles, not one had other excuse than that "it was the custom"—which, by the way, is not the rustic plea of rustic stupidity that one might think. The Adams County man bitterly resents any attempt to excuse his corruption on the score of ignorance or poverty.

"But why was it the custom for decent, hard-working, law-abiding people to sell their votes like so many sodden hoboes in a Cox ward?"

"Partisanship."

And even after one has seen and studied West Union and ascertained the proper balance for a cane-bottomed chair around the big stove in the Florentine Hotel, no other answer can be won. Until the recent investigation, at least, every man, woman, and child in Adams County was either a Democrat or a Republican, and partisanship was carried into business, religion, and society. If the new preacher was a Democrat, the Republicans did not want him; the same way with schoolteachers; and in trade the Republican merchant got Republican custom and Democrats went to the Democratic hotel. The county has always been so evenly divided between Republicans and Democrats that candidates were elected by majorities of one and two and three, and the very closeness of the contest gave zest to rivalry. In the early days this partisanship probably had its base in the usual stupidities of tradition and prejudice, but as election succeeded election, Jefferson and Lincoln were quite forgotten, and campaigns came to be as entirely personal as a fist fight.

THE BEGINNING OF CORRUPTION.

Of course the use of money was only a question of time, just as it always will be anywhere under similar conditions. Brand Whitlock, James Faulkner, and other Ohio political authorities all agree that the first employment of money was in 1879, when Charles Foster ran for governor on the Republican ticket and sent $2 bills into Adams County—and all other counties—for the purchase of votes. It was a secret and shameful thing in those days, and only farm hands and a few small-town loafers could be bought.

The "thing" continued in its secret, $2 form until 1886, when Ed. Sillcott, eager to restore his county to the Democratic fold, hurried back from his Federal job in Washington, bringing stacks of $10 gold pieces. Sillcott bought openly, and his shining bribes caught many a respectable citizen, who saw "no sense" in letting money get away when "everybody seemed to be taking it."

The "Sillcott idea" grew and flourished. Prices went higher and higher with each succeeding election until $25 was the average. By 1890 that which had been secret and shameful became open and authorized, and attained to the dignity of habit. The slush fund, instead of being intrusted to nondescripts, was handled by the campaign managers and candidates themselves, and men of property and respectability joined with the proletariat in demanding higher prices for their votes. The prevalent corruption even took on economic angles, figuring in the giving and getting of credit. Merchants, confidently relying upon the golden flood that poured through the broken staves of the campaign "barrels," extended a much larger line of credit before election than afterwards. The county, in sober truth, came to look upon this bribe money as a legitimate source of income.

"We tried to stop it lots of times,' one of the party leaders confessed. "We'd get the candidates on the two tickets to sign a regular contract that no votes would be bought; but, pshaw, the people wouldn't stand for it. They were so used to getting cash for their votes that they felt like we were stealing their wages from them. Why, you would have thought that we were guilty of a conspiracy in restraint of trade. And first one side and then the other would sneak

out of the purity agreement, and in a little while we'd be shelling out more money than ever before."

Strange as it may seem, nearly all the money came from the candidates themselves and local partisans, the State committees and State candidates contributing only nominal amounts. The Foster money in 1879 and the Silicott fund in 1886 were the only outside donations of any real importance. And as the county's electorate became more and more corrupt and the need of money increasingly imperative, men quit seeking the offices, and offices "took after" the men. Instead of selecting men of proved competence or even popularity, the campaign committees "beat the brush" for candidates with money. And having marked down their man, every imaginable influence was used to secure his acceptance, to work him up to the proper partisan pitch, to convince him that he owed it to his party and his friends to make the race. Men, fairly hounded into office seeking, have put mortgages on their farms to meet the heavy assessments and constant drains, and Adams County is still full of "paper" signed by candidates or indorsed by enthusiastic partisans. The mayor's salary in West Union is $25 a year, yet nominees for this empty honor have had to spend hundreds of dollars. One rich farmer always used $300 in a school-board election from no other motive than stark pride in having his party control. Not an officeholder in the county but has quit politics poorer than when he went in, and those that escaped bankruptcy consider themselves fortunate.

"But these well-to-do farmers—you don't mean to say that they didn't realize their dishonesty when they sold their votes?" was asked of a former campaign manager who was attempting to explain away the shame of the county.

"But they didn't sell them." He was very emphatic on this point. "Out of the 2,000 men implicated, I'll bet you that not more than 100 were ever bought away from their party. It was simply a case of paying the Democratic farmers to come out and vote the Democratic ticket, and the same way with the Republicans; that is, paying them for the time they lost from their work."

Not only were these men sufficiently corrupt to take money for their votes, but they were so utterly lost to all conception of citizenship that they would not vote at all unless they did get paid for it!

THE SHAME CROPS OUT IN THE STATEHOUSE.

To eliminate entirely the pleasant theory that the Adams County disgrace is endemic, Judge Blair insists that every other county in Ohio is equally corrupt. And the buying and selling of votes at home has had its fruit in the State-wide betrayal of the people and the lasting disgrace of the Commonwealth.

An investigation set on foot last spring proved beyond the possibility of denial that the present legislature is the most hopelessly corrupt body of public looters that ever disgraced Ohio or any other State. Already 19 indictments against members of the house and senate and employees thereof for soliciting and accepting bribes—for selling their political birthrights, for bargaining openly, brazenly, flagrantly, with the representatives of privilege—have been returned by a Franklin County (Columbus) grand jury, and there is little doubt that an additional score of indictments will yet be found. Among the senators indicted were the chairman of the senate judiciary committee, Isaac E. Huffman; five members of the senate finance committee—Dean, Cetone, Huffman, Crawford, and Andrews; one of the leaders of the Democrats in the House, Dr. George B. Nye; and one equally prominent leader of the Republicans in the lower body, Dr. A. Clark Lowry. The sergeant at arms of the senate, Rodney J. Diegel, and his assistant, Stanley Harrison, were also among those caught in the grand-jury net. And there were others. The trials have not all been held. On one count Nye—the first man tried—was acquitted. His defense was technical. Other indictments have been found and other trials held. The outcome, in so far as the punishment or the acquittal of individuals is concerned, is of small moment.

BUSINESS MEN ORGANIZE AGAINST GRAFTERS!

The astounding thing is that the investigations which led up to the indictments revealed in Ohio a degree of political and legislative degeneracy difficult to realize. The Ohio Legislature was shown to be so impure—the atmosphere so charged with the current of corruption—that the members who were arrested and made to answer for their shortcomings actually resented, in indignant periods, the interference on the part of officers of the law with their affairs. Opha Moore, secretary of the Ohio Manufacturers' Association—the man who urged the investigation—was condemned and reviled in legislative circles.

"He's a busybody who'd better tend to his own business," was the assertion of Senator Cetone, one of the indicted.

"I'll tell what I know about him," threatened Sergeant at Arms Diegel. What Diegel knew was that he had been receiving money from Moore to keep Moore posted in relation to certain measures up before the legislature. Diegel was taking money from the Ohio Manufacturers' Association on the one hand and from lobbyists on the other; was negotiating for the delivery of the votes of senators and representatives, and was caught taking $200 in marked bills from a detective hired by Moore, the said detective posing as a lobbyist. These details are merely illustrative of the conditions that have been prevailing for years in Ohio's capital. The fact is that the industry of trafficking in bills has been so well established that for their own protection the manufacturers of the State were compelled to organize systematically to withstand the attacks of the house and senate wolves! And the worthy legislators joked about the debauchery and fought back. The senate, with many indicted members, went so far as to pass a resolution to furnish accused members with immunity baths. Under the Ohio law a witness before a senate investigating committee is exempt from criminal prosecution. No sooner were indictments returned against a number of the members than the protection of this law was invoked by the introduction of a resolution providing for a senate investigating committee. The grand jury was in session at the time. It was doing all the investigating necessary. For a senate investigation to be injected at that time meant complication at the best. Gov. Harmon, Attorney General Timothy S. Hogan, County Prosecutor E. C. Turner, and every officia. honestly intent on seeing that justice was unhampered, opposed the selection of the investigating committee. Public protest reached from the Ohio River to Lake Erie. It screamed its objections. But the Ohio senate passed the resolution nevertheless and proceeded to appoint the committee. Fortunately, the house, without the concurrence of which no appropriation can be made, declined to vote money for the maintenance of the committee. But that committee held meetings anyhow until it became evident that the public protest would develop into a cyclonic demand for senatorial convictions.

But to return to the actual corruption of the legislature. In Ohio within recent years "milking" has become one of the most highly profitable industries. At the beginning of each session swarms of lobbyists, many of them ex-members, have appeared in Columbus laden with carefully drawn measures, the passage of any one of which would mean much financial loss to some "interest." The lobbyist would establish friendly relations with a member of the house or the senate and prevail upon him to introduce the bill. The next move on the part of the lobbyist would be to arrange with the threatened "interest" to prevent the passage of the measure, the legislator introducing it being, as a rule, a party to the game.

According to some estimates there were 118 "milkers" introduced in the 1911 session of the legislature. Prominent among them was the optometry bill. It had been up before. It was backed by a powerful lobby. It sought to give opticians the right to examine eyes and prescribe glasses without complying with the regulations with which regularly graduated practitioners must comply.

A bill compelling coal operators to pay miners for coal mined before it is screened was another.

A bill limiting working hours for women; one compelling the inspection of steam boilers; a measure to license itinerent drug venders; the Whittemore insurance bill, creating a special code for certain classes of insurance companies—these are a few of the many Ohio "milkers." Some of those who presented and advocated these bills are honest and earnest men. But the wolves among the legislators smelled out and pursued the opportunities which either the passage or the defeat of each and every one of the 118 milk-producing measures afforded.

THE CHIEF AMONG THE GRAFTERS.

In this, as in former legislatures, the corruptionists organized early in the session. In the senate the appointment of standing committees was taken out of the hands of the lieutenant governor, the presiding officer, and turned over to a committee on committees. This odorous aggregation planned brazenly to place the important committees under the control of members of the lootbund. Of the senators already indicted, every one was a member of the powerful finance committee. The judiciary committee was practically controlled by Senator Huffman and his friends. And on other important committees can be found the names of Huffman, Cetone, Andrews, and the other senators who were trapped and indicted.

Rodney Diegel, the sergeant at arms—who has been found guilty of aiding and abetting the bribing of senate members—used to conduct a hotel at Put in Bay, in Lake Erie. To this resort the legislators went for their annual reunion. Diegel became acquainted with them, and through this acquaintanceship secured his place on the State pay roll. He became what was facetiously termed the "betting commissioner of the senate." It was a matter of common knowledge that Diegel was the man to see when one found it necessary to open negotiations for either the passage or defeat of a measure. Diegel would take the proposition under advisement, consult with his friends in the senate, and furnish an estimate of the cost. If the estimates were satisfactory, Senator Huffman, for instance, would take the matter in hand. Were the bill to be killed, he would, through the powerful organization which he had perfected in the body, have it referred to the judiciary committee, where it would receive sepulture in a convenient pigeonhole, no matter how great the clamor for its presentation.

THE HOUSE COMMITTEE ON "ESTIMATES."

In the course of events it was found expedient by the senate grafters to work in conjunction with those of the house. Dr. George B. Nye, the member from Pike County, who had served three terms and was leader of the Democratic grafters on the house side, entered into the arrangement. Dr. A. Clark Lowry, Republican from Lawrence County, occupied the same position with relation to the Republican minority. He and Nye worked together and furnished "estimates." It is most confidently asserted that they paid more attention to rounding up and securing funds from bribe givers than did even the assiduous grafters of the senate. So well was Nye's grafting propensity known in Columbus that men about about town joked with him about it.

"Say, Doc," remarked a Columbus man to Nye one afternoon in the Neil House cigar store, "I believe they've given you the double-cross on the ——— bill," mentioning an obscure measure that was never looked upon as a "producer."

Nye took it very seriously. "Well," he replied sadly, "I've suspected that I was getting the worst of it on three or four jobs, but that's a new one. I haven't got time to watch everything. It's pretty tough to deal with a bunch of crooks like I've got to handle."

As the months dragged on the members of the Ohio Manufacturers' Association became convinced that they would have to adopt drastic methods to stop the increasing deviltries of the statehouse banditti. They had tried argument, had employed expensive attorneys to present arguments before committees in order to prevent the passage of notoriously bad measures, had used every honorable means to accomplish results, and had been met on every hand with hints that money would be required to "take care of the boys." Opha Moore, the secretary, who knew much of the inside workings of the plunderbund by reason of his long contact with bribe solicitors, approached and employed Diegel as his representative. The sergeant at arms was not only willing but anxious. Only he did not know at the time that he was to be used to further the ends of justice. He accepted a weekly salary from Moore, in return for which he was to give the secretary of the Manufacturers' Association information in regard to the status of certain measures, and also to advise him as to where and when money could be judiciously placed in order to facilitate or retard legislation, according to the requirements. Diegel reported regularly to Moore. Slowly but surely he unwittingly spun a web about those of his senatorial associates who were "amenable." He told Moore, in the course of various conversations, of 29 members of the senate who could be "reached." Inasmuch as there are but 34 senators, the proportion of crooks, according to the word of the sergeant at arms, is rather large. However, proof is lacking to confirm Diegel's statement in this regard.

Moore moved swiftly. He consulted members of his organization and secured sufficient financial assistance to proceed. He held a number of conferences with the county prosecutor. Then he engaged William J. Burns, the famous detective, to assist in trapping the thieves. Burns sent three of his operatives. They engaged rooms at the Chittenden Hotel and soon scraped up acquaintance with Diegel. They let it be quietly known that they were lobbyists and in Columbus for the purpose of killing the Whittemore insurance bill. For days they entertained members of the house and senate, bought drinks lavishly, and financed "joy rides." In their rooms at the hotel they installed a dictagraph, an instrument so delicate that it transmits the slightest whisper uttered in a room to the person at the receiving end

of the line. In an apartment adjoining that in which the detectives received, negotiated with, and paid money to Ohio's corrupt senators and representatives a court stenographer was installed, and he took down, word for word, the amazing conversation which the bribe soliciting and accepting legislators indulged in. They flocked to the rooms of the Burns operatives and discussed the sale of votes openly. The detectives adroitly led them into naming the prices they wished for their votes. Nye, the leader of the Democratic corruptionists in the house, became loquacious on several occasions and gave his opinions of other lobbyists without reserve. He has always been regarded as a "wet" man in the legislature, but he confided to the detectives (and the dictagraph) that the liquor lobby was composed of a number of "short skates" who wanted a man to vote their way for nothing.

THE PRICE OF AN OHIO LEGISLATOR.

Representative Owen J. Evans, of Stark County, a friend of the late President McKinley, and the man who presented the name of United States Senator ATLEE POMERENE to the Democratic caucus last January, committed himself irrevocably as a bribe taker. He subsequently confessed in court and was fined $500.

Senator L. R. Andrews, of Ironton, a man looked upon as of irreproachable character in his home community—a man of wealth and position—went so far as to write an impatient note to one of the detectives because he had been kept waiting too long in the lobby of the hotel on the day on which he was to receive his bribe money. He received $200 in marked bills. Similar amounts were received by Senators Huffman, Cetone, and others. Diegel got $200 for negotiating the sale of the legislative votes.

CORRUPTERS AND CORRUPTED LINE UP.

When the explosion came and legislators were indicted by the grand jury there was consternation running riot in the legislative halls. For two days no business of consequence was transacted in either the house or the senate. Then the forces of evil rallied, and the most determined efforts were made to thwart prosecution. Nothing so striking comes out of the whole nauseous mess as the line-up of a majority of the senate in an effort to save the indicted members from conviction. Columbus literally rang with the cries of denunciation directed against the Ohio Manufacturers' Association and the Burns detectives. Legislators held indignation meetings and put up such a show of outraged innocence that the unknowing were more or less convinced.

Many powerful interests—those who have illegitimately sought law passage or law death—are strikingly energetic in their efforts to hamper the prosecution. Diegel, the convicted sergeant at arms, is a poor man, but one of the attorneys who defended him for taking $200 is said to have received a fee of $6,000. The total amount spent in the defense of Diegel alone is estimated at not less than $20,000. A veritable battalion of high-priced attorneys have watched every move of every trial so far conducted, and the struggle to keep out evidence and to acquit those accused is still going on.

The Franklin County grand jury, after returning 19 indictments, recessed for an indefinite period early in June. The trials of Nye (on one count), Evans, and Diegel were pushed and resulted in two convictions. The trials of Huffman, Andrews, Lowry, and the rest are to be resumed at the fall term of court, with the prospect that there will be many convictions. Also is there the certainty that there will be many more indictments to pave the way for more trials. The situation is disgraceful, sordid. The only credit is that public opinion throughout the State is at last compelling an honest attempt to answer the sneer of its grafters, "What are you going to do about it?"

BRIBERY AS A LOCAL CUSTOM.

For many years persons who were solicitous about the political morals of Ohio have been hearings reports of evil conditions prevailing in some of the southern counties of the State. Stories were told of voters coming to the voting places in platoons and sitting on the fences all day long because no man had hired them to vote for the candidates of their own party. These tales were generally supposed to be more or less apocryphal—the product of vivid imaginations. Within the last few weeks, however, there has been written on the records of the common pleas court of Adams County, Ohio, a recital which proves that rumor has been following far behind fact. Under the probing of Judge A. Z. Blair, of that court, and a grand jury of intelligence and force, a state of things has been coming to light which makes the most lurid tales of the muckrakers look pale by contrast. Nearly 1,500 voters had, at the latest reports, been indicted by the grand jury for selling their votes in the last election, and the list was swelling by the addition of 100 or more indictments every day. It seems probable that before the investigation is completed more than one-third of the six or seven thousand voters of the county will have been indicted. Indicted voters are coming to the county seat in troops from all parts of the county, receiving sentence, and accepting the penalty. In most cases a light fine is imposed, with a workhouse sentence, which is suspended, and in every case the offender is disfranchised for five years. The knowledge that this lenient treatment will be given those who voluntarily come into court and plead guilty, while the full penalty of the law, which involves a heavy fine and imprisonment, will be inflicted on those who try to evade the law, makes the indicted men eager to come in and accept the terms offered by the court. There have been but three or four who pleaded not guilty, and these men, against whom the offense was easily proved, are now in the workhouse. It appears that up to date only the sellers of votes have been indicted. Intimations have been given out that buyers of votes would presently be called to account, but that has not yet been done. The reason of this procedure is not stated. Judge Blair appears to be a clear-headed and kind-hearted magistrate, and he must be supposed to have good reasons for his policy. There are, of course, many more sellers than buyers—probably ten times as many; and the policy of using the buyers to catch the sellers will undoubtedly produce larger results. The party committeemen who have done the buying are well known, and by granting them immunity the authorities may obtain the names of the vote sellers. There seem to be no grudges harbored by the vote sellers against those who are thus exposing them; probably all parties feel that they are escaping with light punishment. Perhaps the balance may be redressed before the proceeding is ended; and in all such cases, when wide-branching evils are exterminated by law, some sore straining of the equities must be looked for.

WHAT'S TO BE DONE?

It is instructive to note that this slump of citizenship has not occurred among foreigners or negroes, nor in the slums of cities, but in a purely rural population, and among voters of native American stock. Adams County is one of the Ohio River counties, about 50 miles east of Cincinnati; its surface is rough and rugged, its population consists almost wholly of farmers; it has no manufactures of importance; it is traversed by but one railway; its county seat, West Union, is the only one in the State not on a railway line. There is no village or city in the county with a population of 2,000. The original settlers were from Virginia, Kentucky, and the north of Ireland. It is in such a population as this that the practice of bribery in elections has grown to such dimensions. It is not a recent development. For many years the evil work has been going on; many of those now arraigned testify that the thing was so common that they supposed it was all right. It was not only poor men who accepted bribes; well-to-do farmers sold their votes for a good round figure; two or three ministers of the Gospel are among the indicted. From $10,000 to $25,000 was distributed at every election; if there were 2,000 bribe takers, this would make the average price of a vote in a good year $12. The money seems to have been mainly expended by the committeemen among the voters of their own party; there was a gentleman's agreement among them that neither partisan was to poach upon the other's domain. This was done surreptitiously, but it was under the ban. The purchase of votes, as a rule, was done with the utmost openness; the buyers met the sellers in the public streets and bought voters as they would buy cattle in the markets. Is Adams County the sole offender among the 88 counties of Ohio? It is not probable. The Adams County people say that similar conditions prevail in six or eight of the neighboring counties, and there seems to be ground for their assertion. It is likely that similar investigations will be set on foot by grand juries in other counties. The people of Adams County appear to be disposed to take credit to themselves as being the first to deal thoroughly with a great public wrong. Perhaps that credit is due them. Gov. Harmon in his recent message deals with the matter briefly but trenchantly. He emphasizes the maxim that the briber is the more dangerous and more disreputable person, and urges that the law be administered with this principle in view; he deplores the repeal of the Garfield corrupt-practices law, which the politicians of Ohio lately found inconvenient and put out of way, and recommends its reenactment; and he makes a much more radical suggestion—that the State undertake to provide for all the necessary expenses of elections and make all party expenditures for such purposes illegal. Some such stringent remedy may be found necessary. As between the seller and the buyer of votes we do not find it as easy to choose as Gov. Harmon does. In any case, it is evident that in certain portions of Ohio, and doubtless also in other sections of the country, much elementary teaching is needed in the ethics of democratic citizenship.

Mr. OWEN. In this very egregious case in Adams County, Judge Blair, who was the county judge, finding that there was a widespread conspiracy throughout the county to sell votes indifferently to either party, took the steps necessary to expose it. Having obtained the evidence, he indicted 1,700 vote sellers, and disfranchised over a third of the voters of the county. How many more were guilty no man knew. Unhappily that dangerous condition was not confined to Adams County. It also was true in Scioto County, and a large number in the same way were disfranchised there. It was not confined to Adams and Scioto Counties. The same system was known to obtain in at least six or eight counties adjacent.

The Senator from Ohio [Mr. POMERENE] a day or two ago pointed out that in the nomination of a senatorial candidate in that State—Mr. Myron Herrick—over $50,000 had been expended, and an estimate was made that there had been expended probably $200,000 for the nomination. While no charge of bribery is made, it is clear that a sound public policy will not justify such large expenditures.

As I called attention to a day or two ago, Mr. A. Mitchell Palmer, whom I quote without reading, stated that $750,000 had been used by various interests in bringing about the nomination of a Senator from Pennsylvania, as follows:

[From hearings before Committee on Privileges and Elections on January 6, 1915, by Hon. A. Mitchell Palmer, Democratic candidate for governor of Pennsylvania, p. 8.]

So that we have various Republican organizations in the State admitting that they expended in and about the election of Senator PENROSE about three-quarters of a million of dollars.

And when I say that this money has been expended in and about the securing of the election of Senator PENROSE, I speak advisedly, because while I was a candidate for governor in Pennsylvania the Republican candidate for governor, Dr. Martin G. Brumbaugh, refused publicly the aid of the Republican State organization, refused to allow it to expend any money for him and in his behalf, and publicly stated that he would not accept any assistance from it. So he organized, or somebody organized for him, the Brumbaugh citizens' committee, which conducted his campaign throughout the State, and it expended a large sum of money, the amount of which I do not have with me just now, which is in addition to these items I have mentioned. So that the money of which I am speaking is the money which was used for the purpose of electing Senator PENROSE.

Now, Mr. President, the unwise, impolitic, and dangerous use of money is not confined to any State. I think that the State of Ohio is entitled to great credit for having purged itself of that evil in Adams County. It is generally regarded as a slur on the State to refer to matters of that kind. I do not think it should be so regarded, because such abuses will occur anywhere where human beings exist and where the statutes are not well drawn and where the temptation arises through ambition or political or pecuniary interests.

What I object to is that the laws of the United States do not expressly forbid it by a decent corrupt-practices prevention act.

What I do want to call the attention of the country to is that it has been the opposition of the Representatives of the Republican Party in this body that has made it impossible at

this session to pass this act to stop corrupt practices as far as the law may do so in this country.

In the other House, when this matter was passing there, there was some levity displayed, which I very greatly regretted, with regard to the attempt to stop corrupt practices. One of the most distinguished leaders there, an ex-Speaker [Mr. CANNON] referred to a corrupt-practices act as an unmitigated demagogy, and again referred to it as a joke:

Mr. CANNON. Mr. Chairman, I move to strike out the last word. * * * I would like to ask the gentleman in charge of the bill a question. He is familiar with these bills. Does the gentleman's bill make it any more difficult to commit perjury or violate the law than the existing law? [Laughter.]

The whole thing, in my judgment, is simply undiluted demagogy.

[From CONGRESSIONAL RECORD, July 13, 1916, p. 10979.]

Mr. COX. What was the general purpose in only requiring items reported of expenditure in excess of $10? In my country, on both sides, it is the $1 and $2 bills of which the banks are drained about two days previous to the election that does the work out there.

Mr. RUCKER. Well, I never lived in Indiana and never participated in politics there, and perhaps I do not understand it. [Laughter.]

But, Mr. President, if the people of this country permit the governing power of the country to be bought with money and regard a corrupt-practices prevention act as a joke and demagogy, they need have no expectation of having decent government or to have incorrupt statesmen.

I tried five times in vain to obtain Republican consent that a vote might be had upon this bill, because under the Senate rules the right of filibuster makes consent necessary to obtain action within any reasonable time. Five different times the leader of the Republican Party on this floor [Mr. SMOOT] refused his consent, and Senators PENROSE, GALLINGER, and CURTIS and others filibustered against the passage of this bill. When at last, under great difficulty, the bill was made the unfinished business the RECORD discloses an organized filibuster against the bill, requiring to be read at length the text of the House bill, which had previously been read twice, which had been printed long ago, while the Senate Chamber itself was vacated, no one listening to the monotonous chanting of the Clerk, and then requiring every word of the bill to be read over again, and then requiring the report to be read, and then requiring every long exhibit in the report to be read, requiring to be read the existing statutes relating to the publicity of campaign contributions; then requiring the Journal, which had not been read for very many days, while the continuous legislative day had been extended through a long period of time, to be read, and demanding that it be read slowly "in order that the dignity of the Senate might be preserved," but incidentally that time might be killed.

Mr. President, it having become perfectly obvious that the Republican leaders of this body are determined that this measure shall not come to a vote, and it being perfectly obvious that under the permitted practice of the Senate the Senate majority could not require a vote but must yield to the demands of the minority or exhaust the minority in a physical contest of weeks, the friends of the bill find themselves confronted in passing this bill with the intolerable difficulty of an unlimited delay. Many of the Senators and Members of the House, candidates for reelection, are anxious to return to the campaign.

We have been, therefore, compelled by necessity to yield our righteous demand for the passage of this bill. We are compelled to yield to the bad conditions which are permitted by the rules of this body, rules which I have for four years demanded to be changed, and which it is perfectly obvious to the country must be changed if the representatives of the people of the United States are to be permitted to carry out the promises made to the people in campaigns.

Mr. President, how can the Republican Party, if it should be successful in the pending campaign, carry out any promises they might make if a minority can prevent the majority from acting in this body, and with what face can the Democrats go to the country making any promises to the country and hope to deliver those promises if a minority in this body can exercise the right of veto over the majority and prevent the majority from bringing any question to a vote except practically by unanimous consent or by a physical exhaustion of the opposition.

The same kind of filibustering opposition—invisible to the general public—has used up the time of this body for weeks and months on the various steps which have been taken by Democracy to fulfill their many promises to the people. A most extraordinary record it is of actual Democratic accomplishment nevertheless. But when we undertook to revise the tariff we had to stay here weeks and months and meet in the early morning and run until late at night in order to accomplish that purpose. The same thing was true of the Federal reserve act, of the Clayton antitrust bill, the Federal Trade Commission act, and so forth ad nauseam.

Without reading I wish to place in the RECORD a statement of these accomplishments which I made in Everybody's Magazine.

The VICE PRESIDENT. Without objection, it is ordered.

The matter referred to is as follows:

SAYS SENATOR OWEN, DEMOCRAT.

Parties must be judged by their conduct, not by their virtuous protestations. What have the Democrats done in the last few years?

First, they overthrew machine rule, or Cannonism, in the House of Representatives, and overthrew machine rule in the Senate.

They fought for and established direct election of United States Senators.

They lowered the monopoly-promoting features of Republican prohibitive tariff schedules to the revenue-producing point, while affording all the incidental protection that American industries honestly required.

They put the necessaries of life on the free list.

Under this tariff act our exports and imports have increased from four billion to six billion in two years. Our imports, in spite of the war, have increased from eighteen hundred and ninety-three millions to two billion one hundred and fourteen millions; our balance of trade from four hundred and seventy millions to nineteen hundred and seventy millions, and the Treasury is in magnificent condition, with a net balance of over $230,000,000 in the general fund, and $1,825,233,000 of gold, and $501,496,000 in the Treasury vaults.

The Democrats established a progressive income tax and a progressive inheritance tax, placing more largely the taxes upon those who can pay them without suffering.

The Democrats have taken steps to provide a permanent nonpartisan Tariff Commission for the express purpose of safeguarding American manufacturing interests.

The Democrats have passed a Federal Trade Commission act for the purpose of protecting honest business men against the unfair practices of powerful competitors.

The Democrats have passed the Clayton antitrust bill, making unlawful various unfair practices, presenting conspiracies and monopolies in their incipiency, preventing unfair price discrimination, interlocking directorates, monopoly-promoting contracts; removing labor from the commodity class, and giving the American laboring man a new charter of industrial freedom by providing a trial by jury in contempt cases, by abolishing government by injunctions, and recognizing the right of legitimate organized cooperation.

The Democrats passed the Federal reserve act, taking the control of the credit system out of the hands of the Money Trust and placing it where it belonged, in the hands of the people of the United States, giving freedom to all independent banks and to the business men of the Nation, making panics impossible, stabilizing industry, commerce, transportation, and finance, and establishing a sound basis for the magnificent prosperity now moving forward in the United States. Under this great act the national banks increased their deposits over two billions in two years, while the State banks increased their deposits over two hundred millions.

Why did the standpat Republicans violently filibuster against these wise and just legislative acts? Under these laws both capital and labor are busy and happy.

The Democrats passed the seaman's act, giving liberty to all sailors who entered our ports, providing for safety at sea by adequate lifeboats and rafts.

Why did the Republican leaders strenuously oppose this bill and then let it pass both houses without a record vote?

The Democrats have strenuously demanded a Government-owned merchant marine, providing ships as an auxiliary for the Navy, for transports, supply ships, coaling ships, repair ships, hospital ships, tenders, etc., and will pass it this session after having exhausted Republican opposition.

The Democrats repealed the Republican act giving free tolls to the Atlantic coastwise shipping trust through the Panama Canal. They thus removed the charge against the United States of international injustice and of the violation of our treaty with Great Britain and Colombia, secured a fair deal to the Federal Treasury, and put the honor and integrity of the United States on the high plane it should always occupy.

The Democrats passed the famous agricultural-extension act for the systematic promotion of agriculture, animal industry, and farm economies. Under it thousands of farm demonstrators are organizing the farms of the Nation along the most intelligent lines, and organizing thousands of boys' and girls' clubs, contesting for supremacy in corn, cotton, animal industry, canning, and farm economies.

The Democrats passed the rural-credits bill providing a means by which the farmers of the country may obtain cheap money on long time, thus stimulating agriculture, and enlarging the food supply and raw materials of America, while making the farm more attractive and valuable.

The Democrats passed the good-roads bill, which will, within the next five years, expend $85,000,000 in organizing the States of the Nation in good-road building.

The Democrats passed the transportation employees arbitration and conciliation act.

The Democrats have vigorously favored the conservation bills for the conservation of water power on navigable streams and on the public domain, the conservation of our mineral lands, forests, and the reclamation of arid and swamp lands.

The Democrats have promptly met every emergency. When the European war broke out, they instantly expanded the Vreeland-Aldrich currency act and furnished the people of the United States five hundred millions of currency, all of which has been retired. The Democrats furnished money and ships with which to bring distressed Americans from Europe in the summer of 1914.

The Democrats, through the Secretary of the Treasury, placed millions of the people's funds at the disposal of the people for the purpose of moving the crops, when the New York banks indecently declared themselves unequal to the task, in 1913 and 1914.

The Democrats have magnificently developed the parcel post and the rural free delivery.

They provided for the building of a Government-owned railroad in Alaska to develop the enormous treasure house belonging to the American people in that vast Territory.

The Democrats negotiated peace treaties with all the great nations of the world with whom it was possible—24 in number, including France, Great Britain, Russia, Spain, Italy, China, Norway, and Sweden.

The spirit of these treaties is that there shall be no war until the differences are thoroughly investigated and reported on by a permanent

international commission nor for 12 months after diplomacy has failed. The nations who have agreed to this system involve 1,200,000,000 people.

The Democrats, in revising the tariff, drove the corrupt lobby from Washington City, and exposed their nefarious practices and Republican affiliations.

The Democrats have strengthened the corrupt-practices act that will put an end to the wrongful use of money in controlling government by corruptly influencing party nominations and party elections, and have put in the penitentiary many who used corrupt practices in Federal elections.

They have passed a child-labor bill to conserve the child life of the Nation; in this the Republicans cooperated, in deference to the overwhelming sentiment of the American people.

They have taken steps, the Republicans assisting, to fully prepare the United States against invasion by foreign enemies.

In the matter of the preparedness program, the Democrats have had the support of the Republican leaders.

The Democrats, under the leadership of President Wilson, have carried out with firmness and with resolution the traditional and unbroken policy of the Government of the United States of settling grievances by diplomatic negotiations, undismayed by political abuse at home.

From President Washington down to President Wilson, this has been the unbroken American policy, wherever it was possible to arrange peaceful settlement in that way.

President Wilson, with infinite skill and patience, has firmly and steadily adhered to this policy, and has avoided declaring war on Austria and Germany, and obtained from them without going to war a recognition of the principles of international law for which we contended.

In like manner our grievances against Great Britain for trespasses upon our commerce have already been adjusted in large measure by diplomatic negotiations.

The administration has been severely denounced for not resorting to more drastic action. To have gone further than President Wilson did go could have meant nothing less than war with the European nations, with its far-reaching and disastrous consequences to life, to property, and to the stability of the whole world.

Mr. Root, in his New York Republican keynote speech, denounced the Democratic administration for its "lack of foresight to make timely provision for backing up American diplomacy by actual and assured military and naval force."

Mr. Root himself and his associates had charge of the Government for 12 years preceding Mr. Wilson's administration and had not exercised the foresight which he finds lacking.

Mr. Wilson in two years authorized seventy millions to be spent in the fighting force of the Navy, as against twenty-six millions during the last two years of the Taft administration. The Democratic appropriations on account of the Army and Navy for the ensuing year will amount to the staggering sum of $693,783,000, not to mention authorizations which will add to the expenditure $477,454,000, during the next three years. In addition, we provide for $158,000,000 annually for pensions on account of past wars.

The Democratic preparedness program is meeting with the cordial support of the Republicans in Congress and there is, in fact, no issue between the two parties on this ground, and few citizens will counsel higher taxes on the American people than these expenditures must impose.

Regarding our foreign affairs, Mr. Root himself, as Secretary of State, instructed the American delegates to The Hague conference in 1907 that the condition upon which the American delegates signed The Hague convention was that—

"Nothing contained in this convention shall be so construed as to require the United States of America to depart from its traditional policy of not intruding upon, interfering with, or entangling itself in the political questions of policy of any foreign State," etc.

Yet the Republicans, with obvious hypocrisy, denounce Mr. Wilson for not having protested the violation of the neutrality of Belgium.

The Democrats are denounced for not intervening in Mexico, but, in respecting the sovereignty of the Mexican people, and not intervening to settle their domestic revolution, the Democrats have followed the policy laid down by all administrations, and never more forcibly than by Abraham Lincoln, April 6, 1861. (S. Doc. 361, 64th Cong., 1st sess., p. 16.)

Senator Root himself opposed intervention in Mexico. (Ibid., 17.)

Following the unbroken policy of the United States of nonintervention, President Wilson, in accordance with the wish of all the Republics of North and South America, has kept us out of war with Mexico. The people of the United States do not want war, not even with the weakest of our neighbors. The American people do not want to take away from the poor Mexicans anything they have. The American people do not want to play the bully toward Mexico nor to take advantage of the extreme distress in which those people find themselves in their revolutionary attempts to overthrow the military clique which had seized everything of value in Mexico under the form of a republic while exercising the powers of a commercialized military oligarchy.

The Democrats truly sympathize with the common people of Mexico, as the Republicans loudly claim to do in their national platform of 1916.

The Democrats in their national platform point out in part the Democratic accomplishments for adequate preparedness, for patriotic Americanism, for Pan American accord, for the Monroe doctrine, for a merchant marine, conservation of our resources, for good roads, for a living wage to all employees, an eight-hour working day, the adoption of safety appliances, sanitary conditions for labor, adequate compensation for industrial accidents, standards for a uniform labor law where minors are employed, for special conservation of the comfort and health of women in industrial pursuits, for the care of superannuated employees, for the child-labor law, a Federal bureau of safety, the extension of the Federal Bureau of Mines, the extension of employment bureaus, the adjustment of industrial strikes by conciliation, for the civil service, for the protection of the public health, for economy and a budget system, for prison reforms, for a generous system of pensions to soldiers and their widows, for woman suffrage, for the development of Alaska, for the government of Territories through bona fide resident officials, for cloture in the United States Senate.

The Republican platform takes no issue with these proposals, but solemnly assures the country that it is loyal to American traditions, that it knows no allegiance except to the Constitution, to the Government and to the flag of the United States. The Republicans assert their belief in the Monroe doctrine, in better relations with Pan America, express their deep sympathy with Mexico, declare their belief in protecting the rights of citizens, favor rural credits, rural free delivery, merchant marine without Government ownership, economy and a national budget, conservation, civil-service reform, governing Territories by bona fide resident officers, child-labor law, workmen's compensation law, accident compensation law, woman suffrage.

They find themselves unable to criticize the great constructive legislative program which the Democrats have carried out with the exception that they object to the Underwood Tariff Act, because, "under its administration imports have enormously increased, while the revenues of which we stand in such dire need, have been greatly reduced."

The fact is, our revenues are larger than ever, and the Treasury is full to overflowing. Our imports and exports combined have increased 50 per cent in two years. The balance of trade has increased in our favor by fifteen hundred millions of dollars per annum, and is now over $1,900,000,000, for the fiscal year to June 30, 1916, and Europe is paying this balance by shipping American securities into this country, where they are being absorbed at the rate of about $5,000,000 a day. The country was never in a more prosperous condition and it is due directly to the wise and humane statutes which the Democrats have passed and put into prompt execution.

Nor is our prosperity temporary, nor due merely to the war. Our shipments of war supplies are less than a billion, while our internal commerce exceeds a hundred billions.

The Republicans have attempted to make a fictitious issue of preparedness and Americanism, but it is impossible to make this an issue, because both parties are in thorough accord in making adequate preparation and in maintaining American ideals.

The Republicans dare not go before the American people and assail the income tax, although they were opposed to it.

They dare not assail the Clayton antitrust bill, although they fought it.

They dare not condemn the Federal Trade Commission act, although they were opposed to it.

They dare not condemn the Federal reserve act, although they filibustered against it.

Neither do they now, in their platform, condemn the seaman's act, the agricultural-extension act, the industrial employees arbitration act, the grain and cotton standards act, the rural-credits act, the good-roads act, the Alaska railway act, the development of a parcel post, the improved marketing system, the passage of the Government-owned armor-plate act, or the act to build Government nitrate plants.

They do not condemn the Secretary of the Navy for saving millions of dollars by requiring competition in the letting of contracts for projectiles, armor plate, etc.

They do not condemn Secretary Daniels for educating all the sailors in the service of the United States and teaching them self-support.

The magnificent performance of our Department of State, through the foreign trade advisers, the Department of Commerce, our Department of Agriculture, and our Department of Justice—they do not dare to condemn. They confine themselves to broad generalities and emphasize their attachment to the Constitution and the flag.

The loss of confidence which the Republican Party experienced in 1912, when their corrupt party management was boldly guilty of high-handed fraudulent practices against their own associates in the national convention, can not be repaired by mere protestations of present virtue, so long as men known for their machine methods are in active control of the party management.

The American people were never before in their history more free to make up their independent judgment than they are now. Party ties never sat more lightly, and there are millions of men who will exercise their own independent judgment in this campaign.

The Americans have a very wise maxim of "letting well enough alone," and another—"not to swap horses while crossing a stream."

The great spirit of the modern democracy which has given birth to the regenerated Democratic Party, and which truly animated very many of the Progressive Party, has been to make the combined powers of the people, acting through their Government, the faithful and diligent servants of all the people, dealing justice and mercy without fear and without favor. It is this spirit which has moved the new Democracy, which has largely moved very many members of the Progressive Party, and which has even measurably influenced some of the standpat Republicans.

The standpat Republicans, who still control the Republican organization, are not in heartfelt sympathy with the spirit of the progressive Democracy, but they prefer to have a working understanding with big business, and to rely upon big business to raise big campaign funds with which to carry on their campaigns and with which to put them in power. The day has nearly gone by in the United States when the people of this Republic will permit their governing powers to be controlled by funds contributed by private persons and self-seeking corporations.

Every citizen must make his choice and judge parties by their acts.

The old Democratic Party was overthrown in 1856 by the revolt of American citizens under Lincoln's leadership who would not submit to the slavery of black men in the United States.

The old Republican Party was overthrown in 1912 by the revolt of American citizens under the leadership of Woodrow Wilson at the head of a regenerated Democracy and Theodore Roosevelt at the head of the Progressives, who would not submit to flagrant corruption nor the slavery of white and black men by the servants of the "invisible government."

Those who question the sincerity of the deathbed repentance of the old guard and their amusing protestations of attachment to progressive policies will support Woodrow Wilson, whose loyalty is beyond all doubt.

Mr. OWEN. I want to say now, Mr. President, that this bill will remain the unfinished business on the calendar and will be pressed by me when the Senate meets again. I profoundly regret that the leaders of the opposition have been willing to take this filibustering attitude with regard to the corrupt-practices act, and I call the attention of the country to it. There was nothing about the bill which was not capable of being adjusted if there were any willingness whatever to permit any kind of a corrupt-practices act, and this unwillingness on the part of the Republican leaders ought to put the moral elements in the United States on notice as to what they may expect of such party leaders. I think, Mr. President, that the States of the Union ought to realize the necessity of exercising the greatest vigilance if there be in the pending campaign any conspiracy attempted to carry out a presidential election by purchase.

Mr. President, in making these observations I have had no purpose to wound the feelings of any Senator on this floor. All the purpose I have had was to bring about a better condition of affairs in this country, where knowledge, judgment, reason, and patriotism alone shall be the determining factors in our elections, where party contests may proceed upon the justice of their arguments and not be controlled by the sinister, base, and despicable methods which have heretofore prevailed to so large an extent in many parts of our common country.

FINAL ADJOURNMENT.

The VICE PRESIDENT laid before the Senate the following concurrent resolution (No. 60) of the House of Representatives, which was read and referred to the Committee on Appropriations:

Resolved by the House of Representatives (the Senate concurring), That the President of the Senate and the Speaker of the House of Representatives be authorized to close the present session of the Congress by adjourning their respective Houses on the 8th day of September, 1916, at 10 o'clock ante meridian.

STOCK-RAISING HOMESTEADS.

Mr. STERLING. Mr. President, there is a particular bill in regard to which I think the Senate would do a very just and fair thing should it take up and pass it. I refer to Order of Business 324, being House bill 407, the bill known as the stock-raising homestead bill. I ask unanimous consent at this time that the bill be taken up and considered.

Mr. KENYON. Mr. President, I should like to suggest to the Senator that there are a great many bills on the Senate calendar which are of equal importance with the one for which he asks consideration. I should like to know why we can not take up the calendar. I do not want to object to the Senator's request, but it is not fair to have one or two bills taken up and passed and thereby prevent an opportunity for the consideration of other bills.

Mr. STERLING. Let me say that this bill, which, as I have stated, is a House bill, has been on the calendar since January 18 last. Several amendments have been made to it. I ask unanimous consent for the present consideration of the bill. I really think there will be no objection to that request.

Mr. SIMMONS. Mr. President, if the Senator will pardon me, I desire to say that the bill for which he asks consideration seems to me to be rather an important bill to take up under existing circumstances. Besides, I understand that the Senator from Georgia [Mr. SMITH] has once before objected to unanimous consent for its consideration; and he is not now in the Chamber.

Mr. STERLING. Yes; but I will say to the Senator from North Carolina that I know the circumstances under which the Senator from Georgia objected to the consideration of the bill. It was because the revenue bill was then under consideration, and he desired that bill passed, so that it would get into conference. That was the reason given by the Senator from Georgia for his objection to the consideration of the bill. He has no objection whatever to the passage of the bill. It will not take many minutes, I think, to pass it.

Mr. MYERS. The Senator from Georgia did not object to the consideration of this bill. It was the other bill to which he objected.

Mr. SIMMONS. Mr. President, is this a House bill?

Mr. STERLING. It is a House bill, which passed the House in January, and which since then has been on the Senate calendar.

Mr. SIMMONS. Are there any amendments to the bill?

Mr. STERLING. There are some amendments to it; but I think it will not take long to dispose of the amendments. The amendments are for the most part——

Mr. SIMMONS. Does the Senator think he will get House action on the bill at this session, if it is now passed?

Mr. STERLING. I think we shall get House action on it; but, even if we should not, at any rate the bill will be that much further along.

Mr. SIMMONS. I understand the House is going to adjourn at 10 o'clock.

Mr. MYERS. Mr. President, I object to the Senator from South Dakota and the Senator from North Carolina conducting a colloquy between themselves without any recognition from the Chair. May I ask the Senator from South Dakota a question? Will the Senator from South Dakota yield to me?

Mr. STERLING. I yield to the Senator from Montana.

Mr. SIMMONS. Mr. President, I object to being taken off my feet in that sort of way. The Senator from Montana had not my permission to interrupt me. I do not understand what the Senator means when he says I am talking without any recognition from the Chair.

Mr. MYERS. Both Senators are talking back and forth, without addressing the Chair; but I have nothing more to say. I merely wanted to say that the Senator from Georgia has not opposed this bill and has no objection to it. It seems that some invisible force is opposing this bill, now long delayed.

Mr. STERLING. I yield to the Senator from North Carolina further.

Mr. SIMMONS. I have nothing further to say, except that I hope the Senator from South Dakota will not press this bill until the Senator from Georgia comes in.

Mr. STERLING. I can assure the Senator from North Carolina——

Mr. SMITH of Georgia entered the Chamber.

Mr. SIMMONS. I have nothing more now to say, the Senator from Georgia having arrived.

Mr. KENYON. I rise to a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. KENYON. I understood the Senator from Montana [Mr. MYERS] to say there was an "invisible government" in this body; and I should like to inquire what that is?

The VICE PRESIDENT. The Chair does not think that is a parliamentary inquiry. Is there objection to the consideration of the bill named by the Senator from South Dakota [Mr. STERLING]?

Mr. SMITH of Georgia. Mr. President, before consent is given, we should like to hear the bill read. I should like to know what it is. There are two homestead bills or bills connected with the western interests which the Senator from Montana [Mr. MYERS], who is chairman of the Committee on Public Lands, has brought to the attention of the Senate a number of times. I would ask the body to pass both of these bills if possible. I think it ought to be done. The Senator from Montana has my most earnest sympathy in the strenuous efforts he has made. I am not surprised that he is impatient about it; I think he has had cause to be impatient; and I have wanted an opportunity to help him in his endeavors. I should like to see these bills passed this morning.

I desire to see them passed, because I am sure the bills to which I refer are meritorious and would be very valuable to the people of the West.

The VICE PRESIDENT. Is there objection to the present consideration of the bill asked for by the Senator from South Dakota [Mr. STERLING]?

Mr. SMITH of Georgia. Mr. President, I do not know what the bill is.

The VICE PRESIDENT. The bill will be stated by title.

The SECRETARY. A bill (H. R. 407) to provide for stock-raising homesteads, and for other purposes.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill.

The VICE PRESIDENT. The Chair is informed that on July 19 this bill was read and that the amendments reported to it were agreed to up to line 16 on page 3. The next committee amendment will be stated.

The next amendment of the Committee on Public Lands was, in section 4, page 3, line 22, after the word "entryman," to strike out "of lands of the character herein described," so as to make the section read:

SEC. 4. That any homestead entryman who has not submitted final proof upon his existing entry, shall have the right to enter, subject to the provisions of this act, such amount of contiguous lands designated for entry under the provisions of this act as shall not, together with the amount embraced in his original entry, exceed 640 acres, and residence upon the original entry shall be credited on both entries, but improvements must be made on the additional entry equal to $1.25 for each acre thereof.

The amendment was agreed to.

The next amendment was, in section 5, page 4, line 7, after the word "lands," to strike out "of the character herein described," so as to make the section read:

SEC. 5. That persons who have submitted final proof upon, or received patent for, lands under the homestead laws, and who own and reside upon the land so acquired, may, subject to the provisions of this act, make additional entry for and obtain patent to contiguous lands designated for entry under the provisions of this act, which, together with the area theretofore acquired under the homestead law, shall not exceed 640 acres on proof of the expenditure required by this act on account of permanent improvements upon the additional entry.

The amendment was agreed to.

The next amendment was, in section 6, page 4, line 20, after the word "passage," to strike out "hereof," and to insert "of this act"; and on page 5, line 11, after the word "herein," to strike out the following proviso: "*Provided*, That the lands so relinquished or reconveyed as herein provided shall thereafter be subject to disposition only on such terms and under such rules and regulations as the Secretary of the Interior may prescribe," so as to make the section read:

SEC. 6. That any person who is the head of a family, or who has arrived at the age of 21 years and is a citizen of the United States, who has entered or acquired under the homestead laws, prior to the passage of this act, lands of the character described in this act, the area of

which is less than 640 acres, and who is unable to exercise the right of additional entry herein conferred because no lands subject to entry under this act adjoin the tract so entered or acquired or lie within the 20-mile limit provided for in this act, may, upon submitting proof that he resides upon and has not sold the land so entered or acquired and against which land there are no encumbrances, relinquish or reconvey to the United States the land so occupied, entered, or acquired, and in lieu thereof, within the same land-office district, may enter and acquire title to 640 acres of the land subject to entry under this act, but must show compliance with all the provisions of this act respecting the new entry and with all the provisions of existing homestead laws except as modified herein.

The amendment was agreed to.

The next amendment was, in section 9, page 6, line 19, after the word "land," to strike out the words "of the character designated in this act," so as to make the section read:

SEC. 9. That any person who has heretofore acquired title to land under any of the homestead laws of the United States and who is the owner and occupant of the land so acquired may purchase from the United States not exceeding 320 acres of stock-raising lands, as designated by this act, or unappropriated and unreserved lands valuable only for grazing contiguous to his said homestead, upon paying to the United States the sum of $1.25 per acre for such lands, under such rules and regulations as may be prescribed by the Secretary of the Interior, which said land, together with the area theretofore acquired under the homestead laws, shall not exceed 640 acres.

The amendment was agreed to.

The next amendment was, in section 11, page 9, line 10, after the word "shall" to insert the words "while so reserved," and in line 13, after the word "discretion," to strike out "designate as stock driveways and withhold from entry under this act lands not over one-fourth mile in width needed for use in movement of stock to summer and winter ranges or to shipping points" and to insert "also withdraw from entry lands necessary to insure access by the public to watering places reserved hereunder and needed for use in the movement of stock to summer and winter ranges or to shipping points, and may prescribe such rules and regulations as may be necessary for the proper administration and use of such lands," so as to make the section read:

SEC. 11. That lands containing water holes or other bodies of water needed or used by the public for watering purposes shall not be designated under this act but may be reserved under the provisions of the act of June 25, 1910, and such lands heretofore or hereafter reserved shall, while so reserved, be kept and held open to the public use for such purposes under such general rules and regulations as the Secretary of the Interior may prescribe: *Provided*, That the Secretary may, in his discretion, also withdraw from entry lands necessary to insure access by the public to watering places reserved hereunder and needed for use in the movement of stock to summer and winter ranges or to shipping points, and may prescribe such rules and regulations as may be necessary for the proper administration and use of such lands.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. CURTIS obtained the floor.

Mr. MYERS. Mr. President, will the Senator from Kansas let me ask a question about the bill which has just been under consideration before he presses another matter?

Mr. CURTIS. Certainly.

Mr. MYERS. My attention was diverted by conversation at the time the 640-acre homestead bill passed, and I would like to know if the amendment which I offered to that bill, which has just been passed, providing that the bill shall not take effect until the 1st day of next January, was incorporated in the bill before it passed? A month or more ago I offered an amendment to that effect, and asked that it lie on the table. May I ask if it was adopted and put in the bill?

Mr. STERLING. Mr. President, let me suggest, if I may, to the Senator from Montana that I hope he will not press that amendment at this time.

Mr. MYERS. It was a committee amendment.

Mr. STERLING. The bill has been passed. The time is now so short that before any settlement could be made or any advantage taken of the provisions of the bill it will be the 1st of January next.

Mr. MYERS. Very well; I will withdraw the suggestion. Let the action of the Senate stand. If my amendment was adopted, all right, If not, let it go.

PROPOSED FISHERIES INVESTIGATION.

Mr. CURTIS. I ask unanimous consent for the present consideration of the resolution, which I send to the desk.

The VICE PRESIDENT. The Senator from Kansas offers a resolution, which the Secretary will read.

The Secretary read the resolution (S. Res. 272), as follows:

Whereas it has been charged upon the floor of the Senate of the United States that a foreign government had maintained a lobby in the city of Washington during this session of Congress; and

Whereas it has been charged upon the floor of the Senate that such lobby so maintained did influence certain legislation and caused to be stricken from the revenue measure a certain provision prohibiting the admission of fresh and frozen halibut or salmon from the North Pacific Ocean or its tributary waters into the United States through any foreign country except when the same shall be in bond from an American port: Therefore be it

Resolved, That a committee of three Senators be appointed by the Presiding Officer of the Senate to investigate such charges and report the result to the Senate at the opening of the next session of Congress: *Provided*, That said committee may sit at such times and places as may seem advisable, have power to send for papers and persons, issue subpœnas and administer oaths, and that the expenses of said investigation be paid out of the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The VICE PRESIDENT. The resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. CURTIS. Mr. President, I have asked unanimous consent for the immediate consideration of the resolution.

The VICE PRESIDENT. The Senator can not ask unanimous consent for the consideration of the resolution. There is an unqualified statute that all bills and resolutions calling for an expenditure of money out of the contingent fund of the Senate shall go to the Committee to Audit and Control the Contingent Expenses of the Senate. We can not set aside a statute by unanimous consent.

COST OF LIVING IN THE DISTRICT OF COLUMBIA.

Mr. KENYON. Mr. President, I ask unanimous consent for the immediate consideration of Calendar No. 585, being House joint resolution 91. I think it will occasion no discussion whatever.

The VICE PRESIDENT. The Senator from Iowa asks unanimous consent for the present consideration of a joint resolution, the title of which will be stated.

The SECRETARY. A joint resolution (H. J. Res. 91) authorizing and directing the Department of Labor to make an inquiry into the cost of living in the District of Columbia and to report thereon to Congress as early as practicable.

Mr. SMITH of Georgia. Mr. President, that joint resolution has been unanimously reported by the Committee on Education and Labor, and I join in the request of the Senator from Iowa.

Mr. KENYON. I will say also that it has passed the House.

The VICE PRESIDENT. Is there any objection to the consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which is as follows:

Resolved, etc., That the Department of Labor be, and hereby is, authorized and directed to make an inquiry into the cost of living of wage earners in the District of Columbia, and to report thereon to Congress as early as practicable; and that there be appropriated for this purpose the sum of $6,000.

SEC. 2. That the special agents and clerks employed under this appropriation shall be selected from among the persons eligible on any civil-service register.

The VICE PRESIDENT. The joint resolution has heretofore been considered as in Committee of the Whole, and an amendment has been agreed to. If there be no further amendment, the joint resolution will be reported to the Senate.

The joint resolution was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

STATEMENT OF APPROPRIATIONS.

Mr. SMOOT. Mr. President, I desire to take just a few moments of the time of the Senate to refer to the remarks made by the Senator from Virginia [Mr. MARTIN] last night in connection with appropriations and expenditures for the present session.

Mr. THOMAS. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Colorado?

Mr. THOMAS. Will the Senator yield to me to call up a bill by unanimous consent?

Mr. SMOOT. I will not occupy more than five minutes; and then I intend to ask unanimous consent for the consideration of a bill.

I have examined the appropriations for the fiscal year 1916 as compared with those for the fiscal year 1917, as stated by the chairman of the Committee on Appropriations. There is not very much difference between the amount of the appropriations as reported by him and the figures compiled by myself and reported to the Senate last Wednesday. The only difference occurs in relation to the deficiency bills. I have made an estimate of the amount carried in the last deficiency bill, and so has the Senator from Virginia.

The increase in appropriations, Mr. President, for the fiscal year 1917 over the fiscal year 1916, even according to the figures as reported by the Senator from Virginia, the chairman of the Committee on Appropriations, is $517,537,197.61. From that I deduct $390,000,000 that can rightfully be charged to preparedness; that is over and above the amount that was appropriated for the same purposes in the fiscal year 1916, showing an increase in the appropriations for the year 1917 over the year 1916, outside of expenditures for preparedness, of $127,537,197.61.

Mr. President, it is very strange, indeed, that the Senator from Virginia should deduct from this amount $85,240,940.43 on the ground that the items making up that sum constitute appropriations for extraordinary purposes for the year 1917 as compared with the year 1916. Why, Mr. President, in that $85,000,000, which has been deducted from this year's appropriations, we find an item to carry out the provisions of the ship-purchase act of $50,100,000; we find an item for the construction of rural post roads of $6,000,000; an item for the Alaskan Engineering Commission of $6,247,620; an item in the Post Office act amounting to $12,144,270.43; an item for the Federal Farm Loan Board of $6,100,000; an item for collecting internal revenue of $1,674,050.

I will not, Mr. President, take the time of the Senate to read the small items making up the total of $85,240,940.43. The Democratic Party is claiming great credit for passing a good-roads bill, involving an immediate appropriation of $6,000,000 and future appropriations of $79,000,000, and yet the Senator is deducting the $6,000,000 from the appropriations for this year. The Democratic Party is claiming great credit for passing a ship-purchase bill, involving an appropriation of $50,100,000, and providing for an issuance of bonds for the payment of same, and that, too, is now deducted from the amount of appropriations for 1917.

The Democratic majority passed a law providing for the erection of a fertilizer plant, and appropriated $20,000,000 for the same to be paid for by the sale of Government bonds; and we are now told this amount must be deducted from the total appropriations for 1917, so as to endeavor to show slight increases in the appropriations of 1917 over those of 1916. Why, Mr. President, such a proceeding is entirely unprecedented. The fertilizer plant is to be built and a law has been enacted providing for and authorizing $20,000,000 in bonds for such a plant, and why should that amount be deducted from the total appropriations for this year? The ship-purchase bill, which passed Congress and has become a law, authorizes the issuance of $50,000,000 of bonds, and why should that sum be taken now from the appropriations for the year 1917?

Why, Mr. President, this is on all fours with the new and novel plan of bookkeeping now in vogue at the Treasury Department. I pick up the daily statement of the United States Treasury for September 1, 1916, in which it is stated that the net balance on hand in the Treasury on that day is $208,840,621.54. Mr. President, the net balance in the Treasury is not that amount. There was not that balance in the Treasury of the United States on September 1. From that amount should be deducted $99,977,065.59, which has already been placed to the credit of United States disbursing officers, and there should also be deducted from that amount the sum of $45,688,358 for the outstanding notes of the national banks of this country. These items are not resources of the Government of the United States. The Government of the United States can not claim as a credit the amount of $99,977,065 which has been placed to the credit of disbursing officers no more than I, if I owed the Senator from Oklahoma $100,000 and had borrowed that amount from the bank and placed it to his credit, could call it a resource.

I say, Mr. President, it is not true. Since the Senator from Virginia made his report of appropriations yesterday the Senate has passed a treaty authorizing the payment of $25,000,000 for the Danish islands.

Mr. THOMAS. The Senator voted for it, did he not?

Mr. SMOOT. The Senator did not vote for the treaty.

Now, Mr. President, just one word further.

Mr. CLAPP. Mr. President, will the Senator pardon an interruption?

Mr. SMOOT. Yes.

Mr. CLAPP. The Senator has just referred to the appropriation of $25,000,000, or the treaty for $25,000,000.

Mr. SMOOT. No; I did not say an appropriation. I said the passage of a treaty that authorized the payment of $25,000,000 for the Danish islands.

Mr. CLAPP. The thing is bad enough, it seems to me; and I want to ask the Senator whether it is proper to charge against the balance any of the appropriations, even?

Mr. SMOOT. Against what?

Mr. CLAPP. An alleged cash balance.

Mr. SMOOT. There is nothing charged to this balance. This is supposed to be a daily balance of the cash on hand in the Treasury of the United States.

Mr. CLAPP. Yes; but the Senator, in criticizing that balance, referred to the fact that we had just adopted a treaty that would create an obligation of $25,000,000.

Mr. SMOOT. No; I referred to the amount of the appropriations that have already been made, and then stated that last evening, since the appropriations had been reported on by the Senator from Virginia [Mr. MARTIN], the Senate had adopted the treaty, which called for an appropriation of $25,000,000.

Mr. CLAPP. But I think if the Senator will look at his remarks while he was dealing with appropriations he will see that he then took up the question of the balance and criticized that because certain funds had been placed to the credit of disbursing officers; and, in connection with that, without meaning it, I think his statement would leave the impression that he thought this $25,000,000 should be——

Mr. SMOOT. If I made that impression upon the Senator, I did not have it in mind.

Mr. CLAPP. I know the Senator did not.

Mr. SMOOT. Mr. President, according to the report that was made last evening of the amount of the appropriations, I call attention now to the fact that the increased appropriations for the fiscal years 1915, 1916, and 1917 over the appropriations for the fiscal years 1912, 1913, and 1914 amounted to $712,719,979.17.

In this connection, and as part of my remarks, I ask unanimous consent to have printed in the RECORD a table showing the appropriations for the last three fiscal years of the Taft administration, namely, 1912, 1913, and 1914, and for the first three fiscal years of the Wilson administration, namely, 1915, 1916, and 1917.

The VICE PRESIDENT. Without objection, it is so ordered. The table referred to is as follows:

Title of act.	Fiscal year 1912.	Fiscal year 1913.	Fiscal year 1914.	Fiscal year 1915.	Fiscal year 1916.	Fiscal year 1917.	Increase 1917 over 1916.	Decrease 1917 under 1916.
Agriculture	$16,900,016.00	$16,651,496.00	$17,986,945.00	$19,865,832.00	$22,971,782.00	$24,948,852.00	$1,977,070.00	
Army	93,374,755.97	90,958,712.98	94,266,145.51	101,019,212.50	101,974,195.87	267,596,530.10	165,622,334.23	
Diplomatic and Consular	3,988,516.41	3,638,047.41	3,730,642.66	4,309,856.66	4,061,280.01	5,355,096.66	1,293,816.65	
District of Columbia	12,056,780.50	10,670,733.00	11,383,739.00	12,172,539.49	11,859,584.45	12,841,707.10	982,122.65	
Fortification	5,473,707.00	4,036,235.00	5,218,250.00	5,627,700.00	6,060,216.90	25,748,050.00	19,687,833.10	
Indian	8,842,136.37	8,920,970.66	9,486,819.67	9,771,902.76	9,771,902.76	10,967,644.88	1,195,742.12	
Legislative, etc	35,378,149.85	34,216,463.38	35,1.2,436.50	37,630,229.70	36,904,799.75	37,925,690.25	1,020,890.50	
Military Academy	1,163,424.07	1,064,668.26	1,099,302.87	997,899.54	1,069,813.37	1,225,043.57	155,230.20	
Naval	126,478,338.24	123,225,007.76	140,800,643.53	144,868,716.61	149,681,964.88	313,300,555.84	163,638,690.96	
Pension	153,682,000.00	165,146,145.84	180,300,000.00	169,150,000.00	164,100,000.00	158,065,000.00		$6,035,000.00
Post Office	239,134,403.00	271,429,599.00	285,376,271.00	313,364,667.00	313,364,667.00	322,937,679.00	9,573,012.00	
River and harbor	23,855,342.00	31,059,370.50	41,073,094.00	20,000,000.00	30,000,000.00	40,598,135.00	10,598,135.00	
Sundry civil	142,265,044.14	112,039,184.40	116,795,327.01	110,070,227.39	126,922,750.79	128,299,285.24	1,376,534.45	
Total regular annuals	882,592,679.55	873,056,634.19	942,689,614.75	948,848,783.65	978,722,857.78	1,349,809,269.64	377,121,411.86	6,035,000.00
Deficiencies	9,740,971.24	9,700,939.67	28,074,912.31	23,363,586.61	12,316,343.90	[1] 68,555,286.90	56,239,023.00	
Miscellaneous	4,773,306.81	3,448,712.93	388,597.22	12,709,361.29	2,330,603.34	[1] 85,000,000.00	82,669,396.66	
Permanent annuals	129,575,924.12	133,206,424.12	127,525,664.12	131,196,407.00	121,567,207.00	123,074,673.00	1,507,466.00	
Grand total	1,026,682,881.72	1,019,412,710.01	1,098,678,788.40	1,116,118,138.55	1,114,937,012.02	1,626,439,209.63	517,537,197.61	6,035,000.00

[1] This amount is approximated.

Increase 1917 over 1916	$511,502,197.61
Increase 1915, 1916, and 1917 over 1912, 1913, and 1914	712,719,979.17

CIVIL WAR VOLUNTEER OFFICERS' RETIRED LIST.

Mr. SMOOT. Now, Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Order of Business 287, Senate bill 392, to create in the War Department and the Navy Department, respectively, a roll designated as the "Civil War volunteer officers' retired list."

Mr. BRYAN. I object, Mr. President.

The VICE PRESIDENT. Objection is made.

COLORADO AND PIKE NATIONAL FORESTS.

Mr. THOMAS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Order of Business 700. This is a bill to increase the acreage of the Colorado and Pike National Forests. It is a bill introduced in the House by Mr. TIMBERLAKE, of my State, who is extremely anxious to secure action on it at the present session of Congress, and I assured him that if an opportunity offered I would call it up.

Mr. SMOOT. Is there an amendment to it?

Mr. THOMAS. There is no amendment to it, I think.

The VICE PRESIDENT. Is there objection to the present consideration of the bill? The Chair hears none.

The Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 15287) authorizing the addition of certain lands to the Colorado and Pike National Forests, Colo.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

MOUNT M'KINLEY NATIONAL PARK, ALASKA.

Mr. PITTMAN. I ask unanimous consent for the present consideration of Order of Business 409, Senate bill 5716, to establish the Mount McKinley National Park, in the Territory of Alaska.

Mr. SMOOT. Mr. President, I could not even hear the number of the bill the Senator asks to have considered. What is the calendar number?

Mr. PITTMAN. It is Calendar No. 409, found on page 9 of the calendar. It was unanimously reported by the Committee on the Territories.

Mr. SMOOT. Let it be read, Mr. President.

Mr. PITTMAN. I know of no objection to it. I will state, while the Secretary is looking for the bill, that the object of passing it now, the emergency attached to it, is so that the bill may pass, if possible, at this session, and if not as early as possible at the next session, in the House, because the Alaskan government railroad is being built right past this proposed park, and the area to be embraced within it is a natural breeding ground of caribou and other game that go into this section of the country every summer.

Mr. SMOOT. Does the Senator know how many acres of land are involved in the proposed park? I can not figure it out here in my mind.

Mr. PITTMAN. It is approximately 25 miles square, and takes in the mountain. It takes in Mount McKinley.

Mr. SMOOT. The creation of this park will forever prohibit the disposition by the Government of the lands in that reservation, and it is to be held forever as a game reserve?

Mr. PITTMAN. It is not to be held exactly as a game reserve. That was one of the reasons for its creation, of course. I will say to the Senator that the hearings that we had before the Committee on the Territories disclosed that there was no agricultural land fitted for homesteads within the borders of this proposed 25-mile square; that it simply embraces the rocky peak. On the south side of the mountain it is a continuous line of glaciers. On the north side it has a slope to the base which just about reaches to the border line, and the railroad will pass so near to this locality that it will be a subject of spoliation. The caribou breed on the north side of the mountain. As the Senator knows, during the winter they migrate to the south, and then come back into this country and breed. Undoubtedly when the railroad reaches this point there will be great destruction of all kinds of game. Not only that, but there probably will be destruction of trees and other things on the north side of the mountain.

Mr. SMOOT. In section 8 of the bill I find this remarkable provision:

That any person found guilty of violating any of the provisions of this act, or any rule or regulation that may be promulgated by the Secretary of the Interior with reference to the management and care of the park, or for the protection of the property therein, for the preservation from injury or spoliation of timber, natural curiosities, or wonderful objects within said park, or for the protection of the animals, birds, and fish in the said park shall be deemed guilty of a misdemeanor—

And so forth. Mr. President, I think, as far as the violation of a law is concerned, that should be the case; but where rules and regulations are changed every day, or could be changed every day, it seems to me it is going a great deal further than wisdom at least dictates to say that any person who violates a rule or a regulation that may be changed overnight shall be deemed guilty of a misdemeanor, and shall be subjected to a fine of not more than $500 or imprisonment not exceeding six month, or both, and be adjudged to pay all costs of the proceedings. In other words, I want to say to the Senator that a man may go in there just as innocently as he walks the streets of a city or the mountains of the West, and perhaps he may take a small piece of timber; he may take enough to fix a wagon tongue that may have become broken, and under this provision he could be fined $500 and imprisoned for six months.

Mr. PITTMAN. I think that is largely the same rule that obtains with regard to other national parks. I am satisfied that no such rule would be enforced as strictly as the Senator fears—not in Alaska; not before the justices of the peace who live up in that community, among those people. I have lived there too long to think that anything of that kind would be possible. There has never been any criticism as to severity in criminal matters there.

Mr. SMOOT. Then, let us strike it out.

Mr. PITTMAN. But I am willing to accept an amendment to strike that out.

Mr. SMOOT. Then I move that the words, on line 18, page 4, "or any rule or regulation that may be promulgated by the Secretary of the Interior with reference to the management and care of the park" be stricken out.

Mr. THOMAS. The Senator should go a little further than that—down to the word "park," in line 24.

Mr. SMOOT. Yes; down to the word "park" in line 24.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the tract of land in the Territory of Alaska particularly described by and included within the metes and bounds, to wit: Beginning at a point as shown on Plate III, reconnoissance map of the Mount McKinley region, Alaska, prepared in the Geological Survey, edition of 1911, said point being at the summit of a hill between two forks of the headwaters of the Toklat River, approximate latitude 63° 47', longitude 150° 20'; thence south 6° 20' west 19 miles; thence south 68° west 60 miles; thence in a southeasterly direction approximately 28 miles to the summit of Mount Russell; thence in a northeasterly direction approximately 89 miles to a point 25 miles due south of a point due east of the point of beginning; thence due north 25 miles to said point; thence due west 28½ miles to the point of beginning, is hereby reserved and withdrawn from settlement, occupancy, or disposal under the laws of the United States, and said tract is dedicated and set apart as a public park for the benefit and enjoyment of the people, under the name of the Mount McKinley National Park.

SEC. 2. That nothing herein contained shall affect any valid existing claim, location, or entry under the land laws of the United States, whether for homestead, mineral, right of way, or any other purpose whatsoever, or shall affect the rights of any such claimant, locator, or entryman to the full use and enjoyment of his land.

SEC. 3. That whenever consistent with the primary purposes of the park, the act of February 15, 1901, applicable to the location of rights of way in certain national parks and national forests for irrigation and other purposes, shall be and remain applicable to the lands included within the park.

SEC. 4. That the mineral-land laws of the United States are hereby extended to the lands included within the park.

SEC. 5. That the said park shall be under the executive control of the Secretary of the Interior, and it shall be the duty of the said executive authority, as soon as practicable, to make and publish such rules and regulations not inconsistent with the laws of the United States as the said authority may deem necessary or proper for the care, protection, management, and improvement of the same, the said regulations being primarily aimed at the freest use of the said park for recreation purposes by the public and for the preservation of animals, birds, and fish and for the preservation of the natural curiosities and scenic beauties thereof.

SEC. 6. That the said park shall be, and is hereby, established as a game refuge, and no person shall kill any game in said park except under an order from the Secretary of the Interior for the protection of persons or to protect or prevent the extermination of other animals or birds: *Provided*, That prospectors and miners engaged in prospecting or mining in said park may take and kill therein so much game or birds as may be needed for their actual necessities when short of food; but in no case shall animals or birds be killed in said park for sale or removal therefrom, or wantonly.

SEC. 7. That the said Secretary of the Interior may, in his discretion, execute leases to parcels of ground not exceeding 20 acres in extent for periods not to exceed 20 years whenever such ground is necessary for the erection of establishments for the accommodation of visitors; may grant such other necessary privileges and concessions as he deems wise for the accommodation of visitors; and may likewise arrange for the removal of such mature or dead or down timber as he may deem necessary and advisable for the protection and improvement of the park. The proceeds of leases and other revenues that may be derived from any source connected with said park shall be expended under the direction of the Secretary of the Interior in the administration, maintenance, and improvement of the park.

SEC. 8. That any person found guilty of violating any of the provisions of this act, or any rule or regulation that may be promulgated by the Secretary of the Interior with reference to the management and care of the park, or for the protection of the property therein, for the preservation from injury or spoliation of timber, natural curiosities, or wonderful objects within said park, or for the protection of the

animals, birds, and fish in the said park, shall be deemed guilty of a misdemeanor, and shall be subjected to a fine of not more than $500 or imprisonment not exceeding six months, or both, and be adjudged to pay all costs of the proceedings.

The VICE PRESIDENT. The amendment proposed by the Senator from Utah will be stated.

The SECRETARY. On page 4, beginning on line 18, after the word "act," it is proposed to strike out all down to and including the words "said park," on line 24, in the following words:

Or any rule or regulation that may be promulgated by the Secretary of the Interior with reference to the management and care of the park, or for the protection of the property therein, for the preservation from injury or spoliation of timber, natural curiosities, or wonderful objects within said park, or for the protection of the animals, birds, and fish in the said park.

The amendment was agreed to.

The bill was reported to the Senate as amended.

PROPOSED FISHERIES INVESTIGATION.

Mr. CURTIS. Mr. President, a little while ago I asked unanimous consent for the consideration of a resolution. I offered the resolution in good faith and asked unanimous consent for its consideration, because it has been claimed repeatedly on the floor that a lobby has been driven from this Capitol; and yet it was charged in this Chamber last night by one of the leading Senators of this body that a foreign Government had sent a lobby here, that that lobby infested this Capitol, and that it had influenced certain legislation that would paralyze a certain industry of this country.

Now, I am not going to object to the consideration of this bill offered by the Senator from Nevada, but as a part of my remarks I want to read a resolution that I hope, if the Senators on the other side mean what they say, they will consent to have considered as soon as the pending bill is disposed of.

Mr. SIMMONS. Mr. President——

Mr. CURTIS I yield to the Senator for a question.

Mr. SIMMONS. I take it the Senator is referring to——

Mr. CURTIS. I am referring to the charge made by the Senator from Oregon [Mr. CHAMBERLAIN].

Mr. SIMMONS. I want to say, as a member of the Finance Committee and the conference committee, that the only person who has ever spoken to me or that I have ever known of being here about this particular amendment to the bill, outside of Senators and Representatives of this Government, is a man by the name of Strong, who has been in favor of it.

Mr. CURTIS. Then there can be no harm in investigating and letting the country know the facts. The resolution I ask to have considered as soon as this bill is disposed of is as follows:

Whereas it has been charged upon the floor of the Senate of the United States that a foreign government has maintained a lobby in the city of Washington during this session of Congress; and

Whereas it has been charged upon the floor of the Senate that such lobby, so maintained, did influence certain legislation and cause to be stricken from the revenue measure a certain provision prohibiting the admission of fresh and frozen salmon from the north Pacific Ocean or its tributary waters into the United States through any foreign country, except when the same shall be in bond in an American port: Therefore be it

Resolved, That the lobby committee of the United States Senate be, and is hereby, authorized and directed to investigate such charges, and report the result to the Senate at the opening of the next session of Congress, or as soon thereafter as practicable.

As soon as this bill is acted upon I shall ask unanimous consent, if the Presiding Officer will recognize me for that purpose, for the passage of this resolution. I think, under all the circumstances, it is important that some resolution of this kind be passed before we adjourn.

Mr. CHAMBERLAIN. Mr. President, I am in sympathy with that resolution. I do not believe it is within the province of the representatives of any foreign Government to come here and undertake to influence legislation either in the Congress itself or with the officials of this Government.

I think the Senator will find, when he reads what I had to say, that I did not charge that the presence of these gentlemen influenced Congress to legislation; but they were here. That is a fact. There is not any question about it. The memorandum prepared by one of these gentlemen, the Secretary of External Affairs, has been read into the RECORD. He was here when it was written, or I believe he was here when it was delivered. It was delivered to one of the highest officers of this Government, the Secretary of State. Another gentleman, representing the fisheries bureau of the Canadian Government, was here. They acted in cooperation, I believe, the memorandum shows, with the counselor of the British Embassy.

Mr. President, I concede all the powers of the representatives of foreign governments, and I have no objection to their making any representations to this Government that they may see fit to make; but what I object to, and the reason why I am so in sympathy with the resolution of the Senator from Kansas, is that men ought not to be permitted to come here from any foreign Government and undertake to influence legislation through the State Department or any other branch of the Government. Why are these ambassadors here, if they can not represent the government?

I do not think we ought to be mealy-mouthed about it, Mr. President. We ought to find out what the facts are, and the committee of this Congress ought to be permitted to say to the Congress of the United States whether they approve or disapprove of that kind of conduct upon the part of the representatives of any government. I am not afraid to vote for it, and it ought to be done.

Mr. CURTIS. Mr. President——

Mr. REED. Mr. President, will the Senator yield to an inquiry?

Mr. CURTIS. I should like to make a statement just following that. I submitted this resolution because of the following extract from the speech of the Senator from Oregon, and I want to read it as a part of my remarks:

Mr. Joseph Pope, another distinguished gentleman who came down here from Canada, did not hesitate to come and undertake to influence the officials of our Government. Has there been a time in the history of this Government when the Government of the United States sent men to Canada or to Great Britain or to any other foreign Government and undertook to influence legislation in those Governments? Talk about cleaning out a lobby from the Senate and House of Representatives of the United States, Mr. President, and yet cheerfully submitting and listening to a lobby that comes here from foreign countries undertaking to influence legislation!

Mr. REED. Mr. President——

Mr. CURTIS. I yield the floor.

Mr. REED. Before the Senator from Kansas takes his seat I desire to ask him a question.

Mr. CURTIS. Certainly.

Mr. REED. I am a member of the so-called lobby committee, and that committee is still in existence.

Mr. CURTIS. I understand that a resolution was passed extending its life.

Mr. REED. I desire to ask the Senator if he is in possession of any other information than that contained in the statement which he has just read?

Mr. CURTIS. I am not.

Mr. REED. And the Senator's resolution is based solely upon that statement, made by the Senator from Oregon [Mr. CHAMBERLAIN], which was read into the RECORD?

Mr. CURTIS. The speech which was made last night.

Mr. REED. Mr. President, I do not understand the Senator from Oregon to have meant anything more by his words than to express the thought that some of the representatives of Canada have been here talking with the State Department. I do not understand the Senator to have meant that they have brought any bills to Congress or sought to lobby anything through Congress or influence any Member.

Of course, the question arises under those circumstances whether there is anything requiring an official investigation. Nothing should be done here purely for the purpose of offending any friendly nation. Whatever we do ought to be done with cool heads and a full understanding of the import of that which we are about to do.

So far as I am concerned, it is my opinion that foreign Governments have been too much inclined to impose on the good nature of this country. I think a number of events have transpired that only could have happened because the representatives of foreign Governments or foreign peoples have rather entertained the idea that America being a free country they are at liberty to come here and do whatever they please. We have been so big, so generous, so confident of our ability to take care of ourselves, we simply have left our door open and America has become a sort of international commons where every gentleman desiring to exploit anything from a rebellion to an ordinary conspiracy has confidently made his habitat here and set in motion his devious purposes.

Mr. President, notwithstanding the plain letter of the statute of the United States, during the Taft régime the Madero revolution was almost openly and publicly organized on American soil.

Mr. CURTIS. Mr. President——

Mr. REED. I yield to the Senator.

Mr. CURTIS. I desire to know if it is not a fact that the whole Villa and Carranza propaganda has been carried on in the United States, and this Government has given aid to it; that it has permitted the Carranza government to take troops across American territory and also permitted the importation of arms and ammunition.

Mr. REED. That really has nothing to do with the question I am discussing. I shall point the distinction.

I am talking about the representatives of foreign conspirators coming upon American soil and organizing revolutions contrary

to the statutes of the United States and, of course, to every principle of international law. That was done by Mr. Madero. It was done and the fact published in the papers from day to day. Yet it was permitted to go on under the Taft administration. I do not say that for the purpose of dragging up the old Mexican ghost that has been paraded here every 15 minutes, especially by the Senator from New Mexico [Mr. FALL]. The fact that our Government permitted Carranza to march troops across our territory bears no relation to the sort of act I am speaking of. Permission was granted to Carranza by our Government to cross American soil. That was done after we had recognized Carranza as the head of the Mexican Government. That is not the kind of case I was referring to when the Senator from Kansas interrupted me.

Mr. President, I hope I will not be again interrupted, for I am taking too much time. What I have to say is this: I think it is high time for this country to serve notice on all the countries of the world, and upon their representatives, official or nonofficial, that American territory is not intended for the exploitation of their schemes. And, further, notice should be given that America can attend to her own business without their aid or counsel.

I think it is high time to teach these gentlemen that the dignity of the American Government is offended against and our generosity and good nature imposed upon when they come here in any other way than through proper official channels.

I think, more than that, that of all the nations of the world most likely to trench upon the proprieties, most likely to undertake to do something of the very nature suggested by the resolution of the Senator from Kansas, is the British Nation. So far as I am concerned, I hope we have arrived at a time when the British Nation will be brought to book with reference to many acts it has been perpetrating. If I understand the temper of this Congress and the temper of this Government, that day is about here. If any light can be thrown upon anything that has been done by an investigation by the lobby committee, though I am one of the unfortunate members of that committee, I shall be glad to sit here in vacation and take up the matter.

Mr. LEWIS. The Senator from Missouri [Mr. REED] in his observations and the Senator from Kansas [Mr. CURTIS] in his remarks invite my observations to a matter which for a moment I deem not unwise to give voice to, particularly in the closing hours of this particular session.

There may and doubtless there is international relations here and there calling for investigation, but if it is so, such calls for prudence and calls for the exercise of discretion and reflection before entering upon anything that unnecessarily wrongs anyone or does injustice to ourselves.

Of course, we wish to offend no nation. We will not be guilty of bad sense. This body, of course, will not be guilty of bad manners.

But, Mr. President, if international relations of this country are to be dwelt upon for a minute while we are called upon to reflect upon those agencies that may be interrupting a proper protection by this Government and its interests throughout the world, I beg to say that we should turn seriously to the announcement in yesterday's public papers, augumented by this day's news, of the nature of the increased demands which Japan has made upon China. Two of these demands made are of the 21 made six months past, then in part withdrawn but now revived, and peremptorily made upon China apparently with the assent of Russia. One of these is that China shall dismiss her own officers and in their places there be put immediately Japanese officers in China; that these Japanese officials shall officer all the bureaus of China, particularly the foreign consular and commercial departments.

In this respect it appears that Russia acquiesces, and, Mr. President, in view of my personal experience in those countries when I held an insignificant commission from officials in this Government to investigate certain matters in China and Japan, all coupled with my information gained through history and my observations of the present condition of things in these governments in connection with the affairs of the world, it is my conclusion that all these are directed to the prohibition of the United States of America from the sphere of trade or influence in Asia. It is, I fear, to deprive the United States of the privilege of sending their commercial agents into Asia and selling our commerce upon equal terms in Asia with Britain or Russia or France or Germany.

Mr. President, it is perfectly evident to me that the purpose is to retaliate upon the United States in two forms—one by Japan. This is to retaliate against us for that we have put a limitation upon her people coming into this country, and which she feels to be an injustice and charges in certain quarters to be a humiliation—a natural and expected attitude of Japan—to be treated with but not to be misunderstood. As to Russia, it is a retaliation for what she feels has been our attitude respecting the commercial treaties with her and the relations we have assumed to the Jewish citizens of Russia and Russian Jews now in America and American Jews traveling in Russia. We can appreciate the feelings of Russia, though we may not be able to give our approval to her policy.

Mr. President, if there is anything to be investigated which in my judgment calls for investigation early and more seriously than anything else touching our international relations at this time, it is to ascertain the reasons for that significant silence upon the part of the diplomatic and consular representatives of the United States of America in the East as to these threatening conditions that seem, to my mind, to impend as to the United States and to its danger.

Mr. President, I conclude with this observation, that some inquiry should be made by our State Department or by some branch of our Government as to why there has been so little information conveyed to the United States Government upon these matters to which I am alluding, and why there has been so little effort made to insist upon our own rights at an early stage of these complications and before they advance to a more difficult stage calling for some action other than negotiation.

I now say—and, Senators, you will have occasion to recall, through your courtesy in listening to me this morning on these observations—that Japan realizes what she is doing and Russia realizes what she is doing. Both actions are with a view of forcing us out of the East and to prevent us having any opportunity for commercial competition in Asia and Siberia. But Japan is wise and diplomatic; she knows that an advance must come from us; that we will have to demand that the cotton of the South and our manufactures and farm implements of the West and all of the industrial products of the North and West shall enter Asia.

Japan will then make the proposition that in order that we shall enter Japan or China with our goods we should yield our opposition to their people coming ad libitum into this country. That only upon those conditions will she yield the right of our trade with her or the possessions she influences. Let us remember, Mr. President, that the very retaliation clause in this bill we now have under consideration shows how natural it is for Japan to take such course of retaliation if reciprocity is refused.

Russia, adopting by the same token the same methods, will liksewise consent to the opening of opportunities for the open door in China and the East to us only in return for our withdrawing the limitations and qualifications set out in the proposed commercial treaty which is now pending between Russia and ourselves, and Russia will demand that no further effort upon our part be made to enforce what we insist to be the just rights of those citizens in our country called the Jews i.. their relation to Russia. That these two eminent nations of the East are playing now the game of chess statesmanship with the United States, with the view of forcing upon us the surrender of the principles to which I have just referred, I have no doubt. It is shrewd—from their point of advantage, natural—but we must not be checkmated.

In conclusion I say, Mr. President, that if investigations of any kind are to be pertinent, a suggestion from the Government, made to its representatives abroad, to investigate these conditions and report early to the officials in Washington such method as might be properly adopted for the immediate protection of our rights before these complications reach a point where they will be serious to us would be most in order, most appropriate; and, sir, from my place in this Senate I suggest it to the administrative officers of my Republic as a preliminary that may avoid harsher measures from all concerned.

MOUNT M'KINLEY NATIONAL PARK, ALASKA.

The VICE PRESIDENT. The question is on concurring in the amendment made as in the Committee of the Whole.

The amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had approved and signed the following acts and joint resolutions:

On September 7, 1916:

S. 5407. An act authorizing and directing the Secretary of the Treasury to extend the time of payment of the amount due the Government by the city of Augusta, Ga.;

S. 3268. An act for the relief of John Duggan;

S. 3646. An act to amend the act of February 11, 1915 (38 Stat. L., p. 807), providing for the opening of the Fort Assiniboine Military Reservation;

S. 5987. An act to amend subsection 11 of section 3244, Revised Statutes;

S. 6561. An act providing for the sale at public auction of all unsold suburban lots not reserved for public purposes in the Government town site of Port Angeles, Wash., and for the issuance of patents for those previously sold under the act of May 2, 1906, on the payment of the price at which the said lots were reappraised under said act without further condition or delay;

S. 6748. An act providing that Indian schools may be maintained without restriction as to annual rate of expenditure per pupil; and

S. 6839. An act to authorize the incorporated town of Juneau, Alaska, to issue bonds for the construction and equipment of schools therein, and for other purposes.

On September 8, 1916:

S. J. Res. 173. Joint resolution authorizing the payment of September salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session;

S. 136. An act for the relief of Eva M. Bowman;

S. J. Res. 169. Joint resolution interpreting section 50 of the act of June 3, 1916, for making further and more effectual provision for the national defense, and for other purposes;

S. 6625. An act authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls; and

S. 5886. An act extending the time for the completion of the bridge across the Mississippi River at Memphis, Tenn., authorized by an act entitled "An act to amend an act approved July 20, 1912, entitled 'An act to authorize the Arkansas & Memphis Railway Bridge & Terminal Co. to construct, maintain, and operate a bridge across the Mississippi River,'" approved August 23, 1912.

PROPOSED FISHERIES INVESTIGATION.

Mr. CURTIS submitted the following resolution (S. Res. 273), which was considered by unanimous consent and agreed to:

Whereas it has been charged upon the floor of the Senate of the United States that a foreign Government had maintained a lobby in the city of Washington during this session of Congress; and

Whereas it has been charged upon the floor of the Senate that such a lobby so maintained did influence certain legislation and caused to be stricken from the revenue measure a certain provision prohibiting the admission of fresh and frozen halibut or salmon from the North Pacific Ocean or its tributary waters into the United States through any foreign country, except when the same shall be in bond in an American port: Therefore be it

Resolved, That the lobby committee of the United States Senate be, and it is hereby, authorized and directed to investigate such charges and report the result to the Senate at the opening of the next session of Congress or as soon thereafter as practicable.

DEVELOPMENT OF WATERWAYS (S. DOC. NO. 550).

Mr. FLETCHER. From the Committee on Printing, I report back Senate resolution 271, and ask for its adoption.

The resolution was read, as follows:

Resolved, That the Senate hearing before the subcommittee of the Committee on Interstate Commerce, United States Senate, Sixty-fourth Congress, first session, on bill (S. 5736) to promote interstate commerce, etc., by providing for the development and control of waterways, etc., be printed as a Senate document, and that 5,000 additional copies for the use of the Senate Committee on Interstate Commerce be printed.

Mr. SMOOT. Will the Senator allow the resolution to be amended so as to give 5,000 additional copies to the Senate folding room instead of to the document room? If the copies go to the document room, one Senator can take the whole of them, if they go to the folding room each Senator will get his share.

Mr. FLETCHER. Very well, let the resolution be so modified as to read "for the use of the Senate folding room" instead of the Senate document room.

The VICE PRESIDENT. The question is on agreeing to the resolution as modified.

The resolution as modified was agreed to.

TREASURY STATEMENTS, ETC.

Mr. MARTINE of New Jersey obtained the floor.

Mr. PENROSE. Will the Senator from New Jersey yield to me for a minute?

Mr. MARTINE of New Jersey. Of course I will yield to my neighbor just across the Delaware.

Mr. PENROSE. We might meet across the river some time. Mr. President, I have here a statement of the condition of the Treasury on September 5, showing the balance, according to the way the minority figures, of $35,451,367.11. A very much smaller balance will be readily observed than that appearing on the face of the daily statement.

I also have a number of statistics which I have had carefully compiled, and I ask consent to have the same printed in the RECORD.

Mr. LEWIS. May I ask the Senator upon what subject?

Mr. PENROSE. The revenue bill—the general discussion.

Mr. LEWIS. It is a part of the Senator's address?

Mr. PENROSE. Yes; a part of my address. That is right.

Mr. LEWIS. In view of that fact, I do not object.

The VICE PRESIDENT. Without objection, it will be so ordered.

The matter referred to is as follows:

Condition of the Treasury Sept. 5, 1916.

Net balance in general fund, reported Sept. 5, 1916		$209,057,416.33
On Sept. 5, 1916, there were outstanding obligations and unavailable assets, as follows:		
(1) To credit of disbursing officers (representing outstanding valid claims against the Government)	$101,516,256.85	
(2) National-bank notes redemption fund (payable from the general cash)	45,465,208.00	
(3) Limited tender or unavailable assets (subsidiary silver coin, fractional currency, minor coin, silver bullion)	22,210,854.08	
(4) Deposits in Philippine treasury	3,538,730.09	
(5) Treasury warrants outstanding, matured coupons, and interest checks (estimate based on usual transactions for one-fourth month)	875,000.00	
Total amount of deductions		173,606,049.22
Actual balance in general fund		35,451,367.11
Stated another way, the same result is reached:		
Amount reported Sept. 5, 1916, as assets in the Treasury		$296,455,279.18
Deductions, as above	$173,606,049.22	
Amount reported Sept. 5, 1916, as liabilities	87,397,862.85	
Total amount of deductions and liabilities		261,003,912.07
Actual balance in general fund		35,451,367.11
Included in this balance are the following receipts:		
(1) Proceeds from sale of 2 battleships to Greece, specifically reappropriated by Congress to build 1 first-class battleship		$12,000,000
(2) Postal savings deposits utilized		5,855,780
(3) Sugar duties by repeal of free-sugar clause of Underwood law, less drawback (2 months, May and June, 1916), estimated		7,000,000
Total		24,855,780

Mr. PENROSE. The Treasury also had the benefit of $135,000,000 collected from stamp and excise taxes for 1915 and 1916, $84,000,000 of which was collected in the fiscal year of 1916.

The personal and corporation income taxes for the fiscal year 1916 amounted to $124,867,430.28, the greater part of which was paid into the Treasury at the close of the fiscal year in June last, and some of it even after the beginning of the present fiscal year.

This amount exceeded expectations and helped inordinately to swell the receipts of the Treasury at the close of the fiscal year 1916, enabling the Secretary of the Treasury to announce at that time a surplus for the fiscal year of some $56,000,000 and a general-fund balance, according to his bookkeeping methods, far in excess of the actual available funds.

These taxes having been collected, paid in, and accounted for, receipts from those sources will not be available again until the end of the present fiscal year.

Whether we call the actual balance in the general fund today, $35,451,367.11, income-tax money or whether we call it stamp-tax money, or money derived from various other sources, the fact remains that it is all that is left of the supposedly plethoric general fund, into which it was the purpose of the framers of the revenue bill to go to help make up the revenue that that bill will fail to raise.

At any rate, if we call it income-tax money, then it represents all that is left of $124,000,000 revenue from incomes, and we have stolen from the remaining months of this fiscal year over $90,000,000 which belonged to those months upon a pro rata basis of $10,400,000 per month. Those months must find their own current revenues.

The Treasury statement for September 5, 1916, shows disbursements of $23,689,935.93 in excess of receipts for this fiscal year to date:

The disbursements to Sept. 5, 1916, were	$156,585,593.20
Receipts to same date	132,895,657.27
Deficit this fiscal year	23,689,935.93

At this rate of loss—about $10,000,000 per month—with every prospect of growing worse instead of better on account of the

enormous drain entailed by extravagant and useless appropriations made at this session of Congress, exclusive of the preparedness program, a deficit of at least $125,000,000 for the current fiscal year stares the country in the face, which even the additional burdensome taxes imposed in the revenue bill upon a people already overtaxed in time of peace can not meet adequately.

I will insert in the RECORD the following statement of Hon. Jonathan Bourne criticizing the change in the form of the Treasury statement, in which Mr. Harvey S. Chase, certified public accountant and former Treasury Department clerk, is quoted:

BOURNE POINTS OUT UNITED STATES FISCAL PLIGHT—DECLARES THAT SECRETARY M'ADOO HAS JUGGLED DAILY TREASURY STATEMENT—SAYS REPUBLICANS LEFT A BIG SUPPLY OF CASH—CITES REPORT OF BOSTON EXPERT ACCOUNTANT IN SUPPORT OF CRITICISMS OF ADMINISTRATION.

The Republican Publicity Association, through its president, Jonathan Bourne, jr., to-day gave out a statement at its Washington headquarters, which says in part:

When Congress assembles there will be no "free and available balance" in the Federal Treasury—using those words in the sense which used to be given to them in the days before Mr. McAdoo became Secretary of the Treasury.

Following the changing form of the daily Treasury statement is almost as exciting a sport as the hunting of big game. At the close of business March 5, 1913, the first day of Democratic control of national affairs, the daily Treasury statement was issued in a form to which the public had become accustomed, and it showed, to employ its own language, a "working balance in Treasury officer" of $82,210,619.97. This represented the surplus which the Republicans turned over to the Democrats. July 1, 1913, the daily statement was issued with a changed face.

CHANGE IN THE FIGURES.

In this form the daily statement affected to show the "free and available balance in Treasury and banks" and the "free balance" was given as being $114,735,746.97. These are impressive figures; but, adding to the psychologic effect which nine digits always produce upon the ordinary mind, the statement went on to give the "total cash assets in the general fund," including Philippines, balances in Treasury offices, "limited tender or unavailable." These included silver bullion, subsidiary silver coin, fractional currency, minor coin, and all other chicken feed, scraps of paper, and junk which the vaults contained—and they rolled up the eye-satisfying total of $303,250,006.96.

With those figures the Democratic bookkeepers struck their zenith of paper manifestations of national thrift. From that moment a rapid and steady decline was recorded; and September 1, 1913, only two months after the old form of daily statement had been discarded, another change was made; and the daily statement for that date made no mention of a "free and available balance," but contented itself with the more elastic and elusive presentation of "assets" and "liabilities." The "net balance in the general fund" was then given as $127,336,337.04.

ANOTHER CHANGE MADE.

For a little more than two years this form of statement was adhered to, and September 30, 1915, the daily Treasury statement announced the "net balance in general fund" as being $40,808,894.97.

The following day the daily statement appeared with a long and somewhat involved preface, intended to be explanatory, and in a strikingly metamorphosed form, so far as its figures were concerned. Without the addition of a single dollar to the funds of the Nation, with no new sources of revenue pouring into the Treasury, with no proceeds from a bond issue, and without other means of replenishing its dwindling funds, the Treasury boasted a net balance of $128,063,545.23.

By a stroke of the pen Mr. McAdoo, overnight, had converted more than sixty-one millions of disbursing officers' balances into an available balance for general governmental purposes and had also added to the assets column funds which are distinctly ear-marked for specific purposes, and which are in no sense to be used for any object except the fiduciary ends for which they were given in the first place into the custody of the Treasury.

EXPERT MAKES AN AUDIT.

Mr. Harvey S. Chase, of Boston, a certified public accountant, has made an examination of the figures relating to the daily Treasury statement for two dates, the first, August 4, 1913 being under the form originally designed by Mr. McAdoo for the purpose, and the second, October 23, 1915, being under the latest—I dare not say the last—of the Secretary's ingenious efforts to lift himself by his financial boot straps.

On August 4, 1913, according to Mr. Chase, the "free available balance" in the Treasury office and in banks was $105,793,571.44. On that date Mr. Chase was at work in the Treasury, and the form of daily statement from July 1, 1913, until some time later than August 4 was prepared under his personal supervision. In the balance thus stated neither "subsidiary silver coin" nor "silver bullion" nor "minor coin" was included, whereas in the statement of October 23, 1915, these items are listed in a total sum of more than $30,000,000, which sum, Mr. Chase says, should be deducted from the balance which Mr. McAdoo said he had.

BALANCE "BOOSTED" AGAIN.

In August, 1913, the balances of disbursing officers and the "national-bank notes' redemption fund" were included as liabilities; and, as Mr. Chase points out, they were so included up to October 1, 1915, when Mr. McAdoo decided to exclude them from this classification and thus boosted his apparent balance by some $80,000,000. As a convenient means for maintaining solvency I commend the McAdoo system of bookkeeping to the merchants and manufacturers of the country who have found it difficult to do business with profit since Mr. McAdoo's party came into power. The only trouble with a general application of this method is that banks and other creditors, to say nothing of the courts, do not look with kindly eyes upon the falsification of accounts for the purpose of obtaining credit. And I beg to observe that the force of this suggestion is not diminished by the fact that it is political credit that Mr. McAdoo is seeking.

Mr. Chase's conclusion is couched in solemn words. "I hereby certify," he writes, using his title of certified public accountant, "that if the daily statement of the United States Treasury of October 23, 1915, had been made up on the same basis as that of August 4, 1913, the available balance in the Treasury would now be exhibited as $3,517,027.21."

I therefore conclude and assert that the Federal Treasury, when Congress meets, will be found practically bankrupt for the first time since James Buchanan turned over to Abraham Lincoln the empty coffers of the Nation.

Mr. F. L. Gilbert, certified public accountant, writing for the Annalist on the subject of the changes made by the Secretary of the Treasury in the form of the Treasury statement, believes some of the changes to have been justified, but considers the national-bank notes redemption fund a current liability. I quote from Mr. Gilbert's article as follows:

One other important change made in the statement on July 2, 1913, was the including as a liability the national bank notes redemption fund, amounting to $22,060,756. This, of course, reduced the net balance in the general fund by that amount. The plan of carrying this fund among the liabilities was continued to September 30, 1915, when it amounted to $23,096,069.50. This liability was eliminated in the new statement beginning October 1, 1915. This fund represents money deposited for the redemption of circulating national bank notes by national banks which have discontinued or decreased their circulation. It is entirely separate from the 5 per cent redemption fund. Under the act of July 14, 1890, such deposits must be carried as a part of the public debt and not as a liability of the Treasury Department. It would certainly not be proper to carry the fund as a liability in both places. If strict accounting practice were followed without regard for the law we believe this fund would continue to be carried as a current liability. The law says it must be treated otherwise, and this appears to be the reason for dropping it in the new statement of October 1, 1915. The Secretary in his "announcement" forming the foreword to his latest revised statement frankly states that it was an error on his part to place this fund on the liability side of the general fund commencing with the statement of July 2, 1913.

In answer to any criticism which might be made as to dropping this liability for the purpose of increasing the balance of the general fund, it should be said that a footnote appears on the statement of October 1, 1915, stating that the outstanding national bank notes for which deposits have been made and which must be paid out of the general fund amount to $23,096,069.50. Anyone who so desires can, therefore, deduct the amount from the net balance in the fund.

On September 1, 1913, a change was made in the asset side of the statement by eliminating the expression "free and available balance in Treasury and banks." By this omission the silver bullion, subsidiary silver coin, fractional currency, and minor coin which were formerly among the assets as "balances in Treasury offices, limited tender or unavailable," were moved up as part of the cash "in Treasury offices." Inasmuch as it is clearly stated just what each item represents, we believe the change is fully justified.

The Commercial and Financial Chronicle, of New York, dated November 20, 1915, justified carrying the national-bank notes redemption fund in the general balance as a technical law requirement, "though not in consonance with sound accounting practice." As to disbursing officers' balances, the Chronicle said they "have all of the characteristics of a current liability." On this phase of the new Treasury statement, I quote from the Chronicle as follows:

The Treasury Department really went outside the pale of the law when two years ago it began to enter the item in its true character as a current liability. The Secretary says frankly now that this was an error. The act of July 14, 1890, prescribes that such deposits shall be covered into the Treasury as miscellaneous receipts and that the notes thus rendered, subject to retirement by the United States, shall be carried as part of the public debt—that is, that the item shall be exhibited each month on the printed statement of the public debt under the heading "Debt of the United States bearing no interest." As directed by the act of July 14, 1890, the amount to the credit of this fund was mingled with the general cash and carried there continuously until the early part of the present administration, when the form of the Treasury statement was changed. The item has now been restored to the general fund in accordance with the requirement of the law. The change made in that particular, therefore, is good law, though not in consonance with sound accounting practice.

In the case, however, of the item of disbursing officers' balances, which is of much larger magnitude, it aggregating September 30 $60,409,181, the Secretary makes a departure entirely on his own responsibility. He points out that these disbursing officers' balances consist of amounts placed by the Secretary of the Treasury to the credit of disbursing officers against which they are authorized to draw checks in payment of public obligations. In the past, whenever the Secretary has placed an amount to the credit of a disbursing officer it has been the custom to carry that on the Treasury statement as a disbursement. The Secretary states that as a matter of fact the money in many instances is not spent for months, and sometimes not at all, being returned to the Secretary's account.

Mr. President, in my remarks on the revenue bill some days ago, I pointed out the desirability of prescribing by law the form of the Treasury statement, and in this connection I desire also to quote from the Chronicle article the following excerpt sustaining that suggestion:

When all has been said that can be said, it remains true nevertheless that these repeated changes by one administration after another in the form and character of the debt and Treasury statements are disturbing and highly objectionable, if for no other reason that they render difficult comparisons with the past on an identical basis. The lesson which the experience teaches would seem to be that the character and contents of these statements ought to be prescribed by law so as to render it impossible for each new head of the Treasury Department to impose on the form of the statement his own ideas as to what it should be.

Mr. President, the items set forth by me in the table showing the Treasury condition on September 5 as deductions from the net balance in the general fund are not a proper part of that balance, according to the authorities above quoted. They in-

clude funds or moneys which are current liabilities or disbursements, and moneys not available for Treasury obligations, and therefore have no rightful place in the balance of the general fund, which balance is or was intended to show clearly the actual available money in the Treasury at the end of each day's transactions.

The Secretary of the Treasury undertook to justify the changes made in the Treasury statement October 1, 1915, and in all fairness I will insert here his statement, to wit:

DAILY STATEMENT OF THE UNITED STATES TREASURY.

[Oct. 1, 1915.]

ANNOUNCEMENT.

The daily statement of the United States Treasury and the monthly public-debt statement of the Government have been revised by a committee appointed by order of Secretary McAdoo so as to make them more intelligible and clear to the public. The new daily statement will represent the actual condition of the Treasury, so far as it is possible to present it, at the close of business each day. The new public-debt statement will show the actual condition of the Treasury and the state of the public debt at the close of business each month. The new form for the daily Treasury statement becomes effective October 1, 1915, and that for the public-debt statement October 31, 1915.

The most important points in which the new form of daily statement differs from the old are the following:

The assets and liabilities of the Government have heretofore been published under two general classifications, viz: (1) The general fund, and (2) the currency trust funds, the general fund, and the gold-reserve fund.

The new form shows the assets and liabilities divided into three classes, viz: (1) Gold, (2) silver dollars, and (3) the general fund. This gives at a glance the amount of gold and the amount of silver dollars in the Treasury, the liabilities against such coin and bullion, and the actual condition of the general fund.

In the new form the item "Disbursing officers' balances" is excluded from the liability side of the general fund and included in the net balance. These disbursing officers' balances consist of amounts placed by the Secretary of the Treasury to the credit of disbursing officers, against which they are authorized to draw checks in payment of public obligations. These amounts are funds of the United States in the same sense that the balance remaining, subject to the warrant of the Secretary alone, is money of the United States. In the past, whenever the Secretary has placed an amount to the credit of a disbursing officer, it has been the custom to carry that on the Treasury statement as a disbursement. As a matter of fact, the money in many instances is not spent for months, and sometimes not at all, being returned to the Secretary's account. Funds are placed to the credit of disbursing officers practically as a bookkeeping arrangement, and they are as much a part of the working balance of the Treasury as the money which is subject to the warrant of the Secretary. As the net balance should represent the funds in the Treasury available for paying the current obligations of the Government, the amount placed on the books to the credit of disbursing officers should be included therein.

The amount deposited by national banks for the retirement of national-bank notes but not yet paid out for that purpose is also included in the net balance. In the old statement this amount was carried on the liability side of the general fund. This was an error, because by law deposits for the retirement of national-bank notes are a part of the public debt. The act of July 14, 1890, prescribes that such deposits shall be covered into the Treasury as miscellaneous receipts, and that the notes thus rendered subject to retirement by the United States shall be carried as a part of the public debt. This fund is not the 5 per cent fund provided for the redemption of the current circulation of national banks, but is a fund for the redemption of the notes of national banks which have ceased to circulate notes or which have reduced their circulation. As directed by the act of July 14, 1890, the amount to the credit of this fund was placed in the general-fund balance, where it was carried continuously until the early part of this administration (1913), when the form of daily Treasury statement was changed. The item is now restored to the general-fund balance, where it belongs, and will appear as a liability on what was previously known as the monthly public-debt statement.

Following the general-fund statement appears the daily trial balance of the general fund, entitled "Receipts and disbursements this day." This is a simple statement of the day's transactions. One important change contained in this table, as well as in the "Comparative analysis of receipts and disbursements," on page 3, is the segregation of Panama Canal receipts.

In the past it has been customary to set forth Panama Canal disbursements separately as extraordinary expenditures, but receipts from tolls, profits from the sales of material on account of the canal, etc., have been included in the ordinary miscellaneous receipts. In future these Panama Canal receipts, like the disbursements on account of the Panama Canal, will appear separately.

The new daily statement is on a cash basis. Receipts have been reported on a cash basis, while disbursements have been on a mixed basis. This has proved confusing. Under the new form disbursements, like receipts, represent cash transactions.

It will be impossible to state outstanding checks in the column of liabilities in the daily statement, because it is not practicable to get the information daily from disbursing officers. Outstanding checks and warrants are offset in large measure, however, by receipts which are in transit to the Treasury. All outstanding warrants and checks will be shown monthly in what previously was known as the public-debt statement.

Several tables that appeared on the fourth page of the old statement are either omitted entirely as unimportant or uninforming, or are included in the new items on page 4—"Federal reserve notes and national-bank notes outstanding" and "Transactions affecting Federal reserve and national bank-note circulation." "Bonds held in trust for national banks" still appears, but the table of "Pay warrants drawn" has been omitted. It is believed that a daily statement of these warrants is of no value, and it will hereafter appear in the form of "Pay warrants issued," monthly, in what previously was known as the public-debt statement.

The new statement will give an accurate idea of the actual condition of the Treasury as far as it is ascertainable from day to day. The old statement, with its cumbersome notations of purely bookkeeping transactions within the Treasury Department, which had little bearing upon actual expenditures, has been very confusing and has led to much misconception as to the actual condition of the Treasury.

The public-debt statement in the new form is changed to "Financial statement of the United States Government."

Instead of reproducing the daily statement for the last day of each month on the public-debt statement the new statement will include a table of cash available to pay maturing obligations, or, in other words, the working balance of the Treasury, with the liabilities against it. On the asset side of this table will be the net balance in the Treasury. On the liability side of this statement will be set up outstanding warrants, checks, and matured coupons. While it will not be practicable, as stated above, to get daily from disbursing officers a statement of their outstanding checks, it will be possible to get this information once a month.

The monthly statement will also include a table of warrants and checks issued by departments which will show the expenditures according to this classification.

It will be necessary to get information from disbursing officers all over the country for the monthly statement, but it is believed that this can be so expedited that the department will be able to issue the statement on the 15th of each month.

The fact of the matter is, Mr. President, that under this peculiar system of bookkeeping, which if practiced in a bank or corporation would render the person guilty of such practice liable to criminal indictment, we discover in a great many of the statements of the Treasury Department, after proper analysis and making deductions such as would be made in any private financial institution, that the Treasury account frequently has shown an actual deficit. I do not intend to pursue this subject in detail, as it is sufficient for the present purpose to call attention to the methods of making up the account and to show how small a balance is to be counted on at the beginning of the present fiscal year. It might be interesting, however, to note, going back during the winter and taking up one or two statements as examples, that the outstanding obligations of the Treasury Department, together with unavailable assets, were over $11,300,000 greater than the so-called net balance reported by the Treasury Department on February 29, 1916, taking into consideration the monthly financial statement for February, appearing March 15. This statement gives the amount of Treasury warrants outstanding February 29:

The reported net balance Feb. 29 was		$117,170,215.25
On that date there were outstanding obligations and unavailable assets as follows:		
(1) Balance to credit of disbursing officers (representing outstanding valid claims against the Government)	$56,065,335.98	
(2) National-bank notes redemption fund (payable from the general cash)	39,933,755.50	
(3) Limited tender or unavailable assets (subsidiary silver coin, fractional currency, minor coin, silver bullion)	28,332,199.74	
(4) Deposits in Philippine treasury, always before Oct. 1, 1915, considered unavailable	2,585,323.59	
(5) Treasury warrants outstanding (reported in "Financial Statement" issued Mar. 15)	1,583,202.98	
Total amount of deductions		128,499,817.79
Total deficiency		11,329,602.54

Then, again, outstanding obligations of the Treasury Department, together with unavailable assets, were over $13,500,000 greater than the so-called net balance reported by Secretary McAdoo on May 31, 1916, after checking up the monthly financial statement for May, appearing June 15:

Net balance reported May 31, 1916		$133,557,321.07
May receipts subsequently reported		2,841,923.23
Revised balance for May, 1916		136,399,244.30
On that date there were outstanding obligations and unavailable assets as follows:		
(1) Balance to credit of disbursing officers (representing outstanding valid claims against the Government)	$64,352,633.40	
(2) National-bank notes redemption fund (payable from the general cash)	55,092,915.00	
(3) Limited tender or unavailable assets (subsidiary silver coin, minor coin, silver bullion)	25,804,202.81	
(4) Deposits in Philippine treasury	2,193,172.70	
(5) Treasury warrants outstanding, matured coupons, and interest checks (reported in "Financial Statement" issued June 15)	2,512,930.20	
Total amount of deductions		149,955,854.11
Total deficiency		13,556,609.81

THE DEMOCRATIC TARIFF OF 1913.

Mr. President, the Democratic Party, through its tariff policy, promised four important things:

First. To reduce the high cost of living.

Second. To equalize the distribution of taxation throughout the United States.

Third. To raise enough revenue from its tariff to run the Government, economically administered.

Fourth. To expand the export trade and capture foreign markets.

The Underwood Democratic tariff became a law October 3, 1913, and for the period up to June 30, 1916, it has been in operation three fiscal years, with the exception of the first three months of that period. According to this three-year record the Democratic tariff has failed to redeem a single one of the promises made for that measure.

The most important thing, in addition to lowering the rates of duty, was the placing of a large number of competitive products on the free list by the Underwood tariff, thereby depriving the Federal Treasury of revenue and at the same time displacing the sale of domestic products in the markets of the United States, which displacement amounted to $262,709,239 during the fiscal year 1915, as will be seen from the following official statistics:

ARTICLES FREE-LISTED BY THE UNDERWOOD TARIFF.

There was imported into the United States during the fiscal year ended June 30, 1915, a total of $1,032,863,558 of foreign merchandise free of duty; $262,709,239, or about 26 per cent of this total, represents the value of articles that were transferred from the Payne dutiable list to the free list by the Underwood tariff.

This $262,709,239 of free imports during the fiscal year 1915 compares with $157,306,393 of the same character of imports during the fiscal year 1913 which were dutiable under the Payne-Aldrich tariff, and from which $32,536,199 of revenue was collected.

In other words, there was an increase in the imports of those articles that were transferred to the free list by the Underwood tariff from $157,306,393 during the fiscal year 1913 to $262,709,239 during the fiscal year 1915, with a consequent loss of $32,536,199 in revenues.

The average rate on all dutiable imports under the Underwood tariff, during the fiscal year 1915, was 33.43 per cent. If these free imports of $262,709,239, during the fiscal year 1915, of articles transferred to the free list had been subject to a rate of 33 per cent, the revenue received would have been $86,694,049; if subject to a 30 per cent rate, $78,812,772; if subject to a 25 per cent rate, $65,677,309; or if subject to a 20 per cent rate, $52,541,848.

The following tables give a list of the articles that were transferred from the Payne dutiable list to the free list of the Underwood tariff, with the imports of those articles during the fiscal year 1915—which was under war conditions, with the exception of the first month—compared with imports during the fiscal year 1913 of the corresponding character of goods which were dutiable under the Payne tariff, together with the amount of revenue collected; also a table showing the total imports, revenues, and average rates of duty for the fiscal year 1913 under the Payne tariff and the fiscal year 1915 under the Underwood tariff during European war conditions:

Imports during the fiscal year 1915 of articles placed on the free list by the Underwood tariff, compared with imports during the fiscal year 1913 of the corresponding articles which were dutiable under the Payne-Aldrich tariff, and amount of revenue collected during 1913.

Article.	Fiscal year 1913.		Fiscal year 1915.
	Imports.	Duties.	Imports.
Abrasives, crude artificial	$190,057	$19,005.70	$255,474
Agricultural implements, plows, etc	16,992	2,548.75	777,022
Animals:			
Cattle	6,318,468	1,764,650.58	17,546,085
Sheep	77,075	13,909.50	533,967
Swine	15,215	2,313.00	2,269,795
All other live (for human food)	108,882	21,773.34	76,649
Total animals	6,519,640	1,802,655.42	20,426,496
Antimony ore and stibnite	84,167	24,275.19	98,339
Asphaltum and bitumen	931,530	335,906.96	465,717
Limestone-rock asphalt	19,486	2,372.50	23,860
Blood, dried	339	96.19	227,648
Breadstuffs:			
Bread, biscuit, and wafers (unsweetened)	101,122	20,223.70	173,937
Buckwheat	38,829	9,446.85	174,821
Buckwheat flour	951	237.68	11,373
Corn	470,176	129,768.67	6,083,390
Corn meal	278	27.32	1,137
Rye and rye flour	949	139.25	141,718
Wheat, and products of	1,345,647	297,299.55	10,536
Total breadstuffs	1,957,952	457,143.52	6,596,912
Broom corn	14,720	559.04	15,912
Cement, Roman, Portland, and other hydraulic	124,395	25,047.40	132,864
Chemicals, drugs, dyes, and medicines:			
Acids—			
Acetic or pyroligneous	$3,036	$780.77	$16,419
Chromic	1,682	170.44	1,394
Sulphuric, or oil of vitriol	512	86.57	44,608
Total acids	5,230	1,037.78	62,411
Albumen (except egg)	27,847	5,333.85	48,941
Alcohol, methyl or wood	387	77.40	11,880
Ammonia, perchlorate of			6,515
Antitoxins, etc			12,826
Blood char	333	66.60	1,196
Bone char or bone black, not pigment	12,484	2,496.80	129,715
Calcium, acetate of, brown and gray, chloride of, crude, and carbide and nitrate of			1,208,394
Chromium, hydroxide of, crude			12,444
Anthracene and anthracene oil			49,949
Copper, sulphate of, or blue vitriol	728	27.65	2,156
Extracts for tanning:			
Hemlock bark	29,708	7,288.58	173,998
Oak bark			2,628
Quebracho	1,672,314	470,442.70	3,676,749
Total tanning extracts	1,702,022	477,731.28	3,853,375
Indigo, dyes obtained from	53,493	3,455.39	76,258
Iodine, resublimed	96	8.00	7
Iron, sulphate of, or copperas	174	9.29	95
Milk, sugar of	2,582	451.30	28,154
Paris green and London purple	7,692	1,153.80	2,975
Phosphorus	270	117.00	251
Potash, cyanide of	137,535	17,191.89	143,331
Potash, hydrate of (not more than 15 per cent)	11,919	1,128.21	225,002
Santonine and its combinations with acids	44,358	990.75	25,558
Soda—			
Arsenate of	55,941	12,679.98	3,188
Cyanide of			955,907
Silicate of	9,400	3,870.41	16,292
Soda ash	35,461	7,752.00	29,022
Sulphate of, crude, or niter cake	4,771	189.09	3,566
Total soda	105,573	24,491.48	1,007,975
Strychnia and its combinations with acids	377	79.80	11,449
Sulphur, refined	41,626	6,969.10	36,275
Sulphur, sublimed, or flowers of	122,093	24,415.54	31,202
Sumac, ground	289,255	42,336.35	294,434
Total chemicals, drugs, etc	2,565,984	609,569.26	7,273,778
Bauxite, crude, not advanced	119,848	30,863.07	50,557
Coal, charcoal, and coke:			
Coal, bituminous, and shale	3,560,893	526,278.55	3,731,947
Coal compositions used for fuel	4,061	812.20	220
Coal, slack, or culm of coal	807,474	61,231.46	432,848
Charcoal	25,557	5,111.10	39,978
Coke	462,721	92,544.38	394,505
Total coal, charcoal, and coke	4,860,706	685,977.69	4,599,498
Cork waste, shavings, and refuse			1,334,262
Eggs of poultry	191,714	63,588.28	449,067
Explosives:			
Fulminates, fulminating powders, and like articles—			
Suitable for miners' use	33,569	6,713.80	35,827
All other	137	41.10	110,000
Gunpowder and all explosive substances, n. s. p. f., for mining, blasting, and artillery purposes	59,845	4,706.22	88,276
Fibers, vegetable, and manufactures of:			
Flax—			
Not hackled or dressed	2,234,934	170,559.44	303,123
Hackled, known as "dressed line"	1,073,073	117,600.37	1,422,701
Straw	21,146	2,049.69	6,202
Tow of	397,721	38,584.02	131,384
Flax noils			12,309
Total flax	3,726,874	328,793.52	1,875,719
Hemp—			
Not hackled or dressed	1,160,763	136,590.84	1,030,767
Hackled, known as "line of hemp"	60,075	9,421.29	130,970
Tow of	160,197	18,615.34	16,992
Total hemp	1,381,035	164,597.47	1,178,729
Bagging for cotton	431,164	32,901.59	720,207
Burlaps, not bleached, etc	35,811,465	7,676,477.29	27,955,561

Imports during the fiscal year 1915 of articles placed on the free list by the Underwood tariff, etc.—Continued.

Article.	Fiscal year 1913.		Fiscal year 1915.
	Imports.	Duties.	Imports.
Fish:			
Cod, haddock, hake, and pollock—			
Fresh, frozen, or packed in ice	$8,652	$2,293.75	$154,938
Dried, smoked, salted, or pickled	1,573,173	219,271.55	2,202,968
Halibut—			
Fresh, frozen, or packed in ice	73,609	15,168.71	581,220
Dried or smoked			60
Pickled or salted	3,110	311.00	2,419
Herring—			
Fresh, frozen, or packed in ice	37,718	3,319.31	98,940
Dried or smoked	470,171	35,809.25	125,532
Pickled or salted	2,686,762	346,083.12	2,803,930
Mackerel—			
Fresh, frozen, or packed in ice	146,658	28,820.36	146,102
Pickled or salted	1,271,386	250,876.89	1,528,597
Salmon—			
Fresh, frozen, or packed in ice	180,513	15,900.68	383,697
Dried or smoked			584
Pickled or salted	28,650	3,445.30	104,451
Smelts, fresh or frozen	467,011	59,047.11	293,647
Eels, fresh or frozen	18,515	2,753.26	24,376
Other fish, n. s. p. f.—			
Fresh, frozen, or packed in ice	74,283	8,815.38	1,266,621
Fresh-water fish	1,326,521	86,200.03	975,335
Dried or smoked	247,646	25,040.42	512,813
Pickled or salted	79,138	8,591.13	154,787
Total fish	8,693,516	1,111,747.30	11,361,017
Iron and steel:			
Iron ore	7,035,185	292,058.79	3,505,734
Iron in pigs—			
Ferromanganese	5,484,829	320,341.44	3,386,584
Spiegeleisen	22,072	1,987.50	34,396
All other (except ferrosilicon)	337,187	44,275.57	432,458
Total pig iron	5,844,088	366,604.51	3,853,438
Scrap iron and steel, waste or refuse, fit only to be remanufactured	461,490	41,468.12	281,710
Slabs, brooms, loops or other forms less finished than iron in bars and more advanced than pig iron (except castings)	120,173	25,487.89	76,004
Steel ingots, cogged ingots, blooms and slabs, die blocks or blanks and billets, if made by the Bessemer, Siemens-Martin, open-hearth, or similar processes, not containing alloys			44,871
Horseshoe-nail rods (wire rods)			129,114
Wire—			
Baling, for hay or other commodities			223
Barbed wire			361
Galvanized, etc., used for fencing			78
Galvanized wire fencing, etc			8,315
Bars or rails for railways	125,642	19,788.09	1,563,616
Engraved steel plates, dies, and rolls, for engraving or printing bonds, etc., and steel engraved forms for bonds, etc			8,858
Ties for baling cotton or any other commodity (hoop or band iron or steel)	5,195	834.70	32,506
Horse, mule, or ox shoes	19,337	4,074.12	4,226
Machines and machinery—			
Cash registers	183	54.90	3,013
Cream separators			333,867
Sand-blast machines			4,183
Sewing machines	108,947	32,684.10	516,997
Shoe machines			38,867
Typesetting machines (linotype, etc.)			2,255
Typewriters	643	192.90	4,622
Total machines and machinery	109,773	32,931.90	903,804
Nails, spikes, and tacks	4,732	897.40	31,146
Needles, shoe-machine			3,217
Staples, wire			107
Total iron and steel (except ore)	6,690,430	492,986.73	6,941,596
Leather, and manufactures of:			
Leather and tanned skins (except chamois skin, enameled upholstery leather, glove leather, pianoforte and pianoforte action leather)	6,334,314	627,375.76	10,050,870
Boots, shoes, and slippers (leather)	176,452	17,645.04	468,141
Gloves, rawhide			219
Harness, saddles, and saddlery	99,271	24,695.59	227,858
Shoe laces, finished or unfinished	7,722	1,857.54	5,958
Total manufactures of	283,445	44,198.17	702,176
Total leather, and manufactures of	6,617,759	671,573.93	10,753,046

Imports during the fiscal year 1915 of articles placed on the free list by the Underwood tariff, etc.—Continued.

Article.	Fiscal year 1913.		Fiscal year 1915.
	Imports.	Duties.	Imports.
Meat and dairy products:			
Meat and meat products—			
Fresh meats—			
Beef	$303,934	$59,365.54	$16,772,258
Lamb	6,370	567.57	805,513
Mutton	16,406	3,192.69	679,321
Pork	38,682	3,918.78	2,010,111
Veal	7,193	1,179.29	171,405
Total fresh meats	372,585	68,223.97	20,429,608
Bacon and hams	156,933	25,122.93	1,161,263
Meats, prepared or preserved	426,809	106,701.39	1,184,947
Livers, sweetbreads, etc., of beef, etc	10,294	1,029.40	1,165,389
Lard, lard compounds, and substitutes	496	61.78	79,672
Tallow	41,563	2,443.05	823,958
Total meat and meat products	1,008,680	203,584.52	24,845,307
Dairy products—			
Cream, fresh	1,068,109	62,367.55	1,809,196
Cream, preserved or condensed			2,088
Milk, fresh	6,933	918.70	232,997
Milk, preserved or condensed	131,086	35,560.87	2,325,149
Total dairy products	1,206,128	98,847.12	4,369,430
Total meat and dairy products	2,214,808	302,431.64	29,205,827
Oils:			
Cod oil	135,949	37,319.52	433,142
Cod-liver oil	137,872	39,377.40	157,093
Paraffin oil	664	166.00	11,679
Birch tar oil			571
Perilla oil			5,485
Total oils	274,505	76,862.92	607,897
Paper stock, crude: Rag pulp			27,540
Paper, and manufactures of:			
Bibles			150,905
Textbooks used in schools, etc			116,172
Decalcomania paper, not printed			70,333
Print paper, not over 2½ cents per pound	1,167,109	172,870.41	12,883,452
Total paper and manufactures of	1,167,109	172,870.41	13,220,862
Photographic goods: Films, sensitized, but not exposed or developed	27,230	6,807.44	1,006,335
Plants, etc., bulbs, mature mother flowering, for propagation only			8,988
Radium, and salts of, and radioactive subs			29,983
Salt	288,689	145,100.99	386,564
Seeds:			
Celery seed	20,018	2,294.46	117,475
Soya beans			87,306
Selenium and salts of			43
Stone: Burrstones, manufactured or bound up into millstones	3,810	571.50	703
Tungsten-bearing ores	386,629	38,662.90	215,152
Vegetables: Potatoes	341,110	307,481.72	219,856
Wood, and manufactures of:			
Sawdust			10,911
Timber, hewn or sawed, squared or sided	13,890	172.74	2,722
Lumber—			
Boards, planks, deals, and other sawed—			
Whitewood, sycamore, and basswood	834,649	49,603.55	21,042
Sawed lumber, n. s. p. f	17,764,293	1,374,279.04	17,486,506
Broom handles			20,963
Clapboards	131,919	4,942.75	104,008
Hubs for wheels, etc., rough hewn, etc	13,876	2,775.20	20,219
Laths	1,901,606	142,329.26	1,916,248
Pickets and palings	189,911	18,991.08	137,651
Shingles	1,379,767	275,428.59	3,104,698
Staves	21,816	2,181.60	55,445
Total lumber	22,237,837	1,870,531.07	22,866,870
Wood flour	62,447	21,856.45	60,131
Wood pulp—			
Mechanically ground	317,503	33,228.69	3,109,246
Chemical, unbleached	8,416,316	902,556.20	11,559,422
Chemical, bleached	3,408,944	378,843.86	5,212,532
Total wood pulp	12,142,763	1,314,628.84	19,881,200
Total wood and manufactures of	34,456,937	3,207,189.10	42,823,354

Imports during the fiscal year 1915 of articles placed on the free list by the Underwood tariff, etc.—Continued.

Article.	Fiscal year 1913.		Fiscal year 1915.
	Imports.	Duties.	Imports.
Wool, and manufactures of:			
Unmanufactured wool and hair (except hair of the Angora goat, alpaca, and other like animals)	$29,884,197	$13,376,575.40	$66,581,908
Rags, mungo, flocks, noils, shoddy, and wastes	162,848	58,045.70	847,694
Press cloth of camel's hair, for oil milling purposes			79,005
Total wool, and manufactures of	30,047,045	13,434,621.10	67,508,697
Total transfers to free list by Underwood tariff (fiscal year 1915)	157,306,393	32,536,198.80	262,709,239

Total imports, revenues, and average rates of duty, fiscal years 1913 and 1915.

Total United States.	Fiscal year 1913 (Payne tariff).	Fiscal year 1915 (Underwood tariff).
Imports for consumption:		
Free of duty	$986,972,333	$1,032,863,558
Dutiable	779,717,078	615,522,722
Total imports	1,766,689,411	1,648,386,280
Per cent of free imports	55.87	62.66
Duties collected:		
On dutiable	$312,252,215	$205,755,073
On total imports	$312,509,946	$205,946,842
Average rate of duty:		
On dutiable imports—per cent	40.05	33.43
On total imports—do	17.69	12.49

Mr. President, in considering the Democratic tariff of 1913 from a revenue standpoint, it is interesting to note the effect of its operation as compared with that of its predecessor—the protective tariff of 1909. The following review is a three-year comparative analysis of revenues and expenditures under the Taft and Wilson administrations.

REVENUES UNDER TAFT AND WILSON ADMINISTRATIONS.

The ordinary revenues of the Government, not including the Panama Canal, public debt, and Postal Service, as reported by the Secretary of the United States Treasury July 1, for the fiscal year ended June 30, 1916, were as follows:

From customs, $211,866,223; from ordinary internal revenue—whisky, beer, tobacco, and so forth—$304,000,000; from so-called "war taxes," $83,873,339; from income tax on corporations, $56,909,942; from income tax on individuals, $67,957,488, or a total from the income tax of $124,867,430; and miscellaneous receipts, $52,873,496. This makes a total in the ordinary receipts of the Government of $777,480,488 for the fiscal year 1916.

For the fiscal year 1911 the total ordinary receipts of the Government amounted to $701,372,375; for the fiscal year 1912, $691,778,465; for the fiscal year 1913, $724,111,230; for the fiscal year 1914, $734,673,167; and for the fiscal year 1915, $697,910,828.

With the figures now complete for these six fiscal years, a comparison of revenues under Republican and Democratic administrations can be made, and for this purpose the fiscal years 1911, 1912, and 1913 are those under the Republican Party, while the fiscal years 1914, 1915, and 1916 constitute the Democratic record, with the exception of the first three months of the fiscal year 1914—July 1 to October 3, 1913—and the period from October 4, 1913, to March 1, 1914, as the Payne-Aldrich tariff was in effect, so far as customs receipts were concerned, on all merchandise during the former period and on wool for two months, woolens for three months, and sugar for the whole of the latter period.

Before an analysis is made of the last three fiscal years of the Taft Republican administration and the first three fiscal years of the Wilson Democratic administration a word should be said in explanation of what happened to the revenue during the fiscal year 1914, which is being credited by the Democrats.

From July 1 to October 3, 1913, there was $88,617,096 of customs receipts collected from the Payne-Aldrich tariff, and from October 3, 1913, to March 1, 1914, there was a revenue of $14,741,197 collected from the Payne-Aldrich rates on wool, woolens, molasses, and sugar, making a total of $103,358,293 in customs revenue collected from the Payne-Aldrich tariff during the fiscal year 1914. There also was collected $10,671,077 from the Payne corporation excise tax during the fiscal year 1914. There also was credited to the fiscal year 1914 $3,800,000 of surplus from the postal revenues for the fiscal year 1913. These items make a total of $117,829,370 in revenues received from Republican legislation during the fiscal year 1914 which was an aid to and credited by the Democratic administration to their revenues. During the fiscal year 1915 the Democratic revenues were benefited by the addition of $12,535,276 from the sale of two old battleships of the United States to Greece.

Now, for the comparison of the first three fiscal years—1914, 1915, and 1916—of the Democratic administration with the last three fiscal years—1911, 1912, and 1913—of the Republican administration. These are the ordinary receipts of the United States, and do not include the Panama Canal, public debt, and Postal Service.

Customs receipts during the first three fiscal years of the Democratic administration amounted to $713,972,910. Of that amount $103,358,293 was customs receipts received from Republican tariff rates during the fiscal year 1914. Customs receipts during the last three fiscal years of the Republican administration amounted to $944,710,139. This makes a decrease of $230,737,229 in customs receipts during the first three fiscal years of the Democratic administration.

Ordinary internal revenue—that is, receipts from whisky, beer, tobacco, and so forth—amounted to $896,058,494 during the first three fiscal years of the Democratic administration, as compared with $891,451,786 received from the same source during the last three fiscal years of the Republican administration. This is an increase of $4,606,708 by the Democratic administration. There was no change in taxes on these items by the Democratic Party. The Democratic Party in a time of peace enacted a so-called "war-tax" law, on October 22, 1914. From this measure there have been collected from the people of the United States taxes amounting to $135,942,465 since its passage. The Republican administration had no so-called "war-tax" law.

Taxes collected from the incomes of corporations during the first three fiscal years of the Democratic administration amounted to $139,193,279, as compared with $97,106,581 collected during the last three fiscal years of the Republican administration. This is an increase of $42,086,698 in taxes collected from the incomes of corporations by the Democratic administration. Taxes collected from the incomes of individuals during the first three fiscal years of the Democratic administration amounted to $137,257,184. This is an additional tax upon the thrift and energy of the people of the United States by the Democratic Party. The total receipts from the income-tax law during the first three fiscal years of the Democratic administration amounted to $276,450,463, as compared with $97,106,581 during the last three fiscal years of the Republican administration. This is an increase of $179,343,882 in taxes collected from the incomes of corporations and indivduals by the Democrate Party.

Total receipts from internal-revenue taxation during the first three fiscal years of the Democratic administration amounted to $1,308,451,422, as compared with $988,558,367 collected from internal-revenue taxation during the last three fiscal years of the Republican administration. This is an increase of $319,893,055 in direct taxes levied upon the people of the United States by the Democratic Party. Of this $319,893,055 increase in direct taxation, $273,199,649 came from the additional tax on incomes of individuals and from "war taxes" levied upon the people of the United States by the Democratic Party.

Receipts from miscellaneous sources—that is, from the sale of public lands and various other items—amounted to $187,640,151 during the first three fiscal years of the Democratic administration, as compared with $183,993,564 during the last three fiscal years of the Republican administration. In the Democratic receipts is the item of $12,535,276 from the sale of the two old battleships *Idaho* and *Mississippi*.

Total ordinary receipts (not including the Panama Canal, public debt, and Postal Service) of the Government during the first three fiscal years of the Democratic administration

amounted to $2,210,064,483. Of this amount $117,829,370 was collected from Republican legislation (as indicated in the above items) and which is credited by the Democrats to the revenues during their administration. Total ordinary receipts of the Government during the last three fiscal years of the Republican administration amounted to $2,117,262,070. This makes an increase of only $92,802,413 in the total ordinary receipts of the Government during the first three fiscal years of the Democratic administration, but this increase was obtained only by the aid of $117,829,370 of revenues collected from Republican laws carried over into the Democratic administration, and also $135,942,465 collected from the Democratic "war taxes" and $137,257,184 collected from the income tax on individuals, or a total of $273,199,649 from additional taxation by the Democratic Party in their efforts to get revenues enough to equal those that were collected under the policy of a protective tariff.

Without the support of "war taxes" or an increase in other sources of direct taxes, the Democratic policy of a low tariff and income tax would be an utter failure as a producer of revenue to support the Government. Their own official record proves it.

REVENUES AND EXPENDITURES OF THE UNITED STATES, FISCAL YEARS ENDED JUNE 30, 1911 TO 1916.

Ordinary receipts and disbursements of the Government during the last three fiscal years of Republican administration and the first three fiscal years of the present Democratic administration, with footnotes showing the Republican items that benefited the revenues during the fiscal year 1914.

[Source: Reports of the Secretary of the United States Treasury.]

REPUBLICAN ADMINISTRATION.

Revenues and expenditures (excluding Panama Canal, public debt, and Postal Service).	Fiscal year 1911.	Fiscal year 1912.	Fiscal year 1913.
Ordinary receipts:			
Customs	$314,497,071	$311,321,672	$318,891,396
Internal revenue—			
Ordinary	289,012,224	293,028,896	309,410,666
Corporation excise tax	33,516,977	28,583,304	35,006,300
Total internal revenue	322,529,201	321,612,200	344,416,966
Miscellaneous receipts	64,346,103	58,844,593	60,802,868
Total ordinary receipts	701,372,375	691,778,465	724,111,230
Ordinary disbursements (total)	654,137,998	654,553,963	682,770,706
Surplus in Treasury	47,234,377	37,224,502	41,340,524

DEMOCRATIC ADMINISTRATION.

Revenues and expenditures (excluding Panama Canal, public debt, and Postal Service).	Fiscal year 1914.	Fiscal year 1915.	Fiscal year 1916.
Ordinary receipts:			
Customs	[1] $292,320,015	$209,786,672	$211,999,223
Internal revenue—			
Ordinary	308,659,733	283,398,701	304,000,000
Emergency (war taxes)		[2] 52,069,126	83,873,339
Income tax—			
Corporations	[3] 43,127,740	39,155,597	56,909,942
Individuals	[4] 28,253,534	41,045,162	67,957,488
Total income tax	[5] 71,381,274	80,201,759	124,867,430
Total internal revenue	380,041,007	415,669,646	512,740,769
Miscellaneous receipts	[6] 62,312,145	[4] 72,454,510	82,873,496
Total ordinary receipts	[7] 734,673,167	[8] 697,910,828	[9] 777,480,488
Ordinary disbursements (total)	700,254,490	731,309,759	716,367,674
Surplus in Treasury	34,418,677		61,112,814
Deficit in Treasury		33,488,931	

NOTE.—Figures for the fiscal year 1916 are those made public in a statement issued July 1, 1916, by the Secretary of the Treasury.

[1] Includes $88,617,096 from Payne customs tariff for 3 months (July 1 to Oct. 3, 1913).
[2] For 8 months (Oct. 22, 1914, to June 30, 1915).
[3] Includes $10,671,077 from Payne corporation tax.
[4] For 10 months only.
[5] Includes $3,800,000 surplus of posta revenue for fiscal year 1914.
[6] Includes $12,535,276 from sale of old battleships Idaho and Mississippi: $3,500,000 surplus of postal revenue for fiscal year 1914, and $3,822,085 from Panama Canal tolls, making a total of $19,857,361 from unusual sources in the ordinary receipts for the fiscal year 1915.
[7] Includes $103,088,173 from Payne customs and corporation tax and postal surplus for fiscal year 1913.
[8] Not including $2,554,576.63 from Panama Canal tolls, etc.

Ordinary receipts and disbursements of the Government during the last three fiscal years of Republican administration, etc.—Continued.

COMPARATIVE EFFECT OF DEMOCRATIC ADMINISTRATION.

Revenues and expenditures (excluding Panama Canal, public debt, and Postal Service).	Last three fiscal years under Republican administration (1911, 1912, 1913).	First three fiscal years under Democratic administration (1914, 1915, 1916).	Increase by Democratic.	Decrease by Democratic.
Ordinary receipts:				
Customs	$944,710,139	[1] $713,972,910		$230,737,229
Internal revenue—				
Ordinary	891,451,786	896,058,494	$4,606,708	
Emergency (war taxes)		135,942,465	135,942,465	
Income tax—				
Corporations	97,106,581	[2] 139,193,279	42,086,698	
Individuals		137,257,184	137,257,184	
Total income tax	97,106,581	[3] 276,450,463	179,343,882	
Total internal revenue	988,558,367	[3] 1,308,451,422	319,893,055	
Miscellaneous receipts	183,993,564	[4] 187,640,151	3,646,587	
Total ordinary receipts	2,117,262,070	[5] 2,210,064,483	92,802,413	
Ordinary disbursements:				
Total disbursements	1,991,462,667	2,148,021,923	156,559,256	
Surplus of ordinary receipts	125,799,403	62,042,560		63,756,843

[1] Includes $88,617,096 of customs receipts collected by Payne tariff for 3 months (from July 1 to Oct. 3, 1913) before the passage of the Underwood tariff.
[2] Includes $10,671,077 collected from the Payne corporation excise tax during the fiscal year 1914.
[3] Includes $3,800,000 surplus of postal revenue for the fiscal year 1913; $12,535,276 from sale of old battleships Idaho and Mississippi to Greece on July 10, 1914; and $3,822,085 from Panama Canal tolls during the fiscal year 1915.
[4] Includes $88,617,096 from Payne customs tariff for 3 months (July 1 to Oct. 3, 1913); $10,671,077 from Payne corporation excise tax during the fiscal year 1914; and $3,800,000 surplus of postal revenue for the fiscal year 1913; making a total of $103,088,173 collected from Republican legislation and credited by the Democrats during their administration.

INCREASING IMPORTS—DECREASING CUSTOMS REVENUE.

Now comes the proposition for additional revenue for the purpose of meeting the demand for "preparedness." The first Democratic cry for additional revenue was when the European war came on the horizon—August 1, 1914. Then it was the cry of "falling revenues due to the stoppage of importations on account of the European war." We hear no more of decreased importations. On the contrary, there has been a progressive increase in importations since January, 1915, and a progressive falling off of customs revenue, as is seen by the following official figures:

During the last quarter of the Payne-Aldrich tariff—July 1 to October 3, 1913—imports amounted to $441,507,323; duties collected, $88,380,457, at an average rate of 20 per cent.

During the first quarter of the Underwood Democratic tariff, under peace conditions—October 4 to December 31, 1913—with Payne tariff on wool and sugar in effect, imports amounted to $497,871,162; duties collected, $65,274,599, at an average rate of 13.11 per cent.

During the first quarter of the Underwood tariff, under European war conditions—July 1 to September 30, 1914—imports amounted to $428,061,797; duties collected, $58,437,264, at an average rate of 13.65 per cent.

31, 1915, imports amounted to $401,475,701; duties collected, 31, 1915, imports amounted to $401,475,701; duties collected, $51,017,977, at an average rate of 12.71 per cent.

During the quarter, April to June, 1915, imports amounted to $442,441,452; duties collected, $48,955,743, at a rate of 11.07 per cent.

During the quarter, July to September, 1915, imports amounted to $444,589,961; duties collected, $46,107,276, at a rate of 10.37 per cent.

During the quarter, October to December, 1915, imports amounted to $490,111,911; duties collected, $49,750,044, at a rate of 10.15 per cent.

During the quarter from January 1 to March 31, 1916, imports amounted to $585,562,106; duties collected, $56,102,006, at an average rate of 9.58 per cent.

Thus we have a record of increased importations and decreased customs revenues due to the low rates of the Democratic tariff and not on account of the European war.

REVENUE TARIFF POLICIES COMPARED.

It was the intention of the Democratic Party to slash the revenues at the customhouse and transfer the burden of tax-

ation directly upon the people of the United States by the enactment of an income-tax law. As explained by the exponents of this school of economic thought it would equalize the burden of taxation. Here is how the Democratic theory of a low tariff and direct taxes works out.

During the fiscal years 1914, 1915, and 1916, the first three years of the Democratic administration, customs receipts amounted to $713,972,910, as compared with $944,710,139 of customs receipts collected during the fiscal years 1911, 1912, and 1913 under Republican administration. This is a decrease of $230,737,229 in customs receipts by the Democratic tariff law.

During the fiscal years 1914, 1915, and 1916 the Democratic income-tax law brought in $276,450,463 of revenue, as compared with $97,106,581 during the fiscal years 1911, 1912, and 1913, the last three years of the Republican administration. This is an increase of $179,343,882 from income taxes by the Democratic law. Of the total income tax collected by the Democratic Party, $137,257,184 was received from the incomes of individuals.

Therefore, we have a total of $990,423,373 of revenue collected from customs and the income tax during the first three fiscal years—1914, 1915, and 1916—of the Democratic administration, as compared with $1,041,816,720 of revenues collected from customs and the corporation excise tax during the last three fiscal years—1911, 1912, and 1913—of the Republican administration. This is a decrease of $51,393,347 in the revenues from these two sources by the Democratic tariff and income-tax law of October 3, 1913, notwithstanding the aid they had from the Republican protective tariff during the fiscal year 1914.

The difference between the policy of a protective tariff and that of a Democratic tariff for revenue only supplemented by an income tax is as follows:

The Democratic tariff of 1913 caused a decrease of $230,737,229 in customs receipts and the Government received only $179,343,882 as an increase from their income-tax law to offset this decrease in customs receipts. Therefore the Democratic tariff of October 3, 1913, is a failure as a producer of revenue to support the Government.

TRADE BEFORE THE EUROPEAN WAR.

Before the European war began, on August 1, 1914, the Democratic tariff had been in operation for 10 months, and during that period the record of trade and customs revenues of the United States was as follows:

Imports of merchandise into the United States before the European war increased $101,977,779, or 6.78 per cent; exports of merchandise from the United States decreased $158,888,343, or 7.53 per cent, resulting in a loss of $260,866,122, or 42.90 per cent, in our export balance of trade, while customs receipts fell off $30,670,070, or 11.80 per cent, during this 10 months' period before the war. This increase of imports and decrease in customs receipts was brought about by a 17.40 per cent reduction in rates by the Underwood Democratic tariff.

TRADE 10 MONTHS BEFORE THE EUROPEAN WAR.

Monthly and total effect of the Underwood Democratic tariff upon imports, exports, trade balances, and customs receipts before the European war began.

TOTAL IMPORTS.

Month.	Payne-Aldrich tariff (10 months).	Underwood-Simmons tariff before the war (10 months).	Effect of Underwood-Simmons tariff before the war.	
			Increase.	Decrease.
	1912.	*1913.*	*1913.*	*1913.*
October	$177,987,986	$132,949,302		$45,038,684
November	153,004,808	148,236,536		4,858,362
December	184,005,444	194,025,571	$29,930,127	
	1913.	*1914.*	*1914.*	*1914.*
January	$163,033,438	$154,742,923		$8,320,515
February	149,913,048	148,044,776		1,869,112
March	155,445,498	182,555,304	$27,109,806	
April	146,104,461	173,762,114	27,367,653	
May	133,723,713	164,281,515	30,557,802	
June	131,245,877	157,529,450	26,283,573	
July	139,093,779	159,677,291	20,615,021	
Total 10 months	1,503,827,093	1,605,804,782	[1] 101,977,779	

TOTAL EXPORTS.

	1912.	*1913.*	*1913.*	*1913.*
October	$254,933,504	$271,861,464	$17,227,960	
November	278,244,191	245,539,042		$32,705,149
December	250,315,837	233,195,658		17,120,179
	1913.	*1914.*	*1914.*	*1914.*
January	227,032,930	204,066,603		22,966,327
February	193,996,942	173,920,145		20,076,797
March	187,425,711	187,498,234	72,523	
April	199,813,438	162,552,579		37,260,858
May	194,607,422	161,732,619		32,874,803
June	163,404,916	157,072,044		6,332,872
July	160,990,778	154,138,947		6,851,831
Total 10 months	2,110,466,639	1,951,578,296		[2] 158,888,343

EXCESS OF EXPORTS (BALANCE OF TRADE).

	1912.	*1913.*	*1913.*	*1913.*
October	$76,645,518	$138,912,162	$62,266,644	
November	125,149,283	97,302,496		$27,846,787
December	96,229,363	49,170,057		47,059,306
	1913.	*1914.*	*1914.*	*1914.*
January	63,969,492	49,323,680		14,645,812
February	44,083,024	25,875,369		18,207,655
March	31,981,213	4,943,930		27,037,283
April	53,618,977	[3] 11,209,544		64,828,521
May	60,883,709	[3] 2,548,896		63,432,605
June	32,158,039	[3] 457,406		32,616,445
July	21,929,608	[3] 5,538,344		27,467,952
Total 10 months	606,639,636	345,773,514		[4] 260,866,122

CUSTOMS RECEIPTS.

	1912.	*1913.*	*1913.*	*1913.*
October	$30,216,824	$30,138,049		$78,775
November	25,660,353	21,173,628		4,492,725
December	24,248,161	21,510,140		2,738,021
	1913.	*1914.*	*1914.*	*1914.*
January	29,334,124	23,528,080		5,806,044
February	27,605,116	17,699,604		9,905,512
March	27,457,489	25,927,213		1,530,276
April	23,693,967	22,232,767		1,461,200
May	20,434,749	20,830,573	$395,824	
June	22,668,599	23,553,448		115,151
July	27,806,655	22,988,495		4,818,160
Total 10 months	260,132,037	229,461,967		[5] 30,670,070

[1] Or an increase of 6.78 per cent by the Underwood tariff.
[2] Or a decrease of 7.53 per cent by the Underwood tariff.
[3] Excess of imports.
[4] Or a decrease of 42.90 per cent by the Underwood tariff.
[5] Or a decrease of 11.80 per cent by the Underwood tariff.

SUMMARY—EFFECT OF UNDERWOOD TARIFF UPON TRADE BEFORE THE EUROPEAN WAR.

Total United States.	10 months ended July 31—		Effect of Underwood-Simmons tariff before the war.			
	1913, Payne-Aldrich tariff.	1914, Underwood-Simmons tariff before war.	Increase.		Decrease.	
			Amount.	Per cent.	Amount.	Per cent.
Imports of merchandise	$1,503,827,093	$1,605,804,782	$101,977,779	6.78		
Exports of merchandise	2,110,466,639	1,951,578,296			$158,888,343	7.53
Excess of exports	606,639,636	345,773,514			260,866,122	42.90
Total imports and exports	3,614,293,642	3,557,383,078			56,910,564	1.57
Customs receipts	260,132,037	229,461,967			30,670,070	11.80
Average rate of duty on imports, per cent	17.30	14.29				17.40

REVENUES BEFORE THE EUROPEAN WAR.

It has been asserted time and again by the Democrats that the Underwood tariff produced more revenue during the 10 months' period before the European war than the Payne-Aldrich tariff during the corresponding period of the previous year.

About the only comfort the Democratic Party can get out of its tariff is the alleged increase of $20,000,000 in the total ordinary receipts for the Underwood period before the European war over the receipts during the previous period under the Payne-Aldrich tariff.

An analysis of the receipts during this 10 months' period before the war does not show any such results. On the contrary, if proper and due credit were given to the respective taxing power of the two laws, there would have been a falling off in the total ordinary receipts of $6,125,024 by the Underwood tariff during this 10 months' period before the European war.

Here are the figures taken from official statements issued by the United States Treasury, showing the respective items making up these receipts and the benefit and aid they had by reason of Republican legislation and from an unusual source of revenue by the sale of two old battleships:

From October 1, 1913, to July 31, 1914, the 10 months' period of Underwood tariff before the European war, customs receipts amounted to $229,461,967; of this amount $3,080,995 was collected from the Payne tariff during the first three days of October, 1913, and $14,741,197 from Payne tariff on wool, woolens, and sugar after October 3, 1913. Ordinary internal-revenue receipts amounted to $255,921,094; income-tax receipts amounted to $76,170,440; of this amount $8,207,864 was collected from the Payne corporation excise tax. Miscellaneous receipts amounted to $67,209,294; of this amount $3,800,000 was surplus of postal revenues for the fiscal year ended June 30, 1913, and $12,535,276 was obtained from the sale of the two old battleships *Idaho* and *Mississippi*.

The above items make a total of $628,762,795 of ordinary receipts received by the United States Treasury during the 10 months of the Underwood tariff before the war, as compared with $608,590,553 of ordinary receipts during the corresponding 10 months of Payne-Aldrich tariff period of the previous year, or an increase of $20,172,242 in the total ordinary receipts, and credited by the Democrats as brought about by their tariff law.

As a matter of fact, by crediting the Payne receipts with the $3,080,995 that was collected by that law during the first three days of October, 1913, and also crediting the Payne period with the $3,800,000 of postal surplus receipts for the fiscal year 1913, and eliminating the $12,535,276 received from the sale of the two old battleships *Idaho* and *Mississippi*, but allowing the $8,207,864 collected from the Payne corporation excise tax and the $14,741,197 collected after October 3, 1913, from the Payne wool, woolens, and sugar rates to remain credited to the Underwood receipts, this would have been the result for the total ordinary receipts of the Government during the first 10 months of the Underwood tariff period before the European war began:

Tariffs.	Ordinary receipts.
Payne period (10 months)	$615,471,548
Underwood (10 months) before the war	609,346,524
Decrease by Underwood before the war	6,125,024

Even from another angle the Democratic tariff is not as good a revenue producer as the Republican tariff. The Democratic tariff policy was to cut the receipts at the customhouse and levy an income tax which fell directly upon the people of the United States. The combination is the substitute offered by the Democrats for a protective tariff upon which to raise revenue to support the Government. Even before the European war began this combination failed.

During the first 10 months of the Underwood tariff—from October 1, 1913, to July 31, 1914—the combined revenue collected from the Democratic customs and income tax amounted to $305,632,407, as against $295,124,356 collected under the Payne-Aldrich law during the corresponding 10 months of the previous year. Again, we find the Payne customs and corporation excise tax aiding the Underwood receipts during its first 10 months' period, and yet the Democrats are making a claim of an increase over the Payne revenues of $10,000,000 from customs and income tax during the first 10 months or the period before the European war. During this Underwood 10 months' period there was collected $3,080,995 from the Payne tariff for the first three days of October, 1913, and $14,741,197 from Payne tariff on wool, woolens, and sugar after October 3, 1913, and also $8,207,864 from the Payne corporation excise tax, making a total of $26,030,056 collected by Republican legislation during the first 10 months' period of the Underwood tariff. If it had not been for this aid from the Payne-Aldrich customs and corporation tax, there would not have been an increase in the receipts from customs and income tax during the first 10 months of the Underwood tariff or the period before the European war.

Ordinary receipts and disbursements of the United States, not including the Panama Canal, public debt, and the Postal Service, during the first 10 months of the Democratic tariff, October, 1913, to July, 1914, inclusive, or the period before the European war, compared with the corresponding period of the previous year under the Republican tariff, with footnotes showing the items that aided the Democratic increase of revenues which resulted in maintaining a Treasury surplus before the European war began.

[From monthly statements of the United States Treasury.]

Receipts and expenditures.	10 months ended July 31—		Increase by Underwood.[1]	Decrease by Underwood.
	1913, Payne-Aldrich tariff period.	1914, Underwood tariff before the war.		
Ordinary receipts:				
Customs	$260,132,037	[2]$229,461,967		$30,670,070
Internal revenue—				
Ordinary	260,211,928	255,921,094		4,290,834
Income tax	34,992,319	[3] 76,170,440	$41,178,121	
Total internal revenue	295,204,247	[3] 332,091,534	36,887,287	
Total customs and internal revenue	555,336,284	[4] 561,553,501	6,217,217	
Miscellaneous receipts	53,254,269	[5] 67,209,294	13,955,025	
Total ordinary receipts	608,590,553	[6] 628,762,795	20,172,242	
Ordinary disbursements (total)	571,572,473	581,596,669	10,024,196	
Surplus in Treasury	37,018,080	47,166,126	10,148,046	

[1] See the footnotes in the 1914 Underwood column for the cause of these increases.
[2] Includes $3,080,995 from Payne tariff (Oct. 1–3, 1913) and aid from Payne rates on sugar for 5 months (Oct. 4, 1913, to Mar. 1, 1914), on wool for 2 months (October and November, 1913), and on woolens for 3 months (October, November, and December, 1913).
[3] Includes $8,207,864 from Payne corporation tax.
[4] Includes $11,288,859 from Payne tariff and corporation tax ($3,080,995 from customs and $8,207,864 from corporation tax).
[5] Includes $3,800,000 surplus of postal revenues for fiscal year 1913 and $12,535,276 from sale of old battleships Idaho and Mississippi to Greece on July 10, 1914.
[6] Includes $27,624,135, made up as follows: $11,288,859 from Payne tariff and corporation excise tax, $12,535,276 from sale of old battleships Idaho and Mississippi to Greece on July 10, 1914, and $3,800,000 from surplus of postal revenues for the fiscal year 1913.

General note to above table.—By crediting the Payne period with the $3,800,000 postal surplus for the fiscal year 1913 and the $3,080,995 from Payne tariff the first three days of October, 1913; eliminate the $12,535,276 for old battleships from Underwood receipts, and allow the $8,207,864 from Payne corporation tax to remain credited to the Underwood receipts, and also the aid the Payne rates on wool, woolens, and sugar gave to the Underwood customs receipts after Oct. 4, 1913; the effect of the Underwood tariff before the war would have been as follows:

Receipts and expenditures.	Payne-Aldrich tariff period (10 months).	Underwood tariff before the war (10 months).	Increase by Underwood.	Decrease by Underwood.
Total ordinary receipts	$615,471,548	$609,346,524		$6,125,024
Total ordinary disbursements	571,572,473	581,596,669	$10,024,196	
Surplus in Treasury	43,899,075	27,749,855		16,149,220

IMPORTS AND REVENUES—FIRST TWO YEARS OF UNDERWOOD.

During the first 12 months of the Underwood tariff—October 4, 1913, to September 30, 1914—two months of which were under European war conditions (August and September, 1914), there were imported and consumed in the United States foreign goods amounting to $1,892,954,868, as compared with $1,759,500,954 during the corresponding 12 months of the previous year under the Payne-Aldrich tariff. This is an increase of $133,453,914 in imports during the first year of the Underwood tariff.

Duties collected from these imports during the first 12 months by the Underwood tariff amounted to $253,775,881—$14,741,197 of which was collected after October 3, 1913, from Payne rates on wool, woolens, and sugar—as compared with $315,672,673 of duties collected by the Payne-Aldrich tariff during the corresponding 12 months of the previous year. This is a decrease of $61,896,792 in revenue from customs by the Underwood tariff during its first year. The average rate of duty on total imports during the first 12 months of the Underwood tariff was 13.41 per cent, as compared with 17.94 per cent by the Payne-Aldrich tariff for the corresponding period of the previous year.

During the second year of the Underwood tariff, from October 1, 1914, to September 30, 1915, the entire period being under European war conditions, the total value of foreign goods imported and consumed in the United States amounted to $1,664,914,444, from which a revenue of $193,616,855 was collected.

For the first two years of the Underwood tariff, from October 4, 1913, to September 30, 1915, of which 10 months were

under peace conditions and 14 months under European war conditions, there were imported and consumed in the United States foreign goods amounting to $3,557,869,312, as compared with $3,473,993,937 during the corresponding last two years under the Payne-Aldrich tariff. Notwithstanding this 14 months' restriction of imports by reason of European war conditions, there was an increase of $83,875,375 of imported merchandise by the Underwood tariff.

For the first two years of the Underwood tariff, October 4, 1913, to September 30, 1915, the revenue collected from imports amounted to $447,392,736, as compared with $631,228,542 of revenue collected by the Payne-Aldrich tariff during the corresponding last two years; or a decrease of $183,835,806 in the revenues from imports by the Underwood tariff during the first two years of its operation.

For the first two years of the Underwood tariff the average ad valorem rate of duty upon all imports was 12.57 per cent, as compared with 18.17 per cent during the last two years of the Payne-Aldrich tariff, or a reduction of 30.82 per cent in the average ad valorem rate of duty by the Underwood tariff on total imports.

IMPORTS FOR CONSUMPTION AND REVENUE COLLECTED.

Imports for consumption in the United States and duties collected thereon, with average ad valorem rates of duty, during the last two years of the Payne-Aldrich tariff (Oct. 1, 1911, to Oct. 3, 1913) and the first two years of the Underwood-Simmons tariff (Oct. 4, 1913, to Sept. 30, 1915).

Years ended Sept. 30, 1912, to 1915.

Imports and duties.	Payne-Aldrich tariff.		Underwood-Simmons tariff.	
	Oct. 1, 1911, to Sept. 30, 1912 (peace period).	Oct. 1, 1912, to Oct. 3, 1913 (peace period).	Oct. 4, 1913, to Sept. 30, 1914 (peace period).[1]	Oct. 1, 1914, to Sept. 30, 1915 (war period).
Imports for consumption:				
Free of duty	$925,994,433	$993,453,637	$1,178,247,719	$1,070,618,531
Dutiable	788,498,550	776,047,317	714,707,149	594,296,913
Total imports	1,714,492,983	1,769,500,954	1,892,954,868	1,664,914,444
Duties collected on:				
Free imports	146,056	113,059	92,480	50,463
Dutiable imports	315,263,690	315,422,667	253,571,852	193,419,001
Articles undervalued	146,123	136,947	111,549	147,391
Total duties collected	315,555,869	315,672,673	253,775,881	193,616,855
Average rate of duty on:				
Dutiable imports (per cent)	39.98	40.64	35.48	32.55
Total imports (per cent)	18.40	17.94	13.41	11.63

[1] Includes 2 months of European war period (August and September, 1914).

Comparative effect of the first two years of Underwood tariff.

Imports and duties.	Last 2 years of Payne-Aldrich tariff, Oct. 1, 1911, to Oct. 3, 1913.	First 2 years of Underwood-Simmons tariff,[1] Oct. 4, 1913, to Sept. 30, 1915.	2-year effect of Underwood tariff.	
			Increase.	Decrease.
Imports for consumption:				
Free of duty	$1,909,448,070	$2,248,866,250	$339,418,180	
Dutiable	1,564,545,867	1,309,003,062		$255,542,805
Total imports	3,473,993,937	3,557,869,312	83,875,375	
Duties collected on:				
Dutiable imports	630,686,357	446,990,853		183,695,504
Total imports [2]	631,228,542	447,392,736		183,835,806
Average rate of duty on:				
Dutiable imports (per cent)	40.33	34.15		[3] 15.32
Total imports (per cent)	18.17	12.57		[3] 30.82

[1] Includes 10 months of peace period (October, 1913, to July, 1914, inclusive) and 14 months of the European war period (August, 1914, to September, 1915, inclusive).
[2] Includes duties collected on free imports returned and on articles undervalued.
[3] Per cent of reduction in average rate of duty by Underwood tariff.

IMPORTS AND REVENUES—FIRST 30 MONTHS OF UNDERWOOD.

It has been asserted by the Democratic administration that falling revenues were due to the decrease in imports brought about by the European war. The official figures furnished by the Democratic administration do not confirm this contention. The real test of this issue is shown from the actual record of foreign merchandise imported and consumed in the United States. The periods considered are by quarters, or a three-month period of the year. Here are the official figures:

During the first quarter, October to December, 1913, of the Underwood tariff, under peace conditions, imports for consumption amounted to $498,000,000; during the second quarter, January to March, 1914, imports amounted to $485,000,000; during the third quarter, April to June, 1914, imports amounted to $483,000,000; making a total of $1,466,000,000 of foreign goods imported and consumed in the United States during the first nine months of the Underwood tariff, under peace conditions or the period before the European war, as compared with $1,277,000,000 of imports during the last nine months of the Payne-Aldrich tariff.

During the first quarter (July to September, 1914) of the European war period, the first month (July) being under peace conditions, imports for consumption amounted to $428,000,000. During the second war quarter (October to December, 1914) imports amounted to $376,000,000. During the third war quarter (January to March, 1915) imports amounted to $401,000,000, making a total of $1,205,000,000 of imports for consumption during the first nine months of the Underwood tariff under European war conditions.

For the second nine-month period under European war conditions imports for consumption were as follows:

During the fourth war quarter (April to June, 1915) imports amounted to $442,000,000; during the fifth war quarter (July to September, 1915) imports amounted to $445,000,000; during the sixth war quarter (October to December, 1915) imports amounted to $490,000,000; making a total of $1,377,000,000 in imports during the second nine-month period of European war conditions.

For the third nine-month period of European war conditions the official figures are available only for the seventh war quarter (from January to March, 1916), when imports for consumption amounted to $586,000,000. This quarter (January to March, 1916) establishes a record for the highest volume of imports coming into the United States, as compared with any previous quarter, in the history of the United States—and under European war conditions at that.

For the first 30 months of the Underwood tariff (from October 4, 1913, to March, 1916) imports for consumption amounted to $4,633,543,428, as compared with $4,209,711,297 of imports for the last 30 months of the Payne-Aldrich tariff (from April 1, 1911, to October 3, 1914). This is an increase of $423,832,131 in imports of foreign merchandise entered and consumed in the United States during the first 30 months of the Underwood tariff, 10 months of which were under peace conditions and 20 months under European war conditions.

The monthly average of imports during the first 30 months of the Underwood tariff was $154,450,000, as compared with a monthly average of $140,324,000 of imports during the last 30 months of the Payne-Aldrich tariff. In other words, there has been an average monthly increase of $14,126,000 of imports since the passage of the Underwood tariff 30 months ago.

DUTIES.

Revenue collected from imports during the first 30 months of the Underwood tariff amounted to $553,244,785, or a monthly average of $18,430,000, as compared with $777,981,365 of revenue collected during the last 30 months of the Payne-Aldrich tariff, or a monthly average of $25,932,712. This makes a decrease of $224,736,580 in the revenues from imports during the first 30 months of the Underwood tariff, or a monthly decrease of $7,500,000.

The average ad valorem rate of duty on total imports during the first 30 months of the Underwood tariff was 11.92 per cent, as compared with 18.46 per cent during the last 30 months of the Payne-Aldrich tariff. This is a reduction of 35.43 per cent in the average ad valorem rate of duty by the Underwood tariff.

REVENUE POWER OF UNDERWOOD TARIFF.

The nonrevenue-producing power of the Underwood tariff is better shown in the following comparisons:

During the first quarter—October to December, 1913—of the Underwood tariff imports amounted to $497,871,162; duties collected, $65,274,599, at an average rate of 13.11 per cent. For the quarter April to June, 1911, which was the low record of imports under the Payne-Aldrich tariff, imports amounted to $360,791,662; duties collected, $72,191,596, at an average rate of 20.01 per cent.

The low record of imports during the European war period was for the quarter October to December, 1914, when imports amounted to $376,407,330; duties collected, $47,535,858, at an average rate of 12.63 per cent. The high record of imports under the Underwood tariff was during the war period January to March, 1916, when imports amounted to $585,562,106; duties collected, $56,102,006, at an average rate of 9.58 per cent.

Thus it will be seen that the trouble with the Democratic tariff from a revenue standpoint is on account of the low rates of duty, as at no time during the high record of imports under that tariff has the revenue collected been anywhere near equal to the revenue collected by the protective rates of the Payne-Aldrich tariff during the low record of imports under that tariff.

Imports into the United States for consumption and duties collected thereon during the first 30 months of the Underwood tariff and the last 30 months of the Payne-Aldrich tariff.

BY QUARTERS.

Tariffs and periods.	Total imports for consumption.	Total duties collected.	Average rate of duty.
			Per cent.
Payne-Aldrich tariff:			
April to June, 1911	$360,791,662	$72,191,596	20.01
July to September, 1911	374,925,699	74,561,227	19.89
October to December, 1911	398,115,546	72,834,125	18.30
January to March, 1912	429,744,036	80,820,390	18.81
April to June, 1912	437,937,621	76,683,625	17.51
July to September, 1912	448,695,780	85,217,730	19.00
October to December, 1912	482,259,236	78,286,607	16.23
January to March, 1913	455,803,411	84,150,435	18.46
April to June, 1913	379,930,983	64,855,173	17.07
July to September, 1913	441,507,323	88,380,457	20.00
Underwood-Simmons tariff:			
Peace period—			
October to December, 1913 [1]	497,871,162	65,274,599	13.11
January to March, 1914 [2]	484,505,591	66,457,102	13.72
April to June, 1914 [3]	482,516,317	63,606,916	13.18
European war period—			
July to September, 1914 [4]	428,061,797	58,437,264	13.65
October to December, 1914	376,407,330	47,335,858	12.63
January to March, 1915	401,475,701	51,017,977	12.71
April to June, 1915	442,441,452	48,955,743	11.07
July to September, 1915	444,589,961	46,107,276	10.37
October to December, 1915	490,111,911	49,750,044	10.15
January to March, 1916	585,562,106	56,102,006	9.58

[1] During this period the Payne-Aldrich rates were in effect as follows: On wool for 2 months (October and November), and on manufactures of wool, sugar, and molasses for the full 3 months (October to December).
[2] During this period the Payne-Aldrich rates were in effect on sugar and molasses for 2 months (January and February).
[3] During this period the Underwood Democratic rates were in full effect on all merchandise.
[4] July, 1914, was under peace conditions, as the European war began Aug. 1, 1914.

THIRTY MONTHS' SUMMARY.

Imports and duties.	Last 30 months of Payne tariff.	First 30 months Underwood tariff.	Effect of Underwood tariff.	
			Increase.	Decrease.
Imports for consumption:				
Total for period	$4,209,711,297	$4,633,543,428	$423,832,131	
Monthly average	140,324,000	154,450,000	14,126,000	
Duties collected:				
Total for period	777,981,365	553,244,785		$225,070,827
Monthly average	25,932,712	18,430,000		7,502,712
Average rate of duty, per cent	18.46	11.92		35.43

EMERGENCY OR "WAR TAXES."

The Democrats were getting alarmed at the condition of the Federal Treasury as a result of their tariff—that is, the failure of the customs and income-tax provisions of their law of October 3, 1913, to produce revenue. As a pretext for the falling off of revenue due to decreased importations on account of the European war, they decided upon the so-called "war-tax" measure of October 22, 1914, to make up the deficiency in the revenues that was caused by the low rates of the Underwood tariff.

During the 20 months from October 22, 1914, to June 30, 1916, that the so-called "war-tax" law has been in operation the people of the United States have paid into the Federal Treasury $136,347,428, or a monthly average of $7,000,000, in order to compensate the leak at the customhouse. Here is where the taxes fell:

Emergency revenue, or "war taxes," under Democratic law of Oct. 22, 1914, collected during the fiscal years ended June 30, 1915 and 1916.

Items.	Tax collected.	
	Fiscal year 1915.[1]	Fiscal year 1916.[2]
Fermented liquors (additional 50 cents tax)	$18,713,679.88	$29,311,164.50
Wines, champagnes, liqueurs, cordials, etc	2,307,301.97	2,631,529.98
Grape brandy used in fortification of sweet wines	138,383.56	491,202.91
SPECIAL TAXES.		
Tobacco:		
Manufacturers of cigars	299,028.75	300,403.80
Manufacturers of cigarettes	38,011.00	42,071.25
Manufacturers of tobacco	34,621.50	39,633.50
Dealers in leaf tobacco	56,335.71	60,019.49
Dealers in tobacco, not provided for	2,058,619.40	2,297,705.01
Total special taxes (tobacco)	2,486,616.36	2,739,853.05
Bankers, brokers, etc.:		
Bankers	2,828,747.02	4,226,342.37
Brokers—		
Stock brokers	161,485.03	224,074.62
Pawnbrokers	112,686.83	121,781.69
Commercial brokers	133,470.89	166,479.61
Customhouse brokers	7,781.98	8,458.85
Commission merchants	123,626.12	153,770.02
Theaters, museums, and concert halls	789,997.07	1,014,911.28
Circuses	2,555.14	7,896.16
Exhibitions not otherwise specified	15,414.36	32,380.55
Bowling alleys and billiard rooms	791,414.74	952,013.06
Total special taxes (bankers, etc.)	4,967,179.18	6,908,108.21
Total of all special taxes	7,453,795.54	9,647,961.26
STAMP TAXES.		
Schedule A. Documentary, etc	20,494,474.75	38,110,282.49
Schedule B. Perfumery, cosmetics, etc	2,961,490.59	4,086,160.99
Total stamp taxes	23,455,965.34	42,196,443.48
Total war taxes (act of Oct. 22, 1914)	52,009,126.29	84,278,302.13

[1] From Oct. 22, 1914, to June 30, 1915 (8 months 9 days).
[2] Report of Commissioner of Internal Revenue, Aug. 1, 1916.

INCOME TAXES.

It is interesting to know how the income-tax law is working. The following table shows the number of individuals and the amount of tax they have paid under the Democratic law of October 3, 1913:

PERSONAL INCOME TAX.

Individual income-tax receipts, number of taxpayers, and rate of tax under provisions of the Democratic law of Oct. 3, 1913, during the fiscal years ended June 30, 1914, 1915, and 1916.

[Receipts for the fiscal years are based on the returns made during the calendar years 1913, 1914, and 1915.]

Classification.	Rate of tax.	Fiscal year 1914.[1]		Fiscal year 1915.		Fiscal year 1916.[2]
		Number who paid tax.	Tax collected.	Number who paid tax.	Tax collected.	Tax collected.
	Per cent.					
Normal tax	1	357,598	$12,728,038.02	357,515	$16,559,492.93	$23,995,777.28
Additional tax (or surtax) on net incomes of—						
$20,001 to $50,000	1	17,961	2,934,754.40	23,348	4,106,673.36	6,091,775.71
$50,001 to $75,000	2	2,618	1,645,639.30	3,660	2,500,899.33	4,071,361.94
$75,001 to $100,000	3	998	1,323,022.61	1,501	2,102,927.01	3,623,472.62
$100,001 to $250,000	4	1,241	3,835,948.45	1,828	5,945,104.55	10,936,326.15
$250,001 to $500,000	5	222	2,334,582.95	346	3,328,423.78	6,393,858.64
$500,001 and over	6	135	3,437,850.23	174	6,439,004.54	12,647,862.91
Total additional or surtax		23,175	15,511,797.94	30,857	24,423,023.57	43,764,657.97
Accepted offers in compromise, etc			13,698.89		63,645.59	183,159.38
Total individual income tax		357,598	28,253,534.85	357,515	41,046,162.09	67,943,594.63

[1] This column is for 10 months only.
[2] Report of the Commissioner of Internal Revenue, Aug. 1, 1916.

INCOME TAX.

Income tax receipts collected during the last three fiscal years of Republican administration and the first three fiscal years of the present Democratic administration.

[Source: Reports of U. S. Commissioner of Internal Revenue.]

Income tax.	Republican administration.		Democratic administration.	
	Fiscal year.	Tax collected.	Fiscal year.	Tax collected.
Corporations[1]	1911	$33,511,525.00	1914	[2] $43,127,739.89
	1912	28,583,259.81	1915	39,144,531.71
	1913	35,006,299.84	[3] 1916	56,972,720.88
Individuals	1911	.....	1914	28,253,534.85
	1912	.....	1915	41,046,162.09
	1913	.....	[3] 1916	67,943,594.63
Total income tax	1911	33,511,525.00	1914	[2] 71,381,274.74
	1912	28,583,259.81	1915	80,190,693.80
	1913	35,006,299.84	[3] 1916	124,916,315.51

[1] Does not include income tax collected from railroads in Alaska (under law of July 18, 1914) during the fiscal years 1915 and 1916. The amounts collected during those years were as follows: $11,065.06 for 1915, and $20,937.10 for 1916. The receipts from this source are treated as a special fund and are paid over to the treasurer of the Territory of Alaska.

[2] Includes $10,671,077.22 collected from the Republican corporation excise tax.

[3] Report of Commissioner of Internal Revenue, Aug. 1, 1916.

WATCHES.

The imports of watches into the United States under the Republican and Democratic tariffs were as follows:

Imports of watch movements, cases and parts of watches (less dials) under Payne law, watches complete, movements, cases and parts of watches (less dials) under Underwood law, during quarters ending as follows:

	Payne-Aldrich law, 1912.		Payne-Aldrich law, 1913.		Underwood law, 1914		Underwood law, 1915.		Underwood law, 1916.	
	Imports.	Revenue.	Imports.	Revenue.	Imports.	Revenue.	Imports.	Revenue.	Imports.	Revenue.
March	$303,638.00	$134,203.65	$423,594.45	$183,637.58	$588,028.68	$176,408.60	$575,555.00	$172,666.50	$712,665.00	$213,799.50
June	394,235.00	168,658.50	444,373.39	184,627.33	653,655.00	196,096.50	530,969.00	159,290.70	.....	.....
September	466,264.50	198,107.65	488,842.50	194,647.57	416,308.00	124,892.40	618,717.00	185,615.10	.....	.....
December	617,324.00	263,039.50	[1] 910,459.98	273,137.99	751,380.00	225,414.00	797,288.00	239,186.40	.....	.....
Total	1,781,461.50	764,009.30	2,267,270.32	836,050.47	2,409,371.68	722,811.50	2,522,529.00	756,758.70	712,665.00	213,799.50

[1] First quarter in 1913 under Underwood law.

IMPORTS OF WATCHES AND PARTS, CASES AND PARTS (LESS DIALS), BY MONTHS.

	Payne-Aldrich law, 1912.	Payne-Aldrich law, 1913.	Underwood law, 1914.	Underwood law, 1915.	Underwood law, 1916.
January	$162,936.00	$192,853.00	$227,223.00	$266,675.00	$278,262.00
February	164,358.00	182,237.00	250,018.00	263,065.00	248,162.00
March	154,824.00	205,280.00	317,329.00	261,080.00	304,669.00
April	177,396.00	225,165.00	289,185.00	224,202.00	302,587.00
May	179,561.00	204,705.00	272,193.00	266,244.00	286,650.00
June	177,022.00	215,343.00	286,487.00	243,561.00	328,374.00
July	191,877.00	217,757.00	278,921.00	.....	.....
August	226,239.00	210,846.00	160,694.00	.....	.....
September	238,746.00	300,685.00	129,281.00	.....	.....
October	253,691.00	346,342.00	246,339..0	.....	.....
November	242,546.00	314,258.00	252,238.00	.....	.....
December	237,062.00	354,415.00	447,351,00	.....	.....
Total	2,406,258.00	2,969,886.00	3,157,259.00	1,524,827.00	1,748,701.00

DUMPING.

We must not underrate the dangers to which we are likely to be exposed at most any time. I quote a Stockholm correspondent's letter printed in the London Times:

From reliable persons recently back from Germany I have received further facts as to the great dumping plan under which Germany, by exporting vast quantities of cheap goods now ready, is to pay for raw materials and to regain at a bound her lost markets.

The dumping organizations are not complete, and the question is being considered of quickly buying up tonnage when peace comes. In Westphalia, Saxony, and Bavaria are being formed manufacturers' associations of a new kind, which will aim at common action and prevent excessive production of some products or insufficient production of others. They will also rule certain technical questions and questions of salability arising out of the changing public taste.

The south German toy manufacturers expect an enormous demand for toys after the war. The Nuremburg wood-pulp toy makers are making "British soldiers," and they are also preparing to invade the Russian market with Russian pulp soldiers, flags, sentry boxes, and even "Ilya Mourometz" aeroplanes. The manufacturers declare that Russia, in order to restore her credit, must resume selling wheat to Germany, and that she must take in return whatever goods Germany chooses to sell her.

Some banks (really acting for the State) question the salability of certain goods specially produced for dumping. The manufacturers replied that the price, not the public taste, dictates the fashion, and that if things are available at specially low dump prices they will automatically become popular.

Makers of optical, surgical instruments, electrical machinery, and machine tools are all working together. The amount of dump goods which is considered necessary is distributed for production among different factories on lines which insure economy and division of labor. The production price has been cut so low that the 90 per cent of sale value, advanced by the State to enable production to be carried on, has been reduced. In the campaign for economy factories and workshops are being standardized and specialized. Where two shops in a given area formerly produced indiscriminately two classes of goods, one factory has now taken over altogether one class and the other factory the other class. Sometimes machinery has been exchanged. The Berlin ready-made clothing and underclothing manufacturers are also preparing. West Russia is the proposed dumping ground for men's ready-made clothes.

In general, the dump preparations work efficiently, and there is no doubt that neutral States and, if they allow it, enemy States will be badly hit by German competition, especially if, as Germans themselves predict, a period of industrial depression follows the war.

I quote from the Economist:

It will be seen that price cutting and underselling other countries in their own markets, and in world markets as well, is the chief foundation of the German plan. This means that prices will be cut to the bone in the domestic market and alike for export purposes. It means that no American antidumping law will meet the case. No antidumping law can prevent the invoicing of exports at the same values that prevail in the country of production. When a foreign country sells for export at prices no lower than those which prevail in the wholesale market at home, that is not "dumping," and no law that the United States Congress can pass will make it "dumping." To reduce prices in the domestic market and sell to outsiders at the same prices is a perfectly legitimate transaction. Beyond question cut prices will be the policy, not alone in Germany, but of all the industrial nations after the war is ended. Every one of them can and will mark down their domestic prices to a point where the Underwood free-trade tariff will be powerless to prevent the flooding of this country with goods so low in price as to take the American markets away from American labor and industry. In the face of such a prospect the antidumping legislation

contemplated by the free-trade administration and Congress would be rendered futile and worthless.

The London Times comments upon the report from Stockholm as follows:

"Though there is nothing new in this, for intelligent people everywhere ought to have known how Germany is preparing to flood all markets with manufactured goods at less than cost in order to get quick cash and to break down new industries in the United States and elsewhere, it is worth repeating in order that this warning may arouse our country to the need of immediate tariff action to prevent our industries from being swamped in this way."

Higher tariffs in the enemy countries of Europe, protective tariffs that will operate as a shield against a wholesale cutting down of prices that will undersell their own producers, will certainly come at the close of the war. Already the allied powers are considering this question and preparing for protective tariffs. Free-trade Great Britain is morally certain to adopt the protective policy. But of all the countries in the world none is so vitally in need of a protective shield as the United States. Our labor is higher priced and our production cost far greater than those of any of the European countries which are turning toward protective duties to save their own markets. Of all others our Nation stands most in need of an adequate protective tariff to take the place of the existing low tariff and no tariff.

Another illustration of the way in which American trade is likely to be hemmed in on every side, and how our manufacturers are apt to suffer severely from the action of foreign Governments, is found in a list of articles the importation of which into Great Britain, except under special license, has been entirely prohibited. I have already referred to the Lufkin Rule Co., but American manufacturers are continually encountering a similar condition of exclusion whenever they attempt to export certain articles.

The following rather comprehensive list of articles the importation of which into Great Britain, except under the restrictions cited, has been prohibited is most illuminating:

ARTICLES THE IMPORTATION OF WHICH INTO GREAT BRITAIN, EXCEPT UNDER SPECIAL LICENSE, HAS BEEN PROHIBITED.

Acids: Fatty (unless en route for the United Kingdom or actually purchased on or before Mar. 24, 1916).

Bladders, casings, and sausage skins.

Brooms and brushes.

Cement (unless en route for the United Kingdom or actually purchased on or before Mar. 24, 1916).

China, earthenware, and pottery, excluding cloisonne ware (unless en route for the United Kingdom or actually purchased on or before Mar. 24, 1916).

Cotton: Yarn, piece goods, all cotton manufactures, excepting hosiery and lace (unless en route for the United Kingdom or actually purchased on or before Mar. 24, 1916).

Note (a). Knitted cotton underwear not prohibited importation into the United Kingdom.

Note (b). Binding cloth, if it is in the form of cotton piece goods, is prohibited.

Flowers: Bulbs, flower roots, plants, trees, and shrubs.

Fruits: Bottled, canned, dried, and preserved (except currants).

Note (a). Prohibition not applicable to fruits the product of any British dominion, colony, possession, or protectorate.

Note (b). Fresh fruit not included in prohibition.

Note (c). One-half quantities received in 1915 may be exported, and there will be no objection to the landing of fruit en route or paid for on March 4.

Note (d). Beginning October 31 licenses will be granted for importation 50 per cent canned, bottled, dried, and preserved fruit imported in 1915.

Hardware: Hollow ware, cutlery (unless en route for the United Kingdom or actually purchased on or before Mar. 24, 1916).

Note (a). Board of trade announces that prohibition to import hardware does not apply to awl blades, bayonets, bullet molds, caps or cartridge making, cartridges, cases, hammers, horse clippers, jacks, small and screw percussion-cap shells, pliers, pulleys and blocks, scythes and sickles, shears, spanners, tools for carpenters, coopers, masons, and shipwrights, trenching struts, brass or copper tubes.

Horns and hoofs.

Ice.

Ivory.

Motor cars: Automobiles and automobile chassis, motorcycles, and parts and accessories of automobiles and motorcycles other than tires (with the exception of automoolles, chassis, and parts and accessories of automobiles which are at present exempt from import duty).

Note (a). The following motor vehicles are exempt from duty under the law of December 23, 1915: Motor cars which are proved to the satisfaction of the commissioners of customs and excise to be constructed and adapted for use and intended to be used solely as motor omnibuses or motor ambulances or in connection with the conveyance of goods or burden in the course of trade or husbandry or by local authority, as fire engines or otherwise, for the purpose of their fire-brigade service, and chassis, component parts and accessories which are so proved to be intended to be used solely for any such motor cars.

Note (a–1). Motor cars, chassis, parts and accessories, except tires, such as were exempted from previous prohibition.

Licenses to import will be granted where goods were en route or paid for on date of proclamation, June 27.

Licenses for importation of automobiles will be issued where national interest apparent or where commercial motor cars are required for fire departments, conveyance of wounded or sick, or police or local government authorities, agricultural purposes, or conveyance of essential goods. Spare automobile parts may be imported under licenses for imported commercial vehicles already in United Kingdom.

Musical instruments: Musical instruments, including gramophones, pianolas, and other similar instruments, and accessories, component parts, and records therefor.

Oil cloth (unless en route for the United Kingdom or actually purchased on or before Mar. 24, 1916).

Paper: All materials for the manufacture of paper and to paper for printing or writing, on reels or not on reels, printed paper hangings, printed or coated paper, paper for packing and wrapping, strawboard, millboard, and wood-pulp board, "unenumerated and articles of paper, including boxes and cartons of paper or cardboard."

Note (a). Special committee appointed to license proposed importations of paper and paper-making materials—secretary, John Singleton Clemons, Central House, Kingsway, London. Committee will give or withhold licenses in such manner as to reduce imports by one-third, attaching to licenses such conditions "as they may think desirable with object of securing two-thirds of supplies and that the price charged to consumers shall be a fair one."

Note (b). Consignments of paper actually shipped before March 1, 1916, will be admitted without formality but not consignments then en route to seaboard or waiting at port of shipment.

Note (c). Royal commission on paper has given positive assurances to shipping companies in London that no delay whatever will arise in discharging any such material that arrives in boats from the United States, even where no license has been granted by the commission. This ruling indicates the intention not to apply restriction order for the present to American consignments.

Note (d). Limited quantities of paper may be imported under special license after October 31, 1916.

Note (e). Any paper arriving in the United Kingdom on or after March 1, 1916, requires a license before it can be cleared by the customs and delivered to the consignees. Licenses will, as a rule, be granted on the basis of two-thirds of last year's importation, but no definite guarantee can be given.

Periodicals: All periodical publications exceeding 16 pages in length imported otherwise than in single copies through the post.

Note (a). Paper commission for restricting importations has issued rules providing that from March 1, 1916, licenses may be granted to paper makers to import two-thirds of weight of imported materials that they consumed in standard year 1914; to importers of paper to import two-thirds of weight of paper which they imported in 1914. Where any paper maker has on March 1, 1916, large stock of materials, commission may treat such stock as part of the two-thirds supply.

Note (b). Books bound and unbound, including printed sheets intended to be bound, are exempt from prohibition.

Salt.

Soap (unless en route for the United Kingdom or actually purchased on or before Mar. 24, 1916).

Spirits: Spirits and strong water of all kinds except brandy and rum.

(Starch, dextrine, farina, and potato flour.)

Note (a). Starch, dextrine, farina, and potato flour may be imported by the issuance of general license permitting their importation.

Stones and slates.

Tobacco: Manufactured and unmanufactured (including cigars and cigarettes).

Note (a). Tobacco licensing committee gives notice that consignments manufactured or unmanufactured dispatched from place of origin on or before February 15, 1916, may be imported on production of bills of lading or railroad receipts showing date of dispatch. Habana cigars shipped on or before March 18, 1916, from Cuba may be imported.

Note (b). Board of trade withdraws proposal to grant licenses for importation tobacco purchased before February 15, but prepared to grant licenses for importation between June 1, 1916, and May 31, 1917, of tobacco for home consumption not exceeding one-third of quantity imported for home consumption in calendar year 1915. Quantity imported for home consumption in 1915 was 124,458,173 pounds. Stock in bond here on April 13 was 251,829,000 pounds.

Toys, games, playing cards (unless en route for the United Kingdom or actually purchased on or before March 24, 1916).

Vegetables and pickles: Canned, bottled, dried, and preserved vegetables and pickles.

Vegetable moss litter.

Wood: Furniture, furniture wood, beech, birch, elm, and oak woods, hardwood and veneers (except pine, fir, spruce, teak, ash, or wainscot, pit props or pitwood, sleepers or staves), manufactured joinery and other wood manufactures except lacquered wares; baskets and basket ware, excluding bamboo.

The following are permitted importation: Beefwood, boxwood, dogwood, greenheart, hickory, lancewood, lignum vitæ, padouk, sabicu, and sandalwood.

The following are regarded as prohibited: Acacia or locust tree, alerce, amboyna, base, blackwood, blackbutt, cedar, cocobole, cocus, cochinella, ebony (not being green ebony, gaulcum gum, ironwood or iron bark, jarrah, juniper, karri, kingwood, letterwood, mahogany, maple, maracauba, New Zealand, olive, partridge, plane, purple, rose, Santa Maria, satinwood, snake, speckled, sweet, tulip, walnut, white (American), zebra, and sanders (white or yellow).

NOTE A.—Consignments of furniture wood, hardwoods, and veneers dispatched on or before February 15, 1916, may be imported on production of bills of lading or railroad receipts showing date of dispatch.

NOTE B.—Licenses will be granted for the importation of furniture, manufactured joinery and other wood manufactures, baskets and basket ware, beech, birch, elm, and oak woods which were en route to the United Kingdom or actually purchased on or before March 24, 1916.

Woolen and worsted manufactures of all kinds, except yarns. (Unless en route for the United Kingdom or actually purchased on or before March 24, 1916.)

Machine tools: All machine tools and parts thereof, including small tools.

Beer.

Hops.

Leather manufactured goods (other than belting, boots, and shoes and gloves).

Matches.

Manufactures of aluminum.

Baths of metal.

Carpet sweepers.

Cash registers.

Lawn mowers.

Sewing machines.

Stoves and ranges.

Toilet articles containing glycerin.

Wringers and mangles.

Yeast: Licenses to import will be granted where goods were en route or paid for on date of proclamation—June 27. Licenses to import yeast up to half amount imported 1915 will be granted.

Vacuum cleaners: Licenses to import will be granted where goods were en route or paid for on date of proclamation—June 27.

Cocaine: All preparations, salts, derivatives, or admixtures prepared therefrom containing one-tenth per cent cocaine.

Opium: Raw or granulated or prepared for smoking, including any solid or semisolid mixture containing opium.

Airguns and rifles, sporting guns, carbines, and rifles.

Oranges not produce of British Empire, except under license.

NECESSITY FOR AN AMERICAN WOOL SUPPLY.

Free wool has been a time-honored Democratic doctrine. During the campaign the Democratic orators talked themselves hoarse for free wool; but when the party happens to get into power and the responsibility of legislation is placed upon them, they realize the fallacy of the doctrine, but are driven to put wool upon the free list because they have gone so far afield in clamoring for free wool. And yet now more than ever it begins to look as if we would have to rely upon ourselves for our supply of wool.

The Philadelphia Wool and Textile Association, in view of the danger of a shortage in the wool supply, has actively urged the raising of sheep in the Eastern States. Literature has been sent out to the wool manufacturers demonstrating the needs of the situation and calling upon them for cooperation in promoting the movement, which promises to assume a national aspect, as interest in the subject has been awakened on all sides. The material being distributed to manufacturers and trade organizations includes the following table showing the decline of the production of wool in the United States:

Production of wool in the United States.	Pounds.
1909	328,000,000
1910	321,000,000
1911	318,000,000
1912	304,000,000
1913	296,000,000
1914	290,000,000
1915	288,000,000

Men prominent in the wool-manufacturing business have approved the suggestion of the Philadelphia Wool and Textile Association. An American wool supply is recognized as an essential to national security.

William M. Wood, president of the American Woolen Co., points out in a letter to the Philadelphia Wool and Textile Association that the supply of wool has fallen over 12 per cent in the seven years since 1909 and that the wool production of the world is decreasing.

National prudence—

He says—

demands an immediate increase in the flock of the United States. The American people need more sheep for food and clothing. In spite of the rapidity with which the cheap lands of the West have been taken up, there are still great areas in this country where sheep can be grown with a profit by the exercise of intelligence and perseverance. Sheep can be grown again in large numbers on the abandoned pastures of the New England and other Eastern States. All this is an essential part of any patriotic national movement for preparedness.

The letter from Mr. Wood to the Philadelphia Wool and Textile Association has been sent also to Members of Congress, of State legislatures, and the Department of Agriculture. The letter in full is as follows:

DEAR SIR: I would most earnestly commend to your attention the campaign of the Philadelphia Wool and Textile Association for "more sheep and more wool." Though the population of the United States is rapidly increasing, the number of sheep and the amount of wool produced here are falling off. In 1909, 328,000,000 pounds of wool were grown in this country; in 1915 only 288,000,000 pounds, a loss of 12 per cent in seven years. In the last fiscal year, out of a total of 591,015,495 pounds of wool available for consumption in the United States, foreign wools represented 300,000,000 pounds or more than one-half.

Nor can we depend upon wool supplied from abroad, for the wool production of the whole world is decreasing. This world supply in 1915 was estimated at 2,836,000,000 pounds. In 1914 the estimate was 2,872,000,000 pounds; in 1913, 2,880,000,000; in 1912, 2,971,000,000. The great war has wholly cut off certain sources of supply, and made reliance on others most uncertain. Large numbers of sheep have undoubtedly been destroyed in the course of warfare.

So critical is the situation that Great Britain, which controls nearly two-thirds of the world's wool, is contemplating the imposition of an export duty on this indispensable raw material when bought by any but British purchasers.

National produce demands an immediate increase in the flock of the United States. The American people need more sheep for food and clothing In spite of the rapidity with which the cheap lands of the West have been taken up there are still great areas in this country where sheep can be grown with a profit, by the exercise of intelligence and perseverence. Sheep can be grown again in large numbers on the abandoned pastures of the New England and other Eastern States.

Australasia produces nearly three times as much wool as our own country, chiefly because in Australasia woolgrowing is a modern, systematized business and because all laws are made to favor it and worthless dogs are not allowed to harry and murder valuable flocks. National and State governments with us have done much to encourage their proper due. There is urgent need of a searching investigation of the whole question by National and State authorities. May I not ask you to take up the subject and do your share, to the end that there may be more food and more wool for the American people?

All this is an essential part of any patriotic national movement for preparedness, for the position in which this country would find itself in war—dependent on foreign sources for more than half its wool—is appalling to contemplate.

Very truly yours, WM. M. WOOD, *President.*

We learned from London on August 4 that the wool committee of the British War Department had decided to allow no exports of wool to the United States, neither merino, crossbred, nor English fleeces. It is true that we have still South America from which to draw the supplies which we must always import to patch out our inadequate raw wool production in order to take care of our wool industry, even in a normal manufacturing period, but with the English embargo in force we will be seriously crippled in our supply of raw wool in quantity as well as in character.

The Indian government has put an embargo upon the exportation of raw wool, except to England, for six months from April 1, 1916.

It is interesting to note some of the articles subject to embargo as printed from time to time in the commerce reports. We note that the British War Department has issued the following memorandum containing the regulations regarding the exportation of wool, manufactures of wool, and so forth, at present in force in the United Kingdom. The exportation of khaki woolen or worsted cloth, or a mixture thereof with any other fiber, except under license, is prohibited to all destinations. The exportation of the following goods, except under license, is prohibited to all destinations abroad other than British possessions and protectorates. Wool and hair of all kinds, pure and mixed, or mixed with any other fiber or in the form of tops, noils, wastes, rags, shoddy, and mungo applicable to other uses than manure, pulled or not, yarns, jerseys, cardigan jackets, gloves, socks, and men's underwear of all kinds.

We further learn that at the so-called "off season" wool sales which were held in Sydney during the week ending June 17 and in Melbourne during the week ending June 24 an export embargo was enforced against shipment to countries other than Great Britain and its allies. We are informed that local representatives of the Textile Alliance and local wool firms which sell to American buyers are hopeful that the embargo against neutral countries will be relaxed when the demands of the allied countries are somewhat satisfied. American buyers are always welcomed in Australia because their competition holds up prices. No official prediction concerning the duration of the embargo is possible in Australia because the policy is largely determined by instructions from the imperial Government.

It is very desirable from the viewpoint of the United States that this embargo be raised before the principal wool sales start in September. This is of concern to American purchasers of raw wool. It also is an important factor in the shipping situation, because an absence of return freights to the United States would either increase freight rates to Australia or cause vessels to be taken off the route. It is finally important in reference to the exchange situation, particularly if we desire to inaugurate more satisfactory dollar exchange. Since there is an embargo against the export of gold from Australia, a fairly even balance of imports and exports between the United States and Australia is necessary if settlements are to be arranged without constant dependence upon London.

Then we have the Russian embargo and export regulations. A Russian decree of May 4 codifies all embargo lists and restrictions on export issued before that date. By decrees of May 23, June 5, June 6, and June 12 additional articles have been placed under complete or partial embargo. Among the articles to which the embargo applies and the exportation of which by way of all frontiers of the Empire is prohibited are wheat, rye, oats, barley, lentils, buckwheat, millet, peas, beans, kidney beans, rice, tomatoes, onions, potatoes, cabbages, beets, dried vegetables, flour and grits, macaroni, tea, sugar, pepper, salt, butter, animal fat, meats of all kinds (except bacon), canned goods, cattle and hogs, hay and straw, tobacco (except cigars and cigarettes), sailcloth and khaki, dressed and undressed hides and skins—namely, ox, bull, cow, camel, buffalo, horse, and ass hides, and calf and pig skins—platinum, copper, and brass in the form of metal, scrap, or manufactures. And so on with a list of other articles, together with stringent export regulations concerning applications for authorization to export products placed upon the embargo list. It is to be noted that among the other articles the exportation of which is prohibited is wool.

By decree of August 24, 1915, the exportation of the following products from Spain has been prohibited: Hemp of various kinds, wool and cotton waste, ammoniac, refined plumbago, tungsten, superphosphates of lime and other mineral fertilizers, charcoal, and beet seeds.

And so I could go on and mention many other instances of articles subject to partial or complete embargo, restricted by the most stringent regulations concerning their importations to neutral countries. The American consulates are continually sending information to our State Department of additional articles of exportation the exportation of which to all destinations is prohibited, such as the information contained in the telegram from the American consul general at London, November 4, 1915, stating that the exportation of aluminum and its alloys and manufactures thereof has been prohibited, cinchona

bark, quinine and its salts, metal cylinders, such as those for compressed oxygen or hydrogen.

From the same consulate, on November 26, 1915, we are informed that the exportation of cotton wadding, cotton wool, and iron ore of all descriptions to all destinations has been prohibited.

On December 14, 1915, from the same consulate a telegram was received stating that the exportation of magnesite, caustic or lightly calcined, and dead-burnt magnesite has been prohibited to all destinations and the exportation of beeswax to all destinations except British possessions. Coal of all kinds and coke come under a similar prohibition.

On December 22 from the same consulate the information was telegraphed that the exportation of hematite pig iron and of iron and steel smelting scrap had been prohibited to all destinations and the exportation of the following products to all destinations other than British possessions had been forbidden: Bichromate of soda, bladders, casings and sausage skin, colchicum and its preparations, solid-drawn steel tubes, and wireless telegraph apparatus.

Of course these embargoes and the notices of contraband are subject to change from time to time, but the general tendency is toward a restriction.

Denmark has placed an embargo prohibiting the exportation of lard and clover seed. France prohibits the exportation of flax, raw, stripped, and combed, tow and thread; hemp, hackled or stripped and combed, tow and thread; seeds for sowing and other seeds, an embargo of vital interest to American seed growers.

A further French decree places on the embargo list lenses for eyeglasses and optical instruments for observation, surveying, and optional purposes.

Germany has placed an embargo upon dyestuffs and colors, which has recently been relaxed in favor of a prominent German firm, to which has been granted permission to resume the shipment of enamel colors to the United States, the usual guaranties against reexportation being required.

Italy has modified its embargo in some respects. Norway has placed an embargo on copper and brass plates, bars, bolts, spikes, nails, pipes, and foundry pieces. Also upon instruments and material for medical, surgical, dental, and veterinary use; imported oil of turpentine.

Sweden has forbidden the exportation of wool. The British Government has prohibited the exportation of tin to other than British ports.

And not only is the embargo placed upon exportations, but even upon importations, as in the instance cited by Hon. JOSEPH W. FORDNEY of the case of the Lufkin Rule Co., manufacturing tapes and rules. It appears that the English manufacturers can supply all of the tapes and rules that are needed in the country, consequently the American manufacturer is shut out of the market.

All these conditions and complications persuade us as never before in the history of the country of the necessity of adequate protective duties to render us industrially independent, and above all industrially prepared. Where would we be to-day if we had not under a succession of protective tariffs built up our diversified industries throughout the country, so that we have been to a very large extent and in a substantial way independent of Europe during the European war?

RAILROAD POLITICAL CAMPAIGN ADVERTISING.

Mr. MARTINE of New Jersey. Mr. President, a matter came to my notice a day or two ago which I think is most flagrant, and I feel that the Senate of the United States and the people of this country should be apprised of it. The railroads of this country are common carriers, and they run across our country by right of charters which have been granted to them by the people of the land.

Mr. BRYAN. Mr. President, will the Senator from New Jersey yield to me to present a privileged report?

Mr. MARTINE of New Jersey. I shall not take three minutes. I prefer that the Senator should wait.

The railroads of this country are in no sense private corporations, but they are permitted to carry on their traffic and business through the grace of the people. I believe the railroads have no right to use their roads or any of their belongings in behalf of any particular political party.

Mr. President, while traveling on the Pennsylvania Railroad from Newark to the Capital a day or two ago I went into the dining car. There I was handed the menu card which I hold in my hand. This card was by the Pennsylvania Railroad Co., authorized to be printed. Let me read it:

Restaurant car service, Pennsylvania Railroad—Dinner—

Then it goes on—

Little neck clams, 25 cents; braised ox joints with noodles, 50 cents—

And so forth.

Then upon the card, conspicuously displayed, appears the following:

REGULATE THE RAILROADS CONSTRUCTIVELY.

We must rescue our instrumentalities of interstate and foreign commerce, our transportation facilities, from uncertainty and confusion. We must show that we know how to protect the public without destroying or crippling our productive energies.—Hon. Charles E. Hughes.

I insist that this is a most infamous abuse. As I have said, the railroads are public carriers, and they have no right to use their service, either in the dining car, in the parlor car, or in any other car, for the purpose of pressing any particular propaganda. This makes, to my mind, as it must to that of every other Senator, a complete connection between the railroads—particularly the Pennsylvania Railroad—and the Republican Party. It is using its great highways for partisan purposes. To my mind it is a crying wrong. I want to make such a system of insidious advertising a crime against the laws of the land.

Mr. NELSON. Mr. President, will the Senator from New Jersey yield to me?

Mr. MARTINE of New Jersey. For what purpose?

Mr. NELSON. Merely for a question.

Mr. MARTINE of New Jersey. Yes; I yield to the Senator.

Mr. NELSON. May not the language on the menu card, which the Senator from New Jersey has read, be placed there for the purpose of giving their customers better appetites for their dinners?

Mr. MARTINE of New Jersey. I do not think it gives their customers any better appetites. It might make sharper and more acute the appetite of the Senator from Minnesota, but I think as to the average man it would be more apt to retard digestion or cause acute indigestion to read this miserable little effusion which is printed on the menu card.

Mr. PENROSE. Will the Senator from New Jersey permit an inquiry?

Mr. MARTINE of New Jersey. Yes.

Mr. PENROSE. I am acquainted with a number of the officials of the Pennsylvania Railroad Co., and I really feel considerable confidence that I might get them to print an extract from one of the Senator's speeches on their menu card. [Laughter.]

Mr. MARTINE of New Jersey. I will never ask the Senator to try to do that.

Mr. President, I say this is a most abominable and atrocious abuse. These railroads are prostituting to political and partisan purposes the privileges which they have. This is clearly a case of a contribution to the Republican campaign fund. It costs something, and somebody must pay for it.

Mr. SMITH of Arizona. Mr. President, will the Senator from New Jersey permit me to ask a question right there?

Mr. MARTINE of New Jersey. Yes.

Mr. SMITH of Arizona. Is that the same railroad as to which I am informed in the recent investigation it was shown that it does its own printing, and that the head of the printing department was allowed the small sum of $150,000 a year for that service?

Mr. MARTINE of New Jersey. That is doubtless true; I do not know anything about it; but I do say that this is a grave abuse. I can not imagine a great corporation prostituting the great privileges it has for running across the country, ramifying its roads in every direction, and being granted a thousand privileges, utilizing a menu card, that must stare in the face every man who wants to get a mouthful to eat on their trains in order to present their own political dogmas. It is really ridiculous and contemptible.

They should put on their menu card more of the effusions of Mr. Hughes, such as—

We are traveling through a fool's paradise.—Hon. Charles E. Hughes.
Peeled muscat grapes, 25 cents.

What a miserable farce and contemptible humbug and burning wrong and outrage it is!

Mr. President, it was my hope that the proposition which was embodied in the bill of the Senator from Oklahoma [Mr. OWEN], which was recently before the Senate, might be passed and that we might in some way frame some feature or amendment of the bill which would make a repetition of this miserable and contemptible method of campaigning utterly impossible, or put it under a very severe penalty.

Mr. PENROSE. Mr. President, will the Senator from New Jersey permit me one word?

Mr. MARTINE of New Jersey. Yes.

Mr. PENROSE. As I am informed, the president of the Pennsylvania Railroad Co., Mr. Rea, is a Democrat.

Mr. MARTINE of New Jersey. I do not care what he is.

Mr. PENROSE. And that he voted for Woodrow Wilson.

Mr. MARTINE of New Jersey. I do not care what he is.

Mr. PENROSE. I am also informed that three-fourths of the officials and employees of that road are Democrats.

Mr. MARTINE of New Jersey. I do not believe that, for a great part of them come from Pennsylvania.

FINAL ADJOURNMENT.

Mr. BRYAN. Mr. President, I report from the Committee on Appropriations without amendment the House concurrent resolution (No. 60) which I send to the desk. I ask unanimous consent for its present consideration.

The VICE PRESIDENT. The resolution reported by the Senator from Florida will be read.

The Secretary read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the President of the Senate and the Speaker of the House of Representatives be authorized to close the present session of the Congress by adjourning their respective Houses on the 8th day of September, 1916, at 10 o'clock antemeridian.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. STERLING. I move to amend the resolution by changing the hour of final adjournment from 10 o'clock to 11.30 o'clock.

Mr. BRYAN. I move to lay the amendment on the table.

The motion was agreed to.

The VICE PRESIDENT. The question is on concurring in the resolution.

The resolution was concurred in.

HOUR OF DAILY MEETING.

Mr. KERN. I offer the resolution which I send to the desk, and ask unanimous consent for its present consideration.

The VICE PRESIDENT. The resolution submitted by the Senator from Indiana will be read.

The resolution (S. Res. 274) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the hour of daily meeting of the Senate be 12 o'clock meridian until otherwise ordered, and that the order heretofore made fixing hours for daily meetings and adjournments be vacated.

NOTIFICATION TO THE PRESIDENT.

Mr. KERN submitted a resolution (S. Res. 275), which was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That a committee of two Senators be appointed by the Vice President to join a similar committee appointed by the House of Representatives to wait upon the President of the United States and inform him that the two Houses, having completed the business of the present session, are ready to adjourn, unless the President has some other communication to make to them.

The VICE PRESIDENT appointed Mr. KERN and Mr. SMOOT the committee on the part of the Senate.

LANDS IN MONTANA.

Mr. OWEN. I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 742, Senate bill 6670. It permits the State of Montana to select other land in lieu of land in the Huntley irrigation project. The bill is recommended by the Interior Department, and there is no objection to it, I think, from any quarter.

Mr. SMOOT. I did not hear the request of the Senator.

Mr. OWEN. I ask for the immediate consideration of Senate bill 6670, permitting Montana to select lieu lands for a section of land which is in the Huntley irrigation project. There is no objection to it, I take it, and the Secretary of the Interior recommends it.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. SMOOT. One moment. I want to see what the bill is [A pause.] I have no objection to it, although I thought the Senator from Montana [Mr. MYERS] did not want to pass any bills at this session of Congress and did not want any help from any other Senator.

Mr. OWEN. I ask unanimous consent that the bill be considered.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 6670) authorizing the State of Montana to select other lands in lieu of lands in section 16, township 2 north, range 30 east, within the limits of the Huntley irrigation project and the ceded portion of Crow Indian Reservation in said State. It authorizes the State of Montana to select, in lieu of lands in section 16, township 2 north, range 30 east, within the limits of the lands withdrawn for the Huntley irrigation project and formerly within the ceded portion of the Crow Indian Reservation in said State, other unappropriated surveyed nonmineral public lands of equal area situated within the limits of that State in the manner provided in the act approved February 28, 1891 (26 U. S. Stat. L., 796), entitled "An act to amend sections 2275 and 2276 of the Revised Statutes of the United States providing for the selection of lands for educational purposes in lieu of those appropriated for other purposes"; but such selection of lands by the State shall be a waiver of its rights to the lands in section 16, and the homestead entries heretofore erroneously allowed for a portion of section 16 shall become valid, subject to future compliance with the law applicable thereto.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

JUDGE W. H. SAWTELLE.

Mr. SMITH of Arizona. Mr. President, on the day before yesterday there appeared in the Evening Star, of this city, some animadversions made in another body on the character of the judge of the United States district court for Arizona. The paper stated that the judge had been appointed through the instrumentality of the Phelps-Dodge Co. Knowing as well as any living man knows how that judge was appointed, I want here to denounce the statement as absolutely untrue.

Further than that, the insinuation was attempted to be made that that judge, acting under the influence that had appointed him, proceeded to dismiss certain indictments against agents and salesmen of the Phelps-Dodge Co. Anyone who has ever read or will read the indictment in that case and who will not come to the conclusion that Judge Sawtelle had to sustain the demurrer to the indictment, if he be a lawyer, had better quit early in his career and cease the effort to learn anything of the intricacies of the legal profession. The indictment ought to have been set aside, as it was set aside.

I want here to say, although the character of Judge Sawtelle needs no defense at my hands or at the hands of any other man, that in all the United States and among all its judges, as high as they stand, there stands not one of cleaner mind, of purer heart, of greater courage, or with better knowledge of the law than does W. H. Sawtelle, who now presides over the United States district court in my State. He is a man without reproach; and this is the first time in his life, probably, when anywhere, under any circumstances, in private or in public, there has been a whisper against his name or an assault on his reputation. No man stands higher anywhere, and I could not sit silent and allow such statements to go by without at least saying this much based on my personal knowledge and my long acquaintance with that splendid gentleman. I can not, however, forbear expression of the general regret that any political party should find its condition so desperate that the purest life, the highest motives, the most honorable conduct, will not avail to protect from calumny and slander when the use of these degrading weapons are deemed necessary to political success. These slanders were not, in fact, so much aimed at the judge, but were used, regardless of his reputation, to cast blame on the administration by falsely challenging the motives which led to the appointment. If all this miserable stuff is as false as the insinuations cast against my neighbor and friend, the man who gave it circulation is beneath our further notice. I repeat here what I said to the President when presenting Judge Sawtelle's name for the position; that his integrity and courage were of such fiber that all the money in the State could not buy a decision of his, nor could any mob assemble large enough to scare him from the performance of his duty as God gave him to see it.

TRANSFER OF ARMY OFFICERS TO ACTIVE LIST.

Mr. SHEPPARD. I ask unanimous consent for the present consideration of Calendar No. 729, being the bill (S. 6850) authorizing the transfer of certain retired Army officers to the active list.

Mr. SMOOT. Mr. President, I should like to ask the Senator from Texas to explain briefly just how far this bill goes and how many retired officers are affected by it.

Mr. SHEPPARD. The bill makes four Army officers, who were retired under the Panama Canal act, eligible for restoration to the active list, provided they comply with the same requirements that are usually enforced as to other officers of the Army.

Mr. SMOOT. And it affects only four retired officers?

Mr. SHEPPARD. Yes; and only makes them eligible for restoration to the active list provided they comply with the usual requirements.

Mr. SMOOT. I have not had an opportunity to read the bill, and so I inquire what rank under the bill do the officers take? Are they promoted when they are transferred to the active list?

Mr. SMITH of Georgia. Or do they go back to the active list with the rank which they would have had if there had been no promotions?

Mr. SMOOT. That is what I want to know.

Mr. SHEPPARD. There is a short statement in the report from the Secretary of War which I think will explain the matter.

Mr. SMOOT. I ask that the statement be read, because if the bill involves promotions, I certainly shall object to it.

Mr. SMITH of Georgia. Two things ought to attach to it. The officers should go back to their former status and they should not be given again the right to retire with a promotion.

Mr. SMOOT. If the bill provides those two things, I have no objection to its consideration.

Mr. SMITH of Georgia. If those two suggestions are met in the bill, I shall be able to vote for it, because it will give to the Government the services of these men as active officers with very little additional compensation. For a few hundred dollars we will transfer them from the list of retired officers to the list of active officers serving the Government.

Mr. SMOOT. I think in this instance only $750 a year is involved.

Mr. SHEPPARD. I will ask the Secretary to read the letter from the Secretary of War.

Mr. SMOOT. I should like to have the letter read.

Mr. SHEPPARD. The report might also be read, as it is very short.

Mr. SMITH of Georgia. If the Secretary would read the bill, we would understand it.

Mr. SMOOT. It would be better to read the report.

The VICE PRESIDENT. The Secretary will read as requested.

The Secretary read as follows:

WAR DEPARTMENT,
Washington, August 17, 1916.

HON. GEORGE E. CHAMBERLAIN,
Chairman Committee on Military Affairs, United States Senate.

SIR: Referring to bill S. 6850, which has been referred to the department for its views, I beg to inform you that I carefully examined the provisions of the bill, and there appears to be one objection, namely, that as the benefits of the Panama Canal act are continuing that the provisions of this bill would permit the officers therein named to return to the active list, and in this way secure all the benefits incident to the recent national defense act, and upon gaining another promotion would then demand the retirement under the Panama defense act, which would result in giving the officers an additional grade on the retired list. If this defect be corrected, I can see no objection to the passage of this act. I therefore suggest that the bill be amended by adding the following proviso:

"*And provided further*, That any officer transferred to the active list under this act shall not again be entitled to the benefits of the Panama Canal act, described above, except when retired for age or for physical disability incurred in the line of duty."

With this proviso added I recommend approval of the act.

Very respectfully,

NEWTON D. BAKER,
Secretary of War.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Military Affairs with an amendment, on page 2, line 12, after the word "law," to insert:

And provided further, That any officer transferred to the active list under this act shall not again be entitled to the benefits of the Panama Canal act, described above, except when retired for age or for physical disability incurred in the line of duty.

So as to make the bill read:

Be it enacted, etc., That hereafter the President be, and he is hereby, authorized, within one year of the approval of this act, by and with the advice and consent of the Senate, to transfer to the active list of the Army any officer under 50 years of age who may have been transferred heretofore from the active to the retired list of the Army under the act to provide for recognizing the services of certain officers of the Army, Navy, and Public Health Service for their services in connection with the construction of the Panama Canal, and for other purposes, approved March 4, 1915: *Provided*, That such officer shall be transferred to the rank and place on the active list which he would have had if he had not been retired, shall be carried as an additional number in the grade to which he may be transferred or at any time thereafter promoted, and shall be promoted on the same date as the officer next above him in rank, and shall be commissioned in the arm or department of the Army from which he was retired: *Provided, further*, That such officer shall stand a satisfactory medical examination, and when promoted shall stand the medical and professional examinations provided for by law: *And provided further*, That any officer transferred to the active list under this act shall not again be entitled to the benefits of the Panama Canal act described above, except when retired for age or for physical disability incurred in the line of duty.

The amendment was agreed to.

Mr. CHAMBERLAIN. There is an amendment which I have heretofore suggested, and I will inquire if that amendment has been acted upon? If not, I offer it at this time.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 1, line 5, after the words "to transfer," it is proposed to insert the words "upon application."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. CHAMBERLAIN. The purpose of the amendment is to permit only those officers to be restored to the active list who desire to be restored. There are some officers who are quite young whose services can be utilized and who will make application.

Mr. BRADY. And with the amendment to the bill which has been agreed to, it complies with the recommendation of the Secretary of War.

Mr. CHAMBERLAIN. Yes, sir.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

A. J. O'KEEFE, POSTMASTER.

Mr. BANKHEAD. Mr. President, I desire to make a very short statement in relation to nominations for postmasters during this session of Congress and the action taken thereon. I think it will be interesting.

There have been 2,965 nominations for postmasters referred to the Committee on Post Offices and Post Roads during the first session of the Sixty-fourth Congress, all of which have been acted upon except 21, which have been held up under certain circumstances. Mr. President, in order to complete the list, I ask unanimous consent, as in open session, to confirm the nomination I send to the desk.

The VICE PRESIDENT. The Secretary will read.

The SECRETARY. A. J. O'Keefe, to be postmaster at Beach, N. Dak., in place of John M. Baer, resigned.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the nomination is confirmed. The President will be notified.

WATER SUPPLY OF BLACKHAWK, COLO.

Mr. SHAFROTH. I ask unanimous consent to take up House bill No. 11472, being Order of Business 778, to reserve certain lands and make them a part of the Pike National Forest. It is a bill proposing simply to add 800 acres of land to the Pike Forest Reserve to protect the water supply of Blackhawk, Colo. The people are very much interested in having it passed.

Mr. BRADY. Has the bill met with the approval of the Secretary of the Interior?

Mr. PENROSE. Let the bill be read.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That all lands in the State of Colorado described as follows, to wit: Section 19 and section 30 in township 2 south, range 72 west, sixth principal base and meridian, be, and the same are hereby, reserved, subject to all prior valid adverse rights, and made a part of and included in the Pike National Forest.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

JAMES DUFFY.

Mr. MYERS. I ask unanimous consent for the immediate consideration of order of business 768 (S. 4667), for the relief of James Duffy. It is a private bill and a wholly meritorious one. It has been delayed a long time.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. SMOOT. Let the bill be read.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The amendment of the Committee on Military Affairs was in line 5, after the word "soldiers," to insert "their widows and dependent relatives," so as to make the bill read:

Be it enacted, etc., That in the administration of the pension laws and the laws conferring rights and privileges upon honorably discharged soldiers, their widows and dependent relatives, James Duffy, late of Company A Twenty-fourth Regiment Wisconsin Volunteer Infantry, shall be held and considered to have been honorably discharged from the military service of the United States as a member of the above organization on the 6th day of October, 1862: *Provided*, That no pay, pension, bounty, or other emolument shall accrue prior to the passage of this act.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FLATHEAD INDIAN RESERVATION, MONT.

Mr. MYERS. Mr. President, I have one more request to trespass on the generosity of the Senate. I ask for the immediate consideration of Order of Business 725, being Senate bill 6716, to provide for stock-watering privileges on certain unallotted lands on the Flathead Indian Reservation, Mont. It is purely a local bill, approved by the Interior Department, and is intended to remedy a very bad situation of affairs in Montana.

Mr. SMOOT. Mr. President, I ask that the bill go over.

Mr. MYERS. It was unanimously reported by the committee.

Mr. SMOOT. I am perfectly aware of that, I will say to the Senator, but I have been asked by a Senator not to allow the bill to be considered in his absence.

Mr. MYERS. Very well. Then I make a request for the indefinite postponement of two bills. This is purely formal, in order to clear the calendar.

I move that Order of Business 677, Senate joint resolution 147, extending the provisions of the act approved June 16, 1898, be indefinitely postponed. It is one of my resolutions which was supplanted by a House bill, and it has no place on the calendar.

The VICE PRESIDENT. In the absence of objection, the joint resolution will be indefinitely postponed.

Mr. MYERS. I also move that Order of Business No. 473, House bill 10791, for the relief of the occupants of the Tuttle town site, be indefinitely postponed. It is in the same position.

The VICE PRESIDENT. Without objection, that course will be taken.

VESSEL "GOLDEN GATE."

Mr. PHELAN. I ask unanimous consent for the present consideration of Order of Business 704, House bill 8816, authorizing the Commissioner of Navigation to cause the sailing vessel *Golden Gate* to be registered as a vessel of the United States.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

ILLINOIS CENTENNIAL ANNIVERSARY.

Mr. LEWIS. Mr. President, I beg to tender a resolution on behalf of my colleague as to Order of Business 781, H. J. Res. 282, authorizing the Postmaster General to provide the postmaster at Springfield, Ill., with a special canceling die for the one hundredth anniversary of the admission of the State of Illinois into the Federal Union. The object of the resolution is to have made a special post-office stamp in connection with the commemoration of the one hundredth anniversary of the admission of Illinois into the Union. It refers to a stamp for the post office at Springfield, Ill. I respectfully ask concurrence in the resolution. It is similar to the resolution passed for the postmaster at Newark, N. J.

The VICE PRESIDENT. The Chair recollects that this resolution has already been passed, but if the Senator makes the request it can be passed again.

There being no objection the Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time and passed.

SIR ROGER CASEMENT.

Mr. MARTINE of New Jersey. Mr. President, I desire to call up Senate resolution 264. This resolution went over, I think, the other day on the request of the Senator from New Hampshire [Mr. GALLINGER]. It is the resolution referring to the execution of Sir Roger Casement. I should like to call it up.

The Secretary read the resolution (S. Res. 264) as follows:

Resolved, That the State Department of the United States is hereby requested to convey to the Senate the exact date and hour that the Senate resolution regarding Sir Roger Casement's sentence of death was placed in the hands of the British authorities.

Mr. MARTINE of New Jersey. Mr. President, I desire to say with reference to that resolution, as I stated before, that it is currently rumored and generally believed that the resolution that was passed by this body with reference to the kindly intervention of the President of the United States urging a stay or a reprieve in the execution of Sir Roger Casement, through somebody's negligence or fault—I know not where or by whom—did not reach the British authorities until after this martyr to the cause of liberty had been placed in his coffin and well sprinkled with quicklime. I feel, if that is true, that the public should know who is responsible and upon whom the blame rests. It seems impossible and almost unparalleled, after the advertisement and notoriety that was given, and the marvelous interest all over the United States and the world in this case, that after the United States Senate had passed the resolution anybody could have been so negligent and so slothful as to fail to present this resolution to the proper authorities until after the execution of this poor man.

I should like to have this resolution adopted, in order that the public may know the real facts of the matter.

Mr. SMITH of Arizona. Mr. President, I believe I am the only member of the Foreign Relations Committee who is present in the Senate Chamber. Was not that resolution referred a day or two ago to that committee?

The VICE PRESIDENT. No; it went over under the rule.

Mr. SMITH of Arizona. We are now in the closing hours of the session. Is it in order to move to refer it to that committee?

Mr. MARTINE of New Jersey. I thought it went over for the day, Mr. President.

The VICE PRESIDENT. It certainly did. It is in order to move to refer it to the Committee on Foreign Relations.

Mr. SMITH of Arizona. Well, it ought to go to the Committee on Foreign Relations. I hope the Senator will not press it.

Mr. MARTINE of New Jersey. When will we get an opportunity to have it acted upon?

Mr. SMITH of Arizona. It can not be done now, for the Senate will adjourn in 10 minutes, and it is impossible to get its consideration in that time. I move its reference to the Committee on Foreign Relations.

Mr. MARTINE of New Jersey. That is more reason than any other reason why it should be passed.

Mr. SMITH of Arizona. I move its reference to the Committee on Foreign Relations, because it should naturally go there.

Mr. MARTINE of New Jersey. That will mean its death, of course.

Mr. SMITH of Arizona. It may not. It can come up just as quickly in that way as in any other. It could not be reported to this body now, anyway.

Mr. MARTINE of New Jersey. It was reported a week ago.

Mr. HUGHES. Mr. President——

Mr. SMITH of Arizona. I move its reference.

Mr. HUGHES. I suppose what the Senator wants is information as to what really happened?

Mr. MARTINE of New Jersey. Just what the resolution says.

Mr. HUGHES. I will say to the Senator that I made an investigation of my own with reference to what happened, and the conclusion at which I arrived, based on that information, was that, regardless of the time when any resolution physically arrived at any particular place, all the dispatch that could possibly be used by the officials of the Government was used in that case. The State Department was notified, not by the physical presentation of the resolution or a piece of paper, but it was notified by telephone from the office.

Mr. MARTINE of New Jersey. It was in the air.

Mr. HUGHES. I do not understand what my colleague means by being "in the air."

Mr. MARTINE of New Jersey. Why, everybody knew that the Senate resolution had passed.

Mr. HUGHES. Yes; and the Senate Committee on Foreign Relations, through its secretary, notified the State Department and telephoned it a copy of the resolution, and in order to facilitate the presentation of the resolution the same means were adopted by the State Department. Long before it would have been physically possible to transport the actual paper upon which the resolution was written, the substance and form of the resolution was in the possession of the proper authorities at the other end of the line. If the Senator only wants information, I am glad to be able to give it to him.

Mr. MARTINE of New Jersey. What I want is that the world shall know it, and that we shall have it known by the authority of the State Department of the United States.

Mr. HUGHES. I think the world knows it now.

Mr. SMITH of Arizona. I move the reference of the resolution to the Committee on Foreign Relations.

Mr. MARTINE of New Jersey. That is another pleasant method of death for the resolution.

Mr. PHELAN. Mr. President, I have been not a little interested in this matter and have investigated it. I desire to inform the Senate and the country that the resolution adopted by the Senate, while it may not have been as promptly transmitted as we would have desired, was nevertheless—and this I

know as a fact—officially received in London on the Monday following the Saturday on which the resolution was adopted by the Senate, and therefore—which is the essential thing, and which the Senators doubtless would like to know—the action of the Senate, whatever its value might have been was in the possession of the British foreign office at least two days before the execution, and well within the time necessary to exercise executive clemency.

So I make the point that the action of the American Senate, whatever it was worth, was not lost by reason of failure of transmission of the resolution through the channels of our State Department and through our ambassador in London to the foreign office of Great Britain; and the only regret is that the Government of Great Britain held in such little regard the opinion of this body, which reflected I believe the public opinion of the world.

The VICE PRESIDENT. The question is on the reference of the resolution.

Mr. SMITH of Georgia. Mr. President, it seems, then, that the State Department did receive the information in ample time, and communicated it to London in ample time; and all the disturbance we have had on this subject is utterly without foundation.

Mr. KERN. Mr. President, I hope the Senator from New Jersey will withdraw his resolution, in view of the statements that have been made.

The VICE PRESIDENT. The question is on the motion to refer the resolution to the Committee on Foreign Relations.

The motion was agreed to.

NOTIFICATION TO THE PRESIDENT.

Mr. KERN and Mr. SMOOT appeared, and Mr. KERN said:

Mr. President, the joint committee of the two Houses of Congress appointed to wait upon the President of the United States and inform him that the business of the present session of Congress has been finished, and ascertain if he had any further communications to make to Congress, have performed that duty, and now report that the President of the United States has informed us that he has no further communication to make.

THANKS TO THE VICE PRESIDENT.

Mr. NELSON. Mr. President, I offer the resolution which I send to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. HUGHES in the chair). The Senator from Minnesota offers a resolution, which will be read.

The Secretary read the resolution (S. Res. 276), as follows:

Resolved, That the thanks of the Senate are hereby tendered to Hon. THOMAS R. MARSHALL, Vice President of the United States and President of the Senate, for the dignified, impartial, and courteous manner in which he has presided over its deliberations during the present session.

The PRESIDING OFFICER. The question is on the adoption of the resolution offered by the Senator from Minnesota.

The resolution was unanimously agreed to.

THANKS TO THE PRESIDENT PRO TEMPORE.

Mr. PENROSE. Mr. President, I offer the resolution which I send to the desk, and ask for its present consideration.

The PRESIDING OFFICER. The resolution will be read.

The Secretary read the resolution (S. Res. 277), as follows:

Resolved, That the thanks of the Senate are hereby tendered to Hon. JAMES P. CLARKE, President pro tempore of the Senate, for the dignified, impartial, and courteous manner in which he has presided over its deliberations during the present session.

The PRESIDING OFFICER. The question is on agreeing to the resolution offered by the Senator from Pennsylvania.

The resolution was unanimously agreed to.

FINAL ADJOURNMENT.

The VICE PRESIDENT. Senators, the resolution just passed for the regular Presiding Officer of this body came upon me so suddenly that I am not prepared fittingly to respond.

When I assumed the duties of this office, I thought it would be a terrible thing to keep silence. The longer I stay here, the more sure I am that it is a wise thing sometimes to keep silence.

I thank you for this resolution. I am going to assume that you mean it. We are about to leave here to "point with pride" and to "view with alarm." I hope, when we get through that ceremony, we shall all come back here forgetting the animosities of the campaign and remembering that we are not strangers nor aliens, but that we are friends under the American flag. [Applause.]

The hour of 10 o'clock a. m. this 8th day of September, 1916, having arrived, in accordance with the concurrent resolution of the Senate and of the House of Representatives, the Senate of the United States is now adjourned without day.

HOUSE OF REPRESENTATIVES.

FRIDAY, *September 8, 1916.*

The House met at 8.30 a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father who art in heaven, we thank Thee that amid the changing circumstances and shifting scenes of this life and its environments Thou art the same yesterday, to-day, and forever, and that, whatever comes to us, we may be assured that Thou art with us to uphold, sustain, and guide us, and though Thou art inscrutable and Thy plans and purposes hidden from us, Thou wilt work them out in accordance with Thy holy purpose, and at last they shall be to the final good of all. We thank Thee for the sweet consolation that follows in the wake of duty well done, and we pray that that consolation may come to all who are connected with this House. And now, O Father, as we shall separate for a short time, we pray that Thy blessing may be over us and about us. Bring us together again at the appointed time without the loss of any. "The Lord bless you and keep you, the Lord make His face shine upon you and be gracious to you, the Lord lift up His countenance upon you and give you peace, that peace which passeth understanding." In Christ Jesus, our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 16763) to increase the revenue, and for other purposes.

The message also announced that the Senate had passed with amendments bill of the following title, in which the concurrence of the House of Representatives was requested:

H. R. 407. An act to provide for stock-raising homesteads, and for other purposes.

The message also announced that the Senate had passed with amendments joint resolution (H. J. Res. 91) authorizing and directing the Department of Labor to make an inquiry into the cost of living in the District of Columbia and to report thereon to Congress as early as practicable.

The message also announced that the Senate had passed without amendment bill of the following title:

H. R. 15287. An act authorizing the addition of certain lands to the Colorado and Piko National Forests, Colo.

LEAVE TO ADDRESS THE HOUSE.

Mr. HARRISON. Mr. Speaker, I ask unanimous consent to address the House for 12 minutes.

The SPEAKER. The gentleman from Mississippi asks unanimous consent to address the House for 12 minutes. Is there objection?

There was no objection.

Mr. FITZGERALD. Mr. Speaker, before the gentleman begins I ask unanimous consent that if there be opportunity I may have time to address the House before we adjourn upon appropriations made by this Congress, or to extend my remarks upon the same in the RECORD.

The SPEAKER. The gentleman from New York asks unanimous consent that he may be permitted to address the House or to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. MOORE of Pennsylvania. Mr. Speaker, I ask unanimous consent to address the House for not more than five minutes, following the remarks of the gentleman from Mississippi [Mr. HARRISON].

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to address the House for not to exceed five minutes at the conclusion of the remarks of Mr. HARRISON. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Mississippi is recognized for 12 minutes.

SHIPMENT OF ARMS INTO MEXICO.

Mr. HARRISON. Mr. Speaker, during this session of Congress, on the 4th of August, the gentleman from Illinois [Mr. RODENBERG] made a very characteristic Republican speech, full of criticism and vituperation, preferring certain charges against the Department of State. Among other things in that speech, the gentleman from Illinois, in substance, alleged that after the Parral incident the State Department had permitted the shipment of arms and ammunition into Mexico, and that a few days prior to that Mr. Cleveland H. Dodge, who was alleged to be

interested in the shipment, was in the city of Washington and had called upon the Secretary of State. At that time these sensational charges were printed in the public press, but when the facts became known it was found that the charges were grossly unwarranted and misleading. It was shown by the record that not only was no shipment of arms or ammunition permitted to be sent into Mexico after the Parral incident but that the shipment in question had been made some days before and had landed in Mexico at least a week before.

Furthermore, the charge that Cleveland H. Dodge had visited with Mr. Lansing was refuted by a statement of the Secretary of State that not only had he not visited with Mr. Dodge, but that he did not know Mr. Cleveland H. Dodge. The Rodenberg charges of August 4 having been utterly destroyed, he makes another speech on day before yesterday—a speech that may be taken as a plea of "confession and avoidance," confessing that he was wrong in the statement that he had made touching the State Department, confessing that those remarks were based merely on a newspaper clipping, and were not borne out by the fact, and avoidance in that he attempts to excuse himself from misrepresentation by bringing new charges, not against the State Department, but against the Department of Justice. In that speech Mr. RODENBERG employs this language:

> The Hon. William H. Sawtelle was appointed Federal judge for Arizona on August 18, 1913, by President Wilson. His principal backer and the man who was primarily responsible for his appointment was Mr. Everett E. Ellinwood, general attorney for the Phelps, Dodge & Co. interests in Arizona, and who appears as attorney for the defendants in this case. I have no doubt that Mr. Cleveland H. Dodge joined in the recommendation of his general attorney. [Applause on the Republican side.]
>
> At the time this indictment was returned the Hon. Joseph E. Morrison, of Bisbee, Ariz., was the United States district attorney. Mr. Morrison, who is a highly reputable gentleman, states that he received specific instructions from the Department of Justice in Washington to prevent the indictment at the same time of the Winchester Arms Co., in which Marcellus Dodge, a relative of Cleveland H. Dodge, is heavily interested, and which concern was also involved in the shipment of munitions to Mexico in violation of the neutrality resolution. [Applause on the Republican side.]
>
> Later on Mr. Morrison received a request from A. B. Bielaski, Chief of the Division of Investigation, asking him to suppress the instructions issued by the Department of Justice and under no circumstances to permit them to be made public. [Applause on the Republican side.] Mr. Morrison is no longer United States district attorney, having been supplanted by a "deserving Democrat."

Mr. Speaker, these charges, like the charges before uttered by the gentleman from Illinois, are without foundation. They are misleading and give the wrong impression to the country. The policy pursued by the Department of Justice in the prosecution of these people in Arizona in 1913 was the policy pursued by the Department of Justice during the administration of Mr. Taft. It was but a continuation of that policy. The same gentlemen handled it under both administrations. Papers in the Department of Justice show that as far back as 1912 there was a secret understanding, or I might say a confidential understanding, whereby the Winchester Arms people, whom Mr. RODENBERG charges with having been saved from prosecution by instructions from the Department of Justice, agreed with the Department of Justice that in all shipments of munitions into Mexico they would furnish that department the names of the parties to whom shipments were made. Here is one letter—the first on the subject after the Taft embargo order was passed by Congress. The department, in writing to Mr. Thomas G. Bennett, president of the Winchester Arms Co., on May 6, 1912, when Mr. Taft was President, stated, among other things:

> You are doubtless familiar with the joint resolution of Congress, passed on March 14, 1912, and the proclamation of the President of the same date, which prohibits the exportation of munitions of war to Mexico. The information which you are requested to give is intended solely for the purpose of enabling the Federal authorities to detect and prevent violations of this resolution and proclamation or other provisions of the neutrality statutes.

These people in answering the Department of Justice, among other things, say:

> We shall take pleasure in complying with this request and will report from day to day such shipments as are made.
>
> It must be borne in mind that we have a large regular business in these districts and single shipments of 100 or 200 guns or even more is no unusual condition in the normal business of this concern. We simply bring this to your attention as the volume of the business in these districts is not, we believe, generally understood, and we would not care to have suspicion drawn toward some of our customers.

In another letter from the Department of Justice to the Winchester Arms people on May 8, 1912, they say:

> I desire to take this occasion to assure you that specific instructions will be given to any agents who may act upon information given in these reports to carefully avoid annoying your customers in any way, and I feel sure that your company need have no apprehension that any of them will be disturbed, without substantial evidence having first been obtained indicating their connection with a violation of the neutrality statute.

The letter in response on the following day to the Department of Justice from the Winchester Arms people says:

> We suppose, of course, that you will appreciate that we desire so far as possible to have the information contained in these reports treated as confidential, and that our name be not used in connection therewith.

And the department, in answering the Winchester people the following day, said:

> Replying to your letter of the 9th instant, signed by Winchester Bennett, first vice president, I beg to advise you that the information which you may furnish to Mr. Offley, the division superintendent of this bureau at New York City, will be treated as confidential, and that your name will not be used in connection with it. Special instructions to this effect will be given to our agents to-day.

Mr. COLLIER. What date is that?

Mr. HARRISON. May 10, 1912, when Mr. Taft was President. So these instructions which were given by Mr. Bielaski, head of the Investigation Bureau of the Department of Justice, were merely to keep faith with the preceding administration in its understanding with the Winchester Arms people—namely, that this information be kept confidential. Now, I desire to read the telegram that the gentleman from Illinois says was instructions to the district attorney not to indict this corporation. First I read the telegram from Morrison to the Department of Justice, dated October 21, 1913:

> Phelps-Dodge Mercantile Company and two of its officers Douglas Hardware Co. and its general manager and Mexican purchasers indicted this afternoon conspiracy to export munitions of war; two counts shipment with intent to export two counts; extremely probable grand jury will to-morrow indict conspiracy Winchester Arms Company and officers New Haven, Connecticut, Shelton Payne Arms Co., and other large arms dealers, El Paso, and many others along Arizona border.

Here is the response, dated October 22, 1913:

> Telegram received. Department very doubtful as to propriety indicting Winchester Arms Co. or any of its officers. This company has for some time voluntarily furnished this department with information as to shipments arms and ammunition to States on Mexican border. Furthermore, prior to August 28 last numerous exceptions were made by President permitting such shipments into Mexico, and department doubts whether this company or its officers have wilfully violated the law. Grand jury should be advised as to contents this telegram.
>
> McREYNOLDS.

On the same day, October 22, 1913, Mr. Morrison wired the department:

> In view of your suggestion, contained in your telegram of October 28, 1913, to-day the grand jury will probably not indict Winchester Arms Co. nor any of its officers. Other parties mentioned my telegram yesterday indicted to-day.

Then following this telegram was sent the telegram that Mr. RODENBERG stated was instructions from the Department of Justice to the district attorney to suppress the instructions issued by the Department of Justice, and "under no circumstances to permit them to be made public." It is dated November 8, 1913, and reads:

> Winchester Arms Co. advises me on long-distance telephone that they will send Assistant General Sales Manager Henry Hultz with all records and papers. Desires subpœna served immediately on arrival. Dickerson not employed Winchester Co., but will send suitable witness with records. Please keep confidentially fact that Winchester Co. has furnished department information on border shipment, as knowledge this fact might seriously injure business through loss customers.
>
> BIELASKI.

No instructions to suppress the fact that no indictment was returned, but merely, "Keep confidentially fact that Winchester Company has furnished Department information." What information? Why, the names of these customers to whom they had shipped munitions in Mexico. Is there anything wrong in that telegram? Is there anything unusual in the whole incident? I submit not. Can you blame these people for not wanting the names of their customers published, and their business destroyed? Certainly not. Merely another "grasping for a straw" on which to obtain an issue. The whole correspondence shows that the Department of Justice, in October, 1913, was keeping faith with the agreement entered into between the Department of Justice during a Republican administration with the Winchester Arms Co.

Mr. DENISON. Will the gentleman yield?

Mr. HARRISON. I have not very much time.

Mr. DENISON. I was going to ask the gentleman if he is right sure this is the telegram to which Mr. RODENBERG referred?

Mr. HARRISON. It is absolutely the telegram.

Mr. MORRISON. How does the gentleman know that?

Mr. HARRISON. The records of the Department of Justice, containing all the correspondence, conclusively show it. I defy the gentleman from Illinois [Mr. RODENBERG] to produce any other telegram. I challenge any other gentleman to show anything to the contrary. There can be no question about it.

Mr. DENISON. Of course, the gentleman knows it will only be an hour before Congress adjourns, and Mr. RODENBERG is not here.

Mr. HARRISON. I understand that, and I am sorry I was not in the House the other day when he made his speech, and I regret he is not here now. Another remarkable fact connected with this controversy is that it was handled in the Department of Justice through Mr. Bielaski, as head of the Investigation Bureau, and Mr. Atkins, Assistant Attorney General, both of whom are reputable Republicans. The only other person in the Department of Justice directly connected with the correspondence was Mr. Herron, Assistant Attorney General, who is a brother-in-law of your former President, W. H. Taft. [Applause on Democratic side.]

The SPEAKER pro tempore (Mr. HUMPHREYS of Mississippi). The time of the gentleman has expired.

Mr. HARRISON. Mr. Speaker, may I ask for an additional eight minutes?

The SPEAKER pro tempore. The gentleman from Mississippi asks unanimous consent to proceed for eight minutes more. Is there objection?

Mr. MOORE of Pennsylvania. Mr. Speaker, reserving the right to object, desiring to answer the gentleman from Mississippi, I asked for 5 minutes, but if his time shall be extended I shall ask unanimous consent for 15 minutes rather than 5. If there be no objection to that, of course I will not object.

Mr. FITZGERALD. Well, I want some little time here, and I do not think the gentleman ought to do that.

Mr. HARRISON. I will ask then for only five minutes' additional time.

The SPEAKER pro tempore. The gentleman from Mississippi asks unanimous consent to proceed for five minutes. Is there objection?

Mr. MOORE of Pennsylvania. I shall not object, but in due course I shall ask for at least 10 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HARRISON. There can not possibly be any politics in the matter. The whole question, as I have stated before, is one of this administration trying to keep faith with the Winchester Arms Co. about an understanding that was entered into by a former administration. It was absolutely proper and right.

But Mr. RODENBERG says that a relative of Cleveland H. Dodge is interested in the Winchester Arms Co. and is vice president of Phelps-Dodge & Co. Is it not remarkable that if the present administration desired to manifest partiality toward Cleveland H. Dodge for his campaign contributions they should have prosecuted the Phelps-Dodge Co., in which concern Mr. Dodge was greatly interested and vice president of, and protect the Winchester Arms Co., a corporation, in which he was not a stockholder and in which he had no direct interest? Here is an instruction from the Department of Justice to Morrison, dated October 23, 1913. It reads:

The department, of course, desires the vigorous prosecution of all persons, without regard to their stations in life or other similar considerations, who may be guilty of any violation of Federal law.

Does that look like they are trying to shield some one? Does that look like partiality? As to the Federal judge sitting in these cases, and whose integrity the gentleman from Illinois assails, I am reliably informed that he is one of the very best lawyers in Arizona, a man of the highest character, and whose reputation has never before been questioned. When he was appointed to the bench, Judge Sawtelle was indorsed by Republicans as well as Democrats, and the district attorney, Mr. Morrison, in his report to the Department of Justice on these cases, employs this language about the man whose official integrity the gentleman from Illinois questions. This report, dated December 14, 1913, says:

In conclusion, I desire to say that the relations existing between this office and Judge Sawtelle are of the most pleasant character, and we entertain the highest regard for him. While certain portions of this letter are couched in strong language, nevertheless the difference between us is merely one of opinion.

Now gentlemen, let me suggest that even if these alleged instructions were true, that it would not—it could not raise this man Morrison in the estimate of any fair-minded man to reveal matters pertaining to his official duties, and this would be true if he were acting from intense partisanship, or piqueness over the loss of his political head.

The alleged utterances attributed to him are quite enough to damn him before self-respecting people everywhere.

Now, there is one other matter that I desire to call to the attention of the House. Gentlemen on that side of the aisle have criticised the President on his Mexican policy. Some have said that troops should have been sent into Mexico; others have found fault when troops were sent into Mexico. You have certainly been hard to please. But it is the same old system of fault finding, no matter what is good. You are hungry for an issue. I want to read you a telegram that was sent to the Governor of Arizona on April 18, 1911, by Mr. Taft, your President, in answer to a request from the Governor of Arizona to send troops across the border to put down uprisings at that time—to revenge the killing of Americans, if you please. This letter followed the remarkable speech of a distinguished Senator at the other end of the Capitol, when he spoke of the outrages at that time being perpetrated in Mexico. Perpetrated, mind you, during a Republican administration. What was done? Here is the telegram which your President at that time sent to the Governor of Arizona, under date of April 18, 1911:

Your dispatch received. Have made urgent demand upon Mexican Government to issue instructions to prevent firing across border by Mexican Federal troops and am awaiting reply. Meantime, I have sent direct warning to the Mexican and insurgent forces near Douglas. I infer from your dispatch that both parties attempt to heed the warning, but that in the strain and exigency of the contest wild bullets still find their way into Douglas. The situation might justify me in ordering our troops to cross the border and attempt to stop the fighting or to fire upon both combatants from the American side. But if I take this step I must face the possibility of resistance and greater bloodshed and also the danger of having our motive misconstrued and misrepresented and of thus inflaming Mexican popular indignation against many thousands of Americans now in Mexico and jeopardizing their lives and property. The pressure for general intervention under such conditions it might not be practicable to resist. It is impossible to foresee or reckon the consequences of such a course, and we must use the greatest self-constraint to avoid it. Pending my urgent representation to the Mexican Government can not therefore order the troops at Douglas to cross the border, but I must ask you and the local authorities, in case the same danger recurs, to direct the people of Douglas to place themselves where bullets can not reach them, and thus avoid casualty.

[Applause on the Democratic side.]

Listen to it, gentlemen:

In case the same danger recurs, to direct the people of Douglas to place themselves where bullets can not reach them and thus avoid casualty.

[Applause on the Democratic side.]

That was the expression used by your President in 1911. Let me read to the gentleman from Illinois [Mr. DENISON] that last statement again, and then I will answer his question. Says Mr. Taft:

But I must ask you and the local authorities, in case the same danger recurs, to direct the people of Douglas to place themselves where bullets can not reach them and thus avoid casualty.

Then he proceeds further:

I am loath to endanger Americans in Mexico, where they are necessarily exposed, by taking radical steps to prevent injury to Americans on our side of the border who can avoid it by temporary inconvenience.

Now I yield to the gentleman from Illinois.

Mr. DENISON. I want to ask the gentleman if he approves that sentiment of President Taft?

Mr. HARRISON. Yes; I approve that sentiment of President Taft, and President Wilson has followed the same policy all the time. Now I will ask the gentleman, Do you approve that policy of Mr. Taft?

Mr. DENISON. I want to ask you another question.

Mr. HARRISON. I want you first to answer that. Does the gentleman approve that?

Mr. DENISON. I approve that. [Applause and laughter on the Democratic side.]

Mr. HARRISON. Then do you not approve the President's policy in Mexico of following out the policy of Mr. Taft?

Mr. DENISON. The gentleman will notice that Mr. Taft says that policy is only temporary. Your President has made a permanent policy of President Taft's temporary policy. That is the difference between the two Presidents. [Applause on the Republican side.]

Mr. HARRISON. Ah, but the same conditions confronted Mr. Wilson that confronted Mr. Taft, and Mr. Wilson has followed the same policy in the matter that President Taft followed. The gentleman states that he approves President Taft's policy, but that he disapproves President Wilson's policy. How does the gentleman reconcile those statements?

Mr. DENISON. At that time the conditions were entirely new, and President Taft's policy was only temporary. President Wilson has made that a permanent policy.

Mr. HARRISON. Well, President Taft was President for two years after that, and he followed the same kind of a policy during the following two years. [Applause on the Democratic side.]

The SPEAKER. The time of the gentleman from Mississippi has expired.

ENROLLED BILLS SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 16763. An act to increase the revenue, and for other purposes;

H. R. 17645. An act making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1916, and prior fiscal years, and for other purposes;

H. R. 15287. An act authorizing the addition of certain lands to the Colorado and Pike National Forests, Colo.; and

H. R. 11472. An act to reserve certain lands and make them a part of the Pike National Forest.

The SPEAKER announced his signature to enrolled bills and joint resolution of the following titles:

S. 5886. An act extending the time for the completion of the bridge across the Mississippi River at Memphis, Tenn., authorized by an act entitled "An act to amend an act approved July 20, 1912, entitled 'An act to authorize the Arkansas & Memphis Railway Bridge & Terminal Co. to construct, maintain, and operate a bridge across the Mississippi River,'" approved August 23, 1912;

S. 136. An act for the relief of Eva M. Bowman; and

S. J. Res. 169. Joint resolution interpreting section 50 of the act of June 3, 1916, for making further and more effectual provision for the national defense, and for other purposes.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bills and joint resolutions:

H. R. 1636. An act for the relief of Karen S. Sorenson and James Lyle;

H. R. 1963. An act for the relief of John E. Keys;

H. R. 11707. An act to amend an act entitled "An act to increase the pension of widows, minor children, etc., of deceased soldiers and sailors of the late Civil War, the War with Mexico, the various Indian wars, etc., and to grant a pension to certain widows of the deceased soldiers and sailors of the late Civil War," approved April 19, 1908, and for other purposes;

H. R. 13046. An act to consolidate certain forest lands in the Oregon National Forest, in the State of Oregon;

H. R. 12889. An act authorizing the Secretary of the Interior to sell the unsold and unappropriated portions of lands within the town site of Newell, S. Dak., and for other purposes;

H. R. 2208. An act for the relief of James L. Yokum;

H. R. 6034. An act to make available a portion of the appropriation for the immigration station at Baltimore, Md., for such counters, booths, screens, railings, seats, bunks, kitchen and laundry equipment, etc., as necessary in connection with said station;

H. R. 10989. An act making appropriation for the preservation, improvement, and perpetual care of Huron Cemetery, a burial place of the Wyandotte Indians, in the city of Kansas City, Kans.;

H. R. 14533. An act to authorize the Secretary of the Interior to issue a patent in fee simple to the district school board No. 112, of White Earth village, Becker County, Minn., for a certain tract of land upon payment therefor to the United States in trust for the Chippewa Indians of Minnesota;

H. R. 14824. An act to prevent fraud at public auctions in the District of Columbia;

H. R. 15807. An act to provide for holding sessions of the United States district court in the district of Maine and for dividing said district into divisions, and providing for offices of the clerk and marshal of said district to be maintained in each of said divisions, and for the appointment of a field deputy marshal in the division in which the marshal does not reside;

H. R. 16532. An act authorizing an adjustment of the boundaries of the Whitman National Forest, in the State of Oregon, and for other purposes;

H. J. Res. 237. Joint resolution authorizing the Postmaster General to provide the postmaster of Gulfport, Miss., with a special canceling die for the Mississippi Centennial Exposition celebration;

H. J. Res. 252. Joint resolution authorizing the transfer of the Government exhibit, or such portion thereof as the President may determine is advisable, now at the Panama-California International Exposition, at San Diego, Cal., to the Mississippi Centennial Exposition, at Gulfport, Miss.;

H. R. 15287. An act authorizing the addition of certain lands to the Colorado and Pike National Forests, Colo.;

H. R. 16763. An act to increase the revenue, and for other purposes;

H. R. 17645. An act making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1916, and prior fiscal years, and for other purposes; and

H. R. 11472. An act to reserve certain lands and make them a part of the Pike National Forest.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

A message from the President of the United States was communicated to the House of Representatives by Mr. Latta, one of his secretaries, who informed the House of Representatives that the President approved and signed bills and joint resolutions of the following titles:

On August 23, 1916:

H. R. 11416. An act to repeal an act approved March 2, 1895, entitled "An act to amend section 3 of an act entitled 'An act to regulate the liens of judgments and decrees of the courts of the United States,' approved August 1, 1888";

H. R. 13984. An act granting to the city of Philadelphia, in the State of Pennsylvania, a right of way through the United States military reservation at Fort Mifflin, Pa.;

H. R. 14299. An act to amend section 33 of an act to codify, revise, and amend the laws relating to the judiciary, approved March 3, 1911;

H. R. 16914. An act permitting the Needles & Oatman Bridge Co. to construct, maintain, and operate a bridge across the Colorado River between the States of California and Arizona; and

H. R. 16995. An act granting the consent of Congress to A. N. Alford to construct a bridge across the Savannah River.

On August 24, 1916:

H. J. Res. 298. Joint resolution providing for the relief of flood sufferers in the State of West Virginia; and

H. R. 4559. An act for the relief of C. Horatio Scott.

On August 25, 1916:

H. R. 17398. An act granting the consent of Congress to the board of county commissioners of the county of Hampden, in the Commonwealth of Massachusetts, to construct a bridge across the Connecticut River between Springfield and West Springfield, in said county and Commonwealth; and

H. R. 15522. An act to establish a national-park service, and for other purposes.

On August 26, 1916:

H. R. 16709. An act to amend an act relating to the Public Utilities Commission of the District of Columbia, approved March 4, 1913;

On August 28, 1916:

H. R. 14338. An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes.

On August 29, 1916:

H. R. 15947. An act making appropriations for the naval service for the fiscal year ending June 30, 1917, and for other purposes;

H. R. 17498. An act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes; and

H. J. Res. 247. Joint resolution extending the provisions of the act approved June 16, 1898.

On August 30, 1916:

H. R. 17501. An act granting the consent of Congress to the city of Youngstown, Ohio, to construct a bridge across the Mahoning River in the State of Ohio.

On August 31, 1916:

H. R. 5. An act for erecting a suitable memorial to John Ericsson;

H. R. 11860. An act for the relief of Halvor Nilsen;

H. R. 15575. An act to amend the act of March 22, 1906, entitled "An act to authorize the sale and disposition of surplus or unallotted lands of the diminished Colville Indian Reservation, in the State of Washington, and for other purposes";

H. R. 16093. An act to amend an act entitled "An act to provide for the payment of drainage assessments on Indian lands in Oklahoma";

H. R. 17058. An act to fix standards for Climax baskets for grapes and other fruits and vegetables, and to fix standards for baskets and other containers for small fruits, berries, and vegetables, and for other purposes;

H. R. 15048. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war;

H. R. 15494. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war; and

H. R. 16290. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war.

On September 1, 1916:

H. R. 8234. An act to prevent interstate commerce in the products of child labor, and for other purposes;

H. R. 15774. An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1917, and for other purposes; and

H. R. 13926. An act to amend an act entitled "An act to provide for the appointment of a district judge, district attorney, and marshal for the western district of South Carolina, and for other purposes," approved March 3, 1915, so as to provide for terms of the district court to be held at Anderson, S. C.

On September 3, 1916:

H. R. 17700. An act to establish an eight-hour day for employees of carriers engaged in interstate and foreign commerce, and for other purposes:

On September 5, 1916:

H. J. Res. 292. Joint resolution proposing to amend section 2971 of the Revised Statutes of the United States;

H. R. 600. An act to validate title to the town site of McCabe, in the State of Montana;

H. R. 1528. An act for the relief of Martin Huhn;

H. R. 10251. An act authorizing the Kansas City & Memphis Railway & Bridge Co. to make settlement with Crittenden County, Ark., and for other purposes;

H. R. 13835. An act to authorize the county commissioners of Aitkin County, Minn., and the town board of Logan Township, in said county and said State, to construct a bridge across the Mississippi River on the line between sections 26 and 27, township 49 north, range 25 west, fourth principal meridian; and

H. R. 17375. An act to amend an act entitled "An act to provide for an enlarged homestead," approved June 17, 1910.

On September 6, 1916:

H. R. 6914. An act to amend section 82, chapter 231, of the act to codify, revise, and amend the laws relating to the judiciary;

H. R. 15158. An act to amend the judicial code; to fix the time when the annual term of the Supreme Court shall commence; and further to define the jurisdiction of that court; and

H. R. 16719. An act for the relief of John P. Sutton.

On September 7, 1916:

H. R. 15455. An act to establish a United States shipping board for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a merchant marine to meet the requirements of the commerce of the United States with its Territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and interstate commerce of the United States, and for other purposes;

H. R. 13391. An act to amend certain sections of the act entitled "Federal reserve act," approved December 23, 1913;

H. R. 14391. An act authorizing the purchase of a site and the erection of a public building thereon at Madison, Wis., and for other purposes;

H. R. 15316. An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes;

H. R. 17235. An act granting the consent of Congress to W. H. Crosby, W. H. Andrews, E. G. Connette, Daniel Good, Henry May, Robert C. Gaupp, Edward Kener, jr., William F. MacGlashan, Eugene L. Falk, John W. Robinson, John M. Willys, Oliver Cabana, jr., Conrad E. Wettlaufer, H. A. Hurt, George J. Meyer, Myron S. Hall, John Lord O'Brian, Frank S. McGraw, and William A. Morgan to construct a bridge across Niagara River within or near the city limits of Buffalo, and for other purpose;

H. R. 17567. An act to authorize the county of Luzerne, State of Pennsylvania, to construct a bridge across the North Branch of the Susquehanna River from the city of Wilkes-Barre, county of Luzerne, Pa., to the borough of Dorranceton, county of Luzerne, Pa.;

H. R. 1636. An act for the relief of Karen S. Sorenson and James Lyle;

H. R. 1963. An act for the relief of John E. Keys;

H. R. 2208. An act for the relief of James L. Yokum;

H. R. 6034. An act to make available a portion of the appropriation for the immigration station at Baltimore, Md., for such counters, booths, screens, railings, seats, bunks, kitchen and laundry equipment, etc., as necessary in connection with said station;

H. R. 10989. An act making appropriation for the preservation, improvement, and perpetual care of Huron Cemetery, a burial place of the Wyandotte Indians, in the city of Kansas City, Kans.;

H. R. 11472. An act to reserve certain lands and make them a part of the Pike National Forest.

H. R. 11707. An act to amend an act entitled "An act to increase the pension of widows, minor children, etc., of deceased soldiers and sailors of the late Civil War, the War with Mexico, the various Indian wars, etc., and to grant a pension to certain widows of the deceased soldiers and sailors of the late Civil War," approved April 19, 1908;

H. R. 12889. An act authorizing the Secretary of the Interior to sell the unsold and unappropriated portion of lands within the town site of Newell, S. Dak., and for other purposes;

H. R. 13046. An act to consolidate certain forest lands in the Oregon National Forest, in the State of Oregon;

H. R. 14533. An act to authorize the Secretary of the Interior to issue a patent in fee simple to the district school board No. 112, of White Earth Village, Becker County, Minn., for a certain tract of land upon payment therefor to the United States in trust for the Chippewa Indians of Minnesota;

H. R. 14824. An act to prevent fraud at public auctions in the District of Columbia;

H. R. 15287. An act authorizing the addition of certain lands to the Colorado and Pike National Forests, Colo.;

H. R. 15807. An act to provide for holding sessions of the United States district court in the district of Maine and for dividing said district into divisions, and providing for offices of the clerk and marshal of said district to be maintained in each of said divisions, and for the appointment of a field deputy marshal in the division in which the marshal does not reside;

H. R. 16532. An act authorizing an adjustment of the boundaries of the Whitman National Forest, in the State of Oregon, and for other purposes;

H. R. 16763. An act to increase the revenue, and for other purposes;

H. R. 17645. An act making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1916, and prior fiscal years, and for other purposes;

H. J. Res. 237. Joint resolution authorizing the Postmaster General to provide the postmaster of Gulfport, Miss., with a special canceling die for the Mississippi Centennial Exposition celebration;

H. J. Res. 252. Joint resolution authorizing the transfer of the Government exhibit, or such portion thereof as the President may determine is advisable, now at the Panama-California International Exposition, at San Diego, Cal., to the Mississippi Centennial Exposition, at Gulfport, Miss.;

S. 5407. An act authorizing and directing the Secretary of the Treasury to extend the time of payment of the amount due the Government by the city of Augusta, Ga.;

S. 3268. An act for the relief of John Duggan;

S. 3646. An act to amend the act of February 11, 1915 (38 Stat. L., p. 807), providing for the opening of the Fort Assiniboine Military Reservation;

S. 5987. An act to amend subsection 11 of section 3244, Revised Statutes;

S. 6561. An act providing for the sale at public auction of all unsold suburban lots not reserved for public purposes in the Government town site of Port Angeles, Wash., and for the issuance of patents for those previously sold under the act of May 2, 1906, on the payment of the price at which the said lots were reappraised under said act without further condition or delay;

S. 6748. An act providing that Indian schools may be maintained without restriction as to annual rate of expenditure per pupil; and

S. 6839. An act to authorize the incorporated town of Juneau, Alaska, to issue bonds for the construction and equipment of schools therein, and for other purposes.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed without amendment the following resolution:

House concurrent resolution 60.

Resolved by the House of Representatives (the Senate concurring), That the President of the Senate and the Speaker of the House of Representatives be authorized to close the present session of the Congress by adjourning their respective Houses on the 8th of September, 1916, at 10 o'clock ante meridian.

The message also announced that the Senate had passed without amendment bill and joint resolution of the following titles:

H. R. 8816. An act authorizing the Commissioner of Navigation to cause the sailing vessel *Golden Gate* to be registered as a vessel of the United States; and

H. J. Res. 282. Joint resolution authorizing the Postmaster General to provide the postmaster of Springfield, Ill., with a special canceling die for the one hundredth anniversary of the admission of the State of Illinois into the Federal Union.

The message also announced that the President had approved and signed bills and joint resolutions of the following titles:

H. J. Res. 237. Joint resolution authorizing the Postmaster General to provide the postmaster of Gulfport, Miss., with a

special canceling die for the Mississippi Centennial Exposition celebration;

H. J. Res. 252. Joint resolution authorizing the transfer of the Government exhibit, or such portion thereof as the President may determine is advisable, now at the Panama-California International Exposition at San Diego, Cal., to the Mississippi Centennial Exposition at Gulfport, Miss.;

H. R. 16532. An act authorizing an adjustment of the boundaries of the Whitman National Forest, in the State of Oregon, and for other purposes;

H. R. 14533. An act to authorize the Secretary of the Interior to issue a patent in fee simple to the district school board No. 112, of White Earth village, Becker County, Minn., for a certain tract of land upon payment therefor to the United States in trust for the Chippewa Indians of Minnesota;

H. R. 15807. An act to provide for holding sessions of the United States district court in the district of Maine and for dividing said district into divisions, and providing for offices of the clerk and marshal of said district to be maintained in each of said divisions, and for the appointment of a field deputy marshal in the division in which the marshal does not reside;

H. R. 13046. An act to consolidate certain forest lands in the Oregon National Forest, in the State of Oregon;

H. R. 2208. An act for the relief of James L. Yokum;

H. R. 6034. An act to make available a portion of the appropriation for the immigration station at Baltimore, Md., for such counters, booths, screens, railings, seats, bunks, kitchen and laundry equipment, etc., as necessary in connection with said station;

H. R. 10989. An act making appropriation for the preservation, improvement, and perpetual care of Huron Cemetery, a burial place of the Wyandotte Indians, in the city of Kansas City, Kans.

H. R. 1636. An act for the relief of Karen S. Sorenson and James Lyle;

H. R. 1963. An act for the relief of John E. Keys;

H. R. 16763. An act to increase the revenue, and for other purposes;

H. R. 15287. An act authorizing the addition of certain lands to the Colorado and Pike National Forests, Colo.;

H. R. 14824. An act to prevent fraud at public auctions in the District of Columbia;

H. R. 12889. An act authorizing the Secretary of the Interior to sell the unsold and unappropriated portions of lands within the town site of Newell, S. Dak., and for other purposes;

H. R. 17645. An act making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1916, and prior fiscal years, and for other purposes;

H. R. 11707. An act to amend an act entitled "An act to increase the pension of widows, minor children, etc., of deceased soldiers and sailors of the late Civil War, the War with Mexico, the various Indian wars, etc., and to grant a pension to certain widows of the deceased soldiers and sailors of the late Civil War," approved April 19, 1908, and for other purposes;

H. R. 11472. An act to reserve certain lands and make them a part of the Pike National Forest;

S. J. Res. 173. Joint resolution authorizing the payment of September salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session;

S. 136. An act for the relief of Eva M. Bowman;

S. J. Res. 169. Joint resolution interpreting section 50 of the act of June 3, 1916, for making further and more effectual provision for the national defense, and for other purposes;

S. 6625. An act authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls; and

S. 5886. An act extending the time for the completion of the bridge across the Mississippi River at Memphis, Tenn., authorized by an act entitled "An act to amend an act approved July 20, 1912, entitled 'An act to authorize the Arkansas & Memphis Railway Bridge & Terminal Co. to construct, maintain, and operate a bridge across the Mississippi River,'" approved August 23, 1912.

THANKS TO THE SPEAKER.

Mr. MANN. Mr. Speaker, I ask to proceed for a minute or two.

The SPEAKER. The gentleman from Illinois asks to proceed for five minutes. Is there objection?

There was no objection.

Mr. MANN. Mr. Speaker, the first session of the Sixty-fourth Congress is about drawing to a close. It is not customary at any but the last session of a Congress to present resolutions thanking the Speaker, but I can not let the occasion go by without expressing a thought or two concerning the House.

We have been blessed in this Congress by the presence, on this side of the aisle, of one of the greatest men and statesmen our country ever produced, former Speaker of the House, my colleague, the Hon. JOSEPH G. CANNON. [General applause.] And I have watched with some admiration the growth and development which might naturally have been expected in the character of the majority leader of the House, the Hon. CLAUDE KITCHIN [applause], and I congratulate the majority side of the House and the House itself upon the admirable qualities which he has displayed in the leadership of the House. [General applause.] And, Mr. Speaker, it is with a profound sense of the truth that I am glad to congratulate the country and the House upon the great Speaker of this House. [General applause.] The minority side of the House is largely dependent upon the fairness and the courtesy of the Speaker to protect its rights. That you have done, and the Republican membership of the House—aye, the entire membership of the House—thank you, Mr. Speaker, for the way you have presided over the House and so well filled the office, that great office, the Speakership. [Applause.]

The SPEAKER. With the consent of the House, the Chair would like to make a remark or two. [Applause.]

I most heartily congratulate all of you on the fact that in a few minutes this long, tedious, and laborious session will be brought to an end. Until about three weeks ago, when the House got so far ahead of the Senate in the transaction of business that we have been kind of marking time ever since, no session of Congress within my recollection remained in session so many days and worked so many hours. It has been a marvelous performance in legislative history.

I thank the gentleman from Illinois [Mr. MANN] for his very kind remarks and fully reciprocate them, and I rejoice, as I have stated before, that I have the personal friendship of all the Members of the House regardless of difference in political faith. [Applause.] That will be one of the most pleasant recollections of my life whatever the future holds in store.

I am the only man I know of who invariably takes up the cudgels for Congress. [Applause.] No difference whether it is a lecture, a public speech, or a written essay, I always do that. Now, it is a very strange predicament that we are in in this country. Nearly everybody would like to have an office. A great many people run for office. A very few of them get office, and everybody, without any exception that I know of, abuses the people who do get office. [Laughter.] That is a strange thing, but it is true. I think the reason that they hop on Congress so much is because it is a kind of impersonal criticism. To criticize the President is to fire at the individual, and if they took a notion to fire at the Speaker I suppose they would single him out and fire at him, but they can talk about Congress without hurting the feelings of anybody in particular. So they keep it up. If I live much longer and serve here much longer, sometime I am going to take a whole hour to discuss the relations of the American Congress to the American people. [Applause.]

I thank you all and wish that you may make safe return to your homes and have a pleasant summer and get back next December in good shape.

Now, the gentleman from Illinois said that this Congress has been fortunate in some things. It has been extremely fortunate in the fact that only three Members of the House have died. At one time when this House had only 357 Members 17 Members died during one Congress and 3 of them were lying dead here in Washington at the same time. So I feel very much like giving thanks for us all that we are living and in good health. [Applause.]

LEAVE TO ADDRESS THE HOUSE.

Mr. MOORE of Pennsylvania. Mr. Speaker, I ask unanimous consent that I may have 10 minutes to follow the gentleman from New York [Mr. FITZGERALD]. I asked for five minutes first, and then the gentleman from Mississippi [Mr. HARRISON] got his time extended.

The SPEAKER. The gentleman is exactly correct. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GILLETT. I ask unanimous consent to follow the gentleman from Pennsylvania. I have a statement to correspond with that of the gentleman from New York [Mr. FITZGERALD].

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to address the House, to follow the gentleman from Pennsylvania. Is there objection?

There was no objection.

MINORITY LEADER MANN.

Mr. FITZGERALD. Mr. Speaker, I am not very much at flattery, and I do not know that I am so constituted that I can

ever entertain a deeply rooted and intense love for a Republican; but I believe I can honestly say, speaking for the generality of the Democratic membership, that while we are opposed to the gentleman from Illinois [Mr. MANN] on partisan grounds, every Member on this side of the House has a sincere admiration for his marvelous industry and capacity for legislative work. [Applause.] His peculiar gifts are not only genuinely admired, but everyone appreciates that they are exercised for the welfare and best interests of the country. While I have no particular inclination to mix up in Republican squabbles, I know that all men who have honestly at heart the interests of the American Republic are deeply interested in the contest waged in his absence from his district against the gentleman from Illinois [Mr. MANN]. Regardless of the effect upon his personal political fortunes, he is here as attentive as ever to his public duties. We not only wish him success because of our personal regard for him, but we hope that he will succeed in his party contest, whatever the other contests may have in store, because we believe it to be best for the country. [Applause.]

We congratulate him upon the fidelity with which he has devoted himself to his duties, and we commend his attention and industry to all present and prospective Members of the House as an example to be emulated if their duties are to be properly discharged. [Applause.]

ATLANTIC DEEPER WATERWAYS ASSOCIATION.

Mr. HULBERT. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman rise?

Mr. HULBERT. To ask unanimous consent for one moment to put a question to the gentleman from Pennsylvania [Mr. MOORE].

The SPEAKER pro tempore. Is there objection either on the part of the gentleman from Pennsylvania or on the part of the House? [After a pause.] The Chair hears none.

Mr. HULBERT. In the consideration of the question of politics we have overlooked the consideration of the waterways, and I would like to ask the gentleman from Pennsylvania [Mr. MOORE] when the convention of the Atlantic Deeper Waterways Association will be held?

Mr. MOORE of Pennsylvania. I thank the gentleman from New York for the opportunity. In Philadelphia next week there will be an interesting convention of the Atlantic Deeper Waterways Association, to which every Member of this Congress is invited. I promise those, especially from the South or West, whom we would like to know better, that if they will come to Philadelphia on their way home we will take good care of them for a week, give them a good time, and show them something in waterways worth seeing.

Mr. MANN. We know they will take them in. [Laughter.]

EXTENSION OF REMARKS.

Mr. BUCHANAN of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. MANN. Mr. Speaker, I make the same request.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HAWLEY, Mr. HOPWOOD, Mr. GARLAND, Mr. BOWERS, Mr. SUTHERLAND, Mr. FOCHT, Mr. MCARTHUR, Mr. HILLIARD, Mr. YOUNG of North Dakota, Mr. GLYNN, Mr. SPARKMAN, Mr. RAKER, Mr. HARDY, Mr. MANN, Mr. MOORE of Pennsylvania, Mr. TAGUE, Mr. WM. ELZA WILLIAMS, Mr. AUSTIN, Mr. SINNOTT, Mr. NORTON, Mr. MONDELL, Mr. HASTINGS, and Mr. OLDFIELD were also granted leave to extend their remarks in the RECORD.

APPROPRIATIONS.

Mr. FITZGERALD. Mr. Speaker, world conditions are abnormal. Fifteen of the foremost nations of civilization are involved in the most bloody war in the history of mankind. Modern inventions have so annihilated the inconveniences of communication that no nation longer enjoys isolation, and all are affected by the present disturbance of the heretofore existing amity and peace among civilized men.

The world is ablaze. No one can predict where the sparks will drop nor what other fires may be lighted before the conflagration ends.

Our people have awakened to this fact, and to the belief that even the United States are not so completely isolated from the Old World as to be free from all possibility of entanglement before the conflict stops. With this awakening came a close scrutiny and a careful survey of our facilities and readiness for defense against possible aggressions.

The entire country seemed to have suddenly heard reechoing from the past those significant words of that great Democratic President, the late Grover Cleveland, who, in transmitting the report of the Endicott Board to Congress on May 12, 1885, said:

> • • • We have acquired great riches and apparently dreamed that prosperity should inspire friendship and not envy in less-favored peoples—forgetting that riches are a temptation, and that the plunder of one of our seaports might abundantly reimburse an enemy for the expenses of a war conducted against us.

With this very idea everywhere prevalent a movement was initiated to make our country secure against possible attack, and a Democratic Congress has responded to the demand by making provision for the national defense, as President Wilson said in his speech of acceptance, "upon a scale never before seriously proposed upon the responsibility of an entire political party."

As a result of such action the appropriations made at this session of Congress are necessarily far beyond those heretofore made for the support of the Government. They are unprecedented in amount; they are vitally essential to the security and development of the country; they are not excessive when the imperative needs of the Government are considered.

Although charges have been indiscriminately made for partisan political purposes that the Democratic administration is wasteful and grossly extravagant, a careful analysis of the appropriations made at this session completely refutes such partisan contentions.

TOTAL APPROPRIATIONS AND CONTRACTS.

The specific appropriations made during the session for all objects of expenditure for the Government amount to $1,626,439,209.63. In addition to the direct appropriations contracts are authorized to be entered into obligating Congress to make appropriations hereafter in the sum of $231,945,275.20. These contract obligations include $225,266,325.20 for naval and coast-defense purposes. The remainder, $6,678,950, is for ordinary objects of Government.

During the last year of a Republican administration under Mr. Taft, the contract liabilities authorized for ordinary purposes, exclusive of naval or other national-defense objects, aggregated the sum of $46,758,650, or an excess of $40,079,700 over those of this session. Of the total contracts in excess of appropriations authorized for that year only $21,746,524 were for national defense and $38,347,850 were for public buildings. At this session contracts are authorized in the sum of $225,266,325.20 for national defense and no contracts whatever for new public buildings.

AMOUNTS FOR NATIONAL DEFENSE.

That President Wilson did not exaggerate when he stated that "we have provided for national defense upon a scale never before seriously proposed upon the responsibility of an entire political party" is conclusively established by the mere statement of what this Democratic Congress has done.

The appropriations for military and naval purposes and for additional seacoast defenses alone amount to $685,709,823.09. These appropriations have been provided in the following manner:

Army appropriation act	$267,596,530.10
Naval appropriation act	313,300,555.84
Fortification appropriation act	25,747,550.00
Military Academy act	1,225,043.57
Sundry civil appropriation act:	
Armories and arsenals	4,683,495.00
Military posts	1,616,000.00
Military surveys	35,000.00
Panama Canal fortifications	4,535,000.00
Deficiency appropriations, Military and Naval Establishments	46,770,648.58
National Guard camps	200,000,000.00
Nitrate plant	20,000,000.00
Total	685,709,823.09

But these appropriations do not cover all the provisions made for the national defense. Extraordinary as they are in contrast with any provision made in previous years, their significance can be appreciated only by considering the direct appropriations with certain other provisions.

In addition to the foregoing sum for the public defense, expendable before July 1, 1917, contract obligations to be met by appropriation at the next or subsequent sessions of Congress have been authorized amounting to $225,266,325.20, making a grand total of actual appropriations and contract obligations on account of preparedness of $910,976,148.29.

But even those statements do not tell the whole story. In addition to the vast sums thus provided under the Democratic administration the Congress has specifically authorized, and for the first time in our history established, a definite naval building program, involving the construction and armor and armament within the next three years of 90 additional war vessels that will cost $295,000,000 additional when they are completed

and in commission. This sum added to the amount actually appropriated and the sum of the contracts authorized to be entered into make a grand total of $1,205,976,148.29 for military and naval purposes, or for preparedness, so called, to meet the recommendations of military experts as to our necessities for national defense.

CLEVELAND AND TILDEN PREPAREDNESS PIONEERS.

Fortunately now, as at another critical period in our history, the Democratic Party is in control of the Government. On December 1, 1885, Samuel J. Tilden, an illustrious Democrat, who put the peace and happiness of his countrymen above his personal ambitions and submitted to a series of acts resulting in his exclusion from the Presidency, to which he had been lawfully chosen, rather than to plunge his country into disastrous civil strife, addressed a memorable letter to John G. Carlisle, the prospective Speaker of the House of Representatives, upon the question of the country's seacoast defenses. In it he laid down the Democratic doctrine that has been revived during this Congress. He said:

The best guaranty against aggression, the best assurance that our diplomacy will be successful and pacific and that our rights and honor will be respected by other nations, is in their knowledge that we are in a situation to vindicate our reputation and interest.

During the first administration of President Cleveland the comprehensive and admirably planned scheme of coast defenses involving expenditures of upward of $150,000,000 was initiated, and our modern steel navy was begun, both of which accomplishments have inseparably linked the names of the Secretaries of War and of the Navy in that administration, Endicott and Whitney, with the defense of the country.

History is now found repeating itself. Again, after a long period of uninterrupted control of the Government by the Republican Party, the country awakens to the fact that our military establishments are inadequate.

It would be futile to attempt to determine whether this condition resulted from the incompetency, the negligence, or the indifference of the Republican Party. It is sufficient to know that twice in the period of 50 years since the Civil War, after long and uninterrupted control by Republicans, the country's defenses were rehabilitated and its military establishments were modernized by legislation of Democratic origin and inception.

REPUBLICAN PARTY NEGLIGENT.

During the 16 years of Republican control just preceding this Democratic administration ample warnings had been given by experts of our military needs. While appropriations were withheld as in that other period preceding the Democratic administration of 1885, appropriations for river and harbor work aggregating $436,121,816.20 and of $178,900,041.18 for public buildings were made, and, in addition, obligations amounting to $38,347,850 were approved by Mr. Taft in the omnibus public-buildings act, all three sums aggregating $653,369,707.38. This sum practically equals the direct amount—$685,709,823.09—appropriated at this session of Congress for the public defense. It is not contended that all of the appropriations for river and harbor improvements and for public buildings were not necessary; but it can not successfully be maintained that a very large percentage of the appropriations made for such purposes might not more appropriately have been made for the public defense to the greater advantage and security of the country, as well as for the benefit of the taxpayers.

SUMS FOR NEW GOVERNMENT ACTIVITIES.

New Government activities of a major character undertaken during this Democratic administration for which appropriations have been necessitated are provided for in the appropriations of this session in the following manner:

To encourage, develop, and create a naval auxiliary and naval reserve and a merchant marine	$50,100,000
Federal aid in the construction of good roads	6,000,000
Establishment of Federal farm-loan banks	6,200,000
Federal Employees' Compensation Commission	550,000
Tariff Commission	300,000
Construction of railroads in Alaska to develop its coal fields	8,247,620
Expenses of collecting the income tax	1,828,000
Federal Trade Commission	444,080
Eight-Hour Day Commission	50,000
Total	73,719,700

A YEAR OF WILSON AND TAFT.

The fiscal year 1914 was the last for which appropriations were made under a Republican administration.

The expenditures for the Postal Service authorized in the appropriations at this session, as compared with the like appropriations for that year, show an increase of $37,561,408. This increase has been due to the improvement of the service and the extension of its benefits to millions of our inhabitants previously excluded from its advantages. The Parcel Post System has been made genuinely efficient, and 10,000 additional rural routes and extensions have been established, thus giving to 3,000,000 additional persons free-delivery service.

For pensions there was appropriated for 1914 $37,335,000 more than the sum required to meet all obligations under pension laws at this session. The $195,400,000 appropriated on this account at that time included, it is estimated, more than $37,500,000 arising under the general service pension act of May 11, 1912, which was initiated and passed by the Democratic House of Representatives of the Sixty-second Congress. The inexorable toll of advancing age has reduced the ranks of the honored veterans of the Civil War, and alone is responsible for the considerable reduction in our annual expenditures for Army and Navy pensions.

In order to arrive at a reasonable basis of comparison of the appropriations made for ordinary expenses of the Government for the third year of Mr. Wilson's administration with those made for the final year of Mr. Taft's administration there should be deducted from the grand total of the appropriations of this session the three sums I have heretofore mentioned, namely:

For national defense and preparedness	$685,709,823.09
For new and progressive activities	73,719,700.00
For increase on account of the Postal Service	37,561,408.00
Total	796,990,931.09

For the purposes of this comparison the total appropriations made for 1914 under Mr. Taft's approval should also be reduced not only by all national-defense appropriations but also by the apparent excess for pensions over the amount appropriated for this session, namely, $37,335,000.

By those eliminations a sound and logical basis for comparison as between the fiscal years 1914 and 1917 is established, and furnishes accurate information as to appropriations under this administration and the preceding Republican administration.

Appropriations made this session for ordinary expenses of Government, after deducting amounts of the national defense, new and progressive activities, and increase for the Postal Service	$829,548,278.54
Appropriations for 1914, less amounts for the national defense and after deducting the excess over the sum appropriated this session for pensions	804,743,125.94
Increase 1917 over 1914	24,805,152.60

The excess in ordinary annual appropriations thus arrived at for which this Congress is responsible and for which it does not shun fair criticism represents an increase of 3.08 per cent.

The estimated population of the country at the beginning of the fiscal year 1914 was 97,337,000, and at the commencement of the fiscal year 1917 it was placed at 102,431,000, an increase of 5,094,000, or 5.23 per cent.

The percentage increase in population in 1917 over 1914 is thus shown to be 5.23 per cent while the percentage increase of appropriations for ordinary expenses of Government under a Democratic administration is only 3.08 per cent, notwithstanding the demands of the public service imposed by three years of the unexampled prosperity which the country has enjoyed. When it is recalled that for the first 111 years of the country's existence the expenditures for the Federal Government increased five times more rapidly than the population it is apparent that the increase in normal expenditures during the past three years is exceedingly small.

Comparing the appropriations for the ordinary operating expenses of the Government for the two years under consideration on the basis of population, the following results are arrived at:

For 1914, per capita, $8.26.

For 1917, per capita, $8.09.

AN EFFICIENT AND PROFITABLE POSTAL SERVICE.

The Postal Service constitutes the one great business activity of the Government. The universal and unprecedented prosperity throughout the country is aptly reflected in the enormous increase in postal revenues and their excess over expenses. It provides a surplus for the last fiscal year of $5,742,445, which supplements the general funds in the Treasury and makes a total surplus of $12,500,000 during this administration. As the Postal Service is purely a business activity it should be, and under this administration is, self-sustaining. It is proper to exclude its revenues and expenditures in comparisons of ordinary expenditures of government. This fact is so well recognized that the daily Treasury statement was revised under the Republican administration for this very purpose.

During the 15 years ending with the fiscal year 1912, when the Republican Party was in complete control of every branch of the Government, only once was there a surplus of postal

revenue over postal expenses, and then in a sum scarcely exceeding $200,000. The total excess of postal expenses over the postal receipts during that period amounted to $115,323,897.26.

That sum was obtained from funds collected as taxes in other forms. Proper business management of the service, such as has prevailed during the present administration, would have permitted $115,000,000 to have been utilized for other imperative governmental needs, or taxes to have been reduced in that sum. Failure to administer the service as a business rather than as a political institution constitutes a monument to Republican incapacity and is an unhappy reminder of the days when the Post Office Department was the reward for successful campaign management rather than for demonstrated capacity and efficiency in public office.

Against the record of extravagant and unprofitable postal mismanagement under Republican administration for 15 years the Democratic administration during its brief existence has turned into the Treasury a profit of $12,500,000, at the same time extending the city free-delivery service to hundreds of cities and to more than 5,000,000 additional patrons, and, as heretofore stated, establishing more than 10,000 additional rural free-delivery routes and extensions, increasing the number of persons served on rural routes from 23,278,290 to 26,307,685. More convincing evidence of the superior management of this greatest of all business activities of the Government under Democratic administration than under Republican administration could not be conceived. It is conclusive of the unrivaled and universal prosperity which prevails as a result of Democratic policies and Democratic control.

NORMAL GROWTH IN EXPENDITURES.

Comparing in detail the appropriations for ordinary governmental purposes made this session in the regular annual appropriation acts, in miscellaneous acts, and estimated amounts under permanent appropriations, with the like appropriations made for the fiscal year 1914 under estimates and recommendations of the Taft administration, excluding for both years increases or reductions for pensions, Postal Service, national defense, and certain specified new activities, it will be found that the total increases made amount to $25,731,102.72 and the reductions to $925,950.12, a net increase, as already stated, of $24,805,152.60, or to be more specific the detailed increases and reductions are made as follows:

Increases:	
Agricultural Department	$6,961,907.00
Diplomatic and Consular Service	1,624,454.00
District of Columbia government	1,457,968.10
Indian Service	1,480,825.21
Legislative, executive, and judicial expenses, excluding increased amounts for income tax and war tax	925,255.75
Sundry civil expenses, exclusive of Alaskan railroad, Federal Trade Commission, and for national defense purposes for 1917	261,191.23
Deficiencies, excluding Alaskan railroad, collecting war taxes, employees' compensation commission, and national-defense items	10,958,098.55
Miscellaneous, exclusive of national defense sums and certain specified new activities	2,061,402.88
Total	25,731,102.72
Reductions, not considering pensions:	
River and harbor acts, not including amounts to meet contracts	474,959.00
Permanent appropriations, excluding the national defense items	450,991.12
Total	925,950.12
A net increase, as stated, of	24,805,152.60

An analysis in brief of the several increases and reductions thus shown by appropriation acts will naturally interest those who care to study the question of Federal expenditures.

AID TO AGRICULTURE.

The increase of $6,961,907 for the Agricultural Department and the advancement of the agricultural industry of the country includes $989,550 increase for the Bureau of Animal Industry; $2,969,680 for the States Relations Service and farmers' cooperative demonstration work; $319,800 for investigation and demonstration work of public roads and rural engineering; and $1,250,000 for eradication of the foot-and-mouth and other diseases of animals. Compared item by item, it is shown that the agricultural act for 1917 carries $7,746,907 more for material work of vast import to farmers than did the act for 1914, and such increases were unavoidable if the department was to continue increasing its highly beneficial activities in the interest of agriculture and those directly engaged in farming.

FOREIGN RELATIONS EXPANDED.

The additional sum of $1,624,454 for the Diplomatic and Consular Service includes increases of $25,000 for clerks at embassies; $43,585 for contingent expenses at embassies; $150,000 for emergencies arising in the service, to be expended by the President; $355,000 for a building in China for consular and other offices of the United States; $100,000 for a legation building in Cuba; $102,000 for additional consular officers; $150,000 for allowances to consular officers on account of increased cost of living in countries engaged in the foreign war; $118,000 for clerical services at consulates; and $125,400 for contingent expenses of consulates. Much of the increase has been due to unavoidable conditions resulting from the present war.

Our Consular Service, now the most extended of any in the world, has been fostered and expanded by this administration until it is the equal of that of any nation, and its growth reflects commensurately the expanding commercial relations of our people with the rest of the world.

THE NATION'S CAPITAL.

The act providing for the expenses of the District of Columbia carries an increase of $1,457,968.10 over its expenses of three years ago. The largest single object of expense is that of the public schools, which is provided for in the sum of $2,915,349 for 1917. The school system of the Capital is recognized as a model for all cities. For improvement of suburban streets in the District and city streets and alleys an increase of $468,510 is given over like purposes in 1914. Other activities, such as the health department, fire department, police department, water service, improvement of the water front, charitable and correctional institutions, are provided for in sums increased proportionately to the growth and advancement of the city that has become in every desirable feature the rival of any capital city in the world. The increases are the result of the natural growth of the city, and are eloquent of the determination of Congress to maintain it in a manner commensurate with the power and dignity of the Nation.

INDIAN SERVICE.

The increase on account of the Indian Service of $1,480,825.21 includes more than $1,000,000 for works of irrigation to reclaim arid lands belonging to Indians and to enable them to become self-supporting through agriculture. The remainder of the increase is chiefly in appropriations for education and civilization.

COLLECTING THE INCOME TAX.

For the legislative, executive, and judicial expenses of the Government there is an increase, after deducting the amount of $1,828,000 added since 1914 on account of the Internal-Revenue Service for collecting the income tax and the war revenue tax, of only $925,255.75 over the sum provided for 1914, and is $88,411.75 less than the increase made for the same purposes in 1914 over the amount given for 1911 or three years previously. Included in the increase for 1917 is the sum of $175,000 for promoting commerce with South and Central America and for commercial attachés to study and report industrial conditions abroad. Those new services in behalf of the manufacturing and commercial interests of the country give promise of incalculable benefits, and are the effective methods by which enlarged and new markets are being established abroad for the American manufacturer and for the products of our farms.

When it is recalled that under 16 years of control of the legislative, executive, and judicial services of the Government the Republicans increased the expenses therefor from $21,625,846.65 for 1899 to $35,172,434.50 for 1914, the modest increase of less than $1,000,000 in a period of three years by this Congress seems insignificant indeed at this period of unprecedented governmental activity and unparalleled industrial development throughout the country.

ALASKAN RAILROAD AND PUBLIC HEALTH SERVICE.

The sundry civil act, while it shows a net increase of $261,191.23 after deducting national-defense sums and the amount for the Alaskan railroad for 1917 and all national-defense sums from the act of 1914, carries an increase for 1917 over 1914 for the Public Health Service, including the investigation of diseases of man, of $533,410, and an increase of $150,000 for the regular work of the Interstate Commerce Commission.

REPUBLICAN CRITICISM INSINCERE.

This necessarily brief analysis of the appropriations made at this session of Congress affords some conception of the annual requirements of the complicated machinery of government and the multifarious details for which provision must be made. Five hundred printed pages of law in octavo form are required to express the appropriations at this session. The testimony taken by the Committee on Appropriations alone in the preparation of the five annual bills under its control and the deficiency bills embraces nearly 5,000 printed octavo pages.

The consideration of the bills in the House and Senate has consumed many days and weeks and their discussion in the two Houses fills hundreds of pages of the CONGRESSIONAL RECORD. That our Republican associates in the House and Senate have not found fault with many of the countless purposes of these appropriations in the process of their authorization but have made many bitter complaints at alleged inadequacy in many instances should estop them from assailing the total of the appropriations now that the session is ended. They did not object to the appropriation of $685,709,823.09 given for the Army and Navy defense, or to the further sum of $225,266,325.20 for direct contracts and $295,000,000 involved in the three-year naval policy for 90 additional warships. Indeed they were, or pretended to be, dissatisfied that greater appropriations were not provided for those purposes.

The appropriation of $322,937,679 for the Postal Service likewise met no opposition in either House from Republican Members.

The increase of nearly $7,000,000 for the agricultural interests of the country was as popular with the opposition membership as it will be among those who till the soil, and no effort from whatever source to curtail such expenditures would be seriously regarded by the Congress.

Appropriations for river and harbor improvements have been viewed by the country with increasing suspicion. The reasons are well known and it is unnecessary to review them here. At this session appropriations and contract authorizations for river and harbor improvements have been $13,545,804 less than for 1914, and only $7,263,750 has been appropriated for public buildings, and no additional ones have been authorized, while during the last days of Mr. Taft's administration the appropriations and authorizations for new buildings amounted to $54,305,617, and more than $42,000,000 of the latter constituted obligations much of which has fallen on this Congress to meet.

PEACE, PROSPERITY, AND PREPAREDNESS.

Our national expenditures wisely and judiciously provided at this session of Congress represent the cost of a beneficent government of a nation enjoying unrivaled prosperity in every line of human activity, unexampled progress in all of the arts and industries as well as the science of government, peace throughout its own territory and with all other nations, and the preparedness to repel, if need be, any belligerent foe. Contrasting the appropriations, amounting to $1,626,439,209.63, with the enormous sums expended and the colossal indebtedness incurred by the warring nations of the Old World in their mad struggle for supremacy, there is ample cause for rejoicing at our own good fortune. By comparison our national expenditures are insignificant and the service and benefits procured therefrom exceed the power of human intelligence to measure.

Our expenditures signify prosperity, progress, peace, and preparedness. The nations abroad are expending their substance in a mad riot of death and destruction.

AN IMPRACTICABLE PLATFORM.

The Republican Party in its platform pledges its support to a "simple businesslike budget system" as a means of securing economy and efficiency in public expenditures. What is contemplated by such a declaration has not been explained and is difficult to ascertain.

Mr. Taft established an efficiency commission with a chairman at $10,000 a year and four commissioners and a secretary at $6,000 each. The commission labored for three years. It spent $260,000 directly appropriated to them and many other hundreds of thousands of dollars by useless waste of time of highly paid employees of the Government who should have been otherwise engaged, and in the printing of excessive quantities of reports that never were deemed worthy of perusal by anyone outside of their immediate circle. Most of the time of this famous commission was devoted to the construction of a "businesslike budget system." They made two distinct deliverances. The first when launched evidently was not even to their liking, for they with due deliberation produced another, and then Congress put a stop to their activities in this particular direction by forbidding any change in the long-established and comprehensive form of estimates of appropriations required of the Executive which was the result of a century and a quarter of experience and careful observation by men peculiarly fitted for such work. The businesslike budget system contemplated by Mr. Taft's commission involved a material amendment to the Constitution, transferring the control of public expenditures, and incidentally the power of taxation, from the representatives of the people to the President and his Cabinet, the latter composed of officials unknown to the Constitution and chosen by him from among personal and political friends, and accountable practically to no authority other than that of the President.

The whole proposition was so preposterous and intolerable that when a Democratic House of Representatives refused further continuance of appropriations to those who composed what is known to fame as the "Taft Efficiency Commission" not one Representative or Senator of any party raised a voice in its behalf. Their greatest efficiency was displayed in the thorough manner in which they consumed in salaries the last penny of the sums appropriated for their work.

Not only does the Republican platform declare for such a "budget" but its candidate is proclaiming his determination to establish it.

At present the State of New York has a governor who was the leader in the Chicago convention of the forces urging the nomination of Justice Hughes. Gov. Whitman professes to be an admirer of Justice Hughes and a believer in, and practicer of, the same political faith and governmental policies. He initiated a so-called responsible executive budget upon his assumption of the governorship of New York. The result of his efforts to economize and to establish a businesslike budget has been a dismal failure, and resulted in an increase of $14,000,000 in expenditures, practically 30 per cent over the expenditures of his Democratic predecessor.

Such efforts to accomplish reform in public expenditure are doomed at the very outset. Our theory of government and our institutions do not permit the adoption of what many really seek—the British method of preparing a budget. It is a curious anomaly that while many publicists in the United States are so lavish in their praise and so determined in their advocacy of the British budget system, in England it is now, and for some years has been, the subject of severe condemnation. In "British War Finance, 1914–15," Mr. W. R. Lawson, a writer of considerable note on financial matters, discusses extensively and condemns severely in the chapter entitled "The doom of the one-man budget," the system prevalent in Great Britain.

A careful perusal of this chapter would undoubtedly enlighten and effectively silence many who so glibly advocate the adoption in our Government of a plan similar to the British system.

A SENSIBLE PROPOSAL.

The Democratic Party, in its platform adopted at St. Louis in June, announced the only feasible, practical, and effective system of Treasury control. As the House of Representatives under the Constitution is the guardian of the public purse, its control can be effective only under certain conditions.

The essential for such control is the concentration in one body or committee of jurisdiction of expenditures from the public funds. It is the ancient and effective system of our Government. Public opinion will eventually compel such a reform. Undoubtedly there are serious difficulties in the way of its accomplishment. The natural ambitions of Representatives, the fear that excessive power will result to a smaller number of Representatives, a disinclination to surrender power now exercised by other committees, all are potent to prevent the change.

But the best for the country is the real desire of every Member of Congress. They continually subordinate individual views and ambitions in a patriotic desire to serve their country effectively, and that deep-rooted and predominating sentiment among the representatives of the people will be persuasive for the proper reform when the time is opportune.

The extraordinary expenditures authorized at this session have necessarily required additional tax burdens. Our country is rich, its people are prosperous. Compared with the burdens levied under normal conditions in other countries our tax burdens are light. As they increase a keener interest will be awakened among greater numbers in public expenditures and in our national finances. The more extensive such interest the better for our country, for its results will be more efficient administration, more careful scrutiny of governmental expenditures, more thorough consideration of governmental activities, more rigid accountability by public officials for their policies and their conduct.

I ask the Members of the House to examine this statement carefully. I know it will be heartening to men who have confidence in the Democratic Party, and I am certain that it will be helpful to those of our political opponents who may contemplate making reckless and indiscriminate charges against the Democratic administration to revise their views carefully, and instead of condemning, if they decide to say anything, to join in the hearty wave of approval to which this Democratic administration and all its acts are meeting everywhere in the country, regardless of the partisan professions of individuals. [Applause on the Democratic side.]

Chronological history of appropriation bills, first session of the Sixty-fourth Congress: estimates and appropriations for the fiscal year 1916–17; and appropriations for the fiscal year 1915–16.

[Prepared by the clerks to the Committees on Appropriations of the Senate and House.]

Title.	Estimates, 1917.	Reported to the House.	Passed the House.	Reported to the Senate.	Passed the Senate.	Law, 1916–17.	Law, 1915–16.
Agriculture	$24,159,089.00	$24,501,093.00	$24,673,393.00	$23,928,820.00	$25,230,527.00	$24,948,852.00	$22,971,782.00
Army	150,931,483.47	(157,223,246.10)	(182,303,356.10)	(330,599,010.10)	(313,970,447.10) [1]	(267,596,530.10) [1]	101,974,195.87
		267,596,530.10	267,596,530.10	267,596,530.10	267,596,530.10	267,596,530.10	
Diplomatic and Consular	5,426,698.70	5,483,246.66	5,068,346.66	5,259,096.66	5,301,096.66	5,355,098.66	4,061,280.01
District of Columbia [2]	15,473,676.34	11,894,737.34	11,931,817.34	14,952,002.96	13,827,734.72	12,841,707.10	11,859,584.45
Fortifications	23,305,123.80	21,997,050.00	22,368,050.00	25,120,110.00	26,257,110.00	25,747,550.00	6,060,216.90
Indian	10,175,036.66	9,350,646.66	8,961,437.66	12,077,187.44	11,998,796.44	10,967,644.88	9,771,902.76
Legislative, etc	39,749,377.25	37,601,539.25	37,616,049.25	38,196,762.25	38,210,002.25	37,925,690.25	36,904,799.75
Military Academy	1,422,775.77	1,218,804.57	1,218,804.57	2,239,328.57	2,238,544.57	1,225,043.57	1,039,813.37
Navy	217,652,174.24	241,371,858.59	209,891,961.34	315,720,516.54	316,726,556.54	313,300,555.84	149,661,864.88
Pension	160,565,000.00	158,065,000.00	158,065,000.00	158,065,000.00	158,065,000.00	158,065,000.00	164,100,000.00
Post Office [3]	316,364,879.00	321,352,979.00	321,352,979.00	322,905,679.00	322,915,679.00	322,937,679.00	313,364,667.00
River and Harbor	[4] 44,376,710.00	37,898,410.00	37,898,410.00	40,889,935.00	41,723,935.00	[5] 40,598,135.00	[6] 30,000,000.00
Sundry civil	[7] 141,181,110.93	127,237,221.24	127,540,651.24	128,246,445.24	129,657,186.67	[8] 128,299,285.24	[9] 126,922,750.79
Supplemental estimates	[10] 112,000,000.00						
Total regular annual appropriations	1,262,782,135.16	1,265,569,116.41	1,234,230,430.16	1,355,196,413.76	1,359,746,698.95	1,349,808,709.64	978,722,857.78
Urgent deficiency 1916, mail bags, etc		191,444.17	191,444.17	197,684.17	197,684.17	197,684.17	
Urgent deficiency 1916, and prior years, general		12,572,304.30	12,572,076.92	13,523,247.17	13,526,247.17	13,442,097.17	
Urgent deficiency, Navy, etc	[10] 76,000,000.00	3,260,800.00	3,260,800.00	3,442,800.00	3,609,046.06	3,479,046.06	12,316,243.90
Urgent deficiency, Army		8,611,502.11	8,611,502.11	8,611,502.11	8,611,502.11	8,611,502.11	
Urgent deficiency, Army and Navy		25,952,068.83	27,536,068.83	27,536,068.83	27,536,068.83	27,536,068.83	
Deficiency, 1916, and prior years		14,326,272.33	14,332,069.11	15,467,968.66	15,741,870.54	[10] 15,288,468.65	
Total, regular annual and deficiency appropriations	1,338,783,135.16	1,330,483,508.15	1,360,734,391.30	1,423,975,684.70	1,428,969,117.83	1,418,364,536.63	991,039,201.68
Miscellaneous						[11] 85,000,000.00	2,330,603.34
Total, regular annual, deficiency, and miscellaneous appropriations						1,503,364,536.63	993,369,805.02
Permanent annual and indefinite appropriations	[12] 135,074,673.00					[12] 123,074,673.00	121,567,207.00
Grand total, regular annual, deficiency, miscellaneous, and permanent annual and indefinite appropriations	1,473,857,808.16					[13] 1,626,439,209.63	[14] 1,114,937,012.02

[1] The Army bill for 1917, as originally passed, was vetoed by the President on Aug. 18, 1916. The amounts of the vetoed bill are set forth in parentheses in order to preserve its history, but the amounts are not included in any of the totals stated herein.

[2] One-half of the amounts for the District of Columbia payable by the United States, except amounts for the water service (estimated for 1917 at $130,480), which are payable from the revenues of the water department.

[3] The expenses of the Postal Service are payable from postal revenues to the extent that they are sufficient therefor and the remainder is paid out of the Treasury. For the fiscal year 1917 the sum of $8,000,000 is estimated, under permanent annual and indefinite appropriations, as the amount required from the General Treasury to supplement the postal revenues.

[4] In addition to this amount, the sum of $1,462,800 to meet contracts authorized by law for river and harbor improvements is included in the sundry civil estimates for 1917.

[5] In addition to this amount, the sum of $1,462,800 is appropriated in the sundry civil act to carry out contracts authorized by law for river and harbor improvements for 1917.

[6] In addition to this amount, the sum of $3,982,000 was appropriated in the sundry civil act to carry out contracts authorized by law for river and harbor improvements for 1916.

[7] This amount includes $1,462,800 to carry out contracts authorized by law for river and harbor improvements, and $27,535,469.13 for construction, maintenance, operation, and fortification of the Panama Canal for 1917.

[8] This amount includes $1,462,800 to carry out contracts authorized by law for river and harbor improvements, and $21,335,000 for construction, maintenance, operation, and fortification of the Panama Canal for 1917.

[9] This amount includes $12,186,550 for construction of public buildings; $3,982,000 to carry out contracts authorized by law for river and harbor improvements; $19,579,048.30 for the construction, maintenance, operation, and fortification of the Panama Canal; and $13,530,000 for the Reclamation Service previously provided for under permanent appropriations.

[10] This amount is approximated.

[11] This amount is approximated, and includes $50,100,000 in the shipping act; $20,000,000 in the national-defense act; $6,000,000 in the good-roads act; $6,100,000 in the farm-loan act.

[12] This is the amount submitted by the Secretary of the Treasury in the annual estimates for the fiscal year 1917, reduced in stating the appropriation for 1917 in the sums of $4,000,000 on account of the repeal of the permanent appropriations for the Organized Militia and $8,000,000 for postal deficiency included in amount of annual postal appropriation act. The exact amount appropriated under permanent appropriations is not ascertainable until two years after the close of the fiscal year. This sum includes estimated amount of $90,727,000 to meet sinking-fund obligations for 1917.

[13] In addition to this amount contracts are authorized to be entered into, subject to future appropriations by Congress, as follows: By the District of Columbia act, $700,000; by the fortification act, $13,800,000; by the naval act, $209,459,325.20; by the river and harbor act, $2,287,950; by the sundry civil act, $5,107,000; by the deficiency acts, $500,000, and by the Sandusky, Ohio, public building act, $85,000; in all, $231,945,275.20.

[14] In addition to this amount contracts are authorized to be entered into, subject to future appropriations by Congress, as follows: By the District of Columbia act, $100,000; by the fortification act, $300,000; by the naval act, $37,000,000; in all, $37,400,000.

THE EIGHT-HOUR LAW.

Mr. MOORE of Pennsylvania. Mr. Speaker, I am pleased to have heard the gentleman from New York [Mr. FITZGERALD] explain why the Democratic Party has piled up expenses so enormously during this session of Congress. We have been waiting a long time for this explanation from the chairman of the Committee on Appropriations. Only this morning have we been able to find out, according to the gentleman from New York, it is due to "an increase in the population," not to the desire to create offices at all. Oh, no; nor to the insistence upon vast expenses for Government-ownership propositions, not at all. It is due to "the increase in the population." That is a new one and a good one, Mr. Speaker, and I trust the gentleman from Massachusetts [Mr. GILLETT], who is to answer the gentleman from New York, will explain it a little more fully when he comes to take the floor.

Mr. Speaker, I have not approved of most of the legislation that has been passed during this session of Congress. I think we have had entirely too much legislation. Sometimes it has seemed to me that this Congress has wasted its time, although every Member of it has worked hard, in addition to wasting the public money and increasing the public taxes. As a rule I have opposed the general course of this Congress. I believe that its legislation, generally speaking, has been vicious and hurtful to the country, and that there will be an accounting by the people in November next. [Applause on the Republican side.]

Personally, however—for we have spent nine long months here together—I agree with the gentleman from Illinois [Mr. MANN] that the Speaker of this House has presided over it with rare courtesy, and that our compliments are due to him. I appreciate also the courtesy of the chairman of the Committee on Ways and Means, and while it has not been the privilege of the minority to meet often with him in conference during this session of Congress, nevertheless in those few brief moments when we have had an opportunity to get together, he has been as civil and courteous as a gentleman could be. [Applause.]

I want also to join with the gentleman from New York [Mr. FITZGERALD], who has just paid tribute to the Republican leader of this House, the gentleman from Illinois [Mr. MANN]. The Republican floor leader is unquestionably the foremost parliamentarian of his time. [Applause.] He is a hard worker, too hard a worker some of us on this side of the House believe, and as we all of us feel in our hearts that higher honors are soon in store for him, we trust that his brief vacation may be one devoted to healthful recreation in that beautiful garden of

his in Chicago, so that he may come back refreshed, with a keenness of tongue and a punch to his elbow that will be effective next year when the Republican Party again undertakes to regulate properly the affairs of this Government. [Applause on the Republican side.]

Personally, Mr. Speaker, no Member appreciates the confidence and the friendship of the Members upon the other side more than do I, and if at times shafts have been passing hither and fro across the aisle, so far as I am concerned, there has been no bitterness, no spirit of malevolence, naught but kindness in all that has been said. It has been "give and take" in the fairest sense. If you have stood for your party or your State, it has been according as your lights directed you, and so it has been with me. From Mississippi or Texas or Pennsylvania, we have simply stood our ground, doing our duty as we saw it, and I hope it shall so continue to be. I have not objected to a Member from Texas defending Texas, nor one from Mississippi defending his State, if he thought it proper to do so. Any one of us would be unworthy of membership in this House if we did not do our best to truly represent those who sent us here. There is no occasion for bitterness or malice to mar our daily proceedings. Now, let it go at that. [Applause.]

The gentleman from Mississippi [Mr. HARRISON] has invited a controversy this morning by attacking the speech of the gentleman from Illinois [Mr. RODENBERG] and I want to say to him, because I have not the time to answer him at length, that the crux of that speech, as I understood it, was that Cleveland H. Dodge, a personal friend of the President, was not only in the munitions business, dealing with the armed forces of Mexico—the armed banditti that were coming over the border—but he was also one of the most liberal contributors to the Wilson campaign fund. That seemed a fair matter for criticism on the part of the gentleman from Illinois [Mr. RODENBERG]. We can not be expected to overlook these things. We have observed in the appointment of ambassadors, that men who were contributors to campaign funds have been in favor with this administration from the highest down. This is fair material for a discussion of this kind. If men who contribute to campaigns are given high place in the Democratic Party, it is important. The people ought to know it. And if they are making money out of munitions or the raising or lowering of embargoes that is news that Congress ought to have.

But, Mr. Speaker, what I rose to say is this: In the RECORD of this morning the distinguished and eloquent gentleman from Georgia [Mr. ADAMSON] has inserted a speech on the eight-hour law. He has undertaken to defend that law. He has undertaken in this speech to attack Members upon this side of the House who have spoken against the methods by which the eight-hour law was forced down the throats of the Members of Congress. He speaks somewhat by way of apology for the President, and relieves him from total responsibility for the passage of the Adamson law. He indicates that there was some personal responsibility for this measure.

On September 1 I read into the RECORD from his speech of July 15, 1916, this statement:

> Mr. ADAMSON. Four months ago when the clouds gathered above the horizon the Republican leader and I investigated to see whether there would be any strike. I will not say where we went, but we were assured by the representatives of the employees that there would be no walkout and they did not mean to stop the wheels, and the Interstate Commerce Commission did not favor any investigation, and I concluded that no action was necessary and dropped the subject.

Whereupon Mr. MANN, the gentleman on this side referred to, said:

> I hope the gentleman will not put me into that agreement.

Mr. Speaker, partly on the strength of that statement of the gentleman from Georgia, I contended that this whole strike legislation was "set up" on the House. I repeat that charge now, that it was brought in here as a political dodge, as a campaign measure, and that the gentleman from Georgia, whether he did it intentionally or not, was the instrument of a shrewd political dictator, who saw what he thought was an opportunity to win 400,000 labor votes. He drove this House into a humiliating position, forcing it to accept dictation the like of which has never been submitted to in this great body before.

Mr. RUBEY. Mr. Speaker, will the gentleman yield?

Mr. MOORE of Pennsylvania. I can not. The gentleman from Georgia [Mr. ADAMSON] in his extension of remarks this morning says:

> The strike has been fomenting for four or five months——

Mr. ADAMSON. Mr. Speaker, will the gentleman yield?

Mr. MOORE of Pennsylvania. I can not. The gentleman from Georgia continues:

> One Republican leader on the floor, versatile but sensational—

And I presume in this he refers to me, although I am not a leader—

> has three or four times referred to the fact that I was considering that strike four months ago, and one or two newspapers have seen proper to take up his wonderful deliverance as evidence of political design in the matter. It is true that four months ago my attention was called to the impending strike—

Mr. Speaker, I can not in the time I still have at my command go on with citations from the gentleman's speech.

Mr. ADAMSON. It will improve the gentleman's speech if he will continue to read from mine.

Mr. MOORE of Pennsylvania. The gentleman admits that the railroad men were called in by the President, that they did not want eight-hour legislation. The gentleman admits——

Mr. ADAMSON. Oh, I insist I made no such statement.

Mr. MOORE of Pennsylvania. The gentleman admits, inferentially, my charge that the American Federation of Labor is against the enforcement of an eight-hour rule by legislation. He says the railway brotherhood chieftains declared they did not want it. I quote from the gentleman's speech:

> They did not even then ask for legislation, but there were others of us who did realize what a calamity it would mean to have a strike.

The gentleman realizes that the President has put his foot in it and that the shoe pinches. The Democratic Party, which thought it had made a ten-strike in "saving the baby's milk," at 7 o'clock a. m. on Labor Day, by the hasty passage of this remarkable law——

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. MOORE of Pennsylvania (continuing). Is hearing from the newspapers of the country and particularly from the newspapers of the South. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

Mr. MOORE of Pennsylvania. Mr. Speaker, from the Manufacturers Record, of Baltimore, a publication devoted chiefly to southern development, I have made these extracts showing the sentiment in the Southern States on the President's makeshift eight-hour law. Bear in mind that these comments come from Democratic sources:

[From the Manufacturers' Record, Sept. 7, 1916.]

THE RAPE OF THE NATION'S HONOR—WHAT SOUTHERN PAPERS SAY OF THE SURRENDER OF PRINCIPLE AT THE BEHEST OF FOUR MEN.

The honor of the Nation, the welfare of democracy, the stability of our Republic have been bartered for an imaginary present ease. Congress has yielded to the bulldozers. But the country's situation will be like that of the man who once puts himself into the hands of blackmailers, for then he finds that it would have been better to have tied a stone around his neck and jumped overboard, for henceforth he has ceased to be a man; he is but the servile, abject, cowardly, cringing semblance of a man, dominated by those who once have been successful in blackmailing him.

For honest and legitimate labor the Manufacturers' Record has the highest respect. It would seek for the largest pay and the shortest number of hours compatible with strength and with work and the highest advancement of humanity, but for men who dare, as the leaders of the railroad brotherhoods did, to bulldoze the Nation by threatening starvation unless their terms were granted, it believes that no denunciation can be too strong, for these men, using the power of the hundreds and thousands of good, honest men back of them and abusing that power—for we are sure many members of these brotherhoods would not uphold them—have wrought for the Nation and for themselves not wisely but disastrously. These men have sowed in the hearts of American people a hatred to labor unions, a hatred as great as that expressed by President Wilson when, in 1909, he wrote: "I am a fierce partisan of the open shop and of everything that makes for individual liberty." And yet these men are not deserving of condemnation one-tenth so bitter as are the men who, without even a struggle, yielded the Nation's honor and voted as these men dictated.

These labor unions have made the people of this country determine that this Nation shall not be ruled by organized labor any more than by organized capital. They have sown the seed of discord which will ripen into a bitterness that will know no end until the evil that has been done has been destroyed and until it shall be made known throughout the length and breadth of the land that no organization can, by the power of threats, the promise of votes, or for other things, trade away the Nation's independence.

The question has not been settled. No great economic or ethical question is settled until it is settled right. The labor unions have lost the friendship of millions who had believed that they were doing some good and who, unlike President Wilson, were not "fierce partisans of the open shop," but henceforth the man who will really lead in following President Wilson's desire to be a "fierce partisan of the open shop" will find that he has a big majority of the American people back of him.

The papers of the country are discussing these questions with unwonted vigor. While some of them have been willing to seek domestic peace, regardless of the sacrifice of honor and principle, many others are vigorous in their denunciation of this policy. From a few Southern papers, in order to show the vigor with which many of them are denouncing the surrender of Congress, we are taking a few extracts. Many of them are strikingly strong. The Baltimore Sun, for instance, one of the most ardent supporters of the Democratic Party and of the

administration, one that was a leader in demanding some congressional action, seems to have caught a new vision of the subject, and on Monday last, among other things, said:

"Like dictators, they established themselves in the Capitol, and at the point of the strike bayonet forced Congress to obey their orders. * * *

"They carried their defiance of public opinion so far as to announce immediately after the passage of the emergency measure by the Senate that they would not rescind the strike order until the bill became a law with the President's signature attached. And the extraordinary spectacle was presented Saturday evening at the Capital of this country of the President of the United States having to beg the big railroad chiefs, through his Secretary of Labor, to call off the strike before his actual signature was appended to the measure, and to accept his word of honor as a gentleman that he would sign it without fail bright and early Sunday morning."

Other papers are equally as vigorous and show that they have clearly sensed the significance, the real meaning, of this momentous hour in the life of the Republic.

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[From the Augusta (Ga.) Chronicle, Sept. 3.]

IS THIS GREAT REPUBLIC OF OURS DRIFTING ONTO THE ROCKS?

That piece of political perfidy which was enacted in the House on Friday and in the Senate of the United States on Saturday—in answer to the defiant demand of certain railroad brotherhoods, which stood, "stop watch in hand," as one Senator aptly expressed it, threatening to tie up every railroad in the country unless Congress came to time with a Federal statute providing for an "8-hour day with 10 hours' pay" without arbitration—may serve to stave off an immediate clash with a certain element of organized labor, but as sure as the sun shines it will rise again to plague this Government and its people from the highest to the lowest.

Nothing more revolutionary has been done in any civilized country, with the possible exception of Mexico, since the French Revolution itself. And we have made much the same sort of history in America this past week as heralded the "reign of terror" which preceded the French Republic. Let us not forget it, for inasmuch as history has repeated itself so far, history will repeat itself still further—unless perchance enough strong men arise to hold back the storm.

For what has happened—this cringing sacrifice of principle to expediency—the country has President Wilson to thank, for it was he who first sought to make political capital out of this national crisis, or, else, was too pitifully weak to display the strength of a strong man in a great emergency. And a pliant and suppliant Congress—fed to mental obesity out of the "patronage" spoon—was only too easily coerced into following the President's lead.

So we have the spectacle of the Government of these great United States, with their 100,000,000 of people, surrendering abjectly, with eager haste, to the uncompromising, unarbitrable demand of an army of only 400,000 men—and these armed only with the ballot.

Is this the place among the nations of the earth that the American Republic has struggled 140 years to attain? If so, may God have mercy on its future. For, as the Manufacturers' Record so well says:

"By the side of this question, that of the tariff, which has seemed supreme in importance, or that of 'preparedness,' vital to the Nation's existence, almost seem to sink into insignificance, for what is the use of trying to save a country from poverty or to save a Nation from destruction if the Nation is composed of a hundred million people who are willing to sacrifice principle for temporary convenience, or who are willing to be blackmailed into yielding principle because of the threat that they will be made to suffer financially if they do not do so?"

Alas! it is the most shameful surrender of principle that has ever yet stained our country's history. There was in it none of the "spirit of '76," when a mere handful of American colonists fought for eight long years the greatest nation of the earth to throw off the yoke of "taxation without representation." There was in it none of the "spirit of the sixties," when this young Nation split in twain and spilled the blood of its countless thousands rather than either side should surrender "principle to expediency."

It is, indeed, an invitation to any foreign foe to make upon us at will lesser or greater demands, believing that we have grown so bloodless as to be willing to surrender almost any principle without resistance. For if an unarmed army of 400,000 men within our borders may make a President of the United States tote and fetch and a Congress kneel and obey, what might not an army of 4,000,000 men hope to accomplish?

But the deed is done, so far as it is within the power of Congressmen and Senators and a President to do; one and all, either so enamored of politics or so cowed by fear of political consequences, as to supinely yield to a few organized-labor "brotherhoods" the right to rule or ruin the country.

For, mind you, this shameless surrender does not stop here. It is, indeed, but the entering wedge. Others are but waiting to be heard from. And why not? Why should a law be passed fixing an "8-hour day with 10 hours' pay" for one class of citizens—and these already by far the best paid in their calling—without extending it to all classes? The men in the mills, on the street cars, the clerks in our stores, the laborers in our fields, the very servants in our families, will be fools, indeed, if they do not come forward to claim their share in this "new civilization."

Only the Supreme Court of the United States—whose members are chosen for life and who are, therefore, independent of the "political effect" of their action—remains to say whether or not the Constitution of these United States can be rewritten by the President and Congress thereof. It alone may forestall the impending revolution, unless, perchance, the people themselves—the unorganized, untrammeled voters of the land—take it into their heads to turn out of office every man who thus reversed the fundamental principles of a democracy and delivered over the government of the majority to a ridiculous minority, and thereby save the Republic to their children and grandchildren.

Unless either the people or their courts undo this revolutionary legislation—this "stand and deliver" mandate of the buccaneer brotherhoods—then, indeed, is this great Republic of ours drifting onto the rocks.

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[From the Baltimore (Md.) Sun, Sept. 4.]

BROTHERHOODS WILL HAVE REASON TO REGRET ARBITRARY AND ARROGANT COURSE.

We all rejoice to-day that the brotherhoods' bludgeon has not been brought down crushingly upon our heads; but while thankful for our escape from the vicious blow, we are in no mood to kiss the hand that threatened to smite us. Frankly, we believe the brotherhoods will have reason to regret the resentment which their arbitrary and arrogant course has provoked. Public good will is an asset which they can not afford to throw away, and they may find that, while temporarily triumphant, they stand to lose more in popular sympathy and support in the long run than they have gained for the time in wages. * * *

Like dictators, they established themselves in the Capitol, and at the point of the strike bayonet forced Congress to obey their orders. * * *

Obviously Congress can not afford to leave the matter as it stands at present. In the circumstances it was forced to surrender in order to protect the life of the country. With a pistol at his head a man is glad enough to save himself by any means in his power. But the interests of society and the dignity and self-respect of the Government demand that no such humiliating incident as this shall be permitted to occur again. * * * At least 80 per cent of the American people want a definite assurance that they will not again be subjected to the compulsion of brotherhood threats whenever the members of the railroad unions take it into their heads to make a new demand. They chose their time well this year, when the menace of a strike was peculiarly serious to both business and political interests. If no further legislation is passed, how can the country know that the same thing will not occur again two years hence or four years hence?

The Government of the United States is founded on the principle of a square deal for everybody. There can be no privileged or favored classes under it without weakening its foundations. Popular wrath against corporations was aroused to fever heat a few years ago because that principle was violated in favor of capital. But favoritism in any form is repugnant to the American sense of justice, and tyranny is as abhorrent when exercised by the union as when exercised by the corporation.

The insolent and dictatorial attitude assumed by the brotherhood leaders in connection with this strike business has disgusted all fair-minded men. They carried their defiance of public opinion so far as to announce immediately after the passage of the emergency measure by the Senate that they would not rescind the strike order until the bill became a law with the President's signature attached. And the extraordinary spectacle was presented Saturday evening at the Capital of this country of the President of the United States having to beg the big railroad chiefs, through his Secretary of Labor, to call off the strike before his actual signature was appended to the measure, and to accept his word of honor as a gentleman that he would sign it without fail bright and early Sunday morning.

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[From the Newport News (Va.) Daily Press, Sept. 1.]

"IS PEACE SO SWEET AS TO BE PURCHASED AT THE PRICE OF LIBERTY?"

Suppose the stockholders of the railway systems of the United States had banded themselves together and served notice on the Interstate Commerce Commission that unless they should be allowed to raise their rates on 10 days' notice, they would tie up all the railways, cut off the food supplies of the cities, throw out of employment not only railroad employees, but the employees of all industries, bring countless thousands to the very verge of starvation and precipitate a national calamity (to use the words of the President), would Congress have rushed through pell mell a bill instructing the Interstate Commerce Commission to yield to the demands of the railroad owners? * * *

We are told that Congress has acted in the interest of peace. But is peace so sweet as to be purchased at the price of liberty? And does this submissive action of Congress tend to bring stable peace? Is it not an incentive to agitation? Is it not an invitation to every other vote controlling organization to raid Congress and make selfish demands? Nay, is it not pandering to the selfishness of an organization which threatened to paralyze the transportation facilities of the country with its Nation-wide results? Is it not confession on the part of Congress that a fraction, and a small fraction, of citizens have it in their power to bring disaster upon the entire country?

These are questions for the people to consider in serious meditation. It is a crisis in the Nation's affairs. We are brought face to face with the question whether the whole people or a small fraction of the people rule Congress. It is time for the people to ask themselves whether or not Senator TILLMAN spoke the truth when he said that Members of Congress are servile to organized labor.

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[From the Macon (Ga.) Daily Telegraph, Sept. 3.]

OF DEEP, WORLD-WIDE SIGNIFICANCE.

The situation is about like this: The brotherhoods have won a victory in that on a threat to lay down their work and starve the Nation the lawmaking body of that Nation has hastened to enact a law forcing the men who supply the money to the pay rolls to pay out each month just what the brotherhoods, the workers, demanded at the first they should be paid. (The modifications from the original demands are slight.) The railroads are given to understand future legislation may see to it they are kept from actual loss by provision for rate increases.

The two strongest brotherhoods have won in the most epoch making coming to grips between capital and labor the world has ever known, greatest because one must judge by the significance of the political victory the workers have achieved. The telegraphers and shopmen will necessarily be next. In view of the victory of the brotherhoods, already given what they asked, brotherhoods that needed it far less than the next two or three to come for their meed, it is ridiculous to say the move will not be made. They have a right to want a law giving them what they want, and as they can tie up the country with the proper support from other unions, who in turn will be wanting to come for their "cut-in"—they will get that law in good time.

In the passage of time all classes of railroad employees should have their demands secured by law and the railroads compensated by further rate increases.

From the railroads to the telegraph companies, to the great industrial producing corporations, such as the United States Steel Corporation, the great flour mills, the packers, the lumber producers—all separate industries, with great classes of employees, who could speedily organize, and certainly should do so without delay in light of what the two railroad brotherhoods have achieved—is but a short and logically natural step. The question of right or wrong, of whether they are entitled to what they ask for, will not enter into the question at all; necessity will make its own law; expediency will mold the policy of the moment, just as it has done in Washington the week so shortly come to an end. In turn those classifications of industry not organized as the railroads are, will be forced to, and the extra cost of production passed on in agreed-upon and adhered-to extra charges to the consuming market. * * *

If this brotherhood of man, politically called Socialism, is not a good thing, if it is what the majority of Americans believe it to be, then the races of the future will write the names of Woodrow Wilson and CHARLES ADAMSON and FRANCIS G. NEWLANDS * * * well, as the men who put through a freak and anarchistic bill during a certain panicky period in the Nation's industrial unrest called the Adamson bill, a law that the Supreme Court promptly relegated to the limbo where it belonged.

One thing or the other, but whichever way one of the most remarkable, most vital pieces of legislation ever enacted in the history of the earth. Its final disposition will mark the choice at the forks in America, and eventually for all the world, one way or the other.

[From the Greensboro (N. C.) Daily News, Sept. 2.]

WILSON'S INVOCATION SHOULD HAVE BEEN "GOD HELP THE REPUBLIC."

Mr. Wilson, before surrendering to the single-bore opportunists who are managing his campaign should rather have pronounced this invocation: "God help the Republic."

The Daily News once more feels itself undone. Upon more than one occasion this paper has sought to support the President, only to find that he had changed his mind or his position, sometimes overnight. Only yesterday we recorded an earnest desire to support Mr. Wilson in this crisis, and we ventured the opinion that the press generally would be glad to do so. But we likewise expressed the hope, despite reason and experience, that Mr. Wilson would stand by himself. It was a work of supererogation.

We are profoundly sorry that Mr. Wilson could not have seen his way clear to do the American people the justice to believe that if he addressed to their sense of fairness an earnest and sincere appeal for support he would have received this support in abundant measure.

The Daily News wishes to say here that it has no desire to do Senator SIMMONS an unkindness. We approved without reservation the stand the Senator had taken, but we disclaim any desire to embarrass him. We withdraw the indorsement.

It may be that the Senator, in seeking to give his support to the program which the President appears to have advanced as a feeler, said things he will want the public to forget, since the issue was allowed finally to revert to the realm of practical politics. We shall not, therefore, recall, to his possible discomfort, that in trying to support the President's short-lived program he made to the discussion a real intellectual contribution.

As we see the Adamson bill, it is outrageously unfair to the railroads. It assumed, in the first place, the essential dishonesty of the managers in their claims that the roads could not meet the increased charges. It denied to the railroads their day in court by abrogating the principle of arbitration.

It is unfair to the brotherhoods, whatever they may think of it for the moment. It is a temporary settlement. The legality of the act is certain to be challenged, and it may be found that the brotherhoods have been effectually, if unwittingly, gold-bricked. It would have been far better to have permitted the Interstate Commerce Commission to have impounded their pay, pending prompt and honest investigation of the merits of their case, and then to have secured a just as well as an enduring decision. It would have been infinitely better to have secured a decision which the public knew to be right and proper.

It may be that in time the companies could afford to pay the men more than is contemplated in the present political adjustment, and this future fairness and justice would have been assured to the brotherhoods under the legislation proposed by the President and abandoned under pressure from misguided labor leaders and nervous politicians.

The next time the brotherhoods foregather in Washington on such a mission they may encounter some statesmanship. It would have been vastly better for all concerned to have settled the controversy right with the public knowing it to be right, than to have settled it with Washington trembling from fear of possible political reprisals.

The Adamson bill may impose hardships upon, as it discriminates against, the thousands of men employed by the railroads, but not included in the membership of the brotherhoods. It discriminates against a class within a class. There is no equable distribution of benefits.

[From the St. Louis (Mo.) Globe-Democrat.]

"MOST PUSILLANIMOUS ACT IN HISTORY OF AMERICAN CONGRESS."

The passage of the eight-hour bill is the most pusillanimous act in the history of the American Congress. We are unable to recall a single instance when the legislative body of the United States Government so abjectly surrendered its right of deliberation as it has done in this case. Urged to immediate action by a frightened Executive, it has rushed through legislation of the most radical and revolutionary character, legislation that is probably, if not certainly, unconstitutional, without the slightest effort having been made to weigh its justice or injustice, without the least consideration of its possible consequences. It is probably true that by this act a public calamity has been temporarily averted; but that does not alter the fact that it has been done under duress, that the great Government of the United States has raised the white flag, without even a show of resistance.

We say this in no spirit of opposition to the principle of the eight-hour day. Quite the contrary. But the right or the wrong of the application of that principle to the railway trainmen is at least a debatable question. It may prove to be beneficent in its operation, but Congress does not know this. Nor does Congress know that it will prove most disastrous in its application. It is a technical matter, as to which the ignorance of Congress is as profound as that of the public generally. Congress has made no effort to inform itself. It has not attempted to investigate the merits of the case. It has thrown up its hands. The provision for a post-mortem inquiry is without significance. Whatever may be the report of the commission, the eight-hour law will stand undisturbed by Congress. That is a kind of legislation that is practically impossible to repeal in a democracy. The railroads may be bankrupted by the act, the public may have to pay tremendously for its maintenance, but it will continue in force, unless the courts declare it unconstitutional. That the courts will do so, because of the wage section, is quite probable, but that prospect does not relieve the Congress of the responsibility for whatever consequences may come from the establishment of this precedent of hasty legislation under compulsion.

[From the Richmond (Va.) Evening Journal, Sept. 4.]

A PITIFUL SURRENDER.

Taking dictation from Chairman ADAMSON, of the House Interstate Commerce Committee, that the eight-hour, higher-wage bill demanded by the President should not be changed by the dot of an "i" or the cross of a "t," the mighty United States Senators, although whining and fretting like restive children in a nursery, swallowed the brimstone and treacle diet furnished by the dominie of their party. Without debate, without information or facts to guide their conduct, the "conservatives" of Congress abjectly acquiesced in the legislation thrust upon the country by the threats of a few men, representing less than one-half of 1 per cent of the population, aided and abetted by the President of the United States. The alternative, an amendment to the conciliation and mediation board Federal statute, they abandoned, although its passage, with the emergency clause, would have stopped the proposed strike. It was a complete surrender of power, dignity, and constitutional authority, the most inexcusable breach of trust the country has witnessed in several generations.

In the first place, the bill is a makeshift, a lame crutch, at best. As Senator KENYON, a good friend of labor, declared: "It is a fraud, a sham, a humbug," and he voted against it because Congress has had "no opportunity to consider the effects or to investigate the facts upon which to legislate for a proposed 10-hour pay for an 8-hour day." In emphatic language he said: "The verdict of the future, especially labor itself, will, in my judgment, verify the statement that the best friends of labor to-day are the men who oppose the passage of the bill." Senator UNDERWOOD'S amendment authorizing the Interstate Commerce Commission to fix wages of the employees of the interstate roads, a logical sequence to the present bill, was defeated, both the Virginia Senators negativing it by their vote; they also voted in favor of the bill, as did Representative MONTAGUE, in the House.

It is a pitiful surrender of the national lawmaking body. United States Senator BORAH tartly observed: "If, indeed, we are met here with a demand which we can not postpone, which we must execute without information, and, most of all, which we propose to execute without information, then, indeed, the spirit of the fathers has departed and the halo which has hung about this Chamber through more than a century past will soon be dissolved."

When told that the bill he had ordered fastened upon the country was ready for his signature, Mr. Wilson is reported to have said, "It is the climax of a very happy day." But not for the country.

[From the Asheville (N. C.) Citizen, Sept. 3.]

AN ENGAGING SPECTACLE.

As matters now stand, there is the possibility that the trainmen will lose what they temporarily gain by legislation in the court findings to the effect that the eight-hour bill, as passed yesterday, is unconstitutional because it is class legislation. Whether the law is unconstitutional or not we are not prepared to say, but prominent lawyers in various sections of the country are reported to have stated that the bill would not stand the test in any court. However, all this is beside the question at present in view of the very welcome fact that there will be no strike in the immediate future. In any event, future generations, as well as the present generation, will look back with mixed feelings on the spectacle of the national lawmaking body of a great world power breaking its neck to pass legislation in order to save the country from a calamity that would wither and blight its commerce and industry.

[From the Staunton (Va.) Daily Leader.]

"FRAUGHT WITH INJUSTICE ALL THE WAY THROUGH."

The President is acting on the theory that it is better to settle the impending strike wrong than not to settle it at all. If Congress acts on this view, it will commit a grave mistake. It were far better to have the contest and fight it out before the public than to commit an injustice either to the public or to the railroads and their owners, for the temporary advantage of a truce which can not be lasting peace unless at the cost of great injustice to vast interests.

The President assumes—and he is trying to bring Congress to the same way of thinking—that the eight-hour day is inevitable; that it is right, and that now is the time to fix it on the railroads of the country for all time. That is an assumption that it would be difficult to prove.

See what the eight-hour day is going to bring if it is forced on the railroads. There is confessedly the necessity of increasing, because of it, the wages of the men.

That money must come from somewhere. Railroad earnings are already too small to pay interest on the investment and can not for long come out of present earnings. The only source, then, is the people; the rates will have to be increased; the President looks to their being increased, and they will be increased.

An increase in the rates means that transportation of all American products will be more costly. This will react on every class of citizens. The farmer will be less able to compete with other nations in the sale of his wheat, corn, and cotton abroad, because it will cost more to get it abroad. The manufacturer will meet the same difficulty with his manufactured products. It tends, just to the extent of the increase, to cut Americans out of the markets of the world, where competition was already before the war very keen, and will again be very keen. It is a serious matter.

This leaves out of consideration the increasing disparity that will thereby be caused between the pay of the trainmen and other classes of railroad labor, and makes it increasingly difficult for these other classes ever to expect any amelioration of conditions. The thing is fraught with injustice all the way through.

[From the Tampa (Fla.) Morning Tribune.]

HOW CLEVELAND SETTLED IT.

When Grover Cleveland was President a railroad strike covering the West and Southwest was instituted. It grew out of a strike of the employees of the Pullman Co., the railroad employees refusing to handle Pullman cars in sympathy with the Pullman strikers.

Almost immediate resort to violence on the part of the strikers followed. Trains were seized, others wrecked, and the strikers seemed determined to take the law into their own hands and stop at nothing. Chicago was the center of the strike troubles, and the governor of Illinois, Altgeld, happened to be in sympathy with the strikers. He did nothing toward checking or punishing the daily acts of violence, which menaced property and life. At this juncture President Cleveland intervened, because of the interference with the mails. His Attorney General, Richard Olney, sent the following orders to all district attorneys:

"See that the passage of regular trains, carrying the United States mails in the usual and ordinary way, is not obstructed. Procure warrants or any other available process from the United States courts against any and all persons engaged in such obstructions, and direct

the marshal to execute the same by such number of deputies or posses as may be necessary."

Disorders were not stopped by this plan, and Gov. Altgeld joined the disturbers in defying the Federal authority. No other remedy appearing in sight, the President ordered Federal troops to Chicago. This stopped the disorder forthwith, and in comparatively short time the strike was at an end. Later appeals to the highest courts sustained the action of the President. The Supreme Court held that the President is justified in "direct interference to prevent a forcible obstruction" of interstate commerce and the transportation of mails, and that a court of equity has a right to issue injunctions "in aid of the performance of such duty."

[From the Jacksonville (Fla.) Times-Union.]

DISGRACEFUL ACT, UNPARALLELED IN AMERICAN HISTORY.

Congress has just passed an act that, so far as we can recall, is unparalleled in American history. It was a disgraceful act. Congress represents the United States of America—a Nation with more than 100,000,000 inhabitants, the wealthiest and most progressive Nation on earth, and one of the most powerful. In behalf of that Nation Congress surrendered to the demands of a comparatively small percentage of the men engaged in transportation without investigation and without consideration.

There was no reason to believe these demands were just. When the demands were made the railroads proposed to leave them to arbitration, preferably the decision of the Interstate Commerce Commission, a body which was better posted than any other tribunal that could have been secured as to the facts illustrating the justice or the injustice of the demands. This the trainmen refused, and demanded unconditional compliance on the part of the railroads, calling a strike in case their demands were not complied with. * * *

The debate in Congress indicated the belief that the demands were unjust, but because of the inconvenience and suffering the men who made the demands were able to inflict on the people and the fact that they were determined to inflict them, Congress surrendered hurriedly and abjectly. We do not believe the American people approve of this sacrifice of national honor. We do not believe that they wish this Government held up by a handful of men. We believe they would much rather have submitted, if necessary, to the loss the strike would have entailed upon them than to have had the Government set the precedent of surrendering to the demands of a small class, not because they were just, but because if the men making them were not propitiated they could and would bring disaster.

[From the Charlotte (N. C.) News.]

DEMOCRACY ON TRIAL.

The spirit of rebellion is still rampant. The dominant determination that the issues between the railroads and their employees should not be submitted to arbitration—the only sane and sound and ultimately effective method of settling every dispute—is still a contention, unharmed and untouched, as militant as it was that moment when the railroads refused to grant what their employees demanded and the employees refused to work unless their mandates were obeyed. We have not arrived anywhere. We have not moved in any direction. The only good that has been done is negative. Congress has simply smoothed over a temporary period of probation what must be ultimately determined once and for all, what shall be the basis of settling the issues arising between capital and labor. Hitherto we have been disposed to believe in and accustomed to the practice of settling such matters by a neutral board. Now we pass up this method—the only method that precedent has furnished us—and seek some other arbitrary and empirical process. We have gained nothing. The principle that is behind the disturbance arising between the trainmen and their employers has not been vindicated or adjudged culpable. The issue is unmolested.

Why not go to the marrow of the situation, why not apply the surgical instruments, why not cut the old sore wide open and find out where we stand as a Nation of sovereign citizens, believing in the ultimate dominance of democracy and continuing in the faith that this is a land that is unyielding to any other faith than that there shall be enjoyed by all "equal privileges and special favors to none"?

The trainmen are not on trial in this controversy; neither are the railroads of the United States. Democracy is the defendant at the courthouse.

[From the Augusta (Ga.) Chronicle, Sept. 1.]

MADE "AN IMPOSSIBLE PROPOSITION THROUGH NO COMMENDABLE MOTIVE."

As indicating a state of affairs in this country that should not be possible in any country which assumes to be governed by law and constituted authority, it may be fairly said that not even an impending declaration of war would create more excitement and uneasiness than has been occasioned by the threat of four railroad brotherhoods to tie up every railroad in the United States unless the latter accede to the former's demands for "an eight-hour day," but which in reality means a wage increase of from 20 to 25 per cent. * * *

Unfortunately, however, it can not be said that the public sentiment of the country so fully indorses the President's method of avoiding such a strike, for, reading between the lines, it has been impossible to avoid the conclusion that he could not, or did not, lose sight entirely of the politics of the situation. Instead of doing what he could have so easily and justly done, by calling both sides to arbitrate the whole question at issue, he simply demanded that the railroads accede to the chief demand of the brotherhoods and leave the balance for further "investigation and adjustment"—there being little else to adjust after the main issue of an "eight-hour day with 10 hours' pay" was settled in the affirmative.

Such a condition was so revolutionary—for it would have fixed industrial conditions in this country for all time; inevitably extending to all other lines—that the railroad officials simply could not accede to it, even under the practical threat of confiscation of the properties which they represent.

Thus balked in this effort to make for himself an enormous amount of political capital at the expense of the railroads of the country, and inevitably out of the shippers—for it is understood that the President even went so far as to virtually promise the railroads "compensations" for this concession—he, forthwith, fell back upon Congress with a proposition for fixing an eight-hour day by statute, and also for a form of compulsory arbitration designed to cover such cases in the future as well as a plan for compulsory service whenever the necessity arises.

Thus it seems to us, he has made a bad matter worse; for, after making an impossible proposition in the first place—and through, we fear, no commendable motive—he next proposes a "remedy" for the future that can be in no way pleasing to the very people he started out to please.

Verily, he seems to be no more of an adept at adjusting great railroad problems than he has proven himself to be in settling our troubles with Mexico, into which he has sent two armies into that unhappy country—with no other alternative than to withdraw them without causing the flag to be "saluted," in the first place, and without "capturing Villa," in the second place.

[From the Greenville (S. C.) News, Sept. 4.]

UNDER WATCH AND PISTOL.

One hundred million American citizens, who had most at stake, were not consulted by their representatives in the Congress of the United States who Saturday surrendered their legislative power to organized railroad labor in this country. The people of the Nation have not passed upon the merits of the brotherhood demand for an eight-hour "basic day" as the measure for fixing wages, which is equivalent to a demand for higher wages; but they have witnessed the method employed in the hold-up, and stamp upon it the seal of their severest condemnation. Threatening 100,000,000 men, women, and children of the United States with starvation and America with commercial and industrial war, railroad labor, holding a watch in one hand and a pistol in the other, has said to Congress: "If you don't give us what we want by Monday morning, we'll blow the business of this country to pieces, stop the United States mails, paralyze the railroads, and let the pepole starve."

As the New York Times has said, railroad labor has blackmailed the whole Nation under the threat of a strike, extorted from a Nation's Legislature a special act granting the demands of the brotherhoods without giving time to inquire into its justice or practicability, put upon the country an "intolerable humiliation," reduced the American people to "a condition of vassalage," since they have not been permitted to enact laws that freely express their will, and have been held up and forced to instant compliance with the terms imposed upon them by the leaders of organizations representing only 400,000 people. Never before has the Congress been forced to make laws "under the threat of a small part of the people to do immeasurable and irreparable injury to the others. If such an outrage can be put upon us unresisted, we have lost our republican form of government."

Moreover, the storming of the Capitol was adroitly timed. In the midst of a presidential campaign, the brotherhoods sprang their unreasonable and extortionate demand, and menaced the closing months of the most successful and peaceful administration that the country has known in 50 years with national disaster and ruin.

The country has paid dear for this "peace at any price." A most dangerous precedent has been established. How will another group of men, representing other vital interests and possessing like power, confront Congress with a like demand? Where will this policy of surrender end? What has become of "the rule of reason" which is supposed to govern the settlement of economic questions in this Republic? What has become of our sacrosanct doctrine, hallowed by the fathers, of "equal rights for all and special privileges for none?" Is the constitutional process of deliberate legislation to be subverted by a form of mob violence? Is this a government of law or a government of men?

Force has invaded and dominated the legislative and executive departments of the Republic, but, before the third, railroad labor must obey the command, "Stand back!" From Congress temporary triumph has been won, but the final arbitrament of the question must come from the highest tribunal in the world, the Supreme Court of the United States, to whom no man, no class, no power, no privilege dares say, with watch in one hand and pistol in the other, "Stand and deliver!" Exalted above politics and unmoved by the fate of political parties, the judiciary will say whether or not this legislation violated the Federal Constitution by discriminating against a class of American citizens, whether or not by confiscation it deprived American citizens of their property without due process of law, and whether or not the Congress is vested with power to impair the obligation of contracts and destroy the freedom of contract by fixing the wage which any person shall pay another.

The still, small, but mighty, voice of justice is yet to be heard. The American people have yet to render their verdict.

[From the Chattanooga (Tenn.) Times, Sept. 1.]

"THE HUMILIATION IS COMPLETE."

The picture presented to the American people in our news columns of yesterday morning was: The heads of the four brotherhoods of trainmen who issued the strike order sitting on a joint throne with arms folded and their eyes blazing a consciousness of power, while the President, the head, and the Congress, the representative of 100,000,000 people—men, women, and children—are prone upon the ground, kowtowing to royalty, pleading for the poor concession of a postponement of the misery, the suffering, the loss, and the peril the "king" is about to impose upon an apparently helpless country! The humiliation is complete when the answer comes from the dictators, "Nothing doing; we can not—which means will not—recall the order, and unless the President, the railroads, and the millions of laboring men and the other millions of innocent citizens grant immediately our demands the catastrophe must fall, and the consequent paralysis of all the business and industry of the country must follow, together with all the consequent distress and human suffering that waits upon it! * * *"

The Memphis Herald, a stanch believer in organized labor and a defender of trades unions, says:

"The announcement sent out to let the strike take place Labor Day is a shame and a sin upon the hard-working class, whose principles are upright and honorable and who would never sanction throwing a whole Nation into distress. Labor Day should not be disgraced by imposing upon it a movement that hurts every other nation and makes a nation suffer. The brotherhood is emboldened because of its great strength. It has asked no aid from organized labor, because it has the arrogance to believe itself bigger and more powerful than all the other opposition combined.

"Now that it has made its pronunciamento, not looking or caring for the consequence, let public sentiment speak out—let the word go to the President from every nook and corner—'Down with the tyrants who show no mercy to the power that created them.'"

[From the Montgomery (Ala.) Advertiser, Sept. 2.]

PRESIDENT WAS UNFAIR.

The men, on the other hand, win almost a complete victory in the proposed legislation. The President sided with them quite openly and frankly. He advocated arbitration, but he dropped his insistence for

arbitration in the face of the men's refusal to accept it. In his address to Congress the President had some excellent things to say of the principle of arbitration. He still hopes to see it established sometime in the future. But he refused to insist upon it in the pending controversy. He told Congress, "It has been rendered impossible by the attitude of the men."

He refrained from telling Congress why the President of the United States gave in on that principle, when he could have demanded legislation from Congress for arbitration, as he demanded legislation for the eight-hour day.

He was altogether much harder upon the railway managers than upon the employees. He said with some severity of the railway executives, "They have thought it best, if they should be forced to yield, if they must yield, not by counsel, but by the sufferings of the country." Inasmuch as the issue was precipitated not by the railroads, but by the men, who are threatening to strike, this was unfair. This and other utterances made it plain that the President's sympathies were definitely committed to the men.

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[From the Greenwood (S. C.) Daily Journal.]

"IT IS TIME THAT A HALT WAS CALLED."

As we see it, certain men in the employ of the railroads who are already overpaid are demanding unreasonable concessions from the roads. The rank and file of the employees are not raising any trouble, and they will be in no way benefited by anything that may be granted the unreasonable crowd who are out to wreck and ruin.

It seems that the roads have gone just about as far as they are able to go, and we believe that this thing has got to be settled at some time, and the sooner the better. The people of the entire country will have, at last, to bear the burden that these strike makers are trying to place upon the roads. This is fully understood, and public sentiment will place the responsibility where it properly belongs. Samuel Gompers and his crowd have oppressed the country long enough. It is time that a halt was called. We have no sympathy whatever with Congress in passing a law to gratify people who are showing themselves to be entirely unreasonable. They are for self and have no regard for the common welfare of the country. They are just as little concerned about their fellow laborers as they are for the men who are higher up.

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[From the Augusta (Ga.) Chronicle, Sept. 2.]

A SHAMELESS SURRENDER OF PRINCIPLE TO EXPEDIENCY.

Clearly it would be just as lawful for Congress to fix the wage scale—by providing "8 hours' work with 10 hours' pay"—for railroad clerks, stenographers, auditors, etc. A proposition so manifestly absurd that no one would think of proposing it.

Of course, such a law won't stand. It is not intended to stand. It is merely a play for time—until after the national election. Politics—simple, but not pure.

A shameless surrender, rather, to the purely selfish demands of a body of men who are supposed to control some 400,000 or more votes.

How much better and more like organized government would it be to meet such issues fairly and squarely, and settle them on their merits, without regard to the "political exigencies" of the case.

Well may it be asked, Whither are we drifting? Oh, perhaps, "plunging" would be the better word.

—

[From the Chattanooga (Tenn.) Sunday Times.]

"THE PUBLIC WILL NOT SOON FORGET IT."

The brotherhoods are responsible not for the peace that is to follow, but for the conditions that rendered the passage of this act imperative, as the Congress apparently believed. They have employed the power they temporarily had of the giant to the uses of the tyrant. They refused arbitration when, as a matter of fact, it was not the eight-hour day at issue, but wages. The brotherhood chose to approach the American people with one proposition to which society in the main gives sanction, the eight-hour day, when they meant an entirely different thing, a thing they sedulously concealed from the public—an increase of wages. They were likewise guilty of a breach of fairness in issuing the strike order even while they were conferring with the President, who was led to believe that there might be a plan of reaching an amicable adjustment of their differences. In defiance of the sentiment for arbitration and regardless of the obligations they were under to frank and open treatment of the President and the public, the brotherhood heads arrogantly announced that unless the Congress passed the law they demanded the strike and all its attendant distress and suffering to the people would be inaugurated. They have bludgeoned Congress to do what they wanted by means of their threat to subject the people to the unspeakable peril their proposed strike would entail, and the public will not soon forget it.

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[From the Newport News (Va.) Daily Press, Sept. 2.]

CONGRESS TERRIFIED BY LABOR VOTE.

After such a speech as that by a distinguished Member of the United States Senate, and one of its oldest Members, it is small wonder that organized trainmen felt sure that they would get out of Congress practically all that they demanded. And it was even so. The trainmen stood by with a club, while Congress rushed the Adamson bill through, and the strike was averted. Congress was terrified, it appeared, by the threat of the trainmen to tie up the railroads and starve the country to death. But it is not the strike per se that has terrified Congressmen; it is the labor vote in the November election. "The Congress of the United States trembles," says Senator TILLMAN, "every time the labor unions frown." And he might have added, "especially about election time." We take it that the Senator knows what he is talking about. Certain it is that Congress rushed through this eight-hour law pell mell, while the trainmen's union stood by with a threat.

—

[From the Florida Times-Union, Jacksonville, Fla., Sept. 4.]

WHO MAKES THE LAWS?

The power of the Executive to dictate decisions to the courts has not been publicly claimed in England or the United States since a king lost his head to maintain it. Roosevelt extended immunity but was driven finally to explain his motives in palliation of the crime. Will Congress allow a Democratic President to claim it, to exercise it, and to defend his right to such power without rebuke? He is entitled to his opinion as to the desire of the public to see the eight-hour day adopted and to pay for the cost of an experiment to be made for the benefit of special interests, but can he enforce on others an agreement with him? Can he grant permission to tax every consumer in the country for the costs of an experiment he might be induced to recommend?

—

[From the Roanoke (Va.) Times.]

"ARE THE PEOPLE PROUD OF THEIR LAWMAKERS?"

Not shorter hours but higher pay was what the brotherhoods were seeking. Let there be no illusion about that. On the surface they have won a victory. That much is to be conceded. But whether the bill that passed the Senate yesterday will stand the acid test of an investigation by the Supreme Court into its constitutionality is another question, and one concerning which there are two opinions.

"Hands up!" cried the brotherhoods, in effect. And the Congress, having for a precedent the example of no less illustrious a personage than the President of these United States, promptly made haste to hold up both hands in token of unconditional surrender.

Are the people proud of their lawmakers?

—

[From the Greensboro (N. C.) Daily News, Sept. 1.]

"MR. WILSON WAS DICTATORIAL AND OPINIONATED."

We think the President erred in rendering the judgment, as the representative of all of the people, in the early hours of the deliberations in behalf of the eight-hour day. His decision was prejudicial to one side in the controversy and sought to close the case with respect of the cardinal, controverted issue. Such disputes can not be settled in the atmosphere of the strike and the walkout. * * * And then, when the presidents and managers failed to accept his fiat, the President straightway visited his condemnation upon them. Mr. Wilson was dictatorial and opinionated. It is a Wilson weakness. It is a fault and a weakness that has more than once driven Congress to the point of open rebellion, and may yet do so. Every railroad manager who failed to accept the White House verdict became at once a sort of Huertista, to be pursued relentlessly to the end of time. If the President, by taking an early stand for the basic eight-hour day, sought to so strengthen himself with the operatives as to be able to deal with them later on, the strategy failed, for the men promptly turned a deaf ear to his appeal for the rescinding of the strike order, while brotherhood officials lost no time in taking a stand against certain features of his legislative program. * * *

—

[From the Memphis (Tenn.) Commercial Appeal.]

WILL BROTHERHOODS ALSO ATTEMPT RAPE OF THE JUDICIARY?

The four brotherhood chiefs took unto themselves the power of the executive and the power of the legislative body of this Republic.

It remains to be seen whether they will take unto themselves the power of the judiciary, or whether the judiciary restores to the executive and to the legislative branches of the Government that which they never should have surrendered.

If this is to remain a Government of the people, by the people, and for the people, they have before them a problem of supreme importance.

It would have been better for the soul of the Republic if the brotherhoods had forced the railroads to grant all their demands rather than to use the machinery of the State to bring about the result achieved.

The question is not one of wages, eight hours, or unionism.

There ought to be unions among skilled laborers; the right to freedom implies the right of organization. But the passage of any law which in such cases as this is a trial and verdict without hearing evidence is foreign to the genius of the Constitution.

—

[From the Richmond Virginian.]

"WILL REACT SERIOUSLY."

We shall be surprised if the American people, when they shall have the opportunity to consider the methods resorted to by the representatives of the railroad brotherhoods in this matter, do not express very warm resentment.

At least there is to be no strike. No babes will die for lack of milk. No children will freeze over a handful of coals this winter. No men will tramp the streets with pinched faces thinking of fireless, moneyless, foodless homes, where the mothers are trying to still the clamor of half-famished little ones. Our great country is to remain prosperous and grow on to greater heights of prosperity—but who will come next to our Capitol and say, "Unless you give us what we want, and now, we will tear down your great business structure, whatever be the damage and human suffering?"

We do not believe that organized labor as a body indorses such methods. In fact, we fear the arbitrary attitude of the representatives of the brotherhoods will react seriously against the interests of the great mass of working people in America, who themselves constitute the great majority of the consuming public.

—

[From the Macon (Ga.) Daily Telegraph, Sept. 2.]

A BIGGER PROBLEM OPENED UP.

The trouble is temporarily averted, so far as tying up the railroads is concerned, but only to that extent. A bigger problem than ever has been opened up.

—

[From the Richmond (Va.) Evening Journal, Sept. 2.]

BETRAYAL OF PUBLIC CONFIDENCE.

Yielding to threats made by four men, the Congress of the United States, coerced by the President of the United States, is about to enact the eight-hour-day law for the benefit of a comparatively small percentage of the people of the United States.

It is a shameful state of affairs, all the more reprehensible because unnecessary. Without at all contending that the eight-hour day is an unreasonable demand, we are impelled to the conclusion that the manner in which it has been forced on the country establishes a dangerous precedent. It is the stand-and-deliver argument to which the President has succumbed, with the dominant party in Congress subservient. * * * It is a terrible betrayal of public confidence, a rank injustice to the whole people.

[From the Houston (Tex.) Daily Post, Sept. 2.]

EXECUTION FIRST, THE TRIAL AFTERWARDS.

It is as if a court had first executed a prisoner and tried him after the funeral.

There was no investigation of the merits of the controversy between the railroads and the men. There was no debate in the House, and there will be none in the Senate. The railroads are to be compelled to stand and deliver, and the people are to be compelled to stand and deliver, and it is the Government that will hold the gun in their faces while a Nation's pockets are rifled of $60,000,000, according to Mr. Lovett. * * *

If Congress is acting with a sense of the dignity of this Nation, with wisdom, with courage, with even-handed justice, and with intelligence, it will be fortunate. It takes the leap in the dark, however, because it admits it doesn't know what it is doing.

If Congress is blundering, and impartial inquiry will show it, it will have saved the Nation nothing and will have put a disgrace upon the Government that is almost beyond forgiveness.

Because it has set the precedent and established the principle of execution in advance of the verdict, and the verdict in advance of the testimony.

The people would have been braver than that, even though courage might have imposed sacrifices. They were powerless. Their spokesmen, forgetting the high obligations they had assumed and the heavy responsibilities intrusted to them, ingloriously surrendered.

It now remains for the future to reveal the consequences.

[From the Asheville (N. C.) Citizen, Sept. 3.]

SETS A NEW PRECEDENT.

Congress has toed the mark on many important matters when President Wilson demanded, and we presume that the national legislators were as anxious to avert the strike as was the Nation generally, being not unmindful at the time of their political future. We do not know what effect on industrial affairs this new precedent will have, but we would not be surprised to see other labor difficulties of national scope pushed up to Congress for settlement.

[From the Montgomery (Ala.) Advertiser, Sept. 3.]

ARBITRATION IS DEAD.

Again Congress, led by the President, has ignored the principle of arbitration. Arbitration as a means of settling industrial disputes is dead for the time being. Congress has established a precedent whereby any well-organized minority of citizens can compel it to pass legislation without study, without consideration, and without regard to the other side of the controversy.

[From the Richmond (Va.) Evening Journal, Sept. 1.]

"FLIMFLAMMING THE PRESIDENT."

* * * In other words, the brotherhoods have succeeded in running a huge bluff on the President, to which Congress is asked to subscribe, regardless of the protestants. This may be justice, but not of a good brand. Peace so secured is too dear to be appreciated.

Mr. ADAMSON. Mr. Speaker, I ask unanimous consent to proceed for two minutes——

Mr. MONDELL. Mr. Speaker, regular order.

Mr. ADAMSON. Mr. Speaker, I want two minutes to reply to some of the misstatements made by the last gentleman who had the floor.

The SPEAKER pro tempore. Under the special order the gentleman from Massachusetts [Mr. GILLETT] is now recognized.

Mr. ADAMSON. I understand there is objection on the other side, which is as cowardly as it is unfair.

Mr. HEFLIN. Mr. Speaker, can not the gentleman from Georgia, the chairman of the Committee on Interstate and Foreign Commerce, the author of this bill, be permitted to have two minutes to reply to the attack made by the gentleman from Pennsylvania?

Mr. MONDELL. Mr. Speaker, regular order.

Mr. MOORE of Pennsylvania. The gentleman occupied three pages of the RECORD this morning, and I was trying to answer him in 10 minutes.

Mr. ADAMSON. Let it go. My speech is in the RECORD of yesterday and knocks the bottom out of all these statements.

Mr. MOORE of Pennsylvania. I had no chance to reply to the gentleman.

EXTENSION OF REMARKS IN THE RECORD.

Mr. BRUMBAUGH. Mr. Speaker, I ask unanimous consent that my colleague from Ohio [Mr. ALLEN] be permitted to extend his remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio? [After a pause.] The Chair hears none.

By unanimous consent, Mr. OLIVER, Mr. LONDON, Mr. HEFLIN, Mr. TAVENNER, and Mr. FARR were granted leave to extend their remarks in the RECORD.

Mr. NORTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on House bill 407, the stock-raising homestead bill, which was received from the Senate a short time ago and which is now on the Speaker's table. There is not sufficient time left now in which to call up this bill and have the Senate amendments agreed to, and then have the bill enrolled and signed by the President.

The SPEAKER pro tempore. The gentleman asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

REPORT OF COMMITTEE TO NOTIFY THE PRESIDENT.

Mr. KITCHIN, Mr. FITZGERALD, and Mr. MANN, the committee appointed to notify the President that Congress had completed its business, appeared at the bar of the House.

Mr. KITCHIN. Mr. Speaker, your committee appointed to wait upon the President, in conjunction with a similar committee on the part of the Senate, and inform him that the House is ready to adjourn and ask him if he has any further communication to make, has performed that duty, and the President directs us to inform the House that he has no further communication to make.

APPROPRIATIONS.

Mr. GILLETT. Mr. Speaker, ever since the campaign of 1892, when they condemned and denounced the Republican billion dollar Congress, the Democrats have applied only one standard in criticizing Republican extravagances, and that was the size of the appropriations. Throughout the 14 years of Republican control of Congress, from 1896 to 1910, in Democratic platforms and speeches there has been this one refrain—the enormous size of the appropriation bills. That has been for them proof positive of Republican extravagance. They have never deigned to consider the purposes or the necessities for the appropriations. Mere magnitude has been their gauge, and has constituted in their eyes a crime.

Applying their own standard and logic the session just closing far surpasses in extravagance any predecessor. The total appropriations of this one session amount to $1,626,439,209.63. In addition the Executive is authorized to incur obligations for $231,945,275.20, so that the whole amount of appropriations and obligations amounts to $1,858,384,484.83.

The largest appropriations ever made in one session of a Republican Congress were $1,044,401,857.12 for the fiscal year 1910. This session exceeds that by $582,037,352.51.

According to the rule applied to us for 14 years by the Democrats, they have been extravagant far beyond all precedent. If we are extravagant, they have been profligate.

But, of course, the rule which the Democrats applied to us was unfair and hypocritical. It is only when those who have denounced appropriations merely because they are large make much larger ones themselves that mere size is a condemnation. It condemns either their appropriations or their previous attacks on us. They are either grossly extravagant now or they were trying to humbug the people when they so bitterly assailed us before. They are either extravagant now in expenditures or they were extravagant before in language.

Of the $1,626,439,209.63 of appropriations, $685,709,823.09 are for the national defense. I make no strictures on these appropriations, though the same amount of money might have been arranged to produce far better results. But it would seem that in a crisis, when such vast sums are suddenly concentrated upon one branch of the Government, it would be prudent to save in the other branches. That, at least, might be expected from a party of professed economists.

It amused me to hear the gentleman from New York [Mr. FITZGERALD] claim credit for his party exclusively for these liberal appropriations for the national defense. He knew and you know and the country knows that these appropriations were made, not voluntarily by that side of the House, but they were made under pressure from this side of the House. The niggardly appropriations which you originally proposed were criticized from this side, and we offered amendments increasing them which you persistently voted down, but when you found public opinion was behind us you gradually yielded and finally adopted what you originally scorned. But the increases originated from this side of the House, and it is as preposterous to claim that that side of the House alone is responsible for them as it is for the gentleman to claim that the present Post Office Department has been a business, nonpartisan administration. Of course, it is a Democratic Congress and you are technically responsible and can claim credit for all that has happened, but practically the Republicans are at least equally responsible for these generous appropriations for the national defense.

But though the President at the beginning of this Congress abruptly changed front, and in contradiction of his previous advice suddenly recommended larger appropriations for the national defense than had ever been made before, and though, during the session, as the popularity of such expenses disclosed itself, his judgment veered rapidly toward the popular side and his recommendations increased, so that he finally approved for national defense purposes, exclusive of deficiency appropriations, $638,939,174.51, while in December he had only recommended to Congress for these purposes $407,973,044.68, yet this has not deterred him from recommending at the same time larger sums for all the other branches of the Government than had

ever been expended before. Not only are the Army and Navy bills the largest in our history, but he recommended larger sums for each one of the other general appropriation bills, with one exception, than had ever been made before. There was no more attempt to live up to the Democratic professions of economy when unprecedented sums were demanded for war preparation than there had been in normal times. Everywhere expenditures which when made by Republicans were called grossly extravagant have been grossly exceeded. At this session every appropriation bill for civil and military purposes alike is larger than ever before, except the pension bill.

Last year the Democratic Party was extravagant, according to their own standard. Yet the increase of the appropriation of money this year over last year is $511,502,197.61. The increase in the appropriations in money and contracts authorized this year over last year is $706,047,472.81.

The following table shows, in parallel columns, the sums in the appropriation acts for the fiscal years 1917 and 1916:

Appropriation Bill.	1916	1917	Increase.	Decrease.
Agriculture	$22,971,782.00	$24,948,852.00	1,977,070.00	
Army	101,974,195.87	287,596,530.13	185,622,334.24	
Diplomatic and Consular	4,061,280.91	5,355,096.65	1,293,815.65	
District of Columbia	11,859,584.45	12,841,707.10	982,122.65	
Fortifications	6,060,216.90	25,747,550.00	19,687,334.10	
Indian	9,771,902.76	10,967,644.88	1,195,742.12	
Legislative, etc	36,904,799.75	37,925,690.25	1,020,890.50	
Military Academy	1,049,813.37	1,225,043.57	175,230.20	
Naval	149,661,864.88	313,600,555.84	163,638,690.96	
Pension	164,100,000.00	158,065,000.00		6,035,000.00
Post Office	313,364,667.00	322,937,679.00	9,573,012.00	
River and harbor	30,000,000.00	40,598,135.00	10,598,135.00	
Sundry civil	126,922,750.79	128,299,285.24	1,376,534.45	
Total annual bills	978,722,857.79	1,349,808,769.64	377,120,911.85	6,035,000.00
Deficiencies	12,316,343.90	[1] 68,555,766.99	56,239,423.09	
Miscellaneous	2,330,603.34	[1] 85,000,000.00	82,669,396.66	
Permanent and indefinite appropriations	121,567,207.00	123,074,673.00	1,507,466.00	
Grand total	1,114,937,012.02	1,626,439,209.63	517,537,197.61	6,035,000.00

[1] This sum is approximated.

Net increase 1917 over 1916, $511,502,197.61.

Statement of appropriations for national defense.

	1917	1916
Army appropriation act	$267,596,730.10	$101,974,195.87
Naval appropriation act	313,360,555.84	149,661,864.88
Fortification appropriation act	25,747,550.00	6,060,216.90
Military Academy act	1,225,043.57	1,069,813.37
Sundry civil appropriation act:		
Armories and arsenals	4,685,405.00	653,600.00
Military posts	1,616,000.00	554,000.00
Military surveys	35,000.00	
Panama Canal fortification	4,535,000.00	2,639,048.00
Deficiency appropriations, Military and Naval Establishments	46,770,648.58	4,786,757.99
National Guard [1]		4,000,000.00
National Guard camps	200,000.00	
Nitrate plant	20,000,000.00	
Total amount for preparedness for defense	685,709,823.09	271,399,497.01

[1] Included in the Army act for 1917 and carried as a permanent annual appropriation in 1916 and prior years.

Increase of 1917 over 1916, $414,310,326.08.

If there be eliminated from consideration in each year the sums devoted to national defense, it leaves for the ordinary civil functions of the Government $843,537,515.01 last year and $940,729,386.54 this year, an increase of $97,191,871.50, or 11½ per cent for a single year, and that at a time when we were compelled to make extraordinary expenditures for an emergency and the most stringent economy was imperative for current expenses. The Democratic Party assumed full control of the Government in the Sixty-third Congress in 1913. The last Congress in which the Republicans had full control was the Sixty-first, in 1909 and 1910. The total appropriations made by the Democratic administration in the Sixty-third Congress ($2,231,055,150.57) exceeded the total appropriations made by the Republican administration in the Sixty-first Congress ($2,054,584,510.90) by $176,470,639.67. That was an increase of 8½ per cent. Comparing the appropriations made at this session when the Government is controlled in all its branches by the Democratic Party, with the appropriations made at the corresponding session of the last Congress controlled by the Republican Party, fiscal year 1911, there is an increase of $598,537,580.45.

Eliminating in each of these years the amounts for national defense, there remains for the civil functions of the Government in 1911, the last Republican Congress, $783,754,214.54 and for this Congress $940,729,386.54, an increase of $156,975,172, or 20 per cent.

The appropriations made this year exceed the estimates of expenditures submitted by the administration by $152,581,401.47.

The estimates of this session are of course the largest in our history. They exceed the estimates of last year by $338,669,823.85.

Moreover, these estimates requested by President Wilson exceed the revenues which he estimates for the year in which they are to be expended by $182,857,808.16.

Opinions will differ as to where the cuts should have been made. There are innumerable small items of expense which seem of slight account by themselves, but which all unite to form the swelling and overwhelming flood of extravagance. I will suggest a few very large items, some of which in this time of stress might have been omitted or postponed or reduced:

New public buildings	$7,448,950
Furniture for buildings	775,000
Valuation of railroads	3,500,000
Reclamation projects	8,884,000
Alaskan Railroad	6,247,620
The increase over last year for rivers and harbors	10,598,135
To the States for roads	6,000,000
Rural credits	6,100,000
Shipping bill	50,100,000

A large part of the appropriation of this year goes to pay salaries. You will remember the platform on which this administration was elected declared, "We demand a return to that simplicity and economy which befits a democratic government and a reduction in the number of useless offices, the salaries of which drain the substance of the people." The only offices which I have been able to discover abolished, by affirmative action, during the entire period of this administration were the five judges constituting the Commerce Court and the four minor places connected with the court. The places were by law of life tenure, and so as they could not be filled by "deserving Democrats" they were naturally regarded as useless and abolished.

During the Sixty-third Congress, covering the first two years of President Wilson's administration, pledged by its platform to reduce offices, the salary roll of the Government was increased by 7,033 statutory places, with salaries aggregating annually $7,769,585.12. This is the net increase. The gross increase was more than twice as large. And, in addition, lump-sum appropriations, used solely for the payment of employees, were increased $9,756,142.60, the number of employees and the rates of compensation being discretionary with the heads of departments. This would make the total net increase in number of offices at least 15,000. That payment out of lump sums is a system of employment which Congress for years had been endeavoring to diminish, because it engendered extravagance and favoritism. During the same period the net number of salaries increased reached 367, involving an annual increase of pay of $65,416.33. The 7,033 new statutory places do not include all the new employees under this administration, but only those for which the Sixty-third Congress was directly responsible. Many new offices come into existence every year without any affirmative action by Congress, and those I do not include. For example, the general law provides that when a city reaches a certain size it shall have letter carriers. Congress does not

have to pass any new law creating them, and so that Congress is not responsible for them and I do not include them in the 7,033 new statutory places. Employees working on the Panama Canal are not considered at all.

It is impossible to segregate yet the new places created in this session, but they will certainly far outnumber those created in the whole of the last Congress. From the best information I can get I estimate the whole number of new offices since the beginning of this administration at from 35,000 to 40,000.

Among the new places created were 5, at $12,000 each; 6, at $10,000 each; 2, at $8,000 each; 1 at $7,500; 1 at $7,200; 7, at $6,000 each; 4, at $5,000 each; 3, at $4,500 each; and 4, at $4,000 each. At the present session, by special enactment, 4 more, at $10,000 each; 6, at $7,500 each; 1 at $5,000; and 3, at $4,000 each, have been created, and the multitude of others created since last December, in annual appropriation acts, in lump sums, and otherwise, at salaries varying from the paltry sum of $5,000 down, it will take time and research, after the session has closed, to determine—their number will run into the thousands.

One salary was increased from $5,000 to $12,000, 3 from $12,000 to $17,500 each, and one from $7,000 to $9,000.

In creating specifically so many places with unusually large salaries, opportunities for employment with convenient compensation at the discretion of the Executive have not been overlooked. The Federal Reserve Board is provided with a secretary, at $7,500; an assistant secretary, at $6,000; a counsel, at $7,500, a division chief, at $6,000; a private secretary to each of the six members of the board, at $2,500, together with attorneys, experts, assistants, clerks, and other employees without limit, and at such rates of compensation as the board may choose to fix, all to be paid by the banks of the country, or rather by those who do business with the banks. All these were carefully exempted by law from the operation of the civil-service act, so that the spoils system might be exercised unhampered. When the President appointed the members of this board, who have all this patronage and who have such unbounded influence over the banking interests of the country, he took pains that they should all be Democrats and that there should not be a Republican on the board. The Federal Trade Commission, organized only a little more than a year ago, proposes in its first estimates to Congress to have 1 attorney at $10,000; 6 others, at $5,000 each; and 4, at $4,000 each; a clerk at $1,800 to each of the 5 members of the commission, and special experts, special examiners, special agents, clerks, and others with pay and allowances, amounting to nearly $300,000, and all exempted by special provision of the law from the civil-service act.

The Federal farm-loan act, in addition to four members of the board at $10,000 each, authorizes the appointment of a farm-loan register and innumerable other appointments, as the board may deem necessary, at such rates of pay as it may fix, and under this broad authority they have already appointed a secretary at $6,000 a year; and in order that deserving Democrats may not fail of the appointments, the law provided, like the others, that all should be employed without reference to the civil-service law. The act appropriated $100,000 for expenses of organization, and a further sum of $300,000 has been demanded of Congress for a year's support of this institution, and of that amount the sum of $100,000 has already been given. The balance will doubtless come later.

Under the act for the construction of railroads in Alaska, involving a total expenditure of $35,000,000, the President is given the broadest possible latitude in the employment of officers, agents, or agencies, and to fix their pay. The civil-service law does not apply to them. Accordingly, we find on the statement of proposed expenditures for the current fiscal year the salaries of three commissioners at $10,000 each and countless engineers and others whose pay for the year will run into the hundreds of thousands of dollars. And their salaries are not being paid from ordinary revenues, but in this year of crisis and emergency they "drain the substance of the people" through new and special and onerous methods of personal taxation.

The roads act authorizes the Secretary of Agriculture to employ such assistants, clerks, and other persons as he may deem necessary, without limit as to rate of pay.

The shipping law creates a shipping board with five members at $7,500 each, a secretary at $5,000, and authorizes it to employ and fix the compensation of such attorneys, officers, naval architects, special experts, examiners, clerks, and others as it may find necessary, practically all of whom, in the discretion of the board, are to be selected outside of the civil-service law. The bill appropriates $50,000,000, to be raised by the sale of bonds, originally authorized for the construction of the Panama Canal, but saved by Republican economy and never issued. How the mouths of the faithful must water at that prospect.

A tariff commission, which the President and Democratic doctrines have always held unnecessary, but which may prove a "good enough Morgan" until after election, will "drain the substance of the people" for six members at $7,500 each, a secretary at $5,000, and with power to employ and fix the pay of such experts, examiners, clerks, and others as it may find necessary. The secretary, a clerk to each commissioner, and all special experts are to be employed without reference to the civil-service law. The sum of $300,000 a year is allowed, and most of this will go to salaries.

The Mississippi flood-control act, which has passed the House but is pending in the Senate, authorized $50,600,000 to be spent within a possible period of five years, and will include the payment for services running into the millions of dollars. It did not neglect the opportunity to increase the pay of the four civilian members of the Mississippi River Commission from $3,000 to $5,000 each per annum.

Although to meet these enormous expenses the country has been burdened with new and burdensome taxes, yet they are proving insufficient, and bonds are to be issued to meet the deficit. That we are accustomed to under a Democratic administration. The last administration of President Cleveland met its running expenses by issuing bonds to the amount of $262,315,400. One of the loudest boasts of this campaign is that we have been kept at peace, yet now it is proposed to issue $130,000,000 bonds to emphasize the peace with Mexico and $70,000,000 more for the Shipping Board and the nitrate plant. That is more than was issued for the entire Cuban war. Fortunately there are available in the Treasury bonds which Republican economy provided. When we undertook the construction of the Panama Canal it was considered a project of such magnitude and perpetuity that it might properly be paid for by a bond issue and bonds to the amount of $375,000,000 were authorized. But up to March 4, 1913, when the Republicans went out of power, there had been expended on the canal $304,022,845.77, of which only $138,600,869.02 was met by the sale of bonds, while the greater part of the cost, $165,421,976.75, was paid out of the current revenues, and the bonds which might have been used were left in the Treasury. Now it is proposed in this time of boasted peace, to use these bonds to pay for the annual expense of the Government, which can not be met even by the increased income tax, the inheritance tax, the munitions tax, and the continuance of many features of the emergency revenue act.

This session of Congress has not failed to follow what has become the regular Democratic practice in neglecting to pass its appropriation bills before July 1, when the fiscal year ends, and so has occasioned embarrassment and expense to the departments. Last year Secretary Redfield complained of the injury to his department by this Democratic practice. This year it is Secretary Daniels who sends a special communication to Congress setting forth the damage it causes his department and begging for relief. But despite the well-known inconvenience and expense resulting from such delay, on July 1 of this year only 5 of the 12 general appropriation bills had become law—the diplomatic, the Indian, the legislative, the pension, and the sundry civil—while 7, including the largest bills, were in arrears and a temporary resolution had to be passed to allow the wheels of Government to run at all. Such is Democratic efficiency.

Thus the financial pages of this session have all the earmarks of a Democratic administration—appropriations enormously larger than ever before, no reduction in the normal routine expenditures, but on the contrary a general increase despite the pressure of special emergencies, an abnormal increase in the number of offices, in the size of salaries, and in the places which can be used as rewards for political work without regard to the civil-service law, and to crown all, a deficiency in revenues which must be supplied by the issue of bonds. Such are the ingredients of the traditional Democratic economy.

The following table shows the estimates submitted, a chronological history of each bill, the total appropriations made and contracts authorized at this session, and the appropriations of last year:

Chronological history of appropriation bills, first session of the Sixty-fourth Congress; estimates and appropriations for the fiscal year 1916-17; and appropriations for the fiscal year 1915-16.

[Prepared by the clerks to the Committees on Appropriations of the Senate and House.]

Title.	Estimates, 1917.	Reported to the House.	Passed the House.	Reported to the Senate.	Passed the Senate.	Law, 1916-17.	Law, 1915-16.
Agriculture	$24,159,089.00	$24,501,093.00	$24,673,293.00	$23,028,820.00	$25,230,527.00	$24,048,852.00	$22,971,782.00
Army	150,931,483.47	(157,223,246.10)	(182,203,256.10)	(330,500,010.10)	(318,020,447.10)	[1](267,256,760.10)	101,974,135.82
		267,596,530.10	267,596,530.10	267,596,530.10	267,596,530.10	267,596,530.10	
Diplomatic and Consular	5,426,698.70	5,483,246.66	5,068,346.66	5,230,096.66	5,301,096.66	5,355,096.66	4,061,280.01
District of Columbia [2]	15,473,676.34	11,894,737.34	11,931,817.34	14,952,092.96	15,827,734.72	12,841,737.10	11,859,784.15
Fortifications	23,305,123.80	21,997,050.00	22,368,050.00	25,120,110.00	26,295,110.00	25,747,550.00	6,033,216.49
Indian	10,175,036.66	9,350,646.66	8,961,437.66	12,077,187.44	11,996,786.44	10,967,644.88	9,771,892.76
Legislative, etc	39,749,377.25	37,601,539.25	37,616,049.25	38,196,762.25	38,209,062.25	37,925,080.25	36,004,780.75
Military Academy	1,422,775.77	1,218,804.57	1,218,804.57	2,238,528.57	2,238,544.57	1,225,045.57	1,003,814.57
Navy	217,652,174.24	241,371,858.59	260,891,961.34	315,720,516.54	316,726,516.54	313,909,577.84	149,661,893.88
Pension	160,565,000.00	158,065,000.00	158,065,000.00	158,065,000.00	158,065,000.00	158,065,000.00	164,100,000.00
Post Office [3]	316,264,879.00	321,352,979.00	321,399,979.00	322,905,679.00	322,915,679.00	322,937,679.00	313,364,667.00
River and Harbor	[4]44,376,710.00	37,808,410.00	37,808,410.00	40,889,955.00	41,723,935.00	[5]35,598,135.00	[6]20,000,000.00
Sundry civil	[7]141,181,110.93	127,237,221.24	127,540,651.24	128,246,445.24	129,657,186.67	128,209,285.24	126,022,758.70
Supplemental estimates	[10]112,000,000.00						
Total regular annual appropriations	1,262,783,135.16	1,265,569,116.41	1,294,230,430.16	1,355,196,413.76	1,359,746,698.05	1,340,808,760.64	978,722,877.74
Urgent deficiency 1916, mail bags, etc		191,444.17	191,444.17	197,684.17	197,684.17	197,684.17	
Urgent deficiency 1916, and prior years, general		12,372,304.50	12,372,076.92	13,523,247.17	13,526,247.17	13,442,807.17	
Urgent deficiency, Navy, etc	[8]70,000,000.00	3,260,800.00	3,260,803.00	3,442,803.00	3,669,046.05	3,472,046.06	12,316,745.50
Urgent deficiency, Army		8,611,502.11	8,611,502.11	8,611,502.11	8,611,502.11	8,611,502.11	
Urgent deficiency, Army and Navy		25,952,098.83	27,556,098.83	27,556,098.83	27,556,098.83	27,556,098.83	
Deficiency, 1916, and prior years		14,326,272.53	14,352,069.11	15,467,908.60	15,741,870.54	[9]15,288,403.63	
Total regular annual and deficiency appropriations	1,338,783,135.16	1,330,486,508.15	1,360,734,691.30	1,423,975,684.70	1,428,993,117.83	1,415,304,536.63	991,039,623.24
Miscellaneous						[11]85,000,000.00	2,793,807.91
Total, regular annual, deficiency, and miscellaneous appropriations						1,503,304,536.63	993,833,431.15
Permanent annual and indefinite appropriations	[12]135,074,673.00					[12]123,074,673.00	133,267,297.01
Grand total, regular annual, deficiency, miscellaneous, and permanent annual and indefinite appropriations	1,473,857,808.16					[13]1,626,439,209.63	[14]1,114,937,012.02

[1] The Army bill for 1917, as originally passed, was vetoed by the President on Aug. 18, 1916. The amounts of the vetoed bill are set forth in parentheses in order to preserve its history, but the amounts are not included in any of the totals stated herein.

[2] One-half of the amounts for the District of Columbia payable by the United States, except amounts for the water service (estimated for 1917 at $130,480), which are payable from the revenues of the water department.

[3] The expenses of the Postal Service are payable from postal revenues to the extent that they are sufficient therefor and the remainder is paid out of the Treasury. For the fiscal year 1917 the sum of $8,000,000 is estimated, under permanent annual and indefinite appropriations, as the amount required from the General Treasury to supplement the postal revenues.

[4] In addition to this amount the sum of $1,462,800 to meet contracts authorized by law for river and harbor improvements is included in the sundry civil estimates for 1917.

[5] In addition to this amount the sum of $1,482,800 is appropriated in the sundry civil act to carry out contracts authorized by law for river and harbor improvements for 1917.

[6] In addition to this amount the sum of $3,982,000 was appropriated in the sundry civil act to carry out contracts authorized by law for river and harbor improvements for 1916.

[7] This amount includes $1,462,800 to carry out contracts authorized by law for river and harbor improvements, and $27,535,469.11 for construction, maintenance, operation and fortification of the Panama Canal for 1917.

[8] This amount includes $1,482,800 to carry out contracts authorized by law for river and harbor improvements, and $21,335,000 for construction, maintenance, operation, and fortification of the Panama Canal for 1917.

[9] This amount includes $12,196,550 for construction of public buildings; $3,982,000 to carry out contracts authorized by law for river and harbor improvements; $19,573,048.30 for the construction, maintenance, operation, and fortification of the Panama Canal; and $13,530,000 for the Reclamation Service previously provided for under permanent appropriations.

[10] This amount is approximated.

[11] This amount is approximated, and includes $30,100,000 in the shipping act; $20,000,000 in the national defense act; $9,000,000 in the good roads act; $6,100,000 in the farm-loan act.

[12] This is the amount submitted by the Secretary of the Treasury in the annual estimates for the fiscal year 1917, reduced in stating the appropriation for 1917 by the sums of $4,000,000 on account of the repeal of the permanent appropriations for the Organized Militia and $8,000,000 for postal deficiency included in amount of annual postal appropriation act. The exact amount appropriated under permanent appropriations is not ascertainable until two years after the close of the fiscal year. This sum includes estimated amount of $60,727,000 to meet sinking-fund obligations for 1917.

[13] In addition to this amount contracts are authorized to be entered into, subject to future appropriations by Congress, as follows: By the District of Columbia act, $700,000; by the fortification act, $13,800,000; by the naval act, $209,453,325.20; by the river and harbor act, $2,287,950; by the sundry civil act, $5,107,000; by the deficiency acts, $506,000, and by the Sandusky, Ohio, public building act, $85,000; in all, $231,945,275.20.

[14] In addition to this amount contracts are authorized to be entered into, subject to future appropriations by Congress, as follows: By the District of Columbia act, $100,00[illegible] by the fortification act, $300,000; by the naval act, $37,000,000; in all, $37,400,000.

ADJOURNMENT SINE DIE.

The SPEAKER. The hour of 10 o'clock having arrived, the Chair declares the first session of the Sixty-fourth Congress adjourned without day. [Prolonged applause.]

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 17093) granting a pension to Herbert S. Coheley; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 8379) granting a pension to Ida L. Carter; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, resolutions were introduced and severally referred as follows:

By Mr. BENNET: Resolution (H. Res. 370) regarding inquiry concerning Ellis Island; to the Committee on Immigration and Naturalization.

By Mr. GARDNER: Resolution (H. Res. 371) to appoint a committee to make investigation concerning the activities of the American Commerce and Protective Committee of the American Embargo Conference and similar organizations; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills were introduced and severally referred as follows:

By Mr. CARY: A bill (H. R. 17796) granting a pension to Ingoald Rugg; to the Committee on Pensions.

Also, a bill (H. R. 17797) granting a pension to Patrick Harkin; to the Committee on Pensions.

Also, a bill (H. R. 17798) granting an increase of pension to Michael Smith; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. FARR: Petition of Pittsburgh Chamber of Commerce, in opposition to immigration bill; to the Committee on Immigration and Naturalization.

Also, protest of Rev. A. Doster, of Scranton, Pa., against Great Britain's interference with American rights on sea and on land; to the Committee on Foreign Affairs.

Also, memorial of Order of United Commercial Travelers of America, in favor of Federal aid and supervision of the highways of the country; to the Committee on Roads.

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